SME Telecommunications Services Study 2002

Report Prepared For:

Office of the Director of Telecommunications Regulation

By:

MRBI

November, 2002

MRBI/622702

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Introduction

- A telecommunications survey is conducted annually, on behalf of the Office of the Director of Telecommunications Regulation (ODTR), amongst a nationally representative sample of small and medium sized companies (SME's) in the Republic of Ireland.

- The survey measures SME sector usage and attitude trends in the areas of fixed telephone services, mobile telephone services and the Internet.

- This summary report reviews the findings of the 2002 survey, conducted by MRBI.

- 305 CATI (Computer Assisted Telephone) interviews were conducted with the person responsible in SME's for telecommunications decision making, between 23rd October – 11th November, 2002. The sample size was increased in this latest survey (from 200 companies previously interviewed), in order to increase the robustness of the data.

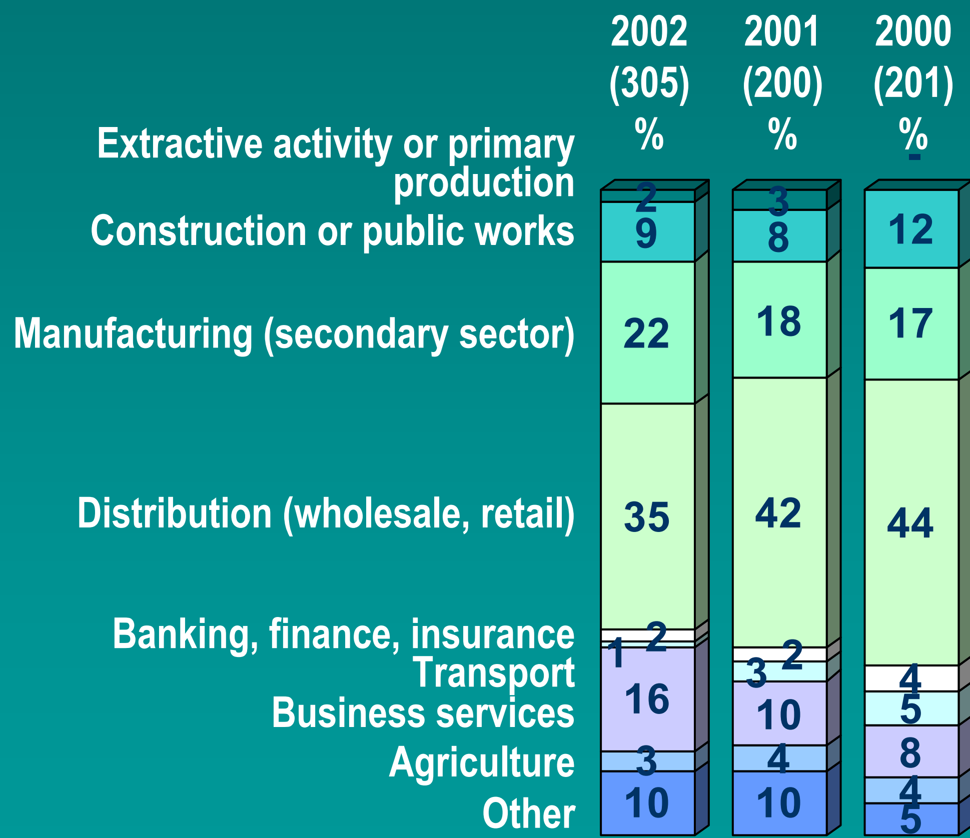
- Quotas were set on company size/number of employees.

Charted Findings

Company Profile - I
(Base: All Respondents)

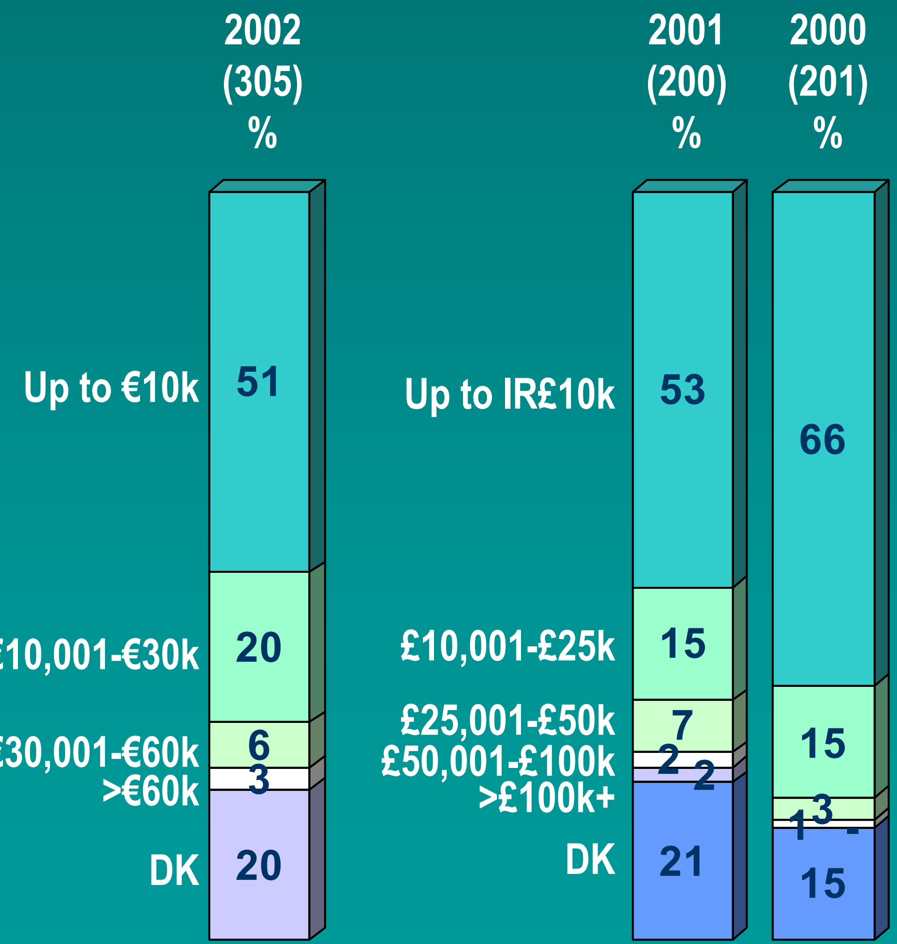
NO. OF EMPLOYEES IN IRELAND

INDUSTRY SECTOR

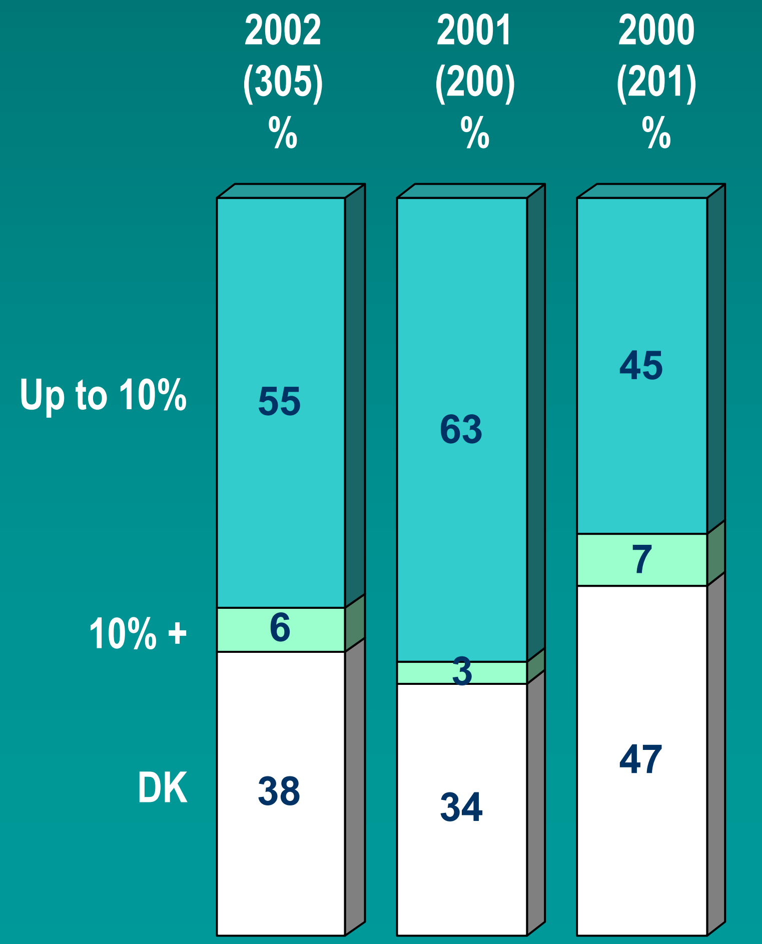


Company Profile – II
(Base: All Respondents)

AMOUNT SPENT ON TELECOMMUNICATIONS

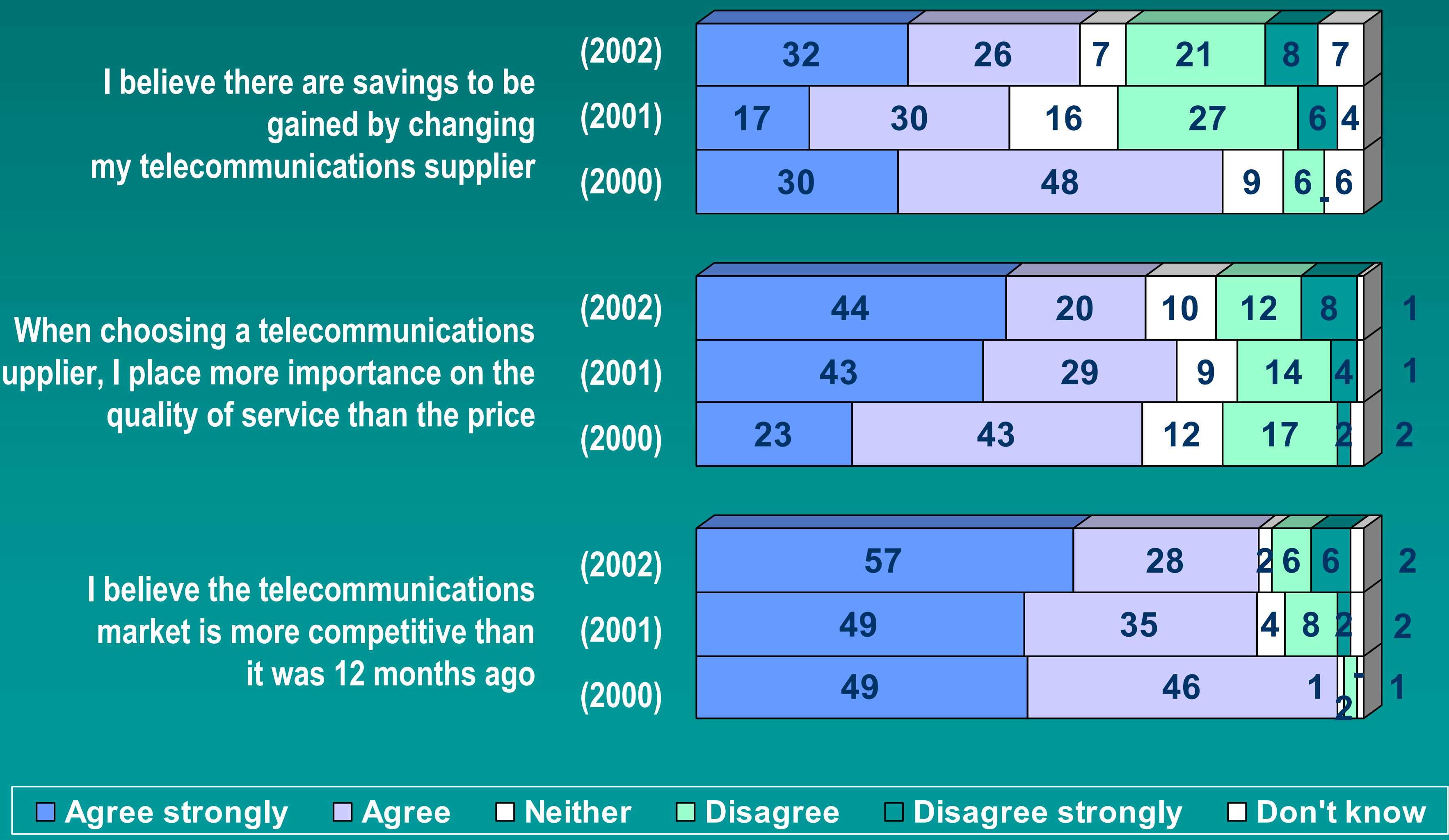


PROPORTION OF COMPANY'S TOTAL COSTS



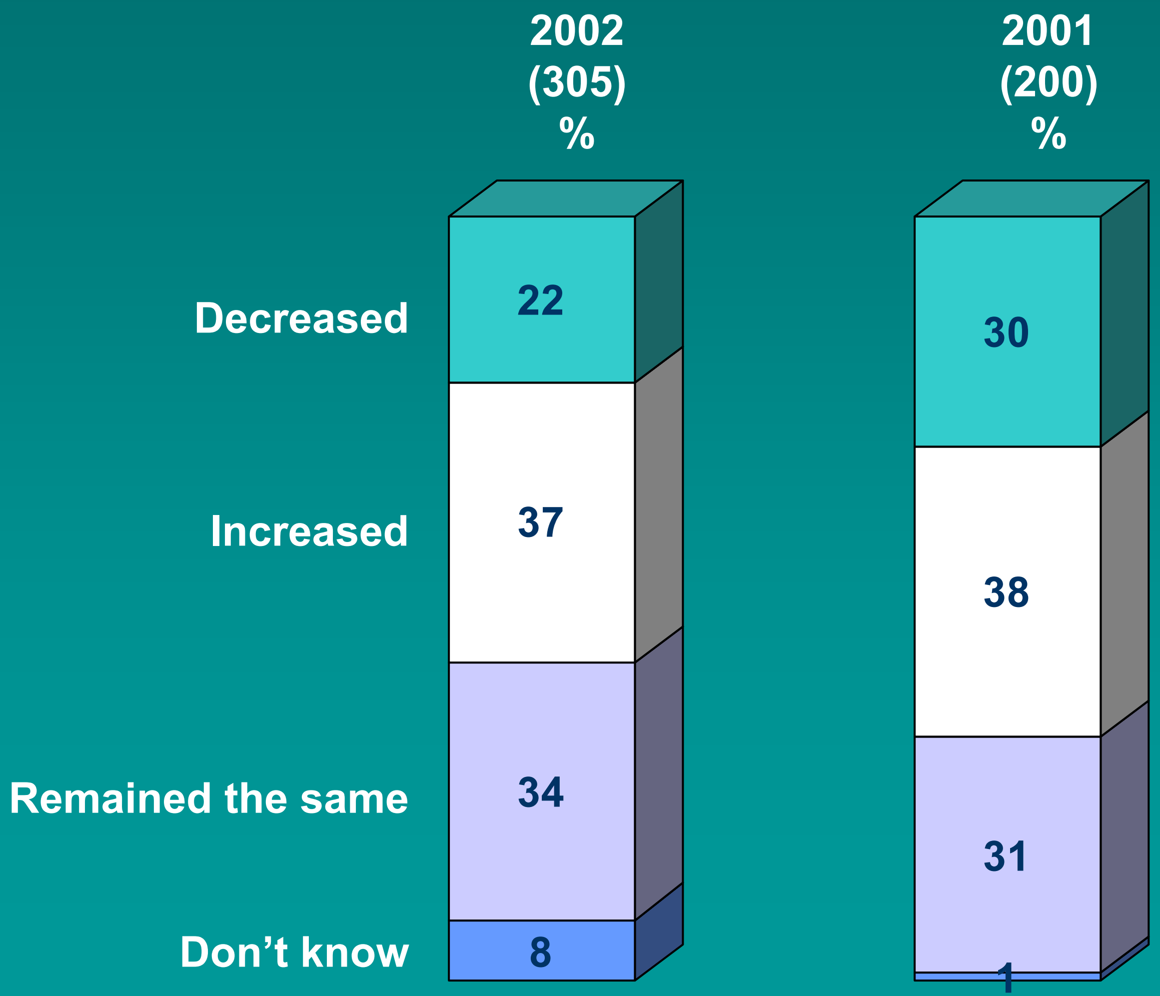
General Attitudes To Telecommunications

(Base: All Respondents; 2002 (305); 2001 (200); 2000 (201))

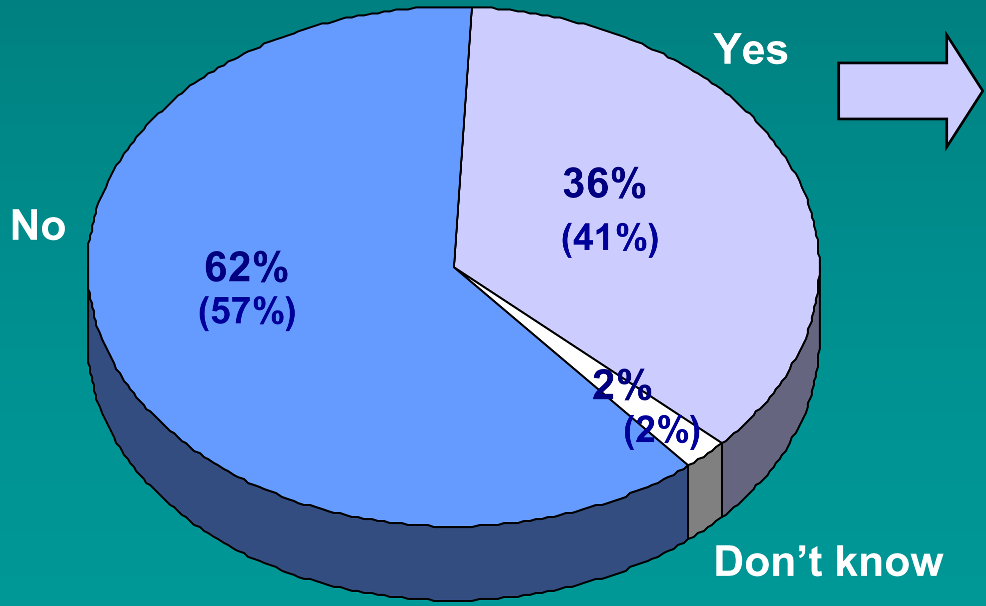


Telecommunication Costs In The Past Year

(Base: All Respondents)



Whether Intend To Invest More Or Less In Telecommunications Or E-Commerce In Coming 12 Months
(Base: All Respondents: 305)



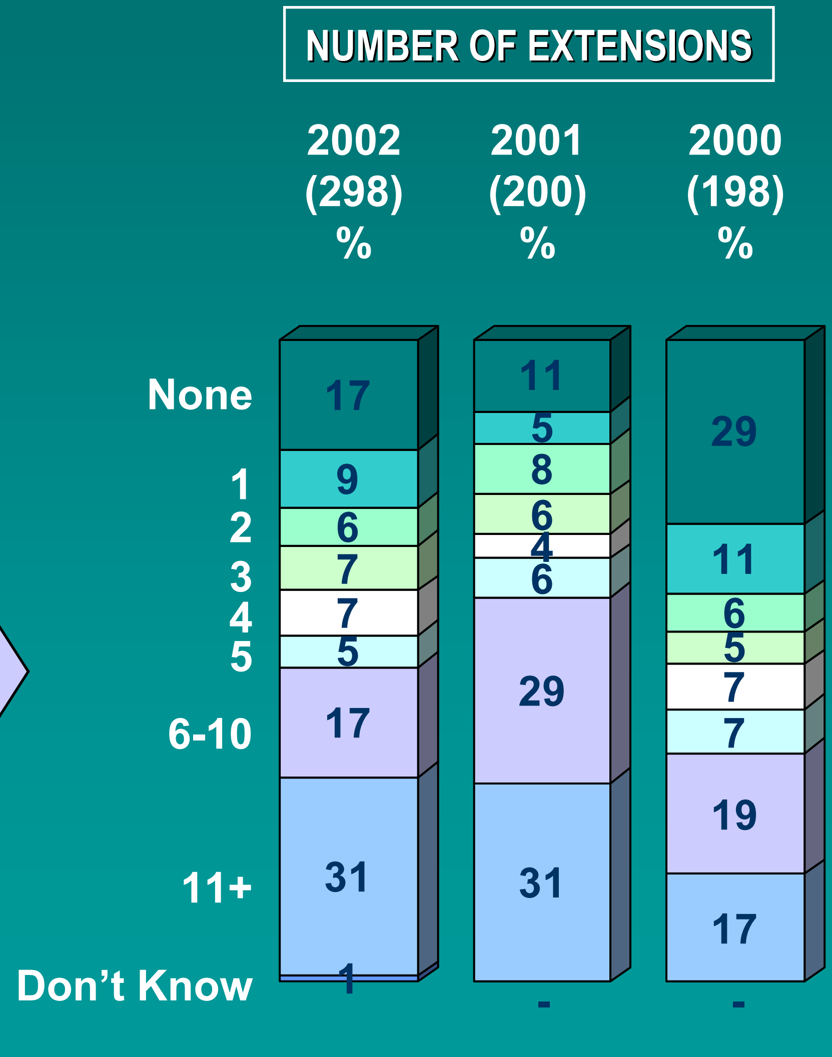
SERVICES LIKELY TO INVEST IN

Base:	(109) %	(2001 = 83)
Internet/web development	70	(82)
More computers/hardware	61	(5)
New phones system/ upgrading existing system	47	(6)
Mobile telephony	37	(57)
Fixed ISDN telephone line	35	(48)
Leased line(s)	22	(18)
DSL (Digital Subscriber Line)	18	(20)
Other	2	(2)
Don’t know	4	(2)

Use Of Telecommunication Devices Or Services

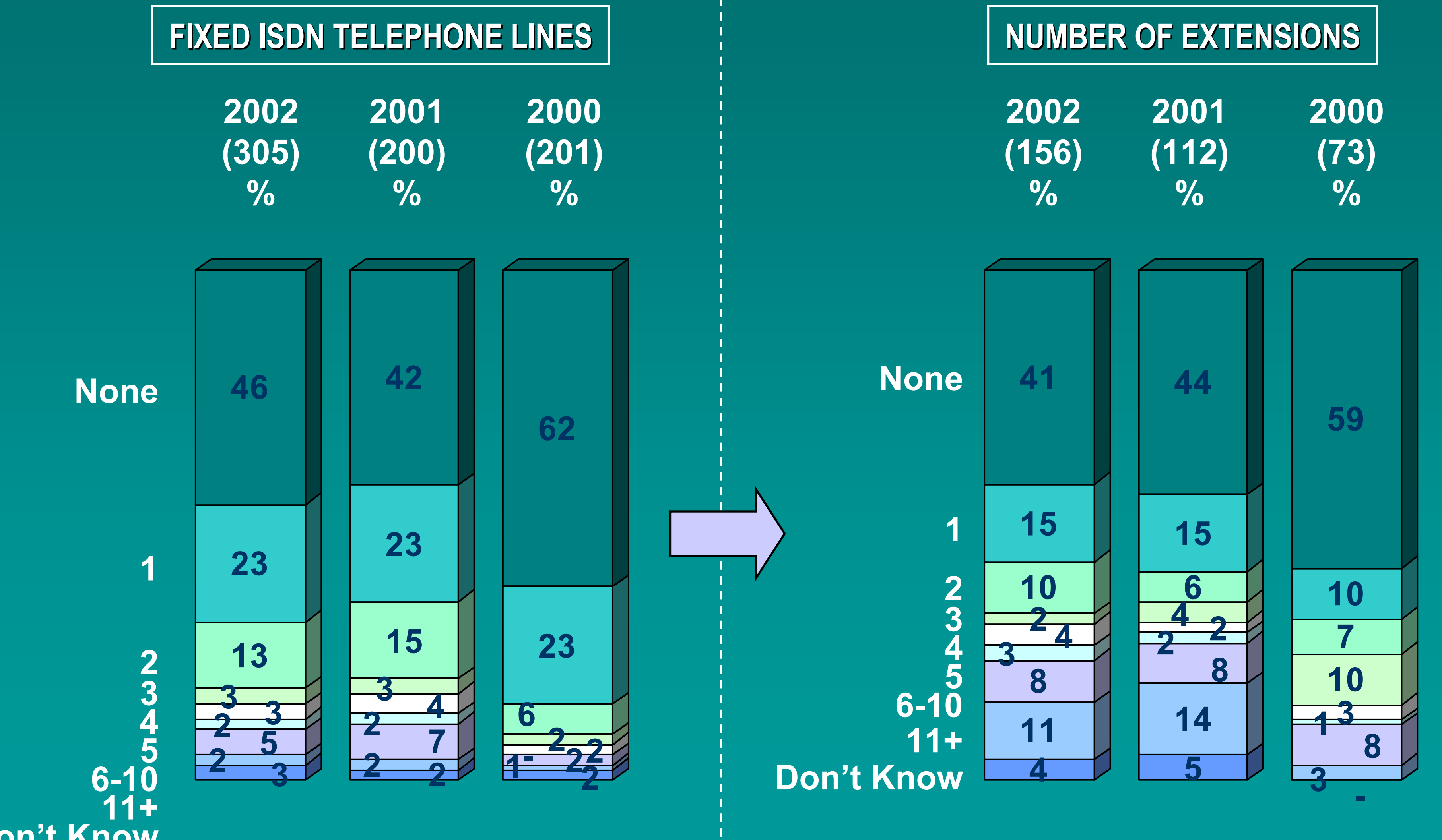
Number Of Telecommunication Devices Or Services Owned – Fixed Traditional

(Base: All Respondents)

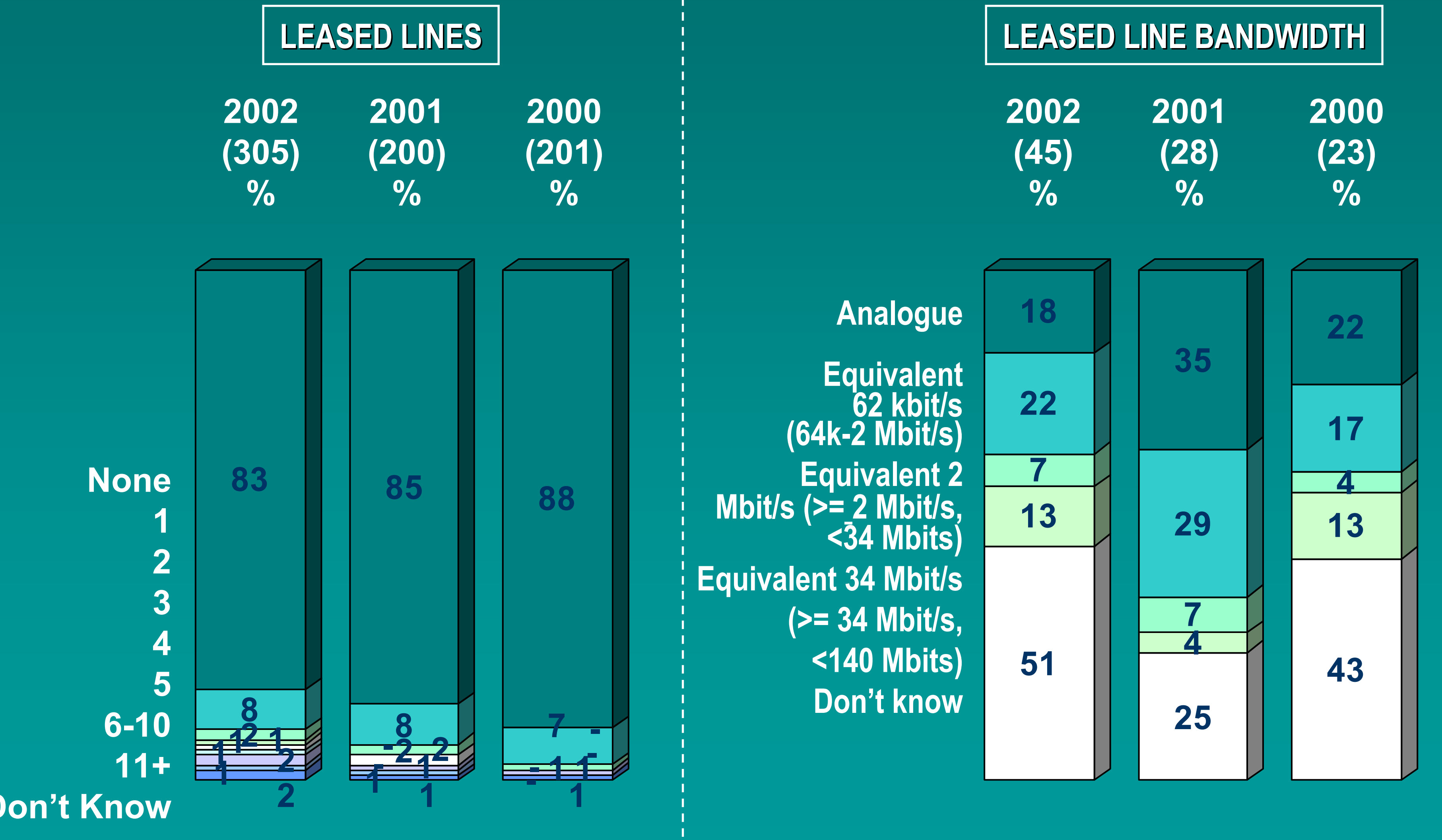


Number Of Telecommunication Devices Or Services Owned – Fixed ISDN

(Base: All Respondents)

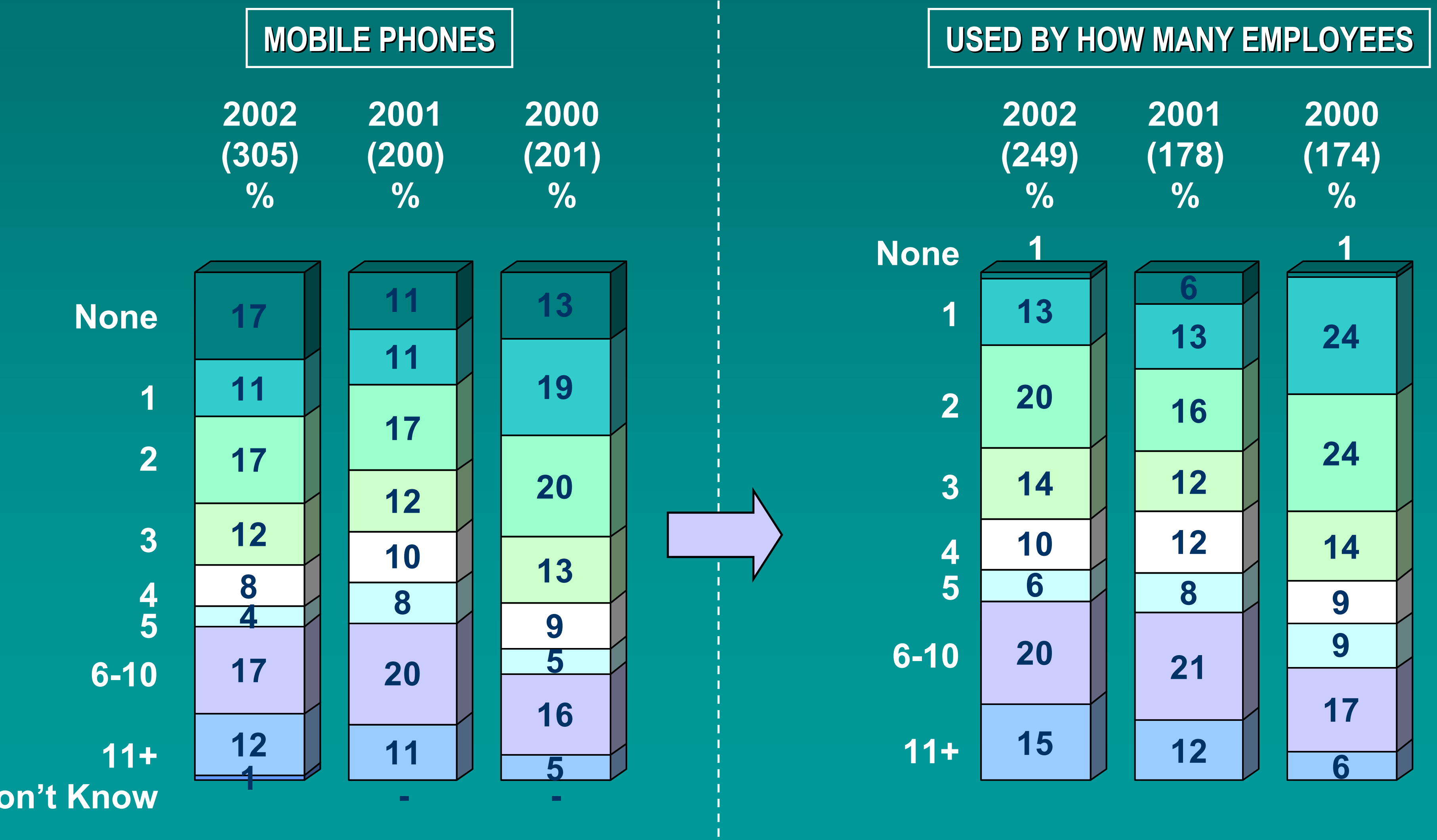


Number Of Telecommunication Devices Or Services Owned – Leased Lines
(Base: All Respondents)

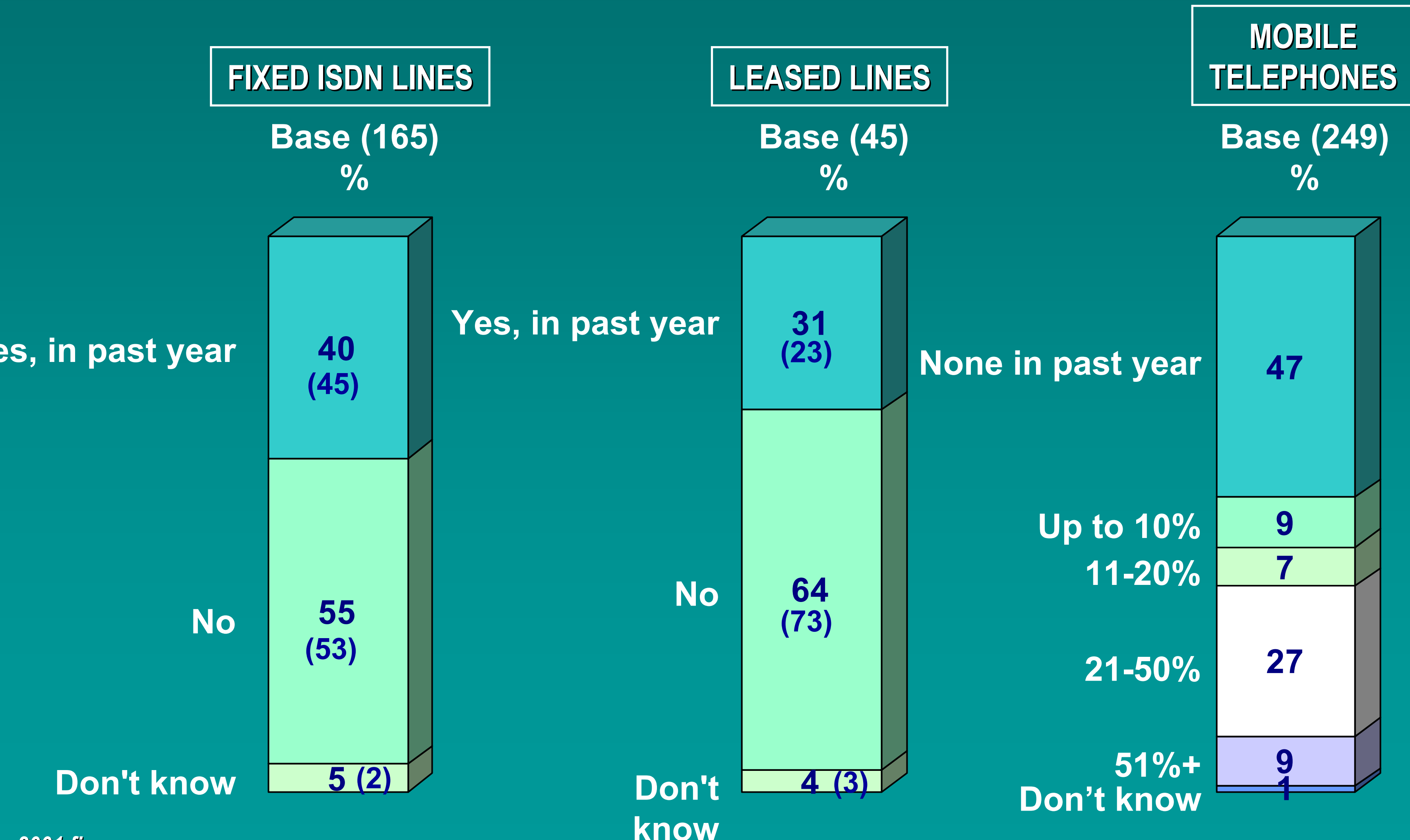


Number Of Telecommunication Devices Or Services Owned – Mobiles

(Base: All Respondents)



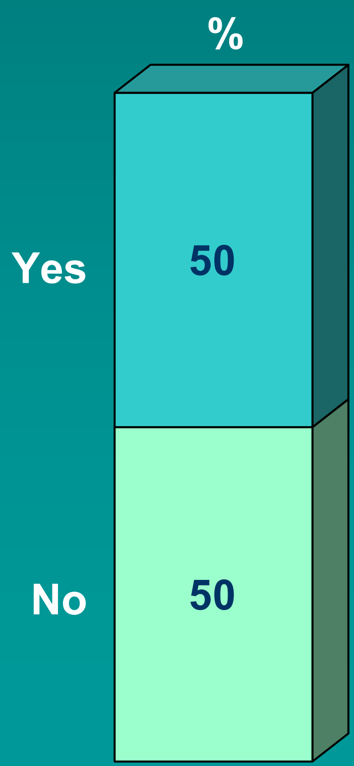
Installation/Purchase Of Telecommunication Devices Or Services In The Past 12 Months



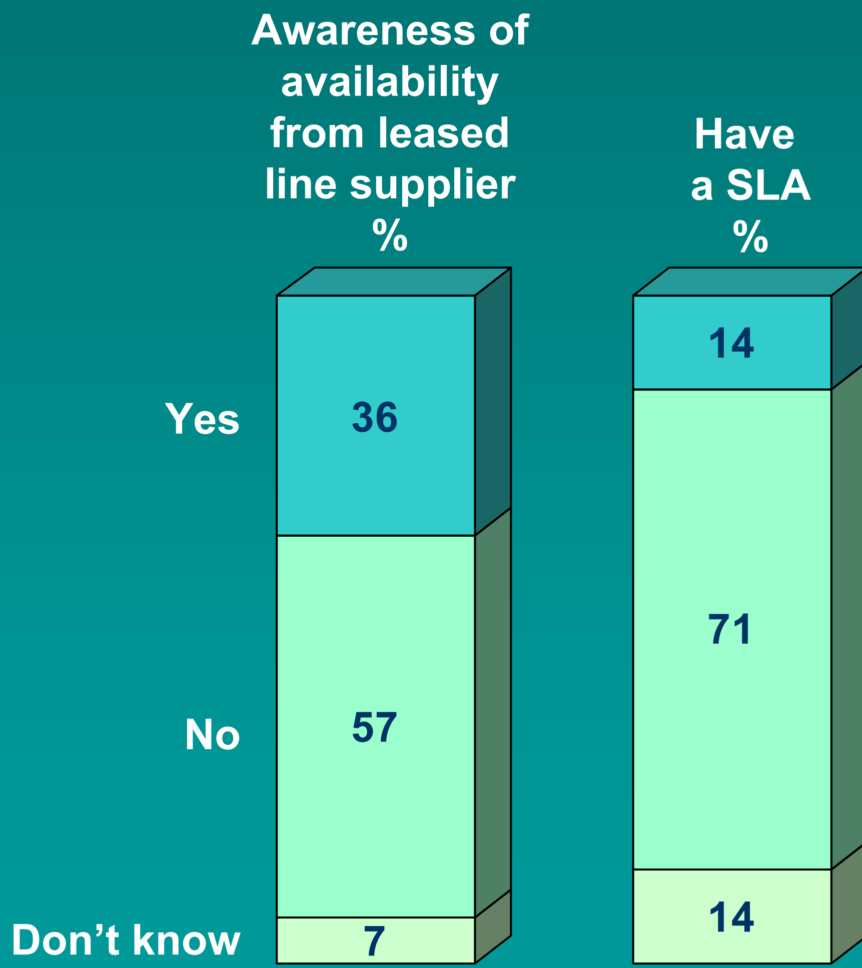
Leased Lines

(Base: Companies Where Installed In Past 12 Months: 14)*

DIFFICULTIES EXPERIENCED WITH DELIVERY

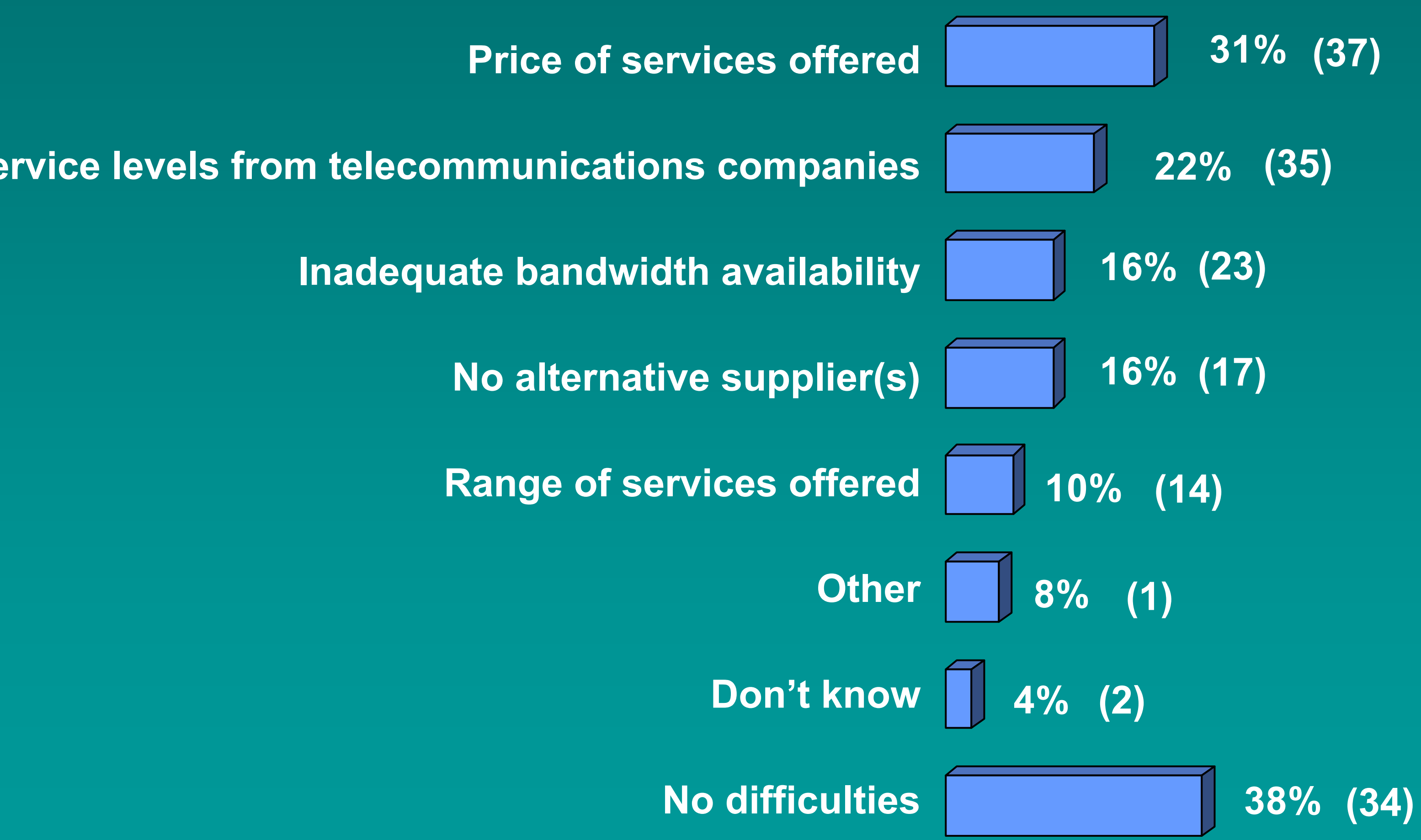


SERVICE LEVEL AGREEMENT (SLA)



Difficulties With Services To Points Of Operation

(Base: All Respondents: 305)



Suppliers Used & Switching Behaviour

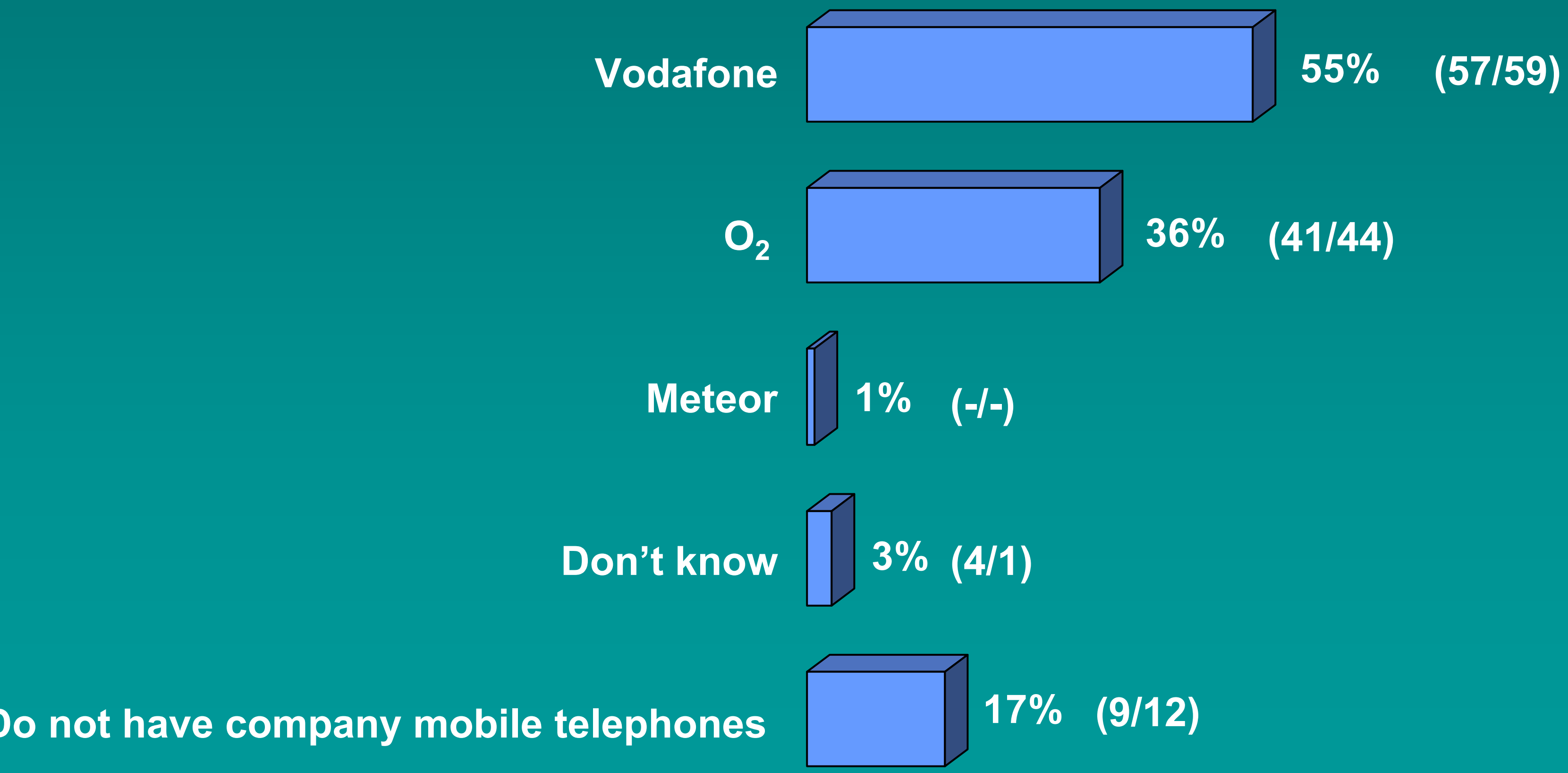
Suppliers Used For Different Call Types

(Base: All Respondents: 305)

	Local Landline Telephone Calls	National Landline Telephone Calls	International Landline Telephone Calls	Leased Lines	Fixed ISDN Telephone Lines
	%	%	%	%	%
Eircom	80	80	80	10	41
Other Operators	20	20	20	3	6
Not applicable	-	-	-	87	50

Company's Supplier For Mobile Telephone Calls

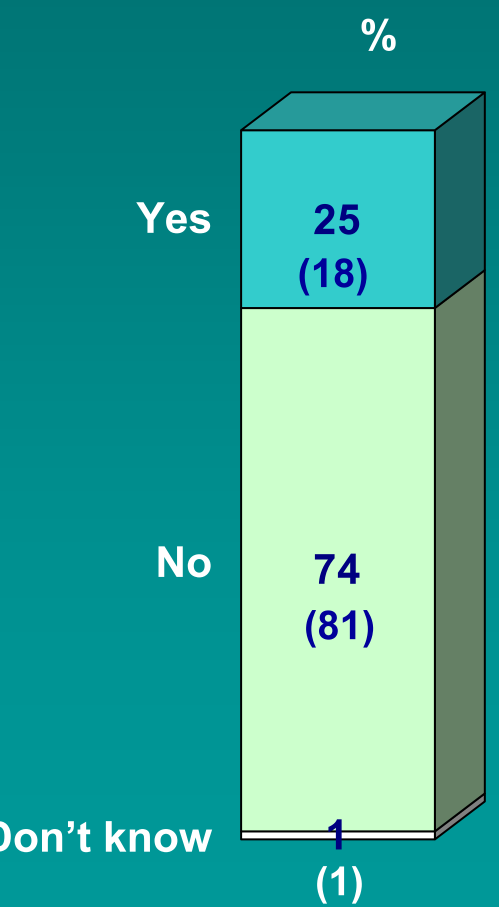
(Base: All Respondents: 305)



001/2002) figures

Switched Supplier For Local Landline Telephone Calls In Past 12 Months

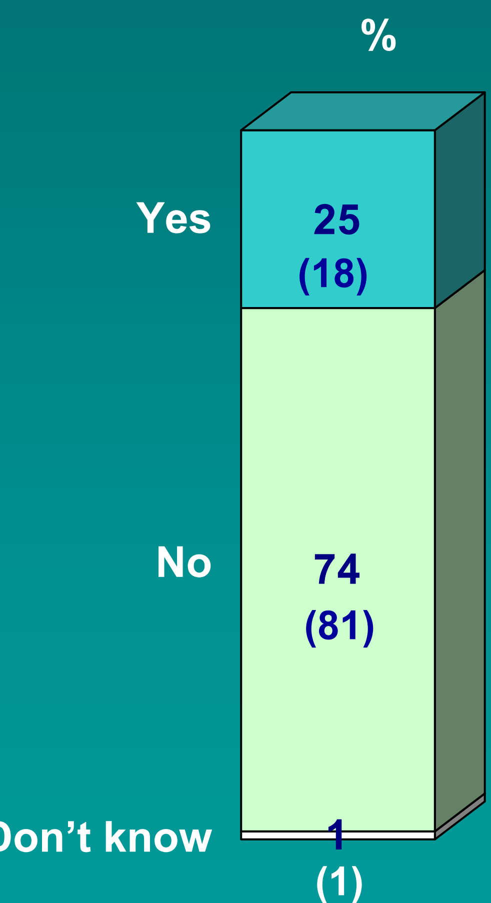
(Base: All Respondents: 305)



MAIN REASON(S) FOR SWITCHING	
Base:	76
	%
Cheaper/cost savings	71
Poor service – sought better service	28
Dislike previous supplier	11
Other	12
Don't know	9

DIFFICULTIES ENCOUNTERED	
Base:	76
	%
None	61
Service levels were poor/inadequate	9
Cost/rates not cheaper	8
Other	3
Don't know	22

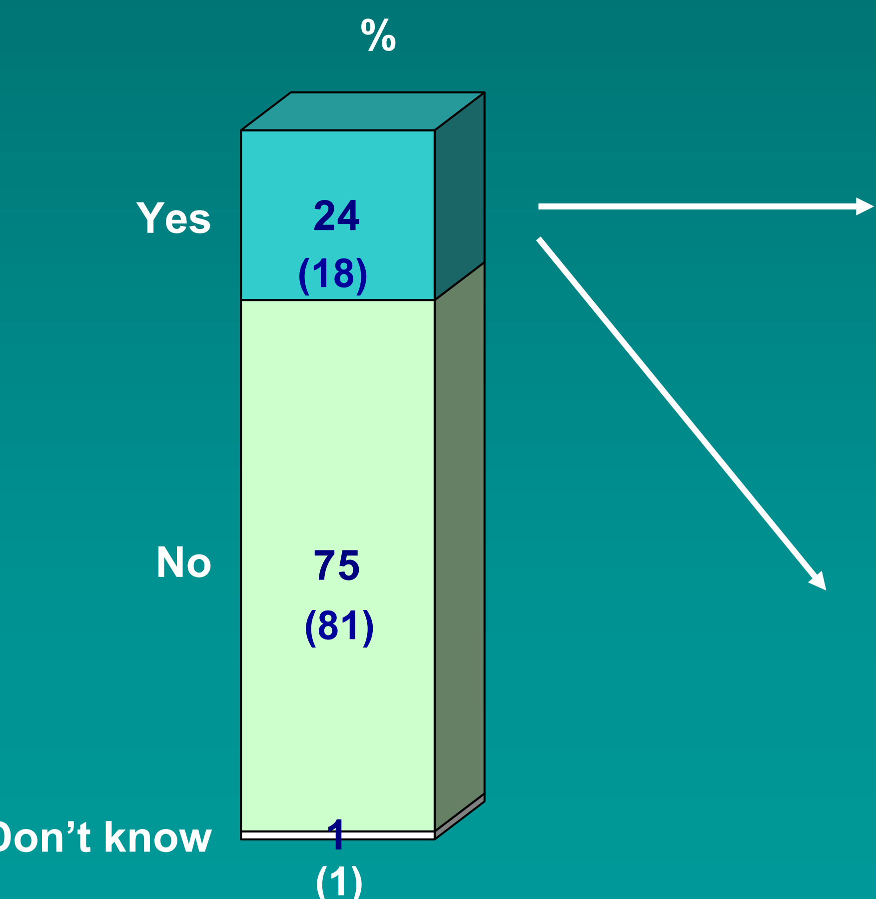
Switched Supplier For Local Landline Telephone Calls In Past 12 Months (cont'd)
(Base: All Respondents: 305)



REASON(S) WHY NOT CONSIDERED CHANGING SUPPLIER	
Base:	227
	%
Satisfied with current supplier/level of service	42
Believe getting the best value for money with current supplier	11
Deals not worth it	11
Too busy – haven't got round to it	7
No alternative carrier has approached	4
eircom shareholder – loyal to eircom	4
Currently changing/considering changing	4
Lazy – couldn't be bothered	3
Unwilling to risk change/uncertain	1
Not aware of options open	1
Business too small/low usage	1
Too awkward to change	1
Decisions made at head office	1
Other	4
Don't know	12

Switched Supplier For National LandlineTelephone Calls In Past 12 Months

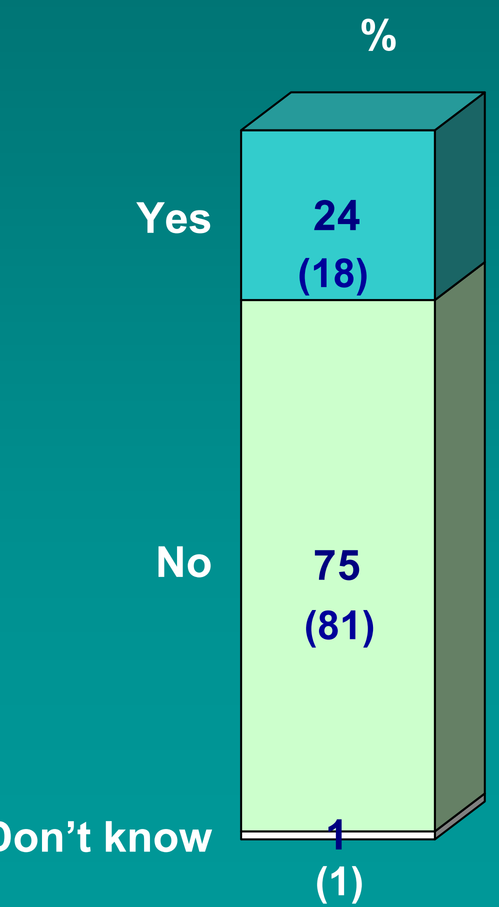
(Base: All Respondents: 305)



MAIN REASON(S) FOR SWITCHING	
Base:	73
	%
Cheaper/cost savings	59
Poor service – sought better service	25
Dislike previous supplier	1
Other	16
Don’t know	15

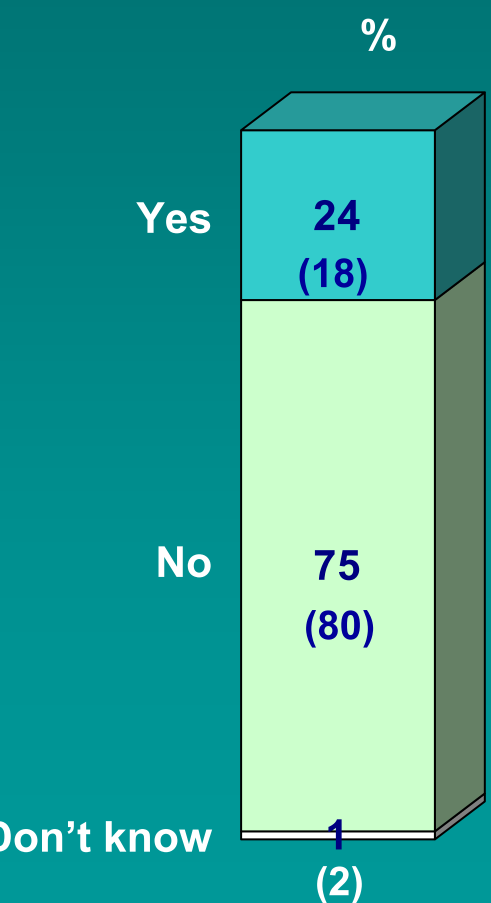
DIFFICULTIES ENCOUNTERED	
Base:	73
	%
None	70
Service levels were poor/inadequate	10
Cost/rates not cheaper	4
Other	1
Don’t know	16

Switched Supplier For National Landline Telephone Calls In Past 12 Months (cont'd)
(Base: All Respondents: 305)



REASON(S) WHY NOT CONSIDERED CHANGING SUPPLIER	
Base:	230
	%
Satisfied with current supplier/level of service	31
Believe getting the best value for money with current supplier	14
Too busy – haven't gotten round to it	5
No alternative carrier has approached	4
Currently changing/considering changing	4
Deals not worth it	4
eircom shareholder – loyal to eircom	3
Lazy – couldn't be bothered	3
Too awkward to change	2
Business too small/low usage	1
Unwilling to risk change/uncertain	1
Lack of information	1
Decisions made at head office	1
Other	6
Don't know	29

Switched Supplier For International LandlineTelephone Calls In Past 12 Months
(Base: All Respondents: 305)

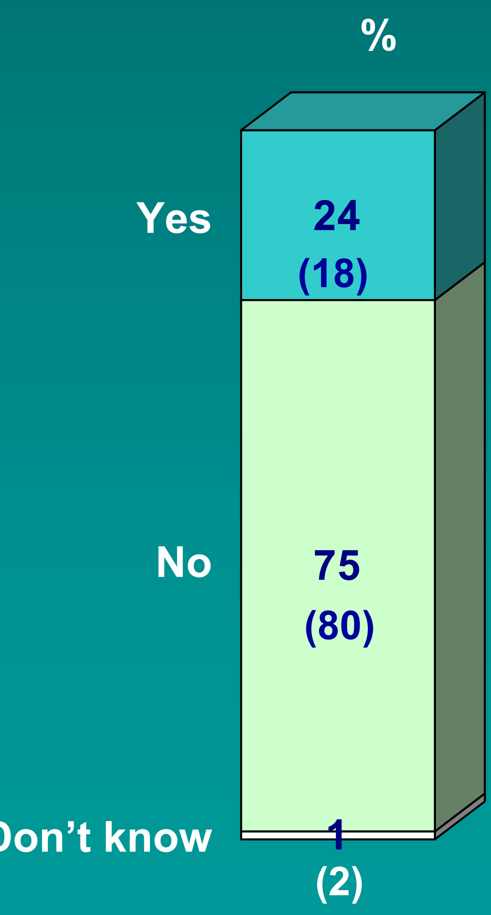


MAIN REASON(S) FOR SWITCHING	
Base:	73
	%
Price – cost reduction	56
Poor service – sought better service	23
Dislike previous supplier	5
Other	18
Don't know	12

DIFFICULTIES ENCOUNTERED	
Base:	73
	%
None	60
Service levels were poor/inadequate	7
Cost/rates not cheaper	4
Other	11
Don't know	21

Switched Supplier For International Landline Telephone Calls In Past 12 Months (cont'd)

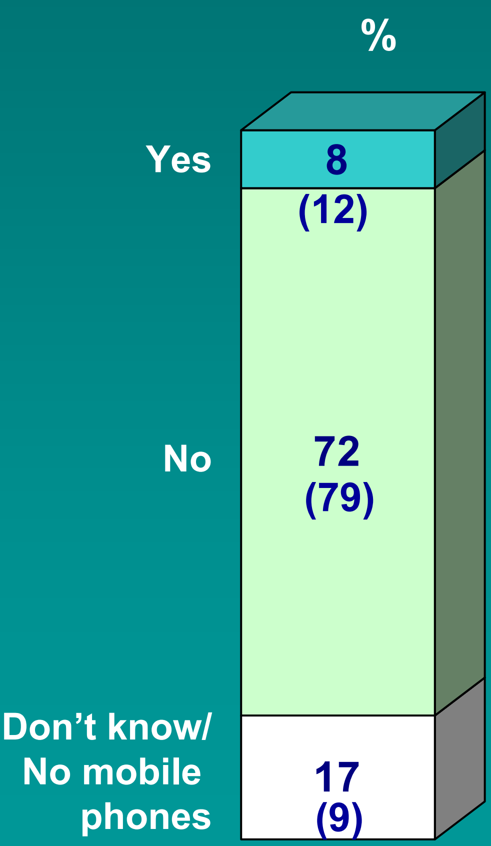
(Base: All Respondents: 305)



REASON(S) WHY NOT CONSIDERED CHANGING SUPPLIER	
Base:	228
	%
Satisfied with current supplier/level of service	27
Believe getting the best value for money with current supplier	13
Deals not worth it	6
Too busy – haven't gotten round to it	5
eircom shareholder – loyal to eircom	5
Currently changing/considering changing	4
Too awkward to change	4
No alternative carrier has approached	3
Lazy – couldn't be bothered	1
Unwilling to risk change/uncertain	1
Lack of information	1
Business too small/low usage	1
Decisions made at head office	1
Other	7
Don't know	31

Switched Supplier For Mobile Calls In Past 12 Months

(Base: All Respondents: 305)

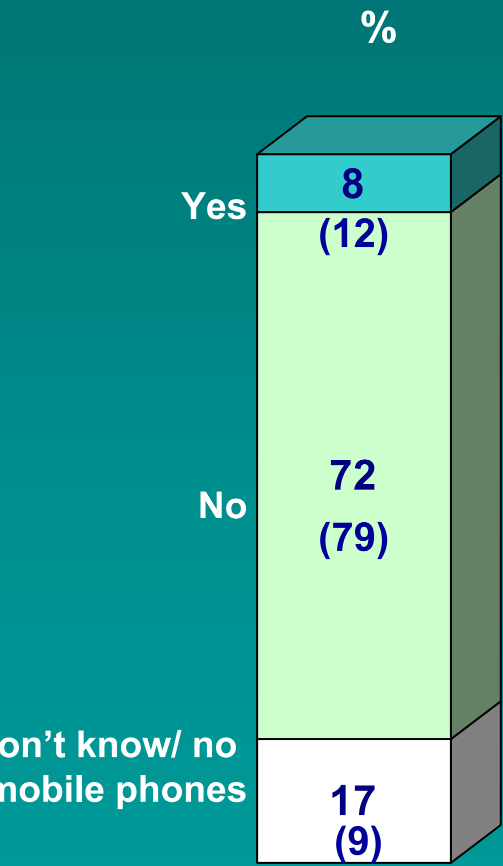


MAIN REASON(S) FOR SWITCHING	
Base:	23
	%
Cheaper/cost savings	26
Poor service – sought better service	22
Price – cost reduction	4
Other	26
Don't know	22

DIFFICULTIES ENCOUNTERED	
Base:	23
	%
None	70
Service levels were poor/inadequate	13
Don't know	17

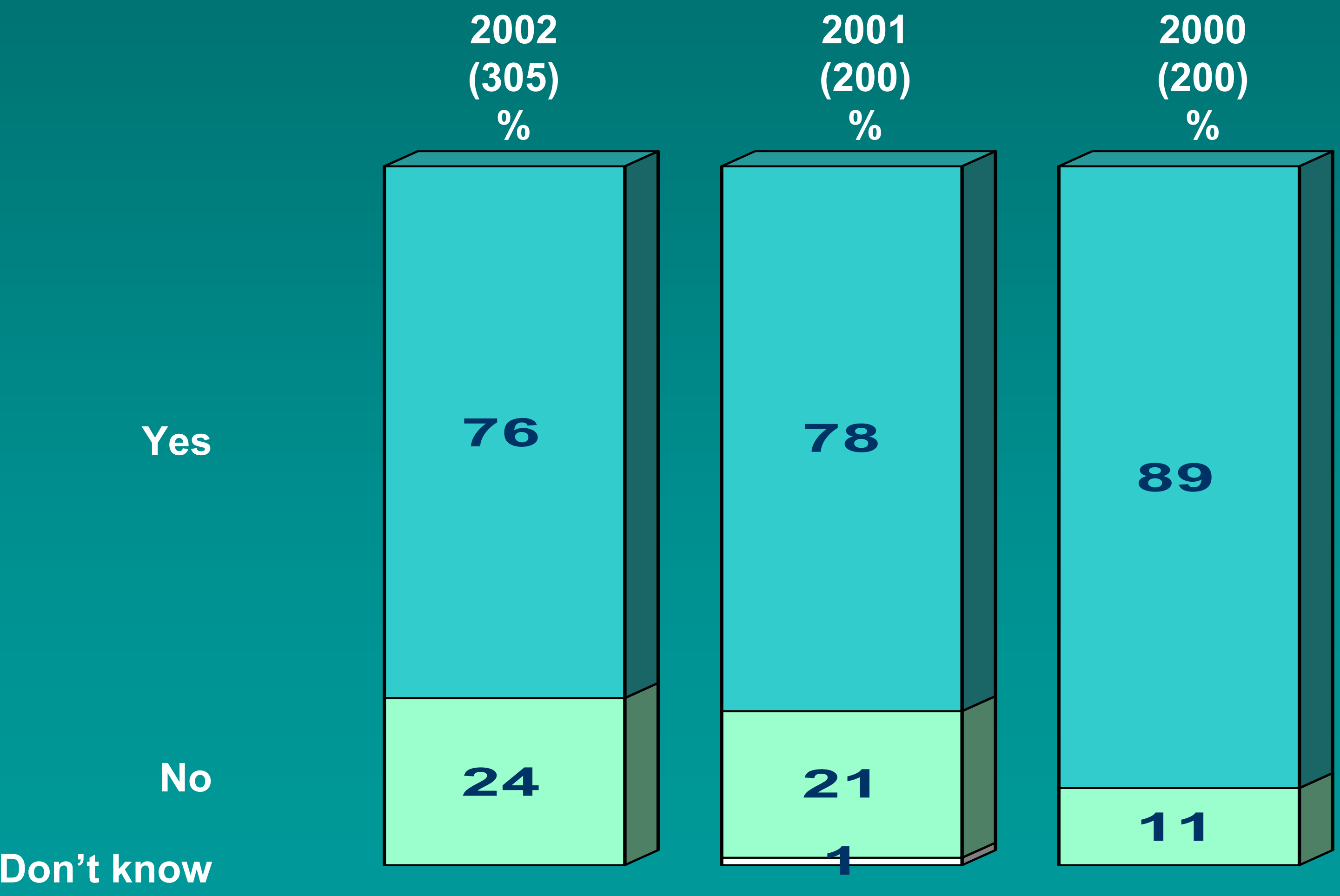
Switched Supplier For Mobile Calls In Past 12 Months - Cont'd

(Base: All Respondents: 305)

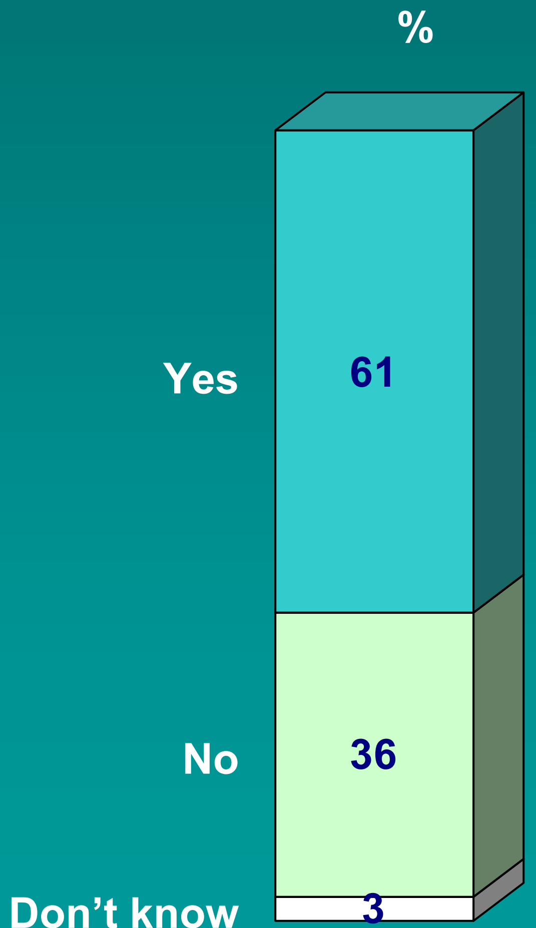


REASON(S) WHY NOT CONSIDERED CHANGING SUPPLIER	
Base:	232
	%
Satisfied with current supplier/level of service	43
None	9
Believe getting the best value for money with current supplier	9
No alternative carrier has approached	6
Too awkward to change	5
Currently changing/considering changing	4
Too busy – haven't got round to it	3
Deals not worth it	3
Other	7
Don't know	18

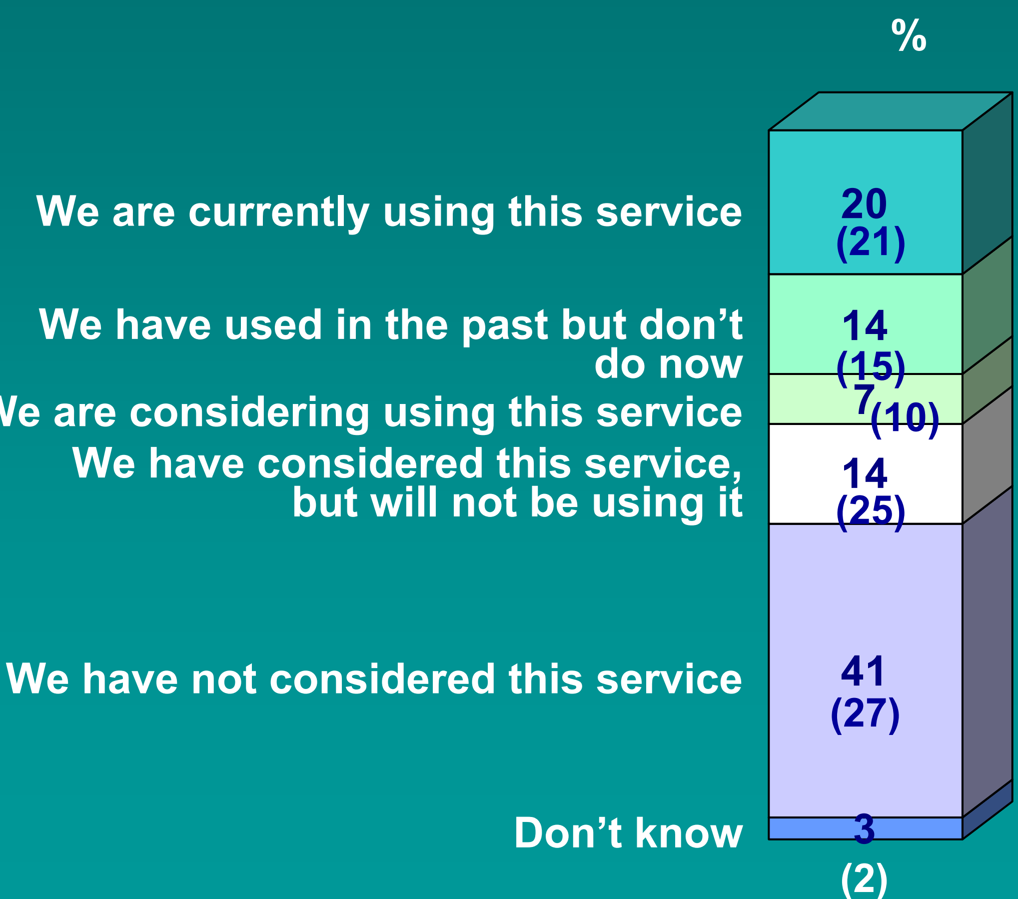
Awareness Of Carrier Pre-Selection
(Base: All Respondents)



Whether Approached By A Supplier Other Than Eircom To Switch Part/All Of Fixed Line Call Business In The Past Year
(Base: All Respondents: 305)



Use Of Carrier Pre-Selection
(Base: All Respondents: 305)



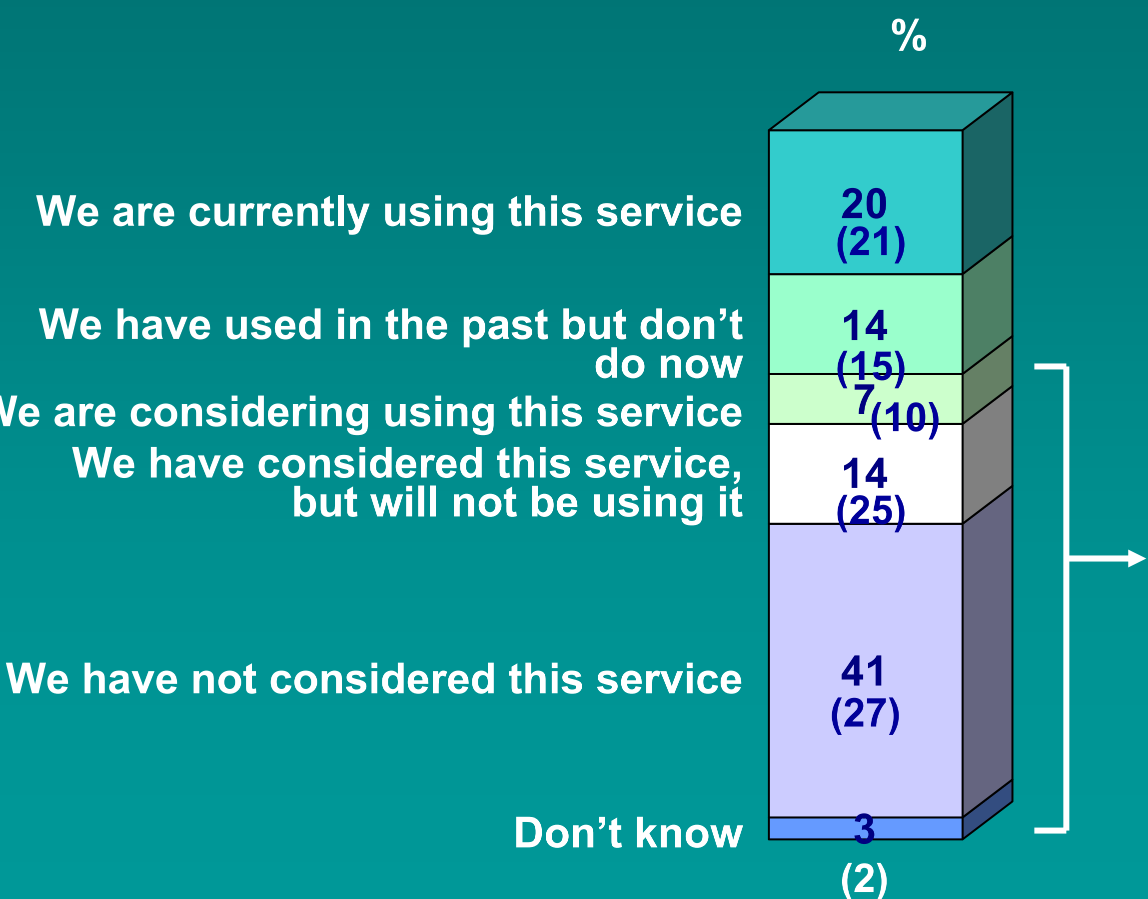
APPROACHED TO GO BACK TO EIRCOM	
Base:	6
	%
Yes	5
No	3
Don't know	5

REASON(S) FOR NO LONGER USING	
Base:	4
	%
Eircom came back to us with a cheaper rate/better deal	2
Price – no difference	2
Service was poor/unreliable	1
Better to have one supplier	5
Other	2
Don't know	9

2001 figures

Use Of Carrier Pre-Selection (Cont'd)

(Base: All Aware Of Service: 305)

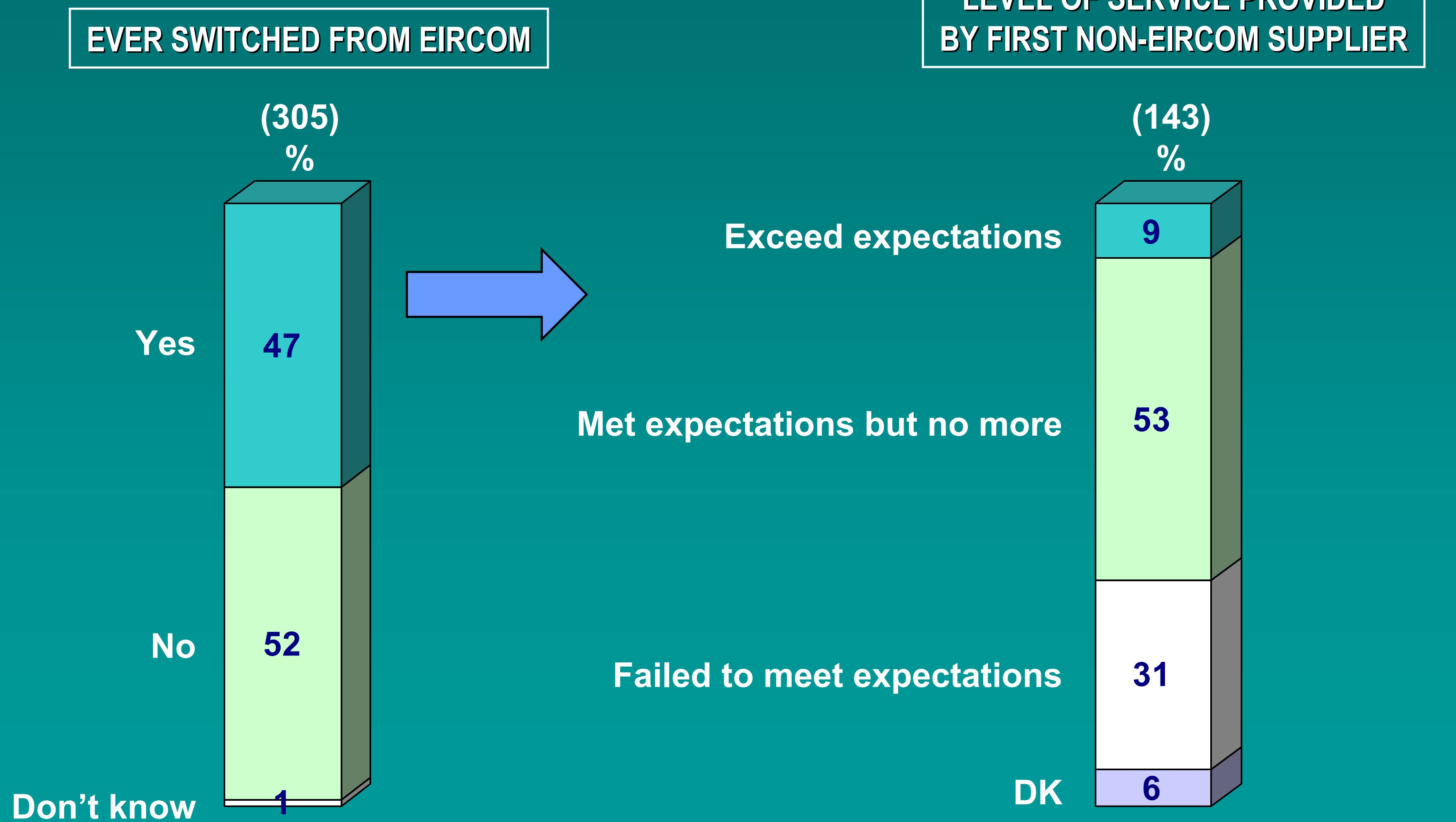


REASON(S) FOR NOT CURRENTLY USING	
Base:	19
	%
Not aware	26
Happy with current suppliers	16
Usage bills not that high	7
Have considered – decide to stay as we are	6
Changeover too much hassle	3
Considering at present	3
Risk of unknown/bad experience	2
No particular reason	13
Other	8
Don't know	18

= 2001 figures

Switching Of Any Part Of Fixed Line Telephone Call Business - I

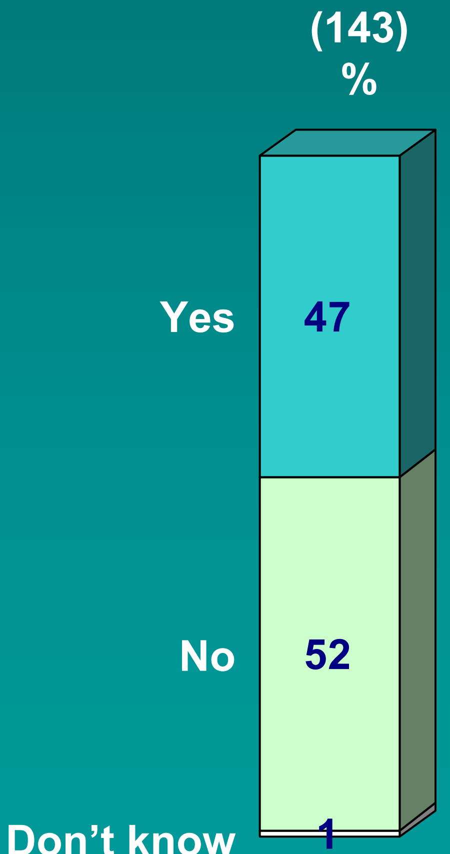
(Base: All Respondents)



Switching Of Any Part Of Fixed Line Telephone Call Business – II

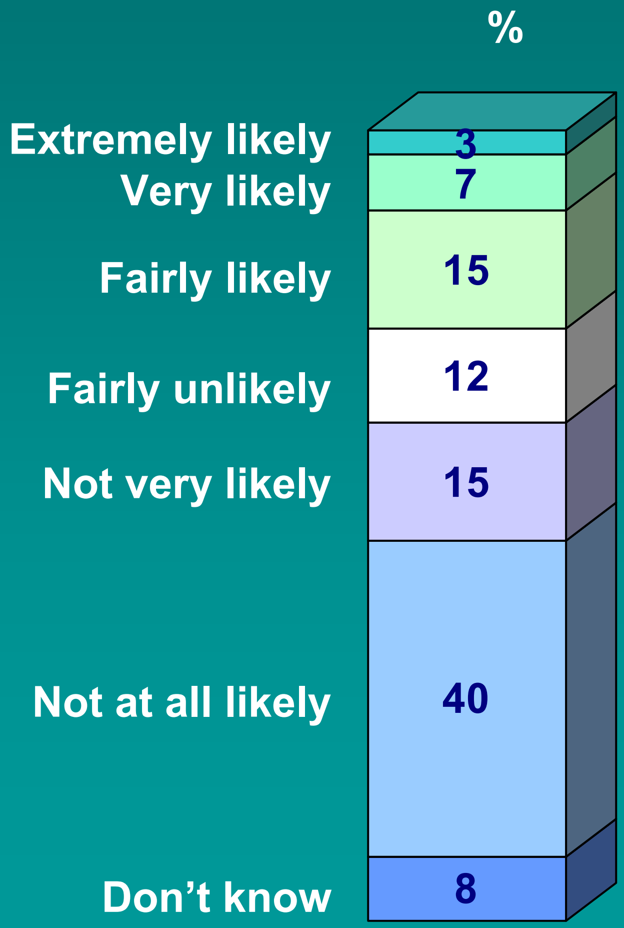
(Base: All Switching Away From Eircom)

EVER SWITCHED BACK TO EIRCOM



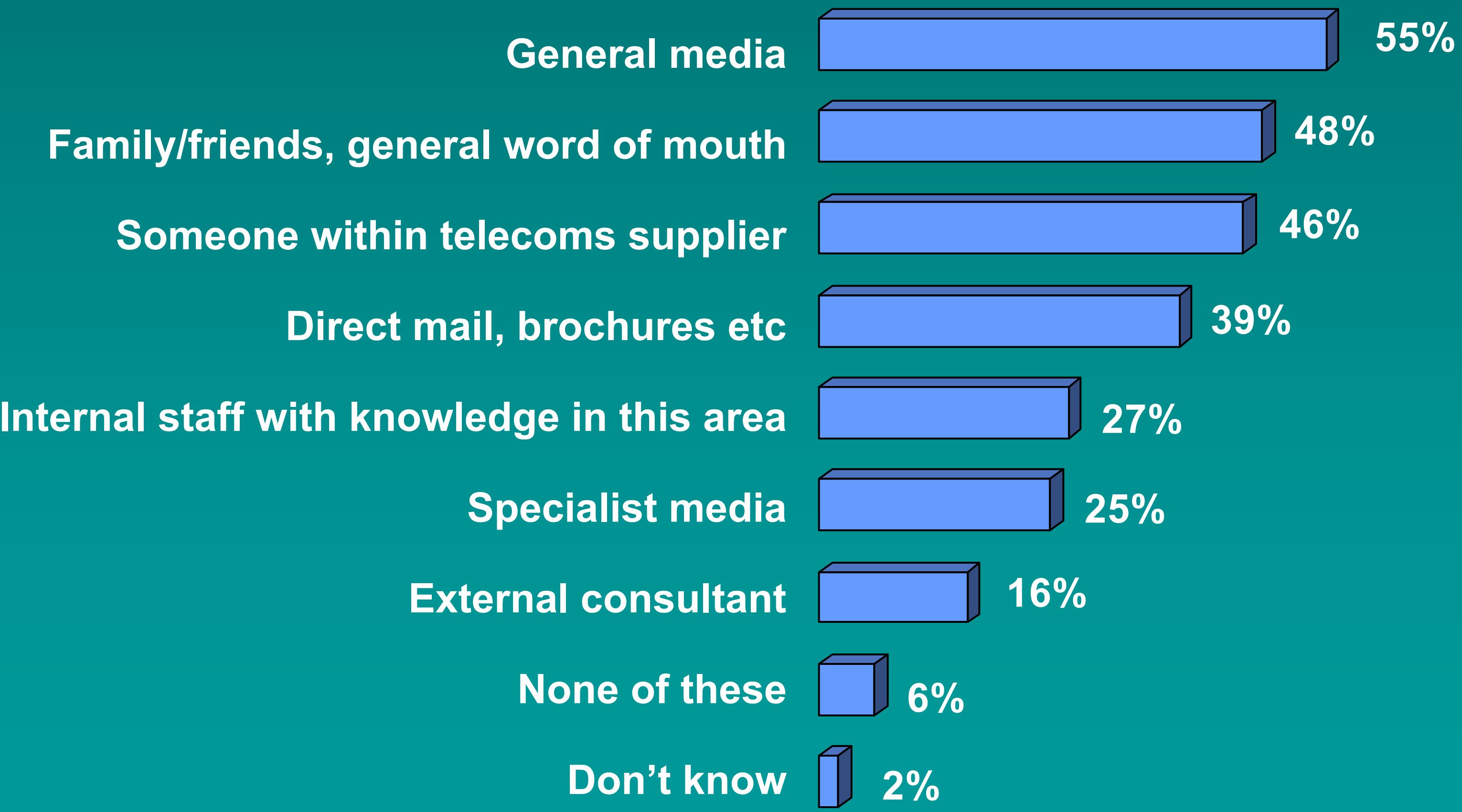
WHAT PROMPTED SWITCHING BACK TO EIRCOM?	
Base:	71
	%
Visit from a sales person (original telecom supplier)	32
Telephone call from a sales person (original telecom supplier)	25
Advice from internal staff with knowledge	6
Advice from family/friends, general word of mouth	4
Direct mail, brochures etc	4
General media	3
Specialist media	1
Don't know	38

Likelihood Of Switching Fixed Line Telecoms Supplier In The Next 12 Months
(Base: All Respondents: 305)



Sources Of Information Used To Find Out About Telecoms Services

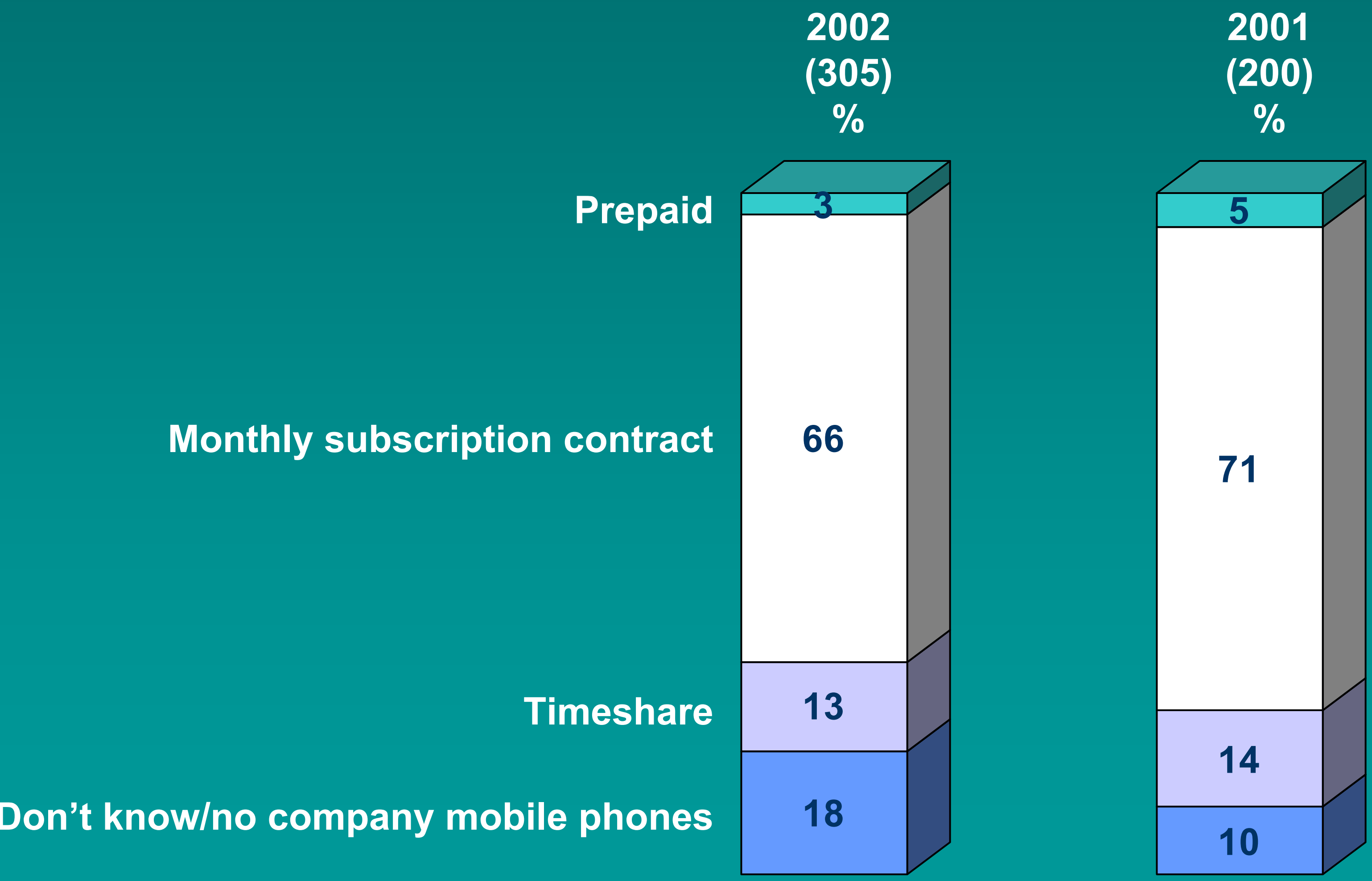
(Base: All Respondents: 305)



Mobile Telephone Services

Mobile Phone Package Used

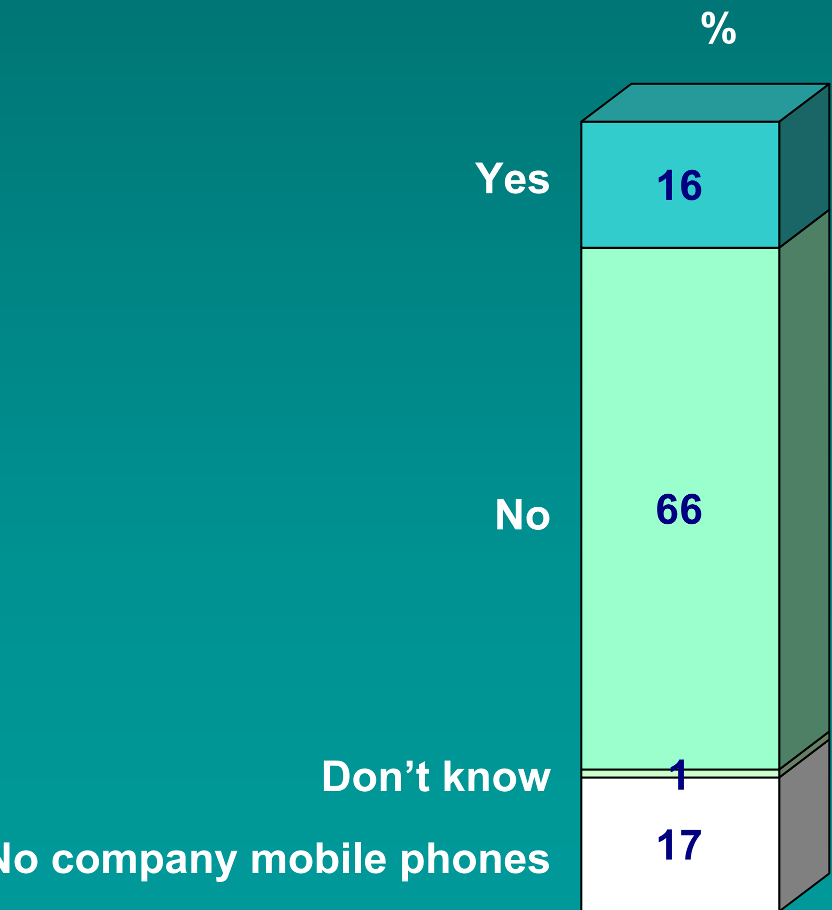
(Base: All Respondents: 305)



Quality Of Service From Mobile Operators

(Base: All Respondents: 305)

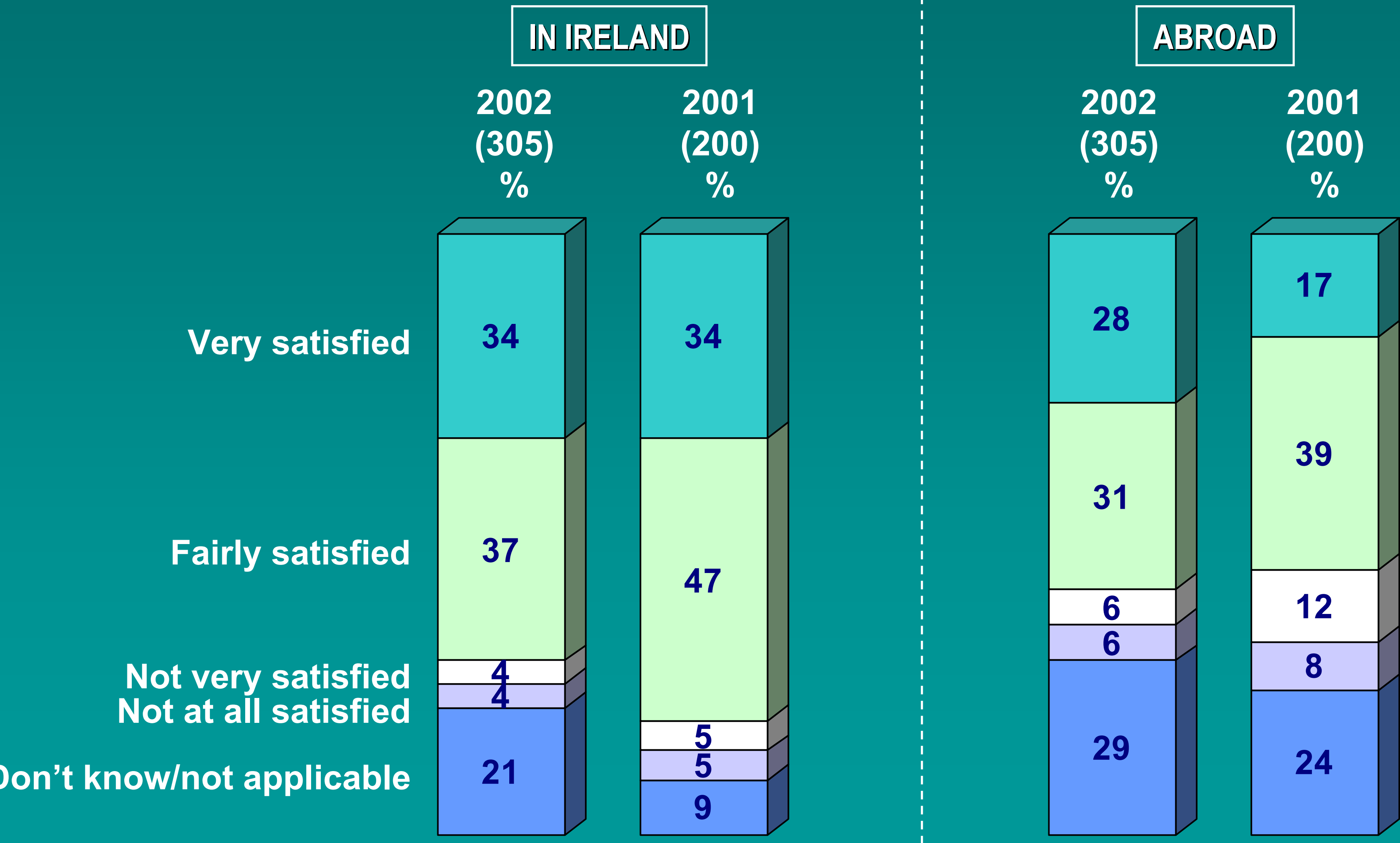
ANY DIFFICULTIES EXPERIENCED?



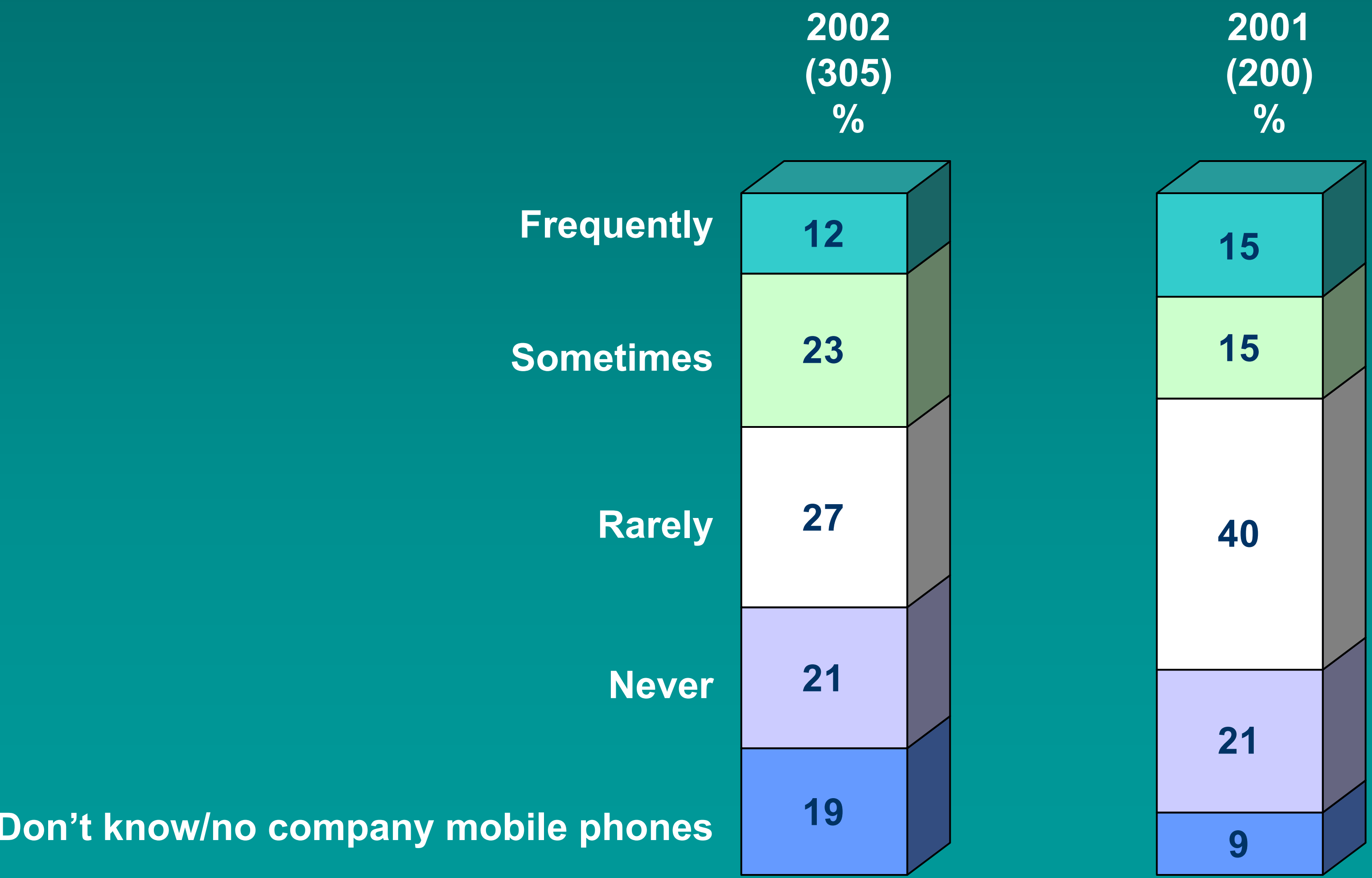
TYPES OF DIFFICULTY EXPERIENCED?	
Base:	49
	%
Poor coverage	51
Poor service/response	20
Problems with reception/signal	14
Dropped calls	12
Poor quality line/echo	6
Cutting off – no reach	4
Other	2
Don’t know	2

WHETHER COMPLAINT MADE TO OPERATOR	
Base:	49
	%
Yes	63
No	37

Satisfaction With Information Available On Call Charges
(Base: All Respondents)

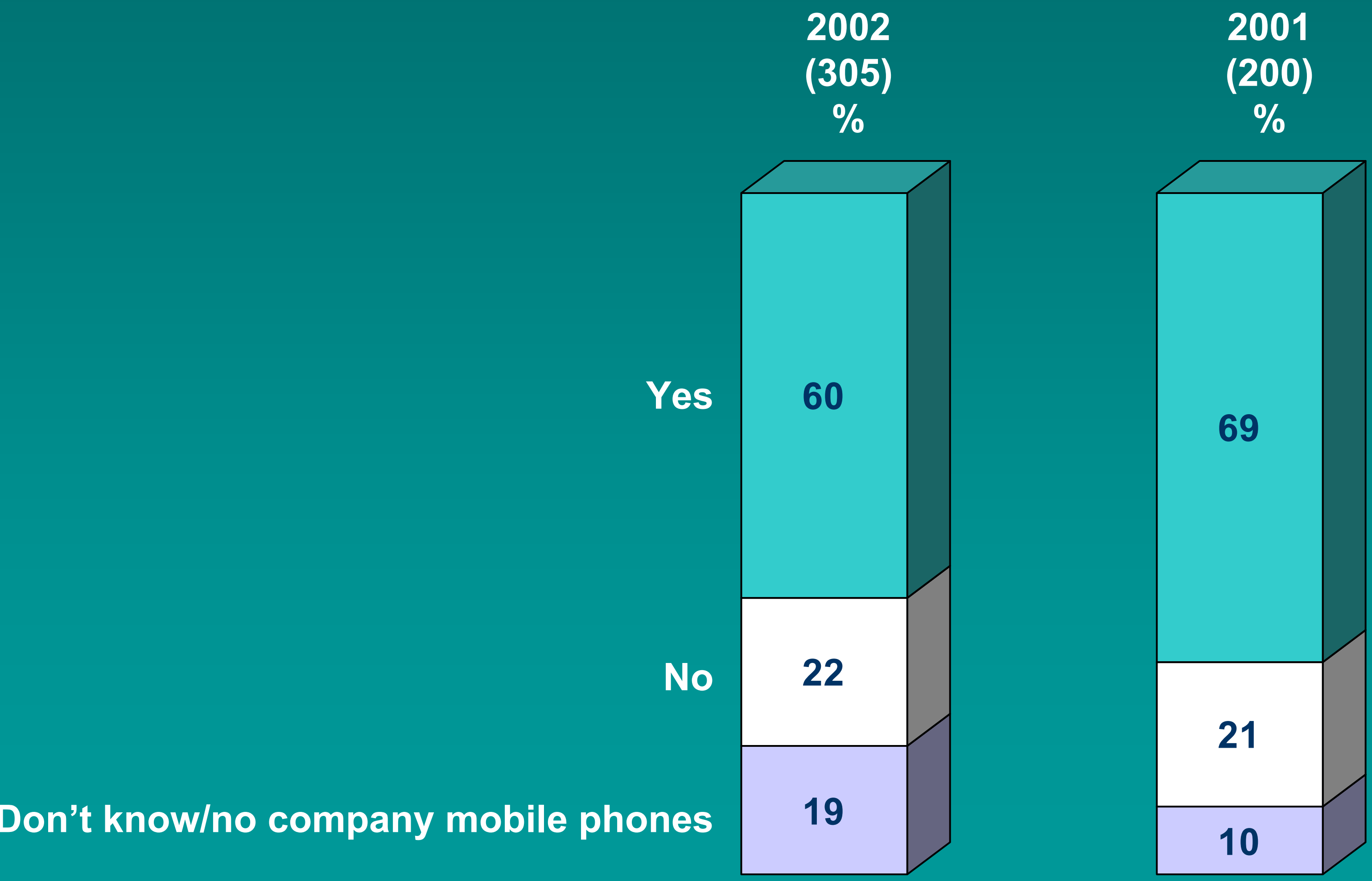


Mobile Phone Use Aboard
(Base: All Respondents)

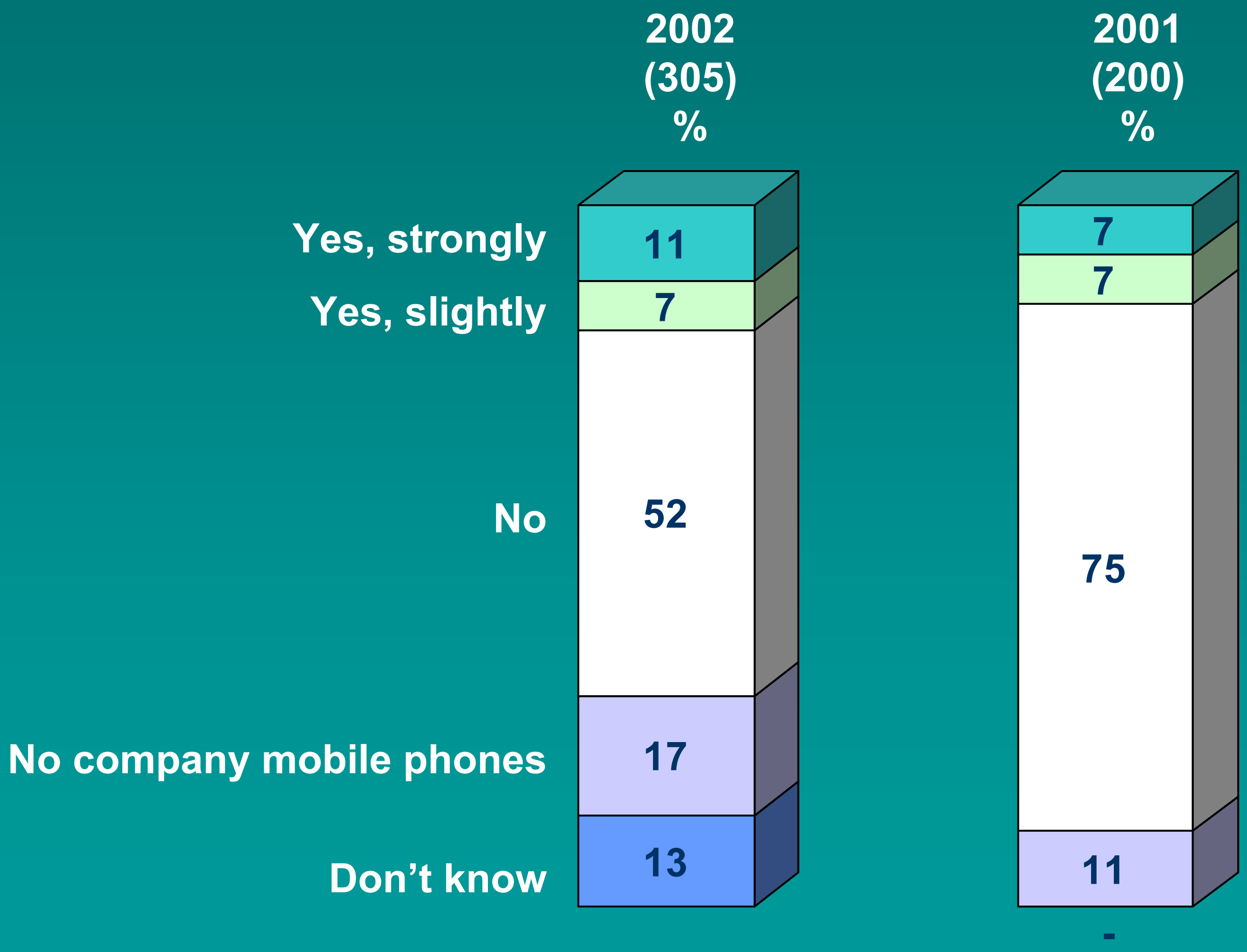


Awareness Of Difference In Cost Of Calling Another Mobile Network

(Base: All Respondents)



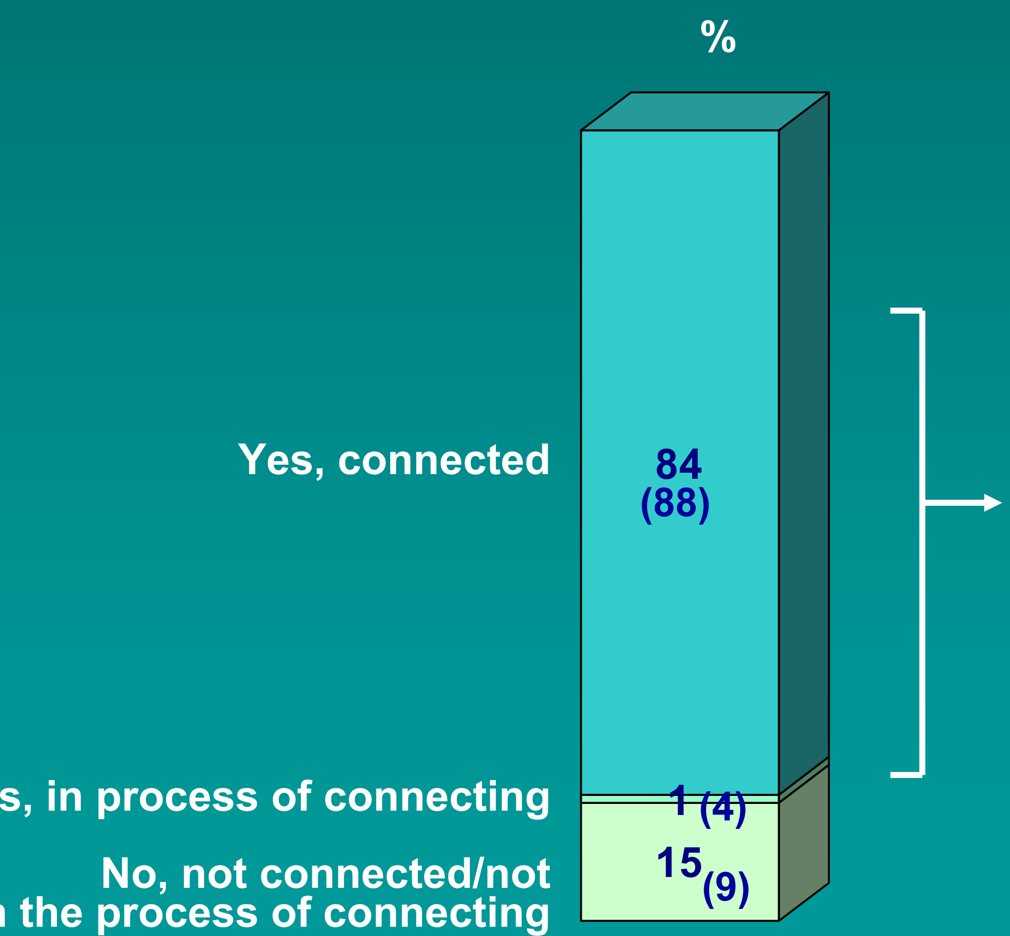
Encourage Text Messaging
(Base: All Respondents)



Internet Usage

Connection To The Internet

(Base: All Respondents: 305)

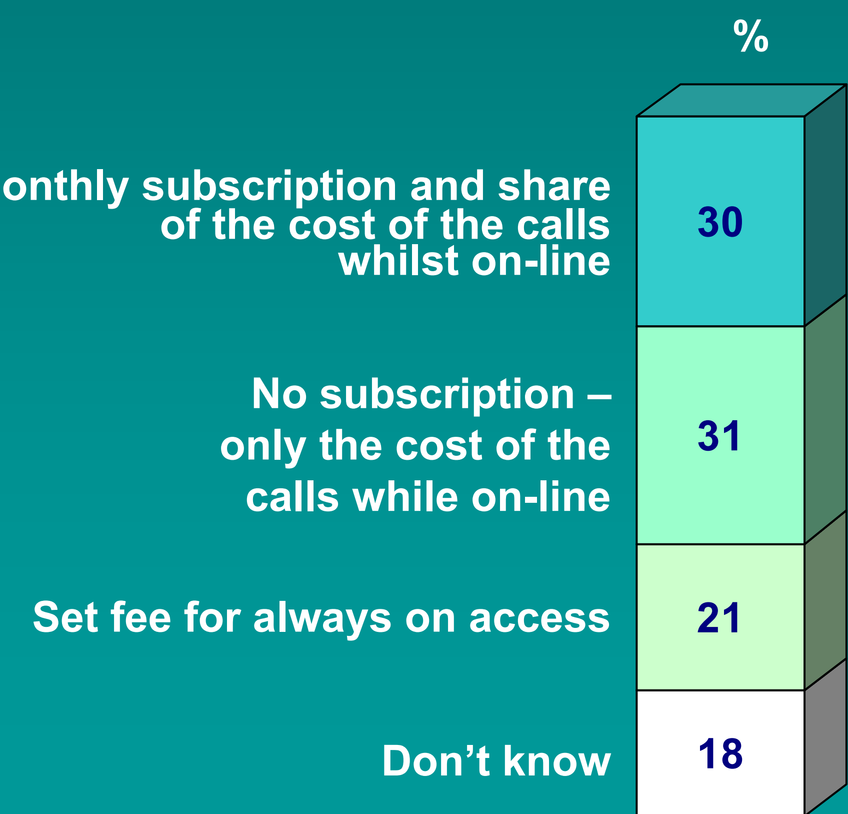


INTERNET CONNECTION SPEED		
Base:	259	(183)
	%	%
Ordinary phone line/dial up access	44	(52)
ISDN line	45	(39)
Dedicated lease line	6	(4)
DSL	3	(-)
Other	2	(1)
Don't know	6	(4)

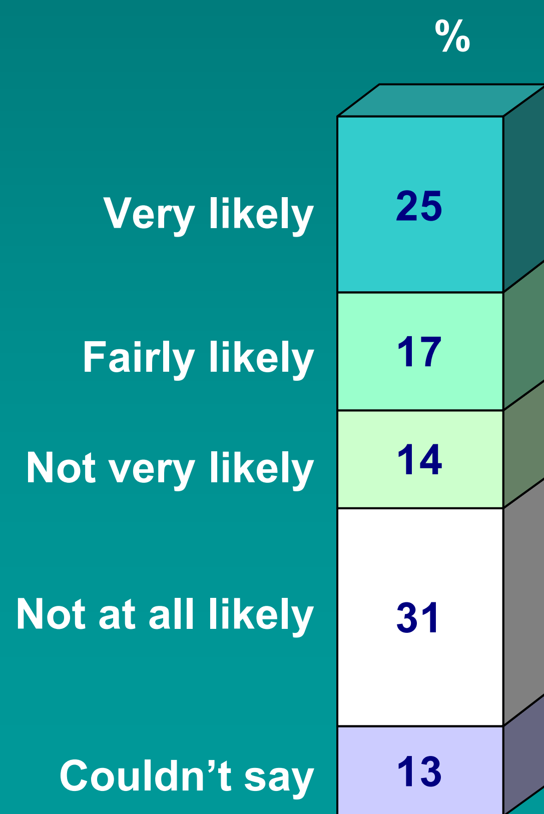
Type Of Internet Package Used

(Base: All Connected To The Internet: 259)

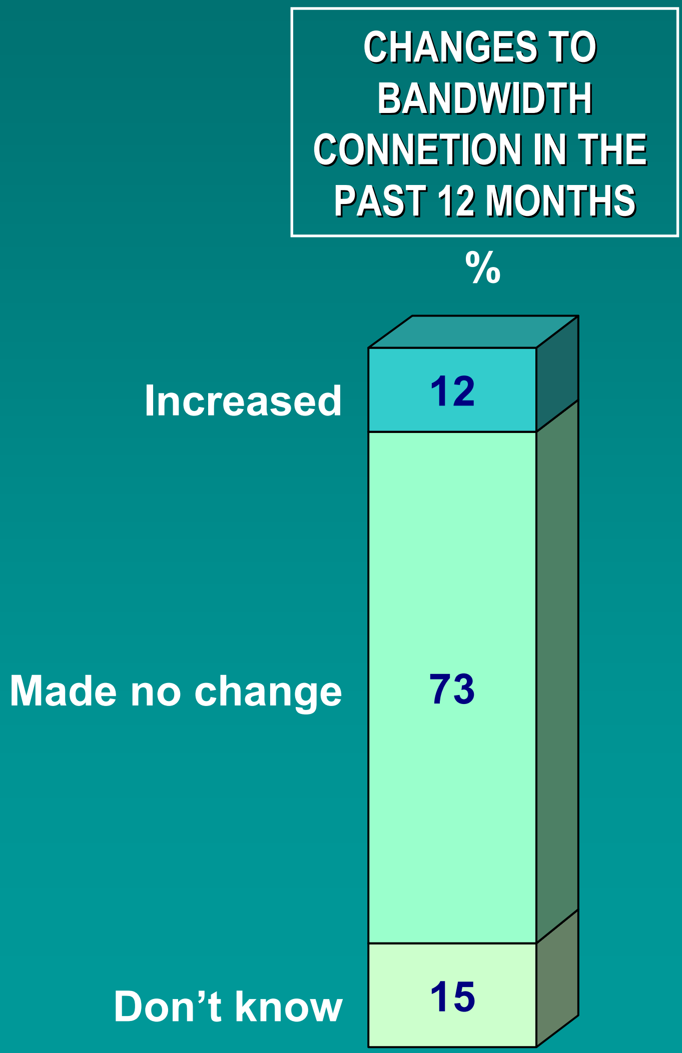
CURRENT

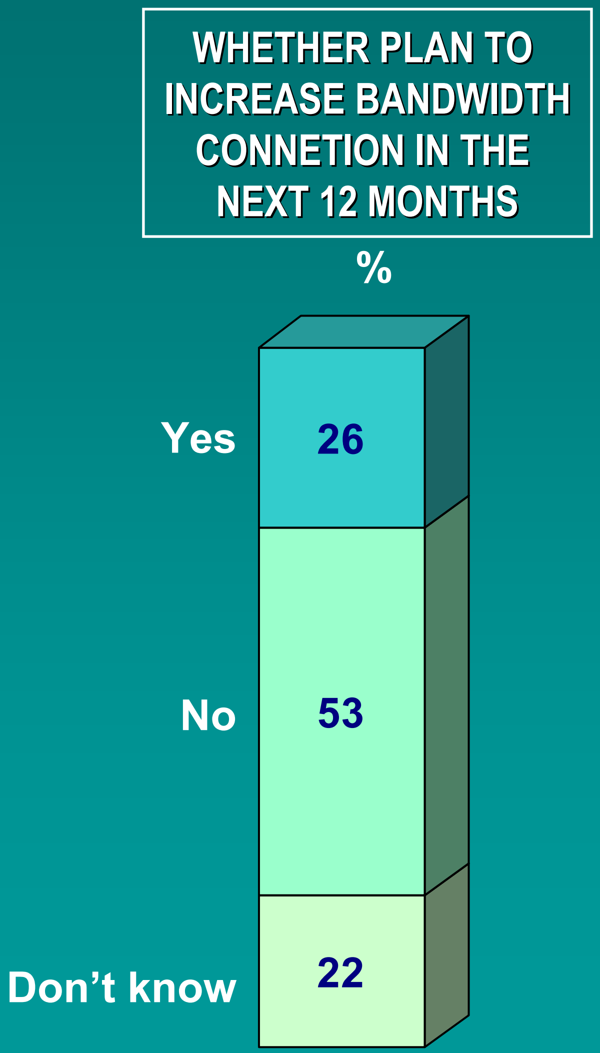


LIKELIHOOD OF SUBSCRIBING TO AN ALWAYS ON HIGH SPEED INTERNET SERVICE



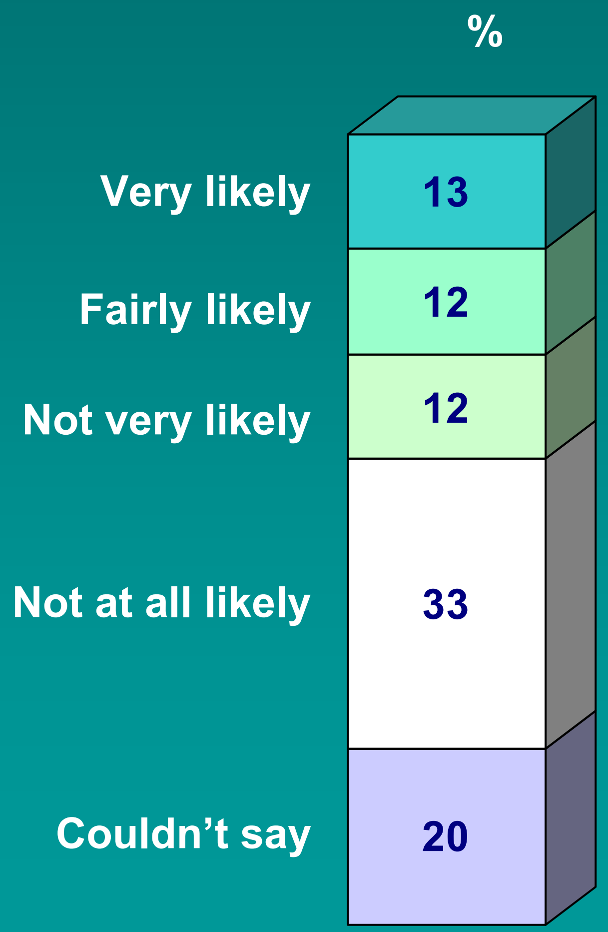
Bandwidth Connection
(Base: All Connected To The Internet: 259)





Likelihood Of Subscribing To DSL

(Base: All Connected To The Internet: 259)



E-Business Applications Requiring Internet Use

(Base: All Connected To The Internet: 259)

	2002 (259) %	2001 (183) %
Email with suppliers/customers	79	80
Booking travel/accommodation	61	n/a
Sourcing competitor, market or other information from websites	58	84
On-line banking	56	49
E-mail within company	44	45
On-line purchasing from suppliers/orders from customers	39	32
On-line payments to suppliers/from customers	27	25
Communicating with newsgroups	21	14
Video conferencing	3	1
Other	1	1
Don't know	7	4

Internet Sites Used Most Regularly By Business, Excluding Search Engines

(Base: All Connected To The Internet: 259)

	%
Supplier websites	12
Ryanair	8
Aer Lingus	5
Travel and accommodation (general)	7
Banking	7
Media/news	6
Revenue On-line	3
CRO/Companies Registration Office	2
Other Government	3
Business and industry related	3
Professional bodies	3
Computer manufacturers	2
Eircom	2
Other	10
Don't know	48

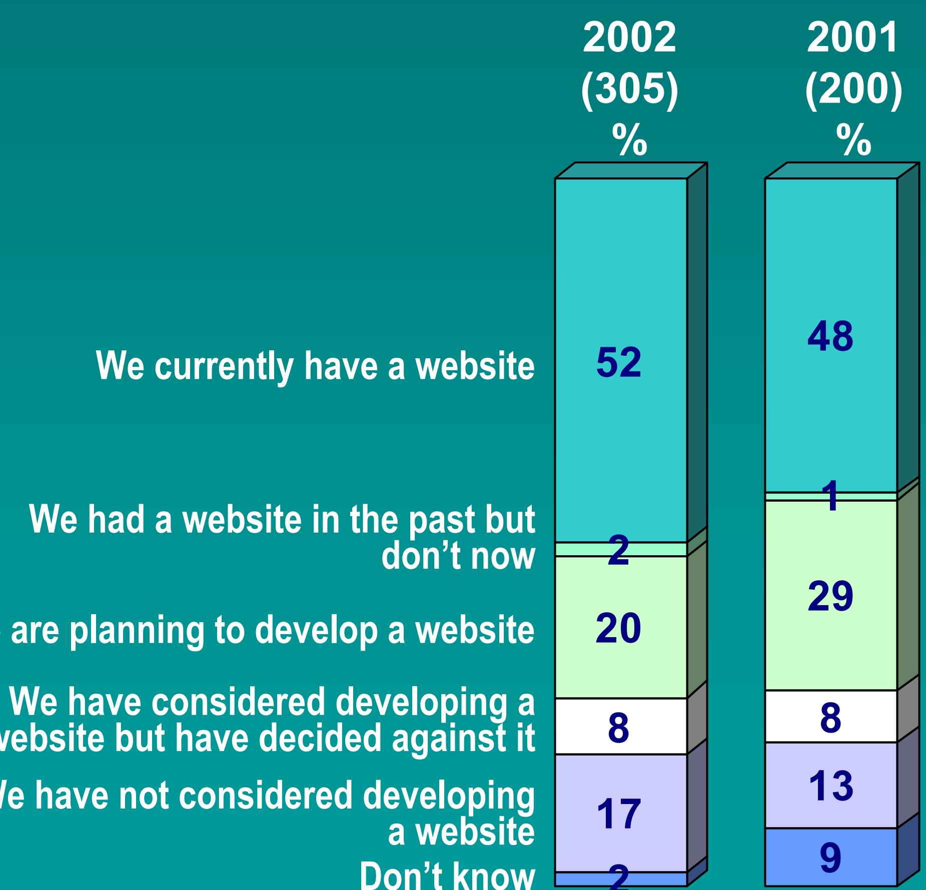
Effect Of Internet Sites Used On How Company Does Business

(Base: All Connected To The Internet: 259)

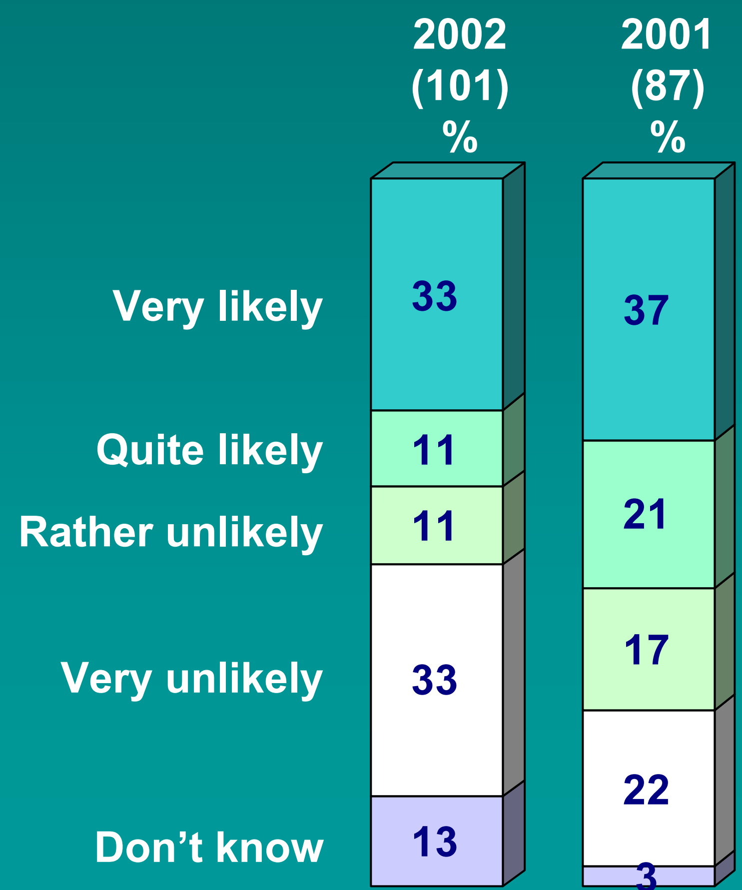
	%
Useful information tool/provides quick up to date info	14
Improves efficiency	8
Enhances selling and marketing	7
Time/labour saving	5
Provides helpful ideas and suggestions	3
Reduces paperwork	3
Easier/convenient	3
Cost effective	2
Makes travelling abroad easier	2
Big impact/positive influence in general	4
Marginal effect only	6
Nothing in particular	7
Other	3
Don't know	49

Company Website
(Base: All Respondents)

STATUS



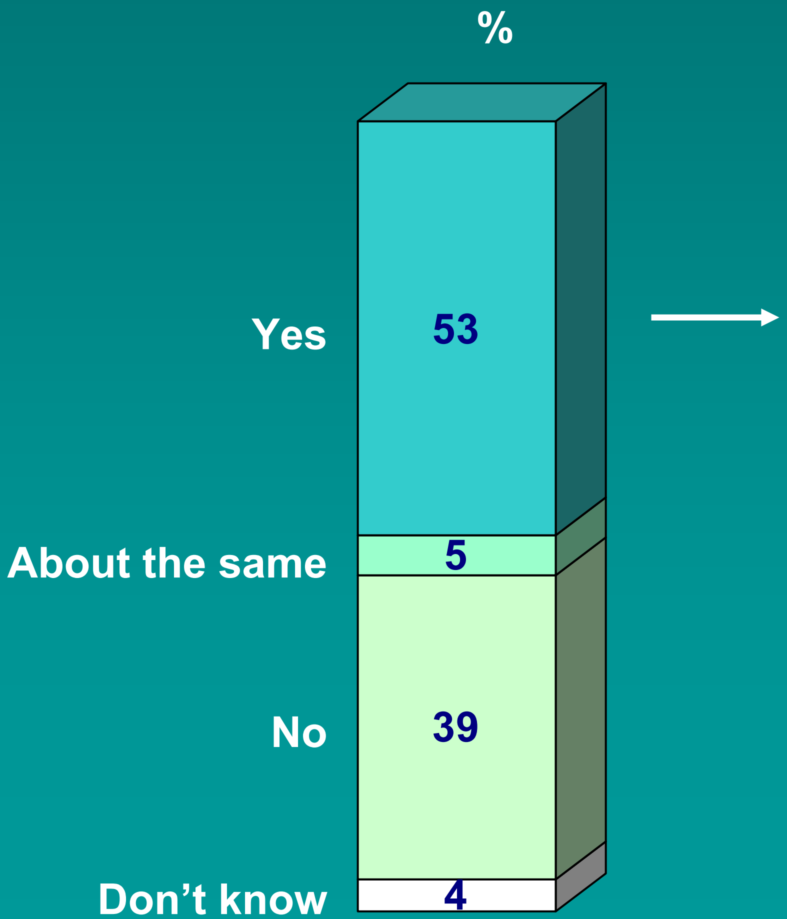
LIKELIHOOD OF ESTABLISHING IN NEXT 12 MONTHS



Increased Use Of Internet By Suppliers And Customers

(Base: All Respondents: 305)

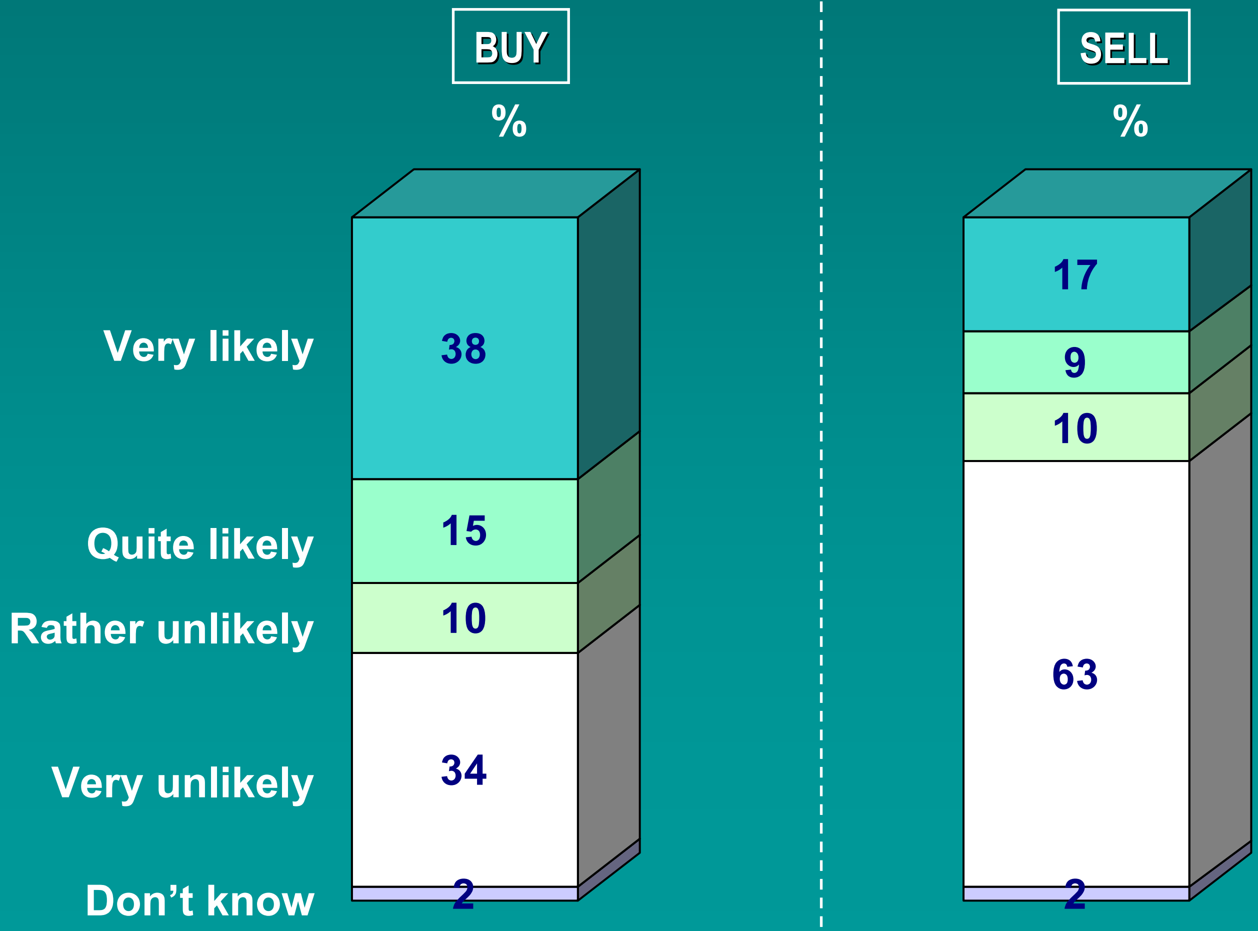
SUPPLIERS/CUSTOMERS USING MORE OFTEN



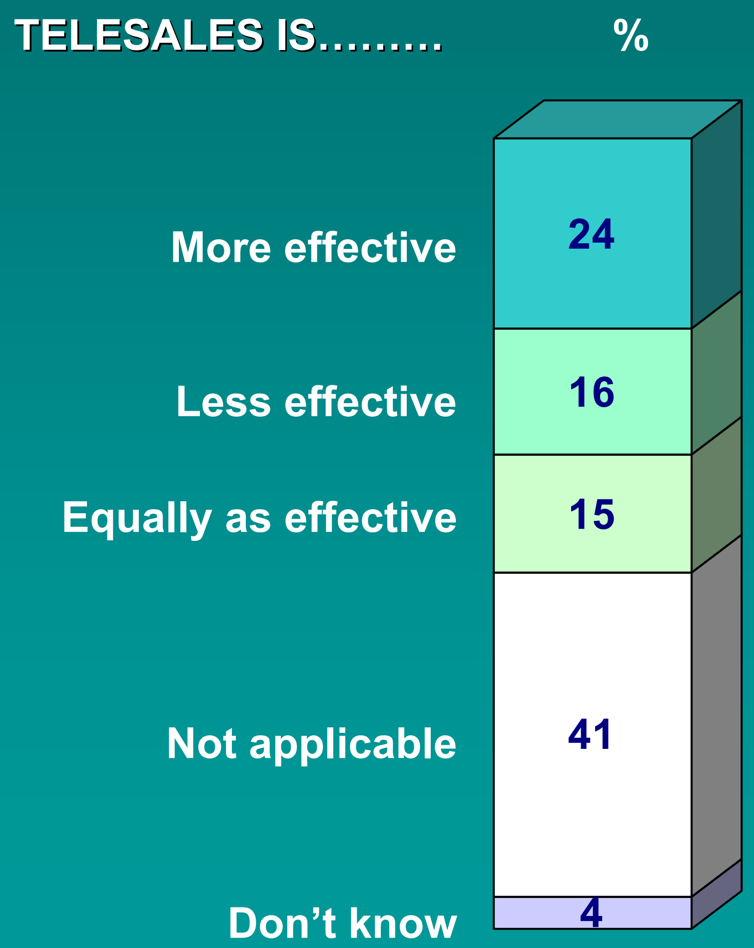
CUSTOMER/SUPPLIER COMPANIES	
Base:	(161)
	%
Mainly domestic	56
Mainly international	12
Both	32

Likelihood Of Company Buying/Selling Something Over The Internet In The Next 12 Months

(Base: All Respondents: 305)



Comparison Between Telesales And The Internet For Selling Business
(Base: All Respondents: 305)

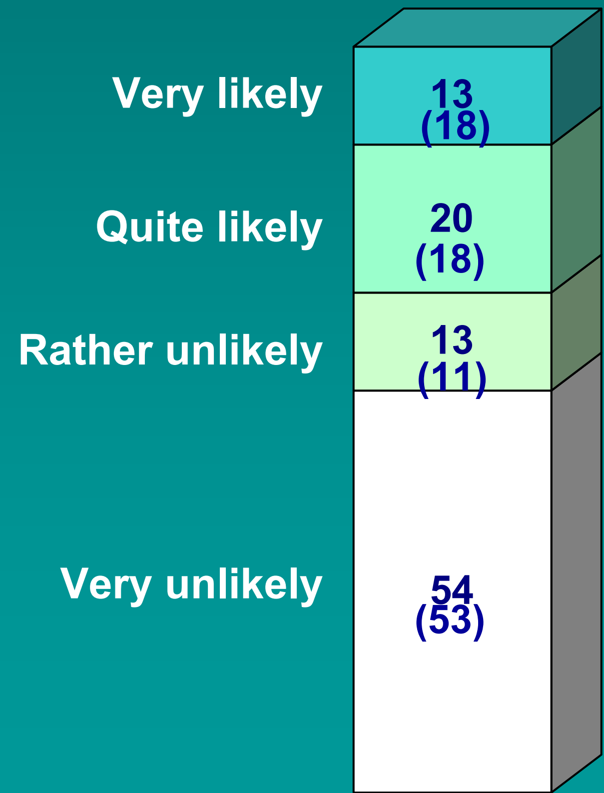


Reasons Why Not Connected To The Internet And Likelihood Of Connecting In Next 12 Months
(Base: All Respondents Not Connected: 46)*

MAIN REASON FOR NOT CONNECTING TO THE INTERNET	
	%
Internet could not assist the business in any way	30
Content and uses of the Internet are not relevant to the work the company carries out	28
Lack of knowledge about the equipment needed and how to use it	7
Security fears	4
Cost of the equipment	4
Call/subscription costs	2
Other	17

LIKELIHOOD OF CONNECTING IN THE NEXT 12 MONTHS

%



Caution: Small base size

= 2001 figures