



Connectivity and Low Income Communities

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Connectivity and Low Income Communities

1 Introduction

There is increasing concern that the “digital divide” will serve to exacerbate social and economic exclusion. Consequently, the lack of connectivity among low income communities has become a major public policy issue. It has also become a concern for the private and not-for-profit sectors. However, progress has not been encouraging, revealed, in part, by the static market penetration of Broadband among socio-economic groups D and E for several years.

There has been no shortage of initiatives and projects seeking to address the problem and engage lower income groups; most notably the Wired up Communities project but also hundreds more. Many have had local success but there has been no general uplift in connectivity among the less affluent sections of society. A debate continues over the underlying reasons for the low take-up. Is it cost, a lack of interest, lack of awareness, a lack of relevance or all of these things?

Cost is not the main focus of this investigation. Several studies highlight cost as an issue (even though the true cost is often over-estimated by those who raise it as a barrier). Costs have fallen and can be expected to do so further. And, while we cannot ignore cost, there is another, bigger question to be answered: whatever the cost does connectivity actually have a strong enough “offer” for low income communities? Is the content and functionality sufficiently relevant and appealing? Are the benefits really there?

The starting point for this investigation is neatly stated in an evaluation report of on-line centres which was also quoted in the Prime Minister’s Digital Strategy:

“By far the biggest barrier to accessing ICT is interest and motivation, followed by lack of perceived need. 53% of adults who do not use the internet say they do not want to/need to/have an interest. Trials suggest these perceptions do change once internet technology is introduced into the lives of people in deprived areas.¹”

This study set out to throw some light on four issues:

How can we engage the interest of the uninterested? What messages would work?

Surprisingly, little research has been conducted into the tastes, spending patterns, interests, wants and desires of low income communities. And persuasive communications are built upon an understanding of the target audience.

How can we maintain interest of the uninterested? What must the “product” be?

Our approach was to evaluate existing content for relevance and genuine appeal to low income communities, and seek to identify what other content/functionality/offers would most appeal to the target group if available.

¹ Hall Aitken, “Evaluation of CMF funded online centres – final report”

Who might pay?

If low income does mean insufficient income, it would be important to understand the key drivers for possible third party funders (public sector, education, landlords, private sector and others) in relation to the target group.

Is there a sustainable model?

In other words, is there a workable synthesis of the needs and demands of potential users and those who may provide the necessary funding?

Our research was in two phases. In Phase One our methodology was:

- face-to-face interviews with low income groups
- a literature review
- in depth interviews with organisations

Phase Two involved testing potential propositions (to use a marketing term) in focus groups. Phase One provided an indicative analysis of the lifestyles, interests and desires of the target group, and an approach to segmenting the target market. This, in turn, generated hypotheses as to the content and functionality that should most strongly appeal to each market segment. In each of four focus groups these hypotheses were tested

The results were genuinely surprising.

Summary of Findings

Phase One Research

There were three elements to the initial research phase:

- face-to-face interviews with low income groups
- in depth interviews with third party funders and ICT projects around the country
- a literature review

Key Findings

Face-to-face interviews with 178 people from estates in some of the most deprived London wards revealed these headline findings:

1. Internet users from groups D and E were found to be different to their non-user peers.
Comparatively, non-users are:
 - Less active and more solitary in their leisure pursuits
 - Feel themselves to be more time-poor
 - More likely to be a carer
 - More likely to suffer from ill-health
 - More likely to be not working
 - Less likely to see an annual holiday as important
 - More money-conscious
 - Older on average
2. The top priorities and aspirations for users and non-users alike are:
 - More money/saving money
 - More time for themselves
 - A more active life
 - A healthy diet
 - A safer neighbourhood
 - Better shopping
 - Better health
 - To stay in better touch with family and friends
 - A better education for their children
3. However, classifications such as “low income” or socio economic groups D and E are too broad to be useful. There are significant differences in lifestyle, tastes, needs and interests among different sections of non-users in low-income groups. These need to be properly understood to evaluate what connectivity can offer each.
4. Phase one of the study indicated there are 4 distinct non-user groups among groups D and E, for which lifestyle profiles were developed (and then tested and refined in phase 2). They are:
 - Older people (particularly 55 +)
 - Those tied to the home (carers and those looking after the home)
 - The employed and those actively seeking work (nearly all under 55).
 - Those who believe they never ever will connectAt first, a fifth group (those who believe they will connect one day in the future, who are generally a younger age group) was proposed. However, on further

analysis the overlap with those in work or seeking work was too great to suggest this is a truly significant and separate group.

The common recurring themes emerging from the of literature review were:

- **Motivation:** Lack of interest is the number one reason why people (across the socio economic groups) don't connect
- Around a third of the population are "internet averse"
- **Price:** Cost is an issue for low income group's (the London Mayor's Study indicates this diminishes as incomes rise over £15k pa but the "don't want" issue remains a major factor up to incomes of £26k pa)
- Non-users mostly don't know what the cost is, and are liable over-estimate the cost when asked to guess
- **Physical Barriers:** especially for older citizens, a lack of ICT skills is perceived by them to a barrier
- 10% of households do not have a telephone landline
- Approximately £3m adults do not have a bank account
- An estimated 5 million are IT disabled: with upper limb mobility problems, visual, other sensory or learning impairments.
- 2 million people can't read Times Roman on screen
- **Awareness:** A lack of experience and knowledge of connectivity is also a barrier (indicating that at least some of the "don't wants" are "don't really know about its" or "not really thought about its")
- **Effective Communication:** Reaching and engaging low income groups is a particular problem (although some success is reported working through voluntary groups, and peer networking)
- An IDEA² study on the effect of e-government initiatives found that most on-line services failed to reach socially excluded groups, their being the key users of the services
- Subsidy is not sufficient incentive
- Direct exposure to and experience of the net is seen as the most persuasive communication method
- **Content:** some councils have made good progress with the e-government agenda, but web content is not properly tailored to the excluded (language and complexity as well as relevance are given as criticisms).
- The tendency for internet exposure to re-start learning is a phenomenon reported commonly.
- The Community Broadband Network report found over 500 individual projects where individuals have used mesh technologies to create their own communities
- **Access:** surprisingly perhaps there is no real consensus of view that internet access is a major issue: this appears to be because the desire, cost and skills issues obscure proper analysis

In one sense, the dozen or so interviews with organisations, stakeholders and public bodies proved unsurprising. The unprompted, principal motivations given for wanting to see an increase in connectivity among low income groups were:

- **DFES/Learning and Skills Council:** an increase in the uptake of learning opportunities from the target communities and an increase in performance of
-

school children from single parent, long-term unemployed or social class D/E backgrounds.

- **Higher Education Institutes:** see greater connectivity as a tool to attract an increasingly diverse student population to meet government targets and to assist in attracting an overseas student base which aids financial stability under the present funding regime.
- **Social Landlords:** understand the social agenda and increasingly believe there are cost internal savings to be made (on line rent payment and fault reporting for example)
- **Local Authorities:** appreciate both the social desirability on greater connectivity and the cost, efficiency and communication advantages for them as a council.
- **Telcos:** want increased market penetration and better economies of scale in relation to the high fixed investment costs
- **HMG/GLA/LDA:** are most concerned about the socially divisive possibilities of a growing digital divide, exacerbating inequalities in opportunity and disparities in wealth

Key Findings: Phase Two

Phase two included four focus groups (one for each market segment). The lifestyle profiles developed from the face to face interviews were tested and refined.

All groups were made up of non-users with no immediate intention to connect.

An initial discussions on the groups lifestyle and interests was held and on their attitude to connectivity. A presentation was then given demonstrating selected websites and other functionality. Subsequently, the groups' views on connectivity were sought again to see if they had changed and why.

Common findings

- At the end of each focus session the majority in all groups changed their mind about broadband and connectivity
- A minimum of 40% of each group and as many as 75% said they would consider connecting to the internet within 3 months following the presentation
- There is one no killer application or functionality (rather the sheer variety of applications and benefits is the most powerful draw)
- Cost perceptions (all) and ICT skills are barriers (all bar young)
- There are also more important psychological barriers too: they fear uncontrollable viruses, pornography and fraud but most of all they fear that the internet is a lonely, isolating experience creating lonely, isolated people. They appear to hold the belief that the internet is an unreal world and an end in itself (in the way computer games are) not a tool for the improvement of their lives.
- It is not knowing what broadband can do for them that is the main barrier. Once overcome, the appeal of the possibilities means the strength of the other barriers fade (the cost in time and money seems more appropriate to the benefits).

The Successful Sales Message

- Must tackle safety and isolating fears
- Must communicate the real cost (challenging misconceptions)
- Must promote information, communication, and saving money functionality
- Must demonstrate it's a tool to do something else, especially something that's active and social, (e.g. makes a trip easier, saves queuing at the post office, finds the film you want to see, etc.)

Content with the broadest appeal

- Uswitch (money saving)
- Film previews (choosing what to do)
- Direct Gov (less hassle)
- Travel information (local and holiday) (choice and cost saving)
- Booking tickets (time saving way to get out and about)
- Hobby information (learn more about your passion)

Revised Market Segment Profiles

• Age Group 55+, including those who are retired

This group spends a considerable amount of their time keeping in touch with local issues; have difficulty keeping in touch with housing, health, transport issues; have family and possibly friends living away; have a need to get the most for their money; and have many concerns particularly crime and health; given the opportunity many would like to be more involved in the community and some may already be involved in faith groups, or other residents groups. Friends of a similar age and gender may well influence what they decide to do.

Common interests and Aspirations:

- Local issues (especially about the estates where they live)
- Seeing Friends
- Getting out and about
- Health and fitness
- Money (lack of)
- Their community (News on what's going on)
- Crime and Safety
- Local transport
- Leisure pursuits (cinema, museums and heritage most common)

While non-users are less active than their user peers, this is not out of choice. Keeping fit, seeing friends, walks, museums and more are all among their aspirations for a better lifestyle. They want to be more involved locally and generally do more but lack of money, time and knowledge are real barriers

Attitudes to Connectivity (before)

- It causes isolation (loneliness even) *"I like to see what I'm buying", "people who are inclined stay at home and not get out and about, they have learned the internet"*
- Too old to learn new ways: *"I'm still a person who prefers to get their money weekly, I don't even like the hole in the wall"*
- It's complicated: *"I think it's beyond me altogether"*
- Very little knowledge: *"It's not knowing, it's like the unknown, isn't it"*
- Don't trust it: *"there's no way I'd trust putting my details in there"*

Attitudes to Connectivity (After)

Positive

- *"It saves you money"*
- *"Saves getting bored"*
- *"It could enrich your life if you knew how to do it properly"*
- *"Whatever information we want we can have from the internet, it's very useful"*

Most popular applications:

- Cinema previews

- Travel information
- Holidays
- www.uswitch.com

- **Men and Women looking after the home and carers**

This group is short on time; they need to find information quickly; they would like to obtain advice and guidance on a range of family issues; they would like more leisure time and tend to spend the time they do have available watching television. Being able to source purchases on-line may be of particular interest. They may also be highly influenced by other family members, in particular children.

Common Interests and Aspirations:

- Keeping in touch with friends and family
- Spending time with the children.
- Watching TV Shopping...car boot sales
- Keeping fit, the gym
- Shopping (especially for bargains)
- Passive pursuits (reading, music, poetry)
- Finding time to relax
- Saving money
- TV

Attitudes to Connectivity (before)

- Ambivalent (they know it can be useful for research and communication but there's no great appeal): *"It doesn't appeal to me, I'm just not interested. I would go on it, but it's not an every day occurrence, it's not really important in my life, you know, it's just there"*
- It's for lazy people
- It's full of nonsense
- It's not really safe: *"Oh yes, yes that's one thing that really puts me off, you know, because people they fraud things"*
- But it's a wonderful invention they don't understand: *"What comes to mind is that the net can take you around the world in a matter of minutes if you know what you're doing, which I love to do"*
- It's good for information: *"It's definitely good for finding information, but it can lead you astray that's the only thing. If you're not sure what you're looking for you can get, end up somewhere else."*

Attitudes to Connectivity (after)

- *I wasn't interested before but it's really enlightened me now, yes, you've got more of a variety, it draws you in ...*
- *Well before you think it's all about shopping and on-line whatever, but now you know that if you want to look for a job or instead of going out looking for a job, you know, which website, which is www.something ...*
- *Skype... You've twisted my arm now!*
- *Yes, it looks simple. I think I'd try that... you think it's a bit higher you can switch it over to Powergen or someone else who would be cheaper, and you could save a bit of money*
- *Well before you think it's all about shopping and on-line whatever, but now you know that if you want to look for a job or instead of going out looking for a job, you know*
- *For me, right now, to be able to access information that would help me with my coursework and my song writing, and if I just want something, you know, I hope I*

would be able to get a better use of this by learning and be able to achieve these things, that I can't get on top off.

- *I think it's for the children as well isn't it*

Most popular applications:

- www.uswitch.com
- Skype
- Job hunting (especially home working opportunities) and finding courses
- Film previews
- Booking tickets
- Music downloads
- Children's education
- **Those in work or actively seeking work, including the "intend to connect on day" group**

Many within this group already have computers or have personal experience of using computers. Most will be interested in taking up the internet and for reasons (largely to do with cost and general understanding) will not yet have done so. They tend to be younger, more active in terms of leisure interests and would like to do more. They complain about the lack of facilities within their communities. Information they would like to have access to on-line includes jobs, learning, health etc. It is thought unlikely that having the ability to pay bills on-line and buy products would be of initial interest. Linked and overlapping with this group are the "**intend to connect one day**" group: This group consists of people who can potentially see the benefits of having access but can't see barriers such as cost and skills being overcome. There are two obvious groups: one young, male and non-white with little money; and the other female, older and lacking ICT skills.

Common Interests and Aspirations:

- Keeping fit
- Sports
- Music
- Passive leisure pursuits (TV, Playstation, chess, listening to music)
- Hobbies

Attitudes to Connectivity (before)

- Too expensive: *"At the end of the day when you get a computer you need certain things on the computer that will do for you, because when you go to look for a computer, certain computers haven't got what you want"*
- It's for lazy unsociable people: *"I think the Internet is good for like finding information but it could also be like terrible in the fact that it makes people lazy, you don't have to go out and do like shopping, it's over the Internet like Tesco's, stuff like that."*
- *"No one has really got the time for the Internet"*
- *"I'd rather be with my friends than going on the Internet. I'd rather be jamming on the road than typing on the Internet saying this is what I want, I would be on the road instead of just watching a screen that I don't even want, a flat screen."*
- It's good for information
- It's good for discounts

Attitudes to Connectivity (After)

- *It makes you think that there is stuff out there that you can actually use, that is useful, than just going on stupid websites and that.*
- *Information and you can get a lot of information on the Internet.*

- *It helped, because I didn't realise you can, there's more of like job opportunities as well on the Internet, so that's really interesting. Without having to go through the job centre and you think, it seems like you can get more help just by, you know, logging on to the website and seeing what job opportunities are there.*
- *Yes, the shopping bit and also saving money*
- *I thought, you know, it's very good because the cost is low and you can have more control over your life, and it's up to you how you use it, you have to find out what's important for you. I liked the security.*
- *A lot more people to work, because some people are basically sitting at home, not just because they want to sit at home but because of certain things, their conditions, and for kids or... they can sit at home and do your work and you can find other ways of exercising at home.*
- *Yes it has, I mean if in 6 months I've got the money I will get it and I will get a lot of these things, because I think it makes your life more efficient, depending on what you want to do. But at the other end of the spectrum I just feel that the more time you have the more things you do and so you could get burnt out if you were to sort of take it all onboard, you have to know exactly what you want from it.*
- *Tailor it around you*

Most popular applications:

- Enterprise or trading via the net
- Money saving
- Music downloads
- Podcasting
- Entertainment
- Jobs

Conclusions:

We set out with four questions in mind and have found some clear and sometimes surprising answers:

- How can we engage the interest of uninterested? What messages would work?
- How can we maintain interest of the uninterested? What must the “product” be?
- Who might pay?
- Is there a sustainable model?

We found little published information on the interests and lifestyles of unconnected low income communities. And consequently attempts to develop a successful marketing approach to the target audience appear to have focussed on an “offer” that addresses public policy interests, looking to the approval of project funders rather than those of the target market.

We believe that public policy interests can be met but to focus on these first is not the most effective way to overcome the very real psychological and physical barriers that lie behind the general lack of interest and the perceptions of little value in the internet.

An approach typical of the commercial/private sector is required, following established marketing approaches:

- Segment the market
- Define their particular needs, interests, desires
- Create messages and product offers that meet these needs

Our research reveals engagement is best achieved by:

- Outreach, community and peer to peer marketing
- Physically demonstrating the benefits (provide real experience)

Messages that work will:

- promote information, communication, and saving money functionality
- counter safety concerns and fears that it is a lonely and isolating experience
- communicate the real cost
- demonstrate it's a life enhancing tool (not an end itself) that leads to a more active and social life

The most appealing offers are:

- Uswitch (money saving)
- Film previews (choosing what to do)
- Direct Gov (less hassle)
- Travel information (local and holiday) (choice and cost saving)
- Booking tickets (time saving way to get out and about)
- Hobby information (learn more about your passion)

We could not test this but the advent of internet television could have a very strong impact. TV is the target group's major leisure activity. “Better telly” is intuitively a strong sales offer.

Will unconnected low income communities pay the price to connect? The research suggests that this issue (like that of ICT skills) is about perceived value. They

believe it is not worth the price. But the evidence non-users do not generally know the real price nor do they know the potential value. And, more than this, they have little interest in finding out.

There are many, many examples of initiatives offering internet access, training and opportunities to try it out. But, it is tempting to say that no one has ever really tried to “sell” the *benefits* of connectivity to low income communities. In fairness, we began this project unsure if there really were any compelling benefits. Was there really content and functionality that was fun, engaging and quality-of-life enhancing for those with the lowest spending power? But this research indicates there is.

There is therefore every prospect of a sustainable model. There is already compelling content and functionality, and it is increasing.

Training and public access are available. Prices for home connections are falling. But whatever the price, however easy it is to get public access and simple to learn, non-users will not connect if they do not perceive that the value to be sufficiently rewarding.

The missing ingredient is compelling communications and experience of the true benefits of connectivity for low income groups.