Commission for
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# CONSUMER ICT SURVEY

## A Review of Findings
by
Millward Brown IMS

June 2008

# PRESENTATION OUTLINE

- Methodology
- Research Findings
  - Fixed line market
  - Mobile market
  - The Internet and Broadband
- Conclusions
- Segmentation
- Appendix

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# METHODOLOGY - I

- The following report is based upon research conducted by Millward Brown IMS among a nationally representative sample of adults aged 15 to 74 throughout the Republic of Ireland.
- In total 1,007 adults were interviewed.
- The survey asked about consumers' awareness and usage of ICTs. The survey was conducted via face to face in-home interviewing, between 9th April and the 16th May 2008.
- 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 exact demographic profile of the adult population in the Republic of Ireland, based on the most recent data available from the CSO.
- Where possible, comparisons with previous research have been included.

# METHODOLOGY -II

- The accuracy of this survey is estimated to be +/- 3%.
- A "*" in the data indicates that less than 1% of respondents gave that response and a "-" indicates that no one selected that response.
- Social Class definitions, as referred to in this report are largely as follows:
  - ABs are professionals
  - C1s are white collar workers
  - C2s are blue collar workers
  - Ds are unskilled workers
  - Es are those relying on State assistance
  - Fs are those in the farming community

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# FIXED LINE MARKET

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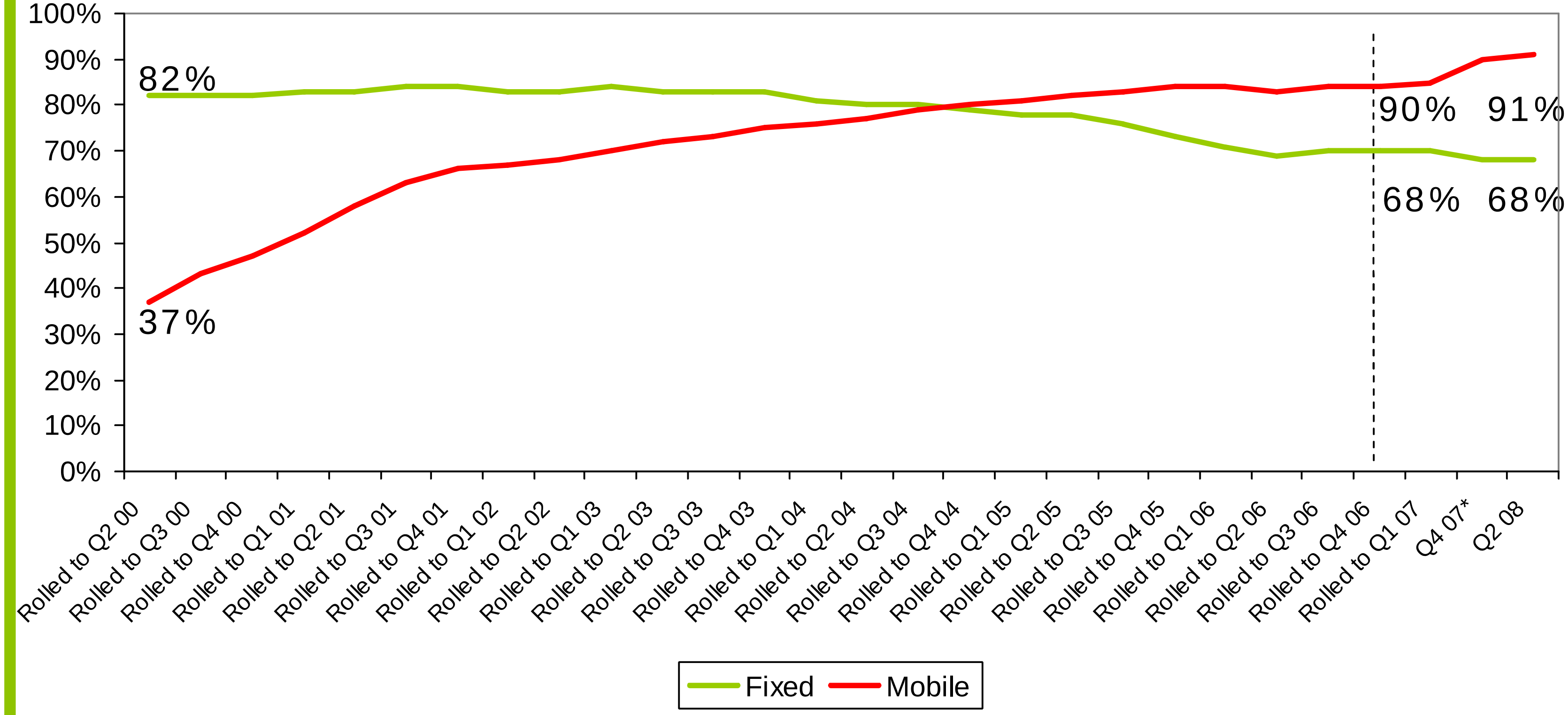
# CONTINUED INCREASE IN MOBILE PHONE PENETRATION



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




- 31% of Irish adults rely only on mobile phone

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

# MOBILE PHONE USAGE INFLUENCES LANDLINE DECLINE

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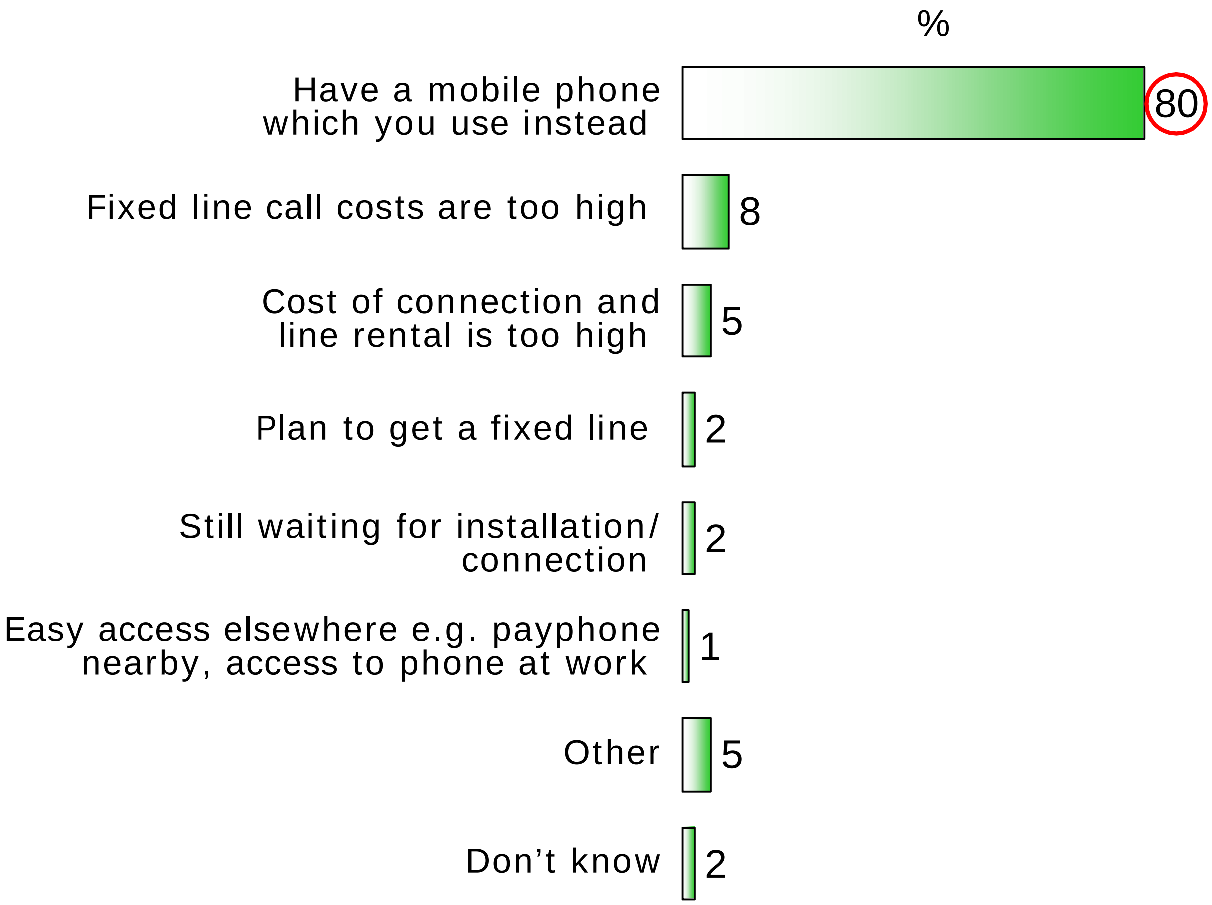
Q. What is your main reason for not having a fixed line telephone in your home?




- Having a mobile phone (80%) is the main reason given for not having a fixed line at home. This is up from 59% when this question was asked in the Q1 2007 research.
- This is higher among those who rent (84%) and those living in Munster (84%).

Base: Those Who Do Not Have A Fixed Line (n=318)

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# ALMOST 8 IN 10 HAVE EIRCOM AS THEIR FIXED LINE SUPPLIER

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

| | O4 ‘07 % | Q2 ‘08 % |
|---|---|---|
| Eircom | 78 | 77 |
| Perlico | 7 | 6 |
| BT Ireland (formerly Esat BT) | 5 | 6 |
| Talk Talk/Tele2 | 2 | 2 |
| Imagine Group# | 2 | 2 |
| Chorus/UPC | 1 | 2 |
| IFA Telecom | - | 1 |
| Other* | 2 | 3 |
| Don’t know | 2 | 1 |

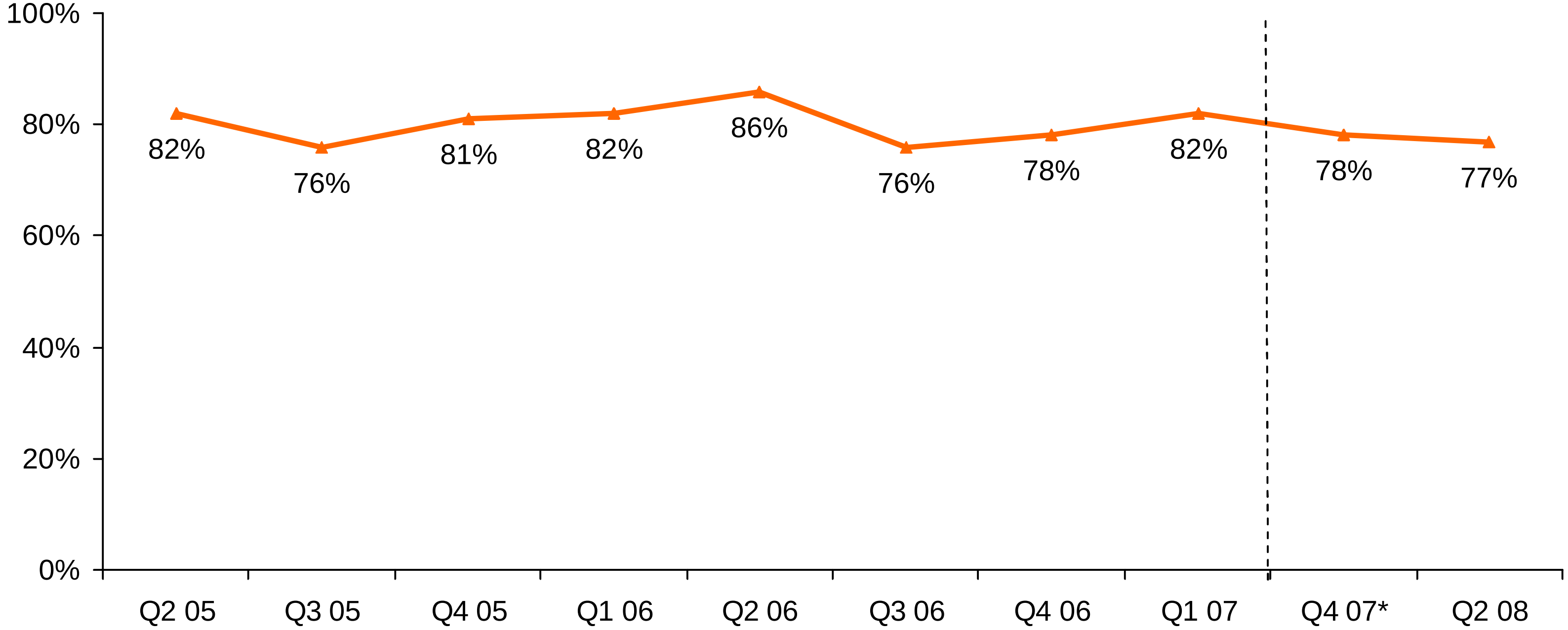
- Eircom’s residential market share has remained relatively unchanged at 77%.
- Those who use an Operator other than Eircom are more likely to be aged 30-49 (28%), have previously switched fixed line provider (49%), are more likely to have Internet access at home (26%), have switched ISP (61%), and live in Dublin (33%).

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

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

# HISTORICAL VIEW OF EIRCOM'S FIXED LINE MARKET SHARE

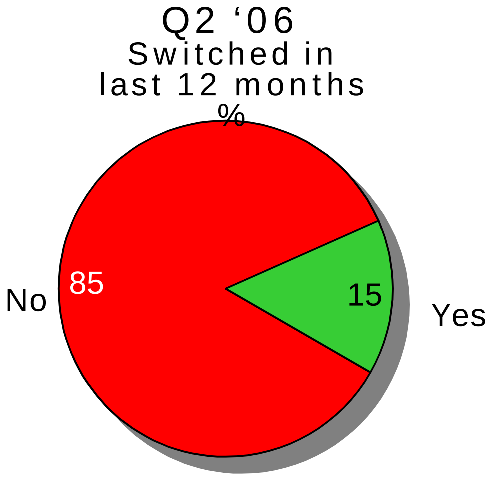


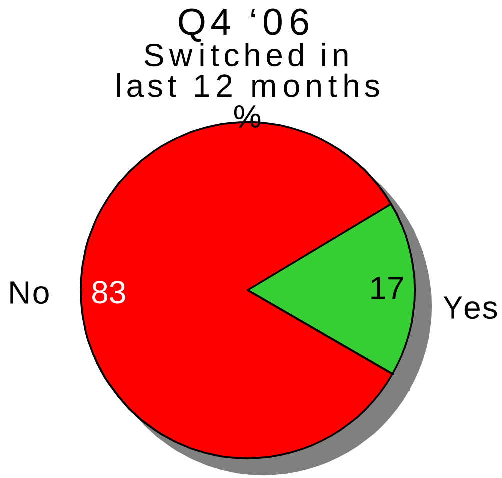


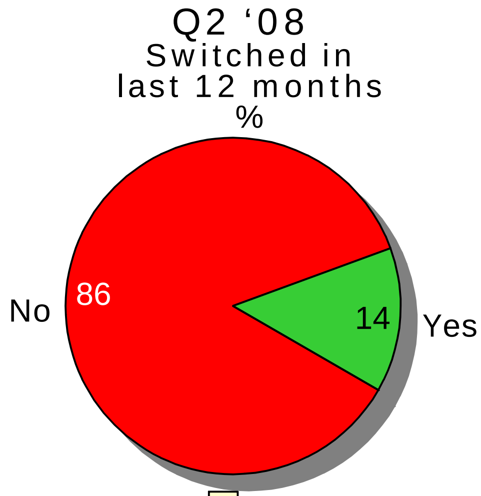

- This chart plots Eircom's market share from research conducted in the residential market since 2005.
- According to these figures, Eircom's market share in the residential market has not dropped below 76% since that time.
- At its highest point, Eircom's market share stood at 86%.

# SWITCHING ACTIVITY AMONG FIXED LINE USERS

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




- The percentage of consumers having switched in the previous 12 months has decreased slightly compared to previous waves.
- However, switching activity in the last 12 months among fixed line users is marginally higher than for those who switched mobile or Internet service provider.

YES - Higher Among
ABC1: 17%
Have Broadband: 18%
Children in Household: 22%
Have Switched ISP: 68%
Rest of Leinster resident: 20%

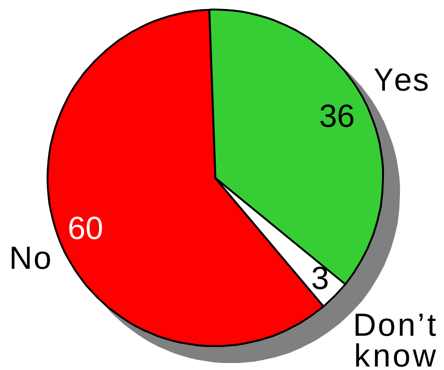
*Q4 06 and Q2 08, Don't know figures removed*

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

# HIGH PERCENTAGE OF USERS SWITCHING BACK

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

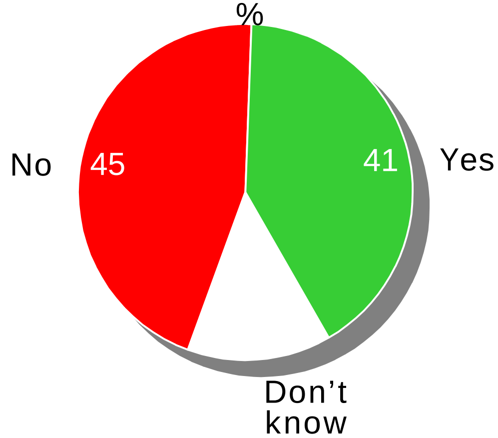
Ever Switched
%




YES - Higher Among
Females: 41%
Age 35–49: 46%
ABC1: 39%
Children in Household: 45%
Have Broadband: 44%
Have Switched ISP: 86%
Rest of Leinster resident: 41%

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

Switched back
%




YES - Higher Among
Female: 47%
DE: 52%
Munster: 51%

Base: All Who Have Ever Switched (n=250)

- Among those who have ever switched (36% of those with a fixed line), there is a high incidence of users switching back to their previous supplier.
- Previous qualitative and quantitative research suggests that after switching to a new service provider, experiences of poor service quality, and expectations not being met resulted in a high percentage of consumers switching back to their original provider.

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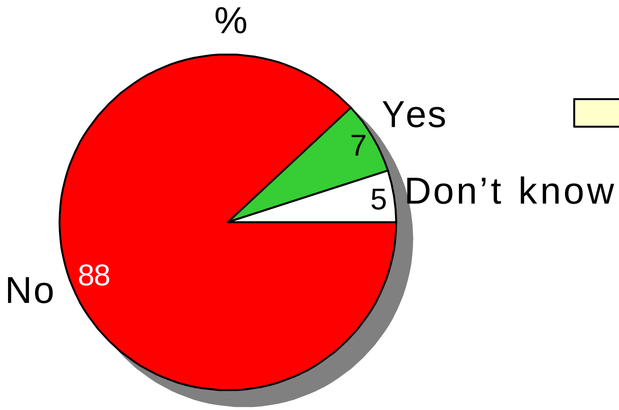
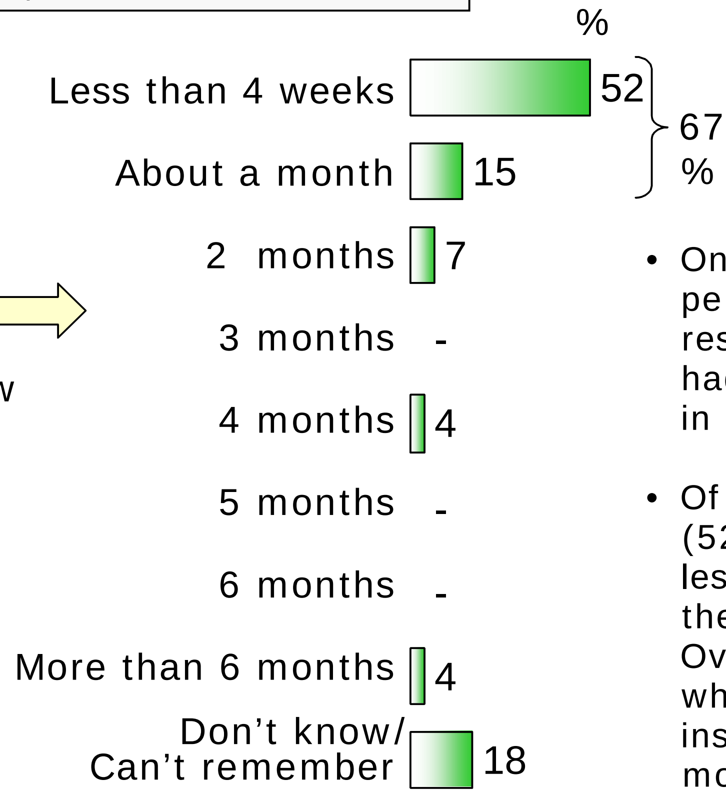
# RECENT HOME PHONE INSTALLATION

Q. Was your home phone installed within the last 12 months?
Q. How long did it take to get your phone line installed?




- Only a very small percentage of respondents (7%) have had a fixed line installed in the last 12 months.
- Of those, over half (52%) said that it took less than 4 weeks to get the line installed. Overall, 67% of those who got a fixed line installed in the last 12 months waited a month or less for installation.

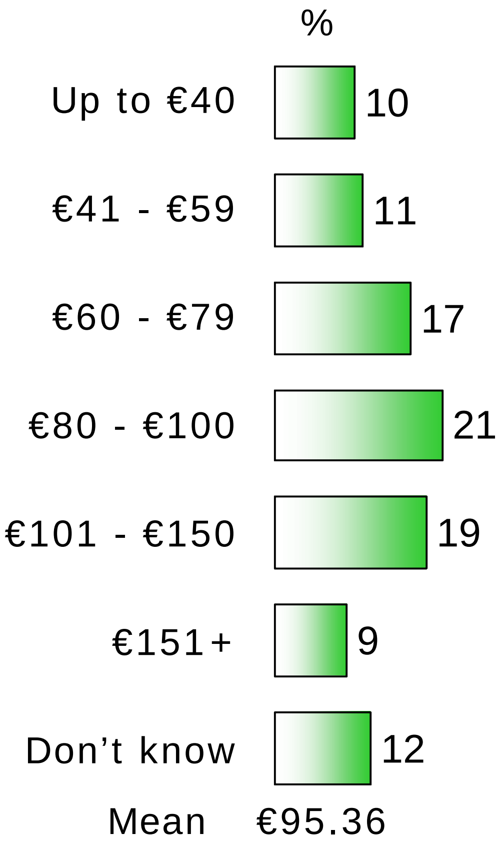
Base: All Who Have Fixed Line (n=689)

Base: All Who Had Phone Installed in Last 12 Months (n=50*)

**Caution small base size*

# AVERAGE BI-MONTHLY FIXED LINE SPEND-€95.36

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




Historical Average Spend

Q2'06 - €101.39

Q3'06 - €103.57

Q4'06 - €99.61

Q1'07 - €97.20

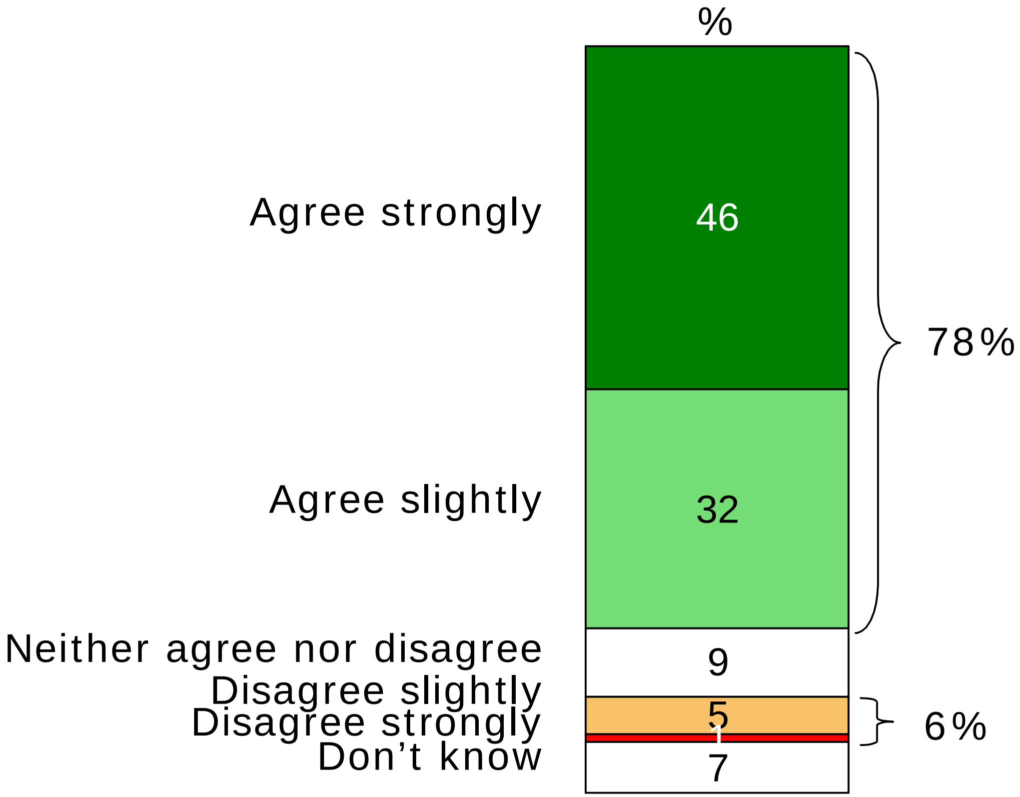
- The average spend on fixed line bi-monthly telephone bill was €95.36. This has decreased since Q3 2006 when average bi-monthly spend was €103.57.
- The decline in spend could be partly explained by an increase in the number of consumers "bundling" their home phone service with other services.
- One in ten said that they spent up to €40, and nearly the same number (9%) said that they spent €151+
- Those with a higher than average spend tended to be aged 35-49 (€102) or 50-64 (€100), ABC1 (€99) or have children (€104).
- Higher spenders were also more likely to live in Rural areas (€103), Munster based (€105) or have a narrowband home Internet connection (€117)

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

# HIGH LEVELS OF UNDERSTANDING OF FIXED LINE BILL

Q. To what extent do you agree or disagree with the following statement?

"I find it easy to understand my fixed line telephone bill"




- There was a general consensus that fixed line bills are easy to understand, with nearly 4 in 5 agreeing with this statement.
- Agreement was higher among Females (84%), those over the age of 35 (84%), C2DEs (81%), Homemakers (92%) and among those in the Rest of Leinster (83%) and Connaught/Ulster (84%).

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

# 1 IN 5 DISSATISFIED WITH RESOLUTION OF BILL QUERY

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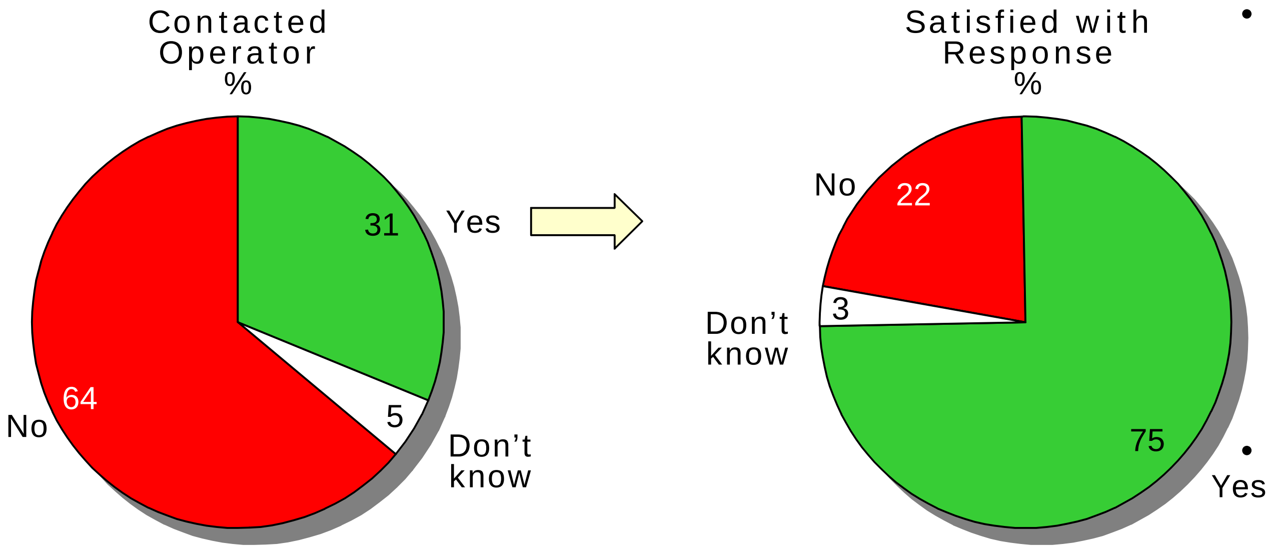
Q. Have you ever contacted your home phone provider with a query regarding your home phone bill?
Q. Were you satisfied with the response from your operator with regard to your billing query?




- About 1 in 3 people contacted their operator with a query about their home phone bill. Those respondents were more likely to be aged 35-49 (40%), ABC1 (36%), have a provider other than Eircom (34%) and live in Dublin (37%).

- Three quarters of those who contacted their operator with a billing query were satisfied with the response they received, with few differences in satisfaction among different demographic cohorts.

Base: All Who Have Fixed Line (n=689)    Base: All Who Contacted Operator (n=218)

# PERCEIVED COSTS OF NON GEOGRAPHIC NUMBERS

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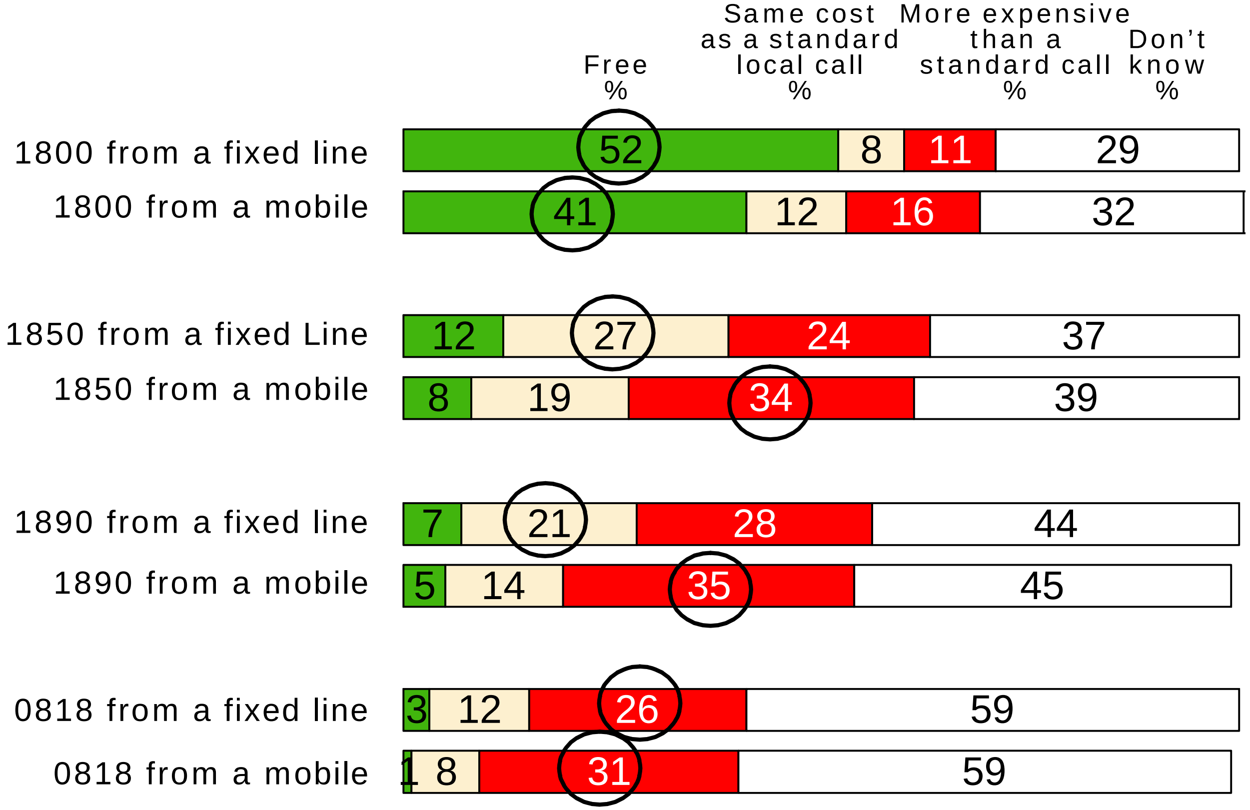
Q. There are a number of special numbers known as non-geographic numbers that can be called from both a landline and a mobile phone. I am now going to ask you about the costs to call these numbers . What do you think the charge is for the following types of calls ...



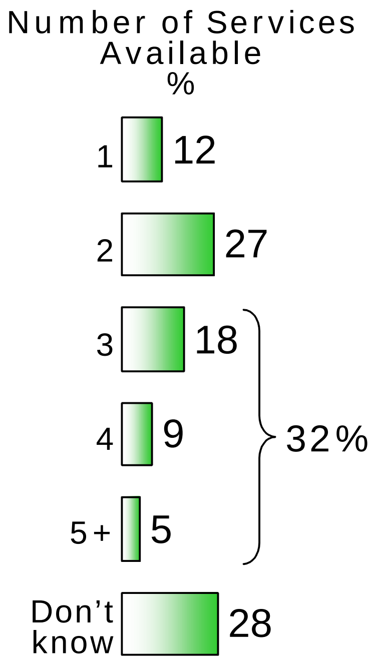

- Awareness levels of the cost of calls to Non-Geographic numbers is low, ranging from one in three stating that they don't know the cost of 1800 numbers to 6 in 10 being unaware of the cost of 0818 numbers.
- More respondents correctly identified the costs of 1800 numbers than any other non-geographic number.

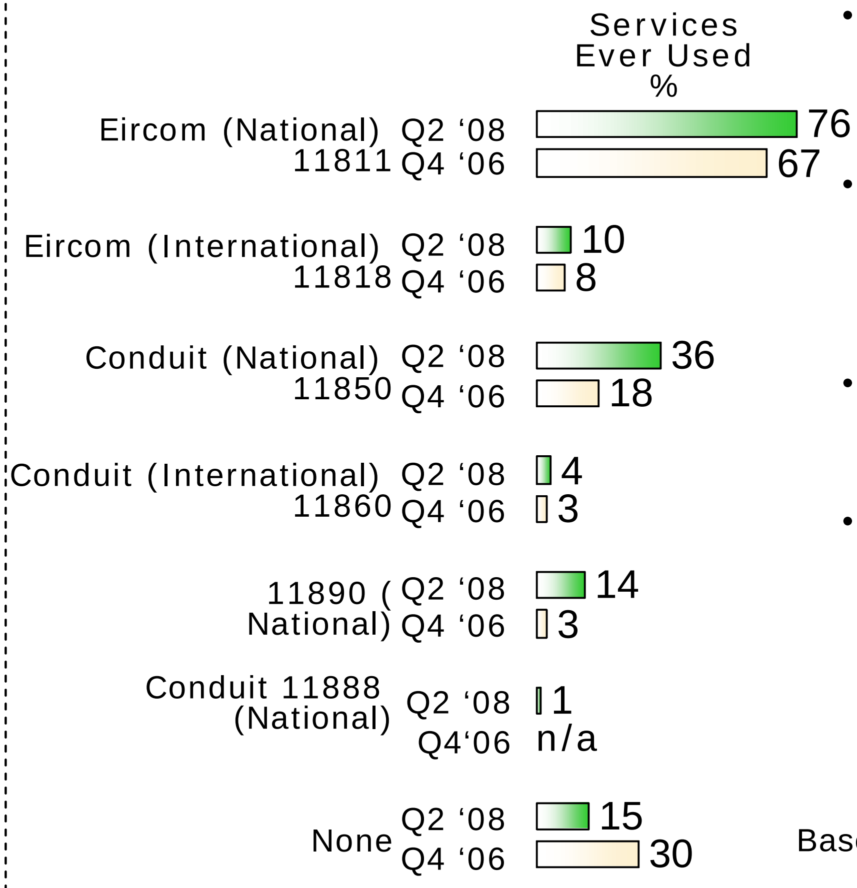
*Circled figures indicate the correct answer*

Base: All Respondents (n=1,007)

# Directory Enquiry Services: Awareness & Usage Patterns

Q. How many national Directory Enquiry services do you think are available in Ireland i.e. different numbers that you can call if you are looking for a number in Ireland?
Q. Which of the following Directory Enquiries services have you ever used?




- Over 7 in 10 are aware of at least one Directory Enquiry Service number, with over 3 in 10 (32%) aware of at least 3 services available.
- Use of Directory Enquiry Services has increased in the past 18 months across all numbers, but more particularly for 11850 and 11890.
- The increase in use generally could be due to a rise in mobile phone use i.e. people calling when out and about.
- Use of Directory Enquiry Services is higher among Females (88% ever used), 35-49 year olds, ABC1s, Munster residents (90% each), and among those with home Internet access (88%).

Base: All Respondents (n=1,007)

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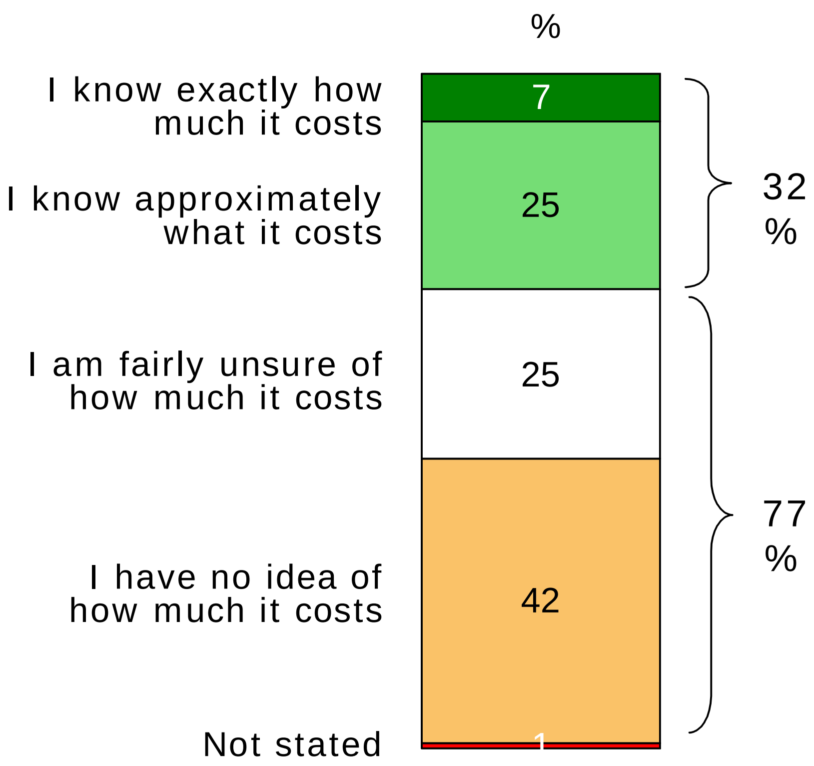
# Relatively Low Awareness of Directory Enquiry Services Costs

Q. Which of the following statements best describes what you know about the cost of calls to Directory Enquiry Services?

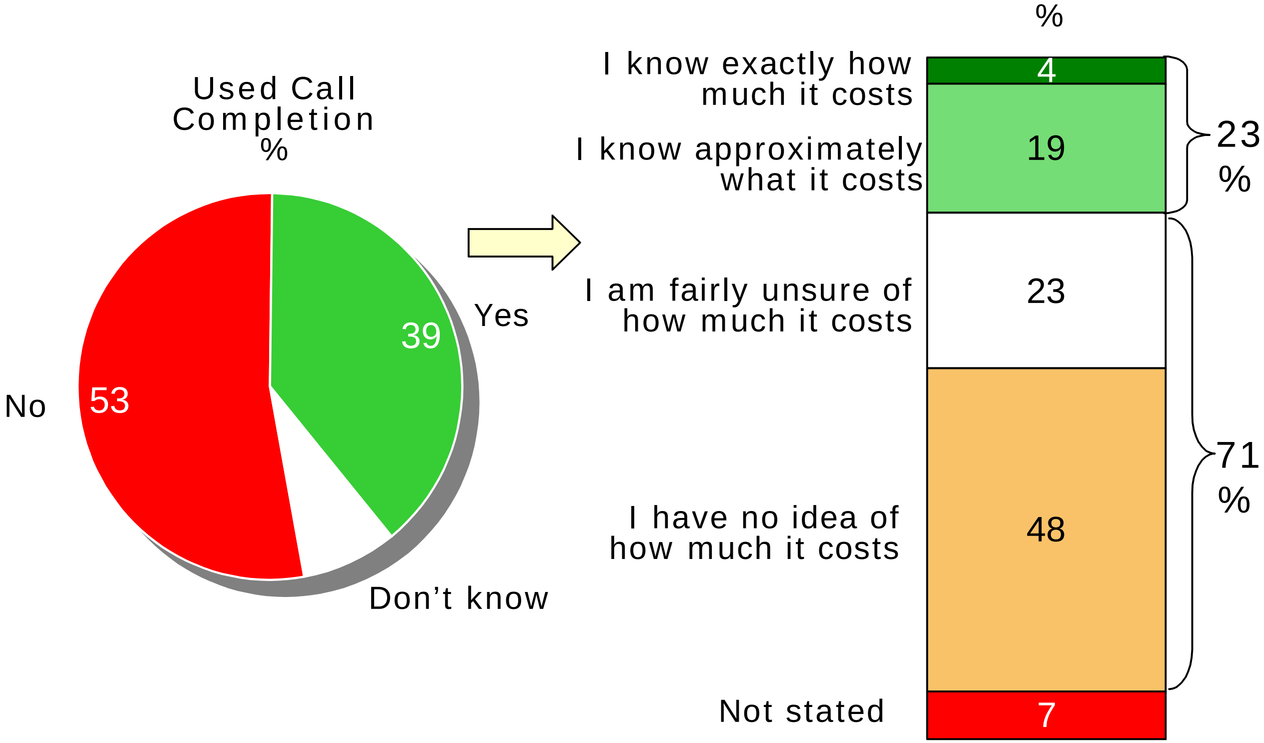



Base: Those Who Have Used Directory Enquires Services (n=854)

- Among those who have used these services (85% of all respondents), just over 3 in 10 (32%) know exactly or approximately the cost of calls to Directory Enquiry Services, compared to over 4 in 10 (42%) claiming to have no idea, indicating possible confusion between different tariffs.
- Those least aware are aged 50 – 74 (48%), C2DEs (48%), have no fixed line in their homes (47%) or Internet connection (50%).
- They are also more likely to be living in Munster (49%) or in a Rural area (45%).

# Low Awareness of Call Completion Costs

Q. Have you ever used the "Call Completion" service when making a call to Directory Enquiries?
Q. Which of the following statements best describes what you know about the additional costs you are charged when you are connected straight through to the number you have requested (i.e. the call completion service)?




- There are few demographic differences among those who have used call completion, although younger respondents are slightly more likely to have used it (44% of 18-24 year olds) whilst those in Connaught/Ulster are less likely to have availed of this service (28%).
- Similar to other Directory Enquiry Services costs, there is a low level of awareness of the cost of call completion.

Base: Those Who Have Used Directory Enquires Services (n=854)

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# MOBILE MARKET

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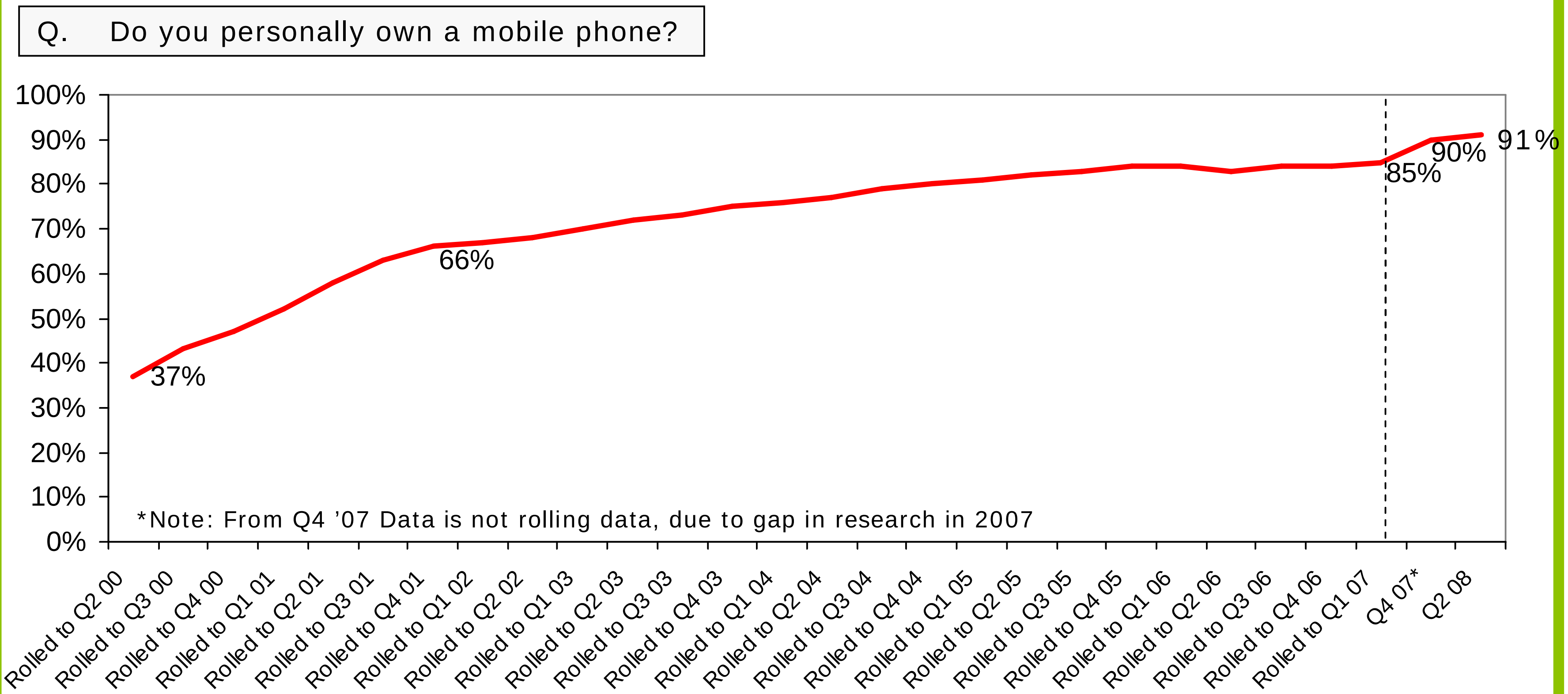
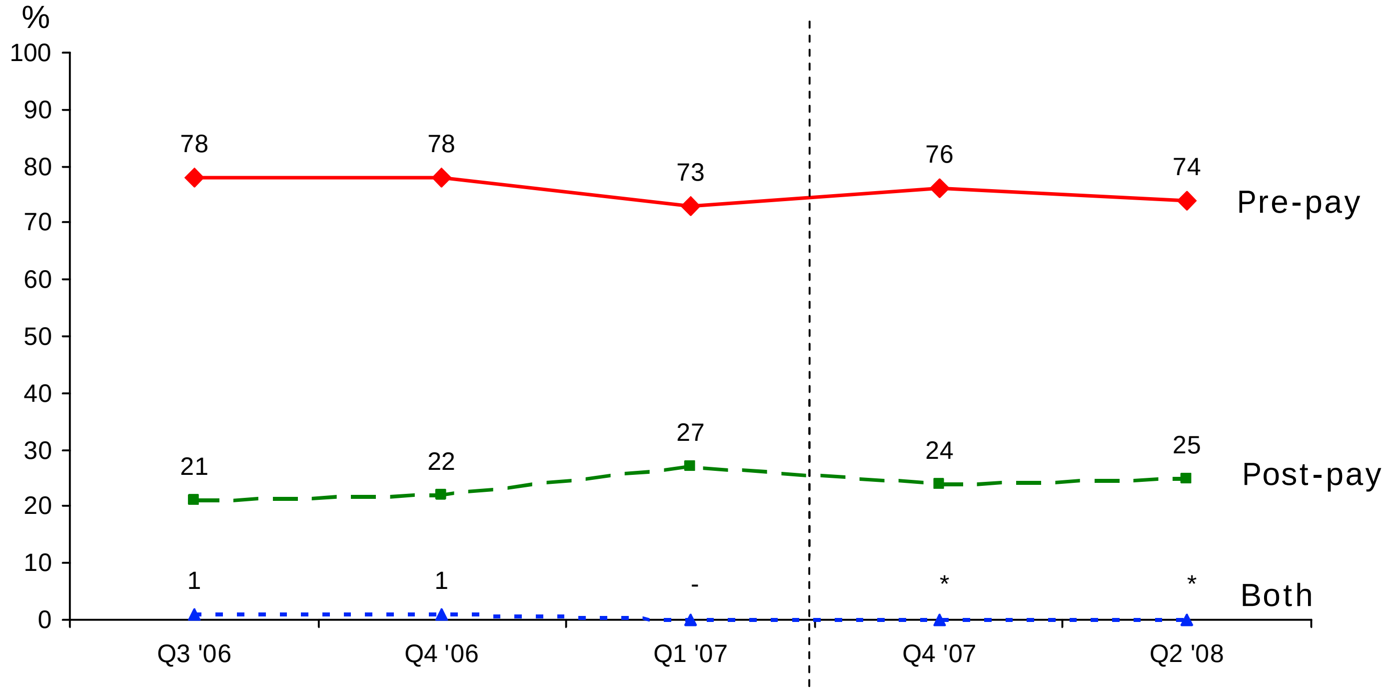
# Mobile Phone Ownership Trends




- The small percentage of consumers who do not have a mobile phone are more likely to be 65+ (47%), DE (18%) and F (19%), and not have a PC (22%) or home Internet connection (19%)

# POST-PAY V PRE-PAY
# SPLIT REMAINS RELATIVELY CONSTANT

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




- The ratio of pre-paid mobile phones to post-paid mobile phones has remained relatively constant since Q1'07
- Those opting for a monthly bill are more likely to be male (30%), aged 35-49 (32%) and ABC1 (36%)
- Those using pre-pay are more likely to be female (79%), aged 18-24 (88%), C2DE (84%), students (93%) and not have a fixed line at home (82%)

Base: All Mobile Phone Users (n=929)

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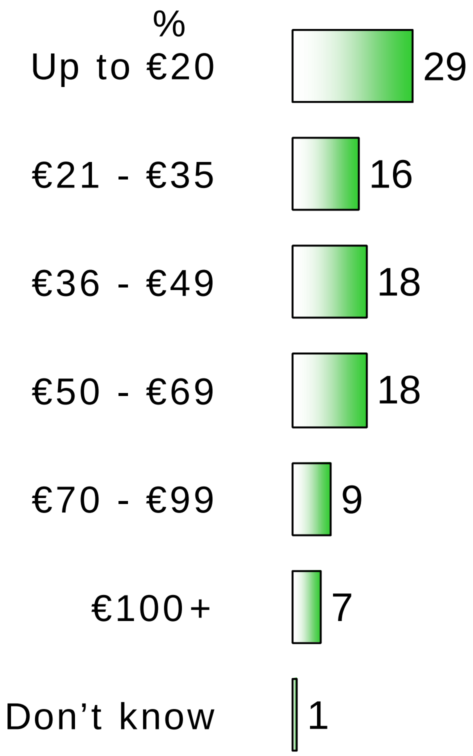
# Average Monthly Mobile Spend - €45.29

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




Mean €45.29

Historical Average Spend
- Q1'06 - €54.59
- Q2'06 - €57.62
- Q3'06 - €54.38
- Q4'06 - €55.91
- Q1'07 - €53.10

Base: All Mobile Phone Users (n=929)

- Mobile phone spend among residential mobile phone consumers has decreased from €53.10 in Q1 2007 to €45.29 in this wave of research, suggesting a more competitive market.
- Those with a higher than average monthly spend tend to be male (€49), 18-24 (€49) or 25-34 (€53).
- Pre-paid mobile users have a claimed average monthly spend of €38, compared to €67 among post-pay users.
- There are only slight differences in terms of spend among the three biggest mobile providers, with average spend for Meteor customers slightly less (€44) compared to Vodafone and O2 customers (€46 each)
- Those living in the Rest of Leinster are the highest spenders, averaging €48 a month.

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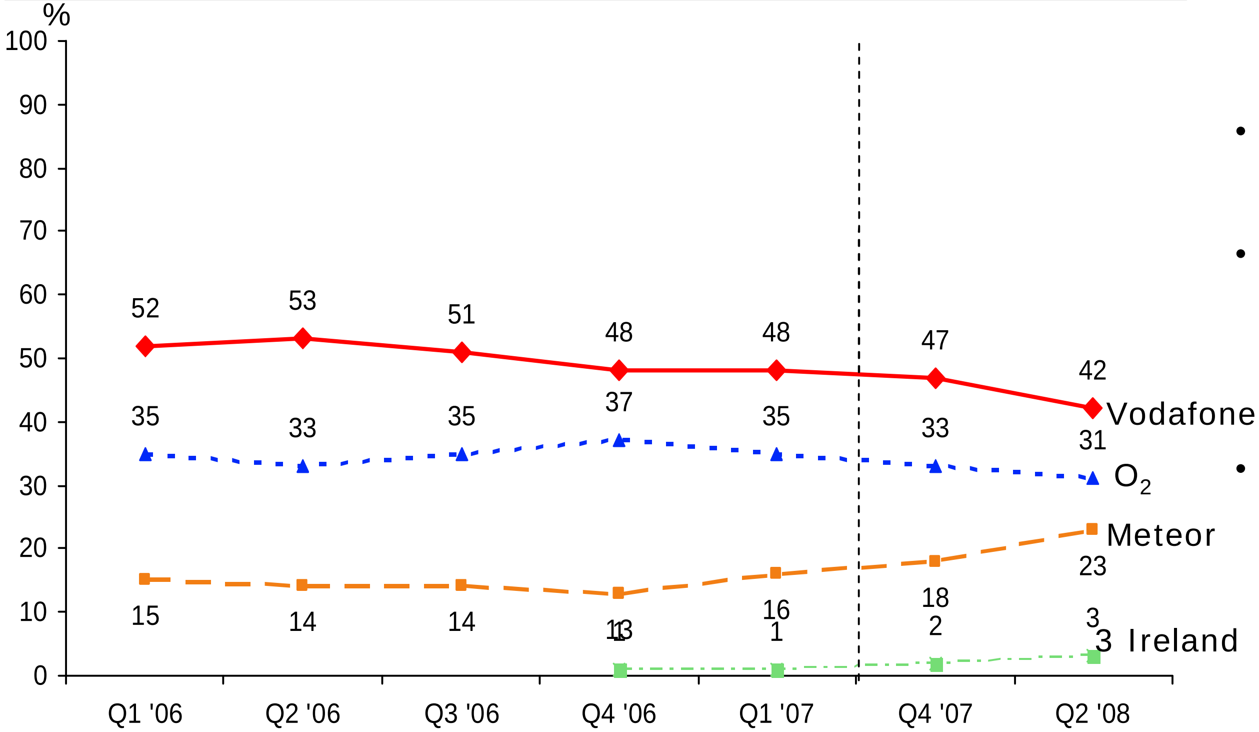
# MOBILE NETWORKS USED

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

Pre-Pay and Post-Pay Split by Provider

| | | |
|---|---|---|
| Vodafone Post-Pay: 26% | O2 Post-Pay: 28% | Meteor Post-Pay: 15% |
| Vodafone Pre-Pay: 73% | O2 Pre-Pay: 71% | Meteor Pre-Pay: 84% |



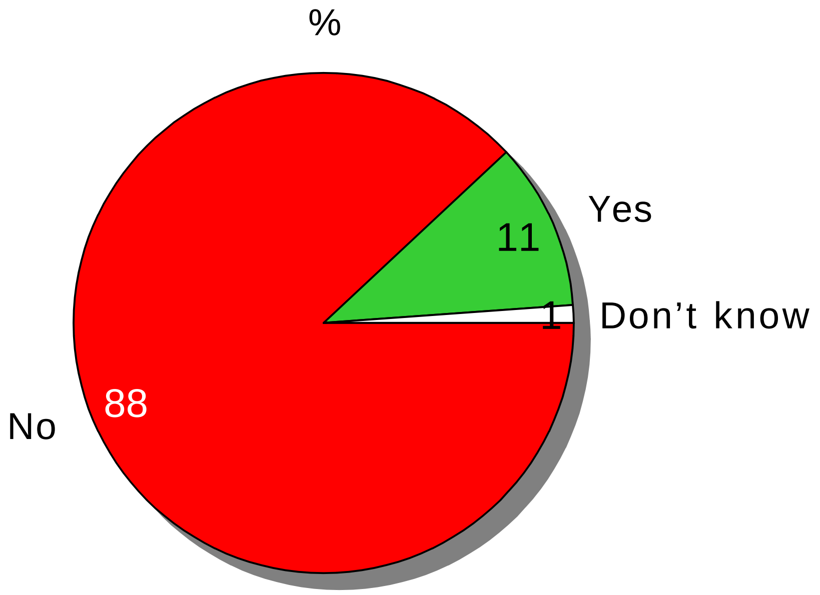

In Q2'08 Tesco Mobile's market share was found to be less than 1%

- Both Vodafone and O2 appear to have lost market share over the last six months of so.
- The growth in Meteor's share has continued, with nearly 1 in 4 (23%) now using this mobile operator.
- Meteor is more popular among younger respondents (15-24 year olds).
- O2, and to a lesser extent Vodafone, are more widely used among post-pay customers, while Meteor performs better among pre-pay customers.
- In terms of regional differences, Vodafone is strongest in Munster and Connaught/Ulster (51% and 52% respectively), O2 is more evenly spread, whilst nearly 1 in 3 (32%) of Dublin respondents opt for Meteor.

Base: All Mobile Phone Users (n=929)

# LOWER LEVELS OF MOBILE PHONE SWITCHING

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

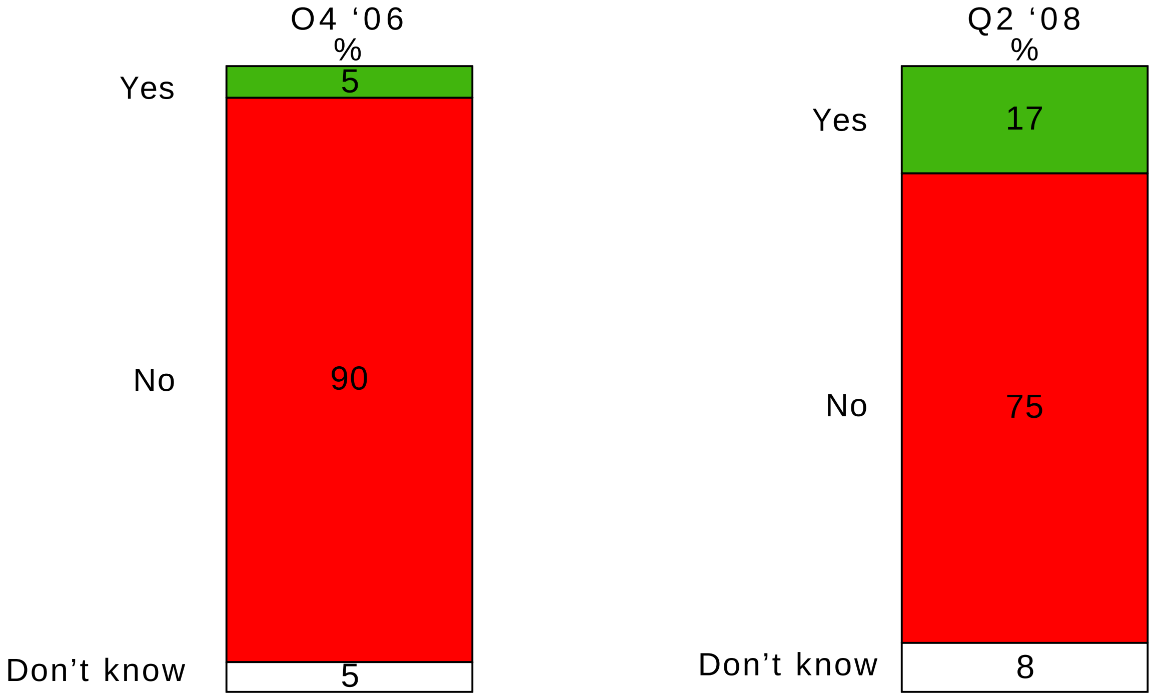



Base: All Mobile Phone Users (n=929)

- Nearly 1 in 4 (23%) current Meteor subscribers has switched to that network in the past 12 months, while only 8% of O2 and Vodafone's current subscribers have switched to these operators in the same period.
- There is little difference in switching behaviour between those who pre-pay and those who are billed monthly.
- The younger age groups are more likely to have switched over the past 12 months, with 21% of those aged 15-24 having switched. This falls to 4% among those aged 50+.
- 1 in 5 (21%) of those who have switched ISP have also switched mobile provider.
- Mobile provider switching levels in the last 12 months are slightly lower than those in the fixed line market.

# INCREASED USE OF 3G SERVICES

Q. Do you have a 3G (3rd generation) mobile phone service?




- Ownership of 3G mobile phones has increased significantly since 2006, with nearly 1 in 5 now claiming to have this type of phone.
- Those more likely to have a 3G phone are male (19%) aged 25-34 (24%) or ABC1 (19%).
- Over 1 in 5 students (22%) own a 3G mobile phone.
- Those with Internet access at home (21%), and living in Dublin (27%) are also most likely to own a 3G phone

Base: All Mobile Phone Users (n=929)

# ADVANCED MOBILE SERVICES USED

Q. How often do you use your mobile phone, Blackberry or other mobile device to do any of the following?

| | Daily % | Several times a Week % | About once a week % | 2-3 times a month % | About once a month % | About once every 2-3 months % | Less often than once every 3 months % | Never % |
|---|---|---|---|---|---|---|---|---|
| Send or receive email | 5 | 3 | 3 | 2 | 2 | 1 | 3 | 76 |
| Send a picture message | 4 | 5 | 8 | 7 | 8 | 7 | 9 | 48 |
| Play music | 6 | 7 | 5 | 5 | 4 | 3 | 3 | 65 |
| Listen to the radio | 5 | 5 | 5 | 3 | 2 | 2 | 4 | 70 |
| Record a video | 1 | 5 | 6 | 6 | 5 | 3 | 3 | 68 |
| Watch a video or TV Programme | 1 | 1 | 1 | 2 | 2 | 1 | 3 | 85 |
| Play a game | 4 | 5 | 6 | 6 | 4 | 4 | 3 | 66 |
| Access a social networking site such as Bebo | 1 | 2 | 2 | 1 | 1 | 2 | 2 | 85 |
| Access the internet for news, weather, sports, or other information | 2 | 2 | 3 | 2 | 2 | 3 | 4 | 80 |
| Get a map or directions to another location | * | 1 | 1 | 1 | 1 | 2 | 3 | 89 |

- Sending and receiving picture messages is the most frequently used service, followed by playing music and playing games.

*Don't know %s not shown* Base: All Mobile Phone Users (n=929)

# Awareness of Additional Charges for Mobile Internet Use is High

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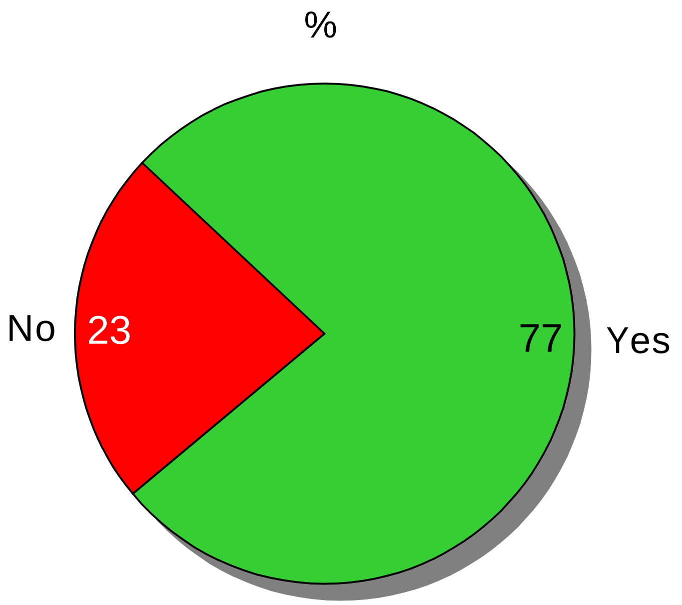
Q. Are you aware that there are additional charges to use the internet on your mobile phone?

NO - Higher Among
Age 65+: 45%
No home Internet: 29%

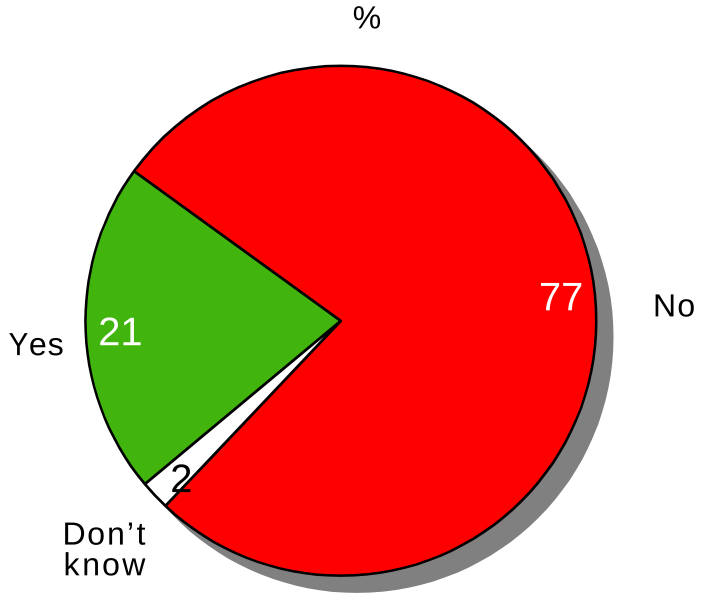



- Over three quarters are aware that there are additional charges for using the Internet on their mobile phones.
- Awareness of the additional charges is higher among 18-24 year olds (87%), ABC1s (80%), Students (85%) and those with Internet access at home (81%).

Base: All Mobile Phone Users (n=929)

# MOBILE INTERNET USAGE

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

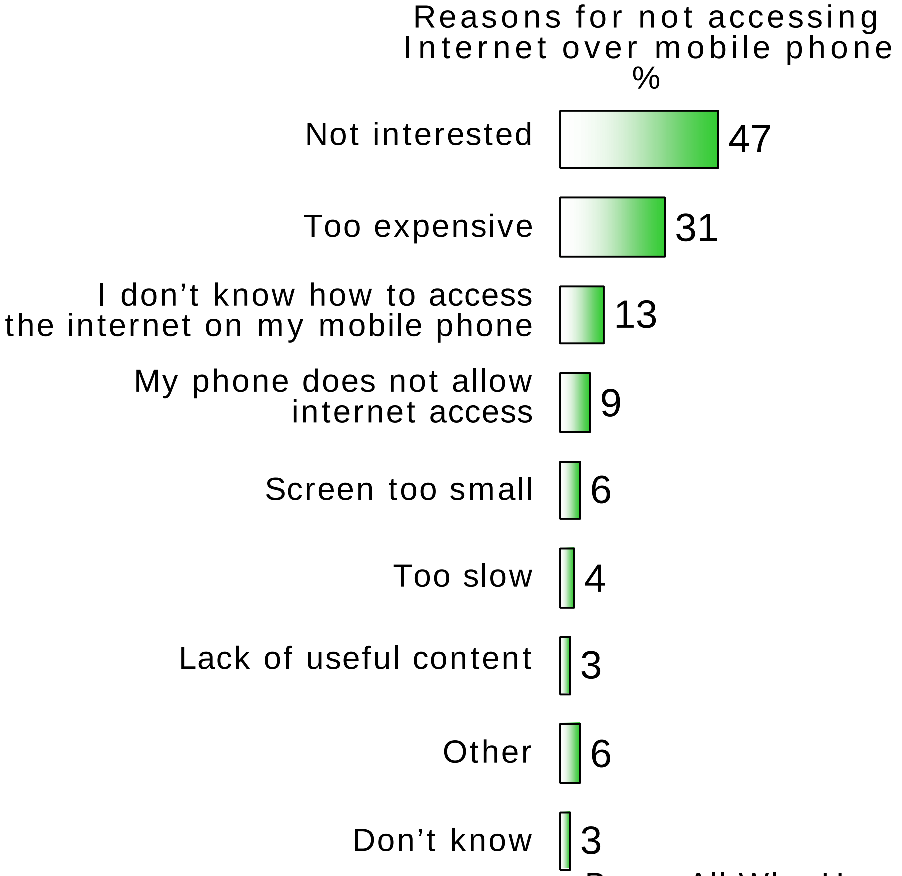



- Just over 1 in 5 have accessed the Internet on their mobile phone in the last year.
- Males (24%), 15-24 year olds and 25-34 year olds (30% and 32% respectively), ABC1s (25%) and students (35%) are most likely to have accessed the Internet on their mobile phone.
- Accessing the Internet over mobile phone is also higher among post-pay users (29%) and Meteor customers (29%)
- Those who access the Internet at home are more likely to access the Internet over their mobile phone (26%).

Base: All Mobile Phone Users (n=929)

# REASONS FOR NOT USING THE INTERNET OVER MOBILE PHONE

Q. Why have you not accessed the Internet on your mobile phone within the last 12 months?

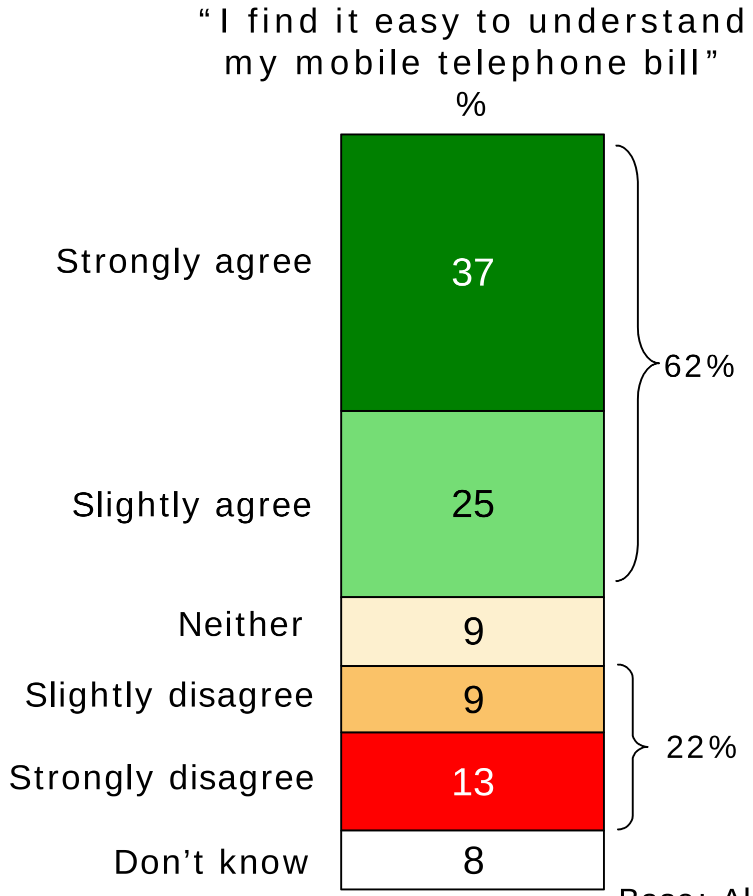



- Lack of interest, and concerns with cost are by far the two most cited reasons for not accessing the Internet over mobile phone.
- Younger respondents perceived costs to be a greater barrier to using the Internet over their mobile phone, while those aged 50+ were more likely to cite lack of interest in using it.

Base: All Who Haven't Accessed Internet Over Mobile (n=714)

# UNDERSTANDING OF MOBILE PHONE BILLS HIGH

Q. To what extent do you agree or disagree with the following statement...

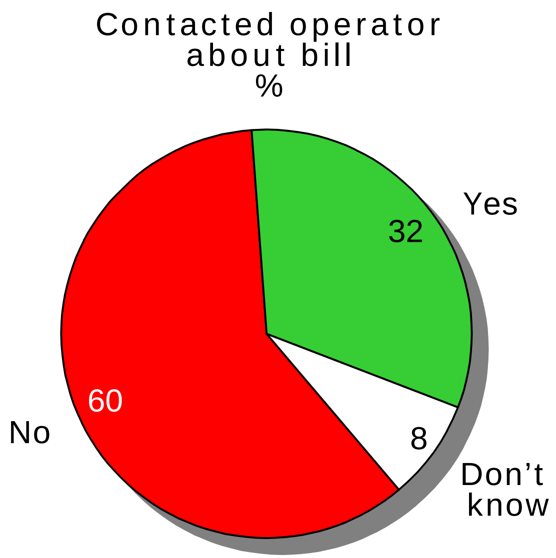


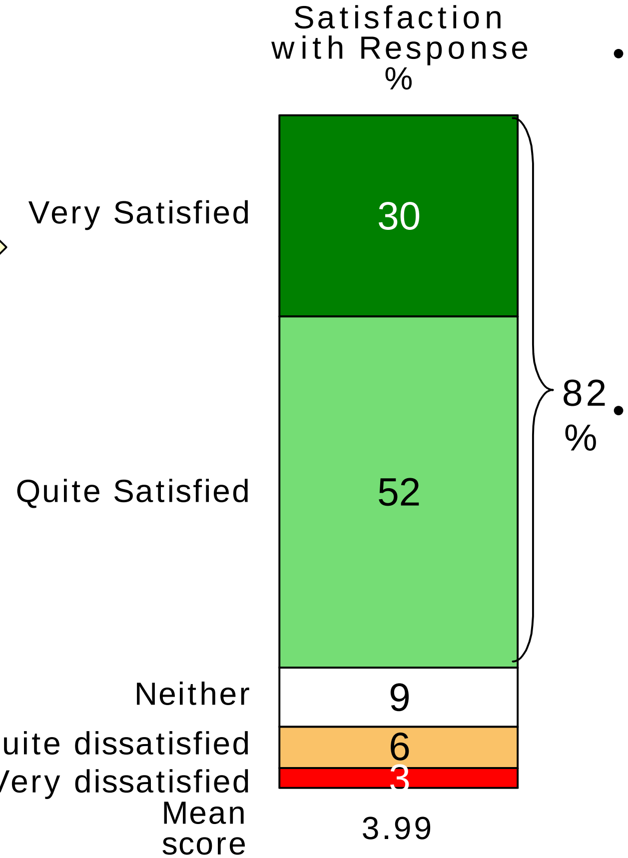

- Over 62% of post-pay mobile users agreed that their mobile telephone bill was easy to understand, while over 1 in 5 disagreed with this statement.
- Agreement was higher among those aged 18-24 (74%), DE and Fs (71% and 77% respectively), those in households with teenagers (67%) and among those in Connaught/Ulster (72%).
- A higher percentage of respondents understood their fixed line bills, however this could be a result of the many different types of charges on mobile phone bills e.g. on-network, off-network, peak, off-peak, roaming, text and SMS

Base: All Post-Pay mobile phone users (n=240)

# Queries on Mobile Phone Bills Similar to Fixed Line

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



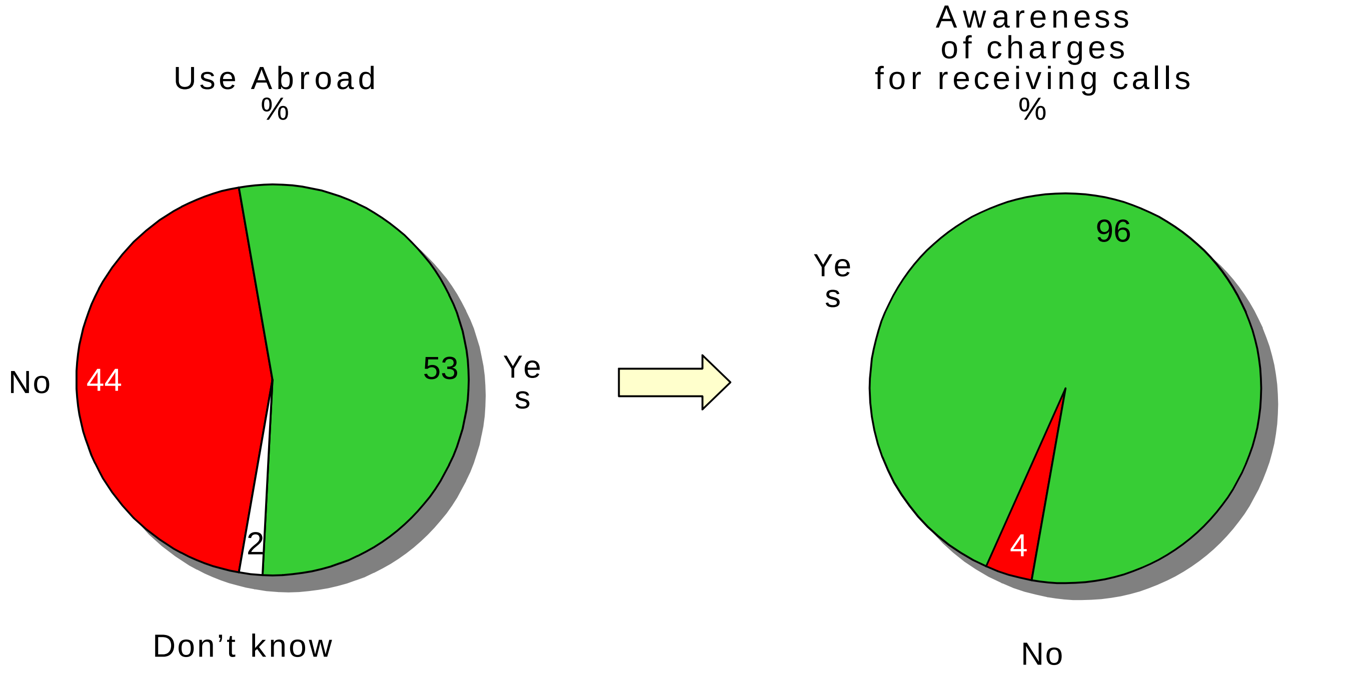

- Over 8 in 10 post-pay respondents were satisfied with the response they received when they contacted their operator regarding a billing query.
- Respondents who contacted their mobile provider were more satisfied with the response received than respondents who contacted their fixed line provider.

Base: All Post Pay Mobile Phone Users (n=240) Base: Post Pay Users Who Contacted Operator (n=75)

# HIGH AWARENESS OF CHARGES INCURRED TO RECEIVE CALLS WHILE ROAMING

Commission for Communications Regulation

Q. Do you ever use your mobile phone outside of Ireland?
Q. Are you aware that you are charged to receive a call when you are using your mobile phone outside of Ireland?



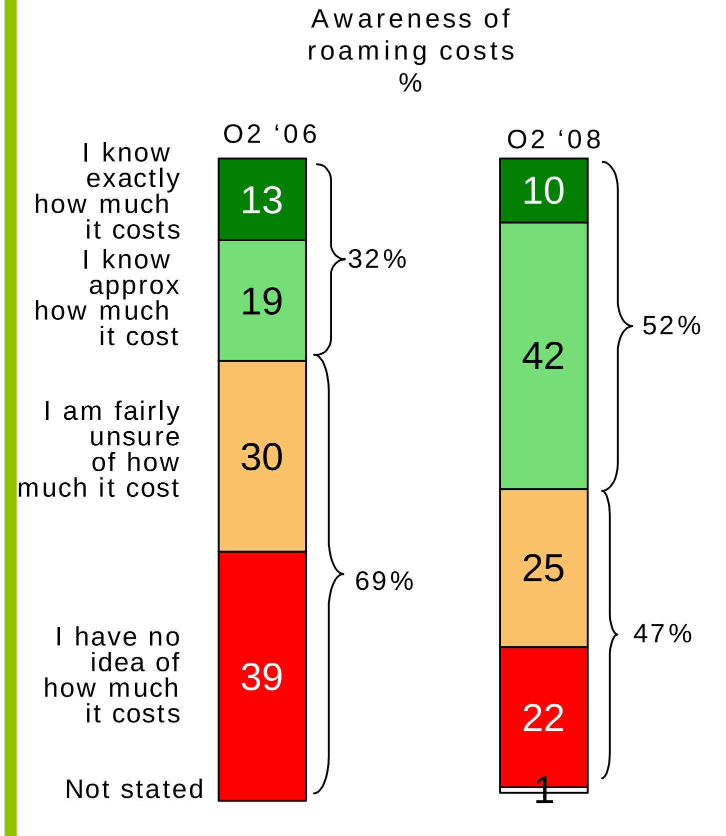

Base: All Mobile Phone Users (n=929)

Base: All Mobile Roamers (n=507)

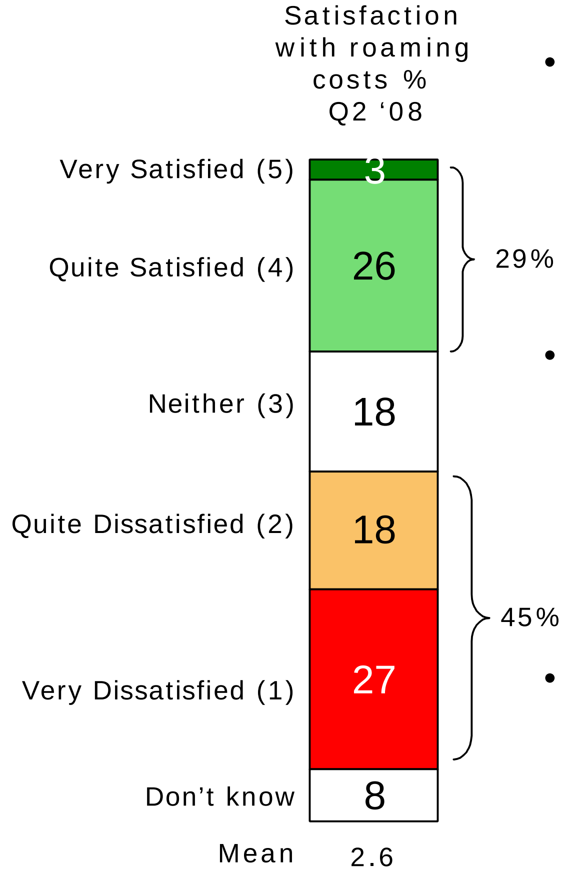
- Over half of mobile phone users have used their mobile phones outside of Ireland, with those most likely being ABC1s, 25-34 year olds (60%) and Vodafone or O2 users (both at 56%).
- There is almost universal awareness among those who use their mobile phones abroad that they incur charges for receiving calls.

# AWARENESS AND SATISFACTION WITH ROAMING COSTS

Q. Which of the following statements best describes how much you know about the cost of using your mobile phone outside Ireland?
Q. How satisfied are you with "roaming charges", which you pay when your mobile is used abroad?




Base: All Mobile Roamers (n=507)

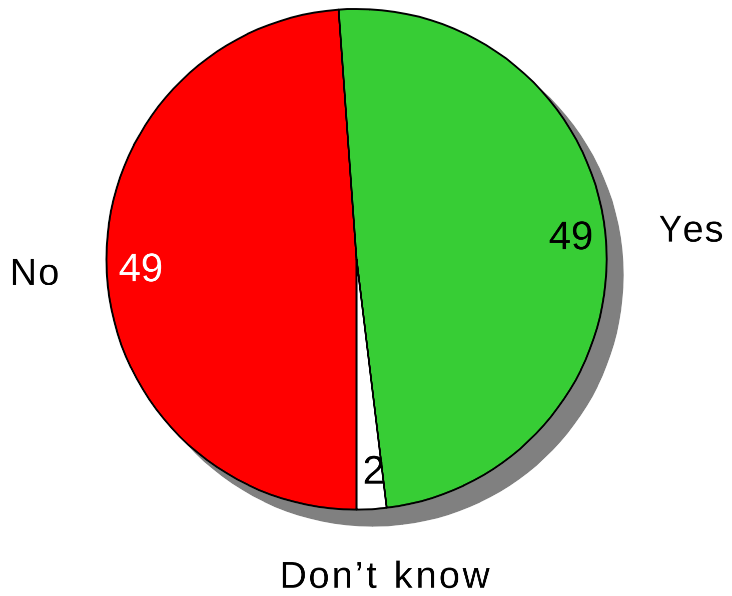



- Over half of roamers claim to be aware of the costs of roaming, although 1 in 5 (22%) claim to have no idea of costs. There is a marked increase in awareness since research conducted in 2006.
- Nearly 3 in 10 (29%) express satisfaction with the costs associated with roaming. Satisfaction is higher among 25-34 year olds (37%) ABC1s (34%), males (31%), and those living in urban areas (33%)
- Those most dissatisfied are 35-44 year olds (50%), DEs (53%), subscribers to Vodafone (50%) and those not living in Leinster (inc. Dublin) (51%).

# AWARENESS OF EU ROAMING REGULATION CHARGES

Q. Are you aware that charges for making and receiving calls on your mobile when elsewhere in the European Union were capped in the past year as a result of new EU regulations?

Awareness of capping of EU roaming costs %



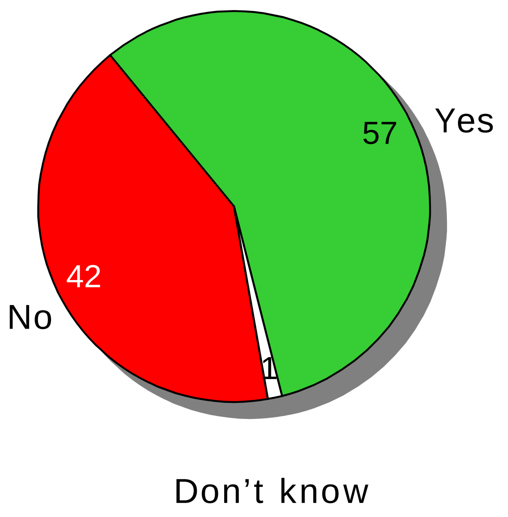

Base: All Mobile Roamers (n=507)

- There is an even split between those aware of recent EU Regulations concerning roaming charges and those who are not.
- Males (52%) were more aware, along with those aged 50-64 (58%), or 25-34 (55%)
- ABC1s were more aware (53%), along with Vodafone users (56%), and post-pay users (59%)
- Those least aware were aged 15-24 (65%), C2DEs (53%) and O2 and Meteor subscribers (53% and 65% respectively).

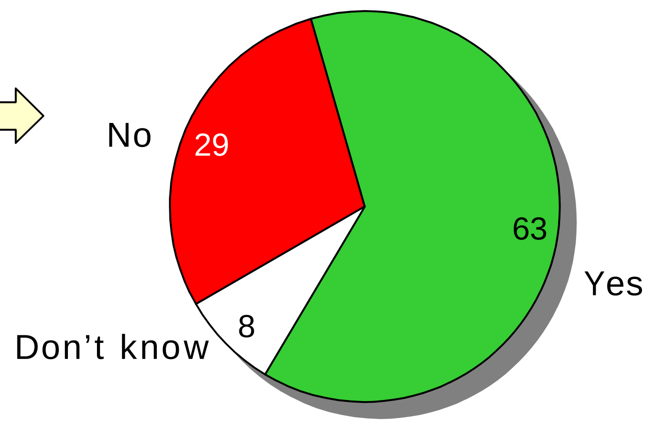
# ROAMING WITHIN THE EU

Q. Have you used your mobile phone outside of Ireland but within the European Union (EU) in the past 8^ months?
Q. Did you receive a text message on arrival telling you what call charges applied when roaming?

Use of mobile in EU in last 8 months
%




Receipt of call charges text message
%




- Those most likely to have used their phones abroad over the past eight months were 18-24 year olds (60%), 50-64 year olds (62%), ABC1s (62%), those living in Dublin (63%), Vodafone users (61%) or monthly billed subscribers (68%)
- Of these, nearly two thirds received a text upon arrival notifying them of charges, whilst nearly 3 in 10 claimed that they did not.

^ *A period of 8 months was selected as this was when the EU regulations came into force*

Base: All Mobile Roamers (n=507)

Base: All EU Mobile Roamers (n=297)

# THE INTERNET & BROADBAND

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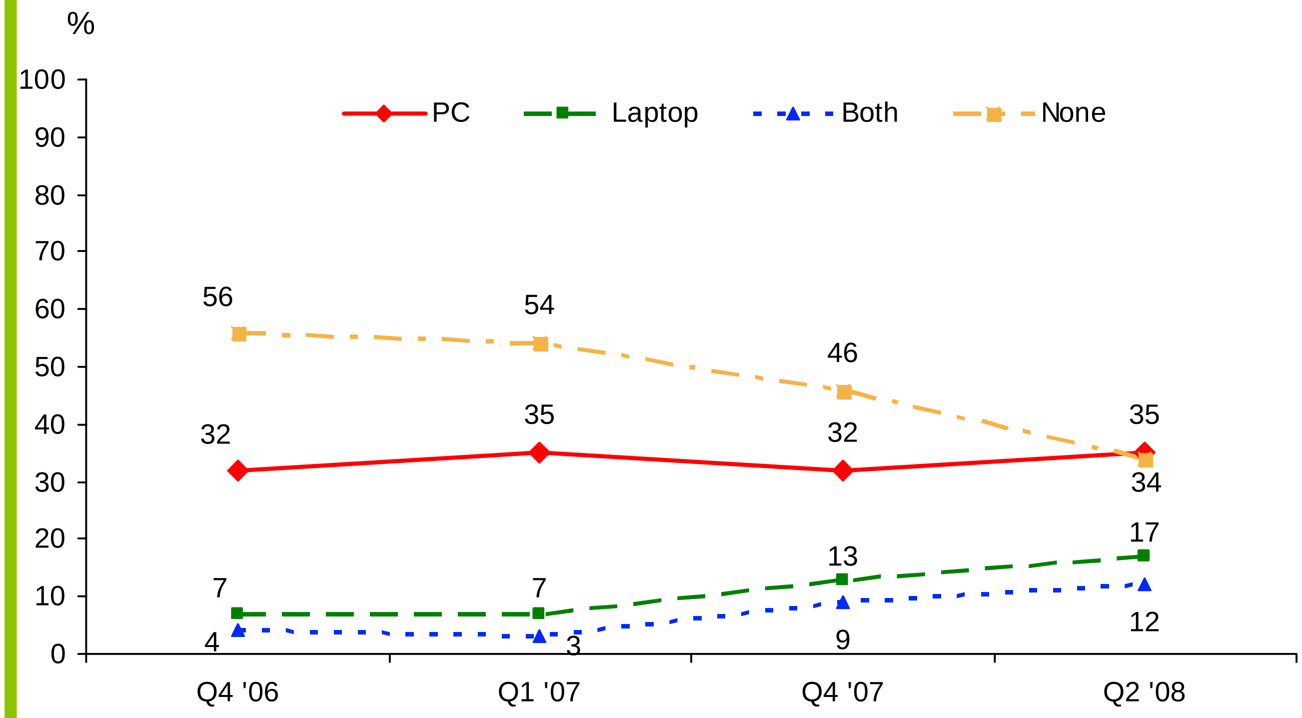
# INCREASE IN PC AND LAPTOP OWNERSHIP

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

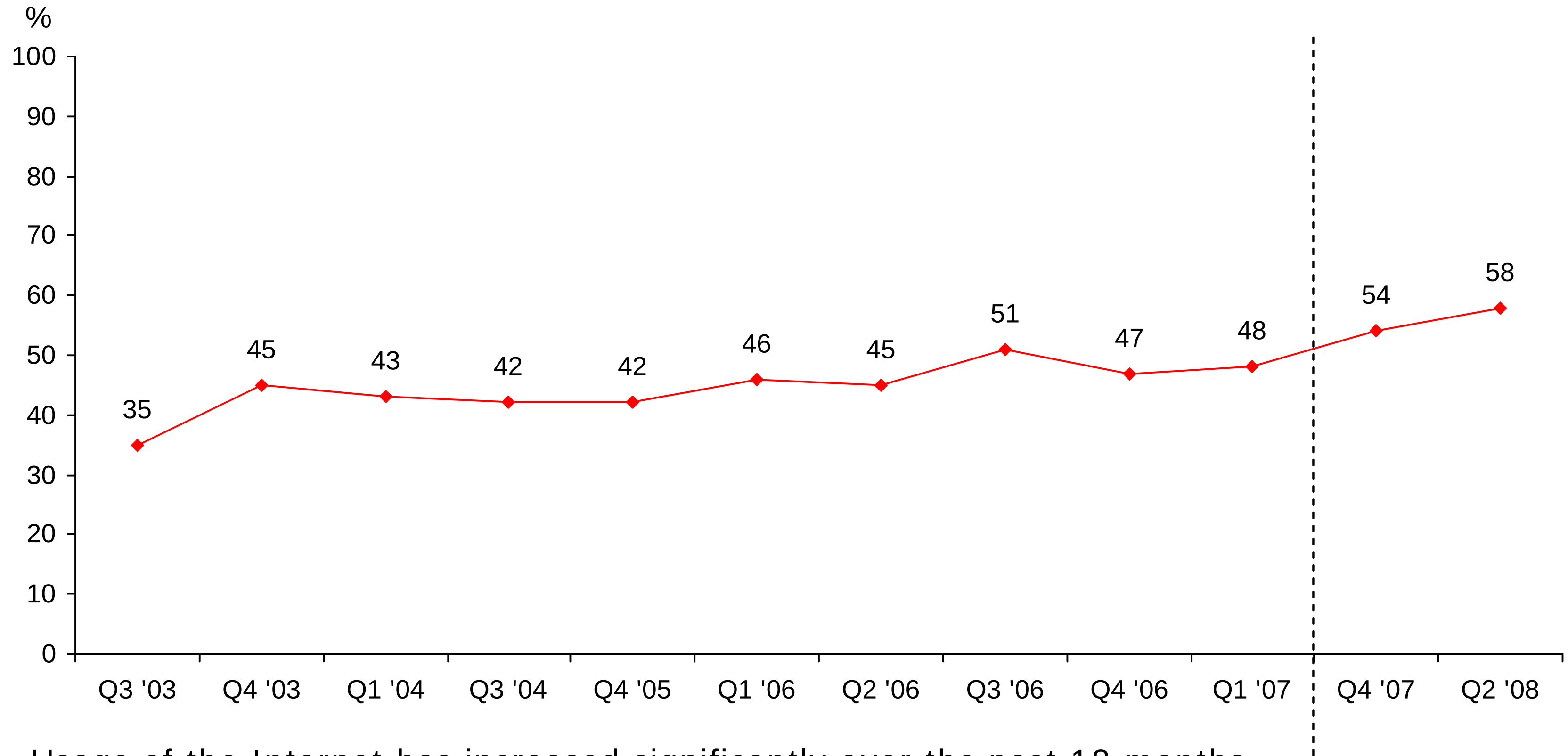



Base: All Respondents (n=1,007)

- Two thirds of households now claim to have a PC and/or a laptop, with the incidence of having both increasing.
- There is a general correlation between age and PC/laptop ownership; three quarters of 15-24 year olds have a PC/laptop but this falls to less than 3 in 10 (29%) among those aged 65-74.
- 80% of ABC1s have a PC/laptop compared to 56% of C2DEs and 50% of the farming community.
- Ownership is higher among those owning their own home (67%), urban dwellers (68%) and Dublin Residents (78%).

# INCREASE IN INTERNET USAGE OVER TIME

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




- Usage of the Internet has increased significantly over the past 18 months
- Usage is highest among 15-24 year olds (74%), ABC1s (76%), Dublin (66%) and Urban residents (62%)

Base: All Respondents (n=1,007)

# 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 % |
|---|---|---|---|---|---|---|
| Home | 66 | 72 | 67 | 71 | 79 | 81 |
| Work | 36 | 34 | 35 | 38 | 38 | 34 |
| School/college | 12 | 15 | 18 | 19 | 14 | 15 |
| Friends houses | 5 | 9 | 6 | 4 | 9 | 12 |
| Cyber Cafes | 4 | 8 | 9 | 4 | 7 | 8 |
| Public library | 3 | 5 | 3 | 3 | 7 | 7 |
| On the move using portable equipment e.g. a WAP mobile phone, a palmpilot, a laptop | 2 | 2 | 2 | 2 | 2 | 4 |
| Else where | 1 | 2 | 2 | - | 2 | 2 |

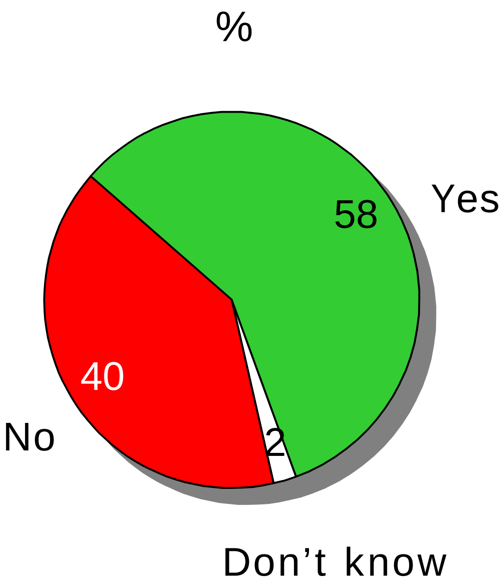
- Home and work remain the primary locations from where the Internet is accessed. Home access continues to increase.
- There seems to be some growth in the incidence of accessing the Internet via portable equipment e.g. a laptop

Base: All those who use the Internet from any location (n=612)

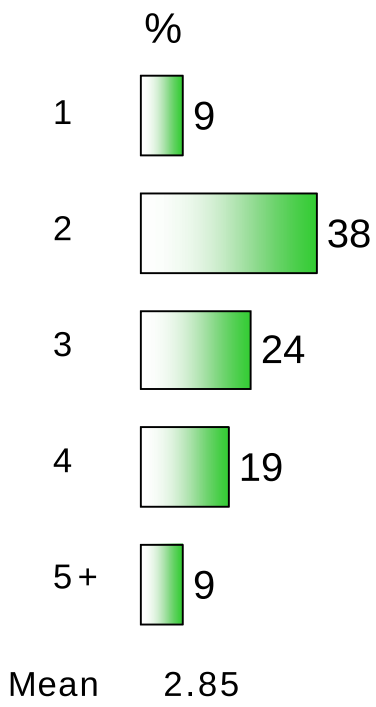
# HOME INTERNET CONNECTION

Q. Do you currently have an Internet connection at home?
Q. Including yourself, how many people in your household use the Internet at home?

Internet Connection At Home




Number using Connection




- Nearly 6 in 10 have a home Internet connection, rising to 67% among those aged 15-24 and to 72% among ABC1s.
- Dublin Residents (70%) are more likely to have a connection, along with those with a fixed line in the home (68% vs 36% among those that have no fixed line).

Base: All Respondents (n=1,007)

Base: All With Home Internet Access (n=603)

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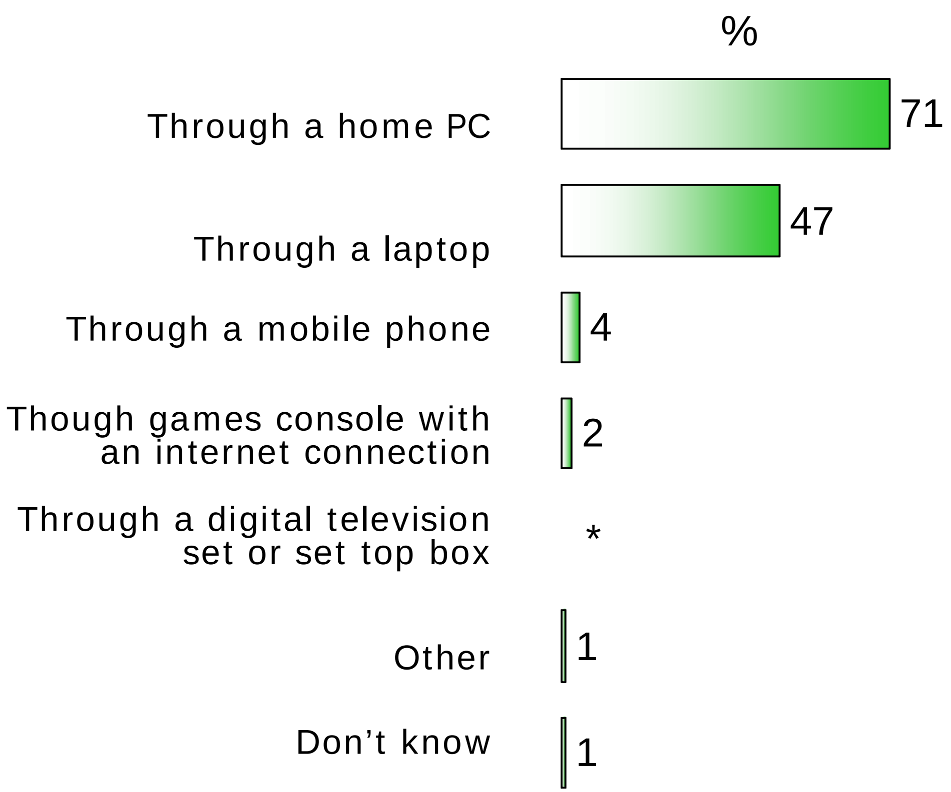
# WAYS OF ACCESSING THE INTERNET

Q. Which of the following ways do any members of your household use to access the Internet?



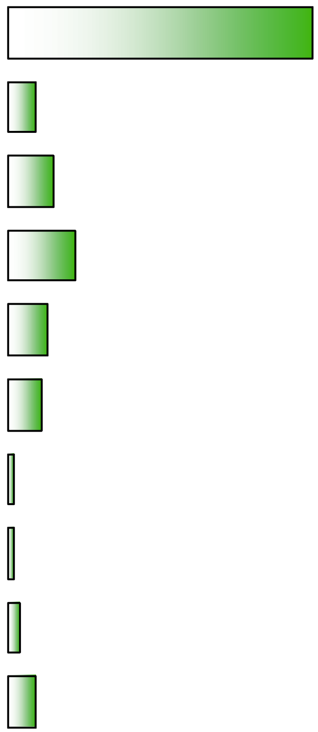

- The Internet is still predominantly accessed via more traditional channels such as PCs and laptops.

Base: All With Home Internet Access (n=603)

# DSL REMAINS PRIMARY HOME INTERNET CONNECTION TYPE

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

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



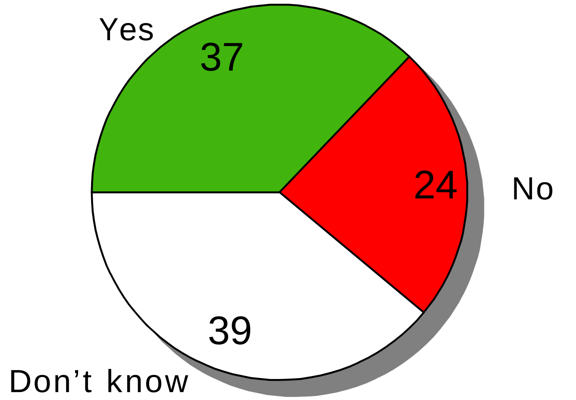
Base: All With Home Internet Access (n=603)

- Broadband accounts for 76% of all home internet connections. DSL continues to be the most used broadband connection with over half (54%) of homes using this access technology.
- Mobile broadband has increased to 8% this quarter, and is the second most utilised broadband platform. Residential consumers seem to be using this as a primary access method, with only 2% using mobile broadband as an additional access technology.
- Narrowband access (i.e. ISDN or regular dial up) continues to fall, with only 17% of homes with Internet using this type of connection. Those using narrowband are more likely to be aged 35-49 (24%), from the Farming Community (38%), and live in Munster (28%).

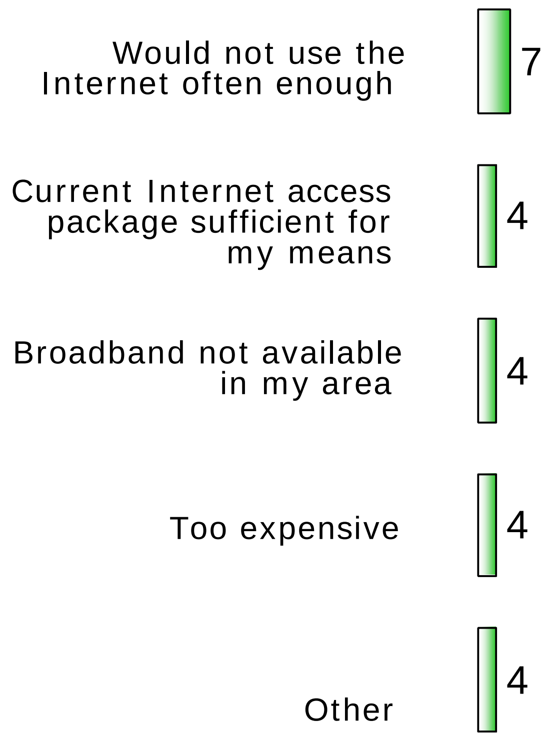
# INTENTIONS TO GET BROADBAND AMONG NARROWBAND USERS

Q. Do you intend to get broadband at home in the next 12 months?
Q. Why do you not intend to get broadband at home in the next 12 months?

%




Number of Mentions




- Of the small number of respondents who have a narrowband home Internet connection, over a third intend to get broadband in the next 12 months.
- Not using the internet often enough is the main reason (28%) given by respondents for saying that it is unlikely that they would get a broadband connection in the next 12 months.

Base: Narrowband Users (n=97)

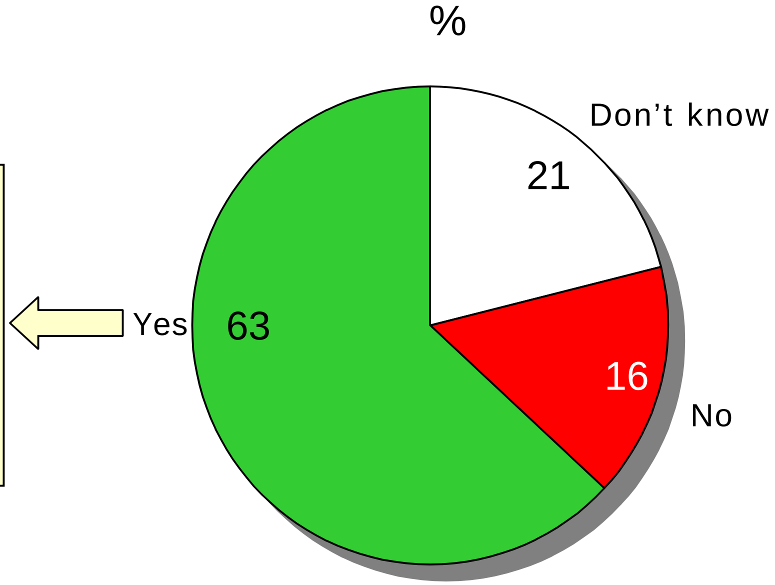
Base: Narrowband users not intending to get broadband (n=23*)

*Caution: Small base size

# CHOICE OF BROADBAND SERVICE PROVIDERS

Q. Do you have a choice of broadband service providers where you live?

| Region | |
|---|---|
| Dublin | 79% |
| Rest of Leinster | 61% |
| Munster | 50% |
| Conn/Ulster | 53% |




- Over 1 in 5 respondents with home Internet access did not know if there was a choice of broadband providers where they live. These were more likely to be female (25%), living in Munster (26%) and in rural areas (27%).
- A higher percentage of those who said they had no choice of broadband provider lived in rural areas (29%), especially in Connaught/Ulster (29%), and had a narrowband connection (24%).

Base: All With Home Internet Access (n=603)

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# HOME INTERNET ACCESS PROVIDER

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

| | Q3 '06 % | Q4 '06 % | Q1 '07 % | Q4 '07 % | Q2 '08 % |
|---|---|---|---|---|---|
| Eircom | 72 | 78 | 65 | 57 | 56 |
| Irish Broadband | 6 | 4 | 6 | 8 | 6 |
| BT Ireland/IOL (Esat) | 3 | 2 | 4 | 7 | 6 |
| Chorus/UPC | 1 | 2 | 2 | 3 | 6 |
| Perlico | 1 | 3 | 3 | 6 | 5 |
| Vodafone | - | - | - | 1 | 3 |
| Clearwire | - | - | - | 3 | 2 |
| O2 | - | - | - | 2 | 2 |
| Digiweb | - | - | 1 | 1 | 2 |
| 3 Ireland | - | - | - | 2 | 1 |
| Last Mile | - | 1 | - | 1 | 1 |
| UTV net | - | - | - | - | 1 |
| Rapid broadband | - | - | - | - | 1 |
| Don't know | 8 | 4 | 10 | 4 | 5 |
| Other | 4 | 4 | 3 | 3 | 2 |

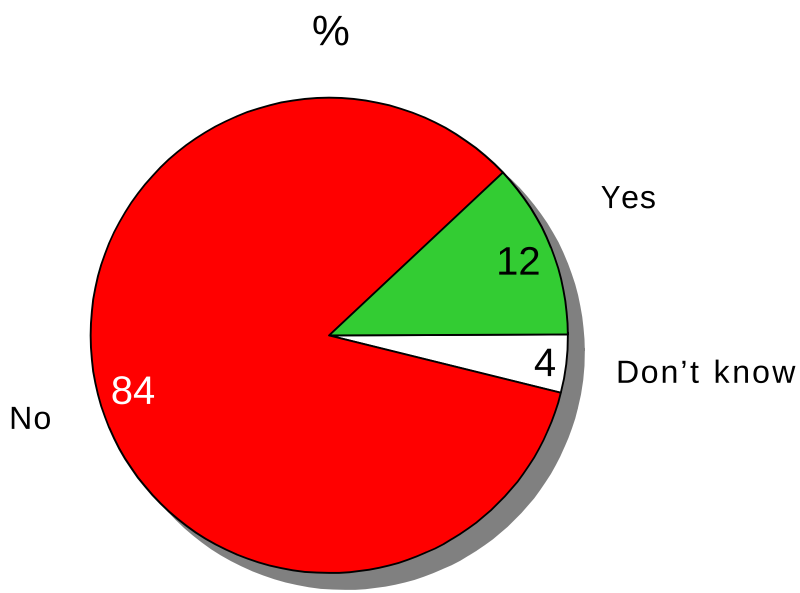
- Eircom's market share as home ISP has decreased slightly to 56% this quarter.
- Some of the smaller alternate ISPs are increasing their market shares slightly.

Response <1% not shown

Base: All With Home Internet Access (n=603)

# ISP SWITCHING BEHAVIOUR

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




Base: All With Home Internet Access (n=603)

- The vast majority (84%) of those with home Internet access have not switched ISP in the past 12 months.
- Those who have switched are most likely to be aged 35-49 (15%), C1 (14%), have children under 12 in the household (14%), rent their homes (15%), have a fixed line provider other than Eircom (27%), and live in Dublin (15%).
- In the last 12 months, respondents were more likely to switch ISP than mobile provider, but less likely to switch ISP than fixed line provider.

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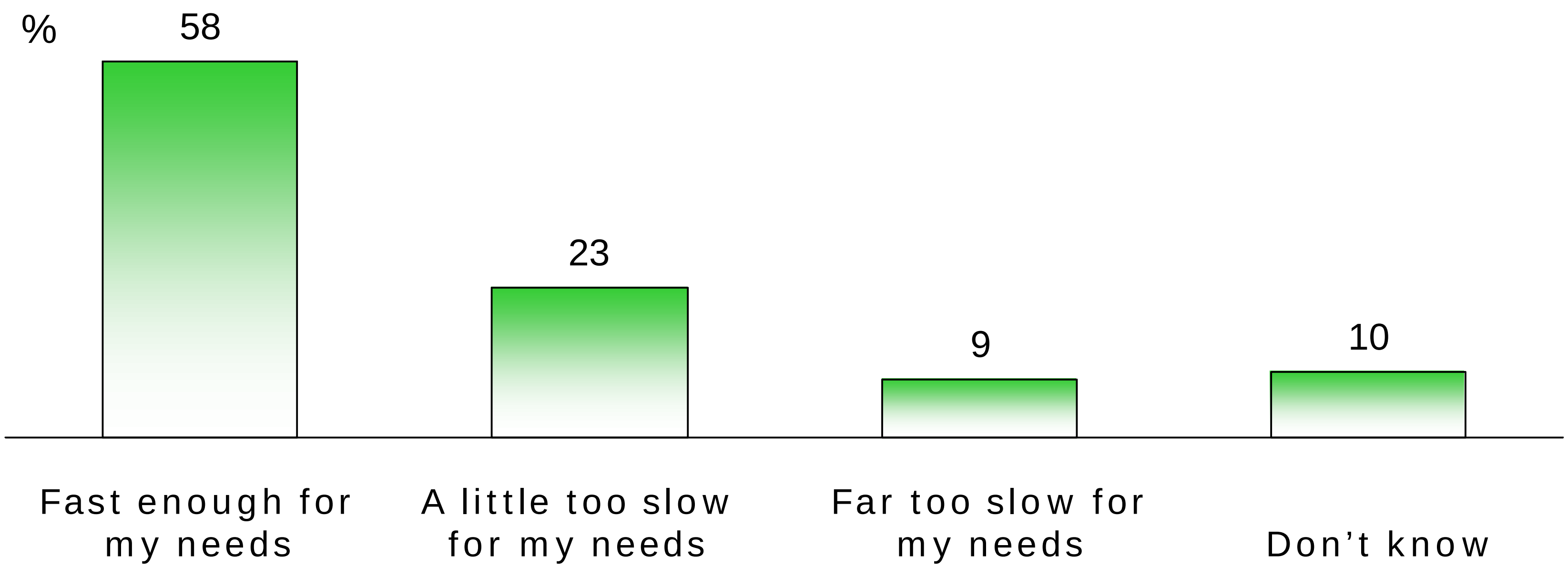
# GENERAL SATISFACTION WITH HOME INTERNET SPEEDS

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




- A high percentage (58%) of those with home Internet access state that the speed of their current Internet package is fast enough for their needs. This rises to 66% among broadband users.

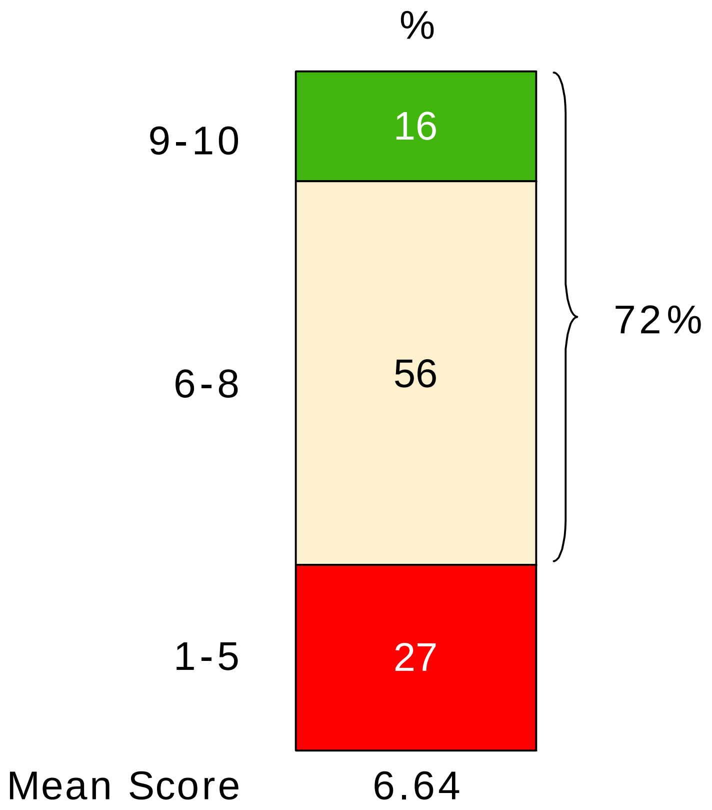
- Those who said that their connection was a little too slow or far too slow were more likely to be narrowband users (30% and 31% respectively).

Base: All With Home Internet Access (n=603)

# VALUE FOR MONEY FOR HOME INTERNET SERVICE



Q. On a scale of 1 to 10, where 1 means extremely poor value for money and 10 means extremely good value for money, how would you rate the value for money of your home Internet service?




Base: All With Home Internet Access (n=603)

- Most respondents rated their home Internet service as being fairly good value for money (56%), while just 16% believed the value for money of their Internet connection to be very good to extremely good.
- Just over 1 in 4 rated their internet service as being poor value for money.
- Those who gave this rating were more likely to be over 50 (34%), have switched fixed line provider (30%), believe that they do not have a choice of broadband providers (39%), reside in the Rest of Leinster (35%), and are more likely to be rural based (40%).

# 1 IN 4 BROADBAND USERS AWARE OF BROADBAND SPEED TEST

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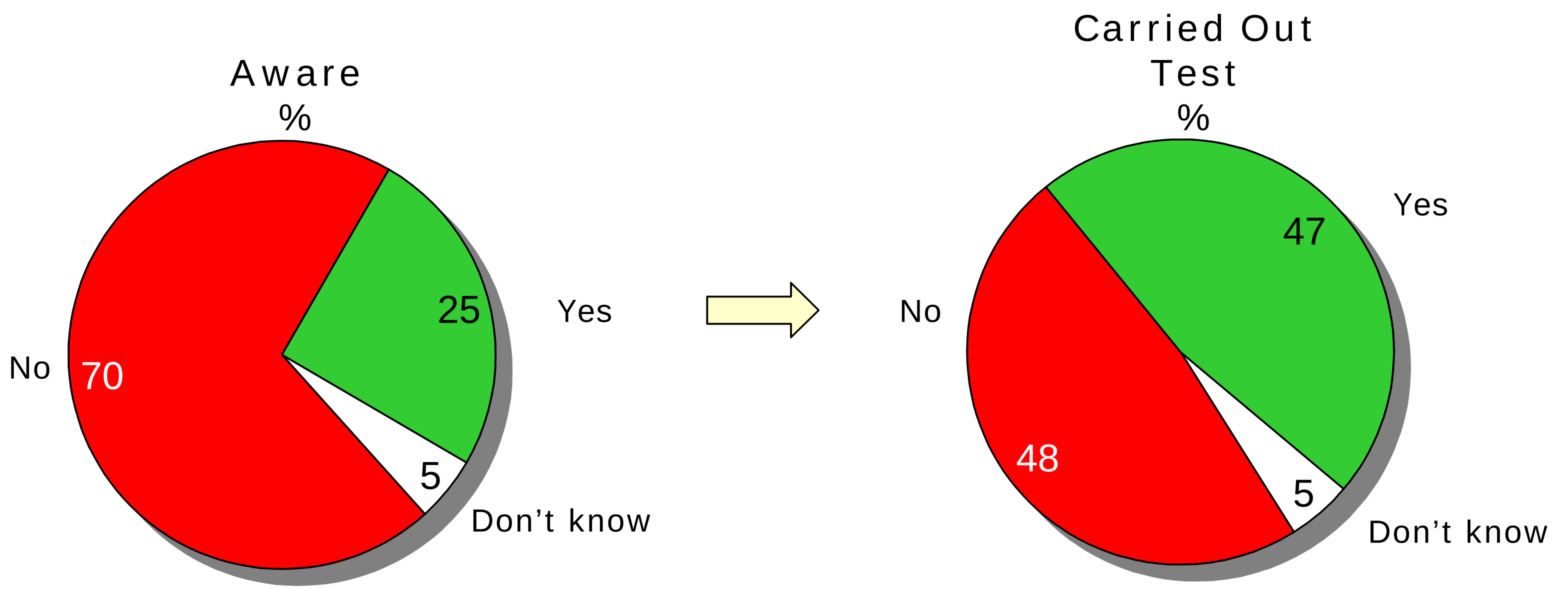
Q. Are you aware of broadband speed testing software (e.g. speedtest.net)?
Q. Have you ever carried out a broadband speed test on your home broadband connection?




- A quarter of broadband users are aware of broadband speed testing software, with nearly half of those (47%) having carried out a speed test on their home broadband connection.

Base: All With Broadband Connection (n=461)

Base: All with Broadband aware of speed testing software (n=116)

# CONCLUSIONS

# CONCLUSIONS - I

- Mobile phones continue to be the most utilised communications device among Irish consumers, and are used by the vast majority of adults in Ireland.
- The use of a fixed landline appears to be directly impacted by increased mobile use, as the majority of respondents without a fixed line claim that they do not have one because they use a mobile phone instead.
- A marginally higher percentage of fixed line users switched operator in the last 12 months, compared to mobile provider and ISP.
- When considered over a longer term, over a third of fixed line customers have ever switched their provider, but over 40% of those who had switched, switched back to their previous provider. This may be due to initial expectations of price and service levels not being met once the original switch was made, and may have influenced the high success rate of original providers in winning customers back.
- Consumer perceptions are that their average fixed and mobile spend has declined, perhaps pointing to them benefitting from a more competitive market.

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# CONCLUSIONS - II

- Nearly three times as many respondents are reportedly using 3G mobile phones compared to the end of 2006. This is likely to increase again over the next year, with devices such as the 3G iPhone being introduced into the market in July 2008.
- These developments are also likely to impact on what services consumers use their mobile devices for. Besides voice and data, consumers are primarily using their mobile devices for services such as sending picture messages and playing music.
- While a core group of (mainly) younger mobile phone users have accessed the Internet over their mobile phone in the last year, the majority of users are concerned about price levels for doing so, and this, as well as lack of interest, inhibits their use of the service. Given the high levels of Internet use among consumers in general, the introduction of better devices for mobile Internet browsing could improve the user experience and encourage increased usage.
- Among mobile phone roamers, there is almost universal awareness that there is a cost relating to receiving calls while roaming. However, just over half of this number claim awareness of the other costs of using their mobile phone outside of Ireland and satisfaction levels with these costs are low.
- Given the focus by the EU on roaming rates, there are increased levels of awareness of these costs by consumers with nearly half of roamers claiming to be aware that these rates have been capped.

# CONCLUSIONS - III

- The growth in PC/laptop ownership since the end of 2007 has been strong, with two thirds of households now having either or both. This is significant as results of this research show that these are still the primary methods used for accessing the Internet. This increase in PC/laptop ownership is therefore likely to have a further effect on increased uptake of Internet among households.
- Access to the Internet from any location has increased significantly in the last 18 months, with home and work remaining the primary locations from where the Internet is accessed.
- Broadband accounts for the majority of home Internet connections, with home narrowband connections continuing to decline. There is still a resistance by a small number of narrowband users to consider a broadband connection in the future; this is primarily driven by satisfaction with current connections, combined with perceived lack of need for a broadband connection.
- While there are high levels of satisfaction with Internet speeds by the majority of customers, there is a core of customers who say the speed of their home Internet connection is too slow. While these are mostly narrowband users, there are a number of broadband users who also believe this to be the case.
- Overall, while the majority of home Internet users are satisfied with their current service in terms of speed and value for money, there is still a sizeable number for whom the service can be improved.

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# CONSUMER ICT SURVEY – SEGMENTATION ANALYSIS

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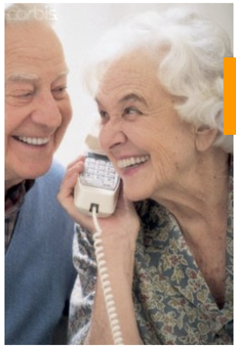
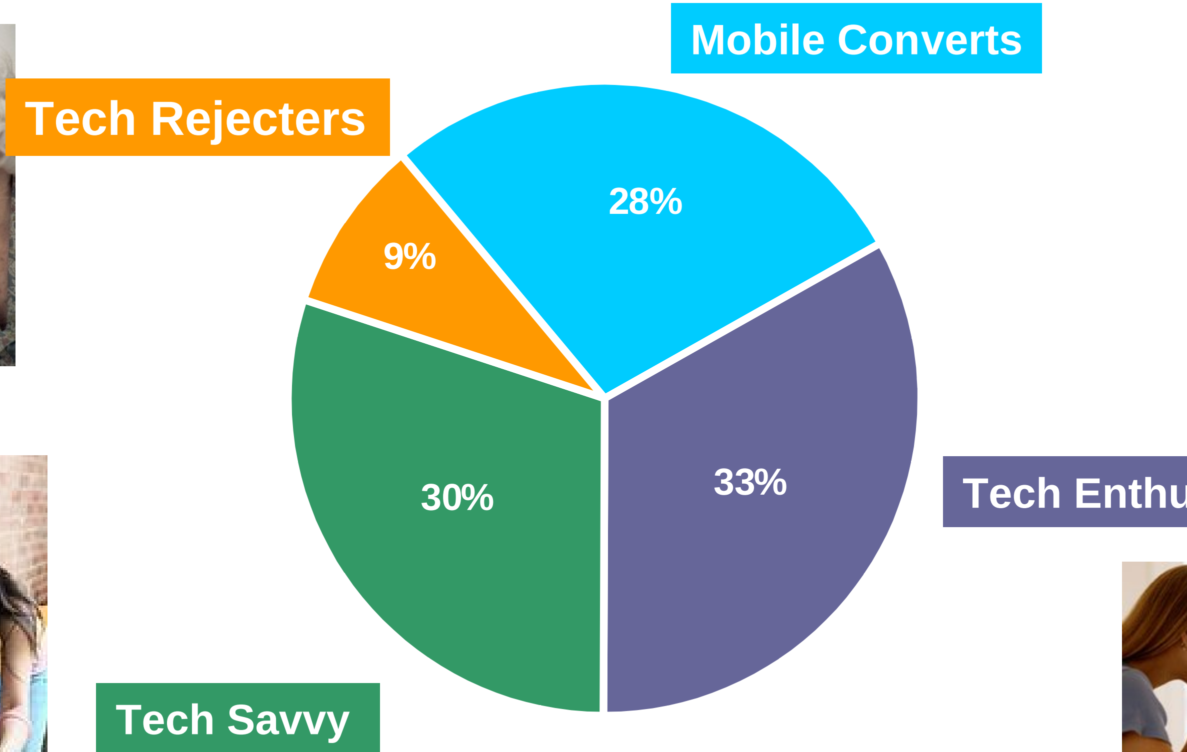
# METHODOLOGY

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

# IRELAND'S TECHNOLOGY SEGMENTS







# Correspondence Map

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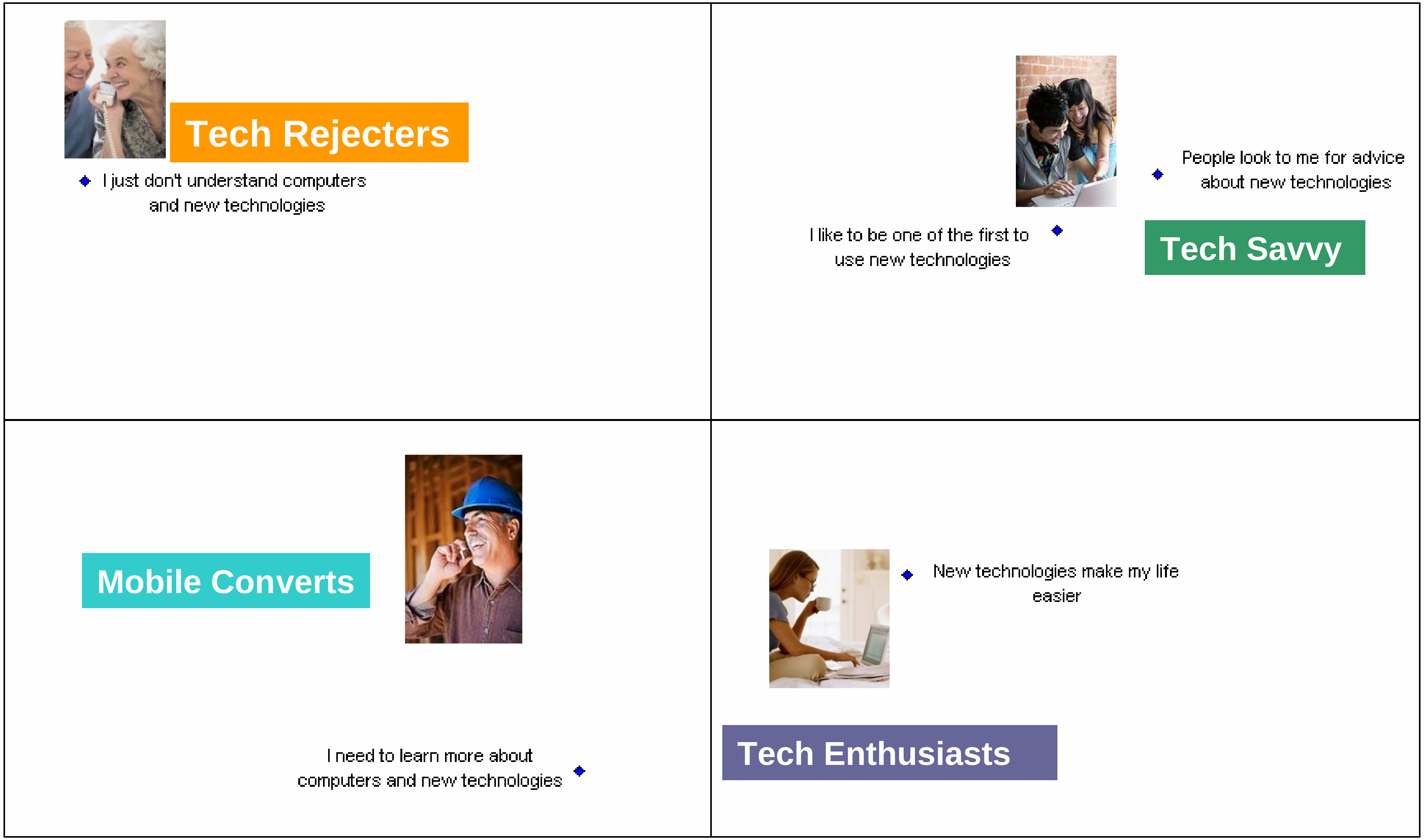

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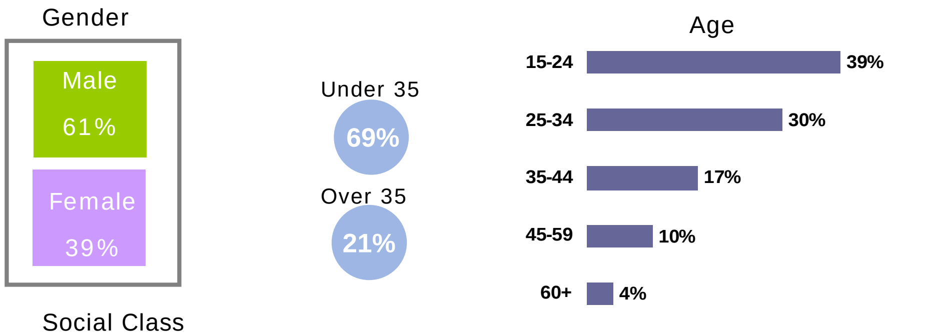
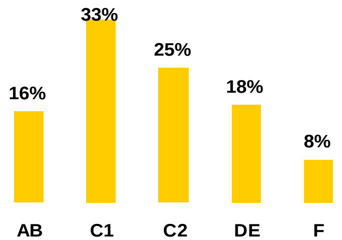
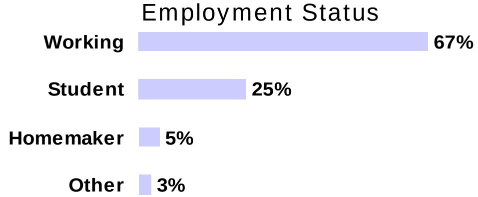
# TECH SAVVY

The tech savvy are predominately a youth segment with 69% aged under 35 and 25% currently in 3rd or 2nd level education. They are very comfortable with new technologies and are likely to be important influencers of other's choices – be it parents or less technologically astute peers. There is quite a strong male bias, as well as a bias in favour of the higher socio-economic grouping of ABC1s.

## Socio- Demographics




## General Attitudes to Technology

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

| | Segment Average | vs. Total Population |
|---|---|---|
| I like to be the first to use new technologies | 4.0 | 2.6 |
| New technologies make my life easier | 4.4 | 3.5 |
| I just don't understand computers and new technologies | 1.6 | 2.6 |
| I need to learn more about computers and new technologies | 2.9 | 3.3 |
| People look to me for advice about new technologies | 3.4 | 2.1 |

## Technology Usage

| | Segment Average | vs. Total Population |
|---|---|---|
| Home phone ownership | 59% | 68% |
| Mobile ownership | 100% | 91% |
| Mobile Internet usage | 48% | 19% |
| Internet usage | 87% | 59% |
| Home Internet Connection | 81% | 58% |

# TECH ENTHUSIASTS

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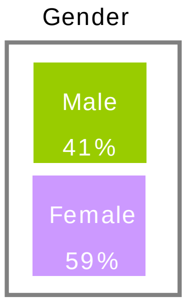
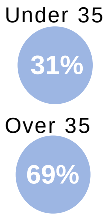
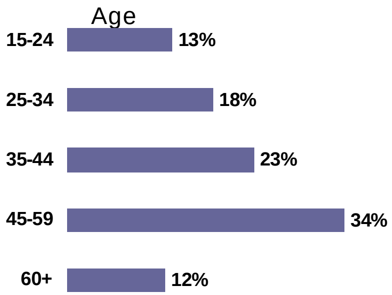
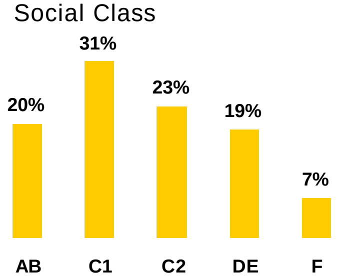
This group has a female bias (59%), with majority of the group being employed (68%). High home and mobile phone usage is typical of this group, as well as demonstrating the highest incidence of home Internet connections. A large proportion of this group are over 35, and they have interest in and appreciation for technology, but feel they could learn more. The members of this group fall predominantly into the C1 socio-economic grouping.

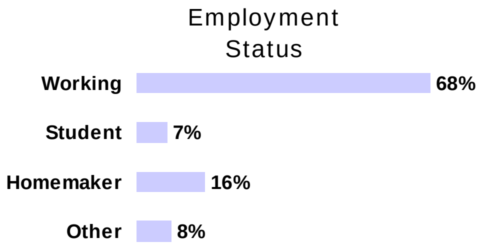
## Socio- Demographics




## General Attitudes to Technology

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

| | Segment Average | vs. Total Population |
|---|---|---|
| I like to be the first to use new technologies | 2.3 | 2.6 |
| New technologies make my life easier | 3.7 | 3.5 |
| I just don't understand computers and new technologies | 2.6 | 2.6 |
| I need to learn more about computers and new technologies | 3.8 | 3.3 |
| People look to me for advice about new technologies | 1.8 | 2.1 |

## Technology Usage

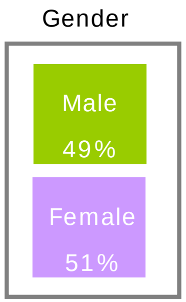
| | Segment Average | vs. Total Population |
|---|---|---|
| Home phone ownership | 94% | 68% |
| Mobile ownership | 100% | 91% |
| Mobile Internet usage | 7% | 19% |
| Internet usage | 80% | 59% |
| Home Internet Connection | 95% | 58% |

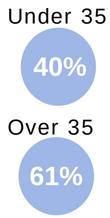
Commission for Communications Regulation

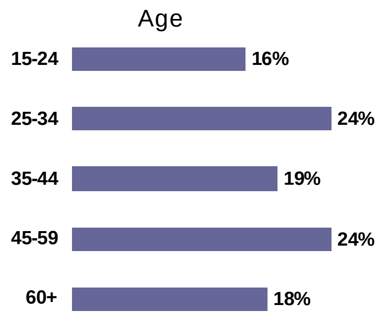
# MOBILE CONVERTS

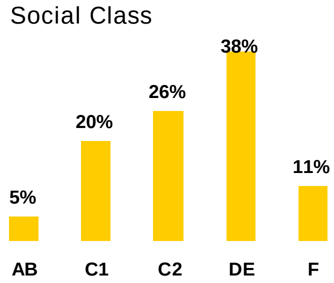
The main distinguishing feature of this segment is the high level of mobile phone use compared to other technologies. Fixed line phone ownership is well below the national average. Mobile Converts have embraced mobile phones almost to the exclusion of other ICTs. Many claim not to understand new technologies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

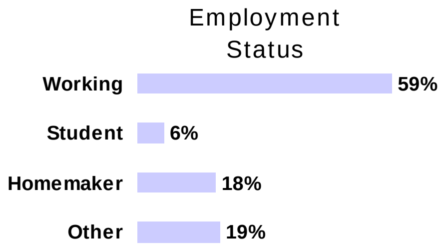
## Socio- Demographics




## General Attitudes to Technology

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

| | Segment Average | vs. Total Population |
|---|---|---|
| I like to be the first to use new technologies | 1.9 | 2.6 |
| New technologies make my life easier | 2.8 | 3.5 |
| I just don't understand computers and new technologies | 3.2 | 2.6 |
| I need to learn more about computers and new technologies | 3.3 | 3.3 |
| People look to me for advice about new technologies | 1.4 | 2.1 |

## Technology Usage

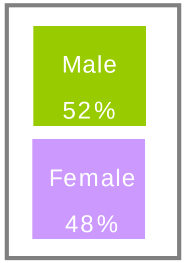
| | Segment Average | vs. Total Population |
|---|---|---|
| Home phone ownership | 37% | 68% |
| Mobile ownership | 100% | 91% |
| Mobile Internet usage | 9% | 19% |
| Internet usage | 21% | 59% |
| Home Internet Connection | 4% | 58% |

# TECH REJECTERS

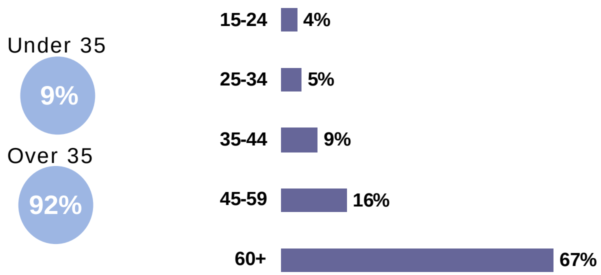
The majority (67%) of this group are over the age of 60, and a high percentage are retired (36%). They have near universal home phone ownership (97%) and do not use mobile phones at all. Many admit to not understanding new technologies, and show little interest in learning more about them. Their use of the Internet is very low. This group is more likely to fall into the DE socio-economic grouping.

## Socio- Demographics

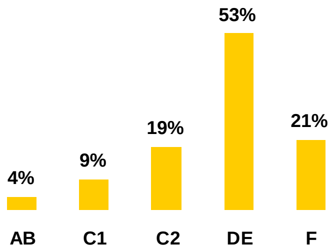
Gender



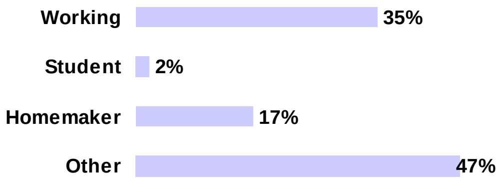

Age




Social Class




Employment Status




## General Attitudes to Technology

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

| | Segment Average | vs. Total Population |
|---|---|---|
| I like to be the first to use new technologies | 1.4 | 2.6 |
| New technologies make my life easier | 1.9 | 3.5 |
| I just don't understand computers and new technologies | 4.1 | 2.6 |
| I need to learn more about computers and new technologies | 2.5 | 3.3 |
| People look to me for advice about new technologies | 1.0 | 2.1 |

## Technology Usage

| | Segment Average | vs. Total Population |
|---|---|---|
| Home phone ownership | 97% | 68% |
| Mobile ownership | 0% | 91% |
| Mobile Internet usage | 0% | 19% |
| Internet usage | 7% | 59% |
| Home Internet Connection | 15% | 58% |

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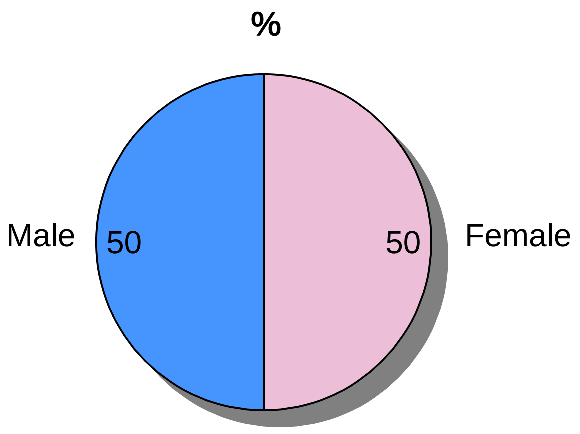
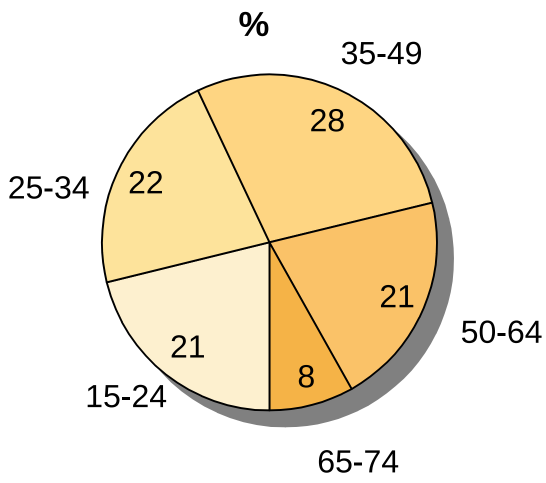
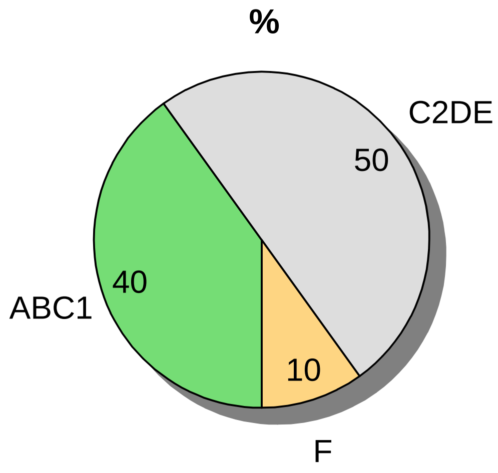
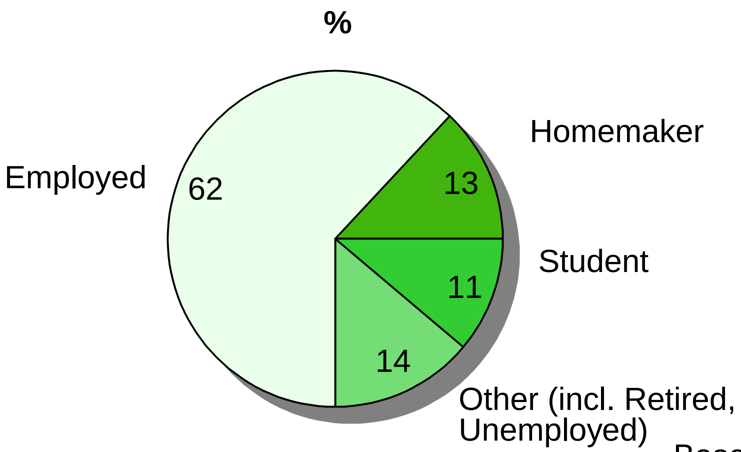
# APPENDIX

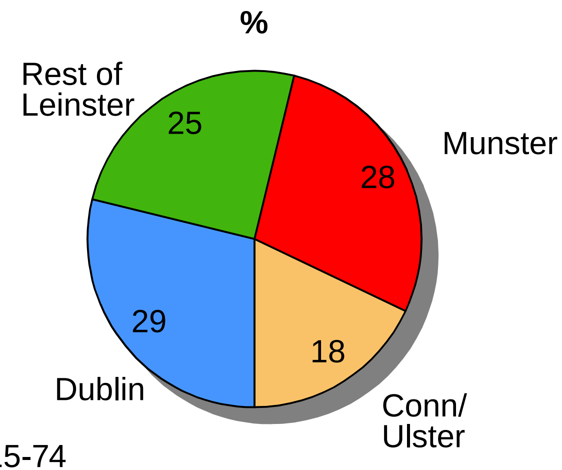
# ANALYSIS OF SAMPLE




Base: All Adults 15-74