

## UK digital divide will play out in World Cup 2010

LONDON, United Kingdom: A fifth of Londoners watching the World Cup 2010 will do so online. In fact, Londoners are twice as likely as their fellow UK football fans to watch the FIFA World Cup 2010 via the internet - redrawing the lines of the UK digital divide.



A poll conducted by PricewaterhouseCoopers LLP shows while only 7% of the UK expects to watch England matches online, 14% of Londoners think they will view live or repeated matches on the net - compared with only 4% in the East of England.

The number of viewers expecting to watch the World Cup 2010 online is higher across the UK. However - the regional split remains the dramatic. Some 10% of UK fans expect to watch matches over the internet, while nearly 20% of Londoners planning to watch the tournament will view online. This compares to 8% in both the East of England and the West Midlands.

### Urban areas have better broadband access

David Russell, UK Telecoms Leader, PricewaterhouseCoopers LLP, said: "Broadband access, quality and speeds in urban areas, particularly the country's capital, exceed those in rural parts. Promises have been made of broadband trebling current speeds - but this still seems regionally patchy."

"This stresses the importance of securing better broadband across the UK. In looking to telecoms to secure a digital economy and future for the UK we need to incentivise the industry to build better broadband."

The majority of those watching online are aged between 18 - 34 (16%) and with a large, young population this also explains the digital inclination of Londoners.

### Broadband quality outpaced by internet access

The UK is investing heavily into internet access, which is reflected in a predicted 37% increase in broadband penetration across the country from 2009 to 2013. As a result the UK internet access market (wired and mobile) will increase at a compound annual growth rate (CAGR) of 7% from 2009 to 2013 - an overall rise of 40% (US\$10.3 billion to US\$14.4 billion spend) (about R77.25 billion to about R108 billion).

FIFA has embraced the web and the 2006 FIFA World Cup provided streaming options for viewers in many countries. In 2010 some FIFA World Cup matches will be available both live online and on demand via ITV 1 and the BBC iplayers.

PwC estimates show that, by 2014, about 15% of viewing could be via VOD and global sports tournament will aid the digital migration to online TV.

### There will be failures to get online

"However, in built-up areas of London as multiple people try to access the internet simultaneously, either

during the games or afterwards, failure to get online is inevitable. Popularity for live and on-demand viewing by 2018 just demonstrates the need for better broadband before then," Russell added.

The issue of network neutrality is closely connected to the challenge of the digital divide affecting incentive to develop better, widespread broadband.

"There are regulatory constraints on incumbents to offer wholesale access and universal broadband while competition between ISPs is driving down access prices and raising costs of customer acquisition," he said.

Russell continued, the current structure of the value chain is a barrier to operators' creating revenues from the migration online. The businesses making large investments in networks are not the ones who will necessarily gain from the bandwidth they create and the risk they take.

"The industry is in a "chicken and egg" situation between operators' investment in their networks, and application providers' investment in new services. Until operators are able to benefit from the consumer desire for faster internet access investment incentives will remain uncertain.

"Broadband is the lifeblood of a digital economy. The next step is the development of bespoke pricing models, based on quality and speed, but the key is letting the operators in to share revenues," he concluded.

For more, visit: <https://www.bizcommunity.com>