

Consumer TrendWatch Q4 2003

November 2003

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Methodology

- 1,018 people surveyed aged 15 – 74.
- Fieldwork conducted: 15th – 29th October 2003.
- 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 128 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

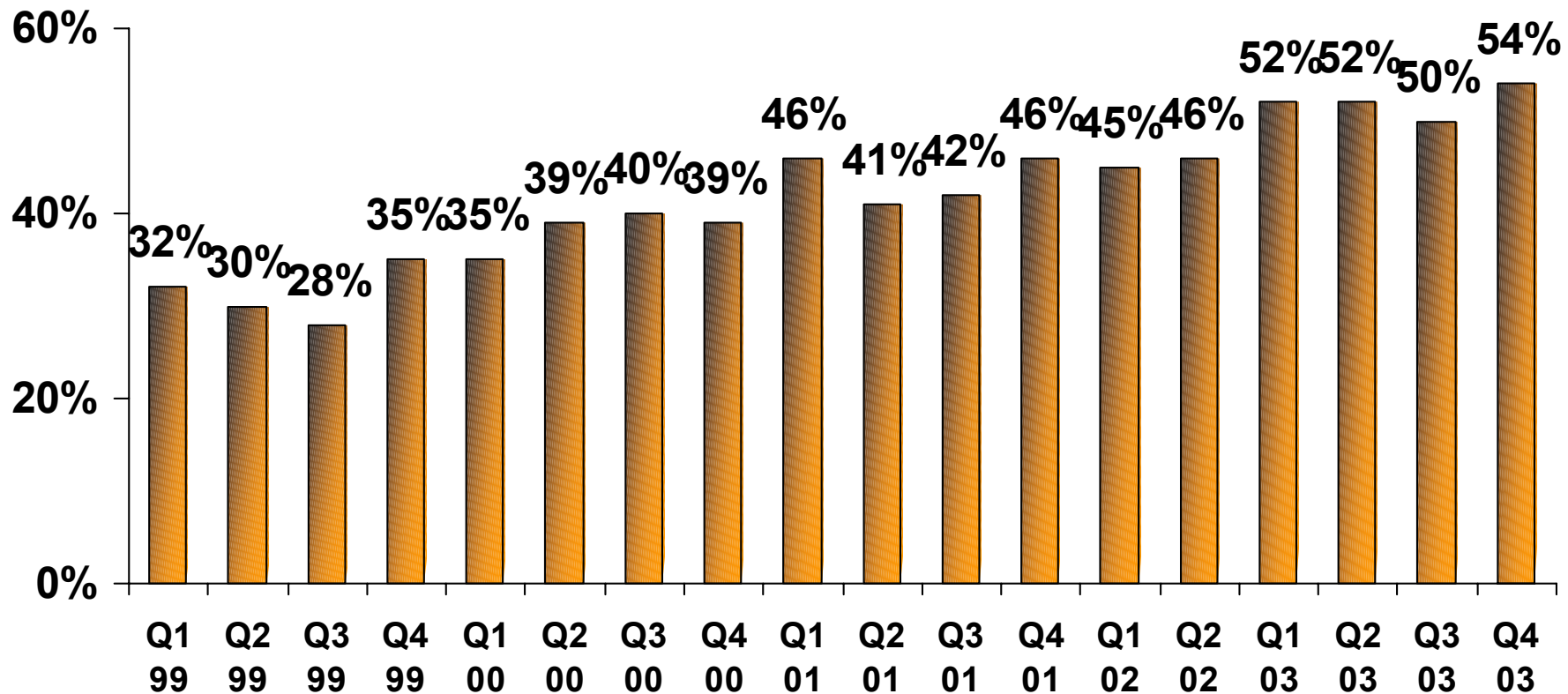
Percentage of respondents who said...	1,000	500	100
10%	+/-2%	+/-3%	+/-6%
20%	+/-3%	+/-4%	+/-8%
25%	+/-3%	+/-4%	+/-8%
40%	+/-3%	+/-5%	+/-10%
50%	+/-4%	+/-5%	+/-10%
60%	+/-3%	+/-5%	+/-10%
75%	+/-3%	+/-4%	+/-8%
80%	+/-3%	+/-4%	+/-8%
90%	+/-2%	+/-3%	+/-6%

- 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

PC and Online Overview

Over Half of Irish Adults Using a PC

% of adults using a PC



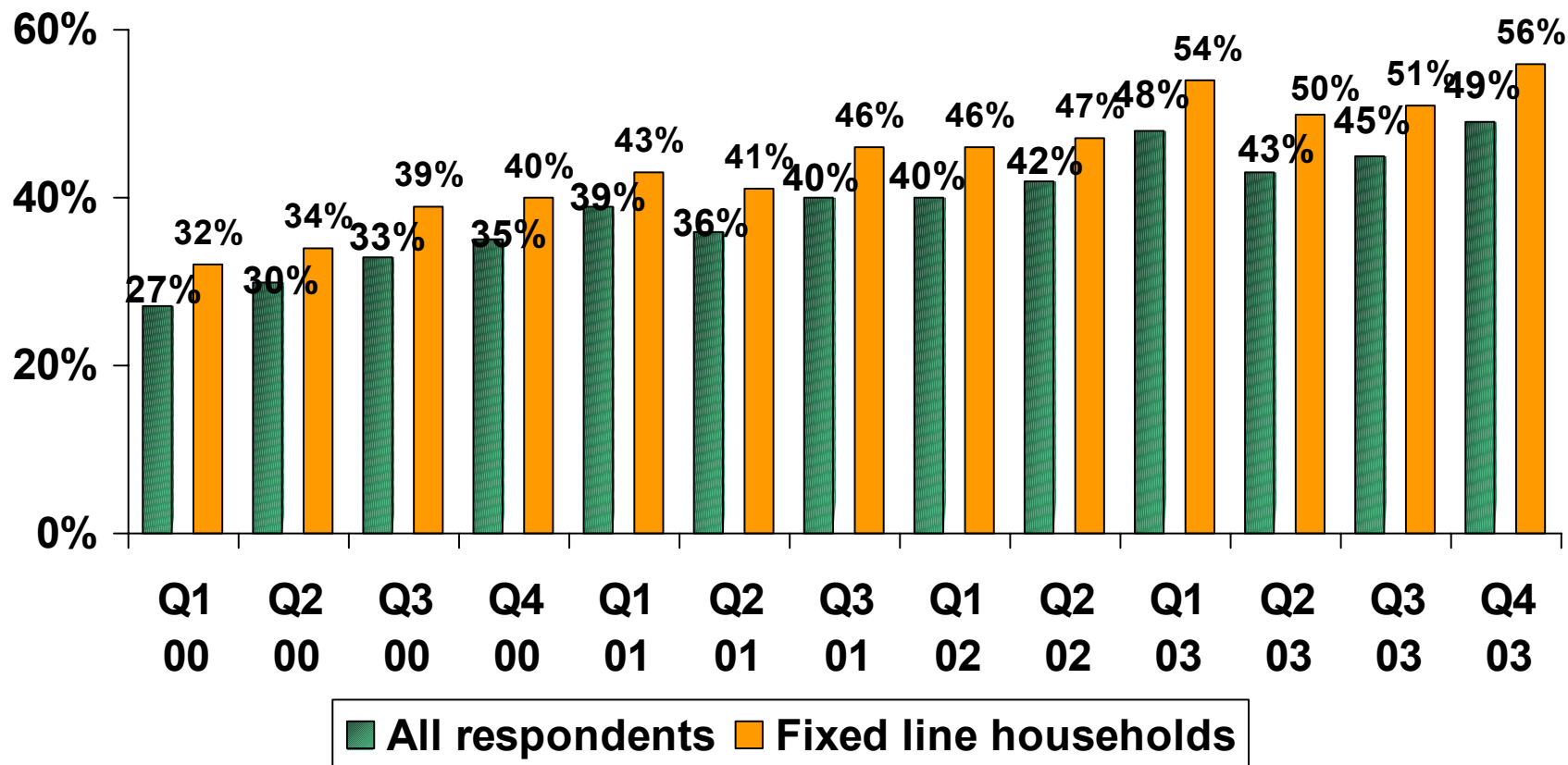
■ An estimated 1.6 million adults are using a PC

4 in 10 Using a Home PC

Location of PC Use (Multiple response allowed)	% of all adults	Equivalent population	% of all PC users
Home	40%	1,148,000	73%
Work	21%	604,000	38%
Schools/Colleges	11%	311,000	20%
Friends House	2%	57,000	4%
Cyber Cafes	1%	25,000	2%
Public Library	1%	23,000	1%
On the move using portable equipment	0%	12,000	1%
Elsewhere	0%	7,000	0%
Total	54%	1,579,000	

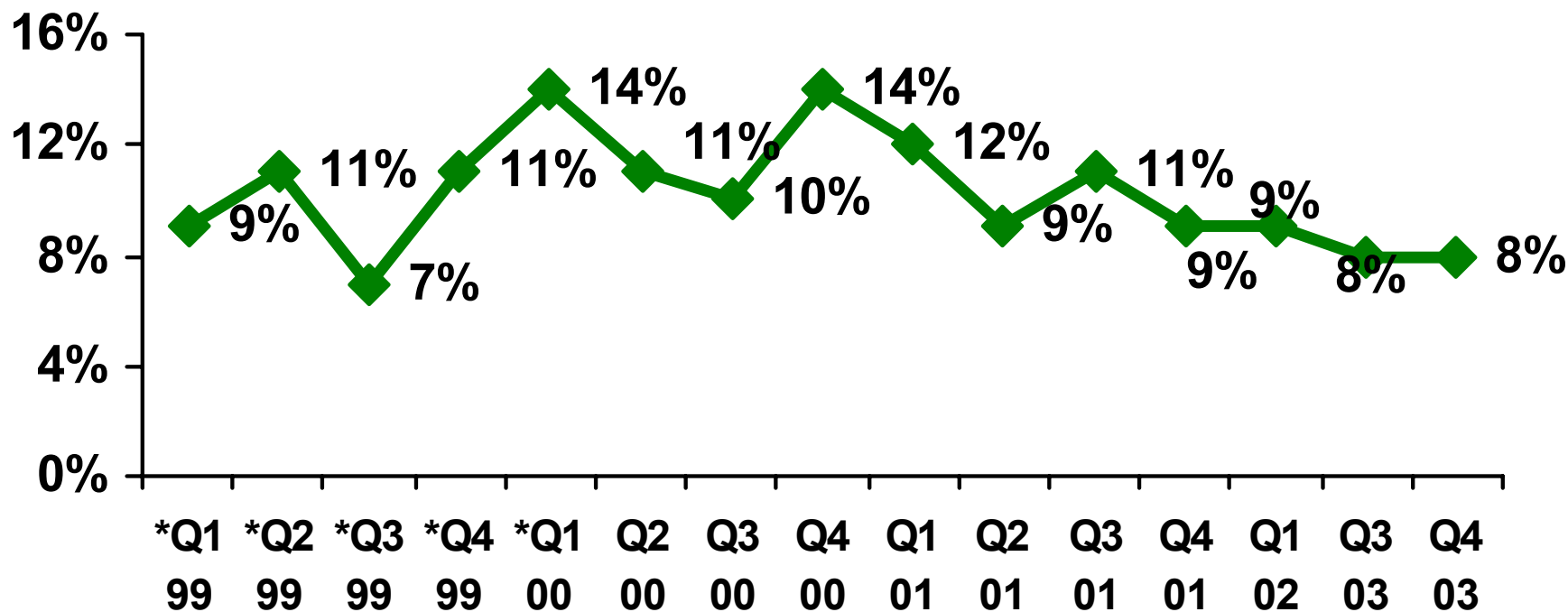
Home PC Penetration

% of Irish adults with a home PC



Purchase Intentions Unchanged

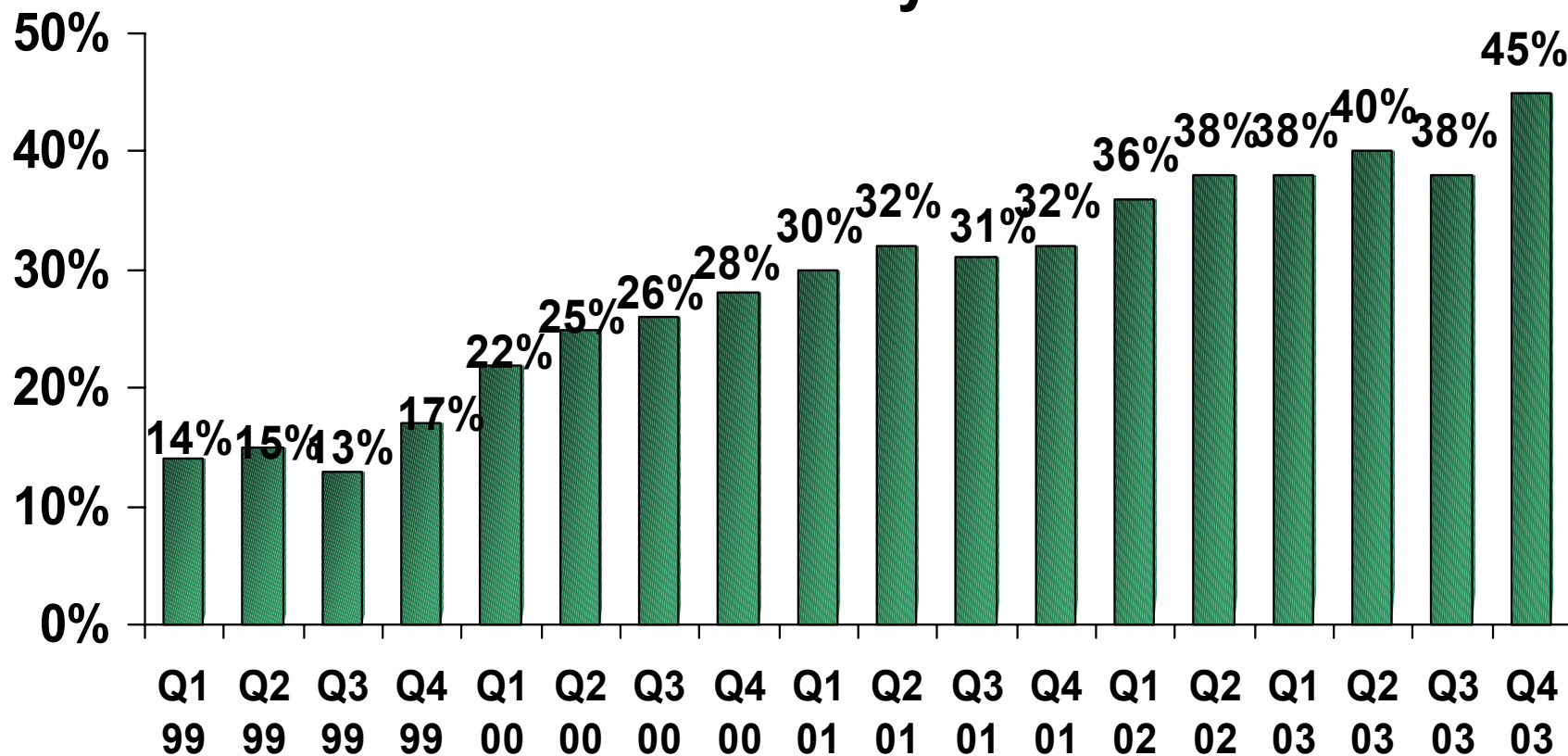
Percentage Likely to Purchase or Replace a Home PC in the next 6*/3 months



(n=1,018)

Growth in Internet Usage

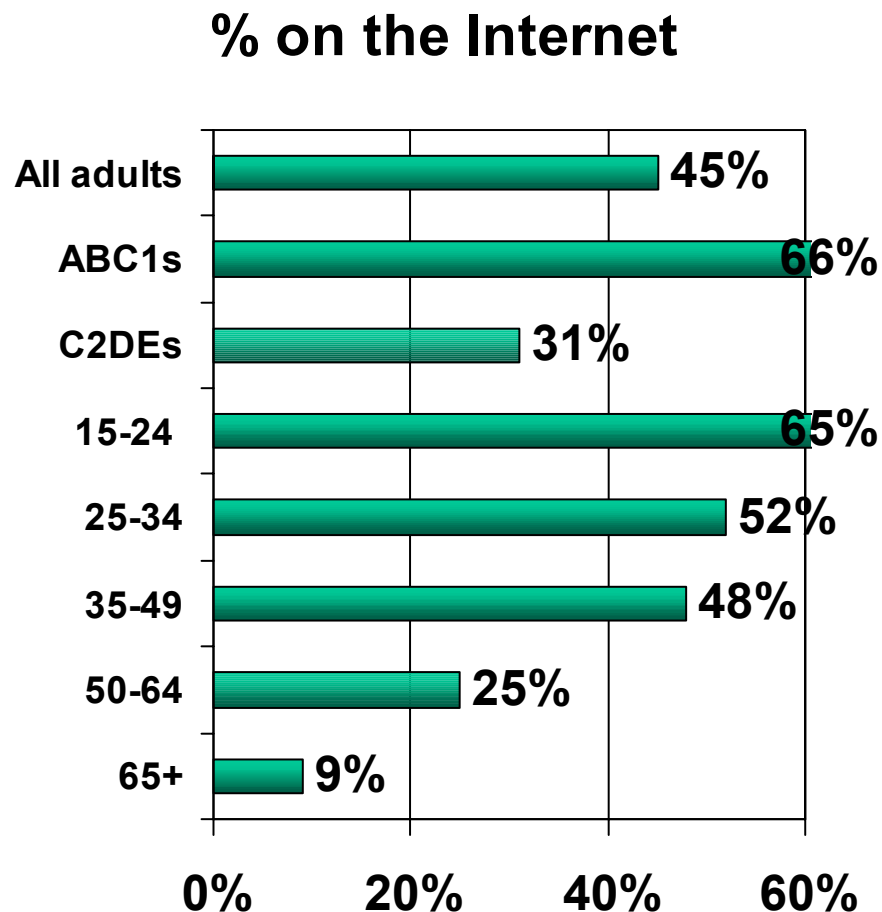
% of adults currently using the Internet in Ireland from any location



■ An estimated 1,295,000 Irish adults use the Internet

Socio-Demographics of Use

- There has been a strong increase in Internet use this quarter
- Much of the increase appears to be as a result of an increase in home usage, and to a lesser extent an increase in the numbers accessing the Internet from school or college
- Internet use among ABC1s continues to far exceed levels among C2DEs

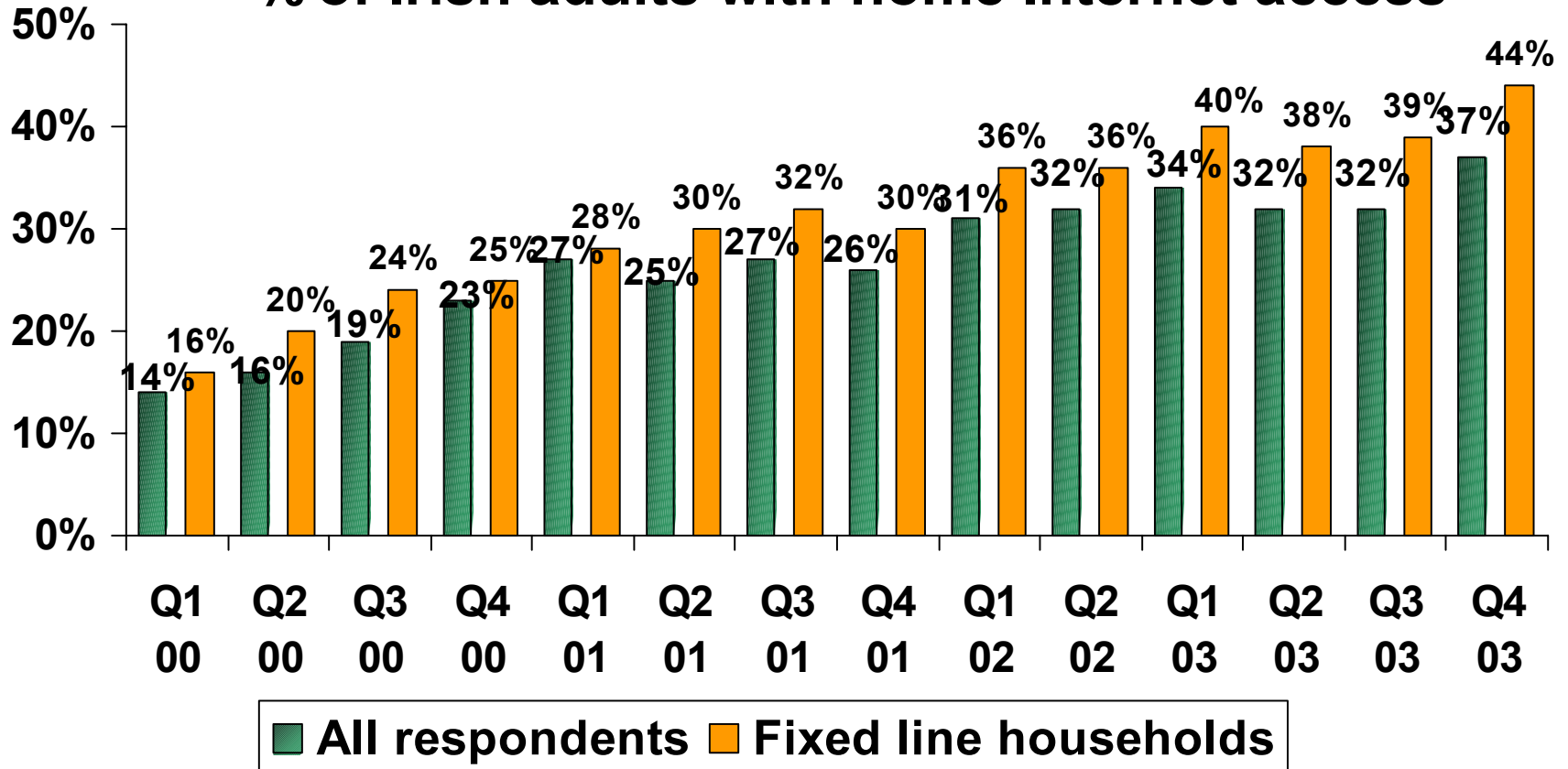


Increase in Home Use

Location of Use	% Of all Adults* Q3 03	Equivalent Population Q3 03	% Of all Adults* Q4 03	Equivalent Population Q4 03	% Of all Internet Users Q4 03
Home	25%	721,000	31%	902,000	70%
Work	13%	389,000	14%	405,000	31%
Schools/Colleges	7%	194,000	10%	285,000	22%
Friend's House	4%	107,000	2%	69,000	5%
Public Library	2%	72,000	2%	65,000	5%
Cyber Cafes	3%	90,000	2%	46,000	4%
Elsewhere	0%	13,000	0%	10,000	1%
On the move	0%	13,000	0%	5,000	0%
Total	38%	1,108,000	45%	1,295,000	

Home Internet Penetration

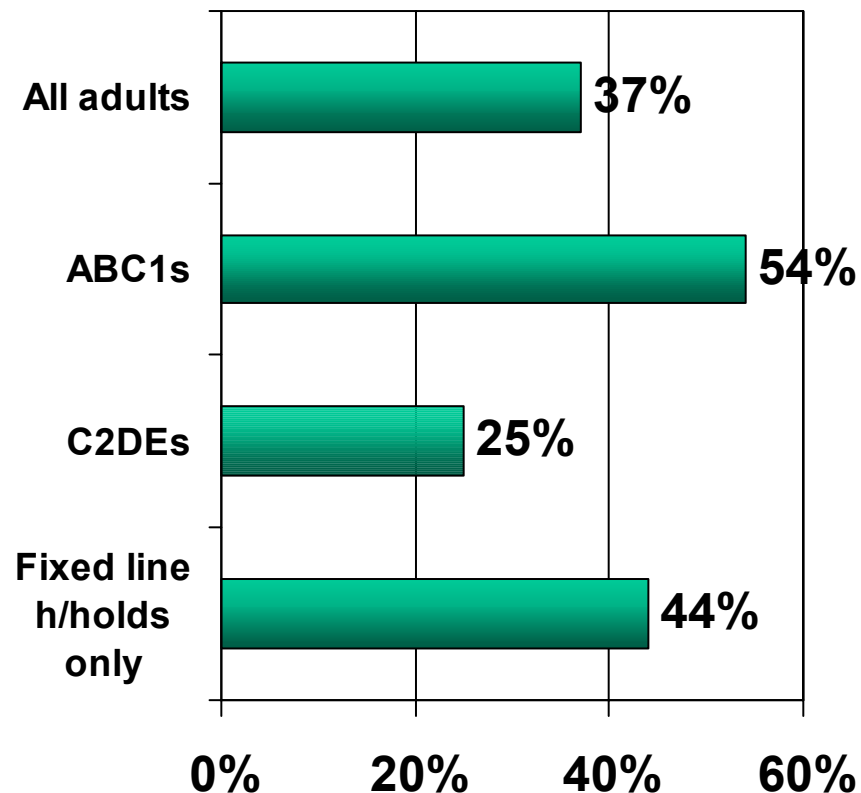
% of Irish adults with home Internet access



Socio-Demographics of Home Access

- Almost four in ten (37%) adults have home Internet access – an increase of 3% since the beginning of the year
- Among households with a fixed line phone access figures rise to 44% - a 4% increase since the first quarter of 2003

% with home access



Home Internet Connections

How does your household connect to the Internet?	Q1 03	Q2 03	Q3 03	Q4 03
Standard telephone line/Regular dial-up	85%	86%	78%	84%
ISDN line	8%	7%	10%	7%
Cable modem connection	2%	2%	3%	1%
ADSL connection	1%	1%	1%	2%
Mobile wireless connection	0%	1%	0%	0%
Other	0%	-	1%	-
Don't know	3%	3%	8%	5%

- Few Irish households appear to have availed of faster Internet access methods
- Only about one in ten are using an ISDN line or a DSL line from home

Base: All those with home Internet access (n=378)

Number of Home Users

Including yourself, how many people in your household use the Internet at home?	Q2 2003	Q3 2003	Q4 2003
1	18%	19%	15%
2	38%	33%	37%
3	18%	24%	29%
4	11%	16%	11%
5	6%	5%	3%
6+	2%	2%	1%
Don't know	6%	2%	4%
Mean number of people	3	3	3

Base: Those with home Internet access (n=378)

Frequency of Using the Internet

How often do you use the Internet at home?	Q1 03	Q2 03	Q3 03	Q4 03
Daily or nearly every day	20%	19%	13%	15%
Several times a week	41%	45%	45%	32%
About once a week	25%	23%	31%	39%
About once every 2 weeks	9%	7%	6%	10%
About once a month	4%	3%	3%	4%
Less often than once a month	1%	1%	2%	1%
Mean number of times per week	2.95	3.01	2.64	2.43

Base: Home Internet users (n=316)

Number of Hours Spent Online

How many hours in a typical week would you spend online at home	Q1 2003	Q2 2003	Q3 2003	Q4 2003
1	31%	22%	34%	36%
2	20%	15%	24%	21%
3-4	19%	18%	17%	18%
5-7	12%	11%	8%	9%
8-15	9%	17%	7%	6%
16+	4%	5%	3%	1%
Don't know	6%	10%	7%	8%
Mean number of hours per week	4	6	4	3

Base: Home Internet users (n=316)

Number of Hours Spent by Household Online

Thinking of all Internet users in your household, including yourself, how many hours in a typical week would they spend online at <u>home</u> ?	Q1 03	Q2 03	Q3 03	Q4 03
1	10%	10%	11%	10%
2	10%	10%	16%	16%
3-4	20%	16%	20%	20%
5-7	14%	13%	14%	13%
8-15	22%	19%	17%	17%
16+	10%	11%	6%	5%
Don't know	13%	19%	16%	18%
Mean number of hours per week	8	8	7	6

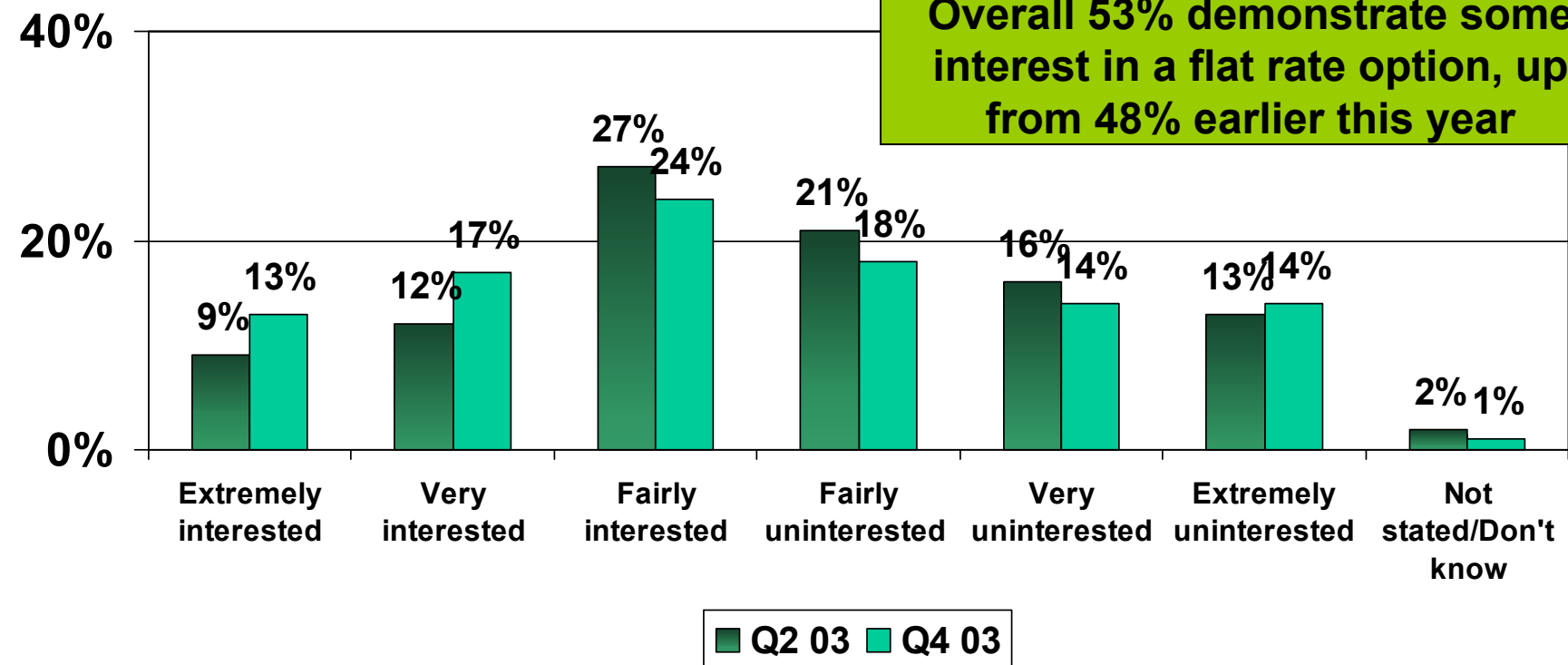
Base: Those with home access (n=378)

Flat Rate Access

General Interest in a Flat Rate Service

Interest in availing of an Internet package which had unlimited Internet access for a fixed monthly fee (i.e. no phone call costs or any other charges are incurred)

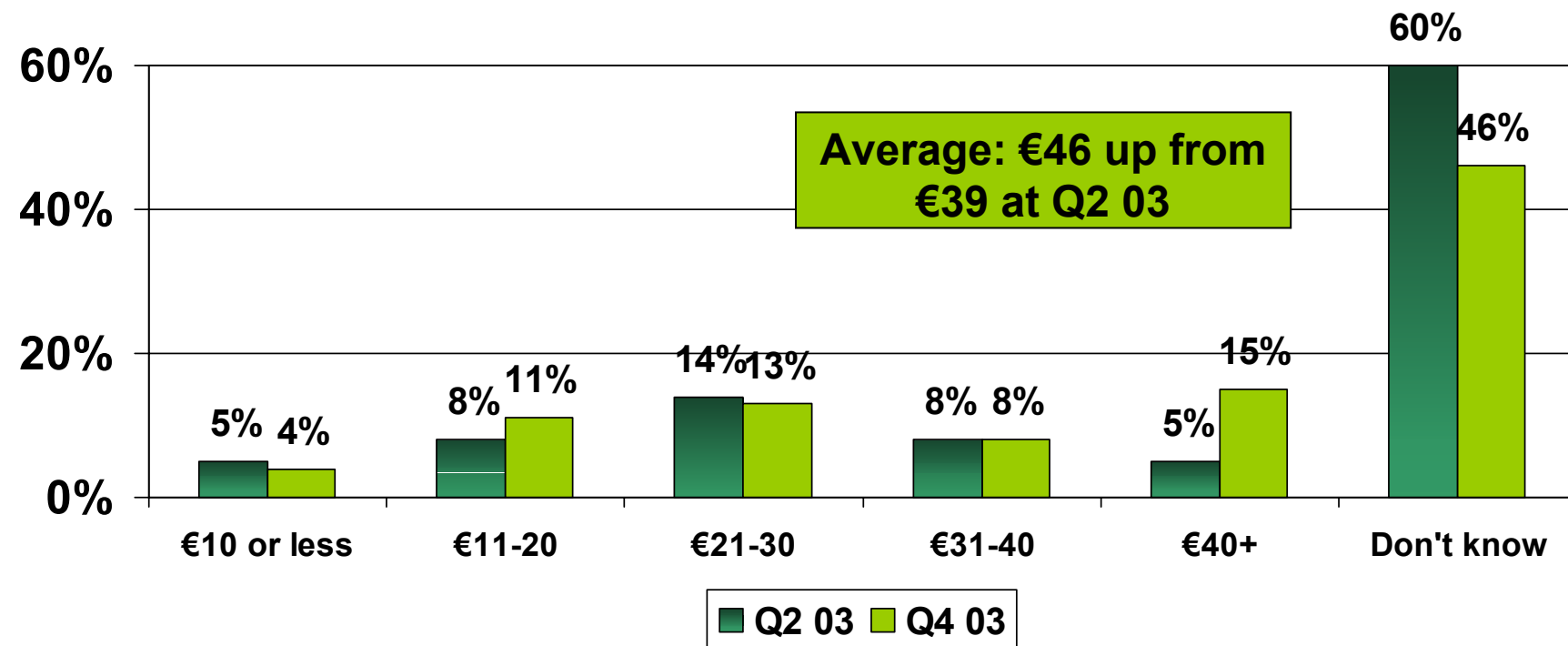
Overall 53% demonstrate some interest in a flat rate option, up from 48% earlier this year



Base: Those with home Internet access who connect over a standard phone line (n=318)

Cost Expectations

How much would you expect your household to pay for a flat rate Internet access package that provided up to 120 hours a month of online time equivalent to about 4 hours a day?

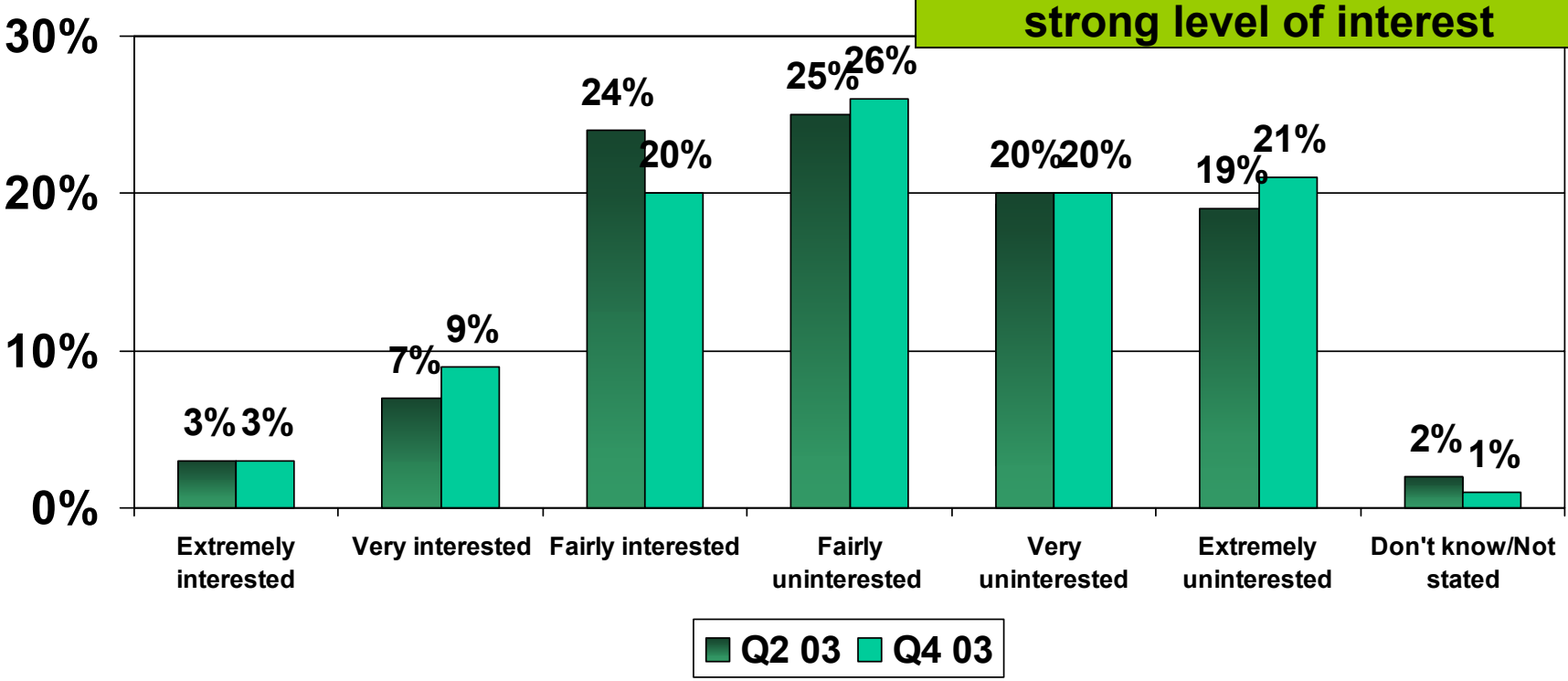


Base: Those with home Internet access who connect over a standard phone line (n=318)

Interest in a €40 Flat Rate Service

Interest in availing of an Internet service that provided up to 120 hours a month (or about 4 hours a day) of online time at a cost of €40

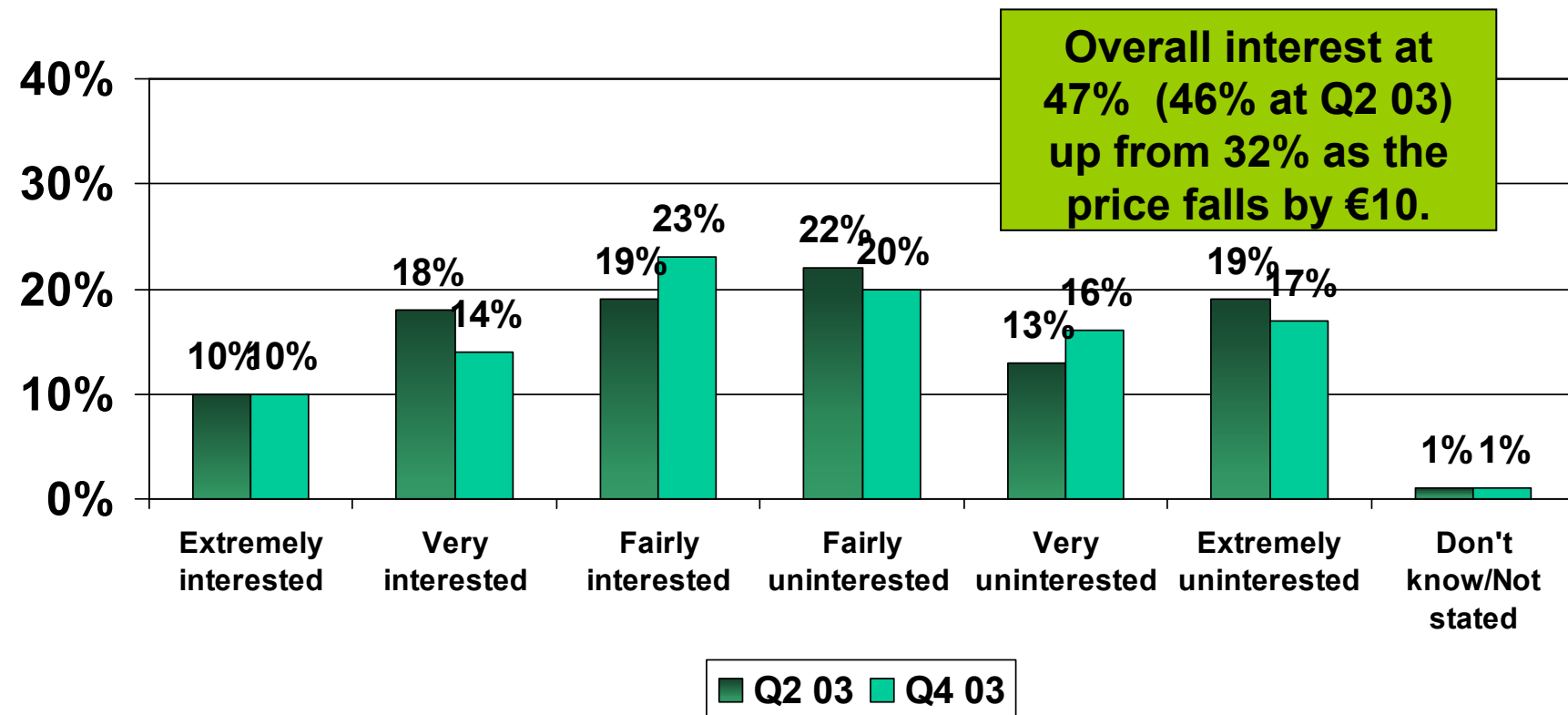
Overall 32% interested (34% at Q2 03) but few indicating a strong level of interest



Base: Those with home Internet access who connect over a standard phone line (n=318)

Interest in a €30 Flat Rate Service

Interest in availing of an Internet service that provided up to 120 hours a month (or about 4 hours a day) of online time at a cost of €30 a month



Base: Those with home Internet access who connect over a standard phone line (n=318)

Potential Cost Savings Drive Interest

Why would you be interested in subscribing to a flat rate Internet service? (Unprompted, multiple responses allowed)	Q2 03	Q4 03
Would save money/Cost savings/Would be cheaper	42%	43%
Would know how much the Internet would cost per month/more cost control	35%	32%
Could spend more time online	36%	23%
Other	5%	1%
Don't know	5%	16%

Base: All those interested in flat rate access (n=198)

Low Perceived Usage Holds Back Demand

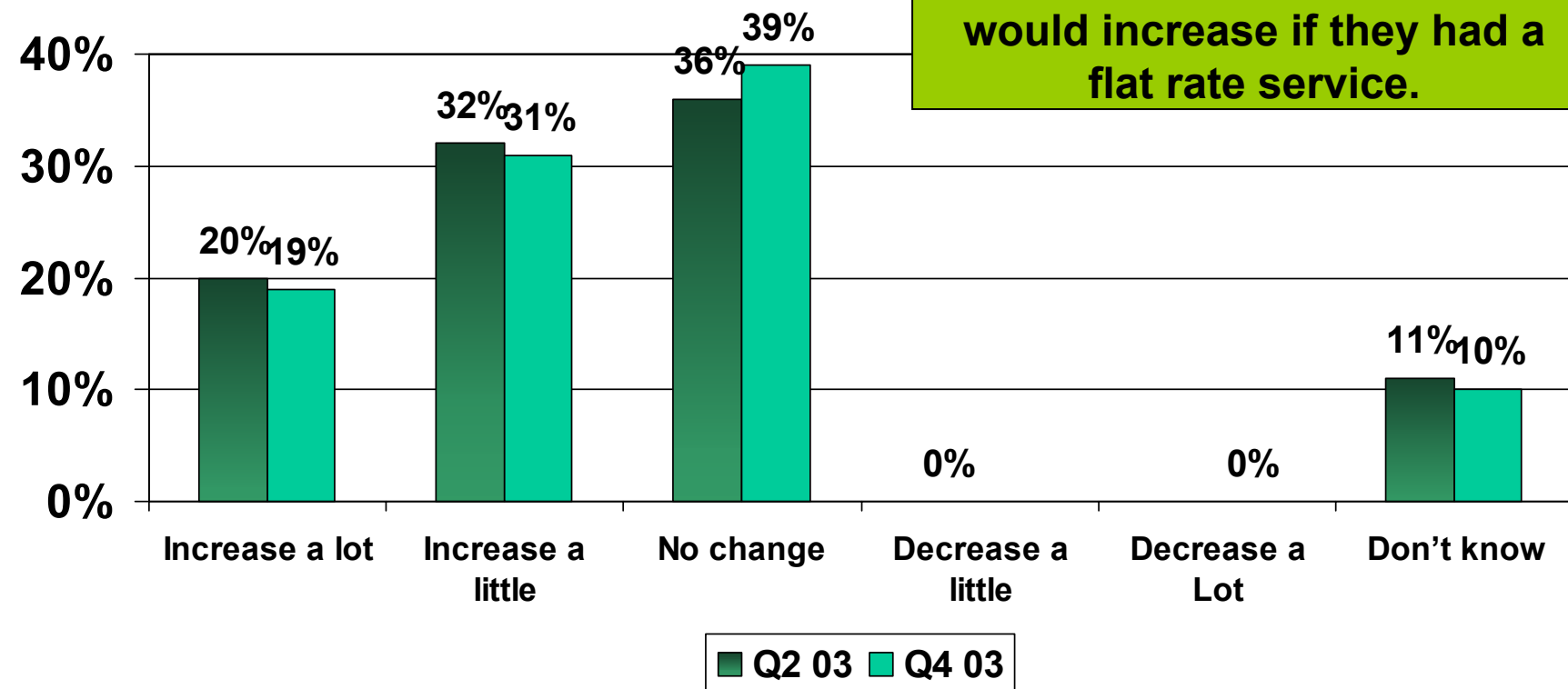
Why would you not be interested in subscribing to a flat rate Internet service? (Unprompted, multiple responses allowed)	Q2 03	Q4 03
Would not use the Internet that much	43%	50%
Satisfied with existing costs/service	30%	30%
Too expensive	26%	17%
Other	7%	7%
Don't know	12%	11%

Base: All those not interested in flat rate access (n=120)

Impact on time spent online

If you did have a flat rate Internet service at home, how do you think it would impact your household use of the Internet?

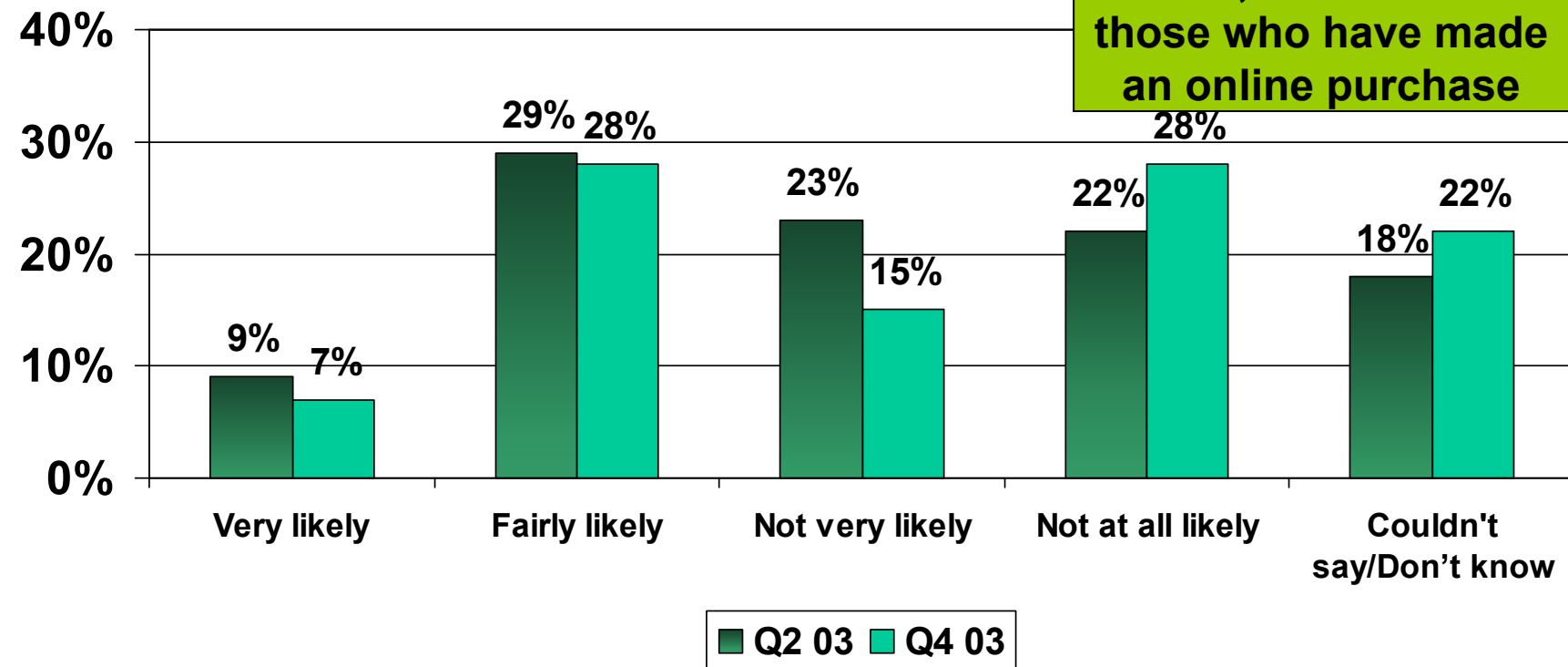
Half think their time online would increase if they had a flat rate service.



Subscription Likelihood

All things considered how likely would you
else in your household be to subscribe
Internet service?

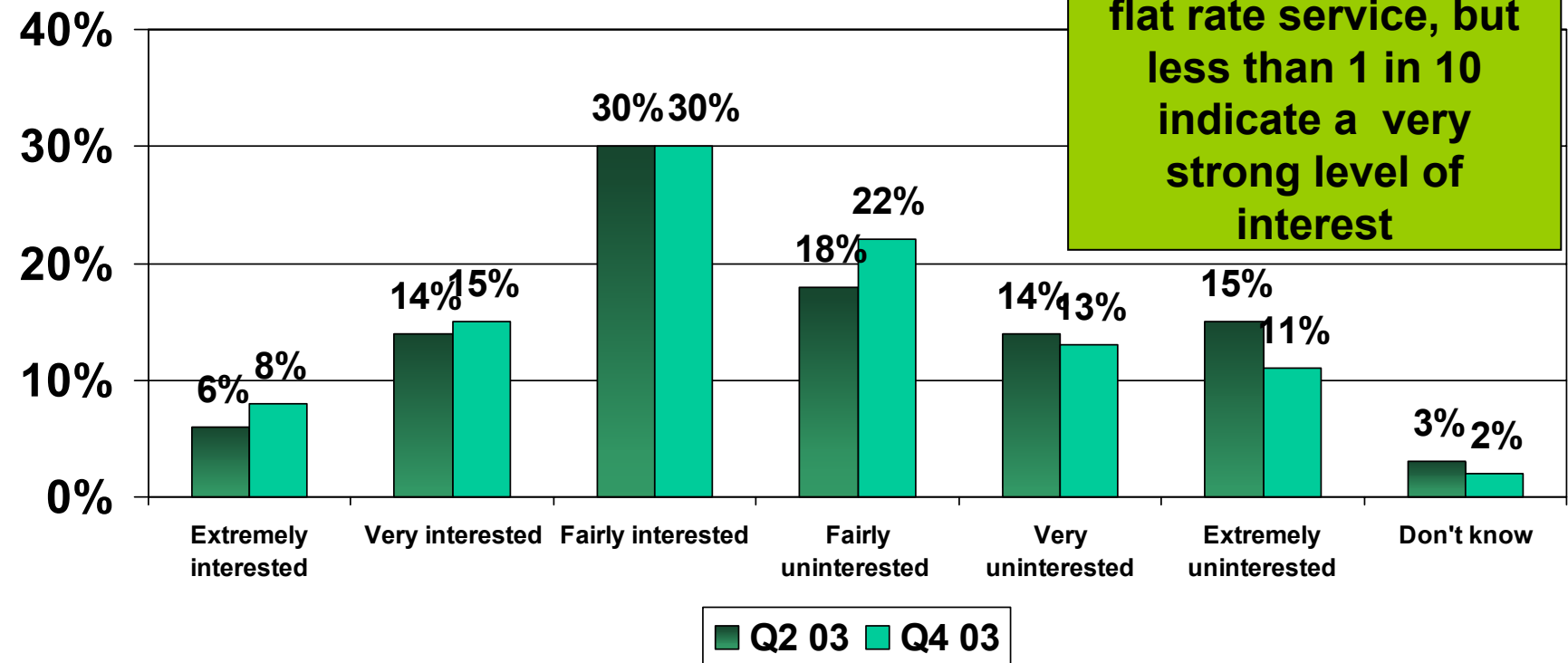
Similar to Q2 03
interest is highest
among 25-34 year
olds, ABC1s and
those who have made
an online purchase



Interest in a €15 Partial Flat Rate Service

Interest in availing of a partial flat rate Internet service that provided up to 30 hours a month (or about 1 hour a day) of online time at a cost of €15 a month

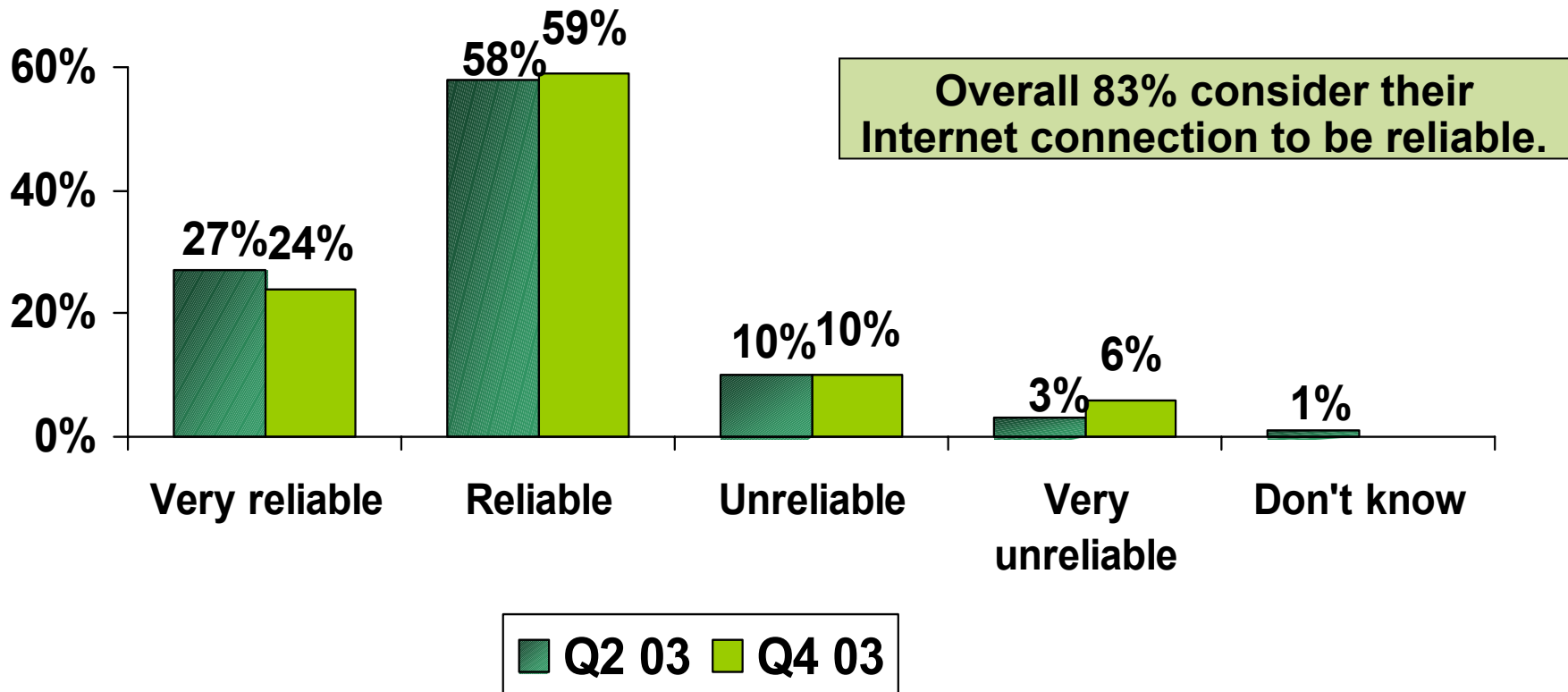
Overall 53% indicated an interest in a partial flat rate service, but less than 1 in 10 indicate a very strong level of interest



ADSL

Reliability of Internet Access

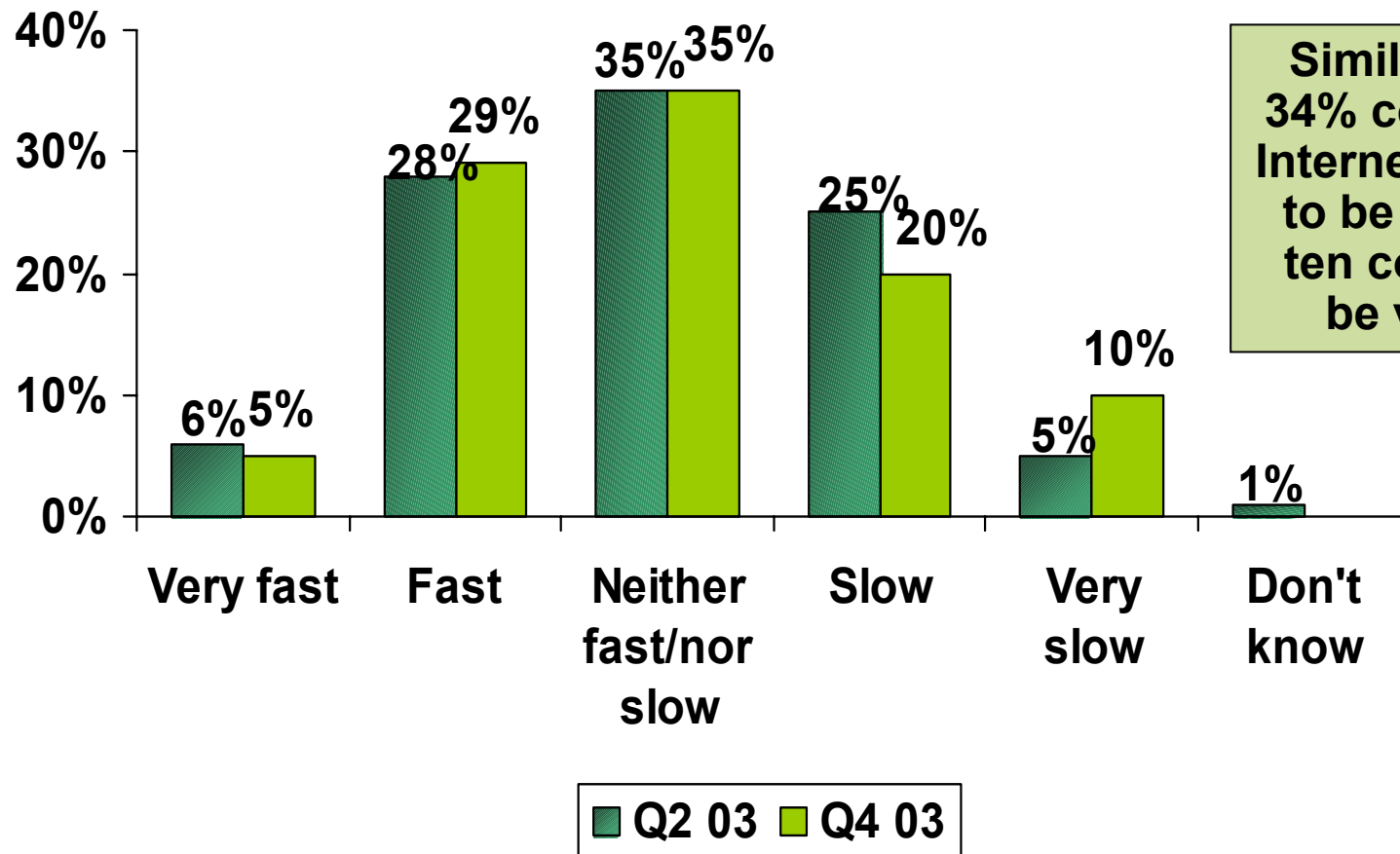
How would you rate the reliability (i.e. the degree to which you can always get online/a connection) of your Internet connection at home?



Base: All those with home access connecting via regular dial-up (n=318)

Speed of Internet Access

How would you rate the speed of your Internet connection?

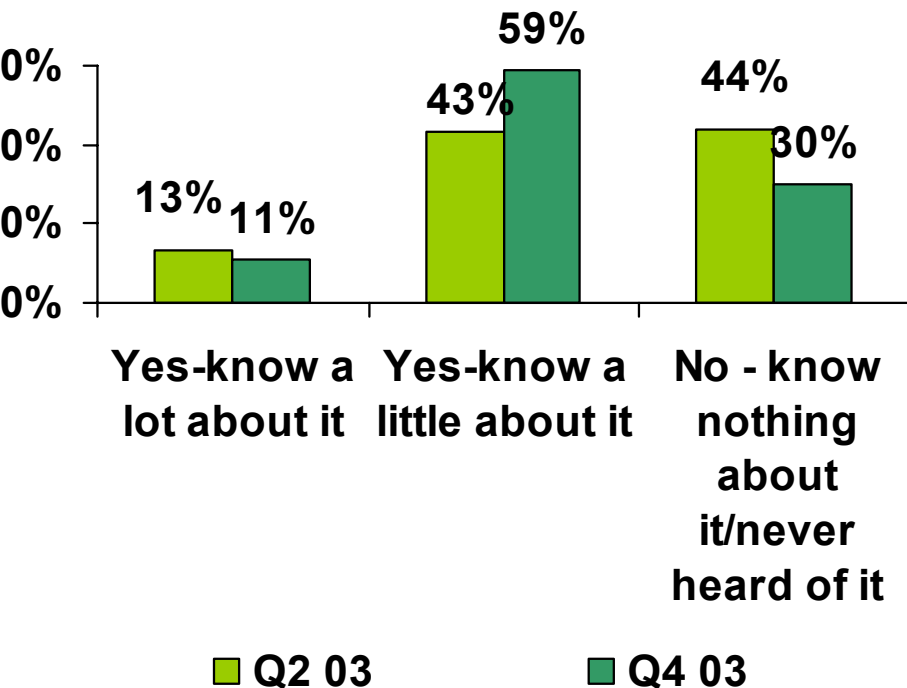


Similar to Q2 03, 34% consider their Internet connection to be fast. One in ten consider it to be very slow.

Base: All those with home access connecting via regular dial-up (n=318)

Awareness of ADSL

Have you heard of a new broadband Internet access service called ADSL or DSL?

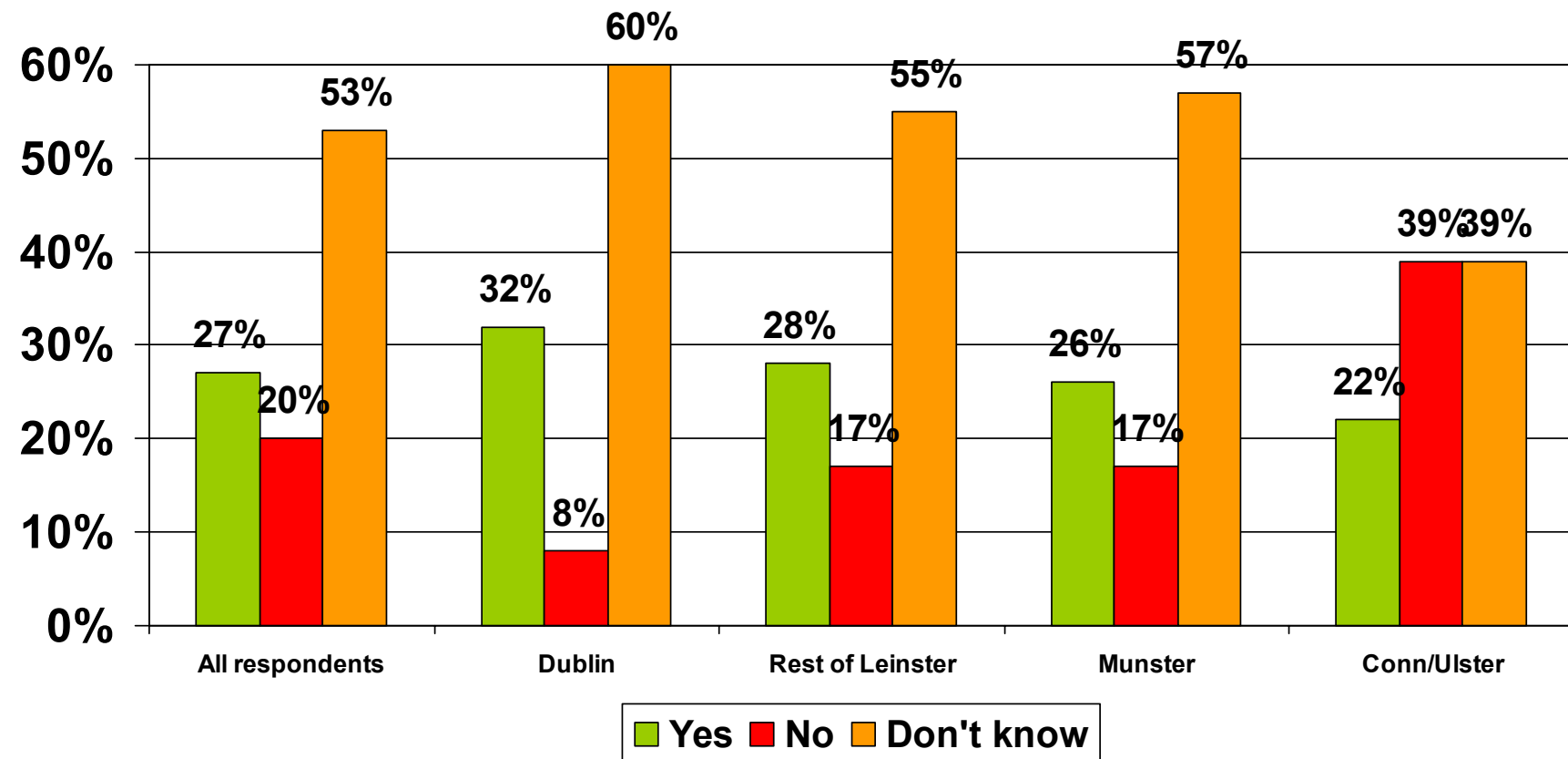


- The numbers who know nothing about ADSL have fallen sharply reflecting the effectiveness of recent media campaigns
- However, most seem to know a “little” about it rather than a “lot”, suggesting familiarity with the word/concept rather than the technological advantages of it

Base: Those with home Internet access (n=372)

Availability of a DSL Service

Do you think it is currently possible to get a broadband service in your home?

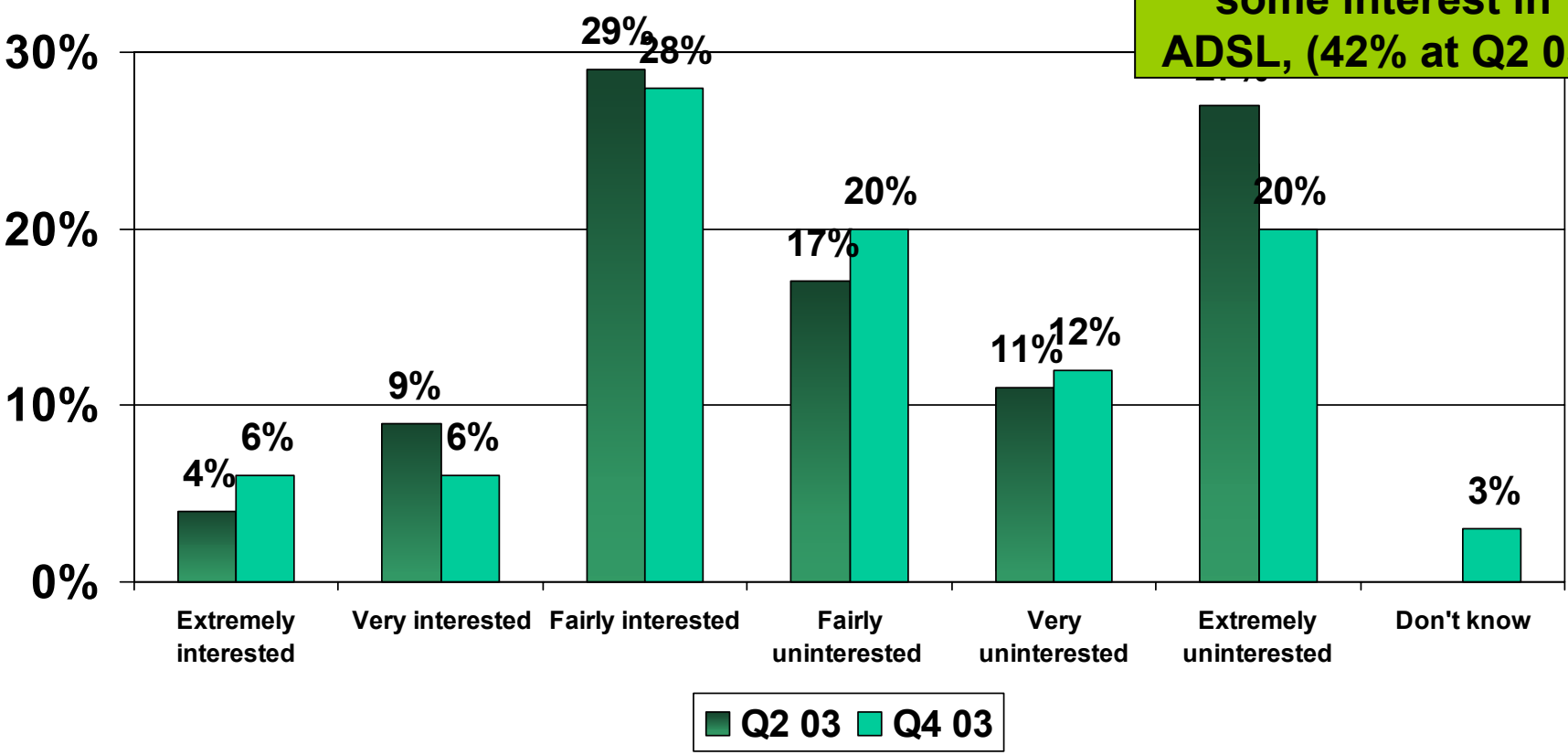


Base: Those with home Internet access (n=372)

General Interest in an ADSL Service

How interested are you in getting a broadband ADSL service?

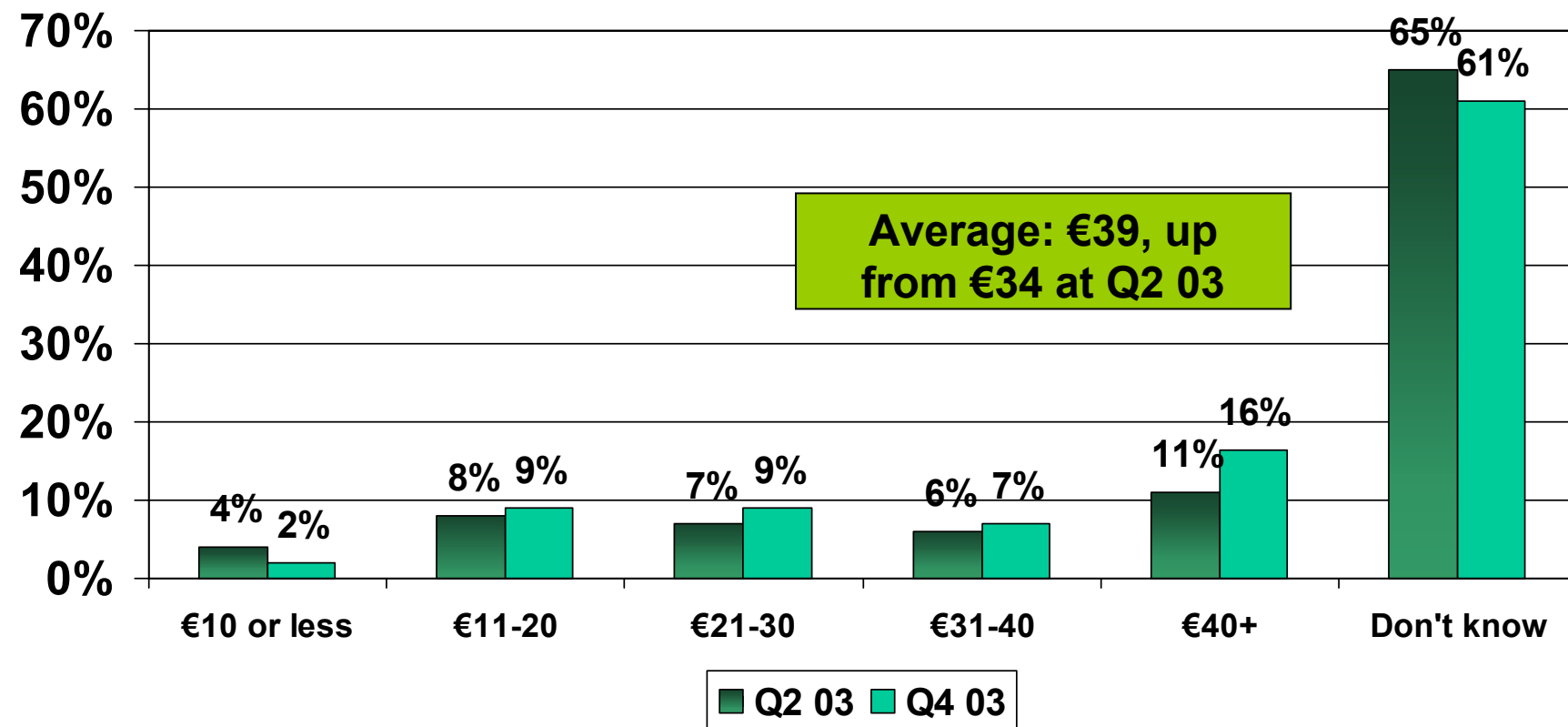
Overall 40% express some interest in ADSL, (42% at Q2 03)



Base: Those with home Internet access (n=372)

ADSL Cost Expectations

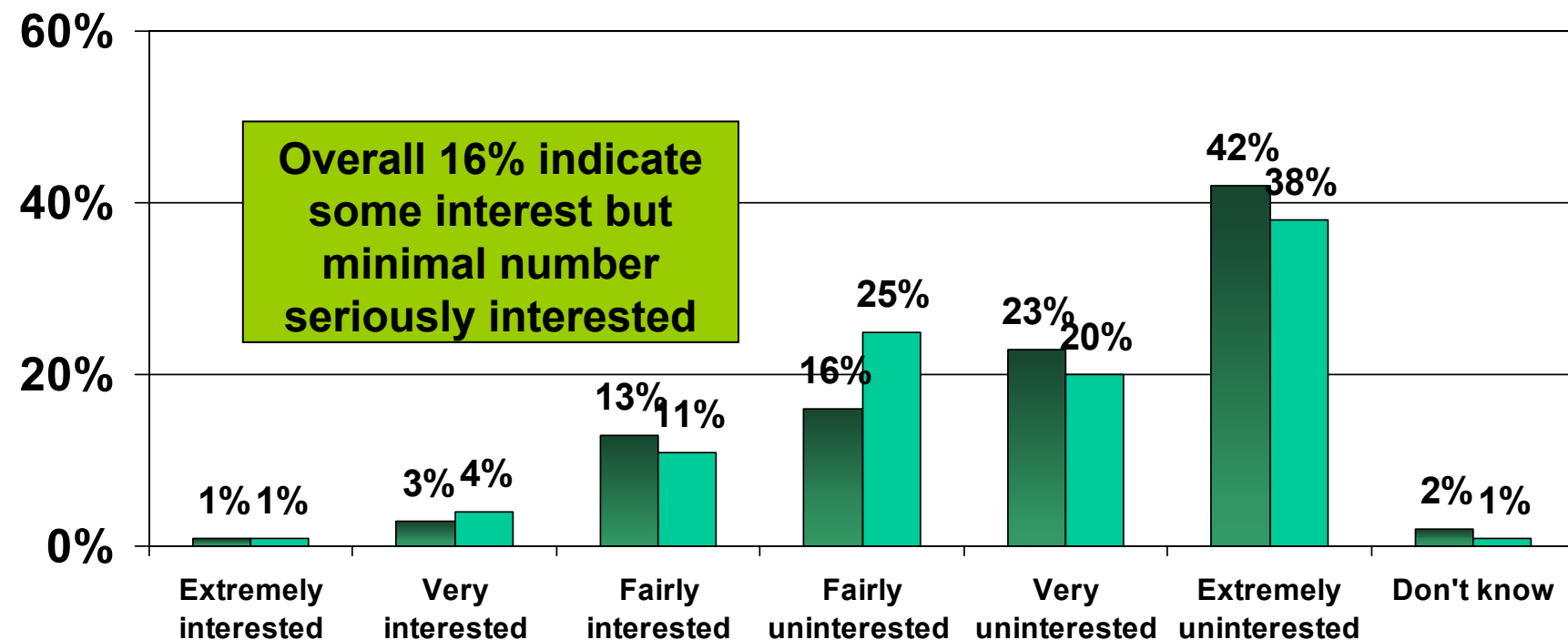
How much would you expect your household to pay for such an Internet service?



Base: Those with home Internet access (372)

Interest in a €55 ADSL Service

How interested would you be in getting a broadband ADSL line if it cost €55 a month?



In Q2 2003 a "once-off installation fee of €199" was also included in the question

■ Q2 03 ■ Q4 03

Base: Those with home Internet access (372)

Higher Access Speeds Drives Interest in ADSL

Why do you say you are interested in getting a broadband ADSL service? (Unprompted, multiple responses allowed)	Q2 03	Q4 03
Current service too slow/Would be faster	40%	39%
Could do more things online	35%	28%
Good value for money	25%	28%
Could use the Internet more often	33%	11%
Other	-	3%
Don't know	5%	-

Base: Those with home Internet access, interested in an ADSL line (61)

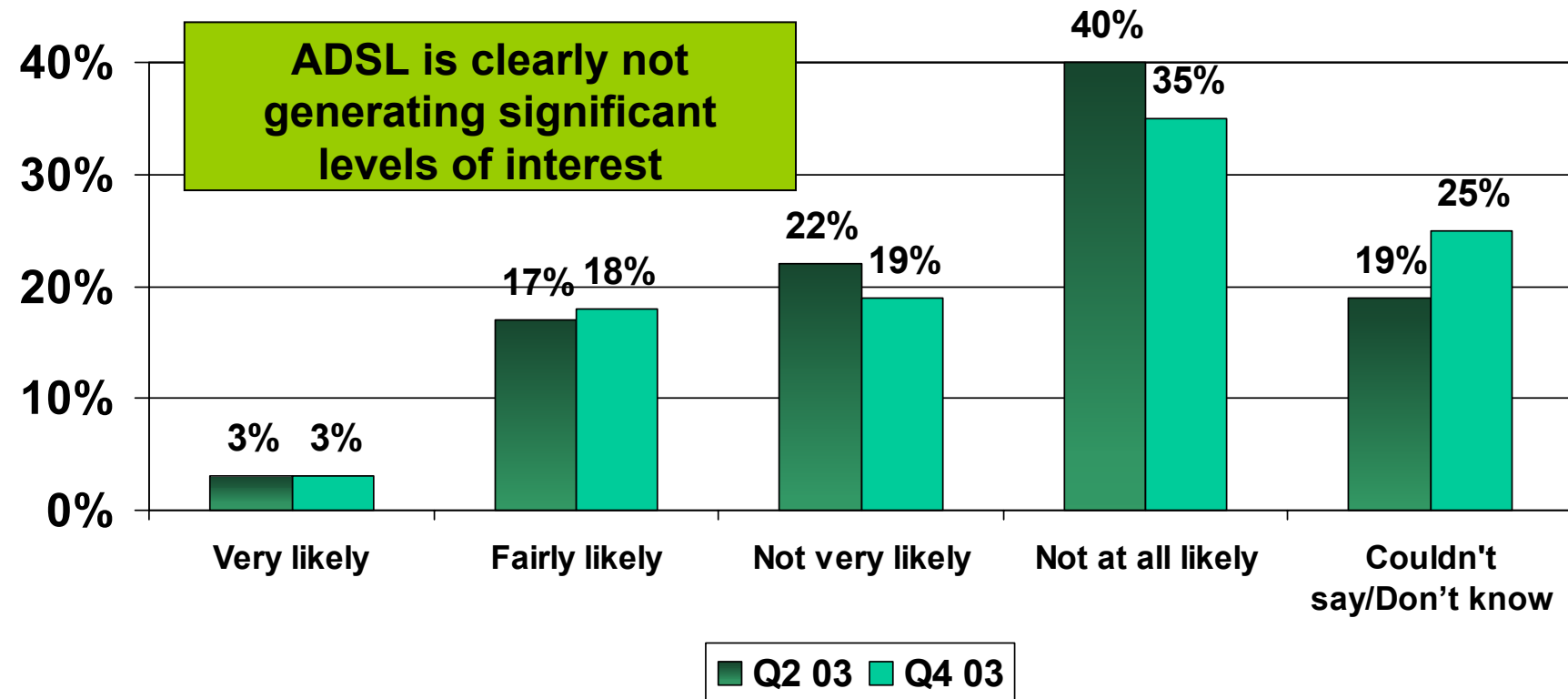
Expense & Limited Use Holds Back Interest

Why do you say you are not interested in getting a broadband ADSL service? (Unprompted, multiple responses allowed)	Q2 03	Q4 03
Too expensive	52%	39%
Would not use the Internet that much	36%	34%
Satisfied with existing costs	15%	15%
Satisfied with existing access speeds	11%	13%
Other	5%	6%
Don't know/Not stated	3%	12%

Base: Those with home Internet access, not interested in an ADSL line (311)

Subscription Likelihood

All things considered how likely would you or anybody else in your household be to subscribe to the broadband always on high speed Internet ASL service?

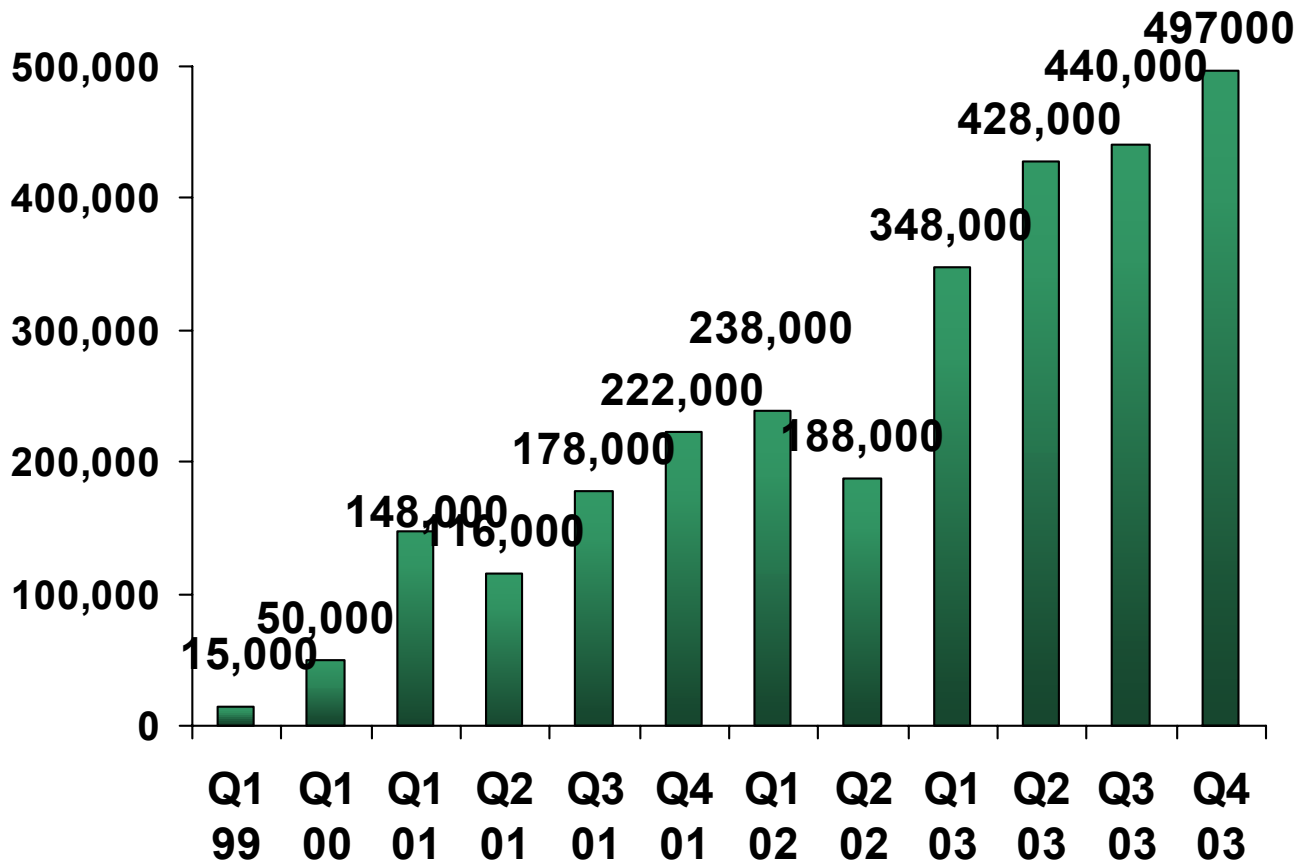


Base: Those with home Internet access (372)

eCommerce

e-Commerce Activity

Number of Internet users who have made an online purchase in the last 3 months



- 38% of Internet users have made a recent online purchase, up significantly from 32% at the beginning of the year
- Online shopping is most evident among 35-49 year olds, and those living in Dublin

Base: All Internet users (n=452)

Online Sales

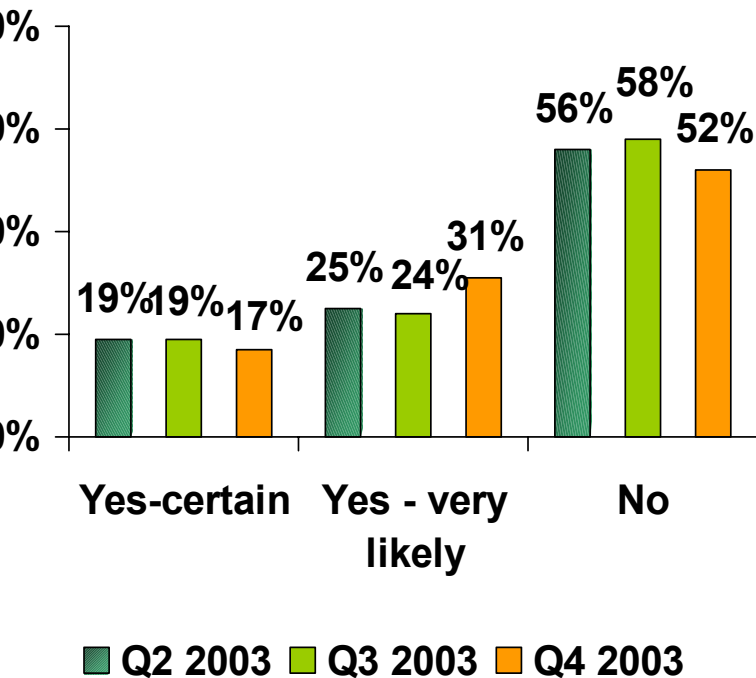
Top 10 Online Purchases	Q1 2003*	Q2 2003*	Q3 2003*	Q4 2003*
Airline tickets	67%	63%	66%	62%
Concert tickets	24%	28%	38%	29%
Package holiday	13%	18%	10%	27%
Other travel services (e.g. hotel, car hire)	4%	18%	13%	13%
Information	6%	6%	5%	13%
Books	15%	13%	13%	12%
Videos/DVDs	11%	8%	6%	8%
Music	12%	16%	9%	6%
Clothing	5%	5%	3%	6%
Financial Services/Investments	4%	1%	2%	6%

* Multiple responses allowed

Base: All those who have made an online purchase in the last 3 months, (n=172)

E-Commerce Intentions

Intention to purchase online over next 3 months



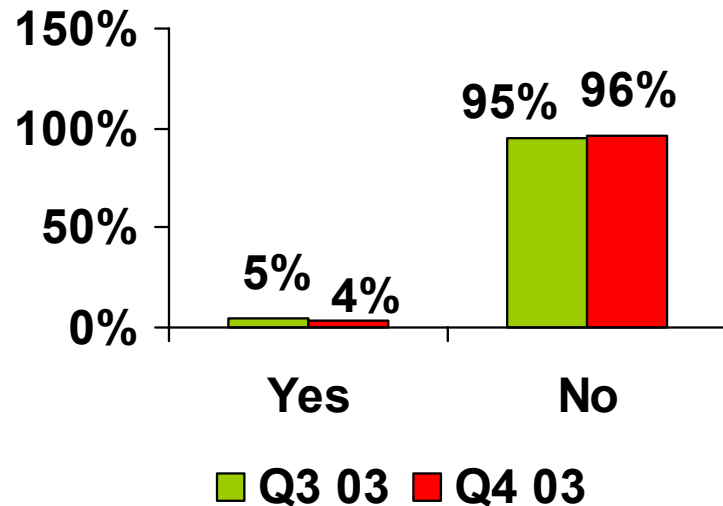
- Interest in making an online purchasing over the coming Christmas season is high with almost half of all Internet users indicating that they are likely to
- Among those who have previously purchased online almost all (92%) plan to do so again, indicating a high level of online purchasing experiences

Base: All Internet users (n=452)

m-Commerce

Mobile Purchasing

Have you ever purchased a product or service using the text or Internet function on your mobile phone where the cost is billed to your phone?



- Only a minimal number of mobile phone users say they have ever purchased a product or service using the text or Internet function on their mobile phone where the cost was billed to their phone
- Use of m-commerce was found to be highest among 15-24 year olds (who are likely to be purchasing ringtones, logos and games)

Base: Those with mobile phones (n=792)

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