PRESS RELEASE

"Ireland's SMEs Facing Digital Readiness Challenges"
Ireland's Digital Readiness Monitor published by *.ie* analyses Ireland's progress on Digital Development
One in three websites in Ireland possess low to very-low levels of sophistication

Thursday 22nd August 2024; .ie, the trusted national registry for over 330,000 domain names, has launched *Ireland's Digital Readiness Monitor*, which analyses the level of digital sophistication of websites in Ireland, and has revealed that 36% of websites in Ireland have a low or very low level of sophistication.

Ireland's Digital Readiness Monitor which includes websites using the .ie domain, as well as those using .com, .co.uk or any other extension, presents a comprehensive picture of Ireland's digital readiness with research conducted by .ie in partnership with the Irish Institute of Digital Business, DCU and the JE Cairnes School of Business and Economics at University of Galway.

The Digital Readiness Monitor introduces a new national measure of digital readiness – the **Web Technology Intensity Score (WTIS)**. The WTIS is comprised of eleven indicators that measure the digital readiness of organisations in Ireland including *basic website; website with sophisticated functionality; websites with evidence of basic analytics, sophisticated analytics, social media integration, mobile optimisation, online advertising, sophisticated online advertising, internationalisation, selling online and cloud computing*.

The Government's digital strategy, *Harnessing Digital: The Digital Ireland Framework,* aims to position Ireland as a European and global digital leader. SMEs make up the majority of Irish businesses and the ability of Irish SMEs to adopt sophisticated digital technologies will be fundamental to increasing Ireland's digital competitiveness.

The report reveals that 36% of websites in Ireland have a low or very low level of sophistication despite various Government grants and programmes to support digital advancement. A website and associated technologies are a proxy for an organisation's degree of digitalisation, so this statistic demonstrates that SMEs' websites are under-developed.

At the other end of the spectrum, one in four websites (27%) have a high or very high level of sophistication, showing there is considerable room for improvement.

Minister for Enterprise, Trade and Employment, Peter Burke said "*Ireland has outlined its ambition to be a digital leader, reflecting the key role that digital technology does and will continue to play in shaping our competitiveness and driving productivity. The findings of this report demonstrates that we must continue to drive the digital agenda, ensuring digitalisation and technology remains a priority across all facets of Irish enterprise. My department has implemented a number of grants to support SMEs on their digital transformation – the Digital Transition Fund which will continue to be rolled out to 2026 is particularly supportive of SMEs while the Grow Digital portal is up and running to help businesses assess their digital needs. Together with my colleagues in Government, we remain committed to supporting enterprise in Ireland.*"

Speaking on the report findings, **David Curtin, Chief Executive at .ie** said **"***The development of the WTIS measure marks a significant step forward in understanding the levels of sophistication of websites in Ireland. Despite the many Government supports in place, it is dispiriting to see that 36% of websites in Ireland have a low or very low Web Technology Intensity Score. For Irish SMEs, digital technologies present the potential of the 'death of distance', overcoming the limitations of location for Irish rural and urban businesses. However, there is evidence of a digital divide based on location, sector and size. In order to drive increased adoption of digital technologies by all businesses, but specifically micro SMEs with less than 10 employees, a supportive digital ecosystem optimised for SMEs is going to be required and we need the financial support of Government and key stakeholders to help make that happen.*

Ireland's Digital Readiness Monitor – Key Findings

Online Advertising
- Less than 1% of websites in Ireland make use of sophisticated online advertising tools which utilise targeting techniques to reach specific audience segments
- The WTIS measured both basic and more sophisticated forms of online advertising being utilised by websites in Ireland

Social Media and Mobile Friendliness
- The vast majority of websites in Ireland made use of social media integration on their websites
- Facebook integrated into over 86% of websites analysed in 2021 and 74% in 2022 followed by Twitter (avg. 33%), Instagram (avg. 22%), LinkedIn (15%), and YouTube (13%)
- Integrating social media into websites acts as a form of social proof, where users can see real-time interactions with the organisation. The motivation for more sophisticated use of social technologies includes increased access and reach to markets, cost reduction and process optimisation
- It was also reassuring to see that Irish businesses recognise the value of mobile optimisation as part of their offering. While the percentage of domains optimised for mobile has dropped from 68% to 63%, the raw number of mobile-friendly domains has increased suggesting that Irish firms recognise the importance of mobile readiness. Google reports that for many advertisers, a substantial volume of website traffic comes from people on their mobile phones and visitors are five times more likely to leave a website that is not mobile-friendly

Internationalisation
- The WTIS measures foreign language support and foreign currency support as signals for internationalisation.
- These factors indicate an organisation's commitment to expanding its presence in the global market along with an ambition to move beyond local or regional markets
- The Digital Readiness Monitor found that less than 10% of websites demonstrate evidence of international activity

Associate Dean of Research, DCU Business School, Professor Theo Lynn said *"The Digital Readiness Monitor is a critical methodology and tool for understanding the digital landscape in Ireland. By establishing the Web Technology Intensity Score (WTIS), we can now quantitatively assess and track the digital sophistication and evolution of organisations across the country and compare it with other countries. This study not only highlights the gaps in digital adoption but also provides a roadmap for improvement. In a rapidly evolving digital economy, such insights are essential for guiding SMEs and other businesses in leveraging technology to enhance their competitiveness, both locally and on the global stage."*

Ireland's Digital Readiness Monitor can be viewed here.

ENDS

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Methodology

To obtain the specific sample for this study, .ie and report authors licensed a list of websites that either have an Irish country code top level domain (.ie) or include other domains such as .com or .uk which have an Irish postal address or phone number on their website. For each website, metadata was extracted with social media and address details by the web profiling tool. For each signal category, data was extracted with the name of the technology, the date the technology was first indexed and last indexed by the web profiling tool.

The Web Technology Intensity Score (WTIS) seeks to use an organisation's decision to use a website and associated technologies as a proxy for its degree of digitalisation. At its core, the WTIS comprises eleven indicators that measure the digital readiness of organisations in Ireland applying widely used signals for digital sophistication. These include:

1. Basic website
2. Website with sophisticated functionality
3. Website with evidence of basic analytics
4. Website with evidence of sophisticated analytics
5. Website with evidence of online advertising
6. Website with evidence of sophisticated online advertising
7. Website with evidence of selling online
8. Website with evidence of cloud computing
9. Website with evidence of social media integration
10. Website with evidence of mobile friendliness
11. Website with evidence of internationalisation

The value for the WTIS therefore ranges from 0 to 11. As we only look at organisations with websites, all firms score 1. The remaining categories are 2-3 (very low), 4-5 (low), 6-7 (medium), 8-9 (high) and 10-11 (very high). To obtain the specific sample for this study, we licensed a list of websites that either have an Irish country code top level domain (.ie) or include other domains such as .com or .uk which have an Irish postal address or phone number on their website. For each website, metadata was extracted with social media and address details by the web profiling tool. For each signal category, data was extracted with the name of the technology, the date the technology was first indexed and last indexed by the web profiling tool. To avoid duplication, all redirect sources were removed from the sample leaving only redirect targets.

About .ie

As the trusted national registry for 330,000 domain names, .ie protects Ireland's unique online identity and empowers people, communities and businesses connected with Ireland to thrive and prosper online.

A positive driving force in Ireland's digital economy, .ie serves as a profit for good organisation with a mission to elevate Ireland's digital identity by providing the Irish online community with a trusted, resilient and accessible .ie internet domain.

Working with strategic partners, including Dublin City University, .ie promotes and invests in digital adoption and advocacy initiatives - including the .ie Digital Town Blueprint and Awards for local towns, communities and SMEs.

The .ie Xavier team provides data analytics and dashboards to help with data-led decision-making for the public, registrars and policymakers , particularly those who are active in developing cyber regulations.

A designated Operator of Essential Services (OES) under the EU Cyber Directive, .ie fulfils a pivotal role in maintaining the security and reliability of part of Ireland's digital infrastructure. For more information visit weare.ie

About the Researchers
The Irish Institute of Digital Business is a University Designated Research Centre located in Dublin City University. It is an internationally recognised centre of excellence for theoretical and applied research that investigates and accelerates the adoption of digital technologies and the transformation of business and society using these technologies. J.E. Cairnes School of Business and Economics at University of Galway is energised by its regional edge on the west coast of Ireland. It is a globally engaged School of Business and Economics for the public good that makes a transformative impact for students, society and business