



## **SMBs reliant on broadband, but won't switch provider when service turns sour**

### ***Despite connectivity problems only 1 in 10 SMBs consider changing internet providers***

London, 29 May, 2008 – A new study commissioned by Easynet Connect revealed that one in three small or medium sized businesses (SMBs) across the UK are experiencing connectivity and performance issues with their ISPs but only one in ten would consider switching providers. This contrasts dramatically with the consumer market, where customers switch between providers far more frequently.

Whilst most SMBs have embraced the internet as an integral part of business strategy in the last five years, they often lack the internal knowledge, time and resources to understand the complexities of products they increasingly depend upon and the real business value they can bring.

### **Internet part of SMBs long-term strategy with new services playing a significant role**

The Soaring not Surfing research carried out by analyst firm Quocirca on behalf of Easynet Connect, underlines how business use of the internet has become part of a long-term strategy in 2008, with almost three quarters (71%) of the interviewees acknowledging that their business could not cope any longer than a day without it. Two thirds (66%) of businesses have been online for over five years, with only 3% connecting in the last year. In turn, over one third (36%) of SMBs are selling online, more than a quarter (26%) are using IP telephony and 39% use the network for remote backup and disaster recovery.

Chris Stening, managing director of Easynet Connect, commented: "SMBs ultimately need the freedom to focus on growing their business, achieving commercial goals and improving profitability. This survey reveals that the internet is now at the heart of making a business a success but poor service levels and lack of support are currently being tolerated - this should not be the case. SMBs should be as demanding as consumers in ensuring that they are getting the right kind of service coupled with flexibility and reliability so that they are able to focus their attention on their individual business challenges."

## Glossary of Terms

**VoIP:** Voice over IP—using the internet and data networks to carry telephone calls

**ISP:** Internet service provider—company providing a connection to the internet

**Contention ratio:** the number of customers sharing a connection, and available bandwidth

**DSL:** digital subscriber line—an internet link over a conventional telephone line

**ADSL:** A = asynchronous, with faster download than upload speeds

**SDSL:** S = symmetric, with same download and upload speeds

### Low churn rate due to lack of understanding

More than three quarters (77%) of businesses have experienced internet connection failure at some point and almost one in three (29%) stating that their internet connection occasionally drops below performance levels they expect. Despite this, the vast majority of SMBs remain reluctant to switch to another provider, with nine out of ten (88%) stating that they would not be changing providers in the near future.

The research also highlights that confusion and the language used in the IT space are partially responsible for this lack of desire to shop around. Whilst almost three quarters (72%) of respondents claimed that jargon was not an issue, confidence dropped when questioned about specific terms that directly impact upon the performance of applications and services that businesses are increasingly starting to use, such as video conferencing and VoIP. More than two-thirds of those questioned did not know what the technical terms [SDSL](#) (67%) and contention ratio (68%) meant.

“This lack of understanding highlights that providers have a responsibility to give guidance and add value by outlining their technical offerings in clear and simple business terms and demonstrating tangible business benefits. Peak bandwidths and price may be the easiest factors to compare, but to base a decision on these without considering core business needs could prove more costly in the long term,” added Stening.

### Easynet Connect / Quocirca research findings also revealed the following:

- SMBs see the internet as a critical part of business processes with over 22% citing they could not cope for longer than one hour without a connection and 71% indicated 24 hours as the absolute maximum
- In evaluating a service provider business reliability (72%) and technical abilities (48%) were cited as the most important attributes
- IT spending looks set to rise with 53% of SMBs expecting a small increase in expenditure. 39% expected spending to stay at the present level

**To access the full report, please visit:** <http://www.easynetconnect.net/insightreport/>

Author of the report, Quocirca’s Principal Analyst Rob Bamforth concluded: “Small and medium-sized businesses have greater expectations of their suppliers, as they inevitably lack the specialist knowledge and time to deal with the complexities of the numerous options available. As more and

more businesses regard the internet as the backbone of their day-to-day processes, it is important that they understand that internet connectivity can and should be tailored to fit. Whilst speed and cost have become the buzzwords in the consumer space, businesses owners need to look beyond to added value and support, working closely with a provider that understands their specific needs, as opposed to one that takes a one-size-fits-all approach.”

Easynet Connect is a leading provider of quality connectivity and internet access for small to medium size businesses. With the second-largest UK network, Easynet Connect works alongside SMBs to assess specific connectivity requirements, offering a range of broadband and support packages to meet individual business needs.

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### **Editor's notes**

#### **About the research**

The research, carried out by Quocirca and commissioned by Easynet Connect is based on interviews with 345 UK based managers with operational or commercial responsibility for IT and data communications. Those surveyed were from small and medium sized UK-based businesses and organizations with between 10 and 250 employees.

The research was completed in April 2008.

#### **About Easynet Connect**

Established in 1994 and part of BSkyB Group since 2006, Easynet Connect has the second largest network in the UK with 4450km of fibre and last mile access to more than 70% of UK businesses via a network of more than 1200 unbundled exchanges.

We were the first provider in the UK to offer DSL services over an unbundled local loop and have pioneered managed LLU services for businesses. Our services range from business class [ADSL](#) and [SDSL](#) through high quality leased line equivalent and [Ethernet](#) based services. Our SDSL coverage is currently the most extensive in the UK.

Easynet Connect's EtherStream™ service is pioneering Ethernet in the first mile allowing businesses to enjoy fast reliable Internet access. EtherStream™ is breaking through the limitations of traditional fibre connectivity.

Our services offer low or zero contention, the option of high speeds of up to 20Mb and are backed up by 24x7x365 UK-based support and Service Level Guarantees.

Easynet Connect's customer base of small to medium sized businesses, ranging from 10 to 250 employees, spans a variety of sectors including media and advertising, construction and financial services.

#### **About Quocirca**

Quocirca is a primary research and analysis company specialising in the business impact of information technology and communications (ITC). With worldwide, native language reach, Quocirca provides in-depth insight into the views of buyers and influencers in large, mid-sized and small organisations.

Sponsorship of specific studies allows much of Quocirca's research to be placed into the public domain at no cost. Quocirca's independent culture and the real-world experience of Quocirca's analysts ensure that its research and analysis is always objective, accurate, actionable and challenging.

Quocirca reports are freely available to everyone and may be requested via [www.quocirca.com](http://www.quocirca.com).