

CEBR reveals broadband nightmare for London's small businesses

- SMEs waste £37m a year on unwanted landlines -
- Over 50,000 working days lost each year waiting for installation -
- Central London boroughs clock up lowest download speeds -
- Over a quarter of SMEs looking to switch broadband provider-

The Centre for Economics and Business Research (CEBR) has produced a report¹ which unveils a multitude of issues compromising the effectiveness of the 420,630 SME's trying to build a successful business in the capital.

Commissioned by Relish, London's new communications provider, the report highlights that London's SMEs are wasting **£37m a year** on increasingly redundant landlines, adding to cost and frustrations. **Nearly two thirds** (62%) of SMEs are confident that they could operate effectively without a landline.

Despite the fact that **45% of SMEs** in the Greater London area are based in **Central London** boroughs, they are often subject to the slowest broadband speeds. The problem is worst in the City of London where average speeds are just 11.9 Mbps². This is compared to the London average of 20.5 Mbps. Out of these businesses, **just 6%** have access to superfast broadband².

Further inconveniencing London's SMEs is the amount of time, and ultimately money, lost waiting for broadband to be installed. CEBR found that London SMEs waste a total of **50,400** days per year supervising and arranging the installation of a broadband connection - costing over **£7.8 million** a year in lost productivity.

East London, dubbed 'Silicon Roundabout' owing to the prominence of British web-based companies, has the second-slowest speeds in the whole of Greater London.

This is not just a trend confined to London, with a recent report by the Federation of Small Businesses (FSB) surmising that due to its below-average speed, the UK's broadband is not 'fit for purpose.'

Accumulatively, with all of these problems combined, **over a quarter** (27%) of London's SMEs have stated that they will change their broadband provider in the next year.

Nicholas James, CEO of Relish, said: "SMEs play a crucial role in shaping the future of the capital and fast broadband in London should be available

for all. We have created a portfolio of services that fulfill the demands of central London businesses which are shaping the future of London.”

Paul Dolman-Darrall, Founder of Gamevy, a gaming consultancy that creates playable quiz shows said: “Our new technology start-up has faced many business challenges since launching but we never thought broadband would be one of them. Despite residing in an office on the edge of EC1, a mere two minutes from the City of London, we were unable to get fibre-optic broadband. As a company of 10 people requiring heavy data usage this was absolutely ludicrous. Once we had moved offices we needed a service that was quick, cost effective but also able to be delivered speedily without the additional costs and delays of waiting for a line to be installed.

Colm Sheehy, Senior Economist at CEBR, said: “The fact that Central London has the highest concentration of SMEs suffering from low broadband speeds has implications for productivity in London’s economy. In addition, the requirement to have a landline for most broadband services despite nearly two thirds of SMEs being able to operate effectively without it indicates that businesses are getting poor value for money from their landline.”

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 - ‘Plug and play’ simple set-up
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- No long contracts or hidden charges
 - Unlimited data

For more information please visit: www.relish.net

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Notes to editors

¹ Calculations for the report were carried out by CEBR using YouGov data. CEBR used data from the YouGov survey on the ability of SMEs to operate effectively without a landline (SMEs). This was applied to ONS Business Count data (SMEs) to calculate the number of fixed line broadband customers affected by lack of choice in the market. This was in turn applied to the average annual landline rental and estimated installation and contract termination charges to determine the overall cost to London’s small business fixed line broadband customers.

All survey figures, unless otherwise stated, are from YouGov Plc. YouGov Business Survey - Total sample size was 206 IT decision makers from London SMEs (businesses with less than 250 employees). Fieldwork was undertaken between 25th April - 6th May 2014. The survey was carried out online.

² *CEBR analysis of data from Ofcom Communications Market Report 2013*

About Relish

Relish is a new communications provider for Central London. We know London's people and businesses are always busy and on the move, so our services help them get online quickly and easily at fibre-fast speeds without any hassle.

Our exclusive 4G and wireless networks mean that you can get online, fast, without needing to wait for a broadband installation guy, long contracts or unwanted landlines.

From our home and business broadband services through to our Dedicated Business Internet, if you're in need of fibre-fast internet without the kerfuffle, we've got you covered. Plus our Pocket Hub puts a WiFi hotspot in your pocket when you're out and about.

Relish. Fibre-fast broadband without the wires.

About UK Broadband

UK Broadband switched on the first 4G LTE system for commercial services in the UK, in February 2012, in London. We now provide 4G LTE services in a number of cities, towns and commercial campuses in the UK.

Additionally, UK Broadband provides other wireless data capacity, services and solutions to commercial enterprises, public sector organisations and channel partners throughout the UK.

Relish is operated by UK Broadband, part of the PCCW Group that includes HKT, Hong Kong's premier telecommunications service provider and largest mobile service operator.

About CEBR

Centre for Economics and Business Research Ltd (CEBR) is an independent economics and business research and consulting practice. CEBR uses economics and econometrics, surveys, qualitative research, expert interviews, computer modeling and scenario planning to help clients understand their environment and forecast changes in it.

Over the past 20 years the Centre for Economics and Business Research has established itself as one of the UK's leading economics consultancies. CEBR provides high-quality independent research to clients in a wide range of sectors including technology, financial services, business services, construction, rail, telecoms and retail.