ComReg Trends Survey Q3 2006

Survey Results, December 2006
Prepared by Amárach Consulting

Contents

Introduction

Introduction

- The research contained in this report is based on a quarterly survey by Amárach Consulting of 1,012 adults throughout Ireland, aged 15-74.

- The survey was conducted using face-to-face interviews from 16th August – 13th September 2006, and the results have been weighted up to the total adult population aged 15-74 using the most recent CSO statistics.

- This quarter's report looks at trends in:
  - Fixed Phone Usage
  - Mobile Phone Usage
  - Internet Usage
- In presenting the findings we have taken care to report the sample sizes for each question analysed and we would draw the reader's attention to the table at the end of this report explaining the statistical variance applicable to all survey based studies of this nature.

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Fixed Phone Usage

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Key Findings with regard to Fixed Line Service

- The survey results reveal a continued stabilisation in fixed line subscriptions in recent quarters (72%), with single respondents (35%) and those in the rental sector (57%) least likely to have a fixed line.

- A little less than 2 in 10 fixed line households have a monitored alarm system linked to a fixed line, with those living in Dublin (28%) more likely to be adopting this service.

- Overall 11% of fixed line subscribers complained to their fixed line telephone service provider in the last 12 months. Of those who did complain, grievances mainly related to a fault with the line (55%), a complaint about cost of service (23%), or a billing error (21%).

- Average fixed line spend stands at just over €100 every two months. Spend is highest among younger age cohorts and home internet subscribers.

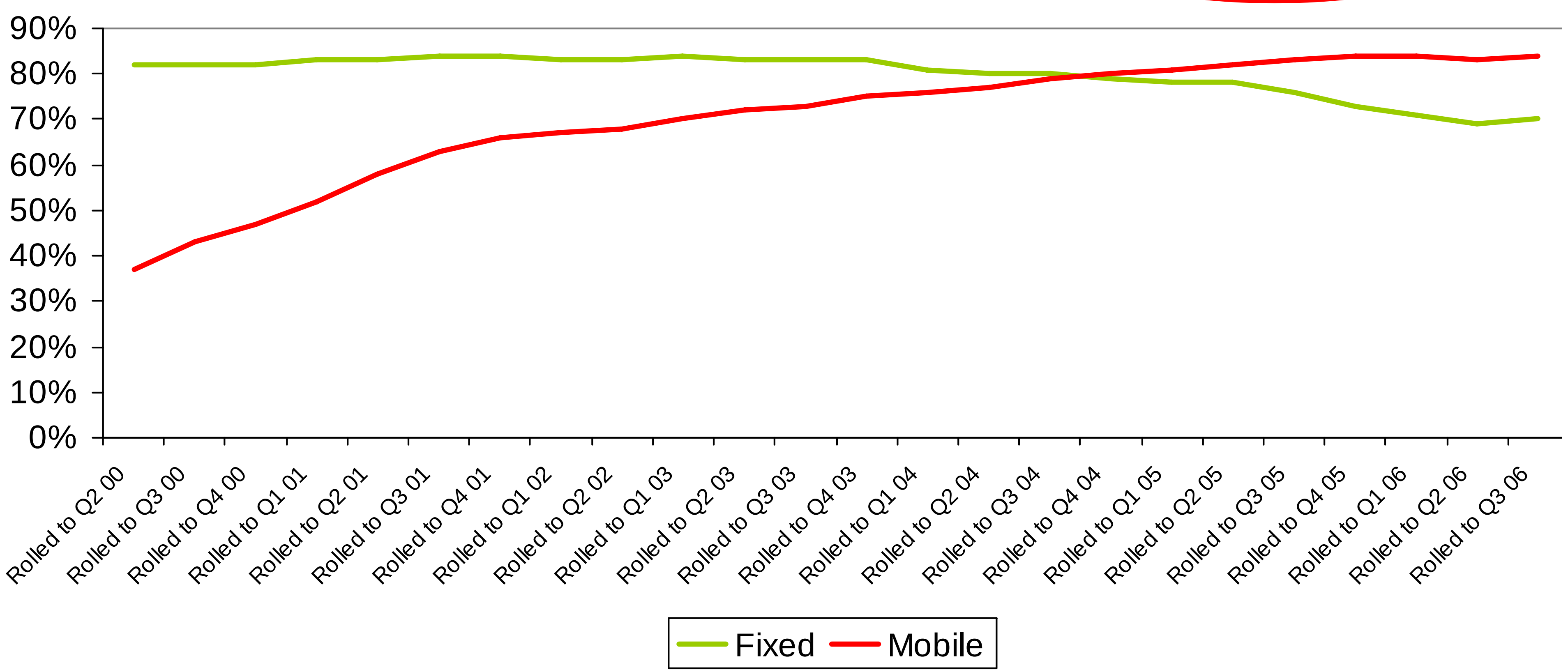
- Less than 1 in 5 of fixed line owners believe that their mobile phone could be considered a substitute for their fixed land line. Those who disagreed were more likely to have home internet access or to conduct business from home. Those in the 15-24 age group are more likely to believe that their mobiles could replace their fixed line phones (30% of 15-24s vs. 17% average for the full population).

- Eircom is the largest residential phone (76%) and directory enquiry (67%) service provider.

Mobile & Fixed Penetration

% of consumers with Fixed Line Phone vs. % with Mobile Phone

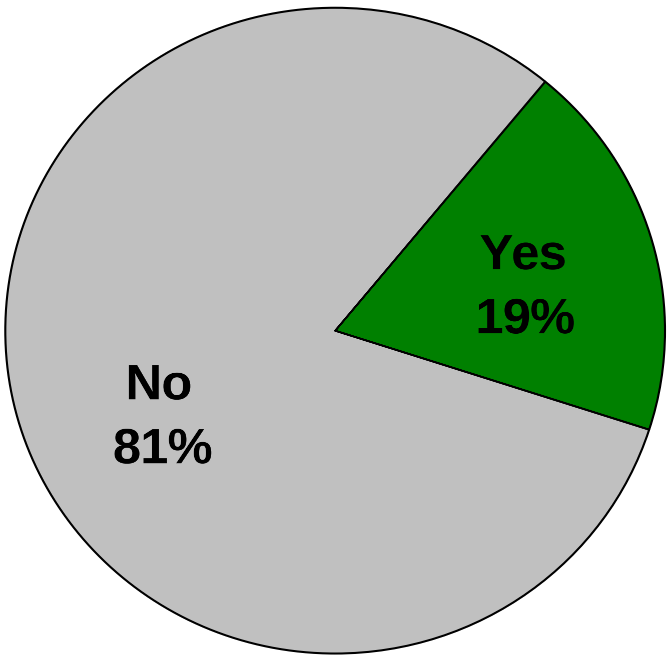
Rolled to Q3 2006
Mobile Level: 87 %
Fixed Line Level: 72 %



*Source: ComReg Trends Survey, **1999-2006***

Base = All Respondents, N= 1012 in Q3 2006

Almost 20% of Fixed Line Subscribers use a Monitored Alarm System



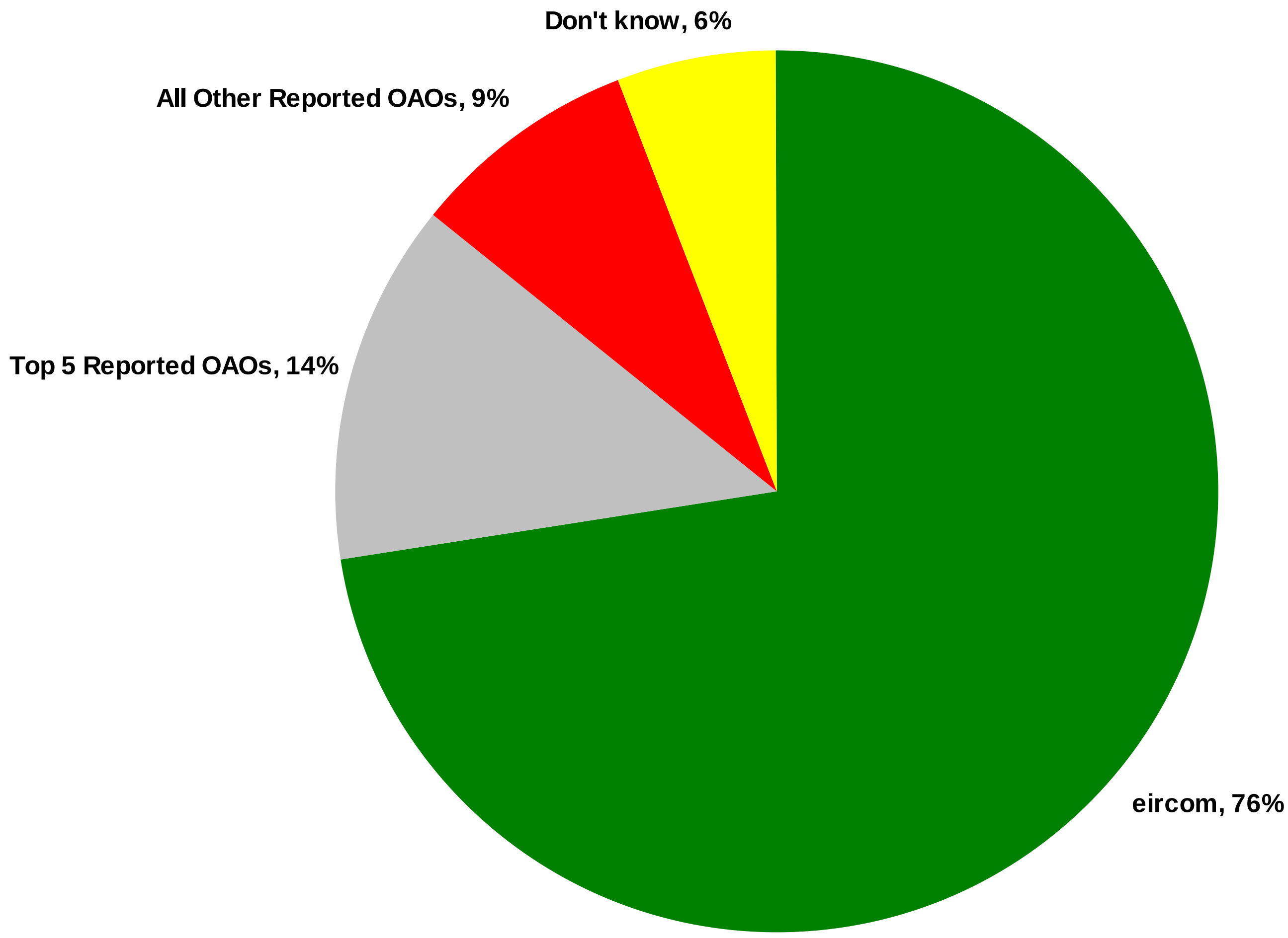
Percentage who said Yes:

Income Level	
Higher Income Groups	25%
Lower Income Groups	14%
Age	
15-24	21%
25-44	19%
45-64	21%
65-74	13%
Region	
Dublin	28%
ROL	14%
Munster	15%
Conn/Ulster	22%

Subscribers to a monitored alarm system may incur additional costs should they wish to subscribe to a DSL service. This may involve a technician visiting their home to install additional filtering equipment to allow for simultaneous delivery voice, DSL and monitored alarm services.

Q2 Do you have a monitored alarm system in your home which is linked to your fixed line phone?
Base: Has a fixed line in the Home, N=721

Eircom remains the Largest Operator in the Residential Fixed Line Market



Q3 Which, if any, of the following companies do you use for your residential phone service?
Base: Has a fixed line in the home, N=721

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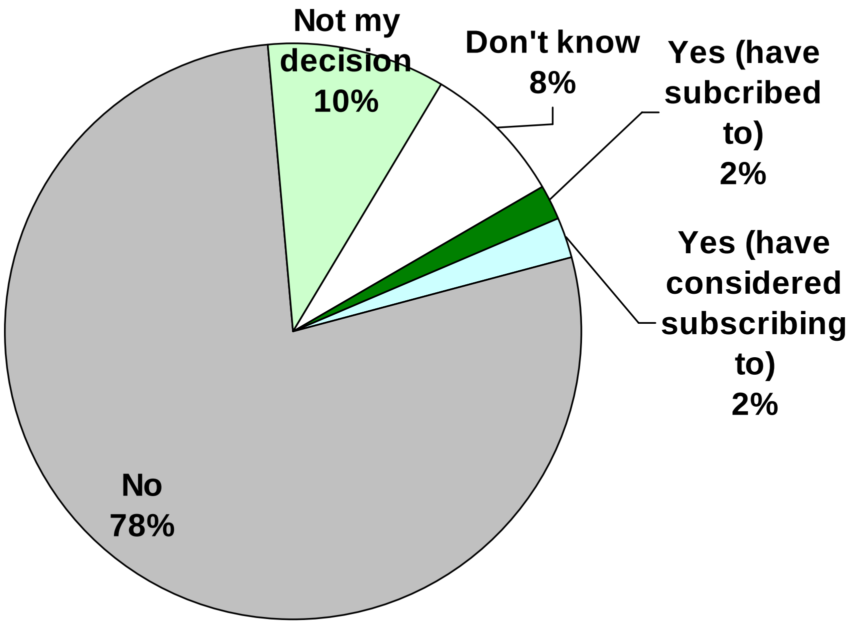
Few Residential Fixed Line users subscribe to a Business Package



• Only 2% of residential fixed line subscribers have subscribed to a business user package for their home phone service.

•Those most likely to have done so are fixed line subscribers who run a business from their home, 9% of whom have used a business package.

Q5 Have you ever subscribed to, or considered subscribing to a business user package for your fixed line phone?
Base: Has a Fixed line in the Home N= 721

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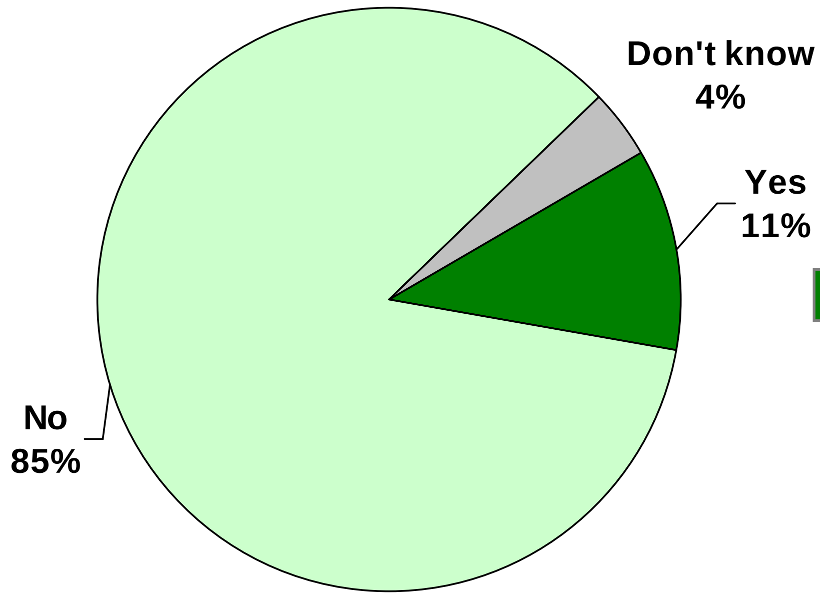
11% of Fixed Line Customers have made a Complaint in the Last 12 months

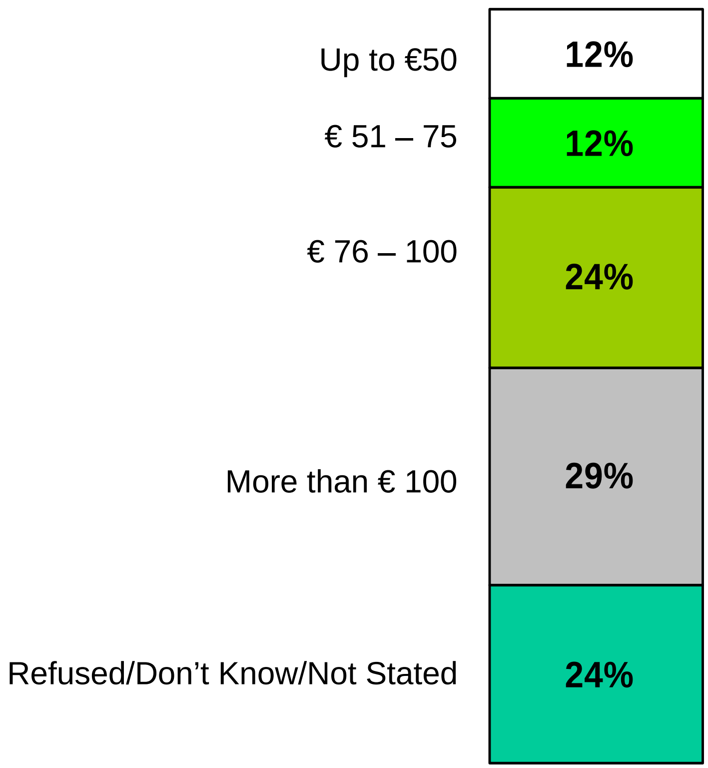


Percentage who complained to Fixed Line Telephone Provider:

Gender	
Male	10%
Female	11%
Age	
15-24	5%
25-44	12%
45-64	13%
65-74	7%
Region	
Dublin	9%
ROL	8%
Munster	13%
Conn/Ulster	14%

Q6 Have you had reason to make a complaint to your fixed line telephone provider about your service in the last 12 months?
Base: Has a fixed line in the home, N=721

Average Bi-monthly Spend on Fixed Line



Average Bill (excl. DK) **€103.57**

Groups with high spend include:

Those with home internet access	**€118.08**
Those unemployed/seeking a job	**€117.94**

Q9 How much approximately was your last bi-monthly phone bill from your telephone service including VAT?
Base: Has residential landline phone: N= 721

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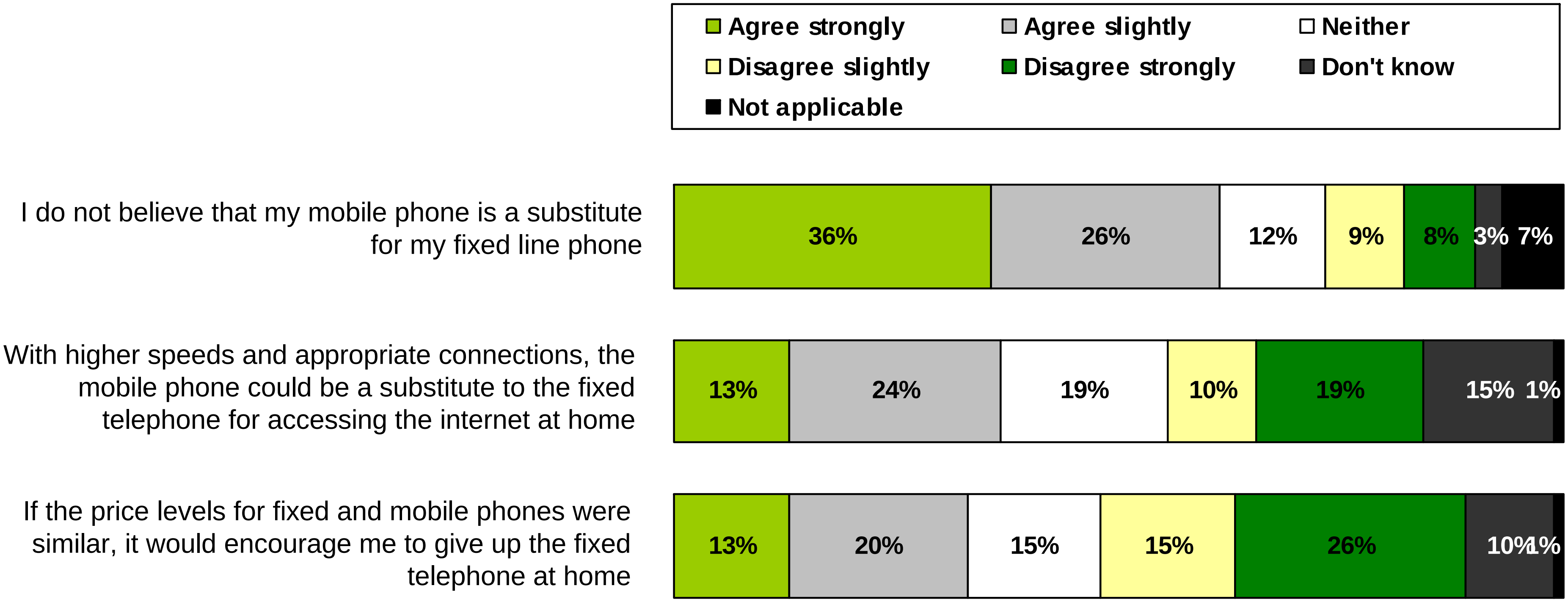
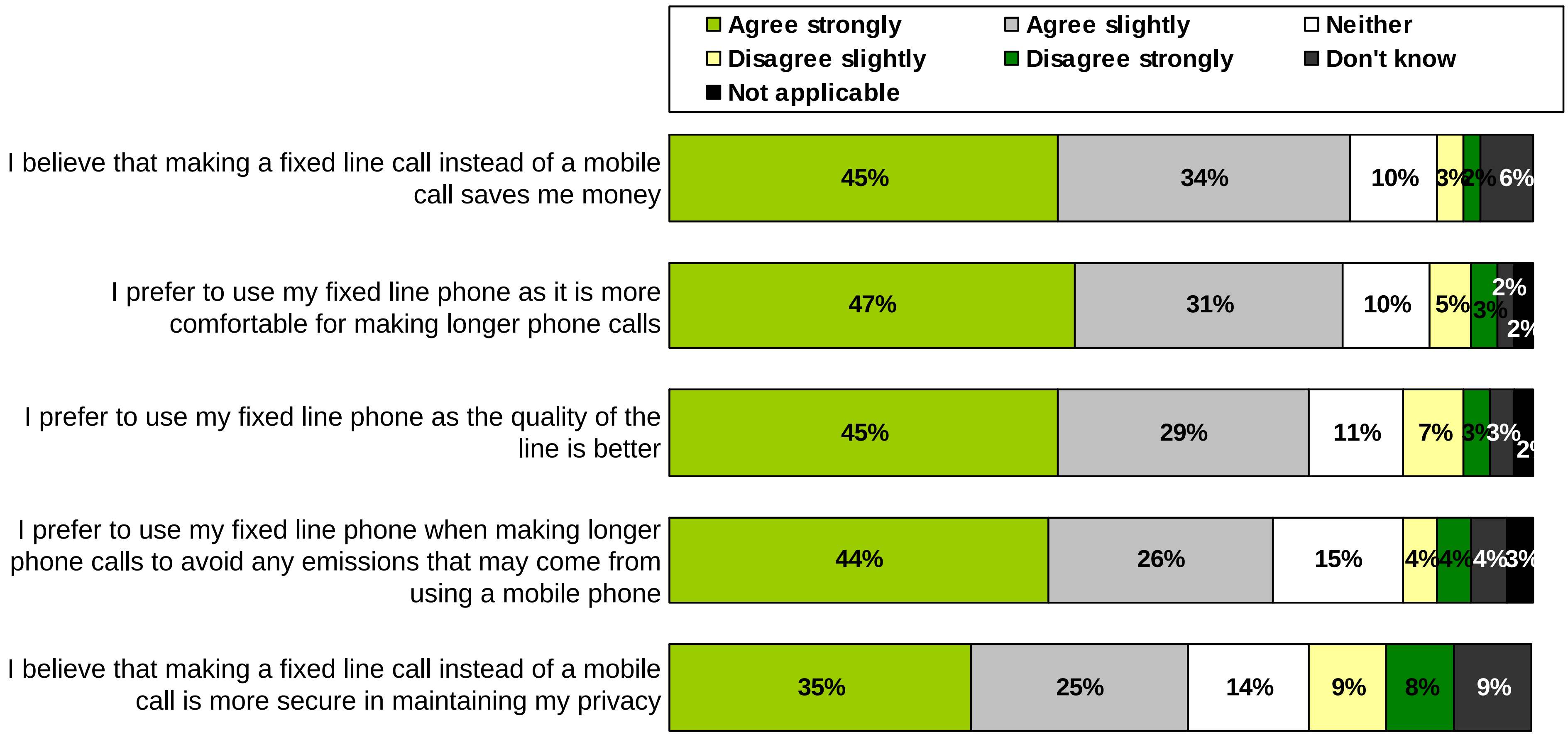
Attitudes Toward Fixed line and Mobile Services



Those aged 15-24 are more likely to believe their mobile phone could be considered a substitute for their fixed line phone, while those aged 45+ are also more likely to agree that if the price levels for fixed and mobile phones were similar, it would encourage them to give up the fixed telephone at home.

Q10 Focusing on FIXED line communications, can you tell me to what extent you agree or disagree with each of the following statements.
Base: Has a fixed line in the home, N=721

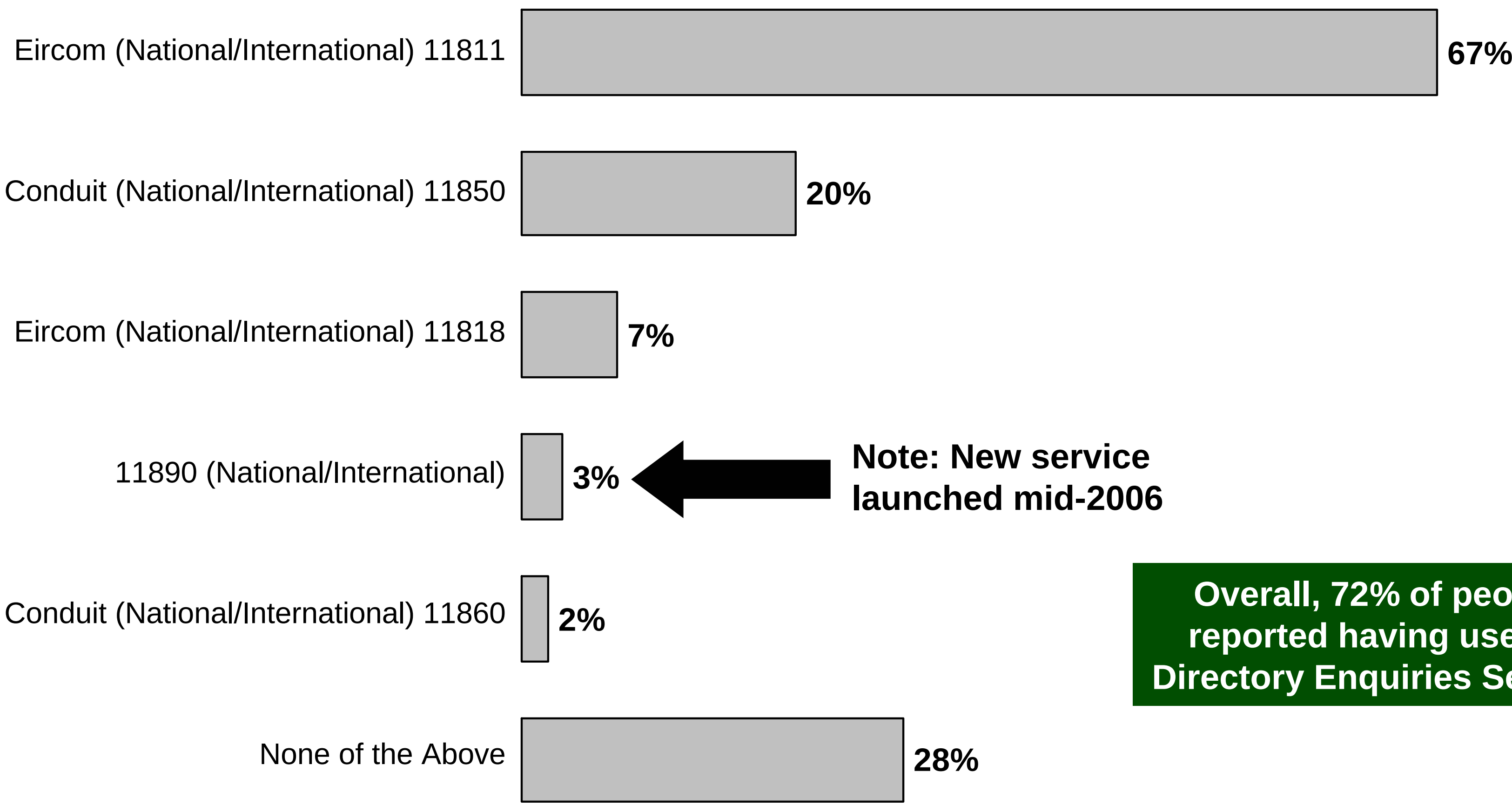
Comparing Usage of Fixed Line Versus Mobile Phones



Younger respondents, i.e. those aged 15-24, are less inclined to agree with all of these statements. This suggests that they are more positively predisposed to mobile phones than older age groups.

Q11 When considering the differences generally speaking between using a fixed line and a mobile phone while in the home, can you tell me to what extent you agree or disagree with each of the following statements.
Base: Has a Fixed line Phone, N=721

Usage of Directory Enquiry Services



Note: New service launched mid-2006

Overall, 72% of people reported having used a Directory Enquiries Service

Younger respondents, i.e. those aged 15-24 (37%), as well as those aged 65-74 (46%), are more likely than average to say that they have never used any of these directory enquiries services.

Q12 Have you ever used any of the following Directory Enquiry Services?
Base: All respondents, N=1012

Mobile Phone Usage

Key Findings

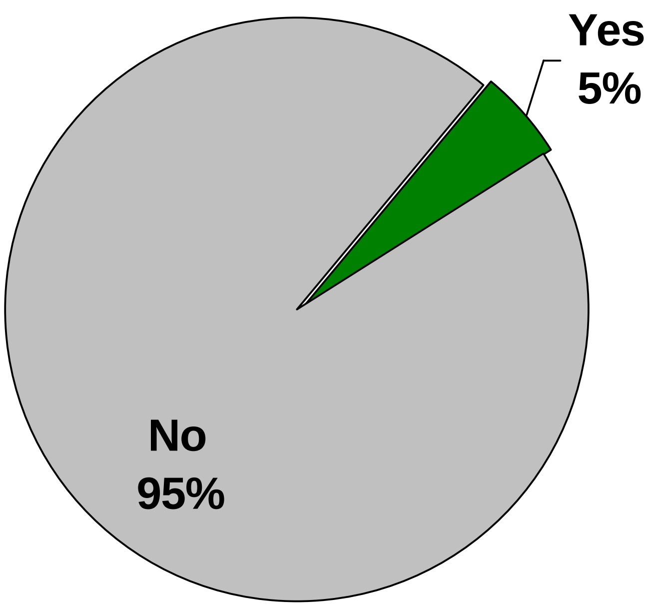
- Vodafone and O2 are the largest players in the marketplace with 51% of residential users reporting a subscription to Vodafone, and 35% reporting an O2 subscription.

- 8% of mobile subscribers have made a complaint to their mobile phone supplier within the last 12 months, with faults relating to poor signal (33%), complaint about cost of service (21%) and an error on the bill (18%).

- Overall, 12% of mobile customers had contacted their mobile operator seeking additional discounts to existing packages, with 9 in 10 of these receiving some form of discount on their contract.

- Average monthly spend on mobile phones is now €54.38 down slightly from the Q2 2006 survey.

5% of Mobile Subscribers have More than One Account

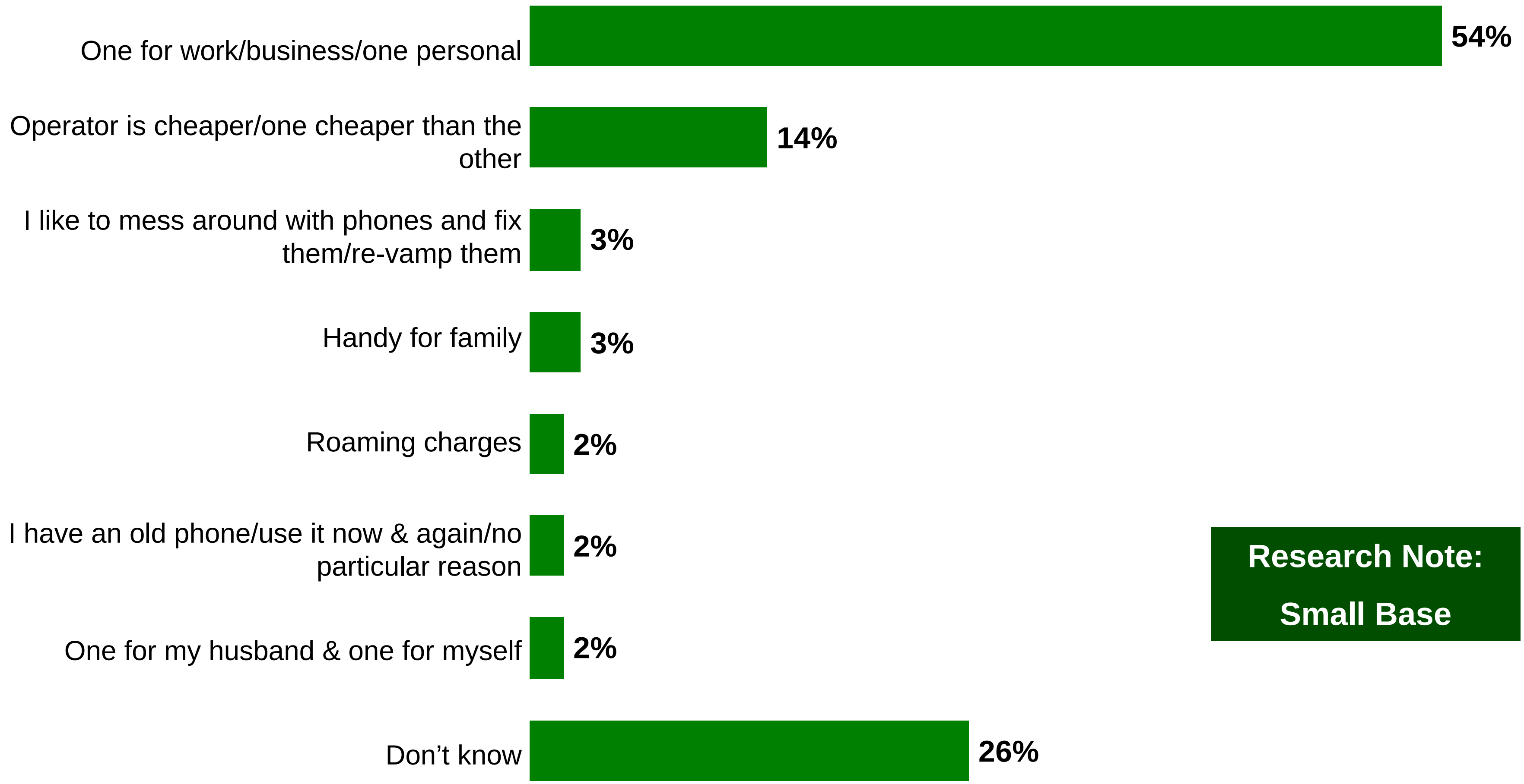


Percentage who said Yes:

Gender	
Male	6%
Female	4%
Age	
15-24	4%
25-44	6%
45-64	6%
65-74	3%
Region	
Dublin	4%
ROL	6%
Munster	2%
Conn/Ulster	10%

Q14 Do you use more than one mobile phone subscription or account, i.e. more than one number?
Base: Has a mobile subscription, N= 884

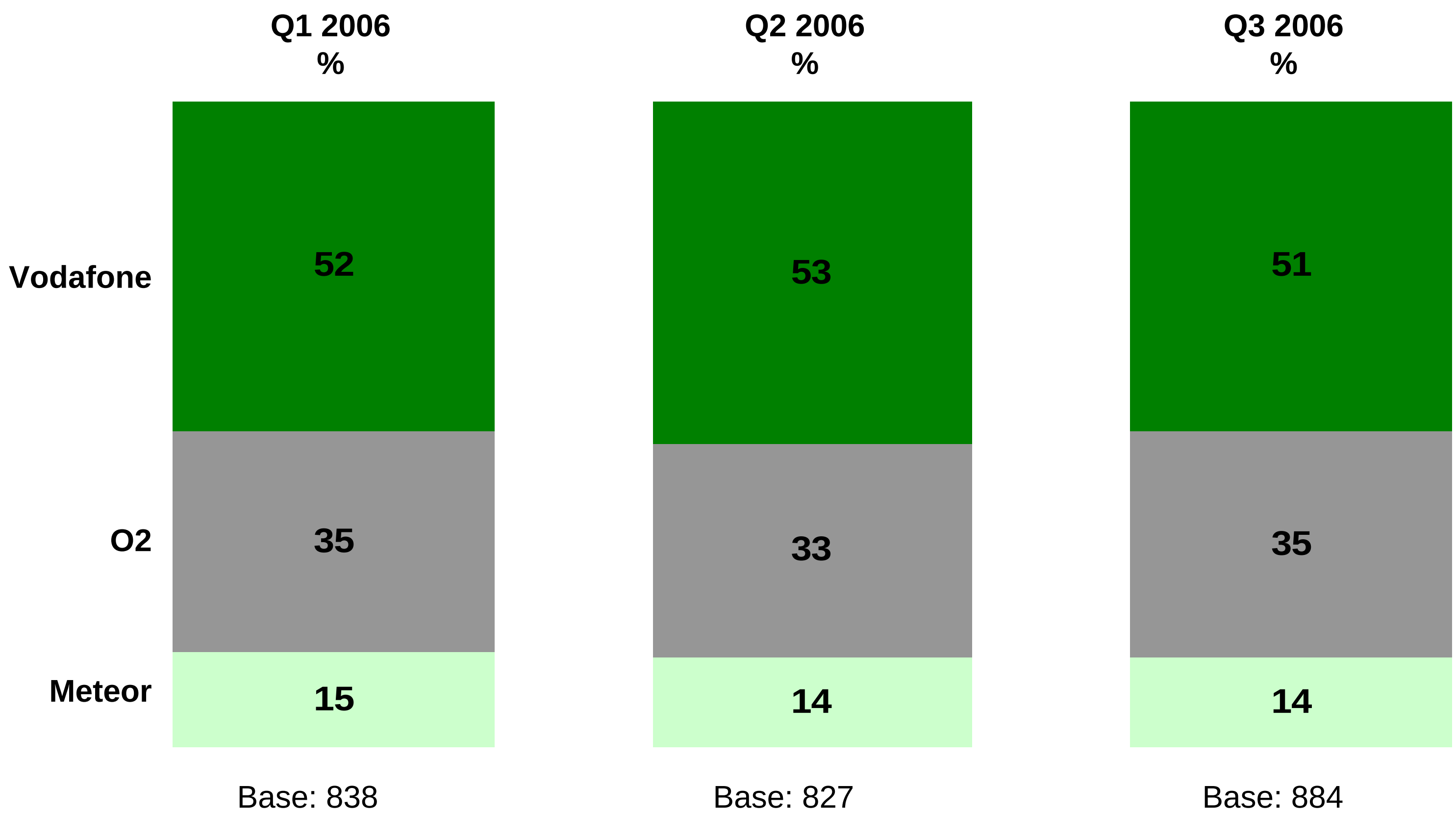
Reasons for Using Multiple Phone Subscriptions



Research Note: Small Base

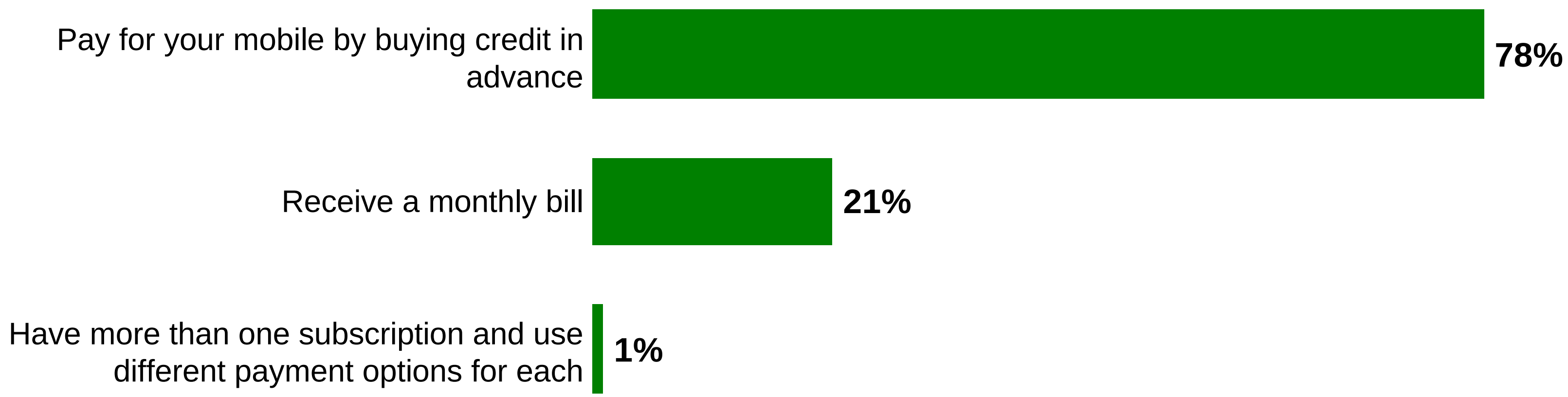
Q15 Why do you use more than one phone subscription or account?
Base: Has a mobile phone, has more than one subscription of account, N=42

Mobile Suppliers



Q16 Who is (are) your mobile supplier (s)?
Base: Has a Mobile phone, N= 884

The Majority of Mobile Subscribers use a Pre-Paid Service

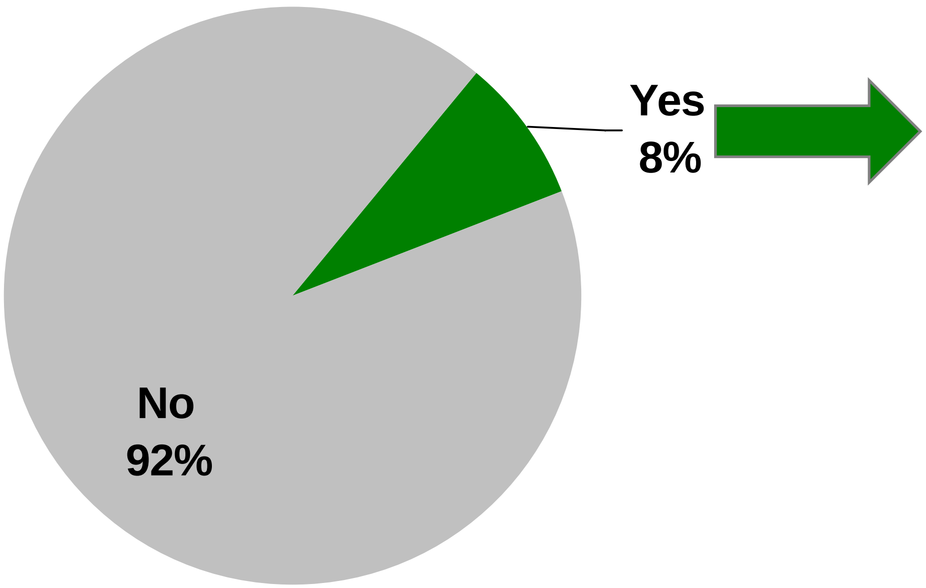


Those most likely to have a prepaid mobile service include lower income groups, 15-24 and 65-74 year olds.

Those most likely to pay for their mobile by monthly bill include 25-44 yr olds, higher income groups, and those who run a business from home.

Q17 Is your current mobile phone service one where you…
N= Has a mobile phone, N= 884

8% of Mobile Subscribers have made a Complaint about their Service in the last 12 Months

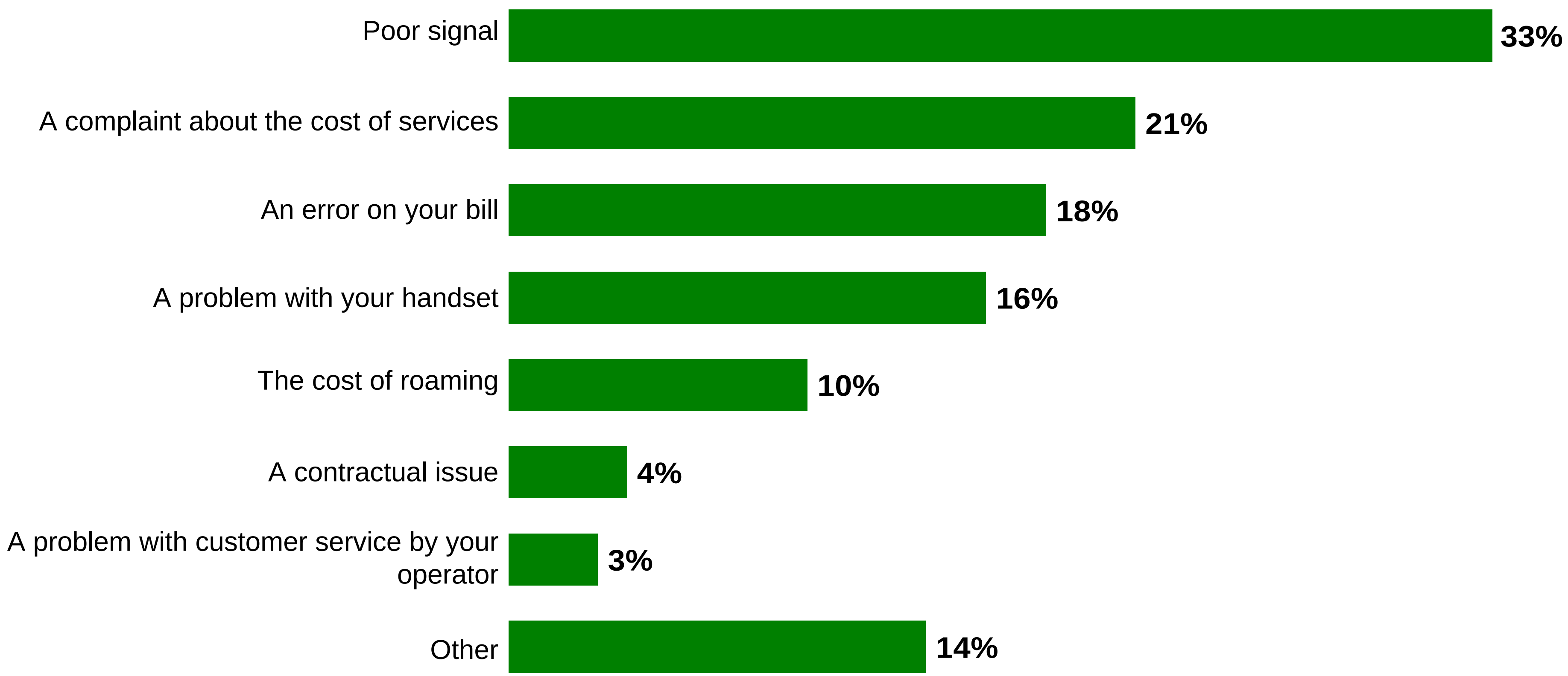


% who said Yes

Gender	
Male	10%
Female	7%
Age	
15-24	7%
25-44	9%
45-64	10%
65-74	5%
Region	
Dublin	7%
ROL	8%
Munster	8%
Conn/Ulster	12%

Q18 Have you had reason to make complaint to your mobile provider about your service in the last 12 months?
Base: Has a mobile phone, N= 884

Reasons for Complaining to Mobile Provider

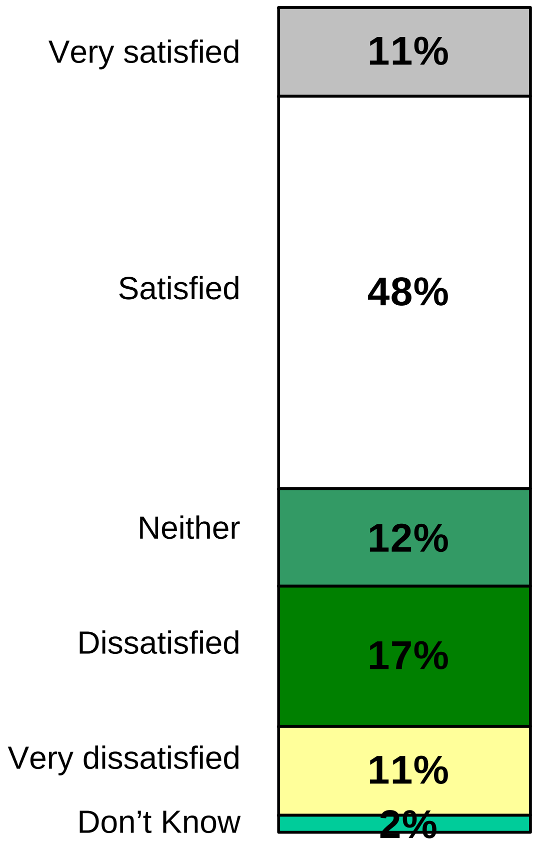


Research Note:

Small Base

Q19 What did your complaint relate to
Base: Has a mobile, has made a complaint to provider
In the last 12 months, N=72

59% of Mobile Users who complained were satisfied with Complaint Resolution



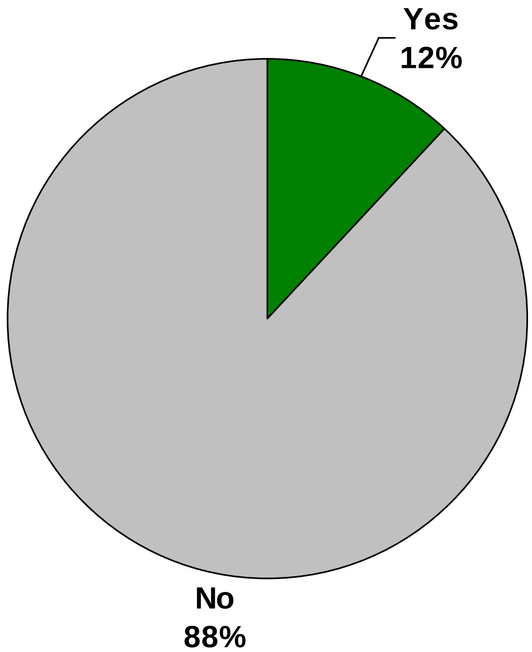
59% of mobile users who made a complaint to their mobile service provider were satisfied with the resolution of their complaint.

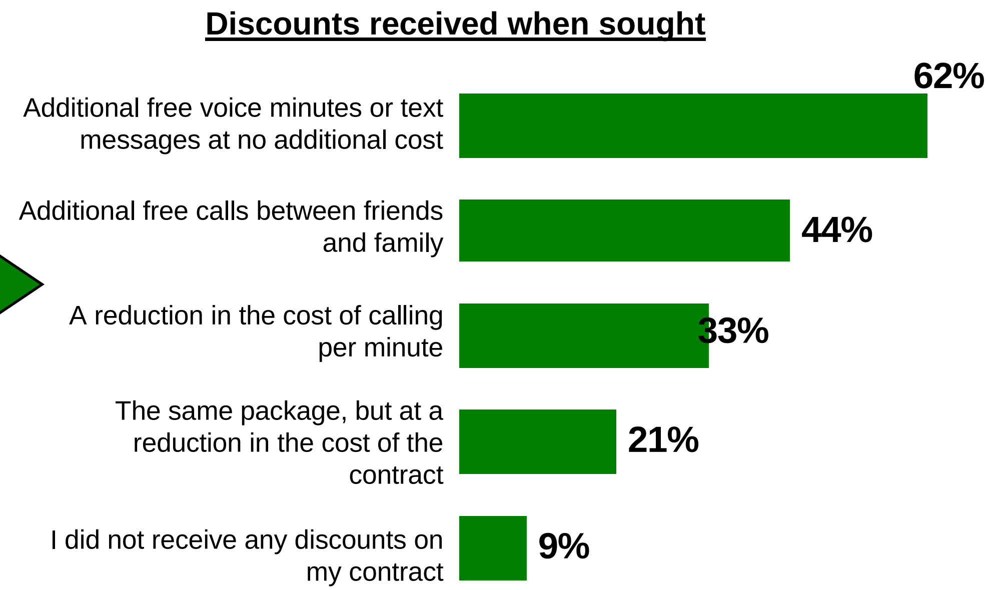
Research Note:

Small Base

Q20 How would you score your satisfaction with the resolution of your complaint by your mobile phone provider?
Base: Has a mobile phone, has made a complaint to a mobile provider in the last 12 months, N= 72

12% of Mobile Users have Sought Additional Discounts





Those aged 15-24 or 25-44 are more likely to have sought discounts than older respondents.

Perhaps surprisingly, Prepaid customers were more likely to receive discounts (97%) than bill-pay customers (85%).

Research Note:

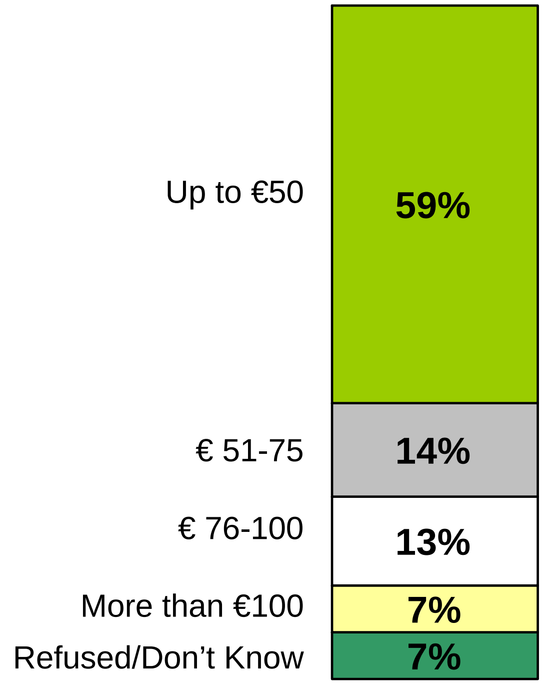
Future survey waves will examine the availability of discounts for both fixed line, internet and mobile subscriptions

Base: Has a Mobile Phone, N=884

Base: Has a mobile, has sought additional discounts to their current package, N= 102

Q21 Have you ever contacted your mobile operator seeking additional discounts to your current package?
Q22. When you contacted your operator with regard to a price reduction, were you able to get…?

Monthly Average Spend on Mobile



Average monthly spend (excl dk) **€ 54.38**

Groups with above average spend include:

Those who run a business from home - €73.03
25-44 year olds - €61.89
Those in employment - €61.74
Males - €60.35
Single respondents - €59.17

Having a landline as well as a mobile phone reduces the average monthly mobile spend to €51.20.

Q23 How much did you spend last month on your mobile phone(s)?
Base: Has a mobile phone, N= 884

Internet Usage

Key Findings

- Internet usage increased this quarter with 5 in 10 respondents using the internet from any location. The highest usage rates were reported by 15–24 year olds. 72% use the internet from home and 34% use the internet from work.

- Over 4 in 10 have an internet connection at home (43%), with the 65–74 age group the least likely to have access at home.

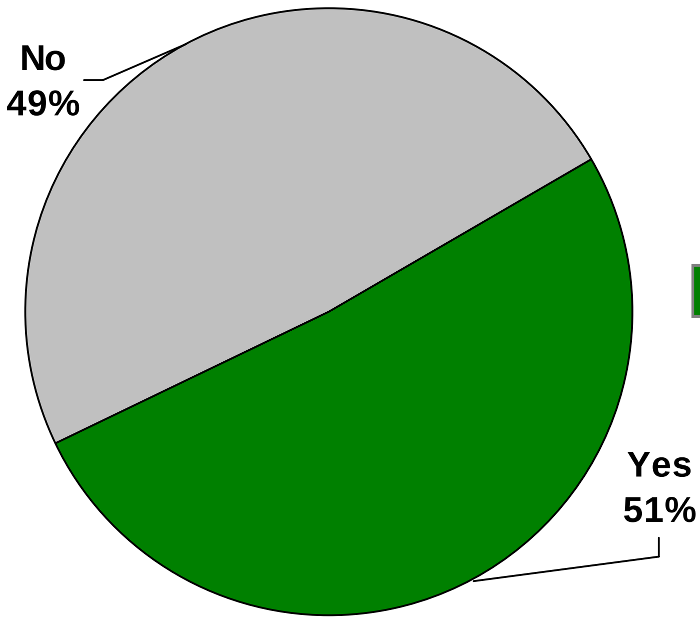
- Of those who do not have an internet connection, 32% are certain to/likely to connect in the future. Of those who do not intend to connect, their reason for doing so relates to minimal need (42%), no home PC (33%), cost (19%) and lack of skills (15%), with cost a bigger factor among 15-24 yr olds and 25-44s, and minimal need as well as lack of skills more likely to be cited by those aged 45+.

- Eircom is the largest internet service provider with 72% of respondents using their service. Broadband internet access is availed of by 48% of respondents.

- The key activities that home internet connection is used for are information search (69%), browsing (67%) and communication via email (65%).

51% of Households have a home PC or Laptop

51% of respondents interviewed reported have a personal computer or a laptop in their home this quarter compared with 48% in Q2 2005

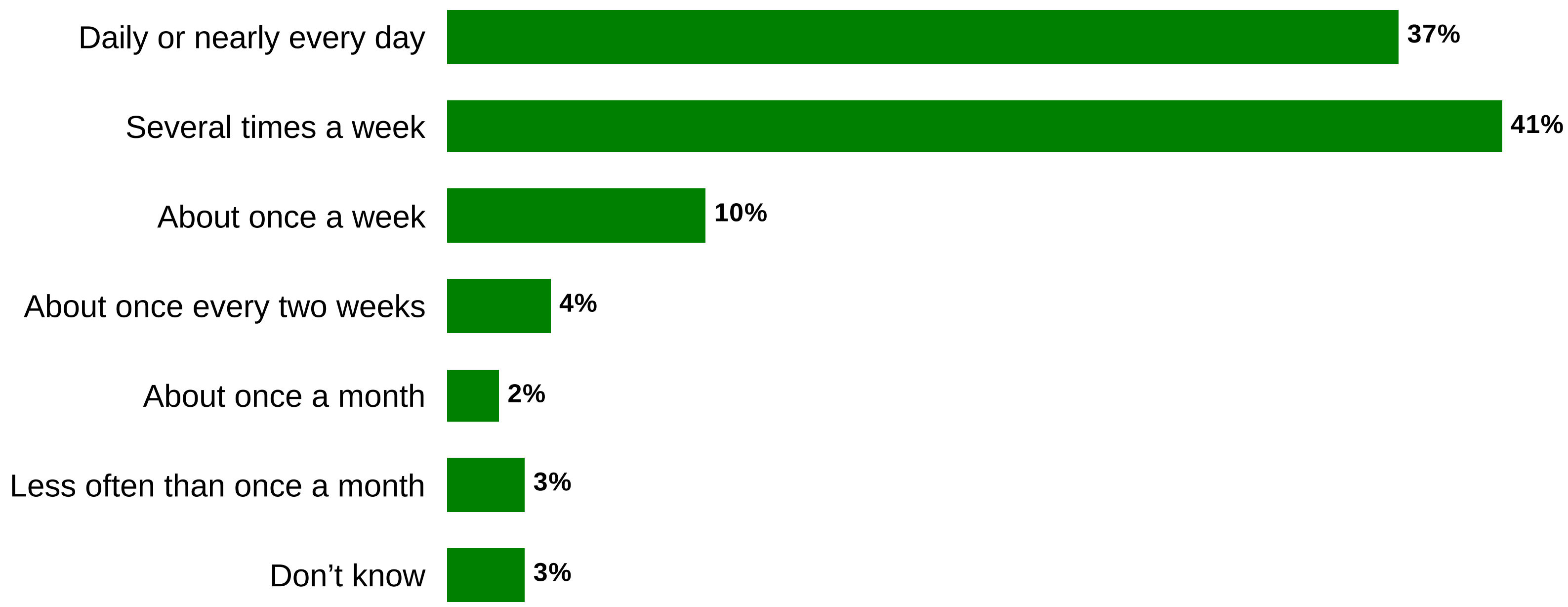


Percentage who said Yes:

Gender	
Male	54%
Female	48%
Income Level	
Higher Income Groups	67%
Lower Income Groups	36%
Age	
15-24	61%
25-44	53%
45-64	51%
65-74	13%
Region	
Dublin	54%
ROL	46%
Munster	53%
Conn/Ulster	49%

Q24 Do you have a Personal Computer (PC) in your house, including laptops that you usually have at home?
Base: All Respondents, N= 1012

Most PC owners use their home computer at least once a week

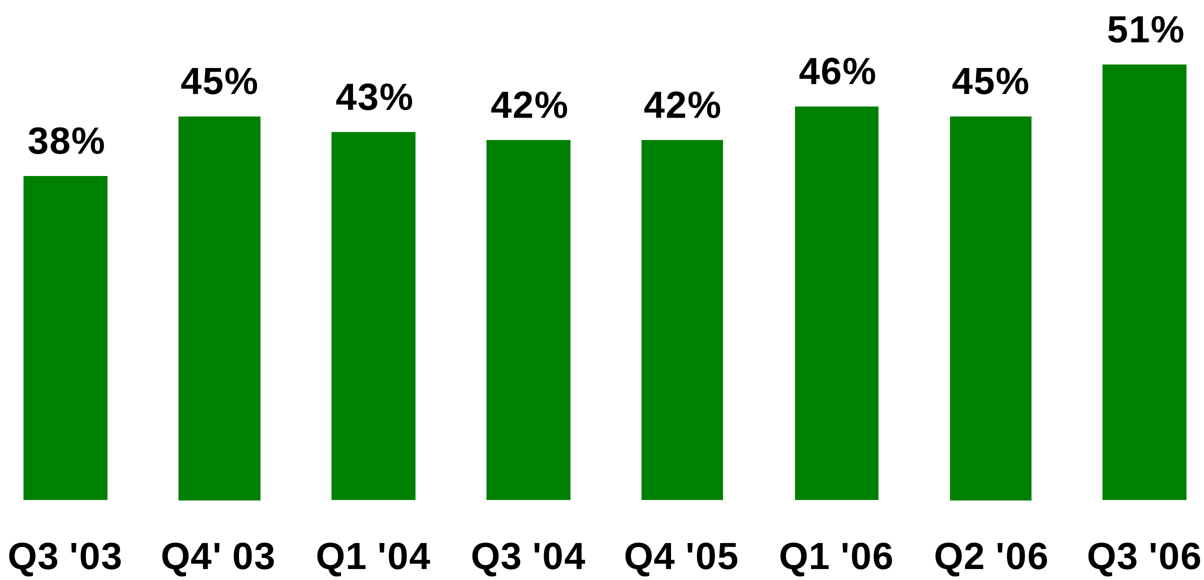


88% of residential PC owners use their PC at least once a week.

Daily or near-daily PC use is more common among 15-24s than among older age groups.

Q25 How often is the PC in your home used, by you or members of your household?
Base: Has a PC in the Home, N= 500

Over 50% of Consumers use the internet

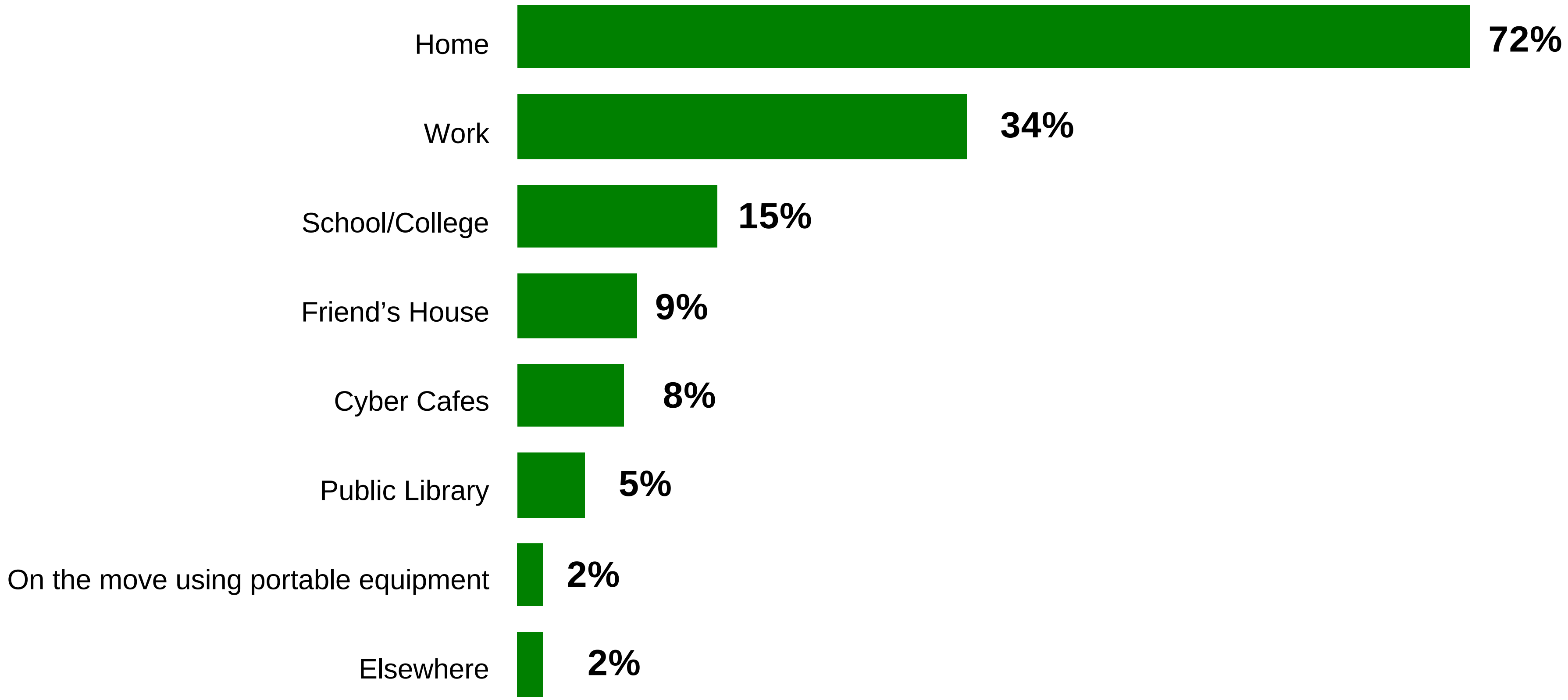


15-24s are more likely to use the internet (73%), as are those who are single (62%). ABC1s are much more likely to be internet users than C2DEs (70% vs. 35%), while students are the most likely users (84%).

26% of those without home Internet access still use the internet from some other location.

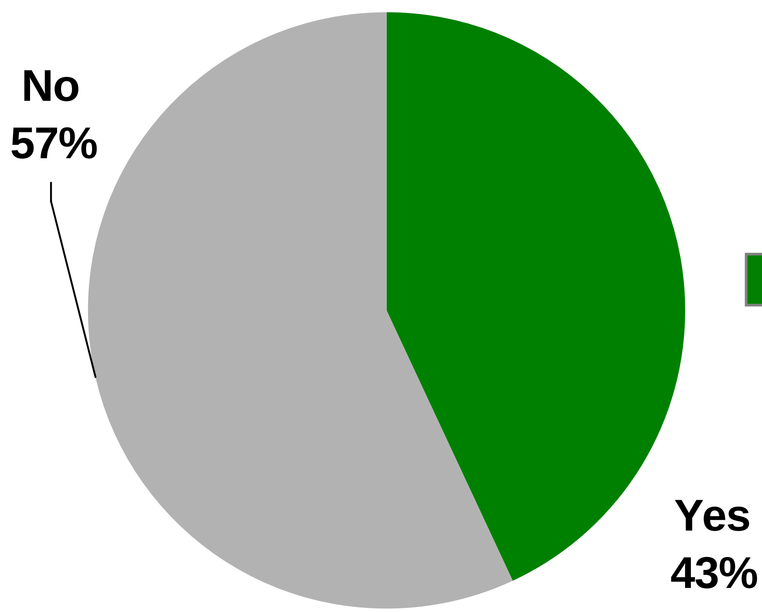
Q26 Do you personally use the internet from any location?
Base: All respondents, N= 1012

Home is the Most Popular Location for Internet Use



Q27 From which of the following locations do you use the internet?
Base: Personally Uses the Internet, N=508

43% of consumers have a Home internet Connection

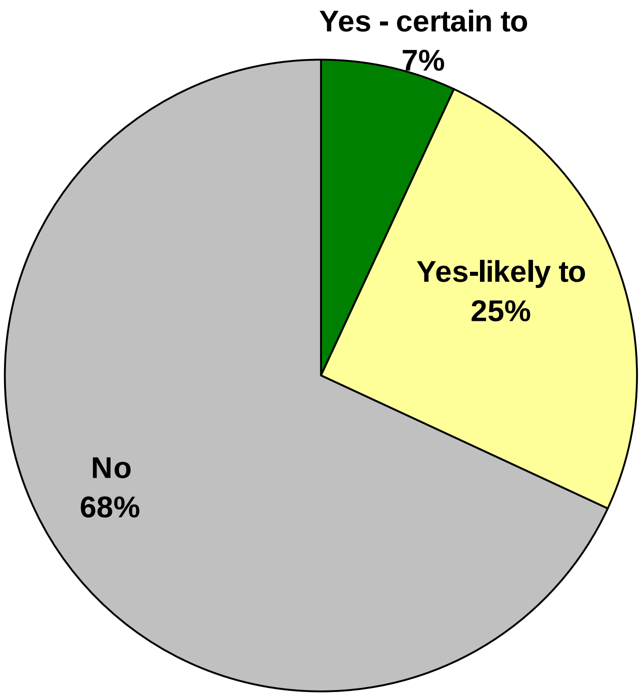


Percentage who said Yes:

Gender	
Male	44%
Female	42%
Income Group	
Higher Income Groups	58%
Lower Income Groups	29%
Age	
15-24	52%
25-44	44%
45-64	44%
65-74	11%
Region	
Dublin	48%
ROL	41%
Munster	44%
Conn/Ulster	36%

Q28 Do you have an internet connection in your home?
Base: All respondents, N= 1012

32% of Non-internet Homes Intend to Subscribe in the Future

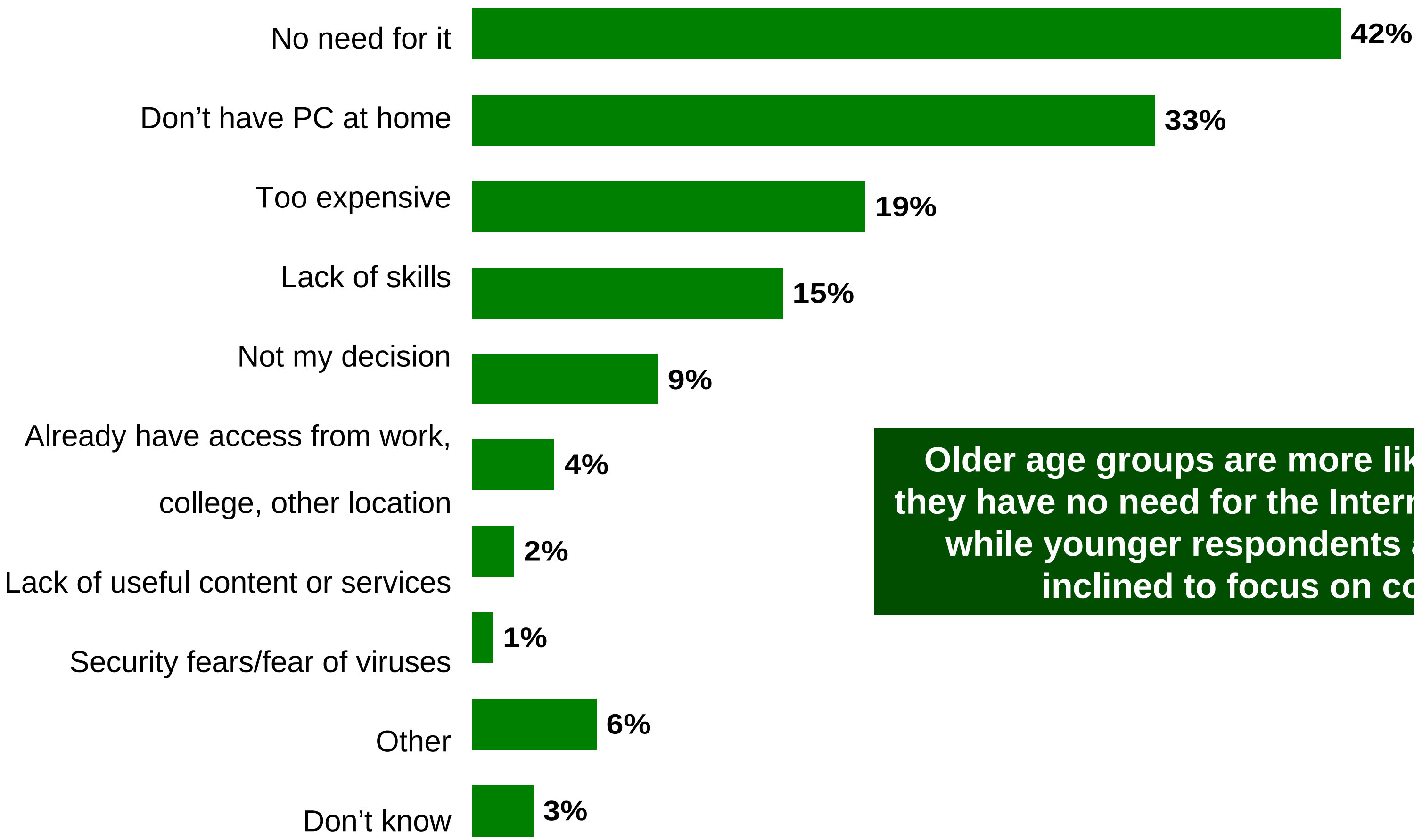


Percentage who said Yes (certain or likely to) :

Gender	
Male	30%
Female	34%
Age	
15-24	36%
25-44	49%
45-64	20%
65-74	3%
Region	
Dublin	32%
ROL	26%
Munster	33%
Conn/Ulster	37%

Q29 Do you intend to get the internet at home in the future?
Base: Does not have an internet connection in the home
N= 590

Rationale For Not Getting The Internet At Home



Older age groups are more likely to say they have no need for the Internet at home, while younger respondents are more inclined to focus on cost.

Q30. Why do you say you won’t get the internet at home?
Base: Does not have an internet connection in the home, and has not plans to get connected N= 400

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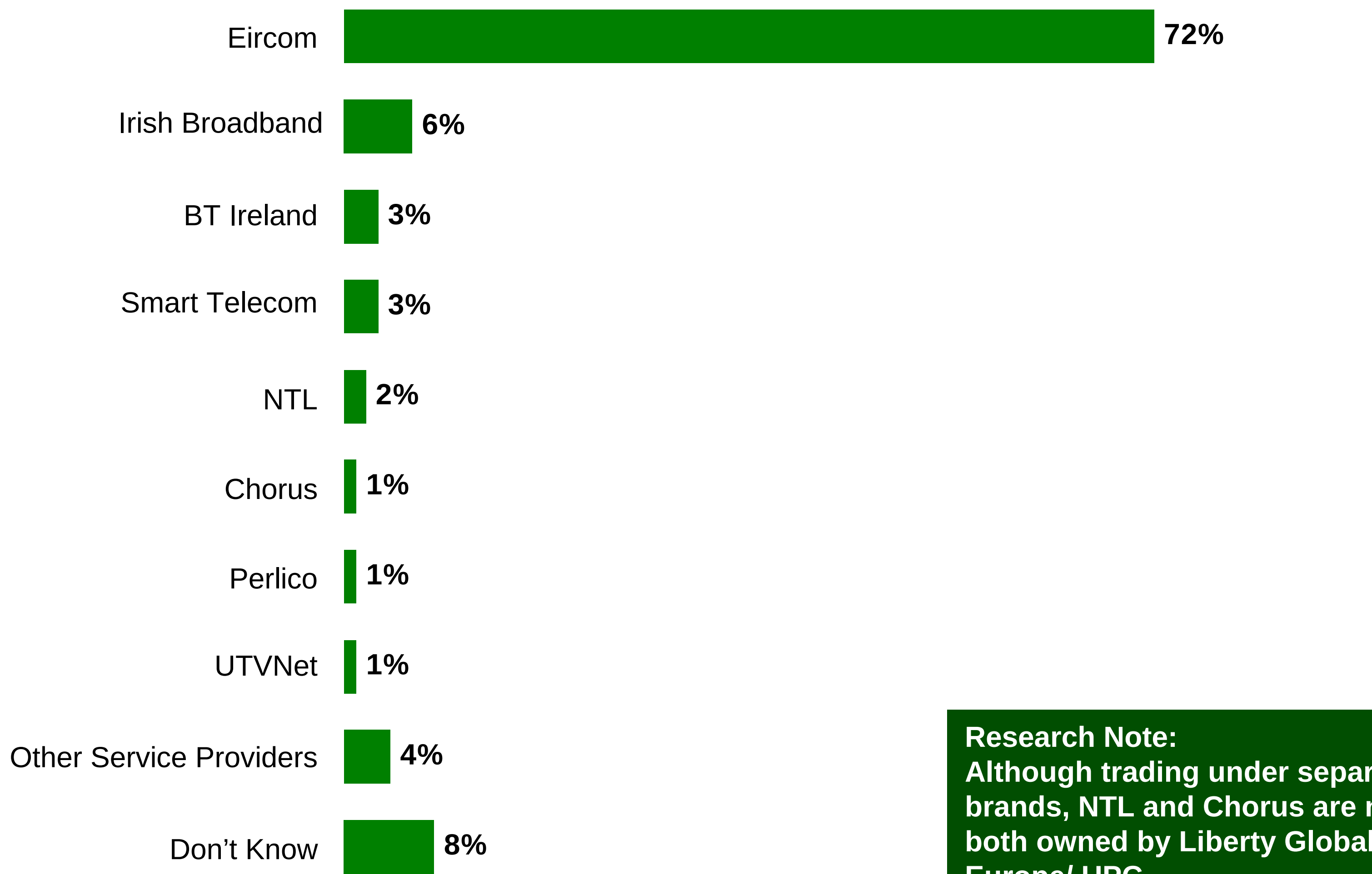
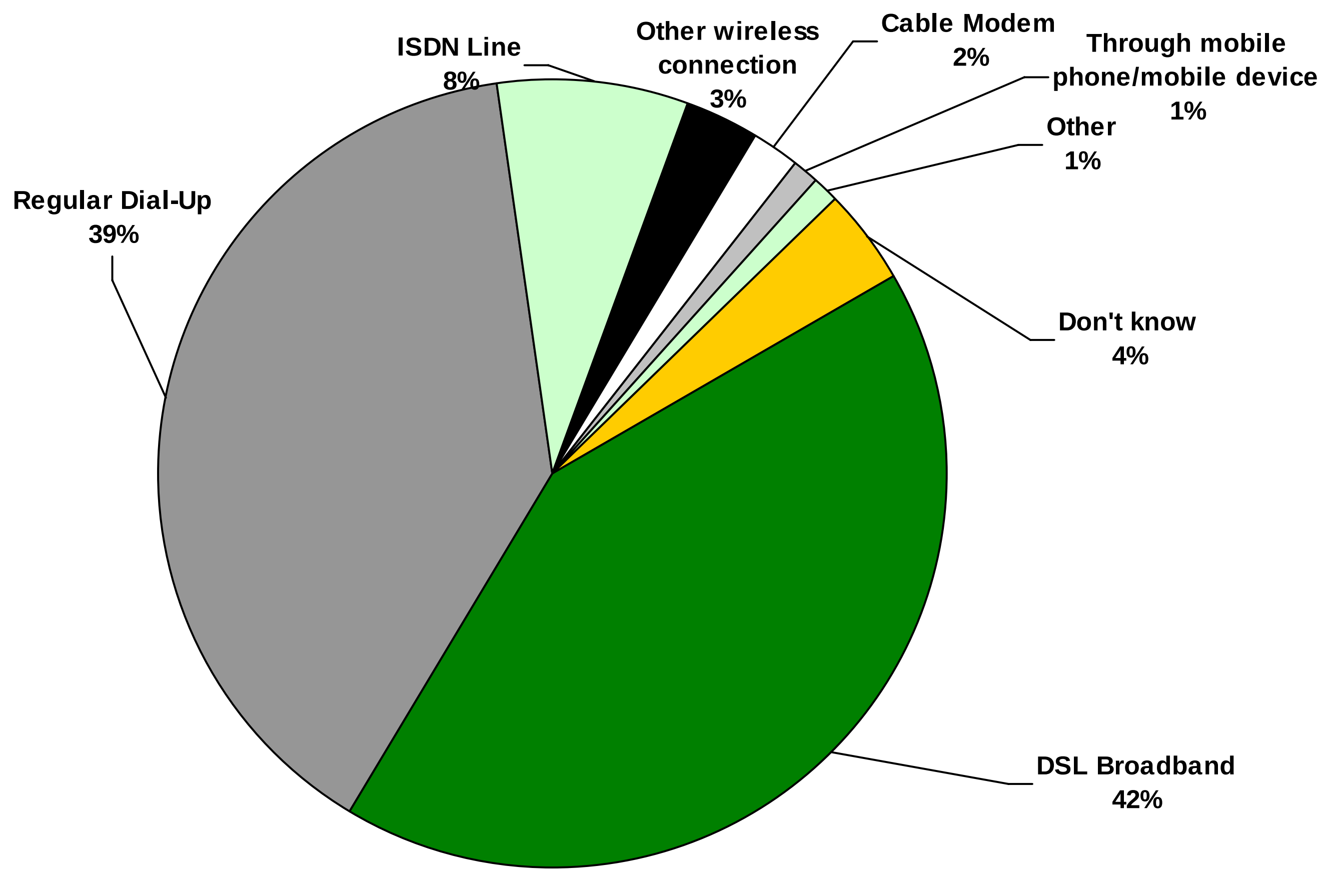
Eircom is the largest Home Internet Access Provider



Research Note:
Although trading under separate brands, NTL and Chorus are now both owned by Liberty Global Europe/ UPC

Q31 Who is your home internet Service Provider (ISP)?
Base: Has a Home Internet Subscription: N=422

Methods of Home Internet Connections

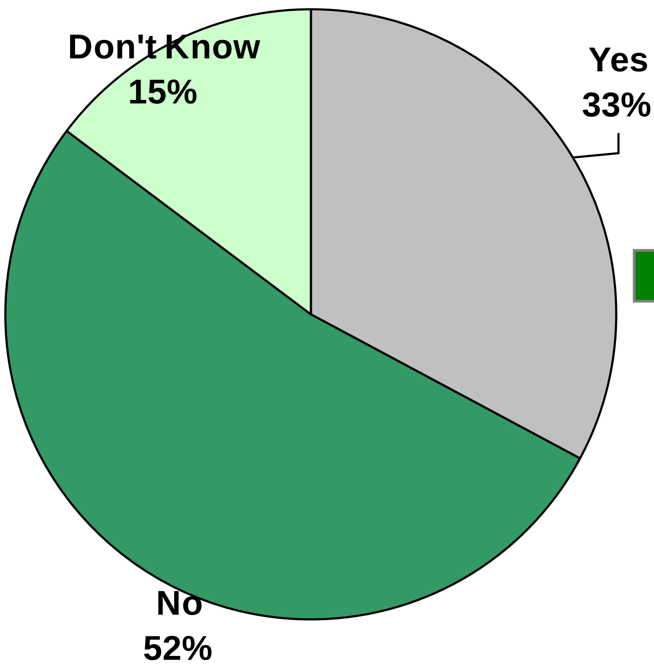


Total Broadband = 47%

(includes: DSL Broadband, cable modem, other wireless)

Q32 How do you connect to the internet from home?
Base: Has Home internet access, N= 422

A Third of Narrowband Users have Attempted to Subscribe to Broadband

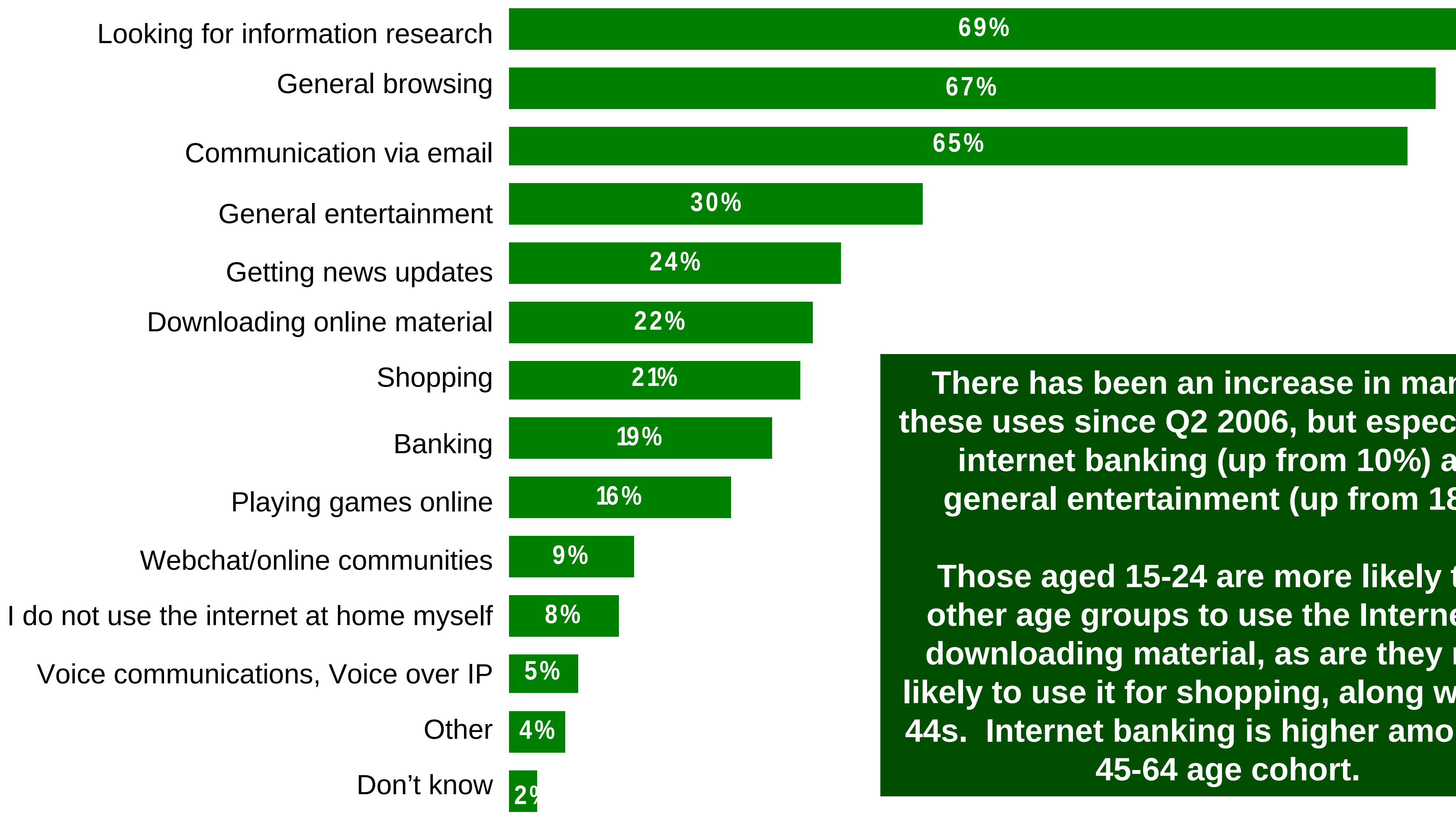


Percentage who said Yes:

Gender	
Male	39%
Female	26%
Age	
15-24	29%
25-44	39%
45-64	29%
65-74	13%
Region	
Dublin	15%
ROL	27%
Munster	39%
Conn/Ulster	42%

Q33 Have you ever attempted to get a broadband connection to your home and been told that it was not available to you?
Base: Has home internet access, uses a narrowband internet connection: N= 225

Home Internet is Used for a Wide Variety of Purposes



There has been an increase in many of these uses since Q2 2006, but especially in internet banking (up from 10%) and general entertainment (up from 18%).

Those aged 15-24 are more likely than other age groups to use the Internet for downloading material, as are they more likely to use it for shopping, along with 25-44s. Internet banking is higher among the 45-64 age cohort.

Q34 What activities do you use your home internet connection for?
Base: Has Home internet access, N=422

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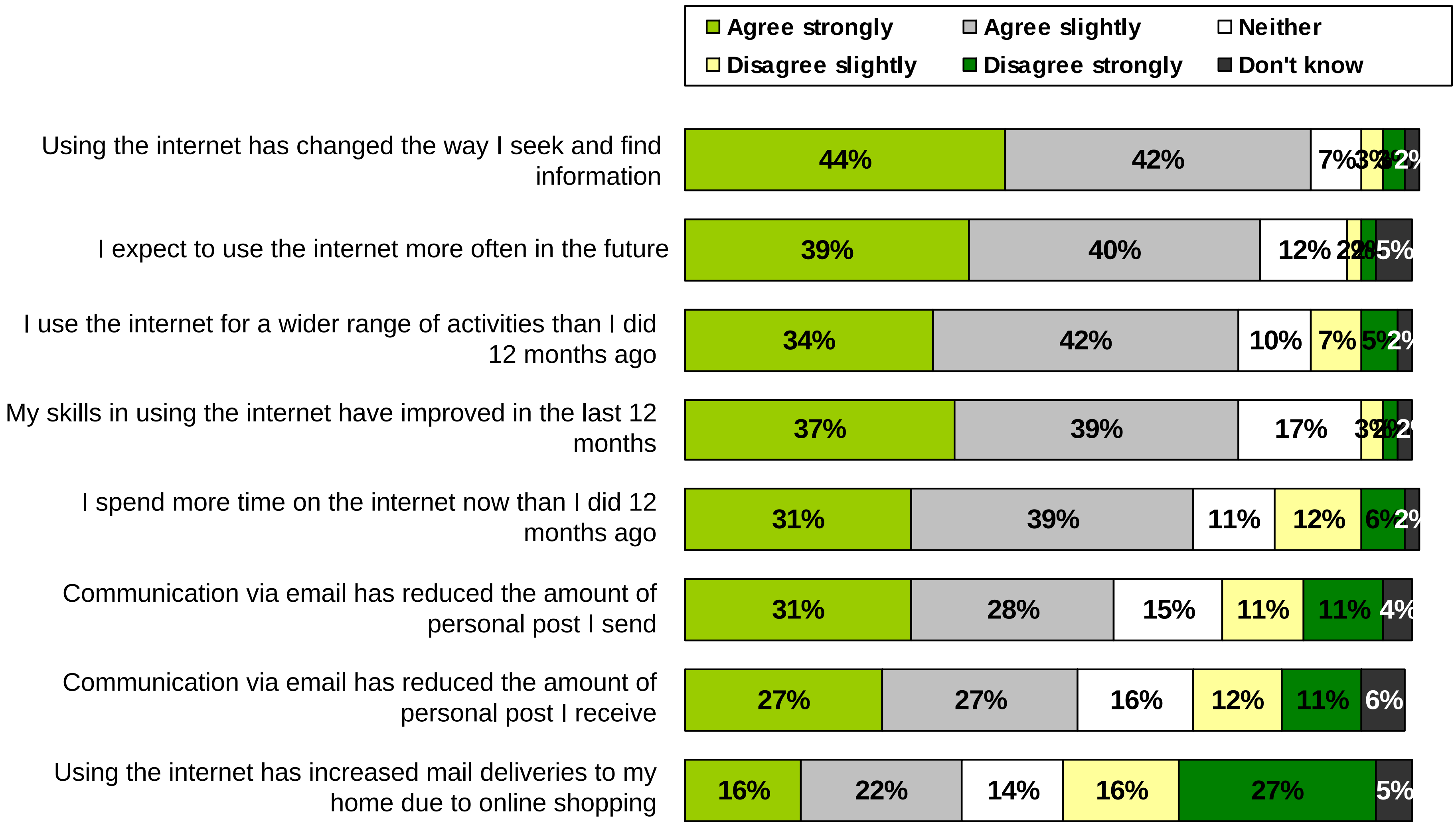
Experiences of using the Internet



Q35 Focusing on internet activities, can you tell me to what extent do you agree or disagree with each of the following statements.
Base: Uses the internet from any location, N=508

Conclusions

Conclusions

- In line with recent waves fixed line subscriptions continue to stabilise, with mobile penetration rates increasing marginally from last quarter up 7% to 87%.
- As in Q2 2006, younger respondents and those in the rental sector are least likely to have a fixed line subscription, however these groups indicate particularly high levels of subscriptions to mobile services.
- 1 in 10 fixed line customers have complained to their fixed line service provider in the last 12 months, with complaints mainly relating to either the cost or quality of service. As with previous surveys Eircom remains the largest providers of both the residential phone (76%) and directory enquiry (67%) services.
- Although only 12% of mobile subscribers had contacted their service provider to seek additional discounts, of these, 91% received some form of discount when sought from a mobile provider.

Conclusions

- Over half of respondents use the internet from any location, with high penetration rates among the 15-24 age group (73%) and students (84%). The most popular location for internet use is in the home (72%) followed by work (34%) and school or college (15%

- Eircom remains the largest Internet Access Provider.

- For the first time since these surveys began, the penetration of DSL has exceeded dialup subscriptions

- An overwhelming majority of home internet users agree that the internet has changed the way they seek information. They further believe that they use the internet more, and for a wider range of activities than they did 12 months ago.

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independent insight

Appendix: Note on Methodology

Methodology

- 1012 people surveyed aged 15 - 74.
- 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 at over 101 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

Thank You

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