



# Summer broadband demand startles industry

## Conor Brophy

IRISH telecoms companies are reporting a surge in the sale of broadband internet services, a trend contradicting recent comments by Eircom executives and employers' body Ibec that Ireland's low broadband penetration stems partly from lack of demand.

Irish Broadband, Imagine, Smart Telecom and BT Ireland have taken more than 15,000 orders between them over the past month. Imagine, BT and Irish Broadband all say they have experienced substantial increases in demand on the back of new offers.

"We've seen a huge uptake," said Orla Duffy, head of marketing with Irish Broadband. "You're looking at over 1,000 sales per week and we expect that to increase to 1,500 or 2,000 over the next couple of weeks."

Duffy said orders during August were up by about 40% on last year. The summer months are traditionally quiet for telecoms operators, but many broadband providers have cut prices and launched new offers to stimulate demand.

Imagine chief executive Seán Bolger said the take-up of the company's "free broadband" offer, launched in July, had been substantially ahead of expectations. "We weren't expecting a major take-up given that it's summer but, surprisingly enough, it's flying," he said. Imagine had been signing up 1,300 customers a month before the launch of the new price plan. Bolger said it has signed up 4,500 customers over the past six weeks.

A spokeswoman for BT said order volumes had doubled over the past month since it launched a cut-price broadband and telephone service. BT is processing 1,000 orders per week, she said. "Not just sign-ups, these are orders that are actually processed," she added.

Sales figures from telecoms companies come with a health warning. The operators calculate sales according to the number who register for a particular broadband service. These gross

figures do not necessarily equate to paying customers with connections. Smart Telecom, for example, is reporting sales of 4,000 per month, but says it would expect to connect 80% of these. The sales figures are, nonetheless, strong evidence of what Bolger refers to as "latent demand".

Earlier this month, Gerry Fahy, chairman of Ibec's Telecommunications and Internet Federation, said low broadband penetration was caused by low demand. "Ireland can hardly logistically go any faster," he said. "The problem that I see, however, is that not enough people who can access broadband are taking it up."

"If the problem is low broadband penetration in Ireland, we don't see that as a result of demand issues - we see that as a result of the process issues," said Ciaran Casey, Smart's chief operating officer.

Smart, along with BT, Magnet and Imagine, has had regular run-ins with Eircom over the process by which operators are allowed to access Eircom's network. They say problems with that have hindered broadband take-up and left Ireland with the lowest rate of penetration of high-speed internet services in Europe.



Imagine's Sean Bolger: broadband take-up is 'flying'