



Broadband Literacy

Prepared for ACCAN
January 2016

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Methodology



Methodology

This study was conducted online among members of a permission based panel between Tuesday 5 January and Friday 8 January 2016.

Interviews were conducted among 1011 Australians aged 18-64 years who helped decide on the broadband/internet subscription for their household.

Respondents by location are:

| | Respondents |
|-----------|-------------|
| • NSW/ACT | 339 |
| • VIC/Tas | 284 |
| • QLD | 185 |
| • SA/NT | 94 |
| • WA | 109 |

The dataset was weighted and projected to the Australian population based on the latest ABS population estimates.

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Main Findings



Reasons their household uses the internet

“For which of the following reasons do you or your household regularly use the internet?” (QB1)

- Everyone (95%) uses the internet for at least browsing (email, banking, online shopping, news etc).
- Two in three (66%) households use the internet for watching short videos or audio (less than five minutes) such as YouTube, news clips, Spotify (76% of Millennial decision-makers say this, compared to 52% of Baby Boomer decision-makers).
- Half (58%) of Australian households use the internet to upload content such as photographs, video, audio or documents (64% of Millennial decision-makers say this, compared to 52% of Baby Boomer decision-makers).
- Half (50%) of Australian households use the internet to download or stream movies or TV shows (66% of Millennial decision-makers say this, compared to 30% of Baby Boomer decision-makers).
- One in three (32%) use the internet for voice or video-conferencing/Skype etc (40% of Millennial decision-makers say this, compared to 29% of Baby Boomer decision-makers) (42% of Australians with 0-4 year olds say this).
- 30% of households use the internet for live gaming, ie interactive or multi-player games (42% of Millennial decision-makers say this, compared to 18% of Baby Boomer decision-makers).

Sources of information they use to help in choosing an internet provider

“When you were choosing an internet service provider, what sources of information did you use, if any, to help you decide?” (QB2)

- When looking for information to help them choose an internet service provider half of Australians (49%) will look for information on provider websites.
- One third (33%) asked friends and family, and one third (34%) just used their current service provider (26% of ages 18-34 years say this, compared to 45% of 50-64 year olds). Among people who say that choosing an internet provider was relatively easy 35% used their current service provider compared to 26% of those who found choosing an internet provider to be difficult. This suggests that staying with their current provider is an easier option, and that switching from their current supplier might present some barriers. People who found choosing an internet provider to be difficult were more likely than others to search provider websites (65% compared to 49% overall).
- Overall one in four (26%) used a comparison website to compare internet providers (38% of 18-34 year olds say this compared to 19% of 50-64 year olds).
- Additionally 22% saw or received advertising, 22% searched forums or reviews of service providers and 11% asked salespeople in store for advice.
- On average people are using three sources of information
- People who found the choice of internet provider easy were relatively more likely to ‘use current provider’ and less likely to ‘search provider websites’



How easy or difficult is it to choose an internet provider

“When you were choosing an internet service provider, did you find the process easy or difficult?” (QB3)

- Overall, most people (87%) find the process of choosing an internet provider relatively easy (60% say ‘Quite easy’, 26% say ‘very easy’).
- Overall only 13% find it difficult.

“Why was it easy?” (QB4) (Single response)

- However, for half (47%) of those people who found it easy to choose an internet provider, their reasons for finding it easy were because they either stayed with their current provider (23%) or went with a brand they knew or trusted (24%).
- Only 26% said that the main reason that they found the choice easy was because they knew what they wanted and could understand the different offerings.
- A further 10% went with a supplier that was recommended by friends and 9% went with the cheapest provider.
- 2% went with a recommendation from the salesperson.

...continued



How easy or difficult is it to choose an internet provider ...continued

“Why was it difficult?” (QB5) (Single response)

- Among those who found the process of choosing an internet provider difficult, the one main reason given for the difficulty was that “It was difficult to compare providers and plans” (39% said this).
- 16% say that the process was too complicated and confusing (23% of 18-34 year olds say this)
- 14% say that they didn’t believe the claims that providers were making.
- 10% say that there was too much technical jargon.
- 8% say that they didn’t know what would suit their household’s needs.
- 12% make an ‘other’ verbatim comment (21% in SA/NT say this). The majority of comments mention that there is no alternative supplier/limited suppliers in their area or that there is a problem with internet provision in their area.



How confident are they in choosing an internet provider

“Please rate your level of confidence in finding all the information you need and using it to.....?” (QB6)

- Generally, people are relatively confident about finding the information and choosing the various aspects of an internet service.
- They are most confident about choosing a provider and plan which will allow them to do all the things that they want to do (89% are confident (including 30% who are ‘very confident’).
- They are least confident in deciding which speed they need (80% are confident, including 27% who are very confident). 20% are not confident in deciding which speed they need (26% of females are not confident in choosing which speed they need compared to 14% of males saying this).
- 17% are not confident in understanding the terminology used by their provider.
- 16% are not confident in choosing a provider which offers the best quality service for their needs.
- 15% are not confident in deciding what data allowance they need.

...continued

How confident are they in choosing an internet provider...continued

| | Not Confident/ Not very confident | Confident | Very Confident |
|--|--------------------------------------|-----------|----------------|
| Decide what data allowance you need | 15% | 51% | 34% |
| Understand the terminology used by your provider such as 'download', 'upload', 'peak' and 'off peak' | 17% | 49% | 34% |
| Choose a provider and plan which will allow you to do all the things you want to do | 11% | 59% | 30% |
| Choose the best value plan for your needs | 13% | 57% | 30% |
| Choose the provider which offers the best quality service for your needs | 16% | 57% | 27% |
| Decide which speed you need | 20% | 53% | 27% |

Which are the most important factors in deciding on an internet service provider

“In the end, which of the following were the most important factors you used to decide on an internet service provider? Please select your top four factors and rank them in order of importance?” (QB7)

- The single most important factor is the price.
 - > 34% rank price as the most important factor
 - > 16% rank the monthly data usage allowance as the most important factor
 - > 14% say that ‘having a provider with a good reputation/one who we know’ is the most important factor
 - > 14% say that ‘the best quality internet service’ is the most important factor for them.

- When their **top three** preferences are considered...
 - > 71% rank ‘price’ in their top three most important considerations
 - > 60% rank ‘the monthly data usage allowance’ in their top three
 - > 42% rank ‘the download speed’ in their top three
 - > 41% rank ‘the best quality internet service’ in their top three
 - > 33% rank ‘a provider with a good reputation/one who we know’ in their top three
 - > 16% rank ‘consistent speeds during peak hours’ in their top three
 - > 14% rank ‘upload speed’ in their top three

Which factors have contributed most to a *poor* current internet service

*“In your experience of your current internet service which of the following factors, if any, have contributed most to a **poor** performance or have at times provided an unsatisfactory experience?” (QB8)*

- The factors most mentioned as contributing to a poor performance of their current internet service are:
 - > 32% Slow speeds at some times of the day
 - > 31% The service drops out
 - > 27% Slow loading of website pages
 - > 26% Slow downloads/too much buffering/screen freezing
 - > 16% More costly than we expected
 - > 15% Poor customer service
 - > 12% Have to refresh pages too often
 - > 11% we required a higher data allowance than we had expected/reached out data limit frequently
 - > 8% Poor performance on gaming (13% 18-34 year olds)
 - > 6% Poor voice and picture quality on calls/video conferencing/Skype

- 31% say that their internet service is very good/have no problems with poor performance (41% of 50-64 year olds say this). This also indicates that 69% of Australians have at times experienced an unsatisfactory experience/poor performance with their internet service.

- On average people mentioned two factors that have contributed to a poor internet performance for them. Excluding the 31% of households with no problem, then among households who had experienced poor performance they mentioned on average three factors

What would lead them to switch to another internet service provider

*“Please rank up to **FOUR** of the following reasons that would make you switch to another internet service provider” (QB9)*

- For Australians the **joint first** factors that will most make them switch to another provider is ‘service drop-outs’ (22% say this) or “when it is more costly than they expected (22% say this)

- Overall, the percentage of Australians saying that the **one** factor that is the most important reason they would switch providers is:
 - > 22% Service drop outs
 - > 22% It is more costly than we expected (27% among 50-64 year olds)
 - > 13% Poor customer service
 - > 11% Slow to download/too much buffering
 - > 10% Slow speeds at some times of the day
 - > 9% Slow loading of website pages
 - > 6% We required more data than we had expected/reached daily limit frequently
 - > 3% Poor gaming performance
 - > 3% Have to refresh pages too often
 - > 2% Poor voice and picture quality on calls/video conferencing

...continued

What would lead them to switch to another internet service provider ...continued

“Please rank up to four of the following reasons that would make you switch to another internet service provider” (QB9)

- For Australians the factors that are in their **top three** most important factors that will most make them switch to another provider includes ‘service drop-outs’ (50% say this) and “when it is more costly than we expected” (45% say this)

- Overall, Australians say that the following are their **top three** reasons that they would switch providers:
 - > 50% Service drop outs
 - > 45% It is more costly than we expected (50% among females,41% males)
 - > 41% Slow to download/too much buffering
 - > 37% Slow speeds at some times of the day
 - > 35% Slow loading of website pages
 - > 32% Poor customer service
 - > 17% We required more data than we had expected/reached daily limit frequently (24% in homes with 0-4 year olds and 21% among homes with young teens 13-17 years)
 - > 14% Have to refresh pages too often
 - > 10% Poor gaming performance (17% in homes with 13-17 year olds)
 - > 8% Poor voice and picture quality on calls/video conferencing

- Requiring more data than they expected is not a strong determinant in switching, perhaps they feel they can relatively easily trade up to a larger data pack.

...continued



What would lead them to switch to another internet service provider ...continued

*“Please rank up to **FOUR** of the following reasons that would make you switch to another internet service provider” (QB9)*

- It is interesting that those who are most likely to find they need more data are Australians with 0-4 year olds at home (24% say this, compared to 17% national average). This is even higher than the 21% among the group with 13-17 year olds at home (the group most likely to be using the internet for online multiplayer gaming).
- Although online gamers may get the headlines in their need for high levels of data usage and a high speed connection, overall gaming performance it is a relatively minor consideration across households nationally.
- Overall service drop outs and cost are the main reasons that would lead consumers to switch, followed by speed and quality issues.

Agreement/disagreement with statements about internet services

“To what extent do you agree or disagree with each of the following statements” (QB10)

- Agreement or disagreement with statements about the quality of internet service is divided and is near 50:50 on most statements. This suggests that there is not a clear view on any statement and that many Australians may not know.
- Younger Australians (ages 18-34 years) are more likely to say that you get a better quality internet service if you pay more (54% agree compared to 38% of 50-64 year olds agreeing), whilst 50-64 year olds are more likely to disagree, (62% disagree, compared to 46% of 18-34 year olds disagreeing).
- People who find it difficult to choose an internet provider are significantly more likely than others to disagree that ‘you get the same speeds to your home as advertised in the plan you signed up for (66% v 39%)

| | Disagree | Agree |
|--|----------|-------|
| Almost all providers offer the same level of quality of internet service | 51% | 49% |
| Almost all providers offer the same level of customer service | 53% | 47% |
| You get better quality internet service if you pay for a more expensive provider | 52% | 48% |
| You get the same speeds in your home as advertised in the plan you sign up for | 42% | 58% |

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Questionnaire

GALAXY RESEARCH

GALAXY JOB NO. 151215
To be fielded no later than
Tuesday 12 January 2016

QUESTIONNAIRE NO: _____

Thank you for agreeing to participate in this survey. Please answer the following questions to see if you fall into the category of respondent we need to interview. You will need to provide a response for **every** question to proceed with the interview.

Please be assured of complete confidentiality. Galaxy Research is bound by the Market Research Society Privacy Principles.

During the survey, please **do not** use your browser's **FORWARD** and **BACK** buttons. Instead, please always use the buttons below to move backward and forward through the survey.

Your honesty is valuable and really appreciated.

Galaxy Research appreciates that most people give honest answers in our surveys and we want to keep it that way. We encourage truthful answers by making our surveys easy to understand, easy to complete and short enough to keep you going and ask that you:

1. Fill in all survey invitations to you, yourself
2. Read and follow all survey instructions and questions
3. Give due consideration to all your answers, and of course,
4. Always give honest and truthful answers

Galaxy Research monitors closely the data collected by participants in its panel surveys and has taken steps to detect any suspicious data.

We understand that you are most likely always honest and therefore we say thanks again and please keep responding to our surveys.

A1. Where do you live in Australia?

| | | | |
|---------------------------|----|----------------------------------|----|
| NSW - Sydney | 01 | Queensland - Brisbane | 07 |
| NSW – Other | 02 | Queensland – Other | 08 |
| ACT | 03 | South Australia - Adelaide | 09 |
| Victoria - Melbourne..... | 04 | South Australia – Other | 10 |
| Victoria – Other..... | 05 | Western Australia - Perth..... | 11 |
| Tasmania..... | 06 | Western Australia – Other..... | 12 |
| | | Northern Territory | 13 |
| | | Somewhere else | 14 |

ASK IF RESIDE IN AUSTRALIA IE CODE 01-13 IN A1. CODE 14 TERMINATE WITH THANKS

A2. How old are you?

| | | | |
|------------------------|----|---------------------|----|
| 17 years or under..... | 01 | 50-54 years | 08 |
| 18-24 years..... | 02 | 55-59 years | 09 |
| 25-29 years..... | 03 | 60-64 years | 10 |
| 30-34 years..... | 04 | 65-69 years | 11 |
| 35-39 years..... | 05 | 70+ years | 12 |
| 40-44 years..... | 06 | Rather not say..... | 13 |
| 45-49 years..... | 07 | | |

ASK IF AGED 18-64 YEARS IE CODE 02-10 IN A2. CODE 01, 11-13 TERMINATE WITH THANKS

A3. And are you male or female?

Male.....1
Female.....2

- A4. Thinking about internet at your home, which one of the following options best describes your role in choosing your internet provider?
Please select one option only
- | | | |
|---|-----------|-------|
| | <u>SR</u> | |
| I helped decide (or decided on my own) which internet service we subscribed to..... | 1 | * B1 |
| I had some input into which internet service we subscribed to..... | 2 | * * |
| We have internet but I had no input into the internet service we subscribed to | 3 | # # |
| We do not have an internet/broadband service at home..... | 4 | # CLS |

SECTION B - ASK IF THEY HAVE INPUT INTO INTERNET/BROADBAND CHOICE, IE CODE 1-2 IN A4. OTHERS CLOSE

- B1. For which of the following reasons do you or your household regularly use the internet?
ROTATE 1-6
Please select all that apply
- | | |
|---|-----------|
| | <u>MR</u> |
| Internet browsing (e.g. email, banking, online shopping, government websites, social media, news) ... | 1 |
| Watching short videos or audio content (<5 minutes) such as news clips, YouTube or Spotify | 2 |
| Downloading or streaming movies or TV shows | 3 |
| <u>Playing live interactive or multi-player games</u> | <u>4</u> |
| Using voice or videoconferencing (e.g. Skype, VoIP or other similar services) | 5 |
| Uploading documents (e.g. photographs, videos, audio or word documents) | 6 |

- B2. When you were choosing an internet service provider, what sources of information did you use, if any, to help you decide? **ROTATE 1-7**
Please select all that apply
- | | |
|--|-----------|
| | <u>MR</u> |
| Used a comparison site to compare various internet providers..... | 1 |
| Searched forums and reviews of service providers | 2 |
| Searched provider websites | 3 |
| Asked friends and family..... | 4 |
| <u>Asked the salespeople in stores for advice</u> | <u>5</u> |
| Saw advertising or received information from a specific provider | 6 |
| Used current service provider..... | 7 |
| None/Don't know | 8 |

- B3. When you were choosing an internet service provider, did you find the process easy or difficult?
Please select one option only
- | | | |
|----------------------|-----------|------|
| | <u>SR</u> | |
| Very easy..... | 1 | * B4 |
| Quite easy..... | 2 | * * |
| Quite difficult..... | 3 | # # |
| Very difficult..... | 4 | # B5 |

ASK IF EASY TO CHOOSE, IE CODE 1-2 IN B3, CODE 3-4 GO TO B5

- B4. Why was it easy? **ROTATE 1-6**
Please select one option only
- | | |
|---|-----------|
| | <u>SR</u> |
| We went with the cheapest provider..... | 1 |
| We went with one that was recommended by friends..... | 2 |
| We went with one recommended by the salesperson | 3 |
| <u>We knew what we wanted and could understand the different offerings</u> | <u>4</u> |
| We stayed with a supplier we had used before | 5 |
| We went with a brand we knew of and trusted | 6 |
| Other (Please specify)..... | 7 |
| Don't know..... | 8 |

ASK IF DIFFICULT TO CHOOSE, IE CODE 3-4 IN B3, OTHERS GO TO B6

| | | |
|-----|---|--|
| | | <u>SR</u> |
| B5. | Why was it difficult? ROTATE 1-5 | There was too much technical jargon..... 1 |
| | Please select one option only | We didn't believe the claims providers were making 2 |
| | | We didn't know what would suit our household's needs..... 3 |
| | | It was too complicated or confusing 4 |
| | | ----- |
| | | It was difficult to compare providers and plans 5 |
| | | Other (Please specify)..... 6 |
| | | None/don't know 7 |

ASK ALL

B6. Please rate your level of confidence in finding all the information you need and using it to....:

Rotate A-F

| | NOT AT ALL CONFIDENT | NOT VERY CONFIDENT | CONFIDENT | VERY CONFIDENT |
|--|----------------------------|--------------------------|-----------|-------------------|
| A. choose the best value plan for your needs | 1 | 2 | 3 | 4 |
| B. choose the provider which offers the best quality service for your needs | 1 | 2 | 3 | 4 |
| C. choose a provider and plan which will allow you to do all the things you want to do | 1 | 2 | 3 | 4 |
| D. decide which speed you need | 1 | 2 | 3 | 4 |
| E. decide what data allowance you need..... | 1 | 2 | 3 | 4 |
| F. understand the terminology used by your provider such as 'download', 'upload', 'peak' and 'off peak' | 1 | 2 | 3 | 4 |

| | | |
|-----|---|---|
| | | <u>RANK</u> |
| B7. | In the end, which of the following were the most important factors you used to decide on an internet service provider? Please select your top FOUR factors and rank them in order of importance, where '1' is the most important. ROTATE 01-10 | The best quality internet service....._ |
| | Please rank up to four | The download speed....._ |
| | | The upload speed_ |
| | | The monthly data usage allowance....._ |
| | | ----- |
| | | I believed I would get consistent speeds during peak hours....._ |
| | | The price_ |
| | | Extras (such as free rating of streaming services)_ |
| | | Recommendations from friends_ |
| | | Recommendations from social media or online forums_ |
| | | ----- |
| | | A provider with a good reputation or who we know and trust....._ |

B8. In your experience of your current internet service which of the following factors, if any, have contributed most to a **poor** performance or have at times provided an unsatisfactory experience? **ROTATE 01-10**

Please select all that apply

- MR
- Slow loading of website pages..... 01
 - Slow downloads/
too much buffering/screen freezing..... 02
 - Slow speeds at some times of the day..... 03
 - Service drop outs..... 04
 - Poor customer service 05
 - Poor voice and picture
quality on calls and video conferencing 06
 - Poor performance for gaming 07
 - Have to refresh pages too often..... 08
 - More costly than we expected..... 09
 - We required a higher data
allowance than we had expected
or reached our data limit frequently..... 10
 - Other (Please specify) 11
 - None/The service has been very good 12

B9. Please rank up to **FOUR** of the following reasons that would make you switch to another internet service provider Please rank them in order of importance, where '1' is the most important. **ROTATE 01-10**

Please rank up to four

- RANK
- Slow loading of website pages..... _
 - Slow downloads
/too much buffering/screen freezing _
 - Slow speeds at some times of the day..... _
 - Service drop outs _
 - Poor customer service _
 - Poor voice and picture
quality on calls and video conferencing..... _
 - Poor performance for gaming..... _
 - Have to refresh pages too often _
 - More costly than we expected..... _
 - We required more data than we had
expected or reached our data limit frequently ... _

B10. To what extent do you agree or disagree with each of the following statements?

Rotate A-D

| | <u>STRONGLY DISAGREE</u> | <u>DISAGREE</u> | <u>AGREE</u> | <u>STRONGLY AGREE</u> |
|--|------------------------------|-----------------|--------------|---------------------------|
| A. Almost all providers offer the same level of quality of internet service | 1 | 2 | 3 | 4 |
| B. Almost all providers offer the same level of customer service..... | 1 | 2 | 3 | 4 |
| C. You get better quality internet service if you pay for a more expensive provider..... | 1 | 2 | 3 | 4 |
| D. You get the same speeds in your home as advertised in the plan you sign up for..... | 1 | 2 | 3 | 4 |

SECTION C – DEMOGRAPHICS

C1. What are the ages of children living at home, if any?

Please select all that apply

- MR
- 0-4 years1
 - 5-12 years.2
 - 13-17 years3
 - 18-24 years.4
 - 25 years or older5
 - None.....6

- C2. Which of these best describes your current marital status? SR
- Never married 1
 - Defacto or living together 2
 - Married 3
 - Separated, Divorced or Widowed 4
- C3. Into which of these categories does your **total** household income fall before tax?
- Under \$40,000 1
 - \$40,000 - \$69,999 2
 - \$70,000 - \$89,999 3
 - \$90,000 - \$129,999 4
 - \$130,000 or more 5
 - Prefer not to say 6

Those are all of the questions. Thank you for your time and participation.



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