SME Preferences in Narrowband Communications

Research Report

Research Document

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Executive summary

1.1 Methodology

Ofcom commissioned research among small and medium-size enterprises (SMEs) in order to understand their attitudes to communications services and the choices they make regarding the use of fixed and mobile telecoms services.

An independent market research agency, Illuminas, conducted 500 telephone interviews with a representative sample of SME decision-makers between 7 October and 10 November 2008.

Data throughout this report are analysed by company size, based on the number of employees, and supplier type, depending on the organisations' call and line suppliers.

1.2 Market context

All of the companies we spoke to in the survey had landlines, and the majority also had ADSL[1] or cable broadband and mobile phones. Just over one in ten companies had ISDN lines. Most companies (61%) used BT as a provider and 44% said that BT was their only provider.

Two-thirds of businesses were aware of negotiable tariffs (65%) or minimum spend commitments (64%) and three-quarters of these had been in touch with their provider regarding these deals.

The majority of respondents (82%) said that they did not plan to make any changes to their telecommunications providers or services. Just under one in ten (8%) said that they were thinking about changing line, call or internet service provider, while smaller proportions said that they were thinking about making changes to the number or type of lines they took.

1.3 Usage and attitudes

On average just over a third of businesses said that they spent less than £50 per quarter on their line rental; most of these were companies with fewer than ten employees. Respondents from larger companies (with more than 50 employees) reported higher spend than those in smaller companies, with 40% claiming spend of £1000 or more per quarter.

Only a small proportion of respondents claimed never to check their bills (13%); half (50%) said that they checked the total bill and took action if this was significantly higher than expected; and just over a third (36%) said that they made more detailed checks on the cost.

Most respondents checked their communications spend on a monthly or quarterly basis; while less than one in five reviewed every six months or less frequently. The largest companies in our sample, with 50 or more employees, were more likely to check spend on a monthly basis.

[1] Asymmetric digital subscriber line. A digital technology that allows the use of a standard telephone line to provide high-speed data communications. Allows higher speeds in one direction (towards the customer) than the other.

We also asked respondents about their awareness of price increases. Just under half of respondents said that they had not previously noticed an increase in communications spend that was due to a price increase rather than an increase in use.

Respondents were asked about their perceptions of the relative cost of landline and mobile calls for a range of different call types. Mobile calls were generally thought to be more expensive than landline calls, with the exception of mobile calls to the same network, which were perceived to be more expensive when made via a landline.

The majority of people said that communications were critical to their business and that staying in contact was more important than spend. That said, most did keep an eye on their communications spend and half of the organisations we spoke to said that they encouraged staff to minimise their spend or restricted access to some forms of communications (mobile phones and the internet) in order to keep costs down.

We also asked respondents to rate the importance of a number of different reasons in deciding what form of communications to use in a particular work situation. Factors like reliability and safety were cited as the strongest drivers in this decision, followed by 'ease of use' and the preferences of the organisation. Cost was further down the list, followed by the personal preferences of staff.

The majority of respondents (82%) said that landlines were essential to the needs of the business and they would never get rid of them, while over two-thirds (69%) said that they used landlines as much as possible, because of lower costs relative to other services. Concerns were also expressed about the reliability of the coverage and quality of mobile phone services, with 62% stating that this was insufficient to allow substitution for landline services.

Section 2

Methodology

2.1 Introduction

Ofcom required quantitative data to understand behaviour in the converging telecoms market among small and medium-sized enterprises (SMEs), particularly in terms of their attitudes to communications services, their awareness of the suppliers and choices available to them, and the decisions they make regarding the use of fixed and mobile telecoms services for different types of contact.

In this context SMEs are defined are defined as actively trading businesses with between one and 250 employees.

2.2 Sample

An independent market research agency, Illuminas, was commissioned to conduct a quantitative face to face survey among SMEs. Interviews were conducted using computer-aided telephone interviewing (CATI).

The survey comprised a 20-minute questionnaire with a representative sample of SME decision-makers. Decision-makers were specifically targeted for this survey because we needed to speak to respondents with responsibility for and knowledge of telecoms choices and spend within the company. In smaller businesses this would typically have been the owner or managing director, while in larger companies this would usually be the IT, telecoms or finance director.

Quotas were established for company size, sector and communications spend.

A total of 500 interviews were conducted between 7 October and 10 November 2008. Data were weighted to ensure that they represented the market as a whole. See Annex 1 for full details of the sample breakdown and weighting matrix. Note that the unweighted base sizes are shown on charts throughout this report.

2.3 Questionnaire

A copy of the full questionnaire is provided in Annex 2 of this report.

In summary, the questionnaire covered the following areas:

Screening	Demographics
Use and behaviour	Communications technologies used
	Suppliers used
	Spend

Attitude towards communications	Perception/knowledge of call costs
	Communications priorities
	Attitude towards landline

2.4 Analysis

Throughout this report, wherever the sample size allows, data are analysed by company size and supplier type.

Company size is analysed by the number of employees; in three bands: 1-9 employees, 10-49 employees and 50-250 employees.

Supplier type is analysed in four different categories, depending on the organisations' call and line suppliers:

1. BT line or calls – company has a BT line or uses BT for line and calls. As it is not possible to have BT as a supplier for calls only, all BT call customers must also have a BT line.

2. BT-only supplier line and calls – company has BT as their only line and call supplier.

3. BT line and CPS calls – company has a BT line but has calls provided by another supplier. The other supplier is referred to as CPS (Carrier Pre Selection)[2]. This is a subset of BT line or calls.

4. No BT line or calls – company does not use BT for line or calls.

[2] Carrier pre-selection is the facility offered to customers which allows them to opt for certain defined classes of call to be carried by an operator that has been selected in advance and has a contract with the customer. CPS does not require the customer to dial a routing prefix or use a dialler box.

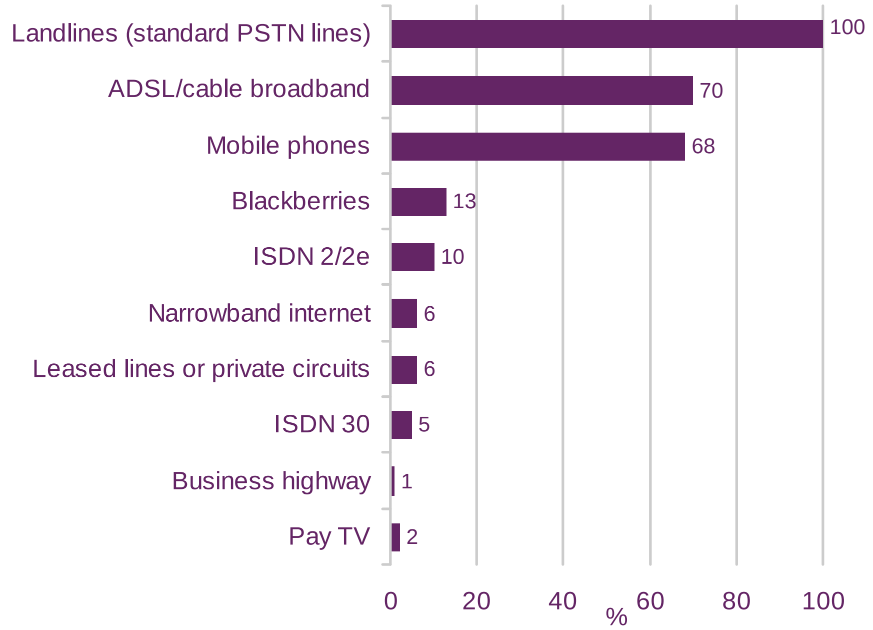
Section 3

Market context

3.1 Services and suppliers

All of the companies we spoke to in the survey had landlines, and the majority also had ADSL[3] or cable broadband and mobile phones. On average, ISDN[4] penetration was relatively low, with just over one in ten companies having ISDN lines.

Figure 1: Communications technology used



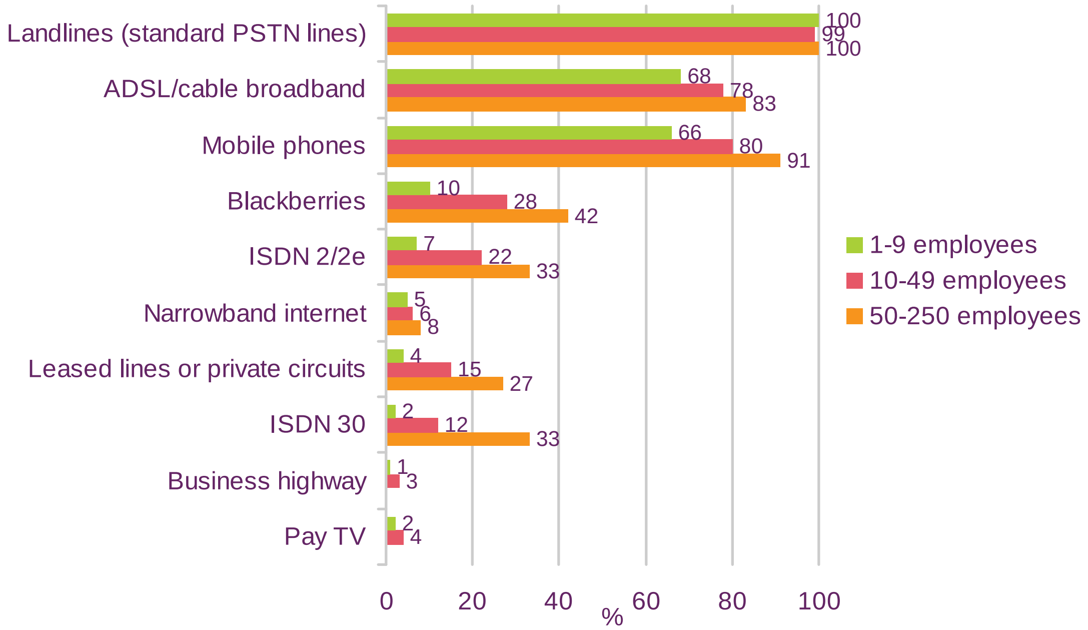
Base: All respondents (500)

[3] Asymmetric digital subscriber line. A digital technology that allows the use of a standard telephone line to provide high-speed data communications. Allows higher speeds in one direction (towards the customer) than the other.

[4] Integrated services digital networks. A standard developed to cover a range of voice, data, and image services intended to provide end-to-end, simultaneous handling of voice and data on a single link and network.

As shown in Figure 2, the more people a company employs, the more likely it is to have each of the communications technologies listed – specifically, additional device types, such as mobile phones or Blackberrys, and other types of lines, such as ISDN or leased lines.

Figure 2: Communications technology used, by company size

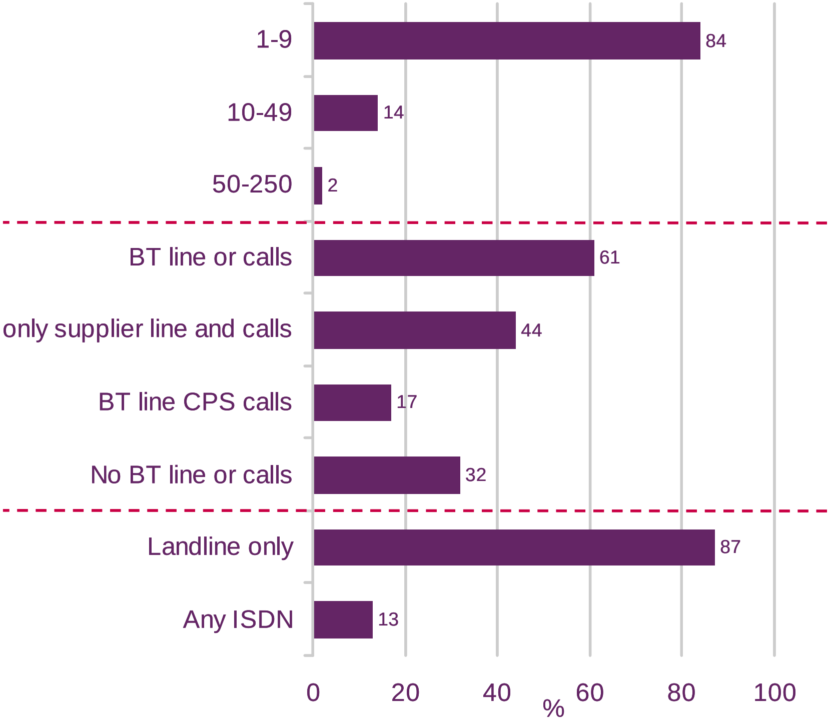


Base: All respondents (500)

The profile of the companies included in our survey is summarised in Figure 3. The majority of companies interviewed had between 1-9 employees, reflecting the overall profile of the SME market. Only a small proportion of SMEs had more than 50 employees.

Nearly two-thirds of companies (61%) used BT as a provider while 44% said that BT was their only provider. Note that it is not possible to use BT for calls without having a BT line. While the majority of companies had only landlines, just over one in ten companies (13%) also had an ISDN line of some description.

Figure 3: Summary of company size and supplier type[5]

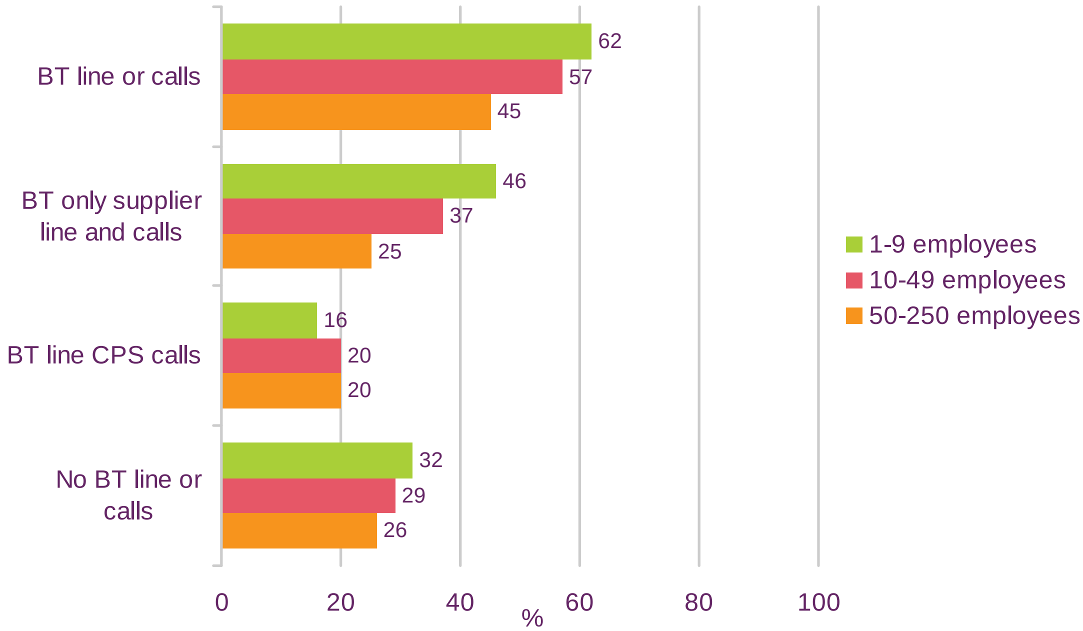


Base: All respondents (500)

[5] Not all respondents have a landline or are able to state their supplier, so figures do not add up to 100%. BT line CPS calls is a subset of BT line or calls.

In our sample, smaller companies were more likely than larger companies to have BT as their only supplier for line and calls.

Figure 4: Supplier type, by company size



Base: All respondents (500)

In our sample, 88% of companies use the same supplier for all their outgoing calls. However, just over half of companies (56%) who have a BT line and make CPS calls use the same supplier for all calls.

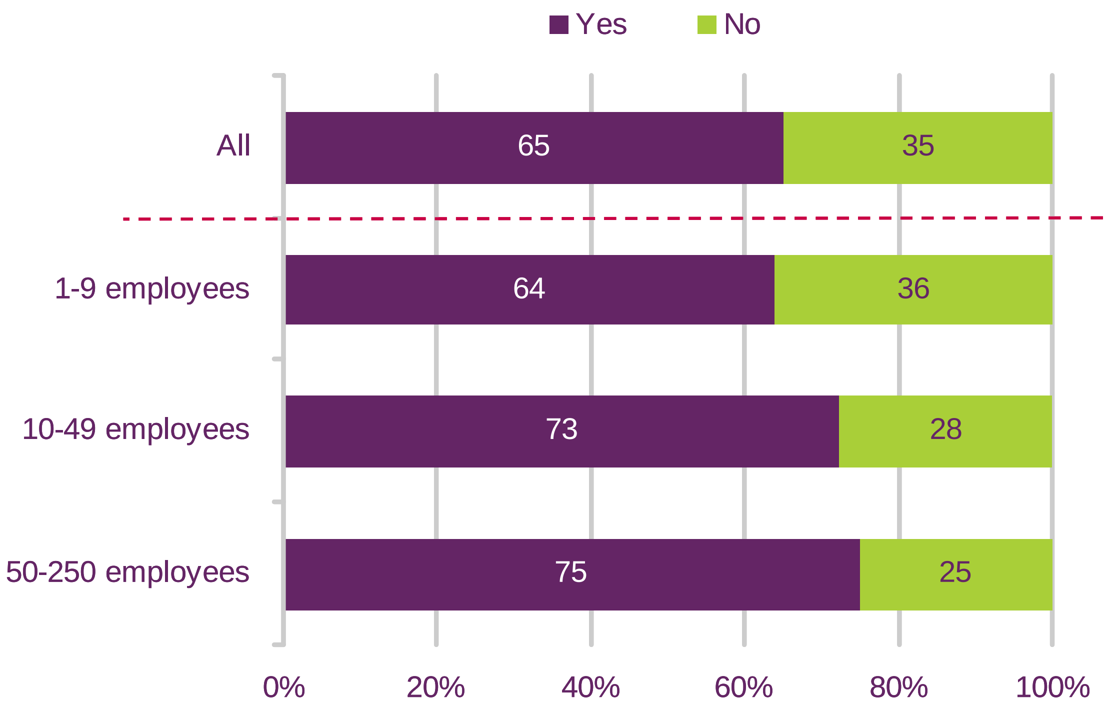
3.2 Awareness of negotiable tariffs and deals

We asked respondents a series of questions in order to establish their awareness and engagement in the telecoms market. Specifically, we asked if they were aware that suppliers offered negotiable tariffs, and whether they had contacted telecoms providers about this type of deal. We also asked whether they were aware of call discounting for a minimum spend and whether they had discussed this type of deal with providers.

Negotiable tariffs

Two-thirds of the sample (65%) were aware that some telecoms providers offer businesses negotiable tariffs (see Figure 5). This was higher among businesses with ten or more employees.

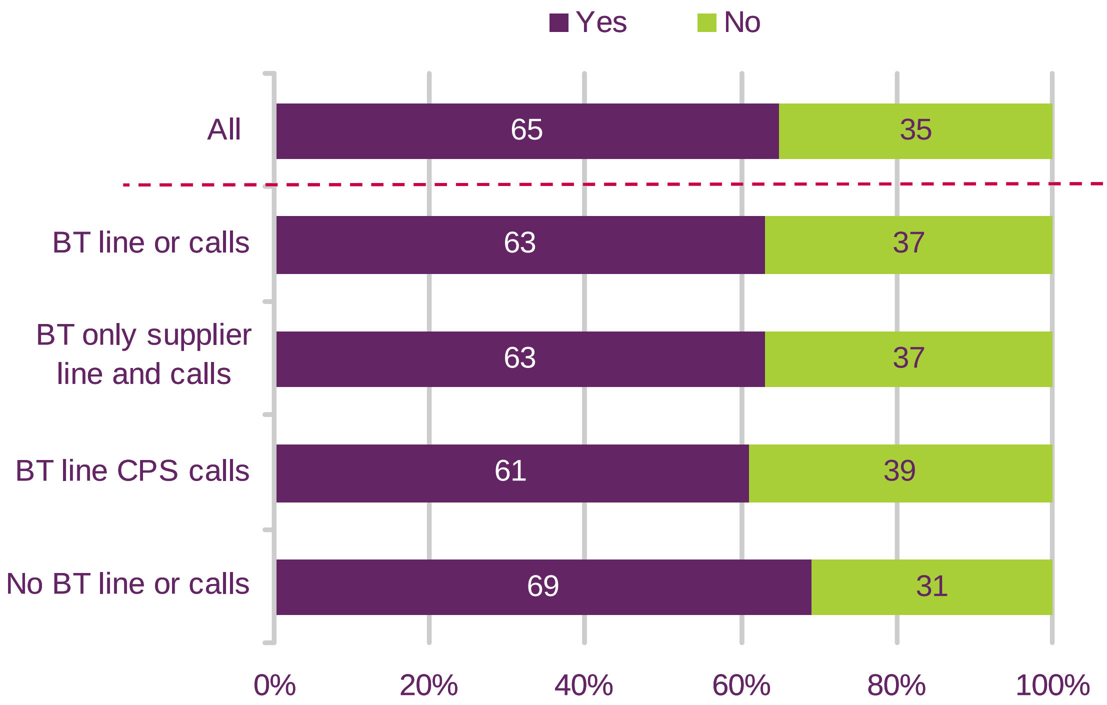
Figure 5: Awareness of negotiable tariffs for businesses, by company size



Base: All respondents with landlines (492)

As shown in Figure 6, awareness of negotiable tariffs is similar across different supplier types.

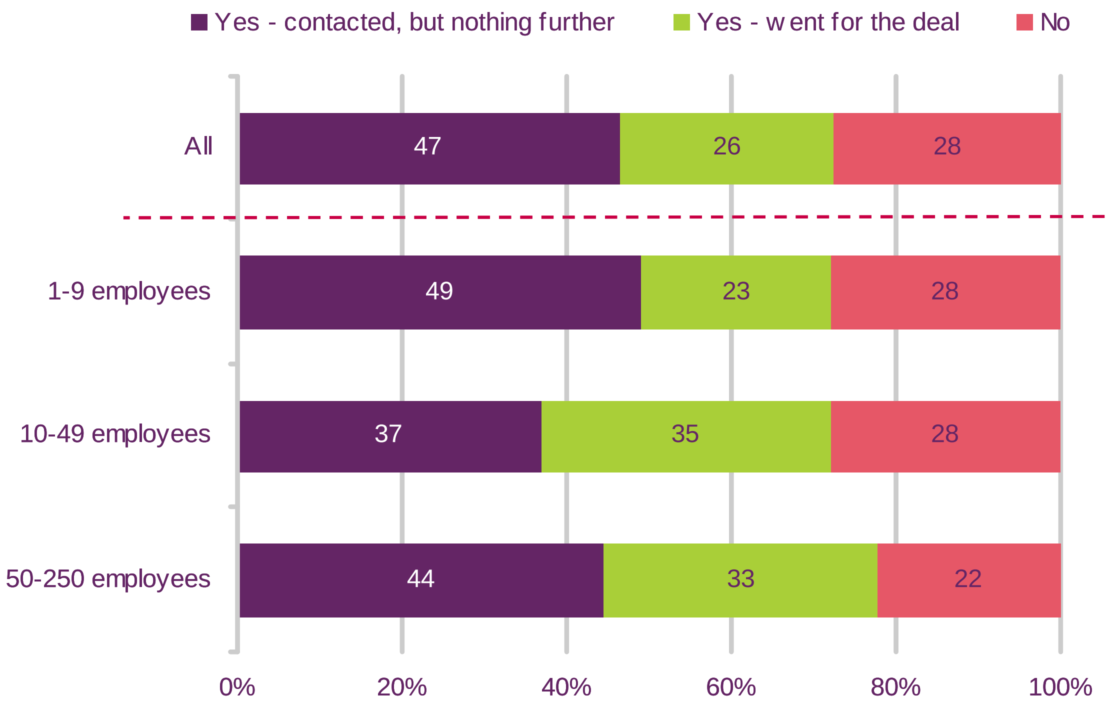
Figure 6: Awareness of negotiable tariffs for businesses, by supplier type



Base: All respondents with landlines (492)

Nearly three-quarters of businesses (73%) who were aware of negotiable tariffs had contacted a telecoms supplier about them. One-third of these had taken up the deal offered. Companies with ten or more employees were more likely to have taken up the deal offered to them than were smaller companies.

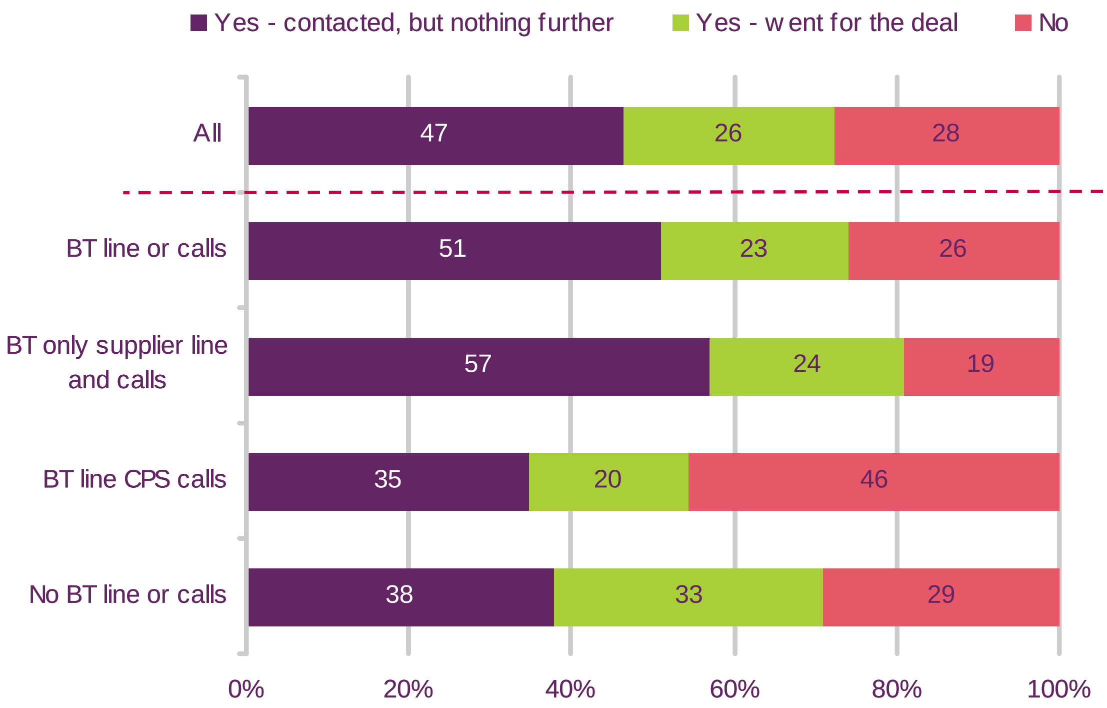
Figure 7: Whether contacted supplier regarding negotiable tariffs, by company size



Base: All aware of negotiable tariffs (341)

Companies who had a BT line and CPS calls were the least likely to have contacted a supplier regarding negotiable tariffs, while those who had BT as their only supplier for their line and calls were the most likely to have contacted their supplier but not taken a deal.

Figure 8: Whether contacted supplier regarding negotiable tariffs, by supplier type



Base: All aware of negotiable tariffs (341)

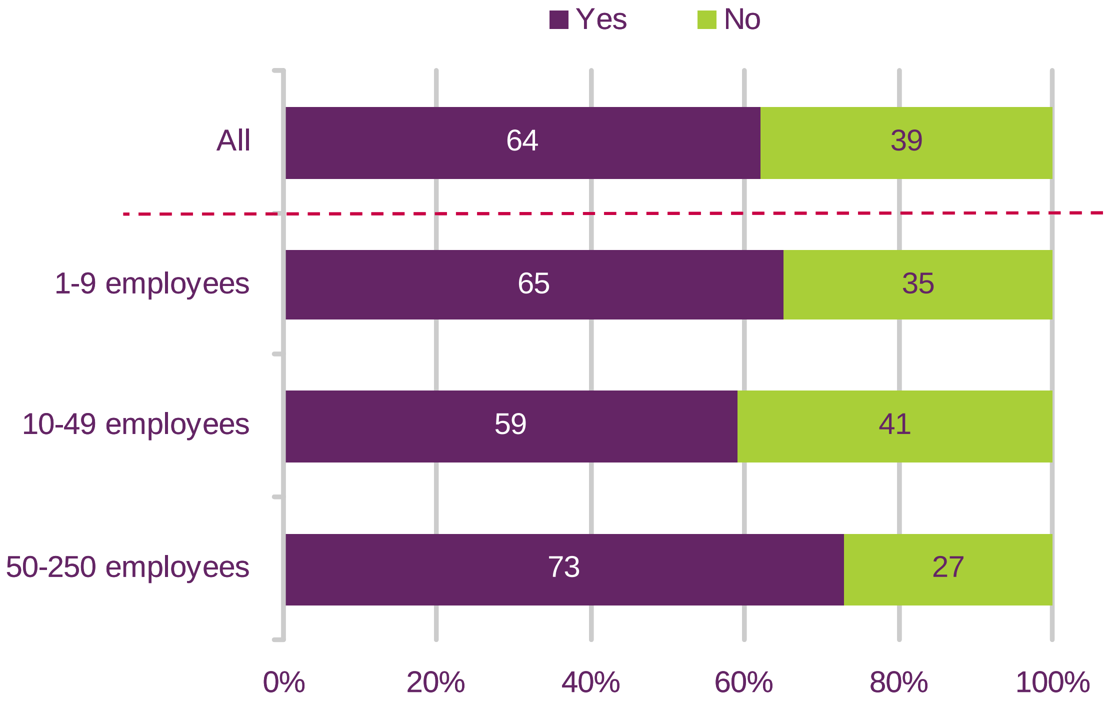
Minimum spend commitment

BT offers a minimum spend commitment to companies; an annual discount is applied if usage reaches a pre-determined spend level[6].

Awareness of this type of spend commitment is summarised in Figure 9. Two-thirds of respondents said that they were aware of deals that gave a discount on calls for a minimum spend commitment. This was higher among the largest companies in our sample, those with 50 employees or more.

[6] BT Business One/Business Reward.

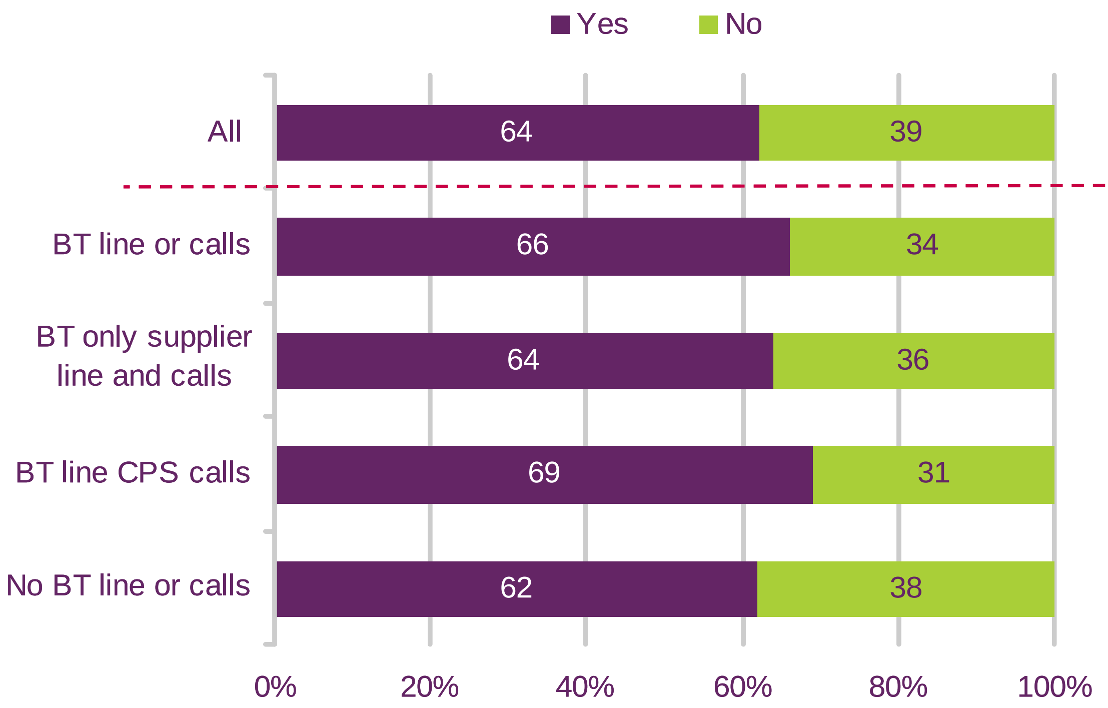
Figure 9: Awareness of minimum spend commitment for businesses, by supplier size



Base: All respondents with landlines (492)

Levels of awareness of minimum spend discounts were similar among the different supplier types in our sample.

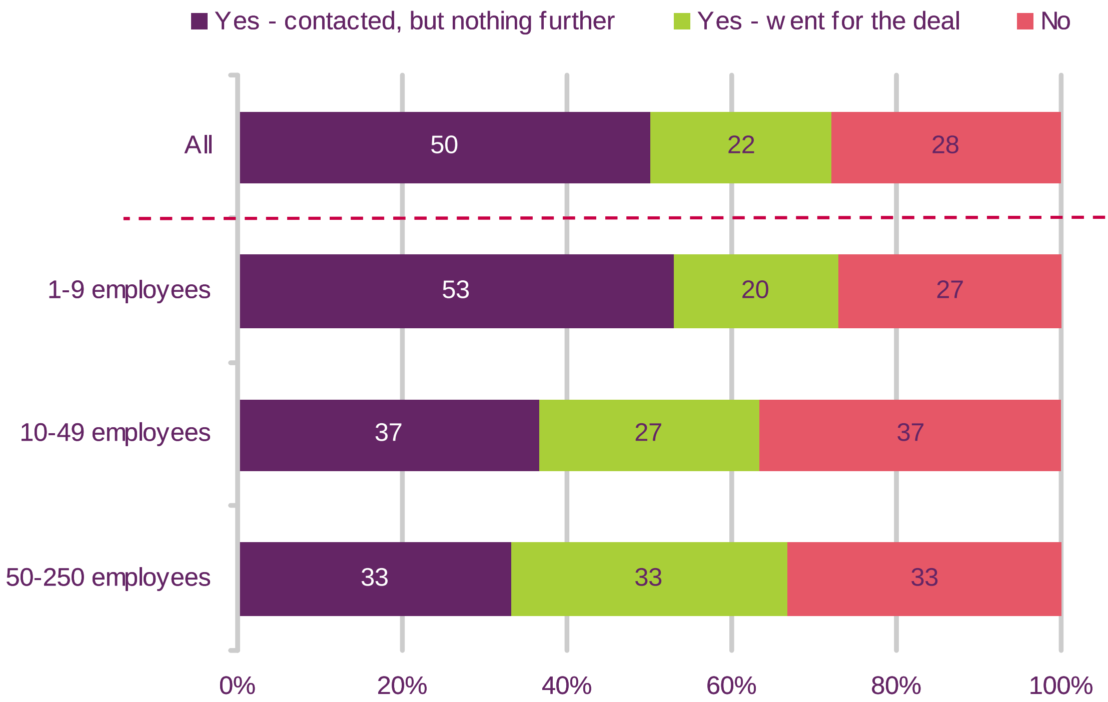
Figure 10: Awareness of minimum spend commitment for businesses, by supplier type



Base: All respondents with landlines (492)

As shown in Figure 11, most of those who were aware of this type of deal had contacted a supplier to discuss it (72%). Less than a third of these had then taken the deal offered. Larger companies with were more likely to have taken a deal as a result of this contact than those with fewer than ten employees. Small companies were more likely to have contacted their supplier to discuss but less likely to have taken a deal, this may relate to the level of the minimum spend commitment relative to the companies communications spend.

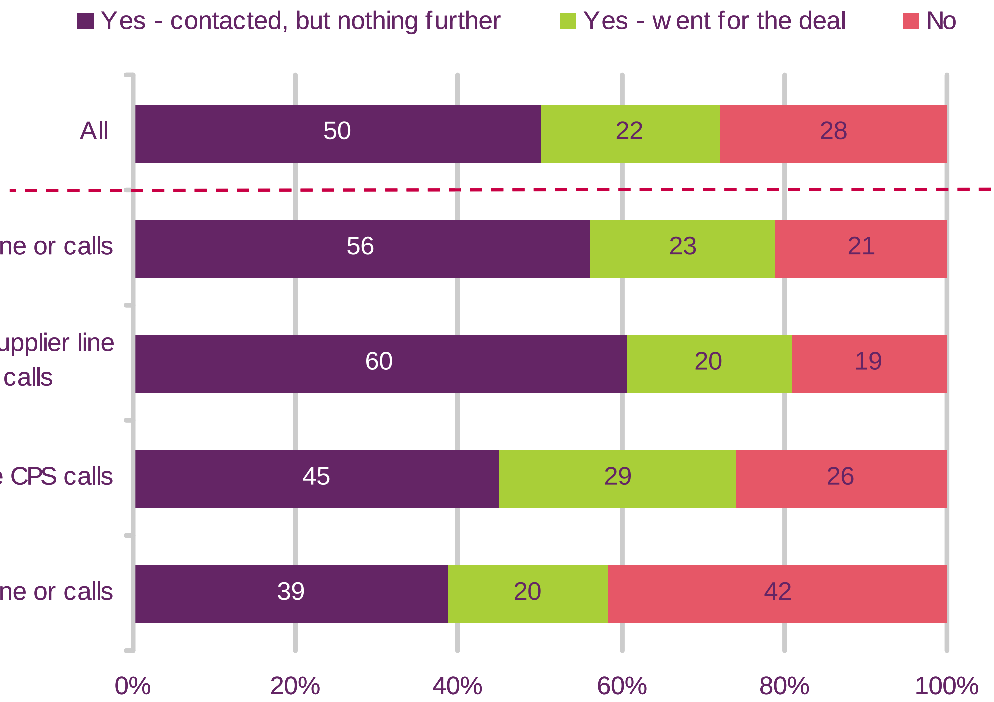
Figure 11: Whether contacted supplier regarding minimum spend discounts, by company size



Base: All aware of minimum spend discounts (319)

Companies who did not use BT for their line or calls were the least likely to have contacted a supplier regarding minimum spend discounts, as shown in Figure 12.

Figure 12: Whether contacted supplier regarding minimum spend discounts, by supplier type

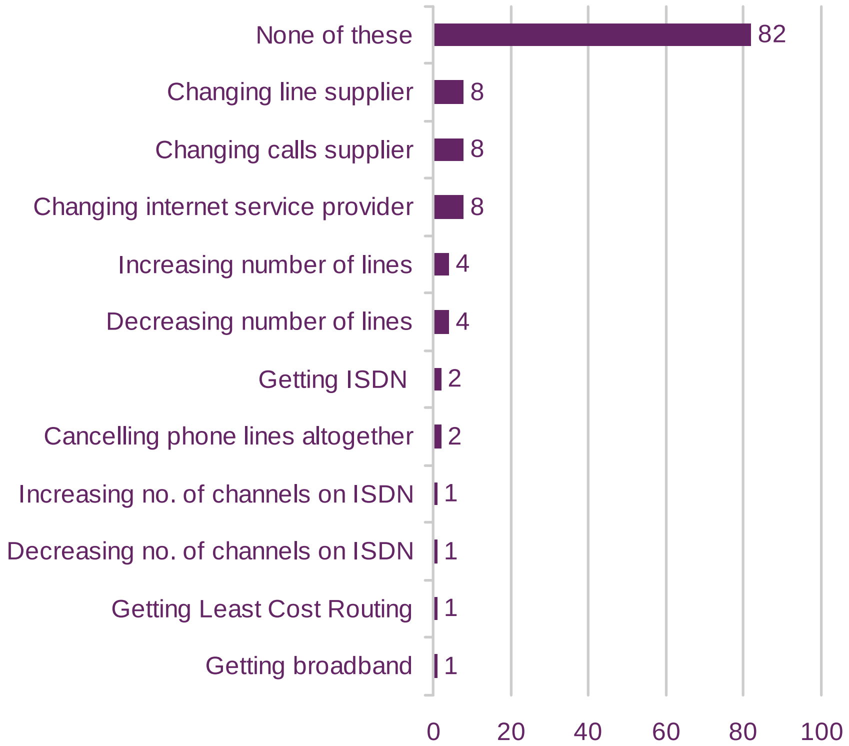


Base: All aware of minimum spend discounts (319)

3.3 Intention to change telecommunications provision

The majority of respondents (82%) said that they did not plan to make any changes to their telecommunications providers or services. Just under one in ten (8%) said that they were thinking about changing line, call or internet service provider, while smaller proportions said that they were thinking about making changes to the number or type of lines they took.

Figure 13: Whether considering changes to providers or services



Base: All respondents with landlines (492)

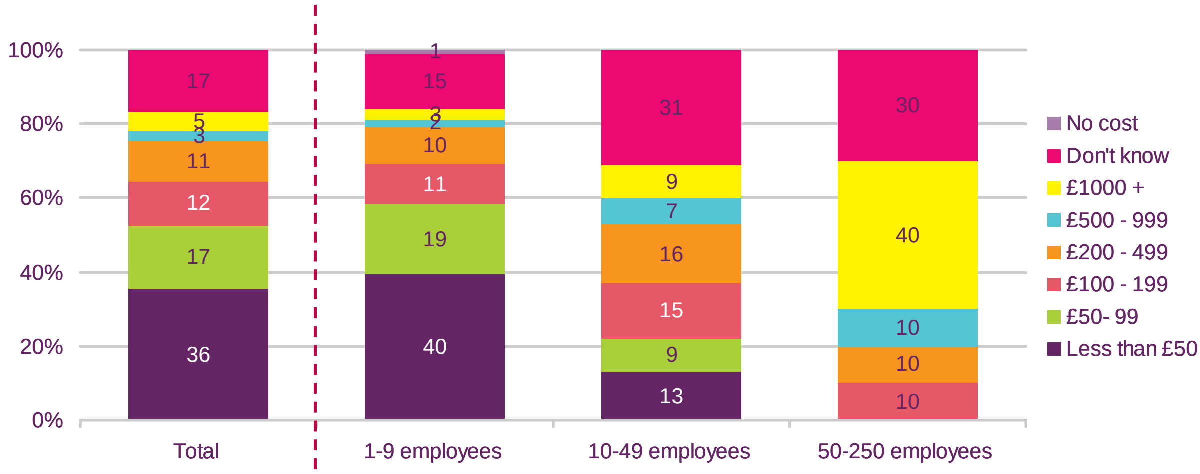
Section 4

Usage and attitudes

4.1 Spend

On average just over a third of businesses said that they spent less than £50 per quarter on their line rental; most of these were companies with fewer than ten employees. Respondents from larger companies (with more than 50 employees) reported higher spend than those in smaller companies, with 40% claiming spend of £1000 or more per quarter. Overall, one in six respondents said they did not know how much their company spent on line rental; this increases to nearly one in three in companies with ten or more employees, possibly reflecting the fact that in larger organisations line rental may be bundled with other data services, making it harder to estimate specific spend components.

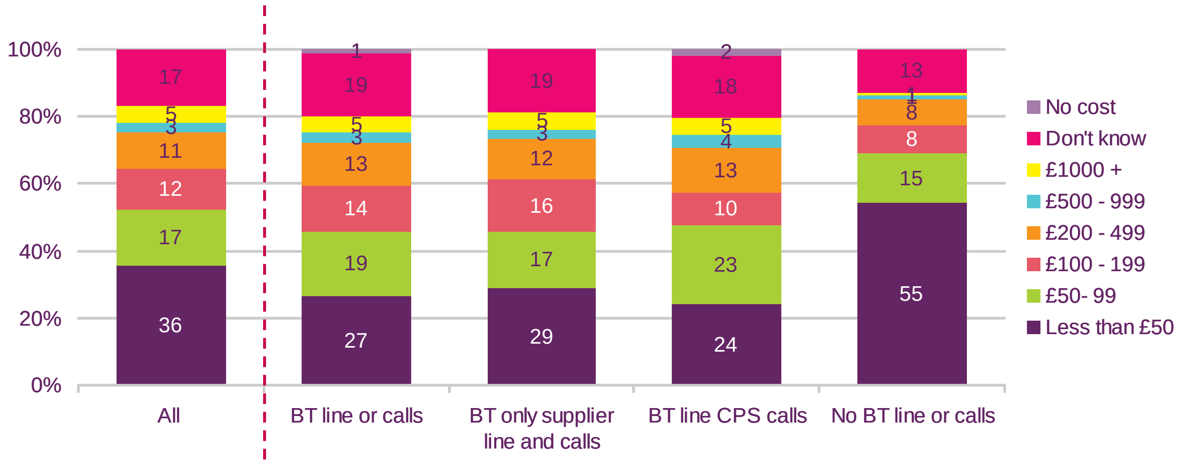
Figure 14: Quarterly line rental spend, by company size



Base: All respondents (492)

Companies with no BT line or calls reported lower quarterly spend than the other supplier types analysed (see Figure 15).

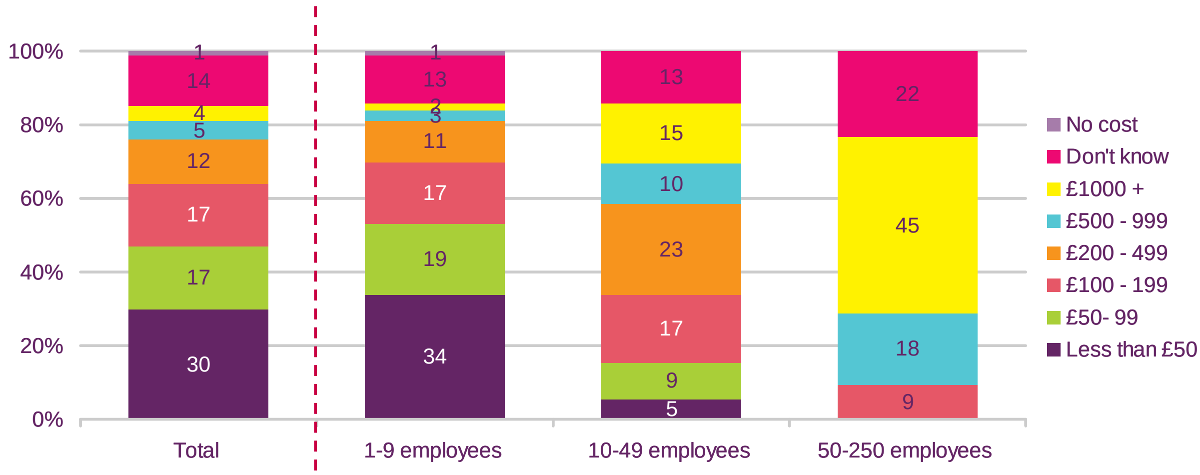
Figure 15: Quarterly line spend, by supplier type



Base: All respondents (492)

The pattern of responses for call spend was similar to that for line spend, with smaller businesses reporting lower spend levels. Awareness of call spend was higher than for line spend, with a lower proportion of respondents unable to estimate spend in their organisation.

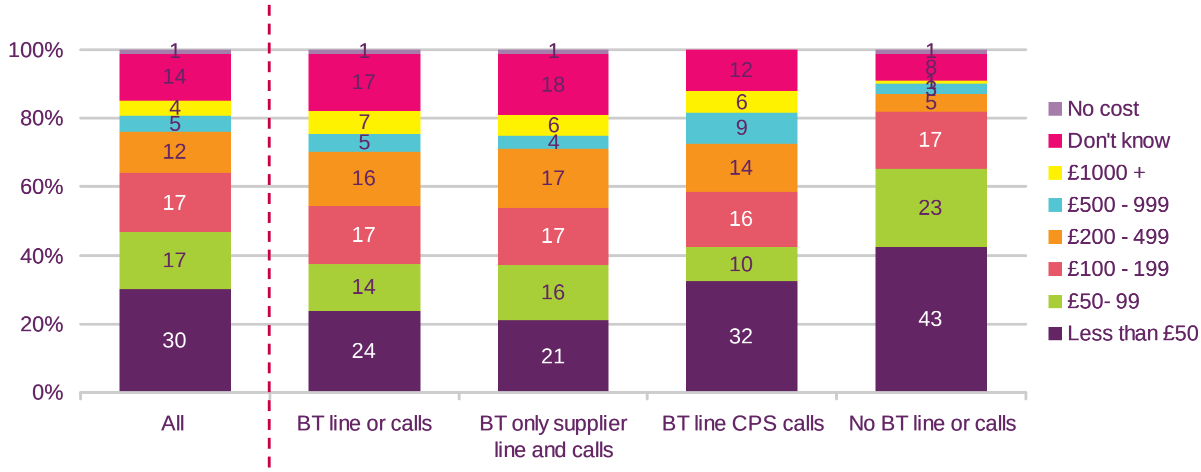
Figure 16: Quarterly call spend, by company size



Base: All respondents (492)

As shown in Figure 17, companies with no BT line or calls reported lower quarterly spend than the other supplier types analysed.

Figure 17: Quarterly call spend, by supplier type



Base: All respondents (492)

4.2 Attitude to cost

We asked respondents what level of monitoring of communication costs existed in their company; whether they checked bills at the overall or detailed level, and how frequently they reviewed communications spend.

Level and type of bill checking

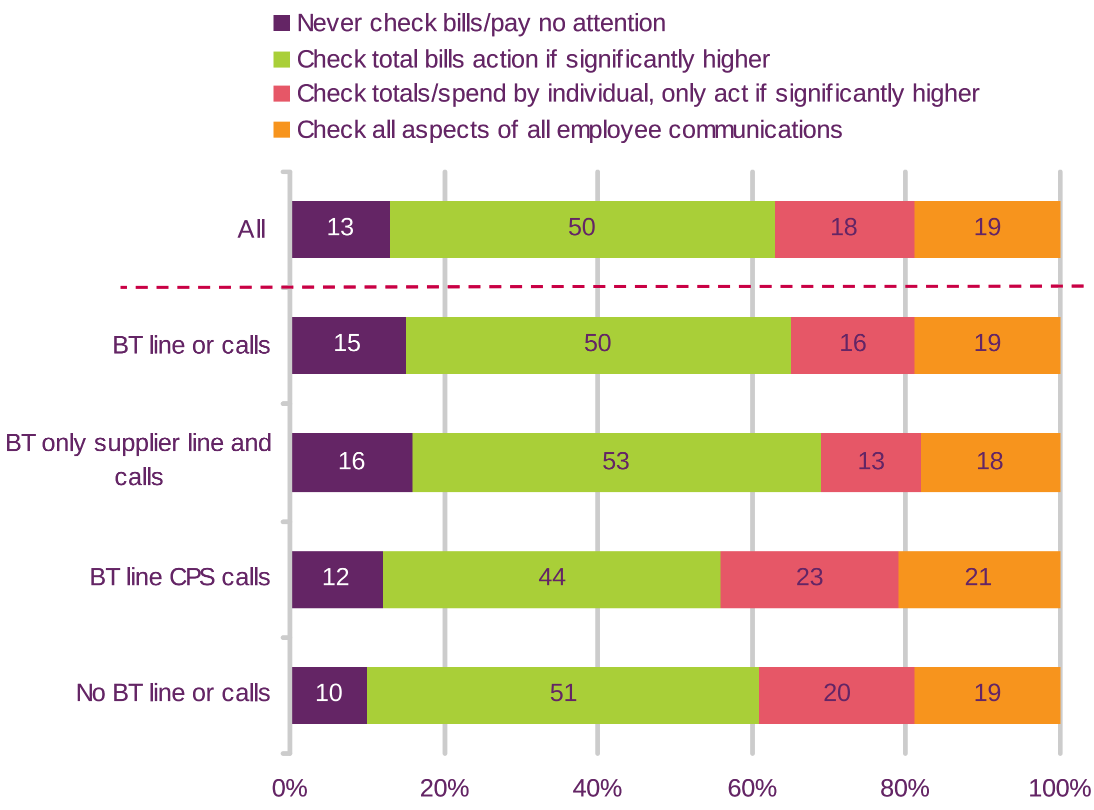
Only a small proportion of respondents claimed never to check their bills (13%); half (50%) said that they check the total bill and took action if this was significantly higher than expected; and just over a third (36%) said that they made more detailed checks on the cost. Larger companies, with more than ten employees, were more likely to conduct these more detailed checks. These larger companies also had a higher level of spend on telecommunications.

Figure 18: Level and type of bill checking, by company size

Base: All respondents with landlines (492)

Companies with BT as their only supplier were less likely to make detailed checks than those who had other suppliers, reflecting the fact that these tended to be smaller companies.

Figure 19: Level and type of bill checking, by supplier type

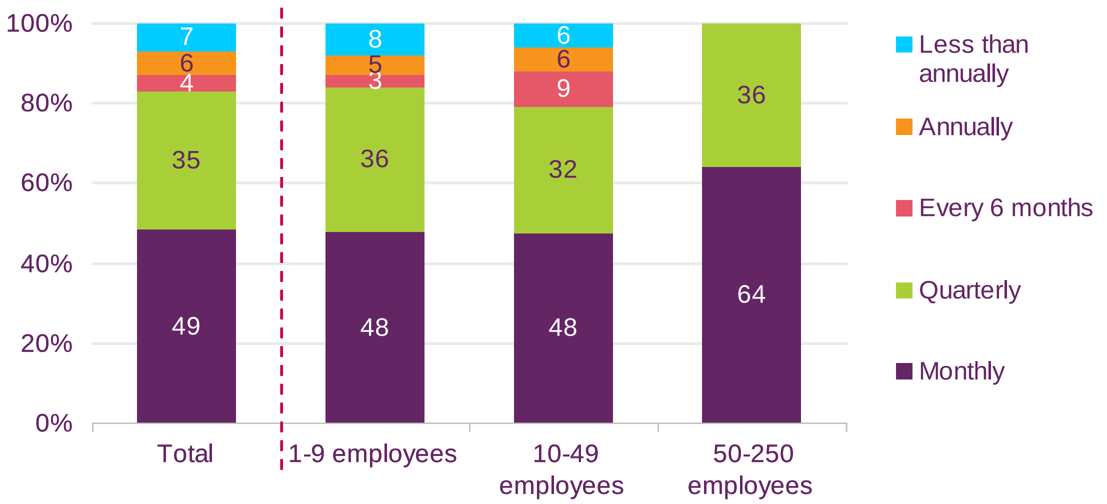


Base: All respondents with landlines (492)

Frequency of reviewing communications spend

Frequency of reviewing communications spend is summarised in Figure 20. Most respondents checked their communications spend on a monthly or quarterly basis; while less than one in five reviewed every six months or less frequently. The largest companies in our sample, with 50 or more employees, were more likely to check spend on a monthly basis.

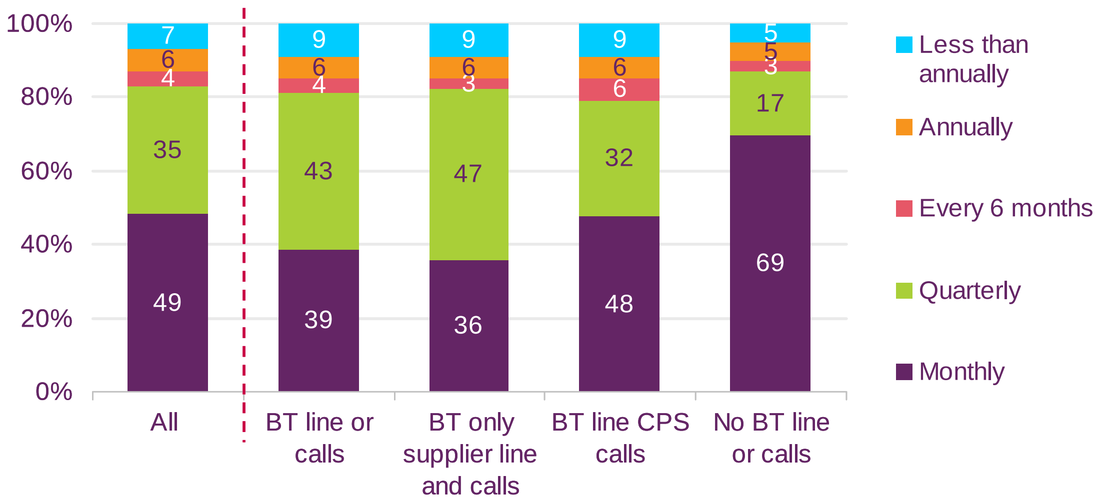
Figure 20: Frequency of checking company communications spend, by company size



Base: All respondents with landlines (492)

Companies with a BT line and CPS calls and those with no BT line or call service were more likely to conduct monthly checks of their communications spend than those with a BT line and calls.

Figure 21: Frequency of checking company communications spend, by supplier type

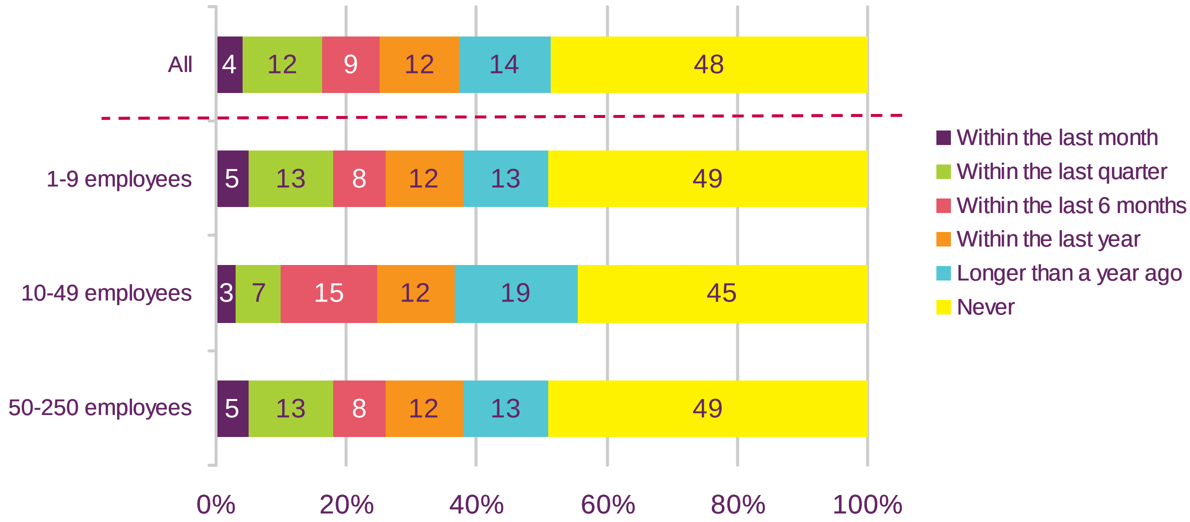


Base: All respondents with landlines (492)

Awareness of and response to price increases

We also asked respondents about their awareness of price increases, the results are summarised in Figure 22. Just under half of respondents said that they had not previously noticed an increase in communications spend that was due to a price increase rather than an increase in use.

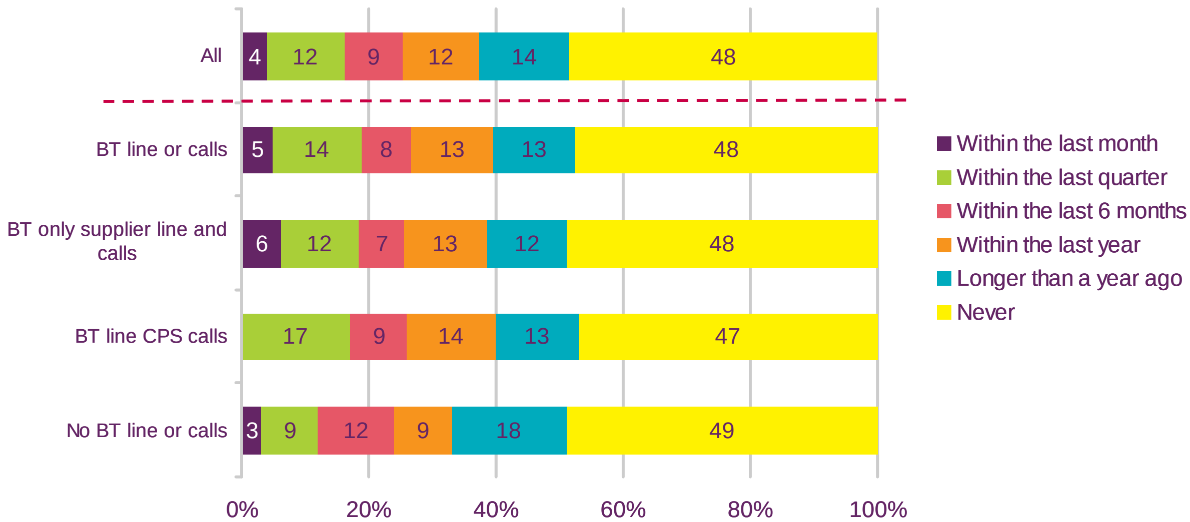
Figure 22: Last time noticed increase due to price change, not use, by company size



Base: All respondents with landlines (492)

The pattern of responses is broadly similar across company size and different supplier types.

Figure 23: Last time noticed increase due to price change, not use, by supplier type

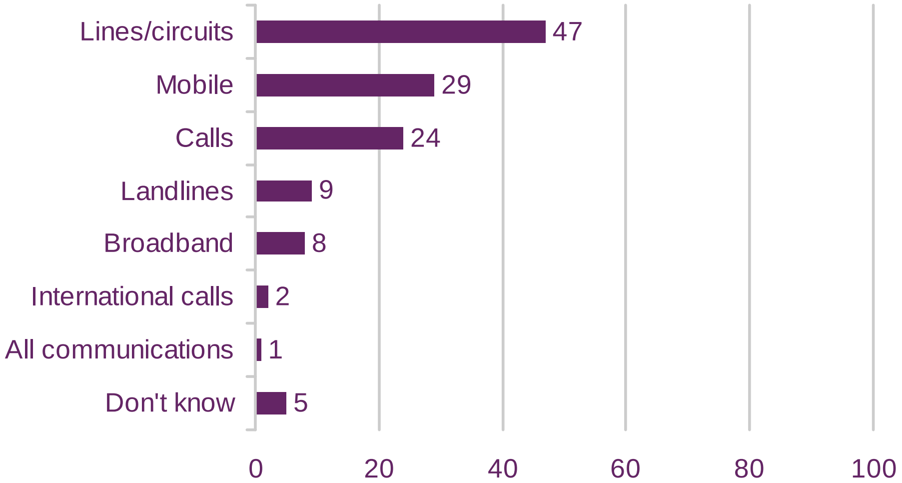


Base: All respondents with landlines (492)

We asked those people who had noticed an increase what communications type this related to. The responses are summarised in Figure 24 below. Just under half of respondents (47%) said that the increase they had noticed related to line costs, while just under a third (29%) said that it related to mobile costs[7], and a quarter (24%) said that the increase was related to call costs.

[7] The questionnaire was not specific about what element of mobile telephone costs this related to, hence this would include the cost of access, mobile to mobile calls, fixed to mobile calls or any other mobile related costs.

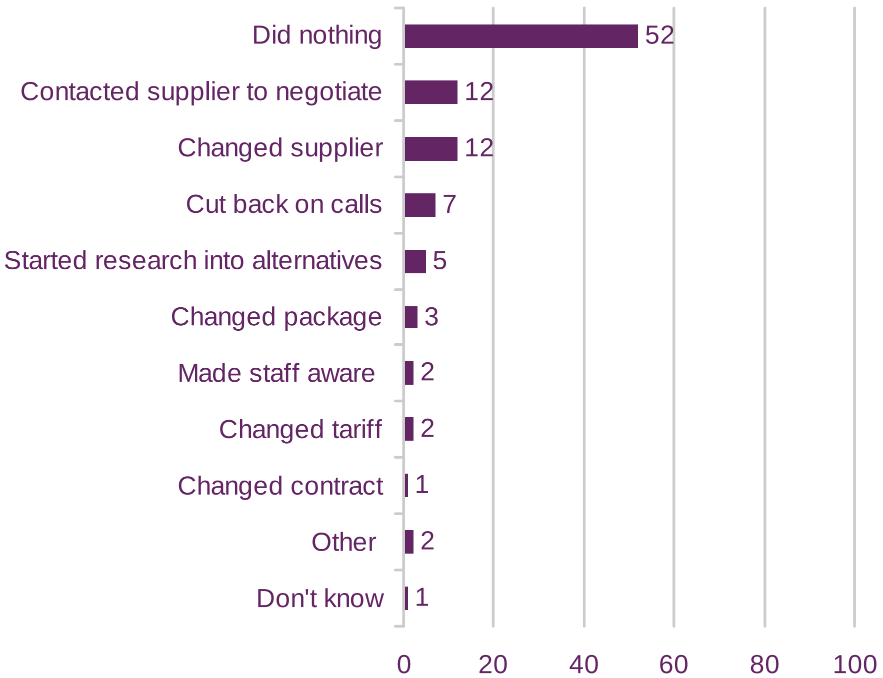
Figure 24: To which communication type was the increase related?



Base: All aware of a price increase (272)

We also asked people who had noticed any increase in prices what they did as a result of this change. Just over half said that they did nothing (52%), while one in ten (12%) had contacted their supplier to negotiate, or had changed their supplier.

Figure 25: Action taken as a result of price increase

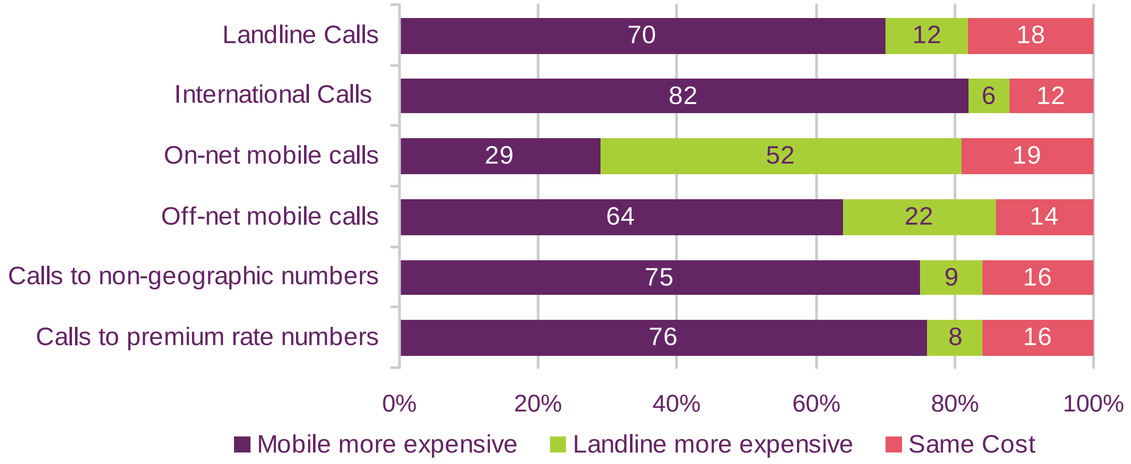


Base: All aware of a price increase (272)

4.3 Cost perceptions for different call types

Respondents were asked about their perceptions of the relative cost of landline and mobile calls for a range of different call types. These are summarised in Figure 26 below. Mobile calls were generally thought to be more expensive than landline calls, with the exception of mobile calls to the same network, which were perceived to be more expensive when made via a landline.

Figure 26: Perception of call costs via mobile and landline



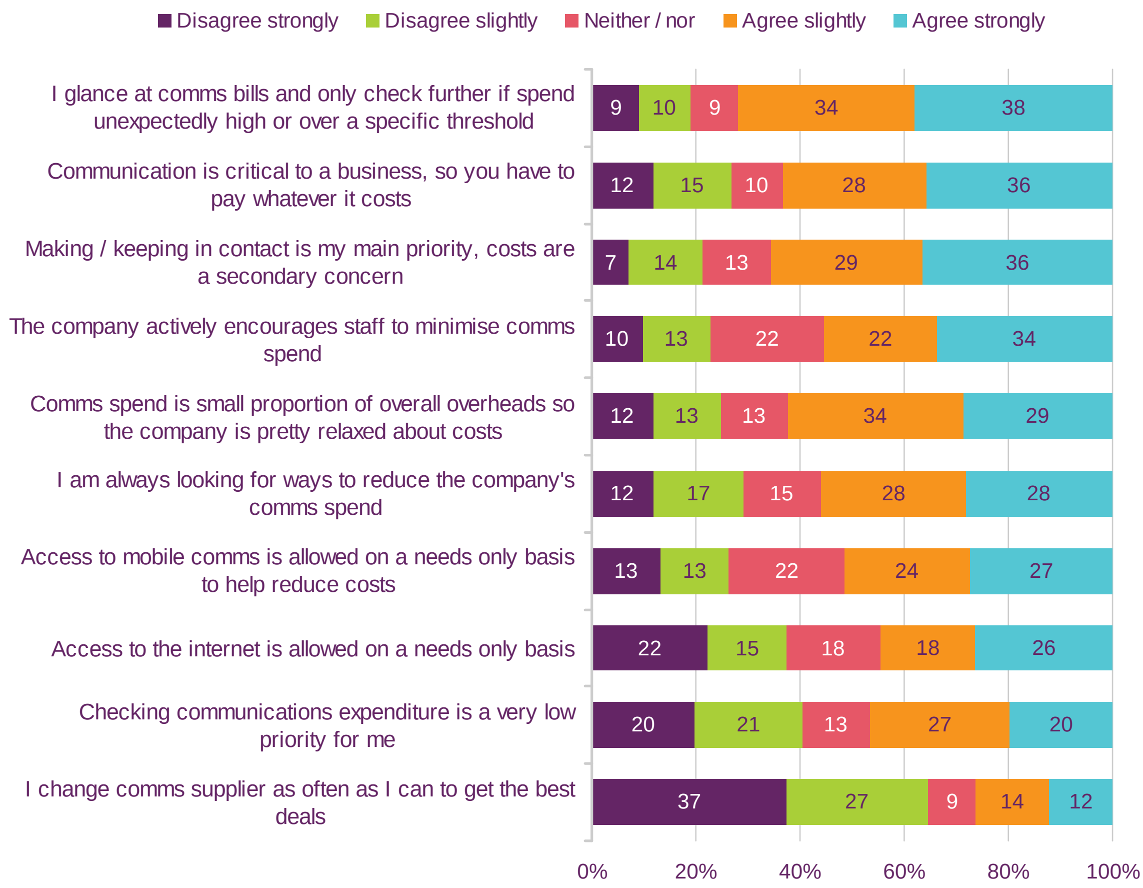
Base: All respondents (492)

4.4 Attitude to communications

Respondents were asked about the extent to which they agreed or disagreed with a series of statements about communications spend. These responses are summarised in Figure 27 below and reveal a range of attitudes towards communications.

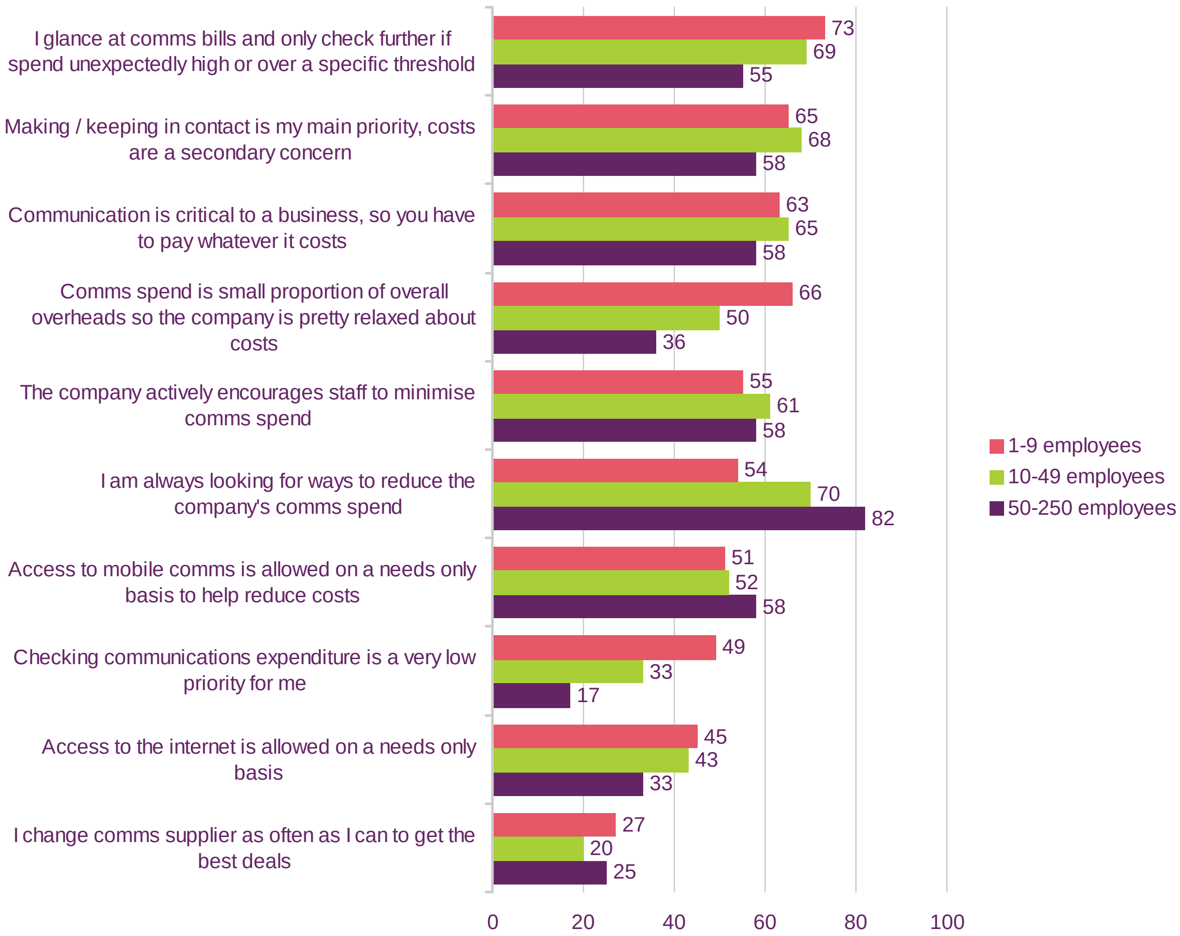
The majority of people said that communications were critical to a business, and that staying in contact was more important than spend, but most did keep an eye on their communications spend; half of the organisations we spoke to said that they encouraged staff to minimise their spend, or restricted access to some forms of communications (mobile phones and the internet) in order to keep costs down. About a quarter of companies, who were clearly more cost-led, said that they often changed supplier in order to get the best deal.

Figure 27: Agreement with attitude statements on communications



Base: All respondents (492)

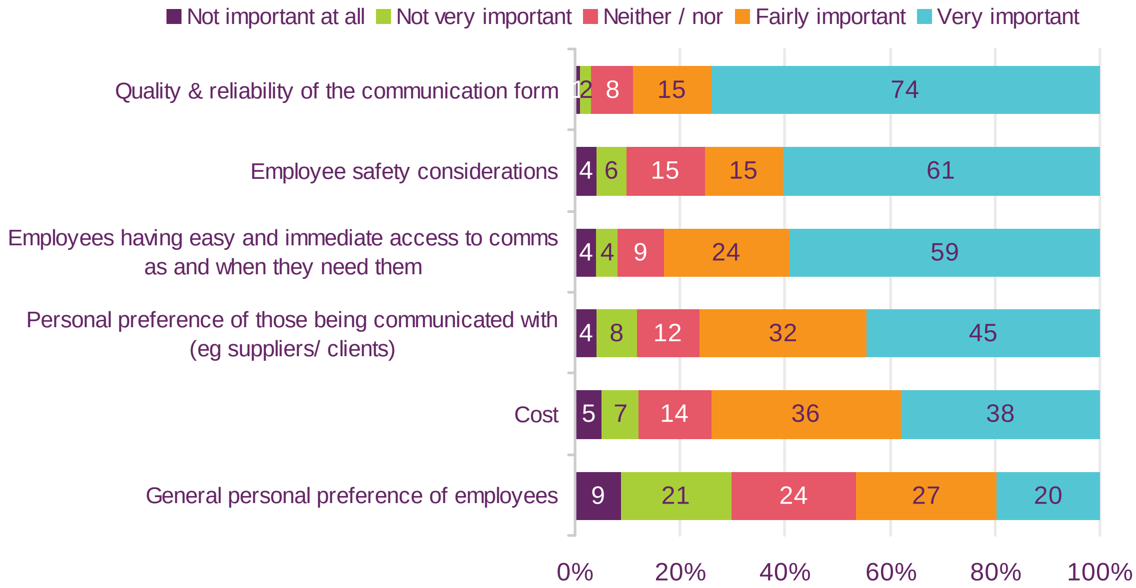
Figure 28: Agree with attitude statements on communications, by company size



Base: All respondents (492)

We also asked respondents to rate the importance of a number of different reasons in deciding what form of communications to use in a particular work situation. The results are summarised in Figure 29. Factors like reliability and safety were cited as the strongest drivers in this decision, followed by 'ease of use' and the preferences of the organisation. Cost was further down the list, followed by the personal preferences of staff.

Figure 29: Reasons for deciding which form of communications to use



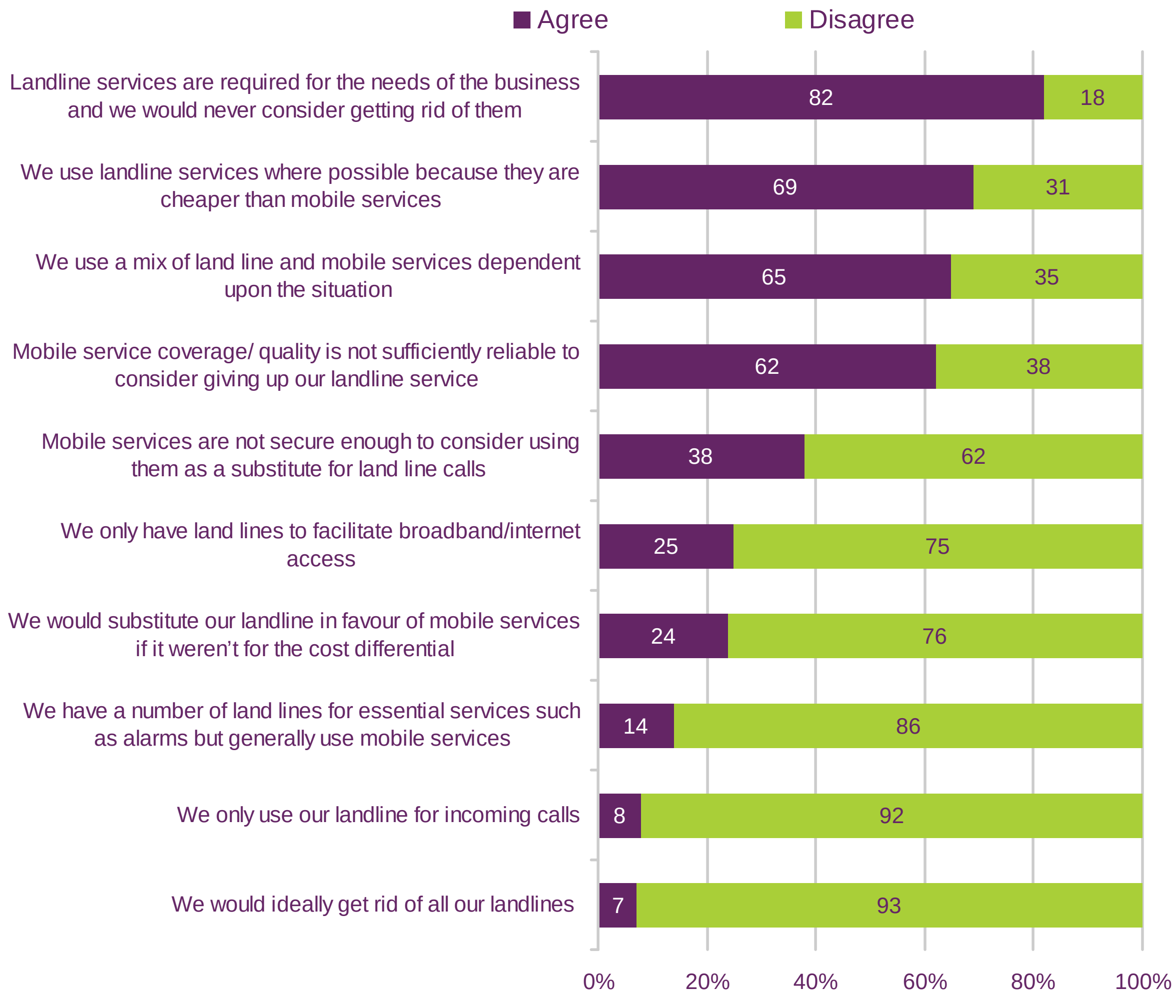
Base: All respondents (492)

4.5 Attitude to landline

Several statements about landlines were read out to the respondent. For each, the respondent was asked to say whether they agreed that the statement applied to their organisation. The results are summarised in Figure 30.

The majority of respondents (82%) said that landlines were essential to the needs of the business and they would never get rid of them, while over two-thirds (69%) said that they used landlines as much as possible, because of lower costs relative to other communications services. Concerns were also expressed about the reliability of the coverage and quality of mobile phone services, with 62% stating that this was insufficient to allow substitution for landline services.

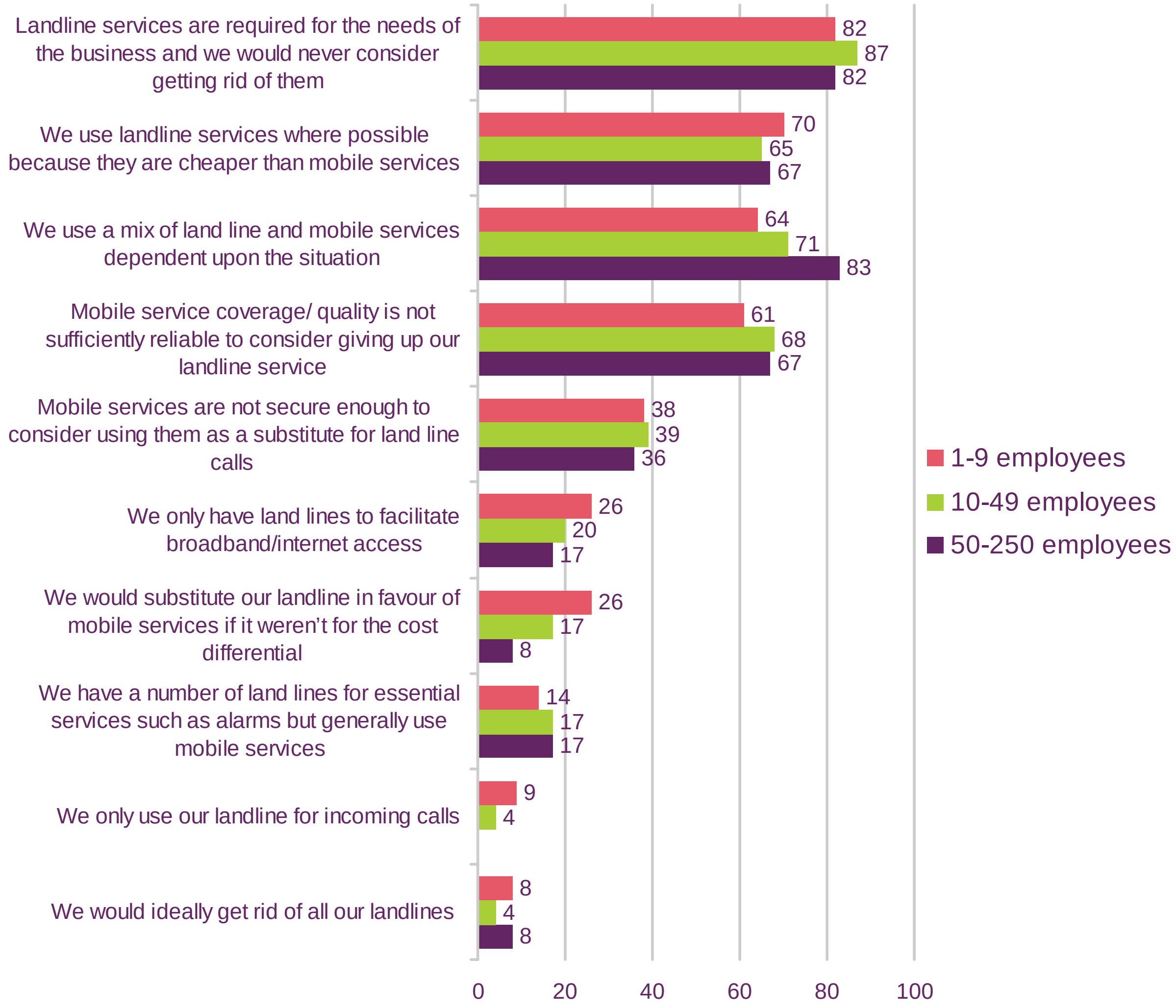
Figure 30: Attitudes towards landline access and use



Base: All respondents (492)

The pattern of responses was fairly similar across companies of different sizes, as summarised in Figure 31. Larger companies were more likely to use a mix of landline and mobile services, consistent with the penetration data reported earlier in this report, while smaller companies were more likely to say they would substitute landlines with mobiles if there was no cost differential.

Figure 31: Agreement with attitude statements towards landline access and use, by company size



Base: All respondents (492)

Annex 1

Technical annex

1.1 Sample structure

A total of 500 interviews were conducted. Quotas were established for:

- Number of employees
- Sector
- Annual overall comms spend

Medium-sized enterprises (50-250 employees) were over-sampled in order to provide sufficient sample for analysis purposes. Results were subsequently weighted back to the UK population of 1+ employee businesses.

1.2 Sample weighting

Table 1: Sample weighting details

	Unweighted	Weighted
BASE	500	500
Region		
NE England	**5%**	**5%**
NW England	**8%**	**7%**
Yorkshire and the Humber	**8%**	**8%**
E. Midlands	**8%**	**7%**
W. Midlands	**9%**	**10%**
E. England	**3%**	**3%**
London	**12%**	**9%**
SE England	**18%**	**16%**
SW England	**12%**	**16%**
Wales	**5%**	**5%**
Scotland	**7%**	**8%**
NI	**5%**	**6%**

Sector		
Primary	3%	5%
Manufacturing	10%	8%
Construction	5%	5%
Wholesale (inc. Motor trades)	10%	11%
Transport, post and telecoms	5%	4%
Retail	23%	29%
Hotels & catering	5%	4%
Finance	12%	12%
Property & business services	10%	12%
Education & health	9%	5%
Public	8%	6%

No. Of Employees		
1-9	45%	84%
10-49	30%	14%
50-250	25%	2%

Location		
Single site	73%	86%
Multi site	27%	14%

Domestic only	89%	93%
International	11%	7%

Annual Turnover		
<£50K	6%	10%
£50K-£75K	4%	8%
£75K-£100K	4%	7%
£100K-£250K	11%	19%
£250K-£500K	8%	11%
£500K-£1M	8%	9%
£1M-£3M	17%	10%
£3M-£5M	4%	2%
>£5M	15%	3%
Don’t know / Refused	22%	23%

Years Trading		
Up to 1 yr	1%	1%
2 yrs-5 yrs	11%	16%
6 yrs-10 yrs	17%	21%
11 yrs-15 yrs	11%	13%
16 yrs-20 yrs	13%	12%
>20 yrs	42%	34%
DK / Refused	5%	4%

Annual Comms Spend		
Up to £1K	35%	53%
£2K-£5K	35%	38%
£6-£10K	10%	5%
>£10K	20%	5%

Annex 2

Questionnaire

TELEPHONE (CATI) QUESTIONNAIRE FINAL

TELEPHONE INTRODUCTION

❖ Good morning / evening / afternoon. My name is ……… and I am from Illuminas, an independent market research agency. We are conducting research on behalf of Ofcom and I would like to ask you a few questions.

❖ Ofcom is the independent regulator and competition authority for the UK communications industries. The aim of this research is to explore the opinions and needs of small to medium businesses regarding the range of available communication types, and how they are chosen.

❖ Market Research Society Code of Conduct: all information remains confidential and anonymous – no individuals or organisations will be mentioned in our report and there will be no sales follow-up as a result of participation in the research.

Qi. Could I speak to someone in your organisation, who has responsibility, either solely or jointly, for making decisions about the communications devices and applications used in this company? ADD IF NECESSARY this could be the owner/manager, MD, Financial director, office manager or IT /Telecoms manager

ONCE THROUGH TO CONTACT RESPONSIBLE REPEAT INTRO THEN ASK:

Qii.Would you mind answering a few questions. It should take about 20 - 25 minutes of your time, depending upon your answers.

Yes - now	1	Continue
Yes – later	2	Schedule appt
No	3	Seek referral @ Qiii

Qiii. Is there anyone else within your organisation that I could speak to about this?

Yes - now	1	Continue
Yes – later	2	Schedule appt
No	3	CLOSE – Seek referral

SCREENING

First I'd like to ask a few questions so that we can ensure that a mix of differing businesses are included within the survey…

ASK ALL

S1 Please can I confirm your organisation's main activity is … ?

READ OUT IF NECESSARY. CODE ONE ONLY

Agriculture, mining/quarrying & utilities	1	
Manufacturing		
Construction	2	
Wholesale (incl motor trades)	3	
Transport, post & telecommunications		
Retail	4	
Hotels & catering		
Finance	5	
Property & business services		
Education and health	6	
Public admin & other services		
NONE of these – clarify & recode as necessary	7	CLOSE

ASK ALL

S2 How many employees (full time or part time) work for your organisation (excluding contractors or temps)?

CODE ONE ONLY

Zero employees (i.e. Sole trader or SoHo)	1	CLOSE
1 – 9 employees	2	Check quotas
10 – 49 employees	3	Check quotas
50 – 250 employees	4	Check quotas
More than 250 employees	5	CLOSE

ASK ALL

S3 From how many sites in the UK does your business operate?

CODE ONE ONLY

ASK ALL

S4 And from how many outside the UK?

CODE ONE ONLY

	S3	S4

One	1	1
More than one (specify)	2	2

ASK ALL

S5 How much in total have you spent on all your communications in the last 12 months, including all landline, mobile, and internet costs (but excluding any costs for network support)?

PROMPT TO PRECODE. CODE ONE ONLY. IF CANNOT SPLIT COMMS FROM GENERAL ICT SPEND, PROBE FOR BEST GUESS

£1k or less	1	Check quotas
£2k – £5k	2	Check quotas
£6k - £10k	3	Check quotas
More than £10k	4	Check quotas

ASK ALL

S6 Which of the following does your company use?

READ OUT. CODE ALL THAT APPLY

Landlines (standard PSTN lines) **(SPECIFY NO.)**	1	
Mobile phones	2	
Blackberries	3	
ADSL / Cable Broadband	4	
Narrowband Internet	5	
Broadband internet		
ISDN 2/2e	6	
Business Highway	7	
ISDN 30 **(SPECIFY NO. OF CHANNELS USED)**	8	
Leased lines or private circuits	9	
Pay TV	10	
NONE of these – clarify & recode as necessary	11	CLOSE

CODES 1, 6-9 CAN ALL BE USED AS LANDLINES

IF HAVE NOT CODED 1 OR 6-9 ABOVE

S7 Am I right in thinking that your company does not have any landlines for making phone calls?

CODE ONE ONLY

We don't	1	GO TO Q34
We do	2	GO BACK TO S4

ASK ALL WITH LANDLINE(S)

S8 Does your business use any of the following?

READ OUT. CODE ALL THAT APPLY

Switch (PBX / PABX)	1
Virtual Private Network	2
Least Cost Routing	3
Combined fixed / mobile calling plan	4
Voice over Internet Protocol or VoIP	5
DO NOT READ OUT None of the above	6

FOR ALL CODED AT S6

S9 What do you use [coded at S6] for? Would it be …

READ OUT. CODE ALL THAT APPLY

(a) Incoming calls
(b) Outgoing calls
(c) **IF APPROPRIATE FROM S3/4** Calls between your different business sites
(d) Internet
(e) Fax services
(f) Security / Alarm systems
(g) Data services
(h) Card payments / EFTPOS

IF USE …	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Landlines (standard PSTN lines)	1	1	1	1	1	1	1	1
ISDN 2/2e	2	2	2	2	2	2	2	2
Business Highway	3	3	3	3	3	3	3	3
ISDN 30	4	4	4	4	4	4	4	4
Leased lines or private circuits	5	5	5	5	5	5	5	5

FOR ALL CODED AT S6

S10 Which company supplies your [coded at S6]?

DO NOT READ OUT. CODE ONE ONLY FOR EACH

IF USE …	BT	NTL / Telewest	Cable & Wireless	Other (specify)
Landlines (standard PSTN lines)	1	1	1	1
ISDN 2/2e	2	2	2	2
Business Highway	3	3	3	3
ISDN 30	4	4	4	4
Leased lines or private circuits	5	5	5	5

ASK ALL WITH LANDLINES

S11 Do you use the same company for all types of outgoing calls (**IF USED** including calls to other business sites and / or VoIP)?

CODE ONE

ONLY

Yes	1
No	2

ASK ALL WITH LANDLINES THAT DO NOT USE LEAST COST ROUTING

S12 Which company do you use for …

DO NOT READ OUT. CODE ONE ONLY FOR EACH

IF USE …	(a) Outgoing calls	(b) **IF USED** Inter-site calls	(c) **IF USED** VoIP
BT	1	1	1
NTL Telewest	2	2	2
Cable & Wireless	3	3	3
Other (WRITE IN)	4	4	4
Don't know	5	5	5

ASK ALL WITH INTERNET

S13 Which company is your internet service provider?

DO NOT READ OUT. CODE ALL THAT APPLY

AOL	1
BT	2

Cable & Wireless	3
Claranet	4
Demon	5
Eclipse	6
Orange	7
Pipex	8
Tiscali	9
Other (WRITE IN)	10
Don't know	11

ASK ALL WITH LEAST COST ROUTING

S14 Which company do you use for Least Cost Routing?
WRITE IN

FOR ALL CODED AT S6

S15 Can I ask do you pay for your [coded at S6] monthly or quarterly?
DO NOT READ OUT. CODE ONE ONLY FOR EACH

IF USE …	Monthly	Quarterly
Landlines (standard PSTN lines)	1	1
ISDN 2/2e	2	2
Business Highway	3	3
ISDN 30	4	4
Leased lines or private circuits	5	5

ASK ALL WITH LANDLINES

S16 And do you pay for calls monthly or quarterly?
DO NOT READ OUT. CODE ONE ONLY FOR EACH

Monthly	1
Quarterly	2

ASK ALL WITH LANDLINES

S17 How much do you spend in total per [month / quarter] on rental for [ALL LINE / CIRCUITS THAT ARE USED FOR CALLS AT S9]?

WRITE IN £_________________

IF UNABLE TO GIVE AN ESTIMATE, PROMPT TO RANGE

<£10	1
£10-£19	2
£20-£29	3
£30-£39	4
£40-£49	5
£50-£74.99	6
£75-£99	7
£100- £149	8
£150-£199	9
£200-£249	10
£250-£299	11
£300-£349	12
£350-£399	13
£400-£499	14
£500-£999	15
£1000-£1999	16
£2000-£4999	17
£5000+	18
DO NOT READ OUT I think it's free	19
DO NOT READ OUT Really don't know – don't think about line costs separately	20

ASK ALL WITH LANDLINES

S18 And how much do you spend in total per [month / quarter] on calls?

WRITE IN £_________________

IF UNABLE TO GIVE AN ESTIMATE, PROMPT TO RANGE

<£10	1

£10-£19	2
£20-£29	3
£30-£39	4
£40-£49	5
£50-£74.99	6
£75-£99	7
£100- £149	8
£150-£199	9
£200-£249	10
£250-£299	11
£300-£349	12
£350-£399	13
£400-£499	14
£500-£999	15
£1000-£1999	16
£2000-£4999	17
£5000+	18
DO NOT READ OUT I think it's free	19
DO NOT READ OUT Really don't know – don't think about line costs separately	20

ASK ALL UNABLE TO GIVE LINE OR CALL SPEND SEPARATELY

S19 I realise it is can be difficult to separate line and call costs. So could you tell me how much in total per [month / quarter] you spend on calls and lines?

WRITE IN £__________________

IF UNABLE TO GIVE AN ESTIMATE, PROMPT TO RANGE

<£10	1
£10-£19	2
£20-£29	3
£30-£39	4

£40-£49	5
£50-£74	6
£75-£99	7
£100- £149	8
£150-£199	9
£200-£249	10
£250-£299	11
£300-£349	12
£350-£399	13
£400-£499	14
£500-£999	15
£1000-£1999	16
£2000-£4999	17
£5000+	18
DO NOT READ OUT Really don't know	19

ASK ALL WITH LANDLINE

S20 And can I ask you if you are currently thinking about doing any of the following?

READ OUT. CODE ALL THAT APPLY

Changing your line supplier	1
Changing your calls supplier	2
Changing your internet service provider	3
Increasing your number of lines	4
Decreasing your number of lines	5
IF HAVE ISDN Increasing the number of channels on your ISDN	6
IF HAVE ISDN Decreasing the number of channels on your ISDN	7
IF DON'T HAVE ISDN Getting ISDN for your business	8
IF DO NOT HAVE LCR Getting Least Cost Routing	9
IF DO NOT HAVE INTERNET Getting broadband	10
Cancelling your phone lines altogether	11

ASK ALL WITH LANDLINES

Q19 I'd now like to talk more generally about your views of communications. Before today, were you aware that some telecoms providers offer businesses negotiable tariffs, rather than standard ones?

CODE ONE ONLY

Yes	1
No	2

ASK ALL AWARE

Q20 Have you ever had any contact with any telecoms provider regarding this type of deal?

PROMPT TO PRECODE. CODE ONE ONLY

Yes – contacted but nothing further	1
Yes – and went for the deal	2
No	3

ASK ALL WITH LANDLINES

Q21 Were you aware that some telecoms providers offer deals in which if you commit to spending a certain amount per month, you get a discount on calls?

CODE ONE ONLY

Yes	1
No	2

ASK ALL AWARE

Q22 Have you ever had any contact with any telecoms provider regarding this type of deal?

PROMPT

TO PRECODE. CODE ONE ONLY

Yes – contacted but nothing further	1
Yes – and went for the deal	2
No	3

ASK ALL WITH LANDLINES

Q23 How much, if at all, has the use of the following changed over the past 12 months? Would you say …

READ OUT. CODE ONE ONLY FOR EACH

	Increased significantly	Increased slightly	Not really changed	Decreased slightly	Decreased significantly
Landline calls	5	4	3	2	1
Mobile services (including phones With email access such as blackberry)	5	4	3	2	1
IF HAVE Leased line services	5	4	3	2	1
IF HAVE Internet	5	4	3	2	1
IF HAVE ISDN	5	4	3	2	1
IF USE VoIP	5	4	3	2	1

ASK ALL WITH LANDLINES

Q24 And how much, if at all, do you think your use of the following might change over the next 12 months? Would you say …

READ OUT. CODE ONE ONLY FOR EACH

	Increase significantly	Increase slightly	Not really change	Decrease slightly	Decrease significantly
Landline calls	5	4	3	2	1
Mobile services (including phones With email access such as blackberry)	5	4	3	2	1
IF HAVE Leased line services	5	4	3	2	1
IF HAVE Internet	5	4	3	2	1
IF HAVE ISDN	5	4	3	2	1
IF USE VoIP	5	4	3	2	1

ASK ALL WITH LANDLINES

Q25 Thinking for a moment about the cost of different call types, I'd like you to tell me which type of call; mobile or landline is most expensive for each of the following call types?

If you are not sure, please could you tell us your **impression** of the costs?
ROTATE ORDER. CODE ONE ONLY FOR EACH

	Mobile more expensive	Land line more expensive	Same cost
Landline calls	1	2	3
International calls	1	2	3
Calls to mobiles on the same network you have	1	2	3
Calls to mobiles on a different network to the one you have	1	2	3
Calls to non-geographic numbers such as 0845, 0870 etc.	1	2	3
Calls to Premium rate 09 numbers	1	2	3

ASK ALL WITH LANDLINES

Q26 Thinking a bit more about costs, which best describes the way in which you check the cost of your company's communications activities?

READ OUT. CODE ONE ONLY

I never check bills/ I pay no attention to the communications bills	1
I check the total bills but only take any action if they are significantly higher than expected	2
I check totals and spend by individuals within the business but only take any action if they are significantly higher than previous ones	3
I check all aspects of all employees' communications	4

ASK ALL WITH LANDLINES

Q27 How regularly do you check the communications spend for your organisation?

READ OUT. CODE ONE ONLY

I check monthly	1
I check quarterly	2
I check every six months	3
I check annually	4
I check less frequently than this	5

ASK ALL WITH LANDLINES

Q28 When was the last time you recall noticing an increase in communications spend that was due to a price increase rather than an increase in usage?

READ OUT. CODE ONE ONLY

Never	1
Within last month	2
Within last quarter	3
Within last 6 months	4
Within last year	5
Longer ago than a year	6

ASK ALL THAT NOTICED INCREASE ABOVE

Q29 What communications type was that for?

DO NOT READ OUT. CODE ALL THAT APPLY

Mobile	1
Broadband	2
Lines / circuits	3
Calls	4
Other (specify)	5

ASK ALL THAT NOTICED INCREASE ABOVE

Q30 And what if anything did you do as a result of this / these increases?

PROBE. WRITE IN

Did nothing	1
Other (WRITE IN)	5

ATTITUDES TO COMMS

ASK ALL

Q31 I'm going to read out some attitudes towards communications spend, that other business people have said. Please tell me for each how much you agree or disagree that this applies to you / your company:

ROTATE	Agree strongly	Agree slightly	Neither / nor	Disagree slightly	Disagree strongly
Checking comms expenditure is a very low priority for me	1	2	3	4	5
I change comms suppliers as often as I can in order to get the best deals	1	2	3	4	5
Making/ keeping in contact is my main priority, costs are a secondary concern	1	2	3	4	5
I glance at comms bills and only check further if spend is unexpectedly high / over a specific threshold	1	2	3	4	5
Communication is critical to a business, so you have to pay whatever it costs	1	2	3	4	5
The company actively encourages staff to minimise comms spend	1	2	3	4	5
Access to the internet is allowed on a needs only basis	1	2	3	4	5
Access to mobile comms is allowed on a needs only basis to help reduce costs	1	2	3	4	5
Comms spend is a small proportion of our overall overheads, so the company are pretty relaxed about their costs	1	2	3	4	5
I am always looking for ways to reduce the company's comms spend	1	2	3	4	5

ASK ALL

Q32 Thinking about all the choices that you have to make about the different communication methods used by employees in different situations, how important would you say each of the following are when you are deciding what forms to use?
READ OUT. CODE ONE ONLY FOR EACH

	Very important	Fairly important	Neither / nor	Not very important	Not important at all
Employees having easy and immediate access to comms as and when they need to use them	1	2	3	4	5
Cost	1	2	3	4	5
General personal preference of employees	1	2	3	4	5
Employee safety considerations	1	2	3	4	5
Quality and reliability of the communication form	1	2	3	4	5
Personal preferences of those being communicated with (i.e. suppliers or clients)	1	2	3	4	5

ASK ALL

Q33 I am going to read some statements which other business people have used to describe how much they may or may not value their landline. For each please tell me whether you agree that it applies to your company.

READ OUT. CODE ONE ONLY

Mobile service coverage/quality is not sufficiently reliable to consider giving up our land line service	
We only have land lines to facilitate broadband/internet access	
We have a number of land lines for essential services such as alarms but generally use mobile services	
We use a mix of land line and mobile services dependent upon the situation i.e mobiles when away from base, but land when not	
Mobile services are not secure enough to consider using them as a substitute for land line calls	
We would ideally get rid of all our landline	
Land line services are required for the needs of the business and we would never consider getting rid of them	
We would substitute our landline in favour of mobile services if it weren't for the cost differential	
We only use our landline for incoming calls	
We use landline services where possible because they are cheaper than mobile services	

IF HAVE NO LAND LINE

Q34 Why does your company not have any land lines?

Multi code, DNRO	
No need for one	1
Never in office / don't have office	2
Don't use internet	3
Use internet through other means	4
Mobile phones more appropriate for the way we work	5
Bad experiences with land line	6
Installation / connection costs are too high	7
Line rental costs are too high	8
Call costs are too high	9

Q35 How do your employees access the internet?

Multi code READ OUT	
Through their own personal home computers	1
Through mobile phone handsets (including PDAs, Blackberries etc)	2
Through laptops with a dongle / USB modem or datacard	3
Use internet through other means	4
Do not access the internet	5

Q35 To what extent do you agree or disagree with the following statements?

	Agree strongly	Agree slightly	Neither / nor	Disagree slightly	Disagree strongly
Landlines are too expensive for us in addition to the costs of the other communications we use	1	2	3	4	5
We do not need landlines because we are rarely in a land location	1	2	3	4	5
Ideally it would be good to have a land line for calls and	1	2	3	4	5

internet but the costs are not attractive enough at this stage					
Mobile phones satisfy all our communication needs					

Q36 What amount of money per month would suppliers need to decrease the landline line rental cost by to in order to make you seriously consider taking one or more up?

Write in £__________________ per month
IF WOULD NOT TAKE ACTION AT ANY COST CODE 99

CLASSIFICATION

And finally I'd like to ask a few questions about you and your company

ASK ALL

C1 How long has your organisation been trading?

PROMPT TO PRECODE IF NECESSARY. CODE ONE ONLY

1 yr or less	1
2 – 5 yrs	2
6 – 10 yrs	3
11 – 15 yrs	4
16 – 20 yrs	5
More than 20 yrs	6
Don't know / refused	7

ASK ALL

C2 Which of the following bands best describes your business's turnover for the last financial year?

READ OUT. CODE ONE ONLY

Under £50K	1
£50-75K	2
£75k – £100k	3
£100k - £250k	4
£250k - £500k	5
£500k - £1m	6
£1m - £3	7
£3m-£5m	8
Over £5m	9
Don't know / refused	10

C3 CODE SEX

Male	1
Female	2

THANK YOU FOR YOUR TIME