



Better Broadband, Better Business

A SIRO Research Report
March 2024

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FOREWORD

One of the fundamental changes in the Irish broadband market over the last five years has been the rapid roll-out of fibre broadband across Ireland.

In 2015, when SIRO was founded, only 1% of all premises had access to fibre broadband. Since then, SIRO has been to the fore in driving the delivery of full fibre broadband networks in Ireland. Today access to fibre broadband now stands at almost 60% of Ireland's 2.2 million premises – homes and businesses, with network builds continuing.

The Government has also set a target of providing all households and businesses in the country with access to gigabit connectivity by 2028.

The growth in access to fibre broadband comes at a time when technology, and the connectivity which underpins it, is globally reshaping many of the ways in which business operates.

Ever increasing online transactions, the embedding of remote and hybrid working, the proliferation of Cloud-based collaboration technologies, the emerging impact of artificial intelligence (AI) in areas as diverse as sales and marketing, software engineering, customer service or research and development, are but a few examples.

Fast, high quality and reliable connectivity is now a must have for all businesses.

Without dependable broadband, a business is operating at a huge competitive disadvantage. Reduced productivity, bad customer service, flat online sales, issues with digital payment transactions or incomplete business data can all result from poor connectivity.

Equally, damaging is the missed opportunity to benefit their business by using the latest technologies which cannot be integrated into operations due to inadequate connectivity.

As fibre broadband, with its faster speeds, reduced latency and superior reliability proliferates across Ireland, the inadequacies of copper networks for modern business are exposed like never before.

The imminent commencement of copper switch off - the process of shutting off Ireland's copper broadband network – means that businesses need to now move faster to fibre broadband to prevent a cliff edge scenario.

With these considerations to the fore, in January 2024, SIRO commissioned Amarách Research to undertake research with Irish businesses to better understand their current views on and experiences of broadband.

The findings provide meaningful insights into the importance of broadband now as a critical tool of business. It also offers guidance on the challenges which must be overcome to ensure that all Irish businesses, from the smallest to largest, can really tap into the transformative benefits of full fibre connectivity for their business and the wider Irish economy.



Ronan Whelan
Chief Commercial Officer

METHODOLOGY

This study employed an online survey approach to gather insights from business decision-makers concerning their broadband usage and perceptions. Study undertaken by Amárach Research.

Sample Selection:

A sample of **271** business decision-makers with existing broadband connections was derived from a nationally representative sample of 1,000 adults aged 18 and above in the Republic of Ireland.

Field Work Dates:

Data collection took place from the **15th to the 17th of January 2024**.

Size of Sample Businesses:

1-9	10-49	250+
employees	employees	employees

Sector of Businesses:

18 Different sectors including: health, education, construction, hospitality, IT, government, and more.

Business Location



Highlights

The research looked at a range of key issues relevant to Irish business and their broadband usage, such as types of broadband used, fibre broadband adoption rates, perceived benefits and challenges faced by businesses in leveraging broadband technology. From connectivity preferences to satisfaction levels and future outlooks, these highlights provide valuable insights into the evolving broadband landscape and its implications for the Irish business community.



80%

Agree that broadband plays an important role in their daily operations



53% of businesses do not have a fibre broadband connection



32% have upgraded to fibre over the last five years. A third have not (35%)



Businesses with less than 10 employees are most likely to have not upgraded to fibre



Cost and lack of fibre in the area are considered the main barriers to fibre broadband upgrade




86% of businesses connected to fibre reported their connection met or exceeded their expectations

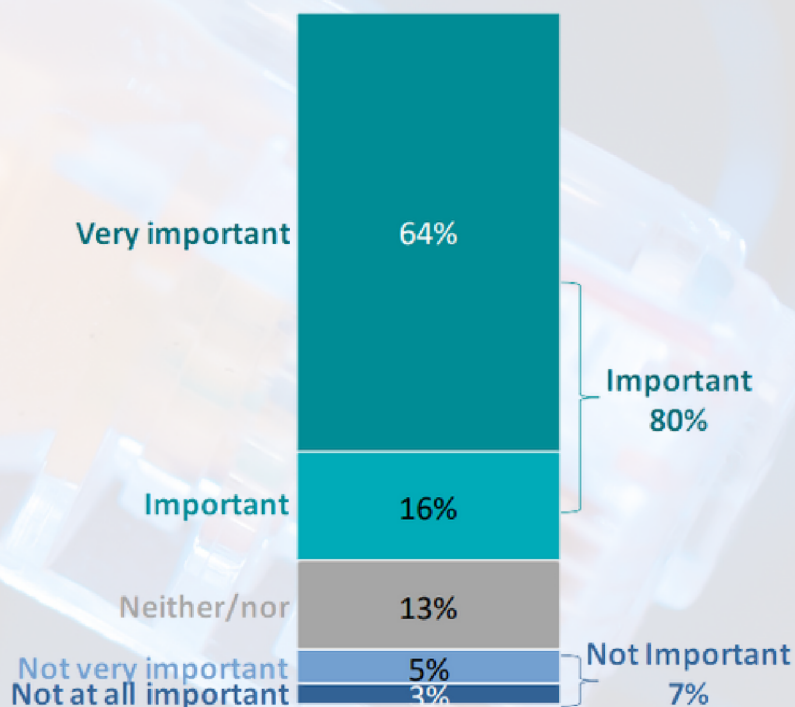
RESULTS


Importance of Broadband to Irish Business

Broadband plays a leading role for **80%** of businesses, with **64%** emphasising its 'very important' role.

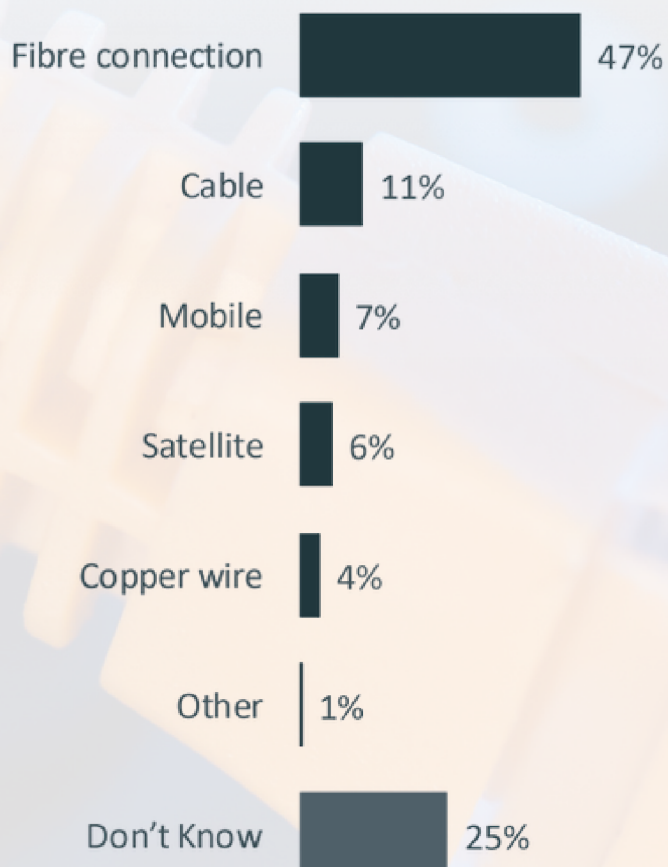
 An additional **16%** recognise its significance as 'important' for business operations.

Irrespective of size, Irish businesses affirm the crucial role of broadband in their daily operations.



 This sentiment is shared by businesses both within and beyond Dublin (**82%** and **78%** respectively).

Types of broadband used by Irish Business



Across businesses of all sizes, an average of **47%** rely on fibre connections for their broadband services.



51% of businesses in Dublin have access to a fibre connection, compared to **43%** of those in regional areas.

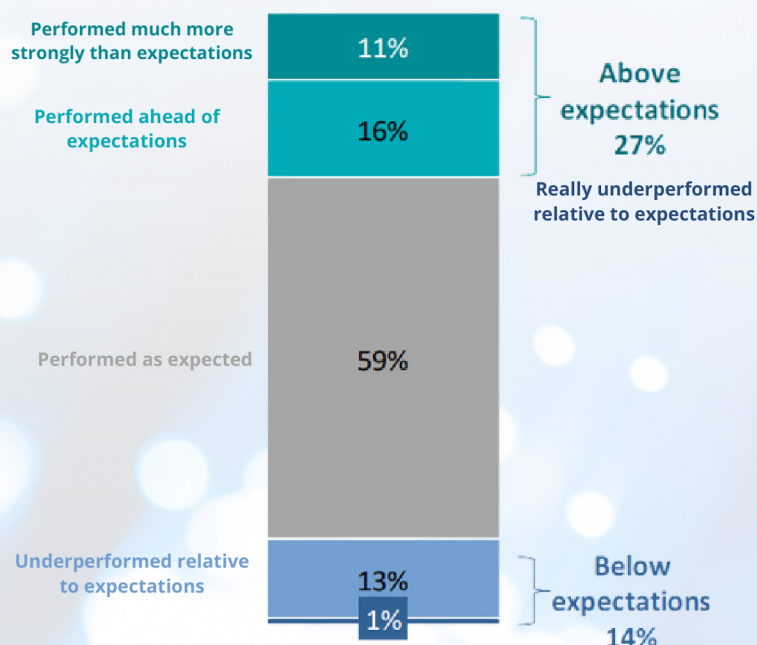
The data shows that over half (**53%**) of Irish business are still not using a fibre broadband connection.

Even for those with fibre, many will have an inferior Fibre to the Cabinet (FTTC) connection. This is fibre to a street cabinet but still using slower copper for the last mile into their business premise.

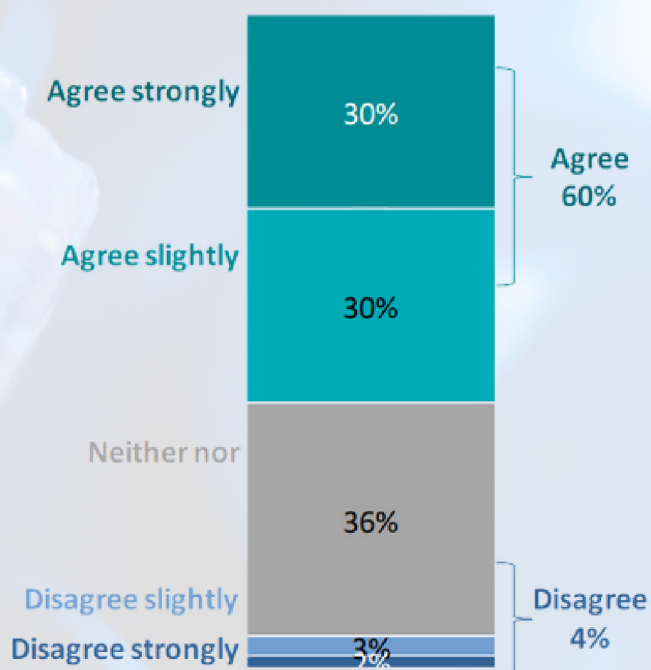
Much less businesses have a full fibre connection (Fibre to the Premise (FTTP), which is recognised as the best standard of connectivity available.

Satisfaction with fibre broadband

Among businesses that have upgraded to fibre broadband within the past five years, the majority expressed satisfaction that their expectations were met or exceeded. **59%** reported that the upgrade performed as expected, while **27%** were surprised as the performance exceeded their initial expectations.



Benefits of fibre broadband

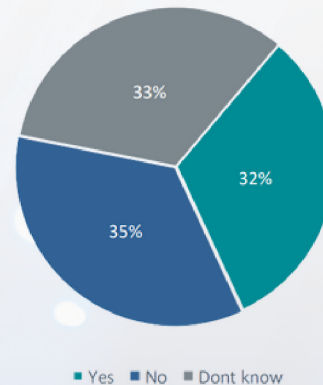


A majority of respondents (**60%**) who have upgraded their organisation's broadband to a fibre connection agreed on the potential for significant organisational benefits. Interestingly, respondents without a fibre connection tend to perceive that fibre may not bring substantial organisational advantages.

Whose using fibre broadband?

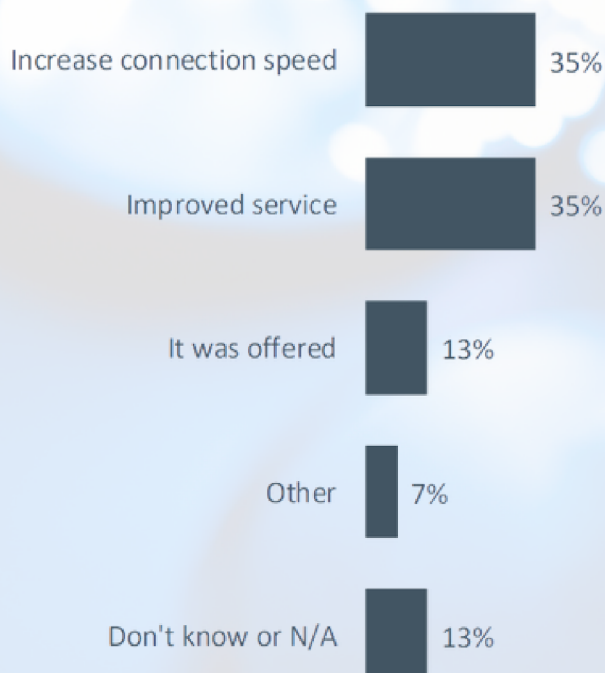
Approximately **one-third** of businesses have migrated to fibre broadband in the past five years, while another third have yet to make the transition. Worryingly, a third of the business leaders asked don't know what broadband service they are using.

42% of businesses outside Dublin have not upgraded to fibre broadband compared to **25%** of businesses inside Dublin. With all cities outside of Dublin and the majority of towns, where the largest number of our businesses are located, fibre broadband enabled, a lack of fibre infrastructure cannot explain the extent of this gap.



Micro businesses with fewer than 10 employees are the segment least likely to have upgraded to fibre broadband during this period (**51%**), while medium-sized businesses take the lead in fibre upgrades (**35%**).

Reasons for switching to fibre



Irish businesses leaned towards prioritising improved **connection speed** and an overall **enhanced service** as the primary reasons for transitioning to fibre, with **35%** emphasising each aspect.

Key obstacles to fibre broadband upgrade

The survey reveals that **26%** of respondents attribute cost, while **22%** highlight the lack of fibre availability as the main obstacles identified for a fibre broadband upgrade.



These perceived barriers are more pronounced for businesses located outside of Dublin, where the figures rise to **30%** for cost and **25%** for the lack of fibre. In contrast, businesses in Dublin report lower percentages, with **19%** citing cost as a barrier and **16%** identifying the lack of fibre infrastructure.



The findings on perceived barriers to switching to fibre broadband point to a lack of awareness amongst many businesses on key aspects in respect of fibre broadband such as on price or local access. For example, a fibre connection is broadly comparably priced to a copper connection. Whilst, given the growth of fibre to the premise networks, many businesses may already have access.

RECOMMENDATIONS

The research findings show us that while some businesses have made the leap to fibre broadband once they can access it, many more have not and are still reliant on outdated connectivity, particularly copper networks.

This is a wasted opportunity for Irish business, irrespective of size or sector.

Having future proofed full fibre connectivity puts in their hands tools and technologies which can drive the growth and sustainability of their business for the long-term. Where they do not migrate to full fibre, these businesses are exposed to outdated technology, lack of innovation and vulnerable once copper switch off commences.

Actions which should be considered to ensure that all Irish businesses migrate to full fibre connectivity include:

1

A **national information campaign** increasing awareness of FTTP broadband for Irish businesses with key facts on:

- The benefits of full fibre broadband vs. older copper based broadband technologies.
- This must include education on the significant distinction between the superior Fibre to the Premise (FTTP) and copper dependant Fibre to the Cabinet (FTTC)
- The cost of FTTP, dispelling fears that it is prohibitively expensive relative to copper.
- Information on copper switch off and how businesses need to prepare for switch off now.

2

Targeted State supports for business to subsidise the installation cost of full fibre broadband infrastructure to a business premise. The existing Trading Online Voucher Scheme which provides supports to businesses to trade online, should be expanded to cover initial FTTP broadband installation costs.

3

Mandate the National Broadband and Mobile Taskforce to develop an **Action Plan for Business Migration to Fibre Broadband**. Through collaboration with broadband providers, businesses representatives and State agencies, this plan would then be implemented and activated by broadband officers in each local authority area. The Plan's objective would to inform and support business in migrating to Fibre to the Premises Connectivity.



About SIRO

SIRO is a joint venture between ESB and Vodafone, formed in 2015, to roll out a new full fibre broadband network across Ireland. To date, SIRO has rolled out network to every county in Ireland with its broadband network in over 135 towns and cities and available to over 550,000 homes and businesses nationwide. The company is on track to reach 700,000 premises by 2026.



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