ComReg Trends Survey Q3 2005

Survey Results, September 2005

Prepared by Amárach Consulting

Contents

Introduction

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 August 8th – September 1st 2005, 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
  - PayPhone usage
  - 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.

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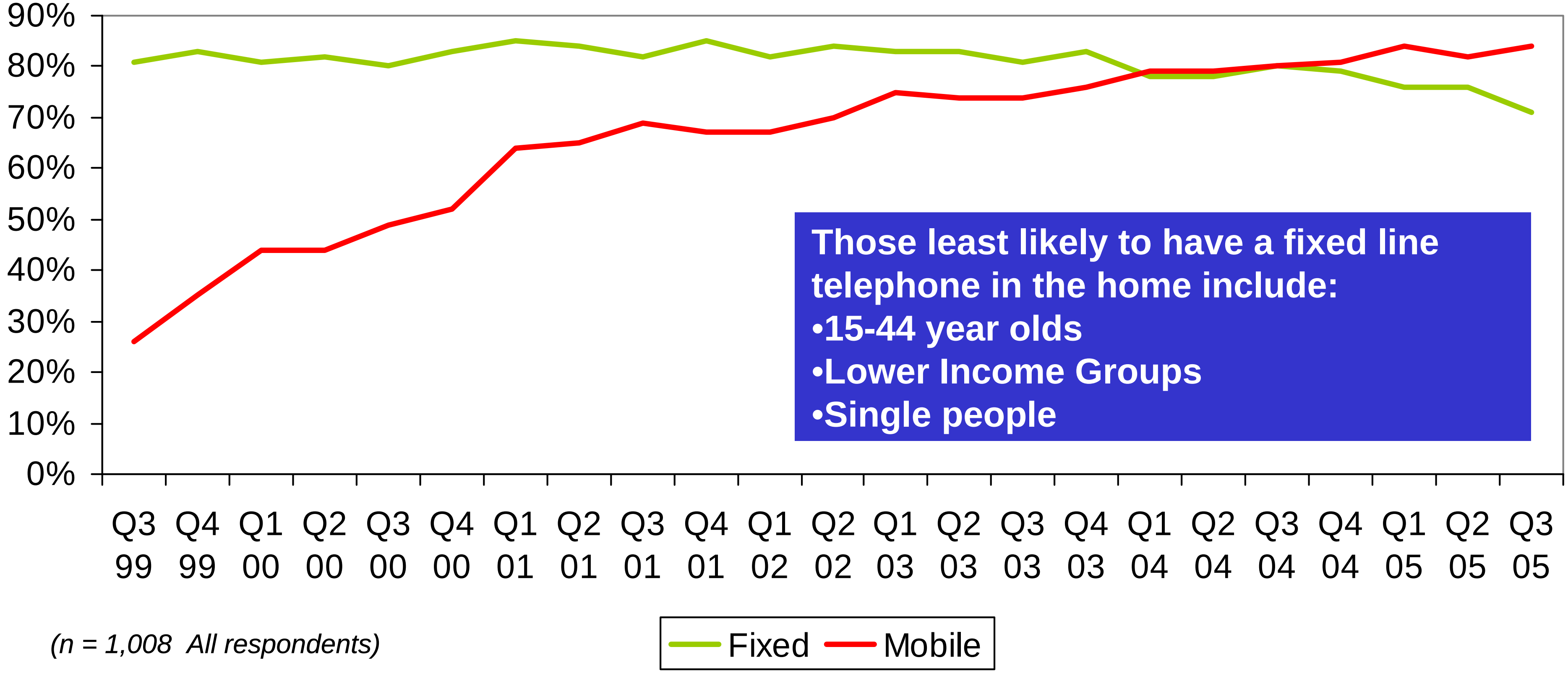
Fixed Phone Usage

Mobile Penetration Higher Than Fixed

Mobile Level: 84%
Fixed Line Level: 71%

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



Those least likely to have a fixed line telephone in the home include:
- **15-44 year olds**
- **Lower Income Groups**
- **Single people**

(n = 1,008 All respondents)

Source: ComReg Trends Survey, 1999-2005

Residential Service Providers

Apart from eircom, which, if any of the following companies do you use for your residential phone services? (Multiple responses allowed)	%	% Change vs. Q2, 2005
eircom only	76%	- 6%
Smart Telecom	6%	-
BT Ireland	3%	+1%
Other (these include Chorus, Vartec, Cinergi, Tele 2, Newtel and others)	10%	+4%
Don't Know	7%	+ 3%

- Six in ten respondents with a fixed line phone have not considered switching their residential telephone service provider in the previous three months.
- Over half of respondents (54%) with a fixed line phone also say they will not switch to another residential service provider in the next three months.
- 78% of those who will not switch service provider in the next three months cite 'satisfied with my current supplier' as the main reason for not switching fixed line operator.

(n = 712 Has a residential fixed line phone)

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Factors to consider when switching/choosing a fixed line provider

Factor	%
Value for Money/Lower Prices	62%
Operator has a good reputation	9%
Increased Reliability	9%
Better Customer Service	9%
Better range of services	9%
Experiences of friends and family	7%
The availability of special promotions	5%
Other	3%
Don’t Know	10%
None – would not switch	15%

(n = 712 Has a residential fixed line phone)

- The number of respondents with a fixed line that had considered switching in the last three months was 21% in Q3 2005 compared to 14% in Q2.
- 6 in 10 of those with a residential fixed line phone consider value for money as the main factor when considering switching or choosing a fixed line provider.
- Only 31% of customers have shopped around to compare prices between fixed line providers

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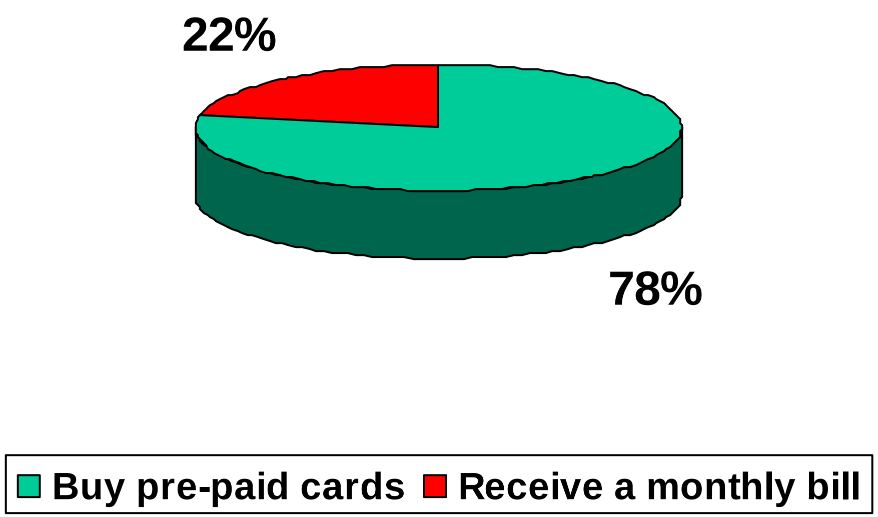
Mobile Phone Usage

Mobile Phone Service

"Is your current mobile phone service one where you buy pre-paid cards or receive a monthly bill...?"



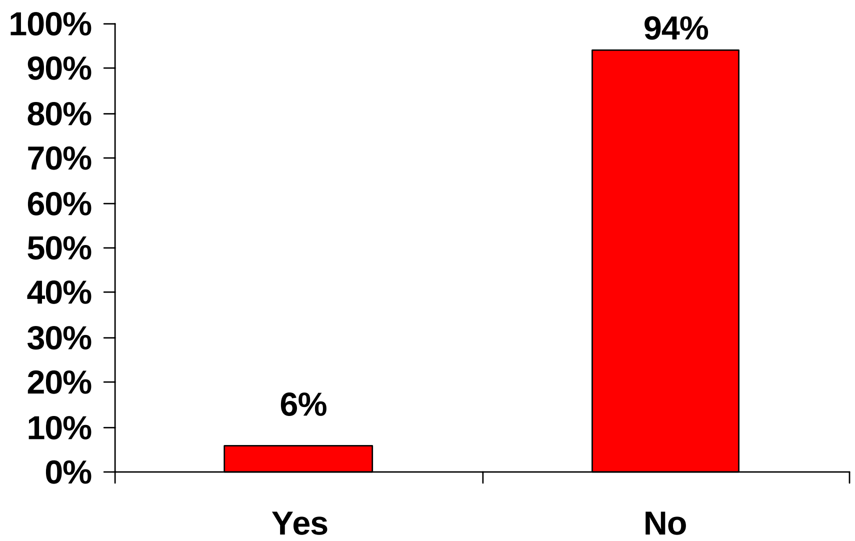
- Females (84%) are more likely than males (72%) to have a pre-paid phone rather than a post paid bill
- 93% of 15-24 year olds buy pre-paid cards as opposed to receiving a monthly bill compared to 74% of 35-44 year olds.
- Receiving a monthly bill is more common among ABC1's than C2DE's.

(n=848 those who have a mobile phone)

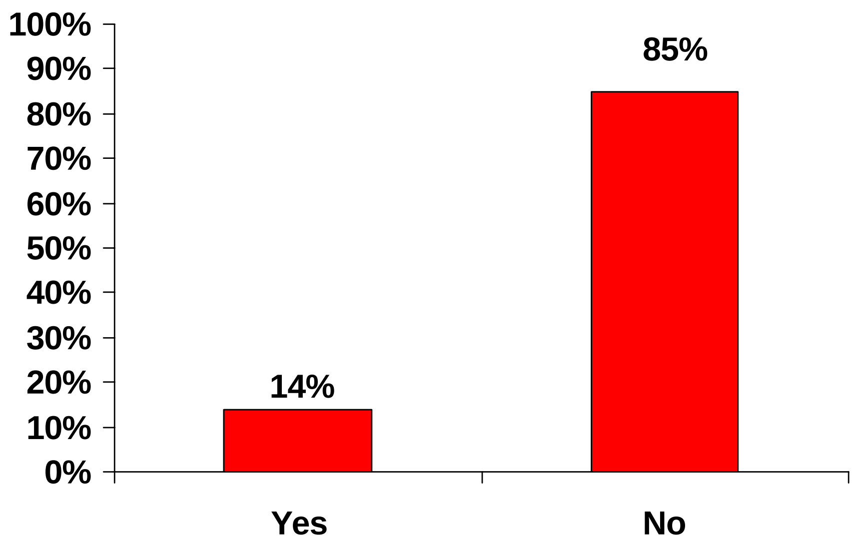
Switching Providers

6% of Irish adults have switched their mobile phone provider in the last three months.

"Have you switched your mobile phone provider in the last three months?"



"Have you <u>considered</u> switching your mobile phone provider in the last three months?"



(n=848 those who have a mobile phone)

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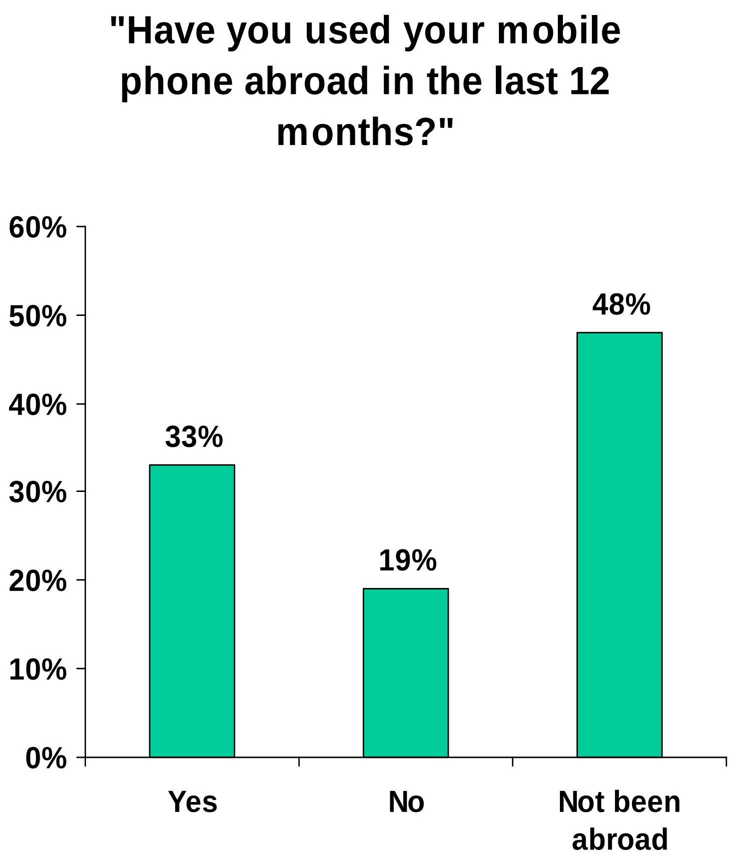
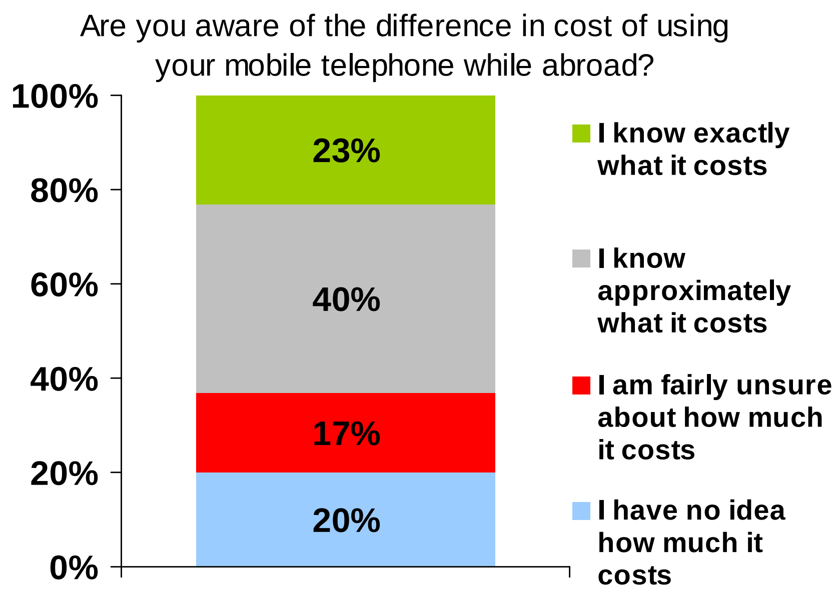
Mobile Phone Use When Abroad

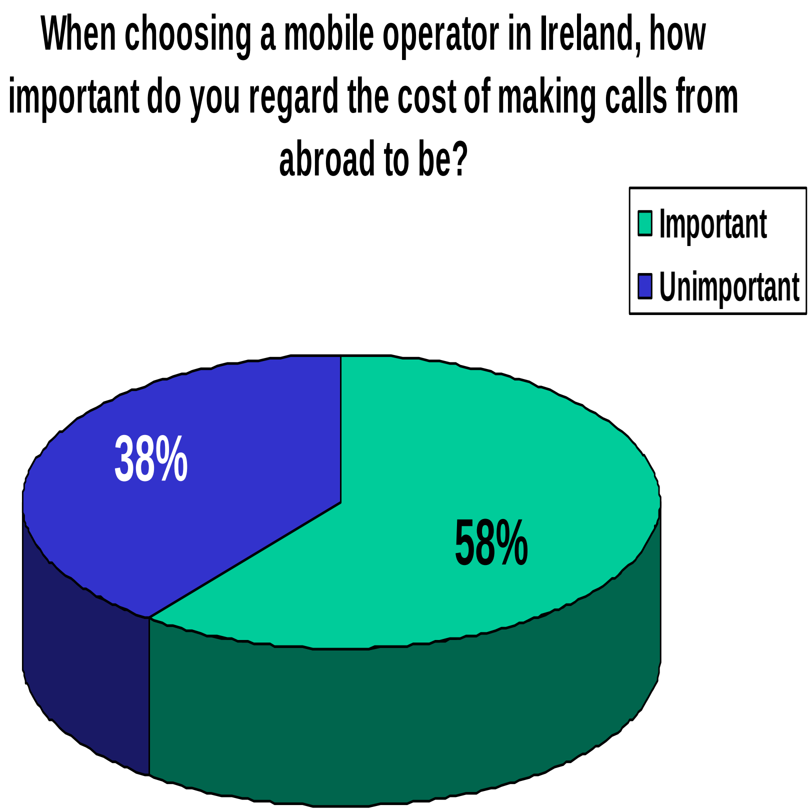


(n=848 those who have a mobile phone)



(n=283 those who have a used mobile abroad in last 12 months)

Mobile Phone Use Abroad



- 58% of respondents who had used their mobile phone abroad in the last 12 months considered 'cost' to be very/relatively important when choosing an operator in Ireland.
- While 34% of respondents who had used their phone abroad in the last 12 months would consider switching to another mobile operator in Ireland if it provided the customer with cheaper calls while abroad.
- Furthermore, 24% of respondents who had used their mobile phone abroad were aware of other mobile service providers in Ireland that offer cheaper calls while abroad.

(n = 283 All those who have used a mobile phone abroad in the last 12 months)

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Relevant factors when considering switching a mobile service provider

Key factors to consider	%
Value for Money/Lower Prices	80%
Increased Reliability	23%
Better Customer Service	14%
Better Range of Services	13%
Service Provider has a good reputation	12%
Experiences of Friends/Family	10%
The availability of special promotions	10%
Other	8%

‘Value for money’ remains the dominant factor considered by consumers when switching mobile service providers

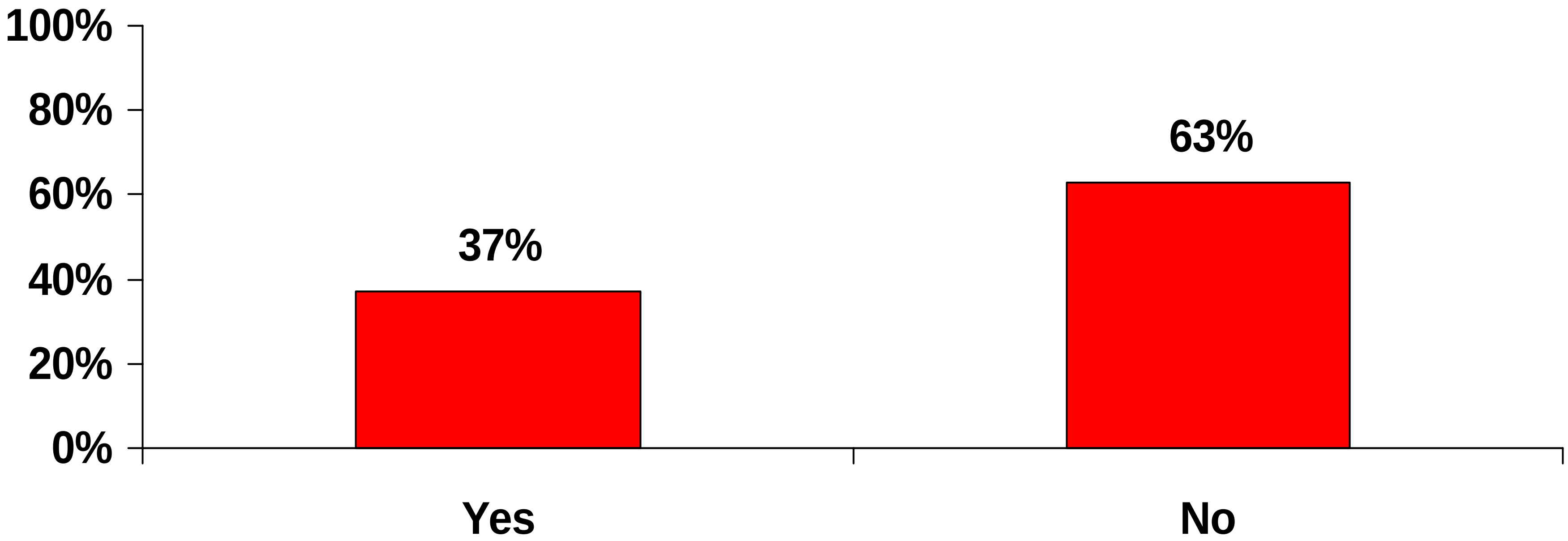
Only 35% of mobile users have shopped around to compare prices between mobile operators

 (n = 848 All those who have a mobile phone)

Internet Usage

Home Internet Access

Does your household have home Internet access by any device?



54% of ABC1 respondents have home Internet access compared to 25% of C2DE respondents.

(n=1,008 all respondents)

Home Internet Connections

The average Internet bill per month (excluding the line rental) is €34.20.

"How does your household connect to the Internet?"	**Q403**	**Q4 04**	**Q1 05**	**Q2 05**	**Q3 05**
Standard telephone line/Regular dial-up	84%	73%	63%	61%	52%
ADSL /Broadband connection using a modem	2%	6%	16%	22%	26%
Other wireless connection such as FWA or WiFi hotspots	-	-	-	-	1%
ISDN line	7%	8%	15%	10%	13%
Through a mobile phone via WAP or GPRS	0%	1%	0%	2%	1%
Broadband via a Cable modem connection	1%	9%	2%	1%	3%
Other	-	1%	-	-	1%
Don't know	5%	3%	3%	2%	4%

(n=374 All those with home Internet access)

eircom Is Dominant ISP

Who is your Internet Service Provider?	%	% Change vs. Q2
eircom	74%	-10%
BT Ireland	6%	+3%
Irish Broadband	2%	-
Ntl	3%	+1%
Smart Telecom	3%	+2%
Chorus	1%	-
UTVnet	1%	-
Other/Don't Know	10%	+4%

Note: named ISP's above include broadband Internet.

(n=374 All those with home Internet access)

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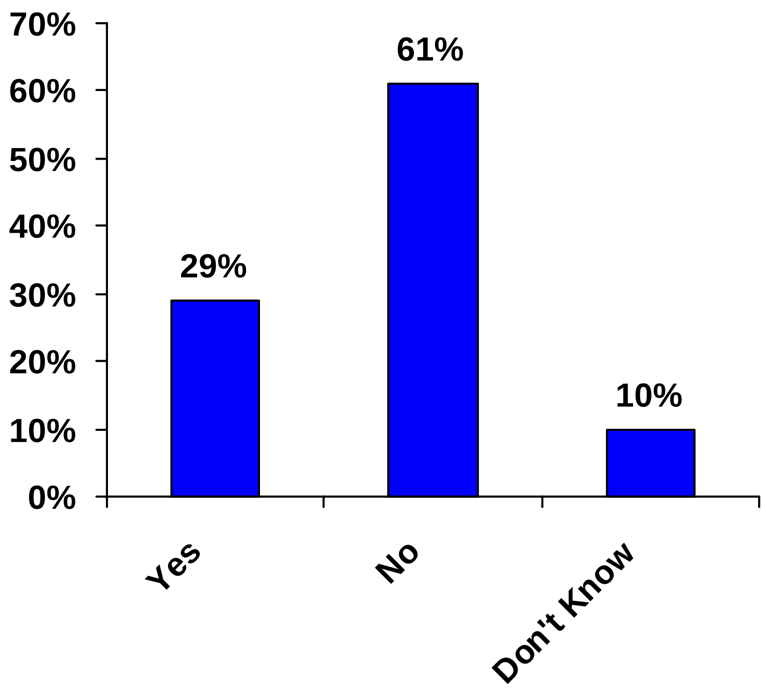
Broadband Consideration

Have you considered moving to a broadband connection for your Internet access?



(n=261 All those who connect to the Internet by ways other than DSL, cable other wireless or satellite broadband

- 29% of households with home internet access but not broadband have considered changing to a broadband connection for internet access.
- Of these, 44% of 35-44s, 43% of Dubliners and 38% of respondents with a 3rd level education have considered switching to a broadband connection.

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Broadband Consideration

32% of respondents cite not using the Internet often enough as the main barrier to their take-up of broadband.

Why have you not considered moving to a broadband Internet connection?	**%**
Would not use the Internet often enough	32%
Broadband not available in my area	27%
Current Internet access package sufficient for my needs	21%
Too expensive	15%
Security concerns	-
Telephone line failed broadband test	2%
Other	11%
Don’t Know/Not my decision	11%

(n=259 All those who have not considered moving to broadband)

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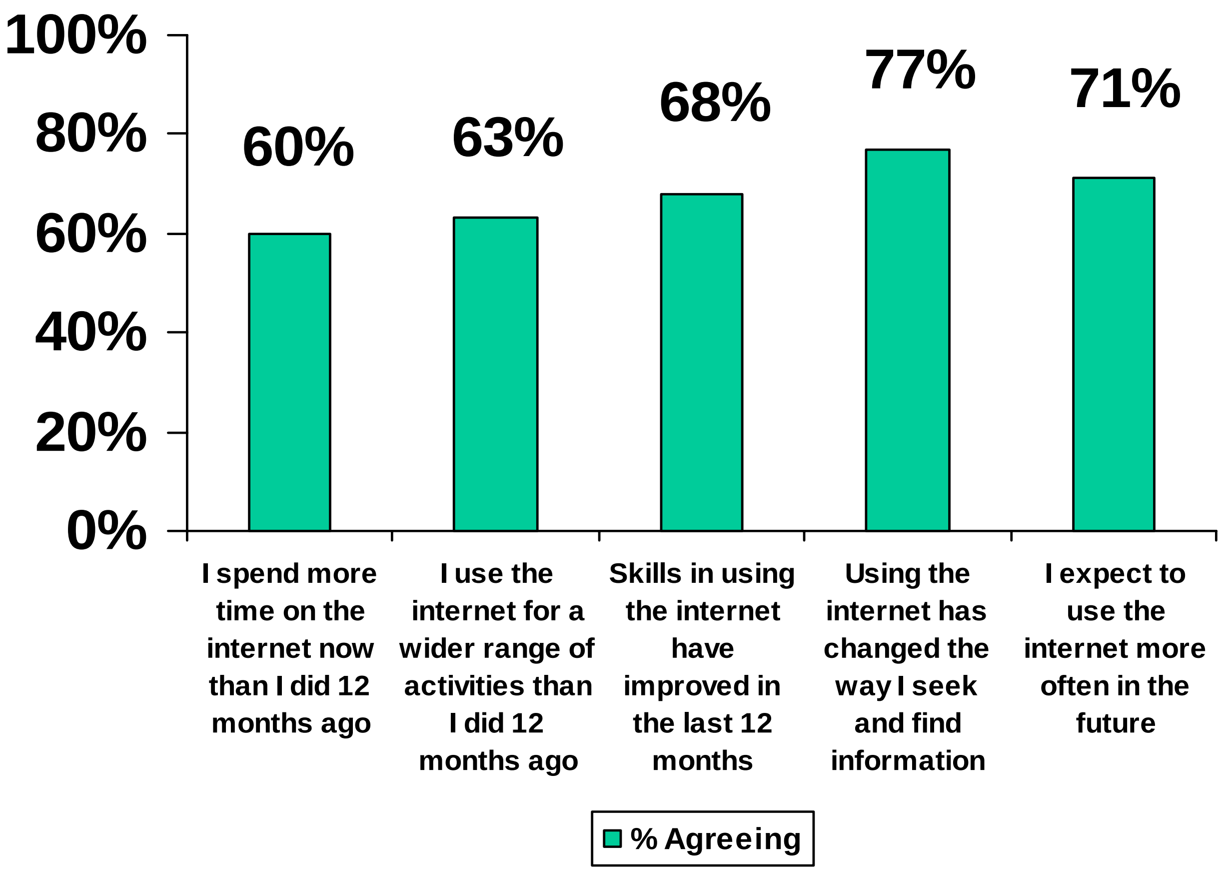
Attitudinal Statements

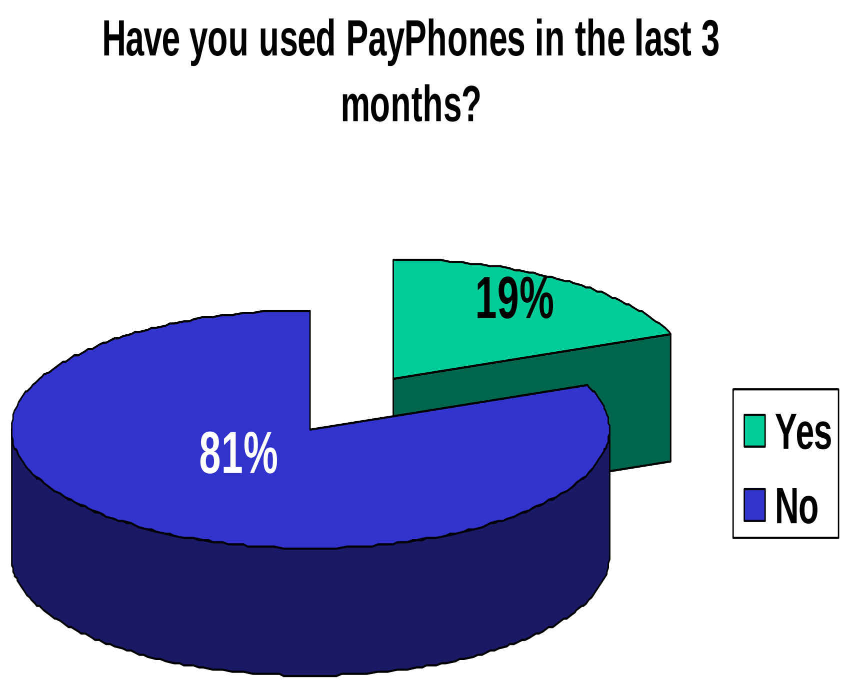


- Respondents who disagree with these statements are more likely to be 45+, based in the Rest of Leinster based and married.
- 77% of respondents agreed that ‘using the Internet has changed the way they seek and find information’. The 15-24 age group scored highest in terms of this criteria representing a score of 90%

(n=374 All those with home Internet access)

PayPhones

PayPhone Usage



19% of respondents have used payphones in the last 3 months (n=193).

77% of respondents cite ownership of a mobile phone as the main reason for not using a payphone

Reasons for NOT using a payphone	**% (n=815 All those who haven't used a payphone in the last 3 months)**
Don't need to – I have a mobile phone	77%
It's inconvenient	8%
There hasn't been a payphone in close proximity	3%
Payphones are unreliable	3%
Its too expensive	2%
I didn't have any change	1%
Other	8%
Don't Know	4%

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Reasons for Using a PayPhone

Reasons for choosing a PayPhone	%
It was convenient	46%
I had no call credit on my mobile	21%
I had no mobile phone with me	15%
It was less expensive than using a mobile	11%
I had no mobile coverage	6%
I was abroad	6%
It was less expensive than using a fixed line phone	3%
Other	8%

46% of those who used a payphone did so for the convenience of it. 77% of those who used a payphone in the last three months did so to make a local call.

(n=193 All those who have used a payphone in the last 3 months)

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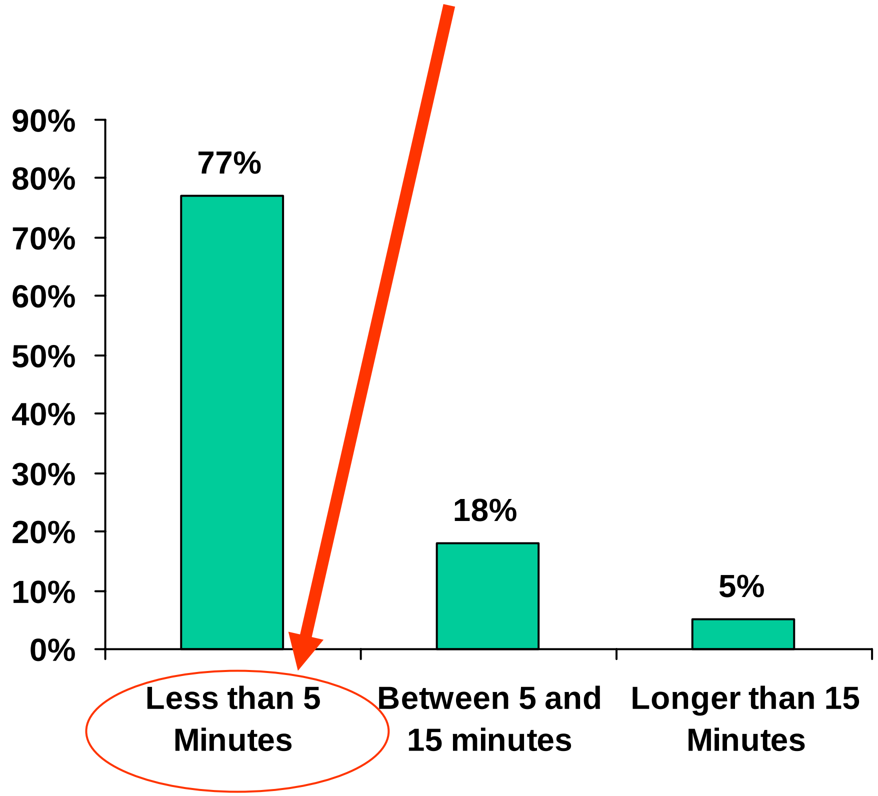
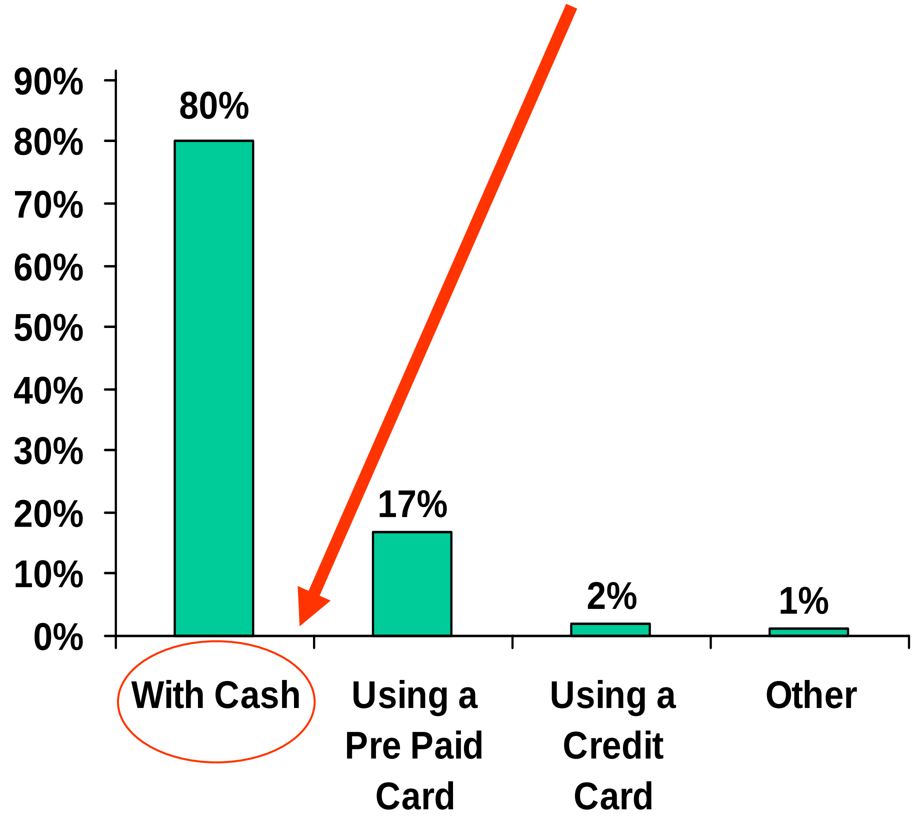
Average Length/Cost of Call

What was the average length of a call when you use a payphone?



How did you pay for your call the last time you used a payphone?



The average length of time for a call from a payphone was less than 5 minutes and the most preferred method of payment was by cash.

(n=193 All those who have used a payphone in the last 3 months)

Broadcasting

No significant increase in take up of multi-channel TV

"How do you receive your television service?"	**Q2 2004**	**Q3 2004**	**Q4 2004**	**Q1 2005**	**Q2 2005**	**Q3 2005**
Cable/MMDS from Ntl / Chorus	39%	41%	43%	44%	41%	41%
External aerial or TV's own aerial	36%	35%	36%	28%	32%	31%
Satellite dish (Sky)	27%	24%	22%	25%	22%	23%
Community mast/deflector	3%	2%	3%	2%	4%	2%
Satellite but no payment to Sky	-	-	-	-	-	2%
Do not have a TV	-	-	-	-	-	1%
Don't Know	-	-	-	-	-	1%

(n=1008 All respondents)

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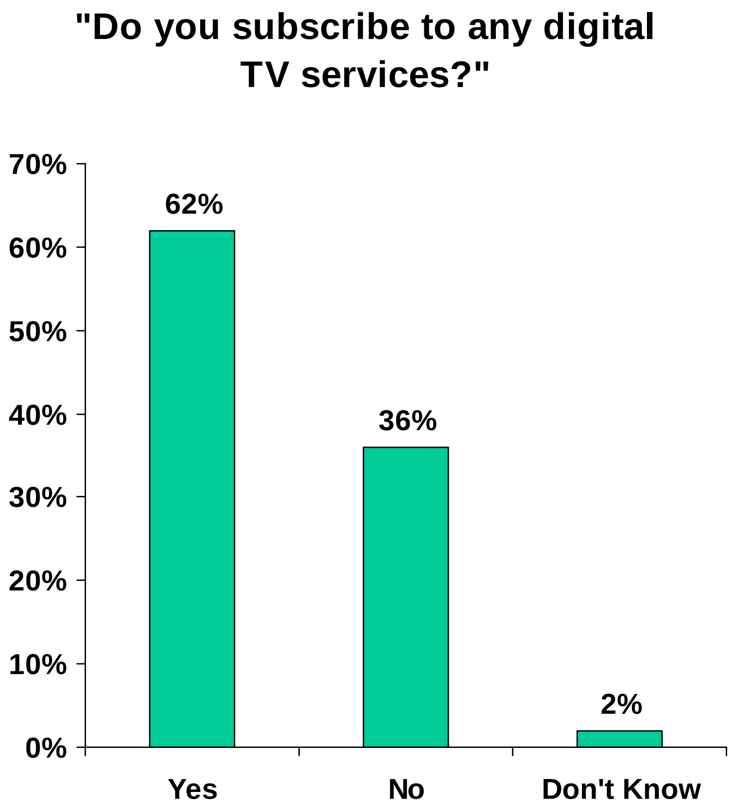
Digital TV Platform



(n=626 respondents)

Digital TV services are most popular amongst those aged 15-24 and those who are married

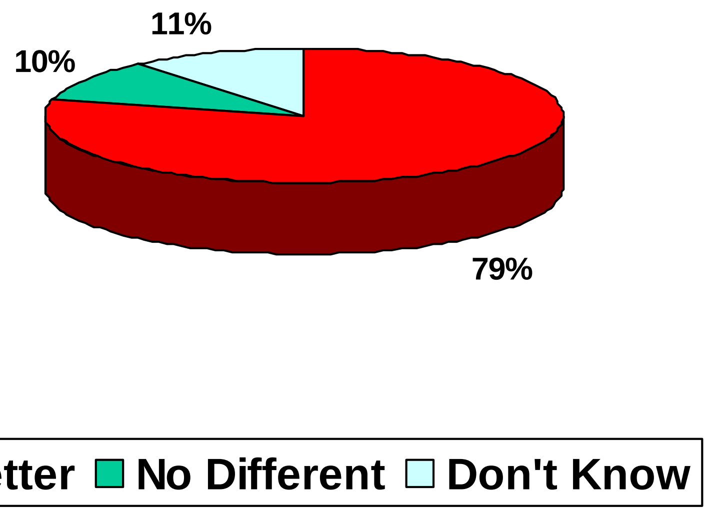
Who is your digital television provider?	%
Sky	63%
NTL	21%
Chorus	14%

(n=387 those who subscribe to digital TV)

Digital TV Experience

What was the main reason for getting digital TV?	%
More choice and variety	76%
Better reception/sound quality	10%
Family pressure	6%
Special offer	2%
Recommended by somebody who had digital TV	1%
Other	5%

The majority of respondents with digital TV claimed to have a better experience with digital TV to date compared with their experience with non-digital (analogue) pay TV?



(n=387 those who subscribe to digital TV)

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independent insight

Appendix: Note on Methodology

Methodology

- 1,000 people surveyed aged 15 – 74.
- Fieldwork conducted: August 8th – September 1st 2005.
- 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

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