



Commission for
Communications Regulation



The Internet and Broadband Experience for Residential users

A Communications Survey Report based on the Trends Survey Series

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1 Introduction

Since January 2003, ComReg has commissioned Amárach Consulting to carry out a Trends survey on a quarterly basis. The surveys are conducted to gain insight into the attitudes and perceptions of residential consumers in relation to a range of electronic communications services provided in Ireland, and to track these perceptions over time. This report uses survey data generated over the last eight waves of the Trends series, alongside a range of third party research material to further examine the access to and experience of residential users with regard to internet and broadband services.

The surveys analysed in this report are based on face to face interviews carried out in respondents' own homes at 101 different locations nationally. A guide to the margin of error for the Trends series surveys is contained in the presentation of survey results by Amárach, but is typically +/- 3% for questions where all respondents answered.

This report uses quantitative survey results over a number of periods since 2005, focus group research conducted in the second half of 2006, ComReg Quarterly Report data, and other external data sources on internet and broadband access, adoption and usage for Ireland and the EU. The use of ComReg Quarterly Report data and other third party reports provides additional insight into the Irish market; however due to methodological and sampling differences, data generated from these sources are not directly comparable with those of the Trends series survey.

The full set of survey results for the Wave 4 survey is published alongside this report as ComReg Document 07/13

ComReg hopes that this thematic approach adds additional insight into internet and broadband usage behaviour among consumers in Ireland. We hope to provide additional thematic-based research on our survey data in 2007, including reports on the experiences of mobile phone and fixed line phone users.

1.1 Summary of Key Findings

- The most popular location for internet access among all users is the home; however younger consumers and students are more likely to use school or college, and younger respondents and non-Irish nationals are more likely than the overall sample to use cybercafés.
- While almost half of homes in Ireland now have some form of internet access, those without a subscription are most likely to state that they don't believe they need the internet at home or that they do not have appropriate equipment in the home, such as a PC, from which to access the internet.
- 45% of all home internet subscribers now use some form of broadband access technology, with DSL being the most popular platform for internet access in the home.
- Comparing internet use between the overall sample, and 15-24 year old internet users indicates that this group are the most prolific internet users-performing a higher number and wider range of internet activities than any other age group.

- 14% of internet users have created or worked on their own online journal or weblog. Again, 15-24 year olds are the most frequent users of the internet as a creative community medium. Compared to 23% of all users, almost half of 15-24 year olds have used bebo, the online community website.
- Irish internet users are more likely than other EU-25 internet users to access information on property and accommodation online. Irish consumers are also more likely to use online financial services, and to seek information on public authorities online. In contrast, Irish internet users are less likely than others in the EU to use internet chat sites and forums, and access health information online.

2 Overall Use of the Internet Among Residential Consumers

The use of the internet, both within the home and at other locations, has become an increasingly important means of communications for consumers in Ireland. ComReg seeks to both quantify and understand the extent of internet and broadband use among residential users, therefore the Amárach Trends Series survey asks respondents questions on their usage of the internet at any location.

2.1 Overall Levels of Usage of the Internet

Of all respondents surveyed in Q4 2006, 47% reported using the internet from any location. Figure 2.1.1 illustrates the broadband growth trend relating to internet use from the Trends survey series since 2003¹. The vertical bars included in this figure illustrate the margin of error for responses to this question, which illustrates that while there has been an overall growth in the use of the internet over the time period, single period changes are often within the margin of error for the sample.

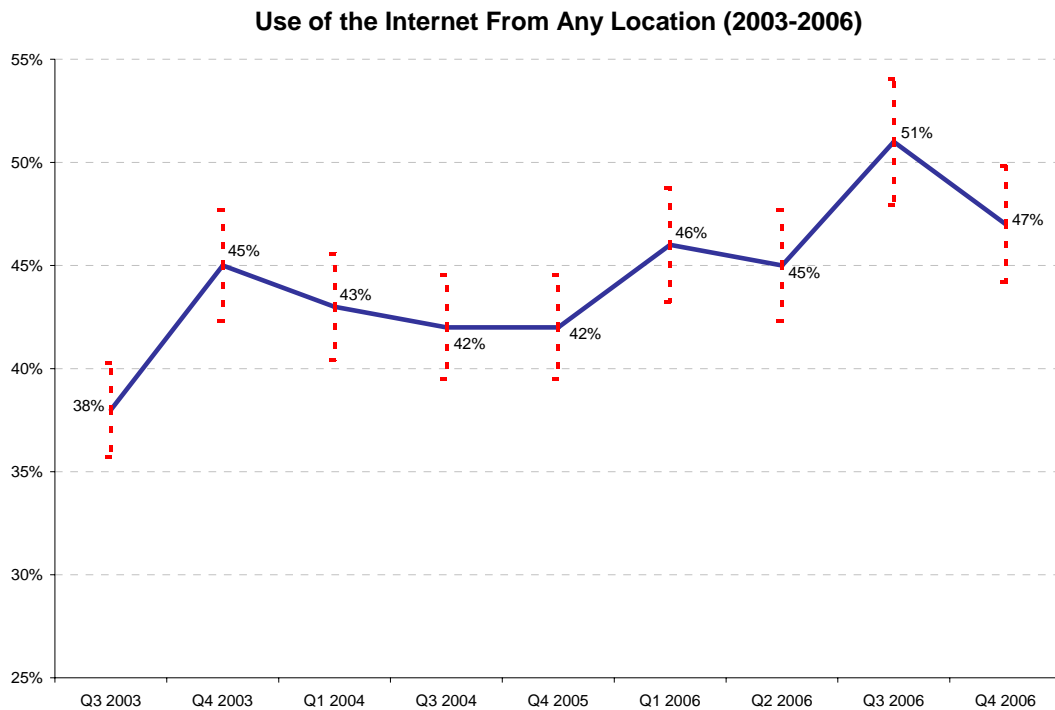


Figure 2.1.1: Use of the Internet from any location; Source: Amárach Trends Series

The Central Statistics Office collects further data on an annual basis on internet usage in Ireland as part of the CSO Quarterly Household Survey. In 2006², the CSO reported that 48% of Irish citizens used the internet from any location, compared to

¹ Please note that the time periods indicated on this figure do not include data for all quarters between Q3 2003 and Q4 2006, but do include all data where this particular question was asked of respondents.

² <http://www.cso.ie/releasespublications/documents/industry/2006/ictireland2006.pdf>

45% in 2005³. Comparing Irish data to that of other EU member states in 2006, Ireland exhibits just under average use of the internet from any location. Figure 2.1.2 compares individuals' use of the internet from any location in the previous three months. Irish data is based on data provided to Eurostat by the CSO⁴.

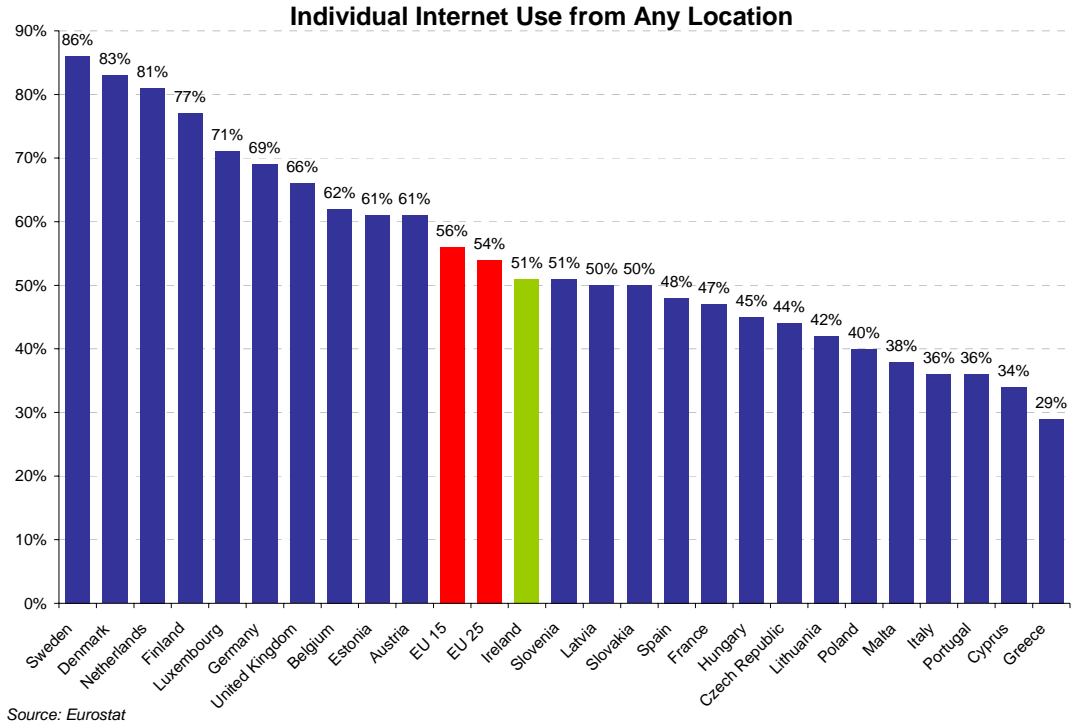


Figure 2.1.2: Use of the Internet from any location, EU-25; Source: Eurostat

2.2 Where people use the internet

Figure 2.2.1 outlines a historical view of the location of internet use among those who use the internet from any location in Ireland.

The Amárach Trends Series finds the home is the most popular location for internet use among consumers in Ireland followed by usage at work, and school or college. Data collected by the CSO and Eurostat suggests a similar pattern of locations for internet access across Europe with the home being the most popular location across EU member states, followed by place of work and place of education.

³ ComReg survey data and CSO Quarterly National Survey data are not directly comparable as data was collected in different time periods, with sampling and other methodological differences.

⁴

http://epp.eurostat.ec.europa.eu/portal/page?_pageid=1996,45323734&_dad=portal&_schema=PORTAL&screen=welcomeref&open=/&product=EU_MASTER_information_society&depth=2

Place of Internet Use	Q4 2005	Q1 2006	Q2 2006	Q3 2006	Q4 2006
Home	63%	68%	66%	72%	67%
Work	38%	36%	36%	34%	35%
School/ College	17%	17%	12%	15%	18%
Cyber Cafes	5%	8%	5%	8%	9%
Friends House	6%	6%	4%	9%	6%
Public Library	4%	2%	3%	5%	3%
While on the move	1%	1%	2%	2%	2%
Elsewhere	1%	1%	1%	2%	2%

Figure 2.2.1: Locations of Internet Use. Source: Amárach Trends Series

Using the internet from home is the most popular location for internet use across all demographics. However, younger respondents were more likely to use school/college, cyber cafés or a friend's house to access the internet. Of the total group, the 25-44 year old group is most likely to suggest they use the internet from work. Using all the data generated from the Trends survey in 2006, an appropriate sample size of non-Irish nationals has been generated to profile internet usage patterns. This analysis suggests that 21% of non-Irish nationals use the internet from cybercafés compared with 7% of the overall sample in 2006.

2.3 Non Users of the Internet

While around half of consumers use the internet from any location, there remains a substantial number of consumers who do not engage with the internet. Figure 2.3.1 outlines those groups most likely to not use the internet in Ireland, based on responses to the Q4 2006 Trends survey.

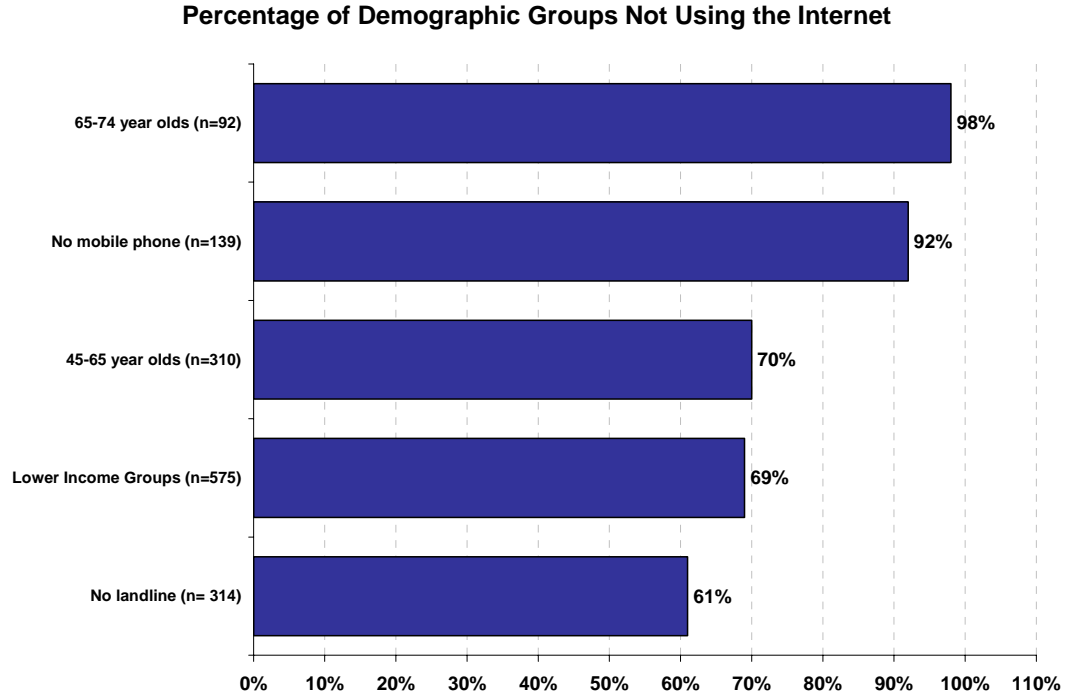


Figure 2.3.1: Non-users of the Internet from any location; Source: Amárach

Respondents in older age groups, and those who tend not to engage with other technologies, such as mobiles phones, tend to be those least likely to use the

internet. Those in lower income groups and those with no landline in the home are also less likely than other demographic groups to use the internet.

A 2006 Ofcom research study⁵ of older consumers and their engagement with technology cites a number of reasons why older consumers may not engage with internet services. Potential barriers to this group included concerns about their level of ability and skill in using the internet, little motivation or interest in using the internet, concerns about the potential financial outlay for using the internet, and a range of other personal and social concerns. A further independent study sponsored by BT in December 2004⁶ examined the profile of those disengaged from internet services, and suggested possible reasons for their lack of engagement. The report identifies three key "at risk" groups who indicate high levels of non-usage of the internet - older consumers, those on low incomes and those with disabilities. ComReg is currently conducting survey research in the residential sector which will include a focus on the experience of disabled consumers and their access to and use of a wide range of telecoms services.

⁵ http://www.ofcomconsumerpanel.org.uk/publications/Older_People_and_Comms_FINAL.pdf

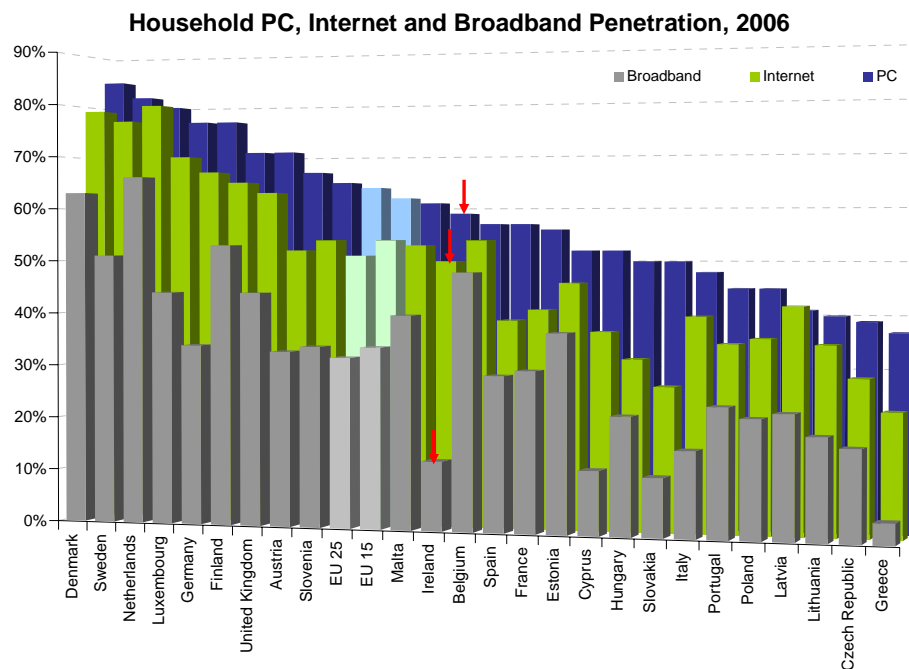
⁶ <http://www.groupbt.com/Societyandenvironment/PDF/Digitaldivide2025.pdf>

3 Home Internet Use

3.1 Trends in Home Internet Subscriptions

In Q4 2006, 37% of all survey respondents reported having a home internet subscription in the home. Data on home internet subscriptions collected by the Trends survey series have remained relatively constant in the last 12 months. Home internet subscription levels were highest among 15-24 year olds (44%), residents of Munster (42%), higher income groups (53%) and students (56%). In contrast, those groups least likely to have a home internet connection include those living in rented accommodation (17%), 65-74 year olds (6%), and those without a fixed line telephone in the home (9%).

In 2000, the CSO reported that around 20% of all homes had some form of internet access⁷; its most recent research in 2006 suggests that almost 49% of homes in Ireland now have an active internet subscription⁸. The penetration of PC, internet and broadband subscriptions in 2006 collected by the CSO can be compared with that of other EU countries using Eurostat data. Figure 3.1.1 below outlines PC, Internet and broadband penetration by household across EU-25 member states in 2006.



Source: Eurostat

Figure 3.1.1: PC, Internet and Broadband Penetration in the Home, Source: Eurostat⁹

⁷

http://www.cso.ie/releasespublications/documents/information_tech/excel_docs/qnhshomecomputing.xls

⁸ <http://www.cso.ie/releasespublications/documents/industry/2006/ictireland2006.pdf>

⁹

http://epp.eurostat.ec.europa.eu/portal/page?_pageid=1996,45323734&_dad=portal&_schema=PORTAL&screen=welcomeref&open=/&product=EU_MASTER_information_society&depth=2

This figure uses PC penetration as the base statistic to rank member states. The figure illustrates a strong relationship between instances of having a PC in the home, home internet access, and broadband subscription in the home, across all countries monitored. Indeed there is a further correlation between home internet access levels and overall usage of the internet among EU-25 countries, as indicated in Figure 2.1.2. While Ireland ranks just below the EU average in terms of access to a PC and the internet in the home, it ranks relatively poorly compared to other EU countries in terms of instances of a broadband connection within the home. Broadband subscription levels in Ireland are discussed in further detail in Section 4 of this document.

3.2 Reasons for non-subscription to home internet

Wave 4, 2006 of the Trends survey series asked those with no home internet subscription about their intention to subscribe to internet services in the future. Of those who currently have no home internet subscription, 77% stated that they did not intend to get internet services at home in the future, indicating that there is still a very strong challenge for policy makers and industry to engage this sub-set of consumers. Those least likely to subscribe to a home internet service in the future include respondents aged 45-74 years (91%), residents of the Dublin area (81%) and those in lower income groups (80%).

The Amárach Trends series has regularly sought insight into the reasons why telecommunications users do not intend to subscribe to a home internet service. The responses to this question consistently suggest that those who are not planning to get home internet in the future consider that they have little need for a home subscription or lack the necessary skills to use the internet. Further barriers to home internet subscriptions are that respondents do not own a home PC, and the perceived additional expense of a home internet connection which is strongly linked to the likelihood that the respondent is in a lower-income group as highlighted above. Figure 3.2.1 outlines reasons provided by Trends survey respondents when asked why they do not have a home internet service.

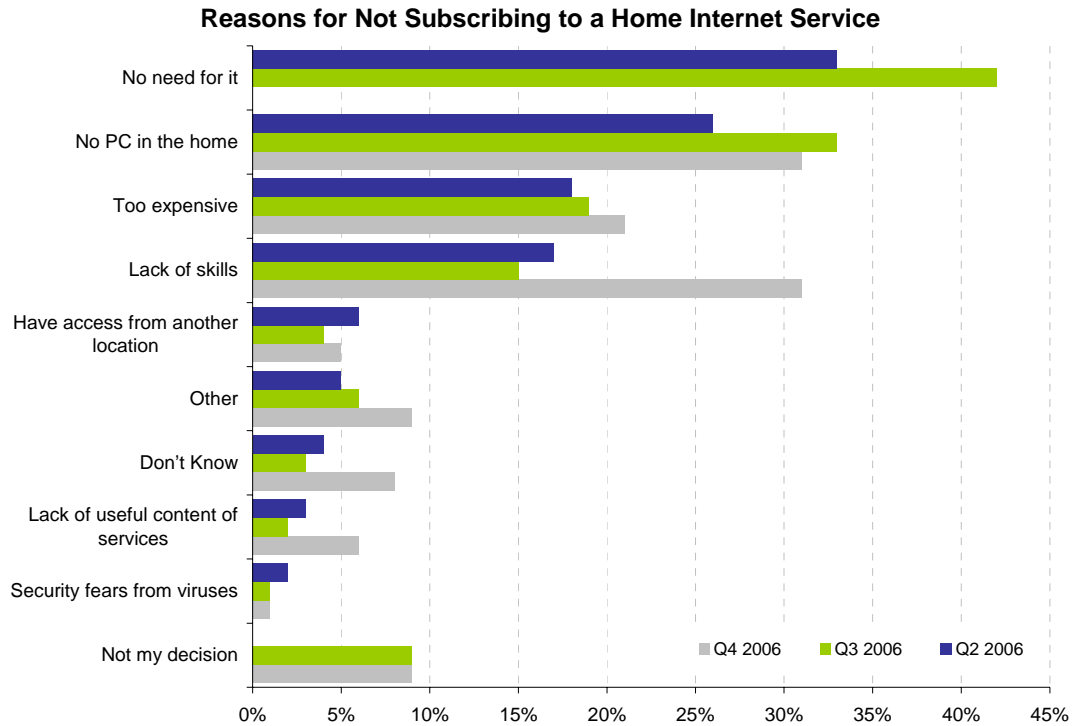


Figure 3.2.1: Reasons for Not Subscribing to the Internet, Source: Amárach

These reasons are echoed in a 2006 Eurobarometer report¹⁰ which reports that the key reasons why people do not subscribe to an internet service at home are principally due to a lack of interest in availing of home internet, followed by a lack of appropriate equipment such as a PC to access the internet, and cost. Recent focus group research conducted by Amárach Consulting on behalf of ComReg also suggests that where people have an internet connection from another location, they may feel that there is little “need” to subscribe to a home connection. As one consumer noted,

“I’m on the internet all day at work, I don’t want to go near it when I get home”.

3.3 Type of Home Internet Subscription.

Figure 3.3.1 outlines the technical ways in which home internet subscribers accessed the internet in Ireland in 2005 and 2006 based on survey responses in the Trends survey series.

¹⁰

http://ec.europa.eu/information_society/policy/ecom/doc/info_centre/studies_ext_consult/ecom_household_study/eb_jul06_main_report_en.pdf, Page 57

Type of Internet Subscription	Q1 2005	Q2 2005	Q3 2005	Q1 2006	Q2 2006	Q3 2006	Q4 2006
Dial-up	63%	61%	52%	38%	46%	39%	33%
DSL	16%	22%	26%	32%	34%	42%	38%
ISDN ¹¹	15%	10%	13%	9%	11%	8%	14%
Cable Broadband	2%	1%	3%	2%	2%	2%	2%
Wireless	0%	0%	1%	1%	2%	3%	5%
Mobile	0%	2%	1%	1%	0%	1%	1%
Satellite Broadband	0%	0%	1%	1%	1%	0%	0%
Don't Know	3%	2%	3%	16%	4%	5%	7%

Figure 3.3.1: A Profile of Internet Subscriptions in Irish households in 2005 and 2006; Source: Amárach¹²

The profile of home internet subscribers has changed significantly since the beginning of 2005. In Q1, 2005 narrowband internet access (using dial-up or ISDN) constituted 78% of all home internet subscriptions, while broadband (using DSL and Cable Broadband only) made up a further 18%. At the end of 2006, the profile of home internet access has changed considerably. In Q4 2006, 48% of respondents reported using a narrowband access service (which includes access from a mobile phone¹³), while 45% of home internet users reported using some form of broadband access technology. ComReg expects that from mid-2007, broadband will constitute the majority of home internet subscriptions as the migration from narrowband to broadband access technologies continues.

3.4 Consumer Usage of the Internet

The Trends survey series has also sought to understand how people use the internet, at home or in other locations. This analysis is useful in understanding how consumers perceive the role of the internet in their lives, and how different forms of internet access can change the way consumers engage with service providers and particular internet applications.

Figure 3.4.1 outlines the range of activities performed by all home internet users. Information search, email communications and general browsing are the most popular activities reported by home internet users in the Amárach Trends series surveys. There has been particular growth in usage of a number of activities in the last year including the use of the internet as an entertainment tool for activities like gaming, online shopping and getting news updates. The internet is frequently noted as a communications tool for home users, either using email communications, and increasingly for voice services such as Skype, or for participation in web chat. One participant in a recently commissioned focus group notes,

¹¹ ISDN is PSTN based service which provides the capacity for an internet service with a maximum speed of 128kbit/s. Although providing faster download speed than dial-up, it is not considered a broadband connection.

¹² Q4 2005 is not included as the sample base for this question is different. Therefore data is not comparable to other periods.

¹³ While mobile phone internet connectivity is not included in the calculations of broadband internet access for the purposes of analysis in this report, ComReg recognises investment in increased capacity and download speeds for mobile internet use by operators in Ireland using High Speed Data Packet Access (HSDPA) technology, which may lead to greater adoption and use of mobile broadband in the future.

"My daughter is in Australia and I send her emails and she send me photos and stuff every week or so"

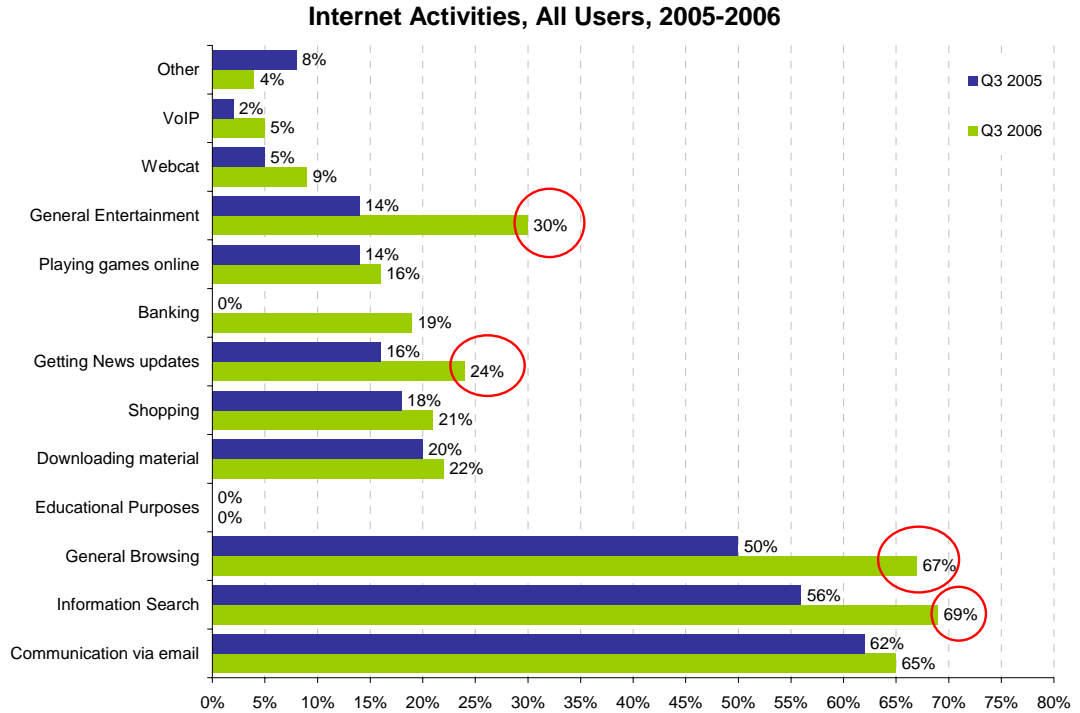


Figure 3.4.1: Internet use among all home internet subscribers Q2 2005- Q3 2005

Red circles noted in Figure 3.4.1 indicate activities where there has been a significant year on year increase in reported internet activity in these particular activities.

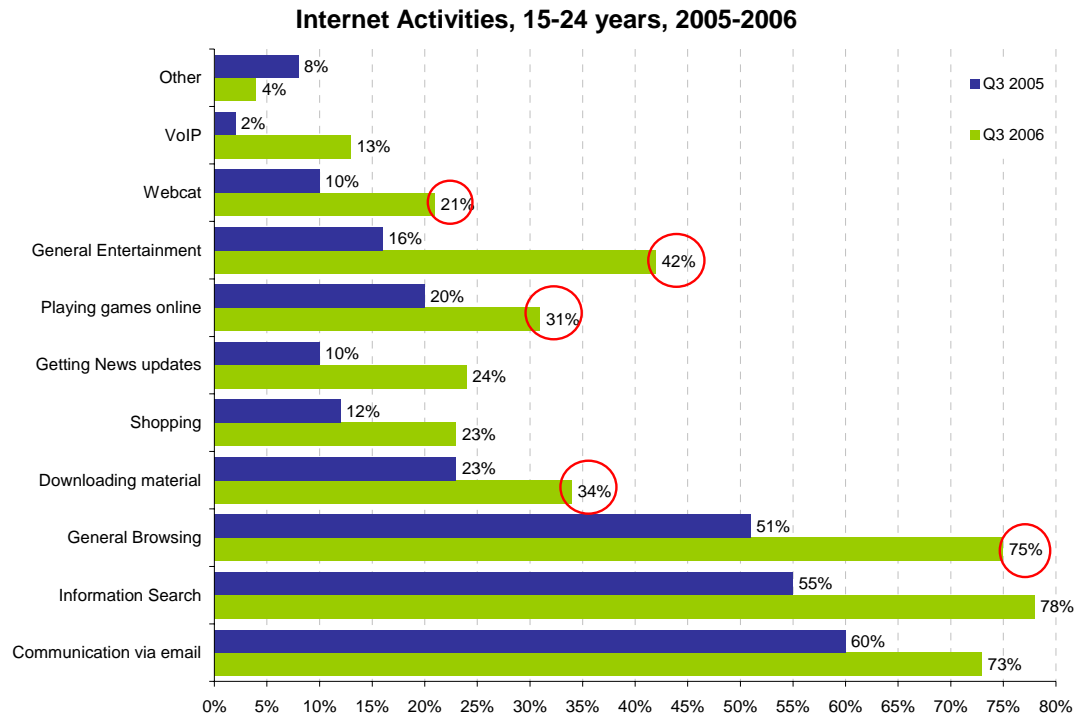


Figure 3.4.2: Internet use among 15-24 year old home internet subscribers Q2 2005- Q3 2005

Figure 3.4.2 examines the activities performed by 15-24 year old home internet users. Levels of responses to questions regarding internet activity differed significantly between this age group and all other internet users. This group tends to use the internet more frequently as a general entertainment tool, compared to the overall sample. They are relatively more likely than the overall sample to download and play games on-line and participate in web communities or webchat. Given the age profile, they are also more likely to use the internet as an educational tool. This age group is however less likely to use the internet for online banking, and for getting news updates. In terms of the overall number of activities performed on a home internet connection, survey responses indicate that 15-24 year olds generally perform a wider range of internet activities than the overall sample, and more activities than any other age cohort.

3.5 Web Communities, Weblogging, Websharing

The Q4 2006 survey wave for the first time asked internet users about their use and experiences of web sharing, blogging¹⁴ or the creation of their own content on the internet. The profile of internet users who use the internet for these purposes reflected the 15-24 year old group as those most likely to use the internet for creating their own online material, reading blogs, or to share their own creative input on the internet. Figure 3.5.1 contrasts all respondents with the 15-24 year old respondent group in this area of research.

¹⁴ A blog is a user-generated website where entries are made in journal style and displayed in a reverse chronological order. Blogging is the action of creating, updating or maintaining a blog. Blogs often provide commentary or news on a particular subject, such as food, politics, or local news; some function as more personal online diaries. A typical blog combines text, images, and links to other blogs, web pages, and other media related to its topic

Q4 2006	All internet users	15-24 year old users
Have you ever created or worked on your own online journal or weblog?	14%	21%
Have you created or worked on your own webpage?	13%	17%
Have you created or worked on webpages or blogs for others, including friends, groups you belong to, or work?	15%	20%
Have you shared something online that you created yourself, such as your own artwork, photos, stories or videos?	20%	27%

Figure 3.5.1: The use of weblogs, creation of webpages, contribution of material online, Source: Amárach

Websites such as Blogger, myspace and bebo have made the creation of individualised online spaces increasingly accessible for internet users. Networking content sites such as bebo, myspace, face book, and flickr among others are being used particularly by younger age groups for social networking and the creation of personalised web content. Respondents to this survey wave reported that 23% of all internet users use, or have used bebo, while a further 8% had used myspace. However, among 15-24 year olds instances of use of these sites were much higher with 48% reporting they had used bebo, with an additional 11% using myspace.

As broadband adoption increasingly reaches mass market levels across Europe, it is likely that the consumer experience of the internet will continue to evolve as a result of increasingly complex and content-rich services and applications. The term Web 2.0 has been coined to describe a new generation of web-based services, which include social networking, blogging, wikis¹⁵ or other sites that are built upon online collaboration and sharing among users. While Web 2.0 applications are still being developed, they are likely to include a range of increasingly interactive, content rich internet experience. In order for consumers to effectively experience these new web interfaces broadband is likely to play a more vital role in fulfilling the consumer internet experience.

3.6 Frequency of Internet Use

All internet users in the Q4 2006 survey were asked about how frequently they used the internet. Figure 3.6.1 compares frequency of internet use by all internet users in Q4 2005 and Q4 2006.

¹⁵ A wiki is a website that allows the visitors themselves to easily add, remove, and otherwise edit and change available content, typically without the need for registration. This ease of interaction and operation makes a wiki an effective tool for mass collaborative authoring. e.g. Wikipedia

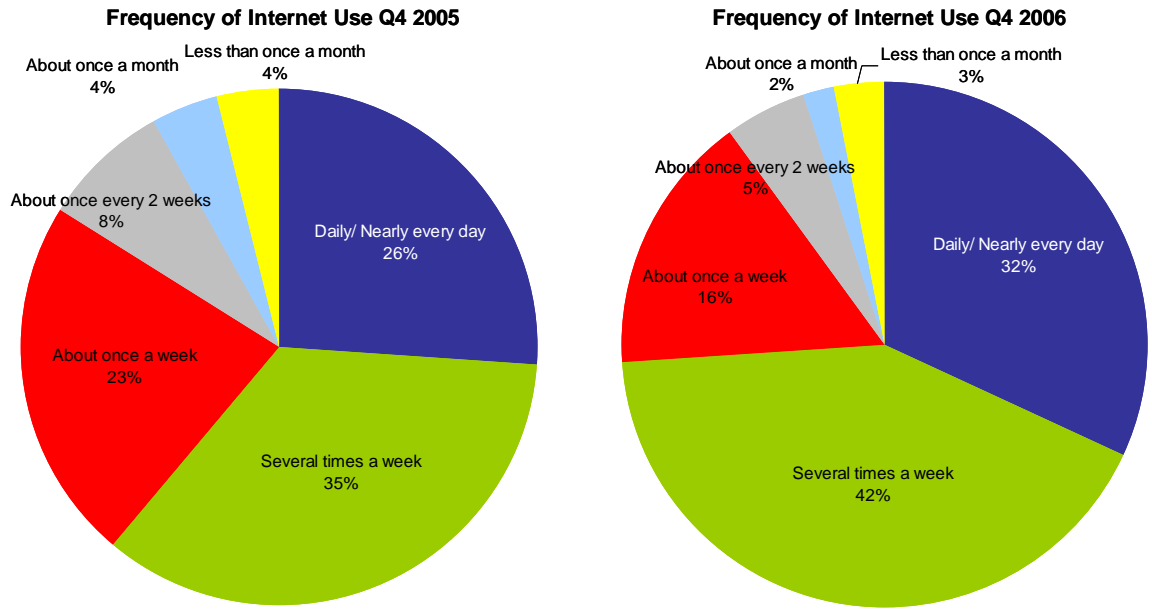


Figure 3.6.1: Frequency of use of the internet, Q4 2005 and Q4 2006, Source: Amárach

The Q4 2005 Trend's series survey found that 61% of respondents used the internet daily or at least several times at week. In comparison, one year later, this had increased to 71% of internet users. Men are more likely to use the internet more frequently than women, and 25-44 years are the most frequent users by age group.

4 Broadband Usage

4.1 Broadband Adoption Trends

Figure 3.3.1 outlines the home internet access profile in Ireland, and how it has changed in the last two years. The ComReg Quarterly Report uses industry data to calculate the total number of broadband subscriptions in Ireland. In September, this report¹⁶ noted that there were 436,700 broadband subscribers in Ireland, 71%, or 310,000 of whom were estimated to be residential subscribers to broadband services. This equates to a household broadband penetration rate of around 21%¹⁷ in September 2006.

Broadband in the Amárach survey series includes those respondents who claim to use either a DSL, fixed wireless service, cable modem broadband or satellite broadband service. In Q4 2006 45% of those with home internet access used some form of broadband internet. This however was not evenly distributed over key demographic groups. Figure 4.1.1 outlines instance of broadband subscriptions among home internet users across the main geographic regions, and among higher and lower income groups.

Overall	Dublin	Rest of Leinster	Munster	Ulster/Connaught	Higher Income	Lower Income
45%	68%	43%	36%	30%	47%	43%

Figure 4.1.1: Proportion of broadband users among home internet subscribers Q4 2006, Source: Amárach

4.2 Barriers to Broadband

The Trends survey series often asks narrowband internet users about their reasons for not subscribing to broadband. Responses to this category of questions identify two categories of narrowband subscribers and their intentions towards broadband—those who do not want a broadband connection (i.e. lack of demand), and those who cannot access broadband services in the home (i.e. lack of access). These two factors are often described as demand-side and supply-side barriers to the ubiquitous adoption of broadband in the home.

The most recent survey results suggest that 48% of home narrowband users have considered moving to broadband. The Wave 4 2006 survey asked narrowband internet users if they had been unsuccessful in attempting to connect to broadband in the past. In Q4 2006, 28% of internet subscribers who use a narrowband subscription reported they had attempted to subscribe to a broadband service to be told it was unavailable to them. This equates to around 15% of all home internet subscribers, or 5% of the overall sample interviewed. This is further illustrated in Figure 4.2.1.

¹⁶ http://www.comreg.ie/_fileupload/publications/ComReg0668.pdf

¹⁷ Based on a household figure of 1.4838 million in 2006, source: CSO

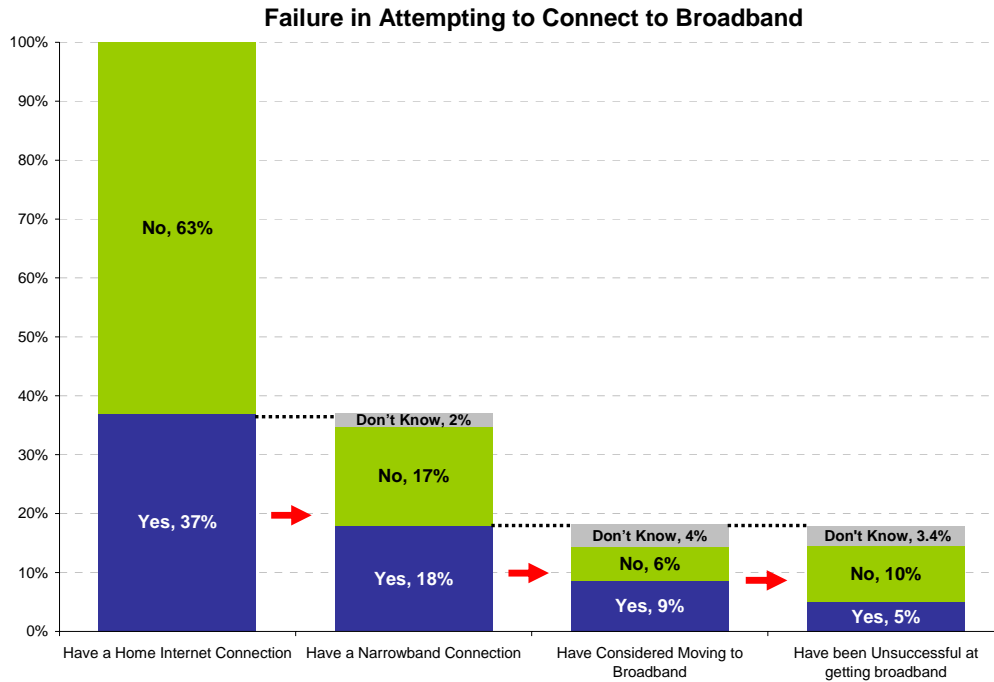


Figure 4.2.1: Those unsuccessful in Attempting to Connect to Broadband

Problems in the availability of broadband or supply-side issues in the adoption of broadband are not evenly distributed country-wide, with those in areas outside of Dublin most likely to say that they had unsuccessfully attempted to connect to broadband.

In addition to those who have been unsuccessful in migrating to broadband in the home, there are a substantial number of broadband users who have either not considered moving to a broadband connection, or have not attempted to migrate to a broadband connection. In addition to supply-side barriers noted above, these consumers most often state that they believe they do not use the internet enough to get benefit from a broadband connection (28%). Non-adopters of broadband also suggest that their current narrowband access is sufficient for their current needs (15%), or that broadband is too expensive (9%). A small number also cited internet security concerns with a broadband connection as their reason for not considering the service.

The 2006 Eurobarometer "*E-communications Household Survey*"¹⁸ examines the attitudes of those narrowband users who are reluctant to migrate to a broadband connection across Europe. Figure 4.2.2 outlines the main reasons provided by narrowband users when asked why they have not subscribed to a broadband service.

¹⁸

http://ec.europa.eu/information_society/policy/ecomm/doc/info_centre/studies_ext_consult/ecomm_household_study/eb_jul06_main_report_en.pdf

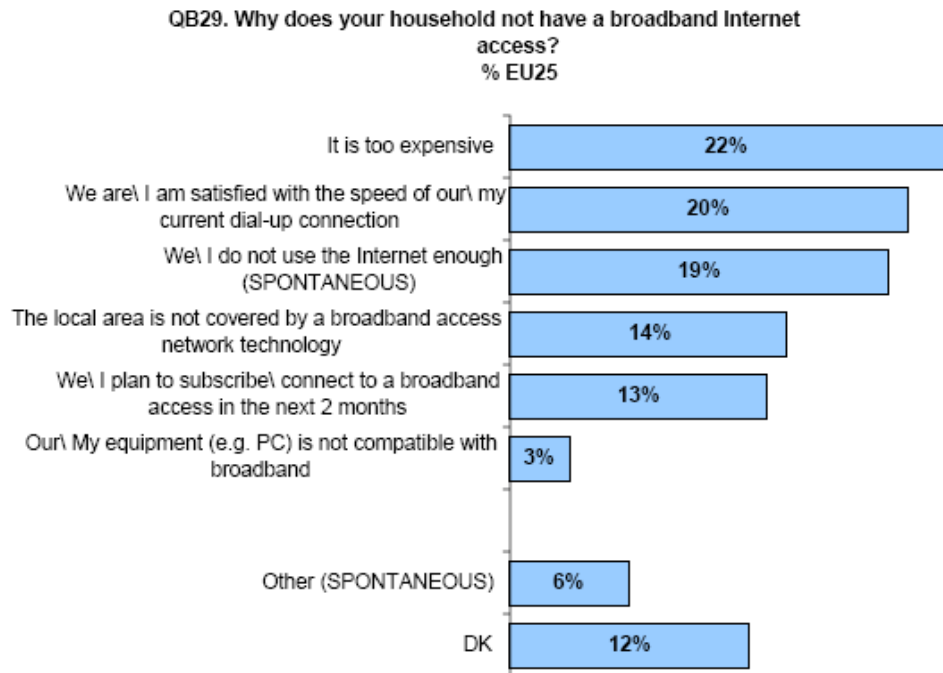


Figure 4.2.2: Reasons For Not Subscribing to Broadband in the EU; Source: Eurobarometer

Across Europe, the most popular response was the perceived cost of broadband, followed by a general level of satisfaction with their current service. Around half of narrowband subscribers suggested they would subscribe to broadband if the current price was reduced by 20%, while lack of broadband access was cited by 14% of narrowband subscribers as their reason for not connecting to broadband.

The increased provision of broadband services nationwide and awareness of the potential benefits of broadband subscription are both recognised as essential to widening the current broadband subscription levels in Ireland. In addition, increasing the awareness of broadband access choice in the market is vital. The Q4 2006 Trends survey indicates that while awareness of broadband access using a DSL service is high among consumers, awareness of other access technologies such as cable, fixed wireless and WiFi remains lower. Increasing consumer knowledge of both the choice of broadband platforms, and the likely benefits of broadband connectivity, such as increased download speed, always-on connection, and simultaneous use of fixed voice and internet services, will be important factors in driving further broadband adoption in Ireland.

5 The Broadband Experience

5.1 Consumer Experience of Broadband in the Home

In the Q4 2006 Trends survey broadband subscribers were asked about their reasons for connecting to broadband. Figure 5.1.1 summarises the reasons stated by respondents.

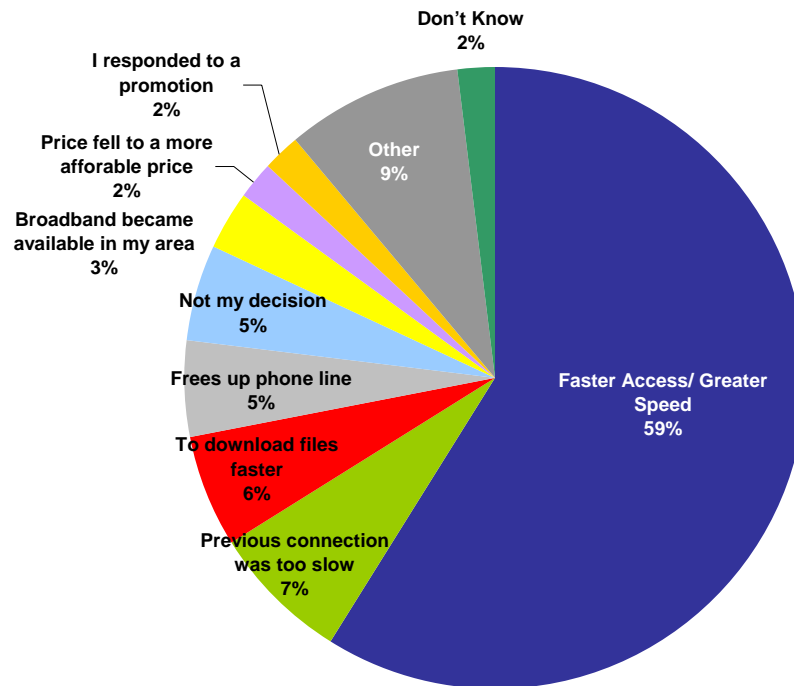


Figure 5.1.1 Reasons for deciding to get Broadband, Q4 2006; source: Amárach

Overwhelmingly, the speed of connection was the most frequently reported factor in deciding to move to broadband. In addition to the 59% who stated faster access, and greater speed, a further 7% stated that their previous connection was too slow, and another 6% stated that broadband allowed them to download files faster. The benefits of speed were also noted by consumers in focus groups conducted in 2006, with one participant noting,

"It used to take me ages to do anything, even check my bank account, and I didn't even bother trying to download anything before I got broadband"

Other features such as an always-on connection, or being able to use the phone and internet connection simultaneously were also noted, but less frequently. Currently broadband users consider there to be an inherent value in faster internet speeds, which enables them to perform existing activities faster, and enjoy new internet experiences via their broadband subscription. However, respondents do not cite any particular "killer application" such as internet telephony or TV over broadband (for which broadband is considered essential), applications which may encourage current narrowband users to migrate to a broadband connection.

In addition to citing faster internet speeds, respondents in the Q4 2006 Trends survey further suggested that since getting broadband, they have spent more time online. Figure 5.1.2 outlines responses provided by home broadband subscribers

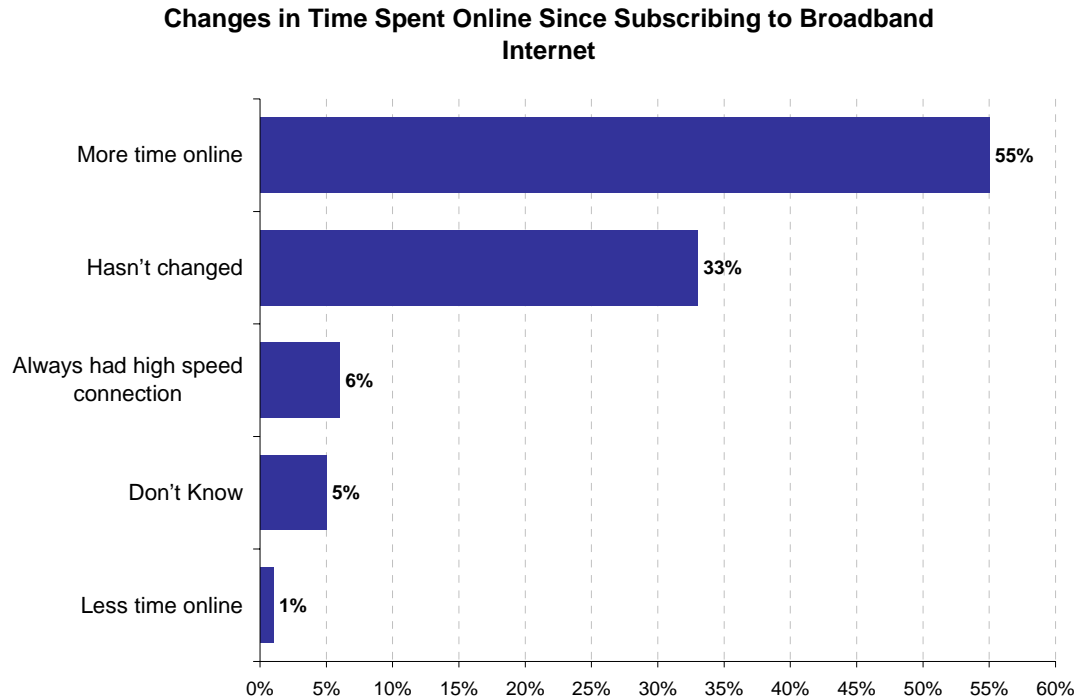


Figure 5.1.2: Changes in time Online since Subscribing to Broadband, Q4 2006; Source: Amárach

Further to the results presented in Section 3.6 of this report, further analysis of the Q4 2006 survey results indicates that broadband users access the internet more frequently than narrowband users; broadband users connect almost five times a week, compared to narrowband users who access the internet on average four times a week.

An analysis of the Q4 2006 survey research wave provides further evidence that broadband consumers are not only using the internet more frequently, but also using the internet more widely, and in particularly availing of higher download speeds to use content-rich services like internet telephony and using the internet as a general entertainment tool. Figure 5.1.3 summarises internet activity reported by respondents, based on whether their home internet connection is broadband or narrowband. Areas where broadband users reported significantly higher levels of activity are circled in red.

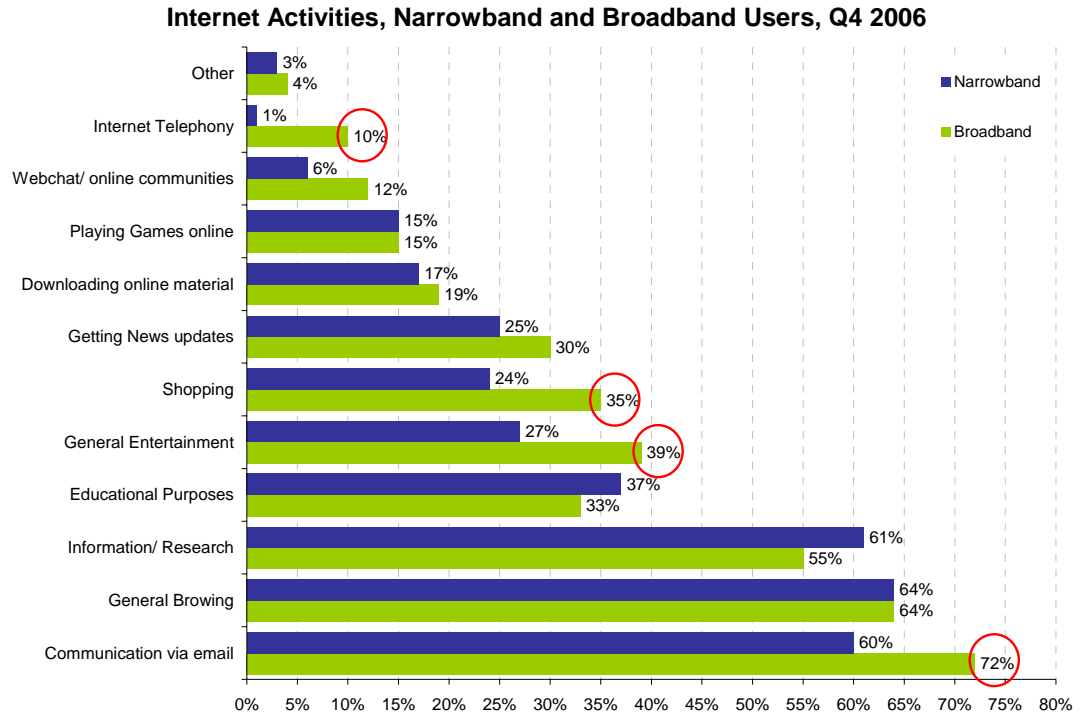


Figure 5.1.3: Internet activities performed by narrowband and broadband home internet subscribers; Source: Amárach

5.2 Comparing Irish and EU Internet Experience- Broadband and Narrowband

Figure 5.2.1 uses Eurostat data to examine the differences between the internet experience for broadband and narrowband consumers. It further contrasts what Irish narrowband and broadband consumers use their connection for, in contrast to EU-25 narrowband and broadband users.

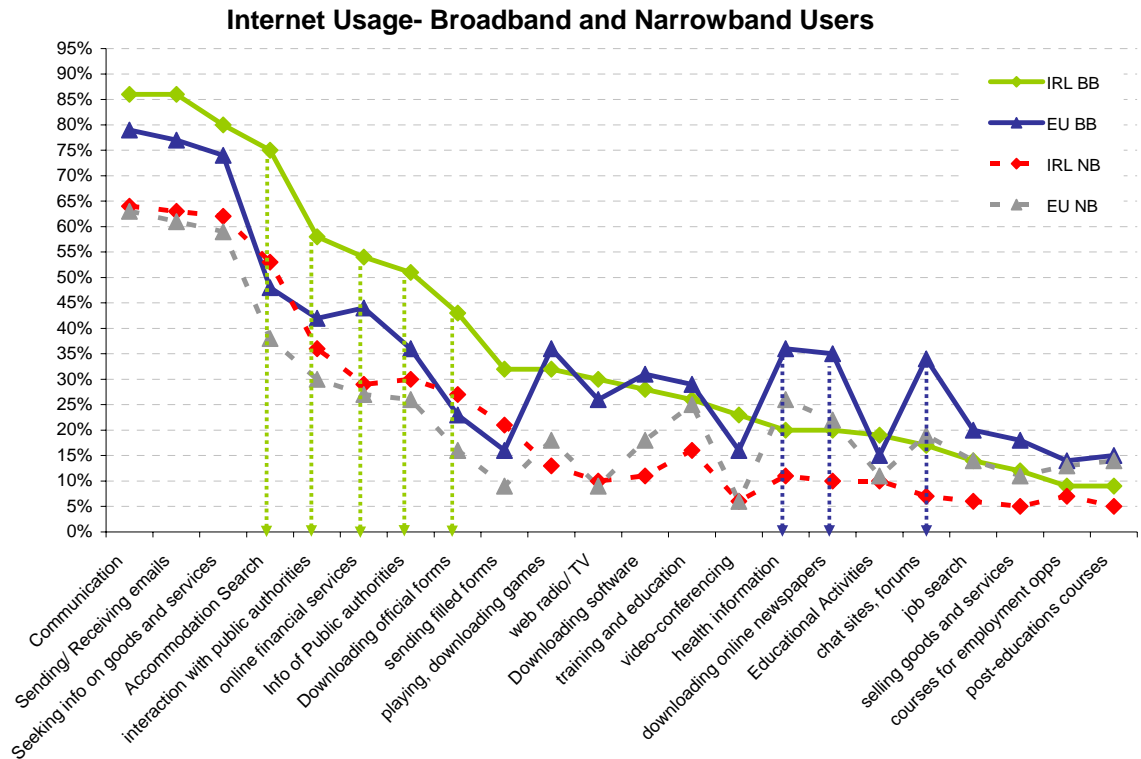


Figure 5.2.1: Comparing EU and Irish Broadband and Narrowband Internet Behaviour, Source: Eurostat

In examining Figure 5.2.1, a comparison can be made by examining broadband usage activities in Ireland (illustrated by a green solid line) and narrowband user activities in Ireland (noted by the red dashed line). Usage levels across all internet activities are higher for broadband users, suggesting that broadband users are consistently using the internet for a broader range of activities than narrowband users in Ireland. This is particularly true where higher bandwidth allows broadband users to access content rich services such as video conferencing, web radio and TV services, and downloading software. Broadband users also show much higher instances of interacting with government and financial institutions online than their narrowband counterparts.

EU-25 internet users and Irish internet users share an overall similar pattern of usage in terms of the most popular activities performed on the internet. Irish broadband users and EU-25 broadband users (indicated by a blue solid line above) both tend to use internet for a wider variety of uses. Irish broadband users are more likely to use the internet for accommodation and property searches (75% of Irish users, compared to 48% of EU-25 users) and seeking information on public bodies (51% of Irish users, compared to 36% of EU-25 users). Areas where Irish users are more likely to access a variety of internet services more than other EU-25 users are highlighted by green arrows in Figure 5.2.1. In contrast, Irish broadband users are less likely than their EU-25 counterparts to report using the internet for seeking health information (20% of Irish users, compared to 36% of EU-25 users). Areas where Irish users are less likely to access a variety of internet services than other EU-25 are highlighted with blue arrow Figure 5.2.1.

Some of these differences in internet usage between Ireland and other EU-25 countries may be attributed to particular cultural factors in relation to Irish consumers, such as strong consumer interest in the property sector in Ireland, in addition to a perceived lack of relevant information on certain areas of internet content in the Irish market. This

argument can be made based on the fact that across areas where Irish activity in certain internet activities is low, it is generally lower for both broadband and narrowband internet users. It would appear that factors other than having access to broadband rather than narrowband internet access, such as the perceived relevancy of content, the availability of other sources of information on a number of areas, and a wide range of cultural factors may be relevant in contrasting Ireland's online behaviour with that of users in other EU member states.

However, this analysis does suggest that the adoption of broadband does change the overall internet behaviour of consumers, in widening both the scope and scale of internet activity in general. This increase in activity is not only focused on what might be described as "high bandwidth" activities such as online gaming, software and music downloads, or internet telephony, but a wide range of more established internet activities such as email, browsing, and using the internet as a general entertainment tool. The role of the internet as an entertainment device was noted by one participant in a 2006 ComReg-commissioned focus group of consumers, who noted,

"My children seem to be spending more time on the internet than watching telly since we got broadband last year"

6 Conclusions

This report is the first of a series of thematic reports examining the telecommunications industry in Ireland using both survey data from a number of periods along with a range of third party research data on internet and broadband markets in Ireland and the EU. While these alternative sources are not always directly comparable in terms of their methodology and approach to data collection and presentation, they do offer a wider range of insights into the internet market and the experiences of consumers in Ireland.

Access to internet and broadband services will continue to impact on how citizens interact with society, for example accessing information on government services, social interaction, general entertainment, research and education, and shopping among others. This report discusses how broadband increases internet activity among consumers enables them to more easily access services that are useful and potentially richer, in terms of a wider use of media such as video and audio services.

Engaging all consumers in this digitally-driven age means overcoming a range of complex barriers such as those discussed in this report, which encompass a range of both demand-side and supply-side issues. Addressing consumer awareness and understanding of the benefits of the internet and broadband will go hand in hand with ensuring that broadband is available nationwide to a receptive and engaged base of consumers, which can in turn benefit from a wider range of internet-based services.