

Campaign: ideas to rebuild the economy



Aileen O'Toole,
Managing Director,
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- Commercialising research
- Low R & D spend
- Scientific literacy
- Life-long learning

The ideas economy dashboard



Under performer

High performer

- Entrepreneurial
- Hi-tech presence
- Export focus
- Open to new ideas

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Source: Building Ireland's Smart Economy, a Framework for Sustainable Growth published by the Government, December 2008

As a counterbalance to the tidal wave of negativity about the economic crisis, AMAS is launching a campaign to harness innovative ideas to fuel the economy.

We are throwing down a challenge to Irish people to propose ideas that will deliver business opportunities, jobs and export earnings. We hope that those ideas, and the conversations and analysis arising from them, will feed into the Government's strategy to make Ireland the innovation and commercialisation capital of Europe.

The ideas economy is central to the Government's blueprint for economic recovery over the next five years. But what is this "ideas economy" all about? Quite simply, it's about leveraging our skillsets, investing in R&D and driving innovation through capitalising on opportunities from Ireland's strong multinational presence and from technological convergence.

As our graphic above shows, Ireland scores well in

terms of our entrepreneurial activity. We rank second in the world for early-stage entrepreneurship among OECD countries. The presence of hi-tech multinational companies and our export focus are other strengths.

But we underperform in terms of turning ideas into hard cash, in investing in R&D and in plugging gaps in our skills base.

AMAS's Ideas Campaign is designed to identify ways to

harness our strengths and address our weaknesses? What are the quick wins that help send a positive signal to our people that the economy is being reshaped?

Why the Ideas Campaign? There are three reasons. Firstly, we want to play a small part in rebalancing the debate from one that is retrospective, introspective and unproductive to one that is forward-looking, challenging and hopefully inspirational. A recent

Secondly, Ireland is awash with innovative talent. AMAS has the privilege of working with early-stage and established entrepreneurs and successful businesspeople, many of whom have strong international experience. We, like them, see opportunities, not problems.

Thirdly, for almost three years AMAS's State of the Net has been plotting many of the trends that are central to the creation of an ideas economy. The Internet is a new paradigm in business, creating a torrent of potential for a small island nation.

A few ground rules about the Ideas Campaign. Give us feedback on the government strategy. Tell us why something can be done, not can't. Tell us why you believe your idea has legs. And, please, please, don't whinge.

We promise to review all contributions, analyse and compile them into a report which will be presented to Government in April.

Contribute now

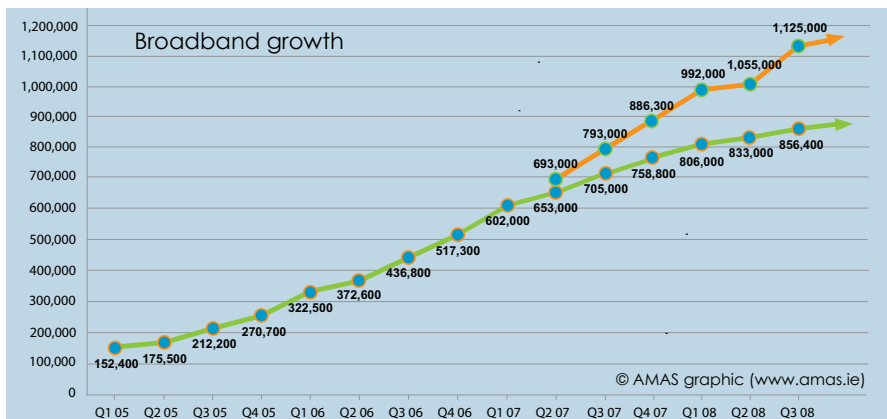
Visit the campaign website to leave a message or to contribute an idea

www.IdeasCampaign.ie

further the ideas economy. How can we move from a somewhat abstract concept to something more tangible, which will deliver business ideas, jobs and export revenues? How can we

appearance on RTÉ's Prime Time, where I made similar noises, attracted extraordinary feedback, convincing me that the appetite for this campaign is strong.

1. Broadband



Source: ComReg Quarterly Key Data Report, December 2008

Largely positive developments on broadband this quarter. The latest broadband statistics, for the third quarter of 2008, show total subscriptions standing at 1.125 million, an increase of 6.7% over the previous quarter.

There is evidence that the wide gap between Ireland's broadband penetration and that of our European neighbours is narrowing. EU data, quoted by ComReg, puts the average fixed penetration level in Ireland at 19.5%, compared with 21.7%

for the EU27. A new national broadband scheme has been unveiled, designed to plug the availability gaps.

One more negative take on the great broadband debate comes courtesy of a study on the gaps between

broadband speeds advertised and actually delivered. The Epiteiro study showed that consumers were getting just 60% of the bandwidth speed advertised. Worryingly, Epiteiro put Dublin as second worst of eight European cities for broadband.

| Overall Rank | European City |
|--------------|---------------|
| 1. | London |
| 2. | Amsterdam |
| 3. | Zurich |
| 4. | Paris |
| 5. | Madrid |
| 6. | Lisbon |
| 7. | Dublin |
| 8. | Milan |

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Source: European City Preliminary Internet Performance Index, Epiteiro (www.epiteiro.com) December 2008

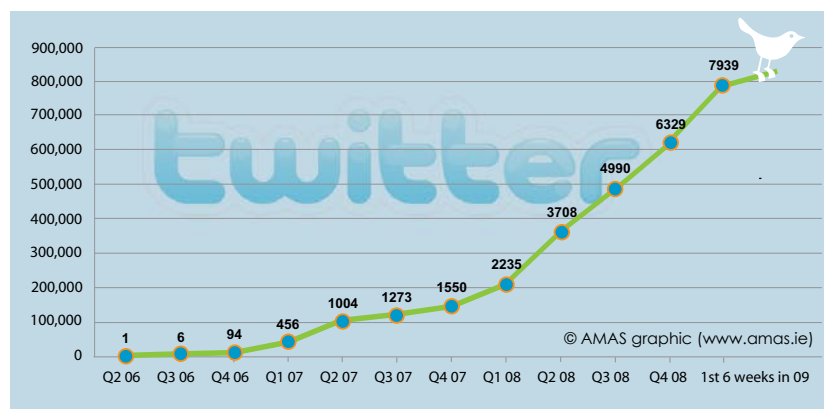
2. Twittering

Twitter is currently experiencing exponential growth in Ireland. The "micro-blogging" system, in which users send short text-based posts to people who have signed up to receive them, now has over 8,000 Irish users according to the first survey of its kind.

While the definition of what does or doesn't constitute an "Irish" twitterer is much longer than a tweet (a twitter message), the results of the study by Irishblogs.ie clearly echo international trends.

From a base of zero users at the beginning of 2006, the Irish twittersphere grew to over 1,000 users in mid 2007 and 7,939 users by early February 2009. And a survey of 152 twitter users in Ireland by ifoods.tv entrepreneur Neil Harbison found that over half (55%) were "twebies" (twitter newcomers) – twittering for three months or less.

Cumulative number of Irish twitter accounts



Source: Irishblogs.ie

Asked "Which Irish person would you most like to see on Twitter?", they ranked our top five would-be

twitterers (in descending order) as Brian Cowen, Roy Keane, Eamon Dunphy, Bono and Michael O'Leary.

Top Trends

3. Spam

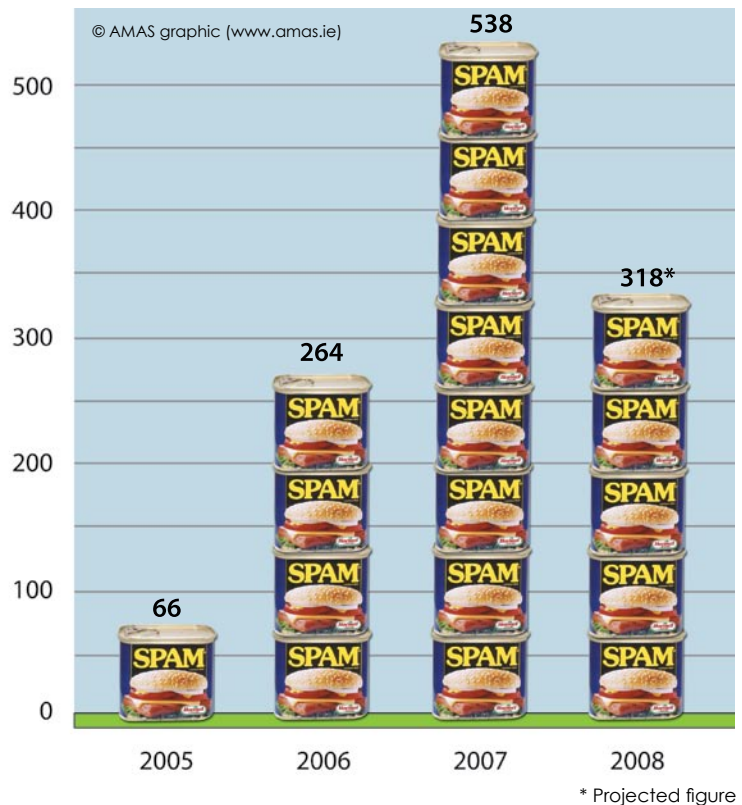
Our inboxes are groaning with spam, which has led Communications Minister Eamon Ryan to introduce tough new penalties. Fines of up to €250,000 or 10% of the company's turnover, whichever is greater, can be imposed on companies which send unsolicited emails, texts or faxes.

Paradoxically, complaints to the Data Protection Commissioner about spam fell in 2008. Just 318 complaints under the Privacy in Electronic Communications Regulation were received in 2008, a 41% drop on the previous year. However, those numbers don't show the full picture.

The Data Protection Commissioner initiated proceedings against businesses which had been the subject of high volumes of complaints in previous years in the District Court towards the end of 2007. "The commencement of these proceedings has had the positive effect of reducing the number of complaints as the companies concerned have either reduced activity in this area or they are checking that they have consent to target the individuals concerned," the Commissioner's office says.

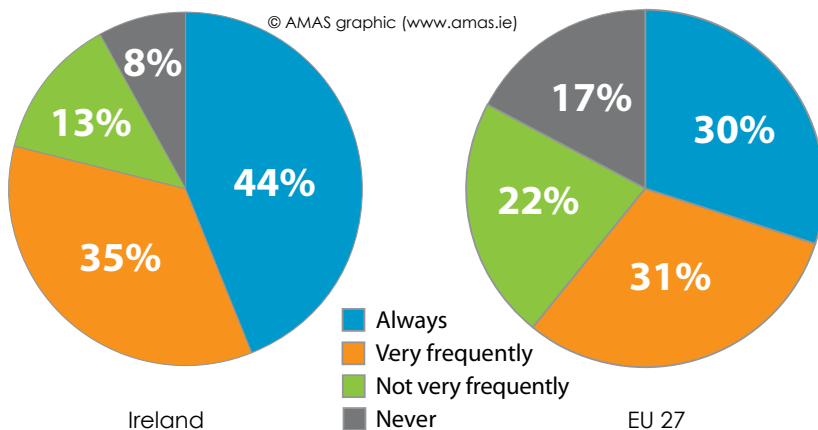
Source: Data Protection Commissioner annual reports 2005, 2006 and 2007; 2008 is a provisional figure supplied to AMAS

Complaints to Data Protection Commissioner about spam



4. Child safety online

Parents who say they are nearby when children go online



Parents in Ireland are the most likely in the EU to stay always - or very frequently - nearby when their children go online at home, according to a Eurobarometer survey. The report, "Towards a Safer Use of the Internet for Children in the EU - a Parents' Perspective", found that 79% of Irish parents said they keep an eye on their children, compared with an EU average of 61%.

Irish parents also top the EU table in not allowing their children to visit online chat rooms (92%), or email and instant messaging (59%).

On the other hand, we score highest in terms of wanting more awareness raising campaigns on online risks (96%), more and better information and advice on the websites that children use (95%), and improved monitoring software (95%).

Source: Eurobarometer

the opportunity to win online

5. Internet use

If you're male, live in Dublin and in rented accommodation, are between the ages of 25-34 and belong to the top AB social group, chances are you're part of the top band of internet users. That means that you spend 11 hours or more on the Internet in a given week.

Heavy users are more likely to have broadband and not a package from the market leader Eircom. Most users regard surfing as a leisure-time pursuit and have a positive attitude to how technology has impacted on their lives. Four out of five of those surveyed on behalf of ComReg believe

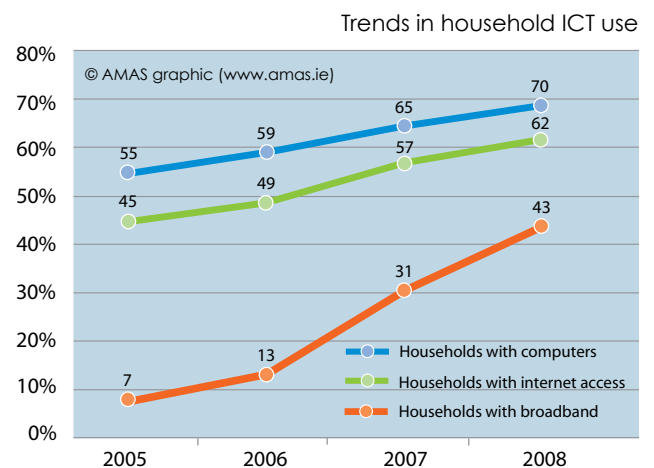
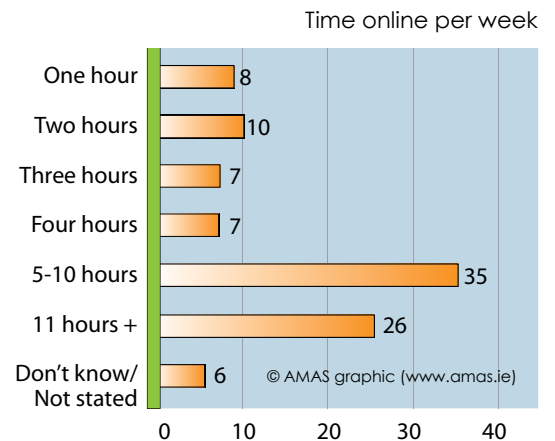
that technology has impacted positively on their quality of life.

The profile of heavy internet users correlates with that from another source, TGI Ireland, as shown in the Internet power user graphic in the autumn 2008 issue of State of the Net.

Meanwhile, CSO data – with a far larger sample size – illustrates the acceleration in both PC ownership and broadband connections among consumers. In 2008, 70% of households had a computer, compared with 55% in 2005, while 43% had broadband connections, compared with just 7% back in 2005.

Source: (top) ComReg Consumer ICT Survey, February 2009. Based on a sample of 1,002 adults aged 15 to 74

Source: (right) CSO Information Society statistics first results 2008, sample 39,000 per quarter



IIA congress focuses on online business

How to do better business online in this tough economic climate is the theme of the Irish Internet Association (IIA) annual congress, scheduled for 21-22 May in the Crowne Plaza Hotel in Dublin.

Money, marketing, monitoring and mobile are among the subjects that will be analysed by high-profile international and local speakers at the congress, an important event in the internet calendar for decision-

makers and industry professionals. This year the congress format is being changed following feedback from attendees and IIA members. The congress incorporates the IIA's annual Net Visionary Awards on Thursday 21 May, to make it more convenient and cost-effective for attendees who want to attend both events.

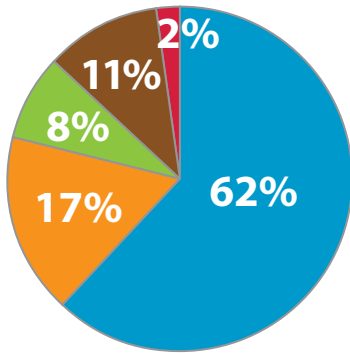
"The majority of requests were for an expanded conference with more chances to engage in group and

one-to-one sessions with key industry experts. This is exactly what we are doing this year," explains IIA Chief Executive Fergal O'Byrne.

"Much of the programme for the second day will be taken up by networking and one-to-one clinics, as they were completely over-subscribed last year."

For more details on the congress, visit www.ia.ie

Top Trends



Frequency of using the Internet

- More than 3 times a day
- 1-2 times a day
- Once a day
- Less often
- Never

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6. Business use

Most senior Irish business people use the Internet every day to conduct research, get business or financial news, make travel arrangements or gain intelligence on their competitors.

dominant, and an hour to an hour and a half spent listening to radio, with Morning Ireland ranked as the most-listened to programme.

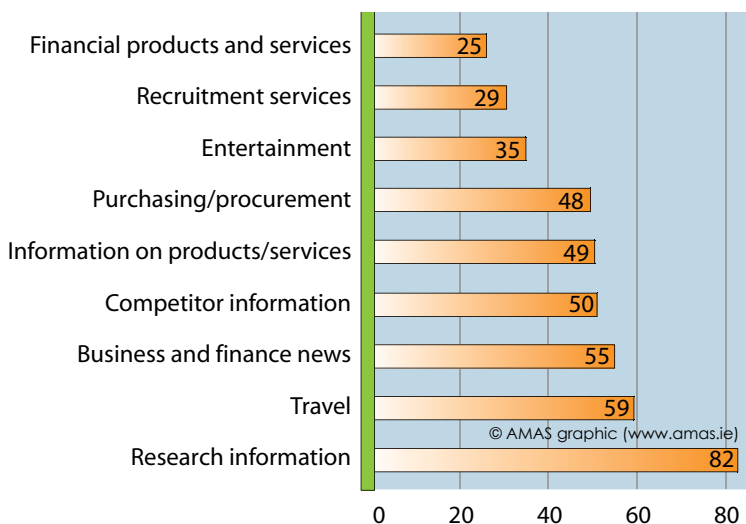
The Internet is becoming an important part of the media mix, with 87% of the sample online every day and 62% using the Internet more than three times a day. While the most common use is research, referenced by 82% of the sample, seeking business or financial news shows the highest frequency. Despite myriad online options, three sites dominate – Google, RTÉ and The Irish Times.

The survey on the media habits of Irish business decision-makers, conducted for the Institute of Advertising Practitioners in Ireland (IAPI), reveals a mix of established and emerging trends.

The media diet for a working day typically consists of 35 minutes reading newspapers, with The Irish Times

Source: IAPI Business Media Study conducted by Amárach research, September 2008. Sample of 480 key business people, all head of functions with 37% either business owners or CEOs

Business uses of the Internet



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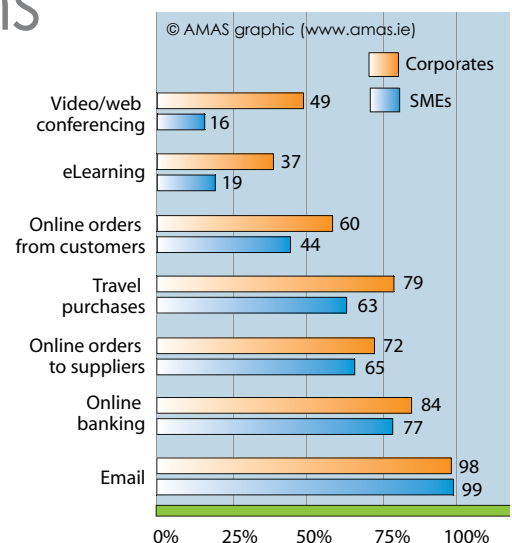
7. eBusiness applications

More sophisticated eBusiness applications, such as video/web conferencing, eLearning and accepting online customer orders, are more likely to be used by larger companies than SMEs. New ComReg research shows little difference between large and small businesses in terms of email use, which ranks as the top eBusiness application and which has reached virtual saturation

point among Irish businesses.

For the next three most popular applications – online banking, placing online orders and buying travel – larger businesses are ahead. But it is among those applications which require more investment, like online ordering or eLearning, that the divergence between smaller and larger companies is most evident.

Use of eBusiness applications



0% 25% 50% 75% 100%

Source: ComReg SME & Corporate ICT Research conducted by Millward Brown IMS, October - November 2008. Based on a sample of 524 SMEs and 50 Corporates, SMEs are defined as companies with less than 100 employees

AMAS launches Digital Intelligence blog



Looking for jargon-free, no-nonsense information, comment and advice on doing business in the digital age?

Then visit the new AMAS blog that brings you insights, research and other intelligence

on this rapidly changing landscape. It's targeted at decision-makers – busy people like you who want hard information you can act on.

The Internet's growth means that everyone is on a learning

curve. AMAS's promise is to make the journey easier. While there is no shortage of websites, blogs and online resources on digital developments, it's not always easy to identify critical data and trends, understand their

significance and put them in an Irish context. That's the gap AMAS's Digital Intelligence blog fills. AMAS promises you hard facts and powerful insights on online strategy, digital marketing, Internet research, online measurement and much more. The blog complements State of the Net, AMAS's quarterly publication, and will track the ideas economy and value for money themes covered in this issue.

Visit the AMAS blog on www.amas.ie/blog

Open source is about more than low cost

Imagine buying a car that could be serviced by only one garage. Not one manufacturer's chain of dealers. One garage.

Do you think that one garage would be very competitive in pricing its servicing? Would it feel it had to provide excellent customer service? Or would it rely on having a captive market?

That unfortunate situation – having only one option for service and support – is one that many businesses that own IT systems such as content management systems find themselves in. They own a proprietary system that can be maintained, managed and extended by only one vendor. While there are many fine vendors of proprietary systems, too often there are post-launch issues such as:

- **Poor service** – who else are you going to go to?
- **High cost of support** – for customers locked into this one



Fiachra Ó Marcaigh, Director, AMAS

product

- **Limited roadmap** – only one company developing upgrades for its customer base

For these reasons many

Irish companies are choosing a different path for digital applications such as content management systems (CMS), discussion forums, blogs and other online services. They are turning to:

- **Open-source** – such as the WordPress CMS / blogging tool
- **Very widely used and low - cost commercial software** – like vBulletin forums
- **Free web applications** – such as Flickr, Gmail, Google Maps and Delicious.com

This is about a lot more than avoiding the licensing cost of

proprietary software. (Usually, this is only a limited part of the cost of ownership of a system.)

Among the most important benefits in deploying a new system is that the testing cycle is greatly reduced compared with any bespoke coding or bespoke add-ons to a proprietary system. With many thousands of users - in some cases hundreds of thousands – there are multiple sources of support and a strong demand for improving the system.

In the case of web applications, there is another compelling reason. It is impossible for any proprietary system vendor to match the many millions that have gone into those applications.

So, from being largely seen as the preserve of geeks and enthusiasts a few years ago, open-source and online applications are completely mainstream. Irish people have already contributed to

many open source projects as volunteer developers and sponsors. As we seek to build a smart economy here, we are also likely to be making even more use of these tools as the smarter choice for the job.

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

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