



**Zen Internet  
UK Small Medium Enterprise (SME) survey – November 2008**

Peter Martin  
Shape-the-Future

**Copyright Shape the Future Limited November 2008**

## Contents

Background.....	3
Sample details and methodology .....	3
Internet usage.....	4
Provision of ISP Services .....	8
Satisfaction with ISPs .....	9
Changing and Selecting an ISP.....	10
Conclusions .....	13
Contact details.....	14
Shape-the-Future.....	14
Zen Internet .....	14
Appendix – Sample details .....	15

## **Background**

Shape the Future was commissioned by Zen Internet to conduct a survey among UK Small and Medium Enterprises (SMEs) to assess the importance of Internet access and service provision as well as their perceptions of the services offered.

The survey was also used to identify and rate their selection criteria when looking for an Internet Service Provider (ISP) and their motivations for changing Provider.

## **Sample details and methodology**

The survey was conducted online over a 6 week period between 4 September and 10 October 2008. E-mail invitations were sent to a cross section of UK SMEs across the country.

1,101 organisations participated in the survey, which was hosted on Shape-the-Future's servers using the company's proprietary software.<sup>1</sup>

---

<sup>1</sup> A breakdown of the sample is provided in the Appendix

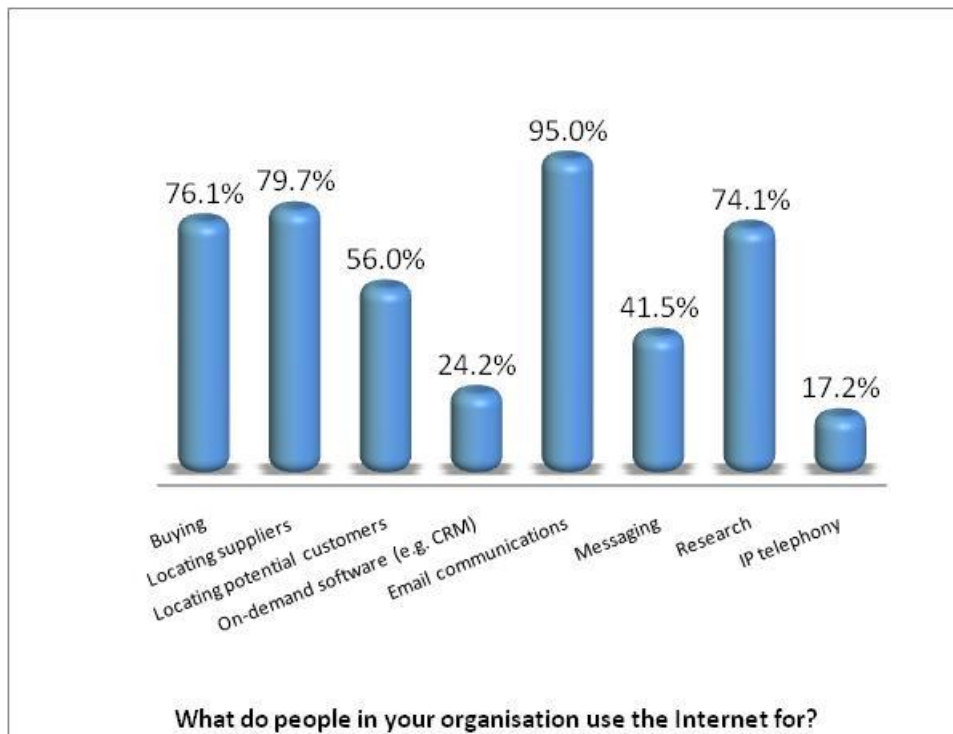
**Internet usage**

The Internet is widely used by the respondents, with less than 11% of the sample having fewer than 25% of their employees using it.

**Table 1 - proportion of people using the Internet**

100%	43.7%
75 to 99%	21.4%
50 to 74%	12.1%
25 to 49%	9.2%
Less than 25%	10.2%
None	0.1%
Not sure	0.6%
No answer	2.6%

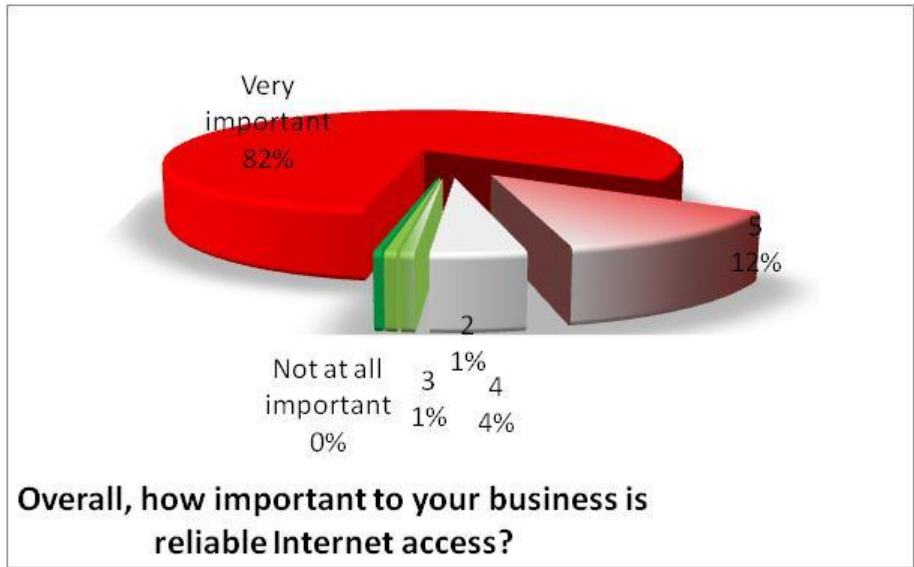
The most important activities are e-mail and those concerned with purchasing. 95% use e-mail, with almost 80% using the Web to locate suppliers and 76% for buying.



The research shows the importance of e-mails as a means of communication in the work environment, no doubt due to their speed and as a record of messaging.

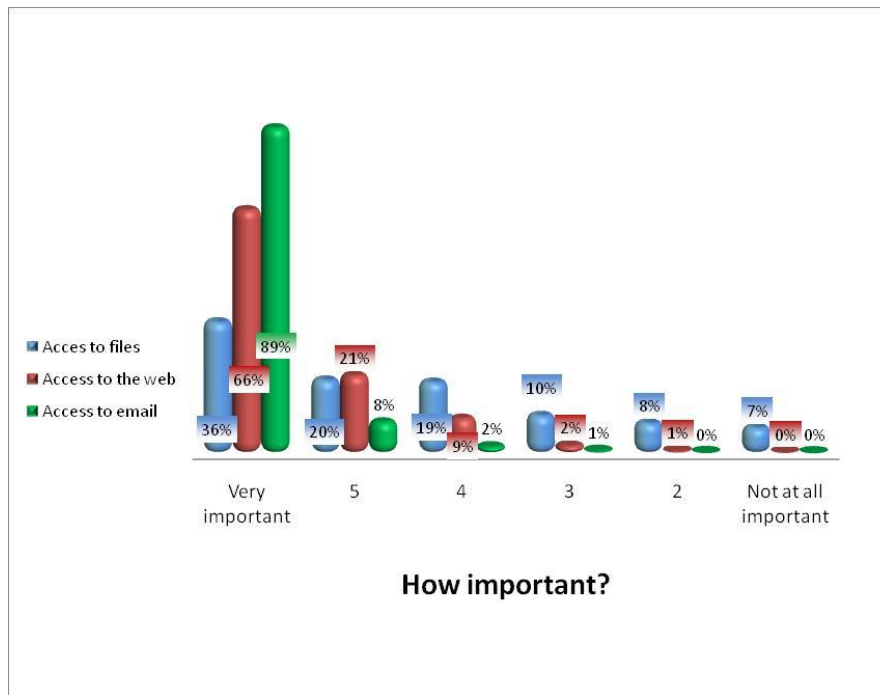
The Internet is heavily used for research, locating suppliers and purchasing. Former methods of research to source a supplier would have meant either purchasing publications such as Kompass or using Yellow Pages/Business Pages or industry subscription magazines. The benefits of using the Internet, combined with e-mail, for sourcing price and availability information from a range of suppliers/manufacturers within the UK and globally are clearly highly valued. The ability to source supplies at the keenest available price is likely to become ever more important given the current economic climate.

**Reliable Internet Access**



Reliable Internet access is critically important to most businesses, with 98% saying it was important, including 82% who said very important.

E-mail is particularly critical with over 97% quoting it as important or very important.



Businesses rely to a very high degree on the Internet to communicate with customers, suppliers and employees. The reliability of the service they receive is therefore critical.

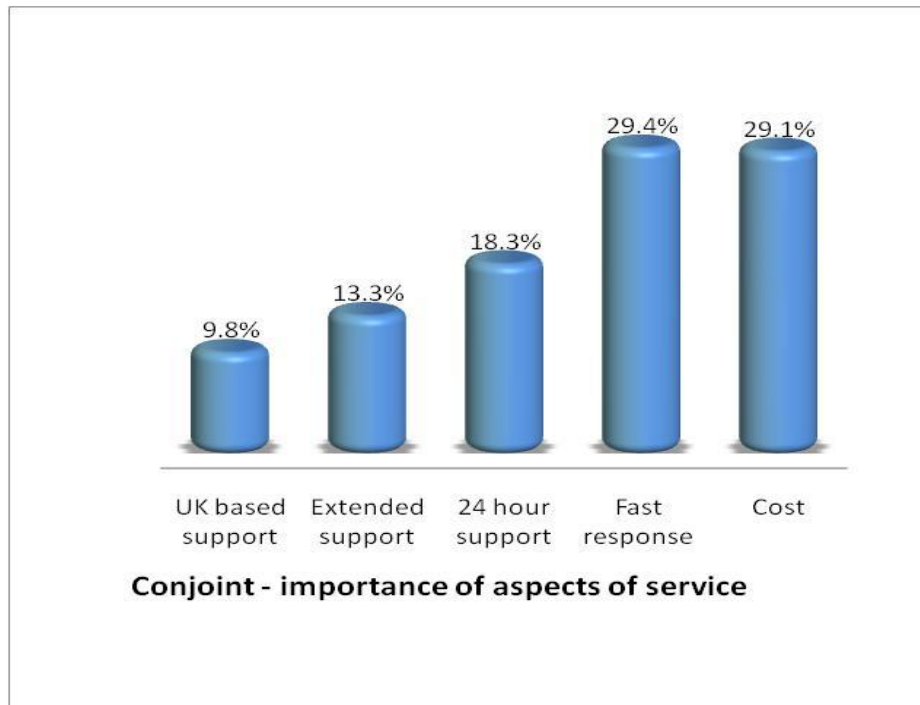
Businesses may not always have the luxury of time to plan all communications. In many instances customers expect updates/responses/confirmation almost immediately. When a business wants to purchase goods or services or deal with suppliers about issues, rapid responses may be very important and are increasingly expected.

Businesses clearly need to have confidence that their ISP delivers on quality, reliability and network resilience; no matter what time of the day they are using the service. A business would therefore be well advised to ensure it has done sufficient research before selecting an ISP using independent sites such as [www.thinkbroadband.com](http://www.thinkbroadband.com) , [www.samknows.com](http://www.samknows.com).

### Fast response times

Respondents were asked to rate the importance of the various aspects of the service provided by their ISP. Trade off (or conjoint) analysis was used to compare UK based support, extended support, 24 hour support, fast response to enquiries and cost.

Fast response to enquiries was the most important of these, ahead of cost.



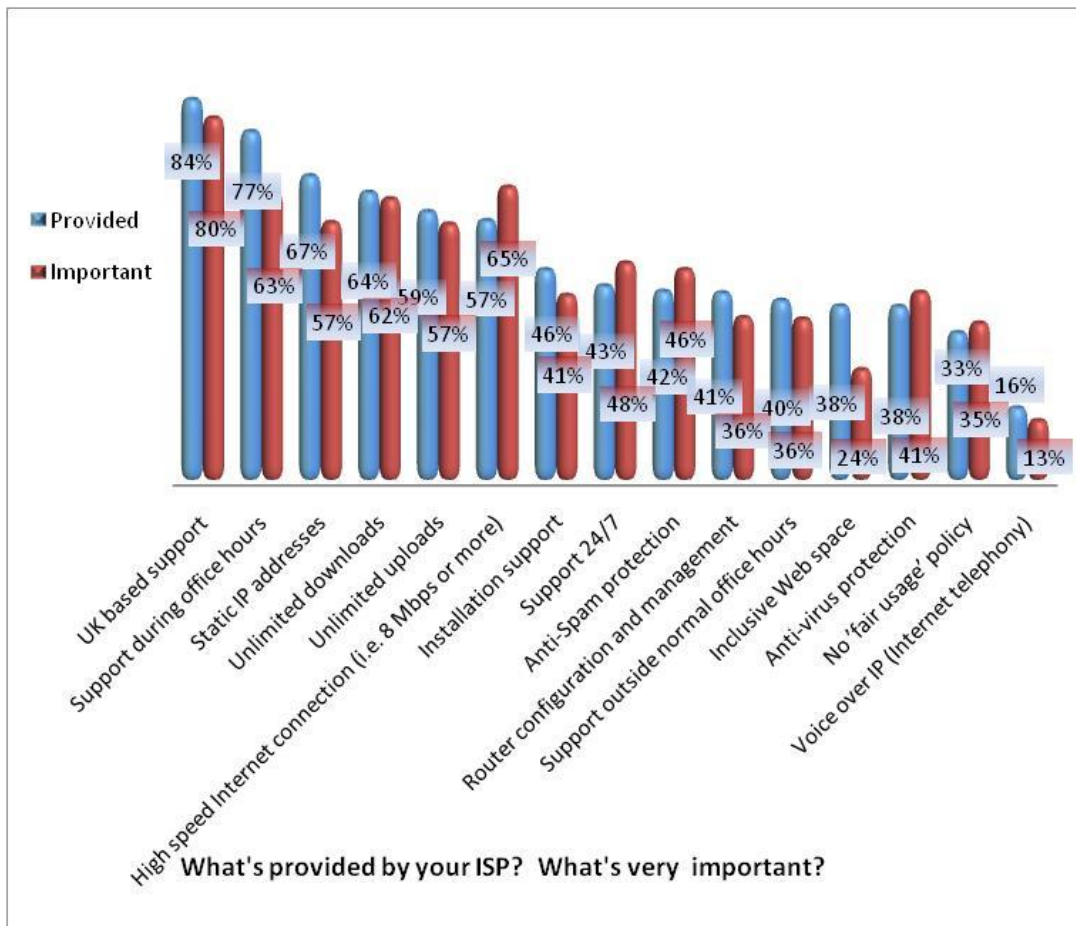
Businesses need to know that if they have an issue with their service it will be resolved as quickly as possible. Internet downtime can potentially result in lost revenues and the longer this takes to resolve the more serious this becomes.

### Provision of ISP services

The services provided by ISPs are broadly in line with what businesses consider to be important.

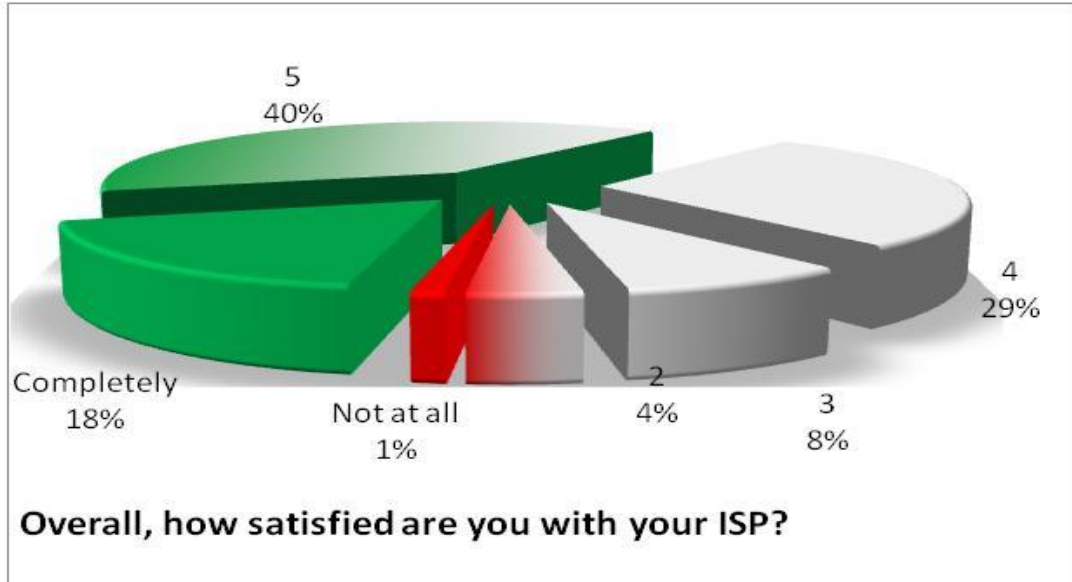
The highest number of respondents (80%) considers UK support to be “very important” (provided to 84.1%)

The next most important, with 64.7% of respondents rating it as very important, is a high speed connection (provided to 57.3%). This is followed by unlimited downloads (important for 62.1% and provided to 63.6%). This perception is perhaps contributed to by the heavy promotion of connection speeds and unlimited downloads by consumer ISPs seeking to find a means of differentiating their offer.



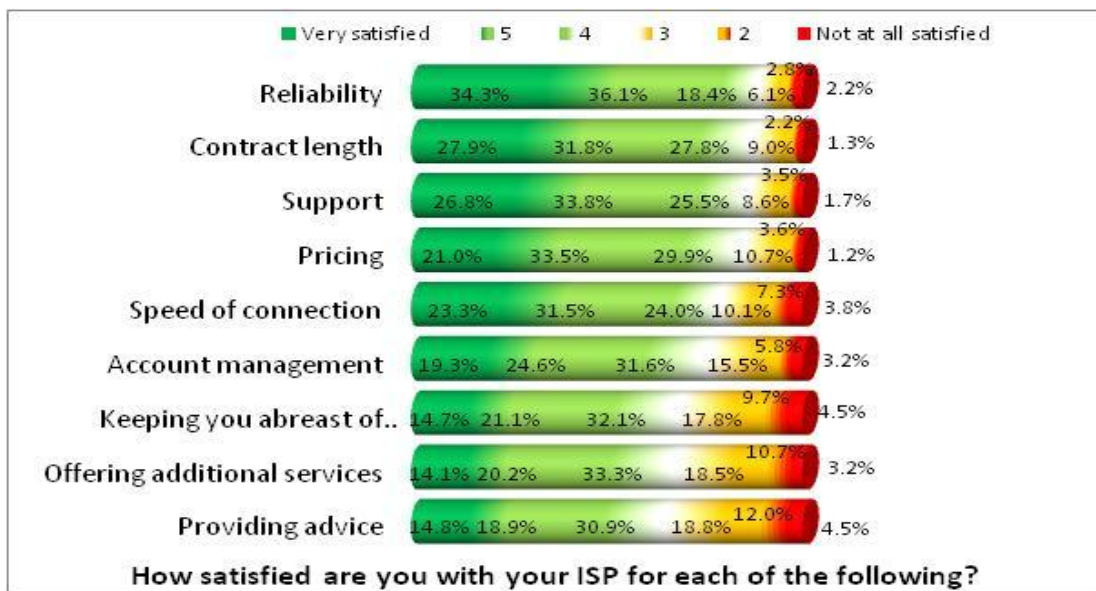
### Satisfaction with ISP

Generally, businesses are reasonably satisfied with their ISPs, with an average score of 4.55 out of 6 (with 6 being “completely satisfied” and 1 being “not at all satisfied”)



On the table below there is generally a high level of satisfaction amongst businesses and the various aspects of the service provided by their ISP. Respondents were asked to grade their level of satisfaction on a scale of 1 to 6, with 6 being “Very satisfied”.

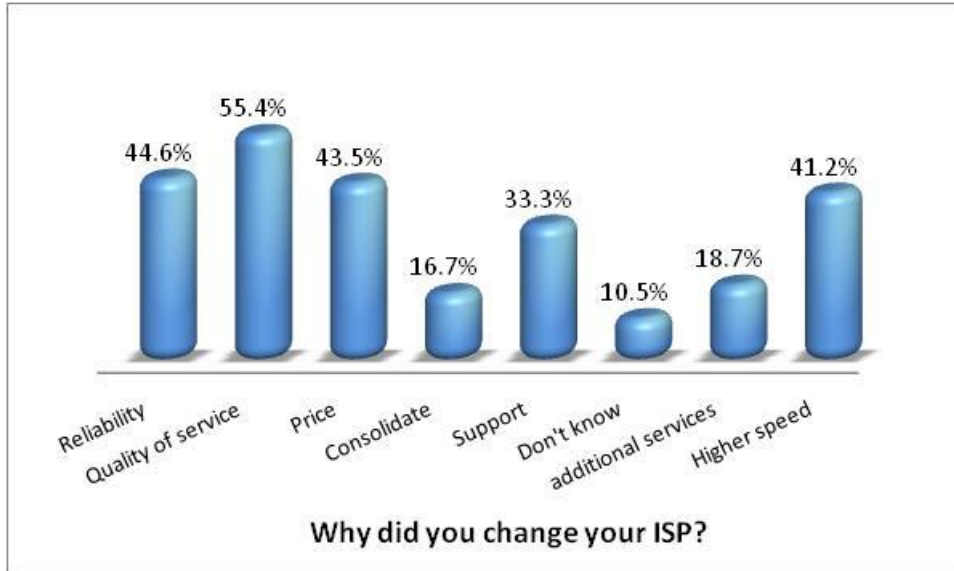
A high proportion of respondents are satisfied with reliability, contract length, levels of support provided, pricing and speed of connection. Slightly lower levels of overall satisfaction are given for ISPs keeping customers abreast of developments, providing advice, offering additional services and account management.



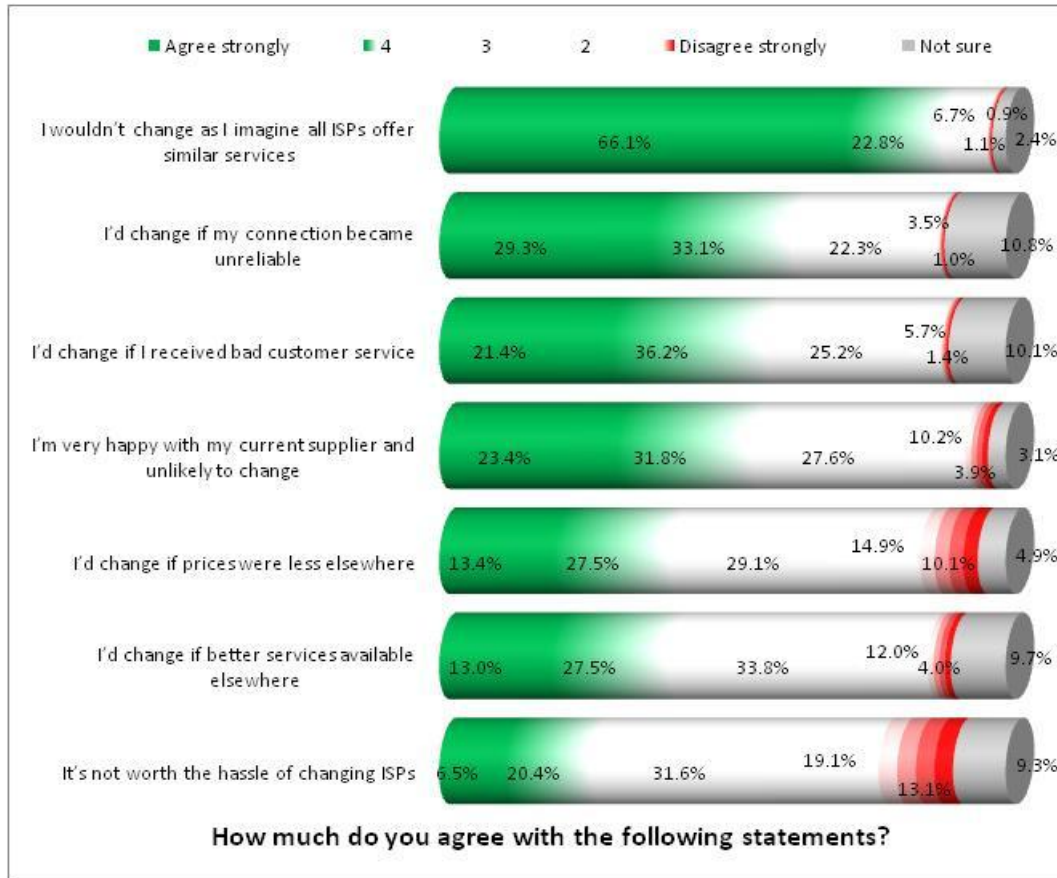
### Changing ISPs

Businesses change ISP infrequently, and need to be prompted to do this. 68% have not changed ISP in the past year, of which 54% changed more than two years ago and 23% have never changed. Only 12.7% are considering changing their ISP at present.

Businesses change mainly when there are issues over quality of service (55.4%), reliability (44.6%), price (43.5%) or higher speed (41.2%).



The research shows that 55.4% of businesses who switched ISP did so due to quality of service. In view of the importance of reliable Internet access to most businesses, any shortfall in the service provided by an ISP is likely to be highly unacceptable.



55.2% agreed or agreed strongly with the statement “I’m very happy with my current supplier and unlikely to change”. When it comes to choosing an alternative an underlying fear of experiencing poorer performance is suggested and, with some minimum contracts tying customers into 12-18 months, it may be a difficult decision to make.

Only 40% agreed they would change to save money, but 72% would change if their connection became unreliable.

The lack of price sensitivity is not surprising, given that the cost of Broadband ranges from as little as around 50p per day.

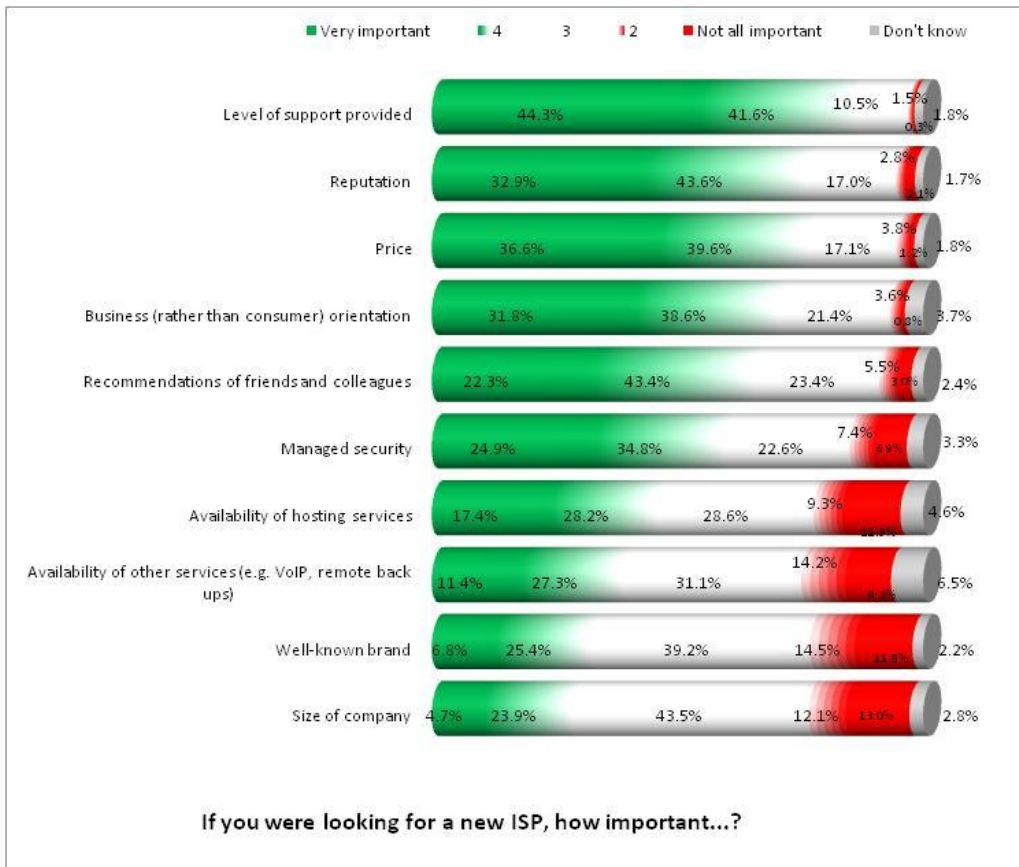
Interestingly almost 89% wouldn’t change as they imagine all ISPs offer similar services, which suggests that there is little perceived differentiation between the service levels and quality offered by ISPs.

### Choosing an ISP

The most important criterion when choosing a new ISP would be the level of support provided (considered important by 85% of the sample). Businesses want to be assured they're getting a reliable solution, as evidenced by the second most important criterion being reputation (important for 76%) which is of similar importance to price (76.8%).

Businesses don't necessarily want to sign contracts with large suppliers with only 27.6% thinking company size is important.

Also important is the business (rather than consumer) orientation of the ISP with 70.4% thinking this important, though surprisingly, almost 16% do not know if their ISP is business or consumer oriented (and some were mistaken thinking that their consumer ISP was business oriented).



## **Conclusions**

Clearly, Internet access has become important or vital to almost all businesses, with e-mail being the most important application.

Quality of support and the ability to maintain connectivity are important criteria for a business when it comes to choosing an ISP and they are prepared to pay for it. Using an ISP with a business orientation is thought important by a very large proportion of businesses, though there appears to be some ignorance over who and what constitutes a business oriented supplier.

The research suggests that businesses are influenced by the perceptions created by consumer ISPs that high speed and unlimited downloads are also prime requirements. In reality, the responses to the survey show that they would be better off choosing a business oriented ISP that will provide the reliability and support they require for what has clearly become a business critical service.



### **About Shape the Future**

Shape-the-Future is a market research company based in East Sussex. The company provides a range of survey services to clients around the world, using a full range of methodologies, including online, telephone and face to face, for both quantitative and qualitative studies.

The company has particular expertise on online research, using its proprietary software. The company's clients include a wide range of organisations, including start ups and established companies in business to business, well known consumer brands, local government and quangos.

Peter Martin, Director  
Shape the Future Limited  
Pashley House  
Ticehurst  
East Sussex  
TN5 7HE

Tel: 01580 200093 (direct)  
Fax: 01580 200090  
Email: [p.martin@shape-the-future.com](mailto:p.martin@shape-the-future.com)

[www.shape-the-future.com](http://www.shape-the-future.com)

### **About Zen Internet**

Zen Internet was established in 1995 as one of the first ISPs (Internet Services Providers) in the UK and is still independently owned. Zen provides a range of high quality Internet services to the business and home user. These include Broadband, Leased Lines, IP VPN, Voice, Managed Network Security Firewalls, Online Data Backup, Hosting and Web Design. All of these services are supported by a highly robust and resilient network and excellent technical support and customer service.

So far this year Zen has won Which? Best Broadband and PC Pro Best ISP for the fifth year running as well as receiving a highly commended for PC Pro Best Web Host. Zen has also been awarded North West Business of the Year by the British Chamber of Commerce.

Julie Croston  
PR Manager  
Tel: 0845 058 9002  
Email [pr@zeninternet.co.uk](mailto:pr@zeninternet.co.uk):

[www.zen.co.uk](http://www.zen.co.uk)

**Appendix - Sample details**

**Table 2- Industry sector**

Business services	14.1%
Central Government	0.0%
Charity	1.5%
Construction/engineering	14.4%
Distribution	4.6%
Education	4.6%
Finance	3.7%
Health	1.5%
IT	13.4%
Leisure	2.8%
Local Government	0.7%
Manufacturing/production	21.0%
No answer	10.4%
Retail	5.0%
Travel and Transport	1.5%
Utilities	0.8%
Base	738

**Table 3 - employee size**

No answer	1.8%
Less than 10	30.0%
10 to 25	22.9%
26-50	19.6%
51-250	22.1%
251-500	2.2%
501-1000	0.6%
1001-5000	0.6%
5000+	0.1%
Don't know	0.1%
Base	724

**Table 4 - Location**

No answer	1.5%
East Midlands	8.7%
Eastern England	5.0%
London	10.8%
North East	2.9%
North West	8.7%
South East	18.9%
South West	11.9%
West Midlands	9.9%
Yorkshire and the Humber	7.6%
Scotland	8.0%
Wales	3.9%
Ulster	2.2%
Base	724

**Table 5- Proportion of employees working from home full or part time**

100%	4.0%
75 to 99%	1.7%
50 to 74%	5.5%
25 to 49%	6.9%
Less than 25%	42.0%
None	36.2%
Not sure	1.5%
No answer	2.2%
Base	724