

The power users

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Value for money

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Survey: marketing budgets move online



Aileen O'Toole,
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Ireland's marketing decision-makers are moving more of their budgets online, with a majority committing over 10% of their overall marketing spend to online advertising and promotion. This is the main finding of the 2008 Irish Online Marketing Sentiment Survey conducted by AMAS among members of the Marketing Institute of Ireland (MII).

For the first time, those who hold the marketing purse strings in Ireland have indicated how their media and promotional buying habits have changed in response to greater internet usage. The results show:

- 56% of marketing professionals spend over 10% of their budget online
- Email campaigns are the most popular form of online

advertising or promotional activity and are used by 64% of respondents

- Search engine optimisation (SEO) and banner advertising are the next most popular, with usage levels of 46% and 41% respectively
- Value for money and measurement are main reasons for use of online
- Newer forms of online promotion are gaining traction, with 20% using blogs or social networks to promote their products or services.

The survey was conducted among members of the MII between July and August through an online questionnaire. The results are based on a total of 268 respondents who said they are responsible for their companies' or organisations' marketing budgets. The sample included a broad mix of businesses and sectors across the economy.

The survey was designed to assess the extent to which marketers are moving budgets online, in line with trends in other more mature online markets such as the UK and the US. And the answer is a resounding yes.

Take one particular trend – the number of marketers

2008 Irish Online Marketing Sentiment Survey

Sample size: 268 marketers, all with marketing budgetary responsibility

MII members: 92%

Methodology: online questionnaire

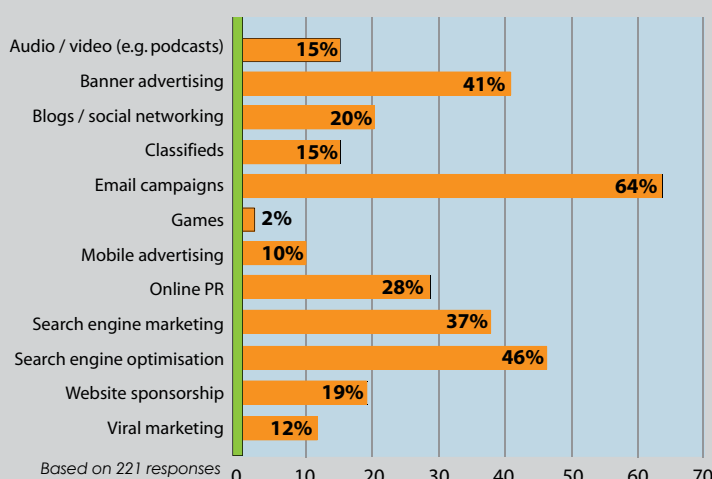


who don't do any online advertising or promotions at all. Currently that stands at just 14% of the sample. However, this time last year almost 30% of the sample said that they were not using online.

The trend is particularly noticeable among SMEs, those employing 50 or fewer. They demonstrate a greater conversion to online than the overall sample. For some online advertising formats,

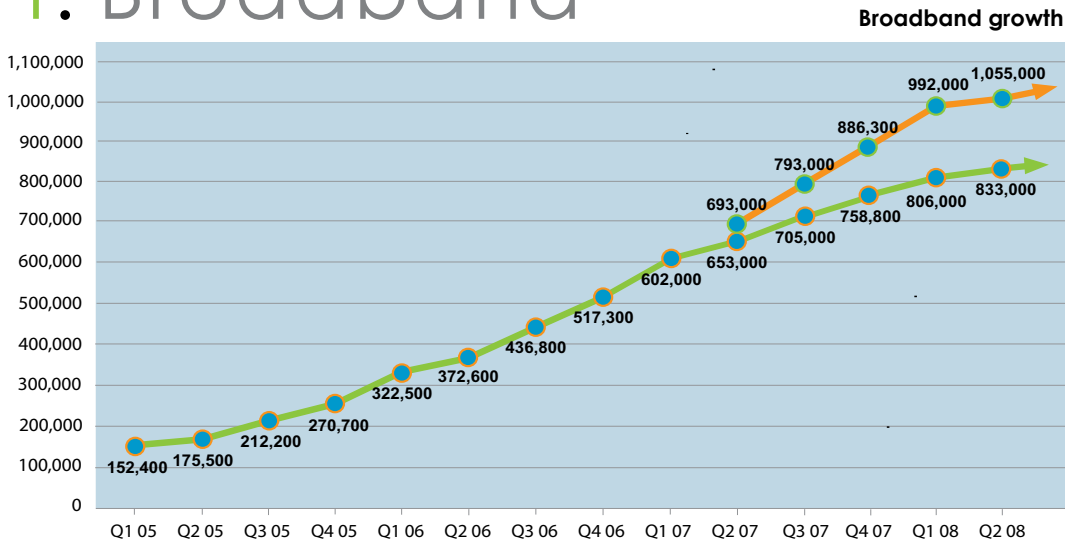
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Online advertising and marketing formats



Source: 2008 Irish Online Marketing Sentiment Survey, Marketing Institute of Ireland/AMAS

1. Broadband



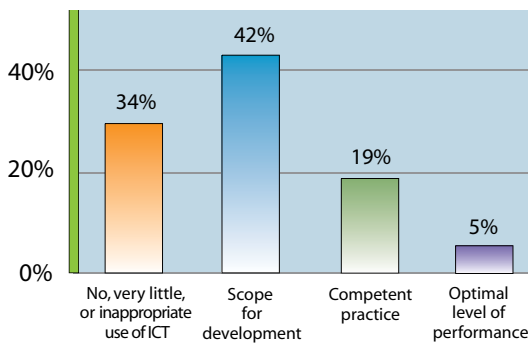
The magic million mark for broadband subscriptions has been passed, thanks to the runaway uptake in mobile broadband subscriptions. ComReg reports 1.055 million subscribers at the end of June. Mobile subscriptions contributed a whopping 222,000-plus.

Year-on-year comparisons including broadband come with a health warning. Mobile broadband, shown in orange on the graph, is a relatively new feature in the research and initially mobile was shown as an estimate only.

Source: ComReg Quarterly Key Data Report, September 2008

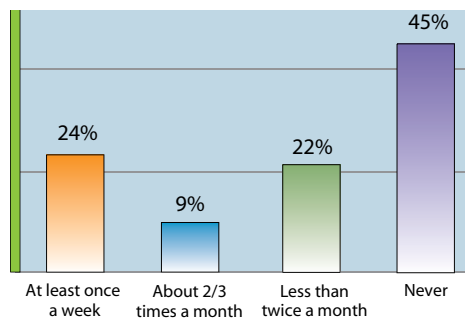
2. Education and ICT

Use of ICT for teaching and learning



All School inspectors mainstream class observations (total observations 127)

Use of computers in teaching



Survey responses by post-primary teachers about how they use computers for their teaching (total responses 800)

Source: ICT Infrastructure and Planning in Schools, Inspectorate Evaluation Studies Department of Education and Science, 2008

"Could do better" is the verdict of a major new study on ICT in Irish schools.

The report by the Department of Education and Science's Inspectorate found encouraging improvements

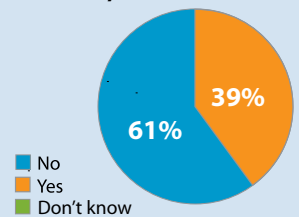
in student-to-computer ratios, and that most schools now have an ICT plan.

But three in five primary schools and one in four secondary schools do not report having a website. A third (34%)

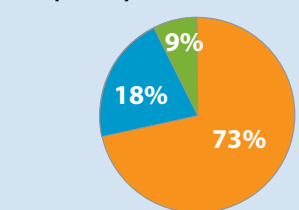
of inspectors' reports on classroom observations reveal limited, inappropriate or no use at all of ICT in teaching and learning in primary schools.

Meanwhile a new strategy document published by the

Primary school websites



Post-primary school websites



Responses to questions about whether schools have websites

Minister for Education and Science addresses some of the shortcomings. *Investing Effectively in Information and Communications Technology in Schools 2008-2013* includes a series of major commitments.

Top Trends

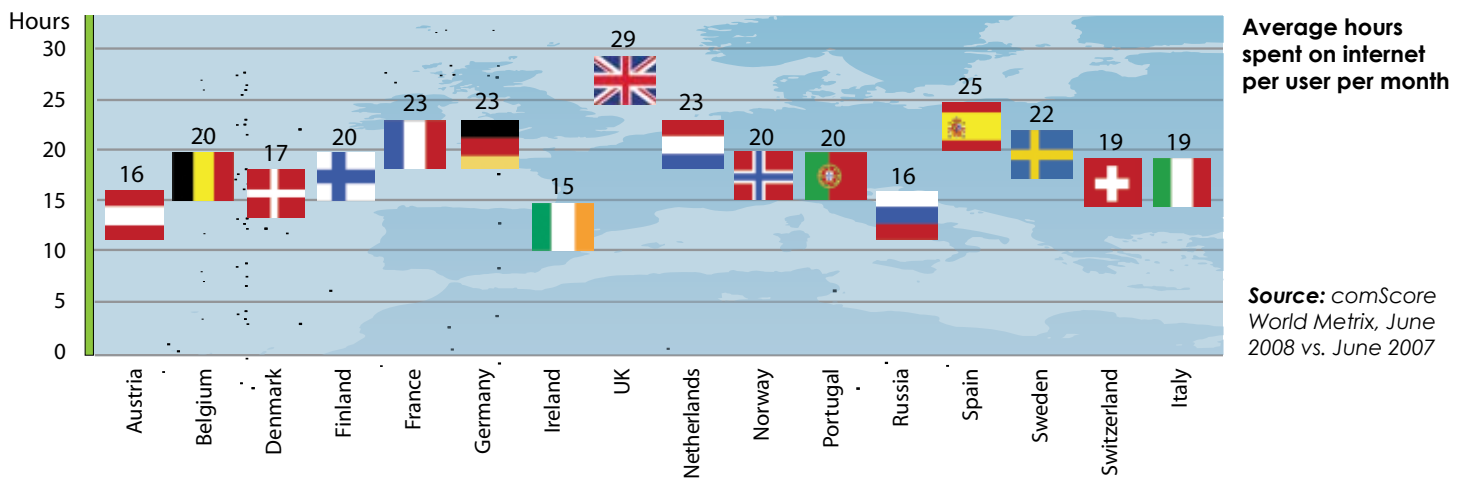
3. Internet Usage

Ireland has one of the fastest growing online audiences in Europe, but it has some distance to go before typical usage patterns here mirror those of our European neighbours.

Year-to-year audience figures from comScore show Ireland's internet audience in June

2008 was 1.6 million, an increase of 15% on the previous year. In terms of fastest growing audiences, this puts Ireland in joint third position with Spain and behind the Russian Federation (27%) and France (21%). The size of the overall European Internet audience is put at 241 million, up 8% on a year ago.

As the graph shows, our nearest neighbour holds the record for the greatest amount of time spent online. A typical UK user spends 28.5 hours a month online, twice the Irish level and just over five hours more than the average time across all European countries.



4. Online Forums

Top 10 forums in Boards.ie by number of pageviews

Forum	Page views
After Hours (general discussion)	1,487,700
Motors	1,027,887
Computer and Tech	898,082
Poker	793,239
Personal Issues	629,906
Soccer	572,582
Consumer Electronics	521,316
Bargain Alerts	387,637
Beer Guts and Receding Hair (men's forum)	331,084
The Ladies Lounge (women's discussion)	325,125

Figures to end of August 2008

Social networking has truly come of age in terms of web-based discussion forums. Ireland's largest online forum, Boards.ie, had its 10th birthday last February, and its 10 millionth post during August.

- Other major Irish discussion boards include:
- P45.net (1.9 million posts by August 2008)
 - Politics.ie (1.2 million posts)
 - Thumped.com (1 million posts)
 - Askaboutmoney.com (640,000 posts)

One indicator of the exponential growth of these forums: while it took Boards.ie five and a half years to reach its first million posts, it now gets that many posts every three months. Some of its largest forums (Table left) have open-ended topics where a single thread of free-wheeling discussion can evolve over thousands of posts (Table right).

Longest discussion threads on Boards.ie

Forum	Thread	No. of posts in the thread
Beer Guts & Receding Hairlines	"Ladies and Gentlemen, the bar is now open"	72,798
The Cuckoo's Nest	"Post something about the poster before (using limericks is optional). MEGAMERGE!"	43,096
The Nocturnal Forum	"The Lair"	34,745
Poker	"Bad beat/Moan/Venting thread + Boast/Wow,lol posts"	30,318

Figures to end of August 2008

the opportunity to win online

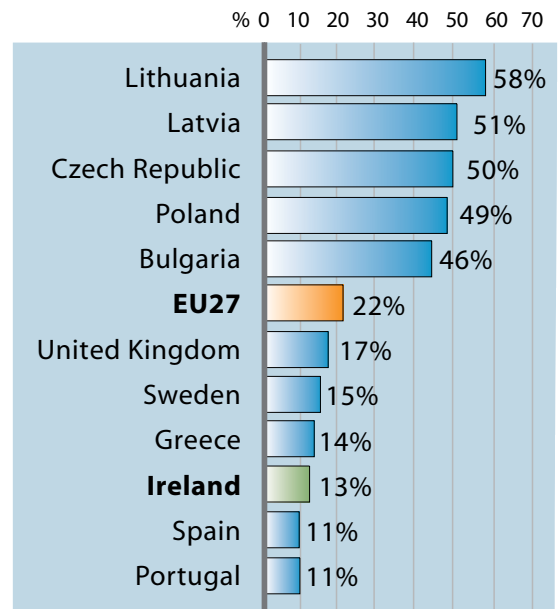
5. Internet Phone Calls

Skype and other internet telephony providers have yet to crack the Irish market, according to new research on Internet phone usage across Europe. Ireland is third from bottom in the EU27 league, with an adoption level of 13% - less than two thirds of the EU average of 22%.

The Eurobarometer survey points to a stark East/West divide. Eastern Europeans

seem to be carrier consumers and have taken to low-cost or no-cost internet telephony services. More than half of PC owners in three Eastern European countries – Lithuania, Latvia and the Czech Republic – make internet calls. Average internet telephony among new EU member states is 43%, compared with only 18% among older member States, the so-called EU15.

% of PC owners who make calls over the Internet



Source: eCommunications Household Survey, Eurobarometer, June 2008. Survey involved 26,730 interviews, of which 1,000 were in Ireland.

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they are showing higher penetration than larger businesses, those employing 200 or more. For instance:

- 53% of SMEs use SEO, compared with 38% of larger businesses

- 66% use email marketing campaigns, compared with 48% among bigger businesses

This is in line with international trends. SMEs which once considered

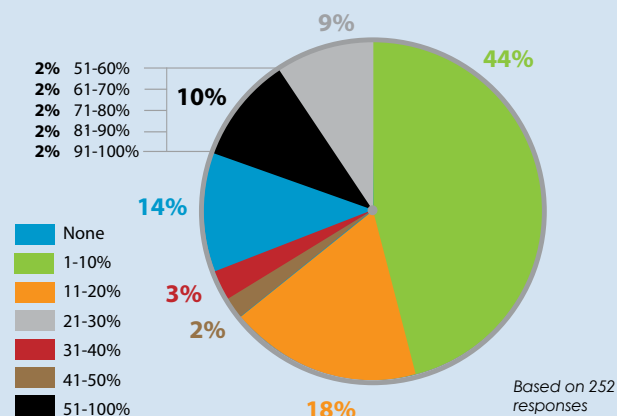
advertising campaigns outside of their reach and budget have taken to online marketing, with many adopting a DIY approach thanks to the extensive range of free resources and tools available on the Internet. That said, the AMAS/MII survey showed little difference between smaller and larger businesses in Ireland in terms of their usage of Search Engine Marketing (paid placement or sponsored links, such as Google AdWords).

How that spend is being diverted varies across different categories. In the case of direct mail, 20% of respondents said that the shift in spend was more than 15% of the budget for direct mail. For press, the shift was less pronounced, with just under 15% of the sample saying they had moved more than 15% of their press budget online.

Value for money has to be the marketer's catch phrase in these straitened economic times. Unsurprisingly, survey respondents state that "optimising of reach" (53%) and "measuring responses" are the main reasons for using online. See page 6 Marketers find value, accountability online for further analysis.

Online's gain has been at the expense of other media. The survey supports anecdotal evidence that press and direct mail have been the hardest hit. A total of 47% of the sample said that they had moved spend from direct mail to online while 44% had moved it away from press.

% of marketing budgets spent online



Source: 2008 Irish Online Marketing Sentiment Survey, Marketing Institute of Ireland/AMAS

Top Trends

6. Internet Power Users

What's the profile of a typical "power user" of the Internet in Ireland? Data from TGI Ireland enables us to draw the picture – the power user is more likely to be young, male, with more disposable income and a penchant for holidaying.

TGI defines the "heaviest users" as the top 20% of users based on their internet consumption. In the sample group of 262 respondents, representing 328,000 people in Ireland:

- 57% are male
- Over half are aged 15-34
- 56% work full-time
- Over 60% are ABC1
- Family income is 25% higher than average

They are twice as likely to have taken at least five holidays last year, and people aged 15-24 are 44% more likely than the average adult to be in this power user group.

Source: TGI Ireland (www.tgi-ireland.com). Republic of Ireland TGI database based on 2,829 respondents. TGI's survey is a self-completion questionnaire, and a representative quota of respondents is recruited by telephone and face-to-face interviews.

Profile of a power user

57%
are Male



56%
work
full-time



Over 60%
are in
Social
Grades
ABC1



Over twice as
likely to have
taken at least five
holidays last year



Family
income is 25%
more than the
average



Over half
are aged
15-34



Voting remains open until 17 October for this year's Irish Internet Association/Enterprise Ireland Net

Net Visionary: get ready to vote

Visionary Awards. The winners will be announced at the awards ceremony in the Royal Hospital Kilmainham on 30 October.

Three new categories – Best Online Export, Best Online Business Use of Irish, and Best Business Use of Social Media – have been

added this year. In all, 18 awards will be handed out, encompassing all aspects of doing business online, from web design to eGovernment.

"A nomination for a Net Visionary Award is a stamp of approval from your business peers who like what your company is doing online," says Fergal

O'Byrne, the Irish Internet Association's CEO.

Find out more about voting and booking for the Net Visionary Awards ceremony: <http://www.iaa.ie/events/net-visionary>

Check out previous Net Visionary Award winners: <http://www.iaa.ie/net-visionary/previous-winners/>

Marketers find value, accountability online

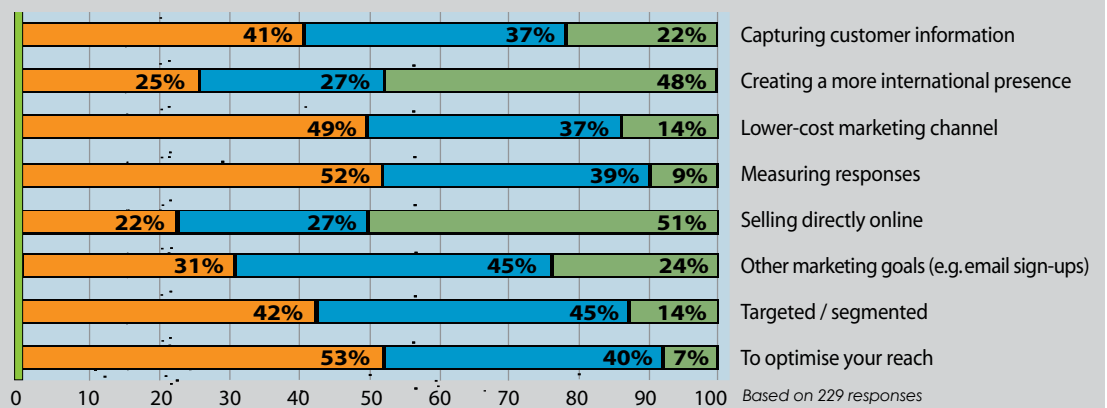


Fíachra Ó Marcaigh,
Director, AMAS

Top reasons for using online marketing

Very important
Important
Not Important

Source: 2008 Irish Online Marketing Sentiment Survey, Marketing Institute of Ireland/AMAS



There are many good reasons to choose online marketing channels. And reach, low cost and measurable responses are among the best.

That's the verdict of marketing managers with budgetary responsibility who responded to the AMAS State of the Net question about top reasons for using online channels. These

people are responsible for marketing budgets. They care how far their money goes, how many people they reach and how measurable the impact of their spending is.

Value

At a time when all businesses are focused on maximising value for money, this part of the marketing industry seems

to be getting it.

Mind you, it's not universal. How many times of late have you heard on radio, or seen in print or on TV a marketing message that is in absolutely the wrong place?

Some, but certainly not all, are public information notices. Being blasted out in a high-

cost channel with limited reach and even more limited ways to measure response.

Future

Just part of that spend might produce a stonking campaign online. Like a killer microsite, optimised for the search engines, primed with search marketing and tightly measured. Sounds like the future.

AMAS clients in major projects

AMAS clients have launched a series of new online projects in recent months.

For eFlow, the new barrier-free tolling system on the M50, AMAS was contracted to advise on online communications. The role involved specifying and project managing the static side of a new website, editing and optimising site content as well as advising on usability and accessibility.

IBI Corporate Finance has relaunched its website, showcasing the firm's leadership in the Irish corporate finance market. AMAS advised IBI on online strategy, usability and accessibility and also provided content editing and search engine optimisation services. AMAS has been under contract to IBI's parent, the

Bank of Ireland Group, since 2002.

AMAS was also involved in the rebranding of leading financial advisory firm FGS (formerly Farrell Grant Sparks). The role involved online strategy, advising on site redevelopment, content editing and search engine optimisation.

Also, in the last quarter, AMAS:

- Evaluated intranet sites for two State agencies
- Specified and project managed the creation of new client support forums for a leading private sector client
- Won a significant tender to act as online adviser and project manager to the National Consumer Agency

AMAS: what we do

AMAS is a consultancy specialising in online channels. The company is retained by businesses and government bodies to plan, manage, evaluate and market their online channels. Services include:

- Strategy
- Research
- Audits
- Content
- Marketing
- Project management
- Outsourcing

Find out what AMAS can do for you. Contact Aileen O'Toole, Managing Director, on + 353 1 6610499 or info@amas.ie.

Visit the client websites:

eFlow: www.eflow.ie

IBI Corporate Finance:

www.ibicorporatefinance.ie

FGS: www.fgspartnership.com