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Section 1

Executive summary

Introduction

- The following findings are the key highlights from a survey of 1523 business consumers across the UK. This survey was conducted with the communications decision-maker within the organisation and the fieldwork took place between July and September 2010. The sample is representative of UK businesses of all sizes (including those with fewer than 5 employees), sectors (including private, public and third sectors) and geographies (including the 4 nations, and both urban and rural locations).

- This research was supported by 17 in-depth qualitative interviews and 4 focus groups, each with 6-8 business users either with no employees or fewer than 5 employees. The primary purpose of this stage of research was to cognitively test the draft questionnaire.

- The overall objective of the research was to find out more about business consumers of telecoms services including how satisfied they are with their current communications services and what if any frustrations they have experienced.

The business communications market

- The workplace is other than commercial premises for almost half (46%) of business consumers, including over one-third (36%) who work from a home office. This is one of several indications in this survey that business consumers experience considerable overlap between personal and business usage of communications services. This potentially also leads to a blurring of personal and business in terms of business consumers’ attitudes to communications.

- Significant workplace mobility is indicated – almost four in five (78%) regularly work out of the office, either at other specific locations (including home working) and/or while travelling. Some of this mobility is likely to be client led as three in five (60%) have clients based outside their local area. This extent of workplace mobility can be expected to have a significant bearing on communications needs. For example it may lead to the prioritisation of technologies that allow remote working.

- Communications decision-makers within businesses are typically not communications specialists, mainly tending to be owners/proprietors (51%) or senior managers (32%) who therefore have other responsibilities in addition to communications. Specialist IT resource is only available to support decision making in a very small minority of businesses overall (2%), however such specialist resource is significantly more likely in large companies (250+ employees) where the incidence rises to more than half (53%). Non-specialists are more likely to need support as they may not have the requisite time or skill sets in-house. The qualitative research indicates that many are currently relying on informal sources of help and advice.

- The majority of decision-makers (63%) have sole responsibility for decisions on communications services, and are therefore making decisions independently without significant input from others. Thus, personal attitudes are likely to have a major bearing on business consumers’ engagement with communications services.
Business consumer usage behaviour

- The use of communications, particularly with respect to more advanced services, **varies significantly by company size**. Among businesses in the UK as a whole, the majority use landline and internet services (88% and 72% respectively). Slightly fewer use mobile services (65%) and only a small minority use data services (10%), which include internal networks for storage and transmission of data and services to connect different sites. However, take-up of all services increases significantly among companies with more than 50 employees, most notably on mobile (to more than 80%) and data (to more than 50%).

- Most businesses rely on a **mix of different communication services** to fulfil their needs but in a few cases a single service is all that is used. This is most likely to be a **landline** (17%). A small proportion of companies (6%) rely solely on mobile services, and this is more likely amongst those who regularly work on the move. Anecdotal feedback from qualitative research indicates that landline phones are particularly important for small businesses concerned to prove their credibility by creating the impression of having a fixed office address.

- In terms of specific use of devices and applications, some findings of note include the high use of **smartphones** (56%) and **mobiles to access emails and/or the internet** (58%) amongst those companies using mobile services. In addition, of those companies with the internet, the great majority uses of applications related to **e-commerce and marketing** (e.g. 89% order goods/services online and 77% have a company website), while a significant minority uses applications which allow **remote access** (e.g. 38% use remote log in and 36% use FTP sites). The qualitative research suggests that drivers for use of technology in these ways include the desire to enhance their customer response (smartphones/mobile internet access), to raise their profile and drive up sales (e-commerce/marketing), and to enable greater flexibility and efficiency of working (remote access functionality).

- In terms of buying behaviour, the majority (77%) purchased their services through **service providers** and most (66%) **purchased their services separately** rather than as part of a bundle. In addition, while most landline users (87%) use the **same landline provider** for line rental and calls, one in eight (13%) opted for separate providers.

- The majority of internet users (73%) also use external providers for **specific internet-related services** such as setting up/hosting the website (55%) and routine maintenance/support (43%).

- A sizeable minority purchased a **personal contract** (46% in the mobile market, 43% in the internet market and 37% in the landline market). Moreover, in the mobile market, the great majority (79%) of companies **pay for personal as well as business calls** regardless of whether the contract is held by an individual or the business. Both of these behaviours provide further indication of the blurring of the boundaries between business and personal (non-business) usage.

- The majority (68%) expect their level of **spend to remain stable** over the next 12 months, and of those remaining, more expect an **increase** (22%) than a decrease (9%) in spend. This suggests communications budgets are being protected despite the challenging economic climate, which in turn indicates the **high priority** being placed on communications by business consumers. The qualitative research suggests that communications are valued as ways of increasing customer responsiveness, enhancing sales and marketing, and improving efficiency.
Business consumer attitudes

- While most business consumers claim to feel well informed (70%), confident (60%) and engaged (56%) with respect to communications services, **significant minorities do not** (30% not engaged, 29% not confident, 17% not informed). In addition, more than three in five (41%) are risk averse when considering new communications technology.

- Nonetheless, business consumers place a **high degree of importance** on all communications services (more than three-quarters rate the importance of mobile, internet and landline as 8 or more out of 10). Comparing importance ratings across individual services shows that **landline services** are given the highest priority overall (by 57% of users).

- The majority of business consumers are **satisfied with their overall experience** of their communications supplier(s). Average satisfaction is more than nine in ten (91%) with mobile suppliers and more than eight in ten with landlines (85%) and internet (83%). However, as most are ‘fairly’ rather than ‘very’ satisfied, some **room for further improvement** is indicated. These levels of satisfaction are slightly lower but broadly comparable with those of residential customers (94% for mobile, 89% for landline and 88% for internet – **source**: Ofcom, Q2 2010).

- The research also identifies that there are aspects of the service experience that can cause frustration. Almost half of internet/data users (48%), more than four in ten mobile users (43%) and one in five landline users (20%) can spontaneously identify areas where their service has **failed to meet expectations**. Concerns are most likely to be raised about **network quality** (speed/connectivity and coverage in the internet/data market, coverage/signal strength in the mobile market and reliability of connection in the landline market).

- To complement the direct questioning, key driver analysis (the method of which is explained in Annex 2) was undertaken to establish what aspects of service contribute most towards overall satisfaction. **Responsiveness of the supplier** is the most important issue driving satisfaction with mobile and landline provision. With respect to internet provision, **service availability/coverage and reliability/signal quality** are the main drivers of satisfaction.

- When considering the future, **addressing current concerns** is the key priority for business consumers. When considering areas of potential future investment, business consumers are particularly focused on communication technologies that will enable them to **compete better** via enhanced sales/marketing (setting up websites, social networking) and **better customer response** (mobile email access).

Business consumer engagement

- The majority perceives that there is **sufficient choice, competition and price transparency** in the market. Most also feel that their **contract length is satisfactory** and that they can **negotiate effectively with suppliers**.

- However, business consumers are polarised as to whether there are **better alternatives available** compared to their current deal, and most also feel that it is **difficult to make comparisons** and for **existing customers to access deals**.

- In addition, there appear to have been some **declines since 2009**, including lower satisfaction with contract length, together with a greater perception of better alternatives and of difficulty for existing customers to get the best deals.
• **Smaller companies and less confident decision-makers** tend to be less favourable about consumer choice and value, and there also appears to be an issue with value in **Northern Ireland**.

• Only a **minority have switched communications suppliers** in the past 12 months (11% of mobile users, 11% of landline users and 8% of internet/data users). This appears to represent a statistically significant **decrease** of since 2009 amongst companies with 5 or more employees (the 2009 survey was only amongst this audience).

• This relatively low level of switching may partly relate to relatively high levels of satisfaction and business consumers thus not seeing a need to switch. However, there also appear to be **barriers to switching** for some consumers, such as the perceived difficulty in comparing offers and getting the best deals, particularly for existing customers (this is more of an issue in the landline and internet markets compared to mobile). The qualitative research also suggests another factor which is that the cost benefits of switching are not seen to warrant the effort required and potential risk of changing suppliers.

• Barriers to switching may account for the considerably greater proportion of the business consumer market which has **considered switching** compared to that which has actually changed suppliers. In total one in four have considered switching, which is consistent across all technology areas (25% in each of the mobile and internet/data markets and 24% in the landline market). Those who are less satisfied with their existing supplier are more likely to have considered switching, although they are no more likely to have actually done so.

• Findings from the qualitative research suggest that companies find it **difficult to differentiate and compare** between suppliers with respect to factors such as coverage, speed and call quality. In addition, the **cost benefits of switching are seen to be low** and there was some preference expressed for staying with a known supplier rather than risk a reduction of service which could adversely impact the business.

**Availability and reliability**

• The great majority of business consumers are **satisfied with all elements** of the availability and reliability of their communications services.

• The proportion satisfied is generally at least at the seven in ten level, however it drops below this in two areas: accessing the **internet speed that business consumers believe they have paid for** (59%), and reliability of **mobile internet access via USB dongle** (68%).

• In addition, dissatisfaction with availability and reliability services, albeit at minority levels overall, is significantly higher for **mobile and internet than it is for landline**, reflecting the higher level of spontaneous frustrations expressed about mobile and internet availability and reliability:
  
  o Dissatisfaction with the **availability** of mobile (15%) and internet (9%) services is much higher than for landline (1%)
  o Dissatisfaction with the **signal/connection quality** of mobile and internet (both 14%) is much higher than for landline (5%).
• Furthermore, some specific groups of business consumers express greater than average dissatisfaction with the availability and reliability of their mobile and internet services in particular:
  o Dissatisfaction with the availability of mobile services is almost double the national average in Wales (28%) and in rural areas (27%).
  o Dissatisfaction with the availability of internet services is much higher outside London (11%) than in London (0%).
  o Dissatisfaction with mobile signal/connection quality is much higher than the national average in rural areas (21%)
  o Dissatisfaction with internet signal/connection quality is much higher outside London (16%), peaking in Scotland (22%).

Customer service

• As highlighted above, customer service, and particularly responsiveness, is a key driver of satisfaction.
• The majority of business consumers across all technology areas are satisfied with both their supplier’s responsiveness and fault repair time, however up to one in four is less than satisfied:
  o Less than satisfied with responsiveness (15% among mobile users, 18% among landline users, 24% internet users).
  o Less than satisfied with fault repair time amongst those with experience of faults (25% among mobile users, 21% among landline users, 27% among internet users).
• In addition, satisfaction appears to be lower in 2010 than 2009 for responsiveness, although there is some improvement in mobile repair time.
• Data also show that satisfaction with customer service in the internet market is lower than other markets. Faults also appear to be more prevalent in the internet market than elsewhere (83% of internet users, compared to 80% of landline users and 73% of mobile users feeling sufficiently experienced with faults to be able to rate this aspect of their supplier service).
• Large companies tend to be more satisfied than average with their mobile supplier’s responsiveness and repair time. However they are less satisfied than average with both aspects with respect to their landline supplier.
• The qualitative research indicates that supplier responsiveness is particularly important to non-specialists as communications is just one of several responsibilities. It was also found that customer service is judged by what happens when things go wrong – most complaints related to the difficulty getting someone to take responsibility and needing to spend time chasing suppliers.

Implications

• All communications services are important to the great majority of business consumers across all company sizes and types; communications services are regarded as a key enabler of business survival and success.
Communications services are likely to be at least as important, if not more so in the future, driven by greater workforce mobility, as well as the potential benefits of greater competitiveness and efficiency.

This research suggests that to enable business consumers to take full advantage of the benefits of communications services, a number of issues need to be addressed:

- Making it easier to make comparisons between suppliers and for existing customers to get good deals within their existing contracts/relationships.
- Providing support to those less confident and capable, particularly small and less well established companies, to enable them to access best choices and value.
- Increasing responsiveness of suppliers, and in particular, their willingness to take responsibility for solving problems when things go wrong.
- Improving the availability and reliability of internet and mobile services, in particular, ensuring business consumers are getting what they pay for in terms of internet speeds and improving mobile coverage, particularly in Wales & rural areas.
- Addressing market value and choice issues, particularly in Northern Ireland.
Section 2

Introduction

Background and objectives

2.1 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.

2.2 One of Ofcom’s major work areas for 2010/11 is to understand the experiences and views of business consumers of communications services across the UK, and to assess the resulting implications for Ofcom. This research identifies current usage patterns and experiences amongst a representative cross-section of business consumers, and evaluates the extent to which their needs and expectations are being met by the market.

2.3 This research follows a survey conducted amongst business consumers in 2009. However, the 2010 survey is different in a number of respects, including that it now includes businesses with fewer than 5 employees and the questionnaire content is different in a number of areas, reflective of current areas of interest to Ofcom. For example, the 2010 survey covers the use of personal packages and smartphones, specific internet applications and outside support for internet-related services.

Research methodology

2.4 For the 2010 research, 1523 telephone interviews were conducted with UK business consumers across the private, public and third sectors. The research was conducted by Ofcom. Interviews were conducted with the primary decision maker for communications. Fieldwork took place from 7 July to 6 September 2010.

2.5 Businesses of all sizes were surveyed, including organisations with fewer than five employees. Since a representative sample would have been dominated by companies with fewer than five employees and by businesses from England, a quota sample was necessary. The quotas allow reliable sub-group analysis across six company size bands, nine industry sector groupings, the four UK nations as well as the nine government regions within England.

2.6 The data were weighted to ensure that they were representative by size, sector, nation and region.

2.7 The questionnaire was 25 minutes in length and consisted of mainly closed-ended (yes/no, rating scale) questions, however a limited number of open-ended questions were also included. The questionnaire used in this survey can be found in Annex 1.

2.8 Prior to the survey, there was a qualitative phase, comprised of 4 focus groups and 17 tele-depth interviews, which was primarily used to help shape the questionnaire.

2.9 Full details of the research methodology can be found in Annex 2.

About the analysis and report

2.10 Sub-group analysis has been conducted for this report, with a particular focus on company size, nation and urbanity. Where such differences are reported they are
statistically significant to a 95% confidence level based on the effective sample (equivalent to 99% confidence level). More details on effective sample are also included in Annex 2.

2.11 Comparisons to the 2009 study have been made where possible, using a sub-set of the 2010 sample which excludes businesses with fewer than 5 employees. However, such comparisons should be treated as indicative only because of significant questionnaire changes between 2009 and 2010, and also because the sample profiles are not identical.

2.12 This report focuses on the main findings of interest from this research. However, all data are available in the Market Data and Research section of Ofcom’s website – http://stakeholders.ofcom.org.uk/market-data-research/

2.13 Some key findings from the qualitative phase are also included to help interpret the quantitative findings.

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

- Businesses surveyed were actively trading in the private, public or third (voluntary) sectors.

- Communications comprises a range of services including landline 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 as well as smart phones such as Blackberry devices, and iPhones. However, communications in this research does not include TV or radio services.

- In this research, we asked business consumers to confirm the address of their Head Office or Home Office. These postcodes were subsequently matched to Ofcom data on urbanity to create the following classification for analysis and reporting purposes:

  - Rural – hamlets and isolated dwellings
  - Urban – all other types of dwellings
  - This contrasts to the 2009 research, where business consumers were asked to self-classify urbanity.

2.15 This report is a collaboration between Ofcom and Jigsaw Research and it is presented in the following sections:

- **Section 4** gives a broad overview of the business communications market, both at the organisational and individual communications decision-maker level.

- **Section 5** provides information on how businesses are using communications services, how they are buying them, and their current and expected future spend.

- **Section 6** introduces attitudes to communications services, including the confidence and engagement of decision makers, priority placed on communications services, satisfaction with suppliers, sources of frustration and expectations for the future.
• **Section 7** looks at engagement with communications services and providers. It explores attitudes to consumer value and choice, as well as actual switching behaviour and consideration.

• **Section 8** looks at the issues of communications service availability and reliability, and the extent to which these are meeting the needs of business consumers.

• **Section 9** focuses on customer service and what, if any, concerns or issues business consumers have in this regard.

• The **Annexes** include the research questionnaire and a more detailed explanation of the methodology.
Section 3

The business communications market

### Summary

- While just over half of companies (54%) work from commercial premises, over one-third of companies (36%) work from a **home office**. Small proportions also space in a managed office environment (3%) or do not have any office (4%).

- There are significant levels of **workforce mobility** – almost four in five (78%) report regularly working out of the office at other fixed locations (including home working) and/or whilst travelling. Some of this mobility is likely to be client-driven as three in five (60%) have clients based outside their local area.

- Most communications decision-makers within businesses are not **communications specialists**, but rather owners/proprietors (51%) or senior managers (32%). Overall, specialist communications resource is only available to support decision making in a very small minority of businesses overall (2%), however it is significantly more likely in large companies (250+ employees) where it rises to more than half (53%).

- More than three in five (63%) are **solely responsible** for communications decisions.

- The qualitative research suggests significant **reliance on informal advice** from personal contacts, particularly amongst smaller businesses.

### Introduction

3.1 This section highlights key findings from this research on the profile of the UK business communications market, both at an organisational and individual decision-maker level. The purpose is to provide context to the rest of the report by identifying aspects which are likely to have a particular bearing on business communications needs. Ofcom has separately produced a consumer policy paper which draws on this research as well market data and residential consumer research.

### Overall organisation: set-up, structure and user needs

3.2 Almost half of business consumers (46%) do not operate out of commercial premises. Instead, more than one-third (36%) work from a home office, while the remainder have other arrangements such as renting space in a managed office (3%) or having no office at all (4%).

3.3 Amongst those with commercial premises, the great majority (82%) are operating out of a single site. While fewer than one in five (18%) have multiple sites at an overall level, this structure is more likely if the business is based in towns and cities (55%). Overall, less than one in twenty (4%) among those based in commercial premises have sites internationally.
Figure 1: Type of premises and number of sites

<table>
<thead>
<tr>
<th>Type of Premises</th>
<th>Number of sites in UK</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(among those with commercial premises)</td>
</tr>
<tr>
<td>Commercial premises</td>
<td>54%</td>
</tr>
<tr>
<td>Home office</td>
<td>36%</td>
</tr>
<tr>
<td>Managed/service office</td>
<td>11%</td>
</tr>
<tr>
<td>No office</td>
<td>4%</td>
</tr>
<tr>
<td>Other</td>
<td>7%</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1 site/premises</td>
</tr>
<tr>
<td></td>
<td>7%</td>
</tr>
<tr>
<td></td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>3 or more</td>
</tr>
<tr>
<td></td>
<td>82%</td>
</tr>
</tbody>
</table>

Source: Business Consumer Experience Research - S6a/b, S7a, P6
Base: All respondents (n=1523)
Base: Those with commercial premises n=951

3.4 Business consumers demonstrate significant levels of workforce mobility, with the great majority (78%) regularly working at locations out of the office and/or while travelling. More specifically, over half (55%) regularly work from home (which considerably exceeds the proportion whose main place of work is a home office), almost half work while travelling in the UK (46%) and a similar proportion regularly work at other specific locations apart from the office (42%). In addition, one-third (35%) report regularly working in rural areas.

Figure 2: Level and type of workforce mobility

<table>
<thead>
<tr>
<th>Type of Work</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work from home regularly</td>
<td>55</td>
</tr>
<tr>
<td>Work out of office in other specific locations</td>
<td>42</td>
</tr>
<tr>
<td>Work while travelling domestically</td>
<td>46</td>
</tr>
<tr>
<td>Work while travelling internationally</td>
<td>12</td>
</tr>
<tr>
<td>Work in sparsely populated areas in countryside</td>
<td>35</td>
</tr>
<tr>
<td>None of these</td>
<td>22</td>
</tr>
</tbody>
</table>

Source: Business Consumer Experience Research - P4, P5
Base: All respondents (n=1523)

3.5 The majority of business consumers (60%) are working with clients who are not based in their local area. Some have customers who are still within their region (26%) but in more cases, customers are spread across the UK and/or located internationally (34%).
Decision-makers: Type of role, level of responsibility and time spent

3.6 Most communications decision-makers within businesses are not communications specialists, but rather owners/proprietors (51%) or senior managers (32%). Overall, specialist communications resource is only available to support decision making in a very small minority of businesses overall (2%), however the incidence of such specialists is significantly more likely in large companies (250+ employees) where it rises to more than half (53%).

3.7 Communications decision-makers within business report spending an average of 11% of their time on managing communications each week, although this almost doubles (to 19%) amongst organisations with at least 250 employees.

3.8 This increased focus amongst larger companies is not surprising as it is these companies which are more likely to have dedicated communications resource as well as more complex communications requirements and set-ups.

3.9 Almost everyone interviewed (98%) reported that they are responsible for all of their organisation's communications services. The majority (63%) are solely responsible.
Section 4

Business consumer usage behaviour

Summary

- Overall, the majority use landlines (88%), internet (72%) and to a lesser extent mobiles (65%), but only a minority (10%) uses data services. Most use more than one of these services, with fewer than one in five (17%) of businesses relying on landlines only.

- Take-up of each service differs significantly by company size. For example, while only one in ten overall uses data services (data storage, transmission and network services), the majority of companies with more than 50 employees use these (51% of companies with 50-249 employees and 56% of those with 250+ employees).

- Investigating use of each specific service in more detail, some findings of note include the degree to which smartphones (56%) and mobiles to access emails and/or the internet (58%) are being used by those with mobile services. In addition, amongst internet users, applications which are showing high levels of use include those related to e-commerce and marketing (e.g. 89% order goods/services online and 77% have a company website) and remote access (e.g. 38% use remote log in and 36% use FTP or file transfer protocol sites).

- The qualitative research suggests that businesses prioritise communications because they are seen as being ways of achieving cost savings and enabling more effective competition, for example enhanced sales and marketing via a web presence, better customer response via smartphones and greater workforce flexibility and efficiency via facilities such as remote access and video conferencing.

- The majority (77%) purchased their services through service providers and most (66%) purchased their services separately rather than as part of a bundle. However, three-quarters (77%) use the same landline provider for both line rental and calls.

- The majority of internet users (73%) also use external providers for specific internet-related services such as setting up/hosting the website (55%) and routine maintenance/support (43%).

- A significant minority purchased their communications services on a personal contract (46% of mobile users, 43% of internet users and 37% of landline users). This is indicative of a blurring between personal and business in terms of business consumers’ purchase and use of communications services.

- The average amount spent on communications services is just under £2,000 per annum, excluding hardware and external support. However annual communications spend varies between less than £500 (26%) to more than £10,000 (4%), with a median spend of £750.

- The majority (68%) expect their level of spend to remain stable over the next 12 months, but of those remaining, more expect an increase (22%) than a decrease (9%) in spend.
Introduction

4.1 This section provides a detailed overview of usage behaviour, including overall take-up of service, usage of specific devices and applications, purchase behaviour, and both current and future expected spend.

Overall take-up of communications services

4.2 Among businesses in the UK as a whole, the majority use landline and internet services (88% and 72% respectively). Slightly fewer use mobile services (65%) and only a small minority use data services (10%).

Figure 3: Overall take-up of services

<table>
<thead>
<tr>
<th>Service</th>
<th>Take-up</th>
</tr>
</thead>
<tbody>
<tr>
<td>Landline phones</td>
<td>88</td>
</tr>
<tr>
<td>Internet</td>
<td>72</td>
</tr>
<tr>
<td>Mobile phones</td>
<td>65</td>
</tr>
<tr>
<td>Data services</td>
<td>10</td>
</tr>
</tbody>
</table>

Source: Business Consumer Experience Research – Q1a
Base: All respondents (n=1523)

4.3 Most businesses rely on a mix of different communication services to fulfill their needs but in a few cases a single service is all that is used. In these circumstances, business consumers are more likely to be solely reliant on landline phones (17%) than they are on mobile phones (6%), while less than 1% is solely reliant on the internet.

4.4 The use of communications services, particularly more complex or advanced services, varies significantly by company size. Take-up of all services increases among companies with more than 250 employees but most notably for data services (98% take-up of landline, 96% of internet, 87% of mobile and 56% of data).

Use of specific services in more detail

Mobile services

4.5 As reported above, the overall take-up of mobiles is lower (at 65%) compared to landlines or the internet. However, usage of mobile services varies distinctly by company size, rising to more than four in five (82%) among medium sized companies (50-249 employees) and to almost nine in ten (87%) among large companies (250+ employees).
4.6 More than half (56%) use a smartphone of some sort and can therefore access email and the internet through their handset. Blackberries and iPhones are equally widespread (used by 28% and 26% of mobile users respectively).

**Figure 4: Mobile devices used**

<table>
<thead>
<tr>
<th>Device</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blackberries</td>
<td>28</td>
</tr>
<tr>
<td>iPhones</td>
<td>26</td>
</tr>
<tr>
<td>Other smartphones</td>
<td>15</td>
</tr>
<tr>
<td>Other mobile phones</td>
<td>71</td>
</tr>
<tr>
<td>Pagers</td>
<td>1</td>
</tr>
<tr>
<td>Don’t know</td>
<td>1</td>
</tr>
</tbody>
</table>

Source: Business Consumer Experience Research – Q9  
Base: All using mobile phones (n=1020)

4.7 Not unexpectedly, the great majority use their mobile devices for calls and SMS (99% and 87% respectively). In addition, more than half use their mobile to email (54%) and to access the internet (52%) – with almost three in five (58%) using their phone for at least one of these purposes.

**Figure 5: Way mobile services used**

<table>
<thead>
<tr>
<th>Service</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Make calls</td>
<td>99</td>
</tr>
<tr>
<td>Send SMS/text messages</td>
<td>87</td>
</tr>
<tr>
<td>Access emails</td>
<td>54</td>
</tr>
<tr>
<td>Access Internet</td>
<td>52</td>
</tr>
</tbody>
</table>

Source: Business Consumer Experience Research – Q9  
Base: All using mobile phones (n=1020)
4.8 Use of mobiles for emailing/accessing the internet is significantly higher among larger companies (87% of those with 250+ employees use mobile email and 80% use mobile internet). Usage of these functions is also higher among:

- Those with mobile workforces (up to 60% for mobile email amongst those travelling regularly)
- Those with less well established businesses (up to 64% for mobile email amongst businesses less than 5 years old)
- More confident decision-makers (up to 76% for mobile internet amongst those ‘very confident’).

4.9 The vast majority (85%) of business mobile users are on contracts but there are a few who pay through a PAYG service (10%) or have mobile phones on both types of payment structures (5%).

4.10 One finding of note is that almost as many mobile users are on personal contracts (46%) as are on business contracts (56%). This blurring between the business and the personal usage suggests that many business decision-makers may be operating with a consumer as well as a business mindset.

4.11 Most business consumers cover the cost of personal calls made from ‘work’ phones if they are on a contract arrangement, regardless of whether the devices are on a personal or a business contract (79% pay for all calls compared to just 23% who only pay for business calls).

**Figure 6: Type of mobile contracts**

<table>
<thead>
<tr>
<th>Type of Mobile Contract</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal contracts (pay for all personal &amp; business)</td>
<td>41%</td>
</tr>
<tr>
<td>Personal contracts (only pay for business)</td>
<td>5%</td>
</tr>
<tr>
<td>Business contracts (pay for all personal &amp; business)</td>
<td>38%</td>
</tr>
<tr>
<td>Business contracts (only pay for business)</td>
<td>18%</td>
</tr>
<tr>
<td>Don’t know</td>
<td>2%</td>
</tr>
</tbody>
</table>

Source: Business Consumer Experience Research – Q11
Base: All using mobile phones (n=1020)

4.12 Use of personal mobile contracts is particularly prevalent in smaller, lower spending companies and less well established companies:

- One in two (52%) small companies (fewer than ten employees) has personal mobile contracts.
• Three in five (59%) of lower spenders (up to £999 per annum) have personal mobile contracts.

• Almost three in five (56%) of companies up to five years old have personal mobile contracts.

Landline services

4.13 Among businesses with a landline service (88%), the type of contract varies. While the majority (61%) have a business contract, more than one in three (37%) is using a personal contract for business purposes. As with the mobile phone market, this indicates blurring between the business and the personal usage.

4.14 Again, use of personal contracts is greatest by smaller or lower spending companies, as well as less well established companies:

• Two in five (39%) of small companies (fewer than ten employees) have personal contracts.

• Two in five (42%) lower spenders (up to £999 per annum) have personal contracts.

• More than half (56%) of companies up to five years old have personal contracts.

• In the landline market, use of personal contracts is also higher amongst businesses with high workforce mobility (up to 43%), who are likely to be less reliant on, or concerned about, their landline phone.

Internet and data services

4.15 As previously mentioned, the data show that almost three-quarters (72%) of businesses surveyed have an internet connection. As with other communications services, take-up increases with size of business, from fewer than seven in ten (68%) small companies (under 10 employees) to close to all (96%) large companies (250+ employees). Data services show even greater differences by size, with usage rising from one in twenty (6%) among small companies (under 10 employees) to more than half (56%) among large companies (250+ employees).

4.16 In terms of specific applications, use of email is universal (100%) and web access is extremely prevalent (94% amongst those with an internet connection).

4.17 Applications that facilitate financial transactions and e-commerce are also widely used. The large majority of those with the internet use it to order goods or services online (89%). Slightly fewer, though still the majority, use online banking (77%) and pay for goods and services via BACs (69%).

4.18 In addition, the survey shows that three quarters of companies with the internet have a company website (77%) and a significant minority are also using the internet for online marketing (41%). This supports the qualitative research which indicated that businesses have an appetite for using communications services to compete more effectively, including through enhanced sales and marketing via the web.

4.19 The qualitative research also found that business consumers are looking to internet and data applications that can offer greater flexibility and efficiency, thereby enabling cost savings. The survey appears to confirm this, with more than a third of those with
the internet using remote log in (38%) and a similar proportion using FTP (file transfer protocol) sites (36%) and online data storage/back-up (33%). Although these remain niche products, one in five (19%) are now using VoIP and almost one in ten (8%) are using online video-conferencing. Higher use of these more complex applications relates to either specific requirements (e.g. a mobile workforce or the need to manage multiple sites) or to the decision-maker being more confident with regard to communications technology.

4.20 Only internet using companies with 50+ employees were asked about their usage of intranet or extranet. Amongst this group, the majority uses intranet (53% of companies with 50-249 employees and 70% of those with 250+ employees), while a significant minority uses extranet (19% of those with 50-249 employees and 36% of those with 250+ employees).

4.21 Take-up of most other applications is significantly higher among internet using medium-large organisations as well. This is most notable in relation to company websites (up to 97% use among companies with 250+ employees), BACs (up to 91% use among companies with 50-249 employees), remote log-in (up to 82% use among companies with 50-249 employees) and FTP sites (up to 69% use among companies with 250+ employees).

Figure 7: Way internet and data services used

Source: Business Consumer Experience Research – Q27
Base: All using internet (n=1172) except intranet/extranet which is all using internet in companies of 50+ employees (n=340)

4.22 The most prevalent means of connecting to the internet is via broadband, which is almost universally used (by 97%) of business internet users. The great majority of broadband users (91%) also claim this to be their most critical connection method.
4.23 Use of broadband declines slightly (to 82%) in large companies (250+ employees), who are significantly more likely to make use of other connection methods:

- Mobile connection by smartphone and dongle increases to two-thirds (64% for each) among large companies (250+ employees).
- Connection via leased lines rises to half (to 54%) among large businesses (250+ employees).
- Accessing the internet via VPN this rises to almost two-thirds (63%) among large companies (250+ employees).

4.24 Among businesses using internet and/or data services and operating from non-commercial premises, almost as many have personal contracts (43%) as have business contracts (53%). As with the other markets, this blurring between the business and the personal usage is confirmation that many business decision-makers are operating with a consumer mindset.

4.25 As seen for both mobile and landline services, personal contracts are more commonplace among smaller or lower spending companies, as well as among less well established companies:

- Almost half (47%) of small companies (fewer than ten employees) have personal contracts.
- Half (52%) of lower spenders (up to £999 per annum) have personal contracts.
• Seven in ten (70%) companies which are up to five years old have personal contracts.

4.26 Outsourcing of the management of internet and data services is reasonably widespread, with almost three in four (73%) business consumers using external companies for at least one element of their internet/data service. However the type of support decision-makers are willing to pay for varies and many opt to undertake certain activities in-house.

4.27 Most commonly, businesses are using outside companies or individuals to help them set up and/or host a company website (55%).

4.28 Many business consumers are also paying external providers to help them with routine maintenance and information/advice (43% and 42% respectively).

4.29 Fewer use external companies to help them set up or manage their services, most opting to do this in-house. While two fifths (40%) outsource email, outsourcing the initial set up and/or management of an FTP site, VoIP or a network is less common, (with 12%, 6% and 1% of business consumers respectively paying for this type of support).

**Figure 9: Internet and data services outsourced**

<table>
<thead>
<tr>
<th>Service</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Setting up/hosting website</td>
<td>55</td>
</tr>
<tr>
<td>Routine maintenance /support</td>
<td>43</td>
</tr>
<tr>
<td>Information or advice</td>
<td>42</td>
</tr>
<tr>
<td>Setting/hosting email</td>
<td>40</td>
</tr>
<tr>
<td>Storing data</td>
<td>13</td>
</tr>
<tr>
<td>Setting up/managing FTP site</td>
<td>12</td>
</tr>
<tr>
<td>Setting up/managing VoIP</td>
<td>6</td>
</tr>
<tr>
<td>Setting up/managing network</td>
<td>1</td>
</tr>
<tr>
<td>None of these</td>
<td>27</td>
</tr>
</tbody>
</table>

*Source: Business Consumer Experience Research – Q29, Q30a,b*  
*Base: All respondents using internet (n=1172)*

4.30 Outsourcing is most likely amongst the larger end of the small company band (10-49) and by medium sized companies (50-249 employees), with nine in ten (90%) of each of these groups outsourcing at least some aspects of their internet service. This suggests that these groups have greater communications needs but lack the availability of internal resource to provide that support. Multi-site companies (86%), higher spenders (82%) and those who purchased services through consultancies (86%) are also more willing to use external internet related support.

4.31 Among those business consumers who have access to the internet and operate out of multiple sites (8%) one in four (25%) are networked, rising to three in four (76%) among large companies (250+ employees). Prevalence of client networking is
notably lower (6%), although this rises significantly (to 21%) among larger business consumers (250+ employees).

**Buying behaviour**

**Point of purchase**

4.32 The majority of business consumers (77%) purchased their communications services direct from a service provider. Around a quarter (23%) purchased their services from a reseller and a smaller minority (12%) bought through third party consultancies.

*Figure 10: Point of purchase*

<table>
<thead>
<tr>
<th></th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service Providers</td>
<td>77</td>
</tr>
<tr>
<td>Resellers</td>
<td>23</td>
</tr>
<tr>
<td>Third party consultancies</td>
<td>12</td>
</tr>
<tr>
<td>Don’t know</td>
<td>1</td>
</tr>
</tbody>
</table>

*Source: Business Consumer Experience Research – Q4, Q5a, b
Base: All respondents (n=1523)*

4.33 Small businesses (fewer than ten employees), are more likely to have bought directly from service providers (78%). Conversely, large businesses (250+ employees) are more likely to buy via resellers (38%) and medium businesses (50-249 employees) are more likely to buy via third party consultancies (38%).

**Bundling**

4.34 Among those with two or more communications services, most (66%) continue to buy their telecoms services separately. However, one-third (34%) bought their services as part of a bundled package, where they were quoted a single price for several products and services together.

4.35 Bundling is most prevalent among less well established companies up to five years old (42% of whom have bought their services in this way). The most likely services to have been purchased as part of a bundle are landline and internet.

4.36 In addition, while most landline users (87%) chose the same provider for both their line rental and call charges, around one in eight (13%) opted for separate providers.
Current and expected future communications spend

4.37 Business consumers were asked to consider the total amount they spent across all UK sites on mobile, landline and internet/data services (including email, web access and any related data services, but excluding hardware and external support) across an average year. Business consumers report spending an average of £1,928 over this timeframe.

Figure 11: Average annual spend

Source: Business Consumer Experience Research - P1
Base: All respondents (n=1523)

4.38 However spend varies significantly by size of organisation, ranging from an average of £1,289 among small companies (fewer than ten employees) to £12,959 among large companies (250+ employees); median spend is £750.

4.39 Businesses were subsequently asked to predict how their spending patterns are likely to change over the coming 12 months. Most companies (68%) expect their communications spend to remain stable. Of those who anticipate a change in spend in this area, more predict spending increases (22%) than decreases (9%), suggesting that the net change will be one of increase rather than decrease in communications budgets.

4.40 Large companies are the most likely to predict spending increases, with companies with 250+ employees almost twice as likely to expect higher spending than companies with fewer than ten employees (41% compared to 21%). Those with a mobile workforce, and less well established companies (up to five years old), are also more likely to anticipate greater levels of spending in the coming year (up to 27% and 33% respectively).
Section 5

Business consumer attitudes

Summary

- While most business consumers claim to feel well informed (70%), confident (60%) and engaged (56%) with respect to communications services, **significant minorities do not** (30% not engaged, 29% not confident, 17% not informed). In addition, more than two in five (41%) is risk averse when considering new communications technology.

- Nonetheless, business consumers place a **high degree of importance** on communications services. Comparing importance ratings across individual services shows that **landline services** are given the highest priority overall (by 57% of users).

- The majority of business consumers are **satisfied with their overall experience** of their communications supplier(s). Average satisfaction is more than nine in ten (91%) with mobile suppliers and more than eight in ten with landlines (85%) and internet (83%) respectively. However, as most are ‘fairly’ rather than ‘very’ satisfied, some **room for further improvement** is indicated.

- The research also identifies that there are aspects of the service experience that can cause frustration. Almost half (48%) of internet/data users, more than three in five (43%) mobile users and one in five (20%) landline users can spontaneously identify areas where their service has **failed to meet expectations**. Concerns are most likely to be raised about **network quality** (speed/coverage in the internet/data market, coverage/signal strength in the mobile market and reliability of coverage/line connection in the landline market).

- To complement the direct questioning, key driver analysis (explained in the methodology annex) was also undertaken to establish what aspects of service contribute most towards overall satisfaction. **Responsiveness of the supplier** is the most important issue driving satisfaction with mobile and landline provision, however, network quality is also a factor. With respect to internet provision, **availability of service/coverage and service reliability/signal quality** are the main drivers of satisfaction.

- When considering the future, **addressing current concerns** is the key priority for business consumers. When considering areas of potential future investment, business consumers are particularly focused on communication technologies that will enable them to **compete better** via enhanced sales/marketing (setting up websites, social networking) and **better customer response** (mobile email access).
Introduction

5.1 This section covers all of the key attitudinal questions included in the survey – these include business consumers’ attitudes to communications, importance placed on communications services, satisfaction with the supplier of each service, and spontaneously nominated areas where services are not meeting expectations. It also covers results of a regression based analysis to identify drivers of satisfaction as well as of two open-ended questions about the future communications priorities.

Attitudes towards communications services

5.2 The research shows that while most business decision-makers agree to feeling well informed, confident and interested in communications services, a not insignificant proportion display less positive attitudes:

- While seven in ten (70%) decision-makers feel very well informed about how communications services can help the organisation survive and grow, one in six (17%) do not.
- While three in five (60%) feel confident that they can identify which new communications products/services would be valuable for their business, three in ten (29%) do not.
- While more than half (56%) have a personal interest in new technology and find it interesting, three in ten (30%) do not and 14% cannot say either way.
- Furthermore, very few agree to feeling very well informed, very confident, or very engaged.

5.3 There is a polarised attitude to risk amongst business consumers - two in five (41%) are comfortable taking risks with respect to new technology while two in five (41%) are risk averse.

Figure 12: Attitudes towards communications services

Source: Business Consumer Experience Research – Q3
Base: All respondents (n=1523)

5.4 Small companies (less than 10 employees) are less confident and engaged than large firms (250+ employees):
30% of small companies lack confidence vs. 12% of large ones.

55% of small companies are interested vs. 80% of large ones.

5.5 Mature companies are more risk averse than average (51%), possibly related to having well-established ways of working. There is a relationship between mindsets: business consumers who lack confidence also tend to be less knowledgeable and more risk averse.

Importance assigned to communications services

5.6 Business consumers place a high degree of importance on all communications services. The research shows that mobile, landline and internet services are all highly important to this audience, with at least three quarters giving a score of eight or higher for each area. Landline and internet services play the most important roles, being assigned a score of eight or higher by four in five (82% and 80% respectively). Mobile services follow closely behind, with three-quarters (77%) giving this technology a score of eight or higher in importance. Data services are less important at an overall level but their value varies significantly by company size.

5.7 Landline is more likely to be singled out as the priority service (by 57% compared to 30% prioritising the internet and 28% prioritising mobiles). Anecdotal feedback from qualitative research indicates that landline phones are particularly important for small businesses, who may be wishing to prove their credibility by creating the impression of having a fixed office address.

Figure 13: Importance of communications services

Source: Business Consumer Experience Research – Q13, Q21, Q32a,b
Base: All using mobile phone (n=1020); All using landline phone (n=1400); All using internet (n=1172); All using data services (n=418)

5.8 The importance placed on data services in particular varies considerably by company size. While relatively few (53%) overall assign an importance score of eight or higher to data services, this rises three-quarters (74%) among large companies (250+ employees). Similarly, while only a tiny minority (1%) identifies data services as the most important of all the technology areas, this rises to one in five (19%) among large companies (250+ employees).
Satisfaction with communications services

Overall satisfaction with supplier

5.9 The data show that the majority of business consumers are satisfied with their service providers across all the technology areas considered in the research (83% for internet, 85% for landline and 91% for mobile). The level of satisfaction across each service is slightly lower than that found for residential consumers (94% for mobile, 89% for landline and 88% for internet – Source: Ofcom Technology Tracker, Q2 2010).

5.10 Only around one-third is ‘very satisfied’ in each area (34% for internet, 36% for landline, 39% for mobile), indicating some room for improvement.

5.11 Satisfaction with landline suppliers appears to be higher in 2010 compared to 2009.

Figure 14: Satisfaction with supplier

Source: Business Consumer Experience Research – Q16a, 24a, 35a
Base: All using mobile phone (n=1020); All using landline phone (n=1400); All using internet (n=1172)

5.12 Levels of satisfaction appear to be positively correlated to the degree of importance assigned to a particular technology, and to the confidence of the decision-maker.

Areas where service has not met expectations - mobile

5.13 When asked what, if any, problems they encounter with their mobile service, more than half (57%) do not identify any. However, more than two in five (43%) can identify areas where their service fails to meet their expectations. Issues identified are most likely relate to coverage or signal quality (29% of mobile users identify this as a problem area).

5.14 Other issues (e.g. cost/value, product, billing, customer service) were only raised by. However, it is worth mentioning that while product issues were mentioned by a very small proportion overall (2%), they appear to be a significantly greater concern in Northern Ireland (where 13% report such problems).
5.15 Issues with coverage appear to be more prevalent in Wales and in rural areas - half of respondents living in these areas (49% in both Wales and rural areas) raised coverage as a problem. However, coverage/signal quality issues were also raised in urban areas. Large companies (250+ employees) and those with workforce mobility were also more likely to raise coverage as a concern.

- “I experience problems with the reception on my iPhone. This seems to happen in particular areas, especially the whole of Wales!” (1-4 employees, Wales)

- “The coverage is poor in certain areas. It causes a lot of problems because we can’t receive emails or make and receive calls.” (50-249 employees, London)

Areas where service has not met expectations - landline

5.16 When asked if there are any areas where their landline service does not meet expectations, the large majority of business consumers (80%) do not have any particular concerns. Relatively small proportions (11%) cite issues in relation to coverage/line/connection, and for a few (4%) customer service levels have failed to meet their expectations. Qualitative research identifies several customer service issues as being a source of frustration: being passed around while on the phone, being kept on hold, accessibility of account managers, language/cultural barriers with overseas call centres and poor problem resolution.
5.17 Large companies (250+ employees) are more likely to have encountered problems in both regards than smaller companies (14% cite issues with coverage and 10% cite issues with customer service).

- “The local exchange has gone down completely before and left us without service for a complete day. Our service provider is rubbish, their response times are very slow and they don’t keep you informed.” (50-249 employees, London)

5.18 Issues are most prevalent in relation to internet/data services, where almost half (48%) can identify problems that they encounter with their service. In this technology area the two biggest issues are slow speeds and coverage/line connection.

5.19 Problems with speed can often be a matter of not getting the speed that has been paid for. It is a particular issue in Scotland, where it is cited by two in five (40%) internet/data users. However, it was also raised in other areas:
• “The speed of broadband is not a constant speed. It varies everyday, does not always work to the paid for speed.” (10-19 employees, Scotland)

• “We suffer from a slow loading speed and also occasional system crashes. This is an on-going problem, and we keep getting passed across between our service provider and the routing company, with neither wanting to take responsibility.” (50-249 employees, London)

• “We have a problem with lack of speed - it tends to go at anytime. There are also problems with the line on occasions - usually about once a year and we have to get the engineers out.” (50-249 employees, West Midlands)

5.20 This research attempted to find out more about why business consumers are satisfied or dissatisfied with their suppliers. In order to do this a statistical analysis was undertaken using industry standard regression techniques, in order to establish the extent to which individual elements of service contribute to overall satisfaction scores. Findings from this analysis are reported below and more detail on the analysis approach is contained in Annex 2.

Drivers of satisfaction with supplier - mobile

5.21 Statistical analysis of the mobile market reveals that satisfaction with the responsiveness of their supplier is the single greatest driver of overall satisfaction by some margin (accounting for a 45% contribution to overall satisfaction scores). Performance on this aspect of service, more than any other, will influence the way business consumers feel about their overall experience with their mobile supplier. From a provider point of view, improvement on this aspect of service is more likely than any other to improve overall levels of satisfaction.

5.22 This aligns with the qualitative research which found that responsiveness is perceived to be critical across the board and particularly by non-specialists for whom communications is just one of several responsibilities. The qualitative research also found that responsiveness is typically judged by what happens when things go wrong, with most complaints relating to difficulty getting someone to take responsibility and needing to spend valuable time chasing suppliers.

5.23 The following elements contribute less to overall satisfaction but are important nonetheless:

• The perception that there no better alternatives available on the market for mobile services is the second greatest contributor, but has less than a third of the influence that responsiveness does.

• Satisfaction with availability of coverage is the third greatest contributor, but again has less than a third of the influence.

• Satisfaction with service reliability/signal quality and choice of contract length are slightly less influential still.

• Ease with which existing customers can get good deals is another smaller factor.

5.24 Detailed findings on levels of user satisfaction with these individual elements of the mobile service experience are included in later sections of this report.
Figure 18: Drivers of satisfaction with mobile suppliers

- Satisfied with responsiveness of supplier (Q16e): 45% (0.44)
- Disagree that there are better alternatives (Q15): 15% (-0.14)
- Satisfied with availability of service/coverage (Q16d): 13% (0.13)
- Satisfied with service reliability/signal quality (Q16b): 11% (0.11)
- Satisfied with choice of contract length (Q16f): 10% (0.09)
- Disagree that difficult for existing customers to get good deals (Q18f): 6% (-0.06)

Overall satisfaction with mobile supplier (Q16a)

Source: Regression analysis
Base: All using mobile phone (n=1020)
Explanatory note: figures in brackets are coefficients, negative figures indicate a negative relationship (e.g. in this case consumers more likely to be satisfied if they disagree that there are better alternatives available)

Drivers of satisfaction with supplier - landline

5.25 Driver analysis of the landline market reveals that the aspect of service contributing most to business consumers’ satisfaction with their supplier is again responsiveness of that supplier (a 31% contribution).

5.26 In this market, a range of other factors contribute to overall satisfaction to a greater degree than in the mobile market, most notably service reliability/signal quality, choice in length of contract and the perception that there are no better alternatives available.

5.27 The following elements contribute less to overall satisfaction but are influential nonetheless:

- Satisfaction with repair time.
- Agreement that there is a good choice of products/services available.
- Agreement that there is little difference between suppliers.
- Satisfaction with availability of service/coverage.

5.28 Detailed findings on levels of user satisfaction with these individual elements of the landline service experience are included in later sections of this report.
Drivers of satisfaction with supplier - internet

5.29 Drivers analysis of the internet and data market reveals two key drivers of business consumers’ satisfaction with their suppliers - satisfaction with availability of service/coverage (30% contribution) and satisfaction with service reliability/signal quality (26% contribution). This echoes some of the spontaneous frustrations raised by business consumers in relation to their internet service.

5.30 The perception that there are no better alternatives available on the market is also a key driver of overall satisfaction with internet/data supplier, suggesting that where business consumers believe they are with the best service provider this will have a halo effect on the way they feel about their overall experience with their supplier.

5.31 The following elements contribute less to overall satisfaction but are important nonetheless:

- Satisfaction with choice of contract length.
- Satisfaction with repair time.
- Satisfaction with the speed of the connection (in other words the speed that has been paid for).
• Satisfaction with the responsiveness of the provider, which has less influence on overall satisfaction with internet/data suppliers than it does in other markets (accounting for a 6% contribution) – the qualitative research suggests that this may be because responsibility for problems, particularly if they are to do with connectivity or speed, is less clear cut in the internet market as they could be to do with the device being used or location of the user rather than the supplier.

• Agreement that there is a good choice of products/services available.

5.32 Detailed findings on levels of user satisfaction with these individual elements of the internet/data service experience are included in later sections of this report.

Figure 20: Drivers of satisfaction with internet/data suppliers

| Satisfied with availability of service/coverage (Q35d) | 30% (0.30) |
| Satisfied with service reliability/signal quality(Q35b) | 26% (0.26) |
| Disagree that there are better alternatives (Q34) | 12% (-0.12) |
| Satisfied with choice of contract length (Q35f) | 8% (0.08) |
| Satisfied with repair time (Q35c) | 7% (0.07) |
| Satisfied with accessing speed paid for (Q35d) | 7% (0.07) |
| Satisfied with responsiveness of supplier (Q35f) | 6% (0.06) |
| Agree that good choice of products/services available (Q37b) | 5% (-0.05) |

Overall satisfaction with internet supplier (Q35a)

Source: Regression analysis
Base: All using internet (n=1172)
Explanatory note: figures in brackets are coefficients, negative figures indicate a negative relationship

Changes desired for the future

5.33 When asked what changes business consumers would ideally like to make to their existing communications services, more than two in five (43%) were able to identify something. Many are focused on resolving existing frustrations, namely improving internet speeds and reliability and improving mobile coverage. Others wish to enhance their business by accessing services already on the market, for example mobile internet and remote access to provide greater mobile working options. There is also a demand for changes at point of purchase, such as better bundling opportunities, easier comparisons between providers and reduced contract length.
When asked whether there were any other things they might be interested in using their communications services for, even if they do not have budget for this right now, more than one in three (36%) were able to identify an area of potential future investment. These business consumers are particularly focused on technologies that will enable them to compete better via enhanced sales and marketing (setting up websites, social networking) and better customer response (access to mobile email).

The following verbatims provides a flavour of views expressed with respect to desired future investment areas:

- “I would like to develop a web site to advertise our business as a shop window to the world. In time I would like our customers to be able to order our products from this web page also”. (5-9 employees, Wales)

- “It would be very handy to have email on the mobiles, very useful when absent from the office.” (20-49 employees, N Ireland)
• “Cloud, mobile email, selling via website, good data services, social networking internet on mobile phone – all of these.” (500-999 employees, East Midlands)
Section 6

Business consumer engagement

Summary

- The majority perceives that there is **sufficient choice, competition and price transparency** in the market. Most also feel that their **contract length is satisfactory** and that they can **negotiate effectively with suppliers**.

- However, business consumers are polarised as to whether there are **better alternatives available** compared to their current deal, and most also feel that it is **difficult to make comparisons** and for **existing customers to access deals**.

- In addition, there appear to have been some **declines since 2009**, including lower satisfaction with contract length, together with a greater perception of better alternatives and of difficulty for existing customers to get the best deals. As reported in the previous section, satisfaction with contract length and the perception that there are no better alternatives are the aspects of consumer choice and value that contribute most to overall satisfaction.

- **Smaller companies and less confident decision-makers** tend to be less favourable about consumer choice and value, and there also appears to be an issue with value in **Northern Ireland**.

- Only a **minority have switched communications suppliers** in the past 12 months (11% of mobile users, 11% of landline users and 8% of internet/data users). This appears to represent a **decrease** since 2009.

- This relatively low level of switching may partly relate to relatively high levels of satisfaction and business consumers thus not seeing a need to switch. However, this section suggests that there are also **barriers to switching** for some consumers, such as the perceived difficulty in comparing offers and getting the best deals, particularly for existing customers. The qualitative research also suggests another factor which is that the cost benefits of switching are not seen to warrant the effort required and potential risk of changing suppliers.

- In total one in four have **considered switching**, which is consistent across all technology areas (25% in each of the mobile and internet/data markets and 24% in the landline market). Those who are less satisfied with their existing supplier are more likely to have considered switching, although they are no more likely to have actually done so. The reported difficulty in comparing and differentiating suppliers may partly account for this.

Introduction

6.1 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 amongst business consumers by first considering the current level of switching in each of the main telecoms markets and then considering the factors that might contribute to this observed level of switching.
Switching behaviour

6.2 Only a minority of business consumers (approximately one in ten) have switched in the past year. Switching levels are marginally higher for mobile and landline services (11% in both cases) than for internet/data services (8%).

6.3 This low level of switching activity is consistent with the high levels of satisfaction displayed by business consumers across these technology areas. Switching also appears have declined compared to the levels observed in 2009 amongst companies with more than 5 employees.

6.4 Although few are actually switching, around one in four business consumers have considered doing so and this is consistent across all technology areas (25% in each of the mobile and internet/data markets and 24% in the landline market).

![Figure 23: Switching levels](chart)

Source: Business Consumer Experience Research – Q17, Q25, Q36
Base: All using mobile phone (n=1020); All using landline phone (n=1400); All using internet (n=1172)

6.5 As might be expected, those who are less than satisfied with their existing supplier are more likely to have considered changing suppliers (39% of less satisfied mobile users, 54% of less satisfied landline users and 56% of less satisfied internet users), although they are no more likely to have actually switched. The fact that less satisfied consumers are no more likely to have actually switched, may indicate barriers to switching but also may reflect that those who have switched have resolved their problems.

6.6 The propensity to switch is greater in large companies (250+ employees). Here, more a quarter has switched mobile (27%) and landline (27%) supplier, while one in six has switched internet/data supplier (16%).
Attitudes towards value

6.7 Qualitative research identifies many reasons that inhibit switching, including inertia on the part of the decision-maker, but it is also important to understand the impact that the market itself is having on decisions.

6.8 The survey shows that the majority perceive there is sufficient competition (72% for mobile, 65% for internet and 64% for landline), and in most cases they also feel they are able to negotiate effectively with suppliers (61% mobile, 52% landline, dropping to 47% for internet).

6.9 However, significantly more agree than disagree that it is difficult for existing customers to get good deals (58% for landline, 57% for internet, 49% for mobile) and that there is not much difference between suppliers (55% for mobile, 52% for internet, 51% for landline).

Figure 24: Agreement/disagreement with value statements

![Agreement/disagreement with value statements chart]

Source: Business Consumer Experience Research – Q18, Q26, Q37
Base: All using mobile phone (n=1020); All using landline phone (n=1400); All using internet (n=1172)

6.10 Large companies (250+ employees) are more likely to agree that they can negotiate effectively with their existing suppliers, to disagree that it is difficult to get good deals as an existing customer and to disagree that there is no difference between suppliers:

- Large companies more likely to agree that they can negotiate effectively with existing suppliers (72% in the mobile market, 71% in the landline market, 62% in the internet/data market).

- Large companies more likely to disagree that it is difficult to get good deals as an existing customer (52% in the mobile market, 40% in the landline market, 37% in the internet/data market).

- Large companies’ more likely to disagree that there is no difference between suppliers (44% in the mobile market, 47% in the landline market, 42% in the internet/data market).
6.11 More confident decision-makers, as well as those who are more satisfied with their supplier, also tend to be more positive about their supplier’s value.

6.12 Some differences are also apparent by geography with regard to perceived value. In particular, business consumers in Northern Ireland are less positive:

- They are significantly more likely to agree that there is not enough competition out there (35% in the mobile market, 46% versus in the landline market, 50% in the internet/data market).
- They are also more likely to disagree that they can negotiate effectively with their suppliers (42% in the mobile market, 36% in the landline market, 51% in the internet/data market).

6.13 Overall, the issues identified with value accord with the qualitative research which found that business consumers could be deterred from switching by the expectation that the price advantages would be small and not worth the perceived inconvenience and potential risk of changing suppliers.

**Attitudes towards choice**

6.14 Another potential reason for not switching is being put off by the challenge of deciding which supplier is genuinely a better alternative.

6.15 This survey finds that the majority of business consumers believe that there is a good choice of products and services available (between 75% and 87% agreement) and there is also higher agreement than disagreement that prices are clear and transparent (between 53% and 64% agree that this is the case).

6.16 Although there is clear transparency of price, more business customers agree than disagree that it is difficult to make comparisons between suppliers in the landline and internet market (56% agreement in the landline market and 52% agreement in the internet market). In the mobile market this is not seen to be as great a problem and views are more divided (41% agreeing and 48% disagreeing that comparisons are difficult). This may reflect the difficulties in comparing factors apart from price, such as quality of service and coverage.

6.17 Views are also polarised as to whether better alternatives are available (35% agree/34% disagree in the mobile market, 38% agree/33% disagree in the landline market, 37% agree/32% disagree in the internet market). The view that there are no better alternatives appears to have increased since 2009.
6.18 Differences by region are less consistent in relation to choice than they are in relation to value:

- Mobile users in Wales are less likely to feel that this market offers them good choices (77% versus 87% for the sample as a whole).

- Landline users in Scotland are less likely to feel they have good choices in this market (71% versus 77% for the sample as a whole) and are less inclined to agree that prices in the mobile market are clear and transparent (48% versus 64% respectively).

- Mobile users in Scotland and Northern Ireland are more likely to feel that comparisons are difficult in this market (51% and 52% respectively versus 41% for the sample as a whole).

6.19 As with ‘value’, large companies appear to face fewer challenges than small companies with market choice. Large companies (with 250+ employees) are less likely to have issues comparing suppliers in the landline and internet/data markets:

- Agree difficult to make comparisons between suppliers: 38% (vs. 59% overall) in the landline market, 31% (vs. 52% overall) in the internet/data market).

6.20 Confidence also has an impact on business consumers’ ability to navigate the offers available on the market: those who are very confident in their abilities are less likely to have difficulties comparing between suppliers than those who lack confidence:

- In the mobile market, 22% of very confident consumers agree they have difficulties compared to 55% of the non-confident.

- 47% vs. 70% in the landline market.

- 36% vs. 59% in the internet market.
6.21 Less well established companies are more likely than the average to perceive that better alternatives exist:

- Agree that there are better alternatives (44% in mobile market vs. 35% overall, 46% in the landline market vs. 38% overall, 47% in the internet/data market vs. 37% overall).

**Attitudes towards contract lengths**

6.22 At least two thirds of business consumers are satisfied with their length of contract and this is consistent across the technology areas (65% of mobile users, 71% of landline users and 69% of internet/data users). However, relatively few are ‘very’ satisfied (16%-18%), indicating some room for improvement, particularly as this is a key driver of satisfaction.

6.23 This represents a decline in satisfaction across all technology areas since 2010, albeit that these are indicative trends only.

**Figure 26: Satisfaction with contract lengths**

Source: *Business Consumer Experience Research – Q16f, 24f, 35f*

Base: All respondents (n=1523)

6.24 As might be expected, business consumers who have considered switching tend to be less satisfied than the average with contract lengths (57% vs. 65% in the mobile market, 56% vs. 71% in the landline market, 64% vs. 69% in the internet/data market).
Section 7

Availability and reliability of services

Summary

- The great majority of business consumers are satisfied with all elements of the availability and reliability of their communications services.

- Satisfaction levels are generally at least the seven in ten level, however they drop below this in two areas: accessing the internet speed that business consumers believe they have paid for (59%), as well as the reliability of mobile internet access via USB dongle (68%).

- In addition, dissatisfaction with availability and reliability services, albeit at minority levels, is significantly higher for mobile and internet than it is for landline, reflecting the higher level of spontaneous frustrations expressed about mobile and internet availability and reliability in an earlier section.
  - Dissatisfaction with the availability of mobile (15%) and internet (9%) services is much higher than for landline (1%).
  - Dissatisfaction with the signal/connection quality of mobile and internet (both 14%) is much higher than for landline (5%).

- Furthermore, some specific groups of business consumers express greater than average dissatisfaction with the availability and reliability of their mobile and internet services in particular:
  - Dissatisfaction with the availability of mobile services is almost double the national average in Wales (28%) and in rural areas (27%).
  - Dissatisfaction with the availability of internet services is much higher outside London (11%) than in London (0%).
  - Dissatisfaction with mobile signal/connection quality is much higher than the national average in rural areas (21%).
  - Dissatisfaction with internet signal/connection quality is much higher outside London (16%), peaking in Scotland (22%).

Introduction

7.1 This section considers experiences and views on the availability and reliability of different communications services. As seen in section 6, one of the major drivers of satisfaction (or dissatisfaction) of business consumers is service availability and reliability, or quality of signals/connections. Poor mobile phone coverage, poor landline/internet connections and internet speeds that fail to meet expectations are all key areas where services do not meet expectations. Service availability and reliability also contribute to overall satisfaction with suppliers, particularly in the internet market, but also featuring in the mobile and landline markets.
Satisfaction with geographic availability of services

7.2 The large majority of business consumers are satisfied with their breadth of coverage of their service and many of them are ‘very’ satisfied. However there are some clear differences between technology areas:

- Business consumers mainly satisfied with the geographic availability of their landline service (91% are at least fairly satisfied, 47% very satisfied).

- Levels of satisfaction are slightly weaker in the internet/data market (while 83% of internet/data users are at least fairly satisfied, only 29% are very satisfied).

- However, satisfaction with geographic availability is lowest in the mobile market (78% satisfied but 15% dissatisfied).

7.3 Satisfaction with geographic availability appears to have declined since 2009, perhaps due to rising expectations and needs (e.g. more need for geographic availability as the workforce becomes increasingly mobile) and perhaps also due to a real reduction in service as a result of increasingly congested networks.

Figure 27: Satisfaction with geographic availability of services

Source: Business Consumer Experience Research – Q16d, 24d, 35d
Base: All using mobile phone (n=1020); All using landline phone (n=1400); All using internet (n=1172)

7.4 Satisfaction with the availability of mobile and internet services varies across the UK:

- Dissatisfaction with the availability of mobile services is significantly higher than the national average in Wales (28%) and in rural areas (27%).

- There are also lower levels of satisfaction with availability of internet services outside London (11% of companies based elsewhere in the UK are dissatisfied).

- These location driven differences are not apparent in the landline market.
Satisfaction with quality of signal or connection

7.5 Satisfaction with signal or connection quality follows the same pattern as geographic availability of services. The majority are satisfied but there are some clear differences by technology area:

- Business consumers are mainly satisfied with the quality of their landline connection (92% are at least fairly satisfied, 47% very satisfied)

- However, business consumers display greater dissatisfaction with the quality of their mobile signals and internet connections (80% at least fairly satisfied with each, but fewer very satisfied (27% and 28% respectively) and more than one in ten actively dissatisfied (14% and 13% respectively).

- In all technology areas, satisfaction with signal/connection quality has declined since 2009, most notably for mobile and internet.

Figure 28: Satisfaction with quality of signal or connection

![Chart showing satisfaction with quality of signal or connection](chart.png)

Source: Business Consumer Experience Research – Q16b, 24b, 35b
Base: All using mobile phone (n=1020); All using landline phone (n=1400); All using internet (n=1172)

7.6 Satisfaction with signal/connection quality for mobile and internet services also varies across the UK:

- The quality of mobile connections is a bigger concern in rural areas, where 21% of business consumers express their dissatisfaction (compared to 13% of those based in urban areas).

- The quality of internet connections is a bigger concern outside London, where 16% of business consumers express their dissatisfaction (compared to 5% of those based in the city). In geographical terms, dissatisfaction reaches a peak in Scotland (22%).

- These location driven differences are not apparent in the landline market.
Satisfaction with reliability and speed of internet services

7.7 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. The research shows that although most business consumers are satisfied with the speed of their connection, almost one in four (23%) are dissatisfied.

7.8 A significant issue in relation to speed is not just that connections are felt to be ‘too slow’ but also that business consumers feel they have paid for something faster. Far fewer business consumers (59%) are satisfied that they have got what they paid for in this respect, and one in four (25%) are dissatisfied. The qualitative research found that businesses do not understand contention ratios, which is likely to be a factor in business consumers’ dissatisfaction with internet speeds.

7.9 Although satisfaction appears to be even lower with regard to the geographic availability of symmetrical services (52% are satisfied) this is in part due to a relatively large group of business consumers who don’t know enough about the technology to answer. As such, levels of dissatisfaction are also lower for this service.

7.10 Business consumers’ experience of mobile internet access is variable. The large majority of those using smartphones to access email and internet services are satisfied with the reliability of this connection method (87% are at least fairly satisfied and 30% are ‘very’ satisfied). However far fewer (68%) are satisfied with the reliability of internet access from their laptops via USB dongle.

Figure 29: Satisfaction with reliability and speed of internet services

Source: Business Consumer Experience Research – Q16g, Q35
Base: All using mobile phone to access internet (n=667); All using internet n=1172

7.11 Satisfaction with internet speed falls significantly outside London (while 78% of London based companies are at least fairly satisfied, this falls to 68% of companies based outside the city and falls even lower, to 57%, in Scotland specifically). Satisfaction/dissatisfaction with mobile internet reliability appears to be unrelated to geography.
Section 8

Customer service

Summary

- Customer service, and particularly responsiveness, is a key driver of satisfaction as highlighted in Section 5.

- The great majority of business consumers across all technology areas are satisfied with both their supplier’s responsiveness and fault repair time:
  - Satisfaction with responsiveness (80% among mobile users, 76% among landline users, 72% internet users).
  - Satisfaction with fault repair time among those with experience of faults (75% among mobile users, 80% among landline users, 73% among internet users).

- However, satisfaction appears to be lower in 2010 than 2009 for responsiveness, although there is some improvement in mobile repair time.

- This data also show that satisfaction with customer service in the internet market is lower than other markets. Faults also appear to be more prevalent in the internet market than elsewhere (83% of internet users, compared to 80% of landline users and 73% of mobile users).

- Large companies tend to be more satisfied than average with their mobile supplier’s responsiveness and repair time, however they are less satisfied than average with both aspects with respect to their landline supplier.

- The qualitative research indicates that supplier responsiveness is particularly important to non-specialists as communications is just one of several responsibilities. The qualitative research also found that customer service is judged by what happens when things go wrong – most complaints related to the difficulty getting someone to take responsibility and needing to spend time chasing suppliers.

Introduction

8.1 In previous sections, customer service is identified as being one of the key drivers of satisfaction. This section takes a detailed look at customer service from the perspective of both supplier responsiveness and fault repair time.
Satisfaction with responsiveness of supplier

8.2 In general, business consumers are satisfied with the responsiveness of their supplier (between 72% and 80% are at least fairly satisfied) although some variations are apparent between technology areas. Specifically, business consumers are more likely to be dissatisfied with the responsiveness of their internet suppliers (16%) than either their landline (10%) or mobile (8%) suppliers.

8.3 Satisfaction with responsiveness appears to have declined since 2009 across all services.

Figure 30: Satisfaction with responsiveness

Source: Business Consumer Experience Research – Q16e, 24e, 35e
Base: All using mobile phone (n=1020); All using landline phone (n=1400); All using internet (n=1172)

8.4 Decision-makers in large organisations (250+ employees) tend to be more satisfied with the responsiveness of their mobile and internet suppliers (91% are satisfied with their mobile supplier, 74% satisfied with their internet supplier). However, they tend to be less satisfied than their counterparts with the responsiveness of their landline supplier (17% dissatisfied).

8.5 Less well established companies with up to five years trading are more dissatisfied with the responsiveness of their internet supplier (24%), as are those with bundled services (20%), suggesting that these decision-makers have a particular set of needs that suppliers are not always fulfilling.

Satisfaction with fault repair time of supplier

8.6 Given business dependence on communications services, it is vital that any faults are dealt with quickly. Business consumers do not want to ‘waste time’ chasing up suppliers who fail to take responsibility when things go wrong and this becomes a critical moment of judgment on the provider.

8.7 It should be noted that many business consumers are unable to specify how satisfied they are with fault repair time, presumably because they have no experience of this. The prevalence of faults appears to be higher in the internet market than either of the other markets (83% have sufficient experience to answer compared to 80% of landline users and 73% of mobile users).
8.8 Excluding those who have no experience of faults, the research shows high levels of satisfaction with fault repair time (between 73% and 80% are at least fairly satisfied). Compared to 2009, satisfaction with fault repair time among mobile suppliers has increased.

8.9 It should be noted that the research did not identify the type of fault, therefore satisfaction with mobile suppliers could relate either to handset faults or faults relating to the network. Considering the frustrations that business consumers have with mobile services, satisfaction is most likely to relate to the availability of replacement handsets and the speed with which they are provided.

Figure 31: Satisfaction with fault repair time

Source: Business Consumer Experience Research – Q16c, 24c, 35c
Base: All using mobile phone (n=1020); All using landline phone (n=1400); All using internet (n=1172)

8.10 Decision-makers in large companies (250+ employees) tend to be more satisfied with the fault repair time of their mobile suppliers (77%). However they tend to be less satisfied than their counterparts with the fault repair time of their landline supplier (14% dissatisfied).

8.11 Businesses that operate across multiple sites tend to be less satisfied with the fault repair time for their landline service (17% of those with 2 or more sites are dissatisfied) and internet service (18% of those with 2-3 sites are dissatisfied).
Annex 1

Questionnaire

BRIEFING 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 landline, mobile and internet services - both email and www) 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. 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 used to ‘fill in gaps’ in much the same way as we would do with individuals within any one company.

In public sector organisations, the primary level of interest would be Local Authorities, PCTs and central Government, rather than individual schools and hospitals for example. In some cases, a third party will have procurement responsibilities across multiple sites but we don’t want to speak to them. In this case we want to speak to managers inside the organisation who can talk about the service experience from a user point of view.
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? 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 have asked us to conduct a research project to better understand how businesses are using communications services in other words landlines, mobile phones and the internet - including email, the web and related services. The research will help Ofcom 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.

YES, CONTINUE WITH SCREENER. IF REFUSED, 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 businesses face when making decisions about communications services and the sort of advice, information or support might make this easier.

- The interview will take around 25 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 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 industry.

S1. First of all, which of the following best describes the sector in which you operate?

SINGLE CODE

Private sector ....................................................... 1
Public sector, including central, regional and local government 2
Third sector, including charities, NGOs, quangos, not for profits etc. 3

S2a. Which of the following best describes how much control your organisation has when it comes to making purchasing decisions in relation to communications services? This would include decisions about your landline, mobile phone and internet services (including both email and web access), as well as relevant support services.

READ OUT. SINGLE CODE

We hold our own budget and can decide how to use it .............. 1  CONTINUE
We have an input but not a complete say.......................... 2  CONTINUE
We only implement decisions that are made elsewhere (parent company, PCT or Head Office) ......................................................... 3
IF PUBLIC SECTOR (code 2 at S1) CONTINUE
IF PRIVATE/VOLUNTARY SECTOR ASK TO BE REFERRED AND GO BACK TO INTRODUCTION

S2b. 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 ........................................ 1  SKIP TO S3
I am jointly responsible with somebody else .......... 2  SKIP TO S3
Someone else has primary responsibility ........... 3
IF PUBLIC SECTOR (code 2 at S1) CONTINUE
IF PRIVATE/VOLUNTARY SECTOR ASK TO BE REFERRED AND GO BACK TO INTRODUCTION

S2c. In that case can I just double check - do you have managerial responsibilities, and can you comment in detail on your organisation’s experiences using communications suppliers and services? SINGLE CODE

Yes .................................................................................................. CONTINUE
No .......................................................... 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 or other ITC specialist
   Other senior manager
   PA / Office manager
   Other (WRITE IN)

S4a. SECTOR TO BE AUTOMATICALLY PUNCHED FROM SIC CODE IN SAMPLE
   Primary industry (01-14) ........................................ 1
   Manufacturing (15-37) ........................................... 2
   Utilities (40-41) .................................................. 3
   Construction (45) ................................................ 4
   Wholesale/Retail/ Transport/Communications ............... SEE QUOTA
   (50-52 and 60-64)
   Financial Services (65-67) ...................................... 6
   Other services 55, 70-74, 92, 93 ............................... 7
   Public admin and services (75-90) ............................. 8
   Other (91, 95, 99) ................................................ 9

S4B. Is your organisation a network or service provider, reseller of telecoms or IT?
   Yes>CLOSE
   No>Continue

IF PUBLIC SECTOR (code 2 at S1) ASK S4c. OTHERS SKIP TO S5a.
S4c. 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 organisation currently employ in the UK either full or part time? WRITE IN. ALLOW DON’T KNOW

ASK S5B IF DON’T KNOW AT S5A. OTHERS SKIP TO S6

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

1, work on your own/no employees .......................... 1
2, you plus one partner or employee ......................... 2
3-4......................................................................... 3
5-9 ..................................................................... 4
10-19 ..................................................................... 5
20-49 ..................................................................... 6
50-99 ..................................................................... 7
100-249 ................................................................... 8
250-299 ................................................................... 9
300-499 .................................................................. 10
500 - 999 .............................................................. 11
1000+ ..................................................................... 12
Don’t know ................................................................ 13

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

S6a. Do you own or rent commercial premises or are you set up in some other way?
SINGLE CODE

Commercial premises ....................................................... 1
Other set up ................................................................... 2

ASK S6b IF SET UP SOME OTHER WAY (code 2 at S6a). OTHERS SKIP TO S7.

S6b. Which of the following best describes your set up? SINGLE CODE

Home office ................................................................. 1
Office or desk space in a managed/serviced office .......... 2
Don’t have an office ..................................................... 3
Other (please specify) .................................................... 4
S7a. How many sites or offices does your organisation operate from in the UK, including this one? Please think about your organisation as a whole but do not include home offices, satellite offices/rented hot desks. SINGLE CODE

1....................................................................... 1
2....................................................................... 2
3....................................................................... 3
4....................................................................... 4
5-9 .................................................................... 5
10-49 ................................................................. 6
50 or more ........................................................... 7
Don’t know .......................................................... 8
Refused .............................................................. 9

S7b. Does your organisation operate from any sites outside the UK? SINGLE CODE

Yes.................................................................. 1
No .................................................................. 2
DK/NA.............................................................. 3

S8. Can I just confirm that the postcode at this location is ______? READ OUT POSTCODE FROM SAMPLE. SINGLE CODE

Yes.................................................................. 1
No .................................................................. 2

RECORD POSTCODE FOR LOCATION/SITE WHERE RESPONDENT IS BASED

S9. REGION TO BE AUTOMATICALLY PUNCHED:

North East ......................................................... 1
North West ........................................................ 2
Yorkshire and the Humber................................. 3
East Midlands ..................................................... 4
West Midlands .................................................... 5
East of England ................................................ 6
South East ........................................................ 7
South West ........................................................ 8
London .................................................................. 9
Wales .................................................................... 10
Scotland ........................................................... 11
Northern Ireland ............................................... 12

SEE QUOTA
510. **URBANITY TO BE BACKCODED BASED ON CLIENT DATA:**

City ................................................................. 1
Large town ........................................................ 2
Small town ....................................................... 3
Village ............................................................. 4
OVERALL

Q1a. Which of the following communications services <<Sole Trader: do you/2+EMPLOYEES: does your organisation>> use for business purposes? READ OUT. CODE ALL MENTIONED.

- Mobile phones ....................................................... 1
- Landline phones .................................................... 2
- Internet ..................................................................... 3
- Data services, by which I mean services related to connecting sites or transferring files and data between individuals in your company 4
- None ..................................................................... 5

CLOSE

Q1b. And which of these are you personally responsible for?
ONLY LIST ANSWERS FROM Q1a. DO NOT READ OUT. CODE ALL MENTIONED.

- All of them .......................................................... 1
- Mobile phones ....................................................... 2
- Landline phones .................................................... 3
- Internet ..................................................................... 4
- Data services ........................................................ 5

IF DON'T CODE ALL, ASK FOR CONTACT DETAILS FOR OTHER STAFF DEALING WITH THESE AREAS AT END OF INTERVIEW

SAY: These are the services we would like you to think about for the rest of the interview. Even if you have personal contracts for these services, we would like you to think about your experience of using them for business purposes only.

Q2a. What percentage of your time do you spend dealing with these communications services in an average week? WRITE IN AS %. USE LEADING ZEROS

IF UNSURE SAY: Which of the following bands comes closest? SINGLE CODE

- Less than 10% ....................................................... 1
- 10-24% ............................................................. 2
- 25-49% ............................................................. 3
- 50% ................................................................. 4
- 51-74% ............................................................. 5
- 75-99% ............................................................. 6
- 100% .................................................................. 7
- Don’t know ......................................................... 8
Q3. Next I’m going to read you a number of statements that people have made about their personal attitude towards communications technology and services. For each one please can you tell me how much you agree or disagree with it, using the following scale...READ OUT SCALE.

Strongly agree.......................................................... 1
Agree ........................................................................ 2
Neither agree nor disagree ....................................... 3
Disagree .................................................................... 4
Strongly Disagree ..................................................... 5
Don’t know (Don’t read out) ................................. 6

To what extent do you agree or disagree that...
READ OUT. RANDOMISE ORDER. SINGLE CODE FOR EACH

a) I don’t have confidence in my ability to identify which new communications products or services would be valuable for the organisation
b) I have a personal interest in new technology and find it exciting
c) I feel very well informed about how communications services can help the organisation survive and grow
e) I don’t like to take risks as far as investing in new technology is concerned in case things go wrong

Q4. Do you buy your communications services direct from service providers, from resellers such as Carphone Warehouse, or from a third party consultancy - by consultancy I mean a company that manages your telecoms for you? CODE ALL MENTIONED.

Service providers ................................................... 1
Resellers (such as Carphone Warehouse) ....................... 2
Third party consultancy .......................................... 3
Don’t know ................................................................ 4

ASK Q5a/b IF MORE THAN ONE SERVICE USED AT Q1. OTHERS SKIP TO Q6a

Q5a. Did you buy any of these services as part of a bundled package, where you were quoted a single price for several products and services together? SINGLE CODE

Yes ........................................................................ 1
No .................................................................... 2
Don’t know .......................................................... 3

ASK Q5b IF BUNDLED PACKAGE (code 1 at Q5a)

Q5b. Which of the following products or services does your bundled package include? READ OUT. CODE ALL MENTIONED

Landline .............................................................. 1
Mobile ................................................................ 2
Broadband internet .............................................. 3
VoIP (i.e. internet calling via Skype) ....................... 4
Other (please specify) ......................................... 5
Don’t know (Don’t read out) ............................... 6
SUPPLIERS

Next I’d like to ask you a few questions about the suppliers you use for your communications services.

ASK Q6 IF USE MOBILE (code 1 at Q1). OTHERS SKIP TO Q7a

Q6. Which mobile network or service provider is your main supplier?
IF MENTION HANDSET MANUFACTURER (E.G NOKIA, SONY-ERICSSON, SAMSUNG, MOTOROLA, LG etc) SAY: “We are interested in the operator of your mobile network, not the handset manufacturer, in other words the company that sends your bills.”
SINGLE CODE

Orange
TMobile
Vodafone
O2
“3” mobile
Carphone Warehouse (Talk Mobile)
Singlepoint
Tesco
Virgin Mobile
BT Mobile
Other (WRITE IN)
Don’t know/can’t remember

ASK Q7 SERIES IF USE LANDLINE (code 2 at Q1). OTHERS SKIP TO Q8a

Q7a. Thinking about your landline, does the same company provide both your line rental and call charges?
SINGLE CODE

Yes .................................................... 1    SKIP TO Q7b
No ..................................................... 2    SKIP TO Q7c and d
Don’t know .......................................... 3    SKIP TO Q7e
ASK Q7b IF SOLE PROVIDER (code 1 at Q7a).

Q7b. Who is the main supplier for your landline services - in other words the company that sends your bills?

SINGLE CODE

ASK Q7c and Q7d IF SPLIT PROVIDER (code 2 at Q7a)

Q7c. What is name of the company that you pay for your line rental?

SINGLE CODE

Q7d. And what is name of the company that you pay for your call charges?

SINGLE CODE. DO NOT ALLOW SUPPLIER MENTIONED AT Q7c

Alternative Networks
BT
Cable and Wireless
Colt
Daisy
Global Crossing
KCom (Kingston Communications)
Opal Communications / Pipex
Sky
Southern
South West
Spitfire
Talk Talk / Carphone Warehouse
Thus
Verizon
Virgin Media (NTL: Telewest)
XLN telecom
Other (WRITE IN)
Don’t know / can’t remember

ASK Q7e IF DON’T KNOW IF SOLE/SPLIT PROVIDER (code 3 at Q7a)

Q7e. Do you use BT for your line rental only, your line rental and your call charges, or neither? SINGLE CODE

Line rental only ..................................................... 1
Line rental and call charges ................................. 2
Neither ............................................................... 3
Don’t know .......................................................... 4
ASK Q8a IF USE INTERNET (code 3 at Q1). OTHERS SKIP TO Q8c

Q8a. Who is the **main** supplier of your **internet**, in other words the company that sends your bills? SINGLE CODE.

ASK Q8c IF USE DATA SERVICES (code 4 at Q1). OTHERS SKIP TO Q9

Q8c. You mentioned earlier that you use data services. Who is the main supplier of your data services? SINGLE CODE

Alternative Networks
BT
Cable and Wireless
Colt
Daisy
Global Crossing
KCom (Kingston Communications)
Opal Communications / Pipex
Orange
O2 / O2
Plusnet
Sky
Southern
South West
Spitfire
Talk Talk / Tiscali / AOL
“3”
Verizon
Virgin Media (NTL: Telewest)
XLN telecom
Other (WRITE IN)
Don’t know / can’t remember
SERVICES

Next I’d like to ask you a few questions about your actual communications services themselves.

ASK Q9-Q18 IF USE MOBILE (code 1 at Q1). OTHERS SKIP TO Q19

A: I am now going to ask you some questions specifically about your mobile service.

Q9. Which, if any, of the following mobile devices <<SOLE TRADER: do you/2+EMPLOYEES: does your organisation>> rent or own for business purposes? READ OUT. CODE ALL MENTIONED

- Blackberrys .......................................................... 1
- I-phones .............................................................. 2
- Other smartphones, including HTC .............................. 3
- Other mobile phones ............................................... 4
- Pagers ................................................................ 5
- Don’t know (Don’t read out) ..................................... 6

Q10. In which of the following ways do you use your mobile devices for business purposes? READ OUT. CODE ALL MENTIONED

- To make calls ....................................................... 1
- To send SMS/text messages .................................... 2
- To access emails .................................................... 3
- To access the internet ............................................. 4
- None of the above .................................................. 5
- Don’t know (Don’t read out) ..................................... 6

Q11. Do you pay for your business mobile phone services via contract, pay-as-you-go or both? SINGLE CODE

- Contract........................................................................ 1
- Pay-as-you-go ............................................................ 2
- Both .......................................................................... 3
- Don’t know ............................................................... 4

Q12. Which of the following best describes the way your business mobile phone services are set up? Do you have...READ OUT. CODE ALL MENTIONED

- Personal contracts where you pay for all personal and business calls.............................................. 1
- Personal contracts where you only pay for business calls ... 2
- Business contracts where you pay for personal and business calls.............................................. 3
- Business contracts where you only pay for business calls ... 4
- Don’t know (Don’t read out) ..................................... 5
Q13. Thinking about <<SOLE TRADER: your/2+EMPLOYEES: your organisation’s>> ability to send or receive calls, texts, images, emails or access the internet from these mobile devices, how important are mobile phone services to your organisation? Please use a scale of 1 to 10 where:

- 1 is not at all important, it would be inconvenient but you could live without them
- 10 is absolutely vital - your business could not carry on without them.

SINGLE CODE 1-10, ALLOW DON’T KNOW

Q14. What, if any, issues or problems <<SOLE TRADER: do you/2+EMPLOYEES: does your organisation>> encounter with your mobile phone service, where does it fail to meet your expectations? OPEN ENDED

Q15. To what extent do you agree or disagree that there are better alternative mobile phone services available to your organisation? READ OUT. SINGLE CODE

- Strongly agree ....................................................... 1
- Agree ........................................................................ 2
- Neither agree nor disagree ........................................ 3
- Disagree ..................................................................... 4
- Strongly Disagree .................................................... 5
- Don’t know (Don’t read out) ................................. 6

Q16. I am now going to read out some different areas of the service experience. For each one, please can you tell me how satisfied or dissatisfied you are with this area of your organisation’s mobile phone service, using the following scale. READ OUT SCALE.

- Very satisfied ........................................................ 1
- Fairly satisfied ...................................................... 2
- Neither satisfied nor dissatisfied .............................. 3
- Fairly dissatisfied ................................................... 4
- Very dissatisfied .................................................... 5
- Don’t know (Don’t read out) ................................. 6
- Not applicable (Don’t read out) ............................ 7

a) How satisfied or dissatisfied are you with your overall experience of your current mobile phone supplier

b) How satisfied or dissatisfied are you with...READ OUT. RANDOMISE ORDER.

SINGLE CODE FOR EACH

- The reliability of the service in terms of the quality of the signal or connection
- The repair time for faults with the connection
- The geographic availability of the service (i.e. the breadth of coverage)
- The responsiveness of the provider
- The choice in the length of contract periods available
ASK IF CODE 3 OR 4 AT Q10: The reliability of the service in terms of being able to send and receive emails or access the internet

Q17. Have you switched or considered switching <<SOLE TRADER: your/2+EMPLOYEES: your organisation’s>> your mobile phone service provider in the last year?
SINGLE CODE
Switched ............................................................. 1
Considered ........................................................... 2
No ................................................................. 3
Don’t know/can’t remember ..................................... 4

Q18. Next I’m going to read you a series of statements that businesses have made about switching mobile phone service providers. For each one please can you tell me how much you agree or disagree with it, using the following scale...READ OUT SCALE.

Strongly agree....................................................... 1
Agree ................................................................... 2
Neither agree nor disagree ................................. 3
Disagree ............................................................ 4
Strongly Disagree ................................................... 5
Don’t know (Don’t read out) ................................. 6

To what extent do you agree or disagree that...
READ OUT. RANDOMISE ORDER. SINGLE CODE FOR EACH
a) There is not enough competition out there
b) There is a good choice of products and/or services available to my organisation
c) It is difficult to make comparisons between suppliers
d) The prices of services are clear and transparent
e) I am able to negotiate effectively with my supplier on tariffs and services
f) It is difficult to get good deals from suppliers if you are an existing customer
g) There is not much difference between the suppliers on the market
**B: I am now going to ask you some questions specifically about your landline service.**

ASK Q19-Q26 IF USE LANDLINE (code 2 at Q1). OTHERS SKIP TO Q27.

Q19. How many telephone lines <<SOLE TRADER: do you/2+EMPLOYEES: does your organisation>> 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 or an internet connection.

SINGLE CODE

1
2
3-4
5-9
10-19
20-49
50-99
100-249
250-299
300-499
500+
Don’t know

ASK IF NON-COMMERCIAL OFFICE SPACE (code 2 at S6a). OTHERS SKIP TO Q21.

Q20. <<SOLE TRADER: Do you/2+EMPLOYEES: Does your organisation>> have a personal contract or a business contract for your main landline services?

- Personal contract ................................................... 1
- Business contract ................................................... 2
- (Don’t know / Refused)..................................................3

Q21. How important are landline services to your organisation? Please use a scale of 1 to 10 where:

- 1 is not at all important, it would be inconvenient but you could live without them
- 10 is absolutely vital - your business could not carry on without them.

SINGLE CODE 1-10, ALLOW DON’T KNOW

Q22. What, if any, issues or problems <<SOLE TRADER: do you/2+EMPLOYEES: does your organisation>> encounter with your landline service, where does it fail to meet your expectations?

OPEN ENDED
Q23. To what extent do you agree or disagree that there are better line rental alternatives available to your organisation? READ OUT. SINGLE CODE

Strongly agree ....................................................... 1
Agree ........................................................................ 2
Neither agree nor disagree ...................................... 3
Disagree ..................................................................... 4
Strongly Disagree ................................................... 5
Don’t know (Don’t read out) ..................................... 6

Q24. I am now going to read out some different areas of the service experience. For each one, please can you tell me how satisfied or dissatisfied you are with this area of your organisation’s landline service. READ OUT SCALE.

Very satisfied ........................................................ 1
Fairly satisfied ...................................................... 2
Neither satisfied nor dissatisfied ............................ 3
Fairly dissatisfied ................................................... 4
Very dissatisfied ..................................................... 5
Don’t know (Don’t read out) ..................................... 6
Not applicable (Don’t read out) .............................. 7

a) How satisfied or dissatisfied are you with your overall experience of your current landline supplier

b) How satisfied or dissatisfied are you with...READ OUT. RANDOMISE ORDER.

SINGLE CODE FOR EACH

The reliability of the service in terms of the quality of the signal or connection
The repair time for faults with the connection
The geographic availability of the service (i.e. the breadth of coverage)
The responsiveness of the provider
The choice in the length of contract periods available

Q25. Have you switched or considered switching <<SOLE TRADER: your/2+EMPLOYEES: your organisation’s>> landline service provider in the last year?

SINGLE CODE

Switched ............................................................. 1
Considered ........................................................... 2
No ........................................................................ 3
Don’t know/can’t remember ..................................... 4
Q26. Next I’m going to read you a series of statements that businesses have made about switching landline service providers. For each one please can you tell me how much you agree or disagree with it, using the following scale...READ OUT SCALE.

Strongly agree............................................................ 1
Agree ........................................................................... 2
Neither agree nor disagree ........................................ 3
Disagree....................................................................... 4
Strongly Disagree ...................................................... 5
Don’t know (Don’t read out) ................................. 6

To what extent do you agree or disagree that...
READ OUT. RANDOMISE ORDER. SINGLE CODE FOR EACH
a) There is not enough competition out there
b) There is a good choice of products and/or services available to my organisation
c) It is difficult to make comparisons between suppliers
d) The prices of services are clear and transparent
e) I am able to negotiate effectively with my supplier on tariffs and services
f) It is difficult to get good deals from suppliers if you are an existing customer
g) There is not much difference between the suppliers on the market
C: I am now going to ask you some questions specifically about your internet service and any related services.

ASK Q27-Q37 IF USE INTERNET (code 3 at Q1). OTHERS SKIP TO Q38a

Q27. Which, if any, of the following internet applications <<SOLE TRADER: do you/2+EMPLOYEES: does your organisation>> use for business purposes? READ OUT. CODE ALL MENTIONED

- Web access .......................................................... 1
- Company website ................................................... 2
- Email .......................................................................... 3
- Online banking ......................................................... 4
- Online marketing (i.e. marketing via email, Facebook or Twitter) ......................................................... 5
- VoIP (i.e. making calls over the internet using Skype) ...... 6
- Paying for goods and services via BACS ......................... 7
- Ordering goods and services online .................................. 8
- File Transfer Protocol or FTP ........................................ 9
- Online video conferencing ......................................... 10
- Remote log-in to your work PC or laptop ....................... 11
- IF 50+ EMPLOYEES (code 7+ at S5/b): Company intranet .. 13
  (i.e. an internal private network that is contained within the organisation)
- IF 50+ EMPLOYEES (code 7+ at S5/b): Company extranet .. 14
  (i.e. a private network to securely share part of a business's information or operations with external parties e.g. clients/suppliers)
- Other (WRITE IN) .................................................. 15
- Don’t know ......................................................... 16

ASK IF NON-COMMERCIAL OFFICE SPACE (code 2 at S6a). OTHERS SKIP TO Q29.

Q28. <<SOLE TRADER: Do you/2+EMPLOYEES: Does your organisation>> have a personal contract or a business contract for your internet services?

- Personal contract .................................................. 1
- Business contract .................................................... 2
- (Don’t know / Refused) ........................................... 3

Q29. Which if any of the following services <<SOLE TRADER: do you/2+EMPLOYEES: does your organisation>> outsource to an external company or individual? READ OUT. CODE ALL MENTIONED

- Setting up or hosting your website (if code 2 at Q27) ......... 1
- Setting up or hosting your email (if code 3 at Q27) ............ 2
- Setting up or managing your VoIP service (if code 6 at Q27) 3
- Setting up or managing your FTP site (if code 9 at Q27) ....... 4
- Setting up or managing your network (if code 13 or 14 at Q27) 5
- Storing your data (if code 10 at Q27) ............................. 6
- Routine maintenance/support ...................................... 7
- Information or advice .............................................. 8
- None of the above ................................................ 9
- Don’t know (Don’t read out) ..................................... 10
ASK Q30a IF MULTIPLE SITES (code 2+ at S7a). OTHERS SKIP TO Q30b

Q30a. Are your organisation’s UK sites networked, in other words do you have a dedicated telecommunications service which links your sites?

- Yes .................................................................... 1
- No ..................................................................... 2
- Don’t know .......................................................... 3

Q30b. Is your organisation networked into your client sites, in other words do you have a dedicated telecommunications service which links your site(s) to your client sites?

- Yes .................................................................... 1
- No ..................................................................... 2
- Don’t know .......................................................... 3

Q31a. By which of the following means <<SOLE TRADER: do you/2+EMPLOYEES: does your organisation>> currently connect to the internet,<<Code 3 at Q27>/or get access to email <<code1 at 30a or 30b /or connect to other sites>>?

READ OUT. CODE ALL MENTIONED

ASK Q31b IF MORE THAN ONE MENTION AT Q31a. OTHERS SKIP TO Q32

Q31b: Which one of these is <<SOLE TRADER>> your/ 2 EMPLOYEES: your organisation’s>> most critical method of connection? SINGLE CODE

- Dial up/ISDN.................................................. 1
- Broadband (including ADSL/Cable/Satellite) .. 2
- Leased line (including ATM/Ethernet) .......... 3
- Mobile internet access via USB dongle ........... 4
- Mobile internet access via smartphone (such as iPhones, Blackberry’s or HTC) 5
- VPN .............................................................. 6
- Other (please specify) ................................. 7
- Don’t know ................................................. 8

ADD INSTRUCTION FOR INTERVIEWERS: PLEASE NOTE THE FOLLOWING DEFINITIONS AND USE AS NECESSARY:

- Ethernet (used 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 - used to securely access the company network from external locations)
Q32a. Thinking about email, web access and any related services, how important are internet services to your organisation? Please use a scale of 1 to 10 where:

- 1 is not at all important, it would be inconvenient but you could live without them
- 10 is absolutely vital - your business could not carry on without them.

SINGLE CODE 1-10, ALLOW DON’T KNOW

ASK Q32b IF MULTIPLE SITES (code 2+ at S7a) OR 50+ EMPLOYEES (code 7-11 at S5a/b)

Q32b. How important are access services (i.e. core and between site data services) to your organisation? Please use a scale of 1 to 10 where:

- 1 is not at all important, it would be inconvenient but you could live without them
- 10 is absolutely vital - your business could not carry on without it.

SINGLE CODE 1-10, ALLOW DON’T KNOW

Q33. What, if any, issues or problems <<SOLE TRADER: do you/2+EMPLOYEES: does your organisation>> encounter with your internet service, where does it fail to meet your expectations?

IF MULTIPLE SITES (code 2+ at S7a) OR 50+ EMPLOYEES (code 7-11 at S5a/b)

SAY: Please include any issues you have with your access services

OPEN ENDED

Q34. To what extent would you agree or disagree that there are better alternative internet services available to your organisation? READ OUT. SINGLE CODE

| Strongly agree | 1 |
| Agree          | 2 |
| Neither agree nor disagree | 3 |
| Disagree       | 4 |
| Strongly Disagree | 5 |
| Don’t know (Don’t read out) | 6 |
Q35. I am now going to read out some different areas of the service experience. For each one, please can you tell me how satisfied or dissatisfied you are with this area of your organisation’s internet service. READ OUT SCALE.

Very satisfied ........................................................ 1
Fairly satisfied ........................................................ 2
Neither satisfied nor dissatisfied ............................ 3
Fairly dissatisfied .................................................. 4
Very dissatisfied .................................................... 5
Don’t know (Don’t read out) ..................................... 6
Not applicable (Don’t read out) ............................... 7

a) How satisfied or dissatisfied are you with your overall experience of your current internet service supplier

b) How satisfied or dissatisfied are you with...READ OUT. RANDOMISE ORDER.
SINGLE CODE FOR EACH

The reliability of the service in terms of the quality of the signal or connection
The repair time for faults with the connection
The ability to access the speed that has been paid for
The geographic availability of the service (i.e. The ability to obtain the service where your company is based)
The responsiveness of the provider
The choice in the length of contract periods available
The speed of the connection
The geographic availability of symmetrical services where the upload and download speeds is the same
The reliability of the service in terms of access via USB dongle (ONLY IF CODE 4 AT Q31A)

Q36. Have you switched or considered switching <<SOLE TRADER: your/2+EMPLOYEES: your organisation’s>> internet service provider in the last year?
SINGLE CODE
Switched ............................................................. 1
Considered ........................................................... 2
No ................................................................. 3
Don’t know/can’t remember ................................. 4
Q37. Next I’m going to read you a series of statements that businesses have made about switching internet service providers. For each one please can you tell me how much you agree or disagree with it, using the following scale...READ OUT SCALE.

Strongly agree............................................................. 1
Agree ............................................................................ 2
Neither agree nor disagree ........................................... 3
Disagree ........................................................................ 4
Strongly Disagree ....................................................... 5
Don’t know (Don’t read out) ....................................... 6

To what extent do you agree or disagree that...
READ OUT. RANDOMISE ORDER. SINGLE CODE FOR EACH
a) There is not enough competition out there
b) There is a good choice of products and/or services available to my organisation
c) It is difficult to make comparisons between suppliers
d) The prices of services are clear and transparent
e) I am able to negotiate effectively with my supplier on tariffs and services
f) It is difficult to get good deals from suppliers if you are an existing customer
g) There is not much difference between the suppliers on the market

OVERALL

Q38a. What changes would you ideally like to make to your existing communications services? In other words, what would you ideally like to be able to do in future using communications technology?
OPEN ENDED

Q38b. Are there any other things you might be interested in using your communications services for, even if you don’t have budget for it right now? For example, selling via a website, Cloud computing services, mobile email, Google data services, business social networking or any other mobile or internet based applications?
OPEN ENDED
Finally I have a couple of quick questions about your organisation for classification purposes.

P1. Which of the following ranges comes closest to your organisation’s total annual spend on landline, mobile and internet services (including email, web access and any related data services). 
Please exclude anything you spend on hardware or external support?
IF 2+ SITES AT S7a: Please think about your total spend across all sites within the UK. READ OUT. SINGLE CODE

Less than £500 ...................................................... 1
£500-£999 ............................................................ 2
£1,000-£1,999 ....................................................... 3
£2,000-£4,999 ....................................................... 4
£5,000-£9,999 ....................................................... 5
£10,000 or more .................................................... 6
Don’t know/refused ............................................. 7

P2. Do you expect the amount your organisation spends or invests in communications technology and services to increase, decrease or stay the same over the next twelve months? SINGLE CODE

Increase .............................................................. 1
Decrease ............................................................. 2
No change ........................................................... 3
Don’t know .......................................................... 4

P3a. FOR PRIVATE SECTOR ASK (code 1 at S1): Approximately what was your annual turnover for the last financial year (2009/10)? WRITE IN £’s

FOR PUBLIC AND THIRD SECTOR (code 2 or 3 at S1) ASK: Approximately what was the budget you had available for the last financial year (2009/2010)?

P3b. IF DON’T KNOW ASK: Which of the following ranges do you think comes closest? READ OUT. SINGLE CODE

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

P4. IF SOLE TRADER ASK: Which of the following do you do on a regular basis, by which I mean once a month or more often?
IF 2+ EMPLOYEES ASK: Which of the following do your organisation’s employees do on a regular basis, by which I mean once a month or more often?

RANDOMISE ORDER. CODE ALL MENTIONED
1. Work from home on a regular basis
2. Work out of the office in other specific locations/offices/buildings
3. Work while travelling domestically (i.e. within the UK)
4. Work while travelling internationally
5. Work in sparsely populated areas in the countryside
6. None

P5. Are your customers or clients...READ OUT. SINGLE CODE
   Mainly based in your local area.................................1
   Mainly based in your region ....................................2
   Spread across the UK and/or other countries ..............3
   Don’t know (Don’t read out) ....................................4

ASK IF MULTIPLE SITES (S7A = Codes 2 – 7). OTHERS SKIP TO P7
P6. Are your sites...READ OUT. SINGLE CODE
   Mainly based in towns and cities ...............................1
   Mainly based in industrial sites or business parks outside towns and cities ........................................2
   Mainly based in rural areas .................................3
   Spread across a mix of urban, suburban and rural areas ..4
   Don’t know (Don’t read out) ....................................5

P7. 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
   1-2 years..........................................................2
   3-4 years..........................................................3
   5-9 years..........................................................4
   10-19 years.........................................................5
   20-29 years.........................................................6
   30 years or more .................................................7
   Don’t know........................................................8

THANK AND CLOSE
Methodology

Summary of research approach

This methodology for this research was a telephone survey of 1,523 business consumers across the UK, representing all sizes, sectors and geographies. Businesses surveyed were actively trading in the private, public or third (voluntary) sectors. The respondent was the decision-maker for communications services.

The communications services focused on in the survey comprise landline 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 as well as smart phones such as Blackberry devices, and iPhones. However, communications in this research does not include TV or radio services.

The 2010 survey followed a previous survey conducted with business consumers in 2009. However, a significant difference between the two surveys is that the 2009 sample only included businesses with more than five employees whereas the 2010 survey includes businesses of all sizes. The questionnaire content has also changed significantly reflective of current areas of interest.

Given the focus of the 2009 research on businesses with more than five employees, a small scale piece of qualitative research was conducted in 2010 to provide insight into the views and opinions of smaller businesses, in particular SOHOs and partnerships. This element of the research programme comprised a series of 4 focus groups and 17 depths with business owners from a range of different industries, conducted by researchers from Jigsaw Research. The findings were primarily used to help shape the quantitative questionnaire.

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), 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 trusted suppliers for quantitative fieldwork and analytic services, Lake Research.

Quantitative sample structure

The sample for the 2010 research was 1500 business consumers across the private, public and third sectors, however 1523 interviews were actually undertaken in order to deliver on the necessary sub-quotas (see data collection section below for more information). Sample was sourced by Sample Answers.

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 nation.
A sample of 1523 UK business consumers provides an error margin of up to 3.4 at the 99% confidence level. Thus a percentage of 50 would be accurate in the range of 46.6 – 53.4%, a percentage of 25 would be accurate within the range of 22.1-27.9%, and so forth.

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 and by England-based businesses, severely restricting the ability to analyse by company size or nation. Interlocking quotas were set by company size (based on number of employees) and industry (based on eight UK SIC code categories) and additional national/regional quotas were set as shown in the tables below.

<table>
<thead>
<tr>
<th>COMPANY SIZE AND SECTOR QUOTAS</th>
<th>1</th>
<th>2-4</th>
<th>5-9</th>
<th>10 - 19</th>
<th>20 - 49</th>
<th>50 - 249</th>
<th>250-499</th>
<th>500-999</th>
<th>1000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary (Sections A+B+C)</td>
<td>16</td>
<td>16</td>
<td>3</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Manufacturing (Section D)</td>
<td>27</td>
<td>37</td>
<td>25</td>
<td>16</td>
<td>15</td>
<td>22</td>
<td>17</td>
<td>12</td>
<td></td>
</tr>
<tr>
<td>Utilities (Section E)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Construction (Section F)</td>
<td>55</td>
<td>38</td>
<td>17</td>
<td>10</td>
<td>9</td>
<td>9</td>
<td>5</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Wholesale/retail/transport/comms (Sections G+I)</td>
<td>52</td>
<td>99</td>
<td>52</td>
<td>25</td>
<td>21</td>
<td>26</td>
<td>21</td>
<td>16</td>
<td></td>
</tr>
<tr>
<td>Financial/bus services (Sections J + K)</td>
<td>4</td>
<td>6</td>
<td>4</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Other services/leisure (Section H)</td>
<td>95</td>
<td>137</td>
<td>87</td>
<td>44</td>
<td>37</td>
<td>38</td>
<td>26</td>
<td>17</td>
<td></td>
</tr>
<tr>
<td>Public admin services (Sections L-Q)</td>
<td>39</td>
<td>28</td>
<td>26</td>
<td>22</td>
<td>36</td>
<td>46</td>
<td>23</td>
<td>16</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>12</td>
<td>13</td>
<td>10</td>
<td>5</td>
<td>4</td>
<td>5</td>
<td>3</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>300</td>
<td>375</td>
<td>225</td>
<td>125</td>
<td>125</td>
<td>150</td>
<td>100</td>
<td>70</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>REGIONAL QUOTAS % of UK</th>
<th>n=1500</th>
</tr>
</thead>
<tbody>
<tr>
<td>North East</td>
<td>3%</td>
</tr>
<tr>
<td>North West</td>
<td>11%</td>
</tr>
<tr>
<td>Yorkshire &amp; humber</td>
<td>9%</td>
</tr>
<tr>
<td>E Midlands</td>
<td>8%</td>
</tr>
<tr>
<td>W Midlands</td>
<td>9%</td>
</tr>
<tr>
<td>East of England</td>
<td>13%</td>
</tr>
<tr>
<td>London</td>
<td>19%</td>
</tr>
<tr>
<td>South East</td>
<td>18%</td>
</tr>
<tr>
<td>South West</td>
<td>10%</td>
</tr>
<tr>
<td>England</td>
<td>87%</td>
</tr>
<tr>
<td>Wales</td>
<td>4%</td>
</tr>
<tr>
<td>Scotland</td>
<td>6%</td>
</tr>
<tr>
<td>Northern Ireland</td>
<td>4%</td>
</tr>
</tbody>
</table>

**Questionnaire**

The questionnaire was 25 minutes in length and consisted of mainly closed-ended (yes/no, rating scale) questions, however a limited number of open-ended questions were also included. The full questionnaire used in this survey can be found in Annex 1.

**Data collection**

The research was conducted for Ofcom by the market research consultancy Jigsaw Research. 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.

Interviews were conducted with the primary decision maker for communications. Fieldwork took place from 7 July to 6 September 2010.
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 (e.g. 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.

**Weighting and analysis**

The data were weighted by company size, sector, nation and region to ensure that they were representative of the profile of UK businesses. The weighting figures were identified based on ONS data for company size and based on Experian data for sector (ONS data could not provide the necessary detail on this variable). The achieved samples are detailed below.

<table>
<thead>
<tr>
<th></th>
<th>Un-weighted base</th>
<th>Weighted base</th>
<th>Effective base</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>COMPANY SIZE</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt;5</td>
<td>685</td>
<td>978</td>
<td>505</td>
</tr>
<tr>
<td>5-9</td>
<td>228</td>
<td>200</td>
<td>179</td>
</tr>
<tr>
<td>10-19</td>
<td>128</td>
<td>98</td>
<td>92</td>
</tr>
<tr>
<td>20-49</td>
<td>128</td>
<td>69</td>
<td>84</td>
</tr>
<tr>
<td>50-499</td>
<td>252</td>
<td>42</td>
<td>107</td>
</tr>
<tr>
<td>500+</td>
<td>100</td>
<td>1</td>
<td>51</td>
</tr>
<tr>
<td><strong>SECTOR</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Primary</td>
<td>371</td>
<td>310</td>
<td>219</td>
</tr>
<tr>
<td>Wholesale/retail/transport/comms</td>
<td>323</td>
<td>324</td>
<td>204</td>
</tr>
<tr>
<td>Financial/other</td>
<td>515</td>
<td>521</td>
<td>315</td>
</tr>
<tr>
<td>Public</td>
<td>257</td>
<td>195</td>
<td>89</td>
</tr>
<tr>
<td><strong>REGION</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>North</td>
<td>163</td>
<td>152</td>
<td>85</td>
</tr>
<tr>
<td>Yorkshire</td>
<td>105</td>
<td>108</td>
<td>39</td>
</tr>
<tr>
<td>Midlands</td>
<td>197</td>
<td>200</td>
<td>127</td>
</tr>
<tr>
<td>East</td>
<td>151</td>
<td>150</td>
<td>101</td>
</tr>
<tr>
<td>London/South East</td>
<td>425</td>
<td>464</td>
<td>269</td>
</tr>
<tr>
<td>South West</td>
<td>120</td>
<td>122</td>
<td>69</td>
</tr>
</tbody>
</table>
Sub-group analysis has been conducted for this report, with a particular focus on company size, nation and urbanity. In this research, we asked business consumers to confirm the address of their Head Office or Home Office. These postcodes were subsequently matched to Ofcom data on urbanity to create the following classification for analysis and reporting purposes:

- Rural – hamlets and isolated dwellings
- Urban – all other types of dwellings

Where sub-group differences are reported they are statistically significant to a 95% confidence level based on the effective sample (equivalent to 99% confidence level). Effective sample size gives the number of respondents in the sample that would have fallen into each subgroup if a totally fair sampling method (known as simple random sampling) had been used. The effective sample size for each subgroup is usually smaller than the total number of respondents actually sampled, as it is in this case.

In addition, linear regression analysis was used to establish the drivers of overall satisfaction with suppliers and the results of this analysis is included in Section 5 of this report. Regression aims to identify the unique variance that each independent variable explains of the dependent variable e.g. the unique variance that independent variable x has on the dependent variable. The advantage of regression over correlation analysis is that coefficients can potentially be used as a predictive model.

Comparisons to the 2009 study have been made where possible, using a sub-set of the 2010 sample which excludes businesses with fewer than 5 employees. However, such comparisons should be treated as indicative only because of significant questionnaire changes between 2009 and 2010, and also because the sample profiles are not identical.

This report focuses on the main findings of interest from this research. However, all data are contained in the Market Data and Research section of Ofcom’s website – http://stakeholders.ofcom.org.uk/market-data-research/

Some key findings from the qualitative phase are also included in this report to help interpret the quantitative findings.