

# AT&T Small Business Technology Poll

March 2010



# Objectives

AT&T's **Small Business Group** sponsored research to:

- Generate media coverage and thought leadership, which in turn will increase awareness and consideration among small businesses, with....
- The end goal to increase orders for AT&T small business services.

# Methodology

- Online survey with 2,023 small businesses.
  1. 1,009 surveys completed with small businesses located throughout the United States (**National** data).
  2. 1,014 surveys completed with small businesses located in 10 markets; 100 in each market (**Market** data).
- Survey fielded November 18-23, 2009.
- With owners or employees who are the key decision-maker for computer purchases and maintenance, Internet service and telephones (e.g., information technology).
- Small businesses were defined as having between 2 and 50 employees, both part-time and full-time.
- Use of e-Rewards online business panel.

# Methodology

- Sampling error associated with a survey of 1,000 respondents is 3 percentage points for responses at or near 50% (95% confidence level)(**National** data).
- Sampling error associated with a survey of 100 respondents is 10 percentage points for responses at or near 50% (95% confidence level)(**Market** data).
- To be considered statistically significant, responses between two samples of 100 respondents should be greater than the following (95% confidence level):

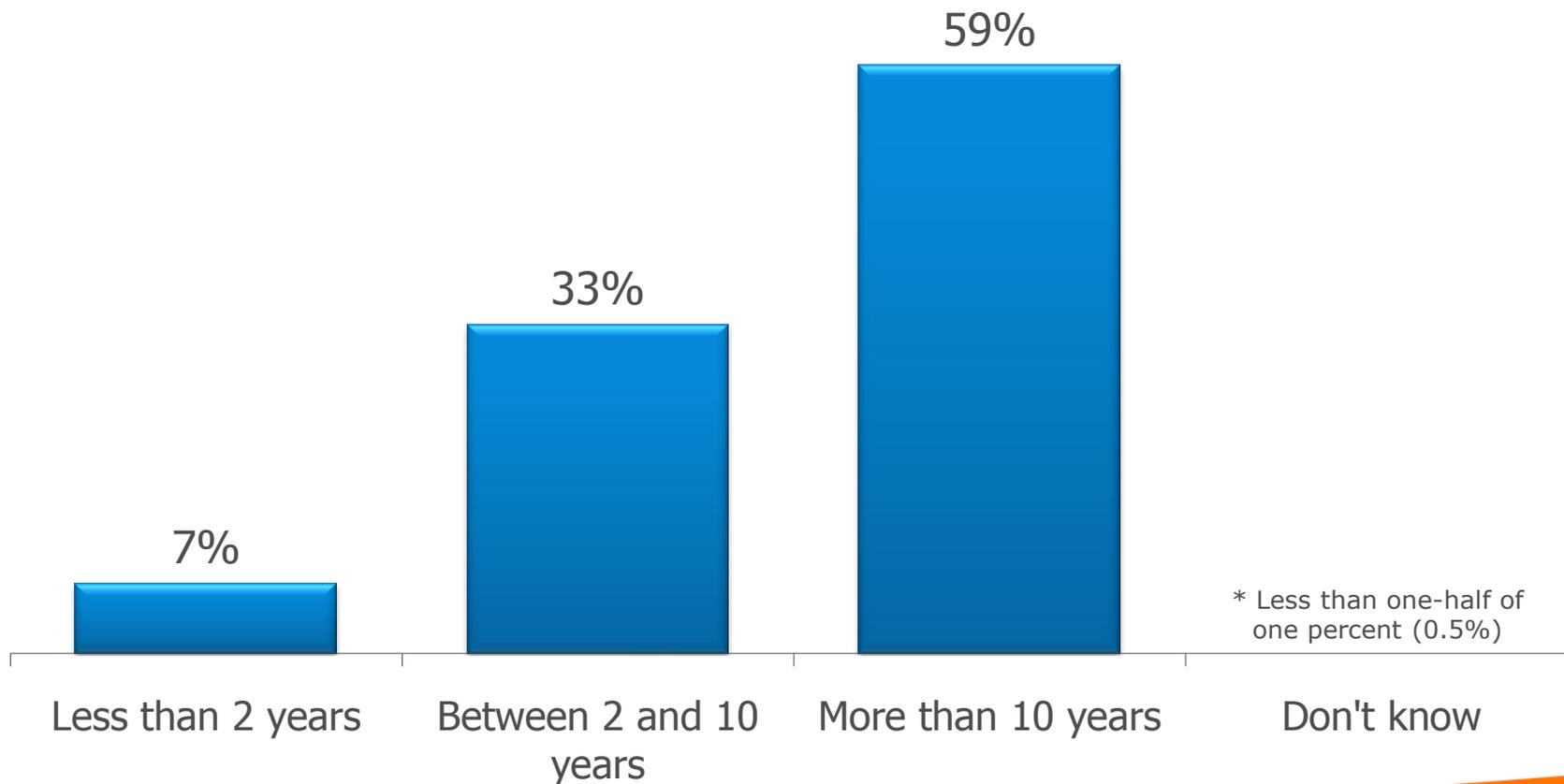
Approximate Percent Value		
20%/80%	25%/75%	50%/50%
11%	12%	14%

# Sample Data

# Business Longevity

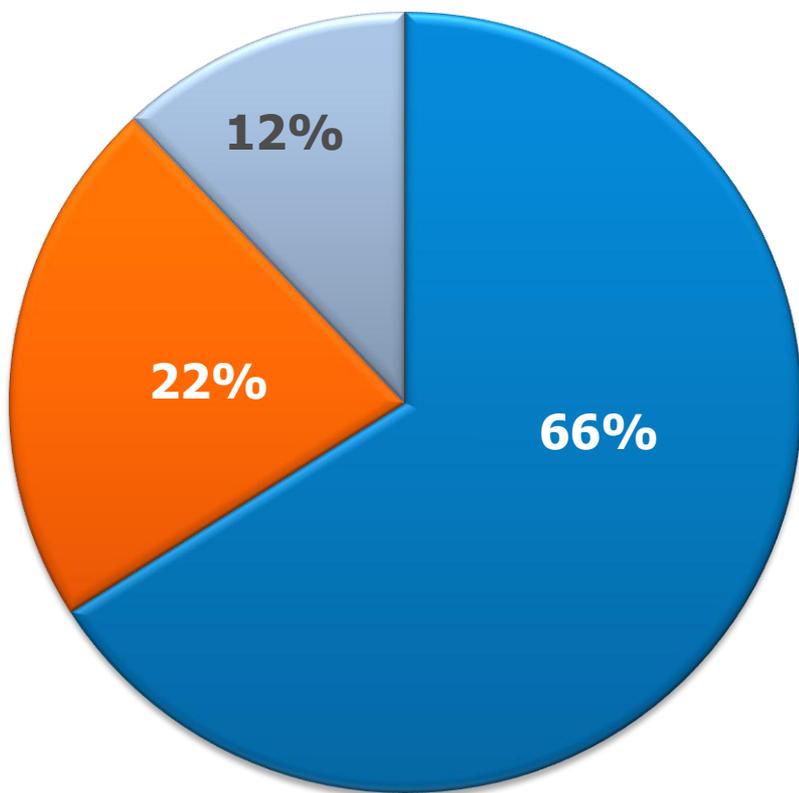
## How long has your company been in business?

BASE: All respondents (n=1,009)



# Number of Employees

Approximately how many total employees, both full-time and part-time, work at your company?

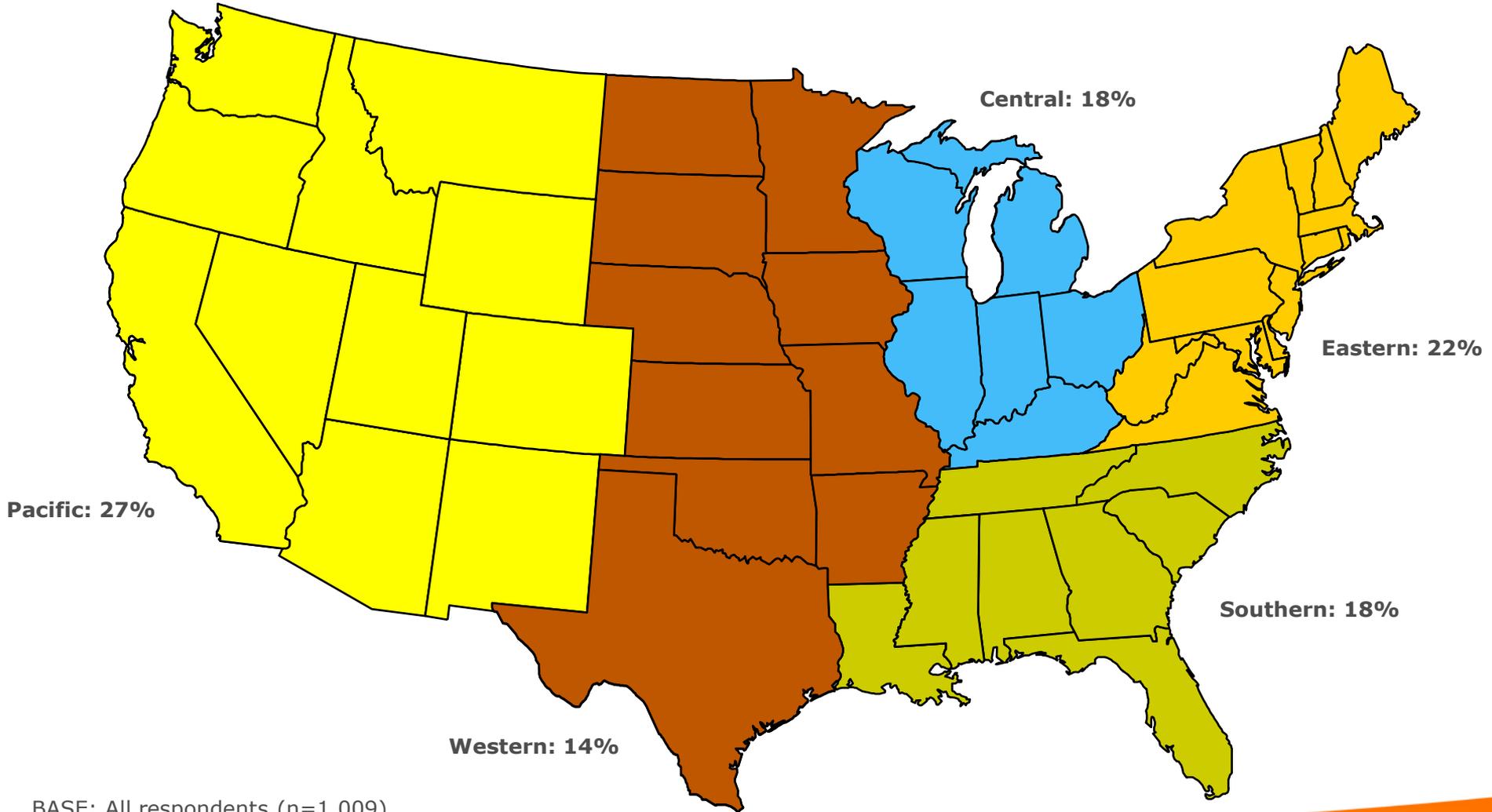


- Between 2 and 10
- Between 11 and 25
- Between 26 and 50

BASE: All respondents (n=1,009)

# Small Business Presence: AT&T Regions

Percentage of Total Completed Small Business Surveys in Each AT&T Region



BASE: All respondents (n=1,009)

# Executive Summary

# Executive Summary

- Small businesses are relying more on wireless technologies and social media to communicate, run their business and create and extend brand awareness. This is particularly evident in businesses that are fairly new (less than two years) and have a smaller number of employees (10 or less).
- Newer businesses (less than two years) are also more willing to adopt newer technologies.
- Very few small businesses have cut back on their use of wireless technology. Even the businesses that have reduced their IT budget, or their budget has stayed the same, have not cut back on their use of wireless technology. This is an indication of the growing importance of wireless technology for small businesses.
- Small businesses expect to rely more on wireless technology in the next year or two, especially businesses expecting their IT budgets to increase in 2010. But even the small businesses expecting no increase, or even a decrease in their budget in 2010, expect that their business will rely more on wireless technology within the next two years.

# **Economic Impact**

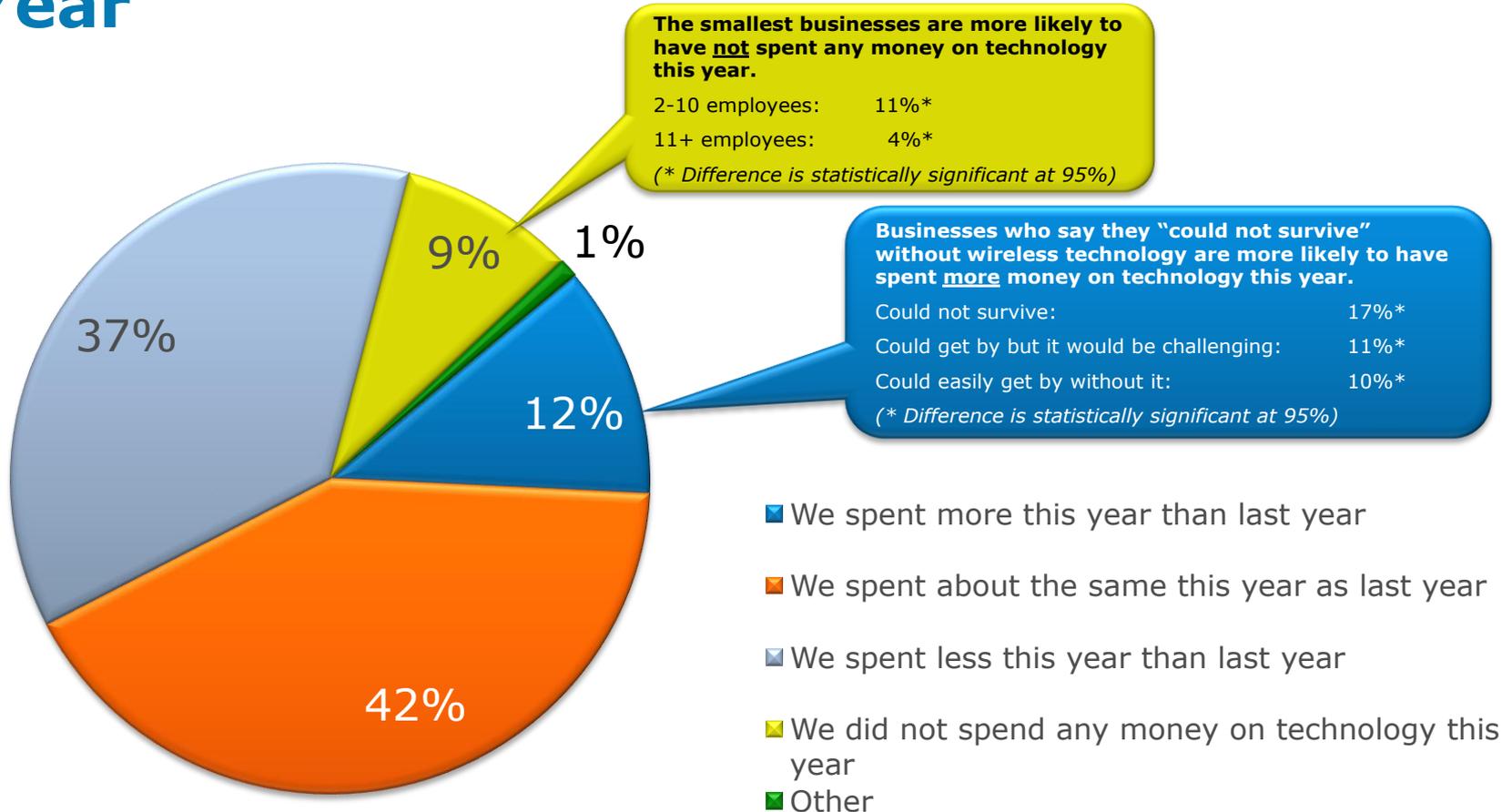
**National Data**

# Summary of Findings:

## *Economic Impact*

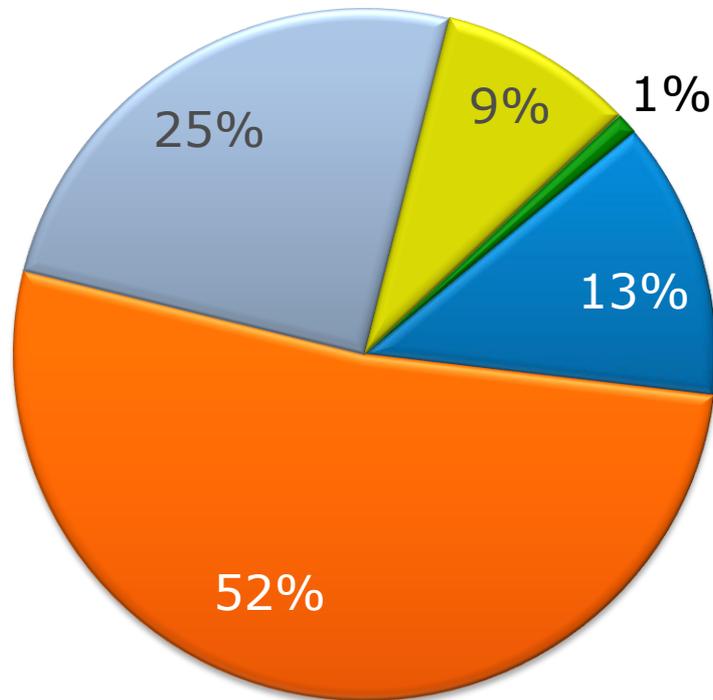
- The current economic environment appears to have had an impact on small businesses. Businesses are three times more likely to have reduced their 2009 budget from the previous year than have increased it.
- One in ten (9%) small businesses say they did not spend any money on technology this year, though this figure is in line with the 11% who indicate they don't have enough IT and/or computers to warrant IT support.
- It appears that actions in 2009 are likely to have an effect on plans in 2010. Two-thirds (66%) of companies that did not spend any money on technology in 2009 do not plan on spending any money in 2010.
  - Forty-two percent (42%) of companies who spent less in 2009 plan to do the same in 2010.
  - And, three-fourths (77%) of companies who maintained their 2008 IT budget in 2009 plan on keeping their 2010 budget about the same as last year (essentially seeing no or minimal increase in at least two years).

# IT and Wireless Technology Spending This Year



BASE: All respondents (n=1,009)

# IT and Wireless Technology Spending for 2010



BASE: All respondents (n=1,009)

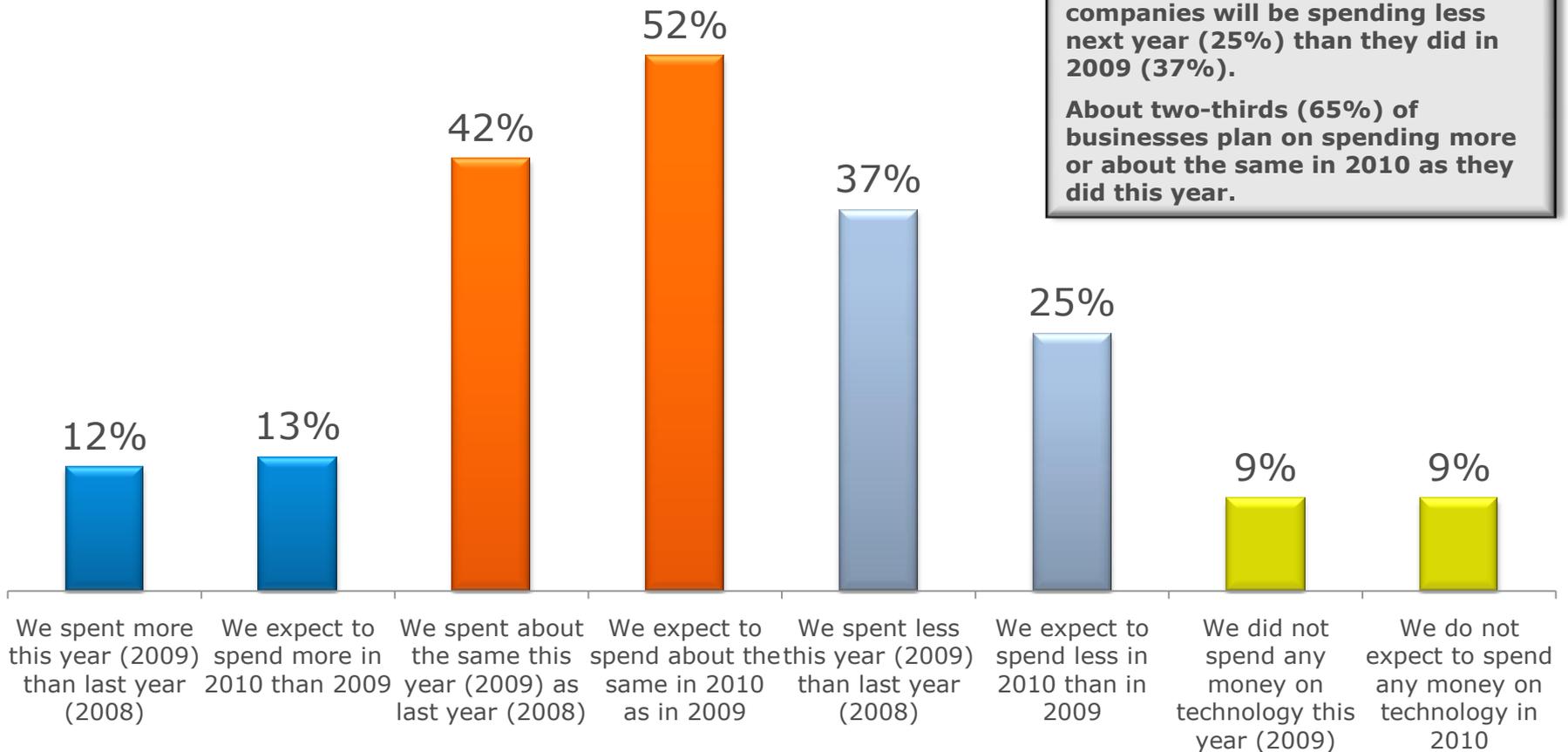
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Forty-two percent (42%) of companies who spent less in 2009 plan to do the same in 2010.

And, three-fourths (77%) of companies who maintained their 2008 IT budget in 2009 plan on keeping their 2010 budget about the same as last year (essentially seeing no or minimal increase in at least two years).

- We expect to spend more in 2010 than in 2009
- We expect to spend about the same in 2010 as in 2009
- We expect to spend less in 2010 than in 2009
- We do not expect to spend any money on technology in 2010
- Other

# IT and Wireless Technology Spending: 2009 Versus 2010



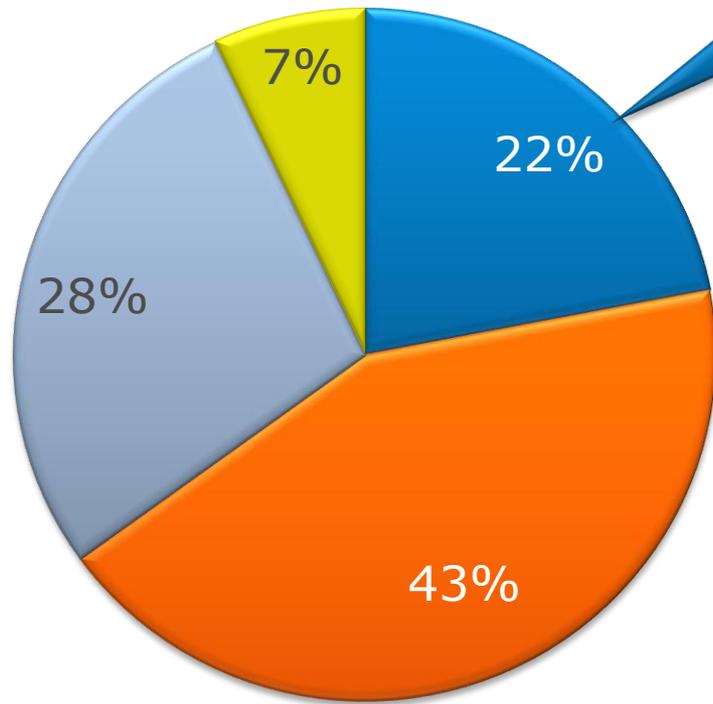
# **Wireless Technology**

**National Data**

# Summary of Findings: *Wireless Technology*

- Very few small businesses have cut back on their use of wireless technology. Even the businesses that have reduced or maintained their IT budget have not cut back on their use of wireless technology. This is an indication of the growing importance of wireless technology for small businesses.
- Overall, small businesses expect to rely more on wireless technology in the next year or two, especially the small businesses who expect their IT budgets to increase in 2010.

# Wireless Technology Scenarios



BASE: All respondents (n=1,009)

Firms who have been in business more than 10 years do not feel that wireless technology is as important to their survival as newer businesses.

<2 years: 31%\*

2-10 years: 31%\*

11+ years: 16%

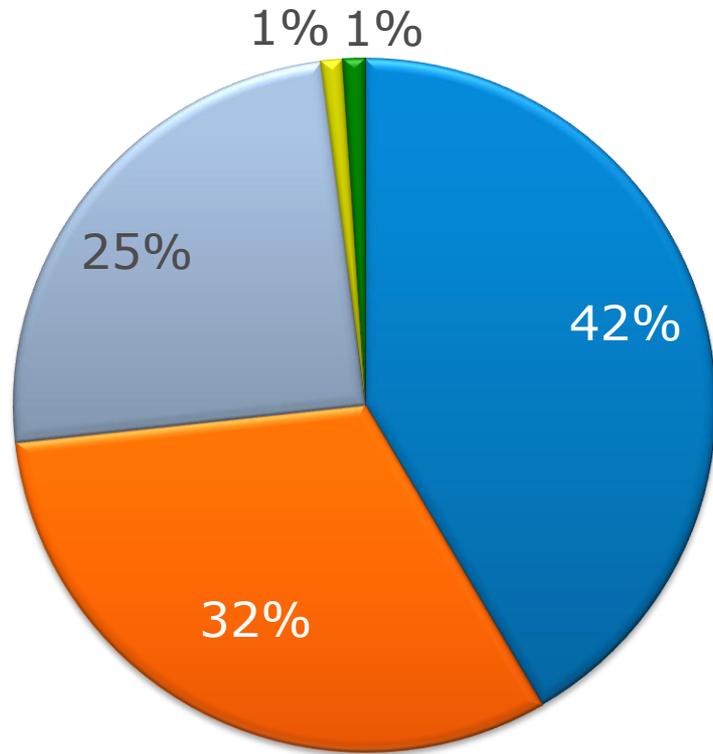
(\* Difference is statistically significant at 95%)

- Without wireless technologies, we could not survive or be in business
- Without wireless technologies, we could get by, but it would be a major challenge to overcome for our business
- We use some wireless technology, but we could easily get by without it
- We don't use wireless technologies in this business

(May not equal 100% due to rounding)

Q. Which one of the following scenarios most closely resembles your situation when it comes to wireless technology?

# Current Use of Wireless Technology Now Compared to Two Years Ago



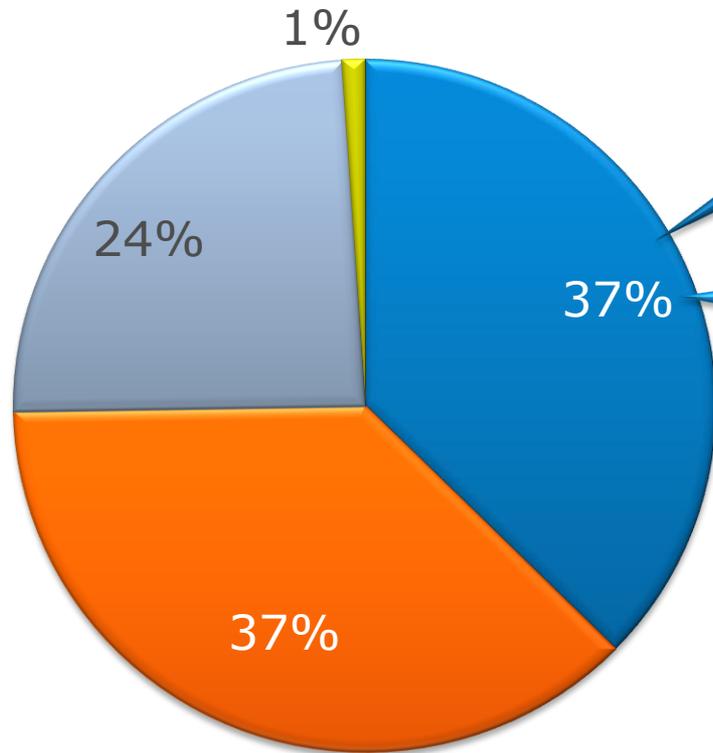
**74% of small business owners rely on wireless technology more now than two years ago.**

- Much more now than two years ago
- Somewhat more now than two years ago
- About the same now as two years ago
- Somewhat less now than two years ago
- Much less now than two years ago

BASE: Respondents who use wireless technology (n=969)

(May not equal 100% due to rounding)

# Expected Use of Wireless Technology Two Years From Now



BASE: Respondents who use wireless technology (n=969)

(May not equal 100% due to rounding)

**Small businesses expect to rely more on wireless technology in the next year or two, especially the small businesses who expect their IT budgets to increase in 2010.**

IT spend in 2010 – more:	52%
IT spend in 2010 – somewhat more:	35%

**Small businesses which rely on wireless technology expect to rely on wireless even more so within the next two years.**

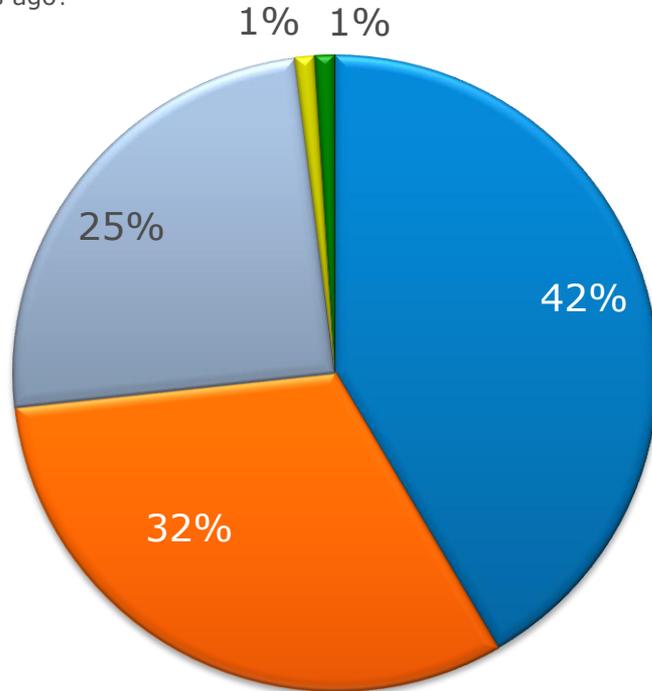
Could not survive without wireless:	57%
Would be challenging without wireless:	40%
We could easily get by without wireless:	18%

(\* Difference is statistically significant at 95%)

- Much more two years from now
- Somewhat more two years from now
- About the same two years from now as today
- Somewhat less two years from now
- Much less two years from now

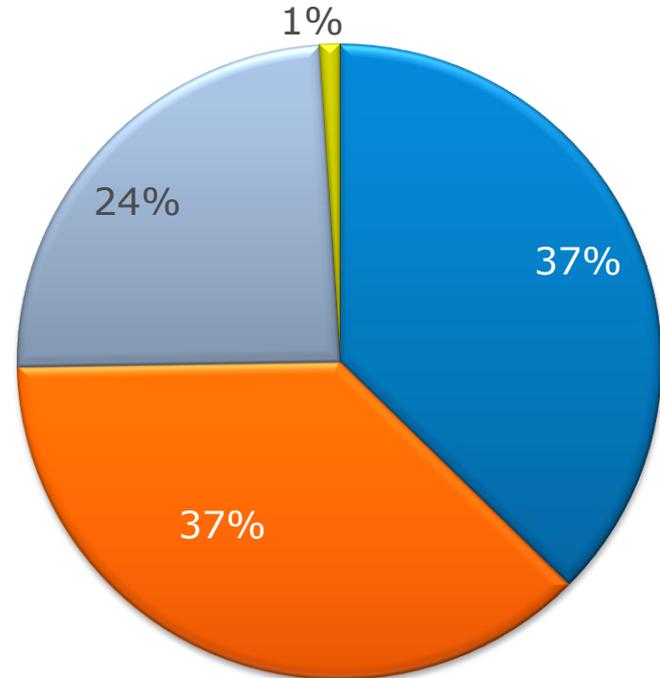
# Use of Wireless Technology: Current Versus Future

Thinking about your use of wireless technology for work, do you rely on wireless technology more or less now than you did two years ago?



- Much more now than two years ago
- Somewhat more now than two years ago
- About the same now as two years ago
- Somewhat less now than two years ago
- Much less now than two years ago

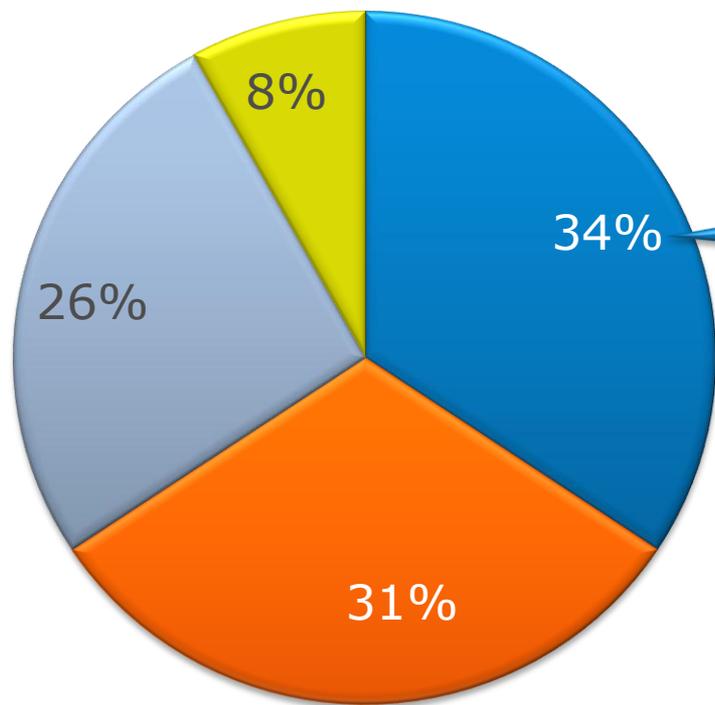
Thinking about your use of wireless technology for work, do you think you will rely on wireless technology more or less two years from now than you do today?



(May not equal 100% due to rounding)

- Much more two years from now
- Somewhat more two years from now
- About the same as in two years as today
- Somewhat less two years from now
- Much less two years from now

# Role of Wireless Technology in Providing a Competitive Advantage



Half of the firms who have been in business less than two years strongly believe that wireless technology is keeping them competitive.

<2 years:	49%*
2-10 years:	40%*
11+ years:	28%

(\* Difference is statistically significant at 95%)

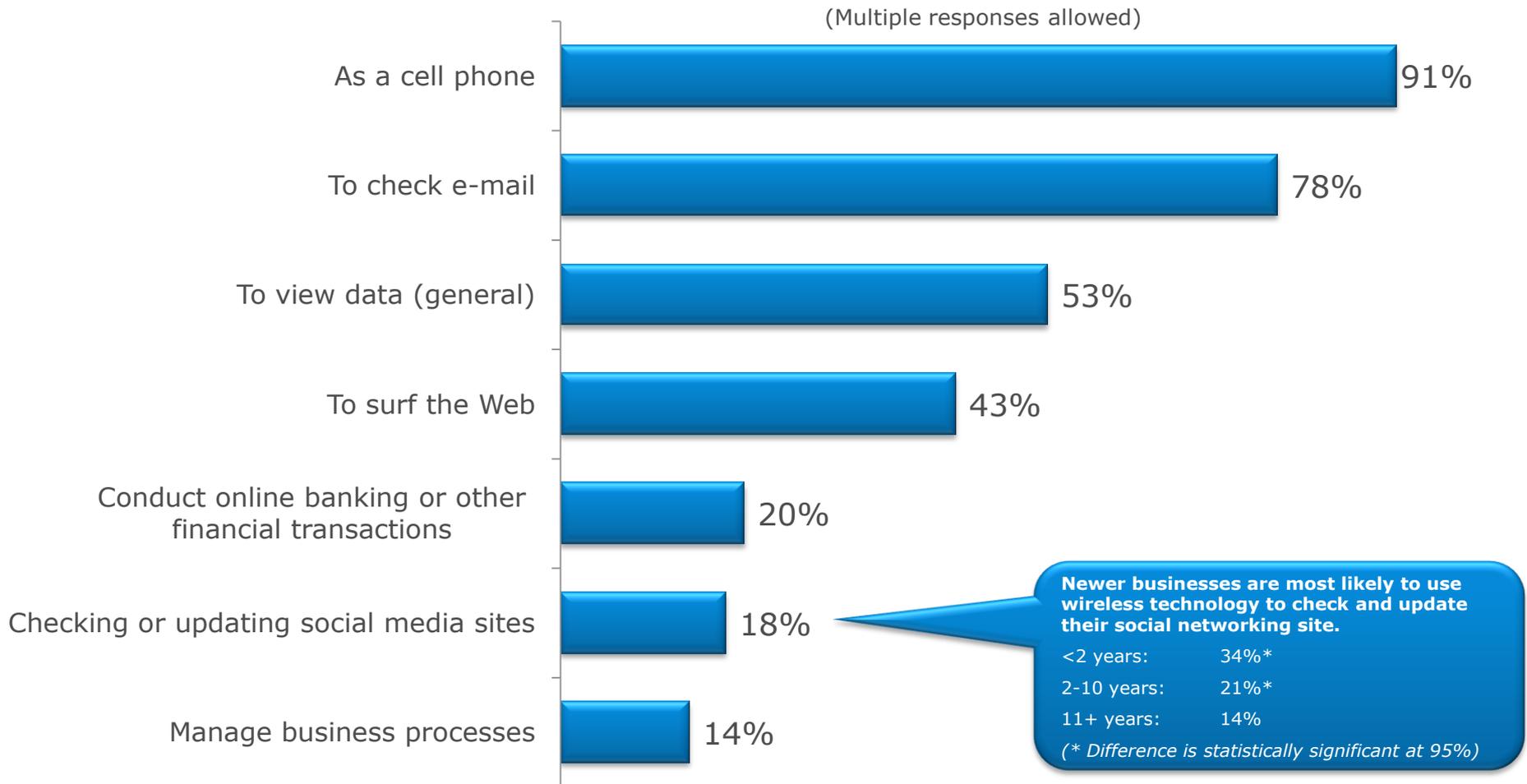
- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree/strongly disagree

("Don't Know" is not shown)

BASE: Respondents who use wireless technology (n=969)

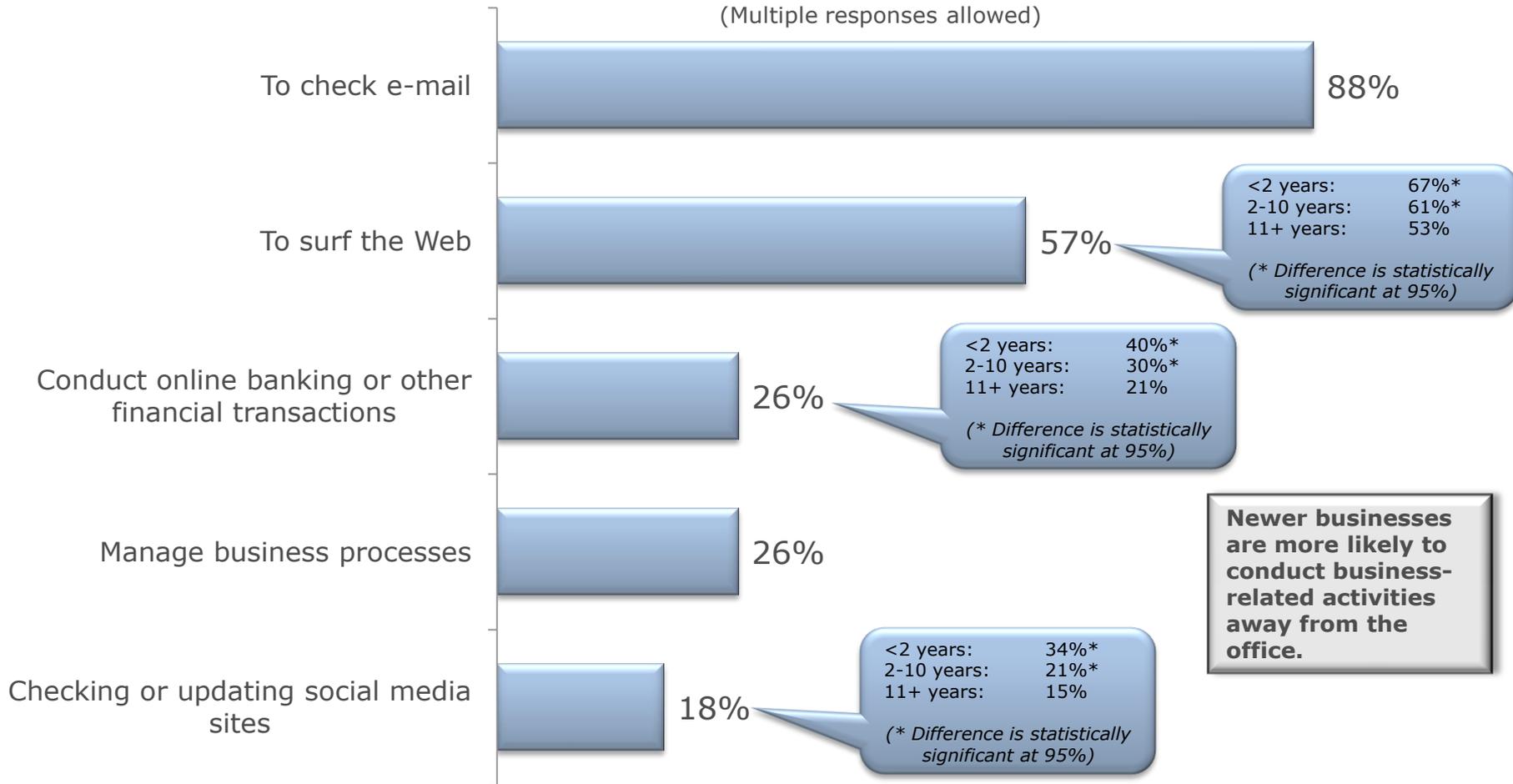
(May not equal 100% due to rounding)

# Use of Smartphone For Business-Related Activities



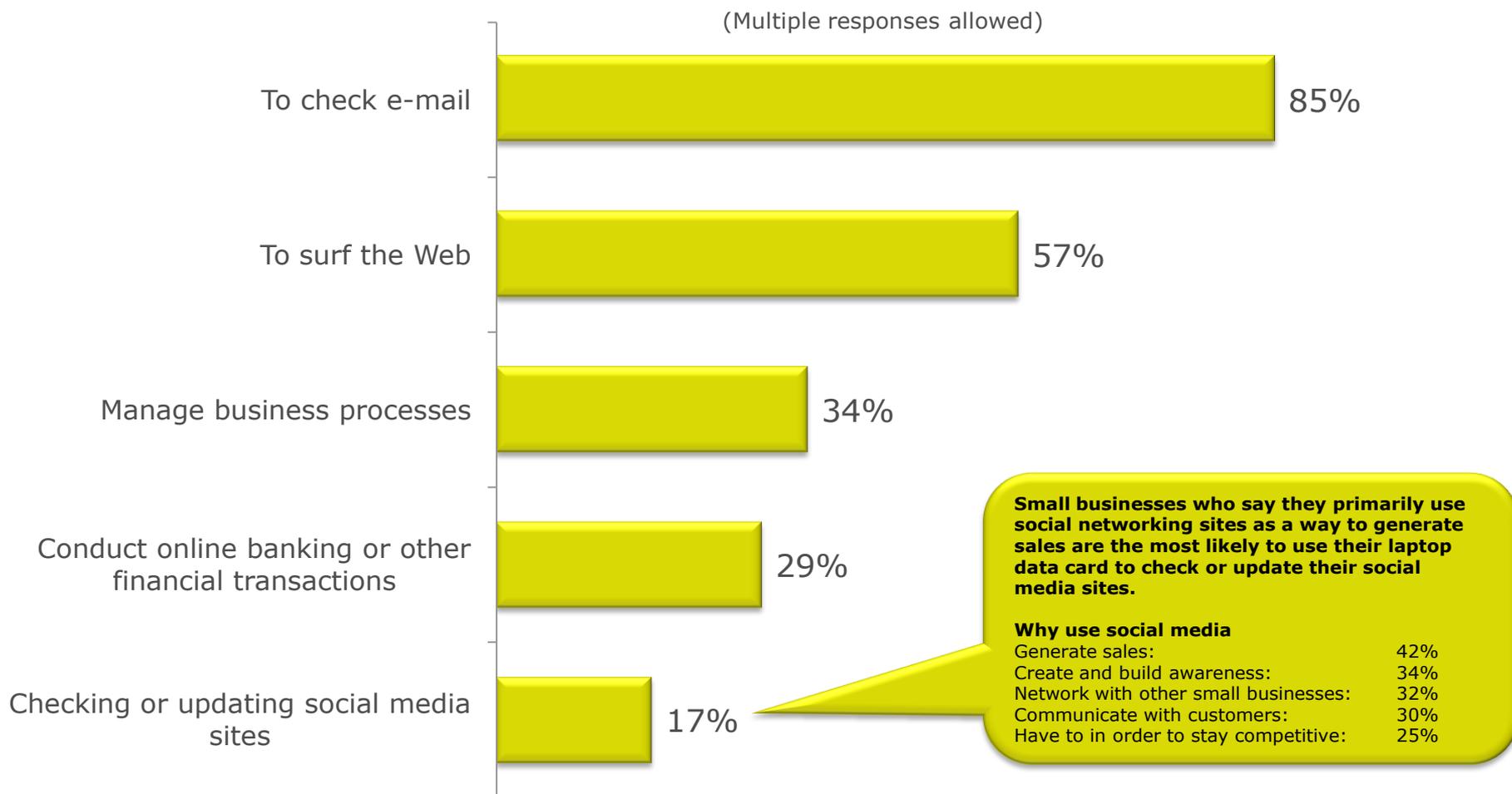
BASE: Respondents who use a Smartphone for business-related activities (n=811)

# Use of Wi-Fi for Business-Related Activities



BASE: Respondents who use Wi-Fi hotspots to conduct business (n=796)

# Use of a Laptop Data Card For Business-Related Activities



BASE: Respondents who use a laptop data card to conduct business (n=714)

# **Wireless Data Security**

**National Data**

# Summary of Findings: *Wireless Data Security*

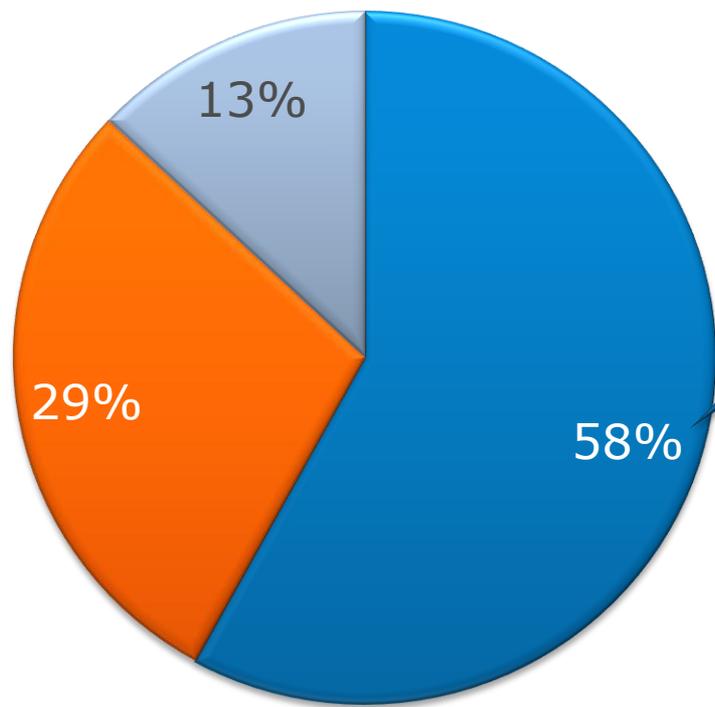
- Most small businesses are at least somewhat concerned with wireless data security, though smaller businesses are less concerned with security than larger businesses.
- Newer businesses are more concerned than firms that have been in business for a while.
- Smaller firms are more likely to install software to address wireless security threats, while the larger small firms are more likely to block access to certain Web sites and hire people to handle the security.

# Concern With Wireless Data Security

**Most small businesses are at least somewhat concerned with wireless data security.**

**Smaller businesses are less concerned with security than larger businesses.**

**Newer businesses are more concerned than firms that have been in business for a while.**



24% rated their concern a "10"

- Concerned (8-10)
  - Somewhat concerned (5-7)
  - Not concerned (1-4)
- MEAN: 7.3

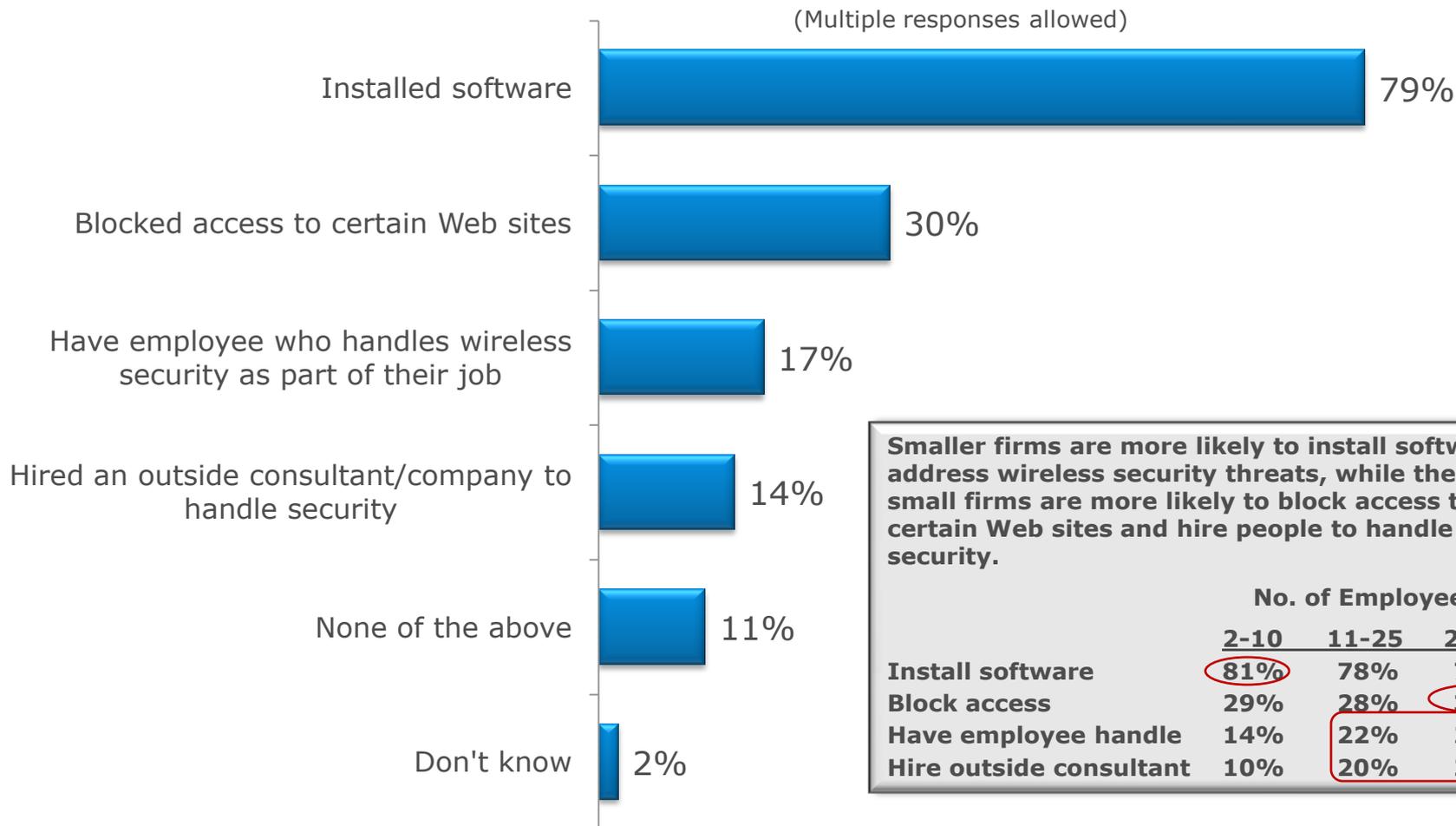
("Don't Know" is not shown)

BASE: Respondents who use wireless technology (n=968)

(May not equal 100% due to rounding)

Q. Using a scale from 1 to 10, with 1 meaning "not a concern at all," and 10 meaning a "major concern," how concerned are you about wireless data security for your business?

# Addressing Wireless Security Threats



**Smaller firms are more likely to install software to address wireless security threats, while the larger small firms are more likely to block access to certain Web sites and hire people to handle the security.**

	No. of Employees		
	2-10	11-25	26-50
Install software	81%	78%	76%
Block access	29%	28%	37%
Have employee handle	14%	22%	26%
Hire outside consultant	10%	20%	24%

BASE: Respondents who use wireless technology (n=968)

# **Importance of Technology**

**National Data**

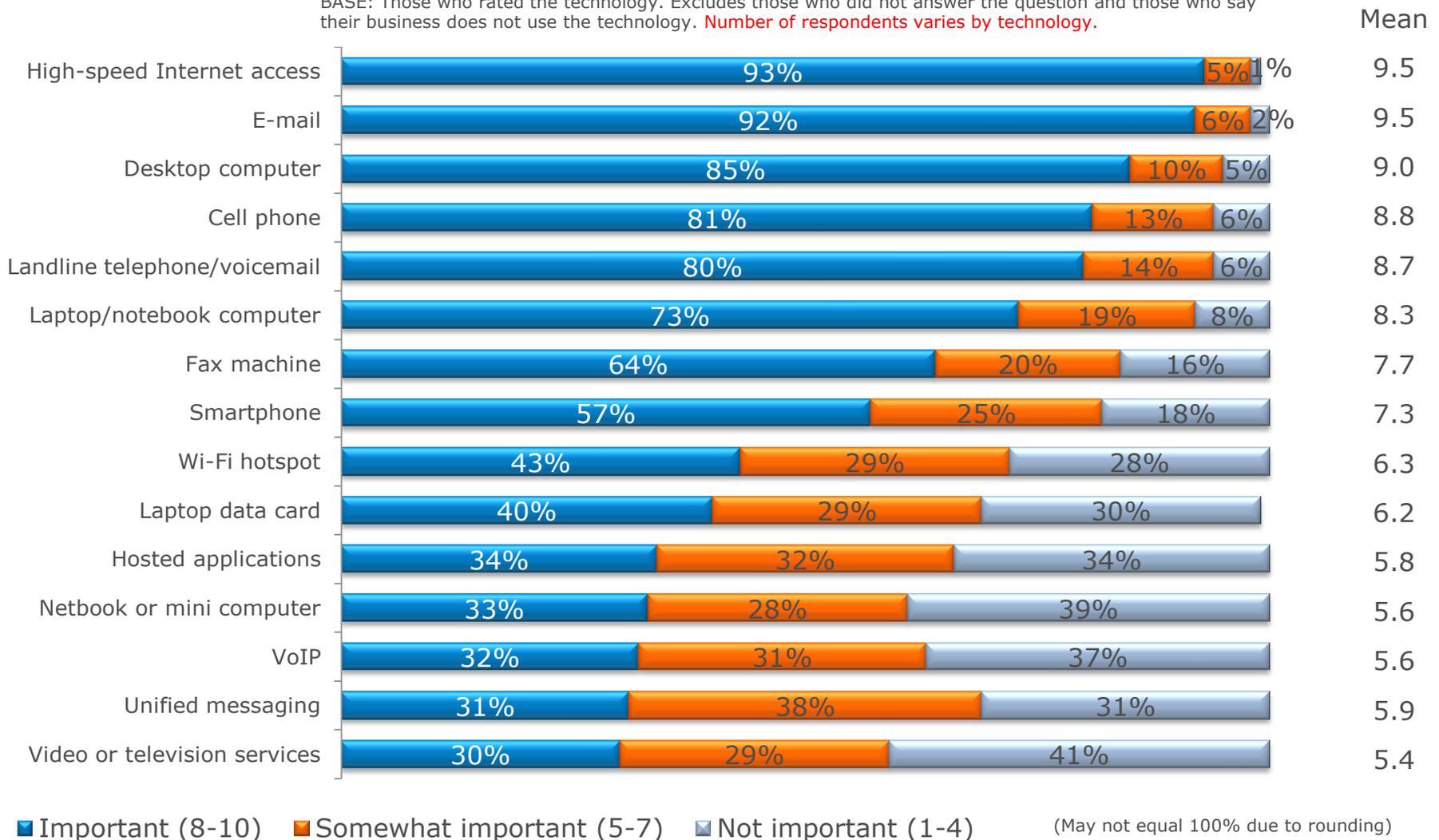
# Summary of Findings:

## *Importance of Technology*

- Small businesses in operation less than two years (newer businesses) are more willing to adopt recent technologies. Noteworthy is that in some cases, these technologies weren't around when some of the older businesses started out over 10 years ago.
- The importance of various technologies appears to be driven by how long a business has been in operation (e.g., newer and older businesses).

# Importance of Technology

BASE: Those who rated the technology. Excludes those who did not answer the question and those who say their business does not use the technology. **Number of respondents varies by technology.**



**Q. For each of the following technologies, please rate how important each is to making your business more productive.**



# Importance of Technology: By Subgroups

- Newer businesses (<2 years) are more willing to adopt newer technologies. Noteworthy is that in some cases, these technologies weren't around when some of the older businesses started out.
- Greater variance exists primarily between newer and older businesses, not so much with the size of the business (e.g., number of employees).

% of small businesses rating the importance of each technology an 8, 9 or 10 on a 10-point scale	Total (%)	No. of employees			Length of time been in business		
		2 to 10	11-25	26-50	<2	2-10	11+
High speed Internet access	<b>93%</b>	93%	94%	93%	93%	93%	94%
E-mail	<b>92%</b>	93%	94%	88%	92%	92%	93%
Desktop computer	<b>85%</b>	84%	86%	86%	67%	81%	89%
Cell phone	<b>81%</b>	82%	81%	77%	82%	85%	79%
Landline telephone and/or voicemail	<b>80%</b>	78%	85%	83%	66%	74%	85%
Laptop/notebook computer	<b>73%</b>	73%	74%	69%	76%	78%	70%
Fax machine	<b>64%</b>	60%	70%	76%	50%	60%	69%
Wireless Smartphone	<b>57%</b>	55%	63%	59%	63%	66%	52%
Wi-Fi hotspots	<b>43%</b>	44%	40%	40%	49%	48%	39%
Laptop data card	<b>40%</b>	40%	43%	39%	43%	46%	37%
Hosted applications	<b>34%</b>	32%	35%	44%	42%	41%	29%
Netbook computer	<b>33%</b>	36%	25%	30%	48%	37%	28%
VoIP	<b>32%</b>	32%	33%	29%	42%	38%	27%
Unified messaging	<b>31%</b>	32%	29%	31%	37%	38%	27%
Video or television service	<b>30%</b>	32%	27%	27%	43%	36%	24%