



Small businesses and farmers embrace communications technology

ACMA's ongoing *Telecommunications Today* research program has found that Australia's small and medium enterprises (SMEs) and the farming sector are keen adopters of communications technology to help manage their businesses. Both groups are reasonably connected online and on the phone, and indicate that the internet has had a significant impact in transforming business practices and driving process improvements.

Of the 92 per cent of SMEs connected to the internet, 91 per cent have a broadband connection, highlighting the technology's key role in enhancing business productivity. Today's SMEs are utilising e-business practices to help them communicate with customers and suppliers; to research markets, products and services; and to conduct online sales and purchases of goods and services.

The most essential internet applications for SMEs are email and internet banking, with access to reference information/research data and the ability to look for information about products and services also important.

Voice communication over the internet is also assisting business productivity. Integrated voice and data networks often provide cost savings in addition to per call rates that are typically lower than fixed-line call rates. While only 13 per cent of SMEs currently use voice over internet protocol (VoIP), another 14 per cent stated that they intend to adopt it in the future.

The report also found that the fixed-line telephone is still the backbone of SME operations, with 98 per cent using fixed-line voice communications. Although mobile phone take-up is high, it has not occurred at the expense of fixed-line telephony but has been complementary (only 19 per cent of SMEs use a mobile phone as their main form of

communication). The mobile phone has allowed businesses to operate more flexibly and efficiently, enabling business operators to communicate more readily when not in the office or in the primary place of business.

Farming has been reported independently as it is not possible to separate the personal and business communication needs of this sector.

Eighty-five per cent of the farming sector has access to both a landline and mobile service, with nearly half using their mobile for both business and personal calls, while 84 per cent use the internet for both business and personal purposes.

The farming sector is generally well connected: the take-up figure of 74 per cent is similar to overall households, although there is a continuing reliance on dial-up internet connections—53 per cent of respondents with an internet connection reported using dial-up. Satellite connection accounts for almost 50 per cent of those respondents with broadband.

The type, size and locality of farms also affect the take-up and use of communications services. In general, larger farms are better connected than smaller farms. There is a perception among the farming sector that there is a limited availability of mobile coverage and broadband services.

The SME and farming reports are the second and third respectively in the *Telecommunications Today* series. The objectives of the two reports were to:

- identify the levels of take-up and use of various telecommunications services by the SME and farm sector
- explore consumer attitudes to the take-up of telecommunications voice and data services, including identifying those telecommunications services perceived as critical to business operations
- ascertain how factors such as business size, industry sector and location influence the take-up and use of telecommunications services.

Information in the two reports is drawn from several sources, including:

- a telephone survey of approximately 2,000 farmers across the major agronomic regions in Australia (the AgScan survey) conducted in October 2006 and April 2007
- Sensis® Business Index telephone survey of 1,800 SMEs conducted between 24 April and 31 May 2007
- Roy Morgan Single Source survey of individual consumers aged over 14 years
- commissioned work from Woolcott Research, which undertook 12 focus group discussions with residential household consumers recruited from a random sample, as well as quantitative research using 1,600 respondents.

Both reports can be found on ACMA's website at www.acma.gov.au (go to About ACMA: Publications & research > Telecommunications publications > Telecommunications today: research report series).