Online Copyright Infringement Tracker
Wave 3 (Covering period Nov 12 – Jan 13)
Overview and key findings

Prepared for **Ofcom**

By **Kantar Media**

Report produced by:
Danny Kay
Senior Associate Director
Kantar Media Custom

KANTAR MEDIA
www.kantarmedia.com

Contents

Introduction

This report details the main findings of the third 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 third in a series of research waves intended to generate benchmarks and time series relevant to the access and use of copyright material online.

This document provides a summary of the results of the most recent wave (W3) of the Online Copyright Infringement (OCI) tracker and includes time series data where changes have been observed. It also outlines the foundations of the research and a detailed description of the methodology employed.

Researching copyright infringement and digital behaviours is a complex task. 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.

The vast majority of questions covered for the latest wave of research (W3) relate to online behaviour during the period of November 2012 to January 2013; respondents were asked about their activity during "the past three months". Reference to the figures from the previous wave (W2, covering the period August to October 2012[1]) will be made where statistically significant changes have occurred. In some cases references will also be made to the first wave (W1, covering period May to July 2012). This report is also supplemented by a further Annex report which covers each of the six content types in more detail.

[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)

Key findings

Changes between wave 2 (W2) and wave 3 (W3)

This report presents the main findings of the third wave (W3) of our consumer tracking study into online copyright infringement. Overall there was an increase in terms of general online consumption since W2. The proportion of internet users aged 12+ who consumed[2] any of the six content types in the past three months increased from 57% to 60%.

The main changes in results between W2 and W3 data were as follows:

Levels of copyright infringement

- Despite the level of copyright infringement remaining stable across all content types compared to W2, there was a small but (just) significant increase among all internet users aged 12+, meaning that overall infringement increased from 16% to 18%.
- Among those who consumed content online, the '100% illegal' group decreased compared to W2 for both music (from 17% to 14%) and films (from 26% to 20%); the latter was accompanied by a rise in the 'mix' group for films (from 10% to 14%).

Payment[3]

- There was an increase from W2 in the proportion of people who claimed to pay for all of the TV programmes they consumed online in the past three months (from 6% to 10%), with '100% free' falling from 87% to 82%.
- There was also an increase in the proportion who consumed a mix of paid and free films (from 15% to 20%). The rise in general online film consumption appeared to drive an increase in the percentage of all internet users aged 12+ who consumed any films for free (although this is similar to the levels shown in W1, covering the period May – July 2012, at 15%).

Attitudes towards digital activities and infringement

- Several of the motivating factors for infringing decreased compared to W2. These included convenience and speed, although these still remained the second- and third-highest reasons cited.
- There were no significant changes from W2 in terms of factors that would encourage people to stop infringing.
- The 'fear of getting caught' fell slightly from W2 (from 12% to 9% as a motivation for using paid services over free ones).

Online services

- Among infringers, email was the only service that showed a significant increase in use for consumption or sharing of content since W2 (from 14% to 21%), while ITV Player fell from 25% to 21%. Facebook increased significantly among the '100% legal' group, from 14% to 17%.
- Awareness of several lawful services was higher than in the W2 results, possibly reflecting increased marketing activity over the festive period. The most significant difference was for the Blinkbox video on-demand service from Tesco.

---

[2] For convenience, we refer to the term 'consumed' to mean downloaded or streamed/accessed throughout this report.

[3] 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

- Although there was no significant change since W2 in terms of confidence in what is and is not legal online, the proportion of people claiming to be 'very confident' has risen significantly over nine months - from 19% in W1 (covering period May-July 2012) to 23% in W3.

Wave 3 key findings

Levels of infringement

- We estimate that one in six (18%) UK internet users aged 12+ consumed at least one item of online content illegally over the three-month period November 2012 – January 2013[4]. Around a third of these (5%) *exclusively* consumed illegal content.
- Levels of infringement varied significantly by content type; our survey indicated that 10% of internet users aged 12+ consumed at least some music illegally over the three-month period, while 7% did so for films. For TV programmes, video games and computer software these figures were 6%, 2% and 3% respectively, while for e-books it was 1%.
- 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 of content online 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, at 8%.

Volumes of infringement

- Overall volumes of illegal content consumed online varied by category. We estimate that 280 million music tracks were consumed illegally during the period covered. This was followed by TV programmes (52 million), films (29 million), and e-books (18 million); computer software and video games were equally lowest at 7 million.
- Across all consumers of illegal content, the median number of files downloaded or streamed illegally was eight. Music had the highest median score across the six content types (12 tracks – roughly the equivalent of an album). Films, TV programmes and books each had a median score of four, while computer software and video games had the lowest, at two.
- A higher proportion of films (28%) were consumed illegally than for any other content type. This was followed by music (22%) and e-books (18%), and was lowest for computer software (12%).

Services used for consuming content

- Several services were used by a significantly higher proportion of those who had infringed at all than those who had consumed 100% legally. This applied both to licensed and unlicensed services. This was reflected in the mean number of services used, which stood at 5.7 services among infringers compared to 3.6 for non-infringers.
- Thirty-five per cent of those who consumed any content illegally claimed to use 'peer-to-peer' services; this figure was 6% for those who indicated that all content was consumed legally. The figures for 'cyberlockers' were 12% and 2% respectively.
- Twenty per cent of infringers claimed to have used uTorrent in the past three months, more than any other 'unlicensed' service.

[4] Fieldwork took place between 23rd – 27th January 2013

Demographics

- Across all content types, those who downloaded or streamed illegally were skewed towards males (59%), those under 34 (68%), and ABC1s (59%). Although this balance does reflects the demographic make-up of those who consumed digital content online in general (whether lawfully or not), compared to non-infringers there are noticeable differences – the latter are more likely to be female (53%), over 34 (53%), and are even more likely to be ABC1 (69%) than the infringers.

Spend

- Data from the survey showed that for music, films and TV programmes, 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.
- By contrast, for the other three content types – computer software, books and video games – those who consumed content exclusively legally claimed to spend more than infringers.

Reasons for infringing

- The most commonly cited reasons for infringing were because it is free (48%), convenient (39%) and quick (36%).
- Close to a quarter (24%) of all infringers said they do it because it means they can try before they buy, rising to 28% for those who consumed both legal and illegal content. However, when asked directly, 47% of infringers indicated that they had previously accessed for free some of the digital and physical content they went on to pay for.

What would make infringers stop?

- The top three factors that infringers said would encourage them to stop included the availability of cheaper legal services (28%), if it was clearer what is legal and what is not (24%), and if everything they wanted was available legally (22%). 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 insisting that nothing would encourage them to stop.
- Sixteen 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 both 'if my ISP sent me a letter informing me my account had been used to infringe' and 'if my ISP sent me a letter saying they would restrict my internet speed'.

Levels of consumer confidence about what is and is not legal online

- Forty-one per cent of all internet users aged 12+ claimed to be either 'not particularly confident' or 'not at all' confident about what is and is not legal online. Lack of confidence appeared more prevalent among females and C2DEs. i.e. those less likely to participate in all forms of online activity (legal and illegal). Although the lack of confidence generally increased with age past 25, 12-15 year olds (35%) and 16-24 year olds (to a lesser extent at 32%) showed lower confidence.
- The most commonly-cited indicator of the legality of a website was a reputable/well-known brand (28% stated this without being prompted). Examples include where a service was provided through a company's own website (e.g. BBC iPlayer), or where a service is large and well-known (e.g. iTunes).

1. Research overview

1.1 Background and objectives

The Digital Economy Act (DEA) 2010[5] 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[6]. 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:

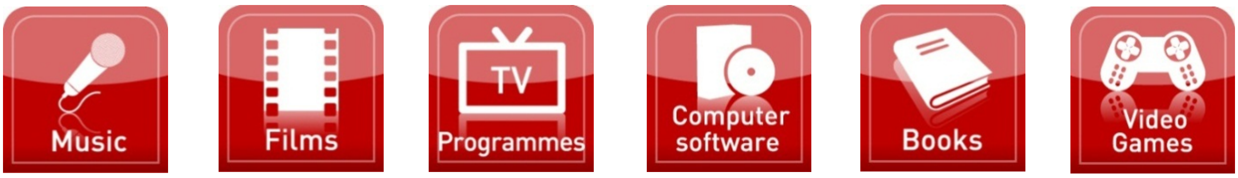
OVERALL AIM	RESEARCH OBJECTIVE	METRICS
Establish the current level of subscribers' use of internet access services to infringe copyright.	• Measure online copyright infringement levels (alongside lawful activity) among UK consumers, and monitor changes on a quarterly basis.	• Whether accessed/ downloaded/ shared files (ever, past 3 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.

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

1.2 Research notes

CONTENT TYPES AND ACTIVITIES ASSESSED

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' 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 thus 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)[7]
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)

[7] '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[8] 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 3 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[9].	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)

[8] 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).

[9] 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[10], unless indicated otherwise) compared to W2 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 wave (W2, covering the period August to October 2012) 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 changes 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

[10] 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 median - the middle value in a sample sorted into ascending order.
- The mean - 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 only report 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 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 content 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 W2)
↓ Sig. decrease (from W2)

		Music	Films	TV Programmes	Computer software	Books	Video Games	Any
Base: all internet users 12+		4708	4708	4708	4708	4708	4708	4708
Download	Ever done	39%	15%	16%	18%	16%	12%	53%
	Past 3 months	28%	10%↑	10%	12%↑	13%↑	8%↑	43%↑
Stream or access	Ever done	38%	25%	44%	12%	10%	12%	61%
	Past 3 months	27%	17%↑	35%	8%	7%↑	8%	51%
Share	Ever done	9%	3%	3%	3%	2%	3%	12%
	Past 3 months	6%	2%	2%	2%	1%	2%	9%
Download or Stream/access i.e. Consumed	Ever done	50%	30%	47%	23%	19%	23%	69%
	Past 3 months	38%	21%↑	36%	15%↑	14%↑	12%↑	60%↑
Download, Stream/access, or Share	Ever done	51%	30%	47%	23%	19%	23%	69%
	Past 3 months	38%	21%↑	37%	15%↑	14%↑	12%↑	61%↑

- There were a number of small but significant increases in consumption of digital content since W2. Downloading of films, software, e-books and video games all went up during the period, as did streaming/accessing of films and e-books.
- 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 increased from 57% in W2 to 60% in W3. Sharing did not significantly add to these proportions (61%), meaning that if someone shared files, they generally also consumed them.
- Although consumption of music and TV programmes did not increase during this period, they were still the most-consumed content types (38% and 36% respectively). Video games were the least consumed, at 12% (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; 39% of internet users had ever downloaded music, and 28% had done so in the past three months.
- TV programmes were the most commonly streamed type, with 44% having done so ever, and 35% in the past three months.

- Sharing content (actively) was shown to be a niche activity in general – just 12% of internet users claimed to have ever done this, dropping to 9% in the past three months[11]. Music was the most commonly shared content type (6% 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 W2)
↓ Sig. decrease (from W2)

	Music	Films	TV Programmes	Computer software	Books	Video Games	Any
Base*	1524	510	522	582	613	436	2270
Downloaded	10	3	4	2	5	2	10
Base*	1427	1489	884	1739	409	329	445
Streamed/Accessed	13↑	4	5	2	3	3	12
Base*	271	354	104	94**	94**	60**	110
Shared	5	2	3	2	2	2	5
Base*	1904	2032	1049	1831	751	700	659
Downloaded or Streamed/ accessed i.e. Consumed	20↑	5	6	3	5	3	18

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

- Although the median figures have remained relatively stable across the content types since W2, the number of streamed music tracks increased significantly, from 10 to 13. As a result the median number of tracks consumed (i.e. including both streaming and downloading) also significantly increased from 15 to 20.
- Taking the above numbers into account, more music files were consumed (medians of 10 downloaded and 13 streamed) and shared (median of 5) than any other content type[12].
- Across all content types the median number of files downloaded or streamed/accessed online was 18, while the median number shared across all content types was 5.

[11] It is likely that some people are unaware they are sharing content online, so this figure may understate total levels of sharing.
[12] 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 W2) ↓ Sig. decrease (from W2)	Music	Films	TV Programmes	Computer software	Books	Video Games	Any
Base 1 - all who consumed	2032	1049	1831	751	700	659	3130
100% Paid	32%	29%	10%↑	28%	48%	40%	13%
Mix of Paid and Free	22%	20%↑	9%	18%	26%	23%	43%
100% Free	46%	51%	82%↓	53%	26%	37%	44%
ANY FREE	68%	71%	90%↓	72%	52%	60%	87%
Base 2 - 12+ internet users	4708	4708	4708	4708	4708	4708	4708
100% Paid	12%	6%	4%	4%	7%	5%	8%
Mix of Paid and Free	8%	4%	3%	3%	4%	3%	26%
100% Free	18%	11%	30%	8%	4%	4%	27%
ANY FREE	26%	15%↑	33%	10%	7%	7%	53%

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 an increase on W2 in the proportion of people who claimed to pay for all of the TV programmes they had consumed online in the past three months (from 6% to 10%), and a fall in the proportion whose consumption was entirely free (from 87% to 82%). This can be partially explained by increases in the number of users of some of the online pay TV services: Sky Go, Netflix, and iTunes users all increased, more than offseting a fall in users of BBC iPlayer.
- The proportion of film consumers who consumed a mix of paid and free rose from 15% to 20%. This drove an increase in the percentage of all internet users who consumed any film content for free (although this is back to similar levels shown in W1, covering the period May – July 2012, at 15%).
- Of those who downloaded or accessed content of any type during the past three months, the great majority (87%) consumed at least some of it for free[13]. This equates to over half of the 12+ internet population (53%).
- TV programmes had the highest incidence of free consumption across the content types; 90% of those who consumed TV programmes (equating to a third of the 12+ internet population) consumed at least some of them for free.
- A higher proportion of e-book consumers (48%) paid for all of their content than did so for any other content type.

[13] 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 W2)
↓ Sig. decrease (from W2)

	Music	Films	TV Programmes	Computer software	Books	Video Games	Any
Base*	2032	1049	1831	751	700	659	3130
100% owned in physical format	6%	4%	2%	6%	3%	10%	3%
Any owned in physical format	29%	24%↑	11%	22%	20%	28%	31%
None owned in physical format	70%	76%↓	89%	78%	80%	72%	68%
Mean number	14	1	1	1	2	1	11

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

- Compared to W2, the only significant difference was a rise in the proportion who claimed prior physical ownership of 'any' films they had consumed online in the past three months, up from 19% to 24%.
- Music (29%) and video game (28%) consumers were most likely to claim ownership of physical copies of at least some of the content they consumed online in the past three months.
- A tenth of online video game consumers said they already owned *all* the content they consumed in the quarter in physical format; the highest across the content types.

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 W2)
↓ Sig. decrease (from W2)

	Music	Films	TV Programmes	Computer software	Books	Video Games	Any
Base*	2083	1971	1350	922	2492	1363	5437
100% previously consumed for free	11%	8%	14%	17%	5%	10%	2%
Any previously consumed for free	30%	17%	25%	35%	11%	21%	19%
None previously consumed for free	70%	83%	75%	65%	89%	79%	81%
Mean number	11	1	2	1	0	1	5

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

- There were no significant changes since W2 in terms of paid-for content previously consumed for free.
- Thirty per cent of people who paid for music (in any format) in the past three months had previously accessed at least some of it for free online. This figure was highest for computer software (35%) and lowest for e-books (11%).

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 consumed legally [14]:

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

↑ Sig. increase (from W2) ↓ Sig. decrease (from W2)	Music	Films	TV Programmes	Computer software	Books	Video Games	Any
Base 1 - all who consumed	2032	1049	1831	751	700	659	3130
100% legal	74%	67%	82%	81%	92%	84%	70%
Mix of legal and illegal	12%	14%↑	8%	6%	4%	7%	21%
100% illegal	14%↓	20%↓	10%	12%	4%	9%	8%
ANY ILLEGAL	26%	33%	18%	19%	8%	16%	30%
Base 2 - 12+ internet users	4708	4708	4708	4708	4708	4708	4708
100% legal	28%	14%	30%	12%	13%	10%	43%
Mix of legal and illegal	4%	3%	3%	1%	1%	1%	13%
100% illegal	5%	4%	4%	2%	1%	1%	5%
ANY ILLEGAL	10%	7%	6%	3%	1%	2%	18%↑

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 (just) significant increase in the number of infringers across all content types, from 16% of all internet users aged 12+ in W2, to 18% in W3. This occurred despite the 'any illegal' figures remaining consistent for each of the content types individually.
- This equated to 30% of those who claimed to have consumed content online during the quarter; 8% did so exclusively illegally (5% of all internet users).
- Among online consumers, the '100% illegal' group decreased as a proportion from W2 for both music (from 17% to 14%) and films (from 26% to 20%); the latter has been accompanied by a rise in the 'mix' group (from 10% to 14%).
- Films had the highest incidence of illegal consumption among online consumers; an estimated 33% consumed at least one film illegally. However, among the entire 12+ internet population the proportion who had consumed any films illegally translated to 7%, lower than music (10%).
- The lowest incidence of 'any illegal' activity among consumers of each of the content types was found among e-book consumers (8%). However, looking at the 12+ internet user base, levels of infringement were similar among books, computer software and video, at 1-3%.

[14] 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	3130	924	2206
Gender	Male	51%	59%	47%
	Female	49%	41%	53%
Age	12-15	9%	10%	9%
	16-34	44%	58%	38%
	35-54	32%	25%	35%
	55+	15%	7%	18%
Socio-economic group[15]	ABC1	66%	59%	69%
	C2DE	34%	41%	31%

Base : All who have downloaded or streamed/accessed any content type in the past 3 months (3130)

- Across all content types, those who downloaded or streamed illegally were skewed towards males (59%), those under 34 (68%), and ABC1s (59%). Although this balance does reflects the demographic make-up of those who consumed digital content online in general (whether lawfully or not), compared to non-infringers there are noticeable differences – the latter are more likely to be female (53%), over 34 (53%), and are even more likely to be ABC1 (69%) than infringers.

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

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

	Music	Films	TV Programmes	Computer software	Books	Video Games	Any
Base:	539	340	310	129	60*	115	924
100% legal	12	3	6	2	**	2	10
Mix of legal and illegal	12	5	4	2	**	2	5
Any illegal (Infringers)	12	4	4	2	4	2	8

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 eight.
- Music had the highest median score across all six content types (12 tracks – roughly the equivalent of an album), while computer software and video games had the lowest (two).

[15] 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 2.2.1c: Use of services for consuming or sharing content in the past three months

	Any illegal (infringers)	100% legal (non-infringers)
Base	**924**	**2206**
YouTube	60%	39%
BBC iPlayer	37%	46%
Amazon \ Amazon mp3 \ Kindle	33%	36%
iTunes \ App Store \ iBookstore \ Apple Store	29%	30%
Facebook	31%	17%↑
ITV Player	21%↓	21%
4OD	23%	18%
Google (Search Engine)	28%	15%
Email	21%↑	9%
Lovefilm	14%	9%
Netflix	14%	8%
Spotify	10%	9%
Sky Go	9%	8%
uTorrent	20%	3%
Demand 5	8%	7%
Microsoft	7%	6%
BitTorrent software	14%	2%
Peer-to-peer (NET)	35%	6%
Cyberlockers (NET)	12%	2%
Mean number of services used	5.7	3.6

Base: All who have downloaded or streamed/accessed any of the six content types in the past three months (3130)

- Among infringers, email was the only service that showed a significant increase in use for consumption or sharing of content since W2 (from 14% to 21%), while ITV Player fell from 25% to 21%. Facebook use rose significantly among the '100% legal' group, from 14% to 17%.
- Those who infringed used 5.7 services on average, compared to 3.6 for those who consumed 100% legally.
- Thirty-five per cent of those who consumed any content illegally claimed to use 'peer-to-peer (P2P)' services[16] and this has remained static over all three waves conducted so far. This compared with 6% P2P use among those who consumed all content legally. 'Cyberlockers' were used by 12% and 2% respectively.
- uTorrent was the most-used 'unlicensed' service - 20% of infringers claimed to have used it in the past three months.

[16] Peer-to-peer (net) comprises Bittorrent software, uTorrent, Pirate Bay, Isohunt, Limewire, eDonkey/eMule, Gnutella, KickAssTorrents, and Torrentz. 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[17]).

Table 2.2.2: Volume of content consumed

		Music	Films	TV Programmes	Computer software	Books	Video Games
TOTAL	**Volume**	1685m	175m	437m	78m	226m	83m
Physical	**Volume**	385m	74m	111m	18m	125m	39m
	% of total	23%	42%	25%	23%	55%	47%
Digital	**Volume**	1300m	102m	326m	60m	101m	43m
	% of total	77%	58%	75%	77%	45%	53%
DIGITAL FILES ONLY							
Paid	**Volume**	457m	40m	64m	21m	48m	20m
	% of digital	35%	40%	20%	34%	47%	45%
Free	**Volume**	842m	61m	262m	39m	53m	24m
	% of digital	65%	60%	80%	66%	53%	55%
Legal	**Volume**	1020m	73m	275m	53m	83m	37m
	% of digital	78%	72%	84%	88%	82%	84%
Illegal	**Volume**	280m	29m	52m	7m	18m	7m
	% of digital	22%	28%	16%	12%	18%	16%
PHYSICAL AND DIGITAL FILES COMBINED							
Paid	**Volume**	843m	114m	175m	39m	172m	59m
	% of total	50%	65%	40%	50%	76%	71%
Legal	**Volume**	1405m	146m	385m	71m	208m	76m
	% of total	83%	84%	88%	91%	92%	92%

- Music was by far the most-consumed content type, both digitally (1300 million tracks) and physically (385 million tracks) over the three-month period. This was largely driven by the fact that we assessed individual tracks, not albums. Seventy-seven per cent of music tracks consumed over in this period were consumed digitally.
- Books was the only content type where physical volumes (125 million) outweighed digital (101 million). It also had the highest proportion of paid-for content (47%).
- Eighty per cent of all TV programmes consumed online were obtained for free; a higher proportion than for any other content type.
- An estimated 280 million music tracks were consumed illegally online in the past three months, accounting for 22% of all digital tracks. In terms of volume, this was again by far the highest across the content types, although illegal film volumes were proportionally higher (28%). Computer software had the lowest illegal proportion, at 12%.

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

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 types. It also shows the proportions of the entire UK population 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[18]

↑ Sig. increase (from W2)
↓ Sig. decrease (from W2)

	Music		Films		TV Programmes		Computer software		Books		Video Games	
	Mean	%	Mean	%	Mean	%	Mean	%	Mean	%	Mean	%
Purchases/rentals in physical format	£6.13	27%↑	£5.97	25%↑	£5.75	19%↑	£5.22	12%↑	£10.66	41%	£8.75	19%↑
Individual digital purchases	£1.85	13%	£0.57	4%	£0.73	4%	£1.50	4%	£1.21	8%	£1.51	4%
Online Subscriptions	£1.29	4%	£0.86	5%	-	-	-	-	-	-	-	-
Other	£12.81	18%	£11.85	43%	£1.54	7%	-	-	£2.06	8%	£1.25	6%
TOTAL[19]	**£22.07**	**39%↑**	**£19.26**	**51%↑**	**£8.03**	**22%↑**	**£6.71**	**13%↑**	**£13.93**	**45%**	**£11.51**	**21%↑**

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 increased for all content types except books, as did the average spend per person. This probably reflects the fact that the reference period covered Christmas and New Year.
- Across the six content types, music had the highest average spend per person in the UK aged 12+, at £22.07, narrowly ahead of film at £19.26. However in both cases 'other' (including concerts, cinema and merchandise) accounted for more than half of spend.
- A higher proportion of people claimed to have spent any money in the past three months on films (51%) and books (45%) than on other content types, with average spend of £19.26 and £13.93 respectively.
- Twenty-seven 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 13% for digital music (downloaded or streamed). Spend on physical products was substantially higher than on digital for all content types.
- Computer software had the lowest overall average spend across the six content types, at £6.71, and also the lowest proportion of the population spending anything (13%) in the three-month period.

[18] ***Other** includes: **Music** = Concerts/gigs (£11.07, 15%) Merchandise (£1.74, 8%) **Films** = Cinema (£8.62, 36%), Merchandise (98p, 6%) Pay-TV purchases (£2.25, 13%) **TV programmes** = Merchandise (£1.54, 22%)

[19] 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

<table>
<tr><th></th><th>Base</th><th>Music</th><th>Films</th><th>TV Programmes</th><th>Computer software</th><th>Books</th><th>Video Games</th></tr>
<tr><td>100% legal</td><td>1493</td><td>£44.03</td><td>£44.33</td><td>£13.52</td><td>£31.00</td><td>£29.85</td><td>£45.48</td></tr>
<tr><td>Mix of legal and illegal</td><td>247</td><td>£66.69</td><td>£49.82</td><td>£22.56</td><td rowspan="2">£24.23*</td><td rowspan="2">£19.66*</td><td rowspan="2">£40.78</td></tr>
<tr><td>100% illegal</td><td>291</td><td>£25.50</td><td>£19.86</td><td>£7.72</td></tr>
</table>

*Bases too low to analyse individual legality groups (figures shown for ‘any illegal’)

- Data from the survey showed that for music, films and TV programmes, 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.
- By contrast, for the other three content types – computer software, books and video games – those who consumed content exclusively legally claimed to spend more than infringers.

2.3.2 Quarterly total spend estimates

While the previous table focused on results at an individual level, table 2.2.2 outlines *total* spend estimates for each of the content types in the past three months, rounded to the nearest million in each case[20].

Table 2.3.2: Total quarterly spend estimates – all content types[21]

↑ Sig. increase (from W2)
↓ Sig. decrease (from W2)

	Music		Films		TV Programmes		Computer software		Books		Video Games	
	Spend	**%**	**Spend**	**%**	**Spend**	**%**	**Spend**	**%**	**Spend**	**%**	**Spend**	**%**
Purchases/rentals in physical format	£328m	28%	£320m	31%	£308m	72%	£280m	78%	£571m	77%	£468m	76%
Individual digital purchases	£99m	8%	£31m	3%	£39m	9%	£80m	22%	£65m	9%	£81m	13%
Online Subscriptions	£69m	6%	£46m	4%	-	-	-	-	-	-	-	-
Other	£686m	58%	£635m	62%	£82m	19%	-	-	£110m	15%	£67m	11%
TOTAL[22]	**£1,183 million**		**£1,031 million**		**£430 million**		**£360 million**		**£746 million**		**£617 million**	

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 £1,183m, followed by films (£1,031m). Spend on music in physical format during this period (£328m) was close to twice that generated from digital music (approximately £168m for individual purchases and online subscriptions combined).
- However, in absolute terms, the £168m spent on digital music was by far the highest digital spend across the six categories evaluated, comparing to £77-81m for each of films, computer software, and video games. Spend was lowest on TV programmes, at £39m.
- By contrast, spend on physical content was highest for books (£571m), but for all content types physical spend was substantially higher than digital.

[20] Due to rounding (to the nearest million), not all figures will add up to the total exactly.
[21] ***Other** includes: **Music** = Concerts/gigs (£552m, 49%), Merchandise (£97m, 9%). **Films** = Cinema (£335m, 43%), Physical rentals (£126m, 15%), Pay TV purchases (£95m, 11%). **TV programmes** = Physical rentals (£65m, 24%)

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 general 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 only included those answers that gained a response rate of 5% 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 (2270)	
It's easier/more convenient	66%
It's quicker	57%
It's cheaper	45%
I can access them more easily on the devices I have	34%
I can get them for free	33%
The quality isn't noticeably different	18%
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 not downloaded any of the six content types of interest in the past three months (2262)	
I'm not interested	64%
I prefer to have a physical copy	25%
I fear they may have viruses/ malware / spyware	13%
I'm not sure how to do it	16%
I fear that they could be illegal	9%
They are too expensive	9%
It is easier to buy physical copies	7%
I prefer to stream/access (without downloading) files	7%
The quality is not as good	4%
Physical copies are more flexible	4%
I'm unaware of the download services available	4%
I don't own a computer / device capable of downloading	4%
I do not have a credit/debit card	2%

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 (2684)	
It's easy/convenient	59%
It's quick	47%
It's free	44%
It's easy to do	40%
For entertainment	31%
To watch programmes I have missed (on TV)	31%
It means I don't have to download them	21%
It's quicker than downloading	20%
It means I can try something before I buy it	18%
It's cheaper than downloading	13%
Some types of files are too expensive to buy	6%
It's what my friends or family do	6%
Don't have a TV / radio	2%

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 (504)	
It's easy to do	52%
It's what everyone does	28%
It's only fair	24%
I should be able to share my content with whomever I choose	23%
My friends/family cant access files themselves	20%
I don't know how to share them	10%
Unless I share content, I can't download other files myself	3%

- There were no significant changes in responses to the four questions above between W2 and W3.
- Ease/convenience was the prime motivator both for downloading (66%) and for streaming/accessing (59%) content. Speed (i.e. it's quick) was also highly cited – by 57% among downloaders and 47% among streamers.
- Being able to access content for free appeared more important to streamers (44%) than to downloaders (33%).
- The majority (64%) of those who said they do not download were simply not interested, but apart from this, the preference for owning a physical copy was also a major reason (25%).
- Among those who said they shared files, the fact that it was easy to do so was the main reason given (52%). However, 28% said they do it because it is what everyone does, and 24% because they think it is fair to do so.

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 of agreement (strongly or slightly agree) 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	4708	2201	684	223
Content that you download or access online should be cheaper than the equivalent purchased in a physical format	63%	78%	58%	72%
It is wrong to access content online without the creator's/artist's permission	53%	62%	43%	45%
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%	61%	45%	54%
If you had paid for a digital file you should then be able to share it with others	44%	50%	40%	56%
It is easy to find content on the internet for free that would usually be paid for	38%	40%	46%	66%
I think that you should be able to download or access the content you want for free from the internet	34%	34%	39%	45%
The price that you pay to download or access content online is generally about right	29%	37%	24%	37%
I find it difficult to find legal content online	16%	14%	21%	29%

- There were no significant changes in levels of agreement with the above attitude statements between W2 and W3.
- 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 (63%). However, the figure was much lower among those who consumed a mix of legal and illegal content (58%) than among those who consumed exclusively legally (78%).
- In terms of the statement "the price you pay for downloaded or accessed content online is about right" the level of agreement was the same among the 100% legal and 100% illegal groups (37%), but lower among those who did a mixture of both (24%).
- The 100% illegal group were the most likely to agree that you should be able to share digital files if you have paid for them (56%). Sixty-six 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" - 43-45% 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 only consumed content legally.[23] Table 9.3a 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	1787	1275	481
It's easier/more convenient	46%	45%	48%
I don't want to use illegal sites	41%	48%	24%
It's quicker	39%	37%	46%
I think it's morally wrong to use illegal sites	28%	32%	17%
I want to support creators/industry	28%	29%	27%
I fear they may have viruses / malware / spyware	24%	25%	20%
They are better quality	22%	18%	33%
I prefer to pay	18%	20%	15%
I can afford to pay	17%	16%	18%
I don't think it is right to get them for free	17%	20%	9%
I fear I might be caught	9%↓	9%	10%
I'm unaware of the free services available	10%	11%	7%
I don't know how to use the free services	7%	8%	4%

- Since W2, the only significant change among the reasons for using paid services was the fear of getting caught, down from 12% to 9%. (We assume that those who responded in this way are associating 'free' content with 'illegal').
- Convenience (46%) was the most commonly-cited reason for using paid download or streaming services rather than free ones. However, there were marked differences among the two legality groups assessed across the other motivations.
- The highest response among those who consumed content exclusively legally was that they did not want to use illegal sites (again with free sites are probably inferred as illegal by these respondents), and this was the number one response given by those who indicated that they consumed all their content legally (48% compared to 24% for those who also infringed).

[23] Note that the 'any illegal' group is predominantly made up of those who have consumed content both legally and illegally in the past three months (100% illegal is only 37 respondents out of the 426 base, so too low to analyse on its own).

- Those who accessed both legal and illegal content were more likely to say that they used paid services because they are quicker (46% v 37%), and because they are better quality (33% v 18%). Unsurprisingly, they were less likely to be averse to free and illegal services; just 17% 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 32% 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 downloading/streaming of content online among the legality groups were as follows:

Table 3.3b. Motivations for unlawful downloading/streaming of content online

	Any illegal	100% illegal	Mix of legal and illegal
Base	925	238	686
It's free	48%	42%	50%
It's easy/convenient	39%↓	28%	44%
It's quick	36%↓	25%	40%↓
It means I can try something before I buy it	24%	14%	28%
I can't afford to pay	16%	17%	16%
I think legal content is too expensive	16%	9%	18%
Because I can	14%↓	12%	15%↓
I already owned content in another format	11%	6%	13%
The files I want are not available on legal services	9%	4%	11%
It's what my friends or family do	9%	5%	11%
I don't want to wait for content to become available on legal services	9%	4%	10%
The Industry makes too much money	8%↓	4%	10%↓
I've already paid to see it\them at the cinema/in concert, etc	8%	6%	9%
I already spend enough on content	7%↓	5%	8%↓
I don't think I should have to pay for files online?	5%	6%	5%
No one suffers	5%	4%	5%

- Responses for several motivations for infringing decreased from W2. These included convenience and speed, although these still remained the second and third most commonly cited reasons.
- Overall, the free aspect (48%) was the main motivation for illegal consumption. Generally, responses were higher for those in the 'mix of legal and illegal' group than for the '100% legal' group.
- Close to a quarter (24%) of all infringers said they do it because it means they can try before they buy, rising to 28% for those who consumed both legal and illegal content. However, when asked directly, 47% of infringers indicated that they had previously accessed for free some of the digital and physical content they went on to pay for[24].

[24] 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

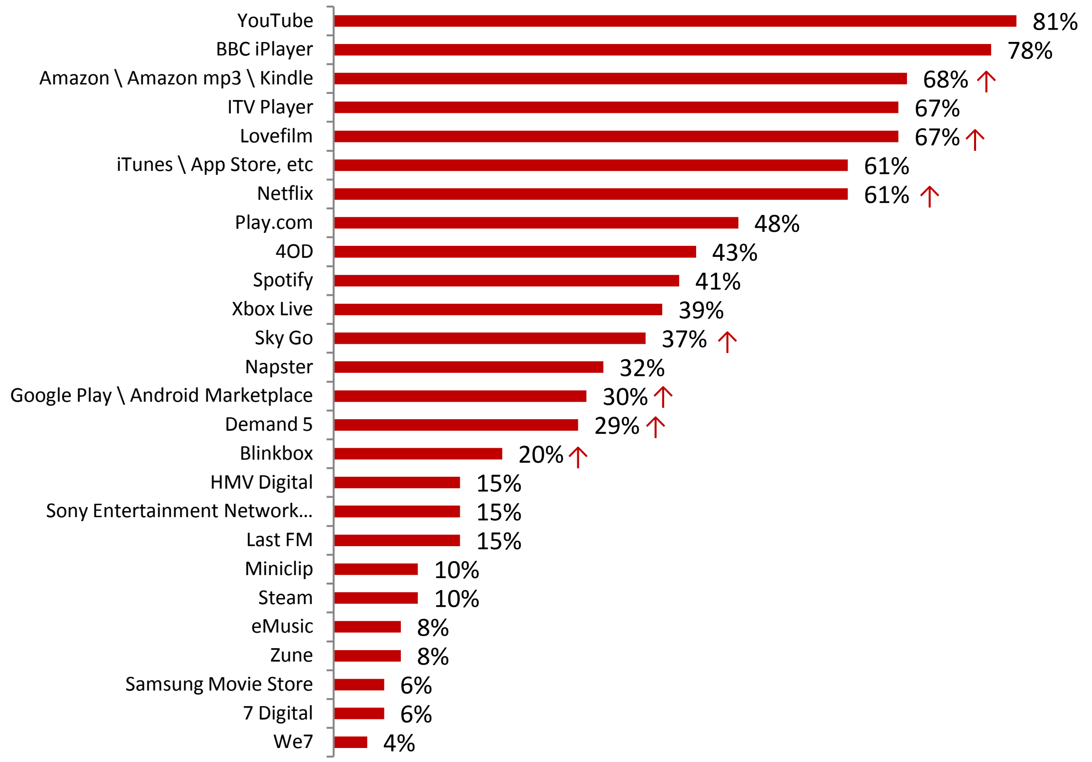
	Any illegal	100% illegal	Mix of legal and illegal
Base	925	238	686
If legal services were cheaper	28%	18%	32%
If it is clearer what is legal and what isn't	24%	22%	25%
If everything I wanted was available legally	22%	11%	26%
If everything wanted was available legally online as soon as released elsewhere	18%	11%	20%
If I thought I might be sued	17%	14%	18%
If a subscription service I was interested in became available	16%	11%	18%
If I thought I might be caught	16%	7%	20%
If my ISP sent me a letter saying they would suspend my internet access	16%	9%	19%
If legal services were more convenient/flexible	15%	9%	17%
If legal services were better	15%	5%	18%
If I knew where to go to see if something was illegal or not	14%	11%	16%
If friends or family were caught	13%	9%	15%
If everyone else stopped doing it	12%	10%	14%
If my ISP sent me a letter informing me my account had been used to infringe	12%	8%	14%
If my ISP sent me a letter saying they would restrict my internet speed	12%	8%	13%
Nothing would make me stop	9%	16%	7%
If there were articles in the media about people being caught	8%	4%	10%

- There have been no significant changes since W2 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' (28% of infringers). This was markedly higher among those who consumed both legally and illegally (32%) than among the '100% illegal' group (18%). (In fact most reasons were cited more often by the mixed legal/illegal group).
- The threat of letters from ISPs had comparatively less effect on predicted behaviour; 16% 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 both 'if my ISP sent me a letter informing me my account had been used to infringe' and '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 (9%, 8%, and 8% respectively).

3.4 Awareness of lawful/licensed services

The following chart shows prompted awareness of lawful / licensed sites[25] 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 3.4b: Proportion of internet users aged 12+ aware of lawful/licensed online services



Q.3 Are you aware of the following online services?
Base: internet users aged 12+ (4708)

- Awareness of several lawful services increased from W2, perhaps reflecting increased marketing activity over the festive period. These were predominantly video-on-demand services, and the most significant increase in awareness was for Blinkbox from Tesco (which almost doubled, from 11% to 20%).
- Two free online services topped the list – awareness was highest for YouTube (81%), followed by BBC iPlayer (78%). Amazon (68%) and Lovefilm (67%) were the most commonly-cited paid-for services.
- Several of the more popular sites or services had significantly higher awareness among females than males: these included YouTube (83% v 79%), Amazon (71% v 65%) and ITV Player (70% v 64%). However, more males tended to be aware of Sky Go (40% v 34%), Napster (34% v 29%) and Last FM (18% v 11%).
- Awareness of 4oD was significantly higher among 16-24 year olds than all other age groups (64%).
- ABC1s had significantly higher awareness than C2DEs of the majority of lawful services.

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

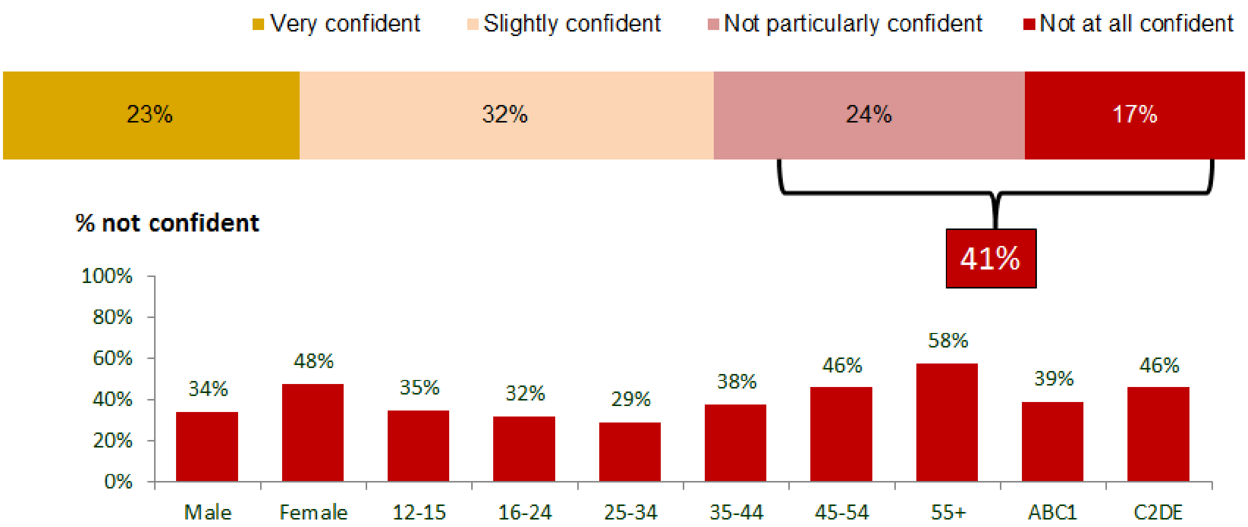
3.5 Confidence in knowing what is legal online and what isn't

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 legal online and what isn't



Base: internet users aged 12+ (4708)

- Overall, 41% of all internet users aged 12+ claimed to be either "not particularly confident" or "not at all confident" in terms of what is legal and what isn't online. This is exactly the same figure as we saw in W2 (where it decreased significantly from 44% in Wave 1), and there have been no changes in the demographics of the responses.
- However, the proportion of people claiming to be 'very confident' in what is and is not legal online has risen significantly; from 19% to 23% since W1 (covering period May-July 2012).
- Lack of confidence appeared more prevalent among females (48% v 34% male) and C2DEs (46% v 39% 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 25, 12-15 year olds (35%) and 16-24 year olds (32%) also showed lower confidence.

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** - 28% of all those with internet access spontaneously mentioned this as being the primary indicator of a legal online service. For example, respondents said:

> *“If it was from a respectable and reputable source. A company I could trust with a well-designed and easily accessible website. Trusting the company is what is most important.”*
>
> *“Coming from the broadcaster (such as BBC iPlayer) or well-known sites such as iTunes”*
>
> *“If it was a reputable brand which charged for tracks, or if streaming the service had advertisements playing between songs.”*

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

> *“it needs to have a security emblem, the type you see when making online payments”*
>
> *“certificate to say it is legal and safe and virus free”*

Payment in general also directly signifies legality to a number of people (4%):

> *“I only use "try before you buy" services. Because I eventually pay for what I hear. I believe it is legal.”*

However, in some cases a **lack of confidence** in what is legal is clearly evident:

> *“not sure, if I buy it on hard copy there's no issue with it being legal so I stick to hard copies”*
>
> *“logo/statement - maybe but still might be unsure what to trust”*
>
> *“As far as I know it's illegal to upload and download media without permission but not illegal to stream or access it.”*

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*[26] 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 on-going 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 larger 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:

---

[26] 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 due to being less technically proficient on the whole, this only applies to those who claim to partake in such 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 (they 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 23rd and 27th Jan 2013.

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	2934
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	1572
Online (CAWI) 12-15s	All 12-15 year olds with internet access	994
TOTAL	**All 12+ year olds in UK**	**5500**

Sample selection

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

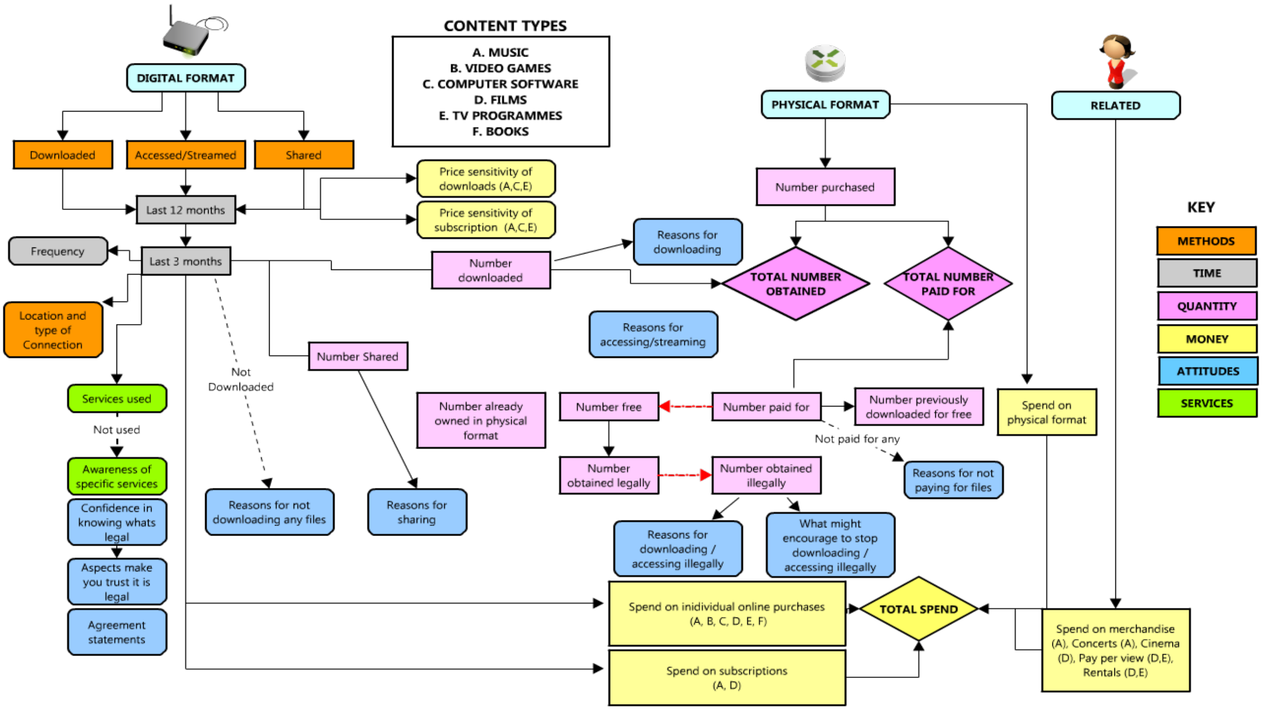
Online interviews (adults 16+): The sample was initially selected using demographic information already held from Kantar's 'Lightspeed' consumer panel (this information is regularly updated, since it is a fully managed panel). The panellists were invited via email to take part in the survey, and demographic 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 single source for 12+ and internet frequency, 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) Source: NRS 2010 (16+) & ONS Mid 2010 Population Estimates (12+)		ABC1	C2DE
	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.