



Small Business Telecommunications Service Use and Experience

Market  Clarity

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Authored by Market Clarity

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Foreword by the Australian Communications Consumer Action Network

It is an often-cited truth that small business is the engine of the Australian economy. Today, some five million Australians are employed by small businesses. Small businesses rely on telecommunications services to be able to do business, no matter what sector they are operating in. When a small business cannot access the Internet or make phone calls, orders cannot be taken or processed. When a small business operator waits in a call centre queue or is transferred between different customer service representatives trying to have a fault resolved, they are not only losing time, but money. This impact on productivity and turnover affects not only the small business owner, but its employees and customers.

This qualitative study by Market Clarity indicates that while the majority of small businesses are satisfied with their telecommunications services, they are experiencing higher levels of faults than is ideal. These outages — even if they are for a short duration — can have a catastrophic impact on a small business. Compounding these issues are the problems that some small business owners have in resolving faults when they arise, even though most are paying for business grade services.

To some extent, the experiences that small businesses have in relation to customer service and complaint handling mirror the experience of general consumers. In 2012, the Australian Communications & Media Authority registered an updated Telecommunications Consumer Protection (TCP) Code, which aimed to address some of these issues. In the 2011-12 financial year, complaints from small businesses to the independent Telecommunications Industry Ombudsman (TIO) rose by 52% and now make up around 13% of all complaints to the TIO.

Complaints to the TIO from small businesses, again, mirror that of general consumers and include being given inadequate or incorrect advice about their service by customer service representatives, poor coverage and drop-outs on mobile phone services and service providers not acting on their promises to resolve complaints.

This important body of research by Market Clarity articulates through real case studies the needs and issues faced by small businesses in relation to telecommunication services. This study will serve as an essential baseline that allows ACCAN to propel policy and advocacy work on a crucial part of the Australian economy.

Executive Summary

In this report, Market Clarity provides an analysis of small business experiences with telecommunications services, covering fixed voice, VoIP, fixed broadband, mobile voice, mobile broadband and EFTPOS services.

Small business is one of the least understood market segments; with little representation vis-à-vis telecommunications service requirements and experiences. This analysis therefore provides important information in support of advocacy on behalf of small businesses, as well as providing a wealth of information for service providers targeting the small business sector.

Small business plays a significant role in the Australian economy, accounting for almost half of employment in the private non-financial sector and over a third of production. Furthermore, almost 90 percent of businesses engaging in innovative activity are small businesses, which also reflects the use of new technologies (including broadband services) to overcome barriers to entry and access larger markets¹.

This study was made possible by a research grant from the Australian Communications Consumer Action Network (ACCAN).

Key Findings

Market Clarity's analysis of small business experiences is based on interviews conducted with 260 small businesses (with less than 20 staff) across fourteen (14) vertical industry segments. The survey questionnaire was designed to gain a qualitative and quantitative understanding of the needs, requirements, decision-making processes and service issues faced by small businesses.

- The vast majority of businesses utilise both fixed voice and fixed broadband services (95% and 96%, respectively). Mobile voice services (paid for by the business) are another key product used by small businesses (89%). Mobile broadband services are used by 45% of the respondents, whilst EFTPOS is used by 42%. VoIP services are used by only 16% of the small businesses interviewed for this study. Overall, every company interviewed used some type of voice service (fixed voice, mobile voice and/or VoIP) and 99% of respondents had some type of broadband connectivity (fixed and/or mobile broadband).
- Small businesses overwhelmingly use business grade services: fixed voice (95%), VoIP (81%), fixed broadband (91%), mobile voice (89%) and mobile broadband (86%).

¹ "Small Business: An Economic Overview," Ellis Connolly, David Norman and Tim West, Small business roundtable, May 2012, [http://www.abs.gov.au/websitedbs/d3310114.nsf/4a256353001af3ed4b2562bb00121564/d291d673c4c5aab4ca257a330014dda2/\\$FILE/RBA%20Small%20Business%20An%20economic%20Overview%202012.pdf](http://www.abs.gov.au/websitedbs/d3310114.nsf/4a256353001af3ed4b2562bb00121564/d291d673c4c5aab4ca257a330014dda2/$FILE/RBA%20Small%20Business%20An%20economic%20Overview%202012.pdf) (Common definitions categorise "small business on their number of employees or annual revenue. With caveats of differing measurements used, this paper mainly uses the ABS definition of businesses employing few than 20 employees.")

- The impact of one-hour service faults varies by type of service, and a respondent's business requirements. 25% of fixed voice users report that they would experience a serious or catastrophic impact; as would 24% of VoIP users; 32% of fixed broadband users; 24% of mobile voice users; 19% of mobile broadband users and 26% of EFTPOS users. There are opportunities for advocacy and education on risk reduction via service diversity.
- The impact of a one-day service fault varies by type of service, and a respondent's business requirements. As expected, businesses report an impact with a longer service outage. 62% of fixed voice users report that they would experience a serious or catastrophic impact; as would 47% of VoIP users; 66% of fixed broadband users; 55% of mobile voice users; 47% of mobile broadband users and 58% of EFTPOS users. There are opportunities for advocacy and education on risk reduction via service diversity.
- Many small businesses have experienced significant customer service problems such as such as difficulty in contacting their provider, being on hold, getting a problem resolved or having to call multiple times. 46% of fixed voice services users; 29% of VoIP users; 32% of fixed broadband users; 33% of mobile voice users; 21% of mobile broadband users and 11% of EFTPOS users have experienced a significant customer service issue. Common complaints have to do with the length of time on calls, hold times, having to call multiple times, and being passed between departments. Other reported issues include navigating an automated system / reaching a staff member, getting through to someone who can help, unresolved issues, billing issues, response times to fix technical or service issues, English language communication issues, service provisioning issues and lack of clear / correct information.
- The vast majority of business customers are for the most part satisfied with the overall quality of their telecommunications services. 88% of fixed voice users report that they are satisfied with the overall services; as are 90% of VoIP users; 88% of fixed broadband users; 88% of mobile voice users; 89% of mobile broadband users and 95% of EFTPOS users. However, study findings suggest that factors beyond service reliability feed into respondent's overall service satisfaction. In a number of cases, respondents reported overall service satisfaction even where they experienced regular service faults (at least monthly), which would have the potential of a severe or catastrophic business impact if the outage lasted for a full day.

Study respondents were generous in allowing use of their verbatim comments in this report. Their stories provide a compelling narrative of the small business experience.

1 Research Context

1.1 Background

The small business sector (less than 20 staff) is one of the least understood market segments; with little representation vis-à-vis telecommunications service requirements and experiences. According to the Australian Bureau of Statistics 8129.0 study, there are over 714,000 small businesses in Australia falling within this category.

This project was designed to achieve a broad-based, statistically valid understanding of how small business across different industry segments interacts with telecommunications carriers.

It is envisaged that the results of this study will inform advocacy on behalf of small businesses.

1.1.1 Policy Input

By better understanding the needs, requirements, and decision-making processes of small businesses acquiring telecommunications services, Market Clarity believes this study will form a valuable input into ACCAN, government and small business policy formation. For example, such policies might include representation to telecommunications service providers with respect to small business needs and issues.

1.1.2 Advice to Small Businesses

With a better understanding of how small businesses interact with the telecommunications industry, Market Clarity believes this study will help ACCAN craft new approaches for advising small businesses on their dealings with carriers and service providers.

1.1.3 Advice to Policy-Makers

While all levels of government offer departmental recognition to small businesses, much of their interaction with this sector comes via peak groups (such as the member organisations of COSBOA, the Council of Small Business Organisations of Australia).

This study provides an independent snapshot of small business' behaviours and experiences as telecommunications customers, based on direct interviews with a range of small businesses across fourteen (14) vertical industry segments.

1.2 Research Objectives

The key objectives of this survey were:

- To examine a wide range of parameters pertaining to fixed line telephone, VoIP line, fixed line broadband, mobile voice, mobile broadband and EFTPOS services.
- To quantify the types of services typically purchased by small businesses.
- To gain an understanding of the telecommunications services in use by vertical industry segments.
- To gain an understanding of the telecommunications services in use by small businesses of various sizes.
- To gain an understanding of whether small businesses utilise residential or business grade services.
- To quantify small business use of service bundles.
- To gain an understanding of small businesses service selection criteria.
- To quantify the frequency of service faults experienced by small business, and the impact of these faults on their business operations.
- To quantify the types of services that small businesses see as critical to their operations.
- To gain an understanding of small businesses overall satisfaction levels with their telecommunications services.
- To gain an understanding of the types of customer service issues that small businesses encounter.
- To discover small business experience and behaviour in the making of service complaints.
- To enable ACCAN to make accurate claims about the prevalence of attitudes and experiences among small business regarding telecommunications issues.
- To establish a robust benchmark against which future surveys can be compared.

1.3 About Market Clarity

Market Clarity is an award-winning telecommunications analyst firm, with a speciality in tracking telecommunications infrastructure, services and technology trends, and providing strategic advice that is based on a deep understanding of market forces.

Market Clarity specialises in understanding the full range of telecommunications services and technologies available to the residential, business, government organisations and wholesale market segments. We track and analyse a very wide range of information spanning complex tariff and cost analysis (NBN, broadband, fixed and mobile voice, VoIP and specialist wholesale products), service comparisons (by carrier, cross-product), telecommunications infrastructure tracking and demographic analysis using geospatial analytical tools, and maintain

comprehensive databases of every service provider and infrastructure owner offering telecommunications services in Australia.

This study was made possible by a research grant from the Australian Communications Consumer Action Network (ACCAN).

1.4 About the Australian Communications Consumer Action Network (ACCAN)

The Australian Communications Consumer Action Network (ACCAN) is the peak body that represents all consumers on communications technology issues including telecommunications, broadband and emerging new services.

ACCAN conducts research that drives the fulfilment of its vision for available, accessible and affordable communications that enhance the lives of consumers. ACCAN provides a strong consumer voice, promoting better consumer protection outcomes to industry and government.

ACCAN aims to empower consumers so that they are well informed and can make good choices about goods and services. Visit www.accan.org.au for more information.

The operation of the Australian Communications Consumer Action Network is made possible by funding provided by the Commonwealth of Australia under section 593 of the Telecommunications Act 1997. This funding is recovered from charges on telecommunications carriers.



Disclaimer

The Market Clarity team has made every effort to include a relevant sample of small businesses in this study.

All surveys, forecasts, projections and recommendations made in this Study are made in good faith on the basis of information available to Market Clarity at the time; and Market Clarity disclaims any liability for any loss or damage caused by errors or omissions, whether such errors or omissions resulted from negligence, accident or other causes. Neither Market Clarity nor its agents will be liable for any loss or other consequences (whether or not due to the negligence of Market Clarity or their agents) arising out of use of information in this Study.

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2 Research Methodology

2.1 Summary of Research Methodology

Interviews were conducted with 260 small businesses in order to gain a qualitative and quantitative understanding of the needs, requirements, decision-making processes and service issues faced by small businesses (< 20 staff). This sample size provides a 95% confidence level and a confidence interval of +/-6%, based on the population of 714,000 small businesses measured in the ABS 8129 Business Use of Information Technology, 2009-10 study.

Market Clarity used a Computer Assisted Telephone Interviewing (CATI) surveying technique to conduct the study. In particular, CATI software supports customised questionnaire flows based on the answers provided, as well as incorporation of information already known about the respondent such as the mix of service types in use.

Whilst it is useful to gain an insight into the overall challenges and experiences of small business as a whole, this community is made up of many different industry sectors.

Hence, Market Clarity utilised a vertical market weighting of its research sample as per the Australian Bureau of Statistics (ABS) 8129 Business Use of Information Technology research series²:

1. Agriculture, Forestry and Fishing
2. Manufacturing
3. Construction
4. Wholesale Trade
5. Retail Trade
6. Accommodation and Food Services
7. Transport, Postal and Warehousing
8. Financial and Insurance Services
9. Rental, Hiring and Real Estate Services
10. Professional, Scientific and Technical Services
11. Administrative and Support Services
12. Health Care and Social Assistance
13. Other Services
14. Non-Profit organisations³

Market Clarity notes that where survey results presented in this document are based on responses from a subset of the overall sample (such as vertical industry, company size or analysis of responses pertaining to a particular service type), these results are indicative of the segment⁴.

² <http://tinyurl.com/9m8bmy4>

³ At ACCAN's request, the study considered non-profit organisations as a separate vertical segment. The ABS 8129 study samples Mining, Utilities, IMT, Arts and Recreation (Other Industries that are too small to sample separately).

⁴ A much larger survey sample (and project budget) would be required to provide a 95% confidence level for each sample sub-segment.

The survey instrument consisted of 13 questions, with a mix of open and close-ended responses, covering voice (fixed line telephone, VoIP, mobile), fixed and mobile broadband and EFTPOS services.

The telephone interviews were conducted between 8 August 2012 and 27 August 2012.

2.2 Study Demographics

A broad range of businesses (with less than 20 staff) were interviewed for this project. Table 1 presents median staff breakdowns for the study demographics. Across the survey sample, businesses employed a median of seven (7) staff.

Table 1. — Staff Size

Median Number of Full-time Staff	Median Number of Part-time Staff	Median Total Staff
5.0	1.0	7.0

The sample distribution was not weighted by business size⁴. Therefore, while survey results in this area can be taken as indicative of trends in the overall small business population of companies with 1-19 staff, breakdowns of results by company size are indicative of trends in the sub-segments of 1-4 and 5-19 staff.

Table 2. — Sample Distribution of Respondents by Business Size

Sample Distribution	Total 1-4 Staff	Total 5-19 Staff
Number of respondents	83	177
Percentage of survey sample	32%	68%

Table 3 provides the mix of metropolitan and regional respondents.

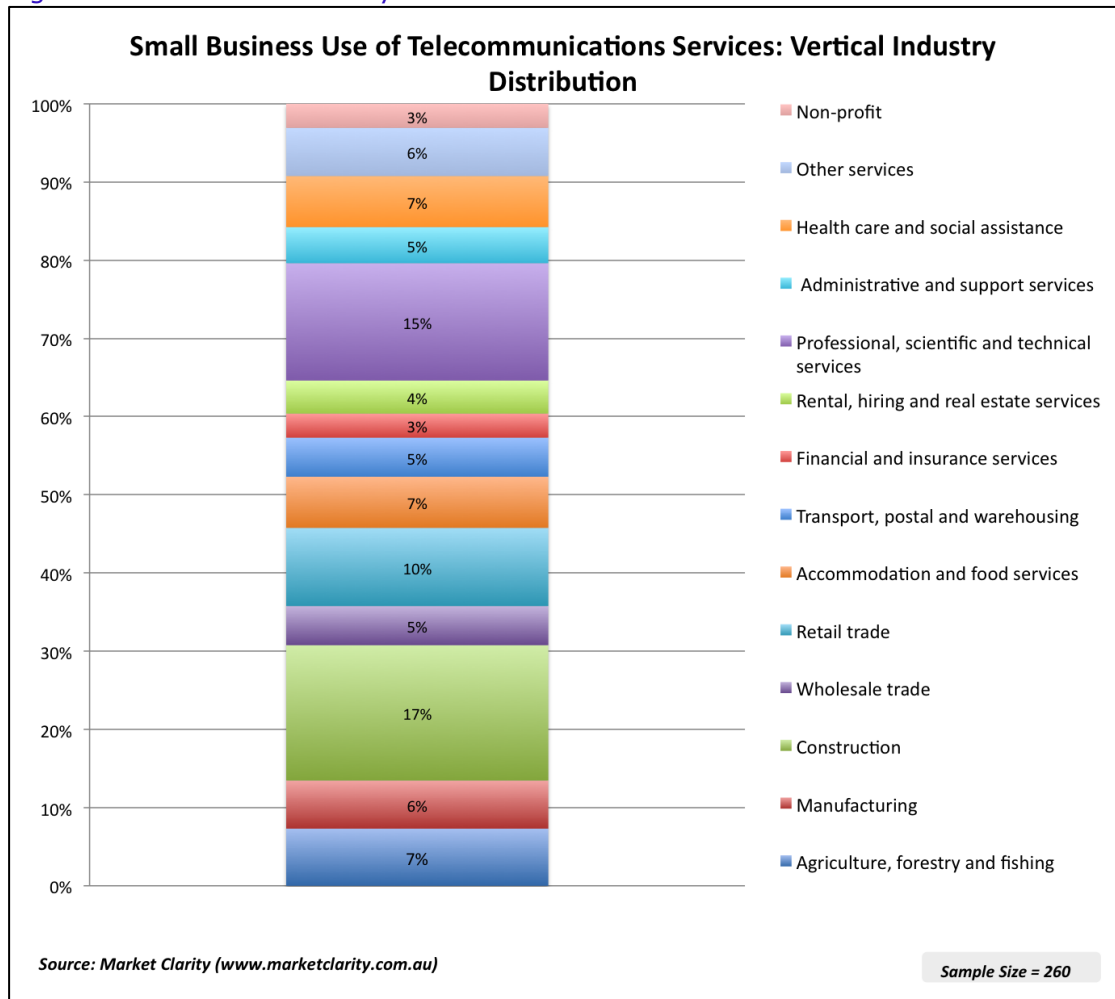
The majority of study respondents reported a single business location (a median of 1 site across the survey sample), and the maximum number of sites reported by any respondent was 20.

Table 3. — Sample Distribution of Respondents by Business Location

Sample Distribution	Total Metropolitan	Total Regional
Number of respondents	175	85
Percentage of survey sample	67%	33%

Market Clarity utilised a vertical market weighting of its research sample as per the Australian Bureau of Statistics (ABS) 8129 Business Use of Information Technology research series². Figure 1 shows the mix of vertical industries interviewed.

Figure 1. — Vertical Industry Distribution



3 Types of Services Used by Small Business

In this section, we describe the types of telecommunications services used by small business (with less than 20 staff).

3.1 Summary of Services Used by Small Business

The vast majority of businesses interviewed for this study utilise both fixed voice and fixed broadband services (95% and 96%, respectively). Mobile voice services (paid for by the business) are another key product used by small businesses (89%). Mobile broadband services are used by 45% of the respondents, whilst EFTPOS is used by 42%.

While business grade VoIP services have been available for many years, only 16% of the respondent's reported using a VoIP service. This will undoubtedly change as the NBN rolls out, as voice going across the NBN will be converted into VoIP format⁵.

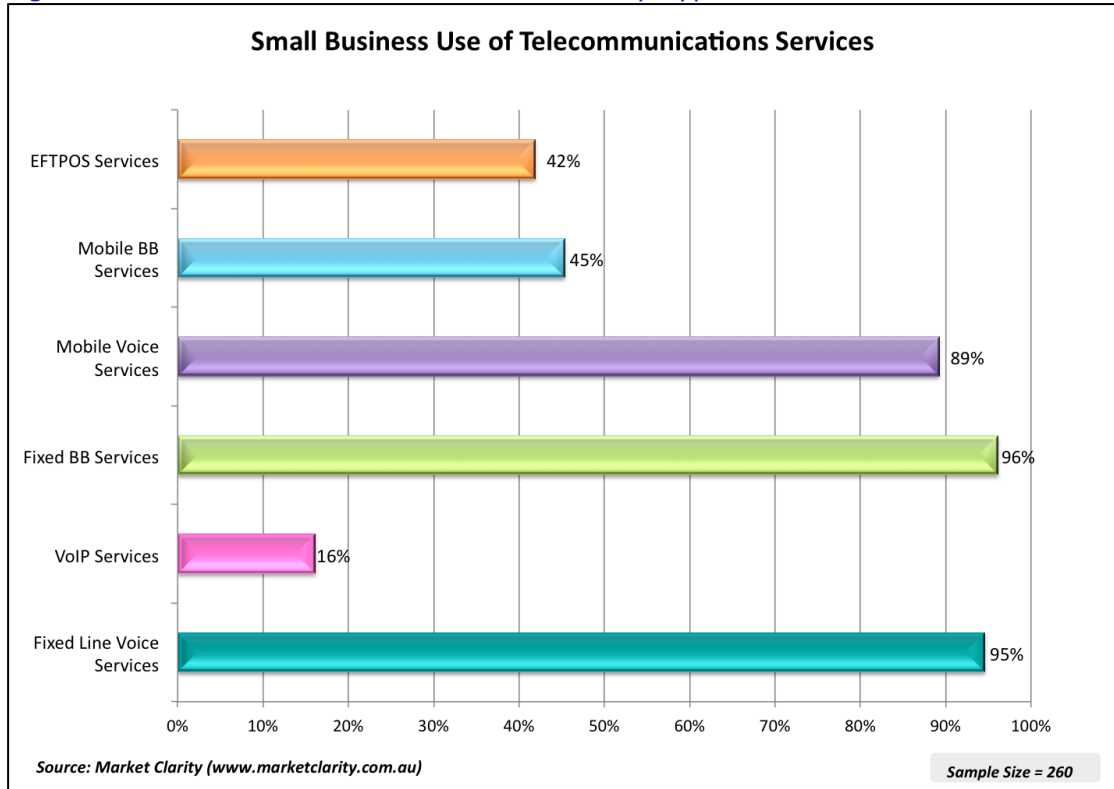
The mix of services used by small businesses is shown in Table 4, and graphically illustrated in Figure 2.

Table 4. — Telecommunications Service Use by Type of Service

Telecom Services	Fixed Line Voice Services	VoIP Services	Fixed BB Services	Mobile Voice Services	Mobile BB Services	EFTPOS Services
Number of respondents	246	42	250	232	118	109
Percentage of survey sample	95%	16%	96%	89%	45%	42%

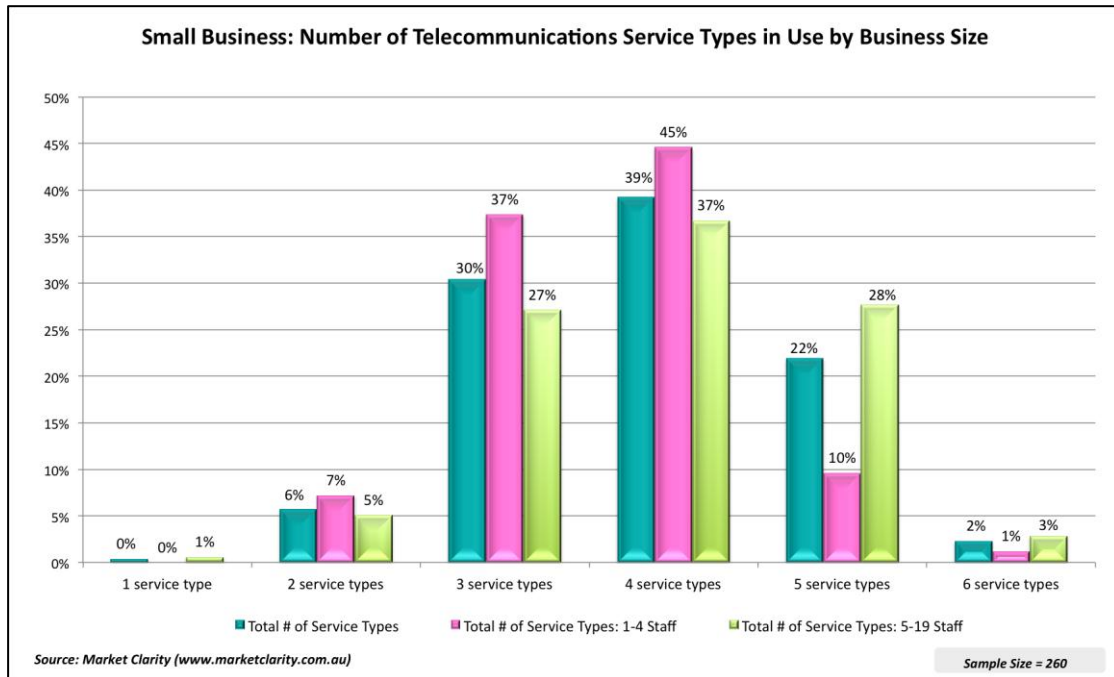
⁵ The NBN Co network termination device (NTD) contains two voice ports (UNI-V), each of which contains a VoIP ATA (analogue telephone adapter). The NTD also has four data ports (UNI-D), which can be used to deliver a mix of services (including voice). It is expected that most service providers will use VoIP protocols to deliver voice.

Figure 2. — Telecommunications Service Use by Type of Service



In Figure 3, we examine the number of distinct service types used by small businesses. As can be seen, most companies use 3-5 distinct telecommunications services, whilst very small businesses (1-4 staff) tend to use 3-4 service types.

Figure 3. — Small Business: Number of Telecommunications Service Types Used by Business Size



In all cases, respondents used a median of four (4) service types, as illustrated in Table 5. The widespread use of multiple service types provides small businesses (and their suppliers) with an opportunity to bundle services. Yet, as we will see in Section 3.9 (Small Business Use of Service Bundles) only 54% of survey respondents reported using a service bundle.

Table 5. — Telecommunications Service Use by Business Size

Minimum # of Service Types	Minimum # of Service Types: 1-4 Staff	Minimum # of Service Types: 5-19 Staff
1	2	1
Median # of Service Types	Median # of Service Types: 1-4 Staff	Median # of Service Types: 5-19 Staff
4	4	4
Maximum # of Service Types	Maximum # of Service Types: 1-4 Staff	Maximum # of Service Types: 5-19 Staff
6	6	6

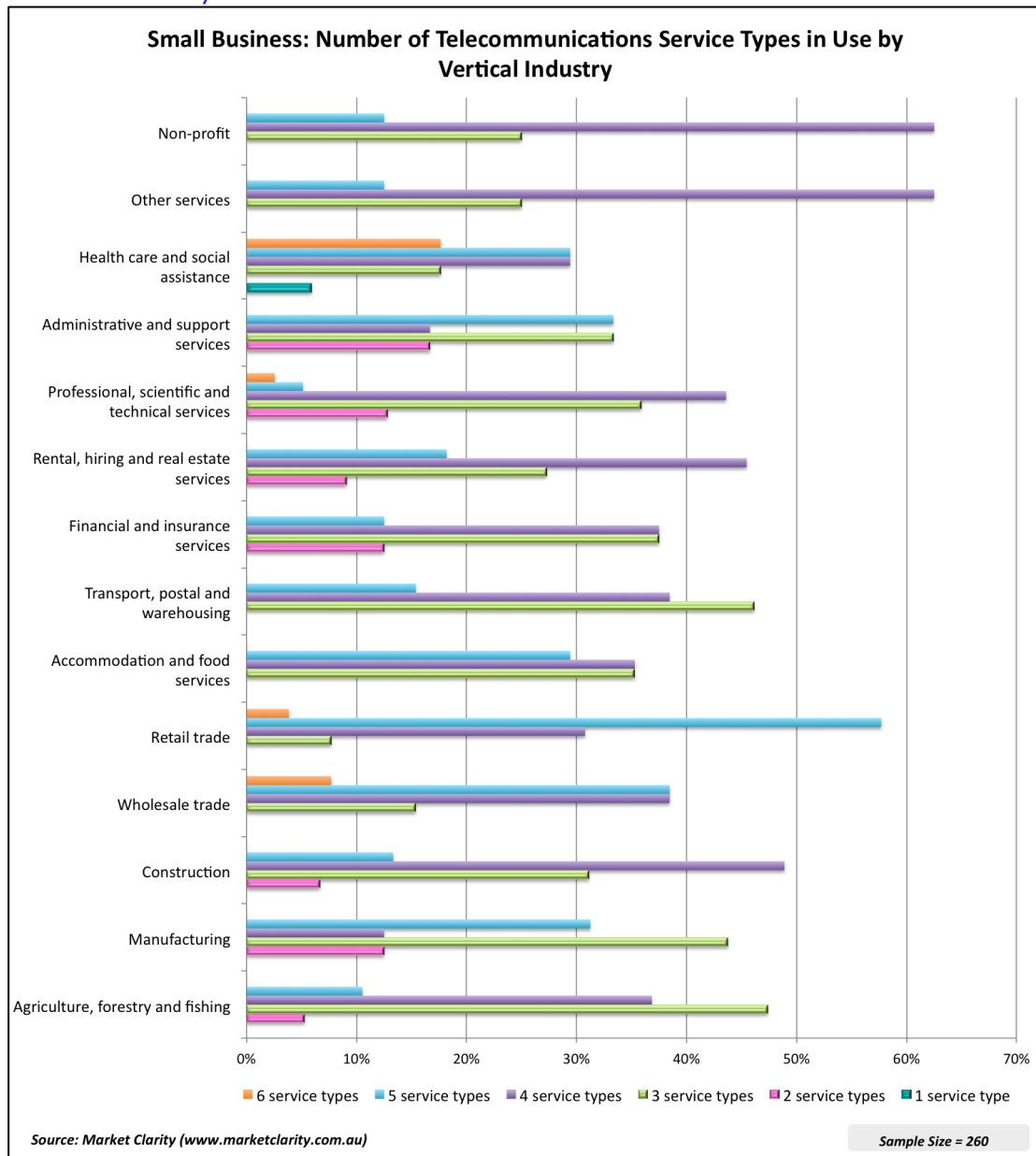
In Figure 4, we provide a summary of the number of service types (fixed voice, VoIP, fixed broadband, mobile voice, mobile broadband and EFTPOS) used by small business across vertical industries.

Industries reporting the use of six (6) distinct service types include:

- Health care and social assistance;
- Professional, scientific and technical services;
- Retail trade; and
- Wholesale trade.

All other vertical segments report at least some use of up to five (5) distinct service types.

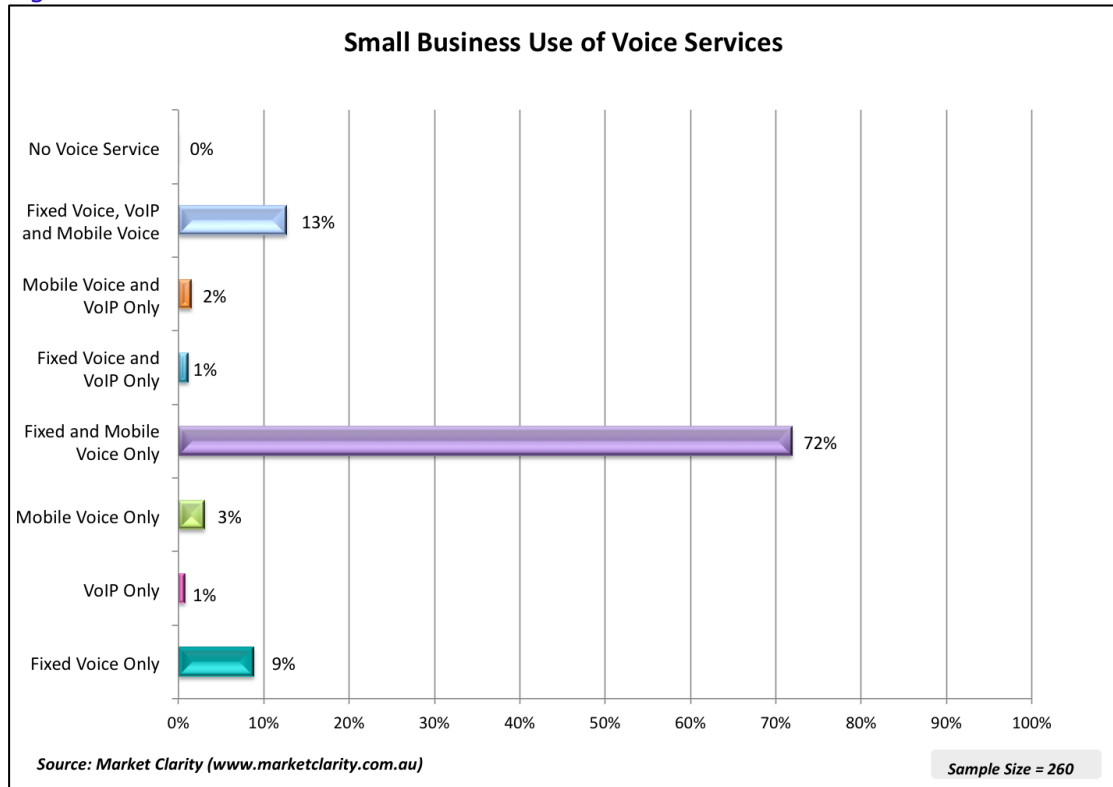
Figure 4. — Small Business: Number of Telecommunications Service Types Used by Vertical Industry



In Figure 5, we present an analysis of the use of voice services by small business.

- Very few businesses use VoIP as their sole voice connection (2 out of 260, 1%).
- Very few businesses use mobile voice as their sole voice connection (8 out of 260, 3%).
- The majority of respondents use fixed and mobile voice services (72%).
- Another significant category of respondents use fixed voice, VoIP and mobile voice services (13% of respondents).
- All respondents have some type of voice service. However, this is also reflective of the survey methodology (telephone-based interviews).

Figure 5. — Small Business Use of Voice Services



In Figure 6, we present an analysis of the use of broadband services by small business.

- Very few businesses use mobile broadband as their sole Internet connection (7 out of 260, 3%).
- Very few respondents (3 out of 260, 1%) do not have some type of broadband connection.

Figure 6. — Small Business Use of Fixed and Mobile Broadband Services

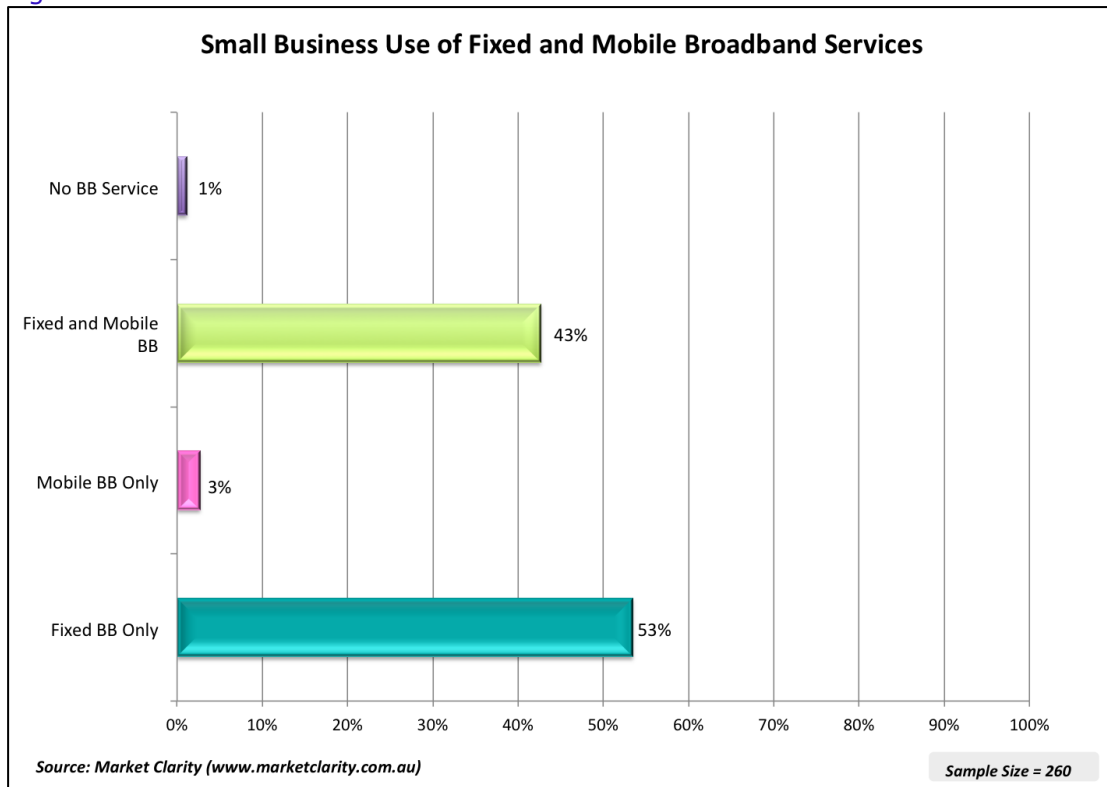


Figure 7 provides the distribution by vertical industry of each service type. Additional detail is provided in Table 6.

Figure 7. — Summary of Telecommunications Service Use by Vertical Industry

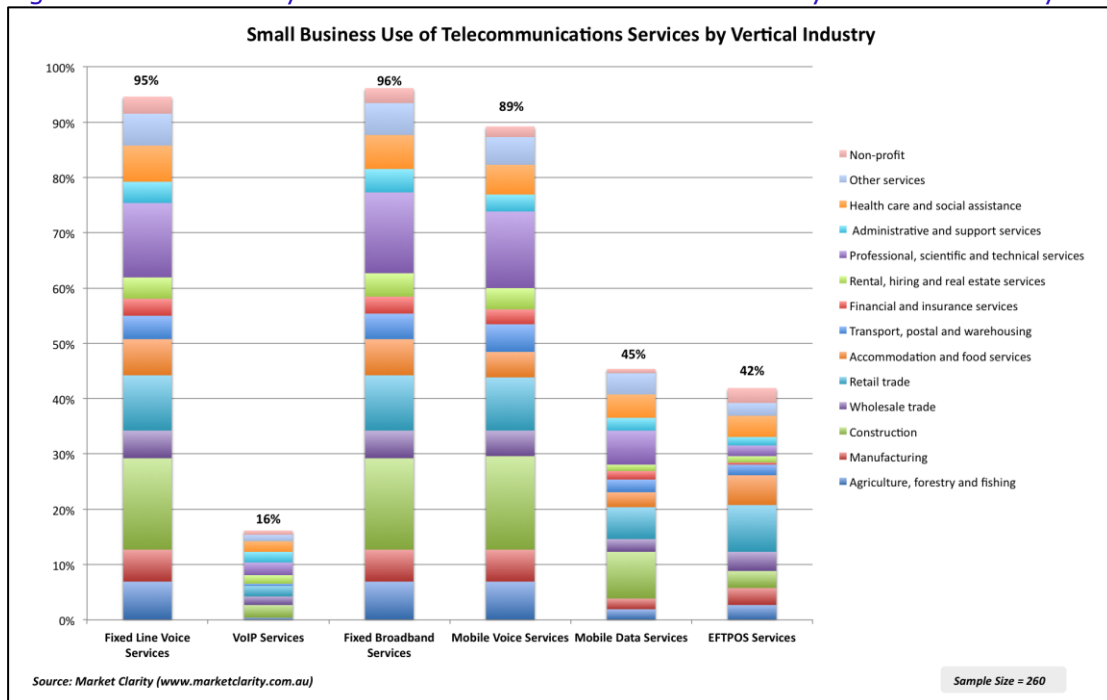


Table 6 shows the percentage of respondents from each vertical segment reporting use of each service type. Market Clarity notes that these results are

indicative of each vertical segment. However, the sub-sample of vertical industry use of any given service type is too small to make any firm conclusion about the overall percentage of each vertical segment using each service type.

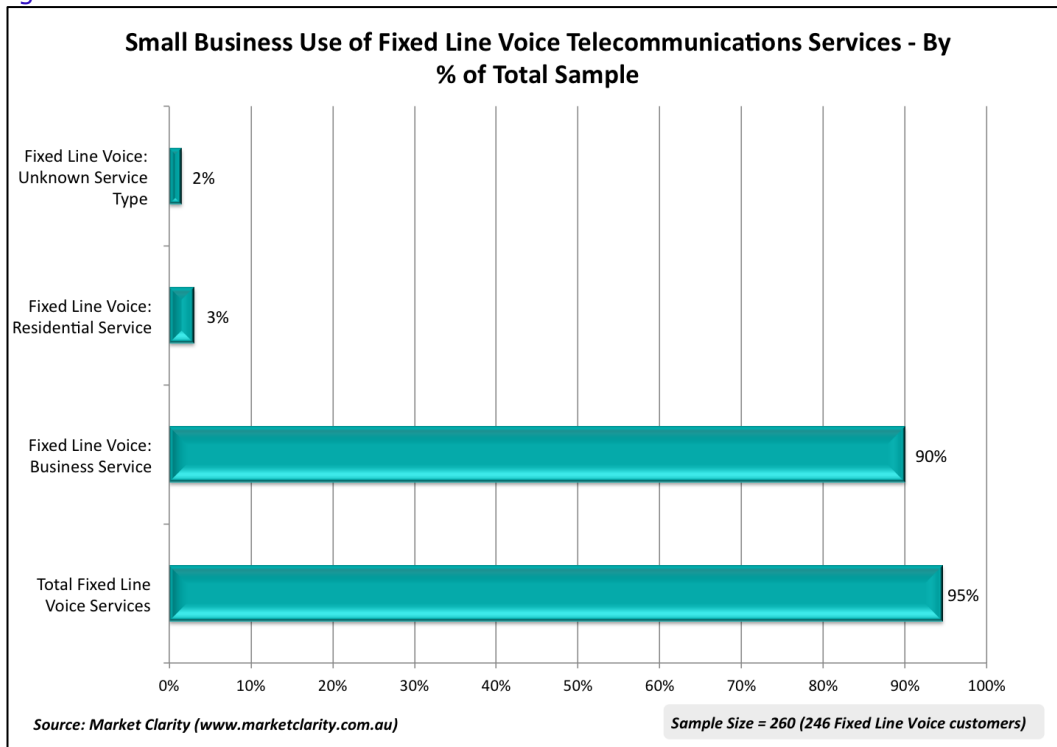
Table 6. — Summary of Telecommunications Service Use by Vertical Industry (Percentage of Respondents Using Each Service Type)

Types of Services in Use - % of Sample	Fixed Line Voice Services	VoIP Services	Fixed Broadband Services	Mobile Voice Services	Mobile Data Services	EFTPOS Services
Agriculture, forestry and fishing	95%	5%	95%	95%	26%	37%
Manufacturing	94%	0%	94%	94%	31%	50%
Construction	96%	13%	96%	98%	49%	18%
Wholesale trade	100%	31%	100%	92%	46%	69%
Retail trade	100%	19%	100%	96%	58%	85%
Accommodation and food services	100%	0%	100%	71%	41%	82%
Transport, postal and warehousing	85%	8%	92%	100%	46%	38%
Financial and insurance services	100%	0%	100%	88%	50%	13%
Rental, hiring and real estate services	91%	36%	100%	91%	27%	27%
Professional, scientific and technical services	90%	15%	97%	92%	41%	13%
Administrative and support services	83%	42%	92%	67%	50%	33%
Health care and social assistance	100%	29%	94%	82%	65%	59%
Other services	94%	19%	94%	81%	63%	38%
Non-profit	100%	25%	88%	63%	25%	88%

3.2 Small Business Use of Fixed Voice Services

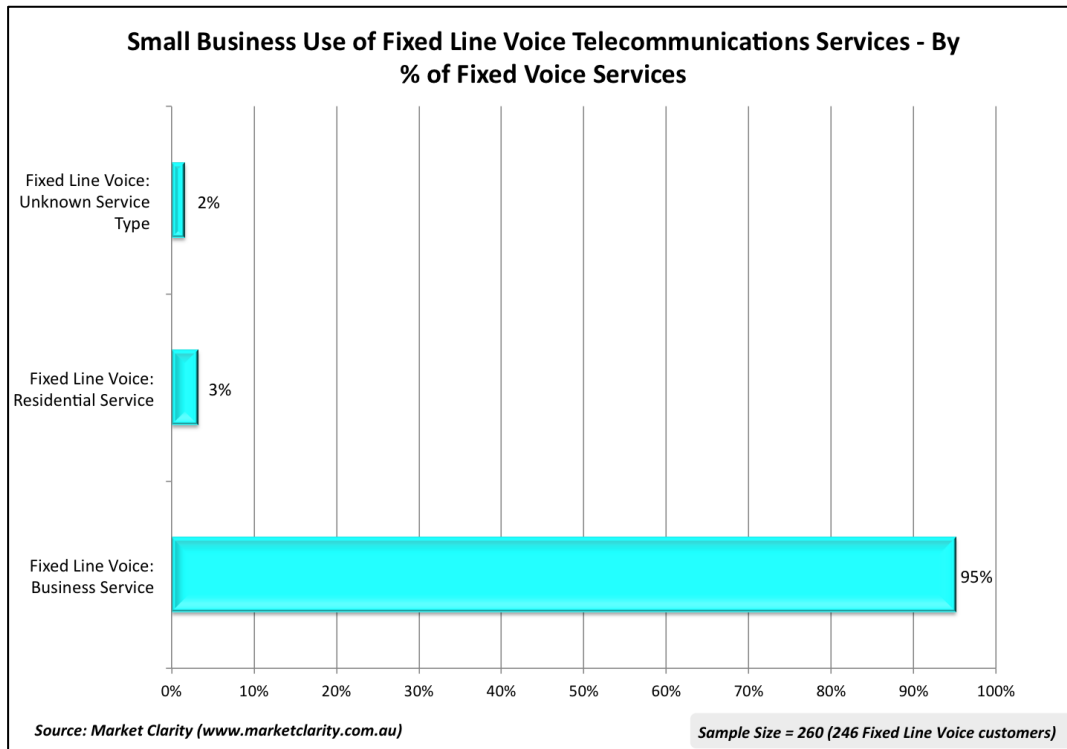
Overall, 95% of survey respondents utilise a fixed voice service, with 90% of respondents using a business grade service, and 3% using a residential grade service, as illustrated in Figure 8.

Figure 8. — Small Business Use of Fixed Voice Services



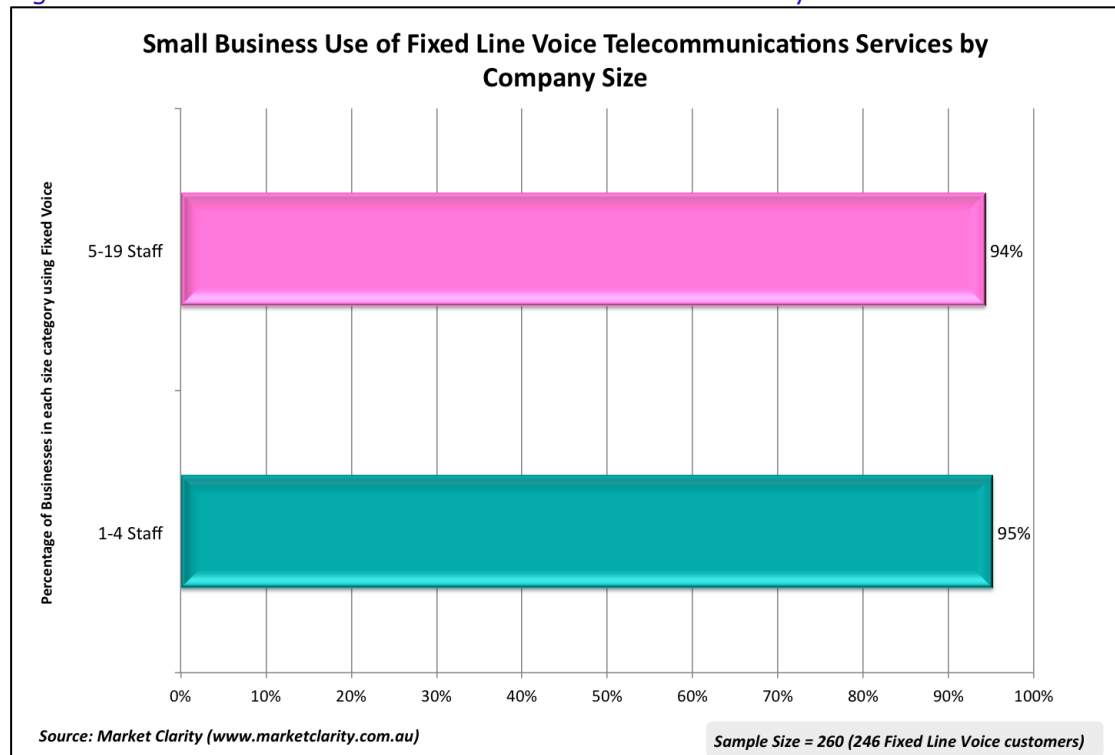
Of the subset of small businesses using fixed voice services, 95% of these organisations use a business grade service as illustrated in Figure 9.

Figure 9. — Understanding the Types of Fixed Voice Services Used by Small Business



Business size has little impact on the use of fixed voice services, as illustrated in Figure 10.

Figure 10. — Small Business Use of Fixed Voice Services by Business Size



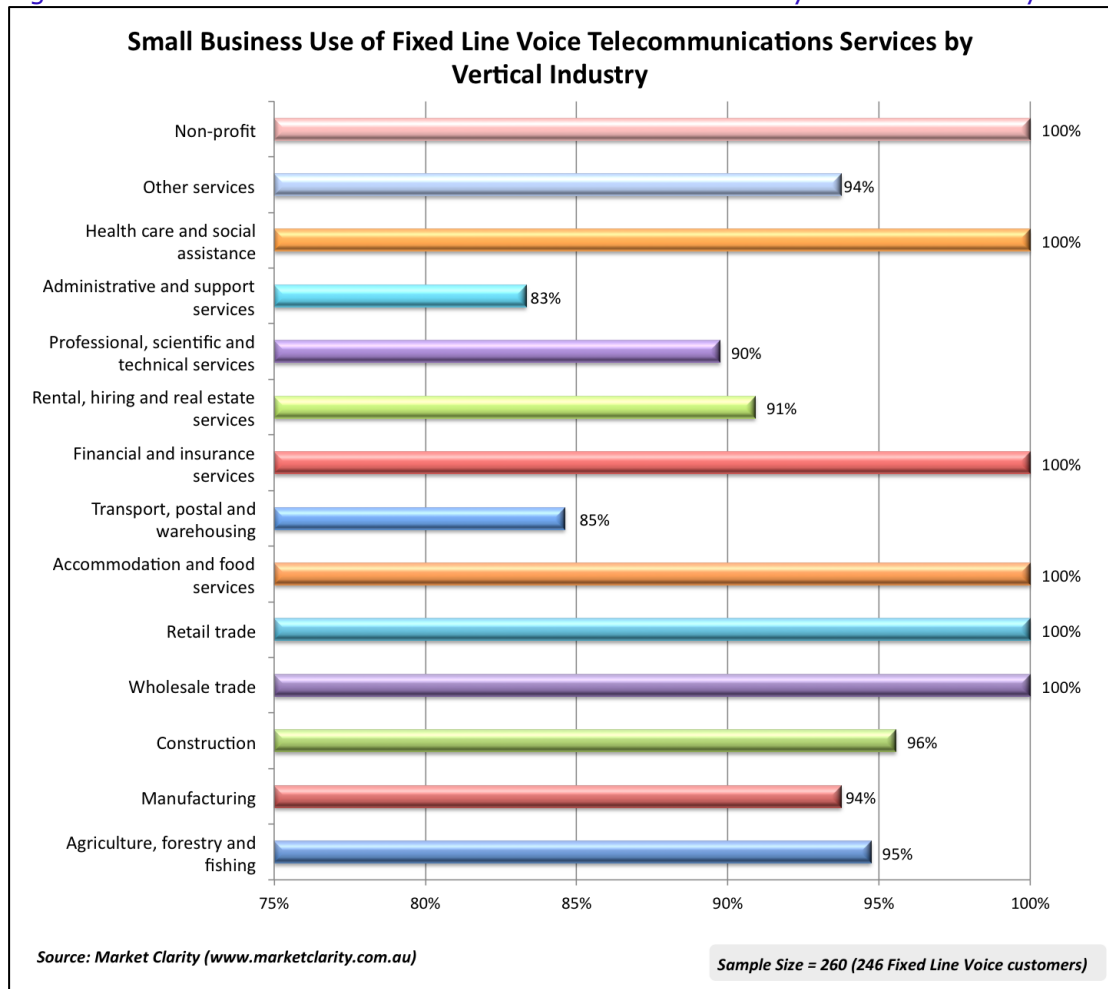
The analysis of fixed voice service usage by vertical segment revealed that some industries are less likely to use fixed voice services, including:

- Administrative and support services;
- Transport, postal and warehousing;
- Professional, scientific and technical services;
- Rental, hiring and real estate services;
- Manufacturing;
- Agriculture, forestry and fishing; and
- Construction.

This is illustrated in Figure 11.

Whilst the survey did not seek information on the reasons why businesses use (or don't use) a particular service type, it is likely that staff mobility in the above sectors plays a role in determining whether fixed voice services are required.

Figure 11. — Small Business Use of Fixed Voice Services by Vertical Industry

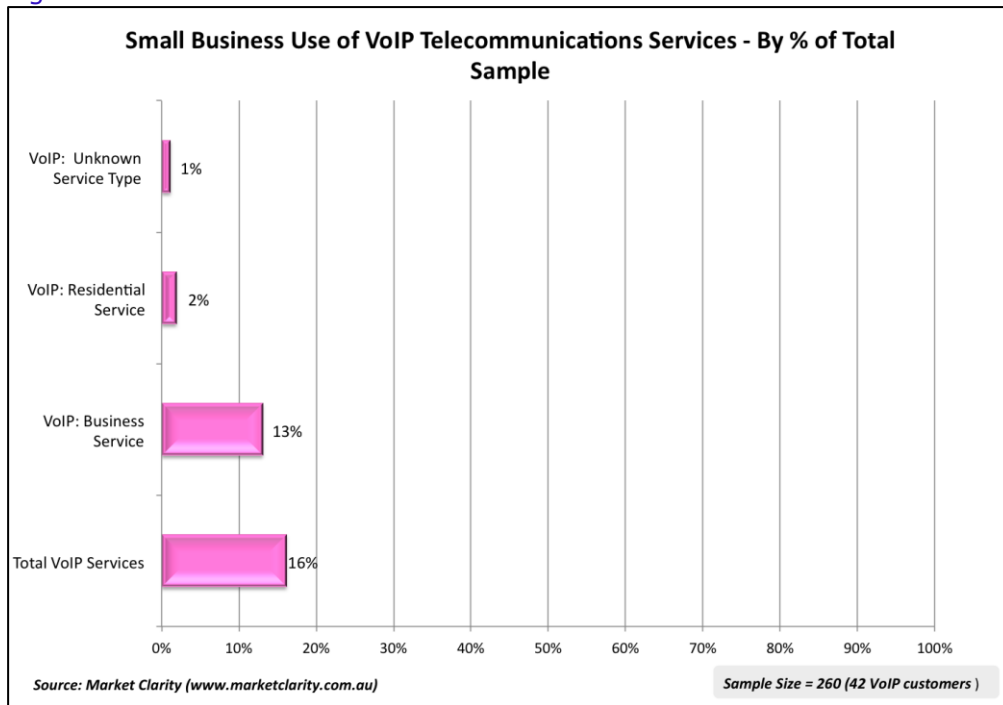


3.3 Small Business Use of VoIP Services

Overall, only 16% of survey respondents utilise a VoIP service, with 13% of respondents using a business grade service, and 2% using a residential grade service, as illustrated in Figure 12.

Note: It was not possible to differentiate between the types of VoIP services in this sample, that is no delineation between conditioned QoS enabled voice and Internet based telephony is made.

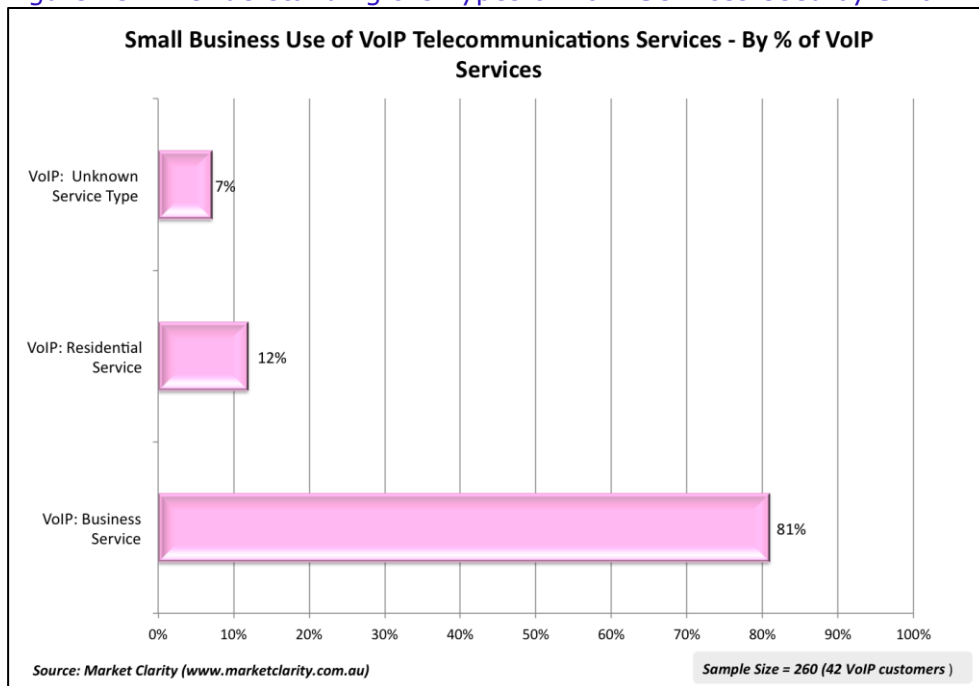
Figure 12. — Small Business Use of VoIP Services



Of the subset of small businesses using fixed voice services, 81% of these organisations use a business grade service, 12% use a residential service, and 7% were unsure of the grade of service in use. This is illustrated in Figure 13.

Due to the small percentage of respondents using a VoIP service, caution needs to be exercised in interpreting these results.

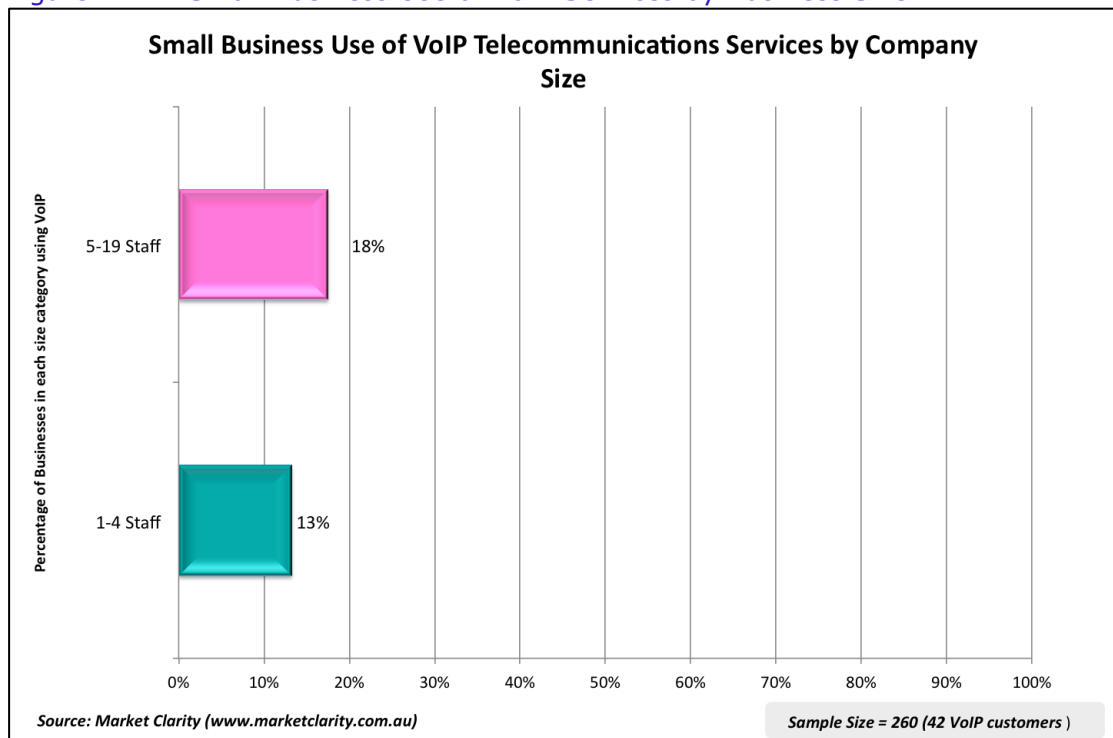
Figure 13. — Understanding the Types of VoIP Services Used by Small Business



As shown in Figure 14, business size seems to have a minor impact on the propensity of an organisation to use VoIP services. However, the small differences in the use of VoIP service by business size are within the sampling error rate of +/-6%, and as such no firm conclusions with respect to business size can be drawn. Nonetheless, with VoIP service price positioning as being lower cost than similarly featured fixed voice services, this trend may reflect the budget consciousness of smaller business.

It is also important to note that only 1% of all respondents use VoIP as their sole voice communications service (Figure 5).

Figure 14. — Small Business Use of VoIP Services by Business Size

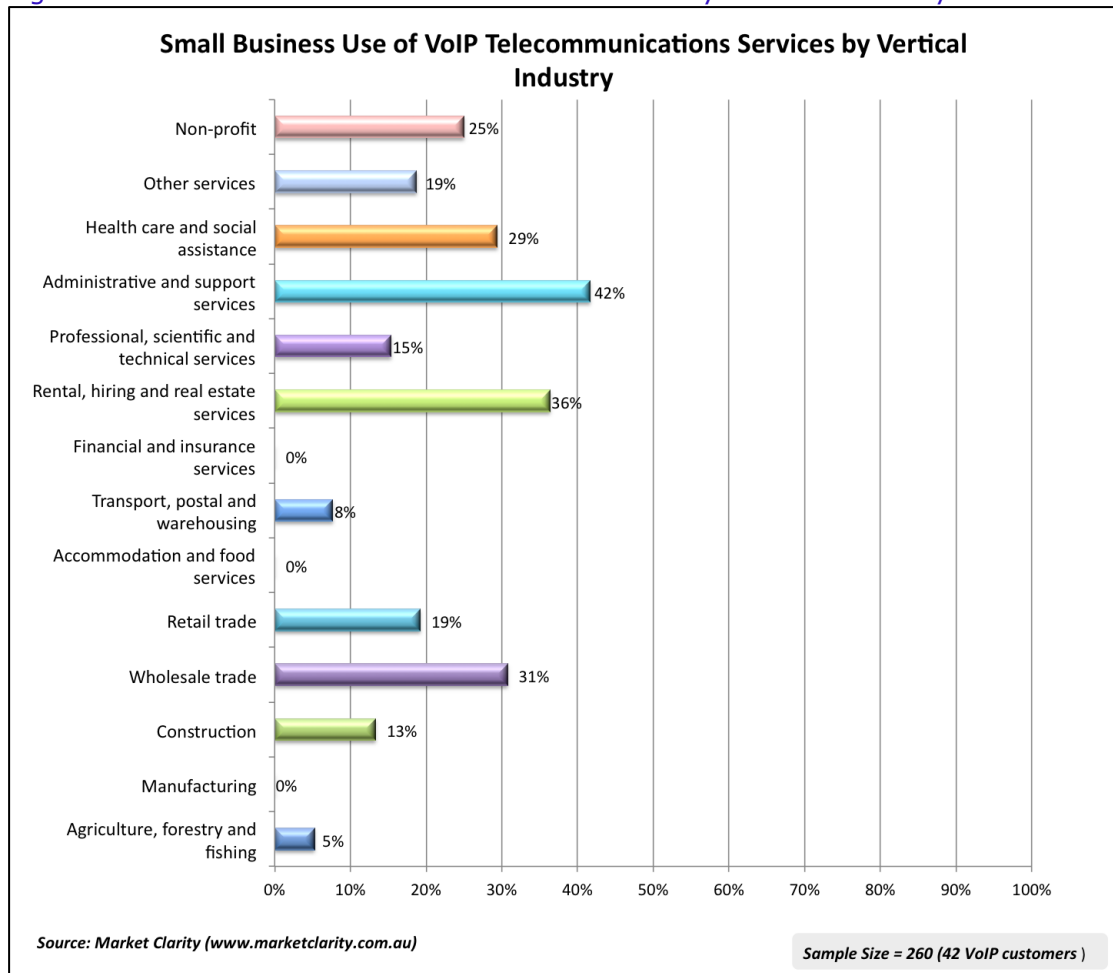


Industries with a propensity to use VoIP services include:

- Administrative and support services;
- Wholesale trade;
- Rental, hiring and real estate services;
- Health care and social assistance;
- Non-profit;
- Retail trade; and
- Professional, scientific and technical services.

This is illustrated in Figure 15.

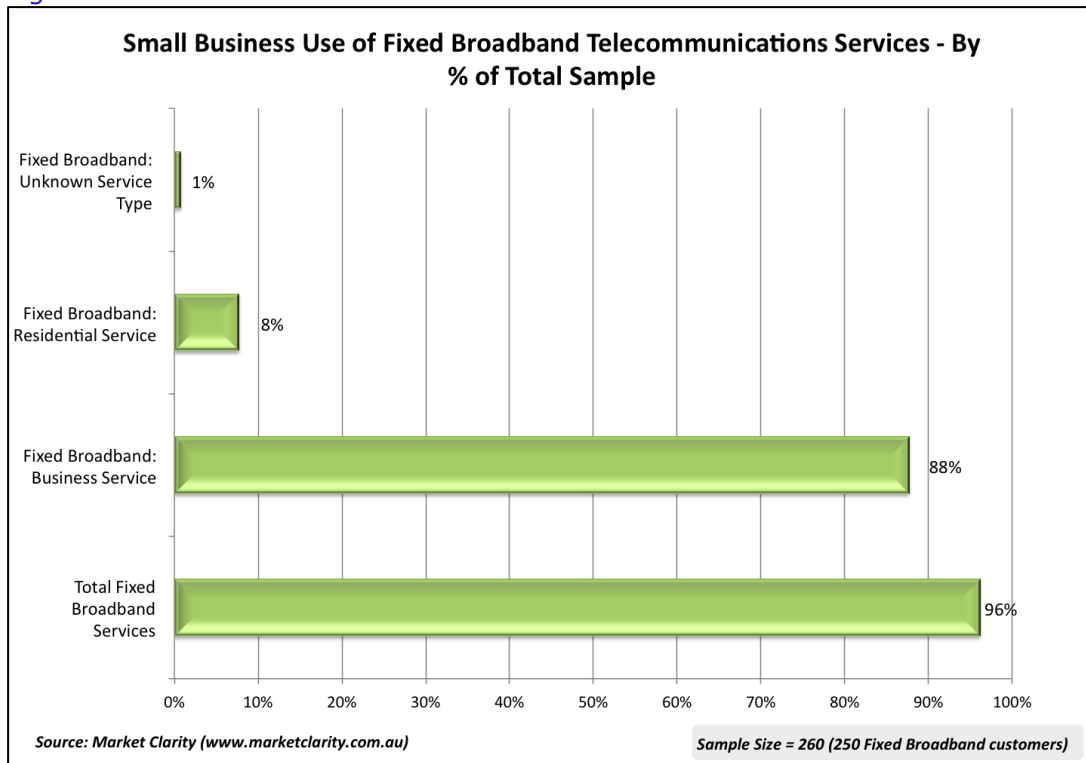
Figure 15. — Small Business Use of VoIP Services by Vertical Industry



3.4 Small Business Use of Fixed Broadband Services

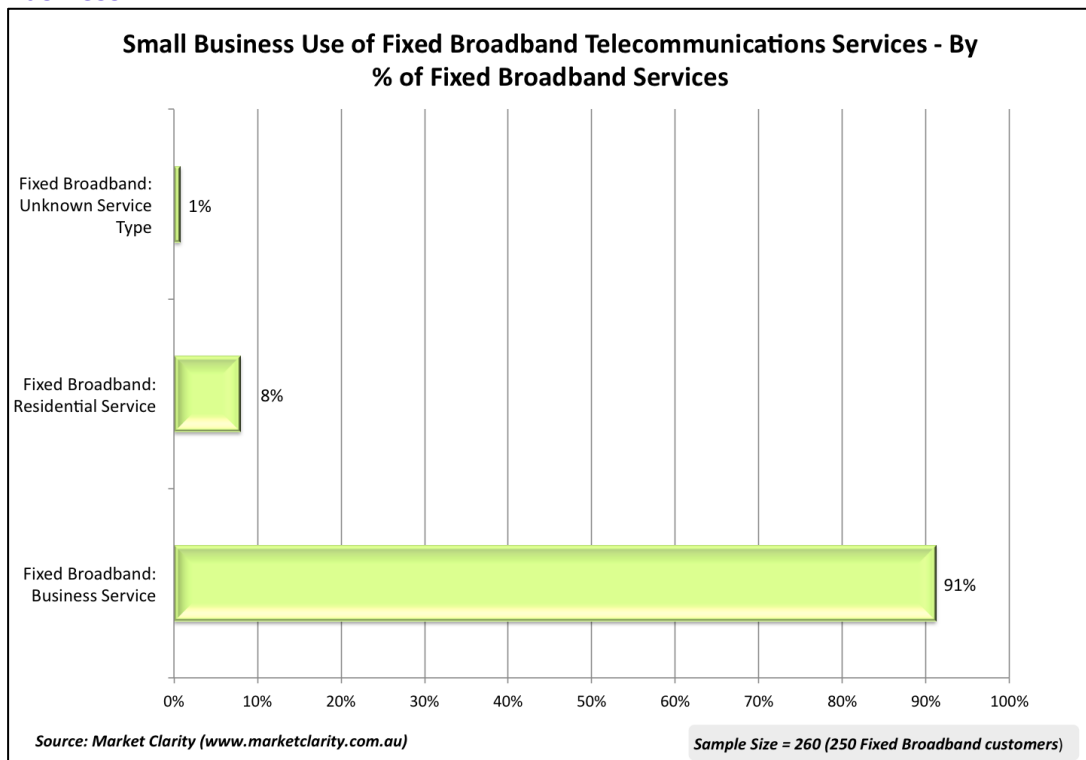
Overall, 96% of survey respondents utilise a fixed broadband service, with 88% of respondents using a business grade service, and 8% using a residential grade service, as illustrated in Figure 16.

Figure 16. — Small Business Use of Fixed Broadband Services



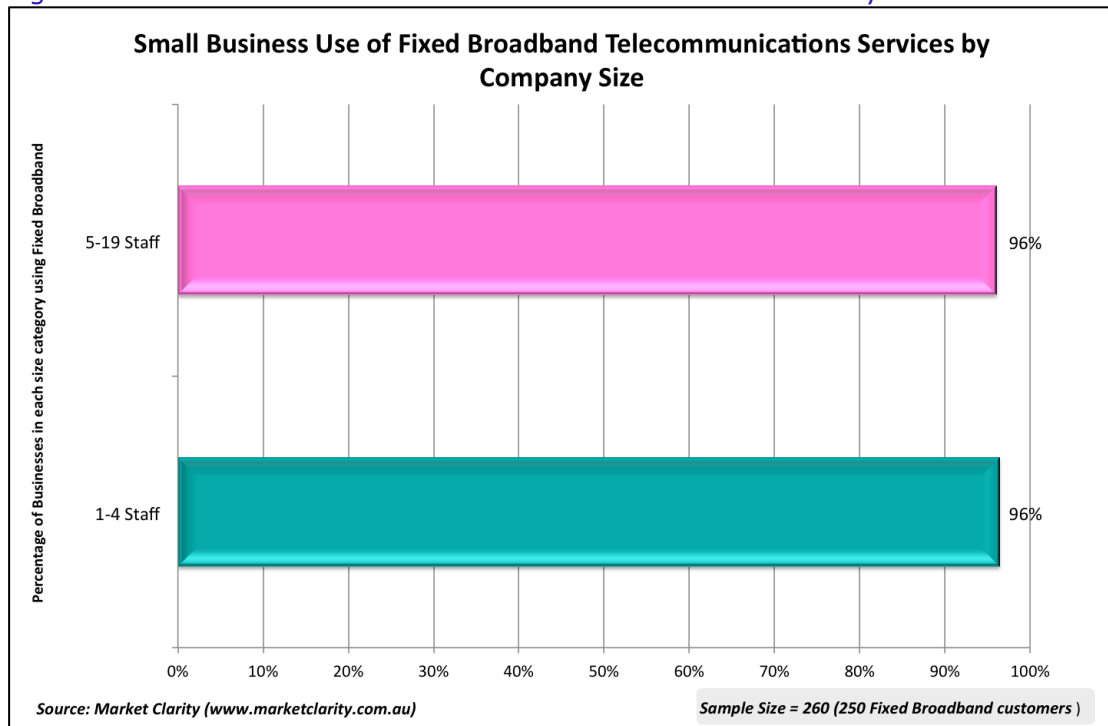
Of the subset of small businesses using fixed broadband services, 91% of these organisations use a business grade service as illustrated in Figure 17.

Figure 17. — Understanding the Types of Fixed Broadband Services Used by Small Business



Business size has no impact on the use of fixed broadband services, as illustrated in Figure 18.

Figure 18. — Small Business Use of Fixed Broadband Services by Business Size



The analysis of fixed broadband service usage by vertical segment revealed that some industries are less likely to use fixed broadband services, including:

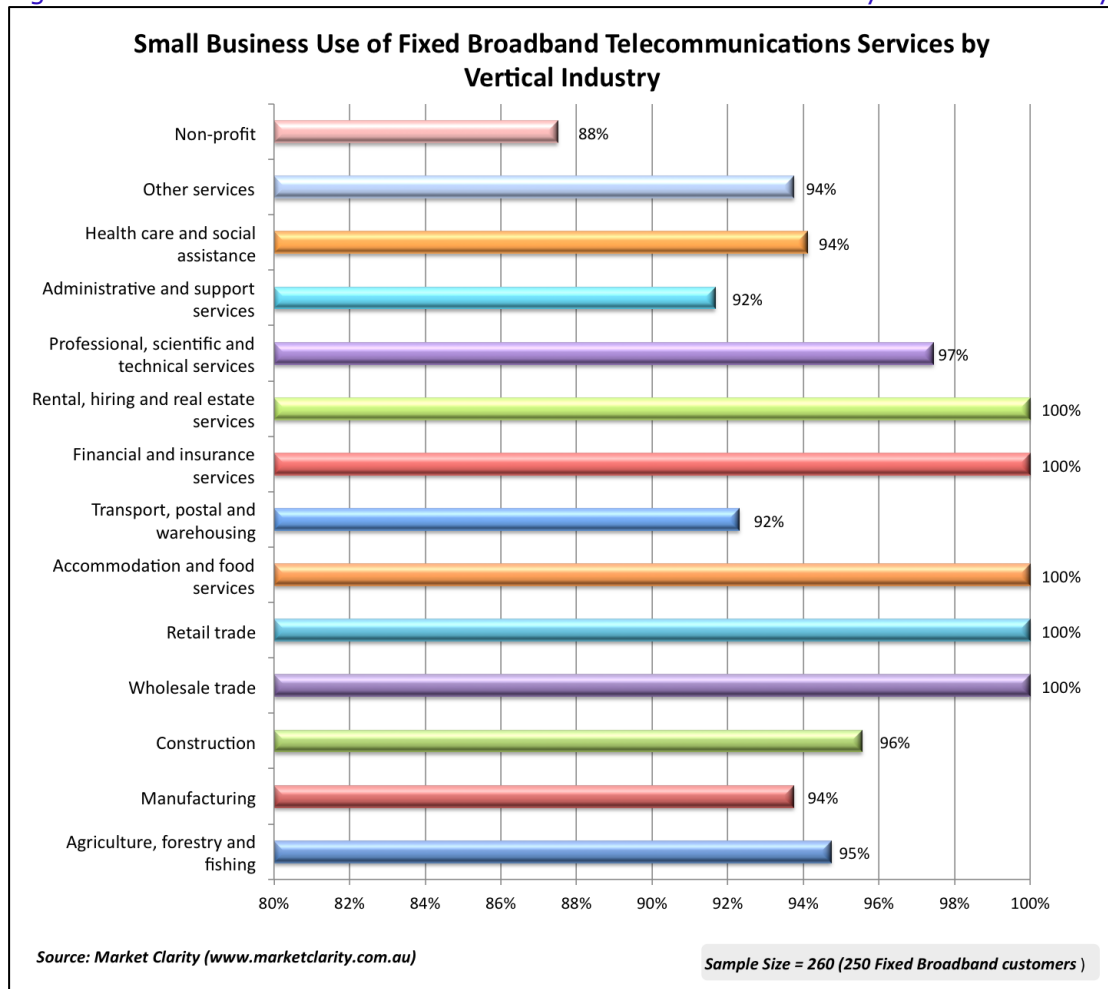
- Non-profit;
- Administrative and support services; and
- Transport, postal and warehousing.

This is illustrated in Figure 19.

Whilst the survey did not seek information on the reasons why businesses use (or don't use) a particular service type, it is likely that staff mobility in the above sectors plays a role in determining whether fixed broadband services are required.

It is also worth noting that across the overall sample, only 3% of survey respondents reported using mobile broadband as their sole Internet connection service (Figure 6).

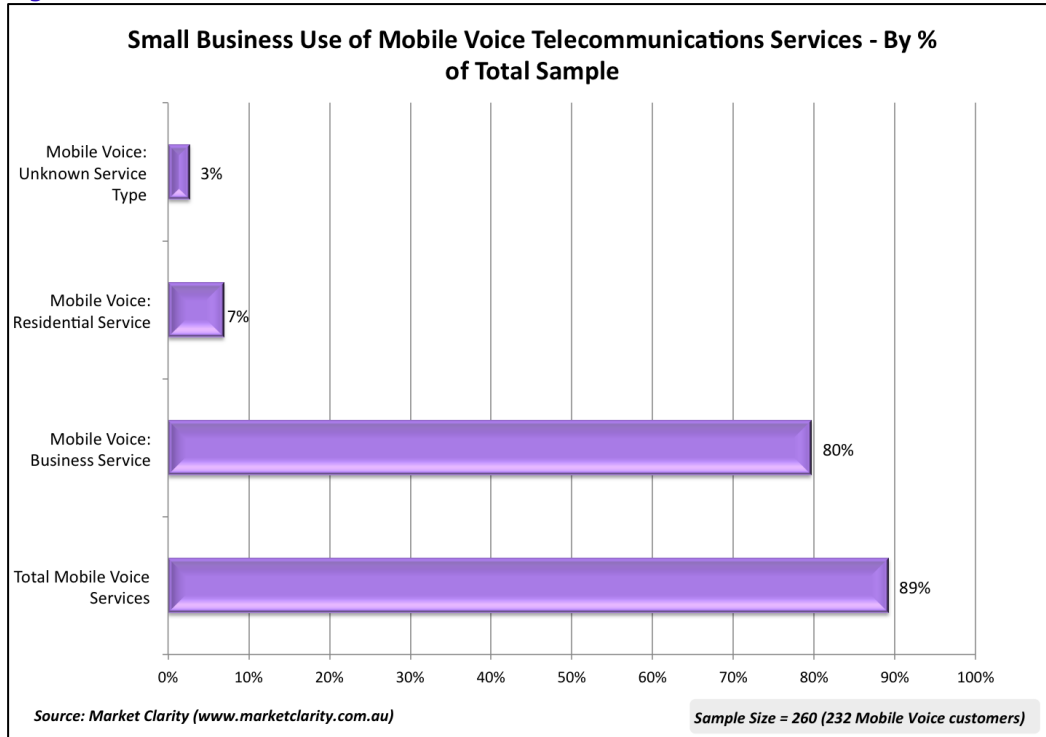
Figure 19. — Small Business Use of Fixed Broadband Services by Vertical Industry



3.5 Small Business Use of Mobile Voice Services

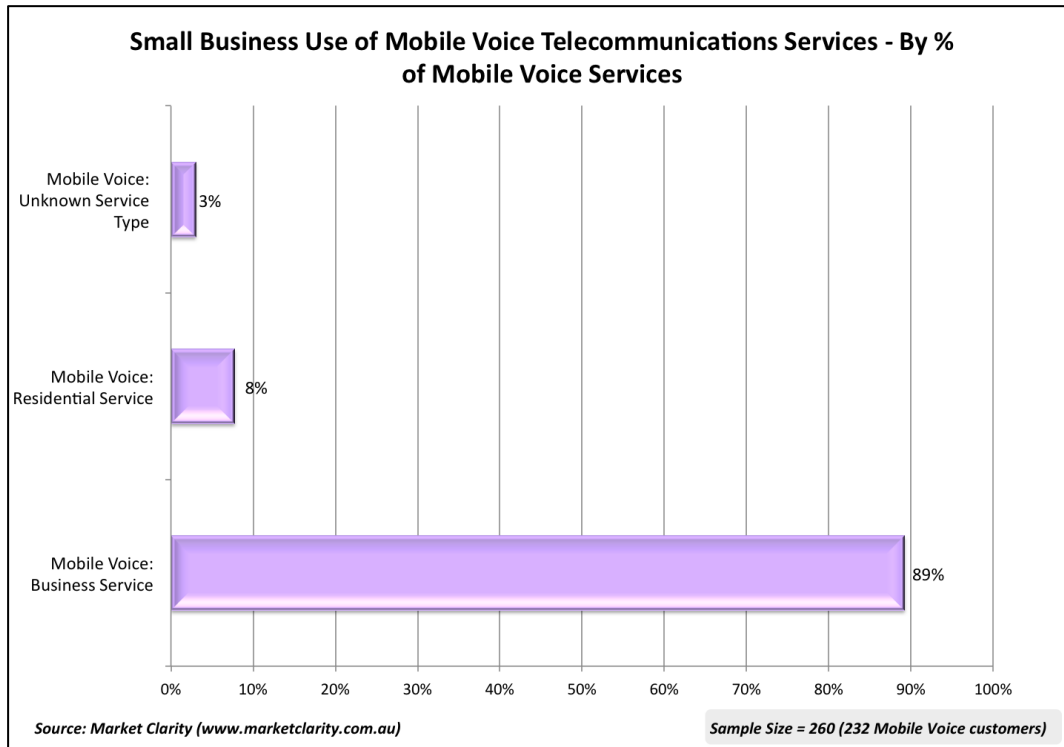
Overall, 89% of survey respondents utilise a mobile voice service, with 80% of respondents using a business grade service, and 7% using a residential grade service, as illustrated in Figure 20.

Figure 20. — Small Business Use of Mobile Voice Services



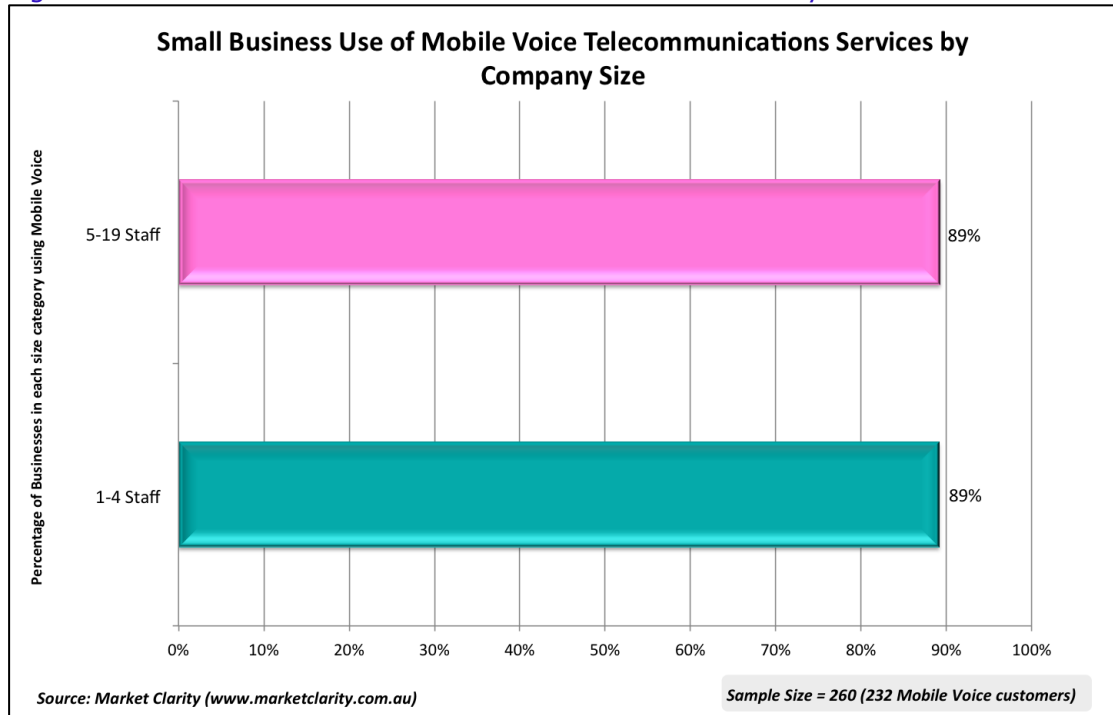
Of the subset of small businesses using mobile voice services, 89% of these organisations use a business grade service, and 8% using a residential grade service, as illustrated in Figure 21.

Figure 21. — Understanding the Types of Mobile Voice Services Used by Small Business



Business size has no impact on the use of mobile voice services, as illustrated in Figure 22.

Figure 22. — Small Business Use of Mobile Voice Services by Business Size



The analysis of mobile voice service usage by vertical segment revealed that some industries are less likely to use mobile voice services (paid for by the business), including:

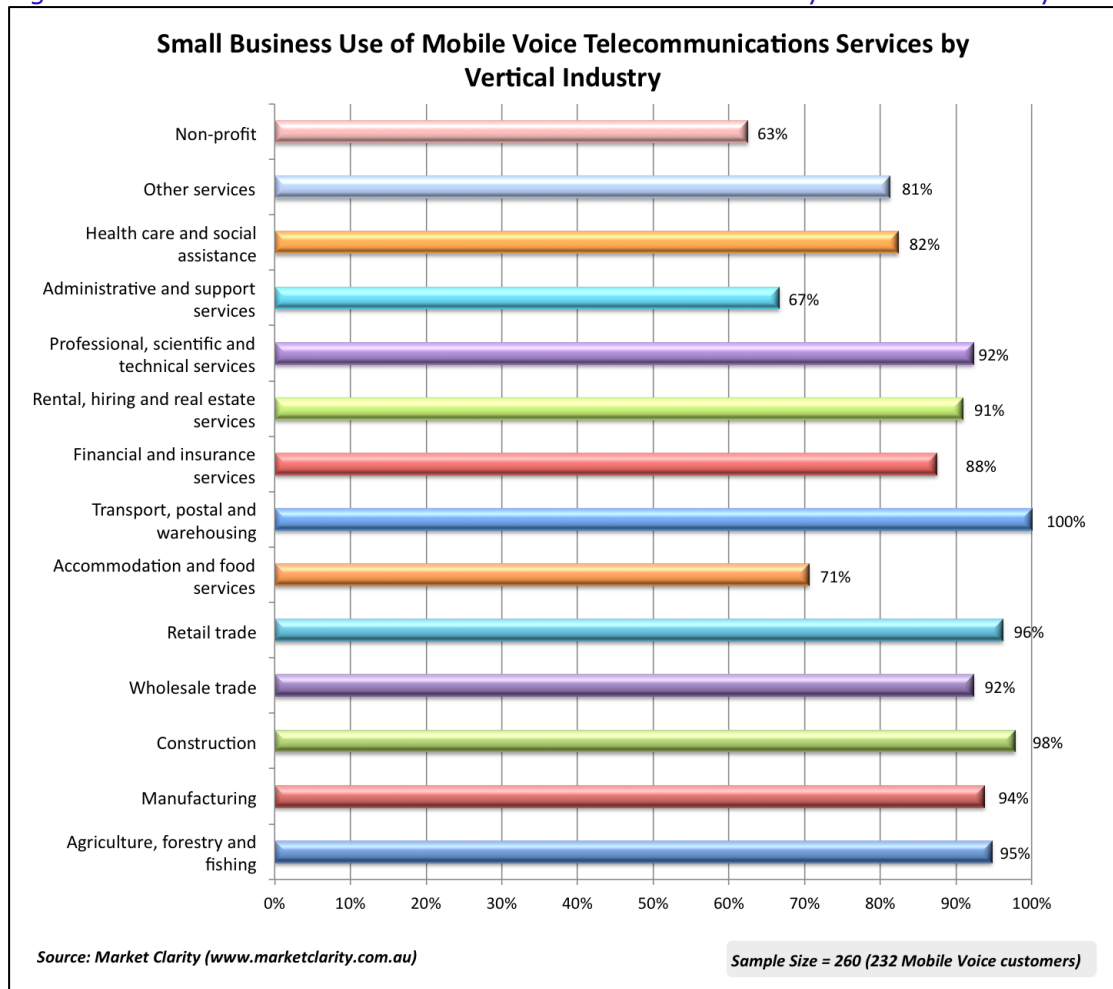
- Non-profit;
- Administrative and support services;
- Accommodation and food services;
- Other services; and
- Health care and social services.

This is illustrated in Figure 23.

Whilst the survey did not seek information on the reasons why businesses use (or don't use) a particular service type, it is likely that staff mobility in various industry segments plays a role in determining whether mobile voice services are required. In many segments it may be that businesses rely on staff members personal mobile voice services, perhaps reimbursing a portion of monthly fees, or relying solely on the goodwill of staff.

It is also worth noting that across the overall sample, only 3% of survey respondents reported using mobile voice as their sole voice service (Figure 5).

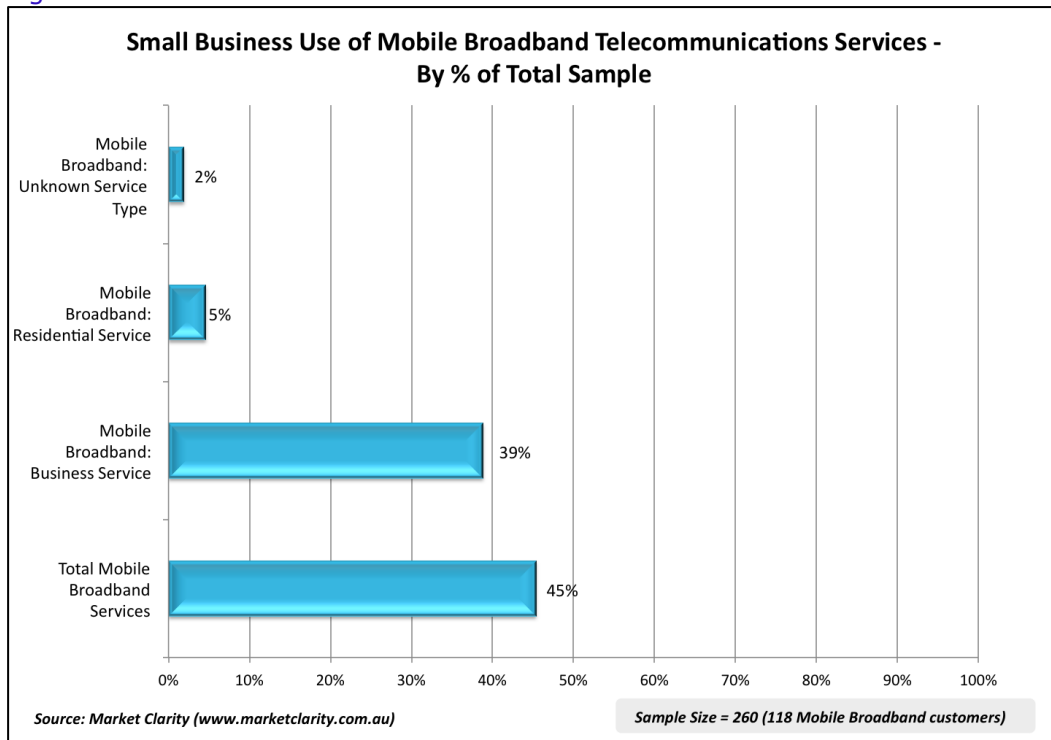
Figure 23. — Small Business Use of Mobile Voice Services by Vertical Industry



3.6 Small Business Use of Mobile Broadband Services

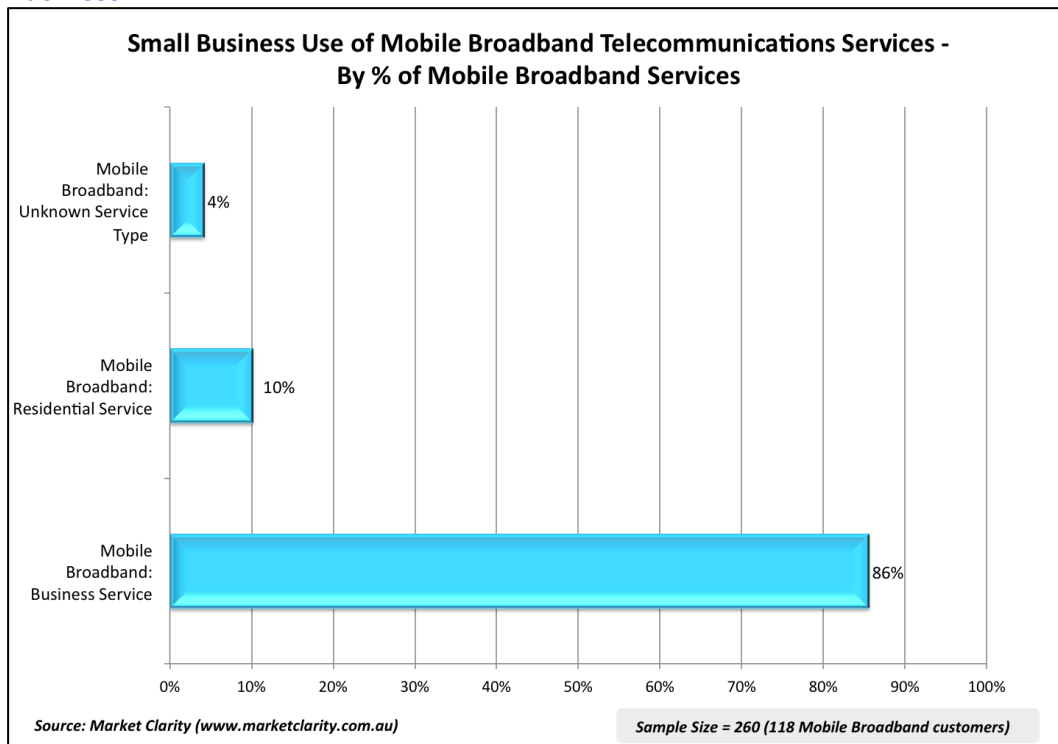
Overall, 45% of survey respondents utilise a mobile broadband service, with 39% of respondents using a business grade service, and 5% using a residential grade service, as illustrated in Figure 24.

Figure 24. — Small Business Use of Mobile Broadband Services



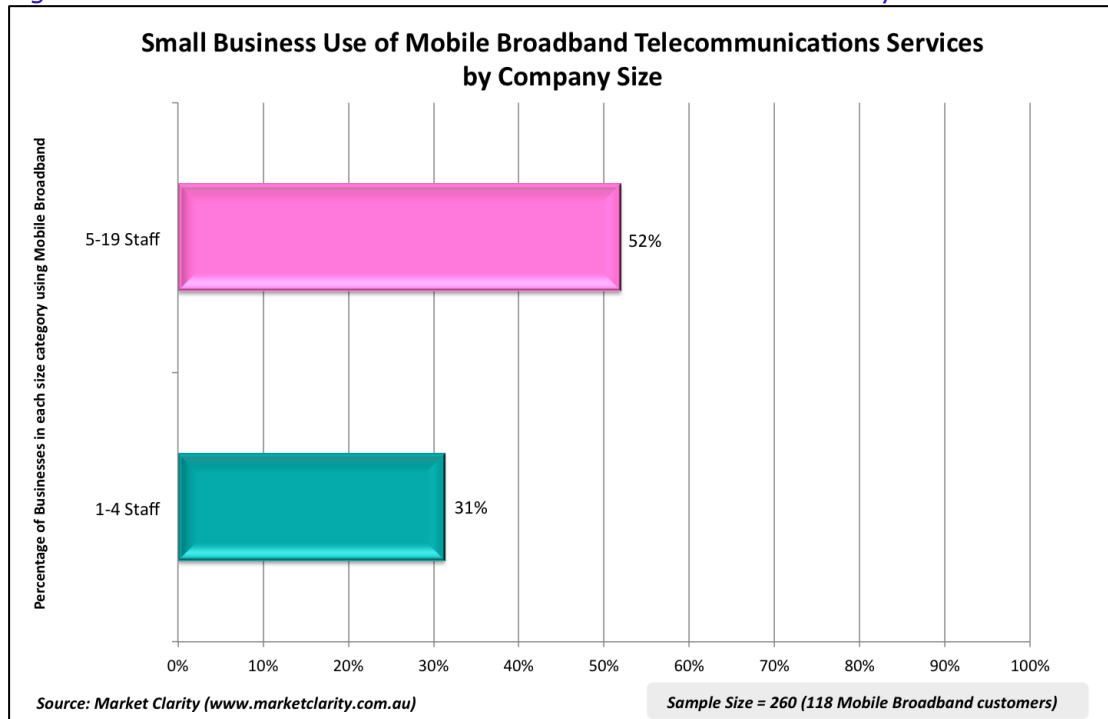
Of the subset of small businesses using mobile broadband services, 86% of these organisations use a business grade service, and 10% use a residential grade service, as illustrated in Figure 25.

Figure 25. — Understanding the Types of Mobile Broadband Services Used by Small Business



The use of mobile broadband services appears to be correlated to company size, with a slight skew towards larger SMEs (5-19) staff using mobile broadband. However, with only 45% of the overall sample using mobile broadband services, this could reflect a relatively small sample of mobile broadband users.

Figure 26. — Small Business Use of Mobile Broadband Services by Business Size



The analysis of mobile broadband service usage by vertical segment revealed that some industries are more likely to use mobile broadband services, including:

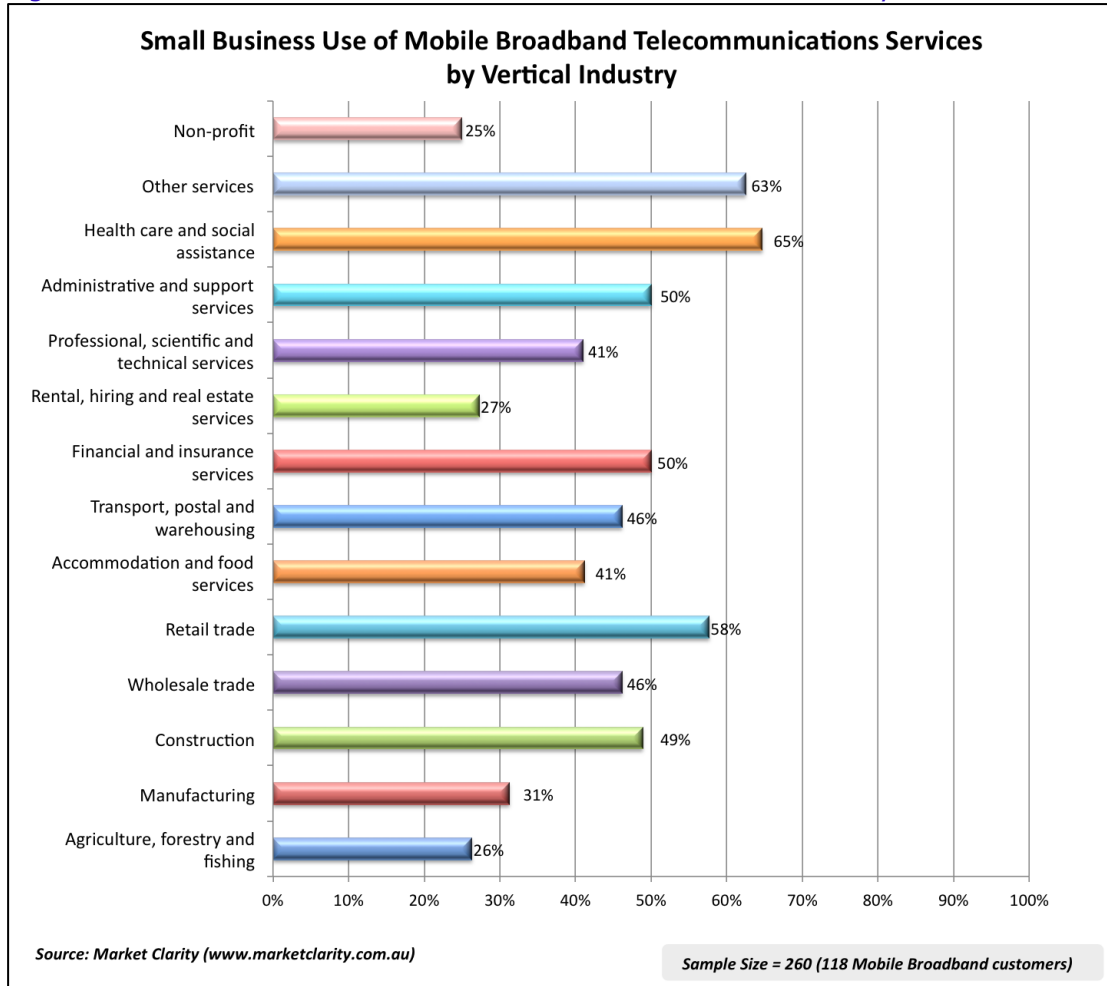
- Health care and social assistance;
- Other services; and
- Retail trade.

This is illustrated in Figure 27.

Business use of a mobile broadband services will no doubt be impacted by an organisation's mobility strategy.

Whilst the survey did not seek information on the reasons why businesses use (or don't use) a particular service type, it is likely that staff mobility in various industry segments plays a role in determining whether mobile broadband services are required. In many segments it may be that businesses rely on staff members personal mobile services for access to email or other applications via a mobile handset or smartphone.

Figure 27. — Small Business Use of Mobile Broadband Services by Vertical Industry



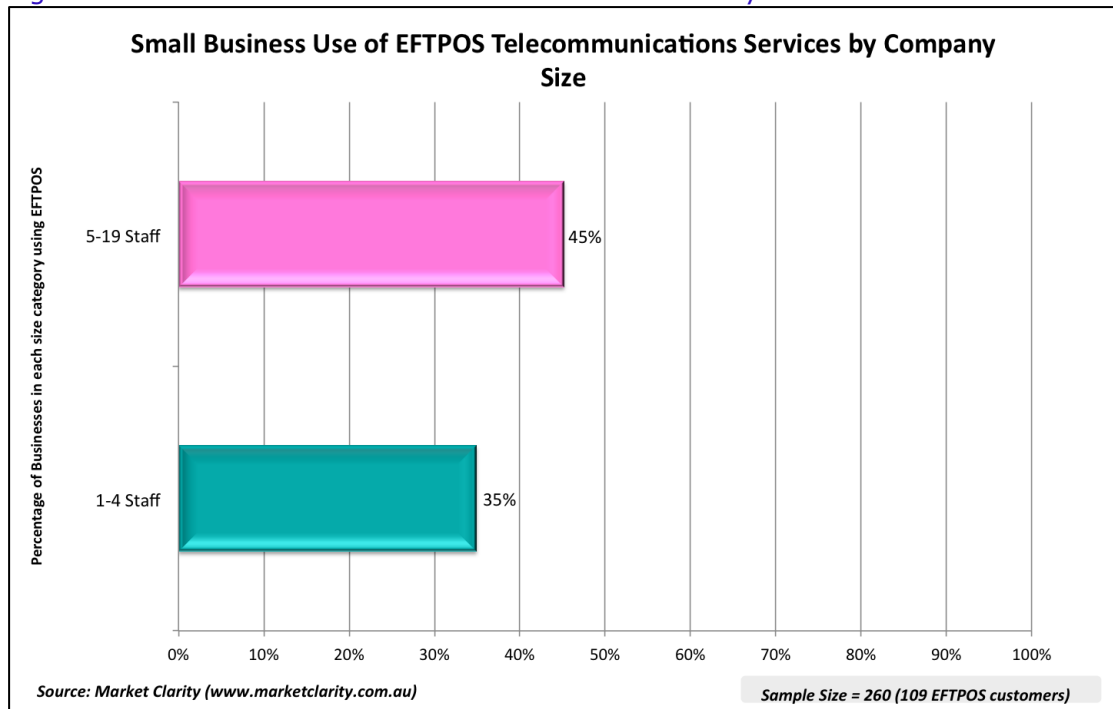
3.7 Small Business Use of EFTPOS Services

Overall, only 42% of survey respondents utilise an EFTPOS service.

As shown in Figure 28, business size seems to have a minor impact on the propensity of an organisation to use an EFTPOS service. However, the small differences in the use of EFTPOS services by business size may also fall within the sampling error rate of +/-6%, and as such no firm conclusions with respect to business size can be drawn.

Due to the small percentage of respondents using an EFTPOS service, caution needs to be exercised in interpreting these results.

Figure 28. — Small Business Use of EFTPOS Services by Business Size



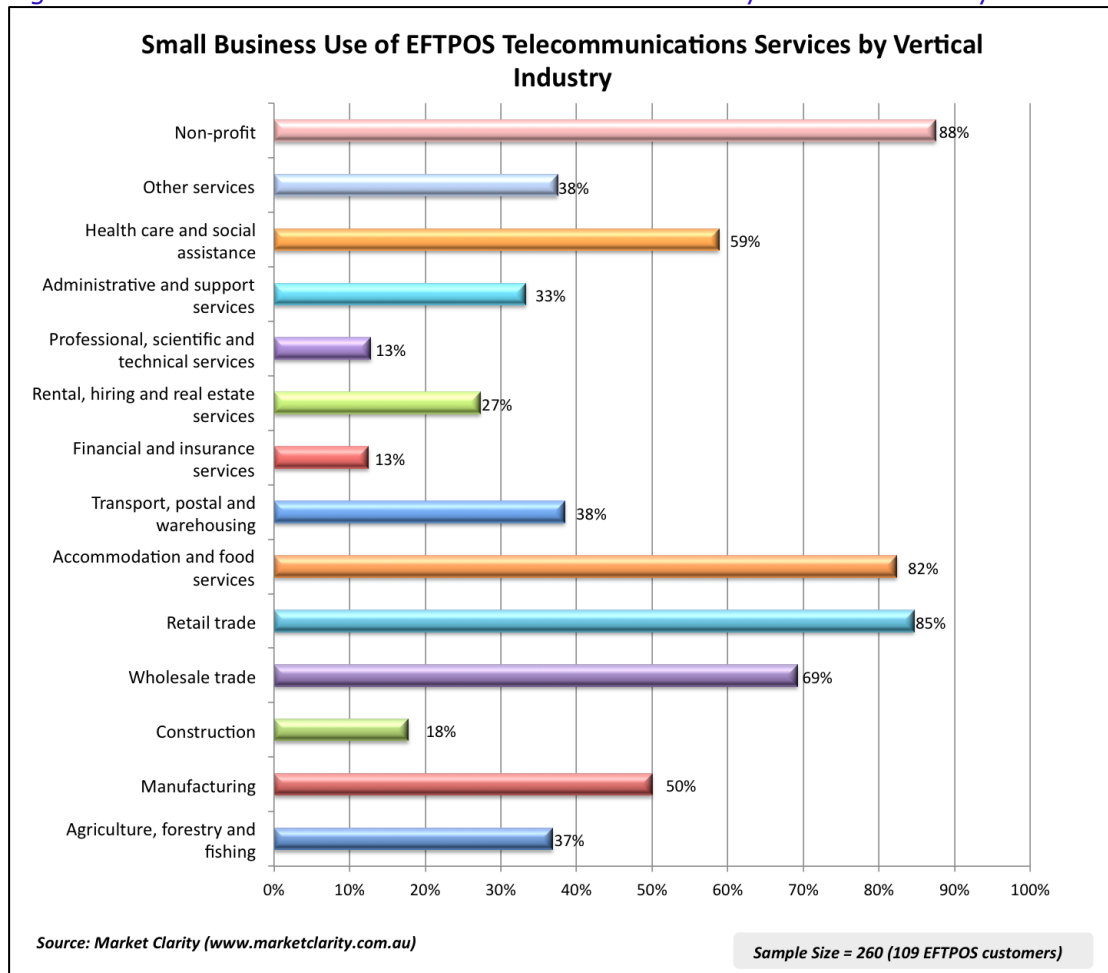
Industries with a propensity to use EFTPOS services include:

- Non-profit;
- Retail trade; and
- Accommodation and food services.

This is illustrated in Figure 29.

Whilst the survey did not seek information on the reasons why businesses use (or don't use) a particular service type, it is likely that the nature of business conducted in each segment plays a role in determining whether EFTPOS services are required. The sectors listed above, rely on small transactions across a large number of consumers. As such, use of EFTPOS services is expected.

Figure 29. — Small Business Use of EFTPOS Services by Vertical Industry

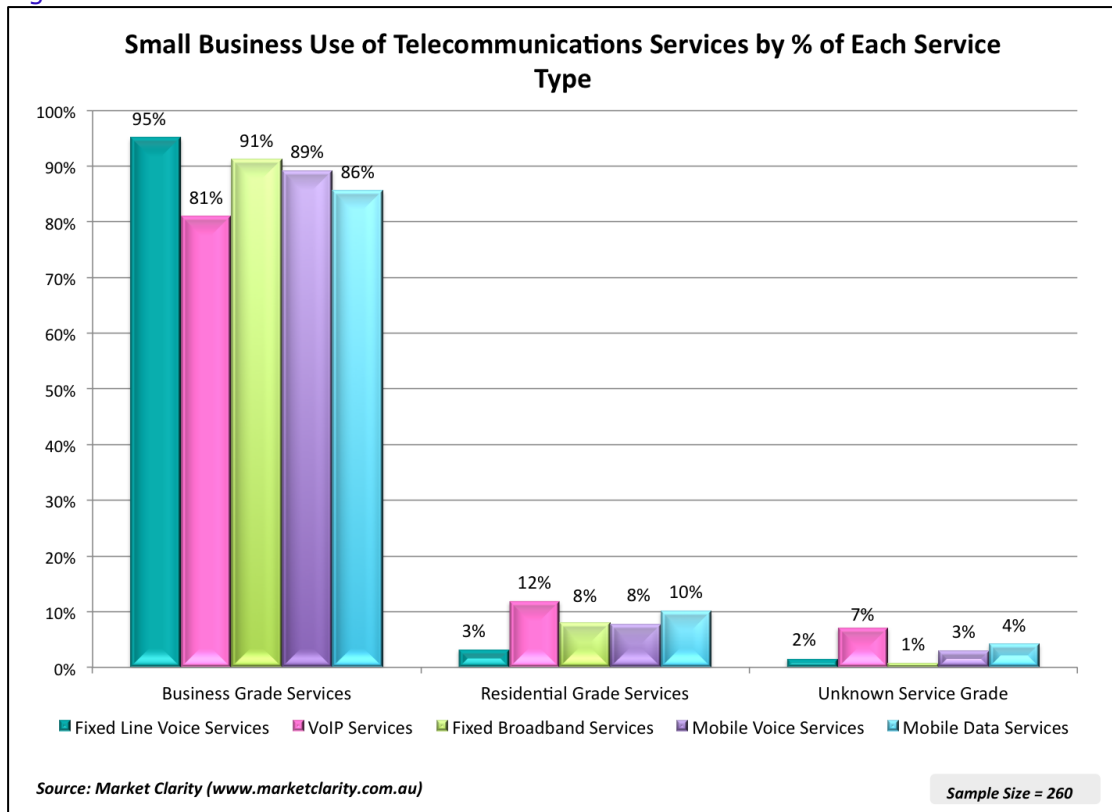


3.8 Summary: Small Business Use of Business and Residential Services

Figure 30 summarises small business use of telecommunications services by grade of service.

Small businesses overwhelmingly use business grade services: fixed voice (95%), VoIP (81%), fixed broadband (91%), mobile voice (89%) and mobile broadband (86%).

Figure 30. — Small Business Use of Business and Residential Services



3.9 Small Business Use of Service Bundles

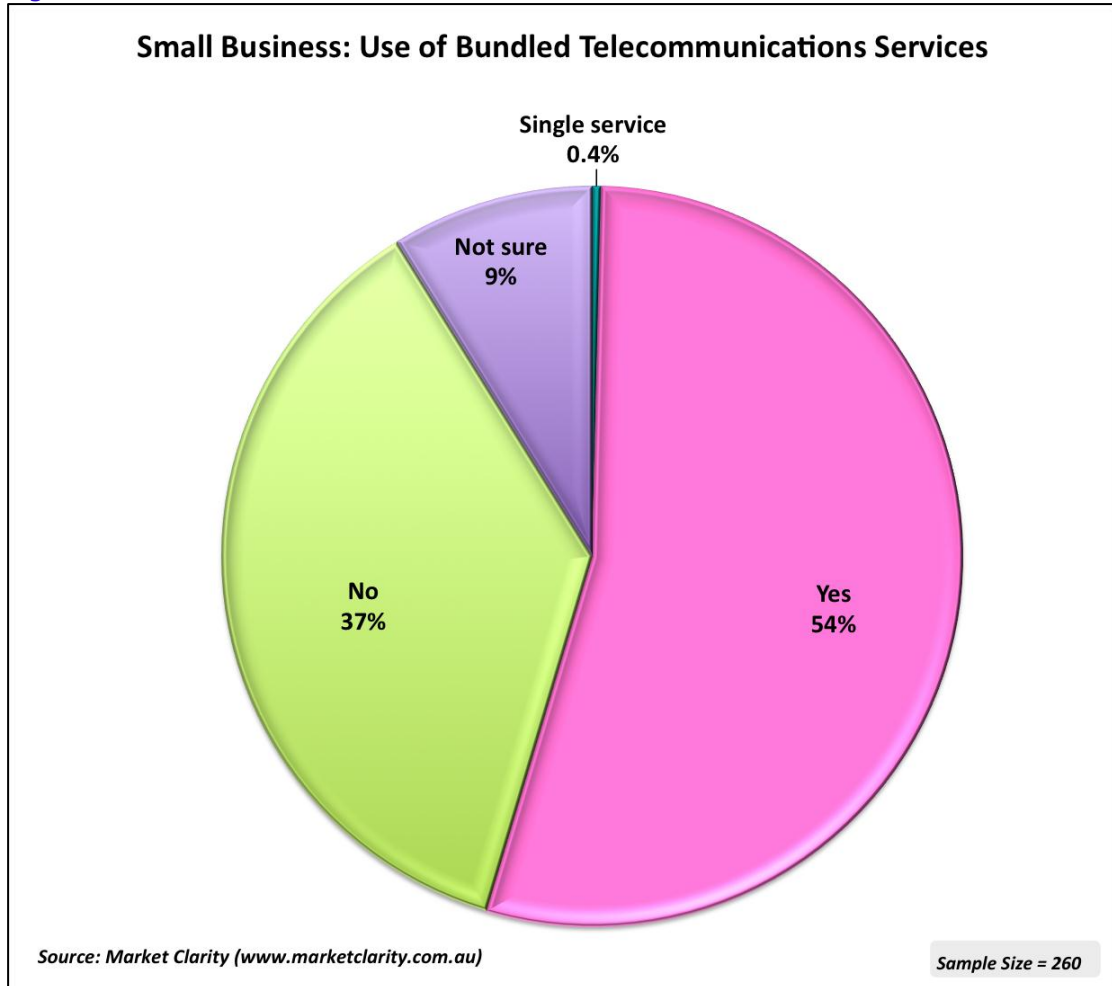
Survey respondents were asked to nominate combinations of services that they purchased where they were offered a cost reduction for bundling.

Overall, 54% of the survey respondents utilised some type of service bundle.

By contrast, survey respondents utilise a median of four (4) service types, as illustrated in Table 5. Furthermore, 93% of the overall sample use two (2) or more service types. 92% of respondents with 1-4 staff use two (2) or more service types. And, 94% of respondents with 5-19 staff use two (2) or more service types.

The widespread use of multiple service types provides small businesses (and their suppliers) with an opportunity to bundle services. Yet, only 54% of survey respondents reported using a service bundle.

Figure 31. — Small Business Use of Telecommunications Service Bundles



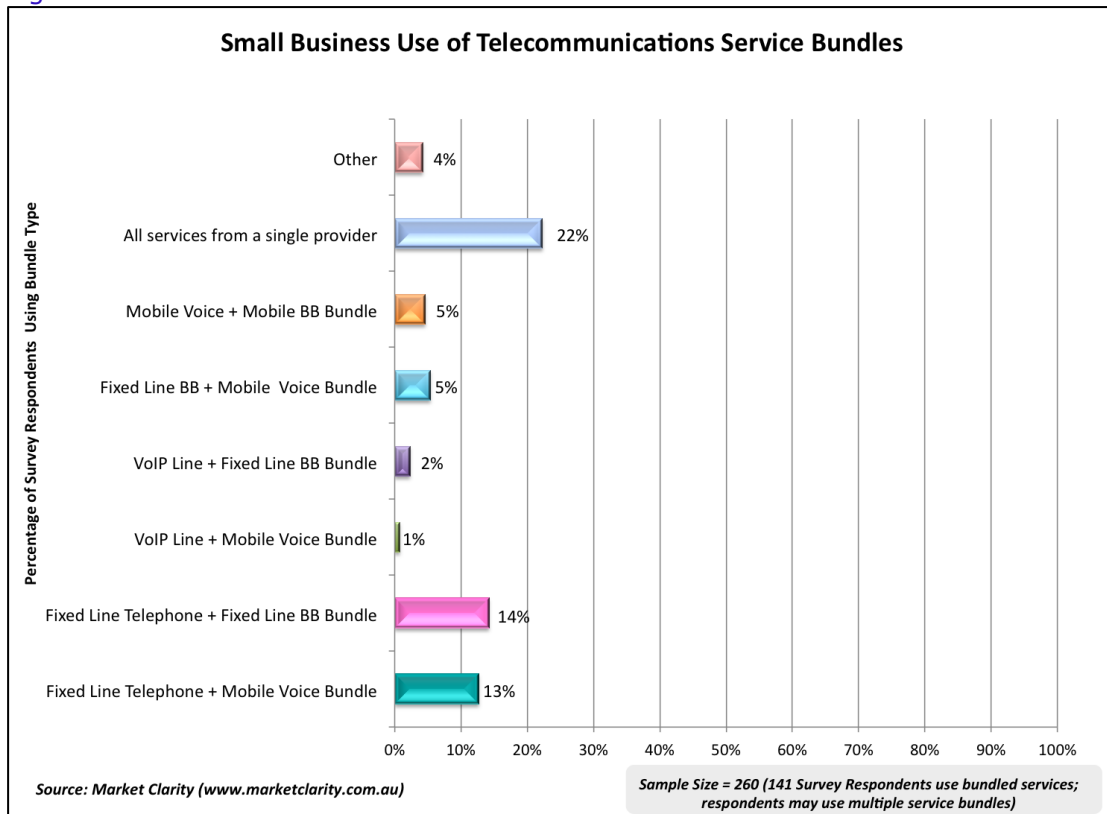
In a number of cases, survey respondents utilise multiple service bundles, such as a bundle of Fixed Line Telephone + Fixed Line Broadband, as well as Mobile Voice + Mobile Broadband.

The most popular option amongst respondents is to purchase all services from single provider. The next most popular options include a Fixed Line Telephone + Fixed Line Broadband bundle, followed by a Fixed Line Telephone + Mobile Voice bundle.

However, as can be seen in Table 4, the vast majority of businesses interviewed utilise both fixed voice and fixed broadband services (95% and 96% respectively). While fixed voice and broadband bundles are quite common in the market, only a small percentage (14%) of respondents explicitly purchase this type of bundle. When added in with the percentage of respondents purchasing all services from a single provider (22%), a maximum of 36% of respondents purchase a bundle of fixed voice and fixed broadband services.

This represents a missed opportunity for both respondents and suppliers.

Figure 32. — Small Business Use of Telecommunications Service Bundles



3.10 Small Business Service Selection Choices

Study respondents were asked to nominate the most important factor in telecommunications provider. Respondents were presented with the following (randomised) choices:

- Price;
- Plan inclusions;
- Recommendation by friend or colleague;
- Obligation under a franchisee’s contract;
- Customer service; or
- Something else [specify].

Not surprisingly, price was listed as the most important factor by 42% of survey respondents, followed by customer service (27%) and plan inclusions (13%). A further 13% of respondents nominated something else. In this category, mobile coverage and service reliability were the most frequently cited decision criteria.

Figures 33 and 34 illustrate survey responses to this question.

Figure 33. — Small Business: Most Important Reason for Choosing a Telecommunications Service

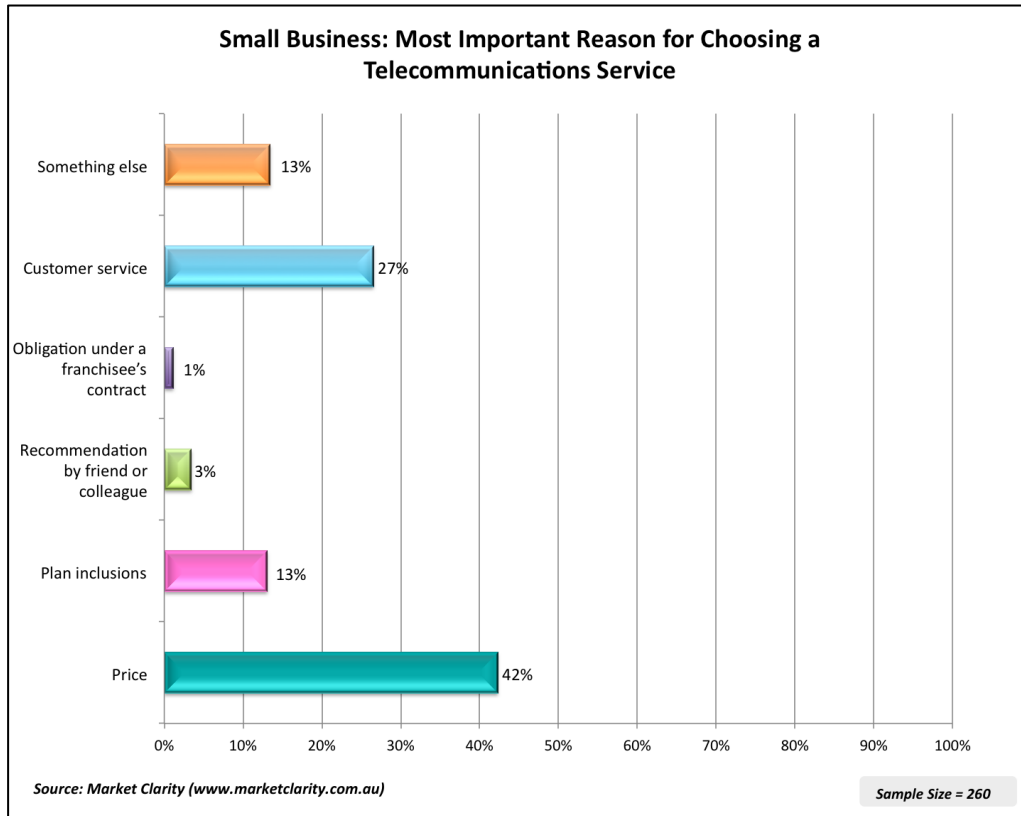
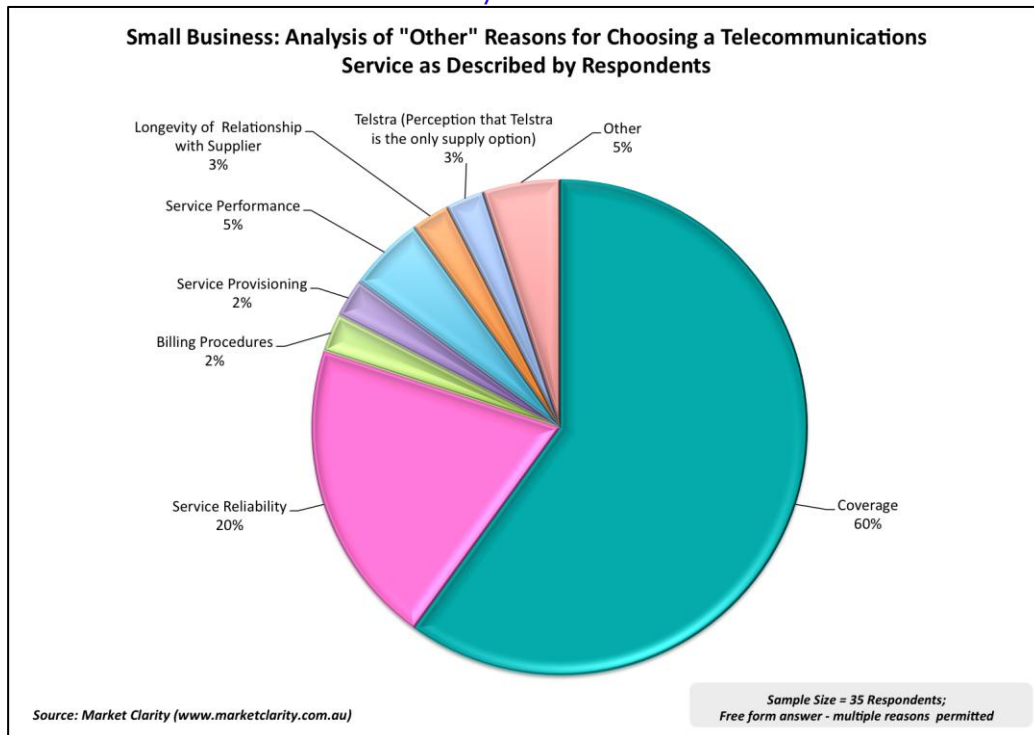
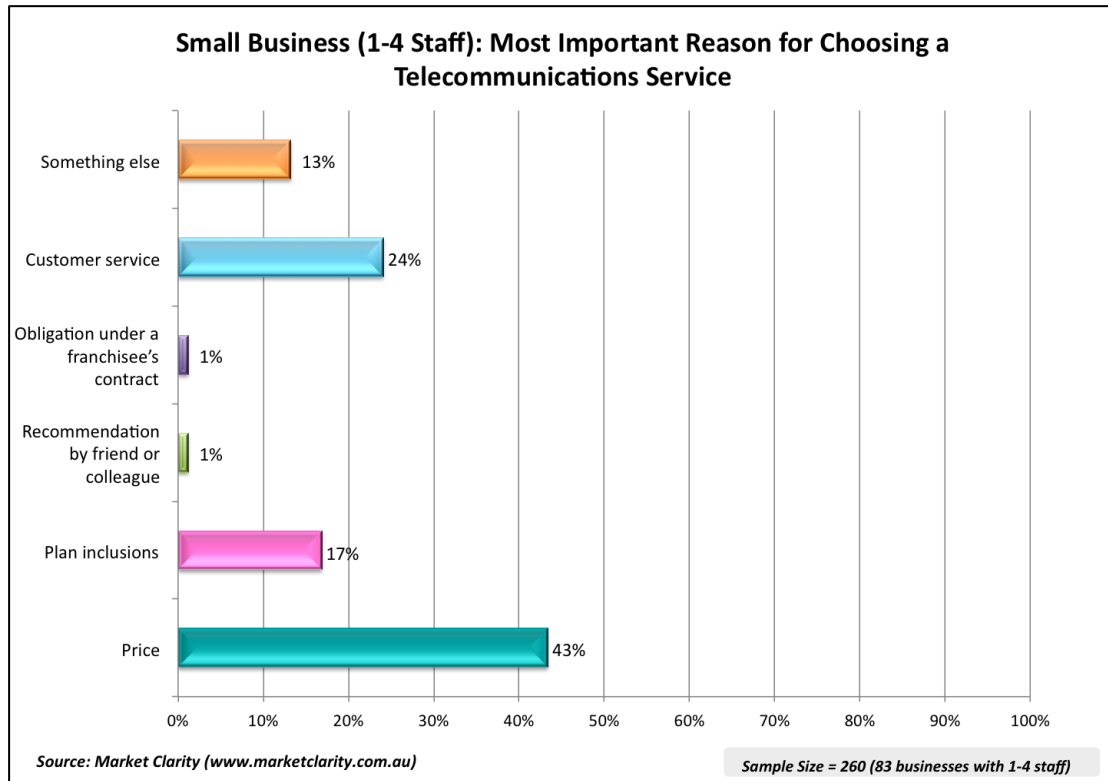


Figure 34. — Small Business: Most Important Reason for Choosing a Telecommunications Service – Analysis of Comments



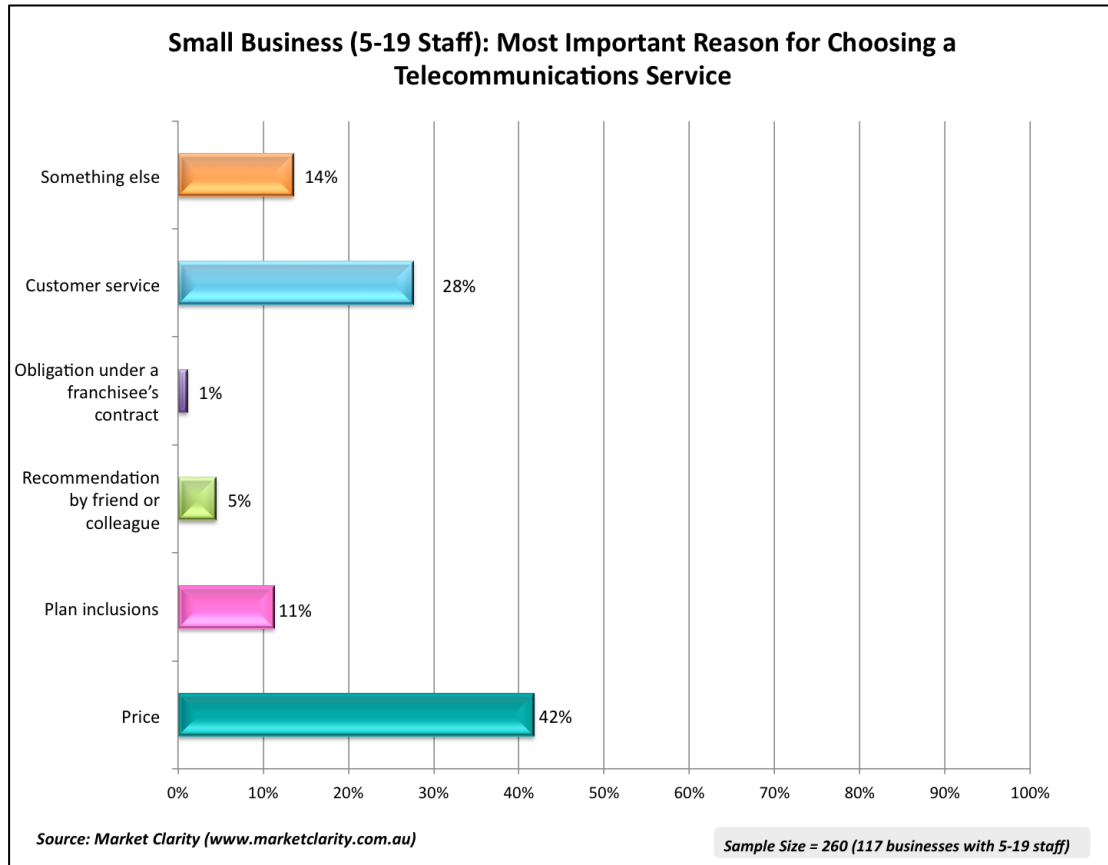
Analysing survey responses by company size, revealed that price (43%), customer service (24%), and plan inclusions (17%) were the most important factors for businesses with 1-4 staff. Results are illustrated in Figure 35.

Figure 35. — Small Business (1-4 Staff): Most Important Reason for Choosing a Telecommunications Service



Businesses with 5-19 staff, nominated price (42%), customer service (28%), something else (14%), and plan inclusions (11%) as the most important factors. Results are illustrated in Figure 36.

Figure 36. — Small Business (5-19 Staff): Most Important Reason for Choosing a Telecommunications Service



4 Service Issues

In this section, we examine the frequency and impact of service faults on small business operations.

4.1 Small Business: Frequency of Service Faults

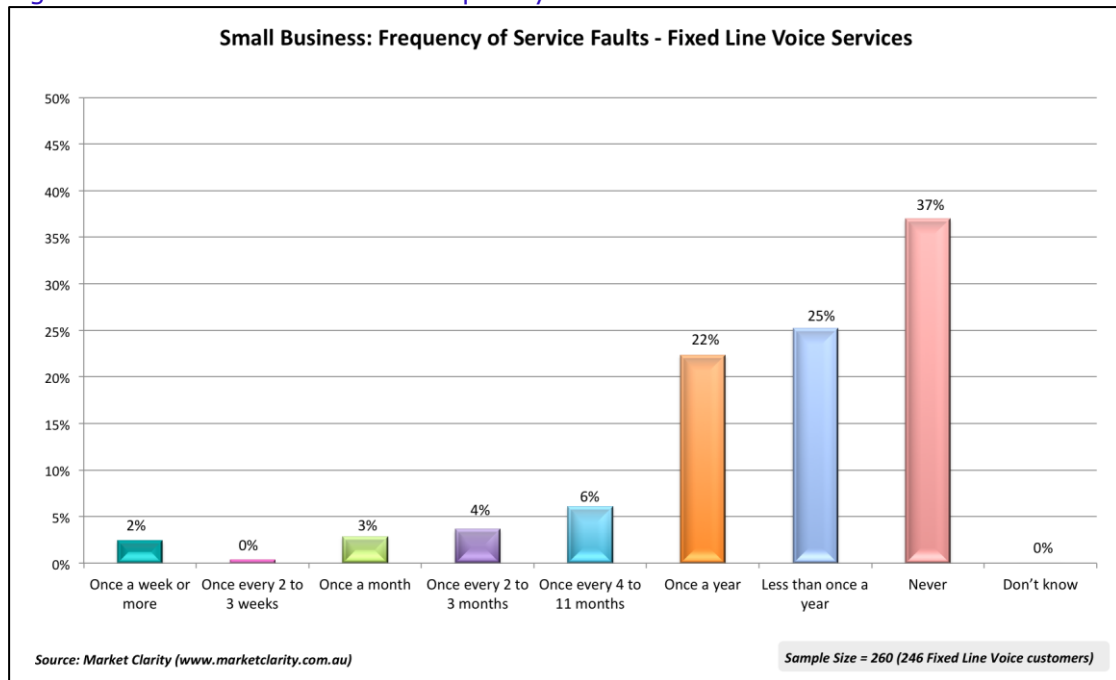
For each service type, respondents were asked how often they experienced service faults (defined as service interruptions, call drop-outs, and poor or no reception where there is normally network coverage).

The following fault frequency tiers were presented only if respondents did not volunteer fault frequencies:

- Once a week or more
- Once every 2 to 3 weeks
- Once a month
- Once every 2 to 3 months
- Once every 4 to 11 months
- Once a year
- Less than once a year
- Never
- Don't know

As seen in Figure 37, fixed line voice services, used by the vast majority (95%) of respondents, are highly reliable, with only 6% of fixed voice service users experiencing problems on a monthly basis.

Figure 37. — Small Business: Frequency of Fixed Voice Service Faults



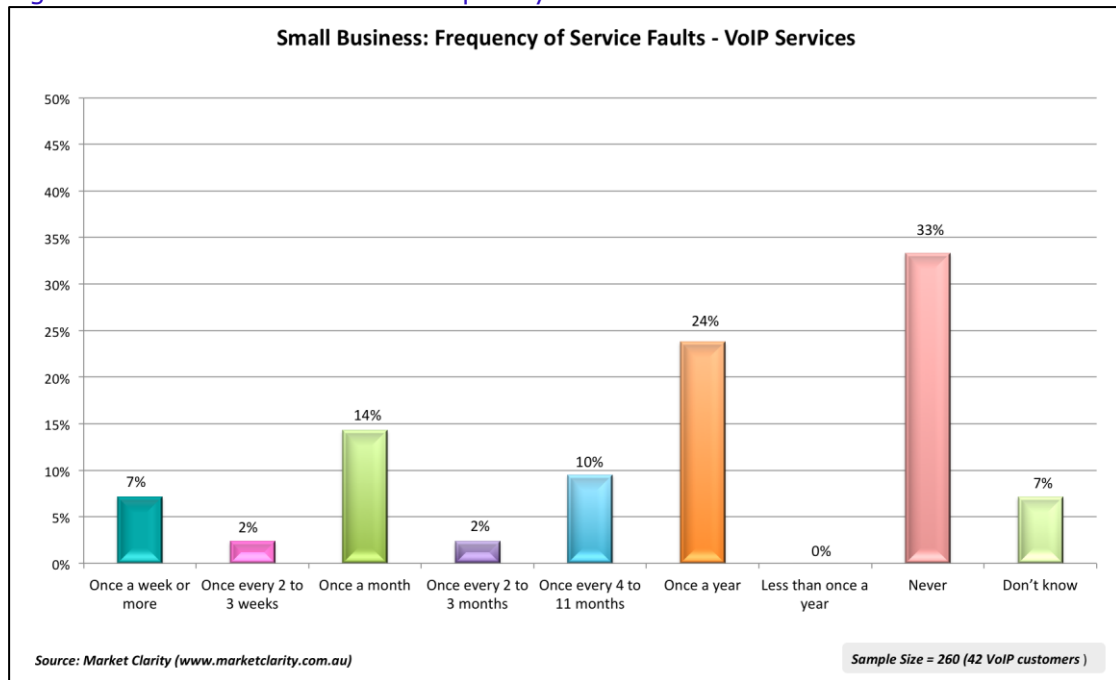
By contrast, VoIP services, used by a small portion (16%) of respondents, are less reliable, with 24% of VoIP service users reporting problems on at least a monthly basis. Furthermore, 7% of VoIP users experience weekly faults.

However, 24% of VoIP service users report problems occurring once a year, or never (33%). Figure 38 illustrates the reported frequency of VoIP faults.

Given that 81% of VoIP services utilise business grade connections, it is unclear as to the cause of reported VoIP service faults. It is possible that the high frequency of faults is related to configuration issues, internal network issues (within the small business), or lack of adequate bandwidth or QoS mechanisms across the customers' broadband connection (overall, only 2% of survey respondents reported using an explicit VoIP + Fixed Broadband bundle).

Further investigation is warranted.

Figure 38. — Small Business: Frequency of VoIP Service Faults

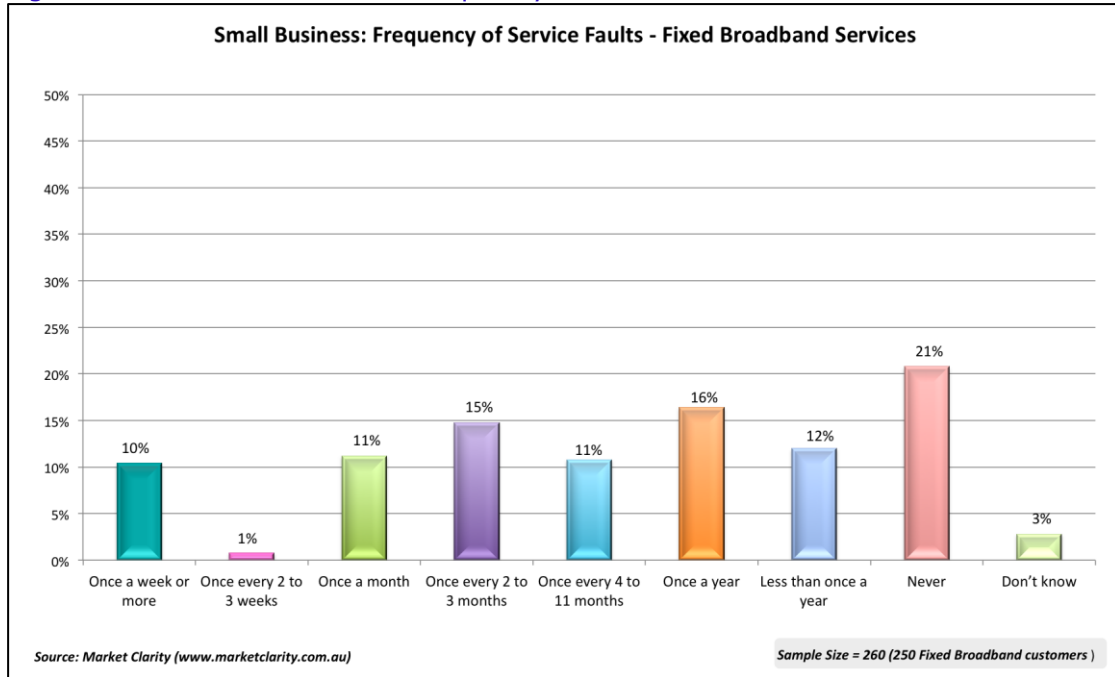


Fixed broadband services, used by the vast majority (96%) of respondents, are moderately reliable, with 22% of fixed broadband service users experiencing problems on at least a monthly basis, and 10% of fixed broadband users experiencing faults at least once a week.

As seen in Figure 39, the reported fault distribution shows that small business respondents have non-uniform experiences with fixed broadband services. Some respondents never experience problems (21%), while others encounter issues once every two-to-three months (15%).

It is unclear as to whether reported faults are due to issues with the underlying copper access network or with the broadband service. Because fixed broadband services generally share a common copper access network with fixed voice services (which are highly reliable), it would appear that many issues could reside in the broadband service network. Further investigation is warranted.

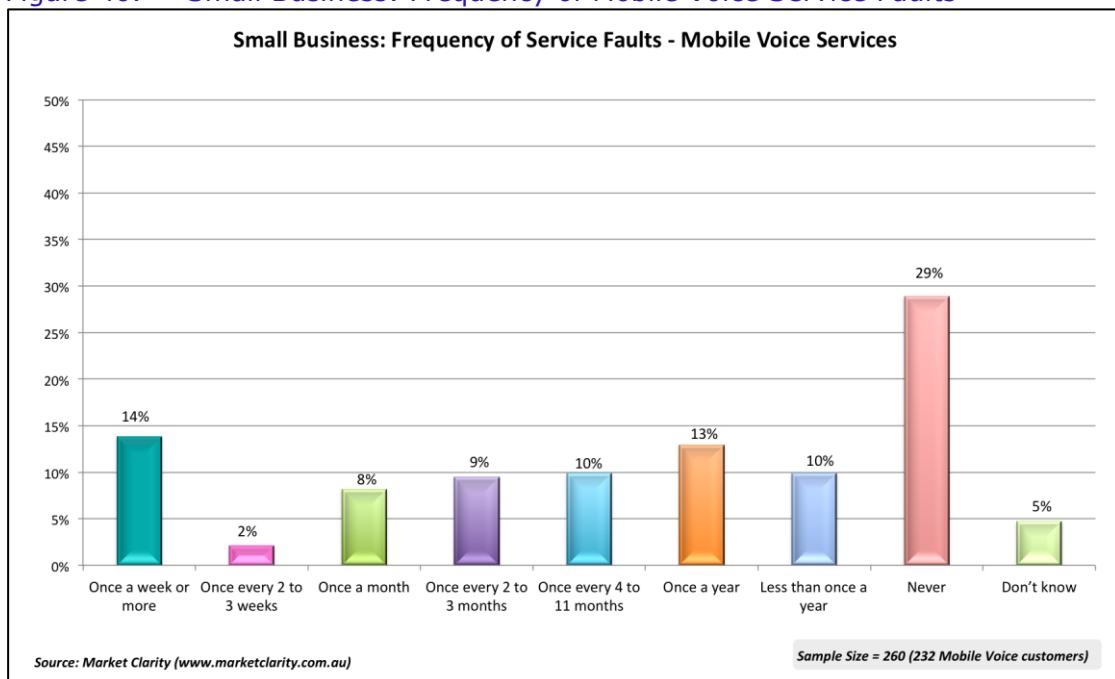
Figure 39. — Small Business: Frequency of Fixed Broadband Service Faults



Mobile voice services are used by 89% of survey respondents, and are moderately reliable, with 24% of mobile voice service users experiencing problems on at least a monthly basis, and 14% of mobile voice users experiencing faults at least once a week. Nonetheless, 29% of mobile voice users report never having a problem.

Figure 40 shows the reported fault frequency distribution.

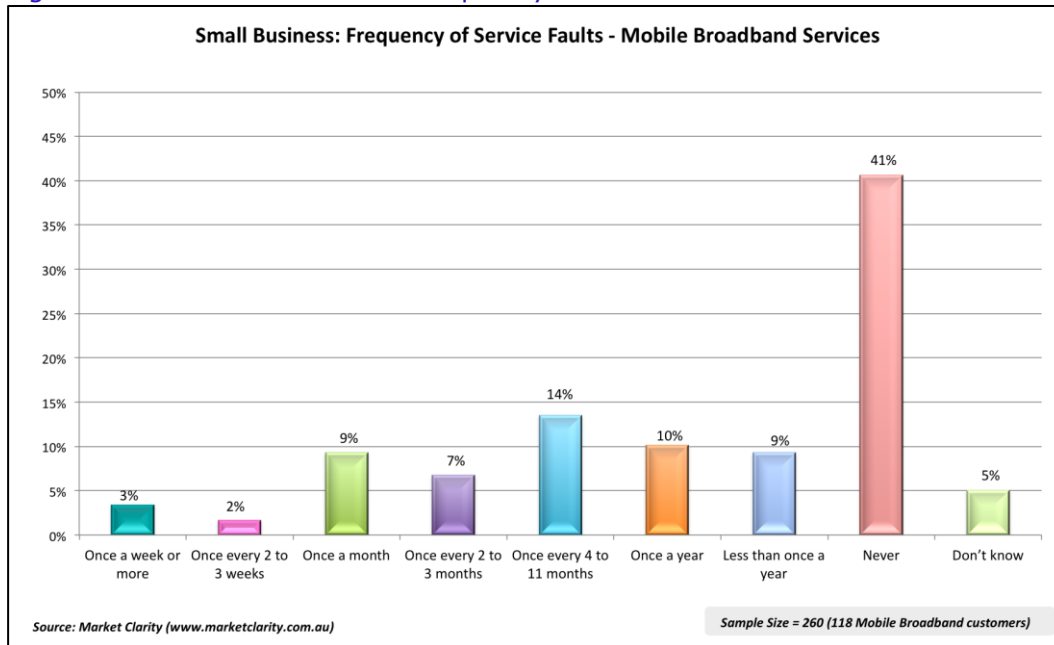
Figure 40. — Small Business: Frequency of Mobile Voice Service Faults



Mobile broadband services are used by 45% of survey respondents, and are reportedly more reliable than mobile voice services, with only 14% of mobile broadband service users experiencing problems on at least a monthly basis. Furthermore, 41% of mobile broadband users report never having a problem.

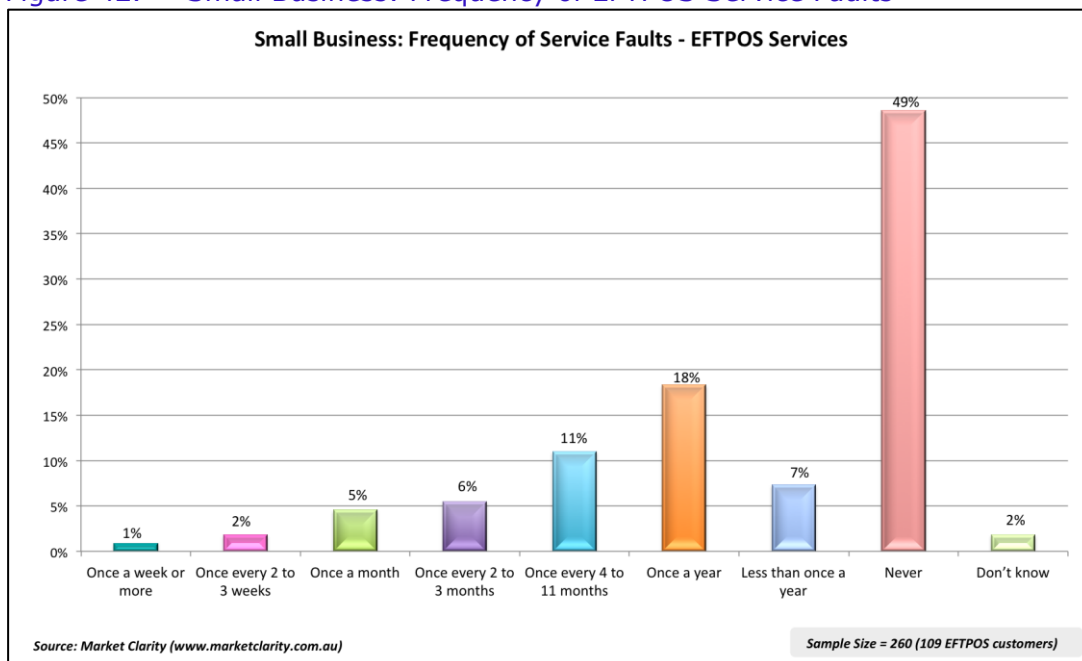
Figure 41 shows the reported fault frequency distribution.

Figure 41. — Small Business: Frequency of Mobile Broadband Service Faults



EFTPOS services have a high degree of reliability, with only 7% of EFTPOS service users experiencing problems on a monthly basis. Figure 42 shows the reported fault frequency distribution.

Figure 42. — Small Business: Frequency of EFTPOS Service Faults



4.2 Small Business: Impact of One-Hour Service Fault

For each service type, respondents were asked about the effect on their business if the service was unavailable for **one hour**.

The following (randomised) impact tiers were presented to respondents:

- Mild
- Moderate
- Severe
- Catastrophic
- Don't know

As seen in Figure 43, a one-hour outage of fixed voice services results in a mild (44%) or moderate (30%) business impact for most fixed voice users. However, a significant number of respondents report a severe (21%) or catastrophic (4%) impact.

Correlating this with Figure 37 (fixed line voice service faults), wherein it was shown that only 6% of fixed voice service users experience service problems on a monthly basis — the lowest reported fault rate of all voice service types — it appears that fixed voice users are matching their risk profiles with service capabilities.

It's also worth noting that only 9% of survey respondents rely solely on fixed voice services for voice communications (Figure 5).

Figure 43. — Small Business: Impact of One-Hour Fixed Voice Service Fault

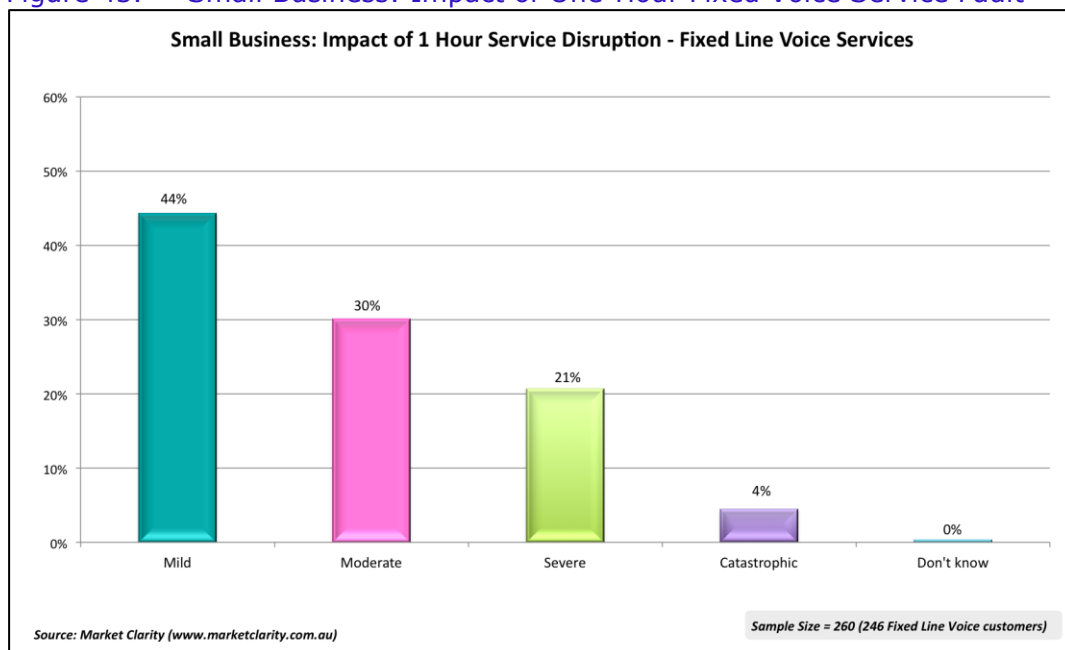


Figure 44 shows that a one-hour outage of VoIP services results in a mild (55%) or moderate (19%) business impact for most VoIP users. However, a significant number of respondents report a severe (19%) or catastrophic (5%) impact.

Correlating this with Figure 38 (VoIP service faults), wherein it was shown that 24% of VoIP service users report service problems on at least a monthly basis, it would appear that there is a mismatch between VoIP service characteristics and VoIP users' risk profiles.

It's important to note that only 16% of survey respondents utilise VoIP services (Figure 2), and 1% of survey respondents rely solely on VoIP services for voice communications (Figure 5). Hence, the actual risk profile of VoIP users is likely to be quite low.

Figure 44. — Small Business: Impact of One-Hour VoIP Service Fault

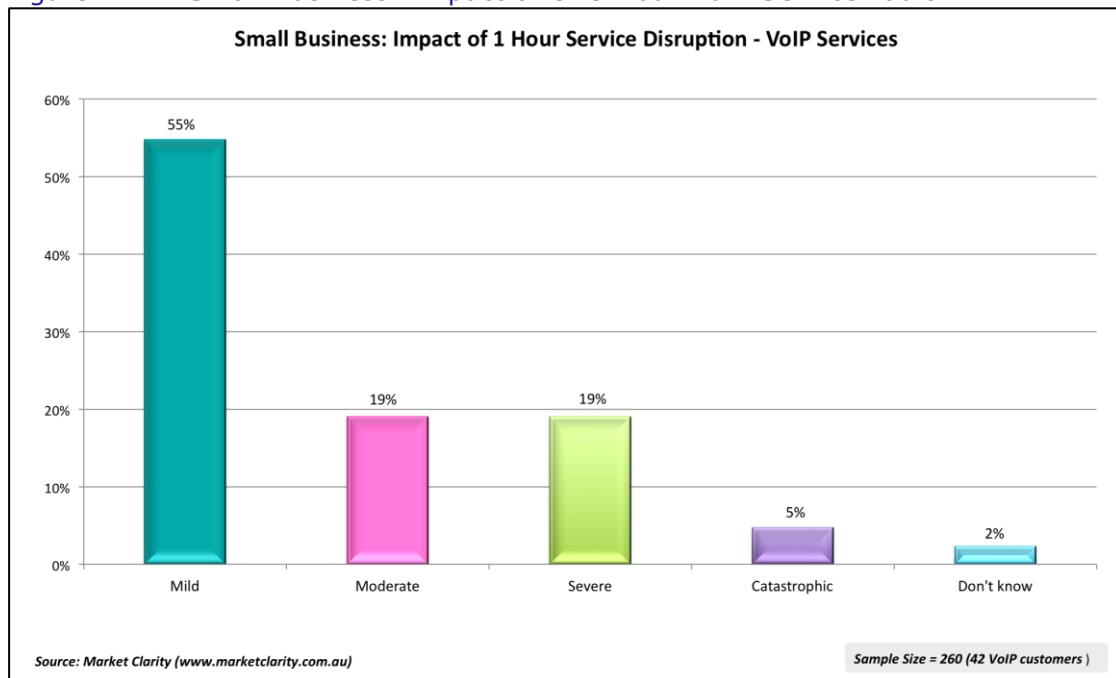


Figure 45 shows that a one-hour outage of fixed broadband services results in a mild (32%) or moderate (36%) business impact for most fixed broadband users. However, a significant number of respondents report a severe (21%) or catastrophic (11%) impact of a one-hour service outage.

Given that 96% of survey respondents utilise fixed broadband services (Figure 2), and 53% of survey respondents rely solely on fixed broadband services for Internet connectivity (Figure 5), it would appear that a one-hour service outage would result in a serious impact for up to 32% of small businesses.

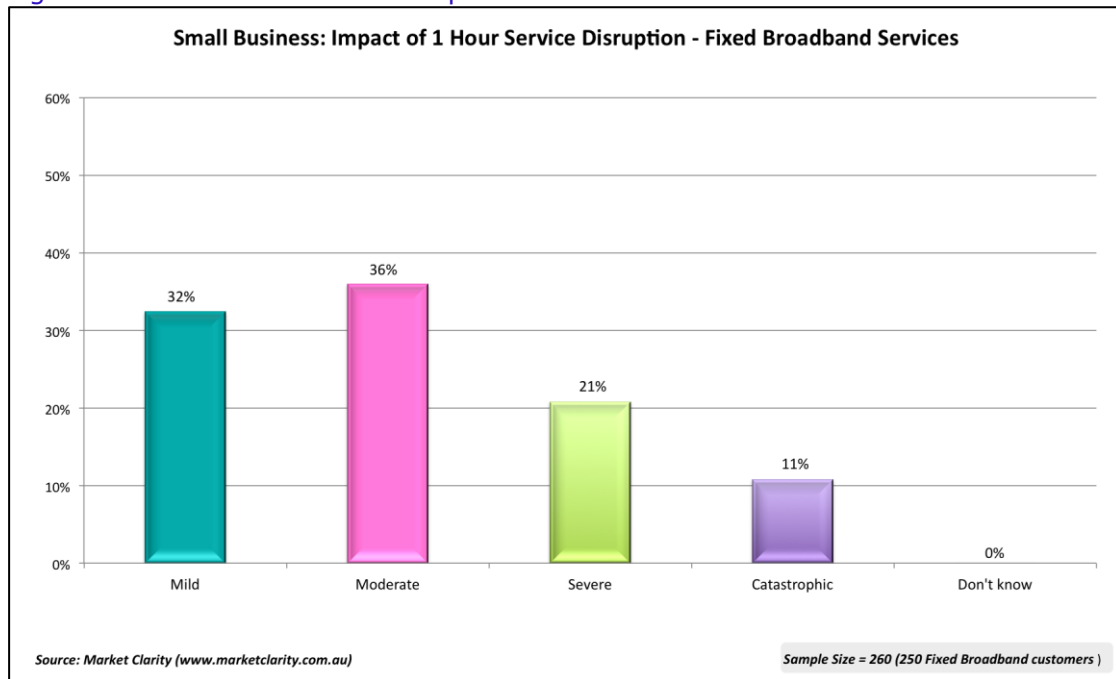
In Figure 39 (Small Business: Frequency of Fixed Broadband Service Faults) we saw that 22% of fixed broadband service users experienced problems on at least a monthly basis, and 10% of fixed broadband users experienced faults at least once a week.

As it turns out, 10% of fixed broadband users reported service outages occurring at least once a month, as well as a severe or catastrophic impact in the event of a service outage.

Given this risk profile, small businesses that report severe or catastrophic business impacts of a one-hour fixed broadband service disruption should subscribe to multiple broadband services (preferably via diverse technologies).

This is an area where advocacy and education could reduce small business risks.

Figure 45. — Small Business: Impact of One-Hour Fixed Broadband Service Fault



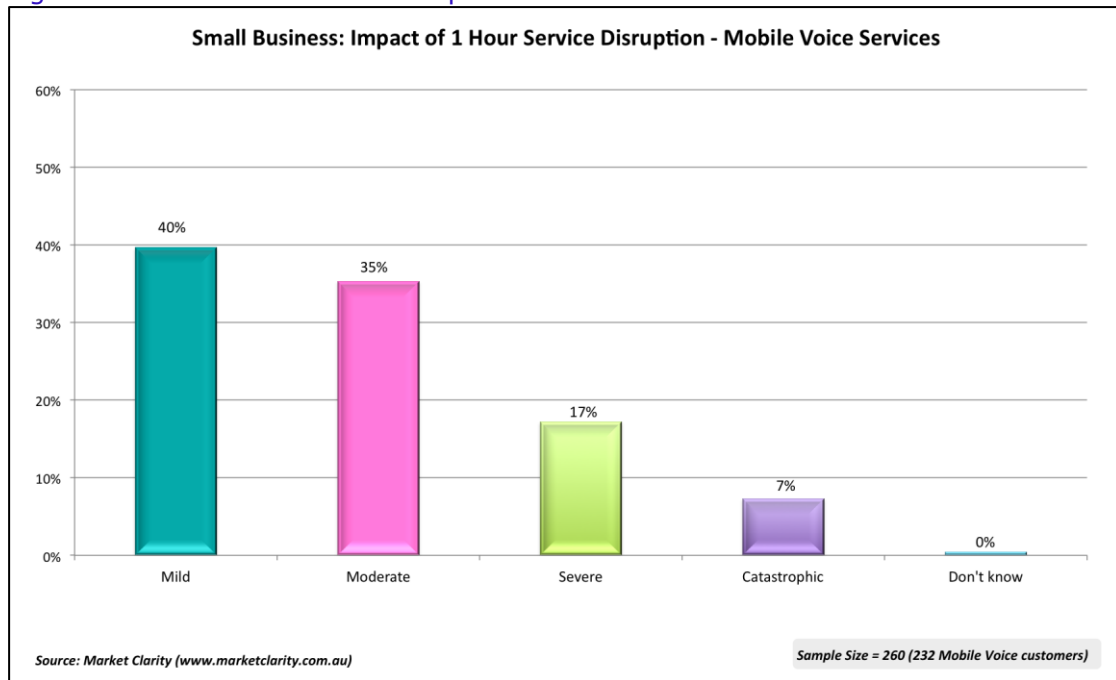
As seen in Figure 46, a one-hour outage of mobile voice services results in a mild (40%) or moderate (35%) business impact for most mobile voice users, although a significant number of respondents report a severe (17%) or catastrophic (7%) impact.

In assessing risk, it's worth noting that only 3% of survey respondents rely solely on mobile voice services for voice communications (Figure 5).

While 24% of mobile voice service users experienced faults on at least a monthly basis (Figure 40), only 8% of mobile voice users who experience faults on at least a monthly basis also report a severe or catastrophic impact on their business in the event of a one-hour mobile voice service disruption.

Businesses in this category should consider subscribing to multiple mobile service networks. This is an area where advocacy and education could reduce small business risks.

Figure 46. — Small Business: Impact of One-Hour Mobile Voice Service Fault



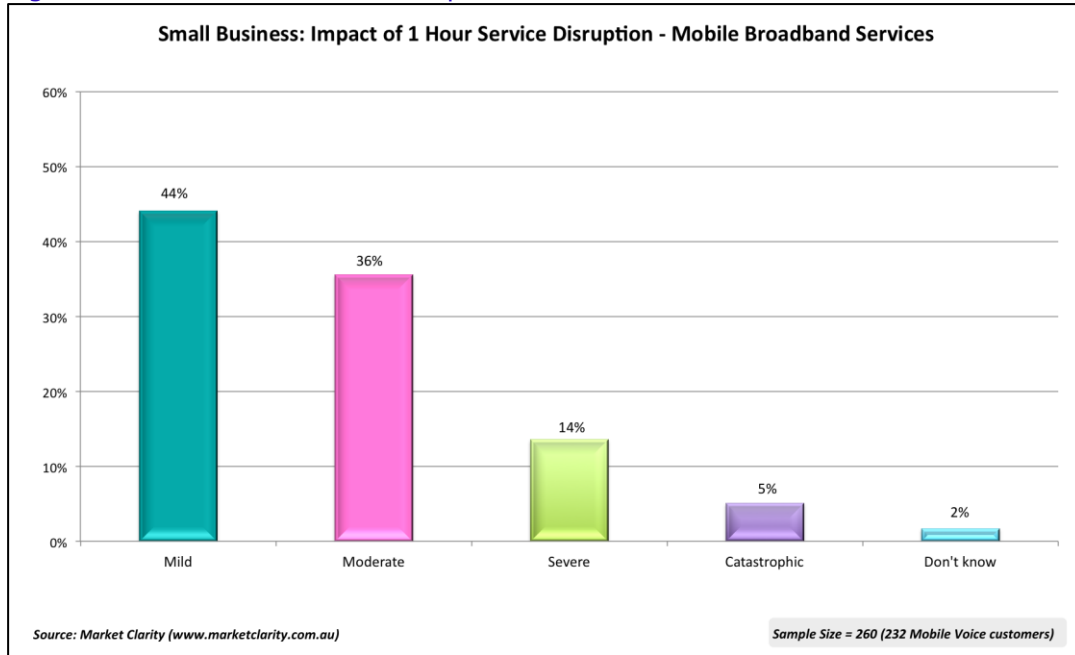
As seen in Figure 47, a one-hour outage of mobile broadband services results in a mild (44%) or moderate (6%) business impact for most mobile broadband users, although a significant number of respondents report a severe (14%) or catastrophic (5%) impact.

While 14% of mobile broadband service users experienced faults on at least a monthly basis (Figure 41), only 5% of mobile broadband users who experience faults on at least a monthly basis also report a severe or catastrophic impact on their business in the event of a one-hour mobile broadband service disruption.

Businesses in this category should consider subscribing to multiple mobile service networks. This is an area where advocacy and education could reduce small business risks.

It's important to put this into context. Overall, 45% of survey respondents utilise mobile broadband services (Figure 2), and 3% of survey respondents rely solely on mobile broadband services for Internet connectivity (Figure 6). Nonetheless, businesses reporting severe or catastrophic impacts of a one-hour service fault likely have business operations that are driven by staff mobility (e.g. staff require off-site Internet access).

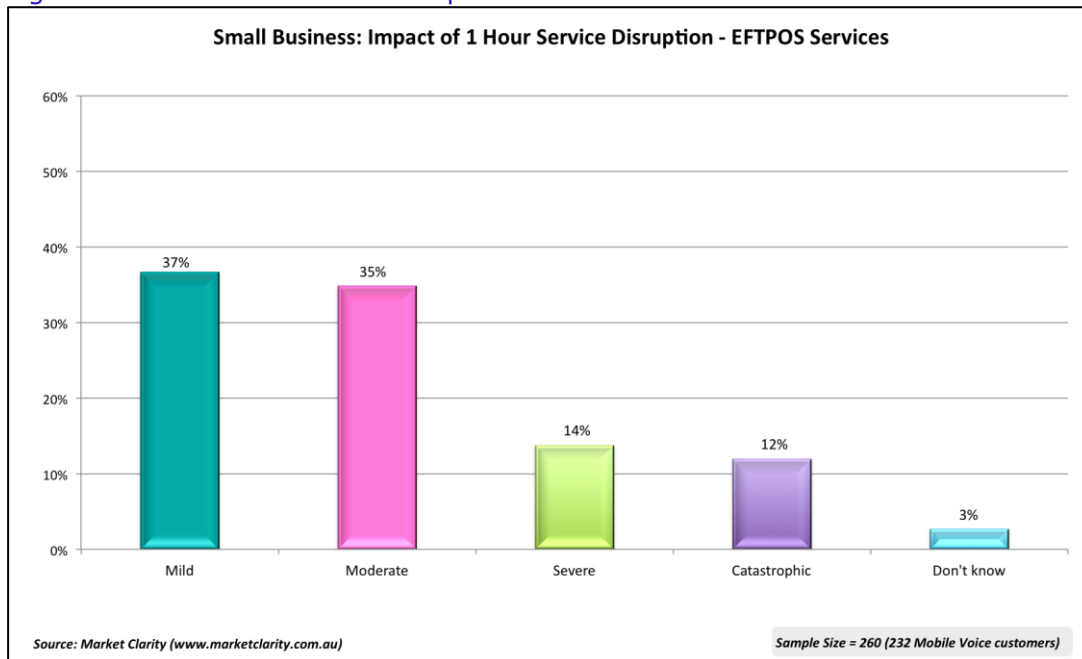
Figure 47. — Small Business: Impact of One-Hour Mobile Broadband Service Fault



Surprisingly, a one-hour outage of EFTPOS services results in a mild (37%) or moderate (35%) business impact for most EFTPOS users, although a significant number of respondents report a severe (14%) or catastrophic (12%) business impact (Figure 48).

EFTPOS services have a high degree of reliability, with only 7% of EFTPOS service users experiencing problems on a monthly basis (Figure 42). Similarly, 6% of EFTPOS service users report both a monthly frequency of service faults, and a severe or catastrophic business impact.

Figure 48. — Small Business: Impact of One-Hour EFTPOS Service Fault



4.3 Small Business: Impact of One-Day Service Fault

For each service type, respondents were asked about the effect on their business if the service was unavailable for **one day**.

The following (randomised) impact tiers were presented to respondents:

- Mild
- Moderate
- Severe
- Catastrophic
- Don't know

Figure 49 shows that a one-day outage of fixed voice services results in a severe (40%) or catastrophic (22%) impact for a large number of fixed voice service users.

Fixed line voice services have a high degree of reliability, with only 6% of fixed voice service users experiencing problems on a monthly basis (Figure 37). However, 4% of fixed voice users reported service outages occurring at least once a month, as well as a severe or catastrophic impact to their business in the event of a one-day service outage.

While the survey did not ask about the duration of service faults, given the correlation of business risk with fault history, businesses in this category should be encouraged to take appropriate risk mitigation measures.

Such measures could include the use of fixed voice or VoIP services from multiple providers, across different access technologies (copper, fibre, wireless), or diversion to mobile voice services. It is beyond the scope of this paper to provide further detail on redundancy options. This is an area where market education could assist small businesses.

Figure 49. — Small Business: Impact of One-Day Fixed Voice Service Fault

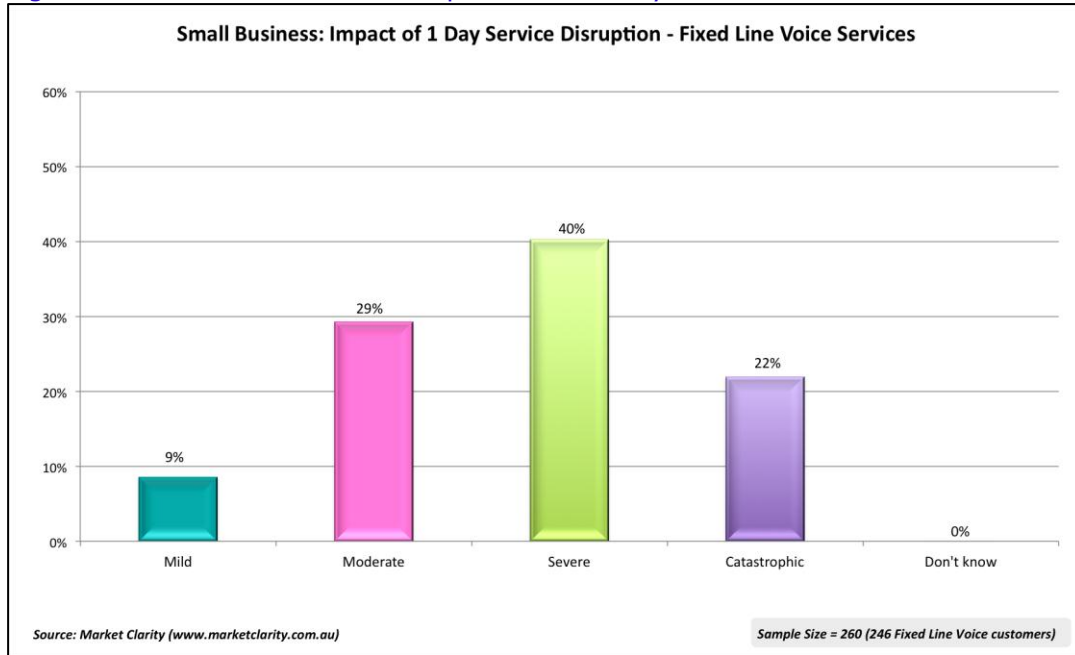


Figure 50 shows that a one-day outage of VoIP services results in a severe (26%) or catastrophic (21%) impact for a subset of VoIP service users.

The study found that 7% of VoIP service users reported service outages occurring at least once a month, as well as a severe or catastrophic impact to their business in the event of a one-day service outage. However, the total number of survey respondents using VoIP is quite low — only 16% of survey respondents utilise VoIP services (Figure 2), and 1% of survey respondents rely solely on VoIP services for voice communications (Figure 5). Hence, the actual risk profile of VoIP users is likely to be quite low.

Figure 50. — Small Business: Impact of One-Day VoIP Service Fault

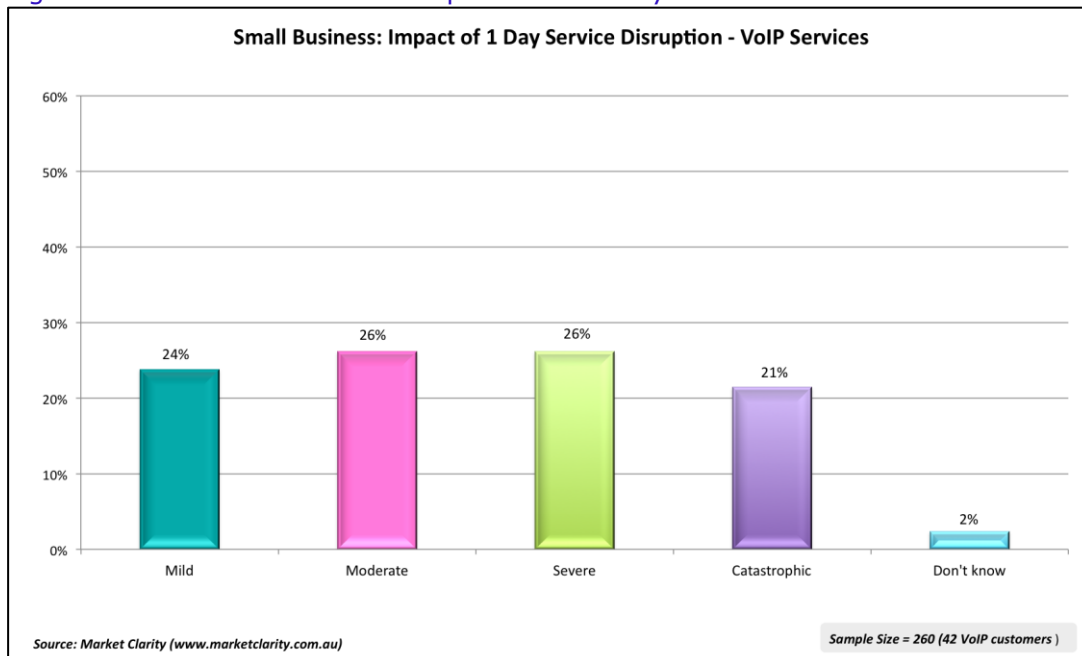


Figure 51 shows that a one-day outage of fixed broadband services results in a severe (40%) or catastrophic (26%) impact for a large number of fixed broadband service users.

From a risk mitigation perspective, it's worth noting that a large percentage (17%) of fixed broadband users reported service outages occurring at least once a month, as well as a severe or catastrophic impact to their business in the event of a one-day service outage.

While the survey did not ask about the duration of service faults, given the correlation of business risk with fault history, businesses in this category should be encouraged to take appropriate risk mitigation measures.

Such measures could include the use of fixed or mobile broadband services from multiple providers, across different access technologies (copper, fibre, wireless, cellular). It is beyond the scope of this paper to provide further detail on redundancy options. This is an area where market education could assist small businesses.

Figure 51. — Small Business: Impact of One-Day Fixed Broadband Service Fault

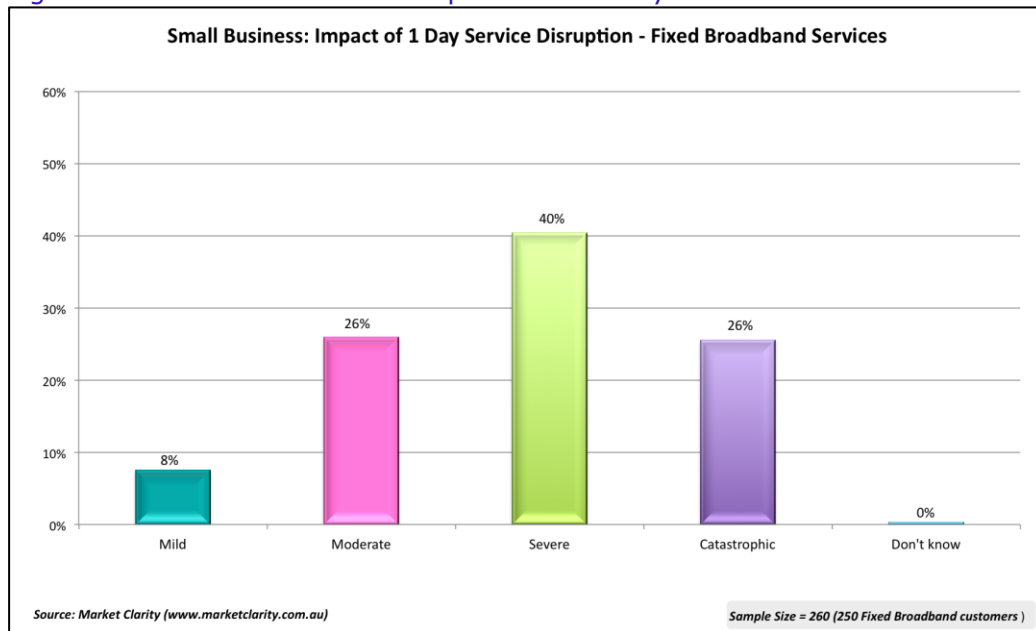


Figure 52 shows that a one-day outage of mobile voice services results in a severe (36%) or catastrophic (19%) impact for a large number of mobile voice service users.

A significant number of mobile voice users (13%) reported service outages occurring at least once a month, as well as a severe or catastrophic impact to their business in the event of a one-day service outage.

Businesses in this category should be encouraged to take appropriate risk mitigation measures, such as the use of mobile voice services from multiple providers. This is an area where market education could assist small businesses.

Figure 52. — Small Business: Impact of One-Day Mobile Voice Service Fault

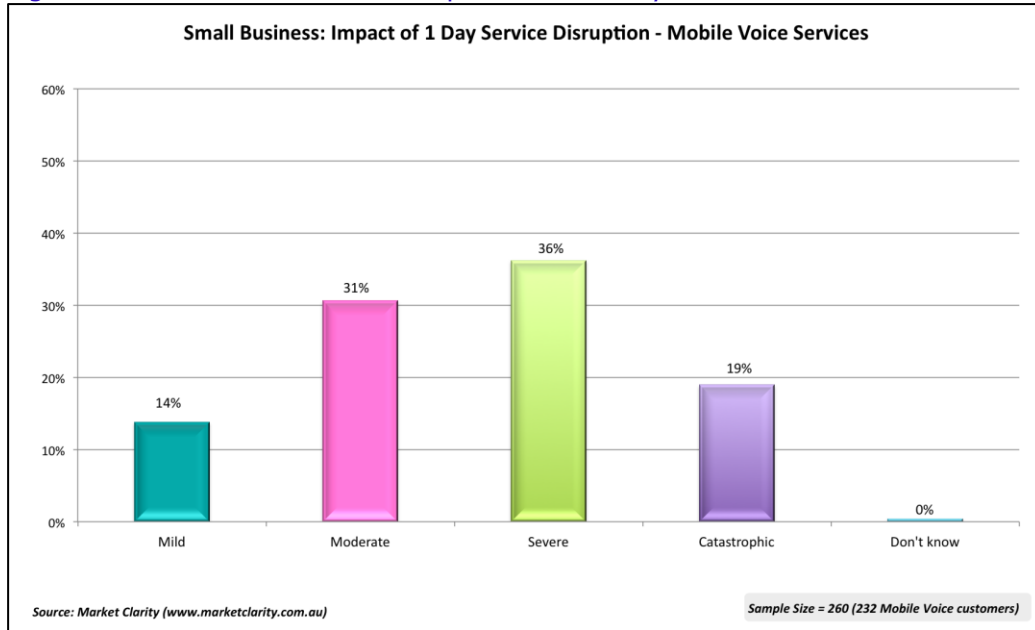


Figure 53 shows that a one-day outage of mobile broadband services results in a severe (31%) or catastrophic (16%) impact for a large number of mobile broadband service users.

A significant number of mobile broadband users (9%) reported service outages occurring at least once a month, as well as a severe or catastrophic impact to their business in the event of a one-day service outage.

Businesses in this category should be encouraged to take appropriate risk mitigation measures, such as the use of mobile broadband services from multiple providers. This is an area where market education could assist small businesses.

Figure 53. — Small Business: Impact of One-Day Mobile Broadband Service Fault

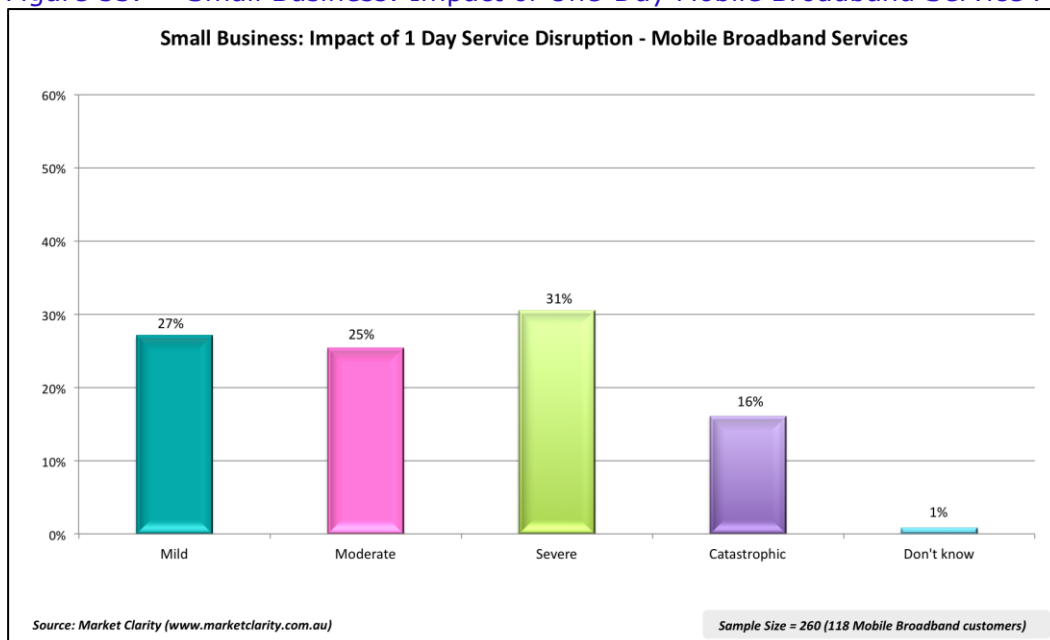
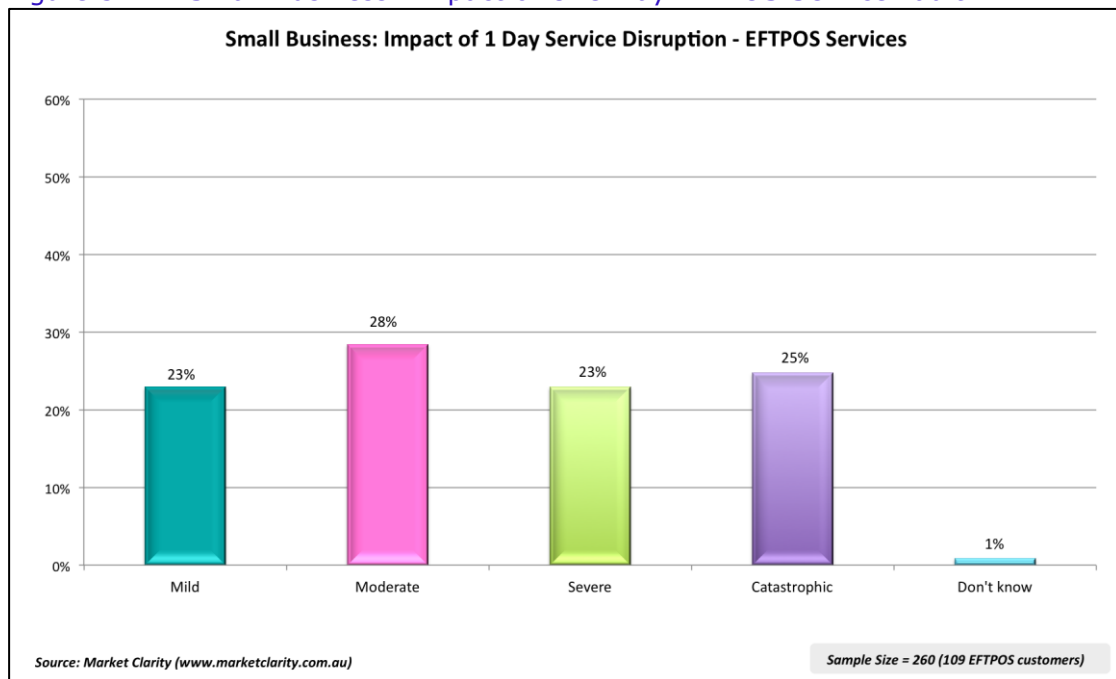


Figure 54 shows that a one-day outage of EFTPOS services results in a severe (23%) or catastrophic (25%) impact for a large number of EFTPOS service users.

EFTPOS services have a high degree of reliability, with only 7% of EFTPOS service users experiencing problems on a monthly basis (Figure 42). However, 9% of EFTPOS users report service outages occurring at least once a month, as well as a severe or catastrophic impact to their business in the event of a one-day service outage.

Businesses in this category should be encouraged to take appropriate risk mitigation measures, such as the use of alternative payment mechanisms. This is an area where market education could assist small businesses.

Figure 54. — Small Business: Impact of One-Day EFTPOS Service Fault



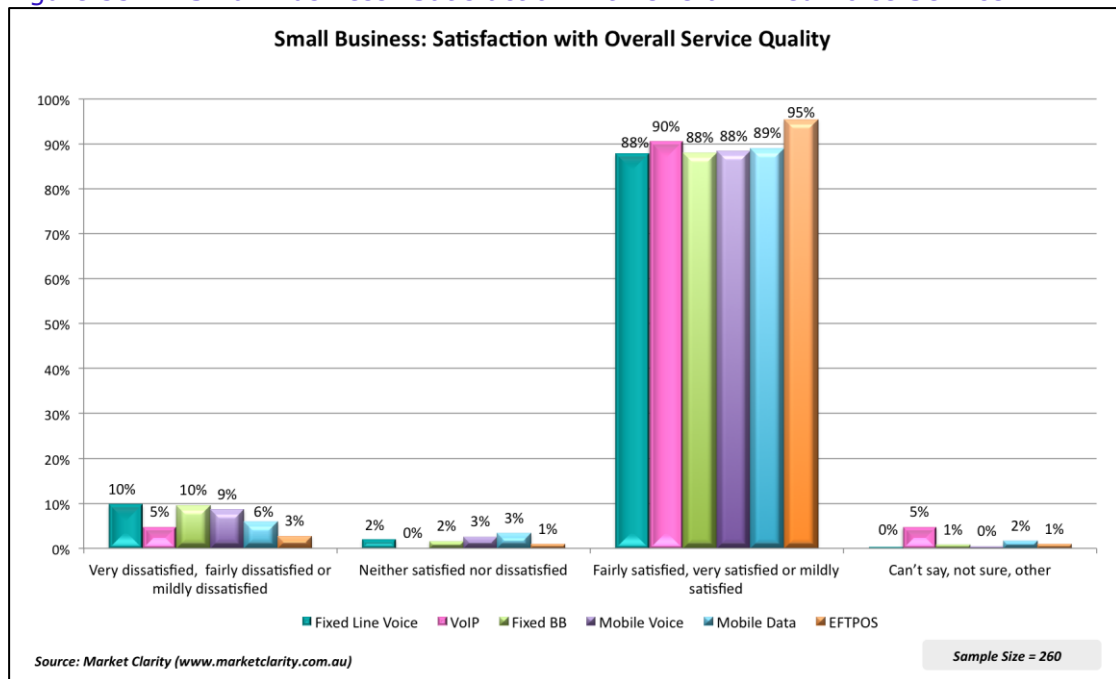
5 Overall Service Satisfaction

In this section we examine small business satisfaction levels with the quality of the overall service delivered by telecommunications providers.

Survey respondents were invited to rank their overall satisfaction with each telecommunications service provider on a seven-point scale ranging from very dissatisfied to very satisfied. Where respondents described a complex situation, this was recorded as "Other."

Figure 55 shows a summary of satisfaction levels across all services. As can be seen, the vast majority of business customers are for the most part satisfied with the overall quality of their telecommunications services.

Figure 55. — Small Business: Satisfaction with Overall Fixed Voice Service



Figures 56 to 61 provide a graphic summary of these results for each type of telecommunications service. These Figures provide a more granular view of respondents' relative satisfaction or dissatisfaction.

Figure 56 shows fixed voice service satisfaction levels. Overall, 88% of fixed voice users are satisfied with their service, with 38% of respondents reporting being very satisfied. This is contrasted with 10% of fixed voice users expressing dissatisfaction, 5% of whom are very dissatisfied. This correlates with 5% of fixed voice users reporting faults occurring at least once a month (Figure 37).

Figure 56. – Small Business: Satisfaction with Overall Fixed Voice Service

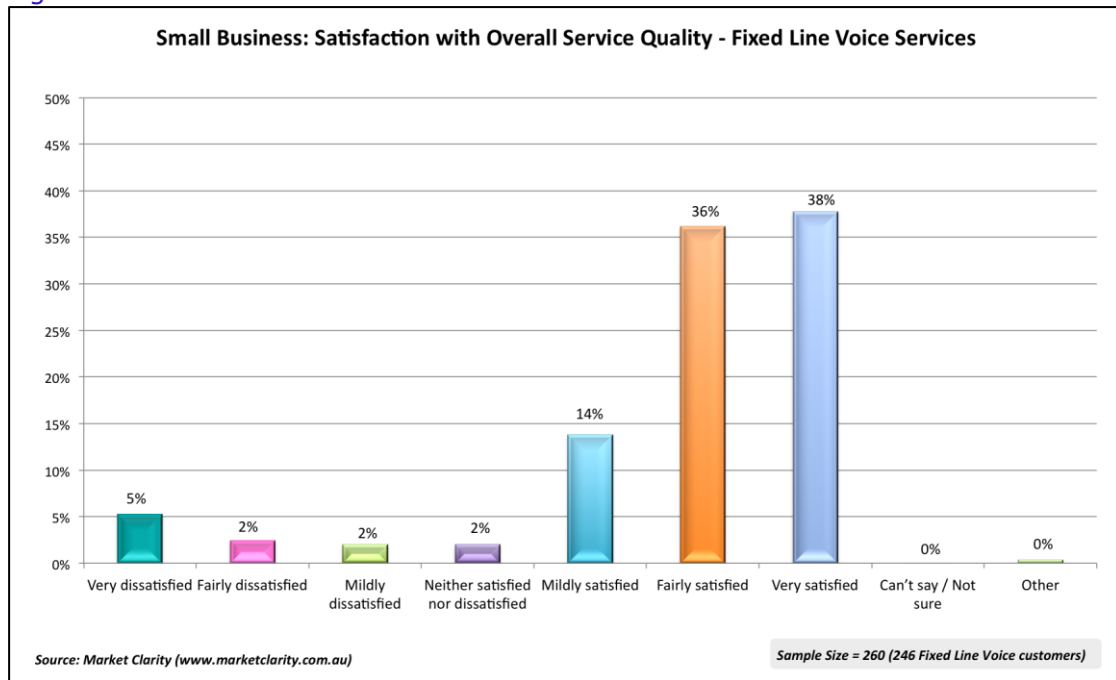


Figure 57 shows VoIP service satisfaction levels. Overall, 90% of VoIP users are satisfied with their service, with an impressive 43% of respondents reporting being very satisfied. This is contrasted with 5% of VoIP users expressing dissatisfaction, all of whom are very dissatisfied.

Strangely, 24% VoIP users reported faults occurring at least once a month (Figure 38). And, the study also found that 7% of VoIP service users reported service outages occurring at least once a month, as well as a severe or catastrophic impact to their business in the event of a one-day service outage (Section 4.3).

To further verify these results, we checked source interviews for respondents that reported frequent faults, severe or catastrophic impacts of a one-day VoIP service outage, and who also reported high service satisfaction levels. This appears to be an example of inconsistent human behaviour.

Figure 57. — Small Business: Satisfaction with Overall VoIP Service

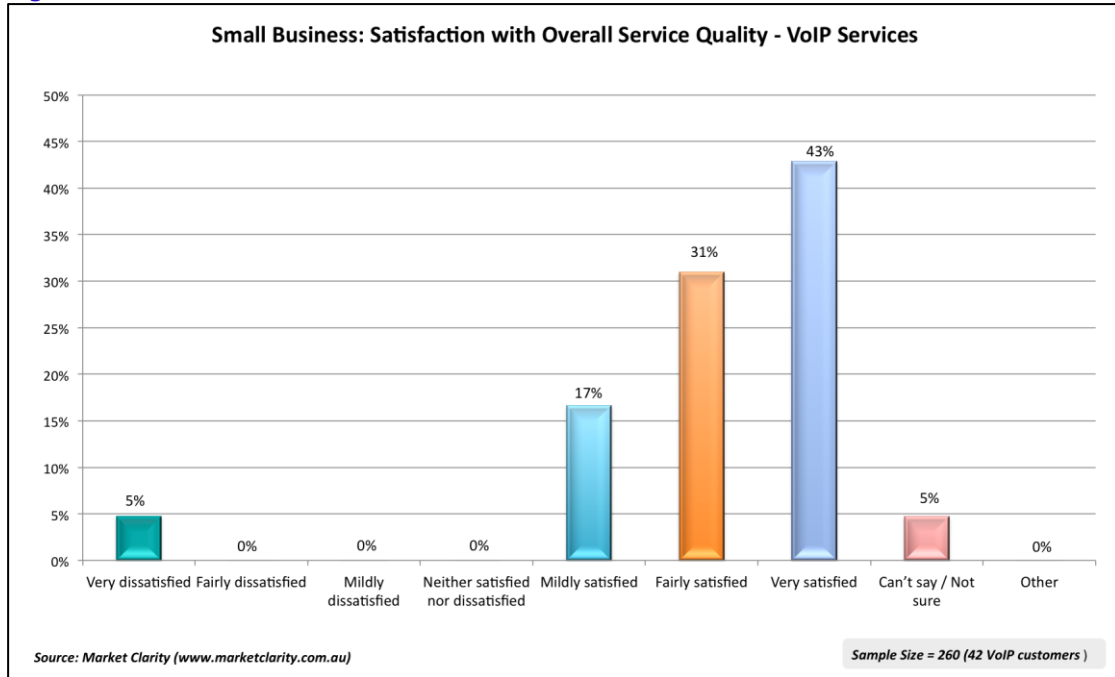


Figure 58 shows fixed broadband service satisfaction levels. Overall, 88% of fixed broadband users are satisfied with their service, with 36% of respondents reporting being very satisfied. This is contrasted with 10% of fixed broadband users expressing dissatisfaction, 5% of whom are very dissatisfied.

Interestingly, 22% of fixed broadband users also report faults occurring at least once a month (Figure 39). Once again, this appears to be an oddity of human behaviour.

Figure 58. — Small Business: Satisfaction with Overall Fixed Broadband Service

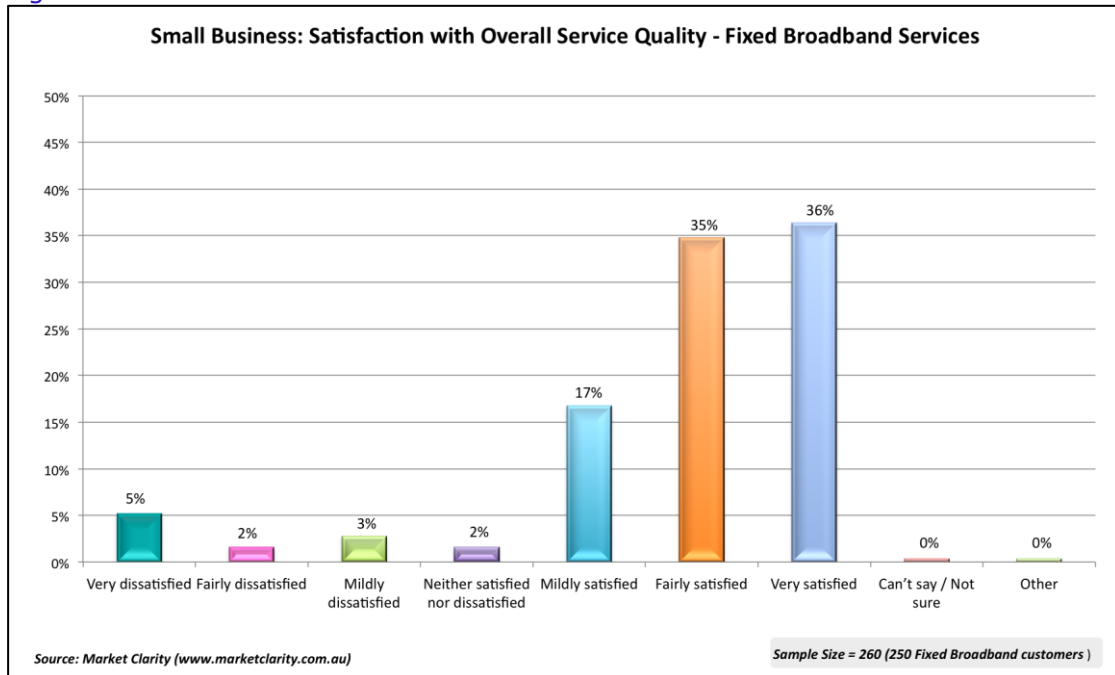


Figure 59 shows mobile voice service satisfaction levels. Overall, 88% of mobile voice users are satisfied with their service, with 35% of respondents reporting being very satisfied. This is contrasted with 9% of mobile voice users expressing dissatisfaction, 6% of whom are very dissatisfied.

By contrast, 24% of mobile voice service users report experiencing problems on at least a monthly basis, and 14% of mobile voice users experiencing faults at least once a week (Figure 40).

To further verify these results, we checked source interviews for respondents that reported frequent faults, severe or catastrophic impacts of a one-day mobile voice service outage, and who also reported high service satisfaction levels. This appears to be yet another example of inconsistent human behaviour. It also suggests that factors beyond service reliability feed into customers' overall service satisfaction.

Figure 59. – Small Business: Satisfaction with Overall Mobile Voice Service

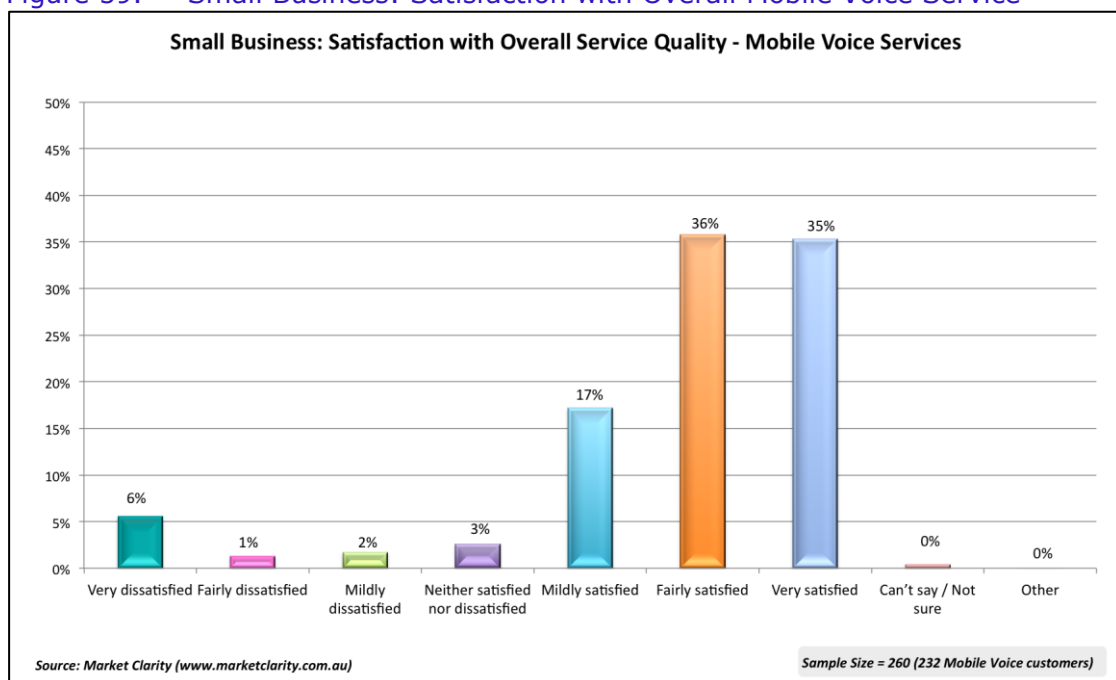


Figure 60 shows mobile broadband service satisfaction levels. Overall, 89% of mobile broadband users are satisfied with their service, with 33% of respondents reporting being very satisfied. This is contrasted with 6% of mobile broadband users expressing dissatisfaction, 3% of whom are very dissatisfied.

By contrast, 14% of mobile broadband service users report experiencing problems on at least a monthly basis, and 3% of mobile broadband users experiencing faults at least once a week (Figure 41).

The study also found that 6% of mobile broadband service users reported service outages occurring at least once a month, as well as a severe or catastrophic impact to their business in the event of a one-day service outage (Section 4.3).

Figure 60. – Small Business: Satisfaction with Overall Mobile Broadband Service

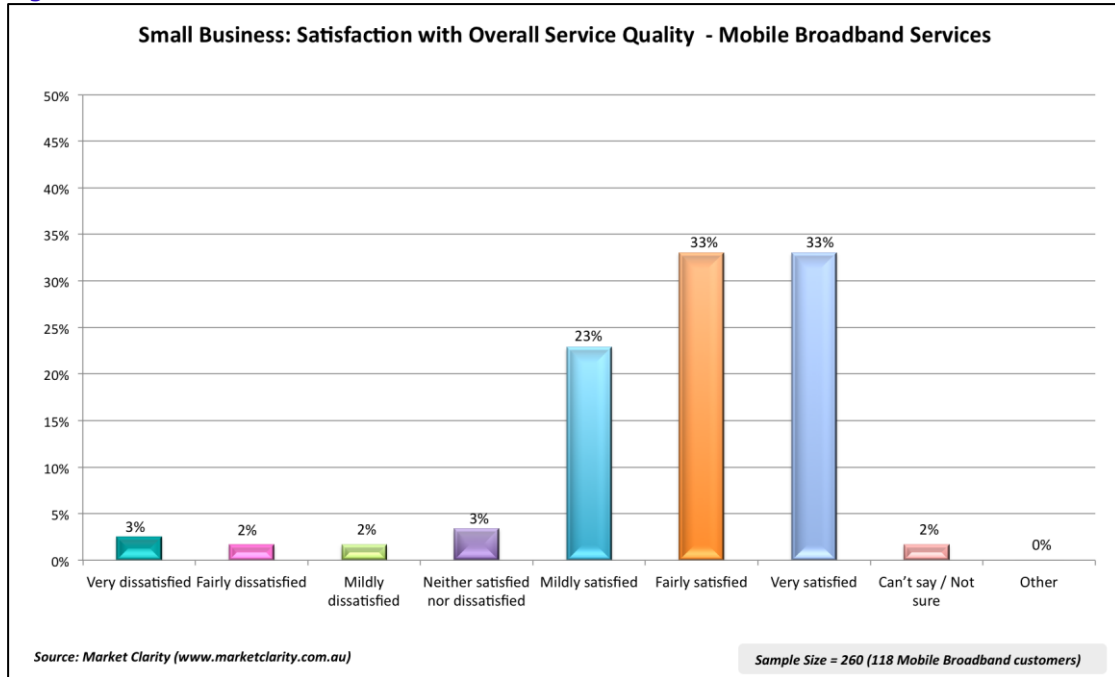
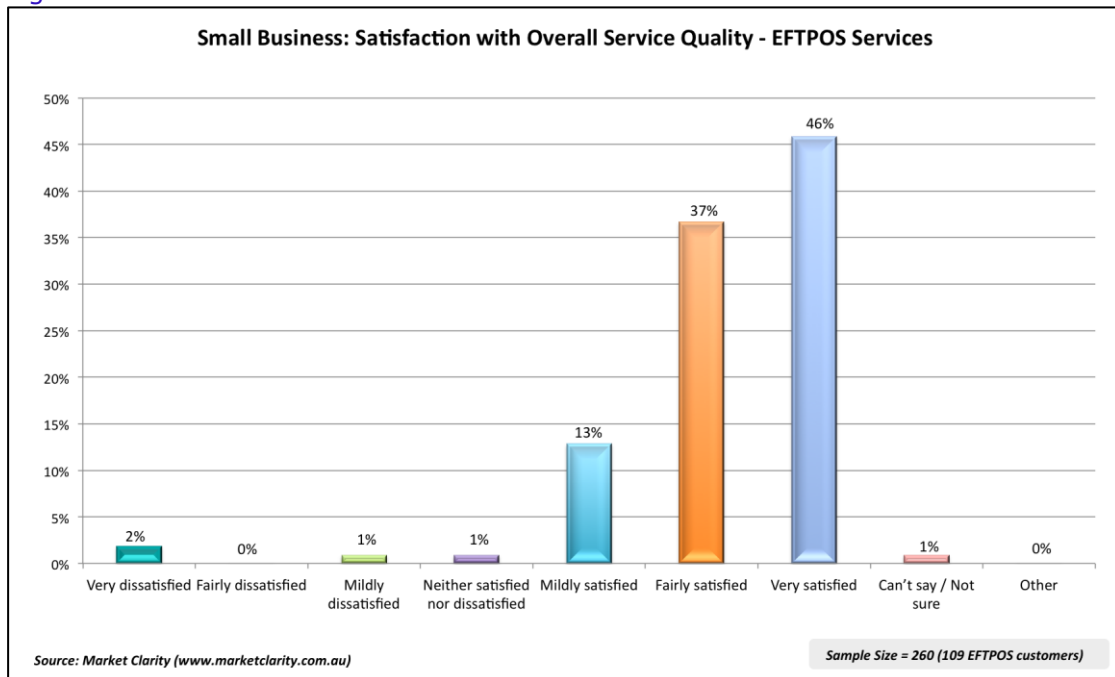


Figure 61 shows EFTPOS service satisfaction levels. Overall, 95% of EFTPOS users are satisfied with their service, with an impressive 46% of respondents reporting being very satisfied. This is contrasted with 3% of EFTPOS users expressing dissatisfaction, 2% of whom are very dissatisfied.

EFTPOS services have a high degree of reliability, with only 7% of EFTPOS service users experiencing problems on a monthly basis (Figure 42).

Figure 61. – Small Business: Satisfaction with Overall EFTPOS Service



6 Customer Service

In this section we examine small business customer service experiences.

Respondents were advised that this question pertained to issues such as difficulty in contacting their provider, being on hold, getting a problem resolved or having to call multiple times.

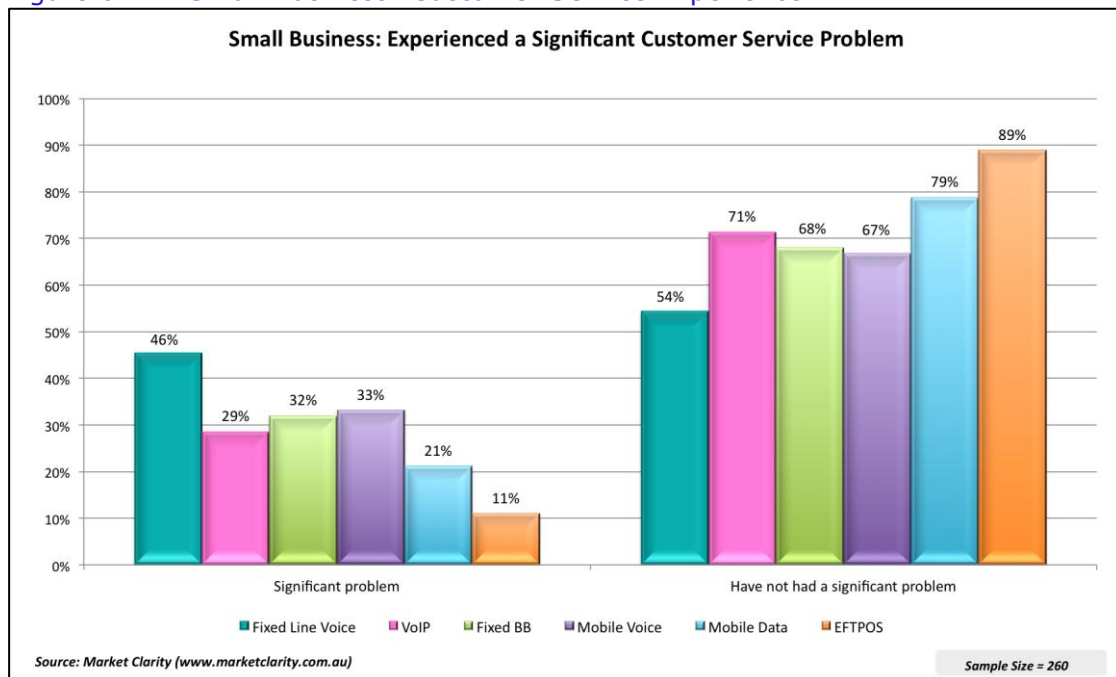
For each service type in use, respondents were first asked if they had experienced a significant customer service problem, then provided with an opportunity to provide free-form commentary about their experience.

In analysing these results, we first analyse the frequency of customer service problems by service type. We then grouped respondent commentary by category to present overall trends within each service type. Where respondents gave permission to cite their comments in this report, we also provide verbatim commentary.

Figure 62 provides an overview of small business experience. As can be seen, many small businesses have experienced significant customer service problems: 46% of fixed voice services users; 29% of VoIP users; 32% of fixed broadband users; 33% of mobile voice users; 21% of mobile broadband users and 11% of EFTPOS users.

It's also important to put customer service issues into context: namely that the vast majority of respondents use business grade services (Figure 30). By paying a premium for business services, there is an implicit understanding that as a business customer, they would enjoy a higher level of customer support. As will be evidenced by respondent comments, this is not always the case.

Figure 62. – Small Business: Customer Service Experience



In the following sections we drill down into small business experiences with customer service representatives for each type of telecommunications service. Survey respondents were invited to provide free form responses for each service type in use.

Figures 63 to 68 represent Market Clarity's analysis of these free form comments, while each Table provides verbatim comments where permission was granted to utilise these comments in a report.

While fixed voice services provide a high level of service reliability, 46% of fixed voice small business customers report customer service issues. The most common complaint has to do with the length of time on calls (22%), hold time (18%), having to call multiple times (7%) and being passed between departments (9%). While respondents frequently cited both hold time, and length of time on calls as customer service issues, these issues are related, but not the same. In analysing respondent's freeform comments, we interpreted "hold time" as the time that respondent's waited before speaking with a customer service representative (or being put back onto hold), whereas we interpreted "length of time on calls" as the period spent speaking with service provider staff members.

Other reported issues include navigating automated systems / reaching a staff member, getting through to someone who can help, unresolved issues, billing issues, response times to fix technical or service issues, English language communication issues, service provisioning issues and lack of clear / correct information.

This is illustrated in Figure 63.

Figure 63. — Small Business: Most Significant Customer Service Problem - Fixed Voice Service

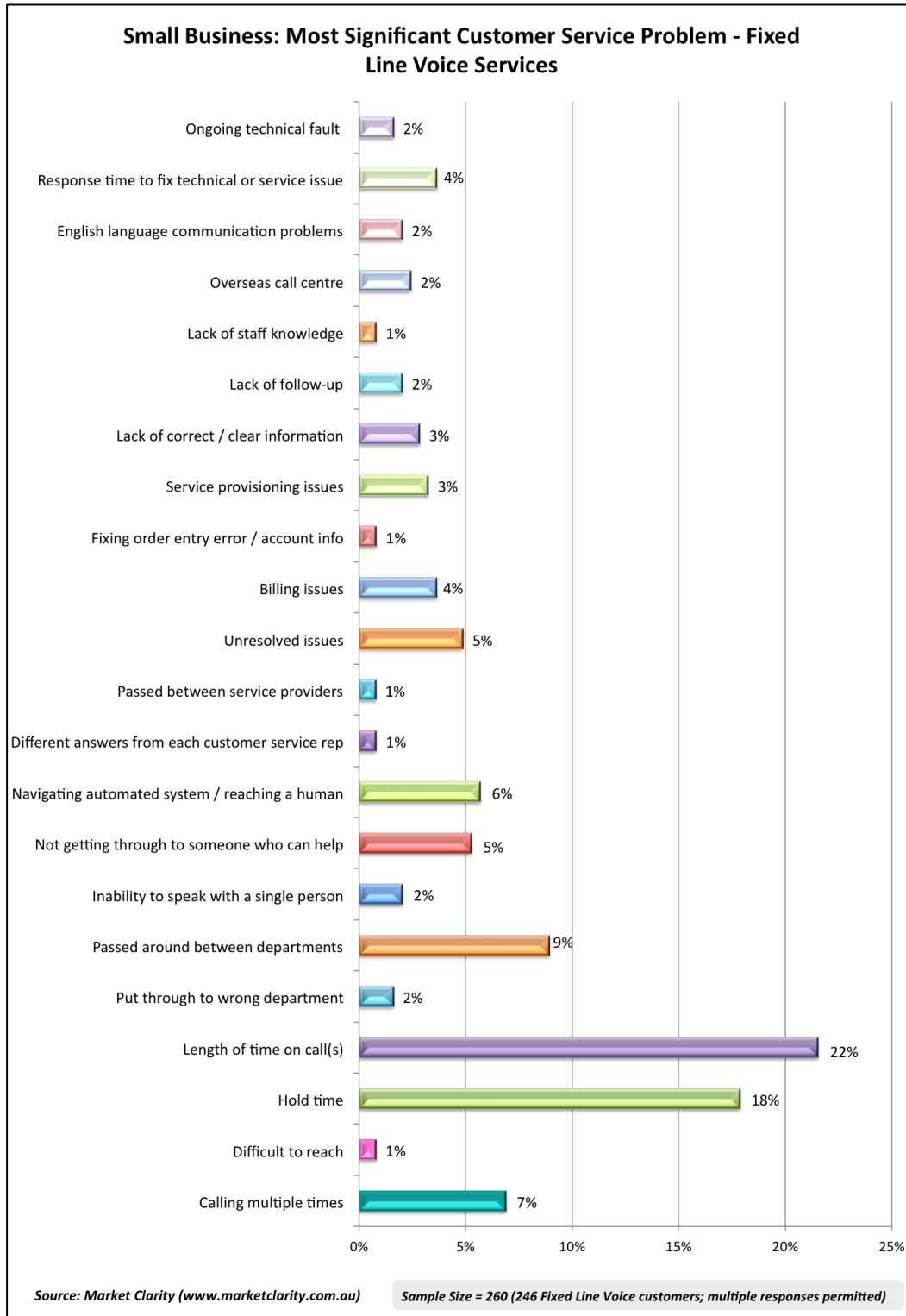


Table 7. — Small Business Commentary: Most Significant Customer Service Problem - Fixed Voice Service

Fixed Line Voice: Most significant customer service problem

Access and being left on hold for 5 - 10 minutes.

Fixed Line Voice: Most significant customer service problem

Hard to get a hold of.

Being left on hold for hours. Had to make 14 calls over 3 days. That was with Telstra. With Optus I have had to wait 35-40 minutes wait time on the call. Generally it's a 15-minute wait time. The Telstra experience was so bad that I was going to write a letter to their customer service. Every Telstra customer service representative provided me a different answer.

Bill queries. Costs appearing on the bill that no [one in] customer service seems to know about.

Having to call multiple times.

It was being told different things by different people, saying yes the situation is resolved and it wasn't. Inconsistent.

Had problems with line and called up to complain but they said they did testing and nothing was wrong, from where they are on the phone. They didn't believe me and I could hear the crackling in the line, so it was frustrating that they would not believe me.

They say to wait and you wait for 10 minutes or more and then you are transferred to the wrong departments.

Getting them to provide you the plan you originally agreed to. They tell you they are going to give you a plan and price and it's nothing like you ordered.

My biggest problem that I am experiencing with my ex-provider is I think they are not giving the best personal service. They don't care about your problems; they just refer you to someone else.

Hold times

Just getting through. The amount of waiting time to talk to somebody.

Having to wait for hours trying to get through to someone.

Getting it installed and set-up.

Faulty billing. It gets resolved fairly quickly but happens fairly regularly.

Billing error.

A lack of information given about process.

The main issue was over-charging and charges that are unreal, and lack of knowledge on the staff; I have more knowledge than they do.

Being charged for a phone line that did not exist, wrong billing addresses that result in disconnection notices, account manager does not get back to us, having to wait on the line with overseas call centres that can't understand you.

Being put on hold multiple times and being transferred from one person to another. It has improved recently. With Telstra.

Not being able to get back to the same person that we have called in the call centre to continue the conversation.

Automated system takes too long to get through and not speaking to a human.

The time to have someone to respond to the call. Response time in coming out to fix the problem.

Getting Telstra to set up fixed line telephone service and they have got it wrong.

Being left on hold for probably 5 minutes.

Talking to international call centres, language barrier, time on hold, inability to fix problems.

Waiting on hold only to find that I have called an overseas call centre.

Every time you ring up you spend hours on the phone.

Fixed Line Voice: Most significant customer service problem

Getting to the right person at the right department. Getting to the correct and knowledgeable person. When you first ring up you have to go through hoops like speaking to a receptionist. You have to go through several. That's because no one is ever knowledgeable on the front-line.

Can't get through, they don't call back, they don't action your requests quick enough, they blame everyone else but themselves.

Getting to speak to them if your name is not the account and very difficult to get your name on the account. Have to call several times to get through and sometimes can get through straightaway.

We have a dispute with a connection fee because it wasn't stated in the proposal.

Just waiting and being put on hold, e.g. waiting for 45 minutes

Waiting on hold for long period of time.

Waiting on hold.

Waiting time to get through with my complaint.

You're on hold for so long and then they say to you there's nothing wrong with it; 6 weeks we had this problem they finally sent out a technician and there was a problem, all along it was this one problem with Telstra.

When you ring up and have to press numbers on the phone pad because sometimes you can't get through to where you want to go. It would be nice to speak to an operator.

Communication with people and the delay in getting through to the right people, being kept on hold and waiting for people to call back and fix things with the account. There are different people every time.

Getting faults sorted out. I've just experienced it taking them 3 months to fix up the problem. My telephone number was incorrect. They did fix it up but my customers were getting the wrong number. So for them the line went dead.

It's a nightmare to get through. Ages on hold then they put you through to different departments. M2 telecoms.

I have to speak to many people to get the problem resolved.

Being left on hold today for 25 minutes. That call was at 9AM.

Just the time it takes for someone to come out and have a look at the issue. Telstra have informed us at times that it could be up to a week or so before they can get to us just due to their techs being out on other jobs. We have had to contact other techs to come out and fix it.

Trying to get to someone, to actually speak to a person when you call for assistance.

Trouble reaching Telstra and now using a go-between to contact Telstra.

In the past the line has failed completely. It took a while to get fixed.

I think lack of getting problems solved and being moved from one rep to another and when it's an overseas call centre I was on the phone for 45mins calling from a mobile overseas. So it's actually a real time waster.

Probably being on hold for too long then having to call back.

Being on hold and going through multiple people before resolving the problem.

Waiting on line a long time, 10mins or more.

We apparently have a relationship manager that we have never spoken to. We get put on hold for a very long time. We had to set up mobile services for colleagues overseas; it was six tries before we still didn't quite get what we wanted. We had to settle with a different arrangement.

Fixed Line Voice: Most significant customer service problem

Just trying to move the phone. When we moved three or four weeks ago. We had no phones for three days. It certainly knocked us around.

Getting through to the right person.

There have been issues but they were resolved before I bothered to ring them.

We weren't given correct information on when the fault would be fixed.

Speaking to the right person.

Long waits on the phone for anywhere from 10 to 20 minutes. Plus when you do get across to someone, it's the wrong person at first and then get transferred across only to then repeat your story, time and time again.

Trying to talk to the right person.

Inability to contact them and establish the exact contractual situation. You can't get through to them and they won't talk to you.

Being on hold.

If we do have a problem with our line we do not know who to contact.

The time it takes to get through to an operator.

The problem is that you can't get face-to-face customer service anymore; it's all done over the phone. Nothing is face to face anymore. That's what I find to be most difficult. It's hard to understand what they are offering. I'm a 'need-to-see' type person. Some people are visual and some people are not.

Being on hold for too long.

The time and number of operators you have to call to get problem resolved.

Unable to contact our provider; calling back multiple times and recording is frustrating.

Setting it up was very, very difficult. Optus buys our lines from Telstra. Optus had to put a request through to Telstra to use the line. It got cancelled three times. Eventually we had to get Telstra to set up the lines then switch over to Optus.

Them contracting us about our existing plan and when we trying to converse with them it wasn't very clear or easy to understand so in the end we just left it as it was.

It takes too long to get through to someone. You don't know which call centre you're talking to. They don't know which location I'm calling from. They don't know my location and don't know how the system works in the shopping centre.

Just got shifted around from department to department trying to find the right person and then when you finally get there the line drops out.

They keep you waiting for hours.

Waiting on a repair - the line having a hardware fault.

Getting the problem resolved.

The language barrier; cannot understand them.

The resolution of virtually all problems whether they are technical or bill-related. I did not feel that they were interested in solving the problem. There were excessive hold times. I was passed from one person to the next and they really didn't want to know about our problem. We spent more than 3 hours on this problem in one instance. This has happened a few times.

A discrepancy on the bill.

Just trying to get in contact with them. I have to talk to a computer. I don't like that at all.

Getting through to them. Being on hold for a long time

Fixed Line Voice: Most significant customer service problem
Hard to contact and transferred everywhere.
Left on hold for an hour to be told that no one could deal with my issue today. I was diverted at least a dozen times.
Incorrect billing and have to ring up to get a refund. You have to claim an overcharge, which is refunded on the future bill.
Help line being on hold for long periods at a time.
Trouble making contact with them, you're on hold for far too long, very unacceptable
Being put on hold and having to talk to a computer
Waiting on hold: 10-20 minutes.
I signed a contract for a fixed telephone line in February and the telco company didn't come back and say they accepted the terms and conditions of the contract including price. So we went to other telco and signed two contracts and were advised to sign another contract due to revised forms. I haven't paid them for a couple of months and the bills are piling up.
Just having to call up multiple times.
It's hard to find someone who takes responsibility for the problem.
Always on hold and use our local person and find that satisfactory.
Being on hold.
I was on hold for a very long time.
Had a few issues; if it goes to somewhere overseas, like India or China, I would call back to hope to speak to someone in Australia.
The billing. We changed the bundle plan and then changed the mobile plan and ever since we've done that, we've had troubles with the billing for about 3 months. They have incorrectly charged us but they have rectified the problem.
Incredible delays in speaking to someone to solve the problem; on hold for 3 hours at one stage, and then finally you speak to someone and they can't solve the problem.
When we first started up it was getting numbers on the right line; couple of times we had to ring.
Just time factor in getting service hooked up here.
Trying to get through to the provider: wait 20 minutes or more.
Being referred to call centres overseas.
Difficult to contact them. Getting through and getting answers out of them, being placed through to different people and still not getting a straight answer.
Lots of phone, waiting in the queue for calls to be answered.
Being on hold too long when trying to contact them.
Bills incorrect and large data usage; they can't tell you what's caused the issues and they don't have any idea.
If we do have a problem it takes a very long time to get resolved, When ring up it could take at least 45mins to resolve over the phone and another 48 hours to get fixed.
Communication; being understood about what the problem was and getting a resolution

A relatively small percentage (16%) of respondents use VoIP services, and 29% of these respondents reported a significant customer service problem.

The most common customer service complaints have to do with the length of time on calls (7%), hold time (7%), being passed between providers (5%), ongoing technical faults (5%), response time to fix problems (5%) and unresolved issues (5%). Figure 64 provides additional detail.

Figure 64. — Small Business: Most Significant Customer Service Problem - VoIP Service

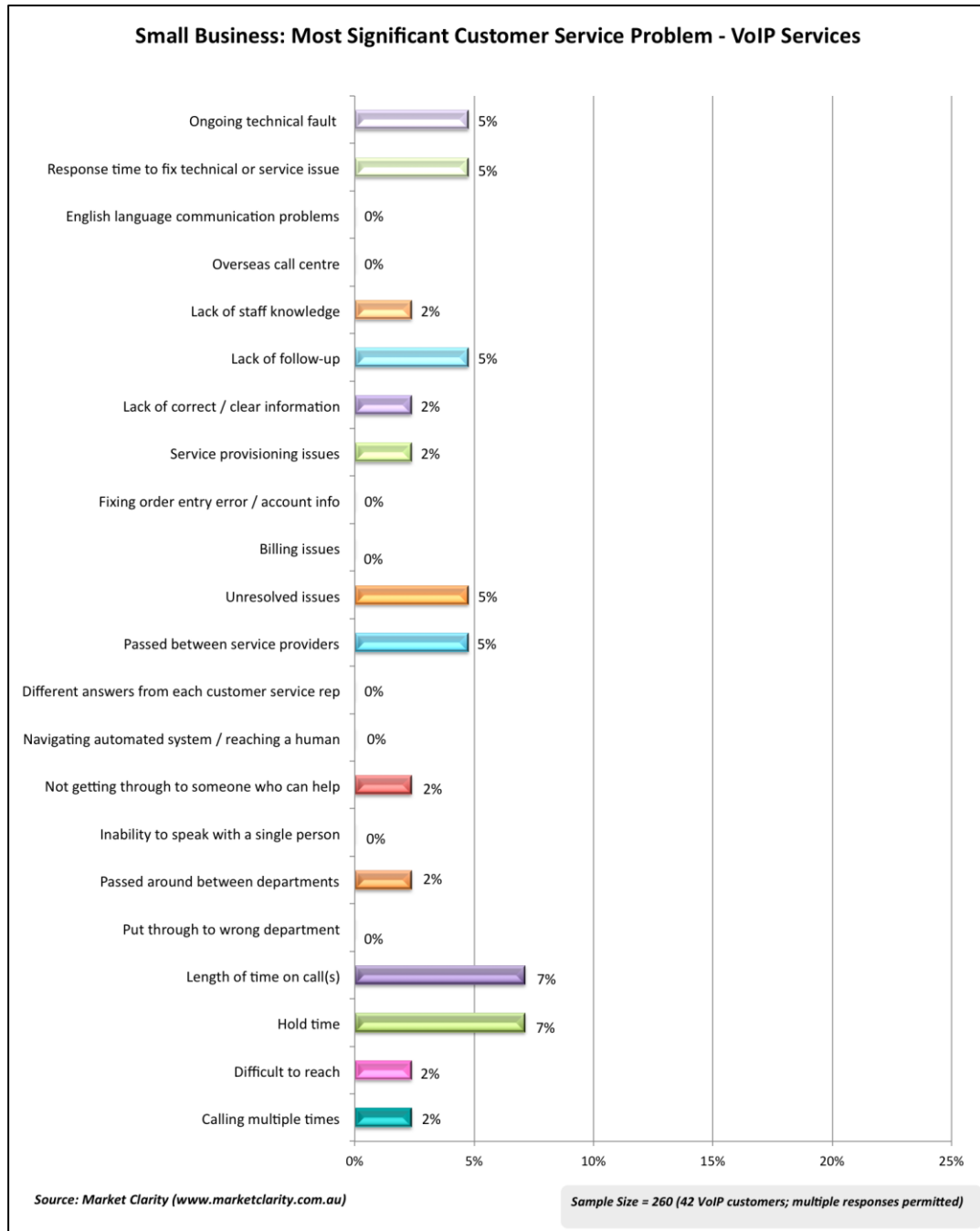


Table 8. — Small Business Commentary: Most Significant Customer Service Problem - VoIP Service

VoIP: Most significant customer service problem
Setting it up. Initiating the account. It was overly complicated and they didn't know the answer to the problems quickly.
Being on hold. Takes time away from my actual job.
Always blaming someone else, like another third party.
Billing issues.
Can't get through, they don't call back, they don't action your requests quick enough, they blame everyone else but themselves.
Being put on hold for long periods of time.
Problem solving with this company is a big problem.
Waiting on hold.
Getting through to the right person.
Getting answers and resolutions in a timely manner.
Not very clear at the time. We tend not to use as much because it's a pain in the bum. Customer service advise us it's a technical issue and it's still not fixed but we haven't jumped up and down.
Just having to call up multiple times.

The vast majority (96%) of respondents use fixed broadband services, and 32% of these respondents reported a significant customer service problem.

The most common customer service complaints have to do with the length of time on calls (9%), hold time (9%), response times to fix problems (7%), lack of follow-up (6%), and difficult to reach (6%). Other common issues include ongoing technical faults, unresolved issues, being passed between departments, unresolved issues and having to call multiple times.

Figure 65. — Small Business: Most Significant Customer Service Problem - Fixed Broadband Service

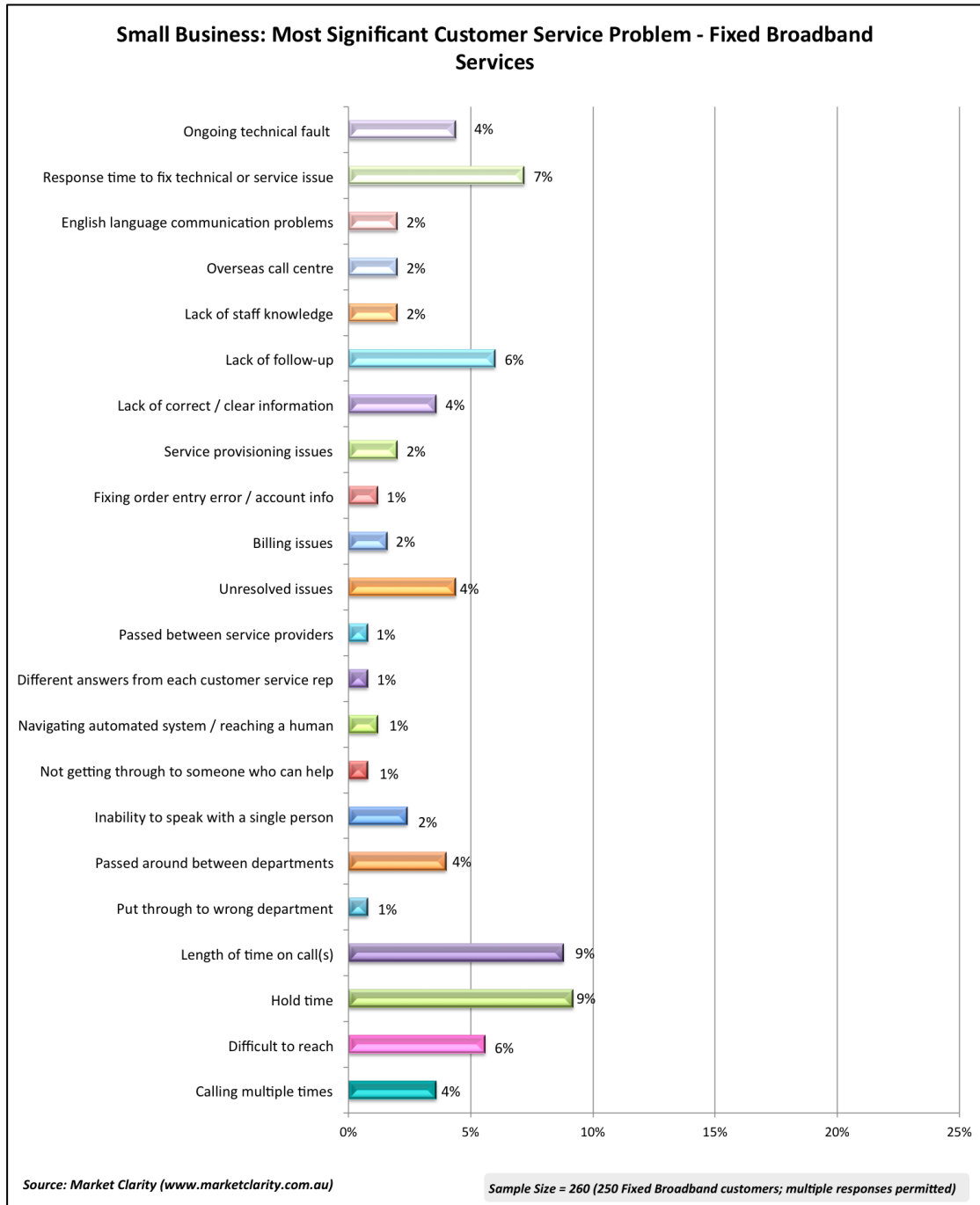


Table 9. — Small Business Commentary: Most Significant Customer Service Problem - Fixed Broadband Service

Fixed Broadband: Most significant customer service problem
Being left on hold for 5-10 minutes.
Getting transferred to multiple representatives and having to explain the problem again to each representative. Lack of follow-through of what they say they'll do and actually do. Not taking note of what they are being told.
Having to call multiple times.

Fixed Broadband: Most significant customer service problem

Not to the same extent. To be honest we were thinking we were signed to something that wasn't delivered. Some things that were offered and not provided and we had already committed to.

Being on hold.

The lady who was supposed to talk one-on-one with, her customer service was terrible. Would not answer phone and would not take responsibility.

Taken a long time on the phone to contact.

Delay. Instead of fixing straight away, they leave it for a couple of days.

Same issues, selling you something and giving you something else.

Lack of connection.

Hold times.

Having to wait so long to get through to get lines fixed.

Getting it installed and set-up.

Bad note taking, and when calling back going through things over and over again; it's that damn thing about listening to pre-recorded voice and instructions.

Billing issues.

Over charged \$4500 for the 2 years. And when they got it fixed I continue to check because they do add on every now and then.

Occasional complete fall out. There was a period where we didn't have any communications for a couple of hours.

Automated and takes too long.

Nobody taking ownership of the problem. Last time I called was put on hold for so long that it cut off.

Availability of the system and being able to connect to the internet. Impacts both internal and external communications.

On hold for ages and having to speak to two or more consultants before getting the right answer. Automatically Telstra put you through to overseas call centre and they can never fix the problem, so we invariably have to call a local contact centre to fix the problem.

Talking to international call centres, language barrier, time on hold, inability to fix problems.

Just drops out often.

Spending hours on the phone to the company.

Failure to get accurate information.

Can't get through, they don't call back, they don't action your requests quick enough, they blame everyone else but themselves.

Once or twice it went down and we contacted our provider and we were on hold for 45 minutes.

We have to chase them to find what the issue is.

Being put on hold for long periods of time.

Having to tell the same problem over again and then being transferred around the business and telling the story over again and making 15 calls in last 3 weeks with issues still happening.

Waiting on hold.

Waiting time to get through for complaints.

It's dropping out. They say it's a bad reception area. They don't do anything about it.

Fixed Broadband: Most significant customer service problem

We have been trying to get our broadband connected at the new site and we have been calling them every week for three months and they still haven't done it. Customer service-wise they are just stupid and useless.
Switching consultants. The first one didn't know the answer. The second one didn't know the answer either and then you're brought back to the first one again. It's the run around that you get on the phone. That's annoying.
Well it's a wireless service and it's dropping out as we speak. Well, I don't want it to drop out. They were suggesting three weeks before someone will look at it.
Contacting provider and being left on hold; had to call multiple times.
It was when we had no broadband for 3 days due to provider in WA.
Just the lack of help and communication when you call the customer service. Also the technical help sometimes as well. When the technicians come out they don't come out fast enough or they have to come twice because they made an error previously.
The customer service is pretty good.
Getting problems fixed, we ring and they say "we'll look into it," but nothing changes. It still hasn't been fixed.
The same company they are hopeless to get a hold of and they are very poor at responding. They don't give accurate information.
Getting through to the right person.
Before Telstra we have had issues where we have to contact the provider with internet outage. It's not getting resolved quickly and getting to log internet issues on the internet is silly.
We weren't given correct information on when the fault would be fixed.
Not getting through to the right person.
Often I can't get through and when I do, it's hard to get the right person.
We had many problems with our previous provider. The internet was cut off and it took over a week for it to come back, spoke to 6 or 7 people and called every day, only 1 or 2 that were helpful. They kept passing me on to someone else.
Having difficulty changing to a different provider. They were selling something they could not deliver when they turned up on site.
Waiting to speak to someone. 20 or 30 minutes.
Waiting time has been too long. Waited 30-60 minutes.
Difficulty getting through to an operator.
The problem is that you can't get face-to-face customer service anymore; it's all done over the phone. Nothing is face to face anymore. That's what I find to be most difficult. It's hard to understand what they are offering. I'm a 'need-to-see' type person. Some people are visual and some people are not.
Being on hold for too long.
Not getting through, being on hold for a long time, being put through to people who you can't necessarily understand.
Difficulty in contacting provider.
It's painful having to go through the hoops and loops; it's a long amount of time to get through.
The people I speak to (customer service reps) have a lack of specific technical knowledge in terms of our set-up.
Getting it resolved. Always multiple calls and explaining it over and over again.

Fixed Broadband: Most significant customer service problem

It's hard to get through to the call centre.
Getting through to them. Being on hold for a long time.
I've had connection problems trying to get that resolved. They denied there was any problem on their end. They said it was a fault at our end.
Overcharging on the package itself.
Help line being on hold for long periods at a time.
Being on hold and talking to a computer.
Basically kept getting re-routed to different people. We're a business customer and they didn't put us through to the business people.
Waiting on hold; waiting for 10-20 minutes for an answer.
Being on hold and being put through to the wrong department.
Takes a longer time to deal with issues.
Unable to contact them; they have a problem with their phone system.
Always waiting, but we use our local person and are satisfied.
At times can't understand what they are saying, because they are from overseas.
Being referred to call centres overseas.
Communication: being understood about what the problem was and getting a resolution.

Most (89%) of respondents use mobile voice services (paid for by the business), and 33% of these respondents reported a significant customer service problem.

The most common customer service complaints have to do with the length of time on calls (13%), hold time (11%), having to call multiple times (6%), billing issues (5%), and the provider being difficult to reach (6%).

Other common issues include ongoing response times to fix problems, English language communication problems, overseas call centres, unresolved issues, navigating automated systems / reaching a human, not getting through to someone who can help and being passed between departments.

Additional detail is shown in Figure 66.

Figure 66. — Small Business: Most Significant Customer Service Problem - Mobile Voice Service

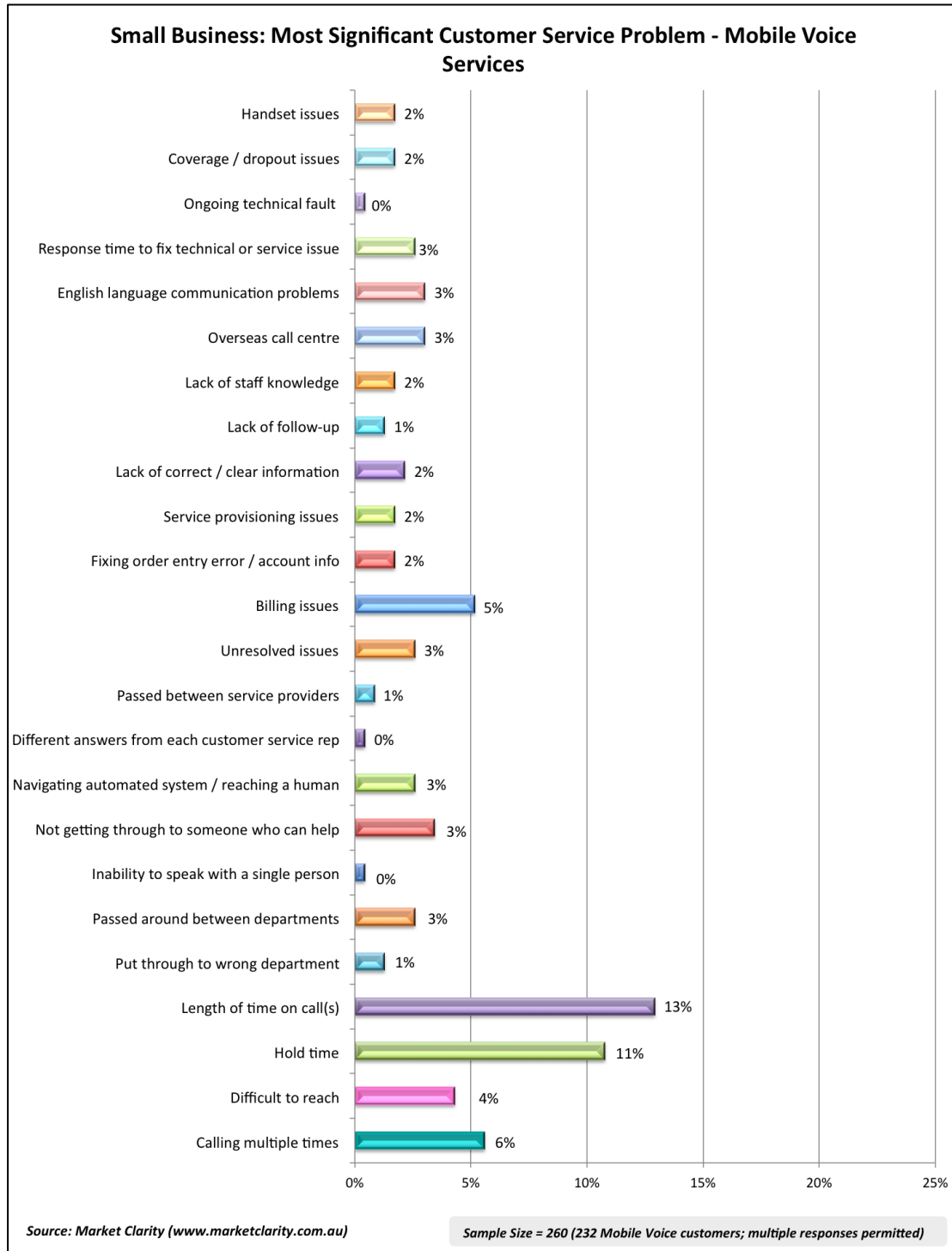


Table 10. — Small Business Commentary: Most Significant Customer Service Problem - Mobile Voice Service

Mobile Voice: Most significant customer service problem
Being left on hold for 5-10 minutes.
Being on hold.
Handset reliability.

Mobile Voice: Most significant customer service problem

If you have a problem the stores can't handle it, or you're directed to the website rather than talking to a customer service representative.

Getting a hold of them.

A mix up with the bill when changing plans. I changed plan to a higher plan because I was going over the cap. I rang to go on to the next plan but when I received the bill they had not changed the plan, but they did resolved this by changing the plan.

The only time I hear from them is when the contract is up for renewal. The information about contracts seems to be available to everyone. I don't approve of that. They get your details and call you. It's not ethical.

They have no idea of their coverage. When I called to determine their coverage, I had multiple changes of personnel to determine if in fact the provider covered areas outside of metropolitan areas. They gave a solution to engage in service roaming when they in fact had no coverage in these areas. I failed to understand why mobile coverage is not available in every significant outback town.

Hold times.

Having to wait hours to get through and get things resolved.

Getting to the right person. Being left on hold and being severely mucked around.

Billing issues.

We basically got signed up on to a contract in an inappropriate manner. Essentially the person that signed us on didn't adhere to what we specified what we wanted and put us on a higher plan. We took it to the ombudsmen to resolve it. It was with Optus it was extremely bad.

We basically got signed up on to a contract in an inappropriate manner. Essentially the person that signed us on didn't adhere to what we specified what we wanted and put us on a higher plan. We took it to the ombudsmen to resolve it. It was with Optus it was extremely bad.

I was put through to a Manila call centre and they didn't understand how to correct the problem, and it took ten days to have the problem rectified. I rang the call centre time and time again, but by coincidence someone in the call centre knew how to fix the problem.

We use Telstra mobile, and we pay a little bit more. When I have an issue with the handset they take the phone to check and don't give us a replacement.

The time kept waiting to get through to a representative.

Automated and takes too long. Also overseas and cannot understand person.

Charges for our Internet service while our CEO was travelling. The problem was resolved only because we knew someone higher up and it would not have been resolved if we did not know him.

Delays and getting transferred to multiple people before getting a resolution.

Talking to international call centres, language barrier, time on hold, inability to fix problems.

Just dropping out.

Spending hours on the phone to the company.

Can't get through, they don't call back, they don't action your requests quick enough, they blame everyone else but themselves.

Dealing with overseas call centres or just generally understanding what people are saying. Due to expression of language and because of low volume you cannot hear them properly. I just find it a very annoying process.

Mobile Voice: Most significant customer service problem

It's close to impossible to hear and understand them. They are in a call centre in god knows where. Their English is poor and so is their ability to resolve your problem. They have ability of about .05 out of 100 in resolving your problem. They are very good at apologising for not being able to resolve your problem.

Long wait time and being put on hold.

No understanding of the problem when you call them. Having to call multiple times and still issues happening.

Waiting on hold.

Waiting time to get through for complaints.

Sometimes when we've been going overseas; trying to stop our voicemails. We don't want to have an expensive voicemail when we are overseas.

Transferring from different providers. Just a hassle in doing it. Too many moving parts, too many people involved.

Incorrect billing. They won't talk to me even though I own the company; they have said I'm not authorised, but we have told them I am and on the last occasion I got transferred 8 times over an hour and a half and on the last transfer I was talking to a senior manager and that person transferred me back to the start of the queue.

Change of address. It's just recording the correct address. They recorded us with the incorrect address and to make the correction it takes a while. Almost two weeks just to correct the address in their database.

I've tried calling them about problems and in terms of any issues I am put on hold forever and a day, or put through to the wrong department.

Being on hold and going through multiple people before resolving a problem.

Just they've changed the way that we contact them. We now have to email them, so it's always quite a mission to contact them. My manager is on the account name and our company name is on there, but they have to always speak to our manager but I actually deal with the mobiles, so it makes it very difficult.

The odd occasion it drops out, that's about it.

Poor customer help. The fact that my colleagues had to call six times to arrange the mobile service.

Just the network. We don't get anywhere. There is too much fancy advertising and no back up. It just drops out.

Getting through to the right person.

We weren't given correct information on when the fault would be fixed.

They've been unable to solve the problems.

They don't really know what they are doing.

Just the expectation of trying to get a replacement phone when one is broken. The problem was just being able to have them facilitate the problem and the speed they could do it.

Incorrect billing.

Getting through to our provider and waiting so long.

Lack of knowledge by staff.

Having to ring a couple of times. Waiting a long time, like half an hour to one hour.

Difficulty contacting them.

We wanted a new number and there was quite a delay in getting that connected. I was put on hold and had to make multiple calls.

Mobile Voice: Most significant customer service problem

The problem is that you can't get face-to-face customer service anymore; it's all done over the phone. Nothing is face to face anymore. That's what I find to be most difficult. It's hard to understand what they are offering. I'm a 'need-to-see' type person. Some people are visual and some people are not.

Being on hold for too long.

Establishment of the service. Lost the phone and had to wait 2 days, two hours being in their office.

Waiting to get through to customer service.

I find it incredibly frustrating when I ring up and I'm put on hold for a fairly long time only to be disconnected when you finally talk to someone.

It was difficult; they had added permission to multiple people to be in our file and then they had cancelled that, which screwed it up so when we tried to call we had problems with the permissions.

Being on hold for too long.

The length of time the call centre keeps you waiting.

Getting the problem resolved; multiple calls.

Language barrier; not understanding on both sides.

Billing, invoice queries, inconsistencies.

Getting in contact with them. Well it's just the computer.

Getting through to them; being on hold for a long time

When you do ring and you find yourself in India and then they say "you're a business person," so they redirect you back to Australia.

Global roaming is overcharged and doesn't provide the service which was promised.

Help line being on hold for long periods at a time.

Being on hold and talking to a computer.

When I try to talk to them about bills they don't understand me or they don't want to recognise that they've got the problem. It takes a couple of times of me calling over and over again for them to actually action it.

I had to go through several different operators, wasted a bit of time.

I have called the telco provider to assist us with accessing phone usage overseas, but they were not able to provide the best way to control the cost and still get access. And I was on the phone every couple of days and the bill ended up being \$5000. Keep getting different answers.

It takes too many times to resend phones before they replace them. They 'fix' them each time, but they are not actually fixed. It takes four times before they give us a new one.

The company I'm with, sometimes you have to wait and are advised to call back later, and waiting to call someone is not good for business.

The company I'm with, sometimes you have to wait and are advised to call back later, and waiting to call someone is not good for business.

Hard to get onto people; long waiting times.

Having to call multiple times just for one issue.

Being referred to call centres overseas.

Mobile broadband services (paid for by the business) are becoming increasingly popular, with 45% of respondents using this service type, and 21% of these respondents reported a significant customer service problem. The most common

customer service complaints have to do with the length of time on calls (8%), hold time (8%), lack of clear / correct information (4%) lack of follow-up (3%), and being passed between departments (3%).

Other common issues include ongoing technical faults, response time to fix problems, fixing order entry mistakes or account problems, billing problems. Additional detail is shown in Figure 67.

Figure 67. — Small Business: Most Significant Customer Service Problem - Mobile Broadband Service

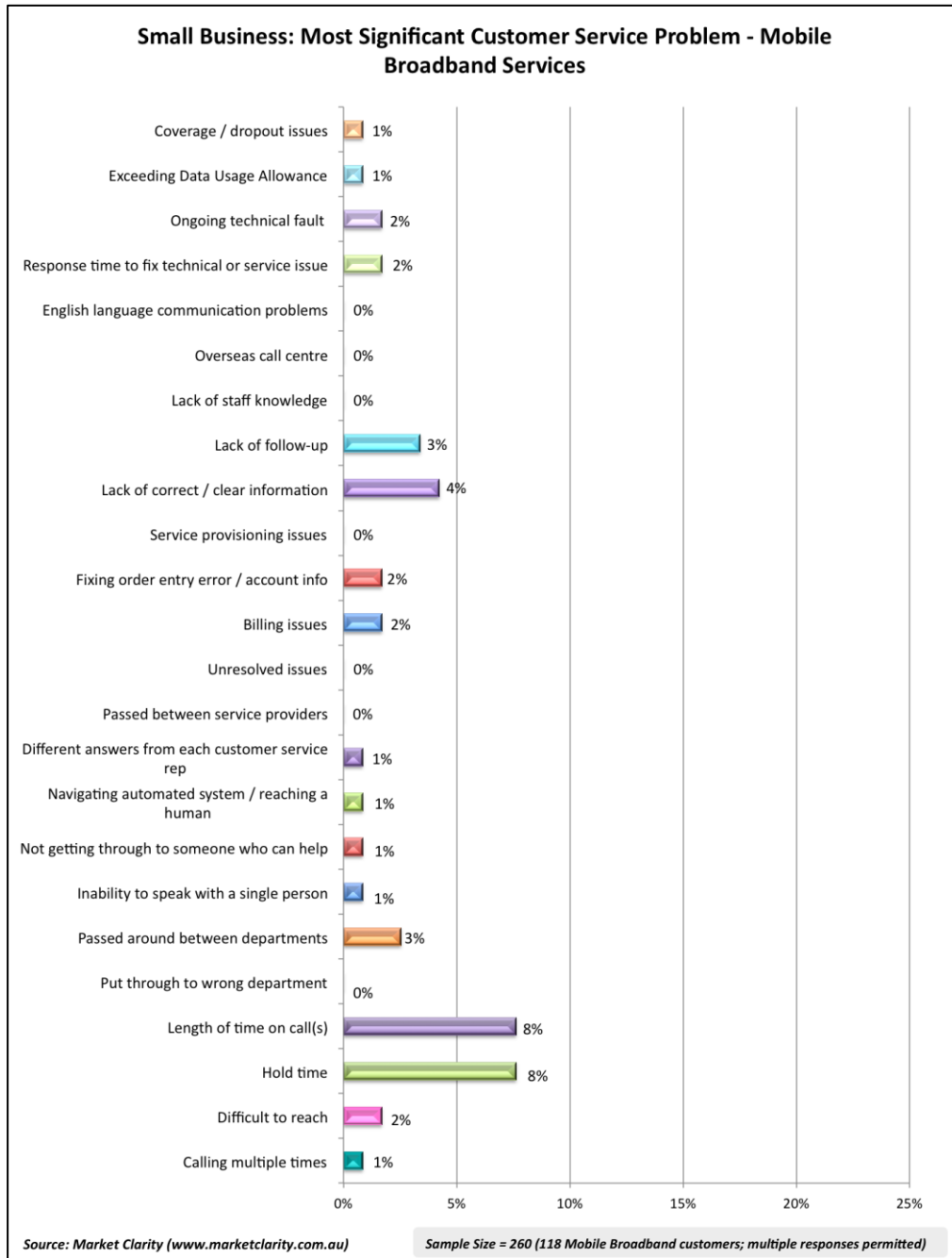


Table 11. — Small Business Commentary: Most Significant Customer Service Problem – Mobile Broadband Service

Mobile Broadband: Most significant customer service problem
Being left on hold for 5-10 minutes.
Going over the data usage allowance.
Only getting called when the contract is up for renewal. I don't authorise other people getting my details to them call me to sell me something.
Unsure due to representatives solving their own problems with the mobiles.
Selling you something and giving you something else.
Hold times.
Having to wait and going through all different departments.
Billing issues.
When system was down for 24 hours because of a pole that was down in the street. Not their problem as such.
Very difficult getting right answers when we called, being put on hold and having to speak to multiple people and being told the wrong thing as well.
Getting told my issues are not their problem. Getting the run around.
Dropping out.
Finding out what the plans are, e.g. how to move from one to the other.
Can't get through, they don't call back, they don't action your requests quick enough, they blame everyone else but themselves.
Waiting time to get through for complaints.
They gave the wrong information and then when the bill came out the bill was different from what it should have been or what we were told it would be.
You ring up and a simple process turns out not to be, or they say they'll call you back but they don't and I guess promising stuff they never deliver on. Not making good on planned outcomes once the issue is identified.
Again the same issues. Customer service and waiting up to an hour on hold.
Getting through to the right person.
We weren't given correct information on when the fault would be fixed.
Getting someone to solve problems and waiting so long for them to answer.
Getting through to them. Being on hold for a long time.
Help line being on hold for long periods at a time.
Being on hold and talking to a computer.
Being referred to call centres overseas.

EFTPOS services are used by 42% of survey respondents, and 1% of these respondents reported a significant customer service problem.

The most common customer service complaints have to do with the EFTPOS terminal problems (3%), the length of time on calls (3%), getting through to someone who can help (3%), and response time to fix issues (3%).

Other common issues include hold time and being passed between departments. Additional detail is shown in Figure 68.

Figure 68. — Small Business: Most Significant Customer Service Problem - EFTPOS Service

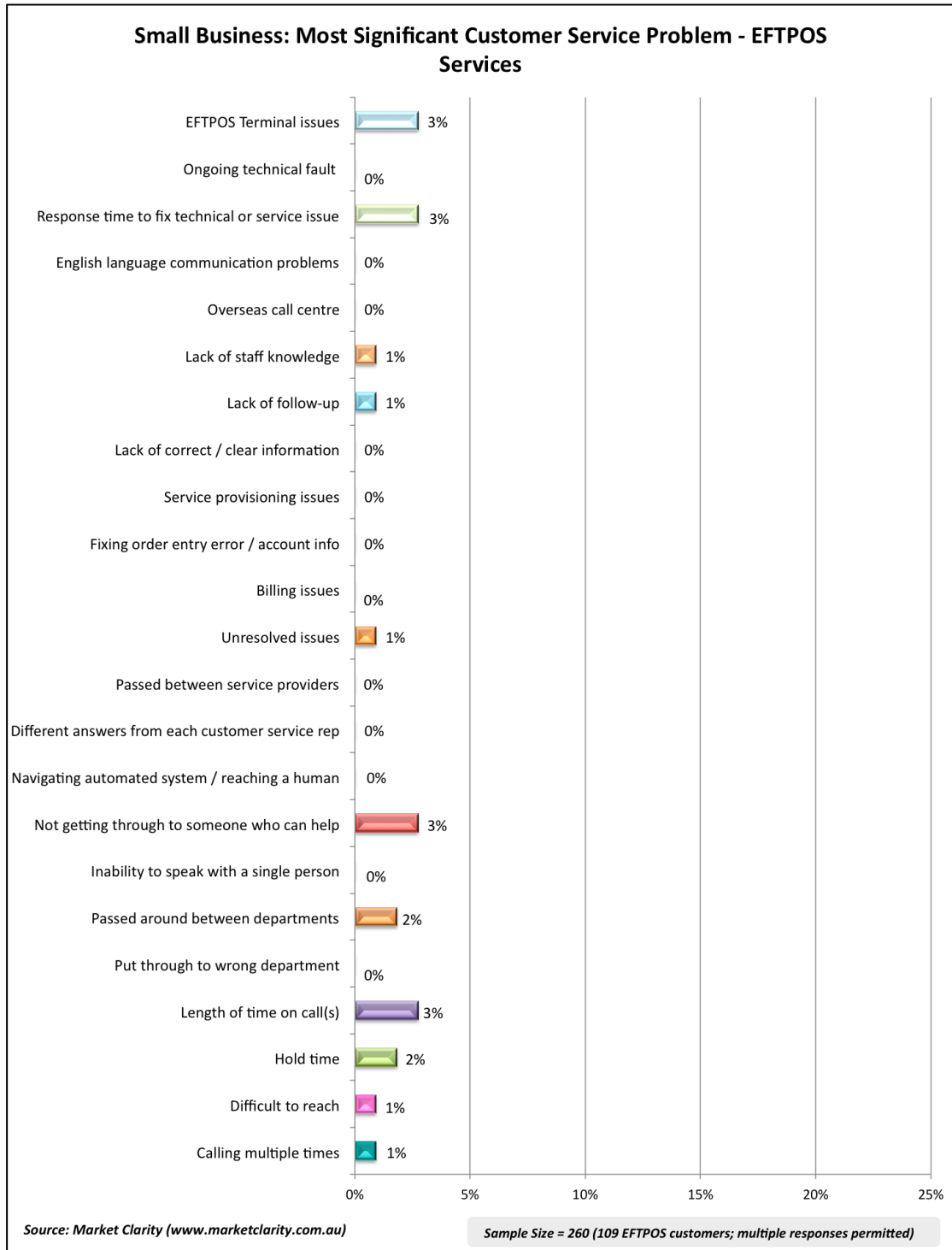


Table 12. — Small Business Commentary: Most Significant Customer Service Problem - EFTPOS Service

EFTPOS: Most significant customer service problem

This has given us the most problem out of all the services we have, the terminal itself failed and they replaced it within 24 hours of our call.

Does not work for some reason.

EFTPOS: Most significant customer service problem

Being put on hold for too long. Waiting time on hold was for about 20 minutes.

Can't get through, they don't call back, they don't action your requests quick enough, they blame everyone else but themselves.

Inability to have the authority to make a decision.

Waiting time to get through for complaints.

It was broke, but they were out in an hour to fix it, so it was great.

Getting through to the right person.

One time we haven't rang them earlier when we were out of paper. I know that but service doesn't have to be mean to me.

We weren't given correct information on when the fault would be fixed.

It takes too long to get through to someone who knows what's going on.

Their inability to fix the problem in a timely fashion.

7 Service Complaints

In this section we examine the types of customer service complaints that small business customers raised with their service provider(s).

7.1 Small Business: Examining Types of Service Complaints Raised Over Past 5-Years

Survey respondents were asked about the types of complaints they raised with their service provider(s) over the past 5-years.

Respondents were presented with the following (randomised) categories, with multiple selections allowed:

- Billing errors;
- Service interruptions, such as unable to make calls or unable to access the internet;
- Service performance, such as dropped calls or slow internet service;
- Slowness in providing new services, such as connecting a new office or activating a new mobile phone;
- Something else; or
- Have not made any complaints.

As shown in Figure 69, the most frequently reported complaint (49%) had to do with service interruptions, closely followed by complaints about billing errors (48%) and service performance (42%). Complaints about service provisioning issues (26%) were also common.

It's also noteworthy, however, that 25% of survey respondents have not raised any complaints in the past 5-years.

Figure 69. — Small Business: Service Complaints Raised Over Past 5-Years

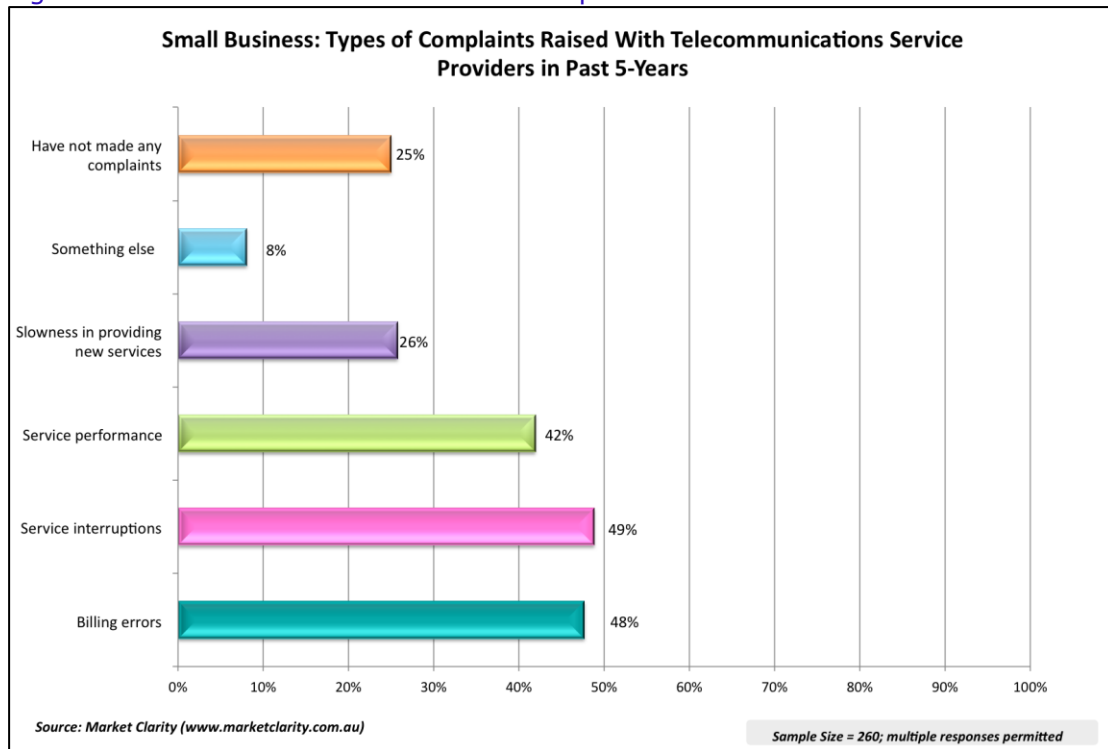


Table 13. — Small Business Commentary: Other Types of Complaints

Other types of complaints raised with service provider in the past 5-years
Pricing issues: I was advised via the post that costs were going up by 20 plus per cent. I rang my supplier who then said that's an issue for Telstra. The next person I was passed on to contacting also said they could not do a thing about it. Everyone who I called ducked for cover.
A big hole in the ground outside because of Telstra, and we have been complaining about that for three or four months.
Only contract issues.
Our account manager: delays in responding and actioning things.
They changed our number on us, when they said they would carry it over.
Installation of services.
Contract problem. (Wrong plan, taken to Ombudsman to resolve).
Delays in telephone support.
When they are doing local routine repairs they are doing things that are detrimental to our business. It's the hours that they are performing the routine repairs. When they have to fix the phone lines (the mains) that requires them to cut off our phones for service. They are doing this during the middle of the day or for whole day rather than doing it before or after our business hours.
Overseas data-roaming charges.
Failure to provide the service they advertise, i.e. a mobile phone service, I think they are in breach of advertising.
Changing suppliers with wrong billing errors and being cut off unannounced.
The technician promising to show up on a Thursday and they never showed up.
The major one is the change of address.

Other types of complaints raised with service provider in the past 5-years
With Telstra with ADSL and have been told no timeframe in which that could be done.
Mobile coverage.
Long waits: being left to wait on the line for about 15 minutes.
The way they use to do the bundling, and in end we end up paying for.
Coverage.
Saying they would do something and then they didn't; very bad processes through their call centre.

7.2 Small Business: Impressions of Complaint Handling over the Past 12-Months

Survey respondents were asked about their impressions of how their service provider handled complaints raised for each specific service type in use, over the past 12-month period.

For each service type in use, respondents were first asked if they had raised a service complaint, then provided with an opportunity to provide free-form commentary about their experience.

In analysing these results, we first analyse the frequency of customer service problems by service type. We then grouped respondent commentary by category to present overall trends within each service type. Where respondents gave permission to cite their comments in this report, we also provide verbatim commentary.

Table 14 provides a summary, by service type, of complaints raised with service providers over the past 12-month period.

Table 14. — Small Business: Complaints Raised in Past 12-Months

	Complaint in Last 12 Months (Any Service)	Line Voice		BB	Voice	Data	S
Number of Respondents Raising Complaint	116	63	4	47	47	10	2
Percentage of survey sample	45%	24%	2%	18%	18%	4%	1%
Percentage of respondents using service type	N/A	26%	10%	19%	20%	8%	2%

In the following sections we drill down into small business experiences with the complaint handling process for each type of telecommunications service. Survey

respondents were invited to provide free form responses for each service type in use.

Respondents were asked, “What are your impressions of how the provider handled the complaint about your [insert type] service?” Where respondents did not initially volunteer information, the following prompts were used:

- How many calls did you make to the provider?
- How much time did you spend on this issue?
- Was the problem resolved?
- Were you satisfied with the result?

Figures 70 to 73 represent Market Clarity’s analysis of these free form comments, while each Table provides verbatim comments where permission was granted to utilise these comments in a report.

Figure 70 provides a summary of respondent impressions about fixed voice provider’s complaint handling processes. The most commonly reported impressions involved spending a significant amount of time on calls (23%) and needing to call multiple times (23%). 7% of fixed voice users report unresolved issues. Other common impressions involve English language communications issues and being passed around between departments.

Overall, 11% of fixed voice service users were satisfied with the result of the complaint handling process, and 11% expressed overall dissatisfaction with their service provider.

Figure 70. — Small Business: Impressions of Complaint Handling Process - Fixed Voice Service

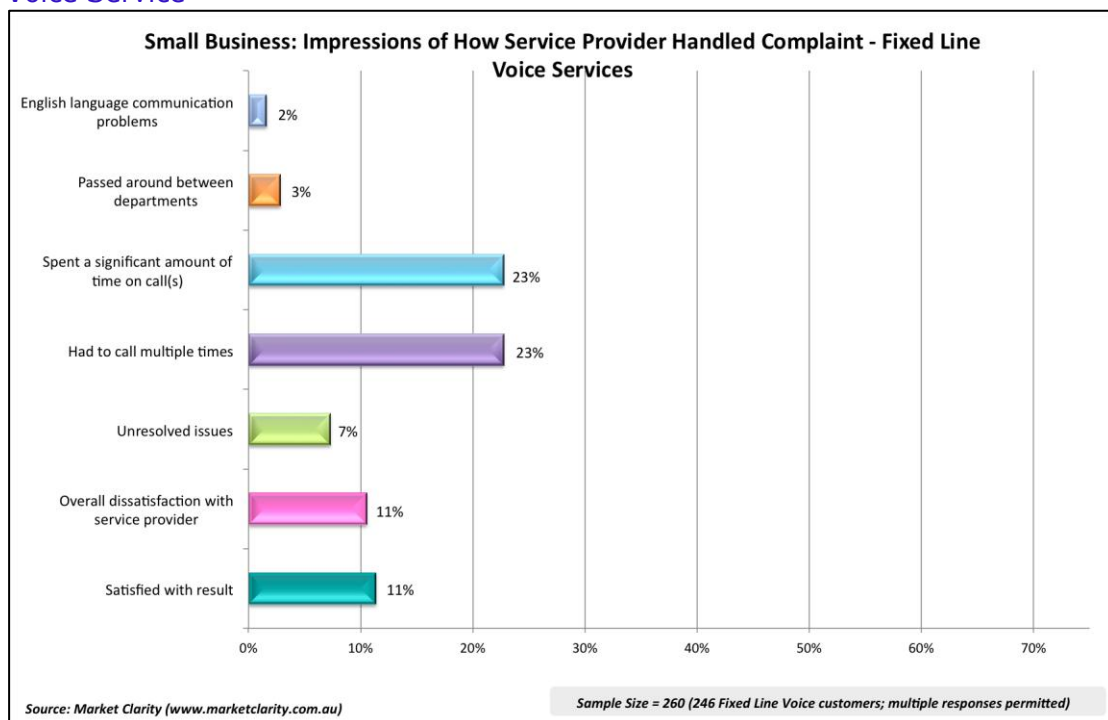


Table 15. — Small Business Commentary: Impressions of How Fixed Voice Service Complaints Were Handled

Impressions of how the provider handled the complaint about the fixed line voice service
Three or four calls made. One hour spent on it. Problem was resolved. Satisfied with the result. I thought it took too long. When they did solve it, they solved it properly and everything worked well.
At least 6 calls. Two hours spent on issue. Problem not resolved. Not satisfied with the result. I was pleased with the customer service. I was not happy at all with the technical service aspect of the problem. I have had faults that have not been rectified yet for the past 2 months.
Spent a lot of time emailing, calling. Issue was never resolved.
Two calls made. Spent 30 minutes. Problem was resolved. Yes, satisfied with the result but not happy with Telstra. It was about a telephone line that we wanted to connect a modem to, but the line had been disconnected yet they were still charging us for it.
I made a multitude of calls and was dissatisfied with the outcome.
Only one call. Fifteen minutes. Yes, problem resolved.
Generally it takes at least 3 calls to resolve the problem.
Incorrect billing for a landline not in use. Had sent letters and emails and a couple of calls, and even though we got a credit back, I still was not happy with the results in my opinion. Spent perhaps a day in total. As far as they were concern it was resolved. I wasn't satisfied; they knew there were no calls on the line for years and you'd think that's something you would expect your service provider to identify and call to check.
Getting a wrong plan and the bill wrong. Probably called half a dozen times; about an hour for each call. It's ongoing. I'm still not satisfied.
Very poor. Called once a month. A full day spent progressively over a year. It was resolved, paid the money just to wash our hands of it. Not satisfied.
It was to do with our account manager. He was not prioritising our accounts. I understand he has a number of accounts to deal with but he has to treat each account the same. I called him several times and had to email his boss to get a response. I called around ten times about this issue. I called every day for two weeks until I got in contact with him. It was resolved. We were told we couldn't do what we wanted to do. I was satisfied.
They were ambivalent about it. Three or four calls made and two hours spent. It was resolved. Once it was done, we were happy.
I think it was slow and dropping out. One or two calls and a couple of hours. It was resolved. I was satisfied.
We are moving offices. We were taking our current number and adding another number onto it. Because it was a residential line, they could not make the connection because it is a business service. Unfortunately internally, they did not say that to the team we were dealing with so there was a several week delay. Due to that we had to redo the order and then there were more delays. We sorted it out by email mainly. It took a reasonable amount of time. A couple of days all up. The problem was resolved. They resolved it internally. The result was good.

Impressions of how the provider handled the complaint about the fixed line voice service

Billing error with our business's fixed landlines about \$4500. Called a number of times; it depends on who you get, it's not consistent, and not many people know about it and sometimes it gets lost within the organisation. They are very helpful when I do speak to them, but the actions show recurrence and repeats of the problem, which is the issue I have. I have spent quite a bit of time; you have to get evidence before you approach them. It was resolved. If I didn't pick it up, the business would have paid for it.

They seemed professional but when it came down to fixing it, it didn't happen; it got lost in the system and I had to keep calling them. Made three calls made and a couple of hours were spent. Unsure if it's resolved; will check the next bill. Nil satisfaction until next bill is checked.

The line hunt was not working. Three or four calls. Half an hour, probably forty-five minutes spent. Eventually it was resolved. Satisfied.

Called provider one or two times. Past problem resolved and satisfied with result.

It was to do with paying a bundled bill (not individual services) on the internet (involves all services being paid for) and it was not credited with the payment I made, but I've got all the details. Calls made: 3. Time spent on issue: 3 months. Problem is not resolved, as I'm still owed the credit after paying the bill a second time.

They gave me some options. Made 6 calls, approximately. A number of hours spent, hard to recall but it was not quick. Resolved eventually. Satisfied, but just wanted it fixed and working.

All of them would be the same. They are off handed and couldn't care less. Badly all of them, they couldn't care less. As I said they fob you off and say, oh it must be Telstra, it must be your hardware for your phone, it's a line down, it's bad weather. Far too long, we've spent weeks on it.

Moving office, four or five times, about 20 mins at a time, overall 5 hours. Problem resolved and satisfied with result.

About 10 calls were made, more emails, and still not resolved. It's in relation to a connection fee. They say it's resolved, then we got another letter of demand saying it will be disconnected if there is no payment made.

I made 3 calls, waited for 1 hour, problem was resolved ... eventually. The guy that did it was incompetent. He had no idea; he wouldn't listen to what was being said. Poor communication and lack of recognition of the problem.

Dissatisfied. For 3 weeks or 6 weeks actually we spent a lot of time trying to fix it. All along it was a little service difficulty about 500 metres down the road, the technician said had he known he could have fixed it in 5 minutes. They kept saying everything was ok and that it was fine. Our provider said there was nothing wrong with our fax line and that our internet was fine but we couldn't send a fax or anything for 6 weeks. In the end it was, after costing us a lot of money, we were satisfied in the end. We feel as if we should be compensated in some way, we had to get independent people out from Port Lincoln, 300km away, to put in a new modem, which we didn't even need because all along it was a Telstra issue.

There was confusion with transferring of calls and charges. Telstra was pretty good in helping resolve it. We spent an unbelievable amount of time on the issue, through different staff, trying to fix things up. It's just a hassle not knowing who we should be talking to and the person we do talk to has to then get it transferred interstate or whatever.

Impressions of how the provider handled the complaint about the fixed line voice service

Once we got hold of someone at Newcastle the lady was lovely, it was a matter of getting a person to speak to and once we got the one person we could deal with it was great. We could call her directly and speak to her directly which was great, we didn't have to go through the whole system. We first notified Telstra before the July school holidays that we would be moving and what we required. We were told initially that it wasn't a problem, then closer to the time of moving they said there was no record of that call happening at all. That started in mid-June and it was probably 6 to 8 weeks all up.

Made about 12 calls to them. Time spent on issue overall, about 6 hours. Problem is not totally fixed. Not satisfied with the result. The service was very slow. They dealt with it but they were just very slow.

We lost two lines. Five calls. Spent ages on it, because they didn't fix it for two weeks. Eventually it was resolved. And satisfied with the result, so far.

At least five calls were by me, about half an hour to explain. Eventually it was resolved. They said that they would send a technician on site, which they did and it was fixed, but it took a whole day. I was satisfied.

Not very impressed. I probably made at least 3 or 4 calls, if not more. Probably spent 2 hours. It was not resolved. Frustrated and washed out, your efforts are left diminished, it's incredibly difficult to find out who you are supposed to be speaking to just to start with; they hand you from one person to another all the while announcing that it's not them you're supposed to be speaking with.

There were crossed lines. Somebody else kept getting our phone calls and it took Telstra quite a long time to rectify the issue. That would have been about five calls, which would have taken up to a good hour and a half. Eventually they resolved the problem. It was resolved and we could operate as a business properly again.

Ten calls made. Time spent on issue: 5 hours. Problem not 100% resolved. Partially satisfied with result. Despite sending numerous technicians they were never able to fully resolve our line crackle-sounding problem.

Over 50 calls were made, about two and a half weeks was spent on the issue. Problem was eventually resolved, but not as quick as we thought it would be. We had all our lines go down at once.

Not having any service. Took 50 calls to the provider and 4 hours. Problem was resolved with a case manager and we were satisfied with the results.

It wasn't that professional or that great. All the Ombudsman does is send an email to Telstra who directs us to the complaints department. Probably more than ten calls. Most times we were on the phone to them for an hour each day. It's resolved now. We're satisfied now but we weren't satisfied before. It wasn't until the Telstra technician came out that it was resolved.

A couple of hours spent on the issue. Problem was resolved. Was satisfied with the result. It was fine after we got on to the right person.

How do I say pathetic in fifty different ways; it's just shocking, it's manipulative, it's totally unsympathetic to the position of their customer. I think they're scoundrels interested in a fast buck and not providing service. I was contacting them about contractual issues. Ten or fifteen calls. It would be easily more than five hours. Eventually it was resolved.

One call was made, then a follow up; one hour spent on the issue. It was resolved and we were satisfied. The service was interrupted because of water getting into a pit.

Impressions of how the provider handled the complaint about the fixed line voice service

Billing errors of our phone line. Calls and email, about 20. Hours. A couple of days in total. Not overly satisfied, but resolved as best we could.

I had a problem with the pricing. Several calls and hours. Resolved, but not satisfied, as they didn't give me enough reduction.

Two or three calls. Sometimes ten to twenty minutes. Eventually resolved. I had no choice.

We had to make a few calls, but it was resolved satisfactorily in the end. Probably an hour spent. The final result I was satisfied with.

Two calls to the provider. Spent over an hour. Problem was resolved eventually. I was satisfied with the result.

The problem was incorrect pricing. I made three phone calls. Altogether, probably a couple of hours spent. I wasn't satisfied and I cancelled the service and have just changed providers.

More than five calls made. Well over 3 hours spent on the issue. Problem was eventually resolved. Eventually satisfied with the result, but not the process. It was poor service due to the time it took and their attitude. I thought their attitude was poor in the sense that they were not listening. They were treating us like idiots.

I didn't think it was high quality service at all and the fact that we had to pay someone to be here to call them did not make me happy. About three calls were made and half hour spent. It was resolved and I was satisfied that it was fixed.

No calls made. We wrote a letter and they have not responded. Problem was the disconnect for 3 weeks. Not satisfied with the result.

Twelve calls made. Probably twenty minutes on each call. It was resolved. I wasn't satisfied.

Monthly calls were made over 12 months. 12 hours were spent on the issue in total. It's still ongoing. Items we were supposed to get for free, we were being charged. It's still ongoing, we are still getting charged for these items.

That was one of those things you can't get handled, we were on hold and being on hold when you want information when you're busy, you don't want to be hanging on the end of the phone. I believe sometimes it's in the vicinity of 10 minutes. I don't know how they resolved that complaint. We haven't had occasion to test it. At this point we're satisfied until the next problem. Slow response on the telephone was the problem.

Extra fees and charges, which I should not be paying, are still happening. I have to call at least once every month about the issue. Every month we get the bill and every month it is wrong. It takes up to an hour of my day each time I have to call. The problem is still unresolved. We are still getting charged. I have to call every time to get the overcharged amount changed to credit. I am satisfied that they give us credit but I am not satisfied that it still happens.

Two calls made and time spent, 30 minutes. Problem was resolved and satisfied with result. They were swift and got back to me straight away.

Several calls to the provider. Spent 2 hours. Problem was resolved. Satisfied with the end result.

Impressions of how the provider handled the complaint about the fixed line voice service

There was a contract involved and agreed to terminate due our many complaints. They were not charging us as per agreed contract. A lot of calls and not dealing with the same person and having to start all over again. Days and days. We put a claim in for a couple of thousands of dollars with no results. I suppose it's resolved, but I'm not really satisfied, I believe the telco company should have done a lot more.

Two or three calls were made and a couple of hours spent on the issue. It was resolved and we are satisfied. They had a representative call me to sort out the problem of being over charged regarding a billing error.

They were overcharging us. They put in a new service and it was not put in correctly and has been overcharging our account. We have only made around five calls plus taking the bills to the local shop so they can go through the provider on our behalf. We have spent a couple of hours on the issue. It has not been resolved yet. It is ongoing. We need to get credit reimbursed, they have to work out is much is owing to us. I don't know if I am satisfied yet.

Five calls made and two hours spent on problem. Problem was resolved. Satisfied with the result. Eventually they rectified the billing issue. I had to re-explain it on several occasions. When I spoke to an Aussie it was sorted out. My \$900 was credited back after 3 months. They (Telstra) must smarten up their billing system.

They couldn't provide the service. I had to go back to my previous telephone provider to get the lines put on. The new provider could not do anything until the lines were put in. Multiple calls were made to the provider. Hours and hours were spent. Problem was resolved in 6 months. Satisfied with the result.

Mainly service faults and billing issues. I would make about two or three calls each time, about an hour each time. Eventually, it was resolved. Probably not satisfied with the result.

Because of the small sample of survey respondents using VoIP services (42 respondents), and the subset of these respondents who lodged complaints, it didn't make sense to graph these results.

However, we provide verbatim comments from survey respondents on their VoIP complaint handling experiences.

Table 16. — Small Business Commentary: Impressions of How VoIP Service Complaints Were Handled

Impressions of how the provider handled the complaint about the VoIP service

Everything happened slowly, constantly repeating the problem to multiple people. Blaming another party and not knowing who to contact.

Three emails and four phone calls, spent about one to two hours. Problem was not resolved. They have to investigate it again; they can find any notes on the fault, the main fault. We have a VoIP line which was connected; we asked to get it cancelled in 2006. We thought it had been done. We asked for it to be cancelled and changed to a different description on the bill. Even the account number changed and we have been getting charged for this line for the past six years. There has not been one metered call against it. They are telling me that there is no way there has been a metered call against it that they could tell.

Figure 71 provides a summary of respondent impressions about fixed broadband provider's complaint handling processes. The most commonly reported

impressions involved needing to call multiple times (16%) and spending a significant amount of time on calls (15%). 6% of fixed broadband users report unresolved issues. Other common impressions involve English language communications issues and being passed around between departments.

Overall, 8% of fixed broadband service users were satisfied with the result of the complaint handling process, and 9% expressed overall dissatisfaction with their service provider.

Figure 71. — Small Business: Impressions of Complaint Handling Process - Fixed Broadband Service

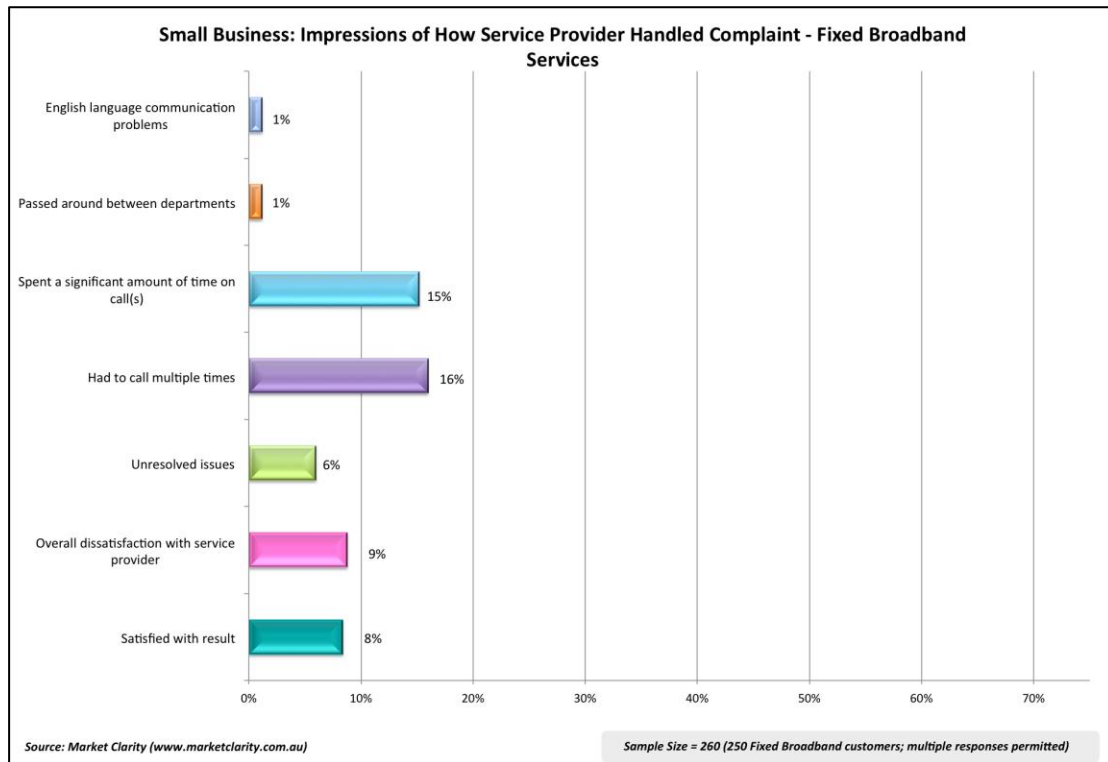


Table 17. — Small Business Commentary: Impressions of How Fixed Broadband Service Complaints Were Handled

Impressions of how the provider handled the complaint about the fixed broadband service
Three or four calls made. One hour spent on it. Problem was resolved. It was resolved properly, but took too long. It took over the course of about 4 days. We transferred offices.
Made in excess of 30 calls. Spent 4 days on this issue. Problem was resolved. Not really satisfied with the result, though. They handled it dreadfully and there was a senior individual at the highest level of Telstra who after it was all finished was going to get back to me and I never heard from her again. We wanted a line put in that could be connected to a modem for internet for uplifting video surveillance via the internet. We got the line ok but we couldn't get anything else organised through Telstra. It took weeks and weeks. One person would tell you one thing. The next time I rang, another person said something different. And the issue went on each time. One day I was on the phone for 5½ hours and thought the issue was resolved and the next day found out it was back to square one.

Impressions of how the provider handled the complaint about the fixed broadband service

The problem was resolved. I find it frustrating when I ring; they treat me like an idiot with blasé answers. I don't want their apology. I want it fixed.

We went through a period of random dropouts. I probably made two or three calls. It was more an issue of being on hold. I spent at least 2 or 3 hours on the issue. The problem was resolved and I was satisfied, as it was working.

It was just taking too long to download stuff. I suppose I made a few calls but finally I rang up and said I was leaving them. Probably a couple hours was spent. I resolved it by leaving. The issue was that their advertising said they were giving 10GB allowance, but the fine print said you were getting 0.2 of a GB; now that isn't 10GB.

Two or three times to the provider, 15-30 minutes. The problem was resolved, and I was satisfied with the result.

Half a dozen times I've called. For each call, spent about an hour. It still on going, and I'm not happy.

They were ambivalent about it. Three or four calls were made and two hours spent. It was resolved. Once it was done, we were happy.

It's all of the same problems and this is part of my issue: not knowing where to go, who to phone.

I think it was slow and dropping out. One or two calls. A couple of hours spent. It was resolved. I think I was satisfied.

It was the same connection as the fixed line, so they were the same issues.

Just asking them whether the internet was down because obviously it was not working. One phone call, of 15 minutes. It was resolved. And I am satisfied because they explained the reason, but of course I'm still inconvenienced by the internet unavailability.

Complete drop out, no connection. I imagine it was couple calls made, and probably ten or fifteen minutes each. It was resolved, and I am satisfied.

I called three times. Collectively spent an hour dealing with the issue. Problem was not resolved due to constraints in telecommunications infrastructure. I am unsatisfied, obviously.

It was to do with paying a bundled bill (not individual services) on the internet (involves all services being paid for) and it was not credited with the payment I made, but I've got all the details. Calls made: 3. Time spent on issue: 3 months. Problem is not resolved, as I'm still owed the credit after paying the bill a second time.

They gave me some options. Made six calls, approximately. A number of hours were spent, hard to recall, but it was not quick. It was resolved eventually. I'm satisfied, but just wanted it fixed and working.

They eventually sorted it out, it did take a long time; it took days of the internet being on and off, we are only a part time office, so it was very difficult for us. In the end we were right. It was the broadband as much as anything and we have a man who did it from home because we didn't get satisfactory service quickly from our provider. In the meantime the company did come out and talk to our manager and tried to help. They are obviously working on their customer relations.

Slow turnaround. I called three times and it took up 3 hours. The problem was resolved, and I'm satisfied with the result.

Impressions of how the provider handled the complaint about the fixed broadband service

Absolute rubbish: 15 calls in the last 3 weeks and 12 hours in work time. The problem is still happening and we are not satisfied.

Six or seven calls were made, and 1-2 hours spent. It was handled by somebody overseas with poor communication skills. Because of the accent it made the phone call a lot longer than what it should have been. The end result was that it was resolved.

Same as before, it was a nightmare but in the end it was fine. After the initial people we spoke to, we found someone who could deal with us directly and it was a local person, I didn't have to go to someone in Sydney, Brisbane or Melbourne, we could just deal with her directly. Then after everything had a billing problem too, it was icing on the cake. We've never had an issue before but it was just with having to move our business, it was horrible, but in the last few weeks it was all fine.

It's just the slowness, and they've done nothing about it. A lot of calls, probably eight or nine. A lot of time too, because it just wastes time when we can't use the internet. It's not resolved and we're not satisfied.

They haven't managed, in three months, to connect to our new office. Shocking, absolutely shocking. The follow-up was up to us; they don't follow up at all, we have to rectify it. Once a week, for twelve weeks we have called. The problem is still not resolved. And I'm not satisfied.

I made probably one or two calls, and they weren't very long. We just couldn't get the internet to work. It was resolved.

It's a wireless system and it keeps dropping out. I don't know how many times we've called, but I would say half a dozen recently. Days have been spent, and it hasn't been resolved.

Inability to connect to the internet. Called two or three times, up to an hour at a time. The problem was resolved. I was happy with the result – until it happened again.

The problem was that because it's a heritage-listed building the signal isn't very strong inside, and despite the company being across the road from us it seems to drop out a lot and we don't get instant help. Whenever it happens we call straight away. In the past year, I'd say ten or fifteen times. Probably we've spent a total of a working day on the phone to them. Eventually it does get resolved, but only after getting infuriated. It would be more satisfying if it was done more efficiently.

We need ADSL broadband service internet in the area, and have been told we need 100 signatures. I have made at least three or four calls. Several hours spent trying to get together all the information is hard; different people have told me different information. Not resolved and not satisfied. Dial-up is ok but it can't cope with anything over 1 megabyte, which is pretty much anything anyone sends you these days.

Every time we have tried to do something about it you can spend an hour and we probably do that a dozen times a year. The problem is not resolved. They say they are going to fix it, but they obviously can't fix it so it's very frustrating. We ring up on an ongoing basis and nothing seems to change. We've got a bloke coming in today to address it.

Maybe 10 calls made and four 4 hours spent on the issue. The problem was resolved and we are satisfied. We lost all our phone and data. They had to replace an underground cable up the road and we were told it would be a day, but took a week.

Impressions of how the provider handled the complaint about the fixed broadband service
It would have been probably at least a couple of calls. Spent an hour or two on the issue. The problem was resolved and I was satisfied with the result. It was a good outcome in the end.
Maybe three calls, and 3-4 hours spent. It was resolved. We had no connection ... it would not connect at all. I can't remember what they said or why it would not connect.
Re-connecting the internet after they cut it, and couldn't re-connect it. It happened twice within two weeks. I think I had made eight calls. Most of the calls were around 45 minutes each. Eventually it was resolved. Satisfied with the results, but not the process.
Two calls were made and 30 minutes spent on the issue. It was resolved and we are satisfied. It was a technical error on their end. They had some kind of software issue that had caused double billing.
We made three calls without getting through. One hour was spent. It's not resolved. There is no result as yet, and we are not satisfied.
Four calls were made, twenty minutes on each call. It was resolved and I was satisfied with the result.
Pretty good, they fixed it quite recently. Probably made about three calls and spent about an hour or two. It has been resolved and I'm satisfied with the result.
Not very well, we will be changing providers. I have made numerous calls, but I can't get through. I've spent a couple of hours. It has not really been resolved. I'm just not happy with it at all.
We have been overbilled. We only made one call and probably only spent around ten minutes. It has been resolved. I am satisfied with the result.
Five calls were made and two hours spent on problem. The problem was resolved. I'm satisfied with the result. Eventually they rectified the billing issue. I had to re-explain it on several occasions. When I spoke to an Aussie it was sorted out. My \$900 was credited back after 3 months. They (Telstra) must smarten up their billing system.
Mainly service faults and billing issues. I would make about two or three calls each time, about an hour each time. Eventually, it was resolved. Probably not satisfied with the result.

Figure 72 provides a summary of respondent impressions about mobile voice provider's complaint handling processes. The most commonly reported impressions involved needing to call multiple times (16%) and spending a significant amount of time on calls (15%). 6% of mobile voice users report unresolved issues.

Overall, 7% of mobile voice service users were satisfied with the result of the complaint handling process, and 8% expressed overall dissatisfaction with their service provider.

Figure 72. — Small Business: Impressions of Complaint Handling Process - Mobile Voice Service

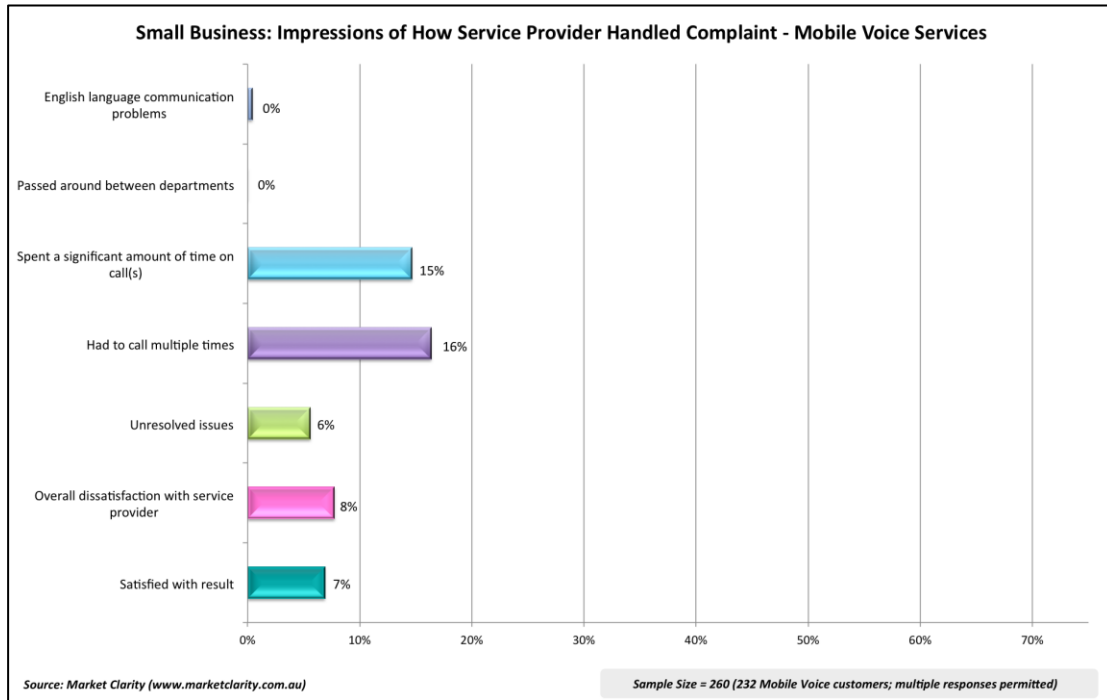


Table 18. — Small Business Commentary: Impressions of How Mobile Voice Service Complaints Were Handled

Impressions of how the provider handled the complaint about mobile voice service
The issue was mobiles and payment, but when we moved into our new shop we did have issues with our landline and organising payments but that was resolved. The issue is more online bill payment for the mobile, in that we believe we've paid them and then they aren't coming through on our Amex, so we then are being charged for that. That's the problem. I can't call them because the name is under another name and he is at work all day, he will have to do it, because it keeps happening. We were with Optus and we weren't actually getting the bills for our mobile and that took four months to resolve.
A few calls were made. On the first attempt, they said they would deal with the problem and then to call back.
Three to four calls were made. Spent 15-20 minutes. The problem was resolved. It was quite good. I was satisfied with that.
An invoice came out for a very high amount for a bill.
It was one call only. Spent an hour on the matter. The problem was resolved. I was satisfied with the result. It was a billing issue. We just switched from one contract to another and it wasn't clear as to what was on the bill.
I made three or four calls. Time spent on the issue was 90 minutes. The problem was resolved, but unsatisfactorily in terms of coverage. I'm not satisfied with the result.
Made about 100 calls. I have spent about 500 minutes on the problem. It's not resolved and I'm not satisfied with the result. My impressions are of total ignorance on their part.

Impressions of how the provider handled the complaint about mobile voice service

The mobile salesman pushed through a contract that was not what we specified. Maybe made 10 phone calls or more about the issue. Including waiting time and gathering information, probably spent 20 hours, maybe more because we took it to the Ombudsman. It has been resolved to our satisfaction.

The issue was the billing. I was supposed to get itemised billing and a couple of the numbers were not appearing on the bill. I had to make two calls to get it sorted and it would have taken about twenty minutes each call roughly. After the second call it was resolved. At the end of the day I was satisfied with the result, because I actually got what I wanted and it made the reading of the bill easier.

Half a dozen calls were made. It was an ongoing problem and no fault of Telstra's. The problem was resolved and I'm completely satisfied.

It was to do with paying a bundled bill (not individual services) on the internet (involves all services being paid for) and it was not credited with the payment I made, but I've got all the details. Calls made: 3. Time spent on issue: 3 months. Problem is not resolved, as I'm still owed the credit after paying the bill a second time.

They gave me some options. I made six calls, approximately. A number of hours were spent, hard to recall, but it was not quick. It was resolved eventually. I'm satisfied, but just wanted it fixed and working.

They're not as bad; it's a different service provider. Just call dropouts and lack of service. I would rate them at 50% customer service satisfaction. Maybe I spent 2 hours all up.

We complained about that it appeared on our bills, that we were having multiple calls to message bank, every couple of seconds and it turns out, from our conversations with Telstra, that they have changed the way they bill the use of message bank. They bill you when you make the call, when you receive the call from message bank and charge you to delete the message, so instead of 6 cents it costs 18 cents to get the message off message bank. I only made the one call and the person we needed wasn't there, the business person who knew something about it wasn't there, and they had to ring us back, which I don't think they did and we had to ring again and we rang three weeks later and it was still not resolved with us, and our office manager rang again to get that information out of them. I can't do anything about it, about tripling the charge to use message bank, but now I know what's going on at least.

They expertly apologise and that's it, nothing else. Their ability to apologise is unquestionable, it's fantastic, I've never seen anything like it. Their ability to have a phone conversation without it dropping out is impossible, particularly if you're in the CBD. All Vodafone contracts should be null and void if anyone wants to leave them. Yes I've made multiple calls. It's aged me several years. I would say I've spent 50 hours on this, an average of one hour per week. It's not resolved, they are working very hard to improve their network, but I'm still experiencing non-stop no coverage or SOS only and all this rubbish.

Just problems in changing mobiles across different networks, from Vodafone to Telstra, and the amounts we were promised varied. Not sure how many calls we made but it was quite a few, and the rep from 'Wireless' tried very hard for us, but even he was hard to contact due to being sick, or away, or at conferences. It was just hard get resolved but overall he did pretty well. It may not have been his actual position to help but he helped as much as possible.

Incorrect billing. We call them at least twice a month. As of yesterday's phone call, it's still not resolved. I was not satisfied.

Impressions of how the provider handled the complaint about mobile voice service

Basically we were getting a lot of black spots, but yet at other telcos you can get range but not the one we were with. A couple of calls that took probably an hour. Because it's an issue they can't do anything about, it's not resolved no, but if we went to another telco it would be. If we went to another telco we would be satisfied, but we have bought all these phones and we are a bit reluctant to change over.

Ten calls were made. Time spent on the issue was 3 hours. The problem was resolved: they did release the two numbers from their contract. We were satisfied with the result, but they handled it poorly. It required intervention by the telecommunications Ombudsman in order to release the numbers from their contracts.

They were quite good, but they didn't really come up with any plan; well, they did but it wasn't very helpful. One of my staff she's had problems with her mobile since changing to the new iPhone. I contacted the account manager and they said they are getting a new contract in a month's time, but that doesn't help us when we have no service and dropped calls. It must be something to do with the area. They did take the charge off the monthly bill, but it did cause us a bit of a problem. We had to divert all her calls to landline but she couldn't use her mobile. We will find out at the end of August; hopefully the problem will be sorted out by then, otherwise we will have to think of something else.

The mobile set up was the problem, the international set up and billing. Probably ten calls and each time she was put on hold. We even went into the store once. Probably spent an hour every time, each call. It was resolved in a way, but technically no. Because the phone service wasn't given to the person who needed it. It was given to someone else because they couldn't set it up so it wouldn't be useful overseas. By the time they got it done it was too late.

Called about once. Spent a few minutes on the issue, not much time. The problem is not resolved and I'm not satisfied with the result. It's just the coverage; it's just not adequate. There is not much you can do. It was all right how they handled the complaint, but as said there was not much they could do.

We made two or four calls and spent an hour or two on the issue. The problem was resolved and we're satisfied with the result.

The problem was phone drops outs and coverage. Probably made three calls of about 15 minutes. I was in the CBD and my mobile with '3' didn't work; I think it was an infrastructure problem.

I was pretty happy. One was a billing enquiry to do with merging two bills into one, and also I couldn't send text messages and they sorted that out fairly quickly. Probably took two or three calls to resolve it. I was happy with it.

Again I had a problem with the pricing. Several calls were made and hours spent trying to resolve the issue. It's sort of resolved. But they didn't give me enough reduction to be satisfied.

Four calls were made and two in-store visits. I spent 4 hours or more. It was resolved and I'm satisfied. The customer service representative had entered the wrong information into the plan system, incorrectly putting the information into a legacy system instead of the current business software.

I didn't think it was high quality service at all and the fact that we had to pay someone to be here to call them did not make me happy. About three calls were made and half an hour spent. It was resolved and I'm satisfied that it was fixed.

Impressions of how the provider handled the complaint about mobile voice service

The payment of the bills; they charged more than they should have. I called six times then I wrote a letter. About three or four hours were spent. After the letter it was resolved. I'm satisfied with the outcome.

One letter covering both issues. No calls were made. We wrote a letter and they have not responded. The problem was the disconnect for three weeks. I'm not satisfied with the result.

About twenty calls were made; forty minutes per call. It was not resolved to my liking, and I'm not satisfied at all.

Extra fees and charges, which I should not be paying, are still happening. I have to call at least once every month about the issue. Every month we get the bill and every month it is wrong. It takes up to an hour of my day each time I have to call. The problem is still unresolved. We are still getting charged. I have to call every time to get the overcharged amount changed to credit. I am satisfied that they give us credit, but I am not satisfied that it still happens.

Only had to make the one call. It took about ten minutes and it was resolved. I am satisfied with the result.

It depends which time, as have had multiple occasions of problems. One of them has been a really good outcome; I went and talked to someone face to face over at the store. The other one has been bad with them calling me multiple times and having to speak to the supervisor and stuff. A good few hours were spent. It has now been resolved. It is just annoying that you can't speak to someone who can speak good English; it's hard to communicate with them.

One of my staff was overseas and wanted to access his mobile phone without paying too much in cost, and I kept getting different information. I say on this issue I would have called half a dozen times. I have spent 5 or 6 hours on that one issue. The guy came back and was charged \$5000. In the end, I worked out how we could have done things differently, so I guess now have a better understanding.

A data plan put in place for overseas use wasn't fulfilled. The issue took about half a dozen calls. It took one and half hours. It hasn't been resolved and I'm totally unsatisfied.

A couple of times they went and changed what service they were giving us, and therefore made a billing error. We only made one call. It took 15 minutes of our time. It has been resolved. I am satisfied.

Technical issue with mobile phone not in service. I called telco provider and they advised every thing's ok, and at the end of the day I was advised to purchase a new mobile phone when the issue was the tower. Charging me now for using a business cheque and I have been using Telstra for 35 years now and now they are starting to, due to a clause in contract. For that maybe made a dozen calls. That whole thing wasted my whole day, that's why I didn't bother calling back due to them wasting my whole day. The tower was back up and running, but the issue was not having to replace my mobile phone. I'm not satisfied.

Mobile and data it was. They were reasonable; all they did was give me an extended time to pay the bill. Made four or five calls, 5 hours all up. They need to review fairness and equity for travelling customers, if they want us to use Telstra phones when overseas. It shouldn't cost \$1000 to make 10 phone calls while you're away. My bill was \$7000 for four weeks in Asia; it's just stupid.

Made one call to the provider and spent one to two hours on this issue. The problem will be resolved in a month. I'm satisfied with the results.

Impressions of how the provider handled the complaint about mobile voice service

Continuous dropouts. I made four calls and one hour was spent on this issue. The problem was not resolved and I'm not satisfied with the results.

Two calls were made and about 20 minutes spent on the issue. It was resolved and I'm satisfied. I was over-charged for a bill. They didn't tell me why I had been over-charged.

Mainly service faults and billing issues. I would make about two or three calls each time, about an hour each time. Eventually, it was resolved. Probably not satisfied with the result.

Figure 73 provides a summary of respondent impressions about mobile broadband provider's complaint handling processes. The most commonly reported impressions involved needing to call multiple times (8%) and spending a significant amount of time on calls (5%). 3% of mobile broadband users report unresolved issues.

Overall, 4% of mobile broadband service users were satisfied with the result of the complaint handling process, and 3% expressed overall dissatisfaction with their service provider.

Figure 73. — Small Business: Impressions of Complaint Handling Process - Mobile Broadband Service

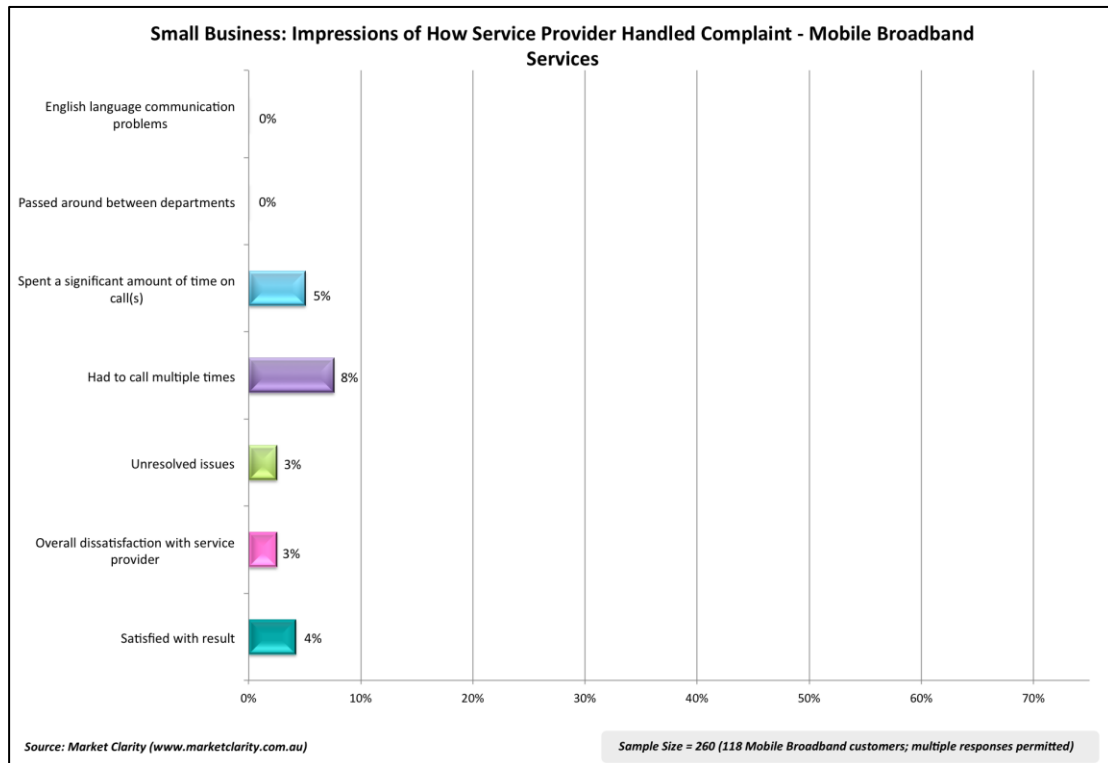


Table 19. — Small Business Commentary: Impressions of How Mobile Broadband Service Complaints Were Handled

Impressions of how the provider handled the complaint about the mobile broadband service

The problem was resolved after a couple of phone calls.

Impressions of how the provider handled the complaint about the mobile broadband service

One or two times I made a call to the provider. Now it has to go overseas and fixed there. It takes about 15-30 minutes. Most of the time it's fixed. I was satisfied.
I've made half a dozen calls, and it's about an hour each time I call. It's an ongoing issue and I'm still not happy. When one issue is resolved, another issue appears.
Six calls made over the year. I've spent two hours on this issue. The problem was resolved. I'm satisfied with the way they handled it.
I made three calls, three hours spent, no resolution, and I'm not satisfied. I wanted to upgrade mobile phone and data services. They were not able to integrate a package using the modern technology available.
They gave us the wrong information, it was to do with billing and it was to do with what we were quoted with regards to access and a monthly fee for having the plug-in device. The bill came and then we rang them and they met us halfway. I was satisfied. I spent a few hours on it and made two phone calls.
Extra fees and charges, which I should not be paying, are still happening. I have to call at least once every month about the issue. Every month we get the bill and every month it is wrong. It takes up to an hour of my day each time I have to call. The problem is still unresolved. We are still getting charged. I have to call every time to get the overcharged amount changed to credit. I am satisfied that they give us credit but I am not satisfied that it still happens.
The problem was the mobile broadband was not working through one computer so we had to get a different device. We made three calls. It took a couple of hours to resolve. I am satisfied.
Two calls were made and about 20 minutes spent on the issue. It was resolved and I'm satisfied. I was over-charged for a bill. They didn't tell me why I had been over-charged.

Because of the small sample of survey respondents providing commentary on EFTPOS services, it didn't make sense to graph these results.

However, we provide verbatim comments from survey respondents on their EFTPOS complaint handling experiences.

Table 20. — Small Business Commentary: Impressions of How EFTPOS Service Complaints Were Handled

Impressions of how the provider handled the complaint about the EFTPOS service
It just didn't work. The provider was prompt in replacing the unit. Eight telephone calls and a delay of half a day was involved. It was resolved satisfactorily.
It was to do with paying a bundled bill (not individual services) on the internet (involves all services being paid for) and it was not credited with the payment I made, but I've got all the details. Calls made: 3. Time spent on issue: 3 months. Problem is not resolved, as I'm still owed the credit after paying the bill a second time.

8 Conclusions

Market Clarity's analysis of small business experiences is based on interviews conducted with 260 small businesses (with less than 20 staff) across fourteen (14) vertical industry segments. The survey questionnaire was designed to gain a qualitative and quantitative understanding of the needs, requirements, decision-making processes and service issues faced by small businesses.

8.1 Telecommunications Service Use (Small Business: Telecommunications Market Value)

Although small business accounts are of lower value to service providers than larger companies, most companies (92% of respondents) use 3-5 distinct telecommunications services, whilst very small businesses (1-4 staff) tend to use 3-4 service types.

Furthermore, small businesses overwhelmingly use higher value business grade services: fixed voice (95%), VoIP (81%), fixed broadband (91%), mobile voice (89%) and mobile broadband (86%).

Market Clarity estimates that the small business sector (companies that employ less than 20 staff) accounts for approximately 3.9 million services (across all service categories measured in this study).

Overall, 54% of the survey respondents utilised some type of service bundle. By contrast, 93% of the respondents interviewed for this study utilise two (2) or more service types. This represents missed opportunities for both respondents (savings) and suppliers (increased ARPU, reduced churn).

8.2 Service Bundling

The vast majority of businesses interviewed utilise both fixed voice and fixed broadband services (95% and 96% respectively).

While fixed voice and broadband bundles are quite common in the market, only a small percentage (14%) of respondents explicitly purchase this type of bundle. When added in with the percentage of respondents purchasing all services from a single provider (22%), a maximum of 36% of respondents purchase a bundle of fixed voice and fixed broadband services.

Mobile voice services (paid for by the business) are another key product used by small businesses (89%). Mobile broadband services are used by 45% of the respondents, whilst EFTPOS is used by 42%. VoIP services are used by only 16% of the small businesses interviewed for this study.

8.3 Customer Satisfaction

The vast majority of business customers are for the most part satisfied with the overall quality of their telecommunications services. 88% of fixed voice users report that they are satisfied with the overall services; as are 90% of VoIP users; 88% of fixed broadband users; 88% of mobile voice users; 89% of mobile broadband users and 95% of EFTPOS users.

However, study findings suggest that factors beyond service reliability feed into respondent's overall service satisfaction. In a number of cases, respondents reported overall service satisfaction even where they experienced regular service faults (at least monthly), which would have the potential of a severe or catastrophic business impact if the outage lasted for a full day.

8.4 Service Issues

The majority (75%) of small businesses have raised some type of complaint with their service provider(s) over the past five-years. The most frequently reported complaint (49%) had to do with service interruptions, closely followed by complaints about billing errors (48%) and service performance (42%).

Complaints about service provisioning issues (26%) were also common. Over the last 12-months, 45% of small businesses have raised some type of complaint with their service provider(s). 26% of fixed voice services users; 10% of VoIP users; 19% of fixed broadband users; 20% of mobile voice users; 8% of mobile broadband users and 2% of EFTPOS users raised a customer service complaint during this period.

Many small businesses have experienced significant customer service problems such as such as difficulty in contacting their provider, being on hold, getting a problem resolved or having to call multiple times. 46% of fixed voice services users; 29% of VoIP users; 32% of fixed broadband users; 33% of mobile voice users; 21% of mobile broadband users and 11% of EFTPOS users have experienced a significant customer service issue.

Common complaints have to do with the length of time on calls, hold times, having to call multiple times, and being passed between departments. Other reported issues include navigating an automated system / reaching a staff member, getting through to someone who can help, unresolved issues, billing issues, response times to fix technical or service issues, English language communication issues, service provisioning issues and lack of clear / correct information.

Key issues reported by small business, across all service types, was the significant amount of time spent on calls and needing to call their service provider multiple times on the same issue. The time spent on the complaint process particularly impacts small businesses, as it is frequently the business owner or other revenue generating staff members who spend time on these issues. The smaller the business, the greater the impact.

8.5 Service Reliability

Service reliability varies widely by type of service. Fixed voice and EFTPOS services have the highest reported reliability, with 6% of fixed voice users and 7% of EFTPOS users reporting faults of once a month or more. Mobile voice and VoIP services have the highest reported fault occurrence (24% once a month or more), followed by fixed broadband (22% once a month or more) and mobile broadband (14% once a month or more).

The impact of one-hour service faults varies by type of service, and a respondent's business requirements. 25% of fixed voice users report that they would experience a serious or catastrophic impact; as would 24% of VoIP users; 32% of fixed broadband users; 24% of mobile voice users; 19% of mobile broadband users and 26% of EFTPOS users. There are opportunities for advocacy and education on risk reduction via service diversity.

The impact of a one-day service fault varies by type of service, and a respondent's business requirements. 62% of fixed voice users report that they would experience a serious or catastrophic impact; as would 47% of VoIP users; 66% of fixed broadband users; 55% of mobile voice users; 47% of mobile broadband users and 58% of EFTPOS users. There are opportunities for advocacy and education on risk reduction via service diversity.

8.6 Factors Influencing Service Choice

Study respondents were asked to nominate the most important factor in choosing a telecommunications provider.

Not surprisingly, price was listed as the most important factor by 42% of survey respondents, followed by customer service (27%) and plan inclusions (13%). A further 13% of respondents nominated something else. In this category, mobile coverage and service reliability were the most frequently cited decision criteria.

8.7 Implications and Future Directions

The very high level of service connectivity found in this study, and the corresponding severe or catastrophic impact of a service outage, indicates the importance that small businesses (less than 20 staff) place on being digitally enabled. As more and more transactions move online, service outages will have an even greater impact on small business operations.

The survey results suggest a number of areas that warrant additional investigation, with business customers and their suppliers:

- Whilst survey participants overwhelmingly reported the use of business grade services, questions remain as to the precise definition of a business grade service, and how it might vary by provider. For example, what are the service level agreements (SLAs) that apply to business grade services, and how do they differ from a provider's residential service? Are separate customer service areas allocated to business customers? Are account managers

allocated to business customers? In choosing a business grade service, what decision criteria do business customers apply?

- Study findings suggest that factors beyond service reliability feed into respondent's overall service satisfaction. Do these findings indicate that business customers are simply relieved to get an issue fixed and get back to business, or are they really satisfied with the service they receive?
- In a number of cases, respondents noted the potential of a severe or catastrophic business impact if in the event of a service outage lasting a full day. Market education on redundancy options would serve both the business community (reducing business risk) and service providers (increasing revenue and customer satisfaction). And, future studies could test small business knowledge of service diversity/redundancy options.
- Study findings indicate that small businesses regularly encounter service reliability issues. Additional research into fault duration and the business impact of these faults is warranted.
- Another area that is worth exploring in further detail is bundling. To what extent are business customers aware of bundling options? What factors play into business decisions to purchase multiple services from a provider? What are the perceived barriers?
- The study reported a very low take-up of VoIP services (16%). By contrast, as the NBN rolls out the vast majority of voice services will be carried across the NBN in VoIP format. To what extent are small businesses aware of changes that will occur with the NBN? To what extent are small businesses aware of hosted voice options? What are the perceived barriers to using a VoIP service?

Future studies could delve further into these and other issues, as well as tracking changes in the small business experience over time. Furthermore, a larger sample size would provide further insights into vertical industry specifics. Such studies would be subject to appropriate funding.

We are grateful to ACCAN for funding this research and to study respondents for their participation and generosity in allowing use of their verbatim comments in this report. Their stories provide a compelling narrative of the small business experience.