

# Large Business Ad-Hoc Study

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# 1. Introduction

## 1.1 Research objectives

1.11 The overall project objective for this study was to inform the extent to which the market for leased lines amongst large businesses<sup>1</sup> in the UK is national or whether competition and pricing (and therefore purchasing behaviour) are more locally driven.

1.12 Specifically, the research objectives were:

- To understand telecoms decision-making (leased lines in particular) amongst large UK businesses, especially across businesses with multiple sites;
- To determine whether leased lines are typically bought as single products or bundled with other products;
- To ascertain whether geographical conditions differ across the UK when purchasing leased lines or product bundles;
- To assess reactions to a 5% to 10% relative change in the price of leased lines on a given bandwidth (to inform the SSNIP test<sup>2</sup>);
- To assess reactions to a 5% to 10% relative change in the price of Ethernet or SDH-based leased lines (to inform the SSNIP test).

## 1.2 Research methodology

1.21 A target was set of 600 x 20 minute telephone interviews amongst telecoms decision-makers in large UK businesses<sup>1</sup>. Interviews were to be representative of the universe of large businesses in the UK – by employee band and SIC (Standard Industry Classification), excluding telecoms companies. Geographic dispersion would then fall out naturally within each cell as records were selected at random to take part in the interview.

1.22 The sample frame was Dun & Bradstreet's database of large UK businesses. Only single business sites or head offices were selected to ensure that a business would not appear in the sample more than once. In total, there were 10,625 records.

1.23 Several issues emerged when attempting to reach the target of 600 interviews.

- IT Managers and financial decision-makers within large businesses are typically difficult to reach and this appeared to be even more so with this research than previously – these people are time-pressured and receive frequent sales and research calls;
- Many businesses informed us that telecoms decision-making is undertaken overseas (for example, in the head office in the US): this applied to 2% of those contacted for the survey<sup>3</sup>;

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<sup>1</sup> Businesses with 250+ employees but excluding telecoms companies.

<sup>2</sup> See paragraph 1.3 for further details on SSNIP tests

- Many businesses now sub-contract all of their telecoms requirements to a third party (for example, BT): this applied to 4% of those contacted for the survey;
- Some businesses claim not to use leased lines: this applied to 4% of those contacted for the survey;
- A minority were unsure what leased or dedicated lines were.

1.24 Because of the above issues, all SIC and employee band quotas were fully opened in order to complete as many interviews as possible. In total, 476 interviews were completed – a breakdown is shown in the table below.

**Figure 1: Number of interviews**

SIC	Original Targets*		Actual Interviews Achieved	
	Employee band		Employee band	
	250-499	500+	250-499	500+
Agriculture	3	3	0	0
Mining	3	3	1	2
Construction	11	13	5	11
Manufacturing	70	66	44	44
Transport, Communication & Utilities	16	20	14	18
Wholesale	19	20	14	14
Retail	22	26	8	12
Finance, Insurance & Real Estate	32	46	17	33
Services	59	63	48	46
Health	5	17	4	13
Legal	3	3	5	4
Education	14	20	18	40
Social	5	7	0	3
Government	8	23	10	48
<b>TOTAL</b>	<b>270</b>	<b>330</b>	<b>188</b>	<b>288</b>

\*Representative of the UK large business market excluding telecoms companies

1.25 Because of the shortfall against the original target, the interviews achieved are not in line with the UK large business market, however the data was not weighted back to the original targets set. It was felt that weighting back to the universe of large UK businesses may skew the data further, given that no data on the incidence of leased lines is available for specific industry sectors or employee bands, therefore any weighting applied would be inadvisable. Figure 2 shows the profile of interviews achieved in percentage terms and this is assumed to be representative of the profile of large businesses who use leased lines and make decisions in the UK.

<sup>3</sup> I.e. those where contact with someone was made. It does not include call backs or sample records where no contact was made.

**Figure 2: Interviews completed: percentages**

SIC	Original Targets* (%)		Actual Interviews Achieved (%)	
	Employee band 250-499	Employee band 500+	Employee band 500+	Employee band 250-499
Agriculture	1	1	0	0
Mining	1	1	1	1
Construction	4	4	3	4
Manufacturing	26	(20)	23	(15)
Transport, Communication & Utilities	6	6	7	6
Wholesale	7	6	7	5
Retail	8	8	4	4
Finance, Insurance & Real Estate	12	14	9	11
Services	22	19	26	16
Health	2	5	2	5
Legal	1	1	3	1
Education	(5)	(6)	(10)	(14)
Social	2	2	0	1
Government	3	(7)	5	(17)
<b>TOTAL</b>	100	100	100	100

\*Representative of the UK large business market excluding telecoms companies

### 1.3 The SSNIP test questions

1.31 A series of questions were devised to inform the SSNIP (small but significant non-transitory increase in price) test. This test helps to ascertain the potential levels of switching away from a product or service in the event of relative price change.

1.32 The following question was used:

Q. If the price of your [MAIN BANDWIDTH USED BY THE BUSINESS OR ONLY BANDWIDTH USED IF ONE MENTIONED] leased lines increased by 5% and stayed at that level, which of the following would you be most likely to do<sup>4</sup>?

- Pay the additional 5% for the same number of [MAIN BANDWIDTH] leased lines/same service etc;
- Pay the same amount as previously for a reduction in the number of leased lines/type of leased lines etc;
- Switch to something else;
- \*Switch to another of your suppliers<sup>5</sup> ;
- \*Look for a cheaper supplier;
- \*Stop using the service;

<sup>4</sup> All responses were read out as options to respondents excluding those marked with an asterisk. 'Read out' options were rotated to avoid bias

<sup>5</sup> Only applicable to those using more than one leased lines supplier

- \*Don't know.

1.33 Respondents who said that they would look for a cheaper supplier or switch to another of their suppliers were then asked the same question as above but asked to assume that there was no cheaper supplier available (i.e. because the 5% increase occurs across the whole market). The options of looking for a cheaper supplier or switching to another supplier were not permitted. A 'final response' data set was then generated to show the final answer respondents gave when they assumed no cheaper supplier was available.

1.34 It is important to note in relation to SSNIP test questions that because the price of leased lines is not fixed (unlike, for example, a football match ticket which is always £23), respondents asked the question were required to give an answer based on the bandwidth used most by their business to ensure they had something 'concrete' to focus their response on<sup>6</sup>. Therefore, some respondents were unable to give a bandwidth used by their business and were not asked the question. The results give an *indication* of what might happen in the event of a rise in the price of leased lines.

1.35 Respondents were asked a similar question to the bandwidth SSNIP test relating to the technology their leased lines were based on: specifically, Ethernet and SDH, to ascertain whether switching between technologies would occur in the event of a 5% price increase across the market. The question wording was as follows:

1.36 Q. If the price of your [Ethernet/SDH]<sup>7</sup>-based leased lines increased by 5% and stayed at that level, which of the following would you be most likely to do<sup>8</sup>?

- Pay the additional 5% for the same number of [Ethernet/SDH] -based leased lines/same service etc;
- Pay the same amount as previously for a reduction in the number of leased lines/type of leased lines etc;
- Switch to something else;
- \*Look for a cheaper supplier;
- \*Stop using the service;
- \*Don't know.

1.37 Like the bandwidth SSNIP questions, only the 'final response' data is charted here (i.e. if respondents said they would look for a cheaper supplier they were asked to assume that there was no cheaper supplier available and asked the question again).

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<sup>6</sup> Previous research in a different Ofcom study suggested that focusing respondents on a specific product e.g. bandwidth 'x' provides more robust results

<sup>7</sup> Deleted as appropriate

<sup>8</sup> All responses were read out as options to respondents excluding those marked with an asterisk. 'Read out' options were rotated to avoid bias

## 1.4 Notes on the report

### 1.41 Throughout this report:

- A red circle around figures in charts denotes a significant difference in responses at a 95% confidence limit (used as standard in market research). This indicates that the difference in responses is statistically significant and not due to chance;
- Any charts which contain data based on responses from fewer than 50 people will be marked with an asterisk. A note of caution is also added as this base size is considered small and care should be taken in extrapolation from the data;
- With a few exceptions, the terms 'business' and 'businesses' are used; please note that these terms are used generically and include non-profit-making organisations and other establishments. However these terms apply only to large businesses (250+ employees) and exclude telecoms companies.



## 2. Executive summary

### **Most large businesses using leased lines operate over multiple sites.**

The complexity of telecoms decision-making increases with the number of sites. More people are likely to be involved in the decision when several sites need to be covered (rather than one sole decision-maker across sites). Some sites operate autonomously and make individual decisions relating to telecoms services and suppliers.

### **IT and Finance functions are the main telecoms decision-makers**

Two key functions are generally involved in telecoms/leased line purchasing: IT and Finance. The specific job titles and responsibilities vary dependent upon the business structure. These people do not necessarily have in-depth knowledge of systems or technology and will often rely on supplier advice to purchase the best products and services for their business needs.

### **BT is the market leader for fixed telecoms services *and* for leased lines**

Although BT is the clear market leader by some way, there is evidence that their leading position in the various markets is under threat (and potentially could be eroded) in certain areas. Some competitor suppliers have products and services tailored or packaged for specific industries and market themselves in this way, while others focus on specific geographic regions to build up their portfolio of clients.

### **Aside from BT's leading position, the markets for telecoms generally *and* for leased lines is fragmented**

There is a general awareness amongst large businesses of a choice of suppliers in the telecoms marketplace, as well as some awareness of specific industry packages and of the particular geographical focus and coverage by suppliers.

In the leased lines marketplace there appears to be strong price competition, but despite this, there is little evidence of a high percentage of churn (i.e. customer switching). Leased line contracts tend to be relatively short but suppliers have often been used for a number of years.

### **There are three key drivers of supplier choice in the telecoms and leased lines markets**

Price (generally and also in terms of value for money) is crucial in telecoms decision-making – businesses must perceive they are purchasing products at a competitive price and receiving good value from them. This is by far the main consideration amongst most businesses. The ability to control and manage products and services used by the business is also of high importance, and ease and convenience (which are closely associated with control and management) are also key.

## Leased line and product 'bundling' is situation-dependent

Bundling (i.e. the packaging of multiple leased lines sold as a 'bundle' or leased lines packaged with other products or services) does occur and is driven by cost considerations. However, bundling in either case is only considered when business needs dictate.

## The marketplace is highly price-driven

Price-sensitivity comes to the fore through direct questioning in the SSNIP (Small but Significant Non-transitory Increase in Price) test questions.

At a 5% increase in the price of leased lines on a given bandwidth, almost one-third of those answering said they would switch to an alternative. At a 10% increase, a total of 47% would switch to something else<sup>9</sup>. However, there was an underlying feeling that any price increase would not be universal and that some suppliers would maintain competitive offerings – so you could always get a deal somewhere. In the event of a price increase across the whole market, some businesses may call into question the need for a leased line at all; in order to justify paying any additional charge, the benefit(s) to the business would need to be assessed.

Findings are similar for the technology-based SSNIP question (i.e. Ethernet and SDH). In the event of a 5% price increase for Ethernet or SDH-based leased lines across the market, one-quarter (25%) of businesses would switch to an alternative, and at 10%, 39%<sup>10</sup> would switch.

For both SSNIP test questions, many businesses who said they would switch to something else in the event of a price increase did not specify what they would switch to. In most cases, this was because the value for money and benefits of an alternative would need to be clarified, although the lack of technical knowledge amongst decision-makers is likely to be driving this uncertainty too.

However, this uncertainty also raises the question as to whether businesses *would* in fact switch. Given that decision-makers are often reliant on the expertise of others to recommend the best value products for their business needs, they may be advised to remain with their current leased lines rather than switching at all. There could *potentially* be a move towards bundling in the event of a price increase across the market as businesses attempt to get better value for money from their leased lines products and services. If this was to happen, telecoms providers could then attempt to develop the 'bundling market' to exploit this opportunity.

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<sup>9</sup> N.B. Cumulative total: Includes those who would switch at a 5% or 10% increase

<sup>10</sup> N.B. Cumulative total: Includes those who would switch at a 5% or 10% increase

# 3. Telecoms decision-making

## 3.1 The decision-making process

3.11 Telecoms decision-making varies dependent on business circumstances. In total,

- 35% of the sample were solely responsible for all business sites;<sup>11</sup>
- 41% were jointly responsible for all sites;<sup>12</sup>
- The remainder (24%) were either solely/jointly responsible for some sites but not all.

3.12 Just 34 decision-makers interviewed (7% of the sample) say their business has a single site. Of these businesses, two in five (38%) are sole decision-makers while three in five (62%) are jointly responsible for decision-making<sup>13</sup>. Joint decision-making is therefore common even in single site businesses.

3.13 The process of decision-making becomes more complex for businesses with multiple sites (442 respondents, 93%) where decision-making works as follows:

- 34% solely responsible for all business sites;
- 5% solely responsible for some sites but not all;
- 40% jointly responsible for all sites;
- 9% jointly responsible for some sites but not all;
- 4% solely responsible for their own site but not for others;
- 9% jointly responsible for their own site but not others<sup>14</sup>.

3.14 Reasoning for having different decision-makers at different sites is often because different sites operate autonomously and make decisions at a local level. For others it is historical, and this may be because of legacy systems and growth over time of the business – this is significantly more likely to be cited as a reason by businesses with five or fewer sites (28% compared with 5% of those with six or more sites). Those with six or more sites are most likely to cite the number of sites as a reason (9% compared with 3% of those with five or fewer).

3.15 All who say they have joint responsibility were asked who else is involved in the telecoms decision-making process. Two key roles (IT and Finance) were the main ones mentioned, with some mention of other management or board-level input.

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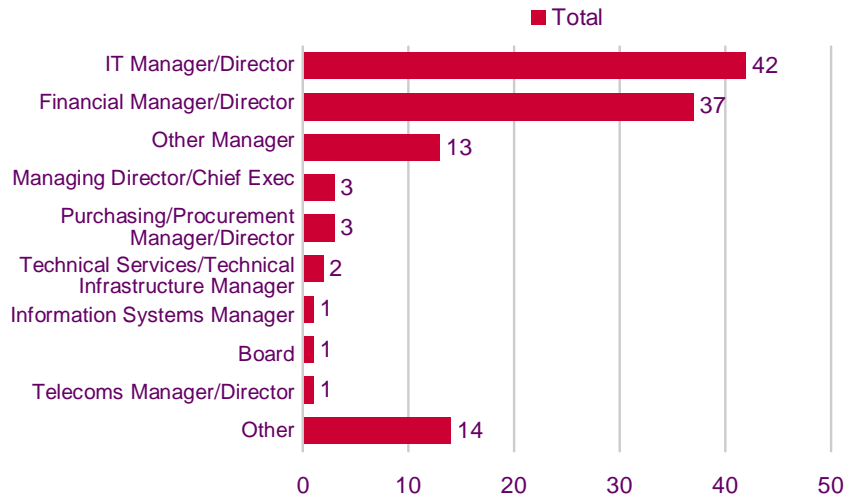
<sup>11</sup> Includes single site businesses

<sup>12</sup> Includes single site businesses

<sup>13</sup> N.B. Care: Small base size (34 respondents)

<sup>14</sup> N.B. These groups are not all mutually exclusive

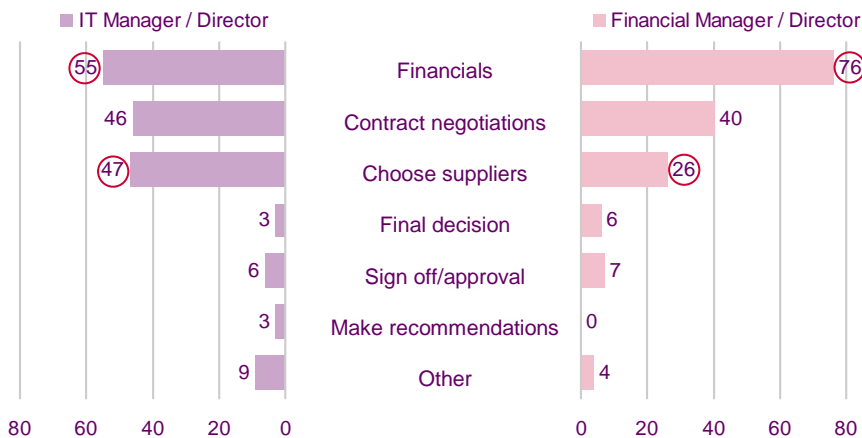
**Figure 3: Joint decision-makers: who else is involved in the process?**



Base: All jointly responsible (279)

3.16 Where the other person involved is IT-based, they are significantly more likely to choose suppliers than the Finance person (47% compared with 26% of Finance people), while the Finance person is significantly more likely to look after financials in terms of budgets (76% compared with 55% of IT Managers/Directors).

**Figure 4: Joint decision-makers: what does the other person's role involve?**



○ Denotes a significant difference

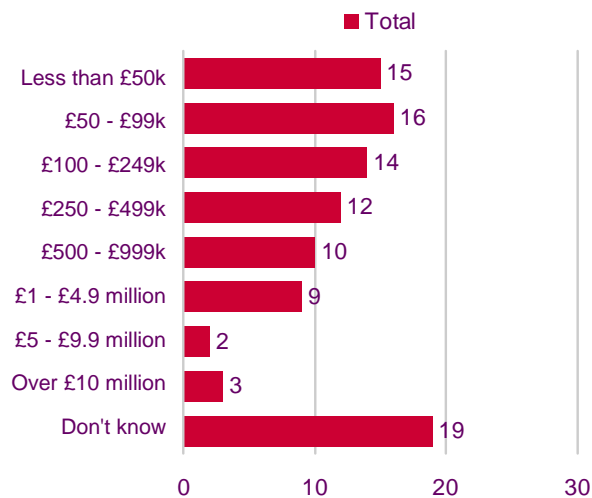
Base: All jointly responsible; Where IT Manager / Director is also involved (117), Where Financial Manager / Director is also involved (104). Other roles were involved but base sizes are much smaller, therefore data not shown

# 4. Overall telecoms spend & suppliers used

## 4.1 Telecoms spend

4.11 The chart below shows the typical annual spend on all telecoms products and services by large businesses.

**Figure 5: Overall telecoms spend over the year**



N.B. 30 respondents not responsible for telecoms decision-making across the whole business gave the above figure in relation to the part of the business they were responsible for. There were no significant changes to the data when the 30 respondents were removed.  
Base: All respondents (476)

4.12 As might be expected, the 'smaller' businesses in the sample tend to spend the least on telecoms. Those with 250-499 employees or five or fewer sites have the lowest spend – in each case, they are significantly more likely than their larger counterparts to spend less than £50k per year. Conversely, larger businesses spend more; 71% of those with 1000+ employees and 62% of those with 101 or more sites spend £500k or more.

4.13 Industry sector also appears to influence the amount of spend; one-quarter of manufacturing and educational establishments are likely to spend £50k or less per year (27% and 24% respectively) while financial companies are the biggest spenders with one in 10 (10%) spending £10 million per year or more.

4.14 Bandwidths used for leased lines also play some part – those using leased lines of up to 8Mbits are significantly more likely than those using higher bandwidths to spend less than £50k per year on all their telecoms services (12% compared with 6% respectively)<sup>15</sup>. However, this is also driven by size of business as larger businesses

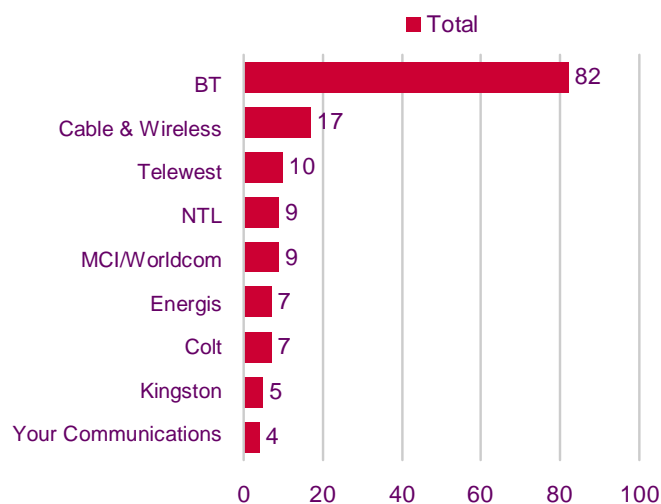
<sup>15</sup> N.B. These groups are not mutually exclusive.

(with 500+ employees) are more likely than their smaller counterparts (with 250-499 employees) to use 8Mbit+ lines.

## 4.2 Suppliers used

4.21 BT is by far the leading supplier of telecoms services to large businesses; four out of five (82%) use BT in some capacity. BT currently has a large lead on other suppliers for general telecoms services, with Cable & Wireless next but used by just 17% - a relatively small percentage in comparison with BT.

**Figure 6: Suppliers used for all fixed telecoms services**



N.B. All other responses mentioned by less than 4%, data not shown. Multiple response  
Base: All respondents (476)

4.22 Organisations with 500+ employees are significantly more likely to use four or more suppliers than those with fewer than 500 (10% compared with 3% respectively), and are significantly more likely to use Cable & Wireless, NTL, Colt and Thus.

4.23 There are some interesting findings by industry; educational establishments are significantly more likely to use NTL (29% compared with 6% average across other sectors) and NTL have a local government section on their website suggesting that they target this specific type of business. Financial companies are most likely to use Colt (22% compared with 5% average across other sectors), and Colt's website has details of their 'Intelligent Network' – a call centre package which may explain their higher penetration in this industry.

4.24 There is evidence that geographic coverage also plays a part in suppliers used.

- Organisations with UK-wide sites are most likely to use BT (97%<sup>16</sup>) while Thus is more likely to be used in Scotland (used by 11% of Scottish organisations). Thus was originally founded in Scotland by ScottishPower in 1994 as Scottish

<sup>16</sup> N.B. Care: Small base size (34 respondents)

Power Telecommunications Holdings Limited, which goes some way to explain their higher penetration in this region;

- Kingston prevails in Yorkshire – a legacy from Kingston being the incumbent monopolist in that area;
- Your Communications tends to be used in the North West (by 11% of NW organisations) and is part of United Utilities (based in the North West). The Your Communications website promotes the company regionally by stating that it has a 'dense network in the north of England' and a 'lean national network'.

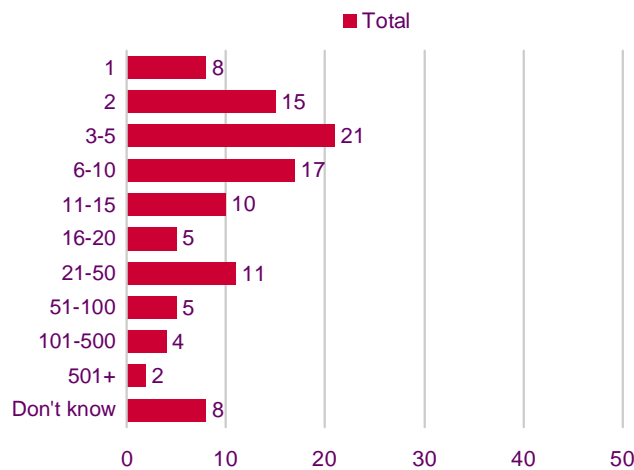
# 5. Leased Lines

## 5.1 Sites with leased line connections

5.11 Almost all of the businesses interviewed (99%) had a leased line connection at the site at which they were based<sup>17</sup>. More than four out of five businesses with multiple sites (85%) claimed to have leased lines at their other sites – this equates to 79% of all the businesses interviewed.

5.12 Three in five large businesses (61%) have 10 or fewer sites with a leased line connection. The modal<sup>18</sup> band for number of sites with a leased line connection is three to five.

**Figure 7: Number of sites with a leased line connection (1)**



Base: All with multiple sites (442)

5.13 In the majority of cases (i.e. over 50%), businesses tend to have the same number of sites with a leased line connection as sites in general, as shown in Figure 8.

<sup>17</sup> All businesses were required to have at least one leased line in the business in order to participate in the study.

<sup>18</sup> The number or range of numbers in a set that occurs the most frequently.



**Figure 8: Number of sites with a leased line connection (2)**

<i>Number of sites overall</i>	<i>Modal number of sites with a leased line connection</i>
2	2 (83%)*
3-5	3-5 (64%)
6-10	6-10 (70%)
11-15	11-15 (58%)*
16-20	16-20 (53%)*
21-50	21-50 (53%)
51-100	51-100(64%)*
101-500	101-500 (37%)* → 51-100 (13%); 21-50 (13%)
500+	500+ (53%)

\*N.B. Care: Small base size.

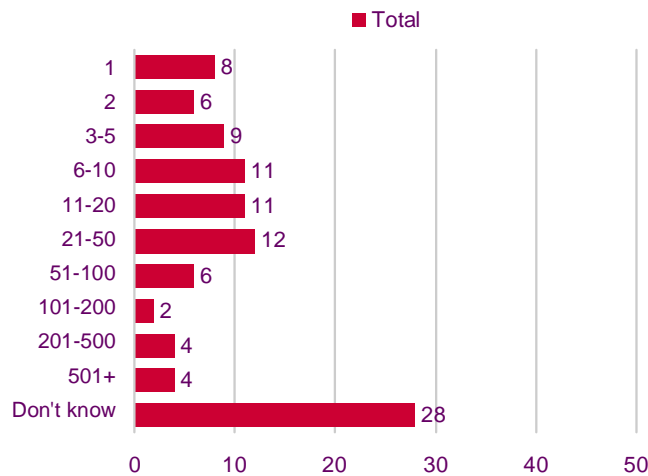
Base: All with multiple sites (442). Percentages are based on 'all responses' and do not exclude 'don't know' responses.

## 5.2 Number of leased lines

5.21 Businesses with 250-499 employees are significantly more likely than those with 500+ employees to state that they have only one leased line: 13% claim to have only one compared with 4% of larger businesses.

5.22 Over one-quarter (28%) were unable to state the number of lines used by the business, indicating that a proportion of businesses rely on supplier recommendations for the number of lines they use. Two-thirds (66%) of businesses with 21 or more leased lines have 16+ sites and a further 30% have 101+ sites. Those with the highest number of leased lines (501+) are significantly more likely to have 101+ sites.

**Figure 9: Number of leased lines in the organisation**



Base: All respondents (476)

### 5.3 Spend on leased lines

5.31 As might be expected, businesses with fewer leased lines tend to spend the least on them.

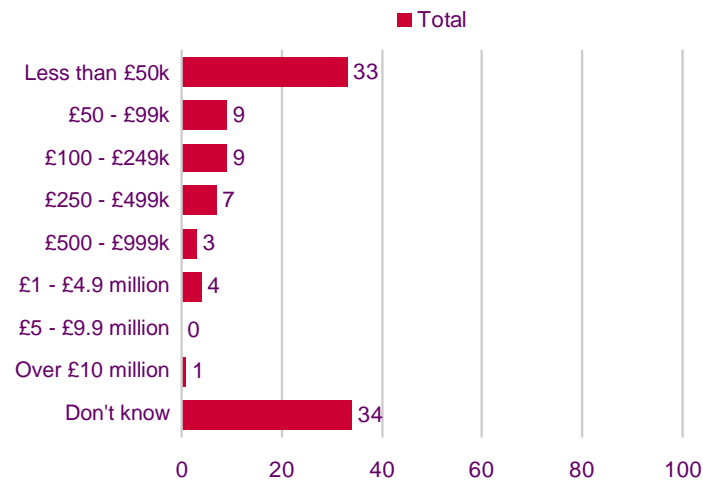
- Over half (57%) of those with one or two sites using leased lines spend less than £50k per year on leased lines;
- Just under half (48%) of businesses spending less than £50k per year have one to five leased lines;
- One-third (33%) of those spending £250k plus per year on leased lines have 101 or more lines. Therefore, the higher the number of leased lines within the business, the higher the spend on leased lines generally is.

5.32 One-third (34%) are unable to give a figure for their business's leased line spend over the year, likely because this information is not split out by the business as standard and is instead included within the overall telecoms spend.

5.33 As with overall telecoms spend, leased line bandwidths also drive spend on leased lines. One third (32%) of those using bandwidths of up to 8Mbits spend less than £50k per year on leased lines compared with 21% using lines over 8Mbits<sup>19</sup>.

<sup>19</sup> N.B. these groups are not mutually exclusive.

**Figure 10: Annual spend on leased lines**



N.B. 17 respondents not responsible for telecoms decision-making across the whole business gave the above figure in relation to the part of the business they were responsible for. There were no significant changes to the data when the 17 respondents were removed.  
Base: All respondents (476)

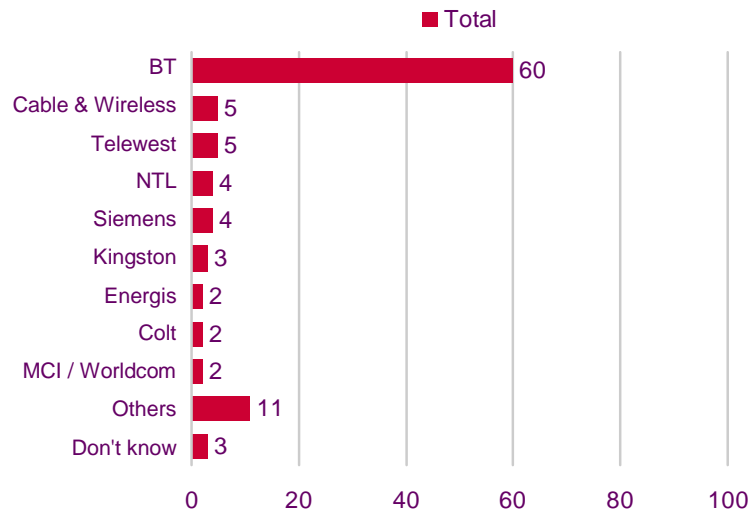
## 5.4 Main suppliers of leased lines

5.41 BT is the clear main supplier of leased lines to large businesses, as shown in figure 11. Other telecoms companies are used as a main supplier, but only by a relatively small number of businesses in comparison to BT (up to 5%).

5.42 Despite BT's leading position, there are differences in the main supplier used by different sectors and size of business. NTL is most likely to be used by education or government organisations (by 11% compared with 1% average across other sectors), while Colt is more likely to be used by financial businesses (by 10% compared with 1% average across other sectors). Cable & Wireless is significantly more likely to be used as a main supplier by those spending £250k or more on leased lines per year, while Energis was not mentioned as a main supplier by any businesses with 1000+ employees (significantly different to those with 999 or fewer)<sup>20</sup>.

<sup>20</sup> Bases: Education/Government (116); Finance (50); Those spending £250k+ per year on leased lines (69); Those with 1000+ employees (171)

**Figure 11: Main / only supplier of leased lines: all respondents**



N.B. All 'other' responses mentioned by less than 2%

Base: All respondents (476) – data based on main supplier given if multiple or only supplier if single

## 5.5 Use of multiple leased lines suppliers

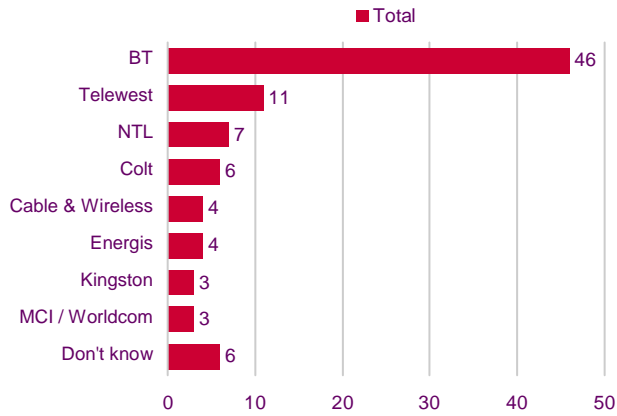
5.51 Larger businesses tend to use multiple leased line suppliers: 45% of businesses with 500+ employees use more than one compared with 31% of those with 250-499 employees. There were no significant differences by number of sites.

5.52 Those using bandwidths over 8Mbits are significantly more likely than those using lower bandwidths to use two or more suppliers (56% and 44% respectively)<sup>21</sup>.

5.53 Figure 12 shows the main supplier of leased lines given by those using multiple leased lines suppliers (22% of those interviewed). Here leading position is significantly reduced and is actually a main supplier in less than half (46%) of cases.

<sup>21</sup> N.B. These groups are not mutually exclusive.

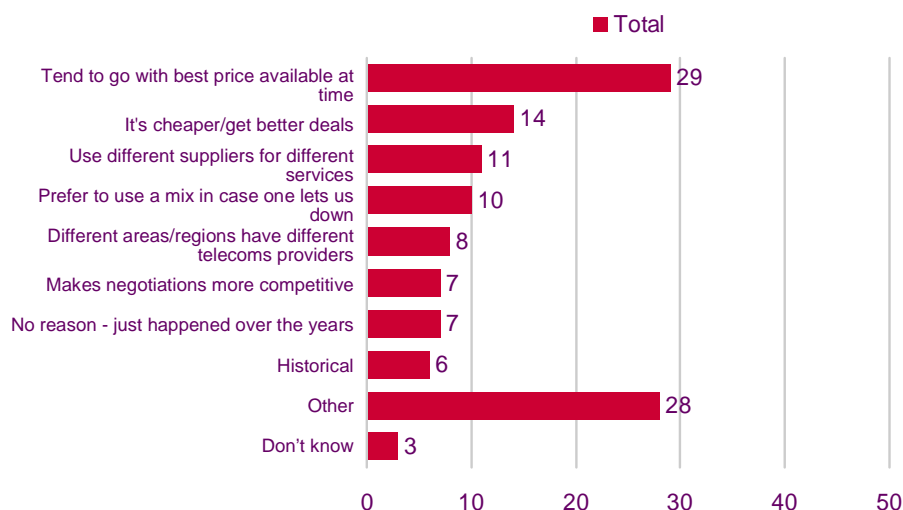
**Figure 12: Main supplier of leased lines: all using multiple leased lines suppliers**



N.B. All other responses mentioned by less than 3%, data not shown  
Base: All who use more than one supplier to provide their leased lines (107)

5.54 Price is the driving factor for using multiple suppliers for leased lines; the most frequently cited reason was that businesses tend to opt for the best available price at the time (mentioned by 29%). Other reasons include the ability to drive better deals and get products or services more cheaply (14%), for different services or in case one lets them down (11% and 10% respectively), as illustrated in figure 13. The use of more suppliers to avoid having 'all eggs in one basket' and being let down by the supplier is likely to be more of a concern for the larger spending larger businesses who, with multiple suppliers, are able to spread their spend and have less disruption in the event of, for example, one supplier going into liquidation.

**Figure 13: Reasons for using multiple suppliers for leased lines – unprompted**



N.B. All 'other' responses mentioned by less than 6%. Multiple response allowed.  
 Base: All who use more than one supplier at for their leased lines (107)

## 5.6 Use of a single leased lines supplier

5.61 Three-quarters of the sample (77%) use a single supplier for their leased lines and these businesses tend to be smaller; 43% have 250-499 employees and 34% have 5 or fewer sites. Spend is also an influencer; four out of five (81%) of those whose spend less than £100k per year on leased lines use a single leased line supplier.

5.62 Reasons for doing so mainly relate to the ease of managing a single supplier (versus managing more than one) – one-third (32%) cite this as a reason – and the ability to negotiate better discounts (mentioned by 20%). Historic business decisions also feature here; 14% say their company has always dealt with their single supplier. Those dealing with BT are most likely to say this<sup>22</sup>.

5.63 Those whose place of work is based in the north of the UK (including Scotland, the North West, North East and Yorkshire) are significantly more likely than their southern counterparts to say that the supplier that they use is the only supplier in the area; one in 10 northern businesses (10%) say this compared with just 1% in the South West/East.

<sup>22</sup> When BT is compared with 'other' suppliers at an aggregate level – small base sizes mean analysis on individual 'other' suppliers is inadvisable.

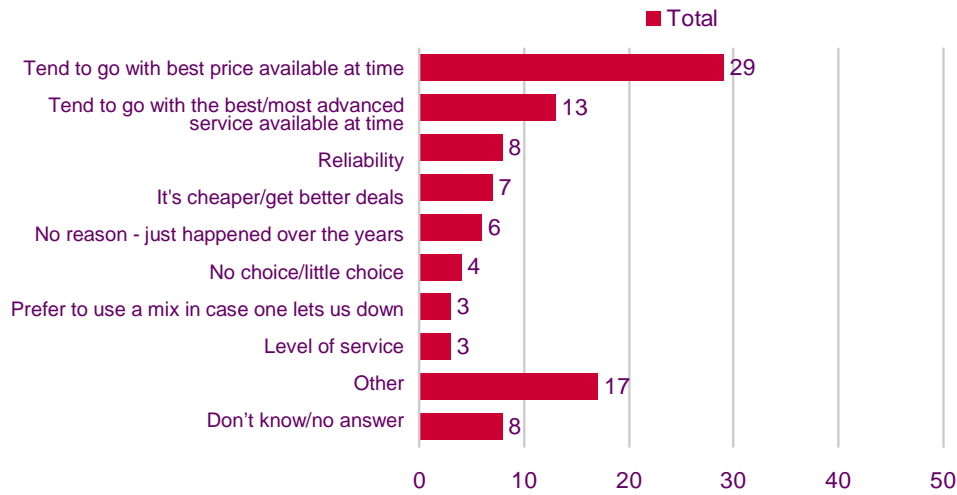
**Figure 14: Reasons for using a single leased lines supplier – unprompted**



N.B. All 'other' responses mentioned by less than 2%  
Base: All who use one supplier to provide their leased lines (202)

5.64 The single most important reason for choosing the main leased line supplier is price and this is mentioned by 29% of respondents. Secondary to this is choosing the best or most advanced service offered by a supplier at the time (cited by 13%). Reliability and better deals were also mentioned as reasons (by 8% and 7% respectively).

**Figure 15a: Single most important reason for choosing a leased lines supplier - unprompted**

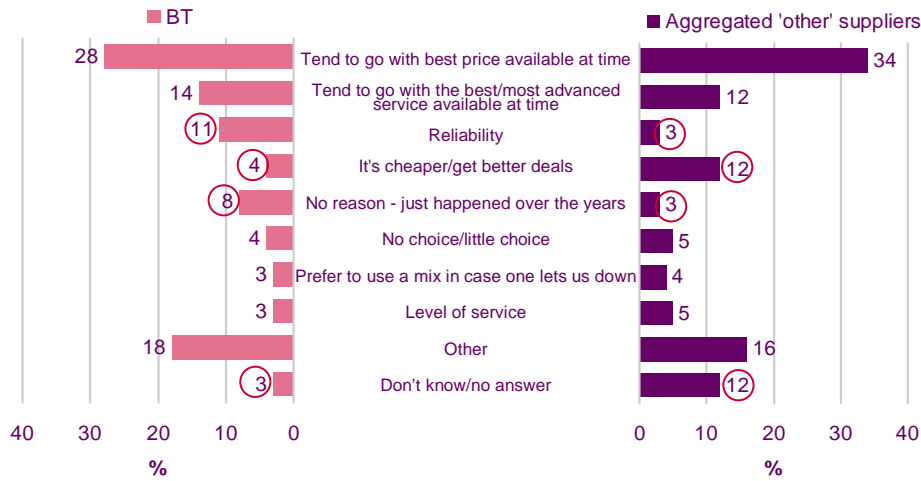


N.B. All 'other' responses mentioned by less than 2%, data not shown  
 Base: All respondents (476)

5.65 Although analysis on individual suppliers is inadvisable due to small base sizes (with the exception of BT), when compared at an aggregate level (i.e. BT versus all others), those using BT as their main leased line supplier are significantly more likely to cite reliability as the main reason, while those using 'others' are significantly more likely to cite 'cheaper/get better deals' than those using BT (12% versus 4% BT users). This indicates that BT's positioning in the marketplace is based on their established brand and reliability while competitors position themselves with lower prices and offers or deals.



**Figure 15b: Single most important reason for choosing a leased lines supplier – unprompted – by BT versus aggregated ‘others’**



○ Denotes a significant difference  
 Base: All using BT as their main leased line supplier (286);  
 All using a supplier other than BT as their main supplier (173)

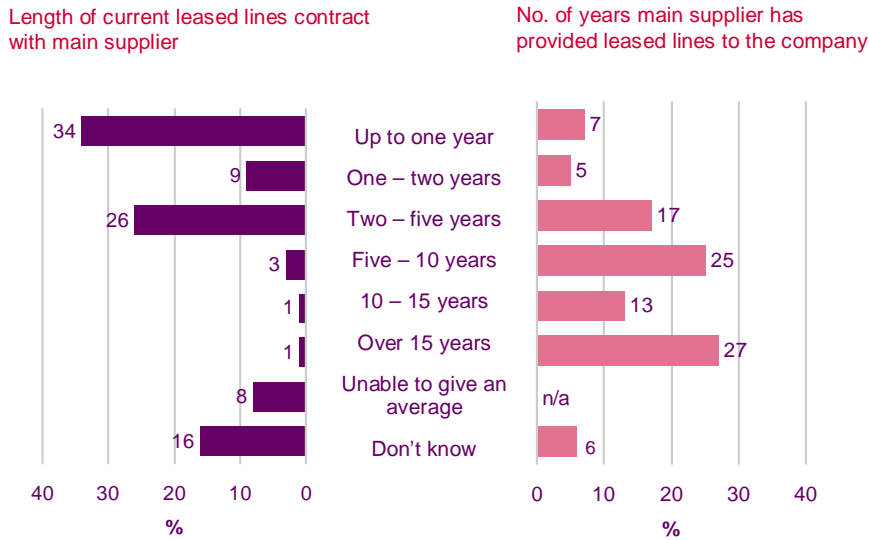
## 5.7 Leased line contracts

5.71 Leased line contracts are typically of five years duration or less, with one-third (34%) lasting up to one year. The mean or average length of a contract based on this data is 2.6 years<sup>23</sup>. Despite this, the main (or in some cases, only) supplier of leased lines has typically supplied leased lines to the business for a number of years; two-thirds (65%) say their supplier has been in place for five or more years. The mean length of time a supplier has been in place for is 9.3 years<sup>24</sup>.

<sup>23</sup> N.B. The question asked for responses within a given band therefore mean scores are based on mid-points of the bands

<sup>24</sup> N.B. The question asked for responses within a given band therefore mean scores are based on mid-points of the bands

**Figure 16: Length of time for a typical leased line contract**



Base: All who knew who their main supplier of leased lines was (459)

## 5.8 Bundling

5.81 Just under half of businesses (47%) say they purchase leased lines individually, i.e. on a line by line basis. Around one-third (30%) say they purchase leased lines as a bundle of lines. Those purchasing bundles of lines are most likely to use a supplier other than BT as their main supplier (36% compared with 26% where BT is the main leased lines supplier)<sup>25</sup>. One in five (18%) say it varies and sometimes they will bundle lines while at other times they will purchase them as single products. Those with six or more sites with leased lines are most likely to say it varies: 25% compared to 12% with five or fewer.

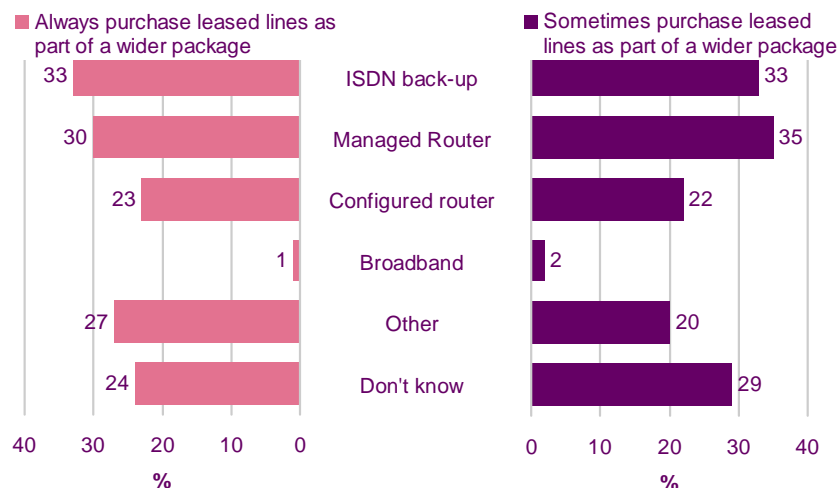
5.82 Similarly, 44% purchase leased lines as a 'single product' while one-third (33%) always purchase them as part of a wider package with other products and services. A further 17% sometimes purchase them as a single product and sometimes purchase them as part of a wider 'network solution' or telecoms package. There were no significant differences by those using BT as a main supplier compared to those using an 'other' supplier. Cost is the main reason given for purchasing leased lines as part of a package (and is mentioned by 31% of those who do). Other (lesser) reasons given include purchasing as a package to take advantage of a managed solution, as well as having the ability to connect sites to each other. The main reason for not purchasing all leased lines as part of a package of products or services (i.e. sometimes doing so and sometimes not) is that the business needs do not always dictate this to be necessary.

5.83 The main products and services purchased alongside leased lines are shown in Figure 18 below. The data is split to show those who always purchase leased lines as part of a package and those who sometimes do. There are no significant differences

<sup>25</sup> Further details on individual suppliers are unavailable due to very small base sizes

between the two groups in terms of products purchased; ISDN back-up, managed routers and configured routers are the main mentions.

**Figure 17: Other products and services purchased with leased lines**



Base: All who always purchase leased lines as part of a wider package (158);  
All who sometimes purchase leased lines as part of a wider package (82)

## 5.9 Perceptions of regional pricing differentials

5.91 One in five (20%) respondents perceives a regional variation in the price of leased lines. Just under half (47%) do not think they vary, while one-third (34%) are unsure. Although base sizes are small, when grouped geographically there do not appear to be any significant differences in perceptions. However, those businesses whose sites are based 'UK-wide'<sup>26</sup> are most likely to think prices vary by region (30%). These individuals have a wider perspective on prices.

5.92 Those most likely to think that prices for leased lines vary by region are customers of Thus (just over half of Thus customers), Colt (just under half) and NTL (two in five) – however these base sizes are very small and caution should be exercised.<sup>27</sup>

5.93 Organisations with more than one site were then asked whether they would choose different suppliers in different regions to take advantage of any price differentials if they became aware that prices varied by region. Just over one-third (38%) would – especially those who already think that prices vary by region. One-third (34%) would not – these respondents are significantly more likely to be those who spend £100K+ on telecoms (overall) (39% compared with 27% spending less than this). There were no significant differences between BT and aggregated 'other' responses.

<sup>26</sup> Care: Small base size (34 respondents)

<sup>27</sup> Care: Small base sizes (Thus: 13, Colt: 33, NTL: 41). N.B. Refers to overall telecoms supplier (not just leased lines)

5.94 There is evidence of inertia, in that the main reasons for not taking advantage of price differentials were that using one supplier is easier or simpler, or that they were happy with their current supplier.

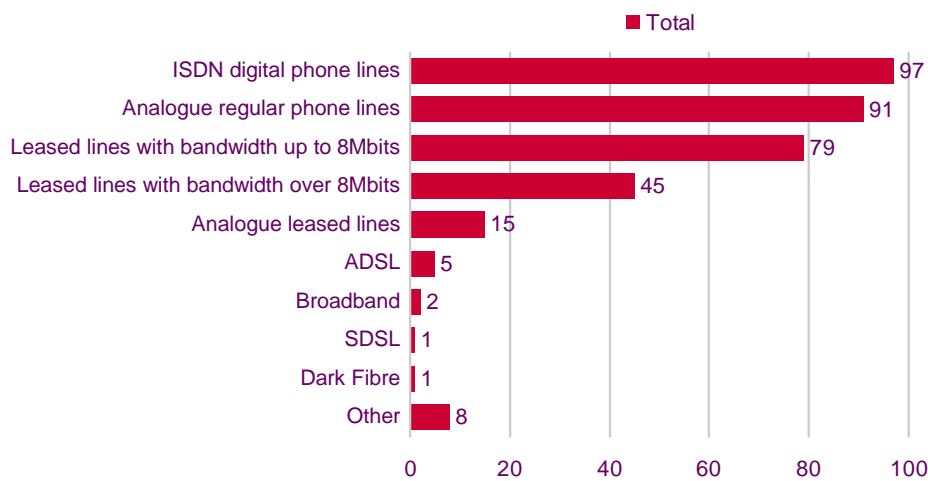
5.95 Around one in 20 (4%) said they would do 'a bit of both' and 10% said all their sites were in the same region therefore regional variation across different sites did not apply to them. (Educational and government organisations were most likely to say their sites were clustered geographically.) The remainder (12%) did not know whether they would take advantage of price differentials across different areas or not.

# 6. Leased line technology used

## 6.1 Types of lines and technology used

6.1 ISDN digital phone lines tend to be used by a high proportion of businesses (97%), with analogue regular phone lines also used by the vast majority (91%). In terms of bandwidth, lower capacity lines (i.e. 8Mbits or below) are more likely to be used: 79% use these lines compared with 45% who use lines with bandwidths which are over 8Mbits. Two in five (40%) claim to have lines that are both 8Mbits or less and over 8Mbits.

Figure 18: Types of lines used by the business



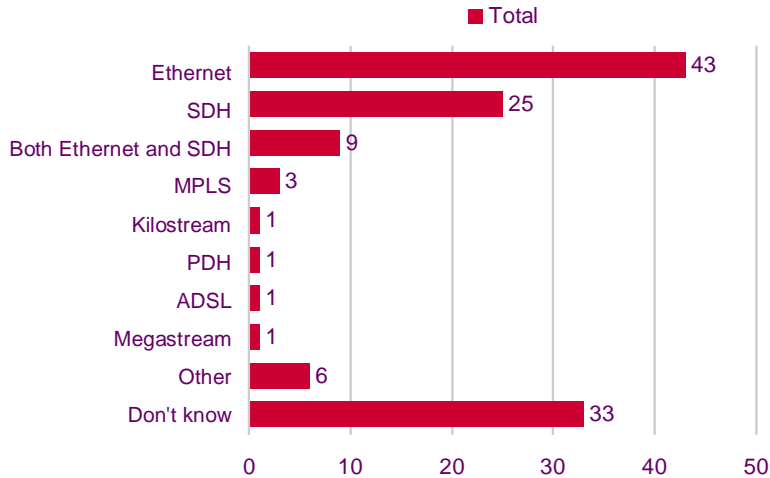
N.B. 'Analogue leased lines' was only added as an option to the survey mid-way through fieldwork  
Base: All respondents (476)

6.11 Ethernet-based technology is more widely used than SDH for leased lines (43% and 25% respectively). It is used significantly more by businesses with bandwidths over 8Mbits than those using smaller bandwidths (by 56% and 48% respectively)<sup>28</sup>.

6.12 Fewer than one in 10 businesses (9%) uses both types of technology. Those using both are significantly more likely to be bigger spenders, both on telecoms generally and on leased lines (£500k+ on telecoms overall, £250k+ on leased lines). Other mentions of the types of technology used for leased lines include product (rather than actual technology) names, such as Kilostream and Megastream, although one-third (33%) did not know. This could be due to the lack of technical knowledge on the part of many decision-makers (as discussed earlier in this report) and the reliance of some businesses on supplier or consultant recommendations – they are market-led rather than driving the market themselves.

<sup>28</sup> N.B. These groups are not mutually exclusive.

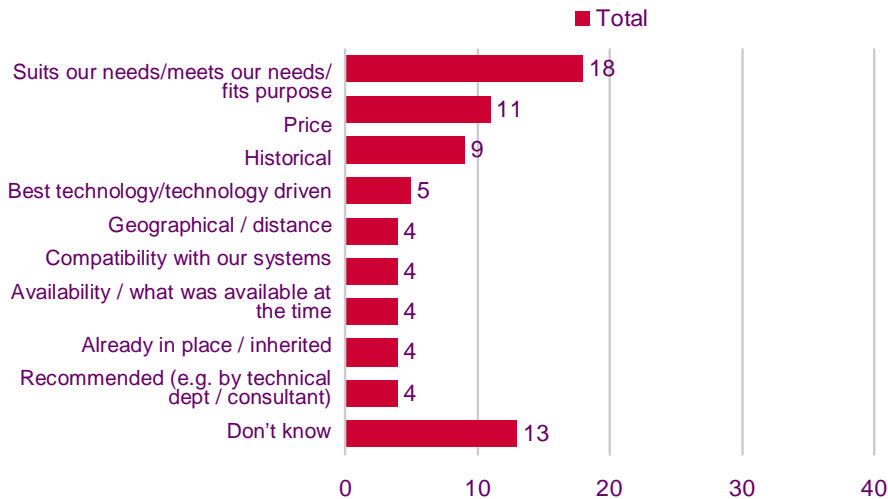
**Figure 19: Type of technology leased lines are based on**



Base: All respondents (476)

6.13 The main reasons given for using the types of lines the business currently has are lead by business needs. 18% said their lines suit the business requirements and fulfil the purpose they are needed for, while one in 10 (11%) cited price as a reason for using their lines. Legacy systems and behaviour over a period of time (i.e. historical usage) was mentioned by 9%.

**Figure 20: Why do you use the types of lines you use?**



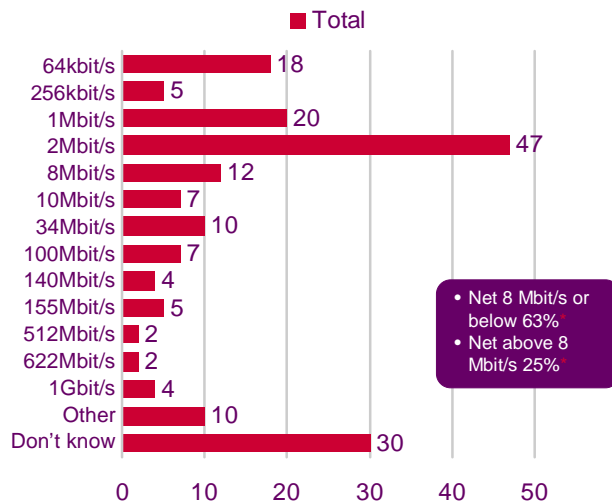
N.B. All other responses mentioned by less than 4%, data not shown  
Base: All respondents (476)

## 6.2 Bandwidths used

6.21 A 2Mbit/s bandwidth line is the most frequently mentioned line used by large businesses with leased lines – just under half (47%) say they use this size line. A 1Mbit/s line is used by 20%, with 18% using a 64Kbit/s line. Around two-thirds (63%) mentioned lines which were 8Mbits or below while one-quarter (25%) mentioned lines which were over 8Mbits.

6.22 It is interesting to compare this with the earlier question of which lines are used by the business, where 79% claimed to use bandwidths of up to 8Mbits and 45% said they used lines with a bandwidth over 8Mbits. Combined with the fact that one-third (30%) do not know what types of lines were used, this is a clear indication of the lack of technologically detailed information held by many decision-makers.

**Figure 21: Bandwidths used**



\*N.B. includes all bandwidths in above bar chart  
Base: All respondents (476)

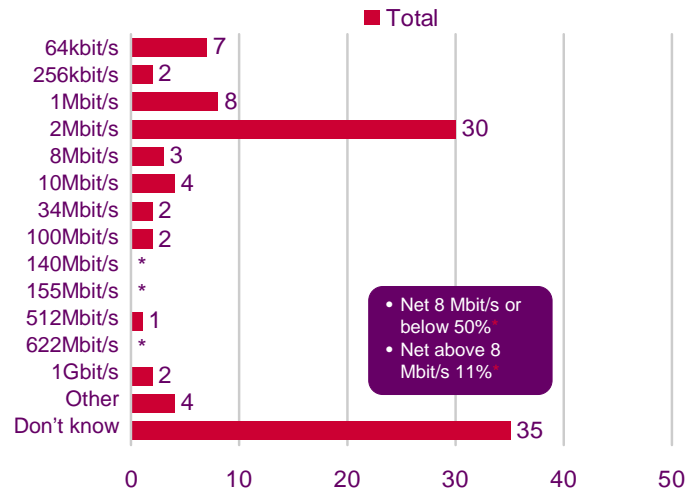
6.23 In total, one-third (34%) of large businesses use multiple (i.e. two or more) different bandwidths<sup>29</sup>. Larger businesses (those with 101+ sites) are significantly more likely than those with fewer sites to use 3-6 different bandwidths. Bigger spenders on telecoms and leased lines (£500k+ per year) also tend to use more than one bandwidth (over 50% used two or more and 15% use six or more).

6.24 Figure 22 shows the bandwidth used most by the business – the data is based on the bandwidth used most where more than one was mentioned and includes the only bandwidth mentioned if there was only one (to give a full base). Unsurprisingly, given that a 2Mbit/s bandwidth is the most frequently mentioned bandwidth used overall, it is

<sup>29</sup> N.B. There is a slight discrepancy here as 40% claimed to use bandwidths that were both over *and* under 8Mbits at an earlier question (see Section 6.1). This is explained by the high proportion of 'don't know' responses at this question as 30% were unable to give a specific bandwidth (in Mbits/Gbits etc.) used by the business, although they may have a 'rough' idea of the sizes used.

also the one most often mentioned as being used most by the business (by 30%). SDH users tend to use 2Mbit/s lines the most: just under half (49%) do so compared with 31% of Ethernet users<sup>30</sup>. Those whose technology is based on Ethernet are significantly more likely to say they mainly use a 64Kbit/s line than those whose technology is based on SDH<sup>24</sup> (8% compared with 3% respectively). An 8Mbit/s line is significantly more likely to be used by businesses with 1-2 sites with leased lines (9% compared with 2% with three or more sites with leased lines).

**Figure 22: Bandwidth used most by the business**



\*Includes all bandwidths in the above chart  
 \*Denotes less than 0.5%  
 Base: All responding including those using one bandwidth (476)

<sup>30</sup> N.B. These groups are not mutually exclusive as some respondents use both Ethernet and SDH

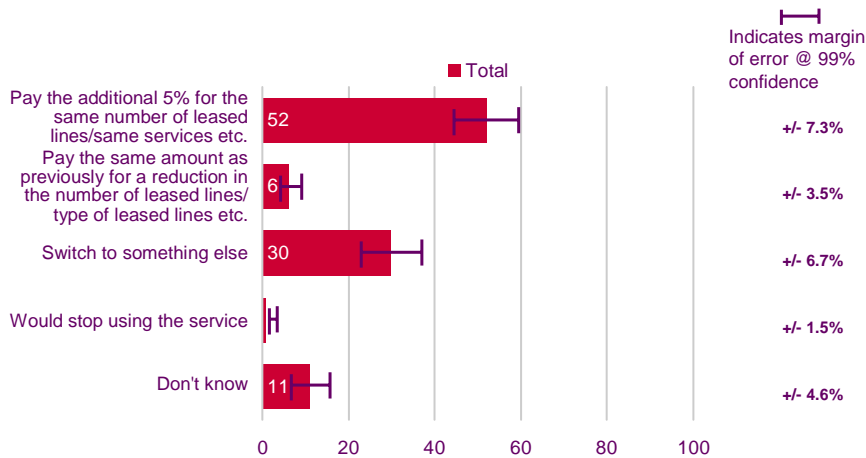


# 7. The bandwidth SSNIP test

## 7.1 A 5% price increase

7.11 In the event of a 5% increase in the price of leased lines, just over half (52%) would pay the increased cost while 6% would continue to use their leased lines but accept a reduction in either the number or type of leased lines. Just under one-third (30%) would switch to something else and one in 10 (11%) are unsure.

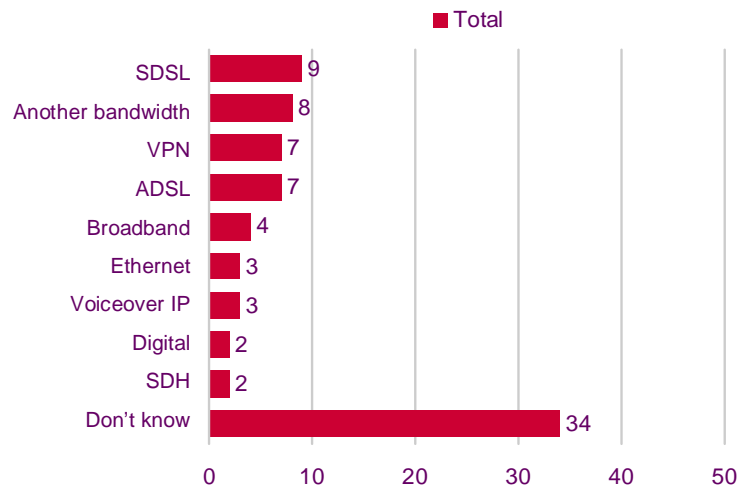
Figure 23: Bandwidth 5% SSNIP



Base: All able to give a bandwidth (311)

7.12 Figure 24 shows what businesses would switch to in the event of a 5% price increase. SDSL is the most often mentioned (by 9% of switchers, equal to 3% of all answering the SSNIP question). 'Another bandwidth', ADSL and VPN are also mentioned. However, one-third (34%) of respondents do not know what they would switch to, likely because they would have to assess benefits and value for money of any new product or service before making a decision.

**Figure 24: What would you switch to?**



Base: All who would switch at a 5% price increase (92)

NB: Percentage shown is percentage of those who would switch – not of the sample as a whole  
Bandwidth SSNIP

7.13 Figure 25 shows what businesses would switch to split by the technology the current lines were based on and. All figures relate to the number of respondents rather than percentages due to small base sizes.

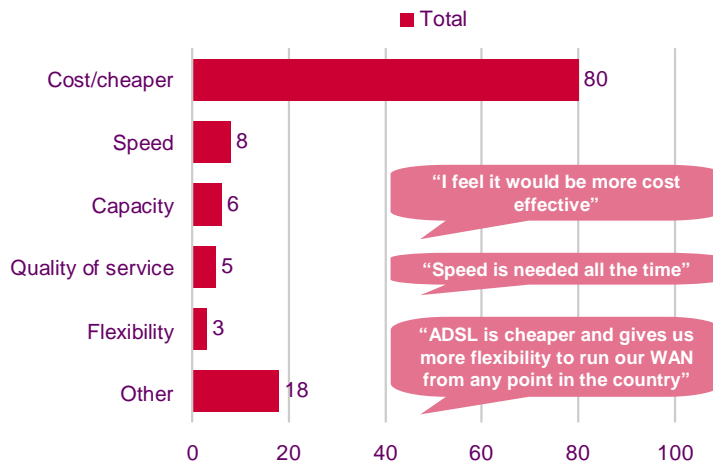
**Figure 25: What would you switch to – by technology used**

Would Switch To:	Technology Lines Based On	
	Ethernet	SDH
Another bandwidth	3	1
Digital	1	1
SDH	0	2
Ethernet	2	1
VPN	3	1
SDSL	4	5
Voiceover IP	1	1
ADSL	3	1
Broadband	3	0
Other	13	8
Don't know	14	6
<b>Total Respondents</b>	<b>43</b>	<b>26</b>

Figures shown are number of respondents (not percentages)

7.14 Cost far outweighs any other reasons given for switching away from the current lines, although speed and capacity were also mentioned, albeit to a much lesser extent. N.B. Figure 26 shows responses from those giving something to switch to only (as a large proportion were unsure about what they would switch to).

**Figure 26: Reasons for switching**



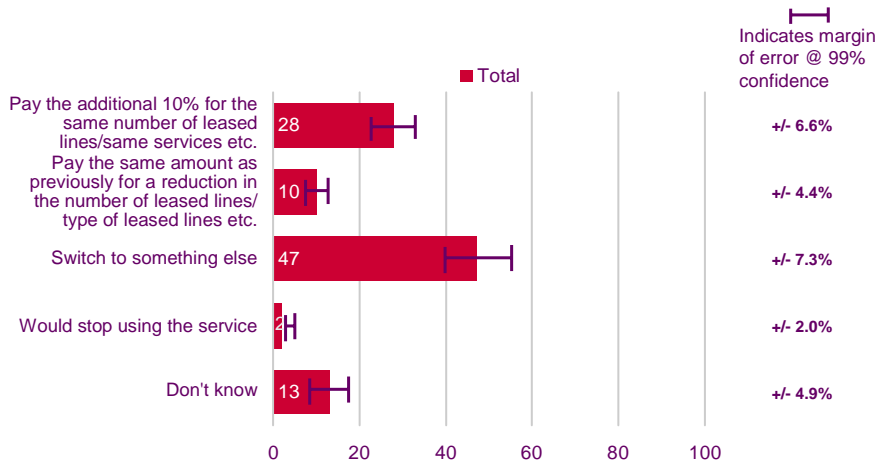
N.B. All other responses mentioned by less than 3%, data not shown  
 Base: All who would switch at 5% and gave something to switch to (65)

## 7.2 A 10% price increase

7.21 Respondents were then asked what they would do if prices were to increase by 10%. Here, just over one-quarter (28%) would continue to use leased lines and accept the price increase while 10% would pay the same amount as previously but reduce the number of lines or types of services to compensate for the price increase<sup>31</sup>. Just under half (47%) would switch to something else and 13% do not know what they would do. At a 10% price increase, indications are that justification of the amount and types of leased lines would become more of an issue than at 5% and that businesses would need to be able to reconcile spend and associated benefit to the organisation in order to continue using them.

<sup>31</sup> All data for the 10% price increase includes respondents who would switch at a 5% or 10% price increase

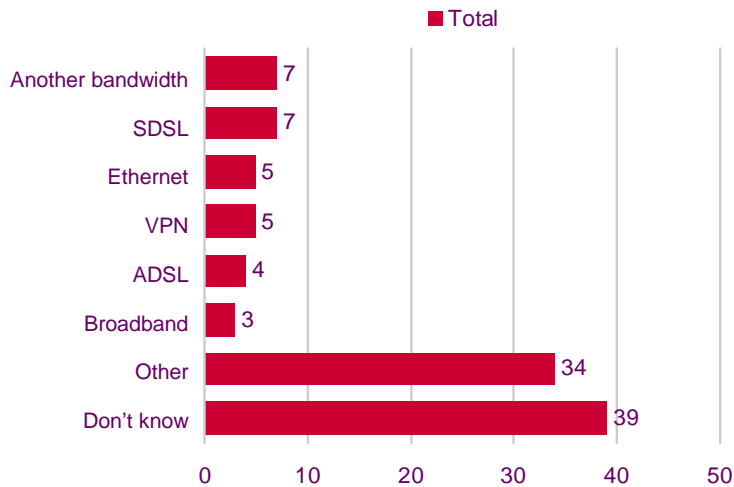
**Figure 27: Bandwidth 10% SSNIP**



Base: All able to give a bandwidth (311)

7.22 Figure 28 shows what businesses would switch to in the event of a 10% price increase. Here 'another bandwidth' and SDSL are the main mentions, although two in five (39%) do not know what they would switch to.

**Figure 28: What would you switch to?**



Base: All who would switch at a 10% price increase (109). All 'other' responses mentioned by 2% or less

NB: Percentage shown is percentage of those who would switch – not of the sample as a whole

7.23 Figure 29 shows the technology the current lines were based on and what businesses would switch to. All figures relate to the number of respondents rather than percentages due to small base sizes.

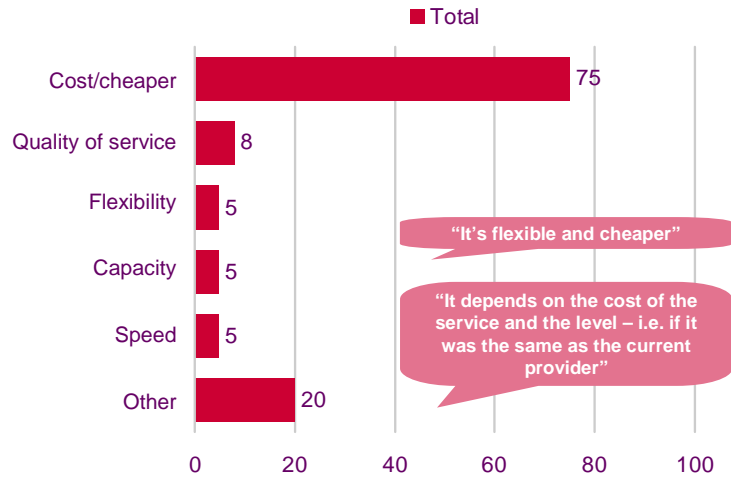
**Figure 29: What would you switch to – by technology used**

Would Switch To:	Technology Lines Based On	
	Ethernet	SDH
SDSL	5	7
Ethernet	5	2
Another bandwidth	5	1
VPN	3	2
Broadband	4	0
ADSL	3	1
Other	22	17
Don't know	30	15
<b>Total Respondents</b>	<b>73</b>	<b>46</b>

Figures shown are number of respondents (not percentages).  
All 'other' responses mentioned by less than four respondents

7.24 Again, cost was the main reason given for switching, as shown in Figure 30.

**Figure 30: Reasons for switching**



N.B. All 'other' responses mentioned by less than 3%  
Base: All who would switch at 10% and gave something to switch to (93)

7.25 In total then, just under half (47%) of those answering the SSNIP questions would switch at a 10% price increase<sup>32</sup>.

<sup>32</sup> Includes respondents who would switch at a 5% or 10% price increase

# 8. The technology SSNIP test

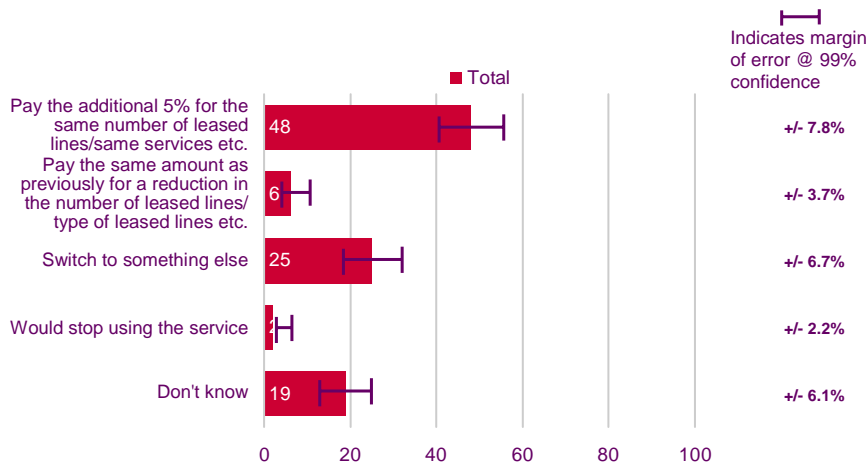
## 8.1 Ethernet and SDH data

8.11 Throughout the SSNIP test questions, there were no significant differences by those who were asked about Ethernet compared with those asked about SDH although this data is shown for information.

## 8.2 A 5% price increase

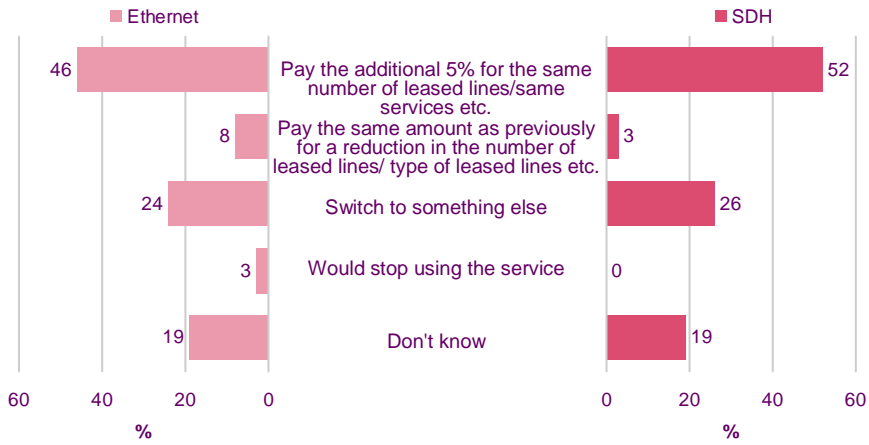
8.21 Figure 31 below shows the final response for all answering this question. Just under half (48%) would pay the additional 5% while one-quarter (25%) would switch to something else. One in five (19%) are unsure what they would do.

**Figure 31: Ethernet / SDH 5% SSNIP**



Base: All who use either Ethernet or SDH (274)

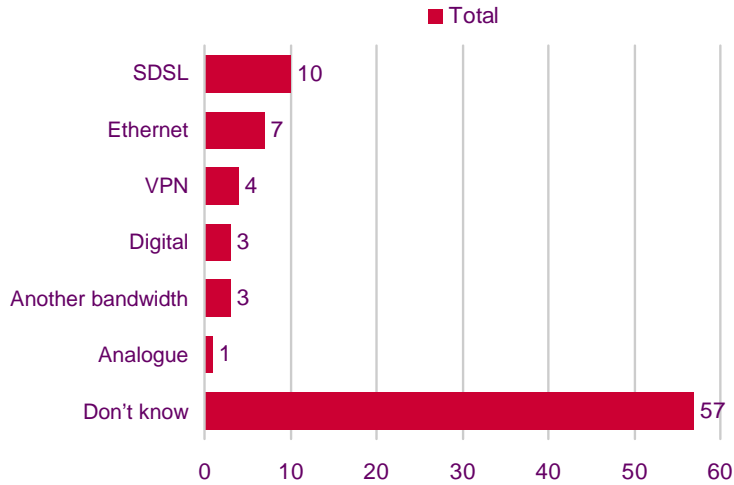
**Figure 32: Ethernet / SDH 5% SSNIP**



Base: All who were asked about Ethernet (180), SDH (94)

8.22 Figure 33 shows what businesses would switch to. SDSL is mentioned most often (by 10% of switchers – equal to 3% of all answering the SSNIP question), but the majority (57% of switchers) are unsure.

**Figure 33: What would you switch to?**



Base: All who would switch at a 5% price increase (68)

NB: Percentage shown is percentage of those who would switch – not of the sample as a whole.



8.23 Figure 34 shows what people would switch to, dependent on the technology their lines were based on.

**Figure 34: What would you switch to – by technology used**

Would Switch To:	SSNIP Question Asked About	
	Ethernet	SDH
Another bandwidth	1	1
Analogue	1	0
Digital	2	0
Ethernet	3	3
VPN	2	1
SDSL	4	4
Other	7	2
Don't know	25	14
<b>Total Respondents</b>	<b>44</b>	<b>24</b>

Figures shown are number of respondents (not percentages)

8.24 Whilst it might appear strange that some Ethernet users say they would switch from Ethernet to Ethernet, this again indicates the lack of technical awareness on the part of some respondents as presumably, some falling into this category would actually switch bandwidths rather than technology.

8.25 Cost again featured as the main reason for switching and was mentioned by 54% of those giving something to switch to. However all other responses were mentioned by less than 3% of responses so the data is not charted. Verbatim responses include:

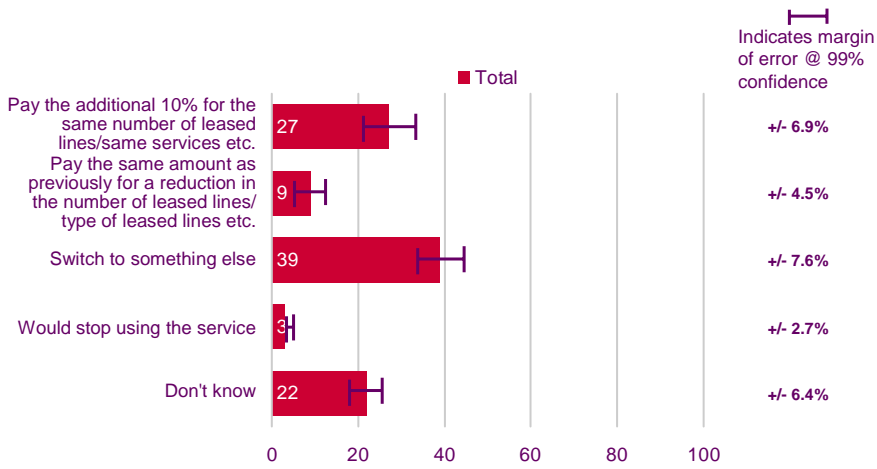
- *“Down to cost – best service for the best price.”*
- *“If we had a choice we would probably go with digital as it is quicker and more flexible – but it would all be down to cost”;*
- *“It’s like saying ‘how long is a piece of string’ – we don’t know until the situation arises.”*

### 8.3 A 10% price increase

8.31 Respondents who would not stop using the service or switch at a 5% price increase were then asked what they would do if prices were to increase by 10%<sup>33</sup>. In this scenario, just over one-quarter (27%) would continue to use the service and pay the additional amount, while 9% would accept a reduction in the number of leased lines or type of leased lines and pay the same amount as at present. Two in five (39%) would switch to something else and 22% do not know.

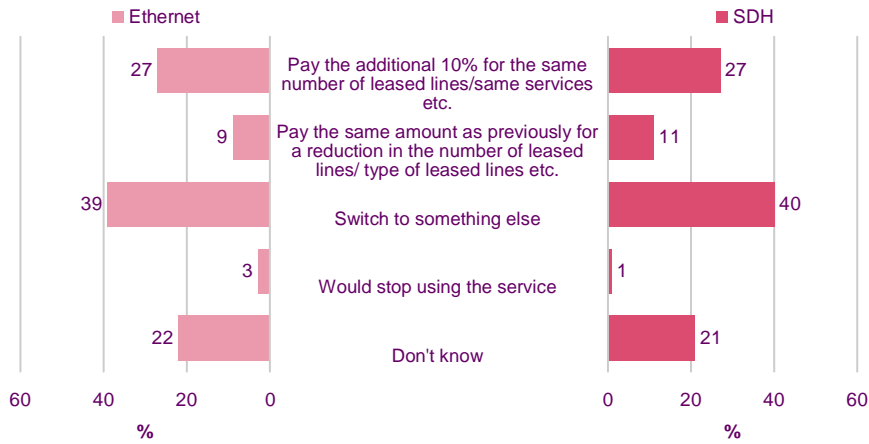
<sup>33</sup> All data for the 10% price increase includes respondents who would switch at a 5% or 10% price increase

**Figure 35: Ethernet / SDH 10% SSNIP**



Base: All who use either Ethernet or SDH (274)

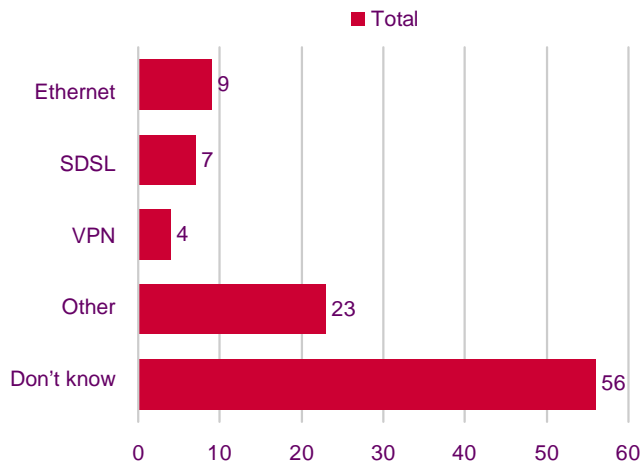
**Figure 36: Ethernet / SDH 10% SSNIP**



Base: All who were asked about Ethernet (180), SDH (94)

8.32 Figure 37 shows what businesses would switch to. Figure 38 shows the differences between those whose response referred to Ethernet versus those whose referred to SDH.

**Figure 37: What would you switch to?**



Base: All who would switch at a 10% price increase (108). All 'other' responses mentioned by less than 3%  
 NB: Percentage shown is percentage of those who would switch – not of the sample as a whole.

**Figure 38: What would you switch to – by technology used**

Would Switch To:	SSNIP Question Asked About	
	Ethernet	SDH
Ethernet	4	6
SDSL	4	4
VPN	3	1
Another bandwidth	1	1
Other	17	6
Don't know	41	20
<b>Total Respondents</b>	<b>70</b>	<b>38</b>

Figures shown are number of respondents (not percentages)  
 All 'other' responses mentioned by three people or less

8.33 Like with a 5% increase, cost is the main reason given for switching. Verbatim responses to ‘why would you switch to this?’ include:

- *“It might work out cheaper”;*
- *“Better price”;*
- *“A large start-up cost but rental costs are lower”.*

8.34 Many would need to review costs and benefits in more detail.

- *“I would look into it to see what technology was about at the time”;*
- *“We would look for the best value for money”.*

8.35 In total then, two in five (39%) of those answering the SSNIP questions would switch at a 10% price increase<sup>34</sup>.

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<sup>34</sup> Includes those who would switch at either 5% or 10%

## 9. Conclusions

- Multiple sites lend themselves to multiple suppliers, increasing numbers of decision-makers and regional autonomy for both telecoms overall and specifically for leased lines;
- The incidence of regional autonomy, together with evidence of local marketing on the part of leased lines suppliers, indicates that some individual operators focus retail business in areas where they have their own network. While BT has the leading position in the telecoms and leased lines markets, there are pockets of erosion of its position in some areas due to market variations, different competitor sets and different prices;
- The situation is further complicated by the existence of sector-specific marketing and sector propositions on the part of some leased lines/telecoms suppliers;
- The extent to which leased lines are purchased as a bundle of lines/alongside other products is dependent on business needs – there is no indication of a market norm or key package;
- The market is price sensitive and price competition is an expected market norm. Given regional variations in supplier use, this could indicate regional pricing. On prompting, over one-third of businesses would take advantage of regional price differentials should they become aware of them;
- Whilst price is a key driver in choice it is not necessarily a driver of churn – there is some stability in supplier usage currently;
- However, with price increases across the market (SSNIP test), a fairly high degree of switching would occur – in terms of the need for leased lines per se as well as in supplier choice;
- Benefits to the business/value for money are more important than ‘the technology’ – some of the decision-makers are not highly technical;
- The market tends to be skewed towards lower bandwidths. 63% of businesses interviewed used bandwidths of 8Mbits or less, compared with 25% using bandwidths greater than 8Mbits. However, almost one-third of businesses did not know what bandwidths they use.

# 10. Annex

## 1. Questionnaire

# QUESTIONNAIRES



Serial No.	Interviewer	Quality Control	Coding	Data Entry	Verbatims

**Ofcom Large Business Study (JN: 4793)**

**Respondent Name** \_\_\_\_\_

**Job Title** \_\_\_\_\_

**Company** \_\_\_\_\_

**Address** \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Interviewer** \_\_\_\_\_ **Date** \_\_\_\_\_ **Time** \_\_\_\_\_

**Country site located in**

**No. of Employees (from sample)**

- England  1
- Scotland  2
- Wales  3
- Northern Ireland  4

**Annual Turnover at this site**

- Less than £250,000  3
- £250,000 - £499,999  4
- £500,000 - £999,999  5
- £1 million - £2.5 million  6
- £2.5 million – £20 million  7
- £21 million to £50 million  8
- Over £50 million  9
- Don't know  10
- Refused  11

**SIC (CODE FROM SAMPLE)**

- Agriculture, Forestry & Fishing
- Mining
- Construction
- Manufacturing
- Transportation, Communications & Utilities
- Wholesale
- Retail
- Finance, Insurance & Real Estate
- Services
- Health
- Legal
- Education
- Social
- Government



Good morning/afternoon/evening. My name is.....and I am calling from HI Europe, an independent research agency, on behalf of Ofcom, the communications regulatory body.

Would it be possible to speak to the person within the business responsible for making decisions relating to purchasing telecoms?

ARRANGE CALL-BACK IF APPROPRIATE OR ASK FOR REFERRAL.

ONCE THROUGH TO CONTACT:

Good morning/afternoon/evening. My name is.....and I am calling from HI Europe, an independent research agency, on behalf of Ofcom, the communications regulatory body. Ofcom are interested in how businesses purchase and use telecoms generally, with a particular focus on leased telephone lines. Can I just confirm that you are the person who makes decisions about telecoms suppliers and products your business uses? IF NOT, ASK TO SPEAK TO THE PERSON WHO IS

Would you be able to spare 15-20 minutes to answer a few questions? I can arrange a time to call back if that would be more convenient. As a thank you for your time, Ofcom will send you a summary of the main findings from this study.

As we go through the questions, I'd like you to answer based on all the offices and sites operated by your organisation in the UK, but excluding any holding or associate companies within your group. Is that okay?

ASK ALL

Q1 Can I first ask you approximately how many employees your company has at all sites in the UK? INTERVIEWER: EXCLUDING ANY PARENT HOLDING COMPANY OR OTHER INDIVIDUAL COMPANIES WITHIN THE GROUP. SINGLE CODE

Less than 250

250-499

500+

1	<input type="checkbox"/>	THANK & CLOSE
2	<input type="checkbox"/>	CONTINUE
3	<input type="checkbox"/>	CONTINUE

ASK ALL

Q2 And how many individual sites, outlets, branches and or offices, including the one where you work does your company have in the UK? INTERVIEWER: EXCLUDING ANY PARENT HOLDING COMPANY OR OTHER INDIVIDUAL COMPANIES WITHIN THE GROUP. SINGLE CODE. PROMPT WITH BANDS IF NECESSARY

- |                                |    |                          |
|--------------------------------|----|--------------------------|
| 1                              | 01 | <input type="checkbox"/> |
| 2                              | 02 | <input type="checkbox"/> |
| 3-5                            | 03 | <input type="checkbox"/> |
| 6-10                           | 04 | <input type="checkbox"/> |
| 11-15                          | 05 | <input type="checkbox"/> |
| 16-20                          | 06 | <input type="checkbox"/> |
| 21-50                          | 07 | <input type="checkbox"/> |
| 51-100                         | 08 | <input type="checkbox"/> |
| 101-500                        | 09 | <input type="checkbox"/> |
| 501+                           | 10 | <input type="checkbox"/> |
| Don't know – but more than one | 11 | <input type="checkbox"/> |
| Don't know                     | 12 | <input type="checkbox"/> |

ASK ALL

Q3a Thinking about the site at which you work, can I just check that you are responsible for telecoms decision-making at this site? PROBE TO CODE. SINGLE CODE

- |                            |   |                          |
|----------------------------|---|--------------------------|
| Yes – solely responsible   | 1 | <input type="checkbox"/> |
| Yes – jointly responsible  | 2 | <input type="checkbox"/> |
| No – not my responsibility | 3 | <input type="checkbox"/> |

CLOSE IF BUSINESS IS SINGLE SITE (1 AT Q2), OTHERWISE CONTINUE

ASK IF MULTIPLE SITES (CODES 2-11 AT Q2), OTHERS GO TO Q4A

Q3b And are you responsible for telecoms decision making at the other sites your business has? PROBE TO CODE. SINGLE CODE BUT CAN MULTICODE 3+4

- Yes – solely responsible for all sites 1
- Yes – jointly responsible for all sites 2
- Yes – solely responsible for some sites, but not all 3
- Yes – jointly responsible for some sites, but not all 4
- No 5

MUST HAVE CODED  
1 OR 2 AT Q3A  
OTHERWISE THANK  
& CLOSE

ASK IF SOLELY/JOINTLY RESPONSIBLE FOR SOME SITES BUT NOT ALL (CODES 3-4 AT Q3B), OTHERS GO TO Q4A

Q3c And how many individual sites, outlets, branches and or offices, including the one where you work are you solely/jointly (CATI DELETE AS APPROPRIATE) responsible for? SINGLE CODE. INSERT NUMBER BUT PROMPT WITH BANDS IF NECESSARY. IF CODES 3+4 AT Q3B ASK TWICE – ONCE FOR 'SOLEY', ONCE FOR 'JOINTLY'

Insert number:

- 1 01
- 2 02
- 3-5 03
- 6-10 04
- 11-15 05
- 16-20 06
- 21-50 07
- 51-100 08
- 101-500 09
- 501+ 10
- Don't know – but more than one 11
- Don't know 12

ASK ALL

Q4a And can I just check, does the site where you work have a leased line connection?  
SINGLE CODE

- Yes 1  CONTINUE
- No 2  CLOSE IF SINGLE SITE (CODE 1 AT Q2), OTHERWISE CONTINUE
- Don't know 3

ASK IF MULTIPLE SITES (CODES 2-11 AT Q2)

Q4b And do you have leased line connections at any of your other sites, that is, excluding the one at which you work?

- Yes 1  CONTINUE
- No 2  CLOSE IF NOT CODED 1 AT Q4A
- Don't know 3  CLOSE IF NOT CODED 1 AT Q4A

ASK IF JOINTLY RESPONSIBLE FOR TELECOMS DECISION MAKING (CODE 2 AT Q3A OR CODES 2 OR 4 AT Q3B) OTHERS GO TO Q7.

Q5a You mentioned that you are jointly responsible for telecoms decision-making, including leased lines. What role do you play when choosing a telecoms provider or telecoms services? PROBE FULLY. CODE ALL THAT APPLY

- Choose suppliers 1
- Contract negotiations 2
- Financials 3
- Other SPECIFY 4

ASK IF JOINTLY RESPONSIBLE FOR TELECOMS DECISION MAKING (CODE 2 AT Q3 OR CODES 2 OR 4 AT Q3B) OTHERS GO TO Q7.

Q5b And who else is involved in the decision-making process? PROBE FULLY. CODE ALL THAT APPLY

- IT Manager/Director 1
- Financial Manager/Director 2
- Other SPECIFY 3

ASK IF JOINTLY RESPONSIBLE FOR TELECOMS DECISION MAKING (CODE 2 AT Q3 OR CODES 2 OR 4 AT Q3B) OTHERS GO TO Q7.

Q5c And what does their role involve during the telecoms decision-making process? PROBE FULLY. CODE ALL THAT APPLY

- |                       |   |                          |
|-----------------------|---|--------------------------|
| Choose suppliers      | 1 | <input type="checkbox"/> |
| Contract negotiations | 2 | <input type="checkbox"/> |
| Financials            | 3 | <input type="checkbox"/> |
| Other SPECIFY         | 4 | <input type="checkbox"/> |
- 

ASK IF NOT RESPONSIBLE FOR ALL SITES (CODE 3 AT Q3A OR CODE 5 AT Q3B), OTHERS GO TO Q7

Q6 Can you please talk me through why your business has different decision makers at different sites and how this works overall? PROBE FULLY

---

---

ASK ALL

Q7 Now thinking about all your services from fixed lines (IF MULTIPLE SITES I.E. CODES 2-11 AT Q2 SAY 'across all your sites') – so please include regular phone lines as well as leased lines but exclude suppliers of mobile services – how much in total do you spend per year? Please include call costs, equipment and line rental, maintenance costs and VAT for all your voice, fax, Internet and data requirements paid to suppliers for fixed communications. SINGLE CODE. PROMPT WITH BANDS IF NECESSARY. ESTIMATE OKAY IF NOT SURE

- |                   |   |                          |
|-------------------|---|--------------------------|
| Less than £50k    | 1 | <input type="checkbox"/> |
| £50 - £99k        | 2 | <input type="checkbox"/> |
| £100 - £249k      | 3 | <input type="checkbox"/> |
| £250 - £499k      | 4 | <input type="checkbox"/> |
| £500 - £999k      | 5 | <input type="checkbox"/> |
| £1 - £4.9 million | 6 | <input type="checkbox"/> |
| £5 - £9.9 million | 7 | <input type="checkbox"/> |
| Over £10 million  | 8 | <input type="checkbox"/> |
| Don't know        | 9 | <input type="checkbox"/> |

Interviewer: If respondent is not responsible for all telecoms throughout the business (either solely or joint) check whether this response refers to the business as a whole or just the part(s) of the business the respondent is responsible for (if part – what % of the business spend is this for)

ASK ALL

Q8 Which supplier or suppliers does your organization use for all your fixed telecom services (IF MULTIPLE SITES I.E. CODES 2-11 AT Q2) across all your sites? DO NOT PROMPT BUT PROBE FULLY. CODE ALL THAT APPLY

BT	01	<input type="checkbox"/>
Cable & Wireless	02	<input type="checkbox"/>
Energis	03	<input type="checkbox"/>
NTL	04	<input type="checkbox"/>
Telewest	05	<input type="checkbox"/>
Colt	06	<input type="checkbox"/>
Thus	07	<input type="checkbox"/>
MCI/Worldcom	08	<input type="checkbox"/>
Other SPECIFY	09	<input type="checkbox"/>
<hr/>		
Don't know	10	<input type="checkbox"/>

ASK IF MORE THAN ONE SUPPLIER USED (MULTICODE AT Q8) AND A COST FOR SPEND GIVEN (1-8 AT Q7), OTHERS GO TO Q10

Q9a You mentioned that you spend approximately (INSERT ANSWER FROM Q7) per annum on fixed line communications. In percentage terms how does this amount break down between the different suppliers you use? (CATI BRING UP SUPPLIERS MENTIONED AT Q8. ENSURE ADDS TO APPROXIMATELY 100% - CATI TO KEEP RUNNING TOTAL)

BT	<input type="checkbox"/>	<input type="checkbox"/>
Cable & Wireless	<input type="checkbox"/>	<input type="checkbox"/>
Energis	<input type="checkbox"/>	<input type="checkbox"/>
NTL	<input type="checkbox"/>	<input type="checkbox"/>
Telewest	<input type="checkbox"/>	<input type="checkbox"/>
Colt	<input type="checkbox"/>	<input type="checkbox"/>
Thus	<input type="checkbox"/>	<input type="checkbox"/>
MCI/Worldcom	<input type="checkbox"/>	<input type="checkbox"/>
Other SPECIFY	<input type="checkbox"/>	<input type="checkbox"/>
<hr/>		
Don't know	1	<input type="checkbox"/>

ASK IF MORE THAN ONE SUPPLIER USED (MULTICODE AT Q8) AND NO COST GIVEN AT Q7 (CODE 9) OTHERS GO TO Q10

Q9b Thinking about your overall fixed telecoms spend, in percentage terms how does this amount break down between the different suppliers you use? (CATI BRING UP SUPPLIERS MENTIONED AT Q8. ENSURE ADDS TO APPROXIMATELY 100% - CATI TO KEEP RUNNING TOTAL)

BT	<input type="text"/>	<input type="text"/>	<input type="text"/>
Cable & Wireless	<input type="text"/>	<input type="text"/>	<input type="text"/>
Energis	<input type="text"/>	<input type="text"/>	<input type="text"/>
NTL	<input type="text"/>	<input type="text"/>	<input type="text"/>
Telewest	<input type="text"/>	<input type="text"/>	<input type="text"/>
Colt	<input type="text"/>	<input type="text"/>	<input type="text"/>
Thus	<input type="text"/>	<input type="text"/>	<input type="text"/>
MCI/Worldcom	<input type="text"/>	<input type="text"/>	<input type="text"/>
Other SPECIFY	<input type="text"/>	<input type="text"/>	<input type="text"/>
<hr/>			
Don't know	1	<input type="text"/>	

ASK ALL

Q10 Which of the following types of lines does your business have? READ OUT.

Analogue regular phone lines	1	<input type="text"/>
ISDN digital phone lines	2	<input type="text"/>
Leased lines with bandwidth up to 8Mbits	3	<input type="text"/>
Leased lines with bandwidth over 8Mbits	4	<input type="text"/>
Any other types of lines SPECIFY	5	<input type="text"/>
<hr/>		
Don't know DO NOT READ OUT	6	<input type="text"/>

ASK IF HAVE MULTIPLE SITES (CODE 2 – 11 AT Q2), OTHERS GO TO Q12

Q11 You mentioned that your organisation, excluding any holding or associate companies within your group has (INSERT NUMBER OF SITES MENTIONED EARLIER) sites. Can you tell me how many of these sites have a leased line connection? SINGLE CODE

- |                                   |    |                          |
|-----------------------------------|----|--------------------------|
| 1 (i.e. this site)                | 01 | <input type="checkbox"/> |
| 2                                 | 02 | <input type="checkbox"/> |
| 3-5                               | 03 | <input type="checkbox"/> |
| 6-10                              | 04 | <input type="checkbox"/> |
| 11-15                             | 05 | <input type="checkbox"/> |
| 16-20                             | 06 | <input type="checkbox"/> |
| 21-50                             | 07 | <input type="checkbox"/> |
| 51-100                            | 08 | <input type="checkbox"/> |
| 101-500                           | 09 | <input type="checkbox"/> |
| 501+                              | 10 | <input type="checkbox"/> |
| Don't know – but at least one has | 11 | <input type="checkbox"/> |

ASK ALL

Q12 Approximately how much does your organisation spend annually on leased lines across all sites? SINGLE CODE. PROMPT WITH BANDS IF NECESSARY. ESTIMATE OKAY IF NOT SURE – FIGURE SHOULD NOT BE GREATER THAN Q7

- |                   |   |                          |
|-------------------|---|--------------------------|
| Less than £50k    | 1 | <input type="checkbox"/> |
| £50 - £99k        | 2 | <input type="checkbox"/> |
| £100 - £249k      | 3 | <input type="checkbox"/> |
| £250 - £499k      | 4 | <input type="checkbox"/> |
| £500 - £999k      | 5 | <input type="checkbox"/> |
| £1 - £4.9 million | 6 | <input type="checkbox"/> |
| £5 - £9.9 million | 7 | <input type="checkbox"/> |
| Over £10 million  | 8 | <input type="checkbox"/> |
| Don't know        | 9 | <input type="checkbox"/> |

Interviewer: If respondent is not responsible for all telecoms throughout the business (either solely or joint) check whether this response refers to the business as a whole or just the part(s) of the business the respondent is responsible for



ASK ALL

Q13 And how many leased lines do you have altogether in your organisation? ESTIMATE  
OKAY IF NOT SURE

**INSERT FIGURE**

Interviewer: If respondent is not responsible for all telecoms throughout the business (either solely or joint) check whether this response refers to the business as a whole or just the part(s) of the business the respondent is responsible for  
Don't know

ASK ALL

Q14 Can you tell me approximately how many leased lines you have for each of your bandwidths? READ OUT AND TYPE IN NUMBER. PROBE FOR WHETHER LINES ARE ANALOGUE OR DIGITAL – PUT IN COMBINED IF CAN'T SPLIT OUT SHOULD NOT TOTAL MORE THAN Q13

	<b>Analogu e</b>	<b>Digital</b>	<b>Combined (only applicable if can't split out)</b>	
64kbit/s	<input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/>	<input type="checkbox"/> DON'T HAVE
				<input type="checkbox"/> DON'T KNOW
1Mbit/s	<input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/>	<input type="checkbox"/> DON'T HAVE
				<input type="checkbox"/> DON'T KNOW
2Mbit/s	<input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/>	<input type="checkbox"/> DON'T HAVE
				<input type="checkbox"/> DON'T KNOW
8Mbit/s	<input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/>	<input type="checkbox"/> DON'T HAVE
				<input type="checkbox"/> DON'T KNOW
34Mbit/s	<input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/>	<input type="checkbox"/> DON'T HAVE
				<input type="checkbox"/> DON'T KNOW
140Mbit/s	<input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/>	<input type="checkbox"/> DON'T HAVE
				<input type="checkbox"/> DON'T KNOW
155Mbit/s	<input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/>	<input type="checkbox"/> DON'T HAVE
				<input type="checkbox"/> DON'T KNOW
622Mbit/s	<input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/>	<input type="checkbox"/> DON'T HAVE
				<input type="checkbox"/> DON'T KNOW
1Gbit/s	<input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/>	<input type="checkbox"/> DON'T HAVE
				<input type="checkbox"/> DON'T KNOW
Other SPECIFY	<input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/>	<input type="checkbox"/> DON'T KNOW

NOTE: Q15A DOES NOT EXIST

ASK ALL

Q15B Which of these bandwidths would you say is used the most by your business?  
SINGLE CODE

CATI bring up all responses mentioned earlier

Don't know

ASK ALL ABLE TO GIVE A BANDWIDTH AT Q14 OR Q15B, OTHERS GO TO Q18

Q16A If the price of your (INSERT BANDWIDTH USED IF ONE ONLY OR USED THE MOST IF MULTIPLE) leased lines increased by 5% and stayed at that level, which of the following would you be most likely to do? READ OUT. CATI ROTATE ORDER

Pay the additional 5% for the same number of (INSERT BANDWIDTH) leased lines/same services etc.

1

Pay the same amount as previously for a reduction in the number of (INSERT BANDWIDTH) leased lines/type of leased lines etc.

2

Switch to something else  
DO NOT PROMPT BUT CODE AS ONE OF FOLLOWING:

3

Another bandwidth SPECIFY WHAT  
Analogue SPECIFY BANDWIDTH  
Digital SPECIFY BANDWIDTH  
SDH  
Ethernet  
VPN  
SDSL  
Other SPECIFY

Look for a cheaper supplier DO NOT READ OUT

4

Would stop using the service DO NOT READ OUT

5

Don't know DO NOT READ OUT

6

ASK IF WOULD LOOK FOR A CHEAPER SUPPLIER (CODE 4 AT Q16A) OTHERS GO TO Q17A

Q16B If there was no cheaper supplier available, which of the following would you then be most likely to do? READ OUT. CATI ROTATE ORDER

- Pay the additional 5% for the same number of (INSERT BANDWIDTH) leased lines/same services etc. 1
- Pay the same amount as previously for a reduction in the number of (INSERT BANDWIDTH) leased lines/type of leased lines etc. 2
- Switch to something else DO NOT PROMPT BUT CODE AS ONE OF FOLLOWING: 3 
  - Another bandwidth SPECIFY WHAT
  - Analogue SPECIFY BANDWIDTH
  - Digital SPECIFY BANDWIDTH
  - SDH
  - Ethernet
  - VPN
  - SDSL
  - Other SPECIFY
- Would stop using the service DO NOT READ OUT 4
- Don't know DO NOT READ OUT 5

ASK IF WOULD SWITCH TO SOMETHING ELSE (CODE 3 AT Q16A OR B), OTHERS GO TO Q17A

Q16c Why would you switch to this? PROBE FULLY

.....

.....

ASK ALL ABLE TO GIVE A BANDWIDTH AT Q14, EXCEPT THOSE WHO WOULD SWITCH AT 5% (CODE 3 AT Q16A OR B) OR WOULD STOP USING THE SERVICE (CODE 5 AT Q16A OR 4 AT Q16B), OTHERS GO TO Q18

Q17A If the price of your (INSERT BANDWIDTH USED.IF ONE ONLY, OR USE THE MOST IF MULTIPLE) leased lines increased by 10% and stayed at that level, which of the following would you be most likely to do? Read out

Pay the additional 10% for the same number of (INSERT BANDWIDTH) leased lines/same services etc. 1

Pay the same amount as previously for a reduction in the number of (INSERT BANDWIDTH) leased lines/type of leased lines etc. 2

Switch to something else DO NOT PROMPT BUT CODE AS ONE OF FOLLOWING: 3

- Another bandwidth SPECIFY WHAT
- Analogue SPECIFY BANDWIDTH
- Digital SPECIFY BANDWIDTH
- SDH
- Ethernet
- VPN
- SDSL
- Other SPECIFY

---

Look for a cheaper supplier DO NOT READ OUT 4

Would stop using the service DO NOT READ OUT 5

Don't know DO NOT READ OUT 6

ASK IF WOULD LOOK FOR A CHEAPER SUPPLIER (CODE 4 AT Q17A), OTHERS GO TO Q18

Q17B If there was no cheaper supplier available, which of the following would you then be most likely to do? READ OUT. CATI ROTATE ORDER

- 1  Pay the additional 10% for the same number of (INSERT BANDWIDTH) leased lines/same services etc.
- 2  Pay the same amount as previously for a reduction in the number of (INSERT BANDWIDTH) leased lines/type of leased lines etc.
- 3  Switch to something else  
DO NOT PROMPT BUT CODE AS ONE OF FOLLOWING:
  - Another bandwidth SPECIFY WHAT
  - Analogue SPECIFY BANDWIDTH
  - Digital SPECIFY BANDWIDTH
  - SDH
  - Ethernet
  - VPN
  - SDSL
  - Other SPECIFY
- 4  Would not use the service DO NOT READ OUT
- 5  Don't know DO NOT READ OUT

ASK IF WOULD SWITCH TO SOMETHING ELSE (CODE 3 AT Q17A OR B), OTHERS GO TO Q19 (Q18 DOES NOT EXIST)

Q17c Why would you switch to this? PROBE FULLY

.....

.....

N.B. Q18 HAS BEEN REMOVED

ASK ALL USING MORE THAN ONE FIXED TELECOMS SUPPLIER (MULTICODE AT Q8)

Q19A Which telecom company or companies provide your UK leased lines? PROBE FULLY. CODE ALL THAT APPLY

Q19B ASK IF MORE THAN ONE SUPPLIER (MULTICODE AT Q19A)  
Which one of these would you say is your main supplier of leased lines? Please include any suppliers you have already mentioned as providing your fixed line telecoms services. CATI BRING UP ALL MENTIONED AT Q19A. SINGLE CODE

	Q19A	Q19B
BT	1 <input type="checkbox"/>	1 <input type="checkbox"/>
Cable & Wireless	2 <input type="checkbox"/>	2 <input type="checkbox"/>
Colt	3 <input type="checkbox"/>	3 <input type="checkbox"/>
Energis	4 <input type="checkbox"/>	4 <input type="checkbox"/>
MCI/Worldcom	5 <input type="checkbox"/>	5 <input type="checkbox"/>
NTL	6 <input type="checkbox"/>	6 <input type="checkbox"/>
Telewest	7 <input type="checkbox"/>	7 <input type="checkbox"/>
Thus	8 <input type="checkbox"/>	8 <input type="checkbox"/>
Other SPECIFY	9 <input type="checkbox"/>	9 <input type="checkbox"/>
_____		
Don't know/can't remember	10 <input type="checkbox"/>	10 <input type="checkbox"/>

ASK IF MORE THAN ONE SUPPLIER USED (MULTICODE AT Q19A), OTHERS GO TO Q20B  
 Q20A Why does your company use more than one supplier for your leased lines? DO NOT  
 READ OUT PROBE FULLY. CODE ALL THAT APPLY

Q20B ASK ALL

And what is the single most important reason for choosing your main leased lines  
 supplier? REDUCE LIST TO ALL THOSE STATED AT Q20a SINGLE CODE

	Q20A	Q20B
Tend to go with best price available at time	1 <input type="checkbox"/>	1 <input type="checkbox"/>
Tend to go with the best/most advanced service available at time	2 <input type="checkbox"/>	2 <input type="checkbox"/>
Prefer to use a mix in case one lets us down	3 <input type="checkbox"/>	3 <input type="checkbox"/>
Use different suppliers for different services	4 <input type="checkbox"/>	4 <input type="checkbox"/>
Different areas/regions have different telecoms providers	5 <input type="checkbox"/>	5 <input type="checkbox"/>
There is more choice in different areas/regions	6 <input type="checkbox"/>	6 <input type="checkbox"/>
It's cheaper/get better deals	7 <input type="checkbox"/>	7 <input type="checkbox"/>
Makes negotiations more competitive	8 <input type="checkbox"/>	8 <input type="checkbox"/>
No reason – just happened over the years	9 <input type="checkbox"/>	9 <input type="checkbox"/>
Different regions/offices make independent decisions	10 <input type="checkbox"/>	10 <input type="checkbox"/>
Other SPECIFY	11 <input type="checkbox"/>	11 <input type="checkbox"/>
Don't know	12 <input type="checkbox"/>	12 <input type="checkbox"/>

ASK IF ONLY ONE SUPPLIER USED (SINGLE CODE 1-9 AT Q8A), OTHERS GO TO Q22

Q21 Why does your company use only one supplier for your leased lines? PROBE FULLY.  
CODE ALL THAT APPLY DO NOT READ OUT

- |   |   |                          |
|---|---|--------------------------|
| Easier to manage one supplier             | 1 | <input type="checkbox"/> |
| Negotiate better discounts/best price     | 2 | <input type="checkbox"/> |
| They understand our business              | 3 | <input type="checkbox"/> |
| Provide good/reliable service             | 4 | <input type="checkbox"/> |
| Offer more advanced/faster line speeds    | 5 | <input type="checkbox"/> |
| Good relationship with them               | 6 | <input type="checkbox"/> |
| Historic (company always dealt with them) | 7 | <input type="checkbox"/> |
| Provide other telecoms services to us     | 8 | <input type="checkbox"/> |
| Other SPECIFY                             | 9 | <input type="checkbox"/> |
- 

ASK IF USE MORE THAN ONE SUPPLIER FOR LEASED LINES (MULTICODE AT Q19A), OTHERS GO TO Q23

Q22 You said that you used more than one supplier for your leased lines. Do any of these suppliers provide services other than your leased lines? SINGLE CODE

- |                  |   |                          |
|------------------|---|--------------------------|
| Yes SPECIFY WHAT | 1 | <input type="checkbox"/> |
| _____            |   |                          |
| No               | 2 | <input type="checkbox"/> |
| Don't know       | 3 | <input type="checkbox"/> |

ASK ALL

Q23 You mentioned that the main/only supplier of your leased lines is (INSERT COMPANY MENTIONED). For how many years have they supplied leased lines to your company? SINGLE CODE. ESTIMATE OKAY IF NOT SURE

- |                     |   |                          |
|---------------------|---|--------------------------|
| Up to 1 year        | 1 | <input type="checkbox"/> |
| Over 1 to 2 years   | 2 | <input type="checkbox"/> |
| Over 2 to 5 years   | 3 | <input type="checkbox"/> |
| Over 5 to 10 years  | 4 | <input type="checkbox"/> |
| Over 10 to 15 years | 5 | <input type="checkbox"/> |
| Over 15 years       | 6 | <input type="checkbox"/> |
| Don't know          | 7 | <input type="checkbox"/> |



ASK ALL

Q24 From start to end, how long is your current leased line contract with (INSERT COMPANY MENTIONED)? INTERVIEWER: IF IT VARIES PLEASE OBTAIN AN ANSWER FOR A TYPICAL CONTRACT. SINGLE CODE

- Up to 1 year 1
- Over 1 to 2 years 2
- Over 2 to 5 years 3
- Over 5 to 10 years 4
- Over 10 to 15 years 5
- Over 15 years 6
- Unable to give an average – contracts are too different ONLY ACCEPT IF THEY REALLY CANNOT GIVE ANY OTHER ANSWER 7
- Don't know 8

ASK ALL

Q25 Do you purchase leased lines individually or as part of a bundle of lines?

- Buy leased lines individually 1
- Bought as bundle of leased lines 2
- It varies 3
- Don't know 4

ASK ALL

Q26 Do you purchase leased lines as a single product or as part of a wider 'network solution' or telecoms package? PROBE TO CODE. SINGLE CODE

- All purchased as a single product 1
- Sometimes purchased as single product, some purchased as part of a wider package 2
- All purchased as part of a wider package 3
- Don't know 4

ASK IF ALL PURCHASED AS PART OF A WIDER PACKAGE (CODE 3 AT Q26),  
OTHERS GO TO Q29

Q27 Can you tell me what other products or services are purchased in the package  
together with the leased lines? PROBE FULLY. CODE ALL THAT APPLY

- Configured router 1
- ISDN back-up 2
- Managed Router 3
- Other (SPECIFY) 4
- Don't know 5

ASK IF ALL PURCHASED AS PART OF A WIDER PACKAGE (CODE 3 AT Q26),  
OTHERS GO TO Q29

Q28 What are the main reasons your company purchases leased lines together with other  
products or services as part of a package? PROBE FULLY. THEN PROMPT FOR  
ANY REGIONAL VARIATION

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ASK IF SOMETIMES PURCHASED AS PART OF A WIDER PACKAGE (CODE 2 AT  
Q26), OTHERS GO TO Q31

Q29 Can you tell me what other products or services are purchased in the package  
together with leased lines? PROBE FULLY. CODE ALL THAT APPLY PROBE  
FULLY. CODE ALL THAT APPLY

- Configured router 1
- ISDN back-up 2
- Managed router 3
- Other (SPECIFY) 4
- Don't know 5

ASK IF SOMETIMES PURCHASED AS PART OF A WIDER PACKAGE (CODE 2 AT  
Q26), OTHERS GO TO Q31

Q30 And can you tell me why not all of your leased lines are purchased together with  
other products or services as part of a package, while some of them are? PROBE  
FULLY

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ASK IF NONE PURCHASED AS A WIDER PACKAGE (CODE 1 AT Q26) OTHERS GO TO Q32

Q31 Can I ask why you do not purchase other products and or services together with your leased lines as part of a wider package? PROBE FULLY

- |   |   |                          |
|---|---|--------------------------|
| Have done in the past but changed SPECIFY WHY | 1 | <input type="checkbox"/> |
| Just never considered it                      | 2 | <input type="checkbox"/> |
| Other SPECIFY                                 | 3 | <input type="checkbox"/> |
| Don't know                                    | 4 | <input type="checkbox"/> |

ASK IF MORE THAN 10 SITES USE LEASED LINES (CODES 5-10 AT Q11) OTHERS GO TO Q33

Q32 Can you please tell me how your businesses' sites that use leased line connections are spread throughout the UK? Could you tell me the first part of the postcode, or if don't have the postcode to hand can you tell me the town and county of where these sites with leased lines are?

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IF LESS THAN 10 SITES THAT USE LEASED LINES (CODES 1-4 + 11 AT Q11) OR IF SINGLE SITE CODE 1 AT Q2)

Q33 You mentioned that you have (INSERT FIGURE) sites with leased line connections. To give us an idea of how these are geographically spread could you tell me the first part of the postcode, or if you don't have this to hand the town and county where these sites with leased lines are in the UK?  
IF NO NUMBER OF SITES MENTIONED CATI REWORD 1<sup>ST</sup> SENTENCE AS 'You mentioned that you have some sites/that at your site you use leased line connections'. OTHERS GO TO Q34

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ASK ALL

Q34 Do prices for leased lines vary by region? SINGLE CODE

- |            |   |                          |
|------------|---|--------------------------|
| Yes        | 1 | <input type="checkbox"/> |
| No         | 2 | <input type="checkbox"/> |
| Don't know | 3 | <input type="checkbox"/> |

ASK IF HAVE MORE THAN ONE SITE (CODES 1-11 AT Q2), OTHERS GO TO Q36

Q35 If you became aware that the price of leased line services varied by region, would you choose different suppliers in different areas to take advantage of any price differential? SINGLE CODE BUT CAN MULTICODE 'OTHER SPECIFY' WITH SOMETHING ELSE

- |   |   |                          |
|---|---|--------------------------|
| Yes – choose different suppliers          | 1 | <input type="checkbox"/> |
| No – SPECIFY WHY                          | 2 | <input type="checkbox"/> |
| <hr/>                                     |   |                          |
| Bit of both                               | 3 | <input type="checkbox"/> |
| No – all our sites are in the same region | 4 | <input type="checkbox"/> |
| Other SPECIFY                             | 5 | <input type="checkbox"/> |
| <hr/>                                     |   |                          |
| Don't know                                | 6 | <input type="checkbox"/> |

ASK ALL

Q36 What type of technology are your leased lines based on, for example Ethernet or SDH? MULTICODE POSSIBLE

- |                       |   |                          |
|-----------------------|---|--------------------------|
| Ethernet              | 1 | <input type="checkbox"/> |
| SDH                   | 2 | <input type="checkbox"/> |
| Both Ethernet and SDH | 3 | <input type="checkbox"/> |
| Other SPECIFY         | 4 | <input type="checkbox"/> |
| <hr/>                 |   |                          |
| Don't know            | 5 | <input type="checkbox"/> |

ASK ALL EXCEPT THOSE ANSWERING CODE 3 AT Q36

Q37 Are both Ethernet and SDH-based leased lines available to your business at all or some of your sites? PROBE TO CODE. SINGLE CODE

- |                   |                     |   |                          |
|-------------------|---------------------|---|--------------------------|
| If single site    | Yes                 | 1 | <input type="checkbox"/> |
| If multiple sites | Yes – at all sites  | 2 | <input type="checkbox"/> |
| If multiple sites | Yes – at some sites | 3 | <input type="checkbox"/> |
|                   | No                  | 4 | <input type="checkbox"/> |
|                   | Don't know          | 5 | <input type="checkbox"/> |

ASK ALL

Q38 And can I just ask why you use the type of lines you use? PROBE FULLY. THEN PROMPT FOR DISTANCE/GEOGRAPHY IF NOT MENTIONED

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ASK IF ONE SUPPLIER USED FOR LEASED LINES (SINGLE CODE AT Q8 OR Q19A) AND USE EITHER ETHERNET OR SDH (CODES 1-3 AT Q36), OTHERS GO TO Q39B

Q39a If the price of the Ethernet-based/SDH-based (CATI INSERT AS APPROPRIATE. IF BOTH ETHERNET AND SDH LINES USED ASK FOR ONE OR OTHER AT RANDOM) leased lines you use rose by 5% and stayed at that level, which of the following would you be most likely to do? READ OUT. CATI ROTATE ORDER

Pay the additional 5% for the same number of Ethernet/SDH (CATI INSERT) leased lines/same services etc. 1

Pay the same amount as previously for a reduction in the number of Ethernet/SDH (CATI INSERT) leased lines/type of leased lines etc. 2

Switch to something else DO NOT PROMPT BUT CODE AS ONE OF FOLLOWING: 3

- Another bandwidth SPECIFY WHAT
- Analogue SPECIFY BANDWIDTH
- Digital SPECIFY BANDWIDTH
- SDH
- Ethernet
- VPN
- SDSL
- Other SPECIFY

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Look for a cheaper supplier DO NOT READ OUT 4

Would stop using the service DO NOT READ OUT 5

Don't know DO NOT READ OUT 6

ASK IF USE MULTIPLE SUPPLIERS FOR LEASED LINES (MULTICODE AT Q19A), AND USE EITHER ETHERNET OR SDH (CODES 1-3 AT Q36), OTHERS GO TO Q39C

Q39B If the price of the Ethernet-based/SDH-based (CATI INSERT AS APPROPRIATE. IF BOTH ETHERNET AND SDH LINES USED ASK FOR ONE OR OTHER AT RANDOM) leased lines provided by your main leased lines supplier, (INSERT SUPPLIER MENTIONED), rose by 5% and stayed at that level, which of the following would you be most likely to do? READ OUT. CATI ROTATE ORDER

Pay the additional 5% for the same number of Ethernet/SDH lines (CATI INSERT) /same services etc. 1

Pay the same amount as previously for a reduction in the number of Ethernet/SDH (CATI INSERT) lines 2

Switch to something else DO NOT PROMPT BUT CODE AS ONE OF FOLLOWING: 3

- Another bandwidth SPECIFY WHAT
- Analogue SPECIFY BANDWIDTH
- Digital SPECIFY BANDWIDTH
- SDH
- Ethernet
- VPN
- SDSL
- Other SPECIFY

Look for a cheaper supplier DO NOT READ OUT 4

Would stop using the service DO NOT READ OUT 5

Don't know DO NOT READ OUT 6

ASK IF CHANGE TO ANOTHER OF THEIR SUPPLIERS/LOOK FOR A CHEAPER SUPPLIER (CODES 3 OR 4 AT Q39A OR B), OTHERS GO TO Q40A

Q39C If there was no cheaper supplier available, which of the following would you then be most likely to do? READ OUT. CATI ROTATE ORDER

- 1  Pay the additional 5% for the same number of Ethernet/SDH (CATI insert) leased lines/same services etc.
- 2  Pay the same amount as previously for a reduction in the number of Ethernet/SDH (CATI insert) leased lines/type of leased lines etc.
- 3  Switch to something else  
DO NOT PROMPT BUT CODE AS ONE OF FOLLOWING:
  - Another bandwidth SPECIFY WHAT
  - Analogue SPECIFY BANDWIDTH
  - Digital SPECIFY BANDWIDTH
  - SDH
  - Ethernet
  - VPN
  - SDSL
  - Other SPECIFY
- 4  Would stop using the service DO NOT READ OUT
- 5  Don't know DO NOT READ OUT

ASK IF WOULD SWITCH TO SOMETHING ELSE (CODE 3 AT Q39B OR C), OTHERS GO TO Q40

Q39D Why would you switch to this? PROBE FULLY

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ASK IF ONE SUPPLIER USED FOR LEASED LINES (SINGLE CODE AT Q8 OR Q19A), AND USE EITHER ETHERNET OR SDH (CODES 1-3 AT Q36) APART FROM THOSE WHO WOULD SWITCH AT 5% OR STOP USING THE SERVICE (CODES 3 OR 5 AT Q39A OR CODES 3 OR 4 AT Q39C), OTHERS GO TO Q40B

Q40A If the price of the Ethernet-based/SDH-based (CATI INSERT AS APPROPRIATE. IF BOTH ETHERNET AND SDH LINES USED ASK FOR ONE OR OTHER AT RANDOM) leased lines you use rose by 10% and stayed at that level, which of the following would you be most likely to do? READ OUT. CATI ROTATE ORDER

Pay the additional 10% for the same number of Ethernet/SDH (CATI INSERT) leased lines/same services etc. 1

Pay the same amount as previously for a reduction in the number of Ethernet/SDH (CATI INSERT) leased lines/type of leased lines etc. 2

Switch to something else 3

DO NOT PROMPT BUT CODE AS ONE OF FOLLOWING:

Another bandwidth SPECIFY WHAT

Analogue SPECIFY BANDWIDTH

Digital SPECIFY BANDWIDTH

SDH

Ethernet

VPN

SDSL

Other SPECIFY

Look for a cheaper supplier DO NOT READ OUT 4

Would stop using the service DO NOT READ OUT 5

Don't know DO NOT READ OUT 6



ASK IF USE MULTIPLE SUPPLIERS FOR LEASED LINES (MULTICODE AT Q19A), AND USE EITHER ETHERNET OR SDH (CODES 1-3 AT Q36) APART FROM THOSE WHO WOULD SWITCH AT 5% OR STOP USING THE SERVICE (CODES 3 OR 5 AT Q39B OR CODES 3 OR 4 AT Q39C), OTHERS GO TO Q40C

Q40B If the price of the Ethernet-based/SDH-based (CATI INSERT AS APPROPRIATE. IF BOTH ETHERNET AND SDH LINES USED ASK FOR ONE OR OTHER AT RANDOM) leased lines provided by your main leased lines supplier, (INSERT SUPPLIER MENTIONED), rose by 10% and stayed at that level, which of the following would you be most likely to do? READ OUT

- Pay the additional 10% for the same number of Ethernet/SDH (CATI INSERT) lines/same services etc. 1
- Pay the same amount as previously for a reduction in the number of Ethernet lines 2
- Switch to another of your suppliers DO NOT READ OUT 3
- Switch to something else DO NOT PROMPT BUT CODE AS ONE OF FOLLOWING: 4 
  - Another bandwidth SPECIFY WHAT
  - Analogue SPECIFY BANDWIDTH
  - Digital SPECIFY BANDWIDTH
  - SDH
  - Ethernet
  - VPN
  - SDSL
  - Other SPECIFY
- Look for a cheaper supplier DO NOT READ OUT 5
- Would stop using the service DO NOT READ OUT 6
- Don't know 7

ASK IF CHANGE TO ANOTHER OF THEIR SUPPLIERS/LOOK FOR A CHEAPER SUPPLIER (CODES 3 OR 4 AT Q40A OR B), OTHERS GO TO Q41

Q40C If there was no cheaper supplier available, which of the following would you then be most likely to do? READ OUT. CATI ROTATE ORDER

- Pay the additional 10% for the same number of Ethernet/SDH (CATI INSERT) leased lines/same services etc. 1
- Pay the same amount as previously for a reduction in the number of Ethernet/SDH (CATI INSERT) leased lines/type of leased lines etc. 2
- Switch to something else 3
- DO NOT PROMPT BUT CODE AS ONE OF FOLLOWING:
  - Another bandwidth SPECIFY WHAT
  - Analogue SPECIFY BANDWIDTH
  - Digital SPECIFY BANDWIDTH
  - SDH
  - Ethernet
  - VPN
  - SDSL
  - Other SPECIFY
- Would stop using the service DO NOT READ OUT 4
- Don't know DO NOT READ OUT 5

ASK IF WOULD SWITCH TO SOMETHING ELSE (CODE 3 AT Q40B OR C), OTHERS GO TO Q42

Q Why would you switch to this? PROBE FULLY

ASK ALL

Q41 Just before we finish, Ofcom currently have an online panel of decision-makers within large businesses. The purpose of the panel is to help provide Ofcom with regular feedback on the views of large businesses on key issues in the telecoms market. This would involve taking part in email or website-based surveys every few months. Would you be interested in joining the panel?

- Yes 1  CAPTURE EMAIL ADDRESS
- No 2
- Don't know 3

Q42 As I mentioned at the beginning of this interview, Ofcom are happy to provide all interviewees for this study with a summary of the results. In order to do this, we would need to pass back your details (i.e. your email address or address) to Ofcom – however, any comments you have made will be kept separate and will not be passed back to Ofcom in any way that might identify you. Would you be happy for us to pass back your contact details to Ofcom so they can provide the results summary to you?

Yes – pass back

1

No – remain anonymous

2

GO TO NAME/ADDRESS DETAILS AT FRONT

Thank you for your help. Can I just remind you that this interview is part of a market research survey being carried out by HI Europe on behalf of Ofcom. If you want to verify that we are a bona fide agency, I can give you the Freephone number of the Market Research Society to ring. **GIVE NUMBER IF REQUIRED.**