ComReg Trends Survey Wave 1, 2007

Survey Results

Prepared by Amárach Consulting

June 2007

Contents

Introduction

Introduction

- The research contained in this report is based on a quarterly survey by Amárach Consulting of 1,010 adults throughout Ireland, aged 15-74.
- The survey was conducted in February/March 2007, and the results have been weighted up to the total adult population aged 15-74, using the most recent CSO statistics.
- 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

Key Findings

- Home fixed line subscription levels remained stable again this period, with 68% of consumers stating that they have an active fixed line subscription in their home. 85% of respondents indicate that that have a mobile phone. Over half of respondents have both a landline and a mobile phone.

- Older age groups (81% of 65-74 year olds) are most likely to have a fixed line connection in their home. In contrast, younger consumers are both less likely to report having a fixed line in the home, and are more likely to state that ownership of a mobile phone is their reason for not having a fixed line in the home.

- eircom is the largest fixed line operator with 82% of fixed line customers using eircom as their service provider.

- 34% of fixed line users report having shopped around to compare prices between fixed line operators. Those aged 25-44 years and 45-64 years are most likely to have compared prices for fixed line voice services.

- 46% of those who have switched to another telecoms operator have switched back to eircom at some point in the past.

Key Findings

- Price remains the most frequently cited factor considered by customers when choosing a fixed line provider, followed by customer service. Reputation of the supplier and convenience of billing terms are also important.

- The average spend on fixed line telephone services is reported as €97.20 every two months, a decrease of 6% from 6 months ago, although some groups such as 25-44 year olds, higher income groups, and those with a home internet subscription continue to spend an above average amount on landline telephony,

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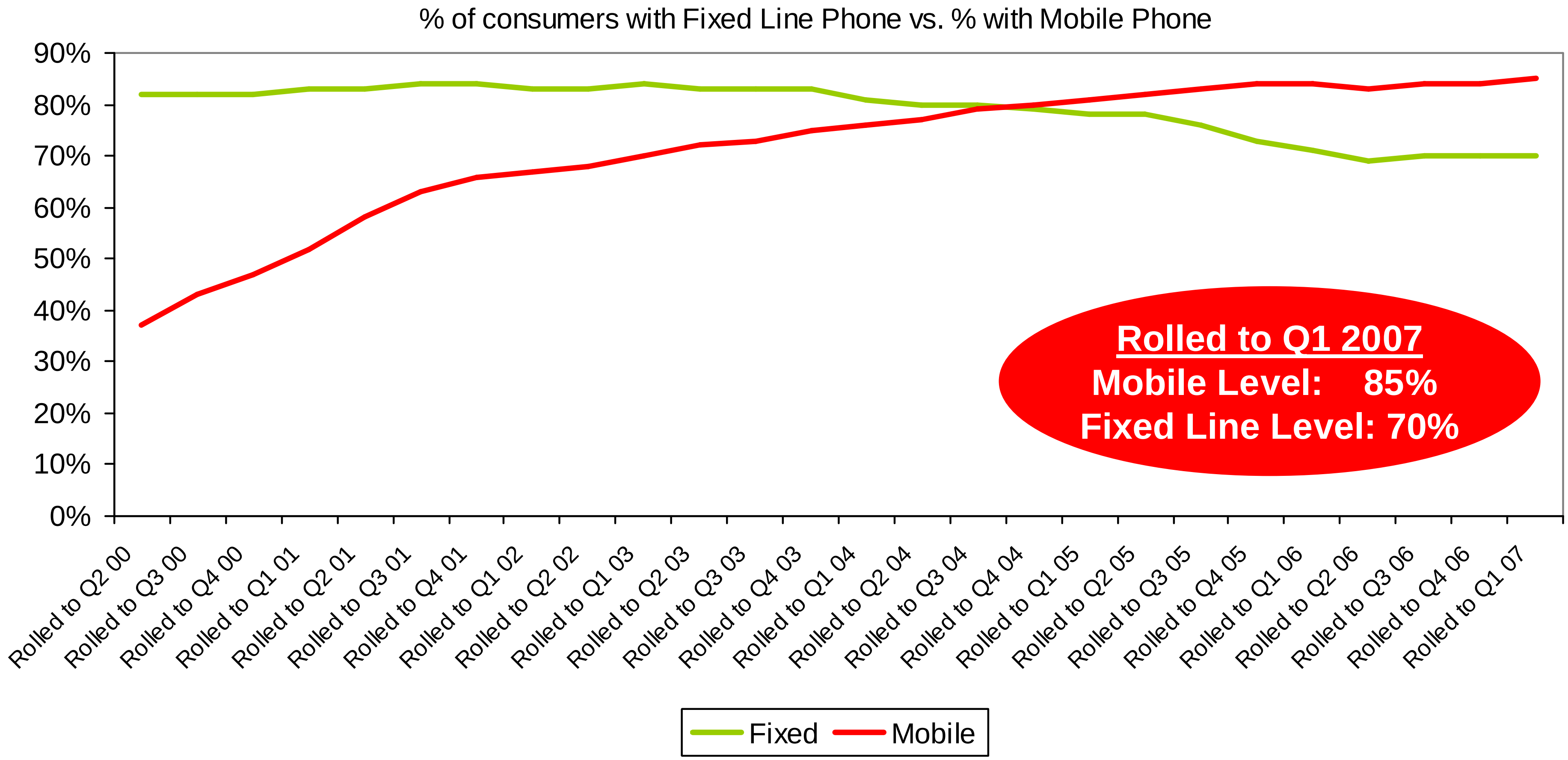
Mobile & Fixed Penetration – 12-monthly rolled data

Base: All Respondents



A rolling average trend uses an average of current data, and that of the three previous periods to provide an average figure. Each quarter's data is treated similarly producing a "rolled" average figure for fixed line penetration over time. Rolled average data helps to identify a long term trend, while minimising the impact of quarter on quarter fluctuations in the data.

*Source: ComReg Trends Survey, **1999-2007***

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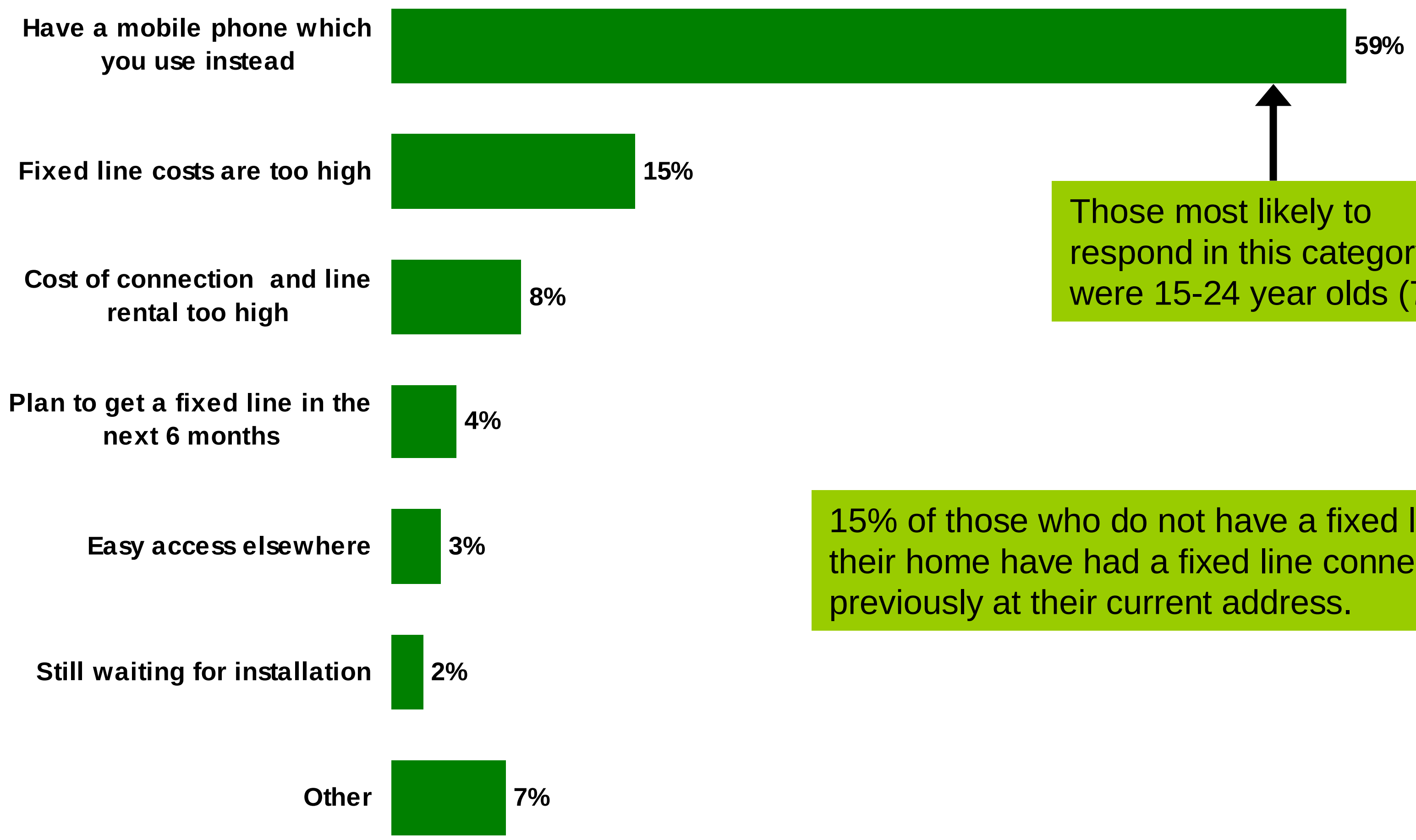
Reasons for Not Having a Fixed Line

Base: Doesn't Have a Fixed Line Phone N=337



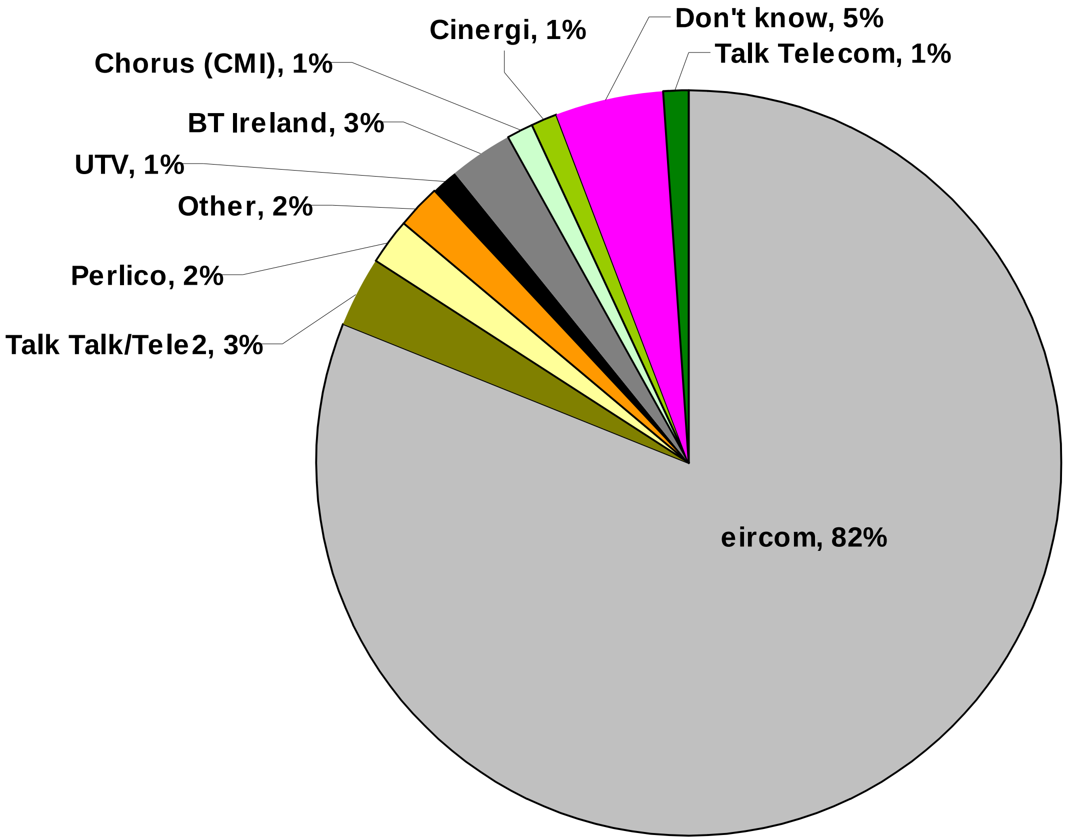
Those most likely to respond in this category were 15-24 year olds (70%)

15% of those who do not have a fixed line in their home have had a fixed line connection previously at their current address.

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

Fixed Line Service Provider

Base: Has a Fixed Line Phone N = 673



Older age groups are less likely to use providers other than eircom for their fixed line phone service.

- 5% have had a fixed line phone installed in the last year.

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

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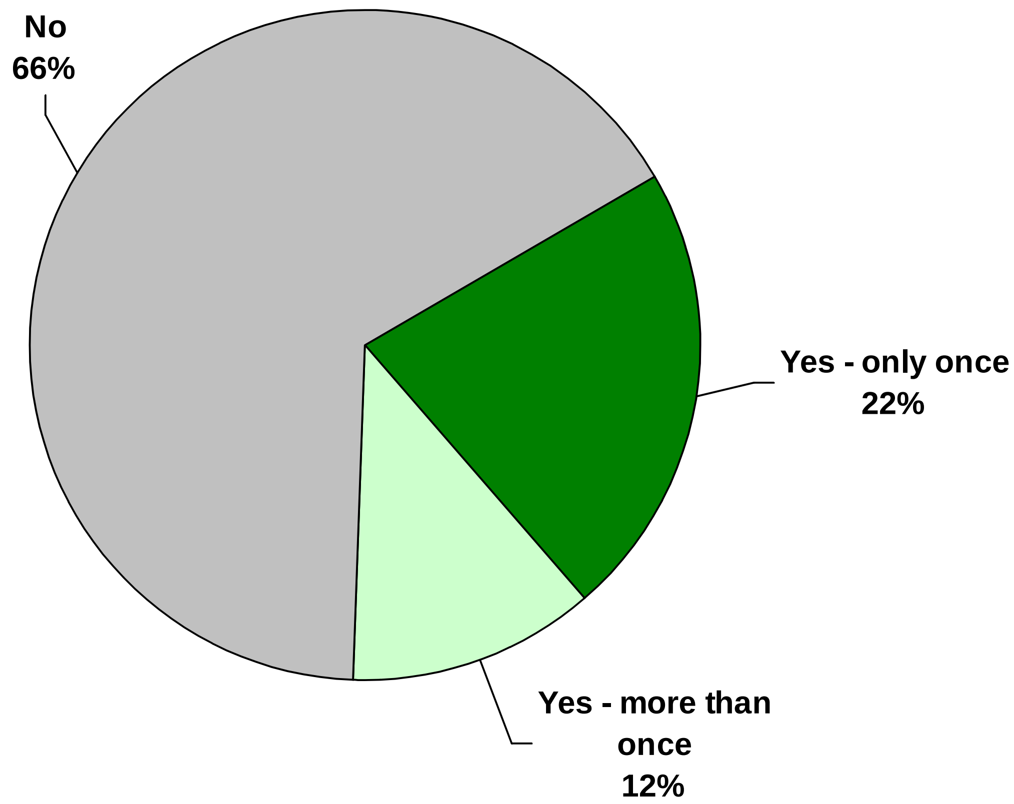
Incidence of Shopping Around for Fixed Line Providers

Base: Has a Fixed Line Phone N = 673

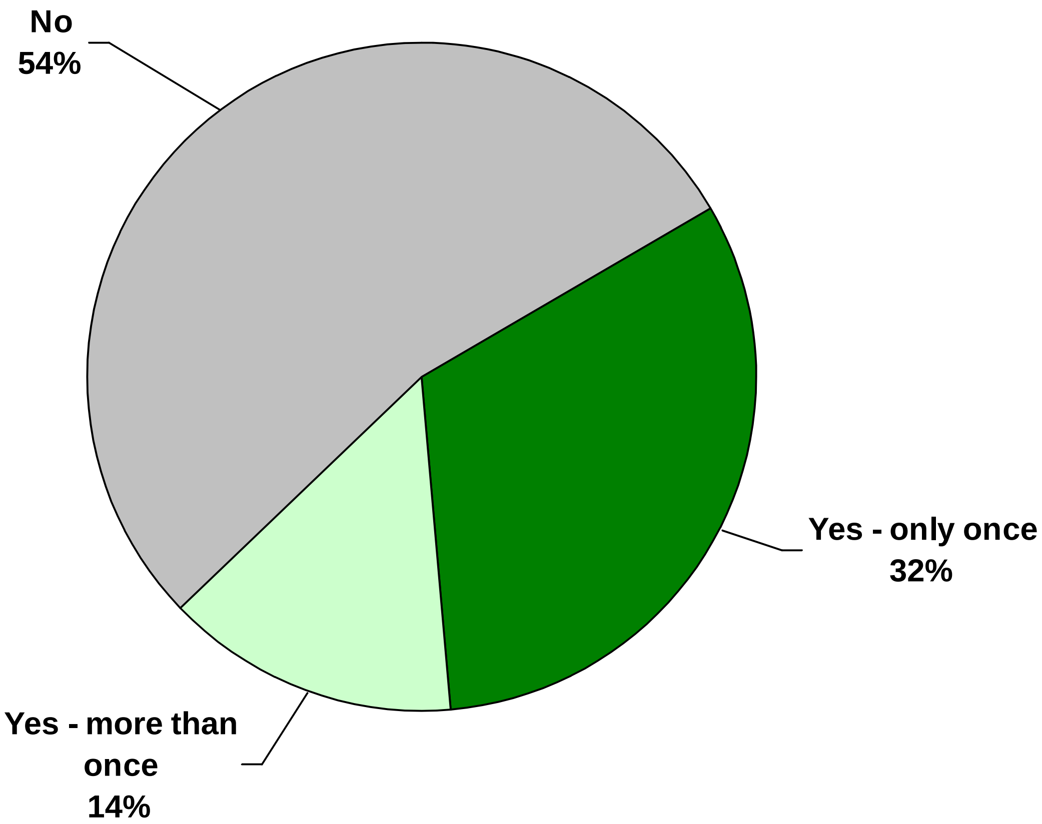


	% Shopped Around
All Fixed line Users	**34%**
Male	32%
Female	35%
15-24 year olds	13%
25-44 year olds	44%
45-64 year olds	40%
65-74 year olds	18%
Higher Income Groups	40%
Lower Income Groups	28%

Q. Have you ever shopped around to compare prices between fixed line operators?

Incidence of Switching, and Switching Back Fixed Line Operator

Base: Have shopped around to compare fixed line operators N = 232



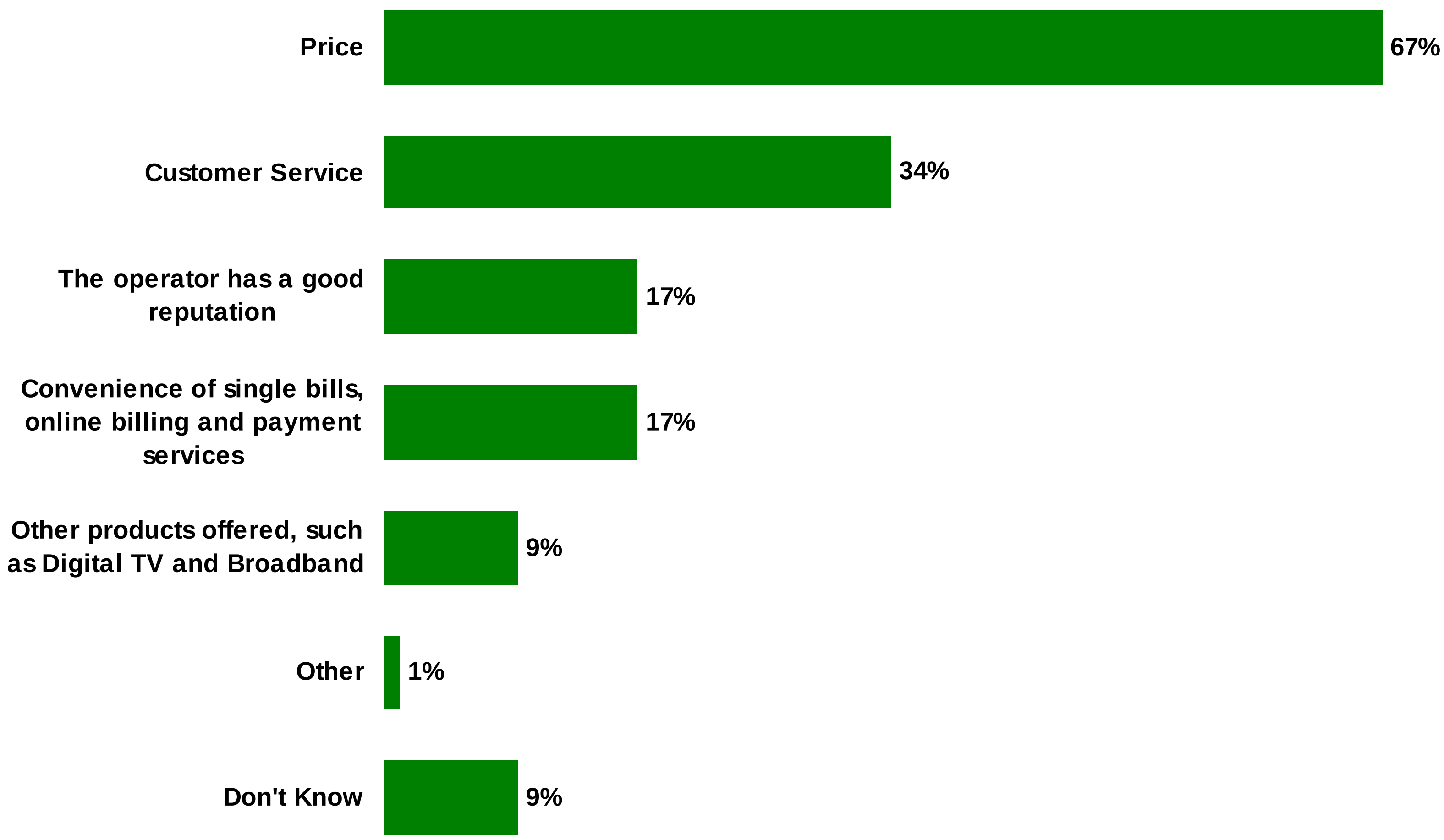
Among those who switched back to eircom, the most popular reasons for doing so were:

- They experienced poor customer service from the other operator (30%),
- A sales rep encouraged them to return to eircom (23%)
- There were no significant savings with the other operator (22%).

Q. Have you ever used another telecoms operator and then switched back to eircom?

Important factors when Selecting Fixed Line Provider

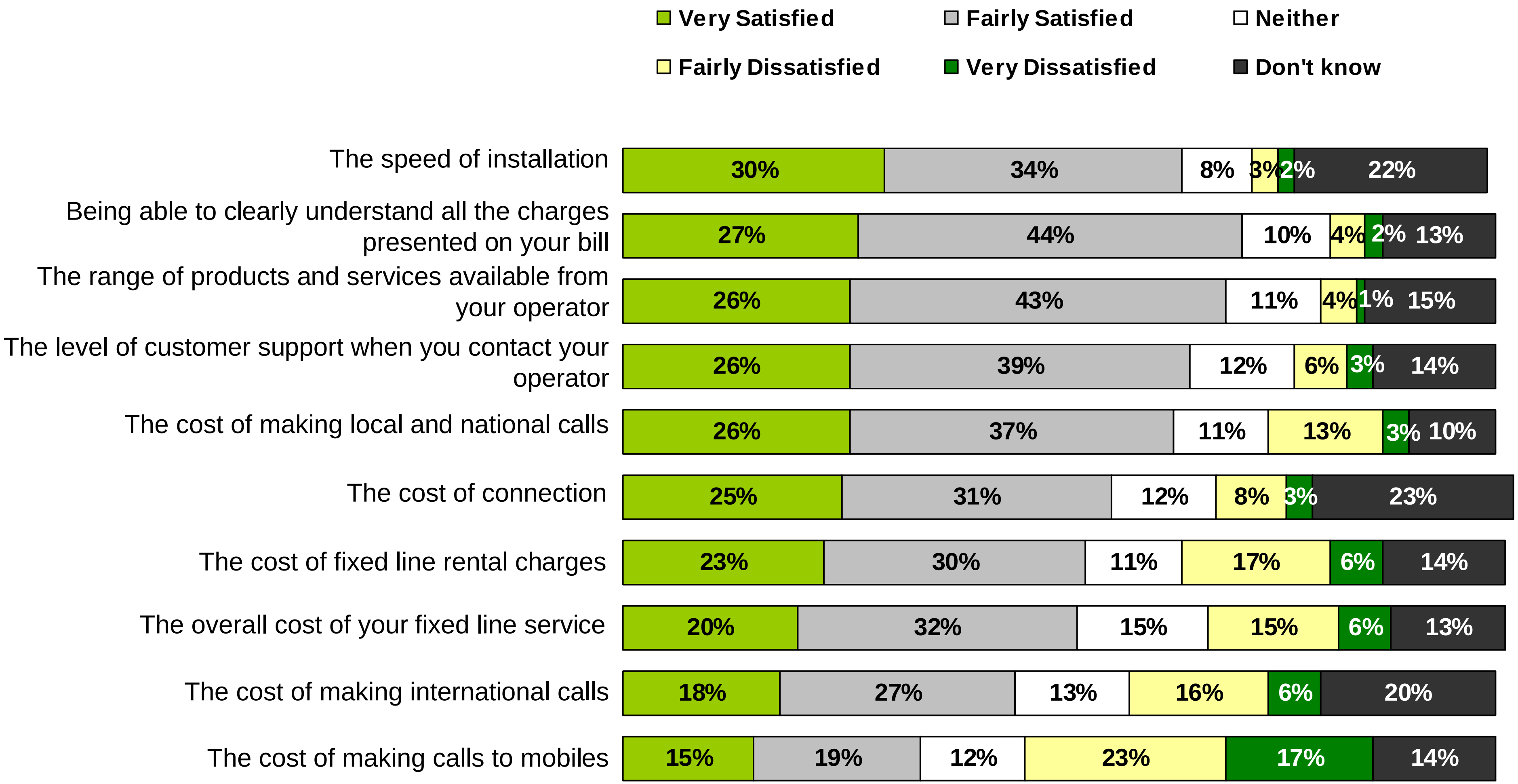
Base: Those with fixed line phone N = 673



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

Rating of Fixed Line Service Provider

Base: Has a Fixed Line Phone N = 673



Q. On a scale of 1-5 where 1 indicates very dissatisfied, and 5 indicates very satisfied, please rate your satisfaction with the following aspects of your telephone service?

Bi-Monthly Average Spend on Telephone

Base: Has a Fixed Line Phone N = 673

Groups with above average spend include:

25-44s	**€109.25**
ABC1s	**€104.01**
Those with home Internet access	**€112.62**

Groups with below average spend include:

15-24 years	**€89.31**
65-74 years	**€62.05**
C2DEs	**€89.55**

Bi-Monthly Average spend (excl dk) **€ 97.20**

Average bi-monthly spend decreased by 6% since the Q3 2006 survey from €103.57 to €97.20 in Q4.

Q. How much, approximately, was your last bi-monthly telephone bill from your telephone service provider(s) mentioned at Q.5) including VAT?

Mobile Phone Usage

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Key Findings

- Among consumers surveyed, 73% pay for their mobile phone service using pre-paid top-ups. Those most likely to use a bill-pay service include those aged 25-64 and higher income groups.

- Market shares of the operators remained relatively stable this quarter. 48% of mobile users reporting using Vodafone, and 35% of mobile users subscribe to an O2 service. Meteor commands a 16% share among respondents.

- The average number of calls made on a mobile is 5.47 per day. Men, those in employment, and those who run a business from home have an above average call volume. Women, and those aged 65+ make less than the average number of calls on their mobiles per day. Post-paid customers make more calls on average than those who use a prepaid service.

Key Findings

- The average number of texts sent per day by respondents is 6.65, with 15-24 year olds and students sending an above average number, and those aged 45+ sending less than average.

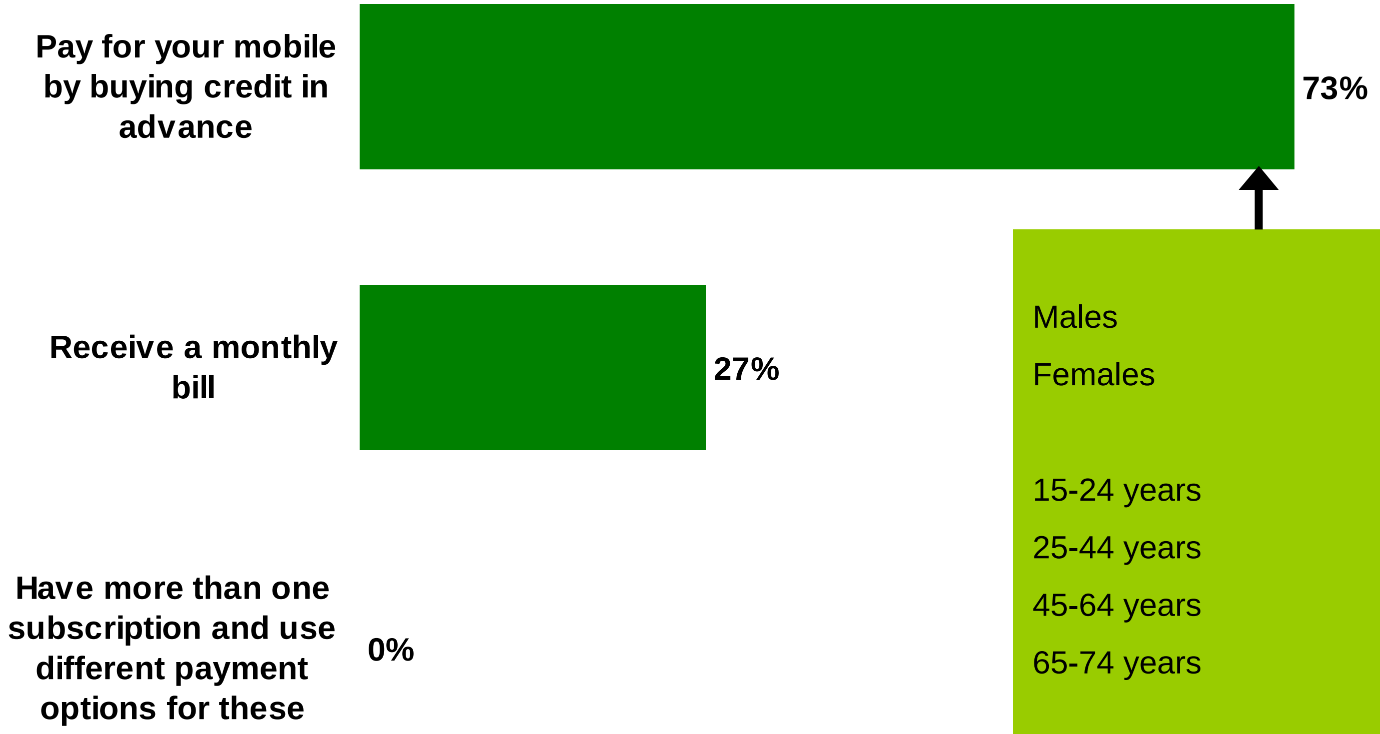
- Almost two-thirds of those with a mobile phone change their handset at least once every 2 years, with males, younger mobile users and those who do not have a landline most likely to do so.

- The average monthly spend on mobile telephony is €53.10, with females and 45-64 year olds spending less than average. An above average amount is spent by males, those aged 25-44, residents of Connaught/Ulster, those without a landline and those who run a business from home.

Current Mobile Phone Service

Base: Has a Mobile Phone N=865

Is your current mobile phone service one where you…

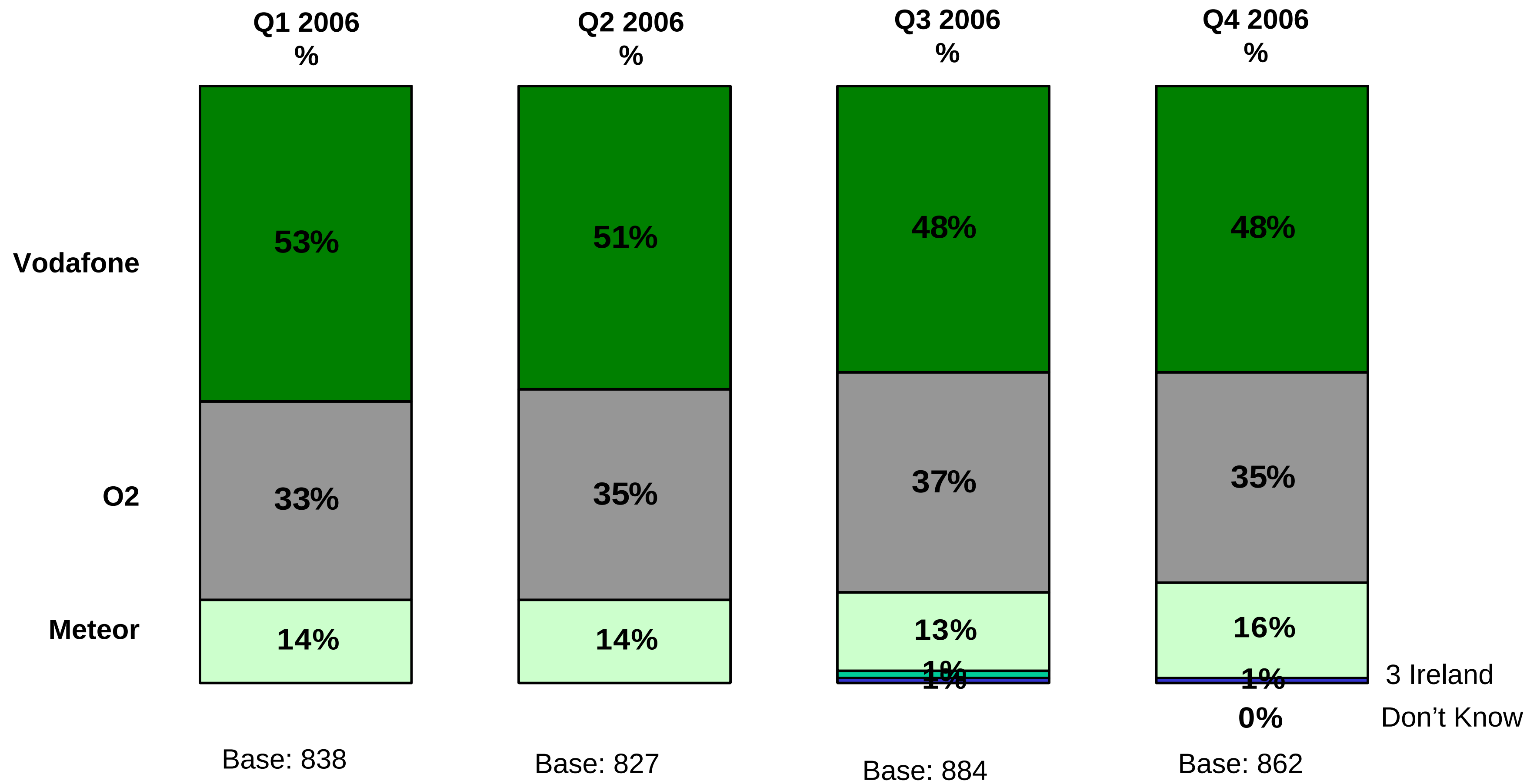


	% Prepaid
Males	69%
Females	77%
15-24 years	83%
25-44 years	66%
45-64 years	73%
65-74 years	87%
Higher Income Groups	61%
Lower Income Groups	85%

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

Mobile Suppliers

Base: Has a Mobile Phone N=865

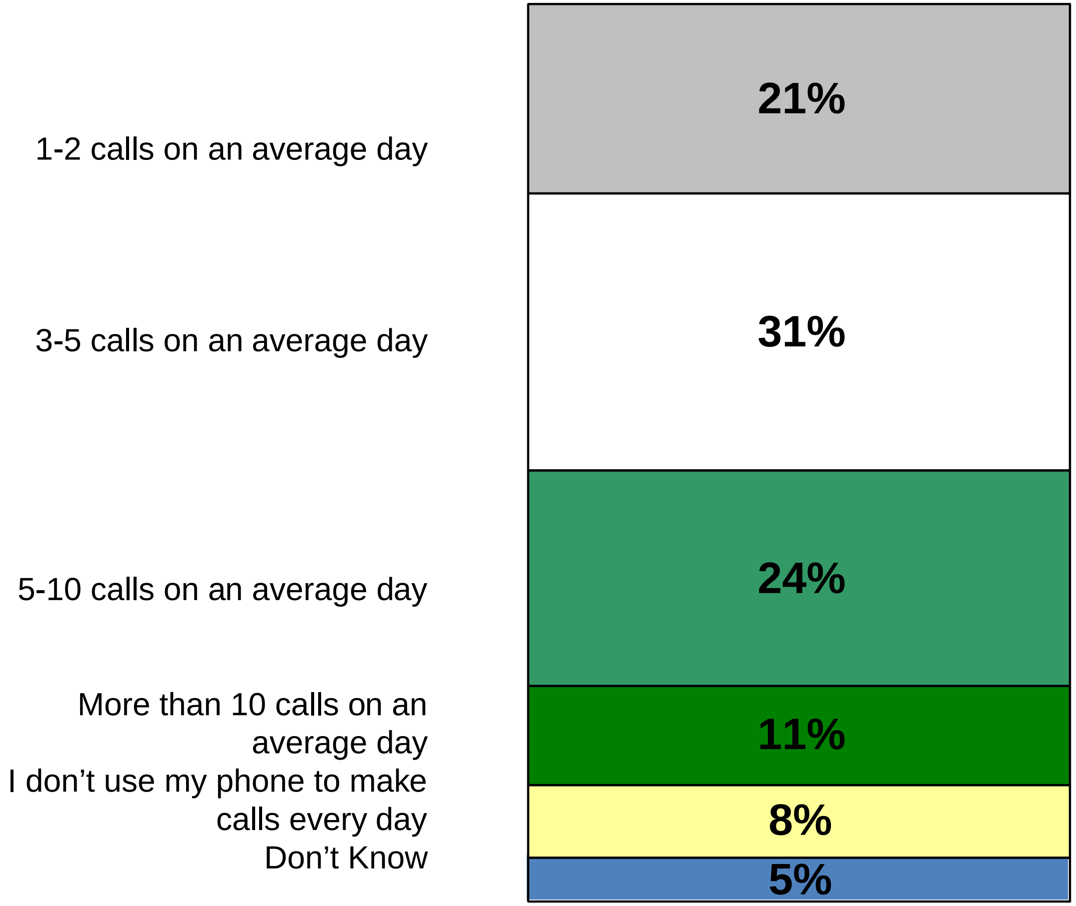


14% of mobile users report having a 3G phone. These are more likely to be male than female (17% vs. 10%) and most likely to be aged 15-24 (20%) or 25-44 (16%).

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

Number of Calls Made on Mobile on an Average Day

Base: Has a Mobile Phone N=865



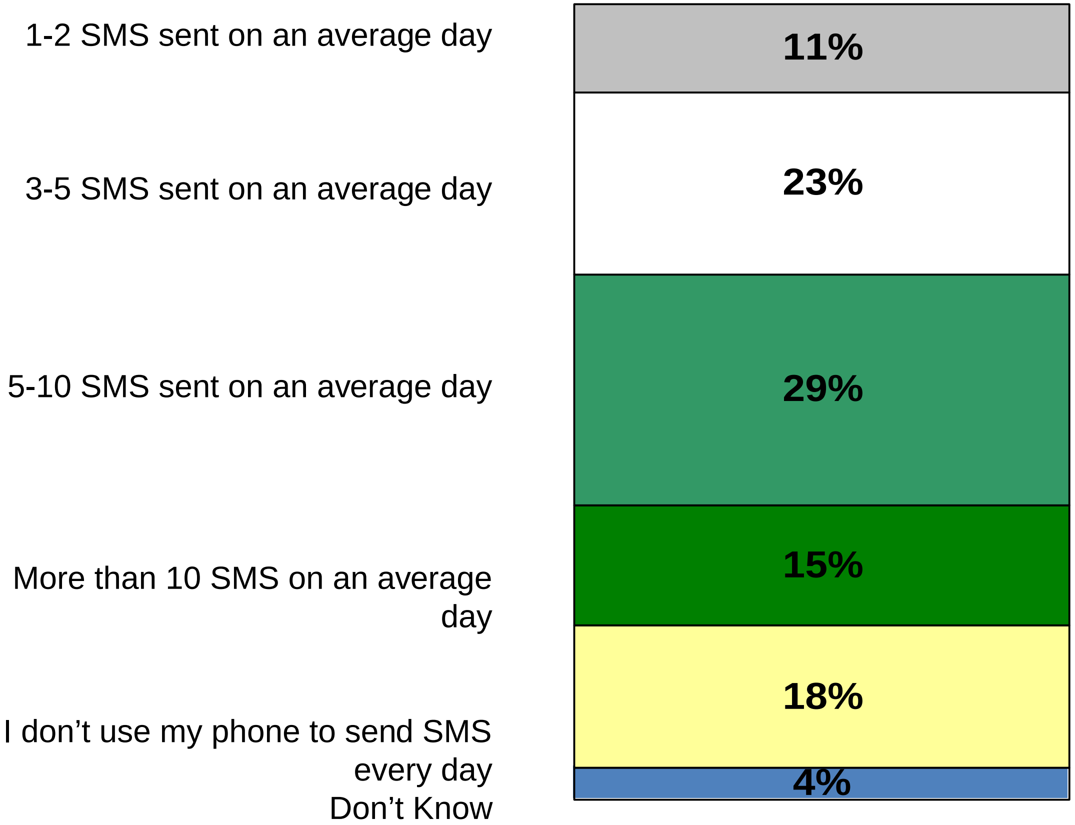
Average (calls) **5.47**

Avg calls per day	
Men	6.17
Women	4.79
15-24 years	5.43
25-44 years	5.77
45-64 years	5.19
65-74 years	3.66
Higher Income Group	5.95
Lower Income Group	4.98
Post Paid customers	5.97
Pre-Paid customers	4.10

Q. How many calls do you make on your mobile phone on an average day?

Number of Texts Sent on Mobile on an Average Day

Base: Has a Mobile Phone N=865



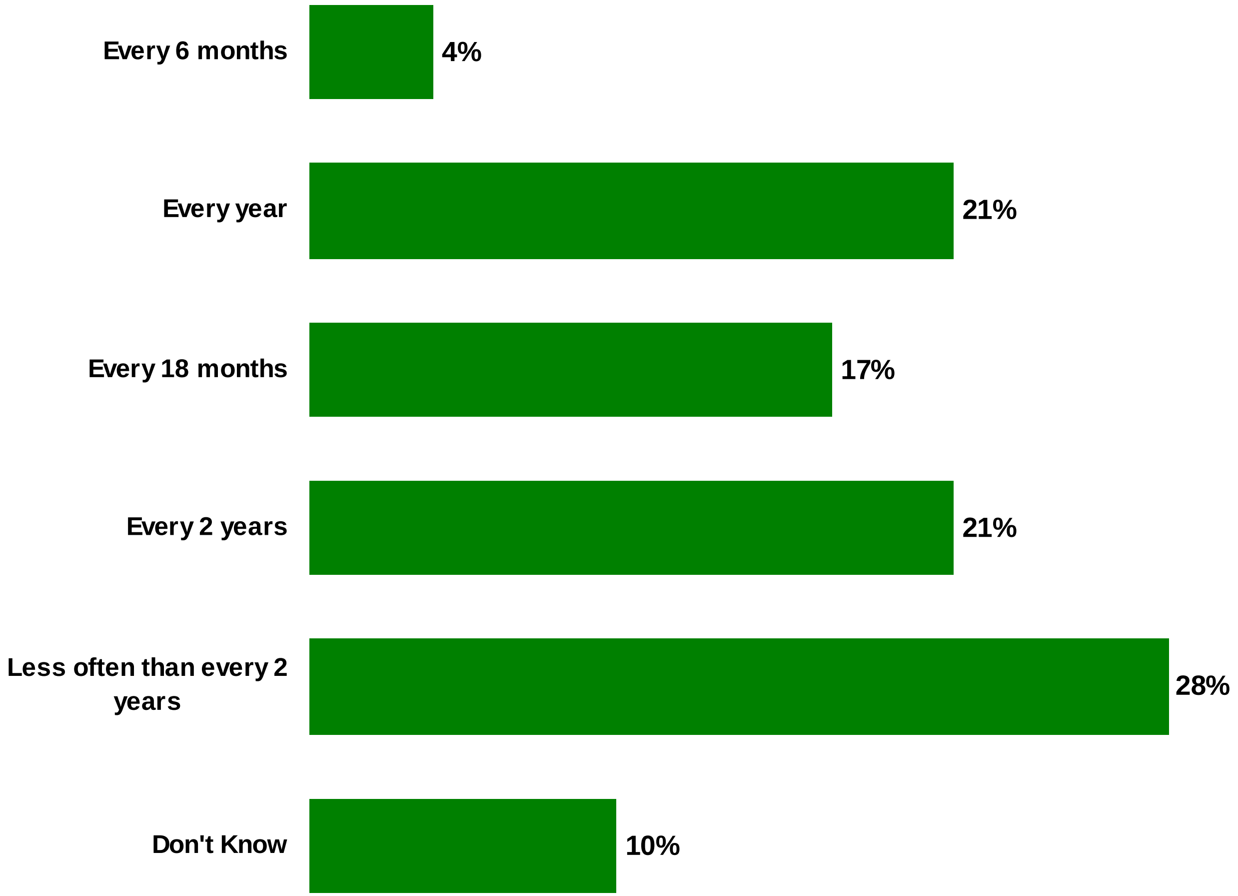
Average (texts) **6.65**

	Avg texts per day
Men	6.59
Women	6.71
15-24 years	8.49
25-44 years	6.30
45-64 years	4.88
65-74 years	5.62
Higher Income Group	6.53
Lower Income Group	6.77
Post Paid customers	6.85
Pre-Paid customers	6.12

Q. How many SMS messages do you send on your mobile phone on an average day?

Frequency of Changing Mobile Handset

Base: Has a mobile phone N = 865



- Men are more likely than women to change their mobile handset at least once every 2 years (67% vs. 58%).
- Younger respondents are much more likely to change their mobile handsets than older respondents.
- Those without a landline are more likely to change their handsets at least every 2 years than those who do not have one (67% vs. 60%).

Q. How often do you change your mobile phone handset?

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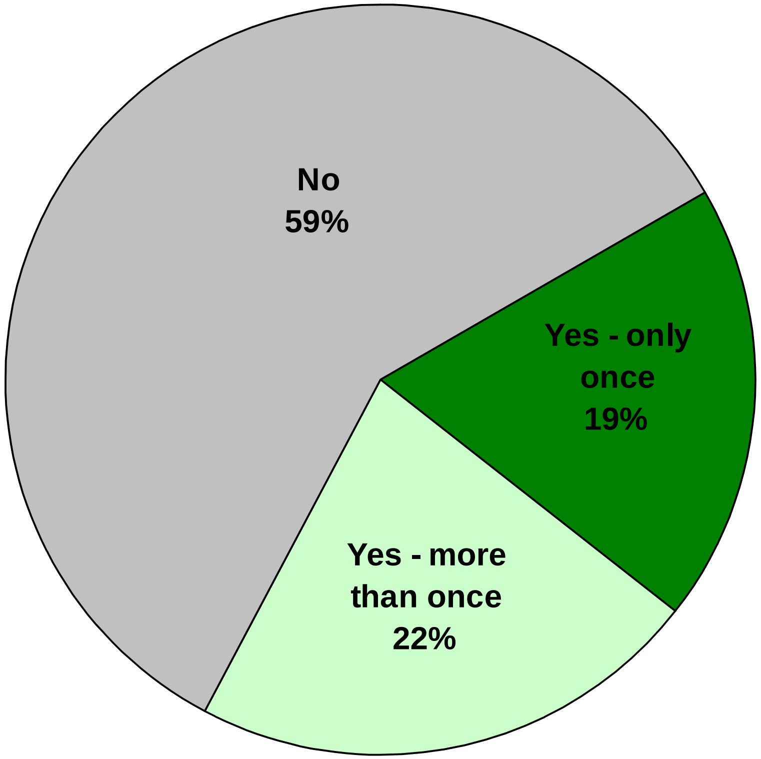
Switching Mobile Phone Provider

Base: Has a mobile phone N=865

- 41% of those with a mobile phone have shopped around at least once to compare prices between mobile operators.
- Those who shop around are most likely to be male (45%) and to be aged 15-24 (50%) or 25-44 (47%). Those aged 45-64 are much less likely to do so (28%).

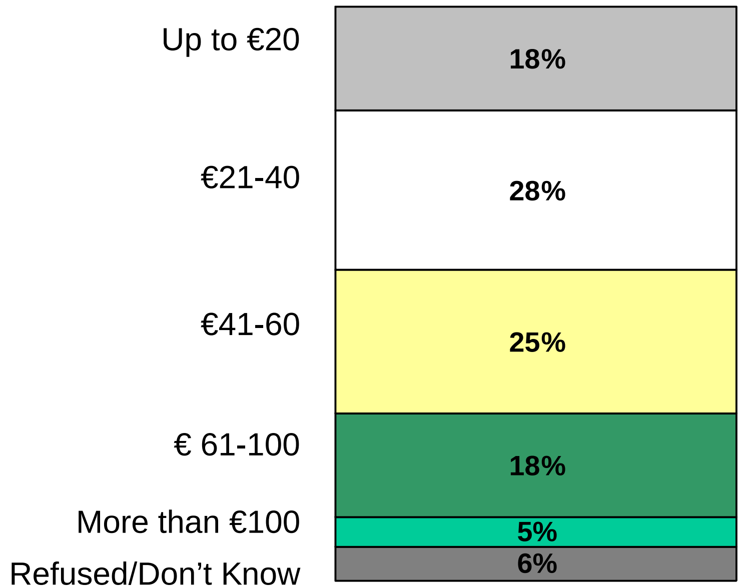


	% Shopped Around
All Mobile Users	**41%**
Male	45%
Female	37%
15-24 year olds	50%
25-44 year olds	47%
45-64 year olds	28%
65-74 year olds	15%
Higher Income Groups	43%
Lower Income Groups	38%

Q. Have you ever shopped around to compare prices between mobile operators

Average Monthly Mobile Phone Cost

Base: Have a mobile phone N=865



Average monthly spend (excl dk) **€ 53.10**

Groups with above average spend include:	
Men	€58.28
25-44 years	€58.01
Conn/Ulster	€61.72
Those without a landline	€58.64
Groups with below average spend include:	
Women	€48.29
45-64 years	€48.41

Q. How much did you spend last month on your mobile phone?

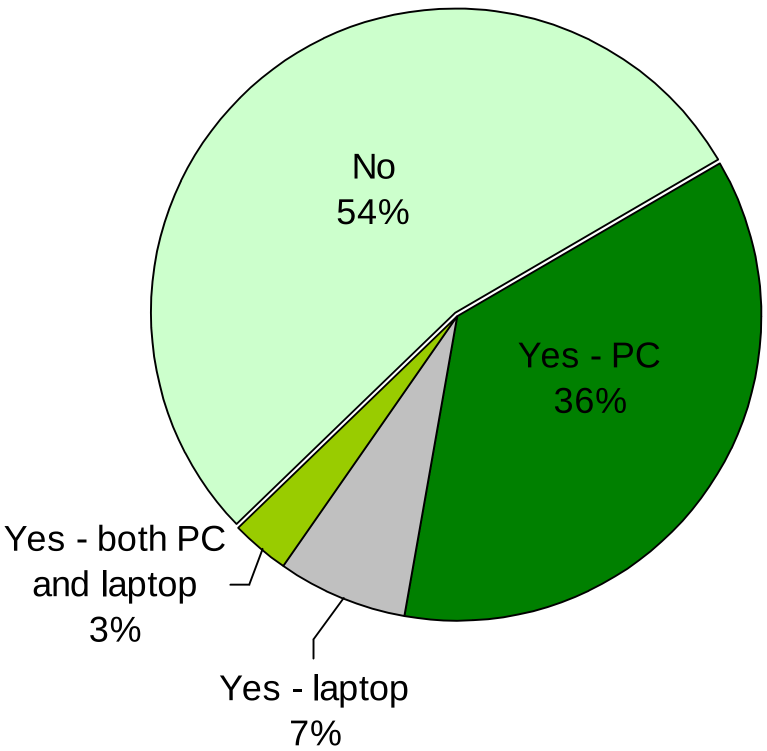
Internet Usage

Key Findings

- Internet penetration remains stable with almost half of the population using the Internet from any location. Usage is highest among ABC1s and among younger age groups.
- The most popular location at which the Internet is used is at home, with work being the second most often used location. Cyber cafes are used by 4% of internet users, with a higher proportion of those aged 15-24 taking advantage of these facilities.
- A third of those who use the Internet do so daily or nearly every day, with a further 4 in 10 doing so several times a week and 2 in 10 using the Internet about once a week. Those who use the Internet at work are the group most likely to have higher frequency of Internet usage. The average amount of time spent online by Internet users in a typical week is 7 hours.
- 4 in 10 of the population currently have a home internet subscription.
- 30% of those with no home internet subscription consider that it is likely they will get a connection in the future. The main reasons for not getting connected are the lack of availability of a PC at home, a lack of skills and the cost of having the Internet.
- 60% of those with a home Internet connection have broadband access, up from 48% 6 months ago. In the Dublin area this figure is 77%, in Munster and Leinster (excl Dublin) 58% and 57% respectively have broadband access, while in Conn/Ulster only 38% connect via broadband means. Among those with broadband, satisfaction is high with all elements of the service.

Ownership of a Personal Computer

Base: All Respondents N = 1010



Percentage who said Yes:

Gender	
Male	48%
Female	44%
Age	
15-24	58%
25-44	53%
45-64	40%
65-74	12%
Region	
Dublin	52%
ROL	44%
Munster	45%
Conn/Ulster	43%

- A total of 46% have either a home PC or laptop. 36% have a PC at home, 7% have a laptop and a further 3% have both a PC and laptop. Home PC and internet users are most likely to be younger ABC1 groups.
- 3 in 10 have purchased this PC or laptop in the last 12 months.

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

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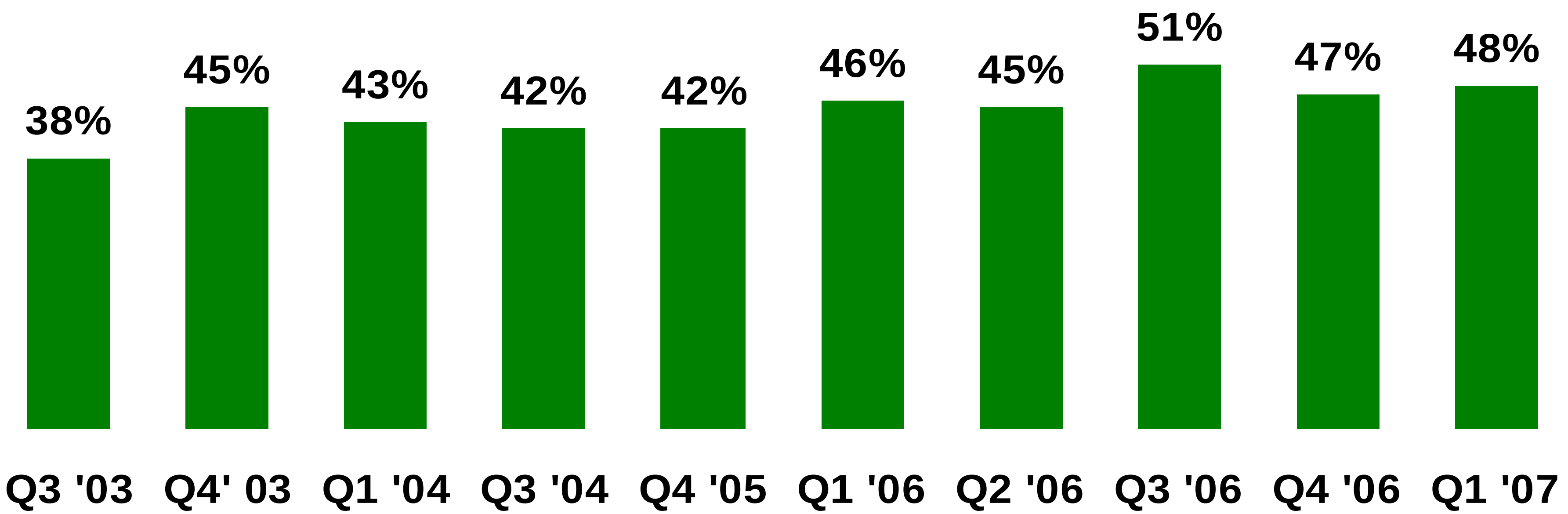
Internet Usage

Base: All Respondents N = 1010



Gender		**Age**	
Male	48%	15-24	58%
Female	44%	25-44	53%
		45-64	40%
Region		65-74	12%
Dublin	52%		
ROL	44%	**Income Group**	
Munster	45%	Lower Income Groups	35%
Conn/Ulster	43%	Higher Income Groups	62%

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

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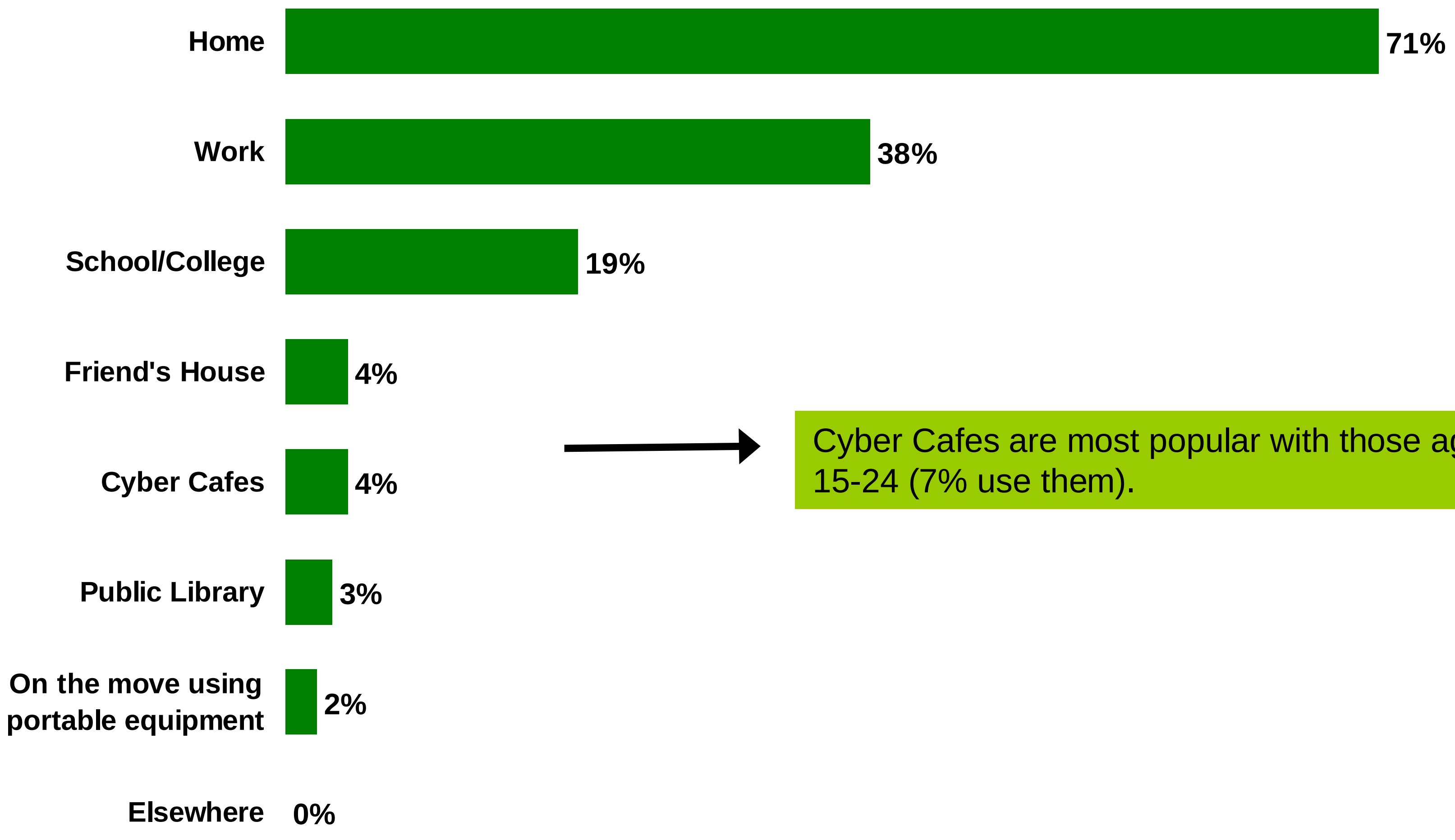
Main Internet Usage Locations

Base: Uses the Internet from any location N=483

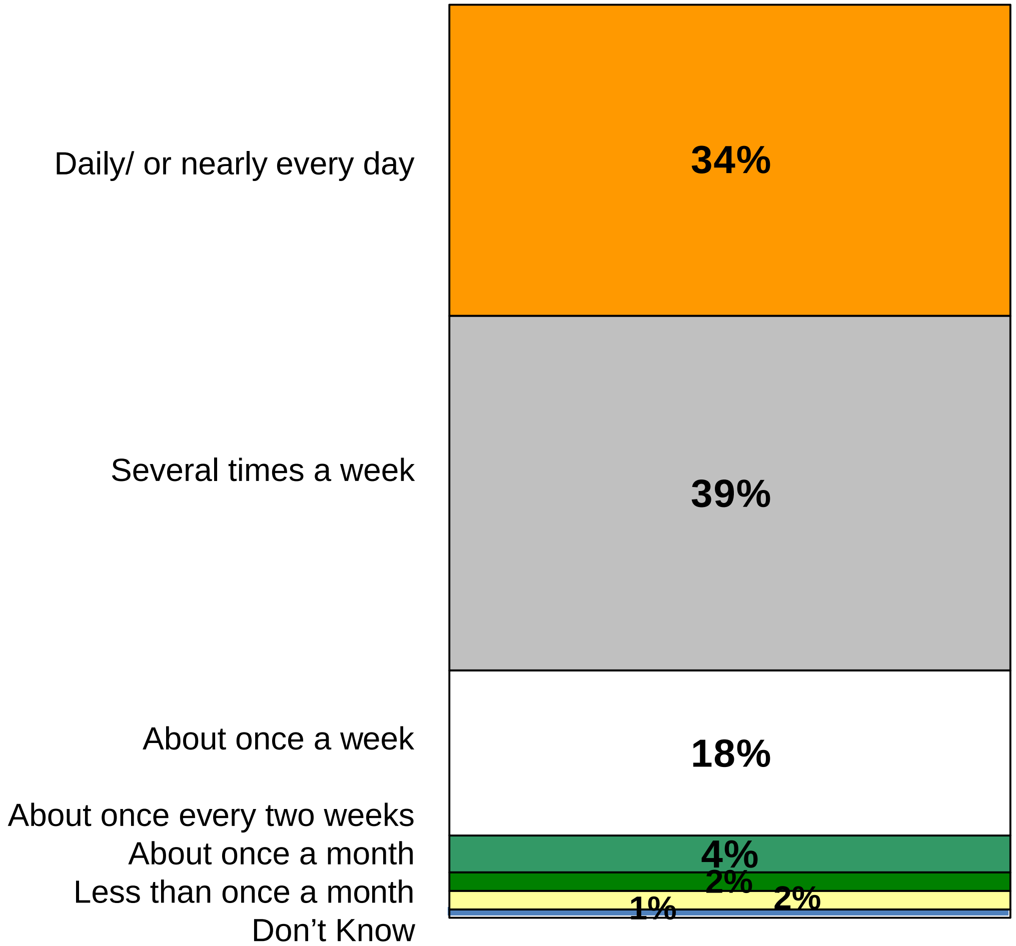


Cyber Cafes are most popular with those aged 15-24 (7% use them).

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

Frequency of Using Internet from any Location

Base: Those who use Internet from any location N=483

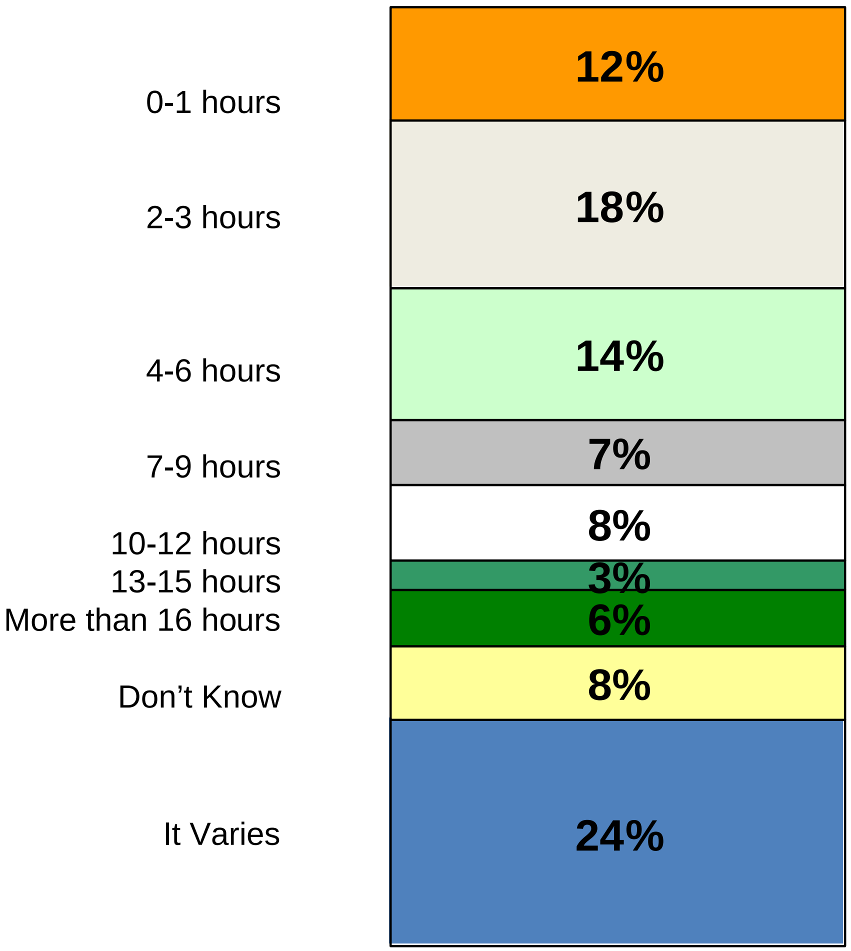


Those who use the Internet at work are most likely to say that they use the Internet every day (49%), followed by those who use the Internet at home (39%).

Q. How often do you use the Internet from any location?

Amount of time spent using the Internet from any location

Base: Those who use Internet from any location N=483



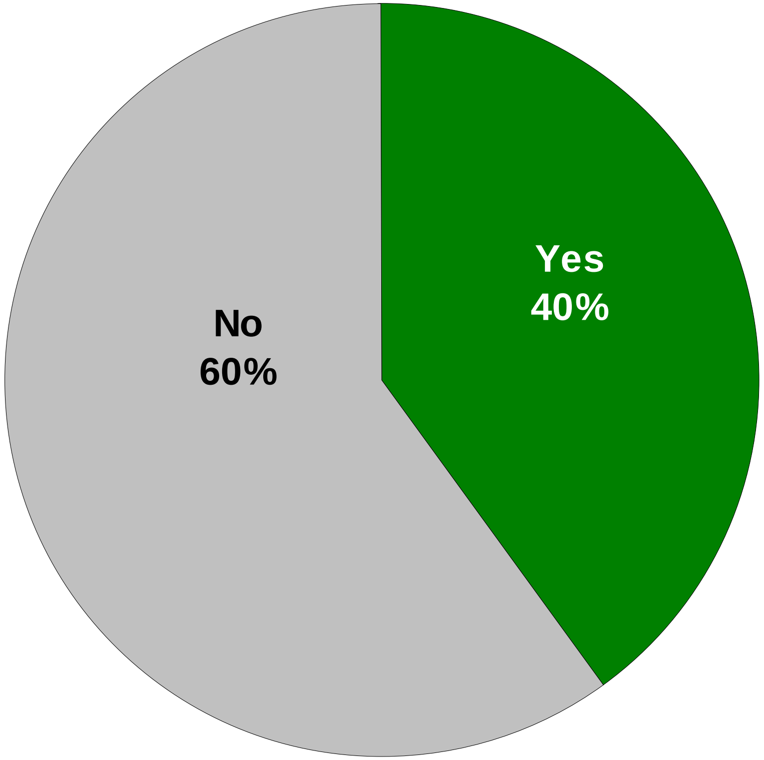
Average (hrs per week) **7.00**

Average Hours a Week:	
Gender	
Male	7.11
Female	6.89
Age	
15-24	7.30
25-44	7.21
45-64	6.09
65-74	2.50
Region	
Dublin	7.65
ROL	7.37
Munster	5.61
Conn/Ulster	7.91
Home Internet	
Yes	7.46
No	5.41

Q. In an average week can you estimate how much time in hours you spend using the internet from any location?

Home Internet Connections

Base: All Respondents N=1010



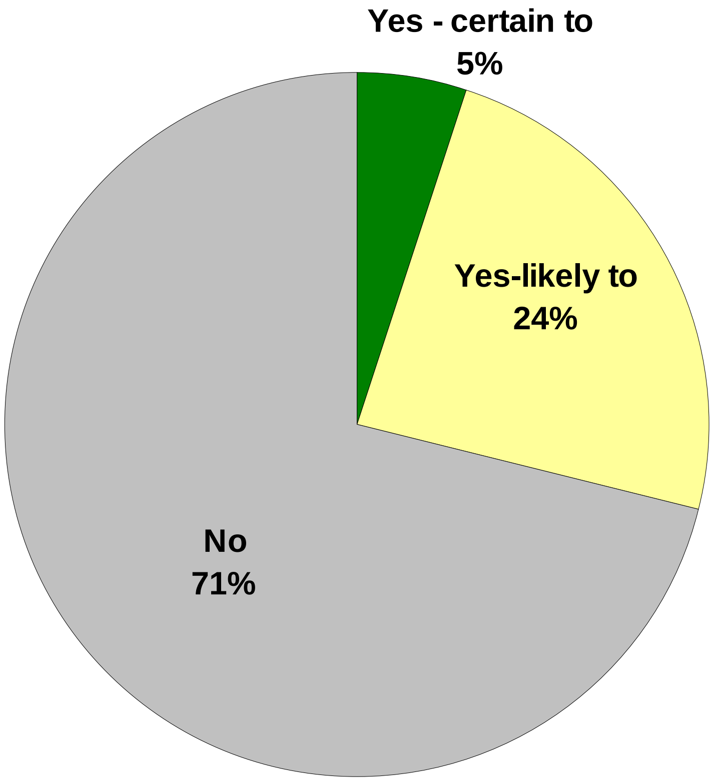
Percentage who said Yes:

Gender	
Male	42%
Female	38%
Age	
15-24	48%
25-44	46%
45-64	36%
65-74	10%
Income Level	
Higher Income Groups	54%
Lower Income Groups	28%
Region	
Dublin	42%
ROL	40%
Munster	40%
Conn/Ulster	37%

Q. Do you have an internet connection in your home?

Future Internet Connection Intentions

Base: Does not have an Internet Connection in the Home N=606



Percentage who said Yes:

Gender	
Male	25%
Female	33%
Age	
15-24	41%
25-44	43%
45-64	16%
65-74	6%
Income Level	
Higher Income Groups	38%
Lower Income Groups	25%
Region	
Dublin	40%
ROL	21%
Munster	24%
Conn/Ulster	31%

Q. Do you intend to get the internet at home in the future?

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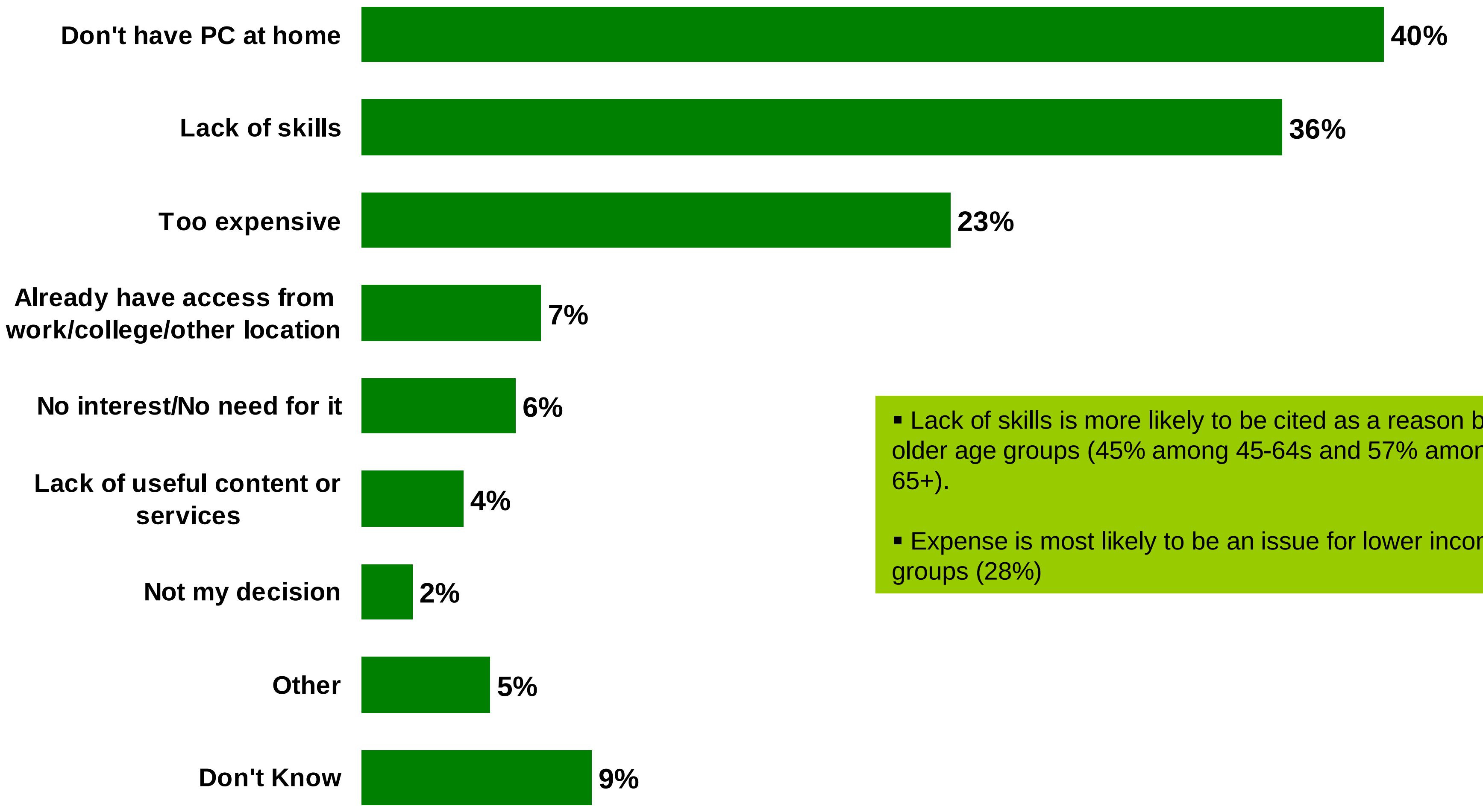
Rationale for not getting Home Internet Access

Base: Those who do not intend to get Home Internet Access N=422



- Lack of skills is more likely to be cited as a reason by older age groups (45% among 45-64s and 57% among 65+).
- Expense is most likely to be an issue for lower income groups (28%)

Q. Why do you say you won't get the Internet at home?

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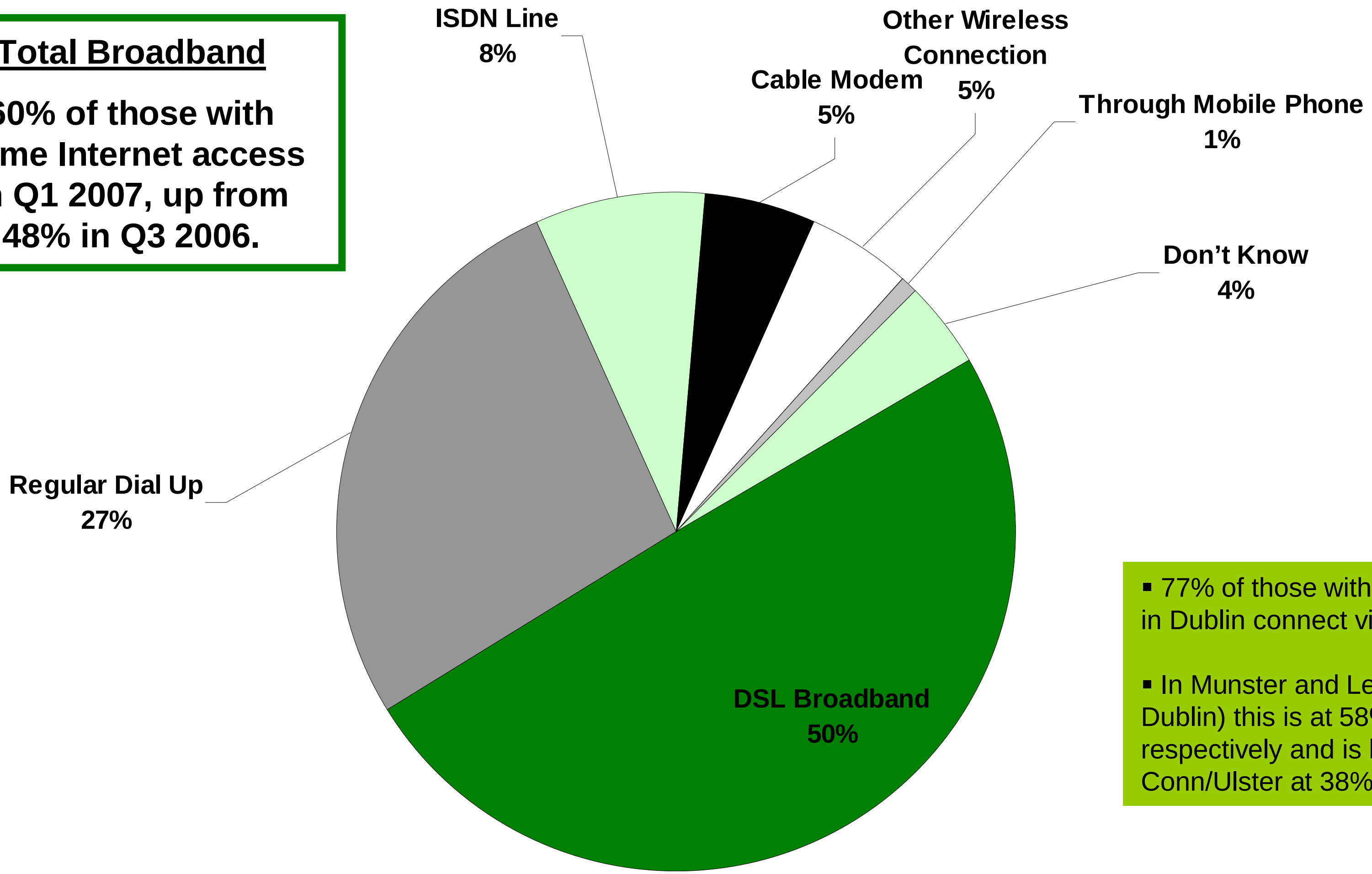
Means of connecting to the Internet from Home

Base: Those who have home Internet access N = 404

Total Broadband

60% of those with home Internet access in Q1 2007, up from 48% in Q3 2006.



- 77% of those with Internet access in Dublin connect via Broadband.
- In Munster and Leinster (excluding Dublin) this is at 58% and 57% respectively and is lowest in Conn/Ulster at 38%

Q. How do you connect to the internet from home?

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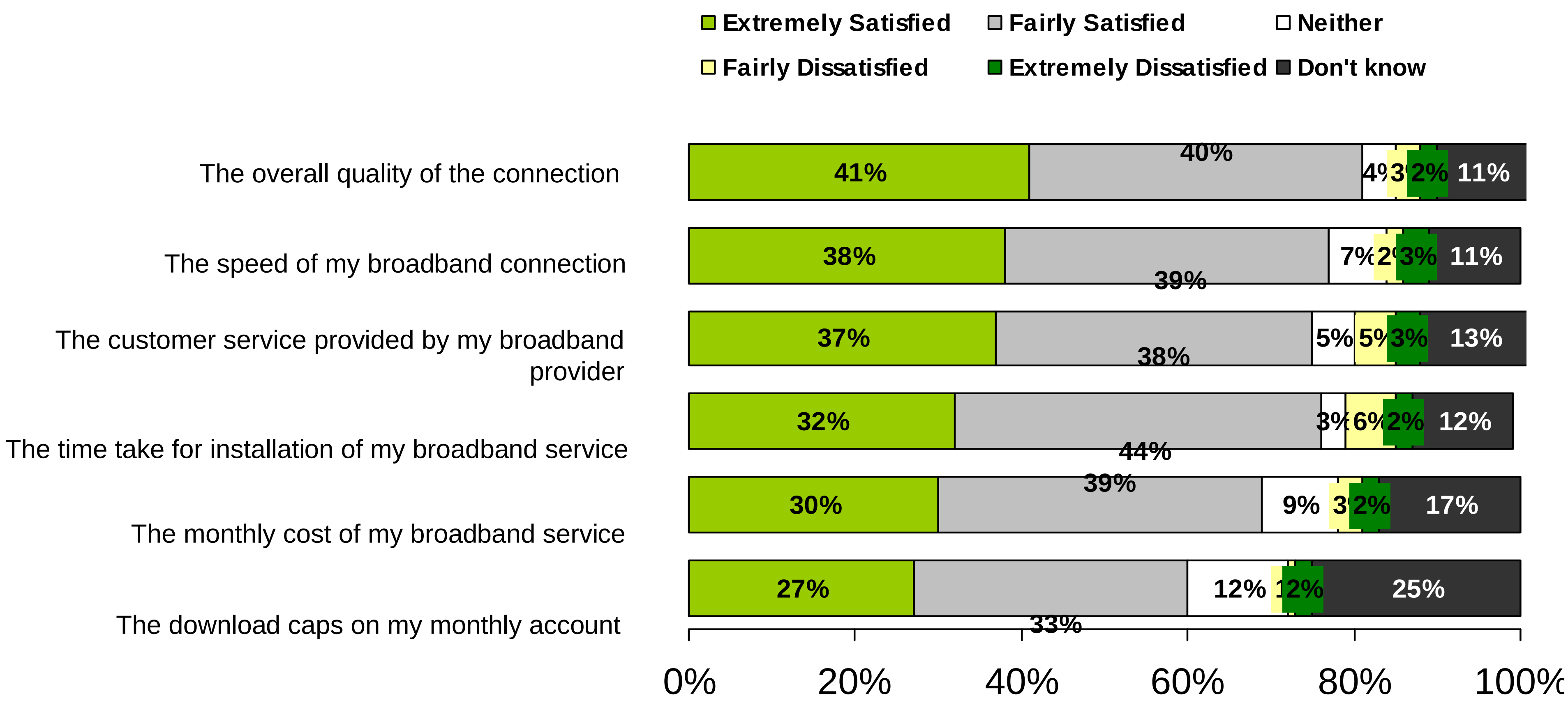
Satisfaction with Aspects of Broadband Service

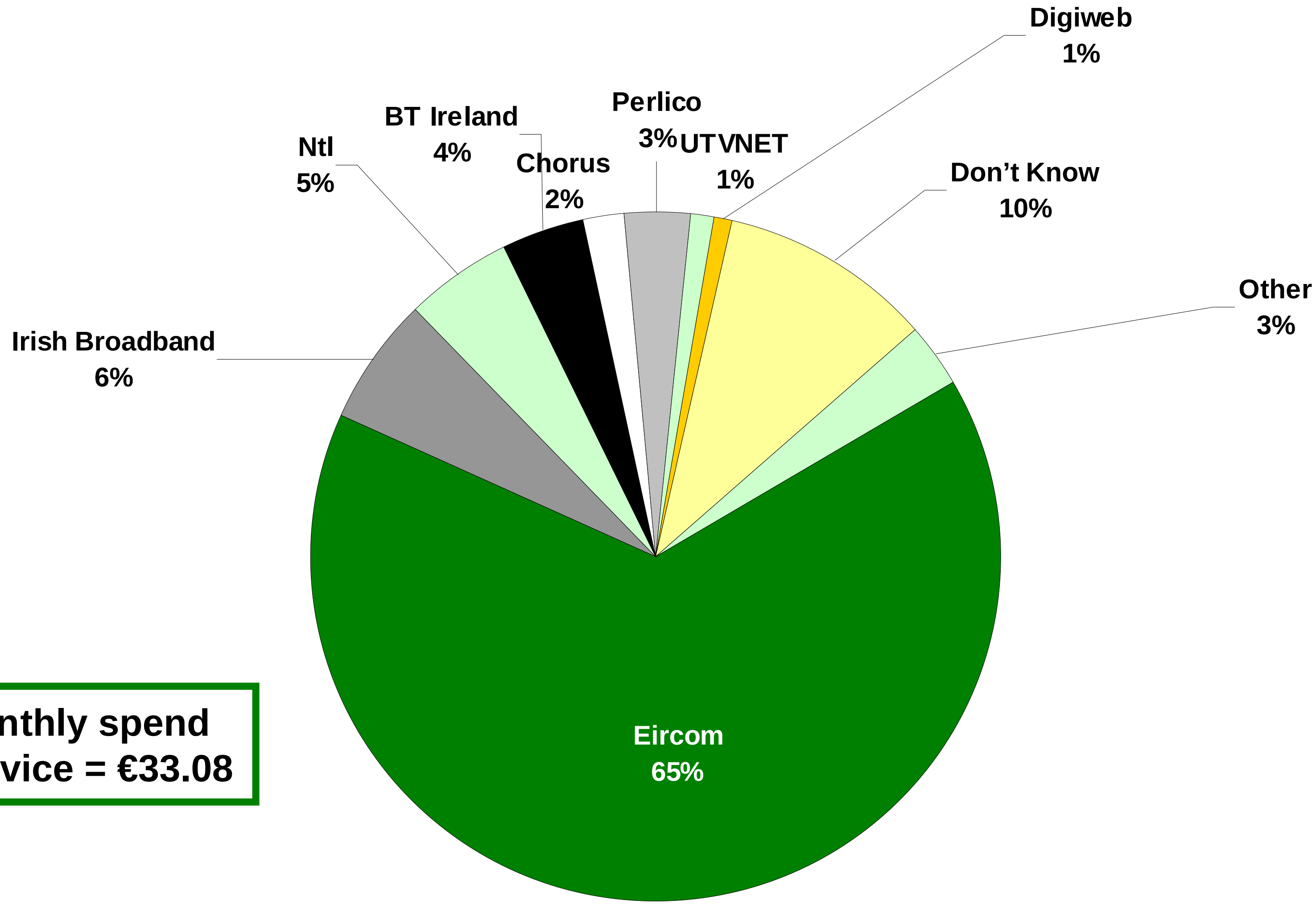
Base: Those with Broadband Access N = 244



Q. On a scale of 1-5, where 1 indicates extremely dissatisfied and 5 indicates extremely satisfied, please rate your experience of the following aspects of your broadband service.

Home Internet Service Provider

Base: Those who have home Internet access N = 404



Average monthly spend on Internet service = €33.08

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

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Appendix: Note on Methodology

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Methodology

- 1010 people surveyed aged 15–74.
- 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.
- An additional 350 people with disabilities were interviewed using CSO definitions of disability. This research will be reported separately.
- 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 100 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