Evaluation of Business User Demand for Telecommunications in Ireland

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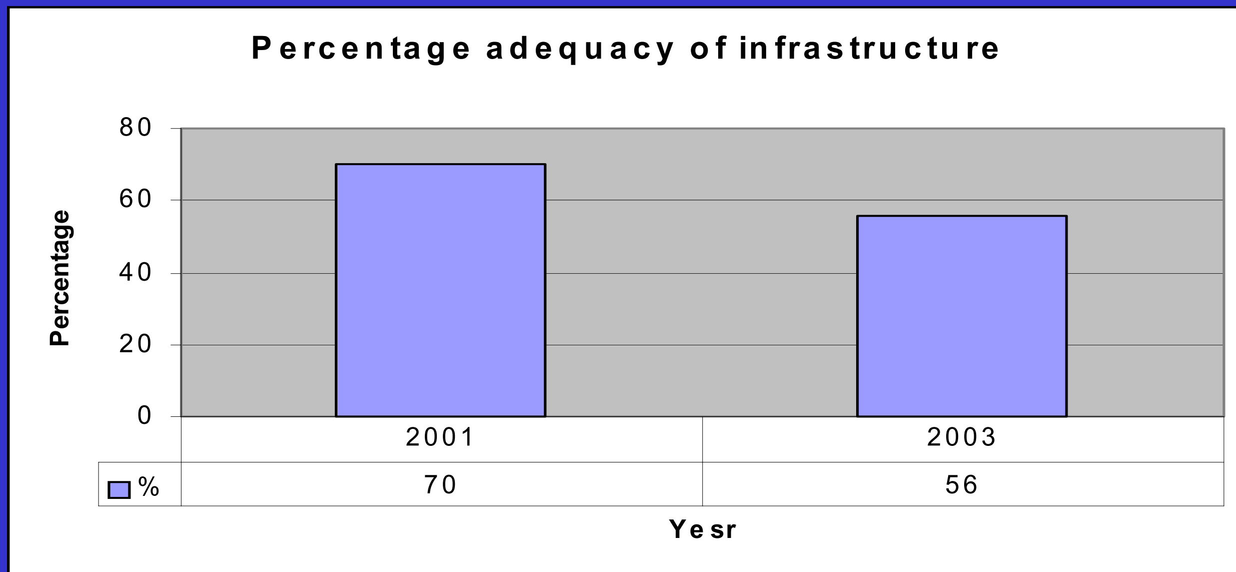
Agenda

- Survey
- Adequacy of infrastructure in Ireland
- Competition
- Changing service provider
- Service Level Agreements (SLA's)
- Comparison of price offerings
- Important factors when choosing a service provider
- Mobile services
- Fixed voice services
- Data services
- Broadband access services

Survey

- Follow-up survey to that conducted in 2001
- Eighty (80) end user companies
  - Geographic spread
  - Small, Medium & Large; Indigenous and Multinational
- Varying results
  - Broadband technologies not available
  - Installation delays
  - Poor quality of service
  - No SLA’s
  - Deterioration in service levels’s outside Dublin

Adequacy of infrastructure



- Majority networked organisation; two thirds have remote workers
- 75% of those who perceive inadequacy – negative impact on business
  - 54% of these outside Dublin

Competition

- Asked to agree or disagree with statements

	Agree 2001	Agree 2003
An independent regulator is vital to ensure fair competition	90%	88%
I would only use a carrier with its own infrastructure.	42%	33%
I would not use a service provider based outside Ireland	42%	28%
Service Level Agreements provide reassurance to my company	75%	70%
The Regulator has done a very good job	56%	54%
I believe that cost is more important than service.	na	87%
My Provider will not provide me with a service level agreement	20%	25%

Changing service provider

- 66% have changed fixed voice service provider since 2001, an increase of 6% over the 2001 survey

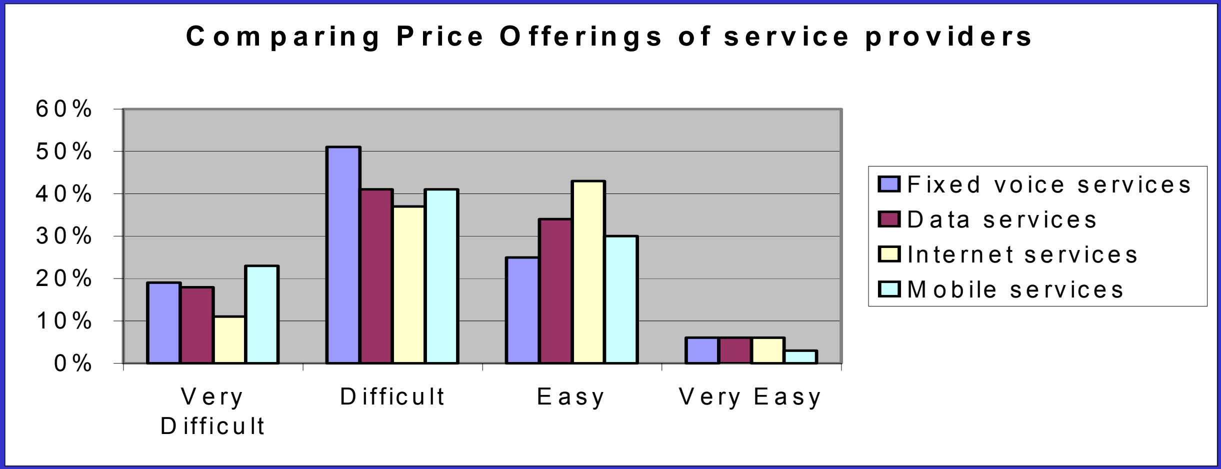
% difficulty in transitioning	
Leased lines	24%
Data services	27%
Internet provider	29%
Fixed voice	17%
Mobile	21%

Service Level Agreements

- Respondents were asked if they had Service Level Agreements with their service providers of fixed voice, mobile, data and Internet communications.

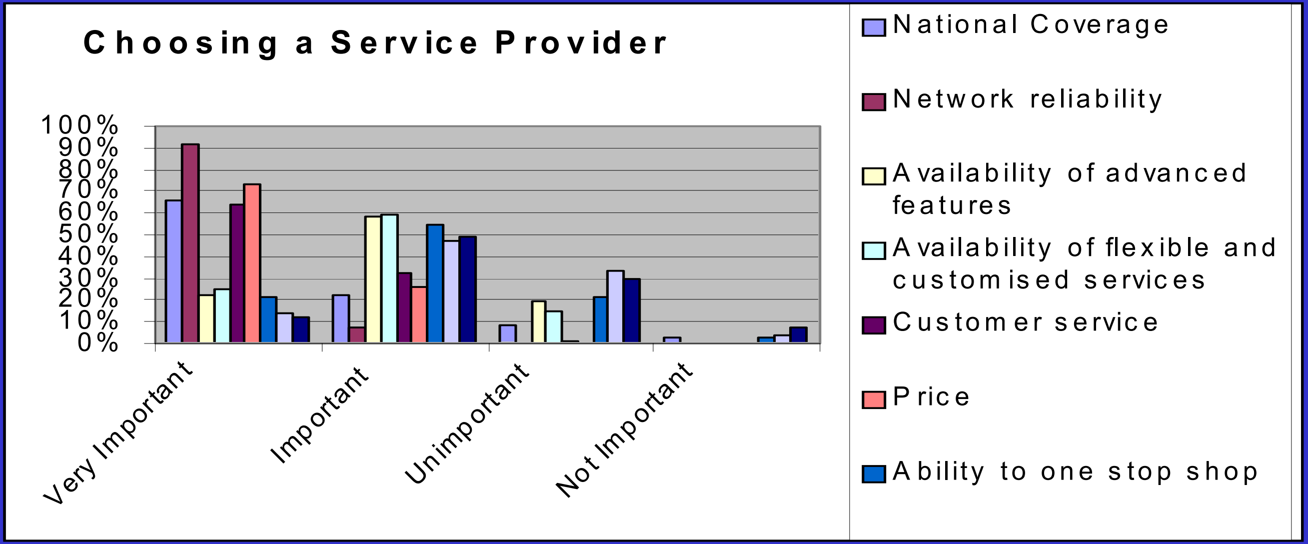
No SLA in place	
Data	59%
Fixed voice	51%
Internet provider	58%
Mobile	70%

Comparison of price offerings



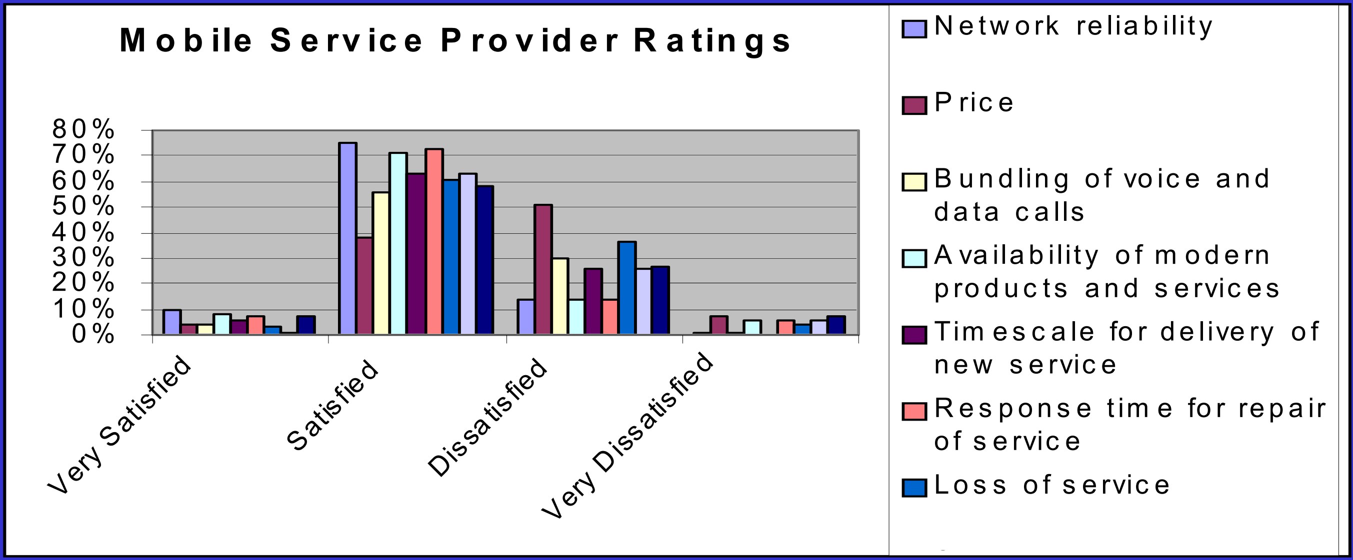
- Difficulties facing business when comparing complex tariff structures
- Tariff structures perceived to contain ‘hidden’ charges
- Savings difficult to achieve in practice

Factors in selecting an alternative provider



- Service providers, particularly the Alternatives need to prove their network is capable of delivering the services where required at a reliable level.
- Customer Service (96%), National coverage (88%), Availability of flexible and customised services (84%) were rated as more important than Price (72%).

Mobile Services



- Overall respondents were positive in terms of satisfaction levels with their current mobile service provider
- Mobile service provided faired very well in satisfaction ratings in comparison with other operators

Mobile Services - Issues

- 82% of respondents said that they experienced failed network problems in non urban areas (75% in 2001)
- There has been an improvement in coverage in urban areas; 58% said that they experienced these problems in urban areas compared to 66% in 2001.
- 43% of respondents have incurred roaming charges whilst in the Republic
- 82% of respondents consider international roaming either expensive or very expensive

Fixed Voice Services

% dissatisfaction	
Price	50%
Time to deliver new technologies	40%
Complaint handling and redress	30%
Customer Service	32%
Response time for repair of service	23%

- The lack of progress in terms of telecom provision to business users is highlighted by the fact that these finding almost replicate those in the 2001 survey.

Data Services

% dissatisfaction	
Price	56%
Complaint handling and redress	33%
Loss of service	30%
Time to deliver new services	43%

- Data Communications Services network reliability was highly rated with 90% of respondents maintaining that they were either satisfied or very satisfied (10% increase over 2001)
- Other factors represent a decrease since 2001

Broadband access services

- 54% of respondents located outside Dublin said that they did not understand the terms broadband (69% in Dublin)
- 54% of respondents <u>outside</u> Dublin maintained that they did not have access to broadband services
- 31% of companies <u>in</u> Dublin said that they did have access to these services
- 80% of businesses said that these services are not competitively priced.

Recommendations

- Government needs to adopt the role of evangelist to preach the broadband gospel
- In areas where demand will never be sufficient to encourage service providers to enter the market, investment in infrastructure needs to be subsidised by Government
- Need for transparency in telecommunications pricing