De-Coding Digital Trends Ireland 2011

Job No: 18210

The Key Trends

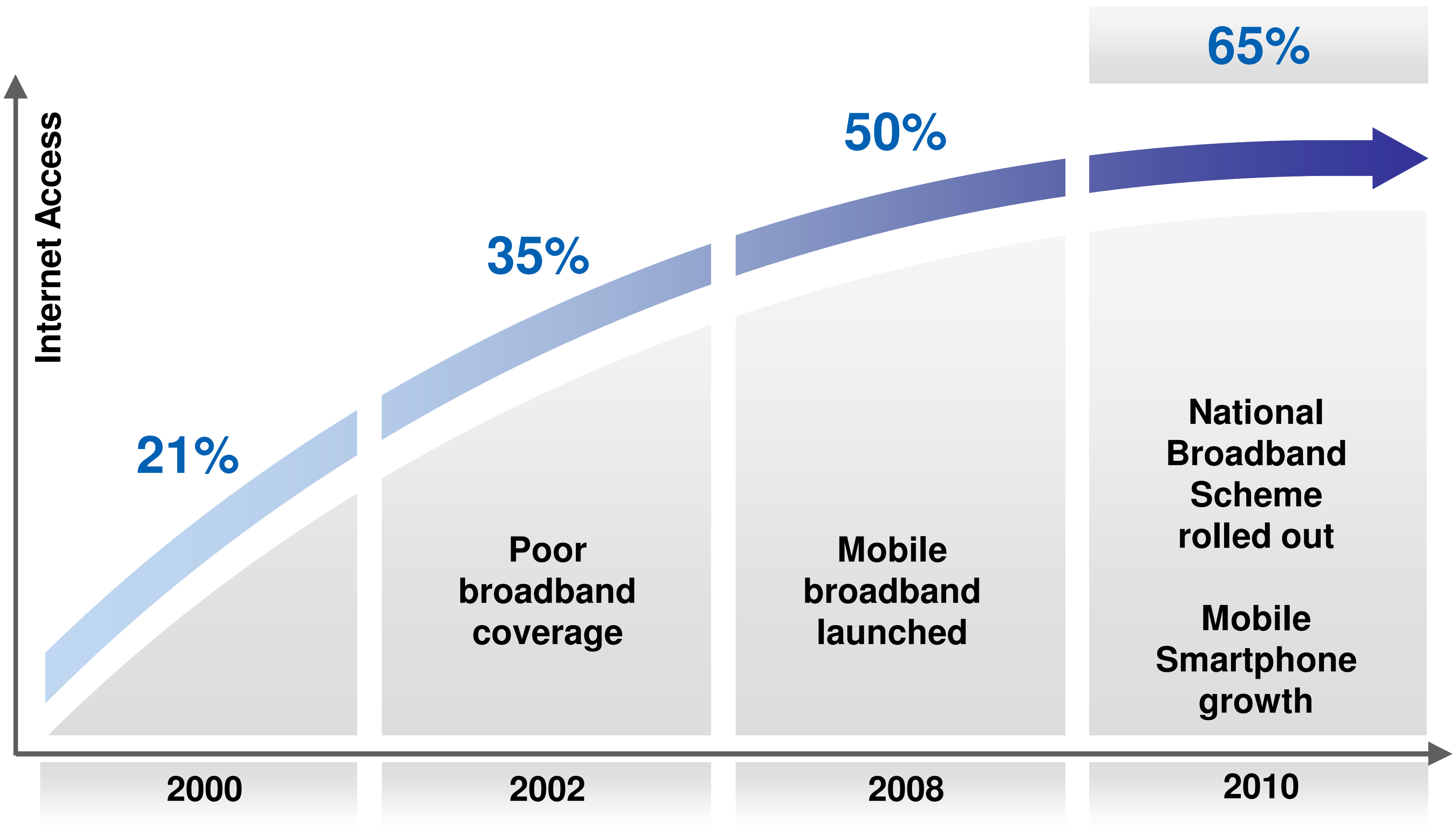
1. The smartphone factor +
2. The impact of social media

= Increasing time online

Sources:

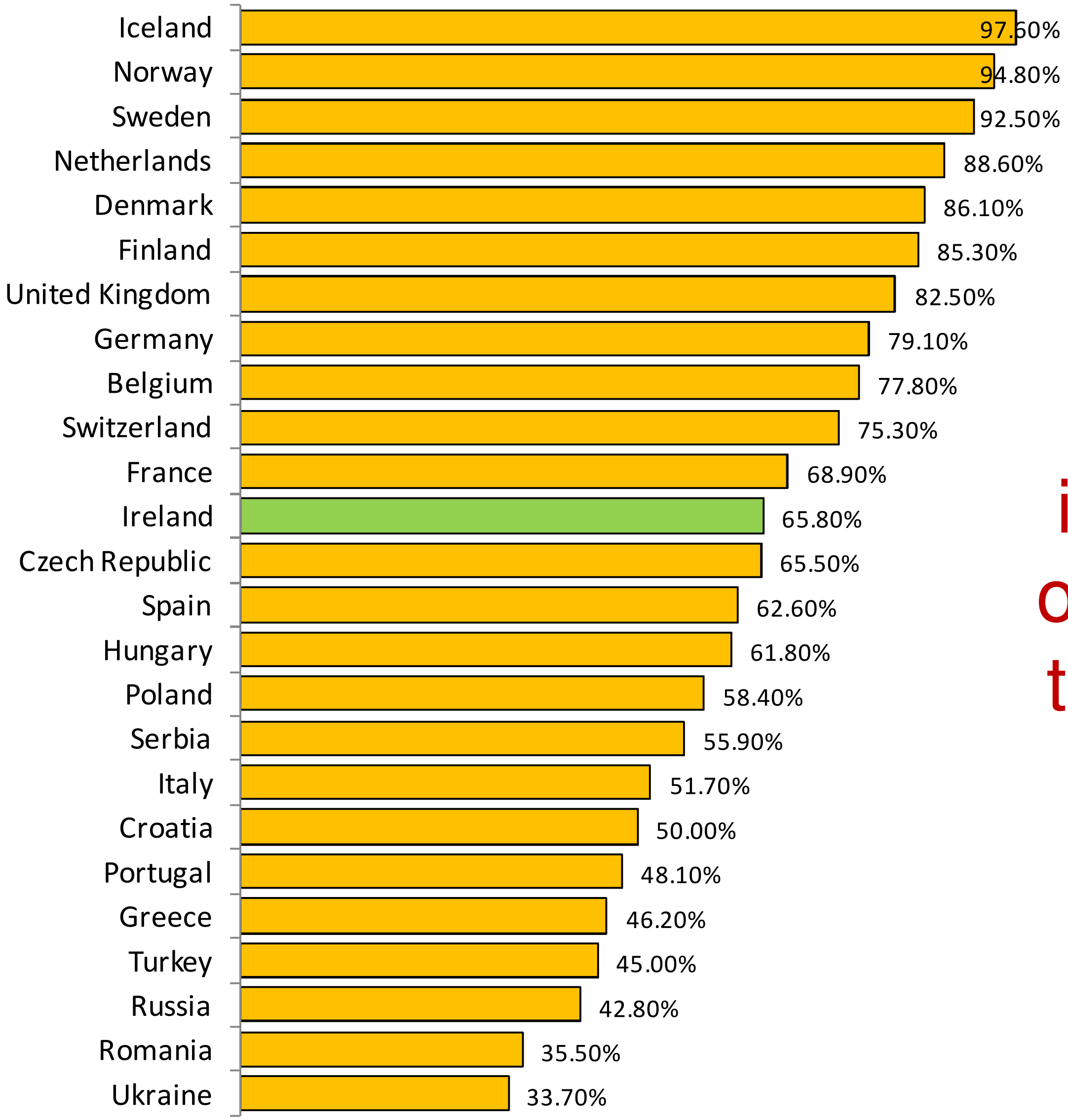
1. Primary Research survey conducted in early March 2011 by RED C among a representative sample of 500 online adults aged 18+
2. WIN global alliance survey of 29,000 adults worldwide
3. Internet World Stats, Neilson, ITU

Internet Access has grown substantially in Ireland



(Source: ITU, Nielson, C.I.Almanac)

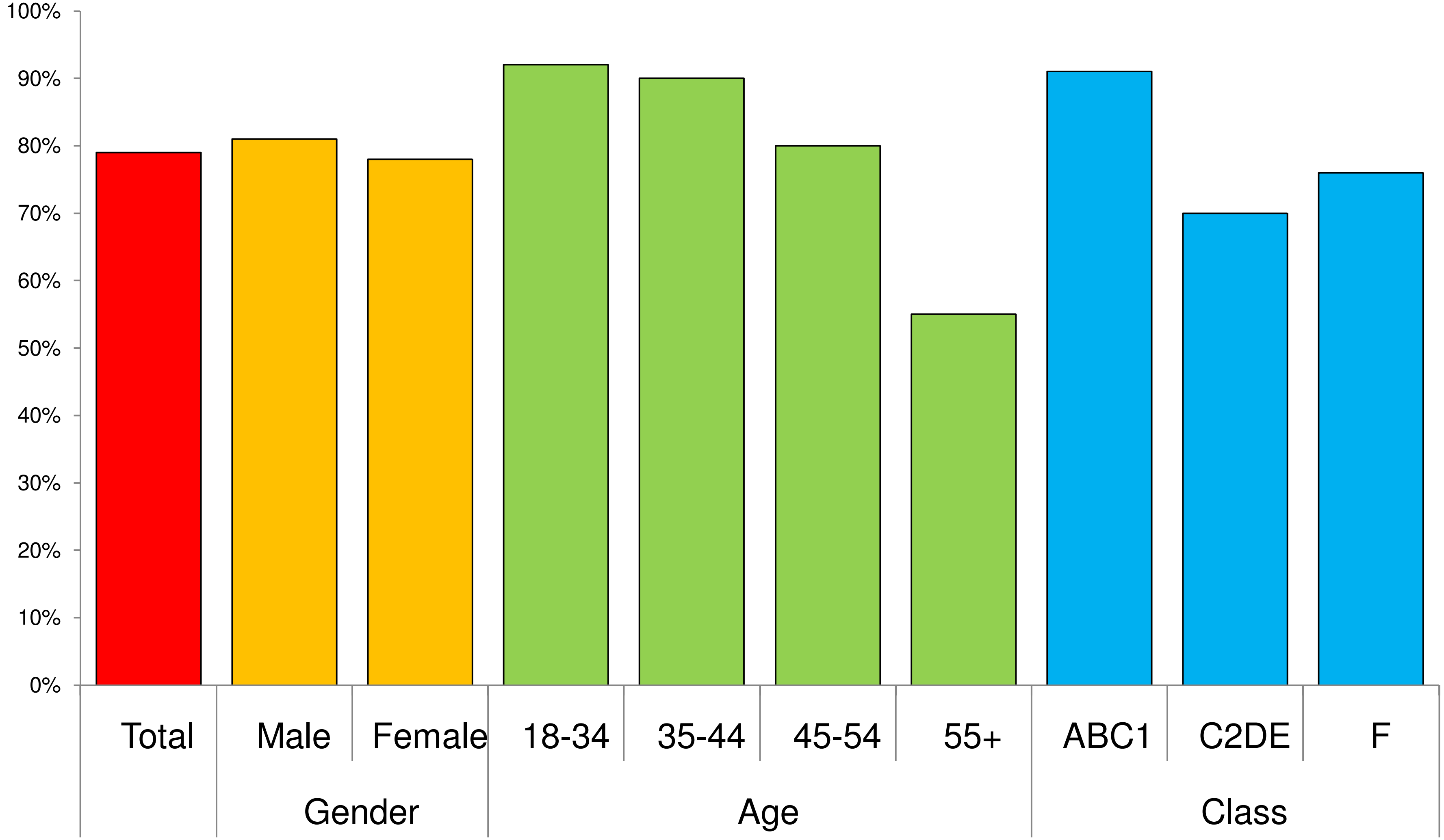
Internet Access - Ireland vs. Europe



A significant improvement in our position over the past 5 years

(Source: Internet World Stats)

Who is online?



(Source: RED Express National Survey)

The big change in the recent past, and for the near future, is all about <u>how</u> we are accessing the Internet

Two factors underpin the evolution in online behaviour

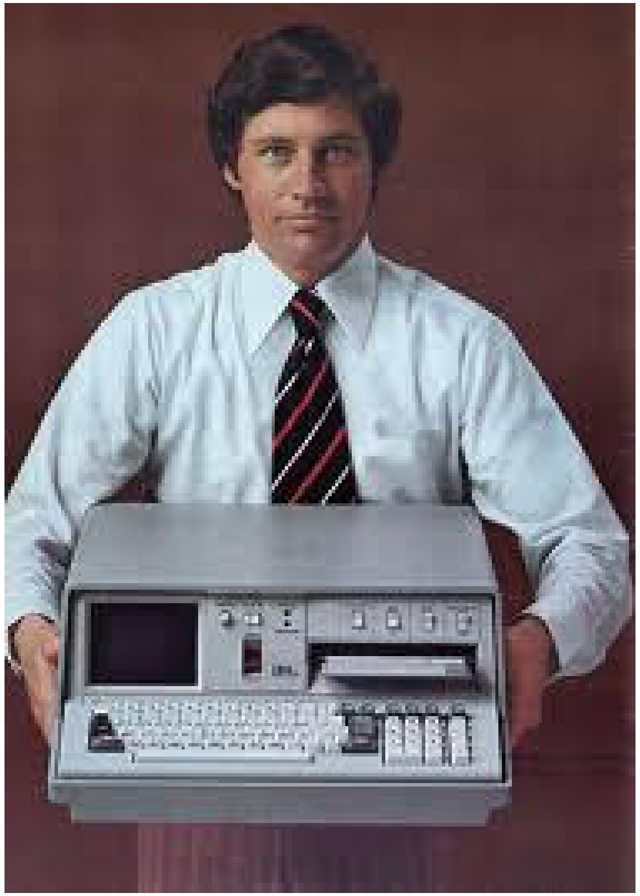
1. Device timeline

2. A shift in consumer rationale

1. Device timeline

FIRSTLY internet 'portability' more common place

1. Device timeline



SECONDLY comfort with mobile internet devices grows

1. Device timeline

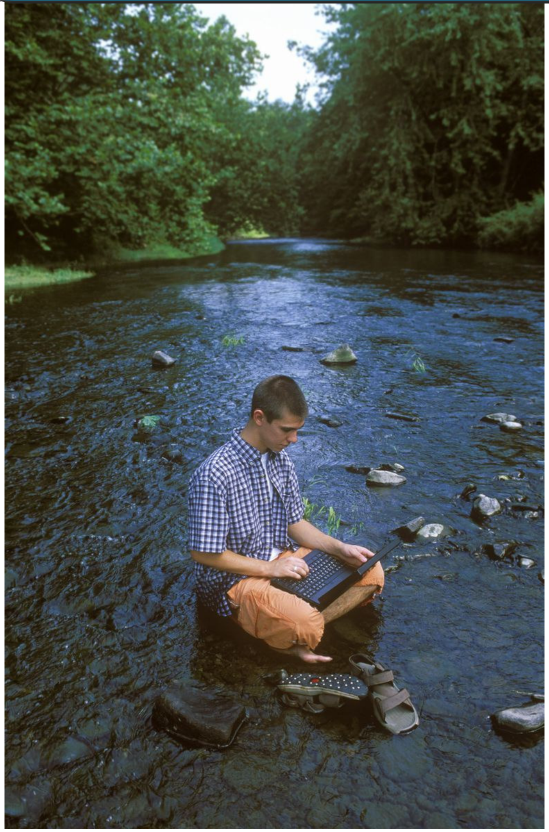
internet 'portability' more common place

comfort with mobile internet devices grows

Decreased reliance on computers to conduct social media activities

2. Shift in consumer rationale

FIRSTLY an increasing desire to be 'connected' at all times



2. Shift in consumer rationale

SECONDLY increasing use of mobile devices in general

2. Shift in consumer rationale

increasing desire to be ‘connected’ at all times

increasing use of mobile devices in general

Devices preferred are those <u>other</u> than desk/laptop computers

Everyone in the world has a phone!

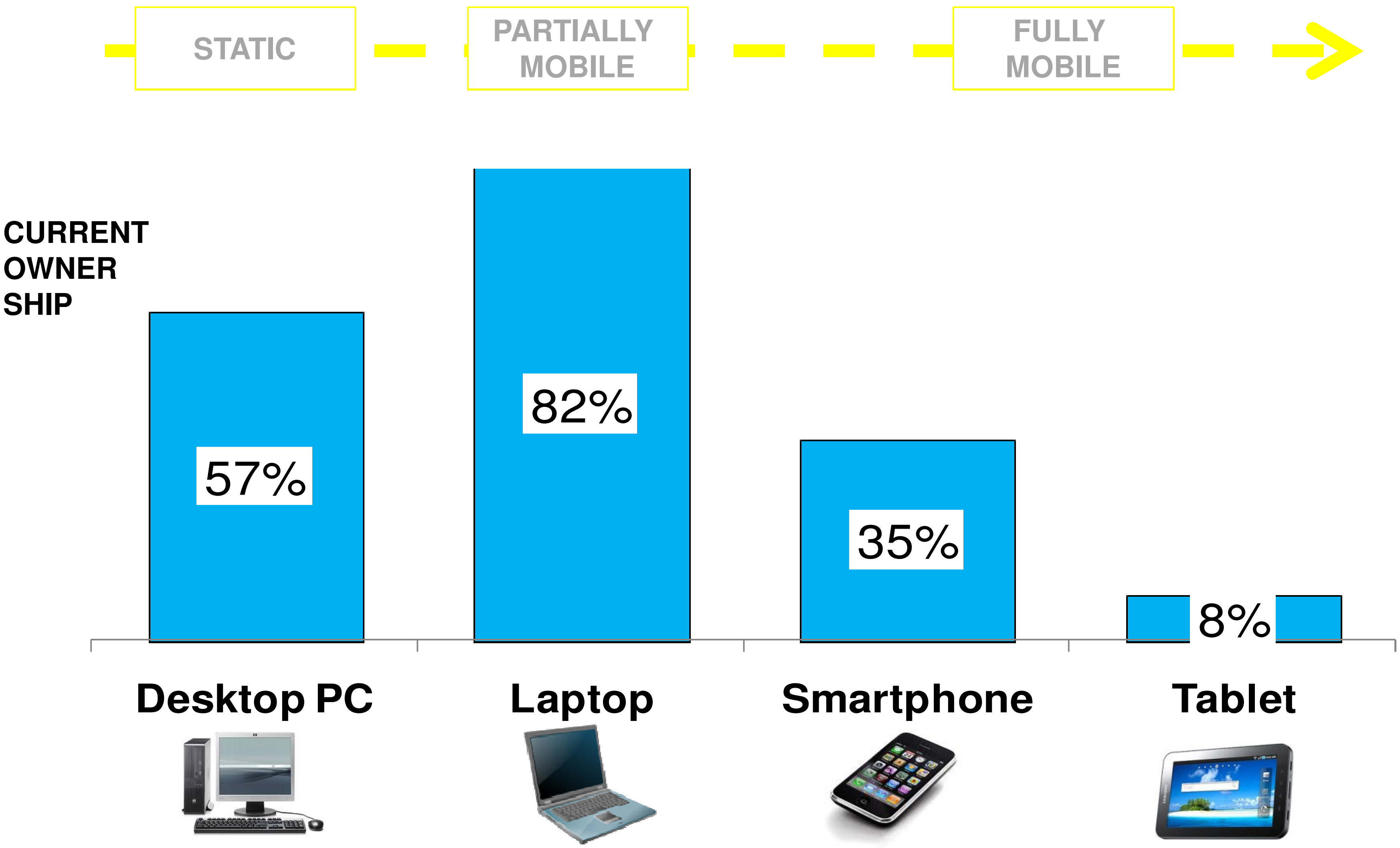
3.8 billion people have access to adequate sewage worldwide

4 billion have mobile phones

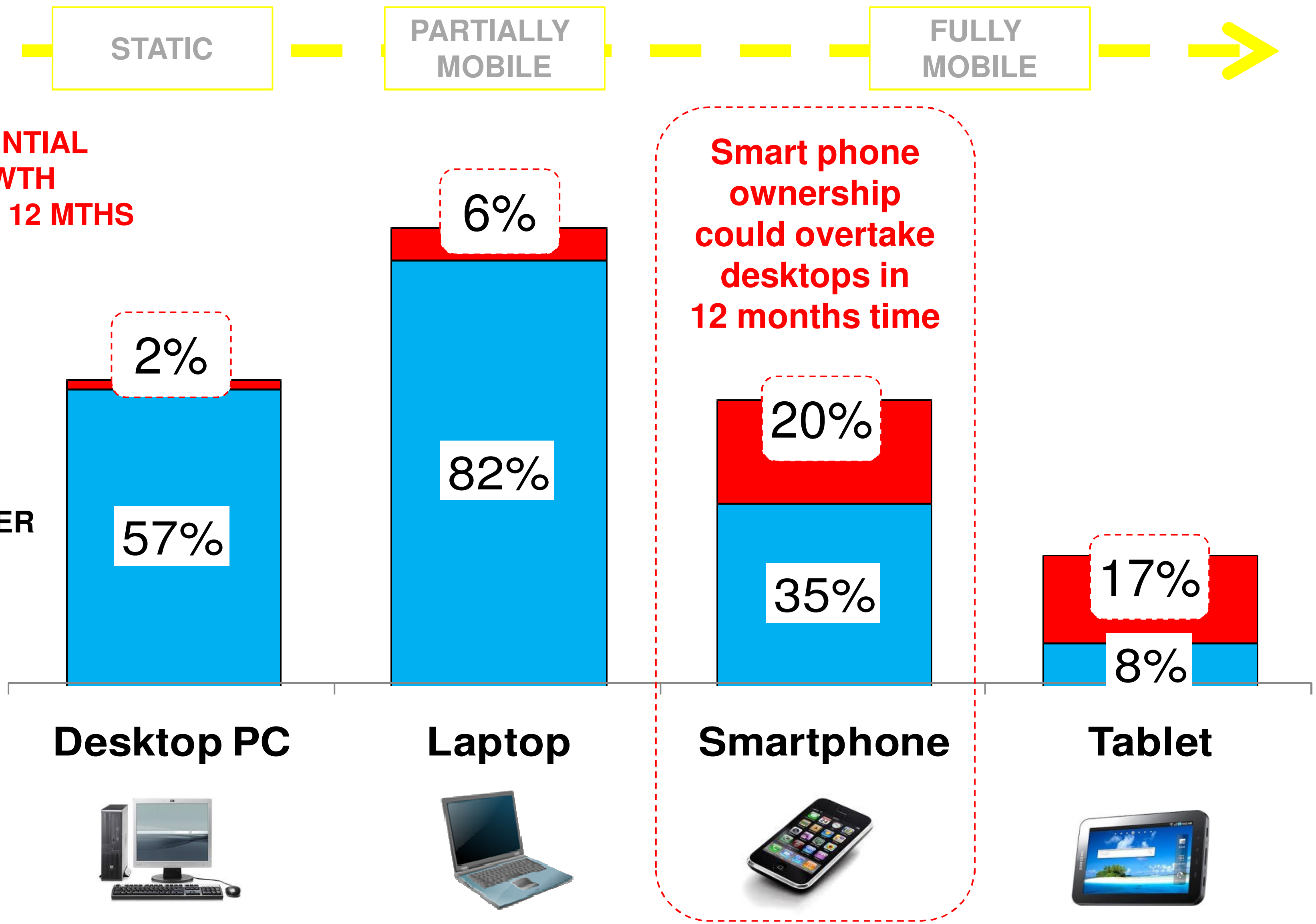
- The worldwide mobile phone market grew 18% in the fourth quarter of 2010, a new quarterly high driven by demand for smartphones.

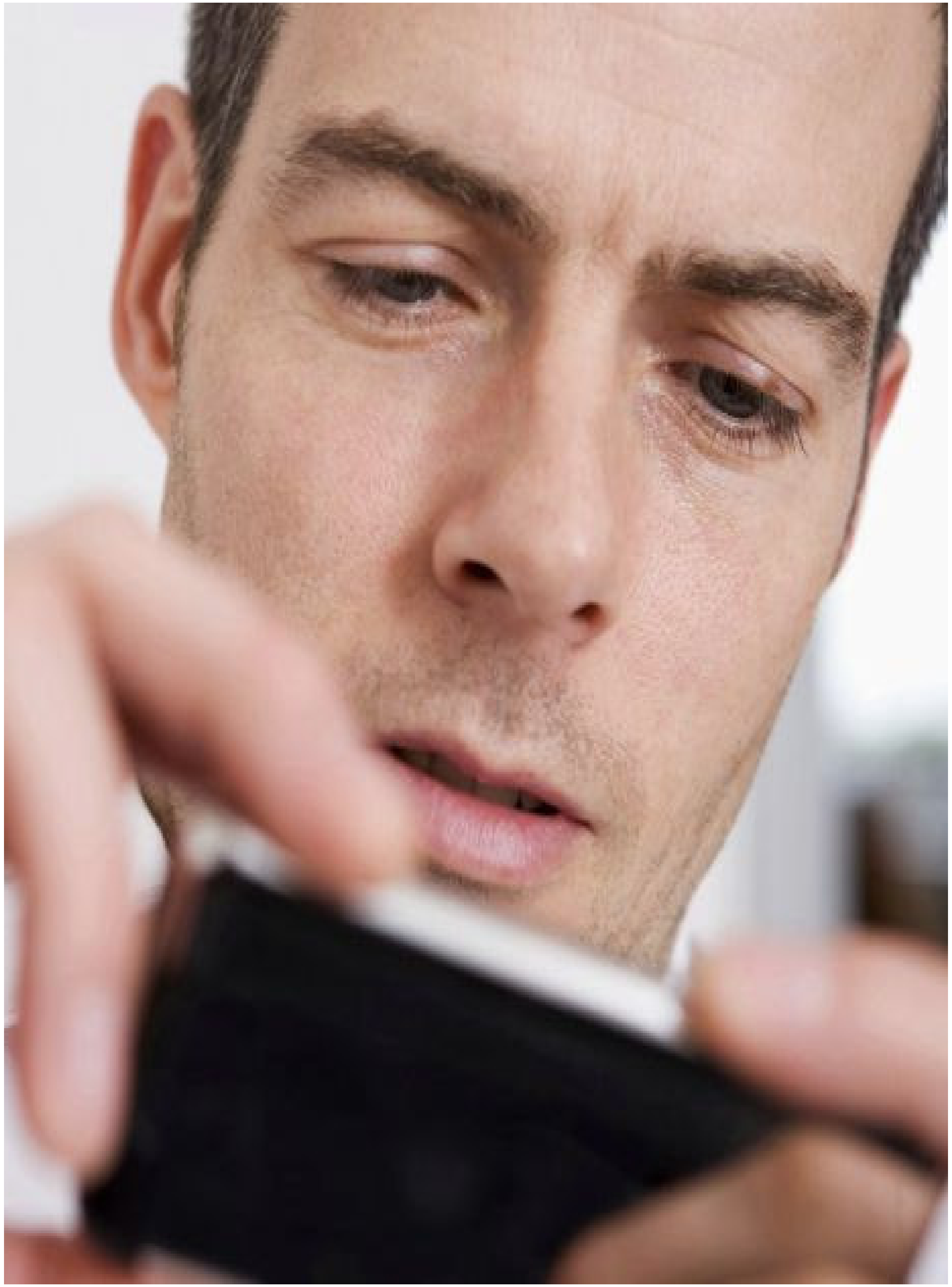
- "Feature phone users looking to do more with their devices will flock to smartphones in the years ahead. This trend will help to drive the smartphone sub-market to grow 43.7% year over year in 2011."
  (IDC MD **Worldwide Quarterly Mobile Phone Tracker)**

Device ownership in Ireland already sees Smartphone ownership among internet users at more than a third



Claimed future purchase suggests over 50% growth in smartphone penetration in next 12 months

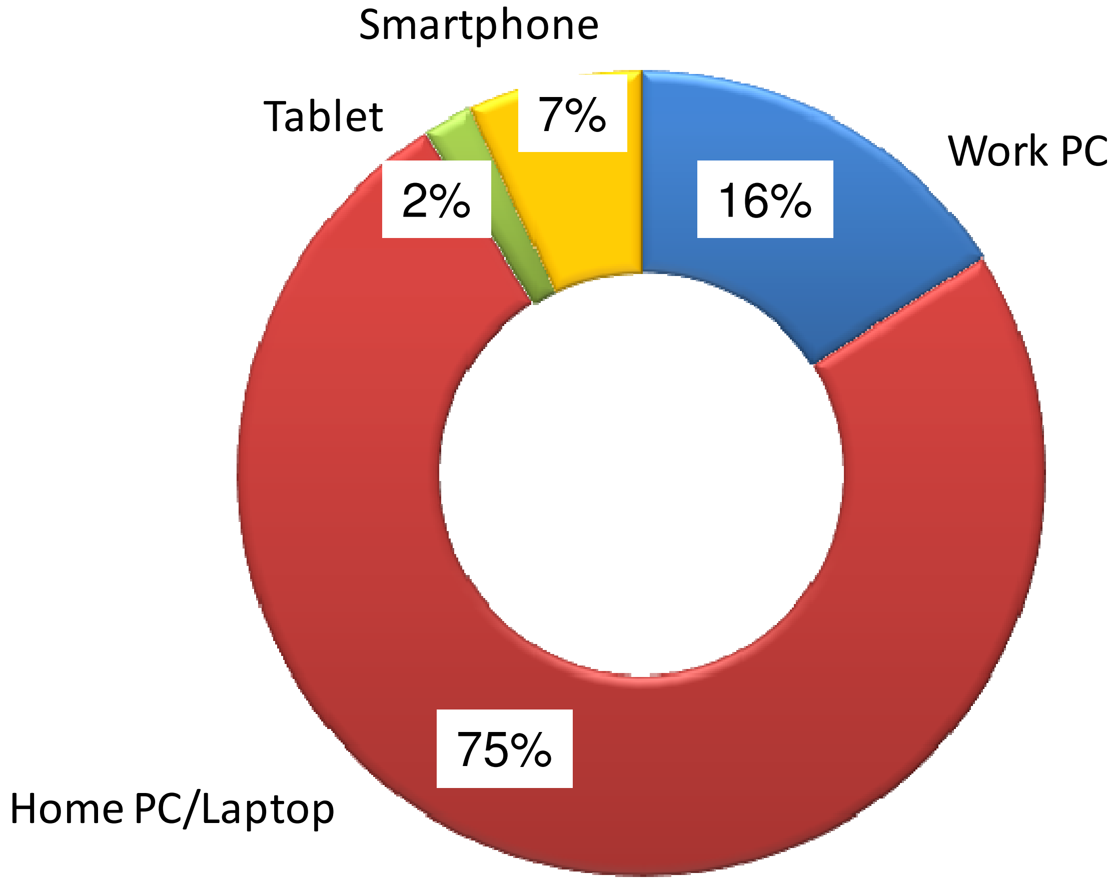




- Vodafone Ireland reports almost one in two devices sold in December was a smartphone.

- “The market of the smartphone is growing so fast and it won’t be very long until the vast majority of handsets, certainly in UK and Irish markets, will be smartphones,” Jon French, HTC.

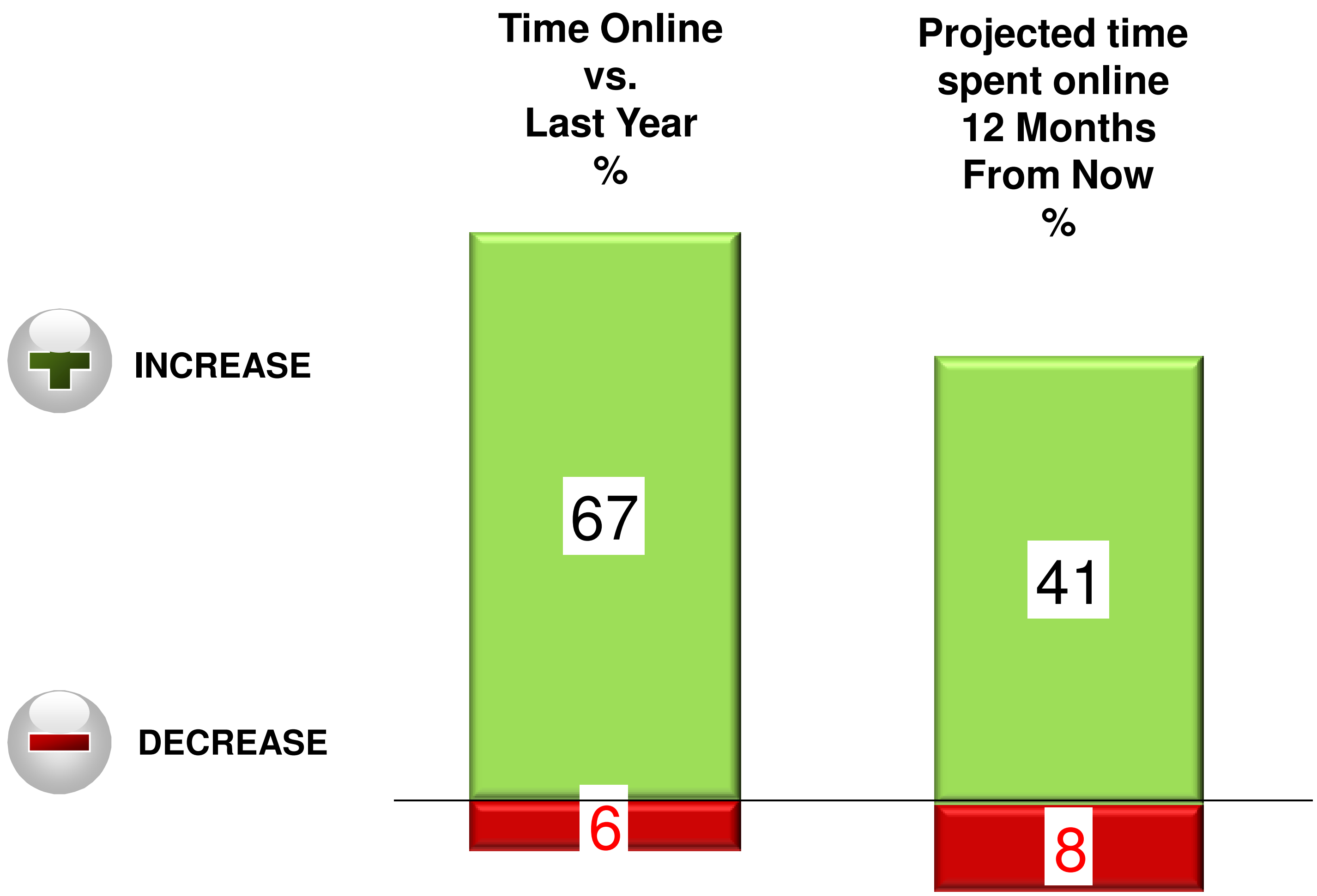
7% of all the time spent online in Ireland is already done via smartphone devices



…based on increased smartphone ownership, this is likely to hit 10-12% in next 12 months

This developing internet access channel, appears to be <u>adding</u> to the total time consumers spend online

Over two thirds say they are spending more time online than last year…..



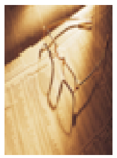
…and many feel time online will continue to increase next year

In fact, average time spent online now mirrors time spent watching TV

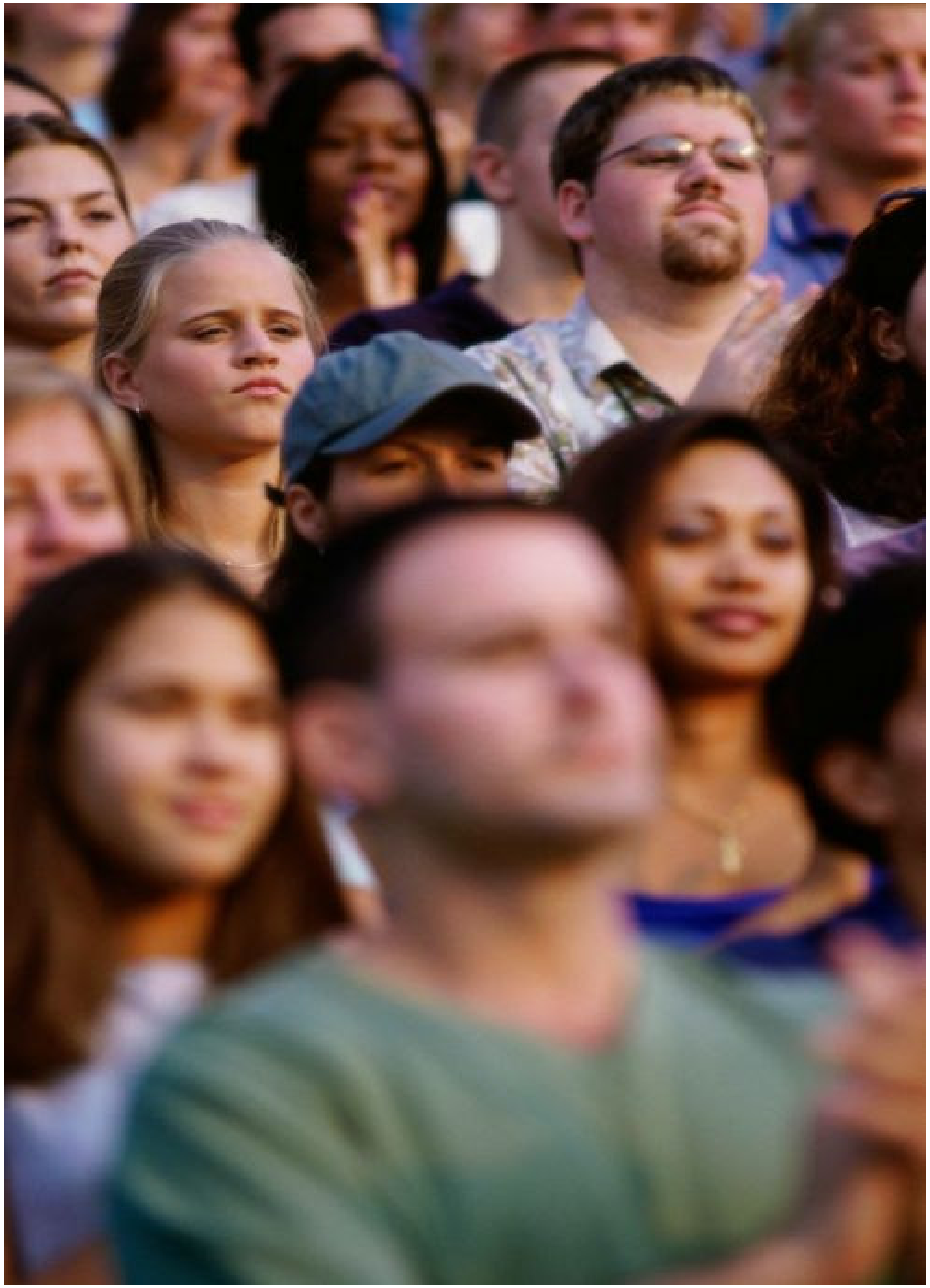
TV  **2hrs 49 minutes**

Online  **2hrs 44 minutes**

Radio  **2hrs**

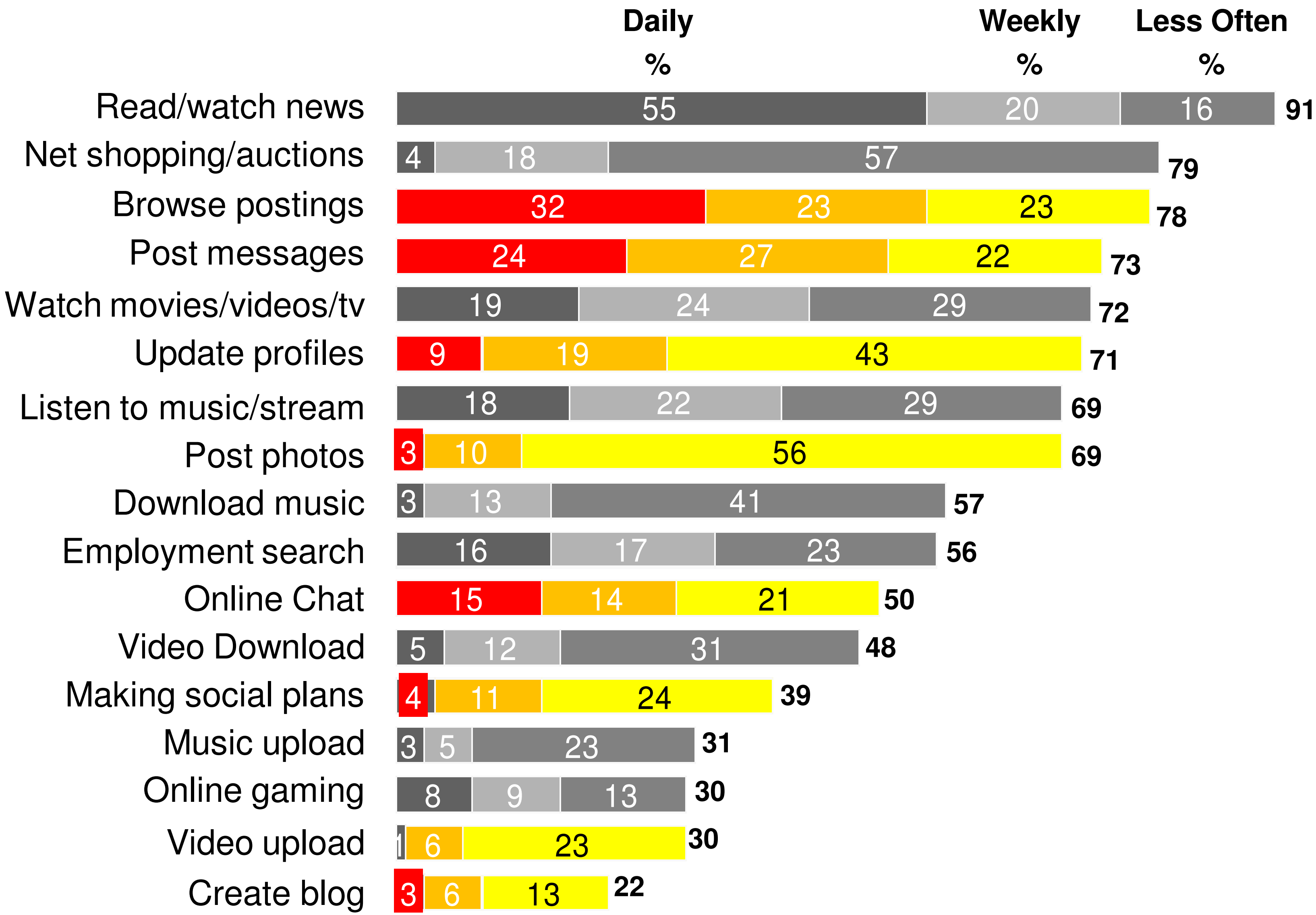
News  **37 minutes**

…..a significant increase in the past 2 years, when it stood at approximately 2 hrs

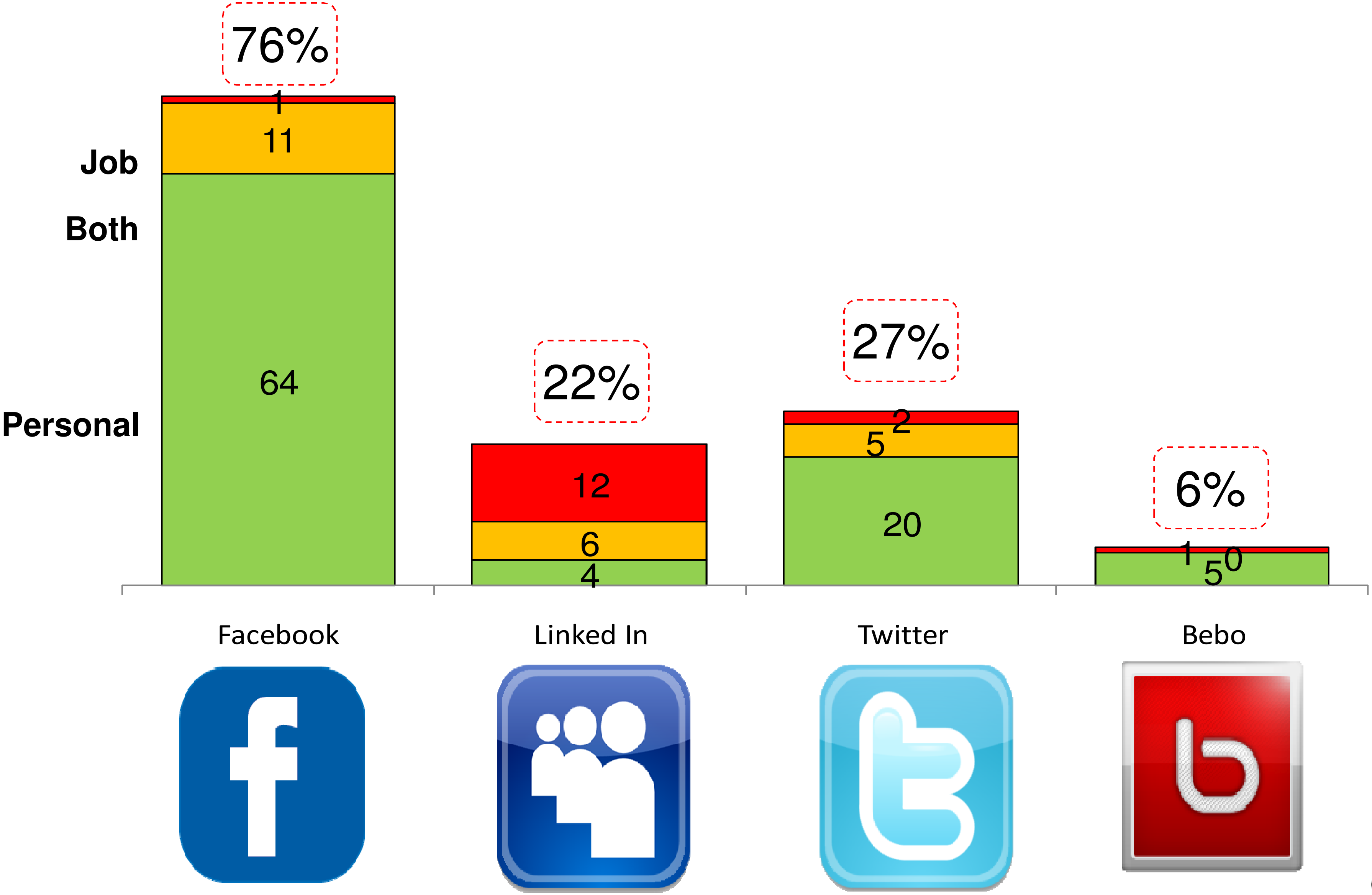


Underlying this is the desire to be connected... with social media driving time online

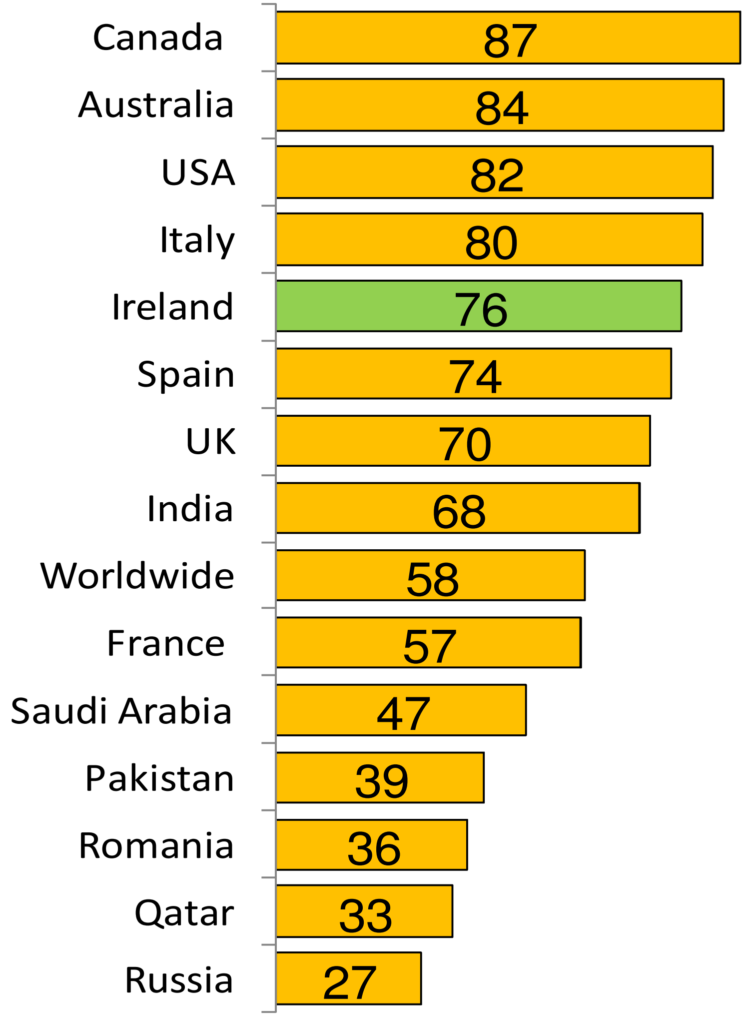
Activites consumers conduct online, suggest that much is based around social media activity



At the same time active use of social media in Ireland is high - with Facebook dominating

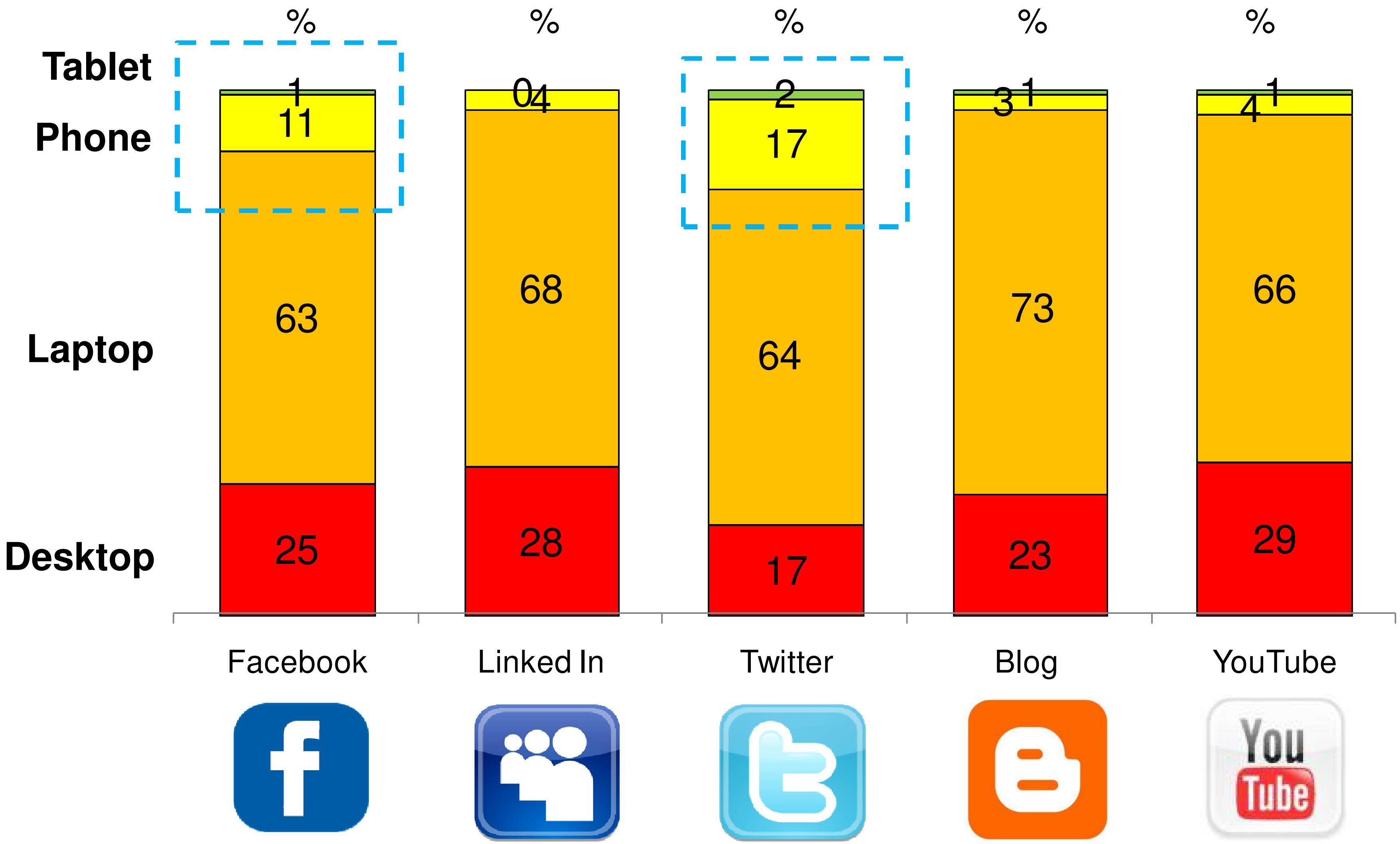


Irish consumer subscription to Facebook is one of the highest in the world



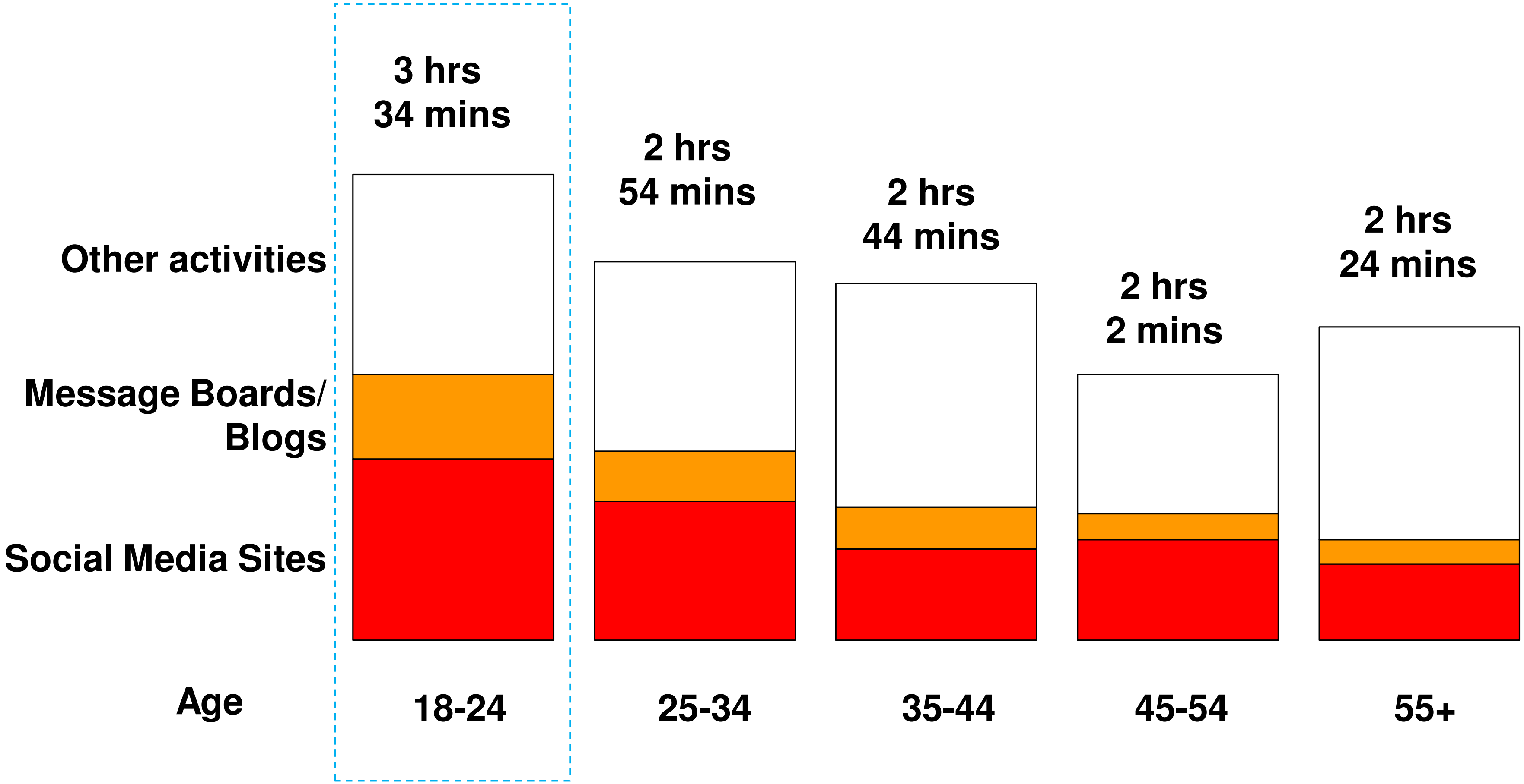
(Source: WIN Global Social Media Survey)

Smartphones facilitate social media connections more frequently



This increased engagement with social media, appears to be what is driving increased time online generally

TIME SPENT ONLINE



Future “Consumer Desires” for online are all around mobile

Based on the WIN global alliance survey of 29,000 adults worldwide, consumers want an improved mobile experience particularly in the following areas

- Improved connection speeds
- More reliable wireless
- Improved device – bigger screens, better picture quality, touch screens
- Better mobile enhanced websites.

(Source: WIN Global Social Media Survey)

What does this mean for marketeers…?

- The potent combination of fast growing social media engagement, and the increased availability of smartphone connection, will mean time spent online will continue to grow.

- This online media interaction is over and above other media consumption, rather than a replacement – and often compliments other media.

- Brands need to utilise the consumer desire for "connection" and build campaigns that facilitate and engage consumers during connections, rather than impose on this time, in order to take advantage of this consumer interface.

Appendix

Ireland Methodology

- 500 interviews online conducted with a quota controlled representative sample of all adults aged 18+ who are online.
- Quotas set and data weighted to the known demographic breakdown of all online adults.
- Fieldwork conducted between the 14^{th} and 21^{st} March 2011 using the RED C online panel
- Sample error on a sample of 500 = + or – 4.4%

International WIN Methodology

- **The first wave of the WIN Global Trend Tracker on Social Media interviewed *28,944 respondents* over the age of 16 years old with particular emphasis on those of 18 to 42 years of age. The survey was conducted from March 1st to April 7th 2010 in *27 countries* throughout the world.**
- **The margin of error per country is between +/- 1.87 and 5.35%, 19 out of 20 times.**
- **The table to the right presents a summary of the methodology used in each country to conduct this survey:**

WIN Worldwide Independent Network Of Market Research

- Each sample is representative of its country's population in terms of socio-demographic variables. Sample sizes ensure accurate generalizations to the total population and allow a very precise interpretation of the results.

Country	*Firm*	*Method*	*# Respondents*	*Margin of Error*
Australia	Colmar Brunton	Online	*1107*	*2.95*
Austria	Gallup Austria	CATI Omnibus	*1000*	*3.10*
Brazil	Ibope Inteligencia	Face-to-Face Omnibus	*2002*	*2.19*
Bulgaria	BBSS	Face-to-Face Omnibus	*375*	*5.06*
Canada	Leger Marketing	Online	*1097*	*2.96*
China	CRC Research	Online	*1000*	*3.10*
France	BVA	Online	*1028*	*3.06*
Germany	Produkt und Markt	CATI Omnibus	*991*	*3.11*
Iceland	Capacent	Online	*638*	*3.88*
India	MaRS	Face-to-Face	*1014*	*3.08*
Italy	Doxa	Online	*1000*	*3.10*
Japan	NRC Research	Online	*1000*	*3.10*
Korea	Gallup Korea	Online	*1113*	*2.94*
Kuwait	PARC	CATI	*528*	*4.26*
Netherlands	Marketresponse	Online	*1015*	*3.08*
Pakistan	Gallup Pakistan	Face-to-Face Omnibus	*2751*	*1.87*
Poland	Mareco	Face-to-Face Omnibus	*1001*	*3.10*
Qatar	PARC	CATI	*400*	*4.90*
Romania	BBSS	Face-to-Face Omnibus	*335*	*5.35*
Russia	Romir	Online	*1000*	*3.10*
Saudi Arabia	PARC	CATI	*1027*	*3.06*
Serbia	BBSS	Face-to-Face	*982*	*3.13*
Spain	Instituto DYM	Online	*1028*	*3.06*
Turkey	Barem Research	Online	*1391*	*2.63*
United Arab Emirates	PARC	CATI	*1001*	*3.10*
U.S.A.	TRiG	Online	*1092*	*2.97*
United Kingdom	ICM Research	Online Omnibus	*2028*	*2.18*