

# **Impact of Broadband Speed and Price on Small Business**

**A Survey of Businesses for  
The U.S. Small Business Administration**

**January 2010**



OMB \_\_\_\_\_

The United States Small Business Administration (SBA) Office of Advocacy (Advocacy) is exploring the ways in which small businesses access and use high-speed Internet services, and evaluating the importance of broadband speed and price on small businesses.

The purpose of this survey, which Advocacy is required to conduct by Congress under Public Law 110-385, Sec.105, is to gather information regarding your current use of Internet services and your projected future needs for services. The results of this survey will be incorporated into a report due to Congress by October 2010.

Columbia Telecommunications Corporation (CTC) has been awarded the contract (SBAHQ-09-C-0050) to conduct this research. The attached questionnaire is an important tool for filling the gap of available data.

The estimated time to complete this survey is 15 minutes. You are not required to respond to the survey unless it displays an OMB Control Number that is currently valid. Comments on the estimated completion time should be sent to the Small Business Administration, Chief AIB, 409 Third Street, SW, Washington, DC 20416, and the Desk Officer for the Small Business Administration, Office of Management and Budget, New Executive Office Building, Room 10202, Washington, DC 20503. DO NOT SEND THE COMPLETED SURVEYS TO THESE ADDRESSES.

Your participation in this survey is voluntary. If you choose to participate, this survey should be completed by the person who makes consumer decisions for your business use of Internet services.

Your time and effort are appreciated. Thank you in advance for completing and returning this important survey.

Please return the completed survey by **add date**, 2010 in the enclosed postage-paid envelope.

If you have any questions regarding this survey, please contact Dr. Radwan Saade at (202)205-6878.

## COMPUTERS AND INTERNET SERVICE

1. How many personal computers or terminals do you have at this location? ( only one)

- None (*Please skip to question 33. on page 12*)
- 1 to 4
- 5 to 9
- 10 to 49
- 50 to 99
- 100 or more

2. a) Do you have Internet access at your location? ( only one)

- Yes (*Please continue to question 3.*)
- No (*Please complete question 2.b below*)

2.b) What is the **main** reason your business does not have Internet access? ( only one and *continue to question 33. on page 12*)

- No need
- Can access at another location (Please specify: \_\_\_\_\_)
- Have concerns with online data security
- Too expensive
- Other (Please specify: \_\_\_\_\_)

3. Which types of Internet services **are available** at your location (to the best of your knowledge)?

( all that apply)

- Digital Subscriber Line (DSL)
- Cable modem connection
- Satellite (HughesNet, WildBlue, or other)
- Wireless paid service (Clearwire or other)
- Free wireless service
- Leased line (T1, T3, Frame Relay, MetroEthernet, or other)

**4. How does your business connect to the Internet? ( only one)**

- Telephone line—dial-up
- Digital Subscriber Line (DSL)
- Cable modem connection
- Satellite (HughesNet, WildBlue, or other)
- Wireless paid service (Clearwire or other)
- Free wireless service
- Leased line (T1, T3, Frame Relay, MetroEthernet, or other) (Please specify: \_\_\_\_\_)
- Other (Please specify: \_\_\_\_\_)

**5. Approximately how much do you pay PER MONTH for Internet service at this location?**

- Less than \$25
- \$25 to \$49
- \$50 to \$99
- \$100 to \$249
- \$250 to \$499
- \$500 to \$749
- \$750 to \$999
- \$1,000 or more
- Don't know

**6. What is the minimum broadband speed you need to operate your business? Please specify in Mbps: \_\_\_\_\_**

**7. What is your desired broadband speed to operate your business? Please specify in Mbps: \_\_\_\_\_**

**8. Would your need for broadband motivate you to relocate your business to a location that had higher-speed broadband available?**

- Yes
- No
- Don't know

**9. How many mobile (wireless with modem connections) laptop computers does your business support?**

- None supported by our business
- 1 to 4
- 5 to 9
- 10 to 49
- 50 to 99
- 100 or more
- Don't know

**10. Does your business have a Web site?**

- Yes, used for information and e-commerce (payments, etc.)
- Yes, but it is not used for e-commerce
- No

**11. Do you support a virtual private network over the Internet?**

- Yes
- No
- Don't know

**12. Are you required to support any industry-specific Internet security requirements (example: financial industry or HIPAA medical standards)?**

- Yes
- No
- Don't know

**13. Who has the most expertise on your firm's Internet connectivity? ( only one)**

- You
- An employee in the firm
- An outside information technology (IT) services provider you use

14. Do you have **one or more** employees who spend at least half of their time on information technology (IT) matters such as Internet connectivity, fixing network problems, installing and fixing computer hardware and software, managing a Web site, etc.?

- Yes  
 No

## SATISFACTION WITH & IMPORTANCE OF INTERNET SERVICES

15. Would you say your **download** Internet connection speed (transfer of data to a PC) is: ( only one)

- Fast enough for our needs  
 Average, but not quite fast enough for our needs  
 Fairly slow and we would like to be connected at higher speeds  
 Very slow and we would like to be connected at much higher speeds

16. Would you say your **upload** Internet connection speed (transfer of data from a PC) is: ( only one)

- Fast enough for our needs  
 Average, but not quite fast enough for our needs  
 Fairly slow and we would like to be connected at higher speeds  
 Very slow and we would like to be connected at much higher speeds

17. Using a scale of 1 to 5, how **SERIOUS** are these Internet connectivity problems for your business:

Problem	Not at All Serious			Very Serious	
	1	2	3	4	5
(a) Downtime	1	2	3	4	5
(b) Updating online security on our computers	1	2	3	4	5
(c) Getting timely or prompt service when we have a problem	1	2	3	4	5
(d) Online audio or video streaming tying up our system	1	2	3	4	5
(e) Keeping up with the speed of technological advances in IT	1	2	3	4	5

**18. Using a scale of 1 to 5, please rate how IMPORTANT the following aspects of INTERNET service are to your business:**

Aspect	<i>Very Unimportant</i>			<i>Very Important</i>	
	1	2	3	4	5
(a) Total price paid for service	1	2	3	4	5
(b) Connection speed	1	2	3	4	5
(c) Reliability (uptime)	1	2	3	4	5
(d) Ability to choose among competing providers	1	2	3	4	5
(e) Confidence that Internet provider does not block selected Web sites	1	2	3	4	5
(f) Customer service	1	2	3	4	5

**19. Using a scale of 1 to 5, please rate how SATISFIED you are with the following aspects of your INTERNET service:**

Aspect	<i>Very Unsatisfied</i>			<i>Very Satisfied</i>	
	1	2	3	4	5
(a) Total price paid for service	1	2	3	4	5
(b) Connection speed	1	2	3	4	5
(c) Reliability (uptime)	1	2	3	4	5
(d) Ability to choose among competing providers	1	2	3	4	5
(e) Confidence that Internet provider does not block selected Web sites	1	2	3	4	5
(f) Customer service	1	2	3	4	5

**20. On a scale of 1 to 5, please rate how IMPORTANT these features are to your business:**

Feature	<i>Not at All Important</i>			<i>Very Important</i>	
	1	2	3	4	5
(a) Choice of a greater number of phone and Internet providers	1	2	3	4	5
(b) Option to purchase Internet bandwidth with speeds 10 to 100 times that of cable modem or DSL	1	2	3	4	5
(c) Ability to bundle phone and Internet on the same monthly bill	1	2	3	4	5
(d) Ability to pay for Internet based on usage (amount of data)	1	2	3	4	5

**21. Using a scale of 1 to 5, please rate how IMPORTANT your INTERNET service is to the following aspects of your business:**

Business Aspect	Very Unimportant					Very Important				
	1	2	3	4	5	1	2	3	4	5
(a) Ability to achieve your strategic goals	1	2	3	4	5	1	2	3	4	5
(b) Improving competitiveness	1	2	3	4	5	1	2	3	4	5
(c) Improving operational efficiency	1	2	3	4	5	1	2	3	4	5
(d) Ability to reach more customers	1	2	3	4	5	1	2	3	4	5
(e) Ability to interact with vendors/partners	1	2	3	4	5	1	2	3	4	5

**22. On a scale of 1 to 5, how LIKELY are you to switch to much faster Internet service (100Mbps—more than 10 times faster than DSL or cable modem) if it costs (compared to your current service):**

Change in Price per Month	Very Likely					Very Unlikely				
	1	2	3	4	5	1	2	3	4	5
(a) 20% more per month?	1	2	3	4	5	1	2	3	4	5
(b) 10% more per month?	1	2	3	4	5	1	2	3	4	5
(c) The same price?	1	2	3	4	5	1	2	3	4	5
(d) 10% less per month?	1	2	3	4	5	1	2	3	4	5
(e) 20% less per month?	1	2	3	4	5	1	2	3	4	5

**23. On a scale of 1 to 5, how LIKELY are you to switch to much faster Internet service (1,000Mbps—more than 100 times faster than DSL or cable modem) if it costs (compared to your current service):**

Change in Price per Month	Very Likely					Very Unlikely				
	1	2	3	4	5	1	2	3	4	5
(a) 20% more per month?	1	2	3	4	5	1	2	3	4	5
(b) 40% more per month?	1	2	3	4	5	1	2	3	4	5
(c) 60% more per month?	1	2	3	4	5	1	2	3	4	5
(d) 80% more per month?	1	2	3	4	5	1	2	3	4	5
(e) 100% more per month?	1	2	3	4	5	1	2	3	4	5



**24. Using a scale where 1 is STRONGLY DISAGREE and 5 is STRONGLY AGREE, please indicate whether or not you agree with the following statements.**

Statement	<i>Strongly Disagree</i>			<i>Strongly Agree</i>	
	1	2	3	4	5
(a) Our local market currently offers high-speed Internet access at prices that my business can afford.	1	2	3	4	5
(b) The availability of affordable high-speed Internet access is a factor I consider in deciding where to locate my business.	1	2	3	4	5
(c) High-speed Internet access is as essential to my business as other main services such as water and sewer or electricity.	1	2	3	4	5
(d) Businesses like mine are able to function efficiently only if they and their customers have high-speed Internet access.	1	2	3	4	5
(e) Mobile (outside the office) access to the Internet will become more important to my business operations in the next 5 years.	1	2	3	4	5
(f) Our business would realize greater long-term benefits by increasing our use of high-speed Internet access.	1	2	3	4	5

**25. Using a scale of 1 to 5, please indicate to what extent you AGREE or DISAGREE that the following constrain the ability of your business to further use high-speed Internet.**

Statement	<i>Strongly Disagree</i>			<i>Strongly Agree</i>	
	1	2	3	4	5
(a) Budget or finance considerations	1	2	3	4	5
(b) Management discomfort with greater use of high-speed Internet	1	2	3	4	5
(c) Employee discomfort with greater use of high-speed Internet	1	2	3	4	5
(d) No time to explore greater use of high-speed Internet	1	2	3	4	5

**26. Does your business currently allow telecommuting (working from home)?** ( *only one*)

- Yes
- No, and unlikely to allow telecommuting next year
- No, but possibly next year

**27. What percent of employees take advantage of telecommuting?**

- None
- About 10% of employees (1 in 10)
- About 20%
- About 30%
- About 40%
- About 50%
- More than 50%
- Don't know

**28. Would your business allow or encourage more telecommuting if employees had home Internet connections that supported very high-speed data transfers and high-quality video-conferencing?**

- Yes
- No
- Don't know

**29. Do you reimburse employee expenses (full or partial) for a home Internet connection if it is used for business purposes?**

- Yes
- No
- Don't know

**30. Do you use video-conferencing, and if yes, which type?**

- No, we do not use video-conferencing
- Yes, we use desktop—Web-based
- Yes, we use conference room—portable
- Yes, we use conference room—fixed
- Yes, we use another type (Please specify: \_\_\_\_\_)

**31. Has your business considered using a VoIP (Voice over Internet Protocol) telephone service?**

- Yes, already use (*Please answer 31.b below*)
- Yes, considered but did not use
- Yes, under consideration
- No, I am familiar with it but am not considering
- Unfamiliar with the technology
- Don't know

**31.b) Which type(s) of VoIP do you use? ( only one)**

- Internal LAN
- External via Internet connection
- Both internal LAN and external Internet connection

**32. Does your business provide or reimburse employee expenses for a cell phone or handheld data service, and if yes, for how many employees?**

- No employees provided or reimbursed
- Yes, 1 to 4 employees
- Yes, 5 to 9 employees
- Yes, 10 to 49 employees
- Yes, 50 to 99 employees
- Yes, 100 or more employees
- Don't know

## BUSINESS PRACTICES AND STRATEGIES

**Instructions:** The following questions are designed to determine your company's business practices and strategies. Please circle the number that best reflects **actual** conditions in your company.

For example, in question 33, if your company has a strong emphasis on research and development (R&D), a 4 or 5 choice is appropriate; if your company has an emphasis on production of established products, a 1 or 2 is appropriate; and if your company balances both R&D and production, a 3 choice is appropriate.

### 33. In general, my company favors:

	Product Emphasis			R&D Emphasis		
A strong emphasis on the marketing of tried-and-true products or services	1	2	3	4	5	A strong emphasis on R&D, technological leadership, and innovation

### 34. How many new lines of products/services has your company marketed in the past 3 years?

	1	2	3	4	5	
Low    Neutral    High						
No new lines of products/services	1	2	3	4	5	Many new lines of products/services
Changes in product/service lines have been mostly minor in nature	1	2	3	4	5	Changes in product/service lines have usually been quite dramatic

### 35. In dealing with competitors, my company:

	Responds		Neutral		Initiates	
Typically responds to actions that competitors initiate	1	2	3	4	5	Typically initiates actions to which competitors then respond
Is very seldom the first business to introduce new products/services, admin techniques, operating technologies, etc.	1	2	3	4	5	Is very often the first business to introduce new products/services, admin techniques, operating technologies, etc.
Typically seeks to avoid competitive clashes, preferring a "live-and-let-live" posture	1	2	3	4	5	Typically adopts a very competitive, "undo-the-competitors" posture

**36. In general, my company has:**

	Low		Neutral		High		
A strong appetite for low-risk projects (with normal and certain rates of return)	1	2	3	4	5	A strong appetite for high-risk projects (with chances of very high returns)	

**37. Owing to the nature of the environment, my firm generally:**

	Cautious		Neutral		Bold		
Explores gradually via cautious, incremental behavior	1	2	3	4	5	Takes bold, wide-ranging actions to achieve the firm's objectives	

**38. When confronted with decision-making situations involving uncertainty, my company typically:**

	Methodical		Neutral		Aggressive		
Adopts a "wait-and-see" posture to minimize the probability of making a costly decision	1	2	3	4	5	Adopts a bold, aggressive posture to maximize the probability of exploiting potential opportunities	

**COMPANY INFORMATION**

**39. Which best describes your position in the business?**

- Owner/Manager
- Owner, but not manager
- Manager, but not owner
- Other

**40. To which age group do you belong?**

- 18 to 34 years
- 35 to 44 years
- 45 to 54 years
- 55 to 64 years
- 65 years or older

**41. Is this business operated primarily from the home, including any associated structures such as a garage or a barn?**

- Yes
- No

**42. How long ago was this business started?**

- 5 years or less
- 6 – 10 years
- 11 – 20 years
- 21 – 30 years
- 31 + years

**43. How many employees work for this business:**

**a) at this location? ( only one)**

- 1 to 4
- 5 to 9
- 10 to 19
- 20 to 49
- 50 to 99
- 100 or more

**b) at all locations? ( only one)**

- 1 to 4
- 5 to 9
- 10 to 19
- 20 to 49
- 50 to 99
- 100 or more

**44. Which industry best describes your business ( only one)**

- Retail (Grocery Store, Department Store, Video Rental, etc.)
- Manufacturing (Electronics, Fabrication, Assembly, etc.)
- Construction and Specialized Trade Contracting
- Professional Services (Legal, Engineering, Financial, Medical, etc.)
- Other Services (Restaurant, Auto Repair, Hotel, etc.)
- Civic/Public (City, County, State, Federal, etc.)
- Non-Profit (Church, Charity, etc.)
- Education (Public and Private)
- Other (Please specify: \_\_\_\_\_)

**THANK YOU FOR COMPLETING THE SURVEY**