SME experience of communications services – a research report

16 October 2014
# SME experience of communications services – a research report

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1. Executive Summary

1.1. Methodology and sample

A survey of 1500 SMEs was undertaken using CATI (Computer Aided Telephone Interviewing).

The sample was provided by Sample Answers who source sample as follows:
- 1.58 million records from Thomson Directories
- 2.45 million records from Companies House

Quotas were set on size of SME (number of employees), nation, English region and Industry sector.

Interviews lasted 25 minutes on average.

65 boost interviews were conducted to ensure a minimum of 50 rural and 50 remote rural interviews in each of the four nations.

The survey data was weighted to be representative of the SME population on size.

The interview was undertaken with the person within each SME who had primary responsibility (sole or joint) for telecoms.

Interviews were conducted between April and June 2014.

1.2. Catering to the needs of SMEs

Small and Medium Enterprises (SMEs) were claiming to spend on average £1,500 per year on communications services; with spend increasing as they grow in size from an average of £1,025 in the 0-4 employee businesses to an average of £11,532 in the 50-249 employee businesses. These services were described as fundamental to their business by 83% of SMEs.

The vast majority of SMEs (85%) felt their business needs were well catered for by the communications market.

Of all communications services it was the internet service that tended to receive the lowest ratings. 80% of those with an internet connection rated the importance of fixed internet to the organisation as 8+ out of 10 (60% claimed it was absolutely vital). The majority (66%) had ADSL broadband and satisfaction with this service was lower than with any other communication service (77% versus 88% for PSTN landline and 90% for smartphones). Speed and reliability were the two most commonly given reasons for dissatisfaction with internet services in general.

The 15% of SMEs who claimed that their growth had been hampered by a lack of suitable communications services express higher than average levels of dissatisfaction with their ADSL internet service (60% versus 80% for those who do not feel their growth has been hampered by a lack of suitable communications services).

The 11% of SMEs that felt there were services not available to them that their business could benefit from were most likely to cite faster/fibre broadband as the service they required.

The 50% of SMEs who regularly work in sparsely populated areas and/or whilst travelling in the UK and who were more reliant on mobile phones tended to be less satisfied with the coverage (70% satisfied versus 83% of those who do not regularly work in sparsely populated areas and/or whilst travelling in the UK) and reliability (68% satisfied versus 82% of those who do not regularly work in sparsely populated areas and/or whilst travelling in the UK) of those services.

1.3. Satisfaction with services used

The majority of SMEs were satisfied with their communication services. Few SMEs (circa 5%) were dissatisfied overall with each service (landline, internet and mobile).
Statistical analysis\(^1\) was undertaken to determine the main drivers of satisfaction for each of the services. These were:

- **Fixed landline**: reliability, value for money and repair times for faults.
- **Fixed internet**: connection speed, geographic availability and being able to send and receive emails/access the internet.
- **Mobile (smartphone only)**: geographic coverage was by the biggest driver but other factors (reliability of sending and receiving email over the internet, T&Cs, repair time, and ease of contacting the customer service department) also impacted overall satisfaction; these additional factors were of roughly equal importance to each other.

Upon prompting the following emerged as the key areas where SMEs were dissatisfied with each service:

- **Fixed landline**: value for money (11% dissatisfied)
- **Fixed internet**: connection speed (22% dissatisfied) and accessing connection speed paid for (20% dissatisfied).
- **Mobile phone**: geographic coverage (16% dissatisfied) and signal reliability (18% dissatisfied).

The ease of contacting the customer service department was a common source of frustration across all three services (landline = 16% dissatisfied, internet = 18% dissatisfied, mobile = 11% dissatisfied).

### 1.4. Complaining about communications services

Around one in five SMEs who have the service had made a complaint about their landline service and mobile service and just fewer than one in three about their internet service. Complaints were almost exclusively made to the provider.

Complaints were largely around service delivery in the areas, noted previously, that were key to satisfaction, namely:

- **Landline**: reliability (15%).
- **Internet**: reliability (29%), slow download (16%) / upload speeds (13%).
- **Mobile**: poor coverage (26%).

Under half felt the day-to-day running of their business had been affected by the problem; although problems with landlines and internet had a greater impact on the running of their business than problems with mobiles.

Around one in five felt the problem had resulted in a financial impact on their business.

Around one third of complaints made about landline and internet remain unresolved (in the view of the complainant); this rises to over half of complaints made about mobile phone services.

### 1.5. Switching provider

Around half of all SMEs had ever switched to another provider for one or more of their communications services and one in five had switched in the last two years.

Experiencing problems with the existing provider was cited as the main prompt for a SME to **consider** switching, as well as a perception that cheaper deals may be available elsewhere. Poor customer service also played a key role as a trigger to start looking around.

The majority of SMEs felt they had enough choice of suppliers (landline = 66%; internet = 65%; mobile = 74%) and of products and services (landline = 74%; internet = 74%; mobile = 83%). However, SMEs felt it could be

\(^1\) The form of analysis used was regression analysis which is a commonly used technique that is able to identify the links between a set of dependent variables (aspects of service) with a dependent variable (overall satisfaction)
hard to make comparisons between suppliers (landline = 51%, internet = 52%, mobile = 43%) and tariffs (landline = 52%, internet = 49%) to reach a decision on what provider/package to switch to.

While customer service and problems were cited as reasons to consider switching, the most frequently given reason for actually switching provider was to get a better deal (landline = 67% of switchers, internet = 52% of switchers, mobile = 44% of switchers). Better coverage was also important for those switching mobile phone providers.

The main reasons for deciding not to switch, having considered doing so were no cost benefit (landline = 24%, internet = 20%, mobile = 26%), deciding not to bother (landline = 26%, internet = 17%) or for those considering switching their internet provider if they were persuaded by their existing provider to stay (16%).

The majority (landline = 77%, internet = 83%, mobile = 87%) of switching SMEs found the process of switching easy/very easy, although fairly high proportions (landline = 48%, internet = 37%, mobile = 41%) did experience some problems along the way. The most common problems noted were receiving bills for the cancelled service, temporary interruption to their service and/or the process taking longer than expected.

1.6. Contracts

The majority of SMEs had a fixed term contract with their communications provider (landline = 67%, internet = 71%, mobile = 80%) and the majority of these were business specific contracts (landline = 77%, internet = 74%), although these were less prevalent for mobile phones (50%). The most commonly given reasons for not having a business fixed term contract were the beliefs that business fixed term contracts do not offer any advantages over a personal fixed term contract and/or that they were more expensive.

Most SMEs with a business specific contract were aware of the Terms and Conditions (T&Cs) of their fixed term contracts (landline = 80%, internet = 78%, mobile = 80%) and were comfortable that they matched what they were sold (landline = 86%, internet = 82%, mobile = 86%). Around one in ten had experienced problems as a result of something not being included in their T&Cs.

Around one in three SMEs claimed to be unaware of whether their business specific fixed term contract includes Service Level Agreements (SLAs) and Early Termination Charges (ETCs) or not.

Around one in five SMEs felt that the wording used in ETC in their business specific fixed term contract lacked clarity and transparency.

Those aware of their SLAs (landline = 49%, internet = 46%, mobile = 41%) were largely satisfied that these were being met (landline = 90%, internet = 87%, mobile = 91%).

1.7. Remote rural locations

SMEs in remote rural locations were less likely than other SMEs to feel that the needs of their business were well catered for in the communications market (73% versus 85% for Total).

The most commonly mentioned issues were related to their internet service. SMEs in remote rural locations were less satisfied with several aspects of their internet service, in particular, the reliability (61% satisfied) and speed (52% satisfied) of their connection and also the ability to access the speed paid for (49% satisfied).

They were also more likely to have experienced problems with their internet service over the last 12 months than other SMEs (54% versus 42% for Total). Those who had complained were more likely than other SMEs to feel that their problem remains unresolved (48% versus 34% for Total).

SMEs in remote rural locations were less likely to have fibre broadband than SMEs in urban locations (9% versus 14%). They were more likely to say that they do not have access to communications services that their business might benefit from, with a faster internet service being the most commonly mentioned service.
SMEs in remote rural locations were also less satisfied with the reliability and coverage of their mobile phones, and more likely to claim that they had experienced problems in the last 12 months. However the differences between those in remote rural and other locations were not as marked as with the internet service.

1.8. Comparisons with 2010 research

Where comparisons can be drawn with the research conducted in 2010, findings were typically similar to the previous survey.

Usage and importance of landline and internet services had both increased since 2010, whereas the same measures for their mobile service had remained constant.

Bundling of services had increased since 2010; with landline and fixed internet most commonly bundled both then and now.

Satisfaction levels with all three services were similar to those in 2010.

The proportion of SMEs switching provider over the last 12 months was at similar levels in 2010 across all three services.

The attitudinal profile of SMEs remains similar to 2010 in respect to communications services being fundamental to their business, feeling well informed about communications services and feeling confident that they know what products and services would benefit their business.
2. Introduction

2.1. Background and Objectives

The primary objective of the research was to measure usage of and attitudes towards communications services among SMEs across the UK.

Within this, Ofcom wanted to cover the following topics:

- Communications services and devices currently used, cost of communications services.
- Sources of information used for communications services.
- Reasons for non-adoption of services.
- Satisfaction with services received.
- Engagement with the market (e.g. understanding of and access to communications channels available, awareness of supplier choice, incidence of supplier switching – actual and planned, barriers to switching etc.).
- The nature and extent of any problems with services received.

Ofcom needed to be able to analyse this by nation, company size and sector.

2.2. Research Methodology

1508 x 25 minute CATI (Computer Assisted Telephone Interviewing) interviews were conducted with SMEs (businesses with 0-249 employees).

Quotas were set on employee size, nation, English region and industry sector to ensure sub-group analysis could be undertaken on those variables.

65 x boost interviews were conducted to ensure a minimum of 50 rural and 50 remote rural interviews were achieved in each of the four nations. Where differences by Urban/Rural/Remote Rural are highlighted these are based on the Core plus Boost samples. All other figures are based on Core sample only.

The sample was provided by Sample Answers who source sample as follows:

- 1.58 million records from Thomson Directories
- 2.45 million records from Companies House

Survey data was weighted on company size in order to be representative of the SME universe.

The interview was undertaken with the person within each SME who had primary responsibility (sole or joint) for telecoms.

Interviews were conducted between April and June 2014.

2.3. Detailed sample structure

Figures 1 to 4 show a more detailed breakdown of the research sample in terms of business size, industry sector, nation/region and urbanity.

**Figure 1: SME size**

<table>
<thead>
<tr>
<th>Number in Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single self-employed/SOHO</td>
</tr>
<tr>
<td>Micro 1 (2-4 employees)</td>
</tr>
<tr>
<td>Micro 2 (5-9 employees)</td>
</tr>
</tbody>
</table>
### Figure 2: Industry sector

<table>
<thead>
<tr>
<th>Industry Sector</th>
<th>Number in Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary (agriculture, manufacturing, construction)</td>
<td>333</td>
</tr>
<tr>
<td>Retail/wholesale</td>
<td>413</td>
</tr>
<tr>
<td>Services</td>
<td>489</td>
</tr>
<tr>
<td>Government (including central, local, education and health)</td>
<td>121</td>
</tr>
<tr>
<td>Third Sector</td>
<td>112</td>
</tr>
</tbody>
</table>

Source: Sample

### Figure 3: Nation/English Region

<table>
<thead>
<tr>
<th>Nation/Region</th>
<th>Number in Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scotland</td>
<td>330</td>
</tr>
<tr>
<td>Wales</td>
<td>279</td>
</tr>
<tr>
<td>Northern Ireland</td>
<td>324</td>
</tr>
<tr>
<td>North East</td>
<td>52</td>
</tr>
<tr>
<td>North West</td>
<td>71</td>
</tr>
<tr>
<td>Yorkshire/Humber</td>
<td>60</td>
</tr>
<tr>
<td>East Midlands</td>
<td>54</td>
</tr>
<tr>
<td>West Midlands</td>
<td>53</td>
</tr>
<tr>
<td>East of England</td>
<td>76</td>
</tr>
<tr>
<td>London</td>
<td>77</td>
</tr>
<tr>
<td>South East</td>
<td>65</td>
</tr>
<tr>
<td>South West</td>
<td>67</td>
</tr>
</tbody>
</table>

Source: Sample

### Figure 4: Urbanity

<table>
<thead>
<tr>
<th>Urbanity</th>
<th>Number in Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urban</td>
<td>1085</td>
</tr>
<tr>
<td>Rural</td>
<td>262</td>
</tr>
<tr>
<td>Remote Rural</td>
<td>161</td>
</tr>
</tbody>
</table>

Source: Sample
2.4. About the analysis and report

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

We have analysed all of the data by the following variables:

- SME size (micro, small and medium)
- Urban/Rural/Remote Rural

Where differences exist these have either been a) tabulated in the report if the variation in responses by that variable merit that or b) highlighted any differences in the text (if the differences were insufficient to warrant a full tabulation). So, throughout the report, if there is no mention of a difference by any one of these variables then one does not exist.

We have also analysed SME’s with 1-10 employees as a non-standard categorisation to reflect the section(s) of the General Conditions covering this area that make a distinction between business end-users with ten or fewer employee’s and those with more than ten employees. However, no differences exist for these SMEs other than those already documented for the micro SMEs.

Comparisons to the 2010 study have been made where possible, however, such comparisons should be treated as indicative only because of significant questionnaire changes between 2010 and 2014, and also because the sample profiles are not identical.

This report focuses on the main findings of interest from this research. However, all data are available in the Market Data and Research section of Ofcom’s website.

2.4.1. Key definitions

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

**Urban/Rural/Remote Rural**

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
<th>Population</th>
<th>Urban/Rural/Remote Rural</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Large City</td>
<td>500,000+</td>
<td>Very Urban</td>
</tr>
<tr>
<td>B</td>
<td>Smaller city or large town</td>
<td>100,000 - 500,000</td>
<td>Urban</td>
</tr>
<tr>
<td>C</td>
<td>Medium town</td>
<td>15,000 - 100,000</td>
<td>Urban</td>
</tr>
<tr>
<td>D</td>
<td>Small town (within 10 miles of A, B or C)</td>
<td>2,000 - 15,000</td>
<td>Urban</td>
</tr>
<tr>
<td>E</td>
<td>Small town (more than 10 miles from A, B or C)</td>
<td>2,000 - 15,000</td>
<td>Urban</td>
</tr>
<tr>
<td>F</td>
<td>Rural area (within 10 miles of A, B or C)</td>
<td>0 - 2,000 Town fringe, Villages, Hamlets, Open countryside</td>
<td>Rural</td>
</tr>
<tr>
<td>G</td>
<td>Rural area (more than 10 miles from A, B or C)</td>
<td>0 - 2,000 Villages, Hamlets, Open countryside</td>
<td>Very rural</td>
</tr>
</tbody>
</table>

**SME Size**

The EU definition is used to describe SMEs throughout the report; micro = 0-9 employees, small = 10-49 employees, medium = 50-249 employees.
2.4.2. Icons used in the report
A number of icons are used in the report to illustrate different communication technologies, business size and urbanity. These are detailed in Figure 5.

Figure 5: Icons used in the report

- Fixed Line (including standard PSTN, ISDN 2/3e and ISDN, Ethernet, leased lines)
- Fixed Internet (including ADSL, fibre, cable and dial-up)
- Mobile Phone (smartphones/standard mobile phones)

- Significantly less than
- Significantly more than

0-4 = SMEs with 0-4 employees
0.9 = SMEs with 0.9 employees (MICRO)
10-49 = SMEs with 10-49 employees (SMALL)
50-249 = SMEs with 50-249 employees (MEDIUM)

= SMEs in Rural area (within 10 miles of large/small city, large/medium town)
= SMEs in Remote Rural area (more than 10 miles from large/small city, large/medium town)
= SO% of SMEs who work in sparsely populated parts of the country and/or work while travelling in the UK

2.4.3. Report sections

Section 3 (page 9) looks at the sample characteristics of SMEs in terms of sector, size and location, and profiles respondents with regard to purchase decision making and attitudes towards communication services.

Section 4 (page 22) covers the services used by SMEs, looking at annual spend, types of service used, the importance of services to the business, future services and main providers. It takes a detailed look at usage of landlines, mobiles and internet.

Section 5 (page 41) examines satisfaction with services used, both overall and individually for landlines, internet and mobiles.

Section 6 (page 50) is about complaints, starting with problems or issues experienced with services and exploring the complaints process and resolution.

Section 7 (page 66) covers switching behaviour (both past and future attitudes) with regard to switching service providers of landlines, mobiles and internet. It compares satisfaction with switching attitudes plus explores prompts and barriers to switching. The switching process is also covered amongst those who have been through this.
**Section 8 (page 108)** deals with contracts. It explores the basic details of these, business-specific contracts, terms & conditions and service level agreements. It takes a detailed look at these for landlines, mobiles and internet.

**Section 9 (page 127)** looks at internet usage, covering applications used, online marketing and cloud services, the relationship of internet to business competitive and the likelihood of replacing leased lines with fibre broadband.

**Section 10 (page 134)** compares the responses of SMEs who feel confident that they are able to identify which new communications products or services would be valuable for their organisation with those who do not feel confident in this area.

**Section 11 (page 139)** compares the responses of SMEs who feel the growth of their business has been hampered by a lack of communications services with those who do not feel this.

**Section 12 (page 144)** looks in detail at SMEs who work in sparsely populated areas of the countryside and/or work while travelling in the UK.

A copy of the research questionnaire is appended.

### 3. SME sample characteristics

<table>
<thead>
<tr>
<th>Summary</th>
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</table>

For the majority (77%) of SMEs, responsibility for communications purchasing decisions rested with the owner/proprietor, MD, Partner or other Director. 2% of SMEs had an IT/Telecoms Specialist who had this responsibility. The majority (83%) of these decision makers describe communications as fundamental to their business.

The majority (91%) of SMEs operated from a single site and most (76%) had fewer than 5 employees. More than half were largely office based; 57% described employees as being mainly/entirely office based and less than 1 in 5 (18%) described employees as working mainly/entirely away from the office.

Around two thirds (66%) of SMES were based in an urban location; around half of those in more rural locations were in remote rural locations (16% of all SMEs).

9% of businesses operated from multiple sites within the UK. Most controlled their own communications budget. 60% were involved in collective tendering of services, most commonly fixed landline and fixed internet.

The majority (72%) of SMEs were serving customers in their local area or region; just over 1 in 10 (13%) are exporting outside the UK. SMEs were serving both businesses and consumers, about equally.

Most SMEs felt the needs of their business were well served by the communications market (85%) and that information was widely available about communications products and services (85%). However a proportion (15%) felt the growth of their business had been impacted by a lack of suitable products or services.

Most SMEs (67%) felt well informed about how communications services can help their business survive and grow. Provider websites (39%) and newsletters/emails (16%) were key sources of information as were mainstream media (18%) and independent review sites (16%).
3.1. Profile of research sample

Figures 6 to 10 examine the profile of SMEs in our sample in terms of industry group, sector, turnover, sites and employees.

Reflecting their SME status, the majority of companies operated out of one site (Figure 9). Almost half had a turnover of £100k or less and only 1% a turnover of more than £5 million (Figure 8).

Figure 6: Industry group

- Services: 34%
- Retail/Wholesale: 30%
- Primary: 21%
- Government: 6%
- Third sector: 7%

Source: S4a. SIC code data from sample.
Base: Total Sample (n=1508)

Figure 7: Sector detail

- Retail/Wholesale: 30%
- Accommodation, food service: 7%
- Financial, insurance: 6%
- Human health, social work: 2%
- Professional, scientific, tech: 10%
- Construction: 10%
- Administration, support service: 3%
- Arts, entertainment, rec: 3%
- Transportation, storage: 3%
- Information, communication: 1%
- Real estate: 1%
- Other services: 1%
- Education: 6%
- Third sector: 7%

Source: S4a. SIC code data from sample.
Base: Total Sample (n=1508)
Figure 8: Annual turnover/budget

- < £50k: 27%
- £50k-£75k: 11%
- Over £75k-£100k: 8%
- Over £100k-£250k: 17%
- Over £250k-£500k: 8%
- Over £500k-£1m: 5%
- Over £1m-£5m: 5%
- Over £5m: 1%
- Don't know/ref: 18%

Source: P2/P3. Approximately what was your annual turnover/budget for the last financial year (2012/13)? Base: Total Sample (n=1508)

Figure 9: Number of UK sites/offices

- 1: 91%
- 2: 6%
- 3: 2%
- 4+: 1%

Source: S7a. How many sites or offices does your organisation operate from in the UK, including this one? Base: Total Sample (n=1508)

Figure 10 shows that one in three SMEs were sole traders and almost half had 2-4 employees. With regards to part-time working, on average, almost a quarter (24%) of employees worked part-time. Almost half (48%) of organisations had no part-time staff.

Figure 10: Number of employees

- 1: 30%
- 2: 19%
- 3-4: 27%
- 5-9: 13%
- 10-19: 5%
- 20-49: 4%
- 50-99: 1%
- 100-249: 1%
3.2. Location

Figure 11 shows that almost two-fifths (38%) of SMEs were based in England, with a fifth in each of Scotland, Wales and Northern Ireland.

Around two-thirds of SMEs were based in an urban location (Figure 12); around half of those in more rural locations were in remote rural locations.

7% of organisations were based on an industrial estate/business park. Of these, 46% had been based there for 10+ years, 27% for 6-10 years, 18% for 1-5 years and 7% for less than 1 year.

Only 1% of SMEs had been prevented from moving to a preferred location due to lack of communications services. Among these (noting the very small sample size), the services not available were:

- ADSL broadband: 10 SMEs
- Cable/fibre broadband: 8 SMEs
- PSTN telephone lines: 4 SMEs
- Mobile signal: 2 SMEs
- ISDN 2/2e: 1 SME
3.3. Respondent profile

Figures 13 and 14 show that in the majority of SMEs the owner/proprietor or similar had responsibility for purchasing decisions about communications products. IT/Telecoms specialists were rare amongst SMEs (somewhat more prevalent in medium SMEs).

**Figure 13: Job Title**

- Owner / Proprietor: 51%
- Partner / Managing Partner: 10%
- Managing Director: 9%
- PA / Office manager: 7%
- IT/Telecoms director/mgr: 2%
- Other Director: 7%
- Other Senior manager: 6%
- Other: 9%

**Figure 14: Responsibility for communications purchasing decisions**

- Sole responsibility: 61%
- Joint responsibility: 36% in medium SMEs
- 21% in medium SMEs

Source: S3. Could I please confirm your exact job title?

Base: Total Sample (n=1508)

Source: S2b. And which of the following best describes the responsibility you personally have for making purchasing decisions in relation to these communications services for the organisation?

Base: Total Sample (n=1508)

3.4. Purchase decisions in multi-site businesses

9% of businesses operated from multiple sites within the UK. Figures 15 and 16 show that most controlled their own budget but over half were involved in collective tendering across their sites.
Figure 15: Control over purchasing decisions for communication services

Source: S7a. How many sites or offices does your organisation operate from in the UK, including this one? S2a. Which of the following best describes how much control your organisation has when it comes to making purchasing decisions in relation to communications services? Base: Total Sample (n=1508)

Figure 16 shows that 50-249 employee organisations are more likely than others to be involved in this, with 39% saying they ‘always’ tender collectively across multiple sites (compared with 21% overall). The communication services most likely to be tendered collectively are fixed landline and broadband internet.
3.5. Work arrangements

SMEs were largely office based (Figure 18), with 63% in self-contained offices and a further 7% with office/desk spaces in a managed office.

Around a quarter (26%) of SMEs operated from a home office (lower than the 36% who did so in 2010). Home office working was more prevalent amongst those SMEs who work in sparsely populated areas and/or work while travelling in the UK (40% vs. 26% overall).
Figure 18: Office set-up

Source: S6b. Which of the following best describes your set up? Base: Total Sample (n=1508)

57% described employees as being mainly/entirely office based (Figure 19) and less than 1 in 5 (18%) described employees as working mainly/entirely away from the office.

Compared with 43% overall, 62% of SMEs who worked in sparsely populated parts of the country and/or worked while travelling in the UK described employees as spending at least some time away from the office.

Around two-fifths had employees who regularly worked from home (43%) or in sparsely populated areas (38%) as can be seen in Figure 20. More than a third had employees who regularly worked in other specific locations (36%) or while travelling in the UK (34%). To work whilst travelling internationally was rarer (occurred regularly in 12% of SMEs).
3.6. Customer profile

Almost three quarters (72%) of SMEs served customers mainly in their local area or region (Figure 21). 13% were exporting outside the UK.

75% of SMEs who worked in sparsely populated parts of the country and/or worked while travelling in the UK serviced customers outside the local area vs 58% overall.

Amongst private companies (Figure 22), 42% serviced business and consumer customers, 36% mainly consumers and 22% mainly business customers. 73% of SMEs who worked in sparsely populated parts of the country and/or worked while travelling in the UK serviced any business customers vs 64% overall.
3.7. General attitudes to communications technology and services

Figure 23 examines the general attitudes held by SMEs towards communications technology and services. Most SMEs felt the needs of their business were well served by the communications market and that information is widely available about communications products and services (85% agreed with these statements).

More than eight in ten SMEs (83%) agreed that communication services were fundamental to their business (one in three were in strong agreement about this); rising to 94% of those with 50-249 employees. Remote rural SMEs were less likely to feel this, but the attitude was still in the majority (77%).

85% of SMEs agreed that the needs of their business were well catered for in the communications market (lower amongst remote rural SMEs – 73%). Only 15% agreed that their growth had been impacted by the lack of suitable products and services.

Remote rural SMEs were more likely to agree that they were worried about possible breaches of security in their communication services (48% vs. 35% overall).

Remote rural SMEs were also more likely to agree that they do not have confidence in identifying which new products or services would be valuable (44% vs. 34% of SMEs overall). Those SMEs with 50-249 employees were more assured in this respect (19% agreeing that they do not have confidence in this area). Overall agreement with this measure was up from 29% in 2010.

SMEs with 50-249 employees were also more likely to feel very well informed about how communication services can help them to survive and grow (74% agree vs. 67% overall, down slightly but not significantly from 70% overall in 2010).
Source: QF1. Next I’m going to read you a number of statements that people have made about their personal attitude towards communications technology and services. For each one please can you tell me how much you agree or disagree with it? Base: Total Sample (n=1508), *Mobile users only (n=469)

3.8. Sources of information about communication services

Figure 24 shows which sources of information were used by SMEs to keep themselves informed about communication services.

Provider websites (39%) and newsletters/emails (16%) were key sources of information as were mainstream media (18%) and independent review sites (16%). A fifth sought the advice of friends or colleagues.

Medium sized SMEs (with 50-249 employees) were more likely than SMEs in general to use all of the listed sources apart from mainstream media and independent review sites. With these they showed a similar profile.
Figure 24: Sources of information for communication services

<table>
<thead>
<tr>
<th>Source</th>
<th>50-249 employees (245)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provider websites</td>
<td>49%</td>
</tr>
<tr>
<td>Friends/colleagues</td>
<td>27%</td>
</tr>
<tr>
<td>Mainstream media/press</td>
<td>21%</td>
</tr>
<tr>
<td>Independent review websites</td>
<td>19%</td>
</tr>
<tr>
<td>Provider newsletters/emails</td>
<td>23%</td>
</tr>
<tr>
<td>General search engine/Google</td>
<td>18%</td>
</tr>
<tr>
<td>Specialist industry magazines</td>
<td>14%</td>
</tr>
<tr>
<td>Advisory bodies</td>
<td>9%</td>
</tr>
<tr>
<td>Govt information websites/publications</td>
<td>6%</td>
</tr>
<tr>
<td>None of these</td>
<td>5%</td>
</tr>
</tbody>
</table>

Source: QF2. What sources of information do you use to keep yourself informed about the communications services your organisation uses? Base: Total sample (n=1508)

3.9. Use of Welsh amongst businesses based in Wales

Figure 25 shows that the majority (81%) of SMEs in Wales used English in their business dealings most or all of the time. When asked if any communications service providers communicated in Welsh or whether they would like them to do this, SMEs in Wales had a higher expectation that website content might be made available in Welsh.

\[2\] The green and red highlighting indicates significant difference to the Total sample where green = significantly higher and red = significantly lower
Figure 25: Use of Welsh in business dealings

Source: P13. To what extent do you use the Welsh language in your business dealings? Base: All Welsh organisations (n=282)

Figure 25b: Current communications from communication service suppliers received in Welsh

Source: P14. Do any of your communications service suppliers communicate with you in Welsh in any form? P15. And would you like your communications service suppliers to… Base: All using Welsh to some degree (n=142)
4. Services Used

**Summary**

The average claimed spend on communications services was £1,579. Spend was strongly linked to size; micro SMEs claimed to spend £1,025 on average, while medium SMEs claimed spend was £11,532 on average.

The most commonly used services were fixed landline (standard PTSN) – 95% of SMEs - and fixed internet (ADSL) – 66% of SMEs. Mobile phones were used by around two thirds (66%) of SMEs. Faster/dedicated services such as ISDN, fibre or cable broadband, VPN, etc. were largely the domain of the small and medium organisations.

The majority of SMEs were still most reliant on fixed landline and fixed internet services. Mobile phones are important but not as key.

BT was the most commonly used supplier across fixed landline and fixed internet services. O2, Vodafone and Orange were the most frequently mentioned networks used by SMEs for mobile phone services.

Half (51%) of all SMEs bought some or all of their communications services as part of a bundle. The most common bundle was fixed landline and internet (69% of SMEs who bundle). BT supplied half of all bundles (51%).

12% of SMEs were looking to upgrade existing services or acquire new services in the next 12 months; this increased to 28% amongst medium SMEs. The mostly commonly mentioned service was fibre broadband (4%).

11% of SMEs felt there were services that would benefit their business but were not available to them; this rises to 20% for medium SMEs and 21% for SMEs based in remote rural locations. The mostly commonly mentioned service was fibre broadband (5%).

**4.1. Annual spend**

Spend on communications services was strongly linked to company size; 85% of micro SMEs claimed to spend less than £2000 annually, while 73% of medium SMEs spent more than £2000 annually (Figure 26).
4.2. Communication services currently used

Figures 27 and 28-32 show which communication services were used by SMEs, both overall (Figure 27) and by company size and locality of SME (Figures 28-32).

Standard PSTN landline, ADSL broadband and mobile phones (standard and smartphones) were the most commonly used services. The use of more dedicated/faster services was more common in small and medium SMEs than micro SMEs.

For this research ISDN 2/2e, ISDN 30, Ethernet and Leased Lines were treated as landline services.

Use of many types of communication services have increased since 2010. Almost eight in ten (78%) used internet (up from 71%) and 66% used mobiles (up slightly but not significantly from 64%).

A further 13% of SMEs used personal mobile phones for business, bringing the penetration of mobile phone use to around 79% of SMEs.
SME experience of communications services – a research report

**Figure 27: Communication services currently used**

<table>
<thead>
<tr>
<th>Service</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard PSTN landline</td>
<td>95%</td>
</tr>
<tr>
<td>ISDN 2/2e</td>
<td>7%</td>
</tr>
<tr>
<td>Ethernet</td>
<td>6%</td>
</tr>
<tr>
<td>Leased lines</td>
<td>3%</td>
</tr>
<tr>
<td>ISDN 30</td>
<td>2%</td>
</tr>
<tr>
<td>ADSL broadband</td>
<td>66%</td>
</tr>
<tr>
<td>Fibre broadband</td>
<td>36%</td>
</tr>
<tr>
<td>Cable broadband</td>
<td>11%</td>
</tr>
<tr>
<td>ISDN 2/2e</td>
<td>7%</td>
</tr>
<tr>
<td>Ethernet</td>
<td>6%</td>
</tr>
<tr>
<td>Leased lines</td>
<td>3%</td>
</tr>
<tr>
<td>ISDN 30</td>
<td>2%</td>
</tr>
<tr>
<td>Dial up internet</td>
<td>2%</td>
</tr>
<tr>
<td>Smartphones</td>
<td>44%</td>
</tr>
<tr>
<td>Standard mobiles</td>
<td>36%</td>
</tr>
<tr>
<td>VoIP</td>
<td>10%</td>
</tr>
<tr>
<td>Mobile broadband</td>
<td>10%</td>
</tr>
<tr>
<td>VPNs</td>
<td>4%</td>
</tr>
<tr>
<td>Video conferencing</td>
<td>4%</td>
</tr>
</tbody>
</table>

Source: QA1a. Including yourself, which of the following communications services does your organisation use?

**Base: Total Sample (n=1508)**

---

3 A further 13% of SMEs used personal mobile phones for business, bringing the penetration of mobile phone use to around 79% of SMEs. A further 9% of SMEs are accessing the internet through their mobile devices bringing the penetration of internet access to 87%. The claimed take-up figure for Cable Broadband may be an over-statement.

4 ISDN 2/2e, Ethernet, Leased lines and ISDN30 services have been included under landline and internet services in Figure 27 in the interests of completeness. For the majority of the report these services are treated as landline services.
Figures 28 to 32 show that there is a clear relationship between usage of communication services and size of SME, with the larger organisations significantly more likely to use most services than the micro SMEs.

On average micro SMEs use 3 communication services compared with 4.3 for small organisations and 6.2 for medium ones.

Figure 28 looks at landline services currently used and shows that SMEs with 10+ employees were significantly more likely than those with fewer than 10 employees to be using IDSN2/2e, Ethernet, Leased Lines or ISDN 30.

**Figure 28: Landline services currently used**

Source: QA1a Including yourself, which of the following communications services does your organisation use?

<table>
<thead>
<tr>
<th>Service</th>
<th>Total</th>
<th>1-4 employees</th>
<th>1-9 employees</th>
<th>10-49 employees</th>
<th>50-249 employees</th>
<th>Urban</th>
<th>Rural</th>
<th>Remote</th>
</tr>
</thead>
<tbody>
<tr>
<td>Landline</td>
<td>95</td>
<td>94</td>
<td>96</td>
<td>96</td>
<td>96</td>
<td>96</td>
<td>95</td>
<td>96</td>
</tr>
<tr>
<td>Standard PSTN</td>
<td>5</td>
<td>6</td>
<td>5</td>
<td>7</td>
<td>8</td>
<td>8</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>ISDN 2/2e</td>
<td>12</td>
<td>12</td>
<td>12</td>
<td>12</td>
<td>12</td>
<td>12</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>Ethernet</td>
<td>31</td>
<td>31</td>
<td>31</td>
<td>31</td>
<td>31</td>
<td>31</td>
<td>31</td>
<td>31</td>
</tr>
<tr>
<td>ISDN 30</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>7</td>
</tr>
</tbody>
</table>

Base: Total Sample n=1508, 1-4 employees n=637, 1-9 employees n=940, 10-49 employees n=323, 50-249 employees n=245, urban n=1085, rural n=274, remote n=216
Figure 29 looks at Internet services currently used. ADSL broadband was most common in remote rural SMEs (75% used it), with fibre or cable more likely in urban locations than rural or remote rural ones.

SMEs with 10+ employees were significantly more likely than those with fewer than 10 employees to be using most types of Internet services. Notably, 41% of 50-249 employee organisations claimed to be using fibre broadband, compared with only 20% of 10-49 and 11% of smaller organisations.

Figure 29: Internet services currently used

Source: QA1a Including yourself, which of the following communications services does your organisation use?
Base: Total Sample n=1508, 1-4 employees n=637, 1-9 employees n=940, 10-49 employees n=323, 50-249 employees n=245, urban n=1085, rural n=274, remote n=216

[Graph showing the usage of different internet services by employee size and location]

A further 9% of SMEs are accessing the Internet through their mobile devices bringing the penetration of Internet access to 87%. The claimed take-up figure for Cable Broadband may be an over-statement.
Figure 30 looks at mobile services currently used. Standard mobiles were more prevalent than smartphones in remote rural locations, but otherwise smartphones were dominant.

Figure 30: Mobile services currently used

Source: QA1a Including yourself, which of the following communications services does your organisation use?
Base: Total Sample n=1508, 1-4 employees n=637, 1-9 employees n=940, 10-49 employees n=323, 50-249 employees n=245, urban n=1085, rural n=274, remote n=216

A further 13% of SMEs used personal mobile phones for business, bringing the penetration of mobile phone use to around 79% of SMEs.
Figure 31 looks at other services currently used. The larger organisations (10+ employees) were significantly more likely than the smaller (fewer than 10 employees) to have been using any of these other services. Notably, 44% of 50-249 employee organisations were using VPNs compared with 17% of those with 10-49 employees and only 2% of smaller organisations.

**Figure 31: Other communication services currently used**

<table>
<thead>
<tr>
<th>Service Type</th>
<th>Total</th>
<th>1-4 employees</th>
<th>1-9 employees</th>
<th>10-49 employees</th>
<th>50-249 employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>VoIP</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mobile broadband</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VPNs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Video conferencing</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: QA1a Including yourself, which of the following communications services does your organisation use?  
Base: Total Sample n=1508, 1-4 employees n=637, 1-9 employees n=940, 10-49 employees n=323, 50-249 employees n=245, urban n=1085, rural n=274, remote n=216
4.3. Importance of communication services currently used

Remembering that 83% of SMEs agreed that communication services were fundamental to their business (Figure 23), it is unsurprising that when asked directly about the importance of individual services, very few users of fixed phone lines, fixed internet or mobile phones say these are not important (Figure 32).

SMEs were most reliant on fixed landline and fixed internet services, with mobile phones commonly used but not quite as central for SMEs. 69% of SMEs said that fixed phone lines were ‘absolutely vital’ i.e. the business could not carry on without them (up from 62% in 2010). 60% said this about fixed internet (up from 52%) and 51% about mobile phones (down slightly but not significantly from 53%).

![Figure 32: Importance of communication services currently used](image)

Source: QA1a. Including yourself, which of the following communications services does your organisation use? Base: Total Sample (n=1508). QF7. Thinking about each of the communication services your organisation uses, how important is each of these to your organisation? Please use a scale of 1 to 10 where 1 is not at all important, it would be inconvenient but you could live without them and 10 is absolutely vital - your business could not carry on without them. Base: All users of each service (n=1465/1267/1048/225/105)

4.4. Future communication service improvements

SMEs were asked about any communication services that they were actively looking to acquire or upgrade in the next 12 months. Figure 33 shows that 12% overall were looking to do this for any service.

This was correlated with business size, with medium SMEs most likely to be looking to acquire new services or upgrade existing services in the next 12 months (28%).
Figure 33: Services actively looking to acquire/upgrade to in next 12 months

Source: QF6. And are there any communications services that you are actively looking at acquiring or upgrading in the next 12 months? Base: Total Sample (n=1508)

Related to this, SMEs were also asked if there were any communications services that are not currently available to their organisation that they feel the business would benefit from. 11% said this was the case (Figure 34) across any service (with broadband the most likely service mentioned).

SMEs in remote rural locations were more likely to feel that there are services their business would benefit from that were not available to them (21% vs. 11% overall), as were larger SMEs as highlighted in Figure 34.
Figure 34: Services not currently available that business would benefit from

![Bar chart showing services not currently available]

Source: QF5. Are there any communications services that are not currently available to your organisation that you feel your business would benefit from being able to use? Base: Total Sample (n=1508)

4.5. Main providers of communication services

Figure 35 examines the main providers of each service, showing that BT was the most used supplier for landline and internet services. Medium SMEs were less likely to use BT for internet services including ADSL broadband (37% versus 49% overall), Ethernet (15% vs 49% overall) and Fibre (43% versus 68% overall).

O2 was the most used mobile provider, followed by Vodafone and Orange.
4.6. Bundling of services

Figures 36-38 look at the incidence and detail of bundled services.

Around half of SMEs had bundled services (Figure 36); most commonly fixed landline and internet services, from BT (Figure 37-38). The most used bundle was fixed landline and broadband internet only (69%).

There was a higher proportion of bundling compared with 2010 (34% vs. 51%), although SMEs were bundling similar services.

Almost all those bundling had services bundled with one supplier only (96%).
Figure 36: Any services bundled together from the same supplier?

![Diagram showing results]

*Only one service used

N/a* 13%

Yes 51%

No 36%

Source: QA3a. Are any of your services bundled together with the same supplier? **Base: Total Sample (n=1508)**

Figure 37: Services bundled

- Fixed landline: 94%
- Broadband internet: 87%
- Mobile phone: 15%
- Ethernet: 5%
- Mobile broadband: 5%
- Leased lines: 3%
- Dial up internet: 3%

Source: QA3b. How many different suppliers do you have bundled services with? QA3c. And which of these services are supplied as a bundle package? **Base: All with bundled services (n=803)**

Figure 38: Bundle supplier

- BT: 51%
- Talk Talk: 8%
- XLN Telecom: 6%
- Unicom/Universal: 5%
- Virgin Media: 5%

Source: QA3d. What is the name of the company that provides this bundle? **Base: All with bundled services (n=803)**
4.7. Mobile phones

Figure 39 shows that, overall, 66% of SMEs used mobile phones. A further 13% of SMEs used personal mobile phones for business, bringing the penetration of mobile phone use to around 79% of SMEs.

44% of SMEs used smartphones (up from 38% in 2010). Smartphones represented more than half (56%) of those SMEs who used mobiles at all. 86% of smartphone users were using these to connect to the internet.

The use of mobile phones increased with size of SME, with 83% of medium SMEs using these compared with 66% overall.

**Figure 39: Overall mobile usage by SMEs**

<table>
<thead>
<tr>
<th></th>
<th>Any mobiles</th>
<th>Smartphones</th>
<th>Standard mobiles</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total sample</strong></td>
<td>66%</td>
<td>44%</td>
<td>36%</td>
</tr>
<tr>
<td><strong>1-4 employees</strong></td>
<td>65%</td>
<td>42%</td>
<td>33%</td>
</tr>
<tr>
<td><strong>1-9 employees</strong></td>
<td>65%</td>
<td>43%</td>
<td>34%</td>
</tr>
<tr>
<td><strong>10-49 employees</strong></td>
<td>73%</td>
<td>56%</td>
<td>47%</td>
</tr>
<tr>
<td><strong>50-249 employees</strong></td>
<td>83%</td>
<td>72%</td>
<td>64%</td>
</tr>
<tr>
<td><strong>Urban</strong></td>
<td>64%</td>
<td>44%</td>
<td>34%</td>
</tr>
<tr>
<td><strong>Rural</strong></td>
<td>72%</td>
<td>49%</td>
<td>38%</td>
</tr>
<tr>
<td><strong>Remote rural</strong></td>
<td>71%</td>
<td>39%</td>
<td>50%</td>
</tr>
</tbody>
</table>

Source: QA1a. Including yourself, which of the following communications services does your organisation use? **Base: Total Sample (n=1508 / 637/940/323/245 / 1085/274/216).** QA7. Thinking now about the smartphone(s) your organisation uses, do you or your staff ever connect to the internet via a smartphone? **Base: Smartphone users (n=335)**
The 34% of SMEs who did not use mobile phones were asked why that was the case (Figure 40). Over half of them felt that mobile phones were not necessary for the business and more than a third were using personal mobiles for business.

Figure 40: Reasons for not using mobile phones

- Not necessary for the business: 55%
- Use personal mobiles for business: 38%
- Don’t currently use, but may be useful to the business: 3%
- Poor signal/coverage: 1%
- Other: 3%

Source: QB12. Which of the following statements is closest to your reason for not having company mobile phones?
Base: All not using mobiles (n=460)

4.8. Landlines

Landlines are almost universal in usage (96% of all SMEs), as shown in Figure 41. Faster services (i.e. non-PSTN) are largely the domain of medium SMEs.
Figure 41: Services used (total sample)\(^7\)

<table>
<thead>
<tr>
<th>Service</th>
<th>Number of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1-4 (637)</td>
</tr>
<tr>
<td>Any landline</td>
<td>96%</td>
</tr>
<tr>
<td>Standard PSTN landline</td>
<td>95%</td>
</tr>
<tr>
<td>ISDN 2/2e</td>
<td>7%</td>
</tr>
<tr>
<td>Ethernet</td>
<td>6%</td>
</tr>
<tr>
<td>Leased lines</td>
<td>3%</td>
</tr>
<tr>
<td>ISDN 30</td>
<td>2%</td>
</tr>
</tbody>
</table>

Source: QA1a. Including yourself, which of the following communications services does your organisation use? 
**Base: Total Sample (n=1508)**

\(^7\) The figures highlighted in red and green are significantly different compared to the other subgroups for that service, where green = significantly higher and red = significantly lower
Figure 42 shows the number of fixed lines into SME organisations. 67% had only one line and on average there were two.

The number of fixed lines increased with size of organisation, with two-thirds of medium SMEs having five or more lines (and an average of almost 16).

**Figure 42: Number of fixed telephone lines into the organisation**

![Bar chart showing the number of fixed telephone lines by size of organisation.](chart)

Source: A8. How many fixed telephone lines does your organisation have? By this we mean the number of physical lines into the organisation, not the number of extensions you have. **Base: Landline users (sample sizes as indicated) *NOTE: SMALL SAMPLE SIZE**

Figure 43 shows that 7% of landline users had a non-geographic call number for customers to use to contact them; more than three times that proportion existed within medium SMEs (50-249 employees).
4.9. Internet

Figures 44 and 45 look at fixed internet usage and compare this by number of employees (Figure 44) and location (Figure 45). Overall, 78% of SMEs used fixed internet. A further 9% of SMEs were accessing the internet through mobile devices, bringing penetration of internet use to 87% of SMEs.

Internet usage is higher amongst larger SMEs, notably for fibre broadband (41% of medium SMEs used this compared with 13% overall).

Remote rural SMEs were more likely to be reliant on ADSL than fibre or cable broadband.

---

* Fixed internet includes ASDL, Fibre, Cable and/or Dial Up
The 22% of SMEs not using the Internet were asked why this was the case. Figure 46 shows that in most cases there was simply no business need or because they used mobile internet instead.
Figure 46: Reasons for not using internet

- No need, use mobile internet access instead: 41%
- No need to access the internet: 37%
- Too expensive to have lines installed: 5%
- Infrastructure is not available: 4%
- Tariff is too expensive: 3%
- Other: 15%

Source: QA16. Why does your organisation not use a fixed internet service? Base: All not using fixed internet (n=241)
5. Satisfaction

Summary

**Fixed Landline (including standard PSTN, ISDN 2/2e and 30, Ethernet, leased lines)**
Overall, 88% were satisfied and 6% dissatisfied. Reasons for being dissatisfied at overall level (for highest penetration service; standard PSTN landline) are service quality/reliability/faults (3%) and customer service (2%).

Key areas of satisfaction with service (across all services) were: geographic coverage (92% satisfied) and reliability of signal/connection (90% satisfied).

Key areas of dissatisfaction with service (across all services) were: ease of contacting the customer service department (16% dissatisfied) and value for money (11% dissatisfied).

**Fixed Internet (including ADSL, fibre, cable and dial-up)**
Overall, 78% were satisfied, and 14% dissatisfied. Reasons for being dissatisfied at overall level (for highest penetration service; ADSL broadband) were connection/speed issues (12%) and service quality/reliability/faults (5%).

Key areas of satisfaction with service (across all services) were: reliability for emailing/internet access (86% satisfied), geographic availability (80%), and connection reliability (80%).

Key areas of dissatisfaction with service (across all services) were: connection speed (22% dissatisfied), ability to access speed paid for (20% dissatisfied) and ease of contacting the customer service department (18% dissatisfied).

**Mobile Phone (smartphones/standard mobile phones)**
Overall, 88% were satisfied, and 6% dissatisfied. Satisfaction with smartphones (90%) was slightly higher than with standard (85%) mobile phones.

Reasons for being dissatisfied at overall level (for highest penetration service; smartphone/standard mobiles) were coverage issues (2%/ 4%) and service quality/reliability/faults (2%/ 3%).

Key areas of satisfaction with service (across all services) were: value for money (81% satisfied) and T&Cs (80% satisfied).

Key areas of dissatisfaction with service (across all services) were: signal/connection reliability (18% dissatisfied), geographic coverage (16% dissatisfied) and ease of contacting customer service department (11% dissatisfied)

5.1. Satisfaction with services used

Figure 47 examines levels of satisfaction with various communication services (amongst users of those services).
SME experience of communications services – a research report

Satisfaction with services was generally good. The vast majority are at least fairly satisfied on a service by service basis. More than half say they are “very satisfied” with ISDN 30, ethernet or fibre broadband.

The highest levels of dissatisfaction were found with ADSL broadband services (14% dissatisfied) and dial-up internet (although only a very small proportion of SMEs were using the latter).

Figure 47: Satisfaction with services used

Source: QB1a. Thinking about the (named) services your organisation uses, please can you tell me how satisfied or dissatisfied you are with your overall experience of each, using the following scale.

Base: All users of each service (sample sizes as indicated) *NOTE: SMALL SAMPLE SIZE

Regression analysis was undertaken to determine the main drivers of overall satisfaction for each of the services. These were:

- For fixed landline the key drivers were reliability, value for money and repair times for faults.
- For fixed internet the key drivers of satisfaction were connection speed, geographic availability and being able to send and receive emails/ access the internet.
- For mobile phone (smartphone only) the key driver was geographic coverage but other factors (reliability of sending and receiving email over the internet, T&Cs, repair time, and ease of contacting the customer service department) also impacted overall satisfaction; these additional factors were of roughly equal importance to each other

Satisfaction levels with these specific service aspects or ‘drivers’ is detailed in subsequent sections (Sections 5.2 to 5.4).

The form of analysis used was regression analysis which is a commonly used technique that is able to identify the links between a set of dependent variables (aspects of service) with a dependent variable (overall satisfaction)
Figure 48 looks at reasons for dissatisfaction based on the total sample.

Around 80% of those who were dissatisfied with their ADSL broadband gave connection/speed issues as the reason. Service quality and coverage issues were most prevalent for mobile.

Figure 48: Dissatisfaction with services used; based on total sample

<table>
<thead>
<tr>
<th>% Dissatisfied of all users</th>
<th>Standard PSTN landline</th>
<th>ADSL Broadband</th>
<th>Smart phones</th>
<th>Standard mobiles</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reasons for dissatisfaction</td>
<td>Standard PSTN landline</td>
<td>ADSL Broadband</td>
<td>Smart phones</td>
<td>Standard mobiles</td>
</tr>
<tr>
<td>Connection/speed issues</td>
<td>1%</td>
<td>12%</td>
<td>2%</td>
<td>1%</td>
</tr>
<tr>
<td>Service quality/reliability/faults</td>
<td>3%</td>
<td>5%</td>
<td>2%</td>
<td>3%</td>
</tr>
<tr>
<td>Coverage issues</td>
<td>0%</td>
<td>2%</td>
<td>2%</td>
<td>4%</td>
</tr>
<tr>
<td>Customer service</td>
<td>2%</td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>Cost/value for money</td>
<td>1%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Mis-selling/contract issues</td>
<td>1%</td>
<td>0%</td>
<td>0%</td>
<td>1%</td>
</tr>
<tr>
<td>Billing issues</td>
<td>1%</td>
<td>0%</td>
<td>0%</td>
<td>1%</td>
</tr>
<tr>
<td>Installation time</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Other</td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
<td>0%</td>
</tr>
</tbody>
</table>

Source: QB1b. You said you were dissatisfied with your (from QB1a) services. Why is this?

Base: All users of each service.

5.2. Satisfaction with landlines

Figure 49 examines in more detail satisfaction with standard PSTN landline services. Overall 88% were satisfied with this service (slightly but not significantly up from 85% in 2010) and only 6% dissatisfied.

More than half (52%) were “very satisfied” with the reliability of signal/connection. 90% are satisfied with this overall (slightly but not significantly down from 92% in 2010), but satisfaction was lower amongst remote rural SMEs (82% satisfied).

Key areas of dissatisfaction were ease of contacting the customer service department (16% dissatisfied) and value for money (11%).

57% (down from 64% in 2010) were satisfied with repair time for connection faults, but a significant proportion of SMEs (28%) gave don’t know/not applicable responses here.
Figure 49: Satisfaction with landline service

<table>
<thead>
<tr>
<th>Service Area</th>
<th>Very dissatisfied</th>
<th>Fairly dissatisfied</th>
<th>Neither/ nor</th>
<th>Fairly satisfied</th>
<th>Very satisfied</th>
<th>% Satisfied</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard PSTN landline service</td>
<td>6%</td>
<td>46%</td>
<td></td>
<td>42%</td>
<td></td>
<td>88%</td>
</tr>
<tr>
<td>Geographic coverage</td>
<td>5%</td>
<td>46%</td>
<td></td>
<td>45%</td>
<td></td>
<td>92%</td>
</tr>
<tr>
<td>Reliability of signal/connection</td>
<td>3%</td>
<td>38%</td>
<td></td>
<td>52%</td>
<td></td>
<td>90%</td>
</tr>
<tr>
<td>Value for money</td>
<td>6%</td>
<td>49%</td>
<td></td>
<td>29%</td>
<td></td>
<td>78%</td>
</tr>
<tr>
<td>Terms and conditions of contract</td>
<td>4%</td>
<td>49%</td>
<td></td>
<td>29%</td>
<td></td>
<td>78%</td>
</tr>
<tr>
<td>Ease of contacting Customer Service</td>
<td>7%</td>
<td>32%</td>
<td></td>
<td>33%</td>
<td></td>
<td>65%</td>
</tr>
<tr>
<td>Repair time for connection faults</td>
<td>4%</td>
<td>30%</td>
<td></td>
<td>27%</td>
<td></td>
<td>57%</td>
</tr>
</tbody>
</table>

Source: QB1a. Thinking about the services your organisation uses, please can you tell me how satisfied or dissatisfied you are with your overall experience of each, using the following scale. Base: All users of Standard PSTN landlines (n=1432). QB13b. I am now going to read out some different aspects of the service experience. For each one, please can you tell me how satisfied or dissatisfied you are with this area of your organisation’s landline service. Base: Landline users – all/answering on this service (n=1467/547)

Figure 50 compares overall satisfaction levels by urbanity (urban, rural, remote rural). In this chart those responding ‘don’t know’ or ‘not applicable’ have been removed in order to accurately assess the satisfaction levels of those experiencing each element.

SMEs were largely satisfied with most elements. Remote rural SMEs generally gave lower ratings than SMEs overall; notably ease of contacting customer services (58% satisfied vs. 72% overall), reliability of signal/connection (77% vs. 90%), and value for money (67% vs. 78%).
5.3. Satisfaction with fixed internet

Figure 51 examines in more detail satisfaction with fixed internet services. 78% of SMEs were satisfied with these overall.

At least 8 in 10 were satisfied with reliability (access/connection) and geographic availability, and three-quarters felt this way about contract terms and value for money (fewer “very” satisfied with these elements).

Key areas of dissatisfaction were connection speed (22% dissatisfied); ability to access speed paid for (20% dissatisfied) and ease of contacting the customer service department (18% dissatisfied).

53% were satisfied with repair time for connection faults, but a third of SMEs (33%) gave don’t know/not applicable responses here.
Figure 51: Satisfaction with fixed internet service

<table>
<thead>
<tr>
<th>Service Area</th>
<th>Very satisfied</th>
<th>Fairly satisfied</th>
<th>Neither/nor</th>
<th>Fairly dissatisfied</th>
<th>Very dissatisfied</th>
<th>Don't know/Not applicable</th>
<th>% Satisfied</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADSL broadband service overall</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>5%</td>
<td>9%</td>
<td>7%</td>
</tr>
<tr>
<td>Reliability of service for emailing/internet access</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>44%</td>
<td>33%</td>
<td>36%</td>
</tr>
<tr>
<td>Geographic availability of service</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>49%</td>
<td>32%</td>
<td>80%</td>
</tr>
<tr>
<td>Connection reliability</td>
<td>3%</td>
<td>9%</td>
<td>7%</td>
<td>47%</td>
<td></td>
<td>32%</td>
<td>80%</td>
<td>80%</td>
</tr>
<tr>
<td>Terms and conditions of contract</td>
<td>9%</td>
<td>5%</td>
<td>9%</td>
<td>53%</td>
<td></td>
<td>22%</td>
<td>75%</td>
<td>n/a</td>
</tr>
<tr>
<td>Value for money</td>
<td>3%</td>
<td>10%</td>
<td>11%</td>
<td>53%</td>
<td></td>
<td>21%</td>
<td>75%</td>
<td>n/a</td>
</tr>
<tr>
<td>Connection speed</td>
<td>9%</td>
<td>13%</td>
<td>8%</td>
<td>45%</td>
<td></td>
<td>26%</td>
<td>71%</td>
<td>70%</td>
</tr>
<tr>
<td>Ability to access speed paid for</td>
<td>5%</td>
<td>8%</td>
<td>12%</td>
<td>44%</td>
<td></td>
<td>23%</td>
<td>66%</td>
<td>59%</td>
</tr>
<tr>
<td>Ease of contacting Customer Services dept</td>
<td>9%</td>
<td>8%</td>
<td>10%</td>
<td>38%</td>
<td></td>
<td>27%</td>
<td>65%</td>
<td>n/a</td>
</tr>
<tr>
<td>Geographic availability of symmetrical services</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Repair time for connection faults</td>
<td>3%</td>
<td>13%</td>
<td>7%</td>
<td>34%</td>
<td></td>
<td>19%</td>
<td>53%</td>
<td>61%</td>
</tr>
</tbody>
</table>

Source: QB1a. Thinking about the services your organisation uses, please can you tell me how satisfied or dissatisfied you are with your overall experience of each, using the following scale. **Base: All users of ADSL broadband (n=1082)** QB24. I am now going to read out some different aspects of the service experience. For each one, please can you tell me how satisfied or dissatisfied you are with this area of your organisation’s internet service. **Base: Internet users – all/answering on this service (n=1267/492)**

Figure 52 compares overall satisfaction levels by urbanity (urban, rural, remote rural). Again, in this chart those responding ‘don’t know’ or ‘not applicable’ have been removed in order to accurately assess the satisfaction levels of those experiencing each element.

SMEs in rural and remote rural locations were less satisfied than SMEs overall, notably with speed and reliability of connection as well as with access to speed paid for.

Urban SMEs were more satisfied than others with their internet services in most respects.
5.4. Mobile phone service

Figure 53 shows that satisfaction with mobile phone services was largely high, with 90% satisfied with smartphone services and 85% with standard mobile services. Around 8 in 10 were satisfied with value for money or contract terms for mobile services.

More than 7 in 10 smartphone users were satisfied with reliability of service for email/internet although this is lower than in 2010 (87% satisfied vs. 78% now).

Key areas of dissatisfaction were geographic coverage (16% dissatisfied) and signal/connection reliability (18% dissatisfied). Both of these have lower levels of overall satisfaction versus 2010 (coverage slightly but not significantly lower 75% vs. 78%, reliability 73% vs. 80%).

49% are satisfied with repair time for connection faults (slightly but not significantly down from 55% in 2010), but more than a third (37%) of SMEs responded don’t know/not applicable.
Figure 53: Satisfaction with mobile phone service

<table>
<thead>
<tr>
<th>Service Area</th>
<th>Don’t know/Not applicable</th>
<th>Very dissatisfied</th>
<th>Fairly dissatisfied</th>
<th>Neither/nor</th>
<th>Fairly satisfied</th>
<th>Very satisfied</th>
<th>% Satisfied</th>
</tr>
</thead>
<tbody>
<tr>
<td>Smartphone service overall</td>
<td>3%</td>
<td>4%</td>
<td>48%</td>
<td></td>
<td>42%</td>
<td></td>
<td>90%</td>
</tr>
<tr>
<td>Standard mobile service overall</td>
<td>4%</td>
<td>6%</td>
<td>45%</td>
<td></td>
<td>40%</td>
<td></td>
<td>85%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Service Area</th>
<th>Don’t know/Not applicable</th>
<th>Very dissatisfied</th>
<th>Fairly dissatisfied</th>
<th>Neither/nor</th>
<th>Fairly satisfied</th>
<th>Very satisfied</th>
<th>% Satisfied</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value for money</td>
<td>3%</td>
<td>5%</td>
<td>9%</td>
<td>54%</td>
<td>27%</td>
<td></td>
<td>81%</td>
</tr>
<tr>
<td>Terms and conditions of contract</td>
<td>8%</td>
<td>8%</td>
<td>54%</td>
<td></td>
<td>26%</td>
<td></td>
<td>80%</td>
</tr>
<tr>
<td>Reliability of service for emailing/internet access (Smartphone users only)</td>
<td>4%</td>
<td>7%</td>
<td>9%</td>
<td>47%</td>
<td>31%</td>
<td></td>
<td>78%</td>
</tr>
<tr>
<td>Geographic coverage</td>
<td>5%</td>
<td>11%</td>
<td>7%</td>
<td>50%</td>
<td>25%</td>
<td></td>
<td>75%</td>
</tr>
<tr>
<td>Reliability of signal/connection</td>
<td>4%</td>
<td>14%</td>
<td>7%</td>
<td>49%</td>
<td>25%</td>
<td></td>
<td>73%</td>
</tr>
<tr>
<td>Ease of contacting Customer Service dept</td>
<td>14%</td>
<td>4%</td>
<td>7%</td>
<td>44%</td>
<td>22%</td>
<td></td>
<td>66%</td>
</tr>
<tr>
<td>Repair time for connection faults</td>
<td>37%</td>
<td>4%</td>
<td>8%</td>
<td>33%</td>
<td>16%</td>
<td></td>
<td>49%</td>
</tr>
</tbody>
</table>

Source: QB1a. Thinking about the services your organisation uses, please can you tell me how satisfied or dissatisfied you are with your overall experience of each, using the following scale.

Base: All users of smartphones/standard mobiles (n=766/638)

QB2a. I am now going to read out some different aspects of the service experience. For each one, please can you tell me how satisfied or dissatisfied you are with this area of your organisation’s mobile phone service.

Base: Mobile users – all/answering on this service (n=1048/766/469)

Figure 54 compares overall satisfaction levels by urbanity (urban, rural, remote rural). Again, those responding ‘don’t know’ or ‘not applicable’ have been removed in order to accurately assess the satisfaction levels of those experiencing each element.

Urban SMEs were more satisfied with the reliability and coverage of their mobile phone service than those based in rural and remote rural locations. A notable gap exists amongst smartphone users for reliability of service for email/internet access. 86% of urban SMEs were satisfied with this compared with only 69% of those in rural or remote rural areas.
Figure 54: Satisfaction with mobile phone service - % Satisfied by urbanity (excluding DK/NAs)

<table>
<thead>
<tr>
<th>Service Area</th>
<th>Total Sample</th>
<th>Urban</th>
<th>Rural</th>
<th>Remote Rural</th>
</tr>
</thead>
<tbody>
<tr>
<td>Terms and conditions of contract</td>
<td>90%</td>
<td>83%</td>
<td>86%</td>
<td>80%</td>
</tr>
<tr>
<td>Value for money</td>
<td>83%</td>
<td>77%</td>
<td>73%</td>
<td>69%</td>
</tr>
<tr>
<td>Reliability of service for email/internet access</td>
<td>69%</td>
<td>69%</td>
<td>69%</td>
<td>69%</td>
</tr>
<tr>
<td>Repair time for connection faults</td>
<td>79%</td>
<td>76%</td>
<td>76%</td>
<td>67%</td>
</tr>
<tr>
<td>Ease of contacting Customer Services dept</td>
<td>79%</td>
<td>76%</td>
<td>76%</td>
<td>67%</td>
</tr>
<tr>
<td>Geographic coverage</td>
<td>81%</td>
<td>81%</td>
<td>81%</td>
<td>79%</td>
</tr>
<tr>
<td>Reliability of signal/connection</td>
<td>79%</td>
<td>76%</td>
<td>76%</td>
<td>66%</td>
</tr>
</tbody>
</table>

Source:  QB1a. Thinking about the services your organisation uses, please can you tell me how satisfied or dissatisfied you are with your overall experience of each, using the following scale.  
**Base: All users of smartphones/standard mobiles.**  
QB2a. I am now going to read out some different aspects of the service experience. For each one, please can you tell me how satisfied or dissatisfied you are with this area of your organisation’s mobile phone service.  
**Base: Mobile users – all/answering on this service**
6. Complaints

Summary

Fixed landlines

Around one in five SMEs who have the service had made a complaint about their landline service, around two in five about their mobile service and just fewer than one in three about their internet service. 25% had experienced a problem in the last 12 months. 81% of these complained to the provider (i.e. 20% of all those with a landline service had complained to their service provider). The main subject of complaint was service quality/coverage/reliability/speed (69%)

49% felt that the running of the business was affected and 22% that business finances were affected.

29% felt that the complaint was not resolved at all. These respondents were more likely than those who felt their complaint was resolved to have complained about customer service (30% versus 5%).

Fixed internet

42% had experienced a problem in the last 12 months (higher amongst those SMEs who worked in sparsely populated areas and/or worked while travelling in the UK). 70% of these complained to the provider (i.e. 29% of all those with a fixed internet service had complained to their service provider). The main subject of complaint was service quality/coverage/reliability/speed (87%)

43% felt that the running of the business was affected and 16% that business finances were affected.

34% felt that the complaint was not resolved at all. These respondents were more likely than those who felt their complaint was resolved to have complained about customer service (13% versus 3%) or non-ETC cost/billing issues (11% versus 2%).

Mobile

39% had experienced a problem in the last 12 months (higher amongst those SMEs who worked in sparsely populated areas and/or worked while travelling in the UK, and amongst those with 50-249 employees and those in remote rural locations). 51% of these complained to the provider (i.e. 20% of all those with a mobile had complained to their service provider). The main subject of complaint was service quality/coverage/reliability/speed (72%)

35% felt that the running of the business was affected and 16% that business finances were affected.

55% felt that the complaint was not resolved at all. These respondents were more likely than those who felt their complaint was resolved to have complained about customer service (18% versus 8%).
6.1. LANDLINES

6.1.1. LANDLINES: Problems experienced with service

Landline users were asked if they had encountered any issues or problems with their landline service in the past 12 months. Figure 55 shows that three-quarters had not.

Poor service reliability was the most likely issue to have been experienced (15% did so). Medium SMEs were more likely to mention poor service reliability (22%), along with those in remote rural locations (20%).

Figure 55: Issues/problems experienced in last 12 months

Source: QB14a. What, if any, issues or problems has your organisation encountered with your landline service in the last 12 months? Base: All landline users (n=1467)
6.1.2. LANDLINES: Complaints

Of the 25% of SME landline users who experienced any issues or problems, most complained to their provider (Figure 56).

Those who complained (Figure 57) said that the complaint had been related to service quality, reliability, coverage or speed.

Complainants were asked about the impact of the problems they experienced (and complained about) on day to day business (Figure 58) and its financial impact (Figure 59). Largely, the day to day impact had been greater than the financial one.

Almost half (49%) said that the day to day running of their business had been affected (extremely so for 1 in 3 cases). This was higher amongst SMEs with more than 10 employees (59%) and those in non-urban locations (58%). Fewer (around 1 in 5) said the issue had impacted on their organisation’s finances. 41% said they had not been affected at all in this respect.
6.1.3. LANDLINES: Complaint resolution and problems with complaints

Figure 60 looks at whether or not complaints were resolved to the satisfaction of businesses. More than half (54%) said their complaint was now fully resolved and a further 15% party resolved. Approaching 1 in 3 however said that the complaint was not resolved at all.

Where complaints had been fully resolved, the average time taken for resolution was 2.8 weeks.
Figure 60: Status of the complaint

Source: QD6a. Was the complaint resolved to your satisfaction? Base: All landline users complaining about a service problem (n=314)
QD7a. Approximately how many weeks did it take to get the complaint resolved? Base: All landline users with fully resolved complaints (n=172)

Figure 61: What complained about

Source: QD6a. Was the complaint resolved to your satisfaction? Base: All landline users complaining about a service problem (n=314)
QD3 You said earlier that you made a complaint about your landline service, what was the complaint about? Base: all landline users complaining and who felt the complaint was fully/partly resolved (n=217) or not resolved at all (n=92).
Those who had complained about a landline service problem were asked a number of questions about this and complaints in general. Details of these questions are shown in the footnote\(^{12}\). Among all landline users making a complaint, 21% have at some point had to wait 8 weeks or more for a problem to be resolved.

16% of landline users, with fewer than 10 employees or 10-19 including part-timers, were aware of the ADR scheme.

17% of landline users with up to and including 10 employees were aware of the ADR scheme.

12 respondents in our sample would have been eligible for the ADR scheme. A third of these recalled receiving written notification from the provider of their right to apply for ADR.

Among users in businesses with 10+ employees, making a complaint, 5% said they took legal advice during the course of their complaint and 3% said they enforced their contract through the courts to gain full resolution. Reasons for not legally enforcing an unresolved complaint are shown in Figure 62, with time and cost barriers at the forefront of rationale.

**Figure 62: Reasons for not legally enforcing an unresolved complaint**

- Too time-consuming: 42%
- Not worth the expense: 30%
- Would cost too much: 18%
- Other reasons: 26%
- Don't know: 5%

**Source:** QD6c. What prevented you from doing this? Base: All complainers with 10+ employees not legally enforcing contract for unresolved issues (n=48)

---

\(^{12}\) QD8. Has it ever taken eight weeks or more to resolve a problem with your landline service? Base: All landline users complaining about a service problem (n=314) QD5. Did you take legal advice during the course of the complaint? QD6b. Did you consider enforcing the contract through the courts? Base: All with 10+ employees (n=132). QB15. Were you aware of this scheme before now? Base: Landline users with <10 employees or 10-19 incl. some part-timers (n=412) QD9. Did you receive written notification from your landline provider informing you about your right to apply to an ADR scheme? Base: All eligible for ADR (n=12*) *NOTE: SMALL SAMPLE SIZE
6.2. INTERNET

6.2.1. INTERNET: Problems experienced with service

Internet users were asked if they had encountered any issues or problems with their internet services in the past 12 months.

Figure 63 shows that although the majority (58%) said they had not, almost 1 in 3 said they had experienced problems with poor service reliability or upload/download speeds.

Non-urban SMEs were even more likely to have experienced issues with poor service reliability (34% versus 29% overall), slow download speeds (27% versus 16%) or upload speeds (24% versus 13%).

Those in remote rural locations were more likely to have had problems (58% versus 42% overall), as were our sample of SMEs who work in sparsely populated areas and/or work while travelling in the UK (47% said they had experienced problems/issues).

Figure 63: Issues/problems experienced in last 12 months

Source: QB25a. What, if any, issues or problems has your organisation encountered with your internet service in the last 12 months? Base: All internet users (n=1267)
Of the 42% of SME internet users who experienced any issues or problems, 7 in 10 complained to their provider (Figure 64).

Those who complained (Figure 65) mostly said that the complaint had been related to service quality, reliability, coverage or speed.

Complainants were asked about the impact of the problems they experienced (and complained about) on day to day business (Figure 66) and its financial impact (Figure 67). Largely, the day to day impact had been greater than the financial one.

43% said that the day to day running of their business had been affected (extremely in more than a quarter of cases). This rose to 50% of SMEs in non-urban locations.

Fewer (16%) said that the issue had impacted on their organisation’s finances, and almost half (48%) say they had not been affected at all in this respect.
6.2.2. INTERNET: Complaint resolution and problems with complaints

Figure 68 looks at whether or not complaints were resolved to the satisfaction of businesses. 44% said their complaint was now fully resolved and a further 20% said it was partly resolved. Full resolution was highest in small organisations (10-49 employees).

More than 1 in 3 however said that the complaint was not resolved at all (rising to 48% of those in remote rural locations).

Where complaints had been fully resolved, the average time taken for resolution was 1.5 weeks.
Figure 68: Status of the complaint

Source: QD6a. Was the complaint resolved to your satisfaction? Base: All internet users complaining about a service problem (n=392)
QD7a. Approximately how many weeks did it take to get the complaint resolved? Base: All internet users with fully resolved complaints (n=191)

Figure 69 examines the reasons for complaint amongst those who felt this had been resolved or not. Those with unresolved complaints were significantly more likely than the resolved to cite customer service, non-ETC cost/billing issues (any cost/billing issue other than being charged an unexpected early termination charge), the service provided not matching what was sold (mis-selling) or that the provider delayed a switch.

Figure 69: What complained about

Source: QD6a. Was the complaint resolved to your satisfaction? Base: All internet users complaining about a service problem (n=392)
QD3 You said earlier that you made a complaint about your internet service, what was the complaint about? Base: all internet users complaining and who felt the complaint was fully/partly resolved (n=261) or not resolved at all (n=127).
Those who had complained about an internet service problem were asked a number of questions about this and complaints in general. Details of these questions are shown in the footnote. Among all internet users making a complaint, 18% have at some point had to wait 8 weeks or more for a problem to be resolved.

Only 4 respondents in our sample would have been eligible for the ADR scheme (i.e. businesses with fewer than 10 employees or between 10 and 19 employees who employ part-time staff, that didn’t have their complaint resolved in less than 8 weeks). Half of these respondents recalled receiving written notification from the provider of the complainer’s right to apply for ADR.

Among users in businesses with 10+ employees, making a complaint, 4% said they took legal advice during the course of their complaint and 0% said they enforced their contract through the courts to gain full resolution. Reasons for not legally enforcing an unresolved complaint are shown in Figure 70 and largely relate to time and cost implications.

Figure 70: Reasons for not legally enforcing an unresolved complaint

<table>
<thead>
<tr>
<th>Reason</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Too time-consuming</td>
<td>39%</td>
</tr>
<tr>
<td>Not worth the expense</td>
<td>38%</td>
</tr>
<tr>
<td>Would cost too much</td>
<td>18%</td>
</tr>
<tr>
<td>Other reasons</td>
<td>21%</td>
</tr>
<tr>
<td>Don’t know</td>
<td>7%</td>
</tr>
</tbody>
</table>

Source: QD6c. What prevented you from doing this? Base: All complainers with 10+ employees not legally enforcing contract for unresolved issues (n=81)

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13 QD8. Has it ever taken eight weeks or more to resolve a problem with your internet phone service? Base: All internet users complaining about a service problem (n=392) QD5. Did you take legal advice during the course of the complaint? QD6b. Did you consider enforcing the contract through the courts? Base: All with 10+ employees (n=187). QD9. Did you receive written notification from your internet provider informing you about your right to apply to an ADR scheme? Base: All eligible for ADR (n=4)
6.3. MOBILES

6.3.1. MOBILES: Problems experienced with service

Mobile users were asked if they had encountered any issues or problems with their mobile service in the past 12 months. Figure 71 shows that 61% had not (54% amongst those SMEs who worked in sparsely populated areas and/or worked while travelling in the UK).

Other groups with a lower proportion of no problems were medium sized organisations (50-249 employees), 51% versus 61% overall, and those in remote rural locations (49% had experienced no problems).

More than a quarter of SME mobile users said they had experienced poor mobile coverage (rising to 31% amongst SMEs who worked in sparsely populated areas and/or worked while travelling in the UK).

Other groups with a higher proportion experiencing poor mobile coverage are medium sized organisations (35%) and those in non-urban locations (34%).

Figure 71: Issues/problems experienced in last 12 months

Source: QB3a. What, if any, issues or problems has your organisation encountered with your mobile phone service in the last 12 months? Base: All Mobile users (n=1048)

6.3.2. MOBILES: Complaints

Of the 39% of SME mobile users who experienced any issue or problems, around half said they complained to their provider (Figure 72). This rose to 66% among 50-249 employee companies.

Those who complained (Figure 73) mostly said that the complaint had been related to service quality, reliability, coverage or speed.
Complainants were asked about the impact of the problems they experienced (and complained about) on day to day business (Figure 74) and its financial impact (Figure 75). Largely the day to day impact had been greater than the financial one.

More than a third (35%), said that the day to day running of their business had been affected (extremely for 1 in 5). This was lower (18%) amongst medium SMEs (those with 50-249 employees).

Fewer (16%) said the issue had impacted on their organisation’s finances (again lower amongst medium SMEs – 5%).
Figure 74: Impact of the problem on the day to day running of the business

![Bar chart showing the impact on the day to day running of the business.](chart)

Source: QD10. Using a five point scale, where 1 indicates “not at all” and 5 indicates “extremely”, please can you tell me to what extent the day to day running of your business was affected by the issue you complained about? Base: All mobile users complaining about a service problem (n=239)

Figure 75: Financial impact of the problem

![Bar chart showing the financial impact of the problem.](chart)

Source: QD11. And using the same scale, how much did the issue impact on your organisation’s finances? Base: All mobile users complaining about a service problem (n=239)

Figure 76 looks at whether or not complaints were resolved to the satisfaction of businesses. More than half said that it had not been resolved at all. This was less likely to be the case in medium SMEs (28% unresolved).

Where complaints had been fully resolved*, the average time taken for resolution was 3.5 weeks.
Figure 76: Status of the complaint

Source: QD6a. Was the complaint resolved to your satisfaction? **Base: All mobile users complaining about a service problem (n=239)**

QD7a. Approximately how many weeks did it take to get the complaint resolved? **Base: All mobile users with fully resolved complaints (n=74)** *NOTE: SMALL SAMPLE SIZE*

Figure 77 examines the reasons for complaint amongst those who felt this had been resolved or not. Those with unresolved complaints were significantly more likely than the resolved to cite customer service or the service provided not matching what was sold (mis-selling).

Figure 77: What complained about

<table>
<thead>
<tr>
<th>Reason</th>
<th>Complaint Resolved</th>
<th>Complaint NOT Resolved</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service quality/reliability/coverage/speed</td>
<td>64%</td>
<td>76%</td>
</tr>
<tr>
<td>Customer service</td>
<td>8%</td>
<td>18%</td>
</tr>
<tr>
<td>Non-ETC cost/billing issue</td>
<td>9%</td>
<td>11%</td>
</tr>
<tr>
<td>Mis-sold service</td>
<td>1%</td>
<td>8%</td>
</tr>
<tr>
<td>Unexpected ETC</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>Responsiveness to faults</td>
<td>2%</td>
<td>3%</td>
</tr>
</tbody>
</table>

Source: QD6a. Was the complaint resolved to your satisfaction? **Base: All mobile users complaining about a service problem (n=239)**

QD3 You said earlier that you made a complaint about your internet service, what was the complaint about? **Base: all internet users complaining and who felt the complaint was fully/partly resolved (n=123) or not resolved at all (n=113).**
Those who had complained about a mobile service problem were asked a number of questions about this and complaints in general. Details of these questions are shown in the footnote\textsuperscript{14}.

Among all mobile phone users making a complaint, 30% have at some point had to wait 8 weeks or more for a problem to be resolved.

Only 3 respondents in our sample would have been eligible for the ADR scheme. In these cases, there was no recall of receiving written notification from the provider of the complainer’s right to apply for ADR.

Among users in businesses with 10+ employees, making a complaint, 3% said they took legal advice during the course of their complaint and 1% said they enforced their contract through the courts to gain full resolution.

Reasons for not legally enforcing unresolved complaints are shown in Figure 78, and largely relate to time and cost implications.

**Figure 78: Reasons for not legally enforcing an unresolved complaint**

<table>
<thead>
<tr>
<th>Reason</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Too time-consuming</td>
<td>29%</td>
</tr>
<tr>
<td>Not worth the expense</td>
<td>26%</td>
</tr>
<tr>
<td>Would cost too much</td>
<td>15%</td>
</tr>
<tr>
<td>Other reasons</td>
<td>38%</td>
</tr>
<tr>
<td>Don’t know</td>
<td>3%</td>
</tr>
</tbody>
</table>

Source: QD6c. What prevented you from doing this? Base: All complainers with 10+ employees not legally enforcing contract for unresolved issues (n=70)

The key reasons cited under Other reasons were:

- That the problem was related to the geographical area and so little could be done about it (10%)
- The SME did not feel the need to legally enforce the complaint (6%)

\textsuperscript{14} QD8. Has it ever taken eight weeks or more to resolve a problem with your mobile phone service? Base: All mobile users complaining about a service problem (n=239) QD5. Did you take legal advice during the course of the complaint? QD6b. Did you consider enforcing the contract through the courts? Base: All with 10+ employees (n=115). QD9. Did you receive written notification from your mobile phone provider informing you about your right to apply to an ADR scheme? Base: All eligible for ADR (n=3) *NOTE: SMALL SAMPLE SIZE.
7. Switching

**Summary**

**Overall Levels of Switching**
Levels of switching in the past 2 years were consistent across all three services, as follows:

- Fixed Landline = 19%
- Fixed Internet = 20%
- Mobile Phone = 21%

**Fixed Landline (including standard PSTN, ISDN 2/2e and 30, Ethernet, leased lines)**

19% of SMEs had switched in the past 2 years. 47% had never switched. 3% were considers (currently considering switching provider).

Those considering switching were less satisfied with various aspects of their landline service and also more likely to have experienced problems over the last 12 months.

Reasons to consider switching were: poor customer service (48%), perception current deal is expensive (38%) and/or cheaper deals available (37%).

Key barriers to switching were: difficulty in comparing tariffs (52%), difficulty in comparing suppliers (51%), lack of transparency and clarity of prices (26%).

The main reason to actually switch was for a cheaper deal (67%).

Reasons not to switch once having considered it were: decided not to bother (26%), no cost benefit (24%).

Reasons not to consider switching were: happy with current provider (7 in 10), higher levels of satisfaction with aspects of landline service, less likely to have experienced problems in last 12 months.

77% of switchers found it easy/very easy to switch. 48% experienced some problems or issues when switching: received bills for cancelled service (20%), Early Termination Charges (18%), took longer than expected (18%), previous provider trying to make them stay (16%).

22% were presented with Early Termination Charges (14% paid, 8% did not pay).

**Fixed Internet (including ADSL, fibre, cable and dial-up)**

20% of SMEs had switched in the past 2 years, 59% had never switched, 4% were considers (currently considering switching provider).

Those considering switching were less satisfied with various aspects of their internet service and also more
Summary

likely to have experienced problems over the last 12 months.

Reasons to consider switching were: slow connection speed (36%), poor customer service (32%), poor service reliability (26%), cheaper deals elsewhere (24%).

Key barriers to switching were: difficulty in comparing suppliers (52%), difficulty in comparing tariffs (49%), lack of transparency and clarity of prices (32%).

The main reason to switch was for a cheaper deal (52%).

Reasons not to switch having considered it were: no cost benefit (20%), good relations with current provider (20%), decided not to bother (17%) or persuaded to stay by current provider (16%).

Reasons not to consider switching were: happy with current provider (almost 7 in 10), higher levels of satisfaction with aspects of internet service or less likely to have experienced problems in last 12 months.

83% of switchers said they found it easy/very easy to switch. 37% said they experienced some problems or issues when switching: temporary loss of service (14%), took longer than expected (12%), previous provider tried to make them stay (12%) or received bills for cancelled service (11%).

15% said they were presented with Early Termination Charges charges (11% paid/4% did not pay).

Mobile Phone (including standard and smart phones)

21% had switched in the past 2 years. 49% had never switched. 4% were considers (currently considering switching provider).

Those considering switching were less satisfied with various aspects of their mobile service and also more likely to have experienced problems over the last 12 months.

Reasons to consider switching were: poor coverage (36%), cheaper deals elsewhere (30%)or poor customer service (24%).

Key barriers to switching were: difficulty in making comparisons between suppliers (55%), lack of differentiation between suppliers (43%) or lack of transparency and clarity in prices (31%).

The main reasons to actually switch were for a cheaper deal (44%), poor coverage previously (19%) or better coverage (11%).

The main reason not to actually switch having considered it was finding no cost benefit (26%).

Reasons not to consider switching were: happy with current provider (around three-quarters), higher levels of satisfaction with all aspects of mobile service or less likely to have experienced problems in last 12 months.

87% of switchers said they found it easy/very easy to switch. 41% said they experienced some issues or problems when switching: previous provider tried to make them stay (20%), received bills for cancelled service (12%) or it took longer than expected (11%).
Summary

16% said they were presented with Early Termination Charges charges (13% paid, 3% did not pay).
7.1. Switching behaviour in relation to landline service providers

7.1.1. LANDLINES: Switching classification

Figures 79-81 examine switching behaviour and attitudes towards future switching in relation to landline service providers.

Figure 79 shows that around a fifth (19%) of SMEs had switched landline provider in the last 2 years. Almost half (47%) had never switched.

4% were actively looking for a new provider, and a further 16% were open to the idea of a new provider (Figure 80), an indication that around one in five were potentially considering a switch either actively or passively. The majority of the remainder were not interested in a new provider, with just under a fifth (17%) who said that a long-term contract informed their current perspective.

Source: QB17a. Have you ever switched your landline service provider? If so, when was this? QB17c. Have you ever considered switching your landline service provider? Base: All landline users (n=1467)

Past and current behaviour and attitude towards switching are combined in Figure 81 with a switching classification of SMEs. Around one in five were very open to the idea of switching, with more than one in three each either unlikely to be interested (non-switchers) or had switched/considered in the past.

Source: QB17b. What is your current thinking regarding changing the company that provides your landline service? Base: All landline users (n=1467)

15 DK/CR indicates “don’t know” or “can’t remember”
Figure 81: Switching classification

![Switching classification diagram]

Source: QB17a. Have you ever switched your landline service provider? If so, when was this? QB17b. What is your current thinking regarding changing the company that provides your landline service? QB17c. Have you ever considered switching your landline service provider? **Base: All landline users (n=1467)**

Figure 82 defines these segments comprehensively.

**Figure 82: Switching classification definitions**

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Switchers</td>
<td>Switched provider in last 2 years</td>
</tr>
<tr>
<td>Considerers</td>
<td>Currently considering switching provider</td>
</tr>
<tr>
<td>Non-switchers</td>
<td>Never switched or considered switching</td>
</tr>
<tr>
<td>Non-recent switchers</td>
<td>Switched longer than 3 years ago and not currently considering switching</td>
</tr>
<tr>
<td>Past considerers</td>
<td>Considered switching but decided not to</td>
</tr>
</tbody>
</table>

Source: QB17a. Have you ever switched your landline service provider? If so, when was this? QB17b. What is your current thinking regarding changing the company that provides your landline service? QB17c. Have you ever considered switching your landline service provider? **Base: All landline users (n=1467)**

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\[16\] DK/CR indicates “don’t know” or “can’t remember”
SME experience of communications services – a research report

Figure 83 looks at this switching classification by size and urbanity. It shows that small and medium organisations were less likely than microbusinesses to have ever switched landline provider. 44% of small and 41% of medium organisations were classified as non-switchers. There was a higher proportion of considers amongst the medium organisations.

Few differences are observed amongst urban, rural or remote rural SMEs. Urban SMEs had the highest proportion of non-switchers (38%) and rural a larger share of non-recent switchers.

Figure 83: Switching classification by company size and urbanity

7.1.2. LANDLINES: Attitudes towards switching service providers

Figure 84 examines attitudes towards switching landline service providers.

82% were aware that they could port their number and almost three-quarters (74%) felt that there was a good choice of products and services available.

A significant minority (around a fifth) disagreed that they were able to negotiate effectively with suppliers.

The key barriers to switching landline provider were lack of transparency and clarity of prices and difficulty in comparing suppliers and/or tariffs. 36% disagree that the prices of services were clear and transparent, and around half agreed that there was not much difference between suppliers or that it was difficult to make comparisons between tariffs and suppliers.
Source: QB18. Next I’m going to read you a series of statements that businesses have made about switching landline service providers. For each one please can you tell me how much you agree or disagree with it?

**Base: Landline users – all/answering on this service (n=1467/547)**

Figure 85 compares attitudes by switching classification, and to the 2010 survey. It shows that non-recent switchers were somewhat more knowledgeable with regard to awareness of number portability, feeling there was a good choice of products and services and feeling confident they could negotiate effectively on tariffs and services.
Figure 85: Attitudes to switching (landlines)\(^{17}\)

<table>
<thead>
<tr>
<th>% agree/strongly agree</th>
<th>All users((1467/547))</th>
<th>Switchers((269/94))</th>
<th>Considerers((181/63))</th>
<th>Non-recent switchers((398/163))</th>
<th>Past considerers((126/47))</th>
<th>Non-switchers((564/220))</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>I’m aware I can port my number to a new supplier</td>
<td>82%</td>
<td>85%</td>
<td>*</td>
<td>89%</td>
<td>*</td>
<td>76%</td>
<td>n/a</td>
</tr>
<tr>
<td>There’s a good choice of products/services available</td>
<td>74%</td>
<td>80%</td>
<td>60%</td>
<td>79%</td>
<td>76%</td>
<td>68%</td>
<td>77%</td>
</tr>
<tr>
<td>I’m able to negotiate effectively with my supplier on tariffs/services</td>
<td>57%</td>
<td>54%</td>
<td>*</td>
<td>64%</td>
<td>*</td>
<td>59%</td>
<td>52%</td>
</tr>
<tr>
<td>There’s not much difference between suppliers</td>
<td>54%</td>
<td>51%</td>
<td>*</td>
<td>55%</td>
<td>*</td>
<td>58%</td>
<td>51%</td>
</tr>
<tr>
<td>It’s difficult to compare the different tariffs that are available</td>
<td>52%</td>
<td>52%</td>
<td>*</td>
<td>50%</td>
<td>*</td>
<td>48%</td>
<td>n/a</td>
</tr>
<tr>
<td>It’s difficult to make comparisons between suppliers</td>
<td>50%</td>
<td>51%</td>
<td>*</td>
<td>52%</td>
<td>*</td>
<td>43%</td>
<td>59%</td>
</tr>
<tr>
<td>The prices of services are clear and transparent</td>
<td>45%</td>
<td>43%</td>
<td>*</td>
<td>43%</td>
<td>*</td>
<td>51%</td>
<td>53%</td>
</tr>
<tr>
<td>There’s not enough choice of suppliers available</td>
<td>17%</td>
<td>12%</td>
<td>28%</td>
<td>16%</td>
<td>22%</td>
<td>19%</td>
<td>n/a</td>
</tr>
</tbody>
</table>

Source: QB18. Next I’m going to read you a series of statements that businesses have made about switching landline service providers. For each one please can you tell me how much you agree or disagree with it?

Base: Landline users – all/answering on this service (n=1467/547). * Data suppressed, very low sample size

\(^{17}\) The figures highlighted in red and green are significantly different compared to the other subgroups for that service, where green = significantly higher and red = significantly lower
Figure 86 shows how attitudes differ by switching classification. Sample sizes were very low for considerers (past and current) but indicatively it seems these SMEs were least confident about their ability to negotiate effectively with suppliers on tariffs/services which may therefore be operating as a barrier to actual switching. Considerers were also most likely to agree that it was difficult to make comparisons between suppliers and that it was difficult to compare tariffs.

Only 76% of non-switchers were aware that they can port their number to a new supplier (versus 82% overall and 85% of switchers) and 68% felt that there was a good choice of products/services (lower than overall 74% and switchers 80%).

Figure 86: LANDLINES: Attitudes to switching - % Agree by switching classification

Source: QB18. Next I’m going to read you a series of statements that businesses have made about switching landline service providers. For each one please can you tell me how much you agree or disagree with it.

Figure 87 shows how attitudes to switching compare amongst SMEs of varying urbanity.

It shows that over a third of SMEs in remote rural locations felt it was harder to make comparisons between the different suppliers and/or tariffs. SMEs in remote rural locations were also the least likely to find prices clear and transparent or that there was a good choice of products and services available to them.

SMEs in urban areas were most likely to agree they were able to negotiate effectively with suppliers on tariffs/services (60% agreed versus 49% in remote rural and 51% in rural areas).

Source: QB18. Next I’m going to read you a series of statements that businesses have made about switching landline service providers. For each one please can you tell me how much you agree or disagree with it?

Base: Landline users – all/answering on this service (n=1467/547)
7.1.3. **LANDLINES: Satisfaction with service**

Figure 88 examines how satisfaction with landline services varied by SMEs switching classification. It shows that those who were considering switching were less satisfied with their current service provision (55% satisfied overall). This lower level of satisfaction appears in all areas of service apart from geographic coverage where considerers showed similar satisfaction levels to other SMEs.

Non-switchers were the most content, which to some extent will explain their switching behaviour and attitudes.

**Figure 88: LANDLINES: Satisfaction with landline service - % Satisfied by switching classification**

Source: QB1a. Thinking about the services your organisation uses, please can you tell me how satisfied or dissatisfied you are with your overall experience of each, using the following scale. Base: All users of Standard PSTN landlines (n= S: 261, C: 56, N-RS: 394, PC: 119, N-S: 548) QB13b. I am now going to read out some different aspects of the service experience. For each one, please can you tell me how satisfied or dissatisfied you are with this area of your organisation’s landline service.

Figure 89 shows that those considering switching were more likely to have experienced problems with the service over the last 12 months.

Only 45% of considerers had experienced no problems or issues over the last 12 months, compared with more than 7 in 10 of most other switching classifications, and almost 8 in 10 non-switchers (79%).

38% of considerers had experienced poor service reliability, 29% poor customer service and 18% unexpected charges.

**Figure 89: LANDLINES: Problems experienced with landline service - by switching classification**

Source: QB14a. What, if any, issues or problems has your organisation encountered with your landline service in the last 12 months? Base: All landline users (n= Switchers: 269, Considerers: 58, Non-Recent Switchers: 398, Past Considerers: 124, Non-Switchers: 564). *NOTE: SMALL SAMPLE SIZES*
7.1.4. LANDLINES: Prompts and barriers to switching service provider

Figures 90 and 91 show the main reasons given for switching supplier (amongst the 19% of SME landline users classified as switchers), and the main reasons for considering switching (amongst the 3% of considerers).

These figures show that poor service and the prospect of a cheaper deal prompt consideration of switching but finding a cheaper deal was the main reason to follow through.

Amongst considerers, almost half (48%) were thinking about switching due to poor customer service and more than a third mentioned current expense (38%) or cheaper deals being available (37%).

Looking at actual switchers, the vast majority (67%) said that a cheaper deal was the main reason for switching supplier.

Figure 90: Main reasons for switching supplier

<table>
<thead>
<tr>
<th>Reason</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cheaper deal</td>
<td>67%</td>
</tr>
<tr>
<td>Too expensive previously</td>
<td>11%</td>
</tr>
<tr>
<td>Package fitted my needs better</td>
<td>11%</td>
</tr>
<tr>
<td>Poor customer service previously</td>
<td>11%</td>
</tr>
<tr>
<td>Wanted to bundle services</td>
<td>8%</td>
</tr>
<tr>
<td>Poor service reliability previously</td>
<td>6%</td>
</tr>
<tr>
<td>Better range of services</td>
<td>6%</td>
</tr>
<tr>
<td>Better service reliability</td>
<td>4%</td>
</tr>
<tr>
<td>Better customer service offered</td>
<td>4%</td>
</tr>
</tbody>
</table>

Source: QB17a-c. Switching classification Base: All landline users (n=1467) QC3a. What were your reasons for switching your landline supplier? Base: All Switchers (n=269)

Figure 91: Main reasons for considering switching supplier

<table>
<thead>
<tr>
<th>Reason</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poor customer service currently</td>
<td>48%</td>
</tr>
<tr>
<td>Too expensive currently</td>
<td>38%</td>
</tr>
<tr>
<td>Cheaper deals available</td>
<td>37%</td>
</tr>
<tr>
<td>Poor service reliability currently</td>
<td>18%</td>
</tr>
<tr>
<td>Better service reliability elsewhere</td>
<td>11%</td>
</tr>
<tr>
<td>Better range of services elsewhere</td>
<td>9%</td>
</tr>
<tr>
<td>Better customer service elsewhere</td>
<td>6%</td>
</tr>
<tr>
<td>Offered package fitted my needs better</td>
<td>5%</td>
</tr>
<tr>
<td>Want to bundle services</td>
<td>5%</td>
</tr>
</tbody>
</table>

Source: QB17a-c. Switching classification Base: All landline users (n=1467) QB23. What are your reasons for considering switching your landline supplier? Base: All Considerers (n=58)

*NOTE: SMALL SAMPLE SIZE*
Looking at reasons for not switching, Figures 92 and 93 show that being happy with your current provider and seeing no cost benefit to moving provider were key reasons not to switch.

Figure 92 examines the 37% of landline users who were non-switchers and the 30% who were non-recent switchers. The main reason not to switch supplier amongst these SMEs was that they were simply happy with their current provider; 7 in 10 said this.

Amongst the 8% of landline users classified as past considerers, around a quarter said the main reason not to switch after considering it was that they just decided not to bother (26%) or that they saw no cost benefit in switching (24%).

Figure 92: Main reasons for not switching supplier

<table>
<thead>
<tr>
<th>Reason</th>
<th>Non-Switchers</th>
<th>Non-Recent Switchers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Happy with current provider</td>
<td>72%</td>
<td>70%</td>
</tr>
<tr>
<td>Tied into existing contract</td>
<td>2%</td>
<td>13%</td>
</tr>
<tr>
<td>No time to look into switching</td>
<td>7%</td>
<td>6%</td>
</tr>
<tr>
<td>Too risky to change</td>
<td>4%</td>
<td>4%</td>
</tr>
<tr>
<td>No real difference between suppliers</td>
<td>3%</td>
<td>3%</td>
</tr>
<tr>
<td>Able to negotiate with current supplier on tariffs/services</td>
<td>1%</td>
<td>4%</td>
</tr>
<tr>
<td>Worried it would take too long</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td>Worried would lose service</td>
<td>2%</td>
<td>2%</td>
</tr>
</tbody>
</table>

Source: QB17a-c. Switching classification Base: All landline users (n=1467) QB19. Why have you never switched your landline supplier? / Why have you not switched your landline supplier in the last two years? Base: All Non-Switchers/Non-Recent Switchers (n=546/398)

Figure 93: Main reasons not to switch after considering

<table>
<thead>
<tr>
<th>Reason</th>
<th>Non-Switchers</th>
<th>Non-Recent Switchers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Just decided not to bother</td>
<td>26%</td>
<td></td>
</tr>
<tr>
<td>No cost benefit</td>
<td>24%</td>
<td></td>
</tr>
<tr>
<td>Persuaded to stay with current provider</td>
<td>15%</td>
<td></td>
</tr>
<tr>
<td>Good relations with current provider</td>
<td>12%</td>
<td></td>
</tr>
<tr>
<td>Tied into existing contract</td>
<td>9%</td>
<td></td>
</tr>
<tr>
<td>Favourable terms/conditions with current provider</td>
<td>7%</td>
<td></td>
</tr>
<tr>
<td>Subject to a cancellation charge</td>
<td>4%</td>
<td></td>
</tr>
<tr>
<td>Worried would lose service</td>
<td>3%</td>
<td></td>
</tr>
</tbody>
</table>

Source: QB17a-c. Switching classification Base: All past considerers (n=1467) QB20. Why did you decide not to switch your landline service supplier after considering it? Base: All past considerers (n=124)
7.1.5. **LANDLINES: The switching process**

Switchers were asked further questions about the switching process they went through. More than half (54%) of switchers described switching as ‘very easy’ and a further quarter (23%) as ‘easy’ (Figure 94).

Although the majority therefore had no problems, 14% described switching as quite/very difficult. 22% said they were subject to an Early Termination Charge upon switching (Figure 95)

Of those subject to an early termination charge\(^{18}\), this was £500 or less for more than half (55%), £501-£1000 for 12% and more than £1000 for 6%. More than a quarter (27%) did not know what the charge had been. 43% of those who incurred a charge were not aware of this charge before switching, and 31% incurred this charge because their contract had been renewed automatically.

---

Figure 94: Ease of switching

Source: QC9. Once you had decided which supplier to use, how easy did you find it to switch?

**Base:** All Switchers \(n=269\)

Figure 95: Early Termination Charges

Subject to an early termination charge?

Source: QC11. Were you subject to a cancellation charge, known as an early termination charge, to leave your previous provider?

**Base:** All Switchers \(n=269\)

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\(^{18}\) QC12a-c: specific cancellation charge issues. **Base:** All Switchers subject to a cancellation charge \(n=62\)*NOTE: SMALL SAMPLE SIZE
Switchers were asked if they had experienced any issues or problems during the switching process (Figure 96). More than half (52%) said they had experienced no problems. Around one in five mentioned receiving bills for cancelled services (20%) or cancellation charges (18%, rising to 33% of 10-49 employee organisations). Overall fewer than 1 in 10 (9%) mentioned technical issues, but this doubled in relation to small or medium organisations (20% amongst those with 10+ employees).

Figure 96: Issues experienced when switching

<table>
<thead>
<tr>
<th>Issue</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>No problems</td>
<td>52%</td>
</tr>
<tr>
<td>Received bills for cancelled service</td>
<td>20%</td>
</tr>
<tr>
<td>Cancellation charges</td>
<td>18%</td>
</tr>
<tr>
<td>Took longer than expected</td>
<td>18%</td>
</tr>
<tr>
<td>Previous provider trying to persuade me to stay</td>
<td>16%</td>
</tr>
<tr>
<td>Contacting provider to cancel service</td>
<td>13%</td>
</tr>
<tr>
<td>Paying for two services</td>
<td>13%</td>
</tr>
<tr>
<td>Arranging start/stop dates</td>
<td>12%</td>
</tr>
<tr>
<td>Temporary loss of service</td>
<td>12%</td>
</tr>
<tr>
<td>Previous provider cancelled switch</td>
<td>11%</td>
</tr>
<tr>
<td>Technical issues</td>
<td>9%</td>
</tr>
<tr>
<td>Knowing how to switch</td>
<td>8%</td>
</tr>
<tr>
<td>Charged wrong amount by new supplier</td>
<td>4%</td>
</tr>
<tr>
<td>Difficulty porting telephone no.</td>
<td>4%</td>
</tr>
</tbody>
</table>

Source: QC10. Which, if any, of the following issues did you experience when switching your landline supplier?

Base: All Switchers (n=269)

19 In this question respondents could select “cancellation charges” as a general description. Later in the questionnaire these are defined and specifically asked about as “Early Termination Charges.”
7.2. Switching behaviour in relation to internet service providers

7.2.1. INTERNET: Switching classification

Figure 97 shows that 20% of SMEs had switched internet provider in the past 2 years; 59% had never switched. 25% were in the market for a new provider (Figure 98), with 5% actively looking for a new provider and a further 20% open to this idea.

![Figure 97: Past switching behaviour](image1)

![Figure 98: Current mind-set](image2)

Source: QB29a. Have you ever switched your internet service provider? If so, when was this? QB29c. Have you ever considered switching your internet service provider? Base: All internet users (n=1267)

Past and current behaviour and attitude towards switching are combined in Figure 99 with a switching classification of SMEs. Around a quarter (24%) were very open to the idea of switching, just under half unlikely to be interested (45% were non-switchers), and around one in three (29%) who had switched or considered it in the past.
Figure 99: Switching classification

Source: QB29a. Have you ever switched your internet service provider? If so, when was this? QB29b. What is your current thinking regarding changing the company that provides your internet service? QB29c. Have you ever considered switching your internet service provider? Base: All internet users (n=1267)

Figure 100: Switching classification definitions

<table>
<thead>
<tr>
<th>Category</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Switchers</td>
<td>Switched provider in last 2 years</td>
</tr>
<tr>
<td>Considerers</td>
<td>Currently considering switching provider</td>
</tr>
<tr>
<td>Non-switchers</td>
<td>Never switched or considered switching</td>
</tr>
<tr>
<td>Non-recent switchers</td>
<td>Switched longer than 3 years ago and not currently considering switching</td>
</tr>
<tr>
<td>Past considerers</td>
<td>Considered switching but decided not to</td>
</tr>
</tbody>
</table>

Source: QB29a. Have you ever switched your internet service provider? If so, when was this? QB29b. What is your current thinking regarding changing the company that provides your internet service? QB29c. Have you ever considered switching your internet service provider? Base: All internet users (n=1267)
Figure 101 looks at this switching classification by size and urbanity. It shows that medium SMEs are more likely to have switched recently than small or micro SMEs (27% had done so, versus around one in five of other SMEs). Small SMEs were more likely to have never switched (more than half – 52% - were classified as non-switchers).

SMEs in rural areas showed a higher proportion of non-recent switchers (23%) but otherwise no major differences in urbanity can be observed.

**Figure 101: Switching classification by company size and urbanity**

Source: QB29a. Have you ever switched your internet service provider? If so, when was this? QB29b. What is your current thinking regarding changing the company that provides your internet service? QB29c. Have you ever considered switching your internet service provider? **Base: All internet users (n=1267 / 471/737/301/229 / 913/228/183)**
7.2.2. INTERNET: Attitudes towards switching service providers

Figure 102 examines attitudes towards switching internet service providers.

Almost three-quarters (74%) felt that there was a good choice of products/services available, but only half (52%) felt they were able to negotiate effectively with suppliers on tariffs/services.

The main barriers to switching internet provider were lack of transparency and clarity of prices (one in three felt that prices were not clear and transparent) and difficulty in comparing suppliers and/or tariffs (49% agreed that these were difficult to compare or that there was not much difference between suppliers).

Source: QB30. Next I’m going to read you a series of statements that businesses have made about switching internet service providers. For each one please can you tell me how much you agree or disagree with it.

**Base: Internet users – all/answering on this service (n=1267/492)**
Figure 103 compares attitudes by switching classification, and to the 2010 survey. It shows that compared to 2010, SMEs were less likely to agree that prices were clear and transparent (48% versus 59%). Sample sizes are very low for considerers (past and current) but indicatively it seems these SMEs were less likely to feel there was a good choice of products/services available.

### Figure 103: Attitudes to switching (internet)

<table>
<thead>
<tr>
<th>% agree/strongly agree</th>
<th>All users (1267/492)</th>
<th>Switchers (255/100)</th>
<th>Considerers (94)</th>
<th>Non-recent switchers (218/77)</th>
<th>Past considerers (106)</th>
<th>Non-switchers (579/233)</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>There's a good choice of products/services available</td>
<td>74%</td>
<td>79%</td>
<td>58%</td>
<td>75%</td>
<td>63%</td>
<td>76%</td>
<td>76%</td>
</tr>
<tr>
<td>I'm able to negotiate effectively with my supplier on tariffs/services</td>
<td>52%</td>
<td>56%</td>
<td>*</td>
<td>47%</td>
<td>*</td>
<td>56%</td>
<td>46%</td>
</tr>
<tr>
<td>It's difficult to make comparisons between suppliers</td>
<td>51%</td>
<td>58%</td>
<td>*</td>
<td>50%</td>
<td>*</td>
<td>45%</td>
<td>52%</td>
</tr>
<tr>
<td>It's difficult to compare the different tariffs that are available</td>
<td>49%</td>
<td>57%</td>
<td>*</td>
<td>47%</td>
<td>*</td>
<td>45%</td>
<td>n/a</td>
</tr>
<tr>
<td>There's not much difference between suppliers</td>
<td>49%</td>
<td>50%</td>
<td>*</td>
<td>45%</td>
<td>*</td>
<td>50%</td>
<td>52%</td>
</tr>
<tr>
<td>The prices of services are clear and transparent</td>
<td>48%</td>
<td>50%</td>
<td>*</td>
<td>46%</td>
<td>*</td>
<td>47%</td>
<td>59%</td>
</tr>
<tr>
<td>There's not enough choice of suppliers available</td>
<td>18%</td>
<td>19%</td>
<td>36%</td>
<td>15%</td>
<td>22%</td>
<td>16%</td>
<td>n/a</td>
</tr>
</tbody>
</table>

Source: QB30. Next I’m going to read you a series of statements that businesses have made about switching internet service providers. For each one please can you tell me how much you agree or disagree with it? Base: Internet users – all/answering on this service (n=1267/492). *Data supressed, very low sample size.

The figures highlighted in red and green are significantly different compared to the other subgroups for that service, where green = significantly higher and red = significantly lower.
Figure 104 shows how attitudes differ by switching classification. Although sample size is small for considerers, indicatively this group of SMEs were more likely than others to agree it’s difficult to make comparisons between suppliers or compare tariffs, which may therefore be a barrier to actually switching.

Figure 104: INTERNET: Attitudes to switching - % Agree by switching classification

Source: QB30. Next I’m going to read you a series of statements that businesses have made about switching internet service providers. For each one please can you tell me how much you agree or disagree with it? Base: Internet users – all/answering on this service (n= Switchers: 255/100, Considerers: 54/23, Non-Recent Switchers: 216/77, Past Considerers: 126/46, Non-Switchers: 579/233) *NOTE SMALL SAMPLE SIZES
Figure 105 shows how attitudes to switching compare amongst SMEs of varying urbanity.

It shows that those in remote rural locations were less convinced that there was a good choice of products available to them (58% agreed versus 74% overall). This group was also less likely to agree that the prices of service were clear and transparent (34% agreed versus 48% overall).

**Source:** QB30. Next I’m going to read you a series of statements that businesses have made about switching landline service providers. For each one please can you tell me how much you agree or disagree with it?

**Base:** Internet users – all/answering on this service (n=1467/547)
7.2.3. INTERNET: Satisfaction with service

Figure 106 examines how satisfaction with internet service varies by switching classification of SMEs. It shows that those currently considering switching were less satisfied with their internet service (47% were satisfied overall).

This lower level of satisfaction extended to all elements of service; notably ‘ease of contacting customer services’ (20% satisfied) and contract terms and conditions (27%).

Non-switchers were the most content in relation to several elements, which to some extent will explain their switching behaviour and attitudes.

Source: QB1a. Thinking about the services your organisation uses, please can you tell me how satisfied or dissatisfied you are with your overall experience of each, using the following scale.

Base: All users of ADSL broadband (n= Switchers: 218, Considerers: 48, Non-Recent Switchers: 181, Past Considerers: 100, Non-Switchers: 502)

QB24. I am now going to read out some different aspects of the service experience. For each one, please can you tell me how satisfied or dissatisfied you are with this area of your organisation’s internet service.

Figure 107 shows that those considering switching were more likely to have experienced problems with the service over the last 12 months.

Only 20% of considerers had experienced no problems or issues over the last 12 months, compared with more than half of most other switching classifications, and almost 7 in 10 non-switchers. 68% of considerers had experienced poor service reliability compared with less than half that proportion for most other switching classifications.

Figure 107: INTERNET: Problems experienced with fixed internet service - by switching classification

Source: QB25a. What, if any, issues or problems has your organisation encountered with your internet service in the last 12 months?

7.2.4. INTERNET: Prompts and barriers to switching service provider

Figures 108 and 109 show the main reasons for switching supplier (amongst the 20% of SME internet users classified as switchers), and the main reasons for considering switching (amongst the 4% of considerers).

These figures show that slow connection speed, poor customer service, poor service reliability and the availability of cheaper deals all prompted consideration of switching but getting a cheaper deal was the main reason to follow through.

Amongst considerers (Figure 109), around a third were thinking about switching due to slow connections (36%) or poor customer service (32%) and around a quarter because of poor service reliability (26%) or the availability of cheaper deals (24%).

Looking at actual switchers (Figure 108), more than half (52%) said that a cheaper deal was the main reason for switching supplier.

![Figure 108: Main reasons for switching supplier](image)

Source: QB29a-c. Switching classification  
Base: All internet users (n=1267) QC15. What were your reasons for switching your internet supplier?  
Base: All Switchers (n=255)

![Figure 109: Main reasons for considering switching supplier](image)

Source: QB29a-c. Switching classification  
Base: All internet users (n=1267) QB35. What are your reasons for considering switching your internet supplier?  
Base: All Considerers (n=54*) *NOTE SMALL SAMPLE SIZE
Looking at reasons for not switching, Figures 110 and 111 show that being happy with your current provider and seeing no cost benefit to moving provider were key reasons not to switch.

Figure 110 examines the 45% of internet users who were non-switchers and the 19% who were non-recent switchers. Overwhelmingly the main reason not to switch supplier amongst these SMEs is that they were simply happy with their current provider (almost 7 in 10 said this).

Amongst the 10% of internet users classified as past considerers (Figure 111), a fifth cited a lack of cost benefit or good relations with a current provider as the main reason not to switch after considering it.

![Figure 110: Main reasons for not switching supplier](image)

Source: QB29a-c. Switching classification  
Base: All internet users (n=1267)

![Figure 111: Main reasons not to switch after considering](image)

Source: QB29a-c. Switching classification  
Base: All Past Considerers (n=126).
7.2.5. INTERNET: The switching process

Switchers were asked further questions about the switching process they went through. More than half (54%) of switchers described switching as ‘very easy’ and a further 29% as ‘easy’ (Figure 112), although a few said they experienced problems (11%).

15% said they were subject to an Early Termination Charge upon switching (Figure 113).

Of those subject to an early termination charge\(^{21}\), for 61% this was claimed to be £500 or less, £501-£1000 for 11% and more than £1000 for 3%. More than a quarter (26%) did not know what the charge had been.

44% of those who incurred a charge were not aware of this charge before switching, and 22% incurred it because their contract had been renewed automatically.

---

**Figure 112: Ease of switching**

- Very difficult: 7%
- Quite difficult: 29%
- Neither/nor: 54%
- Quite easy: 4%
- Very easy: 4%

**Figure 113: Early Termination Charges**

- Subject to an early termination charge?
  - No: 82%
  - Yes, and paid it: 11%
  - Yes, but didn’t pay: 3%
  - DK: 4%

---

\(^{21}\) QC19a-c: Specific cancellation charge issues

Base: All Switchers subject to a cancellation charge (n=35) *NOTE: LOW BASE SIZES
Switchers were asked if they had experienced any issues or problems during the switching process (Figure 114).

More than 6 in 10 (63%) said they experienced no problems.

Medium SMEs (50-249 employees) were less likely to have had their previous provider try to persuade them to stay (2% versus 12% overall). Small organisations (10-49 employees) were more likely to have been paying for two services at the same time (17% versus 9% overall).

**Figure 114: Issues experienced when switching**

<table>
<thead>
<tr>
<th>Issue</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>No problems</td>
<td>63%</td>
</tr>
<tr>
<td>Temporary loss of service</td>
<td>14%</td>
</tr>
<tr>
<td>Took longer than expected</td>
<td>12%</td>
</tr>
<tr>
<td>Previous provider trying to persuade me to stay</td>
<td>12%</td>
</tr>
<tr>
<td>Received bills for cancelled service</td>
<td>11%</td>
</tr>
<tr>
<td>Paying for two services</td>
<td>9%</td>
</tr>
<tr>
<td>Technical issues</td>
<td>9%</td>
</tr>
<tr>
<td>Cancellation charges</td>
<td>6%</td>
</tr>
<tr>
<td>Arranging start/stop dates</td>
<td>6%</td>
</tr>
<tr>
<td>Difficulty getting MAC from previous provider</td>
<td>5%</td>
</tr>
<tr>
<td>Obtaining switching info from previous provider</td>
<td>4%</td>
</tr>
<tr>
<td>Other cost/billing issues</td>
<td>7%</td>
</tr>
</tbody>
</table>

Source: QC17. Which, if any, of the following issues did you experience when switching your internet supplier?

Base: All Switchers (n=255)

---

22 In this question respondents could select “cancellation charges” as a general description. Later in the questionnaire these are defined and specifically asked about as “Early Termination Charges.”
7.3. Switching behaviour in relation to mobile service providers

7.3.1. MOBILES: Switching classification

Figure 115 shows that around a fifth (21%) of SMEs had switched mobile provider in the last 2 years. Almost half (49%) had never switched.

6% were currently in the market for a new provider, and a further 19% were open to the idea of a new provider (Figure 116) an indication that around one in five were potentially considering a switch either actively or passively. The majority of the rest were not interested in a new provider, with just under a fifth (19%) saying that a long-term contract informed their current perspective.

Source: QB6a. Have you ever switched your mobile phone service provider? If so, when was this? QB6c. Have you ever considered switching your mobile phone service provider?

Base: All Mobile users (n=1048)

Source: QB6b. What is your current thinking regarding changing the company that provides your mobile phone service?

Base: All Mobile users (n=1048)
Past and current behaviour and attitude towards switching are combined in Figure 117 with a switching classification of SMEs. A quarter were very open to the idea of switching, with more than one in three each either unlikely to be interested (non-switchers) or have switched/considered in the past.

Figure 117: Switching classification

- Switchers: 21%
- Considerers: 4%
- Non-recent switchers: 25%
- Past considerers: 9%
- Non-switchers: 38%
- DK: 3%

Source: QB6a. Have you ever switched your mobile phone service provider? If so, when was this? QB6b. What is your current thinking regarding changing the company that provides your mobile phone service? QB6c. Have you ever considered switching your mobile phone service provider? Base: All Mobile users (n=1048)

Figure 118: Switching classification definitions

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Switchers</td>
<td>Switched provider in last 2 years</td>
</tr>
<tr>
<td>Considerers</td>
<td>Currently considering switching provider</td>
</tr>
<tr>
<td>Non-switchers</td>
<td>Never switched or considered switching</td>
</tr>
<tr>
<td>Non-recent switchers</td>
<td>Switched longer than 3 years ago and not currently considering switching</td>
</tr>
<tr>
<td>Past considerers</td>
<td>Considered switching but decided not to</td>
</tr>
</tbody>
</table>

Source: QB6a. Have you ever switched your mobile phone service provider? If so, when was this? QB6b. What is your current thinking regarding changing the company that provides your mobile phone service? QB6c. Have you ever considered switching your mobile phone service provider? Base: All Mobile users (n=1048)
Figure 119 looks at the switching classification by size and urbanity. It shows that medium SMEs were more likely to have switched in the past (29% were switchers versus 21% overall and 20% of micro SMEs) and were more open to the idea of switching. SMEs in remote rural locations were less likely to have switched mobile provider. More than half (54%) of them were non-switchers. Urban SMEs were more likely to be switchers; 23% of these had switched in the past two years compared with half that proportion (11%) of those in remote rural locations.

**Figure 119: Switching classification by company size and urbanity**

Source: QB6a. Have you ever switched your mobile phone service provider? If so, when was this? QB6b. What is your current thinking regarding changing the company that provides your mobile phone service? QB6c. Have you ever considered switching your mobile phone service provider?

Base: All Mobile users (n=1048 / 415/607/237/204 / 736/205/158)
7.3.2. MOBILES: Attitudes towards switching service providers

Figure 120 examines attitudes towards switching mobile service providers. 88% were aware that they can port their number and 83% felt that there was a good choice of products/services available. SMEs in remote rural locations were less likely to agree that they were aware of number portability (67%) or that there was a good choice (69%). Remote rural SMEs were also less likely than those overall to feel able to negotiate effectively with suppliers (52% versus 62% overall).

Although SMEs felt they had choice in terms of suppliers, products and service, they can find it hard to navigate the options available, with 43% agreeing that it’s difficult to make comparisons between suppliers and around 1 in 3 (31%) disagreed that the prices of services were clear and transparent.

Source: QB7. Next I’m going to read you a series of statements that businesses have made about switching mobile phone service providers. For each one please can you tell me how much you agree or disagree with it?

**Base:** Mobile users – all/answering on this service (n=1048/469)
Figure 121 compares attitudes by switching classification, and to the 2010 survey. It shows that switchers were more likely to be aware of number portability (95% versus 88% overall) and non-switchers less so (82%).

26% of considerers felt there was not enough choice of suppliers available, compared with 15% overall.

**Figure 121: LANDLINES: Attitudes to switching**

<table>
<thead>
<tr>
<th>%agree/strongly agree</th>
<th>All users (1048/469)</th>
<th>Switchers (243/115)</th>
<th>Considerers (55/22)</th>
<th>Non-recent switchers (246/110)</th>
<th>Past considerers (95/40)</th>
<th>Non-switchers (372/167)</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>I’m aware I can port my number to a new supplier</td>
<td>88%</td>
<td>95%</td>
<td>*</td>
<td>92%</td>
<td>*</td>
<td>82%</td>
<td>n/a</td>
</tr>
<tr>
<td>There’s a good choice of products/services available</td>
<td>83%</td>
<td>83%</td>
<td>80%</td>
<td>84%</td>
<td>82%</td>
<td>82%</td>
<td>87%</td>
</tr>
<tr>
<td>I’m able to negotiate effectively with my supplier on tariffs/services</td>
<td>62%</td>
<td>67%</td>
<td>*</td>
<td>65%</td>
<td>*</td>
<td>65%</td>
<td>61%</td>
</tr>
<tr>
<td>The prices of services are clear and transparent</td>
<td>55%</td>
<td>54%</td>
<td>*</td>
<td>61%</td>
<td>*</td>
<td>61%</td>
<td>64%</td>
</tr>
<tr>
<td>There’s not much difference between suppliers</td>
<td>55%</td>
<td>53%</td>
<td>*</td>
<td>61%</td>
<td>*</td>
<td>54%</td>
<td>55%</td>
</tr>
<tr>
<td>It’s difficult to make comparisons between suppliers</td>
<td>43%</td>
<td>40%</td>
<td>*</td>
<td>41%</td>
<td>*</td>
<td>42%</td>
<td>41%</td>
</tr>
<tr>
<td>There’s not enough choice of suppliers available</td>
<td>15%</td>
<td>12%</td>
<td>26%</td>
<td>16%</td>
<td>16%</td>
<td>14%</td>
<td>n/a</td>
</tr>
</tbody>
</table>

Source: QB7. Next I’m going to read you a series of statements that businesses have made about switching mobile phone service providers. For each one please can you tell me how much you agree or disagree with it?

**Base:** Mobile users – all/answering on this service (n=1048/469) * Data suppressed, very low sample size

---

23 The figures highlighted in red and green are significantly different compared to the other subgroups for that service, where green = significantly higher and red = significantly lower.
Figure 122 shows how attitudes differ by switching classification. Sample sizes were very low for considerers (past and current) but indicatively it seems these SMEs were least confident about their ability to negotiate effectively (below half agreed that they were compared with 57% overall and 67% of switchers. Past considerers in particular were less likely than others to find prices of services to be clear and transparent (only 29% agreed with this compared with 45% overall).

Source: QB7. Next I’m going to read you a series of statements that businesses have made about switching mobile phone service providers. For each one please can you tell me how much you agree or disagree with it? Base: Mobile users – all/answering on this service (n= Switchers: 243/115, Considerers: 55/22, Non-Recent Switchers: 246/110, Past Considerers: 95/38, Non-Switchers: 372/167) *NOTE: LOW BASE SIZES
Figure 123 shows how attitudes to switching compared amongst SMEs of varying urbanity. It shows that SMEs in remote rural locations were less likely to be aware of number portability or to agree that there was a good choice of products or services available to them.

Urban SMEs were most confident about their ability to negotiate effectively with suppliers on tariffs/services.

**Figure 123: MOBILES: Attitudes to switching - % Agree by urbanity**

<table>
<thead>
<tr>
<th>Statement</th>
<th>Total sample</th>
<th>Urban</th>
<th>Rural</th>
<th>Remote Rural</th>
</tr>
</thead>
<tbody>
<tr>
<td>I'm aware I can port my number to a new supplier</td>
<td>92%</td>
<td>84%</td>
<td>66%</td>
<td>56%</td>
</tr>
<tr>
<td>There's a good choice of products/services available</td>
<td>81%</td>
<td>83%</td>
<td>69%</td>
<td>52%</td>
</tr>
<tr>
<td>I'm able to negotiate effectively with my supplier on tariffs/services</td>
<td>67%</td>
<td>66%</td>
<td>52%</td>
<td>49%</td>
</tr>
<tr>
<td>The prices of services are clear and transparent</td>
<td>55%</td>
<td>56%</td>
<td>53%</td>
<td>49%</td>
</tr>
<tr>
<td>There's not much difference between suppliers</td>
<td>59%</td>
<td>59%</td>
<td>52%</td>
<td>52%</td>
</tr>
<tr>
<td>It's difficult to make comparisons between suppliers</td>
<td>52%</td>
<td>52%</td>
<td>41%</td>
<td>38%</td>
</tr>
<tr>
<td>There's not enough choice of suppliers available</td>
<td>12%</td>
<td>19%</td>
<td>22%</td>
<td>22%</td>
</tr>
</tbody>
</table>

Source: QB7. Next I’m going to read you a series of statements that businesses have made about switching mobile phone service providers. For each one please can you tell me how much you agree or disagree with it?

**Base: Mobile users – all/answering on this service (n=1048/469)**
7.3.3. MOBILES: Satisfaction with service

Figure 124 examines how satisfaction with mobile services varies by switching classification of SMEs. It shows that those who were considering switching were less satisfied with their current service provision than others, across most elements of service.

Less than half of considerers were satisfied with geographic coverage (40% satisfied) or signal reliability (46% satisfied) compared with more than 6 in 10 of other switching classification types.

Figure 124: MOBILES: Satisfaction with mobile phone service - % Satisfied by switching classification

Source: QB1a. Thinking about the services your organisation uses, please can you tell me how satisfied or dissatisfied you are with your overall experience of each, using the following scale.


QB2a. I am now going to read out some different aspects of the service experience. For each one, please can you tell me how satisfied or dissatisfied you are with this area of your organisation’s mobile phone service.

Figure 125 shows that those considering switching were more likely to have experienced problems with the service over the last 12 months. Only 17% of considerers had experienced no problems or issues over the last 12 months compared with more than half of most other switching classifications, and three-quarters (76%) of non-switchers.

More than half (52%) of considerers had experienced poor mobile coverage.

**Figure 125: MOBILES: Problems experienced with mobile phone service - by switching classification**

Source: QB3a. What, if any, issues or problems has your organisation encountered with your mobile phone service in the last 12 months?

7.3.4. MOBILES: Prompts and barriers to switching service provider

Figures 126 and 127 show the main reasons for switching supplier (amongst the 21% of SME mobile users classified as switchers) and the main reasons for considering switching (amongst the 4% of considerers).

These figures show that poor coverage, the prospect of a better deal and poor customer service all prompt consideration of switching but getting a cheaper deal was the main reason to follow through.

Amongst considerers (Figure 127), more than a third (36%) cited poor coverage as the main reason to consider switching. 30% say it was the prospect of cheaper deals and 24% poor customer service.

Looking at actual switchers (Figure 126), the majority (around two-fifths) say that a cheaper deal was the main reason for switching supplier.

**Figure 126: Main reasons for switching supplier**

- Cheaper deal: 44%
- Poor mobile coverage previously: 19%
- Package fitted my needs better: 14%
- Better mobile coverage: 11%
- Poor customer service previously: 10%
- Better range of services: 7%
- Too expensive previously: 5%
- Wanted to bundle services: 4%
- Poor call quality previously: 4%

**Figure 127: Main reasons for considering switching supplier**

- Poor mobile coverage currently: 36%
- Cheaper deals available: 30%
- Poor customer service currently: 24%
- Poor mobile internet access currently: 9%
- Better mobile coverage elsewhere: 9%
- Too expensive currently: 6%
- Poor call quality currently: 5%
- Want to bundle services: 4%

Source: QB29a-c. Switching classification
Base: All internet users (n=1267)

Source: QB35. What were your reasons for switching your internet supplier?
Base: All Switchers (n=255)

*NOTE: LOW BASE SIZE*
Looking at barriers to switching, Figures 128 and 129 show that being happy with your current provider and seeing no cost benefit to moving provider were key reasons not to switch.

Figure 128 examines the 32% of mobile users who were non-switchers and the 25% who were non-recent switchers, and shows that more than three-quarters of these were simply happy with their current provider.

Amongst the 9% of mobile users classified as past considerers (Figure 129), around a quarter (26%) said the main reason not to switch after considering it was that there was no cost benefit in doing so.

**Figure 128: Main reasons for not switching provider**

<table>
<thead>
<tr>
<th>Reason</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Happy with current provider</td>
<td>76%</td>
</tr>
<tr>
<td>No time to look into switching</td>
<td>5%</td>
</tr>
<tr>
<td>No real difference between suppliers</td>
<td>2%</td>
</tr>
<tr>
<td>Too risky to change</td>
<td>3%</td>
</tr>
<tr>
<td>Tied into existing contract</td>
<td>2%</td>
</tr>
<tr>
<td>Don’t want to be tied into a new fixed term contract</td>
<td>4%</td>
</tr>
</tbody>
</table>

**Figure 129: Main reasons not to switch after considering**

<table>
<thead>
<tr>
<th>Reason</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>No cost benefit</td>
<td>26%</td>
</tr>
<tr>
<td>Just decided not to bother</td>
<td>17%</td>
</tr>
<tr>
<td>Good relations with current provider</td>
<td>15%</td>
</tr>
<tr>
<td>Service availability</td>
<td>12%</td>
</tr>
<tr>
<td>Favourable terms/conditions with current provider</td>
<td>10%</td>
</tr>
<tr>
<td>Persuaded to stay with current provider</td>
<td>6%</td>
</tr>
<tr>
<td>Worried would lose service</td>
<td>6%</td>
</tr>
<tr>
<td>Tied into existing contract</td>
<td>6%</td>
</tr>
</tbody>
</table>

Source: QB6a-c. Switching classification

Base: All Mobile users (n=1048)

QB8. Why have you never switched your mobile supplier? / Why have you not switched your mobile supplier in the last two years?

Base: Non-Switchers/Non-Recent Switchers (n=166/110)

Source: QB9. Why did you decide not to switch your mobile service supplier after considering it?

Base: All Past Considerers (n=95)

### 7.3.5. MOBILES: The switching process

Switchers were asked further questions about the switching process they went through. More than half (58%) of switchers described switching as ‘very easy’ and a further 29% as ‘easy’ (Figure 130).

Only a small proportion (7%) said that they found the switching process difficult.

16% said they were subject to an Early Termination charge upon switching (Figure 131). 3% said they had experienced this but did not pay it (higher amongst medium sized organisations – 12%).

Of those who incurred a charge\(^2\), for 51% this was claimed to be £500 or less, between £501-£1000 for 22% and more than £1000 for 15%. 12% didn’t know what the charge had been.

More than a quarter (27%) said they were not aware of this charge before switching, and 18% said they had incurred this charge because their contract had been renewed automatically.

---

\(^2\) QC4b-d: Specific cancellation charge issues

Base: All Switchers subject to a cancellation charge (n=47) *NOTE: SMALL SAMPLE SIZE
Figure 130: Ease of switching

- Very difficult: 5%
- Quite difficult: 29%
- Neither/nor: 58%
- Quite easy: 3%
- Very easy: 4%

Source: QC2. Once you had decided which supplier to use, how easy did you find it to switch?
Base: All Switchers (n=243)

Figure 131: Early Termination Charges

Subject to an early termination charge?

- No: 81%
- Yes, and paid it: 3%
- Yes, but didn’t pay: 4%
- DK: 13%

Source: QC4a. Were you subject to a cancellation charge, known as an early termination charge, to leave your previous provider?
Base: All Switchers (n=243)
Switchers were asked if they had experienced any issues or problems during the switching process (Figure 132).

Almost 6 in 10 said they had experienced no problems (59%). 1 in 5 mentioned that their previous provider had tried to persuade them to stay.

Medium organisations (50-249 employees) were more likely to have had problems or issues, with a lower proportion (42%) saying they had not experienced any at all. In particular they were more likely to mention technical issues (18% vs. 7% overall) or cancellation25 charges (18% vs. 9% overall).

Figure 132: Issues experienced when switching

Source: QC3. Which, if any, of the following issues did you experience when switching your mobile phone supplier?

Base: All Switchers (n=243)

---

25 In this question respondents could select “cancellation charges” as a general description. Later in the questionnaire these are defined and specifically asked about as “Early Termination Charges”.

8. Contracts

Summary

Fixed Landline (including standard PSTN, ISDN 2/2e and 30, Ethernet, leased lines)

67% of SMEs had a fixed term contract; half of these were for up to 2 years in length and 59% renewed automatically.

77% had a business-specific contract; this rose to 94% in medium SMEs. 14% who did not have one thought business contracts were more expensive.

80% were aware of the T&Cs of their contract and the majority felt these matched what they were sold and were clear and transparent. 13% had problems because things were not specified in their contract.

Just under half (46%) were either unsure of or not aware of the details of Early Termination Charges (ETCs) in their contract. Around one fifth (17%) felt that the wording on their contract around ETCs lacked clarity and transparency.

Many were unaware of Service Level Agreements (SLAs). 49% of SMEs knew they had a contract with an SLA; 90% were satisfied that these were met.

Fixed Internet (including ADSL, fibre, cable and dial-up)

71% of SMEs had a fixed term contract, the majority of which were up to 2 years duration and 58% renewed automatically.

74% had a business-specific contract; rising to 94% in medium SMEs. 21% who did not have one thought business contracts were more expensive.

78% were aware of the T&Cs of their contract and the majority felt these matched what they were sold and were clear and transparent. 9% had problems because things were not specified in their contract.

Just under half (46%) were either unsure of or not aware of the details of ETCs in their contract. Almost one quarter (23%) felt that the wording on their contract around ETCs lacked clarity and transparency.

Many were unaware of SLAs. 46% of SMEs knew they had a contract with an SLA; 87% were satisfied that these were met.

Mobile Phone (including standard and smart phones)

80% of SMEs had a fixed term contract, the majority of which were up to 2 years duration and 42% of which renewed automatically.

50% had a business contract; this rose to 86% in medium SMEs. 29% who did not have one thought business contracts were more expensive.

80% were aware of the T&Cs of their contract and the majority felt these matched what they were sold and were clear and transparent. 9% had problems because things had not been specified in their contract.

Just under half (44%) were either unsure of or not aware of the details of ETCs in their contract. Around one fifth (19%) felt that the wording on their contract around ETCs lacked clarity and transparency.

Many were unaware of SLAs. 41% of SMEs know they had a contract with an SLA; 91% were satisfied that these were met.
8.1. LANDLINES

8.1.1. LANDLINES: Basic contracts

Figure 133 shows that two thirds (67%) of SMEs with a landline had a fixed-term contract and a further 8% had a rolling monthly contract. 87% of those with either type of contract recalled receiving a copy of the contract. More than half (51%) of SMEs were on a contract up to 2 years in length.

Of those with a fixed (i.e. not rolling monthly) contract, 59% of these contracts renewed automatically when they reached the end of the agreed time period.

**Figure 133:** Length of landline service contract

<table>
<thead>
<tr>
<th>Duration</th>
<th>% Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 year or less</td>
<td>21%</td>
</tr>
<tr>
<td>&gt;1 to 2 years</td>
<td>30%</td>
</tr>
<tr>
<td>&gt;2 to 5 years</td>
<td>15%</td>
</tr>
<tr>
<td>&gt;5 to 10 years</td>
<td>1%</td>
</tr>
<tr>
<td>Rolling monthly contract</td>
<td>8%</td>
</tr>
<tr>
<td>PAYG</td>
<td>2%</td>
</tr>
<tr>
<td>Contract period has ended</td>
<td>4%</td>
</tr>
<tr>
<td>Don't know</td>
<td>17%</td>
</tr>
</tbody>
</table>

Source: QB16a. How long is your current contract for your landline service? **Base: Landline users (n=547)**

QB16b. Does your contract get renewed automatically by the provider when it reaches the end of its agreed time period? **Base: Landline users with a set contract (n=367)**

QE3b. Did you receive a copy of the contract for your landline service, for example via a letter or email?
When asked where the sales agreement with the contract provider was reached, around two-thirds (65%) of landline users with a contract said that this was over the telephone and a fifth (21%) said it was via a visit from a salesperson or engineer (Figure 134).

Visits were more common amongst small and medium SMEs, and telephone amongst micro-businesses.

Non-urban SMES were more likely to have signed up on the telephone (79% versus 65% overall) and less likely via a visit (10% versus 21%).

**Figure 134: Sales channel for contract**

<table>
<thead>
<tr>
<th>Sales channel</th>
<th>Number of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1-4 (195)</td>
</tr>
<tr>
<td>Phone</td>
<td>68%</td>
</tr>
<tr>
<td>Sales person/engineer visit</td>
<td>18%</td>
</tr>
<tr>
<td>Online</td>
<td>6%</td>
</tr>
<tr>
<td>Retail store</td>
<td>2%</td>
</tr>
<tr>
<td>Can’t remember</td>
<td>5%</td>
</tr>
</tbody>
</table>

Source: QE3a. Thinking back to when you first took out your contract with your supplier of your landline service, where was the sales agreement with your contract provider reached? **Base: Landline users with a contract (n=410)**

---

26 The figures highlighted in red and green are significantly different compared to the other subgroups for that service, where green = significantly higher and red = significantly lower.
8.1.2. LANDLINES: Business-specific contracts

Landline using SMEs with a contract were asked if it was a specific business contract or whether they just used an ordinary personal/residential service. 77% had a business-specific landline contract (Figure 135) which was a higher proportion than that recorded in 2010 (61%).

Small and medium organisations were more likely than micro-businesses to have a business specific contract. 42% of SMEs who do not have a business-specific contract felt that their personal contract was fine for their business (Figure 136). 14% reported that they thought business contracts were more expensive.

**Figure 135: Incidence of business-specific contracts**

<table>
<thead>
<tr>
<th>Employee Size</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>All landline users</td>
<td>77%</td>
</tr>
<tr>
<td>1-4 employees</td>
<td>74%</td>
</tr>
<tr>
<td>1-9 employees</td>
<td>75%</td>
</tr>
<tr>
<td>10-49 employees</td>
<td>94%</td>
</tr>
<tr>
<td>50-249 employees</td>
<td>94%</td>
</tr>
</tbody>
</table>

**Figure 136: Reason for not having a business-specific contract**

<table>
<thead>
<tr>
<th>Reason</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal contract is fine for my business</td>
<td>42%</td>
</tr>
<tr>
<td>Never thought about it/considered it</td>
<td>18%</td>
</tr>
<tr>
<td>Business contracts are more expensive</td>
<td>14%</td>
</tr>
<tr>
<td>Haven't got round to switching to business contract</td>
<td>6%</td>
</tr>
<tr>
<td>Other</td>
<td>16%</td>
</tr>
<tr>
<td>Don't know</td>
<td>8%</td>
</tr>
</tbody>
</table>

Source: QE4. Does your organization have a specific business contract for this service or do you just use an ordinary personal/residential service? Base: Landline users on a contract (n=410)  
Source: QE5. Why have you chosen not to have a business service for your landline service? Base: Landline users with a personal contract (n=58)  
*NOTE: SMALL SAMPLE SIZE
8.1.3. LANDLINES: Contract terms and conditions

Figure 137 shows that 80% of SMEs were aware of the T&Cs of their contract and the majority felt these matched what they were sold and were clear and transparent.

Only a small proportion (13%) had problems because things had not been specified in the contract.

Figure 137: Agreement that…

<table>
<thead>
<tr>
<th>Statement</th>
<th>Disagree</th>
<th>Agree strongly</th>
<th>Agree/strongly</th>
</tr>
</thead>
<tbody>
<tr>
<td>I'm aware of the key terms and conditions</td>
<td>10%</td>
<td>19%</td>
<td>80%</td>
</tr>
<tr>
<td>The key T&amp;Cs match what I was sold originally*</td>
<td>6%</td>
<td>19%</td>
<td>86%</td>
</tr>
<tr>
<td>The key T&amp;Cs are clear and transparent*</td>
<td>8%</td>
<td>17%</td>
<td>77%</td>
</tr>
<tr>
<td>I've had problems because things have not been specified in the contract</td>
<td>82%</td>
<td>3%</td>
<td>13%</td>
</tr>
</tbody>
</table>

*Amongst those aware of contract T&Cs

Source: QE7. Please can you tell me how much you agree or disagree with the following statements about your contract? Base: Landline users on a contract (n=410), Landline users aware of contract T&Cs (n=354) QE6. Is the contract based on standard terms and conditions from the supplier or did you negotiate your own terms and conditions? Base: Landline users with a business contract (n=338)

Those with business-specific contracts were asked if these were based on standard terms and conditions from the supplier or had they negotiated their own terms and conditions. Overwhelmingly (75%) the contracts consisted of standard terms and conditions.

1 in 5 (20%) said they had negotiated their own terms and conditions (rising to 28% amongst organisations with 10 or more employees).
When asked about ETCs, 55% of landline users felt the wording of their landline contract regarding ETCs was clear and transparent (Figure 138).

54% of contract holders were aware that their contract included details of ETCs (Figure 139), rising to 65% amongst small organisations (those with 10-49 employees).

![Figure 138: Agreement that contract wording re. ETCs is clear and transparent (amongst all landline users)](image1)

![Figure 139: Aware of details in contract on ETCs (amongst contract holders)](image2)

Source: QB18. Next I’m going to read you a series of statements that businesses have made about switching landline service providers. For each one please can you tell me how much you agree or disagree with it? 

<table>
<thead>
<tr>
<th>Agree</th>
<th>Strongly Agree</th>
<th>Don’t know</th>
<th>Disagree</th>
<th>Neither/nor</th>
<th>Strongly disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>43%</td>
<td>12%</td>
<td>18%</td>
<td>12%</td>
<td>11%</td>
<td>5%</td>
</tr>
</tbody>
</table>

Source: QE8. Does the contract include details on charges due on termination of service and how these are calculated? 

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
<th>Not sure</th>
</tr>
</thead>
<tbody>
<tr>
<td>54%</td>
<td>12%</td>
<td>34%</td>
</tr>
</tbody>
</table>

Source: QE8. Base: Landline users on a contract (n=410)
8.1.4. **LANDLINES: Contract service level agreements**

35% of SMEs did not know whether their contract included Service Level Agreements (SLAs) (Figure 140). Those with 10 or more employees were more likely to say that the contract did include SLAs (65% versus 49% overall).

44% did not know whether their contract included compensation if SLAs were not met (Figure 141).

**Figure 140:** Contract includes an SLA?  
**Figure 141:** Contract includes compensation arrangements if SLAs not met?

Source: E10a. Does the contract include specifically agreed levels of service (a Service Level Agreement)?
Base: Landline users on a contract (n=410)

Source: QE12. Does the contract contain any compensation and/or refund arrangements which will apply if certain quality service levels are not met?
Base: Landline users on a contract (n=410)

Those with SLAs were asked which issues these covered (Figure 142). 73% said the SLA covered fault repair times and more than 6 in 10 mentioned the speed of acknowledging queries/complaints or a minimum number of days without service. Coverage was less likely to be included (40% said this was covered).

90% of those SMEs aware of having an SLA were satisfied that these had been met (Figure 143).

**Figure 142:** Issues covered by SLA  
**Figure 143:** Satisfaction that provider fulfils SLA

Source: QE10b. Is there an agreed level of service for...?  
Base: Landline users with agreed levels of service (n=221)

Source: QE11. How satisfied are you that your provider fulfils the agreed levels of service?  
Base: Landline users with agreed levels of service (n=221)
8.2. INTERNET

8.2.1. INTERNET: Basic contracts

Figure 144 shows that 71% of SMEs with fixed internet had a fixed term contract and a further 10% had a rolling monthly contract. 88% of those with either type of contract recalled receiving a copy of the contract. More than half (59%) of SMEs were on a contract up to 2 years in length.

Of those with a fixed (i.e. not rolling monthly) contract, 58% of these contracts renewed automatically when they reached the end of the agreed time period.

**Figure 144:** Length of internet service contract

- 1 year or less: 23%
- >1 to 2 years: 36%
- >2 to 5 years: 11%
- >5 to 10 years: 1%
- Rolling monthly contract: 10%
- Contract period has ended: 2%
- Don't know: 16%

Source: QB27. How long is your current contract for your internet service? **Base: Internet users (n=492)** QB28. Does your contract get renewed automatically by the provider when it reaches the end of its agreed time period? **Base: Internet users with a set contract (n=349)** QE3b. Did you receive a copy of the contract for your internet service, for example via a letter or email?
When asked where the sales agreement with the contract provider was reached, around two-thirds (64%) of fixed internet users with a contract said that this was over the telephone, 14% via a visit from a salesperson or engineer and 11% online (Figure 145).

Visits were more common amongst small and medium SMEs, and telephone amongst micro-businesses.

**Figure 145: Sales channel for contract**

<table>
<thead>
<tr>
<th>Total sample</th>
<th>Number of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1-4 (155)</td>
</tr>
<tr>
<td>Phone</td>
<td>64%</td>
</tr>
<tr>
<td>Sales person/</td>
<td></td>
</tr>
<tr>
<td>engineer visit</td>
<td>14%</td>
</tr>
<tr>
<td>Online</td>
<td></td>
</tr>
<tr>
<td></td>
<td>11%</td>
</tr>
<tr>
<td>Retail store</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3%</td>
</tr>
<tr>
<td>Can't remember</td>
<td></td>
</tr>
<tr>
<td></td>
<td>7%</td>
</tr>
</tbody>
</table>

Source: QE3a. Thinking back to when you first took out your contract with your supplier of your internet service, where was the sales agreement with your contract provider reached? **Base: Internet users with a contract (n=394)**

*NOTE: SMALL SAMPLE SIZE

27 The figures highlighted in red and green are significantly different compared to the other subgroups for that service, where green = significantly higher and red = significantly lower
8.2.2. INTERNET: Business-specific contracts

Fixed internet using SMEs with a contract were asked if this was a specific business contract or whether they just used an ordinary personal/residential service. 74% had a business-specific internet contract (Figure 146), which was a higher proportion than that recorded in 2010 (53%).

Small and medium organisations were more likely than micro-businesses to have had a business-specific contract.

45% of SMEs who did not have a business-specific contract felt that their personal contract was fine for their business (Figure 147). A fifth (21%) reported that they thought business contracts were more expensive.

**Figure 146: Incidence of business-specific contracts**

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>All internet users on a contract</td>
<td>74%</td>
</tr>
<tr>
<td>1-4 employees</td>
<td>70%</td>
</tr>
<tr>
<td>1-9 employees</td>
<td>72%</td>
</tr>
<tr>
<td>10-49 employees</td>
<td>93%</td>
</tr>
<tr>
<td>50-249 employees</td>
<td>94%</td>
</tr>
</tbody>
</table>

**Figure 147: Reason for not having a business-specific contract***

<table>
<thead>
<tr>
<th>Reason</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal contract is fine for my business</td>
<td>45%</td>
</tr>
<tr>
<td>Business contracts are more expensive</td>
<td>21%</td>
</tr>
<tr>
<td>Never thought about it/considered it</td>
<td>11%</td>
</tr>
<tr>
<td>Haven't got round to switching to business contract</td>
<td>6%</td>
</tr>
<tr>
<td>Other</td>
<td>13%</td>
</tr>
<tr>
<td>Don't know</td>
<td>7%</td>
</tr>
</tbody>
</table>

Source: QE4. Does your organization have a specific business contract for this service or do you just use an ordinary personal/residential service? Base: Internet users on a contract (n=394)

Source: QE5. Why have you chosen not to have a business service for your internet service? Base: Internet users with a personal contract (n=64) *NOTE: SMALL SAMPLE SIZE
8.2.3. INTERNET: Contract terms and conditions

Figure 148 shows that 78% of SMEs were aware of the T&Cs of their contract and the majority felt these matched what they were sold and were clear and transparent.

Only a small proportion (11%) had problems because things had not been specified in the contracts.

**Figure 148: Agreement that…**

<table>
<thead>
<tr>
<th>Statement</th>
<th>Disagree</th>
<th>Agree strongly</th>
<th>Agree/strongly</th>
</tr>
</thead>
<tbody>
<tr>
<td>I’m aware of the key terms and conditions</td>
<td>9%</td>
<td>11%</td>
<td>78%</td>
</tr>
<tr>
<td>The key T&amp;Cs match what I was sold originally*</td>
<td>6%</td>
<td>10%</td>
<td>82%</td>
</tr>
<tr>
<td>The key T&amp;Cs are clear and transparent*</td>
<td>7%</td>
<td>9%</td>
<td>76%</td>
</tr>
<tr>
<td>I’ve had problems because things have not been specified in the contract</td>
<td>81%</td>
<td>2%</td>
<td>9%</td>
</tr>
</tbody>
</table>

*Amongst those aware of contract T&Cs

Source: QE7. Please can you tell me how much you agree or disagree with the following statements about your contract? **Base: Internet users on a contract (n=394), internet users aware of contract T&Cs (n=342)**

QE6. Is the contract based on standard terms and conditions from the supplier or did you negotiate your own terms and conditions? **Base: Internet users with a business contract (n=321)**

Those with business-specific contracts were asked if these were based on standard terms and conditions from the supplier or had they negotiated their own terms and conditions. The vast majority (74%) adopted standard terms and conditions.

1 in 5 (20%) had negotiated their own terms and conditions.
When asked about ETCs, 51% of fixed internet users felt the wording of their contract regarding ETCs was clear and transparent (Figure 149).

54% of contract holders were aware that their contract included details of ETCs (Figure 150), which rose to 69% amongst small organisations (those with 10-49 employees).

**Figure 149:** Agreement that contract wording re. ETCs is clear and transparent

**Figure 150:** Aware of details in contract on ETCs (amongst contract holders)

Source: QB30. Next I’m going to read you a series of statements that businesses have made about switching internet service providers. For each one please can you tell me how much you agree or disagree with it? **Base: Internet users (n=492)**

**Source:** QE8. Does the contract include details on charges due on termination of service and how these are calculated? **Base: Internet users on a contract (n=394)**
8.2.4. INTERNET: Contract service level agreements

37% of SMEs did not know whether their contract included agreed levels of service (Figure 151). Those with 50-249 employees were more likely to say their contract did include SLAs (68% versus 46% overall).

44% did not know whether their contract includes compensation arrangements if SLAs were not met (Figure 152). Again, those with 50-249 employees were more likely to say their contract did include compensation arrangements (32% versus 13% overall).

Figure 151: Contract includes an SLA?  
Figure 152: Contract includes compensation arrangements if SLAs not met?

Those with SLAs were asked which issues were covered (Figure 153). 70% said the SLA covered fault repair times, more than half speed of connection or acknowledging queries complaints, and just under half covered a minimum number of days without service.

90% of those SMEs who were aware of having SLAs were satisfied that these had been met (Figure 154).

Figure 153: Issues covered by SLA  
Figure 154: Satisfaction that provider fulfils SLA

Source: E10a. Does the contract include specifically agreed levels of service (a Service Level Agreement)? Base: Internet users on a contract (n=394)

Source: QE12. Does the contract contain any compensation and/or refund arrangements which will apply if certain quality service levels are not met? Base: Internet users on a contract (n=394)
8.3. MOBILES

8.3.1. MOBILES: Basic contracts

Figure 155 shows that 80% of mobile users were on fixed term contracts (mostly 1-2 years in length) and a further 4% had a rolling monthly contract. Remote rural users were less likely to have a contract (69% versus 83% overall).

87% of those with either type of contract recalled receiving a copy of the contract.

Of those with a fixed (i.e. not rolling monthly) contract, 42% of these contracts renewed automatically when they reached the end of the agreed time period.

**Figure 155: Length of mobile service contract**

<table>
<thead>
<tr>
<th>Contract Type</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 year or less</td>
<td>14%</td>
</tr>
<tr>
<td>&gt;1 to 2 years</td>
<td>60%</td>
</tr>
<tr>
<td>&gt;2 to 5 years</td>
<td>6%</td>
</tr>
<tr>
<td>&gt;5 to 10 years</td>
<td>0%</td>
</tr>
<tr>
<td>Rolling monthly contract</td>
<td>4%</td>
</tr>
<tr>
<td>PAYG</td>
<td>6%</td>
</tr>
<tr>
<td>Contract period has ended</td>
<td>1%</td>
</tr>
<tr>
<td>Don't know</td>
<td>6%</td>
</tr>
</tbody>
</table>

Source: QB4. How long is your current contract for your mobile service? **Base: Mobile users (n=469)**
QB5. Does your contract get renewed automatically by the provider when it reaches the end of its agreed time period? **Base: Mobile users with a set contract (n=382)**
QE3b. Did you receive a copy of the contract for your mobile phone service, for example via a letter or email? **Base: Mobile users with a contract (n=401)**
When asked where the sales agreement with the contract provider was reached, two-fifths (44%) of mobile users with a contract said that this was over the telephone and a third (33%) said it was in a retail store (Figure 156).

Only 1 in 10 said the sales channel was a visit from a salesperson or engineer but this was higher in larger organisations (22% in those with 10-49 employees, rising to 50% of those with 50-249).

**Figure 156: Sales channel for contract**

<table>
<thead>
<tr>
<th>Sales channel</th>
<th>Total sample</th>
<th>1-4 (164)</th>
<th>1-9 (240)</th>
<th>10-49 (81)</th>
<th>50-249 (80)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phone</td>
<td>44%</td>
<td>44%</td>
<td>45%</td>
<td>44%</td>
<td>28%</td>
</tr>
<tr>
<td>Retail store</td>
<td>33%</td>
<td>38%</td>
<td>35%</td>
<td>21%</td>
<td>4%</td>
</tr>
<tr>
<td>Sales person/engineer visit</td>
<td>10%</td>
<td>6%</td>
<td>8%</td>
<td>22%</td>
<td>50%</td>
</tr>
<tr>
<td>Online</td>
<td>8%</td>
<td>9%</td>
<td>8%</td>
<td>10%</td>
<td>6%</td>
</tr>
<tr>
<td>Can’t remember</td>
<td>4%</td>
<td>4%</td>
<td>2%</td>
<td>9%</td>
<td></td>
</tr>
</tbody>
</table>

Source: QE3a. Thinking back to when you first took out your contract with your supplier of your mobile phone service, where was the sales agreement with your contract provider reached? **Base: Mobile users with a contract (n=401)**

28 The figures highlighted in red and green are significantly different compared to the other subgroups for that service, where green = significantly higher and red = significantly lower.
8.3.2. MOBILES: Business-specific contracts

Mobile using SMEs with a contract were asked if this was a specific business contract or whether they just used an ordinary personal/residential service. Half had a business-specific mobile contract (Figure 157), which was a lower proportion than that recorded in 2010 (56%).

Small and medium organisations were more likely than micro-businesses to have a business-specific contract. 47% of SMEs who did not have a business-specific contract felt that their personal contract was fine for their business (Figure 158). 29% reported that they thought business contracts were more expensive.

**Figure 157: Incidence of business-specific contracts**

| All mobile users on a contract | 50% |
| 1-4 employees | 43% |
| 1-9 employees | 47% |
| 10-49 employees | 75% |
| 50-249 employees | 86% |

**Figure 158: Reason for not having a business-specific contract**

- Personal contract is fine for my business: 47%
- Business contracts are more expensive: 29%
- Never thought about it/considered it: 14%
- Haven't got round to switching to business contract: 6%
- Other: 8%
- Don't know: 4%

Source: QE4. Does your organization have a specific business contract for this service or do you just use an ordinary personal/residential service? Base: Mobile users on a contract (n=401)

Source: QE5. Why have you chosen not to have a business service for your mobile phone service? Base: Mobile users with a personal contract (n=136)
8.3.3. MOBILES: Contract terms and conditions

Figure 159 shows that 80% were aware of the T&Cs of their contract and the majority felt these matched what they were sold and were clear and transparent.

Only 9% had problems because things had not been specified in the contracts.

Figure 159: Agreement that…

<table>
<thead>
<tr>
<th>Statement</th>
<th>Disagree</th>
<th>Agree strongly</th>
<th>Agree strongly</th>
</tr>
</thead>
<tbody>
<tr>
<td>I’m aware of the key terms and conditions</td>
<td>8%</td>
<td>20%</td>
<td>80%</td>
</tr>
<tr>
<td>The key T&amp;Cs match what I was sold originally*</td>
<td>4%</td>
<td>20%</td>
<td>86%</td>
</tr>
<tr>
<td>The key T&amp;Cs are clear and transparent*</td>
<td>9%</td>
<td>15%</td>
<td>76%</td>
</tr>
<tr>
<td>I’ve had problems because things have not been specified in the contract</td>
<td>83%</td>
<td>2%</td>
<td>9%</td>
</tr>
</tbody>
</table>

*Amongst those aware of contract T&Cs

Source: QE7. Please can you tell me how much you agree or disagree with the following statements about your contract? Base: Mobile users on a contract (n=401), Mobile users aware of contract T&Cs (n=360)

QE6. Is the contract based on standard terms and conditions from the supplier or did you negotiate your own terms and conditions? Base: Mobile users with a business contract (n=254)

Those with business-specific contracts were asked if these were based on standard terms and conditions from the supplier or had they negotiated their own terms and conditions,

Overwhelmingly (76%) contracts consisted of standard terms and conditions. Around 1 in 5 (21%) said they had negotiated their own terms and conditions (rising to 38% of organisations with 50-249 employees and 34% of non-urban SMEs).
When asked about ETCs, 53% of SMEs felt the wording of their contract regarding ETCs was clear and transparent (Figure 160).

55% of contract holders were aware that their contract included details of ETCs (rising to 68% amongst organisations with 50-249 employees).

Figure 160: Agreement that contract wording re. ETCs is clear and transparent

Figure 161: Aware of details in contract on ETCs (among contract holders)

Source: QB7. Next I’m going to read you a series of statements that businesses have made about switching mobile phone service providers. For each one please can you tell me how much you agree or disagree with it? Base: Mobile users (n=469)

Source: QE8. Does the contract include details on charges due on termination of service and how these are calculated? Base: Mobile users on a contract (n=401)
8.3.4. **MOBILES: Contract service level agreements**

45% of SMEs did not know whether their contract includes agreed levels of service (Figure 162). 50-249 employee organisations were more likely to say that it did (59% versus 41% overall).

52% did not know whether their contract included compensation arrangements if SLAs were not met (Figure 163). 50-249 employee organisations were more likely to say that it did (26% versus 13%) as were those in rural locations (22%).

![Figure 162: Contract includes an SLA?](image1)

![Figure 163: Contract includes compensation arrangements if SLAs not met?](image2)

Those with SLAs were asked which issues these covered (Figure 164). 61% said the SLA covered fault repair times and around half speed of acknowledging queries/complaints or a minimum number of days without service. Coverage levels were covered in 45% of cases.

91% of those SMEs who aware of having an SLA were satisfied that these had been met (Figure 165).

![Figure 164: Issues covered by SLA](image3)

![Figure 165: Satisfaction that provider fulfils SLA](image4)
9. Internet usage

Summary

The majority of SMEs were using the internet for email, web access and ordering goods/services. Online banking and transacting with HMRC were also common; around 7 in 10 SMEs carried out these activities.

7 in 10 SMEs had a company website.

Transacting with customers online was less common; around 2 in 5 SMEs did this.

The use of more sophisticated services such as VPN, FTP sites and VoIP was more common in the medium SMEs.

39% of SMEs had undertaken marketing online, most commonly using Facebook (85%), Twitter (45%) and LinkedIn (42%). Medium SMEs were more likely to market themselves online (52%).

Just under a quarter (23%) of SMEs with fixed internet used Cloud services; this rose to 35% in medium SMEs. The main reason for not using Cloud services was having little need for data storage (61% of SMEs with fixed internet), although not knowing about (20%) and not being aware of (12%) cloud services also played a role.

14% of SMEs felt there were online services that they currently cannot access that would help their business. 19% of SMEs felt there were online services that they did not currently offer that their customers would like them to provide; just over half of these SMEs felt that not offering these services made them less competitive.

2% of SMEs already had or said that they may switch from leased lines to fibre broadband; this rose to 8% in medium SMEs.
9.1. Internet application usage

Figure 166 shows the incidence of using a number of internet applications for business purposes. In addition to all SME internet users, the figure also compares incidence to the 2010 survey and examines it by business size (number of employees).

Figure 166 shows that the majority of SMEs were using the internet for email, web access and ordering goods or services, with more than 8 in 10 using these. Email was almost universal, with 97% using it.

Online banking (74%) and transacting with HMRC (72%) were also common, as were company websites (69%). Small and medium SMEs were undertaking more online than micro-businesses. Notably medium SMEs were more likely to have company websites (94% versus 69% overall) and intranets (48% versus 1% overall).

![Figure 166: Internet application usage](image)

Source: QA10a.Which, if any, of the following internet applications does your organisation use for business purposes?
Base: All with fixed internet (Total n=1267, 1-4 n=471, 1-9 n=737, 10-49 n=301, 50-249n =229)
9.2. Online marketing

Marketing their business online was more common in larger and urban SMEs (Figure 167). Overall 39% of SMEs used online marketing, rising to more than half (52%) of medium organisations and to 43% in urban locations.

Figure 167: Use of online marketing

Source: QA10a. Which, if any, of the following internet applications does your organisation use for business purposes? Base: All with fixed internet (Total n=1267, 1-4 n=471, 1-9 n=737, 10-49 n=301, 50-249 n =229, urban n=913, rural n=228, remote rural n=183)

Those using online marketing were asked which websites or tools they used on a regular basis. Figure 168 shows that Facebook was the most common, amongst 85% of those using online marketing. More than two-fifths made use of Twitter or LinkedIn.

Figure 168: Websites/tools used on a regular basis (among online marketing users)

Source: QA12. You said you use the internet for online marketing. Which, if any, of the following websites and tools does your organization engage with or use on a regular basis – that is at least once a month? Base: Online marketing users (n=204)
9.3. Cloud services

Figure 169 shows that 23% of fixed internet users used cloud computing services. As with online marketing, use
of cloud services was more common in larger and urban SMEs, but even here it was far from common. 23% of
SMEs overall used cloud services, rising to 35% of medium organisations and 26% of those in urban locations.

Figure 169: Use of cloud services

Source: QA10a. Which, if any, of the following internet applications does your organisation use for business purposes?
Base: All with fixed internet (Total n=1267, 1-4 n=471, 1-9 n=737, 10-49 n=301, 50-249 n=229)

The 77% of fixed internet users who did not use cloud services were asked why that was (Figure 170). Most
(61%) had no or very little need for data storage, with around 1 in 3 either unaware or lacking knowledge about
cloud services. Lack of need for data storage was lower amongst organisations with 10+ employees (46%).

Figure 170: Why don’t use cloud services

Source: QA15. Why does your organisation not use a cloud computing service? Base: Cloud computing non-users
(n=362)
9.4. Online services and business competitiveness

14% of SME fixed internet users felt there were online services that they could not currently access but that would help them to do business better (Figure 171).

**Figure 171:** Online services not currently used that would help the business

<table>
<thead>
<tr>
<th>Service</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Any service</td>
<td>14</td>
</tr>
<tr>
<td>Taking payment for goods/services online</td>
<td>2</td>
</tr>
<tr>
<td>Company website</td>
<td>2</td>
</tr>
<tr>
<td>Cloud services</td>
<td>2</td>
</tr>
<tr>
<td>Online banking</td>
<td>2</td>
</tr>
<tr>
<td>Remote log-in to work PC/laptop</td>
<td>2</td>
</tr>
<tr>
<td>Online marketing</td>
<td>2</td>
</tr>
<tr>
<td>Don’t know</td>
<td>9</td>
</tr>
</tbody>
</table>

Source: QA10b. And are there any online services that you are not currently able to access that would help you do business better? **Base: All with fixed internet (n=1267)**

1 in 5 SMEs felt there were services they did not offer that customers would like and over half of these felt it made them less competitive.

When asked if there were any online services that their business would like (or their customers) to offer, 19% said this was the case (Figure 172). More than half of these respondents felt that their lack of provision in this respect was affecting the competitiveness of their business.
Figure 172: Online services not currently provided that customers would like the business to offer?

Source: QA11a. Do you feel that there are any services that your business does not currently provide online that some of your customers would like you to provide? Base: All with fixed internet (n=1267). QA11b. To what extent do you feel that the lack of ability to provide additional online services has prevented you from being as competitive as you would like to be? Base: All stating there are services that customers would like provided (n=249)
9.5. Incidence of replacing leased lines with fibre broadband

Very few SMEs, around 2% of the total sample, already had and/or may have switched from leased lines to fibre broadband (Figure 173).

Figure 173: Incidence of replacing leased lines with fibre broadband

2% of total sample use leased lines, and do not have fibre broadband  
(increases to 11% among 50-249 employee companies)

Whether these users are considering switching from leased lines to fibre broadband in next 12 mths*

- Yes 19%
- No 73%
- DK 8%

12% of total sample use fibre broadband and do not have leased lines  
(increases to 26% among 50-249 employee companies)

Whether fibre broadband replaced leased lines

- Yes, within last 12 mths
- Yes, longer ago
- No 77%
- DK 9%

2% of total sample already have, or may, switch from leased lines to fibre broadband  
(increases to 8% among 50-249 employee companies)

Source: QA1a. Including yourself, which of the following communications services does your organisation use? Base: Total sample (n=1508). QA6a. Thinking about your leased lines, are you considering switching from using leased lines to using a fibre broadband service instead in the next 12 months? Base: All with leased lines and not fibre bb (n=57) *NOTE: SMALL SAMPLE SIZE QA6b. Thinking about your fibre/superfast broadband service, did this service replace a leased line service? If yes, was this in the last 12 months or longer ago? Base: All with fibre bb and not leased lines (n=232)
10. Focus on confidence

Summary

Based on agreement or disagreement that ‘I don't have confidence in my ability to identify which new communications products or services would be valuable for the organisation’, respondents could be classified as “more confident” or “less confident”.

There were very few differences in terms of turnover, job title, work habits, customer type. ‘More confident’ were more likely to be: urban (73% vs. 65%), services (36% vs. 28%) and less retail (26% vs. 36%) and slightly larger (average of 7 employees vs. 5). They were more positive about, and more aware of, the communications market.

The more confident had a higher total annual communications spend (£1,737 vs. £1,446), higher usage of fibre broadband (17% vs. 9%) and of smartphones (48% vs. 41%).

There was a higher level of importance placed on communication services (Internet - 86% vs. 75%, Mobiles – 76% vs. 68%) and a wider range of internet applications used (e.g. FTP – 25% vs. 10%, Company website – 74% vs. 61%).

There were slightly higher levels of overall satisfaction with services (e.g. ADSL – 81% vs. 73%, Smartphones – 93% vs. 87%) and somewhat higher levels of satisfaction with almost all specific aspects of landline/internet/mobile service.

There were no significant differences versus ‘Less confident’ in switching classification for landline/internet/mobiles.

They were more positive overall about the choices available and ease of comparing offerings.

The more confident were slightly less likely to have experienced problems in the last 12 months (landline – 22% vs. 28%, internet - 39% vs. 48%, mobiles – 39% vs. 43%)

They were more likely to have a business-specific contract (landline – 78% vs. 75%, internet - 79% vs. 65%, mobiles – 57% vs. 40%).

They were more aware of, and had a more positive opinion about, contract T&Cs e.g. internet: aware of T&Cs – 85% vs. 69%, T&Cs clear and transparent – 86% vs. 66%

They had higher awareness of ETCs (landline – 61% vs. 41%, internet - 62% vs. 48%, mobiles – 62% vs. 50%) but there were no significant differences in awareness of SLAs.
10.1. General attitudes to communication technology/services

Figure 174 shows that although communications services were just as fundamental to less confident businesses, attitudinally they were less likely than more confident businesses to feel their business needs were catered for.

The less confident were less likely to feel information is widely available or that they felt well informed about communications. They were more likely to be worried about possible security breaches and to feel that their growth had been impacted by lack of communications.

![Figure 174: General attitudes to communication technology/services (% agree)](image)

Source: QF1. Next I’m going to read you a number of statements that people have made about their personal attitude towards communications technology and services. For each one please can you tell me how much you agree or disagree with it. Base: Disagree/Agree that ‘I don’t have confidence in my ability to identify which new communications products or services would be valuable for the organisation’ – More confident (n=863), Less confident (n=461)

10.2. Satisfaction with services

Figure 175 shows that more confident businesses had somewhat higher levels of satisfaction with almost all specific aspects of landline/internet/mobile services. In particular more confident businesses were more satisfied with the T&Cs of the landline service, contacting the CS Department of their Landline provider, the geographic coverage/availability of their Fixed Internet service and the reliability of the signal/connection of their mobile phone.
Figure 175: Satisfaction with specific aspects of service (% satisfied)

<table>
<thead>
<tr>
<th>Aspect</th>
<th>Fixed Landline</th>
<th>Fixed Internet</th>
<th>Mobile phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Geographic coverage/availability</td>
<td>91%</td>
<td>74%</td>
<td>71%</td>
</tr>
<tr>
<td>Reliability of signal/connection</td>
<td>85%</td>
<td>75%</td>
<td>67%</td>
</tr>
<tr>
<td>Terms and conditions</td>
<td>68%</td>
<td>72%</td>
<td>81%</td>
</tr>
<tr>
<td>Value for money</td>
<td>73%</td>
<td>72%</td>
<td>81%</td>
</tr>
<tr>
<td>Ease of contacting CS dept</td>
<td>56%</td>
<td>62%</td>
<td>75%</td>
</tr>
<tr>
<td>Repair time for connection faults</td>
<td>56%</td>
<td>55%</td>
<td>70%</td>
</tr>
<tr>
<td>Reliability for emailing/internet</td>
<td>59%</td>
<td>70%</td>
<td>70%</td>
</tr>
<tr>
<td>Connection speed</td>
<td>67%</td>
<td>74%</td>
<td>75%</td>
</tr>
<tr>
<td>Ability to access speed paid for</td>
<td>62%</td>
<td>70%</td>
<td>85%</td>
</tr>
<tr>
<td>Geographic availability of symmetrical services</td>
<td>49%</td>
<td>64%</td>
<td>48%</td>
</tr>
</tbody>
</table>

Source: QB1b/QB24/QB2. I am now going to read out some different aspects of the service experience. For each one, please can you tell me how satisfied or dissatisfied you are with this area of your organisation’s landline/internet/mobile phone service. **Base:** Landline users who disagree (n=296)/agree (n=173) that ‘I don't have confidence in my ability to identify which new communications products or services would be valuable for the organisation’ **Base:** Internet users who disagree (n=746)/agree (n=376) that ‘I don't have confidence in my ability to identify which new communications products or services would be valuable for the organisation’ **Base:** mobile users who disagree (n=616)/agree (n=310) that ‘I don't have confidence in my ability to identify which new communications products or services would be valuable for the organisation’
10.3. Switching classification

Figure 176 shows that there were few significant differences in switching classification for services with regard to business confidence, although less confident SMEs were more likely to have considered switching their mobile phone provider.

**Figure 176: Switching classification**

<table>
<thead>
<tr>
<th></th>
<th>Fixed Landline</th>
<th>Fixed Internet</th>
<th>Mobile phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>DK</td>
<td>6%</td>
<td>6%</td>
<td>6%</td>
</tr>
<tr>
<td>Non-switchers</td>
<td>37%</td>
<td>46%</td>
<td>37%</td>
</tr>
<tr>
<td>Past considerers</td>
<td>8%</td>
<td>9%</td>
<td>10%</td>
</tr>
<tr>
<td>Non-recent switchers</td>
<td>30%</td>
<td>19%</td>
<td>25%</td>
</tr>
<tr>
<td>Considerers</td>
<td>2%</td>
<td>3%</td>
<td>3%</td>
</tr>
<tr>
<td>Switchers</td>
<td>20%</td>
<td>21%</td>
<td>23%</td>
</tr>
</tbody>
</table>

Source: QB17/QB29/QB6 a-c. Switching classification questions. Base: Landline/internet/mobile users who disagree/agree that 'I don't have confidence in my ability to identify which new communications products or services would be valuable for the organisation'. Base: Landline users who disagree (n=839)/agree (n=450) that 'I don't have confidence in my ability to identify which new communications products or services would be valuable for the organisation'. Base: Internet users who disagree (n=746)/agree(n=376) that 'I don't have confidence in my ability to identify which new communications products or services would be valuable for the organisation'; Base: mobile users who disagree (n=616)/agree(n=310) that 'I don't have confidence in my ability to identify which new communications products or services would be valuable for the organisation'.
10.4. Attitudes to switching

Those with higher levels of confidence in their ability to identify which new communications products or services would be valuable for the organisation were also more positive overall about the choices available to them and the ease of comparing offerings.

Figure 177 shows that more confident businesses were more likely to agree that they had a good choice of products or services, found prices clear and transparent and were less likely to find it difficult to compare suppliers (notably for internet in all respects). They also found themselves more able to negotiate on tariffs/services (notably for mobile).

**Figure 177: Attitudes to switching (% agreeing)**

| Source: QB18/QB30/QB7. Next I’m going to read you a series of statements that businesses have made about switching landline/internet/mobile phone service providers. For each one please can you tell me how much you agree or disagree with it. Base: Landline/internet/mobile users who disagree/agree that ‘I don’t have confidence in my ability to identify which new communications products or services would be valuable for the organisation’ Base: Landline users who disagree (n=839)/agree (n=450) that ‘I don’t have confidence in my ability to identify which new communications products or services would be valuable for the organisation’ Base: Internet users who disagree (n=746)/agree(n=376) that ‘I don’t have confidence in my ability to identify which new communications products or services would be valuable for the organisation’; Base: mobile users who disagree (n=616)/agree(n=310) that ‘I don't have confidence in my ability to identify which new communications products or services would be valuable for the organisation’ |
11. Lack of availability of services

Summary

Based on agreement or disagreement that ‘The ability of my business to grow has been impacted by the lack of suitable communications products and services available to me’, respondents can be classified as “hampered” or “not affected” by this issue.

The “hampered” show very few differences in terms of sector, turnover, number of employees, urbanity, job title, work habits or customer type. There was no difference in how well informed they considered themselves to be, but they were less confident about how they viewed the communications market.

There were no significant differences in: total annual communications spend, products/services used currently, importance placed on communication services or internet applications used currently.

They were more likely to be looking to acquire/upgrade services in next 12 months – 18% vs. 11% and more likely to say there were services not currently available that the business would benefit from – 21% vs. 9%.

They showed lower levels of overall satisfaction with services (e.g. ADSL – 60% vs. 84%, Standard mobiles – 75% vs. 88%) and lower levels of satisfaction with almost all specific aspects of landline/internet/mobile service.

There was a higher prevalence of Landline and Internet Switchers (25% vs. 18%) amongst the “hampered”. They were more critical of the choices of products and suppliers available and of the ease of comparing offerings.

They were more likely to have experienced problems with internet service in the last 12 months (50% vs. 38%) and to have complained about these issues (88% vs. 68%).

There were no significant difference in incidence of business-specific contracts and no notable differences in awareness of contract T&Cs, ETCs or SLAs.
### 11.1. General attitudes to communications technology/services

Figure 178 shows that “hampered” SMEs were less likely than others to agree their business needs were catered for (70% agreed versus 92% of others). They were more likely to lack confidence in identifying valuable new communication services (50% agree versus 31%) and to be worried about possible security breaches (47% versus 33%).

**Figure 178: General attitudes to communications technology/services - % agree**

Source: QF1. Next I’m going to read you a number of statements that people have made about their personal attitude towards communications technology and services. For each one please can you tell me how much you agree or disagree with it? **Base: Agree/Disagree that ‘The ability of my business to grow has been impacted by the lack of suitable communications products and services available to me’ – Hampered (n=220), Not affected (n=1164)**

### 11.2. Satisfaction with services

“Hampered SMEs” showed lower levels of satisfaction with almost all specific aspects of landline/internet/mobile phone service (Figure 179).

The most notable gaps were related to geographic coverage/availability and signal reliability of fixed internet services. Around 6 in 10 of “hampered” SMEs were satisfied with these elements, compared with more than 8 in 10 others.
Figure 179: Satisfaction with specific aspects of service (% satisfied)

<table>
<thead>
<tr>
<th>Aspect</th>
<th>Fixed Landline</th>
<th>Fixed Internet</th>
<th>Mobile phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Geographic coverage/availability</td>
<td>84%</td>
<td>61%</td>
<td>68%</td>
</tr>
<tr>
<td>Reliability of signal/connection</td>
<td>84%</td>
<td>64%</td>
<td>63%</td>
</tr>
<tr>
<td>Value for money</td>
<td>75%</td>
<td>64%</td>
<td>83%</td>
</tr>
<tr>
<td>Terms and conditions</td>
<td>74%</td>
<td>60%</td>
<td>75%</td>
</tr>
<tr>
<td>Ease of contacting CS dept</td>
<td>66%</td>
<td>59%</td>
<td>66%</td>
</tr>
<tr>
<td>Repair time for connection faults</td>
<td>55%</td>
<td>48%</td>
<td>48%</td>
</tr>
<tr>
<td>Reliability for emailing/internet</td>
<td>84%</td>
<td>71%</td>
<td>74%</td>
</tr>
<tr>
<td>Ability to access speed paid for</td>
<td>71%</td>
<td>57%</td>
<td>71%</td>
</tr>
<tr>
<td>Connection speed</td>
<td>55%</td>
<td>57%</td>
<td>70%</td>
</tr>
<tr>
<td>Geographic availability of symmetrical services</td>
<td>49%</td>
<td>49%</td>
<td>48%</td>
</tr>
</tbody>
</table>

Source: QB13b/QB24/QB2. I am now going to read out some different aspects of the service experience. For each one, please can you tell me how satisfied or dissatisfied you are with this area of your organisation’s landline/internet/mobile phone service. **Base: Landline users who agree (n=84)/disagree (n=421) that ‘The ability of my business to grow has been impacted by the lack of suitable communications products and services available to me’**; **Base: Internet users who agree (n=175)/disagree (n=987) that ‘The ability of my business to grow has been impacted by the lack of suitable communications products and services available to me’**; **Base: Mobile users who agree (n=150)/disagree (n=816) that ‘The ability of my business to grow has been impacted by the lack of suitable communications products and services available to me’**
11.3. Switching classification

Figure 180 shows that there was a higher prevalence of landline and internet switchers amongst the “hampered” (25% versus 18% in each case).

**Figure 180: Switching classification**

<table>
<thead>
<tr>
<th></th>
<th>Fixed Landline</th>
<th>Fixed Internet</th>
<th>Mobile phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>DK</td>
<td>4%</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>Non-switchers</td>
<td>32%</td>
<td>37%</td>
<td>34%</td>
</tr>
<tr>
<td>Past considerers</td>
<td>8%</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>Non-recent switchers</td>
<td>29%</td>
<td>18%</td>
<td>28%</td>
</tr>
<tr>
<td>Considerers</td>
<td>25%</td>
<td>25%</td>
<td>20%</td>
</tr>
<tr>
<td>Switchers</td>
<td>18%</td>
<td>18%</td>
<td>22%</td>
</tr>
</tbody>
</table>

Source: QB17/QB29/QB6 a-c. Switching classification questions. Base: Landline users who agree (n=214)/disagree (n=1133) that ‘The ability of my business to grow has been impacted by the lack of suitable communications products and services available to me’; Base: Internet users who agree (n=175)/disagree (n=987) that ‘The ability of my business to grow has been impacted by the lack of suitable communications products and services available to me’; Base: Mobile users who agree (n=150)/disagree (n=816) that ‘The ability of my business to grow has been impacted by the lack of suitable communications products and services available to me’
11.4. Attitudes to switching

Figure 181 shows that the “hampered” were more critical of the choices of products and services available within landline, internet and mobile. They were also more likely to agree that it is difficult to compare suppliers (notably for landline and internet).

Figure 181: Attitudes to switching (% agreeing)

Source: QB18/QB30/QB7. Next I’m going to read you a series of statements that businesses have made about switching landline/internet/mobile phone service providers. For each one please can you tell me how much you agree or disagree with it? Base: Landline users who agree (n=214)/disagree (n=1133) that ‘The ability of my business to grow has been impacted by the lack of suitable communications products and services available to me’; Base: Internet users who agree (n=175)/disagree (n=987) that ‘The ability of my business to grow has been impacted by the lack of suitable communications products and services available to me’; Base: Mobile users who agree (n=150)/disagree (n=816) that ‘The ability of my business to grow has been impacted by the lack of suitable communications products and services available to me’
12. Focus on remote or “on the move” SMEs

Summary

Remote or “on the move” SMEs represented 50% of the research sample. These SMEs worked in sparsely populated areas and/or worked while travelling in the UK. Key differences versus other SMEs are:

Very few differences in terms of turnover, number of employees and job title. ‘Remote/On the move’ more likely to have had/been:

- Have customers located outside local area (70% vs. 45%)
- Have business customers (73% vs. 54%)
- Primary industry (29% vs. 14%) and less Retail (20% vs. 40%)
- Rural (42% vs. 18%)
- Home office (40% vs. 13%)
- Not office based (62% vs. 22%)

General attitudes to the communications market were not significantly different

They had higher total annual communications spend (£1,850 vs. £1,300), higher usage of Mobiles (80% vs. 51%) and Internet (84% vs. 72%) but lower usage of Landlines (93% vs. 99%)

They placed a higher level of importance on Mobiles (81% vs. 56%) and Internet (84% vs. 76%) and had slightly higher usage of all internet applications (e.g. VoIP – 19% vs. 11%, Cloud services – 27% vs. 18%)

They had slightly lower levels of overall satisfaction with services (e.g. ADSL – 74% vs. 83%, Smartphones – 88% vs. 95%) and somewhat lower levels of satisfaction with almost all specific aspects of landline/internet/mobile service, most notably mobile phone geographic coverage and reliability of signal/connection.

There were few marked differences in switching classification for landline/internet/mobiles although non-switchers of Internet and Mobile phone services were less prevalent among this group

There were very few differences in attitudes to switching.

They were more likely to have experienced problems in the last 12 months (landline – 28% vs. 21%, internet - 47% vs. 35%, mobiles – 46% vs. 29% (especially. poor coverage – 31% vs. 17%)

They were less likely to have a business-specific contract (landline – 70% vs. 81%, internet - 68% vs. 83%, mobiles – 50% vs. 51%)

There were no notable differences in awareness of contract T&Cs, ETCs or SLAs
12.1. General attitudes to communications technology/services

Figure 182 shows that remote/on the move SMEs were more likely than others to say communication services were fundamental to business (87% vs. 79%) and also to agree that information about communication services was widely available (89% vs. 78%). They were less likely however to agree their business needs were well catered for (83% vs. 87%).

Figure 182: General attitudes to communications technology/services - % agree

Source: QF1. Next I’m going to read you a number of statements that people have made about their personal attitude towards communications technology and services. For each one please can you tell me how much you agree or disagree with it? Base: Work while travelling in the UK/Work in sparsely populated areas in the countryside (n=792) vs. Those that don’t (n=716)
12.3. Satisfaction with services

Figure 183 shows that remote/on the move SMEs had somewhat lower satisfaction levels with almost all specific aspects of landline/internet or mobile service, most notably geographic coverage and signal reliability of mobile phones.

**Figure 183  Satisfaction with specific aspects of service (% satisfied)**

<table>
<thead>
<tr>
<th>Aspect</th>
<th>Fixed Landline</th>
<th>Fixed Internet</th>
<th>Mobile phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Geographic coverage/availability</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reliability of signal/connection</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Terms and conditions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Value for money</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ease of contacting CS dept</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Repair time for connection faults</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: QB13b/QB24/QB2. I am now going to read out some different aspects of the service experience. For each one, please can you tell me how satisfied or dissatisfied you are with this area of your organisation’s landline/internet/mobile phone service. **Base: Landline users who work while travelling in the UK/work in sparsely populated areas in the countryside (n=244) vs. those that don’t (n=303); Base: Internet users who work while travelling in the UK/work in sparsely populated areas in the countryside (n=698) vs. those that don’t (n=569); Base: Mobile users who work while travelling in the UK/work in sparsely populated areas in the countryside (n=662) vs. those that don’t (n=386).**
12.4. Switching classification

Figure 184 shows that there were few marked differences between “remote/on the move” SMEs compared with others in terms of switching classification. However, non-switchers of internet and mobile phone services were less prevalent among this group.

Figure 184: Switching classification

Source: QB17/QB29/QB6 a-c. Switching classification questions

Base: Landline users who work while travelling in the UK/work in sparsely populated areas in the countryside (n=760) vs. those that don’t (n=707); Base: Internet users who work while travelling in the UK/work in sparsely populated areas in the countryside (n=698) vs. those that don’t (n=569); Base: Mobile users who work while travelling in the UK/work in sparsely populated areas in the countryside (n=662) vs. those that don’t (n=386).
12.5. Attitudes to switching

There were very few differences in attitudes to switching services between “remote/on the go” SMEs and others (Figure 185).

Figure 185: Attitudes to switching (% agreeing)

Source: QB18/QB30/QB7. Next I’m going to read you a series of statements that businesses have made about switching landline/internet/mobile phone service providers. For each one please can you tell me how much you agree or disagree with it? Base: Landline users who work while travelling in the UK/work in sparsely populated areas in the countryside (n=760) vs. those that don’t (n=707); Base: Internet users who work while travelling in the UK/work in sparsely populated areas (n=698) vs. those that don’t (n=569); Base: Mobile users who work while travelling in the UK/work in sparsely populated areas in the countryside (n=662) vs. those that don’t (n=386).