

SME Survey 2009 finds ADSL continues to rise

Results of the SME Survey 2009 have now been disclosed and one of the preliminary findings is that ADSL has become the connection of choice for the SME, due to its reliability and relative low pricing.

Sponsored by Standard Bank, Umsobomvu Youth Fund and Fujitsu, SME Survey is in its sixth year and polls 2500 business decision makers on crucial issues affecting their businesses.

According to principal researcher Arthur Goldstuck, ADSL had almost precisely replaced dial-up as the primary form of Internet connectivity among SMEs. "ADSL had grown from 3 to 63% penetration of SMEs using the Internet in the period between 2003-2008, while dial-up dropped from 62 to 9.5% by last year. This year's research shows that dial-up has halved again to 4%," he stated.

Dial-up being wiped out

This confirms the prediction made by SME Survey 2005 that dial-up would disappear as a viable connectivity option for SMEs. "ADSL is finally wiping out dial-up access as an alternative," Goldstuck added.

"We have seen a steady decline in the requirement for dial-up modems and on-board modems within our business clients product portfolio," said Ross Olver, portfolio manager business clients at Fujitsu. "Interestingly enough, we have seen a substantial increase in the demand for portable mobile devices with built in 3G (UMTS) connectivity as users discover the benefits of high-speed connectivity. This backs up the preliminary findings of the SME survey."

Wireless broadband

Wireless broadband has seen more leisurely acceptance, growing from a zero base to 10.5% of SMEs using it as their primary connection by 2008. "With one in 10 SMEs using it as a primary connection by 2008, wireless broadband appeared to be destined to compete with ADSL, while ADSL would continue growing," said Goldstuck.

However, instead of wireless broadband gaining further traction, it fell back for the first time. "All forms of wireless broadband combined, including 3G, iBurst, WiMAX and municipal WiFi, dipped from 10.5 to 8% penetration as a primary form of Internet connectivity among SMEs," said Goldstuck.

ADSL more reliable

It also demonstrates the need for reasonably priced services. "ADSL simply offers more reliable and cost-effective broadband than any wireless option - and the cost of incremental usage is not as high as for 3G," explained Goldstuck.

The findings show a clear reversal of wireless broadband growth as a primary form of Internet connectivity. That, says Goldstuck, is an indication that wireless broadband is not meeting the needs of the SMEs to the extent that ADSL does from both a cost and performance perspective.

“Furthermore, the research shows that smaller companies are more likely to use wireless broadband as a factor of the lower entry level cost, while larger ones use ADSL. It can, therefore, be expected that as companies grow larger, they will move to ADSL,” he noted.

Back-up the opportunity for wireless broadband

The real opportunity for wireless broadband lies in back-up connectivity. A growing trend is emerging where SMEs use a 3G card as a secondary connection when away from the office; from 27% in 2008, Goldstuck said this has grown to 38% this year.

“What is clear is that once businesses start using the Internet, it very quickly becomes an essential service. Those that may have started using a dial-up connection very quickly realised its limitations and seek a faster, more reliable connection, with an increasing number looking for an alternative to keep them connected, even when travelling,” Goldstuck concluded.

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