



Commission for  
**Communications Regulation**

# **SME & Corporate ICT Research H1 2010**

**A Review of Findings  
by**

 **MillwardBrown**  
**Lansdowne**

**March 2010**



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# **Introduction**

# Research Objectives



- This is the ninth wave of a business market tracking research programme being undertaken on behalf of ComReg by Millward Brown Lansdowne. Two waves of research are conducted each year. There was no research conducted by Millward Brown Lansdowne in 2007.
- The main purpose of the research is to gain an in-depth understanding of current usage of and attitudes to information and communication technology (ICT) among a representative sample of Irish SMEs and large Corporate businesses.
- The specific areas explored in this wave of research included:
  - Fixed line market
  - Mobile market
  - Internet and broadband communications
- The survey findings are used by ComReg for market understanding, future planning and policy formulation, and public dissemination.

# Methodology



- Telephone interviews were conducted among a sample of 497 SMEs and 53 Corporate businesses. SMEs were defined as companies with less than 100 employees.
- Quota controls were set for company size based on the total number of employees each company size segment accounts for. Representative quota controls were also set for industry sector.
- Large Corporates were defined as companies employing at least 100 employees. Quota controls were set to ensure that 50% of the sample employed 100-299 employees, and 50% of the sample employed 300+ people. Representative quota controls were also set for industry sector.
- Where the final profile of respondents differed slightly to the quota controls originally set, minor weighting adjustments were made.
- Margin of error is +/-4.2% at 95% confidence at the 50% reporting level.
- Interviews were held with the person in the company responsible for decision-making in relation to telecommunication and IT services.
- The fieldwork was conducted between the 15<sup>th</sup> February and the 5<sup>th</sup> of March 2010.
- Where applicable, comparisons have been made with the results of previous research.

# Timing



<b>Dates</b>	<b>Period</b>
May – June 2005	H1'05
November 2005	H2'05
May – June 2006	H1'06
November 2006 – January 2007	H2'06
January – February 2008	H1'08
October – November 2008	H2'08
March – April 2009	H1'09
September - October 2009	H2'09
February – March 2010	H1'10



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## **Research Findings**



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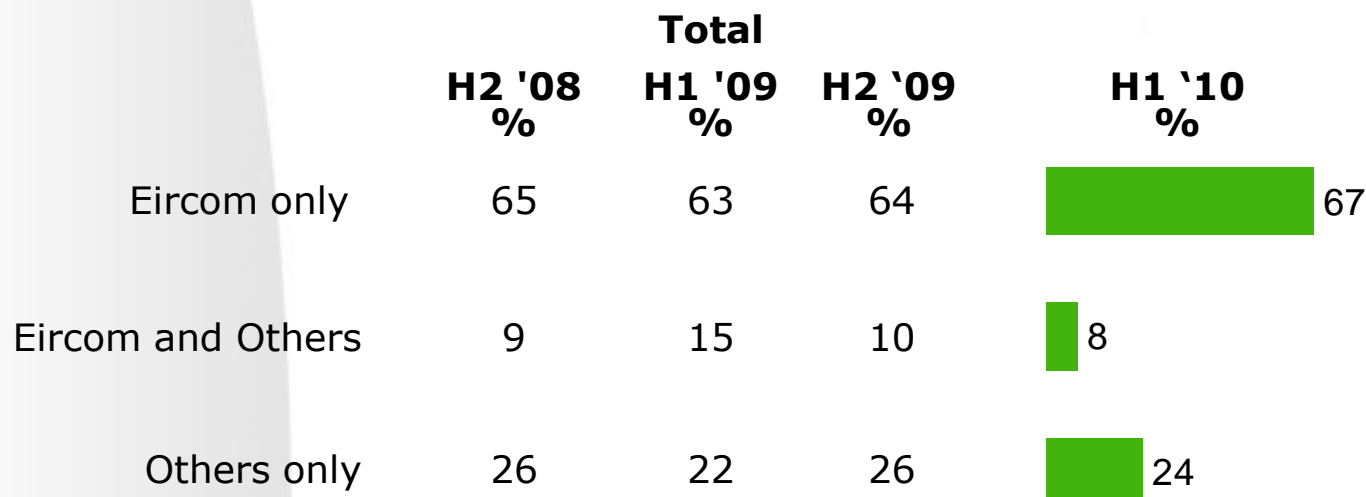
## **Fixed Line Market**



# Two thirds of businesses use Eircom as their sole fixed line supplier



Q. Which fixed line phone services provider does your company use for its voice calls?



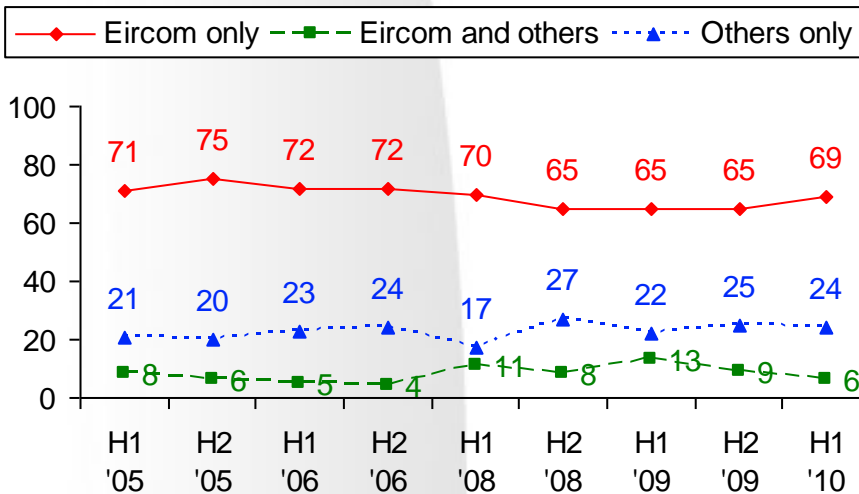
- At an overall level there has been a slight increase in the number of businesses who use Eircom only (67%). However, there were fewer businesses who used Eircom and another supplier (8%) again this wave, although this is higher among Corporates (26%)
- There has been a small drop in the percentage of businesses using a provider other than Eircom, now at (24%).

# Corporates less likely than previous wave of research to only use Eircom

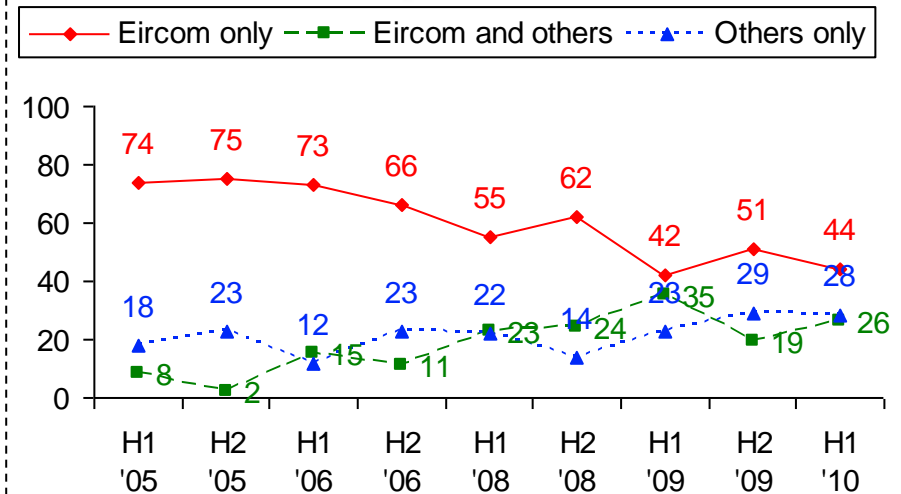


Q. Which fixed line phone services provider does your company use for its voice calls?

## SMEs



## Corporates



- The number of SMEs using only Eircom has increased to 69% this wave, while nearly a quarter (24%) use a provider other than Eircom. There has been a further decrease in the number of SMEs that use both Eircom and another provider (6%).
- More Corporates are using Eircom in conjunction with another provider than in the previous wave of research (26%), while those that use Eircom only have fallen from 51% to 44%
- Those businesses who use a supplier other than Eircom are more likely to have switched their fixed supplier in the past 12 months (46%)

# Average monthly spend on fixed line phone: €1,190.20



Q. What is your company's average monthly spend on fixed phone services?

Note: Mean Figures Shown, only those businesses giving exact amount are included in this list (n=393;37\*)

		€
<hr/>		
	<b>Total</b>	1,190.20
<hr/>		
<b>Sector</b>	SMEs	492.80
	Corporates*	9,412.10
<hr/>		
<b>Number of Employees</b>	1-9	168.90
	10-49	486.30
	50-99	1,288.70
	100-299*	3,085.90
	300+*	15,218.90

Previous  
Average  
H2 '06  
€997.00

- 75% of SMEs estimate their monthly spend on fixed line services to be less than €500, while a third of Corporates estimates their monthly spend to exceed €5,000\*
- The average monthly spend among those using Eircom only was €1,211.20 with those using alternates only spending €1,004, whilst those using both Eircom and another supplier spent an average of €1,603.60
- Those businesses that have switched fixed line supplier report lower average spend than those who have not switched fixed line supplier.

\*Caution: Small base size

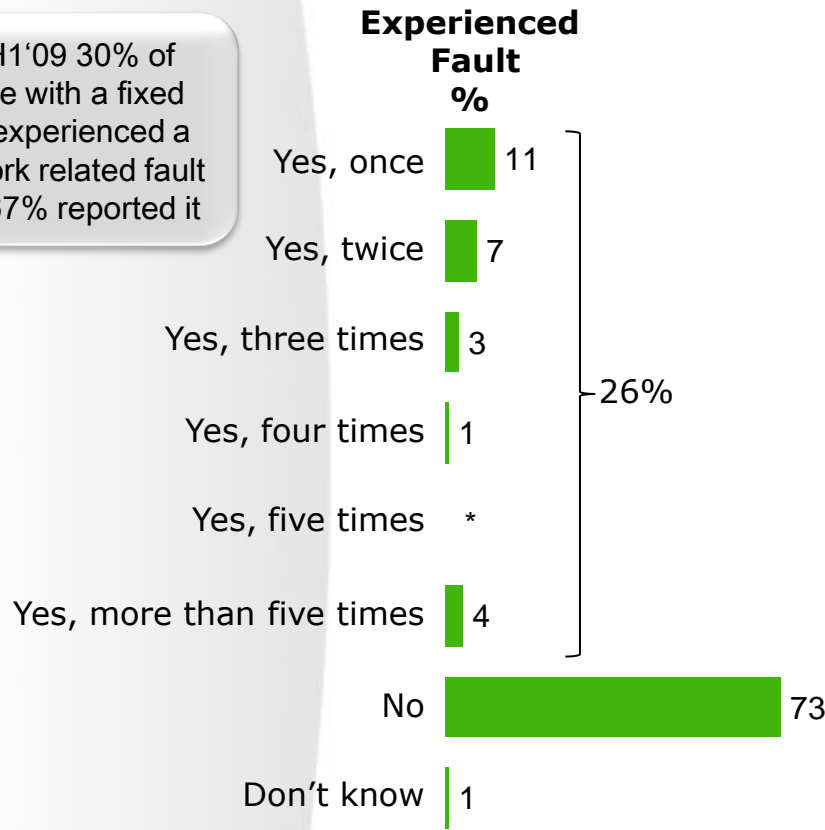
# A quarter of businesses reported a network related fault in the past 12 months; two thirds of these reported between 1 and 2 faults



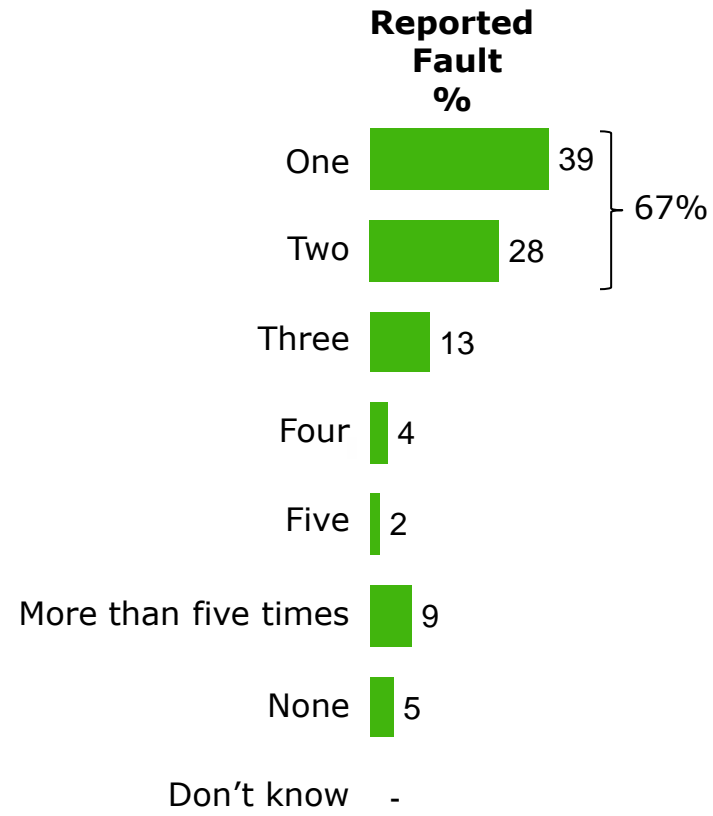
- Q. Have you experienced what you would consider a Network- related fault with your business's fixed line in the past 12 months?
- Q. How many of these faults did you report over the last 12 months ?

New

In H1'09 30% of those with a fixed line experienced a network related fault and 67% reported it



Base: All with fixed line (n=542)



Base: All experienced fault (n=142)

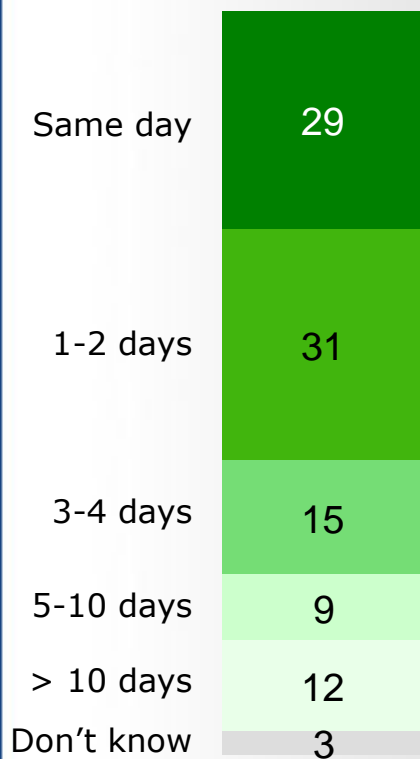
# Of those who experienced a delay in fault repair time, the majority said the delay was significant



- Q. How long did you have to wait for a fault to be repaired by your operator?  
 Q. How significant or not was the impact on your business of the amount of time taken to repair the fault?  
 Q. Has the time period that you waited for a fault to be fixed by your provider had an impact on any of the following

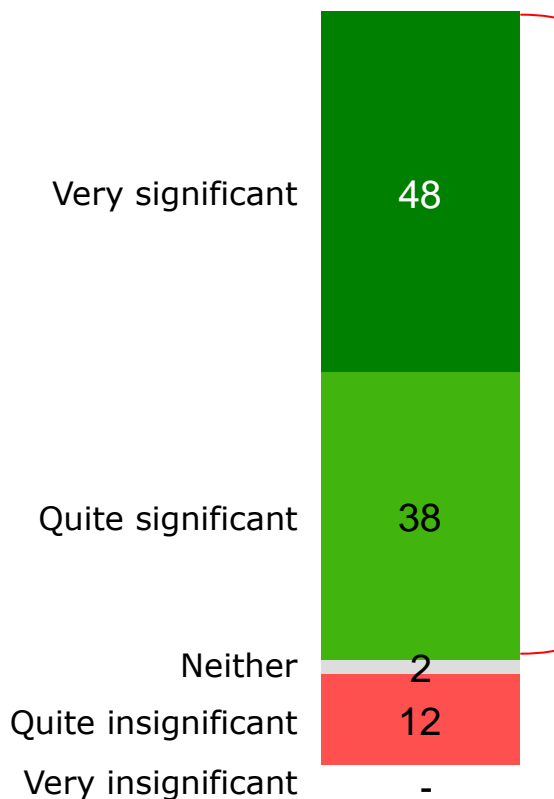
New

**Time taken to repair fault**  
%



Base: All reported fault (n=136)

**Impact of fault repair time**  
%



Base: All fault repair time >2 days (n=50)

**Impact on business**  
%



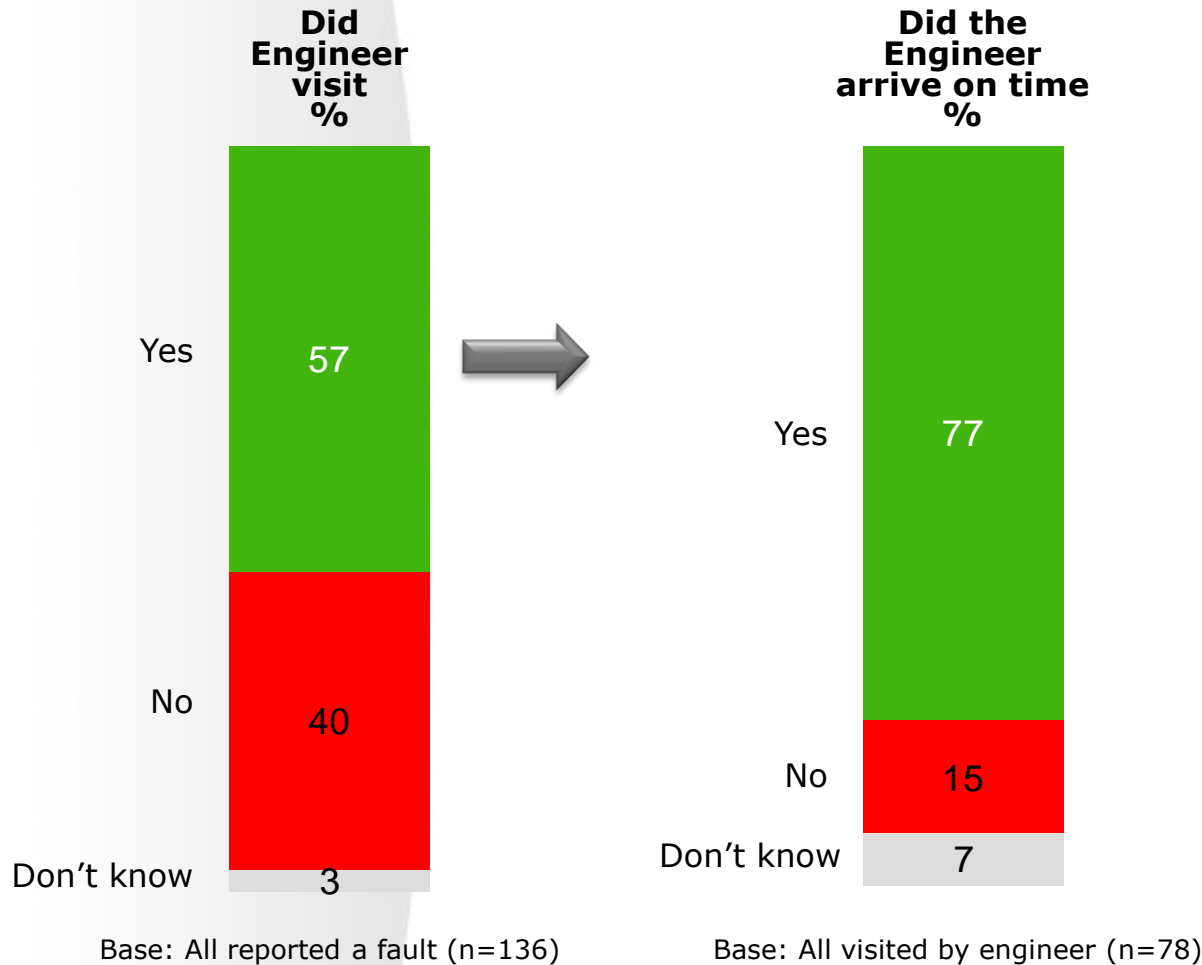
Base: All said delay in fault repair time significant (n=43\*)

# In 6 out of 10 cases, an engineer had to visit the business to repair the fixed line fault



- Q. Did an engineer have to visit your business premises to fix the fault
- Q. Did the engineer arrive at the agreed date/time?

New



- Nearly 6 in 10 (57%) of those businesses who reported a fault needed an engineer to visit the premises to repair the fault.
- On 3 out of 4 occasions the engineer arrived on time to repair the fault.
- Of the small incidence of the engineer not arriving on time, the delay was seen as significant in 11 out of the 12 cases.\*

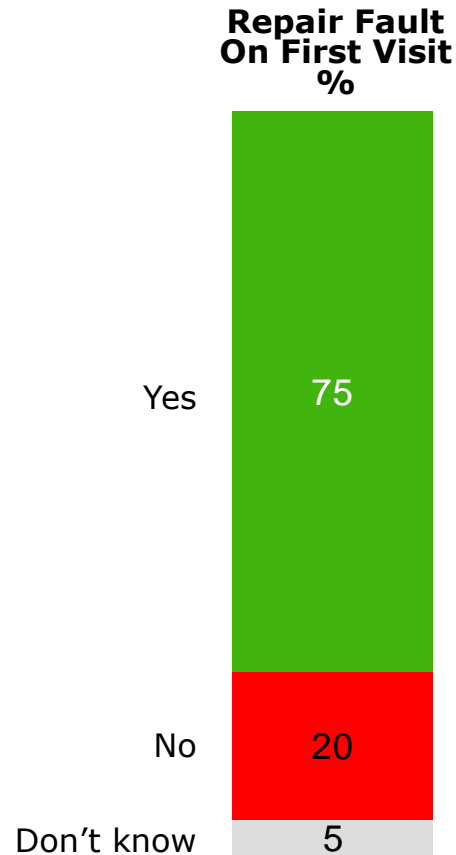
\*\*Caution very small base

# Three quarters of faults were repaired by the engineer on the first visit



- Q. Was the engineer able to repair the fault on this visit?
- Q. How significant was the impact of this delay on your business?

New



- On 3 out of 4 occasions the engineer, was able to repair the fault on the first visit to the business.
- However 2 in 10 faults were not repaired on the first visit. While from a very small base, this delay was seen as significant by those affected.

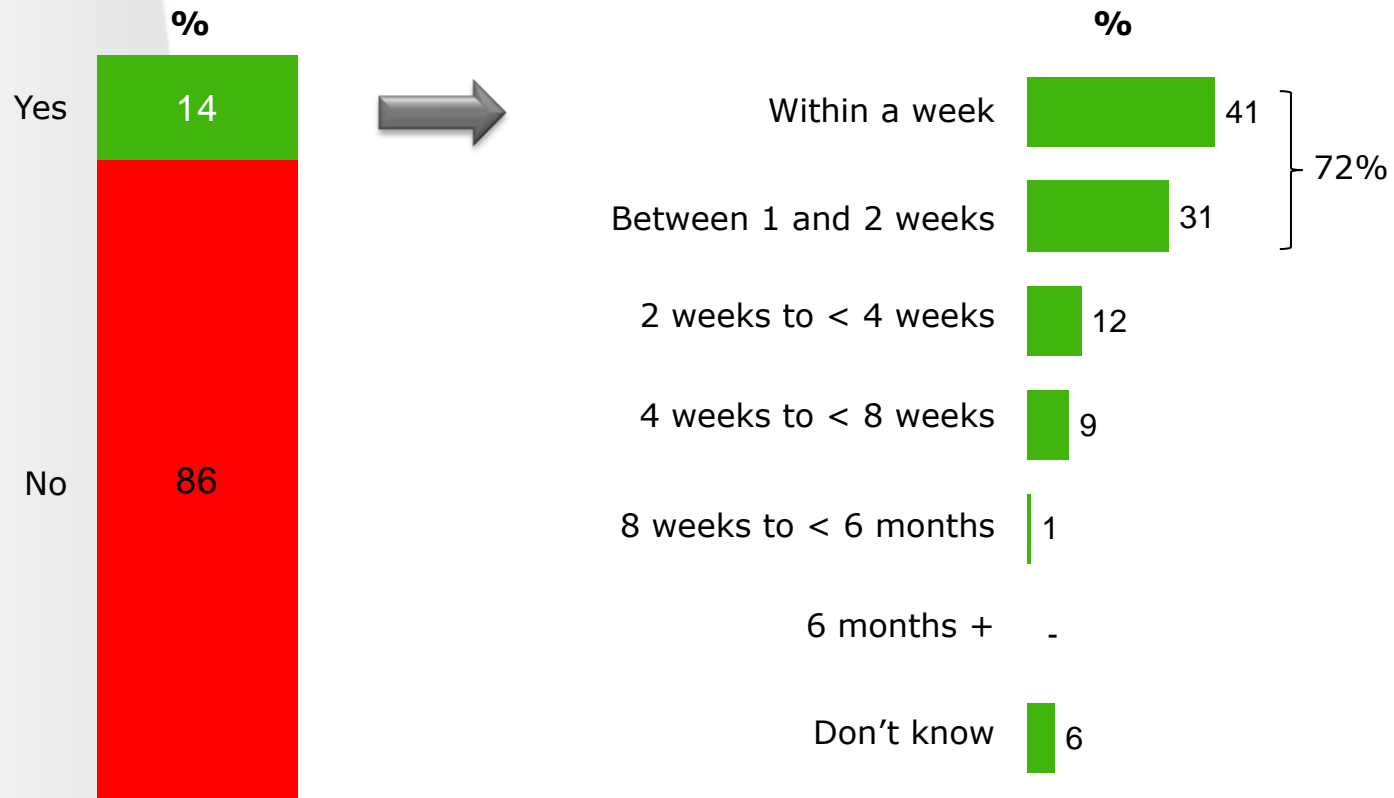
Base: All visited by engineer (n=78)

# 7 in 10 of new fixed telephone lines were connected in 2 weeks or less



- Q. Has your business ordered a new fixed telephone line in the last 12 months?
- Q. After you ordered your new fixed line, how long did you have to wait to get a connection from your new provider?

New



Base: All with fixed line (n=542)

Base: All who got new fixed line (n=75)



# The majority of those who waited longer than two weeks found it inconvenient and reported a negative effect on their business



New

- Q. How inconvenient or not would you describe having to wait this length of time to get your new fixed line connection?
- Q. Has the time period that you have waited for a connection from your provider impacted on any of the following:

	Number of Responses		Number of Responses
Very inconvenient	5	Loss of contact with customers	5
Quite inconvenient	5	Business loss – financial	4
Neither	3	Business loss – time	6
Not very inconvenient	2	Other	2
Not at all inconvenient	2	No impact	2
Don't know	-	Don't know	-

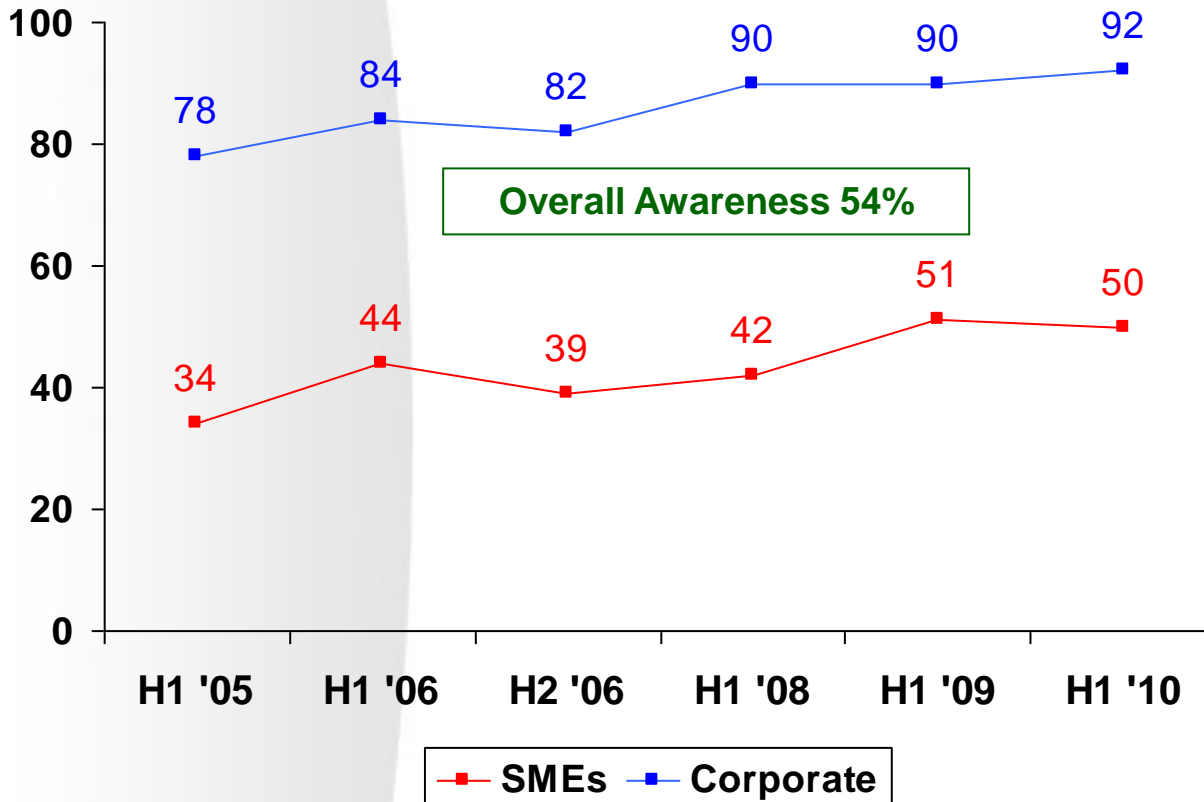
Base: All who waited longer than 2 weeks for fixed line connection (n=17\*\*)

Base: All who found wait for connection inconvenient (n=10\*\*)

# Awareness of VoIP remains steady



Q. Have you heard of a service called Voice Over IP also known as 'VoIP'?



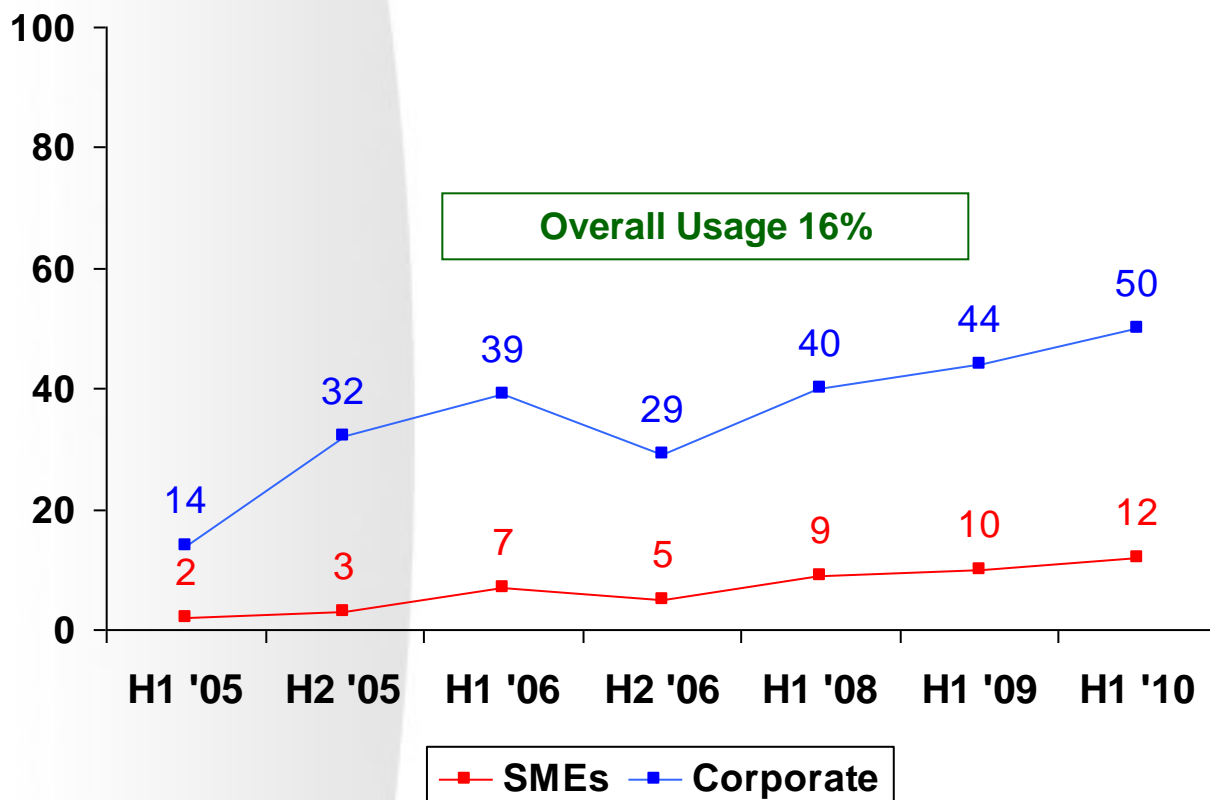
- Awareness of VoIP has remained at similar levels in H1'10, with (54%) of all businesses now being aware of this service.

Base: All Respondents with fixed line (n=490;52)

# Corporate VoIP usage continues to show strong growth



Q. Is your company currently using Voice over IP (or VoIP) services?

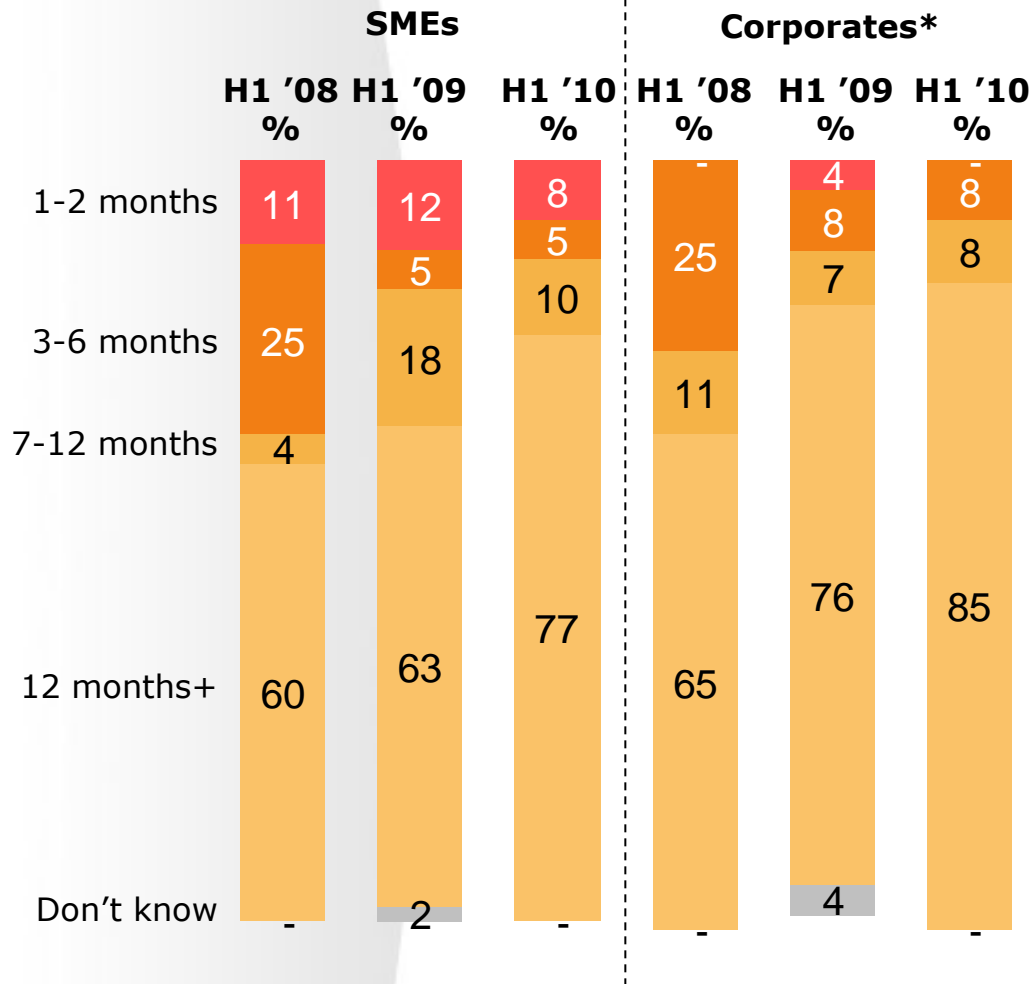


- At an overall level 16% of businesses in Ireland claim to use VoIP.
- There has been an increase in Corporate use of VoIP services since H1'09 from 44% to 50%.
- While SME use of VoIP has increased only slightly, as a general trend SME use of VoIP is on the rise.

# Most businesses using VoIP are established users of the service



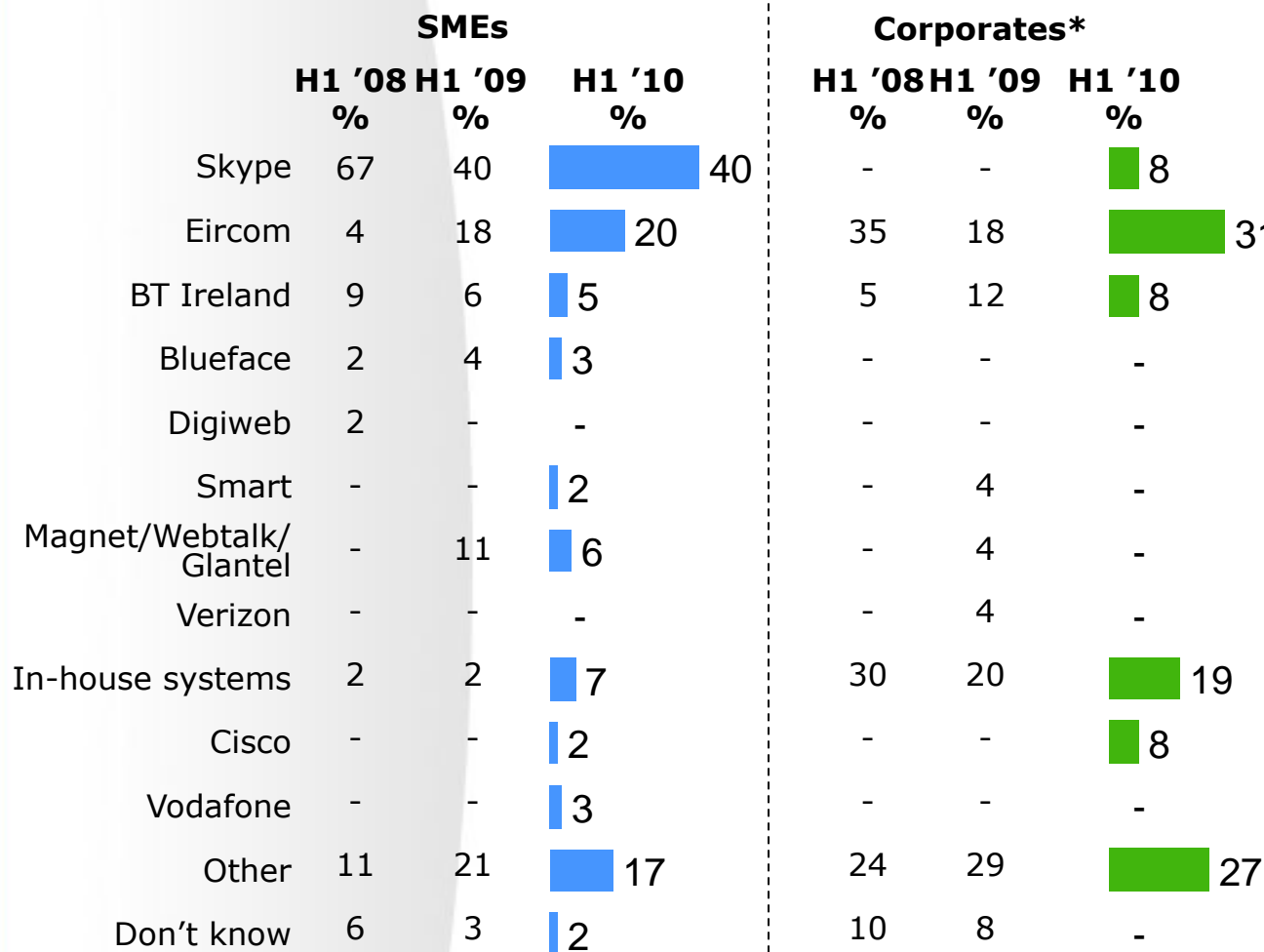
Q. How long has your company been using VoIP services?



- Overall, 79% of businesses using VoIP have been doing so for over 12 months. Corporates remain the more established users of VoIP with 85%\* of these companies having used VoIP for over a year.
- Fewer than 1 in 7 SMEs (13%) and 8% of corporates are new users of VoIP (started using VoIP in the last 6 months).

# 4 in 10 SMEs using VoIP use Skype for accessing this service

Q. Who supplies your VoIP services?



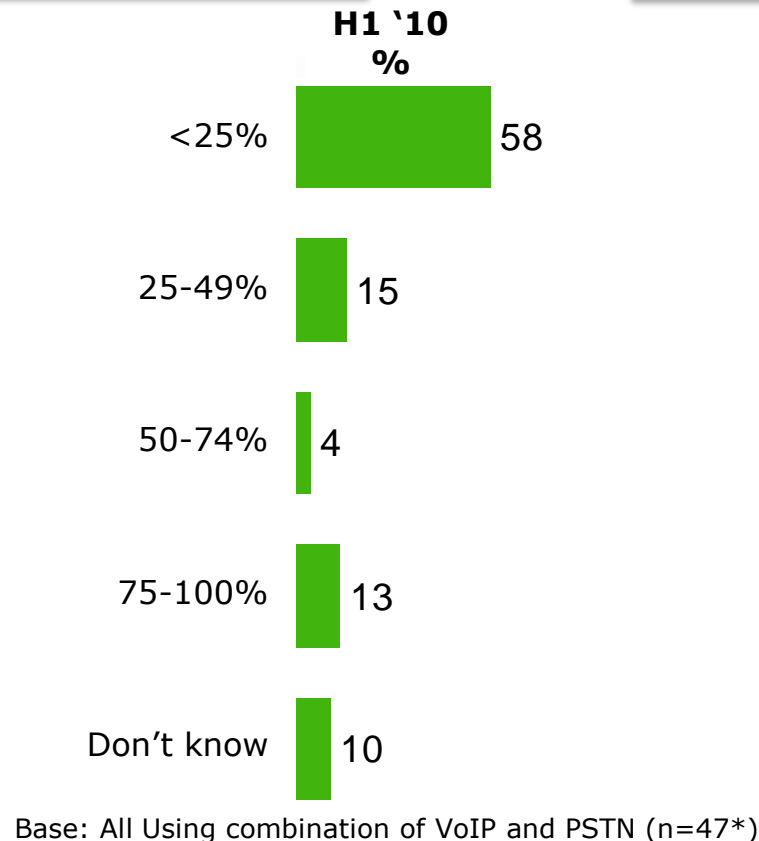
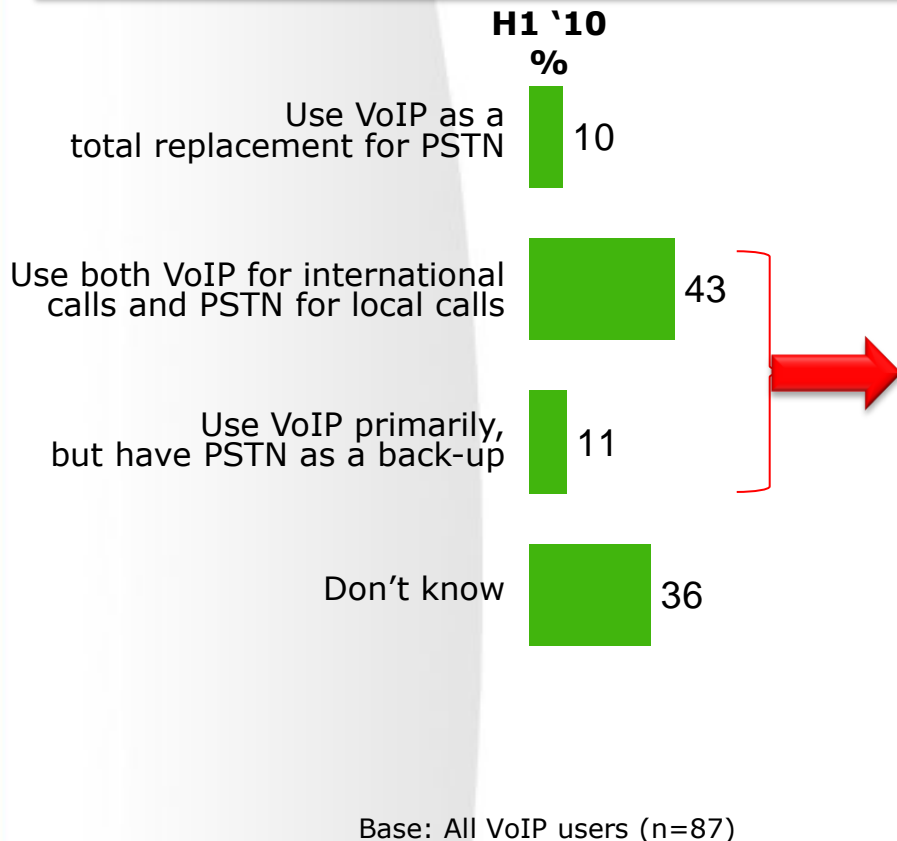
- Most SME businesses use Skype to make their VoIP calls. Skype provides an unmanaged service where calls are made over the Internet rather than a private or managed network.
- Corporates are more likely to use in-house systems or Eircom for their VoIP calls than SMEs.

# VoIP is used mainly as a complement to an existing PSTN service



- Q. Which of the following best describe your business's use of its VoIP service?  
 Q. Can you estimate what percentage of calls are made over VoIP?

New



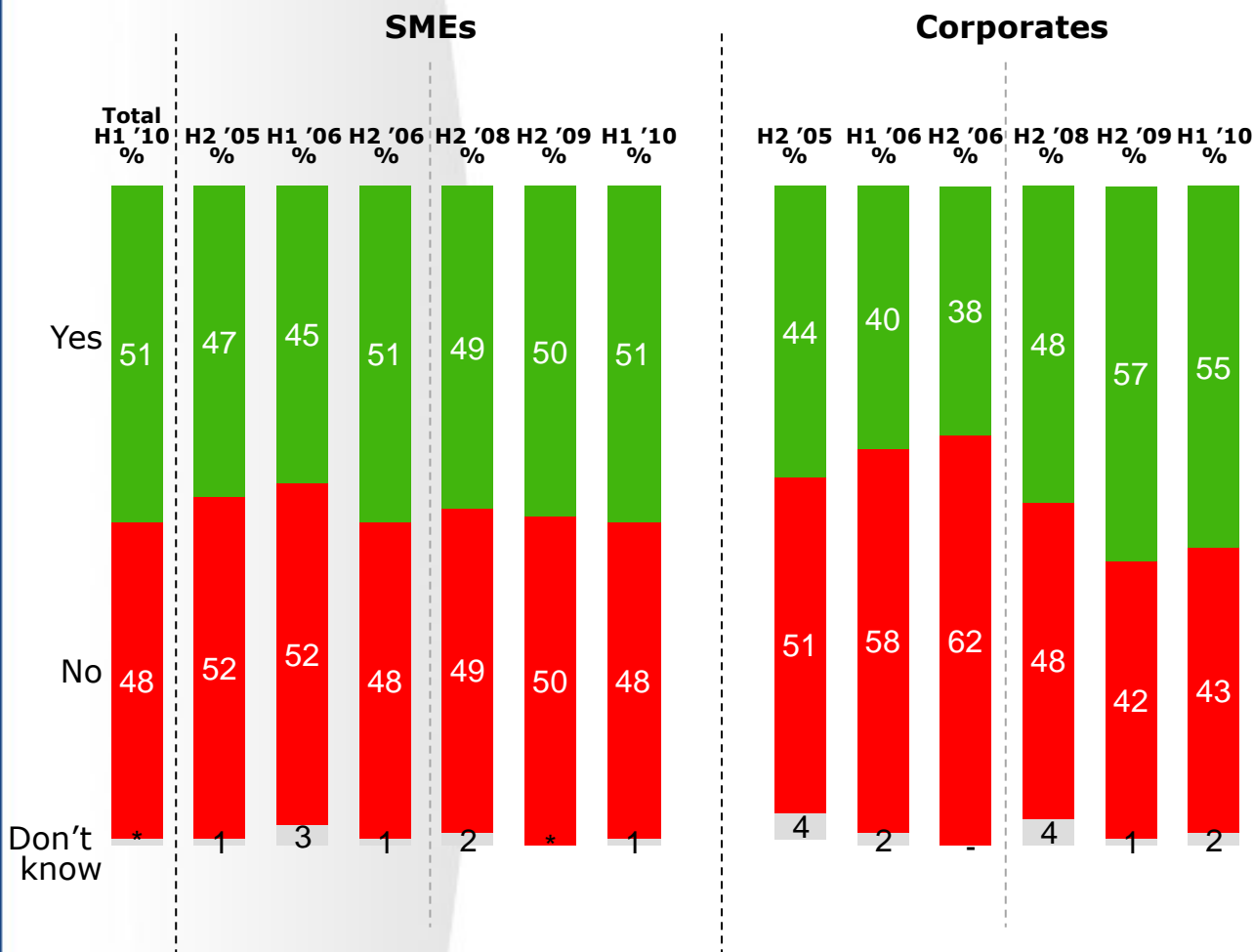
- Over a half of businesses (54%) use VoIP to complement existing PSTN services.
- SMEs are more likely to use VoIP for International calls and PSTN for local calls (47%) than the business universe overall.

- Of those using VoIP as a complementary service nearly 6 in 10 (58%) claim that less than a quarter of their calls are made via VoIP

# Incidence of switching remains stable among both SMEs and Corporates



Q. Has your company ever switched fixed line service supplier?

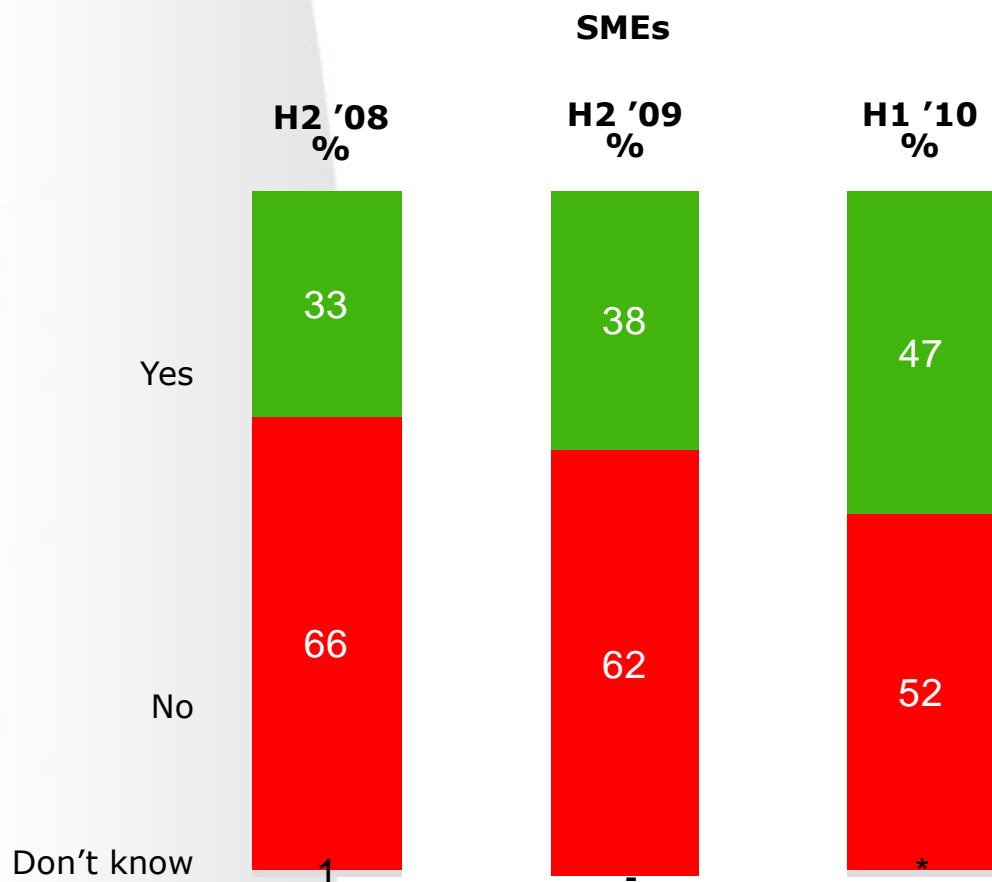


- Overall, half of businesses have ever switched fixed line telephone supplier. Corporates are more likely to have ever switched fixed line supplier than SMEs.
- At an overall level, those businesses most likely to have switched fixed line supplier are also more likely to have ever switched Internet service provider (72%).

# Recent switching activity has increased year on year



Q. Did your company switch fixed line service provider in the last 12 months?



- There has been a marked increase in the percentage of SMEs who have switched their line provider since H2'09 from 38% to 47%.
- Among all businesses, 45% switched provider in the last 12 months. This is higher among those employing 10-49 people (57%) and businesses operating in the services sector (58%).

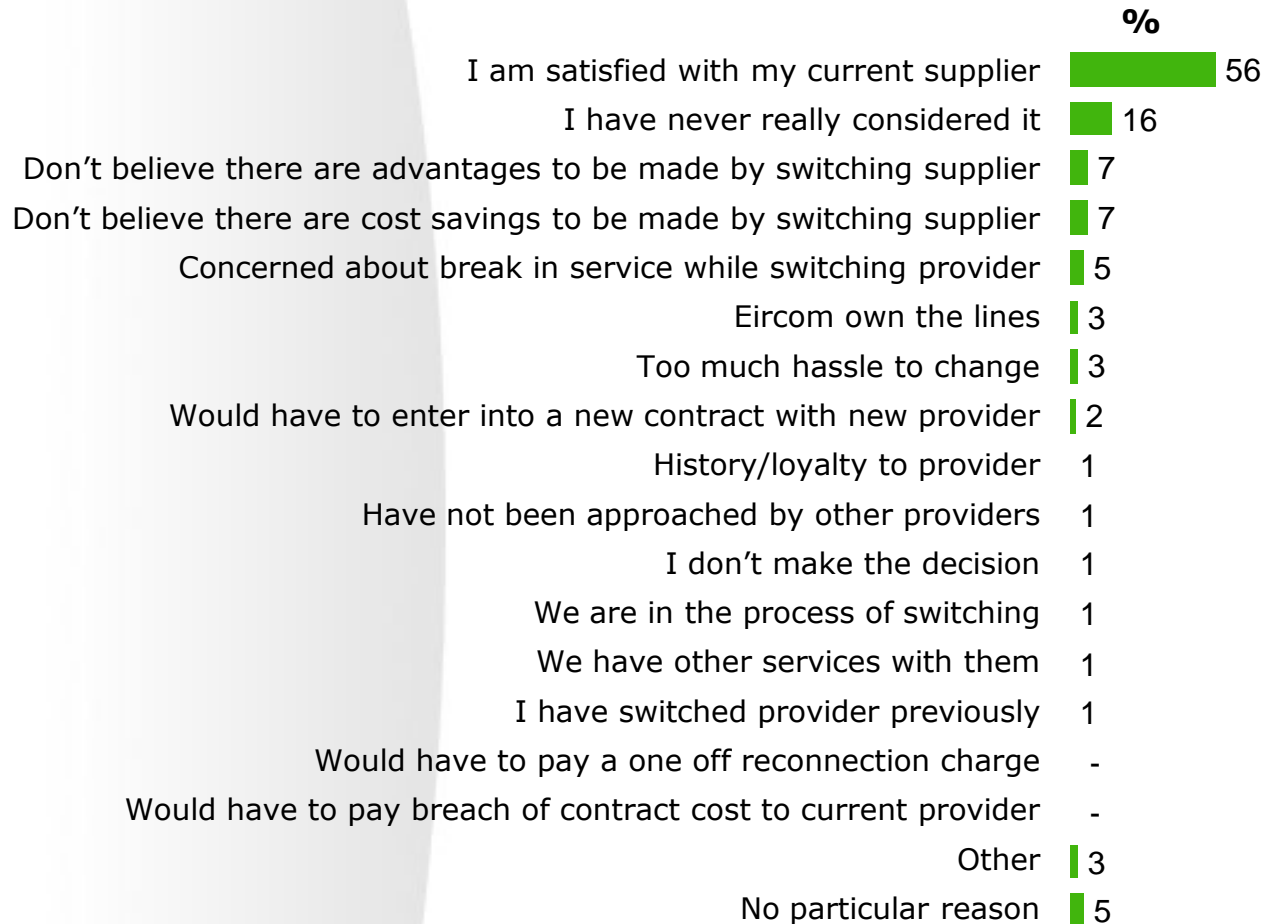


# Over half of fixed line customers who didn't switch say it's because they are happy with current supplier



New

Q. What are your main reasons for not switching fixed line operator?



- Satisfaction with current provider is the main reason businesses give for not switching provider. This is higher among businesses with 10-49 employees (62%).

Satisfaction with current supplier main reason for not switching:

Mobile – 62%  
Internet – 52%



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## **Mobile Market**

# 8 in 10 businesses supply their employees with mobile phones



Q. What company supplies your mobile telephone services?

	SMEs										Corporates								
	H1 '05 %	H2 '05 %	H1 '06 %	H2 '06 %	H1 '08 %	H2 '08 %	H1 '09 %	H2 '09 %	H1 '10 %	H1 '05 %	H2 '05 %	H1 '06 %	H2 '06 %	H1 '08 %	H2 '08 %	H1 '09 %	H2 '09 %	H1 '10 %	
Vodafone	45	41	34	31	46	47	42	46	41	54	53	70	66	66	50	67	61	72	
O2	36	39	28	26	34	36	37	37	38	44	47	45	28	46	58	53	52	53	
Meteor	2	2	3	2	4	3	4	4	3	2	-	2	4	2	2	7	2	-	
3	-	-	-	-	1	2	1	2	2	-	-	-	2	-	2	-	3	2	
Eircom mobile	-	-	-	-	-	1	2	2	2	-	-	-	-	2	2	2	-	-	
Other	-	-	-	-	-	1	1	*	-	-	-	-	-	-	-	-	2	2	
Don't know	2	2	2	2	1	0	0	*	-	4	2	-	2	4	4	-	-	-	
No company mobile	23	23	38	44	22	19	21	19	23	12	11	4	6	6	6	2	2	-	

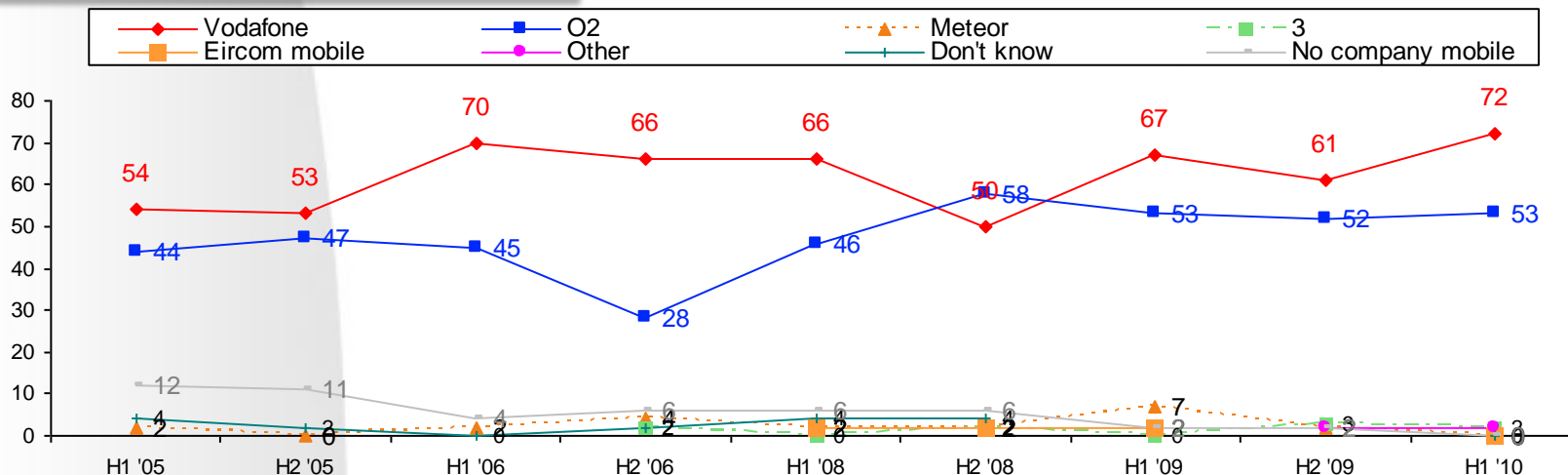
- Nearly 8 in 10 (79%) of all businesses in Ireland provide their employees with company mobile phones, a slight decrease from 83% in H2'09.
- Of those not supplying mobiles (21%), businesses with 1-9 employees (28%), and those operating in the services industry (43%) are less likely to supply mobile phones to employees.
- Businesses based in Connaught/Ulster (25%) and those with no Internet connection (53%)\* are also less likely to provide mobile phones.

# Mobile operators' market share among business customers

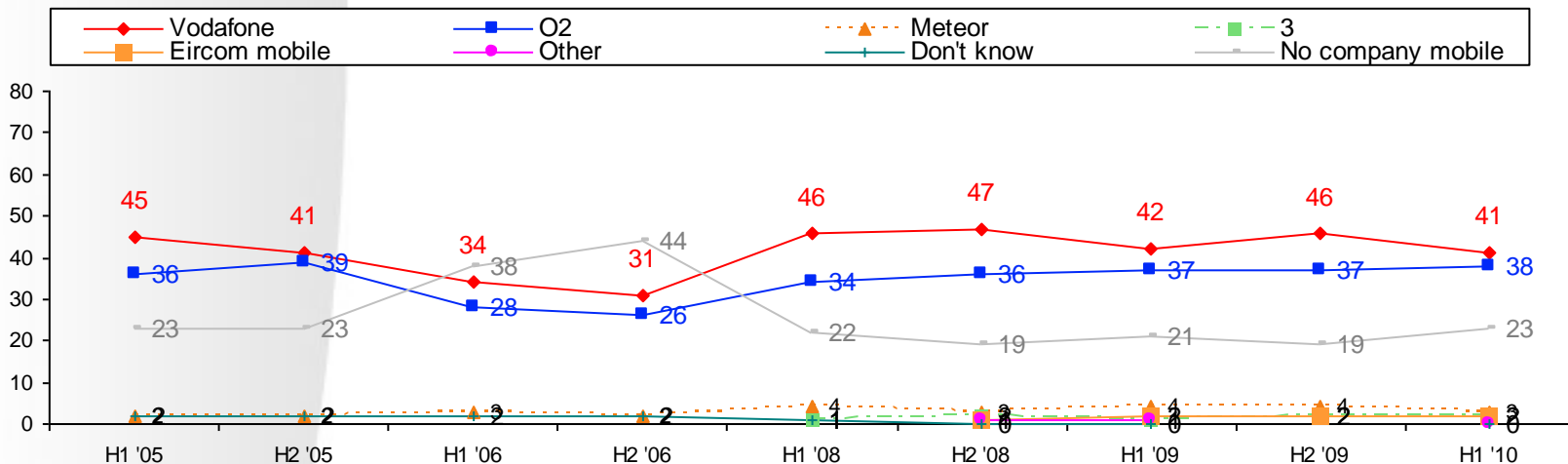


Q. What company supplies your mobile telephone services?

## Corporates



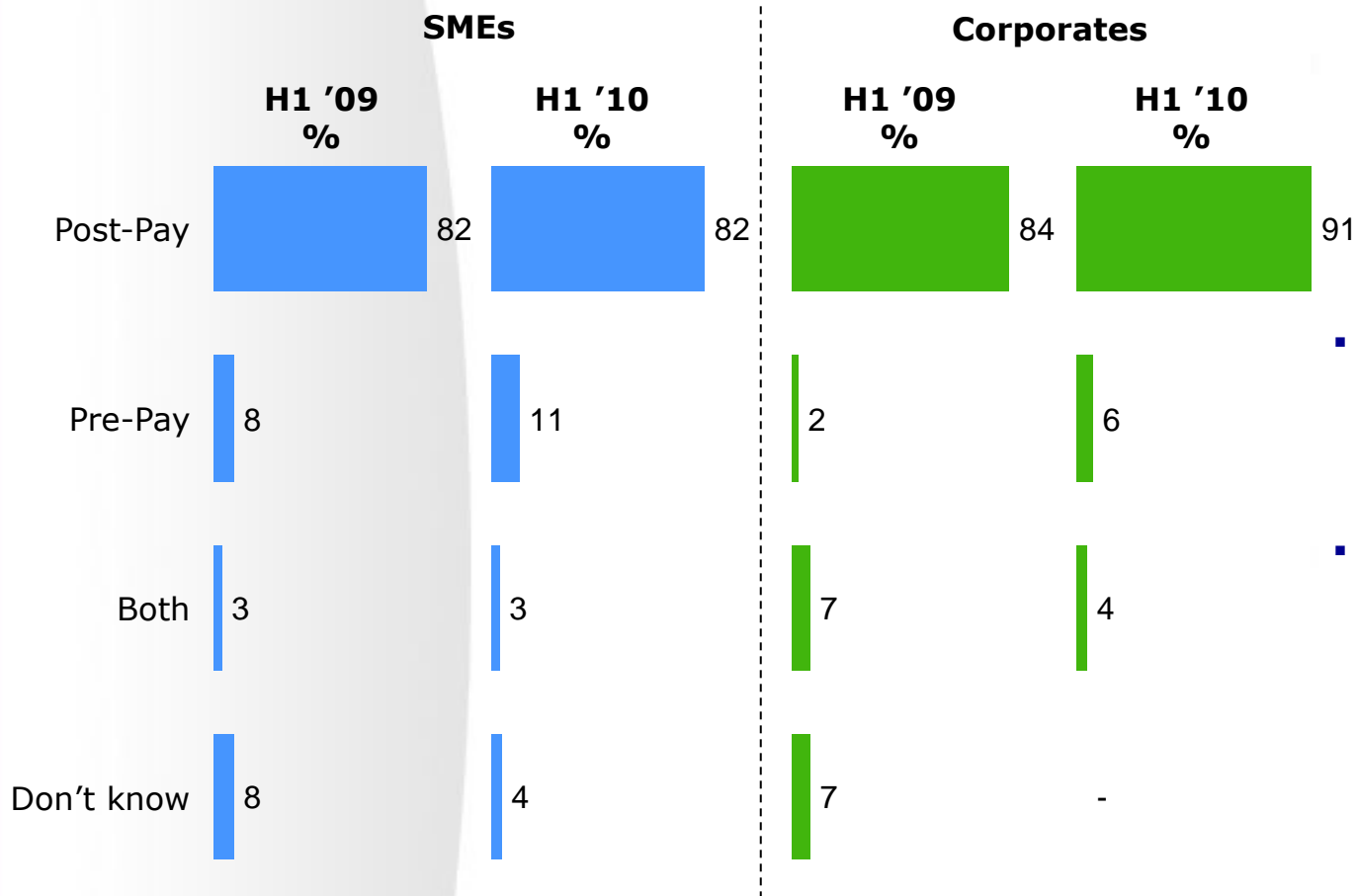
## SMEs





# Most businesses use post pay mobile phones

Q. Does your company supply pre-pay or post-pay mobile phones to employees?

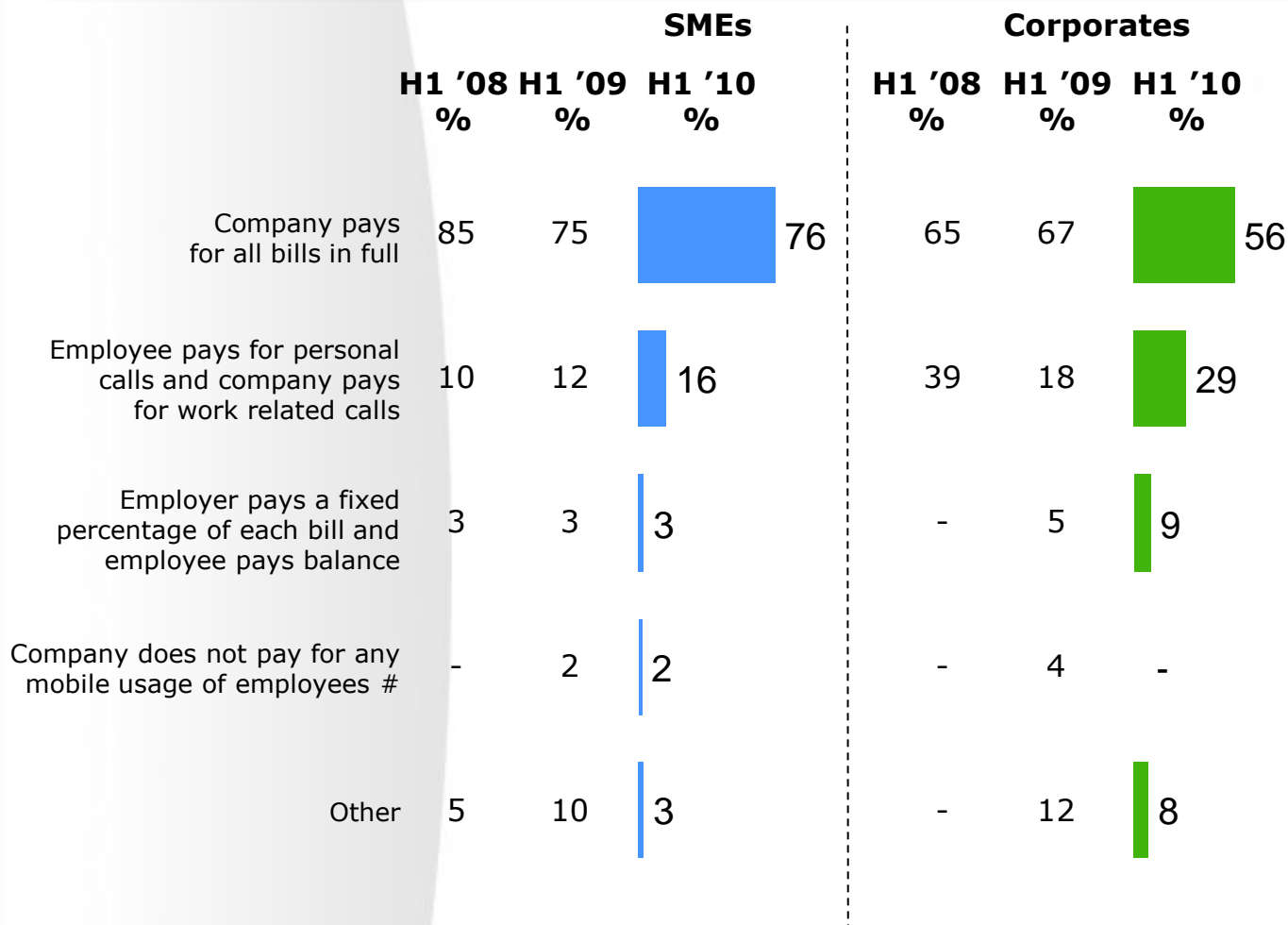


- Irish businesses predominantly use post pay mobile phones (83%) over prepay (11%).
- SMEs (11%) are more likely than Corporates (6%) to supply pre-pay options to employees while only a small percentage (3%) provide both pre and post pay options.



# In the majority of cases, businesses supplying mobile phones to employees pay for the bill in full

Q. How are business mobile calls made by employees paid for by the company?



- At an overall level 73% of businesses pay for their employees' mobile phone bills in full.
- In this wave of research SMEs (12% to 16%) but more noticeably Corporates (18% to 29%) are more likely than in the same period last year to say that the company pays for work calls and the employee pays for personal calls.
- Businesses operating in the mining/construction sector (92%) and those who have ever switched mobile provider (78%) are more likely to pay the full mobile bills of their employees.

# Average monthly spend on mobile phone services: €838



Q. What is your company's average monthly spend on mobile phone services?

**Note: Mean Figures Shown, only those businesses giving exact amount are included in this list (n=334,38\*)**

		H1 '10 €
<b>Total</b>		838.00
<b>Sector</b>	SMEs	515.10
	Corporates*	4,204.10
<b>Number of Employees</b>	1-9	207.70
	10-49	467.20
	50-99	1,233.60
	100-299*	2,875.00
	300+*	5,654.20

- Two thirds of businesses (67%), spend less than €500 on mobile phone services; this rises to 72% among SMEs.
- A third (32%)\* of Corporates claim to spend over €5,000 monthly on mobile bills.
- Among businesses who could provide an exact amount spent on mobile phone services, average stated monthly mobile spend has dropped from €981 in H1'09 to €838 in H1'10.
- Average spend is highest among businesses operating in the financial services sector (€1,100.90)

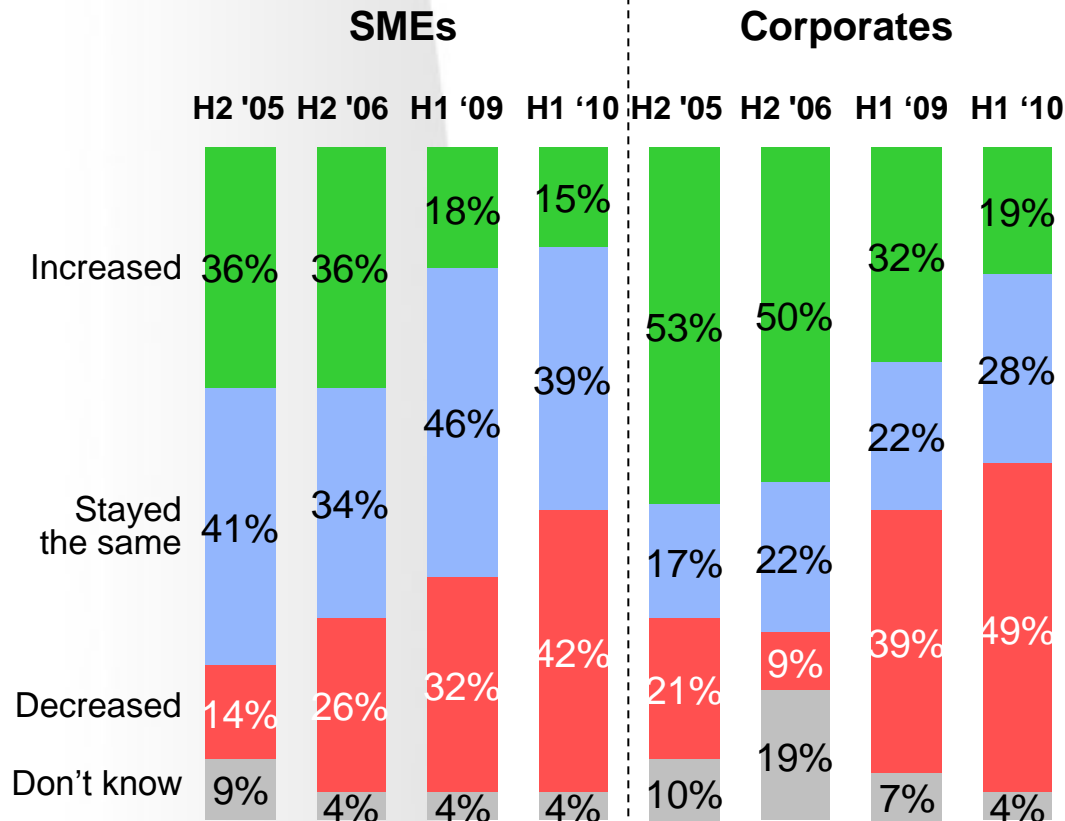
Average monthly spend

H2 '06 €1,213  
H1 '09 €981



# There has been a rise in the number of businesses who have decreased their mobile phone spend in the last year

Q. Would you say that your company's monthly spend on mobile phone services has increased, decreased or stayed the same over the last 12 months?



- There has been a further perceived drop in mobile phone spend among businesses, with only 15% of SMEs & about 2 in 10 Corporates stating that their mobile spend had increased in the last 12 months.
- While a sizable number of businesses stated that their spend had not changed (39% of SMEs and 28% of Corporates), over 4 in 10 (42%) SMEs said their spend had decreased, as did half of corporates (49%). This is a 10 percentage point increase for both since H1 '09.
- Businesses who reported a decrease in spend (43% overall) were more likely to be based in Rest of Leinster (48%), and have switched mobile provider in the last 12 months (55%).

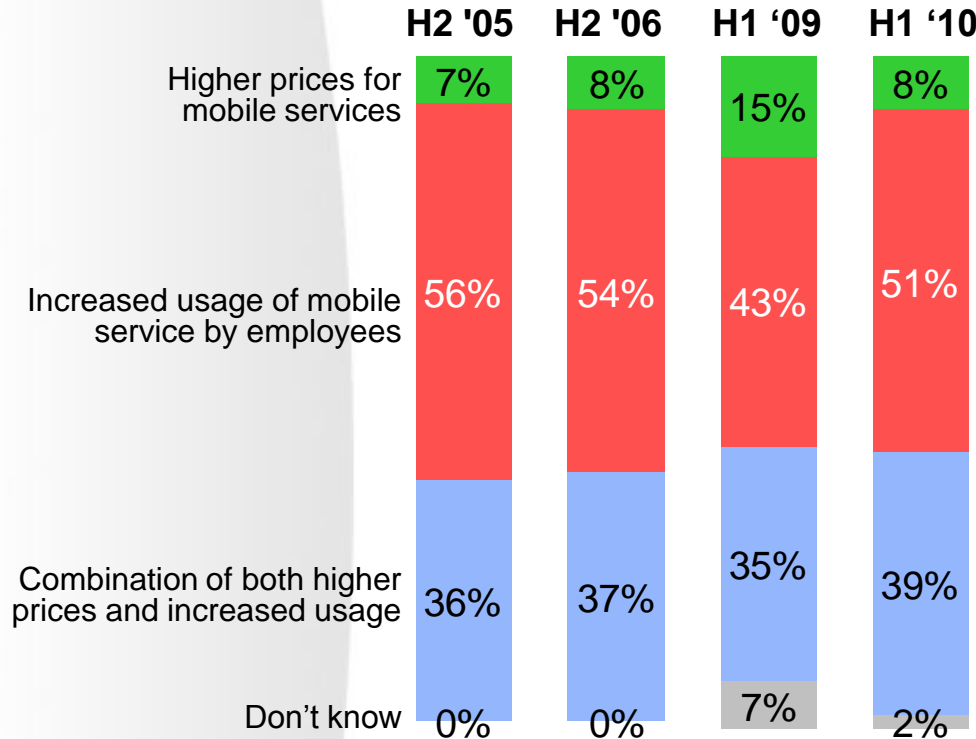


# Increased usage of mobile services is the main reason for increased mobile phone bills



Q. Do you think this increase is due to...

## SMEs



- While there has been an increase in the number of SMEs saying that higher mobile spend is due to a combination of higher prices and increased usage (39%), a higher percentage (51%) attribute increased spend only to increased usage of mobile services. Increased phone bills being the result of increased usage of mobiles was highest in 2005 at 56%.

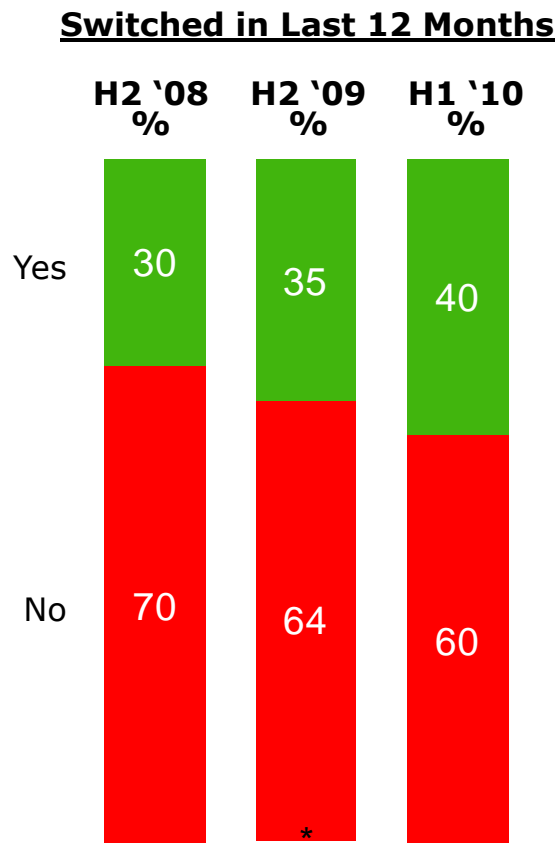
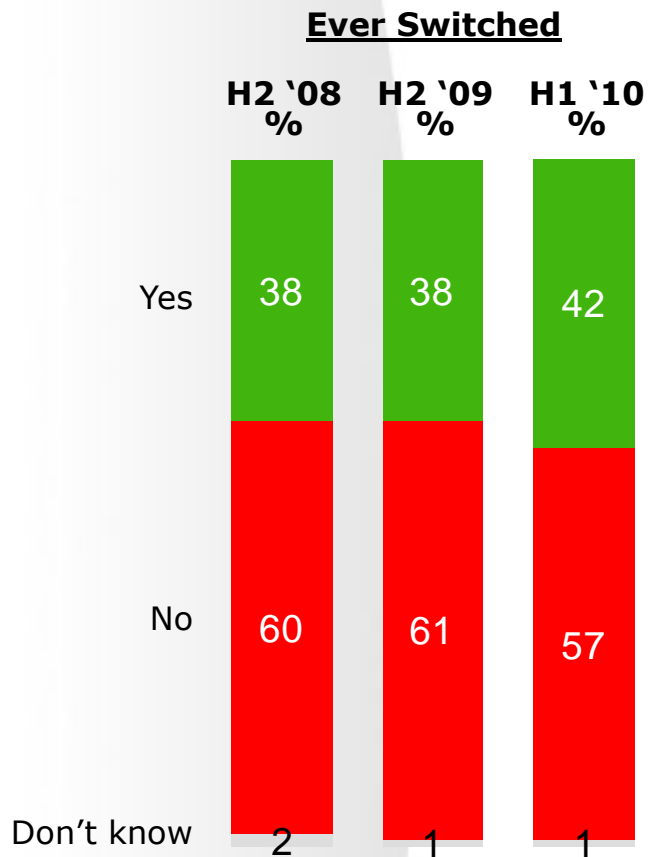
Base: All SMEs that Believe Their Mobile Phone Spend has Increased (n=54)

Note: Corporate Base size too low to analyse (n=10\*)



# Businesses are more likely to have switched mobile provider in the last 12 months in previous surveys

- Q. Has your company ever switched mobile phone service supplier?  
 Q. Did your company switch mobile phone supplier in the last 12 months?



- The overall percentage of businesses who have ever switched mobile phone provider has increased slightly since H2'09 from 38% to 42%.
- There has been a further increase in businesses switching in the last 12 months, from 35% to 40%.
- This increase in switching is likely to indicate businesses are shopping around for better deals during tougher economic times.

Base: All Who Supply Company Mobiles (n=436)

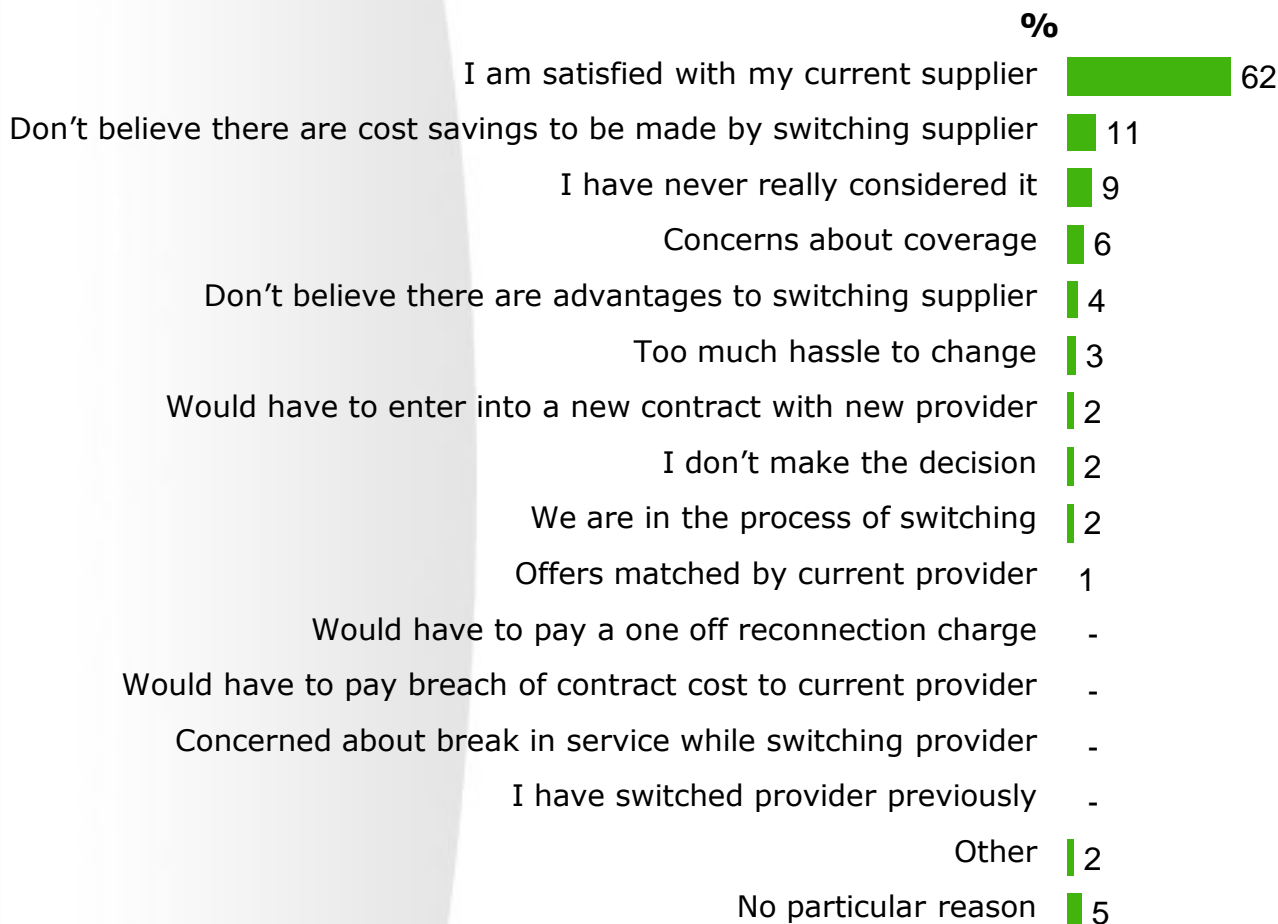
Base: All Who Ever Switched Mobile Supplier (n=182)

# Satisfaction with current provider is the main reason for not switching mobile phone provider



Q. What are your main reasons for not switching mobile phone operator?

New



- Satisfaction with current provider (62%) is the main reason businesses have not switched mobile phone provider. This sentiment is more highly endorsed by business with 10-49 employees (68%) and those employing 50-99 people (66%).
- Fewer businesses (11%) say they do not believe there are cost savings to be made by switching provider while a further one in ten (9%) say they have not considered it.

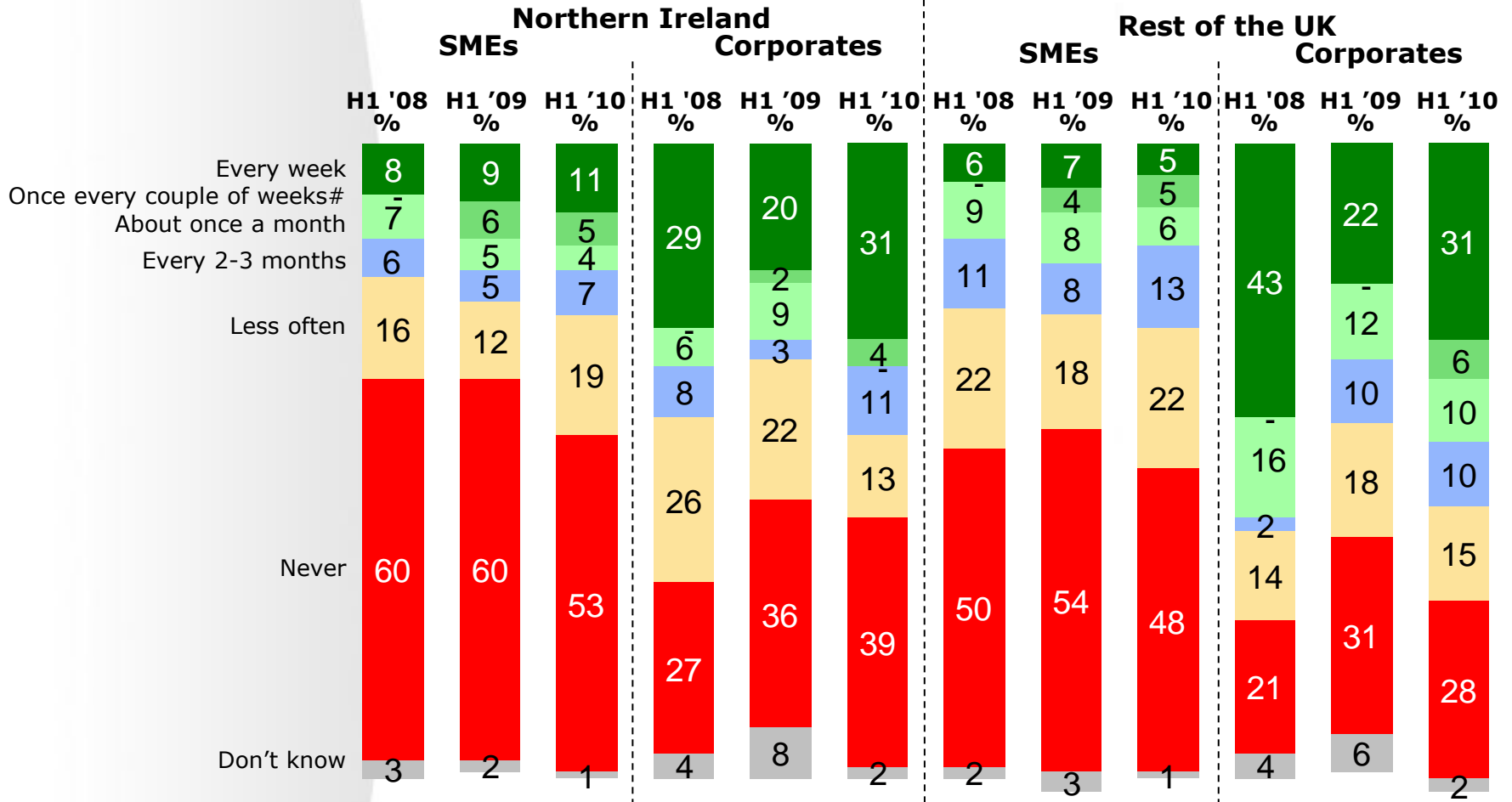
Satisfaction with current supplier main reason for not switching:

Fixed – 56%  
Internet – 52%

# Roaming is higher among Corporates, and frequency of roaming has increased



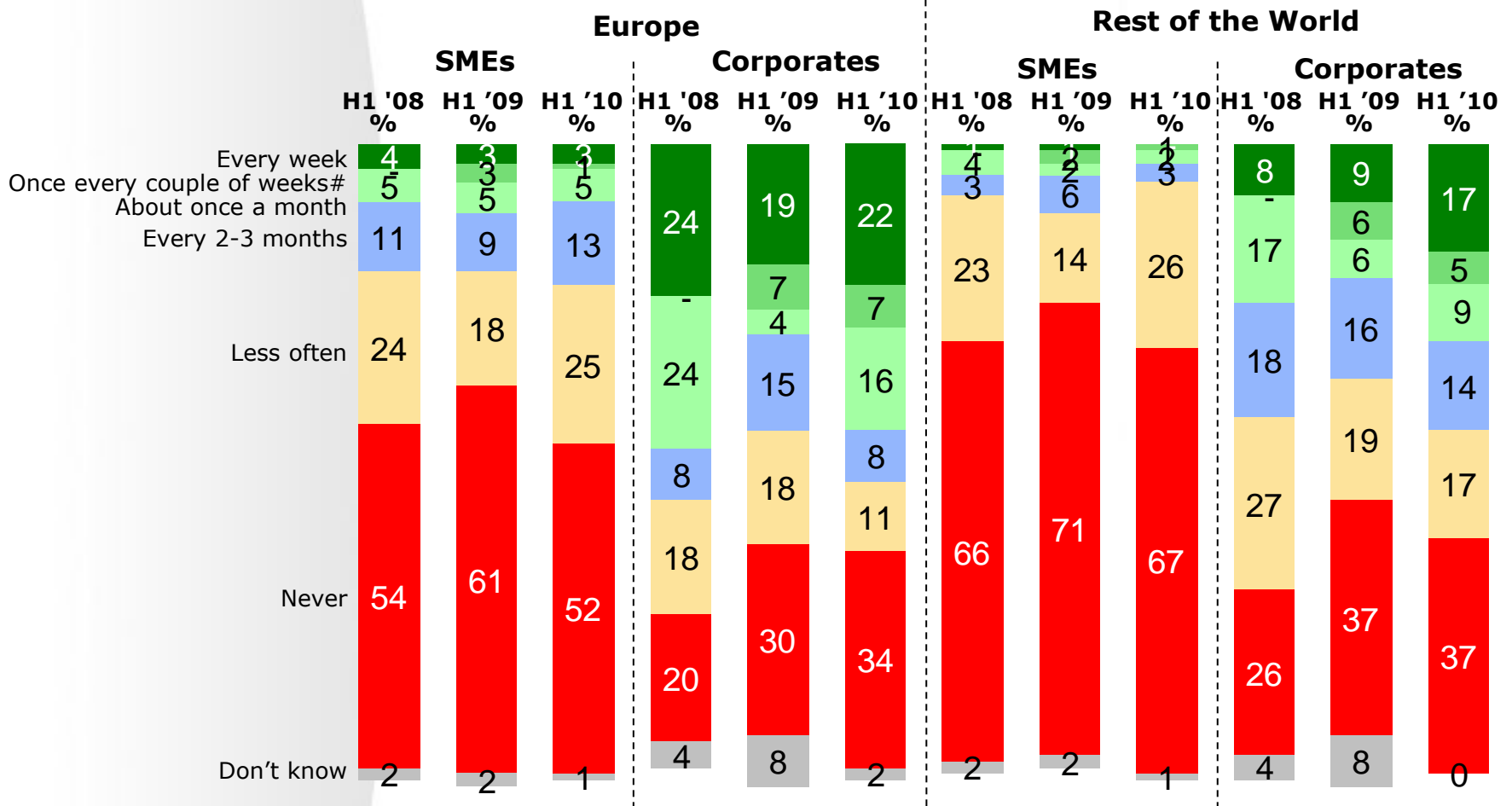
Q. How often do company employees use company mobile phones in the following regions for business purposes?



# Use of company mobile phones in Europe and Rest of the World is low for SMEs



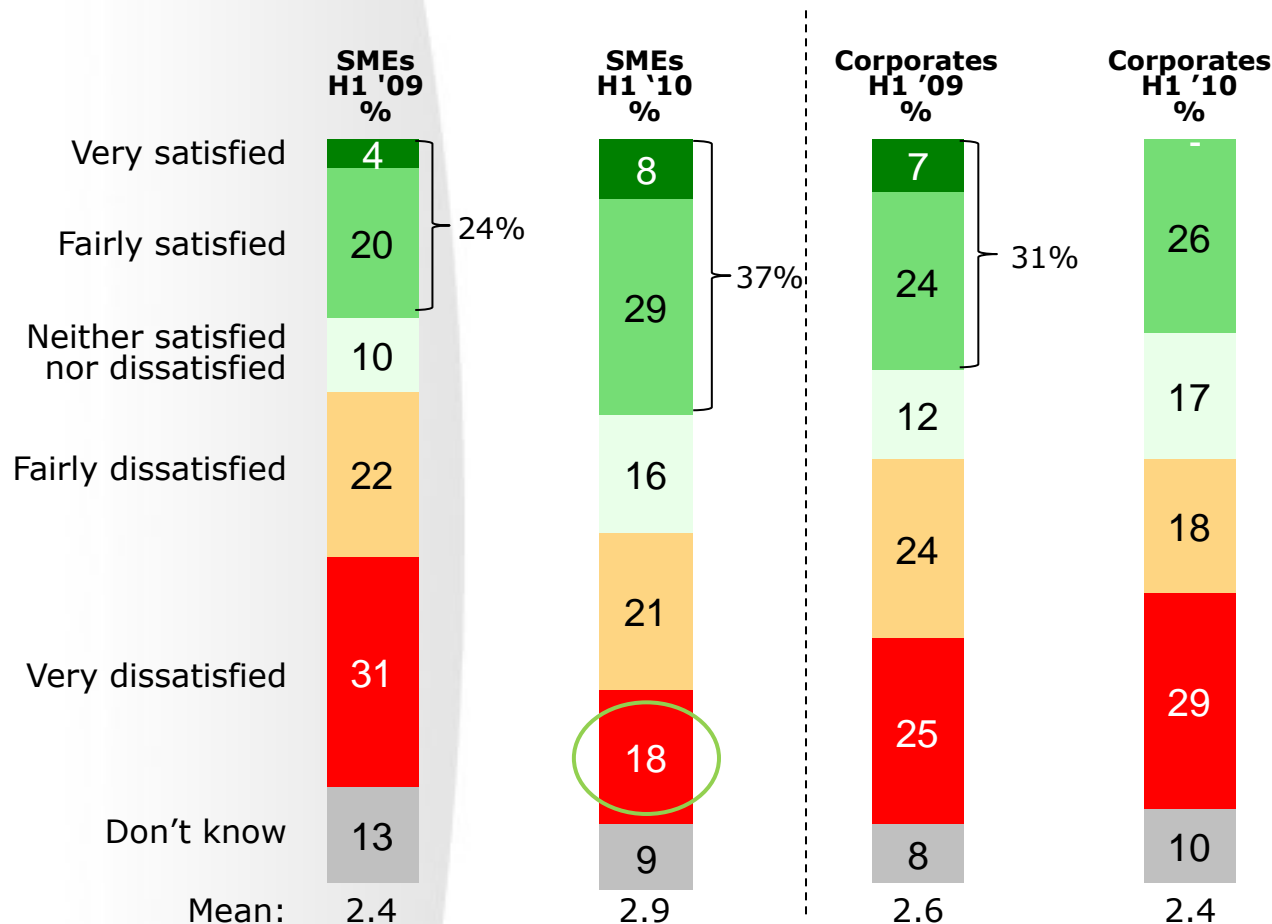
Q. How often do company employees use company mobile phones in the following regions for business purposes?



# Satisfaction with current roaming charges has increased among SMEs



Q. How satisfied are you with the current cost of "roaming charges" your company pays when company mobiles are used abroad?



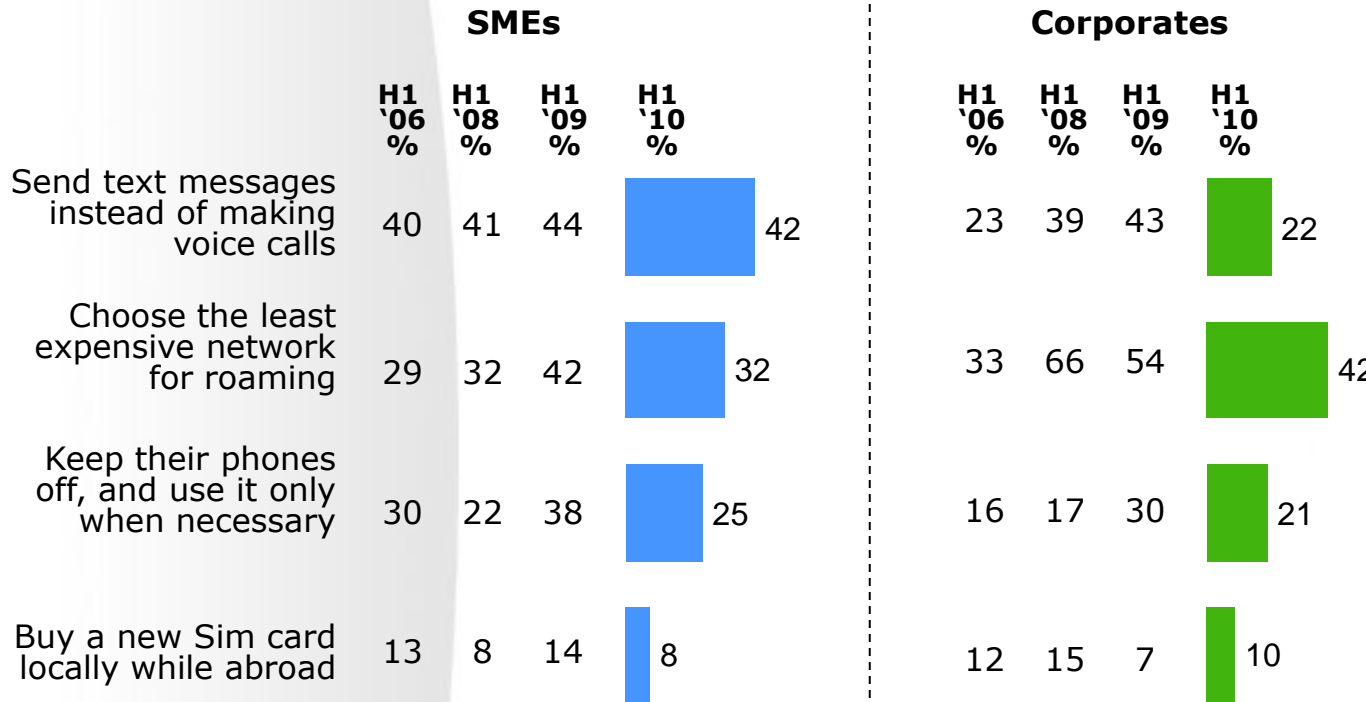
- Compared to H1'09, SMEs register a higher overall satisfaction with the cost of roaming (satisfied 37% vs. 24% in H1'09), and the "very dissatisfied" score among this group has fallen markedly.
- However Corporates' satisfaction with roaming has dipped from 31% in H1'09 to 26% in H1'10. In addition no Corporates say they are very satisfied with current roaming charges.
- This group is also more likely to say they are 'very dissatisfied' than they did in H1'09 (29% vs. 25%). SMEs' "very dissatisfied" score has improved, moving from 31% to 18% in H1'10.

Base: All who use the company mobile phones abroad (n=246;41\*)

# 4 in 10 businesses do not encourage any cost saving measures when roaming



Q. Does your company encourage employees to do any of the following when using a company mobile when abroad?



- SMEs are encouraging sending text messages instead of making calls (42%), while corporate roamers are encouraged to choose the least expensive network for network roaming (42%).
- Among all businesses, encouraging text messaging over voice calls (39%), and choosing the least expensive network (34%) are the most often used methods business roamers are encouraged to adopt while roaming.
- However, 40% of SMEs and 36% of Corporates claim not to employ any of these cost saving measures when roaming

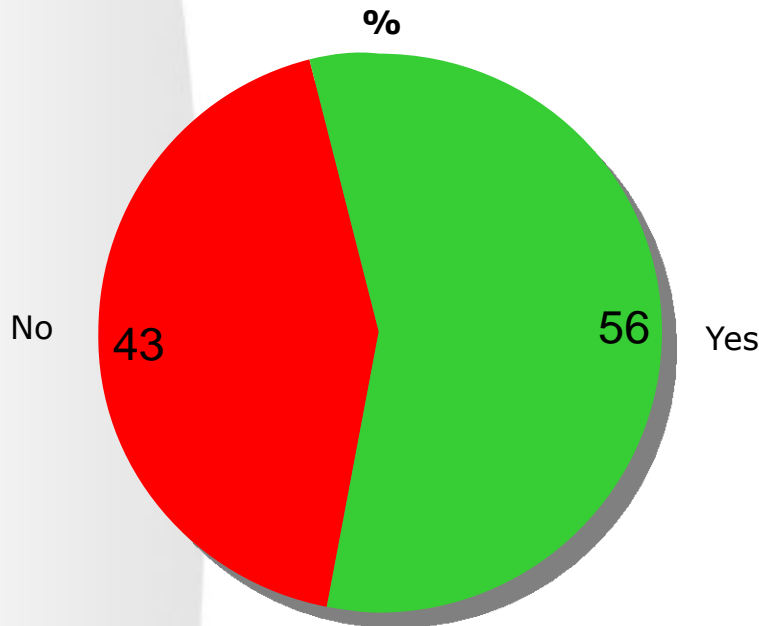
Multiple responses allowed

# Over half of business using mobile phones are aware of reduced data charges when roaming in the EU



Q. Are you aware of the reduced **DATA** roaming charges when using your mobile phone for using data services within the 27 EU states which are a result of a recent EU regulation?

New



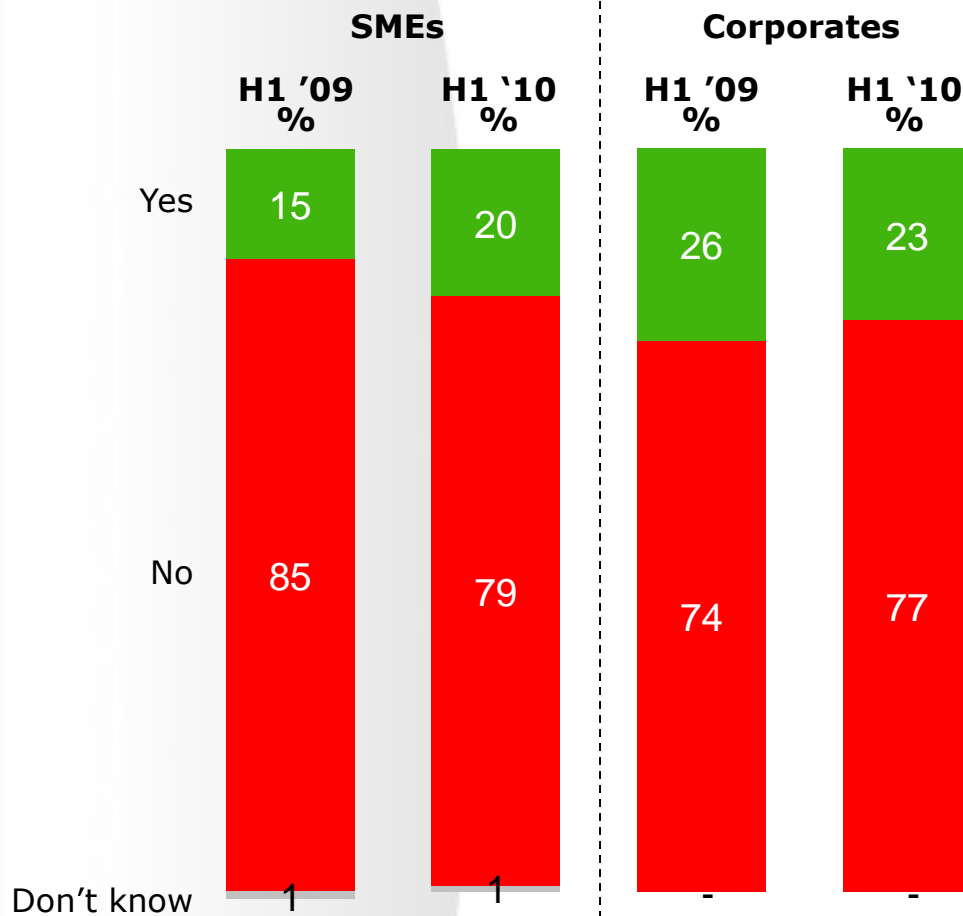
- Of those businesses who supply mobile phones to employees, 56% are aware of reduced EU data roaming charges.
- Mid sized SMEs (10-49 employees) (48%), and businesses operating in Munster (49%) are less likely to be aware of the reduced data roaming charges.
- Awareness of data roaming charges is highest among Corporates (69%) and Dublin based businesses (63%)



# Incidence of experiencing quality of service difficulties has increased for SMEs



Q. Have you experienced any difficulties in relation to the quality of service from your mobile operator in the past 12 months?

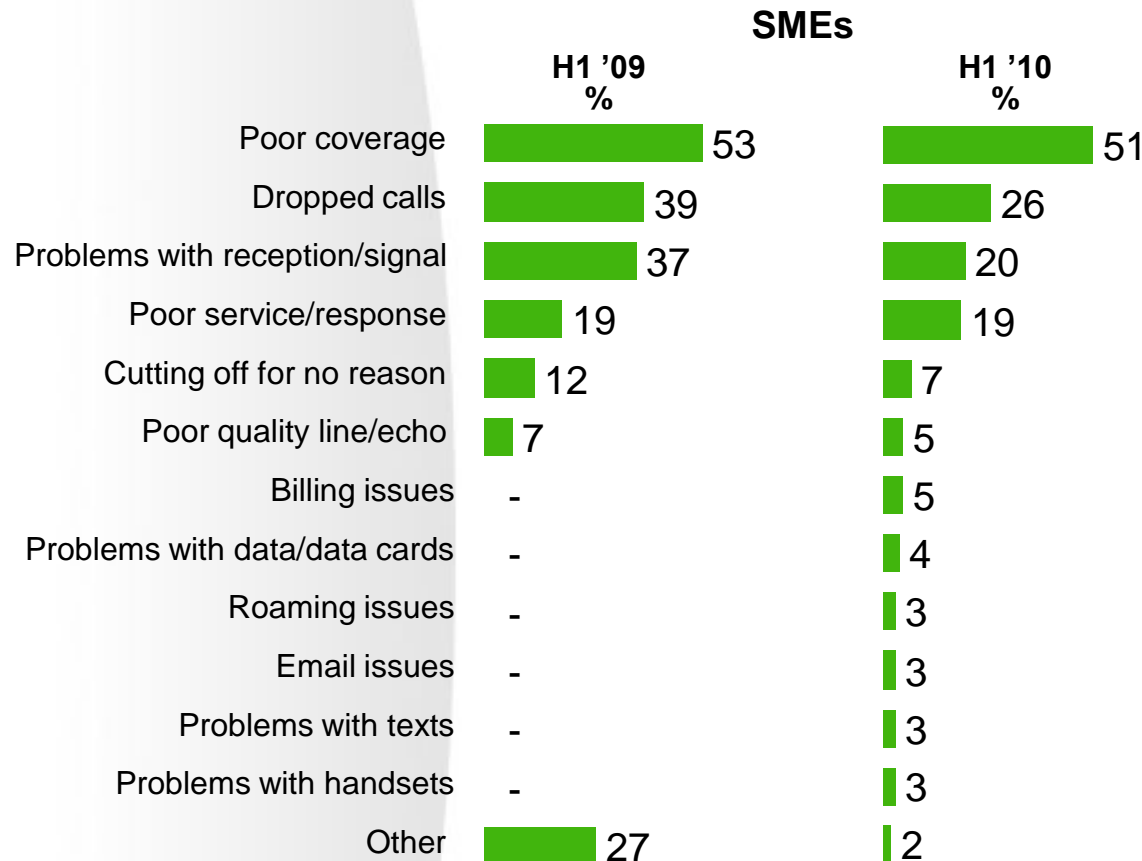


- Overall, 20% of business using mobile phones had a difficulty in relation to quality of service from their mobile operator in the past year.
- While the levels of difficulty experienced have decreased slightly among corporate businesses (26% to 23%) more SMEs experienced difficulties this time around (15% to 20%).

# Poor coverage and dropped calls are the main service and coverage difficulties experienced



Q. What types of difficulty have you experienced?



- Poor coverage (51%) was again stated as the main difficulty experienced with quality of service from Mobile operators, among SMEs
- Dropped calls (26%) and problems with reception/signal (20%) were other main issues businesses have with the quality of their mobile service.



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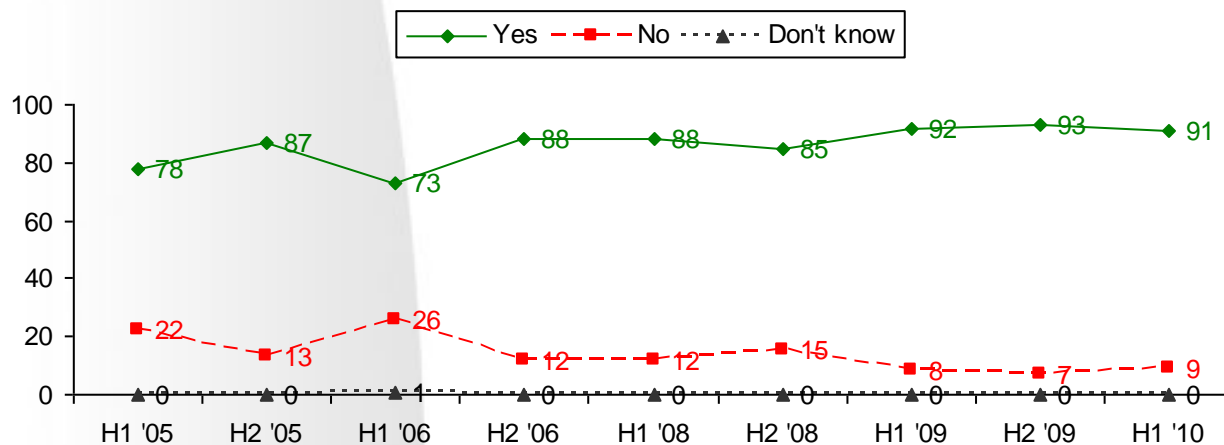
## **Internet & Broadband Communications**

# Internet access is near universal among businesses

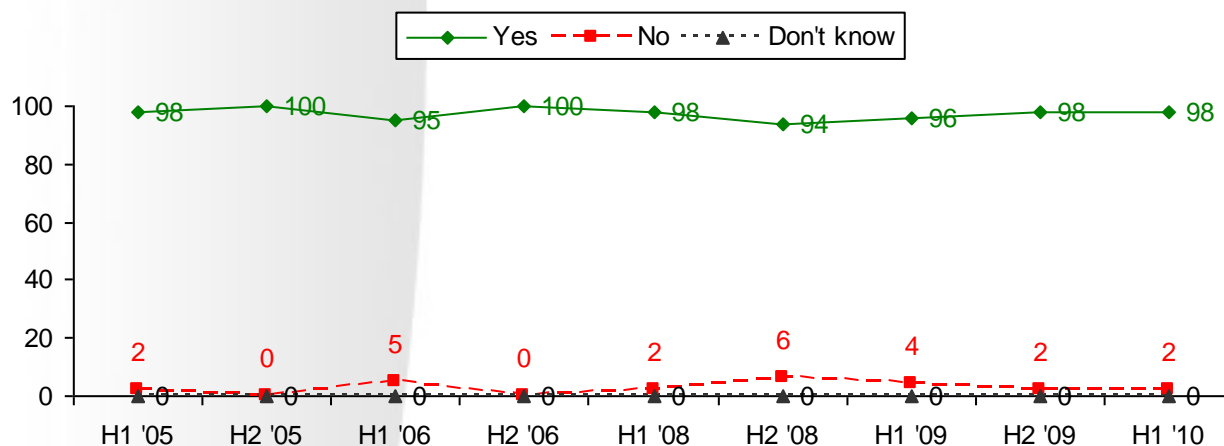


Q. Is your company connected to the Internet?

## SMEs



## Corporates



- Overall 92% of Irish businesses have Internet access. There has been a small (but not statistically significant) decrease in access among SMEs this wave of research.

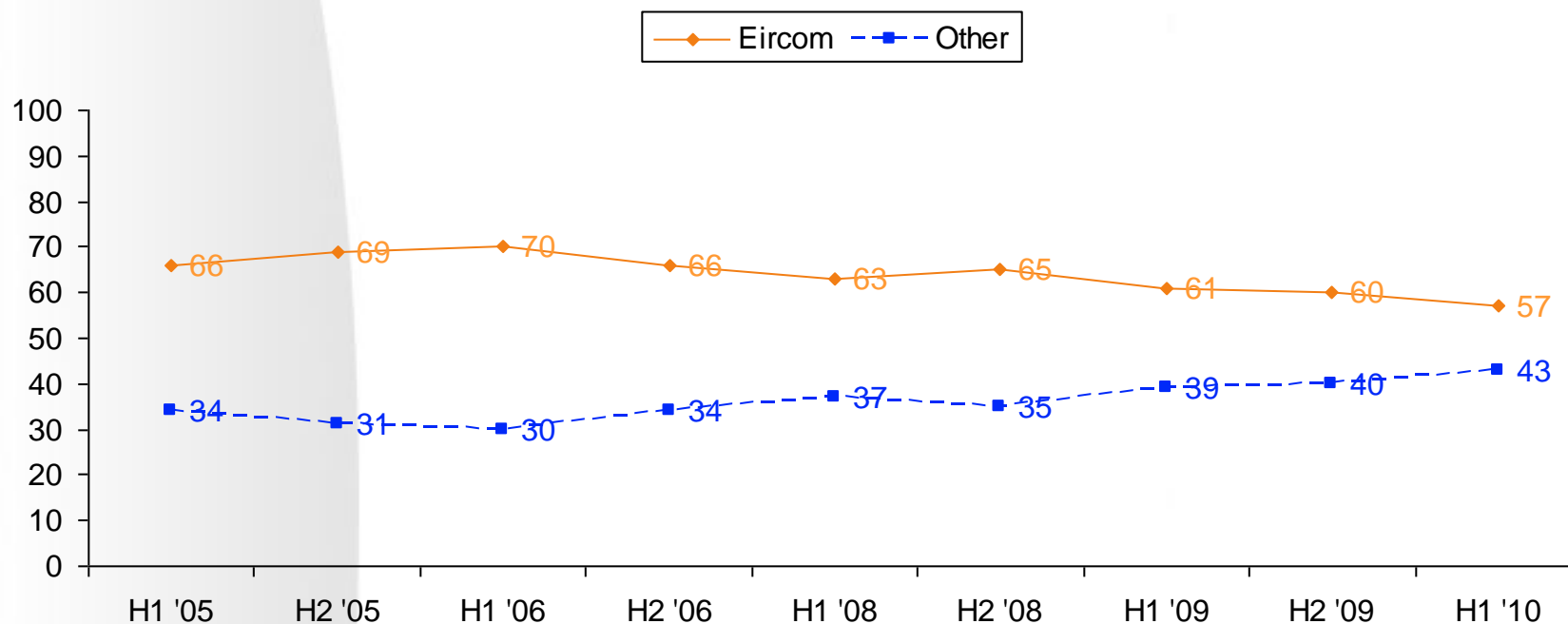
- The trend of companies with fewer than 10 employees having lower than average access continues this wave, with 84% of these businesses claiming to have access to the Internet.

- Internet access is also lowest among businesses in the retail (82%)\* and hotels/restaurant (80%)\* sectors although from small bases.

# Eircom remains the main supplier used for Internet access, but use of alternative ISPs is growing



Q. What Internet supplier does your company use for connection to the Internet?



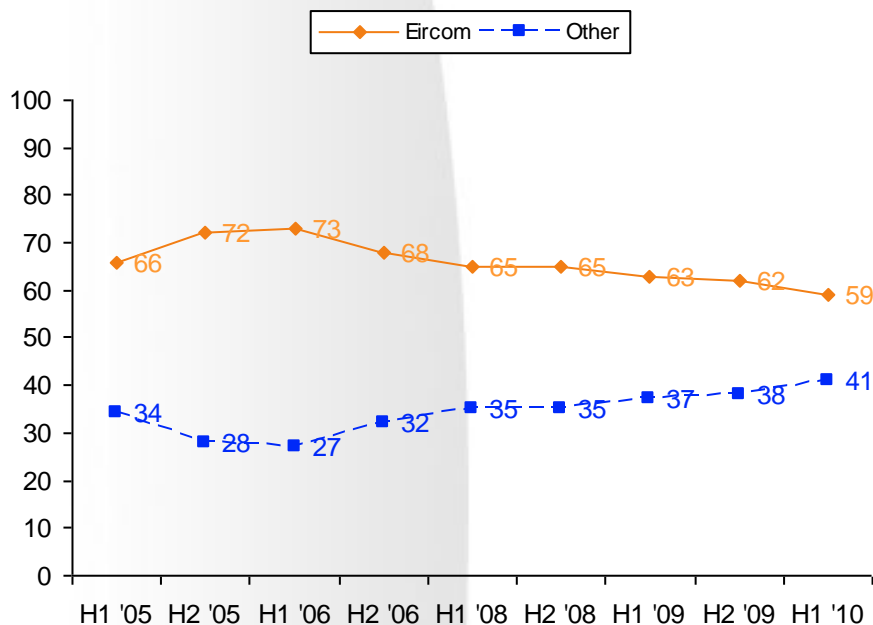
- Eircom continues to be the main ISP in the market used by businesses in Ireland; however, the use of other providers continues to grow with just over 4 in 10 businesses now using a provider other than Eircom.

# SMEs are more likely to use Eircom for Internet access than Corporate businesses

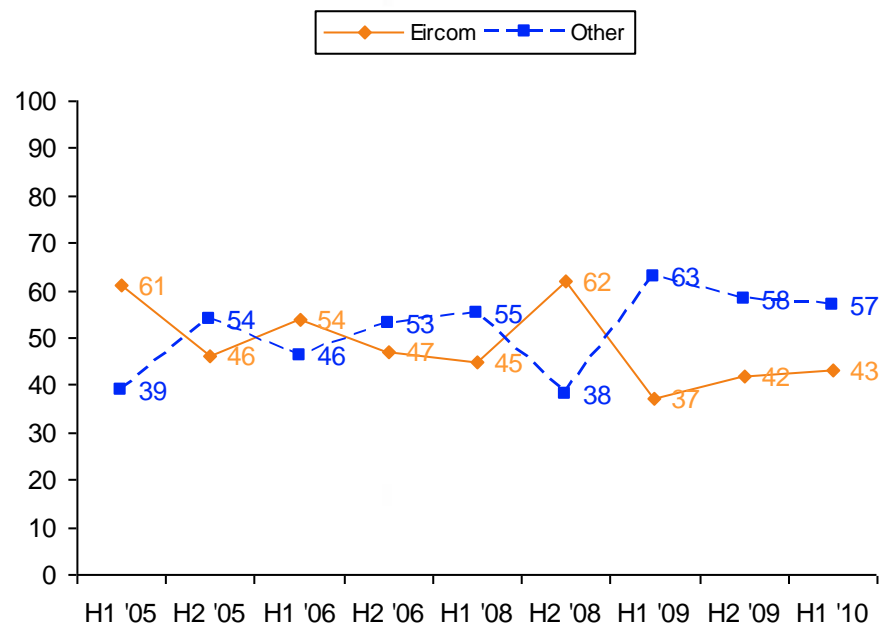


Q. What Internet supplier does your company use for connection to the Internet?

**SME's**



**Corporates**

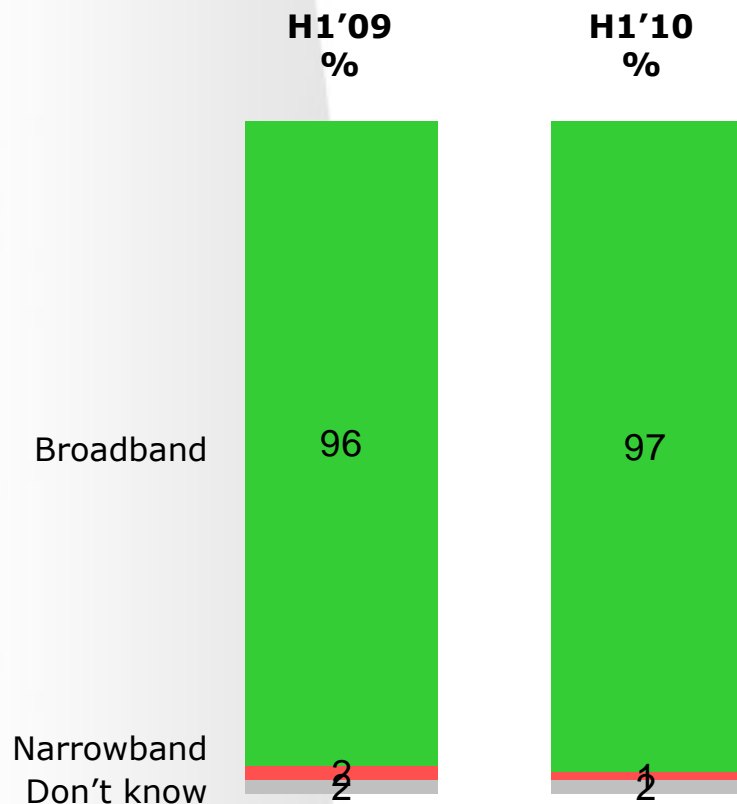


- Corporates are more likely than SMEs to use a provider other than Eircom for their Internet connection. This may be related to the fact that Corporates have a need for a more specialized broadband service.
- However, the use of a supplier other than Eircom continues to increase for SMEs

# Most businesses claim to use a broadband Internet Connection



Q. Is your company's MAIN Internet connection a Broadband or a Narrowband connection?

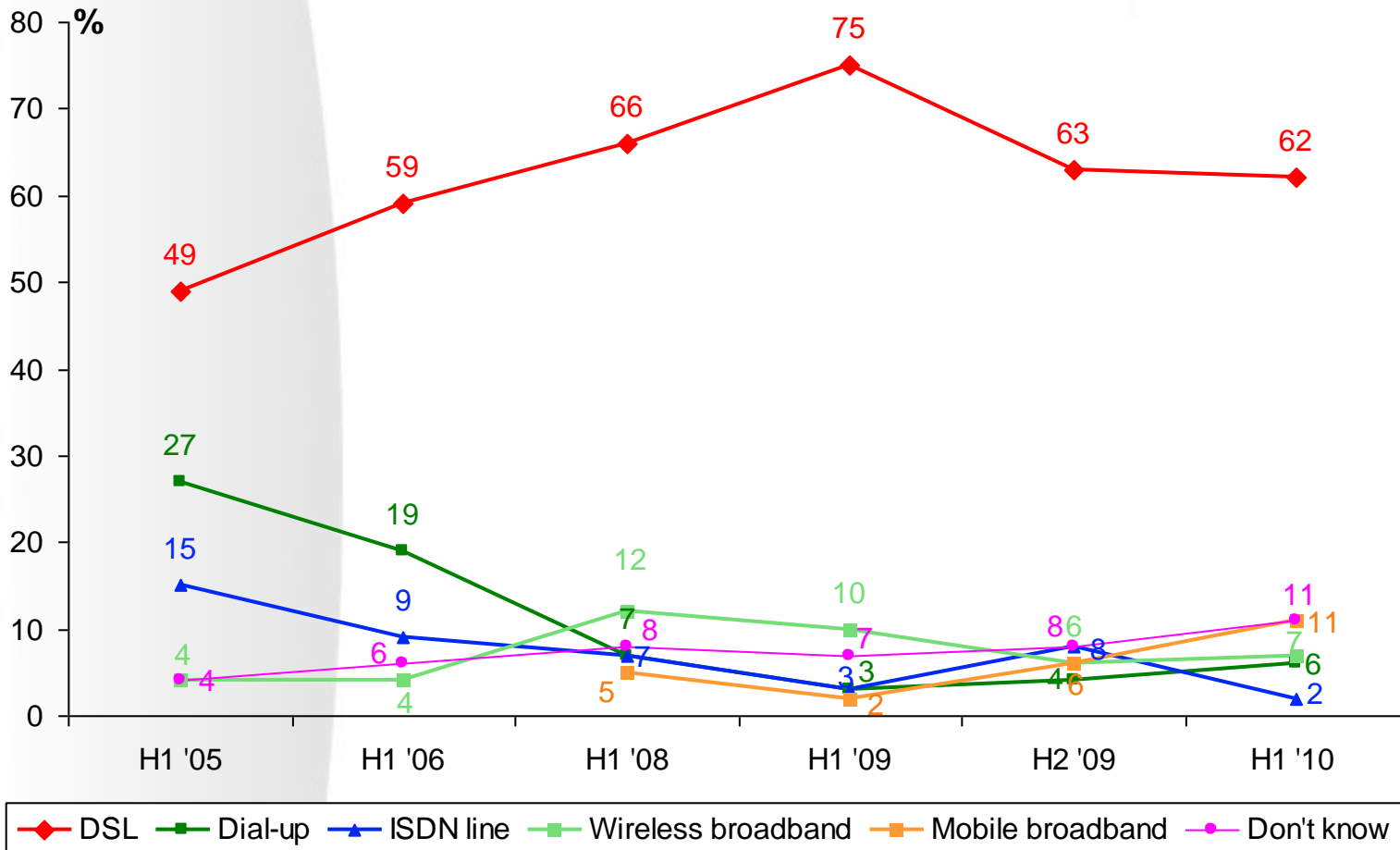


- There is almost universal claimed usage of *broadband* connections. When probed on the type of Internet technology used (analysed in slide 48) however respondents did not always appear to understand narrowband versus broadband technologies

# DSL remains the main type of connection used by SMEs



Q. What type of Internet connection does your company use? #



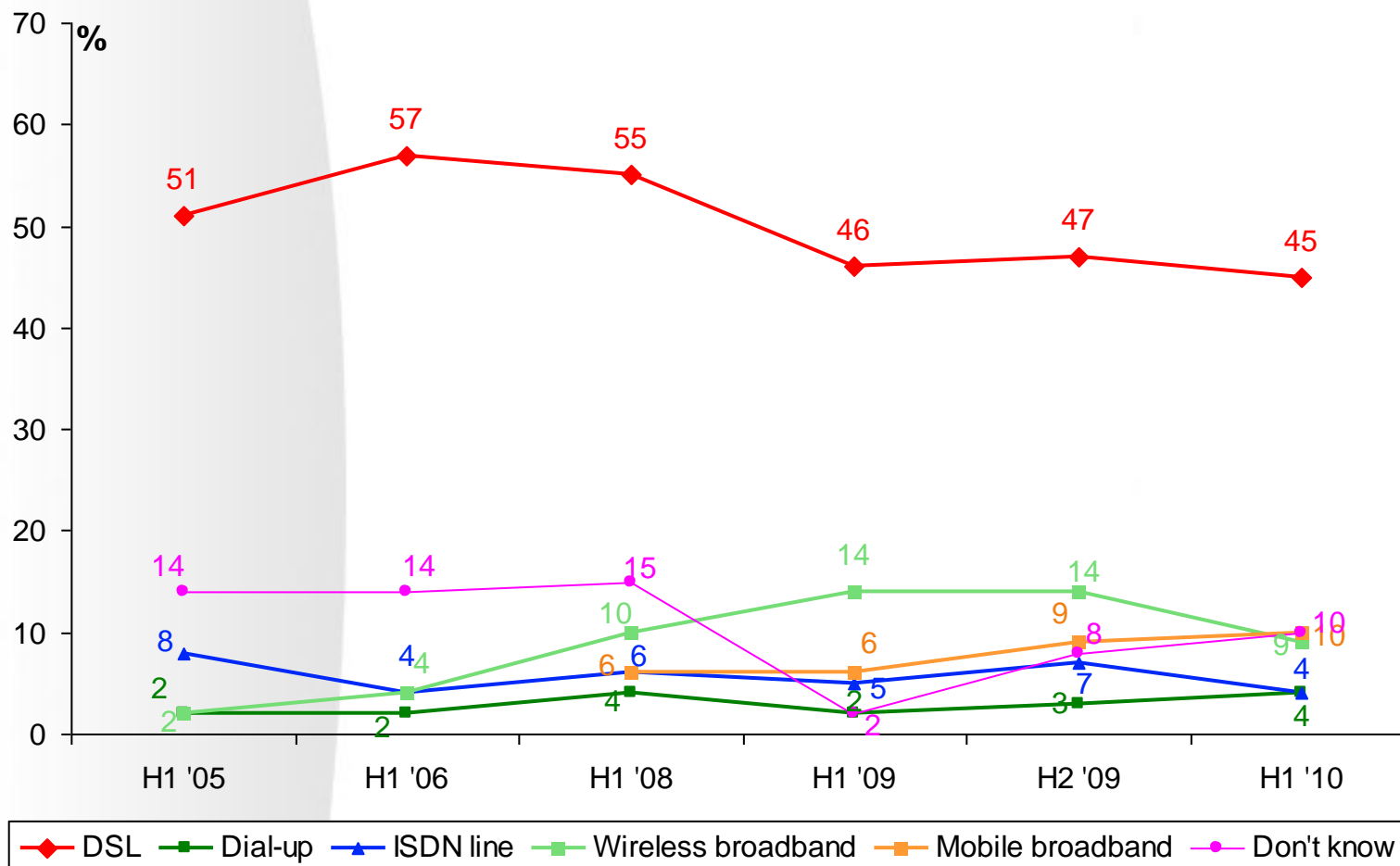
# Not all types of connection shown



# DSL remains the main type of connection used by Corporates



Q. What type of Internet connection does your company use? #



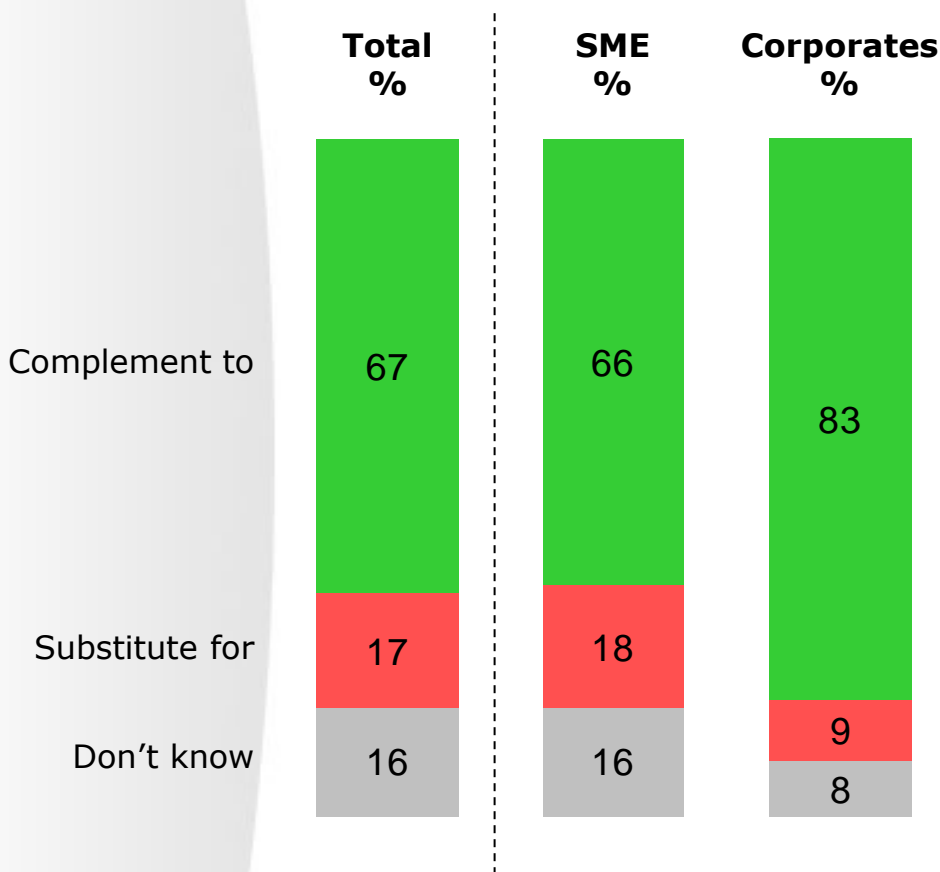
#Not all types of connection shown

# Two thirds of businesses using the Internet believe mobile broadband is a complement to a fixed type of connection



New

Q. Do you believe that Mobile broadband is a complement to, or a substitute for a fixed type of broadband connection?

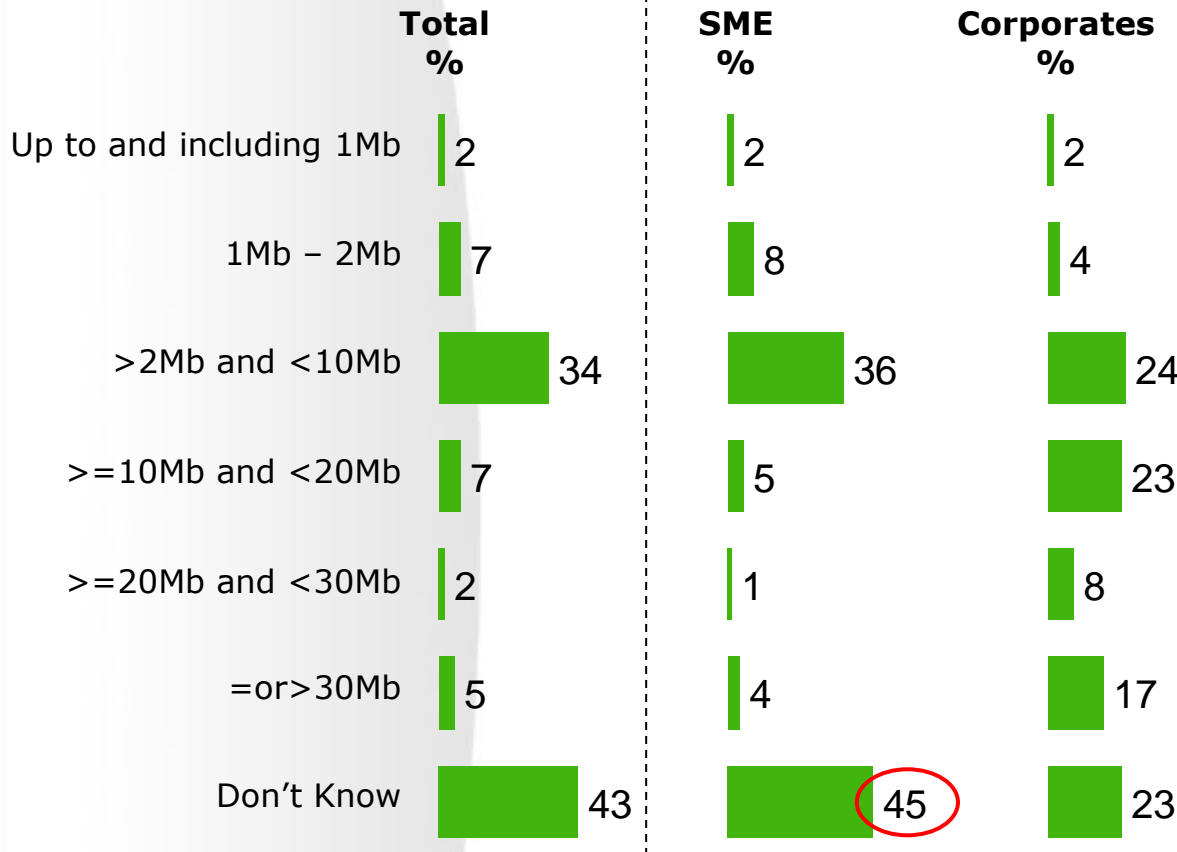


- Two thirds of businesses with Internet access believe that mobile broadband is a complement to, rather than a substitute for, a fixed type of broadband connection.
- Corporates (83%) are more likely to hold this view than SME's (66%) are. Nearly 2 in 10 SMEs (18%) believe mobile broadband is a substitute for a fixed type of broadband connection.

# Nearly half of Corporates claim download speeds of over 10Mb



Q. What stated download speed does your Internet supplier contract to provide to your company?

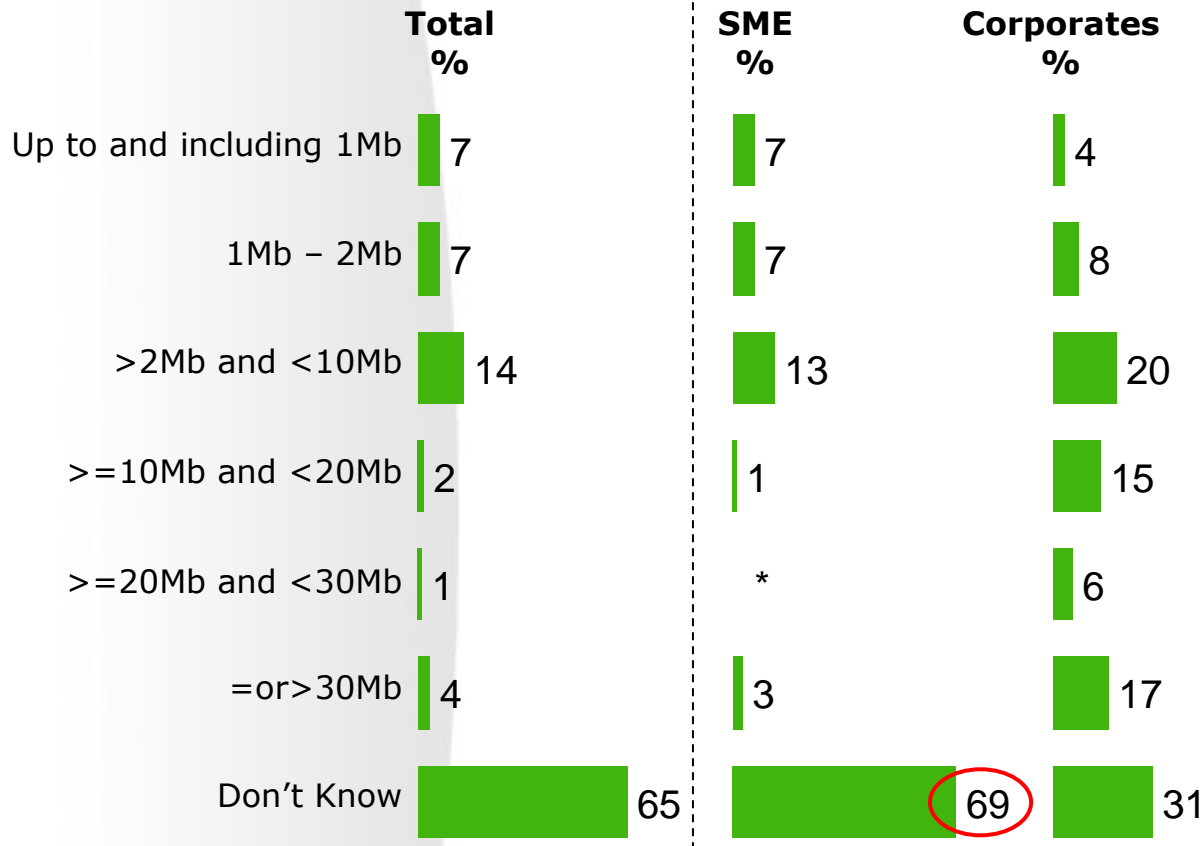


- Just over 4 in 10 of all companies are unaware of the download speeds provided by their ISP; SMEs are a lot less aware than Corporate businesses are.
- A third (34%) believe their download speeds are between 2Mb-10Mb, with a further 14% claiming speeds of 10Mb+.
- Nearly a quarter of Corporates (23%) have a broadband connection with speeds of between ≥10Mb and <20Mb.

# 7 in 10 SMEs unaware of contracted upload speeds



Q. What stated upload speed does your Internet supplier contract to provide to your company? SINGLE RESPONSE

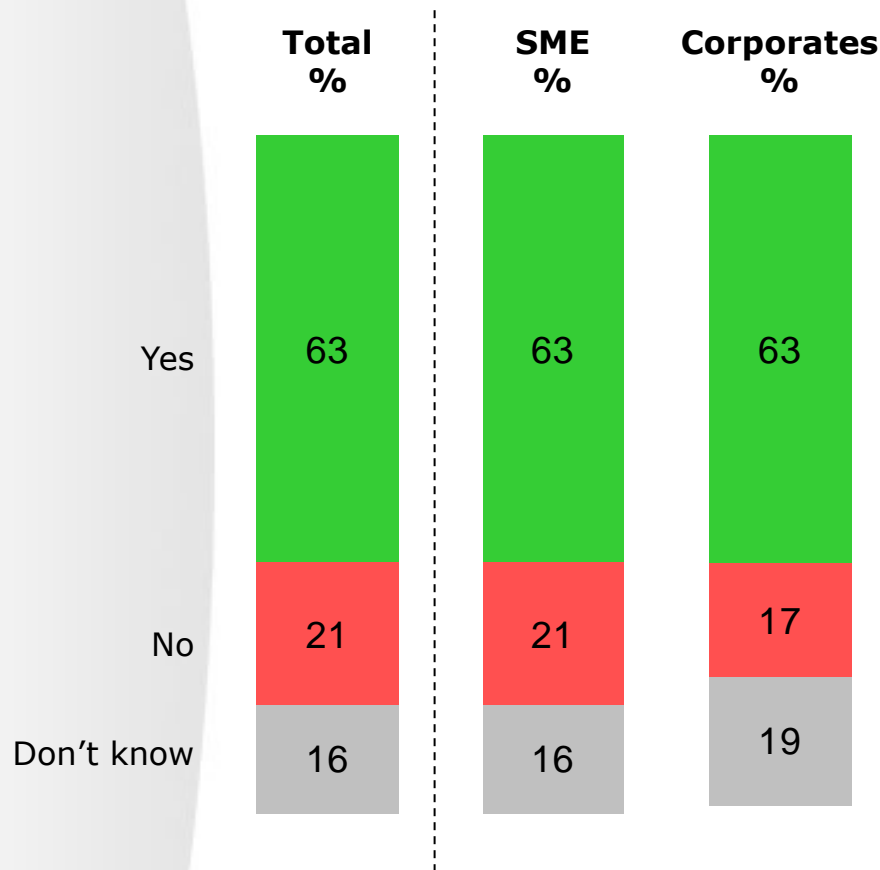


- Awareness of upload speeds is even lower than download speeds, with two thirds (65%) of all businesses not being aware of what upload speeds their ISP is contracted to provide.
- Again, SMEs claim much lower awareness than Corporates do.
- 14% of businesses overall claim to have contracted upload speeds of between >2Mb and <10Mb.

# 6 in 10 businesses believe their ISPs are delivering contracted speeds



Q. Do you believe that your Internet provider is delivering the speeds stated in your Internet package terms and conditions?



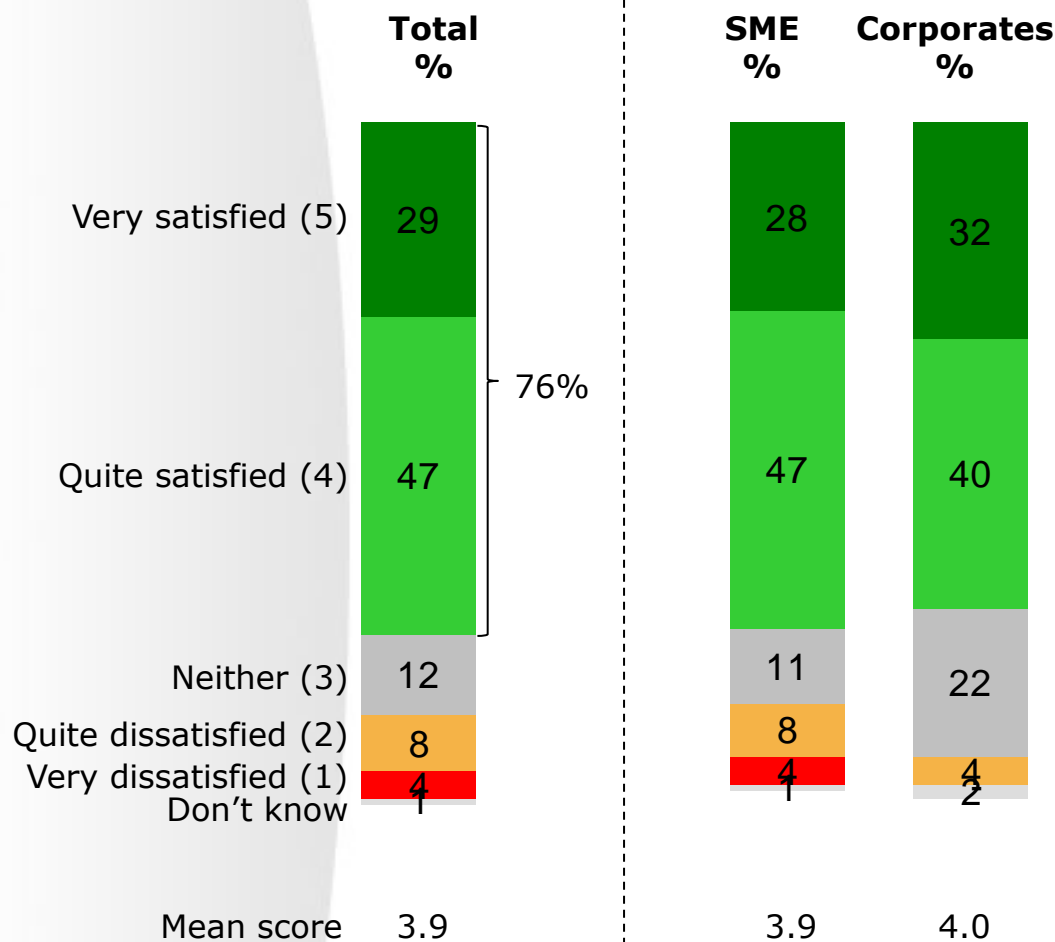
- Despite low levels of awareness of download and upload speeds their providers are contracted to provide, over 6 in 10 (63%) of all businesses with Internet believe that their ISP is delivering the speeds stated in their Internet package terms and conditions.

Base: All with Internet access (n=451;52)

# Satisfaction with the speeds received from ISPs is high among all businesses



Q. How satisfied are you with the speeds your company experiences with your Internet provider?



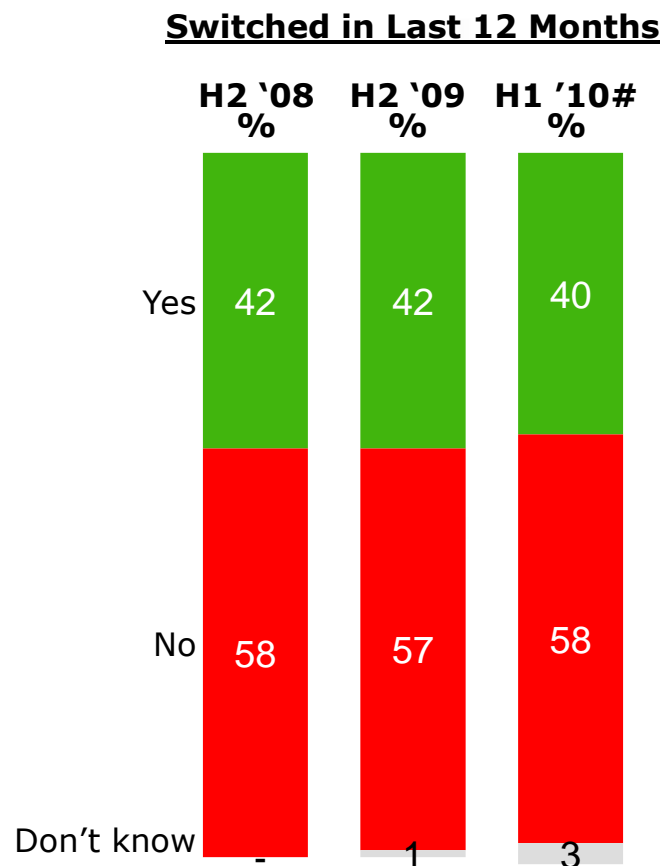
- Businesses rate their satisfaction with the speeds they receive from their ISPs very highly – three quarters say they are satisfied.
- Only 4% of Corporates, and 12% of SMEs say they are dissatisfied to any extent with the speeds achieved.
- Businesses operating in the financial services sector (92%) rate their satisfaction a lot higher than average.

Base: All with Internet access (n=451;52)

# 3 in 10 businesses switched Internet provider in the past year



- Q. Has your company ever switched Internet provider?
- Q. Did your company switch Internet provider in the last 12 months?



Base: All with Internet Access (n=503)

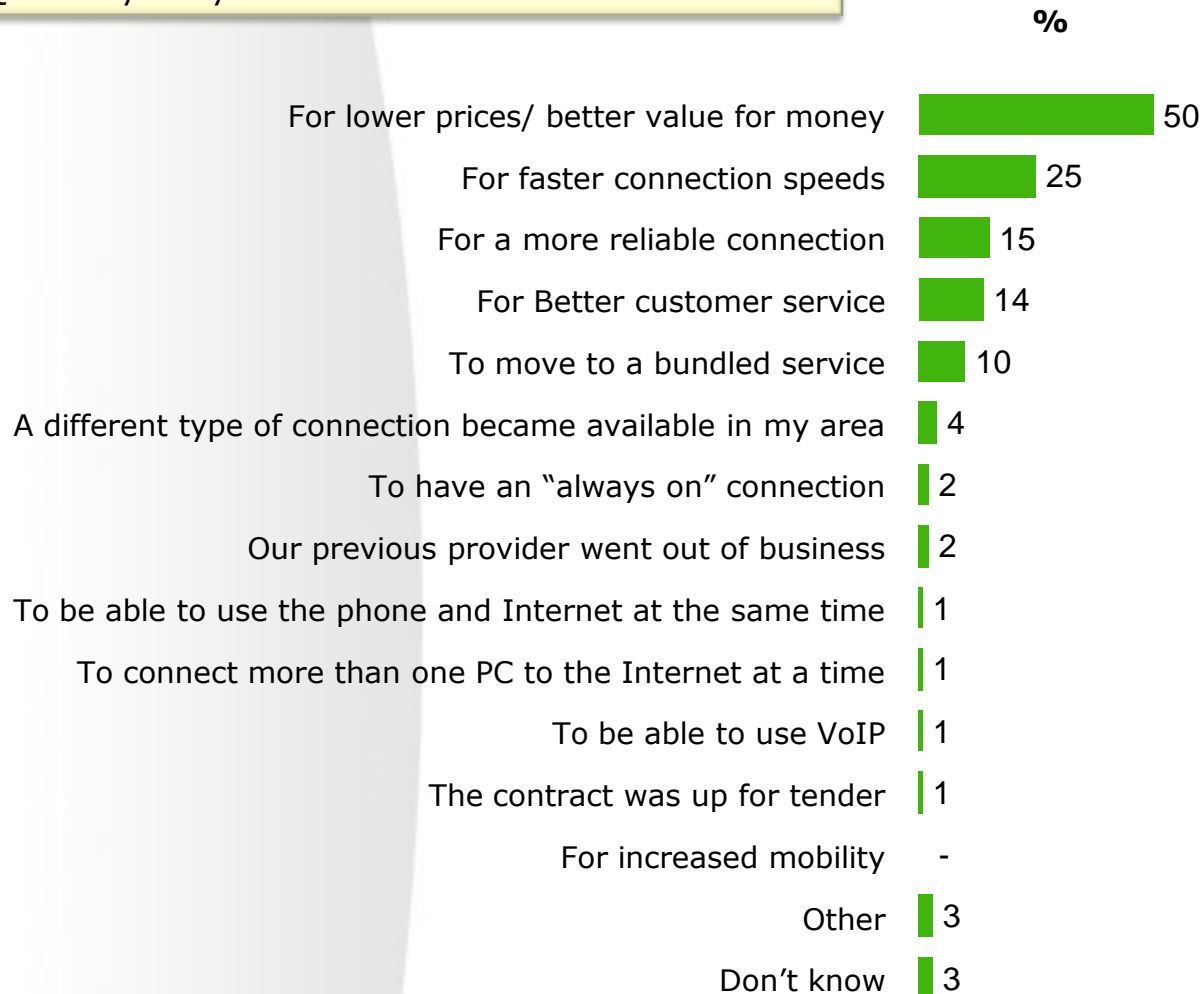
Base: All Who Switched Internet Provider (n=143)

# Lower prices is the main reason for switching Internet service provider



Q. Why did you switch Internet Service Provider?

New



- Better value/lower prices, was the primary driver among businesses who switched ISP (50%). This is especially true for smaller SMEs (1-9 employees), with nearly 6 in 10 (58%) giving this reason for switching. This was also higher for businesses based in the Rest of Leinster (55%).
- Faster connection speeds was a driver for a quarter of businesses (25%) to switch ISP, while switching for a more reliable connection (15%) and better customer service (14%) were also cited as reasons for switching.

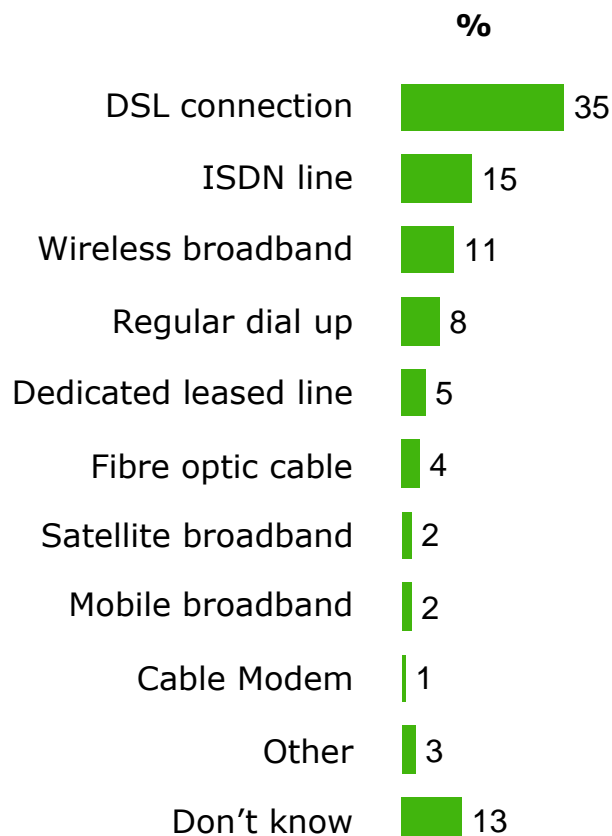
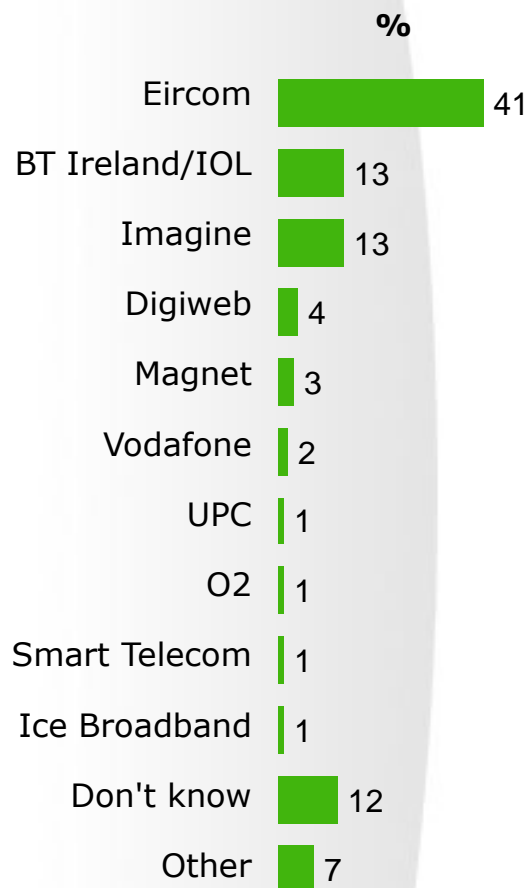


# Most of those who switched previously used Eircom and previously used DSL



- Q. Who was your business's previous Internet service provider?  
Q. What was your business's previous Internet connection type?

New



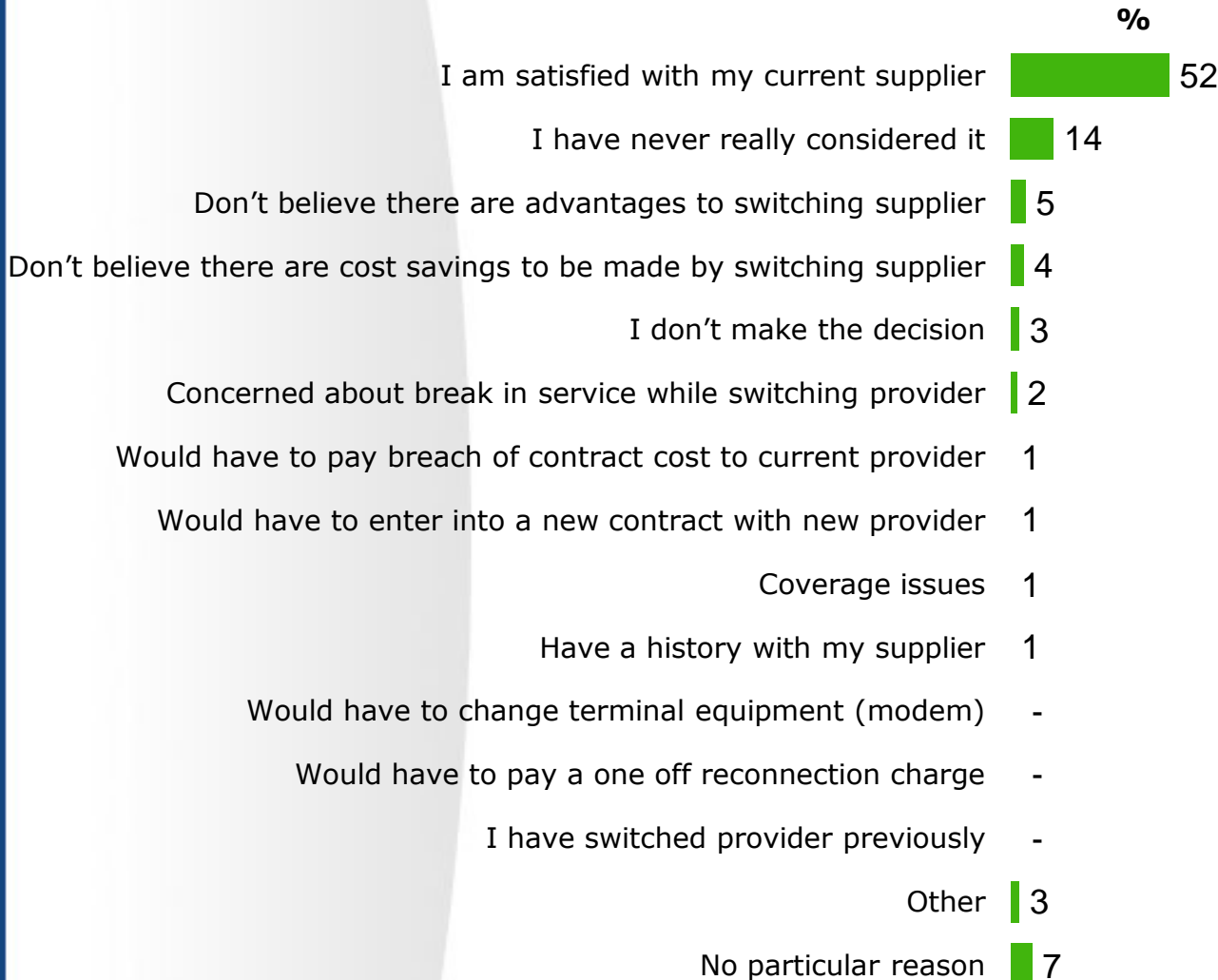
- 4 in 10 businesses who ever switched ISP were previously Eircom customers, while a further 13% were BT Ireland customers, and another 13% of those who switched ISP were previously Imagine customers
- A third of businesses who have switched ISP used to be DSL customers, while nearly a quarter (23%) were previously narrowband customers (ISDN and Regular dial up).

# Satisfaction with current ISP is the main reason for not switching Internet service provider



Q. What are your main reasons for not your switching Internet Service Provider?

New



- Satisfaction with current ISP (52%) is the most often given reason for not switching ISP among Internet users who have never switched.
- Not having considered it is the next most endorsed reason for not having switched ISP (14%).

Satisfaction with current supplier main reason for not switching:

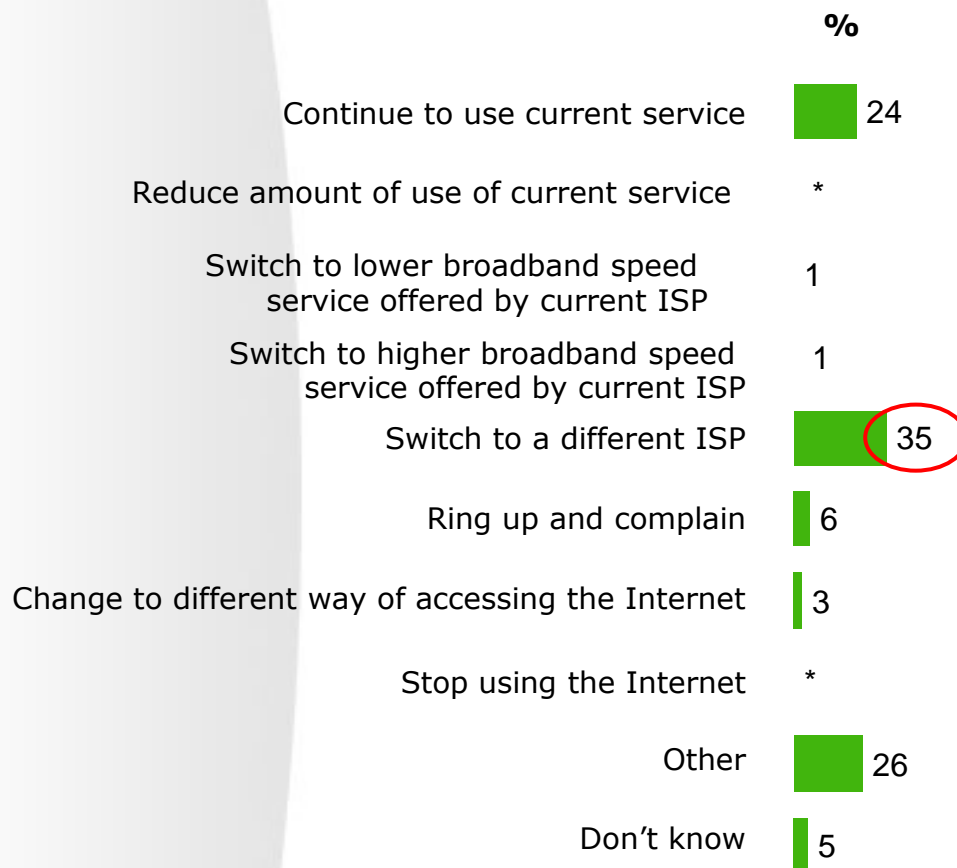
Fixed – 56%  
Mobile – 62%

# A quarter of Internet users would stay with current ISP if prices increased by 5%



Q. If your current Internet service provider were to **raise** their prices by 5%, what would you do?

New



## For a theoretical 5% Increase in costs

- One quarter of those with home Internet Access would continue to use current service
- Over a third would switch to a different ISP

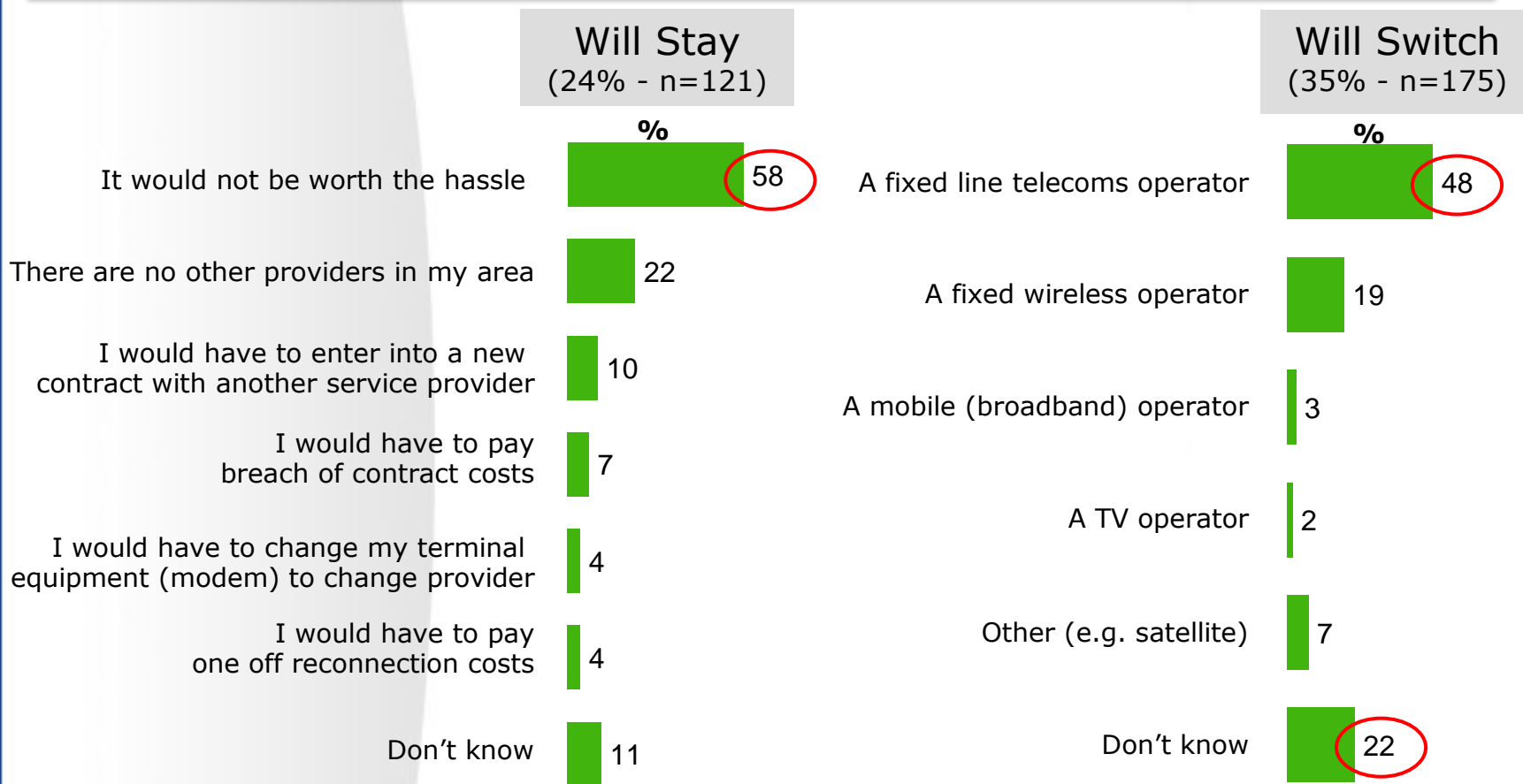
Base: All with Internet Access (n=503)

# 6 in 10 deem it hassle to switch ISP if a 5% price increase introduced



- Q. You indicate that you would continue to use your current Internet provider if prices were to go up 5%. Which, if any, of the following would explain why you would not consider changing provider in the event of a price increase?
- Q. What **type** of Internet service provider would you switch to?

New



Base: All who would stay with current provider (n=121)

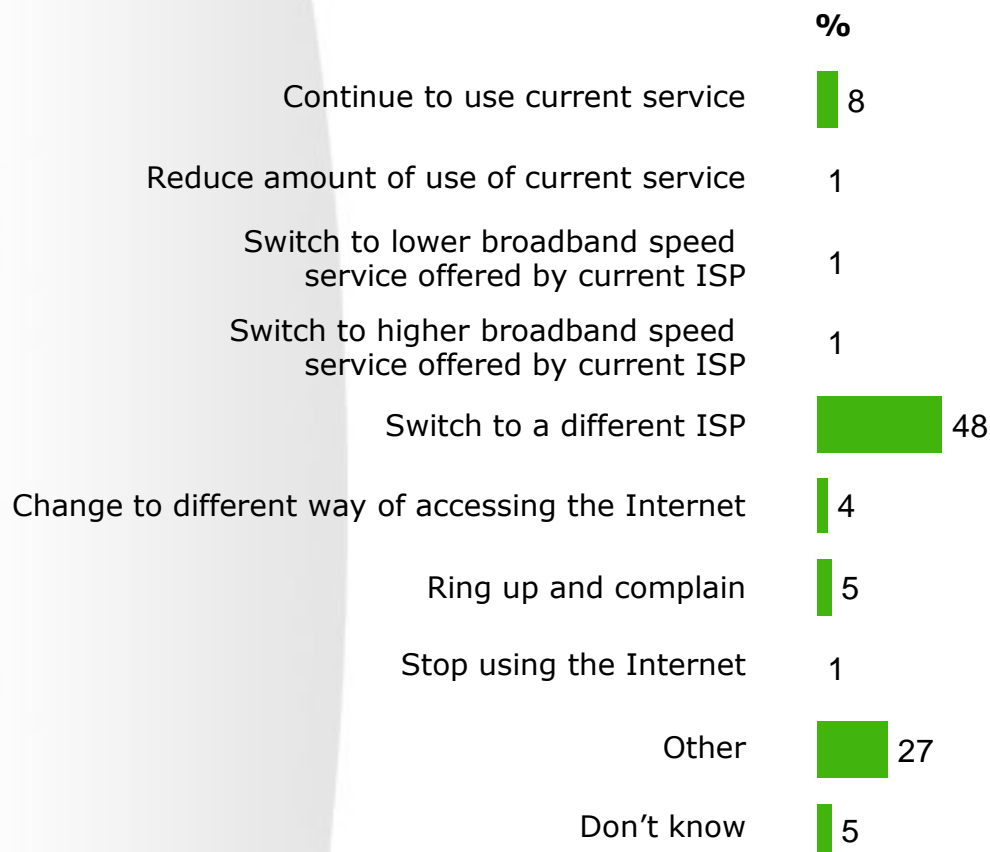
Base: All who would switch provider (n=175)

# Half of internet users would switch ISP in the event of a 10% price increase



Q. If your current Internet service provider were to **raise** their prices by 10%, what would you do?

New



## For a theoretical 10% Increase in costs

- Fewer than one in ten would stay with current ISP if price increased by 10%
- Nearly half would switch to a different ISP

Base: All with Internet Access (n=503)

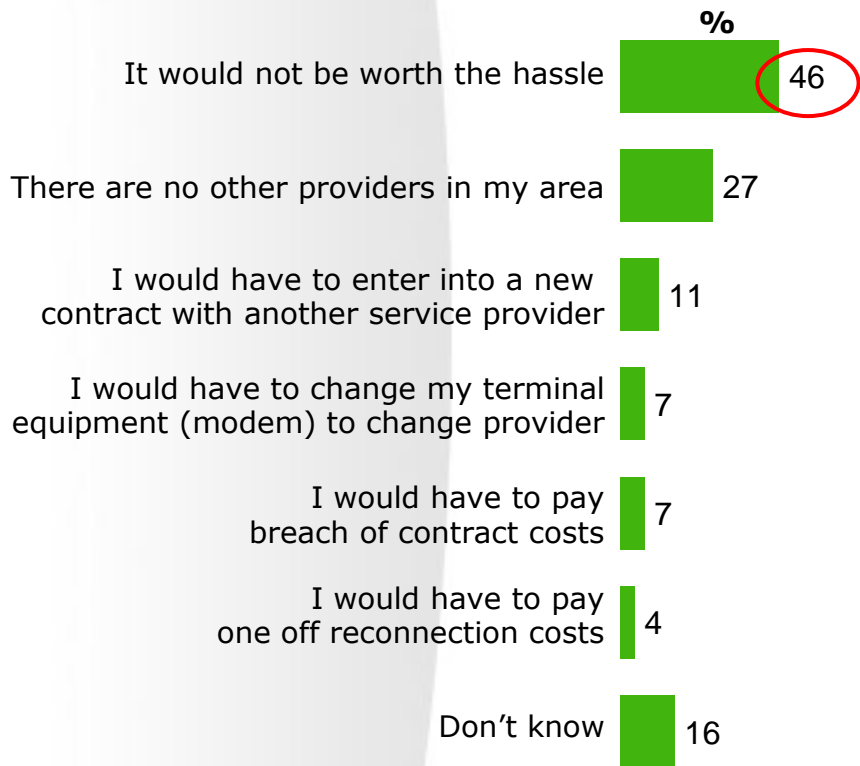
# Half of those who would switch if ISP prices were to increase by 10% would switch to a fixed line operator



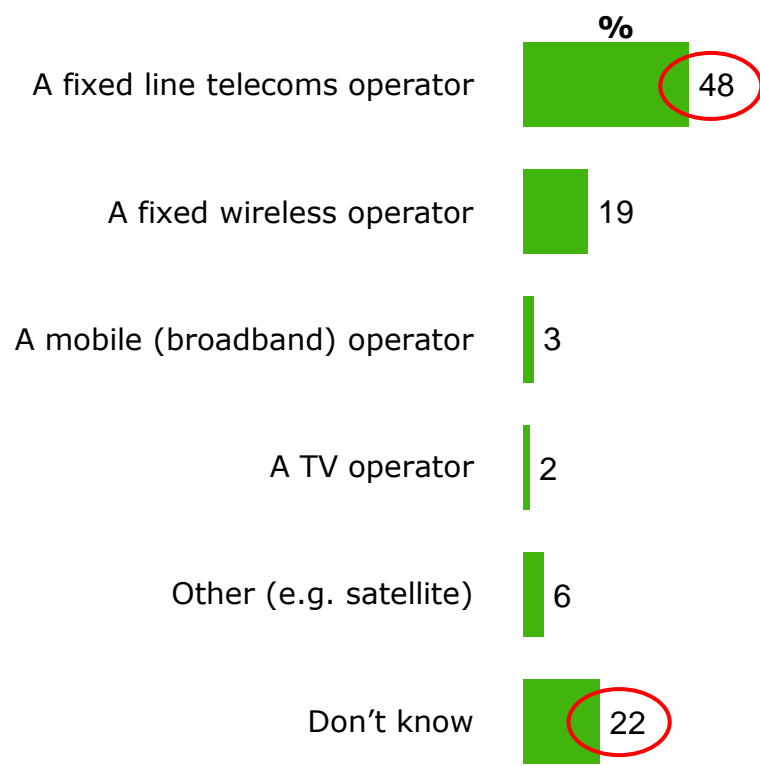
New

- Q. You indicate that you would continue to use your current Internet provider if prices were to go up 10%. Which, if any, of the following would explain why you would not consider changing provider in the event of a price increase?
- Q. What **type** of Internet service provider would you switch to?

**Will Stay**  
(9% - n=43)



**Will Switch**  
(48% - n=241)



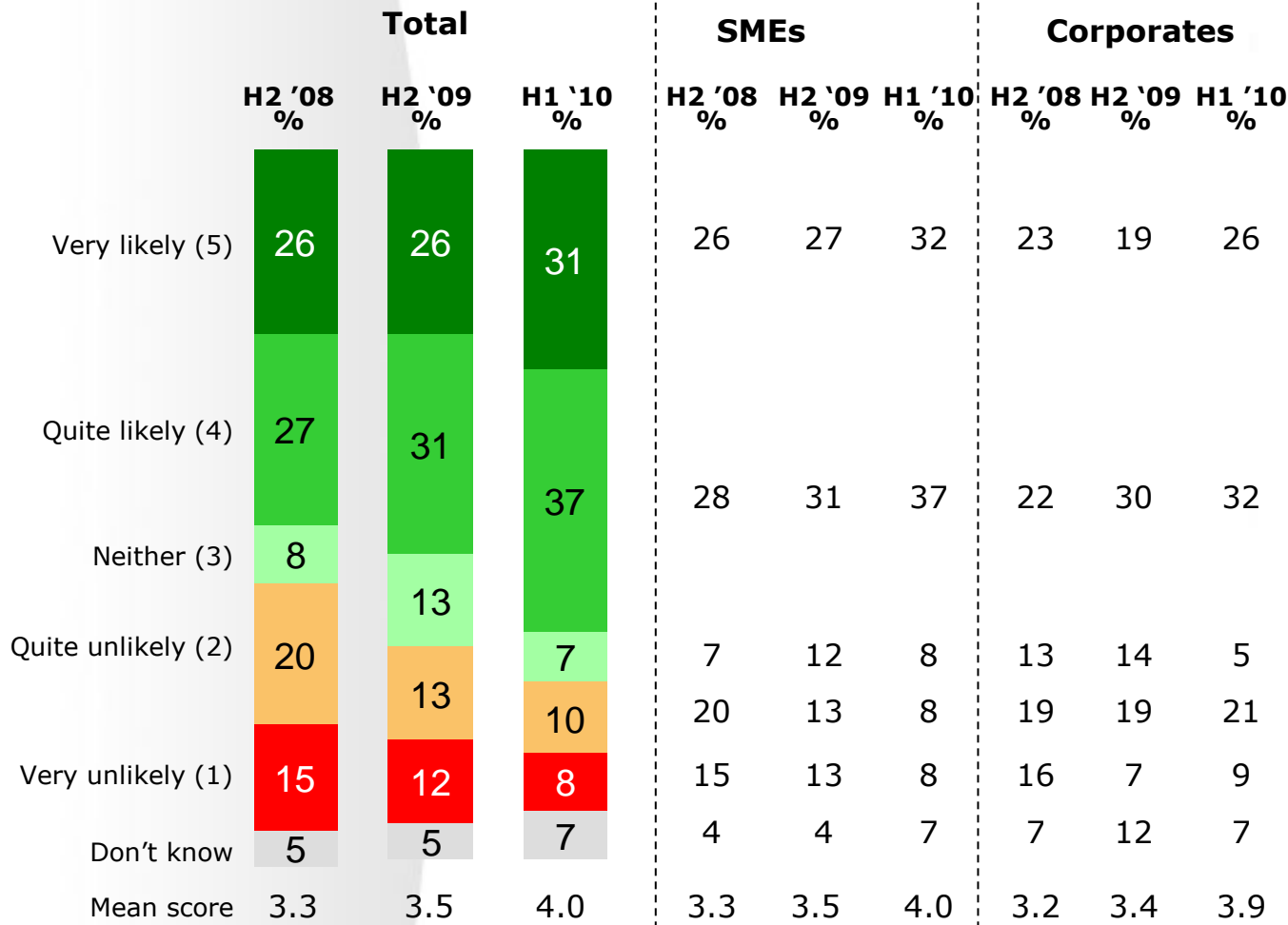
Base: All who would stay with current provider (n=43\*)

Base: All who would switch provider (n=241)

# Increase in stated likelihood of switching broadband supplier for a 10% Saving



Q. If you could make a 10% saving on your broadband bill by switching to an alternative broadband platform to what you currently use, how likely would you be to consider switching?



- While cost of service was not considered the most important aspect of their broadband service business, nearly 7 in 10 businesses (68%) say they would switch broadband supplier for a 10% bill saving, up markedly from 2009.
- Those most likely to consider switching for a 10% saving are also more likely to have previously ever switched provider (76%).
- SMEs remain more likely than Corporates to say they would switch broadband supplier for a 10% saving.

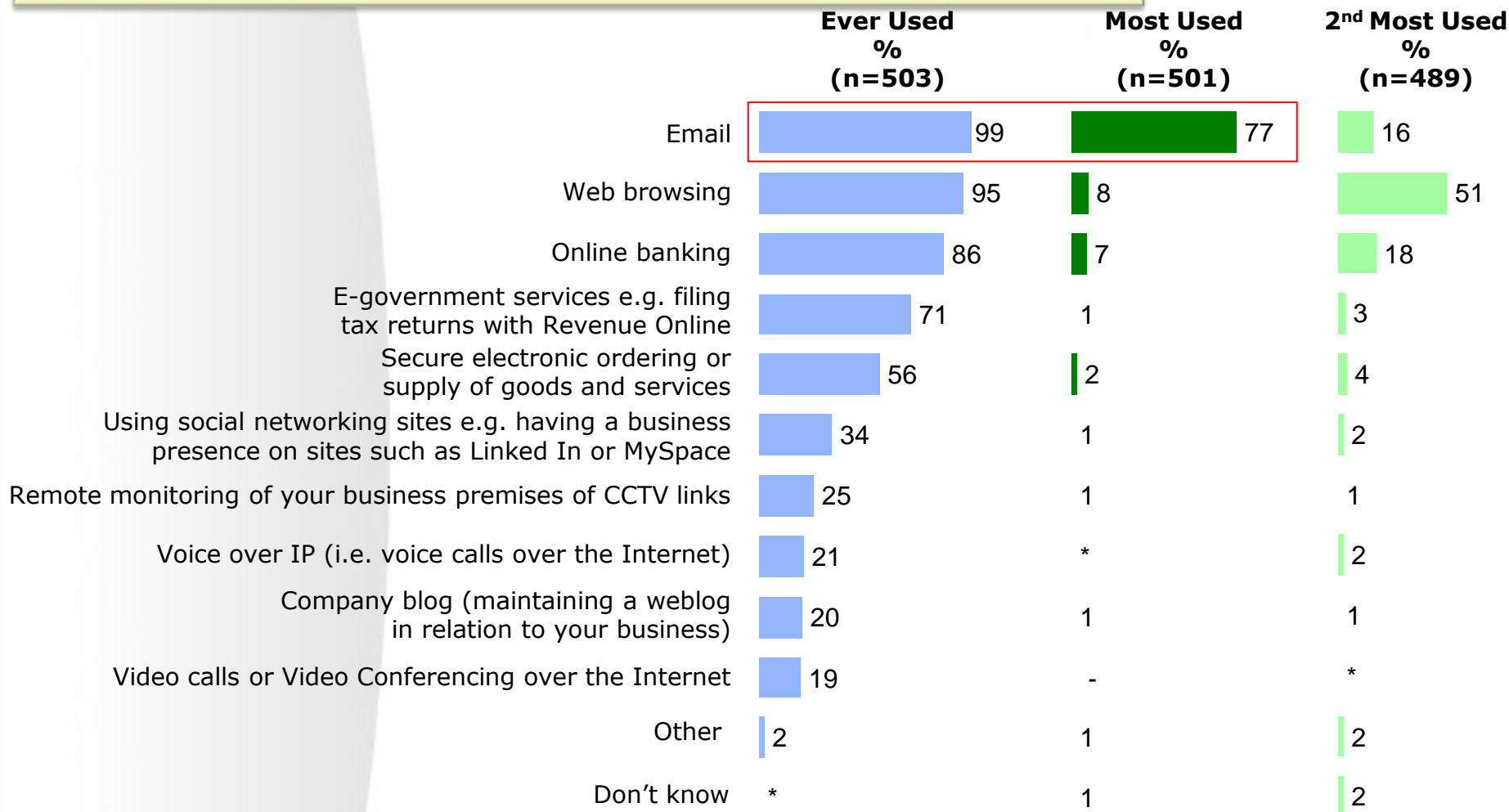
\*Caution Small base size

# Email is by far the most widely used Internet application



Q. In the last three months which of the following applications did you ever use?  
Which did you spend **most** of your time on?  
Which did you spend the **second** highest amount of time on?

New



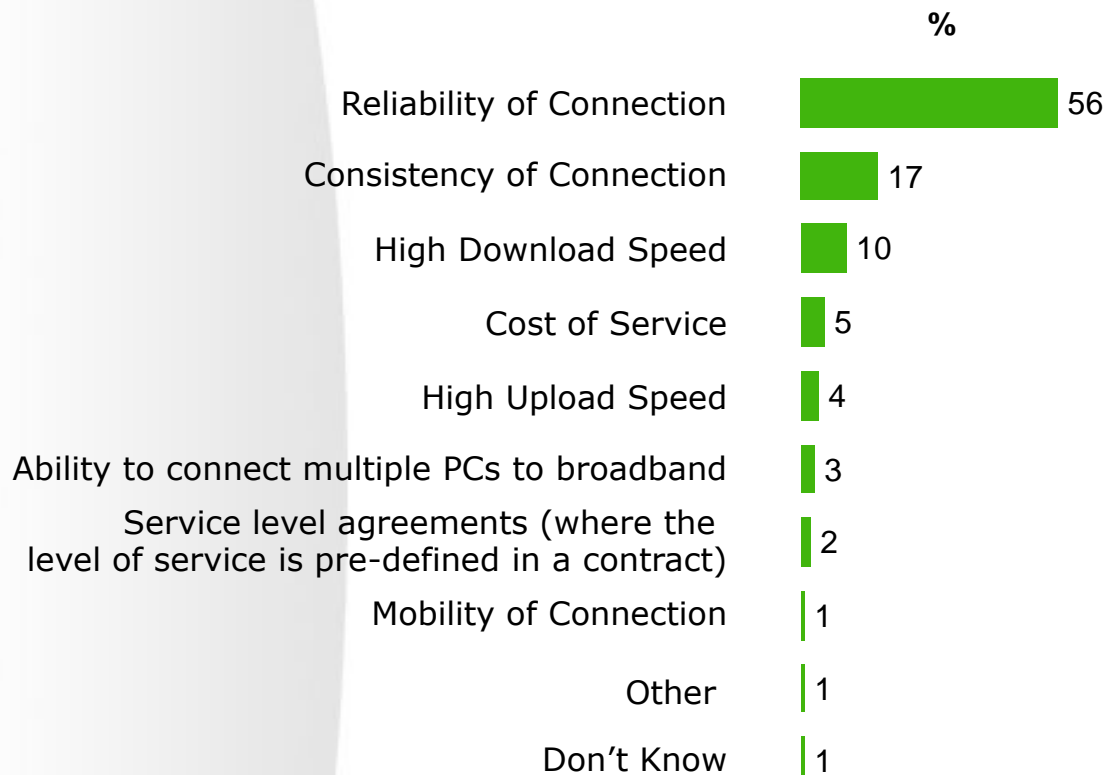


# Reliability of connection is by far the most important aspect of the broadband service



Q. Which of the following aspect(s) of your broadband service is the **MOST** important to your business?

New



- 56% of broadband users consider the reliability of their broadband connection the most important aspect of their broadband service.
- A further nearly 2 in 10 (17%) rate consistency of connection as most important.
- Issues such as upload and download speeds, mobility and cost of broadband services do not appear to be the most significant considerations for businesses with broadband access.

Base: All with Broadband Access (n=333)



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## **General Telecommunications Issues**

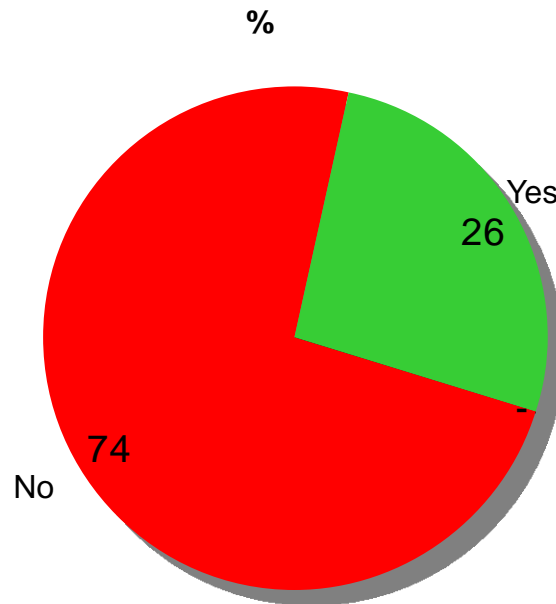
# One quarter of businesses consider the printed telephone directory essential



Q. Do you consider access to a PRINTED telephone directory an essential resource for your business?

- A quarter of all businesses consider access to a printed telephone directory as essential for their business.

Higher among	
Corporates	89%
Dublin businesses	79%
Use VOIP	87%



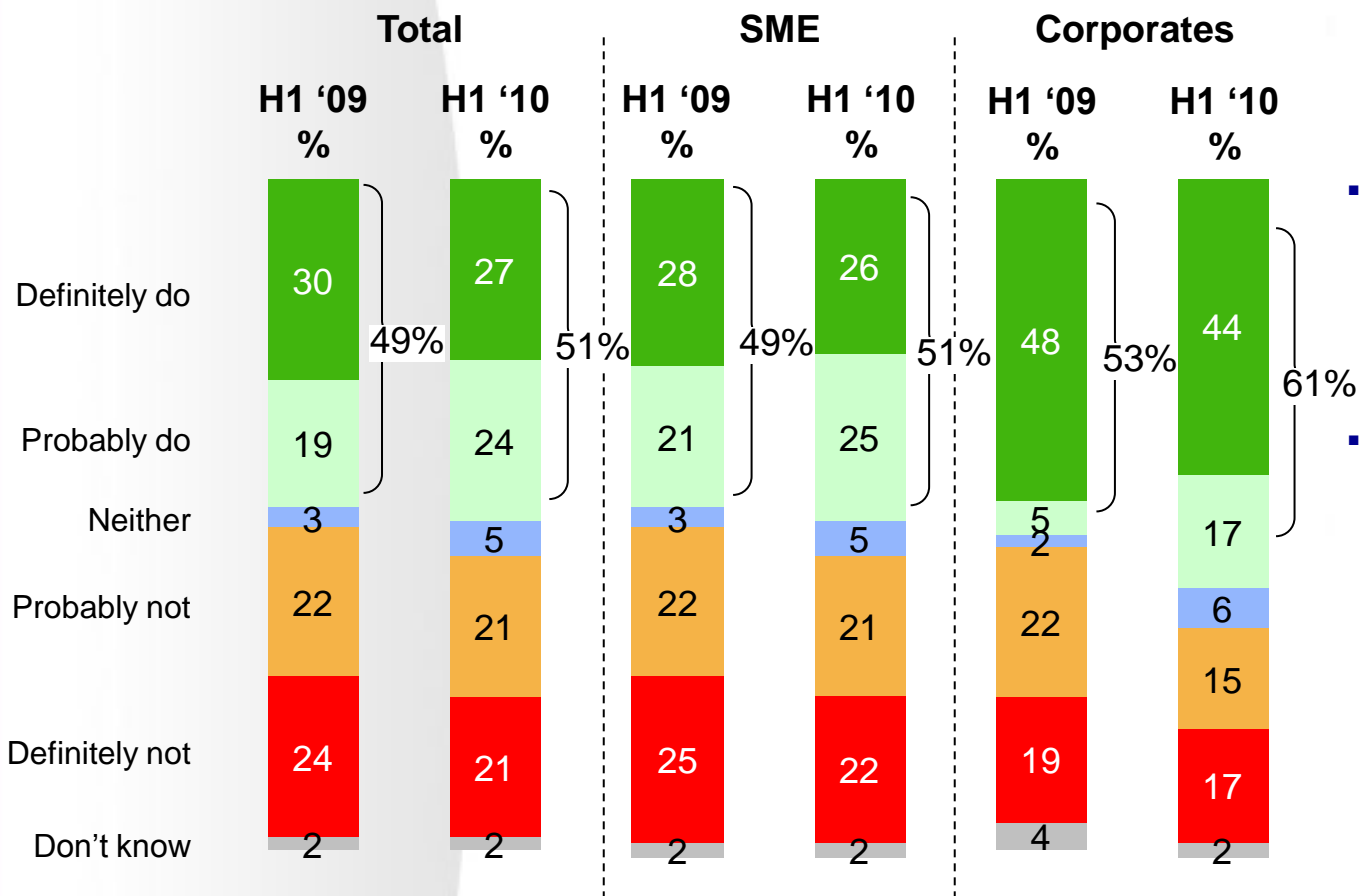
Higher among	
1-9 employees	31%
Connacht/Ulster businesses	35%
No company mobiles	38%

Base: All Businesses (n=550)

# Half of all businesses foresee a reduction in ICT Spend in the next 12 months



Q. Given the downturn in the Irish economy, do you foresee a reduction in your spend on information and communications technologies in the next 12 months?



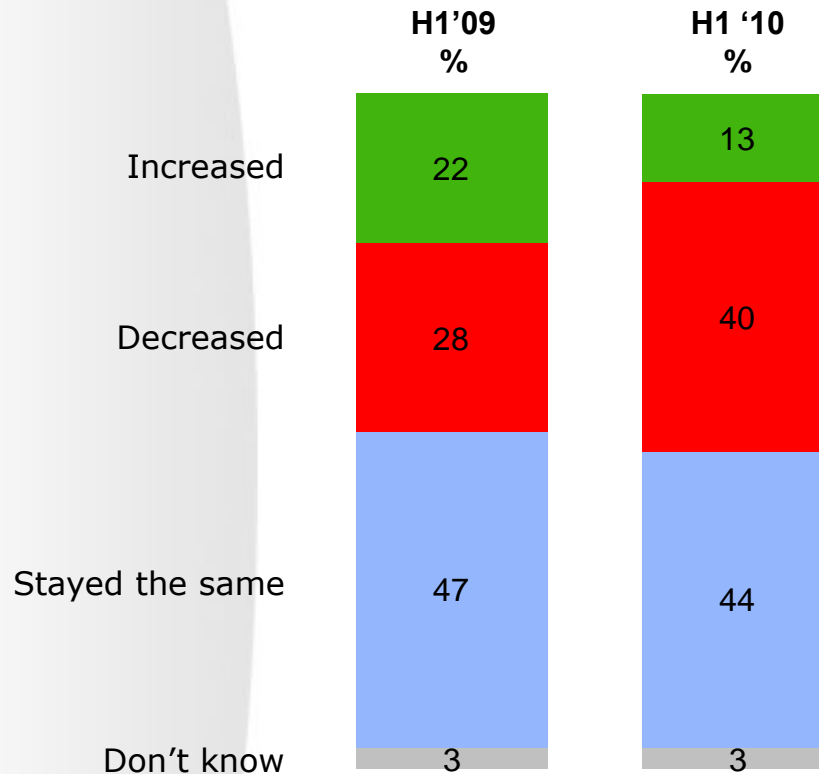
- Corporates (61%) are more likely to cut spending due to the downturn, although half of all businesses (51%) share this view.
- Opinion is still divided however; 42% overall feel they will not curb spending in the next 12 months. This is higher among businesses with 1-9 employees (48%) and businesses based in Connacht/Ulster (49%).

Base: All Businesses(n=550)

# 8 in 10 businesses say their telecommunications costs have either decreased or stayed the same in the last year



Q. In your opinion, over the last 12 months have your company's overall telecommunications costs:



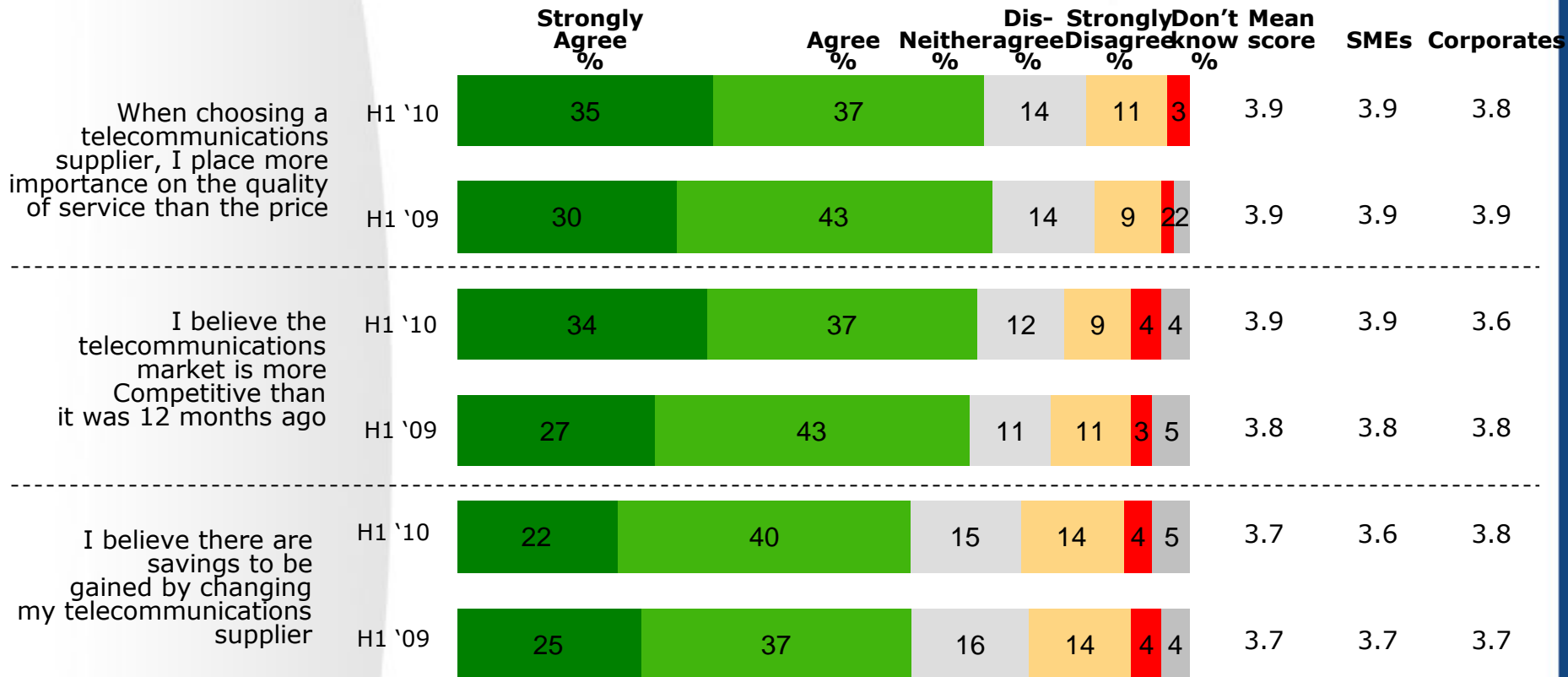
- A higher percentage of businesses (40%) state that their company's overall telecommunications costs have decreased in the last 12 months, than said so a year ago (28%).
- This is higher among Corporates (53%), and those businesses who have switched any of their fixed line (48%), mobile (54%) and Internet service providers (54%) in the last 12 months.

Base: All Businesses (n=550)

# No change in attitude to price and competitiveness over the past year



Q. How strongly do you agree or disagree with each of the following statements



Base: All Businesses (n=497,53)



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## **Key Findings**



## Fixed Line Market

- At an overall level, the use of Eircom only by businesses has seen a small upward shift which is driven by SMEs, as Corporate businesses are less likely to use Eircom only than in the previous wave of research.
- The average monthly spend by businesses (who are aware of their exact spend) on their fixed line service is €1,190 – the last time monthly spend was measured in this survey was in 2006 when average monthly spend was €997.
- A quarter of businesses experienced a network related fault with their fixed line in the last 12 months. Of those who reported a fault, 6 in 10 had the fault repaired within 2 days. Longer waiting times for fault repair were seen as having a significant impact on their businesses by those who had experienced a delay in repair time.
- A small percentage of businesses (14%) ordered a new fixed telephone line in the last 12 months, and three quarters of these were installed within 2 weeks.
- VoIP awareness remains steady, with half of SMEs and 9 in 10 Corporates being aware of this technology. There has been a steady increase in the take up of VoIP by Corporates, and while take-up among SMEs is a lot lower, as a general trend SME use of VoIP is on the rise.
- In addition most businesses who are using VoIP are more established users of the service, and have been using it for over a year. However, only 1 in 10 VoIP users use it as a complete replacement for PSTN – with the use of VoIP for international calls being the main use of the service.
- About half of businesses say that they have ever switched provider for fixed line services. This remains unchanged since the last wave of research.





- However there has been a marked increase in the percentage of businesses who say they have switched in the last 12 months compared to the previous two waves of research (from 33% in H2'08 to 47% in H1'10). This shift is also true in the mobile market. As switching provider is often associated with making cost savings, it is unsurprising that the instances of switching provider in the last 12 months have increased during the recession.
- Of those businesses who have never switched provider, the main reason given for not doing so is that they are satisfied with their current provider.

## Mobile Market

- There has been an increase in the number of SMEs who do not provide mobile phones to employees, with this figure at around a quarter of SMEs. In the main, businesses supply their employees with post-pay phones and the company pays for the employees' bills in full. There has however been an increase among both SME and Corporate employers to pay only for work related calls and for the employee to pay for personal calls.
- Average monthly spend on mobile services (among those businesses aware of what they spend) has decreased to €838 from €981 in the same period last year. Businesses are also far more likely to say that their mobile monthly spend has decreased this wave, with 4 in 10 SMEs and nearly half of Corporates saying this – an increase of 10 percentage points each.
- Of the lower percentage of businesses who claim their mobile spend had increased, this was attributed to increased usage rather than increased prices, although there was also the belief that a combination of both these factors had resulted in higher mobile phone bills.
- There was a small increase in the number of businesses who said that they had ever switched mobile provider, but as seen in the results of the fixed line research, a higher percentage of these claim to have switched their mobile phone in the last 12 months, with this figure trending upward since H2'08.



## Key Findings – III

- Again, satisfaction with current supplier was the main reason given for not switching mobile provider among those that have not. This reason for not switching is more pronounced among mobile users than fixed users (62% v 56%).
- The frequency of voice roaming appears to have increased in H1'10 after sharp decreases in H1'09. Unsurprisingly Corporates remain more frequent roamers than SMEs. Compared to a year ago, satisfaction with roaming charges has increased for SMEs, however Corporates rate their satisfaction lower this time around.
- Of those businesses who supply their employees with mobile phones, 56% are aware of the reduced data roaming charges within the 27 EU states.

### Internet and Broadband Communications

- Overall, 92% of businesses in Ireland have an Internet connection. While Eircom continues to be the ISP used by the majority of Irish businesses for Internet access, the gap between it and other providers is gradually closing.
- DSL remains the main type of broadband access used by businesses, and only 8% of businesses now use some type of a narrowband Internet connection. There does however continue to be confusion among businesses about the type of Internet connection that they use.
- There is very high percentage of businesses who are unaware of what contracted download and especially upload speeds they have with their provider. This is especially true for SMEs. However, despite not being able to name the speeds they are contracted to get, 6 in 10 businesses believe that their ISP is delivering the speeds stated in their internet package terms and conditions. There is also high satisfaction with speeds achieved.
- Levels of ever having switched Internet provider are lower than for the fixed and mobile markets with just 3 in 10 businesses with Internet saying they had ever switched provider. Four in ten of these had made the switch in the last 12 months.

## Key Findings – IV

- A third of those who have switched previously had a DSL connection, and 4 in 10 previously used Eircom for their Internet services. The search for better prices is the primary driver for those switching ISP, while satisfaction with current supplier is the main reason given by those who have not switched for not doing so.
- Email, web browsing and online banking are the three applications used by most of those businesses using the Internet. The most frequently used application is email, while the second most frequently used is web browsing.
- Reliability of connection tops the poll as the most important aspect of a business broadband service, with 56% of broadband users choosing this. In second place, a far way off at 17%, consistency of connection is the next most important rated factor.
- While costs are only deemed as the most important aspect of a businesses broadband service by 5% of broadband users, nearly 7 in 10 businesses using broadband say that it is likely that they would switch provider if they could make a 10% saving on their broadband bill by switching to an alternative broadband platform.

### General Telecommunications Issues

- The outlook on future ICT spend is unchanged at an overall level with about half of businesses saying they foresee a reduction in spend, however Corporates are more likely than at the beginning of 2009 to say that they are will cut spending on ICT services in the next 12 months (61%).
- Asking businesses to look back at the previous year, 4 in 10 say their spend decreased compared to fewer than 3 in 10 who said this in H1'09.



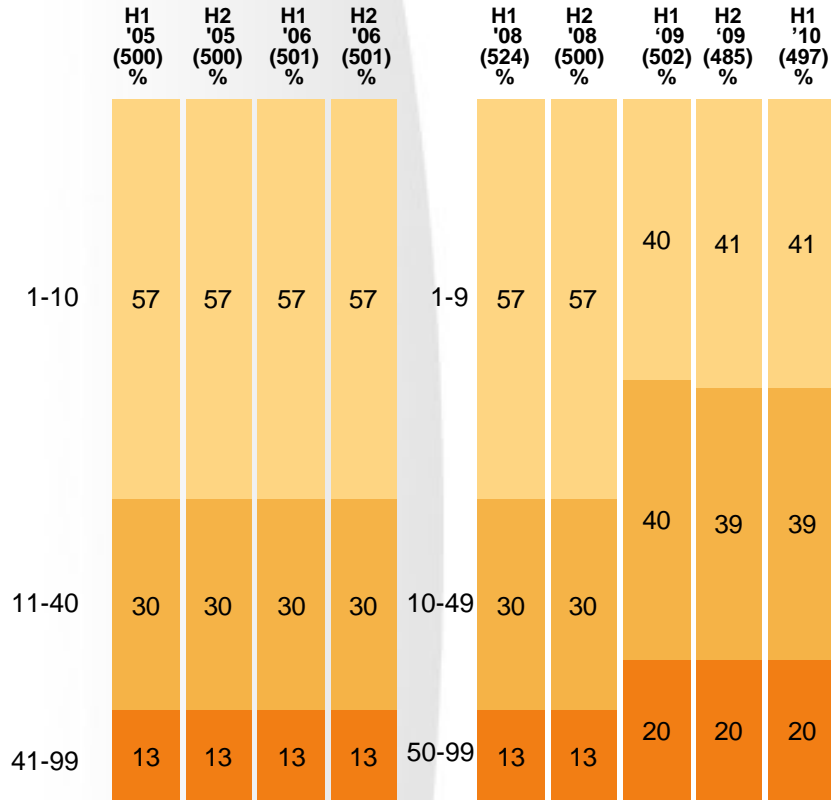
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## **Appendix: Sample Details**

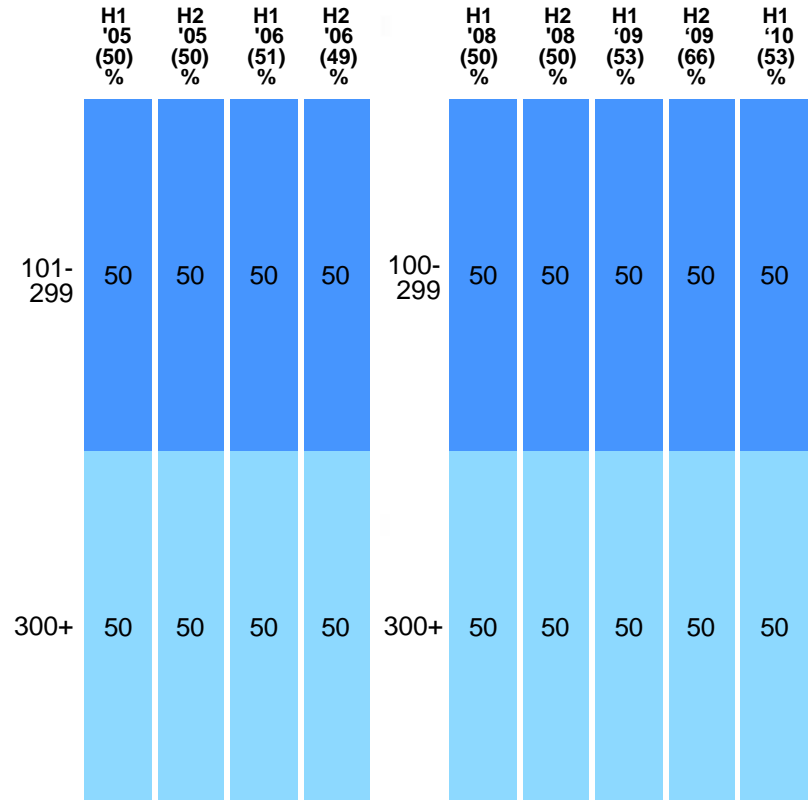


# Sample Profile – Number of Employees

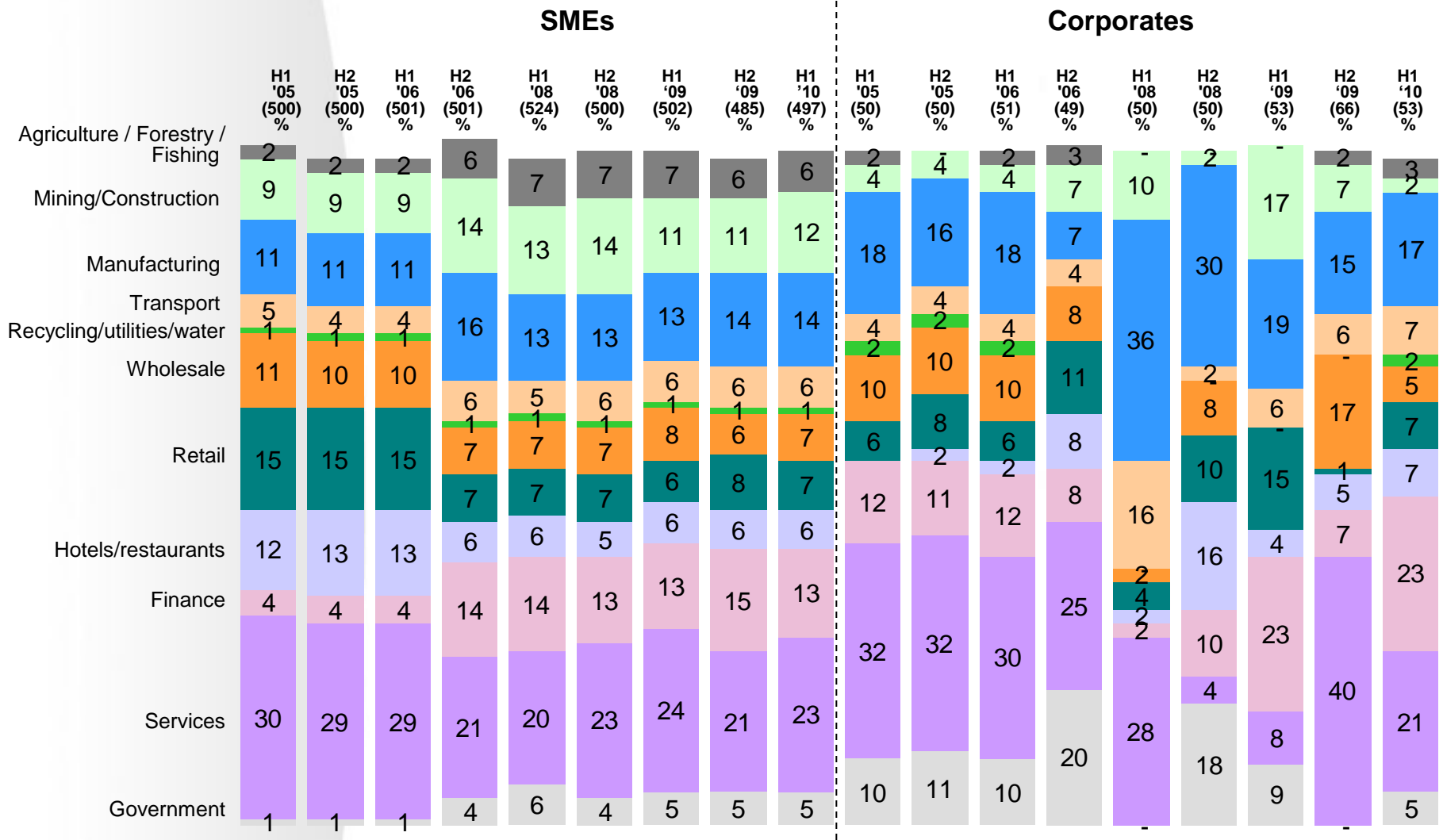
## SMEs



## Corporates



# Sample Profile – Industry Sector



# Sample Profile: Location of Business



Q. What region is your workplace in?

	SMEs									Corporates								
	H1 '05 %	H2 '05 %	H1 '06 %	H2 '06 %	H1 '08 %	H2 '08 %	H1 '09 %	H2 '09 %	H1 '10 %	H1 '05 %	H2 '05 %	H1 '06 %	H2 '06 %	H1 '08 %	H2 '08 %	H1 '09 %	H2 '09 %	H1 '10 %
Dublin City	29	30	24	25	28	30	32	30	33	38	42	40	52	57	30	46	38	46
Rest of Leinster	25	20	24	28	24	26	27	23	27	16	14	14	10	18	28	13	16	22
Munster	26	33	34	28	28	29	29	30	25	38	21	30	30	18	32	29	35	17
Conn/Ulster	20	16	17	18	19	15	13	17	15	8	23	16	8	8	10	11	9	15



# Sample Profile: Location of Premises

Q. Is your company located in....

	SMEs								Corporates							
	H1 '05 %	H1 '06 %	H2 '06 %	H1 '08 %	H2 '08 %	H1 '09 %	H2 '09 %	H1 '10 %	H1 '05 %	H1 '06 %	H2 '06 %	H1 '08 %	H2 '08 %	H1 '09 %	H2 '09 %	H1 '10 %
In a large town or city	39	32	31	39	35	37	37	41	46	41	55	61	32	42	42	53
A small or mid-sized town	20	25	20	18	18	15	23	19	15	19	6	11	28	28	18	9
A rural area or village	20	23	28	22	22	22	19	21	5	2	13	6	14	6	13	5
A business park in urban area	17	16	18	15	20	19	17	16	27	30	24	18	20	12	20	28
A business park in a rural area	3	2	3	5	4	6	4	3	4	6	2	2	4	11	6	4





# Sample Profile: Type of Company

Q. Is your company?

	SMEs									Corporates								
	H1 '05 %	H2 '05 %	H1 '06 %	H2 '06 %	H1 '08 %	H2 '08 %	H1 '09 %	H2 '09 %	H1 '10 %	H1 '05 %	H2 '05 %	H1 '06 %	H2 '06 %	H1 '08 %	H2 '08 %	H1 '09 %	H2 '09 %	H1 '10 %
An Irish owned-private company	89	86	83	85	81	86	82	84	82	40	35	36	32	35	42	49	49	46
An Irish owned-public company	3	3	3	3	5	2	3	2	2	8	3	11	10	16	4	6	7	11
A subsidiary of overseas company	6	3	4	5	6	6	5	6	4	30	30	24	24	26	30	27	21	18
A Semi-State Body	1	2	1	*	*	1	*	*	2	10	10	7	3	8	2	4	4	8
A government department	1	2	2	3	3	1	2	3	5	10	18	11	20	10	16	7	16	13
Other	*	3	6	5	5	4	7	2	5	-	2	11	10	4	4	6	2	4

# Sample Profile: Position in Company



Q. What is your own position in the company?

	SMEs									Corporates								
	H1 '05 %	H2 '05 %	H1 '06 %	H2 '06 %	H1 '08 %	H2 '08 %	H1 '09 %	H2 '09 %	H1 '10 %	H1 '05 %	H2 '05 %	H1 '06 %	H2 '06 %	H1 '08 %	H2 '08 %	H1 '09 %	H2 '09 %	H1 '10 %
IT Manager/IT Director	7	11	6	8	10	9	13	15	8	46	46	44	68	54	44	53	53	52
CEO/Managing Director /Owner Manager	45	36	38	48	47	43	38	38	40	2	-	6	3	4	2	6	9	4
Telecomms Director/ Telecomms Manager	1	2	*	1	*	1	1	1	1	4	11	-	5	4	6	9	-	6
Finance Director/Manager	8	11	5	9	8	5	9	10	7	8	9	6	6	12	8	6	7	7
Other Director/Manager	23	24	19	21	25	16	21	21	22	26	12	10	12	18	14	17	18	4
Administration	10	9	9	9	7	-	-	-	-	-	4	-	4	2	-	-	-	-
Other	5	7	22	4	2	26	17	16	22	4	19	35	4	6	24	9	14	28
Refused	1	1	*	-	-	-	-	-	-	-	-	-	-	-	2	-	-	-

# Main Fixed Line Supplier



Q. Which fixed line phone services provider does your company use for its voice call?

	SMEs									Corporates								
	H1 '05 %	H2 '05 %	H1 '06 %	H2 '06 %	H1 '08 %	H2 '08 %	H1 '09 %	H2 '09 %	H1 '10 %	H1 '05 %	H2 '05 %	H1 '06 %	H2 '06 %	H1 '08 %	H2 '08 %	H1 '09 %	H2 '09 %	H1 '10 %
Eircom	79	80	77	76	75	70	72	71	75	82	77	88	77	68	78	60	62	70
Imagine <sup>1</sup>	4	3	6	6	10	8	8	10	11	9	3	1	5	4	8	4	11	15
BT Ireland	6	8	6	5	7	7	7	5	5	8	14	4	10	12	10	20	10	15
Pure Telecom	1	2	1	1	1	1	1	2	1	2	-	2	2	2	-	4	5	2
Verizon <sup>2</sup>	2	1	*	1	1	-	*	*	*	4	-	4	-	2	2	4	-	4
New Tel <sup>3</sup>	1	*	1	1	1	n/a	n/a	n/a	-	-	-	-	-	-	n/a	n/a	n/a	-
Cinergi/Speedial	1	*	1	1	n/a	-	n/a	n/a	-	-	-	-	-	n/a	-	n/a	n/a	-
UPC	1	*	*	-	*	-	-	*	1	-	2	6	2	6	-	-	-	2
Euphony	-	-	-	-	-	1	*	1	-	-	2	6	2	6	-	-	-	-
IFA	-	-	-	-	-	1	-	*	1	-	-	-	-	-	-	-	*	-
Smart	-	-	-	-	-	1	*	1	1	-	-	-	-	-	-	3	1	4
Vodafone <sup>4</sup>	-	-	-	-	-	-	-	2	-	-	-	-	-	-	-	-	-	-
None	-	-	-	-	-	3	1	1	1	-	-	-	-	-	-	-	6	2
Other*	5	5	7	7	4	8	9	3	9	-	2	8	12	6	2	12	2	15
Don't know/refused	1	2	2	3	2	-	-	-	-	-	2	-	4	-	-	-	-	-

Base: All Respondents

1 Imagine includes Access, Cinergi, Gaelic Telecom

2 Verizon previously MCI Worldcom

\*Note: Answers under 1% not shown

# Main Internet Supplier Used - I



Q. What is the main company that supplies your business Internet connection?

	Total									
	H1 '05 %	H2 '05 %	H1 '06 %	H2 '06 %	H1 '08 %	H2 '08 %	H1 '09 %	H2 '09 %	H1 '10 %	
Eircom	66	69	70	66	58	60	61	61	58	
BT Ireland (Esat BT)	7	7	6	6	9	10	7	6	6	
Imagine Group <sup>1</sup>	n/a	n/a	n/a	n/a	4	6	9	10	6	
Magnet/Leap/Net source	n/a	n/a	n/a	n/a	3	3	4	3	4	
Digiweb	1	1	1	2	2	2	1	2	2	
UPC	1	1	2	1	1	1	-	1	1	
Verizon	1	*	*	1	1	1	1	*	*	
Smart Telecom	1	*	1	1	1	1	2	1	2	
UTV Internet	1	1	*	1	*	*	1	*	*	
Perlico	-	*	-	1	*	*	-	1	-	
Vodafone	-	-	-	-	-	1	1	2	-	
3 Ireland	-	-	-	-	-	1	-	1	1	
Pure Telecom	-	-	-	-	-	1	1	1	-	
Interfusion	-	-	-	-	-	1	-	-	-	
Last Mile	-	-	-	-	-	1	-	-	-	
O2	-	-	-	-	-	1	-	1	1	
Ice	-	-	-	-	-	-	-	1	-	
Airspeed	-	-	-	-	-	-	-	1	-	
Other*	7	9	9	13	11	11	15	6	3	
Don't know	6	6	6	8	6	-	-	3	2	

Base: All Respondents

1 Imagine includes Access, Cinergi, Gaelic Telecom

2 Verizon previously MCI Worldcom

# Main Internet Supplier Used - II



Q. What is the main company that supplies your business Internet connection?

	SMEs										Corporates									
	H1 '05 %	H2 '05 %	H1 '06 %	H2 '06 %	H1 '08 %	H2 '08 %	H1 '09 %	H2 '09 %	H1 '10 %	H1 '05 %	H2 '05 %	H1 '06 %	H2 '06 %	H1 '08 %	H2 '08 %	H1 '09 %	H2 '09 %	H1 '10 %		
Eircom	66	72	73	68	61	61	63	64	61	61	46	54	47	29	53	37	36	34		
BT Ireland (Esat BT)	6	6	6	5	9	9	6	5	5	16	12	1	14	16	15	13	15	13		
Imagine Group <sup>1</sup>	n/a	n/a	n/a	n/a	4	7	10	9	6	n/a	n/a	n/a	n/a	2	4	-	13	9		
Magnet/Leap/Net source	n/a	n/a	n/a	n/a	3	3	4	2	4	-	-	-	-	10	-	6	4	6		
Digiweb	1	1	1	2	2	2	1	2	2	-	-	-	-	-	2	2	-	-		
UPC	1	1	1	*	1	1	-	1	1	-	2	7	3	4	-	4	-	2		
Verizon	1	*	*	*	*	*	1	-	-	2	2	-	5	2	4	2	5	4		
Smart Telecom	1	*	1	1	1	1	1	1	1	-	-	3	2	4	2	9	-	8		
UTV Internet	1	1	1	1	*	-	1	*	*	-	-	-	-	-	-	-	-	-		
Perlico	-	*	-	1	*	-	1	3	-	-	-	-	-	*	-	-	1	-		
Vodafone	-	-	-	-	-	1	1	1	5	-	-	-	-	-	-	-	2	-		
3 Ireland	-	-	-	-	-	1	-	1	1	-	-	-	-	-	-	-	-	-		
Pure Telecom	-	-	-	-	-	1	1	1	-	-	-	-	-	-	-	-	-	-		
Interfusion	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2	-	-	-		
Last Mile	-	-	-	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-		
O2	-	-	-	-	-	1	-	1	2	-	-	-	-	-	-	-	1	-		
Ice	-	-	-	-	-	-	-	1	-	-	-	-	-	-	-	-	-	-		
Airspeed	-	-	-	-	-	-	-	1	-	-	-	-	-	-	-	-	1	-		
Other*	6	7	8	11	10	13	13	6	5	10	26	16	24	20	15	28	7	10		
Don't know	6	5	4	8	6	-	-	2	2	4	8	16	11	10	-	-	13	2		

Base: All Respondents

1 Imagine includes Access, Cinergi, Gaelic Telecom

2 Verizon previously MCI Worldcom

3 NewTel has since been acquired by Pure Telecom

4 Vodafone and Perlico