Online Copyright Infringement Tracker
Wave 4 (Covering period Mar 13 – May 13)
Overview and key findings

Prepared for **Ofcom**

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Introduction

This report details the main findings of the fourth wave of a large-scale consumer tracking study into the extent of online copyright infringement, as well as wider digital behaviours and attitudes, among people aged 12+ in the UK. The study was commissioned by Ofcom, undertaken by Kantar Media and made possible by financial support from the UK Intellectual Property Office (IPO). It is the fourth in a series of research waves intended to generate benchmarks and time series relevant to the access and use of copyright material online. It also outlines the background to the research and a detailed description of the methodology employed.

Researching copyright infringement and digital behaviours is complex. The ways in which consumers access and share copyright material online change regularly, and infringement levels, in particular, are notoriously difficult to measure. We have gone to extensive lengths to find the best way of securing meaningful and accurate results for this survey, including commissioning a methodological study and an independent peer review. These reports can be found at:

http://stakeholders.ofcom.org.uk/binaries/research/telecoms-research/filesharing/kantar.pdf

http://stakeholders.ofcom.org.uk/binaries/research/telecoms-research/filesharing/peer.pdf

Rather than focusing on one industry, the study looks at six main types of online content – music, film, TV programmes, books, video games and computer software – and for each of these assesses levels of infringement. These are then assessed within wider patterns of consumer behaviour and content consumption.

For this fourth research wave respondents were surveyed during the period of March to May 2013 and asked about their behaviour during "the past three months". Reference to the figures from the previous wave (W3, covering the period November 2012 to January 2013[1]) are made where statistically significant changes have occurred. In some cases references are also made to the first and second waves (covering May to October 2012). This report is supplemented by a further Annex report which covers each of the six content types in more detail.

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[1] Full details and results of previous waves can be found at http://stakeholders.ofcom.org.uk/market-data-research/other/telecoms-research/copyright-infringement-tracker/ (W1) and http://stakeholders.ofcom.org.uk/market-data-research/other/telecoms-research/copyright-infringement-trackerw2/(W2) http://stakeholders.ofcom.org.uk/market-data-research/other/telecoms-research/copyright-infringement-trackerw3/ (W3).

Key findings

This report presents the main findings of the fourth wave (W4) of our consumer tracking study into online copyright infringement. The key findings were as follows:

General digital content consumption

- Fifty-six per cent of UK internet users aged 12+ consumed at least one item of online content[2] (legally or illegally) over the three-month period March-May 2013[3]. Thirty-nine per cent had downloaded content, and 48% had streamed or accessed content. Both activities fell back to levels seen in W2 (Aug-Oct 12) after experiencing an uplift during W3, which covered the Christmas and New Year period (Nov-Jan 13).

- Consumption varied across content types; music (35%) and TV programmes (34%) had the highest levels either downloaded or streamed online in the past three months, followed by films (18%), books (13%), computer software (12%) and video games (11%). The decrease in consumption overall since W3 was driven by small but significant falls in music, films and software.

Payment[4]

- Just over half (52%) of those who consumed content of any type during the past three months, paid for at least some of it. This equated to 31% of internet users; a significant decrease from W3 (34%).

- By contrast, the great majority (70%) consumed at least some of it for free[5]. This equated to 48% of internet users, and as with paid content, this proportion decreased significantly from W3 (53%).

- These decreases reflect lower consumption levels during W4 than during W3, and a lower proportion of internet users consuming a mix of paid and free content (from 26% in W3 to 23% in W4).

- In terms of individual content types, there was a small but significant increase from W3 in the proportion who watched online TV programmes for free (93%, up from 90%), offset by a small decrease in those who paid for all of them (7% from 10%). Both figures fell back to W2 levels.

Levels of infringement

- We estimate that one in six (17%, equating to approximately 7.4 million) UK internet users aged 12+ consumed at least one item of online content illegally over the three-month period March-May 2013. Around a quarter of these (4%) *exclusively* consumed illegal content. There have been no significant changes in these proportions since W3.

- Levels of infringement varied significantly by content type; 9% consumed at least some music illegally over the three-month period, while 6% did so for films and TV programmes. For computer software, video games and books these figures were 3%, 2% and 1% respectively.

- If instead of looking at 'all internet users aged 12+' we use as our base 'all internet users who consumed content online over the three-month period', we find that 30% consumed at least one item illegally. Furthermore, 33% of those who consumed film, and 26% of those who consumed music, did so illegally, while the lowest incidence of illegal consumption was among online book consumers (9%).

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[2] 'Online content' refers to any of six types – music, films, TV programmes, computer software, books and video games.

[3] Fieldwork took place between 24th May – 6th June 2013.

[4] See page 7 for a description of the payment and legality groups covered. A more in-depth description of the calculations used is also available in Annex 1 - individual content type report.

[5] Note that 'free' does not necessarily mean that the content was consumed 'illegally'.

- The proportion of all internet users aged 12+ who consumed content exclusively legally decreased slightly; from 43% in W3 to 40% in W4. This was driven by small falls for music and software, but again was probably also a function of lower content consumption in general, compared to the previous wave.

Demographics

- Across all content types, those who downloaded or streamed illegally were skewed towards males (60%), those under 34 (70%), and ABC1s (59%). Although the age and social grade balances reflect those who consumed digital content online in general (whether lawfully or not), there were noticeable differences for non-infringers – they were more likely to be female (51%), over 34 (52%), and were even more likely to be ABC1 (68%) than were infringers.

Volumes of infringement

- Overall volumes of illegal content consumed online varied by category. We estimate that 199 million music tracks were consumed illegally during the period covered. This was followed by TV programmes (54 million), films (30 million), computer software (9 million) and e-books (7 million); video games were the lowest at 5 million.

- Across all consumers of illegal content, the median number of files downloaded or streamed illegally was ten. Music had the highest median score across the six content types (12 tracks – roughly the equivalent of an album). TV programmes had a median of six, followed by films with four. Computer software, books and video games all had medians of two.

- For digital content a higher proportion of films (32%) consumed online were done so illegally than any other content type. This was followed by TV programmes (19%), software (18%) and music (16%). Video games and books were comparatively lower at 8% and 10% respectively.

Services used for consuming online content

- Thirty-two per cent of those who consumed any content illegally claimed to use 'peer-to-peer' (P2P) services, compared to 6% of those who only consumed legally. This was the lowest level seen during the 13 months of tracking (it was 37% in W3).

- Of the individual peer-to-peer services used, uTorrent had the highest penetration - 17% of infringers claimed to have used it in the past three months.

- However, many licensed[6] content services were also used by a significantly higher proportion of infringers than non-infringers; for example: YouTube, Spotify, Netflix and Lovefilm. This was reflected in the higher mean number of services used by infringers (5.6) than non-infringers (3.4).

- Spotify use rose significantly among infringers since W3, from 10% to 15%. In contrast, email fell from 21% to 16%

Spend

- The proportion of 12+ individuals who spent money on at least one of the spend categories we analysed ranged from 11% for software to 42% for film. Average quarterly spend ranged from £5.05 for TV programmes to £21.15 for music.

- For both music and film, spend on 'other' (which included cinema/concerts and merchandise) was substantially higher than spend on physical and digital content.

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[6] Note that unlawful activities are possible on some of these services (such YouTube, iTunes, Google Play, etc).

- For five of the six categories, those who consumed a mix of legal and illegal content claimed to spend more on that particular content type over the three-month period than those who consumed either 100% legally or 100% illegally. (The book infringer base was too low to analyse)

Reasons for infringing

- The most commonly cited reasons for infringing were because it is free (49%), convenient (44%) and quick (36%).

- Over a quarter (27%) of all infringers said they do so because it means they can try before they buy, rising to 30% among those who consumed both legal and illegal content. However, when asked directly, 46% of infringers indicated that they had previously accessed for free some of the digital and physical content they went on to pay for.

- The proportion claiming to have consumed content illegally because they had already paid to see it (e.g. a movie in the cinema or live music) increased significantly, from 8% in W3 to 14% in W4.

What would make infringers stop?

- The top three factors that infringers said would encourage them to stop included the availability of cheaper legal services (32%), if everything they wanted was available legally (27%), and if it was clearer what is legal and what is not (24%). All factors were mentioned by a higher proportion of those who consumed a mix of legal and illegal content than by those who consumed content exclusively illegally, with 16% of the latter stating that nothing would encourage them to stop.

- Fourteen per cent of all infringers indicated that they would be put off 'if my ISP sent me a letter saying they would suspend my internet access', falling to 12% for 'if my ISP sent me a letter informing me my account had been used to infringe,' and 11% for 'if my ISP sent me a letter saying they would restrict my internet speed'.

- Responses to the threat of ISP letters were all at lower levels than they had been in W1; suspension of internet service in particular has fallen by small proportions wave-on-wave (from 22% in W1, 18% in W2, and 16% in W3, to its current level of 14%).

Levels of consumer awareness in legal services and confidence about what is and is not legal online

- Awareness of Netflix (64%), Google Play (33%) and Blinkbox (25%) rose significantly compared to the previous quarter (as was also the case in W3 compared to W2 for these services).

- Lack of confidence about what is and isn't legal online appeared more prevalent among females (47% v 32% male) and C2DEs (45% v 37% ABC1), i.e. those less likely to participate in all forms of online activity (legal and illegal). While lack of confidence generally increased with age past 35, 12-15 year olds (34%) showed similar levels of confidence to 35-44 year olds (32%).

- The proportion of people claiming to be 'not at all confident' in what is and is not legal online has fallen slightly but significantly; from 17% to 15% since W3.

- The most commonly-cited indicator of the legality of a website was the presence of a familiar /well-known and reputable brand (27% stated an answer similar to this without being prompted). Examples of such services included iTunes and BBC iPlayer.

1. Research overview

1.1 Background and objectives

The Digital Economy Act (DEA) 2010[7] extended Ofcom's remit to include new duties related to online copyright infringement. The DEA requires Ofcom to establish a code setting out the rules for a scheme whereby internet service providers (ISPs) must notify their subscribers of allegations made by copyright owners that their account has been used to infringe copyright. Once the scheme is operational Ofcom must report to the Secretary of State on progress in reducing levels of infringement.

In May 2011, the Hargreaves Review of Intellectual Property and Growth recommended that Ofcom should not wait until the DEA scheme was up and running to begin gathering data and establishing benchmarks on online copyright infringement[8]. Government adopted this recommendation and, as a result, the Intellectual Property Office agreed to fund Ofcom to conduct research into online copyright infringement, in order to gather initial evidence and trends that could be used to assist policy making.

Ofcom commissioned Kantar Media to conduct a quarterly tracking study covering behaviour and attitudes towards both lawful and unlawful online use of copyright material across several content types.

The table below sets out the wider overall aims of the research, along with the specific research objectives and associated metrics:

OVERALL AIM	RESEARCH OBJECTIVE	METRICS
Establish the current level of subscribers' use of internet access services to infringe copyright.	• Measure online copyright infringement levels (alongside lawful activity) among UK consumers, and monitor changes on a quarterly basis.	• Whether accessed/ downloaded/ shared files (ever, past three months) by content type. • Frequency per content type. • Volume per content type. • Proportion of type paid for and free. • Proportion of files believed to have been legally accessed (from which a figure for illegal files can be derived).
Describe and assess the steps taken by copyright owners "to inform, and change the attitude of, members of the public in relation to the infringement of copyright" and "to enable subscribers to obtain lawful access to copyright works."	• Gain deeper understanding of attitudes towards copyright infringement. • Monitor awareness and effectiveness of educational campaigns. • Assess awareness and attitudes towards availability of lawful alternatives.	• General attitudes. • Key drivers of behaviour. • Why people do /don't infringe. • What would make them stop? • Awareness/use of lawful services. • Reasons why do/don't use lawful services. • Understanding of what is legal.
Better understand the role that pricing plays in the lawful and unlawful access of online content.	• Measure spend on recorded and digital media to analyse potential impact of unlawful file-sharing on purchase of related content (positive and negative). • Explore willingness to pay and optimum pricing for different content types.	• Current spend on relevant material. • Willingness-to-pay modelling.

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[7] http://www.legislation.gov.uk/ukpga/2010/24/contents
[8] http://www.ipo.gov.uk/ipreview.htm   http://www.ipo.gov.uk/ipresponse-full.pdf

1.2 Research notes

Within this study we sought to provide measurements for six core content types of interest:

The questions we asked were primarily focused around the following online activities, explained to each respondent as follows:

- **Streamed or accessed**: By this we mean that you viewed, listened or played content directly through the internet without downloading a copy. For example, watching TV programmes on BBC iPlayer or listening to music through services such as Spotify.

- **Downloaded**: By this we mean that you transferred a copy of the file to your device. For example, downloading a music track to your computer through iTunes or Amazon.

- **Shared:** By this we mean that you made the file publicly available, or sent or uploaded it online for someone else to download or stream/access. For example, sharing files on your computer through an online service. This does not include sharing links online.

These categories all relate to what we term 'digital' content/files. However, certain metrics in this report also incorporate consumer spend attributable to 'physical' formats (e.g. CDs, DVDs, physical books, games and cartridges) to help locate the consumption of digital content in its wider context.

For most of the content types there are several elements that had the potential to cause confusion and thereby distort the figures if misinterpreted by the respondent. For example, there is a fine line between music tracks and music videos, and there is a distinct difference (in terms of number of digital files) between singles and albums. Similarly, for computer software and video games people may consider updates and patches as products in themselves. Therefore we attempted to be as clear to respondents as possible in terms of what they should include in the definition. These are as follows:

Category	Definition for respondent
Music	Music tracks or albums (excluding online radio stations)[9]
Films	Films (full length)
TV programmes	TV programmes
Computer software	Computer software (excluding mobile phone apps, and patches/upgrades to software already owned)
Books	e-books
Video games	Video games (excluding patches and upgrades)

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[9] 'Music videos' and 'short video clips' were asked separately for the 'ever done' and 'done in past three months' questions to aid with the distinctions.

KEY METRICS

With respect to assessing levels of copyright infringement for each content category, the approach is consistent throughout the survey; we filter down from general online behaviour towards the sensitive topic of infringement. Within each category, we outline key metrics at two levels:

1) **Respondent level**: For example, the total number and proportion of the UK population who undertook an activity such as downloading music.

2) **Volume level**: For example, the number of music tracks downloaded in the past three months, or the number of music tracks legally obtained.

The key metrics throughout this report are summarised in the following table:

Topic	Respondent Level	Volume Level
Assessing levels of copyright infringement		
General behaviour	1. Ever done 2. Done in the past three months[10] 3. Frequency 4. Median volumes (past three months) among those who have done activity	
Payment	Proportion of the population who fit into the following derived groups in terms of volume of content consumed in the past three months: 1. 100% paid 2. Mix of paid and free 3. 100% free 4. Any free (combination of 2 + 3) 5. 100% already owned in physical format 6. Any already owned in physical format 7. None already owned in physical format 8. 100% previously downloaded for free (% of paid acquisitions across formats) 9. Any previously downloaded for free 10. None previously downloaded for free As well as the proportions of those who have done the activity in the past three months, metrics 1 to 4 are also reported among the total 12+ internet population, and include median volumes. Metrics 5 to 10 include mean volumes[11].	Paid and free proportions of total volume (incorporating physical format where relevant)
Legality	Proportion of the population who fit into the following derived groups in terms of volume of content consumed in the past three months: 1. 100% legal 2. Mix of legal and illegal 3. 100% illegal 4. Any illegal (combination of 2 + 3) As well as the proportions of those who have done the activity in the past three months, the above metrics 1 to 4 are also reported among the total 12+ internet population and include median volumes.	Legal and illegal proportions of total volume (incorporating physical format where relevant)

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[10] The past three months was decided upon as the primary time-based metric for this study. Although this might have repercussions regarding respondents' ability to recollect past behaviour accurately, it was chosen for two reasons - 1) it ties in with the future quarterly DEA reporting requirement, and 2) it is intended to avoid bias in the data caused by seasonality (especially regarding the Christmas period).

[11] See THE LIMITATIONS OF CLAIMED BEHAVIOUR AND DATA RECONCILIATION on page 9.

Assessing consumer spend on categories and price sensitivity		
Spend	Proportion of population who have spent anything (and average spend in the past three months) on digital subscriptions, individual digital downloads, physical formats and other related areas such as gigs or cinema.	Total volumes and proportions of overall spend
Price sensitivity	Willingness to pay (music, films and e-books only) - For consuming individual files via a download service - For a subscription service (monthly charge)	

SUBGROUP ANALYSIS

For each category the report details the main findings, followed by significant differences of interest (at the 99% level[12], unless indicated otherwise) compared to W3 results, among the following groups:

Category	Subgroups
Gender	Male, Female
Age	12-15, 16-24, 25-35, 35-44, 45-54, 55+
Socio-economic group (16+ only)	ABC1, C2DE
Presence of children in the household	Yes (including under 15-year-old respondents), No

TRENDS

Throughout the report reference to the figures from the previous waves are made where significant changes have occurred in the results. Again this is assessed at the 99% level (unless otherwise stated) and is highlighted in the tables or charts where possible. Where significant changes have occurred, an attempt is made to explain why they may have occurred; in some cases this might be partly attributed to changes in the survey design (such as question wording).

THE LIMITATIONS OF CLAIMED BEHAVIOUR AND DATA RECONCILIATION

Consumer research provides one source of insight into the extent and patterns of online content consumption. Other potential sources include analysis of ISP internet traffic, industry sales and revenue data, internet audience analysis and direct measurement of online activity (for example, by monitoring activity on file-sharing networks). On their own, none of these sources presents a complete picture of the market, and each has strengths and limitations.

Data in this report (particularly consumption volumes and consumer spend) are not directly comparable to published industry sales data. Wide variations in notionally similar figures should be expected for many reasons, including:

- Differences in methodological approach
- Extent of market coverage
- Seasonality and timing of research
- Inclusion or otherwise of VAT

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[12] In statistics, a number that expresses the probability that the result of a given experiment or study could have occurred purely by chance. This number can be a margin of error ("The results of this public opinion poll are accurate to five per cent"), or it can indicate a confidence level ("If this experiment were repeated, there is a probability of ninety-five per cent that our conclusions would be substantiated"). Source: Dictionary of Cultural Literacy.

- Differences between consumer spend and sales receipts
- Inclusion of sales of second-hand material

It is also particularly important to note that figures in this report are based on the 'claimed' numbers collected from a random sample of people in this survey. These data were then grossed up to reflect the UK 12+ population. There was a wide variance in the numbers and this reflects the behaviour indicated by a subsection of the UK population 12+ within the time periods asked about.

> Furthermore, questions on unlawful behaviour have a particular reliance on honesty, which is also likely to affect accuracy to some degree i.e. result in under-claim for unlawful behaviour. We have gone to significant lengths to ensure that honesty was encouraged (to ensure that the data collected were as accurate as possible) by using indirect lines of questioning when calculating unlawful activity. These measures are discussed in more detail in the technical appendix (Section 4) of this report.

REPORTING AVERAGES AND THE ISSUE OF OUTLIERS

When reporting on average volumes consumed (or shared) certain metrics are reported differently for this study. The two types of averages used are:

- The <u>median</u> - the middle value in a sample sorted into ascending order.

- The <u>mean</u> - the grand total divided by the number of data points.

For core metrics covering average volumes of files downloaded/streamed, paid for/obtained free, and obtained legally/illegally in the past three months, we report only on *medians*. The reason for this is that due to the nature of online behaviours, and the continuous scale for responses to these questions, the resultant mean scores are highly influenced by a few respondents with high levels of activity. As a result the mean volumes are noticeably volatile from one wave to the next for all content types covered, reducing the confidence with which we can infer trends for these figures. Alternatively, if we were to exclude outliers from the mean calculations this would ignore valid data from possible enthusiasts and hence cause a different issue. The median (middle number), on the other hand, has proved to be much more stable for these metrics.

For the two metrics covering physical ownership of digital content consumed, and the previous free consumption of paid-for content, we revert to the standard mean. The reason for this is that, in contrast to the above, the mean has remained stable from one wave to the next for these metrics. Furthermore, the median is zero in all cases, as the majority of those who consumed content online in the past three months didn't already own any in physical format, or previously consume paid-for content for free. Therefore, there is little value in reporting on the median here.

2. Cross-category overview

2.1 Digital content consumption

This section provides a summary of the key metrics and findings from the current wave of research (as described in Section 1.2). The six content sections in the report annex contain a thorough commentary of how the individual figures were calculated, along with more in-depth findings and trends.

2.1.1 Digital behaviour among internet users aged 12+ across all content types

The following table outlines the proportion of internet users aged 12+ who downloaded, streamed/accessed, or shared content for each of the six types. The 'any' column is an aggregation across all of the content types (for example, if someone downloaded and streamed both music and films they would be counted only once within the overall proportion):

Table 2.1.1a: Digital behaviour among internet users aged 12+ – all content types

↑ Sig. increase (from W3) ↓ Sig. decrease (from W3)		Music	Films	TV Programmes	Computer software	Books	Video Games	Any
Base: all internet users 12+		4673	4673	4673	4673	4673	4673	4673
Download	Ever done	37%	13%	13%	15%	14%	12%	50%
	Past 3 months	25%↓	8%↓	8%↓	9%↓	11%↓	8%	39%↓
Stream or access	Ever done	37%	23%	41%	11%	9%	12%	58%
	Past 3 months	26%	16%	32%↓	7%	6%	7%	48%↓
Share	Ever done	7%	2%	2%	2%	1%	2%	10%
	Past 3 months	5%	2%	1%↓	1%↓	1%	2%	7%↓
Download or Stream/access i.e. Consumed	Ever done	48%	26%	43%	20%	18%	17%	65%
	Past 3 months	35%↓	18%↓	34%	12%↓	13%	11%	56%↓
Download, Stream/access, or Share	Ever done	48%	27%	43%	21%	18%	17%	66%
	Past 3 months	35%	19%	34%↓	13%↓	13%	11%	56%↓

- For all content types except video games, downloading during the three-month period (Mar-May 13) fell back to similar levels to W2 (Aug-Oct 12) - highlighting the seasonal effect experienced during W3 (Nov-Jan 13, covering the Christmas and New Year period).

- Overall streaming levels also fell significantly, driven by a fall in the streaming of TV programmes, from 35% in W3 to 32%.

- As a result, the proportion of internet users aged 12+ who claimed to have downloaded or streamed/accessed (i.e. consumed) any of the six content types in the past three months decreased to 56% from 60% in W3; this was close to the 57% figure recorded in W2. Sharing did not add to these proportions (56%), meaning that if someone shared files, they generally also consumed them.

- Although overall online consumption of music decreased during this period, it was still the most-consumed content type (35%), along with TV (34%). Video games were the least consumed, at 11% (although this was not significantly lower than computer software or books).

- Music was by far the most downloaded content type of the six we explored; 37% of internet users had ever downloaded music, and a quarter had done so in the past three months.

- TV programmes were the most commonly streamed type, with 41% having done so ever, and 32% in the past three months.

- Sharing content (actively) was shown to be a niche activity – just 10% of internet users claimed to have ever done this, dropping to 7% in the past three months[13]. Music was the most commonly shared content type (5% in the past three months, compared to 1-2% for the other types).

The following table outlines the **median** volumes of files downloaded, streamed/accessed or shared in the past three months (among those who had done each activity). The 'any' column shows aggregations across all three activities:

Table 2.1.1b: Median number of files among 12+ internet users who consumed content (past three months)

↑ Sig. increase (from W3) ↓ Sig. decrease (from W3)	Music	Films	TV Programmes	Computer software	Books	Video Games	Any
Base*	1390	424	436	467	521	467	2091
Downloaded	10	3	3	2	4	2	9
Base*	1415	837	1602	478	323	478	2518
Streamed/accessed	18↑	4	5	3	3	3	12
Base*	315	92**	72**	107	39**	107	441
Shared	5	2	3	2	1	2	5
Base*	1858	947	1685	678	631	678	2921
Downloaded or Streamed/ accessed i.e. Consumed	20	5	6	3	5	3	16

*All bases are among those who had done each activity in the past three months
 ** Caution: bases lower than 100.

- Generally, the median figures have remained relatively stable across the content types since W3. The exception was music, where the number of streamed tracks increased significantly for the second wave running, from 13 to 18 (it was ten in W2). However, the median number of tracks consumed overall (i.e. including both streaming and downloading) was the same as it was in W3 (20 – the equivalent of two albums). This gave music the highest median consumption level of any of the content types.[14]

- Across all content types the median number of files downloaded or streamed/accessed online was 16, while the median number shared across all content types was five.

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[13] It is likely that some people are unaware they are sharing content online, so this figure may understate total levels of sharing.

[14] We asked about number of music tracks in order to rationalise both singles and albums – if the respondent was unsure of the number of tracks on a given album they were asked to count it as 10.

2.1.2 Payment groups

We categorised people according to the proportion of digital content that they claimed to have paid for; we refer to these categories as 'payment groups'.

The following table shows the incidences for each payment group in terms of content accessed in the past three months, across two different bases:

- Base 1 - all who downloaded or streamed/accessed each content type in the past three months
- Base 2 - all internet users aged 12+

We have included this second base because the proportion of people active in each category varies between content types; looking at payment categories across the 12+ internet universe allows us to make comparisons between them.

Table 2.1.2: Payment groups – proportion who paid to consume content or did so for free (past three months)

↑ Sig. increase (from W3) ↓ Sig. decrease (from W3)	Music	Films	TV Programmes	Computer software	Books	Video Games	Any
Base 1 - all who consumed	1858	947	1685	685	631	678	2921
100% Paid	30%	32%	7%↓	25%	49%	37%	15%
Mix of Paid and Free	22%	17%	8%	18%	20%	24%	41%
100% Free	49%	50%	85%	57%	31%	39%	44%
ANY PAID	52%	49%	15%↓	43%	69%	61%	56%
ANY FREE	70%	68%	93%↑	75%	51%	63%	85%
Base 2 - 12+ internet users	4673	4673	4673	4673	4673	4673	4673
100% Paid	10%	6%	3%	3%	6%	4%	8%
Mix of Paid and Free	7%	3%	3%	2%	3%	3%	23%↓
100% Free	17%	9%	29%	7%	4%	4%	25%
ANY PAID	17%	9%	6%	5%	9%	7%	31%↓
ANY FREE	24%	13%↓	32%	9%	7%	7%	48%↓

Base 1: All who have downloaded or streamed/accessed types of content in the past three months
Base 2: All internet users (aged 12+)

- There was a small but significant increase among online TV programme consumers in the proportion who watched at least some of these for free (93% from 90%). This was offset by a small decrease in the proportion who paid for all of their online TV content (7% from 10%). Both figures fell back to levels similar to those observed in W2. TV programmes had the highest incidence of free consumption across the content types, equating to a third of the 12+ internet population.

- Across all content types, and among all internet users aged 12+, the 'mix of paid and free' group fell back to the same levels as in W2 (23%), as did the percentage who consumed any content for free (48%). This appeared to be driven by films.

- Of those who downloaded or accessed content of any type during the past three months, the great majority (70%) consumed at least some of it for free[15].

- The proportion of consumers who have paid for online music (46% to 52%) and films (42% to 49%) has increased over the 13 months covered by the tracker (since May 2012), although the former hasn't significantly changed since W2. All content types except video games have seen significant fluctuations throughout the year in this respect.

- More e-book consumers paid for any content (69%) and for all of their content (49%) than consumers of any other content type.

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[15] Note that 'free' does not necessarily mean that the content was consumed 'illegally'.

2.1.3 Existing ownership, and free access to digital content before purchasing

The following table displays a summary of key metrics about prior ownership in physical format of content consumed online in the past three months.

Table 2.1.3a: – Prior physical ownership of content consumed in the past three months

↑ Sig. increase (from W3) ↓ Sig. decrease (from W3)	Music	Films	TV Programmes	Computer software	Books	Video Games	Any
Base*	1858	947	1685	678	631	678	2921
100% owned in physical format	6%	4%	2%	7%	3%	7%	2%
Any owned in physical format	32%	23%	10%	27%	20%	27%	31%
None owned in physical format	67%	77%	90%	73%	80%	73%	68%
Mean number	9	2	1	2	1	2	8

*All bases are among those who had done each activity in the past three months

- Physical ownership of content consumed online in the past three months hasn't significantly changed since W3 for any of the content types. About a third (31%) of those who consumed any content in the past three months owned some of it in physical format already.

- Consumers of music (32%), video games and software (both 27%) were most likely to claim ownership of physical copies of at least some of the content they had consumed online in the past three months.

- Across the year, only one category saw a significant movement at any point for this metric – this was films, where 'any owned in physical format' increased from 19% in W2 to 24% in W3, and then 23% in W4.

The following table shows the proportion of people who claimed to have previously consumed content online for free which they went on to pay for (in either digital or physical format).

Table 2.1.3b: Consuming online content for free before purchasing in the past three months

↑ Sig. increase (from W3) ↓ Sig. decrease (from W3)	Music	Films	TV Programmes	Computer software	Books	Video Games	Any
Base*	1653	1608	1067	1104	2085	1104	5444
100% previously consumed for free	13%	8%	17%	22%↑	6%	12%	2%
Any previously consumed for free	35%↑	19%	30%↑	39%	13%	27%↑	17%
None previously consumed for free	65%↓	81%	70%↓	61%	87%	73%↓	83%
Mean number	15	1	2	2	1	1	5

*All bases are among those who had paid for types of content (physical or digital) in the past three months

- W4 has been the only period throughout the year where significant differences have occurred in terms of prior free consumption of paid for content. The percentage who had previously consumed paid-for content for free increased for music (35% from 30%), TV programmes (30% from 25%) and video games (27% from 21%) compared to W3. '100% previously consumed for free' also increased for computer software - from 17% in W3 to 22% in W4.

- Across the content types, 17% had previously consumed at least some of their paid content for free. The figure was highest for computer software (39%) and lowest for e-books (13%).

2.2 Levels of copyright infringement

2.2.1 Legality groups

As with the payment group metrics outlined in Section 2.1.2, we can create 'legality' groups by assessing the proportion of online content they each consumed legally [16]:

Table 2.2.1a: Legality groups – proportion who consumed content legally/illegally (past three months)

↑ Sig. increase (from W3) ↓ Sig. decrease (from W3)	Music	Films	TV Programmes	Computer software	Books	Video Games	Any
Base 1 - all who consumed	1858	947	1685	685	631	678	2921
100% legal	74%	67%	82%	79%	91%	83%	70%
Mix of legal and illegal	12%	12%	8%	8%	5%	7%	22%
100% illegal	14%	21%	11%	14%	4%	10%	8%
ANY ILLEGAL	26%	33%	18%	21%	9%	17%	30%
Base 2 - 12+ internet users	4673	4673	4673	4673	4673	4673	4673
100% legal	26%↓	12%	28%	10%↓	12%	9%	40%↓
Mix of legal and illegal	4%	2%	3%	1%	1%	1%	12%
100% illegal	5%	4%	4%	2%	1%	1%	4%
ANY ILLEGAL	9%	6%	6%	3%	1%	2%	17%

Base 1: All who have downloaded or streamed/accessed types of content in the past three months
Base 2: All internet users (aged 12+)

- Overall, the proportion of 12+ internet users who infringed remained similar to W3, at 17%. However, the proportion who consumed all of their content legally decreased slightly (from 43% to 40%), driven by falls in music (from 28% to 26%) and computer software (12% to 10%). This is probably a function of lower general consumption compared to W3 (which covered Christmas and New Year).

- Of the 30% who consumed online content illegally during the quarter; 8% did so exclusively illegally (equating to 4% of all internet users).

- Among those who have consumed any of the content types online, there have been no significant movements in the proportion of people who had infringed at all over the 13 months (since W1), even seasonally.

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[16] We derived figures for illegal files by looking at differences between claimed total number of files with claimed number of files obtained 'legally' in the past three months. A full description of how the legal groups are calculated is outlined in the annex.

Table 2.2.1b shows the demographic profile of 'any illegal' (infringers) versus '100% legal' (non-infringers):

Table 2.2.1b: Demographic profiles of infringers versus non-infringers

		All content consumers	Any illegal (Infringers)	100% legal (non-infringers)
	Base	2921	887	2034
Gender	Male	52%	60%	49%
	Female	48%	40%	51%
Age	12-15	9%	12%	9%
	16-34	43%	58%	39%
	35-54	33%	24%	35%
	55+	15%	6%	17%
Socio-economic group[17]	ABC1	65%	59%	68%
	C2DE	35%	41%	32%

Base: All who have downloaded or streamed/accessed any content type in the past three months (2921)

- Across all content types, those who downloaded or streamed illegally were skewed towards males (60%), those under 34 (70%), and ABC1s (59%). Non-infringers were more likely to be female (51%), over 34 (52%), and ABC1 (68%) than infringers.

The following table shows the median number of items downloaded or streamed illegally, split out by the legality groups:

Table 2.2.1c: Legality groups – median content items consumed illegally in the past three months

	Music	Films	TV Programmes	Computer software	Books	Video Games	Any
Base:	492	313	311	152	58*	125	887
100% illegal	15	4	10	3	**	3	10
Mix of legal and illegal	12	5	4	2	**	2	8
Any illegal (Infringers)	12	4	6	2	2	2	10

Base: All who have downloaded or streamed types of content illegally in the past three months
*Caution low base (under 100). **Bases too small to analyse further (under 50)

- Across all content types the median number of files downloaded or streamed illegally among those who had done so was ten.
- Median volumes were highest for music (12 tracks – roughly the equivalent of an album), while computer software, books and video games were lowest (two).

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[17] Socio-economic group is not included for 12-15 year olds, so this profile is among 16+ year olds.

The following table shows the incidence of services used in the past three months to consume or share any type of content. It compares infringers ('any illegal') with non-infringers ('100% legal').

Table 2.2.1d: Use of services for consuming or sharing content in the past three months

	All who consumed or shared content in past 3 months	Any illegal (infringers)	100% legal (non-infringers)
Base	2936	887	2034
YouTube	48%	63%	42%
BBC iPlayer	44%	39%	46%
Amazon/ Amazon mp3/ Kindle	34%	33%	34%
iTunes/ App Store/ iBookstore/ Apple Store	27%↓	26%	27%
ITV Player	19%	19%	20%
4OD	19%	22%	18%
Facebook	18%↓	27%	14%↓
Google (Search Engine)	17%	27%	12%↓
Spotify	12%	15%↑	10%
Email	10%↓	16%↓	8%
Netflix	10%	13%	8%
Lovefilm	9%↓	13%	8%
Sky Go	7%	10%	6%
uTorrent	7%	17%	2%
Demand 5	7%	7%	7%
Google Play/ Android Marketplace	6%	10%	4%
Microsoft	5%	6%	5%
BitTorrent software	5%	12%	2%
Peer-to-peer (NET) [18]	13%↓	32%↓	6%
Cyberlockers (NET) [19]	4%	11%	2%
Mean number of services used	4.0	5.6	3.4

Base: All who have downloaded, streamed/accessed or shared any of the six content types in the past three months (2936)

- Among those who consumed or shared any content online in the past three months, several services had lower use than in W3. Most noticeably, peer-to-peer (P2P) dropped to 13% (from 16% in W3). This was the lowest level seen during the 13 months of tracking. Use of P2P was higher among infringers (32%), but again at its lowest levels seen so far (37% in W3).

- Among infringers, Spotify use rose significantly from 10% to 15%, while email fell from 21% to 16%.

- uTorrent was still the most-used 'unlicensed' service, as it has been since W1 - 17% of infringers claimed to have used it in the past three months. 'Cyberlockers' were used by 11% of infringers.

- Those who infringed used 5.6 services on average, compared to 3.4 for those who consumed 100% legally.
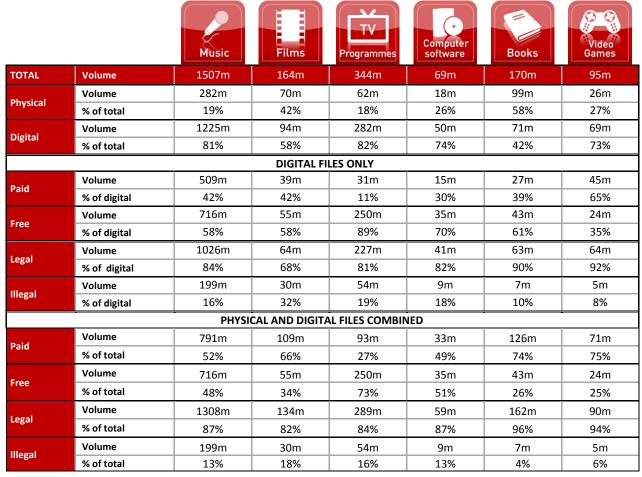
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[18] Peer-to-peer (net) comprises Bittorrent software, uTorrent, Pirate Bay, Isohunt, Limewire, eDonkey/eMule, Gnutella, KickAssTorrents, Torrentz, and Sopcast.

[19] Cyberlockers comprises Rapidshare, MediaFire and YouSendit.

2.2.2 Content consumption volumes

While the metrics outlined so far have focused on results at an individual respondent level, the following table outlines total consumption volume estimates for each of the content types (in the past three months, rounded to the nearest million in each case[20]).

Table 2.2.2: Volume of content consumed

		Music	Films	TV Programmes	Computer software	Books	Video Games
TOTAL	Volume	1507m	164m	344m	69m	170m	95m
Physical	Volume	282m	70m	62m	18m	99m	26m
	% of total	19%	42%	18%	26%	58%	27%
Digital	Volume	1225m	94m	282m	50m	71m	69m
	% of total	81%	58%	82%	74%	42%	73%
DIGITAL FILES ONLY							
Paid	Volume	509m	39m	31m	15m	27m	45m
	% of digital	42%	42%	11%	30%	39%	65%
Free	Volume	716m	55m	250m	35m	43m	24m
	% of digital	58%	58%	89%	70%	61%	35%
Legal	Volume	1026m	64m	227m	41m	63m	64m
	% of digital	84%	68%	81%	82%	90%	92%
Illegal	Volume	199m	30m	54m	9m	7m	5m
	% of digital	16%	32%	19%	18%	10%	8%
PHYSICAL AND DIGITAL FILES COMBINED							
Paid	Volume	791m	109m	93m	33m	126m	71m
	% of total	52%	66%	27%	49%	74%	75%
Free	Volume	716m	55m	250m	35m	43m	24m
	% of total	48%	34%	73%	51%	26%	25%
Legal	Volume	1308m	134m	289m	59m	162m	90m
	% of total	87%	82%	84%	87%	96%	94%
Illegal	Volume	199m	30m	54m	9m	7m	5m
	% of total	13%	18%	16%	13%	4%	6%

- Music was by far the most-consumed content type, both digitally (1225 million tracks) and physically (282 million tracks) over the three-month period. This was largely driven by the fact that we assessed individual tracks, not albums. Eighty-one per cent of music tracks consumed in this period were consumed digitally.

- Books were the only content type for which physical volumes (99 million) outweighed digital (71 million).

- Video games had the highest proportion of paid-for content (65%).

- Eighty-nine per cent of all TV programmes consumed online were obtained for free; a higher proportion than for any other content type.

- We estimate that 199 million music tracks were illegally consumed online in the past three months, accounting for 16% of all digital tracks. In terms of volume, this was again by far the highest across the

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[20] Due to rounding (to the nearest million), not all figures e.g. paid + free will add up to the total exactly.

content types, though illegal film volumes were proportionally significantly higher (32%). Video games (8%) and books (10%) had the lowest illegal proportions.

2.3 Consumer spend

This section outlines the main findings for consumer spend across the six content types.

2.3.1 Quarterly consumer spend among 12+ year olds

The table below shows, at a respondent level, the average spend within content types in the past three months across a number of expenditure categories. It also shows the proportions of the entire UK population (i.e. not just internet users) aged 12+ who claim to have spent any money on these items:

Table 2.3.1a: Average consumer quarterly spend among 12+ year olds – all content types[21]

↑ Sig. increase (from W3) ↓ Sig. decrease (from W3)	Music		Films		TV Programmes		Computer software		Books		Video Games	
	Mean	%	Mean	%	Mean	%	Mean	%	Mean	%	Mean	%
Purchases/rentals in physical format	£4.31	19%↓	£4.17	20%↓	£3.39	15%↓	£3.82	10%↓	£7.43	33%↓	£5.68	15%↓
Individual digital purchases	£1.87	11%	£0.55	4%	£0.53	4%	£1.51	3%	£0.95	7%	£1.47	5%
Online Subscriptions	£1.95	4%	£0.77	5%			-	-	-	-	-	-
Other	£13.03	18%	£9.71	43%	£1.13	5%	-	-	£1.42	6%	£1.20	5%
TOTAL[22]	**£21.15**	**32%↓**	**£15.20**	**43%↓**	**£5.05**	**17%↓**	**£5.33**	**11%↓**	**£9.79**	**37%↓**	**£8.35**	**16%↓**

Mean is the average spend among all 12+ year olds in the UK
% is the proportion of 12+ year olds in the UK who spent anything on the content type
Base: All 12+ year olds in the UK (5437)

- The proportion of people who claimed to have spent money on physical content decreased since W3 for all content types, as did the average spend per person. In all cases except for books, the figures were the same or slightly higher than W2. For books the percentage of people who spent anything was lower than in W2 (37% compared to 44% in W4), as was average spend (£9.79 compared to £11.11).

- Across the six content types, music had the highest average spend per person in the UK aged 12+, at £21.15, ahead of film at £15.20.

- A higher proportion of people claimed to have spent money in the past three months on films (43%) and books (37%) than on other content types.

- Nineteen per cent of people aged 12+ claimed they had spent money on physical music (on CD, vinyl or tape) during the period; this compared to 11% for digital music (downloaded or streamed). Average spend on physical products was substantially higher than on digital for all content types.

- For both music and film, spend on 'other' (including cinema/concerts and merchandise) was substantially higher than spend on physical and digital content.

- TV programmes (£5.05) and computer software (£5.33) had the lowest average spend across the six content types. The latter also had the lowest proportion of the population spending anything (11%) in the three-month period.

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[21] *Other includes: Music = Concerts/gigs (£11.33, 15%) Merchandise (£1.70, 7%) Films = Cinema (£7.14, 31%) Merchandise (82p, 5%), Pay-TV purchases (£1.75, 10%) TV programmes = Merchandise (£1.13, 5%).

[22] Note that the total percentages add to less than the individual percentages added together due to duplication i.e. if someone purchased in physical format and online they only count once.

The following table shows the average spend for each content type (see previous charts for details of spend coverage) among the legality groups:

Table 2.3.1b: Average consumer quarterly spend among legality groups – all content types

	Music	Films	TV Programmes	Computer software	Books	Video Games
100% legal	£41.40 (1364)	£40.03 (634)	£7.33 (1374)	£30.53 (533)	£23.77 (573)	£42.95 (553)
Mix of legal and illegal	£95.31 (210)	£52.68 (110)	£17.83 (123)	£51.07 (60*)	£27.46 (58**)	£81.75 (56*)
100% illegal	£27.07 (284)	£28.15 (203)	£14.24 (188)	£5.48 (92*)		£30.69 (69*)

Bases for individual groups are included in brackets.
*Caution: base under 100
**Base too low to analyse individual legality groups (figures shown for 'any illegal')

- For five of the six categories, those who consumed a mix of legal and illegal content claimed to spend more on that particular content type over the three-month period than those who consumed either 100% legally or 100% illegally. (For books the sample size was too low to make an assessment).

2.3.2 Quarterly total spend estimates

While the previous sub-section focused on results at an individual level, table 2.3.2 outlines *total* spend estimates for each of the content types in the past three months, rounded to the nearest million in each case[23].

Table 2.3.2: Total quarterly spend estimates – all content types[24]

↑ Sig. increase (from W3) ↓ Sig. decrease (from W3)	Music		Films		TV Programmes		Computer software		Books		Video Games	
	Spend	%	Spend	%	Spend	%	Spend	%	Spend	%	Spend	%
Purchases/rentals in physical format	£231m	20%	£224m	24%	£181m	67%	£205m	72%	£398m	76%	£304m	68%
Individual digital purchases	£100m	9%	£30m	3%	£29m	11%	£81m	28%	£51m	10%	£79m	18%
Online Subscriptions	£105m	9%	£41m	4%			-	-	-	-	-	-
Other	£698m	62%	£635m	68%	£60m	22%	-	-	£76m	14%	£64m	14%
TOTAL[25]	**£1,134m**		**£929m**		**£270m**		**£286m**		**£525m**		**£447m**	

Spend is the total amount spent across all 12+ year-olds in the UK
% is the proportion of the total spend attributed to the specific category
Base: All 12+ year olds in the UK (5437)

- Music had the highest overall quarterly spend across the content types, at an estimated £1,134m, followed by films (£929m). Spend on music in physical format during this period (£231m) was more than that generated from digital music (approximately £205m for individual purchases and online subscriptions combined).

- However, in absolute terms, the £205m spent on digital music was by far the highest digital spend across the six categories evaluated, comparing to £71-81m for each of films, computer software, and video games. Spend was lowest on TV programmes, at £29m, followed by £51m for e-books.

- Spend on physical content was highest for books (£398m), followed by video games (£304m). Again, TV programmes was lowest at £181m.

- For both music and films 'other' spend (including concerts, cinema and merchandise) accounted for over three-fifths of the total.

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[23] Due to rounding (to the nearest million), not all figures will add up to the total exactly.

[24] * Other includes: Music = Concerts/gigs (£607m 54%) Merchandise (£91m, 8%) Films = Cinema (£382m, 41%) Merchandise (£43m, 5%), Pay-TV purchases (£138m, 15%) TV programmes = Merchandise (£60m, 22%).

3. Attitudes towards digital activities and copyright infringement

3.1 Motivations for general online activities

This survey included several questions on attitude with a view to uncovering primary motivations for taking part (and also not taking part, in the case of downloading) in the activities covered in the survey i.e. downloading, streaming/accessing, and sharing content.

The following tables show the ranked prompted responses among those respondents who claimed to have done the above activities in the past three months. We have included only those answers that gained a response rate of 4% or more.

Although not shown on the following tables, it is worth noting that motivations for general online behaviour were similar, both for those who had consumed any illegal content, and for the general internet population, since these questions focused on the general acts of downloading, streaming and sharing (without any reference to legality). The sub-section following this one focuses on motivations for lawful and unlawful activity.

Table 3.1a. Motivations for downloading (or not) content online

DOWNLOADING CONTENT ONLINE	
You indicated you have downloaded [CONTENT TYPES] in the past three months. Generally, what would you say are your personal reasons for downloading these types of files rather than buying a physical version such as a CD, DVD, Blu-ray, paper, etc.?	
Base: All who had downloaded any of the six content types of interest in the past three months (2091)	
It's easier/more convenient	67%
It's quicker	56%
It's cheaper	48%
I can access them more easily on the devices I have	34%
I can get them for free	32%
The quality isn't noticeably different	19%
It's more up-to-date	15%
No physical version available	11%
It's what everyone does	10%
What are the reasons that you have not downloaded any files in the past three months?	
Base: All with internet access who'd <u>not</u> downloaded any of the six content types of interest in the past three months (2428)	
I'm not interested	66%
I prefer to have a physical copy	23%
I'm not sure how to do it	13%↓
I fear they may have viruses/ malware/ spyware	12%
They are too expensive	10%
I fear that they could be illegal	9%
I prefer to stream/access (without downloading) files	7%
It is easier to buy physical copies	6%
The quality is not as good	5%

↑ Sig. increase (from W3)
↓ Sig. decrease (from W3)

Table 3.1b. Motivations for streaming or accessing content online

STREAMING / ACCESSING CONTENT ONLINE	
You indicated you have accessed or streamed [CONTENT TYPES] in the past three months. What are your personal reasons for doing this?	
Base: All who had streamed or accessed any of the six content types of interest in the past three months (2518)	
It's easy/convenient	57%
It's quick	46%
It's free	45%
It's easy to do	40%
To watch programmes I have missed (on TV)	30%
For entertainment	29%
It means I don't have to download them	24%
It's quicker than downloading	21%
It means I can try something before I buy it	17%
It's cheaper than downloading	14%
Some types of files are too expensive to buy	6%
It's what my friends or family do	6%

Table 3.1c. Motivations for sharing content online

SHARING CONTENT ONLINE	
You indicated you have shared [CONTENT TYPES] in the past three months. What are your personal reasons for doing this?	
Base: All who had shared any of the six content types of interest in the past three months (441)	
It's easy to do	50%
It's only fair	33%↑
It's what everyone does	28%
I should be able to share my content with whomever I choose	21%
My friends/family cant access files themselves	18%
Unless I share content, I can't download other files myself	4%

- Since W3, a slightly lower proportion of those who had not downloaded in the past three months said that this was the case "because they didn't know how to" (13% compared to 16%). Furthermore, a higher proportion of those who had shared any of the six content types said they did so because "it's only fair" (33% from 24%).

- "Ease/convenience" was still the prime motivator both for downloading (67%) and for streaming/accessing (57%) content. Speed (i.e. "it's quick") was also highly cited – by 56% among downloaders and 46% among streamers. These responses have been at the same levels across all four waves conducted so far.

- The ability to access content for free appeared more important to streamers (45%) than to downloaders (32%).

- The majority (66%) of those who said they didn't download were simply not interested, but apart from this, the preference for owning a physical copy was also a major reason (23%). Again, these levels have been consistent across the year.

- Among those who said they shared files, the fact that it was "easy to do" was the main reason given (50%).

3.2 Attitudes towards online content

Respondents were asked the following, in relation to the consumption of digital media.

To what extent do you agree or disagree with each of the following statements?
1: Strongly agree   2: Slightly agree   3: Neither agree nor disagree   4: Slightly disagree   5: Strongly disagree

The table below outlines the proportions who agree (strongly or slightly) among all those with internet access (aged 12+), and then among the three legality groups (aggregated across all six content types):

Table 3.2: Proportion of legality groups who agree with statements

Q.4 To what extent do you agree or disagree with each of the following statements?	All aged 12+ with internet access	100% legal	Mix of legal and illegal	100% illegal
Base	4673	2026	643	239
Content that you download or access online should be cheaper than the equivalent purchased in a physical format	61%	76%	76%	58%
It is wrong to access content online without the creator's/artist's permission	52%	62%	41%	42%
The rules governing what you can and can't do with content you purchase should be the same for both physical and online formats	51%	62%	57%	45%
If you had paid for a digital file you should then be able to share it with others	43%	47%	63%	45%
It is easy to find content on the internet for free that would usually be paid for	38%	41%	69%	51%
I think that you should be able to download or access the content you want for free from the internet	35%	34%	57%	44%
The price that you pay to download or access content online is generally about right	28%	35%	36%	29%
I find it difficult to find legal content online	17%	14%	34%	27%

- There were no significant changes in levels of agreement with the above attitude statements between W3 and W4.

- There was general consensus among all aged 12+ with internet access that online content should be cheaper than the equivalent purchased in a physical format (61%). However, the figure was much lower among those who consumed all their content illegally (58%) than among those who consumed legal content (76%).

- In terms of the statement: "the price you pay for downloaded or accessed content online is about right" the level of agreement was also lower among those who consumed only illegal content (29%) than among the other two groups (35%-36%).

- The 'mix of legal and illegal' group was the most likely to agree that "you should be able to share digital files if you have paid for them" (63%). Sixty-nine per cent of this group also agreed that "it is easy to find content on the internet (that you usually pay for) for free". Both infringing groups were less likely to think "it is wrong to access content online without the creator's/artist's permission" – 41-42% compared to 62% among those who consumed all their content legally.

3.3 Motivations for lawful and unlawful behaviour

Further questions on attitudes were asked in order to assess the primary motivations for lawful and unlawful behaviour, and in an attempt to uncover factors that might encourage those who currently infringe to stop.

Respondents who paid for any content were asked:

You indicated you have paid to download or stream/access [CONTENT TYPES] in the past three months. What were your personal reasons for doing this rather than using services where you could have got them for free?

It is important to take into account that when we ask about the use of paid services over free ones we are not necessarily implying that the latter are illegal – as we have seen for many of the content types, free services such as YouTube, BBC iPlayer and Facebook are particularly popular when it comes to consuming and sharing content.

However, as well as assessing responses among those who simply paid for any content, it is also possible to compare the responses of those who consumed content both legally and illegally with those who consumed content only legally. Table 3.3a displays the main reasons given for paying for online content:

Table 3.3a. Motivations for using paid services

	Any paid	100% legal	Mix of legal and illegal
Base	1629	1127	466
It's easier/more convenient	47%	47%	48%
It's quicker	40%	36%	48%
I don't want to use illegal sites	38%	46%	20%
I want to support creators/industry	26%	26%	27%
I think it's morally wrong to use illegal sites	25%	29%	13%
I fear they may have viruses/ malware/ spyware	23%	24%	23%
They are better quality	22%	18%	32%
I don't think it is right to get them for free	17%	20%	9%
I prefer to pay	16%	18%	13%
I can afford to pay	16%	15%	16%
I fear I might be caught	11%	10%	12%
I'm unaware of the free services available	11%	11%	9%
I don't know how to use the free services	7%	8%	5%

- There were no significant changes since W3 in the reasons given for using paid services rather than free ones.

- Convenience was the most commonly-cited reason both among those who accessed all of their content legally and among those whose consumption was partly illegal (47% v 48%).

- However, there were marked differences among the two legality groups across the other motivations. Those who consumed content exclusively legally were much more likely (46%) than those who infringed (20%) to say that they did not want to use illegal sites (possibly conflating free sites and illegal sites).

- Those who accessed both legal and illegal content were more likely to say that they used paid services because they are quicker (48% v 36%), and because they are better quality (32% v 18%). Unsurprisingly, they were less likely to be averse to free and illegal services; just 13% said they "think it's morally wrong to use illegal sites", and 9% that they "don't think it is right to get content for free" (these figures were 29% and 20% respectively among non-infringers).

Respondents who indicated that they had infringed were asked:

You indicated you have downloaded or streamed the following types of files in the past three months which you think may have been done so illegally [CONTENT TYPES]. What are your personal reasons for doing this?

The main reasons given for unlawful consumption of content online among the legality groups were as follows:

Table 3.3b. Motivations for unlawful consumption of content online

	Any illegal	100% illegal	Mix of legal and illegal
Base	887	242	645
It's free	49%	45%	50%
It's easy/convenient	44%	39%	46%
It's quick	36%	27%	39%
It means I can try something before I buy it	27%	18%	30%
I can't afford to pay	20%	11%	23%
I think legal content is too expensive	19%	9%	23%
Because I can	18%	12%	20%
I've already paid to see it/them at the cinema/in concert, etc	14%↑	5%	17%
I already owned content in another format	13%	6%	16%
I don't want to wait for content to become available on legal services	11%	0%	15%
The Industry makes too much money	11%	4%	13%
It's what my friends or family do	10%	6%	12%
I already spend enough on content	10%	3%	12%
The files I want are not available on legal services	9%	2%	11%
I don't think I should have to pay for files online?	6%	3%	6%
No one suffers	4%	1%	5%
I think legal content is too poor quality	3%	0%	4%
No one ever gets caught	2%	0%	2%
Average number of reasons cited	**3.1**	**1.9**	**3.5**

- The proportion claiming to have consumed content illegally because they had already paid to see a film at the cinema, or live music, increased significantly; from 8% in W3 to 14% in W4. All other reasons remained consistent with W3.

- Overall, the free aspect (49%) was the main motivation for illegal consumption, and this has been the case for all four waves of the research. Generally, responses were higher for those in the 'mix of legal and illegal' group than for the '100% legal' group, and this is reflected in the average number of reasons cited by each group (3.5 v 1.9 respectively).

- Twenty-seven per cent of all infringers said they do it because it means they can try before they buy, rising to 30% among those who consumed both legal and illegal content. However, when asked directly, 46% of infringers indicated that they had previously accessed for free some of the digital and physical content which they went on to pay for[26].

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[26] This pertains to the question covered in Section 2.1.3 regarding paid-for content previously accessed for free.

Infringers were also asked:

And which, if any, of the following do you think would make you stop downloading or streaming files illegally?

Table 3.3c. Aspects that would encourage stopping accessing content illegally online

	Any illegal	100% illegal	Mix of legal and illegal
Base	887	242	645
If legal services were cheaper	32%	14%	38%
If everything I wanted was available legally	27%	14%	32%
If it is clearer what is legal and what isn't	24%	16%	27%
If everything wanted was available legally online as soon as released elsewhere	21%	10%	26%
If legal services were more convenient/flexible	19%	8%	23%
If I thought I might be sued	18%	15%	20%
If legal services were better	18%	11%	21%
If a subscription service I was interested in became available	16%	8%	19%
If I thought I might be caught	16%	12%	18%
If my ISP sent me a letter saying they would suspend my internet access	14%	7%	17%
If I knew where to go to see if something was illegal or not	14%	9%	17%
If everyone else stopped doing it	14%	12%	15%
If friends or family were caught	13%	10%	14%
If my ISP sent me a letter informing me my account had been used to infringe	12%	6%	14%
If my ISP sent me a letter saying they would restrict my internet speed	11%	5%	14%
If there were articles in the media about people being caught	10%	8%	10%
Nothing would make me stop	6%	11%	4%
Average number of aspects cited	**2.8**	**1.7**	**3.3**

- There have been no significant changes since W3 in terms of factors that would encourage people to stop infringing.

- The top four most commonly-cited factors were all themed around potential improvements to legal services, with the top response being "if legal services were cheaper" (32% of infringers). This was markedly higher among those who consumed both legally and illegally (38%) than among the 100% illegal group (14%). The former group (3.3) cited nearly twice as many aspects on average than the latter (1.7).

- The threat of letters from ISPs had comparatively less effect on predicted behaviour; 14% of infringers said that they would be put off "if my ISP sent me a letter saying they would suspend my internet access", falling to 12% for "if my ISP sent me a letter informing me my account had been used to infringe" and 11% for "if my ISP sent me a letter saying they would restrict my internet speed". Again, all three of these responses were significantly lower among the 4% of internet users who consumed content exclusively illegally (7%, 6%, and 5% respectively).

- Responses to the threat of ISP letters were all at lower levels than they were in W1; suspension of internet service in particular has fallen by small proportions wave on wave (from 22% in W1, 18% in W2, and 16% in W3 to its current level of 14%; not included in the table above))

- Only 6% of infringers said that nothing would make them stop, although this rose to 11% among those whose consumption was entirely illegal.

3.4 Awareness of lawful/licensed services

The following chart shows prompted awareness of lawful / licensed sites[27] offering any of the six content types covered in this survey. The figures below include people who also indicated that they had used any of these services in the past three months.
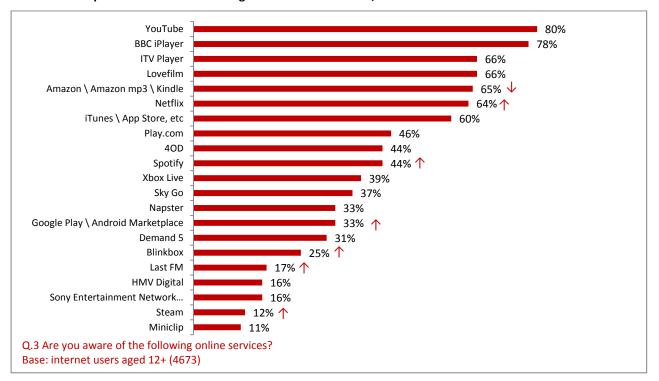
Chart 3.4a: Proportion of internet users aged 12+ aware of lawful/licensed online services

Service	%
YouTube	80%
BBC iPlayer	78%
ITV Player	66%
Lovefilm	66%
Amazon \ Amazon mp3 \ Kindle	65% ↓
Netflix	64% ↑
iTunes \ App Store, etc	60%
Play.com	46%
4OD	44%
Spotify	44% ↑
Xbox Live	39%
Sky Go	37%
Napster	33%
Google Play \ Android Marketplace	33% ↑
Demand 5	31%
Blinkbox	25% ↑
Last FM	17% ↑
HMV Digital	16%
Sony Entertainment Network…	16%
Steam	12% ↑
Miniclip	11%

Q.3 Are you aware of the following online services?
Base: internet users aged 12+ (4673)

- Awareness of Netflix (64%), Google Play (33%) and Blinkbox (25%) have all risen significantly (as was the case in W3 compared to W2 for these services).

- Spotify (44%), Last FM (17%) and Steam (12%) also saw small but significant rises in awareness since W3.

- Amazon is the only service for which awareness has fallen since W3, but it returned to the level seen during W1 and W2 (65%).

- Two free online services topped the list – awareness was highest for YouTube (80%), followed by BBC iPlayer (78%), and ITV Player (66%). Lovefilm (66%), Amazon (65%) and Netflix (64%) were the most commonly-cited paid-for services.

There were several differences in awareness levels between demographic groups (not shown in the chart above):

- Lovefilm (68% v 63%) and Netflix (66% v 61%) both had significantly higher awareness among females than males. However, more males tended to be aware of Sky Go (42% v 33%), Napster (37% v 29%), Blinkbox (27% v 23%) and Last FM (20% v 13%).

- Awareness of 4oD was significantly higher among 16-24 year olds than all other age groups (66%).

- ABC1s had significantly higher awareness than C2DEs of the majority of lawful services.

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[27] Note that unlawful activities are possible on some of these services (such YouTube, iTunes, Google Play, etc).
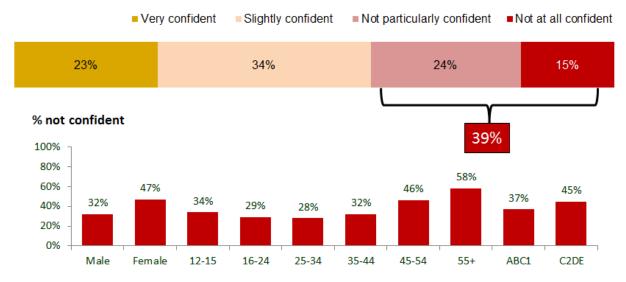
3.5 Confidence in knowing what is and isn't legal online

Respondents with internet access were also asked the following question:

How confident are you that you know what is legal and what isn't in terms of downloading, streaming/accessing, and sharing content through the internet?

The results are shown in the chart below, with the proportion who said they were "not particularly confident" or "not at all confident" broken down by sex, age and socio-economic group (16+ only).

Chart 3.5a: Confidence in knowing what is and isn't legal online

Base: internet users aged 12+ (4673)

- Overall, 39% of all internet users aged 12+ claimed to be either "not particularly confident" or "not at all confident" in terms of what is and isn't legal online. This is not significantly lower than the 41% figure in W3 (though it is significantly lower than it was in W1 when it was 44%), and there have been no changes in the demographics of the responses.

- However, the proportion of people claiming to be 'not at all confident' in what is and is not legal online has fallen slightly but significantly; from 17% to 15% since W3.

- Lack of confidence appeared more prevalent among females (47% v 32% male) and C2DEs (45% v 37% ABC1), i.e. those less likely to participate in all forms of online activity (legal and illegal). While lack of confidence generally increased with age past 35, 12-15 year olds (34%) showed similar levels of confidence to 35-44 year olds (32%).

Finally, we asked respondents an open-ended question in order to gauge what they perceived as being legal in terms of online services:

What aspects of an online service which allows you to either download, or stream/access content through the internet, would make you trust it was legal?

By far the top response was the presence of a **reputable/well known company or brand** - 27% of all those with internet access spontaneously mentioned this as being the primary indicator of a legal online service. For example, respondents said:

> *"Using a known company (Apple, Steam) with prices that are cheap but believable."*

> *"Using a well-known site, I always use iTunes as then I am sure"*

> *"The service was well known or other people I know are familiar with it, such as BBC iPlayer."*

Stamps of security were spontaneously mentioned by 5% of respondents. For example:

> *"Trusted source with a clearly worded statement about the legality of doing so. An official governmental logo or other affiliation to guarantee conformity with some official regulatory body would be helpful"*

> *"Trademark licence, something indicating that the intellectual property rights are not being infringed"*

Payment in general also directly signifies legality to a number of people (5%):

> *"Usually a payment of some kind, free is usually illegal"*

4. Technical appendix

Data-collection methodology

The research universe for this study was all aged 12+ in the UK. Although some elements of the survey cover those without internet access, so as to provide a nationally representative frame, the core focus of the study (and thus the majority of questions) was the UK online population aged 12+.

A mixed online and face-to-face methodology was employed for this project, following the guidelines established in response to the *illegal file-sharing pilot study*[28] in 2010. The original design recommended by Kantar Media was subsequently approved via peer review, albeit with several recommendations.

For the pilot research the core objective was to establish the most appropriate methodology for measuring behaviour and attitudes in this area. The main drivers that sat front of mind when assessing the most appropriate methodology (for what is clearly a sensitive yet technical subject matter) were representativeness, honesty of responses, and consumer understanding of the issues and terminology. These were all addressed as far as possible, and provided a solid grounding for the ongoing tracker methodology. The benefits of the 'chosen methodology' are as follows:

- It is the most suitable / relevant methodology to the subject matter.

- It appears to be the most likely to generate honesty, due to being entirely self-completion (i.e. removing the interviewer conditioning effects).

- It contains a higher incidence of high frequency internet users; key to qualification for any questions on illegal online behaviour, and hence providing a more robust sample / higher representation with which to profile and cut the data. This sample can be down-weighted in order to provide the true proportion among all adults.

However, despite these benefits, it is clear that an online sample cannot be considered representative *in isolation* as it:

- Reduces coverage of 65+ year olds significantly

- Provides only a handful of low-frequency internet users, who are less likely to participate in the kind of behaviour covered, but are again necessary for a representative sample.

Therefore a single methodology approach to the project is not sufficient, and a mixed one is more likely to generate accurate and representative results. All the missing elements from the CAWI (Computer Aided Web Interviewing) online sample (i.e. over-65s and non/infrequent internet users) can feasibly be supplemented by a CAPI (Computer Aided Personal Interviewing) face-to-face methodology (with a self-completion element for sensitive areas) interviewing just those groups.

The core online survey

For the core online survey we chose to make use of the Kantar online omnibus. However, rather than offer a standard omnibus approach we provided Ofcom with the flexibility to run a standalone project within the Omnibus framework – i.e. an omnibus survey set up just for this project with the precise sample definition we require, the timings we require and the sample numbers we require. This has two key advantages:

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[28] http://stakeholders.ofcom.org.uk/binaries/research/telecoms-research/filesharing/kantar.pdf

- Disguising the subject matter, since it would include a standard Omnibus invitation rather than a survey with specific subject matter, hence also avoiding a situation where respondents demand to know who the survey is for.

- Retains consistency with the file-sharing pilot approach in terms of both methodology and personnel (the same team available to co-ordinate).

Face-to-face to 'fill the gaps'

The face-to-face (CAPI) element was also conducted using the Kantar Omnibus (as it was for the pilot study) rather than ad-hoc. Our CAPI Omnibus offers the largest weekly face-to-face consumer survey in the United Kingdom. Each survey interviews approximately 2,060 adults aged 16+ and runs twice per week, offering c.4,120 adult interviews per week. The sample design is also structured in a way that allows a nationally representative sample to be gained from a 'half wave' of c.1,030. All these factors make it a high quality and cost-effective research solution for those who want to access a representative sample or specific groups.

We used the CAPI omnibus to screen for eligibility (internet use) and only those aged over 65 and/or those who are non- / low-frequency internet users were then asked subsequent questions.

Self-completion was offered for all sensitive questions. We know from experience that this method drives more honest responses, and it also maintains some consistency with online research, which is 100% self-completion. Although we had some concerns that older age groups might prefer to be asked the questions in person due to being less technically proficient on the whole, this only applies to those who claim to partake in online behaviour. We therefore felt it was safe to assume that if they are proficient enough to download via a computer, they should have little trouble in using the CAPI machine with an interviewer's guidance.

Including 12-15 year olds

12-15 year olds have to be handled quite differently to adult respondents as they need to be recruited via their parents (who are asked for consent). Among children of this age group, we could confidently use online only (rather than including a face-to-face supplement) as internet penetration and frequency is so high.

Consistency of timings

All three surveys were run concurrently in field in order to avoid bias in the data caused by any changes in the market, particularly given the rapid pace of change, and high-profile cases in the media. This was another advantage of adopting an Omnibus approach, as all three surveys were turned around in a period of two weeks. Fieldwork took place between 24 May and 6 June.

The sample

Sample structure

The table below shows the breakdown (by data-collection methodology) of the total sample size per quarter, in comparison to that from the pilot survey (chosen methodology):

Methodology	Description	Sample Size
Online (CAWI) adults	16-64 year olds who use the internet at least once a day	2886
Face-to-face (CAPI) adults	16-64 year olds who use the internet less than once a day 16-64 year olds without internet access All 65+ year olds	1527
Online (CAWI) 12-15s	All 12-15 year olds with internet access	1031
TOTAL	**All 12+ year olds in UK**	**5444**

Sample selection

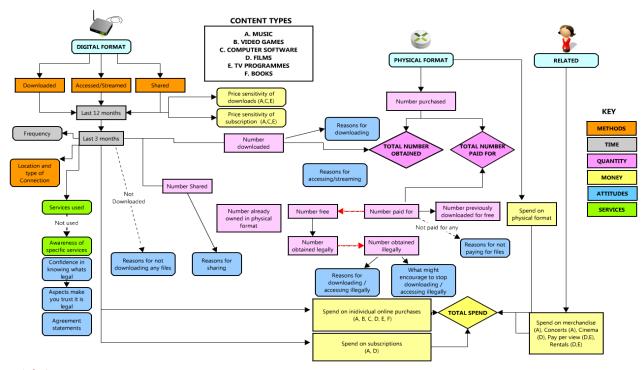The way in which the sample was selected varied across methodologies:

Online interviews (adults 16+): The sample was initially selected using demographic information already held, from Kantar's 'Lightspeed' consumer panel (this information is regularly updated, since it is a fully managed panel). The panellists were invited via email to take part in the survey, and demographic quota targets (sex, age, working status and region) were set to ensure that the end sample profile was representative of the UK internet population. Respondents were screened out if they claimed to use the internet less than once a day.

Online interviews (12-15 year olds): Invitations to complete the questionnaire were emailed out to a separate sample of online panellists who had previously agreed to participate in market research, and have children in the relevant age group. They were instructed to pass the completion of the survey on to their child having agreed they can participate. Quotas were set by age (250 of each age 12-15) and gender. The survey was left open for a week and then closed when the required sample profile was achieved.

Face-to-face interviews (adults 16+): Our face-to-face Omnibus uses a comprehensive address-based system using PAF and CD-Rom, cross-referenced to the Census data. For each wave, 143 sample points are selected and, within the selected primary sampling points, a postcode sector is chosen. Postcode selection within primary sampling points alternates between A and B halves to reduce clustering effects. All interviews were conducted via the field team and in accordance with strict quality control procedures. Quotas (by sex, age, working status and presence of children) were set during interviewing to ensure representivity, while any sample profile imbalances are corrected at the analysis stage through weighting. Further technical details can be provided on request.

The questionnaire

The full questionnaire is available as a separate document, but the following diagram demonstrates the overall flow and topics asked about:

Weighting

Data were weighted on three different measures (among all 12+ year olds, including those without internet access) in order to address imbalances in the sample. As there is no definitive single source for 12+ and frequency of internet use, three different sources were used and the 12-15 year old and 16+ sample were weighted separately; the weighting efficiency for these were 97.8% and 92.6% respectively.

SEX WITHIN AGE WITHIN SOCIAL GRADE (000's)			ABC1	C2DE
Source: NRS 2010 (16+) & ONS Mid 2010 Population Estimates (12+)		12-15	16+	16+
Male		2.8%	24.2%	21.9%
Female		2.7%	27.0%	21.4%
REGION Source: ONS Mid 2010 Population Estimates (12+)				%
Scotland				8.6%
Northern Ireland				2.9%
North England (Yorkshire and the Humber, North East, North West)				24.2%
Midlands (East Midlands, West Midlands, East of England, Wales)				30.6%
South England (London, South West, South East)				33.7%

INTERNET USAGE Source: OCI W1 July 2012 (16+)	16-24	25-34	35-44	45-54	55-64	65+
At least once a day (QD codes 1 or 2)	11.8%	15.7%	12.3%	10.1%	8.2%	4.4%
At least once a week but less than once a day (QD codes 2 or 4 or 5)	1.3%	1.7%	2.4%	2.5%	1.8%	2.4%
Access the Internet Less Often	0.3%	0.3%	0.7%	1.6%	1.9%	2.5%
Do not access the Internet	0.5%	0.8%	1.3%	1.9%	3.3%	10.2%

Following weighting, the data were grossed to represent the UK 12+ population = 53.571 million (Source: ONS Mid 2010 Population Estimate).

Data distribution

Throughout the research, distributions have been assumed to be normal (also known as bell curve or Gaussian distribution) or binomial, depending on the type of question. Questions which have two stated (Yes/No) responses are binomial, while questions which have a volume response or are 'likert' are assumed to follow a normal distribution.

A 'likert' question is where people specify their level of agreement on a symmetric scale of agree-disagree or likely-unlikely. In market research, these scales tend to have points, and the distribution underlying the responses should, in theory, match the normal distribution. A volume response is one where the respondents answer with a value corresponding to their spend, or number of items auctioned within the past three months.

Although the volume distributions tend not to follow a strictly normal distribution, it is legitimate to use this distribution due to the central limit theorem. For a sufficiently large sample of independent random variables, the mean should be approximately normally distributed. The variables will be independent as one person's spend on music, say, will not influence another person's in most circumstances. This means that the mean can be calculated using the standard normal definition of dividing the sum of all volumes by the number of respondents. So if 1000 people spend £2,500 on e-books in three months, the average spend would be £2.50.

In practice, for the distributions of this type, large numbers of people tend to spend small amounts of money, and a few people spend large amounts. This means the distribution is biased and the degree of bias can be seen by comparing the median (spend by middle person if all respondents are placed in ascending order of spend) and the mean. With a negatively biased distribution (most people spending a little), the median will be lower than the mean.