

Mobile Internet: why it matters for business



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After years of false dawns, mobile Internet is reaching a critical mass that means it has to be taken seriously. Irish businesses need to look at what's happening, see how it relates to them and develop their mobile internet strategy. Here's why:

- Over 800,000 people in Ireland have accessed the Internet on their phones
- Mobile broadband subscriptions now number more than 350,000

Mobile operator 3 reports that 43% of mobile internet usage on its network is going to just two sites – Facebook and Bebo. Other top destinations are Google, YouTube and RTÉ. Other reports cite a broad range of services being used, including financial


services, eCommerce and location-related services such as maps and route planning.

The mobile Internet has even given rise to a new type of application, "mobile augmented reality" (MAR). This means mobile internet applications that tell users more about the world around them by using the location of the phone, and the view from its camera to query online databases.

They can then deliver very specific local information, for example which apartments in the block in front of the user are for rent – plus the details of each one, the rent being asked and the landlord's contact details. Other MAR applications could give you directions to the nearest ATM, or deliver tourist information about the building the camera is pointed at.

So what does the rise of a mobile internet generation mean for business? It means mobile sites are much more important. Leading Irish publishers that have already launched mobile versions of their sites include RTÉ, Boards.ie and Daft.ie. Increasingly, there will be "m." versions of sites alongside the www. ones.

Mobile Internet is a distinctive channel for marketing and



Mobile Internet Accessed by:

- 24% of Males
- 39% of 15 to 24-year-olds
- 25% of ABC1s
- 44% of Students

Source: ComReg Quarterly Key Data, released June 2009, ComReg Consumer ICT Survey, Q2 2009
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communications – no longer limited to those who have a computer and happen to be in front of it. Messages can be tailored by the user's location – allowing very focused campaigns for businesses that are close by. From special offer mobile coupons to health or safety alerts, the mobile Internet will bring digital advertising into a different league. And it will provide the tracking and accountability that many traditional advertising channels lack.

With opportunities come risks that need to be managed. For instance, the element of

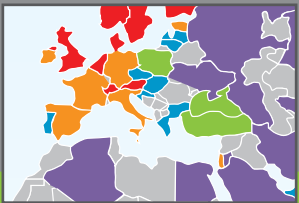
location tracking – and the fact that mobile phones are so personal to people – raises many privacy concerns. Businesses will have to take mobile user privacy seriously.

For digital content, customer service, education and all sorts of other applications, widely used mobile Internet changes the game. Google agrees. Its CEO Eric Schmidt has said: "Mobile will be a larger business than the PC-Web" (for Google advertising).

The message for businesses? Start planning now for mobile Internet.

How eReady are we?

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Getting tech savvy

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1. Broadband

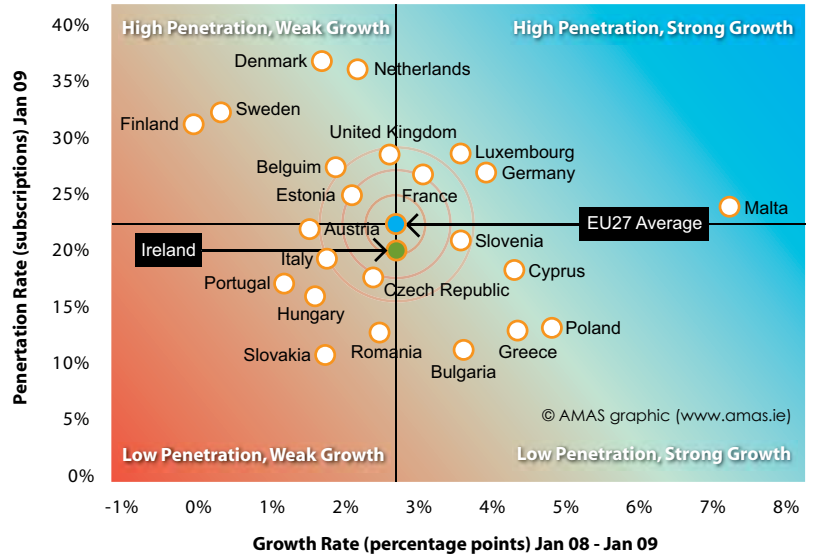
Ireland continues to be shy of the EU average for broadband penetration, following a few years of intensive growth when the gap narrowed considerably. Newly released EU stats show that the broadband rate per capita in Ireland stood at 20.2% in January 2009, compared with the EU27 average of 22.9%.

Mapped against our European neighbours, Ireland has been moving out of the "low penetration, strong growth" quadrant. However, it has some distance to go to earn its place in high penetration quadrants, where mature online markets such as Denmark and Netherlands nudge ever closer to the 40% penetration levels.

Growth levels in broadband in Ireland have been slowing down, as our second chart (ComReg data) shows. The most recent quarterly figures show total subscriptions of 1.27 million, an increase of 6% on the previous quarter and an impressive year-on-year growth of 28.2%.

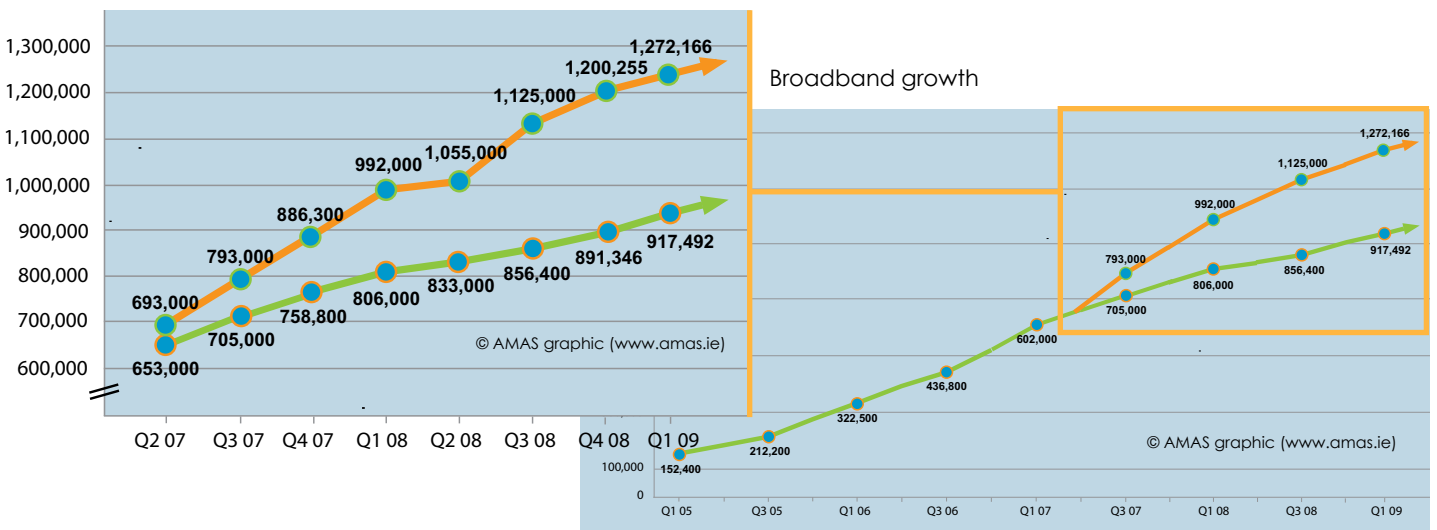
Mobile broadband continues to be the big story, accounting for 354,000 broadband subscriptions. Mobile phones and the popularity of dongles for business and personal use have driven demand. This represents a 91% year-on-year increase and a 15% increase from the previous quarter.

Broadband penetration in Europe



Sources: EU comparison: Progress Report on the Single European Electronic Communications Market 2008 (14th report)

ComReg Quarterly Key Data Report, June 2009. Green line shows all platforms, with the exception of mobile, while the orange line includes mobile broadband



Top Trends

2. Personas

Fascinating insights into how Irish people use and perceive technology emerge from consumer research commissioned by ComReg. The study provides a profile of Irish technology usage. It segments Irish people into four groups and creates personas for them.

From the sample, the largest number – 41% – are deemed to be “tech enthusiasts”. They tend to be older (35+), use technology but feel they could do more. The second-largest group – those who are “tech savvy” – account for 29% and don’t have as many inhibitions

with new technology. They’re younger, mostly under 35, and like to be early adopters for new technologies.

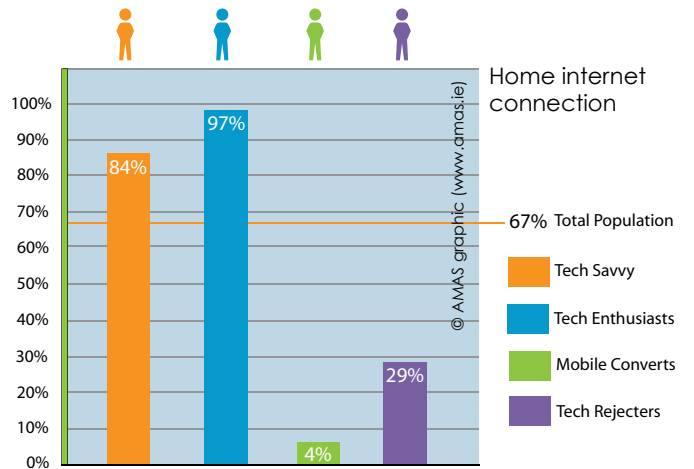
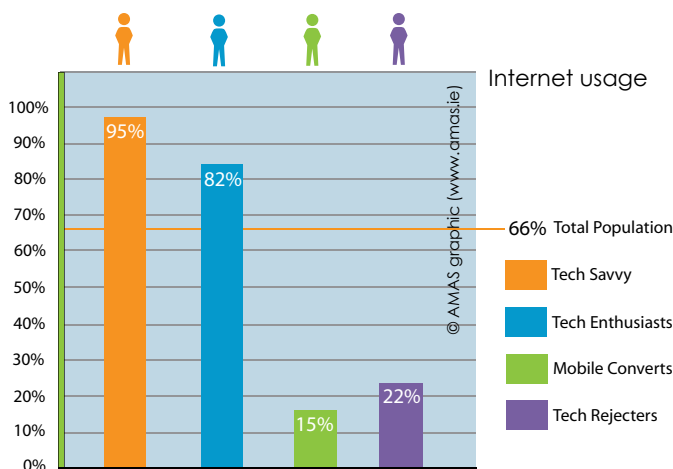
Next come the “mobile converts” who embrace mobile phones pretty much to the exclusion of other technologies. They represent 24% of the sample and many regard themselves as luddites, but might not always admit it. The final group – the tech rejecters – represent 6% of the sample. They’re more likely to be older (most are over 60), have mobile phones but don’t use them much. Few use the Internet.

If Ireland were 100 people...four Irish approaches to technology







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29% Tech Savvy 41% Tech Enthusiasts 24% Mobile Converts 6% Tech Rejecters



Source: ComReg Consumer ICT Survey, July 2009, based on a sample of 1,006 adults aged 15 to 74

 <p>Tech Savvy</p> <p>Typical profile:</p> <ul style="list-style-type: none"> • Aged under 35 • Higher than average mobile phone ownership • Lower than average landline usage • Higher than average for Internet, mobile Internet 	 <p>Mobile Converts</p> <p>Typical profile:</p> <ul style="list-style-type: none"> • Embrace mobile to exclusion of other technologies • Below average, Internet use • Aged 35+ • C2DE socio-economic grouping 	 <p>Tech Enthusiasts</p> <p>Typical profile:</p> <ul style="list-style-type: none"> • Higher than average mobile phone use • Higher than average internet use, home internet connection • Aged 35+ • Employed 	 <p>Tech Rejecters</p> <p>Typical profile:</p> <ul style="list-style-type: none"> • Aged 60+ • DE or F socio-economic grouping • Very low level of Internet use • Don't have home internet connection
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the opportunity to win online

3. Internet use

Age is no longer the barrier it used to be, or was perceived to be, to using the Internet. The notion that the Internet is only relevant to younger people is dispelled by the latest data from the Central Statistics Office.

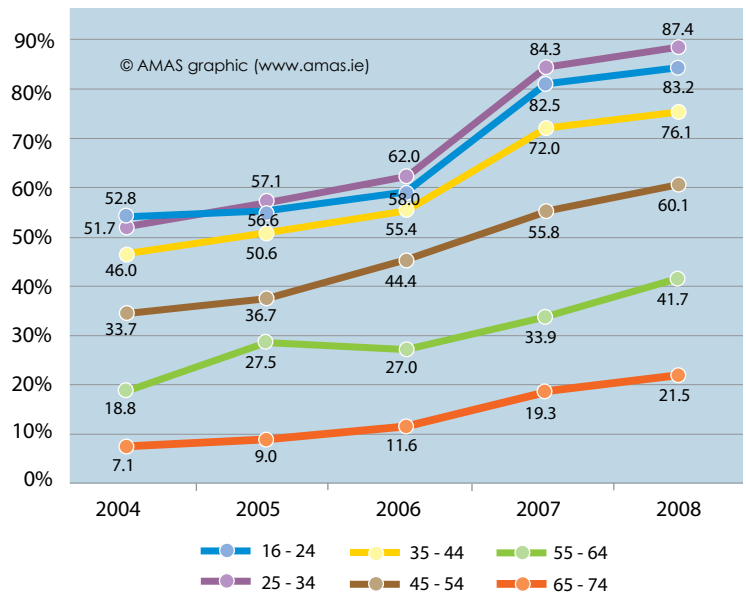
True, those between 16 and 34 show the highest Internet use rates, in excess of 80%. However, there is growing use among older people who are becoming increasingly Internet savvy. Some 235,000 of Irish people aged over 55 are now online. The biggest increase is shown among those between 55 and 64 – rising from 33.9% usage to 41.7% between

2007 and 2008. Among 65 to 74-year-olds, the rate of growth is slower but usage rates now stand at a respectable 21.5%.

The CSO has many other important headline numbers for the digital economy:

- 2.2 million people in Ireland use the Internet
- More than 1 million Irish households have a home computer, 915,000 of which have Internet connections
- 1.2 million Irish people have bought something online
- Almost 694,000 have bought travel or accommodation online, the biggest single category for online shopping

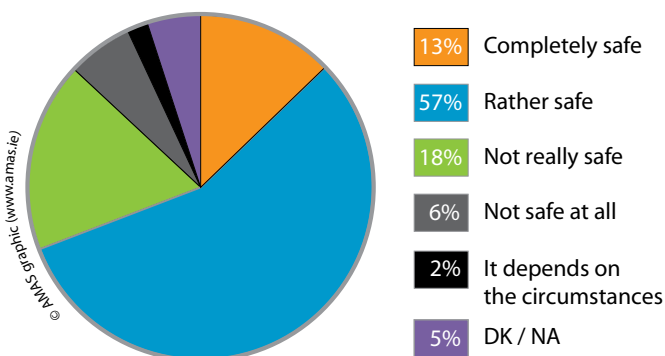
Internet usage by age



Source: CSO Information Society and Communications reports, 2005-2008. The figures for 2007 were revised at the beginning of 2008 by the CSO and as such will not match the previous graph of Internet use by age from issue 9

4. Trust online

Irish confidence in internet transactions



Source: Eurobarometer Confidence in the Information Society report, May 2009. Based on a sample of 12,799 at-home internet users aged 15 years and above across the 27 EU Member States. 500 persons were interviewed in Ireland. Figures do not add to 100% due to rounding

We're trusting people, at least when it comes to internet transactions. Some 70% of Irish people think that internet transactions are either completely safe or rather safe. That puts us sixth-highest in a survey of the EU-27 countries. Only Finland (84% say safe), Denmark (82%), Sweden (78%), the Netherlands (78%) and the UK (76%) are more confident.

The EU average is 58% and the least-confident countries when it comes to internet transactions are Spain (only 35% said completely or rather safe), Slovakia (34%) and with the lowest confidence level, Bulgaria, where only 17% chose safe. Confidence

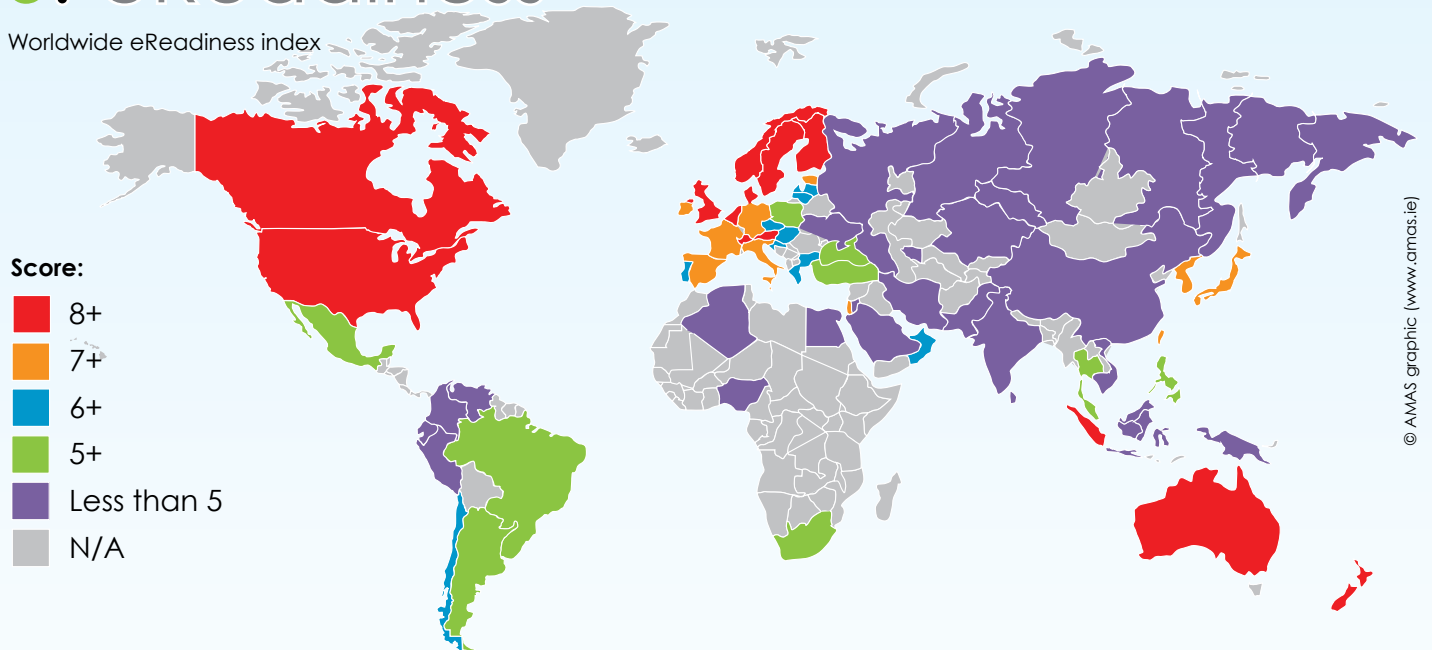
seems to be related at least partly to usage. Countries with high "don't know / not applicable" responses tended to have lower levels of usage. In this case familiarity breeds content.

Perhaps we are too confident. In the same survey, over 7% of Irish people said that they had given personal information to fraudsters operating "phishing" scams, the second highest rate among the countries surveyed. We also reported high levels of abuse of personal information (8%) and having computers taken over to become part of a "botnet" (6%) compared with other countries surveyed.

Top Trends

5. eReadiness

Worldwide eReadiness index



A modest boost for Ireland's reputation in the international competitiveness stakes comes courtesy of a new league table plotting countries' eReadiness. This is a measure developed by the Economist Intelligence Unit (EIU) which rates the quality of a country's information and communications technology (ICT) and how consumers, businesses and government exploit it.

Ireland's 2009 score puts it in 18th place among the 70 countries analysed, placing it towards the top of the second of the six bands plotted on this map. The 7.84 score out of a possible 10 means a jump from 21st place recorded in 2008. Overall, the trends worldwide have been downwards, due to the worldwide economic crisis. Ireland can take some consolation that the drop in

its score (0.2) was less than the average of 0.27.

A higher mark was awarded to Ireland for improvements in connectivity and technology, driven by better broadband and internet usage. Our foreign policy got top marks, but marks were lost under other headings such as the business and macroeconomic environments, market

opportunities and finances.

The UK and other leading economies got a more serious drubbing from the EIU. The UK's ranking slipped from 8 to 13, for instance, while the US is ranked 5th, losing its top slot to Denmark.

Source: Economist Intelligence Unit, eReadiness rankings, June 2009. Scores are marked out of 10

More businesses going digital

One promising sign that more businesses are embracing digital channels despite the economic downturn is the steady rise in membership of the Irish Internet Association (IIA).

Over 470 organisations are now IIA members, and

registered users in these businesses have jumped by over 60% in the past 12 months, from 1,290 to 2,095 people.

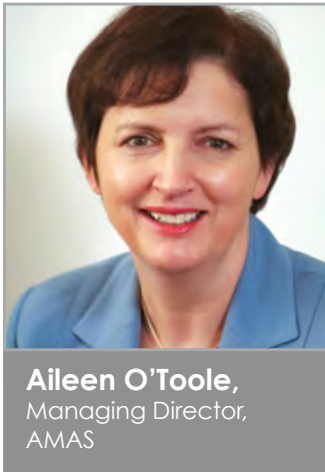
"Users" are defined as individual employees who benefit from IIA discounts, their own logons, and

access to resources and networking opportunities through the association.

Current figures show that 17% of members fall into the "corporate" category (50+ employees), 27% are in SMEs (3-50 employees) and the remaining 56%

are individual members. One reason for the high individual membership may be that users have not updated their profiles to include company details – and are missing out on the benefits of promoting their organisations to other members.

Digital pivotal to economic recovery



Aileen O'Toole,
Managing Director,
AMAS

Battered by one economic shock after another, it can be difficult to work up enthusiasm for technologies that are billed as solutions to Ireland's economic woes. Buzz words predominate. Fancy predictions are made. Even for those in the digital sector, it can all seem aspirational and, some would argue, a little unreal, given the deficiencies in basic infrastructure.

Yet behind the headlines about the smart or knowledge economy, there is a bedrock of inspiring projects and concepts. Take just three examples of several included in a strategy about exploiting digital and clean technologies.

The Internet of Things is about extending the Internet to information from sensors attached to equipment and physical objects. SmartBay in Galway Bay, a collaboration between multinationals, Irish businesses, academics and government, is advancing this in the area of marine and environmental sensing technologies.

Intune Networks is developing technologies that deal with bottlenecks in network traffic, which is doubling every two years. It's a world leader in optoelectronics R & D, holding important patents and can help Ireland become a leader in deploying low-energy,

ultra-fast communications networks.

Thirdly, there's the proposal to create an IFSC for digital content, capitalising on Ireland's creativity, in gaming,



Galway Bay - Smart Bay project (Photo: European Space Agency)

music and film. The idea is that Ireland can become a broker between content developers, owners and distributors and capitalise on the legal and professional

expertise that has grown up around the IFSC.

Fully validated and properly fostered, such ideas can help Ireland earn its place on the international map for technology innovation, bringing with it investment and jobs. The cynics – of which there are many – argue that, as a minnow, Ireland's ambitions are overstated. Rubbish. The history of innovation shows that small is good. Also, Ireland has several strengths that can be leveraged to allow it to become a global player in developing such emerging technologies.

The strategy, Technology Actions to Support the Smart Economy, can be downloaded from www.dcenr.ie

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.

Reuse State of the Net graphs

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All graphs from State of the Net are available for sharing through a SlideShare presentation. At AMAS, we're more than happy for these graphs to be reused but would request that the AMAS credit, embedded into the

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blog complements the quarterly State of the Net. Check out some recent posts such as:

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 - Google flunks the Gaeilge exam
 - Tiny URLs are bad for business
 - Why contrast matters for your website
- All of this, and more, on www.amas.ie/blog