Commission for
Communications Regulation

Consumer ICT Survey
Q2 2009

A Review of Findings
by
MillwardBrown Lansdowne

July 2009

41108986 JMM/SB

www.comreg.ie

Presentation Outline

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- **Methodology**
- **Segmentation**
- **Research Findings**
  - Fixed line market
  - Mobile market
  - The Internet and Broadband
  - Attitudes to Technology
- **Conclusions**

Methodology - I

- The following report is based upon research conducted by Millward Brown Lansdowne among a nationally representative sample of **adults aged 15 to 74 throughout the Republic of Ireland.**
- In total 1,006 **adults** were interviewed.
- The survey asked consumers about their awareness and usage of ICT services. The survey was conducted via face to face in-home interviewing, between **12th May and the 9th June 2009.**
- Interlocking quotas were set on gender and age and non interlocking quotas set on region and social class.
- Data has been weighted in order to reflect the demographic profile of the adult population in the Republic of Ireland, based on the most recent data available from the CSO.
- Where possible, comparisons with previous research have been included.
- Millward Brown Lansdowne also conducted analysis on all respondents to segment them based on their usage and attitudes to technology. This is to update the first segmentation study conducted in Q2'2008.

Methodology -II

- The accuracy of this survey is estimated to be +/- 3%.
- A "*" in the data indicates that less than 1% of respondents gave that response and a "-" indicates that no one selected that response.
- Social Class definitions, as referred to in this report are largely as follows:

  - ABs are professionals

  - C1s are white collar workers

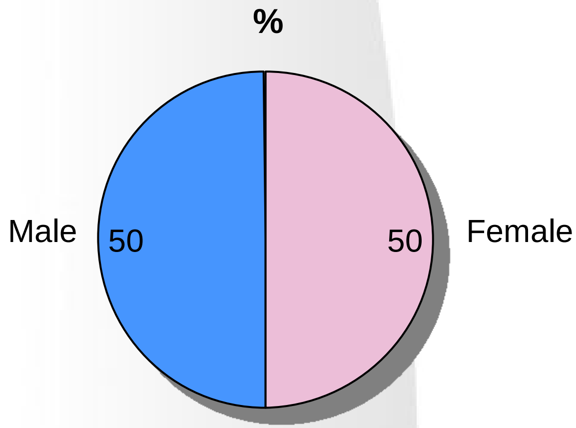
  - C2s are blue collar workers

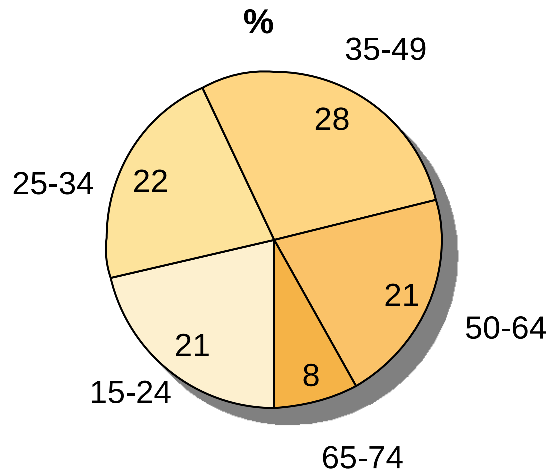
  - Ds are unskilled workers

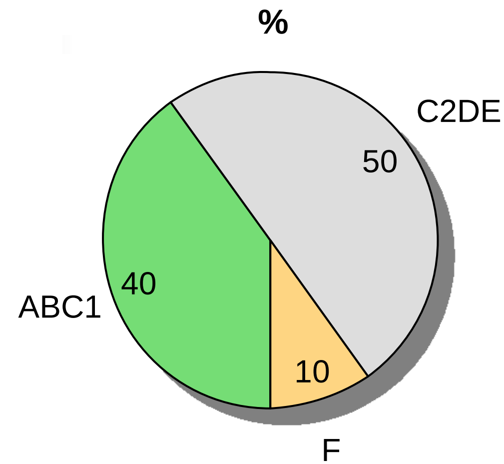
  - Es are those relying on State assistance

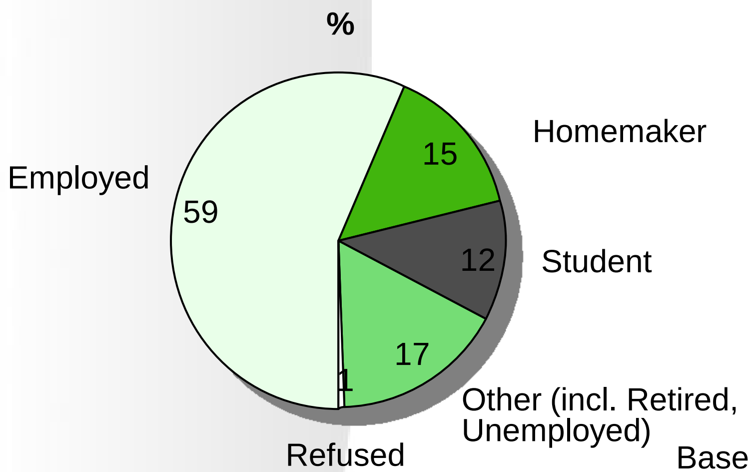
  - Fs are those in the farming community

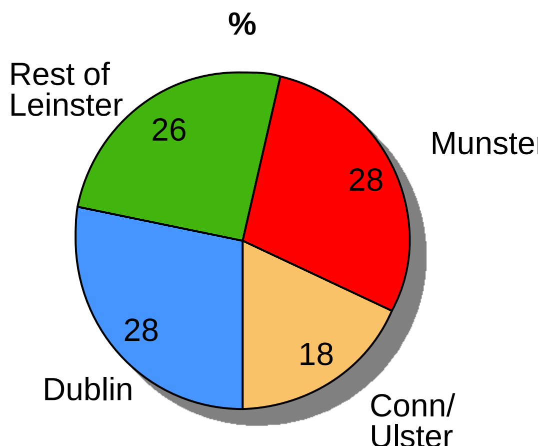
Analysis Of Sample











Base: All Adults 15-74

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CONSUMER ICT SURVEY – SEGMENTATION ANALYSIS

Methodology

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- Millward Brown Lansdowne conducted analysis on all respondents to segment them based on their usage and attitudes to technology.
- A range of different questions were used including general attitudes to new technologies, mobile phone ownership, fixed line ownership, home PC ownership, Internet usage and home Internet access.
- Four distinct segments were identified.

Ireland’s Technology Segments

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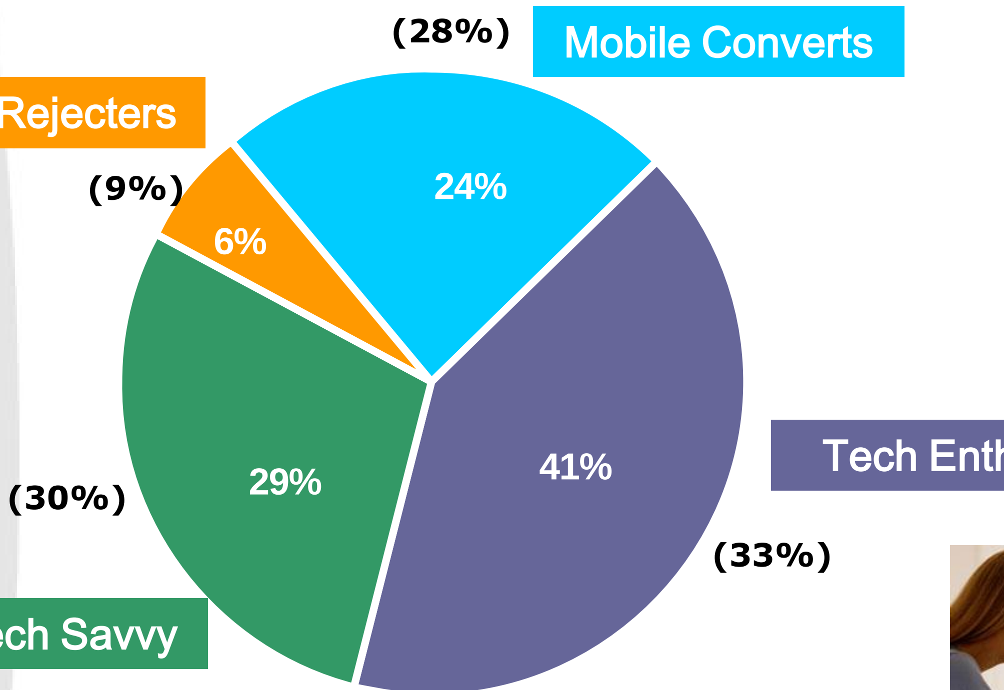

() bracketed figures denote segment sizes in Q2’08

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Tech Savvy

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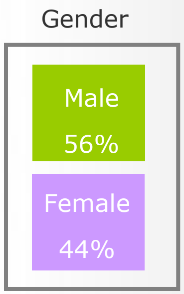
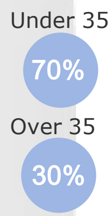
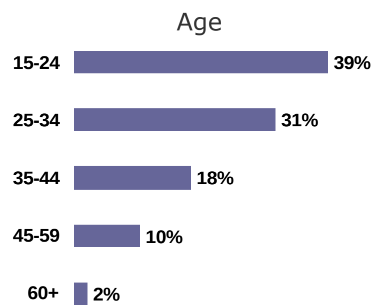
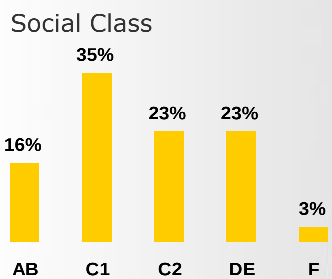
The tech savvy are predominately a young segment with 70% aged under 35 and 25% currently in 3rd or 2nd level education. They are very comfortable with new technologies, preferring to be the first to use new technologies, and are likely to be important influencers of others choices – be it parents or less technologically astute peers. There is quite a strong male bias, as well as a bias in favour of the C1 socio-economic grouping.

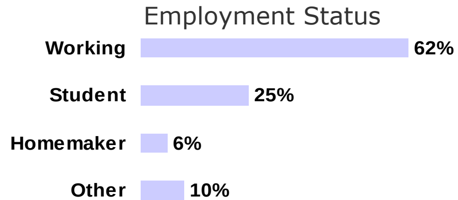
Socio- Demographics











General Attitudes to Technology

Scale (1-5, 1 strongly disagree, 5 strongly agree)

	Segment Average	vs. Total Population
I like to be the first to use new technologies	4.1	2.8
New technologies make my life easier	4.5	3.8
I just don't understand computers and new technologies	1.5	2.6
I need to learn more about computers and new technologies	2.9	3.3
People look to me for advice about new technologies	3.6	2.3

Technology Usage

	Segment Average	vs. Total Population
Home phone ownership	46%	67%
Mobile ownership	100%	94%
Mobile Internet usage	57%	19%
Internet usage	95%	66%
Home Internet Connection	84%	67%

Tech Enthusiasts

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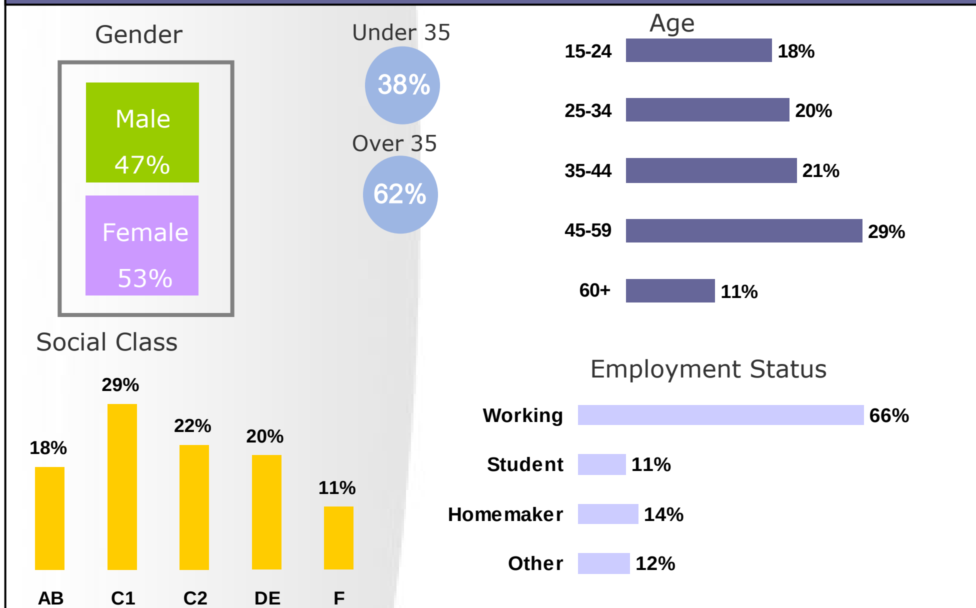
The majority of the group are employed (66%), and there is a slight female bias (53%). High fixed line and mobile phone usage is typical of this group, as well as demonstrating the highest incidence of home Internet connections. A large proportion of this group (62%) are over 35, and they have interest in and appreciation for technology, but feel they could learn more. The members of this group fall predominantly into the C1 socio-economic grouping.

Socio- Demographics



General Attitudes to Technology

Scale (1-5, 1 strongly disagree, 5 strongly agree)

	Segment Average	vs. Total Population
I like to be the first to use new technologies	**2.8**	**2.8**
New technologies make my life easier	**4.0**	**3.8**
I just don't understand computers and new technologies	**2.5**	**2.6**
I need to learn more about computers and new technologies	**3.7**	**3.3**
People look to me for advice about new technologies	**1.9**	**2.3**

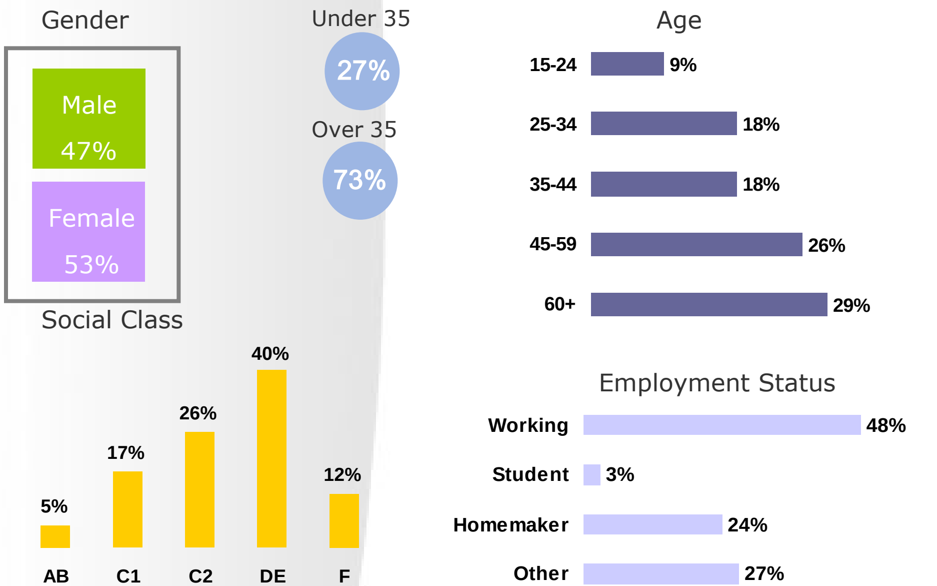
Technology Usage

	Segment Average	vs. Total Population
Home phone ownership	**90%**	**67%**
Mobile ownership	**100%**	**94%**
Mobile Internet usage	**5%**	**19%**
Internet usage	**82%**	**66%**
Home Internet Connection	**97%**	**67%**

Mobile Converts

The main distinguishing feature of this segment is the high level of mobile phone use compared to other technologies. Fixed line phone ownership is well below the national average. Mobile Converts have embraced mobile phones almost to the exclusion of other ICTs. Many claim not to understand new technologies and feel they need to learn more. They are also below the national average in terms of how they value new technologies in making their life easier.

Socio- Demographics



General Attitudes to Technology

Scale (1-5, 1 strongly disagree, 5 strongly agree)

	Segment Average	vs. Total Population
I like to be the first to use new technologies	**1.8**	**2.8**
New technologies make my life easier	**3.0**	**3.8**
I just don't understand computers and new technologies	**3.6**	**2.6**
I need to learn more about computers and new technologies	**3.2**	**3.3**
People look to me for advice about new technologies	**1.4**	**2.3**

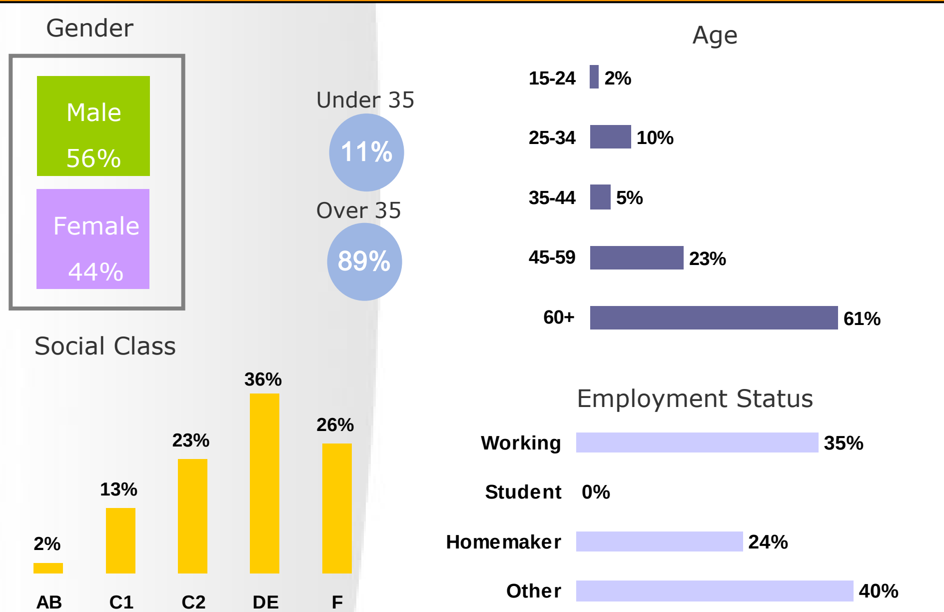
Technology Usage

	Segment Average	vs. Total Population
Home phone ownership	**47%**	**67%**
Mobile ownership	**100%**	**94%**
Mobile Internet usage	**4%**	**19%**
Internet usage	**15%**	**66%**
Home Internet Connection	**4%**	**67%**

Tech Rejecters

The majority (61%) of this group are over the age of 60, and a high percentage are retired (26%). They have very high home phone ownership (84%) and do not use mobile phones much. Many admit to not understanding new technologies, and show less than average interest in learning more about them. Their use of the Internet is very low. This group is more likely to fall into the DE socio-economic grouping.

Socio- Demographics



General Attitudes to Technology

Scale (1-5, 1 strongly disagree, 5 strongly agree)

	Segment Average	vs. Total Population
I like to be the first to use new technologies	**1.6**	**2.8**
New technologies make my life easier	**2.4**	**3.8**
I just don't understand computers and new technologies	**3.8**	**2.6**
I need to learn more about computers and new technologies	**2.7**	**3.3**
People look to me for advice about new technologies	**1.3**	**2.3**

Technology Usage

	Segment Average	vs. Total Population
Home phone ownership	**84%**	**67%**
Mobile ownership	**0%**	**94%**
Mobile Internet usage	**0%**	**19%**
Internet usage	**22%**	**66%**
Home Internet Connection	**29%**	**67%**

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FIXED LINE MARKET

CONTINUED INCREASE IN MOBILE PHONE PENETRATION, WITH FIXED LINE REMAINING STEADY

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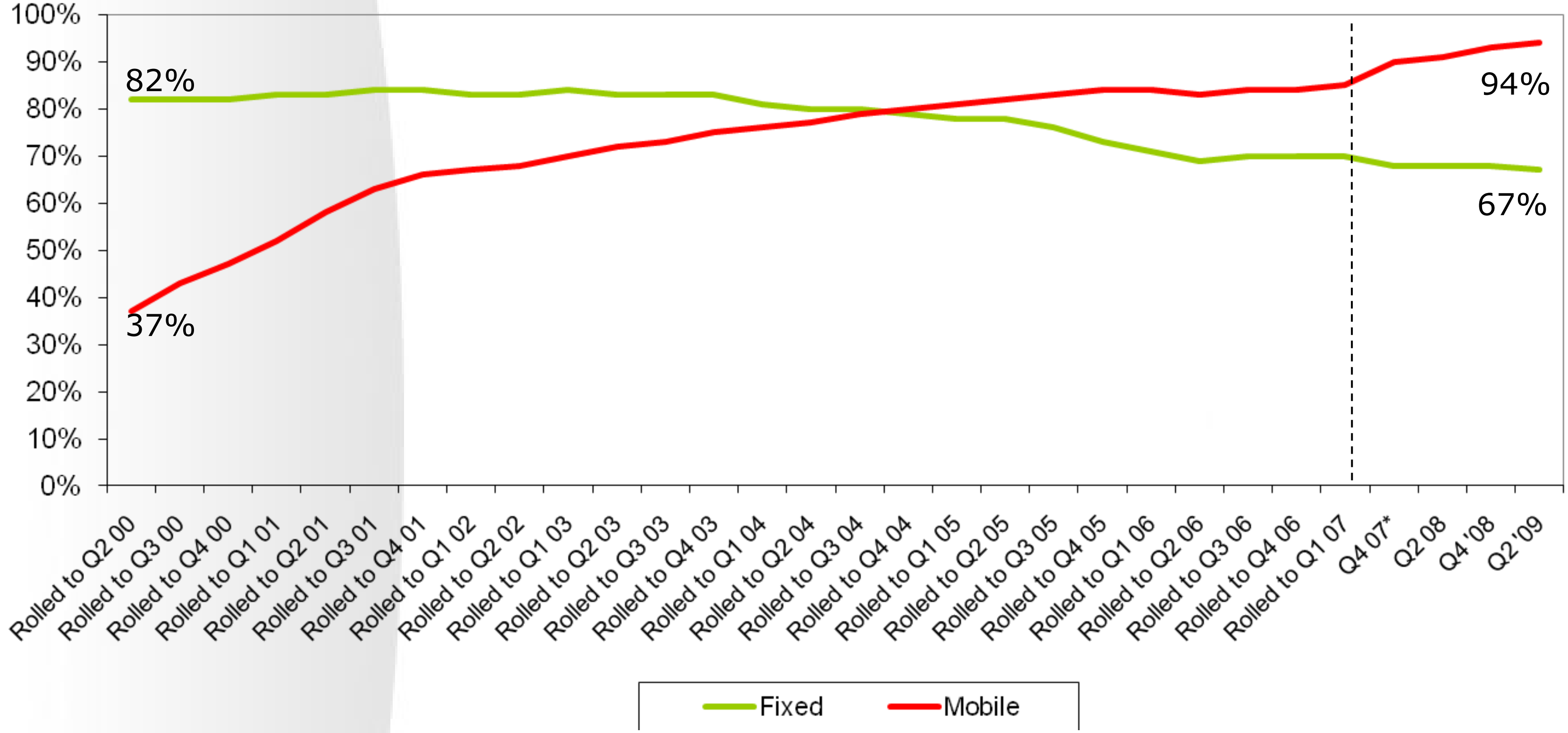
Q. Do you have a residential fixed line phone in your home?
Q. Do you personally own a mobile phone?



32% of Irish Adults rely on mobile phones only.

**Note: From Q4'07 data is not rolling data, due to gap in research in 2007*

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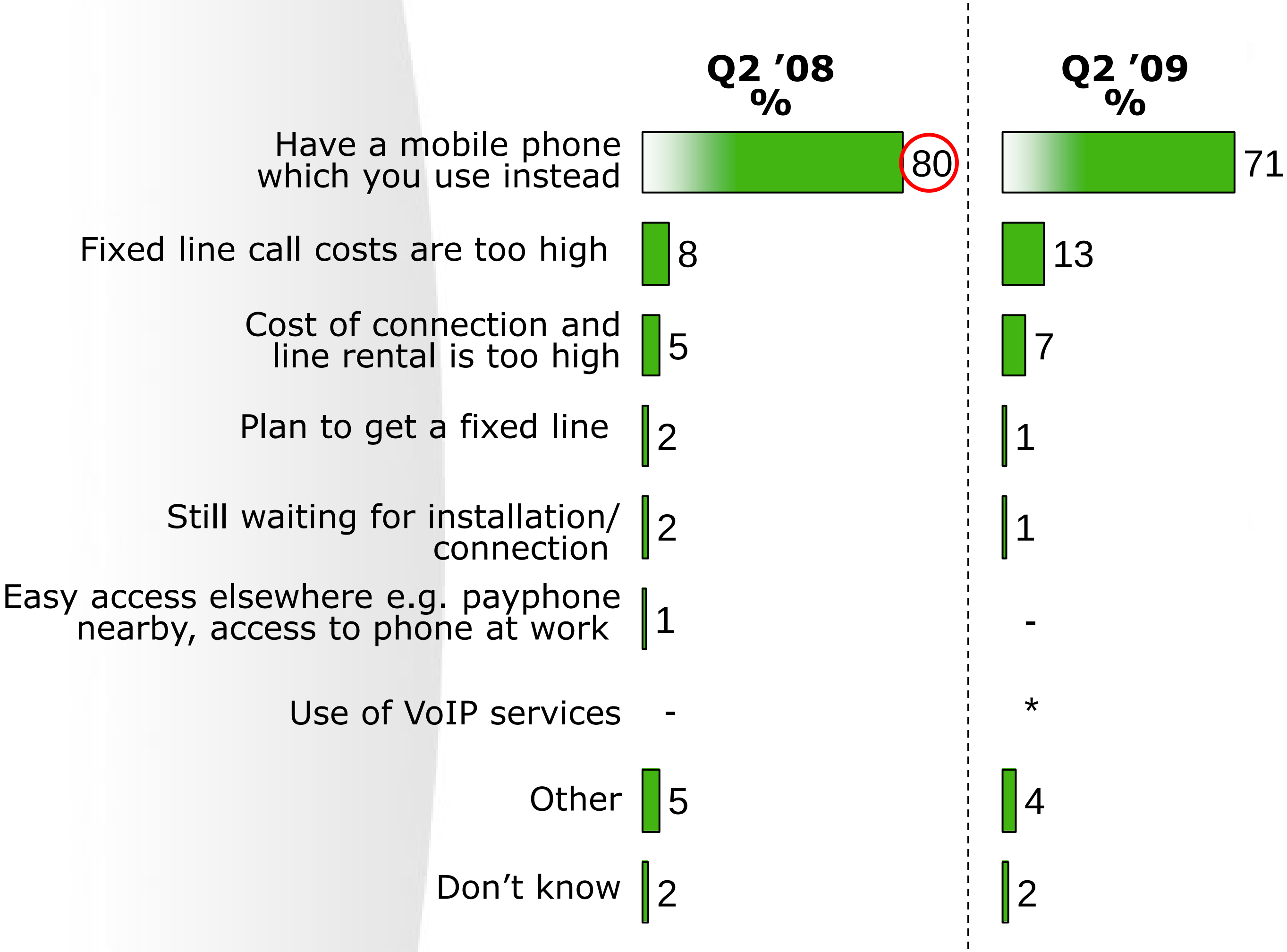
Mobile Phone Usage Influences Landline Decline

Q. What is your main reason for not having a fixed line telephone in your home?



- Over seven in ten without a fixed line say that they have a mobile phone which they use instead. This is down from eight in ten a year ago.
- Having a mobile phone is more likely to be cited as a reason for not having a fixed line by 18-24 year olds (78%), those who own their homes (75%), and also those with home Internet access (77%). It is also higher among those living in Dublin (79%) and Munster (81%).
- Perception of high fixed line costs is a more prominent reason for not having a fixed line (13%) than a year ago.

Base: Those Who Do Not Have A Fixed Line (n=334)

Almost 8 In 10 Have Eircom As Their Fixed Line Supplier

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Q. Which, if any, of the following companies do you use for your residential phone service?

	Q4'07 %	Q2'08 %	Q4'08 %	Q2'09 %
Eircom	78	77	79	77
Perlico	7	6	6	4
BT Ireland (formerly Esat BT)	5	6	5	6
Imagine Group#	2	2	2	1
Chorus/UPC	1	2	2	3
Talk Talk/Tele2	2	2	1	2
Smart	-	-	1	1
IFA	-	1	-	2
Other*	2	3	1	3
Don't know	2	1	2	1

- Eircom's residential share has dropped slightly since the previous survey in 2008.
- ABs (36%) and those living in Dublin (27%) are more likely to use a supplier other than eircom; as well as those with home Internet access (25%), and those who work in the home (26%)

Base: All Who Have Fixed Landline (n=672)

Response Includes Gaelic, Cinergi and Access.
*Answers under 1% included in Other

Historical View Of Eircom's Fixed Line Market Share

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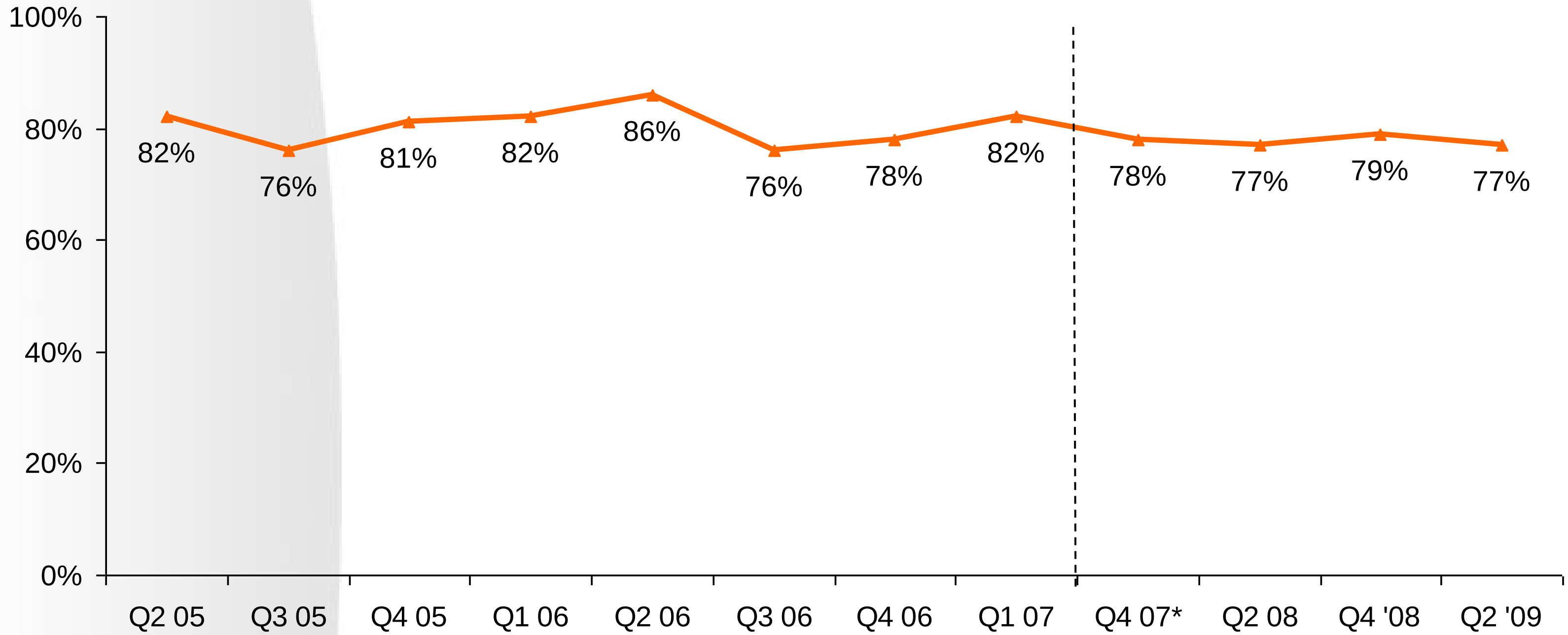
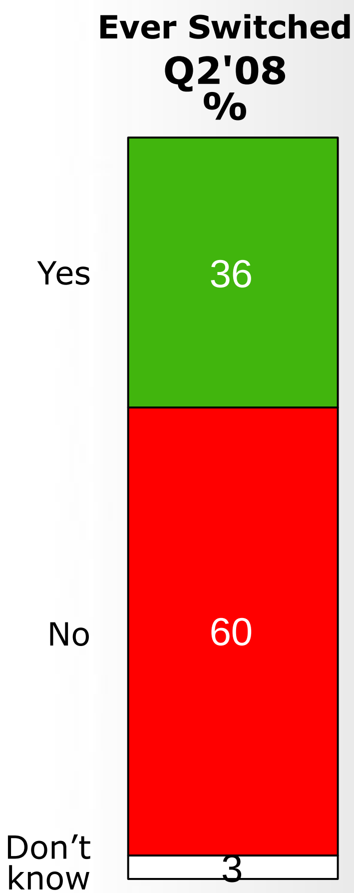


- This chart plots Eircom's market share from research conducted in the residential market since 2005.
- According to these figures, Eircom's market share in the residential market has fallen 5% since Q1 2007.
- At its highest, Eircom's market share stood at 86% in Q2 2006.

About a third of users have ever switched Fixed Line Provider

Q.	Have you ever switched your fixed line home phone supplier?



Base: All Who Have Fixed Line (n=689)

Base: All Who Have Fixed Line (n=672)

	Yes %
Tech Rejecters	**23%**
Mobile Converts	**24%**
Tech Enthusiasts	**37%**
Tech Savvy	**39%**

YES - Higher Among	
Have switched ISP in last 12 months:	80%
ABs:	46%
Age 50-64:	43%
Have ever switched mobile	40%

- Compared to the same quarter last year (36%) the percentage of fixed line users (34%) who claim to have ever switched fixed line provider remains relatively unchanged.

Q209 % ever switched	
Mobile	32%

Recent Switching Activity Among Fixed Line Users

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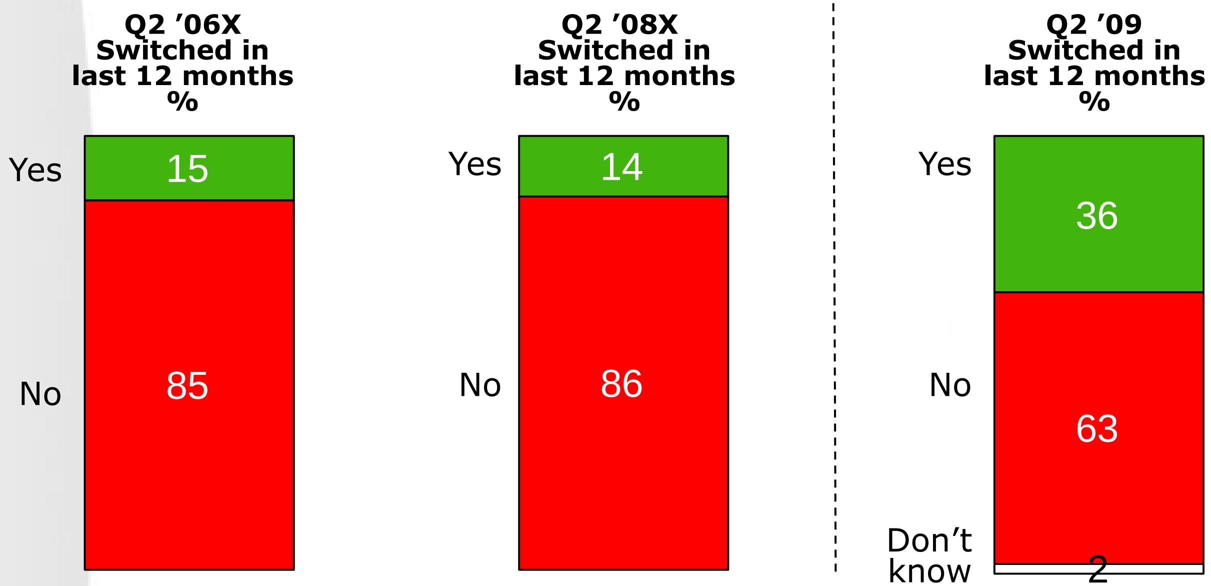
Q.	Have you switched your fixed line home phone supplier in the past twelve months?

Q209 % switched last 12 months

Mobile	30% (all switchers)
Internet Service Provider	10% (all users)



- Of those customers who have ever switched their fixed line phone, over a third (36%) switched in the last 12 months. At an overall level, about 12% of those with a fixed line have switched operator in the last 12 months. This is lower than in previous quarters.

Base: All Who Have switched (n=231)

Q4 06 and Q2 08, Don't know figures removed

X Note: Previously asked of all with fixed line

Process of Switching seen as Easy by Majority

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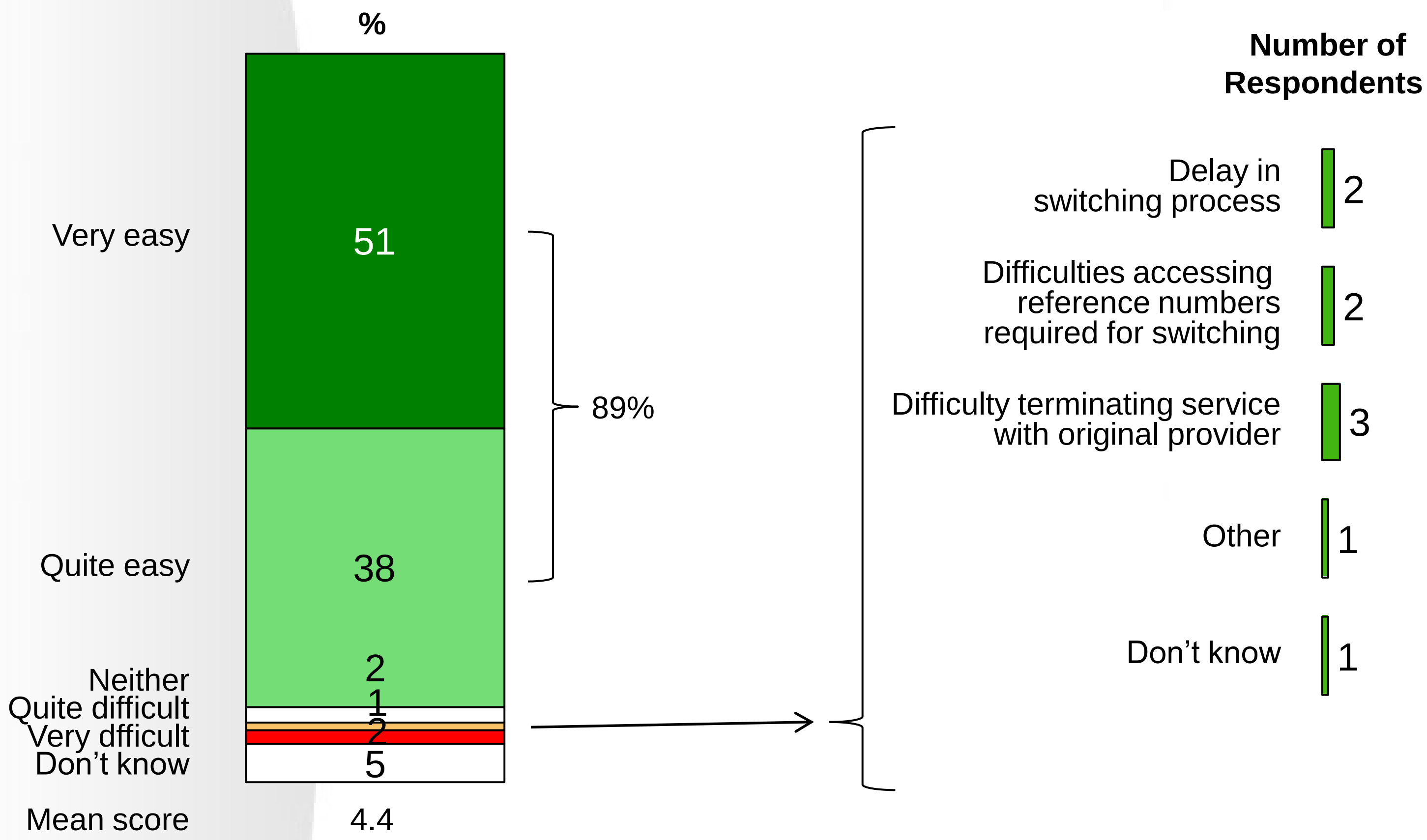
Q. Was the process of switching fixed line home phone provider…
For what reason/s was the switching process difficult?



Base: All Who ever switched (n=231)

Base: All Who experienced difficulties switching (n=8**)

** Caution very small base

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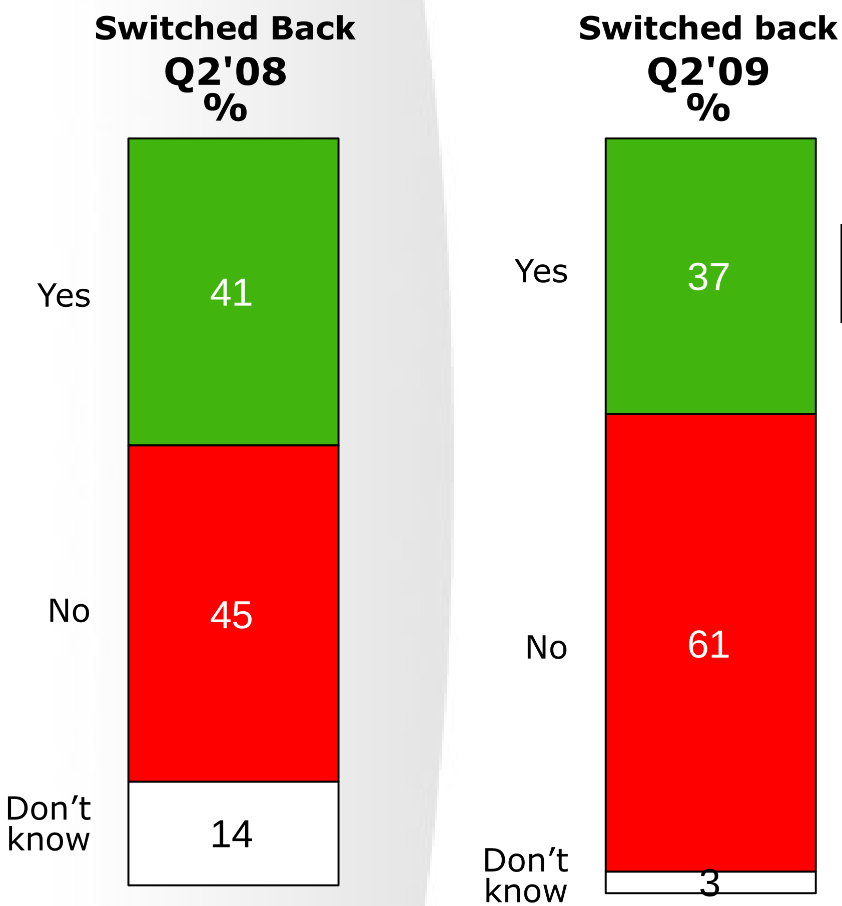
High Percentage Of Users Switching Back

Q. Have you switched back to your previous fixed line home supplier since the initial switch?

Q209	% switched back
Mobile	10%



YES - Higher Among
Conn/Ulster 50%*
C2DEs 44%

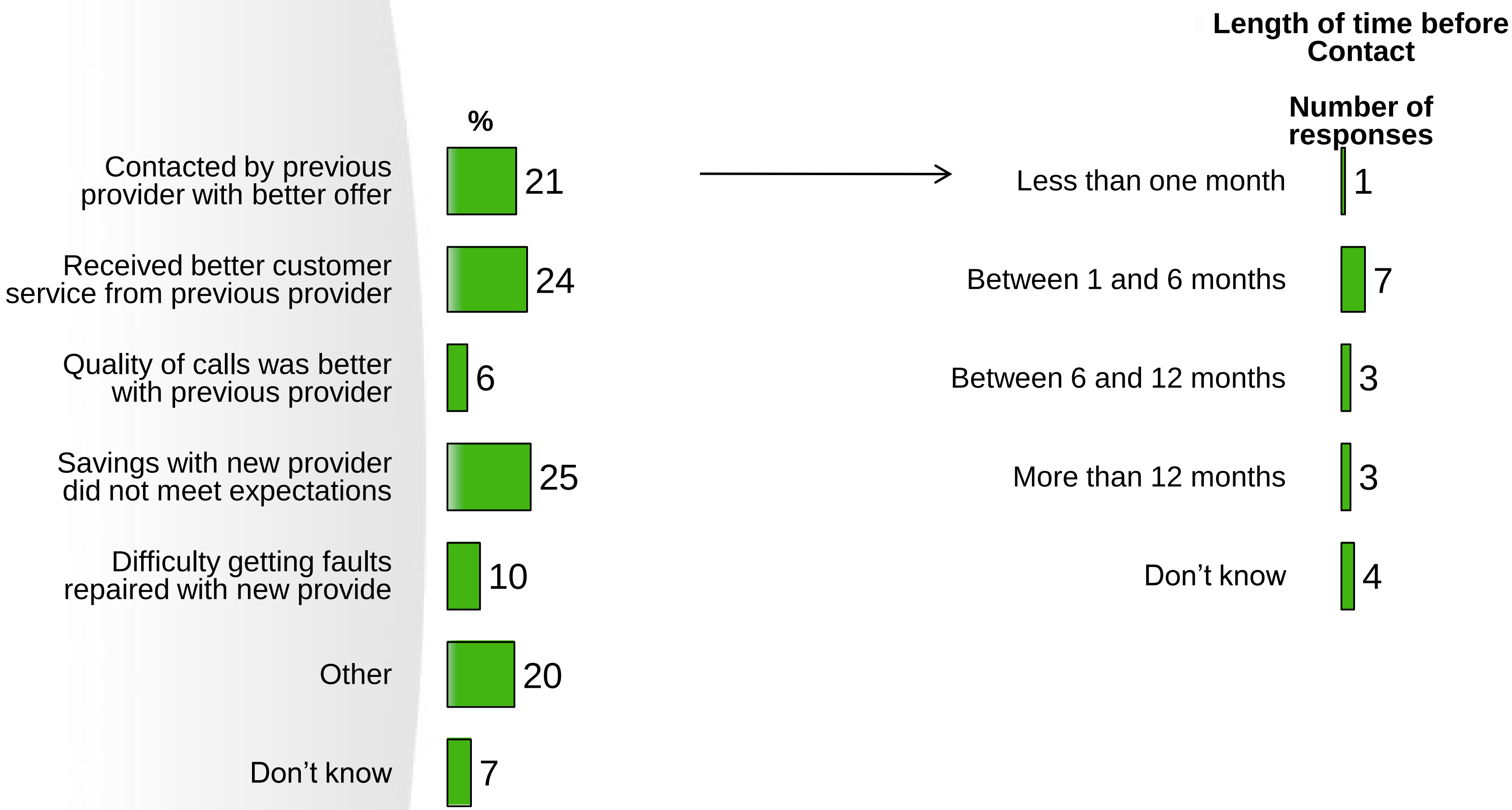
- There were marginally fewer fixed line users who switched back to their original supplier in Q2 '09 than one year ago.
- Previous qualitative and quantitative research conducted for ComReg suggests that after switching to a new service provider, experiences of poor service quality, and expectations not being met resulted in a high percentage of consumers switching back to their original provider.

*caution small base size

Base: All Who Have Ever Switched (n=231)

Reasons For Switching Back To Original Provider

Q. Why did you switch back to your original fixed line home phone provider?
Q. How long after you terminated your contract with your original home phone provider, and moved to a new home phone provider, were you contacted by your original provider with a better offer?



Base: All who switched back to original supplier (n = 82)

Base: All who switched back because of contact (n =17**)

*caution very small base size

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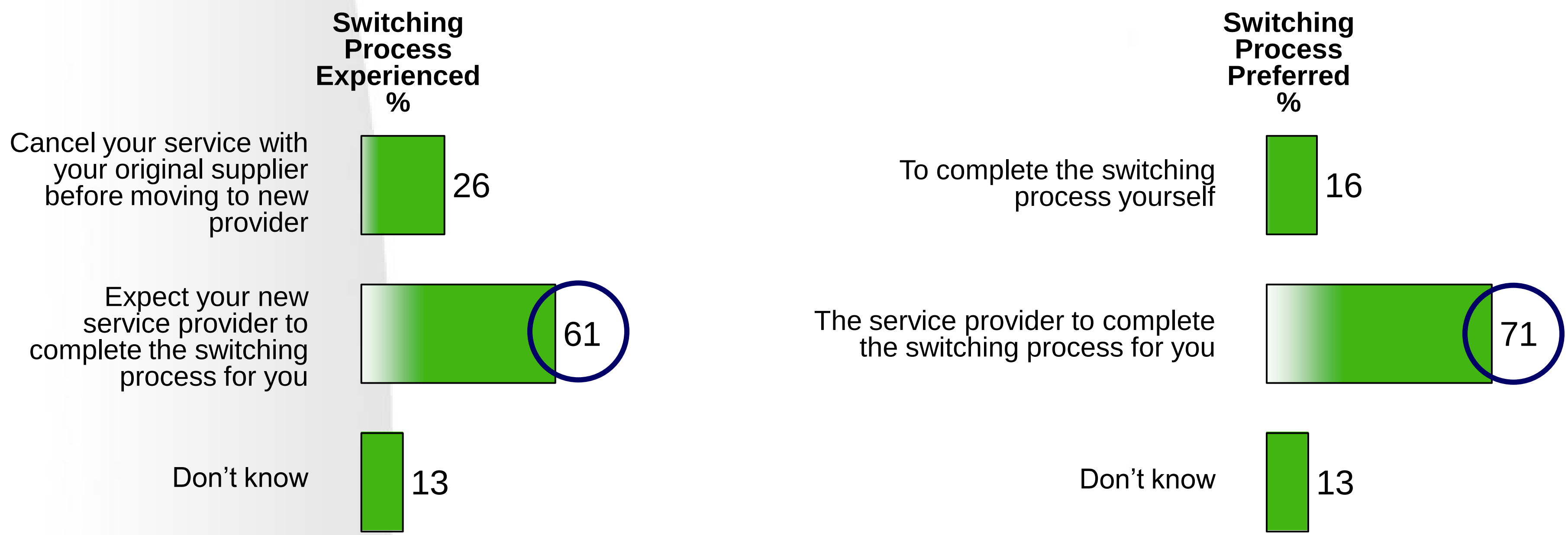
The Switching Process

Q. When you switched your fixed line provider, did you…
Q. When switching fixed line provider would you prefer...



- The expectation among most consumers who are switching supplier is that the new service provider will complete the process (61%) on their behalf.
- Over a quarter of switchers (26%) cancelled their service with their original supplier before moving to a new provider. This is higher among C2DEs (32%), and those who have switched their line provider in the last 12 months (35%).
- There is a clear preference for the service provider to complete the switching process on behalf of the customer with over seven in ten (71%), preferring this option.

Base: All who switched (n=231)

Average Bi-monthly Fixed Line Spend-€95.24

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Q.	How much, approximately, was your last bi-monthly telephone bill from your telephone service provider(s) including VAT?

Historical Average Spend

Q2'06 - €101.39

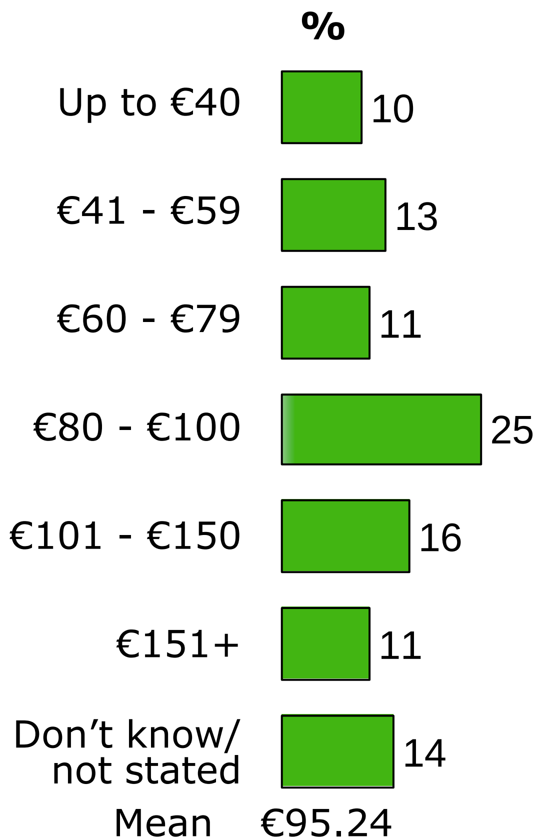
Q3'06 - €103.57

Q4'06 - €99.61

Q1'07 - €97.20

Q2'08 - €95.36

Q4'08 - €96.07



- The average spend on fixed line bi-monthly telephone bill was €95.24. This has decreased this quarter, and is down €6.03 from Q2 '06 when average bi-monthly spend was €101.39.
- The decline in spend could be partly explained by an increase in the number of consumers "bundling" their home phone service with other services. Additionally, this decline could be impacted by consumers trying to limit their expenditure by making fewer calls.
- One in ten said that they spent up to €40, and about the same number (11%) said that they spent €151+
- Those with a higher than average spend tended to be ABs (€106.60), those living in Connacht/Ulster (€100.24), and those with home Internet access (€101.72).
- Those with a narrowband Internet connection, also reported a higher than average fixed line bill at €118.48.

Base: All Who Have Fixed Line (n=672)

3 In 4 Satisfied with Resolution of Bill Query

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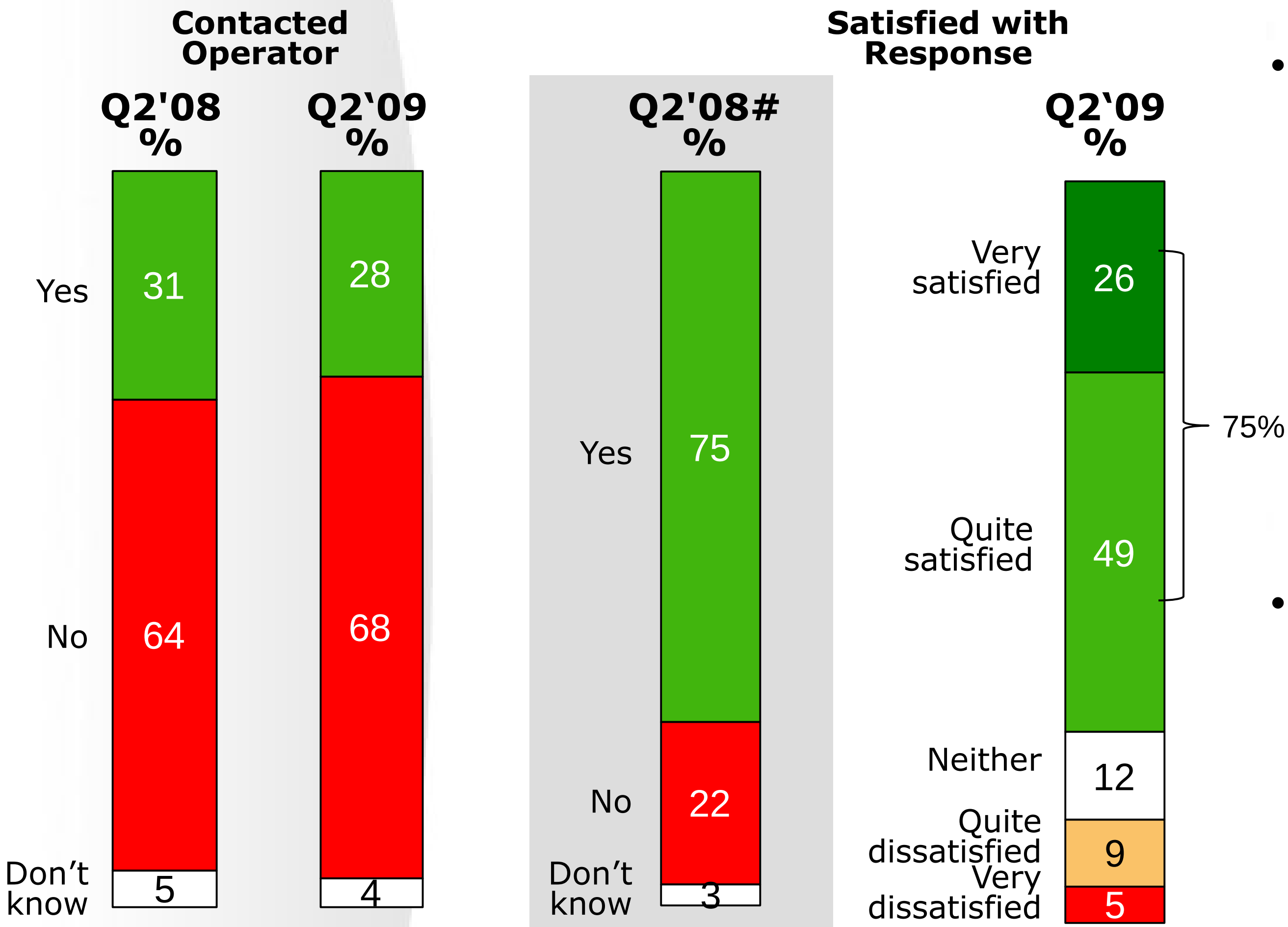
Q.	Have you ever contacted your home phone provider with a query regarding your home phone bill?
Q.	How satisfied were you with the response from your operator with regard to your billing query?



- Fewer than three in ten people contacted their operator with a query about their home phone bill, slightly down from last year. Those who contacted their operator were more likely to be ABC1s (32%), Dublin residents (35%) and those who are employed (32%). Fixed line users who have ever switched operator (37%) are also more likely to have contacted their provider about a bill query.
- About three quarters of those who contacted their operator with a query were satisfied with the response they received. Those in Dublin (84%), and fixed line users who have not changed provider (80%) were more likely to be satisfied.

Base: All Who Have Fixed Line (n=672) Base: All Who Contacted Operator (n=198)

not directly comparable

Satisfaction With Customer Service: Fixed Line

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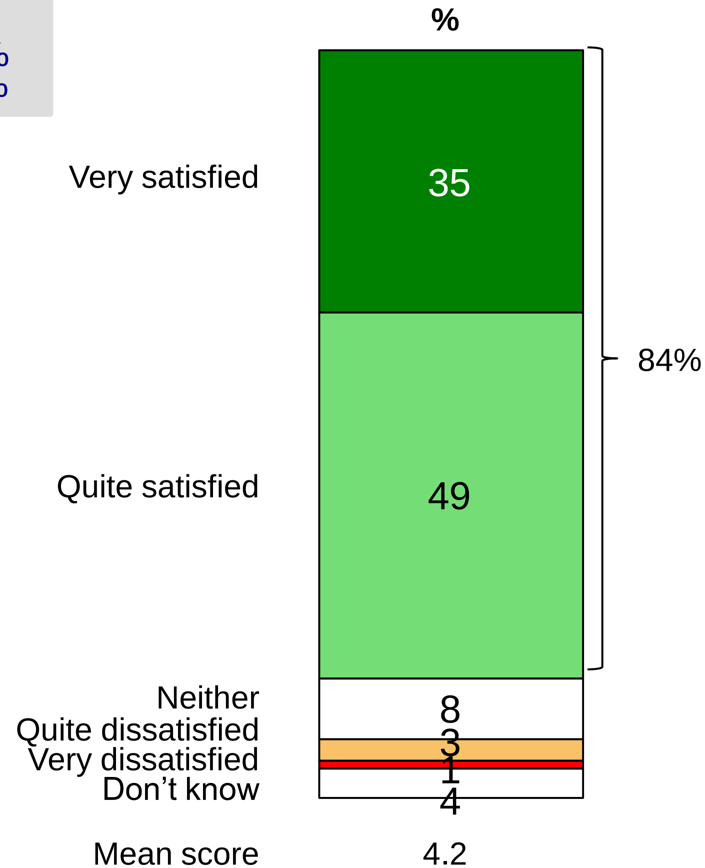
Q.	How satisfied are you with the standard of customer service provided by your fixed line home phone provider?

Q209 % Satisfied

Mobile	91%
Internet Service Provider	82%



- There is a very high level of satisfaction with the standard of providers customer service, with well over eight in ten fixed line users (84%) saying they are satisfied.
- Satisfaction is higher among fixed line users in the DE social class (90%), homemakers (91%) and also among those who rent (87%).
- Additionally, those who use a provider other then eircom for their fixed line services also register higher satisfaction (89%).

Base: All who have fixed line (n=672)

Minimum Contract Period: Fixed Line

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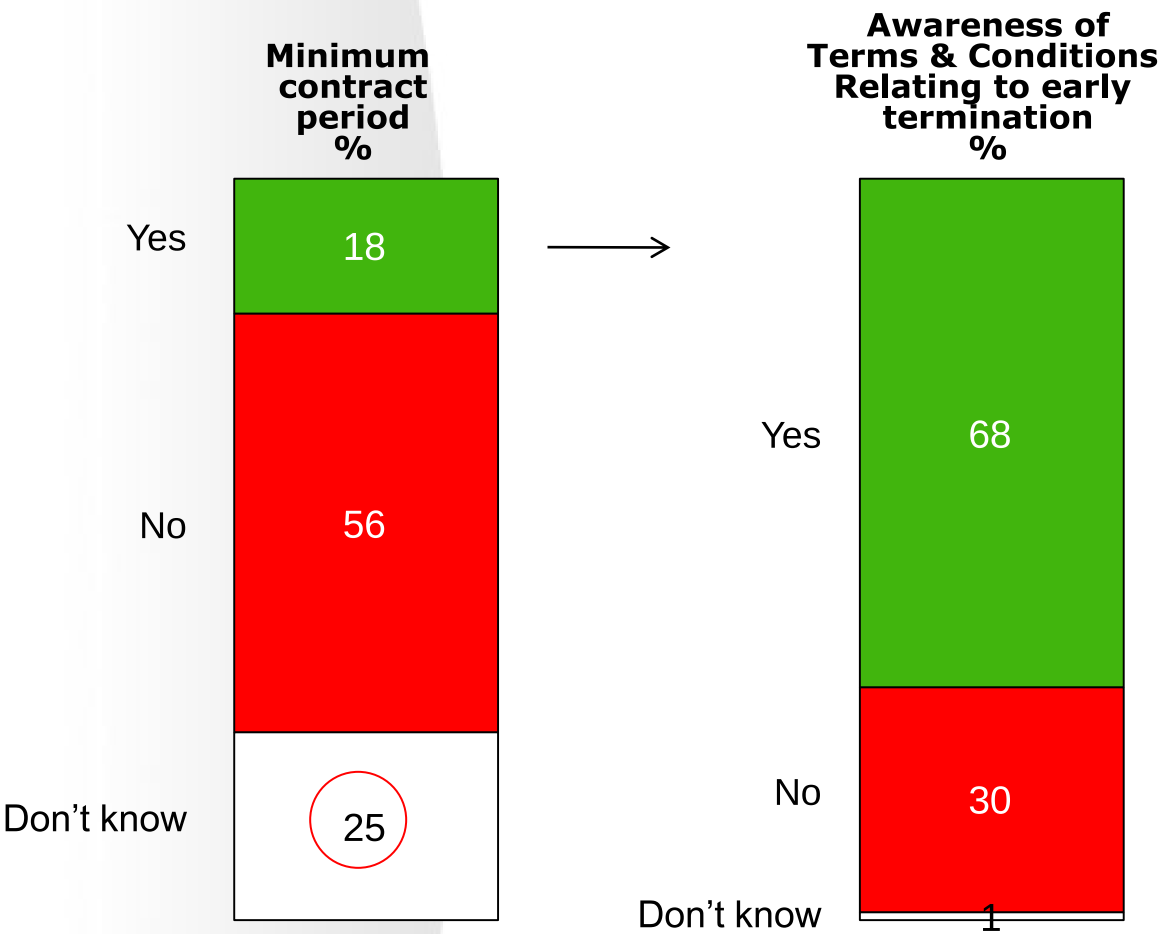
Q. Does your contract for your fixed line home phone with your service provider have a minimum contract period?
Q. Are you aware of the terms and conditions relating to early termination of your contract for your fixed line home phone?



Base: All who have fixed line (n=672)

Base: All aware of minimum contract period (n=131)

- There is low awareness of whether there is a minimum contract length associated with fixed line home providers. A quarter of fixed line users say they don't know whether or not there is a minimum contract period on their fixed line contract.
- Those who say there is no minimum contract length tend to fall into the 60-64 (64%) or 65+ (66%) age brackets, as well as those in the F social grouping (68%)
- Homemakers (63%), Eircom customers (62%) and those fixed line users who have never switched operator (62%) also more likely to say there is no minimum contact length.
- Just under one in five (18%) says that there is a minimum contract period on their home phone service. Over two thirds of this group (68%) claim to be aware of the terms and conditions relating to early termination of the contract.

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MOBILE MARKET

Trends in Mobile Phone Ownership

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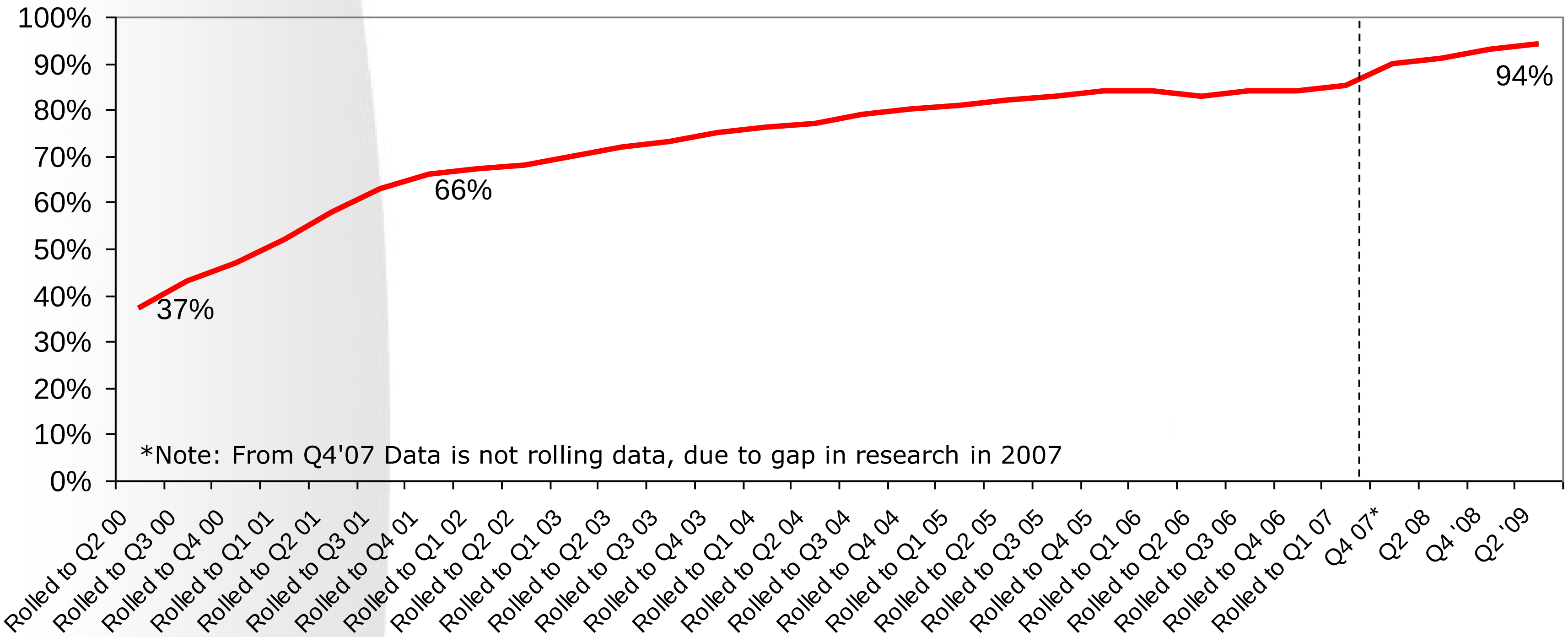
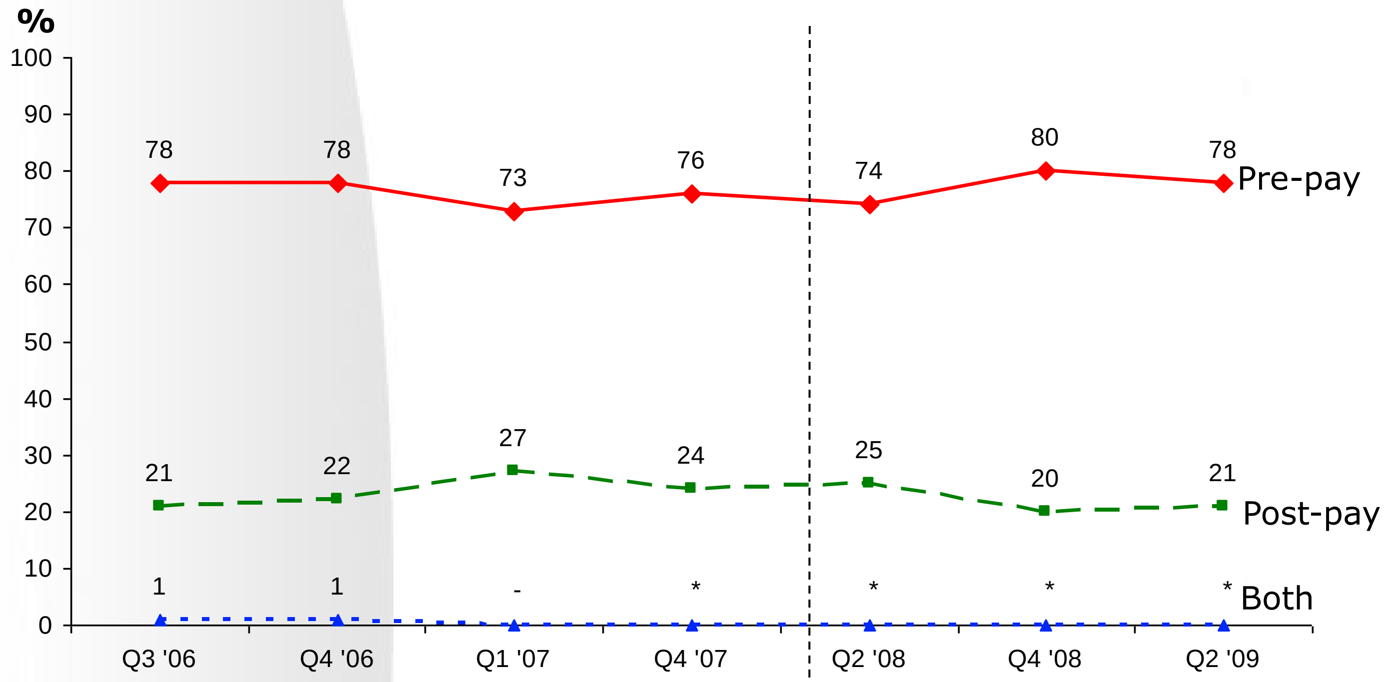
Q. Do you personally own a mobile phone?



- Mobile phone Ownership is nearly universal, although levels of ownership continue to remain lower among certain groups most notably those aged 65-74 (75%) and those in the F social grouping (83%).
- Additionally, those who do not have Internet access at home or a home PC/laptop are also less likely to have a mobile phone (87% and 85% respectively).

Slight decrease in Pre-Pay Customers

Q. Is your current mobile phone service one where you…



- Nearly 8 in 10 mobile phone customers use a pre-pay mobile phone. Prepay use is higher among females (83%) and younger people 15-17 (96%*), as well as those in the DE social group (88%).
- Students (92%) and Meteor Customers (87%) are also more likely to be pre-pay customers.
- Those who rent (89%), have no home Internet access (85%) and who are mobile-only customers (81%) are also higher users of pre-pay options.

* Caution small base size

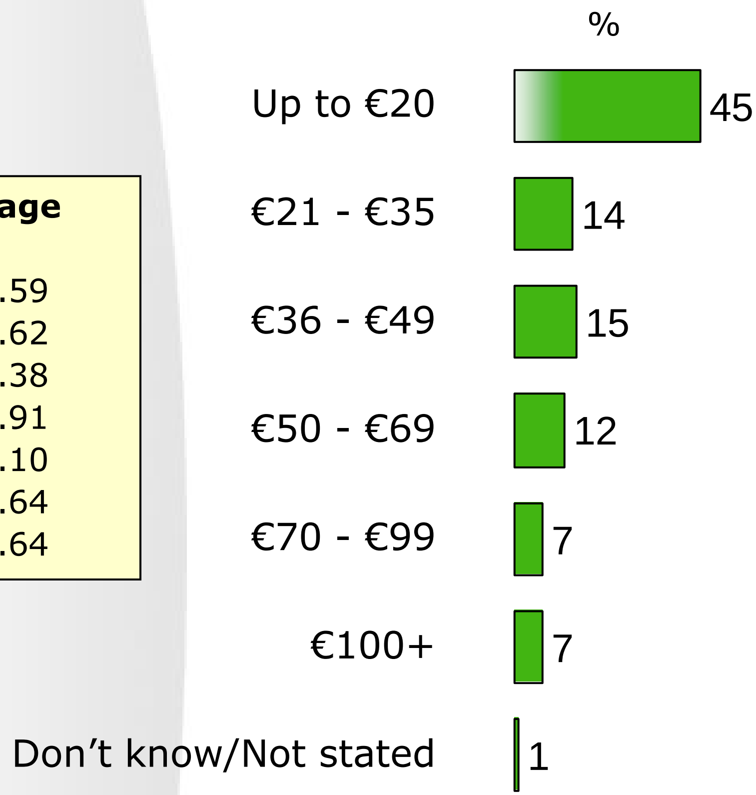
Base: All Mobile Phone Users (n=940)

Average Monthly Mobile Spend - €40.68

Q. Approximately how much do you spend per month topping up your mobile phone or on your mobile monthly bill?

Historical Average Spend

Q1’06 - €54.59
Q2’06 - €57.62
Q3’06 - €54.38
Q4’06 - €55.91
Q1’07 - €53.10
Q2’08 - €45.64
Q4’08 - €41.64



Mean €40.68

- Average Mobile spend continues to decrease. This could suggest that customers are availing of more competition and better deals, or more recently, because they are cutting back on use to save money.
- Monthly spend is higher among males (€43.52), 25-34 year olds and 35-49 year olds (€46.49 and €47.39 respectively)
- ABs spend on average €55.61 a month, compared to €34.47 a month among DEs and €35.94 a month among the farming community.
- Those with a monthly subscription spend over twice as much as Pre-Pay customers (€76.69 v €30.85).
- Those who have not switched mobile provider in the last 12 months have a higher monthly spend than those who have switched (€49.08 v €38.93).

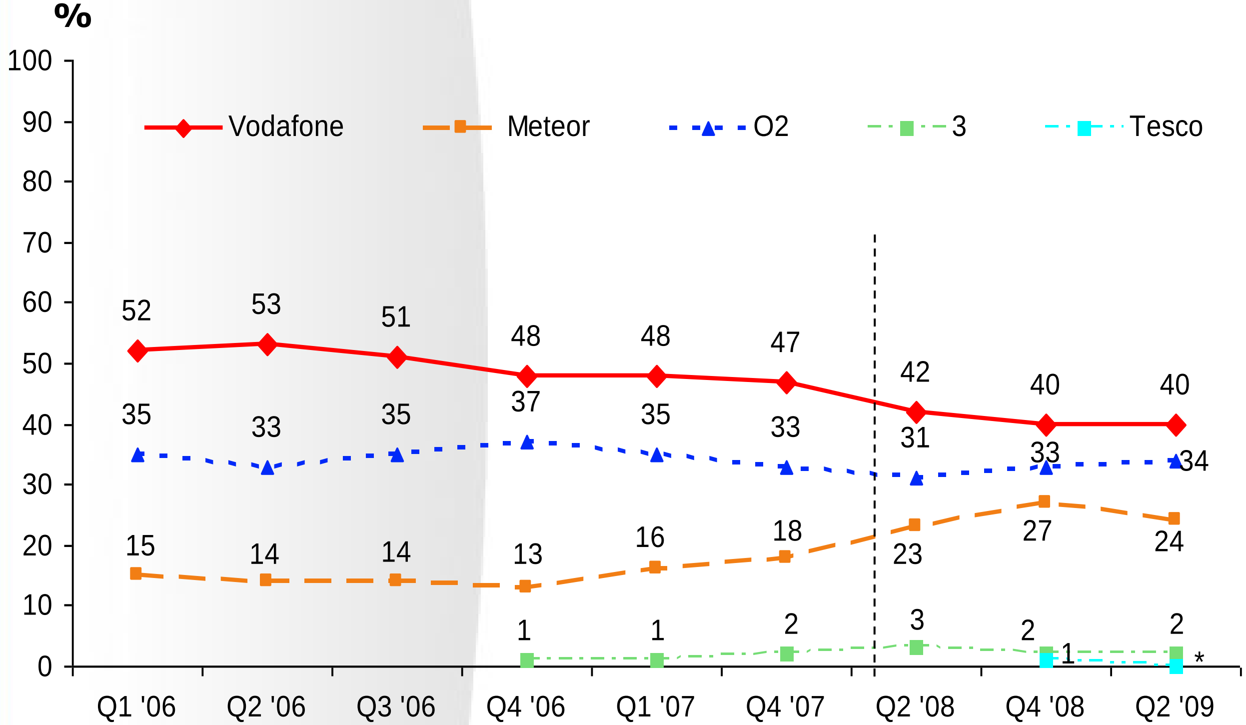
Base: All Mobile Phone Users (n=947)

Mobile Networks Used

Q. Who is your mobile phone supplier(s)?

Pre-Pay and Post-Pay Split by Provider #

Vodafone Post-Pay: 20%	**O2 Post-Pay: 27%**	**Meteor Post-Pay: 13%**
Vodafone Pre-Pay: 79%	**O2 Pre-Pay: 70%**	**Meteor Pre-Pay: 87%**



- Vodafone's share remained constant this wave, while O2's market share increased slightly. Meteor has seen a drop in its market share for the first time in over 2 years. 3's share remains relatively stable.
- Meteor's core market remains those aged under 24 (39%), while those in the 65+ age bracket are more likely to be Vodafone customers (53%). O2's market share is more evenly spread among those aged 25 and over, and is lower among younger age groups.
- From a regional perspective Meteor's market share is higher in Dublin and the Rest of Leinster (29% and 30% respectively), while both Vodafone and O2 record highest market share in Conn/Ulster (46% and 39% respectively)

In Q2'08 Tesco Mobile's market share was found to be less than 1%
Base: All Mobile Phone Users (n=947)
Don't knows account for balance

Incidence Of Ever Having Switched

Q. Have you ever switched your mobile phone provider?

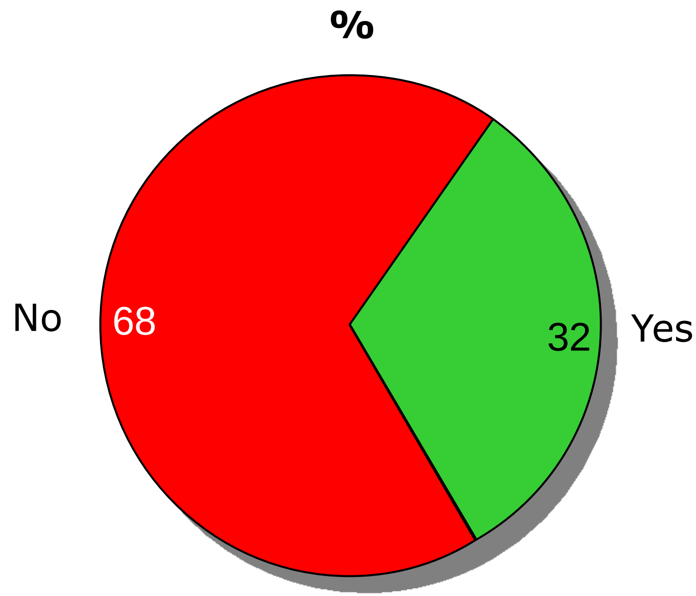
Q209 % ever switched

Fixed	34%

Yes %

Tech Rejecters	**n/a**
Mobile Converts	**18%**
Tech Enthusiasts	**30%**
Tech Savvy	**47%**

No - Higher Among	
65 - 74	89%
Fs	82%
50-64	81%
Homemaker	79%
Conn/Ulster	72%



Yes - Higher Among	
Students	54%
15-17	50%*
18-24	48%
C1s	39%
Renters	38%
Rest of Leinster	37%
Home Internet access	36%
Mobile phone only	37%
Post Pay	36%

- About a third of mobile phone customers (32%), have ever switched mobile phone provider.

*Caution small base

Base: All Mobile Phone users(n=947)

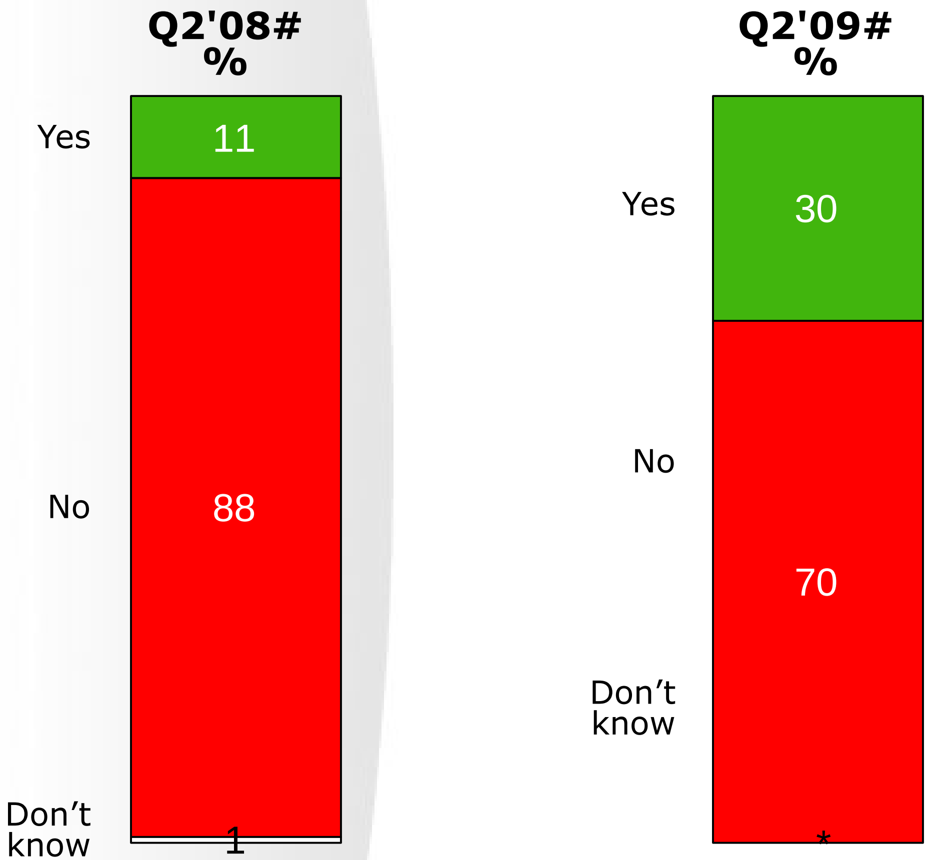
3 in 10 mobile phone switchers have switched in the last 12 months

Commission for Communications Regulation

Q. Have you switched mobile operator in the past twelve months?

Q209 % Switched last 12 months

Fixed	36% (all switchers)
Internet Service Provider	10% (all users)



#Q2 '08 All mobile Phone Users
Q2 '09 All who ever switched

Base: All Mobile Phone users who have switched (n=309)

	Yes %
Tech Rejecters	n/a
Mobile Converts	24%*
Tech Enthusiasts	26%
Tech Savvy	35%

- Three in ten of those who have switched mobile provider have done so in the last 12 months. At an overall level 10% of mobile users have switched within this time frame.
- This is slightly higher among females (33%), and although from a small base those in the youngest age group (15-17) (45%*) also have a higher propensity to have switched in the last 12 months.
- C1s (37%) and those who are unemployed or retired (43%*) are also more likely to have switched in the last year.

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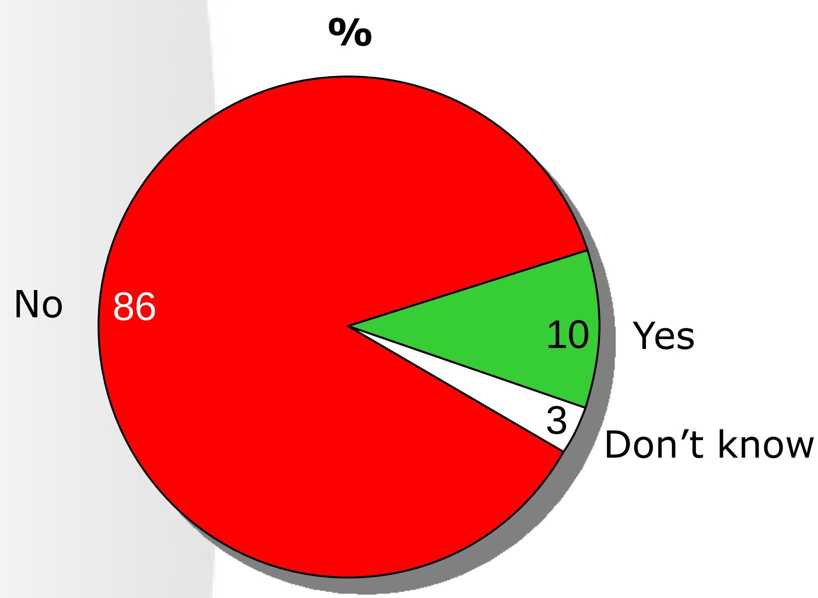
*Caution small base

Switching Back To Original Supplier

Commission for Communications Regulation

Q. Have you switched back to your original mobile phone provider since you switched initially?

Q209 % Switched back	
Fixed	37%



- Only one in ten (10%) mobile phone switchers have switched back to their original provider; a much lower level then is seen in the fixed line market where this figure is over a third (37%).
- Those mobile phone switchers aged 25-34(19%), those living in the Rest of Leinster (15%), as well as Vodafone (16%) and O2 (15%) customers were more likely to have switched back.
- In addition those who have switched in the last year are more likely to have switched back (15%).

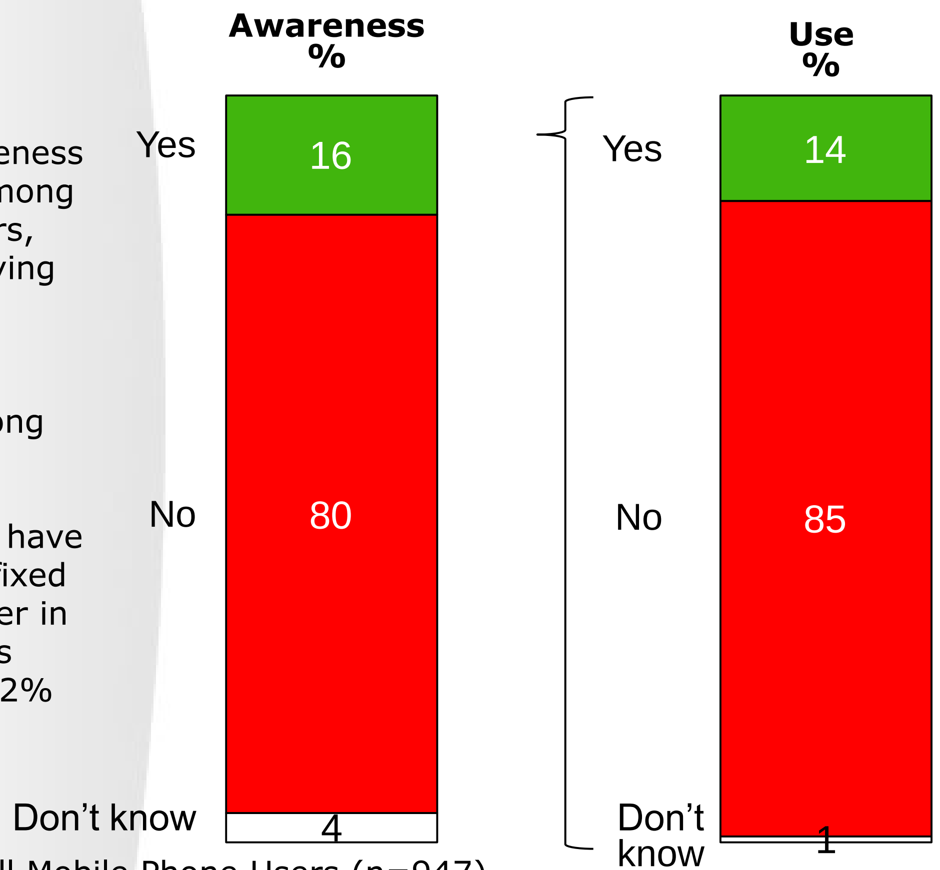
Awareness & Usage Of M-payments

Commission for Communications Regulation

Q. Are you aware you can make an m-payment over your mobile phone?
Q. Have you made an m-payment in the last 12 months?

A Mobile payment (m-payment) is a point-of-sale payment made through a mobile device, such as a cellular telephone, a smartphone, or a personal digital assistant (PDA). Using m-payment, a person with a wireless device could pay for items in a store or settle a restaurant bill without interacting with any staff member.

- There is low awareness of m-payments among mobile phone users, with only 16% saying they are aware of these.
- This is higher among those aged 15-24 (20%), and also among those who have switched mobile, fixed or Internet provider in the last 12 months (23%, 25% and 32% respectively)



Base: All Mobile Phone Users (n=947)

Base: All aware of M-Payments (n=150)

Awareness %

Tech Rejecters	n/a
Mobile Converts	12%
Tech Enthusiasts	14%
Tech Savvy	22%

- Of those aware of m-payments, only 14% claim to have made one in the last 12 months.
- This is higher among ABC1s (18%) and people living in Dublin (47%*).

*Caution small base size

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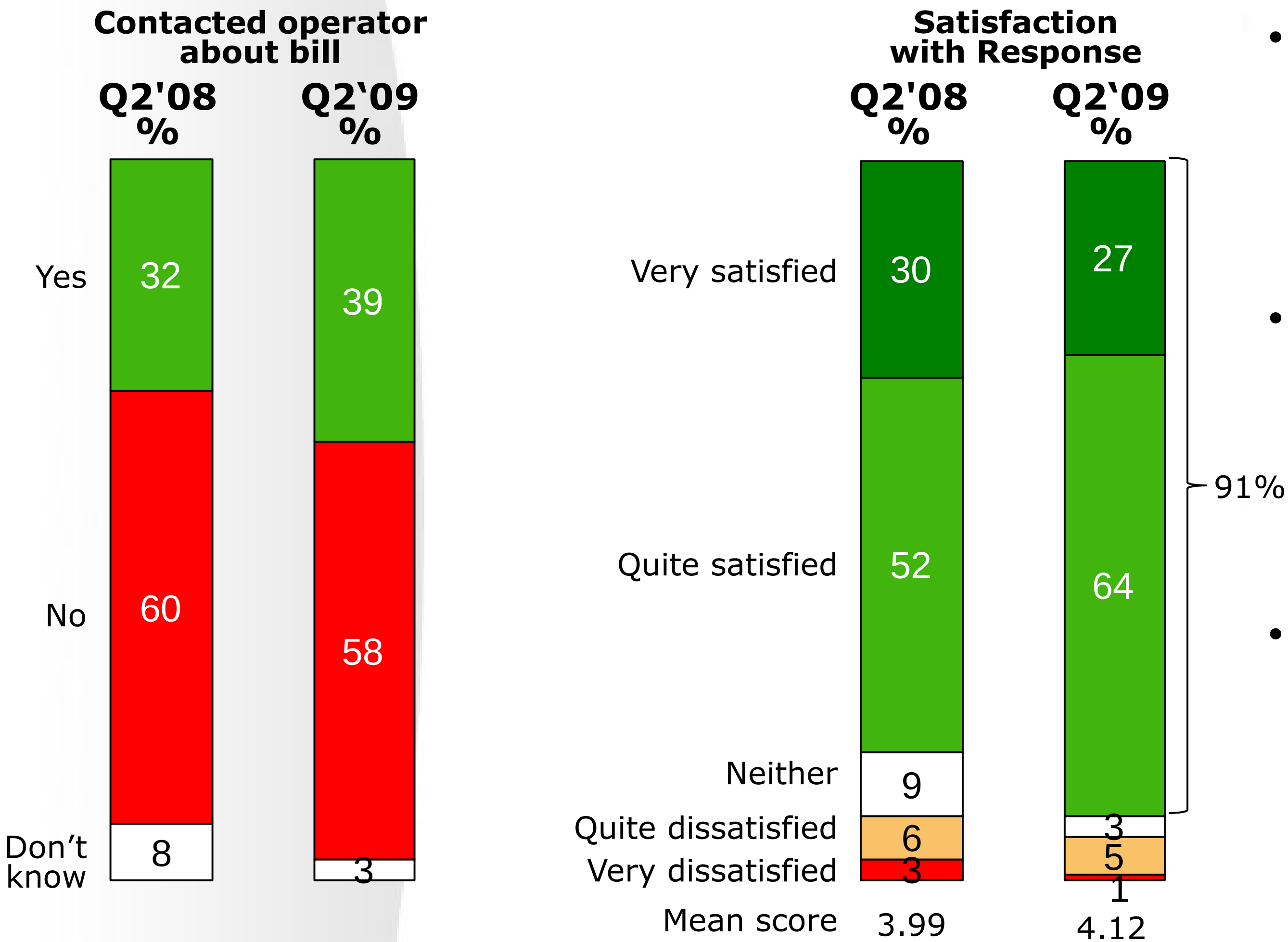
Queries On Mobile Phone Bills made by about 4 in 10

Q. Have you ever contacted your operator with a query regarding your mobile phone bill?
Q. How satisfied were you with the response from your operator with regard to your billing query?



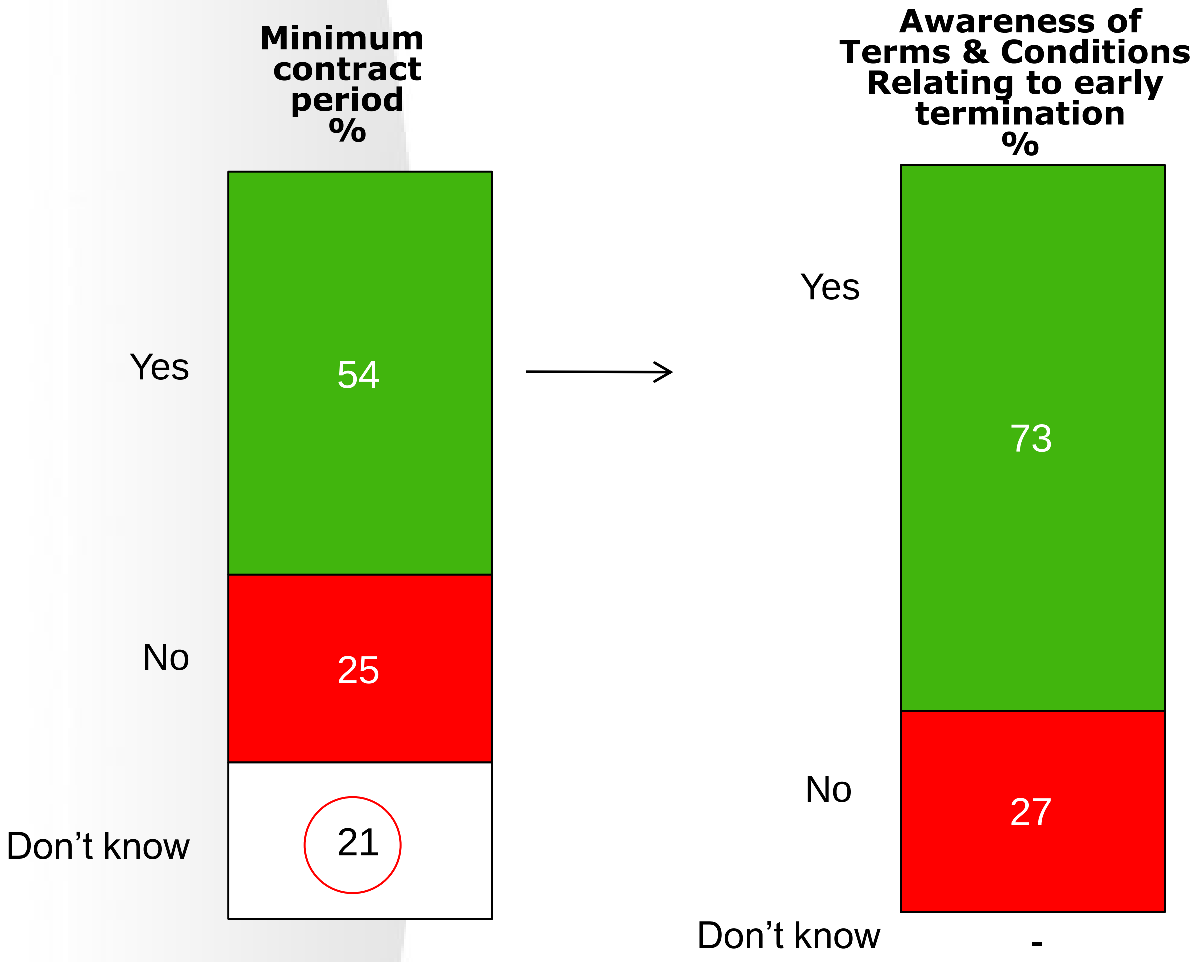
- Almost four in ten post-pay mobile users have ever contacted their provider about their mobile phone bill, up from about a third who said they had in Q2 '08.
- Just over 9 in 10 post-pay respondents were satisfied with the response they received when they contacted their operator regarding a billing query – this is up from 8 in 10 last year.
- Respondents who contacted their mobile provider appear to be more satisfied with the response received than respondents who contacted their fixed line provider (91% v 75%).

Base: All Post Pay Mobile Phone Users (n=211) Base: Post Pay Users Who Contacted Operator (n=82)

Minimum Contract Period: Mobile Phone

Commission for Communications Regulation

Q. Does your contract with your mobile phone service provider have a minimum contract period?
Q. Are you aware of the terms and conditions relating to early termination of your contract with your mobile phone service provider?



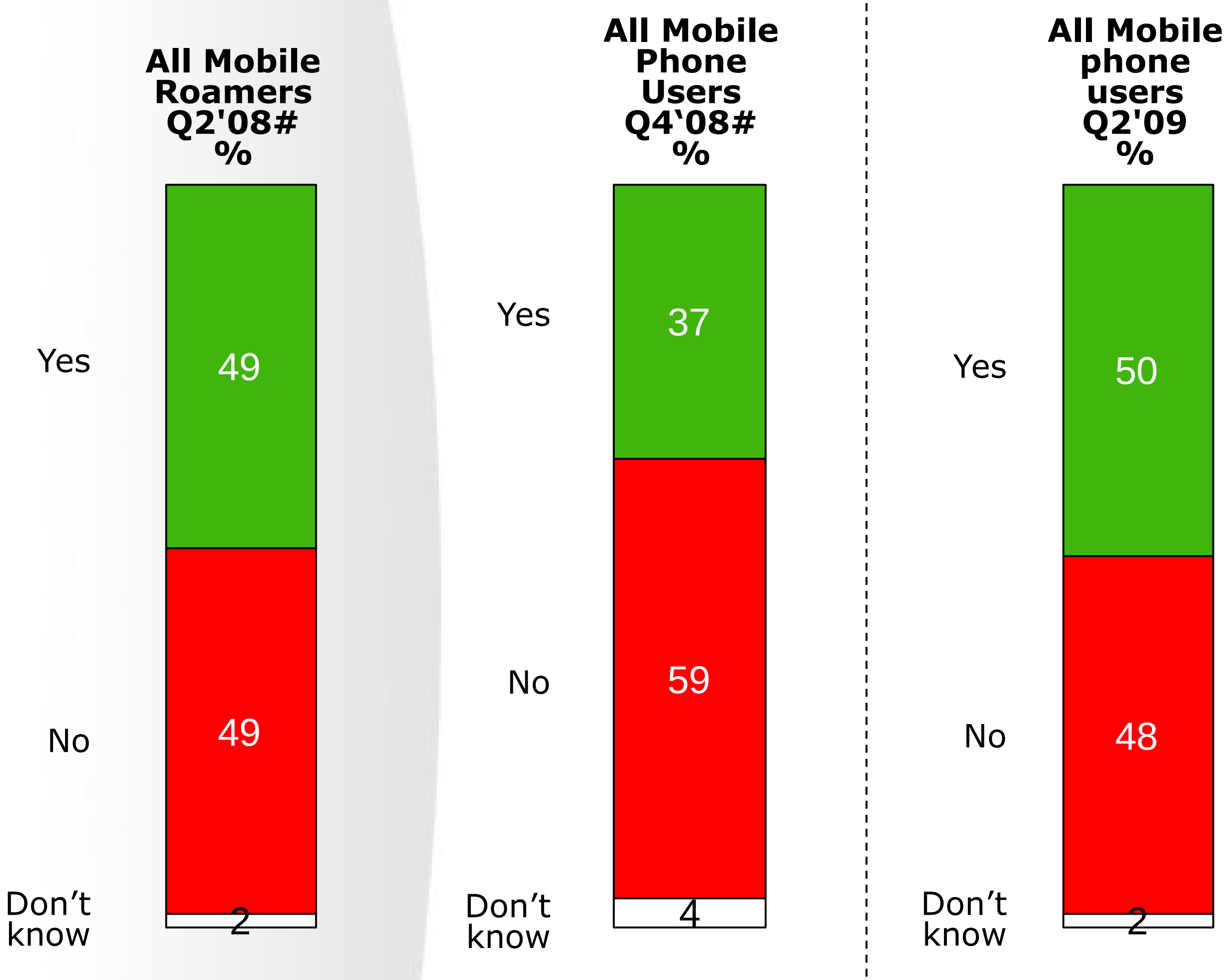
- Over half opost-pay users claim to be aware of a minimum contract period in relation to their mobile phone contract.
- Over 7 in 10 (73%) of those aware of a minimum contract period also say that they are aware of the terms and conditions relating to early termination of their mobile phone contract, rising to 81% among those who ever switched mobile phone provider.

Base: All post pay Mobile Phone Users (n=211)

Awareness Of Roaming Price Cap

Commission for Communications Regulation

Q. Are you aware that the charge for making and receiving voice calls while roaming in the EU are capped?



- Half of all mobile phone users claim to be aware of the voice call price cap on making and receiving calls whole roaming in the EU. This is up from 37% at the end of 2008#.
- Mobile phone users in the 65-74 age bracket (62%), in the F social group (62%), as well as those living in the Rest of Leinster (54%) or Connaght/Ulster (56%) were more likely to say they were not aware of the price cap.
- Lack of awareness was especially high among the mobile convert segment (69%).

#Note previous questions wording slightly different: Are you aware that charges for making and receiving calls on your mobile while elsewhere in the European Union were capped in the last year as a result of new EU Regulations?

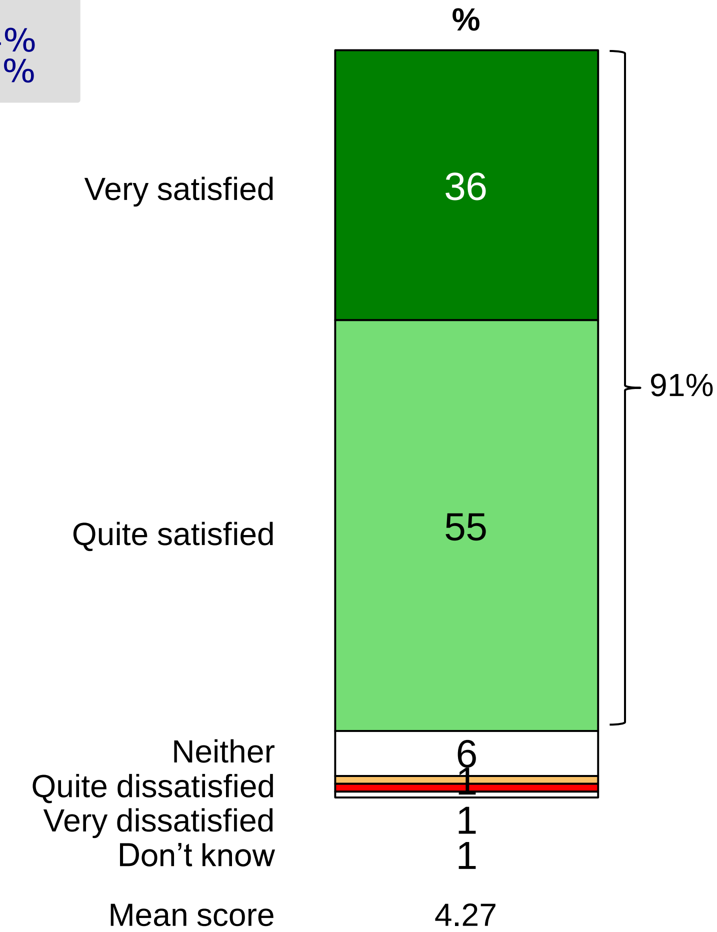
Base: All Mobile Phone Users (n =947)

Satisfaction With Customer Service: Mobile

Q. How satisfied are you with the standard of customer service provided by your mobile phone provider?

Q209 % Satisfied

Fixed 84%
Internet Service Provider 82%

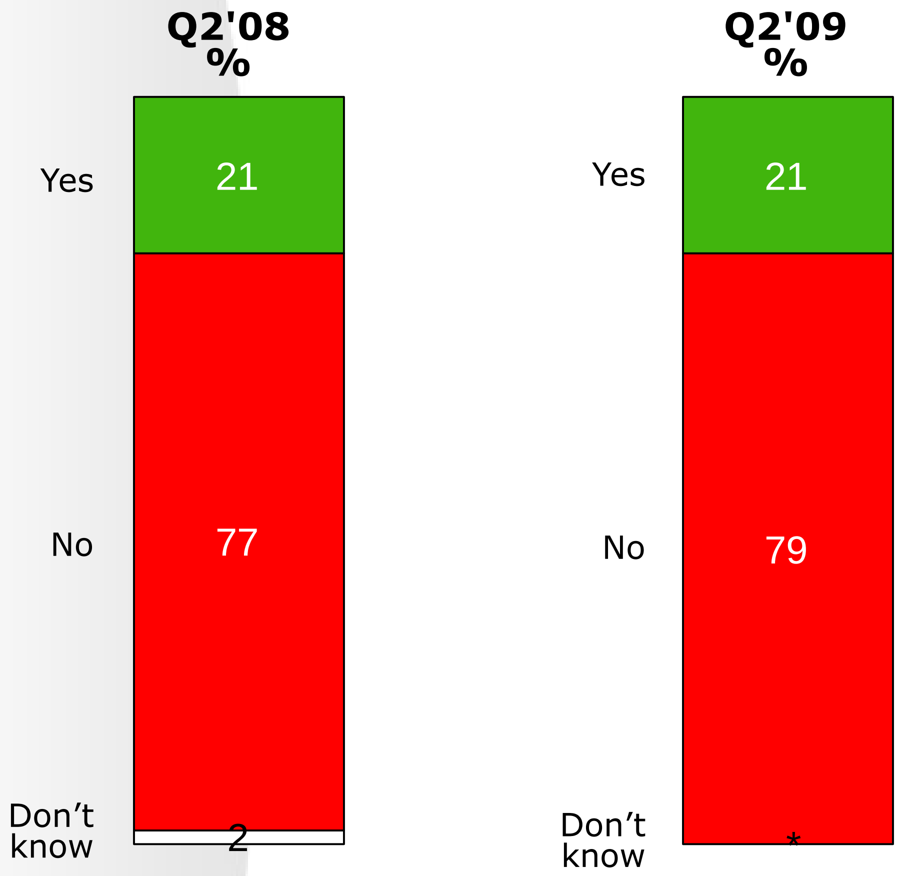


- Mobile phone users register near universal satisfaction with the standard of customer service provided to them by their mobile provider.
- Satisfaction with customer service provided by mobile providers is higher than for fixed or ISP providers (84% and 82% respectively).

Base: All Mobile Phone Users (n=947)

Mobile Internet Usage

Q. In the last year have you ever accessed the Internet on your mobile phone?



Base: All Mobile Phone Users (n=947)

	Yes %
Tech Rejecters	n/a
Mobile Converts	4%
Tech Enthusiasts	5%
Tech Savvy	57%

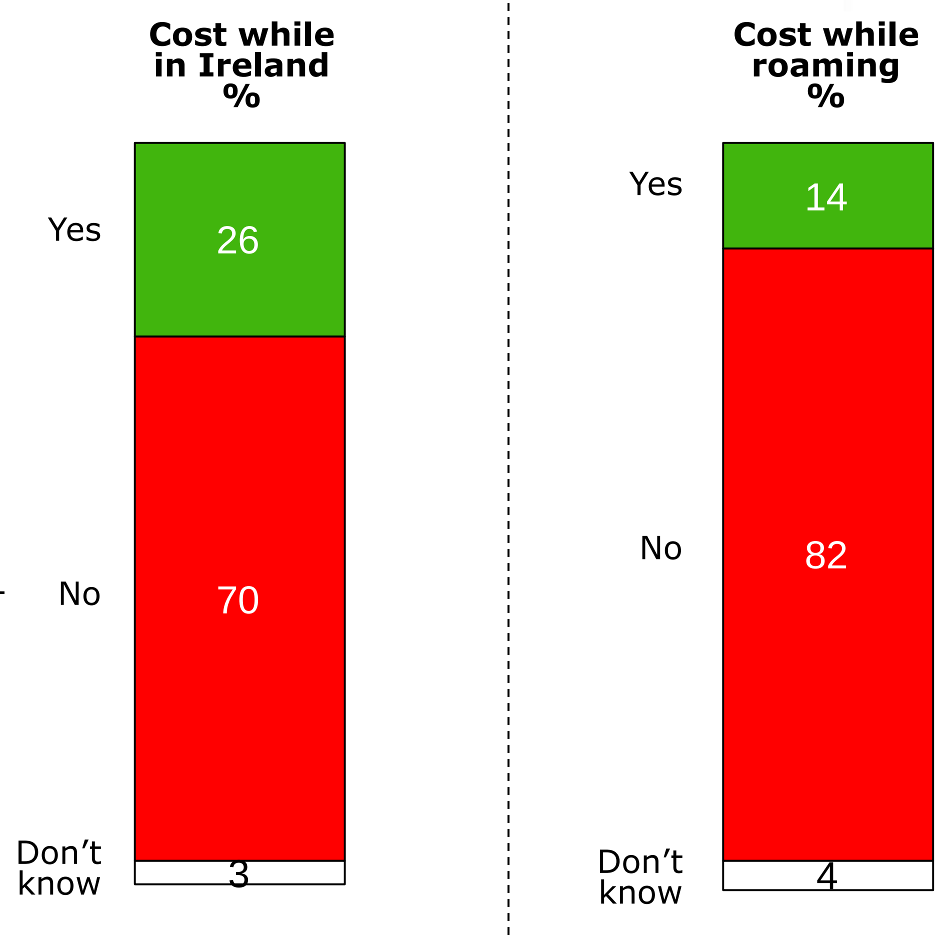
- Just over 1 in 5 (21%) mobile phone users has accessed the Internet on their mobile phone in the last year; this level of usage has not increased since Q2 '08.
- Higher usage of this service is seen among males (24%) and 15-24 year olds (39%).
- ABC1s (25%), students (44%) and those with no fixed line at home (27%) also record higher usage.
- Post-pay mobile phone customers (26%), mobile users who rent (26%) and those with home Internet access (24%) – as well as those who use the Internet from any location (28%) - are also among the groups more likely to use mobile Internet.

Awareness Of Costs Of Mobile Internet Use, especially while roaming, is low

Commission for Communications Regulation

Q. Are you aware of the cost of accessing the Internet on your mobile phone in Ireland?
Q. Are you aware of the cost of accessing the Internet on your mobile phone while roaming abroad?

No - Higher Among	
50-64	88%
No PC/laptop	81%
No home Internet access	80%
F's	80%
Homemakers	78%
Non switcher fixed	76%
Non switcher mobile	76%
Dublin	75%
Have fixed line	72%



Base: All Mobile Phone Users (n=947)

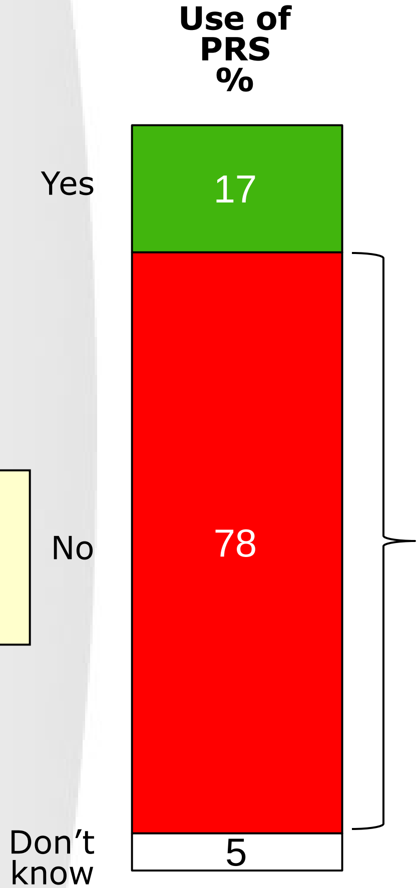
Use of Premium Rate Services (PRS) is relatively low among Mobile Phone Users

Commission for Communications Regulation

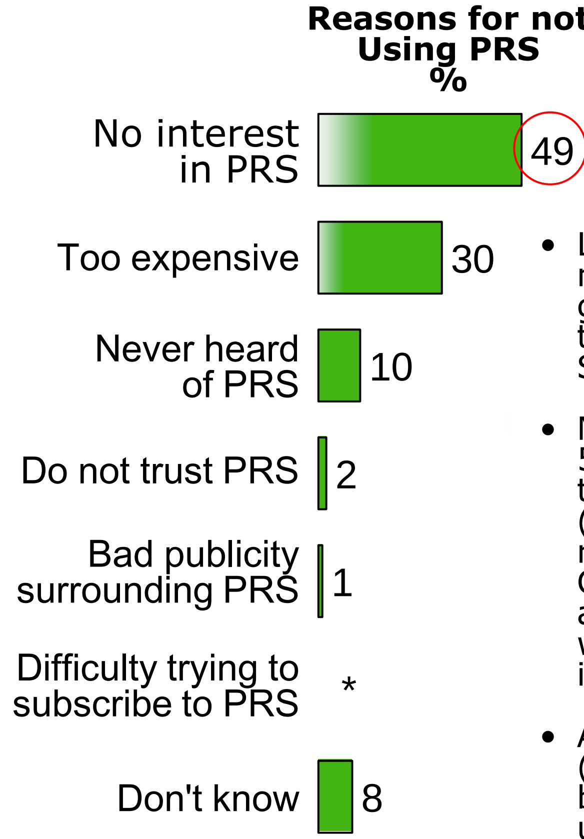
Q. Have you ever used (received or subscribed to) a Premium Rate Service via text or telephone call?
Q. What is your **main reason** for not using a Premium Rate Service?

A Premium Rate Service involves calling or texting a premium rate telephone number e.g. 1550 number, for a range of services including Weather Forecasting, Sport Results, and Entertainment services. Calls to Premium Rate Services usually cost more than ordinary telephone calls.

No - Higher Among	
65-74	91%
No home PC/laptop	88%
Homemaker	87%
No home Internet Access	86%



Base: All mobile phone users (n=947)



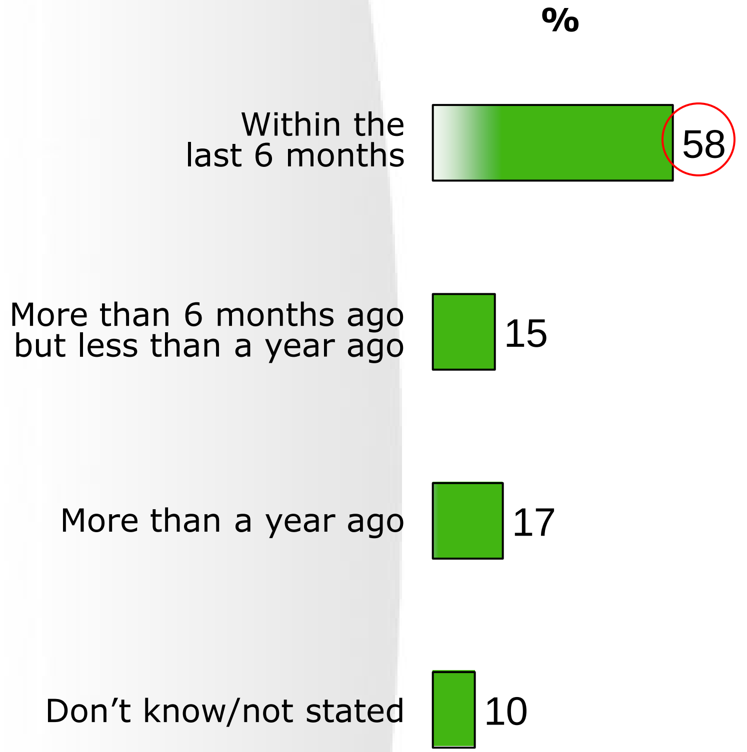
Base: All not using PRS (n=749)

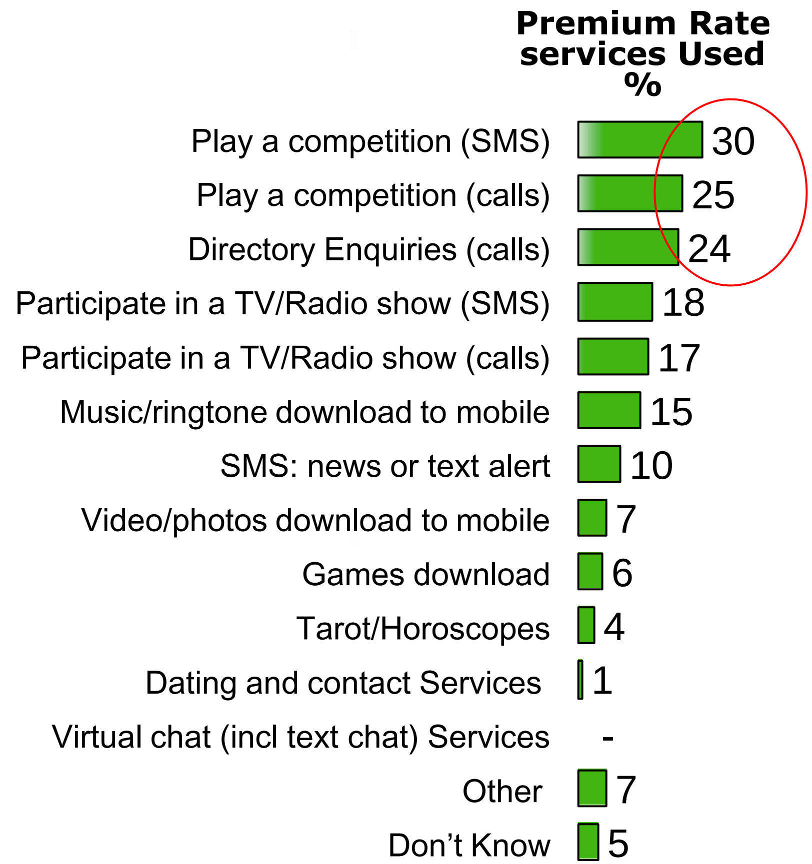
- Lack of interest is the most common reason given for not subscribing to Premium Rate Services.
- Mobile phone users aged 50-64 (55%), those in the F social grouping (53%), as well as residents in Connaught/Ulster (55%) and Homemakers (57%) were even less interested.
- A sizeable percentage (30%) also gave cost as being a reason for not using PRS.

Commission for Communications Regulation

Almost 6 in 10 PRS Users are recent users

Q. When did you last use a Premium Rate Service?
Q. Which Premium Rate Services have you used? (prompted)



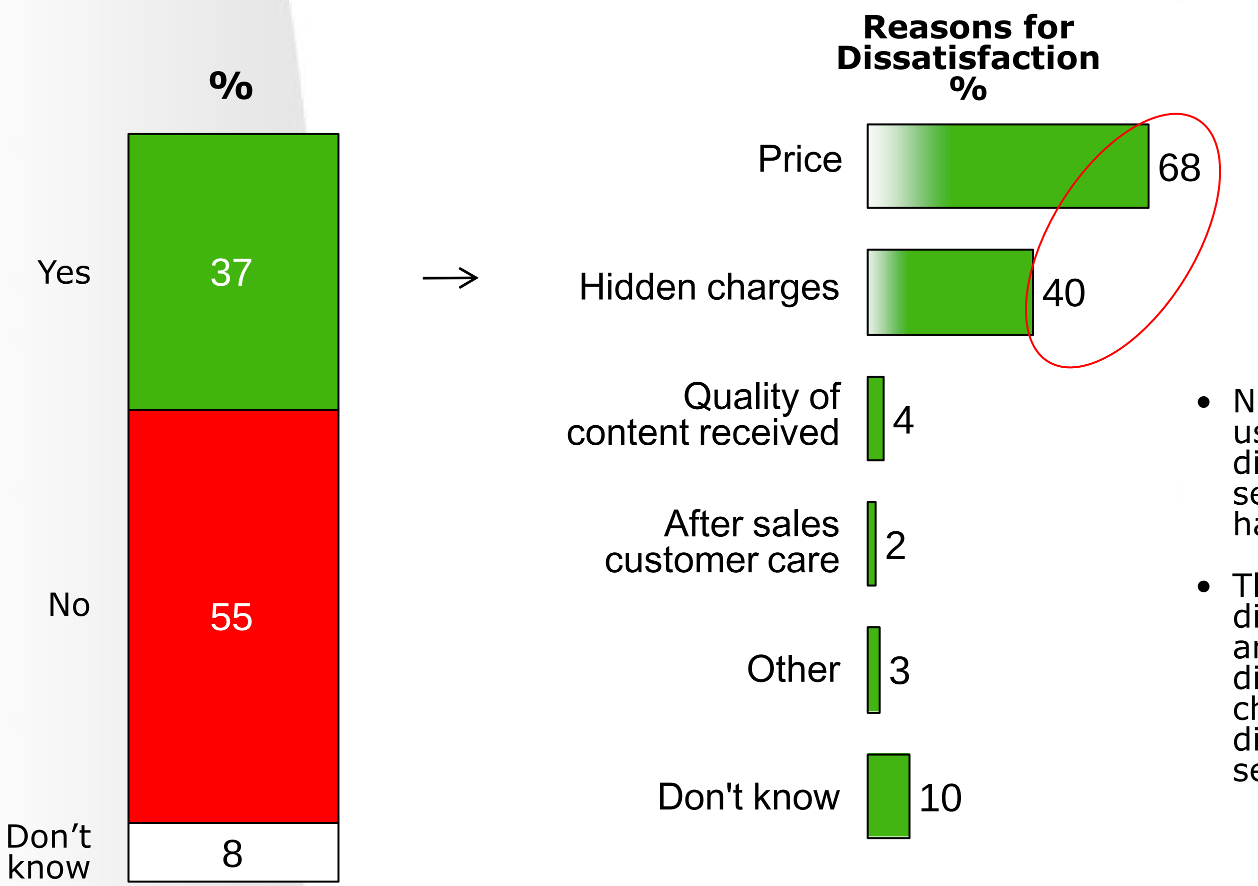


- More recent use of PRS is higher among Females (63%) and those in the ABC1 social group (64%)
- Competitions via SMS (30%) and calls (25%), and Directory Enquiry (24%) are the top 3 PRS services used.

Dissatisfaction with PRS centres around Cost & Hidden Charges

Commission for Communications Regulation

Q. Were you dissatisfied with any of the Premium Rate Services that you subscribed to?
Q. For what reason(s) were you dissatisfied with the PRS you received?



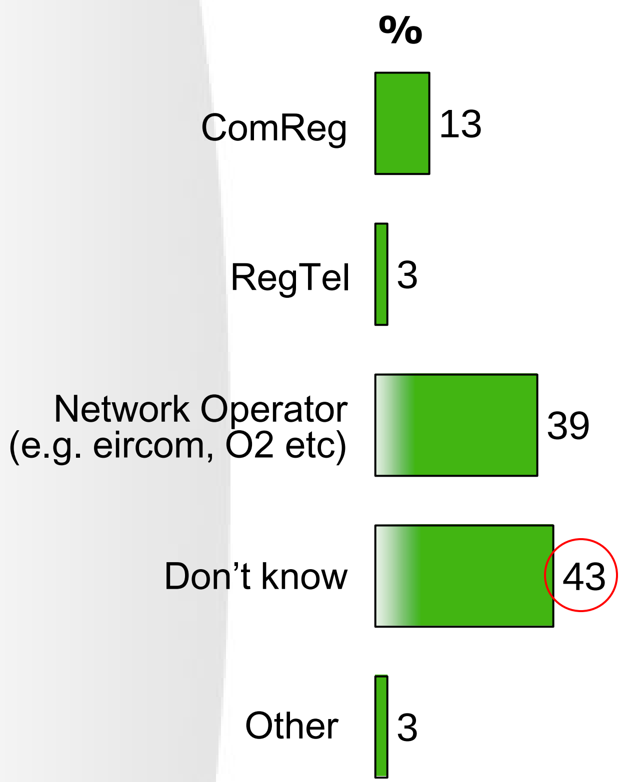
- Nearly four in ten PRS users (37%) registered dissatisfaction with a PRS service to which they have ever subscribed.
- The main reasons for this dissatisfaction were around pricing (68% dissatisfied) and hidden charges (40% dissatisfied) for these services.

Base: All who have used PRS (n=153)

Base: All dissatisfied with PRS (n=55)

High lack of awareness of who to Complain to with a PRS issue

Q. If you had an issue with a Premium Rate Service to whom would you complain?



- While nearly one in four said they would complain to their network operator (39%), there is a high lack of awareness among users of PRS as to whom they should complain if they have an issue (43%).

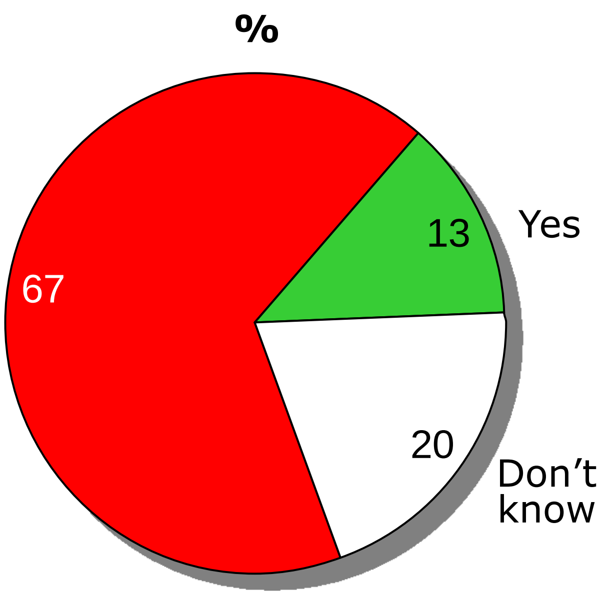
Base: All Premium Rate Service Users (n=153)

Future Use of Premium Rate Services

Commission for Communications Regulation

Q. Would you choose to use Premium Rate Services in the future?

No - Higher Among	
Homemaker	78%
65-74	76%
No Internet Use	74%
No Home Internet	74%
DEs	73%
Females	70%



- The majority of mobile phone users claim they would not choose to use a PRS in the future (67%), with a further one in five (20%) saying they did not know if they would.
- Of the group that said they would use PRS in the future, those more likely to were younger than 24 (19%), students (19%) as well as those who have switched ISP, Mobile Provider or Fixed Line provider in the last 12 months (19%, 19% & 18% respectively).

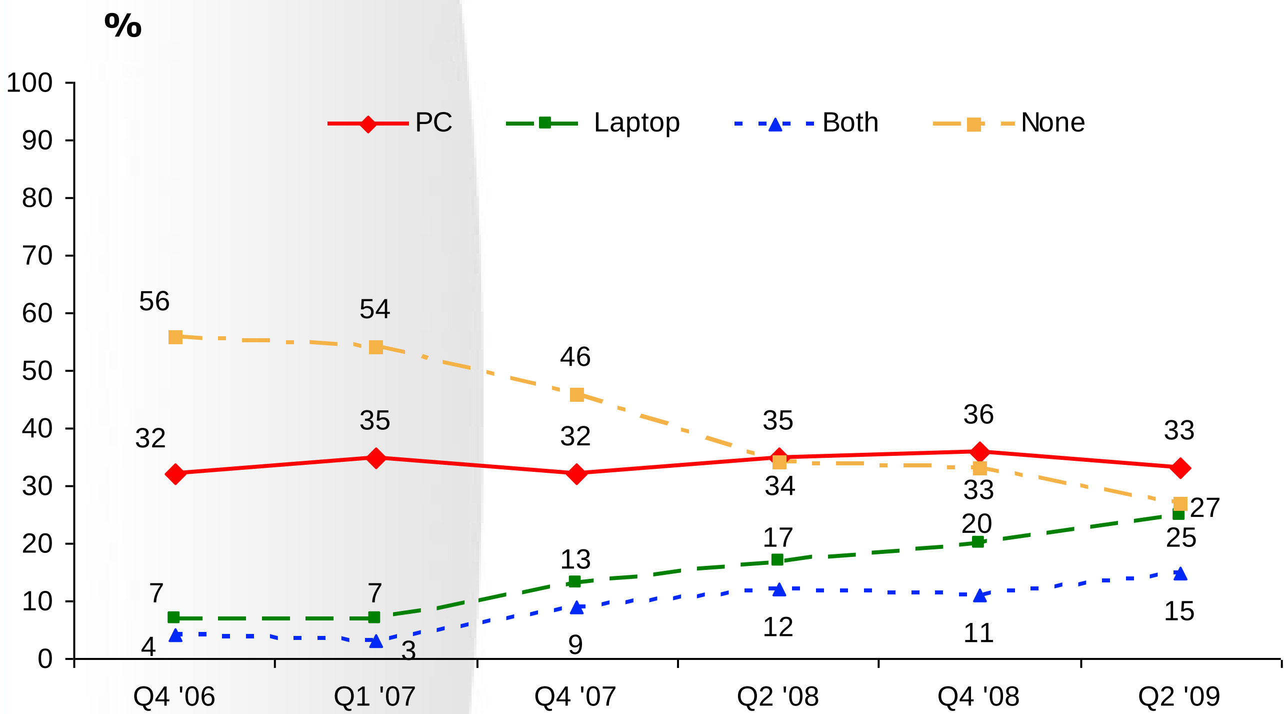
Base: All Mobile Phone Users (n=947)

Commission for
Communications Regulation

THE INTERNET & BROADBAND

Growing PC And Laptop Ownership

Q. Do you have a Personal Computer (PC) in your house (including laptops that you usually have at home)?



Laptop and PC – 15%	
Higher Among	
ABs	30%
15-17*	28%
Students	23%
Post Pay	23%
Home Internet Access	22%
Broadband	22%
Dublin	21%
Fixed Line	18%

Laptop Only – 25%	
Higher Among	
18-24	38%
Students	38%
25-34	37%
Dublin	35%
C1s	34%
Broadband Connection	34%
Home Internet	33%
Mobile phone only	31%
No Fixed Line	30%

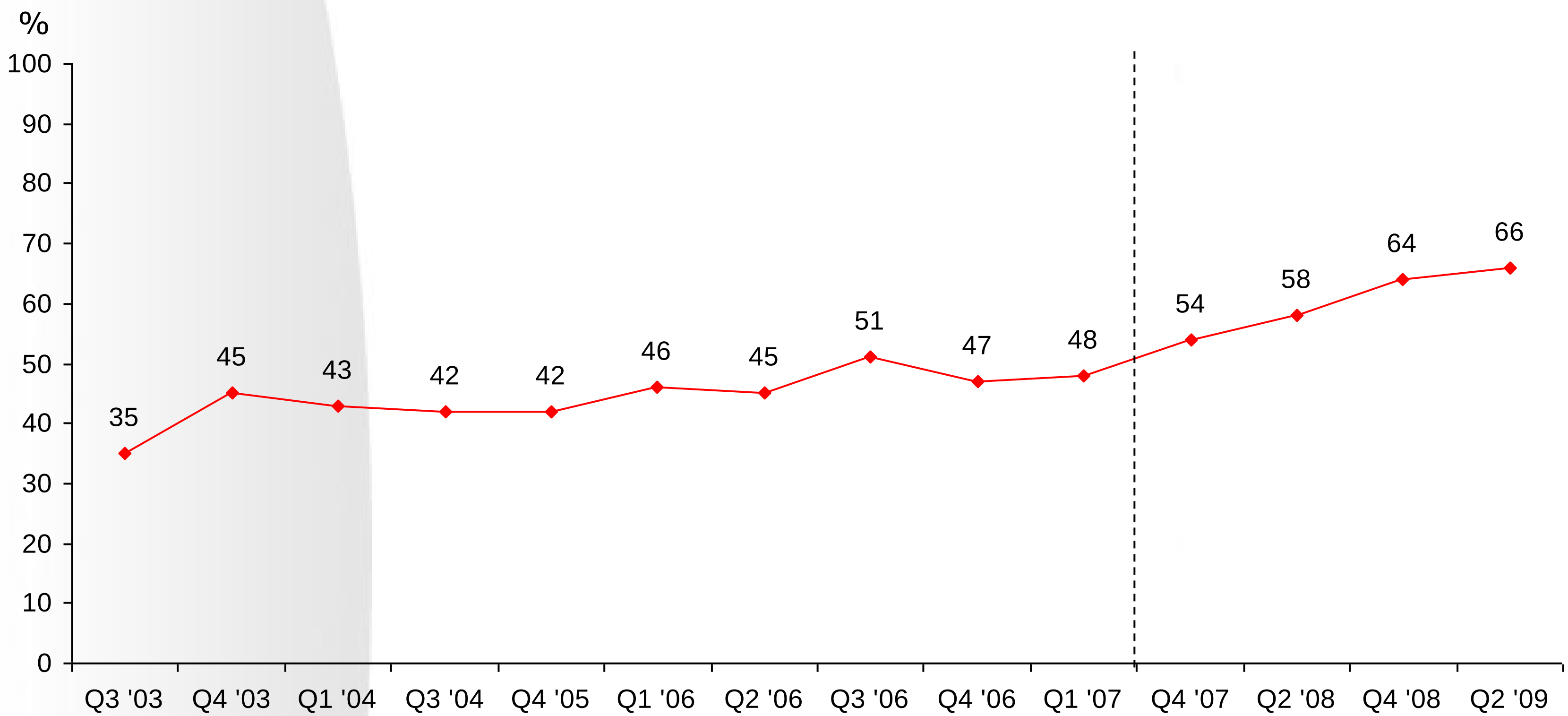
PC Only – 33%	
Higher Among	
Narrowband Connection	55%
15-17*	49%
Home Internet	45%
Conn/Ulster	39%
Fixed Line	38%
Post pay	37%

None – 33%	
Higher Among	
No Internet Use	67%
Fixed Line Only	64%
65-74	60%
Unemployed/Retired	48%
DEs	41%
Fs	40%
Conn/Ulster	37%

Base: All Respondents (n=1,006)
*Caution small base

Increase In Internet Usage Over Time

Q. Do you personally use the Internet from any location?



- There has been a continued increase in Internet usage, and penetration now stands at 66%.
- Usage is higher among 15-24 year olds (91%), ABC1s (82%), and Dublin Residents (79%). Among students usage is near universal (95%).

Base: All Respondents (n=1,006)

Location Of Internet Usage

Commission for Communications Regulation

Q. From which of the following locations do you use the Internet?

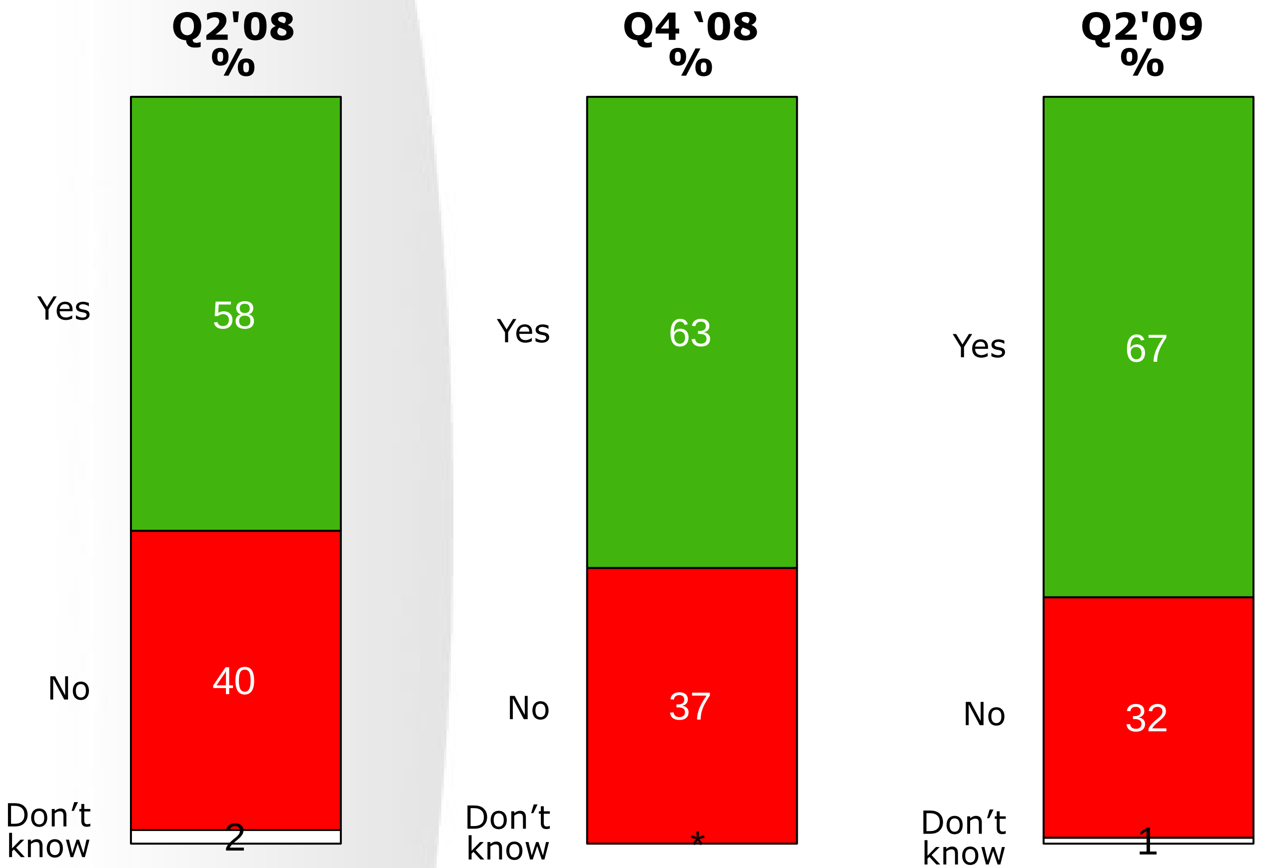
	Q2 '06 %	Q3 '06 %	Q4 '06 %	Q1 '07 %	Q4'07 %	Q2'08 %	Q4'08 %	Q2'09 %
Home	66	72	67	71	79	81	82	87
Work	36	34	35	38	38	34	24	28
School/college	12	15	18	19	14	15	13	15
Friends' houses	5	9	6	4	9	12	7	9
Cyber Cafes	4	8	9	4	7	8	6	6
Public library	3	5	3	3	7	7	3	5
On the move using portable equipment	2	2	2	2	2	4	3	4
Else where	1	2	2	-	2	2	1	1

- Work and home remain the primary locations from where the Internet is accessed.
- Home access has continued to rise with almost 9 in 10 (87%) of Internet users saying they use the Internet at home.
- There has been a slight increase in work access after a steep fall in the previous wave of research.

Base: All those who use the Internet from any location (n=680)

Home Internet Connection

Q. Do you currently have an Internet connection at home?

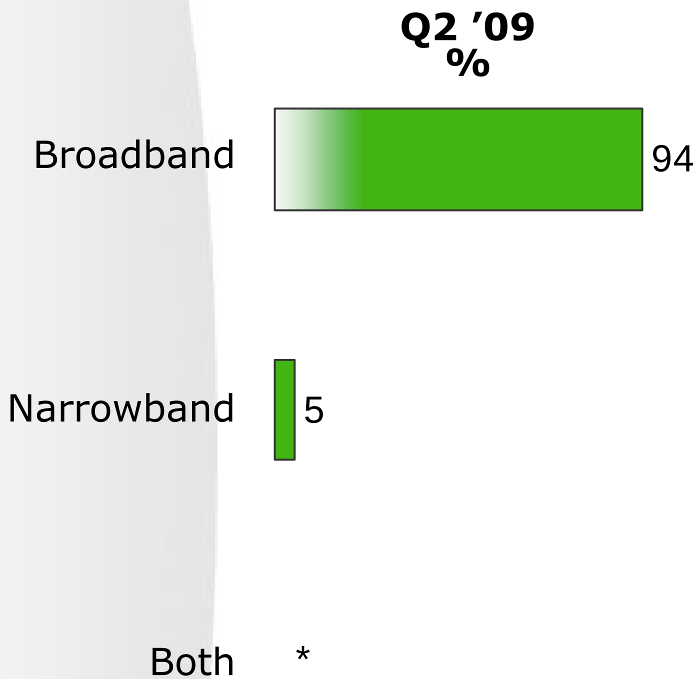


- Home access to the Internet has risen again with over two thirds of respondents (67%) now claiming to have home Internet access.
- Access is higher among those who are aged 15-24 (79%). ABC1s (83%) are also more likely to have access than C2DEs or Fs (58% and 45% respectively).
- Dublin residents (84%) are also more likely to have home Internet access , as well as homeowners (69%) and those with a fixed line (75%).

Base: All Respondents (n=1,006)

Type of Home Internet Connection

Q. What type of Internet connection do you have at home?



- Most respondents (94%) with home Internet access claim to have a broadband connection. However based on their response to the "type of connection" asked in a subsequent question, the percentage of users with a home broadband connection is estimated at 82%.

Base: All With Home Internet Access (n=688)

DSL Remains Primary Home Internet Connection Type

Commission for Communications Regulation

Q. How do you connect to the Internet from home? (Multiple answers allowed)

	Q1 '07 %	Q4 '07 %	Q2 '08 %	Q2 '09 %
DSL Broadband using a modem	50	52	54	49
ISDN line	8	6	5	8
Broadband via a wireless modem or data card supplied by a mobile phone company	5	4	8	18
Regular dial-up using a modem	27	13	12	4
Other Wireless connection such as (FWA) or WiFi hotspots	5	9	7	4
Cable Modem	5	3	6	10
Through a mobile phone or mobile device (Blackberry, PDA)	1	-	1	1
Satellite broadband	-	*	1	1
Other	-	3	2	1
Don't know	4	5	5	6

Base: All With Home Internet Access (n=688)

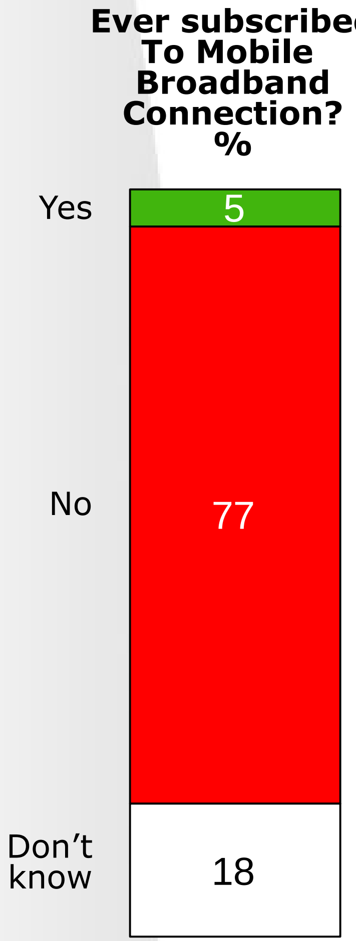
Note: Q4'09 platform breakdown not available

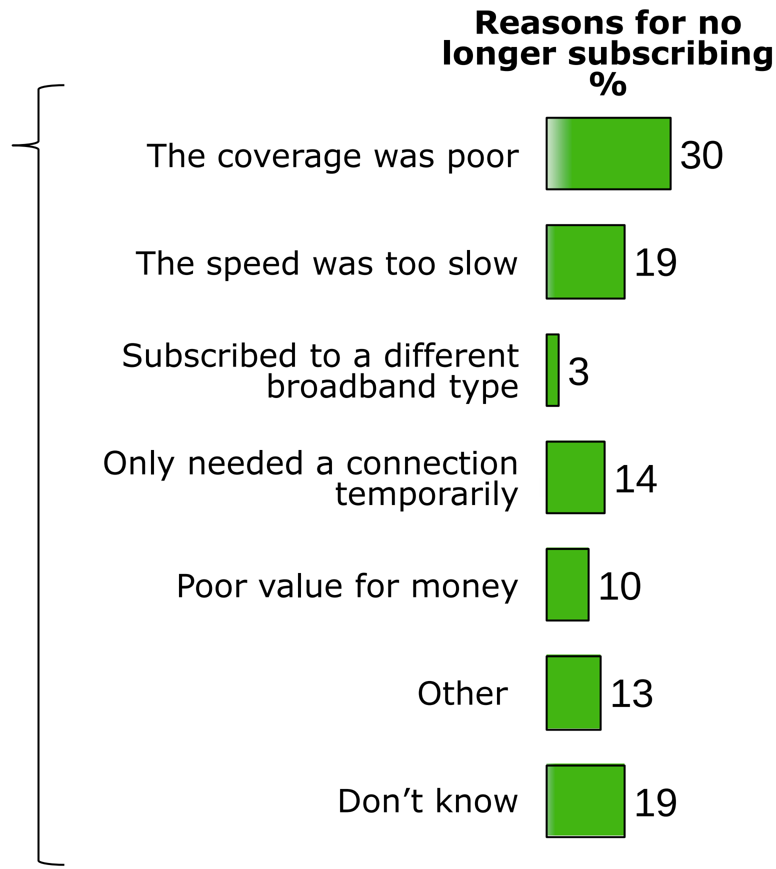
- Of the home connections used, broadband (which includes DSL, FWA, Mobile Broadband, Cable, Mobile Phone and Satellite) accounts for 83% of these – with DSL remaining the platform used by most with home Internet access (49%)
- The use of Mobile Broadband has increased markedly in the last year with 18% of home Internet users now using this access method. This is higher among 18-24 year olds (29%), C2DEs (21%) and those living in Munster (24%) and Conn/Ulster (25%)
- Students (26%), those who rent (26%) as well as those with no fixed line in the home (42%) are also higher users of mobile broadband.
- Overall narrowband usage (Dial up and ISDN) continues to fall although there has been a stated increase in ISDN.

Previous Use of Mobile Broadband

Commission for Communications Regulation

Q. Have you ever subscribed to a mobile broadband connection?
Q. Why do you no longer subscribe to a mobile broadband service?





Base: All Not Using Mobile Broadband (n=562)

Base: All previously used Mobile Broadband (n=30*)

*Caution small base

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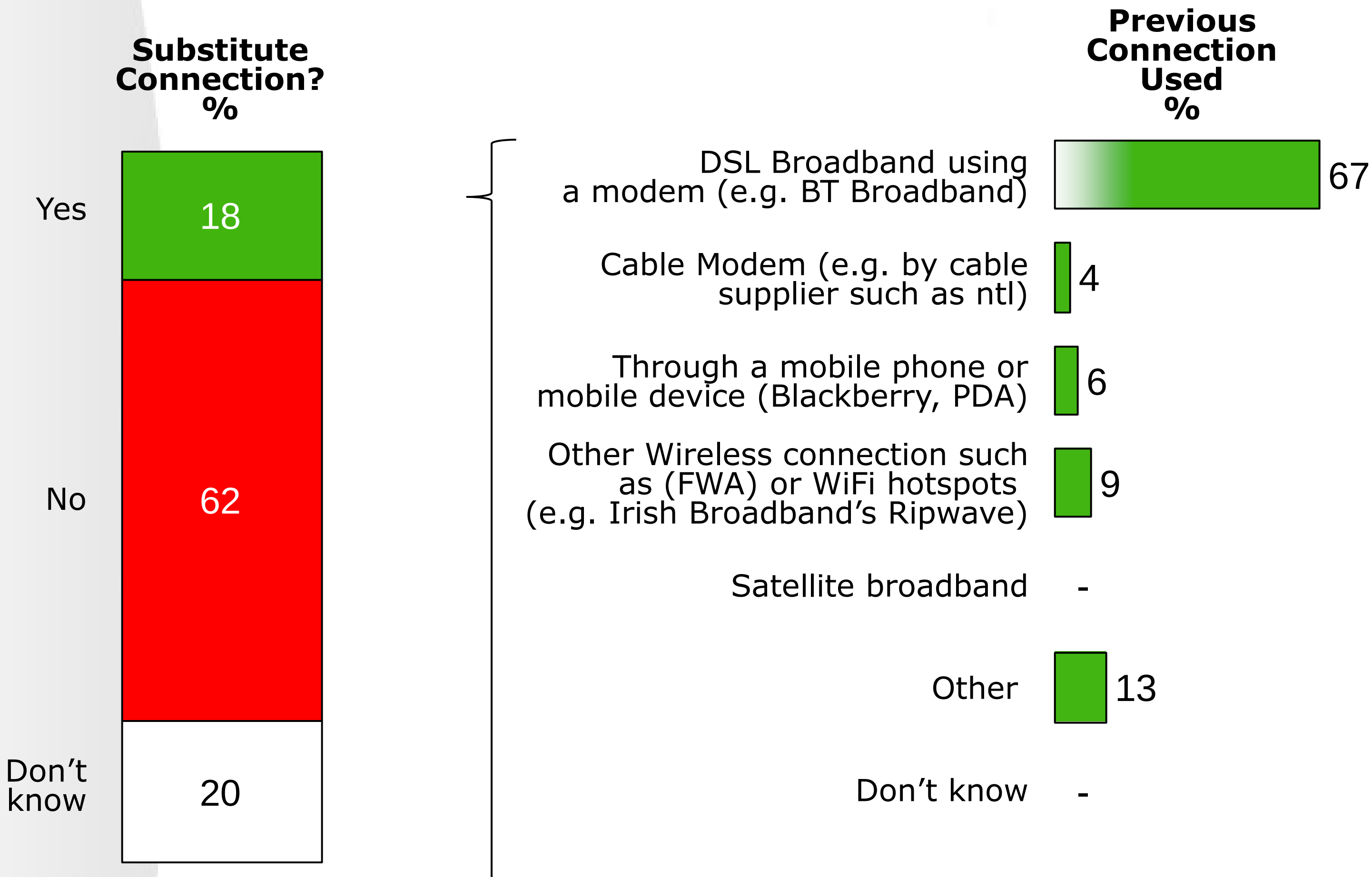
Mobile Broadband: Substitution

Commission for Communications Regulation

Q. Is your current **mobile broadband** connection a substitute for a previous broadband connection?
Q. What type of broadband connection is your current **mobile broadband** connection a substitute for?



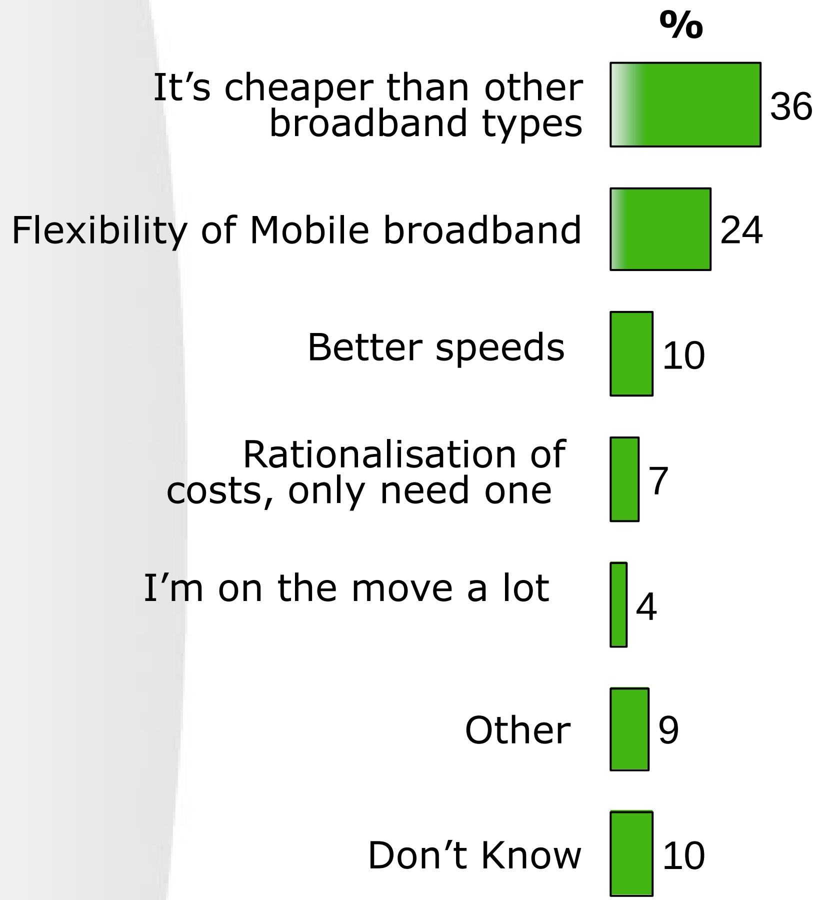
Base: All Using Mobile Broadband (n=125)

Base: All Using Mobile Broadband as a substitute connection (n=23*)

*Caution small base

Reasons for Using Mobile Broadband: Substitution

Q. Why do you now use **mobile broadband** instead of your **previous broadband** connection?



Base: All Using Mobile Broadband as a substitute connection (n=23*)

*Caution small base

Home Internet Access Provider

Commission for Communications Regulation

Q. Who is your home Internet Service Provider (ISP)?

	Q3 '06 %	Q4 '06 %	Q1 '07 %	Q4'07 %	Q2'08 %	Q4'08 %	Q2 '09 %
Eircom	72	78	65	57	56	55	52
Chorus/UPC	1	2	2	3	6	7	9
O2	-	-	-	2	2	5	7
BT Ireland/ IOL (Esat)	3	2	4	7	6	6	6
3 Ireland	-	-	-	2	1	5	5
Vodafone	-	-	-	1	3	4	4
Perlico	1	3	3	6	5	4	3
Access/Imagine/ Irish Broadband	6	4	6	8	6	1	2
Clearwire	-	-	-	3	2	3	2
Smart	-	-	-	-	-	1	2
Digiweb	-	-	1	1	2	2	1
Last Mile	-	1	-	1	1	-	1
Meteor	-	-	-	-	-	-	1
Talk Talk	-	-	-	-	-	-	1
Don't know	8	4	10	4	5	3	3
Other	4	4	3	3	2	3	3

- Eircom's share of the Internet access market continues to decline and now stands at 52%
- Total mobile operator market share of the Internet access market has increased slightly again in line with the increase in Mobile Broadband usage among consumers.

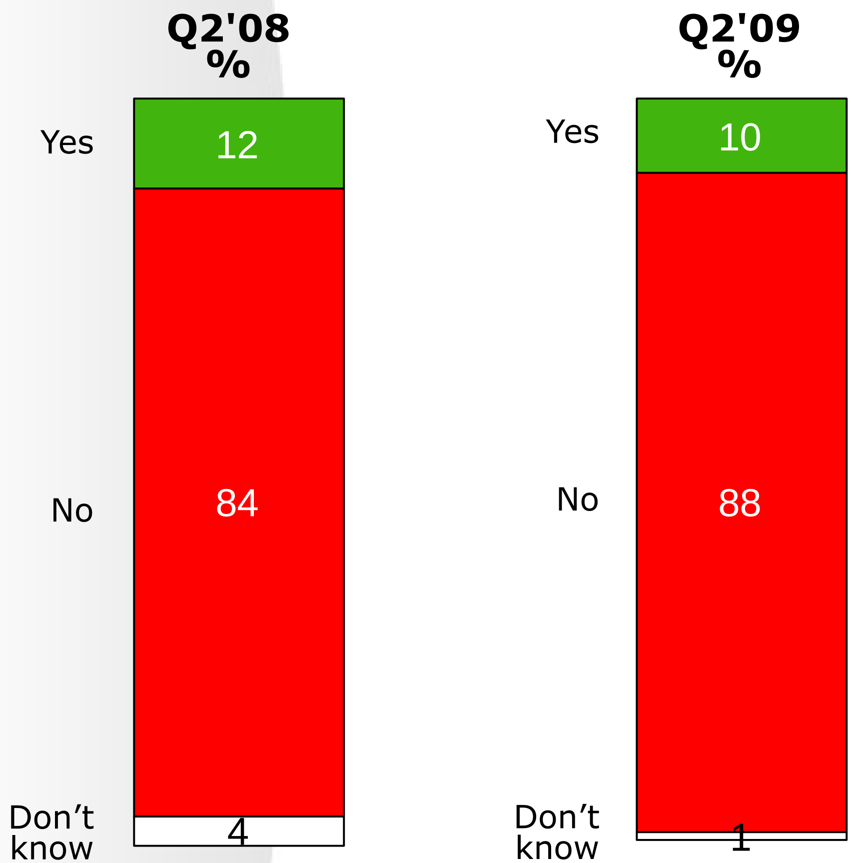
Response <1% not shown
Base: All With Home Internet Access (n=688)

ISP Switching Behaviour

Q. Have you switched Internet supplier in the past twelve months?

Q209 % switched last 12 months

Fixed	36% (all switchers)
Mobile	30% (all switchers)



Tech Rejecters	**small base**
Mobile Converts	**small base**
Tech Enthusiasts	**9%**
Tech Savvy	**12%**

- Only one in ten consumers with home Internet access has switched provider in the past 12 months. Switching is higher among those under the age of 35 (13%) and C2s (13%).
- Switching ISP is also higher among those who switched fixed (39%) and mobile (21%) provider in the last 12 months.

Base: All With Home Internet Access (n=688)

General Satisfaction With Home Internet Speeds

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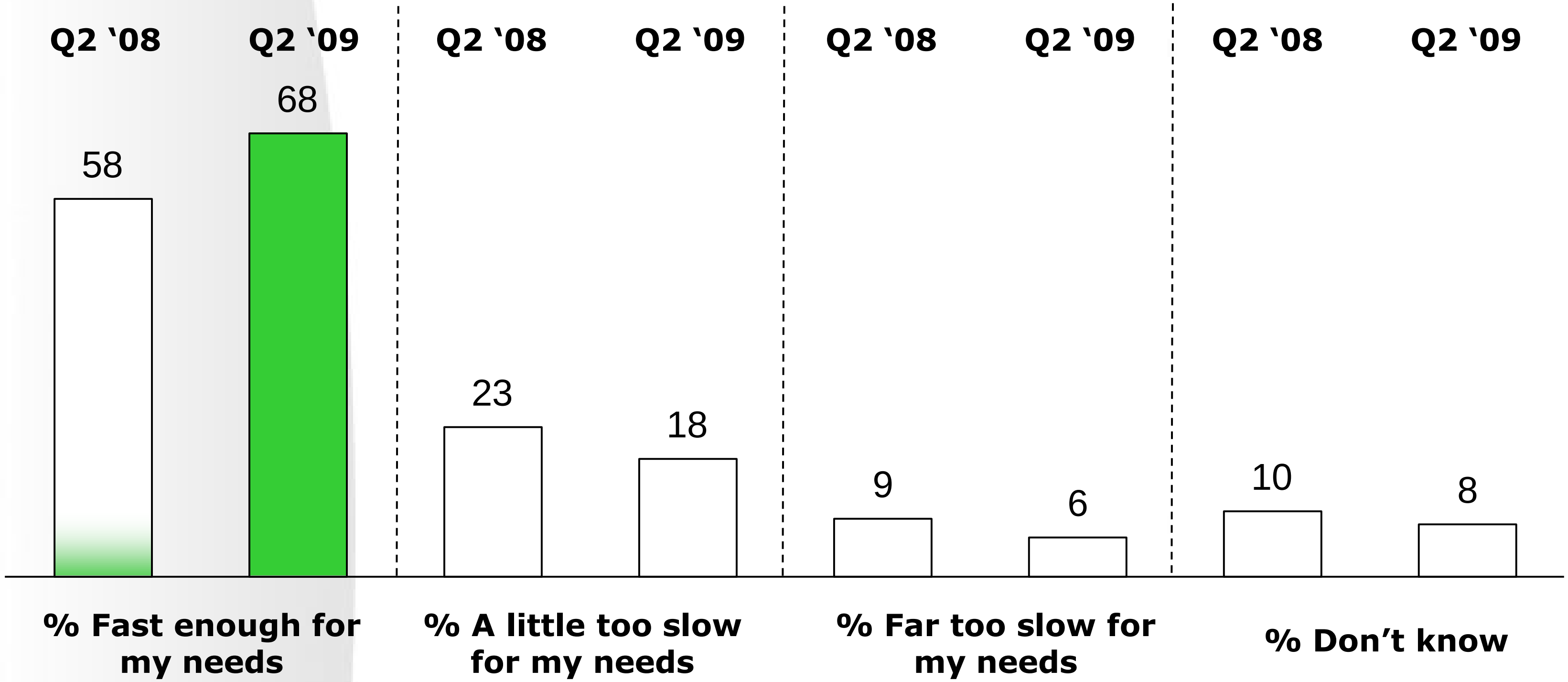
Q. How would you rate the speed of your home Internet connection?



- There has been an increase in the number of those with home Internet access who say that their current Internet connection is fast enough for their needs, with almost 7 in 10 (68%) stating this; and this increases to 74% among those aged 15-24. It is also higher among broadband users (71%).
- Those who said that their connection was far too slow were more likely to be narrowband users (22%).

Base: All With Home Internet Access (n=688)

Satisfaction with Customer Service: ISP

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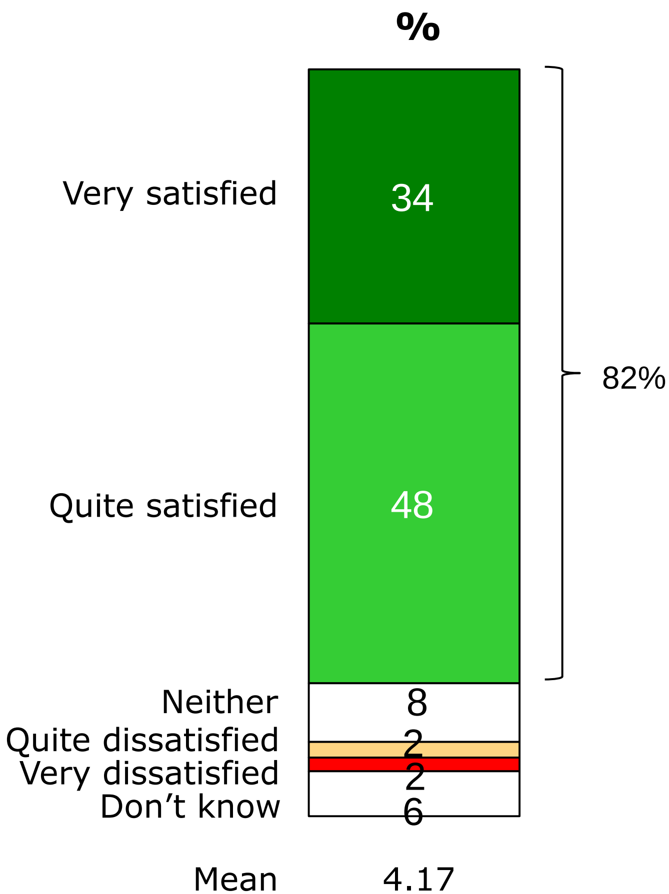
Q. How satisfied are you with the standard of customer service provided by your Internet Service Provider?

Q209 % Satisfied

Fixed	84%
Mobile	91%

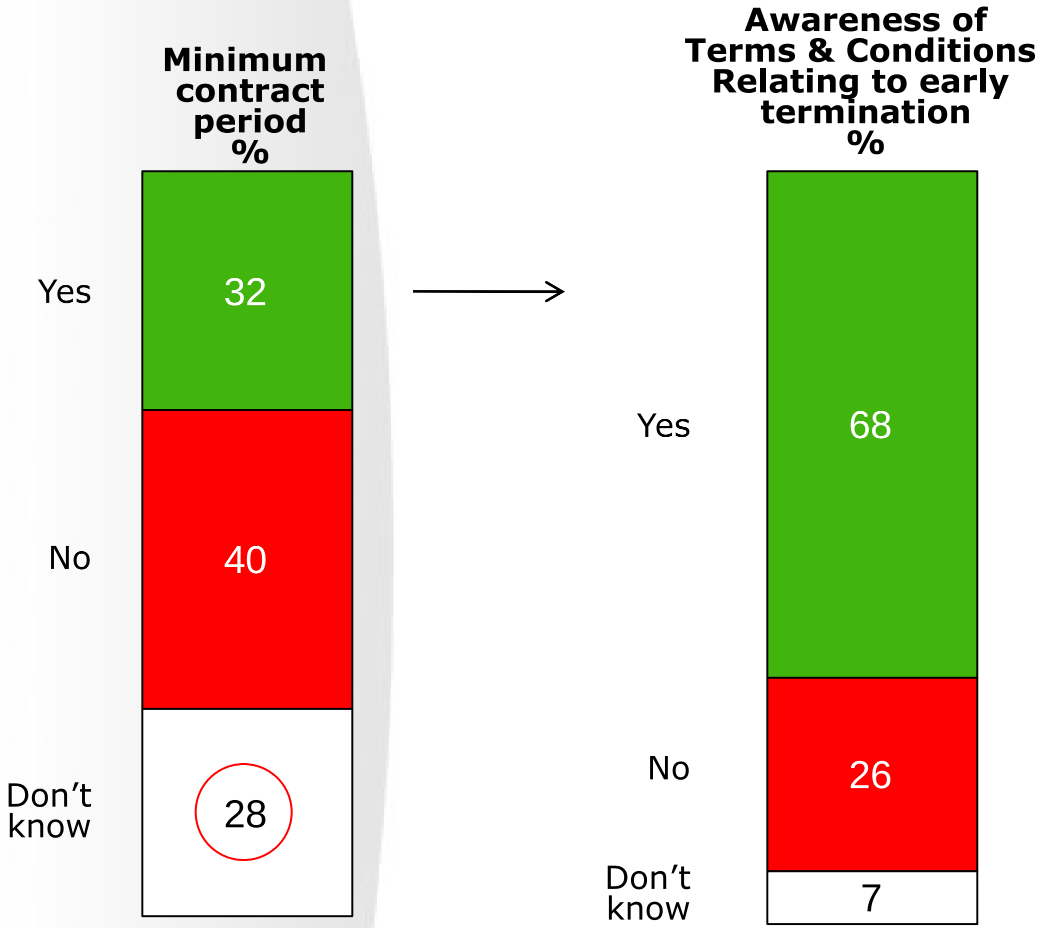


- As with the fixed and mobile markets, a high percentage of home Internet users (82%) are satisfied with the standard of service provided by their Internet service provider.

Base: All Home Internet Users (n=688)

Minimum Contract Period: ISP

Q. Does your contract with your Internet Service Provider have a minimum contract period?
Q. Are you aware of the terms and conditions relating to early termination of your contract with your Internet Service Provider?



- About a third of home Internet users (32%) are aware that their contract with their ISP is subject to a minimum contract period.
- There is also a lack of awareness around this issue with close to 3 in 10 (28%) saying that they "don't know"
- Of those who were aware of a minimum contract period with their ISP, over two thirds (68%) are aware of Terms & Conditions of early contract termination.
- Awareness is higher among those aged 25-34 (71%) & C2DEs (73%), and among those who have switched ISP in the last 12 months (75%)

Base: All Home Internet Users (n=688)

Base: All aware of minimum contract period (n=222)

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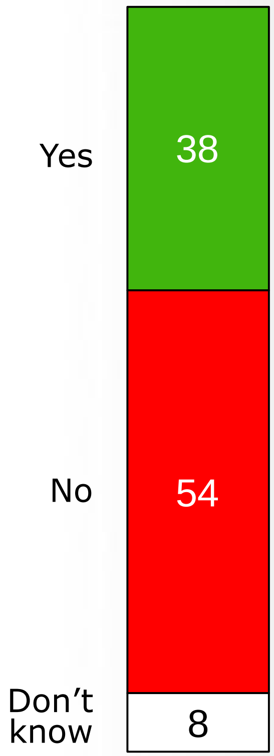
General Telecommunications Issues

Impact of Economy on Communications Spend

Q. Given the downturn in the economy at present would you foresee a reduction in your spending on communications services (e.g. fixed, mobile and Internet services) in the next 12 months?
Q. Have you already reduced your spend on communications services in the past 8 months?

Anticipated Reduction in Future Spend %



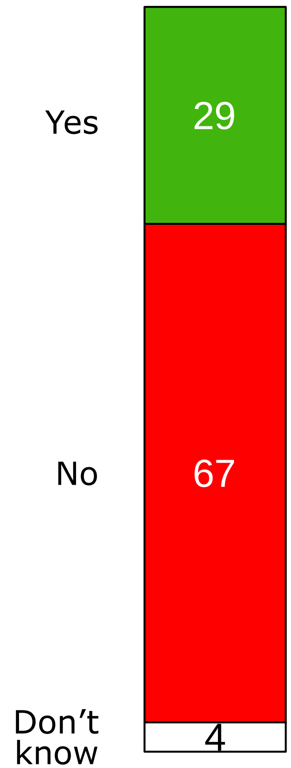
YES - Higher Among

C2s	45%
No fixed line	44%
35-49	44%
Switched fixed line Last 12 months	44%
25-34	43%
Switched ISP last 12 months	43%
Rent	42%

No - Higher Among

Dublin	64%
Conn/Ulster	63%
ABs	62%
65-74	61%
Fixed line only	60%

Reduced Spend in Last 8 Months %



YES - Higher Among

25-34	37%
Munster	37%
Switched fixed last 12 months	37%
Employed	32%
Rent	33%

No - Higher Among

ABs	77%
Dublin	77%
65-74	75%
Students	72%

- About 4 in 10 (38%) communications service users foresee a reduction in communications spend over the next 12 months due to the economic downturn.
- Indeed nearly 3 in 10 (29%)claim to have already reduced spend in the last 8 months.

Base: All Respondents (n=1,006)

Methods of Reduced Spending on Communications

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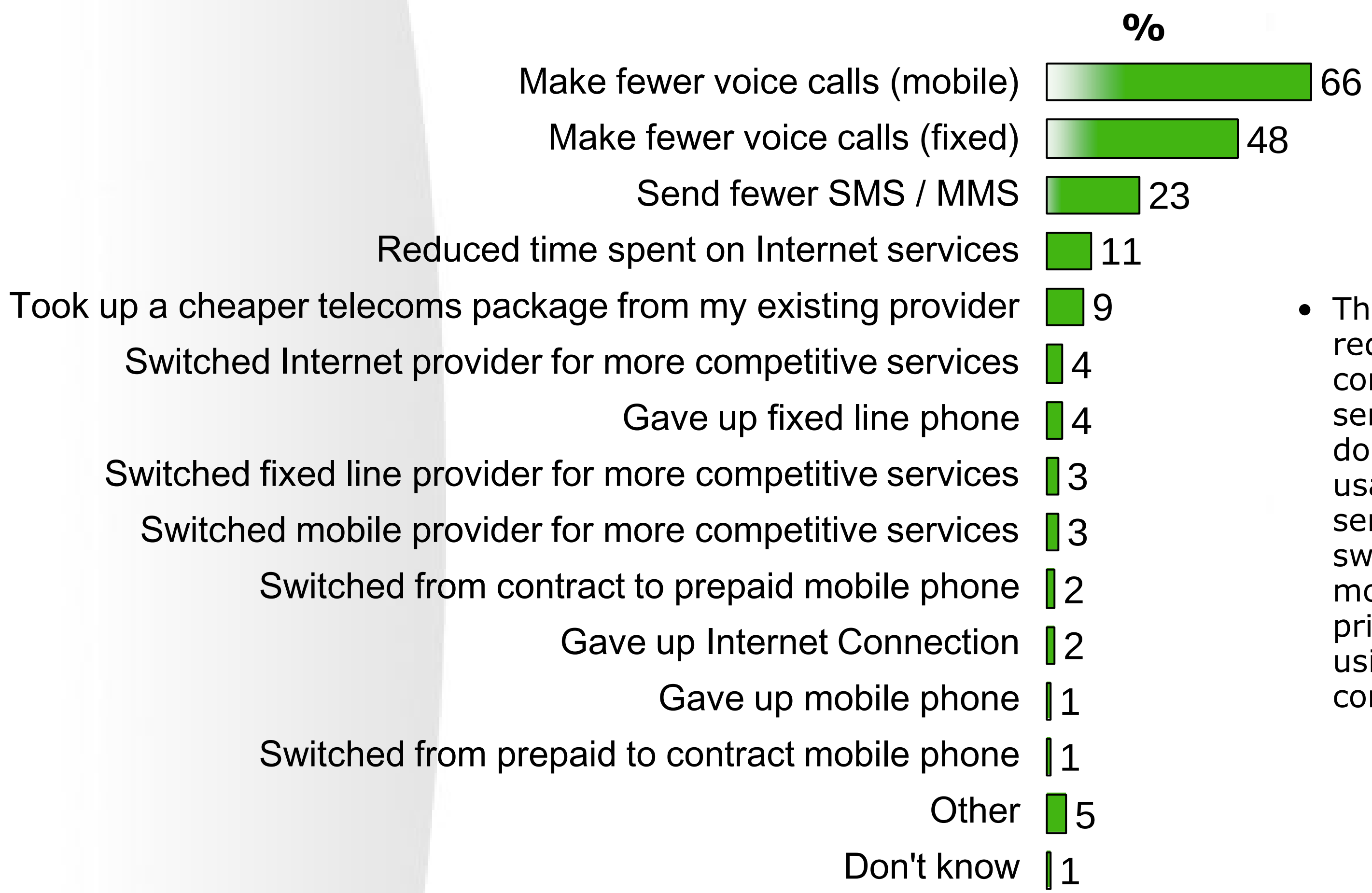
Q. How have you reduced your spending on communications services?



- Those who have already reduced their spend on communications services appear to be doing this by reducing usage of individual services rather than by switching providers for more competitive prices, or giving up using services completely.

Awareness of ComReg and ComReg Websites

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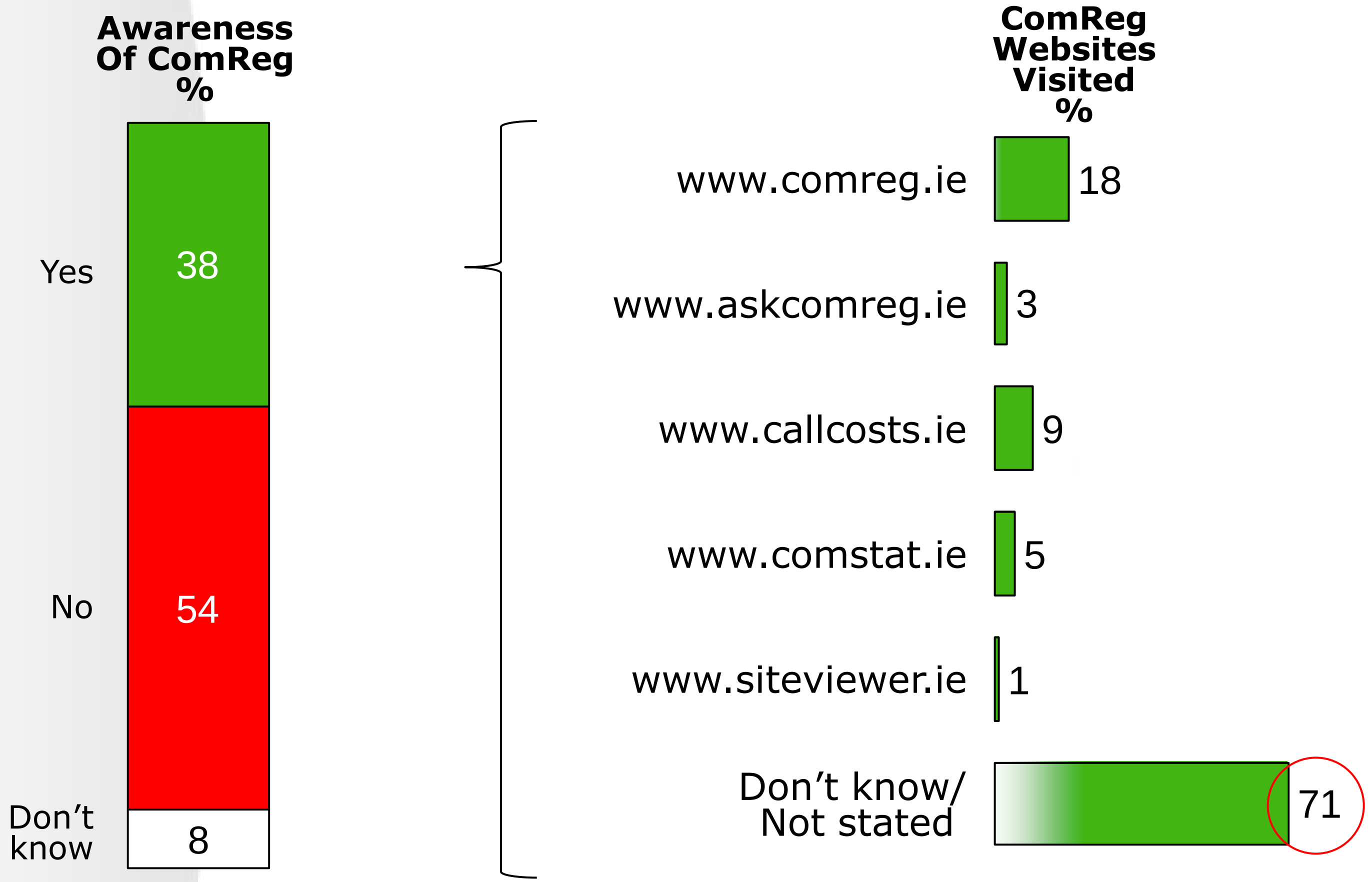
Q. Have you ever heard of the Commission for Communications Regulation, also known as ComReg?
Q. Which of the following ComReg websites have you ever visited?



Base: All Respondents (n=1,006)

Base: All Aware of ComReg (n=348)

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CONCLUSIONS

Conclusions - I

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- Mobile phone ownership is near universal, with over nine in ten claiming to own one. Ownership of a Fixed line phone has dropped slightly this quarter, with just over two thirds of households now claiming to have a fixed line phone in the home. For those without a fixed line, having a mobile instead is the main reason cited for not having one.
- Eircom remains the primary provider of fixed line phones, although its market share has dropped slightly; there has been no significant movement among other providers in terms of market share. The average fixed line bi-monthly bill has decreased marginally in Q2'09, after a slight increase in Q4'08.
- About a third of fixed line users have ever fixed their switched line provider, which is at similar levels to the same quarter last year. Of those who have switched about a third switched in the last 12 months – this is equivalent to 12% of all fixed line customers switching in the past year. The switching process was viewed as easy by the vast majority of respondents.
- Fewer fixed line switchers claimed to have switched back to their original provider than did so in 2008. The reasons cited by those switching back were mainly around savings not being met with new provider, not receiving an equal standard of customer service with the new provider, and also having been contacted by their original provider with a better offer.
- The monthly spend on fixed line and mobile phones continues to decrease; while this can in part be attributed to a competitive market, there are also indications from this research that consumers are cutting communications spend in a difficult economic climate. For example, mobile spend is on average nearly €17 less a month than it was in 2006, when the average monthly cost was €57.62.

Conclusions - II

Commission for Communications Regulation

- One third of mobile users have claimed to ever have switched provider, and a third of these had switched in the previous year. At an overall level about one in ten of all mobile phone users has switched provider in the last 12 months. The levels of switching back to original supplier are markedly lower than in the fixed market with only one in ten claiming to do so.
- More advanced usage of mobile phones for m-payments and mobile Internet for example remains low among mobile phone users. However the recent rapid growth in take up of smartphones such as the iPhone in Ireland could help to increase the use of such services in the future.
- The use of Premium Rate Services (PRS) is also low, as is the expectation of using these services in the future. Having no interest in PRS, is the main reason given for not using them, followed by the concern of cost. Of those who use PRS, the main use of them is to enter competitions. The price of PRS and hidden costs are the main reason given for dissatisfaction with these services.
- The incidence of owning a PC/laptop has increased this quarter, with three-quarters of all households now claiming to own either or both. Internet usage continues to increase steadily, with two thirds of adults now claiming to use the Internet from any location. There has also been a noticeable increase in home internet access with over two thirds now claiming to have access at home.
- Around eight in ten have a broadband connection based on a summation of responses to type of home Internet connection (e.g. DSL, cable modem, FWA, mobile broadband and satellite) However, there is still an element of misunderstanding among people about the types of connection that they use as when asked up front whether they used narrowband or broadband, over nine in ten claimed that they had a broadband connection.

Conclusions - III

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- Over half of those with home Internet access use Eircom as their ISP, but its market share continues to decline. The use of mobile broadband providers has shown growth with nearly one in five now using a mobile broadband connection. Only one in ten Internet users has switched provider in the past 12 months.
- There is high agreement among Internet users that their Internet connection “Is fast enough for my needs” with nearly seven in ten agreeing with this statement. Only 6% of Internet users state that their Internet connection is “far too slow for my needs”.
- There was very positive satisfaction with response to customer service provided by fixed, mobile and Internet providers among users of these services.
- Post-pay mobile users were the most likely to say that the contract they have with their provider is subject to a minimum period, with over half of subscribers saying it does. A third of Internet users, and two in ten fixed users also claim their contract is subject to a minimum contract period.
- What is notable is that there are high percentages of customers who don’t know whether their contracts are subject to minimum contract periods or not. However of those aware, their knowledge of the terms and conditions in relation to their contract is high.
- Nearly four in ten communications users foresee a reduction in their spend on communications services in the next 12 months as a result of the recession. In the last 8 months about three in ten had already reduced spend. It is interesting to note that rather than disconnecting from specific services, or switching for more competitive offers, it appears that controlling spend on all the services that they currently use is how users of communications services are trying to make cost savings.