

Superfast Northamptonshire Business Demand Registration Survey

Results and Analysis

Business Broadband Survey

The completion of this survey will help the County Council understand the level of demand for superfast broadband services to businesses across Northamptonshire. This is important to help the Superfast Northamptonshire Project which is supporting the roll out of broadband infrastructure to parts of the county which otherwise would not be served by the commercial market. The collated results will help us to promote Northamptonshire as a place for broadband suppliers to invest by demonstrating the strength of demand for services.

The survey won't take longer than 5 minutes to complete.

1. Business post code and company name:

Business

post code:

Company

name

(optional):

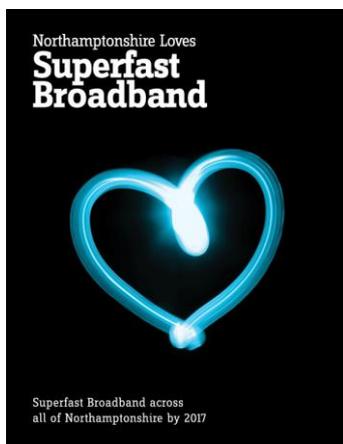
2. Are you the person who pays for the business utility bills, including internet access?

Yes

No

I am not the bill payer but I am involved in purchasing decisions

November 2013



Business Survey: Results and Analysis

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1.0 Context

The Superfast Northamptonshire project aims to secure access to superfast broadband for all homes and businesses in the county by 2017. Broadband would normally be provided by commercial providers but in some parts of the county, as elsewhere in the UK, a commercial solution is not viable. It is in these areas where the County Council is taking forward initiatives to help to secure access to superfast broadband services.

The County Council is co-investing with BT and Government's Broadband Delivery UK (BDUK) to subsidise the roll out of superfast broadband to over 50,000 premises by 2015; this will take coverage to around 90% of all premises in the county when combined with other commercial plans. The County Council published the Northamptonshire Next Generation Strategy in June 2013 which sets out its approach to extend coverage and meet the project's full coverage targets between now and 2017.

Demonstrating the potential demand for superfast broadband services is a key driver to help the county attract commercial investment. Telecoms infrastructure providers need confidence that they will secure a return on their investment over time through adequate revenues generated through the take up of superfast services. The County Council has embarked upon a number of demand registration surveys in 2013 to capture information on current service speeds which residents and businesses are experiencing, their desire for improved services, and to identify hot spots of demand for superfast broadband.

One of these surveys was targeted at businesses in Northamptonshire. The information gathered will be used to help inform the development of the Next Generation Strategy and early initiatives to extend coverage. It will help to highlight areas of high business demand which in turn may inform early priorities. Importantly, the results will be shared with the wider telecoms market to help stimulate commercial investment.

2.0 Methodology

The Business Demand Registration Survey was undertaken over 4 months in 2013, closing on 31 October. The survey was designed by the County Council with the technical consultancy ATKINS. It involved a series of questions to obtain information that would be useful to inform our Next Generation Strategy and be of interest to potential investors in Northamptonshire's broadband infrastructure. It established whether the respondent was the bill payer for the business internet service. The survey included questions about:

- The nature of the respondent's business, including size (number of employees), business sector, and whether independent or a branch of a larger company.

- The respondent's current business internet service (connection type, connection speed, reliability, service bundle details, and which service provider they currently use).
- How dependent the business is on an internet connection, how they use the internet now, and what the business would use it for if a superfast broadband service was available.
- The cost of their current internet service/ bundle and how much they would be willing to pay for a superfast broadband service.
- If the business would be willing to pay a one off connection fee and if so how much, and over what period they would like a contract to run.
- How likely they would be to take up a superfast internet service should one be available.
- What impacts the respondent thought a superfast broadband connection would have on their business and whether the respondent was confident they knew how to use a superfast service to best benefit their business.

The survey was presented on-line and accessed on 'Survey Monkey' (survey specialist website). Hard copies of the survey were provided on request.

The County Council worked with its key partners supporting business in the county to optimise their networks and business connections in order to promote the survey and its significance. Key partners which supported the survey included Northamptonshire Enterprise Partnership, Northamptonshire Chamber of Commerce, the Northamptonshire Branch of the Institute of Directors, and the Federation of Small Businesses, as well as Economic Development officers working for the Borough and District Councils. Northamptonshire Chamber of Commerce for example posted the news story on their website and in their newsletter which is sent to 5000 subscribers; the Chamber provided links from its social media sites and created an article on the survey in their business magazine for October/November. The survey was also promoted through the Superfast Northamptonshire project website and Newsletter, and business flyers and posters were circulated. Using these distribution methods, the County Council received responses from 523 businesses across Northamptonshire.

3.0 Summary of Survey Key Findings

Of the 523 businesses which participated in the survey:

- **5.2Mbps** was the average current speed of internet connection experienced (based on reported on-line speed checker results).
- **74%** currently received less than 5Mbps download speeds.
- **85%** would be 'very likely' or 'definitely' to take up a superfast service.
- **78%** indicated that the internet was essential to their business.
- **70%** reported that they had a 'fairly reliable' or better connection.
- **56%** stated that they needed a superfast broadband service over **24Mbps**.
- **84%** would pay a one off connection fee for a superfast service.
- **97%** currently used the internet for e-mail and accessing information online.

If superfast broadband was available to those businesses which responded to the survey:

- **76%** reported that their customer service would be likely to improve.
- **65%** said that they would expect to see productivity increases.
- **62%** reported that superfast broadband would allow more flexibility in work schedules.
- **57%** said that it would result in the growth of their business.
- **19%** more of the businesses would use cloud services.
- **22%** more of the businesses would utilise video conferencing.
- **16%** more of the businesses would use the internet to train staff.

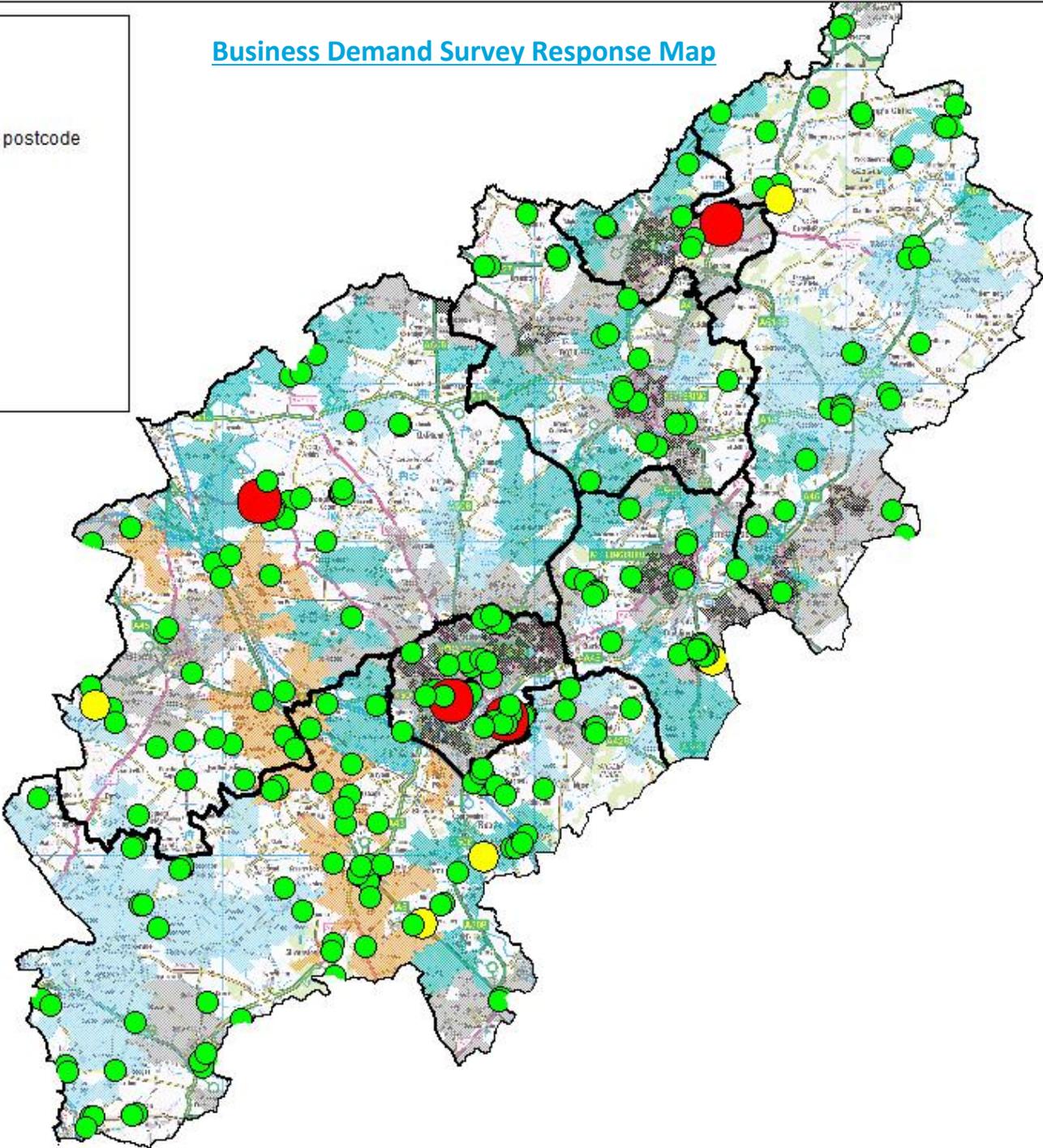
Business Demand Survey Response Map

District

Region

Number of survey responses per postcode

- 10 to 15
- 5 to 10
- 1 to 5



4.0 Characteristics of the Business which Responded to the Survey

The survey was completed by 523 businesses from across Northamptonshire. The majority of these were independent businesses (89%) rather than being a branch of a larger company. 75% of the business survey participants employed 10 people or less and 61% employed 5 people or less.

There was a significant range of types of businesses that responded including a number from within the IT services and components sector, as well as others ranging from farmers to engineering and professional firms, from distribution to design based businesses, and car breakers to wine merchants.

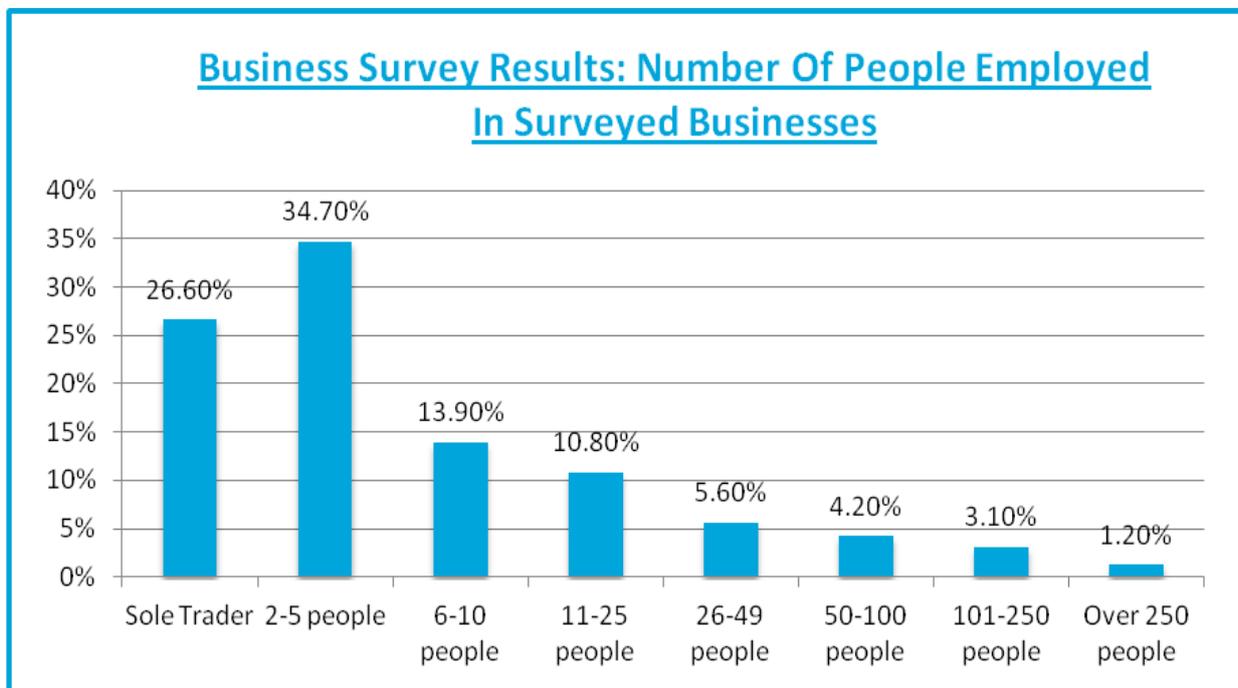


Figure 1: Number of people employed in surveyed businesses.

Only 4 businesses out of all 523 indicated that they did not have a connection. The reasons for this were principally that the internet service available was too slow to be of use or no coverage at all.

5.0 Survey Findings

5.1 Business Dependency on the Internet, Internet Uses and Speed Requirements

78% of respondents indicated that the internet was essential to their business (Figure 2). 93% of businesses, which is 401 out of the 433 who answered the question, were 'highly dependant' or completely reliant on their internet service. This would suggest that internet service reliability is also particularly important for these businesses as well as bandwidth. 70% of businesses reported a 'fairly reliable' connection or higher.

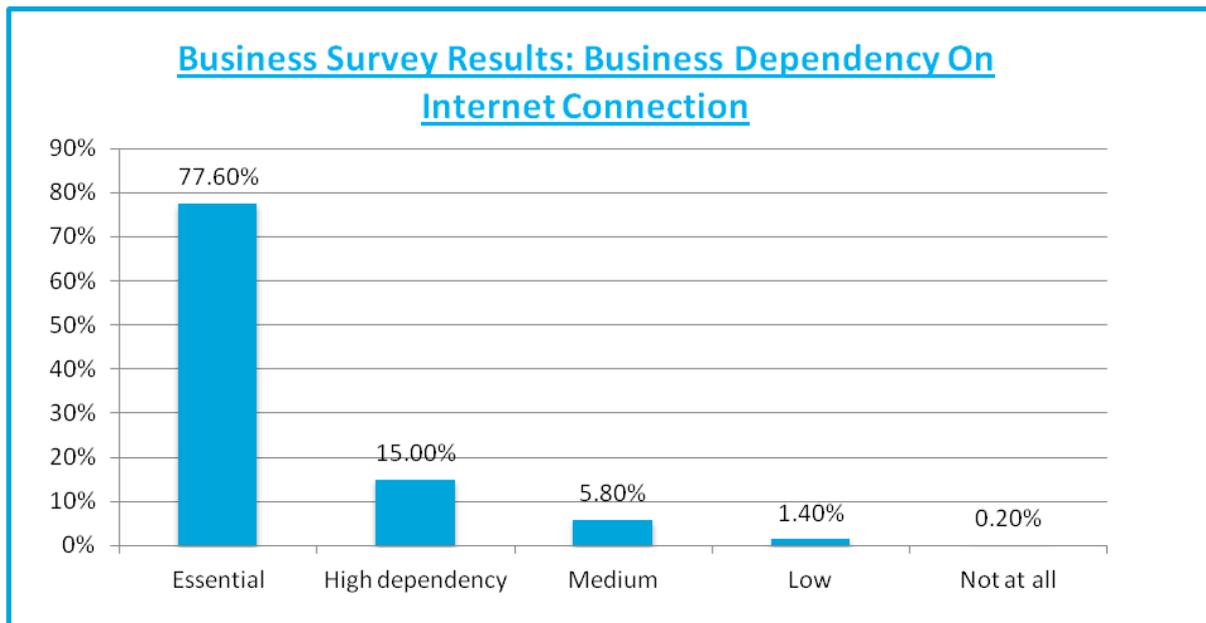


Figure 2: Business dependency on internet connection.

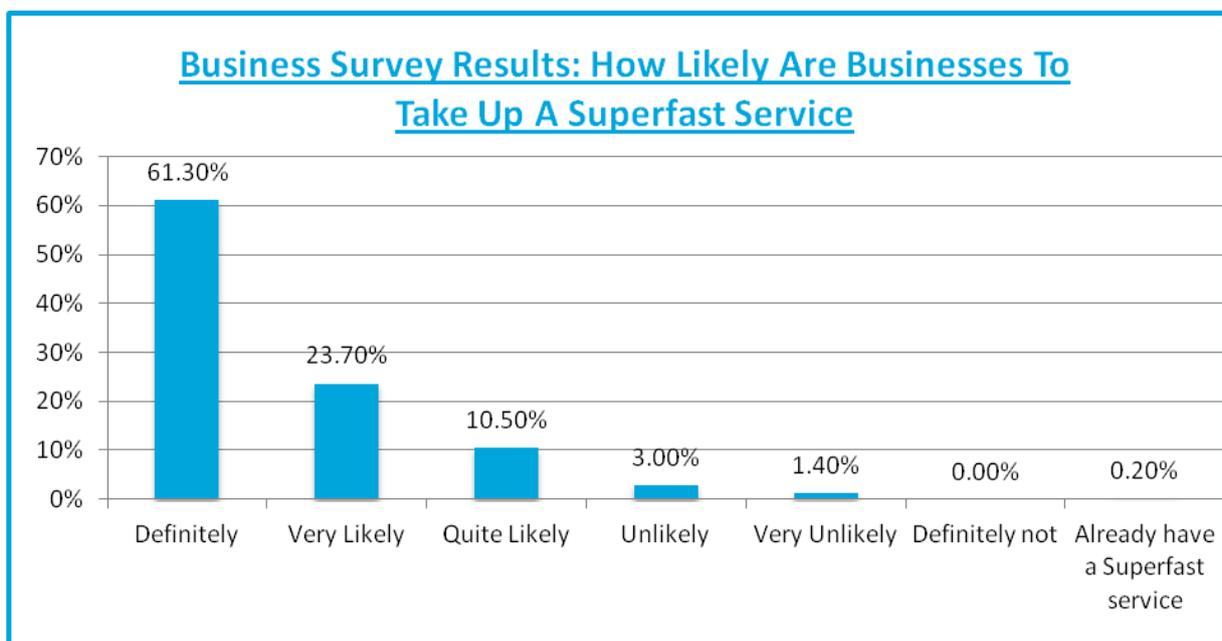


Figure 3: How likely are businesses to take up a superfast service.

85% of the businesses which responded indicated that they would be 'very likely' or 'definitely' would take up a superfast broadband service if it was available. This is a strong indication of the potential level of demand from businesses more generally across the county. Business parks, industrial estates and business clusters remain a key focus for Northamptonshire's Next Generation Strategy as many fall into areas where a superfast solution has yet to be secured. This highlights a potential key opportunity for the telecoms market for a strong customer base if network investment and connectivity is provided.

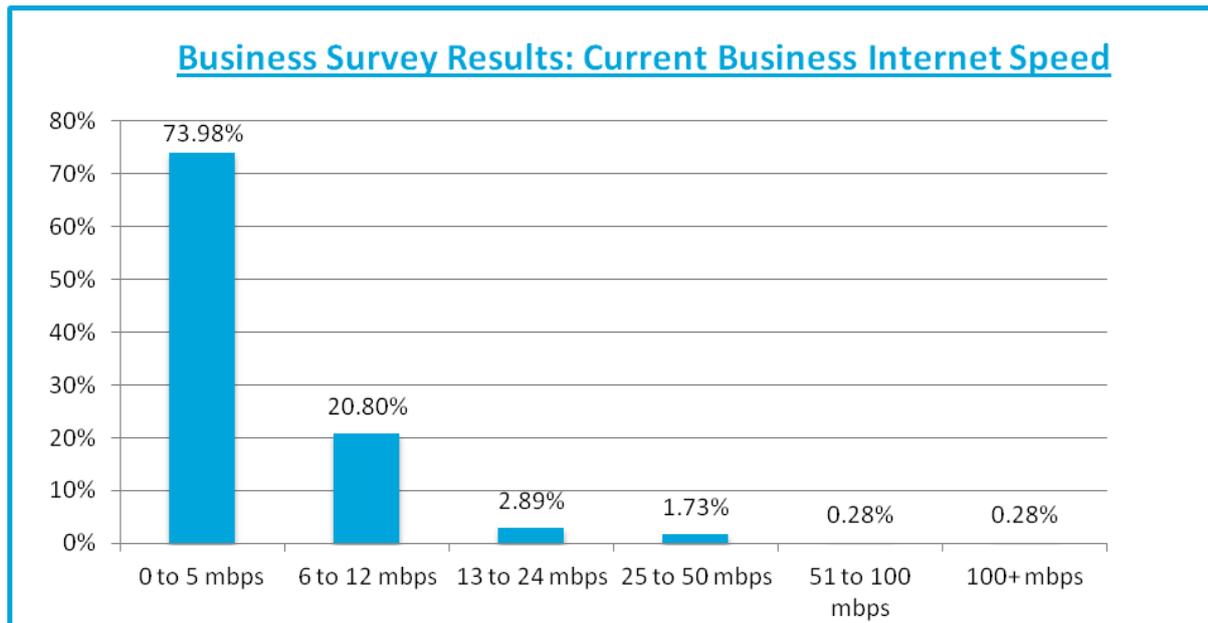


Figure 4: Current Business Internet Speeds

74% of the surveyed businesses receive 0 to 5Mbps download speeds, much less than they say they ideally need (figure 4). Businesses have a markedly higher (9% higher) proportion of survey participants with 6 to 12Mbps connection speeds in comparison with community survey participants. They also have a higher average internet speed of 5.2Mbps in contrast to an average of 3.7Mbps for respondents of the community survey

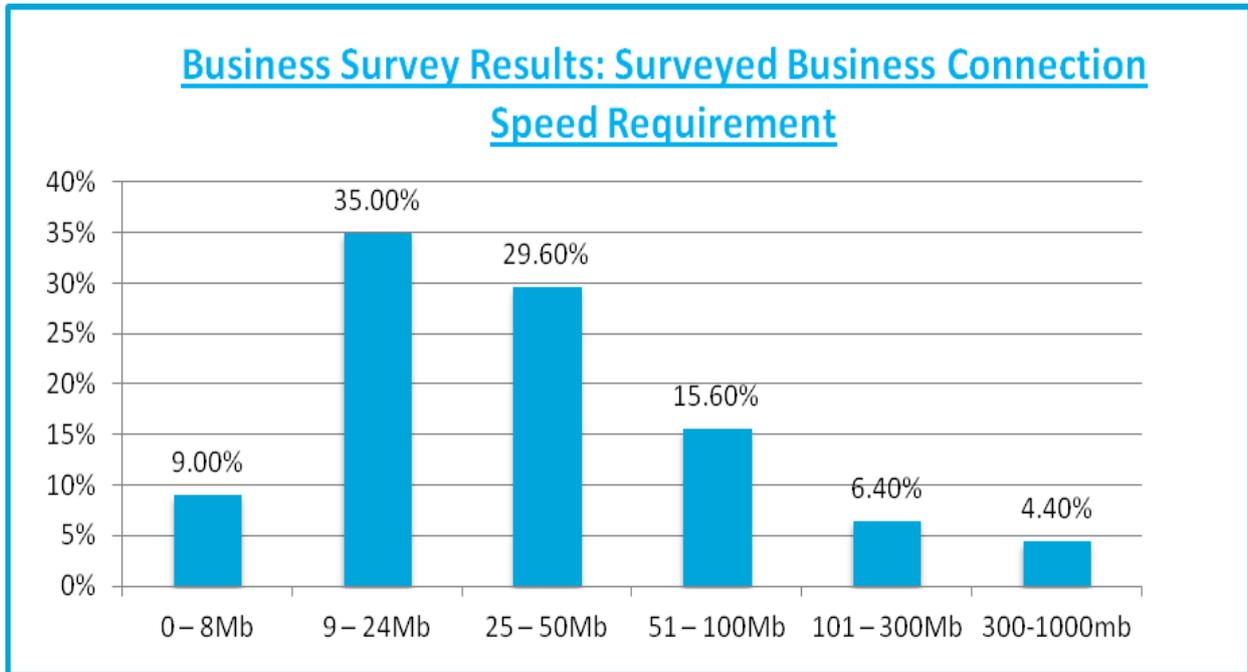


Figure 5: Surveyed business connection speed requirement.

The survey respondents were asked what connection speed they would require as a business. The majority (56%) of businesses said that they would need over 24Mbps which is the threshold for superfast broadband, much higher than their current average connection speed of 5.2 Mbps.

Respondents were also asked to indicate what they currently use their internet connection for and what they would use it for if they had access to superfast services. The results provide an indication of those activities which are more common now, and those which may grow in use if superfast services were available. Basic internet literacy in business was high with 97% of the survey respondents reporting that their business used e-mail and accessed information online.

It is interesting that cloud services, online training, file transfers, watching videos and video conferencing, which are more dependant on connection speed, seem to be utilised more with faster connections whereas the other services, which require comparatively low bandwidths, maintain a similar level of interest or show a possible fall in utilisation (figure 6). These falls in application use are most likely a result of the respondents responding strongly on the applications they would like to use with faster connection speeds, rather than reinforcing their current usage.

In figure 6 the different data series show; businesses that currently use internet applications and don't plan on enhanced use with a faster connection (green); businesses that both currently use the application and do plan on enhanced use with a faster connection (dark blue); and those businesses which do not currently use the application but plan to use it once they have secured a faster connection (light blue).

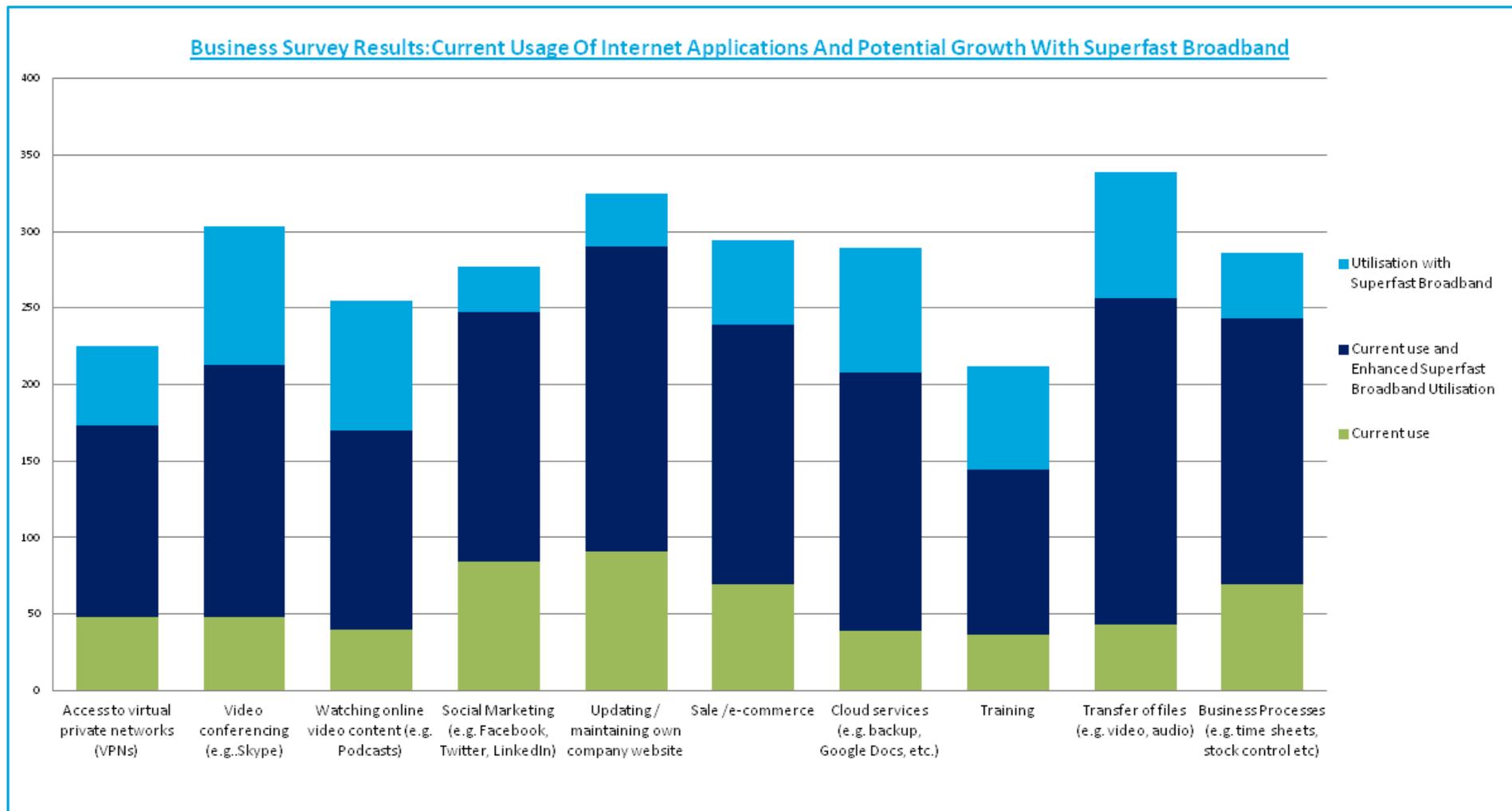


Figure 6: Current usage of internet applications and potential growth with superfast broadband.

This graph shows a comparison of the current internet use by businesses with the aspirational uses utilising a faster connection. The three most common uses of broadband (E-mail, access to information and online purchasing) have been removed as these applications are affected less by connection speeds. What is left in this data series is some of the more advanced internet applications. The majority of businesses using these specific internet applications would use them to a greater extent with superfast broadband. Many businesses currently not using the technologies would consider it with a faster connection speed, particularly with cloud services, video conferencing and transfer of files.

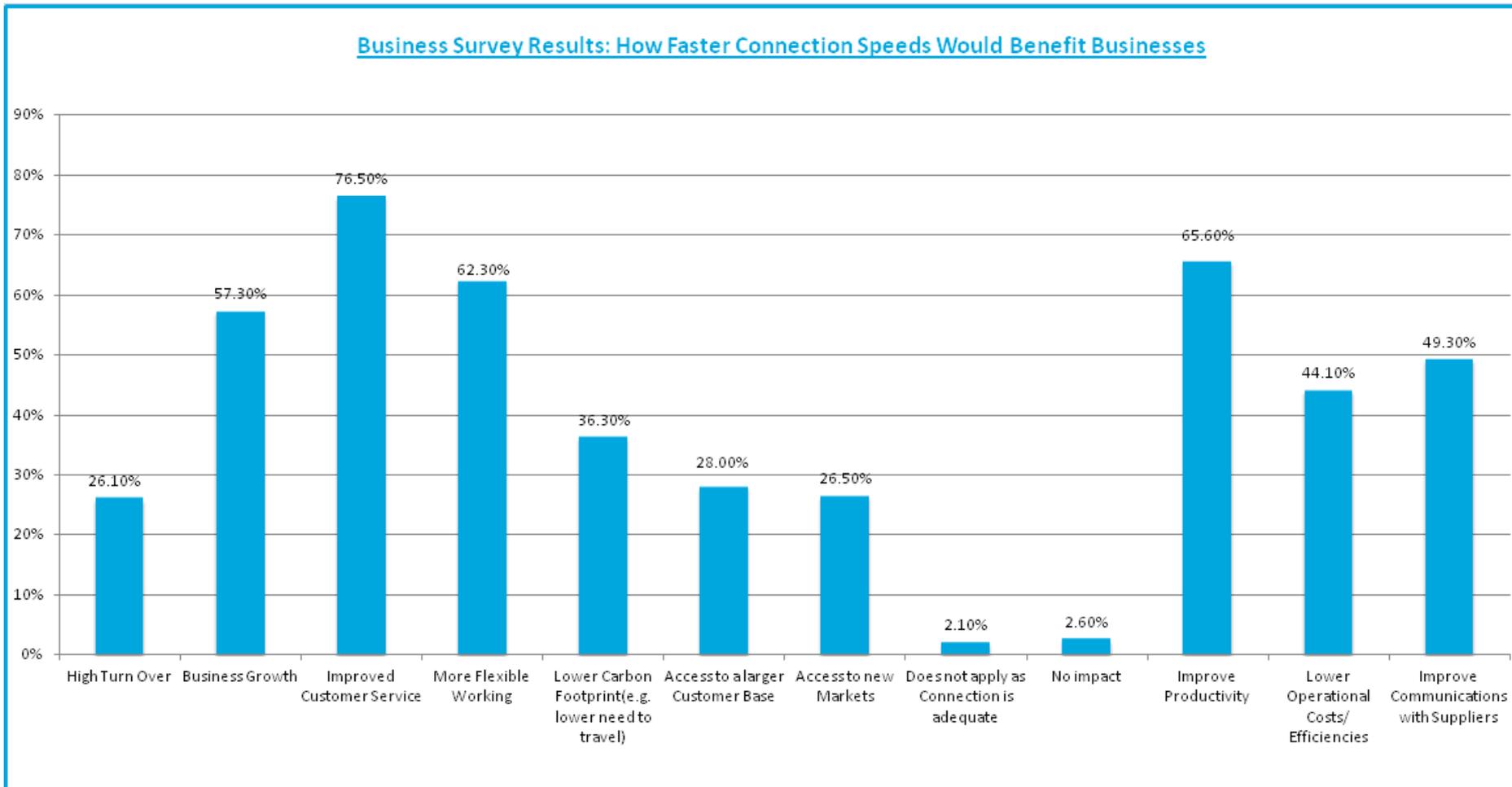


Figure 7: How faster connection speeds would benefit businesses.

Most businesses responding to the survey indicated that with a faster connection they would expect to receive productivity, customer service, work flexibility and growth improvements. Only 5% of the respondent businesses indicated that they would be un-impacted, either already having a fast enough connection or believing that it would not represent any benefits to the business.

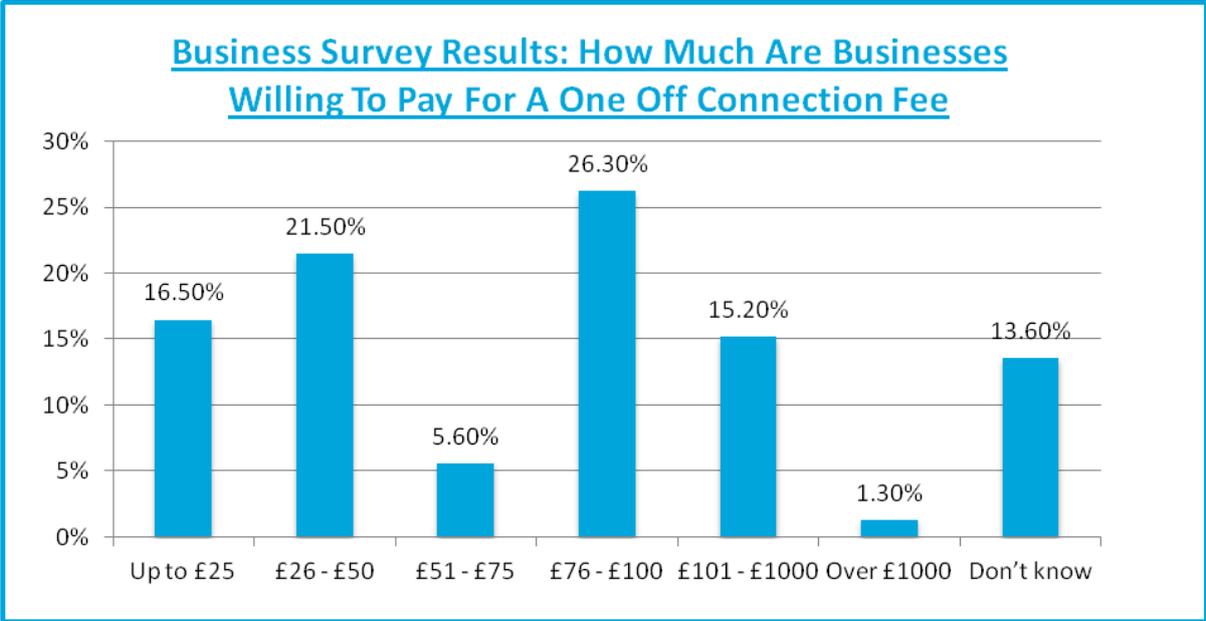


Figure 8: How much are businesses willing to pay for a one off connection fee.

84% of the surveyed businesses would pay a one off connection fee if required. 42.8% of businesses would be willing to pay over £76 to be connected. This is significant as the majority of businesses surveyed were independent and employed 10 people or less. 38% of business respondents would be willing to pay up to £50.

5.2 Current Service Information

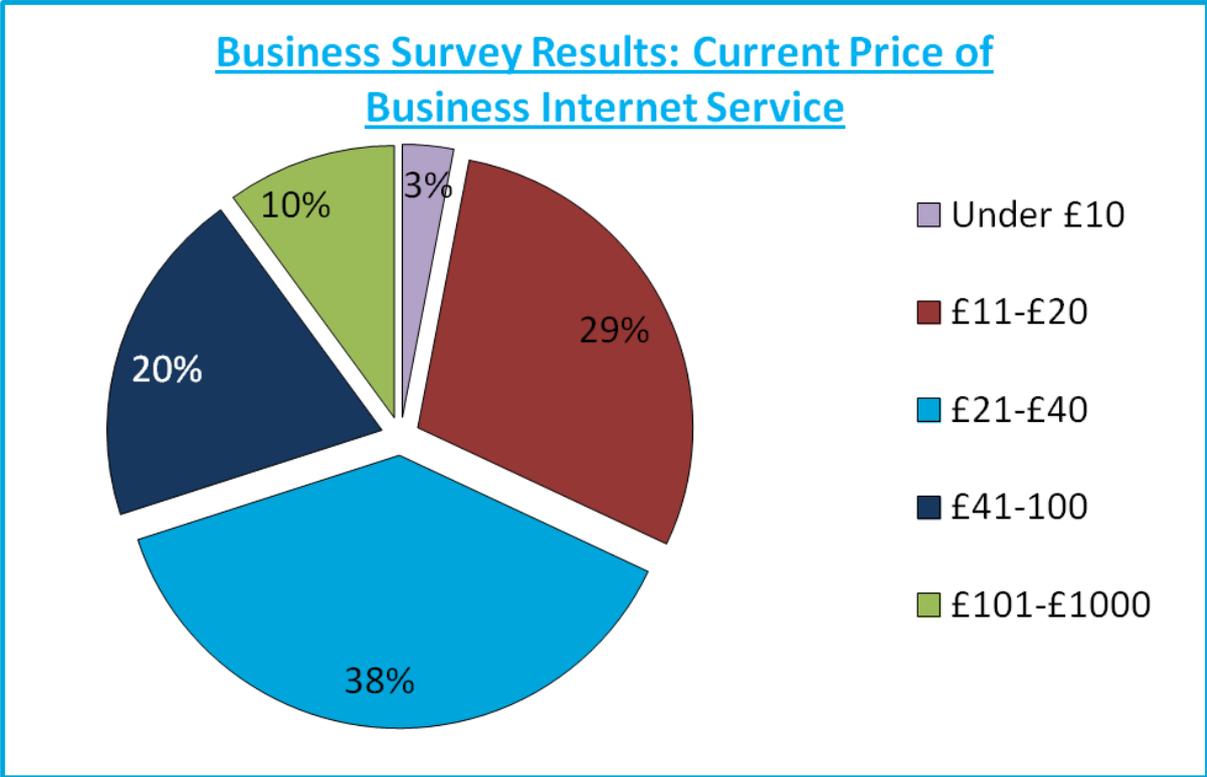


Figure 9: Current price of business internet service.

68% of business respondents are currently paying over £20 for internet and 10% are paying £100-1000.

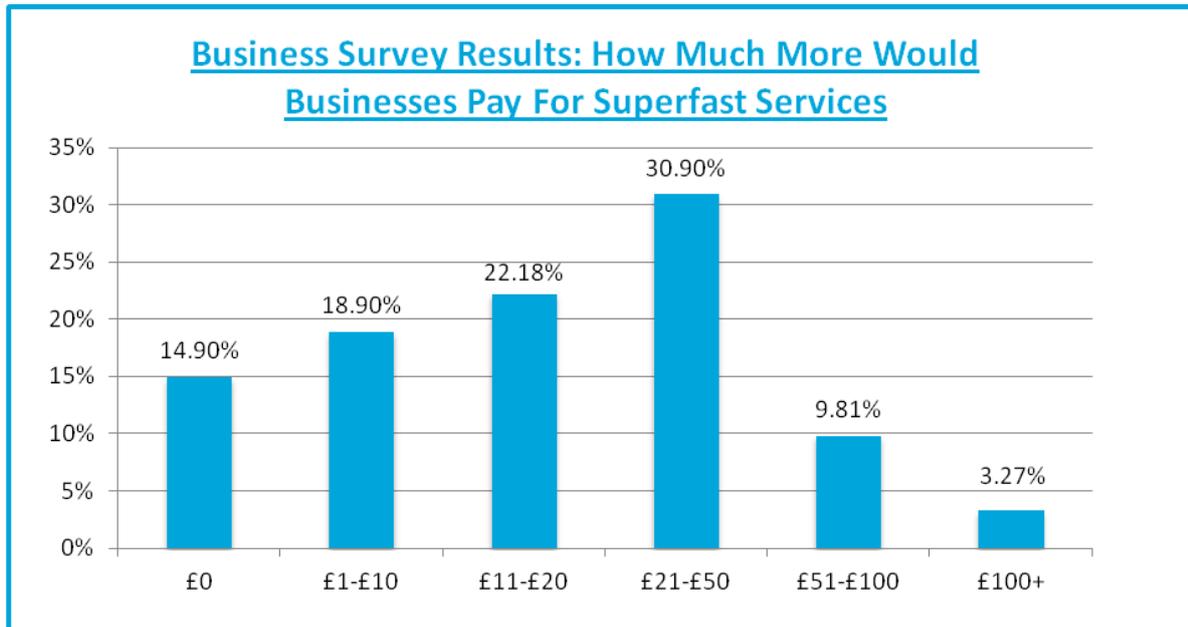


Figure 10: How much more would Businesses pay for Superfast Services.

Figure 10 shows that 87% of business respondents would be willing to pay up to £50 more for a superfast service, above the amount they are currently paying for internet. 10% would be willing to pay £51 to £100 more. On average, respondents would pay an additional £32 for a superfast service, on top of their current contract

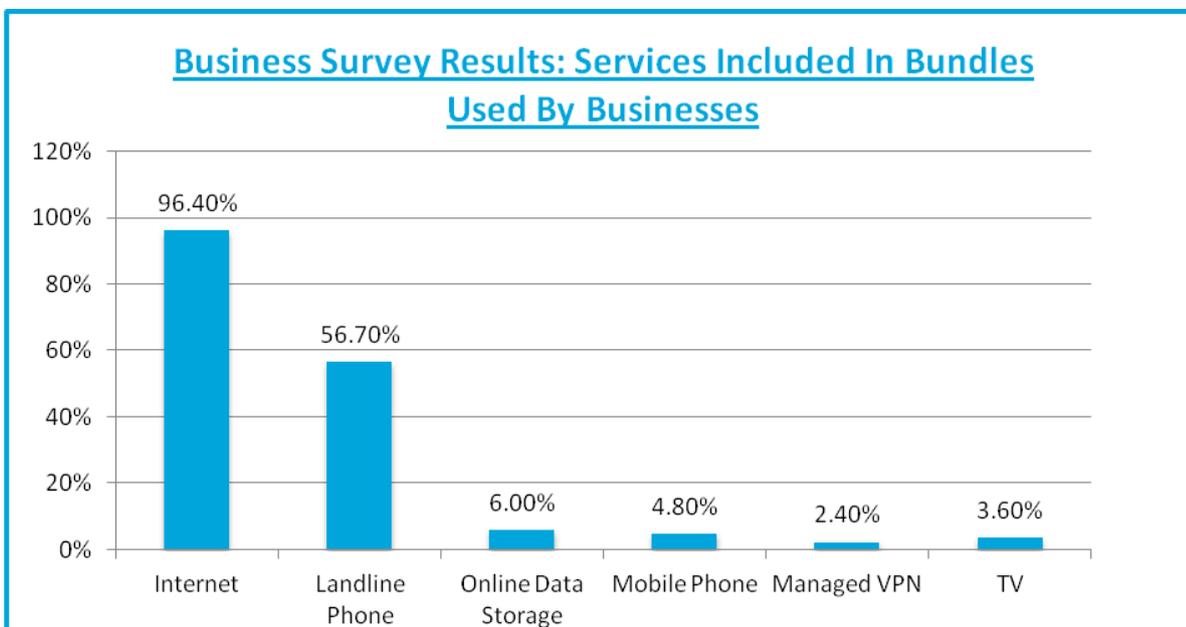


Figure 11: Services included in bundles used by businesses.

Business internet service bundles predominantly consist of a landline phone service and internet service. However, businesses show a larger proportion of bundles containing solely an internet connection and predictably less TV services.

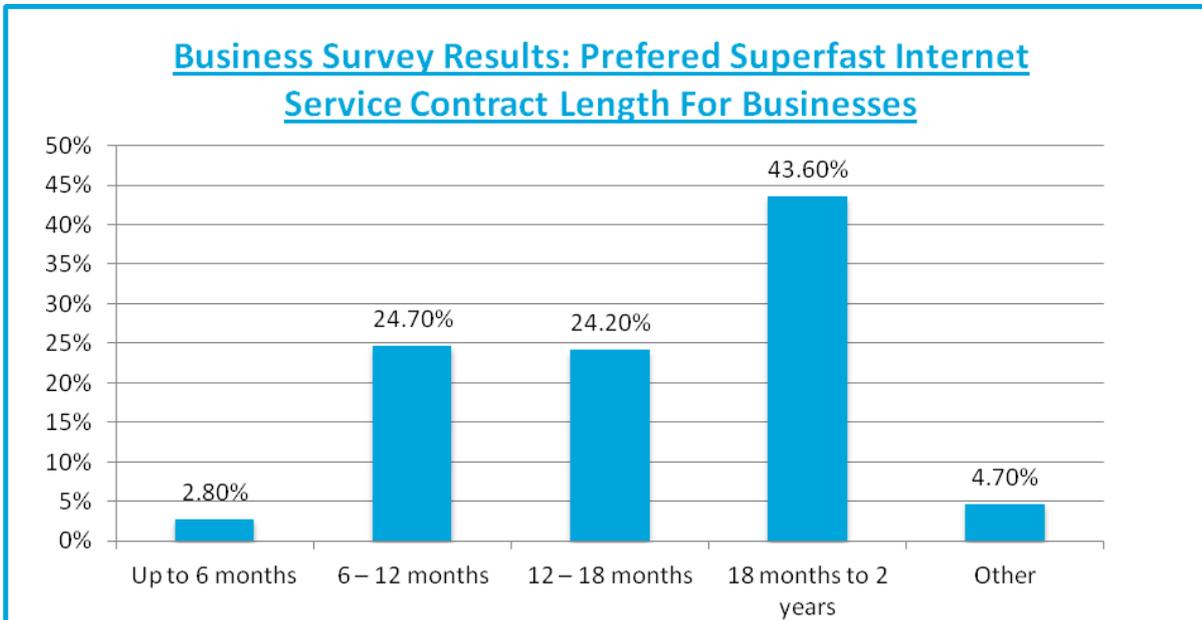


Figure 12: Preferred superfast internet service contract length for businesses.

Businesses tend to prefer longer superfast contracts than indicated by the respondents of the community survey, with the majority preferring 18 months to 2 years.

6.0 Conclusion

The results of the demand registration surveys completed by businesses in Northamptonshire suggest that there is significant demand for superfast broadband services, with most businesses being very likely to take up the new services. The survey results suggest that businesses in Northamptonshire, which are mostly independent, are heavily reliant on their broadband connection. The majority of survey participants also showed that they would be confident in how to use a faster connection to benefit their business. Most respondents reported that they would most likely see increases in productivity, customer service, work flexibility and growth if a superfast service was available.

The surveys also highlighted a number of applications which business would use more with a superfast service. Video conferencing, file transfer and watching online video content all received over 20% more respondents selecting them as internet applications they would use with a superfast connection in comparison with their current service. The majority of business respondents required superfast broadband services above 24Mbps but were receiving on average of 5.2 Mbps.

Northamptonshire's business premises have the motivation to take up superfast internet services and are willing to pay more for the advantages of this technology. It is in the interest of Northamptonshire that these services are provided to insure a prosperous future for the county.