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Australian Communications and Media Authority

Communications report 2009–10 series

Report 3— Australian consumer satisfaction with communication services

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Canberra
Purple Building
Benjamin Offices
Chan Street
Belconnen ACT

PO Box 78
Belconnen ACT 2616

T +61 2 6219 5555
F +61 2 6219 5353

Melbourne
Level 44
Melbourne Central Tower
360 Elizabeth Street
Melbourne VIC

PO Box 13112
Law Courts
Melbourne VIC 8010

T +61 3 9963 6800
F +61 3 9963 6899

Sydney
Level 15 Tower 1
Darling Park
201 Sussex Street
Sydney NSW

PO Box Q500
Queen Victoria Building
NSW 1230

T +61 2 9334 7700
1800 226 667
F +61 2 9334 7799

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Contents

Introduction

This report is the third in a series of four research reports to be published under the ACMA's Communications report series. Other reports in this series include:

> *Report 1—Australia in the digital economy: The shift to the online environment*
> *Report 2—Take-up and use of voice services by Australian consumers*
> *Report 4—Changing business models in the Australian communications and media sectors: Challenges and response strategies*

This suite of reports is designed to complement the ACMA *Communications report 2009–10* which is produced in fulfilment of reporting obligations under section 105 of the *Telecommunications Act 1997* (the Act). The Act requires the ACMA to report on the performance of carriers and carriage service providers with particular reference to consumer benefits, consumer satisfaction and quality of service.

These four reports also form part of the ACMA's ongoing research and reporting program (*Research at the ACMA: research program overview 2010–11)* which is available on the ACMA website.

The communications report series seeks to inform ACMA stakeholders about convergence and the digital economy and their impact on communications and media services.

The term 'digital economy' covers the global network of economic and social activities that are enabled by digital information and communication technologies such as the internet, mobile and sensor networks.[1]

As an evidence-based regulator, the ACMA has an interest in monitoring and understanding the developing digital economy and its impact on the industries that it regulates, particularly in relation to:

> regulating for the citizen in an IP-based media and communications environment where usage of voice over internet protocol (VoIP), mobile communications and the internet continues to grow, which in turn provides challenges for safeguards, such as access to the emergency call service and online security
> voice regulation, where continued growth in VoIP usage and the number of people identifying mobile phones as their main form of communication poses challenges when it comes to applying regulatory requirements that are based on traditional fixed-line voice services
> supporting consumers making informed decisions in an environment of ongoing network, device and service innovation
> regulating content in an environment where content is increasingly available on multiple platforms including the internet, mobile and traditional broadcasting networks.

[1] Department of Broadband, Communications and the Digital Economy, *Australia's Digital Economy: Future Direction*, 14 July 2009.

This report presents top level results from two representative surveys commissioned by the ACMA:

> a survey of 1,612 household consumers aged 18 years and over, undertaken during April 2010

> a survey of 1,482 small and medium enterprises (SMEs) undertaken during April—June 2010.[2]

Both surveys explored overall satisfaction levels with communications services (fixed-line telephone, mobile phone, internet and voice over internet protocol (VoIP), in addition to levels of satisfaction with components or supply side factors of communications services—customer service, service reliability, call/service costs, billing information, line rental costs and data speeds.

The surveys did not investigate consumers' perception of service functionality or other demand side factors such as consumer derived utility nor did it explore the experiences of consumers when dealing with their service provider.

The ACMA's *Reconnecting the Customer* inquiry

The ACMA is undertaking a more comprehensive review of customer service experience in the *Reconnecting the Customer* inquiry. The ACMA is undertaking this inquiry primarily in response to the historically high numbers of complaints recorded by the Telecommunications Industry Ombudsman in the last three years about customer service related issues. However, the ACMA also considers the inquiry to be timely to examine consumers' expectations of their service provider in the increasingly convergent and complex telecommunications environment.

The inquiry is particularly focusing on the experiences of customers when dealing with their service provider both during and after the purchase of a telecommunications product. The inquiry has found that consumers are most dissatisfied about the level of customer service provided when a customer attempts to contact their service provider to make an enquiry or a complaint and how that enquiry or complaint is resolved.

While this report seeks to provide a high-level overview of consumer satisfaction levels with communications services more generally, it has not examined the key elements of customer service that appear to cause consumers most difficulties. In conducting the survey of household consumers, the ACMA allowed respondents to self-reference what they considered customer service to include when nominating their level of satisfaction. The public inquiry is examining the elements of customer service in more depth and will report on some of the problems that contribute to high levels of dissatisfaction about customer service.

[2] Businesses employing 1–200 employees.

Summary

The changing Australian communications market

During the past decade, the Australian communications market has undergone significant change, characterised by a number of key developments. While these changes have delivered significant benefits to consumers, they have also posed some new challenges.

Firstly, as a consequence of ongoing technological and service innovation and the rollout of digital infrastructure such as 3G mobile networks, consumers have benefited from increasing choice in their communications, with the development of alternatives to the traditional fixed-line telephone services.

Secondly, and not unrelated to the first point, the dependency on traditional fixed-line telephone services has also declined as consumers are increasingly accessing voice and data services across multiple platforms and devices.

Thirdly, in an environment of increased competition and declining returns from traditional services, industry players—carriers, carriage service providers and internet service providers (ISPs)—are introducing new services as well as bundling voice, data and content services to customers over broadband networks in an effort to differentiate brand and diversify revenue streams. While these strategies deliver benefits to consumers, they have also resulted in added complexity being introduced to products which can be detrimental to some consumers.

At the same time, information and communications technologies (ICT), through mass adoption throughout society, have become integral to day-to-day social and economic activities, in turn underpinning the transition to a digital economy. As a consequence, in an environment of increased dependency on digital communications, consumer satisfaction with communications services is integral to the future development of the digital economy. The first report in this series, *Australia in the digital economy: The shift to the online environment* provides a detailed overview of how Australians are using digital communications, in particular the internet, to participate in the digital economy.

Household consumer satisfaction with communications services

Table 1 presents a comparative analysis of satisfaction levels for both overall and specific service components for the main communications services used by Australians.

Overall household consumer satisfaction

> At April 2010, respondents reported high levels of overall satisfaction with their communications services (80 per cent for both their mobile phone and internet service respectively, 81 per cent for fixed-line telephone and 84 per cent with their VoIP service), which is consistent with previous ACMA research.[3]

Household consumer attitudes to service components

Survey results show that while at present there is a high level of general satisfaction with communications services overall in Australia, a sizeable proportion of the community is dissatisfied with aspects of their communications service delivery. Satisfaction levels varied considerably when consumers were asked to focus on

[3] The ACMA, *ACMA Communications report, 2008–09.*

specific communications service components such as customer service, service reliability, service costs, billing information, line rental costs and internet data speeds.

> Service reliability recorded the highest level of consumer satisfaction across all service types (76 per cent to 88 per cent) and the lowest level of dissatisfaction (seven per cent to 16 per cent).
> Consumers expressed the highest levels of dissatisfaction with their internet data speeds and fixed-line telephone rental costs (24 per cent and 33 per cent respectively)
> Saving money (56 per cent of respondents) and declining use (30 per cent) were foremost in the minds of Australians presently considering disconnecting their fixed-line telephone service.
> After data speeds and line rental costs, customer service and call/service costs recorded the highest levels of customer dissatisfaction across all communications service types:
>> call/service costs (dissatisfaction 19 per cent to 23 per cent)
>> customer service (dissatisfaction 17 per cent to 20 per cent).[4]

The 'neutral consumer'

A significant proportion of Australian household consumers were identified as being 'neutral' in their attitudes to their communications services. This was highest for mobile phone customer service (21 per cent) and lowest for fixed-line telephone service reliability (five per cent).

[4] The survey did not explore different elements of satisfaction with customer service. In most cases, survey participants based their degree of satisfaction on any interaction they had with their service provider, from sales through to termination of the service.

Table 1 Australian household consumers satisfaction with communications services, April 2010

		Service type			
		Fixed-line telephone	**Mobile phone**	**Internet**	**VoIP**
Service component	Customer service	Satisfied (61%) Dissatisfied (20%)	Satisfied (62%) Dissatisfied (17%)	Satisfied (67%) Dissatisfied (17%)	n/a
	Service reliability	Satisfied (88%) Dissatisfied (7%)	Satisfied (76%) Dissatisfied (16%)	Satisfied (80%) Dissatisfied (13%)	n/a
	Call/service costs	Satisfied (66%) Dissatisfied (19%)	Satisfied (62%) Dissatisfied (23%)	Satisfied (66%) Dissatisfied (21%)	n/a
	Billing information (accuracy and ease of understanding)	Satisfied (75%) Dissatisfied (15%)	Satisfied (75%) Dissatisfied (19%)	Satisfied (80%) Dissatisfied (10%)	n/a
	Line rental cost	Satisfied (49%) Dissatisfied (33%)	n/a	n/a	n/a
	Data speeds	n/a	n/a	Satisfied (66%) Dissatisfied (24%)	n/a
	Overall	**Satisfied (81%) Dissatisfied (9%)**	**Satisfied (80%) Dissatisfied (11%)**	**Satisfied (80%) Dissatisfied (11%)**	**Satisfied (84%) Dissatisfied (7%)**

Note: Satisfied comprises sum of respondents reporting 'satisfied' and 'very satisfied'. Respondents reporting 'neither satisfied nor dissatisfied' have not been identified separately in the table. However, these responses have been included in the base numbers when calculating percentages relating to satisfaction and dissatisfaction. The response category 'Overall' is not an average of all other response categories. Respondents were asked a separate question about their overall level of satisfaction with each of the services identified. Eighty-six per cent of home VoIP users access VoIP via their home computer. In these cases levels of VoIP dissatisfaction are strongly influenced by internet quality of service, therefore satisfaction with VoIP service components was not explored in the consumer or SME survey. [5]

n/a: Not applicable to service type.

Source: ACMA-commissioned research, April 2010.

Factors influencing household consumer attitudes

The ACMA survey examined a range of socio-economic factors including age, gender, income and location (metropolitan versus non-metropolitan). Taking into account variability due to sample size, in general, no distinct relationships between specific socio-economic characteristics and levels of satisfaction or dissatisfaction were identified.

SME satisfaction with communications services

Table 2 presents a comparative analysis of SME satisfaction levels for both overall and specific service components at June 2010.

Overall SME satisfaction:

> At June 2010, Australian SMEs—like household consumers—recorded high levels of overall satisfaction with their communications services, ranging from 79 per cent (fixed-line telephone and internet service) to 81per cent for their mobile phone service.

> However, unlike household consumers, only 68 per cent of SMEs reported being satisfied with their VoIP service. Twenty-six per cent of SME respondents reported

[5] The *ACMA, 2009–10 ACMA Communications report series, Report 2—Take-up and use of voice services by Australian consumers,* 18 November 2010.

being neither dissatisfied nor satisfied, three times the proportion of household VoIP users.

SME attitudes to service components:

SMEs also exhibited considerable variability when asked about their attitudes to specific communications service components.

- Service reliability (all services) and mobile and internet billing recorded the highest satisfaction levels—74 per cent to 76 per cent for service reliability and 81 per cent and 75 per cent for mobile and internet billing.
- SMEs recorded the highest level of dissatisfaction with fixed-line telephone rental costs at 28 per cent
    - other areas of comparatively high SME dissatisfaction included; mobile call costs (18 per cent); internet data speeds, mobile service reliability and fixed-line call costs (each at 16 per cent); fixed-line and mobile customer service (14 per cent and 15 per cent respectively).

The 'neutral consumer'

SMEs were more inclined to be 'neutral' towards their communications service than their household consumer counterparts. By observation mobile phone users appear to have generally lower levels of 'neutral' responses than fixed-line telephone users.

The range in 'neutral' responses by service component was:

- overall satisfaction—seven per cent (mobile) to 26 per cent (VoIP)
- customer service—16 per cent (mobile) to 25 per cent (fixed-line telephone)
- service reliability—10 per cent (mobile) to 19 per cent (fixed-line telephone)
- call costs—16 per cent (mobile) to 26 per cent (fixed-line telephone)
- billing information—nine per cent (mobile) to 20 per cent (fixed-line telephone)
- line rental—27 per cent
- internet data speeds—22 per cent.

Table 2 Australian SME satisfaction with communications services, June 2010

		Service type			
		Fixed-line telephone	Mobile phone	Internet	VoIP
Service component	Customer service	Satisfied (61%) Dissatisfied (14%)	Satisfied (69%) Dissatisfied (15%)	Satisfied (71%) Dissatisfied (8%)	n/a
	Service reliability	Satisfied (74%) Dissatisfied (7%)	Satisfied (74%) Dissatisfied (16%)	Satisfied (76%) Dissatisfied (6%)	n/a
	Call/service costs	Satisfied (58%) Dissatisfied (16%)	Satisfied (66%) Dissatisfied (18%)	Satisfied (68%) Dissatisfied (10%)	n/a
	Billing information (accuracy and ease of understanding)	Satisfied (69%) Dissatisfied (11%)	Satisfied (81%) Dissatisfied (10%)	Satisfied (75%) Dissatisfied (6%)	n/a
	Line rental cost	Satisfied (45%) Dissatisfied (28%)	n/a	n/a	n/a
	Data speeds	n/a	n/a	Satisfied (62%) Dissatisfied (16%)	n/a
	Overall	**Satisfied (79%) Dissatisfied (9%)**	**Satisfied (81%) Dissatisfied (12%)**	**Satisfied (79%) Dissatisfied (6%)**	**Satisfied (68%) Dissatisfied (6%)**

Note: Satisfied comprises sum of respondents reporting 'satisfied' and 'very satisfied'. Respondents reporting 'neither satisfied nor dissatisfied' have not been identified separately in the table. However, these responses have been included in the base numbers when calculating percentages relating to satisfaction and dissatisfaction.

The response category 'Overall' is not an average of all other response categories. Respondents were asked a separate question about their overall level of satisfaction with each of the services identified.

n/a: Not applicable to service type.

Source: ACMA-commissioned research, April 2010.

Communications market

Consumers adopting multiple communications services

The Australian communications market continues to evolve, with ongoing technological convergence and the rise of mobile communications options providing consumers with a wide choice of services to meet their lifestyle or economic needs. New and emerging communications technologies such as VoIP, 3G and wireless broadband have now become widely available and are commonly used in conjunction with traditional fixed-line telephone services.

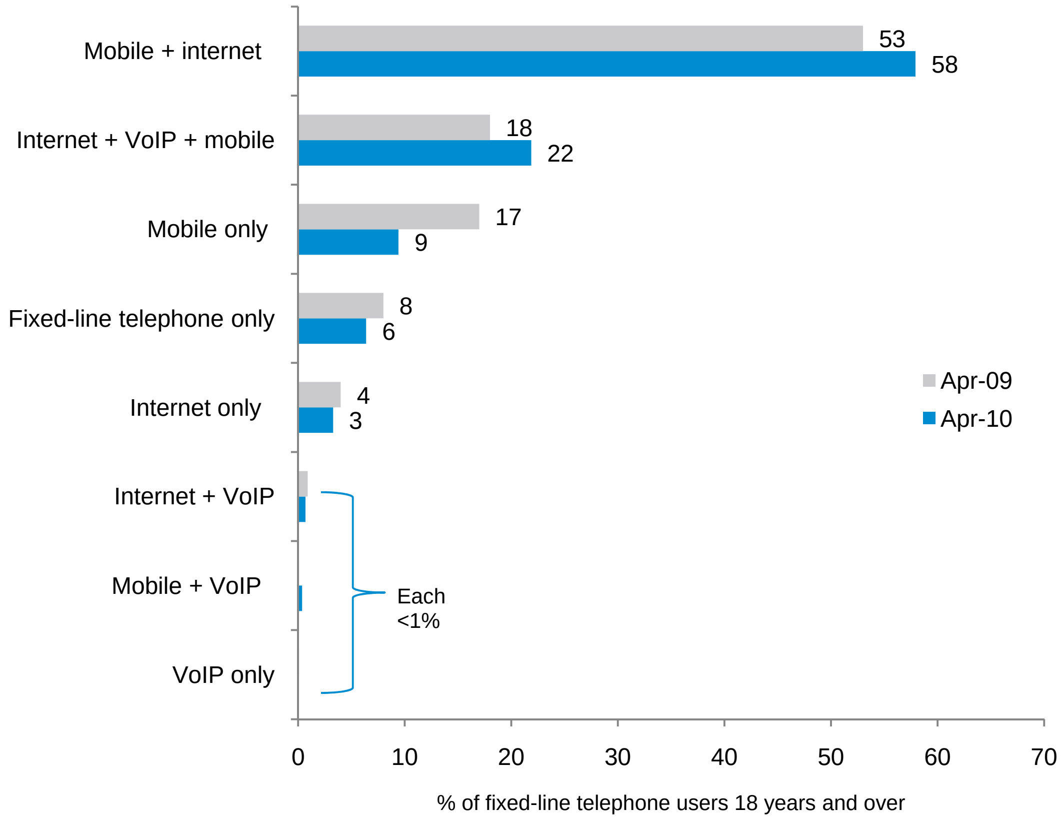
The value Australian consumers place on their communications services is clearly reflected by the strong levels of consumer take-up and use of new services across multiple platforms.

Increasingly, consumers are choosing to maintain several communications devices/services in a complementary fashion, providing increased flexibility while meeting their specific needs. The slow and consistent decline in the take-up of fixed-line telephone services has continued, while there has been a rapid adoption of mobile devices and mobile based services. Together, the fixed-line and mobile phone are now the devices most often used by Australians for voice communication.[6]

ACMA-commissioned research of fixed-line telephone users also reveals Australian consumers are continuing to adopt multiple service types. Most commonly, household consumers are opting for a combination of fixed-line, mobile and internet services. The number of consumers choosing these service combinations has increased from 53 per cent in April 2009, to 58 per cent in April 2010. The second most common combination—fixed-line, mobile, internet and VoIP—has also slightly increased from 18 per cent in April 2009 to 22 per cent in April 2010.

[6] ACMA-commissioned research, April 2010.

Figure 1 Communications service combinations by household consumers

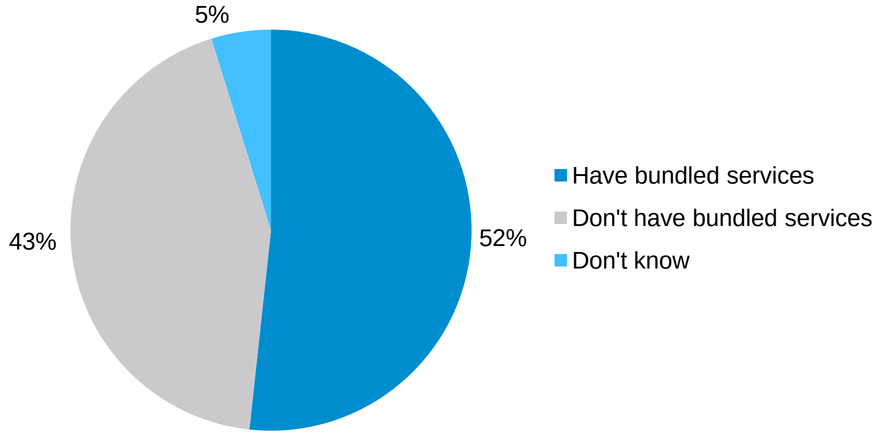


Source: ACMA-commissioned research, April 2010.

Communications providers diversifying communications service offerings

Changes in the ISP sector have lead to a shift from a single service provider model, centred on the provision of internet access alone, to one where a range of voice, data and content services are offered to customers by ISPs. This change has been driven by network and service convergence, combined with ongoing competition and the high level of the internet take-up in Australia. To retain customers and differentiate their service offerings from competitors, industry is increasingly offering a range of voice, data and content services in bundled packages, often at a discounted price. ACMA research found that more than half (52 per cent) of Australian household fixed-line telephone users had opted for a bundled service at April 2010 (Figure 2).

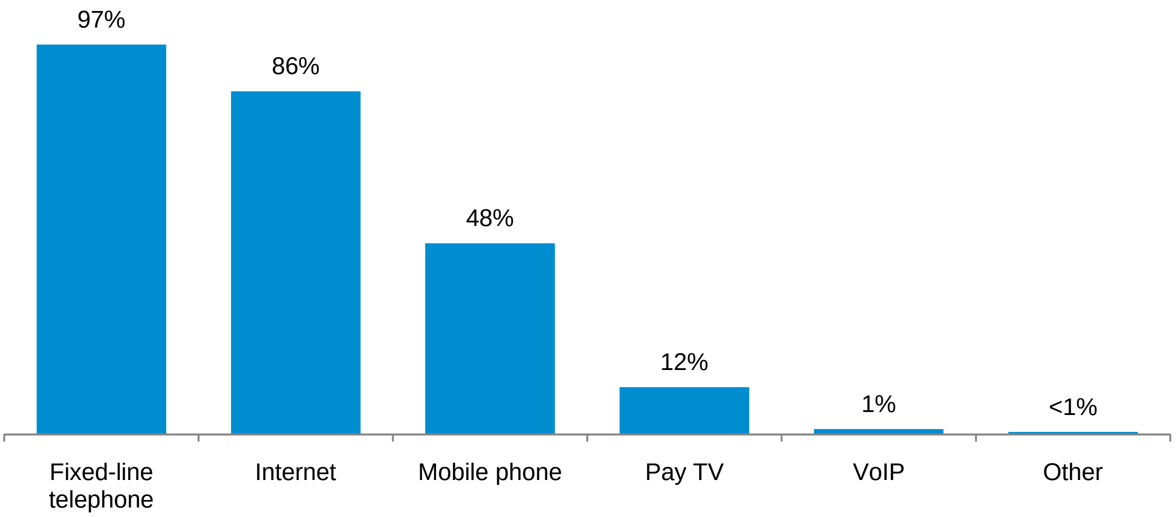
Figure 2 Take-up of bundled services, April 2010



Note: Relates to households with a fixed-line telephone.
Source: ACMA-commissioned research, April 2010.

Fixed-line telephones and the internet are the most common services to be included as part of a bundled package, with 97 per cent and 86 per cent of respondents respectively citing these services as part of their package of bundled services. Nearly half of respondents (48 per cent) reported having a mobile phone service as part of a bundled package, while a further 12 per cent cited that they bundled a pay television service.

Figure 3 Types of service bundled, April 2010



Note: Relates to households with a fixed-line telephone.
Source: ACMA-commissioned research, April 2010.

Consumer satisfaction with fixed-line telephone service

Notwithstanding recent indicators of decline, the fixed-line telephone continues to maintain a strong presence in Australian households, with an estimated 84 per cent of Australians aged 18 years and over having a fixed-line telephone at June 2010.[7]

Figure 4 provides an overview of the general levels of consumer satisfaction with overall fixed-line telephone services and more specifically with line rental, billing information, call costs, service reliability and customer service. Research commissioned by the ACMA found that overall; eight in ten Australian consumers were satisfied or very satisfied with their fixed-line telephone service at April 2010. More specifically, satisfaction with aspects of the fixed-line telephone service was strongest for service reliability (88 per cent) and billing information (75 per cent).

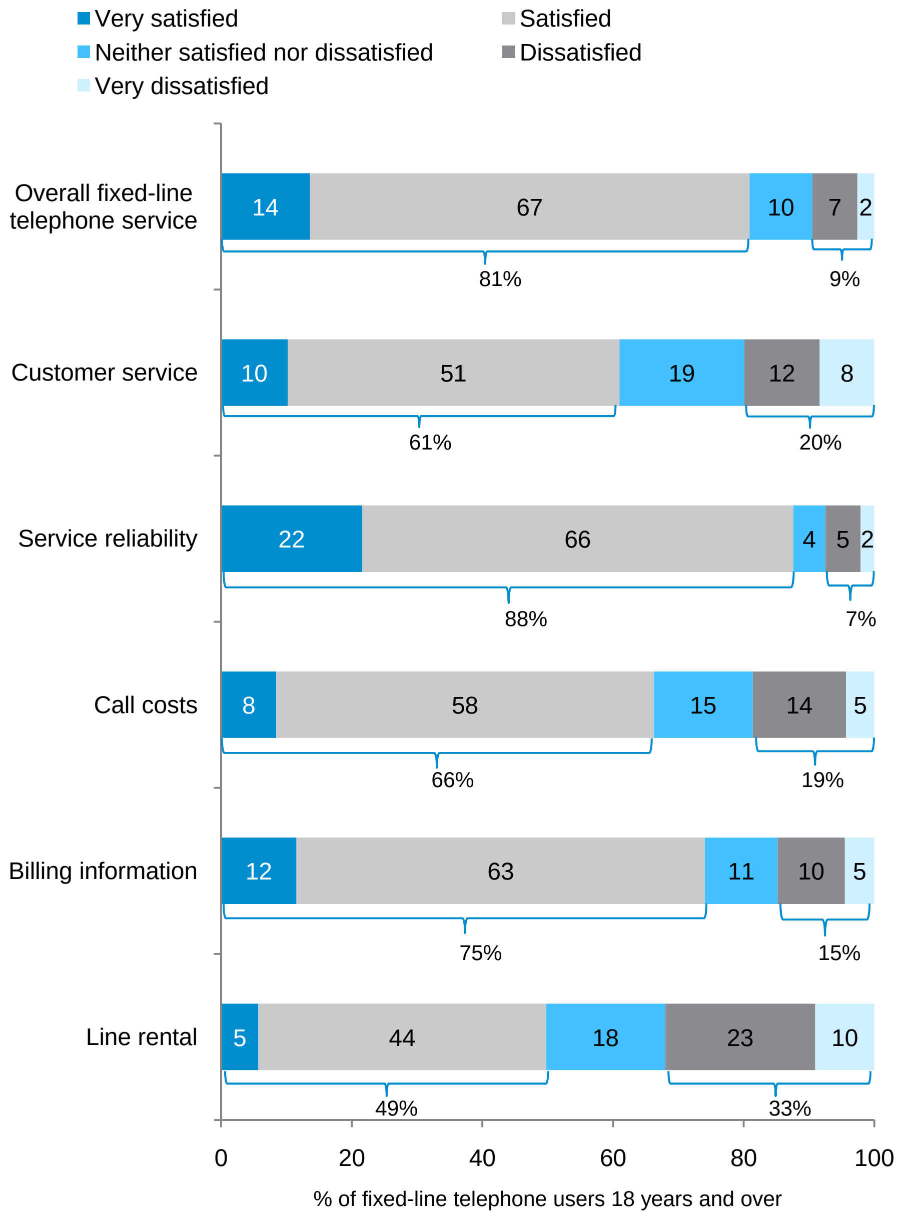
Levels of satisfaction were substantially lower for customer service (61 per cent), call costs (66 per cent) and line rental (49 per cent). Consumers also displayed the highest level of ambivalence towards these three aspects of their fixed-line telephone service, recording the number of responses in the neither satisfied nor dissatisfied category as: customer service (19 per cent), call costs (15 per cent) and line rental (18 per cent).

Consumers reporting to be very satisfied with various aspects of their fixed-line telephone service ranged between five and 14 per cent. The exception to this was service reliability, where 22 per cent said that they were very satisfied.

Thirty-three per cent of respondents reported being dissatisfied or very dissatisfied with line rental, 20 per cent with customer service, 19 per cent with call costs, 15 per cent with billing information and eight per cent with service reliability. Only nine per cent of respondents overall reported to be dissatisfied or very dissatisfied with fixed-line telephone services generally.

[7] Roy Morgan Single Source, June 2010.

Figure 4 Household consumer satisfaction with fixed-line telephone service components, April 2010



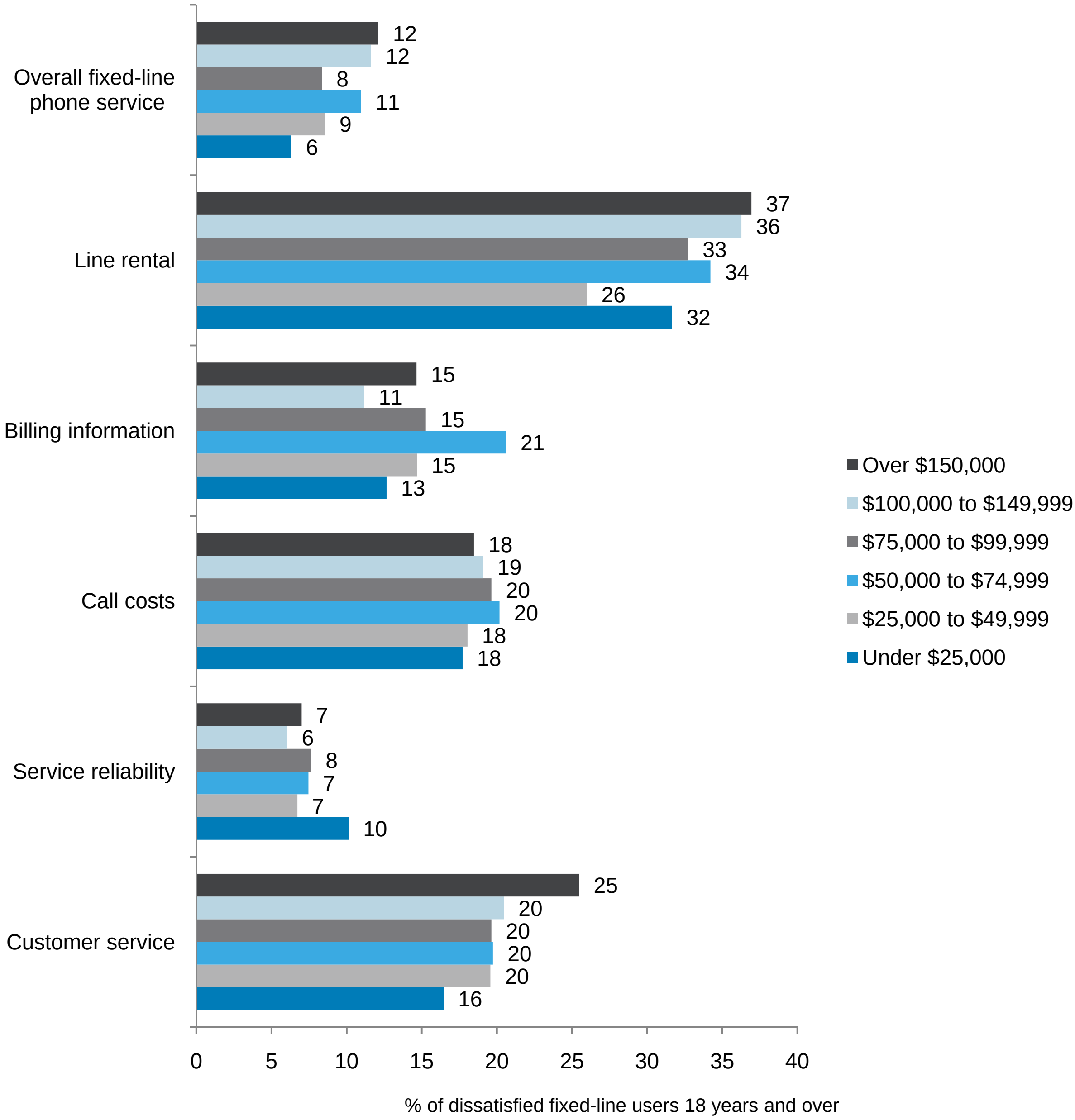
Note: Numbers may not add to 100 per cent due to rounding.
Source: ACMA-commissioned research, April 2010.

Levels of consumer dissatisfaction with components of fixed-line telephone service were examined against a range of socio-demographic variables; however, taking into account variability of estimates due to sample size, little or no distinction in responses was identified across a range of variables. Nonetheless, given the increasing significance of communications to consumers and the increasing level of expenditure on communications, some analysis of responses by annual household income levels is presented.

Consumer dissatisfaction with overall fixed-line telephone service by income

Respondents in high income households tended to record higher levels of dissatisfaction in relation to line-rental costs and customer service.

Figure 5 Dissatisfaction with fixed-line telephone service components by income, April 2010



Note: 'Dissatisfied' includes both 'dissatisfied' and 'very dissatisfied' responses.

Note: Due to actual results being plotted some numbers may not line up.

Source: ACMA-commissioned research, April 2010.

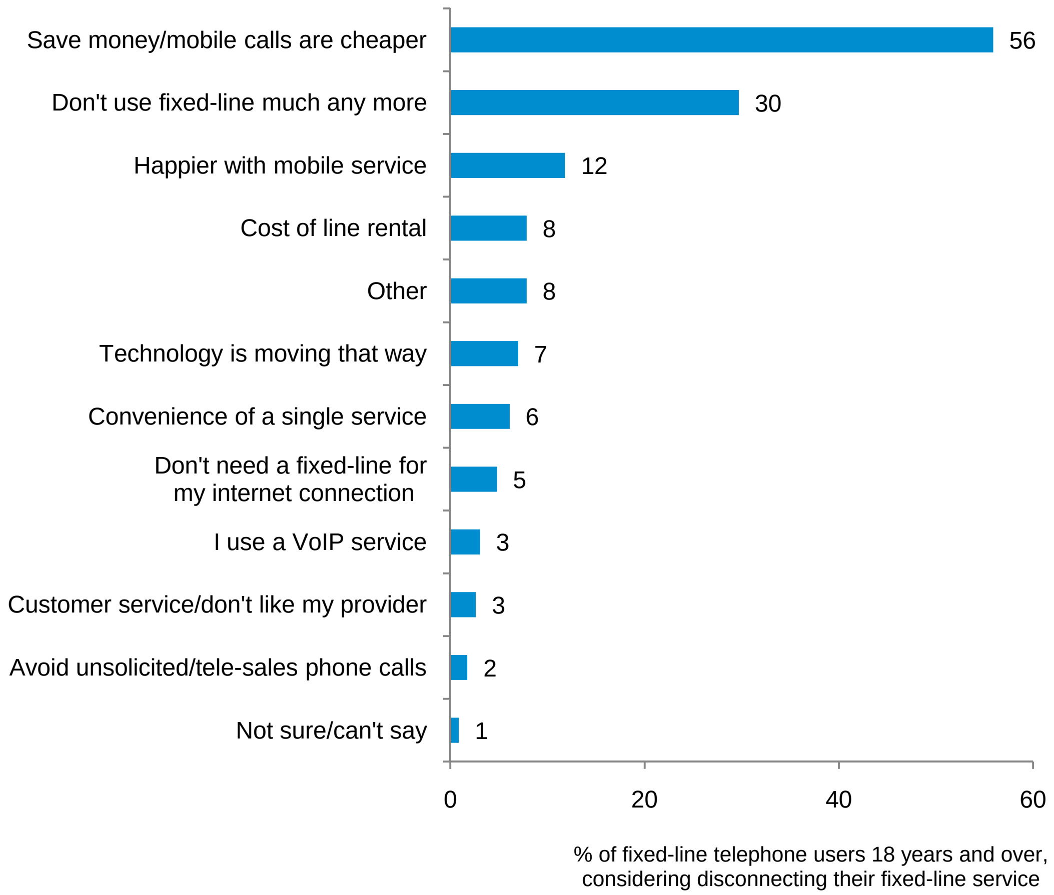
Reasons for considering disconnecting the fixed-line telephone service

Cost related factors and reduced use of a fixed-line telephone appear to be main reasons driving fixed-line consumers to disconnect their fixed-line telephone service (Figure 6). Fourteen per cent of consumers surveyed indicated that they were considering getting rid of their fixed line and using other voice communications services (largely mobile) at home in the next 12 months.

Reasons provided by consumers as motivators for disconnecting their fixed line include cheaper calls from mobile phones (56 per cent) and low use of the fixed-line (30 per cent). The preference for mobile phone services was cited by the majority of respondents, reflecting the strong shift towards mobile phone technology and the rise in mobile phone take-up among Australian consumers.

The cost of line rental was also cited by eight per cent of consumers as a reason for considering dropping their fixed-line telephone service.

Figure 6 Reasons for considering disconnecting fixed-line telephone service, April 2010

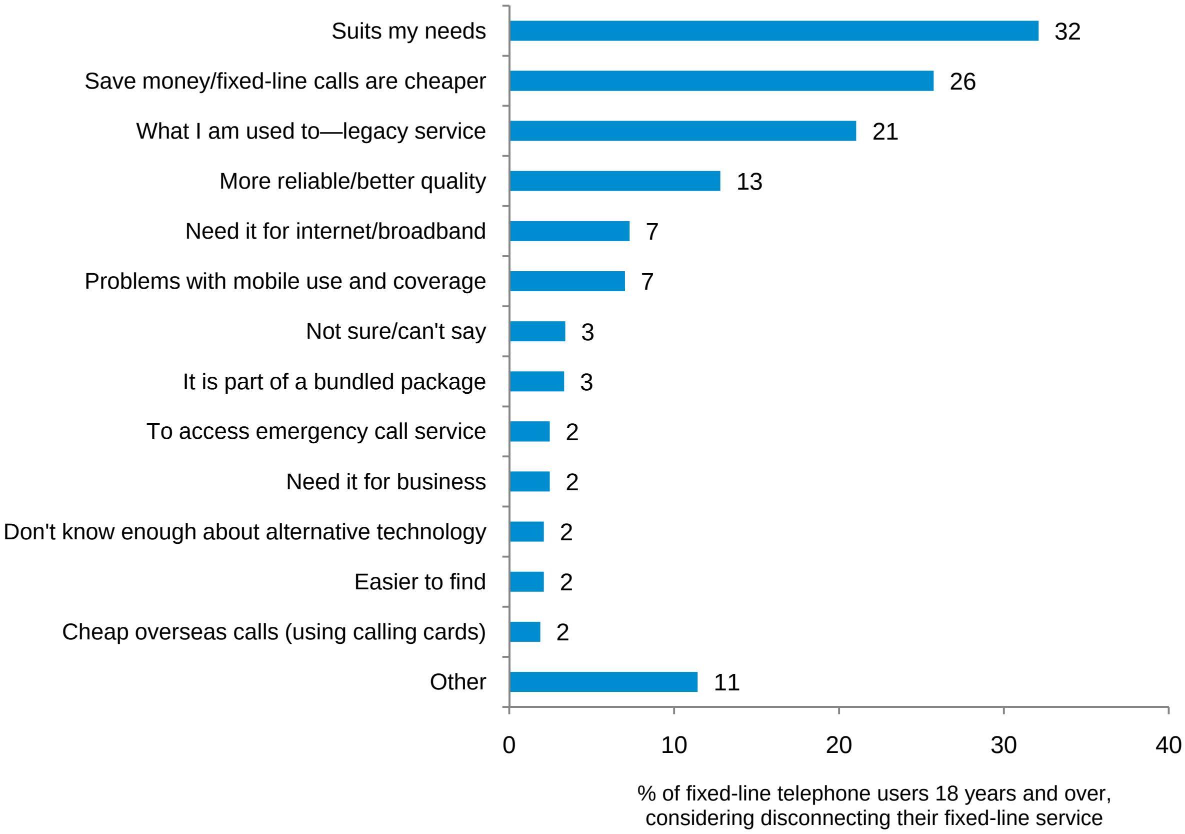


Note: Multiple responses allowed.
Source: ACMA-commissioned research, April 2010.

Reasons for retaining fixed-line telephone service

Despite the strong growth in mobile phone adoption, the fixed-line telephone maintains a solid presence in the Australian communications environment as evidenced by 86 per cent of fixed-line users intending to retain the service. Factors such as convenience, cost, service reliability and legacy were among the most popular reasons provided for retaining a connection (Figure 7). Thirty-two per cent of persons intending to retain their fixed-line telephone reported that fixed-line telephones suited their needs, while 26 per cent indicated cheaper calls. Twenty-one per cent stated it was 'what they were used to' and 13 per cent referenced better quality and network reliability as reasons for maintaining their fixed-line connection.

Figure 7 Reasons for retaining fixed-line telephone service



Note: Multiple responses allowed.

Source: ACMA-commissioned research, April 2010.

Consumer satisfaction with mobile services

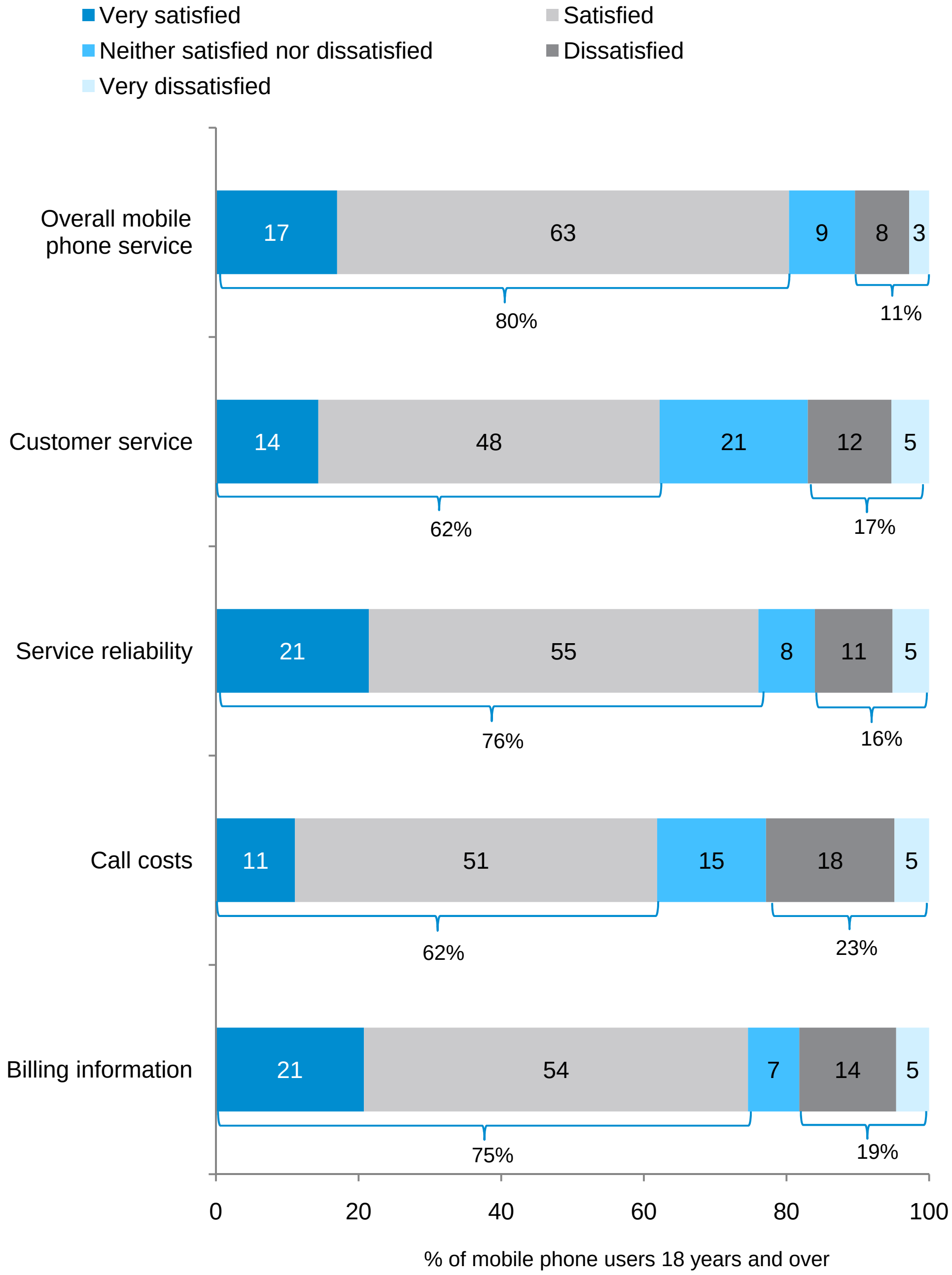
Australians place a high value on mobility in telecommunications and this is demonstrated by high levels of mobile phone ownership and use, and the increasingly multi-functional role of the next generation of mobile devices, which are able to support triple play services (voice, data and content).

ACMA research suggests that the majority of Australian mobile phone users are largely satisfied with their mobile phone service, with eight in ten reporting to be satisfied or very satisfied with the service overall (Figure 8). Further analysis of various aspects of mobile phone service found consumer satisfaction to be strongest in the areas of service reliability (76 per cent) and billing information (75 per cent). These two aspects were also found to have more ‘very satisfied’ mobile phone users, both at 21 per cent.

Only 62 per cent of mobile phone users reported that they were satisfied with both customer service and with call costs. These areas also revealed higher levels of consumer neutrality, with a greater number of respondents reporting that they were neither satisfied nor dissatisfied, at 21 per cent and 15 per cent respectively.

While dissatisfaction with overall mobile phone service was 11 per cent, consumer dissatisfaction was higher for all other components of mobile phone service examined in the survey. The highest levels of dissatisfaction were reported for call costs (23 per cent), followed by billing information (19 per cent), customer service (17 per cent) and service reliability (16 per cent). While the dissatisfaction rating for overall mobile phone service was lower than dissatisfaction with any of the ancillary aspects, it could be postulated that the benefits of mobile ownership including flexibility, convenience and handset innovations outweigh those other aspects and contribute to higher levels of overall consumer satisfaction.

Figure 8 Household consumer satisfaction with their mobile phone service components, April 2010



Note: Numbers may not add to 100 per cent due to rounding.
Source: ACMA-commissioned research, April 2010.

Further socio-economic analysis of levels of satisfaction with mobile service components is not featured as the smaller sample size is subject to high standard errors. However, further information on consumer satisfaction with mobile phone service, and in particular mobile phone capped plans, can be obtain from previously released ACMA research *Mobile capped plans–consumer attitudes and behaviours, May 2010*.

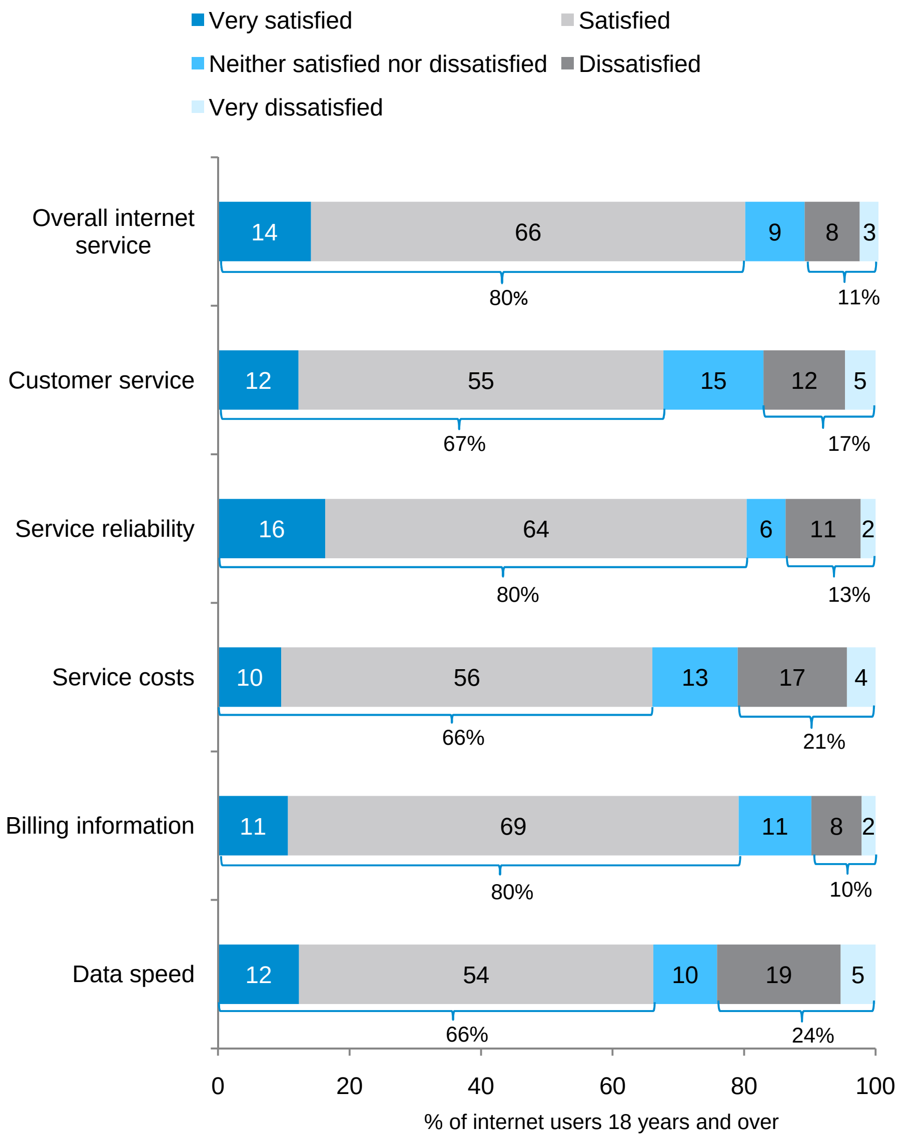
Consumer satisfaction with internet services

Household internet users were generally satisfied with their internet service, with 80 per cent indicating they were either 'very satisfied' or 'satisfied' with their overall internet service at April 2010.

Figure 9 provides an overview of the general levels of consumer satisfaction with various aspects of their internet service including: overall internet service, customer service, service reliability, service costs, billing information and data speed. The highest levels of reported satisfaction were for the categories of overall internet service, service reliability and billing information consumers, all at 80 per cent 'satisfied' or 'very satisfied'. Lower levels of satisfaction were reported for customer service (67 per cent), service costs and internet data speeds (both 66 per cent). The service components, data speed and service costs also recorded the highest proportion of respondents dissatisfied, at 24 per cent and 21 per cent respectively.

Seventeen per cent of respondents indicated they were dissatisfied with customer service (12 per cent 'dissatisfied' and five per cent 'very dissatisfied'), while 21 per cent of respondents indicated they were dissatisfied with service costs (17 per cent 'dissatisfied' and four per cent 'very dissatisfied'). Customer service and service costs also revealed higher levels of consumer ambivalence, with 15 per cent and 13 per cent respectively reporting that they were neither satisfied nor dissatisfied.

Figure 9 Household consumer satisfaction with internet service components



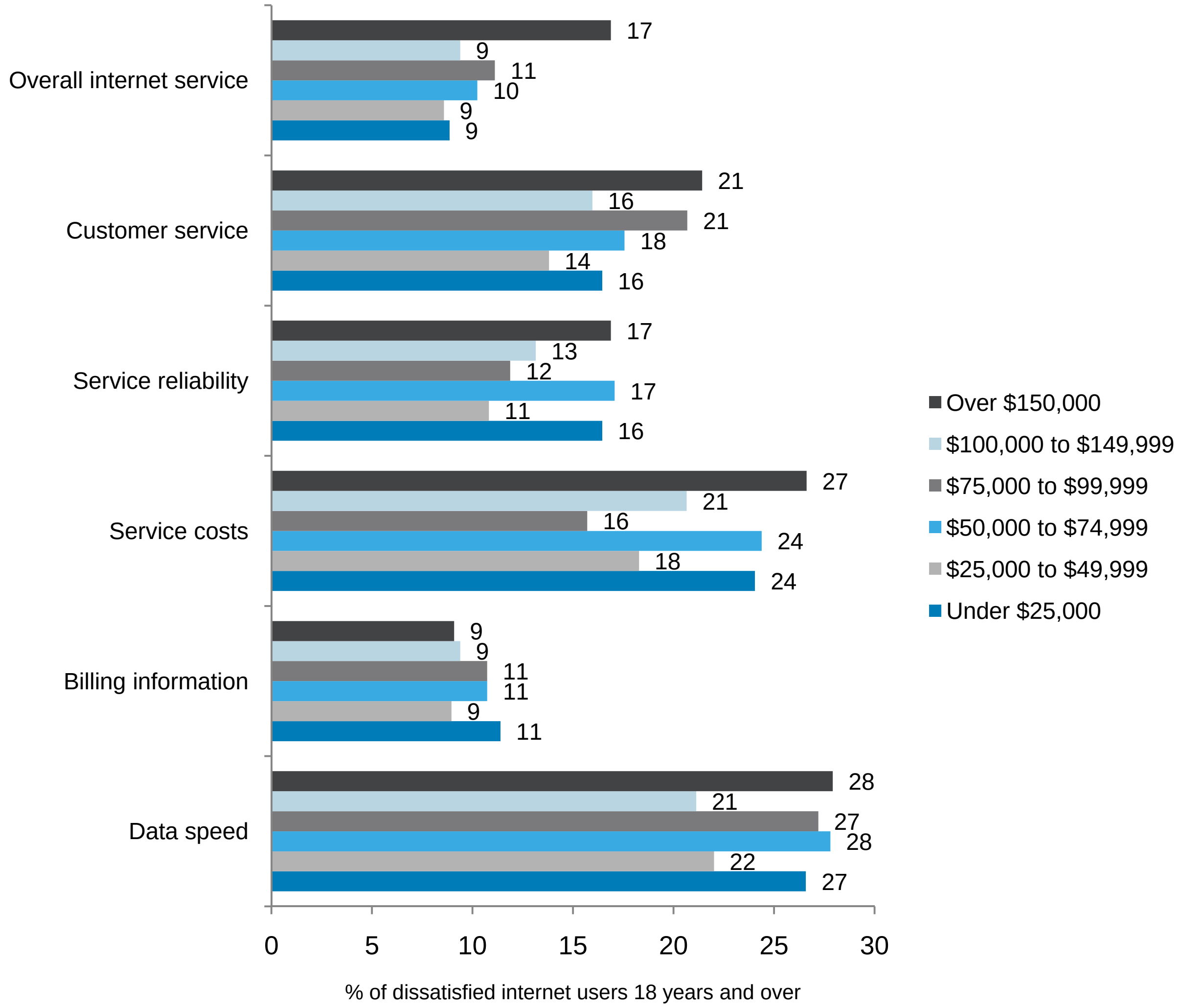
Note: Numbers may not add to 100 per cent due to rounding.
Source: ACMA-commissioned research, April 2010.

Levels of consumer dissatisfaction with internet service components were examined against a range of socio-demographic variables, however factoring in variability due to sample size, no distinct relationships were observed between consumer dissatisfaction levels and socio-economic variables such as age, gender and location. However, given the increasing outlays by households on communications, an analysis of levels of dissatisfaction by household income is presented in the following section.

Overall dissatisfaction with internet service and income

Results indicate that consumers in households with annual incomes of over $150,000 tended to record the highest levels of dissatisfaction with all internet service components. Overall, 11 per cent of respondents reported to be dissatisfied with their overall internet service. Those living in households with a joint income of $150,000 or more displayed the highest level of dissatisfaction at 17 per cent. However, regardless of income, internet service costs and data speed tended to attract the highest level of dissatisfaction among household consumers in Australia.

Figure 10 Dissatisfaction with internet service by income, April 2010



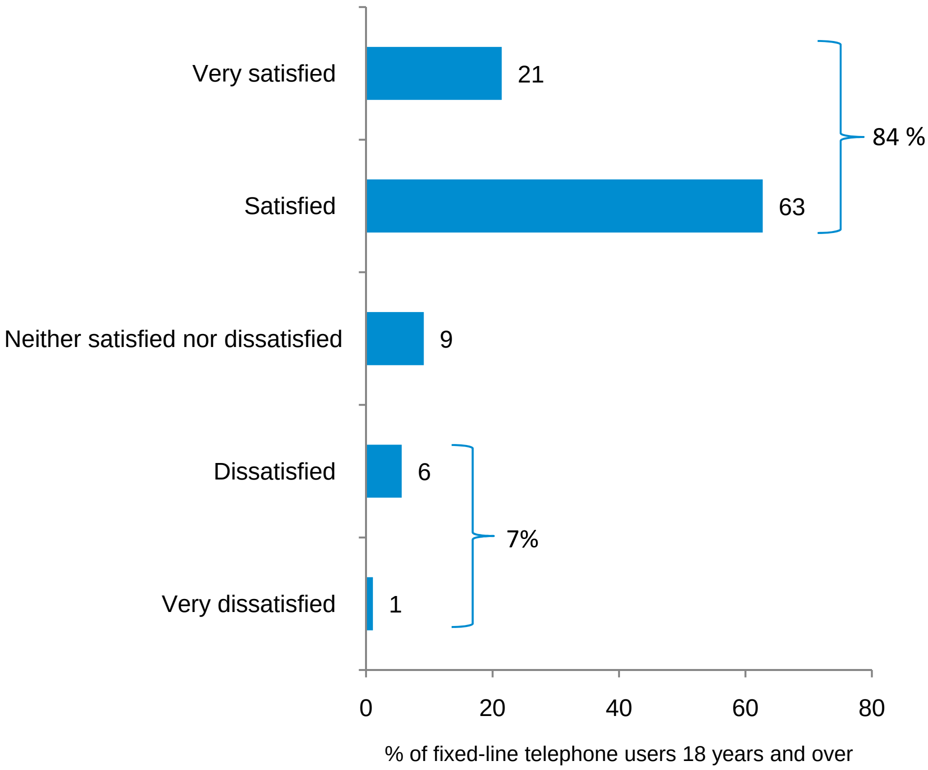
Note: 'Dissatisfied' consists of 'dissatisfied' and 'very dissatisfied' responses.
Source: ACMA-commissioned research, April 2010.

Consumer satisfaction with VoIP

ACMA's survey results indicate that at April 2010, 84 per cent of households that use a VoIP service were satisfied with their service (21 per cent 'very satisfied' and 63 per cent 'satisfied') (Figure 11).

Seven per cent of VoIP users said that they were dissatisfied with the service (six per cent 'dissatisfied' and one per cent 'very dissatisfied').

Figure 11 Household consumer satisfaction with VoIP



Note: Numbers may not add to 100 per cent due to rounding.
Source: ACMA-commissioned research, April 2010.

Due to VoIP's reliance on an internet connection, levels of VoIP dissatisfaction are strongly influenced by internet quality of service. Previous ACMA research found 'dissatisfied' VoIP users cited slow speed,[8] poor voice quality and dropouts as the main reasons for dissatisfaction with their VoIP service.[9]

[8] The ACMA-commissioned survey response 'too slow' referred to underlying network connection for VoIP service.

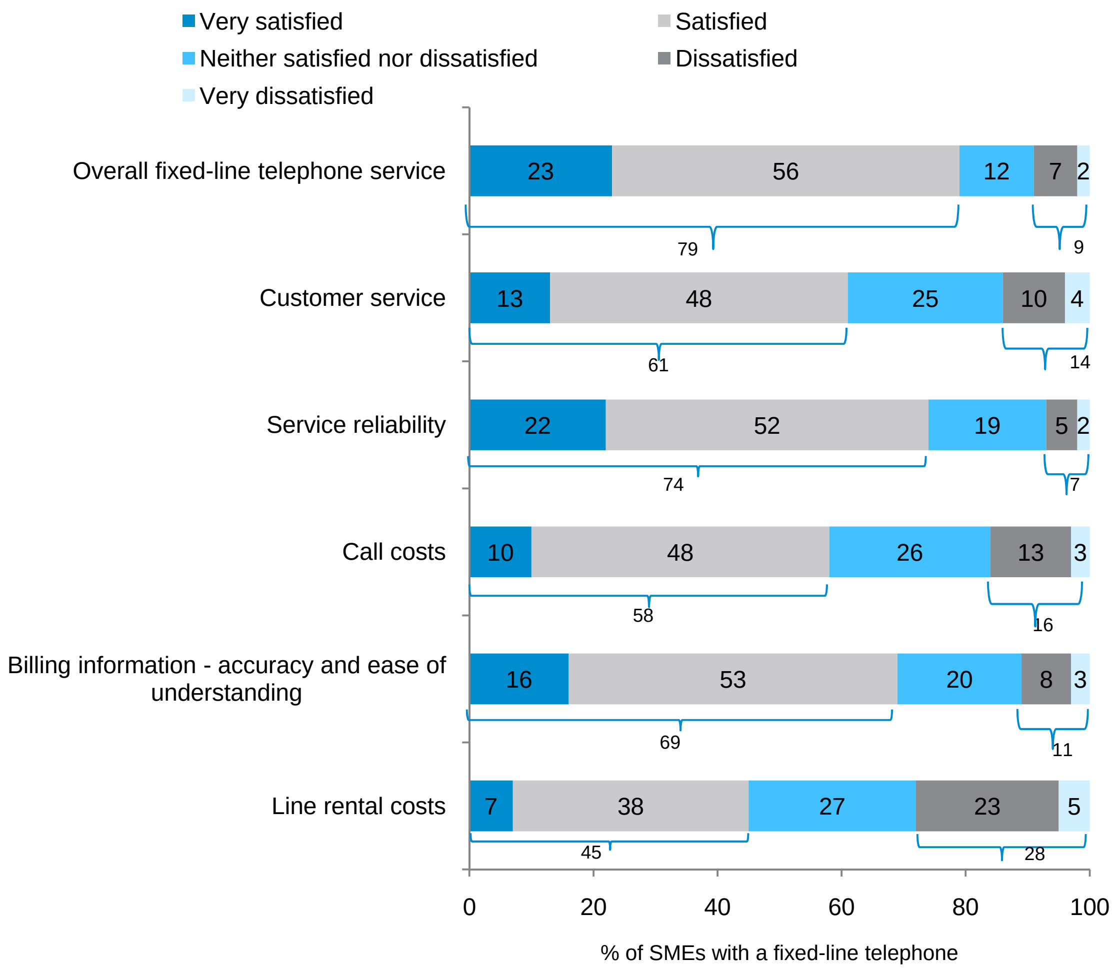
[9] The ACMA, *Convergence and communications series, Report 3: Australian consumer satisfaction with communications services*, June 2009.

SME satisfaction with fixed-line telephone

SME satisfaction with fixed-line telephone service

SMEs, like household consumers, recorded high levels of overall satisfaction with their fixed-line telephone service (79 per cent) at June 2010, compared to nine per cent of SME respondents being 'dissatisfied'. SMEs were more likely to be 'satisfied' with service reliability (74 per cent) and less likely to be 'satisfied' with line rental costs (45 per cent). A higher proportion of SMEs were neutral ('neither satisfied nor dissatisfied')—19 per cent to 27 per cent—in their attitudes to fixed-line telephone service components than household consumers (five per cent to 19 per cent).

Figure 12 SME satisfaction with fixed-line telephone service components, June 2010



Note: Numbers may not add to 100 per cent due to rounding.

Source: Sensis, SME Business Index survey, June 2010.

SME satisfaction with mobile phone service

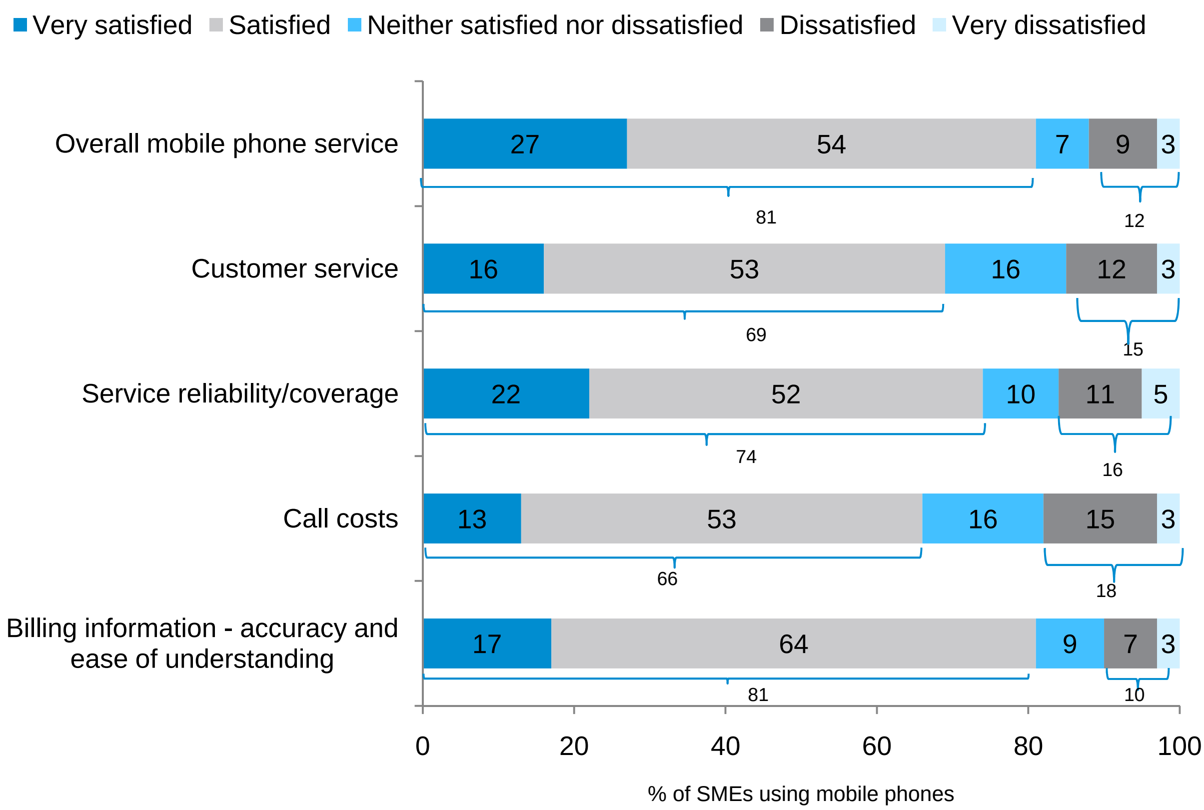
A higher proportion of SMEs reported being satisfied with their mobile phone service than any other communications service type (81 per cent). However, issues identified by dissatisfied SMEs included:

> 15 per cent 'dissatisfied' with customer service

> 16 per cent 'dissatisfied' with service reliability/coverage

> 18 per cent 'dissatisfied' with call costs.

Figure 13 SME satisfaction with mobile phone service components, June 2010



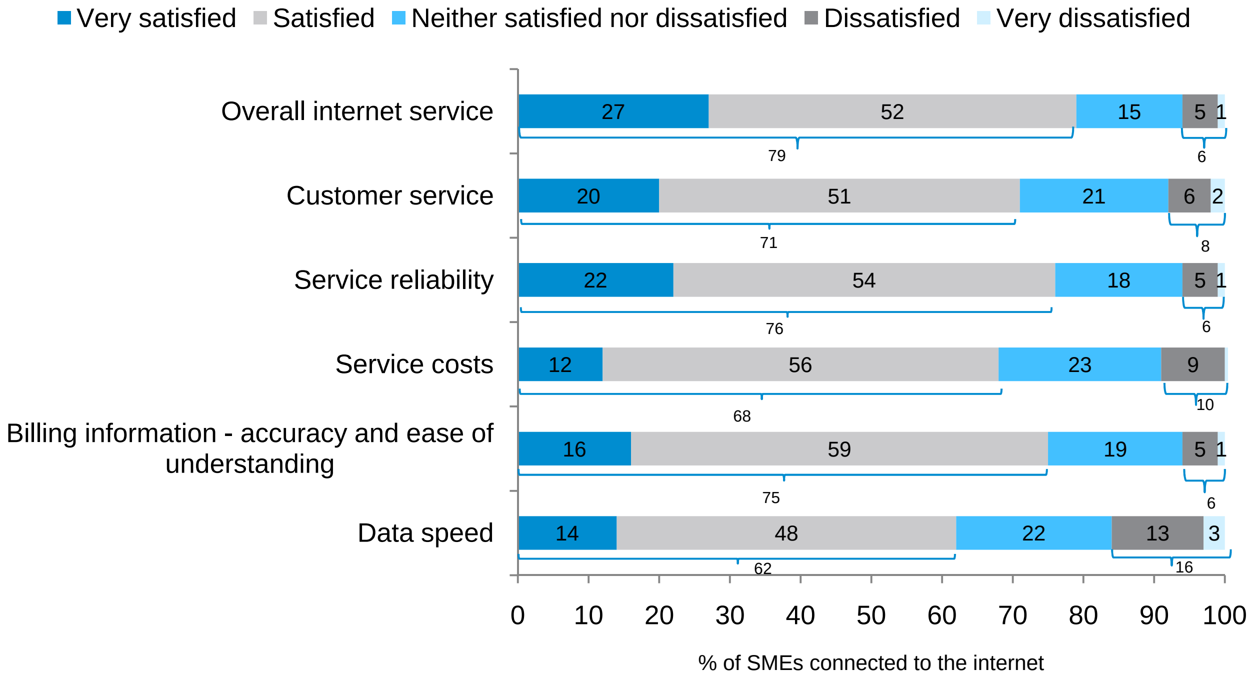
Note: Numbers may not add to 100 per cent due to rounding.

Source: Sensis, SME Business Index survey, June 2010.

SME satisfaction with internet service

Seventy-nine per cent of SMEs connected to the internet were 'satisfied' with their services, however lower levels of satisfaction were recorded for data speeds (62 per cent) and service costs (68 per cent). Sixteen per cent of SMEs online were 'dissatisfied' with their current internet data speeds—the highest response for all internet service components surveyed (Figure 14). Depending on the issue, 18 per cent to 23 per cent of SMEs online were 'neither satisfied nor dissatisfied' with individual internet service components.

Figure 14 SME satisfaction with internet service components, June 2010



Note: Numbers may not add to 100 per cent due to rounding.

Source: Sensis, SME Business Index survey, June 2010.

SME satisfaction with VoIP service

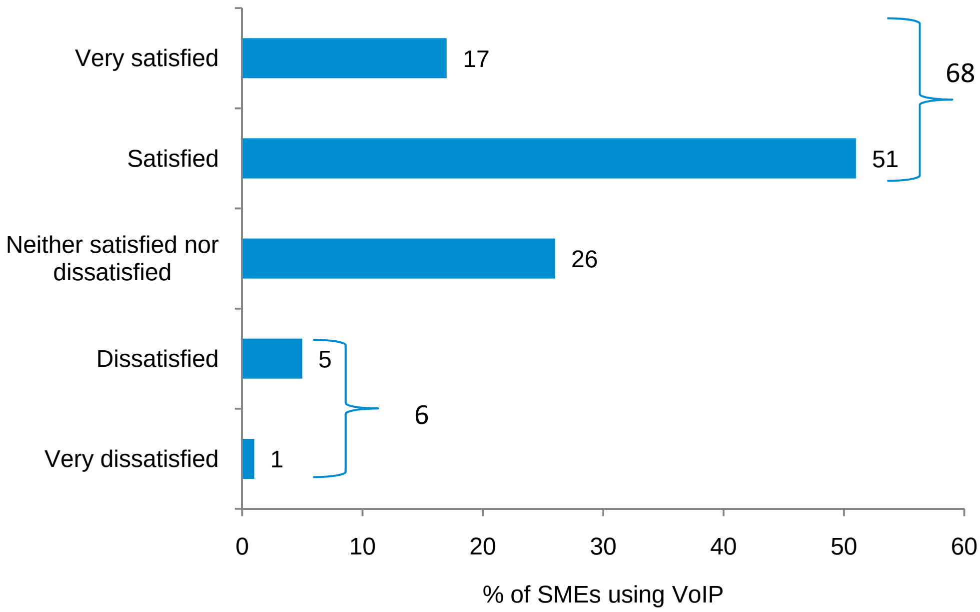
VoIP, due to its potential to deliver lower call costs is increasingly attractive to household consumers and SMEs in Australia. At June 2010, approximately 26 per cent of SMEs were estimated to use a VoIP service, up from 20 per cent at June 2009 and 17 per cent recorded at June 2008.[10] At June 2010, approximately 68 per cent of SMEs using VoIP were either ‘satisfied’ or ‘very satisfied’ with the service, compared to 84 per cent for household VoIP users. Only seven per cent and six per cent of households and SME VoIP users respectively reported being ‘dissatisfied’ with their service.

Twenty-six per cent of SMEs using VoIP were identified as being ‘neutral’ towards their VoIP service—‘neither satisfied nor dissatisfied’ with the service, considerably higher than the nine per cent for household consumers. One possible explanation for the higher level of SME ‘neutrality’ towards VoIP can be found in the way SMEs are using VoIP, compared to household consumers. The overwhelming majority of household consumers (86 per cent at June 2010) access VoIP via their desktop computer. They therefore incur minimal or no installation costs, as the only requirements are to download software and have a sufficient broadband service to ensure a high quality of service.[11] SMEs are more likely to be utilising VoIP as a substitute for traditional fixed-line telephone, which incur costs associated with transitioning the business phone systems and handsets to appropriate internet protocol technologies. This means that cost recovery is more likely to take time, particularly where SMEs have only recently adopted the service.

[10] Sensis, *Sensis e-Business Report: The Online Experience of Small and Medium Enterprises,* September 2010.

[11] The ACMA, *2009–10 Communications report series: Report 2—Take-up and use of voice services by Australians consumers,* November 2010.

Figure 15 SME satisfaction with VoIP service, June 2010



Note: Numbers may not add to 100 per cent due to rounding.
Source: Sensis, SME Business Index survey, June 2010.

Methodology

Key data sources used in this report include:

> ACMA-commissioned research undertaken during April 2010 addressing household consumer take-up and use and attitudes towards telecommunications services

> ACMA-commissioned questions included in the annual Sensis, SME Business Index survey during April—June 2010.

Both surveys were conducted using using computer assisted telephone interviews (CATI).

Table 3 provides an overview of the sample sizes for key estimates in this report.

Table 3 Sample sizes for key digital economy estimates

Estimate	Sample size
ACMA-commissioned survey of household consumers	
% of the Australian population 18 years + with a fixed-line telephone at home	1,612
% of the Australia population 18 years + with mobile phone service	606
% of the Australia population 18 years + with an internet service at home	1,373
% of the Australia population 18 years + with an VoIP service at home	383
Sensis SME Business Index survey	
% of Australian SMEs with a fixed-line telephone at home	1,482
% of Australian SMEs with a mobile phone service	1,274
% of Australian SMEs with an internet service	1,465
% of Australian SMEs with a VoIP service	323

Data analysis
Results from the survey were analysed using descriptive analysis techniques, and by socio-economic and demographic factors to identify any areas with significant patterns or differences. Only results with significant differences are reported in this research.

Sample size
The sample size limits some analysis by smaller subgroups, for example, data at state level or by both gender and age.

Rounding
Discrepancies may occur between the sums of the component items and totals due to the effects of rounding.

Canberra
Purple Building
Benjamin Offices
Chan Street
Belconnen ACT

PO Box 78
Belconnen ACT 2616

T +61 2 6219 5555
F +61 2 6219 5353

Melbourne
Level 44
Melbourne Central Tower
360 Elizabeth Street
Melbourne VIC

PO Box 13112
Law Courts
Melbourne VIC 8010

T +61 3 9963 6800
F +61 3 9963 6899
TTY 03 9963 6948

Sydney
Level 15 Tower 1
Darling Park
201 Sussex Street
Sydney NSW

PO Box Q500
Queen Victoria Building
Sydney NSW 1230

T +61 2 9334 7700
1800 226 667
F +61 2 9334 7799

www.**acma**.gov.au