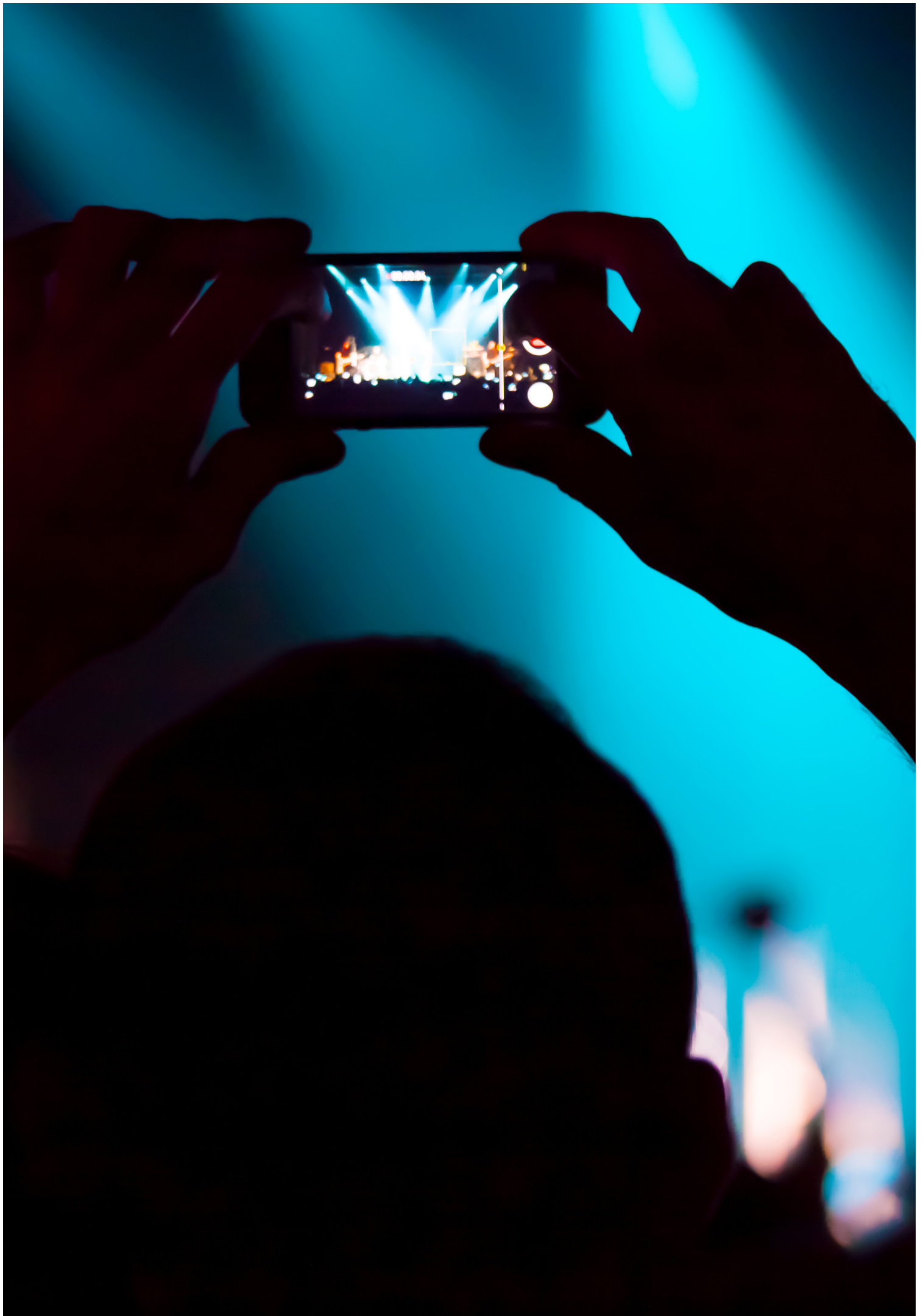


Contents

Foreword	01
Infographic	02
Trends in the Irish mobile consumer survey	
- Females get more use/value from their phones	04
- Location, location, location- the geographical spread of usage	06
- Acknowledging Nomophobia- the fear of being without our mobile phone	08
- The Battle of the Big Phone Brands	10
- The beginning of the end for the PIN?	12



Foreword

The smartphone is now at an inflection point. Adoption rates are nearing their natural peak with 19 out of every 20 adults in Ireland owning one. While ownership rates may be approaching a ceiling, the smart phone economy is just getting started and the smart phone industry is brimming with potential.

At the end of June 2019, Comreg reported that there were five million mobile subscriptions in Ireland, of which 4.75m were using 3G/4G¹. With smart phone usage plateauing, we expect to see monetisation of subscribers move to 5G subscriptions, accessory usage (such as battery packs and headphones) and subscription based services (such as premium video and music). Comreg's data also shows that while voice minutes have remained consistent for the past 3 years, SMS messaging volume has decreased by 34% since 2016 and data volumes have increased by 221% between Q2 2016 and Q2 2019. The increase in data traffic is indicative of the increased use we are making of mobile phones.

While at this stage, it is too early to understand how 5G rollout will impact our usage, we do know that the smartphone has no digital challengers on the horizon. No other device can emulate its range of capabilities, and at least for this generation, the smartphone may be one of a kind. While other devices are available, ownership is much less and for some devices such as eReaders, their ownership has decreased in recent years as their functionality is replicated by smartphones².

The smartphone is likely to remain the most owned, most used and most personal device amongst Irish adults for many years to come. Its capability will be iterated significantly over the medium term. It will become faster thanks to more powerful processors, and it will become more intuitive and better connected. Connectivity will also provide the ability to increase the use of cloud computing, thus reducing processing requirements on smartphones, which in turn will increase battery efficiency. And with increased biometrics, it will become more secure.

As a result of these and other advances, investment in mobile first applications by business and government is likely to grow. While adoption of smartphones has reached a peak, the role of these devices in our lives has plenty of scope for growth.

While recognising the role the smartphone plays in our lives, this survey draws attention to a number of specific areas, mainly around who and where mobile devices are used and the impact it plays on our lives.

We hope you find this report useful and, like us, we hope you will find the analysis insightful. If you have any specific queries where our survey may provide useful insight for your business, please contact us.



Richard Howard

Partner – Technology, Media and Telecommunications Industry Group

¹Comreg – Irish Communications Market Quarterly Key Data Report Q2 2019

²Ereader ownership has decreased from 32% in FY18 to 28% in FY19 between FY18 and FY19, based on GMCS results.

Global Mobile Consumer Report 2019

96% -- of Irish people have a mobile phone

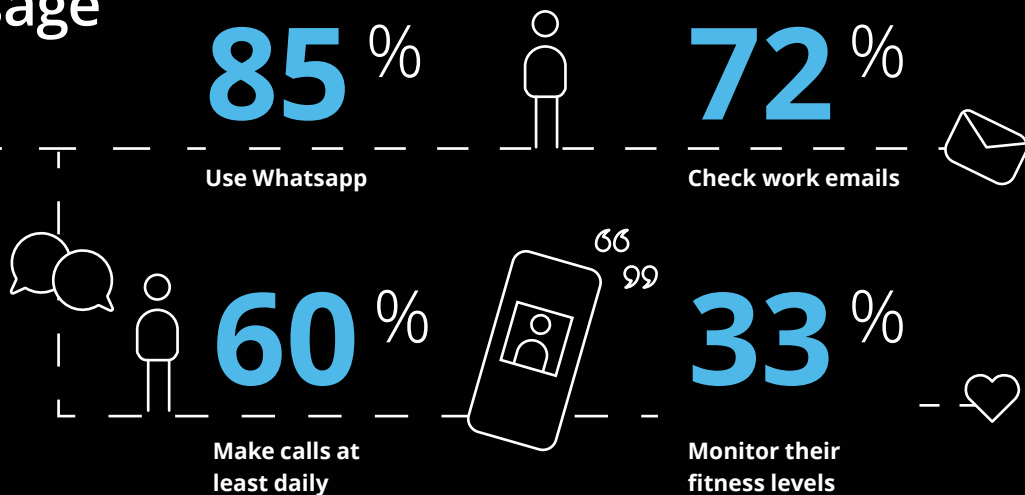
91% -- of those have a smart phone

They check their phones on average

50 -- times a day

21% would switch to a 5G network as soon as it is available

Usage



Health implications



66% are trying to limit their phone usage (↑ 21% since 2017)

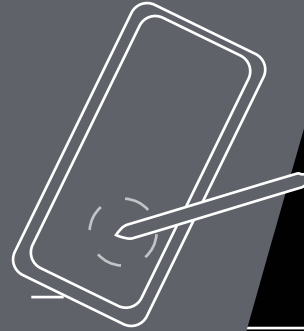
• **3** out of **10**

- indicated that over use of mobile phone meant;
- increased level of distraction
 - not getting to bed on time
 - feel they constantly have to check their phone

Most popular smart phone:

1. Samsung
2. Apple

* Huawei fastest growing



Time



Average male checks phone

46

times per day

56 %

believe they check their phone too much

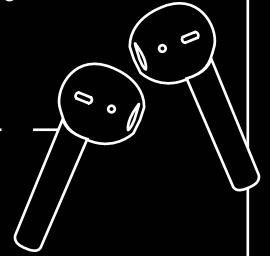
Average female checks phone

54

times per day

4 %

admit to checking their phone over 200 times per day



Privacy concerns



78 %

use PIN/password authentication
(↓ 3% since 2017)

86 %

concerned how online companies share their personal data

Use of facial recognition has doubled to

8 %



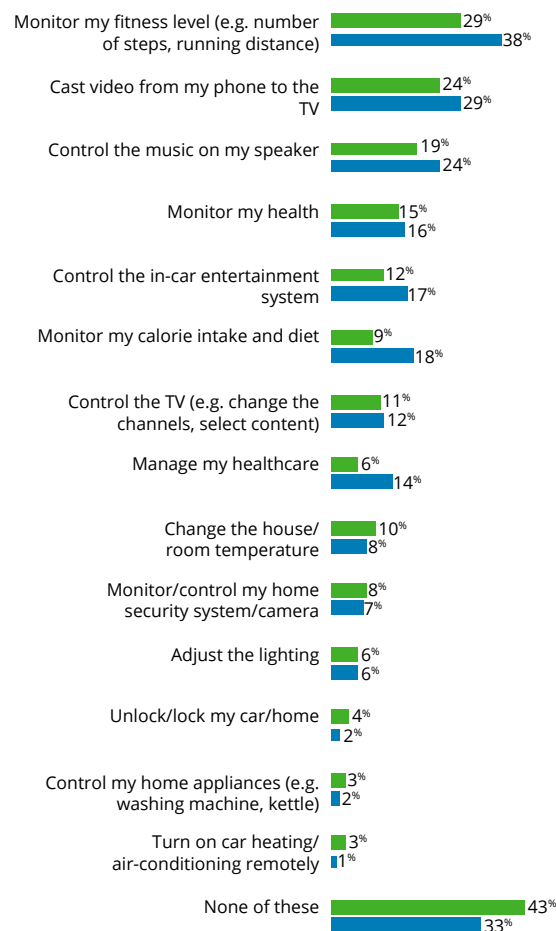
Females get more use/ value from their phones

Across Ireland, there are no significant differences in smartphone ownership. Smart device ownership is largely consistent with the only ownership variances being in desktops, which are owned by 47% of males in comparison to 36% of females and fitness bands, owned by 29% of females in comparison to 19% of males.

Where we have noted divergence however is in how males and females use smartphones. Across nearly all questions asked, females use their mobile phones more than males.

“Smart device ownership is largely consistent with the only ownership variances being in desktops, which are owned by 47% of males in comparison to 36% of females and fitness bands, owned by 29% of females in comparison to 19% of males.”

Which of the following do you use your phone for?



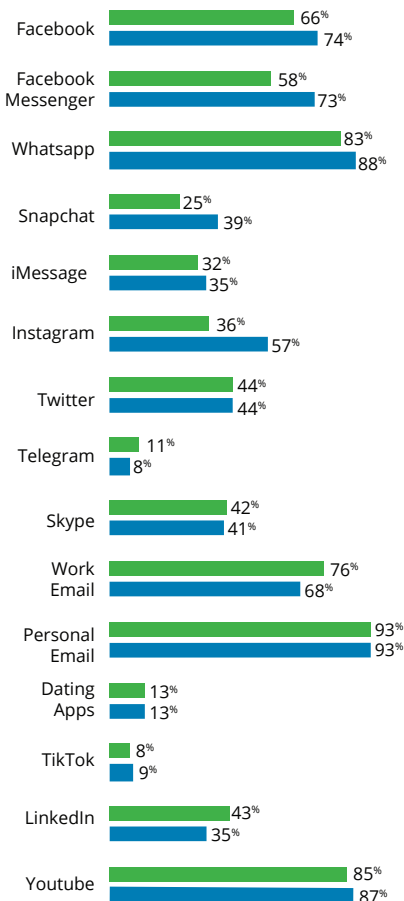
It is clear from the above data that, overall, females tend to use their phones for a lot more purposes than males do. 43% of male respondents answered 'none of these' compared to 33% of females. Female usage of texting and video calling is also well in excess of male usage.

A contrast was also seen between the apps being used by males and females, with females tending to use social media more often than males. It appears that app usage among males is higher when work related, such as work email and LinkedIn.

Females will also use their mobile phone for online games more than men. 38% of female respondents said they play online games daily against 22% of males. The figures reverse when it relates to online gambling, with 27% of males saying they have used their phone for online gambling against 16% of females.

Following on from the above data, 60% of female smartphone users said they use their phone too much versus 51% of male users. Of that 60% of females, 25% said they definitely use it too much versus 35% of males who said they probably use their mobile phone too much.

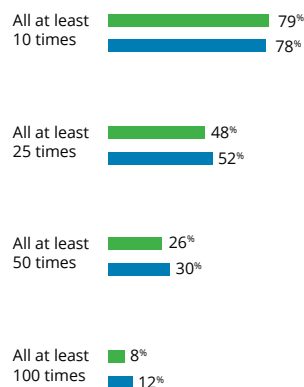
Apps Used



When it comes to the use of online dating apps, 12% of males and 13% of females say they have used such apps.

Despite the fact that the statistics outlined above clearly demonstrate that females use more apps and also use their phones for more purposes, there is only a small difference in the amount of times per day male and female respondents look at their phones with usage generally consistent.

How many times per day do you look at your phone?



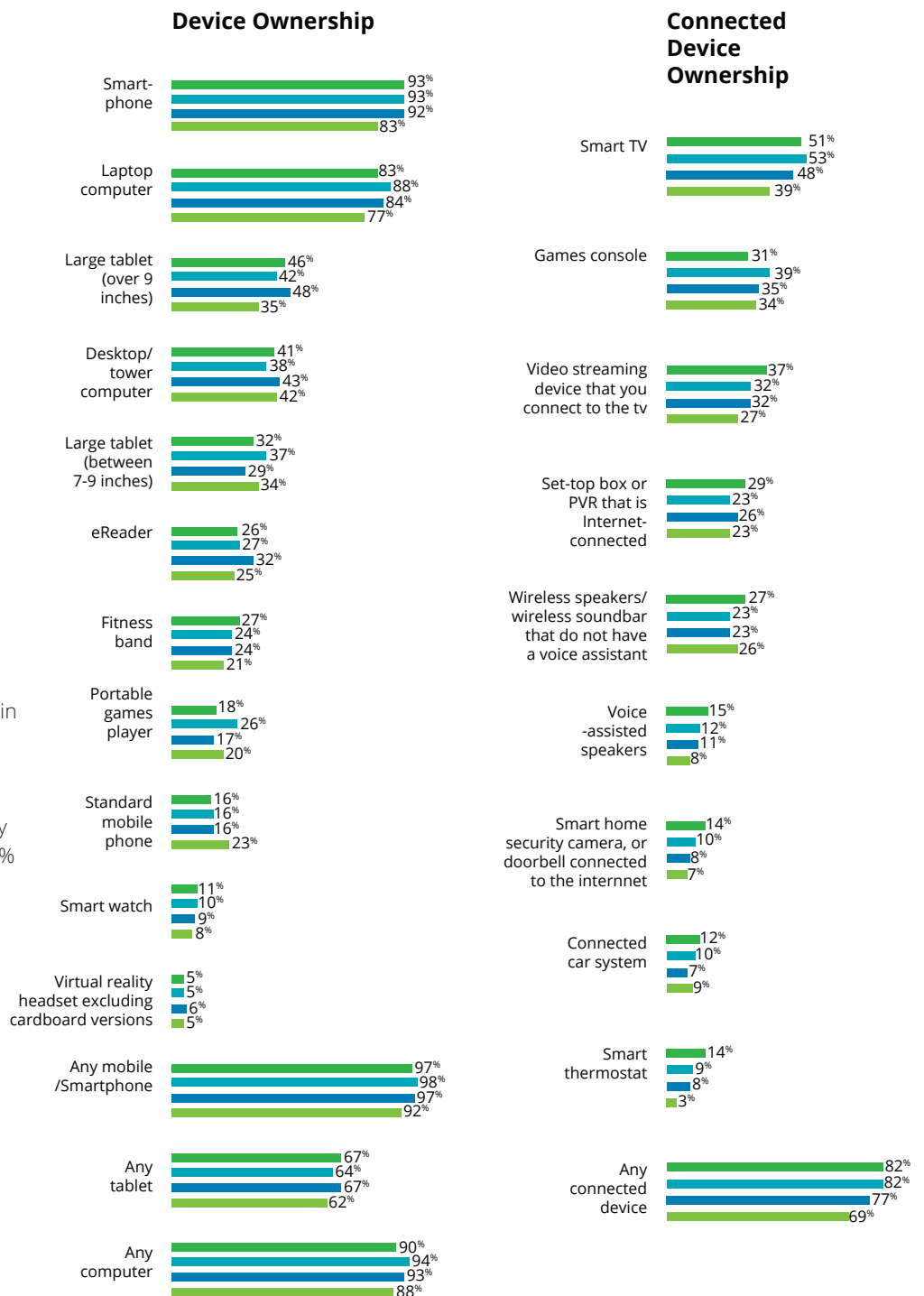
Location, location, location – the geographical spread of usage

Ownership of connected devices deviate across the country with ownership highest in Leinster followed by Munster and then Connaught/Ulster.

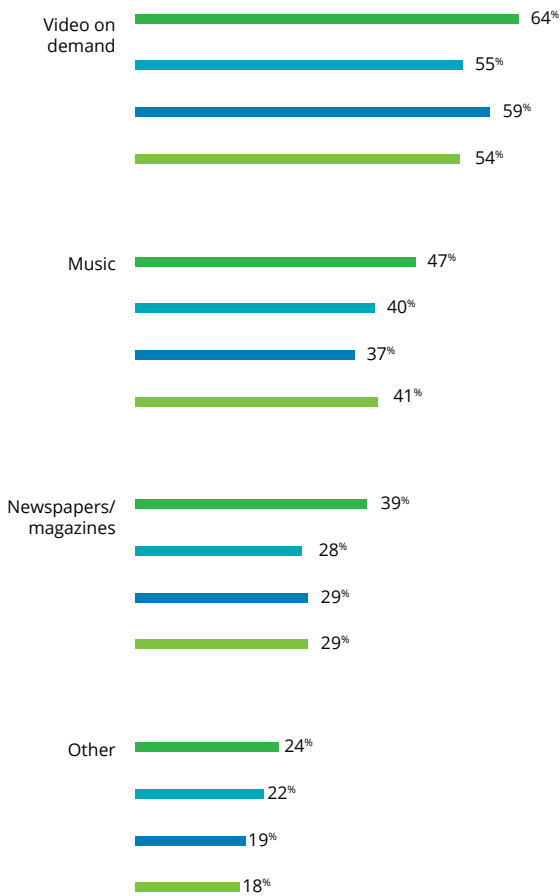
In our view, there are three factors impacting this; demographics, household income and access to broadband. The largest divisions are found between Dublin and Connaught/Ulster.

Indicative difference in device ownership include:

- Smartphone ownership is at 93% across the country apart from Connaught/Ulster where our survey indicated ownership is at 82%.
- Connected devices (for example: smart TVs, games consoles, wireless speakers) ownership is 82% in Dublin and Leinster, 77% in Munster and 69% in Connaught/Ulster.
- Video on demand subscription rates are 64% in Dublin, 55% across Leinster, 59% in Munster and 54% in Connaught/Ulster.
- Despite the divergence in connected devices and smart phones, computer ownership across the country is relatively constant with a rate of 90% in Dublin, 94% in Leinster, 93% in Munster and 88% in Connaught/Ulster.



Access to subscription services



In each of the four categories (video on demand, music, newspapers/magazines, and other) respondents in Dublin were the most likely to pay for these subscriptions. The most striking difference is in the newspapers/magazines category, in which Dublin respondents were a minimum of 10% more likely to pay for these subscriptions than respondents in any other area.

While device ownership and subscriptions differ across the country, the number of times on average that people check their phones is consistent across the country and there is little divergence in the use of social media.

With increasing national broadband coverage expected in the coming years, it will be interesting to see if the divergence in use of mobile devices will decrease over the coming years.

Acknowledging Nomophobia (the fear of being without our mobile phone)

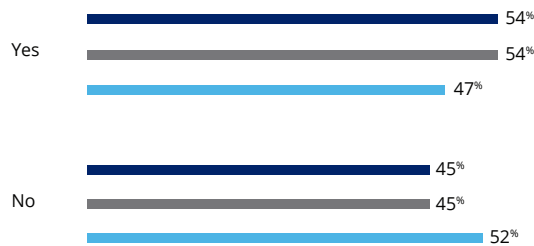
A trend has been emerging over the past number of years where people are realising that they use their phones too much and are starting to take action to limit their phone usage. Addiction to mobile phones stems from a chemical the body releases called dopamine. When we receive a message on our phone, our body releases dopamine which goes to our nerve endings and gives us a sense of satisfaction that someone wants to interact with us. In checking our phones, there is a chance we will have received a message and our body will release dopamine. In general terms, dopamine is released during pleasurable situations and stimulates us to seek out the pleasurable activity or occupation.

Despite this, in 2017, we reported that 47% of smartphone users felt they used their phone too much and for 2018 and 2019, that figure has risen to 56%.

Although the same amount of people as last year believe they use their phones too much, 66% of respondents in 2019 say they are trying to limit their phone usage, as opposed to just 49% in 2018, and 45% in 2017. This is a jump of over 20% in the last two years.

Over the past 3 years we have highlighted the increased use of digital devices by the over 65s. The knock on effect of this has been that 28% of those aged 65 and over feel they use their phone too much, up from 15% in the 2018.

Do you think you use your phone too much?

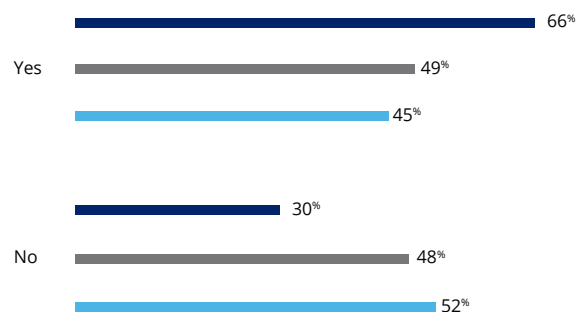


It appears that the efforts of the respondents to decrease their phone usage have not gone to waste as it can be seen that they are experiencing far less negative side effects as a result of using their phone when compared to the respondents in 2018.

When comparing the answers of respondents who think they use their phones too much to the answers of those who don't think so, there is a significant difference between the answers showing that the amount one uses one's phone has a large impact on the negative side effects experienced.

3 out of ten people in our survey indicated that over use of their mobile phone meant they had increased level of distraction when performing a task, they were not getting to bed on time or felt they constantly had to check their phone.

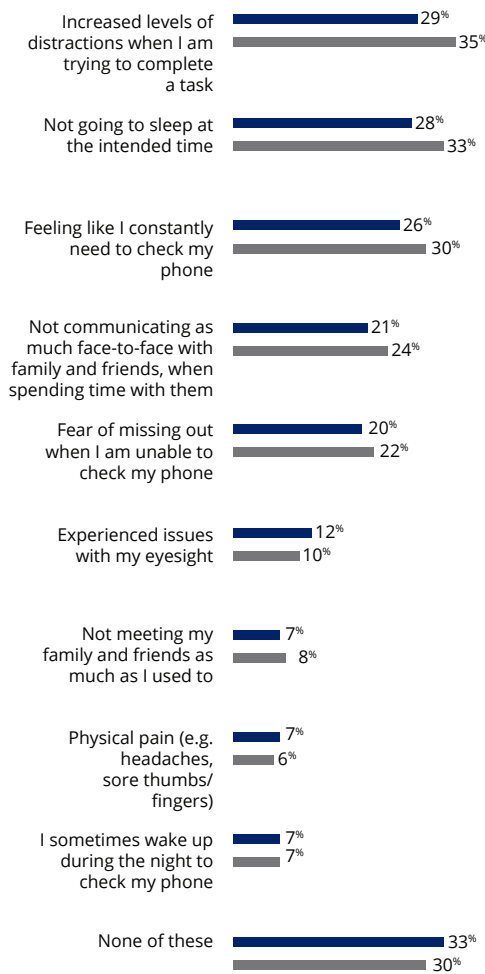
Do you try to limit mobile phone use?



Side effects of smartphone overuse



Side Effects -2018 vs. 2019



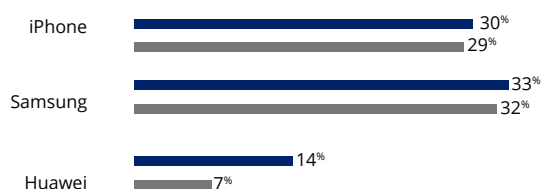
Despite the high level of concern around the use of mobile phones, only 6% of respondents use a time tracker to manage their mobile usage. The main means for managing over usage are the simple routes of turning the sound off (34%), putting it away (28%) and turning off notifications (27%).

“Despite this, in 2017, we reported that 47% of smartphone users felt they used their phone too much and for 2018 and 2019, that figure has risen to 56%.”

The Battle of the Big Phone Brands

The market share of both iPhone (30%) and Samsung (34%) have increased by a minor amount in the past year (both by 1%). However, Huawei's market share doubled in the past year from 7% in 2018 to 14% in 2019. No other phone brand in Ireland has a market share greater than 3%.

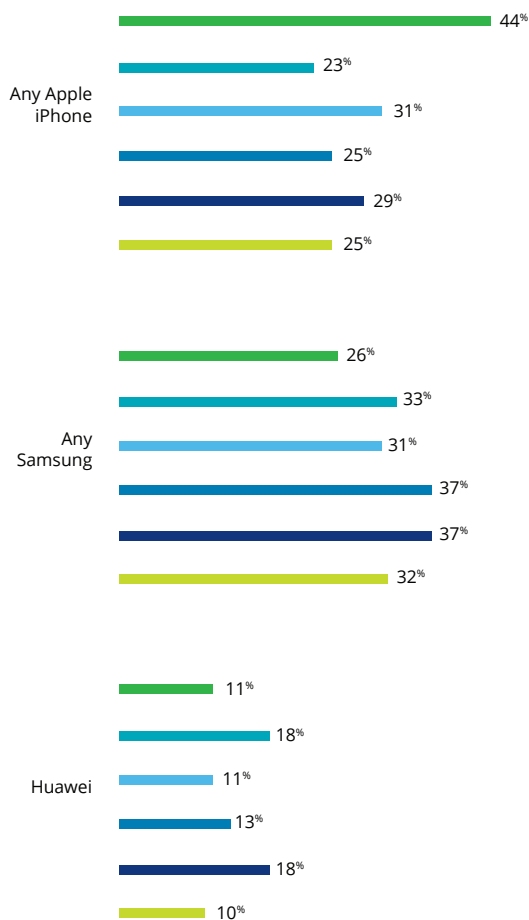
Market Share



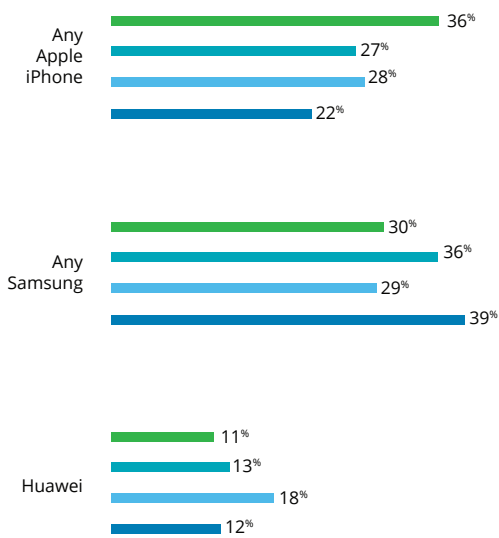
As well as this change, it was found that both age and geographical location had a large bearing over what phone brand a person is likely to own, for example 18-24 year olds are far more likely to own an iPhone than any other age group. iPhones are also more common in Dublin than any other area of Ireland.

“Huawei’s market share doubled in the past year from 7% in 2018 to 14% in 2019. No other phone brand in Ireland has a market share greater than 3%.”

Phone Brand by Age



Phone Brand by Geographical Location



Phone ownership in Ireland is consistent with ownership across Europe, albeit those countries with higher disposable income (Nordics and Luxembourg) have higher iPhone ownership.

Increasingly, we are also seeing higher level of hand me downs and refurbished phones, with 13% of respondents confirming they have a refurbished phone or it was second hand, with the majority of refurbished phones being an iPhone model.

People are also holding on to their existing phones for longer. In 2017, 63% of respondents had bought their phone in 2016 or 2017. In 2019, the comparative figure for 2019 and 2018 had fallen to 56%. The decrease is consistent with the slight decline in global shipments of mobile phones and the comparative lack of technological development in mobile phone technology. With 5G expected to go mainstream globally in 2020, we expect to see mobile phone shipments increase as consumers upgrade to 5G compatible phones.

“People are also holding on to their existing phones for longer. In 2017, 63% of respondents had bought their phone in 2016 or 2017. In 2019, the comparative figure for 2019 and 2018 had fallen to 56%.”

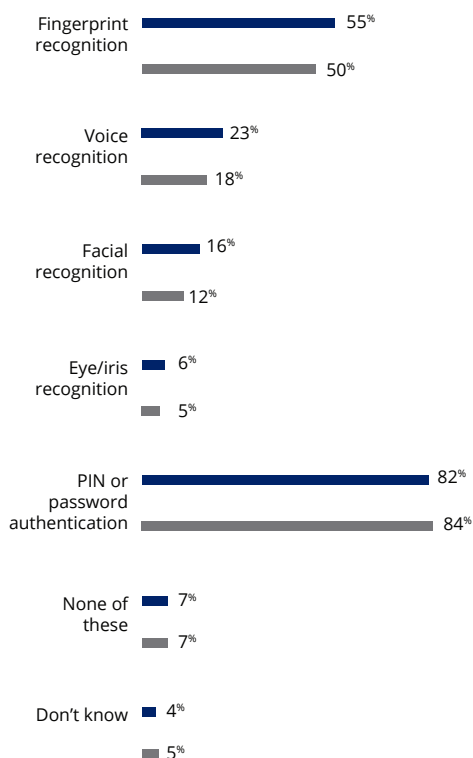
The beginning of the end for the PIN?

Although PIN/password authentication is still the most popular method for unlocking phones by far, there is a clear gradual decrease which can be seen in the number of people who use PIN numbers to unlock their phones and authorise transactions of various forms – there has been a 3% decrease in people who use PIN/password authentication, from 81% in 2017 and 2018 to 78% in 2019.

The increase in other methods of biometric authentication available on phones has also increased with fingerprint and voice recognition. Facial recognition and iris recognition all noted as features increasingly available on phones. Fingerprint recognition usage was at 30% in 2017 and is now at 44%. Usage of facial recognition technology in 2017 was 1% and is now at 8%.

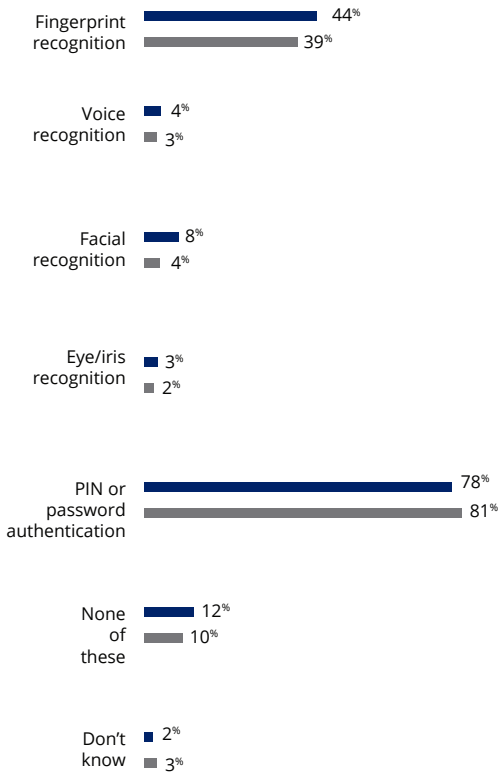
“There has been a 3% decrease in people who use PIN/password authentication, from 81% in 2017 and 2018 to 78% in 2019.”

Features on phones



But are people using these new features? The answer is yes and no. Although 78% (2018: 81%) use a PIN or password as their primary means for accessing phones, there is a clear shift towards more secure biometric authentication.

Methods used



At current rates of progress, we expect biometric access controls to replace the PIN in the coming 5 years.

With GDPR in place since May 2018, one of whose main purposes is to make it easier for citizens to understand how their data is being used, however 86% of respondents are concerned about how companies you interact with online.

Deloitte's 2019 Mobile Consumer Survey is the Irish data cut of Deloitte's Global Mobile Consumer Survey, a multi-country study of mobile phone users around the world. The study comprises of over 44,150 respondents across 28 countries and six continents. Other areas of interest dealt with as part of the survey include:

- Devices
- Smartphone brands and Purchasing Habits
- Connectivity and Operators
- Application and Services
- Digital Wellbeing
- Mobile Gaming
- Advanced smartphone features

Data PrivacyData cited in the Irish report is based on a nationally representative sample of 1,000 Irish consumers aged 18-75. The sample follows a country specific quota on age, gender, region and socio-economic status.

This report briefly outlines some of the key trends arising in the survey, however if you would like to discuss any further insights arising from the survey, please feel free to contact us.



Richard Howard

Partner | Technology, Media and
Telecommunications Industry Group
rihoward@deloitte.ie
+353 1 407 2906



Daryl Hanberry

Partner | Head of Technology, Media
and Telecommunications Industry
Group
dhanberry@deloitte.ie
+353 1 417 2435



Contacts



Richard Howard

Partner | Technology, Media and
Telecommunications Industry Group
rihoward@deloitte.ie
+353 1 407 2906



Daryl Hanberry

Partner | Head of Technology, Media
and Telecommunications Industry
Group
dhanberry@deloitte.ie
+353 1 417 2435

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Dublin

29 Earlsfort Terrace
Dublin 2
T: +353 1 417 2200
F: +353 1 417 2300

Cork

No.6 Lapp's Quay
Cork
T: +353 21 490 7000
F: +353 21 490 7001

Limerick

Deloitte & Touche House
Charlotte Quay
Limerick
T: +353 61 435500
F: +353 61 418310

Galway

Galway Financial Services Centre
Moneenageisha Road
Galway
T: +353 91 706000
F: +353 91 706099

Belfast

19 Bedford Street
BT2 7EJ
Belfast, Northern Ireland
T: +44 (0)28 9032 2861
F: +44 (0)28 9023 4786

Deloitte.ie