Broadband & Data Communications Survey
Charted Report

tns mrbi

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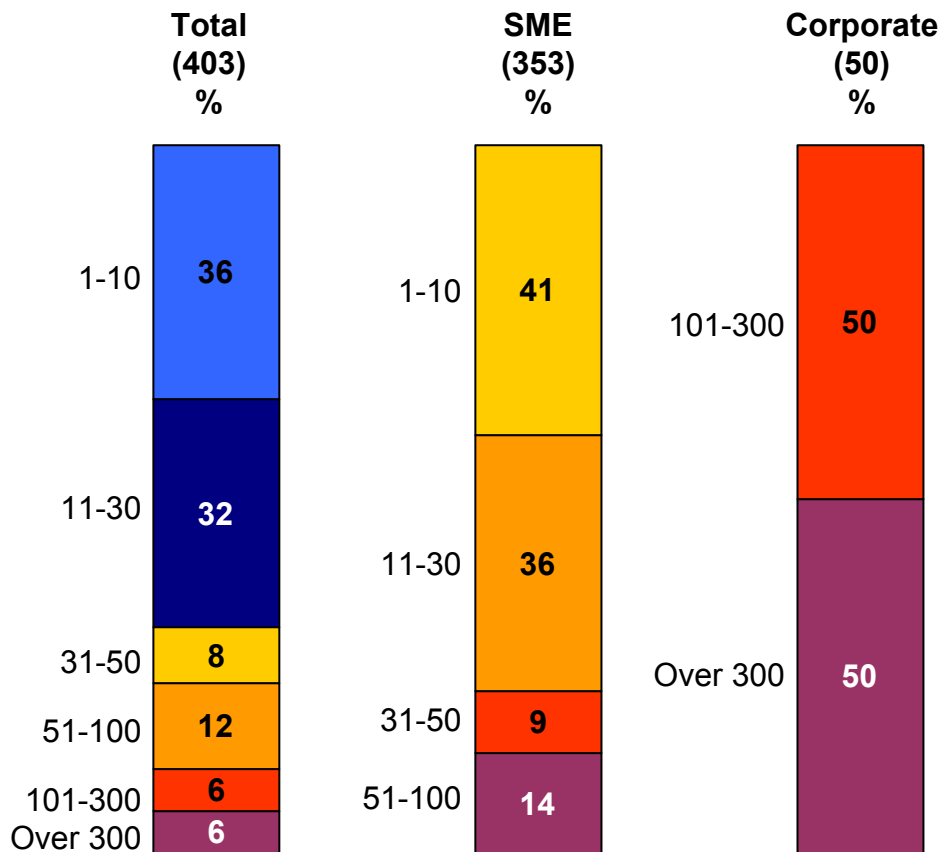- **Management Summary**

Introduction

Research Methodology

- Telephone survey conducted by TNS mrbi's CATI (Computer Aided Telephone Interviewing Centre) in Dublin.

- 403 interviews were conducted amongst companies who use their telecommunications system for data needs (email/Internet etc.).

- This year the survey was divided into two parts – Corporates and SMEs (small and medium sized businesses) to allow for adaptation of the questionnaire to meet the different data needs of these two groups.

  - 50 interviews were conducted amongst Corporates (from the Top 1000 companies in Ireland)

  - 353 interviews were conducted amongst SMEs.

- Quotas were set on company size.

- All interviews were conducted with the person in the company responsible for IT/communications.

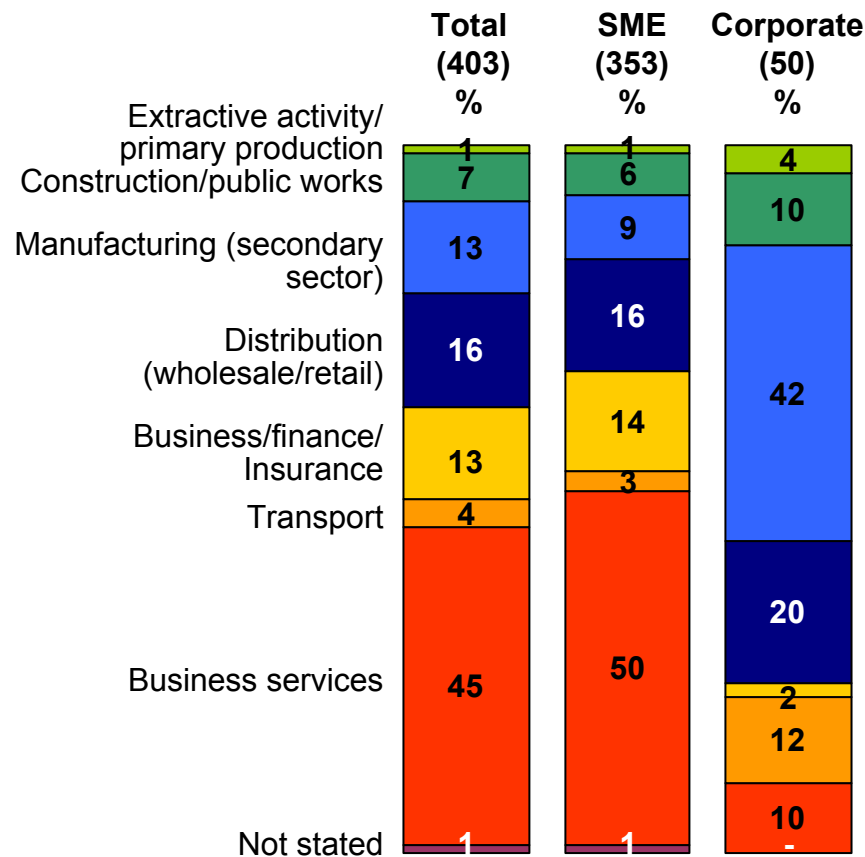- Fieldwork was conducted over the period 4th – 18th May, 2004.

Company Profile (I)
Base: All Respondents: 403

Number of Employees in RoI

	Total (403) %	SME (353) %	Corporate (50) %
1-10	36	41	
11-30	32	36	
31-50	8	9	
51-100	12	14	
101-300	6		50
Over 300	6		50

Industry Sector

	Total (403) %	SME (353) %	Corporate (50) %
Extractive activity/ primary production	1	1	4
Construction/public works	7	6	10
Manufacturing (secondary sector)	13	9	42
Distribution (wholesale/retail)	16	16	
Business/finance/ Insurance	13	14	20
Transport	4	3	2
Business services	45	50	12
			10
Not stated	1	1	-

Company Profile (II)
Base: All Respondents: 403

Region Where Company's Head Office Located

	Total (403) %	SME (353) %	Corporate (50) %
Dublin	57	57	56
RoL	15	15	18
Munster	16	16	14
Conn/Uls	11	11	10
Don't know	1	1	2

Company Originated in Ireland

	Total (403) %	SME (353) %	Corporate (50) %
Yes	91	93	74
No	8	6	26
Don't know	1	1	-
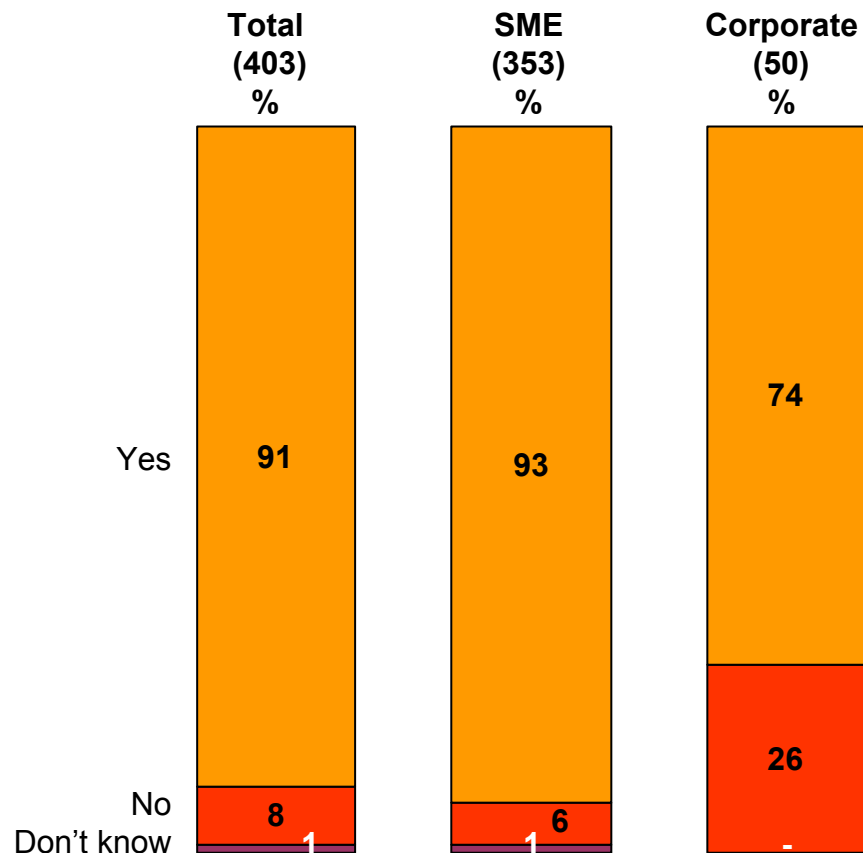
Findings

Broadband Access & Availability

Type Of Broadband Internet Access Technologies Used At Present

Base: All Respondents: 403

		SME (353) %	Corporate (50) %
DSL	**57%**	60	34
Leased Line	**21%**	17	48
Fixed Wireless Access	**8%**	10	-
Cable Modem	**7%**	8	6
ISDN	**3%**	1	22
Satellite	**2%**	2	4
Wireless LAN (802.11)	**1%**	2	-
Wireless Technology	**1%**	-	6
VPN	*****	-	4

24% use more than one technology

* = <1%

Q.1 Which type of broadband Internet access does your company have at the moment? (SME)

Q.1a Which broadband access technologies does your company use at present for Internet connectivity to its principal business site(s)? (Corporate)

Broadband Technologies Used Between Business Sites - Corporate

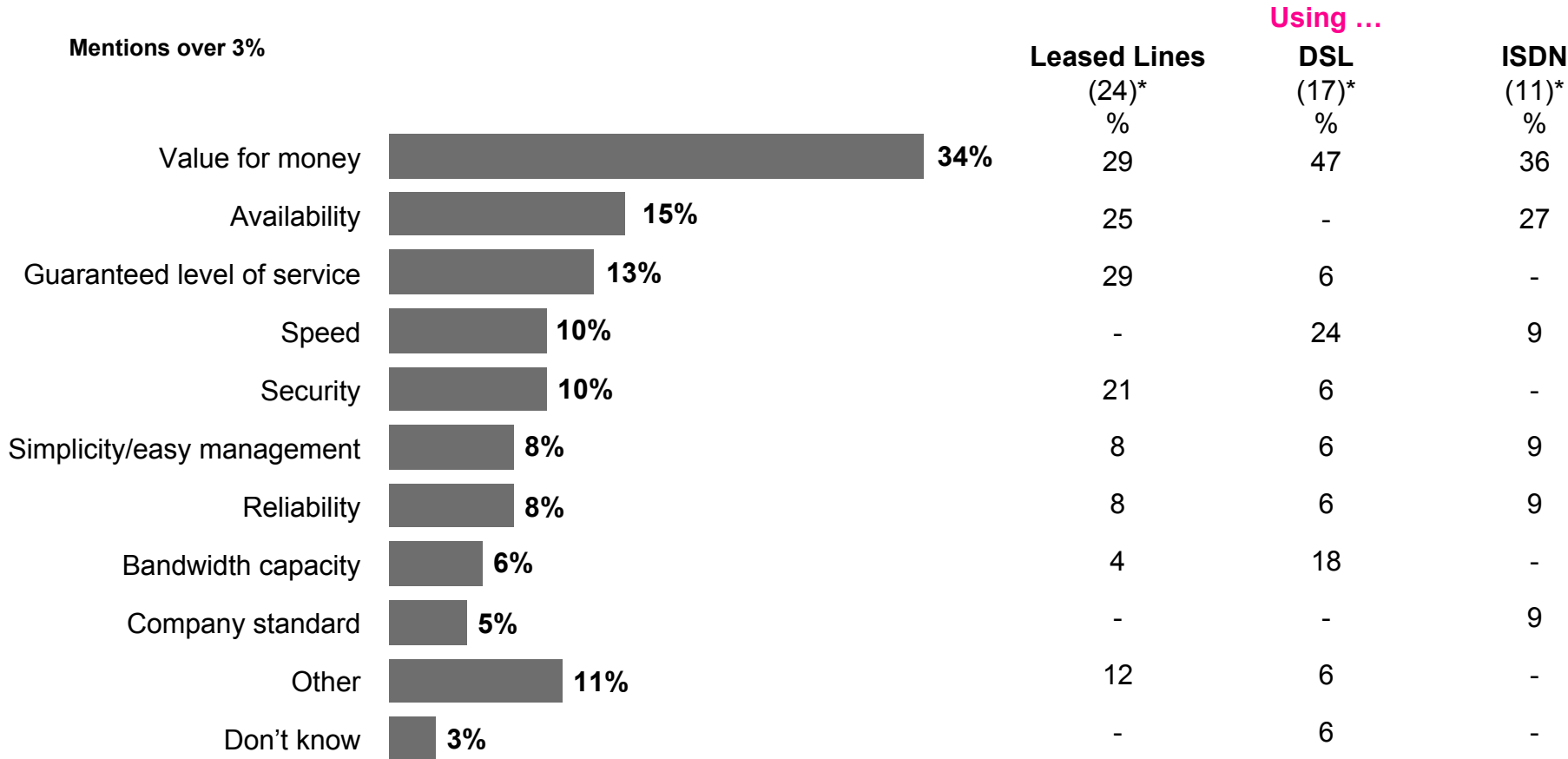Base: All Corporate Companies: 50

Leased Lines — 44%
ISDN — 28%
DSL — 10%
VPN — 4%
Other — 2%
One site only — 6%
Don't know — 12%
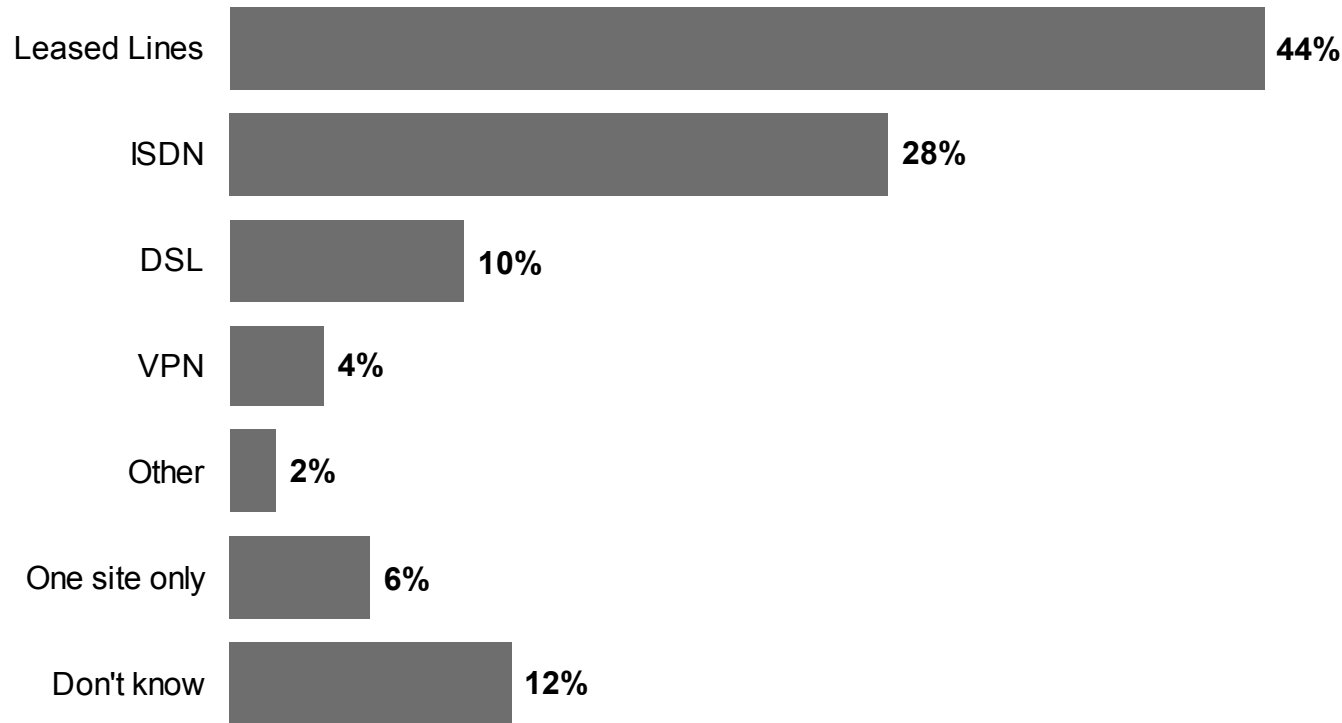
Q.1b   Which broadband technologies does your company use at present for connectivity between business sites?

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Why Broadband Access Technically Chosen - Corporate
Base: All Corporate Companies: 50

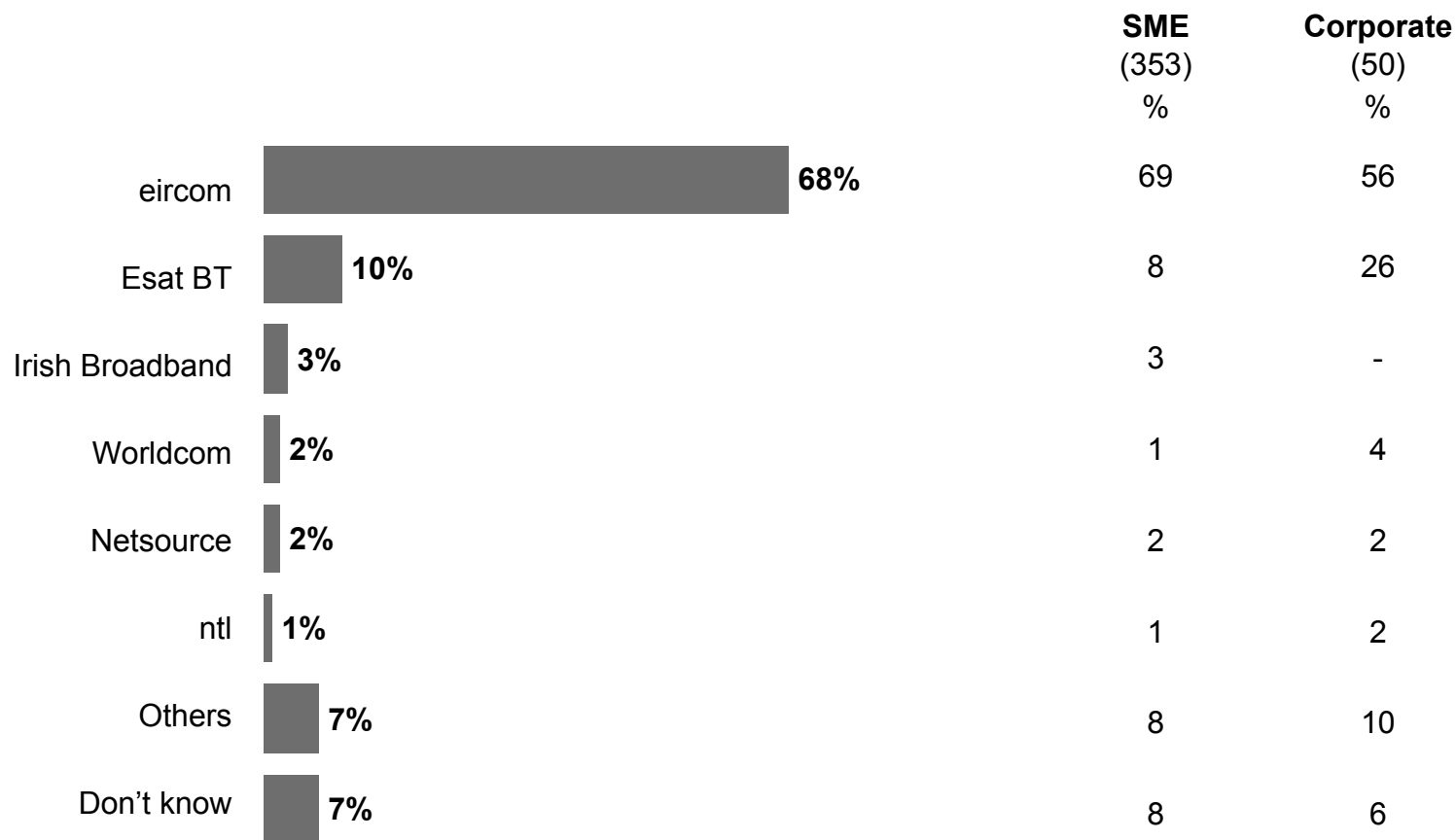| 70% use the technology for data only transmission |
| 30% use the technology for both voice and data transmission |

Mentions over 3%

Using …

	Leased Lines (24)* %	DSL (17)* %	ISDN (11)* %
Value for money — 34%	29	47	36
Availability — 15%	25	-	27
Guaranteed level of service — 13%	29	6	-
Speed — 10%	-	24	9
Security — 10%	21	6	-
Simplicity/easy management — 8%	8	6	9
Reliability — 8%	8	6	9
Bandwidth capacity — 6%	4	18	-
Company standard — 5%	-	-	9
Other — 11%	12	6	-
Don't know — 3%	-	6	-

* Very small base sizes

Q.1d   Why did you choose………….. (insert broadband access technology mentioned at Q.1a) broadband technology…?

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Broadband Services Supplier
Base: All Respondents: 403

	SME (353) %	Corporate (50) %
eircom — **68%**	69	56
Esat BT — **10%**	8	26
Irish Broadband — **3%**	3	-
Worldcom — **2%**	1	4
Netsource — **2%**	2	2
ntl — **1%**	1	2
Others — **7%**	8	10
Don't know — **7%**	8	6

Q.3 Which supplier does your company use for………………..(insert broadband access technology mentioned at Q.1a broadband access?

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Broadband Services Supplier X Technology - Corporate
Base: All Corporate Companies: 50

Those Using Technology …

	Leased Line	DSL	ISDN	Cable Modem	Wireless Tech.	Other
	(24)*	(17)*	(11)*	(3)*	(3)*	(4)*
	%	%	%	%	%	%
eircom	50	88	55	33	33	50
Esat BT	42	-	18	33	-	-
Worldcom	4	-	9	-	-	-
Equant	4	-	-	-	-	-
Netsource	-	6	-	-	-	-
Digiweb	-	6	-	-	-	-
ntl	-	-	-	33	-	-
Other	-	-	9	-	33	25
Don't know	-	-	9	-	33	25

* Very small base size

Q.3 Which supplier does your company use for………………..(insert broadband access technology mentioned at Q.1a broadband access?

Main Reasons For Choosing Supplier - SME
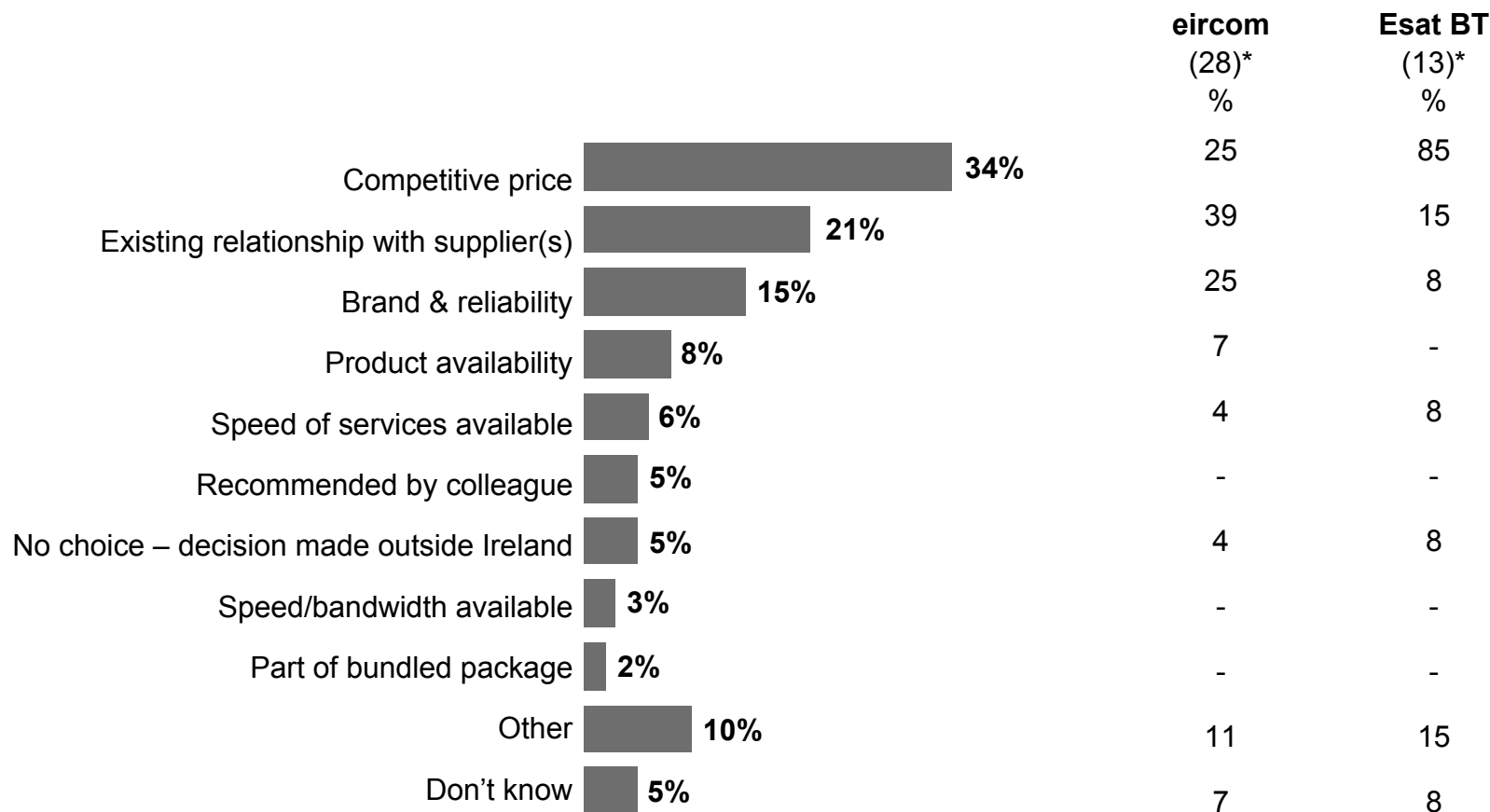## Base: All SME Companies Aware Of Supplier: 313

	Total	eircom	Esat BT
	(326)	(245)	(29)*
	%	%	%
Existing relationship with supplier(s)	36	42	17
Price/package	23	16	45
Access/availability	11	11	10
Only supplier available at the time	7	7	-
Product availability	4	4	3
They approached us/via post or visit/advertising	4	4	3
Speed of services available	3	2	3
Recommended by colleague	3	3	3
Problems with previous supplier	2	2	3
No choice/decision made outside Ireland	2	2	-
Brand & reliability	2	2	3
Service Level Agreements (SLA's)	2	2	3
Other	5	5	7
Don't know	4	4	7

* Small base size

Q.4 What were your main reasons for choosing ………(insert supplier(s) mentioned at Q.3) as your broadband service supplier(s)?

Main Reasons For Choosing Supplier - Corporate
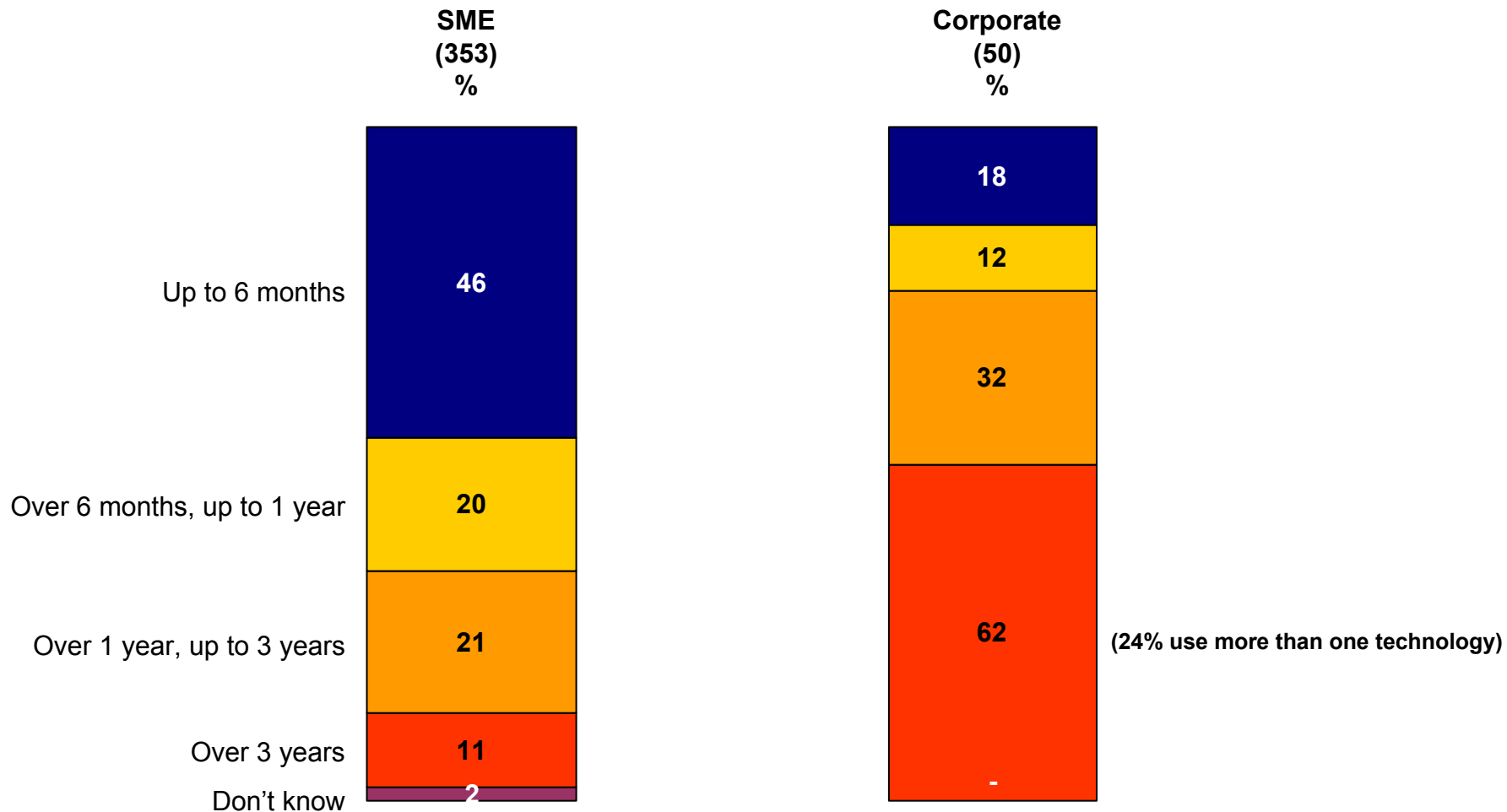## Base: All Corporate Companies: 50

	eircom (28)* %	Esat BT (13)* %
Competitive price — **34%**	25	85
Existing relationship with supplier(s) — **21%**	39	15
Brand & reliability — **15%**	25	8
Product availability — **8%**	7	-
Speed of services available — **6%**	4	8
Recommended by colleague — **5%**	-	-
No choice – decision made outside Ireland — **5%**	4	8
Speed/bandwidth available — **3%**	-	-
Part of bundled package — **2%**	-	-
Other — **10%**	11	15
Don't know — **5%**	7	8

* Very small base sizes

Q.15 What were your main reasons for choosing ………(insert supplier(s) mentioned at Q.3) as your broadband service supplier(s)?

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Length Of Time Using Broadband Technologies
Base: All Respondents: 403

SME (353) %

Corporate (50) %

Category	SME	Corporate
Up to 6 months	46	18
Over 6 months, up to 1 year	20	12
Over 1 year, up to 3 years	21	32
Over 3 years	11	62
Don't know	2	-

(24% use more than one technology)

Q.2   How long has your company had……(insert broadband access mentioned at Q.1a)?

Broadband Services Upgraded Or Introduced In Past Twelve Months
Base: All Users Of Each Type Of Broadband Access
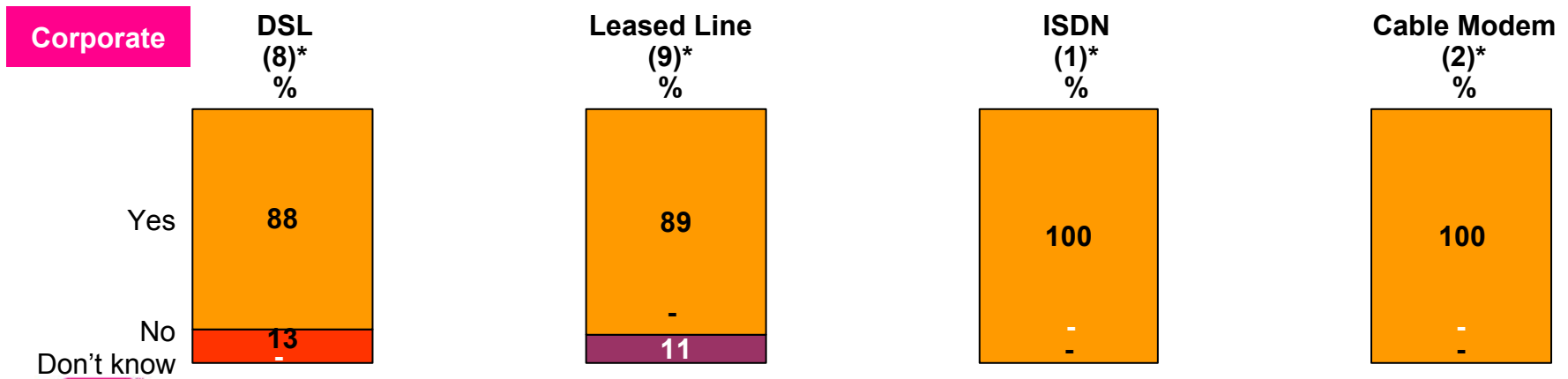
Main Technologies Used …

SME

	DSL (211) %	Leased Line (61) %	Fixed Wireless (34)* %	Cable Modem (27)* %
Yes	57	41	53	48
No	37	54	44	52
Don't know	6	5	3	-

Corporate

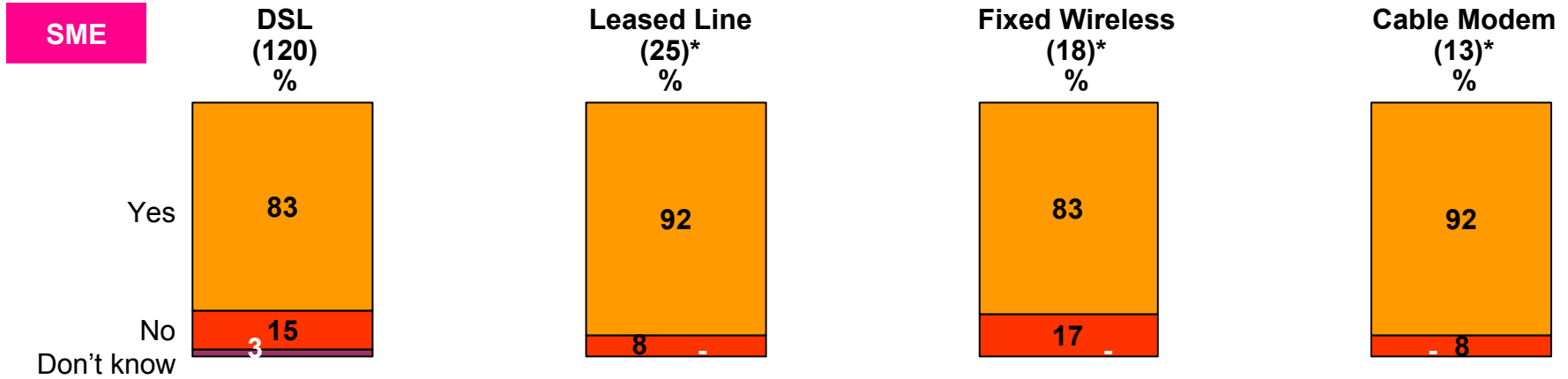|	DSL (17)* %	Leased Line (24)* %	ISDN (11)* %	Cable Modem (3)* %
Yes	47	38	9	67
No	53	63	91	33
Don't know	-	-	-	-
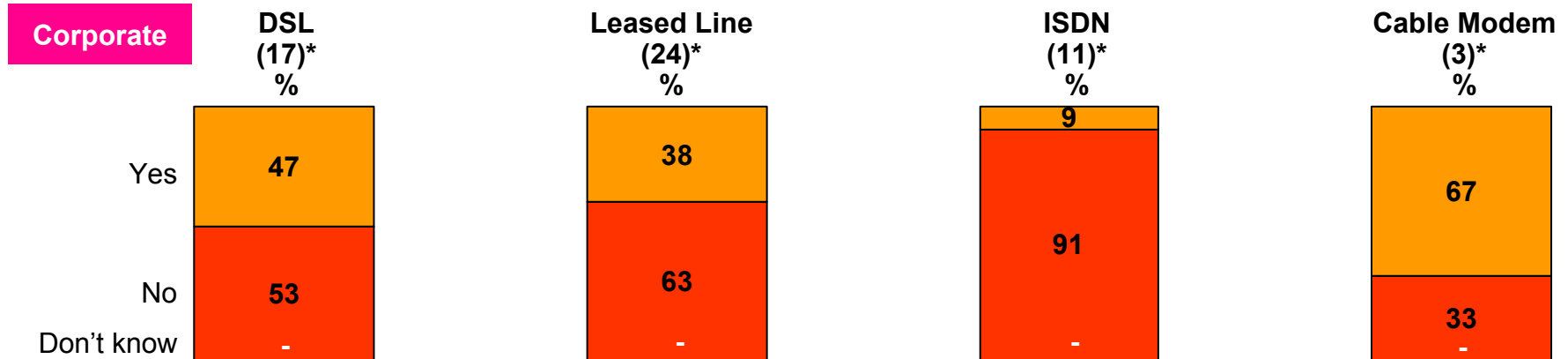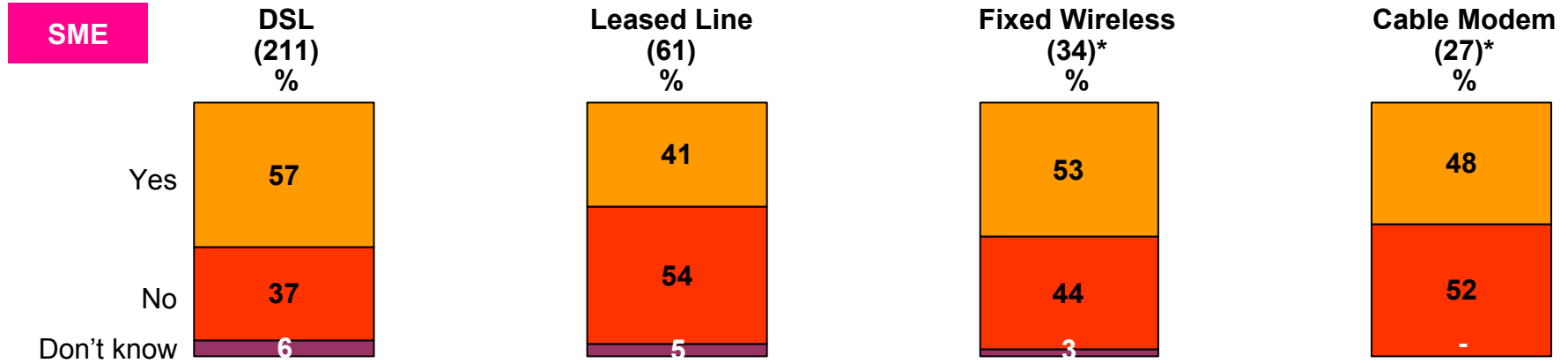
Q.5 Have you upgraded or introduced your ……….(insert broadband access technology mentioned at Q.1a) broadband access in the past 12 months?

* Caution: Small base size

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Whether Delivery Times Met For Upgrade/Introduction
Base: All Respondents Who Upgraded/Introduced Broadband Access In Past 12 Months

Main Technologies Used …

SME

	DSL (120) %	Leased Line (25)* %	Fixed Wireless (18)* %	Cable Modem (13)* %
Yes	83	92	83	92
No	15	8	17	8
Don't know	3	-	-	-

Corporate

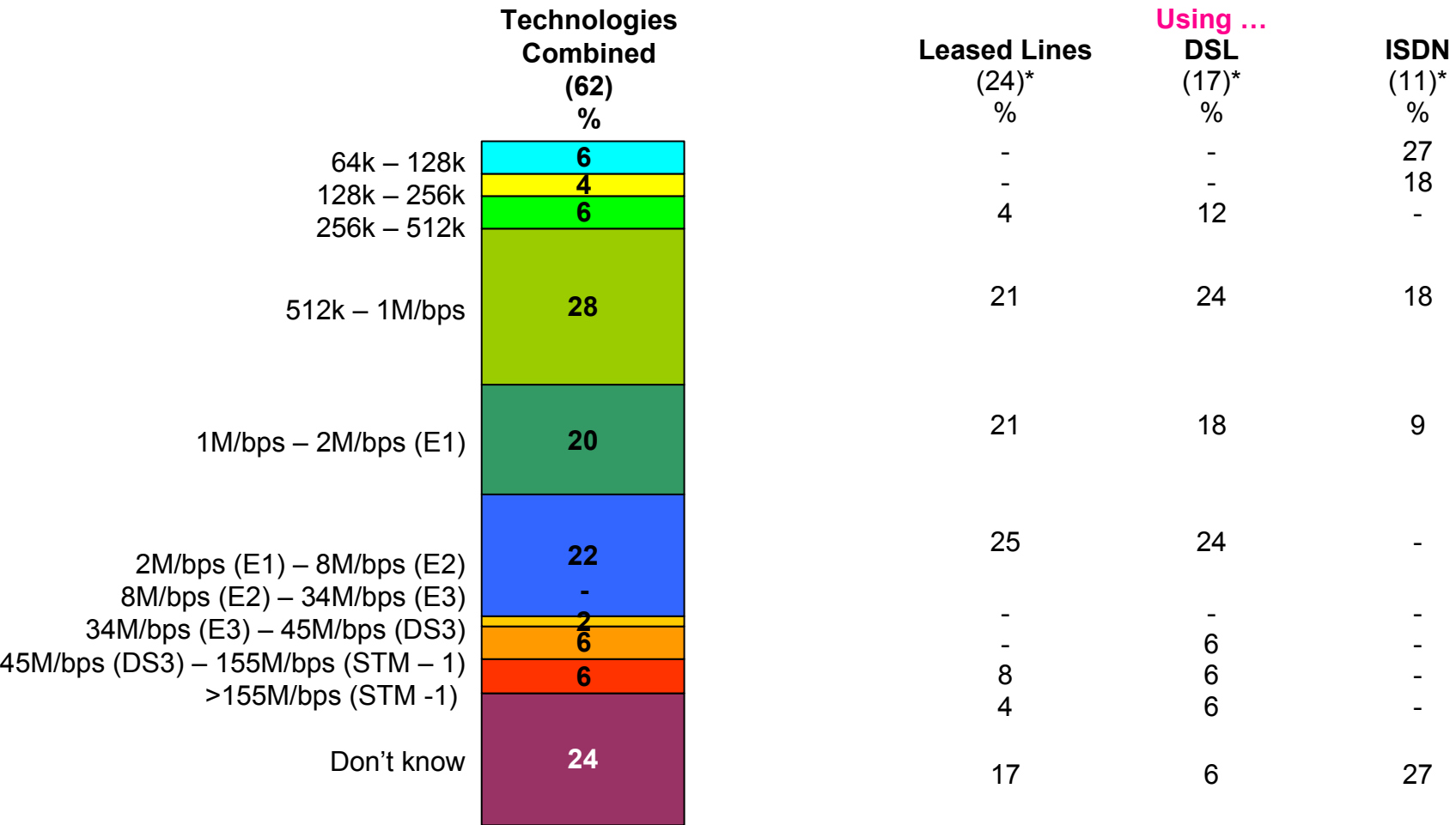|	DSL (8)* %	Leased Line (9)* %	ISDN (1)* %	Cable Modem (2)* %
Yes	88	89	100	100
No	13	-	-	-
Don't know	-	11	-	-

Q.5b Were delivery times met for the upgrade/introduction of your ………..(insert broadband access mentioned at Q.4a) broadband access?

* Caution: Small base size

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Broadwidth Available - Corporate
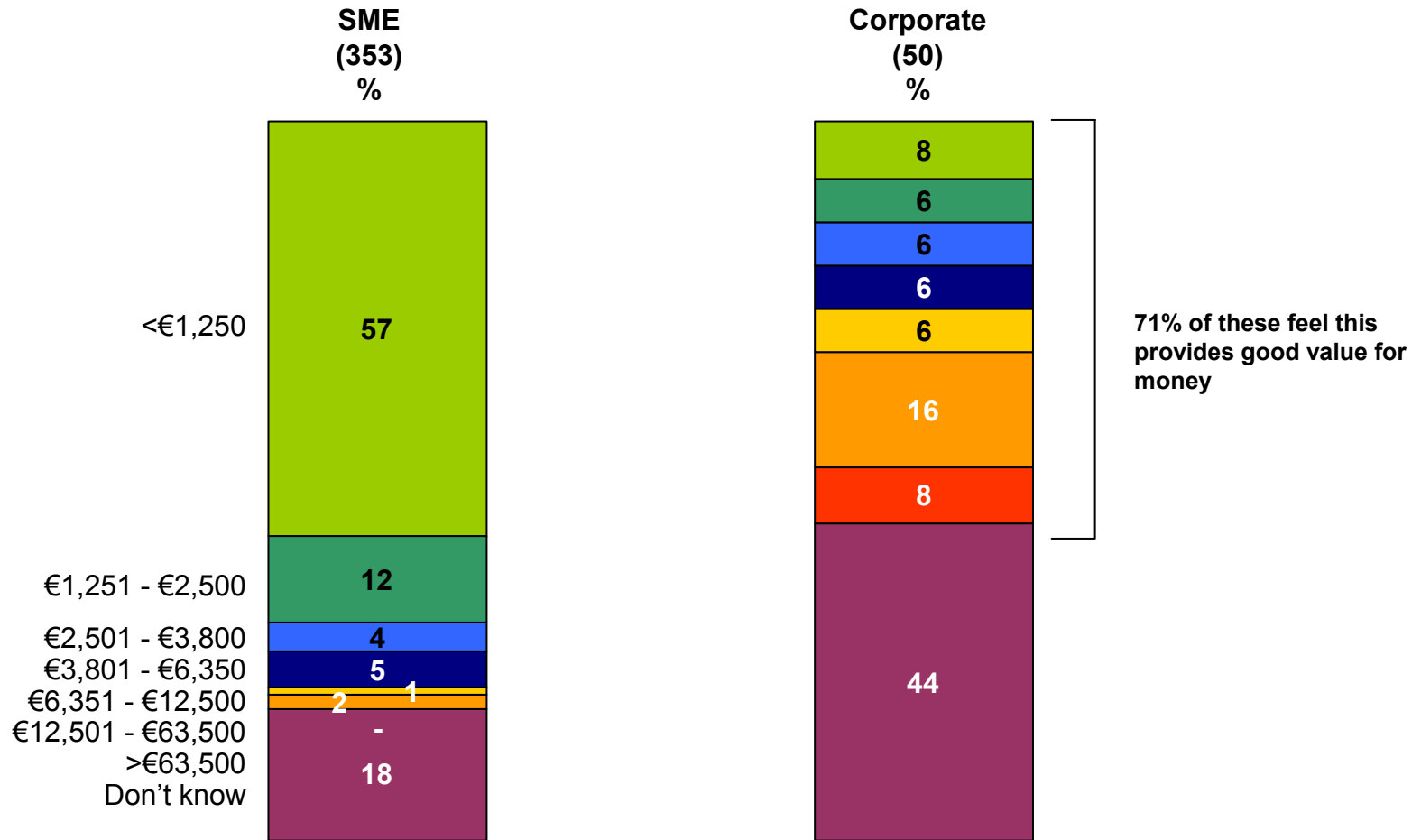## Base: All Corporate Companies: 50

	Technologies Combined (62) %	Using ...		
		Leased Lines (24)* %	DSL (17)* %	ISDN (11)* %
64k – 128k	6	-	-	27
128k – 256k	4	-	-	18
256k – 512k	6	4	12	-
512k – 1M/bps	28	21	24	18
1M/bps – 2M/bps (E1)	20	21	18	9
2M/bps (E1) – 8M/bps (E2)	22	25	24	-
8M/bps (E2) – 34M/bps (E3)	-	-	-	-
34M/bps (E3) – 45M/bps (DS3)	2	-	-	-
45M/bps (DS3) – 155M/bps (STM – 1)	6	-	6	-
>155M/bps (STM -1)	6	8	6	-
		4	6	-
Don't know	24	17	6	27

* Very small base size

Q.2a What is the bandwidth available to your company with…………..(insert broadband access technology mentioned at Q.1a) broadband access?

Average Monthly Expenditure On Telecommunications Services
## Base: All Respondents: 403

SME
(353)
%

Corporate
(50)
%

<€1,250 — 57 (SME), 8 (Corporate)

€1,251 - €2,500 — 12 (SME), 6 (Corporate)

€2,501 - €3,800 — 4 (SME), 6 (Corporate)

€3,801 - €6,350 — 5 (SME), 6 (Corporate)

€6,351 - €12,500 — 1, 2 (SME), 6 (Corporate)

€12,501 - €63,500 — 16 (Corporate)

>€63,500 — - (SME), 8 (Corporate)

Don't know — 18 (SME), 44 (Corporate)

71% of these feel this provides good value for money

Q.7 On average, how much does your company spend on telecommunications services every month?

Q.7a Do you think that this provides good value for money? (Corporate)

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Uptake Of Discount Schemes - Corporate
## Base: All Corporate Companies: 50

Don't
know
22%

Yes
60%

No
18%
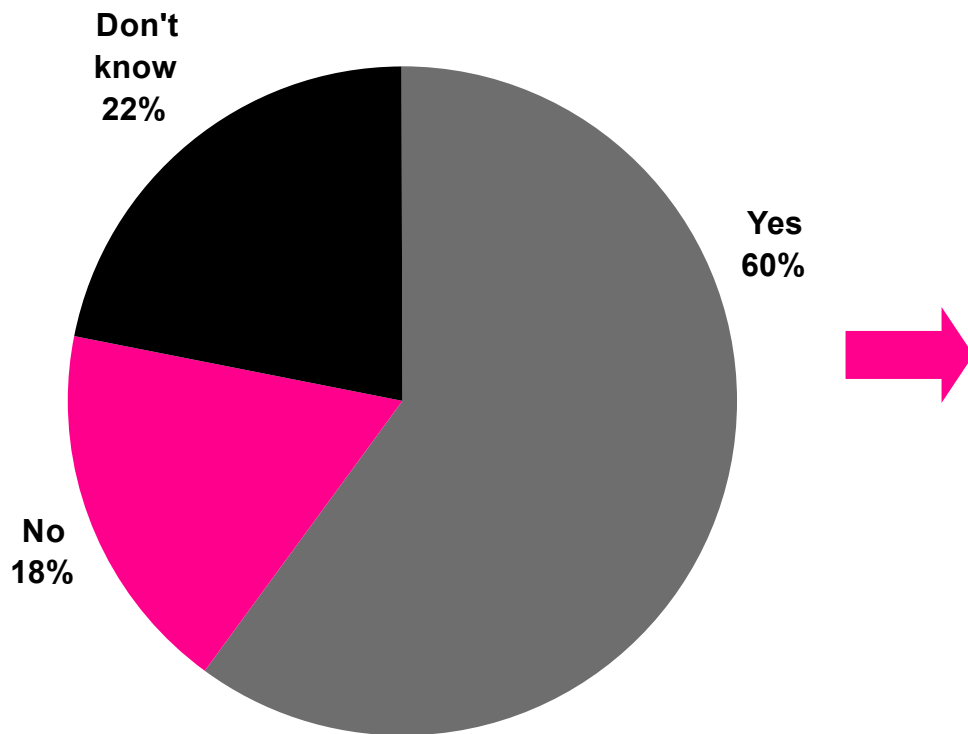
Type of Scheme Availed Of Base: 30	
	%
Volume based	60
Time based	17
Other	3
Don't know	20

Q.8a Do you avail of a discount scheme?

Q.8b Is the discount scheme you avail of volume based or time based?

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Service Level Agreements With Supplier - SME
Base: All SME Companies: 353

Whether Aware %

Yes	40
No	55
Don't know	5

Uptake Of SLA With Supplier %

	27
	59
	13
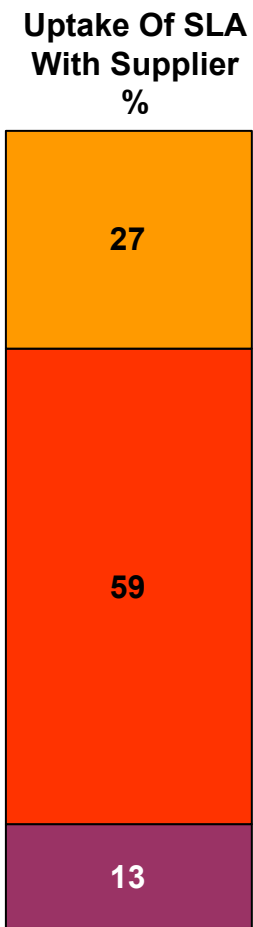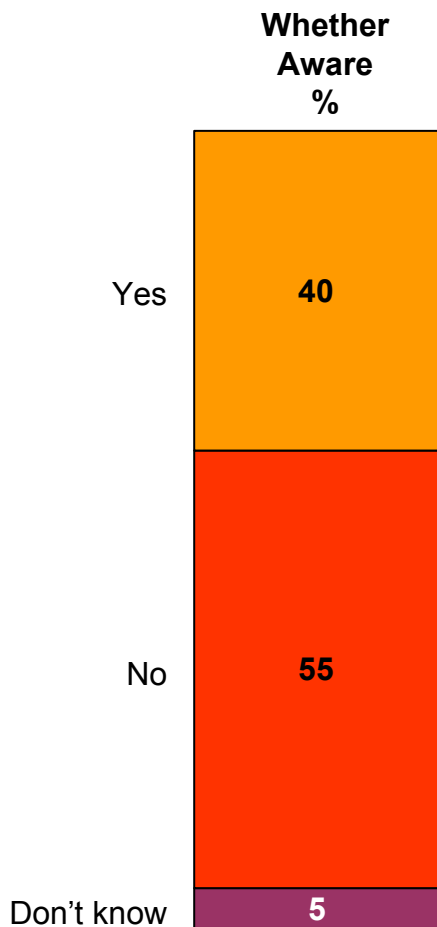
Whether SLA Provider For Payment Of Penalties
Base: 97

	%
Yes	25
No	33
Don't know	42

Q.6a Are you aware that you can get a Service Level Agreement (SLA) from your supplier?

Q.6b Do you have a Service Level Agreement (SLA) with your supplier?

Q.6c Does your Service Level Agreement (SLA) provide for the payment of penalties in the event that committed service levels are not met?

Competition In The Broadband Sector

Broadband Services Offered In Past Twelve Months
Base: All Respondents: 403

Whether Approached By Alternative Supplier

How Approached

	Yes	No	Don't know
Total (403) %	51	46	3
SME (353) %	48	50	2
Corporate (50) %	72	20	8
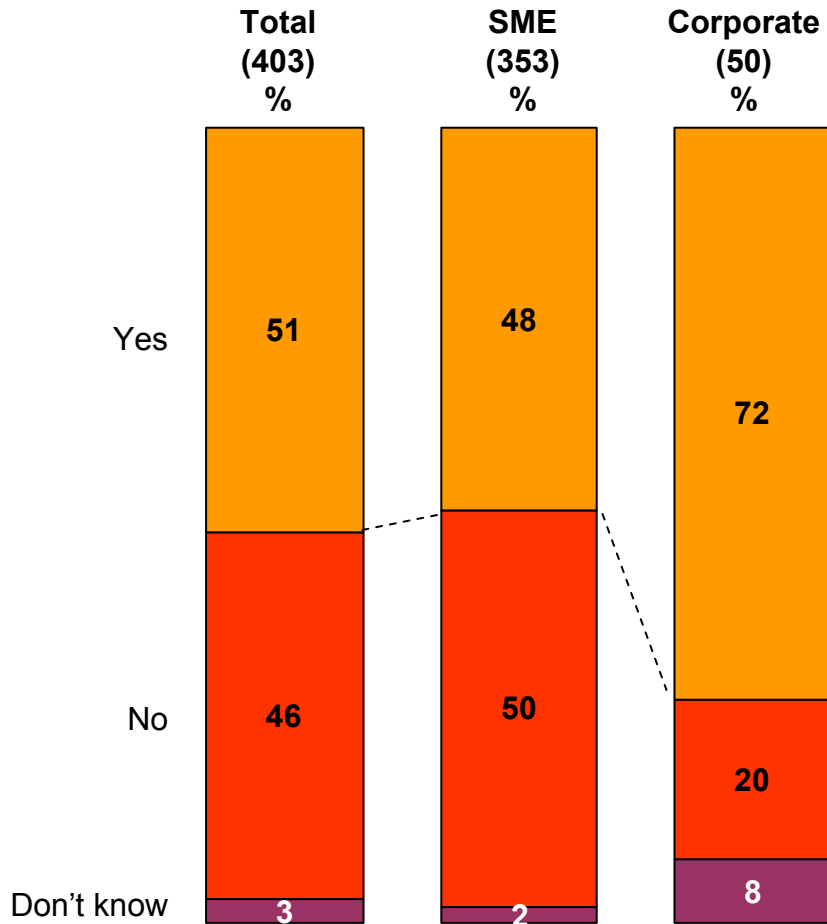
|	Total (204) %	SME (168) %	Corporate (36)* %
Cold call (in person, telephone mainly)	90	92	81
Response to a tender	9	7	17
Other	1	1	6
Don't know	1	1	-

* Small base size

Q.9a   Has any company, other than your existing supplier(s), approached your company offering any broadband services in the past twelve months?

Q.9b   How was your company approached by an alternative supplier?

Switching Suppliers In The Past Twelve Months - SME
Base: All SME Companies: 353

Yes 4%

No 96%
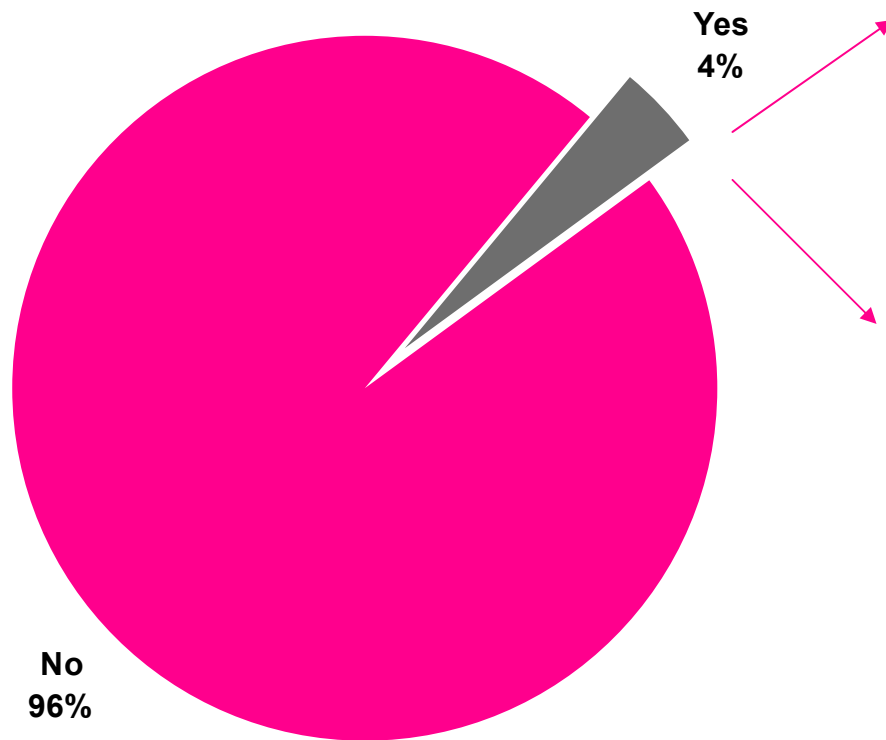
Broadband Services Supplier Switched From	
Base: 13	
	No. Mentions
eircom	5
Esat BT	5
Other	1
Don't know	2

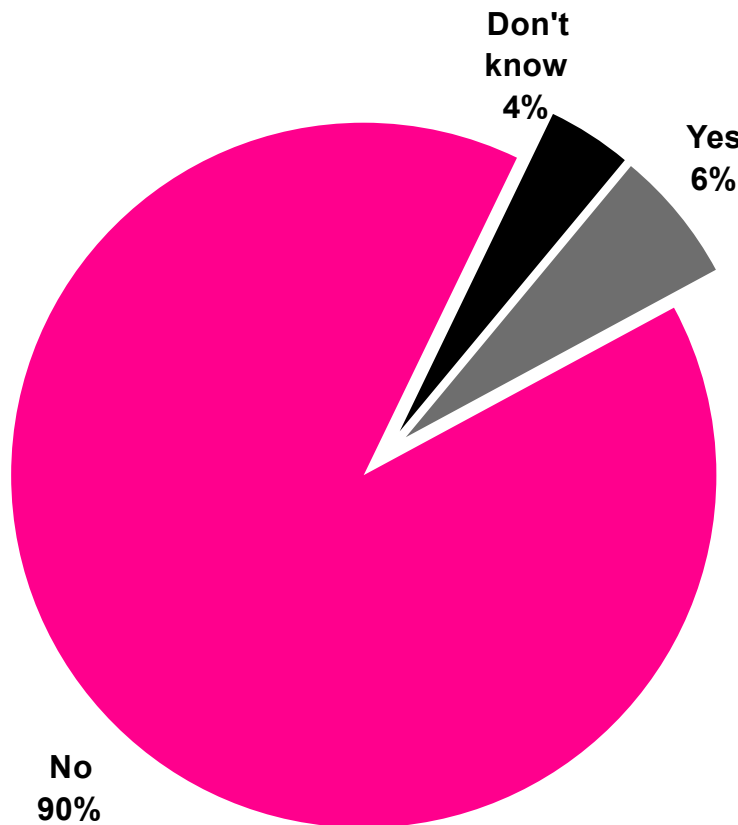| Broadband Services Supplier Switched To	
Base: 13	
	No. Mentions
eircom	3
Esat BT	2
Irish Broadband	2
Leap Broadband	1
Worldcom	1
Colt	1
Other	1
Don't know	2

* Very small base size

Q.11a Have you switched suppliers for any of your broadband services in the past twelve months?

Q.11b Which broadband services supplier did you switch from?

Q.11b Which broadband services supplier did you switch from?

Switching Suppliers In The Past Twelve Months
- Corporate
Base: All Corporate Companies: 50

Don't know 4%

Yes 6%

No 90%

Broadband Services Supplier Switched From	
Base: 3	
	No. Mentions
Esat BT	2
Other	1

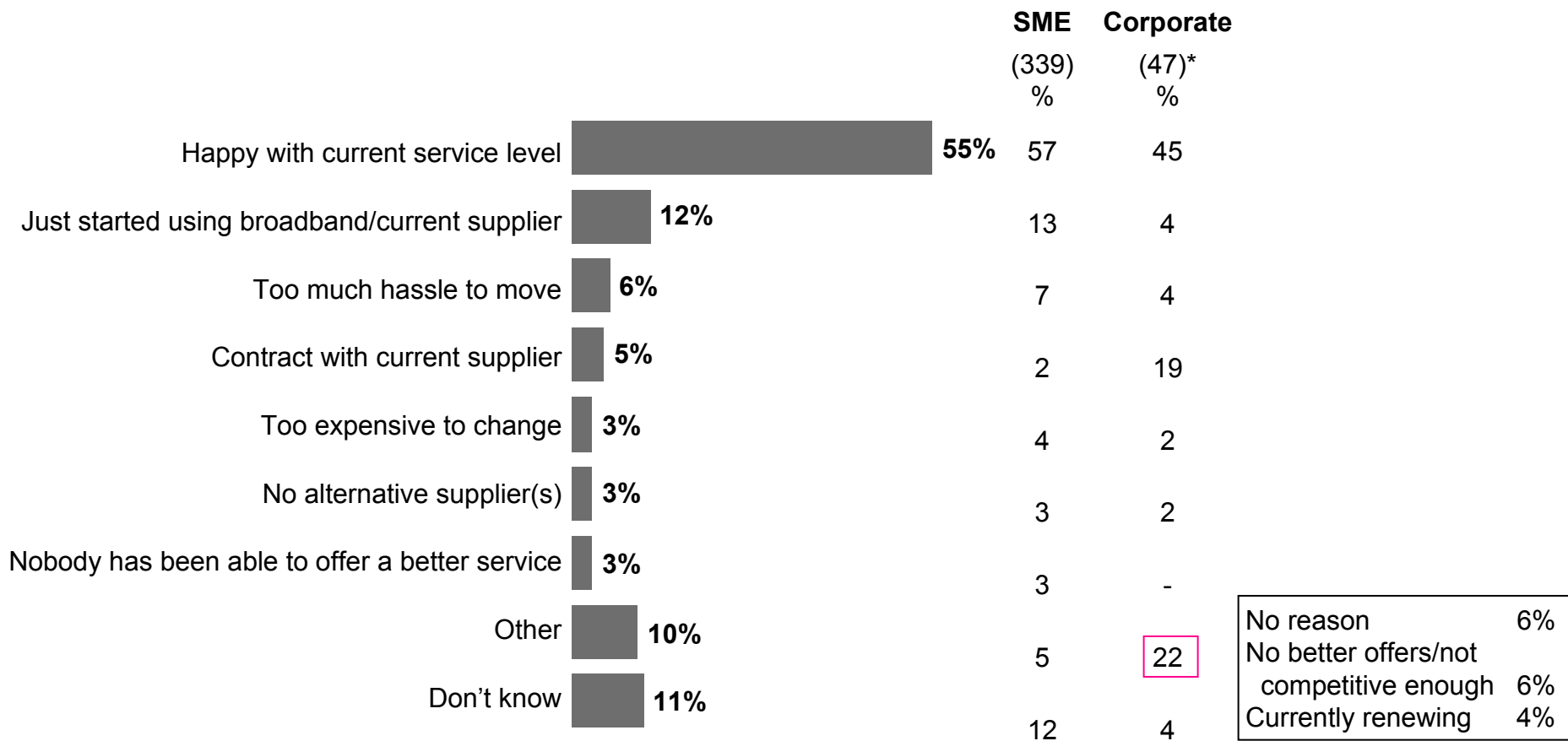| Broadband Services Supplier Switched To	
Base: 3	
	No. Mentions
eircom	2
ntl	1

* Very small base size

Q.11a Have you switched suppliers for any of your broadband services in the past twelve months?

Q.11b Which broadband services supplier did you switch from?

Q.11b Which broadband services supplier did you switch from?

Reasons For Not Switching Broadband Supplier

	SME (339) %	Corporate (47)* %
Happy with current service level — **55%**	57	45
Just started using broadband/current supplier — **12%**	13	4
Too much hassle to move — **6%**	7	4
Contract with current supplier — **5%**	2	19
Too expensive to change — **3%**	4	2
No alternative supplier(s) — **3%**	3	2
Nobody has been able to offer a better service — **3%**	3	-
Other — **10%**	5	22
Don't know — **11%**	12	4

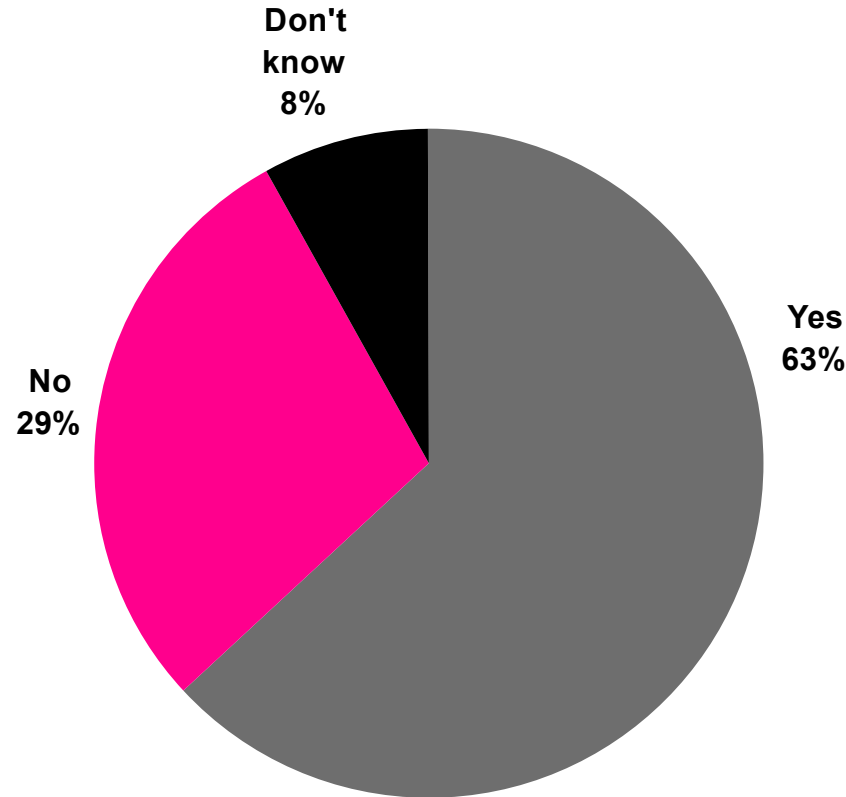| No reason	6%
No better offers/not competitive enough	6%
Currently renewing	4%

* Small base size

Q.12 Why have you not switched broadband access supplier(s) in the past twelve months?

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Awareness Of Seamless Switching Of DSL Provider: SME
Base: All SME Companies Using DSL: 211
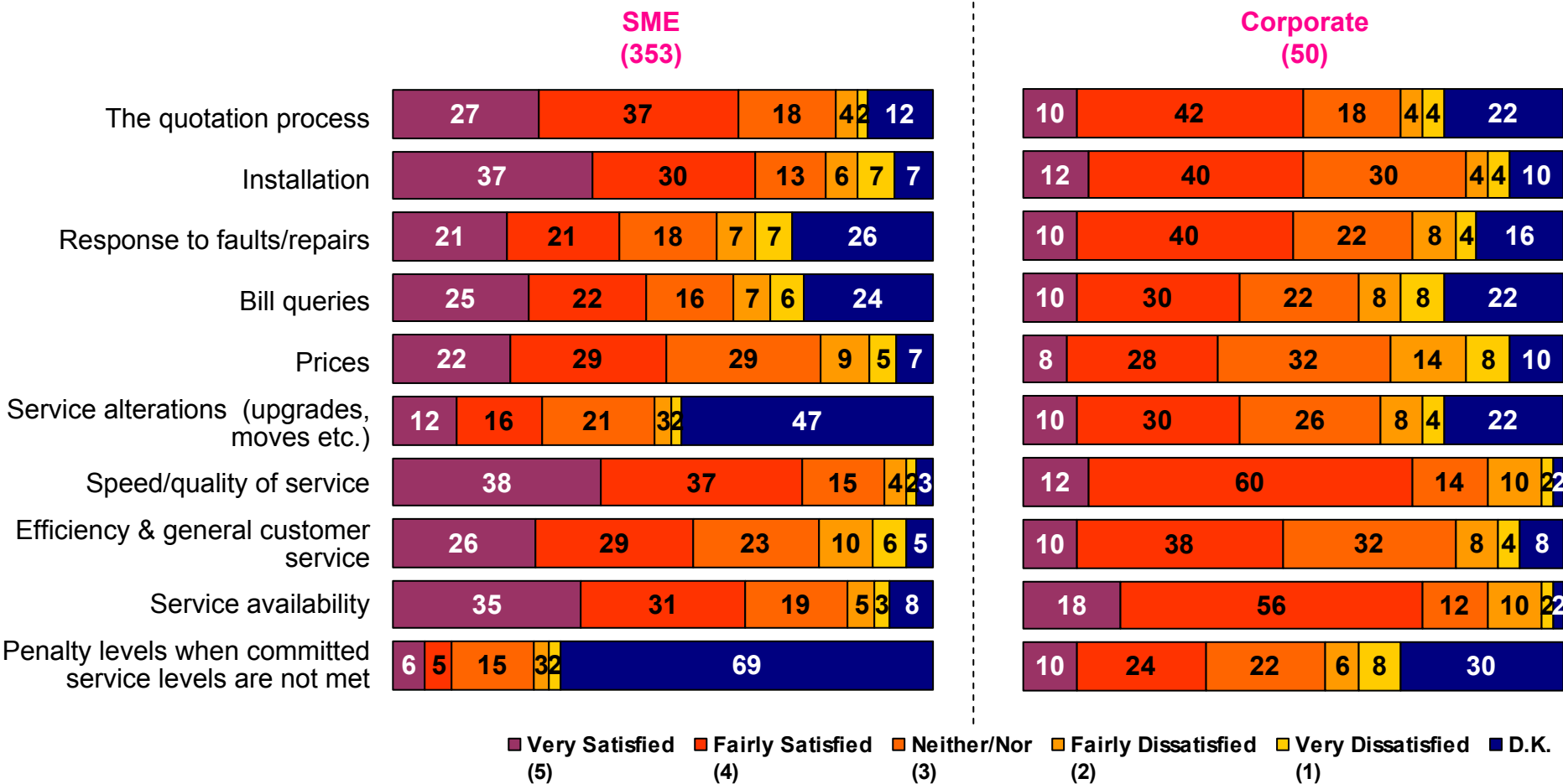

Don't know
8%

No
29%

Yes
63%

Q.10 Are you aware that you can seamlessly switch DSL providers (i.e. without a service interruption) ?

Satisfaction with Suppliers

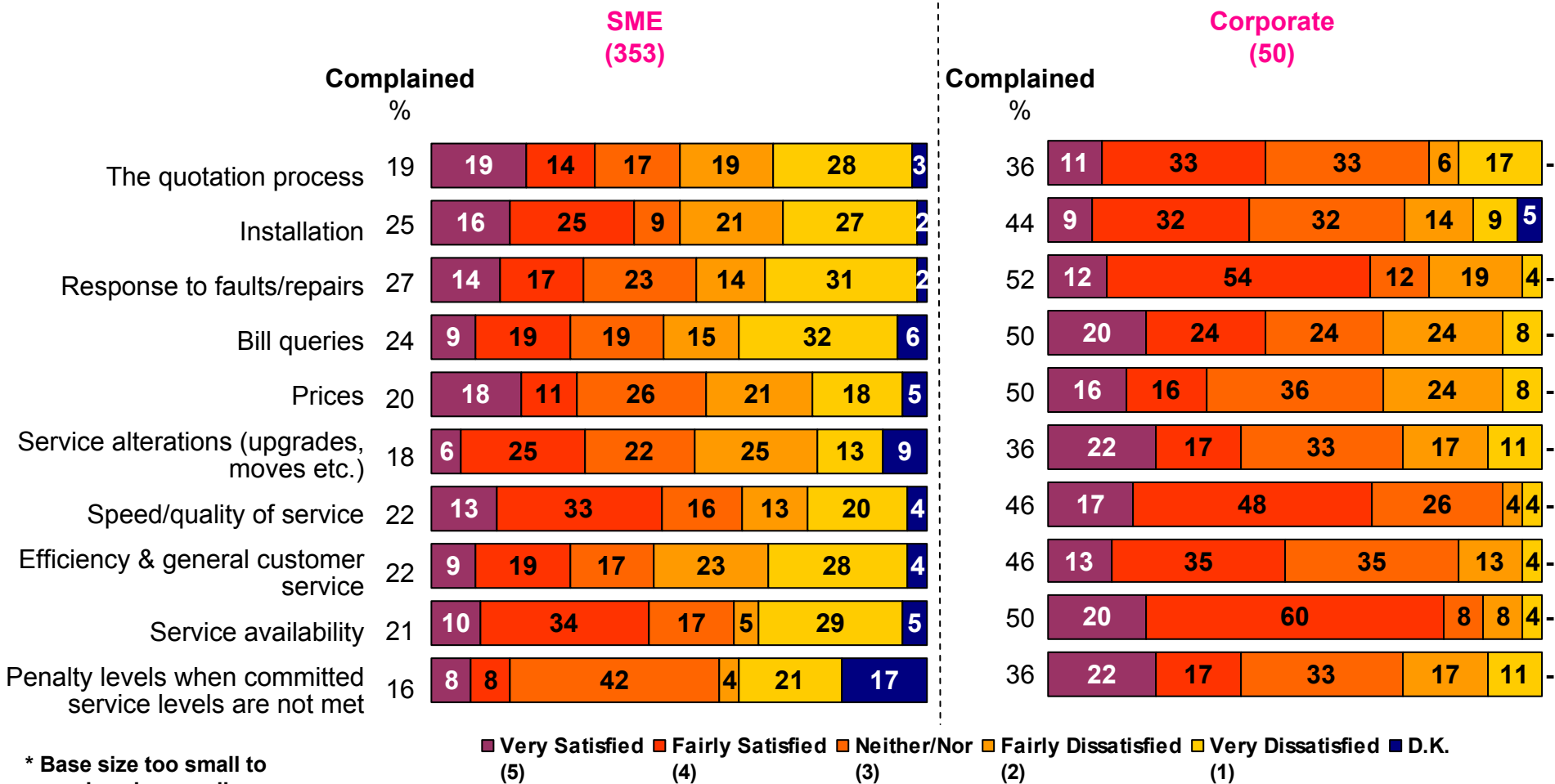# Satisfaction With The Different Aspects Of The Service Provided – All Suppliers

Base: All Respondents: 403

SME (353)

Aspect	Very Satisfied (5)	Fairly Satisfied (4)	Neither/Nor (3)	Fairly Dissatisfied (2)	Very Dissatisfied (1)	D.K.
The quotation process	27	37	18	4	2	12
Installation	37	30	13	6	7	7
Response to faults/repairs	21	21	18	7	7	26
Bill queries	25	22	16	7	6	24
Prices	22	29	29	9	5	7
Service alterations (upgrades, moves etc.)	12	16	21	3	2	47
Speed/quality of service	38	37	15	4	2	3
Efficiency & general customer service	26	29	23	10	6	5
Service availability	35	31	19	5	3	8
Penalty levels when committed service levels are not met	6	5	15	3	2	69

Corporate (50)

Aspect	Very Satisfied (5)	Fairly Satisfied (4)	Neither/Nor (3)	Fairly Dissatisfied (2)	Very Dissatisfied (1)	D.K.
The quotation process	10	42	18	4	4	22
Installation	12	40	30	4	4	10
Response to faults/repairs	10	40	22	8	4	16
Bill queries	10	30	22	8	8	22
Prices	8	28	32	14	8	10
Service alterations (upgrades, moves etc.)	10	30	26	8	4	22
Speed/quality of service	12	60	14	10	2	2
Efficiency & general customer service	10	38	32	8	4	8
Service availability	18	56	12	10	2	2
Penalty levels when committed service levels are not met	10	24	22	6	8	30

Legend: ■ Very Satisfied (5) ■ Fairly Satisfied (4) ■ Neither/Nor (3) ■ Fairly Dissatisfied (2) ■ Very Dissatisfied (1) ■ D.K.

Q.13 With regard to the following aspects of service from ……….(insert supplier(s) mentioned at Q.3), please tell me if you are satisfied or dissatisfied with each service, on a scale of 5 to 1 where 5 is very satisfied and 1 very dissatisfied

Satisfaction With Supplier Response In The Event Of A Complaint About Different Service Aspects – All Suppliers*
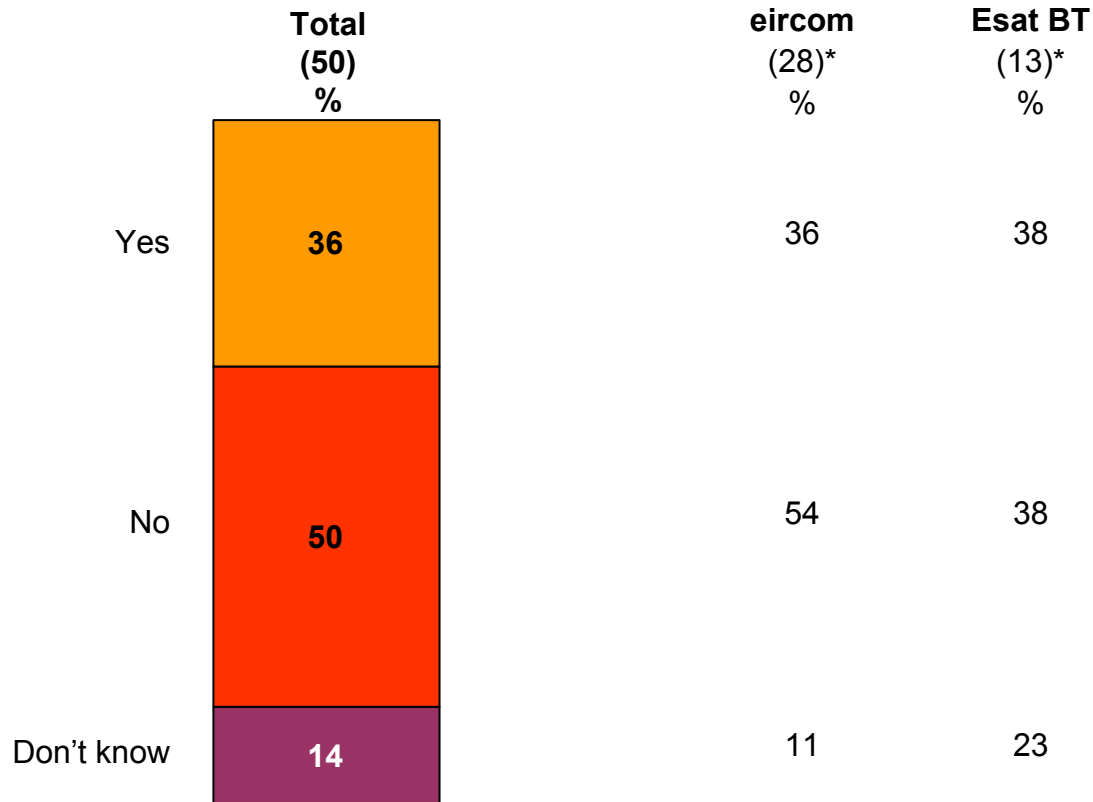## Base: All Respondents: 403

SME (353)

Corporate (50)

	Complained %	Very Satisfied (5)	Fairly Satisfied (4)	Neither/Nor (3)	Fairly Dissatisfied (2)	Very Dissatisfied (1)	D.K.
The quotation process	19	19	14	17	19	28	3
Installation	25	16	25	9	21	27	2
Response to faults/repairs	27	14	17	23	14	31	2
Bill queries	24	9	19	19	15	32	6
Prices	20	18	11	26	21	18	5
Service alterations (upgrades, moves etc.)	18	6	25	22	25	13	9
Speed/quality of service	22	13	33	16	13	20	4
Efficiency & general customer service	22	9	19	17	23	28	4
Service availability	21	10	34	17	5	29	5
Penalty levels when committed service levels are not met	16	8	8	42	4	21	17

	Complained %	Very Satisfied (5)	Fairly Satisfied (4)	Neither/Nor (3)	Fairly Dissatisfied (2)	Very Dissatisfied (1)	D.K.
The quotation process	36	11	33	33	6	17	-
Installation	44	9	32	32	14	9	5
Response to faults/repairs	52	12	54	12	19	4	-
Bill queries	50	20	24	24	24	8	
Prices	50	16	16	36	24	8	-
Service alterations (upgrades, moves etc.)	36	22	17	33	17	11	-
Speed/quality of service	46	17	48	26	4	4	
Efficiency & general customer service	46	13	35	35	13	4	
Service availability	50	20	60	8	8	4	-
Penalty levels when committed service levels are not met	36	22	17	33	17	11	-

Legend: ■ Very Satisfied (5) ■ Fairly Satisfied (4) ■ Neither/Nor (3) ■ Fairly Dissatisfied (2) ■ Very Dissatisfied (1) ■ D.K.

* Base size too small to analyse by supplier

Q.14 If you have complained due to difficulties with any of the following aspects of service from .... (insert supplier(s) mentioned at Q.3), were you satisfied/dissatisfied with the response you got? Please respond using a scale 5 to 1, where 5 is very satisfied and 1 very dissatisfied.

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Whether Went Through A Tendering Process When Choosing Supplier - Corporate
Base: All Corporate Companies: 50

	Total (50) %	eircom (28)* %	Esat BT (13)* %
Yes	36	36	38
No	50	54	38
Don't know	14	11	23

* Very small base sizes

Q.16 Did you go through a tendering process when choosing …………… as your broadband service supplier?

tns mrbi

Use of Broadband

Comparison Of Broadband Services In Terms Of Technology & Price - SME

Base: All SME Companies: 353

Technology
%

Yes	46
No	48
Don't know	6

Price
%

Yes	71
No	26
Don't know	4
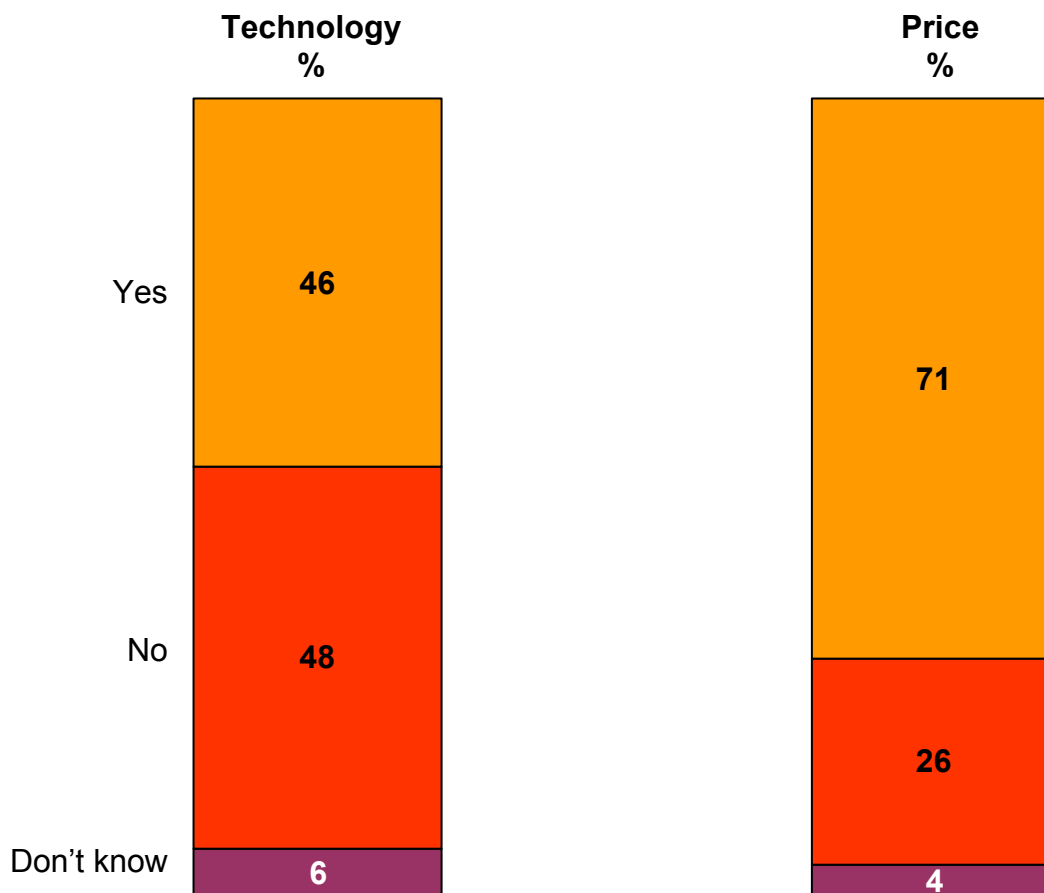
Q.17a Do you believe you are able compare different broadband services in terms of technology?

Q.17b Do you believe you are able to compare different broadband services in terms of price?

Main Advantages Of Additional Bandwidth - SME
Base: All SME Companies: 353

Advantage	Percentage
Increased speed of Internet functions (access/email/data transfer/video conferencing)	74%
Cost efficient/helps reduce cost	13%
Increased efficiency/availability/reliability (for workforce & end user)	8%
Increased capacity/bandwidth/more line access & less congestion	7%
Speed up & improve communications (internal & external)	6%
Generally beneficial/essential to our business	5%
Easy access	3%
Other	3%
Don't know	9%

Services/Facilities Used On A Regular Basis
Base: All Respondents: 403

	SME (353) %	Corporate (50) %
Email — 100%	99	100
Web browsing — 93%	92	96
Remote access — 51%	47	80
Secure data transfer — 46%	45	54
Fast file transfer — 45%	44	56
Business-to-business e-services (e.g. extranet with suppliers) — 35%	35	38
Hosting services — 33%	33	32
Voice over IP/Internet telephony — 9%	7	22
Video conferencing — 9%	6	28
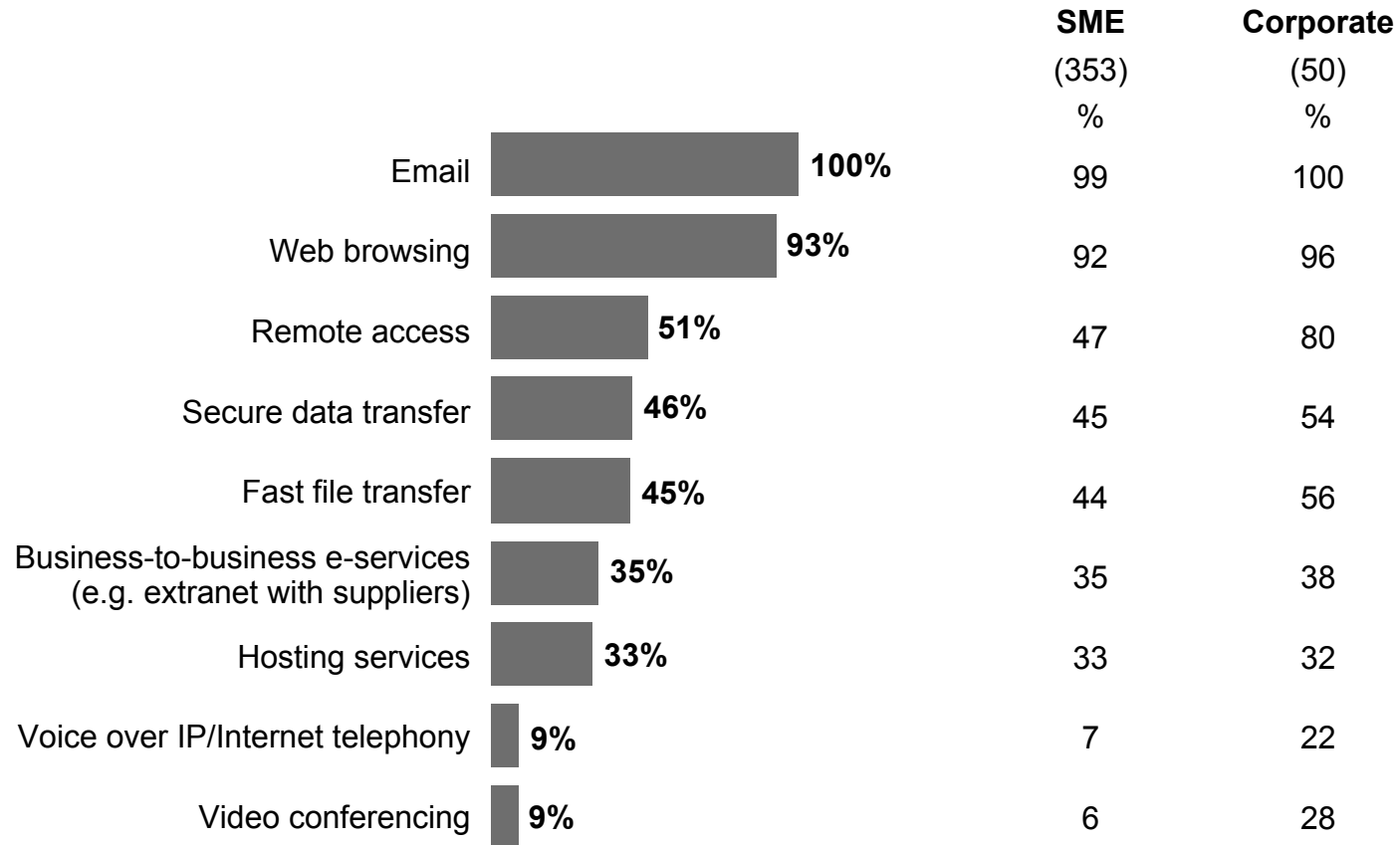
Q.19 Which of these services/facilities does your company use on a regular basis?

Use Of Remote Access
Base: All Respondents: 403
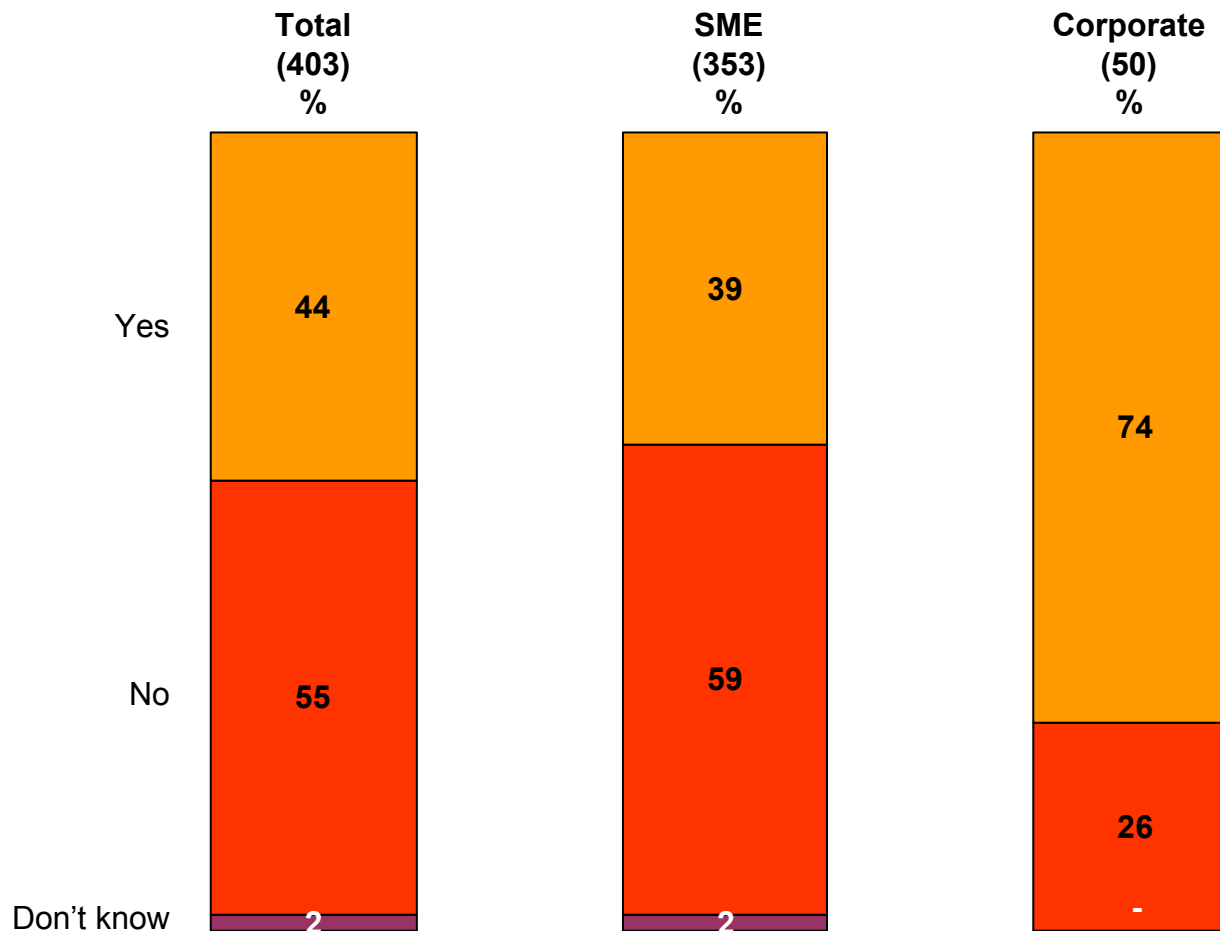
Q.25a Does your company use remote access (Teleworkers or home based employees)?

Form Of Access Provided For Tele-workers Or Home-based Employees

Base: All Those Companies Using Remote Access: 176

	Total	SME	Corporate
	(176)	(139)	(37)*
	%	%	%
56k dial-up	41	30	81
DSL	33	39	11
ISDN	22	22	24
VPN	5	6	-
Other	5	4	8
Don't know	10	12	3

* Small base size

Q.25b What form of access do you provide for your teleworkers or home based employees)?

Additional Services Availed Of Along With Broadband Access - Corporate

Base: All Corporate Companies: 50

Whether Avail Of Additional Services %

Yes	16
No	80
Don't know	4
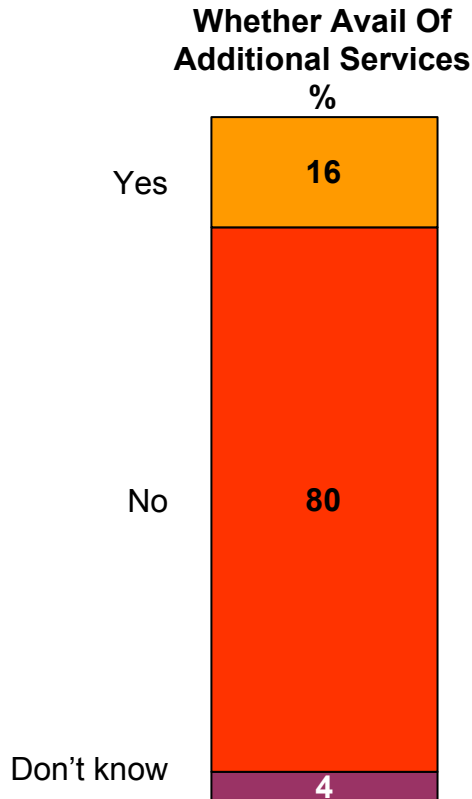
Additional Services Used
Base: 8

	No. of Mentions
Voice services	5
Frame relay services	2
IP VPN's	2
Hosting services	2
IT outsourcing	1
Other	2

For 6 out of 8 companies using these services, these are provided by the same supplier used for broadband access

Q.23a Do you avail of any additional services along with your broadband access?

Q.23b What additional services are these?

Q.23c Are these services provided by the same service provider who provides your business with broadband access?

Future Plans To Increase Bandwidth Requirements - SME
Base: All SME Companies: 353

%

	%
Increase	20
No change	74
Decrease	-
Don't know	6
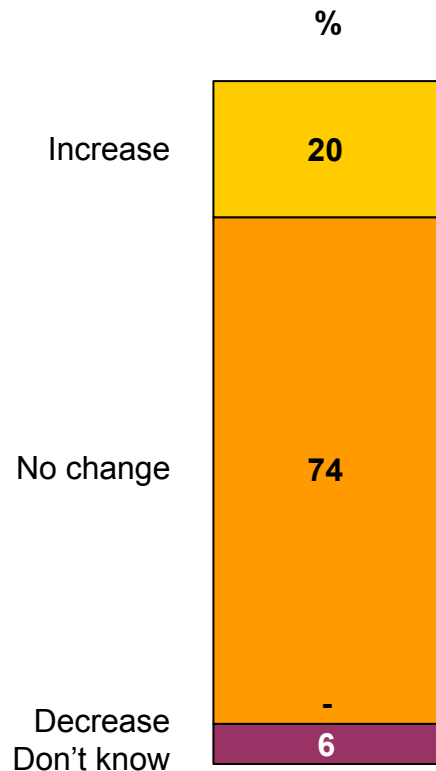
Reason(s) Why Increasing
Base: 70

	%
To support specific applications	29
Availability of additional bandwidth	27
Additional offices/sites	17
Better guaranteed level of service	13
To meet business needs/increased demand	10
Transferring larger files	4
Other	3
Don't know	4

Reason(s) Why Not Increasing
Base: 283

	%
No need at the moment/happy with existing arrangement	64
Only recently upgraded	7
Cost restrictions/too expensive	2
May consider in the future	2
Have the highest bandwidth available	2
Other	1
Don't know	24

Q.20a Do you plan to increase your bandwidth requirements?

Q.20b Why are you increasing your bandwidth?

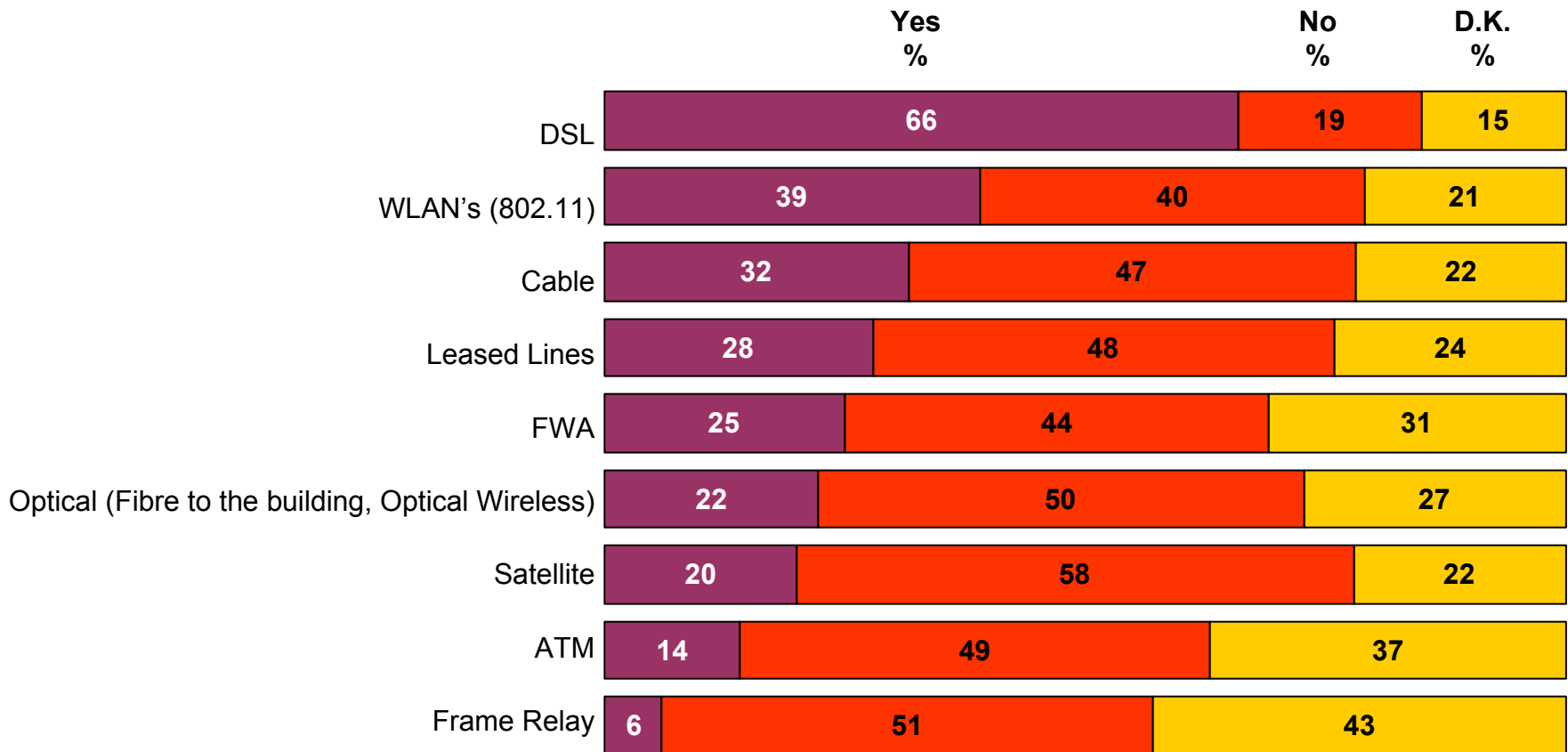*Q.21 Why are you not increasing your bandwidth requirements?*

tns mrbi

Future Plans To Increase Bandwidth Requirements
- Corporate
Base: All Corporate Companies: 50

%

Increase	42
No change	44
Decrease	4
Don't know	10
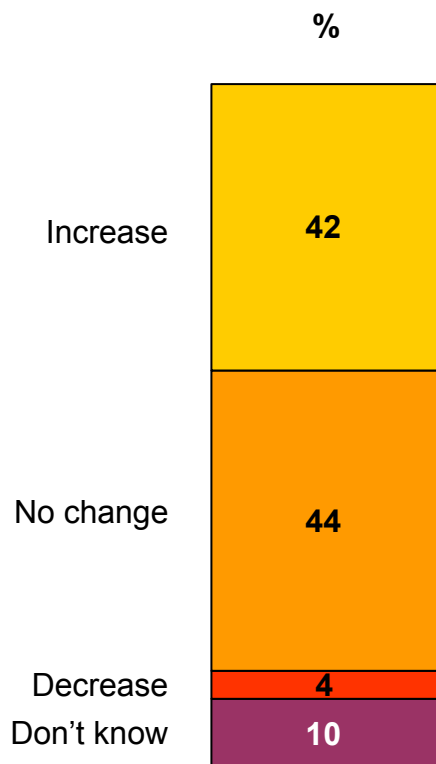
Reason(s) Why Increasing
Base: 21*

	%
To support specific applications	43
Additional offices/sites	24
Better guaranteed level of service	19
Availability of additional bandwidth	14
To meet business needs/increased demand	14
Transferring larger files	5

Reason(s) Why Not Increasing
Base: 29*

	%
No need at the moment/happy with existing arrangement	72
Only recently upgraded	10
Cost restrictions/too expensive	7
Have the highest bandwidth available	3
Other	3
Don't know	10

* Small base

Q.20a Do you plan to increase your bandwidth requirements?

Q.20b Why are you increasing your bandwidth?

Q.21 Why are you not increasing your bandwidth requirements?

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Applications Planning To Use With Additional Broadband

Base: All Companies Planning To Increase Their Bandwidth Requirements: 91

	SME (70) %	Corporate (21)* %
Various applications/programmes/software — 13%	11	19
Just need greater capacity/increased user numbers — 13%	11	19
Voice/audio — 10%	10	10
Data & file transfer — 7%	7	5
Internet & remote access — 7%	6	10
Video conferencing — 5%	6	5
Email & web access — 5%	6	5
Oracle/Citrix — 5%	1	19
e-Commerce — 3%	3	5
Own website/hosting service — 3%	4	-
Other — 4%	4	-
Don't know — 44%	51	19
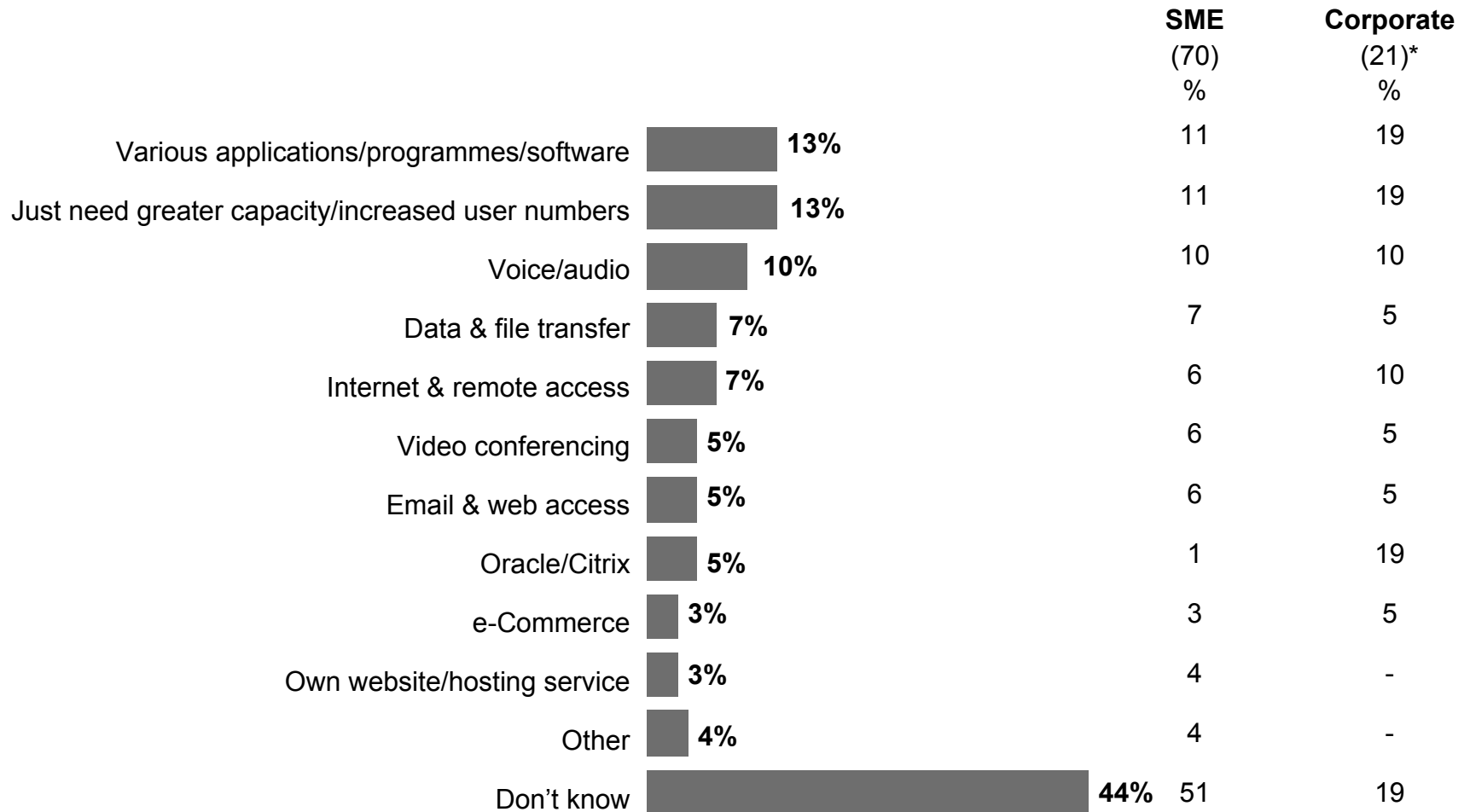
Q.22 What applications are you planning to use with additional broadband?

tns mrbi

Broadband Services Which Will Be Depended More On In The Future – SME
Base: All SME Companies: 353

	Yes %	No %	D.K. %
DSL	66	19	15
WLAN's (802.11)	39	40	21
Cable	32	47	22
Leased Lines	28	48	24
FWA	25	44	31
Optical (Fibre to the building, Optical Wireless)	22	50	27
Satellite	20	58	22
ATM	14	49	37
Frame Relay	6	51	43

Q.24 Which broadband services do you think your company will depend more on in the future?

tns mrbi

Regionalisation

Difficulties Encountered Getting Broadband Connectivity For Your Business In Republic Of Ireland
Base: All Respondents: 403

Whether Difficulties Encountered

	Total (403) %	SME (353) %	Corporate (50) %
Yes	20	18	34
No	78	80	62
Don't know	2	2	4
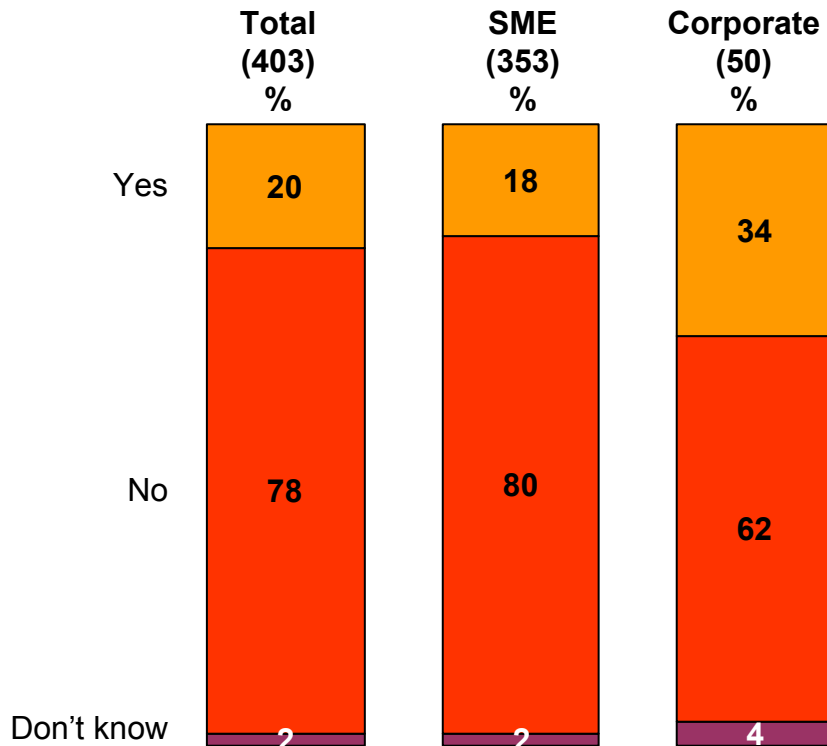
Regions Of Most Concern
Base: All Who Encountered Difficulties

	Total (80) %	SME (63) %	Corporate (17)* %
Dublin	34	40	12
Rest of Leinster	33	35	24
Munster	24	25	18
Ulster	13	16	-
Connaught	24	21	35
Don't know	5	2	18

* Small base size

Q.26 Do you encounter difficulties getting broadband connectivity for your business in the Republic of Ireland?

Q.27 Please state the regions of most concern.

Desired Broadband Services/Switched Data Services Currently Not Available In Irish Market – Corporate
Base: All Corporate Companies Who Encountered Difficulties: 17*

Don't know 29%

Yes 47%

No 24%

* Small base

Q.28 Are there broadband services/switched data services which would meet your needs, but currently are not available from service providers in the Irish market?
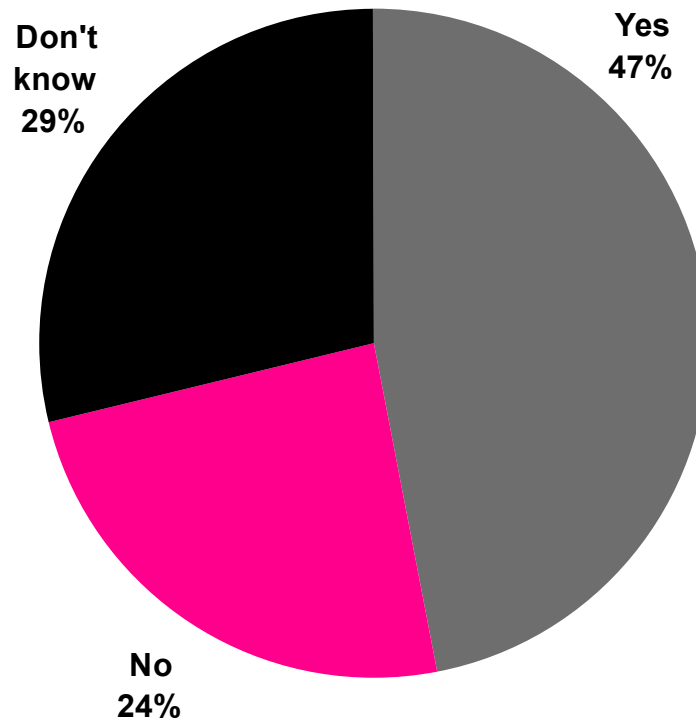
Impact Of Access Difficulties On Investment Decisions
Base: All Who Encountered Difficulties: 80

	Total (80) %	SME (63) %	Corporate (17)* %
Yes	41	38	53
No	58	60	47
Don't know	1	2	-
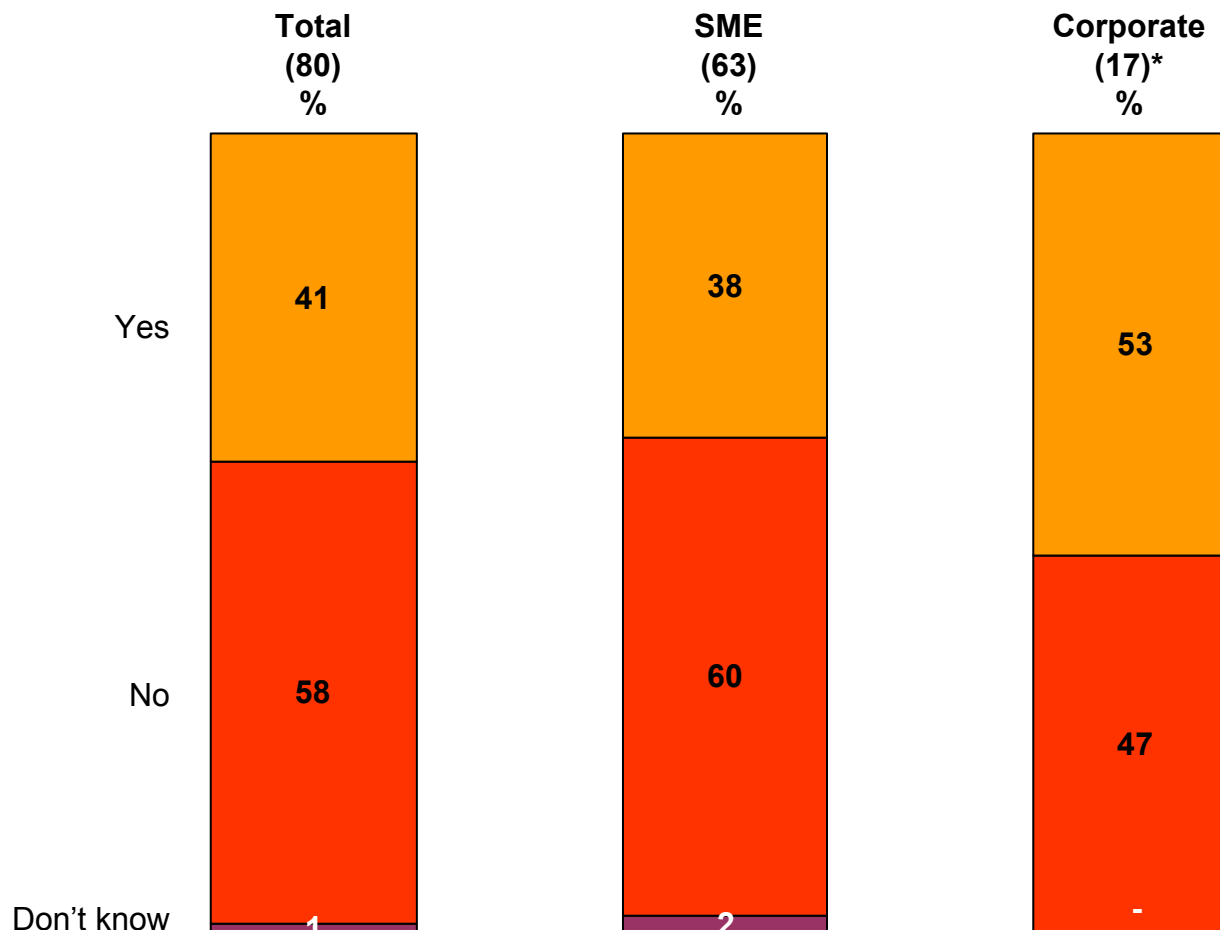
* Small base size

Q.29 In your opinion do these concerns impact the investment decisions of your company in terms of where they decide to locate points of operation?

Major Difficulties With Services To Regional Points Of Operation

Difficulty	Percentage
Inadequate bandwidth availability	48%
Inadequate range of services offered	15%
No alternative supplier(s)	12%
Poor service levels from telecommunications companies	12%
High price of services offered	12%
Other	6%
Don't know	21%

* Small base

Q.30 In your opinion, in terms of telecommunication infrastructure, what are the major difficulties with services to your regional points of operation?

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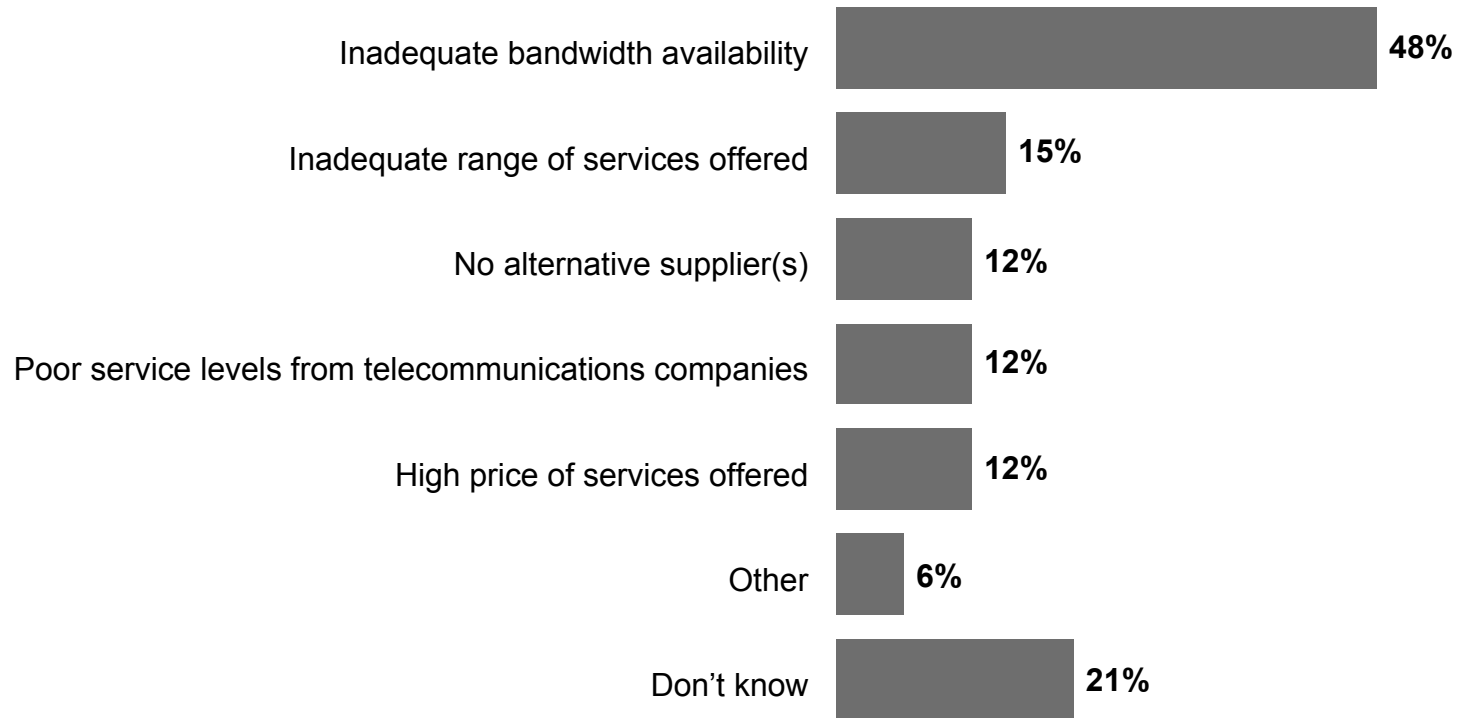
General Attitudes To Telecommunications

Most Important Telecommunications Requirements
Base: All Respondents: 403

	SME (353) %	Corporate (50) %
Reliability **55%**	57	42
Speed of access **26%**	27	20
Quality of service **17%**	18	12
Availability and access to broadband technology **12%**	12	18
Cost effective/value for money **10%**	10	8
Access to sufficient broadband connectivity **6%**	6	6
Good service nationwide **6%**	5	8
Email **3%**	3	2
Data quality **3%**	3	6
Increased bandwidth **2%**	2	2
Voice quality **2%**	1	6
Telephone **2%**	2	2
Other **5%**	4	12
Don't know **3%**	3	4

Q.31 What in your opinion is your company's most important telecommunications requirement?

Ireland As An E-Commerce Hub For Europe
Base: All Respondents: 403

	Total (403) %	SME (353) %	Corporate (50) %
Yes	43	42	48
No	36	36	38
Don't know	21	22	14
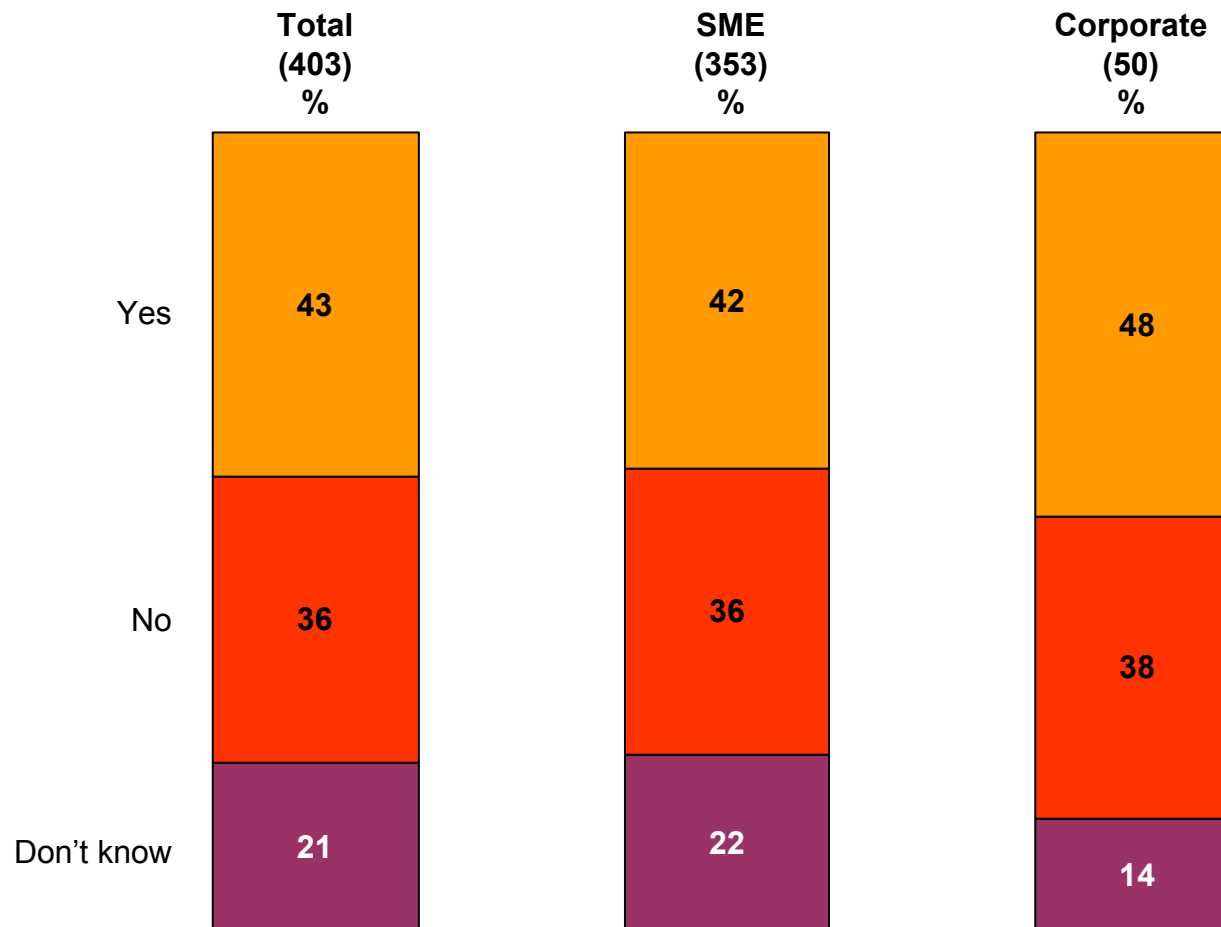
Q.32 In your opinion, in terms of telecommunications services do you believe Ireland is best placed to be an e-commerce hub for Europe?

tns mrbi

Ireland As An E-Commerce Hub For Europe – What Needs To Be Done

Base: All Respondents: 403

	SME (353) %	Corporate (50) %
Nationwide access to new and improved broadband services — **34%**	32	48
Price reductions — **26%**	27	20
More competition — **18%**	17	26
Major improvement/investment in national infrastructure — **17%**	16	20
Increased bandwidth — **7%**	7	12
Continued market liberalisation — **4%**	3	8
Innovation — **2%**	2	-
Need for more regulation/a regulatory body — **2%**	2	-
Other — **7%**	7	12
Don't know — **25%**	28	4
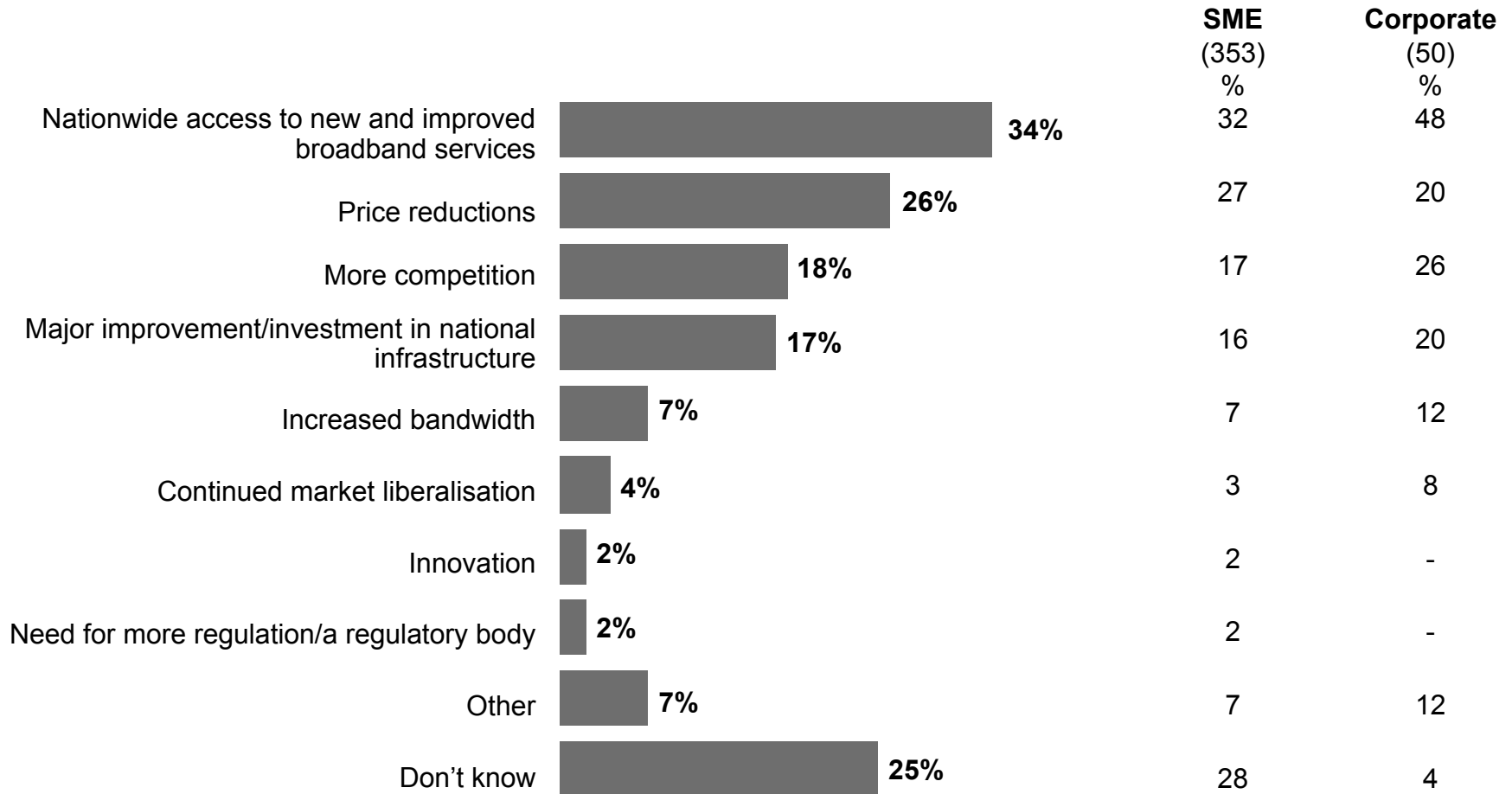
Q.33 In your opinion, what needs be done in terms of telecommunications services to make Ireland an e-commerce hub for Europe?

tns mrbi

52

Ireland's Competitiveness In Supplying Broadband Services

Base: All Respondents: 403

	Total (403) %	SME (353) %	Corporate (50) %
More competitive	75	75	70
No change	13	11	24
Less competitive	2	3	2
Don't know	10	11	4
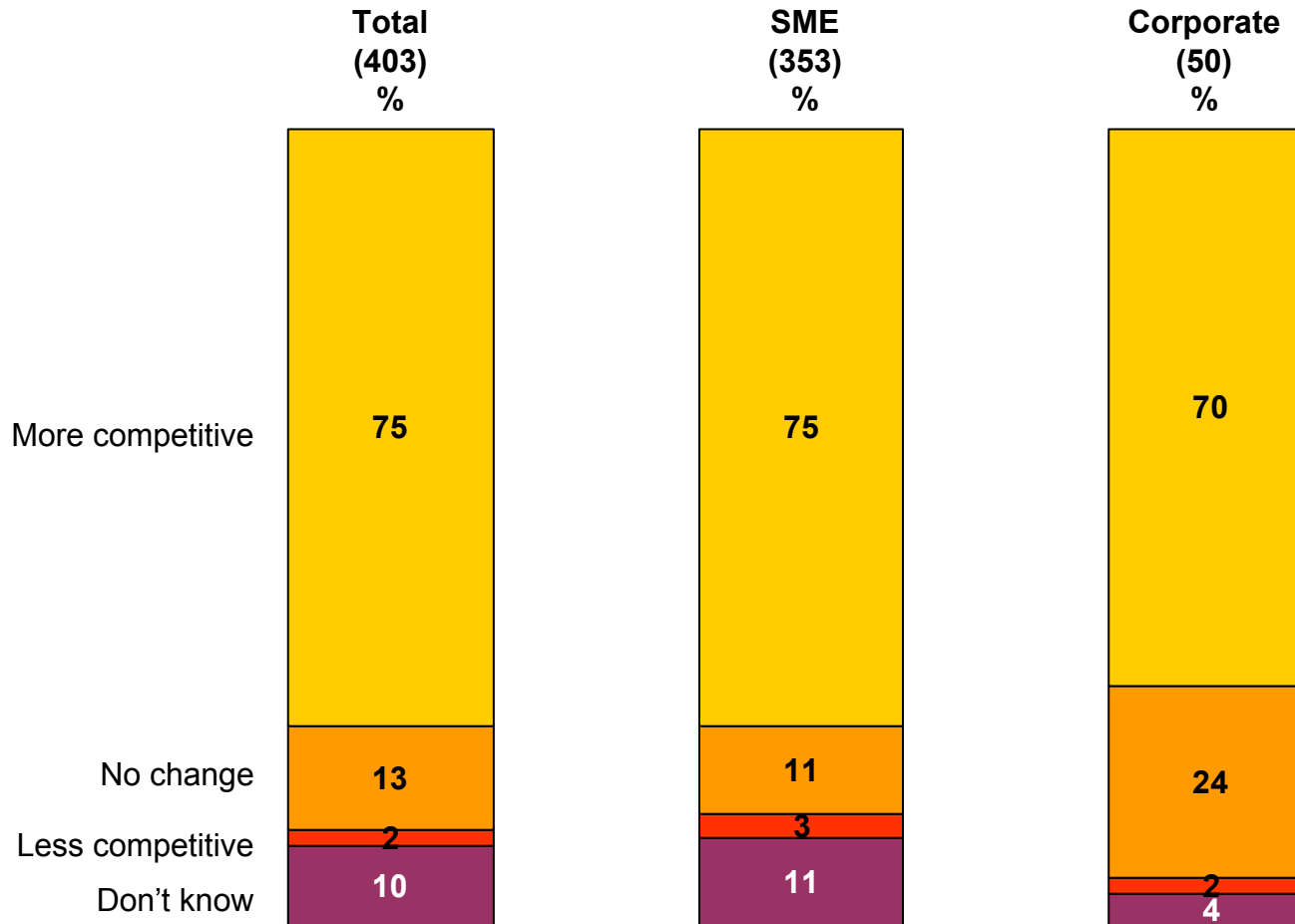
Q.34a In your opinion in the past twelve months has the Irish broadband market become more or less competitive?

Availability Of Broadband To Businesses - SME
Base: All SME Companies: 353

No change
5%

Less
available
1%

Don't
know
3%
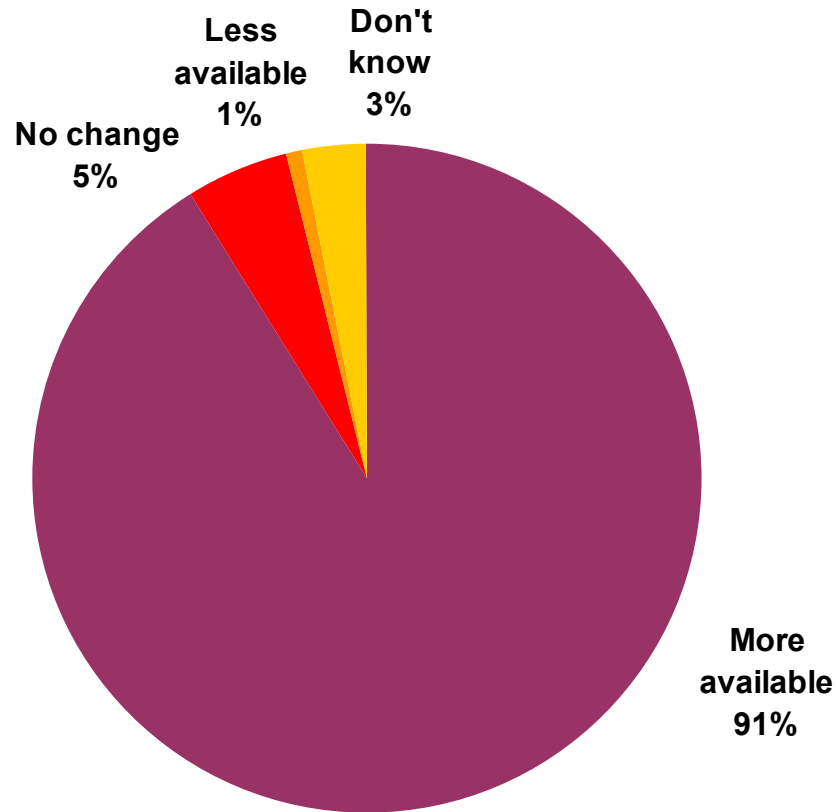
More
available
91%

Q.34b In your opinion in the past twelve months has broadband become more or less available to businesses?
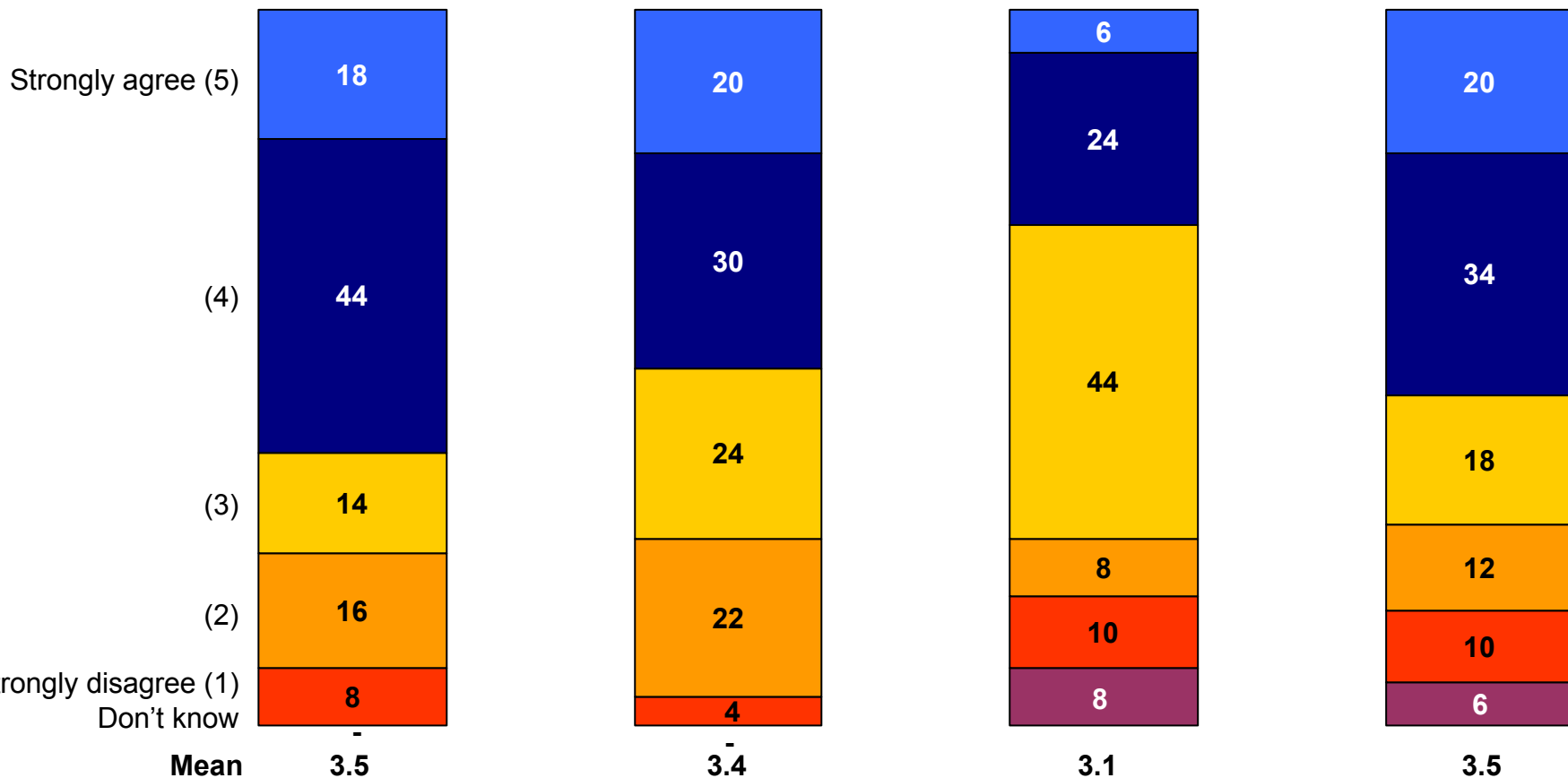
Attitudes To Telecommunication (I) - SME
Base: All SME Companies: 353

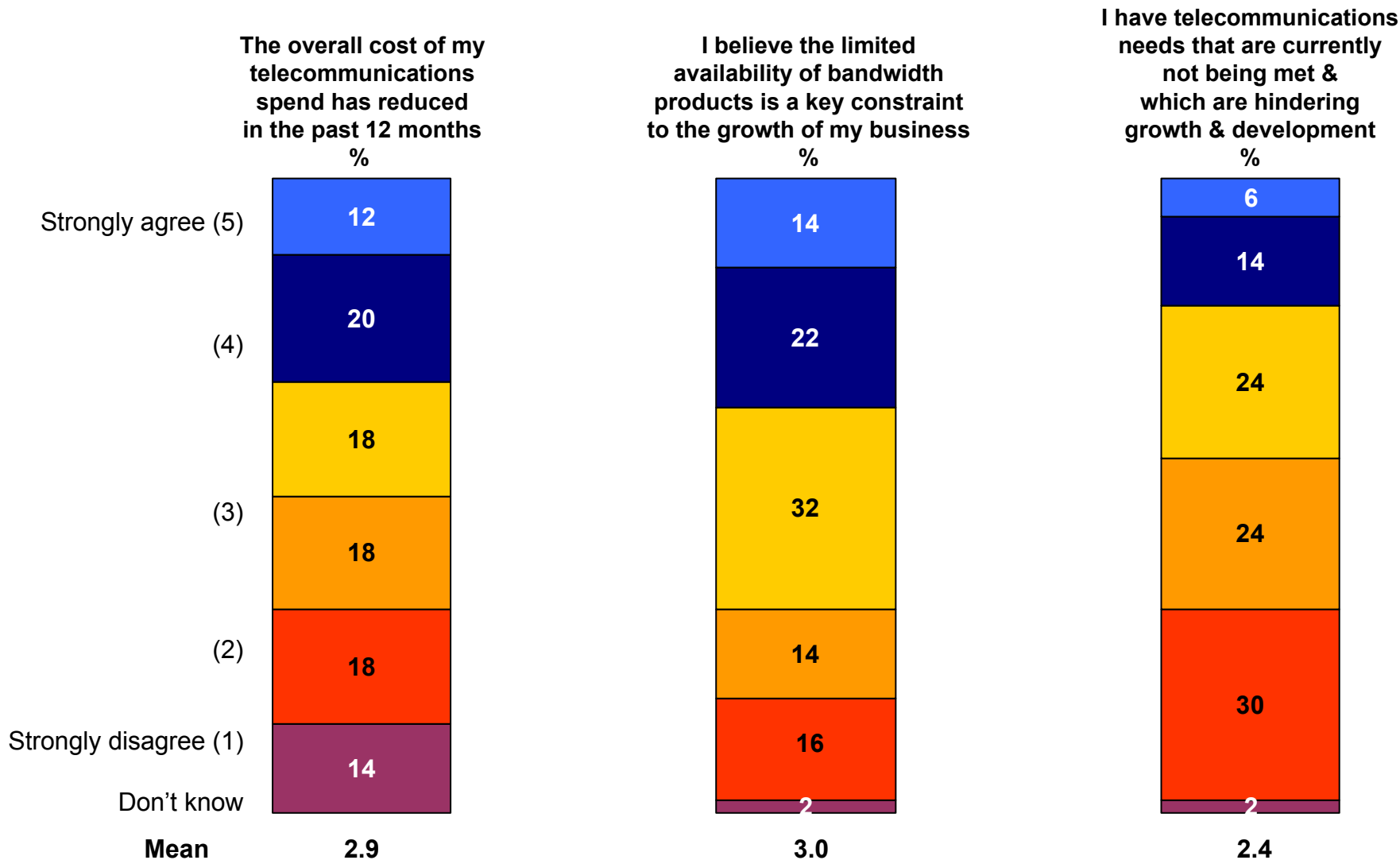|	I believe the telecommunications market is more competitive than 12 months ago %	My broadband telecommunications needs are well served %	I am more satisfied with my telecommunications supplier(s) than 12 months ago %	I believe there are savings to be made by changing my telecommunications supplier(s) %
Strongly agree (5)	35	31	22	23
(4)	34	34	23	23
(3)	18	23	34	25
(2)	7	5	7	13
Strongly disagree (1)	5	3	10	10
Don't know	2	2	5	5
Mean	**3.9**	**3.9**	**3.4**	**3.4**

Q.35 I am going to read a list of statements relating to the telecommunications market. I would like you to tell me if you agree or disagree with each statement, using a scale 1 to 5 where 5 means you strongly agree and 1 strongly disagree

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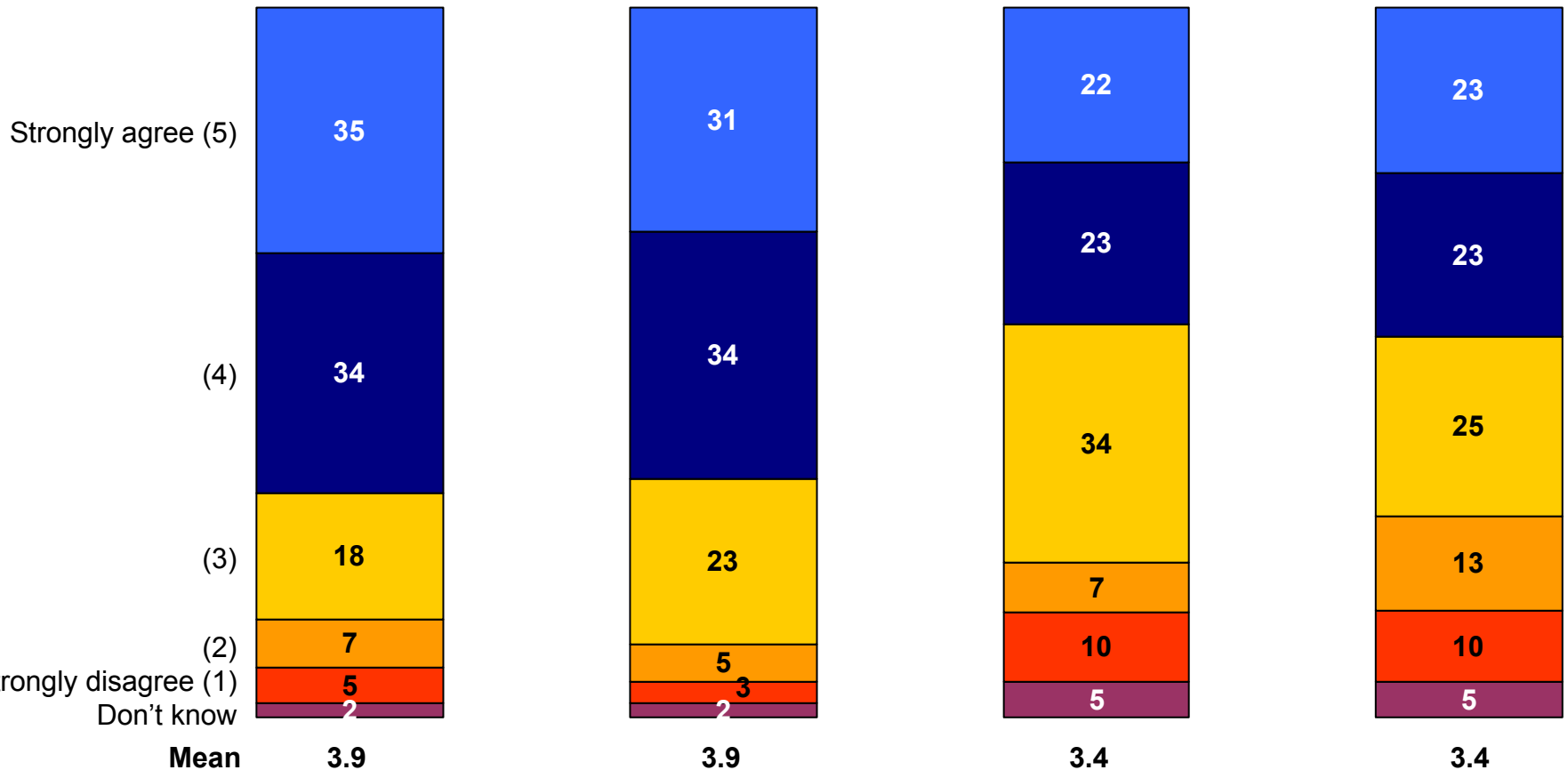
Attitudes To Telecommunication (II) - SME
Base: All SME Companies: 353

	The overall cost of my telecommunications spend has reduced in the past 12 months %	I believe the limited availability of bandwidth products is a key constraint to the growth of my business %	I have telecommunications needs that are currently not being met & which are hindering growth & development %
Strongly agree (5)	23	18	7
(4)	21	18	10
(3)	17	25	16
(2)	11	18	22
Strongly disagree (1)	22	16	42
Don't know	6	5	3
Mean	3.1	3.0	2.2
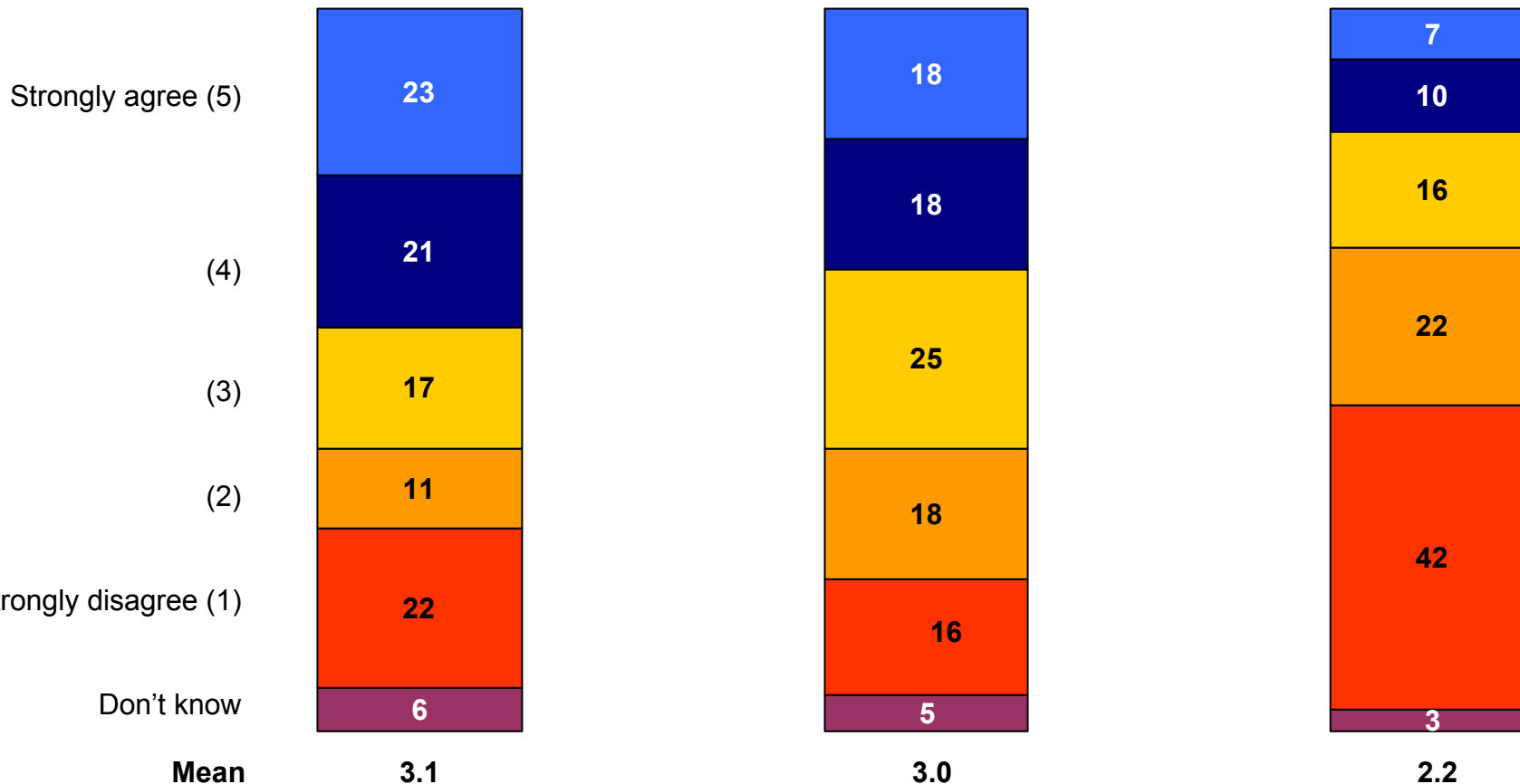
Q.35 I am going to read a list of statements relating to the telecommunications market. I would like you to tell me if you agree or disagree with each statement, using a scale 1 to 5 where 5 means you strongly agree and 1 strongly disagree

Attitudes To Telecommunication (I) - Corporate
Base: All Corporate Companies: 50

	I believe the telecommunications market is more competitive than 12 months ago %	My broadband telecommunications needs are well served %	I am more satisfied with my telecommunications supplier(s) than 12 months ago %	I believe there are savings to be made by changing my telecommunications supplier(s) %
Strongly agree (5)	18	20	6	20
(4)	44	30	24	34
(3)	14	24	44	18
(2)	16	22	8	12
Strongly disagree (1)	8	4	10	10
Don't know	-	-	8	6
Mean	**3.5**	**3.4**	**3.1**	**3.5**

Q.35 I am going to read a list of statements relating to the telecommunications market. I would like you to tell me if you agree or disagree with each statement, using a scale 1 to 5 where 5 means you strongly agree and 1 strongly disagree

Attitudes To Telecommunication (II) - Corporate
Base: All Corporate Companies: 50

	The overall cost of my telecommunications spend has reduced in the past 12 months %	I believe the limited availability of bandwidth products is a key constraint to the growth of my business %	I have telecommunications needs that are currently not being met & which are hindering growth & development %
Strongly agree (5)	12	14	6
(4)	20	22	14
(3)	18	32	24
	18		24
(2)	18	14	30
Strongly disagree (1)	14	16	
Don't know		2	2
Mean	**2.9**	**3.0**	**2.4**

Q.35 I am going to read a list of statements relating to the telecommunications market. I would like you to tell me if you agree or disagree with each statement, using a scale 1 to 5 where 5 means you strongly agree and 1 strongly disagree

Whether Company Would Still Choose Ireland On Basis Of Experience To Date

Base: All Companies Not Originating In Ireland: 33* (SME 20, Corporate 13)

Don't know 30%

Yes 55%

No 15%
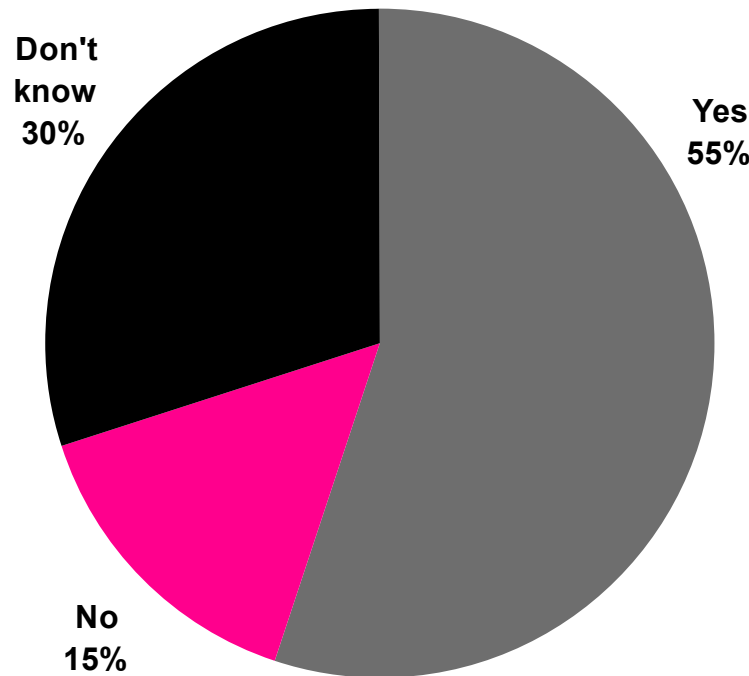
* Small base

Q.42 Considering your experience to date, would your company still choose Ireland in terms of access to broadband related services and activities?

Management Summary

Management Summary

Overall, figures quoted here and through the survey are driven primarily by the SME sector which accounts for 7 out of 8 of the sample interviewed.

Broadband Access and Availability

- Amongst our sample of companies that use their telecommunications system for their data needs, more than half (57%) now have broadband access via DSL. One in five use leased lines (21%). Other key forms of access registered were Fixed Wireless Access (8%) and Cable Modem (7%).

- A quarter of Corporates (24%) use more than one technology to access broadband, with a greater bias towards the usage of leased lines (48%) and ISDN (22%), whilst DSL is used by 34% (vs. 60% of SMEs). The first two technologies are also key for connectivity between different business sites for Corporates. Amongst this sector, value for money is the key driver determining choice of technology (34%), for DSL in particular, followed by availability (15%) and guaranteed level of service (13%) – particularly for leased lines.

Management Summary

Broadband Suppliers

- Eircom is used by two thirds of the companies surveyed (68%) for broadband access, with a particular strength in DSL provision (supplying 77% of SME DSL users, 88% of Corporate DSL users). Esat BT follows with an overall 10% share, driven mainly by Corporate leased line users. Each other player in the market has a share of 3% or less.

- Amongst SMEs, choice of supplier is significantly influenced by existing relationships (35%), followed by price/ package (22%). Access/ availability was also a factor for 1 in 10 (11%). For Corporates, however, the offer of a competitive price is the most mentioned factor (34%), followed by the existing relationship (21%), then brand and reliability (15%).

Management Summary

Broadband Procurement

- Up to two thirds of SMEs (66%) have introduced broadband access technology in the past 12 months, with DSL the technology most likely to have been introduced or upgraded in the past 12 months. Unsurprisingly broadband access is longer established amongst Corporates, with the majority (62%) claiming to have introduced access over 3 years ago. Where upgrades or new technology have been introduced in Corporates, DSL again in the key technology.

- Delivery times have not always been met in cases of recent introduction or upgrade of broadband technology – in around 1 in 7 cases for DSL (both SME and Corporates) and in around 1 in 10 cases relating to leased lines.

- Average monthly telecommunications expenditure naturally varies significantly between the SME and Corporate sector, with nearly half of the latter (44% of Corporates) unable to cite an approximate sum. The majority of those aware however, feel they are getting good value for money. 6 in 10 Corporates have some kind of discount scheme in place with their supplier, 60% of which are volume based vs. 17% time based arrangements.

- Only 40% of SMEs are aware of Service Level Agreements (SLA's) and just over a quarter (27%) have such an agreement with their supplier. Amongst these, only 25% could confirm that the SLA provided for payment of penalties where agreed standards are not met.

Management Summary

Competition in the Broadband Sector

- Half of the sample interviewed (51%) had been approached by an alternative broadband supplier over the past 12 months (72% of Corporates), mainly via cold calls in the form of personal visits and telephone calls. Responses to invitations to tender were more prevalent amongst suppliers when approaching Corporates (17%).

- A minority (4% of SMEs and 6% of Corporates) have switched supplier in the past 12 months. Amongst SMEs, the smaller players have made some net gains from the two key suppliers.

- For the majority of those companies that have not switched broadband supplier recently, satisfaction with current supplier (55%) was the main reason cited. 12% claimed to have just started using their current supplier. Corporates were more likely to give contractual reasons.

Management Summary

Satisfaction with Suppliers

- <u>SMEs</u>
  When asked to rate their satisfaction with various different aspects of the service provided by their supplier, the following areas were rated the best:

	% very/ fairly satisfied
Speed/ quality of service	75
Installation	67
Service availability	66
The quotation process	64
Efficiency and general customer service	55

  Dissatisfaction ranges from 5% (penalty levels where committed service levels are not met) to16% (efficiency and general customer service).

  Satisfaction levels with eircom and Esat BT are generally very similar for the different service aspects.

- <u>Corporates</u>
  Around half of Corporates on average are either very/ fairly satisfied with the service provided.
  Areas of greater satisfaction relate to speed/ quality of services and service availability
  Areas of greater dissatisfaction relate to bill queries, prices, penalty levels where committed levels of service are not met and service alterations.

- In terms of complaints made, a higher proportion of Corporates claim to have made a complaint regarding at least one aspect of the service (40-50% of Corporates vs. 20-25% of SMEs). Satisfaction with suppliers' response to complaints tends however to be higher amongst corporates across all the areas surveyed (except for installation and prices where satisfaction levels are similar).

Management Summary

Use of Broadband

- Opinion is split amongst SMEs as to whether they are able or not to compare broadband services in terms of technology, whilst nearly three quarters (71%) are able to make comparisons in terms of price.

- 9 in 10 SMEs were able to cite at least one advantage of having additional bandwidth, mainly in the form of increased speed of Internet functions (74%), followed by cost efficiency/ savings (13%).

- In terms of general services and facilities used on a regular basis, email and web browsing are almost universal. Other applications attracting solid usage levels are remote access (51% - 80% of Corporates), secure data transfer (46%) and fast file transfer (45%). Unsurprisingly usage levels are higher amongst the Corporate sector across all applications.

- 4 in 10 (39%) of SMEs use remote access for teleworking/ home-based employees. – the figure is almost double for Corporates (74%). SMEs provide their workers with DSL (39%) or 56k dial-up access (30%), whilst Corporate remote workers primarily use 56k dial-up access (81%).

- Around 1 in 6 (16%) Corporates avail of additional services alongside broadband – voice services are the most popular additional service for which the same supplier (as used for broadband) is mainly used.

Management Summary

Future Plans

- One fifth (20%) of SMEs plan to increase their bandwidth requirements in the future, compared with two fifths (42%) of Corporates. Key reasons cited by both sectors are: to support specific applications, increased broadband availability, additional offices and sites and to ensure a better guaranteed level of service.

- For those not increasing bandwidth, current broadband needs being met/ satisfaction with their existing arrangement is the key reason cited.

- In terms of applications planned as a result of additional bandwidth, these relate to applications/ programmes/ software in general and to a greater need to increase current capacity (both 13%), followed by voice/ audio applications (10%). 51% of those SMEs planning to increase capacity could not cite any particular application.

- Amongst SMEs, two thirds (66%) of respondents agreed their company would depend more on DSL in future. Other technologies attracted lower levels of claimed future dependency, ranging from 39% for WLAN's (802.11) to 6% for Frame Relay.

Management Summary

Regionalisation

- Some difficulty is being encountered by 1 in 5 companies surveyed (1 in 3 Corporates) in getting broadband connectivity for their business. The profile of regions of most concern differs to the geographic distribution of companies surveyed.

- For those companies encountering difficulties in accessing broadband services, 41% (53% of Corporates) believe these difficulties would impact on the decision regarding where to locate points of operation.

- Inadequate bandwidth availability is the most common difficulty encountered (by 48% of companies encountering any difficulties).

Management Summary

General Attitudes to Telecommunications

■ Reliability is the primary important requirement for 55% of companies (particularly SMEs) surveyed, followed by speed of access (26%), quality of service (17%) and availability & access to broadband technology (particularly for Corporates).

■ Opinion on whether Ireland is best placed to become an e-commerce hub for Europe is divided – 43% believe Ireland to be best placed, 36% believe it is not. 21% expressed no opinion either way. To place Ireland in a better position to become an e-commerce hub, companies are of the view that better nationwide access to new and improved services, lower prices and increased investment in infrastructure are needed. Three quarters (75%) recognise that our competitiveness in supplying broadband services has improved, 13% have seen no change whilst only 2% are of the opinion services have become less competitive.

■ As many as 9 in 10 (91%) of SMEs consider broadband has become more available to businesses.

■ Reflecting the point above, out of the prompted attitude statements, highest levels of agreement were registered amongst both SMEs and Corporates for *"I believe the telecommunications market is more competitive than 12 months ago",* (particularly amongst SMEs).
Relative to Corporates, SMEs agree more with:
"My broadband telecommunications needs are well served (65% vs. 50% of Corporates)
"I am more satisfied with my telecommunications supplier(s) than 12 months ago (45% vs. 30%)
"The overall cost of my telecommunications spend has reduced in the past 12 months" (44% vs 32%)

Both sectors register higher levels of disagreement than agreement for *"I have telecommunications needs that are currently not being met and which are hindering growth and development".*