



# Life Online

The Daily Life of Ireland's 2 Million Internet Users

An Amárach Research Report | 2008

## From Humble Beginnings

Amárach Research has been tracking internet and technology usage in Ireland since 1998. The past ten years has seen a sixfold increase in the number of adults using the net: from a little over 300,000 in 1998 to more than two million today. This Amárach Research report looks at how the internet continues to transform the lives of the majority of Irish adults, and anticipates some of the changes to come.

A number of key 'Internet milestones' have been passed in recent years, including:

- the majority of adults using the net (in 2006)
- the majority of households having internet access (also 2006)
- the majority of internet access households using broadband (2007)

Looking ahead, we can anticipate passing other milestones, including:

- the majority of households having broadband access (est. 2009)
- the majority of adults using 3G (and faster) mobile broadband (est. 2010)

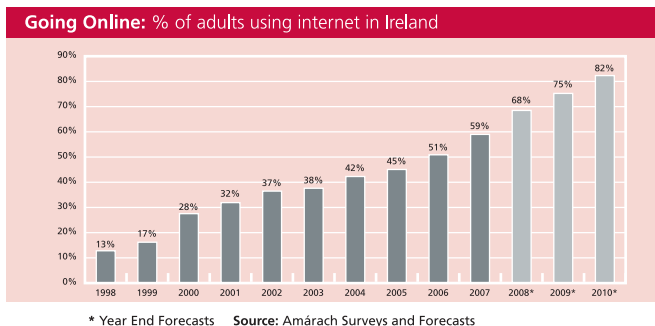
We are projecting continued strong growth in internet usage – as illustrated in the chart. However, growth in the next few years will be driven by very different factors to that in the past few years, namely:

- **Convergence** – the purchase of Perlico by Vodafone is just one example of the type of 'triple play' services (fixed line, internet, mobile) that we will see much more of in the years ahead.
- **Mobile Internet** – until now limited by slow download speeds, high costs and user unfriendly handset, all that is about to change as a result of the iPhone and of efforts by competitors to make handsets more 'web friendly'.
- **Digital Television** – with all households required to switch to digital television by 2012 (satellite, cable or terrestrial), new interactive services will bring the internet to the television to those without internet access (and even to those using PC/laptop access at home).

The drivers of internet uptake will not be the only things to change over the next few years. Already, the Web 2.0 phenomenon – personified by social networks like Bebo and MySpace – has introduced net users to new online experiences, products and services. Nor has good old fashioned eCommerce gone away: the majority of Irish internet users are booking flights online, paying their bills and even buying and/or selling on eBay. The next few years promise even more exciting changes to come.

In the rest of this report, we examine these drivers of change in more detail – profiling the users of the different web services and products now available in Ireland.

## Portrait of the Irish Internet User



Who uses the Internet in Ireland? Across the population of 15-75 year old adult users, there are some significant differences. But before we get to these it is important to note what is not a source of difference. And the first of these is gender: the same proportion of males and females (59% at the end of 2007) are using the Internet. This was not always the case, in the late 1990s and early 2000s there were significantly more men using the internet than women. Though some gender differences remain in terms of web usage (which we refer to below), gender is no longer the predominant differentiator in relation to internet usage in Ireland.

So what is? In a word: age. Some eight out of ten 15-24 year olds use the web, falling to just one in four of those aged over 65. Social class reflects this in part – nearly nine in ten of those in the highest A social class use the web compared with just a fifth of

those in the E social class. However, the latter is dominated by those in retirement, so the age effect partly drives the social class divide.

There also remain important regional differences in Internet usage. For example, over two thirds of Dubliners use the Internet, but only a minority of those in Connaught/Ulster use it. These partly reflect the pattern of broadband rollout (notoriously less available in more rural areas or in areas distant from the main urban centres). This will change in time (as will the age and social class differences – the story of gender disappearing gender differences shows the way).

The Internet has come of age in Ireland and is now established as a key feature of the lives of the majority of Irish people. The average Internet users spends almost one hour a day online; again the figure is higher among younger users (as high as 9 hours a week for under 25 year old males, but only 3 hours for over 65s). As remarkable as the rise in Internet usage has been over the past ten years, the explosion in online activities beyond browsing and emailing has been even more remarkable.

We have categorised these activities under a number of headings, which we turn to next.

## Meet the '5 Cs'

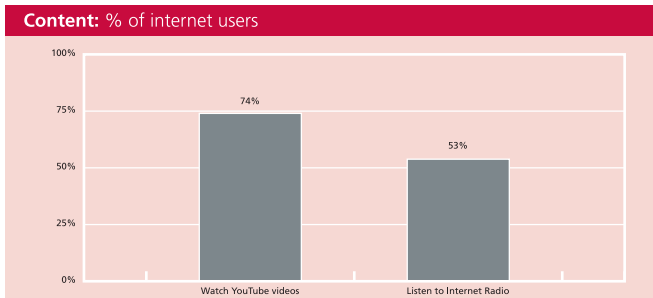
Life Online in Ireland today can be described in terms of what we call the '5 Cs':

- **Content** – using the Internet as a passive media channel like TV or radio.
- **Communication** – beyond email to activities like instant messaging, voice over IP etc.
- **Commerce** – from booking flights to selling on eBay.
- **Commuting** – the age of the mobile worker has arrived, at least for a significant minority.
- **Creation** – last but by absolutely no means least: the phenomenon that is Web 2.0, from social networking to blogging.

Drawing on a survey of 1,000 Irish Internet users aged 15-65, conducted in January 2008, we explore in detail Life Online in the closing years of the first decade of the 21st Century.

### Life Online: Content

What did the young people of Ireland do in the days before YouTube? And not just the young people: overall, three quarters of all internet users of all ages have watched videos on YouTube in the past twelve months. No wonder users are spending an hour a day on average online.



Source: Life Online Survey, Amárach Research 2008

Not surprisingly there are significant differences by age – and in the case of YouTube, also by gender:

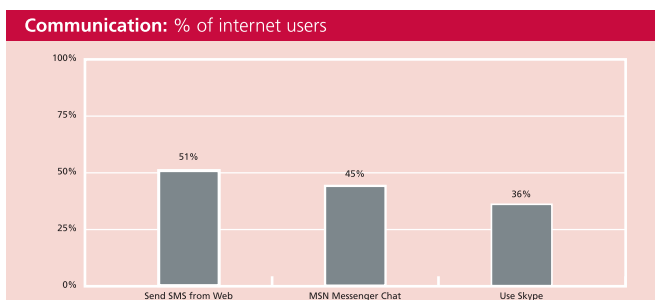
YouTube Video Viewers	%
All Internet users	74%
15 - 24's	91%
25 - 34's	87%
35 - 44's	69%
45 - 54's	68%
55 - 65's	43%
Males	81%
Females	66%

Listening to radio on the Internet is also popular among a majority of Internet users, though less so than watching videos. Interestingly, age differences are less marked than with videos, though gender differences remain significant (male higher than female). Given the rollout of digital radio services in Ireland over the next few years, it may well turn out that Internet radio will have ‘whetted the appetite’ of a million or more consumers who will have already experienced something similar online.

## Life Online: Communication

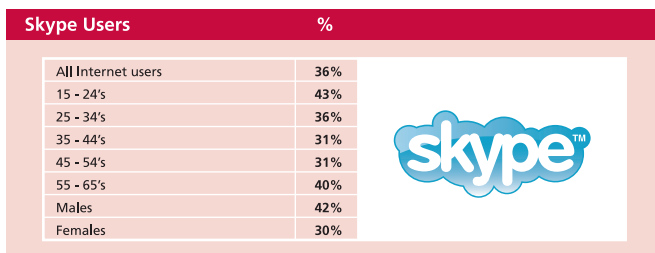
The Internet was established mainly as a communications channel – for email in fact. What is interesting, however, is how several other communications applications have developed online. For example, just over half of internet users have used the web to communicate with mobile phone users – availing of web-based SMS services (often provided by mobile phone networks to their customers).

In relation to web-based SMS there is little gender difference, but a more marked age difference (as before). Under 25s are more than twice as likely as over 55s to use web-based SMS services. Age differences are even more marked in relation to chat or messaging services, like MSN Messenger. Though under half of Internet users use it, this rises to over two thirds of under 25s – again with no gender difference.



Source: Life Online Survey, Amárah Research 2008

The increasing availability of broadband has facilitated the use of voice-over-Internet-protocol (‘voip’) services. Skype is the best known of these, and curiously, as the table shows, there are significant gender differences, but a less obvious story in relation to age differences. If anything, 55-65 years olds are more likely than some younger age groups to use Skype!



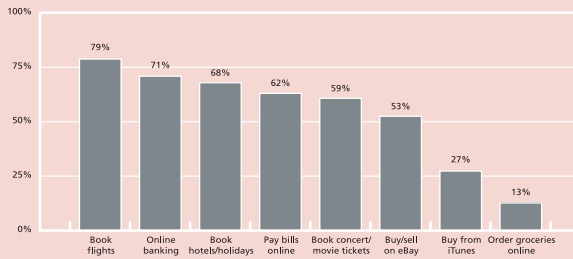
The story of consumer voip in Ireland is still at an early stage. Though one in three Internet users use Skype, most don't. This will change in time, especially as broadband becomes universal. And for once it seems that the older generation will lead the take up of this particular Internet service innovation.

## Life Online: Commerce

Back in 1998 fewer than one in ten Irish Internet users had actually purchased something online. Today it stands closer to eight in ten users. This is just one example of how the take up of the Internet has resulted in a wider economic impact on consumer behaviour and spending.

Probably the single biggest driver of eCommerce in Ireland in the early 2000s was Ryanair.com – up until then it was amazon.com. During the year 2000 ‘booking flights’ overtook every other category to become the predominant consumer experience of eCommerce. It has remained that way since – as evident in the chart.

## Commerce: % of internet users



Source: Life Online Survey, Amárah Research 2008

Curiously, and perhaps because booking flights has been around so long as an online service, this is the one area of online activity where older consumers are significantly more likely than younger consumers to participate:

## Flight Bookers

%

All Internet users	79%
15 - 24's	70%
25 - 34's	79%
35 - 44's	81%
45 - 54's	83%
55 - 65's	83%
Males	79%
Females	79%



Of course, eCommerce activity is no longer confined to booking flights. Online banking and paying bills are now regular activities for the majority of Internet users. Even buying and selling on eBay is something a majority have done in the past year.

Despite the success of Apple's iTunes in transforming the online music experience, it is interesting to note that only a quarter of Irish Internet users have bought music from iTunes. Likewise, ordering groceries online for home delivery – a service that has been around almost as long as booking flights online – is something that only a small minority of Internet users avail of. The key group in this instance appears to be 25-34 year olds – usually the ones having the babies. Even then, usage rises to just 15% of that particular cohort.

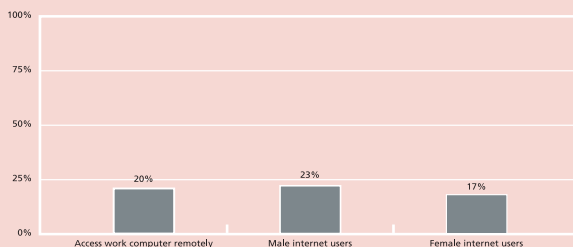
Nevertheless, the picture that emerges from our Life Online study is of a population of nearly 2 million Internet users confidently using the web to meet their needs as consumers – buying, ordering, downloading and booking as they wish.

## Life Online: Commuting

Not everyone's experience of the Internet is about leisure and shopping. Indeed, for a growing minority of users the web is an essential part of their everyday work experience. Amárah has undertaken a number of studies over the years into teleworking or mobile working as it is now generally known. If anything, mobile working has the potential to drive economic development in a more significant way than eCommerce.

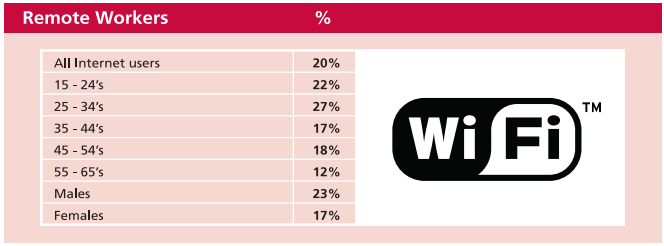
The latter is much more established and ubiquitous. The former is now only beginning to become a part of daily working life for Irish employees thanks to the availability of broadband – including its mobile equivalents.

## Commute: % of internet users



Source: Life Online Survey, Amárah Research 2008

Participation in remote working or mobile working is more common among men than women in our survey – though participation peaks among 25-34 year olds, perhaps suggesting that it meets a particular lifestyle requirement for work/life flexibility:

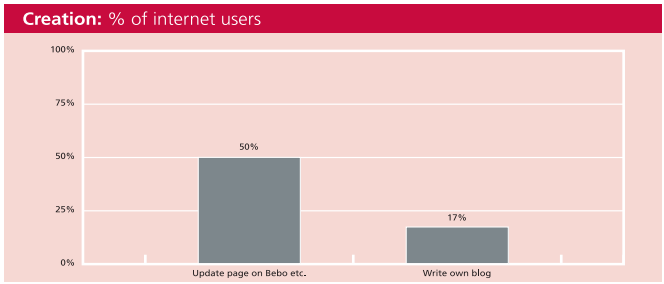


Looking ahead to shifts in the occupational profile of the workforce, we can anticipate that remote working over the Internet is something that will take off in the next number of years. Like so many eCommerce applications before it, though it will remain a minority taste for another while, take off when it comes will be rapid indeed.

### Life Online: Creation

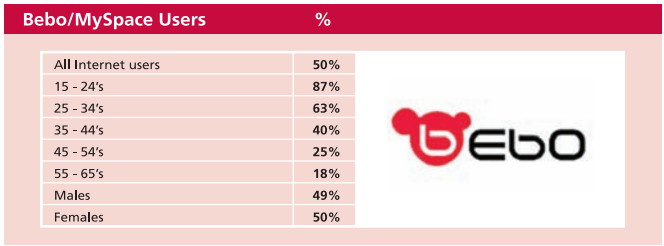
The last of our 5 Cs – and by no means the least – relates to probably the most exciting feature of Life Online in the late 2000s. It is the world of Web 2.0 as it has been called. Already, half of all Irish Internet users – that’s about 1 million adults – have created content on the Internet in form of a Bebo or MySpace or Facebook type service.

Nor is online creativity confined to social network sites: almost one in five Irish Internet users have started or contributed to a blog in the past year.



Source: Life Online Survey, Amárach Research 2008

If anything, it is with the fifth of our 5 Cs that we see the biggest contrast by age:



There are similar age differences in relation to blogging, though more of a male bias in this instance than with social networks.

Again, we sense with Web 2.0 that we are only at the beginning of a new age in the Internet experience for Irish users – and the evidence to date is that the Irish will happily adopt new services and innovations often ahead of those in other countries.

### A Wireless Future

Though much attention has been paid to the impact of broadband on Internet usage in the home, a less explored area is that of the impact of wireless or wi-fi networks on the inhome experience. Just over half (52%) of Internet users in our survey have wi-fi internet access at home, skewed slightly but not exclusively to younger users.

This is important because wi-fi in the home essentially enables multiple users of the Internet at the same time. More and more households have not only a PC connected to the internet but also a laptop, perhaps a wi-fi enabled game station and even wi-fi enabled MP3 players and mobile handsets.

The table shows the impact of wi-fi in the home on participation in our 5 Cs, differentiating between those with wi-fi at home and those without.

Impact of Wi-Fi in Home on Activities	Wi-Fi	No Wi-Fi
Watch YouTube videos	79%	68%
Listen to internet radio	59%	46%
Send SMS from web	56%	47%
MSN Messenger chat	49%	40%
Use Skype	45%	26%
Book flights	81%	77%
Online banking	75%	67%
Book hotels/holidays	71%	65%
Pay bills online	65%	58%
Book concert/movie tickets	64%	54%
Buy/sell on eBay	57%	49%
Buy from iTunes	33%	21%
Order groceries online	15%	11%
Access work computer remotely	24%	15%
Update Page on Bebo etc	54%	46%
Write own blog	20%	14%

Source: Life Online Survey, Amárah Research 2008


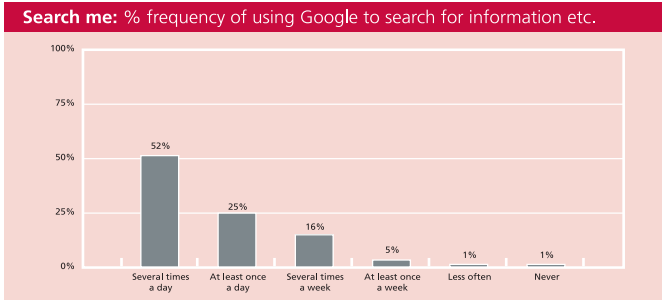
Not all of the differences are significant – but a number are. We therefore expect that as wi-fi becomes standard in homes with Internet access, then this in turn will drive participation in the 5 C’s beyond the singular momentum of broadband access by itself.

## Search Me

Amárah has conducted a number of studies into search activities by Irish Internet users in the past few years. Not only is Search Engine Marketing one of the fastest categories of advertising expenditure (eclipsing newspapers in the UK recently), search also represents one of the most common online activities by consumers.

As the chart shows, over half of Irish Internet users use Google several times a day – and three quarters use it once or more often each day. Search, like some aspects of eCommerce, has been around a long time as part of the Internet user experience, one reason, perhaps why age differences are not especially marked:

Use Google Every Day	%
All Internet users	77%
15 - 24's	79%
25 - 34's	79%
35 - 44's	72%
45 - 54's	79%
55 - 65's	72%
Males	78%
Females	76%

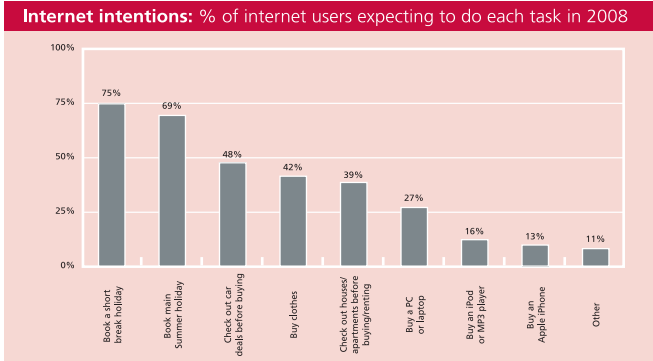



Source: Life Online Survey, Amárah Research 2008

We can speculate about the different drivers of online search activity (and a more detailed report on consumers and search will be published by Amárach in April 2008). But it is clear that Google now equals Microsoft in terms of the frequency of brand connection with the Irish Internet user.

## Eir-Commerce

Given the level of sophistication and confidence displayed by consumers in our survey, what can we expect from them next? In the short term, booking holidays look set to predominate, as illustrated in the chart.



Source: Life Online Survey, Amárach Research 2008

Consumers seem intent on increasing their usage of the web in more and more areas of their lives – from buying cars and houses to acquiring the latest technology: be it a PC, MP3 player or even an iPhone.

As noted earlier, older Internet users are, if anything, keener on the eCommerce experience of Life Online than younger users. The table contrasts the proportion of users intending to ‘book a short break’ using the Internet this year versus those intending to ‘buy clothes’. In the case of the former, it will be older consumers who dominate online purchases; while in the case of the latter, it will be younger consumers (and female users).

	A. Book a Short Break	A.	B.
	B. Buy Clothes		
All Internet users	75%	42%	
15 - 24's	64%	51%	
25 - 34's	79%	47%	
35 - 44's	78%	40%	
45 - 54's	75%	35%	
55 - 65's	79%	32%	
Males	76%	37%	
Females	74%	47%	

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Nevertheless, across all age groups, social classes and regions – and regardless of gender – Irish Internet users seem content with their Life Online. If their intentions are anything to go by then we can expect to see the Internet playing an even bigger part in their lives in the years ahead.

## Future Online

These are exciting times for Irish Internet users. Not only is the online experience improving thanks to broadband and new mobile services, but so also is the choice of online activities available to users.

The Irish appear to be embracing Life Online with real enthusiasm, in turn creating a large online market for Internet services and product providers. And yet, despite the changes and progress we have charted over the past ten years, it really does seem as if we are only at the beginning. The best of Life Online has yet to come.