

Consumer TrendWatch Q3 2003

September 2003

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Methodology

- 1,105 people surveyed aged 15 – 74.
- Fieldwork conducted: 21st July – 29th August 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 132 different locations throughout the Republic.

Data Interpretation

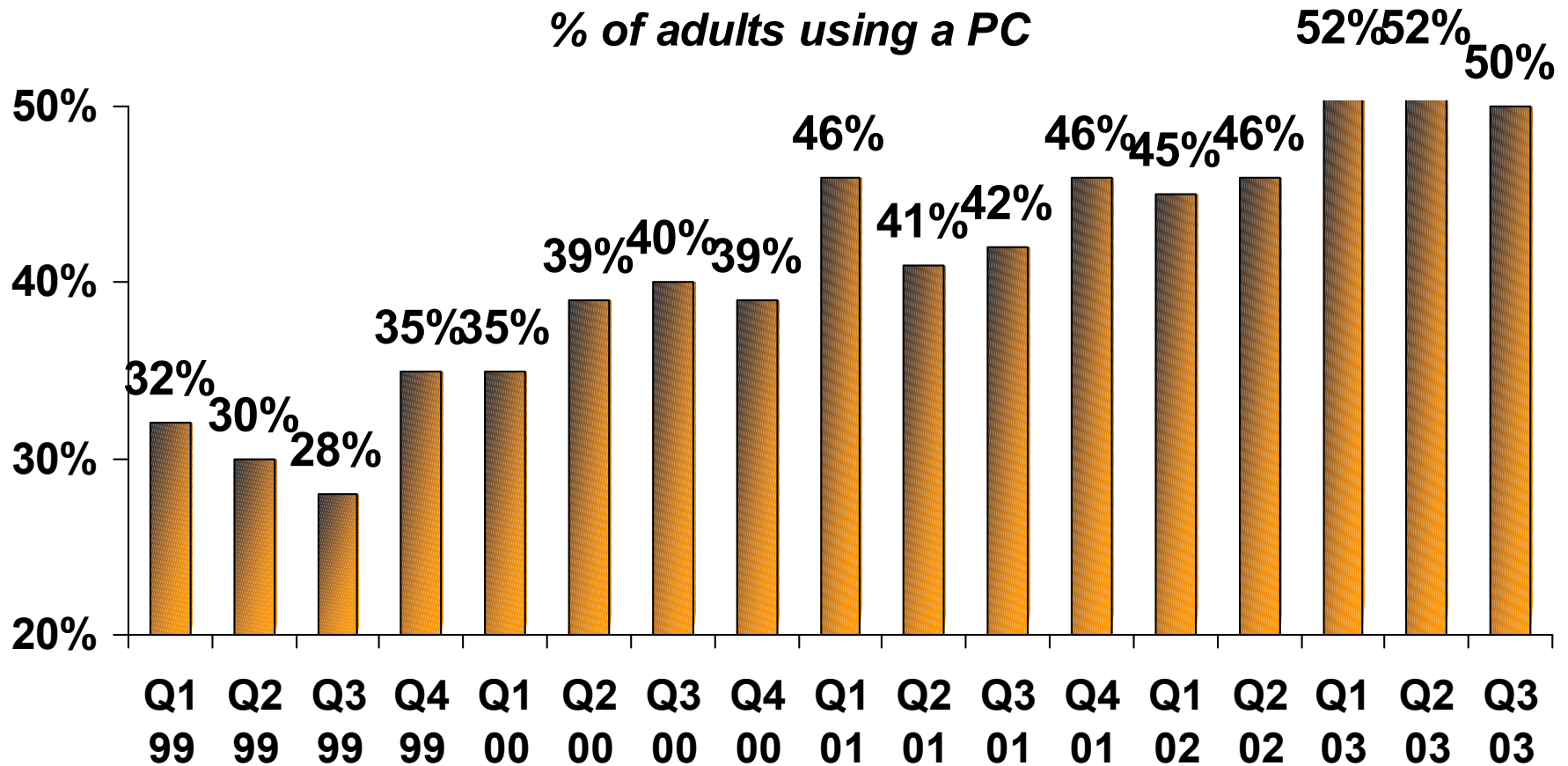
- The table opposite shows the margin of error for a range of unweighted sample sizes
- If 20% of a total sample of 1,000 adults say they do something, you can be 95% certain that the figure for the population lies between 17% and 23% (i.e. there is a margin of error of 3%)
- As the sample size is reduced 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

Half of Irish Adults Using a PC



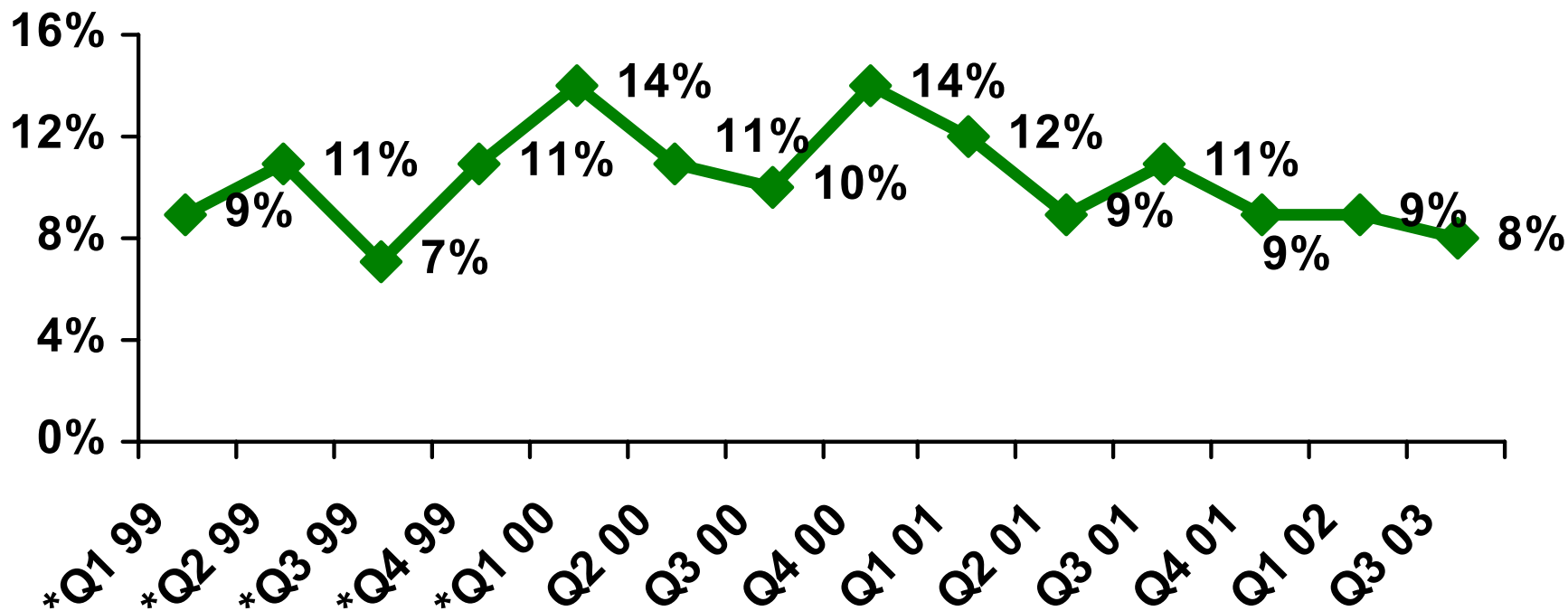
■ An estimated 1.4 million adults are using a PC

Home Use Continues to Dominate

Location of PC Use (Multiple response allowed)	% of all adults	Equivalent population	% of all PC users
Home	36%	1,057,000	73%
Work	18%	511,000	35%
Schools/Colleges	8%	232,000	16%
Friends House	2%	62,000	4%
Cyber Cafes	2%	51,000	3%
Public Library	2%	49,000	3%
On the move using portable equipment	1%	31,000	2%
Elsewhere	1%	15,000	1%
Total	50%	1,444,000	

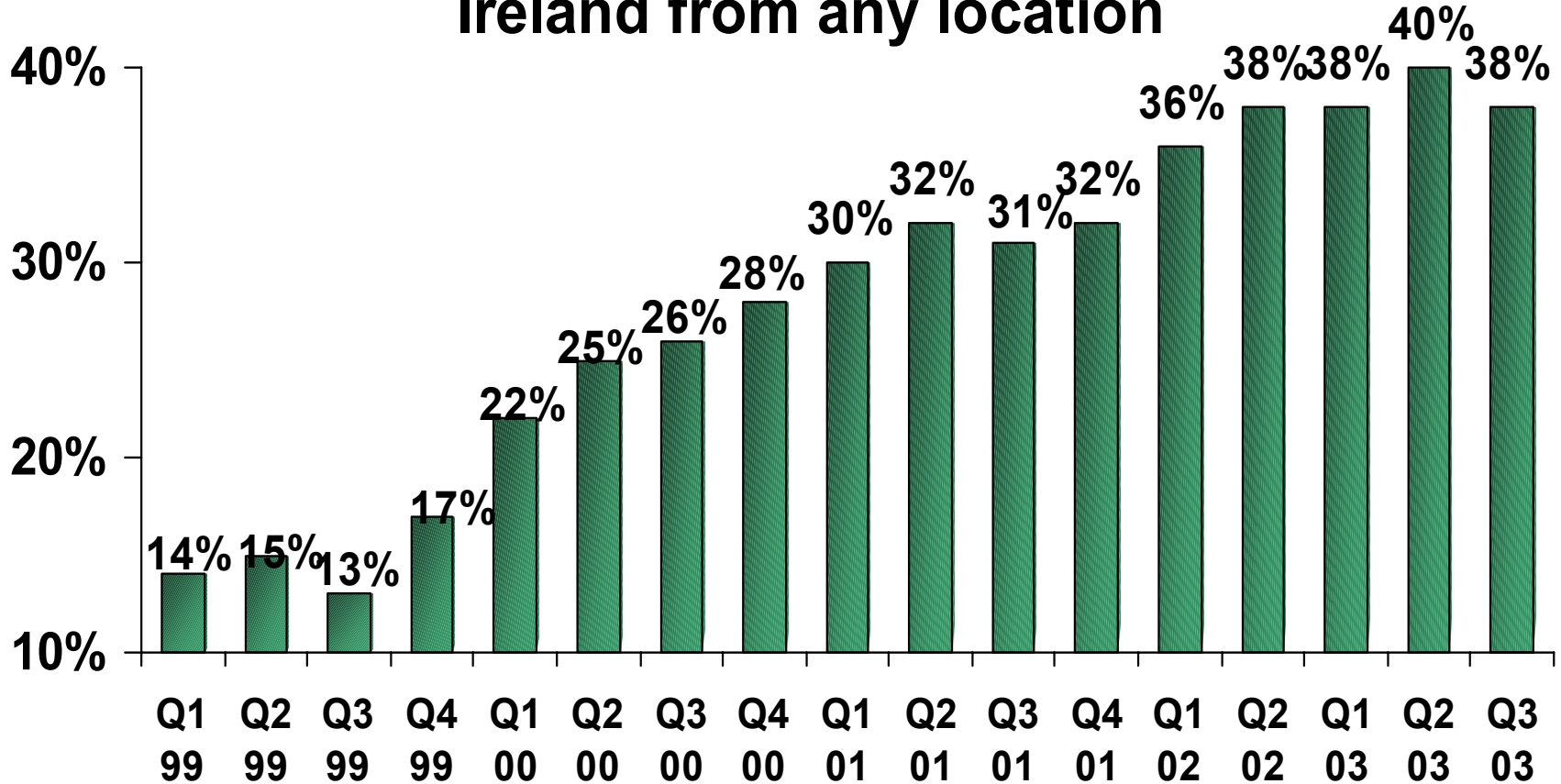
Little Change in Purchase Intentions

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



No Growth in Internet Usage

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

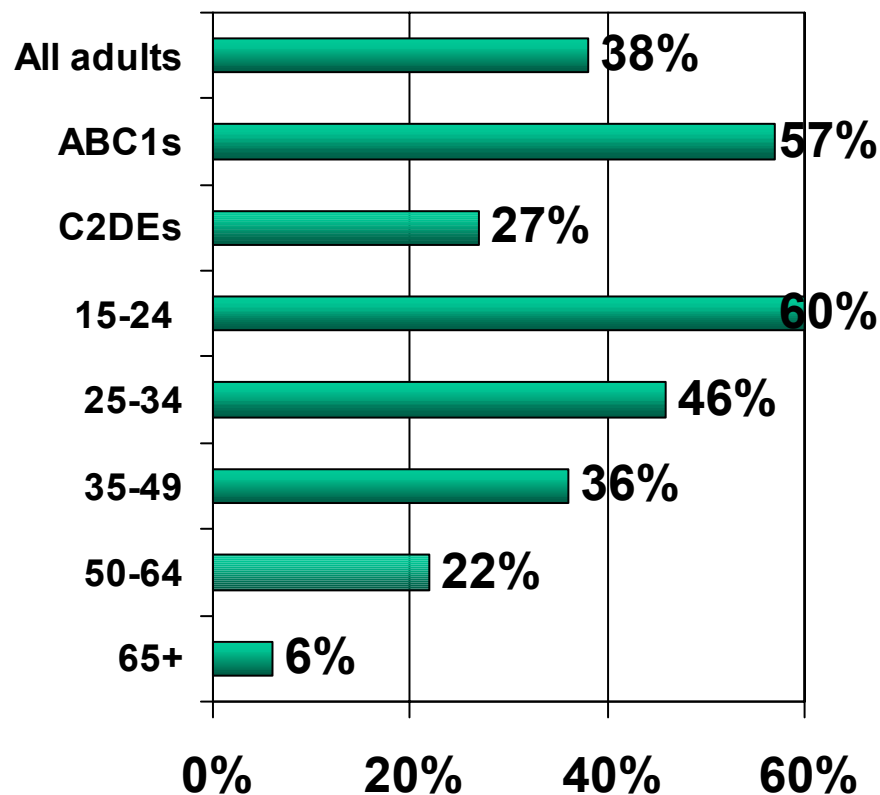


■ An estimated 1,108,000 Irish adults use the Internet

Socio-Demographics of Use

- There is a small decline in the number of adults online this quarter.
- It is not unusual to see a decline in Internet use during the summer months. Looking at the locations from which the Internet is used there is a marked decline in use from a school/college location.
- Use of the Internet continues to be highest among the under 34s, particularly those aged 15-24
- It is also highest among those living in urban areas (43% are online) and ABC1s

% on the Internet

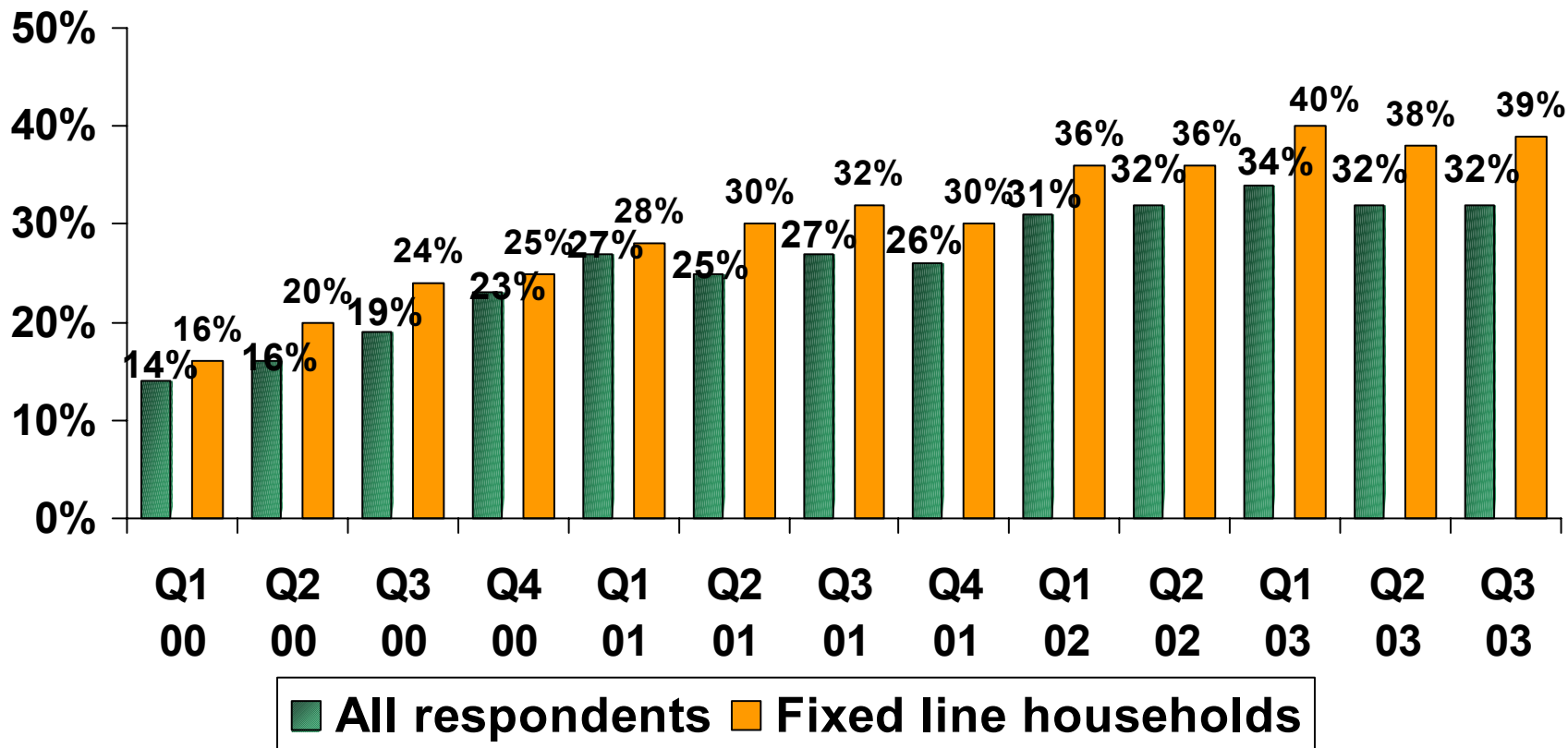


Usage Locations

Location of Use	% Of all Adults* Q2 03	Equivalent Population Q2 03	% Of all Adults* Q3 03	Equivalent Population Q3 03	% Of all Internet Users Q3 03
Home	27%	766,000	25%	721,000	65%
Work	15%	434,000	13%	389,000	35%
Schools/Colleges	9%	254,000	7%	194,000	17%
Friend's House	2%	65,000	4%	107,000	10%
Cyber Cafes	2%	62,000	3%	90,000	8%
Public Library	2%	60,000	2%	72,000	7%
On the move	1%	34,000	0%	13,000	1%
Elsewhere	1%	16,000	0%	13,000	1%
Total	40%	1,151,000	38%	1,108,000	

Home Internet Penetration

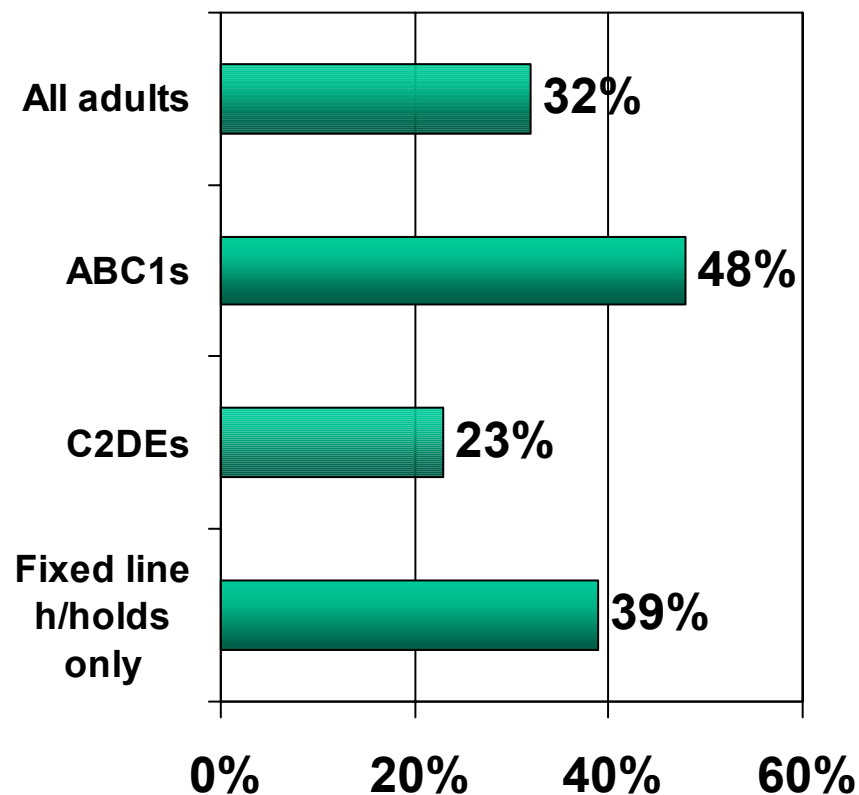
% of Irish adults with home Internet access



Socio-Demographics of Home Access

- An estimated 32% of Irish adults have home Internet access
- Excluding households who do not have a fixed line phone, this figure rises to 39% (a 1% increase on last quarter)
- Household Internet access is highest among 15-24 year olds, those living in urban areas (36% have home access) and ABC1s

% with home access



Home Internet Connections

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

- Using a standard fixed line to connect to the Internet is by far the most common method of going online at home
- A small amount of growth in ISDN ownership is evident, with one in ten online households using this method

Base: All those with home Internet access (n=370)

Number of Home Users

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

Frequency of Using the Internet

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

- On average home Internet users log on about 3 times a week from home
- This is has remained mostly unchanged over the last 2 quarters

Number of Hours Spent Online

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

- On average, those using the Internet at home estimate they spend 4 hours a week online. Those spending the least amount of time online are more likely to be in the 50-64 year old age bracket

Number of Hours Spent by Household Online

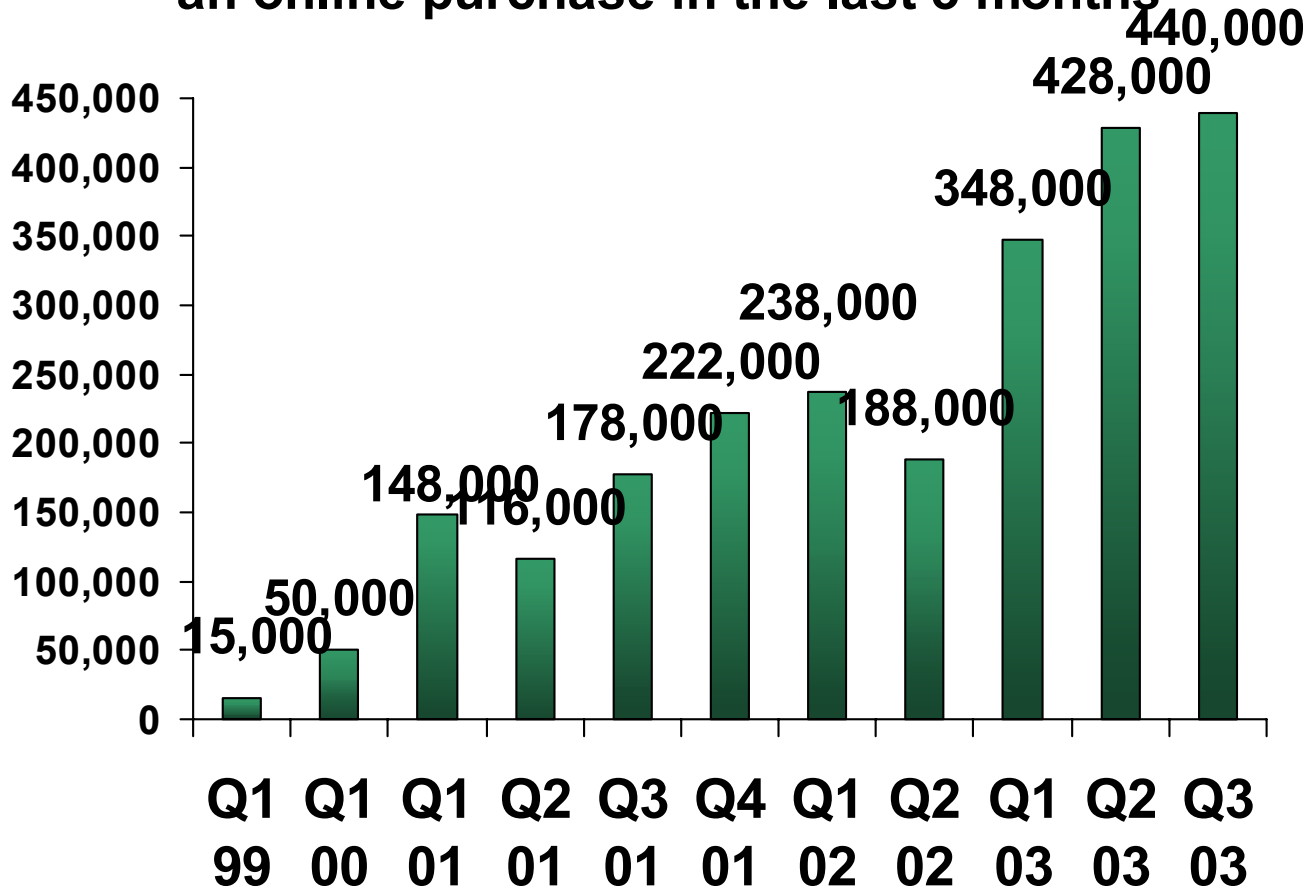
Thinking of all Internet users in your household, including yourself, how many hours in a typical week would they spend online at <u>home</u> ?	Q1 03	Q2 03	Q3 03
1	10%	10%	11%
2	10%	10%	16%
3-4	20%	16%	20%
5-7	14%	13%	14%
8-15	22%	19%	17%
16+	10%	11%	6%
Don't know	13%	19%	16%
<i>Mean number of hours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

Base: Those with home access (n=370)

eCommerce

e-Commerce Activity

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



- 40% of Internet users have made a recent online purchase, up significantly from 32% at the beginning of the year
- 50% of ABC1 Internet users have made a recent online purchase compared to 28% of C2DE Internet users

Online Sales

Top 10 Online Purchases	Q1 2003*	Q2 2003*	Q3 2003*
Airline tickets	67%	63%	66%
Concert tickets	24%	28%	38%
Other travel services (e.g. hotel, car hire)	4%	18%	13%
Books	15%	13%	13%
Package holiday	13%	18%	10%
Music	12%	16%	9%
Computer Software	7%	4%	7%
Videos/DVDs	11%	8%	6%
Groceries	1%	1%	5%
Information	6%	6%	5%

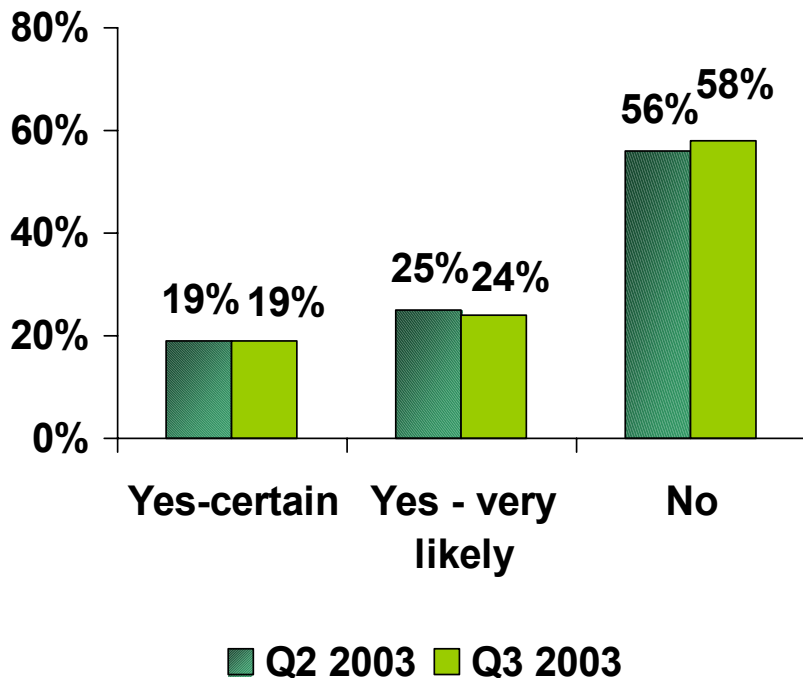
* Multiple responses allowed

21 Base: All those who have made an online purchase in the last 3 months, (n=178)



E-Commerce Intentions

Intention to purchase online over next 3 months



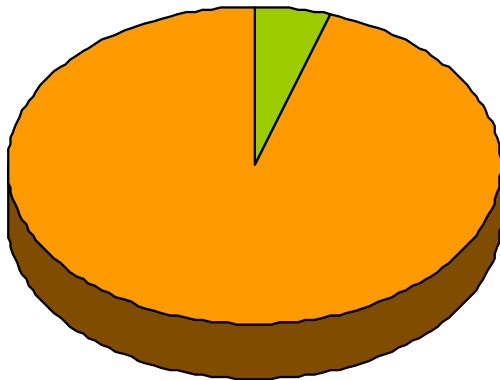
- Intentions to make an online purchase within the next 3 months continue to be strong with almost one in five Internet users saying they are certain to make an online purchase in the next 3, equivalent to an estimated 206,000 people
- Likelihood of making an online purchase is highest among those who have previously made an online purchase, 25-34 year olds and ABC1s

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?

5%



95%

■ Yes

■ No

- 5% of mobile phone owners said they had purchased a product or service using the text or Internet function on their mobile phone where the cost was billed to their phone
- This was found to be highest among 15-24 year olds

Conclusions

Conclusions

- The PC and Internet sectors continue to be flat. The findings suggest no growth in usage in either sectors over the last quarter.
- Internet use is likely to pick up in the Autumn with the return to school and college, which will impact the typically high Internet using 15-24 year old age cohort.
- Given the economic slowdown a jump in home Internet penetration is unlikely in the short-term.
- Ecommerce activity continues to grow, reflecting an increasingly tech-savvy and confident Internet using population. Online purchasing is likely to be strong over the coming months, particularly coming up to the Christmas buying season.
- Mcommerce appears to have made some in-roads among mobile consumers but has some way to go before it captures the interest of significant numbers

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