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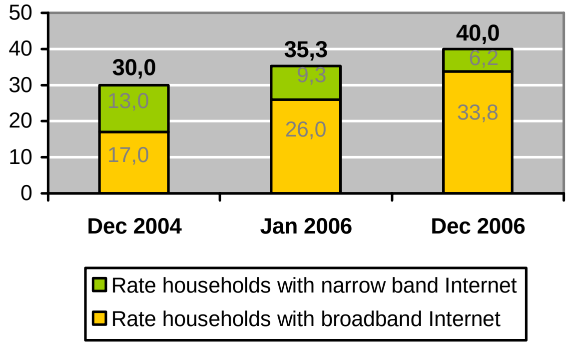
Survey on the use of broadband – December 2006
Main results –

Internet connection and access technology

1. In December 2006, **40 per cent of Portuguese households had internet access**, a 4.7 per cent increase since January 2006.

   The rate of households with broadband Internet connection increased 7.8 per cent, reaching 33.8 per cent. This result is partly justified by the migration from narrow band to broadband.

Graph 1 – Rate of households with Internet connection 2004-2006



Source: Survey on the use of broadband - January 2006, December 2006 and December 2004.

2. **About 9.7 per cent of those without Internet intend to subscribe to the service within the year.**

   Should the respondents' intentions come true, household Internet penetration will reach around 46 per cent by the end of 2007.

Table 1 – Intention to subscribe to the Internet within the year (%)

	Jan-06	Dec-06
Intends to subscribe	13.0	9.7
Does not intend to subscribe	87.0	90.3
Total	**100**	**100**

Base: Respondents without Internet access at home
Source: Survey on the use of broadband - January 2006 and December 2006

This means that, on that date, most households with a PC will have an Internet connection (in March 2006, PC-equipped household Internet penetration was already close to 80 per cent)[1].

[1] It should be mentioned that, according to INE (National Statistical Institute), in March 2005, about 45 per cent of Portuguese households had a computer.

3. The **main technology supporting broadband is ADSL** (60 per cent of all accesses).
According to the available data, about 3.1 per cent of broadband users use third generation (3G) mobile accesses.

Table 2 – Broadband Internet access by supporting technology (%):

	Jan-06	Dec-06
ADSL	47.2	60.5
Cable modem	46.6	36.0
3G Card	3.0	3.1
Powerline	1.3	0.2
Other	2.0	0.3
Total	**100**	**100**

Base: Respondents without Internet access at home.
Source: Survey on the use of broadband - January 2006 and December 2006

The Powerline Communications (PLC) technology is mentioned by about 0.2 per cent of those interviewed. It should be mentioned that this offer was terminated by Onitelecom on the 3rd quarter of 2006.

Barriers to subscribing to broadband Internet

4. The **main barrier to subscribing to the Internet is the lack of interest or the fact that it is considered superfluous** (47.1 per cent, 8.8 per cent more than in January). The second main barrier to Internet access is the lack of a computer (33 per cent).

About 9.7 per cent of those interviewed consider that price is the main barrier to Internet access.

It is only natural that the relative importance of these factors increases with Internet penetration.

Table 3 - Main reasons for not having internet access at home (%)

	Jan-06	Dec-06
Does not need / has no interest	38.3	47.1
Has no computer	34.0	33.3
Its price is to high	8.6	9.7
Has no time	3.5	2.0
Has access at other locations	2.5	4.6
Has no geographical coverage	2.2	0.9
Other	10.9	2.5
Total	**100**	**100**

Base: Respondents without Internet access at home
Source: Survey on the use of broadband - January 2006 and December 2006

5. The main **reasons that prevent migration from narrow band to broadband continue to be "***Does not need / has no interest in it***" and "***Its price is to high***"**

The answer "*broadband access at work*" recorded an 8.5 per cent answer decrease.

Table 4 – Main reasons for not migrating from narrow band to broadband (%)

	Jan-06	**Dec-06**
Does not need / has no interest in it	30.9	30.4
Its price is to high	25.6	27.6
Due to geographical coverage issues	12.8	15.3
Is satisfied with current service	10.1	9.0
Has broadband Internet access at work	15.8	7.3
Other answers	2.6	7.2
Has no time	2.2	3.1
Total	**100**	**100**

Base: Respondents that have narrow band Internet access
Source: Survey on the use of broadband - January 2006 and December 2006

It should be mentioned that broadband users are mostly youngsters, students, technical or scientific professionals, with higher education. I.e., there are factors of a demographic, socio-economic and cultural nature that may have a determinant impact on having broadband.

Broadband use

6. Almost all of the respondents with broadband Internet use it to "*search for information*" (96.4 per cent).

The use of e-government-related applications and *e-commerce* increased considerably – between 3 and 5 per cent.

"*Music, game and movie downloads*" decreased 11.8 per cent.

Table 5 – Internet use / Use of Internet at home

	Jan-06	**Dec-06**
Search for general information		96.4
Search for study- or investigation-related issues	91.0	89.7
Access news		80.6
Music, game and movie downloads	66.4	54.6
Entertainment, such as online games or videos	52.1	51.6
Filing tax statements	39.2	44.4
Operating bank accounts	38.4	40.9
Service payments	37.0	38.0
Online shopping	27.2	30.0

Base: Respondents with broadband Internet access
Source: Survey on the use of broadband - January 2006 and December 2006

Use of Broadband – VoIP

7. About **15 per cent** of the respondents with broadband Internet access use it to make **voice calls using the computer** (voice over IP)

Table 6 – Uses the Internet to make computer voice calls

	Jan-06	Dec-06
Yes	14.0	15.3
No	86.0	84.7
Total	**100**	**100**

Base: Respondents with broadband Internet access
Source: Survey on the use of broadband - January 2006 and December 2006

8. **Skype is the most used software** to make computer voice calls.

Table 7 - Software used for voice calls through the computer

	Jan-06	Dec-06
Skype	61.9	69.8
Netcall	6.2	6.9
IOL Talki	11.8	6.5
VoIPBuster	5.2	5.6
Other answers	6.6	0.6
NR/NA	8.3	10.7
Total	**100**	**100**

Base: Respondents that use the Internet to make voice calls
Source: Survey on the use of broadband - January 2006 and December 2006

Consumer satisfaction

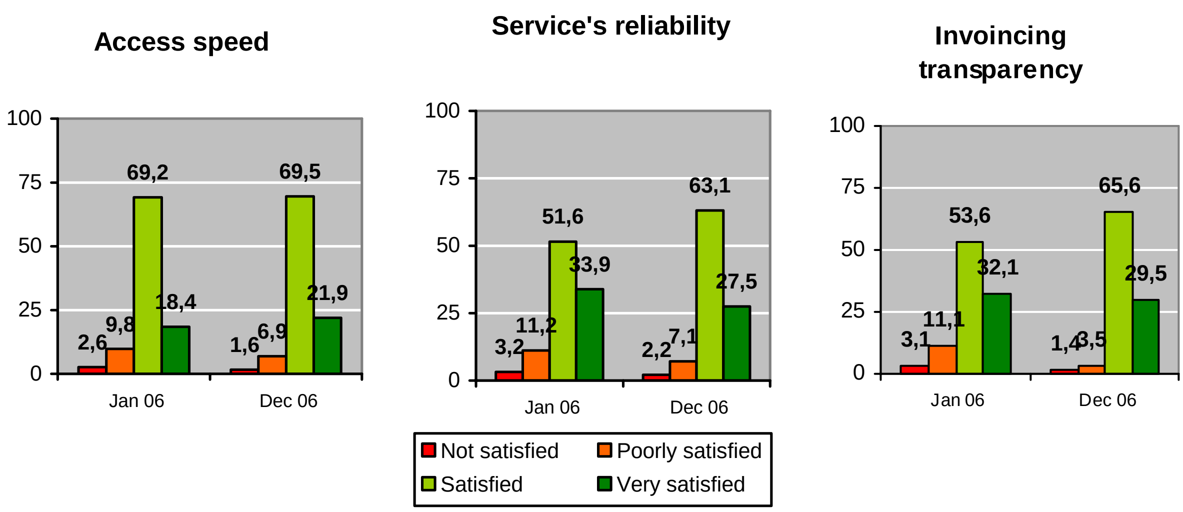
9. As for the consumers' evaluation of broadband Internet access, **satisfaction increased regarding all of the service's items**. The rate of those interviewed answering that the broadband access service did not correspond to their expectations fell from 8.8 per cent in January 2006 to 6.6 per cent in December 2006.

91.4 per cent of users are satisfied or very satisfied with the access speed, which is a 3.8 per cent increase regarding January 2006. It should be mentioned that during this period the main operators doubled their main offers' download speeds.

Concerning the **service's reliability**, 90.6 per cent of broadband customers are satisfied or very satisfied, a 5.1 per cent increase compared to the previous survey. However, the number of those interviewed that were "*very satisfied*" with the service decreased 6.4 per cent.

Invoicing transparency registered a 9.4 per cent increase in positive assessments (95.1).

Graph 2 – Broadband Internet access consumers' satisfaction (%)



Base: Respondents with broadband Internet access
Source: Survey on the use of broadband - January 2006 and December 2006

Customer satisfaction (by operator)

10. Regarding **satisfaction with the access speed**, all the main operators presented very high satisfaction levels.

The highlight goes to Cabovisão, Clix and Netcabo, with 96.5, 93.1 and 91.7 per cent of positive evaluations.

Table 8 – Satisfaction by operator: access speed (%)

	Sapo	Clix	Oni	Net-cabo	Cabo-visão
Not satisfied	3.1	1.1	1.3	1.0	0.0
Poorly satisfied	8.2	5.7	10.1	7.4	3.5
Satisfied	69.4	61.3	69.8	68.6	72.8
Very satisfied	19.3	31.8	18.9	23.1	23.7
Total	**100**	**100**	**100**	**100**	**100**

Base: Respondents with broadband Internet access
Source: Survey on the use of broadband - January 2006 and December 2006

11. **Satisfaction with the reliability of the service** is also quite high. It should be noted that than 95 per cent of the customers from Cabovisão and Clix evaluate this aspect of the service in a positive way.

Table 9 - Satisfaction by operator: reliability (%)

	Sapo	Clix	Oni	Net-cabo	Cabo-visão
Not satisfied	3.1	0.4	4.3	2.5	0.8
Poorly satisfied	7.5	4.6	7.4	10.5	4.0
Satisfied	59.3	60.2	51.9	63.8	73.2
Very satisfied	30.1	34.9	36.4	23.2	22.0
Total	**100**	**100**	**100**	**100**	**100**

Base: Respondents with broadband Internet access
Source: Survey on the use of broadband - January 2006 and December 2006

Netcabo had 13 per cent of negative evaluations. It is followed by Oni and Sapo, with 11.7 and 10.6 per cent of negative evaluations.

12. More than 90 per cent of those interviewed consider that **broadband invoicing is clear**.

Netcabo customers are those less satisfied with invoicing transparency (7.4 per cent of negative evaluations).

Table 10 - Satisfaction by operator: invoicing transparency (%)

	Sapo	Clix	Oni	Net-cabo	Cabo-visão
Not satisfied	1.8	0.4	2.6	1.7	0.3
Poorly satisfied	3.5	3.7	1.3	5.7	2.2
Satisfied	62.1	57.6	64.3	67.8	71.9
Very satisfied	32.6	38.4	31.8	24.9	25.7
Total	**100**	**100**	**100**	**100**	**100**

Base: Respondents with broadband Internet access
Source: Survey on the use of broadband - January 2006 and December 2006

Access shares and intention to switch operator

13. **PT Group companies** provide broadband Internet access to **66.9 per cent of those interviewed** in this survey.

The second largest operator is Cabovisão, with a 13.9 share.

Table 11 – Broadband Internet access customer shares (%)

	Dec-06
Sapo	41.9
Netcabo	24.0
Cabovisão	13.9
Clix	9.4
Oni	5.6
TVTel	1.5
Telepac	1.0
Other	2.7
Total	**100**

Base: Respondents with broadband Internet access
Source: Survey on the use of broadband - January 2006 and December 2006

14. There was a **considerable decrease in the intentions to changing operator** in the next 12 months: 81 per cent of broadband Internet access customers say that they do not intend to change operator. In January they were 71.1 per cent.

Table 12 – Willingness to switch current broadband Internet provider within the next 12 months (%)

	Jan-06	Dec-06
Will certainly change	8.0	2.6
Is very willing to change	7.1	4.9
Is somewhat willing to change	10.3	8.7
Is not much willing to change	3.4	2.7
Is not willing to change	71.1	81.0
Total	**100**	**100**

Base: Respondents with broadband Internet access
Source: Survey on the use of broadband - January 2006 and December 2006

15. About **22.2 per cent** of broadband Internet access customers **were already customers of another operator**.

Table 13 – Change of broadband provider

	Jan-06	Dec-06
Its was always the current provider	78.0	77.8
Already had other providers and changed to this one	22.0	19.8
Had other providers, gave up and subscribed to the current one afterwards		2.4
Total	**100**	**100**

Base: Respondents with broadband Internet access
Source: Survey on the use of broadband - January 2006 and December 2006

NOTE ON THE METHODOLOGY:

Survey on the use of broadband: December 2006

The universe defined for this survey was made up of users of both genders, 15 years old or older, living in Mainland Portugal and in the Autonomous Regions of Madeira and the Azores. The selection of interviewees referred to the method of gender and age, education and occupation quota. The sample was stratified by region and habitat. A total of 8676 telephone interviews were conducted, including 3036 interviews to broadband users, guaranteeing a maximum error of 1.8% for the results concerning broadband users (for a significance level of 95%).

The fieldwork and handling of data was made by METRIS GFK between 1 November 2006 and 21 December 2006.

Survey on the use of broadband: January 2006

The universe defined for this survey was made up of users of both genders, 18 years old or older, living in Mainland Portugal and in the Autonomous Regions of Madeira and the Azores. The selection of interviewees referred to the method of gender and age, education and occupation quota. The sample was stratified by region and habitat. A total of 4225 telephone interviews were conducted, including 1099 interviews to broadband users, guaranteeing a maximum error of 2.96% for the results concerning broadband users (for a significance level of 95%).

The fieldwork and handling of data was made by TNS EUROTESTE between 19 December 2005 and 23 January 2006.

Survey on the use of broadband: December 2004

The universe defined for this survey was made up of users of both genders, 18 years old or older, living in Mainland Portugal and in the Autonomous Regions of Madeira and the Azores. The sample size was defined in order to guarantee a maximum error of 4% (for a significance level of 95%). The sample was stratified by region and habitat. 4711 interviews were conducted, including 794 interviews to broadband users. The survey method was the (CATI) telephone interview.

The fieldwork and handling of data was made between 19 October 2004 and 13 December 2004 and was conducted by INDEG /ISCTE.