

Essay on broadband subscriber survey report

[Business](#), [Marketing](#)



Rationale

The Continental Broadband Association (CBA), a consortium of broadband suppliers in North America, continually monitors trends in the broadband market. At its February, 2010 meeting, the board of directors voted to contract with Market Data Now, Inc. (MDNI) to survey a variety of broadband residential subscribers.

Survey Goals

The goals of the survey are the following:

Determine satisfaction rates for current broadband products and services for all types of residential subscribers.

Compare attitudes of small business residential subscribers, large business residential subscribers, and residential subscribers.

Ensure that broadband subscription rates continue to increase.

Personnel

Kayla West (see Figure 1), chair of the Committee on Subscriber Satisfaction and vice president of Solar Wind DSL in San Antonio, Texas, agreed to serve as the consortium representative in conducting the survey. She worked with CBA staff in developing three survey questionnaires (a different survey for small business subscribers, large business subscribers, and residential subscribers) and discussion questions for the focus groups. Working together, Kayla, the CBA staff, and the analysts at MDNI finalized the survey questionnaires designed to assess the needs of all respondents and to achieve the goals listed above.

Market Research Overview

MDNI surveyed a randomly selected group of small business subscribers, large business subscribers, and residential subscribers (collectively called the respondents). MDNI staff mailed paper surveys to the three types of respondents, who were given the option of completing the paper survey, responding to a Web survey and submitting it online, or downloading an Adobe PDF file that they could print, fill out, and then mail or fax. The last day for completing the survey was May 10, 2010. Additional information was gathered in June, 2010, when MDNI held two focus groups with ten residential subscribers in each.

Response Information

Response rates were relatively low for residential subscribers (19%, or 1, 385 respondents), but relatively high for small business subscribers (62% or 240) and large business subscribers (69% or 38). The rate of return was sufficient to yield margins of error of 4. 8% for the residential subscriber survey, 2. 6% for small business subscribers, and 3. 1% for large business subscribers, at the 95% confidence level. Such low margins of error allow us to draw meaningful conclusions from the surveys. The data obtained from the respondents, along with information obtained from the participants in the focus groups, gave a consistent overall picture of the current state of the broadband business. Kayla West and the three market analysts who prepared this report are pleased with the response.

Executive Summary

Overall, current broadband services and products received high ratings from residential subscribers, small business subscribers, and large business subscribers. All three groups are satisfied with the speed, ease of connection, customer support, technical support, and pricing plans of their current broadband suppliers. The survey and focus-group results indicate most broadband customers make their decision primarily based on price, but may then change their subscription to another supplier if they experience slower-than-promised connection speeds or numerous dropped connections. Pricing options were especially critical to small business subscribers. Most large business subscribers feel that their Internet connection budget is best spent on fractional T1 connections, although certain types of large business subscribers prefer standard DSL connections. The future expansion of the broadband market appears promising.

Residential Subscribers

As indicated above, 1,385 residential subscribers filled out the survey. Of those, 84% used the online Web survey, and only 12% mailed in the paper survey. The number who used the Web survey illustrates the increasing number of residential subscribers who are comfortable with all types of Internet information transfer.

Demographics

The respondents to the residential subscriber survey are affluent (mean annual household income is \$82,400), young (mean age is 25 years old), and predominately female (62%) (see Figure 2). The majority (71%)

disseminate the broadband connection through the use of at least one wireless device. Residential subscribers are particularly concerned with price when signing a subscription agreement, but they are most likely to switch to a new broadband supplier not because of price increases, but because of slow connection speeds or multiple dropped connections. Respondents are distributed more or less evenly throughout the United States and Canada, including Alaska and Hawaii.

Small Business Subscribers

The survey of small business subscribers included only businesses that are independently owned and that employ less than 20 people. With only a few exceptions, each survey was completed by the business owner.

Demographics

The respondents of the survey represent all types of small businesses, ranging from restaurant supply firms to law offices to retail stores. The majority of respondents (81%) disseminate their broadband connection through the use of at least one wireless device. Small business respondents were just as likely to be male as female. Respondents are distributed throughout the United States and Canada, including Alaska and Hawaii.

Areas of Satisfaction

When small business subscribers were asked specific questions about their experiences with broadband suppliers, their current broadband suppliers received high ratings across the board, with 19 of 21 statements receiving a rating of 3.0 or higher (out of 4.0). The most highly rated statement was "I will renew my subscriber plan with my broadband supplier." The only

statements to receive a rating of less than 3.0 were “ I chose my broadband supplier because of its excellent technical support services” and “ I chose my broadband supplier because of its flexible payment options.”

Large Business Subscribers

Large business subscribers responded positively to the request to fill out a survey and generally gave high ratings to their broadband suppliers.

Types of Large Business Subscribers

Large business subscribers included all types of businesses. Those preferring fractional T1 connections or full T1 connections were primarily data-intensive operations, such as banks, insurance companies, and medical firms. Large business subscribers also included some government agencies and large-scale nonprofit organizations.

Large Business Subscribers’ Satisfaction

Of the three types of respondents, large business subscribers were the most satisfied with their broadband supplier. Fully 90% of the large business subscribers feel that their Internet budget is well spent on their current broadband supplier, and 84% give a rating of 3.0 or higher (out of 4.0) to the statement “ I receive sufficient benefit from my broadband supplier to justify the connection charges.” Almost all (93%) of the large business subscribers agree with the statement “ I will use the same broadband supplier next year.” The satisfaction among governmental subscribers is less, but 67% of them still agree with the statement “ I will use the same broadband supplier next year.”

Future Recommendations

The majority of residential subscribers, small business subscribers, and large business subscribers regard their current broadband supplier as adequate or exceptional. However, among residential subscribers, connection speed and maintenance remain major concerns. Small business subscribers are especially sensitive to the benefits of prompt technical support. Large business subscribers are concerned with price and reliability.

The survey indicates no need for major changes in current broadband products and services. However, all types of subscribers expect connection speeds to increase over the next five years, with pricing plans remaining generally stable. If that is not in fact the case, the broadband industry can expect increasing subscriber dissatisfaction in the coming years (see Figure 3). Continuing to improve and expand technical support options is also imperative. As the availability and variety of online merchants and other e-businesses proliferate, reliable high-speed Internet access will be a priority for more and more households.

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