

Consumer TrendWatch Q1 2004

March 2004

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Methodology

- 1,067 people surveyed aged 15 – 74.
- Fieldwork conducted: 23rd January – 9th February 2004.
- 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

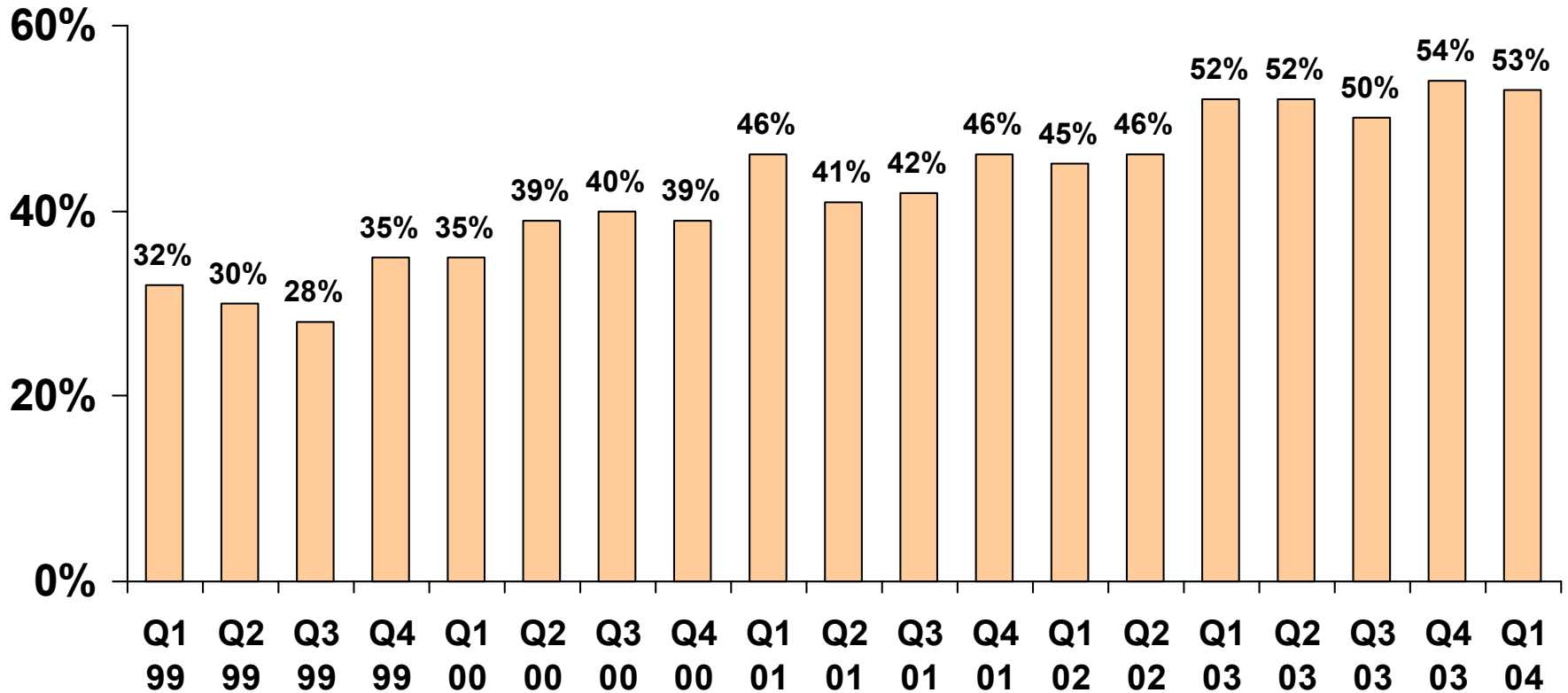
Percentage of respondents who said...	1,000	500	100
10%	+/-2%	+/-3%	+/-6%
20%	+/-3%	+/-4%	+/-8%
25%	+/-3%	+/-4%	+/-8%
40%	+/-3%	+/-5%	+/-10%
50%	+/-4%	+/-5%	+/-10%
60%	+/-3%	+/-5%	+/-10%
75%	+/-3%	+/-4%	+/-8%
80%	+/-3%	+/-4%	+/-8%
90%	+/-2%	+/-3%	+/-6%

- 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



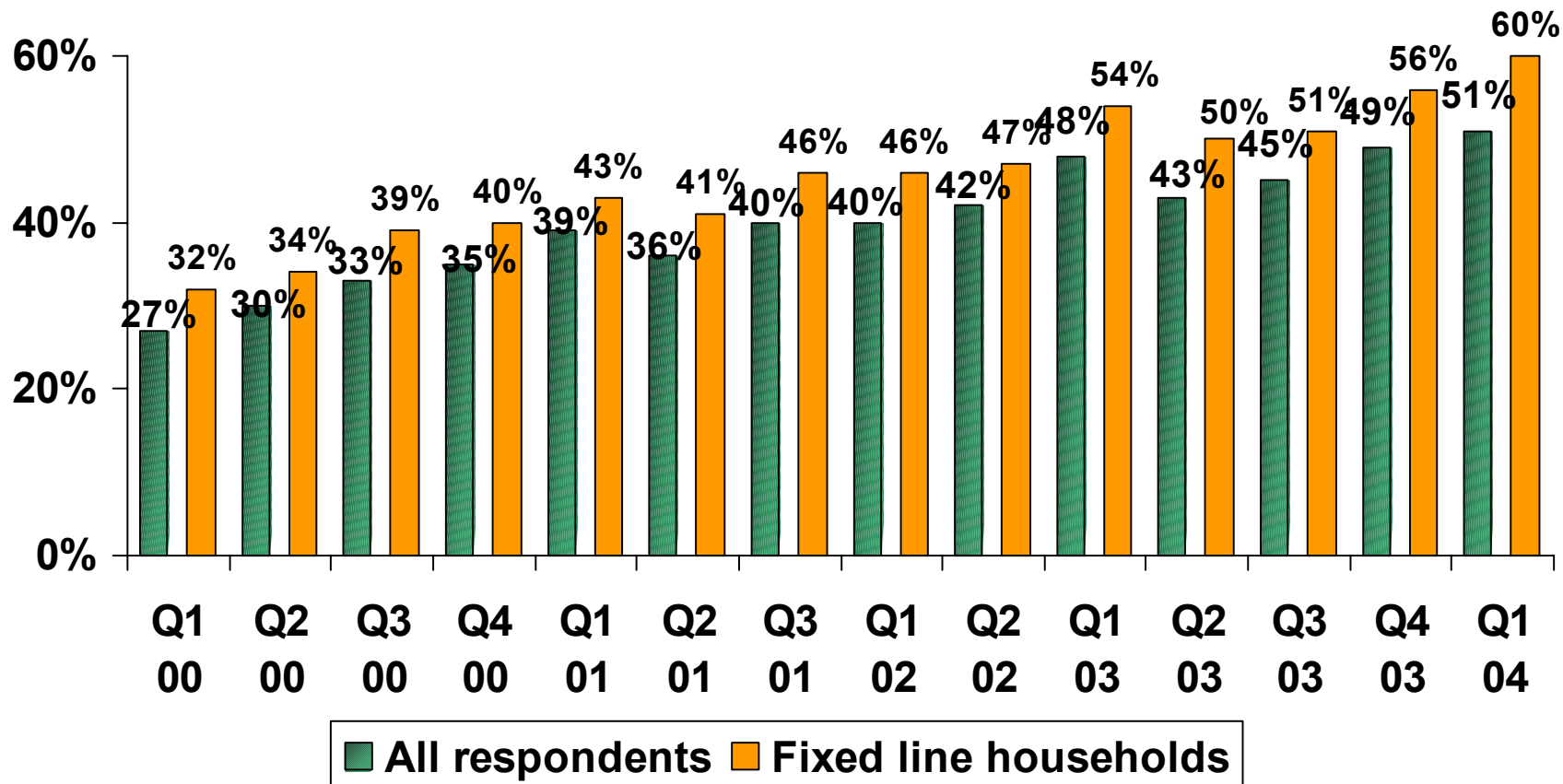
■ Over 1.5 million adults are using a PC from any location

Home Use Continues to Dominate

Location of PC Use (Multiple response allowed)	% of all adults	Equivalent population	% of all PC users
Home	42%	1,215,000	79%
Work	20%	587,000	38%
Schools/Colleges	8%	236,000	15%
Cyber Cafes	2%	46,000	3%
Public Library	2%	46,000	3%
Friends House	2%	45,000	3%
On the move using portable equipment	1%	23,000	1%
Elsewhere	0%	2,000	0%
Total	53%	1,528,000	

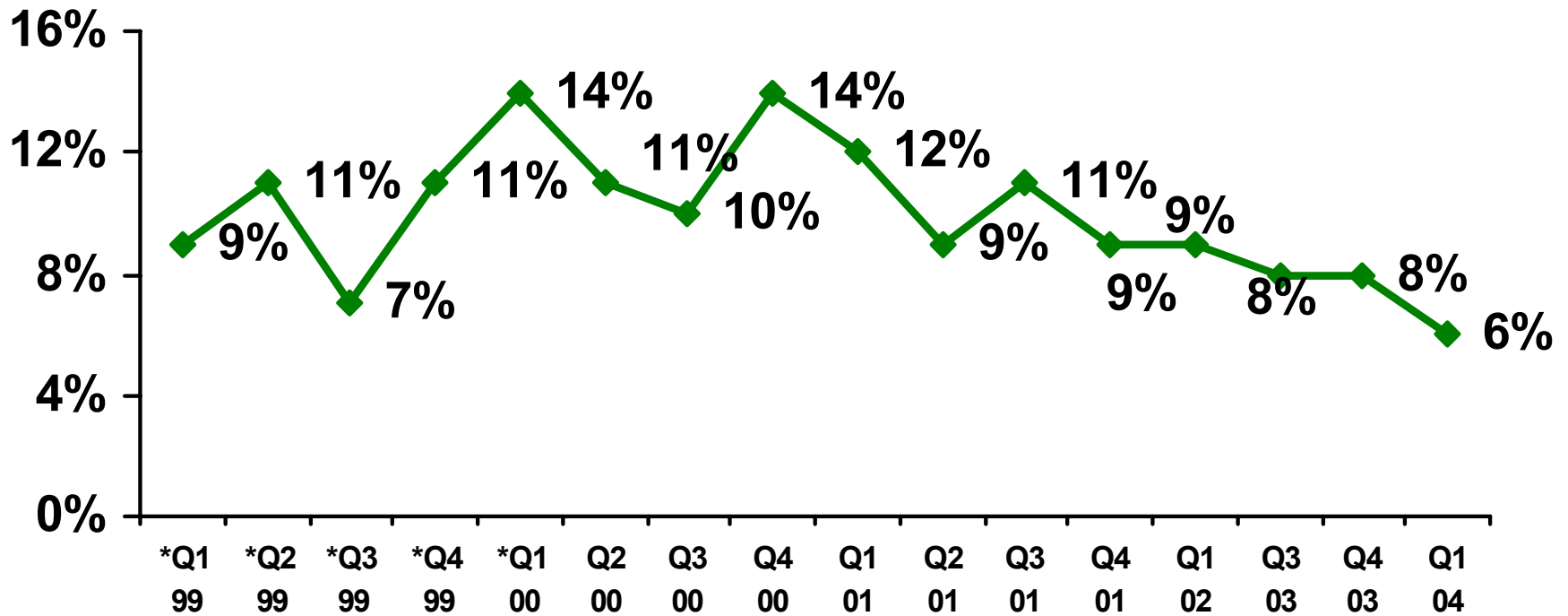
Increase in Home PC Penetration

% of Irish adults with a home PC



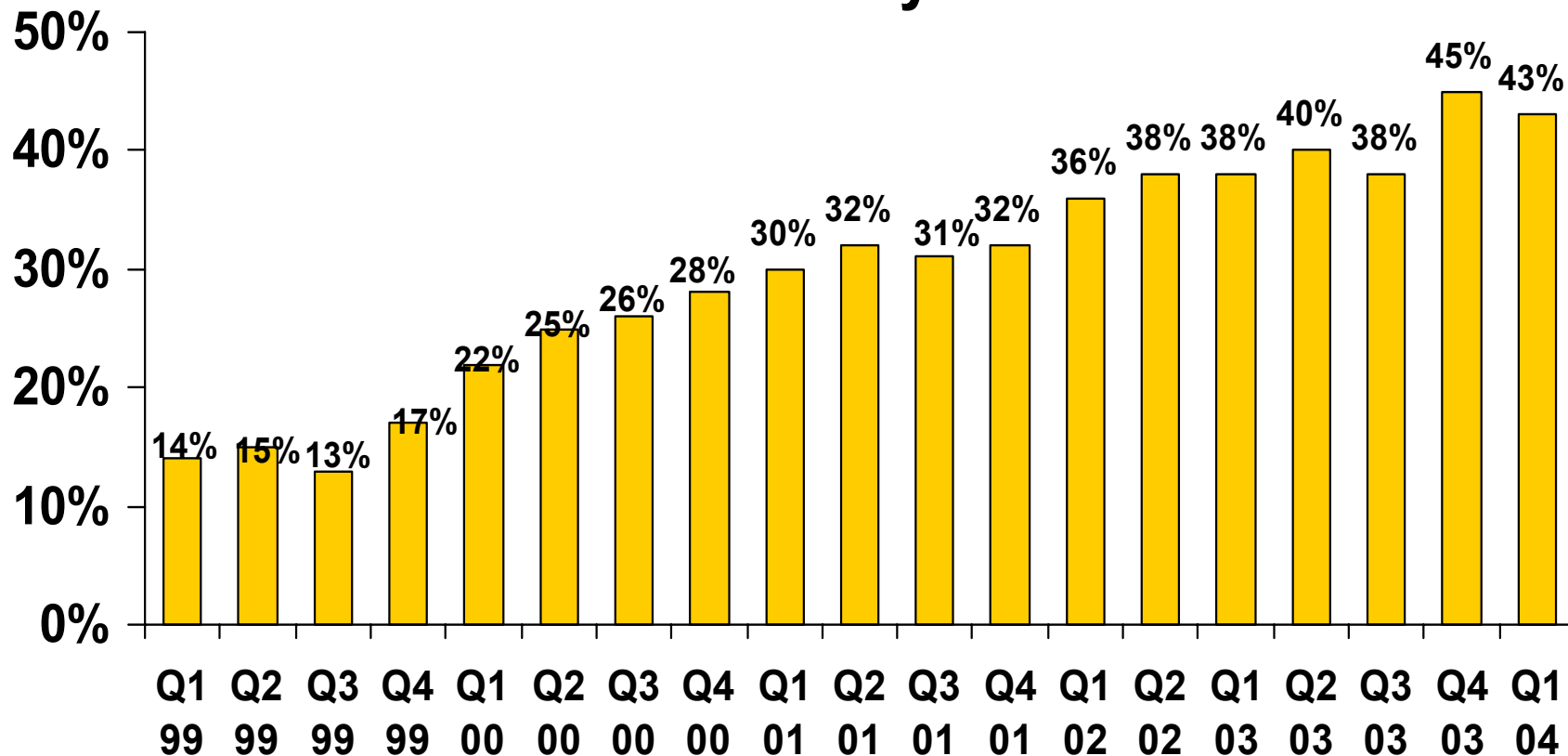
Home PC Purchase Intentions

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



Internet Usage

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

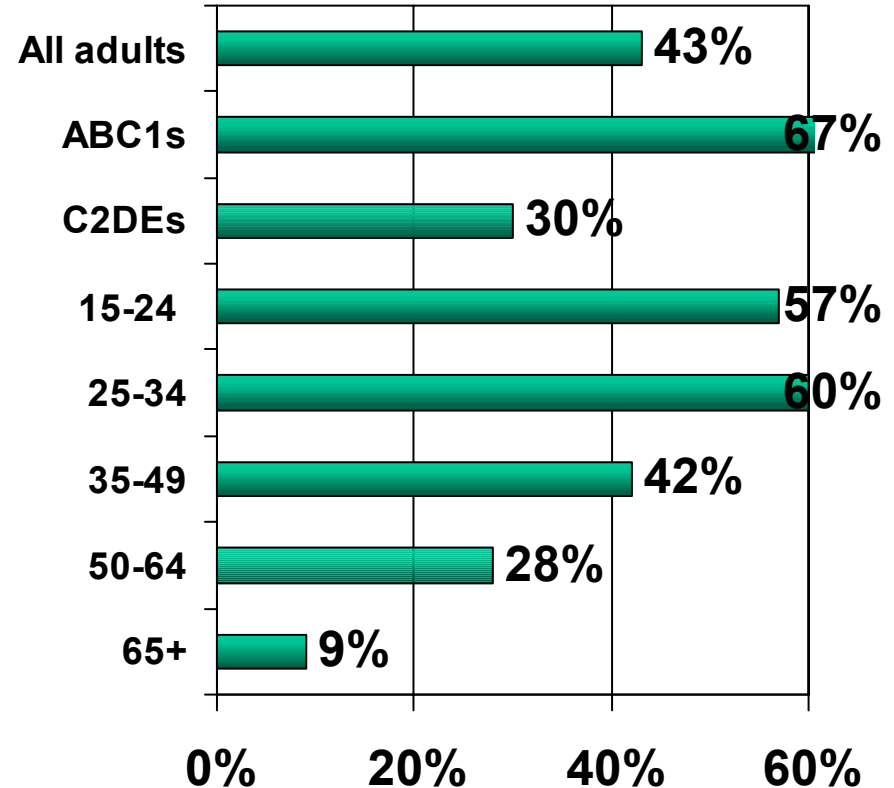


■ An estimated 1,260,000 Irish adults use the Internet

Socio-Demographics of Use

- Over 4 in 10 Irish adults are using the Internet.
- There are no significant usage differences in the usage between genders.
- The main determinant of usage seems to be social class. ABC1s are more than twice as likely to be online than C2DEs.
- Age is also an important determinant. Usage is significantly higher than the national average among the under-35s.

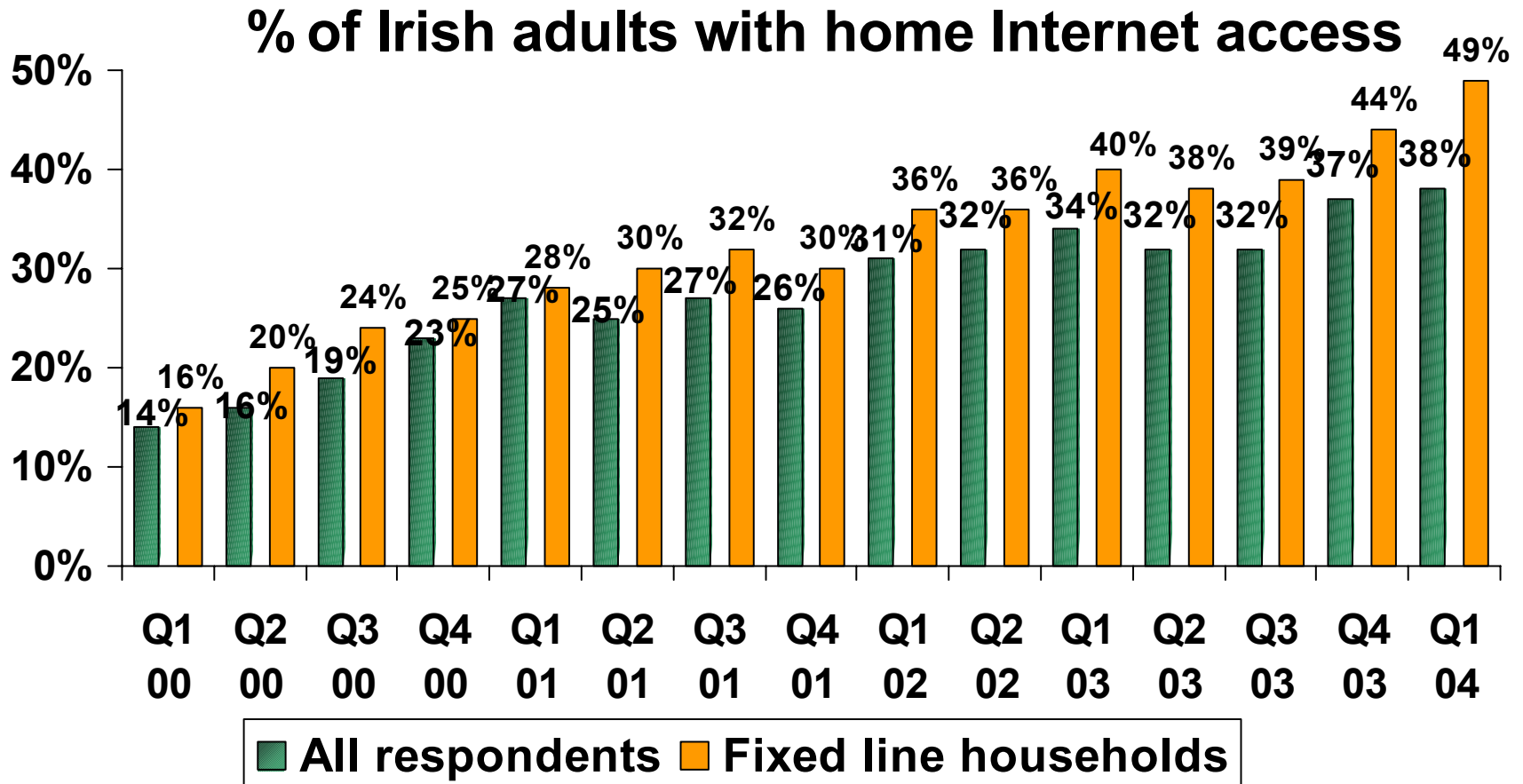
% on the Internet



Small Increase in Work Use

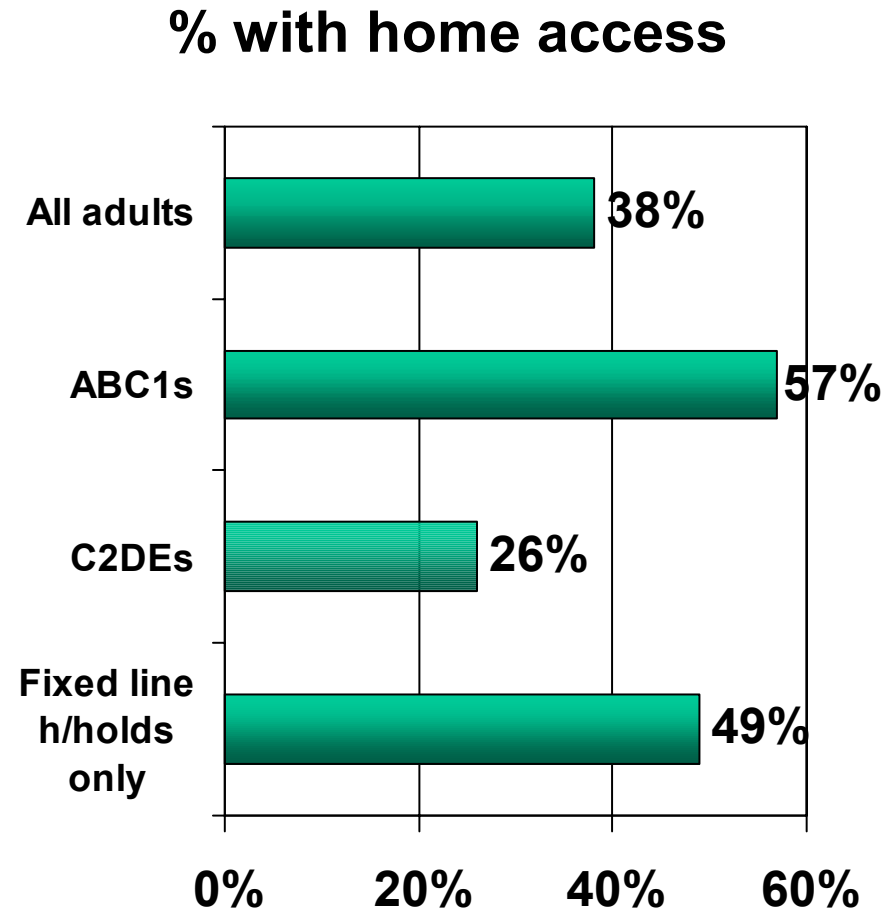
Location of Use*	% Of all Adults Q4 03	Equivalent Population Q4 03	% Of all Adults Q1 04	Equivalent Population Q1 04	% Of all Internet Users Q1 04
Home	31%	902,000	31%	905,000	72%
Work	14%	405,000	16%	477,000	38%
Schools/Colleges	10%	285,000	6%	181,000	14%
Friend's House	2%	69,000	2%	81,000	6%
Cyber Cafes	2%	46,000	2%	70,000	6%
Public Library	2%	65,000	1%	38,000	3%
On the move	0%	5,000	1%	29,000	2%
Elsewhere	0%	10,000	0%	5,000	0%
Total	45%	1,295,000	43%	1,260,000	

Almost Half of Fixed Line Households Online



Socio-Demographics of Home Access

- Thirty-eight percent of adults have home Internet access – a small increase since the last wave.
- Among households with a fixed line phone the access figure rises to 49% - a 5% increase since the last quarter of 2003.
- Likelihood of having home Internet access is significantly higher in ABC1 households than in C2DE households.



Home Internet Connections

How does your household connect to the Internet?	Q1 03	Q2 03	Q3 03	Q4 03	Q1 04
Standard telephone line/Regular dial-up	85%	86%	78%	84%	83%
ISDN line	8%	7%	10%	7%	9%
ADSL /Broadband connection	1%	1%	1%	2%	2%
Cable modem connection	2%	2%	3%	1%	2%
Through a mobile phone via WAP or GPRS	0%	1%	0%	0%	0%
Wireless connection e.g. FWA or GPRS	-	-	-	-	-
Other	0%	-	1%	-	1%
Don't know	3%	3%	8%	5%	3%

Base: All those with home Internet access (n=418)

Home Internet Payment Plans

Which one of the following options best describes your home Internet connection payment plan with your main Internet Service Provider?	Q1 04
Pay as you go – you only pay for your time spent online	52%
You pay a monthly subscription cost to your ISP and then pay for your time online	20%
Dial up flat rate – you pay a fixed amount each month for a specific amount of time spent online using regular dial up	9%
Broadband flat rate - you pay a fixed amount each month for a specific amount of time spent online using a broadband/DSL connection	4%
Don't know	15%

Base: All those with home Internet access (n=418)

Number of Home Users

Including yourself, how many people in your household use the Internet at home?	Q2 03	Q3 03	Q4 03	Q1 04
1	18%	19%	15%	20%
2	38%	33%	37%	38%
3	18%	24%	29%	21%
4	11%	16%	11%	11%
5	6%	5%	3%	5%
6+	2%	2%	1%	2%
Don't know	6%	2%	4%	3%
Mean number of people	3	3	3	3

Frequency of Using the Internet

How often do you use the Internet at home?	Q1 03	Q2 03	Q3 03	Q4 03	Q1 04
Daily or nearly every day	20%	19%	13%	15%	19%
Several times a week	41%	45%	45%	32%	39%
About once a week	25%	23%	31%	39%	30%
About once every 2 weeks	9%	7%	6%	10%	7%
About once a month	4%	3%	3%	4%	2%
Less often than once a month	1%	1%	2%	1%	2%
Mean number of times per week	2.95	3.01	2.64	2.43	2.89

Number of Hours Spent Online

How many hours in a typical week would you spend online at home	Q1 03	Q2 03	Q3 03	Q4 03	Q1 04
1	31%	22%	34%	36%	30%
2	20%	15%	24%	21%	24%
3-4	19%	18%	17%	18%	15%
5-7	12%	11%	8%	9%	12%
8-15	9%	17%	7%	6%	7%
16+	4%	5%	3%	1%	3%
Don't know	6%	10%	7%	8%	8%
Mean number of hours per week	4	6	4	3	4

Number of Hours Spent by Household Online

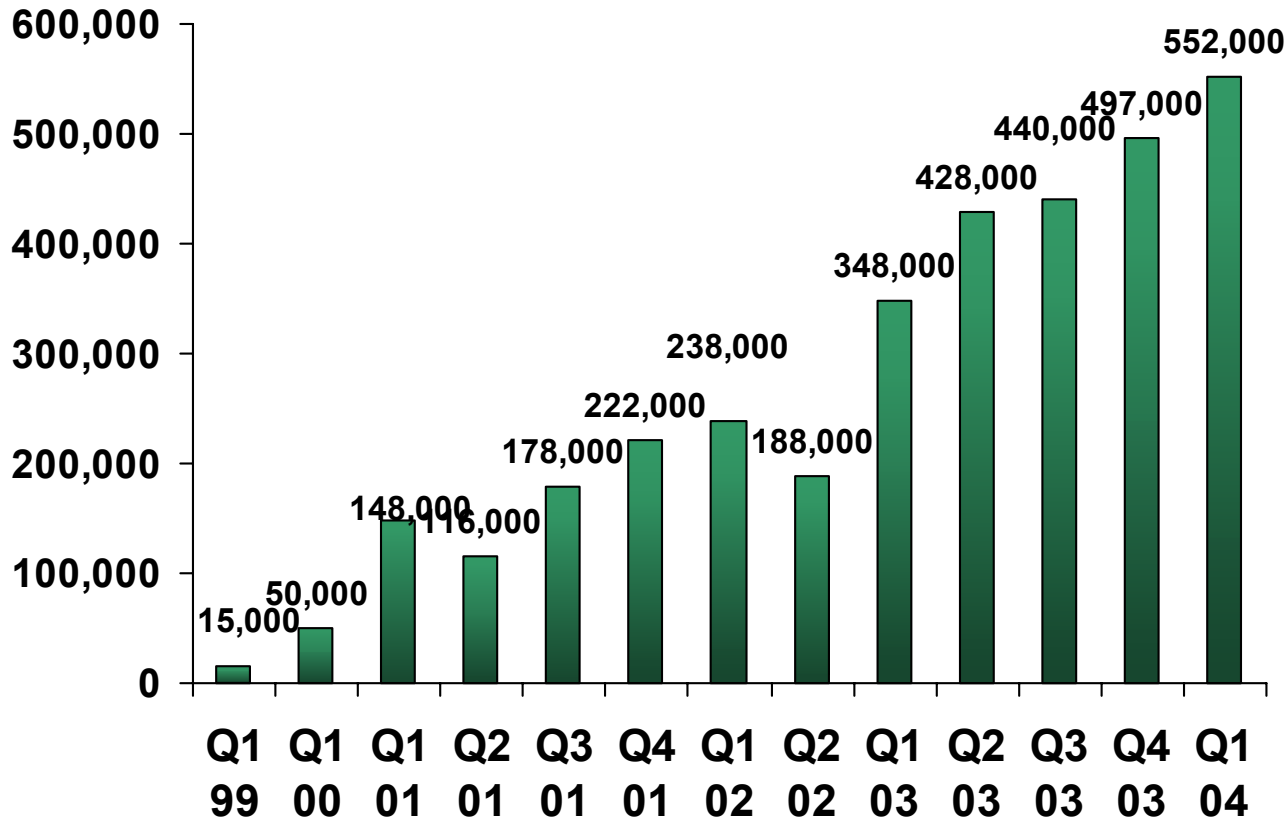
Thinking of all Internet users in your household, including yourself, how many hours in a typical week would they spend online at <u>home</u> ?	Q1 03	Q2 03	Q3 03	Q4 03	Q1 04
1	10%	10%	11%	10%	12%
2	10%	10%	16%	16%	13%
3-4	20%	16%	20%	20%	19%
5-7	14%	13%	14%	13%	16%
8-15	22%	19%	17%	17%	17%
16+	10%	11%	6%	5%	9%
Don't know	13%	19%	16%	18%	15%
Mean number of hours per week	8	8	7	6	7

Base: Those with home access (n=418)

eCommerce

Increase in e-Commerce Activity

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



- 44% of Internet users have made a recent online purchase, up significantly from 38% in Q4 2003
- Online shopping continues to be most evident among 35-49 year olds, and those living in Dublin

Online Sales

Top 10 Online Purchases*	Q1 2003	Q2 2003	Q3 2003	Q4 2003	Q1 2004
Airline tickets	67%	63%	66%	62%	64%
Concert tickets	24%	28%	38%	29%	27%
Books	15%	13%	13%	12%	19%
Videos/DVDs	11%	8%	6%	8%	18%
Music	12%	16%	9%	6%	17%
Package holiday	13%	18%	10%	27%	17%
Other travel services (e.g. hotel, car hire)	4%	18%	13%	13%	14%
Computer Software	7%	4%	7%	10%	13%
Information	6%	6%	5%	13%	7%
Clothing	5%	5%	3%	6%	6%

* *Multiple responses allowed*

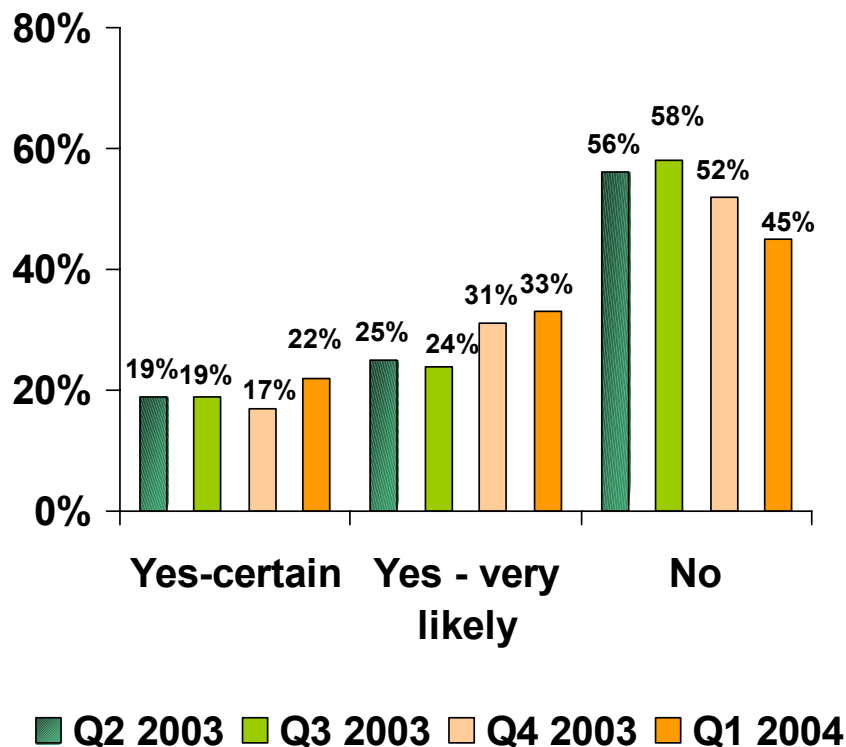
23 Base: All those who have made an online purchase in the last 3 months (n=211)



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E-Commerce Intentions

Intention to purchase online over next 3 months

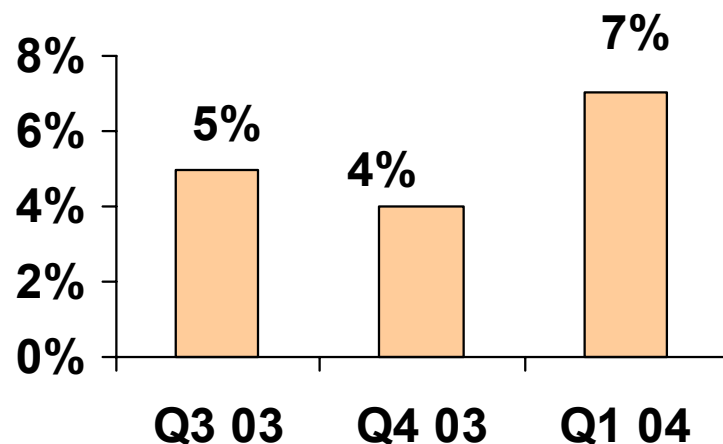


- Over half of Ireland's Internet users say they are certain or very likely to make an online purchase within the next 3 months.
- Those who consider it unlikely that they will make an online purchase were more likely to be 15-24 year olds, students, those living in rural areas, and those who have not made an online purchase in the last 3 months.

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?



- Less than 1 in 10 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 continues to be highest among 15-24 year olds (who are likely to be purchasing ringtones, logos and games)

Conclusions

Conclusions

- Over the last quarter there has been a small amount of growth in home PC penetration and home Internet access. This is likely to have been driven by the purchase of new home PCs over the Christmas period.
- Overall use of the Internet has remained mostly unchanged with over four in ten Irish adults online. There is evidence of a slight dip in Internet use in schools and colleges.
- Residential broadband penetration remains low with only 2% of Irish online households using such a connection.
- A small majority (52%) of online households are on a “pay as you go” ISP payment plan. Less than one in ten (9%) have opted for a dial-up flat rate.
- Growth in e-commerce continues to be strong, reflective of the traditionally high Christmas buying season. The relatively low value of the dollar against the Euro is also likely to be driving online sales at US websites.
- Mobile commerce has yet to generate significant levels of usage and remains very much a minority activity.

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