Intellectual
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Online Copyright Infringement Tracker Latest wave of research (March 2018)

Overview and key findings

Research commissioned by the Intellectual Property and carried out by:

Kantar Media

May 2018

This is an independent report commissioned by the Intellectual Property Office (IPO)
Findings and opinions are those of the researchers not necessarily the views of the IPO or the Government

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Kantar Media is a global leader in media intelligence, providing clients with the data they need to make informed decisions on all aspects of media measurement, monitoring and selection. Part of Kantar, the data investment management arm of WPP, Kantar Media provides the most comprehensive and accurate intelligence on media consumption, performance and value.

Kantar Media has a strong track record in researching and understanding about the copyright infringement area, having conducted the Illegal file sharing pilot for Ofcom in 2010 and four subsequent waves of the OCI tracker, as well as the Stream-ripping Online Piracy project for PRS for Music with the IPO.

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Online Copyright Infringement Tracker

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June 2018

Contents

1. Introduction

This report details the main findings of the latest wave of a large-scale consumer tracking study into the extent of online copyright infringement, as well as wider digital behaviours and attitudes, amongst people aged 12 years or older in the United Kingdom.

It is the eighth in a series of research waves intended to generate benchmark and time series insights relevant to the access and use of copyright materials online. It also outlines the background to the research and a detailed description of the methodology employed.

The study was commissioned and financially supported by the UK Intellectual Property Office (IPO).

Researching copyright infringement and digital behaviours is complex. The ways in which consumers access and share copyright material online change regularly, and infringement levels 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:

Illegal File-sharing Pilot Survey Report - Prepared for Ofcom (2010)

Illegal Filesharing Pilot - Peer Review - Ofcom (2010)

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

For this eighth wave of research, respondents were surveyed during March 2018 and asked about their behaviour during "the last three months". References to the figures from the previous wave (March 2017[1]) are made where statistically significant changes have occurred. In some cases, references are also made to earlier waves too.

[1] Full details and results of the previous waves can be found at:

- July 2012
- October 2012
- January 2013
- March 2013
- March 2015
- March 2016
- March 2017

2. Key findings

This report presents the main findings of the eighth wave (March 2018) of the consumer tracking study. The key findings below are as follows:

2.1 Levels of infringement

- Looking at UK internet users, it is estimated that 15% of UK internet users aged 12+ (equating to approximately 6,525,000 people) consumed at least one item of online content illegally in the 'past three months', this is in line with our findings in 2017 and 2016. This estimate is based on a combination of our 6 key content types (Music, Film, TV Programmes, Computer Software, eBooks and Video Games). In 2018 we have also added in additional questions to our TV section specifically asking about sports content, if factoring in this additional prompting on Sports our level of infringement increases by 0.9%.

- When looking at the infringement levels amongst consumers of each content type, we see that computer software has declined significantly, down from 26% in 2017 to 20% this year. TV programmes has the highest infringement level of any content type at 23% (up slightly from 22% in 2017, although not a statistically significant change). Infringement of sports content was 21%, which was a new question introduced this year.

Table 2.1: Infringement by content type, base all who consumed each content type in the past 3 months

↑ Sig. increase (from last year) ↓ Sig. decrease (from last year)	Music	Films	TV	Software	Books	Video-games	Sports content	ANY
2018	19%	19%	23%	20%↓	13%	16%	21%	25%
2017	18%	21%	22%	26%↑	11%	16%	NA	25%
2016	20%↓	24%	20%	19%	12%	18%	NA	25%
2015	24%	23%	21%	20%	11%	18%	NA	27%

2.2 Demographic profile of infringers

- Looking at infringers of any of the six key content types, those who downloaded or streamed/accessed content illegally were skewed towards those aged under 35 (making up 66% of all infringers). It was also slightly skewed towards men (58%).

- Looking at the penetration levels of infringement amongst these demographic groups of the online population, there was a decrease in infringement amongst 12-15 year olds (from 25% in 2017 to 22% in 2018). Amongst 16-24 year olds we also found a decline from (from 27% in 2017 to 25% in 2018). When we look at older age groups, among internet users, we did not see a decline year on year in 2018, (from 9% in 2017 to 12% in 2018).

- The infringement rate amongst ABC1 internet users is 15% in 2018 and 13% among C2DE internet users. Social grade based on only those aged 16+ years.

2.3 Reasons for infringing

- Reasons for infringing remained largely similar to those given in 2017. ‘Convenience’ (41%) drops slightly and is overtaken once again by ‘it is free’ (44%).

- ‘It means I can try something before I buy it’ and ‘because I can’ see a further significant decline to 15% and 13% respectively.

2.4 Reasons that would deter infringement

- Cost (‘if legal services were cheaper’ 22%) and a lack of clarity (‘if it was clearer what is legal and what isn’t’ 21%) are cited as the top aspects that would discourage infringement.

- Legal (18%) and timely (16%) availability of content also remain important considerations for infringers.

- Availability of subscription services drops out of the top 5 with a significant decrease, down to 11%.

- 1 in 10 are ‘hardcore’ infringers who say there is nothing that would make them stop.

2.5 International comparisons of infringement

- The methodology developed for this survey has also been utilised in Canada and Australia. These results show that among content consumers Canada has an infringement rate of 26% and Australia 38%, both of which are higher than the UK rate of 25%. However, these results are based on survey data from 2017, with the latest results from Australia's 2018 survey expected later in 2018, as well as results from Germany who are undertaking the survey for the first time.

2.6 General digital content consumption

- There was no significant shift in the proportion of internet users aged 12+ who had consumed content in the past three months, with 58% claiming to have done so (slightly below 2017). Consumption levels varied across content types; with music (37%), TV programmes (33%) and films (30%) having the highest levels of downloading or streaming online in the past three months.

- Despite no changes in the overall consumption level within the 'past three months', differences across content types can be seen. Looking at the proportion of individuals consuming within our categories the streaming of films continues to rise significantly (from 26% to 28% in 2018). TV programmes, on the other hand saw a significant decrease in both downloading and streaming, leading to an overall decline in consumption.

- Significant increases in use of premium services at an overall level counterbalances declines in free services, leading to the decline overall in TV programme consumption. Although usage of premium services like Netflix and Now TV have increased significantly, free services like BBC iPlayer, ITV Hub and All 4 have all declined, leading to a net reduction. YouTube continues to see increased usage overall with over half now using the service

- A slight decrease in overall spend from £75 in 2017 to £74 in 2018. This corresponds with a decline in physical content purchases and could be due to bundling of premium services and the flat-rate nature of subscription services, as the proportion of those who have spent any money on content remains stable at 64%. The proportion of people who only consume free content continues to fall as more services move to premium models. This is an indication that people are chasing the best content and are willing to pay for ease of access to it.

- Stable levels of infringement at an overall level, with 25% having consumed illegal content. Fear of malware and viruses is increasingly impacting on people as they cite this as a top 5 reason to pay for services. Clarity, availability and cost are considerations for people when thinking about infringement.

2.7 Payment

- The proportion of those who paid to consume any of the six key content types during the last three months continues to significantly increase to 65% this year (compared to 60% in 2017). This equates to over a third (38%) of all internet users aged 12+. Less than a quarter (9%) consume entirely free content online down significantly from 23% in 2017.

- There has been a significant increase in the proportion of film consumers consuming entirely paid-for film content in the past three months (from 37% in 2017 to 41% in 2018). This equates to 12% of all internet users.

- eBooks recorded a significant increase in the proportion who said they consume 100% of the eBook content for free in the past three months (from 36% in 2017 to 52% in 2018).

- In terms of the proportions of those aged 12+ in the UK spending money on the different content types, Music (54% from 49% in 2017) and TV (38% from 28% in 2017) were the two categories that showed significant increases in the proportion of consumers now paying for some of their content.

- Regarding the average quarterly spend on the different content types for all aged 12+ in the UK, there was a very slight decrease in expenditure for music since 2017 (down from £23.57 to £23.43), this appears to be driven by drops in physical and one-off digital payments with subscription payments actually increasing.

- Film spend was also down slightly from last wave (from £20.06 to £19.15), as were video games (from 11.90 to £11.48) and computer software which showed a more marked drop (from £5.37 to £4.20).

- Spend on books showed slight increase this wave (from £10.33 to £10.66) and TV programmes had a larger increase (from £5.40 to £6.46).

- Yet many content types recorded drops in the average spend on physical content since last year; this included for music (from £5.23 to £4.53), films (from £3.32 to £2.98) and books (from £8.07 to £7.65).

- Music continues to have the highest overall quarterly spend across the content types at an estimated £1,259 million (a slight decrease from £1,266 million in 2017). Computer software and video games also reporting a decline in our quarterly spend estimates.

- Films, TV programmes and books all reported increased spend since 2017. Films from £966 million to £1,026 million, TV programmes from £289 million to £346 million and Books from £553 million to 571 million.

2.8 Services used for consuming content online

- YouTube remains the number one service used by consumers, with over half (54%) claiming to have used it in the past three months. This also represents a significant increase since 2017.

- Many of the OTT paid streaming services show increases in usage (e.g. Netflix significantly increases to 38%, up 7 percentage points from 2017). Spotify and Amazon maintain their position from 2017 (27% and 38% respectively). Free streaming services fared less well, though. BBC iPlayer (down to 31%) and ITV Hub (down to 13%) have seen the largest declines.

- The proportion of infringers who are also using Netflix has also increased since last year from 29% in 2017 to 33%.

- Facebook continues to be popular amongst infringers to consume or stream content, although this has declines slightly since 2017 (33% vs. 30% this year). This is not necessarily to infringe content, though.

2.9 Volumes of consumption and infringement

- It is estimated that 896 million items (both physical and digital) had been consumed in the last three months from when fieldwork took place within the six key content categories. Overall, the digital format continues to grow, contributing to 82% (733 million) of consumption. This is an increase of 84 million since 2017.

- Music remains by far the most consumed content type, contributing to over half (57%) of all content consumed at 507 million tracks. It is estimated that 89% (up from 79% in 2017) of all music consumed is done so digitally, around 453 million tracks. Just under a third (30%) of online music content is paid for, equating to 134 million tracks. In terms of the proportion of online music content accessed illegally, this is around 31%, i.e. 141 million music tracks.

- TV also showed an increase in content consumption, rising from 145 million in 2017 to 160 million and films. Our other content categories showing slight declines; film 97 million to 96 million, books 77 million to 75 million, video games 42 million to 40 million, computer software 25 million to 19 million.

2.10 Consumer awareness of legal services and confidence about what is and is not legal online

- BBC iPlayer has taken the top spot in terms of awareness among 12+ internet users this wave 71% up from 68% in 2017. YouTube has dropped from 71% in 2017 to 66% in 2018. The proportion awareness of Netflix (66%) was in line with YouTube this year up from 64% in 2017.

- Nearly two-thirds (62%) of internet users claimed to be confident in their ability to identify legal content from illegal content online.

3. Research overview

3.1 Background and objectives

In 2012, Ofcom commissioned Kantar Media to conduct a tracking study covering behaviour and attitudes towards both lawful and unlawful online use of copyright material across several content types. This study was funded by the IPO. Since 2015, the IPO has annually commissioned and managed this project with Kantar Media.

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

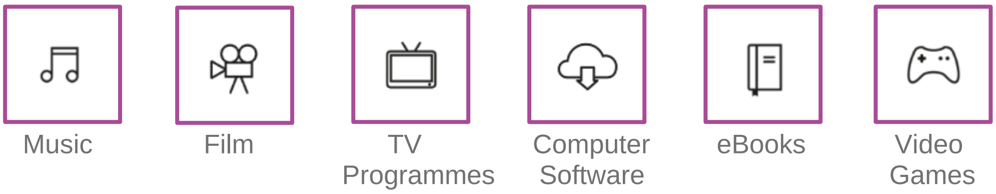
Overall aim	Research objective	Measurement
To establish the current level of subscribers' use of internet access services to infringe copyright.	• Measure online copyright infringement levels (alongside lawful activity) among UK consumers, and monitor changes on a quarterly basis.	• Whether accessed/ 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 value and spend of consumers across content types by different groups of infringers and none	• Measure spend on recorded and digital media to analyse potential impact of unlawful file-sharing on purchase of related	• Current spend on relevant material.

infringers.	content (positive and negative).	

3.2 Research notes

3.2.1 Content types and activities assessed

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



Additional questions on digital magazine content and digital images were also included to monitor consumption and findings for these types of content are noted in the appendix section of this report. These are not included in the analysis of consumption and legality in the main body of the report, though. We also include additional questions in our TV programmes section to specifically look at the consumption of sport.

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 to 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)[2]
Films	Films (full length)
TV programmes	TV programmes (including live sports)
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)

There were a few updates to the questionnaire in 2018:

- New sports programme specific questions added covering volume of downloading, volume of streaming, proportion done legally and sites, services or apps used
- Smaller edits
  - Additional prompting added to our "TV Programmes" codes to ensure respondents are considering sports programmes as part of this "(including live sports)"
  - Additional text "apps" added to questions that refer to use of "site and services" to now read "sites, services or apps"
  - Updating of code lists to reflect relevant services within sectors
  - Updating of Kantar standard internet user question to better reflect market
- Removal of questions on
  - Price points for different types of service and content that would be acceptable
  - 2 open ended questions closing the survey asking for any other opinions on areas covered

[2] 'Music videos' were asked separately for the 'ever done' and 'last three months' questions to aid with distinctions

3.2.2 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[3] 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+ UK internet population, and include median volumes. Metrics 5 to 10 include mean volumes[4].	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	Legal and

[3] 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 quarterly DEA reporting requirement, and 2) it is intended to avoid bias in the data caused by seasonality (especially regarding the Christmas period).

[4] Please see the *Limitations of claimed behaviour and data reconciliation* section on page 16.

	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+ UK internet population and include median volumes.	illegal proportions of total volume (incorporating physical format where relevant)

Assessing consumer spend on categories		
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

3.2.3 Subgroup analysis

For each area of analysis. the report details the main findings, followed by significant differences of interest (at the 95% level[5], unless indicated otherwise) compared to 2017 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

3.2.4 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 95% 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).

[5] 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.

3.2.5 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
- 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 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 11) of this report.

3.2.6 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 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. Thus, 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 most 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.

4. Cross category overview

4.1 Digital content consumption amongst internet users aged 12+ across all key 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 six key content types (for example, if someone downloaded and streamed both music and films they would be counted only once within the overall proportion):

Table 4.1a: Digital behaviour among internet users aged 12+ – all content types

Sig. increase (from 2017) **Sig. decrease** (from 2017)		Music	Films	TV	Software	Books	Videogames	ANY
Base: all internet users 12+		4526	4526	4526	4526	4526	4526	4526
Download	**Ever done**	31%	15%	**14%**	14%	**14%**	15%	48%
	Past 3 months	21%	**9%**	**9%**	9%	9%	10%	38%
Stream or access	**Ever done**	42%	**36%**	**39%**	**12%**	12%	**16%**	61%
	Past 3 months	33%	**28%**	**31%**	8%	6%	10%	53%
Share	**Ever done**	8%	**3%**	3%	3%	**1%**	**3%**	12%
	Past 3 months	6%	2%	**1%**	**2%**	1%	**2%**	9%
Download or Stream/access i.e. Consumed	**Ever done**	47%	**39%**	**41%**	20%	19%	**22%**	**58%**
	Past 3 months	37%	**30%**	**33%**	12%	**11%**	15%	**49%**
Download, Stream/access, or Share	**Ever done**	48%	**40%**	**42%**	21%	19%	**23%**	67%
	Past 3 months	38%	**30%**	**33%**	13%	12%	15%	59%

- There were no significant shifts in the proportion of internet users claiming to have 'ever' downloaded content at the overall level ('any'), with 48% of consumers claiming to have done so, the same proportion as 2017. TV programmes saw significant decreases across download, streaming and sharing, while films saw significant increases.

- TV programmes have seen a particular drop in the proportions who have streamed or accessed them online. These significant declines appear to be having the largest impact on the overall picture
    - Those who say they ever streamed TV declines to 39% in 2018 (from 44% in 2017)
    - Those who say they have streamed TV in the last 3 months declines to 31% in 2018 (from 35% in 2017)

- Films, on the other hand, show significant increases for streaming/access and downloading in the last 3 months:
    - Those who say they ever streamed films increases to 36% in 2018 (from 34% in 2017)
    - Those who say they have streamed films in the last 3 months increases to 28% in 2018 (from 26% in 2017)

- Music remains by far the most commonly downloaded, streamed or shared content type, with streaming being the most popular.

- In terms of downloading within the ‘past three months’, there were no significant movements at an overall level, however both films and TV programmes see significant decreases.

- Streaming is by far the most common method for accessing content online, with 61% claiming to have ever done so, and 53% in the last 3 months. This is driven by films and video games which both see significant increases, while TV and software see decreases.

- The proportion of internet users claiming to have ever shared any of the six content types remains largely stable since the previous year (13% in 2017 and 12% in 2018). Films and video games return to 2016 levels, though remain at low levels – 3%.

- The proportion of the online population who claimed to have downloaded, streamed or accessed any of the six content types has significantly declined (down to 58% in 2018 from 67% in 2017). This is due to the decline in TV programmes (from 46% in 2017 to 41% in 2018) and despite rises in:
    - Films (37% to 39%)
    - Video games (20% to 22%)

The following table outlines the **median** number of files downloaded, streamed/accessed or shared in the past three months (amongst those who had done each activity). Again, the 'any' column is an aggregation across all six key content types:

Table 4.1b: Median number of files among 12+ internet users who consumed content (past three months)

	Music	Films	TV	Software	Books	Video games	ANY
Base[6] ***Caution: base sizes lower than 100**	1045	468	415	407	393	482	1829
Downloaded	9	3	4	2	3	2	6
Base	1640	1326	1474	356	293	559	2624
Streamed/accessed	25	5	10	2	2	3	20
Base	276	80*	63*	70*	34*	90*	415
Shared	10	2	2	2	1	2	3
Base	1840	1430	1576	572	507	761	2869
Consumed (i.e. downloaded or streamed/accessed)	25	5	10	2	3	3	23

- There has been a slight decrease in the median number of content items consumed (i.e. downloaded or streamed/accessed) in the past three months –from 24 files in 2017 to 23 files in 2018. This is driven by a decline in the number of files being downloaded (down to 6 in 2018, from 9 in 2017).

- There was an increase in the median number of music files consumed since last year, up from 23 files in 2017 to 25 files in 2018. A slight decrease was recorded for music files downloaded (down from 10 files in 2017 to 9 files in 2018) whilst the median number streamed increases to 25 (from 20 in 2017).

[6] All base sizes in this table are amongst those who had done each activity in the past three months

- The number of film files being downloaded, streamed/accessed or shared remains stable, while TV programme streaming sees an increase from 7 to 10 in 2018.

4.2 Payment groups

Respondents were also categorised into three different groups based on the proportion of digital content that they claimed to have paid for: ‘100% paid’, ‘mix of paid and free’ and ‘100% free’. 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:

1) Base 1: all who downloaded or streamed/accessed each content type in the past three months
2) 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 4.2a: Payment groups – proportion who paid to consume content or did so for free (past three months)

Sig. increase (from 2017) **Sig. decrease** (from 2017)	Music	Films	TV	Software	Books	Videogames	ANY
Base 1 - all who consumed each content type	1840	1430	1576	572	507	761	2868
100% Paid	**46%**	**41%**	**62%**	**54%**	**31%**	**30%**	**35%**
Mix of Paid and Free	22%	19%	**14%**	17%	**17%**	25%	48%
100% Free	**32%**	**40%**	**24%**	**29%**	**52%**	**45%**	**16%**
ANY PAID	**68%**	60%	**76%**	71%	**48%**	55%	**84%**
ANY FREE	**54%**	59%	**38%**	46%	69%	70%	**65%**
Base 2 - 12+ internet users	4526	4526	4526	4526	4526	4526	4526
100% Paid	**17%**	**12%**	**20%**	**7%**	**4%**	**4%**	**21%**
Mix of Paid and Free	8%	**6%**	**5%**	2%	2%	4%	28%
100% Free	**12%**	12%	**8%**	**4%**	**6%**	**7%**	**9%**
ANY PAID	**25%**	18%	**25%**	9%	**5%**	8%	49%
ANY FREE	**20%**	**18%**	**12%**	6%	8%	10%	**38%**

- There has been a significant increase in the proportion of those who consume any of the six key content types who have paid for *at least some* of what they consumed (increasing from 60% in 2017 to 84% in 2018). This is driven by a significant increase in those who are paying for 100% of content (from 14% in 2017 to 35% in 2018) This of course results in a significant drop in the proportion who consume 100% free content (40% in 2017 to 16% in 2018).

- Overall there is a significant increase in the proportion of people saying they pay for 100% of content (from 14% in 2017 to 35% in 2018). This is driven by four out of six content types showing significant increases:
    - Music 28% to 46%
    - Films 37% to 41%
    - TV 17% to 62%
    - Software 26% to 54%

- eBooks are the only content type to buck this trend, where a significant increase in 100% free content can be seen (36% to 52%), while paid content significantly decreases (46% down to 31%).

- This has resulted in the proportion of all internet users aged 12+ who have paid to consume any of the six key content types to continue to significantly increase too (up from 36% in 2017 to 49% in 2018). At the same time, the proportion who have consumed all their content for free fell significantly, 23% in 2017 to 9% in 2018.

- This is most starkly seen in music and TV programmes. The proportion of internet users who have paid for 100% of music content has increased from 10% in 2017 to 17% in 2018, while for TV programmes it is 6% to 20%.

4.3 Free access to digital content before purchasing

Table 4.3: – Consuming content online for free before purchasing in the past three months

Sig. increase (from 2017) **Sig. decrease** (from 2017)	Music	Films	TV	Software	Books	Video games	ANY
Base*	897	780	500	255	344	481	4526
100% previously consumed for free	17%	9%	14%	16%	9%	**17%**	**4%**
Any previously consumed for free	48%	**25%**	31%	47%	26%	43%	**25%**
None previously consumed for free	52%	**75%**	69%	53%	74%	57%	**75%**
Mean number**	36	2	5	2	1	2	10

*All bases are among those who had paid for types of content (physical or digital) in the past three months, except the base for 'any' is all aged 12+ in the UK.

**Mean number is the average number of items consumed online for free before purchasing in the past three months (including zeros).

- The proportion of those who had previously consumed content online for free before purchasing it has increased significantly, from 21% in 2017 to 25% in 2018.
- There has been a significant increase in the proportion of those who say they have not previously consumed films for free (from 70% in 2017 to 75% in 2018). Only video games show a significant increase in the proportion of consumers consuming for free before paying (from 12% in 2017 to 17% in 2018).

5. Levels of copyright infringement

The next section of this report details levels of copyright infringement, both at an overall level (i.e. across all six key content types) as well as the individual content types.

5.1 Legality groups

As with the payment group metrics outlined in Section 4.1.2, we can create 'legality' groups by assessing the proportion of online content they each consumed legally[7].

Table 5.1a: Legality groups – proportion who consumed content legally/illegally (past three months)

Sig. increase (from 2017) **Sig. decrease** (from 2017)	Music	Films	TV	Software	Books	Videogames	ANY
Base 1 - all who consumed each content type in the past 3 months	1840	1430	1576	572	507	460	2869
100% legal	81%	81%	77%	**80%**	87%	84%	75%
Mix of legal and illegal	7%	7%	9%	9%	6%	**6%**	18%
100% illegal	11%	12%	14%	**11%**	6%	**10%**	7%
ANY ILLEGAL	19%	19%	23%	**20%**	13%	16%	25%
Base 2 - 12+ internet users	4526	4526	4526	4526	4526	4526	4526
100% legal	31%	**24%**	**25%**	10%	10%	**8%**	44%
Mix of legal and illegal	**3%**	2%	3%	1%	1%	1%	10%
100% illegal	4%	4%	5%	**1%**	1%	1%	4%
ANY ILLEGAL	7%	6%	7%	**2%**	1%	**1%**	15%

- The proportion of those who have consumed entirely legally any of the key six content types remains stable year-on-year at 75% in both 2017 and 2018.

- Looking at the proportions of infringers amongst internet users 12+ overall, though, we see that these remain largely stable; 44% consumed entirely legal content in both 2017 and 2018. The proportion who consumed any of the six key content types illegally also remains the same at 15% in both years.

- Last year, the highest level of infringement by consumers was amongst TV programme consumers, and this has risen slightly in 2018 to become the most infringed content type, although software, films and music are not far behind.

[7] 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. Illegal streaming activity is defined as content that has not been accessed or streamed from legal sources. For music, films and the 'any' net, we have included paid illegal.

- Software has recorded a significant decrease in terms of its consumers downloading/accessing such content illegally (dropping from 26% in 2017 to 20% in 2018). This coincides with an increase in the proportion claiming to consume entirely legal content (up from 74% in 2017 to 80% in 2018).

- This year we added additional questions into our TV section of the survey to further probe into the consumption of Sports specific TV content. Among those that consumed TV content as a whole we found that a third (33%) consumed Sports content as part of this mix. Of the third consuming sports content 79% were 100% legal, 10% were a mix of legal and illegal and 11% were 100% illegal. The percentage of those consuming any illegal content among all content consumers increases from 25% to 27% if also adding in sports consumption to this calculation. At this point for the purposes of consistency with previous waves of our study we have not included the additional sports only infringers in our wider analysis of infringer groups.

5.2 Profile of legality groups

The next table shows the demographic profile of 'any illegal' (i.e. all infringers) versus 100% legal (i.e. all who do not infringe):

Table 5.2a: Demographic profiles of infringers versus non-infringers

Sig. increase (from 2017) **Sig. decrease** (from 2017)		**All content consumers**	**Any illegal (Infringers)**	**100% legal (non-infringers)**
	Base	2869	497	2142
Gender	**Male**	50%	**58%**	49%
	Female	50%	**42%**	51%
Age	**12-15**	9%	10%	9%
	16-24	21%	29%	19%
	25-34	25%	27%	24%
	35-44	18%	17%	18%
	45-54	13%	10%	14%
	55+	14%	7%	16%
Socio-economic group[8]	**ABC1**	67%	**66%**	68%

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

	C2DE	33%	**34%**	32%

- In 2018, the profile of infringers was slightly more skewed towards males than it was in 2017 (increasing from 54% in 2017 to 58% in 2018). Similarly, the skew towards ABC1s became more pronounced (increasing from 62% in 2017 to 66% in 2018).

- As was the case in 2017, amongst non-infringers there was no real gender skew, nor was there one towards those aged under 35 years old.

The following four charts show the proportion of those infringing across demographic groups over the past 4 years, among content consumers.

Chart 5.2a: Proportion of content consumers who infringe - total content consumers level

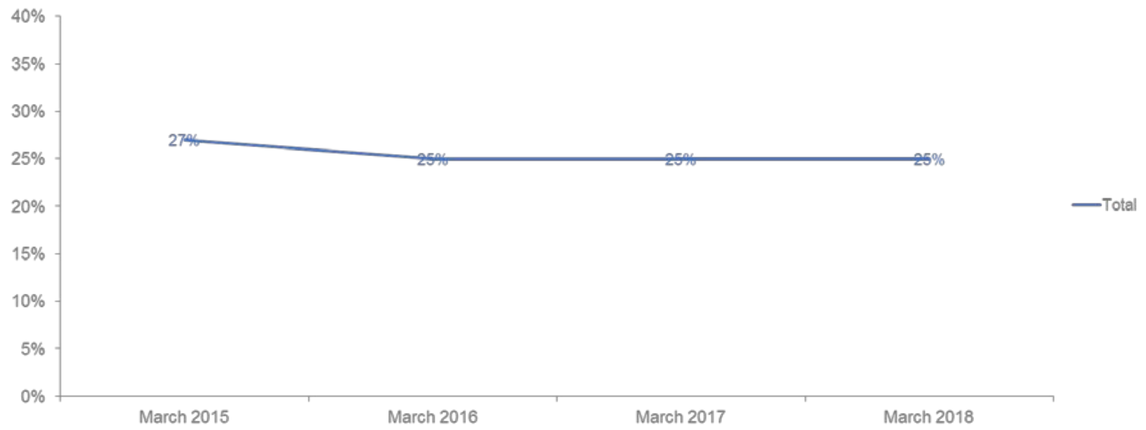


Chart 5.2b: Proportion of content consumers who infringe – by gender groups

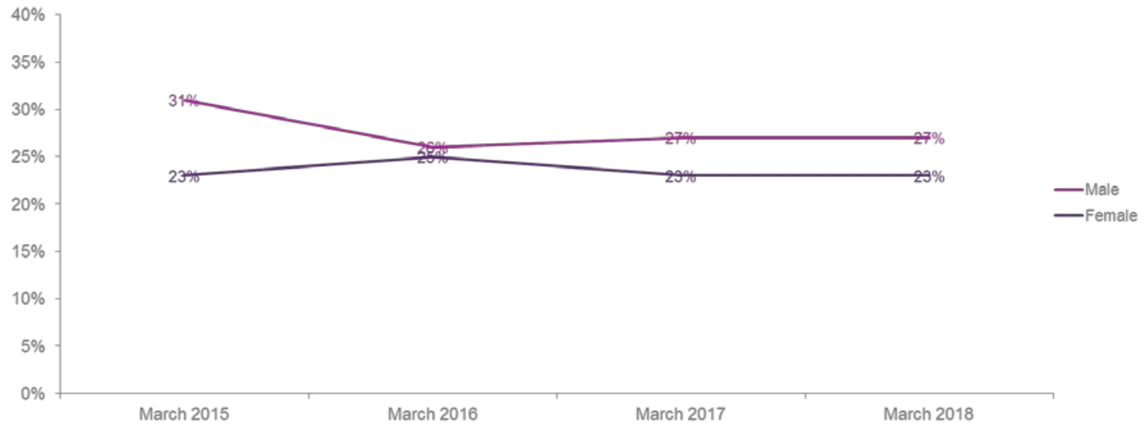


Chart 5.2c: Proportion of content consumers who infringe – by social grade groups

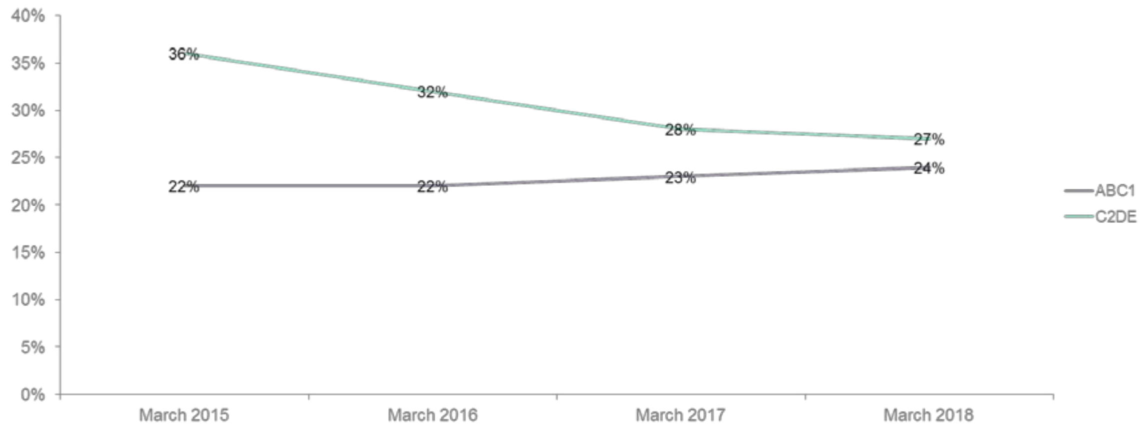
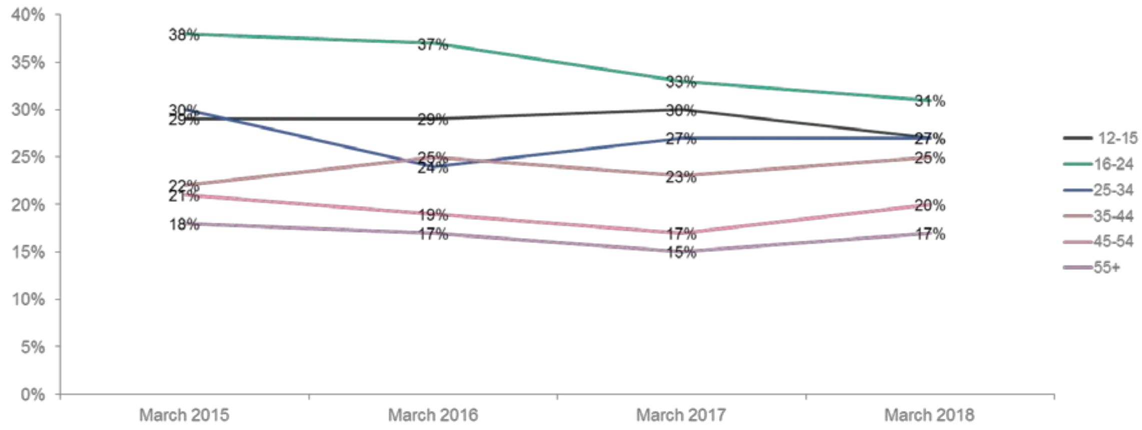


Chart 5.2d: Proportion of content consumers who infringe – by age groups



- 35-44 year olds and ABC1s are the two groups that have not declined in their proportion of infringers comparing 2015 to 2018.
- 16-24s (7% points down) and C2DEs (9% points down) were the two demographic groups with the largest declines in proportions of infringers over the past 4 years.

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

Table 5.2b: Legality groups – median content items consumed illegally in the past three months

	Music	Films	TV progs.	Comp. software	Books	Video games	ANY
Base - all who consumed each content type illegally in the past three months	354	274	345	121	50*	126	727
100% illegal	10	3	5	2*	2*	2*	7
Any illegal	10	3	5	2	2*	2	7

*Caution low base (under 100)

- The median number of illegal files consumed by infringers has dropped slightly, from 8 in 2017 to 7 in 2017. Contrastingly, there has been an increase in the number of illegal files consumed by those who consume entirely illegal content, up from 5 in 2017 to 7 in 2018. This same pattern was apparent last year when we looked at 2017 and 2016 results.

- Among all illegal consumers video games, computer software and ebooks showed no change in their medians compared to 2017:
    - Music rose from 8 in 2017 to 10 in 2018, putting it back to the level seen in 2016
    - TV programmes rose from 4 in 2017 to 5 in 2018, again putting it back to the level seen in 2016
    - Films saw a drop this wave from 4 in 2017 to 3 in 2018, prior to this it had consistently been tracking at a media of 4 per wave over the past 4 years

- Amongst those who have consumed 100% of each content type illegally, again music, film and TV were the only content types to show a change:
    - Music rose from 6 in 2017 to 10 in 2018, putting it back to the level seen in 2016
    - TV programmes rose from 3 in 2017 to 5 in 2018, this was 4 in 2016
    - Films dropped from 4 in 2017 to 3 in 2018, putting it back in line with our 2016 result for this group

5.3 Services used

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'), as well as benchmarking these against all consumers:

Table 5.3a: Use of services for consuming (downloading or streaming/accessing) or sharing content in the last three months

	All who consumed or shared content in past 3 months	Any illegal (infringers)	100% legal (non-infringers)
Base - all who have downloaded, streamed/accessed or shared any of the six content types in the past three months	**2890**	**727**	**2142**
YouTube	54%	59%	53%
Any Amazon	43%	38%	44%
Amazon / Amazon MP3 / Kindle / Amazon Prime	38%	33%	39%

Netflix	38%	33%	40%
BBC iPlayer	31%	29%	32%
Spotify	27%	24%	28%
Any Apple	27%	23%	28%
Google (Search Engine)	22%	28%	20%
Facebook	21%	30%	18%
Other website or service	19%	21%	18%
iTunes \ App Store \ iBookstore \ Apple Store	18%	17%	18%
All 4 (previously 4OD)	17%	16%	17%
Email	14%	18%	13%
ITVHub (previously ITV Player)	13%	13%	13%
A messaging app (e.g. Facebook Messenger, WhatsApp)	12%	18%	10%
Apple Music	12%	10%	13%
Direct2Drive	12%	10%	13%
Sky Go	11%	11%	11%
Amazon Music	10%	11%	10%
Google Play \ Android Marketplace	10%	12%	9%
Now TV	10%	8%	10%
Curzon Home Cinema	10%	11%	10%
Peer-to-peer (NET)[9]	10%	19%	7%
Microsoft	7%	8%	6%
My5 (previously Demand 5)	7%	5%	7%
Steam	7%	7%	8%
Xbox Live	7%	10%	6%
TV Catchup	6%	5%	6%
uTorrent	6%	14%	3%
Kodi	6%	12%	4%

- YouTube remains the top service used by consumers, with over half (54%) having used it in the past three months. Just under two-thirds (59%) of infringers have used the service (this is not necessarily to infringe content).

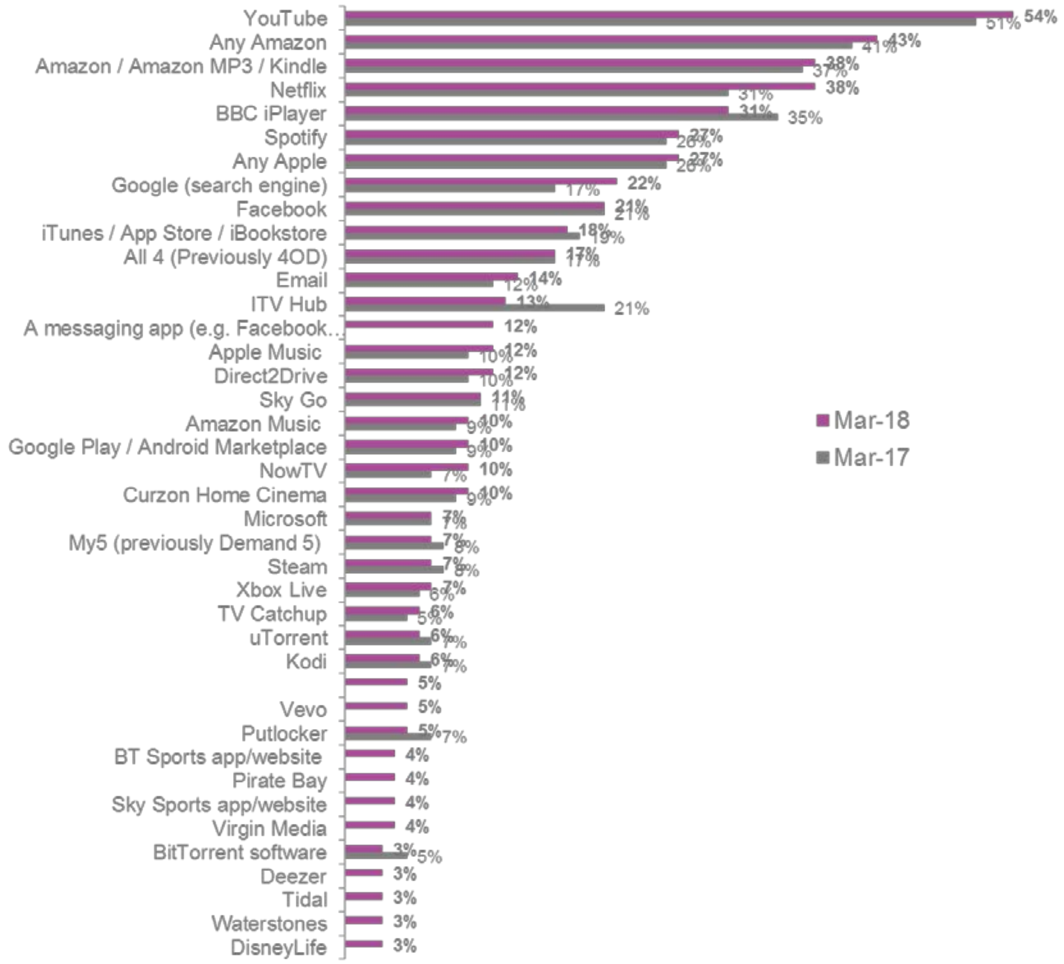
[9] Peer-to-peer (net) comprises Bittorrent software, uTorrent, Pirate Bay, Isohunt, eDonkey/eMule, Gnutella and Torrentz

- Many streaming services see increases in their usage levels. Netflix records an increase amongst all those who have consumed or shared content in the past three month (up from 31% in 2017 to 38% in 2018), as well as those who consume entirely legal content (up from 32% in 2017 to 40% in 2018). Netflix usage amongst infringers has also risen (from 29% in 2017 to 33% in 2018).

- Spotify sees slightly more muted results with the proportions using the service remaining static compared to previous year.

The following chart looks at the difference in sources used to download, stream and share content among content consumers from 2017 to 2018, focusing on the top 40 services given in our 2018 survey.

Chart 5.3a: Top 40 services used by content consumers over past 2 years


YouTube
Any Amazon
Amazon / Amazon MP3 / Kindle
Netflix
BBC iPlayer
Spotify
Any Apple
Google (search engine)
Facebook
iTunes / App Store / iBookstore
All 4 (Previously 4OD)
Email
ITV Hub
A messaging app (e.g. Facebook…
Apple Music
Direct2Drive
Sky Go
Amazon Music
Google Play / Android Marketplace
NowTV
Curzon Home Cinema
Microsoft
My5 (previously Demand 5)
Steam
Xbox Live
TV Catchup
uTorrent
Kodi
Vevo
Putlocker
BT Sports app/website
Pirate Bay
Sky Sports app/website
Virgin Media
BitTorrent software
Deezer
Tidal
Waterstones
DisneyLife
Mar-18
Mar-17

6. Content consumption volumes

Whilst 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[10]).

The volumes are calculated using the median scores as per the rationale set out previously in the research notes section.

Table 6.1a: Volume of content consumed

Volumes are in millions		Total	Physical format	Digital format
Music	**Volume**	507m	54m	453m
	% of total	57%	11%	89%
TV programmes	**Volume**	160m	8m	152m
	% of total	18%	5%	95%
Films	**Volume**	96m	23m	73m
	% of total	11%	24%	76%
Books	**Volume**	75m	57m	18m
	% of total	8%	76%	24%
Video games	**Volume**	40m	18m	22m
	% of total	4%	45%	55%
Computer software	**Volume**	19m	4m	15m
	% of total	2%	24%	76%
Total	**Volume**	896m	163m	733m
	% of total		18%	82%

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

- We estimate that digital format consumption contributes over four fifths of the overall volume (up from 75% in 2017 to 82% in 2018). The volume has also increased (up from 649 million in 2017 to 733 million in 2018).

- In contrast, the volume of physical content consumed has been estimated to have decreased (from 222 million in 2017 to 163 million in 2018).

- This means that the overall volume of content consumed is up by 52 million on the year (from 871 million in 2017 to 896 million in 2018).

- The majority of content is consumed in digital format across all categories, except for books where physical content still outweighs digital.

- Music remains by far the most consumed content type, both digital (453 million tracks) and physically (54 million tracks) over the three-month period. This was largely driven by the fact that we assessed individual tracks, not albums. There was a shift of 71 million in digital volumes for Music since last year (up from 382 million tracks to 453 million tracks).

- Most other content types recorded decreases between 2017 and 2018 in the volumes consumed, with films dropping from 97 million to 96 million, books dropping from 77 million to 75 million, computer software dropping from 25 million to 19 million, and video games from 42 million to 40 million.

- Conversely, TV programmes recorded a rise in overall content consumption volume from 145 million in 2017 to 160 million in 2018. This is the result of a rise in digital format (from 128 million in 2017 to 152 million in 2018) whilst physical content dropped (from 17 million on 2017 to 8 million in 2018).

We also looked at the volumes of digital content that were paid for versus freely consumed, as shown in the following table:

Table 6.1b: Paid for vs. free content in digital formats

Volumes are in millions		Digital format: Paid content	Digital format: Free content
Music	Volume	134m	319m
	% of total	30%	70%
TV programmes	Volume	44m	108m
	% of total	29%	71%
Films	Volume	39m	34m
	% of total	54%	46%
Books	Volume	10m	7m
	% of total	60%	40%
Video games	Volume	14m	8m
	% of total	62%	38%
Computer software	Volume	5m	10m
	% of total	35%	65%

- These content types recorded estimated increases since 2017 in the volumes of digital content consumed that was paid for:
    - Music (increasing from 130 million to 134 million)
    - Films (increasing from 28 million to 39 million)
    - Video games (increasing from 12 million to 14 million)

- These content types recorded estimated decreases since 2017:
    - TV programmes (decreasing from 46 million to 44 million)
    - Books (decreasing from 11 million to 10 million)

- Computer software remained the same as last year for its estimate of the volume of digital content that was paid for of 5 million.

- Music, TV programmes and computer software recorded increases in the estimated volumes of free content that was consumed too:
    - Music (increasing from 252 million to 319 million)
    - TV programmes (increasing from 82 million to 108 million)
    - Computer software (increasing from 14 million to 10 million)

- Meanwhile, films, books and video games recorded decreases in the estimated volumes of free content that was consumed too:
    - Films (decreasing from 44 million to 34 million)
    - Books (decreasing from 52 million to 40 million)
    - Video games (decreasing from 12 million to 8 million)

We also looked at the volumes of digital content that were being consumed legally and illegally:

Table 6.1c: Legal vs. illegal content in digital formats

		Digital format	
Volumes are in millions		**Legal content**	**Illegal content**
Music	**Volume**	313m	141m
	% of total	69%	31%
TV programmes	**Volume**	114m	38m
	% of total	75%	25%
Films	**Volume**	62m	11m
	% of total	85%	15%
Books	**Volume**	15m	3m
	% of total	83%	17%
Video games	**Volume**	19m	3m
	% of total	88%	12%
Computer software	**Volume**	11m	2m
	% of total	78%	22%

- We estimate that 141 million music tracks were consumed illegally online in the past three months.

- The estimated volume of infringed TV programmes is estimated at 38 million, worth noting here that we added additional text to highlight that this includes sports content in 2018.

- The estimated volume of infringed film content is 11 million in 2018.

- Music content continues to have the highest estimated volume of infringed content compared to the other categories, as well as being the content type estimated to have the highest proportion of infringement within its consumption at 31% in 2018. Looking at our median numbers for content consumption one of the main changes appears to be a shift away from physical and growth in streaming.

- Changes in the consumption of content with an increasing main stream shift to digital and rise in subscription services mean that we are also reviewing the current rules to establish these infringement volumes to best fit this evolving market and how people perceive their consumption. We will update this process if deemed necessary for 2019.

7. Consumer spend

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

7.1 Quarterly consumer spend amongst 12+ year olds

The table below shows, at a respondent level, the average spend[11] by content types in the past three months across several different means of expenditure. It also shows the proportion of the entire UK population (i.e. not just internet users) aged 12+ who claim to have spent any money on these items:

Table 7.1a: Average consumer quarterly spend amongst 12+ year olds – all content types

	Music		Films		TV progs.		Comp. software		Books		Video games	
Base: all those aged 12+ in the UK.	**Mean**	**%**	**Mean**	**%**	**Mean**	**%**	**Mean**	**%**	**Mean**	**%**	**Mean**	**%**
Purchases/rentals in physical format	£3.94	17%	£4.41	19%	£3.52	13%	£2.82	8%	£8.37	35%	£7.07	16%
Individual digital purchases	£1.48	9%	£0.85	6%	£01.17	5%	£1.38	4%	£0.79	6%	£2.73	7%
Online Subscriptions	£4.34	12%	£2.08	10%	-	-	-	-	-	-	-	-
Other[12]	£13.73	18%	£10.25	37%	£1.78	8%	-	-	£1.50	8%	£1.69	7%
TOTAL[13]	£23.43	32%	£19.15	46%	£6.46	17%	£4.20	10%	£10.66	39%	£11.48	19%

- Across the six key content types, music still has the highest average spend per person in the UK aged 12+ at £23.43, although this is a slight decrease from the £23.57 average spend in 2017. The drop in average spend on physical content (from £4.53 to £3.94) and individual digital purchases (from £1.56 to £1.48) is offset by the increase in online subscriptions (from £3.67 to £4.34). The proportion of people who have spent anything on music content also remains stable since last year at 32% for both years.

- The film category has the next highest average spend at £19.15, although slightly down from £20.06 seen in 2017. There proportion of people who have spent anything on film content, remains fairly constant at 46%, from 47% in 2017.

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[11] The mean is calculated from the total spent by all aged 12+ in the UK (i.e. including £0).
[12] Other is a combination of spend on concerts, gigs and merchandise relating to music
[13] 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.

- TV programmes recorded an increase in average spend from £5.40 in 2017 to £6.46 in 2018. Although individual digital purchases are down, physical format purchases are up on last year (from £2.98 to £3.52), as well as the ‘other’ category being up (from £1.47 to £1.78).

- Books also recorded an increase in average spend from £10.33 in 2017 to £10.66 in 2018. This is the result of a slight increase in estimated expenditure for physical copies (from £7.65 in 2017 to £8.37 in 2018).

- The average spend on computer software has decreased from £5.37 to £4.20. This is the result of a decrease in estimated expenditure for physical formats (from £4.09 to £2.82). The proportion of people who have spent anything on computer software also dropped slightly from 11% to 10%.

- There is also a drop in the total spend on video games, from £11.90 in 2017 to £11.48 in 2018. There has been a slight drop in the estimated average expenditure for physical formats (down from £7.45 to £7.07), as well as the ‘other’ category (down from £2.17 to £1.69). The proportion of people spending money on this content type remains constant at 19%.

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

Table 7.1b: Average consumer quarterly spend among legality groups – all content types

<table>
<tr><th>Bases for individual groups are included in brackets.</th><th>Music</th><th>Films</th><th>TV progs.</th><th>Comp. software</th><th>Books</th><th>Video games</th></tr>
<tr><td>100% legal</td><td>£54.08 (1486)</td><td>£45.15 (1156)</td><td>£10.17 (1231)</td><td>£26.58 (451)</td><td>£24.52 (457)</td><td>£59.38 (635)</td></tr>
<tr><td>Mix of legal and illegal</td><td>£78.46 (118)</td><td>£41.90 (95)</td><td>£19.21 (124)</td><td rowspan="2">£17.25 (121*)</td><td rowspan="2">£8.71 (50)</td><td rowspan="2">£39.19 (126)</td></tr>
<tr><td>100% illegal</td><td>£22.81 (236)</td><td>£16.24 (179)</td><td>£7.24 (221)</td></tr>
</table>

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

- The average consumer quarterly spend by those who have indicated that the content that they have consumed is done entirely illegally has increased for music and TV programmes, while decreasing for films.

- For those who claim to consume all of their content legally, the average spend for all categories has risen with the exception of books which decreased slightly (from £26.84 in 2017 to £24.52 in 2018).

The following table shows the total amount spent across all 12+ year olds in the UK by content type. The percentages refer to the proportion of the total spend attributed to the specific category:

Table 7.1c: Total quarterly spend estimates – all content types

Base: All 12+ year olds in the UK (5267)	Music		Films		TV progs.		Comp. software		Books		Video games	
	Spend	%	Spend	%	Spend	%	Spend	%	Spend	%	Spend	%
Purchases/rentals in physical format	£211m	17%	£236m	23%	£189m	54%	£151m	67%	£448m	79%	£379m	62%
Individual digital purchases	£79m	6%	£45m	4%	£62m	18%	£74m	33%	£47m	7%	£146m	24%
Online Subscriptions	£233m	18%	£111m	11%	-	-	-	-	-	-	-	-
Other	£736m	58%	£549	53%	£95m	27%	-	-	£80m	14%	£90m	15%
TOTAL	**£1,259m**		**£1,026m**		**£346m**		**£225m**		**£571m**		**£615m**	

- Music continues to have the highest overall quarterly spend across the content types at an estimated £1,259 million (a decrease from £1,266 million the previous year). Spend on music in physical format (£211 million) is down since last year (which recorded an estimated £243 million). Individual digital purchases also recorded a drop (from £84 million to £79 million). That said, the estimated quarterly spend on online subscriptions increased, from £197 million in 2017 to £233 million in 2018.

- The second highest estimated total quarterly spend was for films, which increased from £966 million in 2017 to £1,026 million in 2018. Like music, there was an increase in the estimated expenditure for online subscriptions (from £80 million in 2017 to £111 million in 2018). Films recorded a decrease in the estimated spend since last year on individual digital purchases (down from £50 million to £45 million), as well as a decrease in expenditure on content in physical format, (down from £243 million to £236 million).

- Video games saw decreases in estimated total spend overall (from £637 million to £615 million), driven by a decrease in physical purchases (down from £399 million to £379 million), and the 'other' category (down from £116 million to £90 million). That said, spend on individual digital purchases increased (from £122 million to £146 million).

- Similarly, computer software saw a decrease overall, driven by a drop in physical format spend (from £219 million to £151 million). Again, though, individual digital purchases increased (from £69 million to £74 million).

- Yet TV programmes recorded an increase in its total quarterly spend estimate, from £289 million in 2017 to £346 million in 2018. This is driven by rises across all format types.

- Books also record an increase in its total quarterly spend estimate, from £553 million in 2017 to £571 million in 2018. This is also driven by drops in content purchased in physical format (from £410 million to £448 million).

8. Attitudes towards digital activities and copyright infringement

8.1 Motivations for general online activities

The survey includes several questions around consumer attitudes, with the aim to uncover primary motivations for participating (and also, in the case of downloading, not taking part) in the activities covered – i.e. downloading, streaming/accessing and sharing content.

The following tables show the ranked prompted responses amongst those claiming to have participated in each of these activities in the past three months.

Although not displayed in 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 8.1a: Motivations for downloading (or not) content online

Sig. increase **(from 2017)**
Sig. decrease **(from 2017)**

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 (1829)	
It's easier / more convenient	66%
It's quicker	54%
It's cheaper	41%
I can access them more easily on the devices I have	35%
I can get them for free	**25%**
I can access them on the go	**23%**
It's more up to date	16%
The quality isn't noticeably different	15%

There was no physical version available	12%
It's what everyone does	11%
Other reasons	4%
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 content in the past three months (2506)	
I'm not interested	**67%**
I prefer to have a physical copy	20%
I fear they may have viruses / malware / spyware	11%
I prefer to stream/access	11%
I'm not sure how to do it	10%
They are too expensive	9%
I fear they could be illegal	8%
It is easier to buy physical copies	5%
Physical copies are more flexible	4%

Table 8.1b: Motivations for streaming or accessing content online

Sig. increase (from 2017)
Sig. decrease (from 2017)

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 (2624)	
It's easy / convenient	**63%**
It's quick	49%
It's easy to do	39%
It's free	**35%**
For entertainment	29%
It means I don't have to download them	22%
It's quicker than downloading	22%
To watch programmes I have missed (on TV)	**17%**
It means I can try something before I buy it	15%
It's cheaper than downloading	**11%**
It's what my friends or family do	8%
Some types of files are too expensive to buy	6%

Table 8.1c: Motivations for sharing content online

Sig. increase (from 2017)
Sig. decrease (from 2017)

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 (415)	
It's easy to do	**53%**
It's what everyone does	30%
It's only fair	24%
My friends / family can't access the files themselves	19%
I should be able to share my content with whomever I choose	15%
It gives me status	13%

- Since 2017, there has been little change in the motivations for downloading, streaming and sharing content.

- Convenience remains the prime motivator for all three types of online activity, with a slight (not significant) increase recorded for downloading (up from 64% in 2017 to 66% in 2018) and a significant increase for streaming/accessing (up from 60% in 2017 to 63% in 2018). A significant increase is also recorded for sharing, (increasing from 44% in 2017 to 53% in 2018).

- Speed was also highly cited as a reason for downloading and streaming/accessing content. The former has remained constant since last year at 54%, while the latter has increased (not significantly (up from 47% in 2017 to 49% in 2018)

- The ability to access content for free is still more important for streaming/accessing than for downloading. That said, the former records decreased significantly in the proportion citing this reason (down from 39% in 2017 to 35% in 2018). The proportion of downloaders citing this has also dropped significantly (down from 29% to 25%). Nevertheless, "it's cheaper" remains the third most cited reason for downloading, and is stable at 41% in both 2017 and 2018.

- "There was no physical version available" was another reason given by downloaders for such activities (down from 13% in 2017 to 12% in 2018), although it is still one of the least commonly cited reasons.

- “It means I can try something before I buy it” decreased (not significantly) as a reason given for streaming (down from 16% in 2017 to 15% in 2018).

- “It’s what everyone does” as a reason for sharing content increased (not significantly) since last year (from 27% in 2017 to 30% in 2018). That said, the proportion of people who cited that they “should be able to share my content with whomever I choose” decreased (not significantly) on the year (down from 21% in 2017 to 15% in 2018).

- In terms of reasons cited for why people have not downloaded content in the past three months, the most commonly cited reason remained that they were ‘not interested’, with over two-thirds (67%) stating so (compared to 63% in 2017). There was also an increase (not significant) in the proportion who claimed that they ‘prefer to stream/access’ files (up from 10% in 2017 to 11% in 2018).

8.2 Attitudes towards online content

Respondents were also asked the following about their attitudes towards consumption of digital media more generally:

‘To what extent do you agree or disagree with 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 (a net of ‘strongly agree’ or ‘slightly agree’) amongst all those with internet access (aged 12+), and then amongst the three legality groups (aggregated across all six content types):

Table 8.2a: Proportion of legality groups who agree with statements

Sig. increase (from 2017) **Sig. decrease** (from 2017)	All aged 12+ with internet access	100% legal	Mix of legal and illegal	100% illegal
Base	4526	2142	497	230
Content that you download or access online should be cheaper than the equivalent purchased in a physical format	56%	70%	62%	**57%**
It is wrong to access content online without the creator’s / artist’s permission	**56%**	**66%**	44%	37%
The rules governing what you can and can’t do with content you purchase should be the same for both physical and online formats	47%	57%	**52%**	35%
If you have paid for a digital file then you should be able to share it with others	38%	43%	54%	37%
It is easy to find content on the internet for free that would usually be paid for	**38%**	42%	57%	41%
I think you should be able to download or access the content you want for free from the internet	32%	32%	47%	36%
The price that you pay to download or access content online is generally about right	**30%**	40%	35%	21%
I find it difficult to find legal content online	18%	18%	30%	21%

- There were some significant changes in the levels of agreement with the above statements between 2017 and 2018. The proportion of internet users aged 12+ who agreed that online content should be cheaper than the equivalent purchased in a physical format rose slightly (not significant, increasing from 55% in 2017 to 56% in 2018). Those who consume all their content legally remained constant at 70%. Those who consume all their content illegally saw a significant increase (up from 42% in 2017 to 57% in 2018). A slight (not significant) rise was also recorded for those who consume both legal and illegal content (up from 61% in 2017 to 62% in 2018).

- There was also a significant rise in the proportion of internet users aged 12+ who agreed with the statement “the price you pay to download or access content online is generally about right" (increasing from 28% in 2017 to 30% in 2018). When looking at those who infringe versus those who do not, the proportion of those who consumed all their content illegally that agree (21%) is much lower than amongst those who consumed all legal content (40%).

- The proportion of internet users who agreed with "you should be able to download or access content you want for free" dropped slightly (not significant, down from 33% in 2017 to 32% in 2018), and there was also a drop (not significant) among those who infringe all their content (down from 40% in 2017 to 36% in 2018).

- In terms of agreement with "if you have paid for a digital file you should then be able to share it with others", the proportion of those who infringe all their content decreased (not significantly, down from 39% in 2017 to 37% in 2018). Agreement levels also fell significantly amongst those who consume only legal content (down from 45% in 2017 to 43% in 2018). There was also an increase (not significant) amongst those who mix legal and illegal content (up from 48% in 2017 to 54% in 2018).

- The proportion of internet users who agreed with "it is easy to find content on the internet for free that would usually be paid for" increased significantly amongst internet users 12+ overall (up from 36% in 2017 to 38% in 2018). The proportion of those who consume both legal and illegal content that agreed also rose from 55% in 2017 to 57% in 2018, as well as those who only infringe (up from 34% in 2017 to 41% in 2018). Those who consume only legal content remained constant at 42%.

- When looking at the issue of morality and infringement, there was a significant increase with the statement that "it is wrong to access content online without the creator's / artist's permission" amongst those who consume only legal content (up from 62% in 2017 to 66% in 2018). The was also a rise (not significant) amongst those who consume only illegal content (up from 32% in 2017 to 37% in 2018).

8.3 Motivations for using paid services

Further questions on attitudes were asked in order to assess the primary motivations for lawful and unlawful behaviour, 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 note 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 8.3a displays the main reasons given for paying for online content:

Table 8.3a: Motivations for using paid services

Sig. increase (from 2017) **Sig. decrease** (from 2017)	Any paid	100% legal	Mix of legal and illegal
Base	1707	1391	316
It's easier / more convenient	50%	50%	48%
It's quicker	39%	**38%**	44%
I don't want to use illegal sites	35%	39%	21%
They are better quality	28%	27%	32%
I fear they may have viruses / malware / spyware	23%	24%	15%
I think it's morally wrong to use illegal sites	22%	24%	13%
I want to support the creators / industry	20%	22%	12%
I can afford to pay	18%	19%	14%
I prefer to pay	14%	15%	**9%**
I don't think it's right to get them for free	14%	16%	5%
I'm unaware of the free services available	9%	10%	5%
I fear I might be caught	9%	9%	8%
I don't know how to use the free services	**8%**	8%	6%

- The reasons given for using paid services are very similar to those seen in the previous wave of research.

- Convenience remains the most commonly cited reason amongst those who have paid for content, including for those who accessed all their content legally and amongst those who have consumed a mixture of legal and illegal content.

- Those that claimed that the "better quality" of paid-for content drove them to do so remained constant at 27%.

- There was a significant decrease in those who use entirely legal services and have paid for content who cited "it's quicker" as a reason (down from 42% in 2017 to 38% in 2018). There was an increase (not significant) in those who use a mix of legal and illegal (up from 37% in 2017 to 44% in 2018).

- There were some marked differences amongst the two legality groups over many of their other motivations. Those who consumed entirely legal content (39%) were much more likely than those who infringed some of their content (21%) to say that they do not want to use illegal sites. Both have increased since 2017, though, (100% legal up from 38% in 2017 and mix of legal and illegal up from 19% in 2017 to 21% in 2018). A similar story was evident in the proportions of those who claim "it is morally wrong to use illegal sites", with 24% of those who consume entirely legal content providing this reason compared to 13% of those who use a mixture of legal and illegal services to access content.

- Although not a significant change those who paid for content (23% from 21%) and those who were 100% legal (25% from 22%) were both more likely in 2018 to say a fear of viruses, malware or spyware.

8.4 Motivations for using illegal services

Respondents who indicated that they had infringed in the past three months 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 were as follows:

Table 8.4a: Motivations for using illegal services

Sig. increase (from 2017) **Sig. decrease** (from 2017)	**Any illegal**	**100% illegal**	**Mix of legal and illegal**
Base	727	230	497
It is free	44%	46%	44%
It is easy / convenient	41%	31%	45%
It is quick	38%	31%	41%
It means I can try something before I buy it	**15%**	8%	18%
Because I can	**13%**	8%	**15%**
I can't afford to pay	11%	10%	12%
I think legal content is too expensive	9%	3%	12%
It's what my friends or family do	9%	4%	11%
I already owned the content in another format	7%	5%	9%

I already spend enough on content	7%	1%	9%
The files I want are not available on legal services	7%	5%	8%
I've already paid to see it/them in the cinema/in concert etc.	6%	4%	7%
The industry makes too much money	5%	4%	6%
I don't want to wait for the content to become available on legal services	4%	3%	**5%**
I don't think I should have to pay for files online	4%	3%	4%
Average number of aspects cited	**2.3**	**1.8**	**2.5**

- The reasons given for infringement activity remain largely similar. 'It is free' returns the top reason amongst all infringers – despite remaining the same as last year – due to a drop in convenience (down from 45% in 2017 to 41% in 2018). Convenience also dropped (not significantly amongst both 100% illegal consumers and mix of legal and illegal (down from 37% in 2017 to 31% in 2018 and 48% in 2017 to 45% in 2018 respectively).

- There was a rise (not significant) in the proportion of infringers who claimed that speed of access was another driver for infringement (up from 37% in 2017 to 38% in 2018).

- There was a significant decrease amongst those who consume illegal content who cited 'it means I can try something before I buy' as a motivation (down from 19% in 2017 to 15% in 2018).

- 'Because I can' was cited significantly less as an infringement motivation amongst those who consume illegal content (down from 18% in 2017 to 13% in 2018). There was also a significant decrease amongst those who consume a mix of legal and illegal content (down from 21% in 2017 to 15% in 2018).

- Generally, responses were higher for those in the 'mix of legal and illegal' group than for the '100% illegal' group, and this is reflected in the average number of reasons cited by each (2.5 and 1.8 respectively).

Infringers were also asked:

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

Table 8.4b: Aspects that would encourage stopping accessing content illegally online

Sig. increase (from 2017) **Sig. decrease** (from 2017)	**Any illegal**	**100% illegal**	**Mix of legal and illegal**
Base	727	230	497
If legal services were cheaper	22%	15%	25%
If it was clearer what is legal and what isn't	21%	17%	22%
If everything I wanted was available legally	18%	10%	22%
If everything I wanted was available legally online as soon as it was released elsewhere	16%	9%	19%
If I thought I might be caught	14%	9%	16%
If I thought I might be sued	13%	9%	14%
If legal services were more convenient / flexible	13%	8%	15%
If legal services were better	13%	8%	15%
If everyone else stopped doing it	**12%**	7%	15%
If my ISP sent me a letter saying they would suspend my internet access	12%	6%	14%
If a subscription service I was interested in became available	**11%**	9%	11%
If there were articles in the media about people being caught	**11%**	3%	**14%**
If I knew where to go to see whether something was legal or not	11%	8%	12%
If my ISP sent me a letter saying they would restrict my internet speed	8%	4%	9%
If my ISP sent me a letter informing me that my account had been used to infringe	8%	**3%**	10%
If my friends or family were caught	8%	2%	11%
Nothing would make me stop	*10%*	*17%*	*7%*

- "If legal services were cheaper" was the most commonly cited reason amongst infringers, with the proportion of those consuming a mix of legal and illegal content that claim this would deter them being two thirds higher than the group who consume entirely illegal content (25% compared to 15%).

- Another reason related to content availability was "if everything I wanted was available legally online as soon as it was released elsewhere". This saw a slight decrease overall since 2017 (up from 17% in 2017 to 16% in 2018), but saw an increase amongst those who consume only illegal content (up from 6% in 2017 to 9% in 2018).

- A further reason related to content availability which recorded a significant increase in 2018 was "if there were articles in the media about people being caught" (up from 6% in 2017 to 11% in 2018). Again, this is primarily driven by those who consume both legal and illegal content with the proportion increasing significantly from 7% in 2017 to 14% in 2018.

- The second most cited aspect that would discourage infringement was "if it was clearer what is legal and what isn't". This has decreased slightly since last year (down from 22% in 2017 to 21% in 2018). This fits with the slight increase we have seen in the next section of this report looking at confidence in telling legal from illegal content online.

- The threat of ISP's taking action seemingly has comparatively less effect on predicted behaviour, with little difference in scores from 2017, other than a significant drop amongst those who only consume illegal content for the statement "if my ISP sent me a letter informing me that my account had been used to infringe" (down from 8% in 2017 to 3% in 2018).

- 10% of infringers claimed that "nothing would make them stop", with the proportion of those who consume entirely illegal content (17%) being higher than those who consume a mixture (7%).

9. Awareness of lawful and licenced services

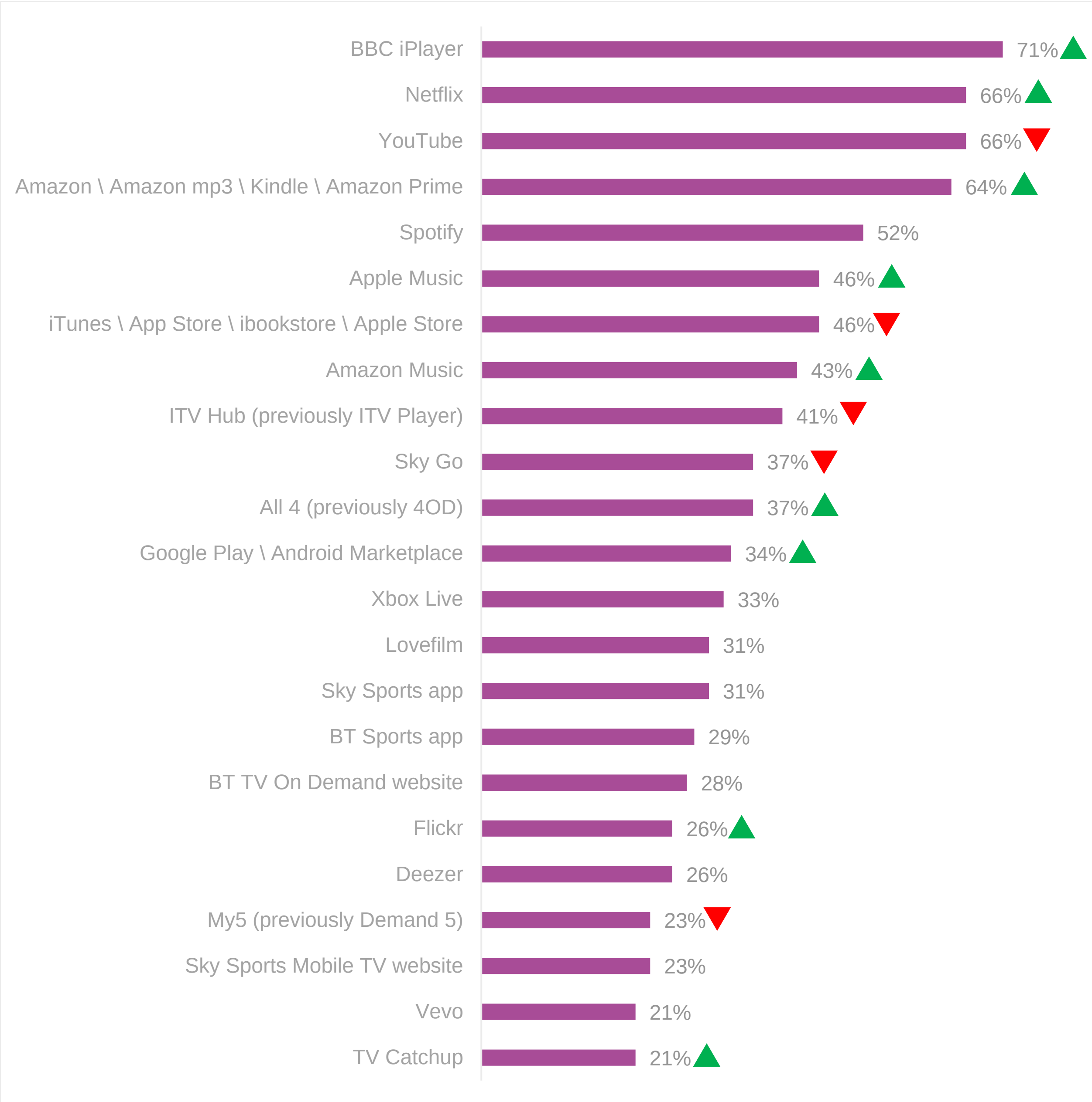
The following chart shows prompted awareness of lawful / licensed sites[14] offering any of the six content types covered in this survey[15]. The figures below include people who also indicated that they had used any of these services in the past three months.

Chart 9.1a: Proportion of internet users aged 12+ aware of lawful/licenced online services (4526)

▲ **Sig. increase** **(from 2017)**

▼ **Sig. decrease** **(from 2017)**

[14] Please note that the brand lists changed in March 2017. This included merging 'Amazon / Amazon MP3 / Kindle' and 'Amazon Prime' for films and TV, hence these Amazon services have not been significance tested against 2016 data.
[15] Note that unlawful activities are possible on some of these services (such as YouTube, iTunes, Google Play, etc.)



- YouTube loses its top position, with awareness significantly decreasing from last year (down from 71% in 2017 to 66% in 2018). This continues a decline since 2016 (78%).

- BBC iPlayer gains the top position with a significant increase in awareness since last year (up from 68% in 2017 to 71% in 2018).

- Netflix gains second position, with a significant increase since last year (up from 64% in 2017 to 66% in 2018).

- ITV Hub / ITV Player also records a significant decrease (down from 56% in 2017 to 41% in 2018).
- Awareness of Apple Music has increased significantly, from 40% in 2017 to 43% in 2018, whilst its competitor Amazon Music has increased significantly too, from 38% in 2017 to 43% in 2018. That said, Spotify remains ahead of both of these at 52%.
- Flickr has also seen a dramatic increase (up from 2% in 2017 to 26% in 2018).

10. Confidence in knowing what is and is not legal

Respondents with internet access were asked the following question:

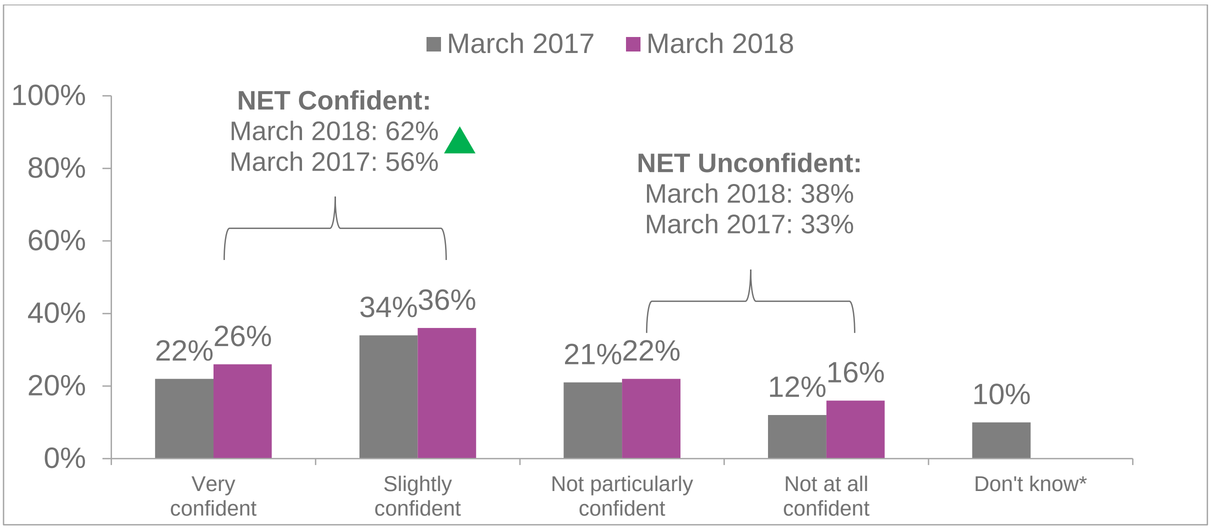
'How confident are you that you know what is legal and what isn't in terms of downloading, streaming/accessing, and sharing content through the internet?'

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].

Chart 10a: Confidence in knowing what is and is not legal online

Base: internet users aged 12+ (4526)

**Don't know was not included as an option in 2018; due to this we have only NET Confident has been sig tested*



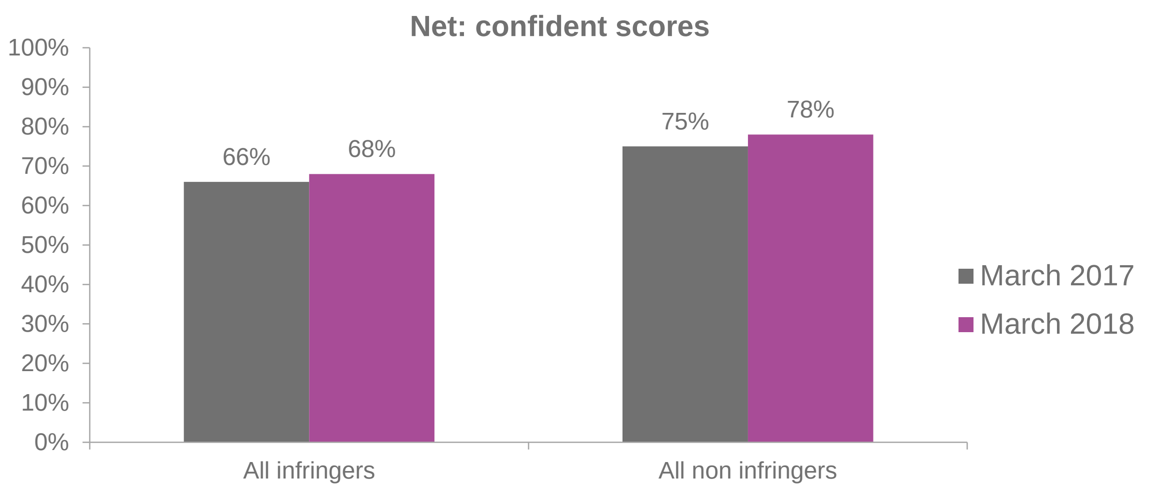
[16] Socio-economic group is not included for 12-15 year olds, so this profile is among 16+ year olds.

- Nearly two thirds of internet users (62%) claimed to be confident in being able to identify legal content from illegal content online, a significant increase in from 2017 (56%)

- When analysing this by those who infringe any of the six key types of content versus those who do not, we see that those who do not infringe claim to be more confident at identifying illegal content than those who do:

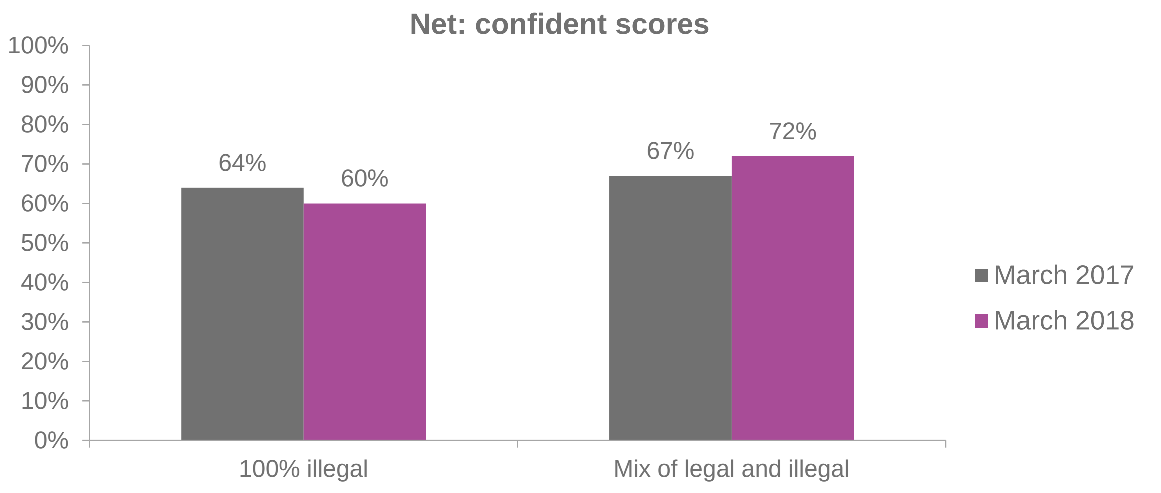
Chart 10b: Confidence in knowing what is and is not legal online (infringers versus non-infringers) – 'net: confident' scores

Base: all those who have infringed any of the six key content types (727), all those who have not infringed any of the six key content types (2142)



There are also some differences between those who infringe all their content when compared with those who infringe some of their content:

Chart 10b: Confidence in knowing what is and is not legal online (‘100% illegal’ versus a ‘mix of legal and illegal’) – ‘net: confident’ scores



- There has been a decrease (not significant) in the proportion of those who consume entirely illegal content who claim to be confident in identifying whether content is legal or not. That said, they track behind the level seen for those who consume a mixture of legal and illegal content.

11. Technical appendix

11.1 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 [17] in 2010. The original design recommended by Kantar Media was subsequently approved via peer review, albeit with several amendments.

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 an online methodology are as follows:

- It is the most suitable and relevant methodology for the subject matter
- It appears to be the most likely to generate honesty, due to being entirely self-completion
- 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 amongst all adults.

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

- Reduces coverage of those aged 65+ years old 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.

[17] Illegal File-sharing Pilot Survey Report - Prepared for Ofcom (2010)

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 the IPO 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:

- 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 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.

11.2 Fieldwork dates

Eight waves of research have been conducted to date. These have not all been run at the same times of the year and thus there will be seasonality effects.

The fieldwork dates are as follows:

- Wave 1: July 2012
- Wave 2: October 2012
- Wave 3: January 2013
- Wave 4: March 2013
- Wave 5: March 2015
- Wave 6: March 2016
- Wave 7: March 2017
- Wave 8: March 2018

We recommend that for tracking purposes the latest data should only be compared against March 2013 data onwards. It is also important to note that there is a two-year gap between March 2013 and March 2015.

11.3 The sample

Sample structure

The table below shows the breakdown (by data collection methodology) of the sample sizes:

Methodology	Description	Sample Size
Online (CAWI) adults	16-64 year olds who use the internet at least once a day	2818
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	1214
Online (CAWI) 12-15s	All 12-15 year olds with internet access	999
TOTAL	**All 12+ year olds in UK**	**5034**

Sample selection

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

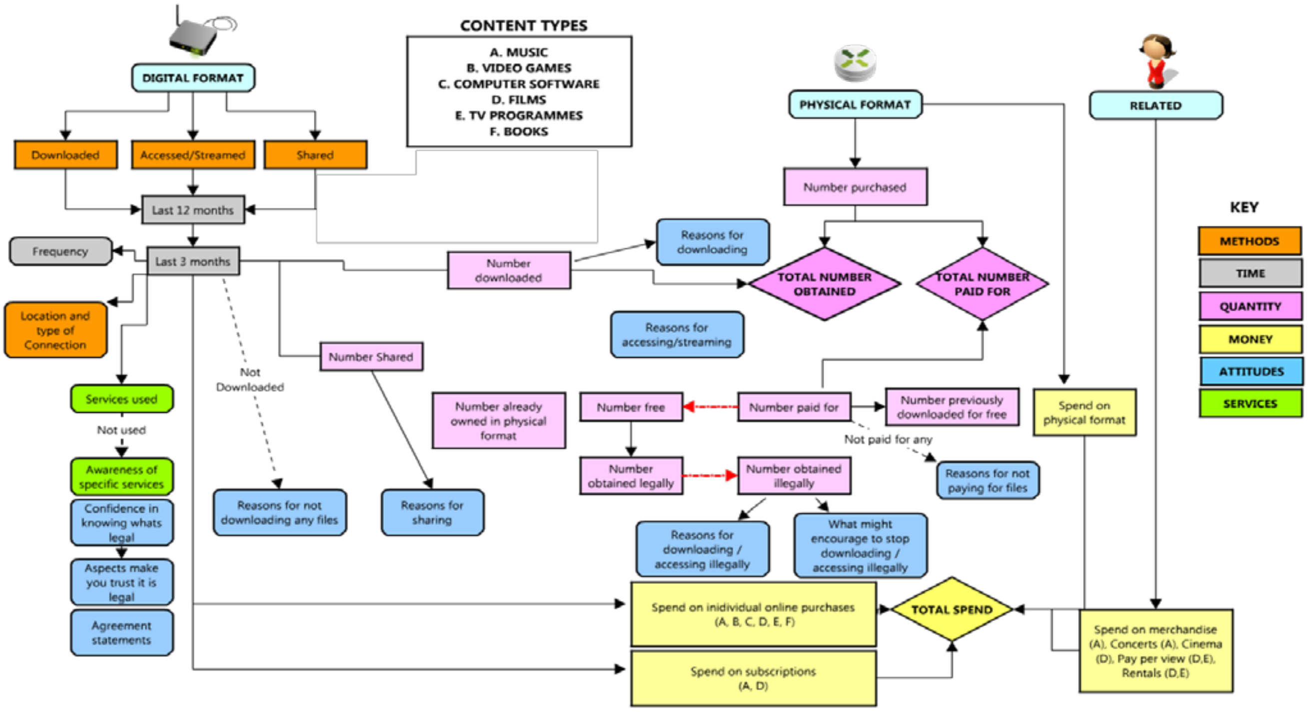
Online interviews (adults 16+): The sample was initially selected using demographic information already held, from Kantar's 'Lightspeed' consumer panel (this information is regularly updated, since it is a fully managed panel). The panellists were invited via email to take part in the survey, and demographic 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.

11.4 The questionnaire

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



11.5 Weighting

Data was weighted on three different measures (among all 12+ year olds, including those without internet access) 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 53.6% respectively.

11.6 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.

11.7 Magazine consumption

For the third year running, we also included a limited number of market sizing questions for online magazine consumption. Below are the key findings detailed from this:

- 4% of internet users aged 12+ claimed to have consumed magazine content online in the past three months (down from 5% in 2017). 3% have downloaded such content, and 6% have accessed it online. 1% have shared it with others over the internet.
- Consuming this content was most frequently done directly from the magazine website with 13% of digital magazine consumers doing so (down from 2017 when 19% claimed to). Amazon / Amazon mp3 / Kindle was the most used source (up significantly from 13 % in 2017 to 21% in 2018). Google was the second most used source, although slightly down (from 18% in 2017 to 17% in 2018).

11.8 Digital images

- For the second year running, we included a limited number of market sizing questions for digital images (in terms of downloading or copying and sharing). Below are the key findings detailed from this.
- 10% of internet users aged 12+ claimed to have downloaded/copied digital images in the past three months, whilst 6% claimed to have shared these.

- Facebook remains the most used source for digital images, although slightly down from last year (55% in 2017 to 53% in 2018). Google is the second most used (up from 46% in 2017 to 49% in 2018).

11.9 About Kantar Media

Kantar Media is a well-established brand of trusted media analysts and advisors. We help the world's advertisers, media owners, advertising/media/PR agencies, and publishers together with government, NGO, and trade organisations to measure their media reputation and impact.

Kantar Media has a strong track record in researching and understanding about the copyright infringement area, having conducted the Illegal file sharing pilot for Ofcom in 2010 and four subsequent waves of the OCI tracker, as well as the Stream-ripping Online Piracy project for PRS for Music with the IPO.

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