



Commission for
Communications Regulation



SME & Corporate ICT Research H2 2009

**A Review of Findings
by**

 **MillwardBrown**
Lansdowne

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Presentation Outline



- **Introduction**
 - Research Objectives
 - Methodology
 - Sample profile

- **Research Findings**
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 - Mobile market
 - Internet and Broadband communications

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Introduction

Presentation Outline



- This is the eighth wave of a business market tracking research programme being undertaken on behalf of ComReg by Millward Brown IMS, the most recent being conducted between March and April 2009. There was no research conducted by MBIMS in 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 are used by ComReg for market understanding, future planning and policy formulation, and public dissemination.

Presentation Outline



- Telephone interviews were conducted among a sample of 485 SMEs and 66 Corporate businesses. SMEs were defined as companies with 100 employees or less.
- 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 more than 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 29th of September and the 22nd of October
- 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
October – November 2008	H2 '08
March – April 2009	H1 '09
September - October 2009	H2 '09 (This period)



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Research Findings



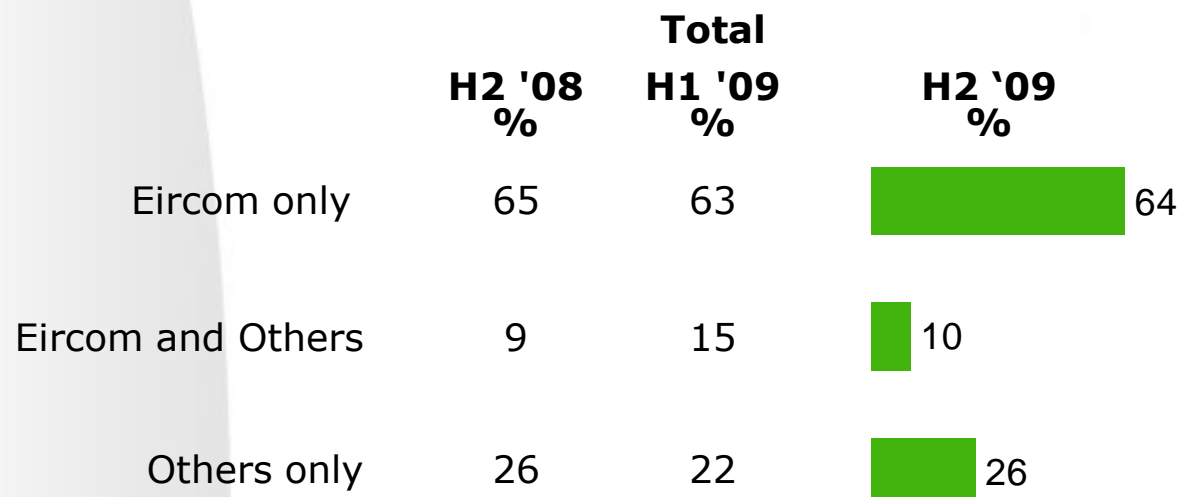
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Fixed Line Market

Fixed Line Suppliers Used



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



- At an overall level there is little change in the number of businesses who use Eircom only (64%). However this wave there were fewer businesses who used Eircom and another supplier (10%), this is higher among Corporates (19%)
- There is an increase in those using a provider other than Eircom (26%).

Fixed Line Suppliers Used



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

	SMEs								Corporates							
	H1 '05 %	H2 '05 %	H1 '06 %	H2 '06 %	H1 '08 %	H2 '08 %	H1 '09 %	H2 '09 %	H1 '05 %	H2 '05 %	H1 '06 %	H2 '06 %	H1 '08 %	H2 '08 %	H1 '09 %	H2 '09 %
Eircom only	71	75	72	72	70	65	65	65	74	75	73	66	55	62	42	51
Eircom and Others	8	6	5	4	11	8	13	9	8	2	15	11	23	24	35	19
Others only	21	20	23	24	17	27	22	25	18	23	12	23	22	14	23	29

- The number of SMEs using Eircom only has remained constant again this wave (65%), and SMEs are slightly more likely to have a provider other than Eircom than in the previous quarter (25% v 22%)
- The majority of Corporate businesses use Eircom only (51%), and there has been an increase in this occurrence with under one in five (19%) now using Eircom and other providers, and nearly three in ten (29%) using a supplier other than Eircom.
- Those businesses using a supplier other than Eircom are more likely to be operating in the Manufacturing sector (33%).

Reasons for Choosing Fixed Line Provider are “best value for money” and “have always used this company”



Q. What are your reasons for choosing your main fixed line supplier for your business?

	H2 '08 %	H2 '09 %
They offer the best value for money for my business	36	42
Have always used this company	37	41
The range of services offered	11	8
Good customer services	9	7
Previous negative experience with another supplier	3	5
Familiarity	3	-
Convenience	2	-
Reliability	2	-
Company Decision	2	-
Other	2	5
Don't know	6	4

- In line with continued difficult economic times, there has been an increase from 36% to 42% of businesses saying “getting the best value for money” is the main reason they chose their main fixed line supplier (36%).
- Those who use a supplier other than Eircom are over twice as likely to give this reason (86%) for choosing their main provider. It is also much higher among businesses who have switched fixed line operator in the last 12 months (76%).
- However there is still a high level of businesses (41%) saying they “Have always used this company” is the main reason for using their current fixed line provider.

*Answers less than 2% not shown

Cost of calls & line rental main reason for considering getting rid of fixed line

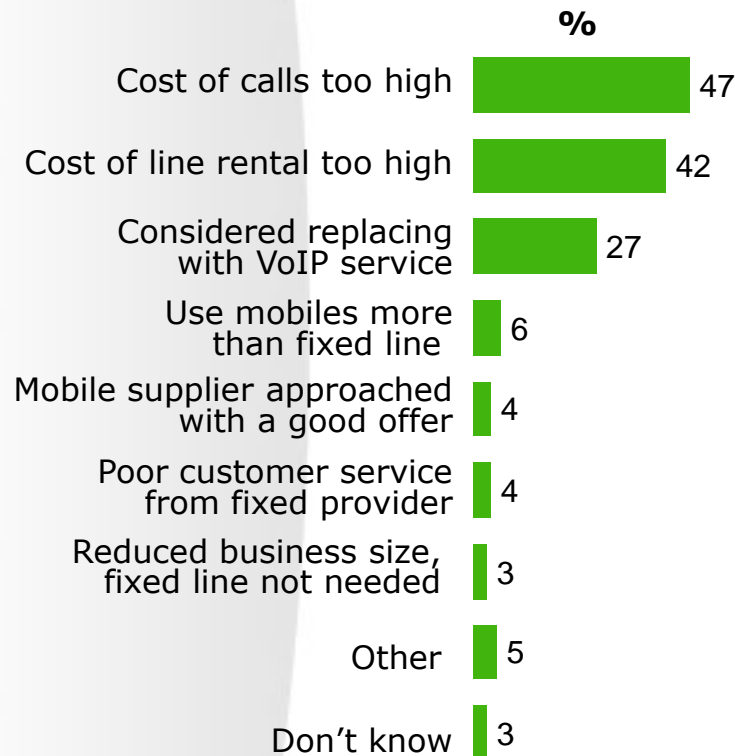


- Q. Has your company considered getting rid of its fixed/landline service in the past 12 months?
 Q. Why did you consider getting rid of your fixed line?

New



Base: All Who Have Fixed Line (n=480,63)



- Only 14% of businesses have considered getting rid of their fixed line service.
- The main driver in consideration was the cost of calls (47%) and line rental (42%) being too high.
- VoIP has been considered as a replacement by nearly 3 in 10 (27%) of those businesses who have considered getting rid of their fixed line.

*Caution small base size

Most businesses have not considered getting rid of fixed line as they could not do business without it



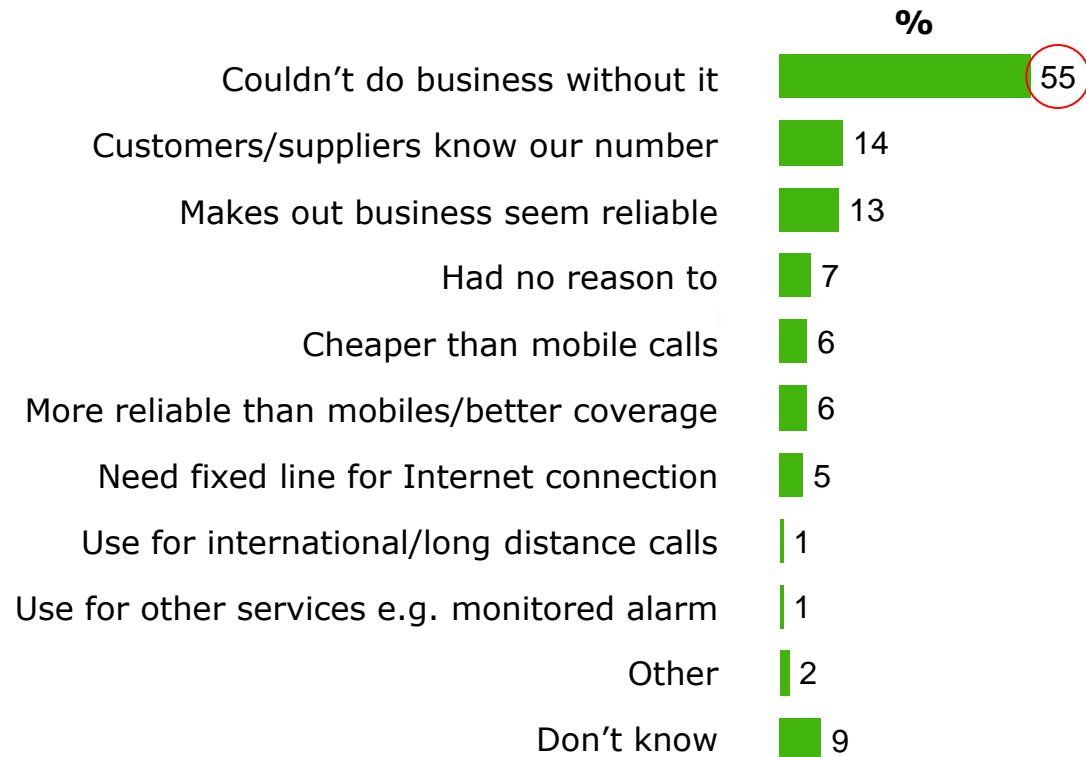
Q. Has your company considered getting rid of its fixed/landline service in the past 12 months?
Q. Why did you not consider getting rid of your fixed line?

New

Base: All Who Have
Fixed Line (n=480,63)



- Most businesses (86%), have not considered getting rid of their fixed line service, with over half of these (55%) saying they could not do business without a fixed line. Unsurprisingly this is especially high among businesses who have no company mobiles (73%).
- Customers/suppliers knowing business number (14%) and being seen as a reliable business (13%) are further reasons for not considering getting rid of fixed line.

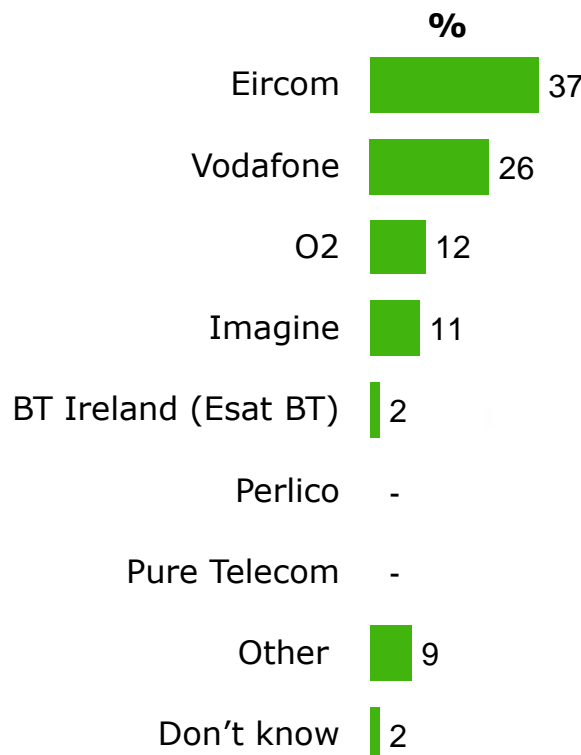
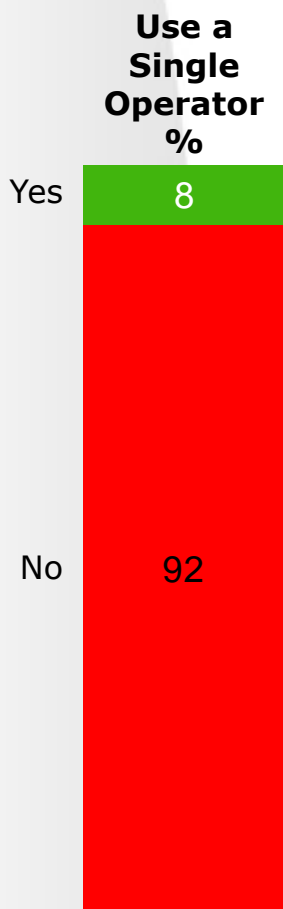


Fewer than 1 in 10 Businesses say that they use a single provider for their mobile & fixed line services



- Q. Are your business's fixed and mobile communication services provided by the same telecoms operator?
- Q. What is the name of the operator that supplies you with these services to your business?

New



Of the small percentage of businesses that claim to use a single supplier for both fixed and mobile communications, nearly 4 in 10 say they use Eircom (from a small base).

Base: All With Fixed Line (n=480,63)

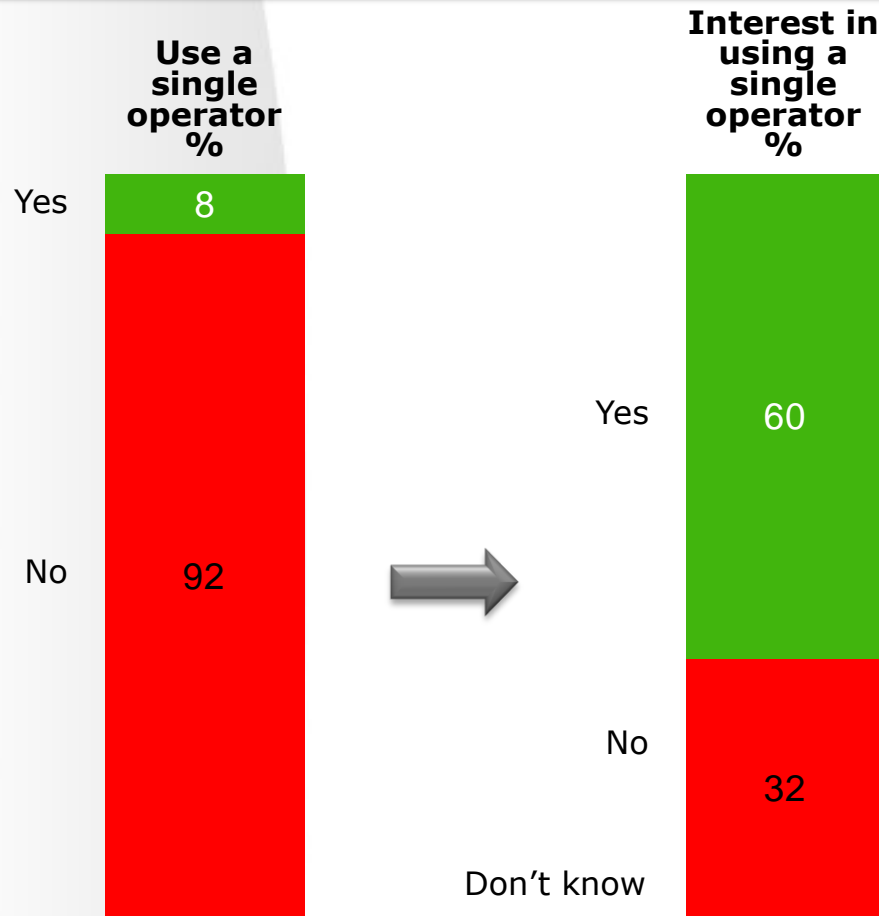
Base: All using Single Provider for Fixed & Mobile (n=48*)

Interest in using a single provider for Mobile & Fixed communications services is high



- Q. Are your business's fixed and mobile communication services provided by the same telecoms operator?
Q. Would your business be interested in using a single operator that would provide a combined fixed and mobile communications package?

New



- While the majority (92%) of businesses do not use a single telecoms operator for fixed and mobile communications, 6 in 10 of these are interested in doing so.
- This is higher among Corporates (69%), manufacturing businesses (79%), and those businesses that currently use Eircom & another provider for their fixed line needs (70%).
- Businesses who have switched mobile provider in the last 12 months (79%) and those who have not switched fixed line in the last 12 months (68%) are more likely to register interest in using a single provider.

Base: All With Fixed Line (n=480,63)

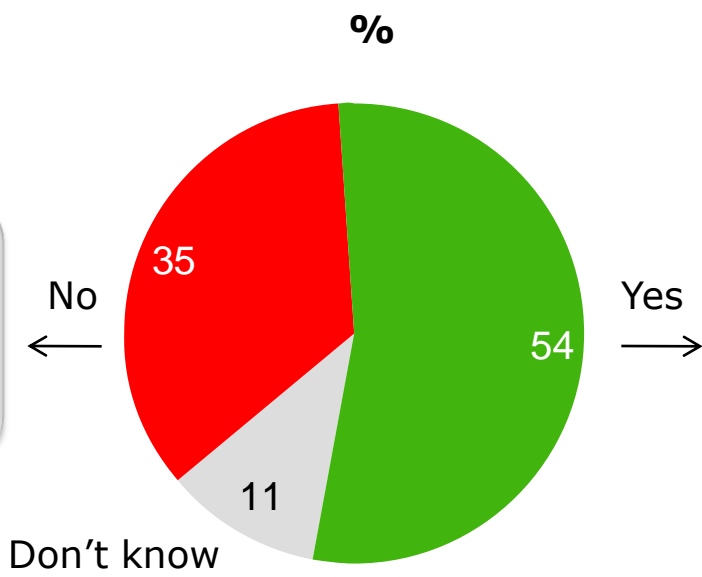
Base: All not using Single Provider for Fixed & Mobile (n=435,60)



There is strong interest in a converged communication service among businesses

Q. Would your business be interested in using a fixed-mobile converged communications service? This means that, instead of calls being carried over the fixed or mobile network all of the time, employees' calls are made via a single device which routes calls over a fixed network in the office and over a mobile network when employees are outside the office.

New



Higher Among

Employ <50	38%
Connaught/Ulster	45%
No company mobiles	72%
Narrowband users	43%

Higher Among

Corporates	76%
Dublin	62%
Eircom & others	67%
Not switched fixed last 12 months	63%
Broadband users	59%

- Over half of businesses with a fixed line (54%) register an interest in using a fixed mobile converged communications service.

Switching Activity among Corporates has shown continued increase



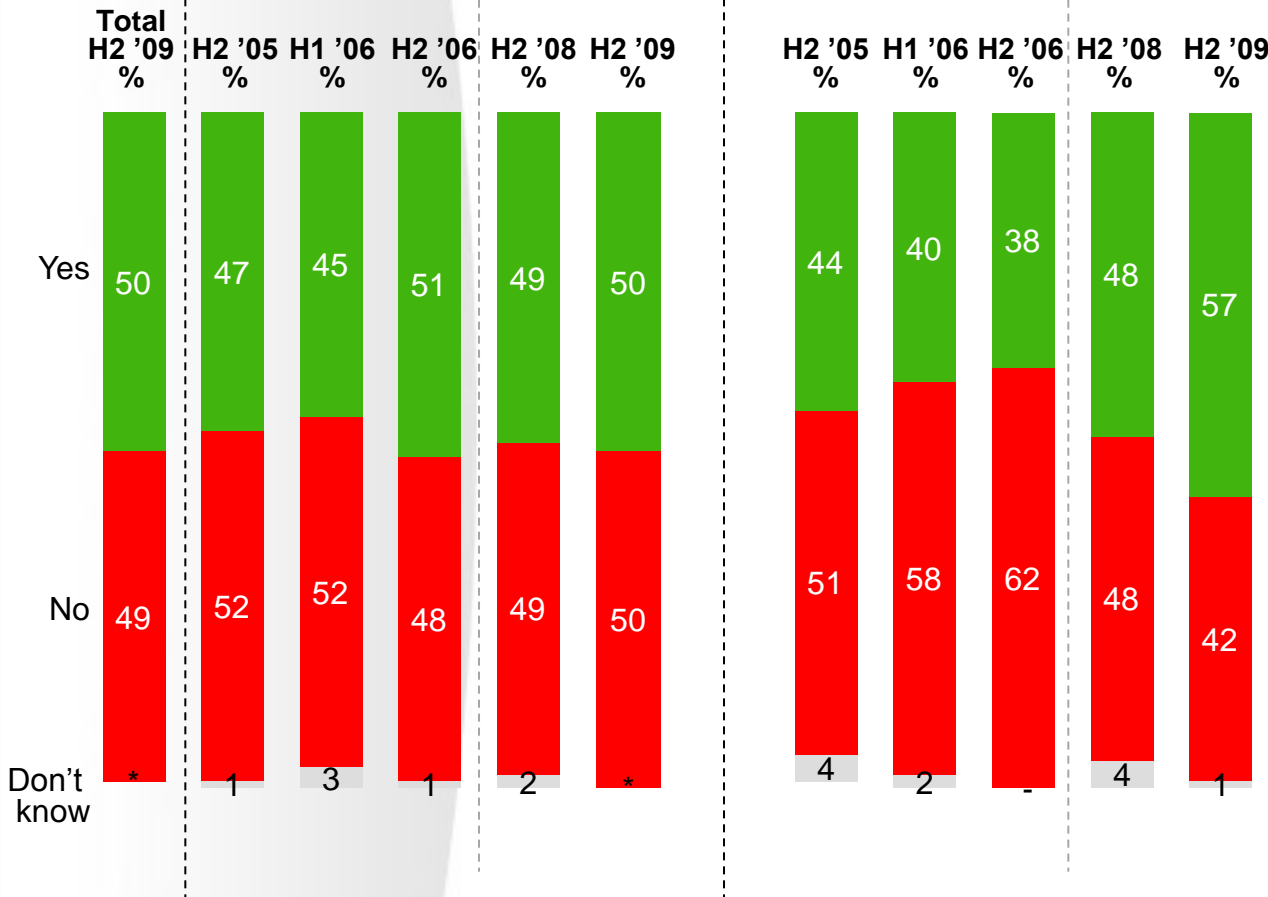
Q. Has your company ever switched fixed line service supplier?

(2 year gap)

(2 year gap)

SMEs

Corporates

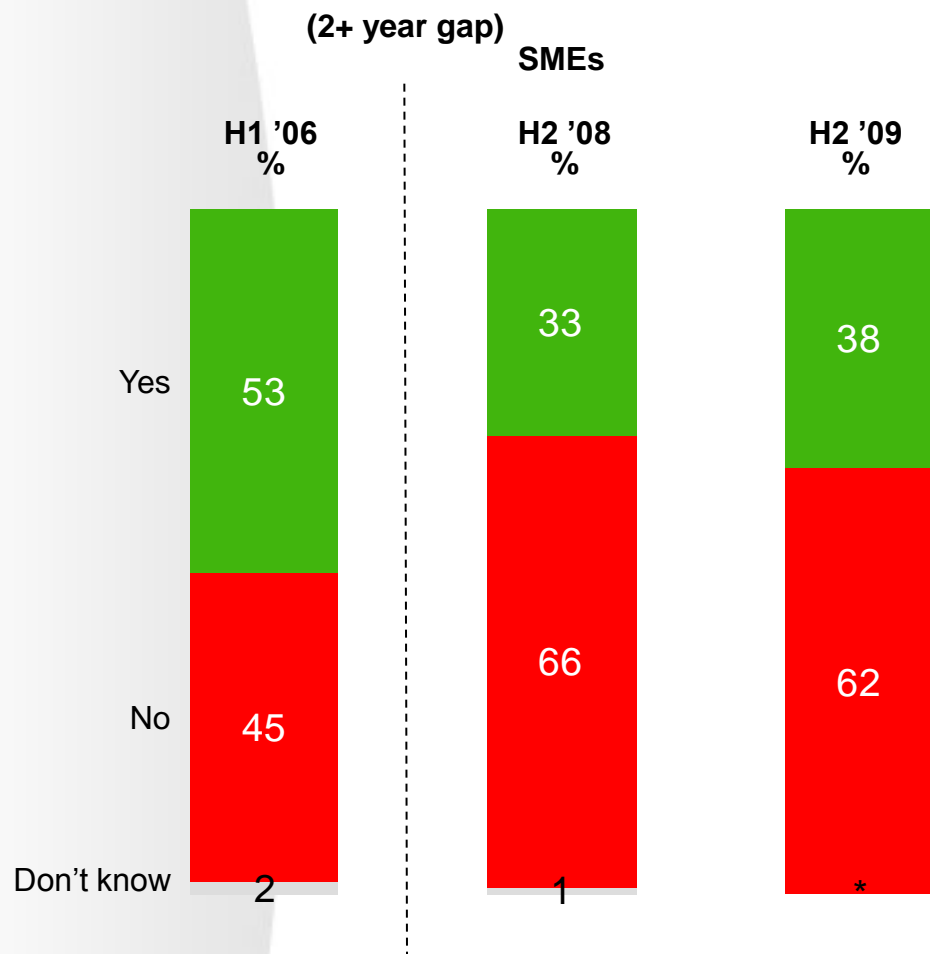


- Overall, half of Corporates and SMEs claim to have ever switched fixed line telephone supplier. There has been a marked increase in the percentage of Corporates who claim to have ever switched their fixed line provider ((57%)
- At an overall level, those businesses most likely to have switched fixed line supplier are also more likely to have switched Internet providers (78%).
- Companies operating in in the manufacturing industry sector (64%) are also more likely to have switched their fixed line provider.

Recent Switching Activity has Increased year on year



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

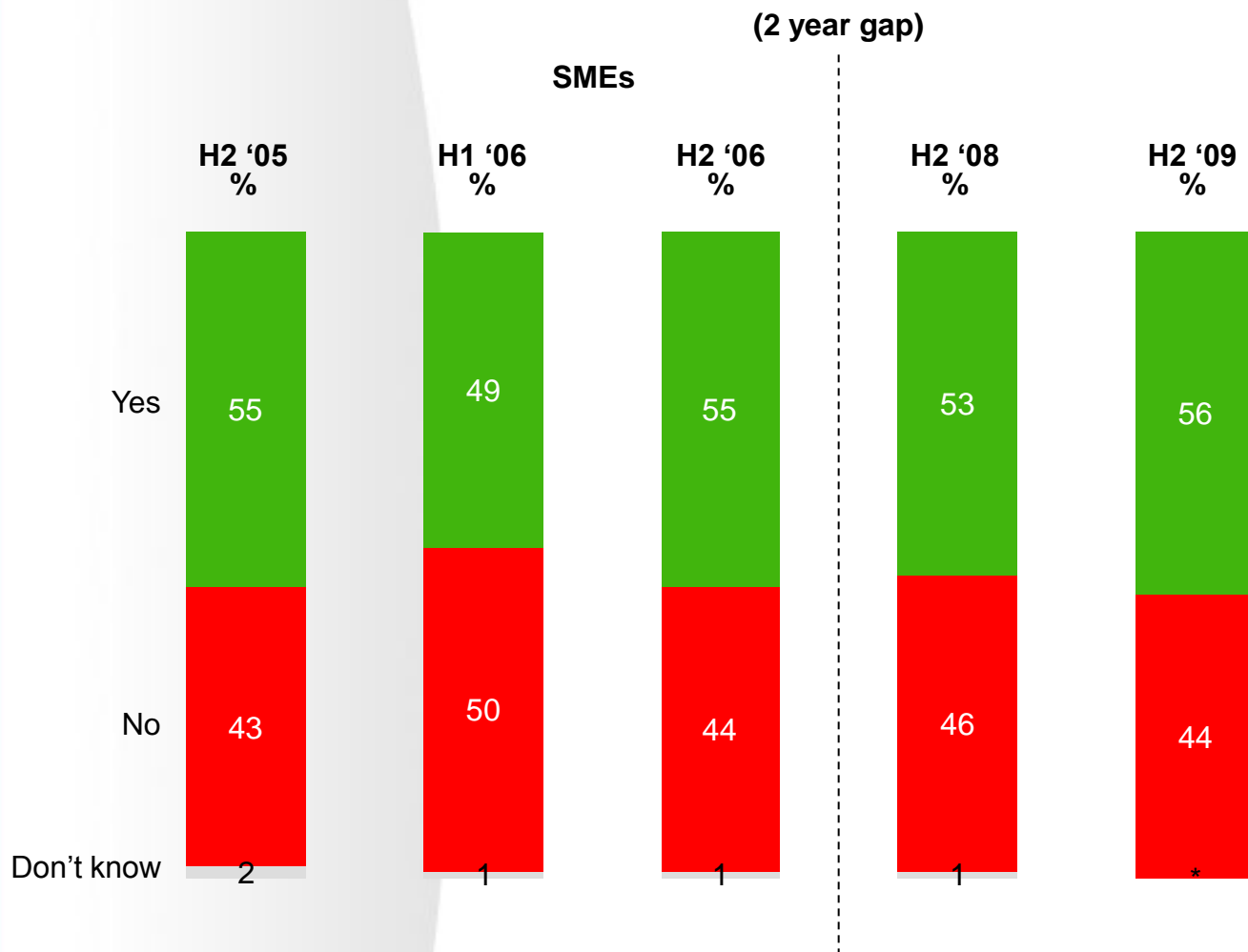


- Nearly 4 in 10 of those SMEs who had ever switched did so in the last 12 months (38%), an increase of 5 percentage points since the same period last year.
- Among all businesses, 38% switched in the last 12 months. Businesses with 10-49 employees (42%), and those who claim to have reduced communications spend in the last 12 months (45%) are more likely to have switched fixed provider in the past year.



Extent of switching back to original provider

Q. Has your company ever switched back to its original supplier?



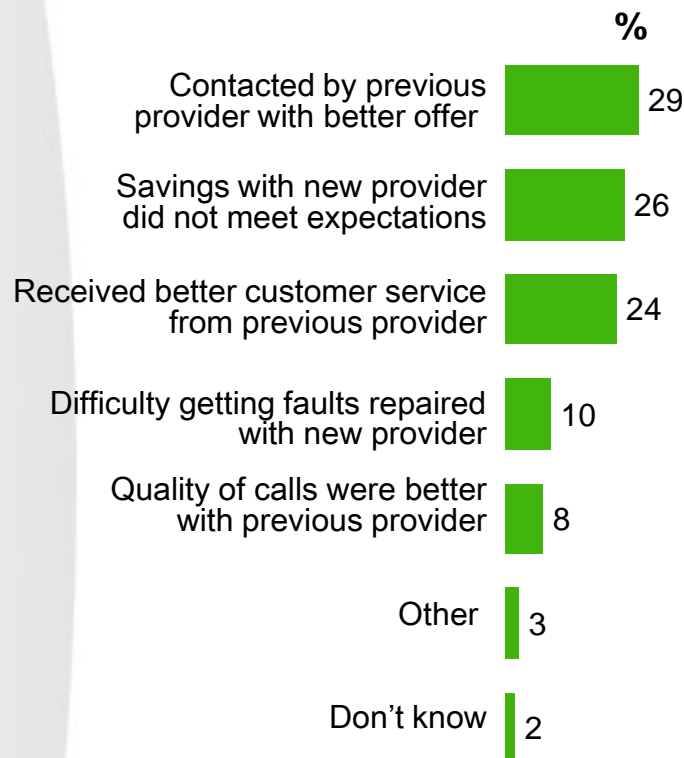
- Among all businesses, over half of those that had ever switched fixed line supplier switched back to their original supplier (54%).
- Companies that switched back were more likely to employ <50 people (60%), and those who use Eircom only for their fixed line (95%) were more likely to have switched back to their original supplier.

Being offered a better offer is the main reason businesses switched back to their original provider



Q. Why did your company switch back to its original fixed line phone provider?

New



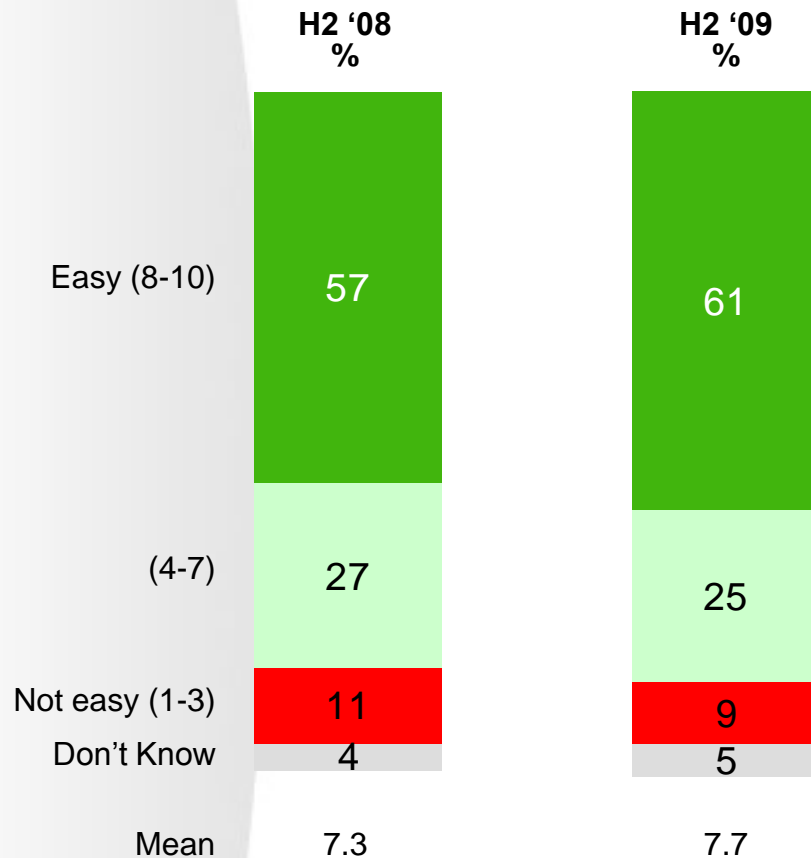
- Nearly 3 in 10 businesses who switched back to their original fixed line provider did so as a result of being given a better offer from their original provider.
- Savings with new provider not meeting expectations (26%), and better customer service with previous provider (24%) were other reasons given for switching back.

Base: All Companies who Switched Back to Original Fixed Line Provider (n=135,15*)



Ease of Switching Fixed Line

Q. How easy was the process of switching between fixed line providers on a scale of 1-10 where 1 means net easy at all and 10 means extremely easy?



- The process of switching fixed line provider was found to be easy by 6 in 10 businesses who ever switched, and higher than in 2008.
- Businesses with between 10 and 49 employees (68%) were most likely to say they found the process of switching easy, as were businesses based in the Rest of Leinster (69%). Those that switched in the last 12 months (71%), also said they found the process of switching easy.



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Mobile Market

Mobile Phone Market Share



Q. What company supplies your mobile telephone calls?

	SMEs								Corporates							
	H1 '05	H2 '05	H1 '06	H2 '06	H1 '08	H2 '08	H1 '09	H2 '09	H1 '05	H2 '05	H1 '06	H2 '06	H1 '08	H2 '08	H1 '09	H2 '09
Vodafone	45%	41%	34%	31%	46%	47%	42%	46%	54%	53%	70%	66%	66%	50%	67%	61%
O ₂	36%	39%	28%	26%	34%	36%	37%	37%	44%	47%	45%	28%	46%	58%	53%	52%
Meteor	2%	2%	3%	2%	4%	3%	4%	4%	2%	-	2%	4%	2%	2%	7%	2%
3	-	-	-	-	1%	2%	1%	2%	-	-	-	2%	-	2%	-	3%
Eircom mobile	-	-	-	-	-	1%	2%	2%	-	-	-	-	2%	2%	2%	-
Other	-	-	-	-	-	1%	1%	*	-	-	-	-	-	-	-	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%	12%	11%	4%	6%	6%	6%	2%	2%

- Just over 8 in 10 (83%) of all businesses in Ireland provide their employees with company mobile phones, this has remained at similar levels over the last two years.
- Businesses with 10-49 employees (22%), those based in Connaught/Ulster (28%), and those without an Internet connection (37%*) are less likely to provide business mobile phones to their employees.

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 %	H2 '08 %	H2 '09 %	H1 '05 %	H2 '05 %	H1 '06 %	H2 '06 %	H1 '08 %	H2 '08 %	H2 '09 %
#Smartphones (previously 3G handsets)	6	7	13	25	14	27	30	18	19	42	41	45	57	70
3G Data Cards	n/a	6	6	9	9	15	16	n/a	42	47	40	57	51	56
Wireless LAN cards	10	8	10	11	11	10	12	45	26	47	42	48	43	38
Mobile Broadband (HSDPA)	n/a	n/a	n/a	n/a	16	26	23	n/a	n/a	n/a	n/a	55	57	55
#Netbooks/ notebooks (new)	-	-	-	-	-	-	15	-	-	-	-	-	-	40
None of these	77	76	70	58	70	54	55	30	39	25	28	18	13	13

Overall, just over half (51%) of businesses do not provide devices for mobile working, similar levels to that were seen last year (50%). This rises to 69% among businesses with fewer than 10 employees. At a regional level, businesses based in the Rest of Leinster (60%) and Connaught/Ulster (59%) are less likely to use mobile data devices.

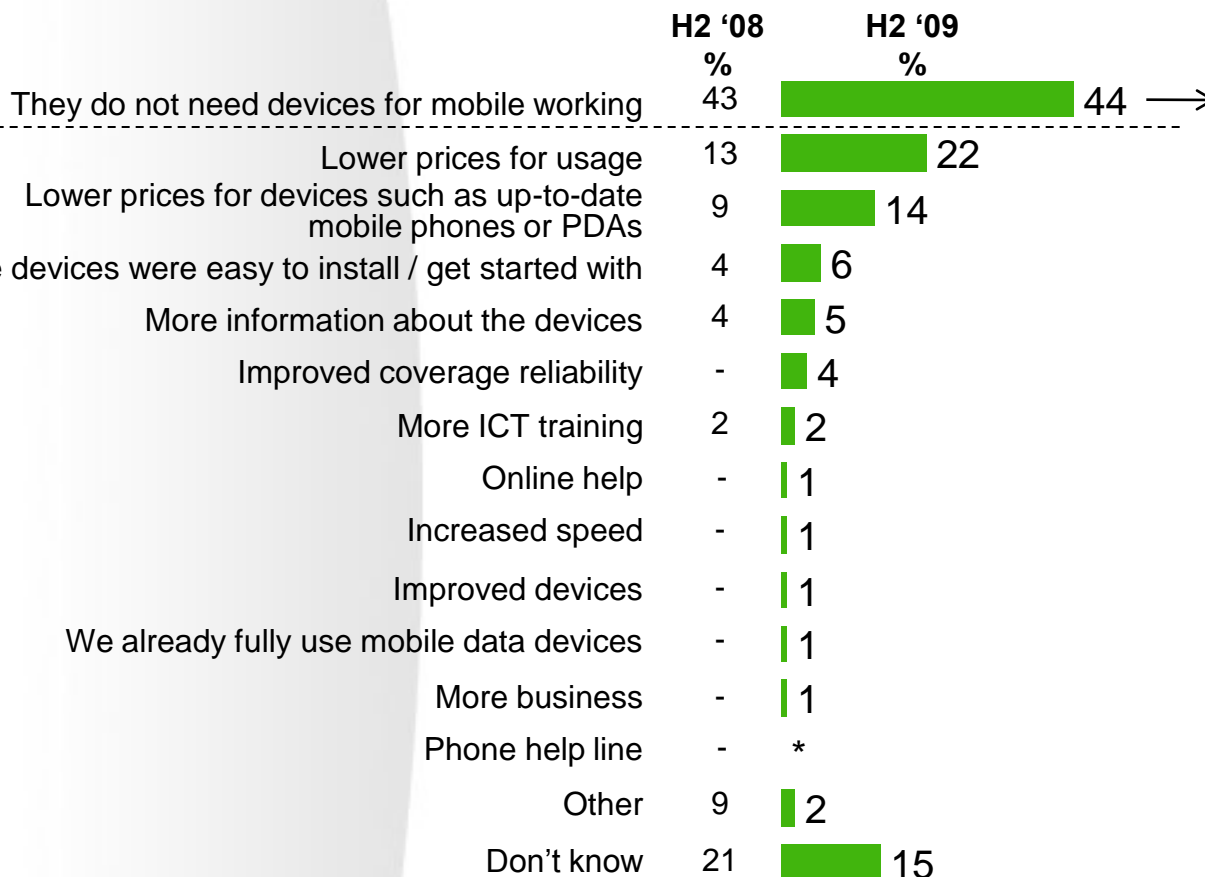
Corporate businesses are higher users of mobile data services, with especially high use of Smart phones (70%), this is also the most used data device among SMEs (30%).

[# New categories in H2'09]

Potential Use of Mobile Data Devices



Q. What, in your opinion, would make your company's employees start using more of the mobile data devices available for mobile working?



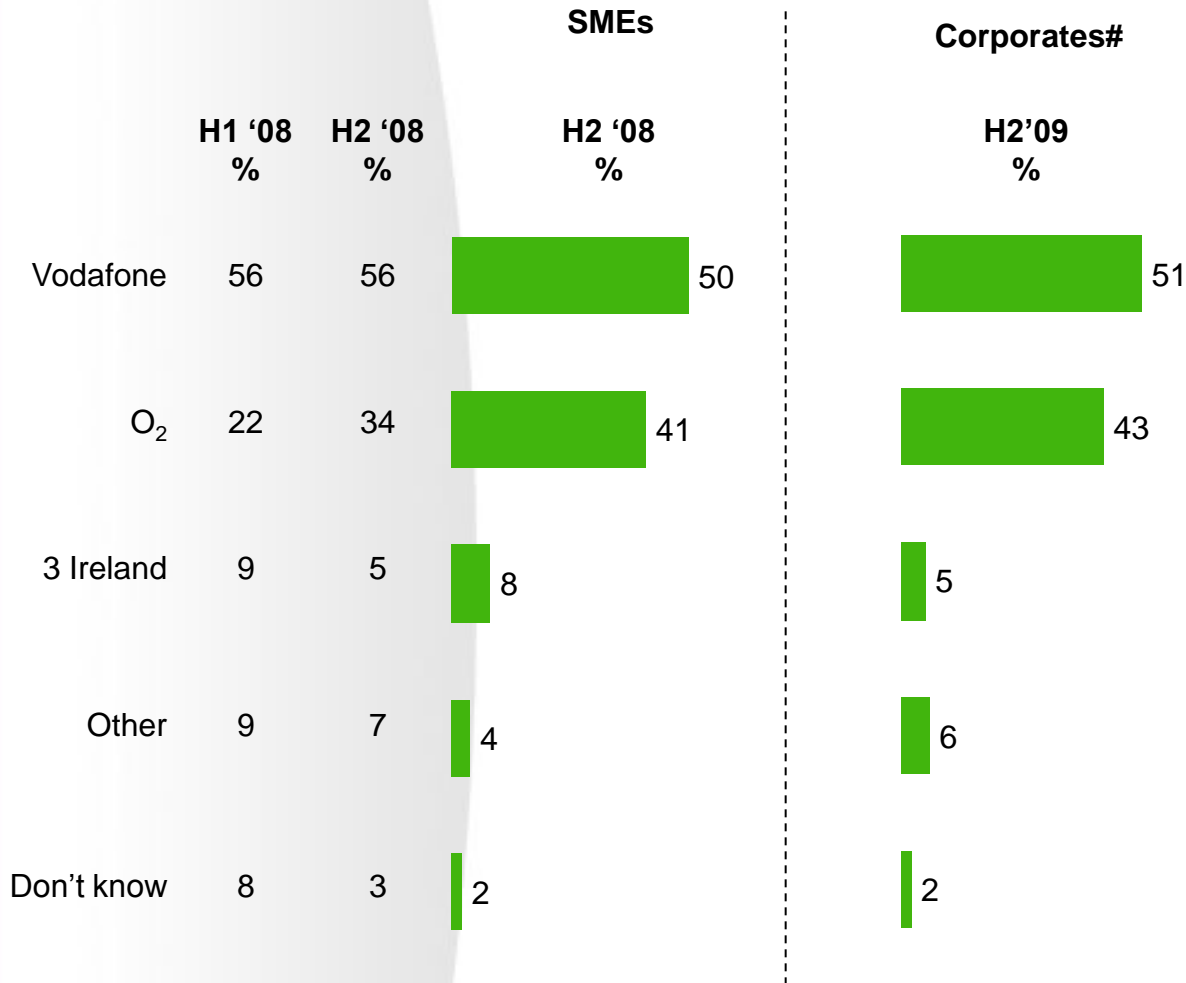
Higher Among
50-100 employees 51%

- There is a perceived lack of need for the use of mobile data devices, among over four in ten businesses.
- For those not citing lack of need, businesses say lower prices for usage (22%) and devices (14%) would encourage higher use of these services.



Mobile Broadband Suppliers

Q. What provider supplies your Mobile broadband (HSDPA) service?

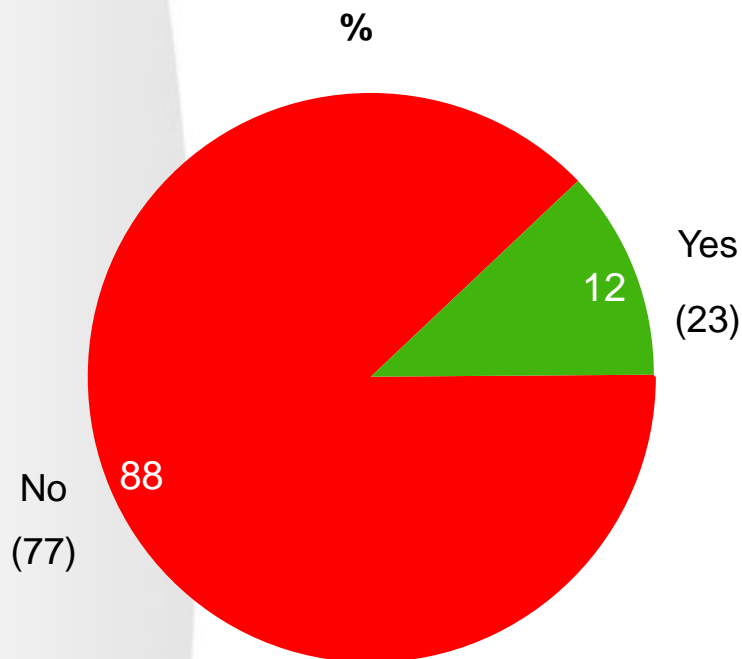


- Timeline: Vodafone entered the mobile broadband market towards the end of 2006, 3 Ireland followed in early 2007, and O2 entered the market in summer 2007. Meteor and Eircom both began offering mobile broadband earlier this year.
- Mobile broadband supplied by Vodafone or O2 is used by most businesses that use this product.
- Among SMEs there has been further increase in the number of businesses using O2, while the percentage of these businesses using Vodafone has dropped off slightly.

Mobile Broadband Access



Q. Is this the only means of Internet access for your business?



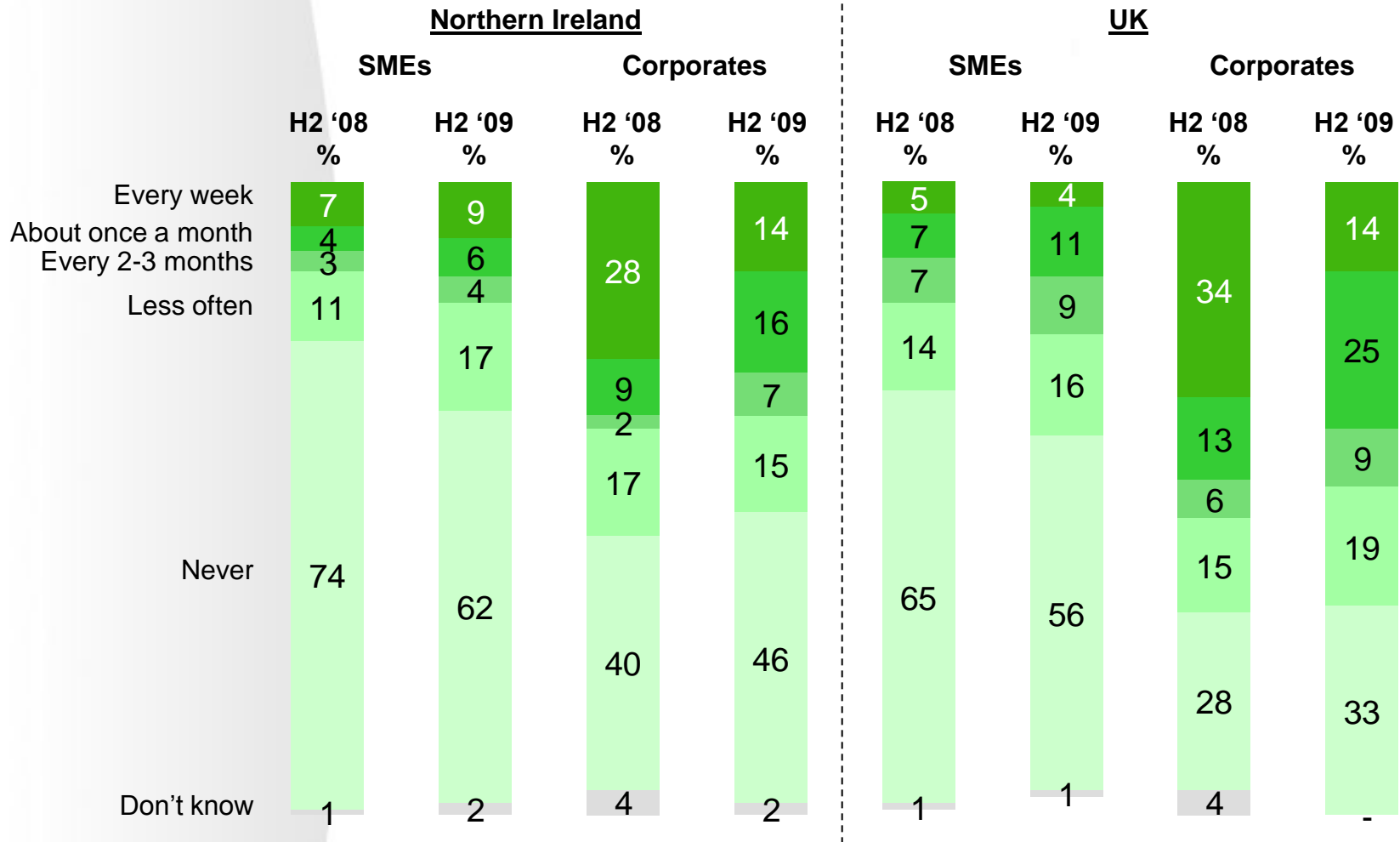
- Just over one in ten businesses using Mobile broadband (12%) say that this is their main means of access, down from 23% saying this in 2008.

() denotes H2 '08 data

Use of Data Roaming higher among Corporates in NI and UK but much reduced since 2008



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

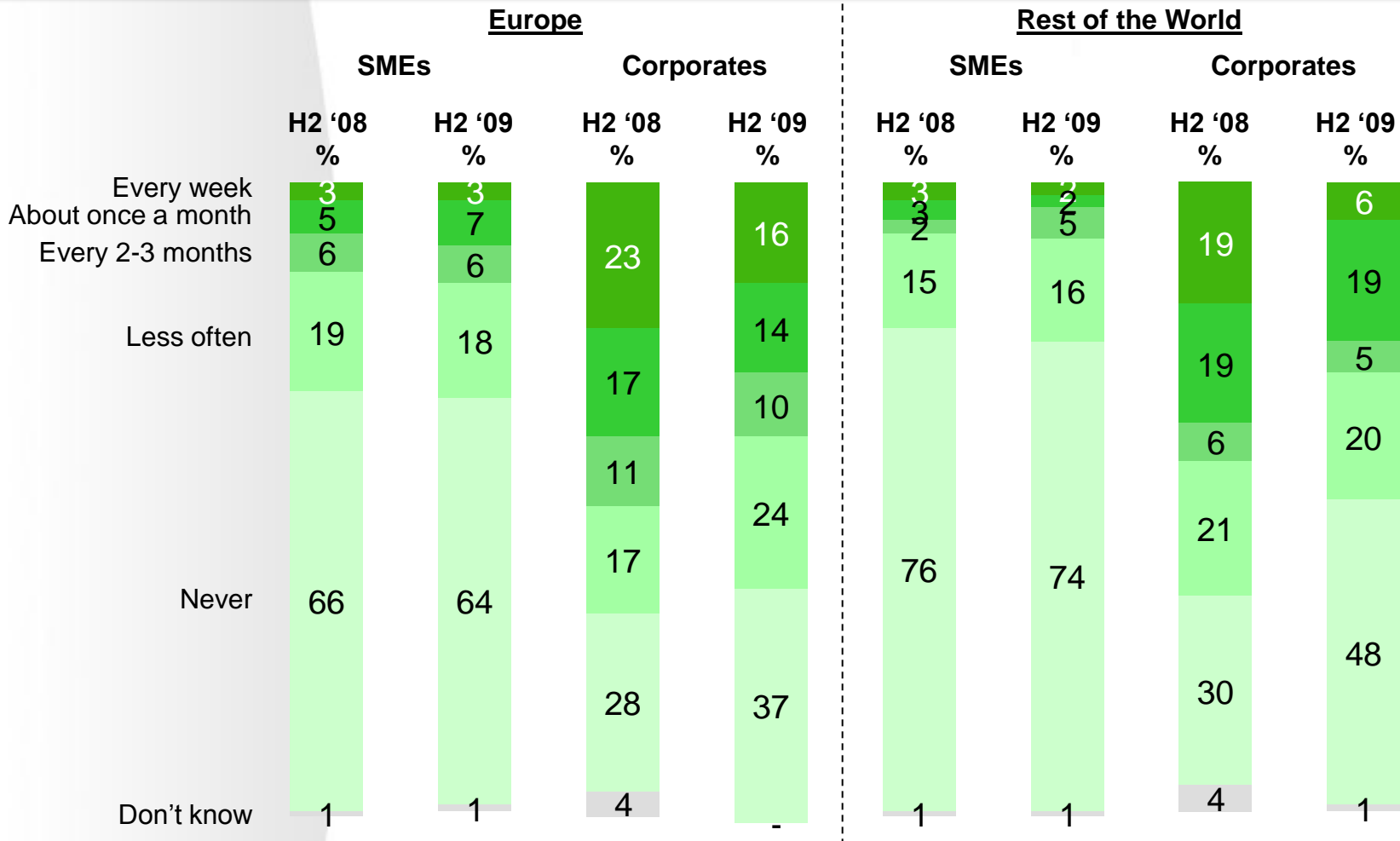


Base: All Who Supply Company Mobile Phones (n=400,65)

Use of Data Roaming higher among Corporates in Europe and Rest of the World , but much reduced since 2008



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

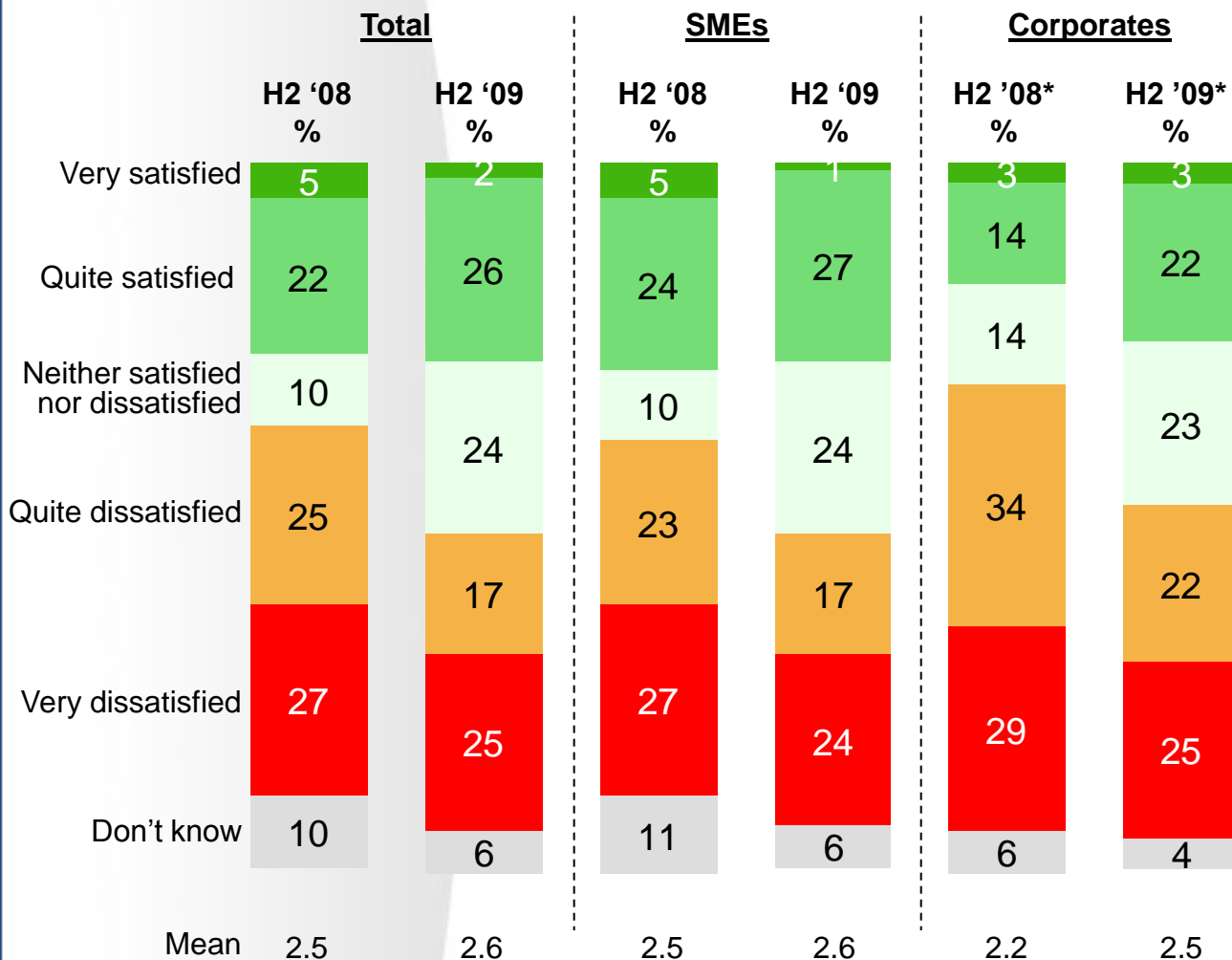


Base: All Who Supply Company Mobile Phones (n=400,65)

Satisfaction with Data Roaming Charges



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



- Mean satisfaction with data roaming charges has increased at an overall level, as a higher percentage of users are undecided about satisfaction. As new data roaming charges in the EU have recently been announced, this indecision could be influenced by businesses not yet fully realising the impact of these changes on their bills.
- Another likely indication of the impact of the EU data roaming regulations is that at an overall level 42% of respondents claim to be dissatisfied with roaming charges to some extent – this is down from 52% in the same period last year.
- Corporate businesses remain more dissatisfied with the costs of data roaming (47%*).

*Caution small base size

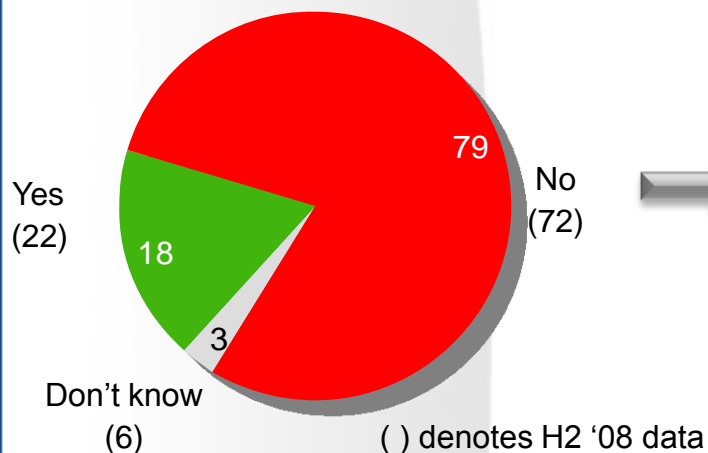
www.comreg.ie



Use of Data Service When Abroad

- Q. Does your company encourage employees to use advanced data services like accessing the Internet over their mobile or using a data card, when abroad?
- Q. Why does the company not use / encourage the use of such services by employees?

Encourage use
Of data roaming?
%



- Nearly 8 in 10 businesses who use data roaming do not actively encourage employees to use data services while roaming. This is especially true of smaller businesses (<10 employees) 84%

Base: All Data Roamers (n=205,49*)

Reasons for not Encouraging data Roaming

	H2 '08 %	H2 '09 %
No requirement	46	54
Too expensive	41	39
Lack of security	4	2
Don't know much about it	4	-
Use our own system	1	-
Other	4	7
Don't know	5	2

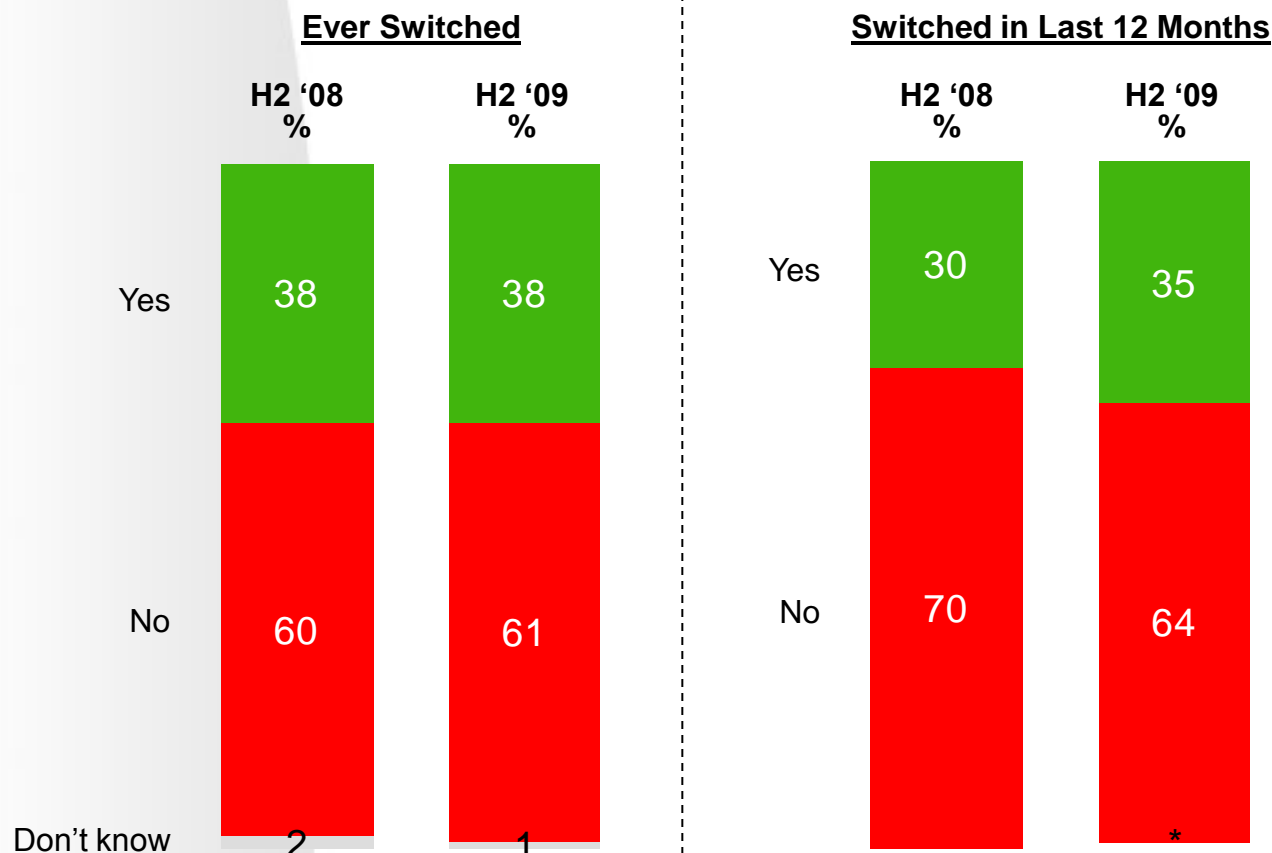
- Lack of requirement, and the expense of data roaming remain the main reasons given by businesses for not actively encouraging data roaming among their employees.

Base: All Not Encouraged to Use Data Roaming (n=161,35*)



Switching Mobile Provider

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



- While the overall percentage of businesses who have ever switched mobile phone has remained the same year on year (38%), a higher percentage have switched in the last 12 months (35%)

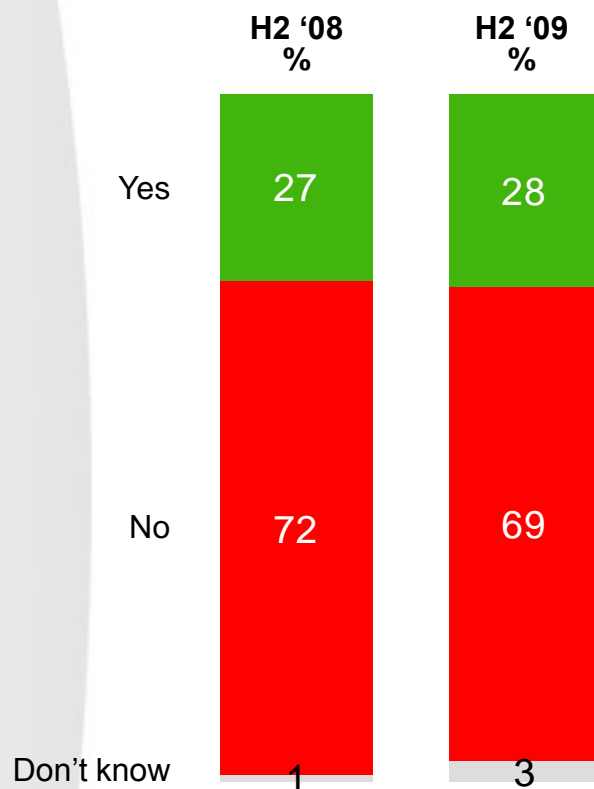
Base: All Who Supply Company Mobiles (n=400,65)

Base: All Who Ever Switched Mobile Supplier (n=155,25*)



Switching Back to Original Supplier

Q. Has your company ever switched back to its original supplier?



- A similar percentage of businesses switched back to their original provider as did in 2008. (28% v 27%).
- Switching back is higher among those businesses who said they have not reduced their communication spend in the last 12 months (32%).
- The Incidence of switching back is also higher among those who switched mobile provider in the last 12 months (35%).

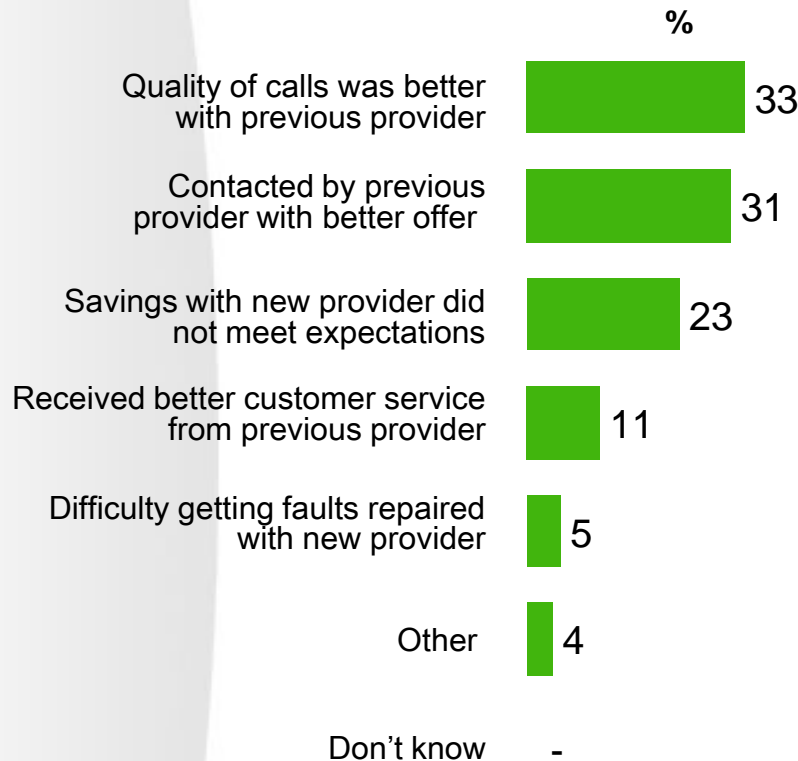
*Caution small base size

Quality of calls with previous provider main reason for switching back to original mobile phone provider



Q. Why did your company switch back to its original mobile phone provider?

New



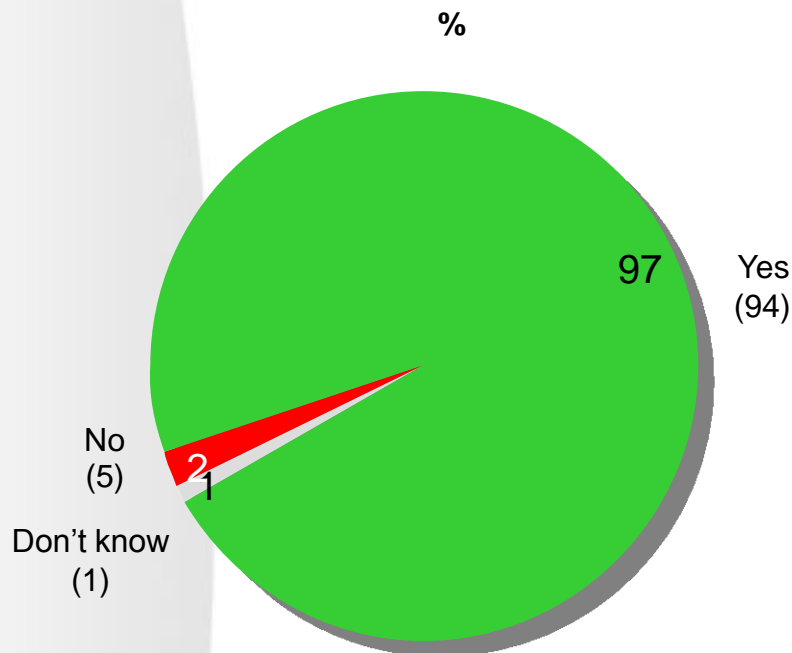
- Unsurprisingly, quality of calls is much more of a driver in switching back to original mobile provider compared to those businesses switching back to their original fixed line provider (33% v 8%) as it is likely that mobile phone reception in different areas is linked to quality of calls and therefore key in switching decisions.
- Being contacted with a better offer (33%) and savings not meeting expectations (23%) were also strong reasons given for switching back.

*Caution small base size

Mobile Number Porting is High



Q. Did your company keep its mobile telephone numbers when switching to a new mobile phone supplier?



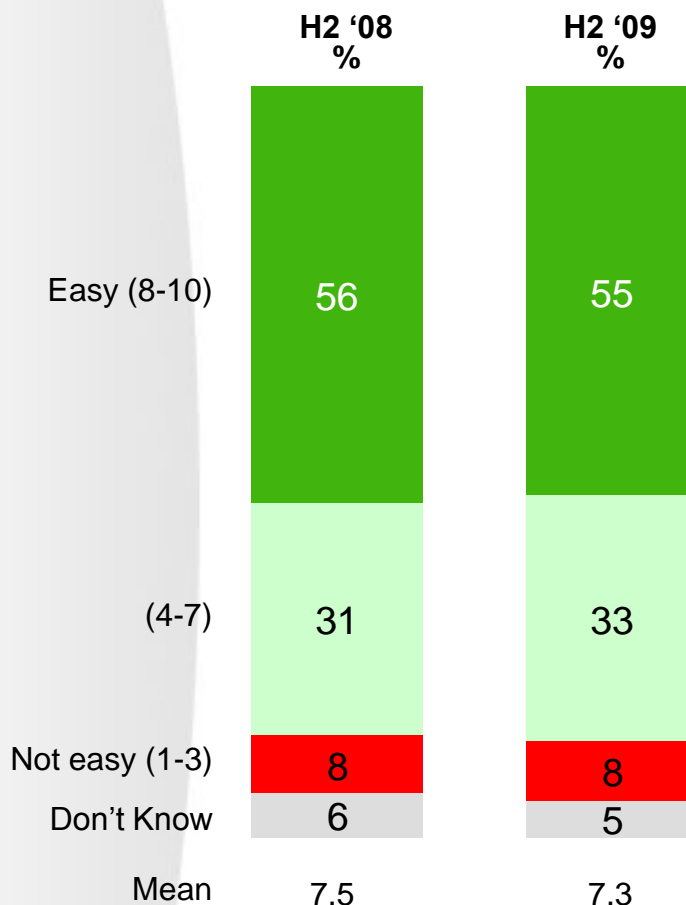
- The majority of businesses kept their mobile telephone numbers when switching to a new mobile phone supplier.

() denotes H2 '08 data

Ease of Switching Mobile Supplier



Q. How easy was the process of switching between mobile providers on a scale of 1 to 10 where 1 means not easy at all and 10 means extremely easy?



- There has been little change in this measure year on year. Over half of businesses rate the ease of switching mobile provider highly (any 8-10 rating).
- Businesses employing fewer than 10 employees (65%) are more likely to say the process was easy. This ease of switching could be influenced by these size businesses only having a limited number of numbers to switch to a new provider.

*Caution small base size



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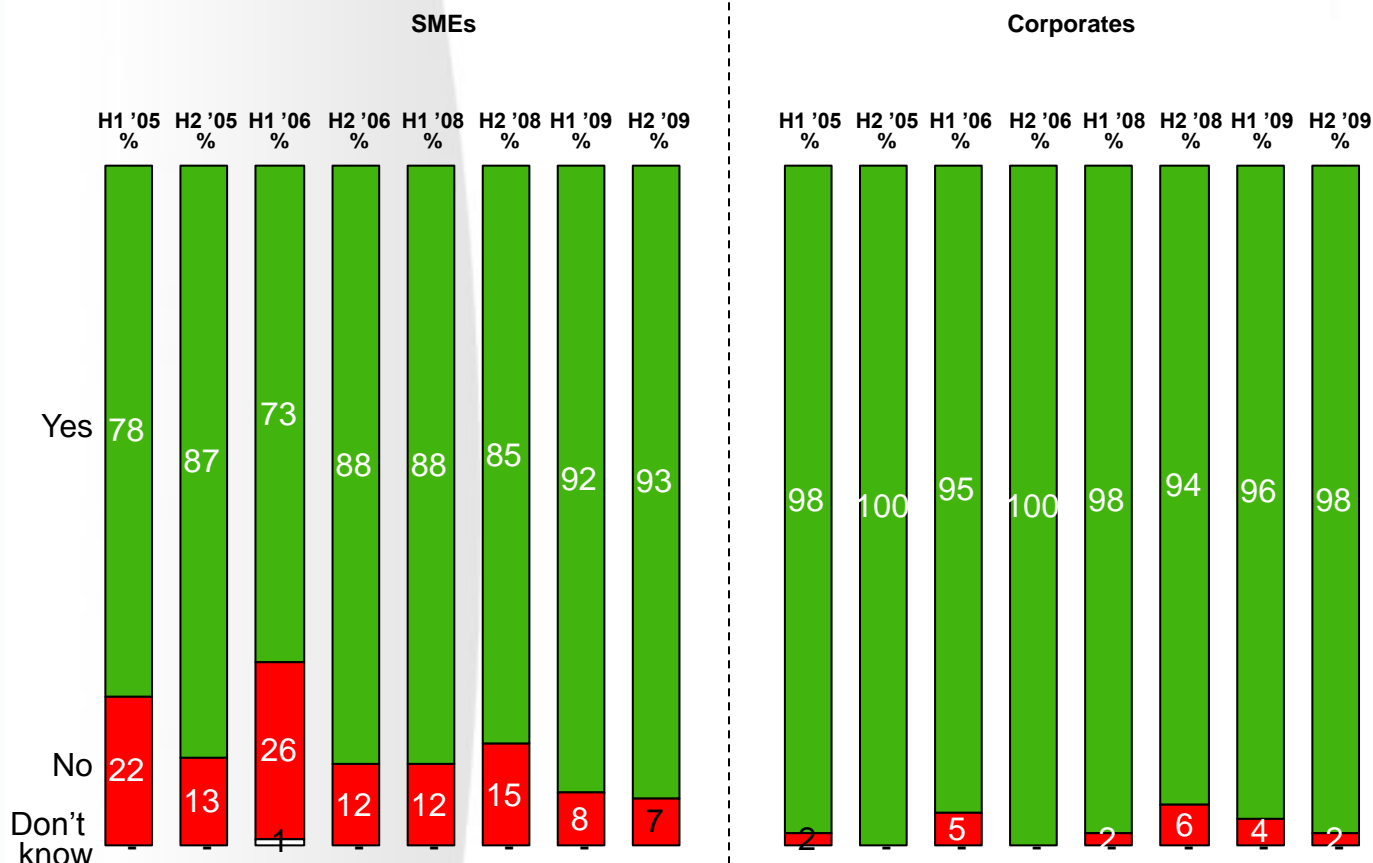


Internet & Broadband Communications



Internet Access

Q. Is your company connected to the Internet?



- Overall 94% of Irish businesses have Internet access. There have been small increases in access among both SME and Corporates this wave of research.
- The trend of companies with fewer than 10 employees having lower than average access, continues this wave, with 89% of these businesses claiming to have access to the Internet.
- Internet access is also lower among businesses in the retail (87%*) and transport/ communication sectors (85%*) although from small bases.

Internet Supplier Used



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

	Total							
	H1 '05 %	H2 '05 %	H1 '06 %	H2 '06 %	H1 '08 %	H2 '08 %	H1 '09 %	H2 '09 %
Eircom	66	69	70	66	63	65	61	60
Other	34	31	30	34	37	35	39	40

- 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 4 in 10 businesses now using a provider other than Eircom.

Internet Supplier Used



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

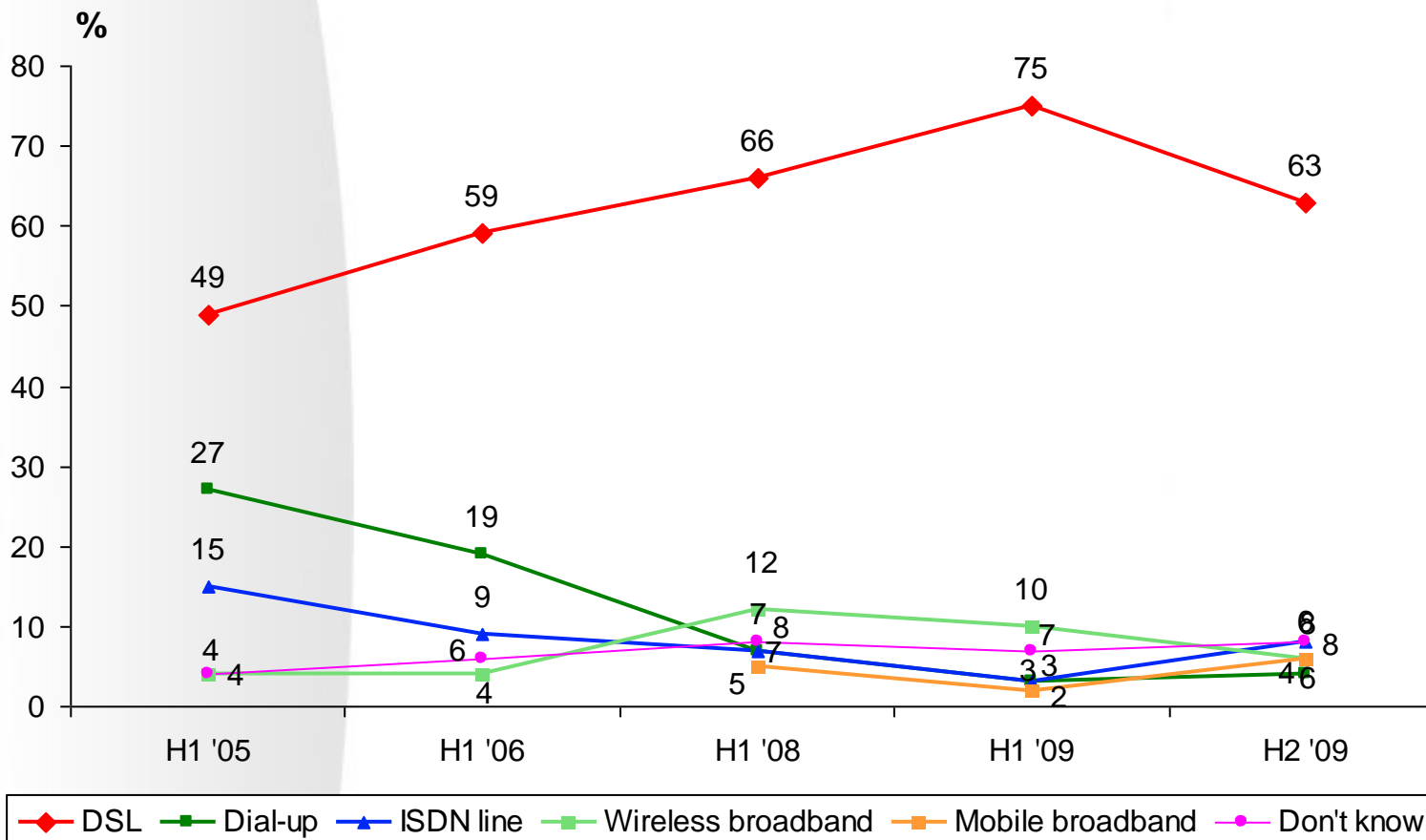
	SMEs								Corporates							
	H1 '05 %	H2 '05 %	H1 '06 %	H2 '06 %	H1 '08 %	H2 '08 %	H1 '09 %	H2 '09 %	H1 '05 %	H2 '05 %	H1 '06 %	H2 '06 %	H1 '08* %	H2 '08* %	H1 '09 %	H2 '09 %
Eircom	66	72	73	68	65	65	63	62	61	46	54	47	45	62	37	42
Other	34	28	27	32	35	35	37	38	39	54	46	53	55	38	63	58

- 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 these size companies would be more likely to want dedicated capacity than basic broadband access.

Type of Internet Connection Used – SMEs#



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

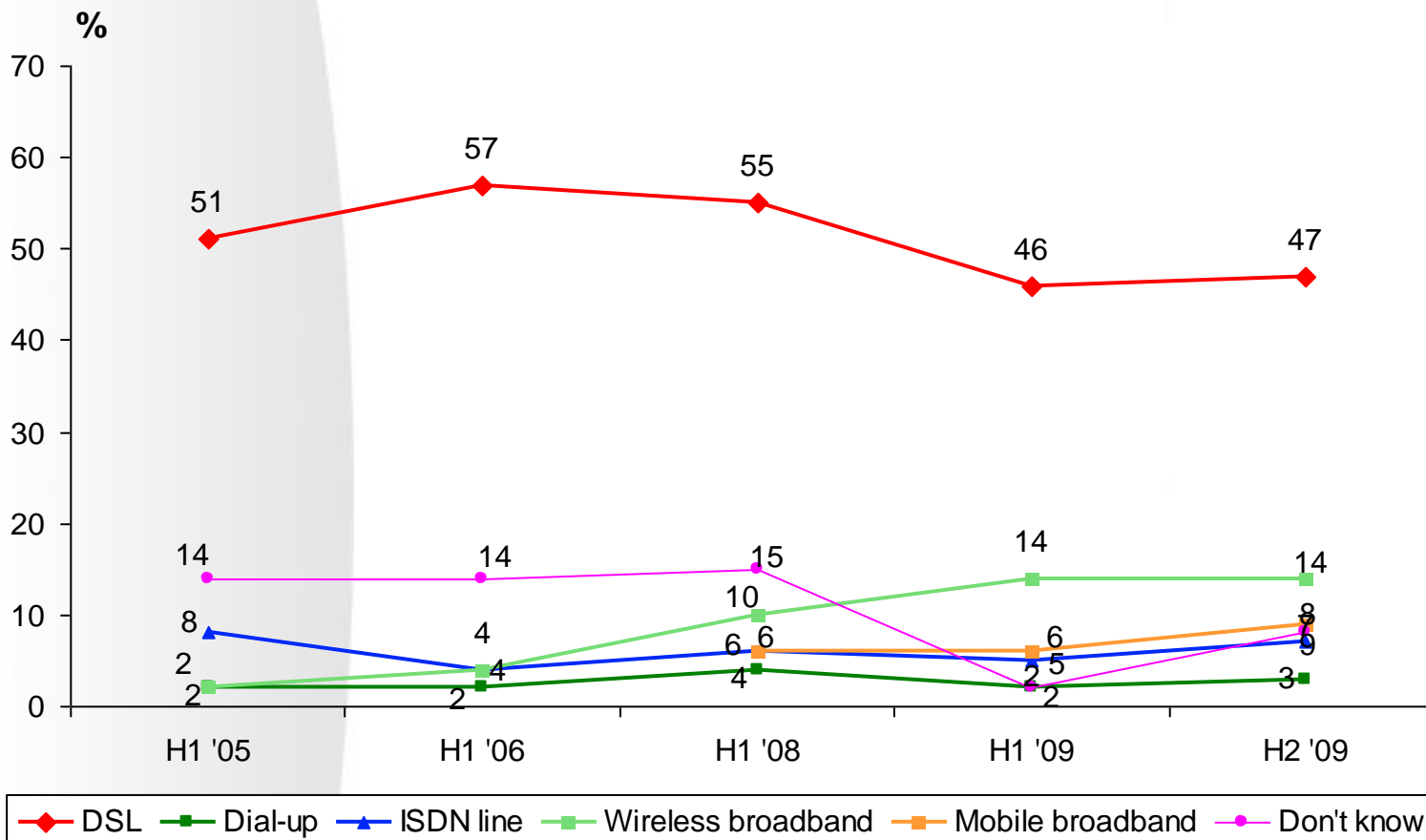


Not all types of connection shown

Type of Internet Connection Used# - Corporates



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

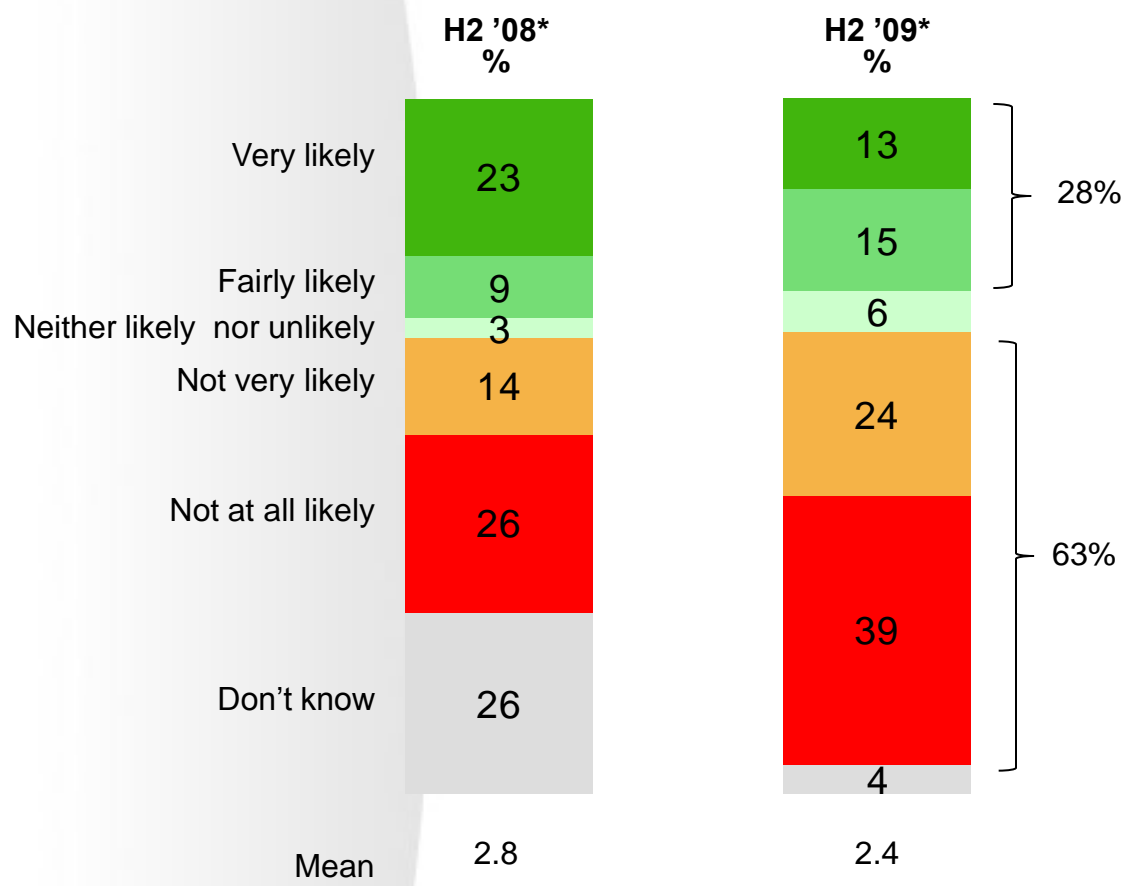


#Not all types of connection shown



Likelihood of Connection to Broadband

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



- There is a small base of companies with Internet access (7%) who only use a narrowband only Internet connection. Those saying they are unlikely to get a broadband connection have increased this wave.
- Nearly three in ten with narrowband only say they are likely to get broadband.

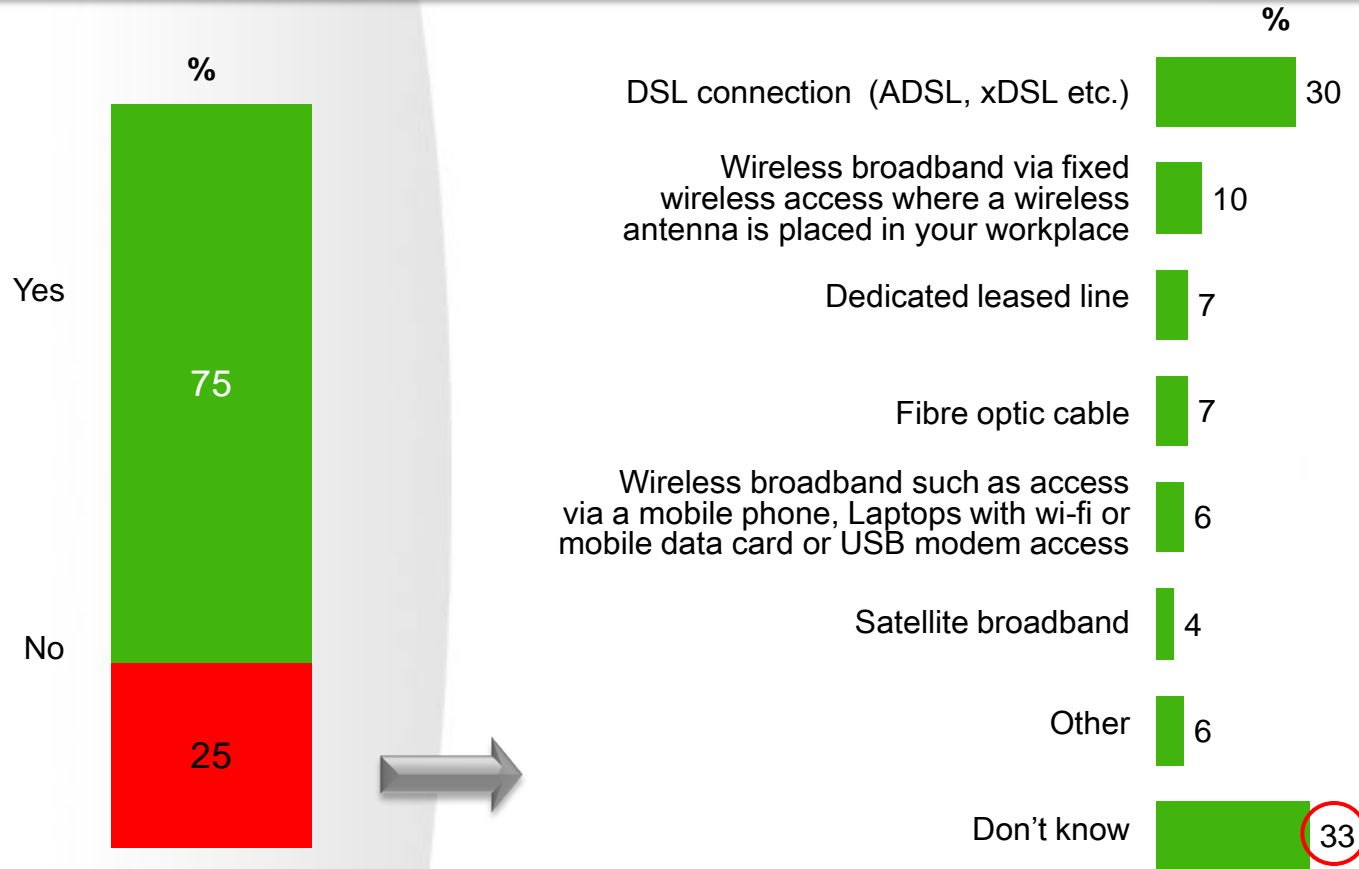
*Caution small base size

While a sizeable proportion say they don't have their preferred broadband type, a third of companies unclear about what type they wanted



New

- Q. When choosing your company's broadband service, were you able to subscribe to the connection type that you wanted e.g. DSL, Wireless broadband etc?
- Q. If you had had a choice of connection type when you subscribed to your current connection, what type of connection would you have chosen?



- While a quarter of businesses with Internet access say they did not have access to their preferred type of connection, a third of these were not able to identify what type of connection they would have chosen instead.
- 3 in 10 businesses who didn't get preferred connections said they would have chosen DSL if they had the option.

Base: All Broadband Users (n=383,57)

Base: All Who Didn't Get Preferred Broadband Connection (n=85,15*)

Impact of Broadband on Business



Q. How has broadband impacted on YOUR business?

(2 year gap)

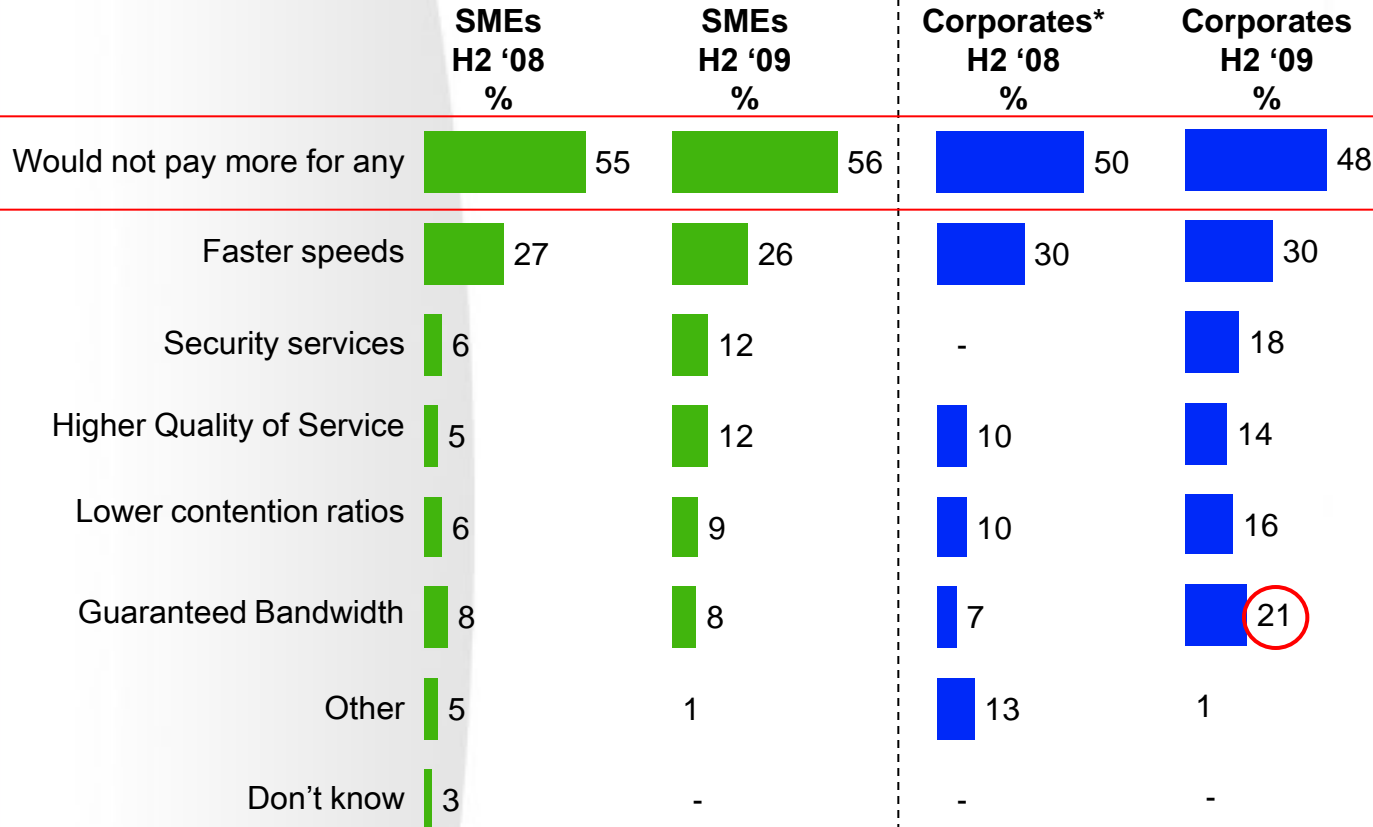
(2 year gap)

	SMEs H1'06 %	SMEs H2'06 %	SMEs H2'08 %	SME H2 '09 %	Corporates H1'06 %	Corporates H2'06 %	Corporates H2'08* %	Corporates H2'09 %
Time savings	45	32	27	25	32	32	23	26
More efficient communications with customers	22	31	48	59	18	27	50	65
Productivity improvements	15	19	15	17	14	30	13	24
IT cost savings	7	5	12	6	7	7	17	15
Has made no difference to our business	-	9	6	8	-	11	-	1
Has helped increase sales	-	5	6	12	-	-	13	11
Increased Revenue	-	-	3	4	-	-	7	3
Allowed Teleworking	-	-	2	3	-	-	3	8
Has increased IT expenditure	-	-	-	1	-	-	-	3
It has had a negative impact	-	-	2	1	-	-	-	1
Research, gather information	-	-	5	3	-	-	3	2
Essential tool	-	-	7	6	-	-	3	8
Other	-	2	7	3	-	2	10	-
Don't know	-	11	7	4	-	4	10	6



Improvement of Broadband Service

Q. What aspect(s), if any, of your broadband service, would you be willing to pay more for than you currently do?



- Most businesses say they would not pay more for any aspect of their broadband service, this is similar to levels seen in last year.

- Getting a faster speed connection is the main aspect of their service that all businesses would pay more for (26%)

- Corporates are also more likely to say they would be willing to pay more for guaranteed bandwidth (21%)

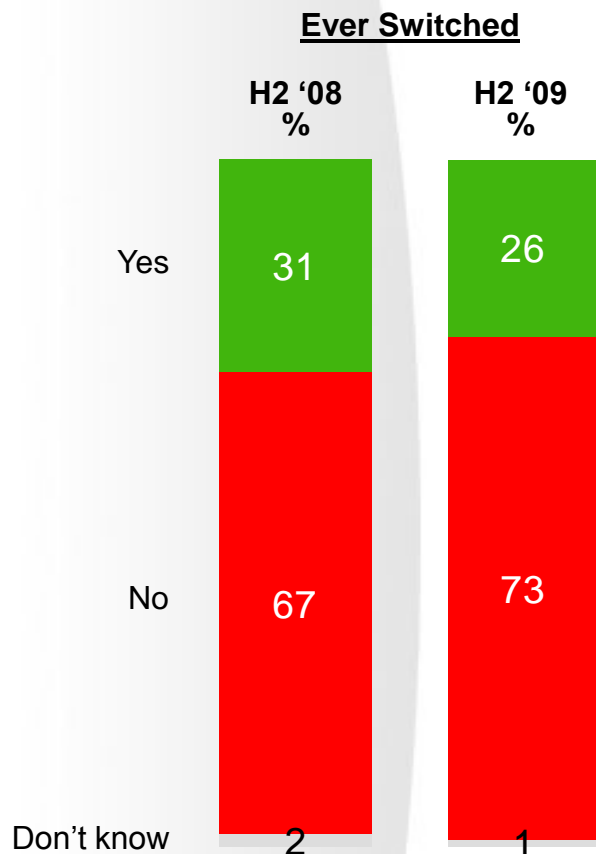
- "Higher Quality of Service" and "Security Services" have featured more prominently this wave with 12% and 13% of all businesses saying they would pay more for these respectively.

Base: All Broadband Users (n=383,57)

Switching Broadband Provider



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



- Fewer companies this wave claimed that they have ever switched broadband provider than did so last year (26% v 31%). However the same proportion (42%) of those who switched did so in the last 12 months.

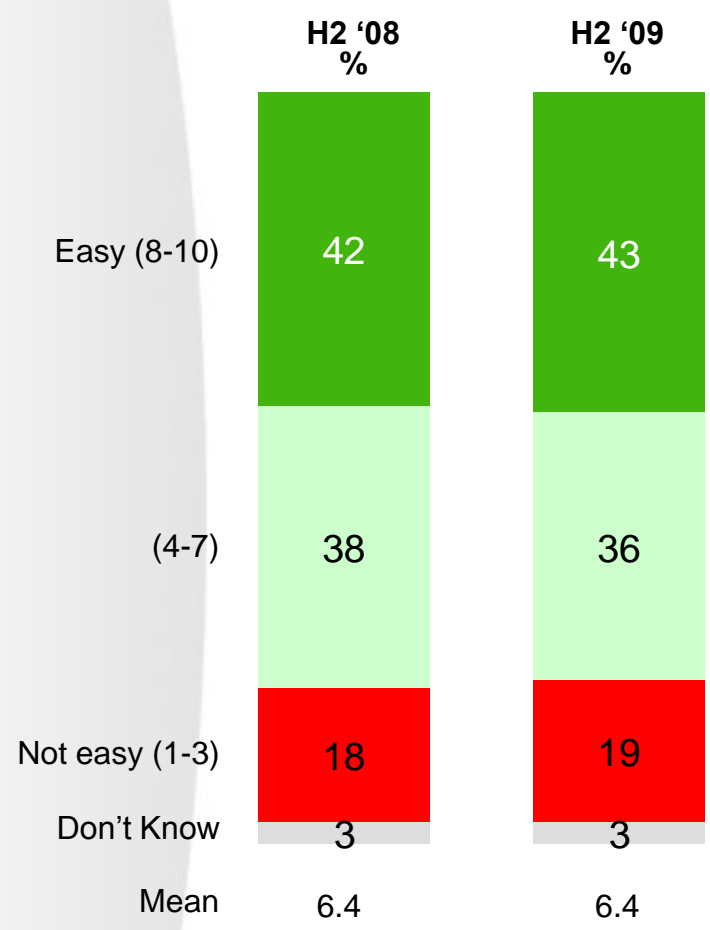
Base: All Broadband Users (n=383,57)

Base: All Who Switched Broadband Provider (n=97,21*)



Ease of Switching Broadband Supplier

Q. How easy was the process of switching between broadband providers on a scale of 1 to 10 where 1 means not at all easy and 10 means extremely easy?



- Just over four in ten found the process of switching broadband supplier easy (43%).
- A higher percentage of businesses rated switching fixed line (61%) and mobile provider (55%) as easy than they did switching broadband supplier.

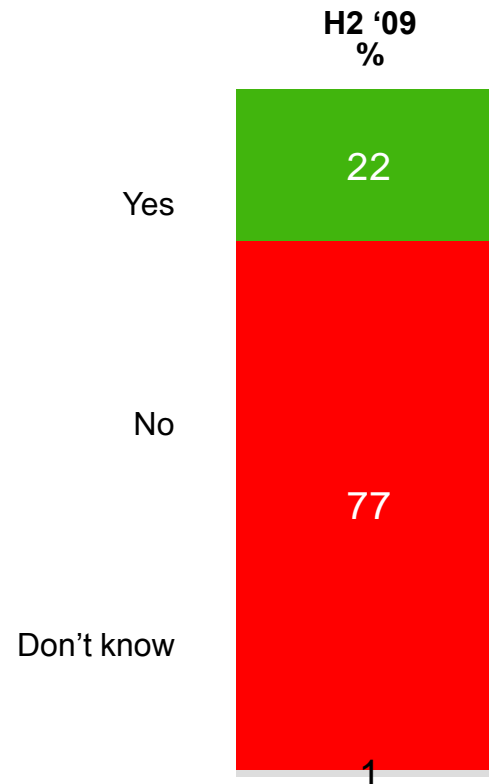
Base: All Who Ever Switched Broadband Provider (n=97,21*)

Just over one in five businesses switch back to their original supplier



Q. Has your company ever switched back to its original broadband supplier?

New



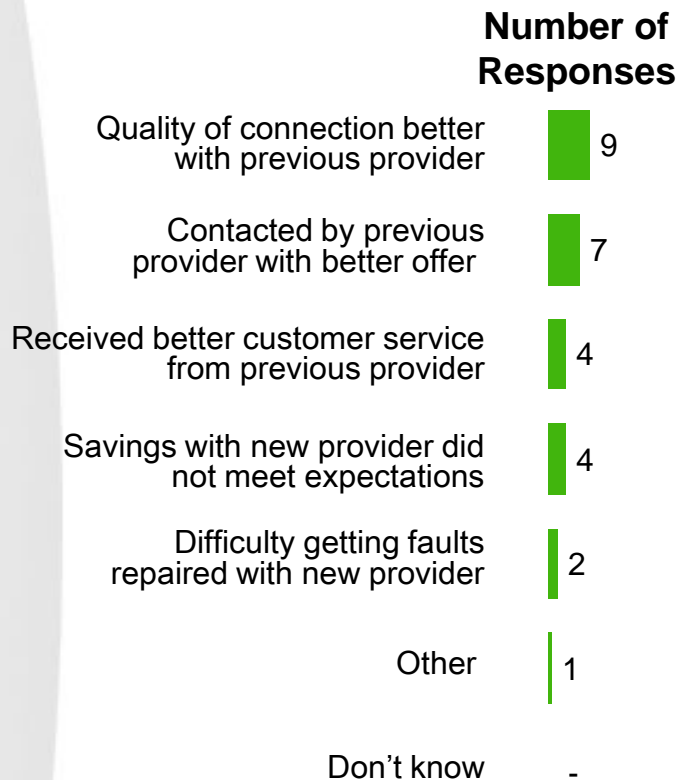
- Most Broadband switchers (77%) have not switched back to their original provider. For fixed line switching this figure is 44%, and for mobile 69% of businesses did not switch back to their original provider.

Reasons for switching back to original broadband provider



Q. Why did your company switch back to its original broadband provider?

New

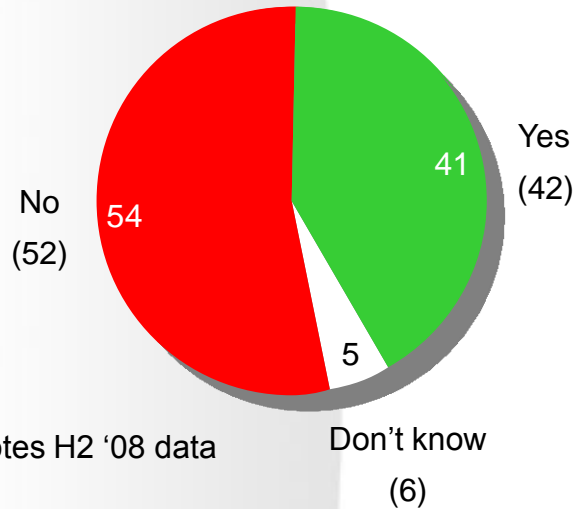


Base: All Companies who Switched Back to Original Broadband Provider (n=25*)

Upgrade of Broadband Speeds

- Q. Was your company's broadband upgraded to a higher speed service in the last 12 months?
 Q. Did the cost of your higher speed service increase, decrease or stay the same?

Upgraded to higher speed
%

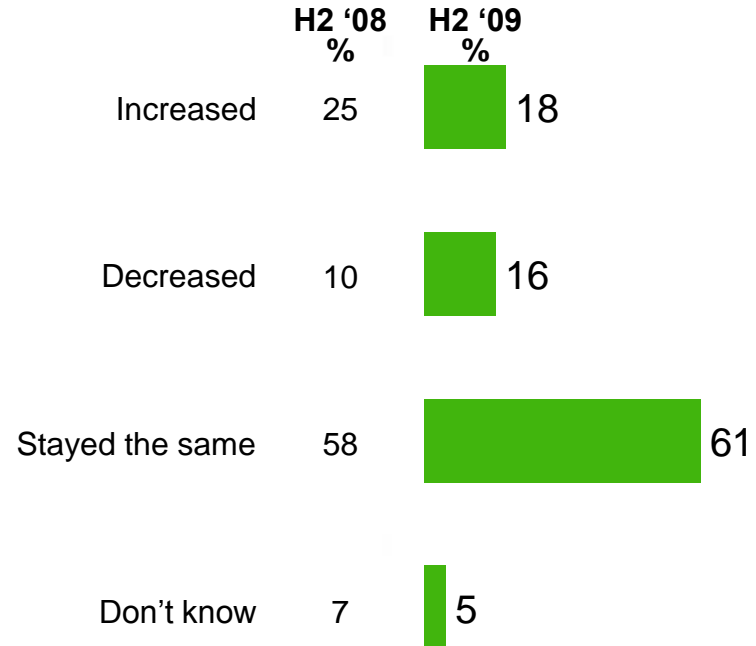


Higher Among

Corporates	50%
Businesses in Dublin	48%
Ever switched Broadband supplier	50%

Base: All Broadband Users (n=383,57)

Cost of higher speed

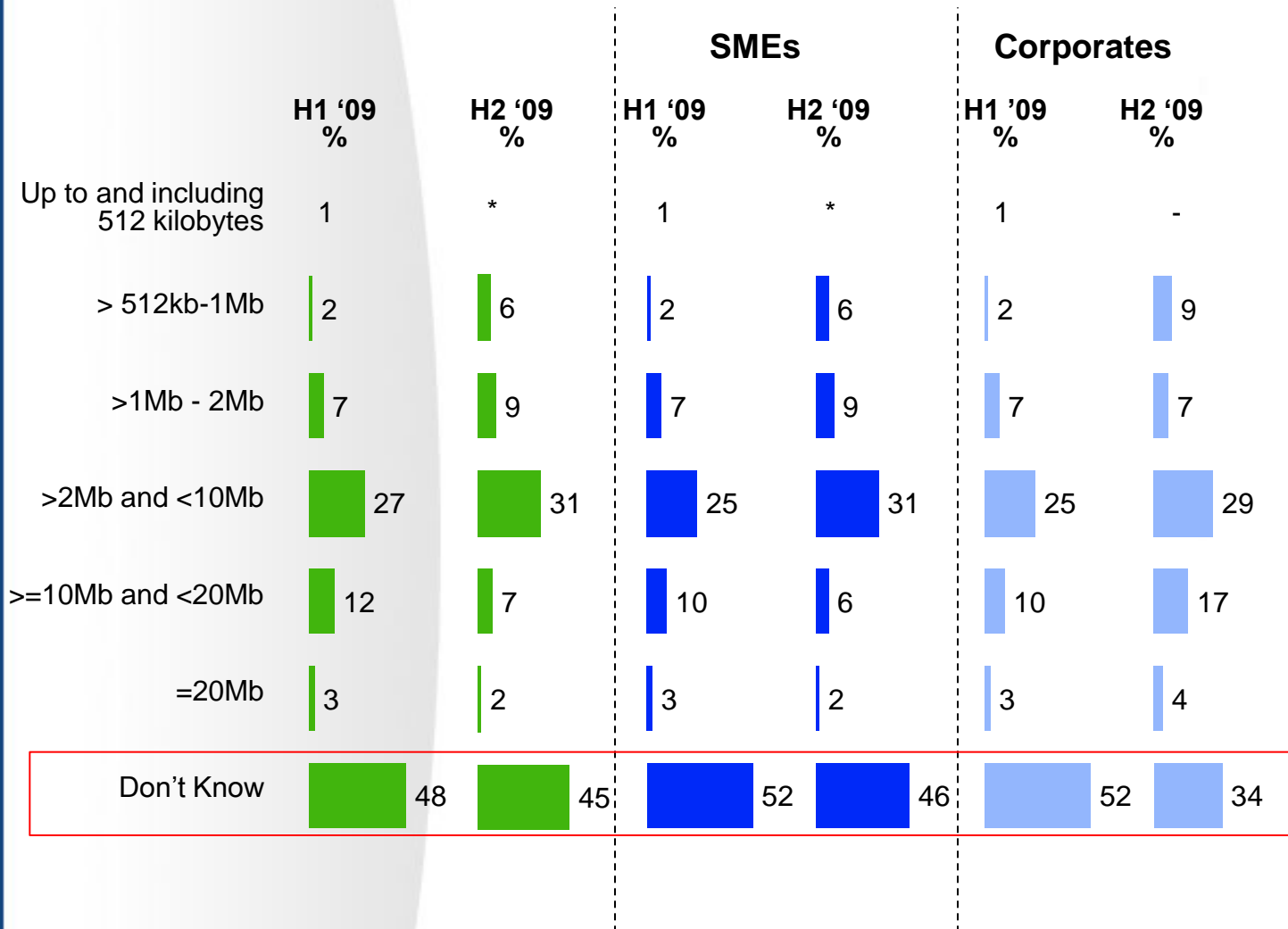


- Over six in ten businesses whose broadband speeds were upgraded, did not pay for the upgraded speeds. Nearly 7 in 10 businesses with 10-49 employees are likely to say this (69%).
- It is also higher among businesses who have not switched broadband providers (70%).
- A higher percentage say their costs had decreased when upgrading to a higher speed than said so last year (16%). Although from a small base it is higher among those who have switched supplier.



Awareness of download speeds

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



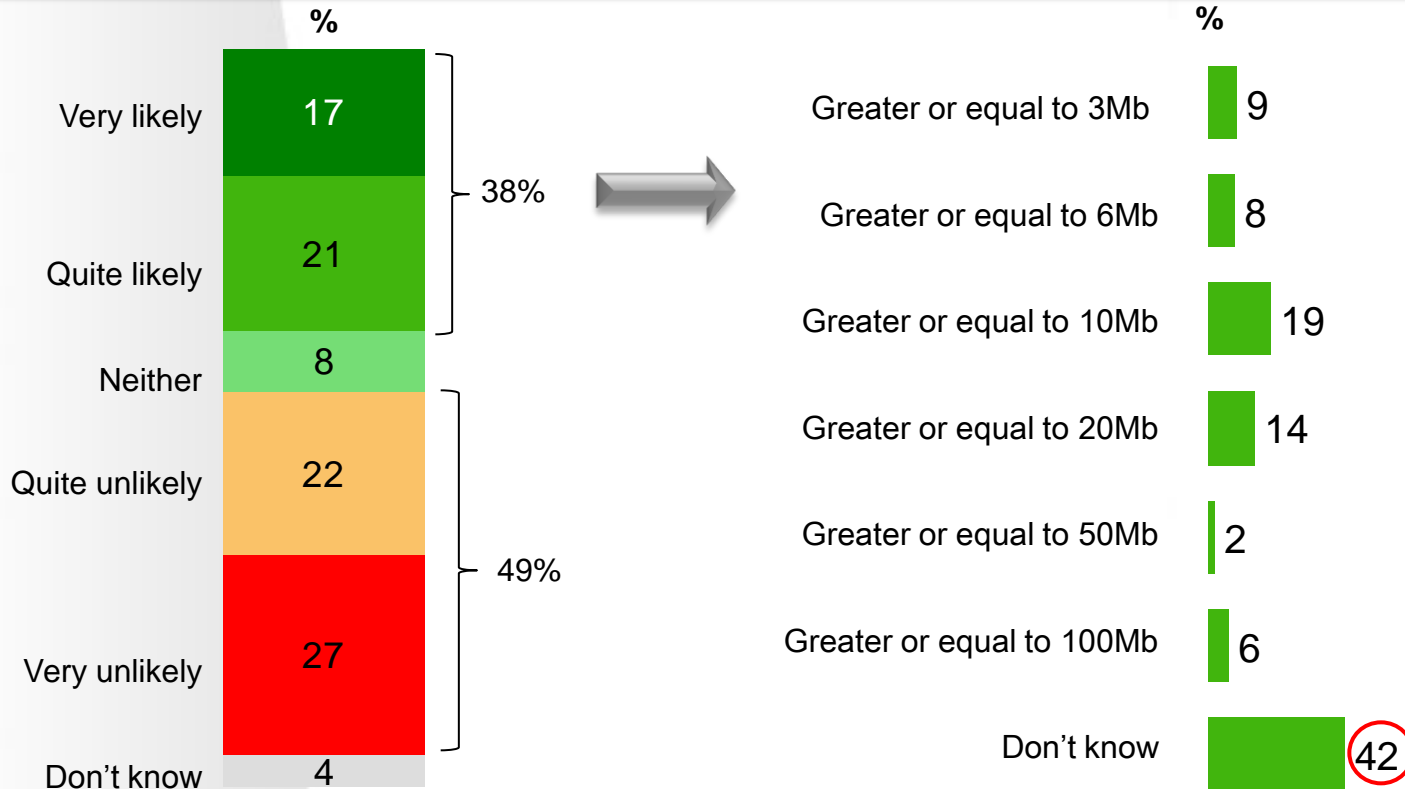
- There is still a very high lack of awareness of what broadband speeds businesses subscribe to with 45% of businesses saying they don't know.
- This is higher among businesses employing 10-49 people (51%), as well as businesses based in Connaught/Ulster (64%).
- Three in ten businesses (31%) believe their contracted download speed to be between 2Mb and 10Mb.

Nearly four in ten businesses intend to upgrade to a higher speed broadband connection, but unsure what speed they will upgrade to



- Q. How likely is it that your company will upgrade to a higher speed broadband service in the next 12-24 months?
- Q. What speed is your company likely to upgrade to in the next 12-24 months?

New



- Nearly four in ten businesses using broadband believe they are likely to upgrade to a higher speed service in the next year to two years. However, more believe an upgrade in speed unlikely

- However, there is a high percentage of these businesses (42%) who do not know what speed they are likely to upgrade to.

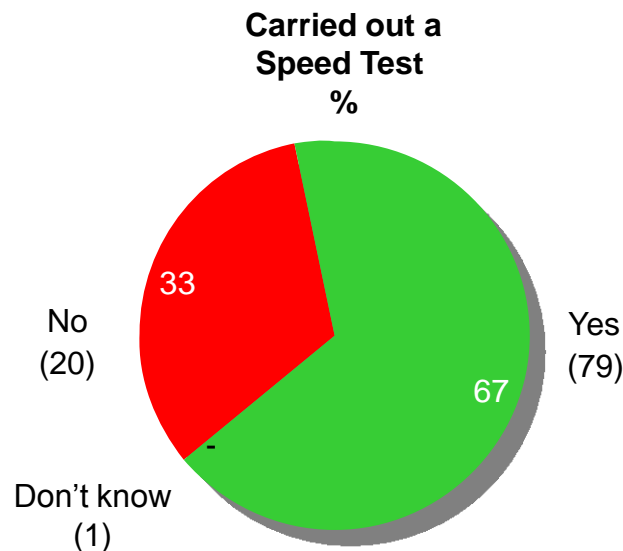
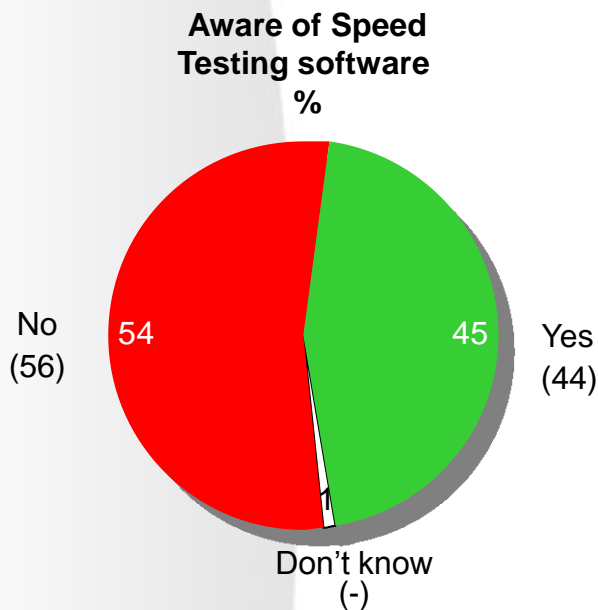
Base: All Broadband Users (n=383,57)

Base: All Likely to Upgrade Broadband Speed (n=142,32*)

Broadband Speed Testing



- Q. Are you aware of broadband speed testing software (e.g. speedtest.net)
- Q. Have you ever carried out a broadband speed test on your work broadband connection?



() denotes H2 '08 data

Base: All Broadband users (n=383,57)

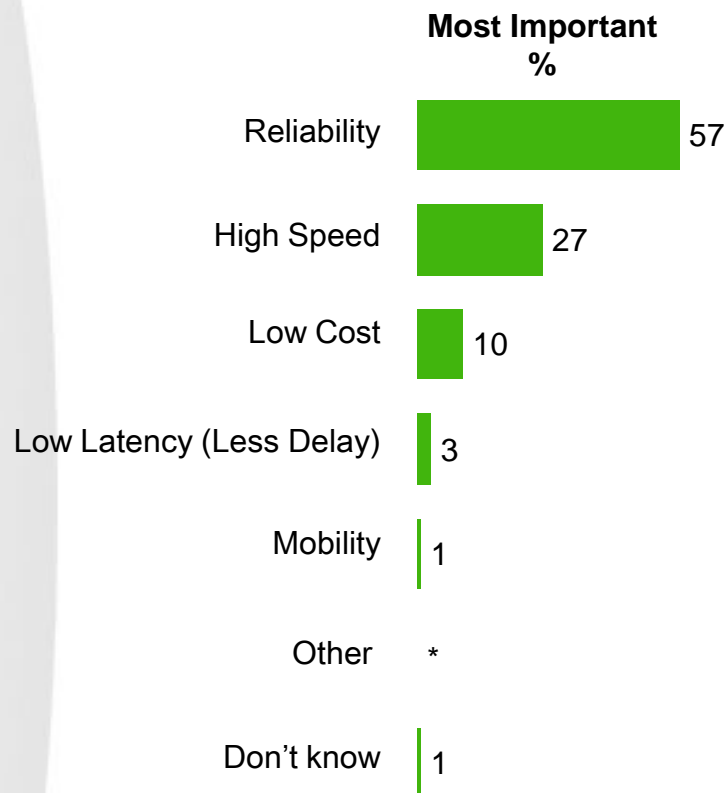
Base: All Aware of speed Testing Software (n=166,44*)

Reliability is rated the most important aspect of their broadband service by nearly six in ten businesses



Q. Which of the following aspects of your broadband service is the **MOST IMPORTANT** to your business?

New



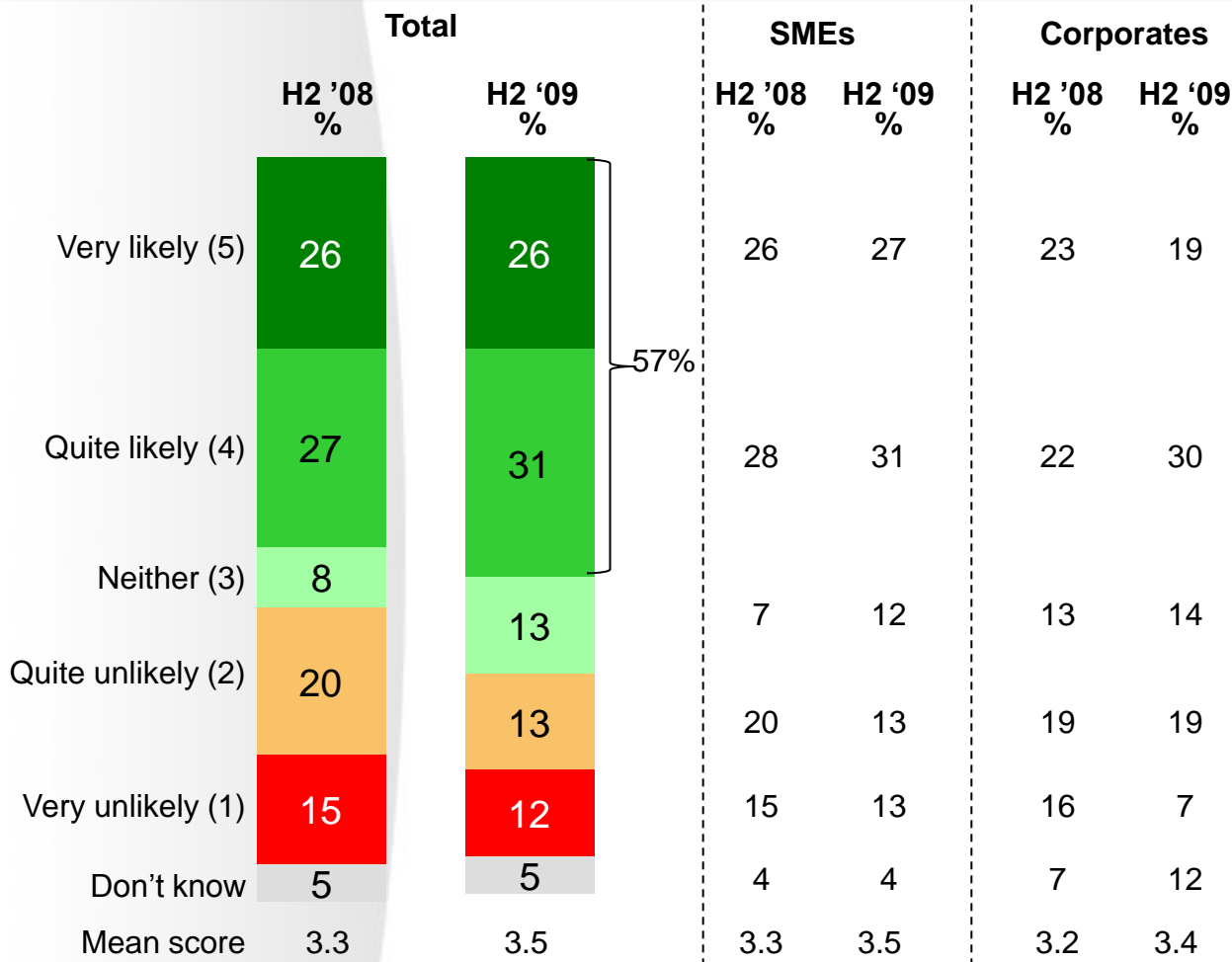
- Reliability of broadband service is the aspect most important to businesses, with 57% saying this. This is higher among corporate businesses (62%), and businesses based in the Rest of Leinster (64%).
- High speed is the most important aspect of their broadband service to nearly 3 in 10 businesses.
- Low costs are only the most important aspect of their broadband service for one in ten businesses.

Base: All Broadband Users (n=383,57)

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?



- Nearly 6 in 10 businesses say they would switch broadband supplier for a 10% bill saving, up marginally from 2008. However, those who say they would be unlikely to have decreased from 35% to 25% this year.
- The most likely to consider switching for a 10% saving are also more likely to have switched provider in the last 12 months (66%*) although from a small base.
- SMEs are more likely than Corporates to say they would switch broadband supplier for a 10% saving.

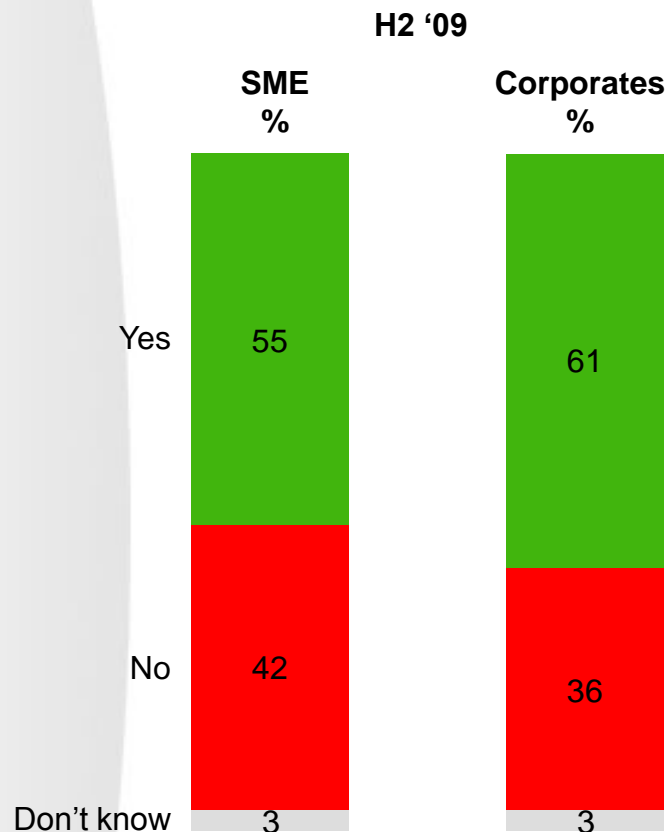
*Caution Small base size

Base: All with Broadband (n=383,57)

Economic Outlook and ICT Spend:



Q. Have you reduced your spend on communications services in the past 12 months?



- Overall 56% of businesses claim to have reduced their spend on communication services in the past 12 months. Corporates (61%) and those businesses employing 10-49 people (64%) are most likely to claim to have reduced spend.
- Businesses operating in Dublin (62%) and those operating in mining/construction industry (73%) are also more likely to have reduced spend.

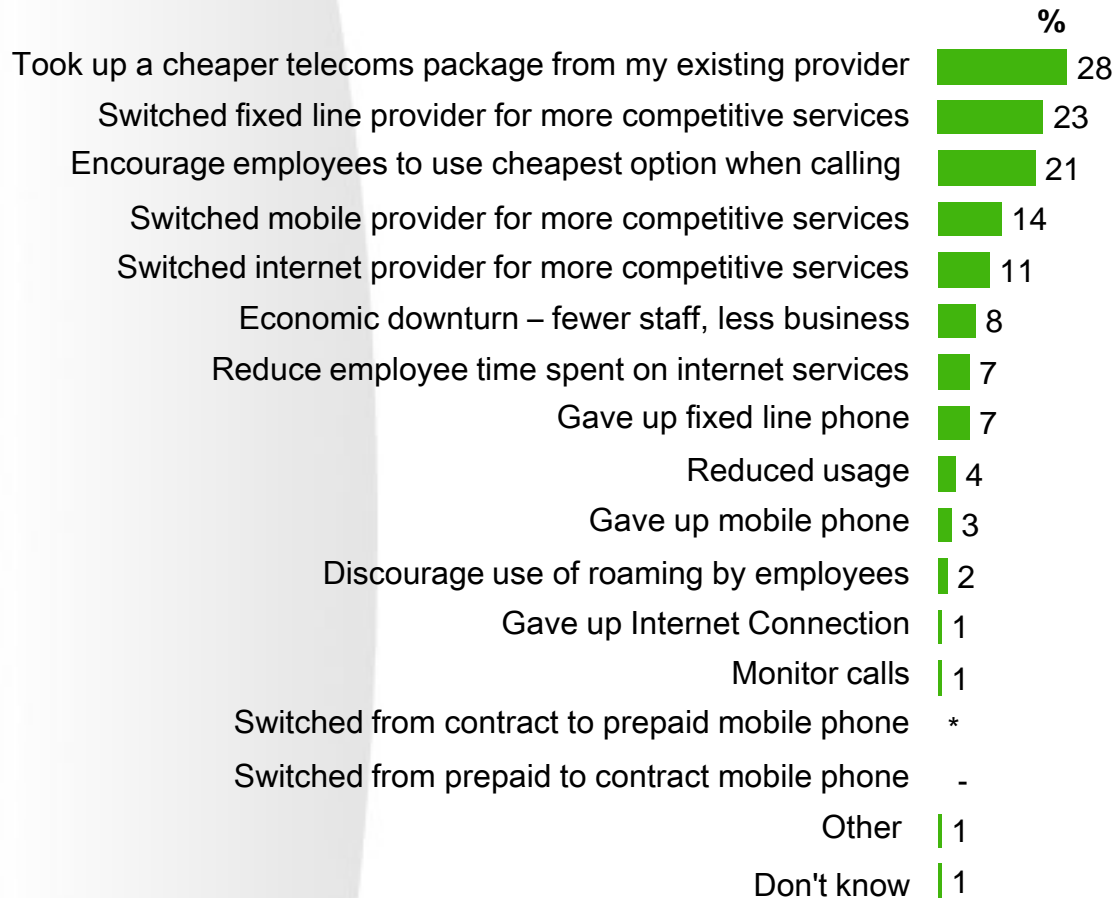
Base: All Respondents (n=485,66)

Taking up a cheaper package with an existing operator is the main way businesses are reducing communications spend



New

Q. How have you reduced your spending on communications services?



- Getting a better deal from an existing provider is the main way businesses are reducing communications spend (28%).
- Switching fixed line provider (23%) was cited more than switching mobile phone (14%) or internet services provider (11%) as a way businesses have reduced spending on communications.
- Encouraging employees to use the cheapest option when calling is used by one in five businesses to help cut communications spend.



Commission for
Communications Regulation

ComReg

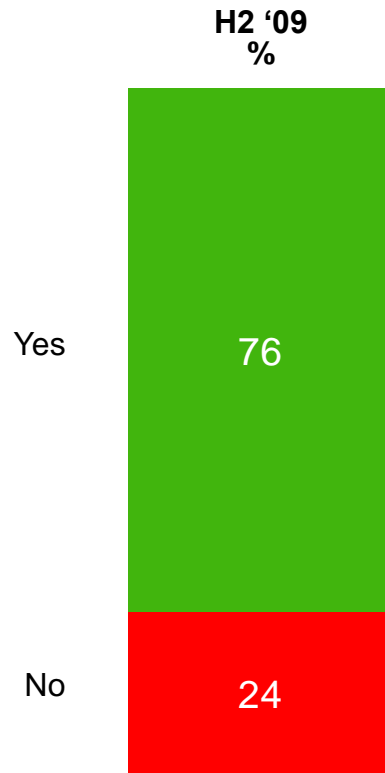
www.comreg.ie

Awareness of ComReg among businesses is high



- Q. Have you ever heard of the Commission for Communications Regulation, also known as ComReg?
- Q. ComReg is the Regulator for the Electronic Communications and Postal Sectors

New

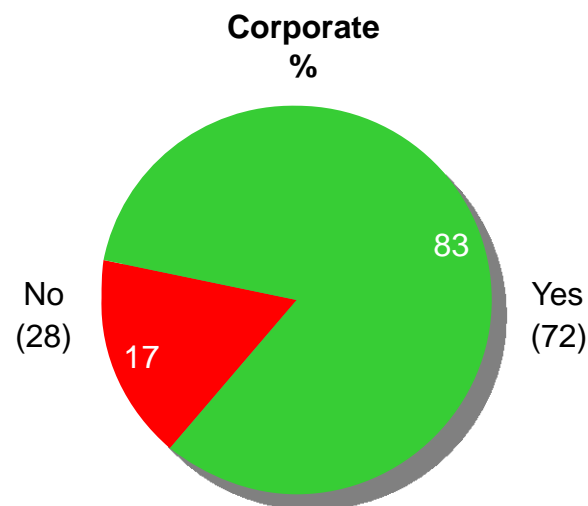
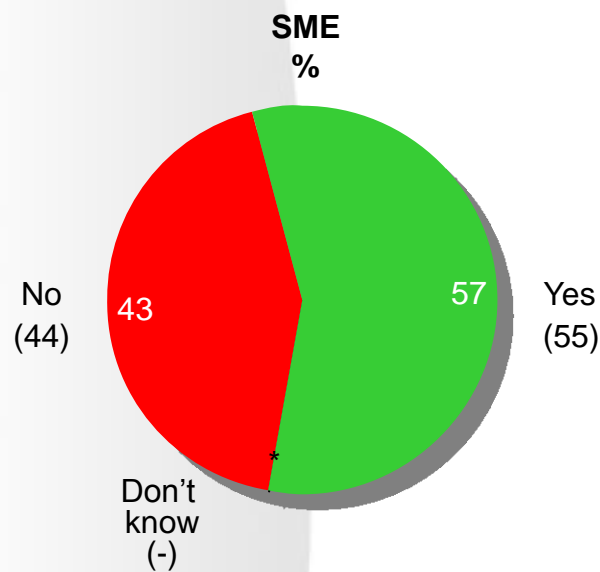


- Three quarters of businesses have ever heard of ComReg.
- Awareness is higher among Corporates (95%) and businesses based in Dublin (88%).
- It is also higher among companies who have switched fixed (80%), mobile (81%) or Internet (83%) providers.

Awareness of ComReg's Role highest among Corporate Businesses



Q. Are you aware that you can contact ComReg with regards to complaints that you have not been able to resolve with any of your fixed line phone, mobile phone, or internet service providers?



() denotes H2 '08 data

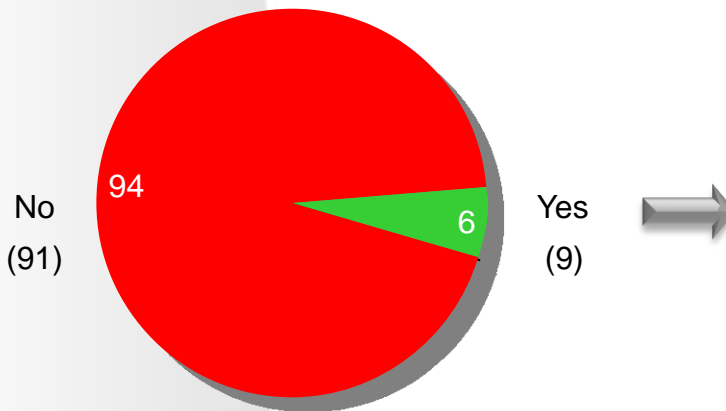
- Corporate respondents (83%) remain markedly more aware of ComReg's role with regards to unresolved complaints with ICT service providers, than SMEs (57%) do. While there has been some degree of increase in awareness among both groups, this is more notable among Corporates.

Have Contacted ComReg with Regards to Complaint



- Q. Have you contacted ComReg in the last 12 months with regard to complaints that you have not been able to resolve with any of these service providers?
Q. How satisfied were you with the outcome of this contact?

Contacted ComReg with Complaint
%



() denotes H2 '08 data

Satisfaction with Resolution

Number of Responses*
%

	H2 '08	H2 '09
Very satisfied	7	5
Quite satisfied	2	1
neither	4	3
Quite dissatisfied	2	5
Very dissatisfied	14	5

Base: All Aware of ComReg role in complaint resolution (n=277,54)

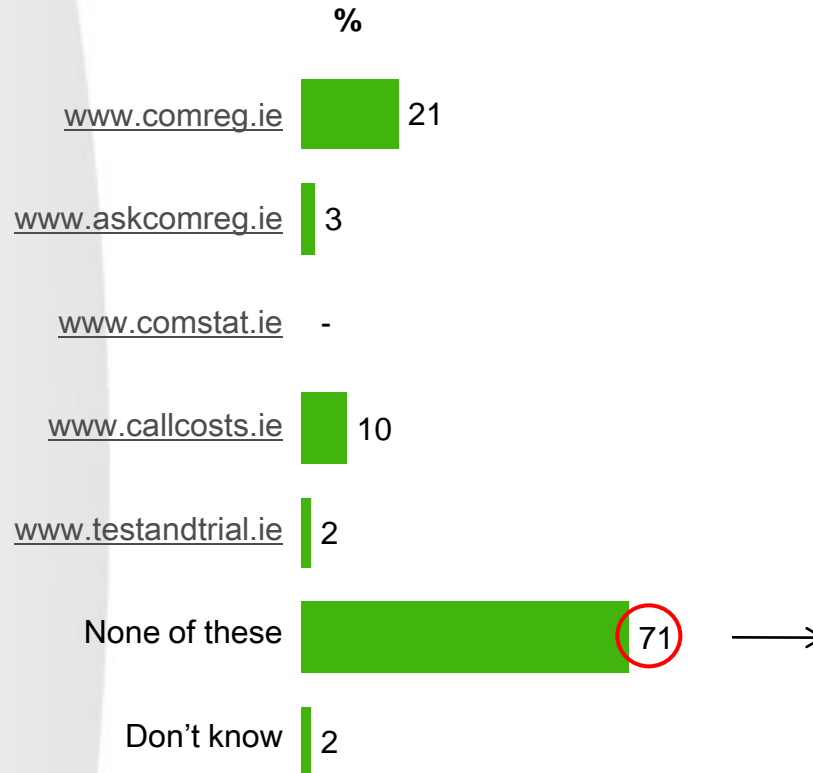
Base: All contacted ComReg (n=19*)

Low number of visits to ComReg Websites



Q. Which, if any, of the following ComReg websites have you ever visited?

New



- Over seven in ten businesses have never visited any of any of the ComReg websites.
- Of those who have visited, most had visited the main ComReg website www.comreg.ie (21%).

Higher Among

10-49 employees	80%
Connaught/Ulster	80%
No company mobile	88%
Narrowband users	82%
Not switched fixed provider	76%



Commission for
Communications Regulation

Key Findings

Key Findings - I



- Fixed line usage among businesses has remained flat, as has the proportion of businesses using Eircom only for their fixed line needs. There has been a small shift in the number of businesses only using a provider other than Eircom, similar to levels seen in H2'08. Being offered "the best value for money" is the main reason given by businesses for choosing their fixed line provider, although there are similar levels who say they "have always used this company".
- Only a small number of businesses have considered getting rid of their fixed lines citing cost of calls and cost of line rental as the main reasons for considering this. Nearly a third of businesses also said they were considering VoIP as an alternative. However the majority of businesses have not considered getting rid of their fixed line and in the main say they have not done so as they could not do business without a fixed line.
- Fewer than one in ten businesses claim to use a single supplier for both their fixed and mobile communications services, however there is a very strong interest in taking up a single provider among those who currently use different suppliers for their fixed and mobile services.
- Additionally, over half of businesses with a fixed line registered interest in a converged communications service where employees calls are made via a single device with routes calls over a fixed network in the office or over a mobile network when outside of the office. These two results suggest an appetite for simplification of communications services in terms of number of suppliers and devices used.
- At an overall level, about half of businesses claim to have ever switched their fixed line provider, and nearly four in ten of these businesses say that they have switched provider in the last 12 months.
- Over half of businesses that have ever switched fixed line provider, had switched back to their original supplier. As the process of switching is seen as being easy by the majority of businesses, levels of switching back are not surprising.
- Over eight in ten businesses provide employees with mobile phones, with instances of this being higher among Corporates where provision of mobile phones to employees is near universal.

Key Findings - II



- SMEs are less likely than Corporate businesses to supply employees with mobile data devices. However, both SMEs and Corporates are more likely to supply employees with Smartphones than any other device. Of those that do not supply data devices for mobile working, the most often provided reason for this is that they do not need devices for mobile working. There is also some evidence to suggest that lower prices for usage and devices are other barriers to businesses using more mobile data devices.
- The incidence of data roaming among Corporates has reduced for all destinations since last year, most notably the percentage of Corporates using data roaming on a weekly basis. This could be due to both reduced travel and reduced usage among those who are still travelling, as businesses continue to seek cutting operating costs.
- While overall satisfaction with data roaming charges has only increased slightly, the percentage of those dissatisfied has decreased quite notably, with over twice as many businesses saying they are neither satisfied nor dissatisfied this wave. This holding position could be influenced by the introduction of the EU data roaming regulations earlier this year, and businesses still waiting to gauge what impact these have had on their roaming costs.
- Levels of ever having switched mobile provider remain unchanged year on year, but there has been a slight uplift in the percentages of businesses who have switched mobile phone provider in the last 12 months, with over a third now claiming to have done so. Switching mobile phone provider was considered easy by well over half of those who switched.
- Only 6% of businesses in Ireland do not have an Internet connection, driven by businesses with fewer than 10 employees. Eircom continues to be the ISP used by the majority of Irish businesses.
- Overall, 94% of businesses have an Internet connection, and only 7% of business with internet access use a narrowband only connection. DSL remains the main type of broadband access used, but there continues to be confusion among businesses about the type of Internet connection that they use.
- While a quarter of businesses who use a broadband connection claim that they were unable to get their preferred type of broadband connection, when probed a third of these businesses did not know what their preferred broadband connection type was. This further illustrates a general lack of understanding of the different types of broadband platforms.

Key Findings – III

- Levels of ever having switched broadband provider are lower than for the fixed and mobile markets with just over a quarter of all businesses with broadband saying they had ever switched provider. However, a higher percentage of these businesses (over four in ten) had made the switch in the last 12 months. Switching was considered easy by about 40% of businesses, and just two in ten businesses switched back to their original provider.
- While the majority of businesses would not be willing to pay more for any improved aspect of their broadband service, about a quarter say they would pay more for faster speeds.
- In the past year nearly six in ten businesses who had their broadband speeds upgraded were not charged a higher monthly fee for the increased speeds, at similar levels year on year.
- There is still very high lack of awareness of what contracted speeds businesses have with their provider, as 45% of businesses are unable to provide an answer to this question. Additionally, while nearly four in ten businesses using broadband say they would be likely to upgrade to a higher speed broadband service in the next 12-24 months, 42% of these are unable to say what speed they will upgrade to.
- These findings point to a lack of understanding about broadband speeds e.g. while businesses claim to want faster speeds, many do not know what they currently have and so are unable to identify what speed they will upgrade to.
- Well over half of businesses claim to have reduced their spend on communications services in the last 12 months, most likely in response to worsening economic conditions. These cuts are being made by negotiating better deals with existing providers, and also by switching to new providers for more competitive offers.
- Awareness of ComReg is high among businesses, with over three quarters registering awareness. Corporates are far more aware of ComReg's role in complaint handling than SMEs are although nearly six in ten SMEs are aware of ComReg's role in this regard. Only a small percentage of businesses have ever contacted ComReg with a complaint.
- While awareness of ComReg is high, there is limited awareness of the ComReg websites – only one in five are aware of the main ComReg website.



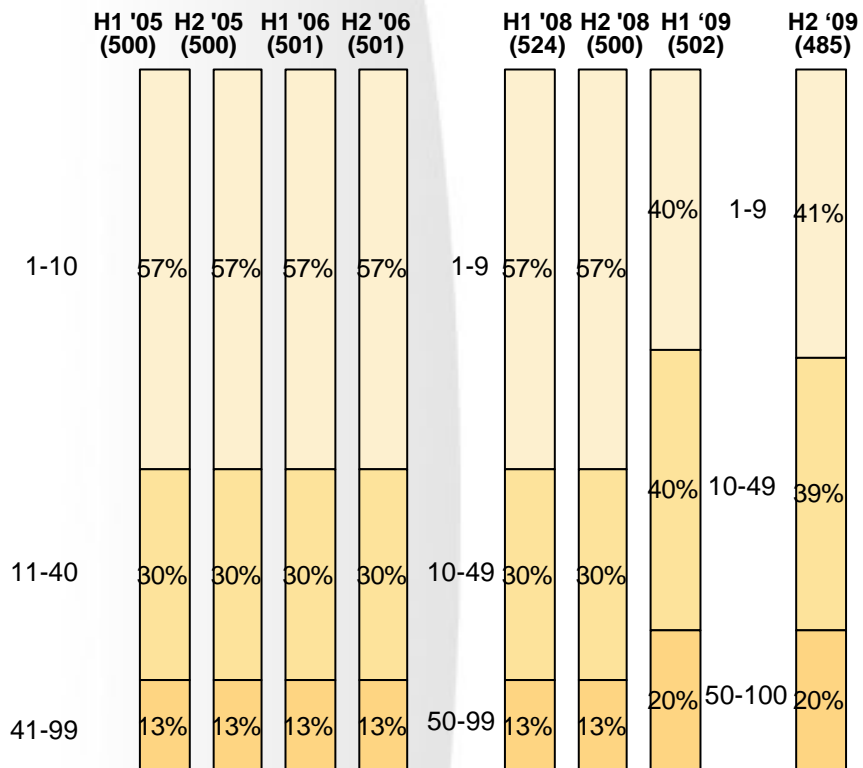
Commission for
Communications Regulation

Appendix: Sample Details

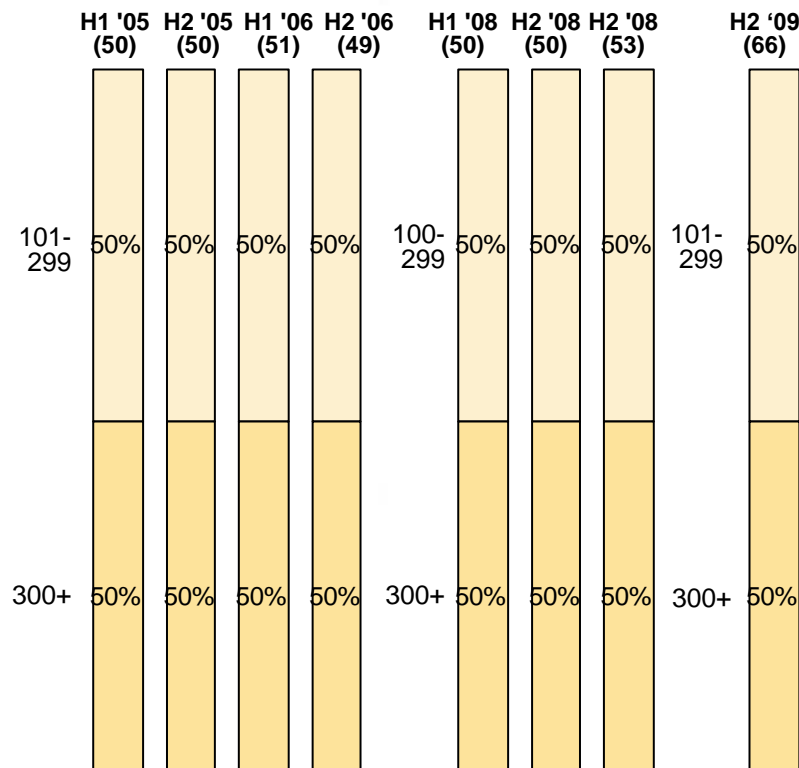
Sample Profile – Number of Employees



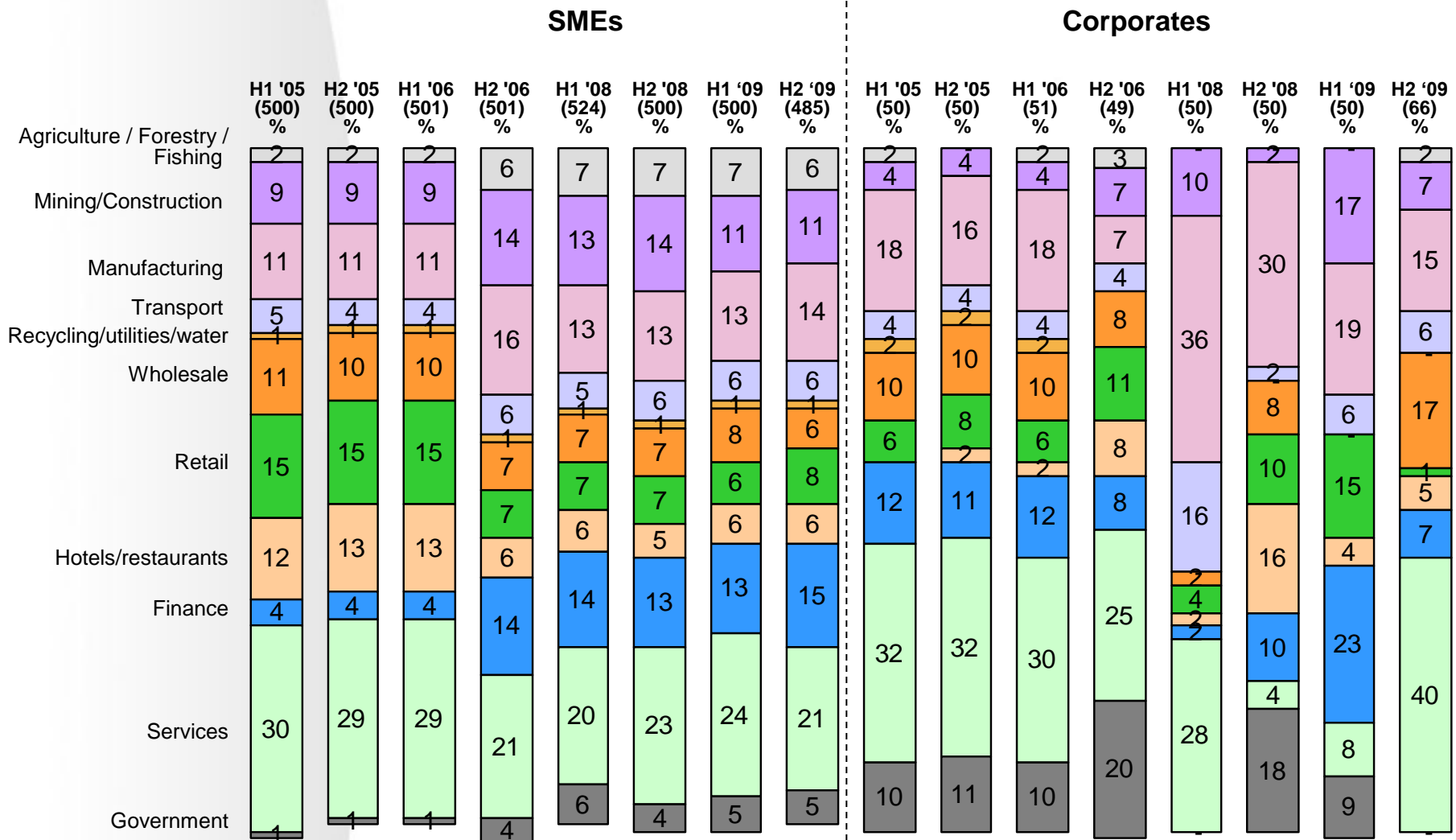
SMEs



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

Sample Profile: Location of Premises



Q. Is your company located in....

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

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

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

Main Fixed Line Supplier



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

	SME								Corporates							
	H1 '05 %	H2 '05 %	H1 '06 %	H2 '06 %	H1 '08 %	H2 '08 %	H1 '09 %	H2 '09 %	H1 '05 %	H2 '05 %	H1 '06 %	H2 '06 %	H1 '08 %	H2 '08 %	H1 '09 %	H2 '09 %
Eircom	79	80	77	76	75	70	72	71	82	77	88	77	68	78	60	62
Imagine ¹	4	3	6	6	10	8	8	10	9	3	1	5	4	8	4	11
BT Ireland	6	8	6	5	7	7	7	5	8	14	4	10	12	10	20	10
Pure Telecom	1	2	1	1	1	1	1	2	2	-	2	2	2	-	4	5
Verizon ²	2	1	*	1	1	-	*	*	4	-	4	-	2	2	4	-
NewTel ³	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	*	*	-	*	-	-	*	-	2	6	2	6	-	-	-
Euphony	-	-	-	-	-	1	*	1	-	-	-	-	-	-	-	-
IFA	-	-	-	-	-	1	-	*	-	-	-	-	-	-	-	*
Smart	-	-	-	-	-	1	*	1	-	-	-	-	-	-	3	1
Vodafone ⁴	-	-	-	-	-	-	-	2	-	-	-	-	-	-	-	-
None	-	-	-	-	-	3	1	1	-	-	-	-	-	-	-	6
Other*	5	5	7	7	4	8	9	3	-	2	8	12	6	2	12	2
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

3 NewTel has since been acquired by Pure Telecom

4 Vodafone and Perlico

*Note: Answers under 1% not shown

Main Internet Supplier Used



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 %
Eircom	66	69	70	66	58	60	61	61
BT Ireland (Esat BT)	7	7	6	6	9	10	7	6
Imagine Group ¹	n/a	n/a	n/a	n/a	4	6	9	10
Magnet/Leap/Netsource	n/a	n/a	n/a	n/a	3	3	4	3
Irish Broadband	3	4	5	4	3	n/a	n/a	-
DigiWeb	1	1	1	2	2	2	1	2
UPC	1	1	2	1	1	1	*	1
Verizon	1	*	*	1	1	1	1	*
Smart Telecom	1	*	1	1	1	1	2	1
UTV Internet	1	1	*	1	*	*	1	*
Perlico	-	*	-	1	*	*	-	1
Vodafone	-	-	-	-	-	1	1	2
3 Ireland	-	-	-	-	-	1	-	1
Pure Telecom	-	-	-	-	-	1	1	1
Interfusion	-	-	-	-	-	1	-	-
Last Mile	-	-	-	-	-	1	-	-
O2	-	-	-	-	-	1	-	1
Ice	-	-	-	-	-	-	-	1
Airspeed	-	-	-	-	-	-	-	1
Other*	7	9	9	13	11	11	15	6
Don't know	6	6	6	8	6	-	-	3

Main Internet Supplier Used



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