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“Irish consumers expect their local shops to provide the same level of service as Amazon”: new research shows over half of Irish consumers believe online shopping will supersede bricks-and-mortar stores

However, less than a third of Irish SMEs can take sales orders through their website – IE Domain Registry SME Digital Health Index 2019

- **53% of Irish consumers want their local high street shops to offer a full online shopping service (such as direct-to-door delivery)**
- **On an ABCDEF scale, Irish SMEs graded ‘C’ for their communicating skills, ‘D’ for their transacting skills, and ‘E’ for their software boosting skills in the report’s ‘Digital Health Assessment’**
- **Major barriers to SME digital activity, including internet speed, persist: 66% of SMEs do not believe the Government can deliver the National Broadband Plan in its current form**
- **IE Domain Registry CEO says ‘catch-all’ approach to national digitalisation and broadband programmes doesn’t work: “We need to prioritise digital skills training and internet infrastructure upgrades to benefit SMEs in smaller towns and regions with high growth potential.”**

Irish consumers have grown accustomed to the accessibility and convenience of e-commerce services like Amazon and expect the same shopping experience from their local businesses, according to a new report published today by IE Domain Registry, the company that manages and maintains Ireland’s country domain, .ie.

The SME Digital Health Index 2019, which analyses Irish SMEs and consumers’ attitudes to digital technology, shows that almost 6 in 10 consumers (59%) say making online purchases is ‘important’ to them; 45% of Irish consumers plan on buying products online or in store on Black Friday or Cyber Monday or both.

However, less than a third (32%) of Irish SMEs can actually take sales orders or process transactions through their website.



IE Domain Registry

More than half (53%) of Irish consumers believe that online shopping will, at some point, supersede traditional bricks-and-mortar shopping. The same number want their local high street shops to offer a full online shopping service (such as direct-to-door delivery).

Nearly half (48%) of Irish consumers only visit bricks-and-mortar shops for everyday necessities, like groceries and toiletries, meaning they are purchasing other items (like clothing, electronics etc) exclusively via online retailers.

The consumer/business disconnect

The disconnect between consumer expectations and Irish SMEs' ability and desire to meet them is evident throughout the SME Digital Health Index.

63% of Irish consumers think a business is 'outdated' if it doesn't have a website, but almost a third (31%) of Irish SMEs don't have one. 60% of all Irish SMEs do not promote themselves online in any way.

On a positive note, however, 87% of Irish SMEs have at least one digital asset (e.g. a website, a Facebook page), the highest number to date. **76% of SMEs with a website have a mobile-optimised website**, up from just 27% in 2014.

72% of SMEs say that being online and digitally savvy has helped increase awareness of their business. **Almost three-quarters (73%) of SMEs say that their website contributes to their offline or 'face-to-face' sales.** Over half (53%) say that their website generates at least 10% of their monthly revenue.

Barriers to digital

As part of the SME Digital Health Index, IE Domain Registry carried out a 'Digital Health Assessment' to measure Irish SMEs' digital capabilities in three key areas—communicating, transacting, and boosting (such as using software to enhance productivity). Their abilities were graded on an ABCDEF scale, with A being 'excellent' and F being 'poor'.

Overall, **Irish SMEs graded C ('good') for communicating, D ('fair') for transacting, and E ('mediocre') for boosting.** There were very few appreciable differences between Ireland's regions, indicating that there is a digital skills deficit across the country.

Nearly a third (28%) of Irish SMEs say that a lack of time is a major barrier to doing more online, while **1 in 12 say that poor broadband connectivity is the primary reason that they aren't investing more resources in digital.**

Building Ireland's regional digital hubs

Commenting on the report's findings, IE Domain Registry CEO David Curtin said:

"Irish consumers expect their local SMEs to provide the same experience as multinational retailers like Amazon. They want to see what their local shop has to offer, buy their product online, and have it delivered straight to their door.

"For SMEs, the cost and time required to implement initial digital communication and transactional services are actually very small compared to the substantial payoffs of having an online, e-commerce-enabled website. Despite this, however, most Irish SMEs continue to use their websites like static 'digital business cards', with little more than a home page and contact information. By remaining digitally under-developed, SMEs will continue to lose their share of Ireland's €12.3 billion e-commerce market to international online competitors.

"IE Domain Registry believes that lasting, substantive change in Irish SMEs' adoption of and attitudes towards digital technology can occur only with large-scale action. That's why we're recommending that the Government takes a 'regional digital hub' approach to its national digitalisation initiatives and the National Broadband Plan.

"While total inclusive digitalisation of Ireland should be this country's ultimate aspiration, it is not practical in the immediate term. We need to prioritise digital skills training and internet infrastructure upgrades to benefit SMEs in smaller towns and regions with high growth potential, rather than isolated townlands and villages. These areas will be the most likely to quickly generate economic and social returns on investment for the local community and for the Exchequer.

"In places like Sligo Town and Gorey in Wexford, where there are targeted digital activation campaigns and physical digital hub co-working spaces, citizens and businesses have benefited from job creation, increased revenue for high street shops, and new ways of learning at local schools and education institutions. With reduced commuting distances and time-saving digital tools, overall quality of life is better. The rest of Ireland needs to follow their example."

Other SME Digital Health Index 2019 findings:

- 66% of Irish SMEs do not believe that the Government can deliver the National Broadband Plan in its current form.
- 45% of Irish consumers say their shopping habits will change after Brexit. Of that group, 30% will shop more with online retailers.
- 54% of Irish consumers will shop with a competitor if they can't find their preferred retailer online.

- Most SMEs make payments online (75%) and order from suppliers online (68%), despite not offering any kind of e-commerce services to their own customers.
- 29% of SMEs in Munster, 33% of those in Leinster (excluding Dublin), and 39% in Connacht and Ulster rate their internet speed as 'average', 'poor', or 'very poor'.

ENDS

Read IE Domain Registry's SME Digital Health Index 2019 in full:

- [Download the main report](#)
- Download your region's digital factsheet
 - [Dublin](#)
 - [Leinster \(excl. Dublin\)](#)
 - [Munster](#)
 - [Connacht-Ulster](#)
- [Download the report's supplementary appendices](#)

SME Digital Health Index 2019 methodology overview

Core Research surveyed 1,000 Irish SMEs in July 2019 on their use of and attitudes to digital technology and e-commerce; and 1,000 Irish consumers in September 2019 on their attitudes to digital technology, e-commerce, and retail trends.

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About IE Domain Registry

IE Domain Registry is the national registry for .ie domain names and is responsible for the management and administration of Ireland's official internet domain, .ie, in the interest of the Irish and global internet communities. It operates the domain



IE Domain Registry

name system (DNS) for the .ie namespace, facilitates an independent [dispute resolution service](#), and operates a public WHOIS lookup service for .ie domains.

The company's mission is to provide unique, identifiably Irish domain names, along with registry and related services, to the local and international internet community. Policy development for the .ie namespace follows a bottom-up, consensus-driven approach, through its multi-stakeholder Policy Advisory Committee.

IE Domain Registry is committed to digital advocacy for the SME community. Through the [OPTIMISE Programme](#) and stakeholder engagement initiatives such as [Digital Town](#), the company works with and supports SMEs to improve their online presence and e-commerce capabilities.

IE Domain Registry produces fact-based research for the business community and policymakers, such as the annual [SME Digital Health Index](#), which provides key insights into the digital health of SMEs.

The company is focused on providing excellence in customer service through its ongoing customer experience (CX) innovation and improvement programmes. Since March 2018, it is [easier and faster](#) to register a .ie domain name. There are almost 280,000 .ie domains in the database.

Based in Dun Laoghaire, Co Dublin, IE Domain Registry employs 22 people.

www.iedr.ie