

MEDIA RELEASE

SMALL BUSINESS OWNERS PAYING FOR BUSINESS-GRADE TELECOMMUNICATIONS SERVICES, RECEIVING ORDINARY CUSTOMER SERVICE

New research by leading telecommunications analyst firm Market Clarity has found nearly 29% of small businesses owners are suffering the same customer service and complaint-handling problems experienced by general consumers, even though the vast majority are paying for business-grade services.

The study also found 32% of small businesses say that even a one-hour fixed broadband outage would have a serious or “catastrophic” impact on their business, a figure that more than doubles in the event of a 24-hour outage.

Surprisingly, more than 50% of small businesses say they have no back-up plan if their fixed broadband went down.

“Small business owners tell us that a broadband outage would have a serious or catastrophic impact on their business, yet many have no back-up plan,” said researcher and Market Clarity chief executive Shara Evans.

“Compounding this, 17% of fixed-broadband respondents who reported that a one-day service outage would have a severe or catastrophic impact on their business have already experienced service outages occurring at least once a month.

“This is clearly an area where education could reduce small business’ risk exposure. For instance, small businesses could buy a mobile broadband ‘dongle’, or consider getting a fixed broadband service from multiple providers, across diverse technologies,” said Ms Evans.

Evans says the study, *Small Business Telecommunications Service Use and Experience*, demonstrates that small businesses are readily embracing the digital economy, with 92% of the 260 respondents using 3-5 distinct telecommunications service types (fixed voice, fixed broadband, VoIP, mobile voice, mobile broadband and EFTPOS).

While the vast majority of business customers are for the most part satisfied with the overall quality of their telecommunications services, the study highlights significant customer service and complaint-handling problems.

Across the various services in use, a staggering 45% of the 260 small businesses made a complaint to at least one of their providers in the past year.

Across all services (fixed voice, fixed broadband, VoIP, mobile voice, mobile broadband and EFTPOS) the types of customer service problems experienced were difficulty contacting their provider, being passed between departments, having to call multiple times or being on hold, billing issues and resolution response times.

“The time spent trying to get telecommunications problems fixed particularly impacts small businesses, as it is frequently the owner or a senior employee who is forced to spend time on resolving these issues; the smaller the business, the greater the impact,” said ACCAN chief executive Teresa Corbin, whose organisation funded the study.

Small business complaints now make up almost 14 per cent of all complaints received by the Telecommunications Industry Ombudsman, with 27,008 complaints received during the last financial year. This was an increase of 18 per cent compared to the previous year.

“What this tells us is that more small businesses are experiencing problems that they can’t resolve with their provider directly,” said Ms Corbin.

“We’re going to continue to work with small business organisations to help them to find ways to minimise the impact of both outages and customer service and complaint-handling issues. Hours spent on the phone to your provider doesn’t just mean a loss of precious time for small business owners, it often means a loss of revenue, too.”

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The full report, ***Small Business Telecommunications Service Use and Experience*** is available as a free download from Market Clarity’s website, at <http://www.marketclarity.com.au/freebies> and ACCAN’s website at <http://www.accan.org.au/grants>

The research was funded through the 2012 round of the ACCAN Grants Scheme. Applications for the 2013 round of the scheme open on 18 February. For more information, visit <http://www.accan.org.au/grants>

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