



CONVERGED COMMUNICATIONS
COMPETITIVE INTELLIGENCE

Australia's Business Telecommunications Market

Outlook, Opportunities and Preferences

GQ-AAS Client Function
Melbourne
24 July 2007

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Agenda

- Who Are We?
- Survey Methodologies
- Key Findings

Who Are We?

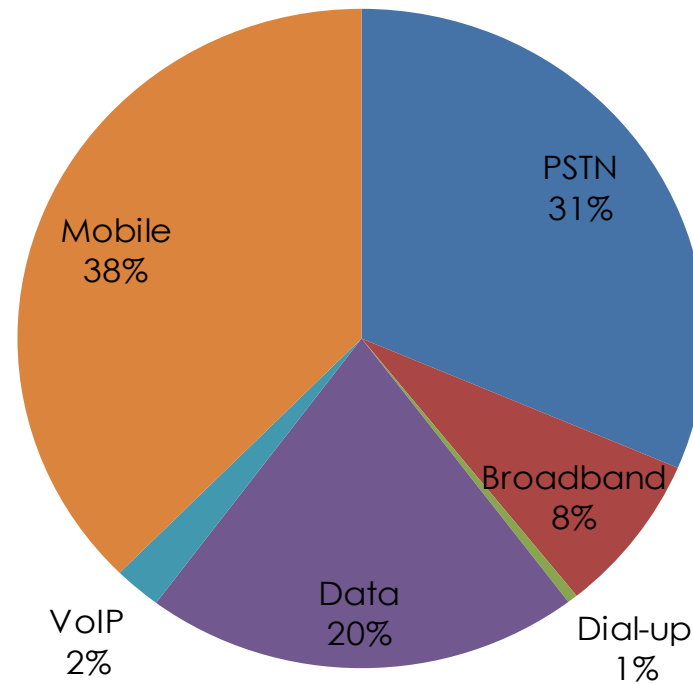
- Australia's leading telecom market research & consultancy
- Specialised in the competitive intelligence of converged communications in the business market:
 - **Carrier & Broadband**
 - **Mobile & Wireless**
 - **Enterprise Communications**
- Also well known for online databases
 - **Instant Benchmark** – Australia's most comprehensive telecom service pricing online database
 - **Instant Forecast** – Australia's first industry KPI metrics and forecast online database
- A business unit of GQ-AAS; based in Sydney with 4 experienced analysts

Methodology

- This presentation is based on Telsyte's annual business decision maker survey.
- Conducted in 1Q calendar 2007, with over 900 qualified respondents.
- Respondents were randomly recruited from Australian businesses of all sizes, vertical industries, and geographies a sampling that resembled actual Australian business distribution.
- Questions included:
 - Current usage and spending of telecom technologies
 - Future adoption plans for telecom technologies and solutions
 - Carrier/vendor preferences and perceptions
 - Past and future churn, reasons and satisfaction
 - Drivers and inhibitors of IP technology and solution adoptions
 - Use of external consultants

Australian Business Telecommunications Market, A \$13.7 billion market in 2007

**Australian Business Telecommunications
Market, 2007**



Source: Telsyte, 2007

From "Australian Business Fixed-Line Usage and Directions, 2007 End-User Survey", June 2007 (Publication Number: 80428); and "Australian Business Mobile Usage and Directions, 2007 End-User Survey", June 2007 (Publication Number: 80429).

Key Findings

- Telecom opportunities in the next 3 years will be underpinned by IP.
- Opportunities are vertical industry-based, and not so much state-based.

Growth Areas

- Fixed line
 - IP network migration → Government, Manufacturing, Wholesale & Retail
 - VoIP → Education, Primary, Retail & Wholesale
- Mobile
 - Wireless email → Transport & Utilities, Manufacturing, Primary
 - Location-based services → Transport & Utilities, Telecom & Media, Manufacturing
 - Mobile CRM/FFA → Transport & Utilities, Telecom & Media, Retail & Wholesale
- Enterprise Telephony
 - IP telephony migration → Government, Healthcare, Education

Key Findings

- Telstra and Optus dominate business fixed line and mobile markets
 - PSTN: Telstra 69%, Optus 15%
 - Broadband: Telstra 49%, Optus 16%
 - Data Comms: Telstra 67%, Optus 18%
 - Mobile: Telstra 55%, Optus 28%
- While Cisco leads the equipment market (shipments)
 - 17% of Enterprise Telephony
 - 31% of IP Telephony
- Very high churn intentions observed in all segments
 - Fixed line and mobile: Price → Coverage → Reliability → Bundles
 - Equipment: Old legacy systems → Next phase of IP (Unified Comms)
- “Low loyalty, wait and see” approach
 - About half of businesses intend to churn, but most don’t know who to churn to
 - Waiting for the carrier/vendor *du jour* – most likely the cheapest

Key Findings

- Major inhibitors to IP solution adoptions
 - ROI & business case justification
 - Understanding technology roadmaps
 - Business & ICT alignment
 - Solution integration
- More than half of businesses do it themselves and do not seek external help
 - SMEs – too small to afford and need consultants
 - Large – have in-house IT skills
 - High-end SMEs and mid-market segments “sweet spots”
- Those seeking external help turn to
 - Carriers & service providers
 - Equipment vendors
 - IT companies / systems integrators
 - Management consultants
 - Technology consultants

Questions

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