## Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Executive summary</td>
<td>2</td>
</tr>
<tr>
<td>2 Key Research Findings</td>
<td>8</td>
</tr>
<tr>
<td>3 Introduction</td>
<td>11</td>
</tr>
<tr>
<td>4 The business telecoms market</td>
<td>15</td>
</tr>
<tr>
<td>5 Business consumers’ use of telecoms</td>
<td>19</td>
</tr>
<tr>
<td>6 Business consumer choice and value</td>
<td>43</td>
</tr>
<tr>
<td>7 Business consumer engagement</td>
<td>65</td>
</tr>
<tr>
<td>8 Availability and reliability of services</td>
<td>93</td>
</tr>
<tr>
<td>9 Customer service</td>
<td>103</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Annexes</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Questionnaire</td>
<td>111</td>
</tr>
<tr>
<td>2 Methodology</td>
<td>131</td>
</tr>
<tr>
<td>3 Research findings – split by geographic area</td>
<td>134</td>
</tr>
<tr>
<td>4 Research findings – split by site locations</td>
<td>137</td>
</tr>
<tr>
<td>5 Research findings – split by number of employees</td>
<td>140</td>
</tr>
<tr>
<td>6 Glossary</td>
<td>143</td>
</tr>
</tbody>
</table>
Section 1

Executive summary

Ofcom’s duties towards business consumers

1.1 Ofcom’s primary duty is to further the interests of consumers, including business consumers, and citizens in relation to communications matters.

1.2 As part of our duty to undertake research into the experiences of consumers, Ofcom wished to find out more about the views of business consumers of telecoms services, in particular, we wished to determine how satisfied they were with their current telecoms services and what concerns and frustrations they experienced. We therefore commissioned a research agency to conduct telephone interviews with over 1200 businesses across the UK. This report sets out our research findings and some of the actions being taken by Ofcom in areas relevant to the research findings.

1.3 The research sample included businesses (from private, public and third sector organisations) with five employees or more. We also undertook a number of group discussions with smaller businesses and other key representatives of business interests in Northern Ireland, Scotland and Wales. This research helps us gain an insight into the views of businesses and follows on from previous research we have conducted into the views of small and medium sized companies1 (including those with fewer than five employees).

Telecoms services are an important driver of businesses’ success

1.4 Business consumers are an important part of the telecoms market: in total, businesses (including businesses with fewer than five employees) spent £13.9bn2 on telecoms in 2008, accounting for 45% of total telecoms turnover3. Among our survey respondents, the mean annual spend on telecoms services was £14,600 per year, while the median spend was £3,600 per year. In other words, businesses with five or more employees spend just under 19 times more per year on telecoms services than the average household consumer4.

1.5 Our research indicates that telecoms services are becoming an increasingly important driver and enabler of business customers’ success. Around half of the surveyed businesses said they planned to spend more on telecoms services over the next year, with over a third saying they intended to spend more on internet services, including higher bandwidth data services. We found that 90% of businesses have internet connections, which is similar to the proportion with fixed-line telephones. Mobile services are also important to businesses although only around three-quarters of businesses directly owned or rented mobile devices (many of the others are likely to reimburse employees when they use private mobile phones for business calls). We also found evidence that mobile internet/data services are becoming more important – 23% of businesses said they used Blackberry devices and 10% said they owned iPhones.

---

1 [http://www.ofcom.org.uk/research/cm/smeengagement/smereport.pdf](http://www.ofcom.org.uk/research/cm/smeengagement/smereport.pdf)
2 Source: Ofcom and telecoms operators
3 Total telecoms retail revenue reported by telecoms providers to Ofcom was £31bn in 2008.
4 The mean household spend in 2008 was estimated to be £780 (source: Ofcom’s Communications Market Review 2009)
1.6 Some businesses use telecoms services primarily as a basic means of communication with customers and suppliers but growing numbers are using telecoms to transform the way in which their businesses operate. For instance, increasing numbers of retail businesses are embracing the internet as a sales channel with around 73.5% of business having their own website (up from 70.3% in 2007). These figures were based on a recent survey published by the Office of National Statistics. The same survey shows that internet sales represented 9.8% of the total of all sales by non-financial sector businesses in 2008, an increase from 7.7% in 2007.

1.7 Central and local government organisations are increasingly exploiting the internet and wireless technologies to increase citizen accessibility and reduce costs. For example, HMRC said that 67% of UK self-assessment taxpayers filed their tax returns online in the last financial year, an increase of over 50% on the previous year. In 2008, 66% of businesses used the internet to interact with government and public bodies, an increase from 60.8% since 2007.

1.8 The extent to which businesses see telecoms as a key business enabler varies but around two-thirds of the businesses we surveyed stated that communications were either an “important way of making the business more efficient” or “a vital means to drive the business forward and ensure competitive differentiation”. Telecoms services tended to be rated as more important among respondents who were also multinationals, those who considered themselves to be more informed, and those in the business services sector. But one third of respondent businesses described telecoms simply as a ‘utility’ such as water or energy, (in other words, a basic tool for communication only). Those viewing telecoms as a utility tended to have lower than average knowledge levels of communications services and also tended to describe themselves as making the least effective use of technology.

1.9 This suggests that many businesses are not necessarily making the most of the competitive opportunities afforded to them by the newest telecoms services. For example, around one in six businesses are still using narrowband internet services (dial-up or ISDN) rather than broadband, and this rises to one in five among businesses of 5-19 employees. Our survey also found that only 16% of business consumers use converged voice and data networks which could potentially be used to cut the cost of services and offer other benefits such as the ability to provide seamless customer service through multiple channels (telephone, mobile and the internet). There was also some divergence in the adoption of services between businesses; for example, we found that 86% of businesses with 5-10 employees used the internet compared with 94% of businesses with 25-249 employees.

Business consumer choice and value

1.10 The majority of businesses in our sample are satisfied both in overall terms with mobile, fixed and internet/data services and with each specific dimension of satisfaction we tested. When asked about their overall level of satisfaction and satisfaction with value for money, over 80% of businesses said that they were satisfied. However, businesses overall appear less satisfied than residential...
consumers\textsuperscript{8} across all services (mobile, fixed voice and internet / data). The difference in satisfaction levels is particularly stark in the case of fixed-line voice services, where residential satisfaction levels are 11 percentage points higher than business satisfaction levels. We also found that overall dissatisfaction with fixed-line and mobile services is significantly higher among businesses in rural areas.

1.11 Despite the majority indicating that they were broadly satisfied, around half of the respondent businesses we surveyed reported some concerns and frustrations with their use of communications services. Our research revealed that there was close similarity between the causes of satisfaction and the causes of dissatisfaction. For example, for mobile services, coverage and customer service were the most important reasons behind satisfaction but were also the two single most important causes of dissatisfaction. This indicates that some aspects of communications services are so important that they can have a significant impact on the level of satisfaction, e.g. many business consumers expressed satisfaction that they could keep in touch while on the move as a result of extensive mobile coverage, but others experienced significant frustration if they were not able to do so.

1.12 For all three telecoms services we researched (mobile, fixed and internet/data) around half of all businesses said that they experienced frustrations. The main concerns expressed were as follows:

- Speed and reliability of internet and data services, including both download and upload speeds - 28% of respondents cited poor or unreliable connections as a source of frustration.
- Mobile coverage - 27% of respondents said they experienced frustrations around the poor quality of connections or the unreliable nature of the connection.
- Customer service, including complaints about problems not being resolved quickly and a failure on behalf of provider to take responsibility when problems arose.

**Business consumer engagement**

1.13 Most business consumers believe that there is sufficient competition and choice of communications providers. Despite this, our research indicates that many consumers are not taking advantage of the opportunities afforded by greater competition and choice. For fixed and mobile services, for instance, we found that just over a third of customers have switched provider in the past four years, and that the figure for internet/data users is only 24%. We also found that 16% of mobile users have taken no action over the past four years to change their supplier, service or deal and that the corresponding figures for fixed and internet/data users are even higher, at 23% and 33% respectively.

1.14 Our research also showed that businesses are more likely than residential consumers to have switched supplier in the past year across all services, but particularly so in the mobile and fixed telephony market.

1.15 Most of those users who had not switched indicated that this was because they were happy with their current supplier. But we also found that a number of barriers are impeding businesses' ability to seek alternatives in the market, namely:

\textsuperscript{8} Based on a comparison between our Consumer Experience 2009 report and our Business Consumer Experience research.
difficulty in comparing suppliers;
complex pricing structures; and,
length of contracts.

1.16 This indicates that communications providers could do more to help business consumers make the most of the opportunities afforded by competition – in particular by making it simpler to compare prices and services. Another demand from business consumers is for suppliers to proactively check that they are on the best deal and, if not, to offer to move them to a better deal. We found that this builds trust and goodwill and makes consumers more inclined to remain with that supplier over the longer term. It should be noted, however, that many businesses negotiate bespoke deals and therefore it may not be practical for telecoms providers to ensure that their business customers are on the best tariff in the market. Nevertheless it is important that prices are clear and transparent and that business consumers understand whether they are receiving value for money.

Availability and reliability

1.17 The importance of telecoms services to businesses was underlined by our findings on the availability and reliability of services. We found that over 90% of respondents are satisfied with the reliability of their fixed, mobile and internet/data services. Satisfaction with the geographical availability of services is also high, although across the UK as a whole, dissatisfaction with the geographical availability of mobile services is much higher (12%) than for fixed (5%) or internet/data services (3%).

1.18 These broad levels of satisfaction are only part of the overall picture, however, we also found that the quality and reliability of the connection are a key source of frustration for mobile and internet/data consumers. More than one in four mobile and internet/data users said that they experience frustrations in relation to the quality of the connection, compared with only 4% of fixed-line users. With regard to internet/data services, respondents also reported problems caused by not having consistently good upload and download speeds.

1.19 Although the issue of geographical availability is UK-wide, we found that businesses in rural areas and in Scotland were significantly more dissatisfied with the availability of internet/data services while businesses in Wales were significantly more dissatisfied with mobile coverage. A number of small business representatives who attended the various roundtable events we held across the UK, also expressed concerns about slow broadband speeds in some rural parts of Scotland, Wales and Northern Ireland, and made the point that fast broadband services are vital for these areas. Many of them also referred to poor mobile coverage as a cause of frustration, adding that in certain areas only one of the five mobile network operators covers their business location.

Customer service

1.20 We found that poor customer service is one of the most important reasons for dissatisfaction among business consumers. Businesses who said they were dissatisfied with an aspect of their service most commonly cited customer service as the cause of dissatisfaction. Those who were dissatisfied with customer services most often mentioned the failure to address a problem immediately (including being passed around numerous people before a problem is tackled). Where customers
had dedicated account managers, there were also complaints about availability of the relevant account manager.

**Ofcom’s work to promote the interests of business consumers**

1.21 Our research identifies that most business users are satisfied with their overall service and the value for money received, as well as with other aspects such as availability and range of services. That said, there are also a number of areas where business consumers seem to be experiencing problems, namely the availability of mobile and internet services, customer service and difficulties in switching. We will undertake regular research into the experiences of business users to see whether communications providers are addressing the concerns and frustrations identified above and whether the experiences of businesses are improving over time.

1.22 We are also undertaking a number of initiatives to ensure that business consumers are able to obtain better outcomes in terms of choice, quality and value for money. Our key activities are discussed below and further details are set out in our Draft Annual Plan for 2010/11, on which we are currently consulting:

- Competition continues to be the key driver of consumer benefits. Our programme of market reviews under the European Telecoms Framework and the imposition of regulation to promote competition should help ensure that business consumers continue to have an extensive choice of communications providers. We are currently undertaking a review of the Wholesale Local Access (WLA) and Wholesale Broadband Access (WBA) markets, which will consider what regulation, if any, is appropriate for both current and next generation broadband services.

- We continue to work with Openreach and the independent Telecoms Adjudicator to ensure that communications providers are able to obtain the relevant input products they require from Openreach to build their own services and propositions for business consumers.

- In our Draft Annual Plan for 2010/11, we have identified making progress on mobile and broadband not-spots as one of our priority work areas. In terms of extending the reach of current generation broadband, we have been providing support to the Digital Britain initiative to help inform the debate on the costs / feasibility of delivering 2Mbit/s broadband throughout the UK. We have undertaken work to better understand the reasons for mobile not-spots and are discussing with mobile operators how the coverage information they provide could be improved. Further, we have recently published maps of the 3G coverage offered by different mobile operators.

- We have also published a policy framework which should help facilitate the roll-out of super-fast broadband networks. We have agreed a variation to BT’s Undertakings and are consulting on a further variation which will enable BT to deliver next generation broadband services in a more cost-effective way while ensuring that competition safeguards are maintained. This is in addition to the government’s plans to widen next generation broadband coverage as set out in its *Digital Britain* report. We have also published research into broadband performance, including how

---


performance varies by internet service provider; this information should be useful to business consumers who use DSL and cable broadband.

- Our research showed that customer service is a significant source of dissatisfaction and indicates that operators need to do more in this area. We have imposed regulatory requirements on Openreach which are aimed at improving customer service outcomes. We are also considering how to ensure that competitive pressures work to drive improvements in this area. We are currently consulting on proposals to restructure the charge controls on wholesale line rentals\(^1\) to ensure that Openreach has appropriate incentives to offer higher levels of service which in turn should allow communications providers to offer a greater range of service levels to their business clients\(^2\).

- We have also published a new guide for small businesses on how to get the best deal for their telecoms services which is available at: [www.ofcom.org.uk/files/2009/12/smallbusinesses.pdf](http://www.ofcom.org.uk/files/2009/12/smallbusinesses.pdf)

### The research provides insights for Ofcom and communications providers

1.23 Our research revealed some key lessons for communications providers as well as possible implications for Ofcom’s ongoing work. As explained above, business consumers have described a number of areas where they are currently experiencing difficulties, notably network coverage and performance, cost and customer service. As part of our ongoing, informal engagement with communications providers, we will seek to establish the underlying causes of business consumers’ concerns as well as consider what actions are being put in place by individual communication providers to address these concerns.

1.24 We intend to conduct regular research into the experiences of business consumers. Next year we will conduct research on small businesses. When we conduct similar research in future, we will continue to monitor which issues continue to be a cause of concern for business consumers and what effect any actions from communications providers have on improving the overall customer experience. In the meantime, we will continue to engage with the Communications Management Association (CMA) and other representative bodies, including the Communications Consumer Panel and Ofcom’s Advisory Committees in England, Northern Ireland, Scotland and Wales.

1.25 We also welcome feedback from other stakeholders, particularly on the results of the research or the possible implications for Ofcom. Please send any views to [market.intelligence@ofcom.org.uk](mailto:market.intelligence@ofcom.org.uk)

\(^{11}\) Charge controls for wholesale line rental (WLR) were set in the WLR charge control review which also set out the restructuring of WLR controls. [http://www.ofcom.org.uk/consult/condocs/wlr](http://www.ofcom.org.uk/consult/condocs/wlr)

Section 2

Key Research Findings

2.1 The sample for our quantitative research was representative of UK businesses with five or more employees. Recent figures published by the ONS\(^\text{13}\) show that 24% of all businesses in the UK have five or more employees. This section of the report provides a summary of the key findings emerging from the research.

The business market

- The use of telecoms services, particularly of more advanced services, varies significantly across the country and type of business user. The majority of businesses with five employees or more in the UK have fixed-line voice and internet services (98%\(^\text{14}\) and 90% respectively). Take-up of mobile services is lower at 70% although this does not take account of the fact that many employees use their personal mobiles for business.

- The mean annual spend on telecoms services among those surveyed is £14,600 per year, while the median spend is £3,600 per year.

- When asked where they could envisage spending more, business consumers mentioned internet services (34%) and mobile services (10%), while 13% of respondents said they could envisage spending reductions on fixed landline services.

- Our research suggests that many business consumers are not making the most of the changes that are taking place in Information Technology and Communications technologies (ITC). For example, around one in six (16%) of businesses with access to the internet use narrowband internet services (dial-up/ISDN) and only around 16% use converged voice and data services.

- Adoption of more advanced services such as mobile broadband and IP-based virtual private networks (IP VPNs) is most commonly found among the largest businesses (55% compared to the average of 41%), and those in the business services sector (50%).

- In all, almost a fifth (18%) of the respondents admitted lagging somewhat behind the field in the way they use fixed-line and internet services and this rose to almost a third in the mobile and data markets (32% and 31% respectively).

- Of the ‘decision-makers’ we interviewed, only a small minority (6%) of respondents were specialist IT or telecoms directors or managers.

- Only 17% of the decision-makers interviewed said they felt ‘very’ well informed about how ITC services could help their business. Most (63%) said they were ‘fairly’ well-informed and a further one in five (21%) did not feel well-informed.

---

\(^\text{13}\) Source, ONS Table B2.1, UK Business: Activity, Size and Location – 2009  
\(^\text{14}\) Specifically, 91% said they had fixed lines, and an additional 7% had said they had CPS, WLR, dedicated lines/ private network or VoIP
Business consumer choice and value

- Most business consumers said they were satisfied with their use of telecoms services and the value for money received:
  - 87% of mobile users said they are satisfied with their overall service (38% are ‘very satisfied’);
  - 83% of internet/data users are satisfied (38% are ‘very satisfied’); and
  - 78% of fixed-line users are satisfied (37% are ‘very satisfied’).

- The level of dissatisfaction is higher in the fixed-line market (10%) than in the mobile or internet/data markets (both 6%).

- Dissatisfaction levels among rural businesses in the mobile (9%) and fixed-line (14%) markets are significantly higher than businesses in urban areas (6% and 9% respectively).

- Notwithstanding the broadly high levels of satisfaction, around half of all business consumers said they experienced frustrations in relation to their use of telecoms services. The main frustrations experienced were cost in relation to fixed-line telephony and poor quality connections in relation to mobile and internet services. Over one in four mobile and internet/data users cited poor/unreliable connections as a source of frustration.

Business consumer engagement

- Only a minority of business customers have switched supplier over the past four years. Levels of switching are lowest in the internet/data market where 24% of respondents have switched over the past four years, compared to 35% in the mobile market and 37% in the fixed-line market.

- Business consumers are more likely to find switching difficult in the internet/data market: 22% of switchers said it was difficult compared to 15% in the mobile market and 18% in the fixed-line market.

- 14% of mobile users had thought about switching but never got round to it; this rises to a fifth of fixed-line and internet/data users (20% and 21% respectively). Different reasons were given for this: while some were happy enough with their current supplier and/or could not find a better deal, some said it was not a priority and/or that they had not found the time; some even admitted to apathy.

- Across all markets there are difficulties comparing suppliers (on deals and/or packages) and in switching supplier:
  - 41% of mobile users said they found it difficult to make comparisons while the figures for fixed-line and internet users were 53% and 45% respectively.
  - In the internet market, potential switchers have been put off by concerns around loss of service and not being able to establish what they are buying in terms of reliability of connection and connection speeds.
In the mobile and fixed-line markets, some business consumers said they were dissuaded from switching by the effort involved in trying to port their existing phone numbers across to the new service.

**Availability and reliability**

- Although the majority of business consumers are satisfied with reliability, geographic availability and the range of products and services available from their suppliers across all telecoms markets, there are also significant levels of dissatisfaction in areas where service availability is more limited.

- Across the UK as a whole, dissatisfaction with the geographical availability of mobile services is much higher (12%) than for fixed (5%) or internet/data services (3%). Dissatisfaction with the availability of mobile services is significantly higher than the national average among businesses in Wales (17%) and in the Midlands (18%).

- Dissatisfaction with the geographic availability of internet/data services is:
  - double the national average in rural areas (6%);
  - higher in Scotland (8%) and the South of England (7%).

- 15% of business consumers are not satisfied with their broadband speed.

- More than 85% of respondents expressed satisfaction with the range of products and services available from their suppliers across all telecoms markets.

- Satisfaction with overall reliability stands at 90% or above, across the three technologies. However, the main frustration noted was having to deal with loss of connectivity – the service either ‘doesn’t work’ or ‘goes down’.

**Customer service**

- Among those who say they are dissatisfied with any aspect of their telecoms services, the most commonly cited cause is the customer service received: mobile (36%); fixed-line users (38%); internet/data users (35%). The main causes of dissatisfaction are being kept on hold and/or passed around numerous people before a problem is addressed. For those with account-managed relationships, high staff turnover and issues with availability/accessibility of the account manager are also an issue.
Section 3

Introduction

Background and objectives

3.1 Ofcom’s primary duty is to further the interests of consumers and citizens in relation to communications matters. This duty incorporates promoting the interests of business consumers.

3.2 One of Ofcom’s major work areas for 2009/10 is to understand the experiences of business consumers of telecoms services and to assess the resulting implications for Ofcom. This research programme was undertaken to help identify key business customer concerns which may be directly impacted by Ofcom’s regulatory policies. It identifies current usage patterns and experiences among business consumers and evaluates the extent to which their needs and expectations are being met by the market.

Research methodology

3.3 For this research, we conducted 1229 telephone interviews with UK business consumers across the private, public and third sectors. We surveyed businesses with five employees or more. The sample was structured to ensure robust coverage of these consumers. Since a representative sample would have been dominated by companies with fewer than ten employees, severely restricting our ability to analyse by company size, a quota sample was necessary. The quotas allow reliable sub-group analysis across six size bands, eight sector groupings, the four UK nations as well as the nine government regions within England.

3.4 The data was weighted to ensure that it is representative by size, sector and region. The study was conducted for Ofcom by the market research agency Jigsaw Research, and fieldwork took place from 19 June to 7 August 2009.

3.5 The questionnaire used in this survey can be found in Annex 1. Full details of the research methodology can be found in Annex 2.

3.6 Subgroups which displayed statistically significant differences from the total sample are indicated throughout this report, e.g. where there are statistically significant differences in the nations or between rural and urban areas. Annexes 3, 4 and 5 contain further breakdowns by sub-group. Where such findings are reported as "significant", the differences reported are statistically significant to a 95% confidence level.

Our survey sample

3.7 Ofcom’s survey of business with five employees or more is representative of:

- 24% of all UK businesses;
- 84% of UK business turnover (91% if sole traders are excluded);
73% of all UK employees (88% if sole traders are excluded)\textsuperscript{15}.

**Figure 1: Composition of UK businesses, 2008**

Number of enterprises, employment and turnover in the private sector (including public corporations and nationalised bodies) by number of employees and industry section, UK, start 2008

<table>
<thead>
<tr>
<th>Number</th>
<th>Enterprises</th>
<th>Employment ( / 1,000)</th>
<th>Turnover (^1) ( / £ million)</th>
<th>Percent</th>
<th>Enterprises</th>
<th>Employment</th>
<th>Turnover (^1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Industries</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All enterprises</td>
<td>4,783,285</td>
<td>23,128</td>
<td>2,994,978</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
<tr>
<td>All employers</td>
<td>1,237,565</td>
<td>19,239</td>
<td>2,763,280</td>
<td>25.9</td>
<td>83.2</td>
<td>92.3</td>
<td></td>
</tr>
<tr>
<td>With no employees (^2)</td>
<td>3,545,720</td>
<td>3,888</td>
<td>231,698</td>
<td>74.1</td>
<td>16.8</td>
<td>7.7</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>192,055</td>
<td>438</td>
<td>31,323</td>
<td>4.0</td>
<td>1.9</td>
<td>1.0</td>
<td></td>
</tr>
<tr>
<td>2-4</td>
<td>617,130</td>
<td>1,868</td>
<td>210,984</td>
<td>12.9</td>
<td>8.1</td>
<td>7.0</td>
<td></td>
</tr>
<tr>
<td>5-9</td>
<td>223,585</td>
<td>1,551</td>
<td>177,975</td>
<td>4.7</td>
<td>6.7</td>
<td>5.9</td>
<td></td>
</tr>
<tr>
<td>10-19</td>
<td>116,645</td>
<td>1,612</td>
<td>190,499</td>
<td>2.4</td>
<td>7.0</td>
<td>6.4</td>
<td></td>
</tr>
<tr>
<td>20-49</td>
<td>55,415</td>
<td>1,720</td>
<td>281,897</td>
<td>1.2</td>
<td>7.4</td>
<td>8.4</td>
<td></td>
</tr>
<tr>
<td>50-99</td>
<td>17,105</td>
<td>1,189</td>
<td>171,373</td>
<td>0.4</td>
<td>5.1</td>
<td>5.7</td>
<td></td>
</tr>
<tr>
<td>100-199</td>
<td>7,985</td>
<td>1,113</td>
<td>164,183</td>
<td>0.2</td>
<td>4.8</td>
<td>5.5</td>
<td></td>
</tr>
<tr>
<td>200-499</td>
<td>1,620</td>
<td>363</td>
<td>70,893</td>
<td>0.0</td>
<td>1.6</td>
<td>2.4</td>
<td></td>
</tr>
<tr>
<td>250-499</td>
<td>3,070</td>
<td>1,061</td>
<td>269,371</td>
<td>0.1</td>
<td>4.6</td>
<td>9.0</td>
<td></td>
</tr>
<tr>
<td>500 or more</td>
<td>2,955</td>
<td>8,325</td>
<td>1,224,781</td>
<td>0.1</td>
<td>36.0</td>
<td>40.9</td>
<td></td>
</tr>
</tbody>
</table>

**Source:** BIS

3.8 As well as the quantitative research, we also held discussions with business users and other interested parties in Glasgow, Inverness, Belfast and Cardiff in order to ensure that we were properly informed about the needs of businesses in the nations. This also enabled us to get a perspective on the needs of businesses with fewer than five employees who were not covered by our quantitative research. We also held three roundtable discussions with members of the Communications Management Association (CMA). We report on the outcome of these discussions in the report, as well as including extracts from more detailed interviews we held with businesses.

**Key definitions**

3.9 In reading this report, a number of key definitions should be borne in mind:

- We surveyed business consumers who were actively trading businesses with five or more employees operating in the private, public or third (voluntary) sectors.

- Information technology and communications (ITC) comprises a range of digital communications technologies including: fixed-line telephone services, mobile telephone services and internet/data services. Mobile telephone services include both voice and data services delivered over devices such as mobile phones, PDAs, Blackberry devices, and iPhones. However, ITC does not include TV or radio services.

\textsuperscript{15} This data is based on VAT registered businesses in the UK. Source: BIS Enterprise Directorate Analytical Unit
In this research, we asked business consumers to describe where their businesses were located. Respondents answered with a percentage of their UK sites in each of the following areas:

- Urban – central locations including towns and cities
- Suburban – key industrial sites or business parks outside central locations
- Rural – rural areas

Throughout this report when we refer to urban, suburban or rural businesses, these are businesses that reported they had at least some sites in these locations.

**Structure of report**

3.10 This report was written by Ofcom, based on findings from Jigsaw Research, the independent market research consultancy commissioned to conduct the research. Each section of the report first presents survey data from Jigsaw Research, followed, where relevant, by a description of the work Ofcom is doing in the area.

- In section 4 we give a broad overview of the business market using published market data.
- In section 5 we give some of the results of our research on how businesses are using telecoms including which telecoms services are being used and how this use is changing, what role ITC currently plays within the organisation, and what type/level of resource is dedicated to decision-making on ITC policy.
- Section 6 introduces business consumer choice and value, namely: overall levels of satisfaction with ITC services and service providers and a more in-depth consideration of what drives dissatisfaction (in particular) and satisfaction in the market.
- Section 7 looks at engagement with ITC services and service providers. It discusses the extent to which business consumers feel they have the best service available on the market and whether there are significant barriers to switching to better alternatives.
- Section 8 looks at the issues of ITC service availability and reliability and the extent to which these are meeting the needs of business consumers.
- Section 9 takes a detailed look at customer service and what, if any, concerns or issues business consumers have in this regard.
- In the Annexes, we include the research questionnaire, the methodology, a detailed breakdown of the findings by sub-group, and a glossary.

**Next steps**

3.11 Through our programme of work, Ofcom is undertaking a number of initiatives to ensure that business consumers are able to obtain a greater choice of services, quality and value for money. Where relevant, at the end of each of the following sections, we describe in more detail the work we are undertaking that could have a bearing on the various issues identified by businesses in our research.
3.12 Ofcom intends to conduct regular research into the experiences of business consumers. We would welcome comments from businesses on the results of our research and on the possible implications for Ofcom. Please send comments to market.intelligence@ofcom.org.uk
The business telecoms market

Summary

- Businesses (of all sizes) are an important part of the telecoms market. In total businesses account for about 45% of total UK telecoms retail revenue.
- The mix of communications services being used is changing: fixed telephony use is falling and mobile and internet/data services are becoming more important.
- 70% of all UK businesses are using broadband but growth in broadband uptake is slowing down and over a million business consumers are still using narrowband internet services.

4.1 In this section we first provide an overview of the UK business telecoms market including all businesses of all sizes (including those of fewer than 5 employees who were not included in our quantitative research). This draws on existing published research as opposed to the results of our business consumer survey.

The UK telecoms market

4.2 Communications services are fundamental to businesses’ ability to trade effectively. For some businesses communications services are used primarily as a basic means of communication with customers and suppliers, but for others they have transformed the way business is conducted. Increasing numbers of retail / consumer facing organisations are embracing the internet to offer their customers an alternative to the High Street. Organisations with extensive field forces such as, for example utility companies, are increasingly using mobile solutions to ensure that their employees can operate effectively whilst on the move.

Integration of mobile and data services

Tesco.com has been using an integrated mobile and data service for its home delivery service. In order to make it easier for drivers to deliver their orders and for the computer system to monitor delivery, tesco.com integrated a satellite navigation solution with its order-tracking system. Hence when drivers collect their mobile devices before deliveries begin, the navigation system has already synchronised with the customers’ addresses and planned the driver’s most efficient route. This allows the business to benefit from lower costs and more efficient delivery.

A version of this case study first appeared in the Spring 2008 edition of Retailspeak

4.3 In the UK telecoms market as a whole (including both residential and business consumers) there has been a shift from fixed services to mobile and data services.
Figure 2: UK telecoms industry retail revenue

Source: Ofcom / operators / IDC

Businesses account for about 45% of total UK telecoms retail revenue

4.4 Business spend on telecoms services increased by 2% to £13.9bn in 2008, which represents around 45% of the total telecoms retail revenues of £31bn in 2008. The chart also shows the shift in recent years from fixed voice to mobile and data services. Over the five years to 2008 the fastest growth in business revenues has come from mobile services, averaging 14% a year. Corporate data services have also grown over the period, increasing by an average of 3.3% annually, while both non-corporate internet and fixed voice have fallen over the period; in the case of fixed telephony this is as a result of declining use, and for internet services it is because prices have fallen. This shift away from traditional fixed voice services was also underlined by respondents to our quantitative research (see section 5).

Figure 3: UK business telecoms services revenue

Source: Ofcom / operators / IDC

Mobile phone usage has overtaken fixed phone usage amongst businesses

4.5 Business consumers account for around 18% of mobile SIMs\textsuperscript{16} but almost 45% of total mobile services revenue. Businesses generate more call minutes from mobile phones than from landlines, with the rate of fixed-mobile substitution among businesses having accelerated since 2005. Fixed call volumes continued to decline in 2008, and were 11.3% lower than they had been in 2007.

\textsuperscript{16} Source: Analysys Mason, 2009
Mobile data services are growing in importance

4.6 Business mobile revenues increased by 6.4% to £6.9bn in 2008 (Figure 5). Revenues from mobile data services (including SMS messaging) grew by 17.5% to £1.1bn and represented 16.2% of all business mobile revenues, up from 14.7% in 2007 and from just 6.8% in 2003. Growth in business mobile voice revenues was lower as a result of falling prices, rising by 4.5% to £5.8bn.

Many businesses continue to use narrowband data services

4.8 Although fixed business voice call volumes fell by over 10% during 2008, the number of fixed business lines fell by only 1.8%. This suggests that although there has been a significant shift from making fixed calls to making mobile calls among business users, many are reluctant to give up their fixed lines, as they are considered important in order for contact with clients, suppliers and customers.
4.9 The number of analogue business lines fell by 1.3% to 5.2 million in 2008, while the number of ISDN30 channels increased by 1.1% to 3.2 million during the year, a reflection of the importance of ISDN30 to larger businesses. The largest drop in business lines in 2008 was a 10.8% fall in the number of ISDN2 channels to 1.3 million, a reflection of the fact that these lines are generally used for internet access, and in most cases can be replaced by a cheaper, faster broadband connection. It is notable, however, that the number of ISDN2 channels remains at well over a million.

E-Government involves the delivery of public services using ITC

- In practice, e-government is delivered in different ways - using the internet as a conduit to:
  - Put public information online
  - Make government services available online
  - Provide new forms of consultation and policy development
  - Enable services to be delivered in new ways, potentially more customised and personalised
  - Encourage new forms of communication between state and citizens, including businesses, so building social capital
  - Reduce administration costs by automating and simplifying processes
- www.direct.gov.uk is the UK government portal which provides links to other specialist websites, including government departments, public service sites, and links to devolved administration and local authorities.
- HMRC* said 67% of UK taxpayers filed their self-assessment tax-returns online in the last financial year.
- 66% of businesses used the internet to interact with public authorities, such as government departments and local and regional authorities in 2008, an increase of nearly 6% since 2007**.

** http://www.statistics.gov.uk/pdfdir/ecom1109.pdf
Section 5

Business consumers’ use of telecoms

Summary

- The use of ITC, particularly of more advanced services, varies significantly across the country and by type of business user. The majority of businesses with five employees or more in the UK have fixed-line voice and internet services (98% and 90% respectively). Take-up of mobile services is lower at 70% although this does not account for the fact that many employees use their personal mobiles for business.
- The mean annual spend on telecoms services among those surveyed is £14,600 per year, while the median spend is £3,600 per year.
- The mix of services being used is changing. When asked where they could envisage spending more, business consumers mentioned internet services (34%) and mobile services (10%), while 13% of respondents said they could envisage spending reductions on fixed landline services.
- There are indications that many businesses are not making the most of the newest telecoms services. In all, almost a fifth (18%) of the respondents admitted lagging somewhat behind the field in the way they use fixed line and internet services and this rose to almost a third in the mobile and data markets (32% and 31% respectively).
- Only 17% of the decision-makers interviewed said they felt ‘very’ well informed about how ITC services could help their business. Most (63%) said they were ‘fairly’ well informed and a further one in five (21%) did not feel well informed.

Role of ITC services

5.1 In this section, we consider the role that ITC services play for business consumers. We look at the role ITC currently plays within businesses, what ITC is being used for, and what type/level of resource is dedicated to decision-making on ITC policy, approach and/or purchasing. We also look at spend and uptake levels of mobile and fixed telecoms services and consider how the use of telecoms services is changing in businesses.

5.2 Not surprisingly, we found that the role played by telecoms varies widely between different types of business. Some businesses regard telecoms as being a driver of success, while others see it as a means to efficiency or a tool for basic communications. But we also found evidence that even small businesses are using telecoms services to achieve business success, and retail businesses in particular are being transformed (see case studies below).

The role and importance of the internet in transforming the way retailers transact with their customers and suppliers

- Internet sales represented* 9.8% of the value of all sales of UK non-financial sector businesses in 2008.
- Purchases over ICTs represented* just under 23% of the total purchases of non-financial businesses in 2008, with a total value of £361.7bn.
- However, in 2008, only 12.6% of businesses used a website to sell*, with the Post and Telecommunications sector having the largest proportion, at 23.5%*

In 2006, previous research conducted among SMEs\textsuperscript{17} showed that attitudes towards communications services were influenced more by the intended role that these technologies play within the business than by traditional company profile variables such as size and sector. The research subsequently identified three distinct roles that communications services can play within a business: utility, enabler or driver, as defined below.

Figure 7: The role of ITC to businesses with five or more employees

<table>
<thead>
<tr>
<th>Driver = 32%</th>
<th>Enabler = 35%</th>
<th>Utility = 33%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Drives changing shape of business through role in:</td>
<td>Essential vehicle for making business more efficient</td>
<td>Hygiene factor: basic tool for communication</td>
</tr>
<tr>
<td>NPD, innovation</td>
<td>Inward facing: maximising efficiency, minimising errors, managing customer relationships</td>
<td>Inward facing: administrative function, basic office management, communication</td>
</tr>
<tr>
<td>Brand Image</td>
<td>Outward facing: securing market position or gaining competitive advantage</td>
<td>Outward facing: communication</td>
</tr>
<tr>
<td>Creating sales opportunities, USPs</td>
<td>Tied to company objectives</td>
<td></td>
</tr>
<tr>
<td>Tied to company objectives</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Our research shows that these three roles continue to account for approximately equal proportions of the business consumer market, with approximately a third falling into each segment as follows:

- 32% of all respondents regard ITC as a Driver: This rises to 43% among those who feel ‘very well informed’ about how communications services can help their organisation and is more common in multi-nationals (51%) and in the business services sector (44%).
- 35% of all respondents regard ITC as an Enabler for helping the business be more efficient.
- 33% of all respondents regard ITC as a Utility: This rises to 42% among those who say they ‘do not feel well informed’ about communications services and is more prevalent in the public sector (43%) and in the leisure sector (46%).

\textsuperscript{17} http://www.ofcom.org.uk/research/cm/smeengagement/smereport.pdf

\begin{quote}
Mobile services have allowed us to better communicate with our staff and our customers. We can now disseminate information more effectively and quicker. For example, we send texts to customers letting them know when we will be visiting their premises to take measurements. This has led to increased customer satisfaction and allows us to manage our resources better. Our presence on the internet has increased our sales considerably. Customers send through enquires via our website and we use email to send them quotas, arrange and confirm fitting dates (about 80% of our customers have email addresses). Our customers also use email to provide feedback, for example to tell us that we did an excellent job. We also receive up to 2.5% discount from our suppliers when we place our orders online – this also means less paperwork and postage costs for us.
(Ofcom interview with a small family-owned retailer based in Inverness)
\end{quote}
5.5 Business consumers place a high degree of importance on mobile, fixed-line and internet/data services. This research showed that all three technology areas are highly important to business consumers in the UK, with at least four-fifths giving a score of seven or higher. The greatest importance tends to be placed on fixed-line services (93%), followed by internet/data services (83%) and mobile services (79%).

**Figure 8: Importance placed on services**

![Bar chart showing the importance placed on services](image)

Source: Business Consumer Experience Research - Q6  
Base: All with Mobile / Fixed-line / Internet or data services (n=104-911 / 113-1207 / 112-1134)

5.6 The importance of mobile and internet/data services varies significantly by type of business. Mobile services are significantly more likely to be given a score of nine or ten by business consumers who feel they ‘lead the field’ in this technology (83%) and those spending at least £5,000 per annum on mobile services. The importance of mobile services is also significantly higher among business consumers based in the North or East of England (67% in each region) and in multi-nationals (65%).

5.7 Large organisations with at least 250 employees and/or at least four sites are significantly more likely to give an importance score of nine or ten for internet/data services (77% and 71% respectively). Those who feel very well informed about communications services generally also place higher importance on this technology (72%). With regard to geography, the importance of internet/data services is also significantly higher for London-based business consumers (72%) and for multi-nationals (76%). No notable differences emerge in relation to fixed-line services.
Figure 9: Importance placed on services – key subgroup differences

% of users who rated importance of service as 9 or 10

<table>
<thead>
<tr>
<th></th>
<th>Mobile</th>
<th>Fixed line</th>
<th>Internet/Data</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>53</td>
<td>79</td>
<td>61</td>
</tr>
<tr>
<td>5-9 employees</td>
<td>54</td>
<td>76</td>
<td>58</td>
</tr>
<tr>
<td>250+ employees</td>
<td>48</td>
<td>74</td>
<td>77</td>
</tr>
<tr>
<td>1 site</td>
<td>54</td>
<td>78</td>
<td>58</td>
</tr>
<tr>
<td>2-3 sites</td>
<td>52</td>
<td>80</td>
<td>68</td>
</tr>
<tr>
<td>4+ sites</td>
<td>48</td>
<td>83</td>
<td>71</td>
</tr>
<tr>
<td>Multinational</td>
<td>65</td>
<td>70</td>
<td>76</td>
</tr>
<tr>
<td>Non-Multinational</td>
<td>52</td>
<td>80</td>
<td>60</td>
</tr>
<tr>
<td>London</td>
<td>58</td>
<td>78</td>
<td>72</td>
</tr>
<tr>
<td>Non-London</td>
<td>52</td>
<td>79</td>
<td>60</td>
</tr>
</tbody>
</table>

Source: Business Consumer Experience Research – Q6  
Base: All with Mobile / Fixed-line / Internet or data services (n=104-911 / 113-1207 / 112-1134)

Overall take-up of services

Mobile services

5.8 The majority of businesses we surveyed have fixed-line phones and internet service but take-up of mobile services (paid for by the business directly) is lower. There are also significant differences in product and service usage across the country.

5.9 Almost two-thirds of business consumers in total (64%) rent or own mobile phones on a contract basis and a further 12% provide Pay-As-You-Go phones to their employees. A third of businesses surveyed said they use Blackberry, iPhone or PDA devices (note some businesses use a number of different types of devices, e.g. contract and pay-as-you-go phones). Mobile email and internet devices are also common: 23% of businesses said they have BlackBerry devices while 10% have iPhone handsets. Take-up of BlackBerry devices is higher (33%) among businesses that consider ITC to be a driver, and stands at 40% among London-based businesses.
Overall, 29% of businesses stated that they do not own or rent any mobile devices. But this number was significantly higher among organisations in the public and third sectors (40% and 42% respectively). Furthermore, business consumers with no mobile device are significantly more likely to be small businesses with 5-10 employees (35%), those with a single site (33%), or those where ITC is considered to be a utility (37%).

With regards to geography, some significant differences emerge. There is significantly lower take-up of mobile services in Wales (38% stated “none” compared to the overall figure of 29%). Organisations in urban areas display slightly higher than average take-up of mobile broadband access via dongles (25% compared to 22% of all respondents). Take-up of contract mobiles is significantly higher in suburban environments (74% compared to 64% of all respondents).
5.12 Among those on contracts, the length of contract varies, with almost equal proportions of business consumers on 12 month, 18 month and 24 month contracts. The average length of contract is greatest among large businesses and those who spend the most: 51% of those with 250 or more employees and 50% of those spending at least £5,000 per annum on mobile services have contracts of 24 months – compared to 30% of all respondents.

5.13 Contract length is also significantly higher among BlackBerry and iPhone users (39% and 36% respectively having contracts of 24 months). There were no significant differences by geography on this measure.

Figure 12: Length of contract – mobile services

Source: Business Consumer Experience Research – Q4
Base: All with Mobiles other than PAYG (n=105-866)

Fixed services

5.14 There is almost universal take-up of fixed-line phones: 98% of all businesses have fixed lines, while over a third of multi-site businesses have dedicated lines or private networks.

5.15 Use of other fixed-line services increases with size of business – both in terms of number of employees and, to a lesser extent, number of sites:

- Large organisations with at least 250 employees are significantly more likely to use Carrier Pre-Selection (CPS) (28% compared to the average of 9%), Wholesale Line Rental (WLR) services (31% compared to the average of 15%), Voice over Internet

18 Specifically, 91% said they had fixed lines, and an additional 7% had said they had CPS, WLR, dedicated lines/ private network or VoIP
Protocol or VoIP (42% compared to the average of 11%) and to have dedicated lines, or private networks (59% compared to the average of 23%).

- Business consumers with four or more sites are significantly more likely to use CPS (17%), WLR (27%), VoIP (22%) and to have dedicated lines or private networks (32%).

5.16 Business consumers that regard ITC as a driver are significantly more likely to use VoIP (17% compared to the average of 11%). There are no significant differences between urban, suburban and rural areas.

Figure 13: Take-up of fixed-line services

<table>
<thead>
<tr>
<th>% of businesses using each type of service</th>
<th>5-9 employees</th>
<th>250+ employees</th>
<th>1 site</th>
<th>2-3 sites</th>
<th>4+ sites</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed Lines</td>
<td>93</td>
<td>87</td>
<td>92</td>
<td>90</td>
<td>89</td>
</tr>
<tr>
<td>CPS</td>
<td>4</td>
<td>28</td>
<td>7</td>
<td>12</td>
<td>17</td>
</tr>
<tr>
<td>WLR</td>
<td>12</td>
<td>31</td>
<td>12</td>
<td>17</td>
<td>27</td>
</tr>
<tr>
<td>Dedicated lines/Private Network</td>
<td>20</td>
<td>59</td>
<td>20</td>
<td>33</td>
<td>32</td>
</tr>
<tr>
<td>VOIP</td>
<td>11</td>
<td>42</td>
<td>8</td>
<td>14</td>
<td>22</td>
</tr>
<tr>
<td>None of these</td>
<td>2</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>4</td>
</tr>
</tbody>
</table>

Source: Business Consumer Experience Research – Q19
Base: All respondents (n=116-1229)

5.17 The number of fixed lines varies widely, but increases with number of employees and number of sites. For example, those with 250 or more employees are significantly more likely to have 20 or more lines (77% compared to the average of 7%), as are those with four or more sites (40% compared to the average of 7%).
5.18 Around nine in ten businesses we surveyed had an internet connection. The data shows that 90% of businesses surveyed have access to the internet.

5.19 The majority of business consumers surveyed (58%) make electronic file transfers. Almost two-fifths (37%) have an intranet (an internal network based on internet protocol) but fewer (12%) have an extranet (a network that extends beyond company employees to include suppliers and / or customers). A minority (16%) use voice applications via the internet.

5.20 There are distinct and consistent patterns in take-up across the internet and data services evaluated. Take-up across all technologies is significantly higher among business consumers based in London and/or those in suburban locations. Also, take-up across all technologies is significantly higher among large organisations, those in business services and those spending at least £3,000 per annum on internet and data services.

5.21 On average, business consumers use two types of internet and data service. In this report, those using one service are referred to as having “light data dependence”, those using two services are referred to as having “average data dependence” and those using three or more services are referred to as having “heavy data dependence”.

Source: Business consumer experience research - Q18
Base: All with Fixed-Line services (n=113-1207)

The Internet is increasingly becoming more important to our business – it allows us to offer our customers a 24/7 banking service and flexible working for our staff who can now work effectively from home supported by corporate VoIP, Video and desktop services. (Large multi-site financial institution)
5.22 One in five decision-makers did not know whether their voice and data services were converged or run separately. This is most likely among decision-makers in an administrative role (33%), and those who do not feel well informed about how communications services can help their business (30%).

5.23 Among those who were able to answer, business consumers are much more likely to run their voice and data services separately (63%) than converged (16%).

5.24 Converged voice and data services are more common among the following types of business consumers:

- Large organisations with at least 250 employees (34% compared to 16% overall).
- Multi-nationals (31%).
- Those with heavy data dependence (23%).
- Those who feel they are leading the field in this technology (23%).
- Those who feel very well informed about communications services (21%).

5.25 Take-up of different internet/data services is significantly higher among businesses with converged services: 78% make file transfers (compared to 58% overall), 50% have an intranet (compared to 37% overall), 36% use VoIP (compared to 16% overall) and 19% have an extranet (compared to 12% overall).
Perhaps surprisingly, one in six (16%) business consumers with access to the internet continue to use dial-up or ISDN lines. This rises to 21% in small organisations with 5-19 employees and to 25% in primary industries/utilities/manufacturing. We did not find that use of narrowband internet services was more prevalent in any particular nation or region; nor did we find that it was more prevalent in rural areas.

Half of those with internet (51%) report using ADSL broadband as their main connection method and a further 32% report using cable broadband. However, further analysis suggests that many businesses who claimed to use cable broadband did not report using a cable broadband supplier, so this figure may be over-stated. It is likely that many of the respondents who claimed to connect by cable broadband are actually using ADSL broadband. This apparent confusion over connection methods may be related to low levels of ITC literacy among some respondents; the apparent over-claim is concentrated among smaller businesses who do not have a dedicated IT specialist.

Penetration of leased lines is lower at 16%, and of these businesses 6% use copper lines, 5% use fibre lines, and the rest were unable to answer. Penetration of leased lines rises notably among business consumers with a certain profile:

- large organisations with at least 250 employees (66%) and/or at least 4 sites (33%);
- those spending at least £3,000 per annum on internet/data services (33%);
- those who feel they lead the field in internet/data technologies (29%/32%);
- those with heavy data dependence (25%); and
- the public sector (31%).
5.29 The only significant difference by geography appears in London-based business consumers, who are more likely to use ADSL (63%) than the average (51%) or leased line connections (24% compared to 16% overall) – and less likely to rely on cable broadband (24% compared to 32% overall).

**Figure 17: Method of connecting to the internet**

<table>
<thead>
<tr>
<th>% of businesses using each means of connection</th>
<th>10-19 employees</th>
<th>250+ employees</th>
<th>1 site</th>
<th>2-3 sites</th>
<th>4+ sites</th>
<th>London</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADSL</td>
<td>43</td>
<td>57</td>
<td>48</td>
<td>56</td>
<td>61</td>
<td>63</td>
</tr>
<tr>
<td>Cable Broadband</td>
<td>36</td>
<td>25</td>
<td>32</td>
<td>31</td>
<td>34</td>
<td>24</td>
</tr>
<tr>
<td>Leased line</td>
<td>13</td>
<td>66</td>
<td>14</td>
<td>16</td>
<td>33</td>
<td>24</td>
</tr>
<tr>
<td>Dial Up/ISDN</td>
<td>21</td>
<td>16</td>
<td>17</td>
<td>14</td>
<td>12</td>
<td>13</td>
</tr>
<tr>
<td>SDSL</td>
<td>4</td>
<td>28</td>
<td>5</td>
<td>6</td>
<td>20</td>
<td>11</td>
</tr>
<tr>
<td>Satellite Broadband</td>
<td>7</td>
<td>13</td>
<td>5</td>
<td>7</td>
<td>12</td>
<td>6</td>
</tr>
<tr>
<td>Other</td>
<td>5</td>
<td>3</td>
<td>2</td>
<td>4</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>Don't know</td>
<td>7</td>
<td>1</td>
<td>7</td>
<td>5</td>
<td>2</td>
<td>6</td>
</tr>
</tbody>
</table>

Source: Business Consumer Experience Research – Q24
Base: All with Internet services (n=1109)

**Networking services**

5.30 Two in three (65%) of the respondent businesses with more than one site in the UK are networked. The prevalence of networking increases significantly among larger business consumers with the following characteristics:

- large organisations with at least 250 employees (94%) and/or at least 4 sites (74%);
- those spending at least £3,000 per annum on internet/data services (86%);
- those who feel they lead the field in internet/data technologies (79%/86%); and
- those who feel very well informed about communications services (75%).

5.31 Far fewer of these business consumers are networked with their clients (13%). However, this rises again among business consumers with the above characteristics, and is more common in the public sector than in any other sector (27%).

---

19 We believe the survey results represent an over-claim of cable modem use and an under-claim of ADSL use. This is explained in paragraph 5.27 above
5.32 Most business consumers network their sites by a virtual private network (VPN) (41%), or a private network (38%). Leased lines and dial-up/ISDN methods are less widespread (17% and 15% respectively).

5.33 Use of Virtual Private Networks and leased line (LL) methods is significantly higher among larger companies with the following characteristics:

- large organisations with at least 250 employees (55% VPN, 38% LL);
- those spending at least £3,000 per annum on internet/data services (50% VPN, 26% LL);
- those who feel they lead the field in internet technologies (51% VPN, 25% LL);
- those who feel very well informed about communications services (51% VPN, 24% LL);
- those exhibiting heavy data dependence (48% VPN, 21% LL);
- also, use of VPN is also more prevalent in the business services sector (50%).
### Spacing on telecoms services

#### Average annual spend on ITC

5.34 The data shows that spending varies significantly by type of organisation, particularly by the size of the organisation. Respondents were asked to consider the total amount they spent on mobile, fixed-line and internet/data services across an average year, including external support and across all UK sites. Precise answers were given and subsequently classified into three ranges: low, medium and high, defined to be relevant for each technology.

#### Figure 20: Average annual spend on ITC – by number of employees

<table>
<thead>
<tr>
<th>Total</th>
<th>5-9 employees</th>
<th>250+ employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low (&lt;£3K)</td>
<td>48</td>
<td>55</td>
</tr>
<tr>
<td>Medium (£3-9K)</td>
<td>37</td>
<td>45</td>
</tr>
<tr>
<td>High (&gt;£10K)</td>
<td>17</td>
<td>38</td>
</tr>
<tr>
<td>5-9 employees</td>
<td>20</td>
<td>10</td>
</tr>
<tr>
<td>Medium (£3-9K)</td>
<td>6</td>
<td>11</td>
</tr>
<tr>
<td>High (&gt;£10K)</td>
<td>7</td>
<td>4</td>
</tr>
</tbody>
</table>

Source: Business Consumer Experience Research – P1
Base: All respondents (n=1229)

5.35 Spend also varies significantly by the role played by ITC within the organisation, although there were no significant differences by geography.
Changes in spend on ITC

5.36 The data show that spend patterns have changed for up to half of business consumers surveyed. Where changes have been made, on balance budgets are increasing. Spend on internet/data services shows the largest net increase (17%) with a smaller net increase for fixed and mobile users.

5.37 Geography has the most notable influence in the mobile market, with increasing spend most likely in multi-nationals (52% compared to the average of 30%), in London-based business consumers (37%) and those in suburban areas (39%).

5.38 Attitudes to use of ITC also plays a part; business consumers with dedicated IT/telecoms resource (46%), those regarding themselves as leading the field in mobile technology (42%), and those for whom mobile services are extremely important to their organisation (35%) are all significantly more likely to have increased spend in the last twelve months.

5.39 A very similar picture is apparent in the internet/data market. Multi-nationals and London-based organisations are significantly more likely to have increased spend in the last twelve months compared to the average of 26%. Organisations with
dedicated IT/telecoms resource (38%), regarding themselves as leading the field in internet/data technology (36%), for whom internet/data services are extremely important to their organisation (30%) are also more likely to have increased spend.

5.40 Fixed-line business consumers who are most likely to have increased spend in the last twelve months include those in rural areas (31% compared to the average of 25%), those in the public sector (38%) and those who regard fixed-line services to be a ‘Driver’ (30%).

Figure 23: Changes in spend on ITC since previous year – key subgroup differences

% of users who increased spend this year

<table>
<thead>
<tr>
<th></th>
<th>Mobile</th>
<th>Fixed line</th>
<th>Internet/Data</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>30</td>
<td>25</td>
<td>26</td>
</tr>
<tr>
<td>Urban</td>
<td>30</td>
<td>24</td>
<td>26</td>
</tr>
<tr>
<td>Suburban</td>
<td>39</td>
<td>28</td>
<td>27</td>
</tr>
<tr>
<td>Rural</td>
<td>30</td>
<td>26</td>
<td>26</td>
</tr>
<tr>
<td>England</td>
<td>30</td>
<td>26</td>
<td>27</td>
</tr>
<tr>
<td>Scotland</td>
<td>27</td>
<td>28</td>
<td>22</td>
</tr>
<tr>
<td>Wales</td>
<td>24</td>
<td>24</td>
<td>21</td>
</tr>
<tr>
<td>N Ireland</td>
<td>34</td>
<td>22</td>
<td>23</td>
</tr>
<tr>
<td>London</td>
<td>37</td>
<td>22</td>
<td>32</td>
</tr>
<tr>
<td>Non-London</td>
<td>28</td>
<td>26</td>
<td>25</td>
</tr>
<tr>
<td>Multinational</td>
<td>52</td>
<td>30</td>
<td>45</td>
</tr>
<tr>
<td>Non-Multinational</td>
<td>28</td>
<td>25</td>
<td>25</td>
</tr>
</tbody>
</table>

Source: Business Consumer Experience Research – Q5b
Base: All with Mobile / Fixed line / Internet or data services (n=104-911 / 113-1207 / 112-1134)

5.41 Across all three technologies, businesses that increased spending in the previous twelve months are those most likely to be planning to increase spending in the next twelve months:

- Mobile: 16% of business consumers report that they will increase spend in the coming year, rising to 32% among those who increased spend in the previous year.
- Fixed-line: 18% of business consumers report that they will increase spend in the coming year, rising to 42% among those who increased spend in the previous year.
- Internet/data: 18% of business consumers report that they will increase spend in the coming year, rising to 36% among those who increased spend in the previous year.
Figure 24: Planned changes in spend on ITC in the coming year

Source: Business Consumer Experience Research - Q5c
Base: All with each service (n= 911/1207/1134)

Future trends in spending

5.42 Many businesses anticipate an increasing adoption of high-bandwidth services in future years. Among those who expect their usage patterns to change, many anticipate a shift in spending from fixed-line services (such as phones or faxes) towards internet and data services (such as email, corporate websites, VoIP and mobile devices with internet access).

5.43 When asked to consider the technologies where they could foresee cuts in spending or reducing their reliance in the future, businesses are most likely to mention fixed-line services (specifically landline telephones and fax machines), followed by mobile services.

5.44 Spending increases are most likely to be planned for internet and data services (including enhancements to email, VoIP and corporate websites, as well as management systems). Mobile services and handsets (such as BlackBerry devices) are also an area where possible spending increases were cited.
Figure 25: Technologies on which budget / reliance is changing

<table>
<thead>
<tr>
<th>% planning to cut spend/reduce reliance</th>
<th>% planning to increase spend/increase reliance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Sample</strong></td>
<td><strong>Total Sample</strong></td>
</tr>
<tr>
<td>Unweighted base</td>
<td>Unweighted base</td>
</tr>
<tr>
<td>Weighted base</td>
<td>Weighted base</td>
</tr>
<tr>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td><strong>Top Mentions</strong></td>
<td><strong>Top Mentions</strong></td>
</tr>
<tr>
<td>Landline</td>
<td>Internet</td>
</tr>
<tr>
<td>Mobile</td>
<td>Mobile</td>
</tr>
<tr>
<td>Fax</td>
<td>Email</td>
</tr>
<tr>
<td>Volume of calls</td>
<td>Data services</td>
</tr>
<tr>
<td>Broadband</td>
<td>Company website</td>
</tr>
<tr>
<td>Voice transfers (move to automated switchboard)</td>
<td>VoIP</td>
</tr>
<tr>
<td>Convergence</td>
<td>Blackberries</td>
</tr>
<tr>
<td></td>
<td>Additional phone lines</td>
</tr>
<tr>
<td></td>
<td>Management systems</td>
</tr>
<tr>
<td></td>
<td>Hardware</td>
</tr>
<tr>
<td>Total Sample</td>
<td>Source: Business Consumer Experience Research - Q28 and Q29</td>
</tr>
<tr>
<td>Unweighted base</td>
<td>Base: All respondents (n=1229)</td>
</tr>
<tr>
<td>Weighted base</td>
<td></td>
</tr>
<tr>
<td>%</td>
<td></td>
</tr>
<tr>
<td>Landline</td>
<td>Internet</td>
</tr>
<tr>
<td>Mobile</td>
<td>Mobile</td>
</tr>
<tr>
<td>Fax</td>
<td>Email</td>
</tr>
<tr>
<td>Volume of calls</td>
<td>Data services</td>
</tr>
<tr>
<td>Broadband</td>
<td>Company website</td>
</tr>
<tr>
<td>Voice transfers (move to automated switchboard)</td>
<td>VoIP</td>
</tr>
<tr>
<td>Convergence</td>
<td>Blackberries</td>
</tr>
<tr>
<td></td>
<td>Additional phone lines</td>
</tr>
<tr>
<td></td>
<td>Management systems</td>
</tr>
<tr>
<td></td>
<td>Hardware</td>
</tr>
</tbody>
</table>

Communications providers’ views on business consumers

In order to form a broad understanding of business consumers’ needs of telecoms services, Ofcom conducted a series of one-to-one interviews with communications providers who focus on providing services to business consumers. They confirmed the findings from our quantitative research on the changing nature of the market, namely a growing shift to higher-bandwidth internet/data services. They told us that although DSL remains the most important broadband access technology for business customers, businesses are increasingly beginning to demand higher-quality broadband products as the use of high-bandwidth applications such as web hosting and tele-presence/video-conferencing increase. We were also told that there is a demand for symmetric business-grade broadband (SDSL) that is not currently being fully met. Leased lines, they said, are still too expensive for many businesses. So new Ethernet-based products are beginning to fill the gap, including fibre-based Ethernet services. Some customers are also swapping leased lines with Ethernet-based services in order to cut costs. This transition to newer internet/data products is illustrated in the figure below.

Some providers also mentioned that they faced difficulties in offering these newer services, indicating that service-level agreements and guarantees, fault repair times and broadband quality of service were not of sufficient standard. In addition, one communications provider said that where new fibre needs to be installed, it could be difficult to provide customers with accurate estimates of costs because the costs of connecting with BT’s network were often difficult to predict.
Method of purchase

5.45 The majority of businesses purchase their mobile service direct from a mobile network operator. Around a quarter purchase their service from a reseller or systems integrator. Mid-sized businesses are the most likely to purchase mobile services from a reseller. Almost half (43%) of businesses with 50-249 employees purchase mobile services in this way.

Figure 26: Method of purchase of mobile services (%)

Source: Business Consumer Experience Research – Q7
Base: All with Mobile services (n=911)

5.46 The majority of businesses purchase their fixed-line service direct from a fixed-line operator. Around three in ten purchase their service from a reseller or systems integrator. As found with mobile service purchase, mid-sized businesses are the most likely to purchase fixed-line services from a reseller. Four in ten (39%) of businesses with 50-249 employees purchase fixed services in this way.

Figure 27: Method of purchase of fixed-line services (%)

Source: Business Consumer Experience Research – Q7
Base: All with Fixed Line services (n=1207)

5.47 The majority of businesses purchase their internet and data services direct from a network provider. Around a quarter (26%) of business respondents purchase their service from a reseller or systems integrator. Public sector organisations were the most likely to purchase these services in this way (30%).
**Effective use of ITC**

5.48 The data suggests that many business consumers are not making the most of telecoms services. Business consumers’ perceptions of how effectively they use ITC services vary significantly by technology. Effective use of fixed-line and internet services is higher than for either mobile or data services: relatively few (18%) business consumers feel that they lag behind the field in either of these two technologies.

5.49 Almost a fifth feel they lag behind the field in the way they use fixed and internet services and this rises to almost a third in the mobile and data markets.

5.50 Business consumers are less likely to feel that they are making effective use of either their mobile or their data services. In these technologies, almost a third (32% and 31% respectively) feel that they are somewhat lagging behind the field.

---

*The roll-out of FTTC and FTTH** will change the way we will be able to offer services to our customers and staff; we will use more interactive video with customers (virtual home meetings) and employees will work more efficiently from home.(Large, multi-site financial institution)

**Fibre To The Cabinet (FTTC) and Fibre To The Home (FTTH)**
Figure 29: How effectively services are being used

Source: Business Consumer Experience Research - Q27
Base: All respondents (n=1229)

5.51 Size also has some impact, with multi-nationals significantly more likely to say they are leading the field in mobile services (16% compared to an overall average of 9%) and large organisations with at least 250 employees significantly more likely to say they are leading the field in internet and data services (18% and 23% respectively).

5.52 On this measure, the only difference by geography occurs in the nations where business consumers are more likely to say they are lagging behind the field in relation to internet services: (26% in Northern Ireland, 25% in Scotland and 23% in Wales saying they are ‘behind the field’ compared to 18% in England).

Figure 30: How effectively services are being used – key subgroup differences

Source: Business Consumer Experience Research – Q27
Base: All respondents (n=116-1229)

<table>
<thead>
<tr>
<th>Leading the field</th>
<th>5-9 employees</th>
<th>250+ employees</th>
<th>Multi-nationals</th>
<th>Non Multi-nationals</th>
<th>England</th>
<th>Scotland</th>
<th>Wales</th>
<th>N Ireland</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobile</td>
<td>9</td>
<td>13</td>
<td>16</td>
<td>9</td>
<td>9</td>
<td>8</td>
<td>7</td>
<td>10</td>
</tr>
<tr>
<td>Fixed</td>
<td>12</td>
<td>12</td>
<td>10</td>
<td>11</td>
<td>10</td>
<td>9</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>Internet</td>
<td>11</td>
<td>18</td>
<td>18</td>
<td>12</td>
<td>12</td>
<td>10</td>
<td>7</td>
<td>10</td>
</tr>
<tr>
<td>Data</td>
<td>7</td>
<td>23</td>
<td>13</td>
<td>8</td>
<td>8</td>
<td>10</td>
<td>5</td>
<td>7</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Lagging the field</th>
<th>5-9 employees</th>
<th>250+ employees</th>
<th>Multi-nationals</th>
<th>Non Multi-nationals</th>
<th>England</th>
<th>Scotland</th>
<th>Wales</th>
<th>N Ireland</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobile</td>
<td>35</td>
<td>13</td>
<td>19</td>
<td>32</td>
<td>31</td>
<td>32</td>
<td>39</td>
<td>39</td>
</tr>
<tr>
<td>Fixed</td>
<td>16</td>
<td>15</td>
<td>18</td>
<td>18</td>
<td>18</td>
<td>19</td>
<td>13</td>
<td>19</td>
</tr>
<tr>
<td>Internet</td>
<td>22</td>
<td>12</td>
<td>6</td>
<td>19</td>
<td>17</td>
<td>25</td>
<td>23</td>
<td>26</td>
</tr>
<tr>
<td>Data</td>
<td>34</td>
<td>14</td>
<td>17</td>
<td>32</td>
<td>30</td>
<td>34</td>
<td>36</td>
<td>38</td>
</tr>
</tbody>
</table>
Knowledge of decision makers

5.53 One of the reasons why many businesses may feel that they are not making the most effective use of telecoms services may be because of lack of knowledge on the part of the relevant decision-maker. Our research found that most business consumers do not employ a dedicated ITC decision-maker. Many are at the top of their organisations: over a third (37%) of ITC decision-makers are the owners, managing directors or partners of their organisations and a further 10% are at board level. Another third (34%) of decision-makers are non-specialist senior directors or managers, who also have other responsibilities. As such, for most ITC decision-makers, this is just one element of their job rather than their sole focus. In a small minority of 6% of respondent businesses, the decision-maker is a dedicated IT or telecoms specialist who can focus exclusively on these issues.

Figure 31: Job title of ITC decision-maker

Source: Business Consumer Experience Research - S3
Base: All respondents (n=1229)

5.54 The likelihood of employing a dedicated specialist increases significantly among larger businesses with at least 250 employees (39%), those with at least four sites (17%), and multi-nationals (19%). London-based businesses and those providing business services are also more likely to have access to specialist skills (15% and 11% respectively).
5.55 While most decision-makers we asked said they were ‘fairly’ well informed about how communications services could help their business, only a few felt ‘very’ well-informed and a fifth of respondents (21%) said they do not feel well-informed. There were no significant differences by geography on this measure.

5.56 Employing a dedicated IT or telecoms specialist appears to have an impact on levels of knowledge within the business. The majority (80%) of business consumers felt well-informed about how communications services can help their business but this figure rises to 89% among those with IT/telecoms managers.

5.57 Familiarity with ITC also rises significantly among larger businesses with at least 250 employees (89%), those with at least four sites (89%) and multi-nationals (88%). Businesses that see ITC as a driver of their business feel significantly better informed (85%).
Figure 33: Personal knowledge of ITC

Source: Business Consumer Experience Research - Q2
Base: All respondents (n=116-1229)

Differences in the nations and regions

5.58 Several differences exist in terms of geography, but these do not combine to give a consistent picture by nation or region (detailed breakdowns are given in Annex 5):

- Take-up of mobile services is significantly lower in Wales (38% stating ‘none’ while the UK average is 29%), while take-up of fixed-line services is almost universal across the UK.

- London-based business consumers claim higher take-up of all internet technologies (including VoIP, intranets, extranets etc.). They also favour ADSL (63%) and leased lines (25%) more than elsewhere in the UK (the UK average take-up figures are 51% and 16% respectively).

- Sixty-five per cent of businesses surveyed which have more than one site and have internet or data services said that their sites are networked. Networking is more evident in the South of England (79%) but there are no geographical differences in terms of the methods used to connect sites.

- In terms of the role that ITC plays within the organisation, mobile services are significantly more important to business consumers in the North and East of the country (67% in both regions giving a score of nine or ten out of ten, compared to the UK average of 53%). Internet/data services are significantly more important to London-based business consumers (72% giving a score of nine or ten out of ten, compared to the UK average of 61%).

- Mobile spend is more likely to have increased in the past year for London-based businesses (37%) and suburban locations (39%, compared to the UK average of 30%), whereas fixed-line spend is more likely to have increased in rural areas (31%, compared to the UK average of 25%).

- Finally, the only difference in how effectively business consumers are using these technologies occurs in the internet market, where business consumers in Scotland
and Northern Ireland are more likely to feel they are lagging behind the field (25% and 26% respectively, compared to the UK average of 18%).

### Ofcom’s engagement with the Communications Management Association (CMA)

Ofcom meets regularly with the CMA, which represents many business users of telecoms, and we co-hosted three separate roundtable events in 2009 with UK businesses that were CMA members. We used these events to hear the views of the CMA and business representatives and to explain what Ofcom is doing in particular areas where business users expressed concerns. We intend to engage further with the CMA to discuss our research findings in greater detail.

In summary, some of the issues advocated by the CMA and its members were:

- Ofcom should take a balanced approach when considering the needs of citizens and consumers by recognising and considering the needs of business consumers which are different to those of residential consumers.
- Many businesses still faced difficulties in obtaining services at a competitive rate, and this was often caused by a lack of suitable communications providers. This problem was not limited to small businesses: many large multi-site businesses also faced problems in obtaining services at a suitable cost.
- Whereas the majority of residential consumers’ requirements are satisfied by low bandwidth ADSL connections, most businesses depend on very high bandwidth products. CMA members argued that there is a lack of symmetric DSL (SDSL) services so they often have to rely on more expensive alternatives such as dedicated leased lines.
- CMA members pointed out that quality of service and consistently good performance of a business connection is crucial for enterprises since any loss of service might cost them large sums of money.
- CMA members are also keen to see BT and other communications providers invest in next-generation access infrastructure and also a mobile communications network that provides better geographical coverage, including allowing roaming of basic services between national operators. (On the latter point, see *The CMA manifesto,* [http://www.thecma.com/content_pdf/press/CMA_Manifesto.pdf](http://www.thecma.com/content_pdf/press/CMA_Manifesto.pdf))

### Themes emerging from the research

5.59 It is clear from the results set out in this section that businesses are an important part of the telecoms market, and that telecoms services are playing an increasingly important role in the success of UK business.

5.60 It is also clear that the mix of services being used by businesses is changing over time with higher bandwidth services becoming more important. That said, there are indications that many businesses are not making full use of the opportunities afforded by new telecoms technologies and that lack of knowledge is partly to blame for this. It is not entirely clear why this is the case since it is obviously in the interests of communications providers to inform and educate potential or actual customers about newer, more sophisticated telecoms services.

5.61 In some cases, the underlying problem may be one of availability of services, e.g. this may explain why take-up of mobile services is significantly lower in Wales. In such cases, the answer may lie in operators taking action to improve the availability of services. But in other cases, lack of knowledge and information may prevent UK business consumers from making the most of the opportunities available. Ofcom will consider whether there is any more we can do to ensure that the needs of business consumers are well served and we will also discuss the results with relevant government departments and representative bodies such as the CMA.
Introduction

6.1 One of the most important indicators of whether business consumers are being well-served is their level of satisfaction. In this section we consider the overall levels of satisfaction and dissatisfaction of business consumers, as well as considering the main drivers of satisfaction and dissatisfaction. In our research, we also asked open questions of business consumers about the main frustrations they encountered with their telecoms services, the results of which we set out here.

Overall satisfaction with each service

The majority of business consumers are satisfied with the services they receive

6.2 The data shows that business consumers are generally satisfied with their service providers across the different technologies considered in the research: between 78% and 87% are at least fairly satisfied with their suppliers, over a third being ‘very satisfied’.

6.3 Overall levels of satisfaction are highest with regard to mobile service provision, followed by internet/data and fixed-line. A minority are actively dissatisfied with their suppliers, with fewer than one in ten saying they are very or fairly dissatisfied across all markets.
Levels of satisfaction among business consumers are lower than for residential consumers

6.4 Whilst the majority of businesses said that they were satisfied with their overall service, the level of satisfaction is not as high as among residential consumers. This is especially true when looking at the proportions who said that they were very satisfied. Around half or more residential consumers reported being very satisfied with their telecoms service, but among businesses the figure is below four in ten for each service type.

Levels of satisfaction vary between different types of business consumers

6.5 We looked in more detail at the results for different types of business consumer and found that in most cases they were similar to the overall average. For example, there was no difference in overall satisfaction between small businesses (those with 5-10 employees) and larger businesses. But we did find some significant differences between types of customers and these are set out below:

- In the mobile and fixed-line markets, multi-nationals are significantly more dissatisfied than the average (12% and 17% respectively). In the fixed-line and internet/data
markets, those with two or three sites are significantly more dissatisfied than either single site operations or those with a larger number of sites (15% and 11% respectively).

- Although there are no differences between urban and rural areas with regard to satisfaction, there are some differences in dissatisfaction. Dissatisfaction levels among rural businesses in the mobile (9%) and fixed-line (14%) markets are significantly higher than the UK average (6% and 10% respectively).

- In the fixed-line market, high spenders (those spending at least £3,000 in total per annum, including external support) are significantly more dissatisfied with their overall experience with their supplier (16%).

- Those business consumers who feel they lag behind the field in their use of telecoms services are also significantly more likely to be dissatisfied. For this group dissatisfaction rises to 9% in the mobile market, 18% in the fixed-line market and 15%/11% in the internet/data markets respectively. Furthermore, in the fixed-line and internet/data markets, dissatisfaction rises significantly among those who regard technology as a driver of their business (13% and 9% respectively).

- For all telecoms services, perceived value for money has the greatest impact on dissatisfaction. For those who are not satisfied with the value for money they receive from their suppliers, dissatisfaction with the overall service rises to 22% in the mobile market, 30% in the fixed-line market and 24% in the internet/data market.

Figure 36: Overall satisfaction with each type of service – key subgroup differences

Source: Business Consumer Experience Research - Q9
Base: All with Mobile services (n=97,911)
Most business consumers are satisfied with the value for money they receive

For all telecoms services, the majority of business consumers are satisfied with the value for money they receive. Perceived value for money is highest in the mobile market - 83% of mobile users are satisfied compared to 74% of fixed-line or internet/data users. However, there are more respondents in the ‘fairly’ satisfied category than were apparent on the measure of overall satisfaction reported in the previous section. Also, levels of active dissatisfaction are slightly higher than with overall satisfaction.
The heaviest users tend to be least satisfied with value for money

A more detailed look at users who are actively dissatisfied with value for money reveals the following patterns:

- The amount spent on services tends to be an important determinant of perceived value for money. High spenders are consistently more dissatisfied than the average: dissatisfaction rises significantly to 12% among those spending at least £5,000 per annum on mobile services, to 18% among those spending at least £3,000 per annum on fixed-line services, and to 14% among those spending at least £3,000 on internet/data services.

- As seen with overall satisfaction, business consumers who feel they lag behind the field in their use of telecoms are significantly more likely to be dissatisfied. Dissatisfaction in this group rises from 7% to 11% in the mobile market, from 11% to 20% in the fixed-line market and from 11% to 21%/17% in the internet/data markets respectively. Furthermore, in the fixed-line market, dissatisfaction rises significantly (to 11%) among those who regard technology as a driver of their business.

- In the mobile market, dissatisfaction also rises significantly among those who feel very well informed (12%). In the fixed-line and internet/data markets the reverse is true, and dissatisfaction rises significantly among those who do not feel well informed (16% and 17% respectively).

- Geography has some impact on the level of dissatisfaction with value for money across all markets. In the mobile market, multi-nationals are significantly more dissatisfied than the average. In the fixed-line and internet/data markets, London-based business consumers are significantly more dissatisfied than the average (17% and 16% respectively). Once again, in the internet/data market, those with two or three sites are significantly more dissatisfied than either single-site businesses or those with a larger number of sites (14%).

Source: Business Consumer Experience Research - Q10
Base: All with each service (n= 911/1207/1134)
Figure 38: Overall satisfaction with value for money – key subgroup differences

<table>
<thead>
<tr>
<th>% of mobile users stating each level of satisfaction with value for money</th>
<th>% satisfied</th>
<th>% dissatisfied</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>83</td>
<td>7</td>
</tr>
<tr>
<td>Urban</td>
<td>81</td>
<td>8</td>
</tr>
<tr>
<td>Suburban</td>
<td>86</td>
<td>5</td>
</tr>
<tr>
<td>Rural</td>
<td>79</td>
<td>10</td>
</tr>
<tr>
<td>England</td>
<td>83</td>
<td>7</td>
</tr>
<tr>
<td>Scotland</td>
<td>82</td>
<td>8</td>
</tr>
<tr>
<td>Wales</td>
<td>82</td>
<td>6</td>
</tr>
<tr>
<td>N Ireland</td>
<td>76</td>
<td>12</td>
</tr>
<tr>
<td>London</td>
<td>83</td>
<td>8</td>
</tr>
<tr>
<td>Non-London</td>
<td>82</td>
<td>7</td>
</tr>
<tr>
<td>5-9 employees</td>
<td>83</td>
<td>7</td>
</tr>
<tr>
<td>250+ employees</td>
<td>83</td>
<td>6</td>
</tr>
<tr>
<td>1 site</td>
<td>83</td>
<td>8</td>
</tr>
<tr>
<td>2-3 sites</td>
<td>83</td>
<td>8</td>
</tr>
<tr>
<td>4+ sites</td>
<td>82</td>
<td>2</td>
</tr>
<tr>
<td>Multinational</td>
<td>71</td>
<td>11</td>
</tr>
<tr>
<td>Non-Multinational</td>
<td>84</td>
<td>7</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>% of fixed line users stating each level of satisfaction with value for money</th>
<th>% satisfied</th>
<th>% dissatisfied</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>74</td>
<td>12</td>
</tr>
<tr>
<td>Urban</td>
<td>74</td>
<td>12</td>
</tr>
<tr>
<td>Suburban</td>
<td>72</td>
<td>11</td>
</tr>
<tr>
<td>Rural</td>
<td>75</td>
<td>10</td>
</tr>
<tr>
<td>England</td>
<td>73</td>
<td>12</td>
</tr>
<tr>
<td>Scotland</td>
<td>74</td>
<td>11</td>
</tr>
<tr>
<td>Wales</td>
<td>76</td>
<td>11</td>
</tr>
<tr>
<td>N Ireland</td>
<td>78</td>
<td>11</td>
</tr>
<tr>
<td>London</td>
<td>63</td>
<td>17</td>
</tr>
<tr>
<td>Non-London</td>
<td>75</td>
<td>11</td>
</tr>
<tr>
<td>5-9 employees</td>
<td>75</td>
<td>11</td>
</tr>
<tr>
<td>250+ employees</td>
<td>71</td>
<td>12</td>
</tr>
<tr>
<td>1 site</td>
<td>75</td>
<td>11</td>
</tr>
<tr>
<td>2-3 sites</td>
<td>67</td>
<td>15</td>
</tr>
<tr>
<td>4+ sites</td>
<td>73</td>
<td>13</td>
</tr>
<tr>
<td>Multinational</td>
<td>69</td>
<td>15</td>
</tr>
<tr>
<td>Non-Multinational</td>
<td>74</td>
<td>12</td>
</tr>
</tbody>
</table>
Drivers of satisfaction

6.8 Our research attempted to find out more about why business consumers were satisfied and dissatisfied. In order to do this we asked those who were satisfied with their services why this was the case. The results are set out below, and later we discuss the causes of dissatisfaction and frustration.

Mobile services

6.9 Reliable network coverage and good customer service are the aspects of service most likely to drive satisfaction with mobile services. Business consumers who were satisfied with at least one aspect of their mobile service were asked their reasons for this satisfaction. As seen in the figure below, the results show that reliable network coverage and good customer service are the aspects of service most likely to drive satisfaction.
Figure 39: Drivers of satisfaction with mobile supplier

<table>
<thead>
<tr>
<th>Provider</th>
<th>Total Satisfied</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unweighted base</td>
<td>829</td>
</tr>
<tr>
<td>Weighted base</td>
<td>798</td>
</tr>
<tr>
<td>Reliable coverage/signal</td>
<td>45%</td>
</tr>
<tr>
<td>Good customer service</td>
<td>39%</td>
</tr>
<tr>
<td>Cost: good value/deals</td>
<td>22%</td>
</tr>
<tr>
<td>Products</td>
<td>17%</td>
</tr>
<tr>
<td>Services</td>
<td>7%</td>
</tr>
<tr>
<td>Account management</td>
<td>7%</td>
</tr>
<tr>
<td>Billing</td>
<td>7%</td>
</tr>
<tr>
<td>Length of contract</td>
<td>6%</td>
</tr>
<tr>
<td>No problems</td>
<td>11%</td>
</tr>
<tr>
<td>Other</td>
<td>4%</td>
</tr>
<tr>
<td>Don’t know</td>
<td>7%</td>
</tr>
</tbody>
</table>

Source: Business Consumer Experience Research - Q12a
Base: All with Mobile services who were satisfied with at least one aspect of service from their provider (n=829)

6.10 Many customers mentioned good coverage as an important cause of satisfaction with their mobile service:

“The signal strength is unreal. We’re in a very rural place and it never cuts out.”

6.11 Business consumers mentioning cost as a cause of satisfaction focused on issues such as re-evaluating contracts and tariffs, or the availability of offers on new handsets and accessories:

“They evaluate our contracts quite often, try to save us money and put us on different plans.”

“They are proactive and they will tell us about availability of new contracts and packages, and they will give a package which is suitable for us. We have been generally pleased with them.”

6.12 Products and service satisfaction revolves around range, reliability and quality:

“The range of services is good, we integrated email and voice data and it is very convenient.”

6.13 Satisfaction also seemed to be driven by good customer services, particularly accessibility, speed and knowledge of the customer’s business:

“They are pretty good at keeping in touch. My account manager emails/phones every month.”
“We have a dedicated account management team who only deal with our organisation – we’re not sharing their time with any other company. They are there when we need them. The speed to deliver (i.e. project delivery) is quick - they are usually waiting for us - and their knowledge of our organisation and the estate of devices we have got is very good. We have been with them for over 6 years.”

6.14 Billing is appreciated when it is transparent, accessible and detailed:

“I am impressed with the amount of management information we get, which includes billing information, call costs and who is making the calls and for how long those calls last.”

“The pricing structure seems to be very crystal clear. All charges and prices are very easy and simple to understand.”

Fixed services

6.15 The drivers of satisfaction for fixed services were similar to those for mobile services, although good customer service was the most important aspect, followed by reliable connection and cost.

Figure 40: Drivers of satisfaction with fixed-line supplier

<table>
<thead>
<tr>
<th>Provider</th>
<th>Total Satisfied</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unweighted base</td>
<td>1037</td>
</tr>
<tr>
<td>Weighted base</td>
<td>1018</td>
</tr>
<tr>
<td>Good customer service</td>
<td>48</td>
</tr>
<tr>
<td>Reliable connection</td>
<td>28</td>
</tr>
<tr>
<td>Cost</td>
<td>26</td>
</tr>
<tr>
<td>Billing</td>
<td>12</td>
</tr>
<tr>
<td>Account management</td>
<td>10</td>
</tr>
<tr>
<td>Services</td>
<td>5</td>
</tr>
<tr>
<td>Length of contract</td>
<td>5</td>
</tr>
<tr>
<td>Products</td>
<td>3</td>
</tr>
<tr>
<td>No problems</td>
<td>22</td>
</tr>
<tr>
<td>Other</td>
<td>2</td>
</tr>
<tr>
<td>Don’t know</td>
<td>8</td>
</tr>
</tbody>
</table>

Source: Business Consumer Experience Research - Q12a
Base: All with Fixed Line services who were satisfied with at least one element of service from their provider (n=1037)

6.16 Human interaction, speed of response, problem resolution and dedicated account managers are the main cause of satisfaction with customer service:

“If we do have any problems you’re actually able to speak to someone who can help you. You don't get passed around or kicked back and forth between automated messages. And if you have any problems they can’t
help you with at the time, they will find out what's needed and call you back within good time and again, you're not kept on the phone longer than necessary.”

6.17 Cost is also a key driver and an aspect on which there is significant variation between suppliers. In the fixed-line market, satisfaction with cost revolves around obtaining the lowest prices (calls and line rental):

“[Supplier] are very, very cheap. Their local calls are cheap, which is good for our business. Also line rental is cheap. Our management team is focused on saving money.”

Internet/data services

6.18 Reliable connection and bandwidth, as well as good customer service drive satisfaction with internet and data services, as seen from the figure below.

Figure 41 – Drivers of satisfaction with internet/data supplier

<table>
<thead>
<tr>
<th>Provider</th>
<th>Total Satisfied</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unweighted base</td>
<td>994</td>
</tr>
<tr>
<td>Weighted base</td>
<td>997</td>
</tr>
<tr>
<td>Reliable connection/bandwidth</td>
<td>47</td>
</tr>
<tr>
<td>Good customer service</td>
<td>45</td>
</tr>
<tr>
<td>Cost</td>
<td>13</td>
</tr>
<tr>
<td>Services</td>
<td>6</td>
</tr>
<tr>
<td>Length of contract</td>
<td>5</td>
</tr>
<tr>
<td>Account management</td>
<td>4</td>
</tr>
<tr>
<td>Products</td>
<td>3</td>
</tr>
<tr>
<td>Billing</td>
<td>3</td>
</tr>
<tr>
<td>No problems</td>
<td>16</td>
</tr>
<tr>
<td>Other</td>
<td>5</td>
</tr>
<tr>
<td>Don’t know</td>
<td>8</td>
</tr>
</tbody>
</table>

Source: Business Consumer Experience Research - Q12a
Base: All with Internet or Data services who were satisfied with at least one element of service from their provider (n=994)

6.19 The two aspects with regards to connection which business customers seemed to value were the reliability of connection (i.e. whether it was available) and the consistency of the bandwidth received, as illustrated in the comments below:

“Their service is fairly reliable, we might experience the usual interruptions but they are momentary. I haven’t called their customer services.”

“Network reliability and speed really. [Supplier] is definitely a company for ‘reliability’.”
“Again consistently good bandwidth day in, day out. We’re satisfied with all elements, no issues there. It is the service you become reliant on so that’s the main thing really.”

“The most impressive thing is the fact that it doesn’t go wrong. We don't notice as long as it's working, which is how it should be.”

6.20 Good customer service relies on responsiveness, technical knowledge, and understanding of the customer’s business.

“Their responsiveness, if anything technical goes wrong we know where they are and can get them simply by calling them. They don't nag us or try to up-sale us, they just provide support if we need it. They leave us alone.”

“They are quick to get through to and they know what they are talking about.”

“They know our industry and our business needs, and they do their best to accommodate that.”

“Their technical support is great. They are always there. Their online help is good as it is comprehensive.”

6.21 As in the fixed-line market, satisfaction with cost in the internet/data market centres on saving money:

“It is reasonably cost efficient. I think we pay £10 a month and we get the land line for free. It's brought the total phone costs down.”

“We have had Account Assessments done recently and [supplier] have come up with some good deals for us to help us save money. They offer a reliable service and have never charged us for any call outs when we need them.”

Causes of dissatisfaction and frustration

6.22 Our research also attempted to find out what caused dissatisfaction with telecoms services. We did this in two ways. Firstly we asked all respondents, irrespective of the level of satisfaction, whether they had any ‘frustrations’ with their services. In this way, the research captured issues which may not lead to dissatisfaction but nonetheless frustrate businesses.

6.23 Secondly, we attempted to find out the causes of dissatisfaction by asking all respondents who said that they were ‘fairly’ or ‘very’ dissatisfied, why this was the case. The results for each of the main telecoms services are set out below. Perhaps not surprisingly, we found that causes of dissatisfaction and frustration tended to be the same across all telecoms services, namely: service availability and reliability, customer service, cost/value and billing.

Mobile services

6.24 When mobile users were asked if they encountered any frustrations with their mobile voice and data services, almost half (48%) responded that they had none. However, for those that did, frustrations tended to centre around the quality of the connection. The table below illustrates the top ten most common frustrations for mobile services.
6.25 Quality and reliability of the line were the most commonly cited customer concerns. This includes issues with coverage, as reflected in the following verbatim comments:

“The lack of signal is the main problem at times. This happens when I am moving around. There are certain black spots in London, I would have thought this wouldn't happen in London.”

“Total geographic coverage is an issue. We can't use [supplier] in parts of Scotland, Wales or the North East, which means we have to use a different provider in those areas.”

6.26 Frustrations with cost and billing revolve around roaming charges, lack of transparency and flexibility. Other issues related to changing supplier are also spontaneously raised (including willingness to negotiate offer/deals, over-complication and difficulty in comparing and switching suppliers). Issues with switching are discussed in more detail later in this report:

“We found out that our roaming charges had very dramatically increased without [supplier] telling us. There were very wide variations, so wide that we contacted their marketing director to discuss this. We sent faxes of bills to prove our point and from that moment they refused to talk to us. There’s a distinct lack of transparency in the way they show their charges.”

“It's when you want to renew a contract, you look around and find something cheaper from another provider and you try and ask your provider to match it and they won't.”
6.27 As another approach to getting at the key concerns of business consumers, we asked those who were very or fairly dissatisfied with their supplier to explain what was driving their dissatisfaction. Among the mobile users who expressed dissatisfaction with an aspect of their service, the most commonly cited reasons for dissatisfaction were network coverage and customer service, underlining the fact that these are key issues for business consumers.

Figure 43: Drivers of dissatisfaction with mobile service

<table>
<thead>
<tr>
<th>Provider</th>
<th>Total Dissatisfied</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unweighted base</td>
<td>168</td>
</tr>
<tr>
<td>Weighted base</td>
<td>193</td>
</tr>
<tr>
<td>Poor coverage/signal</td>
<td>37</td>
</tr>
<tr>
<td>Poor customer service</td>
<td>36</td>
</tr>
<tr>
<td>Cost - poor value/deals</td>
<td>22</td>
</tr>
<tr>
<td>Billing</td>
<td>18</td>
</tr>
<tr>
<td>Contract too long</td>
<td>5</td>
</tr>
<tr>
<td>Mis-selling (saving not realised)</td>
<td>5</td>
</tr>
<tr>
<td>Account management</td>
<td>4</td>
</tr>
<tr>
<td>Repairs</td>
<td>3</td>
</tr>
<tr>
<td>Difficult to switch</td>
<td>3</td>
</tr>
<tr>
<td>Set-up time</td>
<td>2</td>
</tr>
<tr>
<td>Other</td>
<td>3</td>
</tr>
<tr>
<td>Don’t know</td>
<td>11</td>
</tr>
</tbody>
</table>

Source: Business Consumer Experience Research - Q12b
Base: All with Mobile services who did not say they were satisfied with at least one element of service from their provider (n=193)

“Mobile network coverage around the north of Scotland is very patchy – we’ve had occasions when we sent a text to customers to notify them we were going for a fitting, but they were not able to receive our texts due to the lack of mobile coverage and as a result they were not home. This meant that our fitters had to drive back”
(Ofcom interview with a family-owned carpet-fitting business in Inverness)
**Fixed-line services**

6.1 The frustrations experienced by fixed-line users centre on poor customer service, cost and, as with mobile customers, difficulties linked to switching suppliers. However, over half of our sample (54% of fixed-line consumers) had no frustrations at all.

**Figure 44: Frustrations with fixed-line service**

<table>
<thead>
<tr>
<th>Provider</th>
<th>Total Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unweighted base</td>
<td>1207</td>
</tr>
<tr>
<td>Weighted base</td>
<td>1205</td>
</tr>
</tbody>
</table>

**Top Ten Mentions**

| Cost: (relatively) expensive | 8 |
| Customer service: problems not resolved | 7 |
| Customer service: poor | 7 |
| Hard to compare suppliers | 7 |
| Switching process difficult | 4 |
| Unreliable connection | 4 |
| Contracts: hard to terminate | 4 |
| Customer services: don’t accept responsibility | 4 |
| Cost: hidden charges | 3 |
| Cost: no deals/negotiation with existing customers | 3 |

*Source: Business Consumer Experience Research - Q17
Base: All with Fixed Line services (n=1207)*

6.2 Customer service problems involve being passed from pillar to post, unclear lines of responsibility, problems with call centres and poor problem resolution:

“The account managers seem to change every few weeks…this stops us developing a good relationship with the company.”

“[Supplier] are very bad to communicate with, they leave me hanging on the line for ages, they never sort out any problems and keep transferring me to other people.”

“[Referring to her conversations with some customer service representatives:] you explain the problem, then two weeks later you are still explaining it and it just goes on and on. They are not very dynamic. You give them a problem and they just don’t sort it.”

6.3 Issues with cost, include concerns about overall prices and hidden charges, and a perceived lack of willingness by suppliers to offer good/better deals within contracts:

“When we were with [supplier], they would stick on any old charges which would annoy us and add up to 150 pounds a month.”

“The unwillingness to move towards better deals on fixed contracts.”
“It would be nice if they proactively offered us a better price. We had been with them for a long time so they should have upgraded our services automatically. This is not just [supplier], I know all companies are like this unless you ask.”

6.4 Around 10% of fixed-line users expressed dissatisfaction with their service and the reasons for this were similar to the frustrations expressed by business consumers as a whole. Poor customer service is the primary driver of dissatisfaction in the fixed-line market. Cost (value for money), reliability of connection and billing are also important causes of dissatisfaction as shown in the table below.

**Figure 45: Drivers of dissatisfaction with fixed-line service**

<table>
<thead>
<tr>
<th>Provider</th>
<th>Total Dissatisfied</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unweighted base</td>
<td>360</td>
</tr>
<tr>
<td>Weighted base</td>
<td>373</td>
</tr>
<tr>
<td>Poor customer service</td>
<td>38</td>
</tr>
<tr>
<td>Cost: value for money</td>
<td>24</td>
</tr>
<tr>
<td>Unreliable connection</td>
<td>14</td>
</tr>
<tr>
<td>Billing</td>
<td>15</td>
</tr>
<tr>
<td>Account management</td>
<td>5</td>
</tr>
<tr>
<td>Repairs</td>
<td>9</td>
</tr>
<tr>
<td>Contracts too long</td>
<td>8</td>
</tr>
<tr>
<td>Installation</td>
<td>4</td>
</tr>
<tr>
<td>Mis-selling (saving not realised)</td>
<td>3</td>
</tr>
<tr>
<td>Other</td>
<td>2</td>
</tr>
<tr>
<td>Don’t know</td>
<td>17</td>
</tr>
</tbody>
</table>

Source: Business Consumer Experience Research - Q12b  
Base: All with fixed-line services who did not say they were satisfied with at least one element of service from their provider (n=360)

**Internet/data services**

6.5 One in two (50%) internet/data users have no frustrations with the service. Of the top ten frustrations in the internet/data market, the main issue is having an unreliable connection.
6.6 Having a reliable connection is not simply about consistency, it is also about speed and capacity, as the following verbatim comments illustrate:

“Loss of connectivity for any period of time - we have suffered with it on one occasion for one day and that's bad for our business.”

“The speed and the reliability sometimes. There’s a lot of demand on the network with downloading speeds because we have a lot of artwork on our files and you can appreciate, they're huge.”

“We need large upload speeds as opposed to just downloads and we can't get them.”

“My main frustration is the capacity/speed capping, which can occur on busy days. We have to research things online and communicate with our customers via email, and if the network runs slow, our responsiveness to the customer slows down.”

6.7 With regard to customer service, over-promising, reliance on third parties and passing the buck are central issues:

“We had been upgraded to 20 megs band which went onto a new 2 year deal which was 25% cheaper than before and came with free equipment offered by [supplier]. When it was all fixed up we then found out we could only get 5 megs anyway in this office so there was no change!”

“They don't deal with queries and never return our calls. I feel that I get passed and transferred between departments. When we were moving offices we were put onto the [supplier] business moving package and they
left me without internet and phones for about 2 weeks. I want to change my internet supplier but I am locked into a contract with them.”

“When it falls over you have to chase it back to where it has gone wrong and the suppliers pass the buck, so we have to investigate where the problems are ourselves.”

As with the other services, although around half of businesses said they experienced some frustrations with their internet services, this did not lead most of them to state that they were dissatisfied. However, among the 6% of internet/data users who expressed dissatisfaction with their service, the reasons given reflect frustrations shared by business consumers as a whole. Poor customer service and poor quality network/signal are key drivers of dissatisfaction, followed by cost/value.

Figure 47: Drivers of dissatisfaction with internet/data service

<table>
<thead>
<tr>
<th>Provider</th>
<th>Total Dissatisfied</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unweighted base</td>
<td>310</td>
</tr>
<tr>
<td>Weighted base</td>
<td>308</td>
</tr>
<tr>
<td>Poor customer service</td>
<td>35 %</td>
</tr>
<tr>
<td>Unreliable connection</td>
<td>29 %</td>
</tr>
<tr>
<td>Cost: value for money</td>
<td>24 %</td>
</tr>
<tr>
<td>Billing</td>
<td>8 %</td>
</tr>
<tr>
<td>Repairs</td>
<td>7 %</td>
</tr>
<tr>
<td>Mis-selling (saving not realised)</td>
<td>5 %</td>
</tr>
<tr>
<td>Account management</td>
<td>4 %</td>
</tr>
<tr>
<td>Installation</td>
<td>4 %</td>
</tr>
<tr>
<td>Contracts too long</td>
<td>3 %</td>
</tr>
<tr>
<td>Other</td>
<td>1 %</td>
</tr>
<tr>
<td>Don’t know</td>
<td>14 %</td>
</tr>
</tbody>
</table>

“I can’t get the internet at home and my mobile phone has no reception either so I cannot really work from home effectively. Last year I was snowed in for three days and I had to rely on my fixed line to communicate with the outside world but I could not pay my staff through BACS or check my account online.” (Ofcom interview with a family-owned carpet-fitting business in Inverness)

Differences between the nations and rural/urban areas

We looked in detail at whether there were significant geographical differences in levels of overall satisfaction and value for money. In later sections, we look at whether there are differences between the nations in terms of other aspects such as availability and reliability. We found the following statistically significant differences in terms of overall satisfaction:

- In the mobile and fixed-line markets, the level of dissatisfaction among business consumers in rural areas (9% for mobile services and 14% for fixed services) is significantly higher than the average (6% and 10% respectively).
• Looking at differences by nation, overall satisfaction is similar in the mobile and internet/data markets. But in the fixed-line market, significantly higher levels of satisfaction are indicated in Northern Ireland and Wales – in each case rising from the overall average of 78% to 86%.

• There are less consistent differences by nation or location in relation to value for money. However, the data does show that in the fixed-line and internet/data markets, London-based business consumers are significantly more dissatisfied with the value for money they are getting from their suppliers (17% and 16% respectively).

• Coverage is a key driver of dissatisfaction in the mobile market and the comments provided by customers suggest that lack of reliable coverage remains an important issue. Those who expressed frustration and/or dissatisfaction often mentioned ‘not spots’ in particular regions, as well as poor coverage in both urban areas and rural areas.

Complaints from businesses to Ofcom

6.10 Between January 2008 and October 2009, Ofcom’s Advisory Team (OAT) received 231,630 complaints in total, and approximately 8% of those were from businesses. The top four complained about issues related to mis-selling of services, slamming (no contact), disputes in relation to early termination charges and loss of service. Although these specific areas were not the most commonly cited causes of frustration or concern in our quantitative research in themselves, they were included, where appropriate, under relevant category headings such as customer service.

Recent and current Ofcom work

6.11 The results set out above indicate that while the majority of business consumers are satisfied with their use of telecoms services there are also significant levels of frustration and concern with around one in two customers saying they experience frustrations. Looking in more detail at the results, the reasons for this apparent paradox become clearer.

6.12 The levels of satisfaction tend in many cases to be the same as the causes of dissatisfaction and/or frustration. So where customers receive reliable connections at low-cost and with good customer service they express satisfaction. But where this is not the case, they express dissatisfaction. This indicates that some aspects are so important that they can create either significant levels of satisfaction or significant dissatisfaction, e.g. many business consumers expressed satisfaction that they could keep in touch while on the move as a result of extensive mobile coverage, but others experienced significant frustration if they were not able to do so. Specifically, business consumers who expressed dissatisfaction with their supplier raised concerns about:

• network quality (coverage in the mobile market, reliability of connection in the fixed-line market and speed/connectivity in the internet/data market);

• customer service (being passed around, being kept on hold, accessibility of account managers, language/cultural barriers with overseas call centres and poor problem resolution); and

• cost (value for money, availability of deals, rewards for loyalty).
Ofcom is taking measures to address these concerns. Competition between suppliers is the most important driver of consumer benefits. We have two key mechanisms for dealing with competition concerns. The first is our programme of market reviews and, where appropriate, the imposition of regulation to promote competition which should help ensure that business consumers continue to have an extensive choice of communications providers and services. Ofcom’s regular programme of market reviews is aimed at ensuring that there is effective competition in relevant telecoms markets. The second is through the implementation of the voluntary Undertakings offered by BT and accepted by Ofcom in 2005. These Undertakings are designed to address long standing barriers to competition in telecoms markets. But in some cases competition may not be sufficient to tackle the problems identified, or some other regulatory action may be necessary to ensure that competition works effectively. We set out in this and later sections, the actions that Ofcom is taking to tackle the issues identified by business consumers in relation to network coverage and reliability, cost and customer service.

Ensuring the development of a competitive communications market

6.13 In September 2005 Ofcom concluded its Strategic Review of Telecommunications (TSR). The TSR’s central conclusion was that in order to achieve the goal of a competitive telecoms market, it would be necessary to introduce fundamental changes to the way in which telecoms was regulated. These changes were introduced by way of legally binding undertakings (the Undertakings) that were given by BT to Ofcom under the Enterprise Act 2002 in lieu of a reference to the Competition Commission.

6.14 Through the Undertakings, BT is required to separate its delivery and systems functions to ensure that certain wholesale products and services are delivered by BT on an Equivalence of Input (EOI) basis. BT created a new organisation, Openreach, that is intended to be operationally distinct from the rest of the BT Group and which provides most of the wholesale EOI products. Importantly, where BT delivers a specified wholesale offering of EOI network products, it must do so to the same timescales, terms and conditions and using the same systems and processes in providing such services to both BT’s downstream businesses and to other communications providers. This is to ensure that downstream competitors use a common and equivalent set of inputs when offering competing services to residential and business customers.

6.15 Since 2005, we have conducted three formal evaluations of the TSR to assess the impact the Undertakings have had on residential and business end users and provide an overview of industry developments, including the take-up of wholesale products by BT’s customers, levels of investment and innovation and the progress Ofcom has made in deregulating. We also have a continuous programme of work to assess the progress BT has made in implementing the Undertakings.

Achieving deregulation in the retail narrowband market through continued focus on wholesale regulation

6.16 During 2009 we completed our most recent round of reviews on the state of competition in the market for retail and wholesale narrowband services (i.e. those services supporting telephony and low bandwidth data applications).

20 http://www.ofcom.org.uk/consult/condocs/statement_tsr
21 http://www.ofcom.org.uk/telecoms/btundertakings/impact_srt
Retail Markets

6.17 When we last reviewed the retail market in 2003, we found that BT (UK excluding Hull) and Kingston Communications (in Hull) had Significant Market Power (SMP) in almost all the fixed narrowband retail services markets. We decided regulations were essential to ensure that BT and Kingston could not use their SMP to the disadvantage of other communications providers, consumers or both. As a result we set retail price controls for BT and KCOM.

6.18 Following the 2003 review, Ofcom concentrated on measures to enhance competition in the retail markets. The aim was to encourage real competition for the benefit of consumers and businesses, and a reduction in BT and KCOM’s market power.

6.19 In the 2005 TSR, Ofcom set out seven principles for the regulation of telecoms markets, including that Ofcom should, as soon as competitive conditions allow, withdraw from regulation at other levels. In addition to the BT Undertakings, other key outcomes of the TSR included the creation of Openreach22 and the development of equivalence of inputs for both BT and other Communications Providers in the delivery of services to households and businesses. As a result of these developments and the improved state of competition they supported, we decided to remove the residential retail price controls on BT in 2006. The following year, we relaxed retail access remedies for businesses with telecoms spend over £1m per annum on the basis that other Communications Providers could compete with BT on an equal footing using wholesale line rental (“WLR”).

6.20 Our latest review, which concluded earlier this year, has confirmed the trends in increased competition (in the UK excluding Hull). We now consider BT no longer holds SMP in the retail calls markets or the analogue access markets. We consider BT still has SMP in retail ISDN2 but have concluded that it is appropriate to remove the regulations on BT in that market as they were not working for the benefit of business customers as they did not appear to be increasing competition or lowering prices and may, in fact, have been restricting price competition. We did not conclude on the ISDN30 market but we will be consulting further on this shortly.

Wholesale markets

6.21 In the wholesale market we observed increased competition in the transit markets for the conveyance of calls but concluded that BT has continued to have SMP in the provision of the key access services (analogue and digital line access) and call origination (though we did determine the previous differentiation between residential and business lines at the wholesale level was no longer meaningful). As a consequence the regulations on BT in the provision of wholesale narrowband access services continue to apply, supporting retail competition.

Network charge control

In parallel with the review of the retail and wholesale narrowband market reviews, we also reviewed what charge control should apply to BT in the wholesale call origination and geographic call termination markets. The charge controls became effective from October 1 2009 and will be in place until 30 September 2013. The new charges allow for price rises

---

22 The functional separate division within BT responsible for the majority of wholesale products sold to BT retail and external communications providers
above the rate of inflation (as measured by RPI). These price rises have been driven by falling call volumes on the BT network.

**Driving down the cost of high-bandwidth telecoms services**

6.22 The UK communications market is seeing increased demand for bandwidth in backhaul services, to support higher speed broadband services and the associated growth of internet traffic. We completed our last business connectivity market review (BCMR), which includes backhaul services for broadband, in December 200823.

6.23 In anticipation of the growing demand for backhaul capacity, Openreach is currently undertaking a significant investment in a national backhaul network to support new products such as Ethernet Backhaul Direct (EBD). The networked nature of this product will mean greater efficiency and lower costs in backhaul provision.

6.24 The December 2008 BCMR statement concluded that, in principle, BT should be subject to charge controls in the markets where it was found to have Significant Market Power (“SMP”). We then consulted on and published our decisions on the detailed design and methodology of these charge controls24.

6.25 The charge controls aim to decrease the average price of Ethernet products (including backhaul products such as EBD) by 7% per annum between 1 October 2009 and 30 September 2012. As part of the charge controls Ofcom also required a 17% reduction in the rental price of 1 Gbit/s Backhaul Extension Services (BES). We have sought to ensure that the charge controls provide appropriate incentives for efficient investment and for efficient migration from old to new products. Business users will ultimately benefit from a greater range of high-bandwidth products offered by a range of communications providers.

**Promoting competition in the low-bandwidth leased lines market through replicability**

6.26 Following the BCMR we concluded that BT had SMP in the retail market for low bandwidth leased lines and consequently imposed remedies on BT. These included remedies to prevent BT from behaving anti-competitively when setting prices, terms and conditions for these services. We also considered whether there was ‘replicability’, i.e. the availability of fit-for-purpose wholesale inputs from BT which allow its competitors to replicate effectively BT’s retail prices, terms and conditions of supply.

6.27 Earlier this year we considered the actions BT had undertaken to address the pending replicability issues, also drawing on additional financial information from BT to conduct an assessment of the options available for the relaxation of regulation.

6.28 In June 2009, we consequently consulted25 on our view that, overall, BT’s retail low bandwidth digital leased lines can now be replicated by its competitors who will then be able to compete more effectively with BT in the retail market (as described in section 5, many businesses use low-bandwidth leased lines). It also makes it more likely that wholesale remedies in the upstream markets will deliver effective competition at the retail level. We also consulted on a number of other proposals, including giving BT the freedom to offer consumers bundles of retail low bandwidth digital leased lines and non SMP products. Where low bandwidth leased lines are

---

23 [http://www.ofcom.org.uk/consult/condocs/bcmr08/](http://www.ofcom.org.uk/consult/condocs/bcmr08/)
provided as part of a bundle, we proposed that the price floor requirement should apply to the bundle as a whole.

6.29 The consultation is now closed and we are currently in the process of reviewing stakeholders responses. We will publish our final statement in 2010.
Section 7

Business consumer engagement

**Summary**

- Only a minority of businesses we surveyed have switched telecoms suppliers in the past four years (35% of mobile service users, 37% of fixed line users and 24% of internet/data users).
- However other business consumers are making the most of the opportunities afforded by this competition by getting their suppliers to match tariffs or deals offered to them by competing suppliers. This type of activity is most common, and most successful, in the mobile market.
- Business consumers are more likely to find switching difficult in the internet/data market: 22% of switchers said it was difficult compared to 15% in the mobile market and 18% in the fixed line market.
- 14% of mobile users had thought about switching but never got round to it but this rises to a fifth of fixed line and internet/data users (20% and 21% respectively).
- Different reasons were given for this: while some were happy enough with their current supplier and/or could not find a better deal, some said it was not a priority and/or that they had not found the time; some even admitted to apathy.
- Difficulty in making comparisons between providers also seems to be a barrier to switching with around half of businesses stating that this was the case. Lack of price transparency appears to be part of the underlying cause – around a third of business consumers say that prices are not clear and transparent.

**Introduction**

7.1 The extent to which business consumers are able to take advantage of competition and choice in the market depends on how engaged they are, for example, how willing and able they are to switch suppliers, negotiate better deals and take advantage of new service offerings. This section considers the current level of engagement among business consumers.

7.2 We start by considering the current level of switching in each of the main telecoms markets and then go on to consider possible reasons for the observed level of switching. Our key result is that only a minority of business telecoms consumers have switched supplier at any time in the past four years. Although this level of switching is higher than for residential consumers, it could be expected to be higher given the fact that many businesses may have further scope to cut costs and/or obtain better services given that they tend to spend more on communications services and purchase a broader range of services. We will now consider possible explanations for the observed level of switching.

**Switching behaviour**

7.3 Businesses have been more likely than residential consumers to have switched communications supplier over the past year. Switching among businesses was lower for internet/data services than for other services.
7.4 One in six (17%) mobile users have switched supplier in the last year, with just over a third (37%) having done so in the last four years. One in five (20%) had actively looked for alternative suppliers but had decided against it, and 14% had thought about switching but had not actually looked at potential alternatives (all in the last four years).

7.5 One in six have remained with the same supplier for the last four years, and almost two-fifths have remained with the same supplier for the last 12 months. Overall, business consumers in the mobile market are more likely to have changed service with the same supplier (28% in the last year and 42% in the last four) than to have switched supplier.

Source: Business Consumer Experience Research - Q15a/Q15b
Base: All with Mobile services (n=911)
7.6 Larger organisations with at least 250 employees are significantly more likely to have switched supplier in the last four years (46%). In terms of geography, organisations based in Wales and those in suburban environments are more likely to have thought about switching but not done so. London-based organisations indicate the lowest levels of engagement with the mobile market, with almost one in four (23%) having taken no action to switch or look for another supplier.

Figure 50: Types of engagement – key subgroup differences

<table>
<thead>
<tr>
<th>% of mobile users who, in the last 4 years, have…</th>
<th>Suburban</th>
<th>Wales</th>
<th>London</th>
<th>250+ employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Switched suppliers</td>
<td>33</td>
<td>31</td>
<td>29</td>
<td>46</td>
</tr>
<tr>
<td>Thought about switching but never looked</td>
<td>21</td>
<td>22</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>Actively looked but decided against it</td>
<td>18</td>
<td>12</td>
<td>17</td>
<td>32</td>
</tr>
<tr>
<td>Asked current supplier to match better deal</td>
<td>34</td>
<td>24</td>
<td>34</td>
<td>41</td>
</tr>
<tr>
<td>Changed existing service with same supplier</td>
<td>49</td>
<td>45</td>
<td>39</td>
<td>47</td>
</tr>
<tr>
<td>None of these</td>
<td>10</td>
<td>20</td>
<td>23</td>
<td>10</td>
</tr>
</tbody>
</table>

Source: Business Consumer Experience Research - Q15a/Q15b
Base: All with Mobile services (n=911)

7.7 We also found that different groups of businesses varied in their level of engagement with the market:

- Organisations which regard communications services as a ‘Utility’ and those who do not feel well informed about them are significantly less engaged with the mobile market: a fifth (21% and 22% respectively) have not changed supplier or deal or actively looked for another one in the last four years.

- Levels of engagement are closely related to the amount spent. High spenders (those spending at least £5,000 on mobile services per annum) are more likely to have switched (48%) in the last four years. Low spenders (those spending less than £1,000 per annum) are the least engaged with the market, with 24% taking no action to switch or look for alternative suppliers in the last four years.

- Levels of engagement are inversely correlated with satisfaction. Organisations which are very satisfied with their mobile supplier are the least engaged with the market, with 21% having done none of these activities.

- Perhaps not surprisingly, those who are not satisfied with their supplier are significantly more likely to have switched (44%) or to have asked their supplier to match a better deal from a competitor (39%), or to have thought about switching even if they never got round to it (27%).

- Those who agree it is difficult to get better deals from their existing supplier are significantly more likely to have switched (50%). Those who agree there is not
enough competition in the mobile market are more likely to have thought about switching but never got round to it (26%) - suggesting that this perception might be a barrier to switching where it exists.

- Looking at differences by product, organisations owning Pay-As-You-Go handsets indicate the lowest levels of engagement with the mobile market, with more than one in four (28%) having done none of these activities in the last four years.

- Looking specifically at switching, organisations who own mobile devices with internet access (iPhones and USB dongles in particular) are more likely to have changed supplier in this time period (52% and 44% respectively).

**Figure 51: Types of engagement (mobile services) – key subgroup differences**

<table>
<thead>
<tr>
<th>% of mobile users who, in the last 4 years, have...</th>
<th>Users of...</th>
</tr>
</thead>
<tbody>
<tr>
<td>Switched suppliers</td>
<td>Contract mobile phones</td>
</tr>
<tr>
<td>Thought about switching but never looked</td>
<td>36</td>
</tr>
<tr>
<td>Actively looked but decided against it</td>
<td>14</td>
</tr>
<tr>
<td>Asked current supplier to match better deal</td>
<td>20</td>
</tr>
<tr>
<td>Changed existing service with same supplier</td>
<td>34</td>
</tr>
<tr>
<td>None of these</td>
<td>14</td>
</tr>
</tbody>
</table>

*Source: Business Consumer Experience Research - Q15a/Q15b
Base: All with Mobile services (n=911)*

**Switching of fixed services**

7.8 Switching in the fixed-line market is as common as in the mobile market. We found that 18% of fixed-line users have switched in the last year, and 37% in the last four years. Higher numbers had however remained with the same supplier (50% in the last year and 23% in the last four).

7.9 Fewer fixed-line users than mobile users have changed their service with the same supplier (13% in the past year and 23% in the past four).
Figure 52: Types of engagement in relation to fixed-line services

Source: Business Consumer Experience Research - Q15a/Q15b
Base: All with Fixed Line services (n=1207)

7.10 Larger organisations are significantly more engaged with the fixed-line market:

- Organisations with at least 250 employees, with at least four sites and multi-nationals were less likely to have taken no action to improve their deal or switch supplier over the past four years (17%, 16% and 14% respectively compared with the average of 23%).

- Organisations with at least 250 employees are more likely to have switched supplier in the last four years (46%), to have asked their supplier to match a better deal (34%) and to have changed/upgraded their existing service (42%).

- Organisations with at least four sites are more likely to have asked their supplier to match a better deal (29%).

- Multi-nationals are more likely to have thought about switching, even if they never got around to it (33%).

- High spenders (those spending at least £3,000 on fixed-line services per annum) are more likely to have asked their supplier to match a better deal (29%) or to have changed their service in some way (28%).

- Low spenders (those spending less than £1,000 per annum) are the least engaged with the market, with 31% having done nothing to switch supplier or improve their deal in the last four years.

7.11 In terms of differences in the Nations, organisations based in Scotland are less likely to have switched (29%) or considered switching (15%). Those in Northern Ireland are less likely to have asked their supplier to match a better deal (14%).
Looking at differences by product, the data shows that organisations with VoIP or VPNs are more likely to have considered switching but decided against it (22% and 21% respectively). Those with a product other than a regular fixed-line are more likely to have negotiated a better deal, or changed/upgraded their service with their existing supplier. This may be down to the greater level of customisation often associated with VoIP and VPNs and a concern that a move away from the current supplier may result in disruption.
7.13 The role of ITC has an impact on engagement. Organisations which regard ITC as a ‘Utility’ are significantly less engaged, almost a third (31%) having taken no action to improve their deal or change supplier in the last four years. Organisations who regard ITC as a ‘Driver’ are more likely to have switched in this time period (42%).

7.14 Levels of engagement are also correlated with satisfaction:

- Organisations who are very satisfied with their fixed-line supplier are the least engaged with the market, with 27% having done none of these activities.

- However organisations which are not satisfied with their supplier are not significantly more likely to have switched – in fact they are more likely to have thought about switching and never got round to it (32%).

Switching in internet/data services

7.15 Internet and data users are less likely than those in other markets to have switched either in the last year, or the past four years – only a quarter have done so in the last four years and only 12% of fixed-line customers have switched supplier in the past year. In both cases, this is fewer than in the fixed-line voice and mobile markets. Just over half (54%) have remained with the same supplier in the past year, and a third (33%) in the past four. There is also less ‘shopping around’ in this category, with only 7% having asked their current supplier to match a better deal in the past year.

Figure 55: Types of engagement in relation to internet/data services

7.16 We found that there were a number of important differences in switching levels between the types of businesses, with larger businesses displaying higher levels of switching:

- Businesses with at least 250 employees, with at least four sites and multinationals are all more likely to have switched in the past four years (31%, 34% and 45% respectively).
Businesses with at least 250 employees are also more likely to have considered switching but actively decided not to (21%) – and, correspondingly, to have changed their existing service in some way (35%).

Spend and ‘familiarity’ appear to have a slightly different impact on engagement in the internet/data market. High spenders (those spending at least £3,000 per annum on these services) are more likely to have asked their supplier to match a better deal (21%) or to have made a change to their existing service (28%) – but they are not more likely to have switched. The same is true of those who feel well informed about how ITC can help them, whereas those who do not feel well informed are more likely to have thought about switching but not got round to it (32%).

The role of ITC has an impact on engagement. Organisations who regard ITC as a ‘Utility’ are significantly less engaged, 40% having done none of these activities in the last four years.

In terms of geography, organisations based in Wales and Scotland are less engaged with the internet/data market, with more than two-fifths (44% and 43% respectively) having done none of these activities in the last four years. Those based in the suburbs are significantly more likely to have considered switching, whether they have started looking around (18%) or not (24%). They are also more likely to have changed or upgraded their existing service in some way (30%).

Looking at differences by product, organisations with extranets, or using VoIP, are generally more engaged with the market, with a smaller proportion than average (24% and 27% respectively) doing nothing to improve their deal or switch supplier the last four years.

Switching is significantly higher among organisations with extranets, or converged voice and data networks (37% and 31% respectively compared to the overall average of 24%).

Type of internet connection also has some influence on levels of engagement. Engagement is lowest among those with cable broadband, more than a third (38%)
having undertaken no activity to improve their deal or change supplier. Those with dial-up/ISDN connections display the greatest apathy, 30% having thought about switching but not got round to it. Those with leased lines are more active, 27% having asked their current supplier to match a better deal.

7.21 Levels of engagement are also correlated with satisfaction. Organisations which are very satisfied with their mobile supplier are the least engaged with the market, with 42% having done none of these activities. These organisations are unlikely to have even considered switching: 7% have thought about it but never looked, 8% have thought about it but decided against it.

7.22 Finally, those who are able to negotiate effectively with their suppliers are significantly more likely to have changed or upgraded their existing service in some way (28%). Those who find it difficult to get deals with their existing suppliers are more likely to have thought about switching but not got round to it (29%).

Figure 57: Types of engagement (internet/data services) – key subgroup differences

<table>
<thead>
<tr>
<th>% of internet/data users who, in last 4 years, have…</th>
<th>Users of…</th>
</tr>
</thead>
<tbody>
<tr>
<td>Switched suppliers</td>
<td>24</td>
</tr>
<tr>
<td>Thought about switching but never looked</td>
<td>21</td>
</tr>
<tr>
<td>Actively looked but decided against it</td>
<td>14</td>
</tr>
<tr>
<td>Asked current supplier to match better deal</td>
<td>15</td>
</tr>
<tr>
<td>Changed existing service with same supplier</td>
<td>22</td>
</tr>
<tr>
<td>None of these</td>
<td>33</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>VolP/voice apps</th>
<th>Extranets</th>
<th>Converged voice/data network</th>
<th>Cable broadband</th>
<th>Leased line</th>
<th>Dial up/ISDN</th>
</tr>
</thead>
<tbody>
<tr>
<td>29</td>
<td>37</td>
<td>31</td>
<td>23</td>
<td>29</td>
<td>21</td>
<td></td>
</tr>
<tr>
<td>21</td>
<td>15</td>
<td>16</td>
<td>21</td>
<td>16</td>
<td>30</td>
<td></td>
</tr>
<tr>
<td>22</td>
<td>17</td>
<td>10</td>
<td>12</td>
<td>18</td>
<td>11</td>
<td></td>
</tr>
<tr>
<td>19</td>
<td>22</td>
<td>15</td>
<td>16</td>
<td>27</td>
<td>16</td>
<td></td>
</tr>
<tr>
<td>30</td>
<td>29</td>
<td>25</td>
<td>23</td>
<td>30</td>
<td>22</td>
<td></td>
</tr>
<tr>
<td>24</td>
<td>27</td>
<td>34</td>
<td>38</td>
<td>26</td>
<td>33</td>
<td></td>
</tr>
</tbody>
</table>

Source: Business Consumer Experience Research - Q15a/Q15b
Base: All with Fixed Line services (n=1207)

Reasons for not switching: loyalty to existing supplier

7.23 Clearly one reason why customers do not switch supplier could be that they are satisfied with their existing supplier and therefore loyal to them. We attempted to find out whether this was the case.

Mobile services

7.24 Two-fifths (41%) of mobile users agree or agree strongly that they are loyal to their existing supplier but a similar proportion (42%) do not feel loyal. Not surprisingly, loyalty is linked to satisfaction, increasing significantly to 62% among those who are ‘very’ satisfied with their supplier. Those business consumers who feel they are leading the field in this technology are also significantly more likely to be loyal (53%), as are those based in Scotland (50%). The data shows that just over a third (38%) of mobile users feel there is no better alternative to their current supplier. Again, this perception is significantly more likely among very satisfied customers (54%). This
leaves one in four (25%) who feel that there are better alternatives available on the market.

**Figure 58: Push and pull factors in the mobile market**

![Chart showing push and pull factors in the mobile market]

Source: Business Consumer Experience Research - Q14
Base: All with Mobile services (n=911)

7.25 The data show that loyalty is significantly lower among larger organisations with at least 250 employees (28%) and multi-nationals (33%). Correspondingly, multi-nationals and those with at least four sites are more likely to feel that there are better alternatives available. Business consumers based in London, urban areas, and Northern Ireland are also more likely to think there are better alternatives available.

**Figure 59: Push and pull factors in the mobile market – key subgroup differences**

<table>
<thead>
<tr>
<th>% of mobile users who consider themselves loyal to their current supplier</th>
<th>% of mobile users who think that there are no better alternatives available from other suppliers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>41</td>
</tr>
<tr>
<td>Urban</td>
<td>40</td>
</tr>
<tr>
<td>Suburban</td>
<td>41</td>
</tr>
<tr>
<td>Rural</td>
<td>39</td>
</tr>
<tr>
<td>England</td>
<td>40</td>
</tr>
<tr>
<td>Scotland</td>
<td>40</td>
</tr>
<tr>
<td>Wales</td>
<td>42</td>
</tr>
<tr>
<td>N Ireland</td>
<td>40</td>
</tr>
<tr>
<td>London</td>
<td>41</td>
</tr>
<tr>
<td>Non-London</td>
<td>41</td>
</tr>
<tr>
<td>5-9 employees</td>
<td>28</td>
</tr>
<tr>
<td>250+ employees</td>
<td>45</td>
</tr>
<tr>
<td>1 site</td>
<td>40</td>
</tr>
<tr>
<td>2-3 sites</td>
<td>43</td>
</tr>
<tr>
<td>4+ sites</td>
<td>38</td>
</tr>
<tr>
<td>Multinational</td>
<td>33</td>
</tr>
<tr>
<td>Non-Multinational</td>
<td>41</td>
</tr>
</tbody>
</table>

Source: Business Consumer Experience Research – Q14
Base: All with mobile services (n=911)
Fixed-line services

7.26 For fixed-line users, almost two-fifths (39%) do not feel loyal, whilst 44% say they do. Claimed loyalty is significantly more likely among those who feel they are leading the field in this technology (59%). It is also linked to satisfaction and value for money, rising to 62% among those who are ‘very’ satisfied with their supplier and to 64% among those who feel they are getting good value for money.

7.27 Just over one in four fixed-line users (28%) feel there is no better alternative to their current supplier and these business consumers are significantly more likely to report being very satisfied (44%), experiencing very good value for money (48%) or say that they are leading the field (42%). In total, around 31% believe there are better alternatives available on the market indicating that there a substantial proportion of business consumers are willing to change supplier if a better offer was made to them.

Figure 60: Push and pull factors in the fixed-line market

Source: Business Consumer Experience Research - Q14
Base: All with Fixed Line services (n=1207)

7.28 Our research shows that loyalty to fixed-line suppliers is significantly lower among larger organisations with at least 250 employees (33%) – although they have a greater tendency to believe that there are no better alternatives available (36%).

7.29 London-based organisations and those in urban areas are more likely to think there are better alternatives available. The same is true of smaller organisations with 5-9 employees and those without an overseas presence.
More than four in ten (43%) of business internet and data consumers report that they feel loyal to their current supplier. As with the other technologies, claimed loyalty is significantly higher among those who say they are very satisfied with their supplier (62%) and those who feel they get good value for money from their supplier (60%). It is also significantly higher among business consumers who have the same fixed/data/internet provider (52%).

Just over a quarter (27%) of internet and data users think there are no better alternatives to their current supplier. These businesses are significantly more likely to have the following characteristics:

- Be Multinational – 41%;
- Have high internet/data spend (£3K+) – 35%;
- Say they are very satisfied – 41%;
- Say they are getting very good value for money – 45%.
The Business Consumer Experience

Figure 62: Push and pull factors in the internet/data market

Source: Business Consumer Experience Research - Q14
Base: All with Internet or Data services (n=1134)

7.32 The data show that loyalty to internet/data suppliers is significantly lower among larger organisations with at least 250 employees (33%), or at least four sites (38%) although large companies also have a greater tendency to believe that there are no better alternatives available.

7.33 In terms of geography, loyalty is also lower in London-based organisations (36%) and those in Wales or Scotland (34% and 37% respectively). Organisations in these areas also have a greater tendency to think there are better alternatives available.

Figure 63: Push and pull factors in the internet/data market – key subgroup differences

Source: Business Consumer Experience Research - Q14
Base: All with Internet or Data services (n=1134)
Reasons for not switching: getting a better deal with a current supplier

7.34 Another reason for not switching is that customers may be able to get a better deal from their current supplier. As described earlier, many consumers (up to a third in the mobile market) had asked their current suppliers for a better deal over the previous four years, instead of actually switching supplier. We wanted to find out whether businesses who negotiated with their existing supplier were actually able to get a better deal. Business consumers who had shopped around and then asked their current supplier to match their new deal reported on the subsequent outcome.

7.35 More than three-quarters of mobile users (77%) in this situation had been successful in their negotiations. No significant differences emerge on any of the key subgroups in this regard.

Figure 64: Whether mobile supplier matched competitor deal

Source: Business Consumer Experience Research - Q15e
Base: All Mobile asking their supplier to match deal (n=294)

7.36 Successful negotiation was less common in the fixed-line market. Almost two-fifths of fixed-line users (37%) had been refused a better deal from their suppliers. And 10% of those who had tried to get their supplier to match a better deal could not yet say whether they had been successful.

7.37 High spenders (those spending at least £3,000 per annum on fixed-line services) were more likely to achieve a matched deal (82%), as were those with at least four sites (64%). Also, as is consistent with the previous section, small organisations were much less likely to secure a matched deal (43%).
Successful negotiation was only marginally more likely in the internet/data market; indeed a similar proportion (36%) had been refused a better deal by their existing supplier.

It is clear, therefore, that many business consumers do not switch supplier for what might be termed ‘positive’ reasons: they are satisfied with their existing supplier and/or able to negotiate good deals with them.

That leaves some customers who would like to obtain a better deal but are not able to do so. We attempted to find out the extent to which customers are prevented from switching by asking consumers who had considered switching but not done so why this was the case. The reasons given, for each of the main telecoms services, are discussed below.
The Business Consumer Experience

Mobile

7.41 The most commonly cited reason given for not switching among mobile consumers who had considered doing so is that they could not find a better package, deal or price. The next most commonly cited reasons were positive mentions about their existing supplier (competitor deals had been matched or that they were, after all, satisfied with their existing supplier). In other words, for the most part, there was not perceived to be sufficient benefit to be gained by switching.

7.42 One in ten of those who considered switching but did not, said the process was too complicated. A minority (8%) could not switch because they were tied into a contract and the same proportion were put off by the time and effort required. These ‘negative’ reasons for not switching (highlighted in the table below) are of greater concern since they indicate that there may be problems for business consumers in being able to switch even where they wish to do so.

Figure 67: Reasons for considering but not ultimately switching

<table>
<thead>
<tr>
<th>Provider</th>
<th>Total Non Switchers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unweighted base</td>
<td>271</td>
</tr>
<tr>
<td>Weighted base</td>
<td>260</td>
</tr>
<tr>
<td>%</td>
<td></td>
</tr>
<tr>
<td><strong>Top Ten Mentions</strong></td>
<td></td>
</tr>
<tr>
<td>Could not find better package/deal/prices</td>
<td>21</td>
</tr>
<tr>
<td>Current provider matched price</td>
<td>16</td>
</tr>
<tr>
<td>Satisfied with current provider</td>
<td>13</td>
</tr>
<tr>
<td>Too complicated</td>
<td>10</td>
</tr>
<tr>
<td>Lack of time</td>
<td>8</td>
</tr>
<tr>
<td>Tied into a contract</td>
<td>8</td>
</tr>
<tr>
<td>Could not find better provider</td>
<td>8</td>
</tr>
<tr>
<td>Not a priority</td>
<td>4</td>
</tr>
<tr>
<td>Not convenient</td>
<td>3</td>
</tr>
<tr>
<td>Cost of changing too high</td>
<td>3</td>
</tr>
</tbody>
</table>

Source: Business Consumer Experience Research - Q15d
Base: All Mobile considered but not switching (n=271)

7.43 Those who had not even considered switching were also asked why not. The most commonly cited reasons related to satisfaction with the existing service provider or deal. Again, for the most part, the main barrier to switching among this group seemed to be that there was not sufficient benefit to be gained by switching. But a small minority of this group also perceived switching to be too difficult or complicated.
Figure 68: Reasons for not considering switching in mobile market

<table>
<thead>
<tr>
<th>Provider</th>
<th>Total Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unweighted base</td>
<td>571</td>
</tr>
<tr>
<td>Weighted base</td>
<td>556</td>
</tr>
</tbody>
</table>

**Top Ten Mentions**

<table>
<thead>
<tr>
<th>Reason</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>No reason to (satisfied with supplier)</td>
<td>44</td>
</tr>
<tr>
<td>No reason to (satisfied with deal)</td>
<td>15</td>
</tr>
<tr>
<td>No reason to (general)</td>
<td>8</td>
</tr>
<tr>
<td>No reason to (service is reliable)</td>
<td>8</td>
</tr>
<tr>
<td>Lack of time</td>
<td>6</td>
</tr>
<tr>
<td>Apathy</td>
<td>6</td>
</tr>
<tr>
<td>Supplier matches other prices</td>
<td>6</td>
</tr>
<tr>
<td>Too complicated</td>
<td>5</td>
</tr>
<tr>
<td>Could not find a better package deal</td>
<td>4</td>
</tr>
<tr>
<td>Tied into long term contract</td>
<td>4</td>
</tr>
</tbody>
</table>

Source: Business Consumer Experience Research - Q15f
Base: All Mobile non switchers (n=571)

**Fixed-line**

7.44 For fixed services, 12% of those who considered switching but did not said that the process was too complicated and 13% said they were tied into a contract. Fixed line users are less likely than their mobile user counterparts to give positive reasons about their suppliers as reasons for considering but not ultimately switching provider. They are more likely to have been stopped by lack of time, or the process being too complicated, or being tied into an existing contract. Some of the comments given by customers were as follows:

“It’s very difficult to compare companies. When we have found packages we thought were the same, there is always something different.”

“It is just knowing what you are buying. Unless you’re an expert you can’t compare like with like.”

“My main problem is working out where to look for the good deals and trying to compare them. I don't know where to start.”
Those who had not even considered switching were asked why not. The most commonly cited reasons relate to satisfaction with the existing service provider, or the deal or service. Again, however, a minority of customers said that switching was too complicated or difficult.

Source: Business Consumer Experience Research - Q15d
Base: All Fixed Line considered but not switching (n=351)

7.45

Figure 69: Reasons for considering but not ultimately switching fixed-line supplier

<table>
<thead>
<tr>
<th>Provider</th>
<th>Total Non Switchers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unweighted base</td>
<td>351</td>
</tr>
<tr>
<td>Weighted base</td>
<td>364</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Top Ten Mentions</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of time</td>
<td>20</td>
</tr>
<tr>
<td>Tied into contract</td>
<td>13</td>
</tr>
<tr>
<td>Too complicated</td>
<td>12</td>
</tr>
<tr>
<td>Could not find better package</td>
<td>9</td>
</tr>
<tr>
<td>Satisfied with current provider</td>
<td>9</td>
</tr>
<tr>
<td>Not a priority</td>
<td>8</td>
</tr>
<tr>
<td>Still looking into it</td>
<td>7</td>
</tr>
<tr>
<td>Cost of changing too high</td>
<td>7</td>
</tr>
<tr>
<td>Current provider matched the price</td>
<td>6</td>
</tr>
<tr>
<td>Not worthwhile changing</td>
<td>6</td>
</tr>
</tbody>
</table>

Source: Business Consumer Experience Research - Q15d
Base: All Fixed Line considered but not switching (n=351)

Figure 70: Reasons for not considering switching fixed-line supplier

<table>
<thead>
<tr>
<th>Provider</th>
<th>Total Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unweighted base</td>
<td>746</td>
</tr>
<tr>
<td>Weighted base</td>
<td>751</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Top Ten Mentions</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>No reason to – satisfied with supplier</td>
<td>34</td>
</tr>
<tr>
<td>No reason to – satisfied with price</td>
<td>13</td>
</tr>
<tr>
<td>No reason to – service is reliable</td>
<td>11</td>
</tr>
<tr>
<td>Apathy</td>
<td>8</td>
</tr>
<tr>
<td>Lack of time</td>
<td>8</td>
</tr>
<tr>
<td>Tied into long term contract</td>
<td>7</td>
</tr>
<tr>
<td>Could not find a better package</td>
<td>5</td>
</tr>
<tr>
<td>Too complicated</td>
<td>4</td>
</tr>
<tr>
<td>Familiarity</td>
<td>4</td>
</tr>
<tr>
<td>No reason to - general</td>
<td>4</td>
</tr>
</tbody>
</table>

Source: Business Consumer Experience Research - Q15f
Base: All Fixed Line non switchers (n=746)
Internet/data services

7.46 Sixteen per cent of those who considered switching but did not switch said the process was too complicated and 8% said they were concerned about loss of service during switching. As with fixed-line users, lack of time and complications in the process were among the most commonly cited reasons for considering but not ultimately switching supplier. However a minority (8%) of internet and data users were so concerned about losing service during the switching process that they decided not to go ahead.

Figure 71: Reasons for considering but not ultimately switching internet/data provider

<table>
<thead>
<tr>
<th>Provider</th>
<th>Total Non Switchers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unweighted base</td>
<td>336</td>
</tr>
<tr>
<td>Weighted base</td>
<td>331</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Top Ten Mentions</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of time</td>
<td>20</td>
</tr>
<tr>
<td>Too complicated</td>
<td>16</td>
</tr>
<tr>
<td>Could not find a better package</td>
<td>15</td>
</tr>
<tr>
<td>Satisfied with current provider</td>
<td>11</td>
</tr>
<tr>
<td>Not worthwhile changing</td>
<td>9</td>
</tr>
<tr>
<td>Fears of not having any service</td>
<td>8</td>
</tr>
<tr>
<td>Still looking into it</td>
<td>7</td>
</tr>
<tr>
<td>Tied into contract</td>
<td>6</td>
</tr>
<tr>
<td>Could not find a better provider</td>
<td>6</td>
</tr>
<tr>
<td>Not a priority</td>
<td>6</td>
</tr>
</tbody>
</table>

Source: Business Consumer Experience Research - Q15d
Base: All Internet/Data considered but not switching (n=336)

7.47 The difficulties encountered by internet/data users in comparing providers are illustrated by the following comments:

“We have reasonably good service at the moment, but there is no way of knowing what kind of service we would get from other suppliers, it might be worse. Also, you cannot find out from most suppliers what your ratio will be and how good or quick the connection will be with them. There is a lot like that, you cannot know until you have signed up. We should be able to talk to suppliers and find out the things we need to know.”

“The biggest problem is the confusion of the tariffs. If we wanted to swap providers it would be really difficult to compare between them.”

7.48 Those who had not even considered switching were also asked why not. The reasons given were similar to those from fixed-line users, with little significant variation between suppliers in this regard.
Figure 72: Reasons for not considering switching internet/data provider

<table>
<thead>
<tr>
<th>Provider</th>
<th>Total Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unweighted base</td>
<td>826</td>
</tr>
<tr>
<td>Weighted base</td>
<td>826</td>
</tr>
<tr>
<td><strong>Top Ten Mentions</strong></td>
<td></td>
</tr>
<tr>
<td>No reason to – satisfied with supplier</td>
<td>38</td>
</tr>
<tr>
<td>No reason to – service is reliable</td>
<td>14</td>
</tr>
<tr>
<td>No reason to – satisfied with price</td>
<td>13</td>
</tr>
<tr>
<td>Lack of time</td>
<td>9</td>
</tr>
<tr>
<td>Apathy</td>
<td>5</td>
</tr>
<tr>
<td>Tied into long term contract</td>
<td>5</td>
</tr>
<tr>
<td>We are a new company</td>
<td>4</td>
</tr>
<tr>
<td>Too complicated</td>
<td>4</td>
</tr>
<tr>
<td>Familiarity</td>
<td>3</td>
</tr>
<tr>
<td>Concerns/fears of not having service</td>
<td>3</td>
</tr>
</tbody>
</table>

Source: Business Consumer Experience Research - Q15f
Base: All Internet/Data non switchers (n=826)

**Barriers to switching: ease of switching**

7.49 As outlined above, one of the reasons for not switching seems to be the perception that the process of switching is difficult, costly or time-consuming. We asked those who had switched provider, whether they found it easy to do so, and found that the large majority of those who had switched found it easy to do so, indicating that there are no insuperable barriers in the switching processes which prevent firms from switching provider. The results across different markets were as follows:

- Of the 35% of mobile switchers, the majority (82%) found the process ‘easy’ (fairly, very or extremely), leaving 15% who did not (with the rest saying they did not know).

- Of the 37% of fixed-line switchers, the majority (80%) again found the process ‘easy’ (fairly, very or extremely), leaving 18% who did not.

- A quarter of internet and data customers had switched and of these, a slightly smaller majority (75%) found the process ‘easy’, leaving a slightly higher minority (22%) of those who did not.
7.50 Having said this, those who encountered problems experienced considerable difficulties, and it is clear that where the switching process does not work well, considerable frustration is caused. For example, in the mobile market difficulties in porting numbers seemed to be a problem for some, as the following verbatim comments illustrate:
“When we were switching from [supplier] we had a problem because they did not want to give me the PAC code. It was very annoying as we had definitely made our mind up to switch - it seemed they were trying to make it very hard for us.”

“The switching and upgrade process was terrible. It took about 8 months to have our account upgraded to a business account. We had to make a lot of calls and have arguments with them. One person would say ‘fill out a form and send it back’, and then we would get another sent to us. We never had one point of contact.”

7.51 Porting numbers and commencing services on a timely basis also seemed to be a problem in the fixed telephony market:

“The new company has not finished switching our lines and they have already started to take money. So far it has taken more than a month to switch over. I think now I am not going to allow them to complete it. It shows what the service will be like if we are with them.”

“[Supplier] made the switching process as difficult as possible and wanted to charge us to change, they even continued to charge us for eight months after we had switched.”

“The switching process is hard. It is difficult to move the telephone numbers. We wanted to import numbers and it took a while to sort out.”

7.52 Those who switched internet/data services also encountered problems in some cases:

“We changed again from [supplier] to a private supplier and we found that the [supplier’s] local business made a complete mess of the whole thing. We got cut off because they ignored our instructions - we have had problems with them in all departments.”

“It was a bit of hassle switching suppliers. There were a lot of forms to fill in to switch and a lot of correspondence that had to go back and forth to arrange it.”

Barrier to switching: choice of contract length

7.53 Another barrier to switching might be the length of contracts. As described earlier, many of those who said that they had not switched supplier mentioned being tied into a contract as a reason for not doing so. Our research found that at least three-quarters of business consumers are satisfied with the choice of contract lengths that are available with each of the services. But we also found that over 10% of business customers are dissatisfied with contract lengths in each market. Mobile and fixed-line users demonstrate higher levels of dissatisfaction than internet/data users.

7.54 Notably, we did not find that small businesses were significantly more dissatisfied than larger businesses with the choice of contract length. There are indications, however, that the least well-informed do experience more problems in getting contract lengths which are suitable to their needs. Across all services, dissatisfaction with contract length rises significantly among decision makers who do not feel well informed about how communications services can help their business (to 24% in mobile, to 21% in fixed-line and to 16% in internet/data).
7.55 In the mobile market, dissatisfaction is also higher among those who regard mobile services as important to their business (giving a score of 9-10 out of 10), rising to 19%.

7.56 In the fixed-line market, dissatisfaction is notably higher in London (rising to 24%) and among those spending at least £3,000 per annum (rising to 19%).

7.57 In the internet/data market dissatisfaction rises significantly among high spenders (to 15%) and those who feel they are lagging somewhat behind the field in this technology area (to 17%).

Figure 76: Satisfaction with choice of contract length

![Bar chart showing satisfaction with choice of contract length for mobile, fixed, and internet/data services.]

Source: Business Consumer Experience Research - Q13
Base: All with Mobile services (n=911)

Barriers to switching: level of competition and choice in the market

7.58 We found indications in our research that one barrier to consumers getting the best deal may be the ability to choose between a number of suppliers and, more importantly, to be able to make effective use of that choice by being readily able to compare suppliers and negotiate effectively with them. We consider below the extent to which this is true for each of the main telecoms services.

Mobile

7.59 Eighty per cent of mobile users in our sample think there is enough supplier competition with an even higher number (89%) stating that there is a good choice of products and services available. In addition, the majority of mobile business consumers who feel they are able to negotiate effectively on tariffs and services and that the prices of services are clear and transparent.

7.60 Although this appears to be a positive picture, there remain significant numbers of business consumers that are less content with the marketplace and their ability to obtain the best outcome. The main areas for concern are as follows:
- Difficult to make comparisons between suppliers (41% agree).
- Difficult to get good deals from suppliers on tariffs (37% agree).
- Prices of services are clear and transparent (30% disagree).
- Able to negotiate effectively on tariffs and services (23% disagree).

7.61 In terms of geographical differences, London-based organisations are more likely to feel that there is not enough competition in the mobile market (21% agree versus 14% on average) – but they also have fewer problems making comparisons (29% think this is difficult compared to 41% on average). Organisations based in Northern Ireland experience greater difficulty negotiating effectively with their suppliers and making comparisons between suppliers. Company size also has some impact, with smaller organisations finding it harder to compare suppliers (48% compared to 41% on average).

**Figure 77: Competition and choice in the mobile market**

<table>
<thead>
<tr>
<th>Agree net (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not enough competition out there</td>
</tr>
<tr>
<td>Good choice of products/service available</td>
</tr>
<tr>
<td>Difficult to make comparisons between suppliers</td>
</tr>
<tr>
<td>Prices of services are clear and transparent</td>
</tr>
<tr>
<td>Able to negotiate effectively on tariffs and services</td>
</tr>
<tr>
<td>Difficult to get good deals from suppliers on tariffs</td>
</tr>
</tbody>
</table>

*Source: Business Consumer Experience Research - Q16
Base: All with Mobile services (n=911)*

**Fixed-line services**

7.62 As with the mobile market, most fixed-line users think there is enough competition in this market, and that there is a good choice of products and services. However, there is a stronger feeling among fixed-line consumers that they are in a poor position to obtain what they need. The main areas for concern are as follows:

- Difficult to make comparisons between suppliers (53% agree);
- Difficult to get good deals from suppliers on tariffs (49% agree);
- Prices of services are clear and transparent (36% disagree);
- Able to negotiate effectively on tariffs and services (27% disagree).

7.63 We also found some key differences by location and type of business:
In the fixed-line market, London-based organisations do not have a particular issue with competition but they are less likely to agree that fixed-line suppliers offer a good range of products and services (66% versus 77% on average) – and appear to have bigger problems negotiating with their suppliers than those based elsewhere (43% agree versus 52% on average).

Organisations based in Northern Ireland are more concerned about lack of competition and again, have greater difficulty negotiating making comparisons between suppliers and with transparency of prices generally.

Those in Scotland are also more likely than average to have difficulty making comparisons.

Those in Wales have a bigger issue with their choice of products and services.

Company size also has some impact, with smaller organisations finding it harder to get deals as existing customers (55% compared to 49% on average).

Figure 78: Competition and choice in the fixed-line market

<table>
<thead>
<tr>
<th>Perception</th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Neither</th>
<th>Agree</th>
<th>Strongly agree</th>
<th>Agree net (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not enough competition out there</td>
<td>11</td>
<td>54</td>
<td>10</td>
<td>16</td>
<td>6</td>
<td>21</td>
</tr>
<tr>
<td>Good choice of products/services available</td>
<td>8</td>
<td>10</td>
<td>67</td>
<td>10</td>
<td></td>
<td>77</td>
</tr>
<tr>
<td>Difficult to make comparisons between suppliers</td>
<td>3</td>
<td>30</td>
<td>11</td>
<td>41</td>
<td>12</td>
<td>53</td>
</tr>
<tr>
<td>Prices of services are clear and transparent</td>
<td>7</td>
<td>29</td>
<td>9</td>
<td>45</td>
<td>7</td>
<td>52</td>
</tr>
<tr>
<td>Able to negotiate effectively on tariffs and services</td>
<td>5</td>
<td>22</td>
<td>14</td>
<td>46</td>
<td>5</td>
<td>52</td>
</tr>
<tr>
<td>Difficult to get good deals from suppliers on tariffs</td>
<td>4</td>
<td>28</td>
<td>13</td>
<td>38</td>
<td>11</td>
<td>49</td>
</tr>
</tbody>
</table>

Source: Business Consumer Experience Research - Q16
Base: All with Fixed Line services (n=1207)

7.64 Internet/data services

As seen in the other two markets, most internet/data users think there is enough competition and choice available. In addition, over half (54%) think that prices are clear and transparent. However, the following remain issues for significant proportions of the business consumer base:

- Difficult to make comparisons between suppliers (45% agree);
- Difficult to get good deals from suppliers on tariffs (43% agree);
- Prices are clear and transparent (29% disagree);
- Able to negotiate effectively on tariffs and services (27% disagree).

7.65 We also found some significant differences in terms of location and size:
- As in the fixed-line market, smaller organisations find it harder to get deals as existing customers and do not have the same negotiating power as large companies – 42% of firms of 6-9 employees said that they were able to negotiate effectively compared with 57% of firms of over 250 employees.

- London-based organisations are more likely to have concerns around competition and also, getting deals from their existing suppliers, with around 25% saying that there was not enough competition compared to the average.

- Those in Northern Ireland tend to have more problems with both competition and choice in the internet/data market, and are again more likely to have difficulty making comparisons between suppliers.

**Figure 79: Competition and choice in the internet and data market**

<table>
<thead>
<tr>
<th>Item</th>
<th>Agree net (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not enough competition out there</td>
<td>17</td>
</tr>
<tr>
<td>Good choice of products/service available</td>
<td>76</td>
</tr>
<tr>
<td>Difficult to make comparisons between suppliers</td>
<td>45</td>
</tr>
<tr>
<td>Prices of services are clear and transparent</td>
<td>54</td>
</tr>
<tr>
<td>Able to negotiate effectively on tariffs and services</td>
<td>47</td>
</tr>
<tr>
<td>Difficult to get good deals from suppliers on tariffs</td>
<td>43</td>
</tr>
</tbody>
</table>

Source: Business Consumer Experience Research - Q16
Base: All with Internet or Data services (n=1134)

**Recent and current Ofcom work**

7.66 Most business consumers consider there is enough competition and choice in all telecoms markets. However, our research indicates that some businesses may be missing out on opportunities afforded by competition and that suppliers could do more to help them switch to more attractive offers – in particular by making it simpler to compare prices and services.

7.67 The following remain issues for significant proportions of the business consumer base across all technologies:

- Difficulty in making comparisons between suppliers (41% agree in the mobile market, 53% agree in the fixed-line market and 45% agree in the internet/data market).

- Difficulty in getting good deals from suppliers on tariffs (37% agree in the mobile market, 49% agree in the fixed-line market and 43% agree in the internet/data market).

- Price transparency (30% disagree that prices are clear and transparent in the mobile market, 36% disagree in the fixed-line market and 29% disagree in the internet/data market).
• Ability in negotiating effectively on tariffs and services (23% disagree in the mobile market, 27% disagree in the fixed-line market and 27% disagree in the internet/data market).

7.68 Switching processes also seem to be a problem for many who have switched: some mobile switchers find the process ‘not very/not at all’ easy (15%) but this rises to 18% in the fixed-line market and to 22% in the internet/data market.

7.69 Among those who considered switching but decided against it, complicated processes are a barrier to 10% of mobile users, 12% of fixed-line users and 16% of internet/data users. Being tied into a contract is a barrier for 13% of fixed-line users and 6% of internet/data users. Finally, fear of losing their service deterred 8% of internet/data users from switching.

7.70 There are a number of areas where Ofcom is currently undertaking action in the areas of price transparency and switching and these are outlined below.

Helping customers get a good deal

7.71 Businesses vary in their level of engagement with the market and indeed switching rates vary between different telecoms services. We consider that businesses are likely to get more value if they actively look for alternative deals and seek to get their existing suppliers to match deals offered to them by competing suppliers.

7.72 We recognise that consumers can make more effective choices where competing suppliers’ prices and service quality are readily comparable. Earlier this year, Ofcom introduced a new price accreditation scheme logo which all accredited services can use to show that their price comparison calculators have been verified by Ofcom as up to date, transparent and reliable. Ofcom has previously accredited Simplify Digital – which compares fixed-line, digital TV and broadband services – and Broadband Choices, which compares broadband services.

7.73 While business consumers using residential services can benefit from these price accreditation schemes26, they do not cover specialist business tariffs. Furthermore, we recognise that there are complicating factors in the business market that may not always make it possible to make direct comparisons easy. Firstly, it is not uncommon (particularly in the larger business market segment) to have bespoke pricing following a competitive tender process with suppliers. These competitive offers tend to be designed to reward scale and loyalty and are not commonly available as a standard pricing offer. Secondly, basic communications services are sometimes bundled with additional services (such as for example, management of a business’s internal network, provision of data hosting facilities and / or provision of equipment).

7.74 Ofcom has recently published a consumer guide on our website (mainly targeted at smaller businesses) in which we describe a few simple and practical steps businesses can take to ensure they benefit from a competitive market. The guide is available at: www.ofcom.org.uk/files/2009/12/smallbusinesses.pdf

Review of switching

26 Advice for consumers on price comparison services can be found at: http://www.ofcom.org.uk/consult/condocs/ocp/statement/pricescheme/consumerfaq/.
As outlined in our draft Annual Plan for 2010/11, Ofcom has instigated a project looking at switching processes, and the extent to which they promote switching and competition, both now and in the future, particularly given the rise in take-up of bundles. The aim of this work is be to develop a strategic approach to switching in order to ensure there are no undue barriers to switching.

Different switching processes have evolved across different sectors over time. This has resulted in the existence of multiple switching processes even for switching the same set of services. We intend to review the current approach and, among others, consider the benefits of greater harmonisation of switching processes. This will cover both residential consumers and small businesses with ten employees or fewer.

**Review of mobile number portability process**

The ability to change service provider while keeping their existing telephone number is a key facilitator of consumer choice and effective competition in a competitive communications environment.

We initiated a review of number portability following the successful appeal by Vodafone overturning a previous Ofcom decision published in November 2007. In August 2009 we published a consultation on the mobile porting process: this is looking at how consumers (including businesses porting a maximum of 25 numbers simultaneously) interact with mobile providers to be able to transfer their mobile phone numbers to a new provider and how long this process takes. We want to ensure that consumers are able to switch effectively and quickly.

In our consultation, we noted that although the current process works well for many consumers, there was evidence that it could cause difficulties and delays for a significant minority of consumers. We also noted that changes may need to be made to ensure that the UK process is aligned to European proposals for one day porting across the EU. We aim to progress our proposals for improving mobile porting processes and consult on our final decision in 2010.

---


Section 8

Availability and reliability of services

Summary

- The majority of business consumers are satisfied with the reliability, geographic availability and the range of products and services of services across all telecoms markets. But some customers expressed significant dissatisfaction with the level of mobile coverage and broadband availability.
- Our research found that dissatisfaction with the geographical availability of mobile services is much higher (12%) than for fixed (5%) or internet/data services (3%).
- Dissatisfaction with the availability of mobile services is significantly higher than the national average (12%) in Wales (17%).
- Dissatisfaction with the geographic availability of internet/data services is double the national average (3%) in rural areas (6%).
- Dissatisfaction with the geographic availability of internet/data services is higher in Scotland (8%) and the South of England (7%).
- One in six business consumers (15%) are not satisfied with their broadband speed.

1.1 In this chapter we consider the extent to which disparities in the availability and reliability of different communications services affect business consumers. As seen in section 6, one of the major causes of dissatisfaction and frustration in communications markets is the lack of availability of services. We therefore wanted to find out more about the level of satisfaction with the availability and reliability of services, in particular, to see whether satisfaction was lower in particular nations or localities.

Satisfaction with geographic availability of services

8.1 As discussed in section 6, the single most important cause of dissatisfaction and frustration among mobile and internet/data consumers is unreliable/poor connections. Furthermore, in our discussions with small businesses in rural areas and in the nations, one of the most commonly mentioned issues was lack of suitable coverage (see box below). We therefore asked specific questions about the level of satisfaction with geographical coverage.
The Business Consumer Experience

8.2 Our quantitative survey showed that dissatisfaction with geographic availability is higher in the mobile market than any other, at 12%. Although satisfaction with geographical availability with internet/data services is relatively high, it should be noted that many of those with internet/data services reported poor levels of satisfaction with the actual speeds available (see later). We also looked in detail at how satisfaction with availability varied across the UK for each individual service; these results are discussed below.

### Issues faced by rural and small businesses in the nations

To complement our quantitative research, we also met with a number of industry stakeholders to obtain a better understanding of the issues faced by businesses. In particular, we hosted roundtable events in Glasgow, Inverness, Belfast and Cardiff with representatives from a number of different types of business, especially rural and small businesses - including those with fewer than five employees who were not included in our quantitative research. We also discussed our findings with Ofcom's Advisory Committees in the nations. The experiences and concerns raised by stakeholders at these events were very similar across different nations indicating that the problems encountered were not nation-specific but were instead about the nature of services available in rural areas. Indeed, some surprise was expressed that the levels of satisfaction we found in our quantitative research, both in overall terms and for availability of services, were as high as they were. Some of the key points expressed were as follows:

#### Experiences with mobile services

- Mobile services have helped local businesses expand their customer base in the last decade and enhance communications between their employees, their customers and their partners.
- However, reception in some areas, particularly rural areas, is very limited and patchy. In some locations only one or two operators have any coverage and this limits choice for consumers as well as preventing consumers with other operators from using mobile services. Furthermore, there were suggestions that limited network capacity was leading to calls being dropped or text messages being delivered only after a long delay.

#### Broadband access and speeds

- While the introduction of broadband in rural areas was a very welcome technology a few years ago, some rural businesses noted that the bandwidth available was now insufficient to meet users’ needs.
- Consumers also experience problems where the actual broadband speeds received are well below what is advertised.
- The lack of broadband coverage (or the low broadband speeds where available) in some rural areas prevents some employees from working from home and some local businesses (e.g. B&Bs) from promoting their services.
- Some concerns were expressed in relation to the lack of competition and choice particularly in areas where local exchanges are not unbundled.
- There were also suggestions that the availability of internet and mobile services was, in some cases, crucial to the survival of a local community since without them businesses, people and services would move away.

#### Switching problems

- Some small businesses said that switching telecoms provider is still a difficult and confusing process.
Figure 80: Satisfaction with geographic availability of services

Source: Business Consumer Experience Research - Q13
Base: All with mobile services (n=911), internet/data services(n=1131), fixed services (n=1207)

Mobile

Satisfaction with the availability of mobile services varies across the UK. Most of the differences shown in the chart below are not statistically significant but it should be noted that dissatisfaction with availability of mobile services is significantly higher than the national average in Wales (17%). But satisfaction levels in rural areas across the UK as a whole were not significantly lower than the national average.

Figure 81: Satisfaction with availability of mobile services

Source: Business Consumer Experience Research - Q13
Base: All with mobile services (n=911)
Fixed-line

8.4 Satisfaction with the geographic availability of fixed line services is higher than in the mobile market, at 94%. This rises slightly (though significantly in statistical terms) among business consumers in Wales to 97%.

8.5 There are slight differences in relation to business location, with business consumers in urban areas being more satisfied (95% compared to 94% on average) and those in rural areas being significantly more dissatisfied (6% compared to 3% on average).

8.6 Low spenders (spending less than £1,000 per annum on fixed-line services) are significantly more satisfied with geographic availability than the average (96%). But there is no evidence from the data to suggest that high spenders are significantly more dissatisfied.

Figure 82: Satisfaction with geographical availability of fixed services

Source: Business Consumer Experience Research - Q13
Base: All with fixed services (n=1207)

Internet/data

8.7 More than nine in ten business consumers (92%) are satisfied with the geographic availability of internet and data services, a very similar proportion to that in the fixed-line market. But as shown in the figure below, dissatisfaction with geographic availability is significantly higher in rural areas (6%) and in Scotland (8%).

8.8 Dissatisfaction is also significantly higher (8%) among business consumers who feel they are somewhat lagging behind the field in terms of how effectively they are using internet and data technologies.
8.9 Although broadband is available to the vast majority of businesses in the UK, it is not necessarily available at the speeds desired by business consumers. Our research found that one in six business consumers (15%) are not satisfied with their broadband speed. This rises significantly among business consumers in the South of England (to 21%), and among those with two or three sites (to 25%). It is also significantly higher among those who feel they are lagging somewhat behind the field in terms of how effectively they are using internet and data technologies (to 25% and 19% respectively).

**Figure 83: Satisfaction with geographical availability of internet services**

<table>
<thead>
<tr>
<th>Region</th>
<th>DK</th>
<th>Dissatisfied</th>
<th>Satisfied</th>
</tr>
</thead>
<tbody>
<tr>
<td>All businesses</td>
<td>5</td>
<td>3</td>
<td>92</td>
</tr>
<tr>
<td>England</td>
<td>5</td>
<td>3</td>
<td>92</td>
</tr>
<tr>
<td>Scotland</td>
<td>5</td>
<td>8</td>
<td>87</td>
</tr>
<tr>
<td>Wales</td>
<td>6</td>
<td>2</td>
<td>93</td>
</tr>
<tr>
<td>NI</td>
<td>5</td>
<td>3</td>
<td>92</td>
</tr>
<tr>
<td>London</td>
<td>7</td>
<td>2</td>
<td>92</td>
</tr>
<tr>
<td>Urban</td>
<td>5</td>
<td>3</td>
<td>93</td>
</tr>
<tr>
<td>Suburban</td>
<td>3</td>
<td>5</td>
<td>92</td>
</tr>
<tr>
<td>Rural</td>
<td>7</td>
<td>6</td>
<td>88</td>
</tr>
</tbody>
</table>

Source: Business Consumer Experience Research - Q13  
Base: All with Internet/ data services (n=1131)

**Figure 84: Satisfaction with speed of internet/data services**

<table>
<thead>
<tr>
<th>Speed of broadband</th>
<th>DK</th>
<th>Dissatisfied</th>
<th>Satisfied</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>15</td>
<td>83</td>
<td></td>
</tr>
</tbody>
</table>

Source: Business Consumer Experience Research - Q13  
Base: All with Internet or Data services (n=1134)
Satisfaction with range of services

8.10 For mobile services, satisfaction with the range of products and services stands at 90%, rising significantly to 97% in Northern Ireland, the only subgroup difference to emerge. Dissatisfaction stands at 5% and rises significantly in the North (to 12%) and in rural areas (to 8%).

8.11 Satisfaction with the range of products and services available in fixed services is slightly lower at 87%. The only notable subgroup difference on this measure relates to large organisations with 250+ employees, almost all of whom are satisfied with availability of products at services (95%) and multi-nationals (where satisfaction rises to 93%).

8.12 Dissatisfaction with product/service range is significantly higher in London (rising from 5% to 13%) and among business consumers who feel they are lagging behind the field in terms of how effectively they are using this technology (to 11%).

8.13 Once again, most business consumers (86%) are satisfied with the range of internet/data products and services available. Satisfaction in this area rises significantly to 92% among decision-makers who feel that they are very well informed on ITC and among those who feel they are leading the field in this area (91%). Dissatisfaction rises in London (to 9%) and among business consumers who feel that internet/data technology is a driver for their business (to 7%), possibly indicating that businesses who rely most on internet/data services are not able to get the range of services they want and need.

Figure 85: Satisfaction with range of services available

Source: Business Consumer Experience Research - Q13
Base: All with mobile services (n=911), internet/data services (n=1131), fixed services (n=1207)
Satisfaction with service reliability

Mobile

8.14 In the mobile market, satisfaction with reliability is inversely correlated with the importance assigned to the service by the organisation. Satisfaction increases significantly (from 92% to 96%) among those who assign a low importance to this technology (a score of 1-6 out of 10 where 10 represents the highest level of satisfaction) and dissatisfaction increases significantly (from 5% to 7%) among those who assign high importance to this technology.

8.15 Satisfaction is also affected by supplier. Also, businesses with four or more sites are significantly more satisfied than the average (96%) and those with only one site are significantly more dissatisfied than the average (6%).

Fixed

8.16 Satisfaction with reliability in the fixed-line market rises significantly from 94% to 97% in Wales and Northern Ireland (see Annex 3 for further details). Those in rural areas and those with 2-3 sites are significantly more dissatisfied than elsewhere (8% and 11% respectively).

Internet and data

8.17 In the internet/data market dissatisfaction is more notably affected by sector (in the public sector dissatisfaction rises to 20%) and effectiveness of use (dissatisfaction rises to 13%/12% among business consumers who feel they are lagging somewhat behind the internet/data fields in this regard). As referred to in section 5, the main frustration that business consumers have in terms of reliability of service is loss of connectivity – when the service “doesn’t work” or “goes down”. For mobile services, this includes issues with not-spots and congestion in urban areas or the lack of an available signal in other areas. With regard to internet/data services, relevant issues are having a consistently good bandwidth and upload/download speeds.

Figure 86: Satisfaction with reliability

Source: Business Consumer Experience Research - Q13
Base: All with Mobile services (n=911)
Research conducted by the Communications Consumer Panel

8.18 The Communications Consumer Panel recently published research\(^29\) on the views of residential consumers and small businesses (i.e. ten employees or fewer) on the subject of mobile coverage. This report highlighted the importance of mobile phone coverage to businesses and found that the majority of businesses had experienced problems with mobile phone coverage and a third experienced problems with reception regularly. Despite these problems the research found that satisfaction with coverage is relatively high. This is consistent with the findings from Ofcom’s research among larger businesses which found the majority were satisfied with mobile coverage, despite it being the most frequently mentioned frustration with mobile services.

Recent and current Ofcom work

8.19 The results in this section, combined with the data on causes of dissatisfaction and frustration set out in section 5, indicate that a significant number of business consumers are unhappy with the level of mobile coverage and capability of internet networks. Highlighted in this section are satisfaction with the geographic availability of mobile services (where 12% of mobile users are dissatisfied) and the speed of broadband (where 15% of internet users are dissatisfied).

8.20 Ofcom has undertaken a number of initiatives to address issues around mobile coverage and broadband availability. These are discussed below.

Ensuring basic fixed-line services are available and affordable to all UK consumers

8.21 We are currently reviewing the implementation of the existing Universal Service Obligation for fixed telephony to ensure that it continues to deliver the greatest possible benefits in the context of changing market conditions. The Universal Service Obligation (USO) ensures that basic fixed-line services are available at an affordable price to consumers (including businesses) across the UK. Ofcom last completed a review of the Universal Service Obligation in 2006, making some minor amendments to the guidelines provided. We are currently considering the implementation of the USO and whether any changes are required. We anticipate publishing a first consultation in early 2010. The intention is to ensure that USO is sustainable in the future and delivers the best possible value for society whilst imposing an efficient cost burden on industry and consumers.

Mobile coverage

8.22 Mobile networks are an important delivery platform for voice services and text messaging and are becoming of growing importance for the delivery of broadband access.

8.23 We looked at the issue of mobile coverage in Phase 2 of our Mobile Sector Assessment (MSA) published in July 2009\(^30\) and concluded that mobile ‘not-spots’ were an issue that required our further attention. To address persistent 2G not-spots we intend to develop a facilitation role and explore how we might encourage creative solutions. We will be liaising with mobile operators and public bodies to explore the contribution we could make to facilitate better coverage. In addition, we are about to

\(^{29}\) http://www.communicationsconsumerpanel.org.uk/Mobile_coverage_small_business_perspective.pdf

\(^{30}\) http://www.ofcom.org.uk/consult/condocs/msa/msa.pdf
embrace on research which will help us better understand the causes of ‘not-spots’ and the quality of service delivered by mobile broadband networks. We are also assisting the Government on its proposals, as part of its Digital Britain initiative, to make more spectrum available for mobile broadband as well as its work to improve 3G coverage on key transport routes.

8.24 In 2009, Ofcom published maps of the 3G coverage31 offered by different mobile operators. The maps show the areas where the mobile operators’ networks meet the minimum coverage threshold set by Ofcom. In these maps we have sought to indicate where customers are able to make and receive a call out-of-doors over a 3G network. However, it should be noted that the information used to generate the maps was not collected for the purpose of examining detailed mobile coverage so the availability or quality of mobile services cannot be assumed from these maps.

**Broadband speeds and not-spots**

8.25 In some cases, businesses use residential broadband products and these business consumers may therefore benefit from the measures Ofcom has undertaken in the residential broadband market.

8.26 During 2008 we worked with internet service providers (ISPs) to encourage them to sign up to a voluntary Code32 of Practice which would oblige them to provide relevant information to consumers about their individual line speeds at the point of sale. The Code came into force on 5 December 2008. ISPs that have signed up to the Code have committed to explain clearly to prospective customers the maximum speeds they are able to obtain on their line, and also to tell them what steps they can take to improve their broadband performance.

8.27 With more accurate information about the service they are getting, consumers – including businesses using “off-the-shelf” DSL products – are able to make more informed choices when deciding between different ISPs and the service packages provided by them. We will continue to monitor the effectiveness of the Code and consider alternatives, including formal regulation, if the current arrangements do not prove effective.

8.28 In July 2009, Ofcom published the results of its research33 into fixed-line broadband speeds in the UK. The research provides independent, robust data on the actual speeds that UK consumers are getting from different ISPs. This information should be useful to business consumers who use DSL and cable broadband. We also published consumer guides to broadband speeds and getting broadband which are available on our website34.

8.29 We are assisting the Government on its proposals to make more spectrum available for mobile broadband as well as the work to improve 3G coverage on key transport routes - through our digital dividend review35 (DDR) we are looking at what should happen to the spectrum freed up in the 470-854 MHz band by the transition to digital TV. We are also seeking to award spectrum in the 2500-2690 MHz band. Both these bands can be used for the provision of next generation mobile broadband services and Government favours a co-ordinated approach to these bands.

---

31 [http://www.ofcom.org.uk/radiocomms/ifi/licensing/classes/broadband/cellular/3g/maps/3gmaps/](http://www.ofcom.org.uk/radiocomms/ifi/licensing/classes/broadband/cellular/3g/maps/3gmaps/)
32 [http://www.ofcom.org.uk/media/features/bbcode](http://www.ofcom.org.uk/media/features/bbcode)
33 Available at [http://www.ofcom.org.uk/research/telecoms/reports/broadband_speeds/](http://www.ofcom.org.uk/research/telecoms/reports/broadband_speeds/)
The regulatory framework for super-fast broadband services

8.30 In our super-fast broadband statement\textsuperscript{36} we set out plans to ensure that the regulatory environment promotes private sector investment and competition to bring UK consumers into an era of super-fast broadband.

8.31 In June 2009 we agreed\textsuperscript{37} a variation to BT’s Undertakings under the Enterprise Act which will enable Openreach to deploy fibre-to-the-cabinet technologies (FTTC) in a more cost-effective way. We are currently also consulting\textsuperscript{38} on a similar variation to BT’s Undertakings with respect to fibre to the premises (FTTP) technologies.

8.32 We have commenced market reviews under the European Telecoms Framework of the wholesale local access (WLA) and wholesale broadband access (WBA) markets and plan to publish a consultation on our proposals in early 2010.

8.33 These reviews will form a key part of the development of the regulatory framework for next generation access networks. This is in addition to the Government’s plans to widen broadband coverage as set out in its \textit{Digital Britain} report and described above.

\textsuperscript{36} \url{http://www.ofcom.org.uk/consult/condocs/nga_future_broadband/statement/statement.pdf}

\textsuperscript{37} \url{http://www.ofcom.org.uk/consult/condocs/fttc/statement/}

\textsuperscript{38} \url{http://www.ofcom.org.uk/consult/condocs/fttp/}
Section 9

Customer service

Summary
- Customer service is the main cause of dissatisfaction across all telecoms markets – over a third of dissatisfied users mentioned customer service as the main cause of dissatisfaction across all three telecoms markets we surveyed.
- The main causes of dissatisfaction are being kept on hold and/or passed around numerous people before a problem is resolved, as well as failure by suppliers to take responsibility for a problem when it is first raised. Where customers have dedicated account managers, high staff turnover and issues with availability/accessibility of the account manager are also a problem.

9.1 In section 6, we identified customer service as being one of the key drivers of both satisfaction and dissatisfaction: satisfied customers often mention customer service when asked why they are satisfied, while conversely dissatisfied customers frequently cite poor customer service as the main driver of dissatisfaction. Poor customer service is the main cause of dissatisfaction across all three telecoms markets we surveyed with around a third of dissatisfied users mentioning customer service. This section takes a detailed look at customer service, particularly focusing on supplier responsiveness and fault repair times.

Satisfaction with responsiveness of supplier and fault repair times

9.2 Because of the importance of communications services to businesses, it is important that any faults are dealt with quickly. We therefore also asked about levels of satisfaction with fault repair times. We found that many consumers were unable to specify their level of satisfaction for fault repair time, presumably because they have no experience of this. It should be noted that the research did not identify the type of fault, so this could relate either to handset faults or faults relating to the network. However, on consideration of the frustrations that business consumers have with mobile services, it is most likely to relate to the availability of replacement handsets and the speed with which they are provided.

Mobile services

9.3 We found that more than eight in ten (84%) mobile business consumers are satisfied with the responsiveness of their provider, but around one in ten (10%) are not.

9.4 Satisfaction rises significantly in Northern Ireland (to 90%), in the East of England (to 92%) and in suburban areas (to 89%). The only difference in dissatisfaction is among high spenders, spending at least £5,000 per annum (14%). The Annex provides more detailed breakdowns.

9.5 Most consumers (60%) are satisfied with fault repair times, and this rises significantly among the following subgroups:

- Large organisations, with more than 250 employees (79%) or with four or more sites (72%) and with a dedicated IT/telecoms resource (74%).
- Business consumers based in suburban areas (71%).
• Business consumers who feel they are leading the field in this technology (70%).

9.6  Dissatisfaction with fault repair times increases significantly in London (17% while the overall average is 8%), among high spenders on ITC (to 13%) and among those regarding ITC as a driver of their organisation (to 11%).

Figure 87: Mobile users’ satisfaction with customer service measures

Source: Business Consumer Experience Research - Q13
Base: All with Mobile services (n=911)

Fixed-line services

9.7  For fixed-line telephony, we found that 81% of customers are satisfied with the responsiveness of their provider, while 15% are not. Satisfaction with responsiveness rises significantly in Northern Ireland (to 90%), in Wales (to 86%) and in suburban areas (to 86%).

9.8  Dissatisfaction increases among the following groups:

• Large organisations, with 250 or more employees (26%) or two to three sites (23%).

• Those who feel they are lagging behind the field in terms of how effectively they are using fixed-line services (to 25%).

• High spenders, spending at least £3,000 per annum (to 21%).

• Those who regard ITC as driving their business forward (to 19%).

9.9  Fewer fixed-line users (21%) than mobile users are unable to specify their level of satisfaction for fault repair time. Despite this, satisfaction with repair times is higher than in the mobile market (69%) and this rises significantly to 77% in Northern Ireland.

9.10 Dissatisfaction with fault repair time increases among similar subgroups to those in the mobile market. It rises significantly among large organisations with 250 or more employees (from 10% to 18%), among high spenders (to 14%), among those
regarding ITC as a driver of their organisation (to 14%) and among those who feel they are lagging behind the field in this market (to 15%).

**Figure 88: Fixed-line users’ satisfaction with customer service measures**

![Graph showing satisfaction levels](image)

Source: *Business Consumer Experience Research - Q13*
Base: All with Fixed Line services (n=1207)

**Internet / data services**

9.11 The majority (80%) of internet/data users are satisfied with the responsiveness of their supplier, but this still leaves just over one in ten (13%) who are not. As with the other markets, satisfaction rises significantly in Northern Ireland (to 87%).

9.12 Just under a quarter (23%) of internet/data users are unable to specify their level of satisfaction for fault repair time, indicating that experience of faults with this technology lies somewhere between the mobile and fixed-line markets. Most (66%) are satisfied with fault repair times, and this again rises significantly among business consumers who feel they are leading the field in this technology (to 74%).

9.13 Uniquely for this market, on both measures satisfaction rises among companies that are leading in the internet/data field (to 88%/87% for responsiveness and to 74% in each case for fault repair time).

9.14 Dissatisfaction rises significantly on both measures among large companies, with 250 or more employees (to 21% and 22% respectively) and/or with two to three sites (to 19% and 15% respectively).

*Timely provisioning of data service components by Openreach continues to appear to be a significant problem. Very broadly, the implications of Openreach engineering can be difficult to determine and it can be problematic for CPs [communications providers] to co-ordinate it in a way that works for customers, particularly where new sites are concerned. The extended telecoms supply chain and BT Group’s organisation create significant challenges for fault resolution.* *(Large, multi-site retailer)*
Differences in the UK nations

9.15 The most consistent geographical difference is the higher level of satisfaction for responsiveness of provider apparent in Northern Ireland. This occurs across all three technologies. Satisfaction is also higher among fixed-line users in Wales (86%) – see Annex 3 for further details.

Common concerns

9.16 Many of the customer service issues raised by businesses were the same across all three telecoms services. The single biggest concern highlighted was the responsiveness of the provider when a problem was raised with them - at least 10% of customers for each service are dissatisfied.

9.17 It is also useful in this context to refer back to the frustrations that were identified in section 6. This suggests that many issues with responsiveness from a customer service point of view are common across technologies:

- Accessibility – inability to quickly get hold of an account manager or someone else who will take responsibility for the issue/problem on the phone.
- Amount of time spent on hold or being passed around on the phone.
- Amount of time taken to resolve a problem.
- Failure to provide updates on the status of a problem.
- High staff turnover – particularly in relation to account managers.

“We believe there is a lack of reliable DSL services with good Service Level Agreements (SLAs). Furthermore, the upstream bandwidth of ADSL services is inhibiting many business services like video, mobile email and backup solutions. This is made worse if the user is not close to an exchange.” (Ofcom interview with large, multi-site financial institution)
The challenges associated with explaining a problem and making a problem understood when speaking to non-UK based call centres.

Failure by a supplier to keep in touch once a contract has been signed.

9.18 Many of these issues could be grouped together under a heading of failure to take responsibility for a problem when it is raised. The time taken to repair faults appears to be less of an issue given that many users have not experienced a fault at all.

Recent and current Ofcom work

9.19 Poor customer service is clearly one of the most important reasons for dissatisfaction among business consumers. Poor customer service can have a much higher impact in the business market than in the consumer market as it can result in lost business.

9.20 Our research suggests that operators need to do more in this area. Ofcom’s work on ensuring effective competition in the market should act as an incentive for communications providers to deliver good customer service as part of their overall offering. But it is evident from our research that many business consumers’ expectations are not being met at present.

9.21 Ofcom does not impose regulatory requirements on providers to achieve specific quality of service levels. There are, however, a number of areas of Ofcom’s work that are aimed at ensuring that customer service levels improve. As most communications providers rely on at least some product inputs from Openreach, this work is primarily aimed at ensuring that the products provided are fit-for-purpose and are not a cause for service degradation when communications providers deliver their services to end users. These areas of work are discussed in more detail below.

Alternative dispute resolution

9.22 Fair, transparent and effective complaints handling processes both protect consumers and empower them in their dealings with providers. All communications providers in the UK are required under General Condition 14 to publish a complaints code of practice and provide access to an alternative dispute resolution (ADR) service, both of which have to be approved by Ofcom.

9.23 ADR is therefore an important part of the consumer experience in the communications market. ADR schemes consider cases referred to them by residential consumers and small businesses (with up to ten employees) who have unresolved complaints with their communications providers (CPs), examine both sides of the dispute and make a judgment, which could include a financial award and/or requiring the provider to take appropriate action. ADR can improve the outcome for those consumers whose complaints might otherwise be unduly lengthy or remain unresolved. It also gives CPs additional incentives to improve their own complaints handling procedures and to resolve complaints quickly and effectively. There are two Ofcom-approved schemes: the Office of the Telecommunications Ombudsman (Otelo) and the Communications and Internet Services Adjudication Scheme (CISAS).

9.24 In 2008, in view of the increasing trend in the percentage of consumers who did not progress a complaint, we started a review of complaints handling procedures and the ADR systems in order to explore ways of achieving faster dispute resolution and better consumer awareness.
In July 2008 we published a consultation that examined how easy it is for customers to access these schemes, and the effectiveness of complaints handling in the industry. We set out proposals to improve access by reducing the period that consumers have to wait before they can take complaints to ADR from 12 to 8 weeks, and also proposed criteria that we would use in our review of our ongoing approval of the two ADR schemes in 2010.

In May 2009 we published our conclusions and decided to proceed with the proposed reduction from 12 to 8 weeks for the time period a consumer must wait before they can take a dispute to ADR. The new arrangements came into effect on 1st September 2009. We believe that by enabling customers to take their unresolved complaints to ADR earlier, consumers will benefit from a reduction in the stress and anxiety which often accompany prolonged disputes. In our statement, we also confirmed the criteria we will use in our review of the approval of the two ADR schemes next year. These include accessibility, independence, fairness, transparency and effectiveness.

In the 2008 consultation we also made other proposals: improving awareness of ADR by requiring providers to notify their customers about the schemes; setting minimum standards for complaints handling; and requiring providers to keep appropriate records of contacts with their customers. Responses from CPs indicated that we had understated the extent and costs of changes that would be needed to implement these proposals. We are currently seeking more information around these measures and plan to consult on our proposals during 2010.

Service Level Agreements (SLAs) and Guarantees (SLGs)

In our discussions with them, various representative organisations, including the CMA, voiced a concern that because all competing communications providers rely to a greater or lesser extent on Openreach to provide the supporting access products, (i.e. the connectivity from the customer site to the competing operator’s own network), they are ultimately constrained by the quality of service associated with the Openreach products.

Ofcom recognises that service quality is of paramount importance in the business market as many critical business applications require high levels of availability, and this in turn means that faults have to be resolved far more quickly than in the residential market. In the parts of the market that are competitive, we would expect the dynamics of the market to incentivise providers to deliver high quality services and be responsive in addressing issues when they occur. Nevertheless, providers’ own ability to deliver the required quality is dependent on the service quality supported end to end which in many cases will involve the use of products from Openreach.

Ofcom continues to work with Openreach and the Independent Telecoms Adjudicator to ensure that communications providers can purchase the products they need to be able to offer business consumers new and more sophisticated internet/data services with appropriate levels of service quality and support. This is ensured by a well designed range of service level agreements (SLAs) and guarantees (SLGs) which are structured to ensure desired quality levels are available and that Openreach has the appropriate incentives to deliver the service level it has committed to.

9.31 In response to concerns we identified in 2007 relating to the level of services performance across the Openreach product set we have revised the terms of Openreach’s SLAs and SLGs with the aim of ensuring that there were appropriate incentives on Openreach to deliver a good quality of service.

9.32 This initiative complemented efforts by Openreach itself to improve its services. We have subsequently seen improvement in the performance of Openreach’s core products, used by other operators for voice and broadband. During 2008, for example, we observed that LLU provisioning performance was more stable than previously and operating at an improved delivery level, with a consistently higher proportion of LLU lines being enabled to time than in 2007.

9.33 We have continued to work with communications providers and with Openreach to structure regulations that support on-going improvement and innovation in service quality. For example, in our recent charge control reviews for local loop unbundling and wholesale line rental services we sought to ensure that Openreach has proper incentives to meet the SLGs it reaches with its customers.

9.34 We have also restructured the charge controls on wholesale line rentals to ensure that Openreach has appropriate incentives to offer services with high guarantee levels. This in turn should allow communications providers to offer a greater range of services levels to their business clients.

New undertakings commitments by Openreach

9.35 Communications Providers (CPs) have been particularly keen to see Openreach offering service levels that are more suitable for business consumers, such as reduced fault repair times and improved provisioning times (e.g. for Ethernet products). These are required so communications providers can in turn work towards offering their business customers better levels of service.

9.36 Openreach in turn has been struggling to meet its customers’ requirements because of significant constraints on its systems development resources. The constraints have arisen because of competing demands placed on Openreach’s resources due to the need to balance work required to achieve systems separation from the rest of BT, the need to develop new Next Generation Access (NGA) products and the requirement to invest in capability that will ensure Openreach is better able to meet its customer needs (such as better service levels for businesses).

9.37 Consequently, BT and Ofcom agreed to a reprioritisation of BT’s systems separation obligations under the Enterprise Act Undertakings in return for Openreach delivering a set of service developments and enhancements for its customers. A number of these commitments are specifically designed to address the needs of

---

40 For further details see:

41 Charges controls for local loop unbundling were set in the Openreach Pricing Framework review
http://www.ofcom.org.uk/consult/condocs/openreachframework

42 Charge controls for wholesale line rental (WLR) were set in the WLR charge control review which also set out the restructuring of WLR controls. http://www.ofcom.org.uk/consult/condocs/wlr

43 As explained earlier in this report, the Undertakings refer to a set of commitments that BT offered in 2005 to address competition concerns that Ofcom had identified in certain fixed telecoms markets

44 See Statement “Re-prioritising BT’s remaining Undertakings commitments on information systems separation” at http://www.ofcom.org.uk/consult/condocs/btundertakings/statement/
The Business Consumer Experience

business customers. In an effort to ensure that Openreach does indeed deliver these enhancements, we have agreed with BT that this will constitute a formal obligation on BT in the Undertakings.

Ongoing Openreach process improvement work facilitated by the Office of the Telecommunications Adjudicator (OTA)

9.38 The Office of the Telecommunications Adjudicator (OTA) is a body that operates independently of Ofcom and of industry. The OTA facilitates the implementation of new products and processes where necessary to enable a wider range of communications providers and end users to benefit, in particular, where multi-lateral engagement is needed for their implementation.

9.39 The OTA’s focus historically has been on working with Openreach and industry to achieve improvements in Openreach’s operational processes around the higher volume products, namely fixed voice and broadband. In growing recognition of the needs of business consumers and in particular issues relating to Openreach’s Ethernet service portfolio, we asked the OTA to increase their involvement in this area. In the last few months, the OTA has:

- developed a clear set of metrics that will give more transparency of the actual performance achieved by Openreach’s Ethernet products (e.g. provisioning times and fault repair);
- worked with industry stakeholders and Openreach to ensure that the principles developed in 2007 around SLA/SLGs are applied to the suite of new Ethernet products (Ethernet Backhaul Direct & Ethernet Access Direct) that Openreach has developed;
- developed an action plan identifying the main areas of concern where business communications providers feel they are restricted from delivering good service;
- worked with communications providers focused on the business market and Openreach to review and change the industry meetings structure to provide the providers with a greater input into the development and shape of the services delivered by Openreach.

---

45 Openreach has committed to publish a rolling 18-month roadmap of all its product developments – not just those proposed to substitute for systems separation activity. This approach will improve transparency and should provide for better long-term planning for Openreach and its customers. Openreach could make changes to that roadmap only in accordance with tightly defined change control criteria; and Openreach would have to replace any developments that are removed from the roadmap with others of comparable benefit to its customers. Changes to the roadmap would also need the agreement of Openreach’s customers, with OTA facilitation. For the latest version of the roadmap, see www.openreach.co.uk/roadmap.

46 There are different levels to systems separation, but the ultimate intent is for Openreach data, applications and hardware to be separated from the rest of BT. Achieving this is easier in the case where new systems are being deployed. For this reason, Openreach’s key transaction system has been designed with separation in mind from the start. However, to satisfy its separation obligations BT also has to ensure that information relating to its legacy retail installed customer base is migrated to systems that are separate from those used by Openreach.

47 The OTA will also bring all parties together to find prompt mediated resolution of working-level implementation issues. The OTA primarily deals with major or strategic issues affecting the rollout and performance of Openreach products as defined in the Memorandum of Understanding (http://www.offta.org.uk/OTA2MoU.pdf).
Annex 1

Questionnaire

NOTE TO INTERVIEWERS ON DESIRED RESPONDENT:

We are keen to speak to the person in the organisation who has primary decision-making responsibility in relation to purchasing communications services (including fixed line voice services, mobile voice and data services and internet data services) and also has at least some influence in strategic decisions relating to these services, including any major investment decisions. In larger companies that have an IT function, we expect this person to be the most senior in that department, the IT Director or equivalent. In smaller companies where there is no dedicated IT function, we would expect to talk to the Owner or Managing Director in most instances.

We do not want to talk to the person that simply signs off budgets. We want to speak to the person who is either solely or jointly responsible for deciding which suppliers and products to buy on behalf of the organisation.

We do not want to talk to an administrator in the first instance. The only exception to this might be where we are collecting usage data about spend and the senior decision-maker doesn’t have this factual information to hand. We would be very happy to start the interview with the senior decision-maker and be referred to more junior personnel in order to collect this type of data.

In cases where there is a parent company and separate sub divisions/brands where autonomous decisions are made, we want to talk to the company making the majority of the decisions. Therefore if the parent company only sets the broad policy and individual sub brands are fairly autonomous in terms of implementation and decision making we want to treat each sub brand as a separate company/interview in the research. However, where the parent company largely dictates decision making, they should be treated as the ‘major interview’ and then the sub companies can be dealt with ‘fill in gaps’ in much the same way as we would do with individuals within any one company.

In public sector business consumers, the primary level of interest would be the Local Authorities, PCTs and central Government, rather than individual schools and hospitals for example, as experience suggests centralised buying power and policy is typically used to make decisions.
AT RECEPTION:

Please could I speak to the person within the organisation who has primary responsibility (sole or joint) for IT, telecoms and other communications services, including Internet services? If you have a dedicated IT Manager or Director please could we speak to them.

INTRODUCTION:

Good morning/afternoon, my name is __________ from Jigsaw Research. I am calling on behalf of Ofcom, the regulator for communications industries in the UK.

Ofcom require research to provide them with up-to-date knowledge on how businesses make purchase decisions in relation to fixed line, mobile, internet and data services, and to help them identify areas where there is a need for further advice, information or support. We would appreciate some of your time to contribute to this important study. Your involvement will directly affect regulatory activity in this area.

YES, CONTINUE WITH SCREENER. IF REFD, THANK AND CLOSE

IF NECESSARY ADD:

■ We would like to reassure you that your answers will be held in the strictest confidence. Your open and honest views are incredibly important in helping Ofcom to understand the challenges that employers face when making decisions about communications services and the sort of advice, information or support might make decision-making easier.

■ The interview will take around 30 minutes depending on your responses.

■ If it is more convenient we are happy to call back at another time.

■ We would like to reassure you that this is a genuine piece of market research. No-one will try to sell you anything as a direct result of this research and the project is not designed to test your knowledge but to gauge your opinions and understand how you make decisions.

■ We got your company name and telephone number from a standard list provider, a commercial database of businesses in the UK. We are interested in speaking to people responsible for IT and telecoms across a wide range of businesses.

■ If you would like to check our credentials, you can call the Market Research Society, free of charge, on 0500 39 69 99.

■ If you would like to verify that is a legitimate piece of research commissioned by Ofcom we can also email or fax you a letter that Ofcom have written for this purpose.
Part of the study requires us to ensure that we interview a broad range of UK businesses so the first few questions about your organisation are purely to ensure that we get a true cross-section of UK industry.

S1. Firstly, which of the following best describes this organisation’s level of autonomy when it comes to making purchasing decisions in relation to communications services? This would include fixed line voice services, mobile voice and data services, internet services and relevant support services. READ OUT. SINGLE CODE

Full autonomy, we hold our own budget and can decide how to it........................................ CONTINUE
Partial autonomy, we have an input but not a complete say............................................... CONTINUE
We only implement decisions that are made at a higher level .......................................... ASK TO BE REFERRED AND GO BACK TO INTRODUCTION

S2. And which of the following best describes the responsibility you personally have for making purchasing decisions in relation to these communications services for the organisation? READ OUT. SINGLE CODE

I am solely responsible ................................ CONTINUE
I am jointly responsible with somebody else .. CONTINUE
Someone else has primary responsibility .......ASK TO BE REFERRED AND GO BACK TO INTRODUCTION

S3. Could I please confirm your exact job title? SINGLE CODE

Owner / Proprietor
Partner / Managing Partner
Chief Executive Officer
Chief Finance Director / Finance Director
Chief Operations Director / Operations Director
Managing Director
IT / Telecoms Director / Manager
Other senior manager
PA / Office manager
Other (WRITE IN)
IF OBVIOUS FROM SAMPLE PLEASE RECORD AND DO NOT ASK

S4a. Would you describe your organisation as operating within the private sector, the public sector or the third sector - by which I mean the voluntary sector, so including charities, NGOs, quangos, not for profit business consumers etc.

SINGLE CODE

Private sector
Public sector
Third sector

S4b. SECTOR TO BE AUTOMATICALLY PUNCHED

Primary industry
Utilities
Manufacturing
Construction
Wholesale
Retail
Distribution/Transport
Leisure
Financial Services
Communications/IT/telecoms ..................... GO TO S4c
Other business activities.......................... GO TO S4c
Public admin and services ......................... GO TO S4d
Other services
Other

S4c. Would any of the following be an accurate description of your organisation’s main function?

READ OUT. SINGLE CODE

Advertising / PR / new media ....................... CONTINUE
Marketing or market research ...................... CLOSE
Network or service provider, re-seller of telecoms or IT CLOSE
Other IT or telecoms services....................... CONTINUE
None of these........................................... CONTINUE

S4d. Which of the following best describes where you work (READ OUT, SINGLE CODE)?

Central Government ............................................. 1
Regional Government ........................................ 2
Local Government ............................................. 3
None of these................................................. 4
S5a. Including yourself, how many people does your business currently employ in the UK either full or part time? WRITE IN. ALLOW DON’T KNOW

S5b. Which of the following size bands does your business fall into. SINGLE CODE

- Up to 4 ................................. CLOSE
- 5-9
- 10-19
- 20-49
- 50-99
- 100-249
- 250-299
- 300-499
- 500+
- Don’t know

IF STILL DON’T KNOW AT Q5b, TAKE FROM SAMPLE

S6. Including your current office - how many sites or offices does your company operate from in the UK? SINGLE CODE

IF NECESSARY EXPLAIN: this should not include home offices, satellite offices/rented hot desks.

- 1
- 2
- 3
- 4
- 5-9
- 10-49
- 50 or more
- Don’t know
- Refused

S7. Are you located in the main or head office?

- Yes
- No
- Don’t know/Refused

S8a. Can we just confirm that the postcode of the Head Office is _______?

READ OUT POSTCODE FROM SAMPLE. SINGLE CODE

- Yes
- No - RECORD CORRECT POSTCODE
The Business Consumer Experience

S8b. **REGION TO BE AUTOMATICALLY PUNCHED:**
North East
North West
Yorkshire and the Humber
East Midlands
West Midlands
East of England
South East
South West
London
Wales
Scotland
Northern Ireland

### MAIN QUESTIONNAIRE

### ROLE & IMPORTANCE OF TELECOMS SERVICES

**Q1.** What role would you say communications technology plays in your business overall. Would you say it is primarily...? **READ OUT. SINGLE CODE**

- A tool for basic communication and research, both internally and externally
- An important way of making the business more efficient by doing things better, faster, cheaper
- A vital means to drive the business forward and ensure competitive differentiation through such things as new product development, innovation and marketing
- Don’t know

**Q2.** How well informed do you consider yourself to be about how communications services can help your business survive and grow? **READ OUT. SINGLE CODE**

- Very well informed
- Fairly well informed
- Neither well informed nor not very well informed
- Not very well informed
- Not at all well informed
- Don’t know (Don’t read out)
MOBILE PHONE SERVICES

I am now going to ask you some questions specifically about mobile voice and data services.

Q3. Which, if any, of the following handheld devices does your business rent or own? READ OUT. CODE ALL MENTIONED

- Contract mobile phones
- Pay-as-you-go mobile phones
- Mobile broadband access through USB ‘dongles’
- BlackBerrys
- I-phones
- Other PDAs
- Pagers
- None of the above ............... SKIP TO NEXT SECTION
- Don’t know (Don’t read out)

IF CODE ANYTHING OTHER THAN PAYG MOBILES ASK

Q4. What is the typical length of contract on these mobile devices? READ OUT. SINGLE CODE

- 12 months
- 18 months
- 24 months
- 36 months
- Longer
- Don’t know

Q5a. Please can you tell me how much your organisation has spent on UK mobile voice and data services in the last year, excluding support? WRITE IN £ thousands USING LEADING ZEROS. PROMPT WITH SCALE BELOW IF NECESSARY. SINGLE CODE

- Up to £499
- £500-999
- £1,000-1,999
- £2,000-2,999
- £3,000-3,999
- £4,000-4,999
- £5,000-5,999
- £6,000-9,999
- £10,000-19,999
- £20,000-49,999
- £50,000-99,999
- £100,000-499,999
- £500,000 or more
- Don’t know/refused
Q5b. Does this spend represent an increase, a decrease or no change since the previous year? SINGLE CODE

Q5c. And do you expect this spend to increase, decrease or stay the same in the next twelve months? SINGLE CODE
- Increase
- Decrease
- No change
- Don’t know

Q6. On a scale of 1 to 10 where 1 is not at all important and 10 is absolutely vital, how important are mobile voice and data services to your business? By vital we mean that your business could not carry on without it. SINGLE CODE
- 1 - 10 & DK

Q7. Do you purchase your mobile services from a reseller, systems integrator or direct from the mobile network? CODE ALL MENTIONED
- Reseller
- Systems integrator
- Direct from network
- Don’t know

Q8a. Which mobile network operator or service provider is your main supplier. IF SAY A HANDSET MANUFACTURER AT S14a/b (E.G NOKIA, ERICCSON) SAY: “We are interested in the operator of your mobile network, not the handset manufacturer, in other words the supplier you pay your bills to.” DO NOT READ OUT. SINGLE CODE

Q8b. Which other network or service providers are you aware of?
PROMPT TWICE: Any others?
DO NOT READ OUT. CODE ALL MENTIONED
- Orange
- TMobile (formally One2One)
- Vodafone
- O2 (formally BTCellnet)
- “3” mobile
- One tel
- Virgin
- Tesco
- Singlepoint
- Cellular Operations
- Carphone Wareho
- Project Telecom
- Value Telecom
- Other (WRITE IN)
- Don’t know/can’t remember
- None
Q9. Thinking about your overall experience with (INSERT CURRENT NETWORK PROVIDER), how satisfied or dissatisfied would you say you are with them as a supplier of mobile services?

READ OUT. SINGLE CODE

Very satisfied ........................................................ 1
Fairly satisfied ..................................................... 2
Neither satisfied nor dissatisfied .............................. 3
Fairly dissatisfied ................................................... 4
Very dissatisfied .................................................... 5
Don’t know .......................................................... 6

Q10. Using the same scale, how satisfied or dissatisfied are you with (INSERT CURRENT NETWORK PROVIDER) in terms of value for money for mobile services?

READ OUT. SINGLE CODE

Very satisfied ........................................................ 1
Fairly satisfied ..................................................... 2
Neither satisfied nor dissatisfied .............................. 3
Fairly dissatisfied ................................................... 4
Very dissatisfied .................................................... 5
Don’t know .......................................................... 6

IF CODE 1 OR 2 AT Q9 OR Q10 ASK Q12A

Q12a. You were satisfied with at least some elements of your service provider. What is it that impresses you, what do they do well?

PROBE: range of products/services, quality/reliability of service/network/line/connection, customer service/account management, length of contract

OPEN ENDED

IF CODE 3-5 AT Q9 OR Q10 ASK Q12B

Q12b. You don’t say that you were very satisfied with all of those elements of your service provider. What issues or problems do you encounter?

PROBE: range of products/services, quality/reliability of service/network/line/connection, customer service/account management, length of contract

OPEN ENDED

Q13. I am now going to read out a number of areas of the customer experience. For each one can you please indicate whether you are satisfied or dissatisfied with (INSERT CURRENT NETWORK PROVIDER) in this area.

READ OUT. RANDOMISE ORDER. SINGLE CODE PER AREA. ALLOW “Don’t know”

Dissatisfied

Satisfied

Their range of products and services .............................................. 1 ................. 2

The reliability of the service in terms of the uptime of the signal or connection 1 2

The fault repair time ................................................................. 1 .................. 2
The geographic availability of the service (i.e. the breadth of coverage) .......... 1 2
Responsiveness of the provider ........................................ 1 .......................... 2
The speed of broadband (internet section only) ..................... 1 .......................... 2
The choice in the length of contract periods available .......... 1 .......................... 2

Q14. I am now going to read out two statements about providers. For each one please could you say whether you (READ OUT SCALE).

Strongly agree
Agree
Neither agree nor disagree
Disagree
Strongly Disagree
Don’t know

So firstly, (READ OUT EACH STATEMENT IN TURN. RANDOMISE ORDER. SINGLE CODE FOR EACH).

(a) To what extent do you agree or disagree that you have a strong sense of loyalty towards (INSERT CURRENT NETWORK PROVIDER)?

(b) To what extent do you agree or disagree that there are better alternatives available from other suppliers?

Q15a. In the last 4 years, which of the following have you done in relation to your mobile voice and data service?

READ OUT. CODE ALL MENTIONED

Q15b. And which of the following have you done in the last year?

READ OUT. CODE ALL MENTIONED

Switched suppliers
Thought about switching but never got round to actively looking into it
Actively started looking for an alternative supplier but decided against it
Asked your supplier at the time to match a better tariff or package deal
Changed existing service or package (including upgrades) with the same supplier
None of these
Don’t know/can’t remember

IF CODE 1 AT ‘SWITCHING SUPPLIERS’ IN EITHER Q15a OR Q15b ASK:

Q15c. You mentioned that you have switched suppliers. How easy or difficult did you find the switching process? READ OUT. SINGLE CODE

Extremely easy
Very easy
Fairly easy
Not very easy
Not at all easy
Don’t know/can’t remember
IF CODE 2 or 3 AT Q15a OR Q15b ASK:

Q15d. You mentioned that you considered switching but didn’t. What was it that put you off?

OPEN ENDED

IF CODE 4 AT Q15a OR Q15b ASK:

Q15e. You mentioned that you asked a supplier to match a better tariff or package deal. Did they go ahead and match the deal?

READ OUT. SINGLE CODE

  Yes
  No
  Don’t know/can’t remember

IF DO NOT CODE 1 AT Q15a OR Q15b ASK:

Q15f. Why is it that you have not switched your mobile services supplier in the last 4 years?

OPEN ENDED

Q16. I am now going to read you a series of statements that people have made about the switching process in relation to mobile network providers. For each one please could you say whether you (READ SCALE).

  Strongly agree
  Agree
  Neither agree nor disagree
  Disagree
  Strongly Disagree
  Don’t know

ROTATE ORDER. SINGLE CODE FOR EACH STATEMENT

  There is not enough competition out there
  There is a good choice of products and/or services available on the market
  It is difficult to make comparisons between suppliers
  The prices of services are clear and transparent
  I am able to negotiate effectively with my supplier on tariffs and services
  It’s difficult to get good deals from suppliers if you are an existing customer

Q17. What are the main problems or frustrations you encounter in relation to your mobile voice and data services?

PROMPT IF NECESSARY: This might be related to the range of product and services available, the degree of choice of suppliers, your ability to evaluate the options available to you, the switching process itself or anything else you might think of.

OPEN ENDED
**FIXED LINE VOICE SERVICES**

I would now like to ask you some questions about fixed telephone lines.

**Q19. Which of these services does your business?**

**READ OUT. SINGLE CODE**

- Fixed line
- Carrier pre-selection (CPS), where you a different company for your calls and your line rental
- WLR
- Dedicated lines or a private network (e.g. links to other offices)
- VoIP:
  - None of the above
  - Don’t know

**Q18. How many telephone lines does your business have?**

(by this we mean the number of physical lines into the organisation, not the number of extensions you have? Please include any lines you have dedicated to a fax machine.

**SINGLE CODE**

- None
- 1
- 2-4
- 5-9
- 10-19
- 20-49
- 50-99
- 100-249
- 250-299
- 300-499
- 500+
- Don’t know

**Q20a. Does the same company provide both your company’s line rental and call charges?**

- Yes = SKIP TO Q20b
- No = SKIP TO Q20c and d
- Don’t know = SKIP TO Q20b

**ASK IF SOLE PROVIDER (code 1 or 3 at Q20a)**

**Q20b. Which supplier do you use as you main supplier for your fixed line voice services?**

In other words, what is name of the network or company that provides your existing fixed phone service, i.e. the company that sends you bills?

**DO NOT READ OUT. SINGLE CODE**
ASK IF SPLIT PROVIDER (code 2 at Q20a)

Q20c. What is name of the network or company that provides your company’s main fixed line (i.e. the company that you pay for your line rental)?

SINGLE CODE AT S14c

Q20d. And what is name of the network or company you pay for the majority of your company’s fixed call charges?

SINGLE CODE AT S14d. DO NOT SHOW SUPPLIER MENTIONED AT S14c

ASK ALL

Q20e. Which, if any, other companies that you can buy fixed line services from are you aware of?

PROMPT TWICE: Any others?

CODE ALL MENTIONED. DO NOT READ OUT. IF SAY A HANDSET MANUFACTURER (E.G. NOKIA, SAMSUNG POINT OUT THAT IT IS NETWORK PROVIDERS WE ARE INTERESTED IN NOT THE PEOPLE THAT MAKE THEIR PHONES)

Alternative Networks
Alpha Telcom (Orange)
BT
Bulldog
Cable and Wireless
Carphone Wareho (TalkTalk)
Colt
Equitalk
Euphony
First Telecom
Go Talk
IDT Direct
Kingston Communications
Madasafish
Opal
Pipex
Post Office
Primus
Planet Talk
Redstone Communications
Sky Talk
Talk
Talk Talk/Carphone Wareho
Telcom Plus
Tesco Talk
Thus
Tiscali
Toucan
Uniworld Communications
Verizon Business
Virgin Media
XLN telecom
Other (WRITE IN)
None
Don’t know / can’t remember
INTERNET AND DATA SERVICES

I would now like to ask you some questions about your internet and data services.

Q21. Which of the following data applications do you use?

READ OUT. CODE ALL MENTIONED

- Internet access
- Voice applications
- File transfers
- Intranets
- Extranets
- Other (WRITE IN)

INTERVIEWERS: PLEASE NOTE THE FOLLOWING DEFINITIONS AND USE AS NECESSARY:

- Corporate intranet (an internal private network that is contained within the organisation)
- Extranet (a private network to securely share part of a business’s information or operations with external parties e.g. clients/suppliers)

Q22. By which of the following methods are your data needs delivered?

READ OUT. CODE ALL MENTIONED

- Managed data services (network services supported and managed by a third party)
- Managed in-ho
- Both
- Don’t know (Don’t read out)

Q23. Is your data network a converged voice and data network or do you run voice and data separately?

SINGLE CODE

- Converged voice and data network
- Run voice and data separately
- Don’t know

IF INTERNET ACCESS (CODE 1) AT Q21 ASK

Q24. By which of the following means does your organisation currently connect to the Internet?

READ OUT. CODE ALL MENTIONED

- Dial up/ISDN
- Broadband via cable modem
- Broadband via ADSL (asymmetric - faster download than upload speeds)
Broadband via SDSL (symmetric - similar download and upload speeds)
Broadband via satellite or fixed wireless (this delivers broadband to your office using radio links between an aerial located on your premises and the internet providers base station, rather than using a telephone line or a cable television network)
Copper leased line
Fibre leased line
Leased line - don’t know whether copper or fibre
Other (WRITE IN)
Don’t know (Don’t read out)

ASK Q25a IF 2+ SITES at S6, OR DON’T KNOW, OR REFD. IF ONLY 1 SITE, SKIP TO Q25b

Q25a. Are your UK sites networked?
   Yes
   No
   Don’t know

ASK ALL
Q25b. Are you networked into your client sites?
   Yes
   No
   Don’t know

IF NETWORKED (code 1 at Q25a or Q25b) ASK

Q25c. By which of the following methods are your sites networked?
READ OUT. CODE ALL MENTIONED

Private network (copper, fibre or mixed)
Virtual private network
Leased lines (Ethernet based or ATM based)
Dial-up/ISDN
Other (wireless or satellite)
Don’t know (Don’t read out)

INTERVIEWERS: PLEASE NOTE THE FOLLOWING DEFINITIONS AND USE AS NECESSARY:

- Ethernet (d for the creation of Local Area Networks using Ethernet cables)
- ATM (Asynchronous transfer mode - this enables data transfer asynchronously relative to its input into the communication system)
- VPN (Virtual Private Network - d to securely access the company network from external locations)
IF INTERNET ACCESS (CODE 1) AT Q21 ASK Q26a AND Q26b

Q26a. Which supplier do you use as your main supplier for your internet connection? What is the name of the network or company that provides the majority of your internet connections in the company i.e. the company that sends you bills?

DO NOT READ OUT. SINGLE CODE

Q26b. Which, if any, other Internet service providers, re-sellers or service integrators are you aware of that are available in your area?

PROMPT TWICE: Any others? CODE ALL MENTIONED. DO NOT READ OUT.

IF CODE 2-5 AT Q21 ASK Q26c AND Q26d

Q26c. Which supplier do you use as your main supplier for your data services? What is the name of the network or company that provides the majority of your internet connections in the company i.e. the company that sends you bills?

DO NOT READ OUT. SINGLE CODE

Q26d. Which, if any, other data services providers, re-sellers or service integrators are you aware of that are available in your area?

PROMPT TWICE: Any others? CODE ALL MENTIONED. DO NOT READ OUT.

- AOL
- Advance Internet
- BT (BT Broadband/BT Yahoo/BT Openworld)
- Bulldog
- Cable & Wireless
- Claranet
- Comprve
- Demon Internet
- Eclipse Internet
- Freedom2surf
- Free UK
- GioInternet
- IC24
- Nildram
- Nitrex
- NTL
- One.Tel/Centrica
- Pipex
- Plusnet
- Telewest/Blueyonder
- Tesco net
- Tiscali/Lineone/Tiny online
- Toucan
- Virgin Net
- Wanadoo (formerly Freeserve)
- VNL
- Yahoo
- Talk Talk/Carphone Warehouse
OVERALL

Next are a couple more general questions.

Q27. I am going to read out a number of services and I would like you to tell me how effectively you think you are using them. For each one could you please say whether you are (READ OUT SCALE).

- Leading the field
- Following the field
- Lagging somewhat behind the field

So firstly..

READ EACH IN TURN IF D/APPLY. ROTATE ORDER. SINGLE CODE FOR EACH. ALLOW DON’T /DK

- Fixed line services
- Mobile services
- Internet services
- Data services – so things such as file transfers, networking, intranets and extranets

Q28. I would now like you to think about what trends or changes do you see taking place in the way your organisation is using communications services? In which areas, if any, are you planning to cut spending? What services or technologies are you using less now, or can see yourself becoming less reliant on in future?

OPEN ENDED

Q29. In which areas, if any, are you planning to increase spending? What services or technologies are you using more these days, or can see yourself becoming more reliant on in future?

OPEN ENDED
Finally I just have a couple of quick questions about your company for classification purposes.

P1. Which of the following ranges do you think comes closest to your company’s spend total spend each year on fixed line, mobile and internet services, including external support? Please think about your total spend across all sites within the UK. **READ OUT. SINGLE CODE**

- Up to £499
- £500-999
- £1-1,999
- £2-£2,999
- £3-£3,999
- £4-£4,999
- £5-£5,999
- £6-£9,999
- £10-£19,999
- £20-£49,999
- £50-£99,999
- £100-£499,999
- £500,000 or more
- Don’t know/refused

P2. Approximately what was your annual turnover for the last financial year (2008/9), was it....? **WRITE IN £millions USING LEADING ZEROS. PROMPT WITH SCALE BELOW IF NECESSARY. SINGLE CODE**

Which of the following ranges do you think comes closest to your company’s annual turnover in 2008/9? **READ OUT. SINGLE CODE**

- Under £50,000
- £50,000-£75,000
- Over £75 - £100,000
- Over £100-£250,000
- Over £250 - £500,000
- Over £500,000-£1 million
- Over £1-£5m
- Over £5m-£10m
- Over £10m-£20m
- Over £20m-£50m
- Over £50m-£100m
- More than £100m
- Don’t know/refused

P3a. Thinking about the number of people your organisation employs in the UK, has the organisation decreased in size, stayed the same, grown steadily, or grown rapidly (i.e. by more than 10%) over the last twelve months?

**SINGLE CODE**
P3b. What about over the last three years? **SINGLE CODE**
- Decreased in size
- Stayed the same
- Grown steadily
- Grown rapidly (by more than 10%)
- DK/NA

P3c. And what do you expect to happen in the next twelve months? Do you expect to...? **READ SCALE IF NECESSARY. SINGLE CODE**
- Decrease in size
- Stay the same
- Grow steadily
- Grow rapidly (by more than 10%)
- DK/NA

P4. What percentage of the staff in your organisation... **READ OUT EACH IN TURN. ROTATE ORDER.**
**RECORD PERCENTAGE FOR EACH (0-100%).**
1. Work from home on a regular basis?
2. Regularly need to work out of the office in other specific locations/offices/buildings?
3. Regularly need to work while travelling domestically (i.e. within the UK)?
4. Regularly need to work while travelling internationally?
5. Are predominantly office based?

**NOTE TO INTERVIEWERS:** By regularly we mean once a month or more often.

IF MORE THAN ONE UK SITE AT S6
P5a1. Are your UK sites... **READ OUT. SINGLE CODE**
- All within one city
- All within one region, or
- Spread across the country/throughout the UK

ASK ALL

P5a2. Does your organisation operate from any sites outside the UK? **SINGLE CODE**
- Yes
- No
- DK/NA
IF UK SITES SPREAD ACROSS THE COUNTRY (CODE 3 AT P5a1) ASK

P5b. Of your (INSERT NUMBER FROM SCREENER SECTION) UK sites, how many are located within...

READ OUT EACH IN TURN.
RECORD NUMBER OF SITES IN EACH LOCATION - CHECK ADDS UP TO TOTAL

England
Ireland
Scotland
Wales

IF WITHIN ONE REGION OR SPREAD ACROSS THE COUNTRY (CODE 2 OR 3 AT P5a1) ASK

P5c. What percentage of your UK sites are located within...

READ OUT EACH IN TURN.
RECORD PERCENTAGE FOR EACH (0-100%). MUST SUM TO 100%

Central locations (towns & cities)
Key industrial sites / business parks outside central locations
Rural areas

P6. For approximately how many years has the organisation been actively trading?
SINGLE CODE. IF DON’T KNOW READ OUT SCALE

Less than a year
1-2 years
3-4 years
5-9 years
10-19 years
20-29 years
30 years or more
Don’t know

THANK AND CLOSE
Methodology

Research Partners

This programme of research was conducted by Jigsaw Research, an independent market research consultancy based in London. Jigsaw is a member of the UK Market Research Society (MRS), along with their executive recruitment and interviewing team, Critical Research. All work was carried out under the Code of Conduct of the MRS, ensuring that all responses were treated in the strictest confidence, and anonymity guaranteed for the companies taking part.

As a small, independent agency, Jigsaw is not part of, or tied to, a network of companies or in-house resources. This research therefore combined the specialist skills and experience of the Jigsaw executive team with the skills and resources of one of Jigsaw’s long-standing and trusted suppliers for quantitative fieldwork and analytic services, Critical2 Research.

Critical2 Research is a small, independent fieldwork agency. Critical is a member of the European Market Research Institute and all project executives and directors are qualified members of the Market Research Society. Critical have been awarded two accreditations:

a) ‘Investors in People’ - demonstrating our commitment to our entire workforce for which we were officially recognised in 2005.

b) ‘ISO9001’ - the quality standard for the design and implementation of business to business and consumer research projects.

Methodology

Interviews were conducted using Computer Aided Telephone Interviewing (CATI) based on the fact that this was a practicable approach that would minimise the burden on the respondent and provide best value for money in terms of the number of interviews that could be achieved within the budget.

Fieldwork took place from 19th June to 7th August 2009.

The questionnaire length was 37 minutes and combined closed-end questions with a small number of open-ended questions, the verbatim answers to which were coded for analysis purposes. A separate file of verbatim answers is available and can be considered in conjunction with the full set of standard data tabulations and SPSS file.

Sample was sourced via Sample Answers. Within the business consumers approached, respondents were targeted based on them being principally responsible for determining telecoms policy, approach and/or purchasing on behalf of their organisation. In smaller organisations this was fairly straightforward as there tended to be a single individual that could answer the survey in its entirety. In more ‘complex’ situations, i.e. in organisations where more than one site may exist and centralised decision making may or may not be involved, the following measures were taken to ensure the eligibility of the respondent:

- All business consumers were screened on whether or not they had autonomy with respect to telecoms policy and purchasing. For example within the NHS, a PCT may have responsibility for telecoms purchasing for many of the sites operating within that
PCT, however GP surgeries operating within the PCT might be autonomous if they hold their own budget. In this example both the PCT and the GP surgery would be eligible for interview.

- Within larger organisations, where responsibility for telecoms policy and purchasing decisions were distributed across several people, or if policy decisions were taken by one person and purchasing decisions by another, referrals were sought as necessary if the initial contact was not able to complete the survey in its entirety.

**Sample Structure**

The sample size was chosen to be robust at the total sample level, while also providing readable bases (allowing detailed analysis to be undertaken) on key variables such as company size and sector. In this case a total of 1229 UK business consumers were interviewed, providing an error margin of approximately 2.8 at the 95% confidence level. Thus a percentage of 50 would be accurate in the range of 47.2 - 52.8%, a percentage of 75 would be accurate within the range of 72.6-77.4%.

The sample was structured to ensure robust coverage of the entire UK business consumer market across the private, public and third sectors. This necessitated a quota sample since a representative sample would have been dominated by companies with fewer than ten employees, severely restricting the ability to analyse by company size. The quotas were constructed in order to allow traditional sub-group analysis across six size bands (5-9, 10-19, 20-49, 50-249, 250-499, 500+), thereby allowing detailed analysis to be conducted on large companies which represent a small minority of eligible businesses. As seen above, organisations with fewer than 5 employees were screened out of the sample for the purposes of this project.

In addition to controlling the sample according to size, quotas were also set in relation to industry sector based on the following eight UK SIC code (92) categories:

- Manufacturing (Section D)
- Utilities (Section E)
- Primary industry (Sections A + B + C)
- Construction (Section F)
- Wholesale/retail and Transport/storage/comms (Section G + I)
- Business services - finance and business activities (Section J + K)
- Public admin and services (Section L + M + N + O + P + Q)
- Leisure - hotels and restaurants (Section H)

All data was weighted to the profile of UK businesses using target rim weights for company size, sector and region. The weighting figures were identified based on the Sample Answers database. The achieved samples are detailed in the tables overleaf.
Significance testing at the 95% confidence level was carried out on the results reported here. Where findings are reported as “significant”, this is what is being referred to. Subgroups displaying significant differences from the total sample are indicated throughout this report – where subgroups are not identified or discussed, no significant differences were apparent.

<table>
<thead>
<tr>
<th>Company Size</th>
<th>5-9</th>
<th>10-19</th>
<th>20-49</th>
<th>50-249</th>
<th>250-499</th>
<th>500+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unweighted base</td>
<td>424</td>
<td>295</td>
<td>183</td>
<td>175</td>
<td>68</td>
<td>84</td>
</tr>
<tr>
<td>Weighted base</td>
<td>516</td>
<td>340</td>
<td>238</td>
<td>113</td>
<td>11</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td>42%</td>
<td>28%</td>
<td>19%</td>
<td>9%</td>
<td>1%</td>
<td>1%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Sector</th>
<th>5-9</th>
<th>10-19</th>
<th>20-49</th>
<th>50-249</th>
<th>250-499</th>
<th>500+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>14</td>
<td>13</td>
<td>14</td>
<td>15</td>
<td>10</td>
<td>12</td>
</tr>
<tr>
<td>Utilities</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Primary</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Construction</td>
<td>9</td>
<td>10</td>
<td>8</td>
<td>4</td>
<td>7</td>
<td>4</td>
</tr>
<tr>
<td>Retail/wholesale</td>
<td>22</td>
<td>19</td>
<td>15</td>
<td>17</td>
<td>25</td>
<td>24</td>
</tr>
<tr>
<td>Business services</td>
<td>21</td>
<td>20</td>
<td>22</td>
<td>19</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>Public</td>
<td>9</td>
<td>14</td>
<td>27</td>
<td>30</td>
<td>25</td>
<td>28</td>
</tr>
<tr>
<td>Leisure</td>
<td>14</td>
<td>15</td>
<td>9</td>
<td>9</td>
<td>8</td>
<td>6</td>
</tr>
<tr>
<td>Other</td>
<td>9</td>
<td>8</td>
<td>4</td>
<td>4</td>
<td>5</td>
<td>2</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Country</th>
<th>Base</th>
<th>Government Region</th>
<th>Government Region</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(1229)</td>
<td>India</td>
<td>North East / North West</td>
</tr>
<tr>
<td>England</td>
<td>86</td>
<td></td>
<td>Yorkshire &amp; The Humber</td>
</tr>
<tr>
<td>Scotland</td>
<td>6</td>
<td></td>
<td>East / West Midlands</td>
</tr>
<tr>
<td>Wales</td>
<td>4</td>
<td></td>
<td>East England</td>
</tr>
<tr>
<td>Northern Ireland</td>
<td>4</td>
<td></td>
<td>London</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>South East</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>South West</td>
</tr>
</tbody>
</table>
### Annex 3

**Research findings – split by geographic area**

Table 1 Fixed-line services split by geographic area  
**Base: businesses with 5 employees or more**

<table>
<thead>
<tr>
<th></th>
<th>UK</th>
<th>England</th>
<th>London</th>
<th>Scotland</th>
<th>Wales</th>
<th>Northern Ireland</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sample size:</strong></td>
<td>1229</td>
<td>777</td>
<td>128</td>
<td>151</td>
<td>150</td>
<td>151</td>
</tr>
<tr>
<td><strong>Fixed phone ownership</strong></td>
<td>91%</td>
<td>91%</td>
<td>91%</td>
<td>95%</td>
<td>90%</td>
<td>91%</td>
</tr>
<tr>
<td><strong>% use CPS</strong></td>
<td>9%</td>
<td>9%</td>
<td>9%</td>
<td>6%</td>
<td>9%</td>
<td>8%</td>
</tr>
<tr>
<td><strong>% use WLR</strong></td>
<td>15%</td>
<td>15%</td>
<td>16%</td>
<td>14%</td>
<td>16%</td>
<td>11%</td>
</tr>
<tr>
<td><strong>% use dedicated lines/ private network</strong></td>
<td>23%</td>
<td>24%</td>
<td>27%</td>
<td>16%</td>
<td>23%</td>
<td>22%</td>
</tr>
<tr>
<td><strong>% use VoIP</strong></td>
<td>11%</td>
<td>11%</td>
<td>10%</td>
<td>5%</td>
<td>9%</td>
<td>8%</td>
</tr>
<tr>
<td><strong>% without any fixed phone service</strong></td>
<td>2%</td>
<td>2%</td>
<td>0%</td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td><strong>% with a fixed-line who purchase calls and line rental from different supplier</strong></td>
<td>18%</td>
<td>18%</td>
<td>22%</td>
<td>18%</td>
<td>24%</td>
<td>12%</td>
</tr>
<tr>
<td><strong>% with a fixed-line satisfied overall with fixed-line service</strong></td>
<td>78%</td>
<td>78%</td>
<td>72%</td>
<td>80%</td>
<td>86%</td>
<td>86%</td>
</tr>
<tr>
<td><strong>% with a fixed-line very satisfied overall with fixed-line service</strong></td>
<td>37%</td>
<td>36%</td>
<td>25%</td>
<td>34%</td>
<td>43%</td>
<td>53%</td>
</tr>
<tr>
<td><strong>% with a fixed-line dissatisfied overall with fixed-line service</strong></td>
<td>10%</td>
<td>11%</td>
<td>13%</td>
<td>8%</td>
<td>5%</td>
<td>6%</td>
</tr>
<tr>
<td><strong>% with a fixed-line very dissatisfied with fixed-line service</strong></td>
<td>5%</td>
<td>5%</td>
<td>5%</td>
<td>6%</td>
<td>3%</td>
<td>4%</td>
</tr>
<tr>
<td><strong>% with a fixed-line ever switched fixed-line supplier</strong></td>
<td>37%</td>
<td>37%</td>
<td>32%</td>
<td>29%</td>
<td>31%</td>
<td>38%</td>
</tr>
<tr>
<td><strong>% with a fixed-line switched fixed-line supplier in last 12 months</strong></td>
<td>18%</td>
<td>19%</td>
<td>12%</td>
<td>12%</td>
<td>14%</td>
<td>19%</td>
</tr>
<tr>
<td><strong>% of those who switched that said the process was not easy</strong></td>
<td>18%</td>
<td>19%</td>
<td>19%</td>
<td>16%</td>
<td>17%</td>
<td>12%</td>
</tr>
<tr>
<td><strong>% with a fixed-line asked supplier to match another deal</strong></td>
<td>10%</td>
<td>10%</td>
<td>8%</td>
<td>9%</td>
<td>7%</td>
<td>8%</td>
</tr>
</tbody>
</table>

**Top frustrations with fixed-line service (unprompted)**  
Cost (8%) | Customer Service – problems not solved (8%)  
Cost (11%) | Customer Service – poor in general (10%)  
Cost (8%) | Cost/ hard to compare suppliers (both 9%)
<table>
<thead>
<tr>
<th></th>
<th>UK</th>
<th>England</th>
<th>London</th>
<th>Scotland</th>
<th>Wales</th>
<th>Northern Ireland</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sample size:</td>
<td>1229</td>
<td>777</td>
<td>128</td>
<td>151</td>
<td>150</td>
<td>151</td>
</tr>
<tr>
<td>% use any mobile device</td>
<td>71%</td>
<td>72%</td>
<td>75%</td>
<td>70%</td>
<td>62%</td>
<td>68%</td>
</tr>
<tr>
<td>% use contract mobile phones</td>
<td>64%</td>
<td>64%</td>
<td>65%</td>
<td>61%</td>
<td>54%</td>
<td>61%</td>
</tr>
<tr>
<td>% use pay as you go mobile phones</td>
<td>12%</td>
<td>11%</td>
<td>12%</td>
<td>16%</td>
<td>14%</td>
<td>8%</td>
</tr>
<tr>
<td>% use USB ‘dongles’</td>
<td>22%</td>
<td>23%</td>
<td>29%</td>
<td>17%</td>
<td>15%</td>
<td>18%</td>
</tr>
<tr>
<td>% use Blackberry handsets</td>
<td>23%</td>
<td>24%</td>
<td>40%</td>
<td>20%</td>
<td>17%</td>
<td>19%</td>
</tr>
<tr>
<td>% use i-phones</td>
<td>10%</td>
<td>10%</td>
<td>12%</td>
<td>9%</td>
<td>7%</td>
<td>13%</td>
</tr>
<tr>
<td>% use other PDAs</td>
<td>8%</td>
<td>8%</td>
<td>7%</td>
<td>7%</td>
<td>7%</td>
<td>10%</td>
</tr>
<tr>
<td>% use any PDA/ smart phone</td>
<td>34%</td>
<td>34%</td>
<td>46%</td>
<td>29%</td>
<td>25%</td>
<td>32%</td>
</tr>
<tr>
<td>% with mobile devices who purchase mobile service from a re-seller or systems integrator</td>
<td>27%</td>
<td>26%</td>
<td>11%</td>
<td>32%</td>
<td>30%</td>
<td>37%</td>
</tr>
<tr>
<td>% with mobile devices satisfied overall with mobile service</td>
<td>87%</td>
<td>87%</td>
<td>89%</td>
<td>86%</td>
<td>88%</td>
<td>83%</td>
</tr>
<tr>
<td>% with mobile devices very satisfied overall with mobile service</td>
<td>38%</td>
<td>37%</td>
<td>41%</td>
<td>47%</td>
<td>41%</td>
<td>43%</td>
</tr>
<tr>
<td>% with mobile devices dissatisfied overall with mobile service</td>
<td>6%</td>
<td>6%</td>
<td>4%</td>
<td>4%</td>
<td>4%</td>
<td>8%</td>
</tr>
<tr>
<td>% with mobile devices very dissatisfied with mobile service</td>
<td>3%</td>
<td>3%</td>
<td>1%</td>
<td>1%</td>
<td>2%</td>
<td>5%</td>
</tr>
<tr>
<td>% with mobile devices ever switched mobile network</td>
<td>35%</td>
<td>35%</td>
<td>29%</td>
<td>32%</td>
<td>31%</td>
<td>36%</td>
</tr>
<tr>
<td>% with mobile devices switched mobile network in last 12 months</td>
<td>17%</td>
<td>17%</td>
<td>14%</td>
<td>19%</td>
<td>13%</td>
<td>17%</td>
</tr>
<tr>
<td>% of those who switched that said the process was not easy</td>
<td>15%</td>
<td>15%</td>
<td>18%</td>
<td>21%</td>
<td>17%</td>
<td>11%</td>
</tr>
<tr>
<td>% with mobile devices asked supplier to match another deal</td>
<td>32%</td>
<td>33%</td>
<td>34%</td>
<td>32%</td>
<td>24%</td>
<td>25%</td>
</tr>
</tbody>
</table>

**Top frustrations with mobile service (unprompted)**

<table>
<thead>
<tr>
<th>Top frustrations with mobile service (unprompted)</th>
<th>unreliable line/ connection (15%)</th>
<th>unreliable line/ connection (14%)</th>
<th>unreliable line/ connection (22%)</th>
<th>unreliable line/ connection (18%)</th>
<th>unreliable line/ connection (22%)</th>
<th>unreliable line/ connection (15%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unreliable line/ connection</td>
<td>15%</td>
<td>14%</td>
<td>22%</td>
<td>18%</td>
<td>22%</td>
<td>15%</td>
</tr>
</tbody>
</table>
## Table 3 Internet/ data services split by geographic area
Base: businesses with 5 employees or more

<table>
<thead>
<tr>
<th></th>
<th>UK</th>
<th>England</th>
<th>London</th>
<th>Scotland</th>
<th>Wales</th>
<th>Northern Ireland</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sample size:</td>
<td>1229</td>
<td>777</td>
<td>128</td>
<td>151</td>
<td>150</td>
<td>151</td>
</tr>
<tr>
<td>% with internet</td>
<td>90%</td>
<td>91%</td>
<td>95%</td>
<td>86%</td>
<td>86%</td>
<td>88%</td>
</tr>
<tr>
<td>% use file transfers</td>
<td>58%</td>
<td>59%</td>
<td>70%</td>
<td>45%</td>
<td>51%</td>
<td>55%</td>
</tr>
<tr>
<td>% use an intranet</td>
<td>37%</td>
<td>37%</td>
<td>46%</td>
<td>45%</td>
<td>51%</td>
<td>63%</td>
</tr>
<tr>
<td>% use VOIP/ voice apps</td>
<td>16%</td>
<td>17%</td>
<td>24%</td>
<td>13%</td>
<td>12%</td>
<td>12%</td>
</tr>
<tr>
<td>% use an extranet</td>
<td>12%</td>
<td>12%</td>
<td>18%</td>
<td>14%</td>
<td>9%</td>
<td>11%</td>
</tr>
<tr>
<td>% with internet that connect via ADSL</td>
<td>51%</td>
<td>51%</td>
<td>63%</td>
<td>47%</td>
<td>53%</td>
<td>53%</td>
</tr>
<tr>
<td>% with internet that connect via cable</td>
<td>32%</td>
<td>31%</td>
<td>24%</td>
<td>36%</td>
<td>27%</td>
<td>35%</td>
</tr>
<tr>
<td>% with internet that connect via leased line</td>
<td>16%</td>
<td>17%</td>
<td>24%</td>
<td>12%</td>
<td>12%</td>
<td>10%</td>
</tr>
<tr>
<td>% with internet that connect via dial up/ ISDN</td>
<td>16%</td>
<td>17%</td>
<td>13%</td>
<td>8%</td>
<td>9%</td>
<td>16%</td>
</tr>
<tr>
<td>% with internet that connect via SDSL</td>
<td>7%</td>
<td>7%</td>
<td>11%</td>
<td>5%</td>
<td>4%</td>
<td>7%</td>
</tr>
<tr>
<td>% with multi-sites and internet/ data that have networked sites</td>
<td>65%</td>
<td>67%</td>
<td>70%</td>
<td>53%</td>
<td>51%</td>
<td>52%</td>
</tr>
<tr>
<td>% with internet/ data who purchase service from a re-seller or systems integrator</td>
<td>26%</td>
<td>28%</td>
<td>25%</td>
<td>18%</td>
<td>21%</td>
<td>12%</td>
</tr>
<tr>
<td>% with internet/ data satisfied overall with service</td>
<td>83%</td>
<td>83%</td>
<td>76%</td>
<td>81%</td>
<td>86%</td>
<td>82%</td>
</tr>
<tr>
<td>% with internet/ data very satisfied overall with service</td>
<td>38%</td>
<td>38%</td>
<td>36%</td>
<td>29%</td>
<td>37%</td>
<td>40%</td>
</tr>
<tr>
<td>% with internet/ data dissatisfied overall with service</td>
<td>6%</td>
<td>6%</td>
<td>10%</td>
<td>7%</td>
<td>3%</td>
<td>7%</td>
</tr>
<tr>
<td>% with internet/ data very dissatisfied with service</td>
<td>3%</td>
<td>3%</td>
<td>4%</td>
<td>3%</td>
<td>2%</td>
<td>3%</td>
</tr>
<tr>
<td>% with internet/ data ever switched ISP</td>
<td>24%</td>
<td>24%</td>
<td>28%</td>
<td>16%</td>
<td>16%</td>
<td>28%</td>
</tr>
<tr>
<td>% with internet/ data switched ISP in last 12 months</td>
<td>12%</td>
<td>13%</td>
<td>16%</td>
<td>5%</td>
<td>9%</td>
<td>15%</td>
</tr>
<tr>
<td>% of those who switched that said the process was not easy</td>
<td>22%</td>
<td>21%</td>
<td>16%</td>
<td>28%</td>
<td>37%</td>
<td>34%</td>
</tr>
<tr>
<td>% with internet/ data asked supplier to match another deal</td>
<td>15%</td>
<td>16%</td>
<td>17%</td>
<td>7%</td>
<td>13%</td>
<td>16%</td>
</tr>
<tr>
<td>Top frustrations with internet/ data service (unprompted)</td>
<td>Unreliable connection (23%)</td>
<td>Unreliable connection (23%)</td>
<td>Unreliable connection (24%)</td>
<td>Unreliable connection (23%)</td>
<td>Unreliable connection (21%)</td>
<td>Unreliable connection (24%)</td>
</tr>
</tbody>
</table>
# Annex 4

## Research findings – split by site locations

<table>
<thead>
<tr>
<th>Table 4 Fixed-line services split by site locations</th>
<th>All UK</th>
<th>Have urban sites</th>
<th>Have suburban sites</th>
<th>Have rural sites</th>
<th>Single site</th>
<th>2-3 sites</th>
<th>4+ sites</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sample size:</td>
<td>1229</td>
<td>707</td>
<td>244</td>
<td>323</td>
<td>749</td>
<td>253</td>
<td>226</td>
</tr>
<tr>
<td>Fixed phone ownership</td>
<td>91%</td>
<td>92%</td>
<td>88%</td>
<td>92%</td>
<td>92%</td>
<td>90%</td>
<td>89%</td>
</tr>
<tr>
<td>% use CPS</td>
<td>9%</td>
<td>10%</td>
<td>10%</td>
<td>7%</td>
<td>7%</td>
<td>12%</td>
<td>17%</td>
</tr>
<tr>
<td>% use WLR</td>
<td>15%</td>
<td>14%</td>
<td>19%</td>
<td>11%</td>
<td>12%</td>
<td>17%</td>
<td>27%</td>
</tr>
<tr>
<td>% use dedicated lines/private network</td>
<td>23%</td>
<td>24%</td>
<td>23%</td>
<td>21%</td>
<td>20%</td>
<td>33%</td>
<td>32%</td>
</tr>
<tr>
<td>% use VoIP</td>
<td>11%</td>
<td>10%</td>
<td>12%</td>
<td>11%</td>
<td>8%</td>
<td>14%</td>
<td>22%</td>
</tr>
<tr>
<td>% without any fixed phone service</td>
<td>2%</td>
<td>1%</td>
<td>4%</td>
<td>3%</td>
<td>2%</td>
<td>1%</td>
<td>4%</td>
</tr>
<tr>
<td>% with a fixed-line who purchase calls and line rental from different supplier</td>
<td>18%</td>
<td>80%</td>
<td>84%</td>
<td>82%</td>
<td>82%</td>
<td>80%</td>
<td>79%</td>
</tr>
<tr>
<td>% with a fixed-line satisfied overall with fixed-line service</td>
<td>78%</td>
<td>80%</td>
<td>80%</td>
<td>76%</td>
<td>80%</td>
<td>73%</td>
<td>77%</td>
</tr>
<tr>
<td>% with a fixed-line very satisfied overall with fixed-line service</td>
<td>37%</td>
<td>38%</td>
<td>40%</td>
<td>38%</td>
<td>38%</td>
<td>33%</td>
<td>38%</td>
</tr>
<tr>
<td>% with a fixed-line dissatisfied overall with fixed-line service</td>
<td>10%</td>
<td>9%</td>
<td>8%</td>
<td>14%</td>
<td>9%</td>
<td>15%</td>
<td>9%</td>
</tr>
<tr>
<td>% with a fixed-line very dissatisfied with fixed-line service</td>
<td>5%</td>
<td>4%</td>
<td>4%</td>
<td>8%</td>
<td>5%</td>
<td>8%</td>
<td>4%</td>
</tr>
<tr>
<td>% with a fixed-line ever switched fixed-line supplier</td>
<td>37%</td>
<td>36%</td>
<td>37%</td>
<td>37%</td>
<td>37%</td>
<td>33%</td>
<td>41%</td>
</tr>
<tr>
<td>% with a fixed-line switched fixed-line supplier in last 12 months</td>
<td>18%</td>
<td>18%</td>
<td>22%</td>
<td>19%</td>
<td>18%</td>
<td>17%</td>
<td>25%</td>
</tr>
<tr>
<td>% of those who switched that said the process was not easy</td>
<td>18%</td>
<td>18%</td>
<td>20%</td>
<td>19%</td>
<td>15%</td>
<td>30%</td>
<td>19%</td>
</tr>
<tr>
<td>% with a fixed-line asked supplier to match another deal</td>
<td>10%</td>
<td>22%</td>
<td>23%</td>
<td>21%</td>
<td>21%</td>
<td>20%</td>
<td>29%</td>
</tr>
<tr>
<td>Top frustrations with fixed-line service (unprompted)</td>
<td>Cost (8%)</td>
<td>Cost (8%)</td>
<td>Hard to compare suppliers (9%)</td>
<td>Cost (9%)</td>
<td>Cost (6%)</td>
<td>Customer Service – problems not solved (13%)</td>
<td>Hard to compare suppliers (14%)</td>
</tr>
</tbody>
</table>
## Table 5 Mobile services split by site locations

**Base:** businesses with 5 employees or more

<table>
<thead>
<tr>
<th></th>
<th>All UK</th>
<th>Have urban sites</th>
<th>Have suburban sites</th>
<th>Have rural sites</th>
<th>Single site</th>
<th>2-3 sites</th>
<th>4+ sites</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sample size</td>
<td>1229</td>
<td>707</td>
<td>244</td>
<td>323</td>
<td>749</td>
<td>253</td>
<td>226</td>
</tr>
<tr>
<td>% use any mobile device</td>
<td>71%</td>
<td>70%</td>
<td>79%</td>
<td>73%</td>
<td>67%</td>
<td>80%</td>
<td>84%</td>
</tr>
<tr>
<td>% use contract mobile phones</td>
<td>64%</td>
<td>62%</td>
<td>74%</td>
<td>65%</td>
<td>58%</td>
<td>73%</td>
<td>82%</td>
</tr>
<tr>
<td>% use pay as you go mobile phones</td>
<td>12%</td>
<td>11%</td>
<td>13%</td>
<td>16%</td>
<td>11%</td>
<td>14%</td>
<td>15%</td>
</tr>
<tr>
<td>% use USB ‘dongles’</td>
<td>22%</td>
<td>25%</td>
<td>23%</td>
<td>19%</td>
<td>17%</td>
<td>31%</td>
<td>42%</td>
</tr>
<tr>
<td>% use Blackberry handsets</td>
<td>23%</td>
<td>24%</td>
<td>30%</td>
<td>19%</td>
<td>19%</td>
<td>31%</td>
<td>42%</td>
</tr>
<tr>
<td>% use i-phones</td>
<td>10%</td>
<td>10%</td>
<td>10%</td>
<td>9%</td>
<td>9%</td>
<td>14%</td>
<td>10%</td>
</tr>
<tr>
<td>% use other PDAs</td>
<td>8%</td>
<td>6%</td>
<td>13%</td>
<td>17%</td>
<td>8%</td>
<td>15%</td>
<td>8%</td>
</tr>
<tr>
<td>% use any PDA/ smart phone</td>
<td>34%</td>
<td>34%</td>
<td>42%</td>
<td>31%</td>
<td>27%</td>
<td>45%</td>
<td>56%</td>
</tr>
<tr>
<td>% with mobile devices who purchase mobile service from a re-seller or systems integrator</td>
<td>27%</td>
<td>26%</td>
<td>29%</td>
<td>31%</td>
<td>27%</td>
<td>27%</td>
<td>26%</td>
</tr>
<tr>
<td>% with mobile devices satisfied overall with mobile service</td>
<td>87%</td>
<td>88%</td>
<td>90%</td>
<td>84%</td>
<td>86%</td>
<td>90%</td>
<td>88%</td>
</tr>
<tr>
<td>% with mobile devices very satisfied overall with mobile service</td>
<td>38%</td>
<td>38%</td>
<td>43%</td>
<td>33%</td>
<td>38%</td>
<td>37%</td>
<td>37%</td>
</tr>
<tr>
<td>% with mobile devices dissatisfied overall with mobile service</td>
<td>6%</td>
<td>5%</td>
<td>3%</td>
<td>9%</td>
<td>6%</td>
<td>4%</td>
<td>4%</td>
</tr>
<tr>
<td>% with mobile devices very dissatisfied with mobile service</td>
<td>3%</td>
<td>3%</td>
<td>1%</td>
<td>5%</td>
<td>3%</td>
<td>2%</td>
<td>1%</td>
</tr>
<tr>
<td>% with mobile devices ever switched mobile network</td>
<td>35%</td>
<td>36%</td>
<td>33%</td>
<td>34%</td>
<td>33%</td>
<td>41%</td>
<td>33%</td>
</tr>
<tr>
<td>% with mobile devices switched mobile network in last 12 months</td>
<td>17%</td>
<td>19%</td>
<td>12%</td>
<td>17%</td>
<td>15%</td>
<td>22%</td>
<td>19%</td>
</tr>
<tr>
<td>% of those who switched that said the process was not easy</td>
<td>15%</td>
<td>15%</td>
<td>11%</td>
<td>13%</td>
<td>14%</td>
<td>16%</td>
<td>21%</td>
</tr>
<tr>
<td>% with mobile devices asked supplier to match another deal</td>
<td>32%</td>
<td>34%</td>
<td>34%</td>
<td>31%</td>
<td>32%</td>
<td>32%</td>
<td>32%</td>
</tr>
<tr>
<td>Top frustrations with mobile service (unprompted)</td>
<td>Unreliable line/ connection (15%)</td>
<td>Unreliable line/ connection (17%)</td>
<td>Unreliable line/ connection (21%)</td>
<td>Unreliable line/ connection (13%)</td>
<td>Unreliable line/ connection (14%)</td>
<td>Unreliable line/ connection (17%)</td>
<td>Unreliable line/ connection (16%)</td>
</tr>
</tbody>
</table>
Table 6 Internet/ data services split by site locations
Base: businesses with 5 employees or more

<table>
<thead>
<tr>
<th></th>
<th>All UK</th>
<th>Have urban sites</th>
<th>Have suburban sites</th>
<th>Have rural sites</th>
<th>Single site</th>
<th>2-3 sites</th>
<th>4+ sites</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sample size:</td>
<td>1229</td>
<td>707</td>
<td>244</td>
<td>323</td>
<td>749</td>
<td>253</td>
<td>226</td>
</tr>
<tr>
<td>% with internet</td>
<td>90%</td>
<td>90%</td>
<td>96%</td>
<td>89%</td>
<td>89%</td>
<td>92%</td>
<td>95%</td>
</tr>
<tr>
<td>% use file transfers</td>
<td>58%</td>
<td>55%</td>
<td>56%</td>
<td>62%</td>
<td>57%</td>
<td>69%</td>
<td>56%</td>
</tr>
<tr>
<td>% use an intranet</td>
<td>37%</td>
<td>36%</td>
<td>42%</td>
<td>34%</td>
<td>33%</td>
<td>45%</td>
<td>53%</td>
</tr>
<tr>
<td>% use VOIP/ voice apps</td>
<td>16%</td>
<td>15%</td>
<td>21%</td>
<td>14%</td>
<td>13%</td>
<td>23%</td>
<td>26%</td>
</tr>
<tr>
<td>% use an extranet</td>
<td>12%</td>
<td>12%</td>
<td>16%</td>
<td>13%</td>
<td>9%</td>
<td>15%</td>
<td>23%</td>
</tr>
<tr>
<td>% with internet that connect via ADSL</td>
<td>51%</td>
<td>53%</td>
<td>53%</td>
<td>47%</td>
<td>48%</td>
<td>56%</td>
<td>61%</td>
</tr>
<tr>
<td>% with internet that connect via cable</td>
<td>32%</td>
<td>28%</td>
<td>30%</td>
<td>40%</td>
<td>32%</td>
<td>31%</td>
<td>34%</td>
</tr>
<tr>
<td>% with internet that connect via leased line</td>
<td>16%</td>
<td>19%</td>
<td>21%</td>
<td>13%</td>
<td>14%</td>
<td>16%</td>
<td>33%</td>
</tr>
<tr>
<td>% with internet that connect via dial up/ ISDN</td>
<td>16%</td>
<td>16%</td>
<td>18%</td>
<td>15%</td>
<td>17%</td>
<td>14%</td>
<td>12%</td>
</tr>
<tr>
<td>% with internet that connect via SDSL</td>
<td>7%</td>
<td>8%</td>
<td>8%</td>
<td>9%</td>
<td>5%</td>
<td>6%</td>
<td>20%</td>
</tr>
<tr>
<td>% with multi-sites and internet/ data that have networked sites</td>
<td>65%</td>
<td>63%</td>
<td>65%</td>
<td>64%</td>
<td>-</td>
<td>61%</td>
<td>74%</td>
</tr>
<tr>
<td>% with internet/ data who purchase service from a re-seller or systems integrator</td>
<td>26%</td>
<td>29%</td>
<td>24%</td>
<td>24%</td>
<td>25%</td>
<td>31%</td>
<td>32%</td>
</tr>
<tr>
<td>% with internet/ data satisfied overall with service</td>
<td>83%</td>
<td>84%</td>
<td>82%</td>
<td>83%</td>
<td>85%</td>
<td>77%</td>
<td>79%</td>
</tr>
<tr>
<td>% with internet/ data very satisfied overall with service</td>
<td>38%</td>
<td>40%</td>
<td>38%</td>
<td>37%</td>
<td>38%</td>
<td>37%</td>
<td>41%</td>
</tr>
<tr>
<td>% with internet/ data dissatisfied overall with service</td>
<td>6%</td>
<td>5%</td>
<td>8%</td>
<td>5%</td>
<td>4%</td>
<td>11%</td>
<td>10%</td>
</tr>
<tr>
<td>% with internet/ data very dissatisfied with service</td>
<td>3%</td>
<td>3%</td>
<td>3%</td>
<td>3%</td>
<td>2%</td>
<td>5%</td>
<td>4%</td>
</tr>
<tr>
<td>% with internet/ data ever switched ISP</td>
<td>24%</td>
<td>24%</td>
<td>23%</td>
<td>26%</td>
<td>21%</td>
<td>27%</td>
<td>34%</td>
</tr>
<tr>
<td>% with internet/ data switched ISP in last 12 months</td>
<td>12%</td>
<td>13%</td>
<td>14%</td>
<td>12%</td>
<td>11%</td>
<td>16%</td>
<td>18%</td>
</tr>
<tr>
<td>% of those who switched that said the process was not easy</td>
<td>22%</td>
<td>21%</td>
<td>20%</td>
<td>24%</td>
<td>25%</td>
<td>17%</td>
<td>19%</td>
</tr>
<tr>
<td>% with internet/ data asked supplier to match another deal</td>
<td>15%</td>
<td>8%</td>
<td>6%</td>
<td>6%</td>
<td>7%</td>
<td>8%</td>
<td>8%</td>
</tr>
<tr>
<td>Top frustrations with internet/ data service (unprompted)</td>
<td>Unreliable connection (23%)</td>
<td>Unreliable connection (22%)</td>
<td>Unreliable connection (25%)</td>
<td>Unreliable connection (22%)</td>
<td>Unreliable connection (22%)</td>
<td>Unreliable connection (26%)</td>
<td>Unreliable connection (22%)</td>
</tr>
</tbody>
</table>
Table 7 Fixed-line services split by number of employees
Base: businesses with 5 employees or more

<table>
<thead>
<tr>
<th>Employees</th>
<th>All UK</th>
<th>5-9</th>
<th>10-19</th>
<th>20-49</th>
<th>50-249</th>
<th>250-499</th>
<th>500+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sample size:</td>
<td>1229</td>
<td>370</td>
<td>271</td>
<td>173</td>
<td>171</td>
<td>67</td>
<td>82</td>
</tr>
<tr>
<td>Fixed phone ownership</td>
<td>91%</td>
<td>93%</td>
<td>91%</td>
<td>88%</td>
<td>90%</td>
<td>88%</td>
<td>86%</td>
</tr>
<tr>
<td>% use CPS</td>
<td>9%</td>
<td>4%</td>
<td>9%</td>
<td>13%</td>
<td>15%</td>
<td>26%</td>
<td>31%</td>
</tr>
<tr>
<td>% use WLR</td>
<td>15%</td>
<td>12%</td>
<td>13%</td>
<td>19%</td>
<td>19%</td>
<td>26%</td>
<td>31%</td>
</tr>
<tr>
<td>% use dedicated lines/private network</td>
<td>23%</td>
<td>20%</td>
<td>21%</td>
<td>24%</td>
<td>37%</td>
<td>56%</td>
<td>62%</td>
</tr>
<tr>
<td>% use VoIP</td>
<td>11%</td>
<td>11%</td>
<td>7%</td>
<td>8%</td>
<td>16%</td>
<td>36%</td>
<td>48%</td>
</tr>
<tr>
<td>% without any fixed phone service</td>
<td>2%</td>
<td>2%</td>
<td>2%</td>
<td>2%</td>
<td>1%</td>
<td>5%</td>
<td>1%</td>
</tr>
<tr>
<td>% with a fixed-line who purchase calls and line rental from different supplier</td>
<td>18%</td>
<td>15%</td>
<td>21%</td>
<td>21%</td>
<td>18%</td>
<td>25%</td>
<td>27%</td>
</tr>
<tr>
<td>% with a fixed-line satisfied overall with fixed-line service</td>
<td>78%</td>
<td>79%</td>
<td>79%</td>
<td>76%</td>
<td>79%</td>
<td>77%</td>
<td>82%</td>
</tr>
<tr>
<td>% with a fixed-line very satisfied overall with fixed-line service</td>
<td>37%</td>
<td>6%</td>
<td>4%</td>
<td>4%</td>
<td>3%</td>
<td>8%</td>
<td>4%</td>
</tr>
<tr>
<td>% with a fixed-line dissatisfied overall with fixed-line service</td>
<td>10%</td>
<td>11%</td>
<td>10%</td>
<td>12%</td>
<td>10%</td>
<td>13%</td>
<td>8%</td>
</tr>
<tr>
<td>% with a fixed-line very dissatisfied with fixed-line service</td>
<td>5%</td>
<td>6%</td>
<td>4%</td>
<td>4%</td>
<td>3%</td>
<td>8%</td>
<td>4%</td>
</tr>
<tr>
<td>% with a fixed-line ever switched fixed-line supplier</td>
<td>37%</td>
<td>38%</td>
<td>32%</td>
<td>37%</td>
<td>41%</td>
<td>46%</td>
<td>45%</td>
</tr>
<tr>
<td>% with a fixed-line switched fixed-line supplier in last 12 months</td>
<td>18%</td>
<td>18%</td>
<td>16%</td>
<td>17%</td>
<td>26%</td>
<td>26%</td>
<td>28%</td>
</tr>
<tr>
<td>% of those who switched that said the process was not easy</td>
<td>18%</td>
<td>15%</td>
<td>19%</td>
<td>17%</td>
<td>33%</td>
<td>32%</td>
<td>14%</td>
</tr>
<tr>
<td>% with a fixed-line asked supplier to match another deal</td>
<td>10%</td>
<td>18%</td>
<td>23%</td>
<td>23%</td>
<td>25%</td>
<td>27%</td>
<td>42%</td>
</tr>
<tr>
<td>Top frustrations with fixed-line service (unprompted)</td>
<td>Cost (8%)</td>
<td>Cost (7%)</td>
<td>Cost (8%)</td>
<td>Hard to compares suppliers (11%)</td>
<td>Customer service – problems not solved (10%)</td>
<td>Customer service – problems not solved (10%)</td>
<td>Customer service – generally poor (14%)</td>
</tr>
<tr>
<td>Table 8 Mobile services split by number of employees</td>
<td>Employees</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-----------------------------------------------</td>
<td>-----------</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Base: businesses with 5 employees or more</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sample size:</td>
<td>All UK</td>
<td>5-9</td>
<td>10-19</td>
<td>20-49</td>
<td>50-249</td>
<td>250-499</td>
<td>500+</td>
</tr>
<tr>
<td>% use any mobile device</td>
<td>71%</td>
<td>65%</td>
<td>70%</td>
<td>77%</td>
<td>86%</td>
<td>97%</td>
<td>97%</td>
</tr>
<tr>
<td>% use contract mobile phones</td>
<td>64%</td>
<td>58%</td>
<td>63%</td>
<td>67%</td>
<td>75%</td>
<td>91%</td>
<td>96%</td>
</tr>
<tr>
<td>% use pay as you go mobile phones</td>
<td>12%</td>
<td>9%</td>
<td>13%</td>
<td>14%</td>
<td>15%</td>
<td>22%</td>
<td>12%</td>
</tr>
<tr>
<td>% use USB ‘dongles’</td>
<td>22%</td>
<td>14%</td>
<td>20%</td>
<td>31%</td>
<td>40%</td>
<td>55%</td>
<td>76%</td>
</tr>
<tr>
<td>% use Blackberry handsets</td>
<td>23%</td>
<td>15%</td>
<td>24%</td>
<td>30%</td>
<td>42%</td>
<td>63%</td>
<td>68%</td>
</tr>
<tr>
<td>% use i-phones</td>
<td>10%</td>
<td>10%</td>
<td>9%</td>
<td>11%</td>
<td>13%</td>
<td>18%</td>
<td>19%</td>
</tr>
<tr>
<td>% use other PDAs</td>
<td>8%</td>
<td>5%</td>
<td>7%</td>
<td>9%</td>
<td>16%</td>
<td>44%</td>
<td>53%</td>
</tr>
<tr>
<td>% use any PDA/ smart phone</td>
<td>34%</td>
<td>26%</td>
<td>24%</td>
<td>33%</td>
<td>57%</td>
<td>84%</td>
<td>86%</td>
</tr>
<tr>
<td>% with mobile devices who purchase mobile service from a re-seller or systems integrator</td>
<td>27%</td>
<td>25%</td>
<td>23%</td>
<td>27%</td>
<td>47%</td>
<td>27%</td>
<td>25%</td>
</tr>
<tr>
<td>% with mobile devices satisfied overall with mobile service</td>
<td>87%</td>
<td>90%</td>
<td>80%</td>
<td>91%</td>
<td>88%</td>
<td>80%</td>
<td>88%</td>
</tr>
<tr>
<td>% with mobile devices very satisfied overall with mobile service</td>
<td>38%</td>
<td>37%</td>
<td>37%</td>
<td>38%</td>
<td>42%</td>
<td>48%</td>
<td>32%</td>
</tr>
<tr>
<td>% with mobile devices dissatisfied overall with mobile service</td>
<td>6%</td>
<td>4%</td>
<td>11%</td>
<td>2%</td>
<td>5%</td>
<td>8%</td>
<td>6%</td>
</tr>
<tr>
<td>% with mobile devices very dissatisfied with mobile service</td>
<td>3%</td>
<td>2%</td>
<td>6%</td>
<td>1%</td>
<td>1%</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>% with mobile devices ever switched mobile network</td>
<td>35%</td>
<td>35%</td>
<td>32%</td>
<td>37%</td>
<td>37%</td>
<td>55%</td>
<td>36%</td>
</tr>
<tr>
<td>% with mobile devices switched mobile network in last 12 months</td>
<td>17%</td>
<td>14%</td>
<td>17%</td>
<td>22%</td>
<td>16%</td>
<td>36%</td>
<td>15%</td>
</tr>
<tr>
<td>% of those who switched that said the process was not easy</td>
<td>15%</td>
<td>9%</td>
<td>16%</td>
<td>23%</td>
<td>18%</td>
<td>26%</td>
<td>25%</td>
</tr>
<tr>
<td>% with mobile devices asked supplier to match another deal</td>
<td>32%</td>
<td>36%</td>
<td>30%</td>
<td>28%</td>
<td>30%</td>
<td>41%</td>
<td>40%</td>
</tr>
<tr>
<td>Top frustrations with mobile service (unprompted)</td>
<td>Unreliable line/ connection (15%)</td>
<td>Unreliable line/ connection (19%)</td>
<td>Unreliable line/ connection (14%)</td>
<td>Unreliable line/ connection (12%)</td>
<td>Too complicated/ too many options (15%)</td>
<td>Unreliable line/ connection/ poor quality line (15%)</td>
<td></td>
</tr>
</tbody>
</table>
Table 9 Internet/ data services split by number of employees
Base: businesses with 5 employees or more

<table>
<thead>
<tr>
<th>Employees</th>
<th>All UK</th>
<th>5-9</th>
<th>10-19</th>
<th>20-49</th>
<th>50-249</th>
<th>250-499</th>
<th>500+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sample size:</td>
<td>1229</td>
<td>370</td>
<td>271</td>
<td>173</td>
<td>171</td>
<td>67</td>
<td>82</td>
</tr>
<tr>
<td>% with internet</td>
<td>90%</td>
<td>86%</td>
<td>91%</td>
<td>94%</td>
<td>94%</td>
<td>97%</td>
<td>98%</td>
</tr>
<tr>
<td>% use file transfers</td>
<td>58%</td>
<td>54%</td>
<td>51%</td>
<td>67%</td>
<td>71%</td>
<td>83%</td>
<td>86%</td>
</tr>
<tr>
<td>% use an intranet</td>
<td>37%</td>
<td>29%</td>
<td>36%</td>
<td>41%</td>
<td>64%</td>
<td>75%</td>
<td>91%</td>
</tr>
<tr>
<td>% use VOIP/ voice apps</td>
<td>16%</td>
<td>14%</td>
<td>13%</td>
<td>18%</td>
<td>22%</td>
<td>39%</td>
<td>51%</td>
</tr>
<tr>
<td>% use an extranet</td>
<td>12%</td>
<td>9%</td>
<td>10%</td>
<td>12%</td>
<td>20%</td>
<td>43%</td>
<td>55%</td>
</tr>
<tr>
<td>% with internet that connect via ADSL</td>
<td>51%</td>
<td>52%</td>
<td>43%</td>
<td>55%</td>
<td>59%</td>
<td>58%</td>
<td>57%</td>
</tr>
<tr>
<td>% with internet that connect via cable</td>
<td>32%</td>
<td>34%</td>
<td>36%</td>
<td>25%</td>
<td>24%</td>
<td>28%</td>
<td>23%</td>
</tr>
<tr>
<td>% with internet that connect via leased line</td>
<td>16%</td>
<td>11%</td>
<td>13%</td>
<td>17%</td>
<td>35%</td>
<td>60%</td>
<td>73%</td>
</tr>
<tr>
<td>% with internet that connect via dial up/ ISDN</td>
<td>16%</td>
<td>14%</td>
<td>21%</td>
<td>15%</td>
<td>11%</td>
<td>20%</td>
<td>12%</td>
</tr>
<tr>
<td>% with internet that connect via SDSL</td>
<td>7%</td>
<td>7%</td>
<td>4%</td>
<td>4%</td>
<td>13%</td>
<td>27%</td>
<td>29%</td>
</tr>
<tr>
<td>% with multi-sites and internet/ data that have networked sites</td>
<td>65%</td>
<td>56%</td>
<td>54%</td>
<td>66%</td>
<td>79%</td>
<td>94%</td>
<td>95%</td>
</tr>
<tr>
<td>% with internet/ data who purchase service from a re-seller or systems integrator</td>
<td>26%</td>
<td>19%</td>
<td>25%</td>
<td>37%</td>
<td>36%</td>
<td>51%</td>
<td>24%</td>
</tr>
<tr>
<td>% with internet/ data satisfied overall with service</td>
<td>83%</td>
<td>86%</td>
<td>82%</td>
<td>82%</td>
<td>77%</td>
<td>73%</td>
<td>83%</td>
</tr>
<tr>
<td>% with internet/ data very satisfied overall with service</td>
<td>38%</td>
<td>35%</td>
<td>38%</td>
<td>43%</td>
<td>41%</td>
<td>36%</td>
<td>35%</td>
</tr>
<tr>
<td>% with internet/ data dissatisfied overall with service</td>
<td>6%</td>
<td>5%</td>
<td>5%</td>
<td>9%</td>
<td>10%</td>
<td>14%</td>
<td>7%</td>
</tr>
<tr>
<td>% with internet/ data very dissatisfied with service</td>
<td>3%</td>
<td>3%</td>
<td>2%</td>
<td>4%</td>
<td>3%</td>
<td>10%</td>
<td>3%</td>
</tr>
<tr>
<td>% with internet/ data ever switched ISP</td>
<td>24%</td>
<td>21%</td>
<td>21%</td>
<td>28%</td>
<td>32%</td>
<td>29%</td>
<td>34%</td>
</tr>
<tr>
<td>% with internet/ data switched ISP in last 12 months</td>
<td>12%</td>
<td>10%</td>
<td>14%</td>
<td>11%</td>
<td>19%</td>
<td>7%</td>
<td>21%</td>
</tr>
<tr>
<td>% of those who switched that said the process was not easy</td>
<td>22%</td>
<td>24%</td>
<td>24%</td>
<td>22%</td>
<td>16%</td>
<td>22%</td>
<td>18%</td>
</tr>
<tr>
<td>% with internet/ data asked supplier to match another deal</td>
<td>15%</td>
<td>14%</td>
<td>16%</td>
<td>14%</td>
<td>19%</td>
<td>19%</td>
<td>22%</td>
</tr>
<tr>
<td>Top frustrations with internet/ data service (unprompted)</td>
<td>Unreliable connection (23%)</td>
<td>Unreliable connection (19%)</td>
<td>Unreliable connection (28%)</td>
<td>Unreliable connection (24%)</td>
<td>Unreliable connection (21%)</td>
<td>Unreliable connection (19%)</td>
<td></td>
</tr>
</tbody>
</table>
Annex 6

Glossary

Asymmetric Digital Subscriber Line (ADSL)
A technology that allows the use of a copper line to send a high data rate in one direction and a lower data rate in the other.

Asynchronous Transfer Mode (ATM)
A technology that enables data transfer asynchronously relative to its input into the communications system. The data is put into cells and transmitted through the network to be re-constructed at the output.

Backhaul Extension Service (BES)
A wholesale Ethernet service which provides high speed, point-to-point data circuits. Each one provides a secure link from a customer's premises, to a Communications Provider's Digital Subscriber Line Access Multiplexer and the Communications Provider's site.

Bandwidth
The physical characteristic of a telecommunications system that indicates the speed at which information can be transferred. In analogue systems, it is measured in cycles per second (Hertz) and in digital systems in bits per second (Bit/s).

Carrier Pre-selection Service (CPS)
A facility offered to customers which allows them to opt for certain defined classes of call to be carried by an operator selected in advance (and having a contract with the customer) without having to dial a routing prefix, use a dialler box, or follow any other different procedure to invoke such routing.

Communications Provider (CP)
Generic term for a person providing a Public Electronic Communications Service or a Public Electronic Communications Network. This includes BT where relevant and includes Internet Service Providers.

Digital Subscriber Line (DSL)
A technology for bringing high-bandwidth information to homes and small businesses over ordinary copper telephone lines.

Dongle
A physical device, attached to a PC's USB port, which adds hardware capabilities. A mobile broadband dongle enable's access to the internet via a mobile network.

Ethernet Backhaul Direct (EBD)
A wholesale Ethernet product which offers permanently connected, point-to-point high speed data circuits that provide a secure and un-contended backhaul service for Communications Providers.

Electronic Communications Network (ECN)
A network that enables intercommunication between users of that network.

Excess Construction Charge (ECC)
A charge levied where additional construction of duct and fibre or copper is required to provide service to a customer premise.
**Fibre-to-the-cabinet (FTTC)**
Access network consisting of optical fibre extending from the access node to the street cabinet. The street cabinet is usually located only a few hundred metres from the subscriber premises. The remaining segment of the access network from the cabinet to the customer is usually a copper pair but could use another technology, such as wireless.

**Fibre-to-the-home (FTTH)**
A form of fibre optic communication delivery in which the optical signal reaches the end user's living or office space.

**Global Positioning System (GPS)**
A system of providing accurate geographic position of a user.

**kbit/s**
kilobits per second. A measure of speed of transfer of digital information.

**LAN Extension Service (LES)**
A communications service that enables the connection of two Local Area Networks together.

**Leased line**
A permanently connected communications link between two premises dedicated to the customers' exclusive use.

**Local Area Network (LAN)**
A network typically linking a number of computers together within a business premise enabling intercommunication between users and access to email, Internet and Intranet applications.

**Local Loop Unbundling (LLU)**
The mechanism by which CPs other than the incumbent can gain wholesale access to the incumbent's metallic local access network.

**Local Loop Unbundling (LLU) backhaul circuit**
A circuit provided by BT that enables the connection of a communications provider’s DSLAM to a communications provider’s point of connection with BT's SDH network.

**Mbit/s**
Megabits per second. A measure of speed of transfer of digital information.

**Multi Protocol Label Switching (MPLS)**
A technology that enables efficient routing of IP traffic over different systems.

**Multiple Service Access Node (MSAN)**
A device typically installed in a telephone exchange (although sometimes in a roadside cabinet) which connects customers' telephone lines to the core network, to provide telephony, ISDN and broadband all from a single platform.

**Next Generation Network (NGN)**
A Network utilising new technology such as Ethernet and IP to provide an array of services to end-users.

**Openreach**
The division created by BT to fulfil the undertakings related to Access Services. See: [http://www.openreach.co.uk](http://www.openreach.co.uk) for more information.
Partial Private Circuit (PPC)
A generic term used to describe a category of private circuits that terminate at a point of connection between two communications providers' networks. It is therefore the provision of transparent transmission capacity between a customer's premises and a point of connection between the two communications providers' networks. It may also be termed as a part leased line.

Points of Connection (POC)
A point where one communications provider interconnects with another communications provider for the purposes of connecting their networks to 3rd party customers in order to provide services to those end customers

Public Switched Telephone Network (PSTN)
A telecommunications network providing voice telephony for the general public

Service Level Agreement (SLA)
A contract between a network service provider and a customer that specifies, usually in measurable terms, what services the network service provider will furnish

Service Level Guarantee (SLG)
A statement of measurable aspects of a service connected with the Service Level Agreement

Synchronous Digital Hierarchy (SDH)
A method of digital transmission where transmission streams are packed in such a way to allow simple multiplexing and de-multiplexing and the addition or removal of individual streams from larger assemblies

Symmetric broadband origination (SBO)
A symmetric broadband origination service provides symmetric capacity from a customer's premises to an appropriate point of aggregation, generally referred to as a node, in the network hierarchy. In this context, a “customer” refers to any public electronic communications network provider or end user

Symmetric Digital Subscriber Line (SDSL)
A technology that allows the use of a copper line to send an equal quantity of data (e.g. a television picture) in both directions

Tier 1
A tier in BT's SDH network that denotes a network of nodes covering areas of high population. These nodes are connected by very high capacity line systems and denote the BT trunk network

Time Division Multiplex (TDM)
A method of putting multiple data streams in a single signal by separating the signal into many segments, each having a very short duration. Each individual data stream is reassembled at the receiving end based on the timing

Voice over IP (VoIP)
A generic term used to describe telephony services provided over IP networks

Virtual Private Network (VPN)
A network that uses a public telecommunication infrastructure, such as the Internet, to provide remote offices or individual users with secure access to their organisation’s network
Wave Division Multiplex (WDM)
A transmission technology that enables multiple wavelengths of light to share the same fibre optic pair

Wholesale Broadband Access (WBA)
WBA refers to forms of network access that are provided by operators of electronic communications networks that are used as an input to retail broadband services (normally, internet access)

Wholesale Extension Service (WES)
A wholesale Ethernet product that can be used to link a customer premise to a node in a communications network

Wholesale Line Rental (WLR)
Service offered by BT Wholesale to other service providers allowing them to offer their own branded telephony service (retail line rental services) in competition with BT’s own retail services.

Wide Area Network (WAN)
A geographically dispersed telecommunications network