



ComReg Business ICT Survey

May 2013



Commission for
Communications Regulation

Background & Objectives



- ComReg wish to conduct a Business ICT Survey in order to establish access to and satisfaction with telecommunications products provided and used by Irish SME business.
- The specific objectives of the research are to access :
 - Ownership, Provider, Satisfaction, Switching with 4 key markets



Landline



Mobile Phone



Mobile Broadband

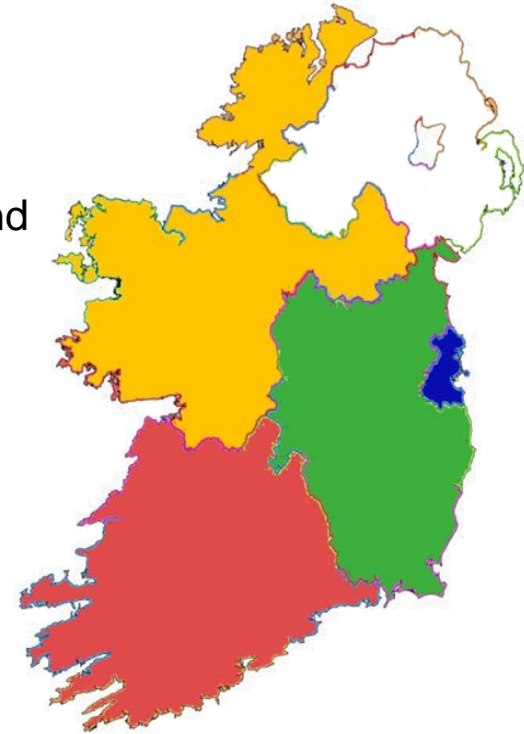


Fixed Broadband

Methodology



- 500 interviews were conducted by phone between 12th-27th March among a representative sample of telecom decision makers in 0-250 employee sized companies.
- A modular system was adopted to ensure any respondent would not answer any more than 3 service sections. Alternative selection of mobile and fixed broadband



Presentation Structure



1

Sample Profile

2

Service Ownership

3

Landline

4

Mobile Phone

5

Mobile Broadband

6

Fixed Broadband

7

Bundles & Spend

8

ComReg Awareness & Complaints

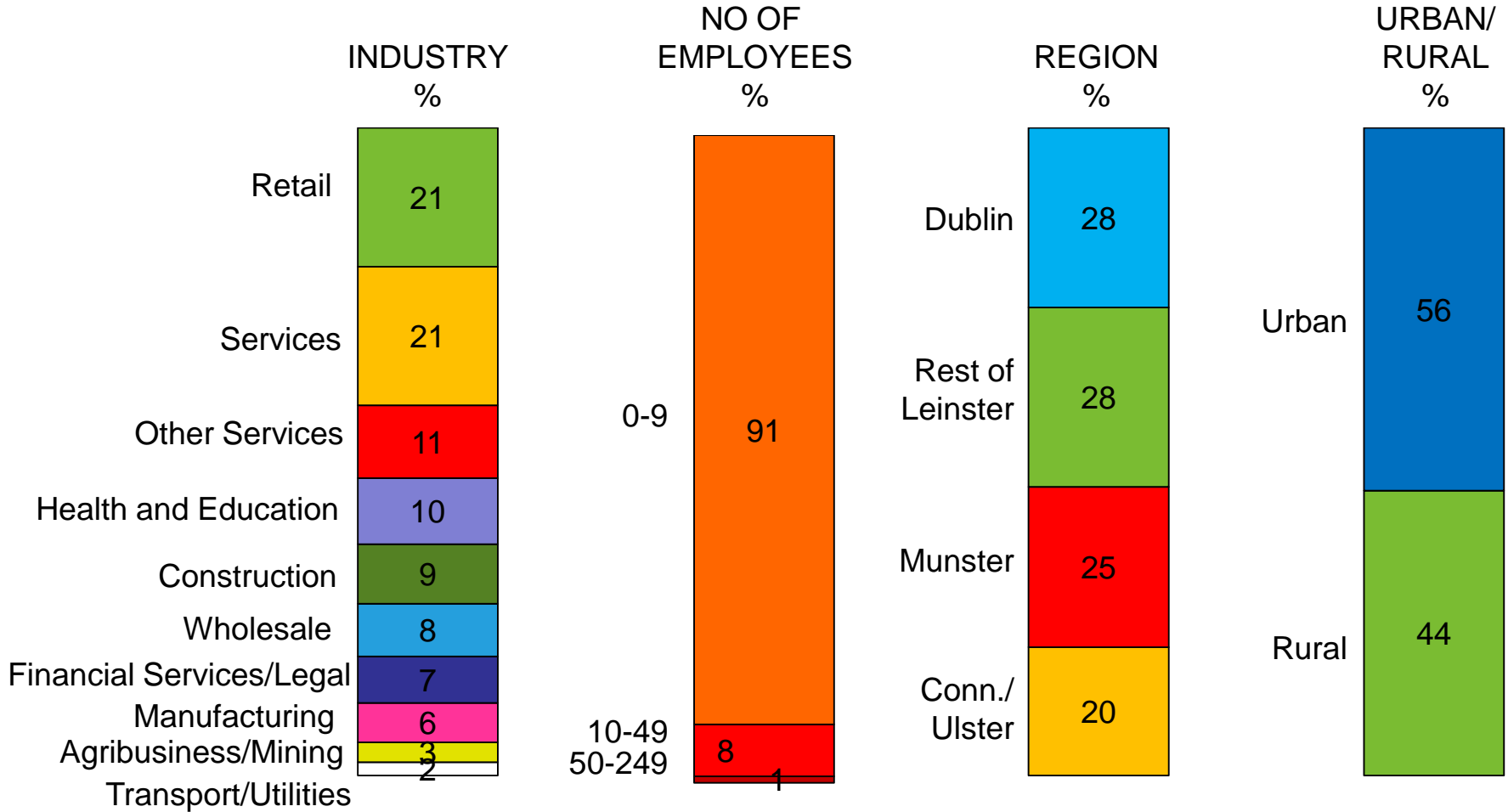


Sample Profile

Sample Profile – Representative Profile Of SME Business Sector



(Base: All SME Business – 500)



The majority of businesses surveyed had an employee size of 0-9.



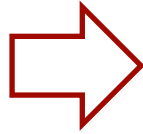
6 Industry Sectors Have Been Grouped Together for Analysis



(Base: All SME Business – 500)

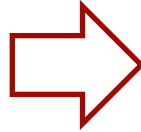
Types of Companies Per Sector

Agri/Minning/
Construction/Manufacturing/Wholesale



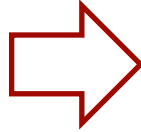
Landscaping, Cement, Electrical Contractors, Heating & Plumbing, Printing, Timber products, PlantSales

Retail



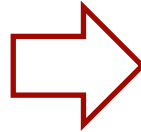
Supermarkets, Pharmacy, Service Stations

Services



Hotels, Hairdresser, Golf Clubs, Dry Cleaners, Leisure Centre, Creche

Other Services,
Transport/Utilities



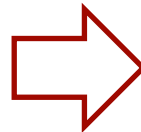
Professional Services, Network Service, Transport Services

Government,
Education, Health



Advisory Boards, Hospitals, Schools

Financial Service/
Legal



Investment Management, Solicitors, Management Companies

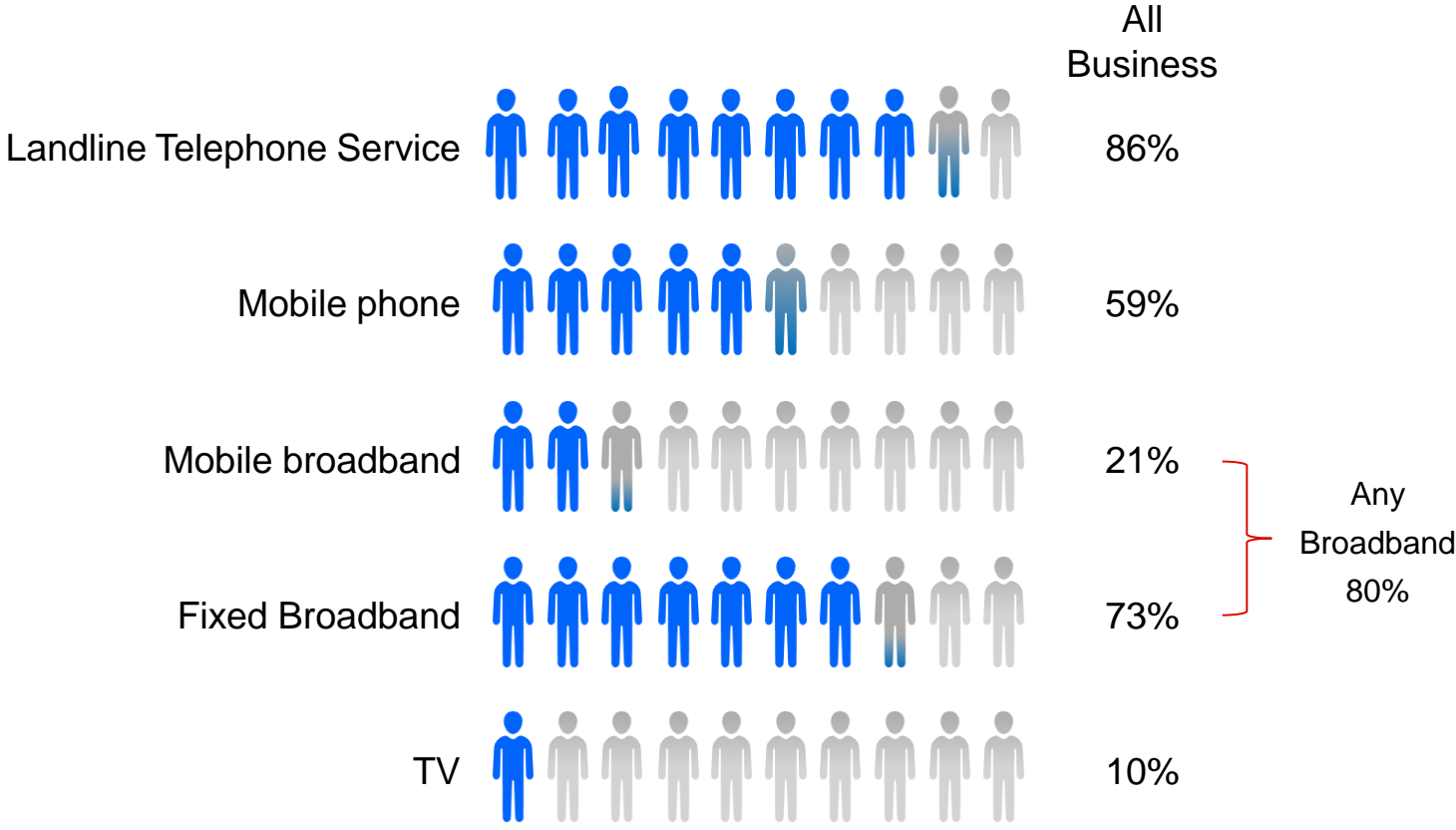


Service Ownership

Telecommunications Services Used And Provided To Employees For Corporate Use



(Base: All SME Business – 500)



Landline and Fixed broadband are the most common access services used and provided to employees in Irish SME business.

(Q 1)

Services Held Differ By Industry Sector

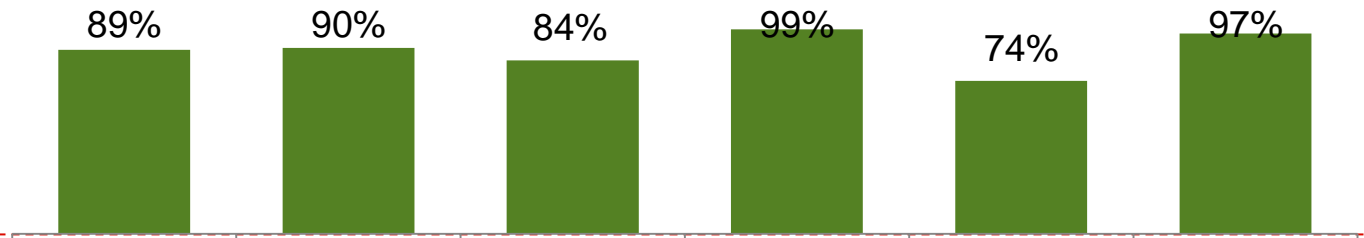
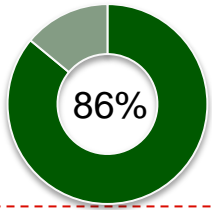
(Base: All SME Business – 500)

Financial Services/
Legal (n = 35)

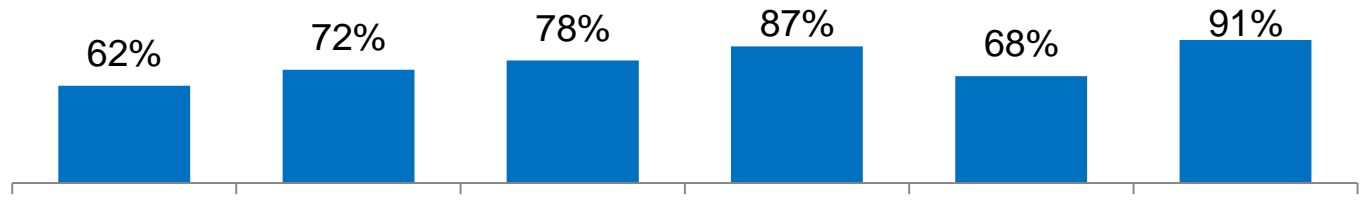
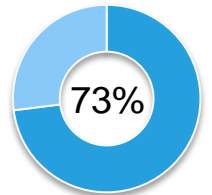


Retail (n = 105) Services (n = 105) Other Services (n = 65) Government/ Education (n = 60) Agribusiness/ Mining/ Const (n = 130)

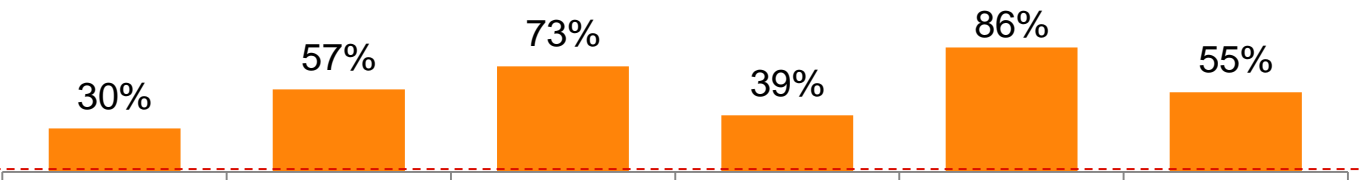
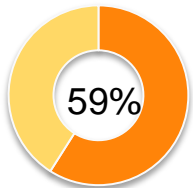
Landline



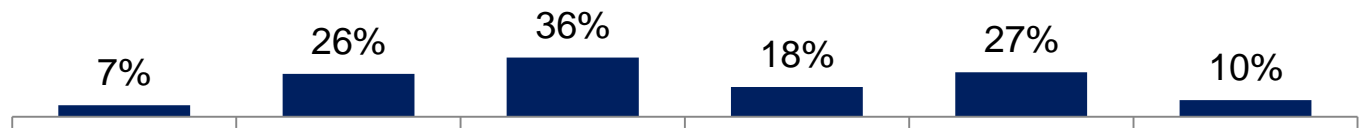
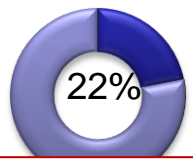
Fixed Broadband



Mobile Phone



Mobile Broadband



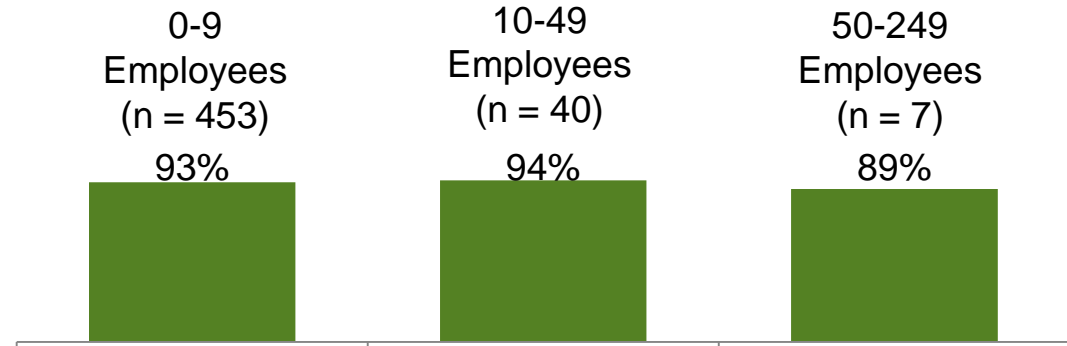
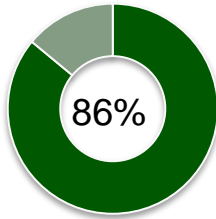
Provision of services differs significantly by industry sector – in general where landline service is lower mobile phone service is higher

Services Held Differ By Employee Size

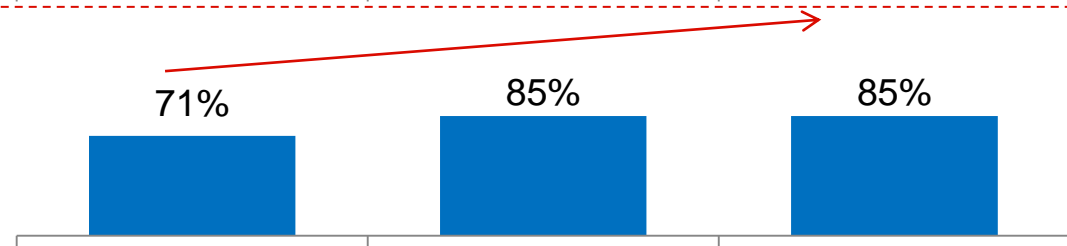
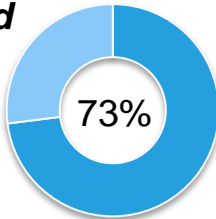
(Base: All SME Business – 500)



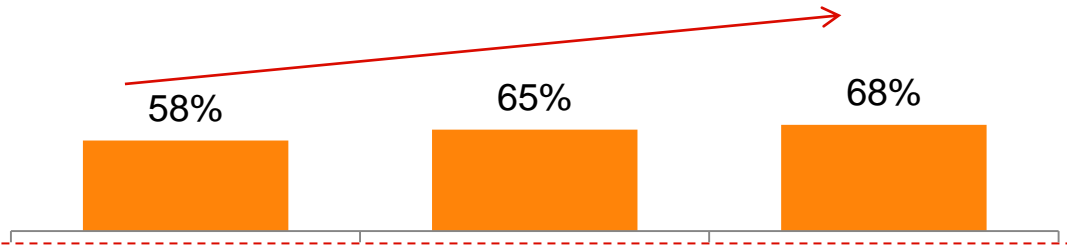
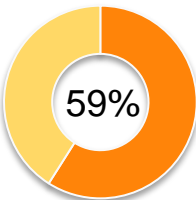
Landline



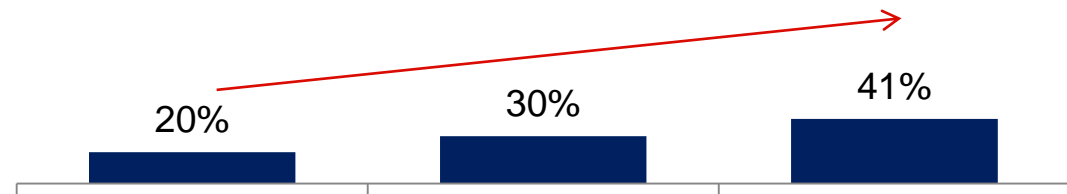
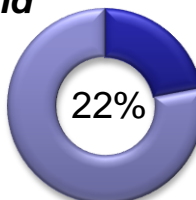
Fixed Broadband



Mobile Phone



Mobile Broadband

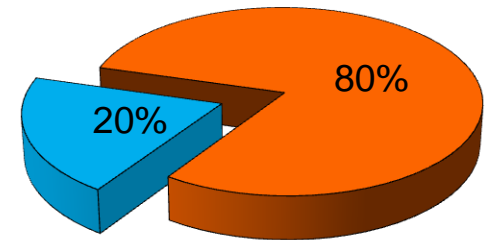


Access rates by size of company also differ – tending to be higher in the bigger sized companies

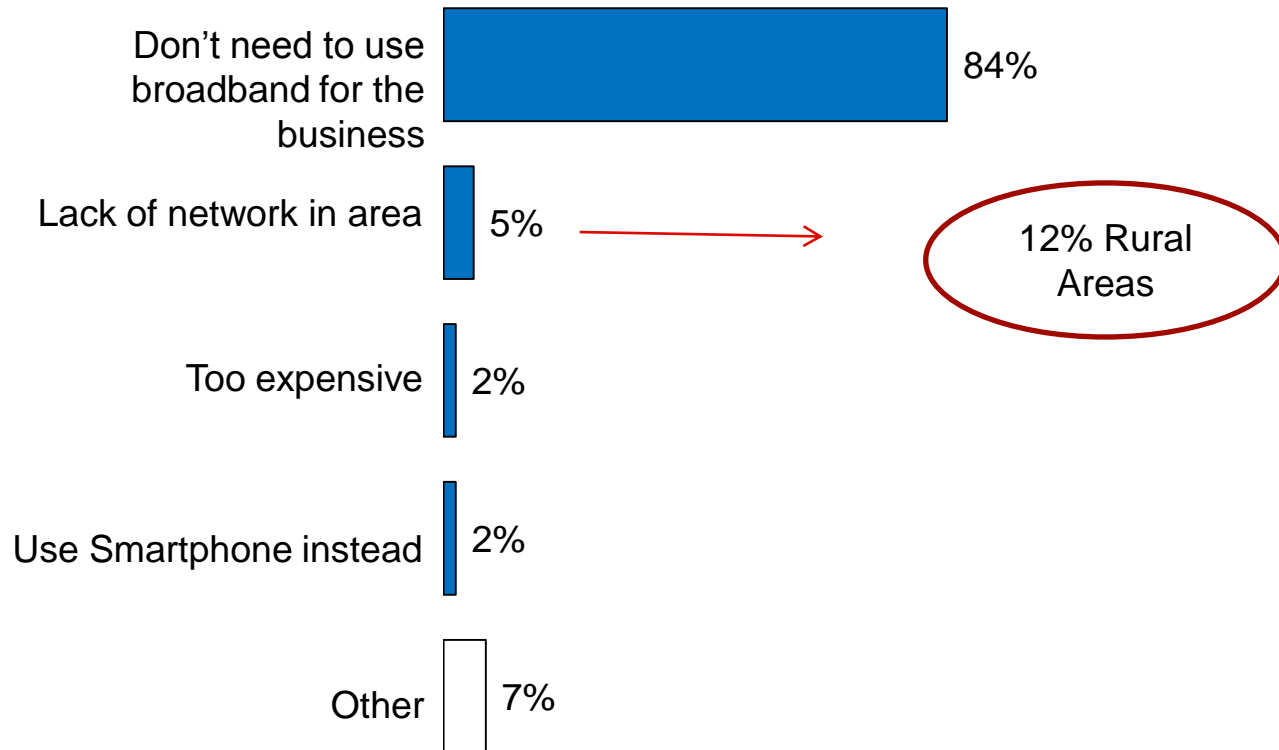
Reasons For Not Purchasing Broadband for Business

(Base: All Non Broadband Users - 101)

Non Users



**All SME Business
Non Broadband Users
(101)**

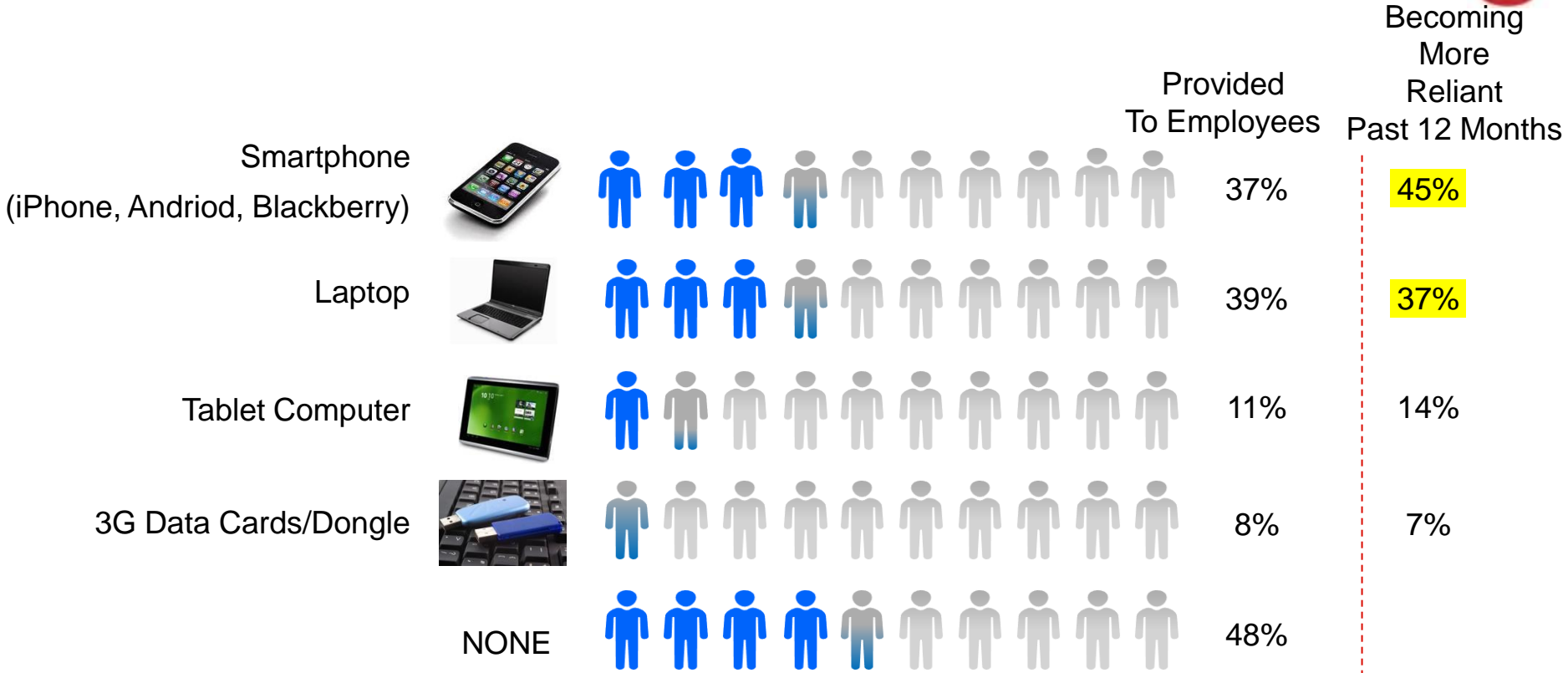


Lack of need for fixed/mobile broadband is the main reason for non-use of broadband services. A significant minority in rural area cite issue with network.

(Q 4)

Devices Provided To Employees

(Base: All SME Business – 500; All Users - 260)

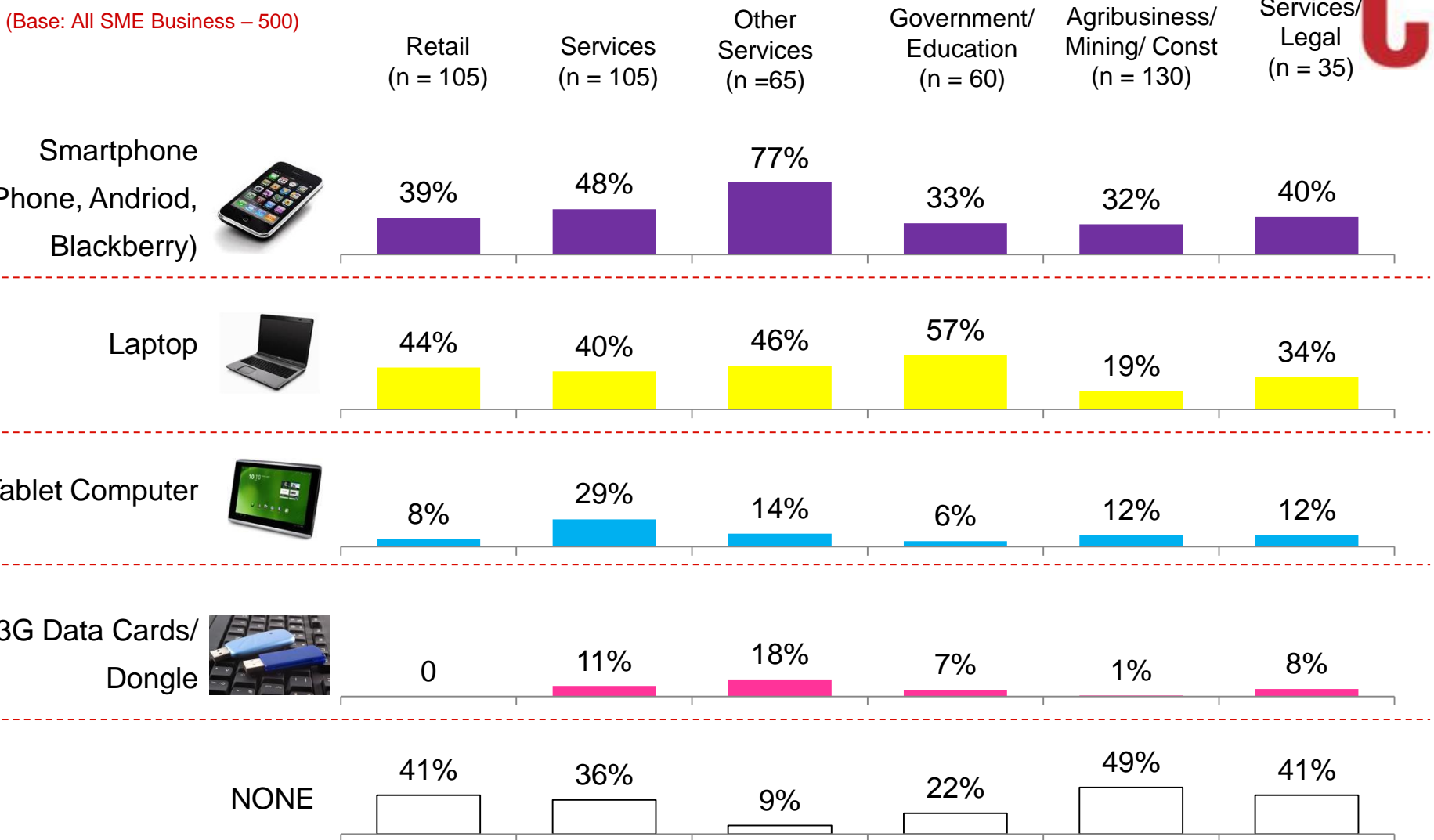


Almost half of businesses do not provide any of these devices to their employees. Those using Smartphones and Laptops have become more reliant on them over the past 12 months



Devices Provided To Employees By Industry Sector

(Base: All SME Business – 500)



Those in Professional Services are most likely to be provided with any of these devices



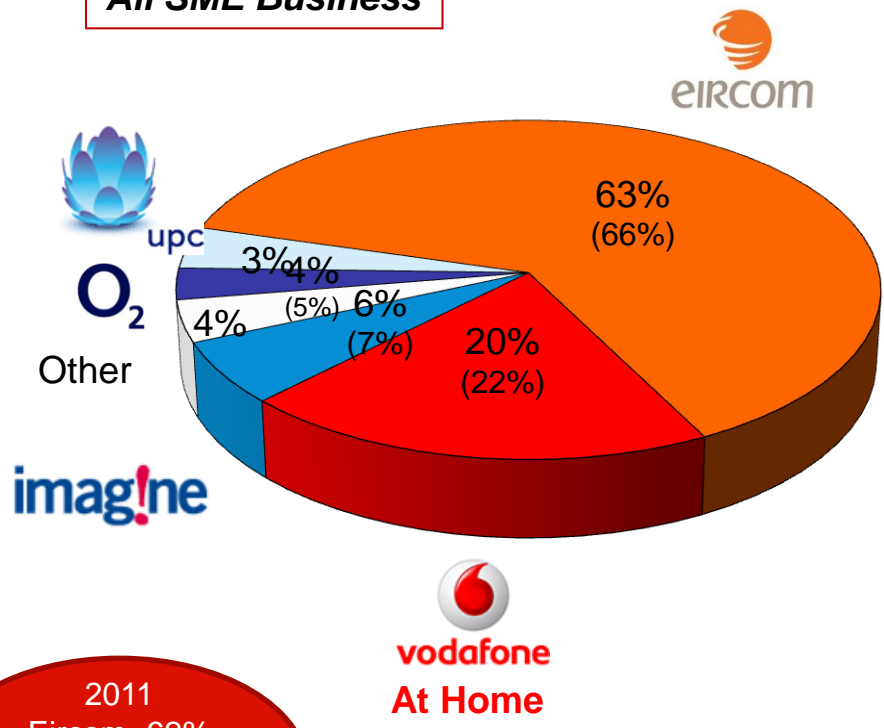
Landline

Main Provider Landline

(Base: All Landline Users – 431)



All SME Business



2011
Eircom -62%
Vodafone – 22%
Imagine– 11%

	Urban (n = 242)	Rural (n = 189)
Eircom	62	70
Vodafone	22	22
Imagine	11	1

	Landline Non-bundle (n = 208)	Broadband Bundle Customer (n = 204)
Eircom	59	75
Vodafone	21	20
Imagine	8	6

Eircom strength is in rural areas and among bundle customers

(Q.5a/b)

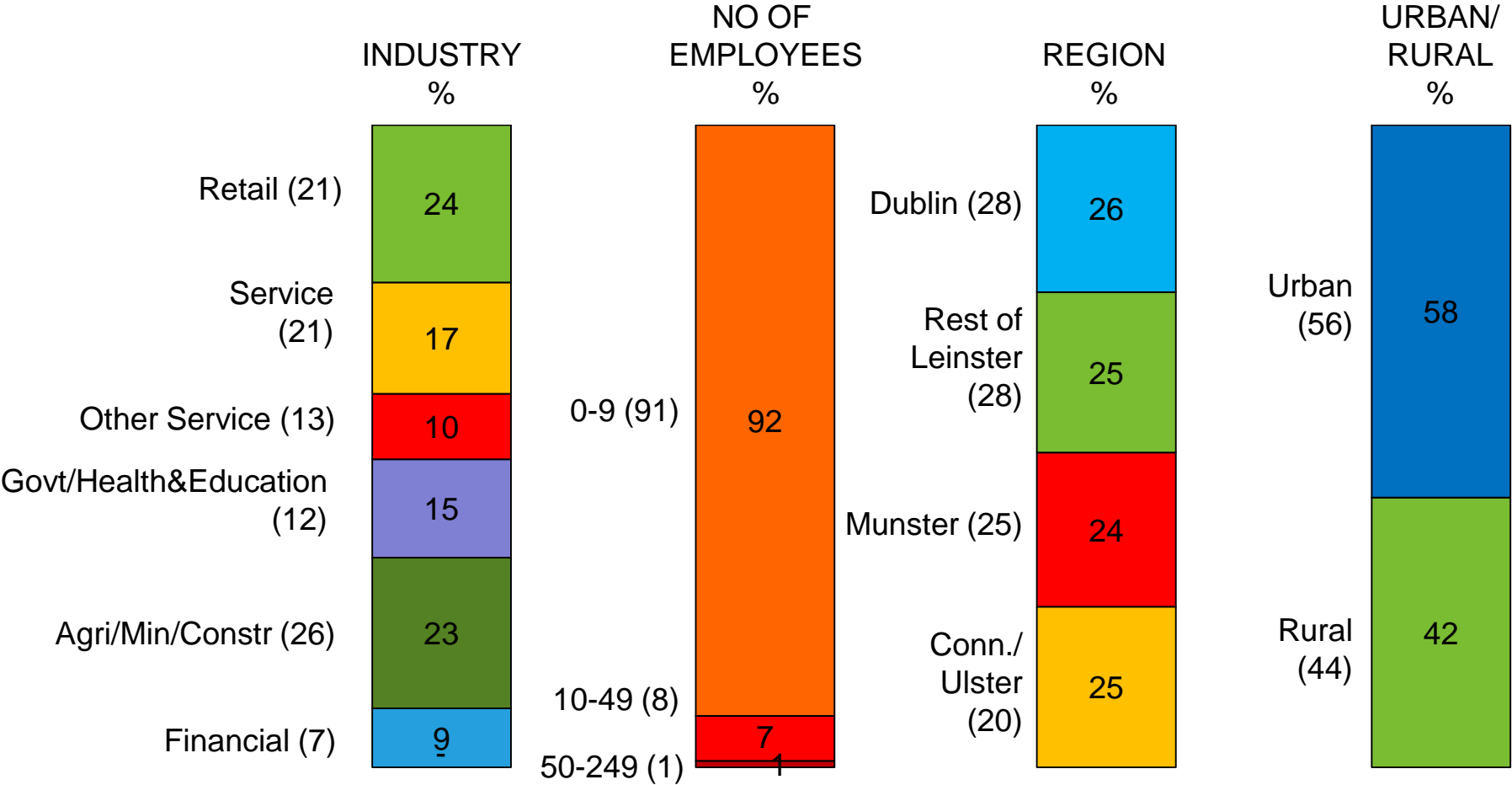
Others = Pure, Gaelic, Digiweb, Smart, Magnet

()= any provider share figures

Profile of Broadband Bundle Population



(Base: All Bundle Customers – 204)



The bundle population profile is very similar to the total SME base

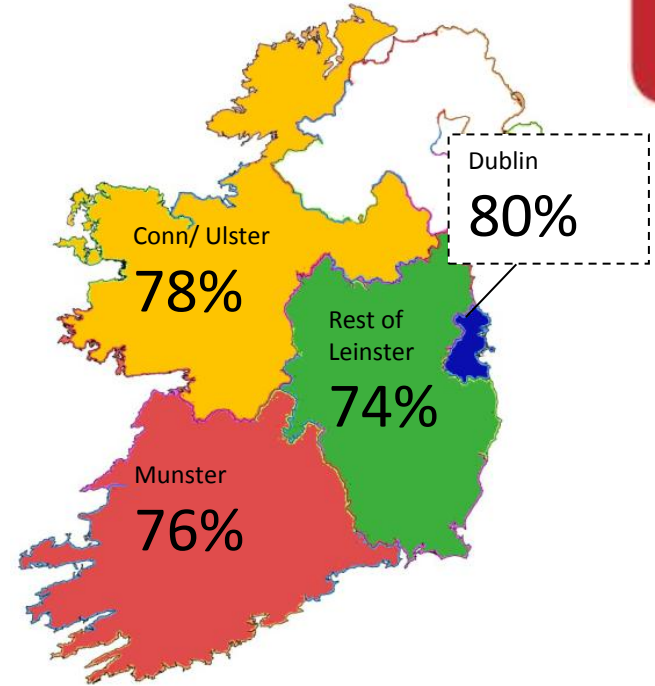
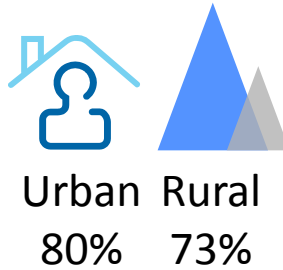
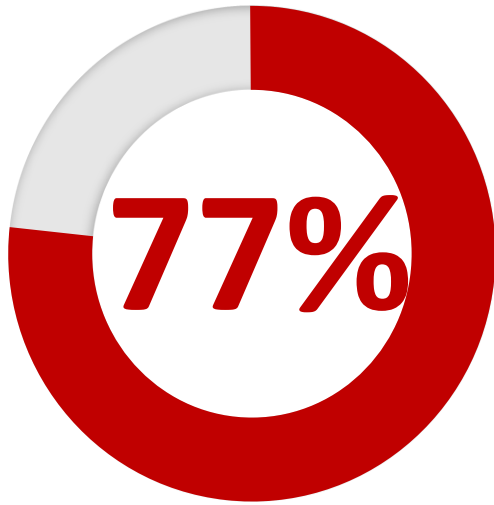
() = All SME Business

Satisfaction With Landline Service - All Providers.

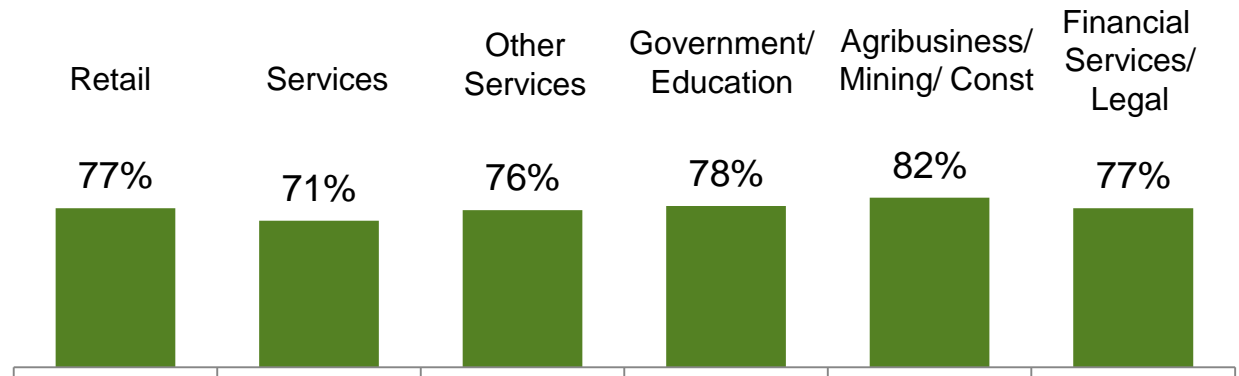
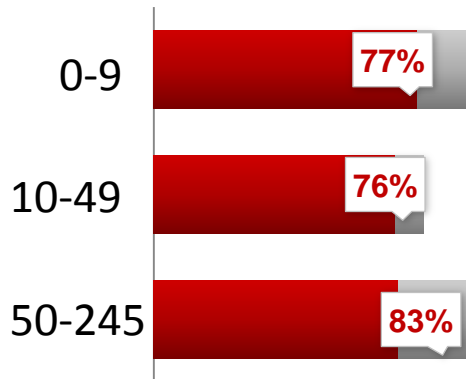
(Base: All Landline Users – 431)



Overall Satisfaction



No of Employees



Satisfaction with landline service higher in urban areas and larger sized companies

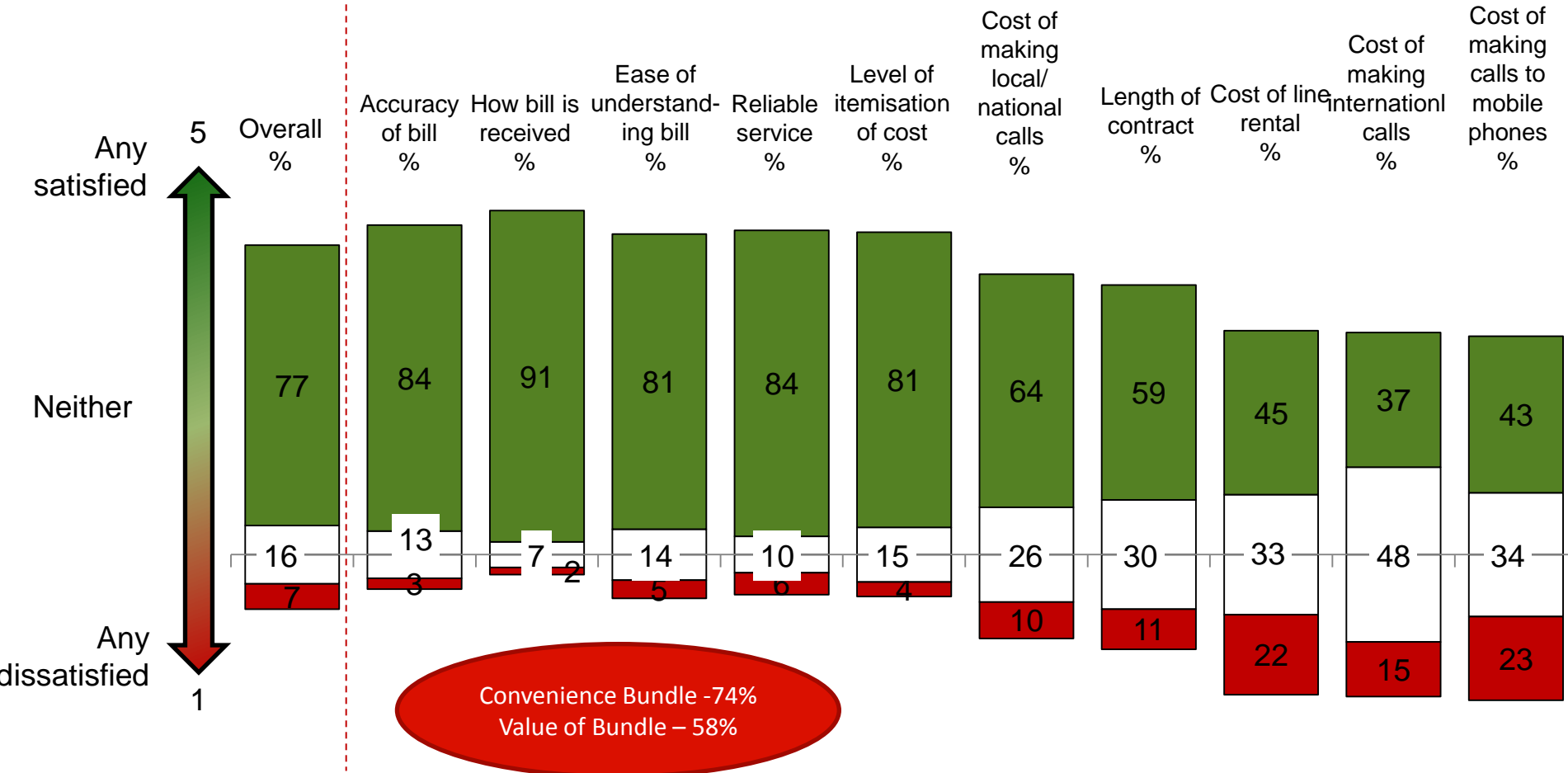
Q 11a)



Overall Satisfaction & Satisfaction On Various Elements Of Landline Service



(Base: All Landline Users – 431)



Satisfaction levels are lower for cost of line rental, cost of making international calls and cost of making calls to mobile phone

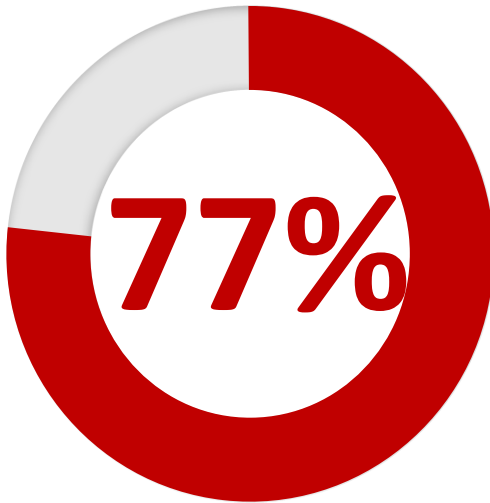
(Q 11b)

What Aspects Of Service Impact On Overall Satisfaction The Most

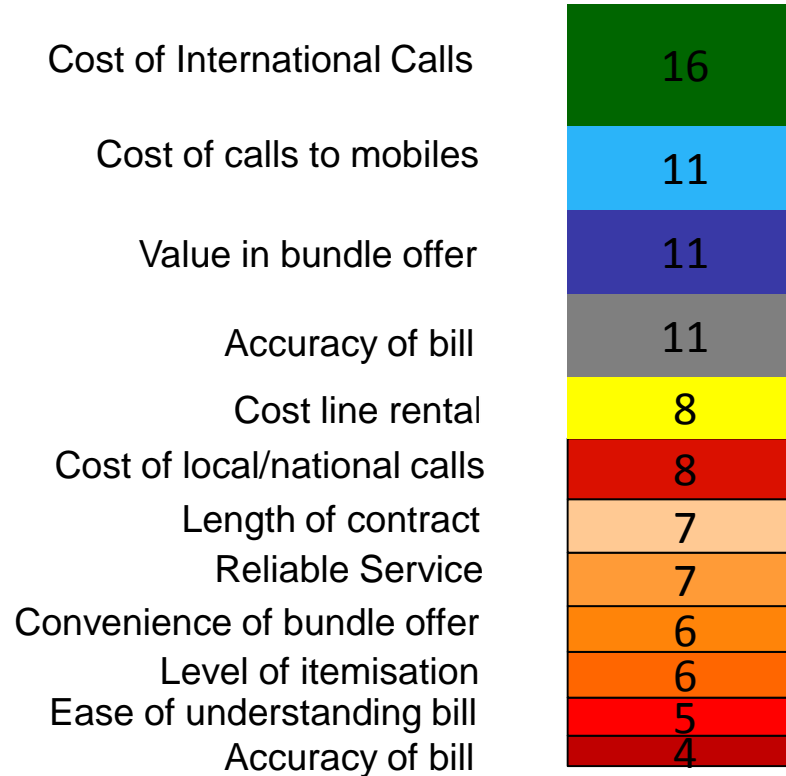


(Base: All Landline Users – 431)

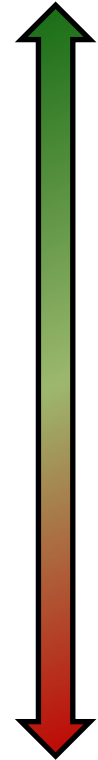
Overall Satisfaction



Factors Driving Overall Satisfaction %



Most Important



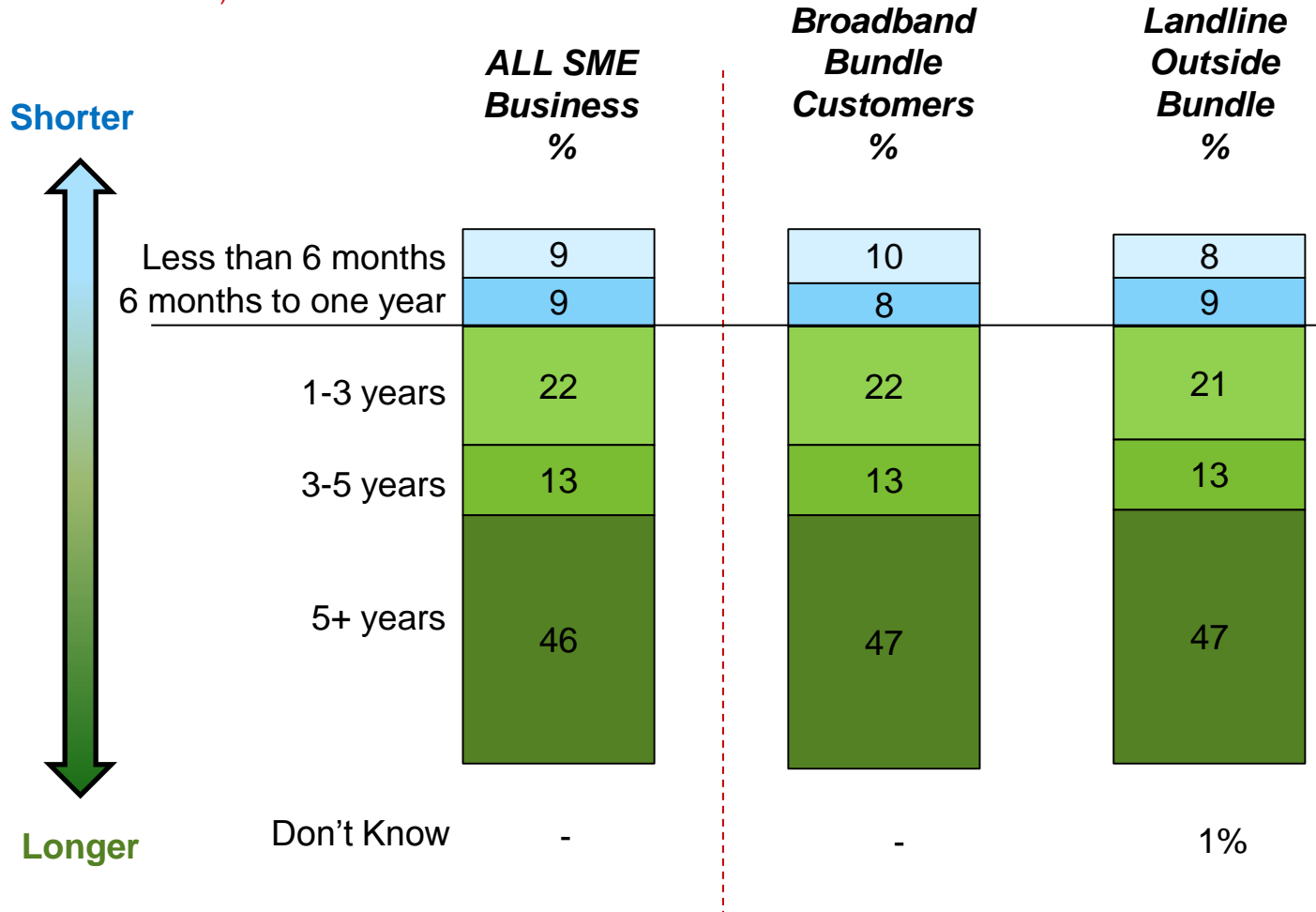
Least Important

Cost of making calls international calls is the key drivers to priorities in order to improve satisfaction.

Length Of Time With Current Landline Provider



(Base: All Landline Users – 431)



Regardless of being a broadband bundle customer or not most businesses have been with their current provider for more than 5 years

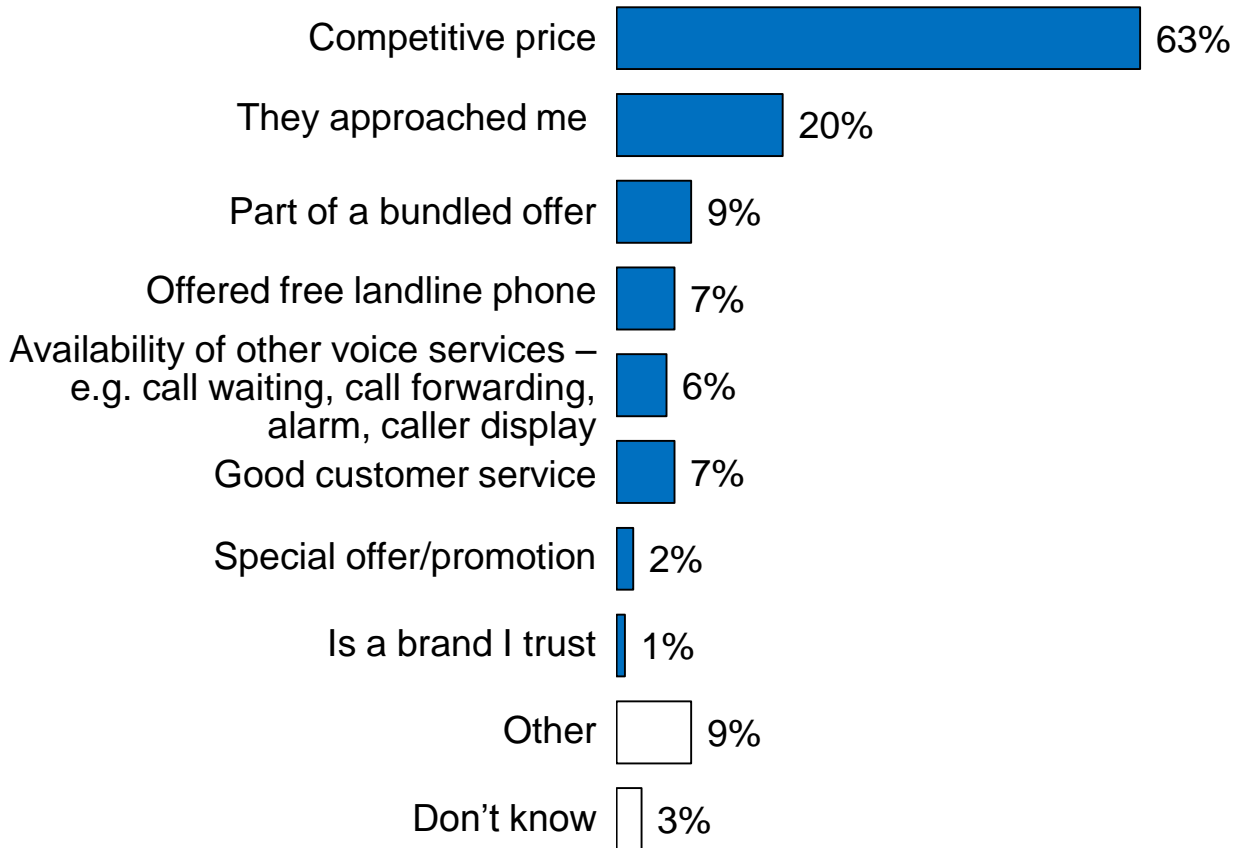
(Q 12)



What Promoted The Selection Of Landline Provider Within Past Year



(Base: All Those Who Joined New Provider – 79)



Price is the key motivation for selecting a new landline provider in the past year.
Proactive calls from the providers also driving movement

(Q 13)

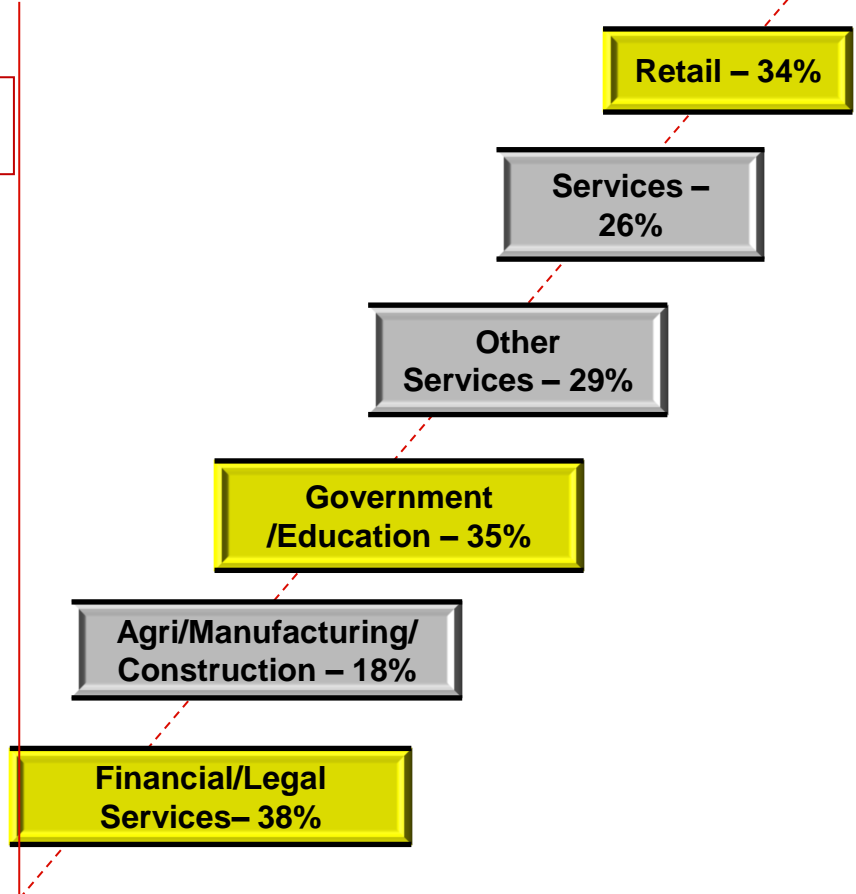
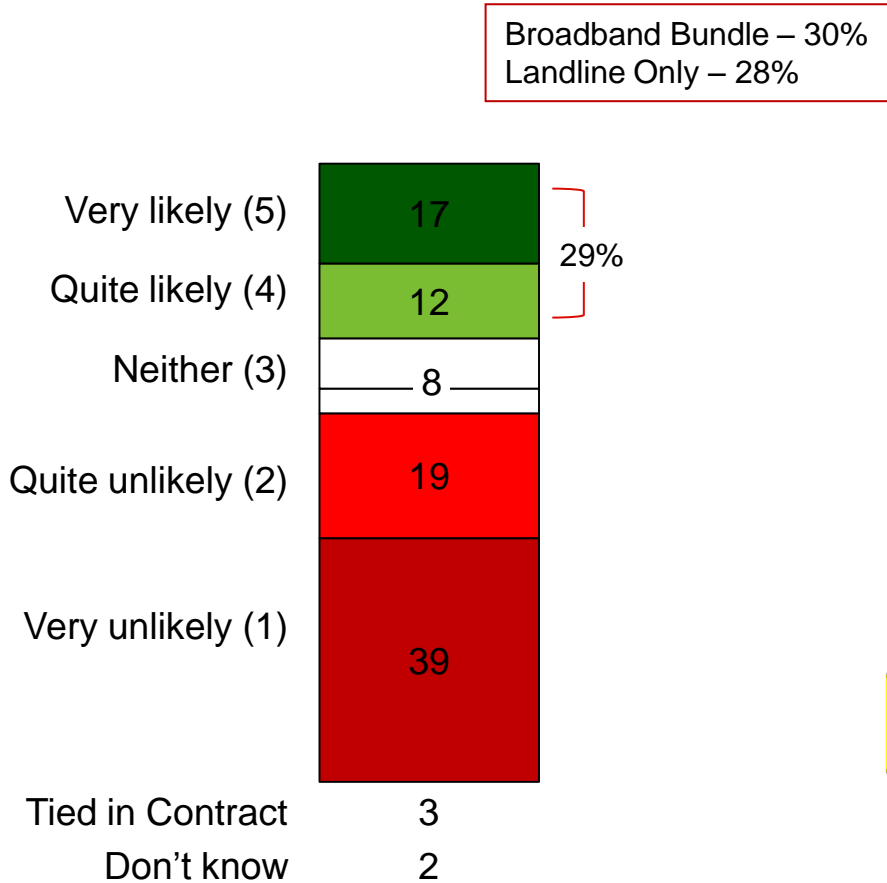


Consideration Of Switching – Next 12 Months

(Base: All Landline Phone Users - 431)



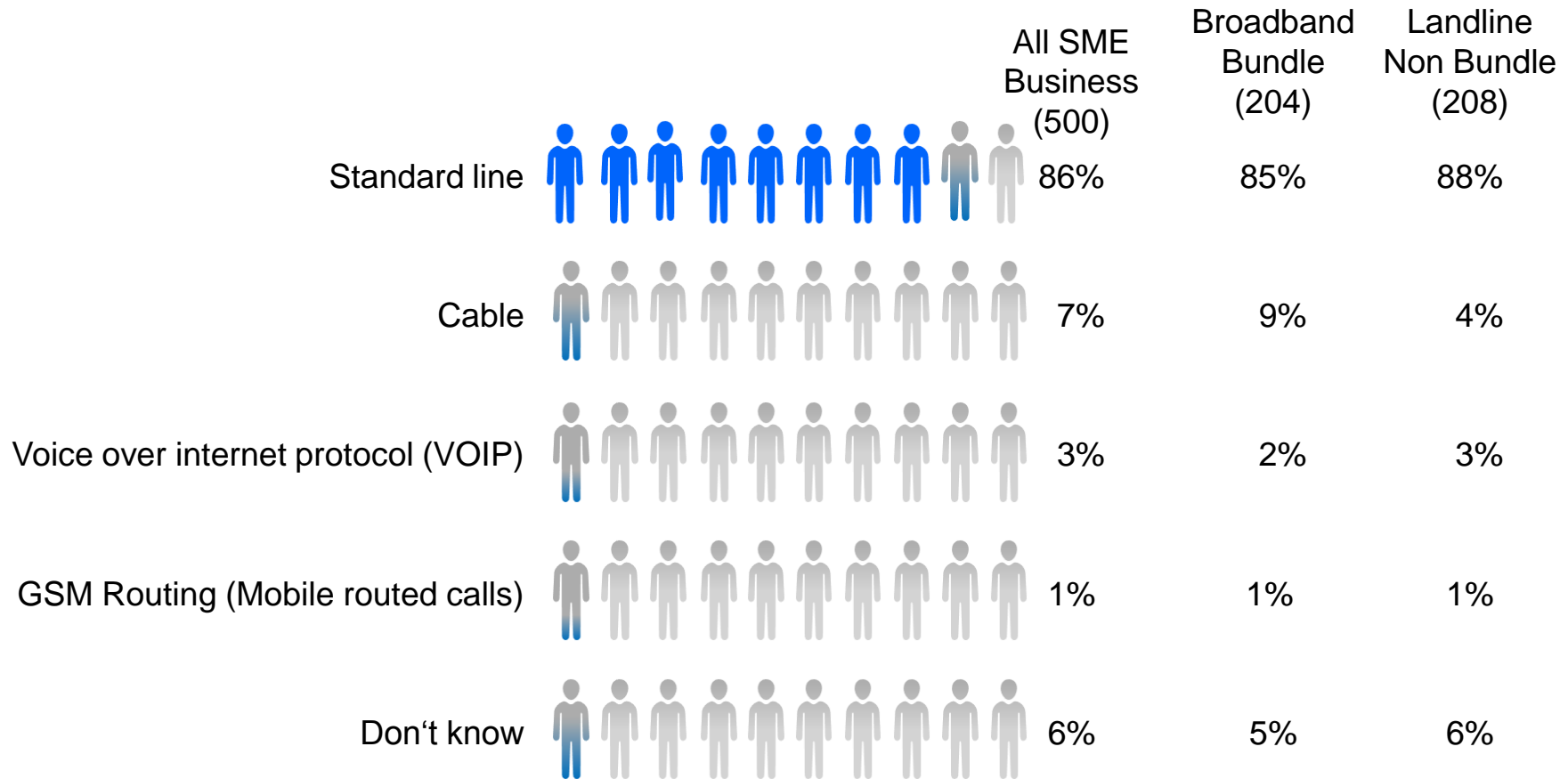
Likelihood to Switch Landline Provider Next 12 Months Industry Sector Consideration To Switch



Over 1 in 4 business claim they are likely to switch landline provider next 12 months – highest for Financial/Legal Service sector (Q 14)

Type Of Landline Used For Calls

(Base: All With Landline Service – 431)

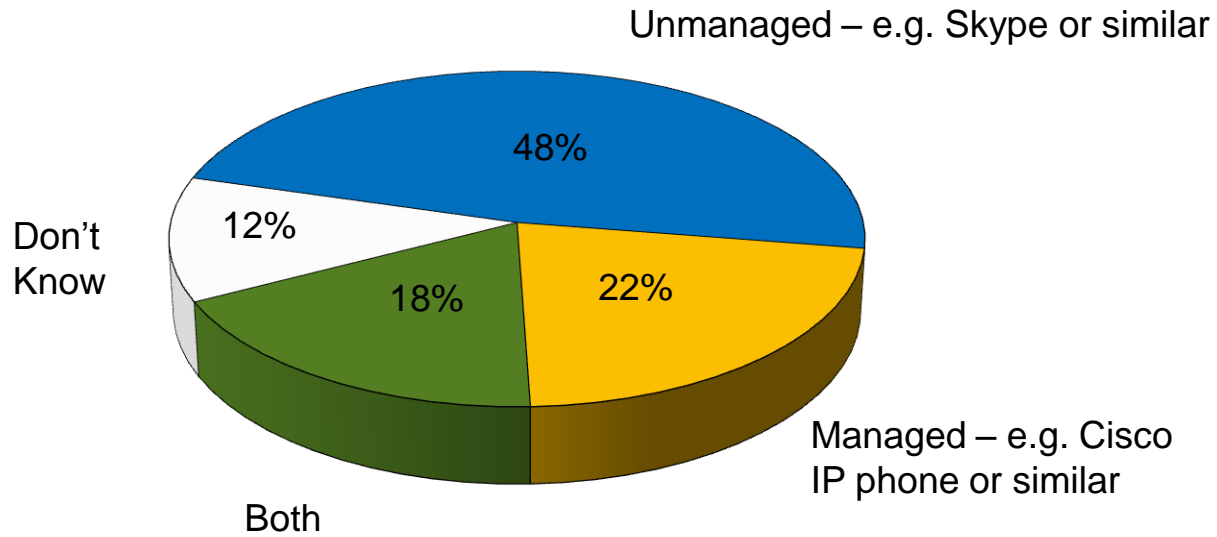


Standard line and cable are the most frequently used type of calls for landline providers. This is consistent across bundle and non-bundle customers.

(Q 18)

Type of VOIP Service Used

(Base: All Business VOIP Users – 22*)



Unmanaged VOIP services are the most commonly used VOIP service .

(Q 19)

** Small base size





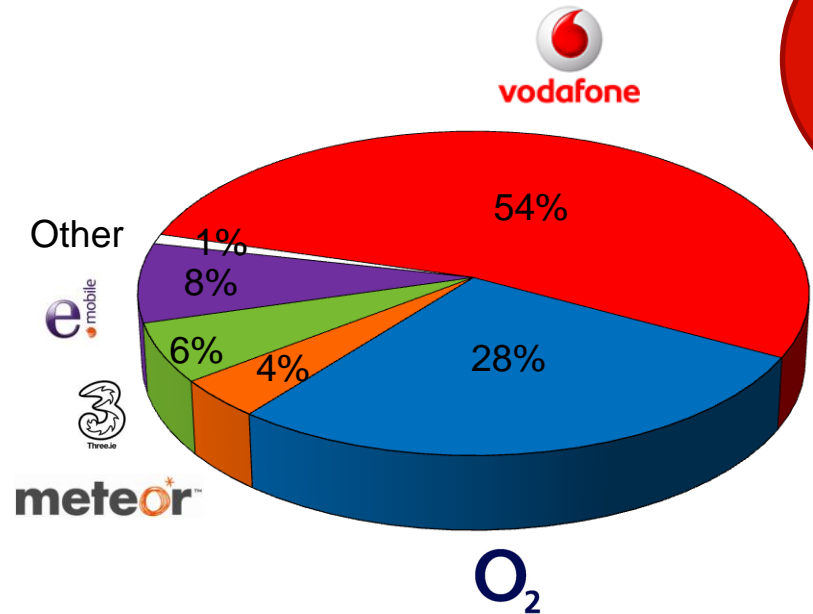
Mobile Phone

Mobile Phone Provider

(Base: All Providing Mobile Phones to Employees – 293)

C

All SME Business



2011
Vodafone -49%
O2 – 37%
Meteor – 1%
eMobile – 12%
3 – 5%

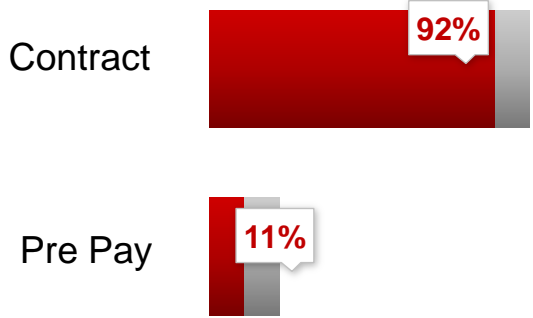
The proportion of those using Vodafone as their main provider has increased from 2011. Meteor and 3 have also seen an increase while O2 and Emobile has dropped back.

Q 6a/b)

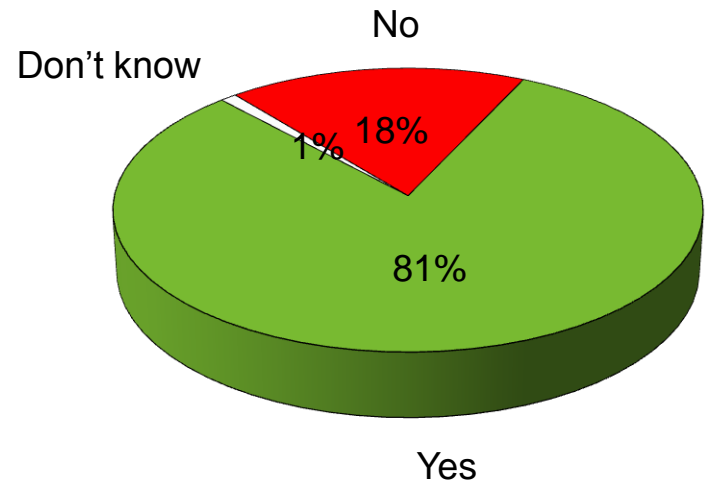
Mobile Phone Payment Method

(Base: All Providing Mobile Phones to Employees – 293)

SME Business Payment Method*



Internet Enabled Handset



Only one in ten companies use a prepay service to pay bills. Just under one in every five businesses provide mobile phones which do not have access to the internet

, Q.22)

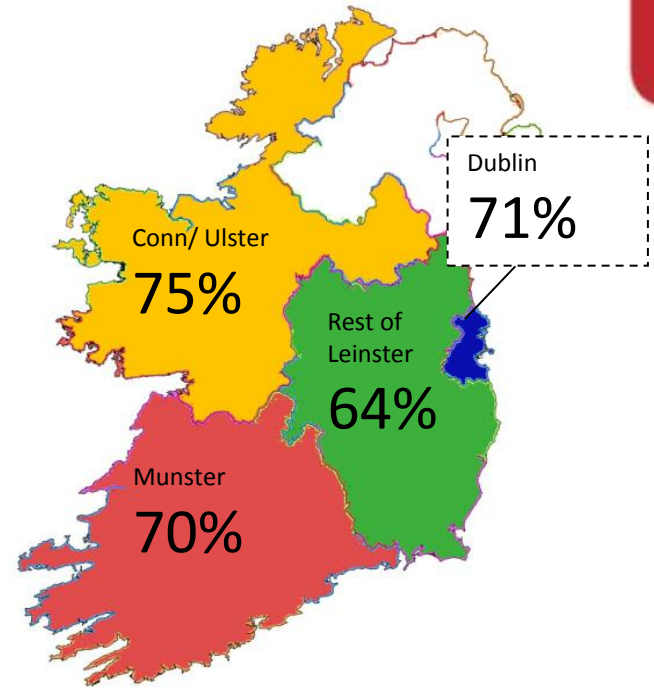
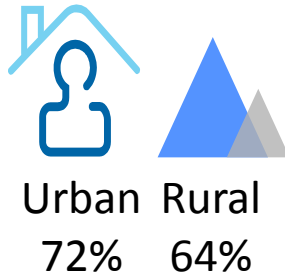
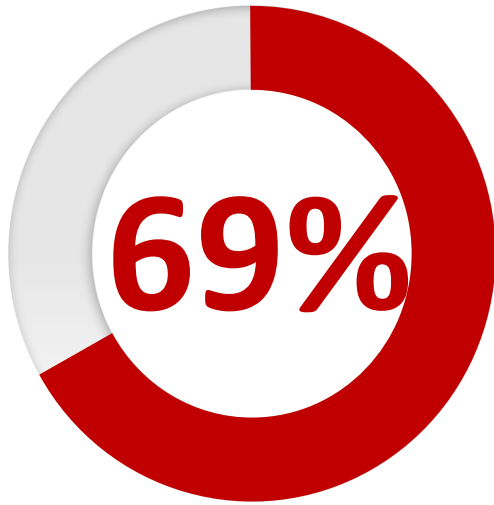
* - add to 100%+ due to multiple ownership levels



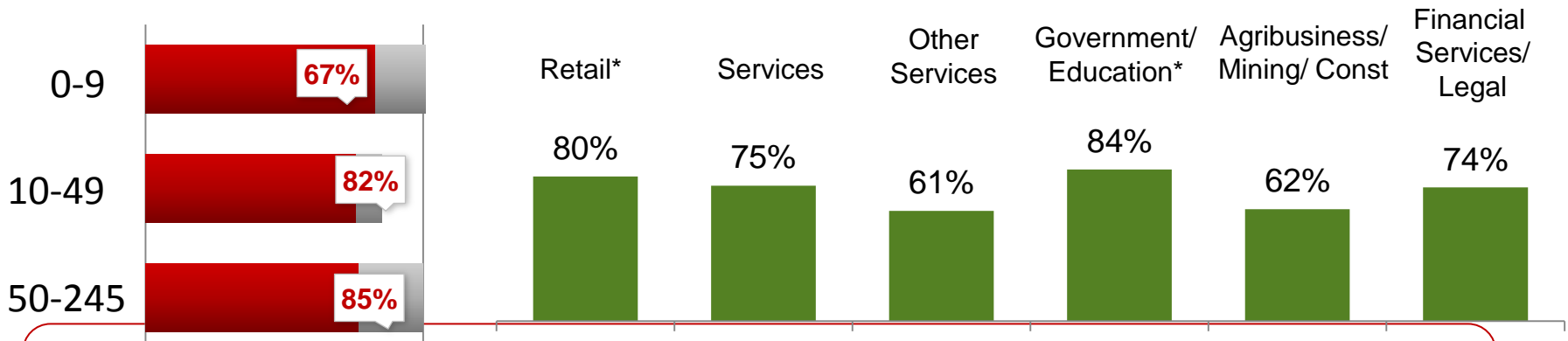
Satisfaction With Mobile Phone Service - All Providers.

(Base: All Providing Mobile Phones to Employees – 293)

Overall Satisfaction



No of Employees



Satisfaction with mobile phone service lower than that seen for Landline – satisfaction does increase by company size and is higher in urban areas. Lowest for other services sector who are most likely to use Smartphones

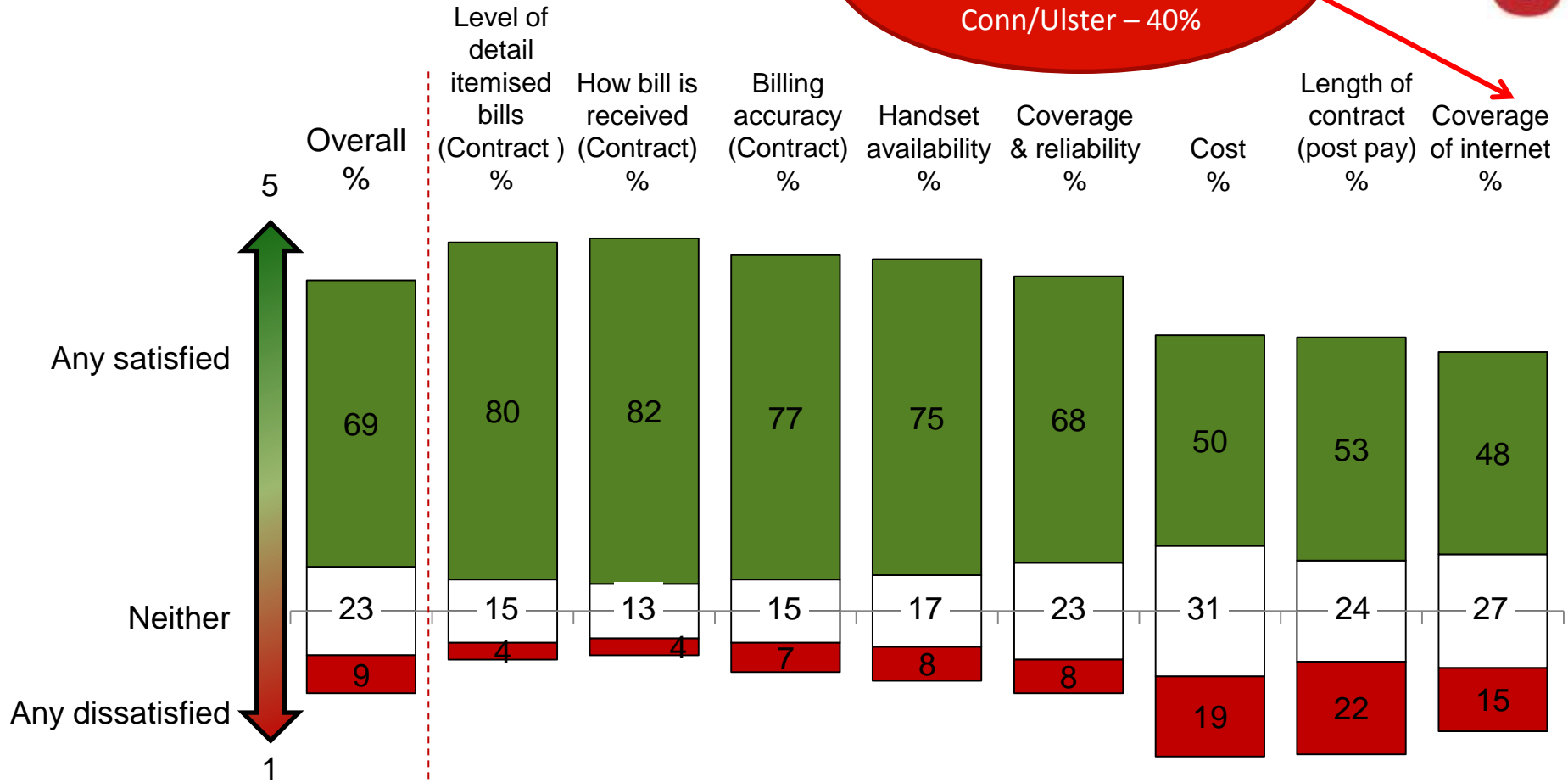
(Q 23a)

* - small base

Satisfaction With Mobile Phone Service

(Base: All Providing Mobile Phones to Employees – 293)

Dublin – 53%
 ROL – 44%
 Munster – 57%
 Conn/Ulster – 40%



Cost, length of contract and coverage of internet are the factors with the lowest levels of satisfaction.

(Q 23b)

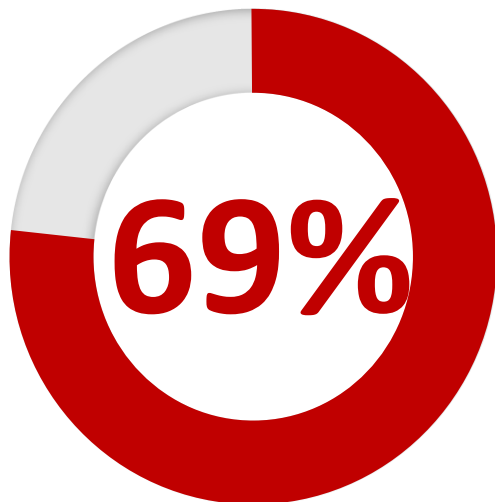


What Aspects Of Service Impact On Overall Satisfaction The Most

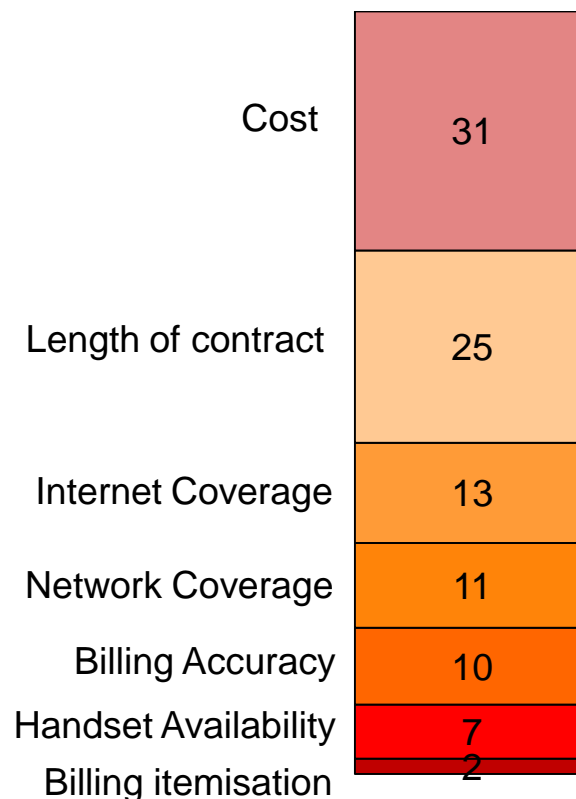
(Base: All Providing Mobile Phones to Employees – 293)



Overall Satisfaction



Factors Driving Overall Satisfaction %



Most Important



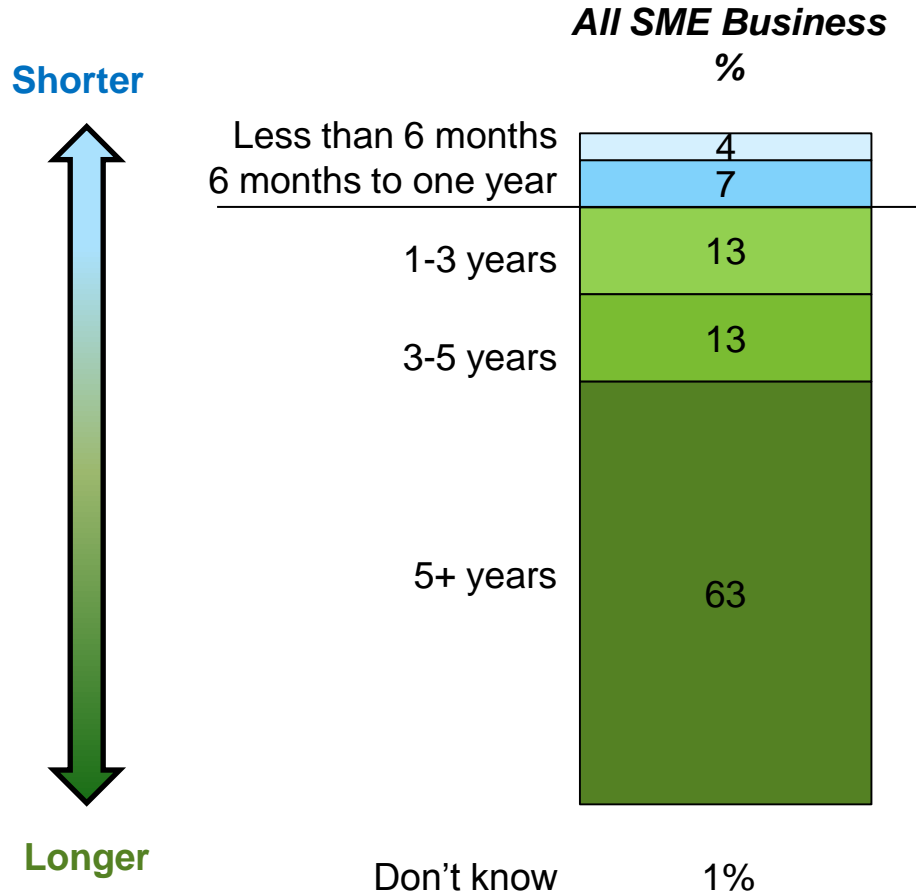
Least Important

Cost, length of contract and coverage of internet are the factors to prioritise in order to drive satisfaction

Length Of Time With Current Mobile Phone Provider



(Base: All Providing Mobile Phones to Employees – 293)



3 in 5 of those surveyed have been with their current mobile phone provider for more than 5 years.

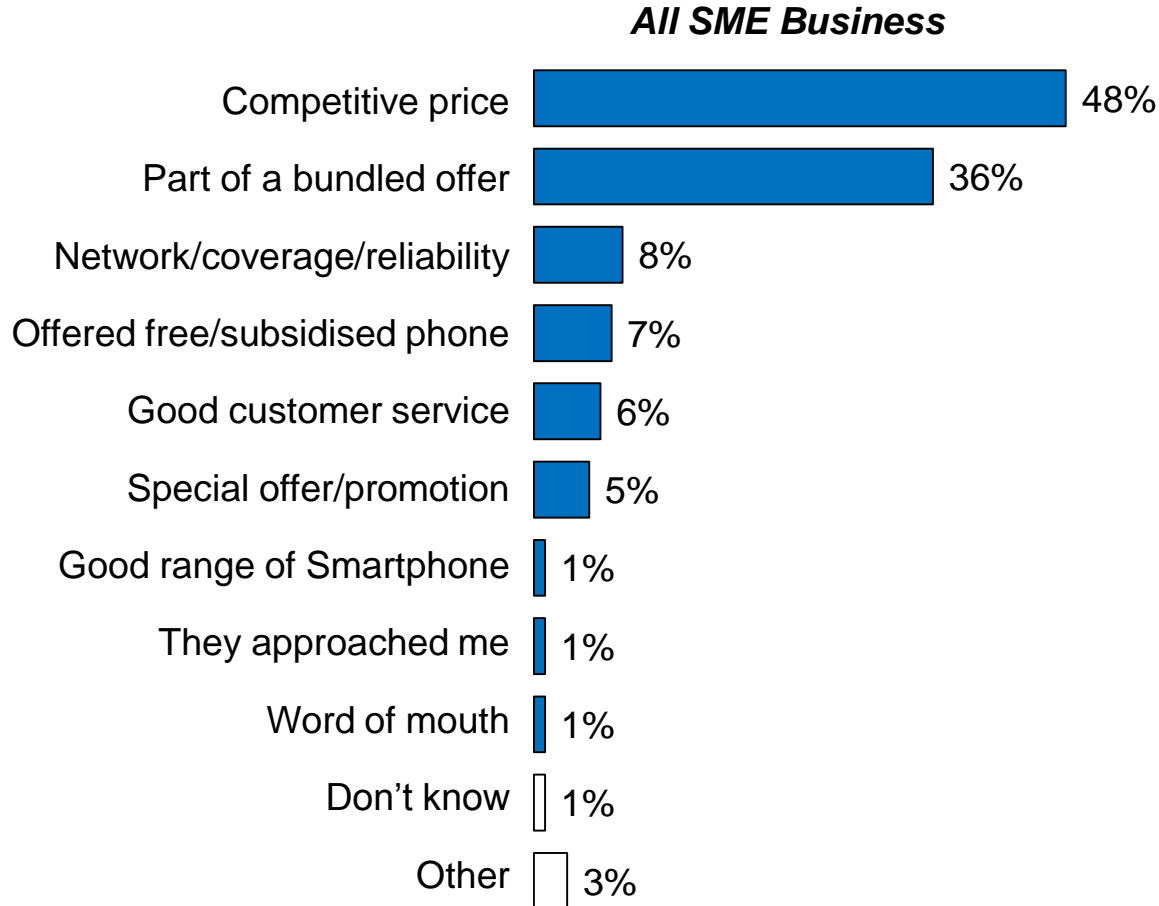
(Q 24)



What Promoted The Selection Of Mobile Phone Provider Within Past Year



(Base: All With Phone Provider Past 12 Months – 32*)



Price is the most important factor when selecting a mobile phone provider. Being part of a bundle is next most important.

(Q 25)

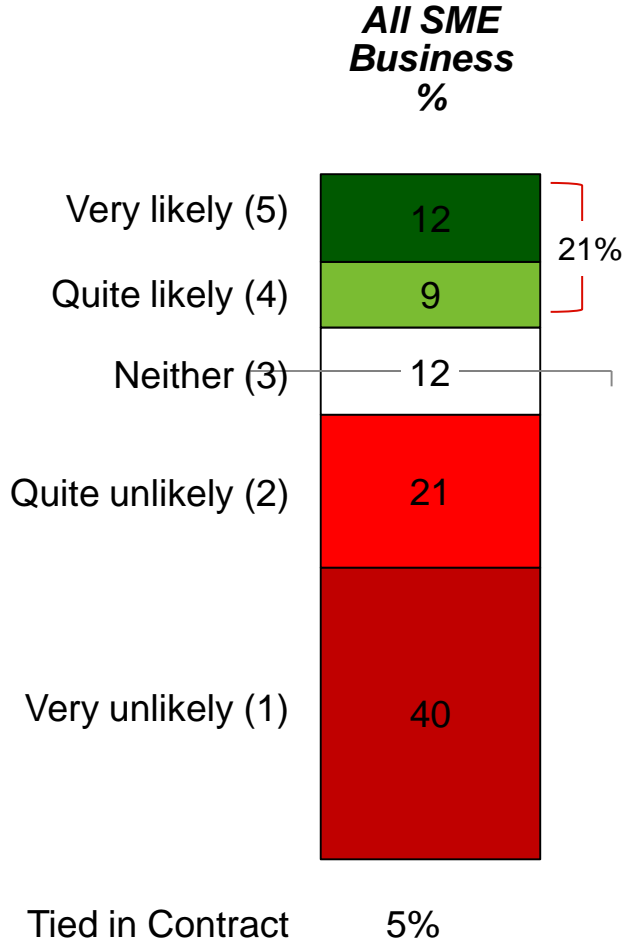
* - small base



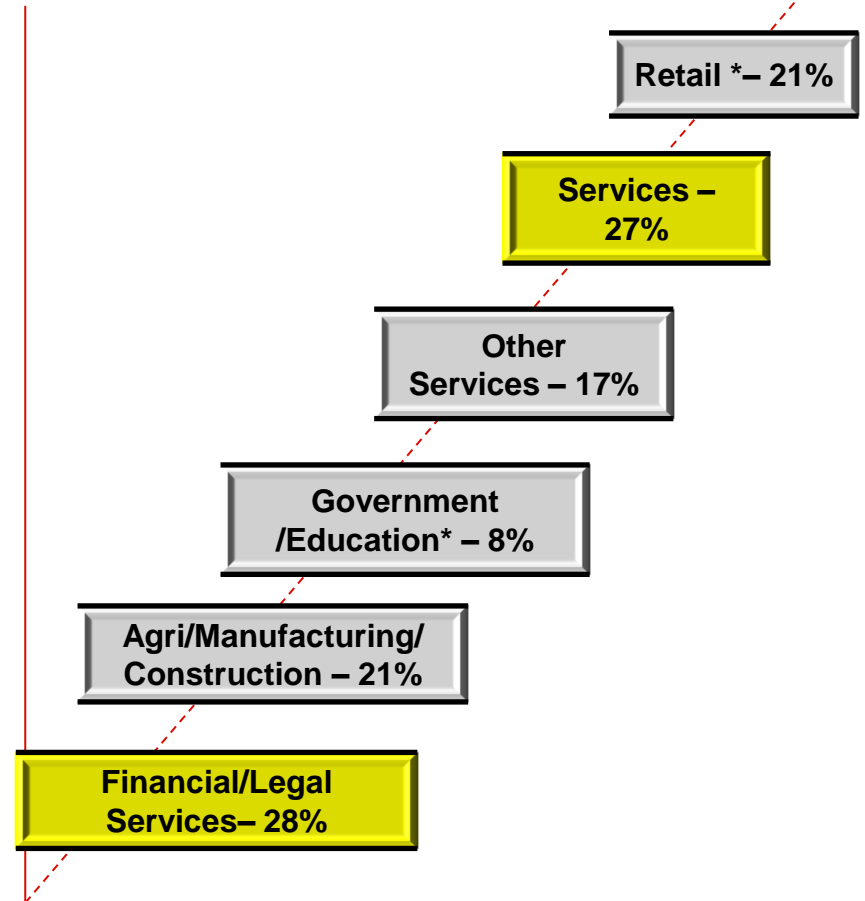
Consideration Of Switching – Next 12 Months

(Base: All Providing Mobile Phones to Employees – 293)

Likelihood to Switch Mobile Phone Provider Next 12 Months



Industry Sector Consideration To Switch



1 in 5 SME businesses claim they are likely to switch mobile provider in the next 12 months highest for Finance/Legal Service

(Q 26)



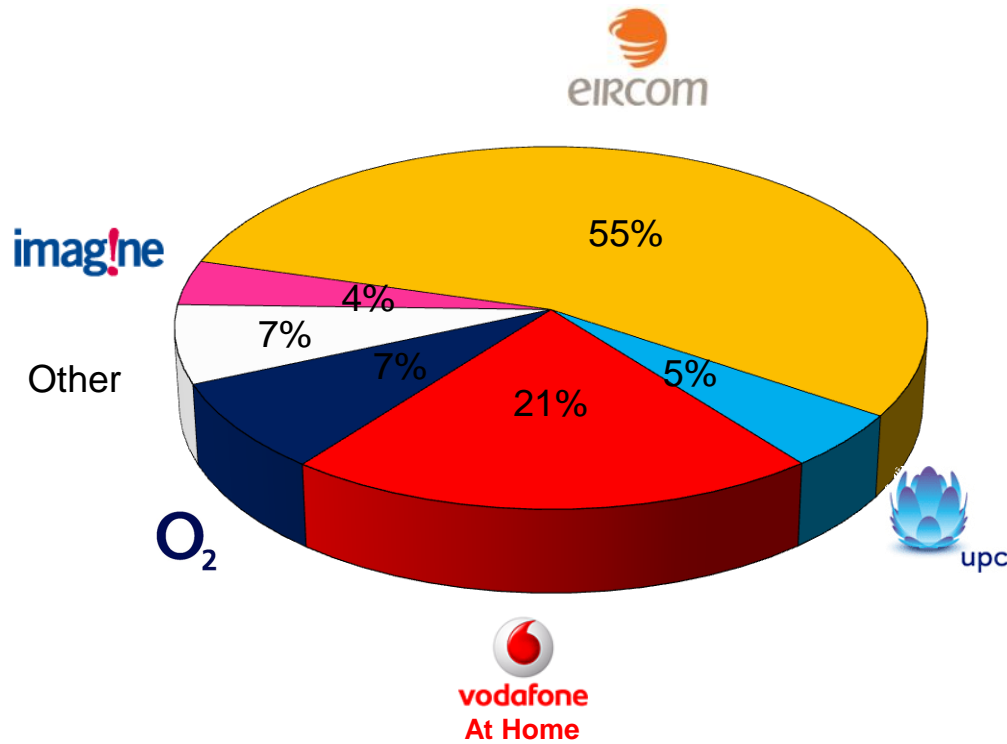
Fixed Broadband

Main Fixed Line Broadband Provider

(Base: All With Fixed Broadband – 364)



All SME Business



	Urban	Rural
Eircom	55%	54%
Vodafone	20%	23%
O2	6%	9%
UPC	7%	3%
Imagine	7%	1%

Eircom is the fixed broadband provider for over half of Irish SME businesses no difference by urban rural in this market.

Other = BT, Magnet, Permanet.ie

(Q 8a/b)

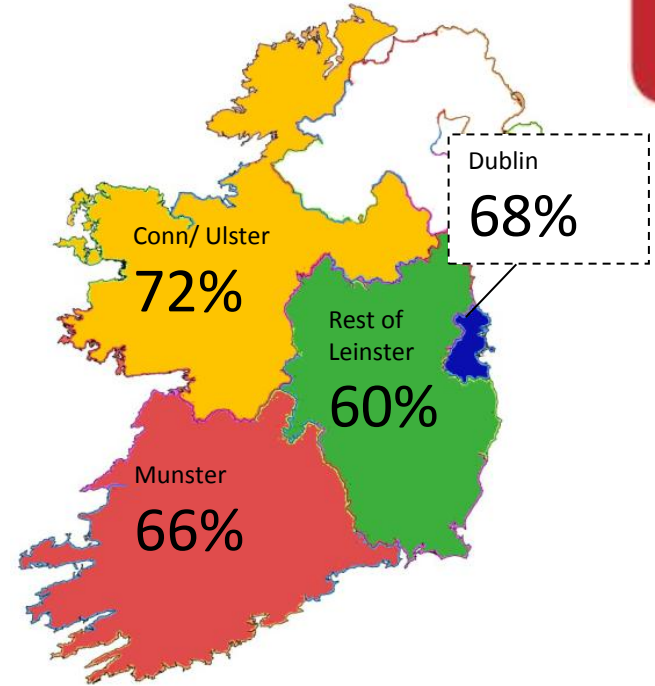
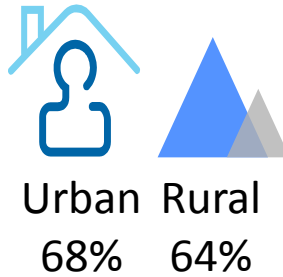
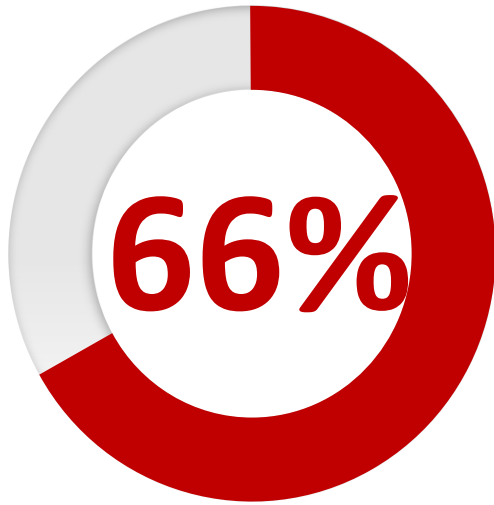


Satisfaction With Fixed Broadband Service

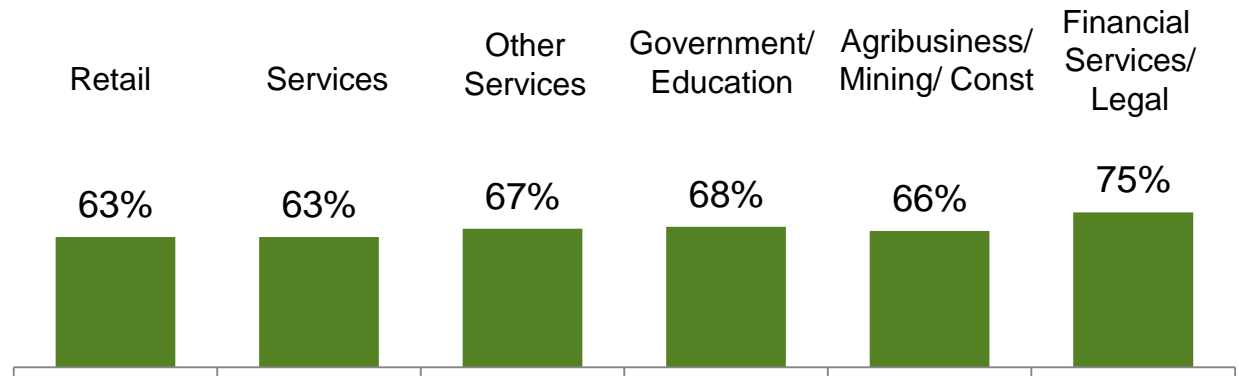
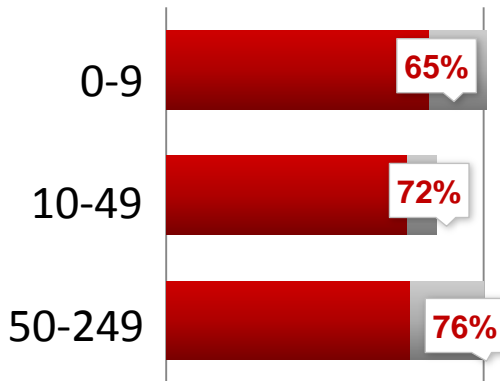
(Base: All With Fixed Broadband – 339)



All Adults



No of Employees



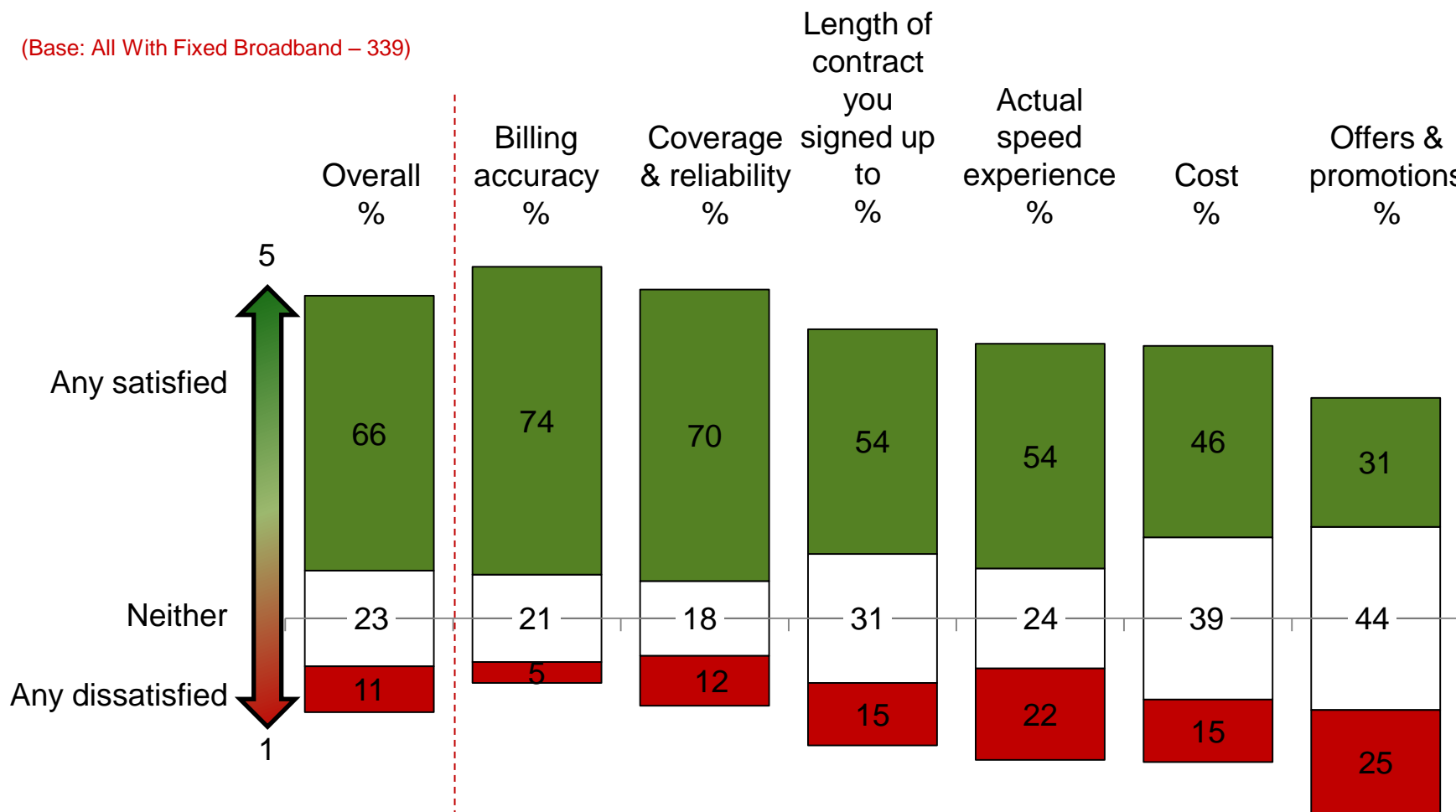
Satisfaction with fixed broadband service slightly lower than mobile phone.
Satisfaction rises with size of company

(Q 36a)

Overall Satisfaction and Satisfaction On Various Elements Of Fixed Broadband Service



(Base: All With Fixed Broadband – 339)



Businesses are least satisfied with offers and promotions provided, then cost and actual speed of service

(Q 36b)

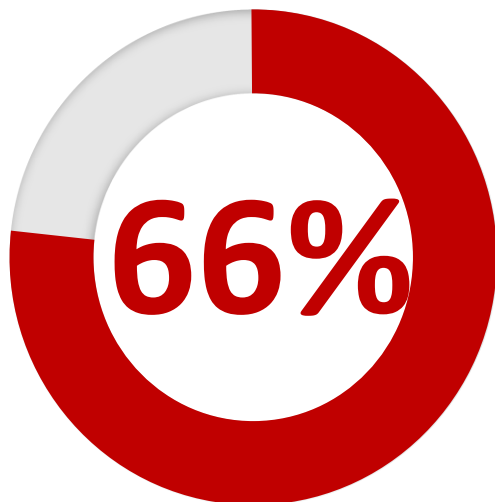


What Aspects Of Service Impact On Overall Satisfaction The Most

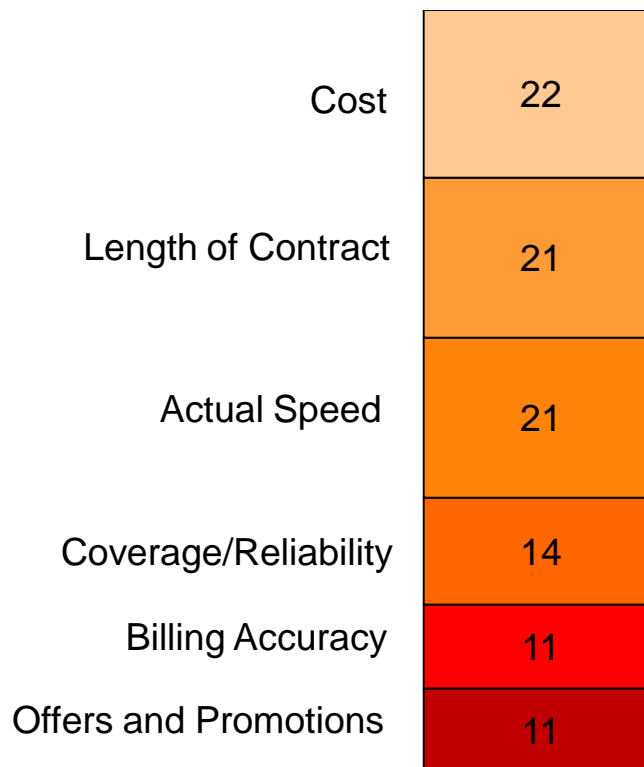
(Base: All With Fixed Broadband – 339)



Overall Satisfaction



Factors Driving Overall Satisfaction %



Most Important



Least Important

A priority area for improvement is cost, length of contract and actual speed experienced

Length Of Time With Current Fixed Broadband Provider



(Base: All With Fixed Broadband – 339)



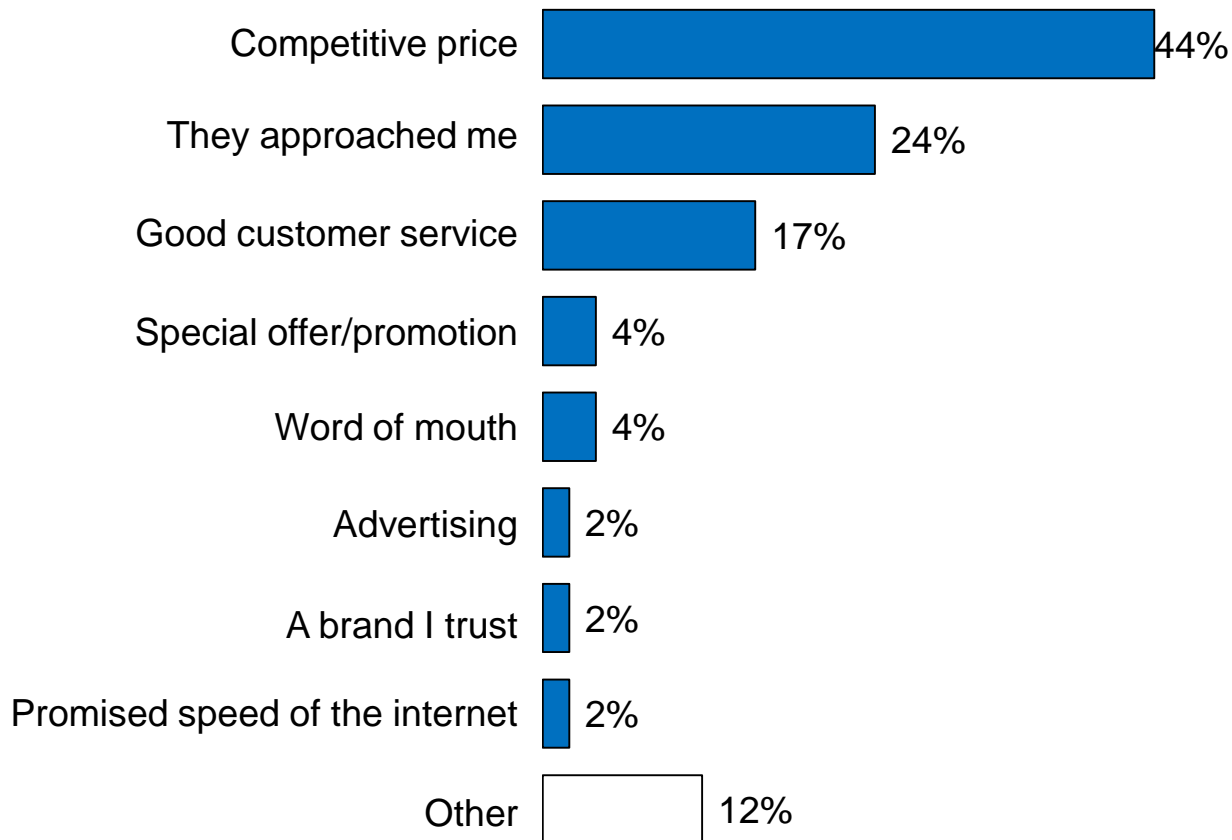
Just under one in seven businesses have been with their current provider for less than a year. 37)

What Promoted The Selection Of Fixed Broadband Provider Within Past Year



(Base: All Those Who Joined New Provider Past 12 Months - 50)

All SME Business



Price is the driving factor when selecting fixed broadband provider.

(Q 38)

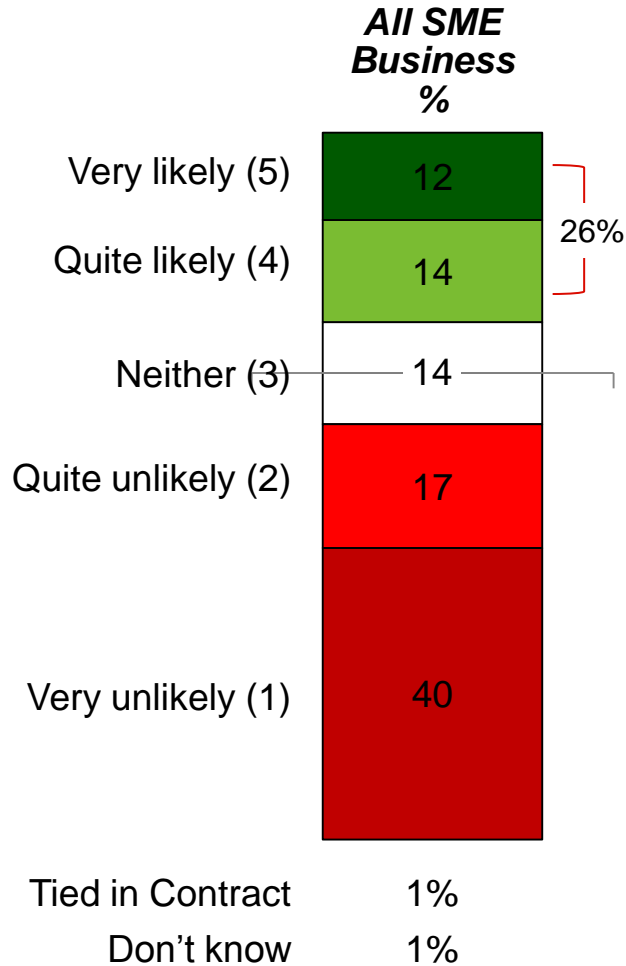


Consideration Of Switching – Next 12 Months

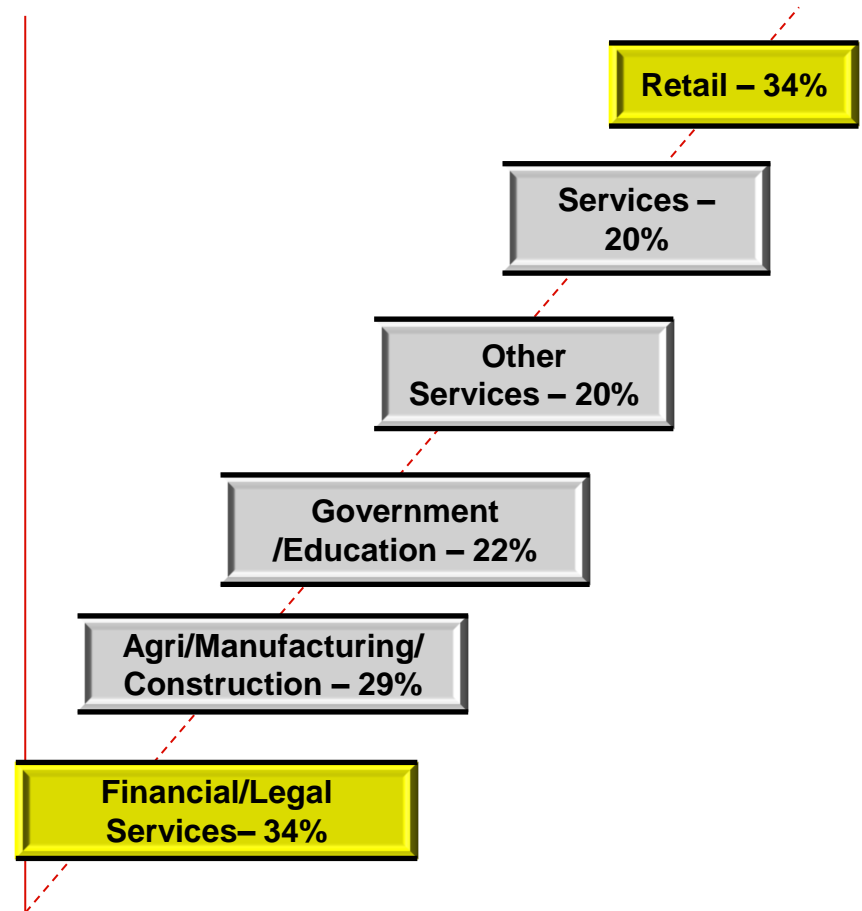
(Base: All With Fixed Broadband – 339)



Likelihood to Switch Fixed Broadband Provider Next 12 Months



Industry Sector Consideration To Switch



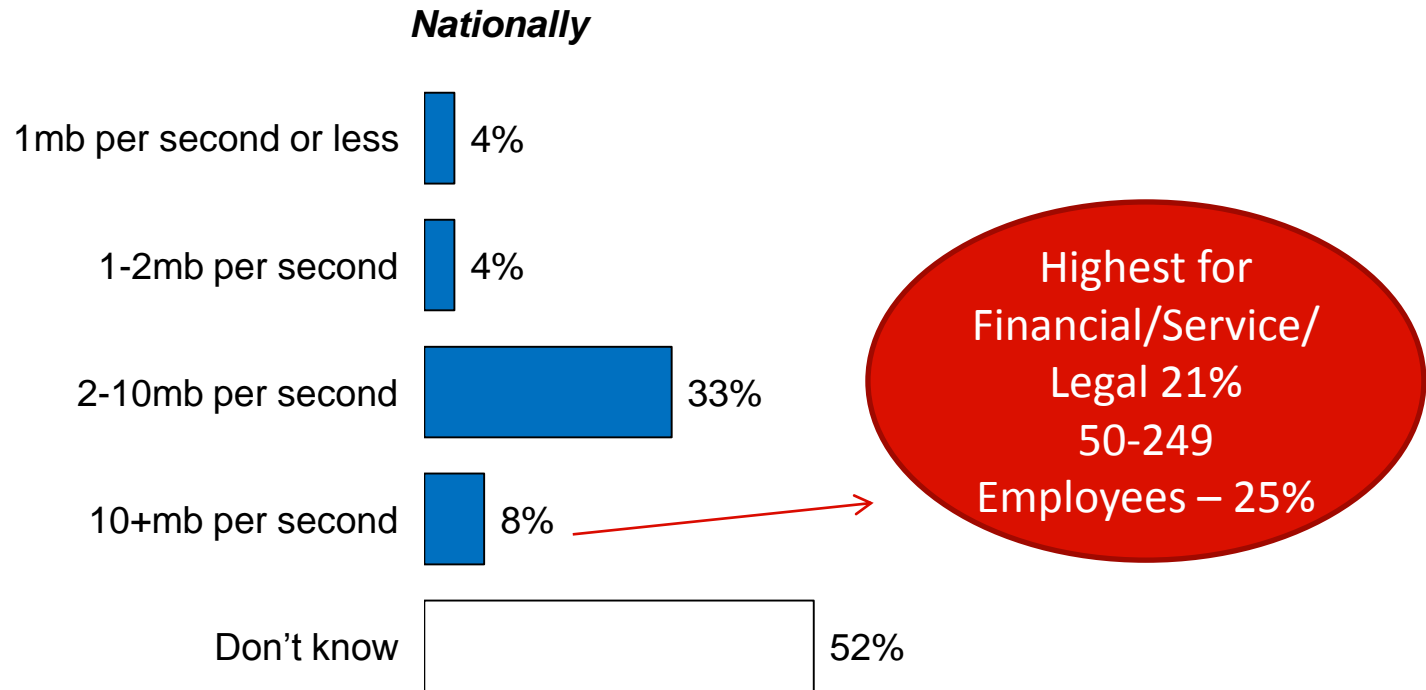
One in four SME's likely to switched fixed broadband supplier higher for Financial/Legal services and Retail

(Q 40)

What Is The Download Speed Of Your Fixed Broadband Service?



(Base: All With Fixed Broadband – 339)

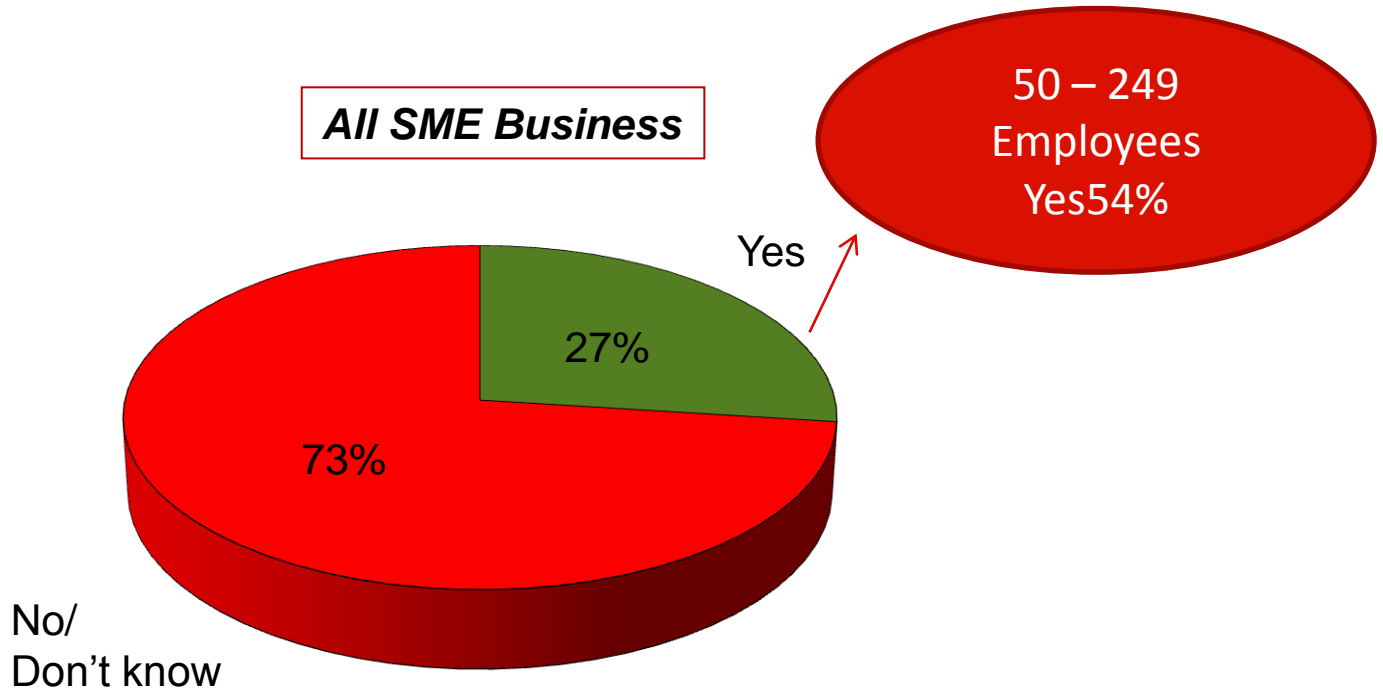


Half of businesses are unaware of their current download speed.

(Q 39)

Willingness To Pay More For Higher Speed Fixed Broadband

(Base: All With Fixed Broadband – 339)



The majority of businesses are not willing to pay extra for a higher speed fixed broadband.

(Q 42)



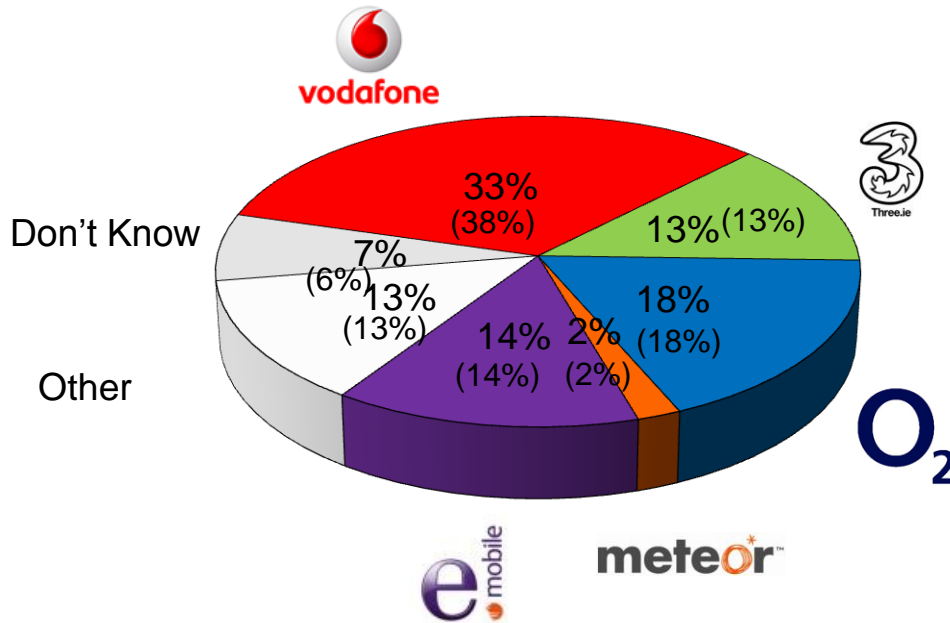
Mobile Broadband

Main Mobile Broadband Provider

(Base: All With Mobile Broadband – 135)



All SME Business



	Urban	Rural
Vodafone	44	27
O2	21	14
eMobile	17	10
3	7	24
Meteor	2	3

Others = Rapid broadband, Magnet, Satellite broadband, Lighthouse Network, Onwave

Vodafone is the main provider of mobile broadband. Vodafone penetration is considerably higher in urban areas.

(Q 7a/b)

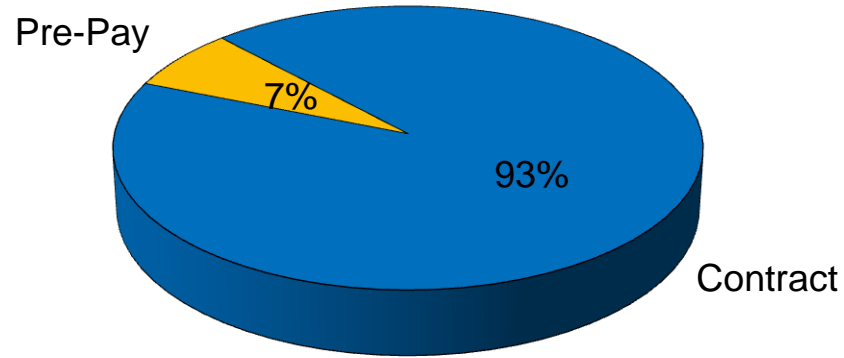


Mobile Broadband Subscription Type

(Base: All With Mobile Broadband – 90)



All SME Business



Almost all businesses are signed to a contract to pay their mobile broadband

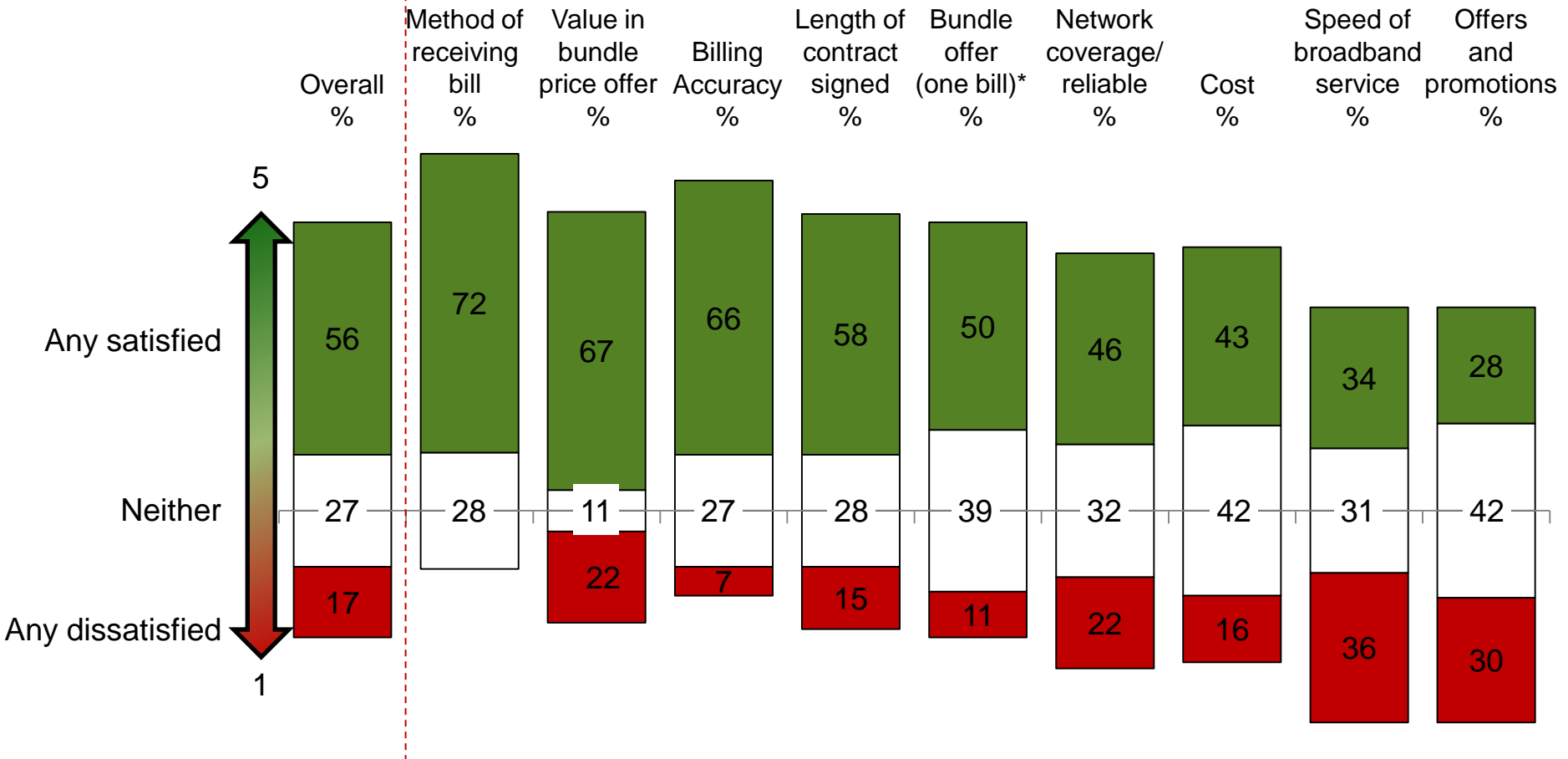
(Q 28)



Satisfaction With Mobile Broadband Service



(Base: All with Mobile Broadband – 90)



*Note: Small Base Size

(Q 29a/b)

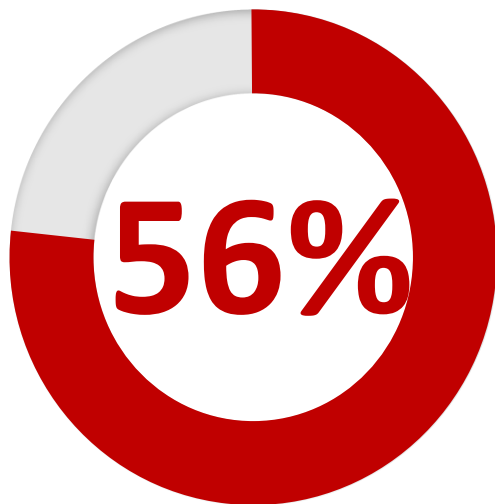
More than half are overall satisfied with their mobile broadband service. Cost, speed of broadband and offers and promotions are the least satisfactory.

What Aspects Of Service Impact On Overall Satisfaction The Most

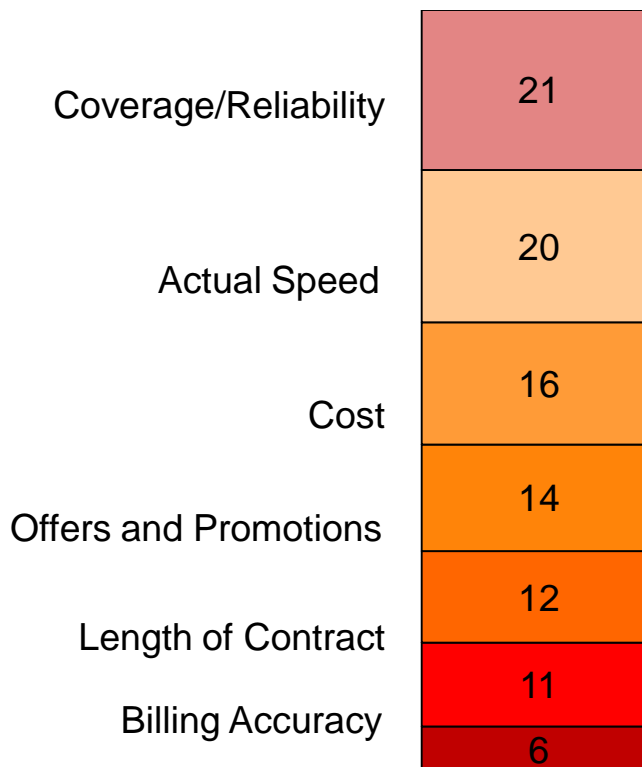
(Base: All with Mobile Broadband – 90)



Overall Satisfaction



Factors Driving Overall Satisfaction %



Most Important

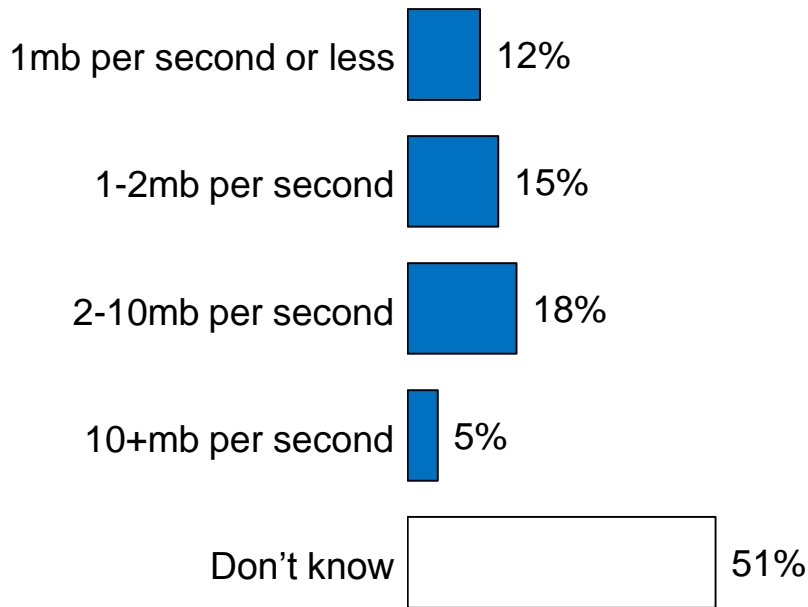


Least Important

A priority area for improvement is coverage/reliability and speed of service experienced

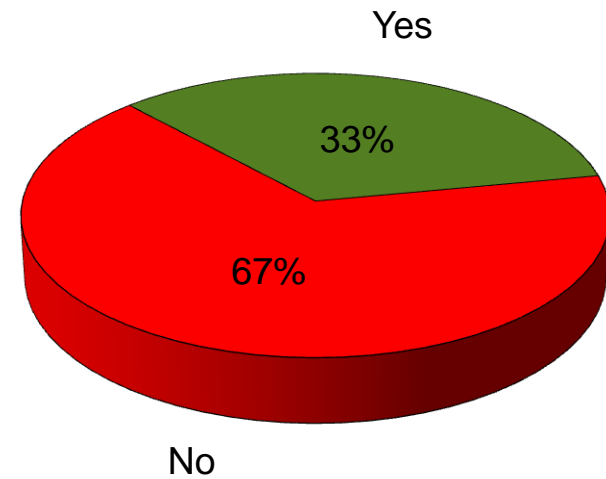
What Is The Download Speed Of Your Mobile Broadband Service?

(Base: All with Mobile Broadband – 90)



Willingness To Pay More For Higher Speed Mobile Broadband

(Base: All with Mobile Broadband – 90)



Half of those surveyed did not know the download speed of their Mobile Broadband provider. Less than 4 in 10 are willing to pay more for a higher download speed

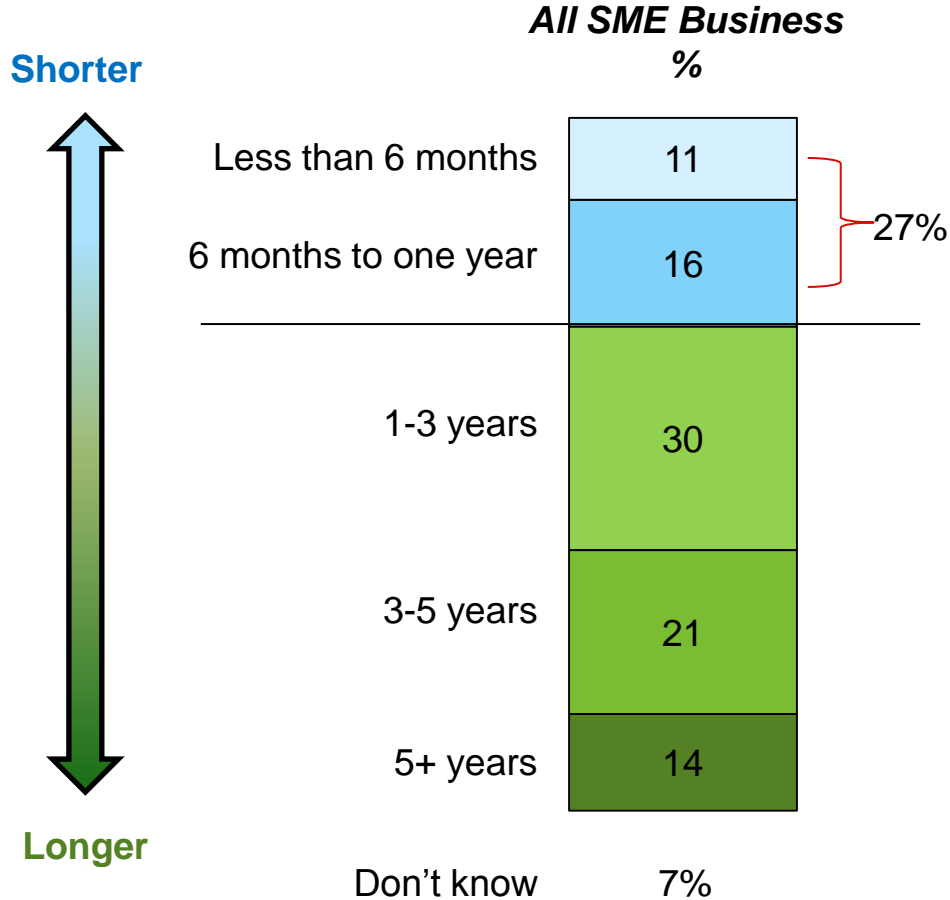
30/Q35)



Length Of Time With Current Provider

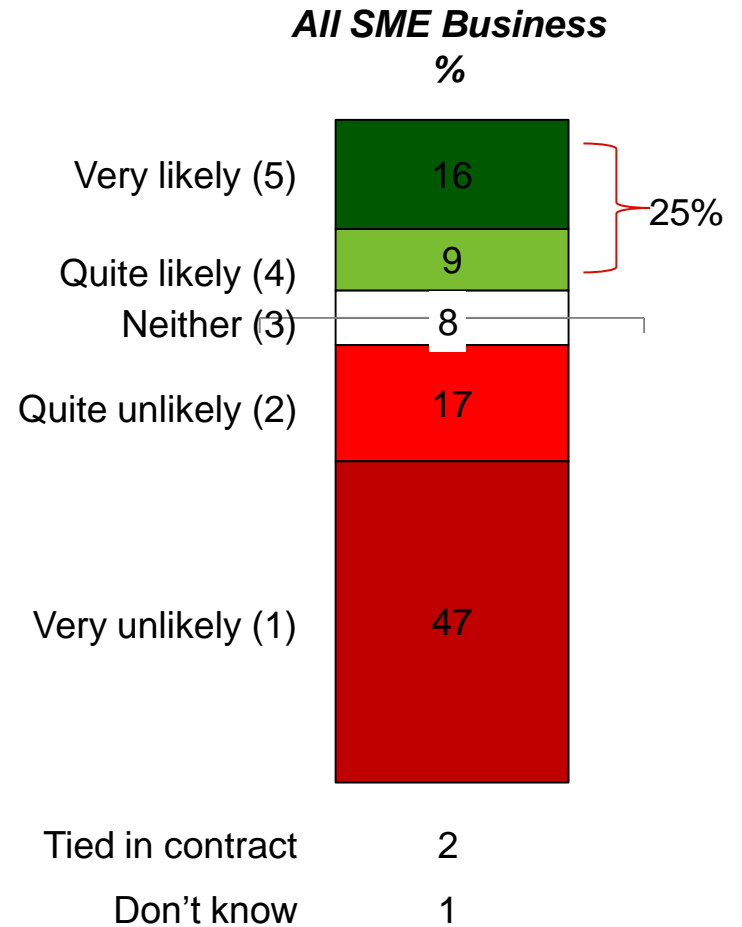
(Base: All With Mobile Broadband – 90)

Likelihood to Switch Mobile Broadband Provider Next 12 Months



Consideration Of Switching – Next 12 Months

(Base: All With Mobile Broadband – 90)



Businesses are most likely to have been with their current provider for 1 – 3 years. Almost half would not consider switching within the next 12 months.

(Q 31/Q.33)

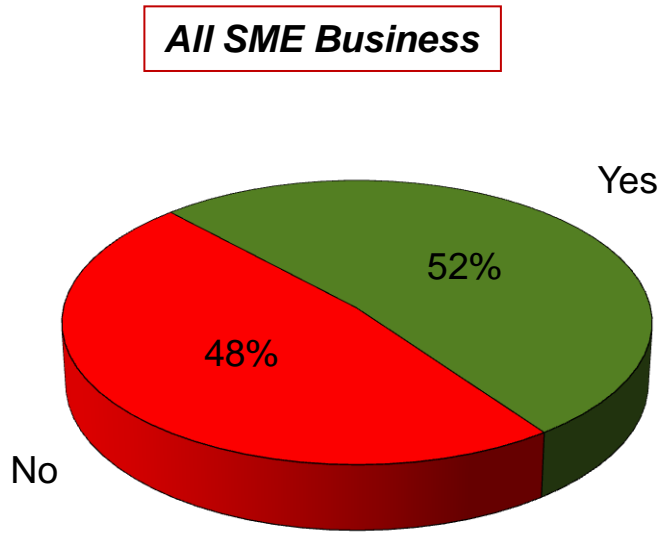




Bundles & Spend

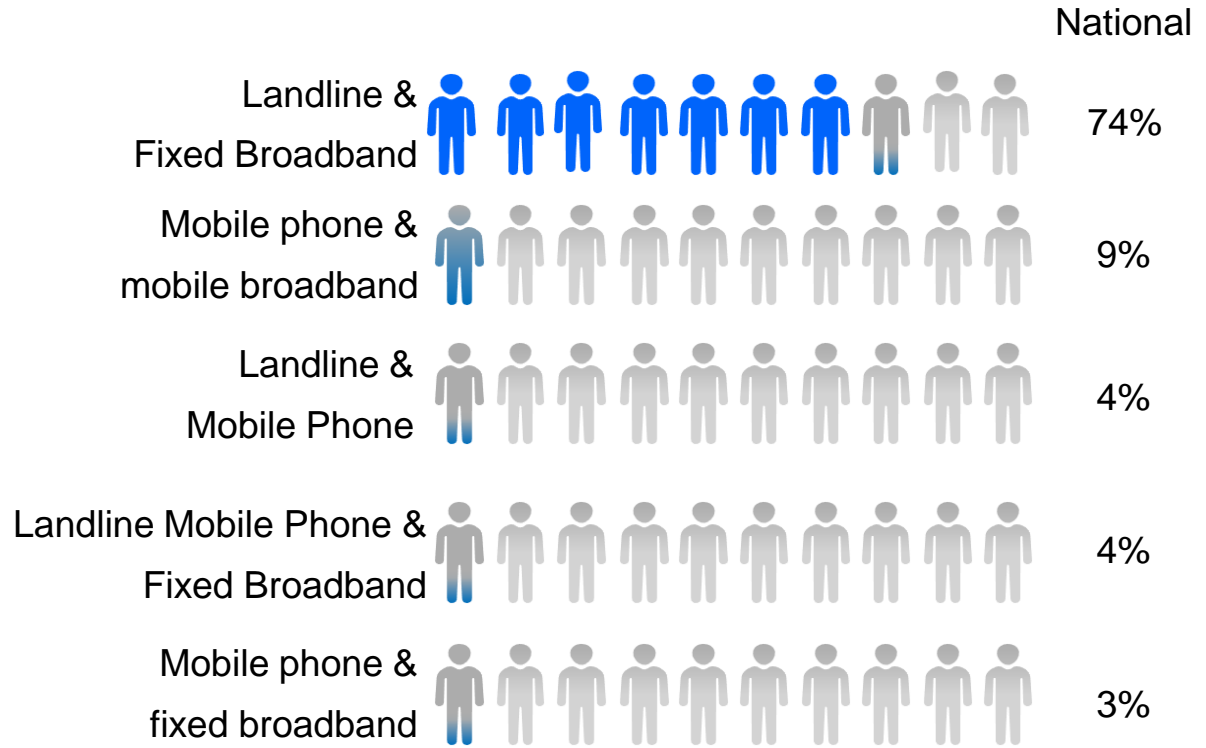
Incidence Of Bundling Any Service

(Base: All SME Business – 500)



Most Popular Bundles Held

(Base: All With Bundle Service – 260)



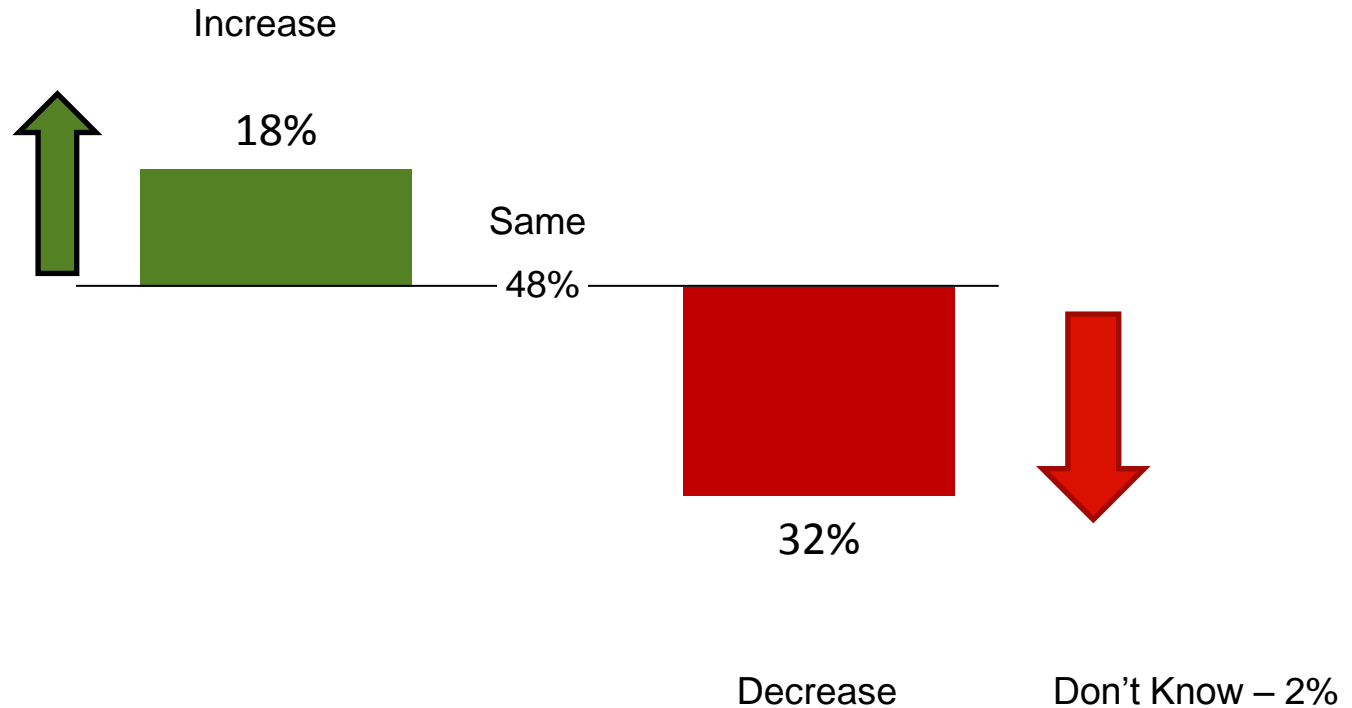
Over half of Irish SME Business are currently bundling telecommunication services
Landline and Fixed Broadband the most popular option.

(Q 9.)

Change In Telecommunication Costs Past 12 Months



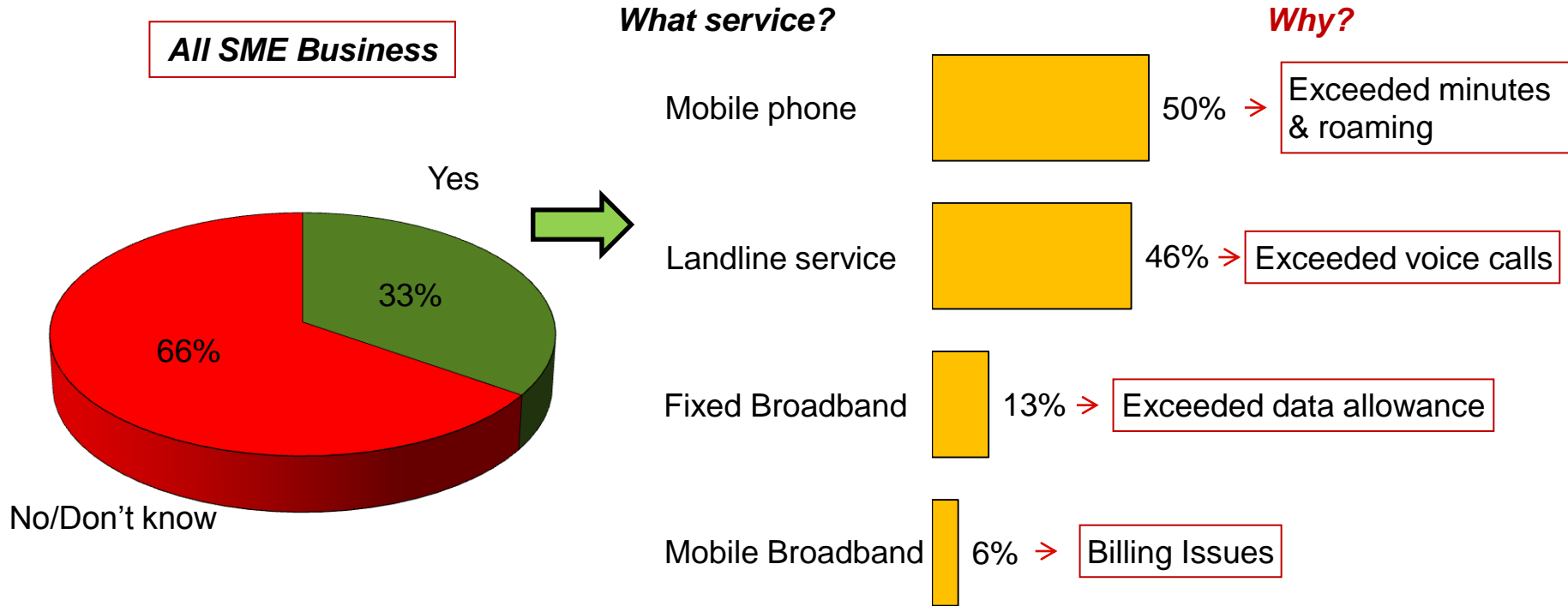
(Base: All SME Business – 500)



Just under half of business claim their telecommunication costs have remained the same in the last 12 months. While 3 in every 10 claim their costs have reduced in the past 12 month. Q 85)

Have You Ever Received A Bill Or Paid More For Telecommunication Service than Expected

(Base: All SME Business – 500)



Over 1 in 3 have received a bill or paid more for service than expected

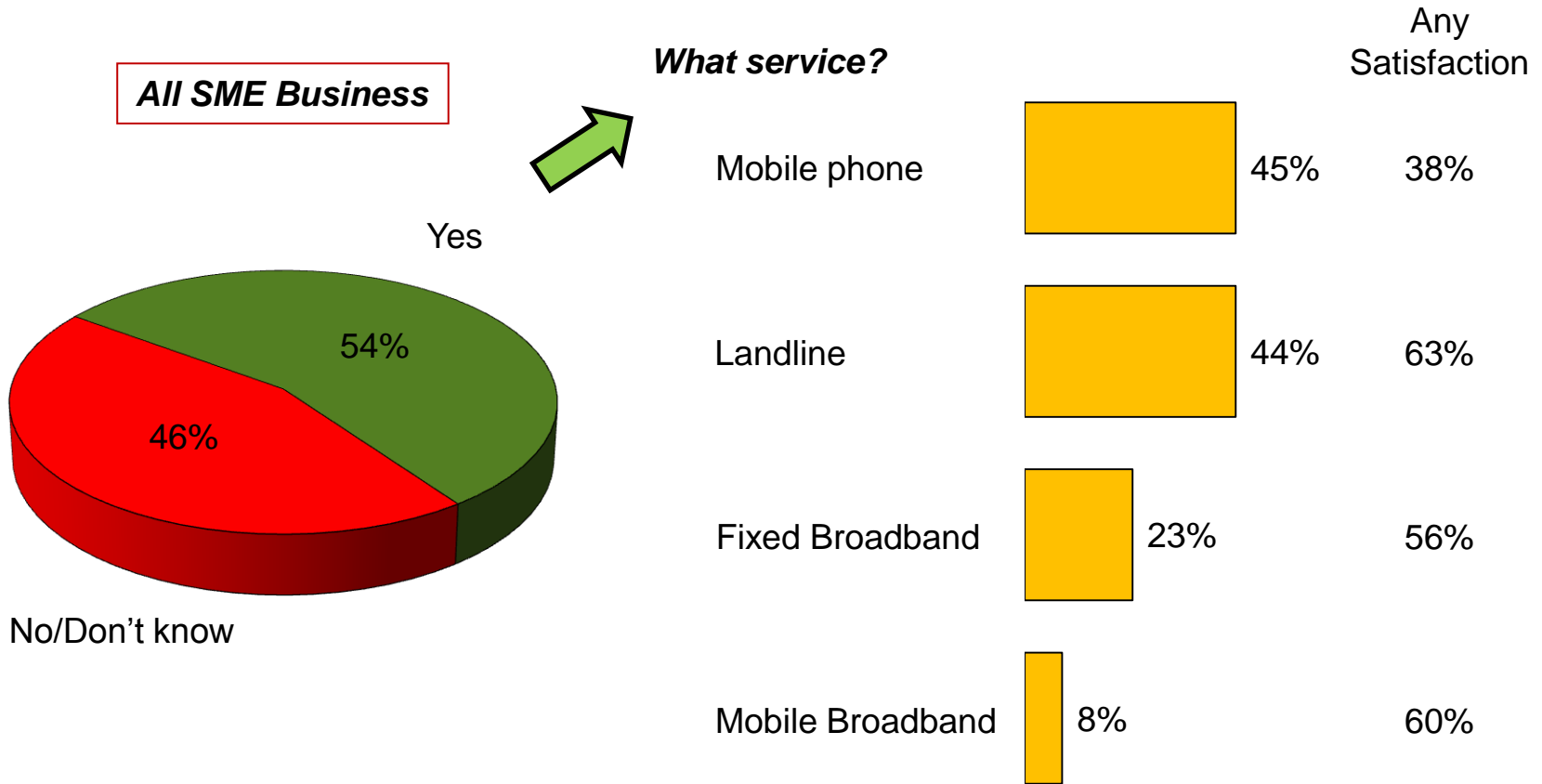
(Q 45-47)



Incidence Of Contacting Customer Service Department Of Telecoms Provider – Past 12 Months



(Base: All SME Business – 500)



Just over half of those surveyed had contacted their telecommunication provider in the last 12 months. Contact was predominantly made in relation to Mobile phone and landline services.

(Q 48-49)



Key Insights



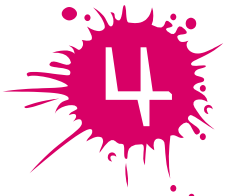
The **rate of landline penetration** at 86% is evidence that some industry sectors are using mobile in place of landline. For Agribusiness / Mining /Construction and professional services this is most likely the case. Mobile Broadband access and Smartphone ownership is highest for the professional services group suggesting these are the most 'mobile' of all industry sectors. 80% of Irish SME's have any form of broadband access – retail has lowest penetration.



Eircom is the dominant player in landline followed by Vodafone. While eircom have a stronger share in rural areas they are still a dominant player in urban areas also. Satisfaction with landline service is high with improvements in **cost of international and mobile calls likely to see satisfaction increase further**. The **switching market is robust** on the back of the high satisfaction rates and is driven by competitive price offers and



Vodafone and O2 are the main suppliers of the business mobile phone market. Overall **satisfaction is lower** than we have seen in landline. The core drivers of satisfaction for the operators to address are **cost, length of contract and internet coverage on handset**. Over 4 in 5 handsets supplied are internet enabled and industry sectors such as professional services are reliant on these handsets to conduct their daily business. In spite of lower satisfaction majority have been with same provider for longer than we have seen in landline



Eircom and Vodafone are the main supplier of the fixed broadband business market. Market satisfaction with this service is slightly lower than for mobile phone. The main issues of concern are **cost, contract length and actual speed experienced**. Over half of 50-249 employee sized companies are willing to pay more for higher speed broadband.



Key Insights



Vodafone is the main provider of mobile broadband to Irish SME business with O2, 3 and Emobile also taking significant share of the market. **Market Satisfaction with this service is low** at 56% the core issues for operators to address are network coverage and reliability and speed of service.



Over half of SME business subscribe to a bundle service with landline and fixed broadband the most popular option. The majority of business has witnessed a fall in communication costs with 14% more businesses likely to say that costs have fallen versus costs have increased.