Commission for
Communications Regulation

Consumer ICT Survey
Q4 2009

A Review of Findings
by

MillwardBrown
Lansdowne

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41108986 CF/PM/SB

www.comreg.ie

Presentation Outline

- **Methodology**
- **Research Findings**
  - Fixed line market
  - Mobile market
  - The Internet and Broadband
  - Bundled Services
- **Conclusions**

Methodology - I

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- The following report is based upon research conducted by Millward Brown Lansdowne among a nationally representative sample of **persons aged 15 to 74 throughout the Republic of Ireland.**
- In total **1,003** persons 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 the 8th of December 2009 and the 14th of January 2010.
- It should be noted that not all responses in this survey necessarily represent the views of bill payers only, as the sample included both bill payers and non-bill payers.
- The survey results reflect the attitudes of respondents to the questions posed (some of which were hypothetical in nature), and may not necessarily reflect actual behaviour.
- 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. However, all base sizes depicted are shown as the unweighted figures, and as a result there may be slight differences between weighted percentages and unweighted bases.
- Where possible, comparisons with previous research have been included.

Methodology -II

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- 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

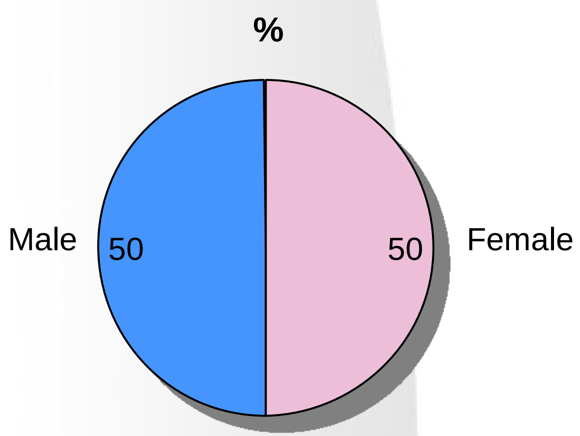
  - C2s are blue collar workers

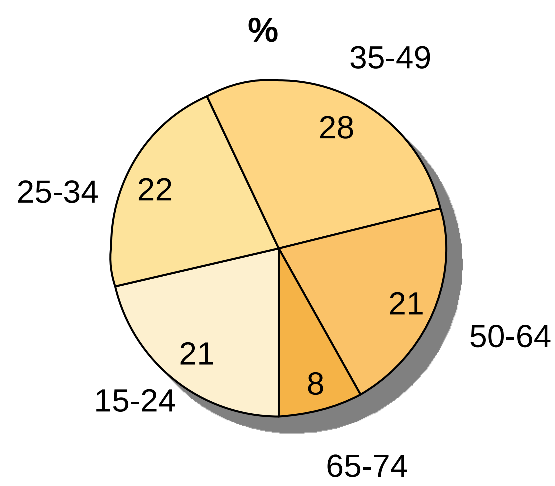
  - Ds are unskilled workers

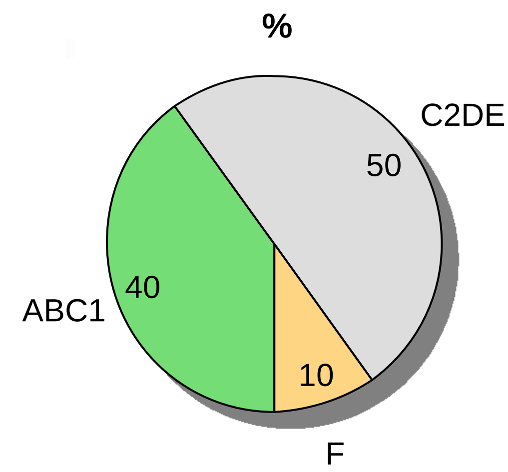
  - Es are those relying on State assistance

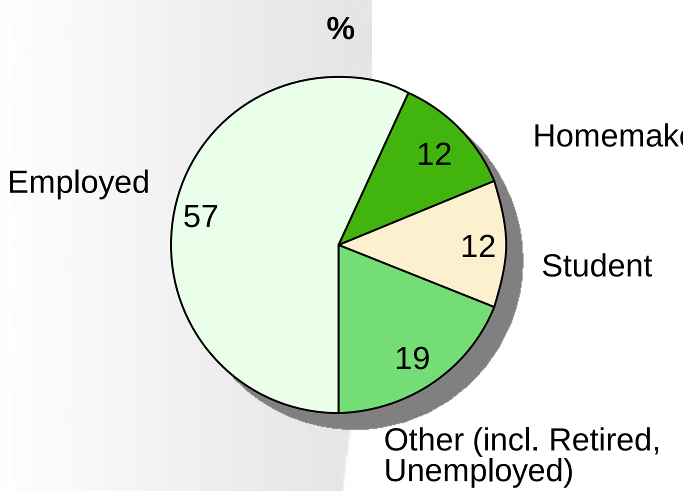
  - Fs are those in the farming community

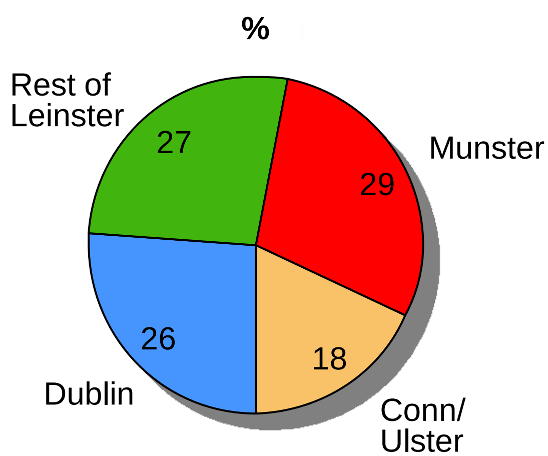
Analysis Of Sample









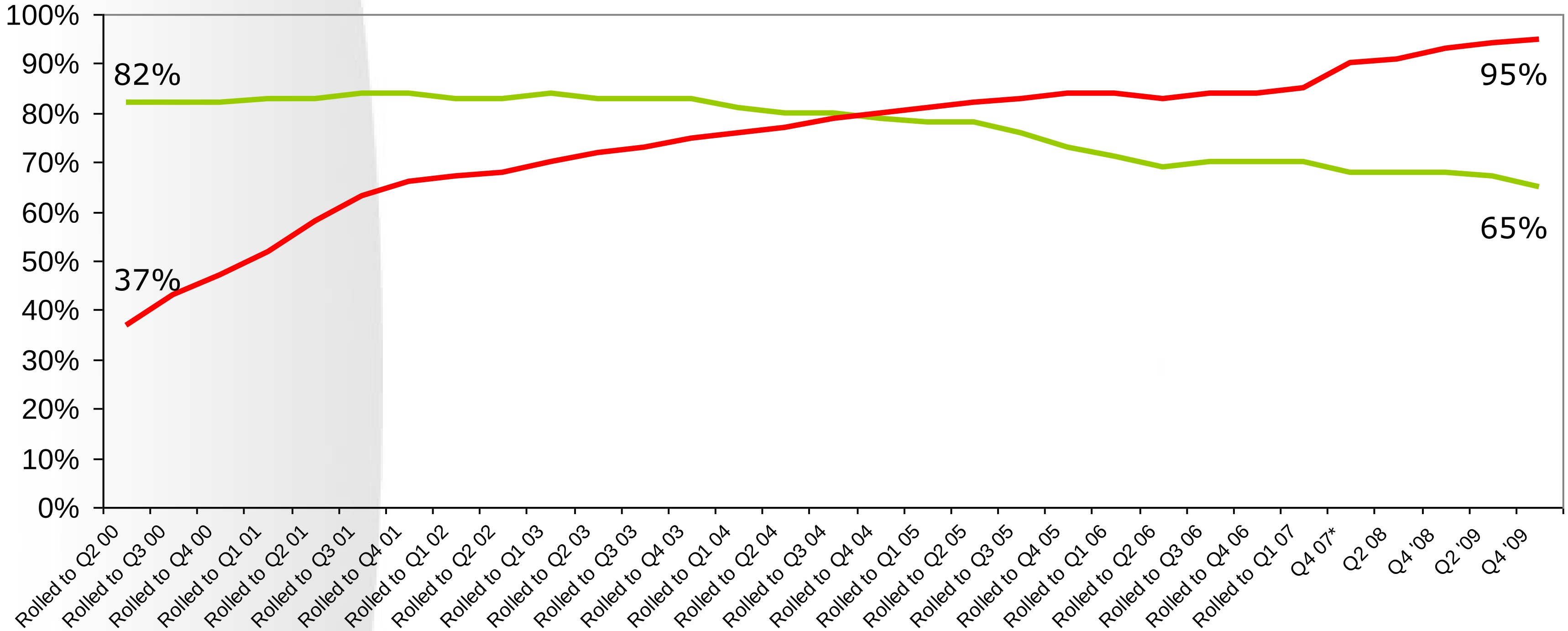


Base: All Adults 15-74

FIXED LINE MARKET

Continued increase in mobile phone penetration, with fixed line falling slightly

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



34% of Irish adults have only have a mobile phone

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

A quarter of adults with no fixed line at home previously had one that has been cancelled

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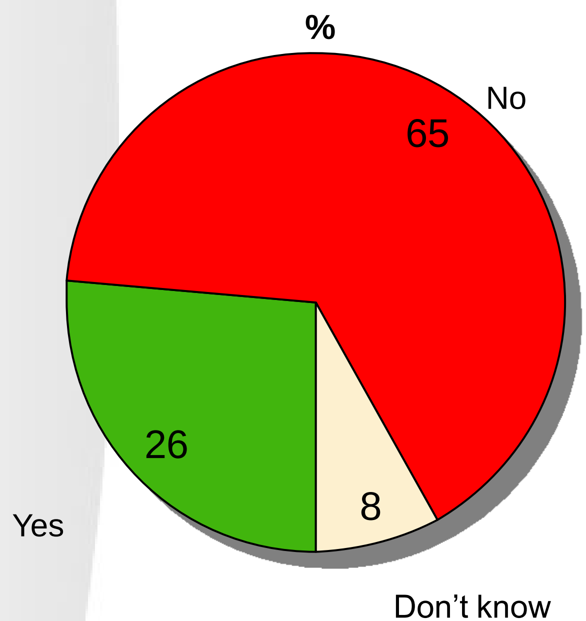
New

Q. Do you have a residential fixed line phone in your home?
Q. Did you cancel your residential home fixed line phone?

	Gender		Age						Social Class					Region			
Total %	M (509) %	F (494) %	15-17 (32*) %	18-25 (142) %	25-34 (232) %	35-49 (301) %	50-64 (231) %	65-74 (65) %	AB (136) %	C1 (334) %	C2 (240) %	DE (222) %	F (71) %	Dublin (279) %	RoL (265) %	Mun-ster (283) %	Conn/ Ulster (176) %
Yes– 65	65	65	44	53	49	68	79	92	78	69	58	56	76	77	59	60	63
No – 35	35	35	56	47	51	32	21	8	22	31	42	44	24	23	41	40	37



- A quarter of adults with no fixed line (26%) say that they cancelled their fixed line phone, this is higher among those over the age of 50 (although from a small base). Those who own their own house/have a mortgage were more likely to say this is the case (36%).
- Nearly two thirds of those without a landline have never had one (65%). This rises to 71% among those aged between 18-24 and 25-34. C1s & DEs (71% each) and student (71%) are also more likely not to previously have had a fixed line.

Base: All Adults (n=1,003) Base: All With no Fixed Line (n=341)

7 in 10 now use 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 %	Q4'09 %
Eircom	78	77	79	77	71
Perlico+	7	6	6	4	5
BT Ireland~	5	6	5	6	7
Imagine Group#	2	2	2	1	1
UPC (Chorus/ntl)	1	2	2	3	6
Talk Talk/Tele2	2	2	1	2	1
Smart	-	-	1	1	2
Vodafone+	-	-	-	-	2
IFA	-	1	-	2	1
Euphony	-	-	-	-	1
Other*	2	3	1	3	1
Don't know	2	1	2	1	1

- Eircom's residential share has dropped again in Q4'09 to 71%.
- Those aged 25-34 (40%), ABC1's (33%), and people living in Dublin (36%) are more likely to use a supplier other than Eircom.

Base: All Who Have Fixed Landline (n=662)

Response Includes Gaelic, Cinergi and Access.
+ Part of the Vodafone Group
~as of 1st September 2009 BT's residential customer base were transferred to Vodafone
*Answers under 1% included in Other

Cost of calls is the most important consideration when choosing a fixed line supplier

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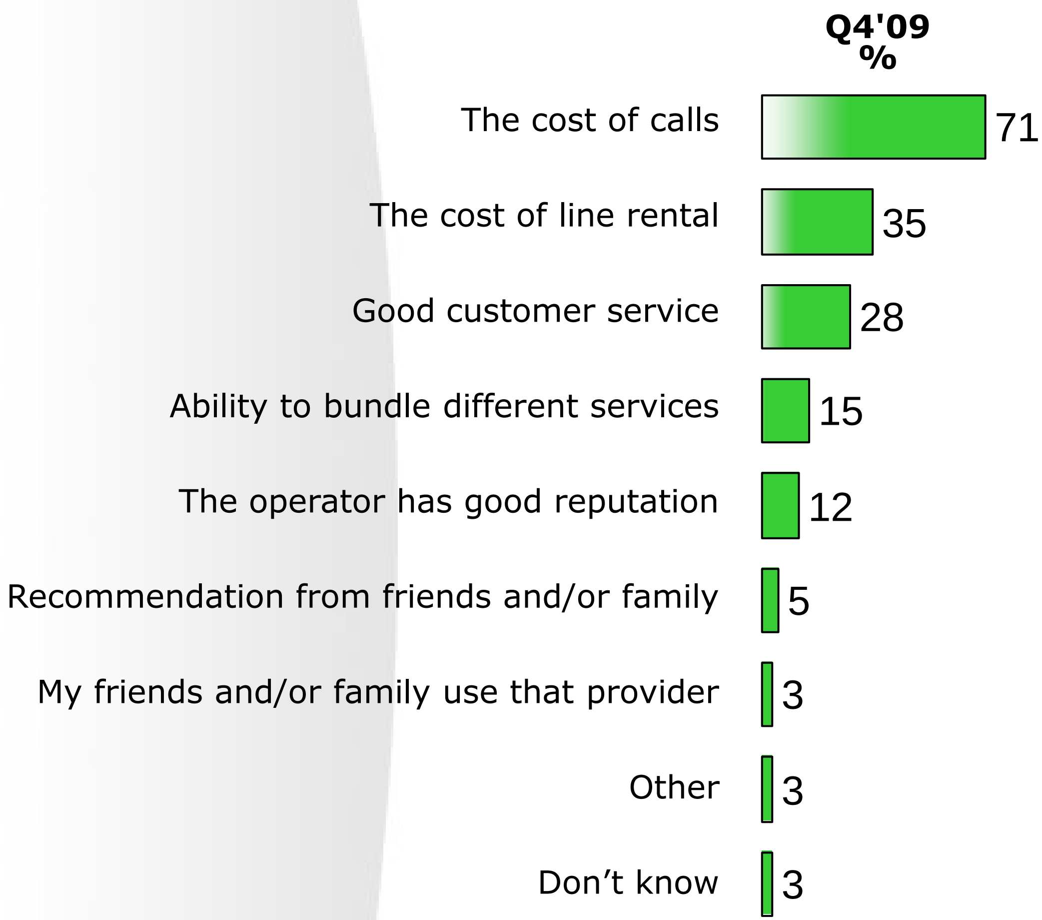
Q. What factors do you consider important when selecting a home fixed line provider?

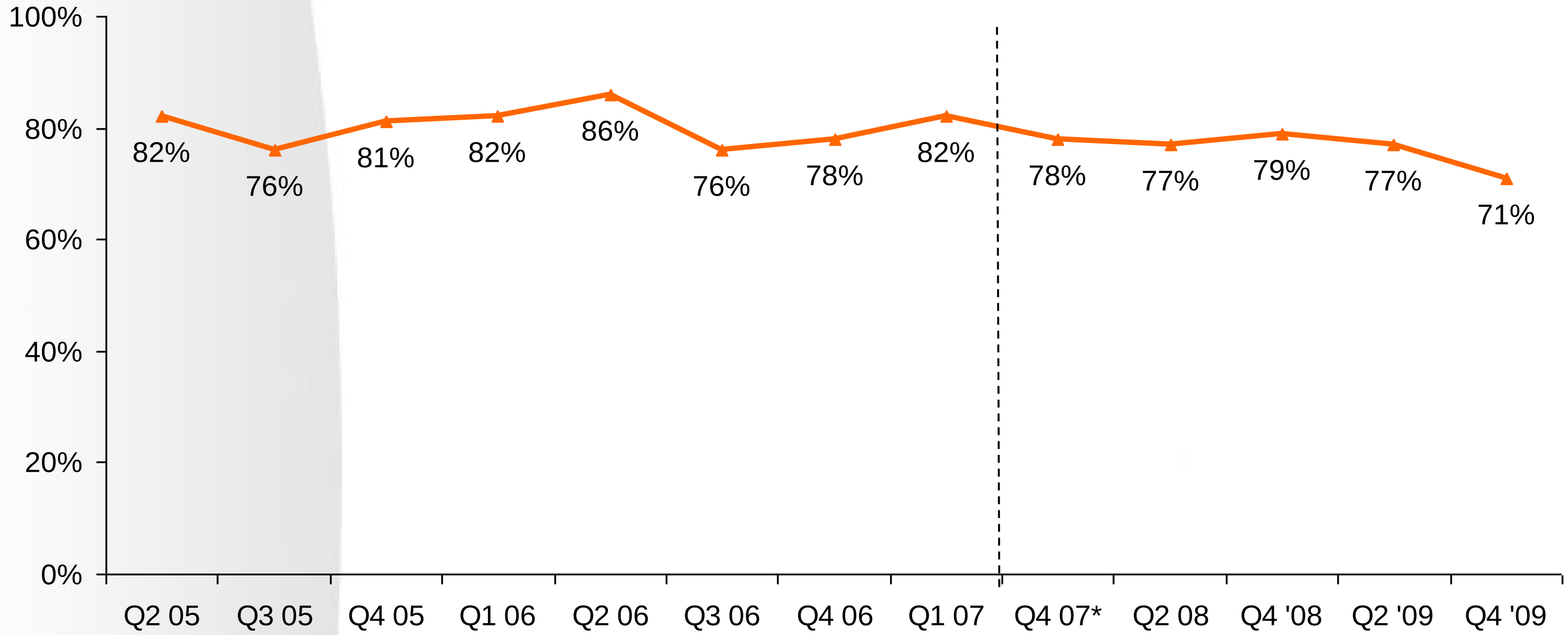
New



- The cost of calls is the primary consideration when choosing a fixed line provider among 71% of adults in Ireland. Cost considerations are higher among 25-34 year olds (80%), residents of Connaught/Ulster (86%), those in the F social group (80%) and those who have switched fixed line provider in the last 12 months (86%).
- The cost of line rental (35%) and good customer service (28%), make up the top 3 main considerations when choosing a fixed line provider.

Base: All Who Have Fixed Lines (n=662)

Historical View Of Eircom's Fixed Line Market Share



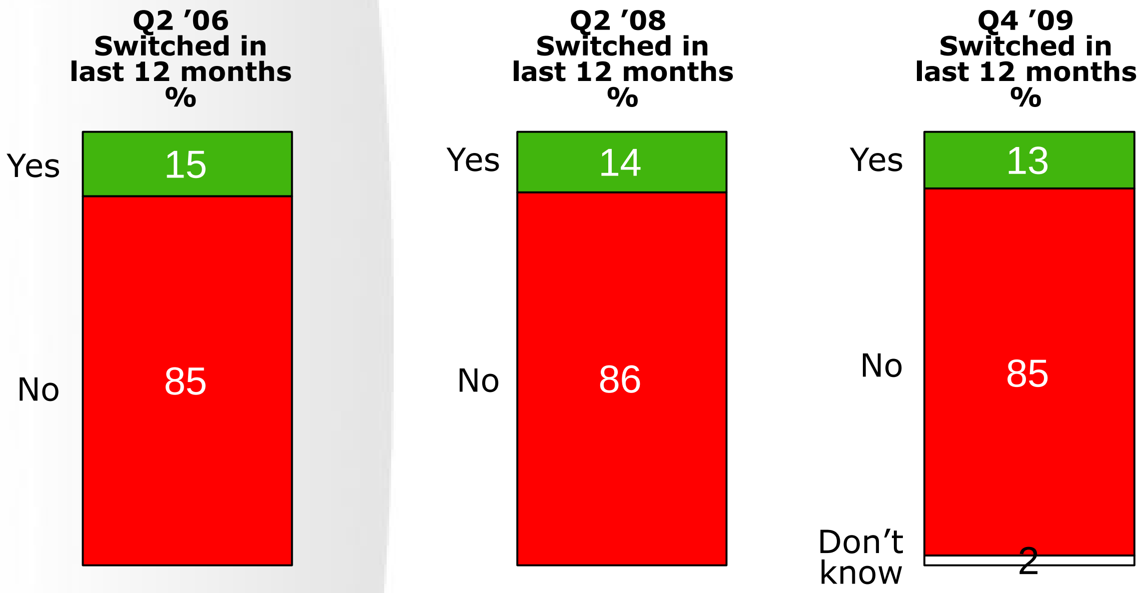
- This chart plots Eircom's market share from research conducted in the residential market since 2005.
- According to these figures, Eircom's market share in the residential market has fallen 11 percentage points since Q1 2007, and is at its lowest level ever (71%)
- At its highest, Eircom's market share stood at 86% in Q2 2006.

Recent Switching Activity Among Fixed Line Users

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

Q409 % switched last 12 months

Mobile	8% (all users)
Internet Service Provider	8% (all users)



- Thirteen percent of fixed line users have switched their provider in the last 12 months.
- Users aged 25-34 (19%) and those living in Connaught/Ulster (22%) were more likely to have switched during this time.

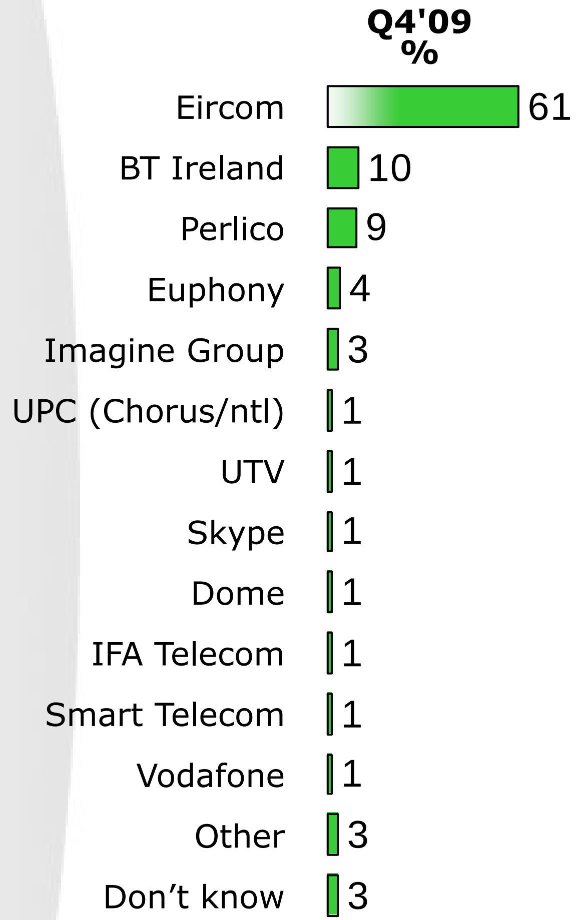
Base: All With Fixed Line (n=662)

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

6 in 10 fixed line switchers previously used Eircom as their home phone provider

Q. Who was your previous fixed line home phone provider?

New



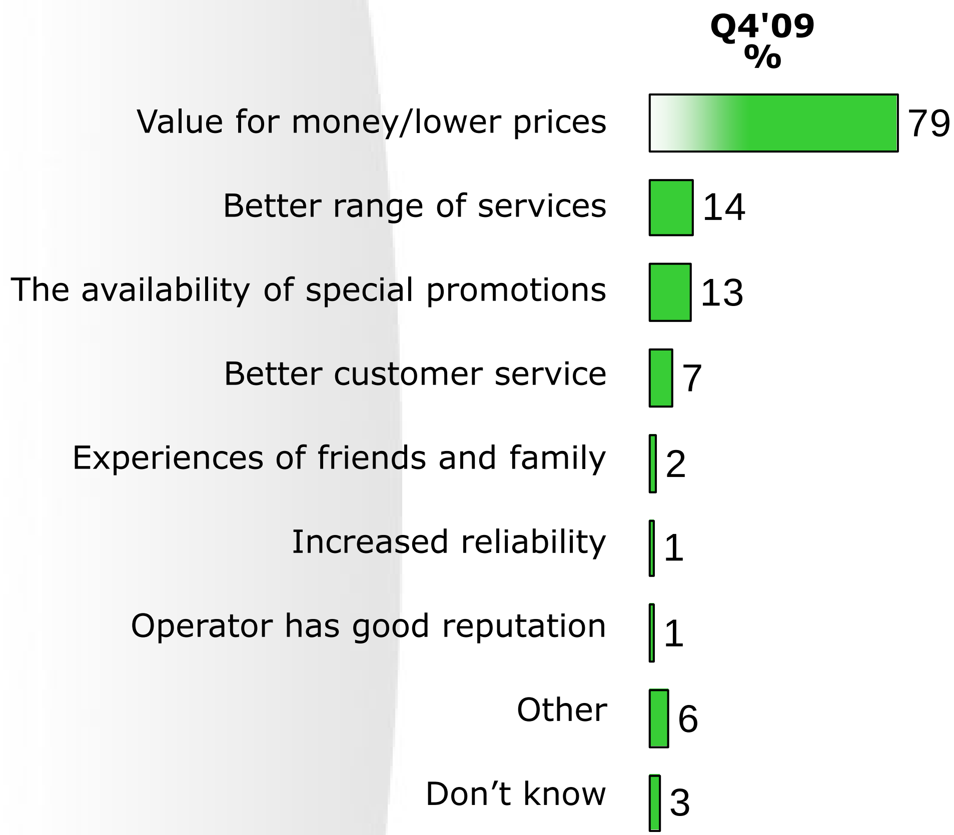
- Six in ten (61%) fixed line switchers used to be Eircom customers, with 10% saying BT used to be their provider, and a further 9% being previous Perlico customers.

Base: All Switched Fixed Line in the Last 12 Months (n=90)

Reasons for switching provider centre around cost savings

Q. Why did you switch fixed line provider? (last 12 months)

New



- For fixed line users who switched provider in the last 12 months, 8 in 10 (79%) cited value for money/lower prices as the reason for doing so.
- Better range of services (14%) and availability of special promotions (13%) were the next highest cited reasons fixed line users gave for switching.

Base: All Switched Fixed Line in the Last 12 Months (n=90)

Incidence and reasons for switching back to original provider

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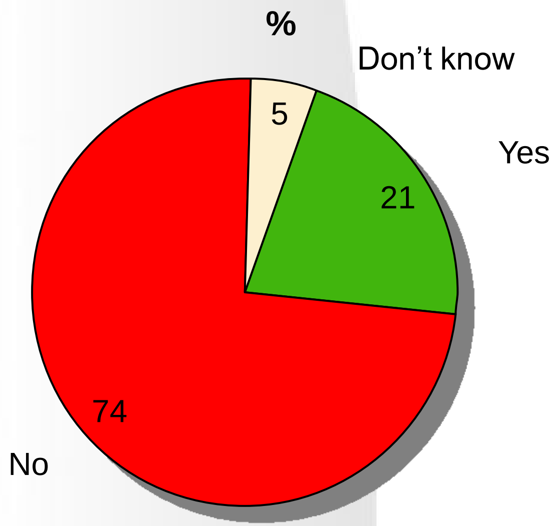
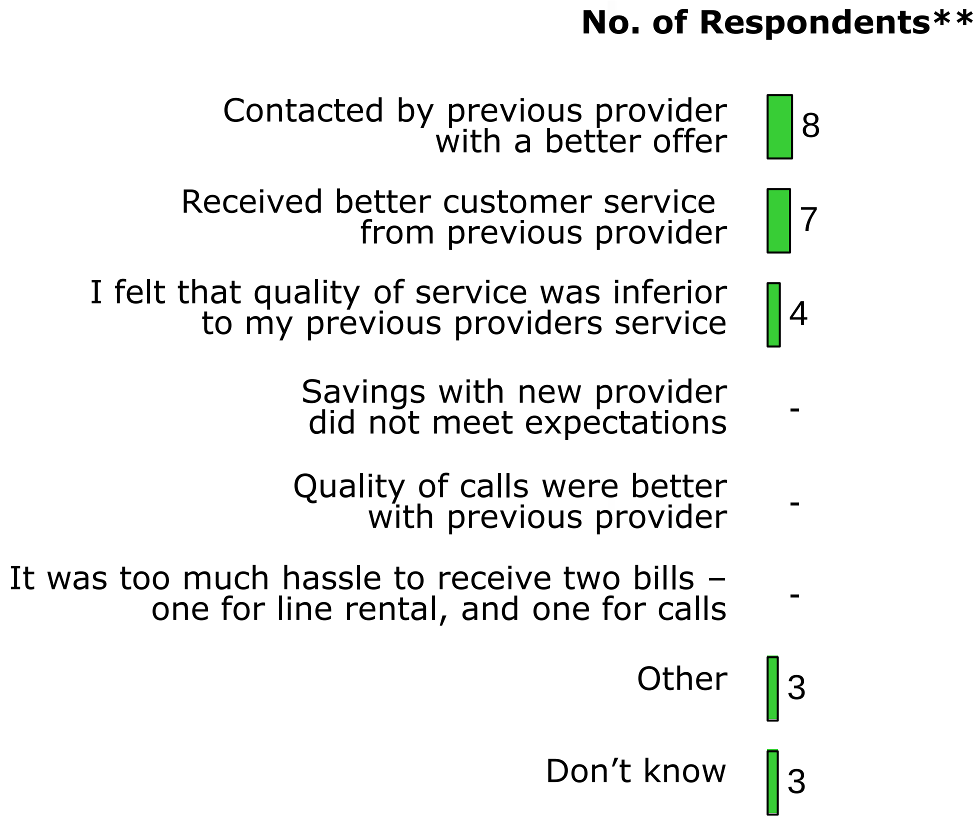
Q. Have you switched your fixed line home phone provider in the past 12 months and then switched back to your previous provider

Q. What were your reasons for switching back to your original home phone provider?

New





- Two in ten fixed line switchers switched back to their original provider within a 12 month period.

Base: All Switched Fixed Line in the Last 12 Months (n=90)

Base: All Who Switched Back To Original Fixed Provider (n=18**)

**Caution: Very Small Base

Satisfaction with current provider is the primary reason for not switching to a new provider

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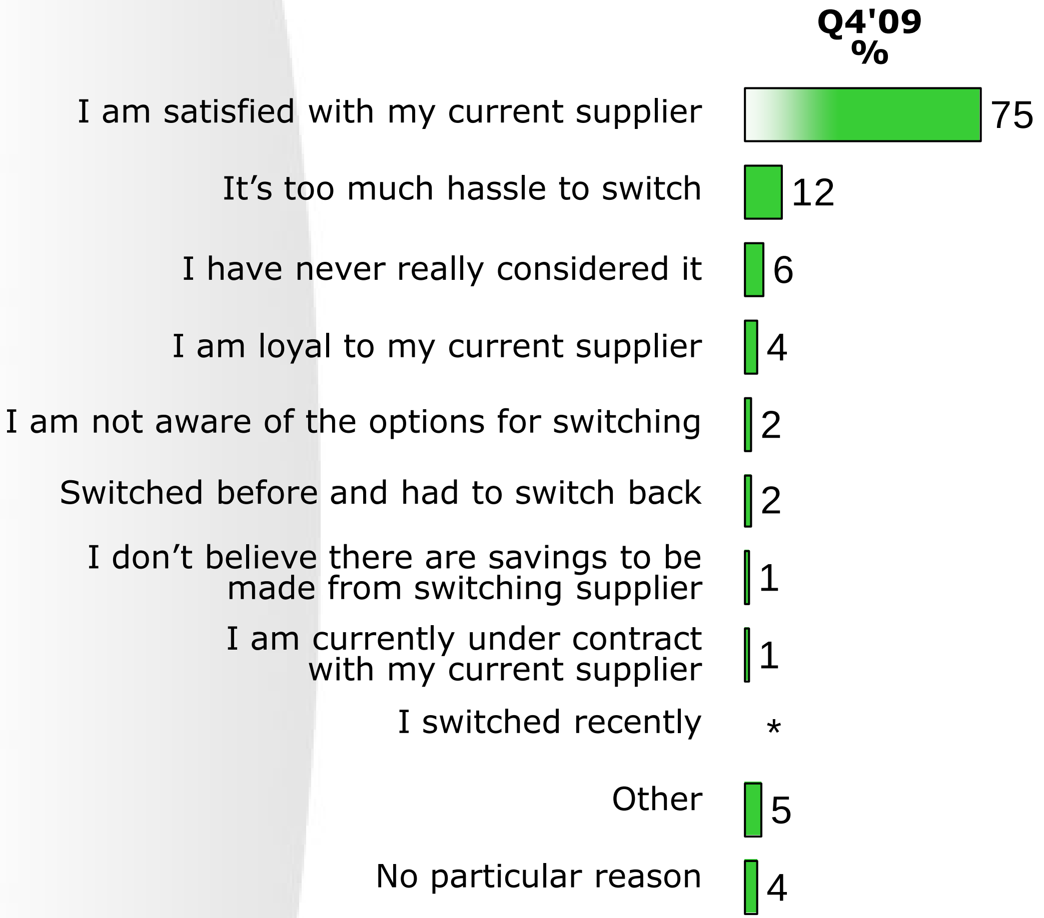
Q. What are your main reasons for not switching your fixed line operator?

New



Higher Among	
Ages 65-74	82%
ABs	80%
DE's	78%
Live in Dublin	80%
Don't use internet	81%

Base: All who did not switch Fixed Line Provider in the Last 12 Months (n=572)

Over 4 in 10 fixed line customers have used current supplier for longer than 10 years

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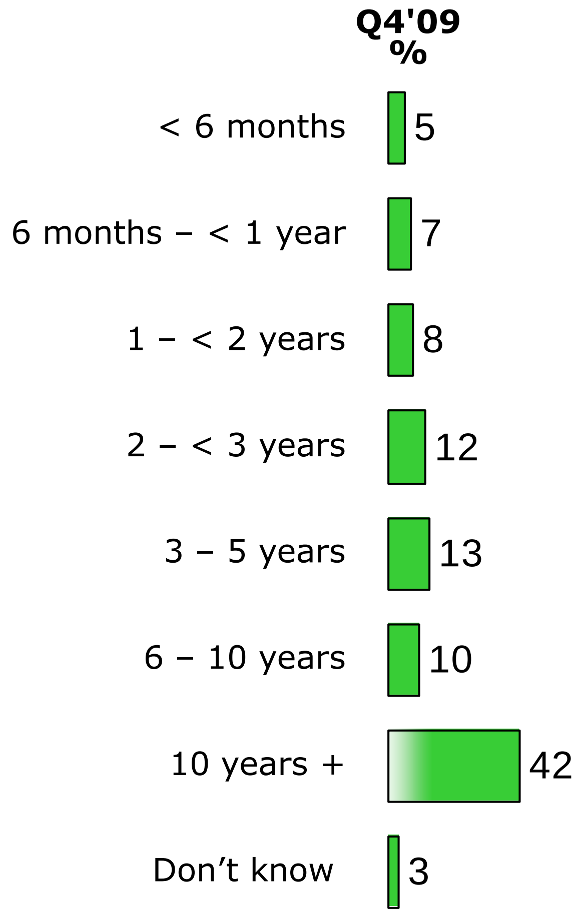
Q. How long have you used the services of your current home phone service provider?

New



- Over four in ten (42%) fixed line users have been with their current provider for over 10 years. This rises sharply among users aged 65-74 (76%).
- Fixed line users in the F social group (56%), those based in the Rest of Leinster (49%), as well as users living in rural areas (47%) are more likely to be a long term customer of their fixed line provider.
- Those without a PC or laptop at home and fixed line users who do not use the Internet (62% each) are also longer term users of their fixed line supplier.

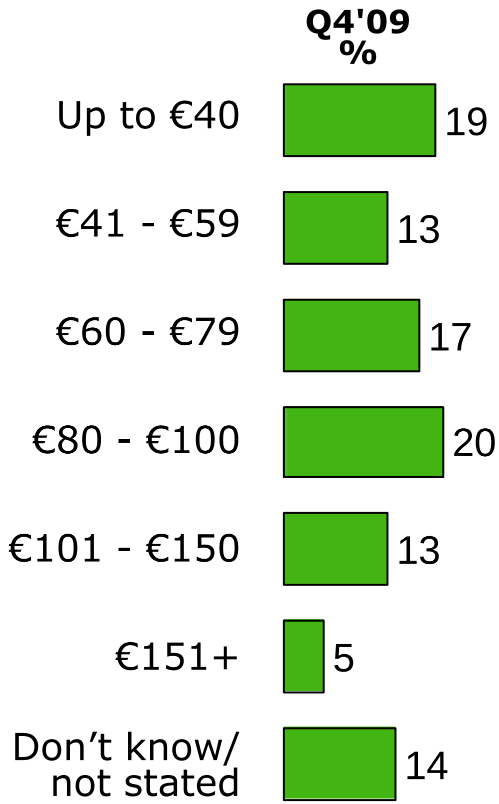
Base: All with Fixed Lines (n=662)

Average Bi-monthly Fixed Line Spend Down to - €79.47

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

Historical Average bi-Monthly 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
Q2’09 - €95.24



Mean €79.47

- Average spend on bi-monthly, fixed line telephone bills has dropped €15.77 to €79.47 in Q4’09, and by nearly €22 since Q2’06 when average bi-monthly spend was at €101.39.
- Cost conscious consumers trying to control expenditure, and an increase in the number of bundled services is likely to be impacting on this.
- The number of fixed line users who spend €151+ has dropped from 11% to 5% since Q2’09, while now nearly 2 in 10 (19%) claim to spend up to €40 a month, up from 10% in Q2’09.
- Mean spend was lower among those who switched provider in the last 12 months (€64.78), students (€65.56) and those who use a provider other than Eircom (€68.78).

Base: All Who Have Fixed Line (n=662)

Nearly 3 times as many fixed line users say they would switch for a 6-10% saving than would switch for a 1-5% saving

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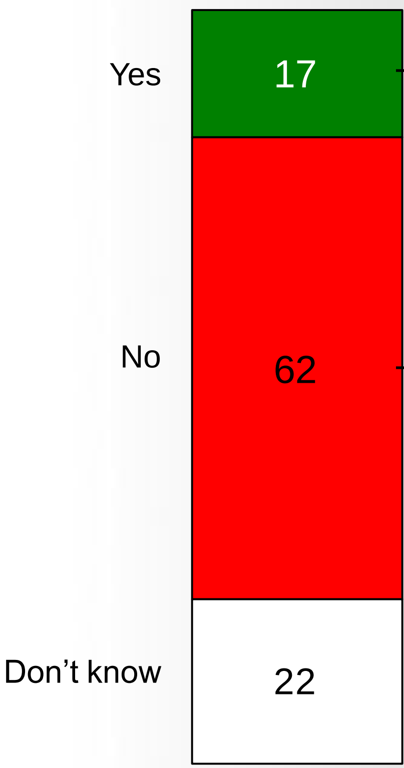
New

Q. If your bi-monthly fixed line spend was reduced by the following amounts by switching to another provider, would you switch your current fixed line provider?

Move Provider if Spend Reduced by 1-5%
%



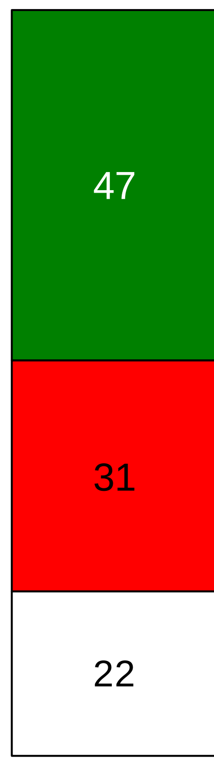
Higher Among (Yes)

F's	21%
Live in Conn/Ulster	22%
Work in home	24%
Switched fixed line provider last 12 months	27%
Switched ISP last 12 months	29%*
Provider other than Eircom	21%

Higher Among (No)

Ages 65-74	74%
DE's	71%
Live in Dublin	70%
No Internet use	72%

Move Provider if Spend Reduced by 6-10%
%



Higher Among (Yes)

F's	52%
Live in Conn/Ulster	64%
Provider other than Eircom	60%
Switched fixed provider last 12 months	69%
Switched ISP last 12 months	68%*

Higher Among (No)

Ages 65-74	57%
DE's	38%
Live in Munster	40%
Eircom customers	36%
No internet use	44%
No PC/laptop	45%

Base: All With Fixed Line (n=662)

* Caution: small base

Marked increase in satisfaction with complaint resolution year on year

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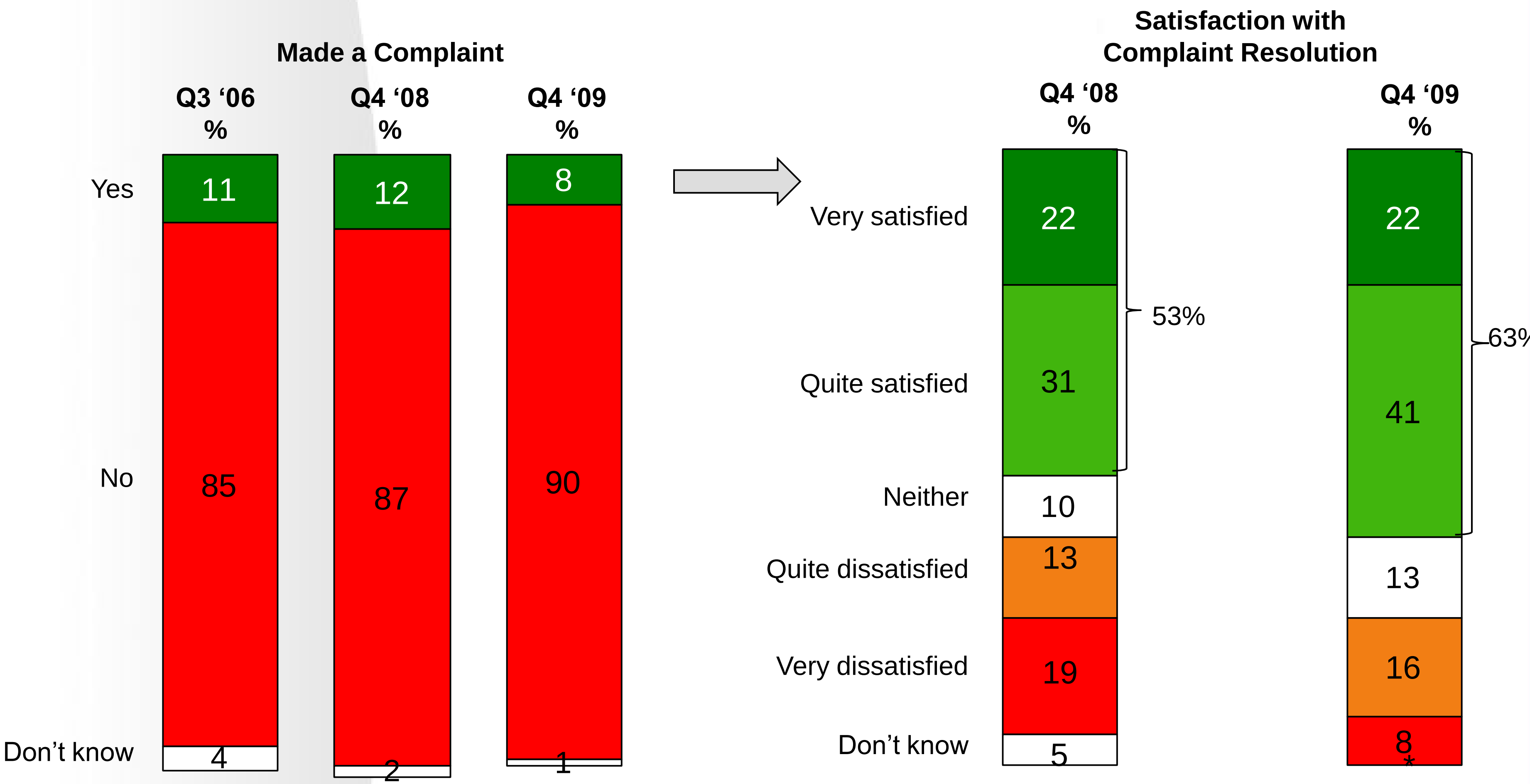
Q. Have you made a complaint to your fixed line service provider in the last 12 months?
Q. How satisfied were you with the response you received from your fixed line service provider?



Base: All Who Have Fixed Line (n=662)

Base: All Who Made Complaint (n=58)

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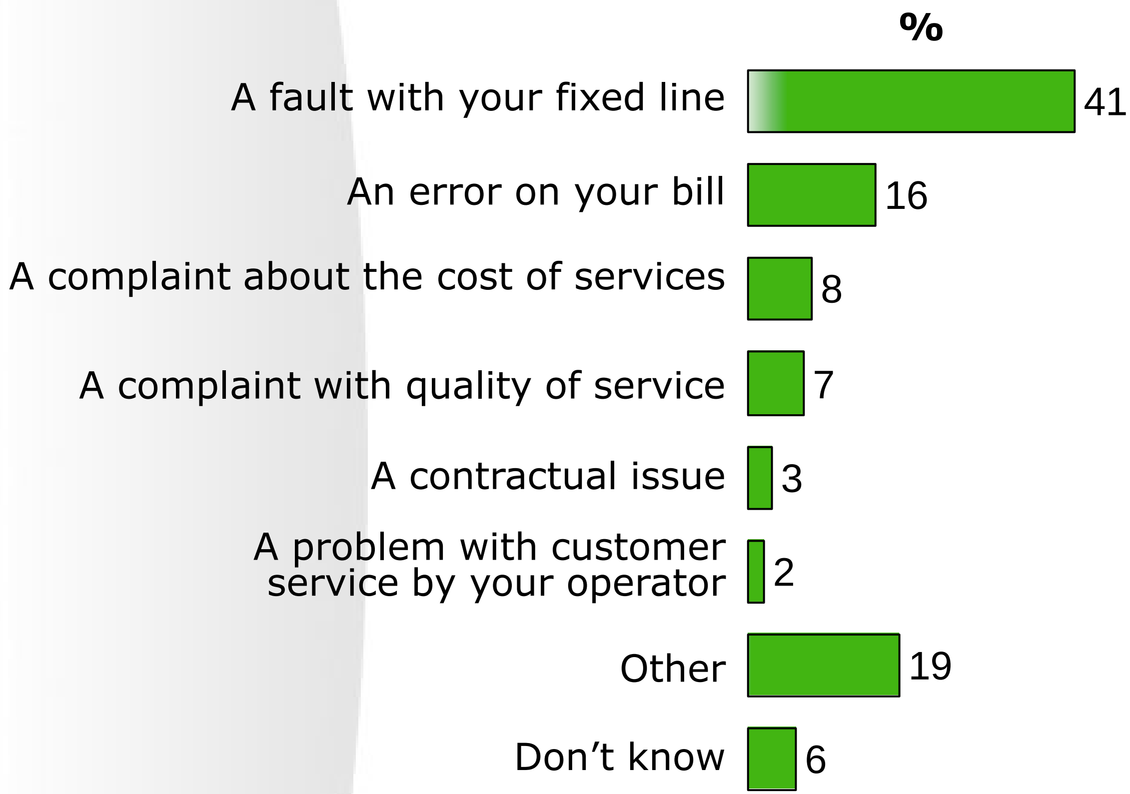
A fault with a fixed line was the main reason for making a complaint

Q. What was the issue?

New



- The main complaint fixed line users made was regarding a fault with their fixed line (41%).

Base: All Who Made Complaint (n=58)

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MOBILE MARKET

Trends in Mobile Phone Ownership

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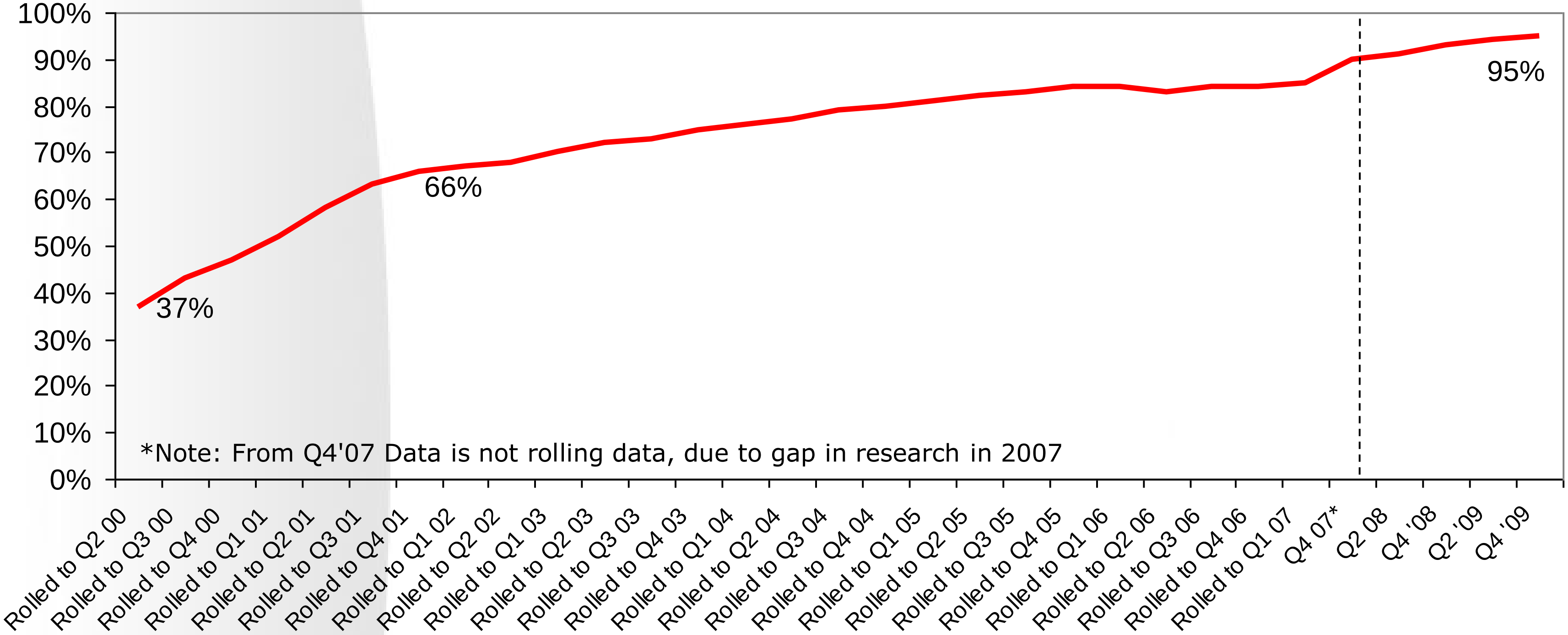
Q. Do you personally own a mobile phone?



- Mobile phone Ownership is nearly universal, although it remains lower among certain groups most notably those aged 65-74 (74%).
- Additionally, those who do not use the internet (85%) or have a home PC/laptop (86%) are also less likely to have a mobile phone.

Base: All Adults (n=1,003)

Marked decrease in Pre-Pay Customers

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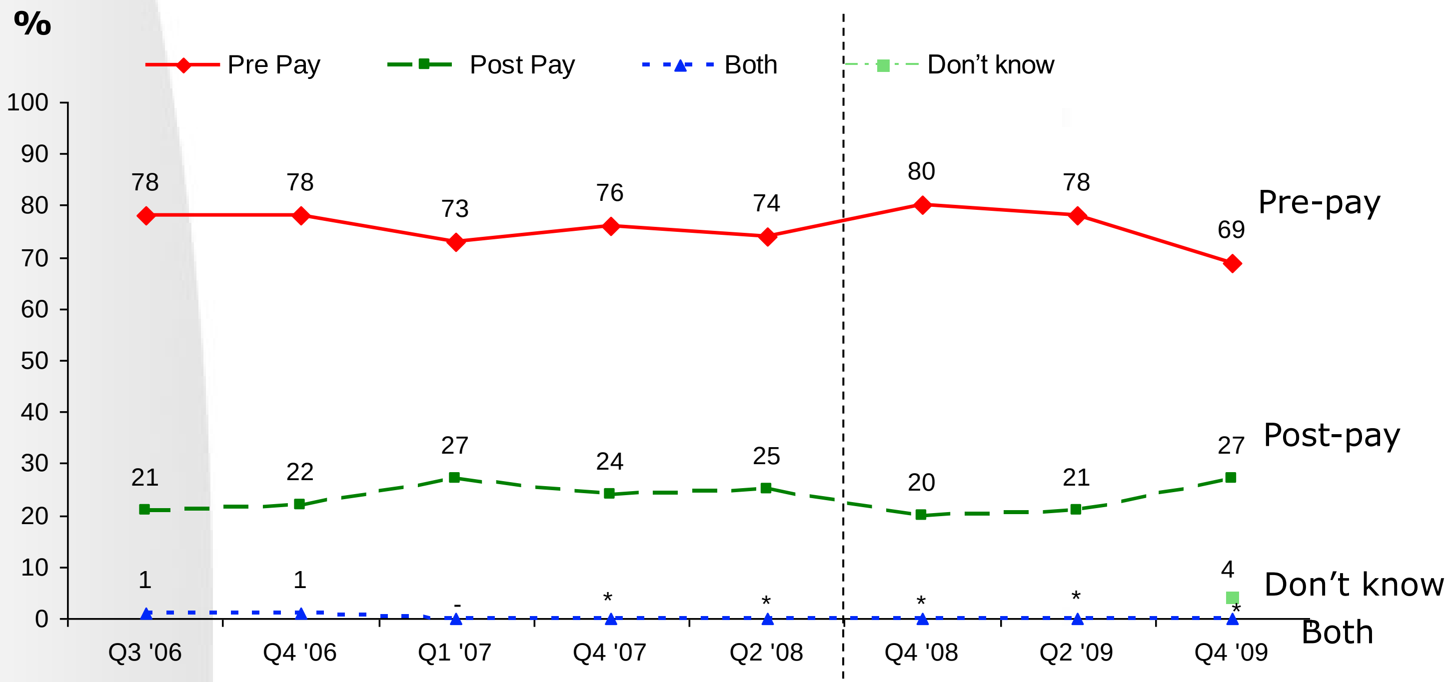
Q. Is your current mobile phone service one where you…



- The percentage of mobile phone users with pre-paid phones has dropped notably to 69%. The change in the pre and post pay split is likely to have been impacted by departing non-nationals, as well as the availability of more post-pay options in the market e.g. sim only options, smartphone contracts.
- Pre-pay use is higher among females (73%), those in the DE (77%) and F (79%) social groups, and among respondents aged 15-17 (89%*).
- Students (85%) and Meteor Customers (81%) remain more likely to be pre-pay customers.
- Those who rent (79%), and those who do not have home Internet access (73%) are also higher users of pre-pay options.

Base: All Mobile Phone Users (n=954)

*Caution: Small Base Size

Mobile Phone Providers Market Share

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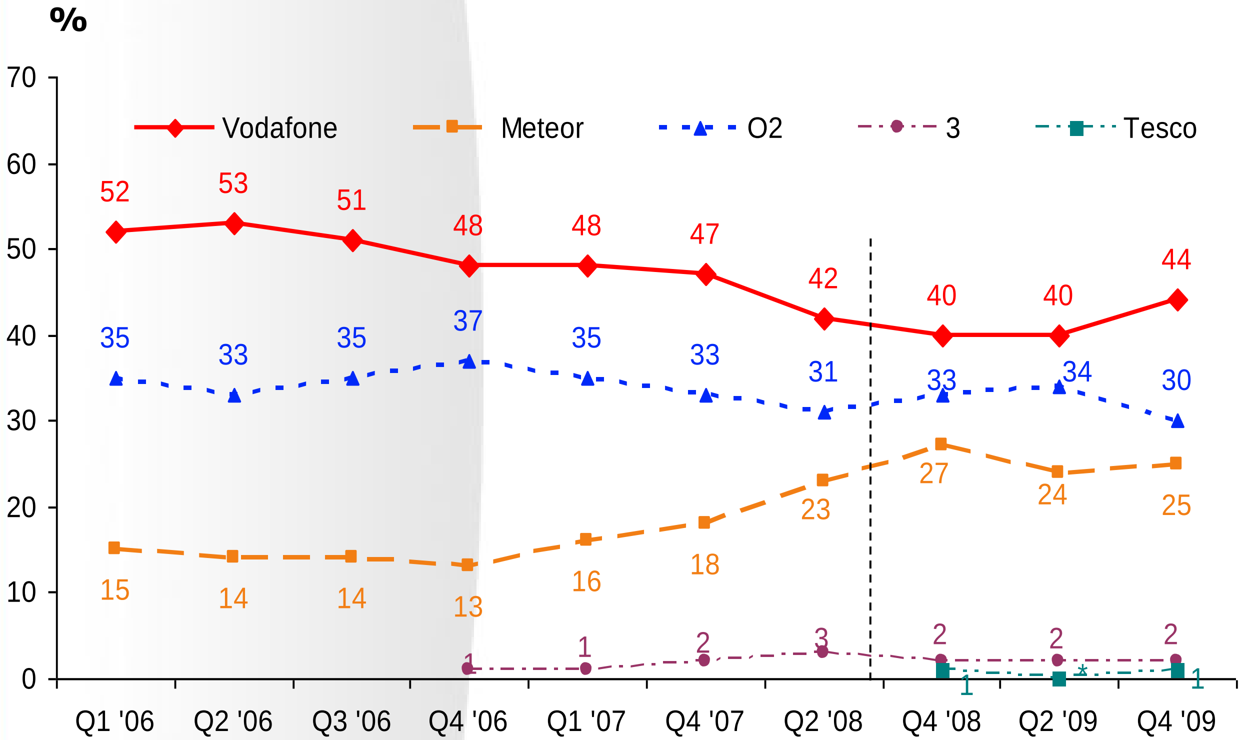
Q. Who is your mobile phone supplier(s)?

Pre-Pay and Post-Pay Split by Provider #

Vodafone Post-Pay: 27%
Vodafone Pre-Pay: 69%

O2 Post-Pay: 36%
O2 Pre-Pay: 59%

Meteor Post-Pay: 16%
Meteor Pre-Pay: 81%



- Vodafone's market share has increased four points to 44% this quarter, while O2's has dropped by the same amount and now stands at 30%.

Base: All Mobile Phone Users (n=954)
Don't knows account for balance

Mobile Phone Providers Market Share

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

	Gender		**Age**						**Social Class**					**Region**			
	M (485) %	F (469) %	15-17 (31*) %	18-25 (140) %	25-34 (230) %	35-49 (287) %	50-64 (218) %	65-74 (48) %	AB (128) %	C1 (323) %	C2 (235) %	DE (204) %	F (64) %	Dublin (269) %	RoL (245) %	Mun-ster (267) %	Conn/ Ulster (173) %
Vodafone	44	43	39	24	47	44	53	60	50	44	39	40	56	42	48	38	51
O2	30	30	30	21	29	37	30	28	33	34	29	26	28	26	27	36	31
Meteor	24	25	28	54	25	16	16	9	15	21	31	31	12	30	22	27	18

3 and Tesco Mobile bases too small to include

- Meteor continues to attract users aged 18-24 (54%), Vodafone's core customers are more likely to be in the 65-74 year age bracket (60%), while O2 customers are more likely to be in the 35-49 year age bracket (37%)
- At a regional level O2 customers are more likely to live in Munster and Meteor's customers are more likely to live in Dublin (36% and 30% respectively), while Vodafone records highest market share in Conn/Ulster (51%).

Average monthly Mobile spend down to - €36.20

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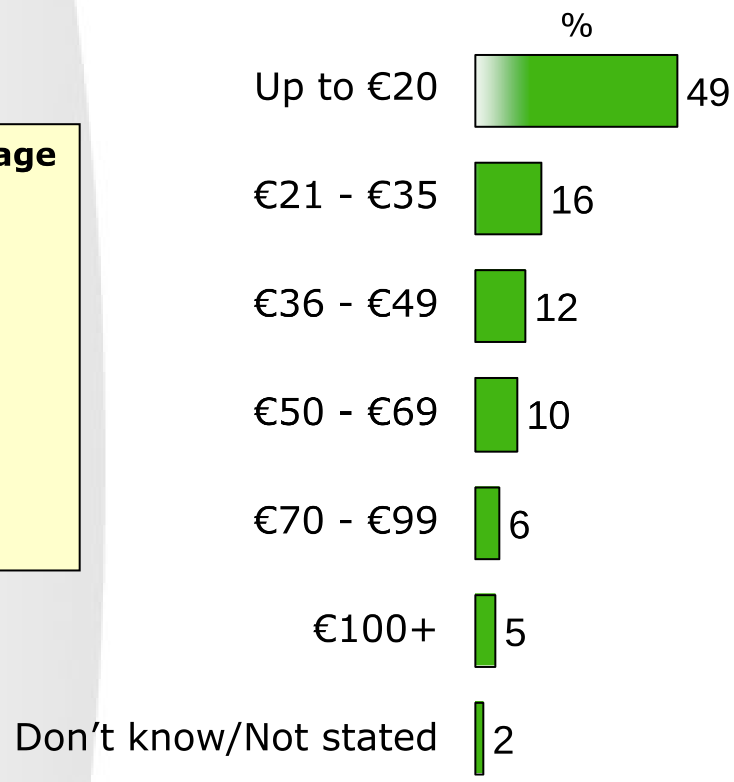
Q. Approximately how much do you spend per month topping up your mobile phone or on your mobile monthly bill?

Historical Average Monthly 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
Q2’09 - €40.68



Mean €36.20

- Average monthly mobile spend has decreased again in Q4’09 and now stands at €36.20 (down €4.48 since Q2 ’09). Competitive deals and cutting back on spend is likely to be influencing this downward trend.
- Nearly half of mobile phone users say they spend €20 or less a month on their mobile phone. This figure has increased from 45% in Q2’09
- Average monthly spend is higher among ABs (€46.64), 25-34 year olds and 35-49 year olds (€42.34 and €42.80 respectively).
- Those with post pay subscriptions spend over twice as much as pre-pay customers (€60.08 vs. €27.40).
- Those who have not switched mobile provider in the last 12 months have a higher monthly spend than those who have switched (€36.51 vs. €33.01)

Base: All Mobile Phone Users (n=954)

Over half of mobile subscribers would switch provider for a saving of between 6% – 10%

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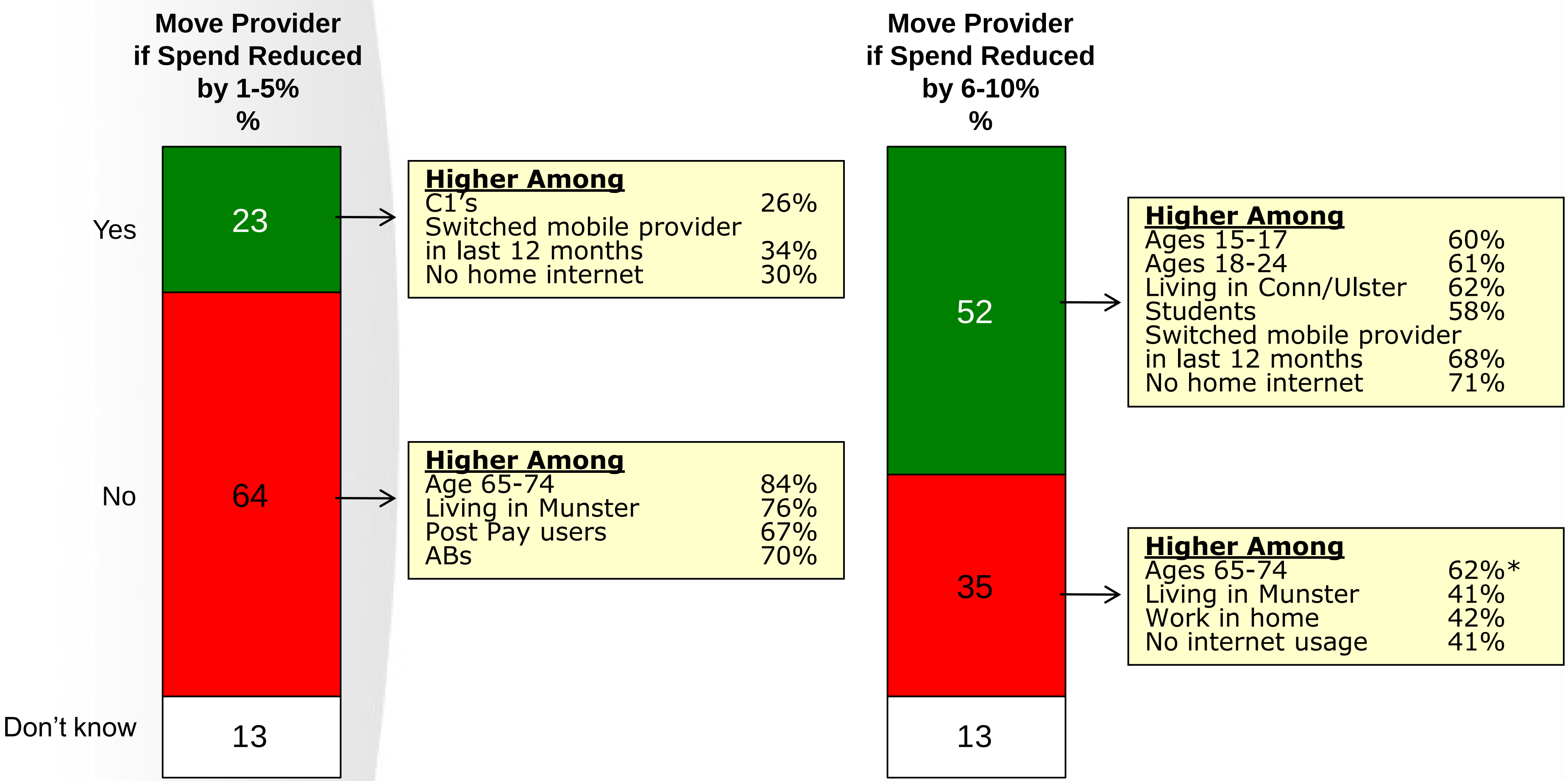
Q. If your monthly mobile phone spend was reduced by the following amounts by switching to another provider, would you switch your current fixed line provider?

New



* Caution: small base

Base: All Mobile Phone Users (n=954)

Less than 1 in 10 has switched mobile provider in the last 12 Months

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

Q409 % Switched last 12 months

Fixed	13% (all users)
Internet Service Provider	8% (all users)

- Fewer than one in ten mobile phone users (8%) have switched mobile phone operator in the last 12 months.
- This is highest among users aged 15-17 (although from a small base). Students (15%), those with no fixed line (11%), and mobile phone users who had switched ISP in the last 12 months (13%), are also more likely to have switched mobile provider in the previous year.

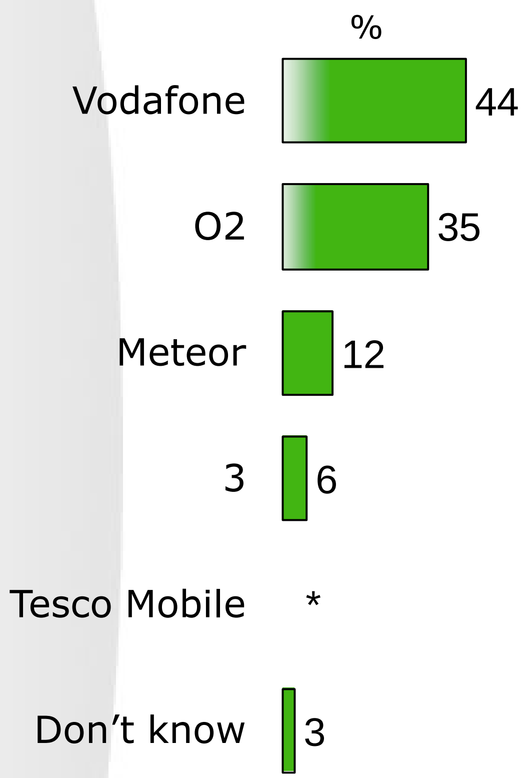
Base: All Mobile Phone users (n=954)

*Caution small base

Mobile Provider used prior to switching

New

Q. Who was your previous mobile phone provider?



- Of those mobile phone users who switched in the last 12 months 44% were previously Vodafone customers, just over a third were O2 customers, and one in ten were Meteor customers.

Base: All Who Switched Mobile Provider in the Last 12 Months (n=74)

As for fixed line switching, value for money is the primary motivation for switching mobile provider

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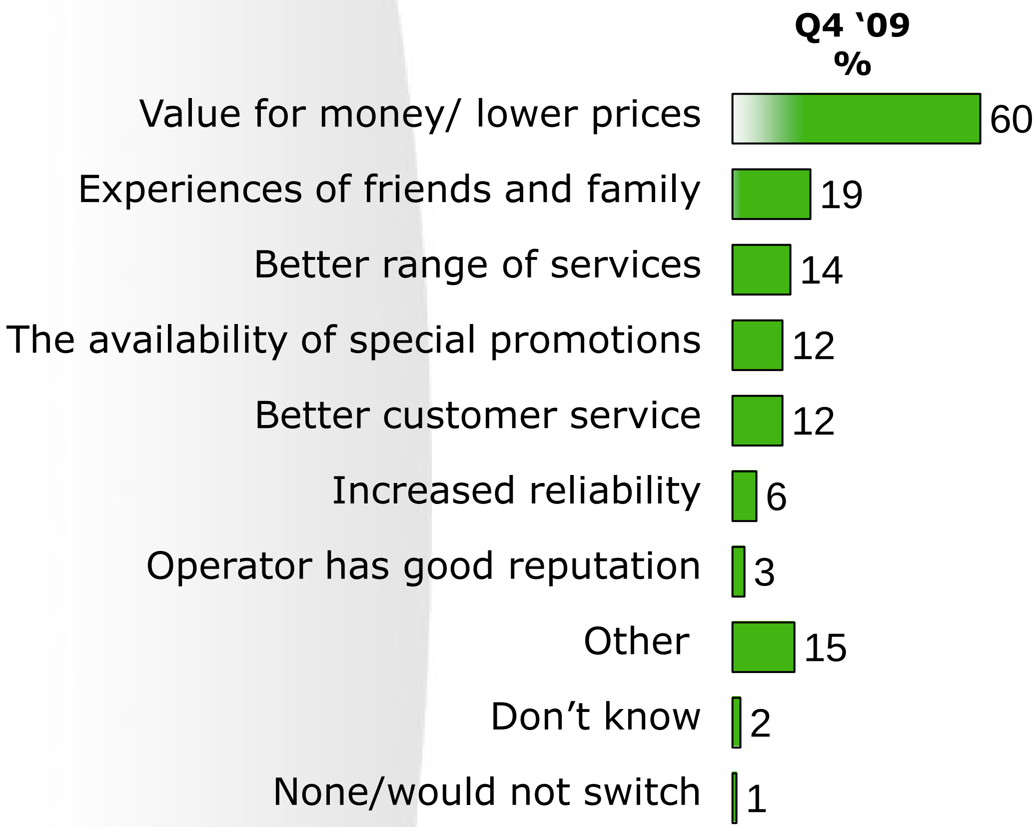
Q. Why did you switch your mobile phone provider?



- Value for money/lower prices was the primary motivation mobile phone users gave for having switched provider (60%).
- A further 2 in 10 (19%) switchers cited experience of friends and family as their main reason for switching.
- A better range of services (14%), availability of special promotions (12%) and better customer service (12%) also featured as reason for switching.

Base: All Who Switched Mobile Provider in the Last 12 Months (n=74)

The majority of mobile switchers have not switched back to their original provider

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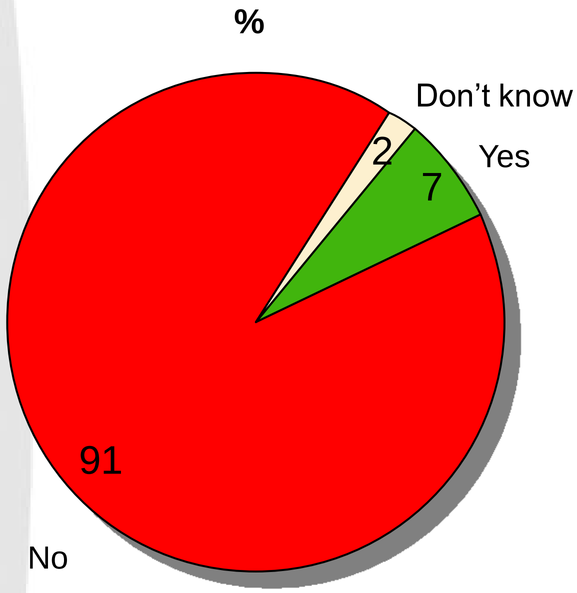
Q.	Have you switched your mobile phone provider in the past twelve months and then switch backed to your previous provider?

New



- The majority (91%) of those who have switched mobile provider in the last 12 months, have not switched back to their original provider.

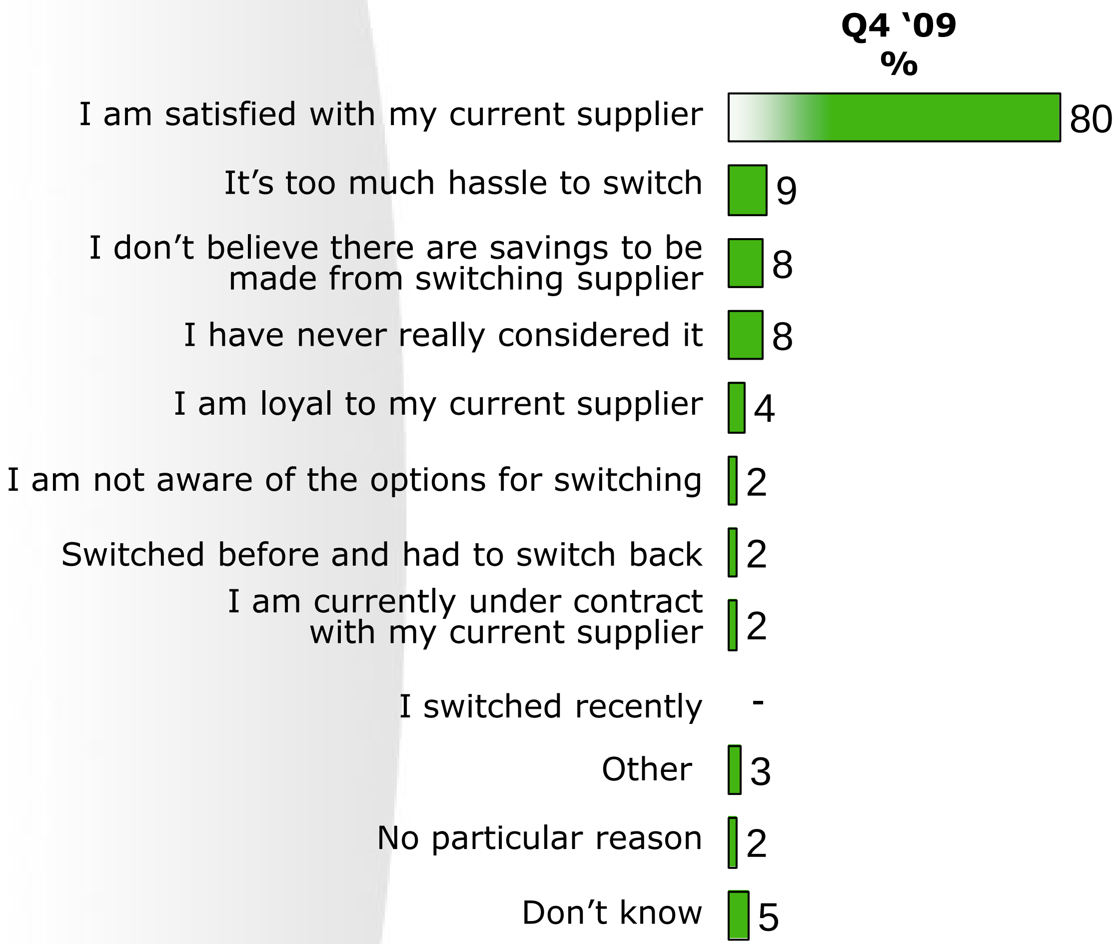
Base: All Who Switched Mobile Provider in the Last 12 Months (n=74)

Satisfaction with their current provider is the main reason given by mobile phone users for not switching provider

Commission for Communications Regulation

New

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



- Satisfaction with current mobile provider is the foremost reason given by mobile phone users who have not switched provider for not doing so (80%).
- Mobile phone users aged 18-24 (86%), those in the F social group (87%), and users living in the rest of Leinster (86%) were more likely to give this reason for not switching.

Base: All Who Have Not Switched Mobile Operator in the Last 12 Months (n=878)

A quarter of mobile phone users have used their current supplier for 3 – 10 years

Q. How long have you used the services of your current mobile service provider?

New

- Three in ten (30%) mobile phone users have users their current mobile provider for between 3 and 5 years, this rises to 37% among C2's.
- Those who work in the home (36%) and customers of Meteor (38%) are more likely to have been customers of their current provider for this length of time.
- A quarter of mobile phone users (25%) have used their current supplier for 6-10 years – this is higher among Vodafone (30%) and O2 (29%) customers.

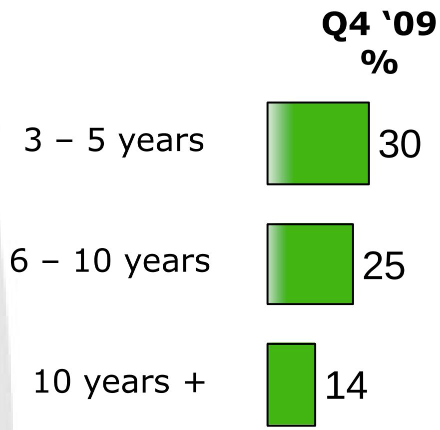
Base: All Mobile Phone Users (n=954)

Profile of Mobile users with current provider for at least 3 years

Commission for Communications Regulation

Q. How long have you used the services of your current mobile service provider?

New



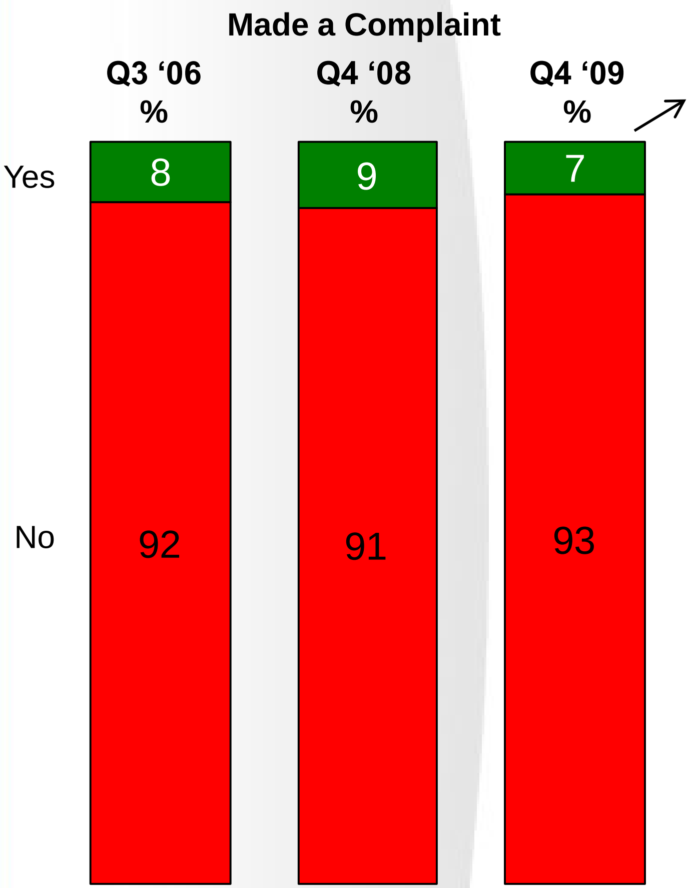
Total		Gender		Age						Social Class					Region			
No. Of Years	%	M (485) %	F (469) %	15-17 (31*) %	18-25 (140) %	25-34 (230) %	35-49 (287) %	50-64 (218) %	65-74 (48) %	AB (128) %	C1 (323) %	C2 (235) %	DE (204) %	F (64) %	Dublin (269) %	RoL (245) %	Mun-ster (267) %	Conn/ Ulster (173) %
3-5	30	30	30	16	31	32	28	33	27	25	27	37	31	25	32	29	32	27
6-10	25	23	26	4	20	28	26	27	25	28	27	23	21	31	26	23	24	27
10 +	14	16	12	-	3	10	21	18	28	22	15	11	12	17	16	13	16	11

Base: All Mobile Phone Users (n=954)

7% of Mobile Subscribers Have Made a Complaint to their Service Provider in the Last 12 Months

Commission for Communications Regulation

Q. Have you made a complaint to your mobile service provider in the last 12 months?
Q. How satisfied were you with the response you received from your mobile service provider?



By operator	
Vodafone	8
O2	6
Meteor	7

While nearly 7 in 10 (69%) say they are satisfied with the response received, the percentage of those who are very satisfied has decreased notably in Q4'09.

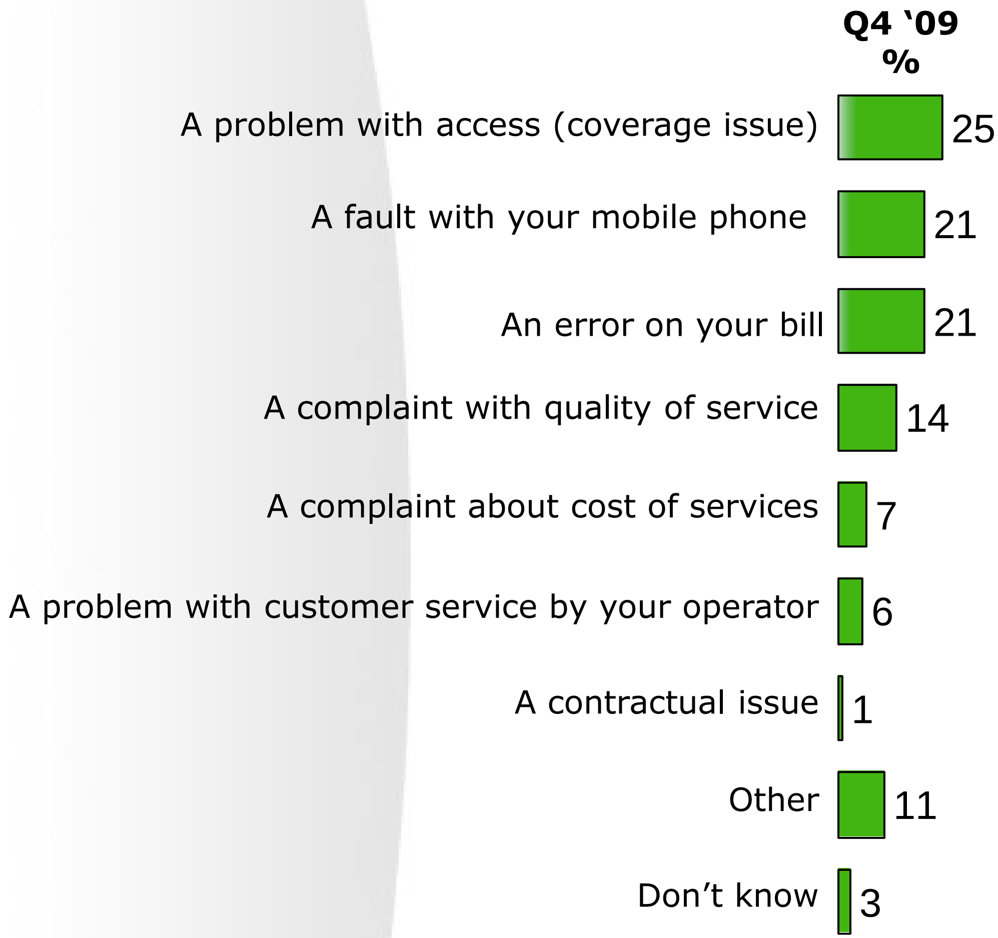
Base: All with Mobile Phone (n=954)

Base: All Who Made Complaint (n=70)

Problems with access was the main complaint made to mobile operators

Q. What was the issue?

New



- Problems with access/coverage was the main reason mobile phone users complained to their provider (25%), while 2 in 10 (21%) complained about a billing error. A further 21% also reported a fault with their mobile phone as their reason for complaining to their operator.

Base: All Who Made a Complaint (n=70)

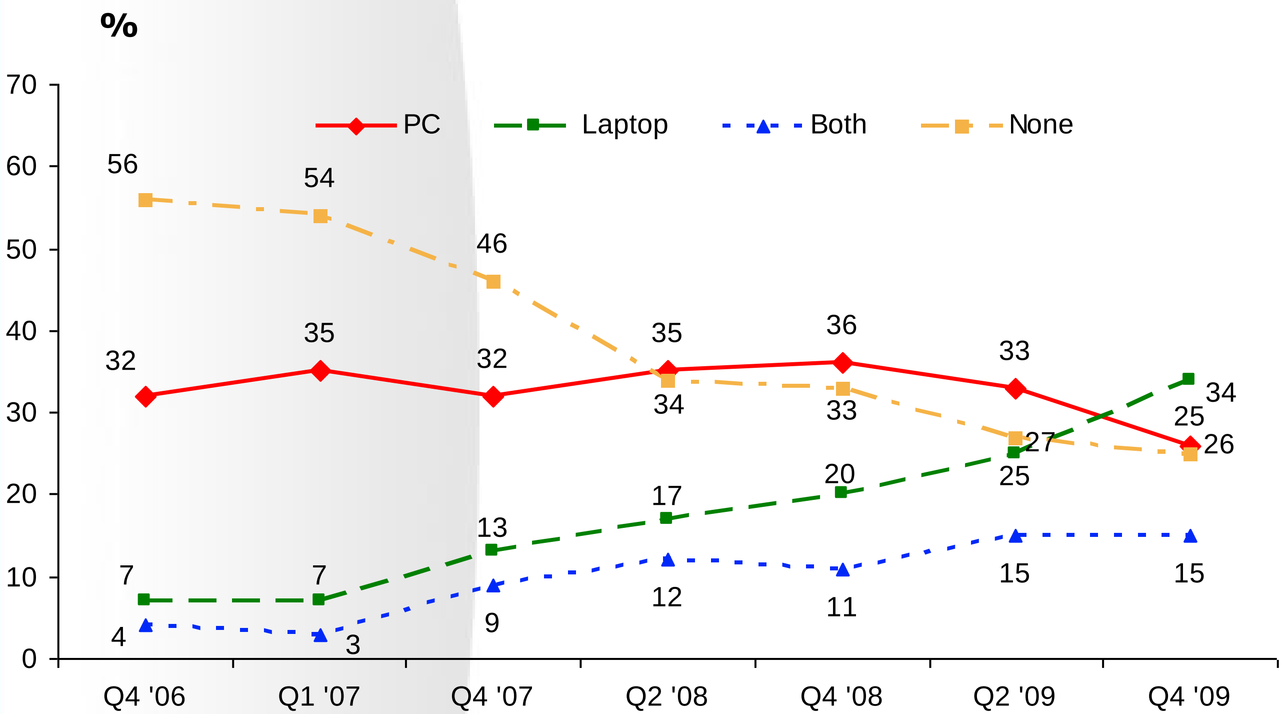
Commission for
Communications Regulation

THE INTERNET & BROADBAND

Overall penetration of PC and/or Laptop Ownership continues to grow – Just one in four now have neither

Commission for Communications Regulation

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



Laptop Only – 34%
Higher Among

18-24	47%
Students	47%
25-34	48%
Munster	39%
ABC1s	39%
Broadband Connection	44%
Home Internet	45%
Mobile phone only	43%

None – 25%
Higher Among

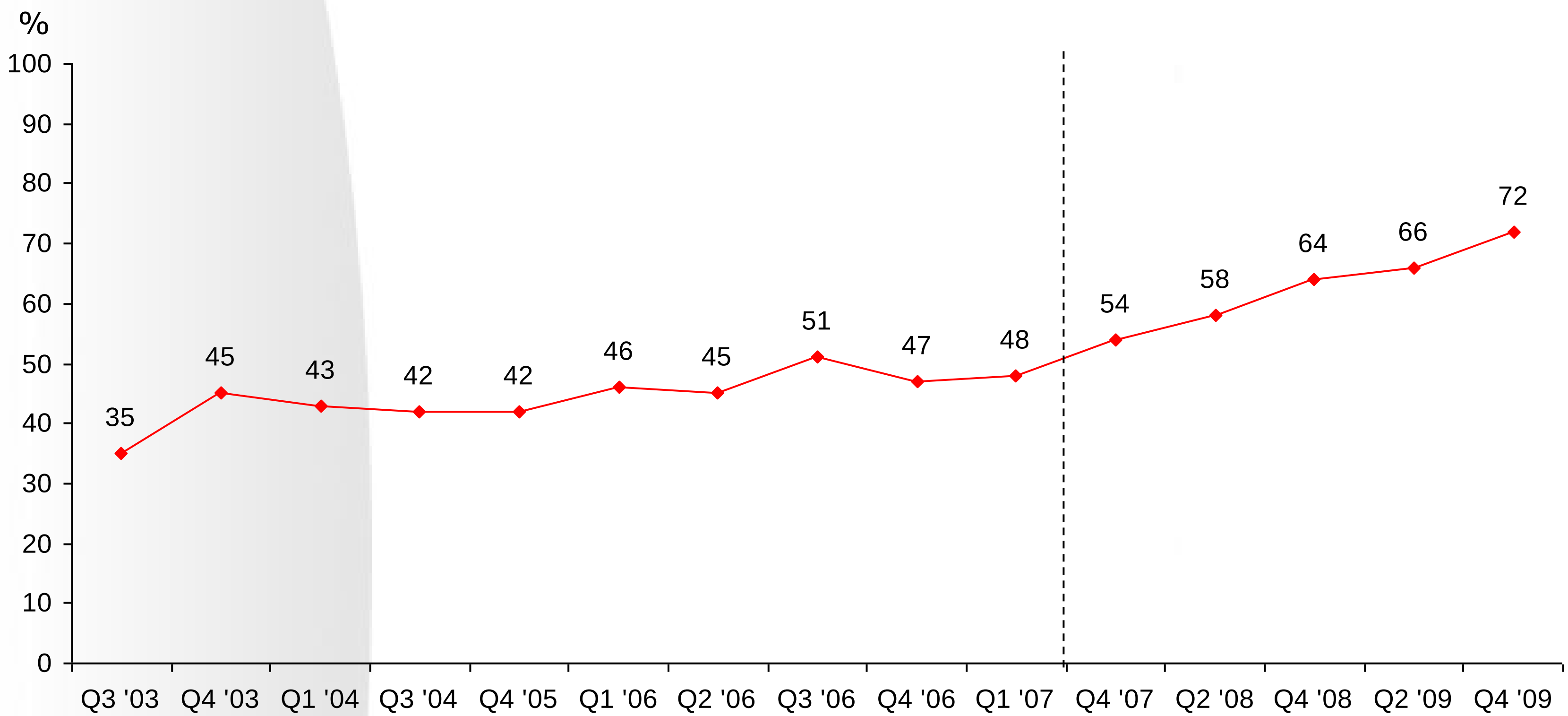
No Internet Use	74%
50-64	34%
65-74	57%
Unemployed/Retired	48%
DEs	37%
Fs	47%
Leinster (excl Dublin)	32%

Base: All Respondents (n=1,003)

Increase In Internet Usage is continuing – over seven in ten now access (from any location)

Commission for Communications Regulation

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



- There has been a continued increase in Internet usage, and penetration now stands at 72%, and the rate of growth has also increased
- Usage continues to be higher among 15-24 year olds (89%), ABC1s (88%), Dublin Residents (82%) and students (93%).

Base: All Respondents (n=1,003)

Location Of Internet Usage

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 %	Q4'09 %
Home	66	72	67	71	79	81	82	87	89
Work	36	34	35	38	38	34	24	28	25
School/college	12	15	18	19	14	15	13	15	12
Friends' houses	5	9	6	4	9	12	7	9	6
Public library	3	5	3	3	7	7	3	5	3
On the move using portable equipment	2	2	2	2	2	4	3	4	3
Cyber Cafes	4	8	9	4	7	8	6	6	2
Else where	1	2	2	-	2	2	1	1	1

- Home access remains the dominant locations for accessing the Internet. Access from work has dropped marginally this wave, as have access from cyber cafes. Mobile/ portable access remains steady.

Base: All those who use the Internet from any location (n=740)

Time spent on the Internet weekly

Commission for Communications Regulation

Q. Approximately, how many hours a week do you spend using the internet?

	Q4 '08 %	Q4 '09 %
Up to One hour	8	7
Two hours	10	8
Three hours	7	5
Four hours	7	4
5-10 hours	35	37
10 hours+	39	38
Don't know/not stated	6	2
Mean	10.0 hrs	13.2 hrs

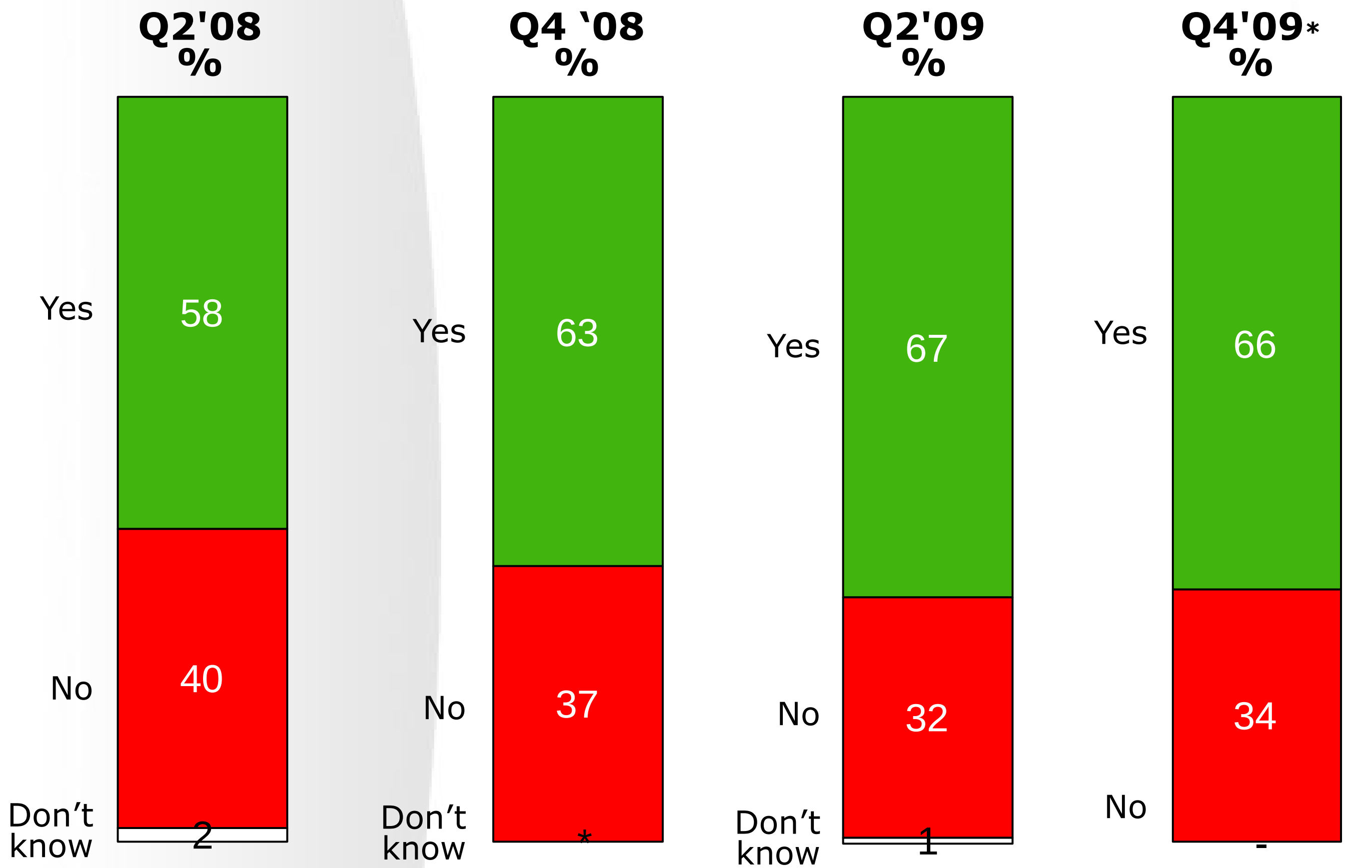
- Those most likely to be heavy users of the internet are aged 25-34 (15.0hrs), ABs (14.2hrs), C1s (14.6hrs), be Dublin based (15.6 hrs) or be Students (14.2hrs).
- Frequent uses are also more likely to have switched their ISP in the past 12 months (14.8 hrs), indicating they are more likely to seek better value and/or service to accommodate their needs.
- The mean number of hours using the Internet has increased to 13.2. It is likely that increased unemployment and related Internet job searches, wider access to the Internet on the move, and increased use of certain Internet services e.g. social networking has contributed to this increased usage.

Base: All Internet users (n=740)

Home Internet Connection

Commission for Communications Regulation

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



- Home access to the Internet has remained steady with two thirds of the population having access.
- Access is higher among those who are aged 25-34 (77%). ABC1s (82%) are also more likely to have access than C2DEs or Fs (56% and 43% respectively).
- Dublin residents (79%) are also more likely to have home Internet access , compared to 60% in Munster and 61% elsewhere.
- 91% of those accessing the internet have a home connection

Base: All Respondents (n=1,003)

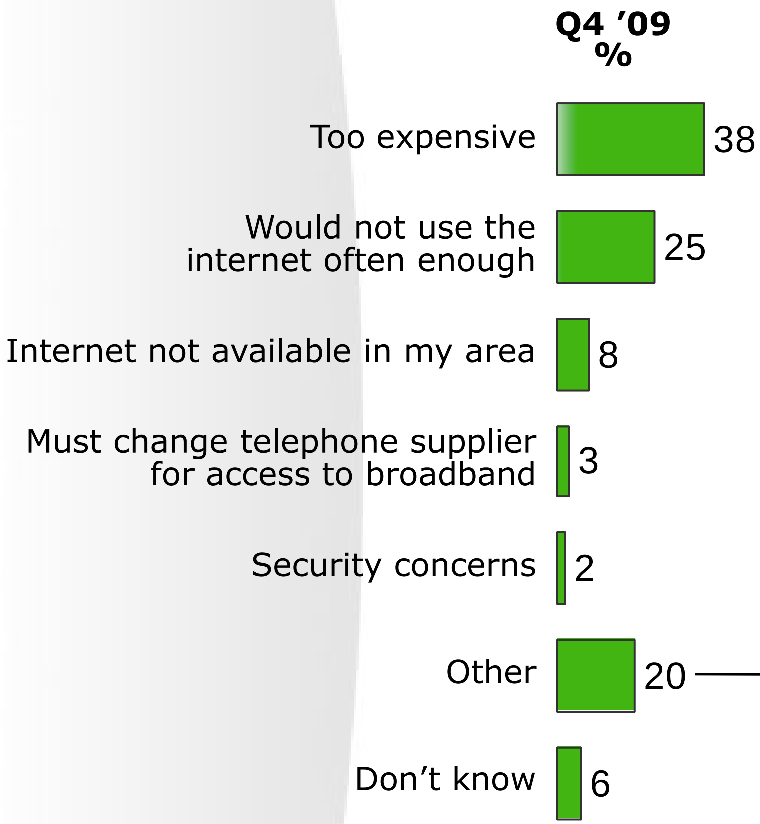
* Based on the incidence of Home internet access among those accessing the Internet from any location as a percentage of the total sample

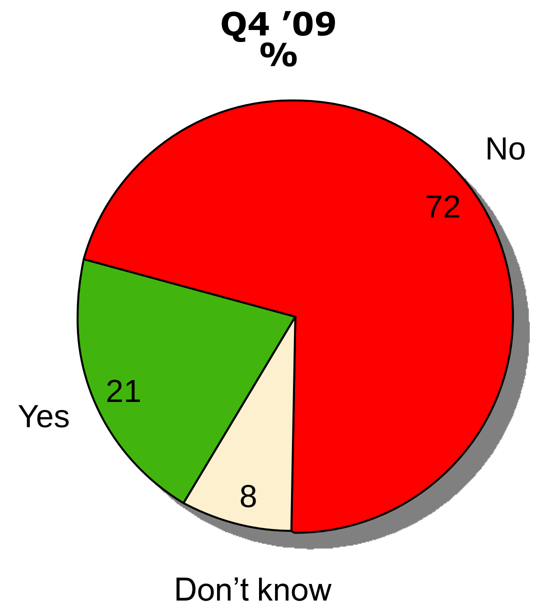
Perceived expense and a lack of frequency of usage are the primary reasons for not having a home connection

Commission for Communications Regulation

New

Q. Why do you not have an Internet connection?
Q. Have you been contacted by an internet service provider in the last 12 months in relation to acquiring an internet connection?





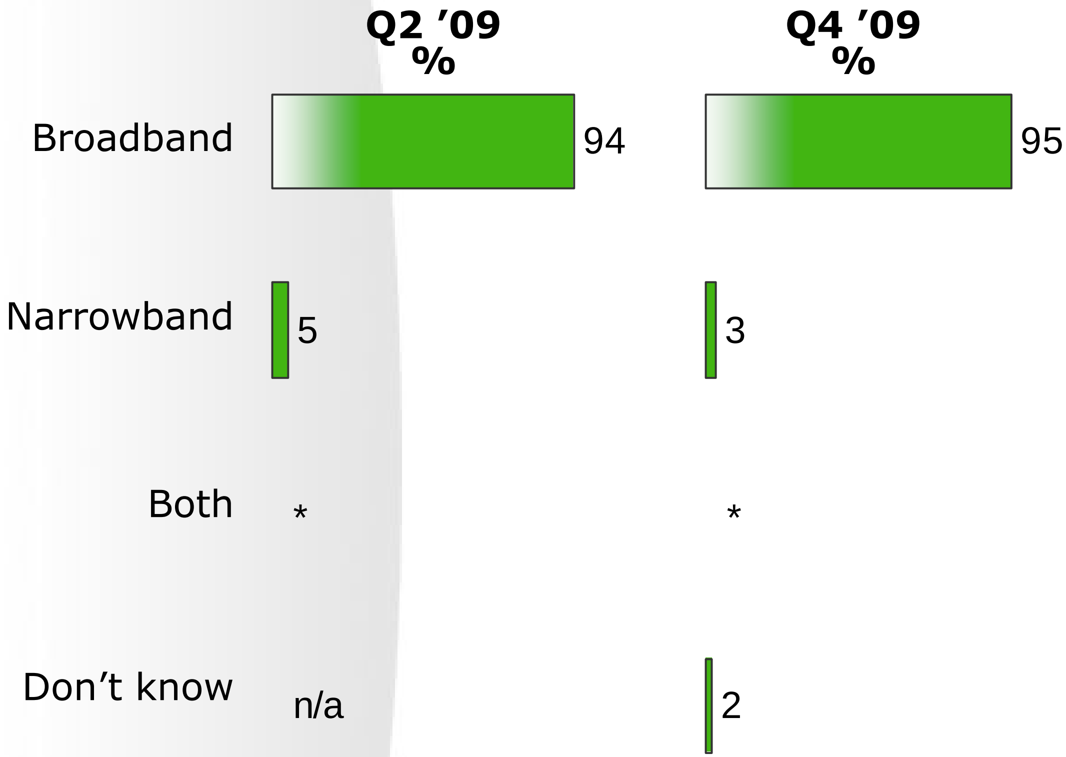
Reasons include people in the process of moving home, in rented accommodation, and because it's available in other locations e.g. work, college

Base: All who do not have a home internet connection, but access the internet (n=57)

Type of Home Internet Connection

Commission for Communications Regulation

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



- Claimed broadband connection is almost universal, with only a small minority believing they have a narrowband connection.

Base: All With Home Internet Access (n=682)

DSL Remains Primary Home Internet Connection Type, although it has declined slightly

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 %	Q4 '09 %
DSL Broadband using a modem	50	52	54	49	48
Mobile Broadband	5	4	8	18	26
Cable Modem	5	3	6	10	11
Other Wireless connection such as (FWA) or WiFi hotspots	5	9	7	4	6
ISDN line	8	6	5	8	2
Regular dial-up using a modem	27	13	12	4	2
Through a mobile phone or mobile device (Blackberry, PDA)	1	-	1	1	1
Satellite broadband	-	*	1	1	1
Other	-	3	2	1	3
Don't know	4	5	5	6	2

Base: All With Home Internet Access (n=682)

Note: Q4'08 platform breakdown not available

- DSL Broadband maintains its position as being the most used platform, although it has declined slightly in Q4.
- DSL is more likely to be used among those aged 50-64 (64%), ABC1s (51%, largely driven by ABs at 57%), and to a certain extent, those living in Leinster (50%). Home owners and those with a fixed line are also more likely to use this platform (52% and 63% respectively)
- The use of Mobile Broadband has continued to increase, with nearly three in ten now claiming to access home Internet using this method. This is higher among 18-34 year olds (35%), C2DEs (33%) those living in Conn/Ulster (39%), Munster (34%) and Leinster (35%).
- The figure for mobile broadband subscriptions may be overstated due to misattribution between this type of connection and other broadband access methods which involve using wireless routers/modems.
- Under half of Students (43%), and two thirds of those with out a fixed line (65%)claim to use mobile broadband.
- Overall, stated narrowband usage (both Dial up and ISDN) continues to fall, and now stands at 4%.

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 %	Q4 '09 %
Eircom	72	78	65	57	56	55	52	43
UPC (Chorus/ntl)	1	2	2	3	6	7	9	12
O2	-	-	-	2	2	5	7	8
Vodafone+	-	-	-	1	3	4	4	8
3	-	-	-	2	1	5	5	7
BT Ireland~	3	2	4	7	6	6	6	6
Perlico+	1	3	3	6	5	4	3	4
Meteor	-	-	-	-	-	-	1	3
Access/Imagine/ Irish Broadband	6	4	6	8	6	1	2	1
Clearwire	-	-	-	3	2	3	2	1
Smart	-	-	-	-	-	1	2	1
Digiweb	-	-	1	1	2	2	1	1
Last Mile	-	1	-	1	1	-	1	1
Talk Talk	-	-	-	-	-	-	1	*
Don't know	8	4	10	4	5	3	3	1
Other	4	4	3	3	2	3	3	3

- Eircom's share of the home internet market has declined again this wave, with just over four in ten now claiming to use Eircom for home access.
- In contrast, UPC's share has been rising, and this trend has continued

Response <1% not shown

Base: All With Home Internet Access (n=682)

+ Part of the Vodafone Group
~as of 1st September 2009 BT's residential customer base were transferred to Vodafone

MillwardBrown Lansdowne

Average monthly spend on Broadband is €33.61

Commission for Communications Regulation

New

Q. Approximately how much would you estimate your household pays each MONTH for your broadband service?

Mean €33.61

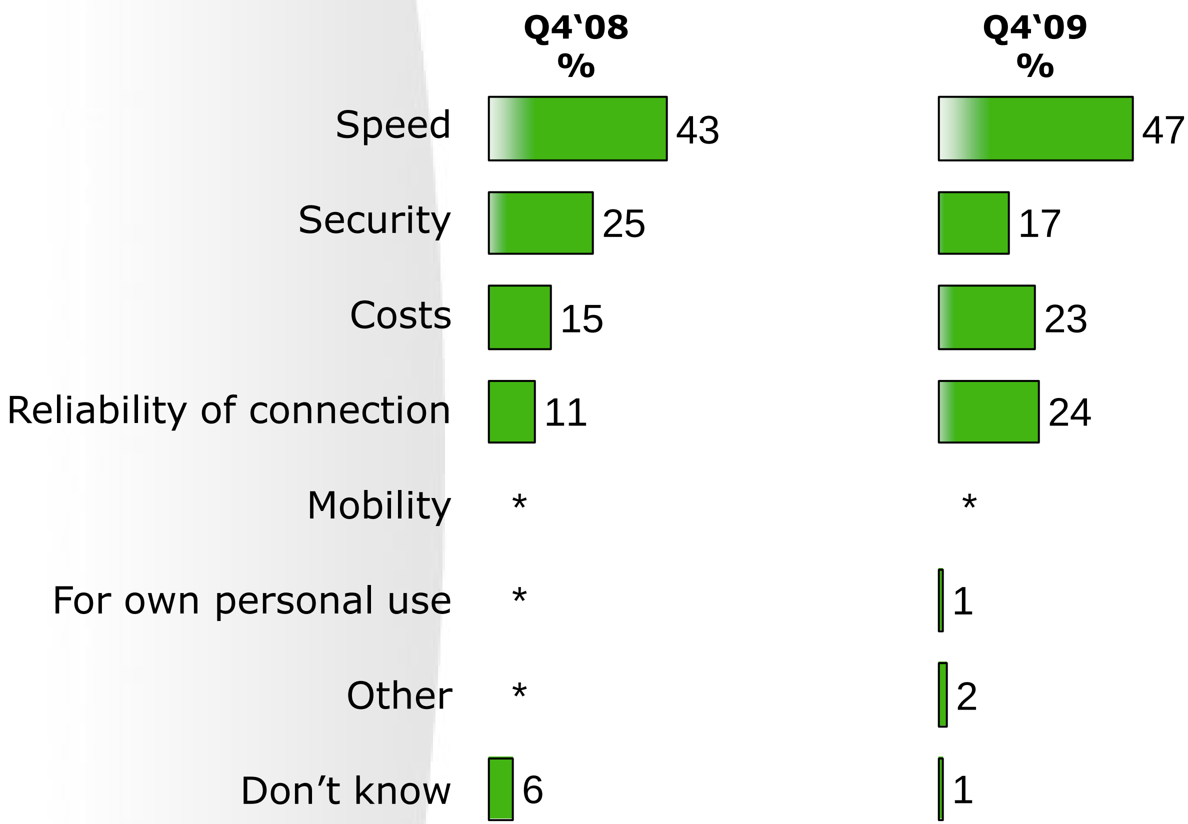
- The claimed average monthly spend is just over €33.
- Higher spenders tend to be males (spending over €35), 35-49 year olds (spending over €36), ABs (spending just under €38).
- Rural Dwellers spent more (averaging nearly €37, largely driven by Conn/Ulster {spending €41}), compared to Urban Dwellers averaging €31.50/month.
- This disparity between Urban and Rural internet users may not be so much due to an increased frequency of usage, but rather a lack of alternatives in some areas.

Note: Results based on those who gave an exact answer.

Base: All With Broadband Access (n=629)

Most Important Factor When Using Internet remains Speed

Q. What is the most important factor for you when using the internet?



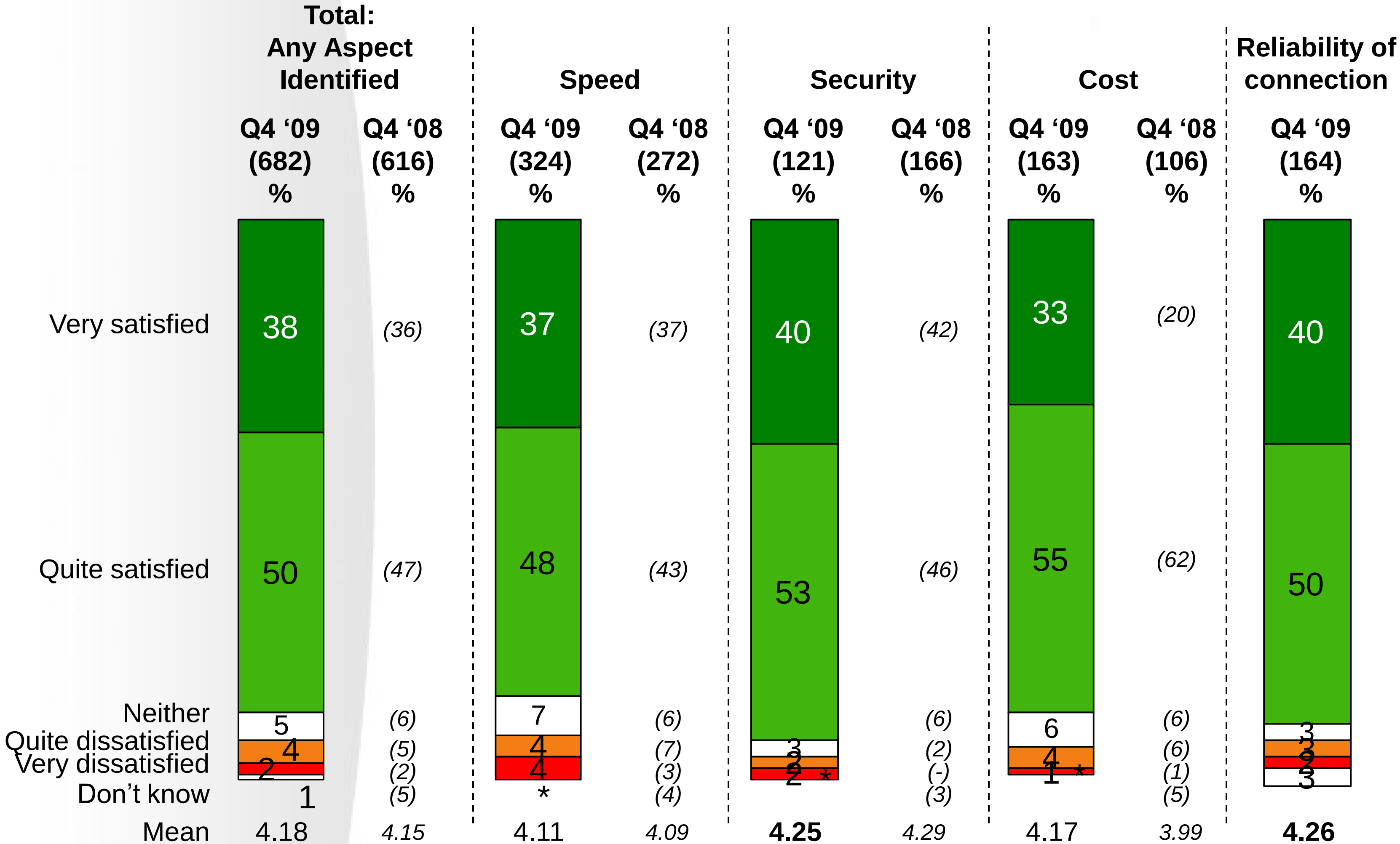
- Speed is of most importance to younger internet users (58% and 57% of 15-17 year olds* and 18-24 year olds respectively), along with those based in Dublin (54%) and those who have switched ISPs recently (55%).
- Nearly one in four cited costs or reliability as being most important.
- Costs were deemed more important by 50-64s (30%) and DEs (32%).
- Reliability was cited more so by 15-17 year olds* (37%), ABs (31%) and those living in Munster (28%).
- Security has declined in importance as an issue, but is more important to 50-64s (23%), ABs (21%), and those living in Leinster, excluding Dublin (24%).

* Caution: Small base size

Base: All With Home Internet Access (n=682)

Satisfaction with Aspect Identified as Most Important when using the Internet is high

Q. How satisfied are you with your current internet service provider in relation to this factor you have identified?



( ) denotes Q4 '08 data

Base: All with Home Internet Access(n=682)

4 in 10 unaware of Download Speeds

Commission for Communications Regulation

Q. What is the contracted download speed of your home broadband package? That is, what speed package are you paying for?

	Q4'07 %	Q4'08 %	Q4'09 %
Less than 512 kilobytes per second	2	1	1
512 kilobytes per second	2	2	2
1 mega byte per second	10	11	7
2 mega byte per second	12	11	9
3 mega byte per second	6	9	19
4 mega byte per second	6	4	5
5 mega byte per second	6	3	4
6 mega byte per second	3	4	4
More than 6 megabytes per second	3	3	8
Don't know	51	50	40

- One in five say that their contracted download speed is 3 mega bytes per second.
- However, a significant proportion (40%) do not know what their speeds are; despite this high figure overall awareness of speeds has improved.
- In general, perceptions of what speeds consumers are getting have increased.

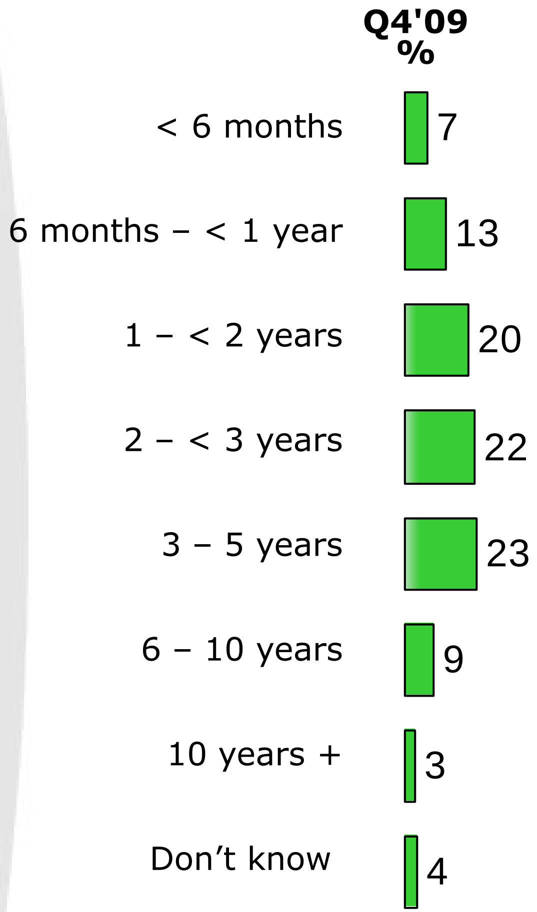
Base: All with Home broadband Internet access (n=629)

Length of time using home ISP

Commission for Communications Regulation

Q. How long have you used the services of your current home internet service provider?

New



- One in five have been with their current ISP for less than one year, indicating quite a large amount of recruitment activity among ISPs (be it through new entrants or switchers).

Base: All With Home Internet Access (n=682)

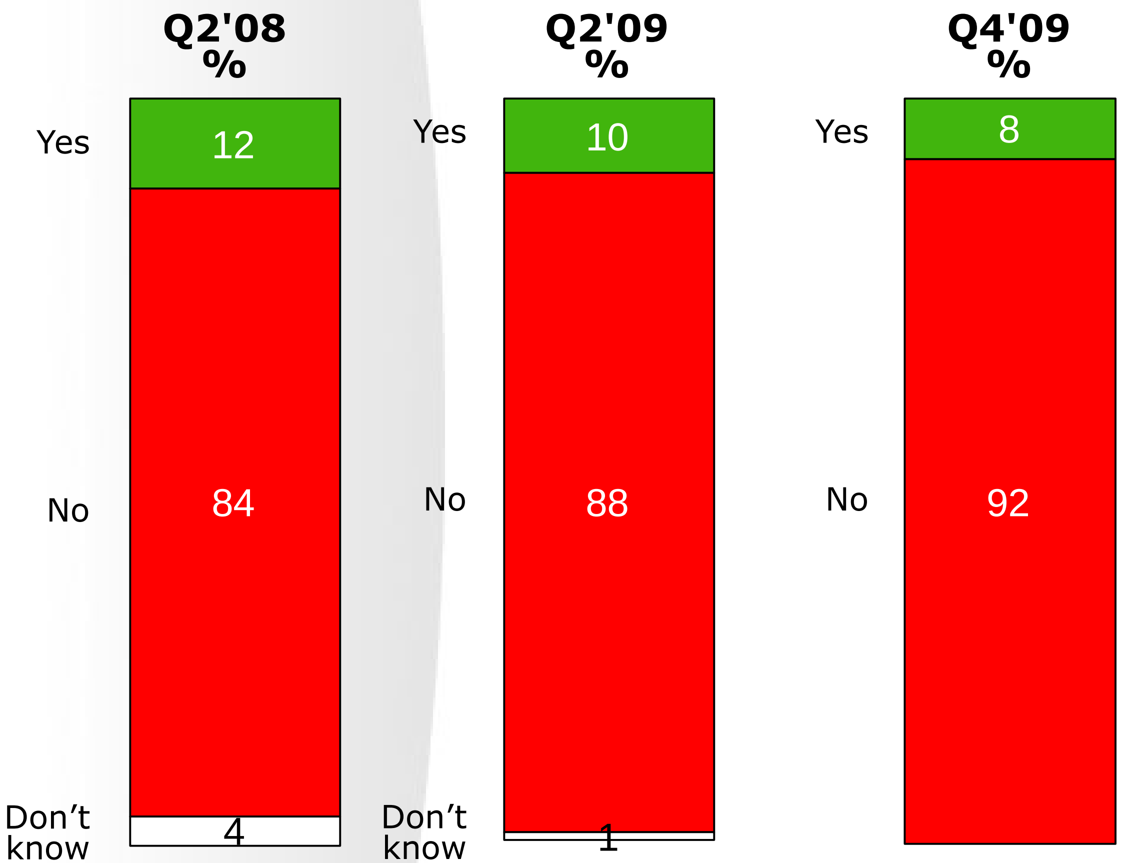
Switching ISPs

Commission for Communications Regulation

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

Q409 % switched last 12 months

Fixed	13% (all users)
Mobile	8% (all users)



- The level of switching activity has dropped marginally, and now stands at one in twelve claiming to have switched ISP in the past 12 months.
- There were few differences demographically among those who have switched, although residents of Conn/Ulster were marginally more likely to have switched (at 11%).
- Those who have a fixed line provider other than eircom were more likely to have switched in the past 12 months (18%)

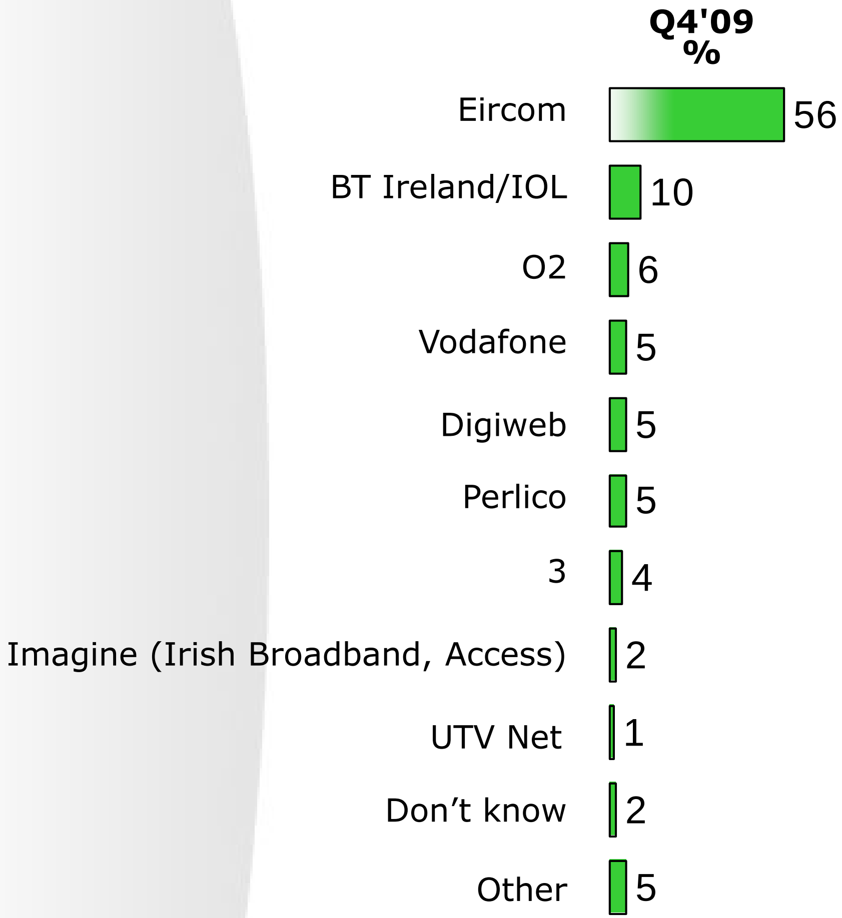
Base: All With Home Internet Access (n=682)

Which ISPs did switchers migrate from?

Commission for Communications Regulation

Q. Who was your previous internet service provider?

New



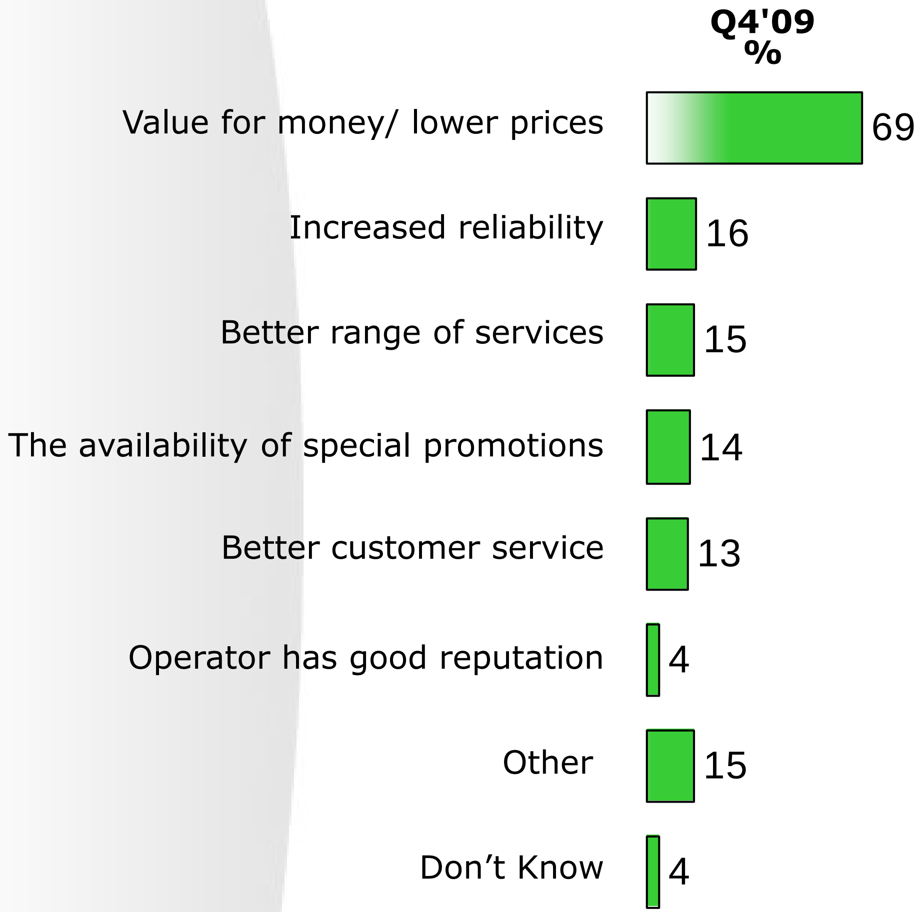
- Over half of all who have switched in the past 12 months were previously with Eircom.

Base: All Who Have Switched ISP (n=56)

Reasons for switching ISP are primarily related to price/value for money

Q. Why did you switch your internet service provider?

New



- Price/Value for money was a key factor when deciding to switch.
- One in eight claimed to have switched due to “better customer service”, suggesting issues with their previous supplier.
- Reliability and a better repertoire of services were also an important factor.

Of those who switched, 9% switched back to their previous supplier

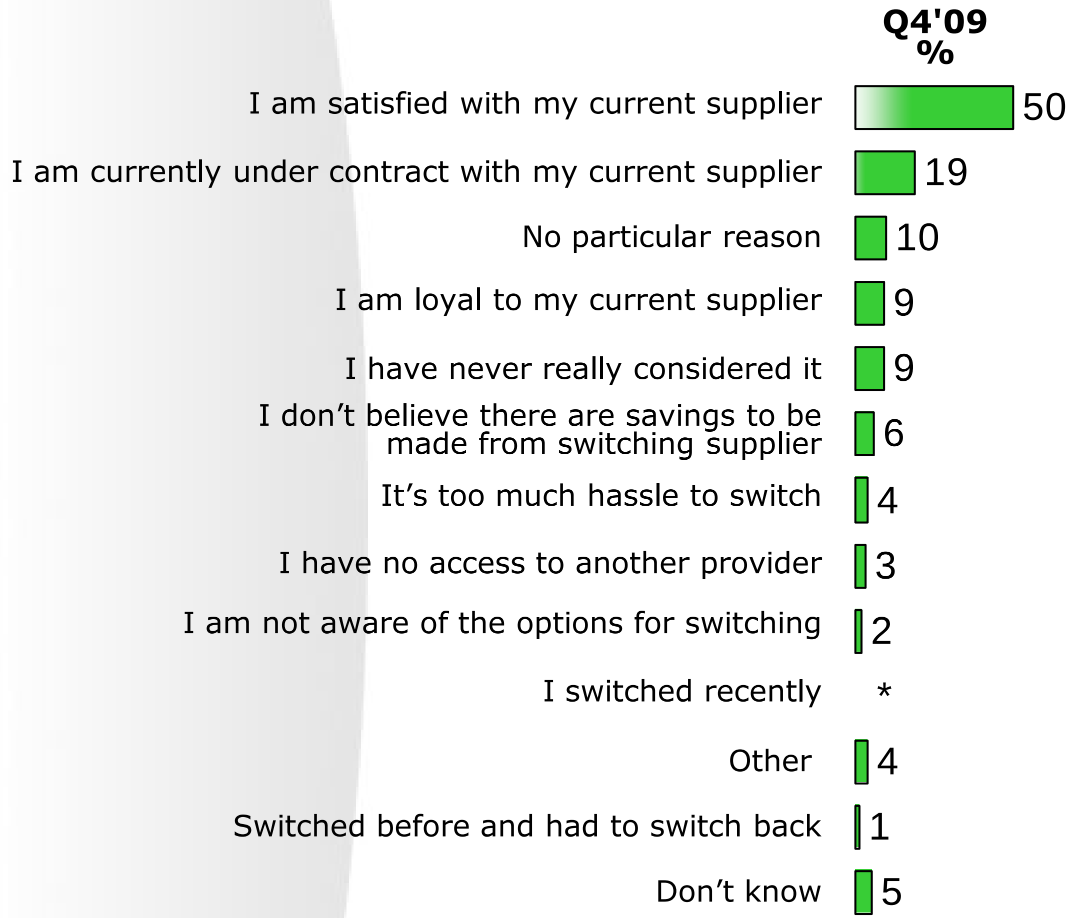
Base: All Who Have Switched ISP in the Last 12 Month (n=56)

Reasons for not switching from current ISP

Commission for Communications Regulation

Q. What are your main reasons for not switching internet service provider?

New



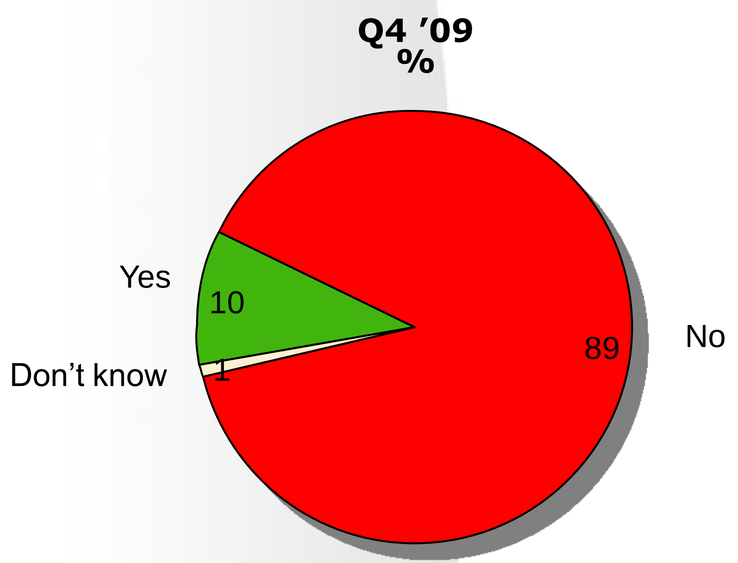
- Half are satisfied with their current ISP, and cite this as a reason for staying with them, rising to 54% among 18-24s and 58% among Dublin respondents.
- Nearly one in five have not moved due to contractual obligations, although this is higher among 25-34s (23%), Leinster (29%) and those in rural areas (23%).
- One in ten cite "no particular reason" with a further nine percent stating they have "never really considered it", suggesting there may be a lack of information/ communication on various options available.

Base: All Who have not Switched ISP in the Last 12 Month (n=626)

One in ten of those with a Home Internet Connection have made a complaint in the last 12 months

New

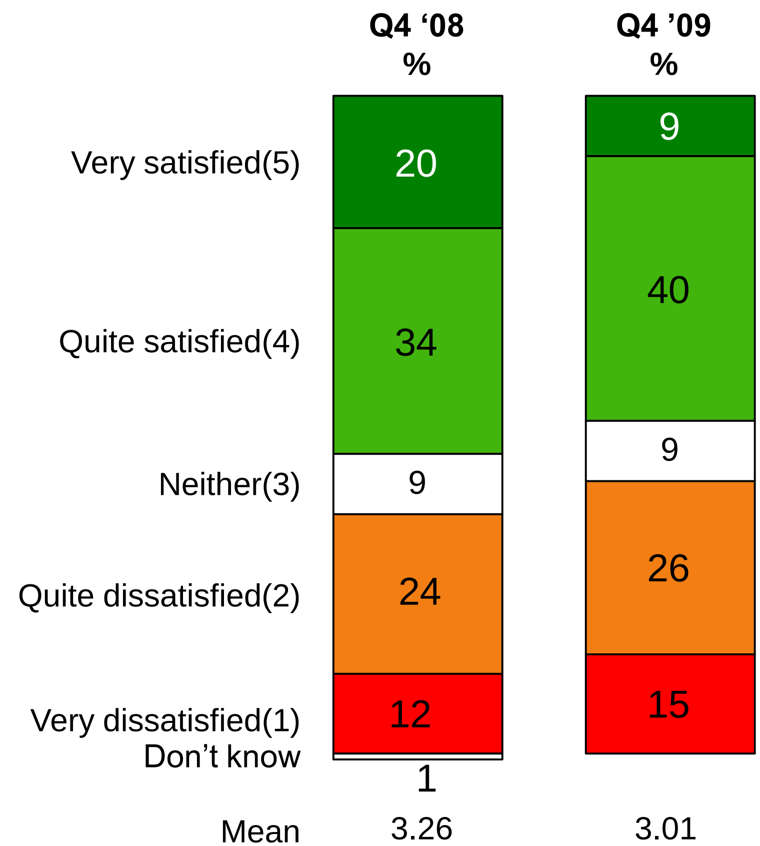
Q. Have you made a complaint to your internet service provider in the last 12 months?
Q. How satisfied were you with the response you received from your Internet Service Provider?



- In demographic and behavioural terms, there were few differences between those who have made a complaint to their ISP.
- Of those who complained, four in ten were "quite" or "very" dissatisfied with the response

Base: All With Home Internet Access (n=682)

Satisfaction with Complaint Resolution

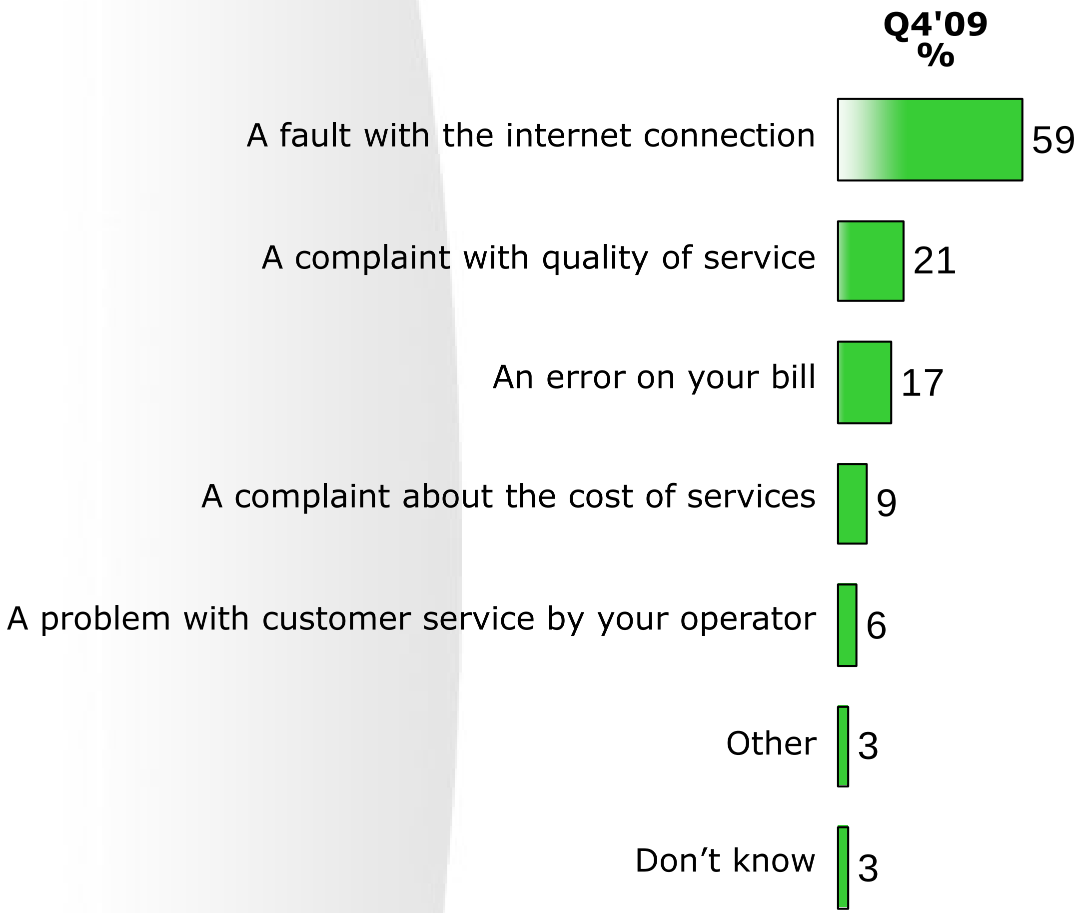


Base: All Who Made Complaint (n=69)

Reasons for complaining to ISPs

Q. What was the issue?

New



- Functional problems such as connection faults and quality of the service accounted for the majority of complaints.
- Issues such as bills errors, price and customer service were not as prominent, although they were still cited by nearly one third of complainants.

Base: All Who Made a Complaint (n=69)

Activities on the Internet

Commission for Communications Regulation

Q. In the last three months have you used the internet for any of the following?
Q. In the last three months which of the following applications did you spend most of your time on?

New

	Any Usage %	Most Usage %	2nd Most Usage %	3rd Most Usage %
Sending and receiving e-mail	**91**	40	22	15
Do research/get information	**64**	14	15	8
Online shopping	**53**	4	9	6
Social networking sites such as Bebo, Facebook, Myspace	**52**	14	9	11
Online banking	**51**	4	9	9
Make Travel/holiday bookings	**50**	1	3	9
Watching Youtube	**48**	4	6	8
Access information for education	**38**	5	5	4
Access information for work	**37**	6	6	6
Download music (e.g. for Ipod or MP3 player)	**33**	1	3	5
E-mail, upload or store photographs	**33**	*	1	3
Use instant messenger (e.g. MSN)	**26**	1	2	2
Play online games	**21**	2	2	3
Watching online video	**21**	1	1	1
Downloading movies	**14**	1	1	1
Streaming movies/TV shows	**14**	1	*	1
Online gambling/betting	**6**	*	1	*
Other	**2**	1	1	*

- Email is the most frequently used application, with nine in ten using it.
- Research purposes are also considered important, along with transactional type activity (banking, shopping, booking tickets etc.
- Social sites are also prominent, driven by younger age groups.

Base: All Who Use the Internet (n=740)

Bundled Services

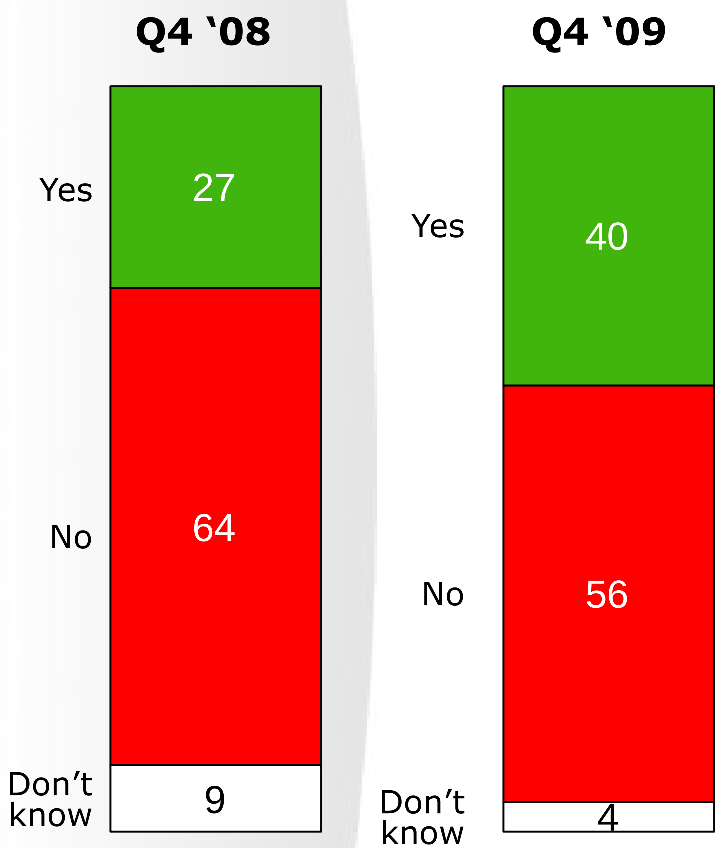
Two in five avail of Bundled Services, the majority of which are Double Play

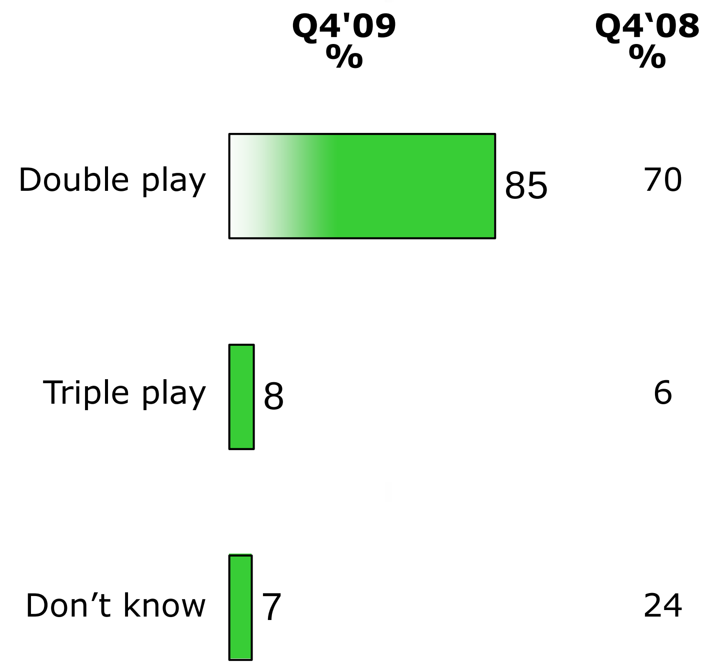
Commission for Communications Regulation

Q. Do you subscribe to a bundled package from your service provider?
Q. What type of bundled package do you subscribe to?

New

Use of Bundle





Base: All Respondents (n=1,003)

Base: All with Bundled Service (n=431)

MillwardBrown Lansdowne

www.comreg.ie

Monthly spend on Bundled services

Commission for Communications Regulation

Q. Approximately how much would you estimate your household pays each MONTH for your bundled service? Please include all services which you purchase

New

Mean €73.17

- Of those paying for bundled services, over one third pay at least €70 monthly.
- Those paying more for their bundled services include those aged 50-64 (€79/month), ABs and C2s (€77/month), residents of Conn/Ulster (€84/month) and those living in rural areas (€79/month)

Base: All with Bundled Service (n=431)

Services Making Up Double Play Bundle are largely dominated by Fixed Line and Internet access

Commission for Communications Regulation

Q. What individual services make up your double play bundle?

	Q4 '09 %	Q4 '08 %
Fixed telephone and internet access	89	83
Access to TV programmes and internet access	8	2
Mobile telephone and internet access	2	*
Fixed telephone and access to TV programmes	1	3
Fixed and mobile telephone service	-	1
Access to TV programmes and internet access	-	7
Don't know	-	4

Base: All With Double Play Bundle (n=367)

Services Making Up Triple Play Bundle – Fixed Line, TV and Internet packages are dominant

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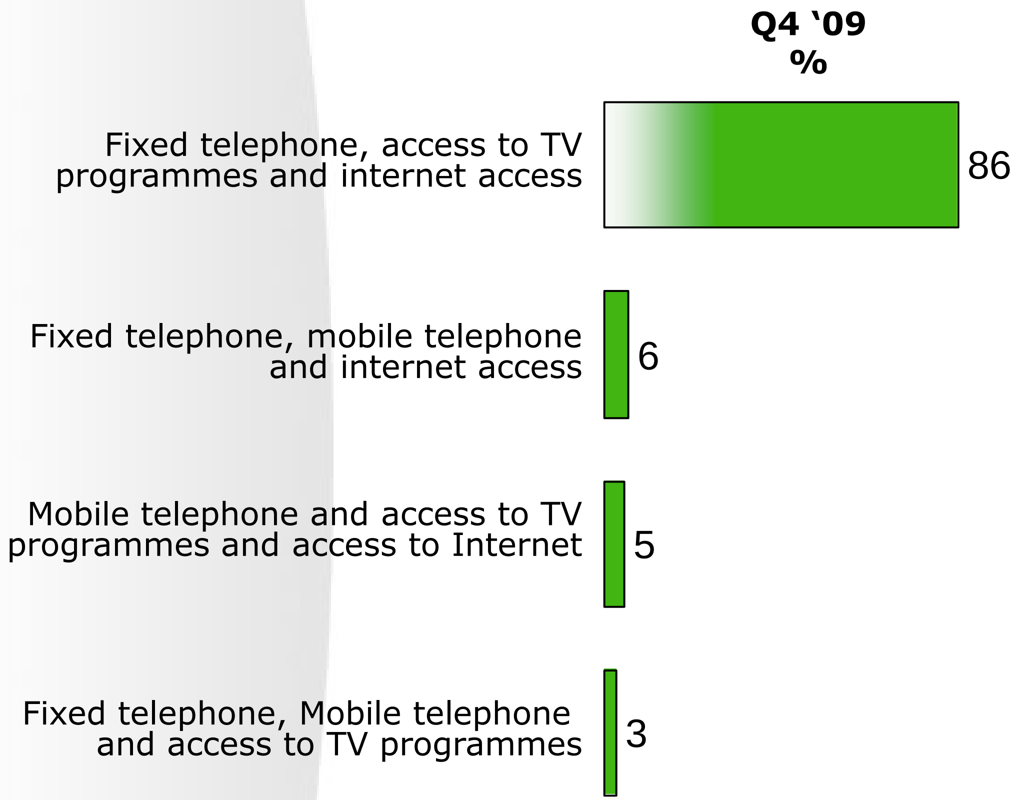

* Caution small base size

Base: All With Triple Play Bundle (n=33*)

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CONCLUSIONS

Conclusions - Fixed

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- Fixed Line penetration continues to decrease (albeit marginally), with less than two thirds now having a fixed line in the home. Of those without a fixed line, one quarter had one previously, but have cancelled their service.
- One in three (34%) now have a mobile phone only, undoubtedly affecting the uptake of Fixed Line subscriptions.
- Eircom remains the most used fixed line provider, although there has been a significant drop in its share of this market of six percentage points to 71%.
- Key influencers when choosing a fixed line operator are *cost of calls*, *cost of line rental* and *customer service*. Nearly one in six consider the availability of bundled services to be important.
- The average bi-monthly bill continues to fall, with consumers now spending just short of €80 (€79.47) on their fixed line bills.
- One in eight (13%) of those with a fixed line have switched operator in the past 12 months, a proportion higher than those either switching mobile operator or ISPs (8% respectively), indicating that fixed line users are more amenable to change, or that the switching process is perceived to be easier or more beneficial to do (price is a key determinant, cited by four in five of all switchers).
- Among those who haven't switched, three in four state satisfaction with their current supplier as being the reason why they haven't switched. One in eight also perceive the switching process to be a hassle.
- In terms of hypothetical cost reductions, nearly one in five (17%) would switch if offered a reduction of up to five percent, rising to nearly half (47%) who would switch for reduction of up to ten per cent.
- One in twelve (8%) have made a complaint to their fixed line provider in the past twelve months, down from 12% in previous results. Satisfaction with complaint resolution among those who had reasons to complain has risen from 53% to 63% however. The main reason for complaint was a technical issue (41% stating faults on their line), although pricing and service issues were also prominent.

Conclusions - Mobile

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- Mobile phone ownership is now almost universal, although penetration remains slightly lower among older consumers.
- Whilst over one in four (27%) are now Post Pay customers (a significant increase of six percentage points), the mobile market is still predominantly Pre Pay.
- Vodafone was the most used mobile operator, followed by O2 and Meteor –these three operators account for the lion’s share of the market.
- Monthly spend continues to fall, and now stands at €36.20/month, down from just over €40 in Spring/Summer 2009.
- Nearly one in four (23%) would switch for a reduction of up to five per cent in their bill, whilst over half (52%) would change for a reduction of up to ten per cent, indicating a greater predisposition to switch for cost savings (compared to fixed line).
- Having said that, the level of recent switching activity, at 8%, is lower than fixed line.
- Among those who have switched, the primary reason was cost/value for money, although Word of Mouth (the experience of friend and family) is a significant factor, cited by one in five recent switchers.
- Four in five who have not switched state satisfaction with their current supplier as the reason for not doing so. Nearly one in ten (9%) are deterred by the perceived hassle of the switching process.
- The level of complaints made against mobile service providers is slightly down on previous results, and now stands at seven per cent. Of those who made a complaint, a majority (70%) were satisfied with the outcome.
- One in four who had issues with mobile service providers cited access/coverage issues, with a fifth (21%) stating bill errors. A similar proportion referred to faults with their mobile phone.

Conclusions – Internet

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- PC/Laptop ownership continues to increase, with just one in four households now having neither. Laptop ownership has increased markedly this wave of research, and is now ahead of PC ownership.
- Internet usage from any location also continues to rise strongly, although home internet access has remained relatively steady. The average time Internet users spend on the internet has increased from 10 hours in Q4'08 to 13.2 hours in Q4'09.
- For those adults without a home Internet access, cost and not using the Internet often enough are the primary barriers to not getting connected at home. For those with a home internet connection, average spend on this service is €33.61 a month.
- There is a gradual trend towards usage of higher speed broadband products.
- The use of DSL remains the primary access technology among Irish adults, however the growth of mobile broadband is strong with nearly three in ten saying they use a mobile broadband connection.
- Speed remains the most important aspect of using the Internet among broadband users, and its importance has increased in the last year. In addition, costs and reliability of the connection have become more prominent considerations in this wave on research. Cost sensitivities may be higher in recessionary times.
- ISP switching in the last 12 months is at very low levels (8%), and the main motivator for switching is to get better value for money. Half of those who did not switch, say satisfaction with their current provider is the main reason for not switching.
- One in ten claim to have made a complaint to their ISP in the last 12 months, with nearly half of these being satisfied with the complaint resolution – however there has been a marked decrease in those who said they were very satisfied with the complaint resolution from 20% to 9%. Six in ten complainants reported a fault with their Internet connection being the reason for the complaint.
- There has been a sharp increase in the number of consumers claiming to use a bundled service. Of these, the vast majority (85%) use a double play service.