ComReg Trends Survey Q1 2006

Survey Results, June 2006

Prepared by Amárach Consulting

Commission for Communications Regulation

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Contents



Introduction

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Introduction

- The research contained in this report is based on a quarterly survey by Amárach Consulting of 1,000 adults throughout Ireland, aged 15-74.
- The survey was conducted from January 25th – February 21st 2006, and the results have been weighted up to the total adult population aged 15-74 using the most recent CSO statistics.
- This quarter's report looks at trends in:
  - Fixed & Mobile Phone Usage
  - Internet Usage
  - International Mobile Roaming
  - Broadcasting
- In presenting the findings we have taken care to report the sample sizes for each question analysed and we would draw the reader's attention to the table at the end of this report explaining the statistical variance applicable to all survey based studies of this nature.

Fixed Phone Usage

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Key Findings

- An estimated 70% of the Irish adult population have a fixed line phone in their home, of which 82% also own a mobile phone.
- In line with 2005's results, respondents cite having a mobile phone as the main reason for not having a fixed line phone.
- Eircom is the main residential service provider used by over 8 in 10 respondents for their fixed line service.
- 1 in 5 fixed line consumers have tried another fixed line provider and switched back to eircom. The main reason for switching back to Eircom was that of the 'hassle involved in receiving two bills'.
- When selecting a home fixed line provider, over two thirds consider price to be the most important factor.

Key Findings

- Overall fixed line users appear to have reasonably high awareness levels of the cost of the different types of calls they are making.

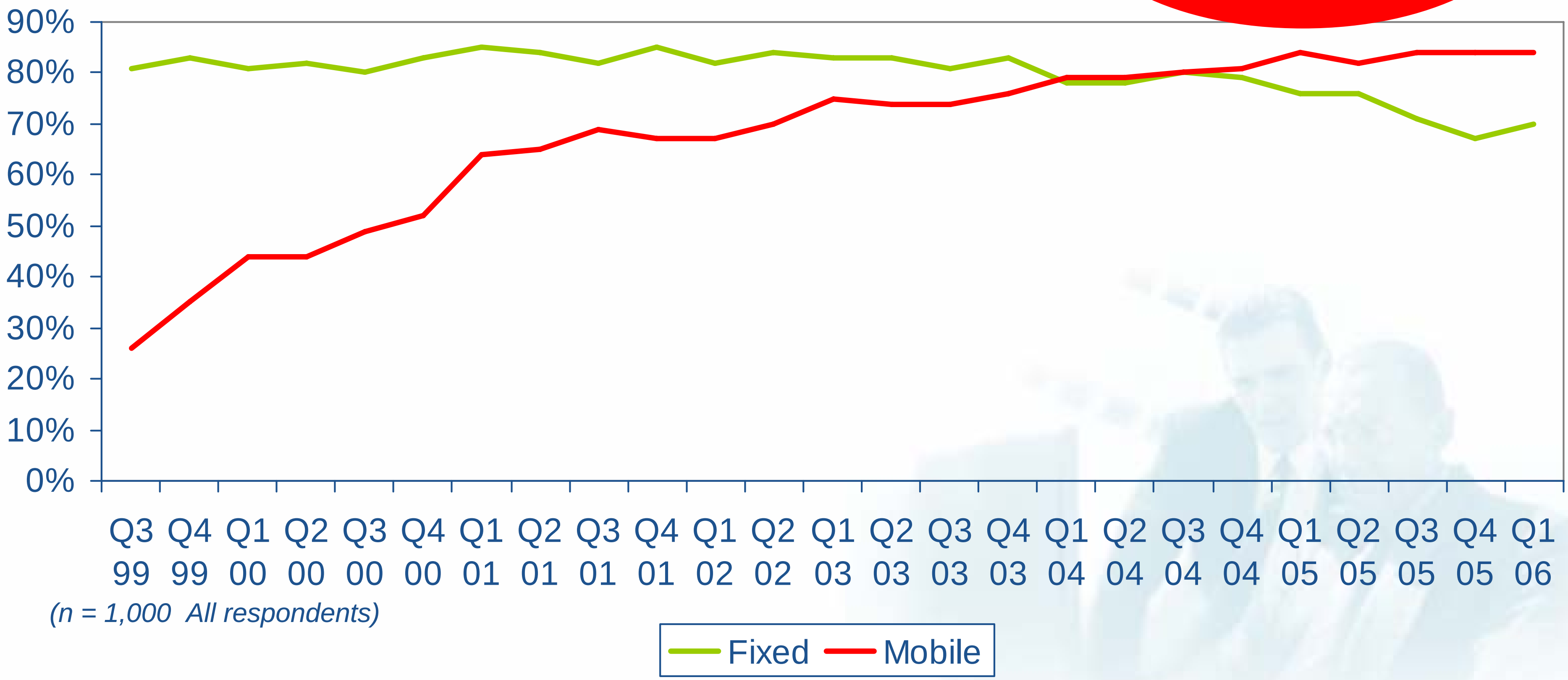
- Over half of those questioned know exactly or have some idea of how much it costs to make a call from a landline to a mobile during peak times on a weekday.

- More than 6 in 10 would be very interested/interested in availing of a caller ID service for their landline phone.

Mobile Penetration Higher Than Fixed

% of Consumers with Fixed Line Phone vs. % with Mobile Phone

Mobile Level: 84%
Fixed Line Level: 70%



(n = 1,000 All respondents)

Source: ComReg Trends Survey, 1999-2006

Main Reason for NOT having a Fixed line

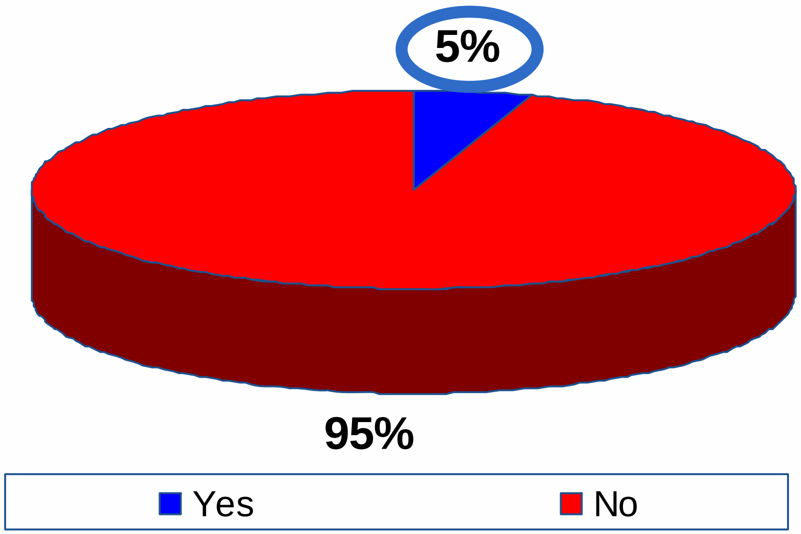
What is your main reason for not having a fixed line telephone in your home?	% Q1'06 (n=304)
Have a mobile phone which you use instead	54%
Fixed line costs are too high	10%
Cost of connection and line rental are too high	10%
Plan to get a fixed line in next 6 months	4%
Still waiting for installation connection	1%
Living in rented accommodation	11%
Other	4%
Easy access elsewhere e.g. payphone nearby, access to phone at work	1%

In line with Q4 2005 those who do not have a fixed line phone are the younger age groups such as 15-24 year olds, single people, students, those who are living in rented accommodation and those from a C2DE social background.

(n = Does not have a residential fixed line phone)

The average length of time to get a phone line installed is 9 weeks

Have you had a fixed line phone installed in the last year?



How long did it take to get your phone line installed from date of order to full installation?	% Q1 '06 (n=32)
Up to 2 weeks	21%
3-4 weeks	30%
5-7 weeks	6%
8-10 weeks	9%
11-15 weeks	12%
More than 20 weeks	11%
Don't Know	11%

Note: Small Base

NB: This question notes the overall average time for connection to a fixed line service and does not distinguish between activation of an existing telephone line or first time installation to the home

(n = 696 Those who have a residential fixed line phone) (n = 32 Fixed line phone installed in last year)

Residential Service Providers Market Share

Which of the following companies do you use for your residential phone services? (Multiple responses allowed)	Q2 '05 % n=760	Q3 '05 % n=712	Q4 '05 % n=676	Q1 '06 % n=696
eircom	82%	76%	81%	82%
Smart Telecom	6%	6%	5%	6%
BT Ireland	2%	3%	4%	3%
Other (these include Chorus, Vartec, Cinergi, Tele 2, Newtel and others)	6%	10%	8%	4%
Don't Know	4%	7%	4%	4%

(n = 696 Has a residential fixed line phone)

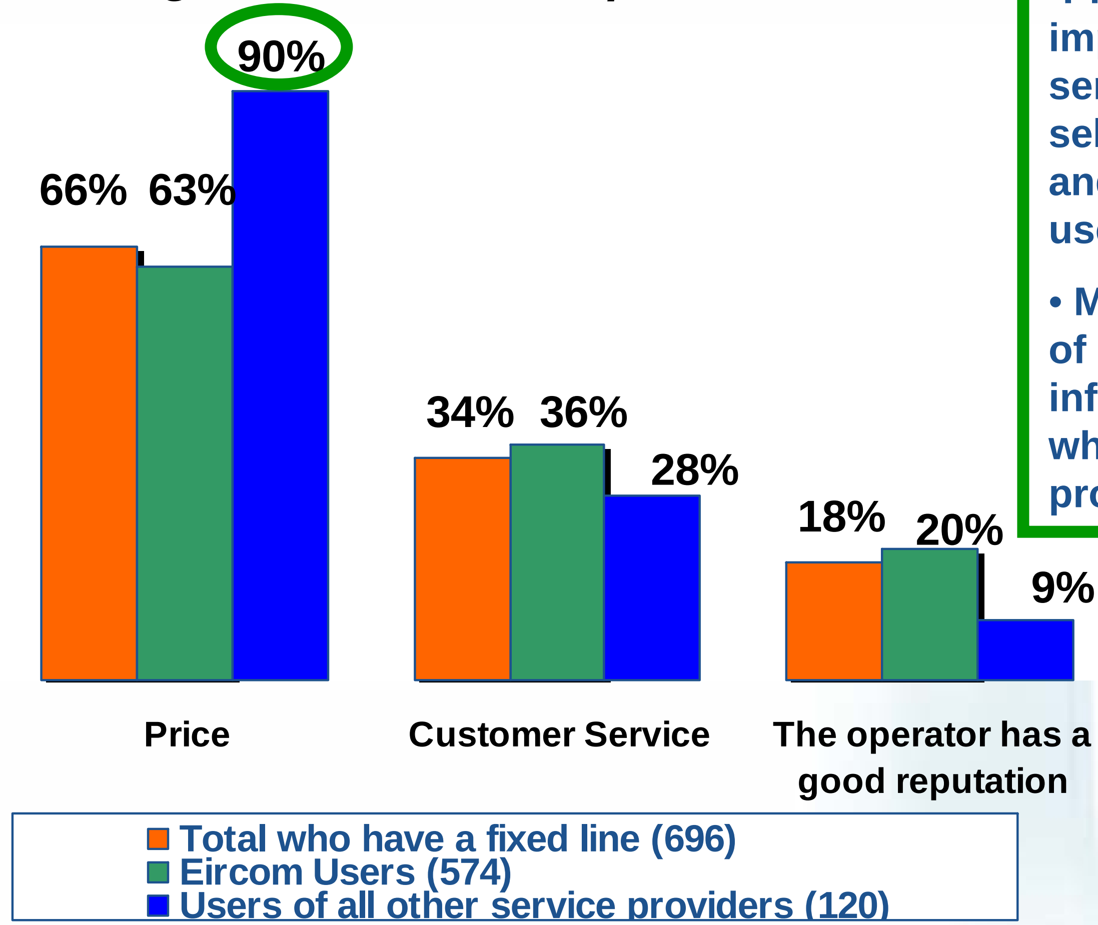
Fixed Line Switching

18% of fixed line owners have switched once to another telecoms operator and then switched back to Eircom. 5% of fixed line owners have switched and switched back more than once.

What were your reasons for switching back to Eircom	% (n=124)
It was too much hassle to receive two bills – one for line rental, and one for calls	29%
There were no significant price savings with the other operator	26%
A sales representative encouraged me to return to Eircom	21%
I experienced poor customer service from the other operator	14%
I feel that Eircom offers better value for money than other competitors	12%
Subscribed to bundle services i.e. phone and broadband	2%
Other	11%
Don't Know	3%
No specific reasons	5%

Factors affecting Fixed Line selection

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

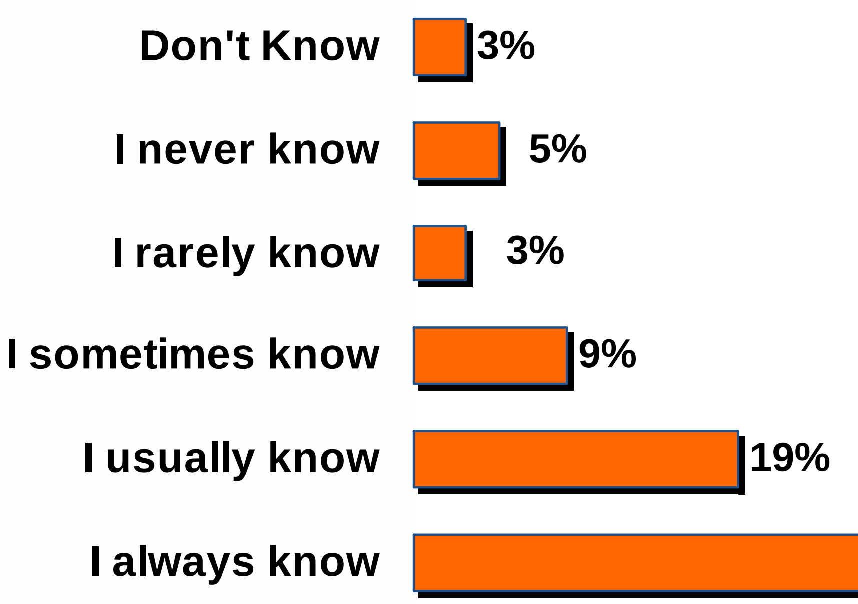


- Price is considered to be more important by users of all other service providers when selecting a fixed line provider and when compared to Eircom users.
- More Eircom users than users of other service providers are influenced by customer service when selecting a fixed line provider.

(n = 696 Has a residential fixed line phone)

Awareness of Landline Call Destinations

When you are making a call from a landline how often do you know whether the call you are making is to another landline or to a mobile phone?



Four-Fifths (80%) are always or usually aware whether a landline call is to another landline or to a mobile phone. Awareness was equally spread among gender, age and economic status.

(n = 696 Has a residential fixed line phone)

Awareness of Landline costs

How aware are you of how much it costs to make a call from a landline to a mobile phone during peak times on a weekday?	% n= 696
I know exactly how much it costs	6%
I have some idea of the cost	46%
I have no idea of the cost	39%
Don't Know	8%

Average amount cited per minute to call a mobile from a landline phone during peak times on a weekday = €0.44 cent

(n = 696 Has a residential fixed line phone)

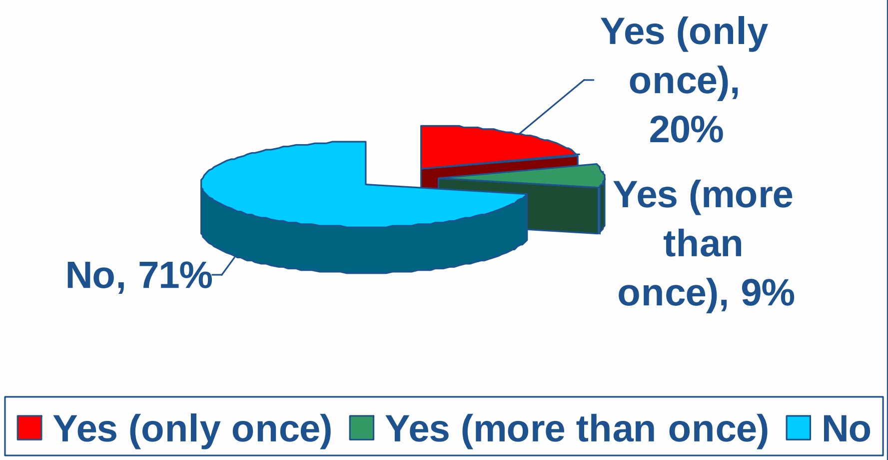
Level of Interest in additional landline services

Please rate your level of interest in subscribing to, or availing of, any of the following additional services for your landline?

(n = 696 Has a residential fixed line phone)

Shopping Around….

Have you ever shopped around to compare prices between fixed line service providers?



Q1 2006 Average Bi-monthly Bill = €103.49 compared with €104 in Q2 2005

(n = 696 Has a residential fixed line phone)

Would you find any of the following useful in helping you to make comparisons between fixed line operators?	% n=696
The clear presentation of all prices in the market for easy comparison	41%
Information on tariffs from an independent source	21%
One central point for getting information on all services available	28%
A comparative tool that would allow me to choose the best priced package specific to my needs	23%
Other	1%
None of the above	11%
Don't Know	15%

Mobile Phone Usage

Key Findings

- 6% of respondents have more than one mobile phone subscription/account, up 2% points since Q4 2005. This subset is primarily male, those aged between 25-44 years of age and those from an ABC1 social background.
- The main reason cited for multiple mobile ownership is that of having a separate phone for work and personal usage.
- Continuing on from the trend in 2005, over 7 in 10 pay for their mobile by buying credit in advance, i.e. prepaid.

Key Findings

- 35% of non-Irish nationals are using Vodafone as their mobile supplier compared with 52% of the overall sample. 27% of non-Irish nationals are currently using Meteor, compared to 15% of the overall sample.

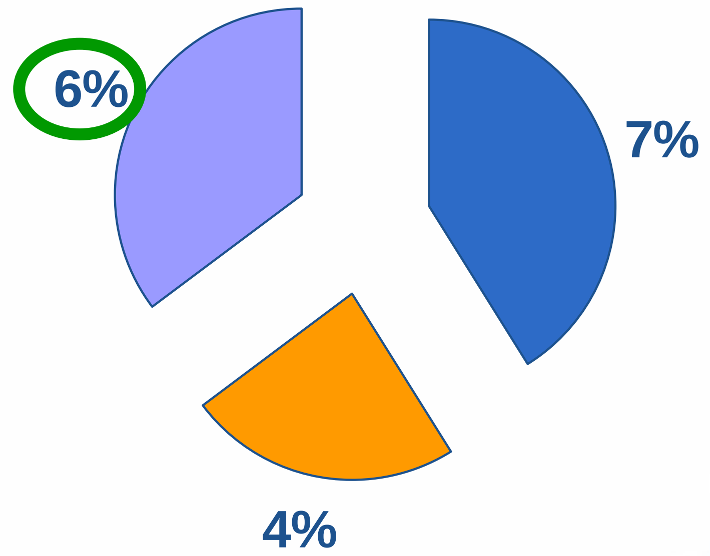
- There is a high awareness of the cost differences between off-net and on-net calls with 6 in 10 stating that they know exactly or have some idea of the cost involved. Those most aware of call cost differentials are the cost conscious 15-24 year olds and students.

- Over 3 in 10 of respondents have shopped around to compare prices between mobile operators These respondents tended to be female, those aged 25-44 years of age and from the Dublin area.

- 9% of respondents are aware of callcosts.ie with a further 65% interested in using the website.

Mobile Phone Ownership

Do you have more than one mobile phone number or account?



Penetration of those with more than one mobile phone number/account:

Q1 '06	Male – 66%	25-44 – 50%	Married – 57%	ABC1 – 45%
Q4 '05	Male – 70%	25-44 – 45%	Married – 62%	ABC1 – 62%
Q3 '05	Male – 54%	25-44 – 46%	Married – 60%	ABC1 – 56%

(n = 838 those who have a mobile phone)

Reasons for having more than one mobile phone

Why do you have more than one mobile phone number or account?	% Q1 '06 n=46
One for work, one for personal use	33%
Changed provider but still have old one	17%
For personal reasons	4%
Second phone was a gift	4%
Not Stated – Refused to say	42%

Caution: Small Base Size

(n = 46 those who have more than one mobile phone number or account)

Current Mobile Phone Service

Is your current mobile phone service one where you…….	Q4 '2004 % n=853	Q1 '05 % n=853	Q2 '05 % n=820	Q3 '05 % n=848	Q4 '05 % n=846	Q1 '06 % n=838
Pay for your mobile by buying credit in advance	77%	78%	80%	78%	75%	78%
Receive a monthly bill	23%	21%	20%	22%	25%	21%

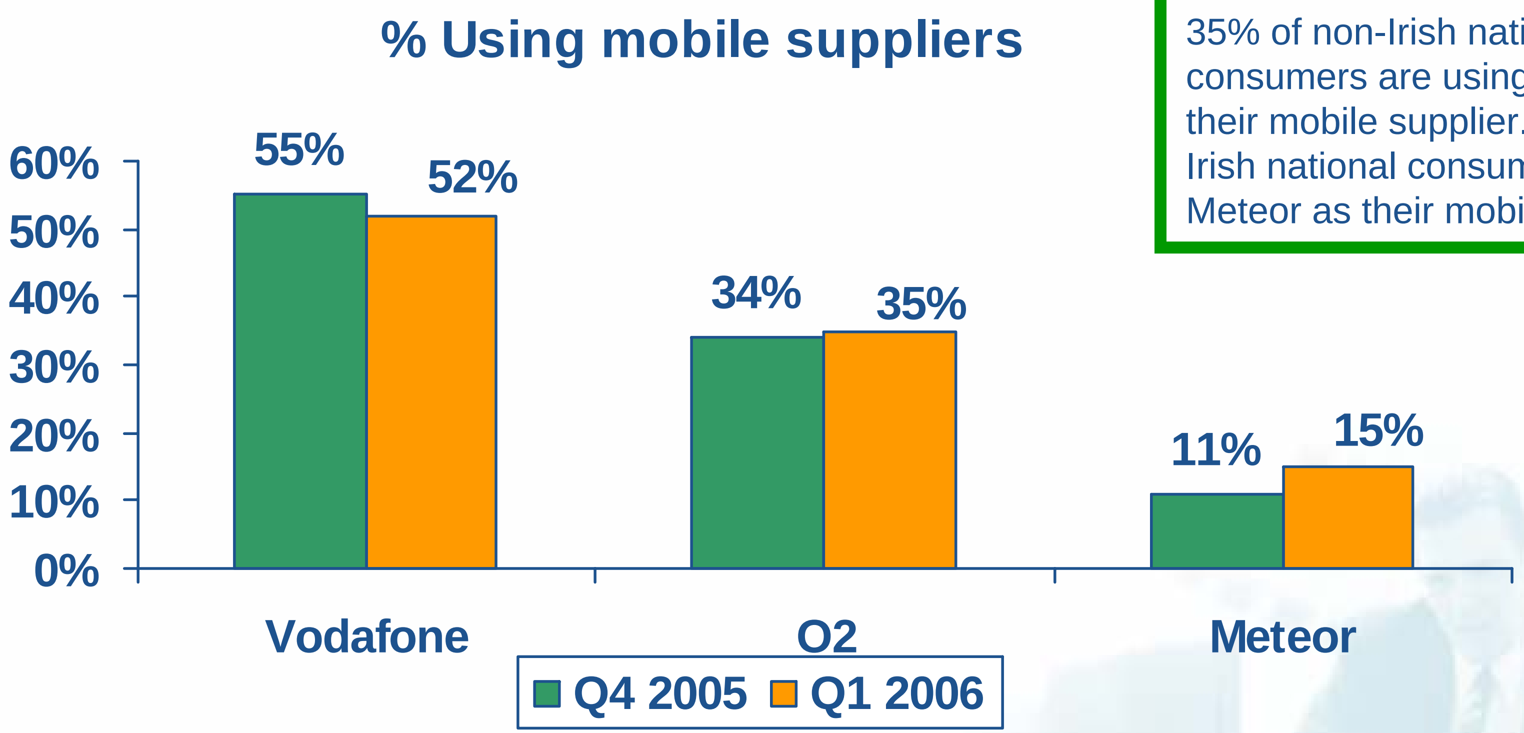
Those most likely to use a Pre-Paid service:

Female = 85%   **15-24yrs** = 95%   **Single** = 84%

(n = 838, Those who have a mobile phone)

Mobile Suppliers

Mobile Users spend an average of €53 monthly on their mobile service



35% of non-Irish national consumers are using Vodafone as their mobile supplier. 27% of non-Irish national consumers are using Meteor as their mobile supplier.

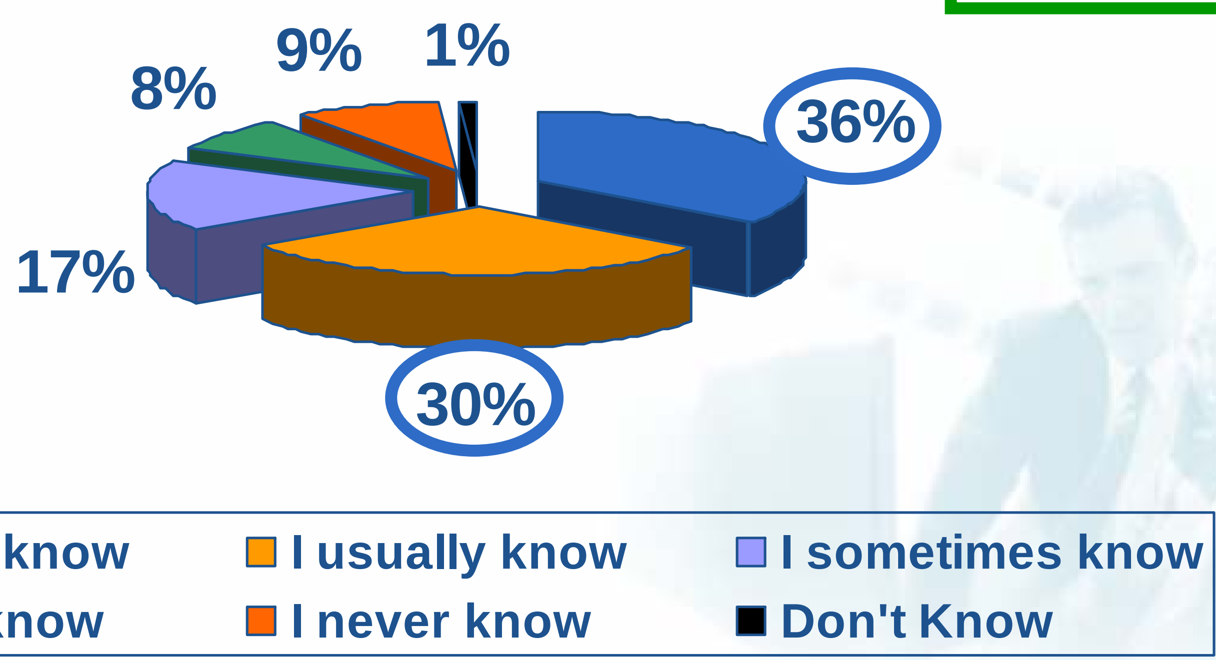
(n = 838 Those who have a mobile phone)

Over five in ten mobile users use Vodafone as their mobile phone service provider. O2 accounts for over 3 in 10 users. Meteor has a market share of 15%.

Awareness of Mobile Network

When making a call from your mobile phone to another mobile how often do you know whether you are calling a mobile on the same network as you?

Usually/Sometimes know = 66%



(n = 838 Those who have a mobile phone)

High awareness of difference in off-net versus on-net calls

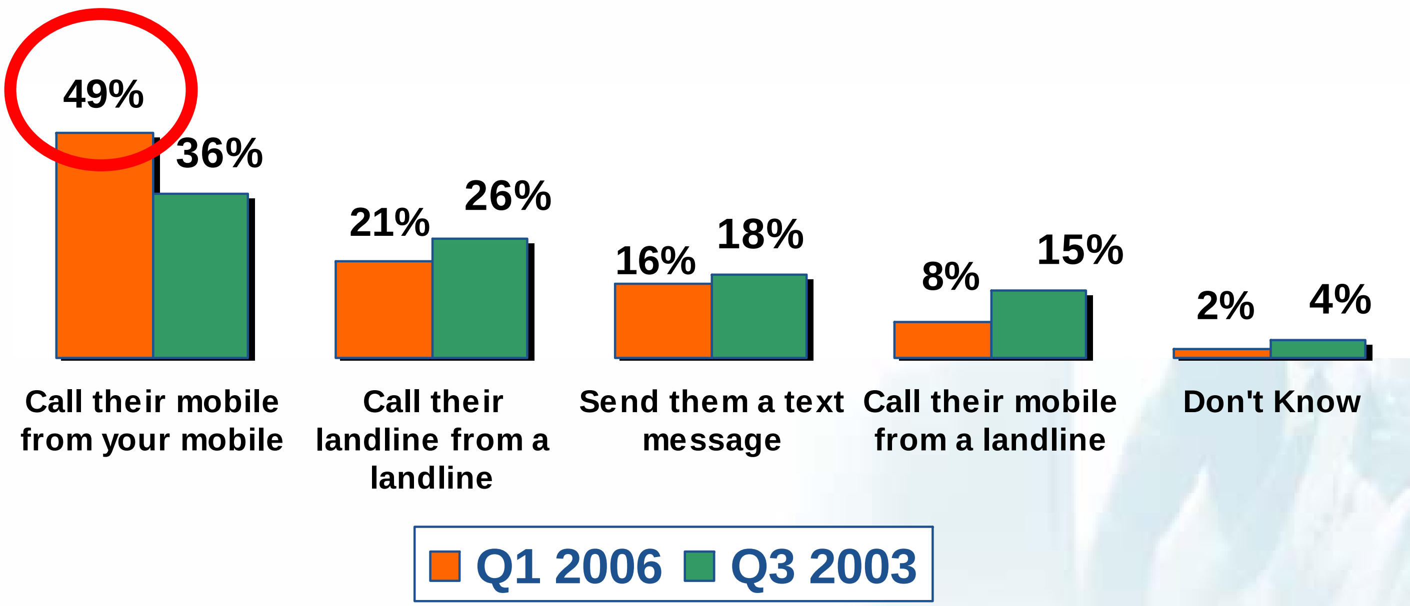
Are you aware of any difference in the cost of calling another mobile network from your mobile phone (off-net calls) compared to calling somebody on the same mobile network (on-net calls), during peak time?	% n=838
I know exactly how much it costs	9%
I have some idea of the cost	51%
There is no difference in cost	7%
I have no idea how much it costs	31%
Not Stated	2%

Know exactly/Some idea = 60%

(n = 838 Those who have a mobile phone)

Short Communication Preferences

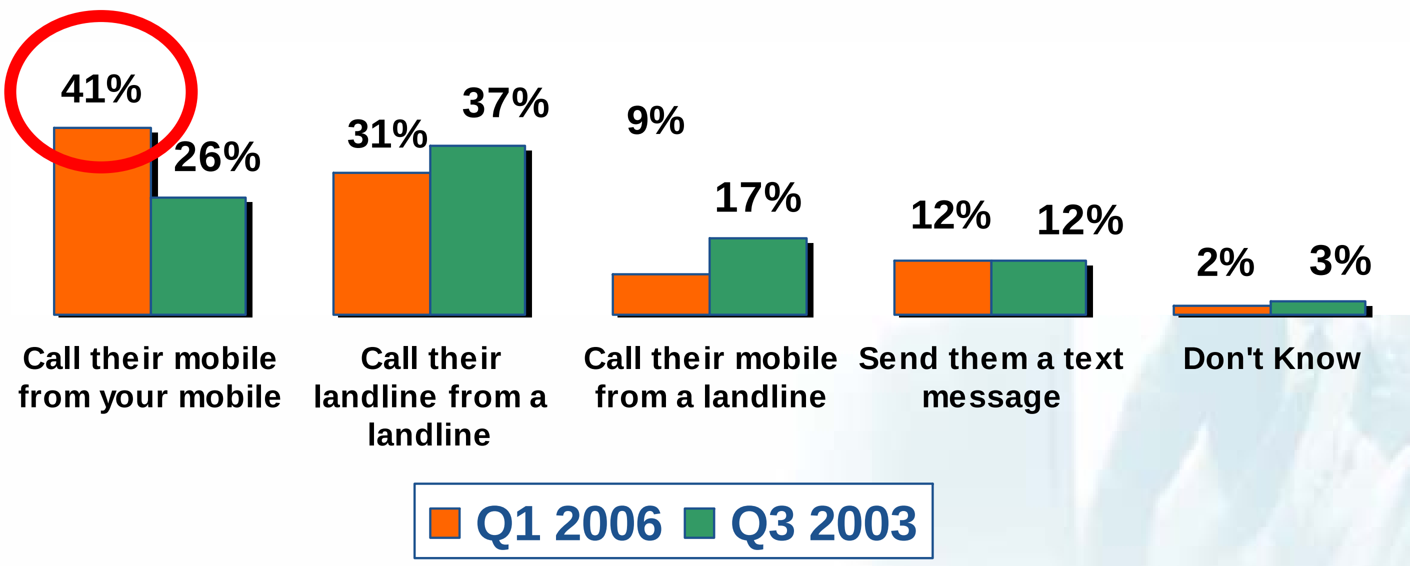
I f you needed to communicate for 2 minutes with a friend or family member during the day on a weekday when at home/work or either, how would you usually contact them, assuming that the friend/family member were contactable by mobilephone, landline &email



(n = 838 Those who have a mobile phone)

Longer Communication Preferences

If you needed to communicate for <u>5</u> minutes with a friend or family member during the day on a weekday when at home/work or either, how would you usually contact them, assuming that the friend/family member were contactable by mobilephone, landline &email



(n = 838 Those who have a mobile phone)

Impact of Same Network

When making calls on your mobile phone to someone who you know is on the ***same network as you***, would you be more likely to call them on their mobile phone number than on their landline number?	% n= 838
More likely to call their mobile than landline	41%
No preference	41%
Less likely to call their mobile than landline	14%
Don’t Know	4%

This was especially prevalent among younger people (54% of 15-24 year olds)

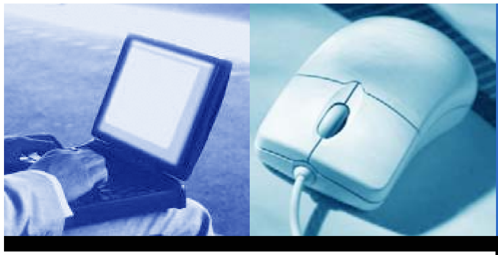
(n = 838 Those who have a mobile phone)

Impact of Different Network

When making calls to someone who you know is on a ***different network to you***, are you more or less likely to use your landline phone rather than your mobile phone	% n= 838
More likely to use my mobile rather than landline	31%
No preference	39%
Less likely to use my mobile rather than landline	20%
Don't Know	10%

Those aged 15-24 years of age are more likely to opt for a mobile.

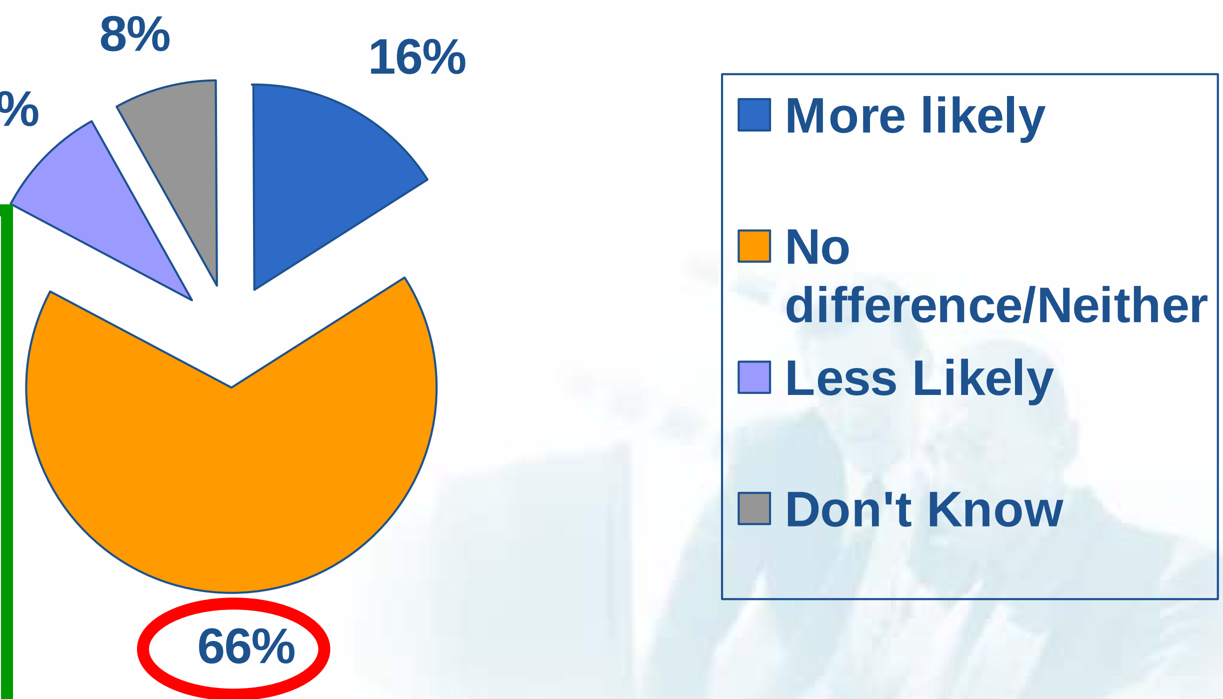
(n = 838 Those who have a mobile phone)



Impact of Same Network on Time

Q1 2006 Average monthly spend for both billed & non-billed customers =€54.59

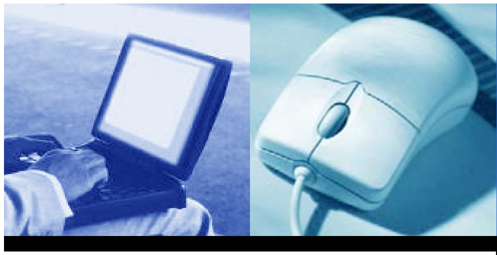
When making calls on your mobile phone to other mobiles are you more or less likely to spend more *time* on the phone to them if they are on the *same network* as you?



Over two-thirds say that it makes no difference to their call behaviour.

15-24 year olds are more likely to say they will spend more time on the phone if they are on the same network as you.

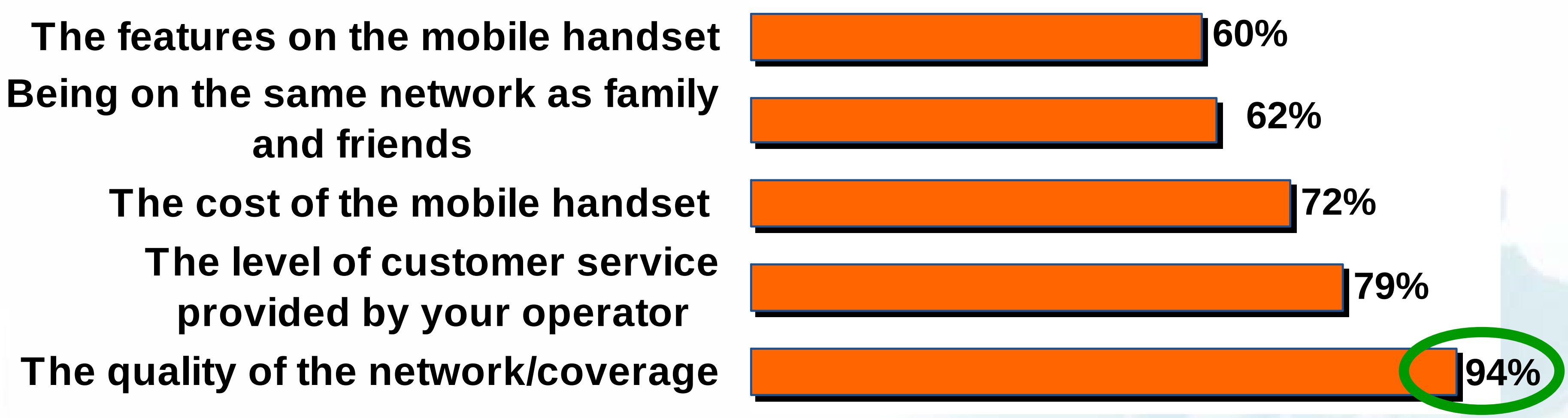
(n = 838 Those who have a mobile phone)



Drivers of Mobile Package Choice

How important would you rate the following factors when choosing a mobile service?

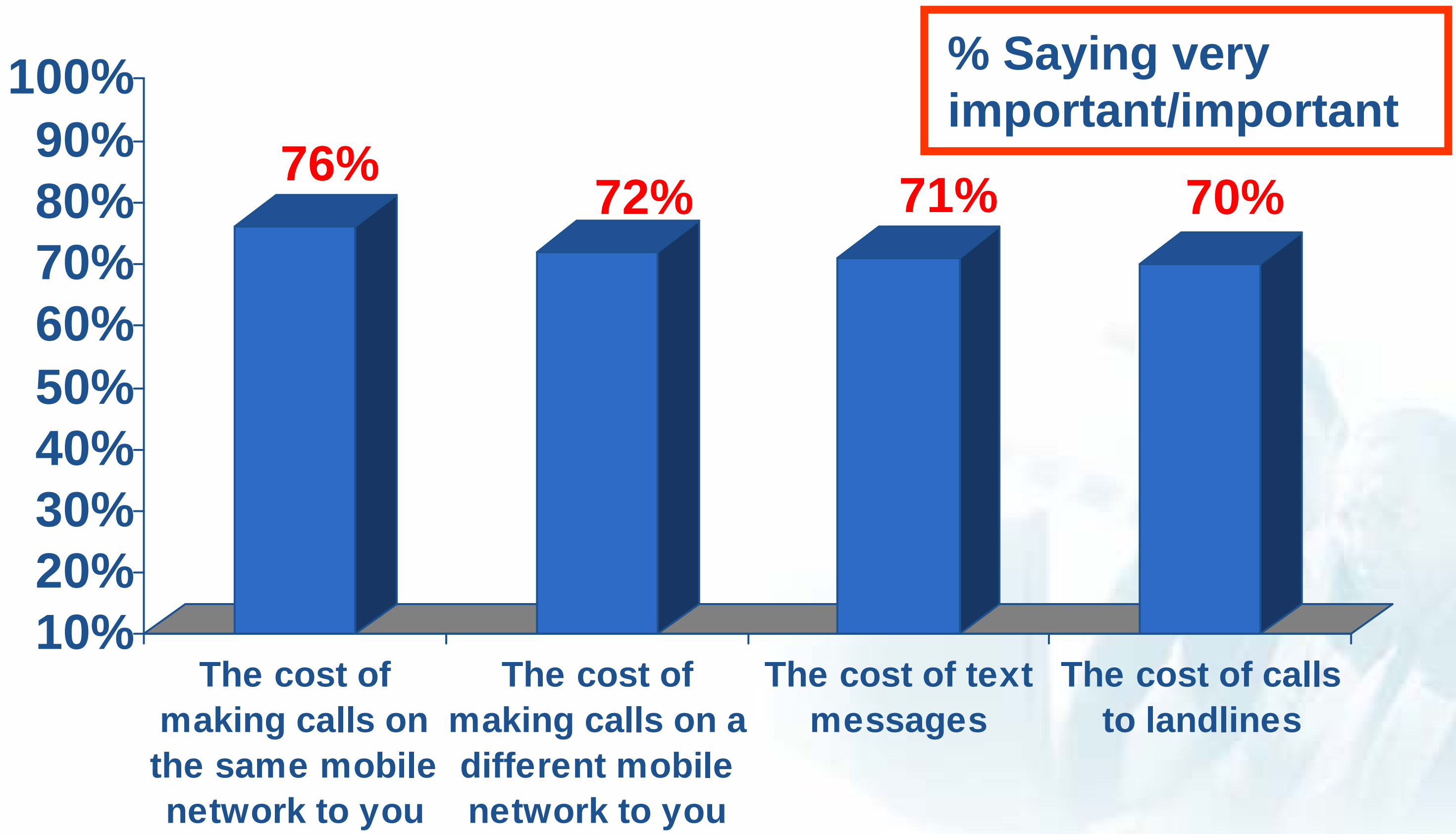
% Saying very important/important



(n = 838 Those who have a mobile phone)

Mobile Service Cost Related Factors

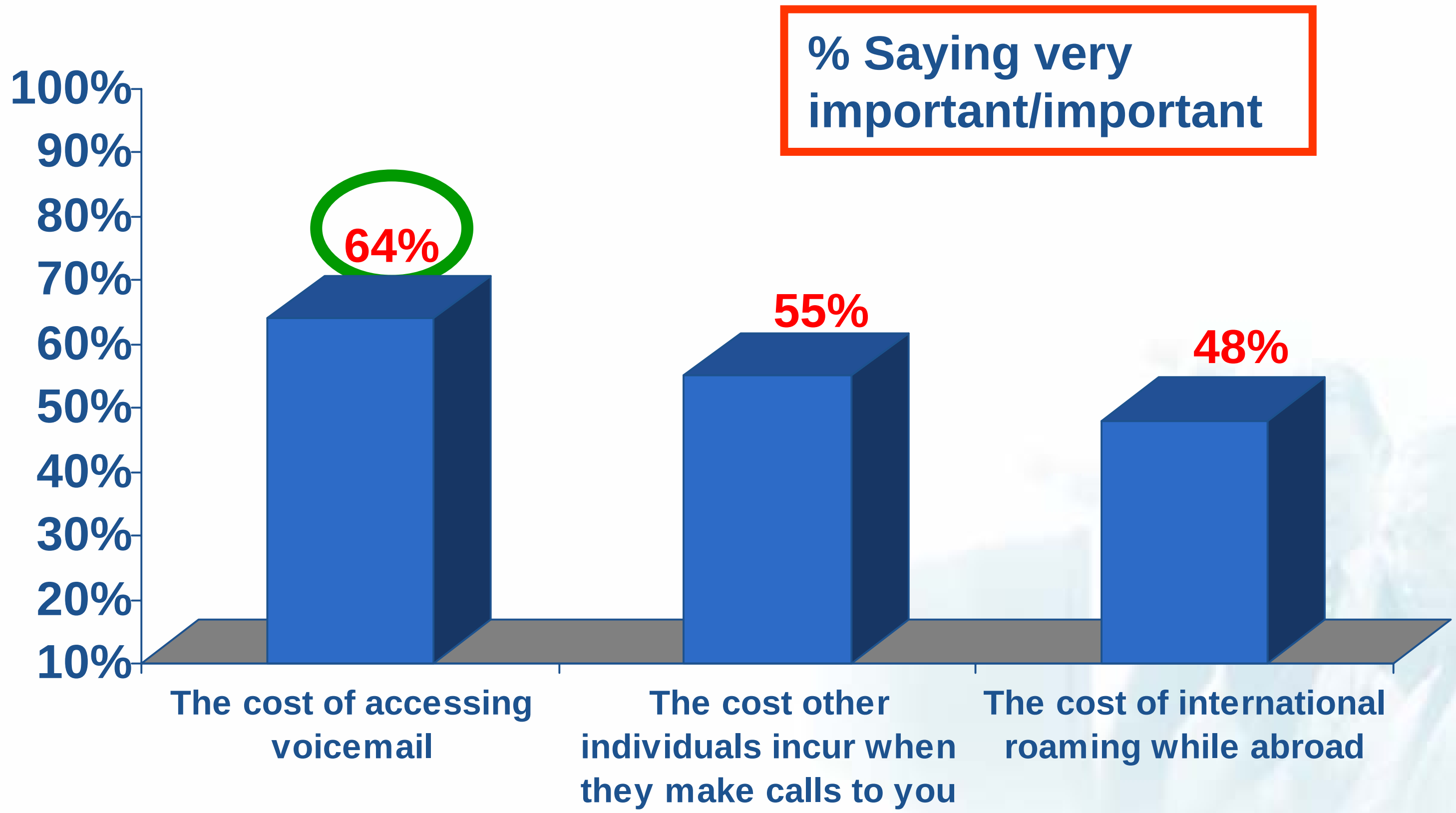
How important would you rate the following cost related factors when choosing a mobile service?



(n = 838 Those who have a mobile phone)

Mobile Service Cost Related Factors

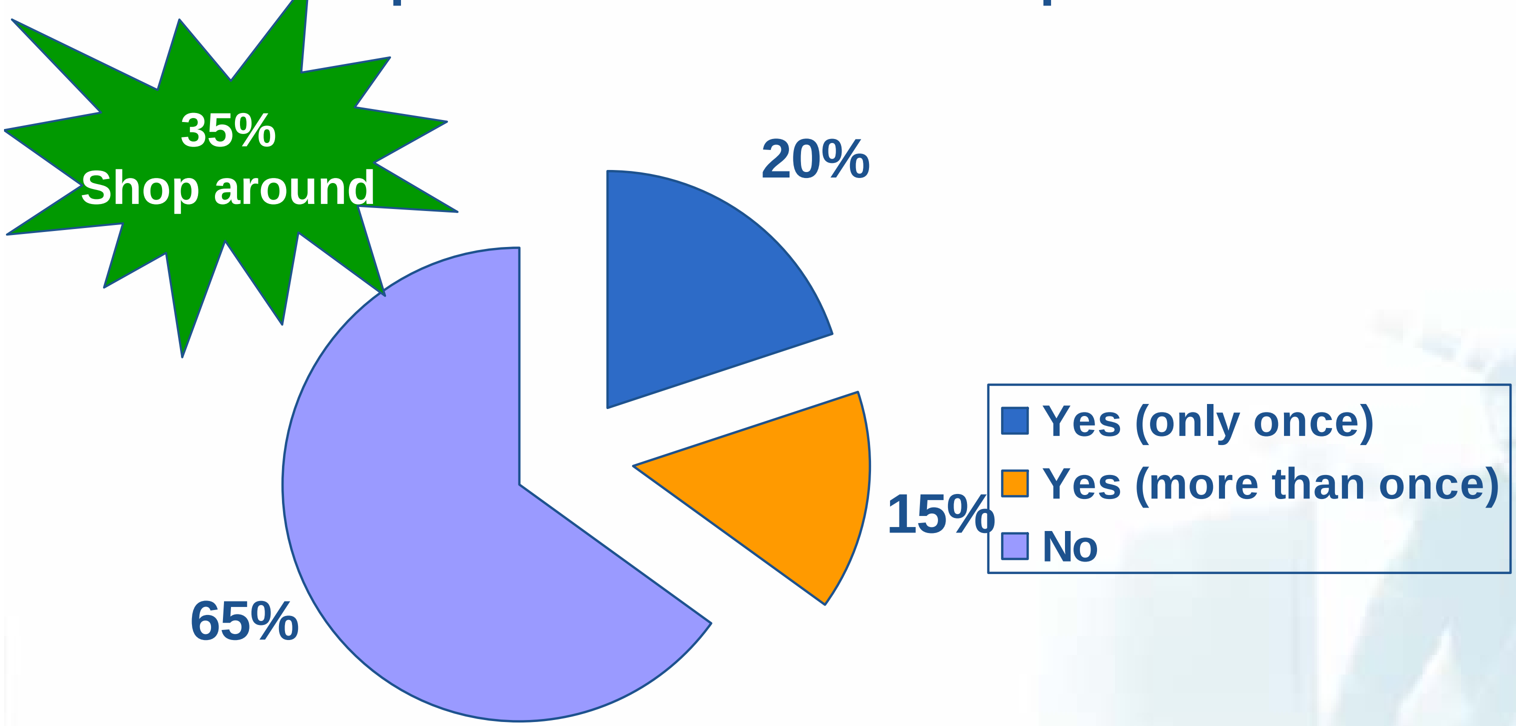
How important would you rate the following cost related factors when choosing a mobile service?



(n = 838 Those who have a mobile phone)

Mobile Shopping Around

Have you ever shopped around to compare prices between mobile operators?



% of those who shop around (more than once)
Profile

Gender:
Female: 43%

Age:
25-44: 51%

Social Class:
ABC1: 51%

(n = 838 Those who have a mobile phone)

International Mobile Roaming

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Key Findings

- 3 in 10 of respondents have used their mobile phone while abroad. The UK and Spain proved to be the two most popular destinations for mobile phone usage abroad.
- Over half of respondents had very little or no idea of the cost of using their mobile phone while abroad
- Respondents who did not use their mobile abroad stated that they knew that it was expensive.
- Over 7 in 10 consider calling from abroad to cost much more/somewhat more than calling from at home

Key Findings

- More than two thirds of respondents said that they were satisfied with the quality of their mobile connection abroad.
- Over 4 in 10 prefer to send text messages when abroad rather than making calls.
- Over 5 in 10 tend to use the network that automatically appears on their handset when abroad.

3 in 10 have used mobile phone abroad in last year

Have you used your mobile phone while abroad (including UK and Northern Ireland) in the last year?	% n=838
Yes	33%
No, I have been abroad but did not use my mobile phone on this/these occasions	12%
No, I have not been abroad in the last 12 months	55%

Why did you not use your mobile phone while abroad?	**% n=103**
Because I know that it is expensive	41%
Because I think it may be expensive	7%
I did not need to use my mobile phone	26%
I used payphones, local phones instead of my mobile	8%
I had not registered credit card details with my mobile phone company prior to travelling	2%
Other	13%
Don't Know	4%

(n = 838 Those who have a mobile phone)

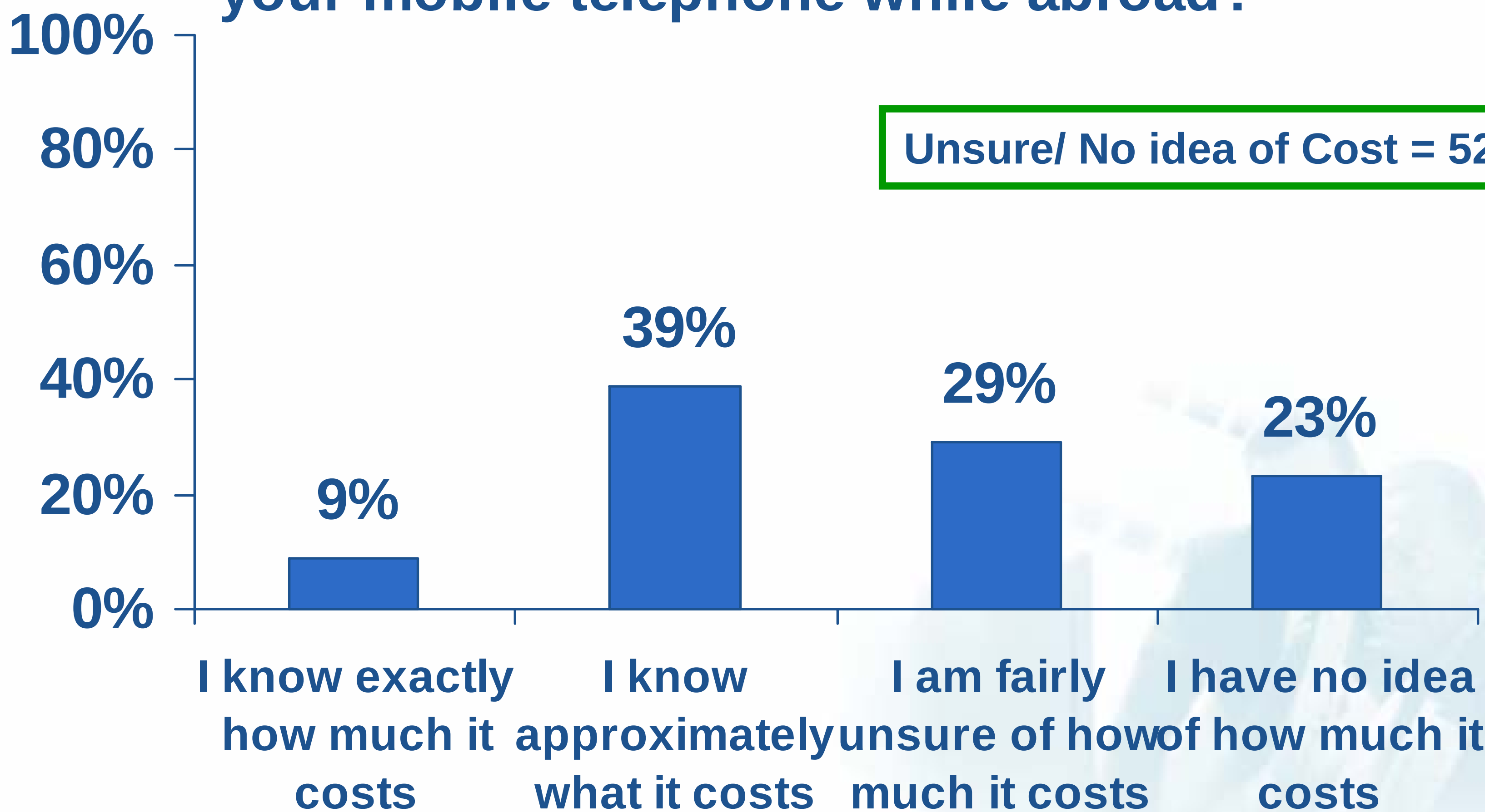
Use of Mobile when abroad in last 12 months

In which of these countries did you use your phone most during the past 12 months?			
Country	**%**	**Country**	**%**
UK (including Northern Ireland)	39%	Cyprus	1%
Spain (including islands)	26%	Australia	1%
France	6%	Asia	1%
Italy	6%	Africa	1%
Canaries	4%	Austria	1%
Portugal	4%	Greece	1%
Other European Countries	3%	Croatia	1%
North America	3%	Turkey	1%
Germany	1%	Other	10%

(n = 372 Those who have been abroad in the last year)

Awareness of mobile costs abroad

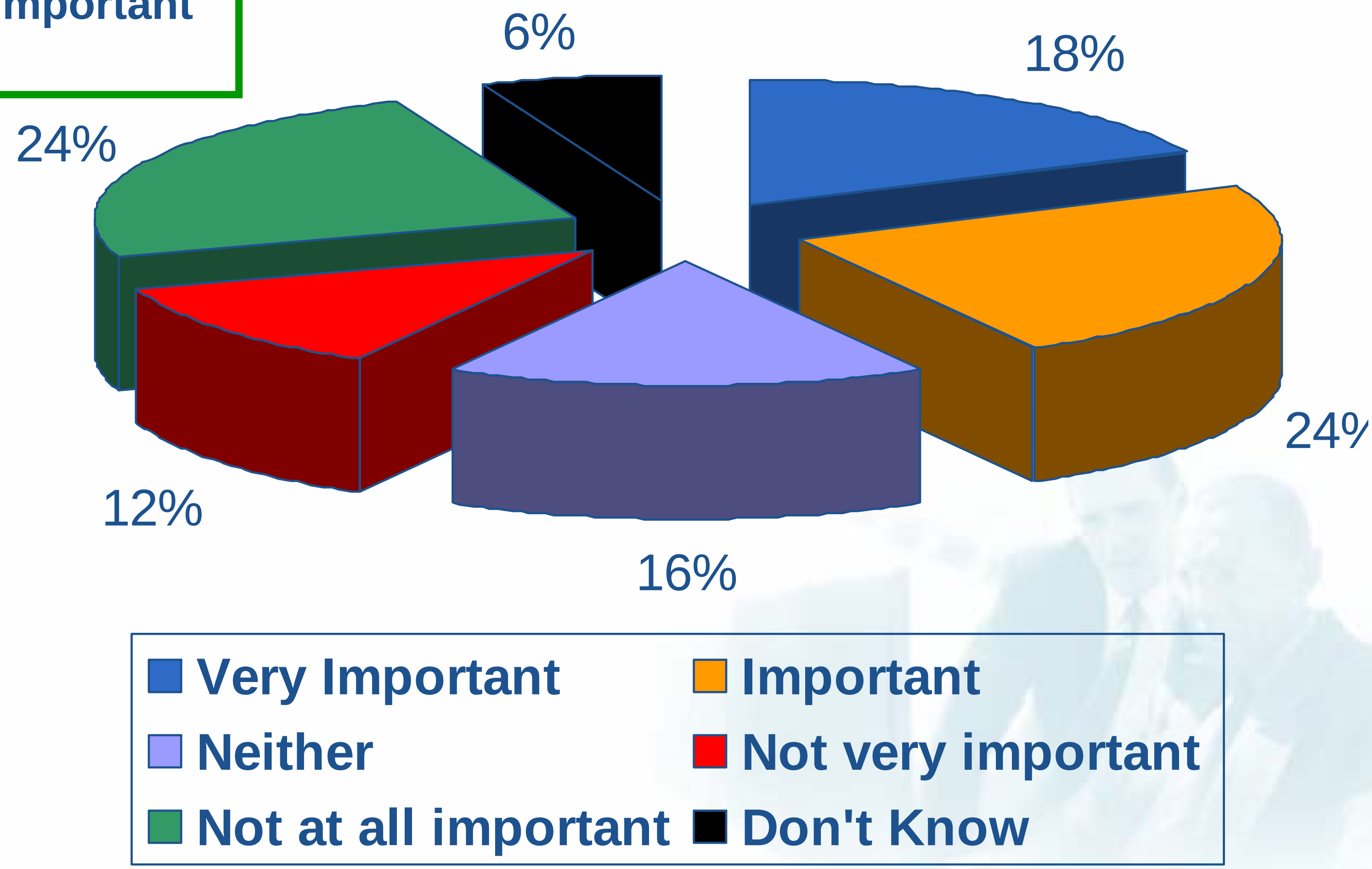
How aware are you of the cost of using your mobile telephone while abroad?



(n = 372 Those who have been abroad in the last year)

4 in 10 consider cost of roaming to be an important factor when choosing their mobile service

Very Important/Important = 42%



(n = 372 Those who have been abroad in the last year)

Over 7 in 10 consider *calling* from abroad to be more expensive than calling at home

What do you consider to be the difference in price between making calls on your mobile phone while abroad, and making calls while at home?	% n=372
Calling from abroad costs much more than calling at home	54%
Calling from abroad costs somewhat more than at home	21%
Calling from abroad costs relatively the same as home	9%
Calling from abroad costs somewhat less than calling at home	1%
Calling from abroad costs much less than calling at home	1%
I am not sure about the differences in cost	7%

(n = 372 Those who have been abroad in the last year)

Over 6 in 10 consider *texting* from abroad to be more expensive than calling at home

What do you consider to be the difference in price between sending text messages on your mobile phone while abroad, and sending text messages while at home?	% n=372
Texting from abroad costs much more than texting at home	27%
Texting from abroad costs somewhat more than at home	38%
Texting from abroad costs relatively the same as home	11%
Texting from abroad costs somewhat less than texting at home	2%
Texting from abroad costs much less than texting at home	1%
I am not sure about the differences in cost	11%

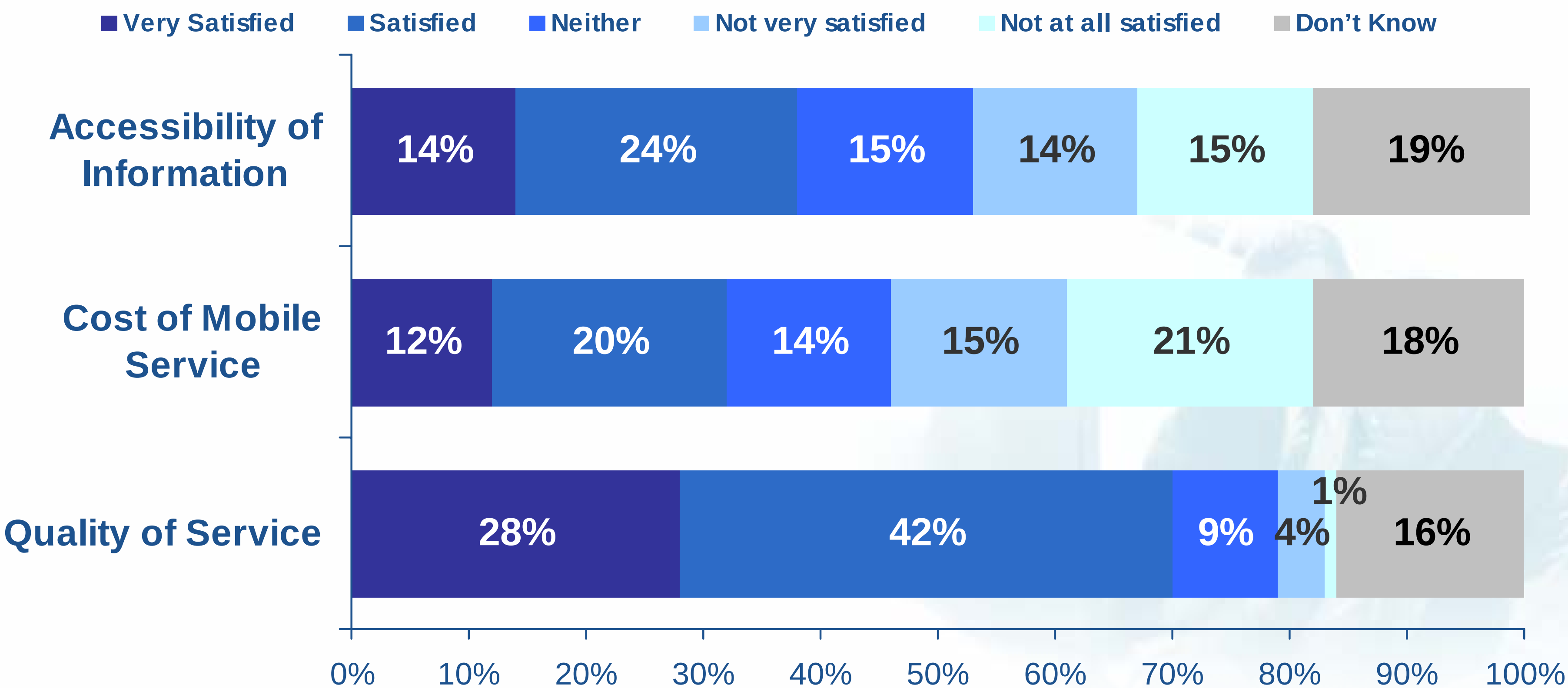
7 in 10 satisfied with quality of mobile connection abroad

% Very satisfied/satisfied

- **Quality of connection – 70%**
- **Cost of mobile usage – 32%**
- **Accessibility of Info on roaming – 38%**

% Very dissatisfied/very dissatisfied

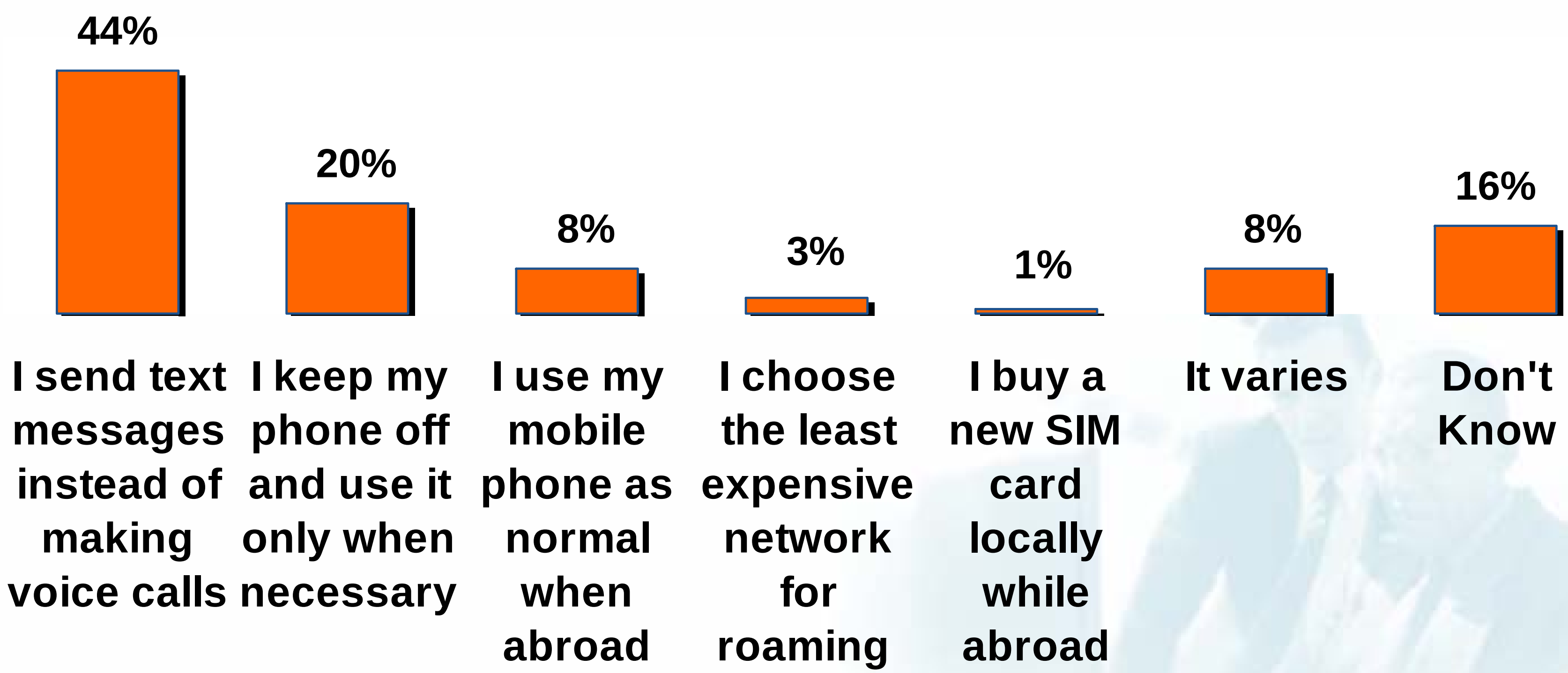
- **Quality of connection – 5%**
- **Cost of mobile usage – 36%**
- **Accessibility of Info on roaming – 29%**



(n = 372 Those who have been abroad in the last year)

Texting is very popular –used by over 4 in 10 mobile users abroad

Which of the following options best describes how you use your mobile phone while abroad?



(n = 372 Those who have been abroad in the last year)

Few shop around when selecting a mobile network abroad

When choosing a mobile network abroad do you choose the network that automatically appears on your handset or select a network yourself?	% n=372
I use the network that automatically appears on my handset	57%
I sometimes choose the network although usually I use the one that appears on my handset	10%
In general I always choose the network myself	6%
I usually choose the network but sometimes I use the one that appears on my handset	3%
Don't Know	25%

(n = 372 Those who have been abroad in the last year)

Internet

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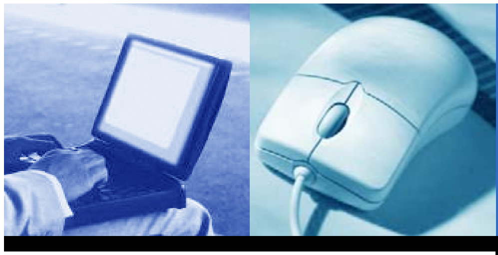
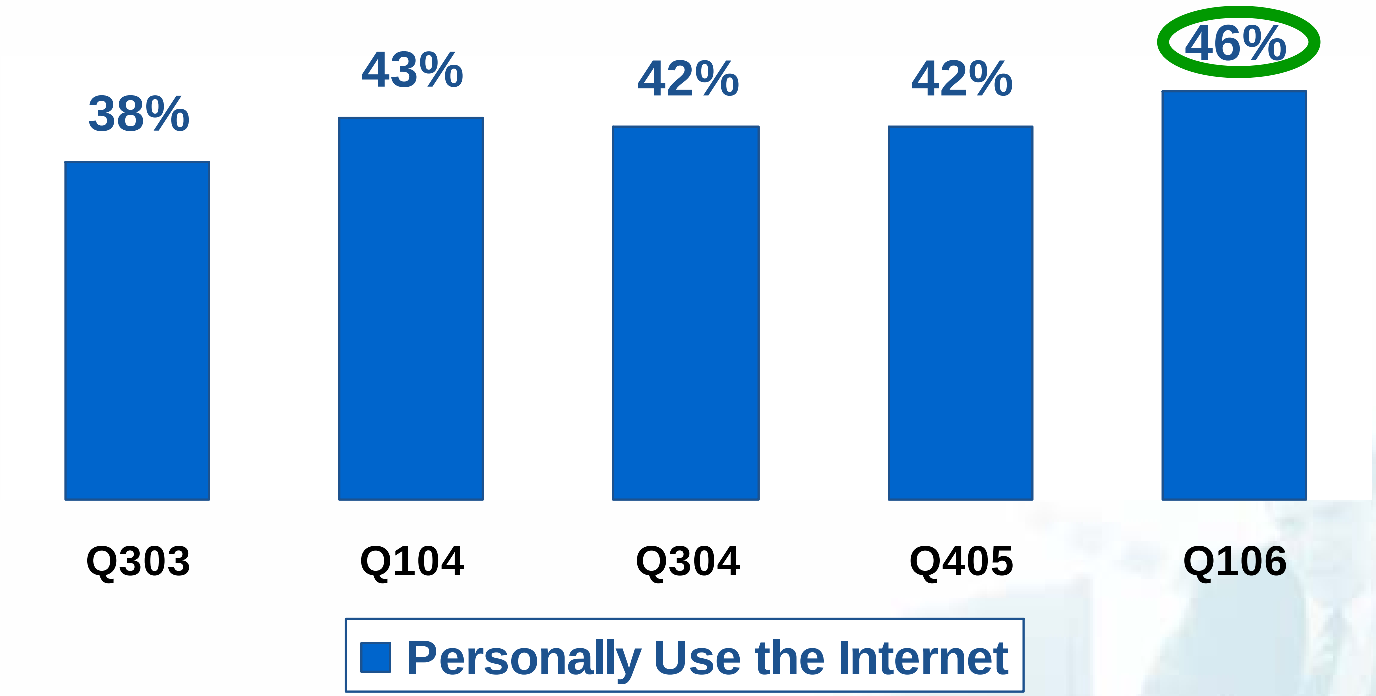
Key Findings

- Almost 4 in 10 have an internet connection in their home.
- Personal Internet usage from any location is up 4% points since Q4 2005 to 46% in Q1 ’06
- Internet usage tends to occur most frequently in the home with nearly 7 in 10 using the internet from this location.
- Internet connection using DSL broadband has seen an increase in Q1 ’06 to 32%, particularly among 15-24s, those from the Dublin area and those from an ABC1 social background.
- Eircom is the largest internet provider with 70% of respondents choosing to use them.



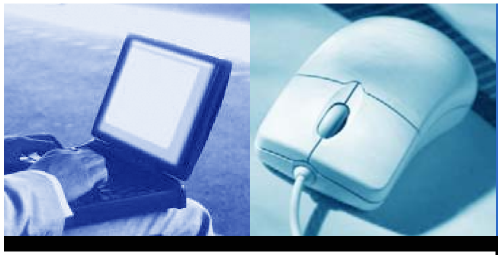
Internet Usage up to 46% in Q1 '06

Do you personally use the internet from any location?



Internet usage is highest among ABC1s and younger age groups such as the 15-24 year olds.

(n = 1000 All respondents)



Internet Connectivity

% Penetration of those with Internet Connection:

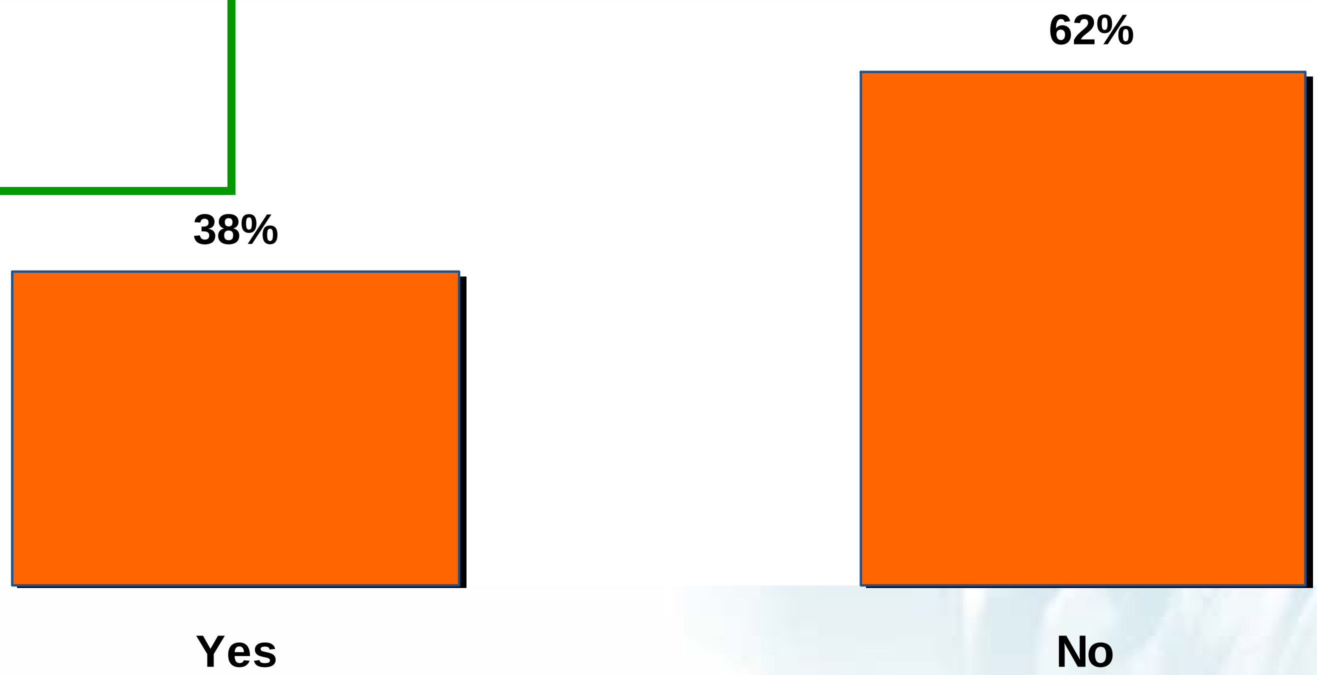
Male – 39%

15-24 – 44%

Dublin – 41%

ABC1 – 57%

Do you have an internet connection in your home?



(n = 1000 All Respondents)

The home remains the main internet usage location

From which of the following locations do you use the internet?	Q4 ’05 % n=410	Q1 ’06 % n=445
Home	63%	68%
Work	38%	36%
School/College	17%	17%
Cyber Cafes	5%	8%
Friend’s House	6%	6%
Public Library	4%	2%
On the move using portable equipment e.g. a WAP mobile phone/palmpilot/laptop	1%	1%
Elsewhere	1%	1%

Broadband take-up in the home has increased to 32%

How do you connect to the internet from home?	% Q1 '05 n= 374	% Q1 '06 n=375
Regular dial-up using a modem	63%	38%
DSL Broadband using a modem	16%	32%
ISDN line	15%	9%
Cable modem	2%	2%
Through a mobile phone or mobile device	-	1%
Other wireless connection such as FWA or WiFi hotspots	1%	1%
Satellite Broadband	-	1%
Other	-	-
Don't Know	3%	16%

(n = 375 Has an internet connection at home)

Eircom continues to be dominant home Internet Provider

Who is your home internet service provider (ISP)?	% n=375
Eircom	70%
NTL	3%
Irish Broadband	3%
BT Ireland	3%
Smart Telecom	2%
Chorus	1%
UTVnet	1%
Other/ Don't Know	17%

(n = 375 Has an internet connection at home)

Broadcasting

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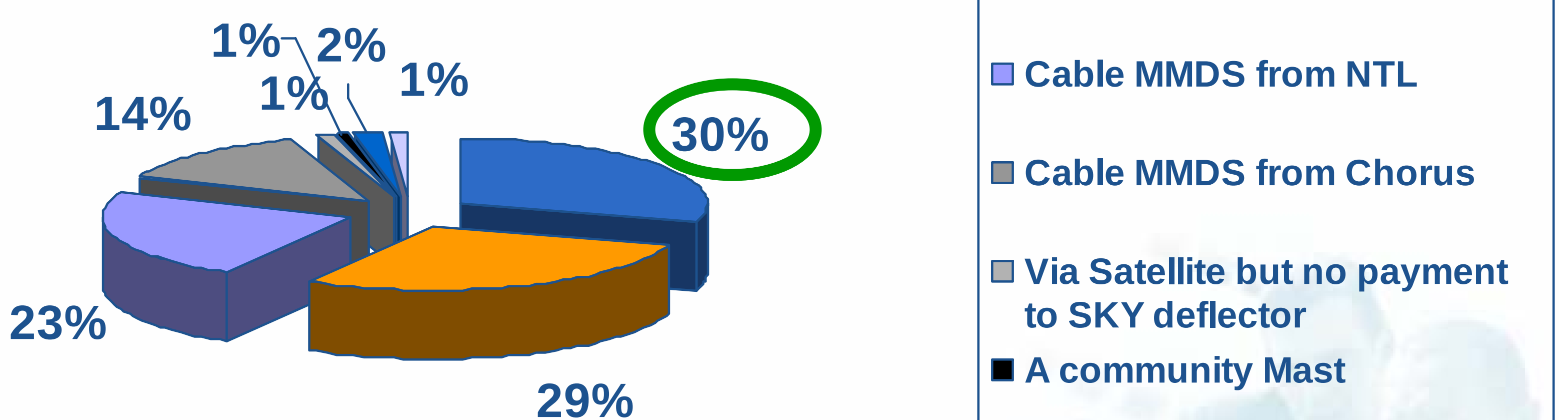
Key Findings

- 3 in 10 receive their TV service by external aerial or TV's own aerial.
- Over one third of free to air customers consider Pay TV too expensive to subscribe to as a service.
- 4 in 10 subscribe to digital TV services, primarily males, those aged between 15-44 years of age, those from Munster area and respondents from an ABC1 social background.
- Non-digital TV subscribers cite satisfaction with their current service as the main reason for not subscribing.

Two Thirds of Consumers Using Pay TV

How do you receive your television service?



Those who receive their television service via aerial tend to be the older age groups such as the 45-64 year olds. Regionally these respondents are predominantly located in Connaught/Ulster regions.

(n = 1000 All Respondents)

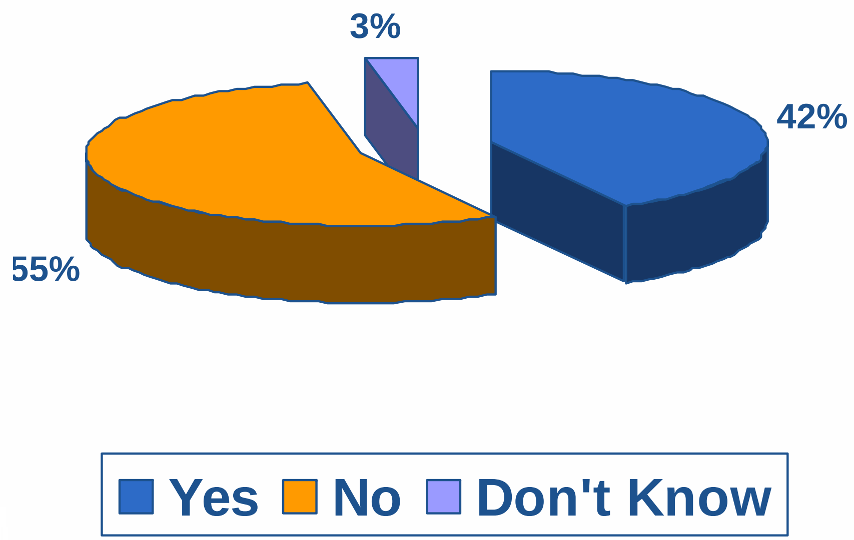
Pay TV Service considered 'too expensive'

What are your reasons for not subscribing to a pay TV service?	% n=347
Too expensive	36%
Satisfied with current service	33%
Do not watch enough TV to receive value TV options	23%
No availability in my area for pay TV	1%
Other	4%
Don't Know	8%

(n = 347 Those who don't subscribe to a Pay TV service)

4 in 10 subscribe to digital TV services

Do you subscribe to any digital TV services?



Who is your digital TV provider?	% n=417
Sky	61%
NTL	21%
Chorus	17%

(n = 1000 All Respondents)

Non digital TV subscribers are satisfied with their current service

What are your reasons for not subscribing to a digital TV service?	% n=556
Satisfied with current service	39%
Too expensive	32%
Do not watch enough TV to receive value	23%
No availability in my area for digital TV	3%
Not aware of options for digital TV	2%
Other	3%
Don’t Know	7%



Conclusions

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Conclusions

- Fixed and mobile users appear to have reasonably high awareness levels of the type of calls they are making as well as an awareness of the costs associated with the different types of calls.
- Generally consumers do not seem to change their call behaviour as a result of calling a mobile on a different network.
- While consumers appear to perceive the cost of using a mobile while abroad to be more expensive that at home, overall awareness of the cost associated with roaming charges remains low.
- Most consumers choose to use text messages, or use their phone only when necessary while roaming abroad. Almost 60% of consumers use the network that automatically appears on their handset.
- 46% of consumers are personally using the internet. 15-24 year olds, those in Dublin and ABC1s.
- 36% of internet homes now use some form of broadband access, predominantly DSL. Younger consumers and ABC1s are most likely to have broadband.
- One third of all homes now uses some form of Pay TV. 42% of homes are using some form of Digital TV- most popularly services from Sky.

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Appendix: Note on Methodology

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Methodology

- 1,000 people surveyed aged 15 – 74.
- Fieldwork conducted: January 25th – February 21st 2006.
- Nationally representative survey with inter-locking controls set for age, gender, and marital status. Non-interlocking controls set for social class and region.
- Findings weighted up to represent the full population of adults aged 15-74 in the Republic of Ireland based on the most recent findings from the CSO.
- Given a sample size of just over 1,000 there is a margin of error of +/-3%.
- Surveys were conducted face-to-face in respondents' own homes at over 101 different locations throughout the Republic.

Data Interpretation

- The table opposite shows the margin of error for a range of unweighted sample sizes
- If 20% of a total sample of 1,000 adults say they do something, you can be 95% certain that the figure for the population lies between 17% and 23% (i.e. there is a margin of error of 3%)
- As the sample size is reduced the margin of error increases
- To determine the margin of error on a particular section look at the unweighted sample size on each question i.e. the “n” (number of respondents to that question) at the base of each slide

Percentage of respondents who said…	1,000	500	100
10%	+/-2%	+/-3%	+/-6%
20%	+/-3%	+/-4%	+/-8%
25%	+/-3%	+/-4%	+/-8%
40%	+/-3%	+/-5%	+/-10%
50%	+/-4%	+/-5%	+/-10%
60%	+/-3%	+/-5%	+/-10%
75%	+/-3%	+/-4%	+/-8%
80%	+/-3%	+/-4%	+/-8%
90%	+/-2%	+/-3%	+/-6%

• If the “n” or number of respondents to a particular question falls below **75** the findings are in no way representative and should be only regarded as indicative and not overly analysed or interpreted