



**SME & Corporate
ICT Research
H1 2008
January '08 – February '08**

Presentation of Findings
By:



March 2008

- Introduction
 - Research Objectives
 - Methodology
 - Sample profile

- Research Findings
 - Fixed line market
 - Mobile market
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Introduction

- This is the fifth wave of a business market tracking research programme being undertaken on behalf of ComReg by Millward Brown IMS, the most recent being conducted between November 2006 and January 2007.
- The main purpose of the research is to gain an in-depth understanding of current information and communication technology (ICT) usage and attitudes to ICTs 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 will be used by ComReg for market understanding, future planning and policy formulation, and public dissemination.



- Telephone interviews were conducted among a sample of 524 SMEs and 50 Corporates. SMEs were defined as companies with less than 100 employees.
- Quota controls set for company size were 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 100 or more 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.
- 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 29th of January and the 20th of February 2008.
- Where applicable, comparisons have been made with the results of previous research



When the Research was Conducted

Dates	Period
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 (This Period)





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Research Findings



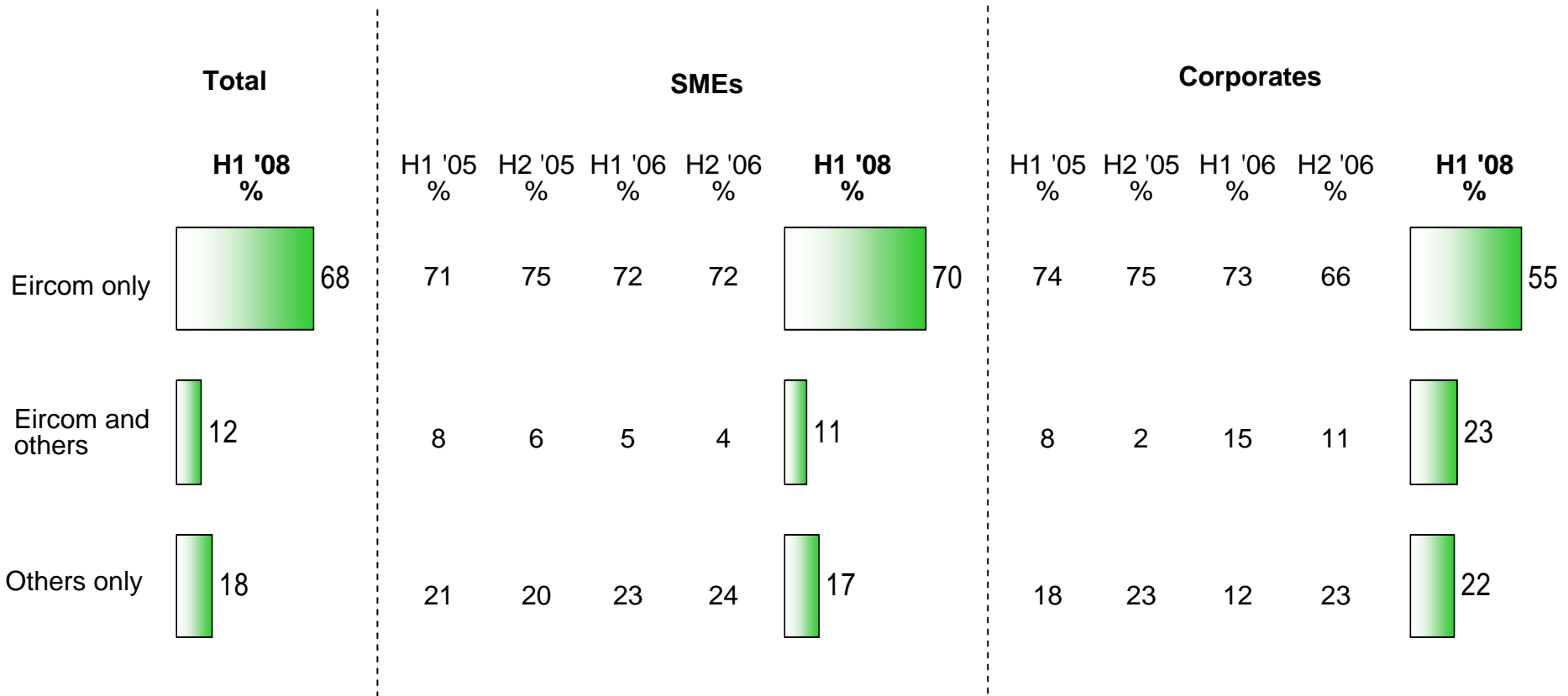
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Fixed Line Market

Fixed Line Suppliers Used*

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



- Eircom maintains its position as the main provider of fixed line services. However among SMEs and especially Corporates there were more companies using eircom combined with other suppliers. At an overall level, those businesses most likely to be using alternate providers to eircom were involved in manufacturing.

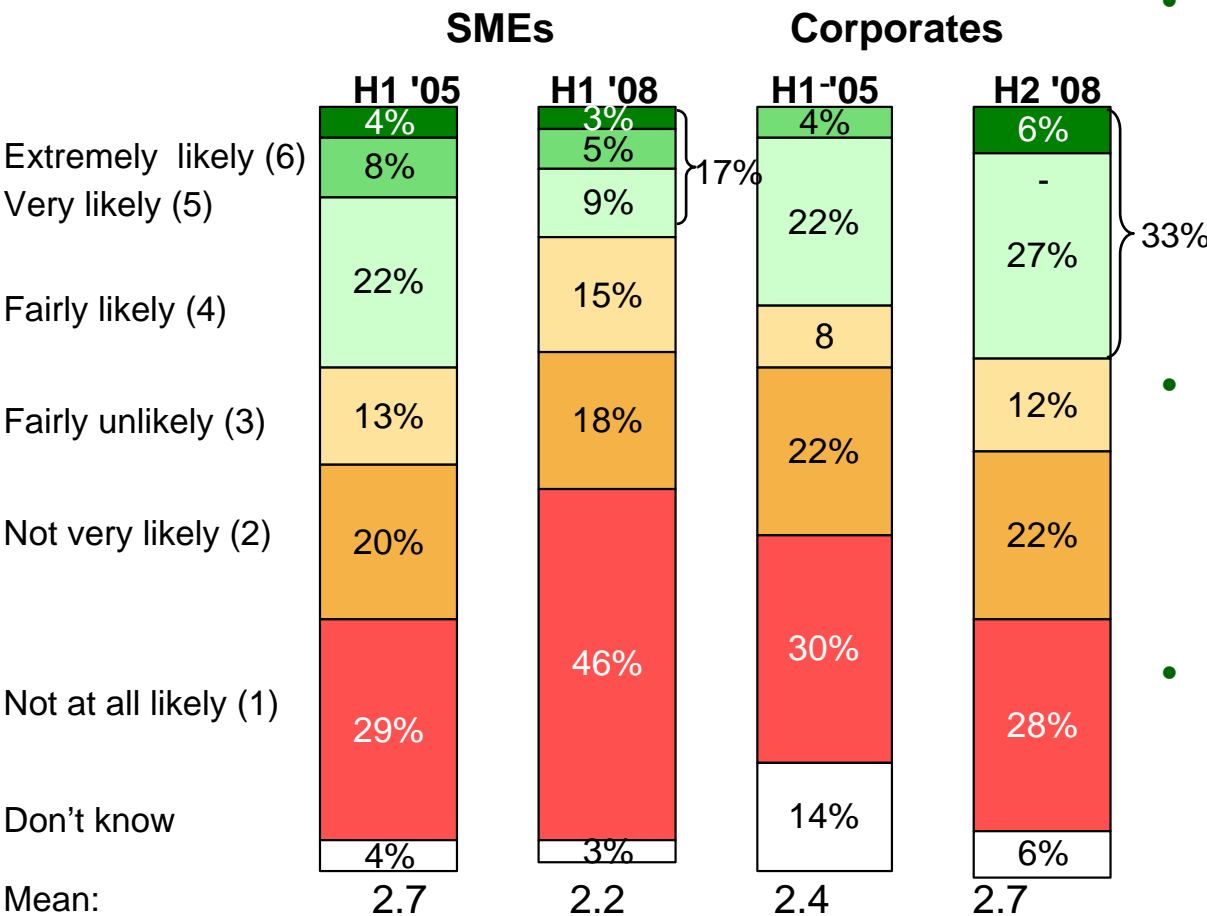
Base: All Respondents (n=524, 50)

*More detail on slide 60



Likelihood of Switching to Another Fixed Line Service Provider

Q. How likely are you to switch to another fixed line phone services provider in the next 12 months?

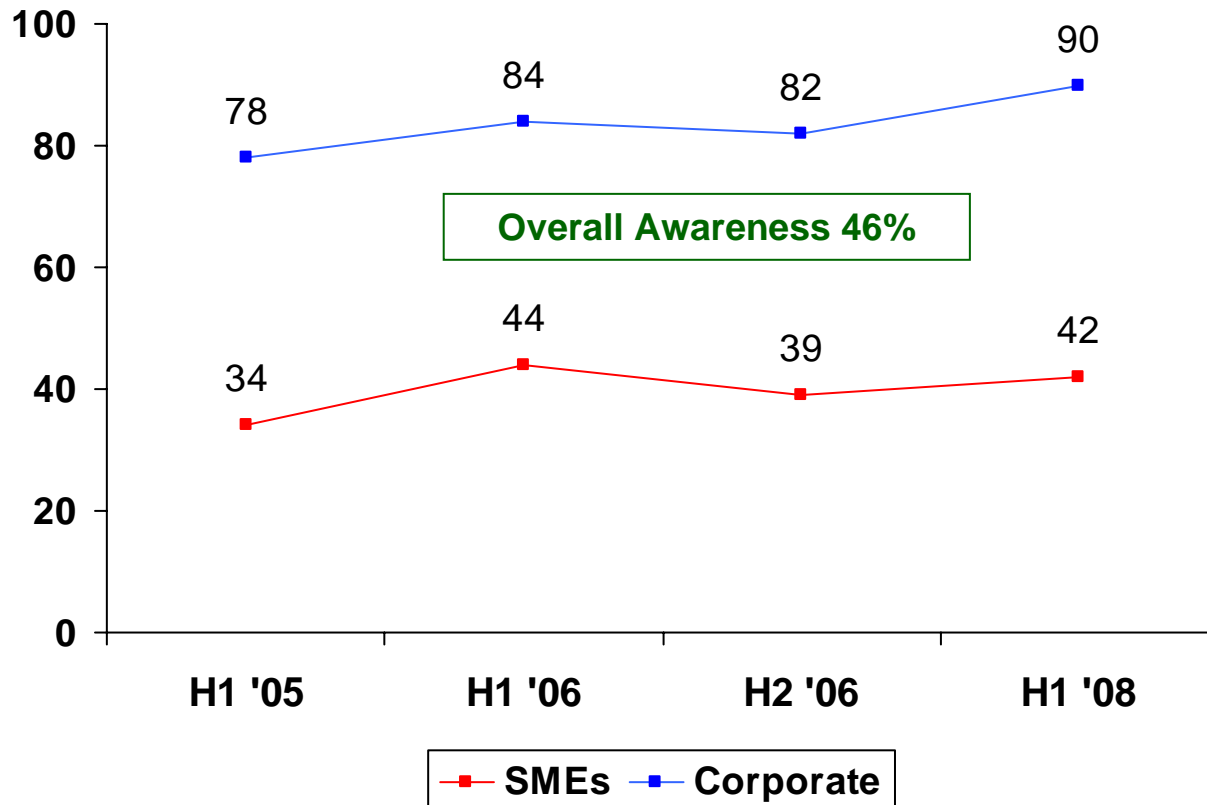


- Corporates (33%) are more likely to switch fixed line phone supplier than SMEs (17%), and their propensity to switch has increased in the past 3 years, while SMEs have become less inclined to switch.
- Those who have made a complaint against their fixed line supplier are unsurprisingly most likely to switch, 30% compared to 19% overall.
- There are no significant differences in opinion among industry sectors



Awareness of VoIP

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



- Awareness of VoIP has increased among all businesses, with 90% of Corporates and 42% of SMEs claiming to be aware of it.
- Awareness is higher among Dublin-based companies (61%) and those involved in Manufacturing, Financial and Services industries (61%, 55% and 51% respectively)

Note: Question Not Asked in H2 '05

Base: All Respondents (n=524, 50)

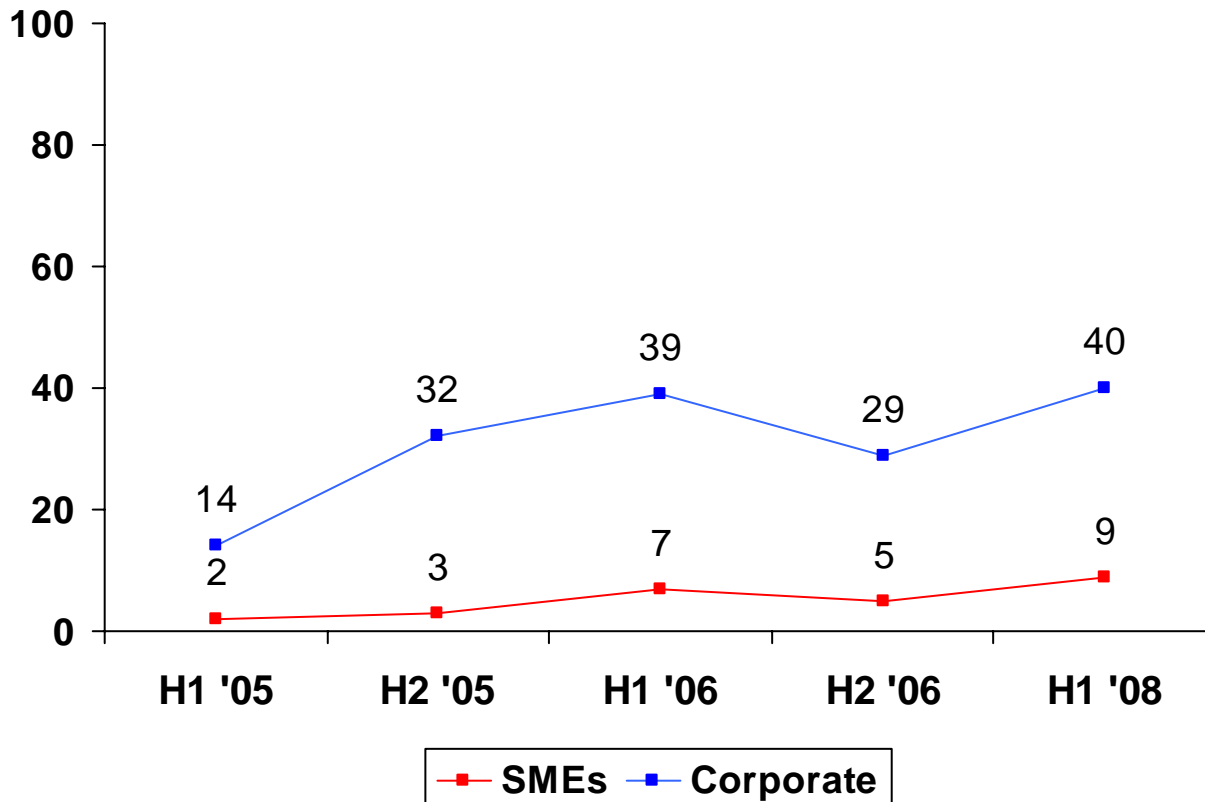
Note: In H1 05 and H2 06 Base: All Businesses With Internet Access



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Usage of VOIP

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



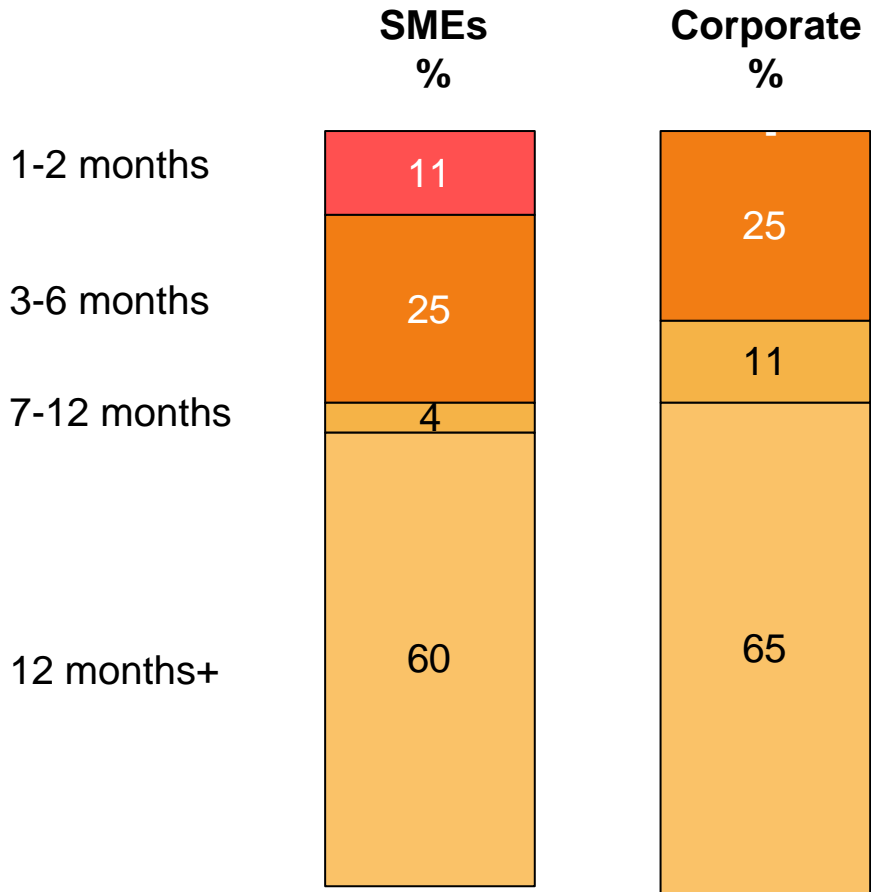
- Overall 9% of SMEs claim to be using VoIP, compared to 5% in the last wave of research. Two in five Corporates now claim to use VoIP.
- Those businesses with broadband connections of 2Mbit/s+ are most likely to be using VoIP services.



Length of Time Using VOIP

New

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



- Of all companies using VoIP, the majority have been using it for over a year.
- However, over one third (36%) of SMEs and one quarter of Corporates using VoIP have only started doing so in the past six months.

*Caution: Small base size

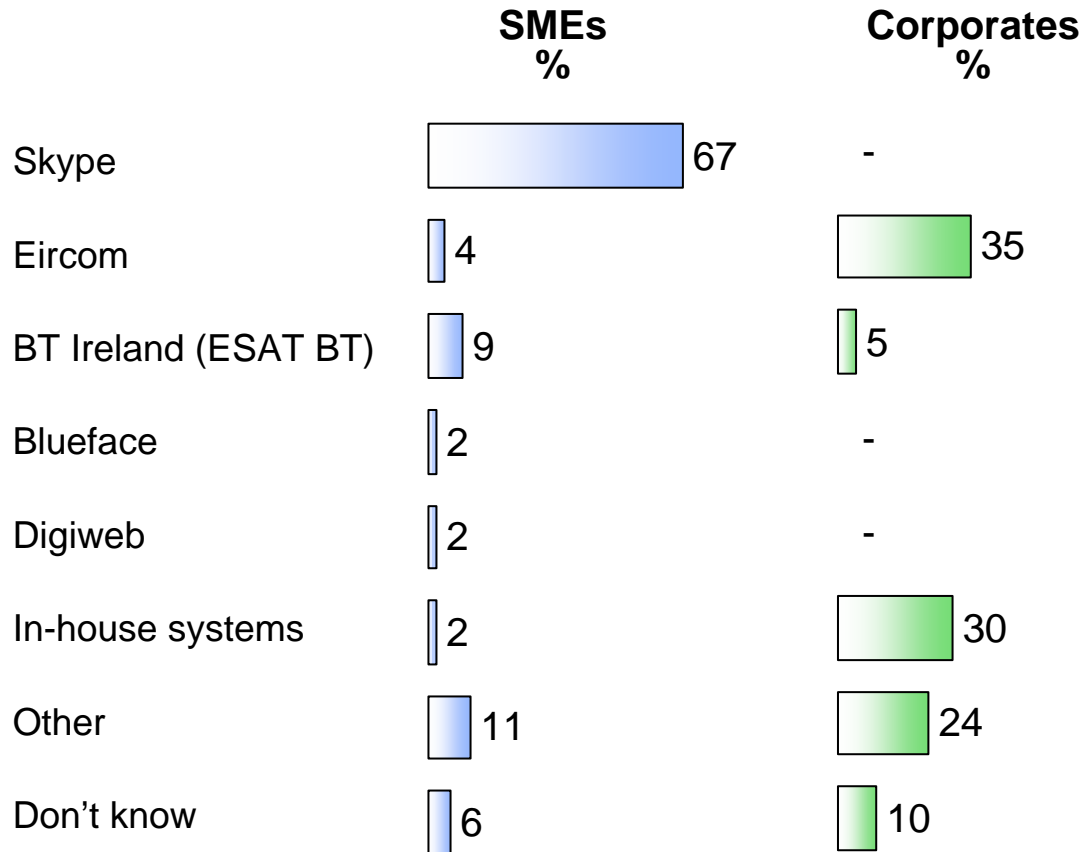
Base: All Currently Using VoIP (n=47, 20*)



Current VoIP Suppliers

New

Q. Who supplies your VoIP services?



- The majority of SMEs use Skype to make VoIP calls i.e. using an unmanaged service where calls are made over the internet. While these might incur lower costs, the quality of voice calls is not guaranteed.
- Corporates are more likely to carry VoIP calls over their in-house systems or via managed services. These guarantee better quality voice calls and are managed by operators such as eircom, Smart Telecom or BT.

**Caution: Small base size
Multiple responses allowed*

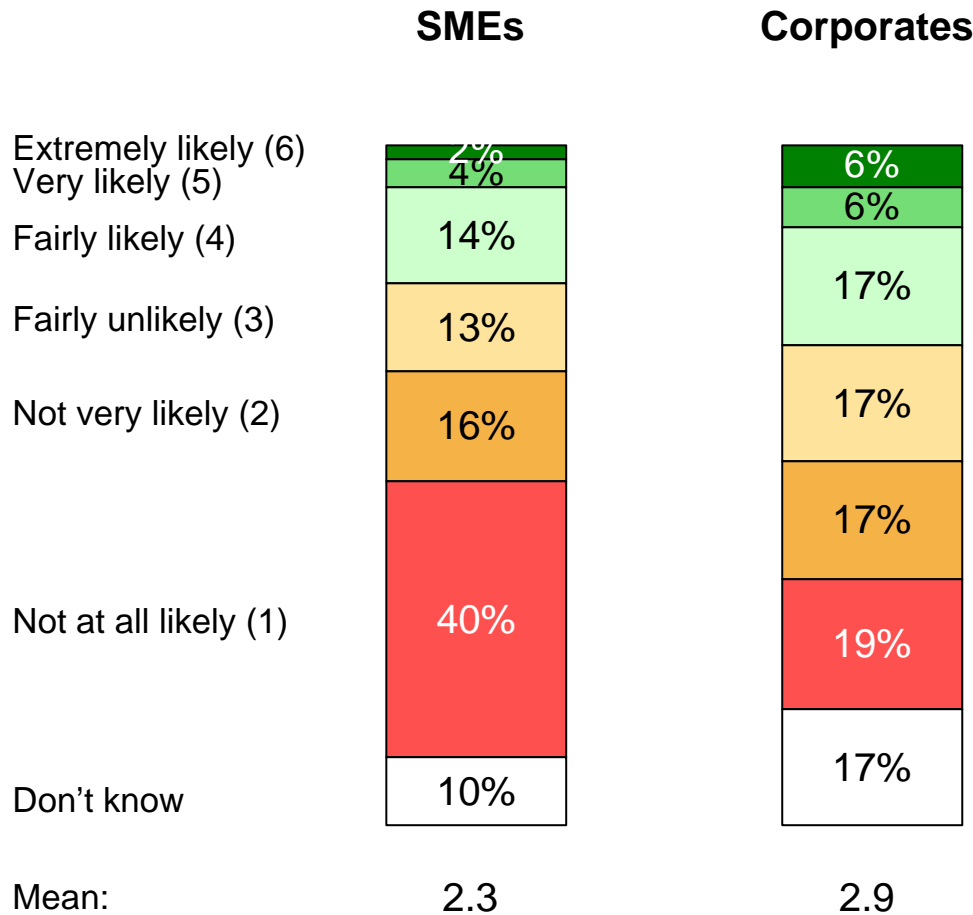
Base: All Currently Using VoIP (n=47, 20)*



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Likelihood of Using VOIP in the Future

Q. How likely is your company to start using VoIP over the next 12 months?#



- A large percentage of SMEs (69%) and Corporates (53%) consider it unlikely that they will start using VoIP in the next 12 months.
- Those sectors most likely to start using VoIP over the next 12 months are manufacturing (32%), financial (28%) and wholesale* industries

*Caution: Small base size

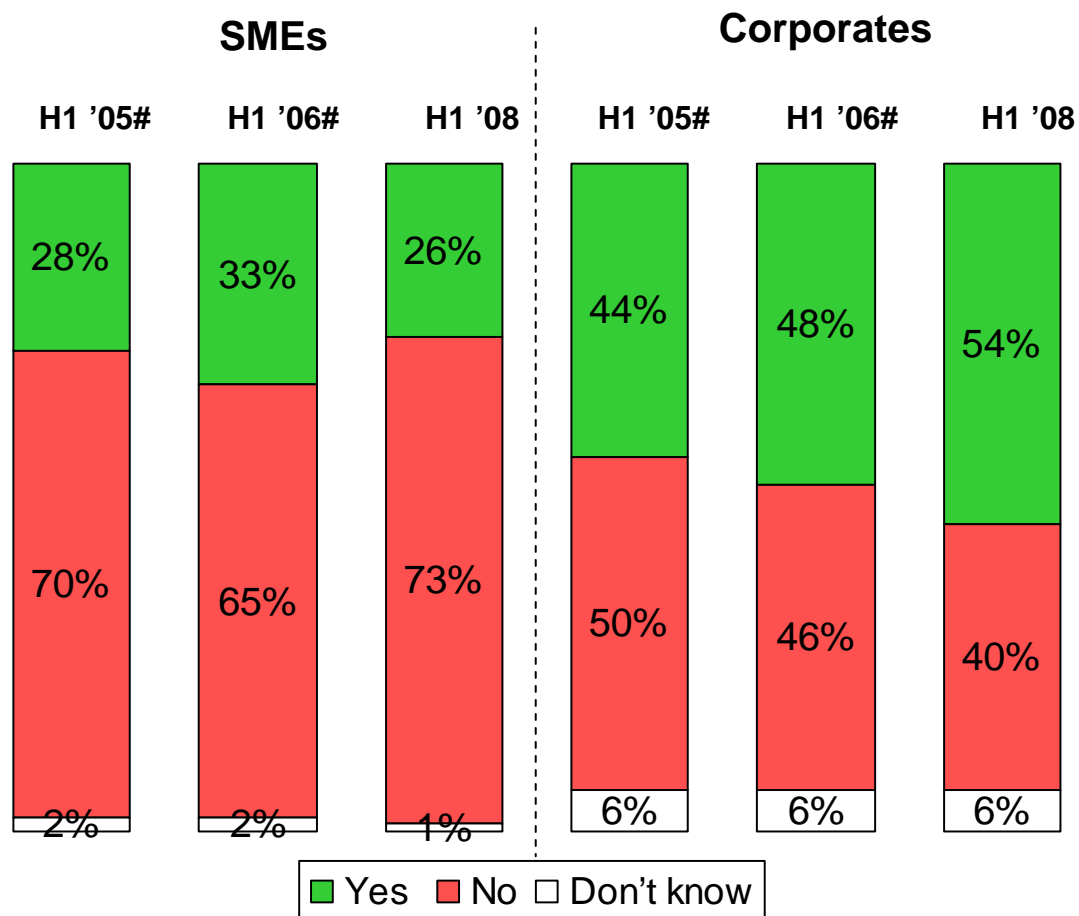
Base: All Currently Not Using VoIP (n=477, 30*)



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Incidents Of Complaints Made Against Fixed Line Suppliers

Q. Have you made a complaint to your service provider regarding any issue or fault with your fixed line telecoms service in the last 12 months?



- Overall, 28% of businesses made a complaint against their fixed line supplier.
- As has been seen previously, Corporates (54%) were much more likely to make a complaint.
- Companies based in Dublin (32%) were also more likely to make a complaint.

Question wording slightly different but still relatively comparable

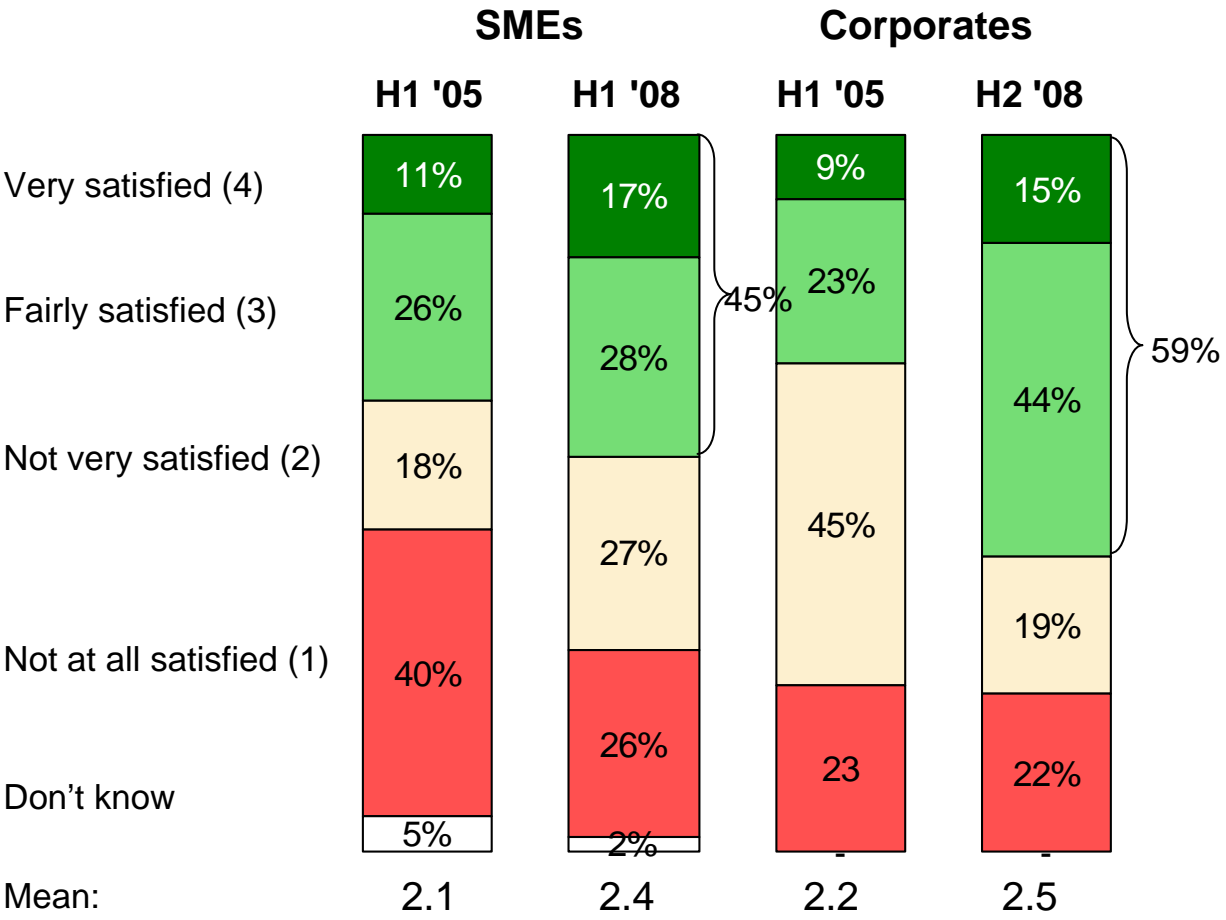
Base: All With Main Fixed Line Supplier (n=515, 50)



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Satisfaction with Aspects of Complaints

Q. How satisfied were you with the speed of resolution of your complaint?



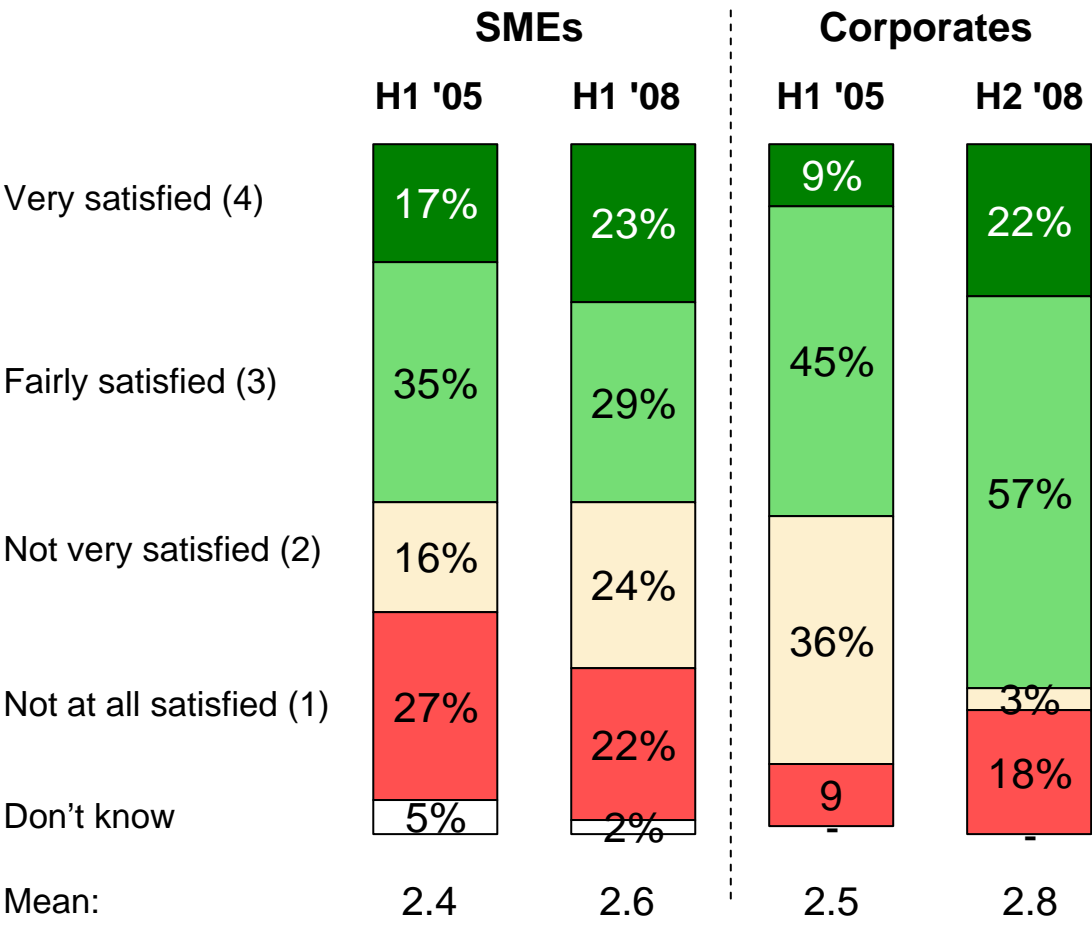
- Corporates were more likely to be satisfied with the speed of resolution of their complaint than SMEs were— this could be due to the likelihood of Corporate clients having an account manager to deal with their complaint more efficiently.

*Caution: Small base size

Base: All who made a complaint to their fixed line service provider over past 12 months (n=135,27*)

Satisfaction with Aspects of Complaints (Cont'd)

Q. How satisfied were you with the manner in which your complaint was addressed generally?



- At an overall level, 57% of businesses were satisfied with the general manner in which their complaint was addressed.
- Corporate respondents registered a much higher level of satisfaction with how their complaint was addressed compared to SMEs, and also indicated an increased level of satisfaction since 2005.

*Caution: Small base size

Base: All who made a complaint to their fixed line service provider over past 12 months (n=135,27*)



Change in Fixed Line Usage

New

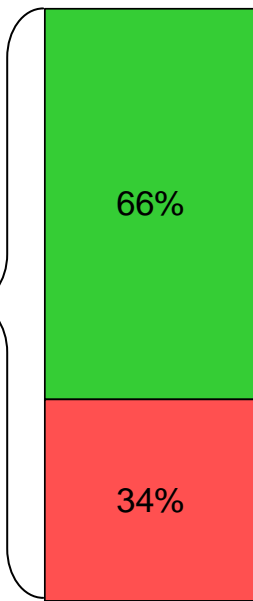
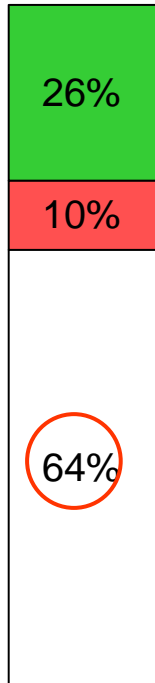
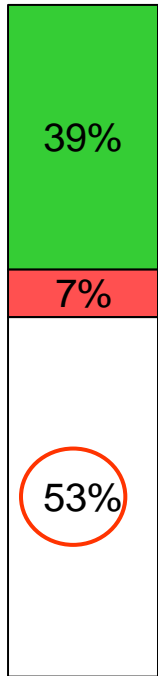
Q. Would you say that your company's use of fixed line voice phone services has increased, decreased or stayed the same over the last 12 months?

Q. Would you attribute part or all of this decrease, to an increase in mobile phone usage?

Corporates

SMEs

SMEs



■ Increased ■ Decreased □ Stayed the same

■ Yes ■ No

- Over one in four (27%) claimed their usage had increased
- However, the majority of Corporates and SMEs stated that there had been no change in their usage of fixed line services.
- A small percentage of SMEs (10%), and Corporates (7%) said that their usage had decreased.
- Businesses in Manufacturing (34%) and Finance (31%) sectors stated increased usage in the previous 12 months, as well as those businesses (32%) situated in Connaught-Ulster.
- Increased usage of mobile phones was a seen as a key driver in the decrease in fixed line usage among SMEs.

Base: All With Fixed Line Provider (N=515, 50)

Base: All SMEs Feel Their Fixed Line Usage Has Decreased (N=48)



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Mobile Market

Mobile Phone Market Share

Q. What company supplies your mobile telephone calls?

- Overall, the majority of businesses use Vodafone (48%) and O2 (35%) for their mobile phone calls.

	SMEs					Corporates				
	H1 '05	H2 '05	H1 '06	H2 '06	H1 '08	H1 '05	H2 '05	H1 '06	H2 '06	H1 '08
Vodafone	45%	41%	34%	31%	46%	54%	53%	70%	66%	66%
O ₂	36%	39%	28%	26%	34%	44%	47%	45%	28%	46%
Meteor	2%	2%	3%	2%	4%	2%	-	2%	4%	2%
3	-	-	-	-	1%	-	-	-	2%	-
Eircom mobile	-	-	-	-	-	-	-	-	-	2%
Don't know	2%	2%	2%	2%	1%	4%	2%	-	2%	4%
No company mobile	23%	23%	38%	44%	22%	12%	11%	4%	6%	6%

- There has been an increase in the number of SMEs providing business mobile phones, with Vodafone (46%) and O2 (34%) accounting for the bulk of the increases.

When considering this growth, it should be taken into account that the most recent tracking data is from H2'06

- Nearly 4 in 5 SMEs, and almost all Corporates now supply mobile phones to their employees.
- Businesses operating in the hotel/restaurant sector are less likely to supply company mobile phones.

Multiple responses allowed

Base: All Respondents (n=524, 50)



Mobile Data Service Usage

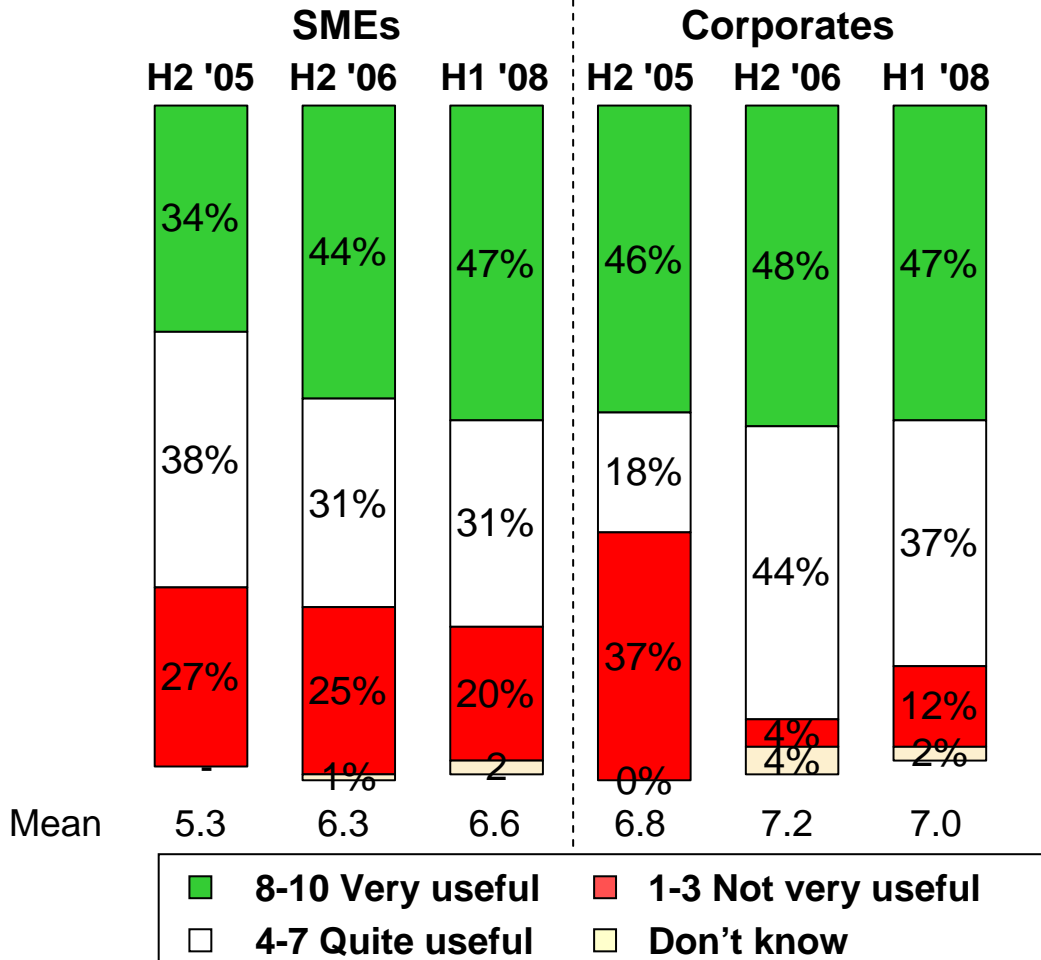
Q. Does your company use any of the following mobile data services?

	SMEs			Corporates		
	H2 '05	H2 '06	H1 '08	H2 '05	H2 '06	H1 '08
SMS (Text) messaging	61	81	76	79	86	82
MMS (Picture) messaging	15	19	21	15	23	14
Mobile Email (Using a Blackberry or PDA)	15	26	25	53	70	84
Information download over a mobile (GPRS) /accessing the Internet Over a mobile phone	11	15	24	33	44	45
Other	1	2	2	2	5	4
None	35	16	19	14	10	-

- All Corporates with mobile phones are using some form of mobile data service.
- Among Corporates, more sophisticated mobile data services such as mobile email are now being utilised more than standard SMS and MMS messaging.
- The incidence of SMEs (24%) accessing the Internet over a mobile phone has increased quite markedly, reflecting an upward trend since H2'05

Base: All Who Supply Company Mobile Phones and Identify their Suppliers (n=410, 49)

Q. How useful are mobile data services to your company in conducting business on a scale of 1 ten 10, where 1 means not at all useful and 10 means extremely useful?



- Overall, 79% of businesses using mobile data services reported that these services were useful to some extent.
- Corporates responded more favorably than SMEs to the usefulness of the services, even though perceived usefulness among this group dropped slightly since the last time this question was asked.
- Among SMEs there has been a consistent trend upwards in terms of the usefulness of mobile data services.
- Those involved in construction were most likely to feel these services were of use, along with those based in Dublin.



Mobile Data Device Usage

Q. Does your company currently provide any of the following mobile data devices to any of its employees?

	SMEs					Corporates				
	H1 '05 %	H2 '05 %	H1 '06 %	H2 '06 %	H1 '08 %	H1 '05 %	H2 '05 %	H1 '06 %	H2 '06 %	H1 '08 %
3G handsets	6	7	13	25	14	18	19	42	41	45
3G Data Cards	n/a	6	6	9	9	n/a	42	47	40	57
GPRS or 2.5G handsets	7	10	12	13	11	43	33	47	55	38
Wireless LAN cards	10	8	10	11	11	45	26	47	42	48
Mobile Broadband (HSDPA)	n/a	n/a	n/a	n/a	16	n/a	n/a	n/a	n/a	55
None of these	77	76	70	58	70	30	39	25	28	18

- At an overall level there has been increased usage of all mobile data devices with the exception of 2.5G handsets. This is to be expected as businesses adopt newer technologies.

- This is the first time HSDPA has been monitored in this survey series, and strong take-up by Corporates (55%), especially those in Dublin has been seen. HSDPA is also the highest ranked mobile data device used among SMEs (16%).

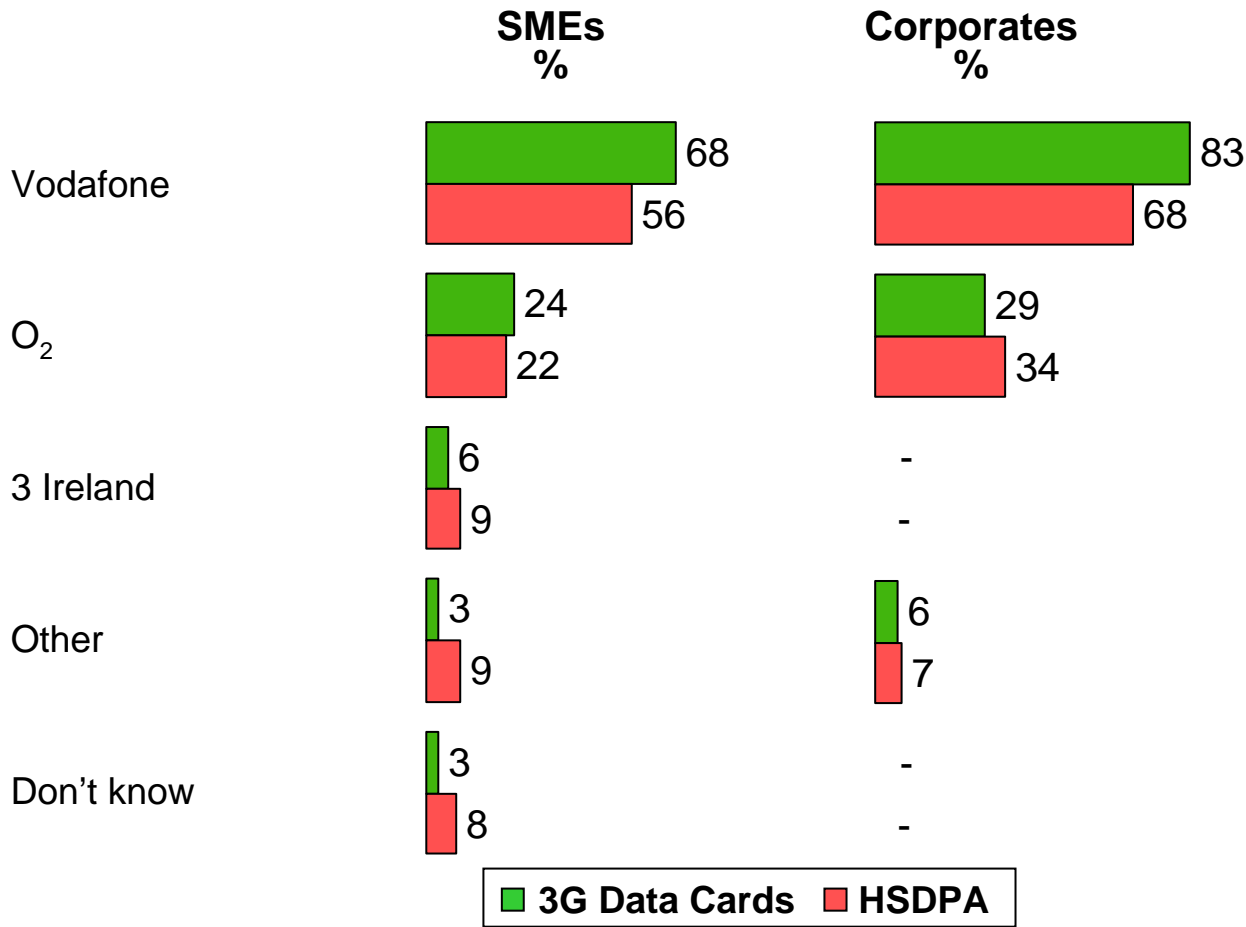
- Among Corporates the use of 3G data cards has shown the highest increase in usage with 57% of respondents using them, compared to 40% in H2'06



Mobile 3G Data Card/HSDPA Suppliers

New

Q. What provider supplies your 3G data cards/ Mobile broadband (HSDPA) service?



- Vodafone entered the mobile broadband market towards the end of 2006, 3 Ireland followed in early 2007, and O2 entered the market in summer 2007. Meteor does not currently offer these products.
- Vodafone has gained a first to market advantage in this regard and shows highest levels of providing both HSDPA and 3G mobile data cards.

*Caution: Small base sizes

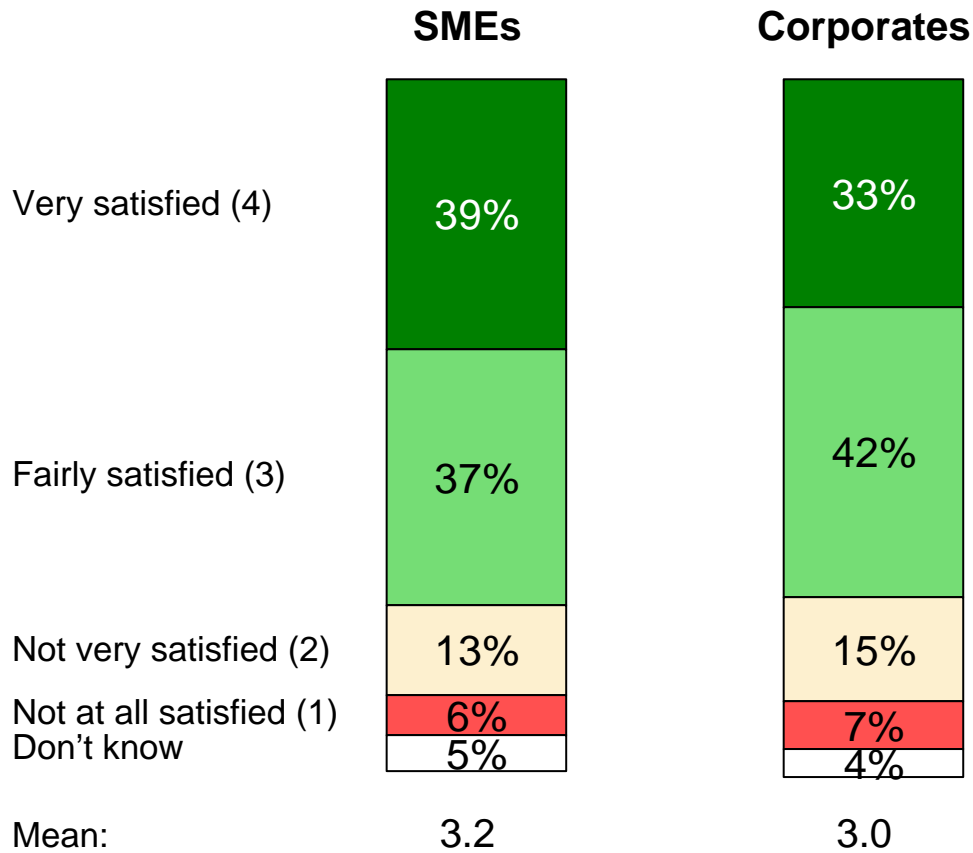
Base: All Using 3G Data Cards (n=35*, 28*)

Base: All Using HSDPA (n=64, 27*)

Satisfaction with Geographic Coverage received on HSDPA service

New

Q. How satisfied are you with the geographic coverage your company gets on its mobile broadband (HSDPA) service?



- SMEs are slightly more positive than Corporates in terms of satisfaction with the geographic coverage they receive for HSDPA services.
- Those companies based in Leinster (excl. Dublin) seem the least satisfied, giving an average rating of 2.8 out of five*

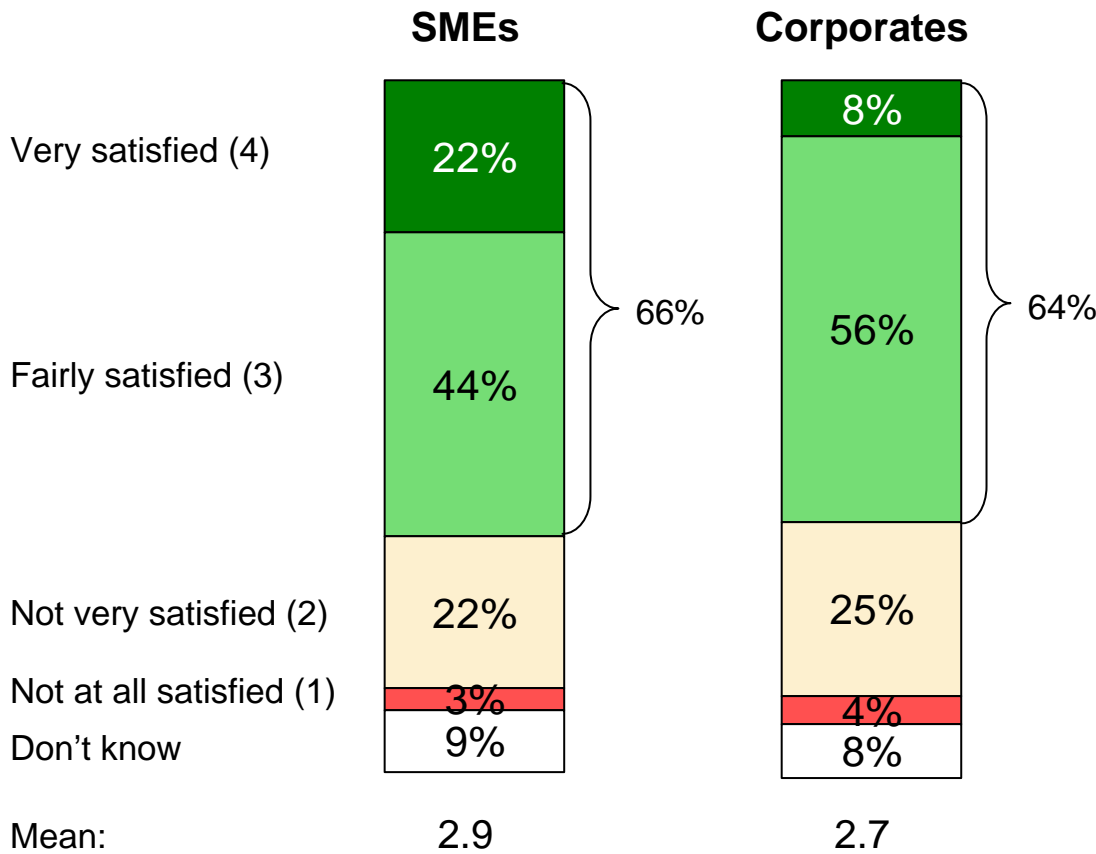
*Caution: Small base size



Satisfaction with download Speeds on HSDPA service

New

Q. How satisfied are you with the download speed your company gets on its mobile broadband (HSDPA) service?



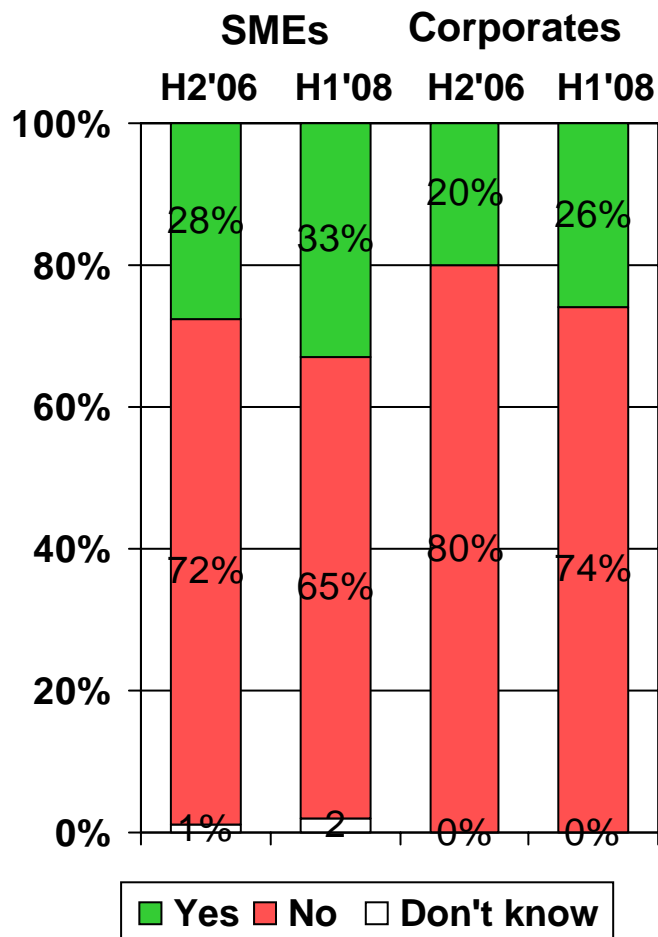
- Over one in five SMEs that use HSDPA services claim to be very satisfied with their download speeds, and two thirds express general satisfaction; a figure similar to the proportions among Corporates.
- However about a quarter of SMEs and nearly one in three Corporates express dissatisfaction with the download speeds achieved.

*Caution: Small base size



Incidence of Experiencing Voice Service and Coverage Difficulties

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



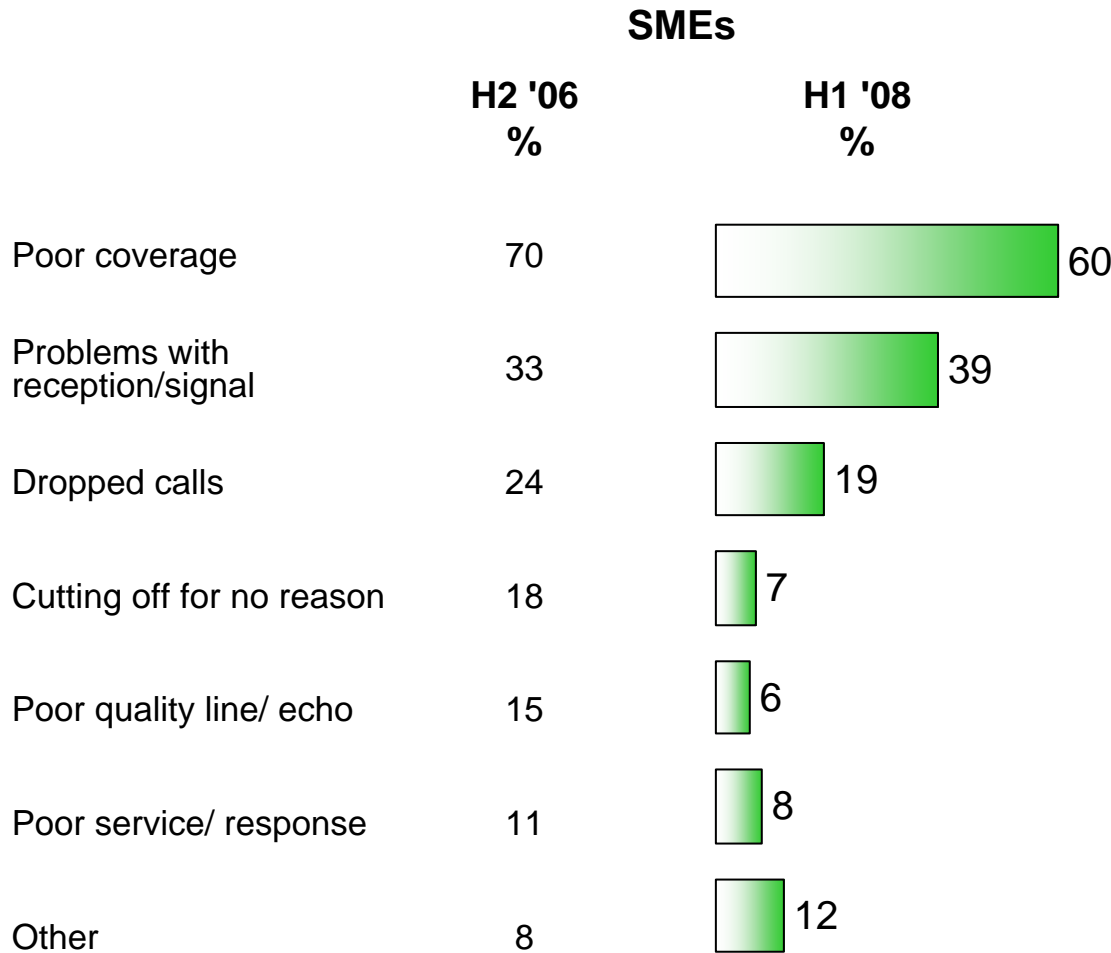
- Overall, nearly one in three (32%) of those using mobile phones have experienced difficulties in terms of the quality of voice service/ coverage over the past 12 months.
- This increase in difficulties experienced has occurred among both SMEs and Corporates.
- Those based in Munster (39%), and Leinster (excluding Dublin) (35%) are most likely to have experienced difficulties.

Note: Question wording changed slightly this wave, but still comparable



Service and Coverage Difficulties Experienced

Q. What types of difficulty have you experienced?

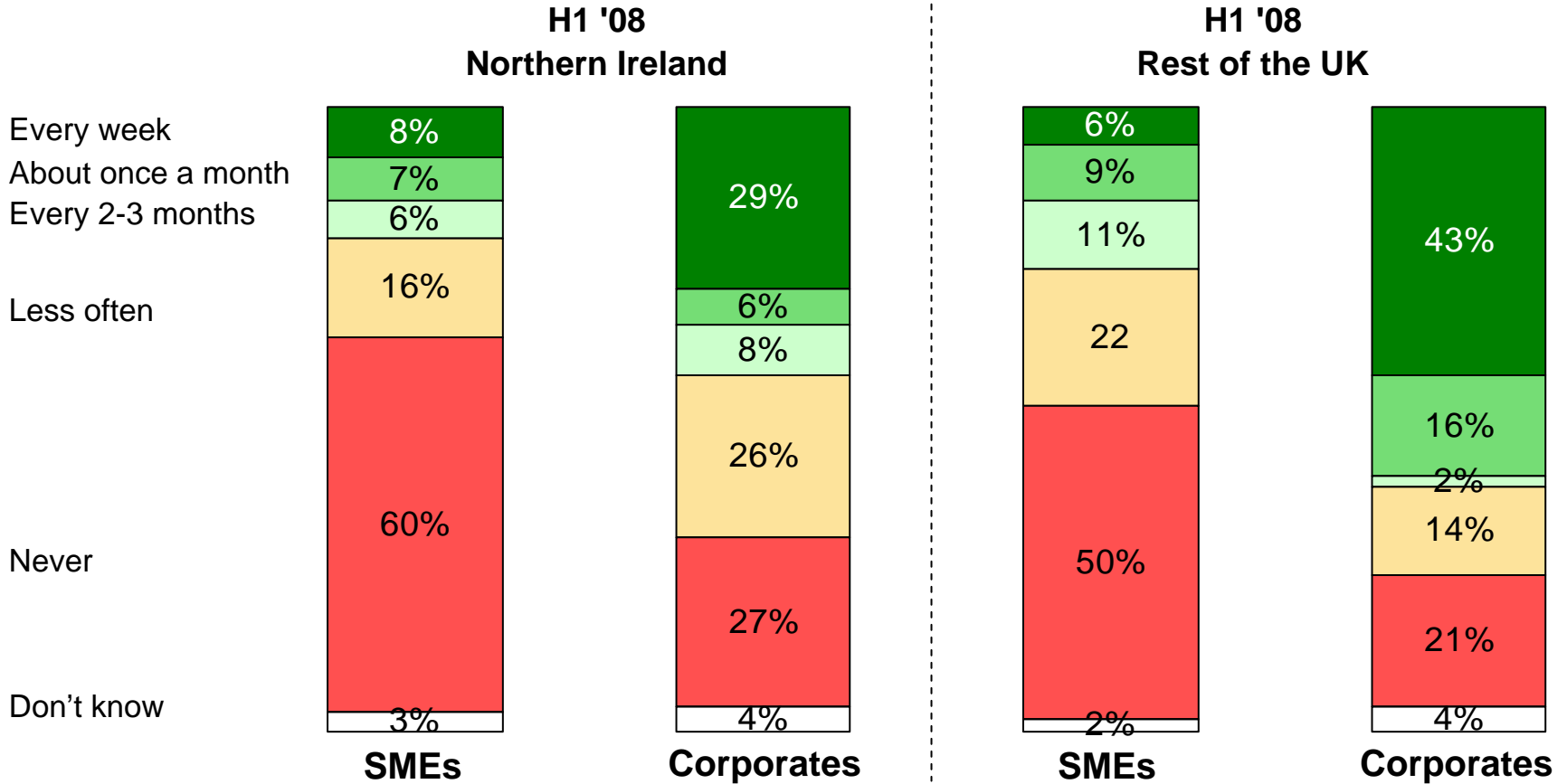


- While poor coverage was again stated as the main difficulty experienced (60%), levels have decreased since late 2006.
- Problems with reception/signal are more likely to be cited as a difficulty by those based in Connaught/Ulster and Leinster (excl. Dublin)



Use of Company Mobile Phones Abroad

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

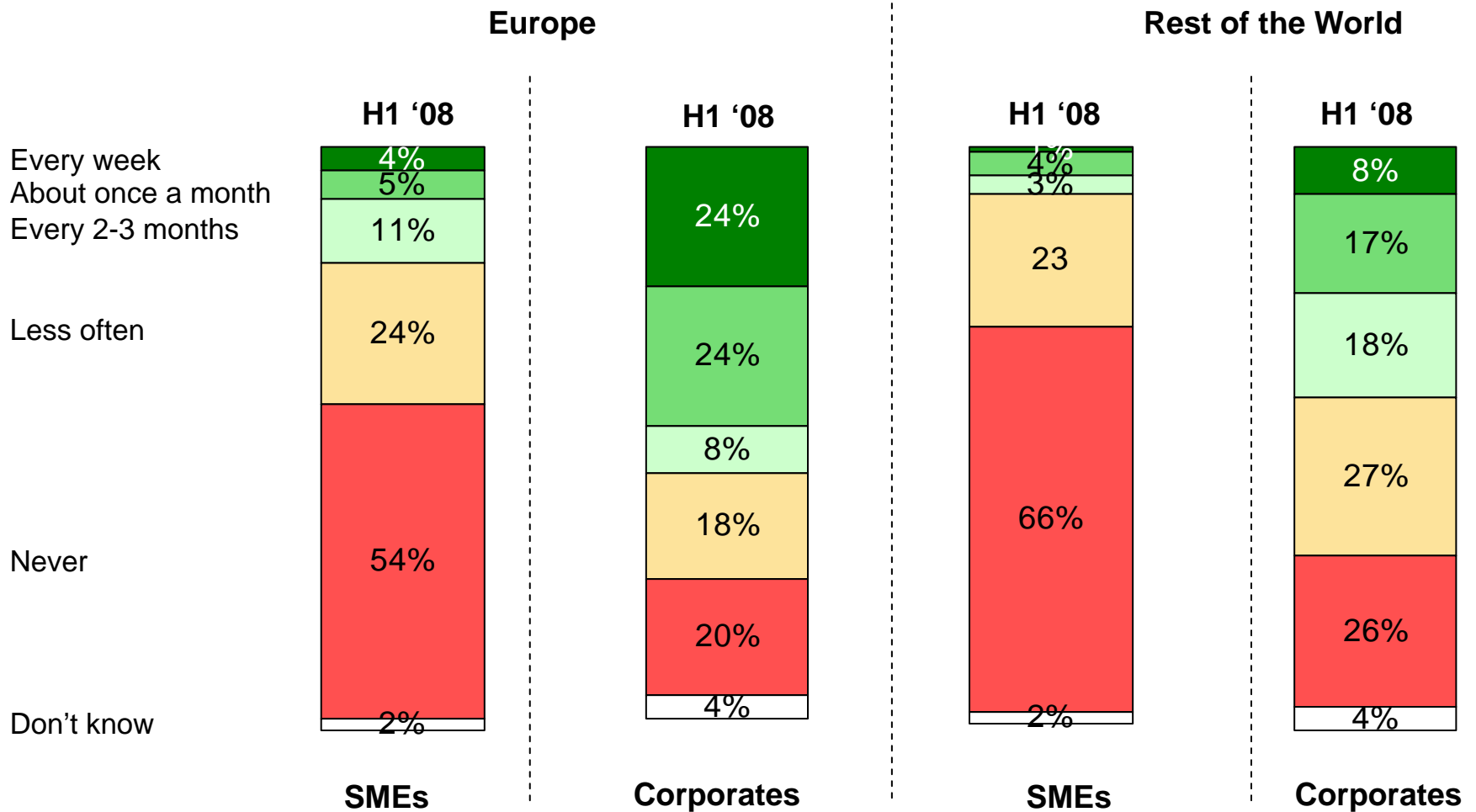


Corporates roam more frequently than SMEs and to the rest of the UK in particular.



Use of Company Mobile Phones Abroad

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



Base: All Who Supply Company Mobile Phones And Can Identify Their Suppliers (N=410, 49)

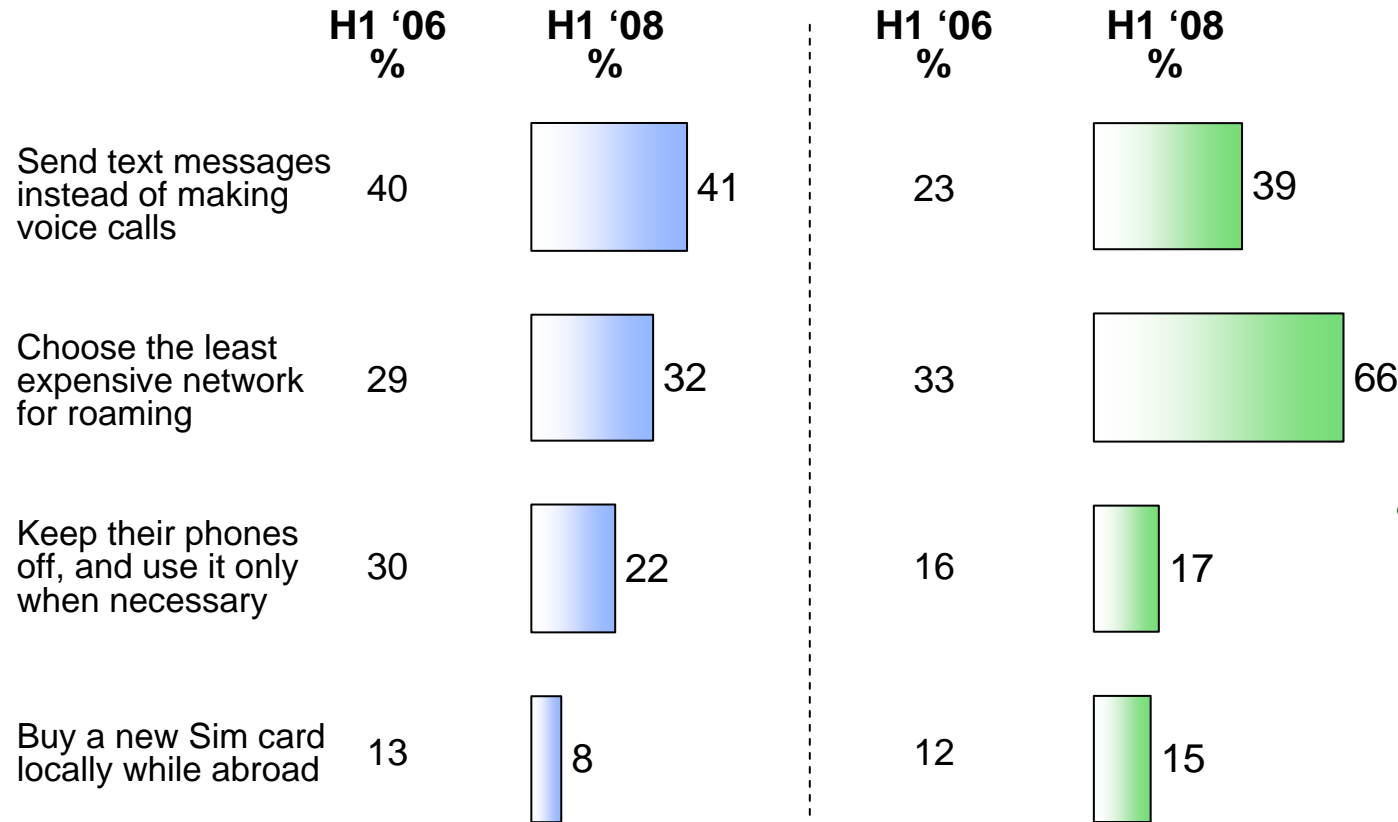


Current Usage Procedures When Using Mobile Phones Abroad

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

SMEs

Corporates



- Business customers, especially Corporates, are becoming increasingly savvy about how to save costs when roaming, for example encouraging employees to choose the least expensive network.
- Overall, using SMS (41%) and choosing the least expensive network for roaming (37%) are the preferred methods for reducing costs.

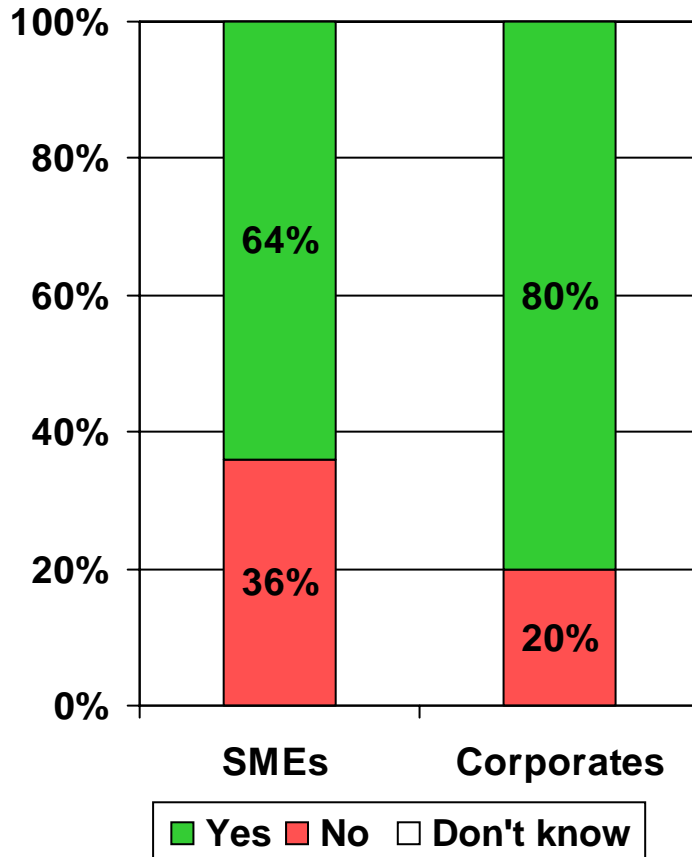
Multiple responses allowed

Base: All who use the company mobile phones abroad (n=252, 41)



Awareness of Reduced Charges

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

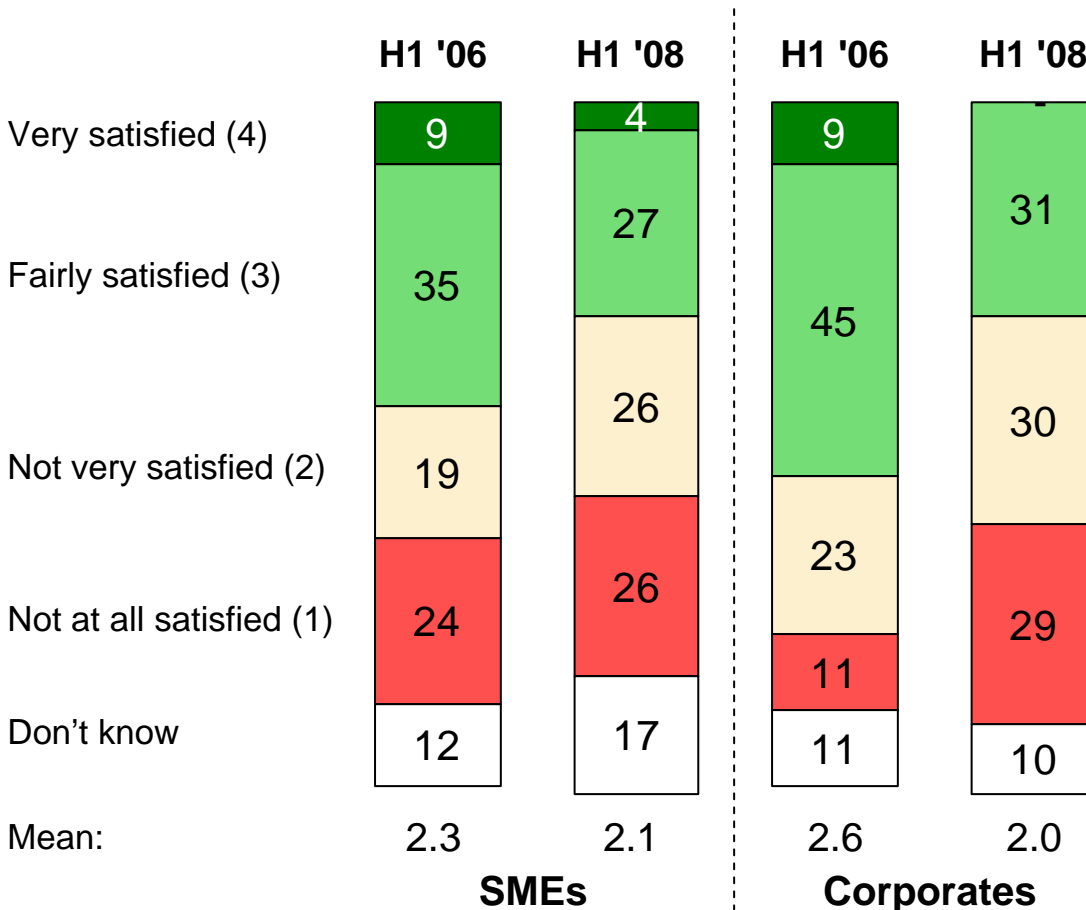


- There is a high level of awareness among businesses of reduced roaming charges due to a recent EU regulation, with about two thirds (66%) overall claiming awareness.
- Businesses that are aware of reduced roaming charges are also more likely to be more aware of (72%) and use (69%) VoIP.
- Service industries (69%) and those based in Dublin (73%) are most likely to be aware of the recent regulation.

Satisfaction with Current Roaming Charges

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

- Levels of satisfaction with the current cost of roaming charges have decreased since 2006, and are at similar levels for both SME and Corporate businesses.
- While respondents were not specifically asked about data roaming rates, an increase in dissatisfaction with roaming rates may potentially be due to increased use of data services while roaming e.g. mobile broadband, where mandated reduction of rates have not been made.
- It is possible that given the focus by the EU on roaming rates, there may be increased levels of awareness of the issue by companies.



Base: All who use the company mobile phones abroad (n=252, 41)





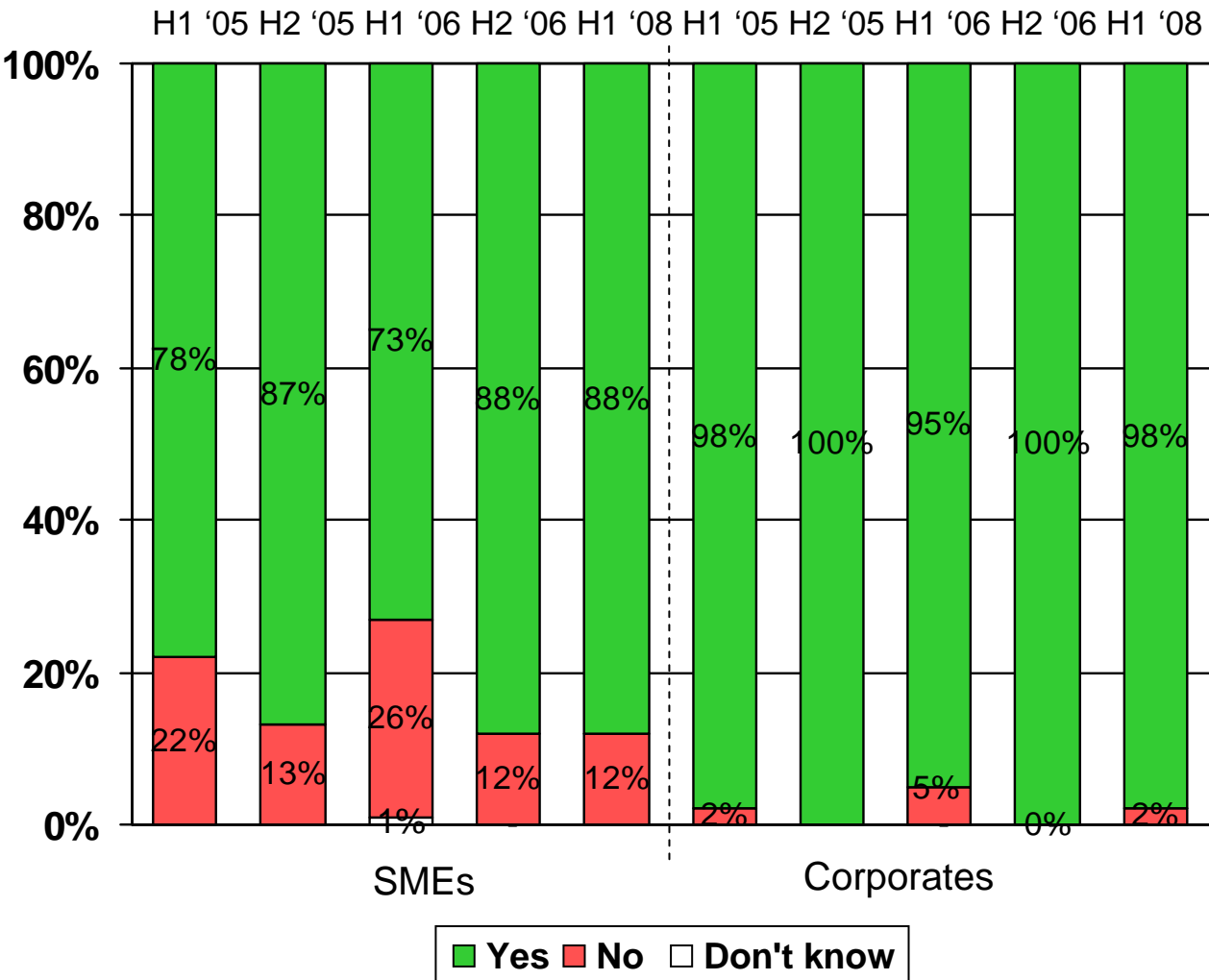
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Internet & Broadband Communications

Internet Access

Q. Is your company connected to the Internet?



- Internet access among SMEs has remained steady at 88% this wave, and Corporate Internet access is almost universal.
- Smaller companies (those employing less than 10 staff) are least likely to have access, with 82% currently connected.
- Those involved in retail and hospitality industries are also less likely to be connected (both at 79%), whilst access is almost universal among the Manufacturing, Financial and Government sectors.
- Access is highest among Munster and Dublin companies (92% and 91% respectively).



Reasons for remaining Off-Line

Q. Why is your company not connected to the Internet?

	SMEs H2 '05 %	SMEs H2 '06 %	SMEs H1 '08 %
Have no need	54	65	33
Not appropriate for our business	22	11	13
Company too small	14	6	11
Too expensive	6	4	1
Do not trust it	5	2	2
It is not available to me	-	5	7
Waiting for installation	-	4	9
My phone lines are not suitable	-	5	-
Other	3	-	31*
Don't know	8	9	9

- Of those SMEs not connected to the Internet, over one third feel they have no need to do so, which is nearly half of the level seen previously.
- One in eight feel the Internet is not appropriate for their business, and a further one in ten feel their company is too small to warrant an Internet connection.

* Other answers cited were extremely broad, ranging from companies winding down, respondents retiring & general fear of technology

Base: All SMES not connected to Internet (n=68)



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Internet Supplier Used

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

	Total					SMEs					Corporates				
	H1 '05 %	H2 '05 %	H1 '06 %	H2 '06 %	H1 '08 %	H1 '05 %	H2 '05 %	H1 '06 %	H2 '06 %	H1 '08 %	H1 '05 %	H2 '05 %	H1 '06 %	H2 '06 %	H1 '08 %
eircom	66	69	70	66	63	66	72	73	68	65	61	46	54	47	45
Other	34	31	30	34	37	34	28	27	32	35	39	54	46	53	55

- Eircom remains the main ISP in the Irish market, although its penetration overall has dropped over the past two waves of research.
- Corporates are more likely to use providers other than eircom, with a majority of them using alternative ISPs. However, the trend to use alternative operators is also evident among SMEs.



Type of Internet Connection Used

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

- Overall, 89% of businesses have Internet access. Of these, 82% have a broadband connection (SMEs – 83%, Corporates – 80%), while 12% use a narrowband connection.
- There has been a marked decrease in the number of dial-up SME Internet users this wave (7%)
- At 66%, DSL is the most common broadband connection type among SMEs, followed by Wireless broadband (12%)
- Mobile broadband has been measured for the first time this wave, and of those businesses with Internet access, 5% of SMEs and 6% of Corporates use this connection type.

	SMEs					Corporates				
	H1'05 %	H2 '05 %	H1 '06 %	H2 '06 %	H1 '08 %	H1'05 %	H2 '05 %	H1 '06 %	H2 '06 %	H1 '08 %
DSL connection	49	57	59	52	66	51	67	57	29	55
Dial-up	27	24	19	17	7	2	6	2	7	4
ISDN line	15	13	9	9	7	8	13	4	3	6
Wireless broadband	4	2	4	9	12	2	6	4	12	10
Mobile broadband	n/a	n/a	n/a	n/a	5	n/a	n/a	n/a	n/a	6
Dedicated leased line	3	3	9	2	3	22	13	24	31	23
Fibre optic cable	-	-	-	1	2	-	-	-	9	6
Satellite	1	1	2	3	1	-	2	-	-	-
Other	1	2	-	2	2	2	8	5	12	10
Don't know	4	4	6	6	8	14	6	14	3	15



Main Reasons for using Narrowband

Q. What are the main reasons your company uses an ISDN line or regular dial-up for connecting to the Internet rather than Broadband?

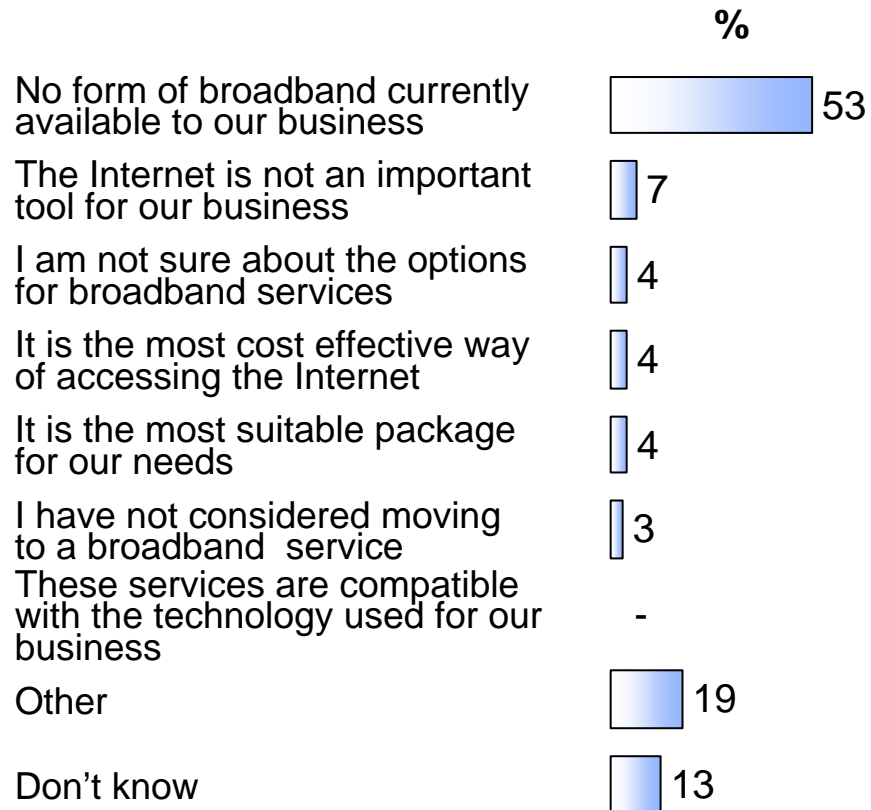
	SMEs H2 '05 %	SMEs H2 '06 %	SMEs H1 '08 %
Broadband is currently not available to our business	47	47	42
It is the most suitable package for my needs	10	21	18
The Internet is not an important tool for our business	16	14	7
It is the most cost effective way of accessing the Internet	8	10	7
I have not considered moving to a broadband service	7	3	5
I am not sure about the options for broadband services	5	5	4
These services are compatible with the technology used for our business	1	5	13
Other	5	6	11
Don't know	8	3	6

- Perceived lack of availability/access to broadband remains the most prominent reason for SMEs continuing to use narrowband
- Companies based outside of Dublin are most likely to cite this reason, particularly those based in Leinster and Connaught/Ulster
- Nearly one in five (18%) believe that narrowband is the most suitable package for them.



Main Reasons for SMES Using Narrowband (Cont'd)

Q. What are the main reasons your company uses ISDN LINE OR REGULAR PHONE LINE, for connecting to the Internet rather than Broadband?



- Among those exclusively using narrowband, about 6% of respondents with internet access, lack of broadband availability is the main reason given for not having a broadband connection

*Caution: Small base size

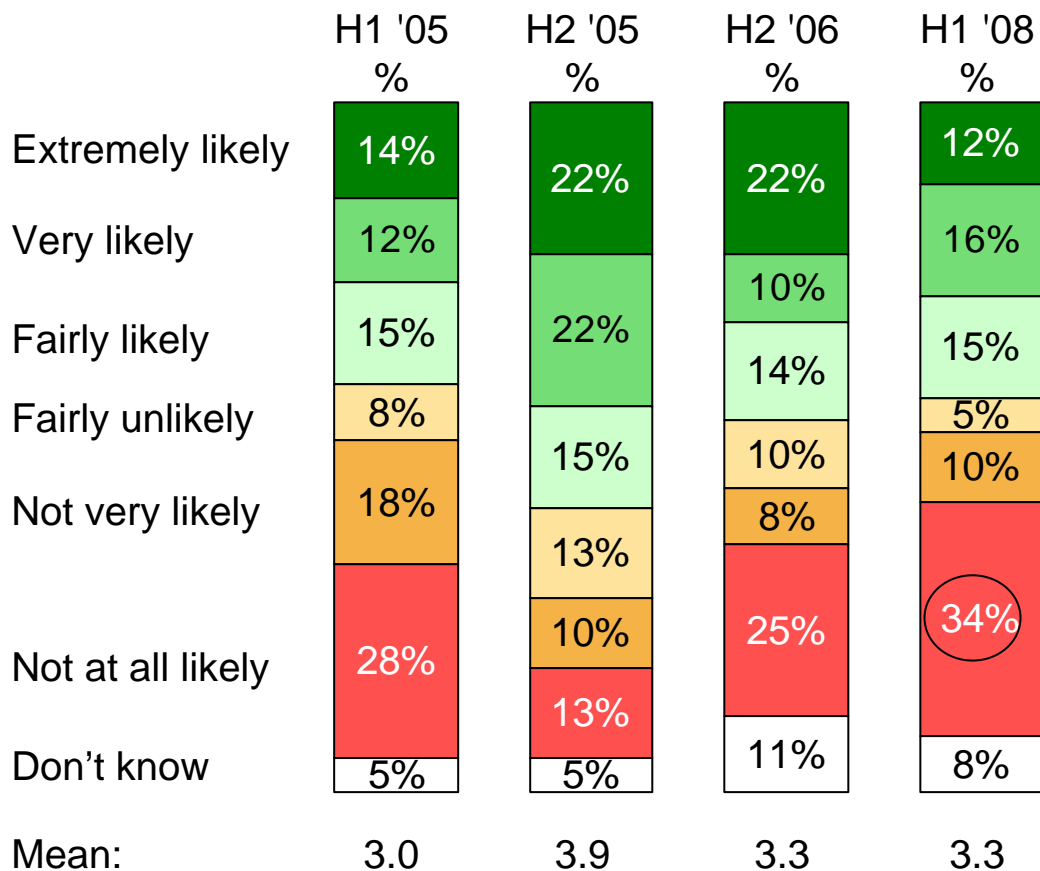
Base: All Using Narrowband connection only (n= 26*)



Likelihood of Connecting to Broadband

Q. How likely is your company to get a broadband connection in the next 12 months?

SMEs



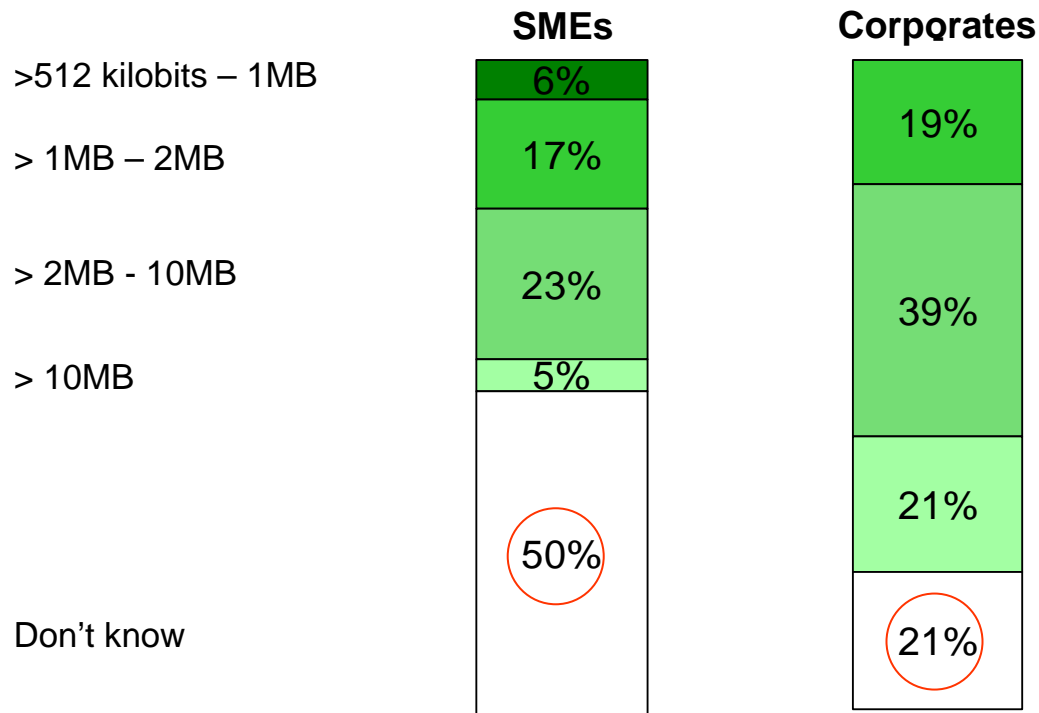
- Among SMEs currently not using broadband or not connected to the Internet, one in three now feel it is not at all likely that they will get broadband in the future. This would suggest that there is a segment of businesses more difficult to target, as broadband could be seen as less relevant for their business.
- More SMEs using dial-up Internet, or not connected to the Internet at all, state that they are not likely to get a broadband connection in the next 12 months, than had done so previously.
- It is important to note that as broadband penetration increases the addressable market for broadband decreases.

Base: All SME businesses using dial-up and ISDN and those who do not use the Internet at all (n=110)



Stated Download Speeds Received

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



- The bulk of business broadband connections are in the bracket > 2Mbit/s – 10Mbit/s.
- Businesses located in Dublin (31%), and those operating in the Manufacturing sector (40%), are also more likely to be in this bracket.
- Corporates are far more likely to have connections of greater than 10Mbit/s than SMEs are.
- The results show however that many businesses are unaware of the contracted speeds of their business Internet package.

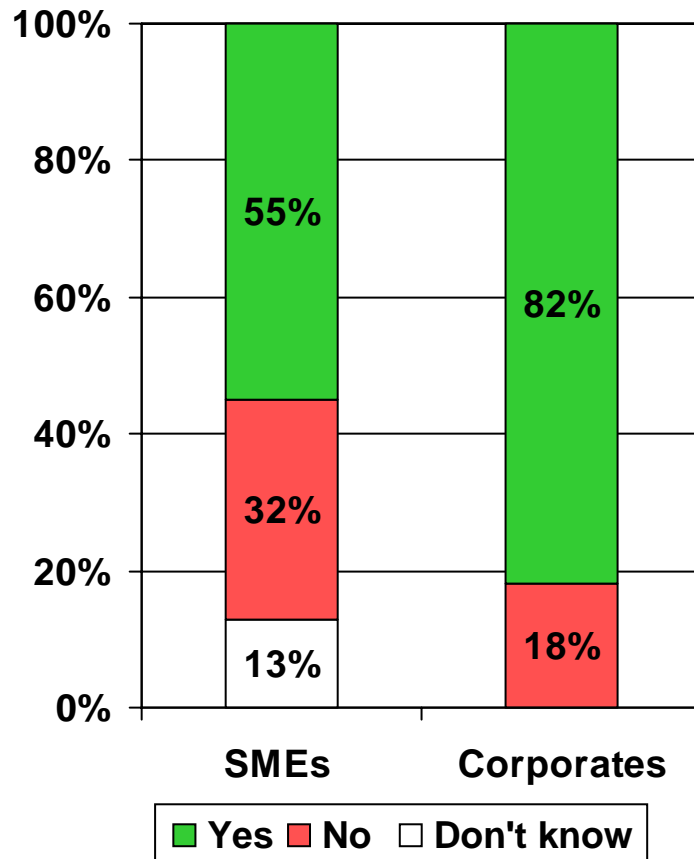
*Caution: Small base size

Base: All with broadband connection only (n=374, 38*)



Download Speeds Achieved

Q. Do you believe that your company is getting the download speeds stated in your Internet package?



- Of businesses that are aware of contracted download speeds, the majority believe that they are getting the contracted speeds.
- Businesses contracted to receive speeds of > 2Mbit/s, are more likely to believe the speeds are being achieved.

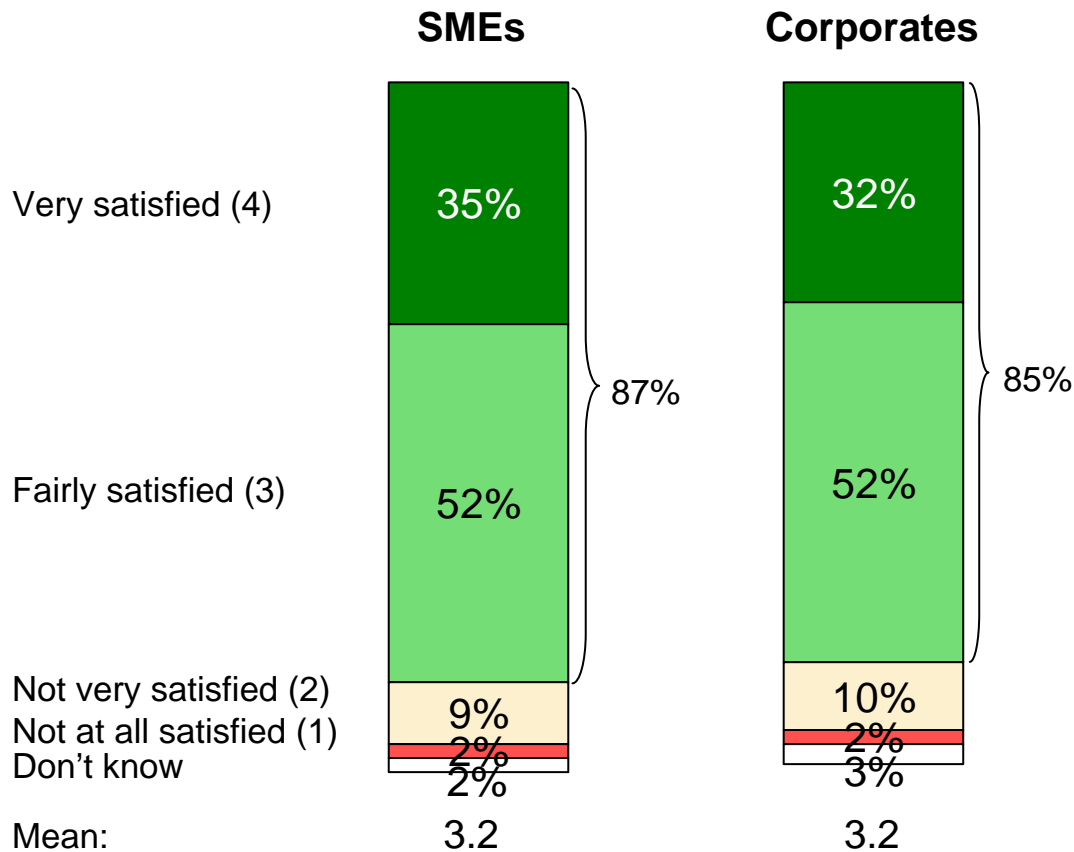
**Caution: Small base size*

Base: All with broadband connection only, aware of download speeds (n=187, 30)*



Satisfaction with Download Speeds received#

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



- While the majority of businesses are generally unaware of what download speeds they get, most still register satisfaction (86% overall) with the speeds that they are receiving.
- Satisfaction with download speeds seems higher among Leinster-based companies (93%) but lower among Munster-based companies (83%).

See Slide 27 for HSDPA users

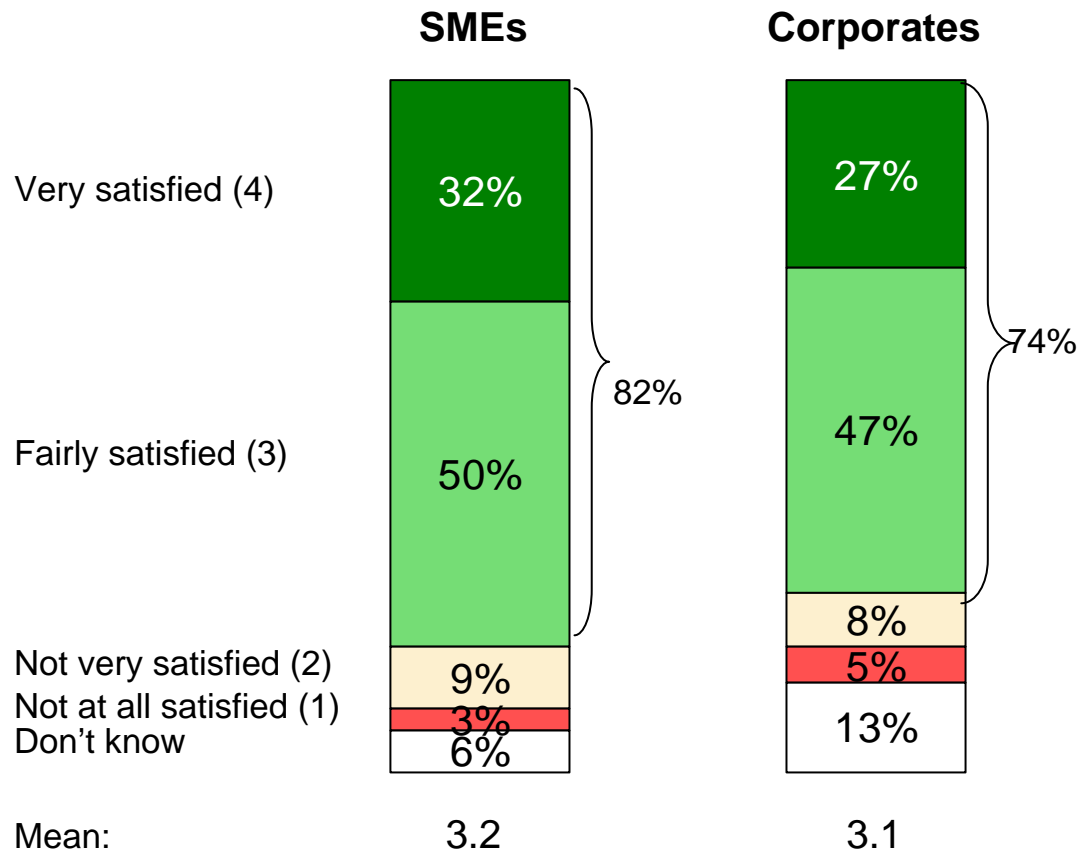
*Caution: Small base size

Base: All broadband only users excl. HSDPA only users (n=369,38*)



Satisfaction with experience of Upload Speeds received

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



- Satisfaction with upload speeds is slightly lower than with download speeds, but is still high, with 81% overall expressing satisfaction.
- Given that the majority of broadband services in Ireland are not symmetrical, with download speeds being higher than upload speeds, it is not surprising to find lower levels of satisfaction with upload speeds.

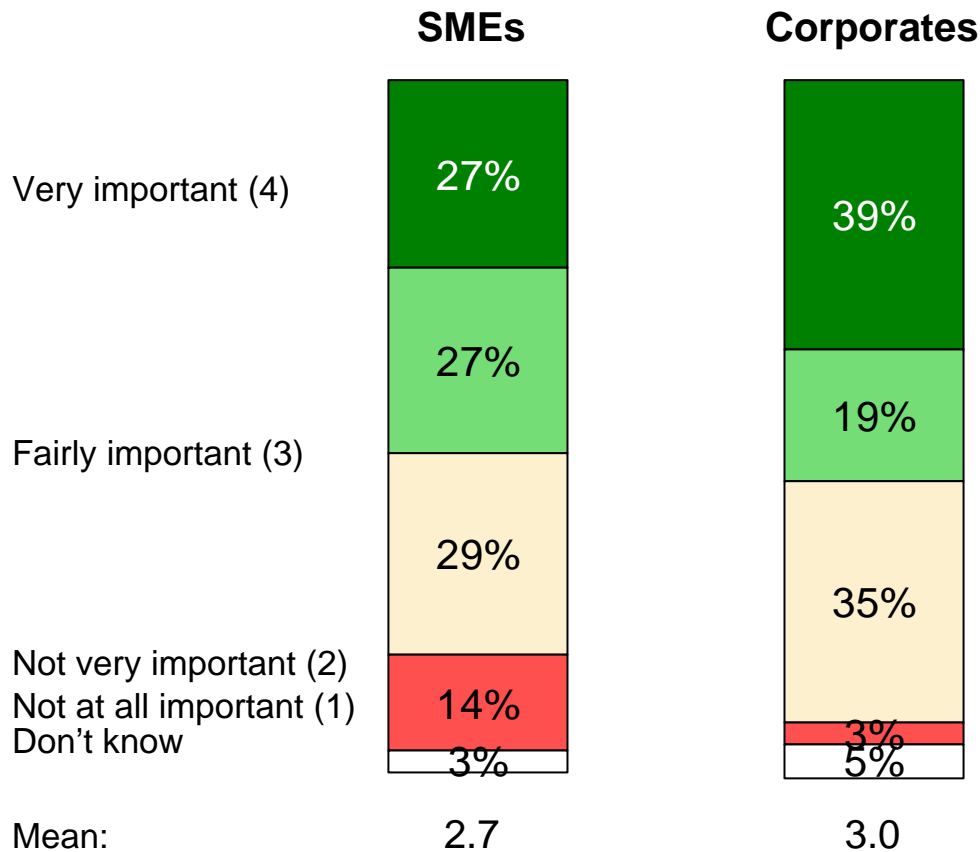
*Caution: Small base size

Base: All with broadband connection only (n=374, 38*)



Importance of Symmetrical Broadband

Q. A symmetrical broadband service is where upload and download speeds are equal. How important is it to your business that your company has equally high download and upload speeds?



- Overall, over half (54%) believed a symmetrical broadband service was important to their business.
- Corporates attributed slightly more importance to the proposition of a symmetrical broadband service than SMEs did.
- Financial Services (61%) ascribed higher importance to this type of service.

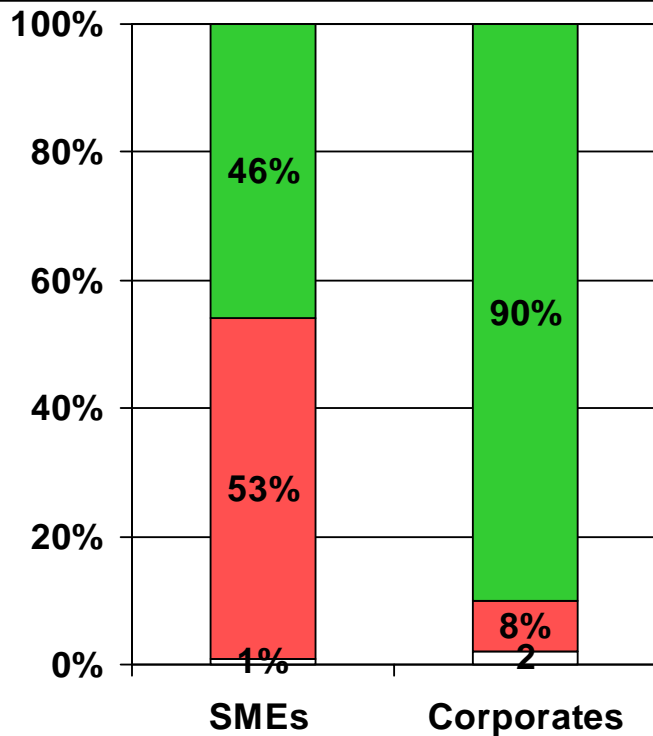
*Caution: Small base size

Base: All with broadband connection only (n=374, 38*)

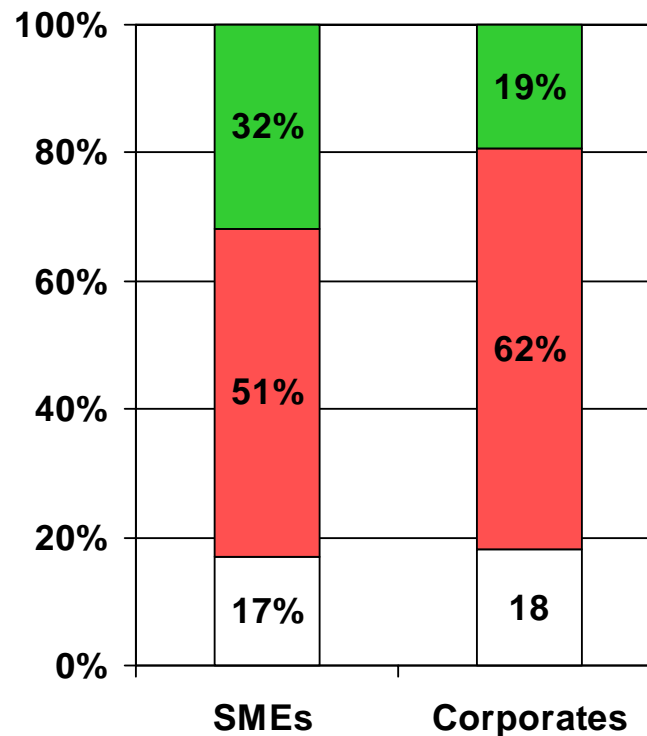


Contention Ratios

Q. Are you aware of the term Contention Ratio, where broadband capacity is shared between multiple users of a particular broadband service?



Q. Do you think the Contention Ratio on your current broadband service is too high?



■ Yes ■ No □ Don't know

- 90% of Corporates with a broadband connection claimed to be aware of contention ratios, and only 19% believed the contention ratio on their current Internet connection is too high.
- SMEs are less aware of the term “contention ratio”.

**Caution: Small base size*

Base: All with broadband connection (n=374, 38*)

Base: All aware of contention ratios (n=168, 34*)





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Key Findings

Key Findings - Fixed

- Eircom's market share continued to fall among business users, especially Corporates, as they switched to using alternate operators. Corporates also stated that they would be more inclined to switch in the future.
- Awareness of VoIP was near universal among Corporates, and 40% of this group claimed to be using VoIP services, mainly over private company networks. While SMEs were less likely to be using VoIP, or to say that they are likely to in the next 12 months, increasing Internet speeds may encourage greater uptake of VoIP.
- When making a complaint to their fixed line provider, Corporates were more satisfied than SMEs with both the speed of resolution, and the general manner in which their complaint was handled. It is likely that Corporate customers would have a dedicated account manager to deal with issues and complaints, and this would result in higher levels of satisfaction being registered.
- This wave of the survey also showed that most businesses believed that their fixed line usage remained the same in the last 12 months. Of those SMEs that believed their fixed usage had decreased, the majority attributed this to increased use of mobile phones.



Key Findings - Mobile

- Business use of mobile phones was near universal among Corporates, and a much higher percentage of SMEs was using mobile phones for businesses purposes than recorded in previous surveys. Vodafone and O2 retain the majority market share as the main providers of mobile services for business customers.
- Users of mobile services are becoming more technologically savvy, and using more advanced data services such as mobile email and accessing the Internet over their mobile phones, than has been seen previously when SMS was the most widely used mobile data service. The attitude towards mobile data services is extremely positive with nearly 80% of businesses rating them favourably.
- Larger businesses are also adopting more sophisticated mobile technology for the purposes of conducting business. Mobile data devices, especially HSDPA and 3G Data cards, have seen very strong uptake among Corporate businesses. HSDPA has also seen high uptake among SMEs.
- High levels of satisfaction were registered with regard to geographic coverage, and download speeds of mobile broadband services. However, HSDPA operators will be presented with the challenge of maintaining customer satisfaction with speeds provided, as more businesses and individuals sign up to these services, and more demand is placed on HSDPA networks.
- An increased number of business travellers use mobile phones while abroad, and employers are more aware of how to save money while roaming by encouraging employees to use text messages, and to use the least expensive network for roaming.
- There was high awareness of new roaming rate caps on the back of a recent EU Regulation, but levels of satisfaction with these costs have decreased since 2006 – it is likely that as business users are becoming more sophisticated and knowledgeable about their use of communications services in general, their value expectations increase.



Key Findings - Internet and Broadband

- There is a small percentage of businesses that are not connected to the Internet, the main reason given is that they have no need for an internet connection. Overall, Eircom is still the main provider of Internet services to businesses in Ireland.
- Broadband usage among Corporates is near universal, and among SMEs the move to broadband is becoming more pronounced with only 7% of users having a dial-up connection, and 7% having an ISDN line. However, there are still a small number of businesses that would be interested in getting broadband, but they believe that it is not available to them.
- While there is a certain amount of latent demand for broadband among businesses, there is still a number of smaller businesses that believe they are unlikely to get connected to the Internet and/or get a broadband connection.
- As the broadband debate moves from access to speed, lack of awareness around speeds need to be addressed. Half of SMEs with a broadband connection are unaware of the download speed their ISP is contracted to supply, however they registered satisfaction with both download and upload speeds achieved. It is worth considering whether they would be satisfied should the speed achieved be revealed to be significantly lower than what they are contracted to receive.
- Larger businesses are more likely to have higher speed connections, and are slightly more likely to attribute importance to a symmetrical broadband connection. These organisations are also less likely than SMEs to believe the contention ratio of their broadband connection is too high.



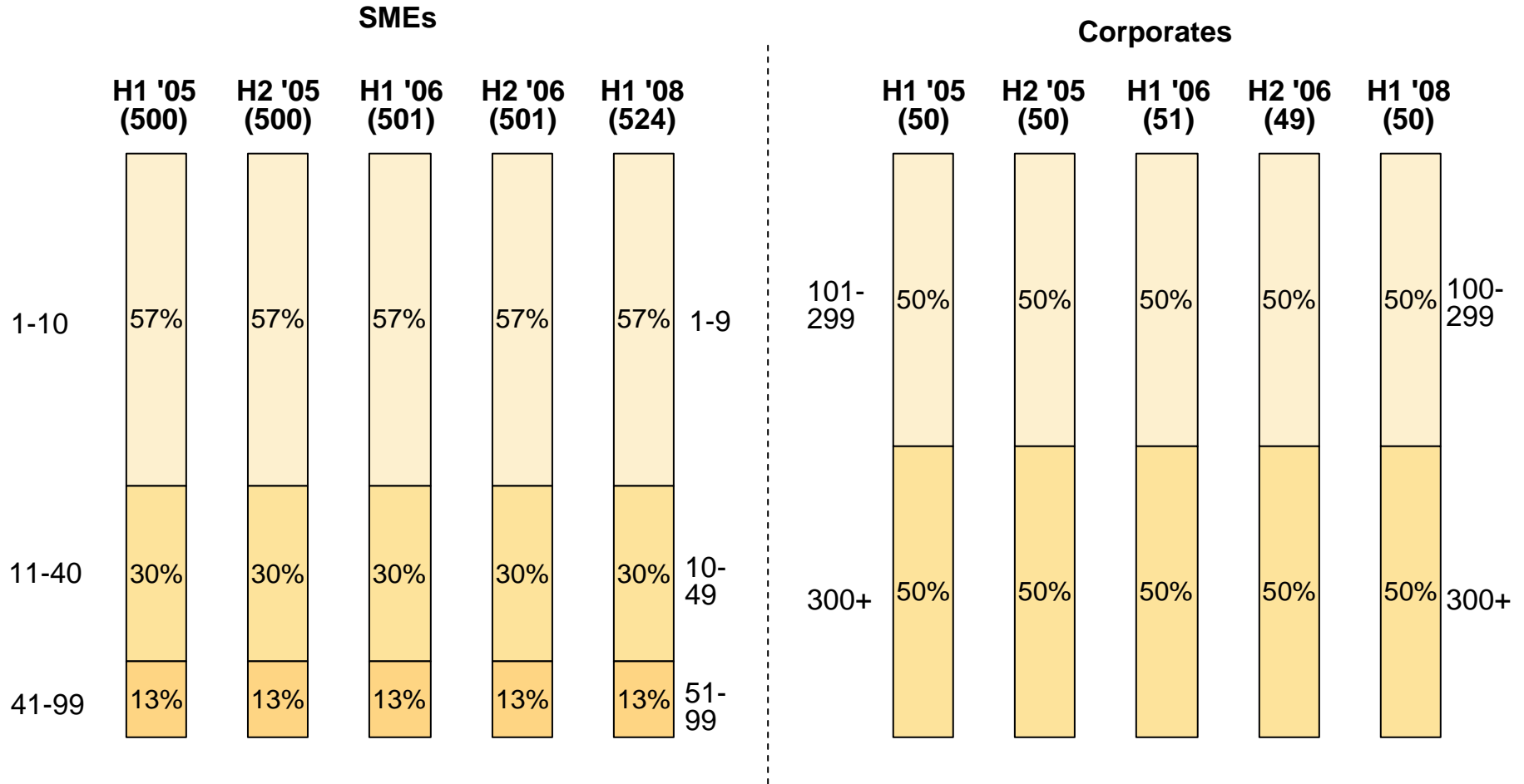


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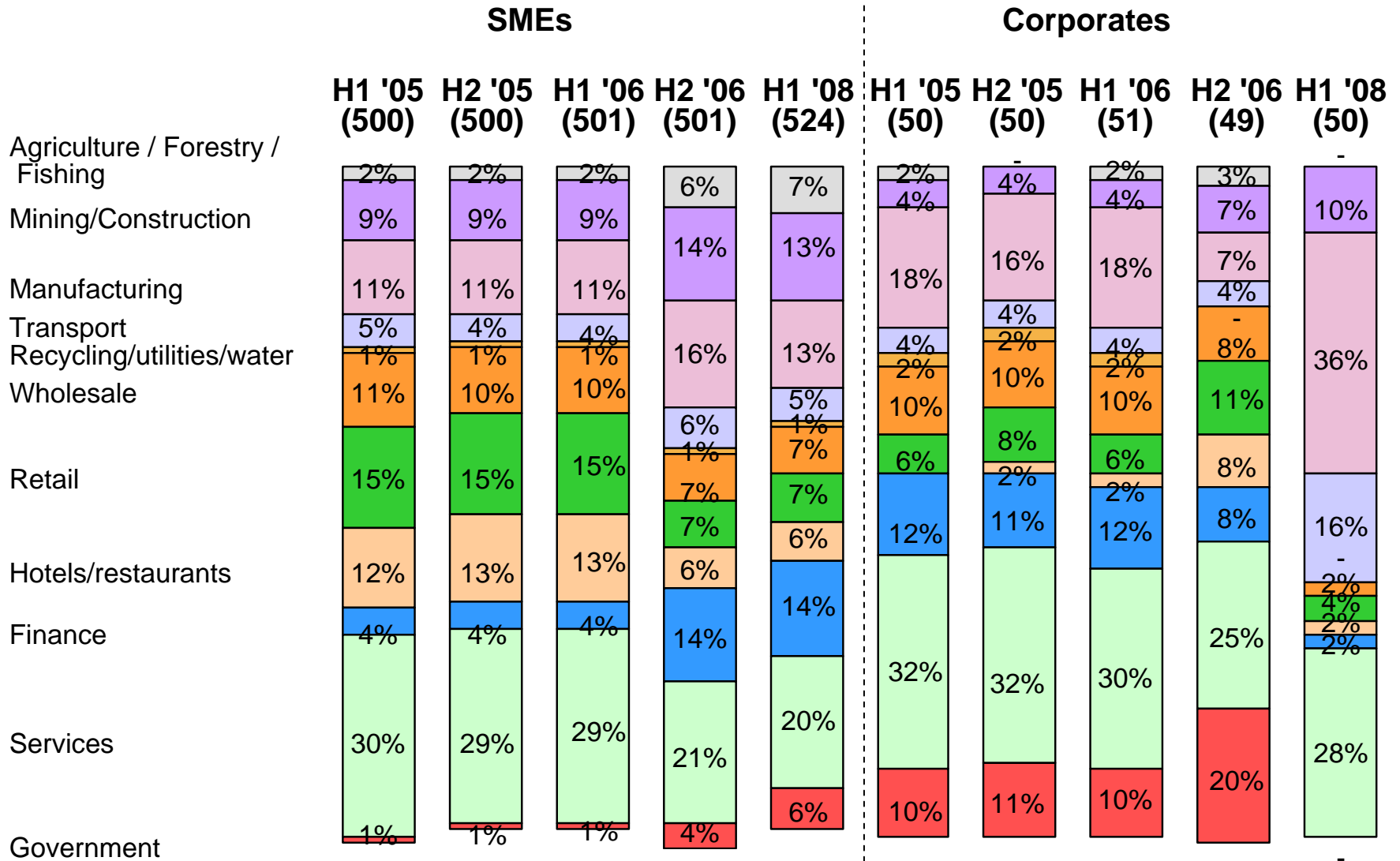
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**Appendix:
Sample Details**

Sample Profile – Number of Employees



Sample Profile – Industry Sector



Base: All Respondents (n=524, 50)



Sample Profile: Location of Business

Q. What region is your workplace in?

	SMEs					Corporates				
	H1 '05 %	H2 '05 %	H1 '06 %	H2 '06 %	H1 '08 %	H1 '05 %	H2 '05 %	H1 '06 %	H2 '06 %	H1 '08 %
Dublin City	29	30	24	25	28	38	42	40	52	57
Rest of Leinster	25	20	24	28	24	16	14	14	10	18
Cork City	5	9	5	9	7	12	2	4	4	8
Waterford City	3	1	1	1	1	-	-	7	8	-
Limerick City	3	4	4	1	3	2	2	4	3	-
Rest of Munster	15	19	24	17	17	24	17	15	15	10
Galway City	4	3	2	1	3	-	2	5	4	2
Rest of Connaught	10	9	10	10	11	4	12	9	3	4
Rest of Ulster	6	4	5	7	5	4	9	2	1	2



Sample Profile: Location of Premises

Q. Is your company located in....

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



Sample Profile: Type of Company

Q. Is your company?

	SMEs					Corporates				
	H1 '05 %	H2 '05 %	H1 '06 %	H2 '06 %	H1 '08 %	H1 '05 %	H2 '05 %	H1 '06 %	H2 '06 %	H1 '08 %
An Irish owned – private company	89	86	83	85	81	40	35	36	32	35
An Irish owned – public company	3	3	3	3	5	8	3	11	10	16
A Subsidiary of overseas company	6	3	4	5	6	30	30	24	24	26
A Semi-State body	1	2	1	*	*	10	10	7	3	8
A Government department	1	2	2	3	3	10	18	11	20	10
Other	*	3	6	5	5	-	2	11	10	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 %	H1 '05 %	H2 '05 %	H1 '06 %	H2 '06 %	H1 '08 %
IT Manager /IT Director	7	11	6	8	10	46	46	44	68	54
CEO/Managing Director / Owner Manager	45	36	38	48	47	2	-	6	3	4
Telecommunications Director/ Telecommunications Manager	1	2	*	1	*	4	11	-	5	4
Finance Director/ Finance Manager	8	11	5	9	8	8	9	6	6	12
Other Director/Manager	23	24	19	21	25	26	12	10	12	18
Administration	10	9	9	9	7	-	4	-	4	2
Other	5	7	32	4	2	4	19	35	4	6
Refused	1	1	*	-	-	-	-	-	-	-



Main Fixed Line Supplier

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

	Total H1 '08 %	SME					Corporates				
		H1 '05 %	H2 '05 %	H1 '06 %	H2 '06 %	H1 '08 %	H1 '05 %	H2 '05 %	H1 '06 %	H2 '06 %	H1 '08 %
Eircom	75	79	80	77	76	75	82	77	88	77	68
BT Ireland	7	6	8	6	5	7	8	14	4	10	12
Imagine ¹	9	1	1	1	4	10	1	1	1	3	4
Access	n/a	3	2	5	2	n/a	8	2	-	2	n/a
Pure Telecom	1	1	2	1	1	1	2	-	2	2	2
Verizon (MCI Worldcom) ²	1	2	1	*	1	1	4	-	4	-	2
NewTel ³	1	1	*	1	1	1	-	-	-	-	-
Cinergi/Speedial	n/a	1	*	1	1	n/a	-	-	-	-	n/a
NTL Business/NTL	1	1	*	*	-	*	-	2	6	2	6
Other*	4	5	5	7	7	4	-	2	8	12	6
Don't know/refused	1	1	2	2	3	2	-	2	-	4	-

Base: All Respondents (n=524,50)

1 Imagine includes Access, Cinergi, Gaelic Telecom

2 Verizon previously MCI Worldcom

3 NewTel has since been acquired by Pure Telecom

Note: Answers under 1% not shown



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Main Internet Supplier Used

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

	Total					SMEs					Corporates				
	H1 '05 %	H2 '05 %	H1 '06 %	H2 '06 %	H1 '08 %	H1 '05 %	H2 '05 %	H1 '06 %	H2 '06 %	H1 '08 %	H1 '05 %	H2 '05 %	H1 '06 %	H2 '06 %	H1 '08 %
<i>eircom</i>	66	69	70	66	58	66	72	73	68	61	61	46	54	47	29
BT Ireland (Esat BT)	7	7	6	6	9	6	6	6	5	9	16	12	1	14	16
Imagine Group	n/a	n/a	n/a	n/a	4	n/a	n/a	n/a	n/a	4	n/a	n/a	n/a	n/a	2
Magnet/Leap/ Netsource	n/a	n/a	n/a	n/a	3	n/a	n/a	n/a	n/a	3	-	-	-	-	10
Irish Broadband	3	4	5	4	3	4	4	5	4	3	2	4	4	7	2
DigiWeb	1	1	1	2	2	1	1	1	2	2	-	-	-	-	-
NTL/Chorus/UPC	1	1	2	1	1	1	1	1	*	1	-	2	7	3	4
Verizon (MCI Worldcom)	1	*	*	1	1	1	*	*	*	*	2	2	-	5	2
Smart Telecom	1	*	1	1	1	1	*	1	1	1	-	-	3	2	4
UTV Internet	1	1	*	1	*	1	1	1	1	*	-	-	-	-	-
Perlico	-	*	-	1	*	-	*	-	1	*	-	-	-	-	*
Other*	7	9	9	13	11	6	7	8	11	10	10	26	16	24	20
Don't know	6	6	6	8	6	6	5	4	8	6	4	8	16	11	10

Base: All businesses with Internet access (n=456, 49)

* Other answers not mentioned any more than once



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