

# UPC Report on Ireland's Digital Future shows growth in online consumer spending, jobs and GDP to 2016

**Internet to contribute an additional €6 Billion to Irish economy by 2016 – UPC Report**

**Recession aside, Irish people are forward looking 'Digital Optimists'**

**2.6 million Irish shoppers will spend €5.7 Billion online in 2016**

**Potential for the creation of 18,000 jobs**

**Find out how digital you are at [www.upc.ie/digitalindex](http://www.upc.ie/digitalindex)**

Irish people are 'Digital Optimists' who look forward to a host of new services that will enable them to work, shop, study and share from the comfort of their home in future, and Irish businesses are just as optimistic, according to The UPC Report on Ireland's Digital Future.

Launched today by Communications, Energy and Natural Resources Minister Pat Rabbitte TD, the comprehensive independent research was carried out for UPC by Amárach Research on an Irish market wide basis.

**Pat Rabbitte, T.D., Minister for Communications, Energy and Natural Resources, said**

"I welcome this useful and innovative research which provides further insights into the potential of the Internet to contribute to economic renewal and recovery. We know that key ingredients in achieving our potential are high speed broadband and digital participation – by citizens and businesses. As a progressive knowledge economy, trading goods and services globally, we need to be better connected than most in the world and we need to embrace the opportunities the Internet makes possible. This report indicates many of the benefits that are achievable through greater digital uptake and Internet usage across Ireland."

- The UPC Report identifies that the Internet will contribute €11.3 Bn annually to the Irish economy in 2016, rising from €4.7 Bn (2010) if current trends are maintained.
- This will be underpinned by 2.6m online shoppers who will spend €3.7 Bn in 2012, rising to €5.7 Bn (7% of all consumer spending) in 2016.
- At present, the Internet economy accounts for roughly 3% of Irish GDP and this is set to double to 6% over the next four years.
- The UPC Report estimates that this can translate into increased employment of 18,000 or more if Irish society and industry can keep pace with the digitisation levels of our UK and Scandinavian counterparts.\*
- Internet usage in Ireland is growing exponentially and there has been an 800% increase in total Internet traffic per month since 2009. (Source: INEX).

**UPC Ireland CEO Dana Strong said:**

“We commissioned this research to create a national dialogue and understanding about the potential of broadband for Ireland. The findings give all of us an insight as to how broadband is impacting on people, on the business community and on Ireland’s future requirements and expectations for economic competitiveness.

“As the leading innovator in superfast broadband through our €500 million network investment in Ireland, UPC has a unique perspective on the changes in Irish broadband consumption over the past 4 years. Consumer bandwidth and content requirements are growing constantly, driven by the explosion in video content.

“The UPC Report shows that the Internet is now a vital and indispensable part of our everyday lives. We were surprised to discover that people are spending 2.6 hours online every-day, and that nearly 70% of us frequently shop online already. This indicates that the size of digital spend is large and is going to be enormous in years to come. We must ensure that these developments are met by Irish based productivity and innovation in the future.

“ There is good news too on the business front where 55% of those surveyed indicated they plan to hire new staff in the coming two years. Businesses clearly recognise the opportunity that broadband represents - in fact 1 in 4 businesses think they could achieve an extra 5% growth on top of their current prospects with the right online strategy. If we can achieve a digital economy equal to that in the UK, we stand to gain 18,000 jobs.”

## **Life Online**

- 80% of adults use the Internet in Ireland, up from less than 50% in 2007
- Broadband take-up in Ireland matches the EU average at two thirds of homes
- Internet users spend an average of 2.6 hours online on a typical weekday, rising higher at the weekend.
- 69% of people say their broadband speed is sufficient for current needs, however 44% say it is not sufficient for their future likely needs
- On average there are two or more people using broadband in every home, with two or more devices connected at the same time.
- Shopping and social networks are the most popular online activities.
- There are 2.6 million online shoppers in Ireland, who are expected to spend €3.7bn in 2012. Some 15% of the population (15s-24s) represent almost 20% of online shoppers.
- On average Irish adults who shop online are spending €116 per month online (15-24s €61); (Over 55s €168).
- Over 60% of online shoppers would buy from an Irish website if they knew about one that matched equivalent offers from international sites.
- 30% of people use a laptop / tablet / smartphone at the same time while watching TV.

## What's the most essential service you couldn't live without?

When asked what is the one service in their homes that they couldn't live without, the number 1 choice for over a third of Irish adults in 2012, is broadband, over electricity, television, phone and water (at just 6%) in that order. While broadband can't work without electricity and people need water to live, this goes to show how integrated the Internet has become into people's overall lifestyles.

## Business

- 80% of businesses are optimistic about their growth prospects in the coming two years
- 55% of Irish businesses say they intend hiring in the next 12 – 24 months.
- Over 75% of companies supply smart phones and laptops to about a third or more of their staff.
- A third of adults already use the Internet at home for work purposes
- Six in 10 workers are expected to work from home some or all of the time by 2016
- Half of all adults would be interested in running their own business from home at some stage, facilitated by digital technologies.
- Nearly half of all businesses have observed an increase in online feedback from customers in recent years.
- 1 in 4 businesses think they could have an extra 5% growth on top of their current prospects with the right online strategy.

## UPC Digital Index

A particular innovation in this study was the creation of “Digital Indexes” for consumers and businesses which establishes a benchmark against which our future performance and progress towards the digital future can be measured.

- **The UPC Digital Consumer Index** tells us that just 30% of Irish adults are ‘Digital Leaders’, while 8% are ‘Digital Laggards’: the balance are what we call ‘Digital Followers’.
- **The UPC Digital Business Index** indicates that 31% of Irish businesses are Digital Leaders, while 14% are ‘Digital Laggards’: the balance falls into the category of ‘Digital Followers’.

“It will be interesting in future years to see how the composition of this index changes”, Strong noted. “We have much to gain from the digital future in terms of higher standards of living, a better quality of life, improved consumer welfare, greater business productivity and lower unemployment”, Dana Strong concluded. “This report shows the road ahead and together as a society and economy we must all take the next steps.”

**Ends.**

## **Notes**

About the survey:

UPC commissioned Amárach Research to carry out two, parallel surveys in August 2012: the first was an online survey comprising 1,000 adults aged 16 and over, representative of Ireland's population; and the second comprised a telephone and web survey of 201 IT decision-makers in Irish SMEs and larger corporations, with quotas to ensure a cross-section of companies by size.

\* Ireland's 'Digitisation Score' is 47 (according to Booz & Company). The UK's is 54 and Norway's is 64 (the highest out of 150 countries), measuring things like digital services and products, affordability, usage and broadband speeds. An increase in a country's digitisation score reduces the unemployment rate. If Ireland increased its score to the UK level, that would reduce numbers unemployed by nearly 18,000.

**For a complete review of the research findings and references for figures quoted, view [The UPC Report on Ireland's Digital Future](#) and find out how digital you are at:**

**[www.upc.ie/digitalindex](http://www.upc.ie/digitalindex)**