



**Consumer
Focus**
Campaigning for a fair deal

Broadband minded?

Overcoming consumers' barriers to internet access

Jillian Pitt

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About Consumer Focus

Consumer Focus is the statutory consumer champion for England, Wales, Scotland and (for postal consumers) Northern Ireland. We operate across the whole of the economy, persuading businesses, public services and policy makers to put consumers at the heart of what they do.

Consumer Focus tackles the issues that matter to consumers, and aims to give people a stronger voice.

We don't just draw attention to problems – we work with consumers and with a range of organisations to champion creative solutions that make a difference to consumers' lives.



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Research carried out by

Georgia Klein
Georgia Klein Consulting

Dr Jonathan Freeman
Dr Jane Lessiter
I2 Media Research Ltd



Executive summary

Current Government policy, set out in the Digital Britain strategy, includes 'universal access to today's broadband by 2012'. Aside from physical availability, the common conception is that money, or lack of it, is the main barrier to taking up internet access at home, especially for low income consumers.

However, research in this area has offered clues that money is not the only factor stopping consumers engaging with the internet. So Government and business may need to change their approach. Consumer Focus investigated further, asking low income consumers about their attitudes to broadband and what motivates them to get it.

What emerged was a rich and complex picture. Consumers who have the internet are clear; they found it a real benefit to their lives and had no intention of giving it up. Those without the internet at home had a wide range of reasons for not doing so, including:

- a fear that the internet may undermine face to face communication with friends and family
- concerns about using the internet – in particular the hardware and software that may require constant external support
- fears about the introduction of viruses and how to overcome threats to personal data from outside sources
- a generation issue – even when older people had access to the internet at home some only turned it on when their grandchildren came round
- concerns about costs remain – many believed that not having a credit card or not being able to afford Direct Debit meant it was difficult/impossible to reap the benefits of internet shopping or paying for utilities online

Key findings

Lessons can be learnt from those who have already adopted the internet in their homes. They find many positive aspects and show it is worth persevering with policies to encourage more people to take up home internet services.

i. The internet makes life easier

Having access to the internet at home is seen by some as an integral part of their lives and once it is adopted is there to stay. Many of our participants had made the conscious decision to budget for having broadband in the home and said how much they valued it. They liked its time-saving qualities and how it could make life easier, for example when completing tax returns or renewing car tax. Children were singled out as one of the key drivers for having home internet, many parents felt that it was essential for their children to be able to use the internet at home for studies and homework. Work was another motivating factor with many of our participants using the internet to apply for jobs.

'Internet, it's an essential part of life. It wasn't before but now it is...I email...I get most news, information and research when I'm trying to find out something'

London (HH6A)*

'It's a luxury because we've lived without it, haven't we? But it's like now we've got it, we couldn't live without it. When we didn't have it, it's like he had [internet on] his [partner's] phone, and I used it like at work, but now like we've got it, we seem to do loads on it...'

Doncaster (HH5B)

* Code definitions in annex 1

ii. Worth making sacrifices for

Many of our participants with home internet used it for buying and selling items via EBay, searching for employment, for educational studies, social networking, entertainment and networking for work. Low income households who have adopted the internet have had to make sacrifices in order to do so. To give something up to enable the adoption of the internet, the benefits to having the internet need to sufficiently motivate those who are sceptical about its value.

'I'll still be using it to keep in touch with all my friends. I do go on Facebook every day, eBay you know, and if you want ideas on something...'
[Participant 1]: 'even cooking stuff' [Participant 2]: 'yeah!' [Participant 1]: 'like cooking roast potatoes, it's like how do you cook the best ones.'
[Participant 2]: 'it's just everything, anything you wanna know about, you can just put it in there'
Doncaster (HH5B)

'Oh I Google everything, everything, I Google everything'
Doncaster (HH7B)

iii. Social networks – not just on the internet

Although cost is an issue and more innovative cost options are required, it is also important to note that saving money in itself is not sufficient incentive for people to take up broadband.

Some of our participants valued using the internet but also wanted to see people face to face while using it. Those participants who did not have the internet at home reported using it at a variety of locations including friends' or families' houses, school, college, local libraries or at work. Many of the children interviewed said they felt restricted by the opening times of schools, colleges and libraries, while others saw it in a more positive light – having time restrictions could mean that they would use the internet more purposefully.

'I can get on it at college and I get on it at my boyfriend's house.'
Doncaster (HH6B)

'Yeah sometimes they say that it [homework] has to be done on the computer so I'd have to go to my friend's or the library [interviewer: 'the school or local library?'] well there's a local library and the school library but the school library is usually quite full so I usually go to the local library.'
Sheffield (HH3A)

'What we've noticed about friends who do have it [the internet] is that after the first six months it's not quite the focus of life as it was...the novelty wears off. If you don't have that time or inclination to constantly sit in front of a screen... the benefit of going to a library is that you have a set period of time.'
London (HH8A)

iv. Saving money not enough

For some of our participants the benefits they were told about, such as saving money using the internet to either access better deals with utilities or buy cheaper goods online, were not particularly relevant. Many who took part in our research did not have bank accounts or the credit facilities needed to take advantage of using the internet in this way.

What are the three main barriers stopping you from getting broadband internet at home?

'Cost, messing about with bank accounts and stuff like that, and a landline, and, not really interested, no benefit yeah. I can't see what it would give me back for all the messing about I'd have to do to get it, to receive it.'
Sheffield (HH4A)

'If I didn't have friend's one (computer with broadband) I'd be saving up for one, struggling thinking how I'm going to do it. I do think about asking that Brighthouse shop but they want so much interest on top it really ain't worth it... The amount of money they charge on top is ridiculous.'
London (HH1A)

v. Offer practical lower cost solutions

To help persuade people about the benefits of home internet access a number of initiatives should be considered. These include:

- low cost options for buying equipment
- wider distribution of refurbished computers
- free trial periods in using the internet
- contract-free deals such as lower cost broadband pay as you go

'I wouldn't have broadband. I would have, like I say, this dongle. Because if I had broadband, I'd have to then have the phone fitted and that would really cost, and I don't want to go down that road.'
Sheffield (HH3A)

'I'm sure companies upgrade their computers all of the time – what do they do with their old computers?'

London (HH7A)

'Refurbished...£190 lovely it was. Nice price, nice laptop...but again I was worried about how I was to get it online, but now I know I can.'
London (HH1A)

So what does it all mean?

The internet offers undoubted benefits to consumers, but a new approach needs to be taken to promoting them. Traditional methods focusing on the financial savings that can be made are not sufficient in themselves.

Consumers' values and priorities vary and new benefits and ways of promoting them need to be used. Once people have the internet in their lives they value it and will use it for a wide variety of purposes, the key is to find a benefit that means something to them in the first place.

Although cost savings are not sufficient incentive on their own, the cost of going online remains a significant barrier for some taking-up the internet and needs to be addressed.

1. Introduction

Broadband take-up: The story so far

More homes in the UK took-up broadband (fixed or mobile) than any other communications service during 2008/09. By the first quarter of 2009, 68 per cent of households were online¹. But this means that one in three households still do not have the internet in their homes.

According to Ofcom, 12 million people in the UK do not use or have access to the internet. Explanations come from both the supply and demand-sides of the market: lack of availability, affordability, capability and perceived or actual relevance².

Over the past year there has been considerable growth in the take-up of the internet among low income households. Over half (51 per cent) have the internet now compared to just over a third (35 per cent) one year ago. These figures are still less than average for UK adults (three in every four adults, 73 per cent). For those on very low incomes (less than £11,500 per year) only 29 per cent have internet access at home compared to 69 per cent of those with a household income of £30k or above³. One recent survey revealed that people earning over £40,000 per annum were more than twice as likely to be online compared to those earning less than £12,500 per annum⁴.

There are programmes in place to help low income households with the take-up of the internet. Digital Britain published in June 2009 proposed securing a universal service commitment for broadband. Although digital inclusion is firmly on the Government's radar, the emphasis has been towards the physical infrastructure (cables and wires to the home) not the reasons why people choose to have (or not have) the internet. The national commitment is to schemes such as:

- Home Access⁵ – where families on a low income with children benefit from a free laptop and one year's free broadband connection
- UK Online centres – which provide millions of people with access to computers and the internet, along with help and advice on how to use them

These go some way in trying to encourage those who have yet to adopt the internet, but do not cover all the issues.

Consumer Focus wanted to better understand why low income consumers are not adopting broadband and to delve beneath the surface of people's attitudes, beliefs and behaviours related to what factors motivated them to adopt the internet.

¹ Ofcom (August 2009). *The Communications Market Report: The Market in Context*. http://www.ofcom.org.uk/research/cm/cmr09/CMRMain_1.pdf

² BIS & DCMS (June 2009). *Digital Britain Final report*. <http://www.culture.gov.uk/images/publications/digitalbritain-finalreport-jun09.pdf>

³ *Ofcom Nations and Regions Tracker – Quarter 1 2009*. 10 January to 28 February 2009

⁴ Oxford Internet Institute (2009). *The Internet in Britain 2009*. <http://www.oii.ox.ac.uk/microsites/oxis/publications.cfm>

⁵ Home Access: www.becta.gov.uk

Our research

Consumer Focus commissioned I2 Media Research and GK Consulting to interview participants in their own homes to get a clearer picture of what the challenges, barriers and interests are for low income households (and national government and industry) in accessing the internet.

The interviews used a combination of questionnaire/diary and in-home depth interviews with 28 participants from 14 low income households around the UK.

Participant households were recruited to quotas on age, location (rural/urban, north/south), presence of children in the household, and whether the households had landlines (fixed line telephone), mobile access to the internet (via dongle and/or mobile phone) and/or fixed access to the internet.



2. Are consumers broadband minded?

We looked at what our participants considered when making decisions about a range of services and activities.

Five categories were identified by participants all relating to needs fulfilment:

- i. Necessity – eg for income generation or for maintaining health and independence
- ii. Affordability – eg low initial payments, low ongoing costs
- iii. Social connectedness – eg human interaction, community
- iv. Enjoyment – eg entertainment and relaxation
- v. Familiarity and ease – eg it's the way things are done, easy to use, simple

i. Necessity

Participants, with and without internet access, referred to necessity as a key consideration that could influence which activities and services they engaged with. This included paying bills and accessing benefits from the local post office, visiting the doctor and picking up prescriptions.

'I pay the bills down there [Post Office] I pay my phone bill there. I get my savings stamps there. I find it a very easy way to get money together for when the bills do come in...it's so easy.'
Doncaster (HH4B)

ii. Affordability

For all participants, value for money was top of their agenda. Some participants (with and without broadband) reported scouring the local shops for the best food deals. Some made active choices on how to prioritise their spending – food was often mentioned as one area where money could be saved.

Several of the participants without internet access at home were aware that shopping online could in theory be better value for money, but required a debit or credit card which they did not have. Some participants with the internet at home referred to the efficiency and time-saving benefits of online activities, making the link between time and money. For some participants the time savings afforded by going online had been realised and were appreciated.

Do you think having internet access improves quality of life?

'Yes, because I think it frees up a lot of time purely by searching things – like that toilet that's broken upstairs...So where it's saving time, it's making life easier because it gives us more time to do other things and get our head together.'
Doncaster (HH7B)

For others the costs of the initial outlay for going online at home which included paying for a PC or laptop, internet subscription etc outweighed the perceived benefits.

iii. Social connectedness

All our research participants mentioned the importance of face to face interaction with other people in their lives. This included interaction with close family and friends as well as acquaintances in the local community. Non-adopters of home internet repeatedly talked about the benefits of using the local shops, pub and post office.

'Keeping social. If you socialise – that keeps me happy; with a group of people, having a chat, having a laugh than sat here, by myself watching telly.'

Doncaster (HH5B)

iv. Enjoyment

Nearly all the participants referred to the positive emotional benefits they received from various activities that they took part in to be entertained, to relax or just to enjoy. This could be an important way to introduce the internet into people's lives. By selling the entertainment benefits as a way to attract people to adopt the internet, they can then be encouraged to use the internet for other purposes.

'Sky+, fantastic, no tapes and you can do series link...' [Interviewer: 'So where would it go on the list?'] 'Essential...'

Husband and wife, Manchester (HH2A)

v. Familiarity and ease

Another key theme that emerged from our interviews related to participants liking familiarity, convenience and simplicity. There are two aspects here, firstly if a way of doing things has always worked, and still does, there is no reason to try and change. Secondly, several of our participants discussed taking the easiest step to reach a goal – for example, having a landline because it was in the house when they moved in. Related to both of these aspects is doing things because they are easy and trusted.

'I'd still pay cash [for bills even if the post office is closed]. I wouldn't pay Direct Debit, I don't like Direct Debit. I don't want Direct Debit. I don't want to be checking up every week you know, to see. Yeah cash, I'm a great believer in cash.'

Doncaster (HH4B)

Whereas others had become used to doing things online. On the importance of email:

'It's quicker than waiting for the post as well. If all else fails, they can phone you or send it through the post, it's more convenient isn't it?'

Doncaster (HH5B)

There are three broad attitudes to home internet use. Those who:

- appreciate the benefits – ie are using it and are motivated to do so
- might be convinced – ie value its use, may not want it/be able to afford it at the moment
- can't see what the fuss is about – ie not relevant for me, I'm fine without it

3 Why have the internet at home?

Do it for the kids

Children were one of the key drivers for non-adopters of home internet to getting online. Many older participants with grandchildren, although not interested in using it themselves, did have the internet in their homes for when their grandchildren came to visit. This was both to keep the grandchildren entertained and to meet their expectations of being able to access the internet.

'She's happiest when the family are here. She's very very family oriented...'

Manchester (HH2A)

Parents often mentioned that it was essential for children to have the internet at home to enable them to do their homework.

'...but everyone is going get to the stage where they're gonna be using a computer and I think if everyone can afford, like I say, if the cheapest one is like a fiver a month, what parent isn't gonna give their kids a fiver a month, I mean that's nothing is it really, a month.'

Doncaster (HH5B)

'When [daughter] started school they did a home visit when she was five, and the teacher says to me, "you do realise that [daughter] will be the only child starting school that hasn't got access to a computer" [interviewer: 'really?'] and I says "well I'm not saying we're not having one, I says, but I don't think it's important". And the teacher turned around and said "oh but it is".'

Doncaster (HH7B)

Many of the children who took part in this research talked about how important it is to have the internet, for social-networking, to do their studies and homework. Children didn't like being different to their friends and felt restricted in relying on friends to use the internet. Some children 'got by' using the internet at school or at their local library but again felt limited by the opening times of these establishments. Many, when asked, said that it would improve their quality of life and for those children with home internet access, they even went so far as to say it contributed to making their life happy.

[About what makes life good] 'My mum and dad, having the computer, having food, the radiator, my clothes, my mobile, my iTunes, my Nintendo Wii...'

London (HH7A)

New opportunities

In order to adopt home internet, many low income households have to make sacrifices given they have very little additional spend. To give something up to enable the adoption of the internet, you need to be sufficiently motivated to have it. To encourage non-adopters to engage, promotional messages have to better match their attitudes and situations.

Do you think if you really wanted it you'd find a way?

'Yeah I think so, because if we really did want it, we'd scrimp on other things, yeah.' [Interviewer: 'What do you think you'd cut back on?']
'Probably cut back a bit on food, yeah because you can't cut back on the bills.'

Doncaster (HH6B)

Participants in our research did not perceive the most often communicated benefits of being online such as money saving or working from home as being relevant to them. There are other benefits of being online that could be promoted that are likely to be more relevant to low income households. These include access to new opportunities for:

- education
- work
- networking for work
- community support and events
- entertainment
- maintaining a wide social network
- reducing social isolation
- making money by selling items

Because of the importance of word of mouth communications to our participants, the best people to motivate non-adopters are those people who have recently adopted the internet themselves.

Subscription free

Pay as you go for mobile phone use was very common among our participants, it has the potential to be similarly popular for internet access. This could be achieved through increased marketing of USB modems (dongles) as a subscription-free option suitable for people who change accommodation frequently and have no landline. Also dongles are not widely understood as an option for going online.

Another popular option was offers from service providers that gave a free laptop in association with contracts of up to 24 months. This served to remove the barrier of the initial cost of the equipment.

'We couldn't afford to pay out for a laptop. I wouldn't know how much one cost but there's no point us having internet and everything if we not got a laptop and we haven't got like a PC thing and we couldn't afford to get one so it's like a way of paying monthly. So if someone were in like the same situation as us and they wanted internet, it's a good way to do it.'

Doncaster (HH5B)

Some of our participants indicated an interest in low-cost refurbished computers. These would need to be made available in return for one-off payments or as part of a reasonable credit deal. This might be through an administered scheme through reputable agencies and shops to ensure the provision of refurbished computers only to low-income households.

Some participants gave positive mention of either knowing of, or encouraging others to use, free internet training courses at the library. One idea was to encourage attendance at these courses and subsequent purchase of home internet by offering equipment discount vouchers at the end of the course.

During the research interviews, reference was made to getting free gifts from mobile service providers when buying extra phone credit, this approach was found to be appreciated and used. With this in mind, taster trials for internet connection was welcomed and those interviewed suggested that internet service providers could do more of these free trials.

Some participants were aware of official initiatives to support the adoption of home internet, for example Home Access scheme. Given the tight budgets that many of our participants found themselves with, it was unsurprising they suggested that other people may need financial assistance to get online. This was said in the context of the start-up costs for purchasing equipment, installing a landline and a monthly broadband tariff.

'Internet companies should subsidise it to a certain extent...lower tariffs for low income families'

London (HH8A)

Accessing the internet outside the home

Participants in our research who did not have the internet at home reported using it in a variety of locations. This was seen as a solution by some in accessing the internet without incurring any of the costs. Friends' or family's houses, school, college, local libraries and at work were the most commonly mentioned places where our participants accessed the internet. The time limitations and restrictions were often mentioned and some of the participants suggested that they would like to have home internet access, particularly the school and college students.

'I can get on it at college and I get on it at my boyfriend's house.'

Doncaster (HH6B)

'...probably a laptop [would improve my quality of life] because all my friends have got them and because in maths we always have to do our homework on the computer, so I either have to go to the school library, or wait and go back at dinner to get a seat.'

Doncaster (HH6B)

Some of our participants accessed the internet via their mobile phones, but they mentioned problems associated with small handset controls and screen in hindering their use of accessing the internet.

'I can get the internet on my phone, but you can only get on certain stuff because it won't let you on certain sites, like I don't know, because it's too complex for a phone.'

Sheffield (HH3A)

4 Barriers to adopting the internet

Motivation

Our participants without home internet tended to report limited motivation to adopt it. They did not express a burning desire for the internet and cited it as being a low priority relative to other activities in their lives. This lack of motivation was not just limited to older age groups.

'No, I don't think it's really necessary...for me. I mean my brother said "oh I don't know what I did without it", but for him it would be an essential part of life now, but to me it's not necessary; it's beyond what I need.'

Sheffield (HH4A)

'I could have gone on a computer course. Free. Last year. And I thought about it, then I thought no. I don't need it. No it's nice, but I thought no, it's not necessary for me.'

Why do you feel like that?

'Well I'm not likely to get a computer.'

Doncaster (HH4B)

Some of our participants had internet access at home but did not use it. There were further negative opinions raised on the potential time-wasting and over-use of the internet in accessing unnecessary applications. Here we did see a generation gap as many grandparents/parents would have the internet so their grandchildren could use it when they came to visit or they would rely on their children showing them how to do things online.

'I've no interest in it [internet] whatsoever. [The grandchildren] are like "Grandad come and look at this" and I'm like "euurgghhhh; phewwwwww, not interested at all".'

Manchester (HH2A)

Reluctance to change behaviour

Tied in with the notion that the internet is not necessary is the fact that many of our participants were happy with how they did their shopping, paid their bills, accessed services and talked to people face to face. They did not see how the internet could further enhance their lives. Many younger people expressed their concerns of over-reliance on computer technology to communicate to family and friends.

'It's all about social networking sites which I'm not part of – like Myspace, Facebook... but if I want to talk to someone I will ring them or text them.'

London (HH8A)

'I'd much rather talk to somebody over the phone, face to face or talk to somebody over the counter, you know what I mean, than just send somebody an email and have them send me one back.'

Sheffield (HH4A)

'I mean it's a good idea all that shopping thing you know for people that are working full-time, but I must admit I like to go shopping, you know I like to get the bargains, the "buy one get one free". Even if I was working, I'd still go to Asda I would! And I like to go to town. I know exactly where to go for my cheaper stuff and where to go for different stuff.'

Doncaster (HH6B)

Even among the home broadband internet adopters, there was still concern about shifting some activities online, with a preference for doing these things how they have always done them before. For example, clothes shopping in the 'real world' seemed far more attractive than its online equivalent.

'It's going to get to the stage where everyone is doing online shopping, and I like shopping... I like being out, shopping. Love it. It's not the same when you do it online.'

Doncaster (HH5B)

Participants expressed concerns associated with low familiarity with PCs and the equipment and tools used for going online (usability) linked in with reluctance to change behaviour as demonstrated by some of our participants.

'I wouldn't know how to switch one on!' We've got it for the grandchildren, but we don't use it. I wouldn't even know how to switch it on [proudly] and if you showed me how to switch it on, I wouldn't use it.'

Manchester (HH2A)

Costs

Many of the often communicated benefits of being online were referred to as being of limited relevance to our participants without the internet at home. For example, to benefit from the money savings associated with going online, generally requires a bank account, debit/credit card and money available to spend on discretionary items which some low income consumers do not have.

'I haven't got a bank account that I can have Direct Debits with. So I couldn't pay by Direct Debit and by not paying by Direct Debit, you have to pay extra for administration costs, so it would mean me changing a great deal of things.'
Sheffield (HH4A)

'If I was going to buy things over the internet even car insurance or a holiday or eBay or whatever, I'd have to get a bank account that would take Direct Debits and debits out of your thing. It would mean a lot of messing about and I just sometimes can't be bothered.'
Sheffield (HH4A)

Some of our participants referred to concerns about the initial and ongoing costs of accessing the internet at home, and related issues (living without bank accounts, living without credit, with County Court Judgements for debt repayments). These concerns were raised in the context of the limited budgets our participants had for food and heating but they also talked about spending money on entertainment eg TV packages and communication (eg landline and/or mobile activities). Limited budgets together with a low perception of the benefits of home internet dampened the enthusiasm for some of our participants in getting online or even wanting to.

What are the three main barriers stopping you from getting broadband internet at home?

'Cost, messing about with bank accounts and stuff like that, and a landline, and, not really interested, no benefit yeah. I can't see what it would give me back for all the messing about I'd have to do to get it, to receive it.'

Sheffield (HH4A)

Cost was one of the major worries talked about by some of our participants in terms of the ongoing costs that the internet will incur once it is allowed into the home. There was a sense of 'no going back' once participants had committed to having home internet access even when the costs became prohibitive.

'They're all giving you a good deal for three months or six months then it goes sky high, and you just can't have it, you get a month free but you've got to sign up for 30 months or something like that. You think it's a good deal but it isn't, when you come right down to it. So I wouldn't know where to go.'

Sheffield (HH4A)

'A friend of mine says to me and it's the first time I've ever heard of it is you don't need a contract to get online at home. You get pay as you go things that you plug into the back of your computer...It's made it a lot more positive for me... I'm going to get one sometime this year. I have to because of my studying. I can't be going round my mate's house all the time to use her computer – it's embarrassing.'

London (HH1A)

Anxieties associated with unfamiliarity of the online world

Participants expressed concerns associated with low familiarity with PCs and the knowledge of how to use a computer. Online safety was also an issue with particular fears around viruses, identity theft, child safety/grooming/theft and bullying.

'I'm thinking of a friend, she's got difficulty because someone's offered her it (internet) but she doesn't know about how to go about getting it set up. She's got to wait until someone appears...She said "I'll read the instructions" and I thought "good luck to you", I wouldn't be able to do it'.

London (HH5A)

'You know yeah I like it, I go on it, but to me it's not really necessary, to me also they're not fool proof. You don't know who's logging in and clocking in on what you're doing. You read all these things about things going missing...we make ours as safe as possible and we monitor what they're [children] doing, as much as you can.'

Doncaster (HH7B)

5 Overcoming the barriers

For some, money does remain a barrier to taking up the internet. However, the real effort needs to be focused on seeing the internet from a low income consumers' perspective and finding the incentive that motivates them to want to overcome the other barriers.

Relevant benefits

Participants in our research did not perceive the most-often communicated benefits (money saving, working from home) of being online as relevant to them. There are other benefits of being online that could be promoted that are likely to be more relevant to low income households.

These include access to new opportunities for:

- education
- work
- networking for work
- community support and events
- entertainment
- maintaining a distributed social network
- reducing social isolation
- making money by selling items

Low-income households have to make sacrifices to be able to get home internet access. To give something up to enable adoption of the internet, you need to be sufficiently motivated to have it. To increase non-adopters' desire for the internet, promotional messages have to better match their attitudes and situations.

Promote internet connected TV as an option for home entertainment

Entertainment focused communications are likely to be the most fruitful way to motivate consumers. This could include highlighting the user benefits of internet connected TV, which provides for on-demand video services and interactive entertainment and information services via the TV.

Several of our participants paid subscriptions for their premium TV packages (for entertainment) before they had adopted home internet access. This suggests there may be scope in highlighting the multiple uses of a broadband connected computer, which could support cost-savings elsewhere (eg for playing DVDs, watching films and sports online, for high quality digital radio, and for free, VOIP⁶, telephone calls). Similarly, there is scope to raise awareness of other entertainment related functions of the internet, such as finding out about things of interest (eg news, sports, properties to rent) and socialising online (eg Facebook, interest groups, emails).

Disadvantages of home internet access

As described in the barriers section, participants without access to the internet at home expressed concerns around usability, online safety and security, the risks of excessive use of the internet, and on the internet being a time waster. There appears to be scope to address these concerns. For example, easy to use equipment could be promoted, along with software packages and best practice for safe internet use in protecting personal data.

⁶ Voice over Internet Protocol (VoIP) is a general term for a family of transmission technologies for delivery of voice communications over IP networks such as the internet

Provide independent technical advice and support mechanisms

Help could be offered to people to:

- purchase the correct equipment for their needs
- set up their equipment
- manage ongoing maintenance

Such mechanisms could include subsidised/free access to technical support in the home, comparable to support for the digital switchover.

A broad range of levels of support are likely to be needed, dependent on individuals' situations, including home visits to assist with: selecting the best deals, equipment (hardware and software, including antivirus), set up equipment and troubleshooting.

Lower cost, contract free options

To help encourage those without the internet of the benefits of home internet access several initiatives could be useful:

- There appears to be scope for improved availability and awareness of low-cost options for buying or getting equipment. Examples could include subsidised contract, or rental solutions
- There is also scope for broader distribution and greater use of refurbished computers
- Lower ongoing costs, for example through cheaper tariffs, for having broadband internet at home may be appreciated in themselves by some low income households
- Alongside hardware promotions, common marketing approaches of no-commitment free trial periods could enable people to sample the benefits of home internet access first hand with no risk, as could discount vouchers for students or trainees

Pay as you go mobile phone use was very common among our participants and we see potential for it to be similarly popular for internet access going forward. Increased marketing of dongles as a subscription-free option for people who move home frequently and who have no landline would help achieve this. In addition, dongles themselves are not widely understood as a way to get online.

Key findings for Government

There is a need for Government to understand the complexity of what motivates consumers to take up the internet in the home and promote relevant messages that will increase the take up of the internet among different sectors of society. Listening to our participants, a suggested approach would be to promote home internet as an essential tool for:

- income generation (buying and selling)
- job searching
- entertainment
- communication (social networking)
- work and studying to improve earning prospects

Government should work in partnership with other stakeholders and industry to develop a subsidised or free technical advice service to support consumers in using and finding solutions to problems with their internet provision in the home.

Government should also widen support to students aged 18 and over; given that it clearly recognises the educational value that the internet has and the positive feedback it has so far received from families benefiting from the Home Access scheme. The fact that some of our participants without internet access at home were students and are not currently eligible for the Home Access scheme shows there is a need for financial assistance in getting online. Some of the young people we interviewed stressed their reliance on using the internet for their studies and for their coursework. Without their own computer they would cope by turning to friends or using the computers at their college or local library, often with access restrictions.

Key findings for industry

Suppliers should consider additional availability and better targeted promotion of existing options of contract-free, pay as you go solutions. Options that allow internet adoption without a high initial cost will further ease adoption of home internet for low-income households.

Consideration should also be given to providing lower cost deals with free laptops and shorter contracts for broadband that are affordable to those on a low income.

Industry needs to provide a reputable scheme whereby low income consumers can purchase lower cost refurbished computers that are in good working order.



Annex 1: Our research

Objective 1: To identify the considerations made within low income and lower social grade households in relation to decisions about how to access the activities and services with which they engage, or wish to engage but find problematic.

Objective 2: To identify the actual and potential attitudinal, situational and quality of life related hurdles and barriers to adoption of internet via a landline and/or mobile device for low income and lower social grade households.

Objective 3: To identify where, why and how consumers without internet access at home access the internet (for those who do).

Objective 4: To identify the perceived impact of lack of access to the internet at home on affected low income and lower social grade households.

Objective 5: To explore whether affected households' have any suggestions and/or preferences for help or solutions to help address their lack of home internet access, including what responsibilities and initiatives they would expect Government and/or companies and/or local authorities to lead.

Method

Quality of life and consumer priorities

Research which adopts the approach of asking participants 'why they have not adopted broadband' and 'what they need to help them' is likely to produce limited and predictable responses (some of which may be prone to response biases). To overcome this risk, we explored participants' consumption priorities in relation to their perceptions of 'quality of life' (QoL).

There are numerous discrete definitions of QoL; it is generally considered to relate to subjective well-being across a number of domains (eg, physical, emotional, mental, social, and behavioural). It is a construct that relates to the level of disparity (match/mismatch) between an individual's values, goals and needs and the extent to which they are met. Further, while it is a subjective, individual evaluation, it is evaluated in the context of societal norms, values and culture.

Two methods were used to identify how participants on limited income decide how to spend their money and what to spend it on. Participants were asked these questions in relation to their day to day behaviours, and to reflect on the relative costs and benefits these decisions incur on their quality of life. This was designed to give us an accurate understanding of participant behaviour in relation to how they spend their resources in the domains of entertainment and leisure, and how they conduct a range of day to day tasks/activities (such as finding out information, shopping and work). It was also designed to give us an understanding of the degree to which they expected or perceived themselves to have choice and control over these decisions.

Identifying the perceived costs and benefits of various consumer behaviours among target participants, and the extent to which they perceive themselves to have control or not over these behaviours was designed to enable our research to identify existing motivators within our participants' lifestyles to encourage behaviour and attitude change. Based on this understanding we have formed actionable recommendations to improve target consumer engagement with broadband.

There were three stages to the project.

Stage 1: Literature review

I2 Media Research and GK consulting conducted a short literature review to augment our existing background knowledge, to inform the research topic (discussion) guides and to assist Consumer Focus in the shaping of policy recommendations. The key areas examined in the literature review included the potential causes for the growth in internet access in low income households observed in other research in the past year, and residual barriers to the adoption of the internet at home. The review also identified the removal of some barriers to access to the internet at home for some low income households, as important context for the current project.

Stage 2: Self completion questionnaire for participants

Within each household sampled, prior to the household interview, all household members were provided with a structured self-completion diary/questionnaire which they were asked to complete in relation to their involvement with a range of different activities.

This was included in order to: (a) develop a better understanding on how day-to-day activities that could be facilitated by broadband use are dealt with by members of broadband connected and unconnected households (eg, purposeful information gathering/searching, consumption of news, utility bill payment, arrangement of social activities, shopping), (b) reduce reliance on (sometimes biased or skewed) retrospective accounts collected during interviews, and (c) obtain personally relevant information to form the focus of the in-depth interviews (by giving the interview a grounding in participants' previous behaviours this should also serve to stimulate some of the discussions).

The detailed structure of the research tool was agreed between I2 Media Research and GK Consulting and Consumer Focus policy team prior to fieldwork commencing. The final questionnaire was divided into domains relating to: personal communications, entertainment, and day to day life – both at home and elsewhere.

For each activity reported, participants were asked to record:

- (a) how frequently they personally engage with it
- (b) how they engage with the activity

In addition, the diary/questionnaire captured some basic background information about each participant in each sampled household.

Stage 3: In-home depth interviews

A discussion guide was developed to address the following areas:

- What 'quality of life' (QoL) means to participants? Happiness, money, health, connectedness, family, love...? What aspects of their life they consider they have high/low QoL? (eg, wealth and employment, their environment, health/well-being, education, recreation and leisure time, and social belonging/participation); How do they perceive their QoL relative to others in their community?; Who has better/worse QoL than themselves? Why? Can they envisage any ways in which they can improve their quality of life?
- Once this informal unprompted section of the interview was conducted, participants were asked to conduct a card sorting activity prioritisation exercise to indicate which of four headings the various activities they listed in their questionnaire/diary would be best categorised under, out of:
 - 'Unnecessary'
 - 'Essential basic part of life'
 - 'Nice to have'
 - 'A real luxury'

We included 'home broadband' in the card sorting task even if participants themselves did not include it in their questionnaire/diary responses (note: the focus of the interview was on quality of life during early parts of discussion to explore whether and how income and internet access are cited as relevant, without any prompting).

The interview then focused more explicitly on:

- technology and media use, including identifying where, why and how consumers without internet access at home access the internet (for those who do)
- the perceived impact of no access to the internet at home on affected low income and lower social grade households
- participants' suggestions and/or preferences for help or solutions to help address their lack of home internet access, including what responsibilities and initiatives they would expect Government and/or companies and/or local authorities to lead. Related to this, we probed participants' awareness of, attitudes towards and expectations from current and future government, regulatory, industry and third sector initiatives designed to increase engagement with broadband

The consumer research interviews were approximately 60-90 minutes in duration per interviewee. A financial incentive was paid to all participants who took part in the two stages of consumer research.

Sampling

A detailed sampling matrix was drawn up at the start of the project. This ensured that participants were included in the research matching a range of criteria:

- **Household type** (single, dual, multiple occupancy)
- **Telephone service** (landline only, landline and mobile, mobile only)
- **Internet access at home** (via landline, via mobile, none)
- **Location** (urban, rural, northern, southern)
- **Age of adults in household** (<25 years of age, 25-44 years of age, 45-64, and 65 years and older).

In total, 14 households were recruited, from which 28 participants took part in the research interviews.

		Home internet:	internet @ home		no internet @ home	
		Home phone provision:	Mobile only	Landline	No Landline	Landline
Type	Location	Occupancy:				
Urban (8HH)	Manchester (1HH) Sheffield (2)	Single	1 * Y (n=1) HH1A		1 * M (n=1) HH4A	1 * O (n=1) HH5A
		Dual	1* M (n=1 2) HH6A	1 * O (n=1 2) HH2A		
	London (5HH)	Multi		1 * F (n=2 3) HH8A	1 * F (n=2 3) HH7A	1 * F (n=2 3) HH3A
Rural (6HH)	Yorkshire (6HH)	Single				1 * O (n=1) HH4B
		Dual		1 * M (n=1 2) HH5B		1* O (n=1 2) HH2B
	West Country (2HH)	Multi		2 * F (n=2 3) HH3B & 7B		1 * F (n=2 3) HH6B
			7		7	

Y: 18-24; M: 25-44; O: 65+; F: 18-44, plus child(ren)

Participating household codes and characteristics

HH1A, female, 18-24 years, single occupancy, urban: London, no landline, no broadband internet connected computer, use mobile for internet

HH2A, husband and wife, both 65+ years, dual occupancy, urban: Manchester, have landline, have broadband internet connected computer

HH3A, mother (18-44 years) and daughter (12 years), multi occupancy, urban: Sheffield, no landline, no broadband internet connected computer

HH4A, female (25-44 years), single occupancy, urban: Sheffield, no landline, no broadband internet connected computer

HH5A, female (55+ years), single occupancy, urban: London, with landline, no broadband internet connected computer

HH6A, female and male (25-44 years), dual occupancy, urban: London, no landline, mobile broadband internet connected computer

HH7A, mother, father (both 18-44 years) and daughter (11-16 years), multi occupancy, urban: London, with landline, with broadband internet connected computer

HH8A, father (18-44 years) and son (11-16 years), multi occupancy, urban: London, with landline, no broadband internet connected computer

HH2B, husband and wife, both 65+ years, dual occupancy, rural: Bristol, with landline, no broadband internet connected computer

HH3B, mother, father (both 18-44 years) and son (11-16 years), multi occupancy, rural: Bristol, with landline, with broadband internet connected computer

HH4B, male (65+ years), single occupancy, rural: Doncaster, with landline, no broadband internet connected computer

HH5B, male and female (both 25-44 years), dual occupancy, rural: Doncaster, with landline, with broadband internet connected computer

HH6B, mother (18-44 years) and 2 daughters (11 and 16 years), multi occupancy, rural: Doncaster, with landline, no broadband internet connected computer

HH7B, mother and father (both 18-44 years) and daughter (11-16 years), multi occupancy, rural: Doncaster, with landline, with broadband internet connected computer

Annex 2: Associated research

Ofcom's research, *Accessing the Internet at Home*⁷ focused on the three in 10 people who do not have internet access at home. Drawing on small base sizes, the research found that 39 per cent of respondents earning up to £11,500 cited the costs associated with internet access as the reason for not having it.

This research suggested 30 per cent of all respondents could be persuaded to take up the internet if financial and skills obstacles could be overcome using the right incentives.

Popular incentives were also explored and included ideas concerning half price computers, discounted tariffs and free training. Financial incentives were considered to be the strongest drivers for increased take-up. Of those who could be persuaded to take up the internet, the unemployed research participants preferred discounted tariffs (26 per cent) followed by a half price computers (20 per cent). Half (49 per cent) of those in DE socio-economic groups did not want the internet or did not know which option they preferred. The most popular option among DE and C1C2 groups was half-price computers (19 per cent and 18 per cent respectively), followed by discounted tariff (12 per cent and 17 per cent respectively).

Other research by Ofcom⁸ found that a smaller proportion (26 per cent) said the price of using a broadband internet service, whether it is the cost of a PC or paying the monthly broadband fee prevented them from getting online. Specific issues identified within this group included the internet being too expensive, not being able to justify the cost, unable to afford a computer, not having a landline or being unwilling to commit to a 12-month contract.

Other motivating factors

Although income and affordability can act as a barrier to internet access, other research suggests issues such as attitudes, behaviours, low degree of familiarity with the technology and lack of motivation were identified as key determinants of getting online.

The research in 2008⁹ found that the majority of those without the internet (37 per cent) said their main reason for not having it was because they were not interested or had no need for it. Similarly Ofcom's *Accessing the Internet at Home* found that 36 per cent gave the reason that they do not have the knowledge or skills. 56 per cent self-excluded saying they did not want or need it. 42 per cent of people self-excluded from the internet because they lacked interest. This group struggled to suggest potential incentives and tended to be older and retired.

Lacking in computer confidence and having a low degree of familiarity with the technology were found to be significant barriers for older people as suggested by Age Concern/Help the Aged's recent research¹⁰. A significant proportion of non-internet users from older age groups lacked understanding of and confidence with how computers work.

The finding that motivation is the critical factor for most, and financial exclusion a minority issue, was found in research conducted by Consumer Focus Wales¹¹. This found that among internet non-users, 41 per cent do not want to use it, 19 per cent have no need to use it and 11 per cent said it was too expensive.

⁷ Ofcom (2009). *Accessing the Internet at Home. A quantitative and qualitative study among people without the internet at home* by Ipsos Mori <http://www.ofcom.org.uk/research/telecoms/reports/bbresearch/bbathome.pdf>

⁸ Ofcom (2008). *The Communications Market 2008: Telecoms*. http://www.ofcom.org.uk/research/cm/cmr09/CMRMain_4.pdf

⁹ Ofcom (2008). *The Communications Market 2008: Telecoms*. http://www.ofcom.org.uk/research/cm/cmr09/CMRMain_4.pdf

¹⁰ Age Concern/Help the Aged (2009). *Introducing another World: older people and digital inclusion: A report of qualitative research on the barriers and enablers to tackling digital exclusion in later life* <http://www.ageconcern.org.uk/AgeConcern/361E2238B7CD4E9F87BB964D166EB3B5.asp>

¹¹ Sarah Richards, Consumer Focus Wales (Nov 2009). *Logged in or Locked Out. Consumer access to the internet in Wales*. http://www.consumerfocus.org.uk/assets/4/files/2009/11/404_20091120112419_e_@_@_engreport.pdf

Annex 3: Market trends

Fixed internet access

The vast majority of internet access is by fixed landline. Ofcom research found that 65 per cent of UK households had a fixed broadband connection at the end of Q1 2009, an increase of seven percentage points year on year¹².

Approximately 10 per cent of households with an income under £11,500 do not own a landline¹³. Nearly half of the lower income participants without a landline phone were certain not to get one in the next twelve months. Cost was cited more frequently as a barrier to getting a landline for those from social class DE (16 per cent) than AB (three per cent). Of those who do have landlines, just under a third (29 per cent) of lower income households used it for internet access compared to 69 per cent of those earning £30k and above.

Increasingly, mobiles are used for voice services instead of fixed lines leading to the number of lines in the past year falling by half a million¹⁴. 22 per cent of households in socio-economic group DE were mobile only in Q1 2009. This compares to just eight per cent of ABC1 households¹⁵.

Mobile internet access

The alternative to landline access is mobile access to broadband. This can be achieved via a USB modem (or 'dongle') attached to a PC or via an internet-enabled mobile phone.

Both means of mobile access rely on connection to a mobile network and so avoid the need for a landline to access broadband. However, gaps in mobile network coverage, particularly in rural areas have come under recent scrutiny by Ofcom. It will be working to tackle not-spots and undertaking research to explore the technical quality of services such as mobile broadband speeds that consumers receive from mobile devices¹⁶. Hence in thinking about how low income households without landlines access the internet, consideration must also be given to the technical possibilities of wireless access.

Nonetheless, take-up of mobile broadband grew substantially over the past year. Around three million homes had a mobile broadband connection (equivalent to 12 per cent of the population) via 'dongles' by the end of Q1 2009¹⁷. The majority of these connections were with the three UK mobile network operators which do not have their own fixed-line broadband network (3UK, Vodafone and T-Mobile) who can offer internet access at headline speeds comparable to those available through basic fixed-line broadband services.

¹² Ofcom (August 2009). The Communications Market 2009: The Market Context. http://www.ofcom.org.uk/research/cm/cmr09/CMRMain_1.pdf

¹³ Ofcom. The Consumer Experience 2009 Report. <http://www.ofcom.org.uk/research/tce/ce08/research.pdf>

¹⁴ Ofcom (2008). The Communications Market 2008: Telecoms. http://www.ofcom.org.uk/research/cm/cmr09/CMRMain_4.pdf

¹⁵ Ofcom (2008). The Communications Market 2008: Telecoms. http://www.ofcom.org.uk/research/cm/cmr09/CMRMain_4.pdf

¹⁶ http://www.ofcom.org.uk/consult/condocs/access/ai_statement/

¹⁷ Ofcom (August 2009). The Communications Market 2009: The Market Context. http://www.ofcom.org.uk/research/cm/cmr09/CMRMain_1.pdf

Only three per cent of households used mobile broadband as their only means of connecting to the internet – the majority (75 per cent) of mobile broadband users have it as a complement to fixed-broadband services rather than a direct substitute¹⁸. This indicates that the two services are complementary, serving different purposes (ie a fixed-line connection is used in the home, and a mobile broadband connection is used when out and about). This is likely to be a result of constraints associated with the speed and capacity of mobile broadband, making it less appropriate for in-home use where users may be more inclined to use data-hungry services. Households which rely exclusively on a mobile connection for all their communications needs has remained stable since 2006.

Mobile broadband take-up is highest among the more affluent social groups, with nearly one in five adults in the socio-economic group AB having a connection, compared to less than one in ten in social groups C2DE. However, the large majority of AB mobile broadband users also have a fixed-line broadband connection.

Conversely, while a lower proportion of people in socio-economic group DE have a mobile broadband connection, they are much more likely to use it as their only broadband connection. A quarter of higher-income homes use mobile broadband (mostly in addition to their fixed broadband connection). Only 11 per cent of adults with a household income of up to £11.5k do similarly. The majority of these only have a mobile broadband connection¹⁹, it is not in addition to their fixed broadband connection.

Access to the internet via a mobile handset has recently become more sophisticated because of the entrance of smartphones and applications to the market. A comScore survey in January 2009 revealed that smartphone users are more than twice as likely to access news or information via a browser on their mobile phone than mobile phone users overall, and almost four times more likely to access news or information via a downloaded application. However, the fact that the majority of smartphone users do not use their phones for internet services indicates that many people are not using the functionality available²⁰.

With the predominance of mobile only households for low income and young consumers comes the temptation to see mobile internet via handsets as a means of connecting more people to the internet. However, the digital functionalities possible via a mobile phone are more constrained than via an internet connected PC and at present do not represent a substitute for PC based access.

Better tariff choice for mobile internet

Mobile broadband offers consumers the opportunity to get online without having to pay a monthly line rental, which is required for most fixed-line broadband services. The availability of pre-pay mobile broadband may also be driving further take-up among less affluent consumers, as it enables users to control their spend without committing to a monthly line rental, and does not require a credit check.

¹⁸ Ofcom (2008). The Communications Market 2008: Telecoms. http://www.ofcom.org.uk/research/cm/cmr09/CMRMain_4.pdf.

¹⁹ Ofcom (2009). The Consumer Experience Research Report 2009. <http://www.ofcom.org.uk/research/tce/ce09/research09.pdf>

²⁰ Ofcom (2008). The Communications Market 2008: Telecoms. http://www.ofcom.org.uk/research/cm/cmr09/CMRMain_4.pdf

In May 2009, over a quarter of a million new connections were added, and pre-pay (pay-as-you-go) connections exceeded post-pay connections for the first time earlier this year. There are parallels with the emergence of pre-pay mobile phones in the second half of the 1990s, as the take-up of mobile broadband indicates expansion into both lower frequency users (people who want a connection for occasional or 'emergency' use) and into sections of the population who are unwilling or unable to commit to monthly spend. The emergence of pay-as-you-go also helps to differentiate mobile broadband from fixed-line broadband access, which is generally available only on a contractual pay-monthly basis.

Those living in privately rented properties are much more likely than owner-occupiers to have mobile broadband as their only broadband connection. This is likely to reflect the fact that while fixed-line broadband is typically a household purchase, as most households have only one telephone line and wireless routers enable multiple PCs to use the same broadband connection, mobile broadband is more likely to be an individual purchase as it is more suited to use by a single computer and an individual can take it with them wherever they go. Those living in shared accommodation or in short-term lets are therefore less likely to invest in a fixed-line broadband contract. Students and young professionals frequently live in shared accommodation, and this, combined with the typical profile of a technical service still in its early stages of take-up, may explain why younger people are more likely to have a mobile broadband connection than older age groups.

All of the mobile network operators offered a range of tariffs on both pre-pay and post-pay. These include: daily, weekly and monthly tariffs; a wide range of usage limits; tariffs are available with PCs included within the monthly rental fee (and sometimes with the SIM embedded in the PC rather than via a dongle); and following the trend in the mobile phone market, 3UK has even launched a SIM-only mobile broadband tariff. The emergence of mobile broadband tariffs, which include the purchase of a laptop within the monthly fee, may be driving increased PC ownership, particularly among households that do not have a fixed-line connection.

Consumer Focus
Artillery House
Artillery Row
London SW1P 1RT

t: 020 7799 7900
f: 020 7799 7901
e: contact@consumerfocus.org.uk
www.consumerfocus.org.uk

Media team: 020 7799 8004/8005/6006

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