The Role of the NBN in creating sustainable economic growth in regional Australia.

October 2011
Agenda

• Who are we?

• What do we do?

• What are we going to present?
Roy Morgan Research

• **Who are we?**
  • Roy Morgan Research is Australia’s best known and longest established market research and public opinion survey company.
  • Founded in Melbourne by Roy Morgan 70 years ago.

• **What we do?**
  • Roy Morgan Research is the provider of the world’s most extensive and only true single source survey.
  • Today annual turnover is more than $50 million, with offices in four mainland Australian States, Auckland, London, New York, Princeton and Indonesia.
The 8 NBN ‘Digital Economy Goals’

1. Online participation by Australian households
2. Online engagement by Australian businesses and not-for-profit organisations
3. Smart management of our environment and infrastructure
4. Improved health and aged care
5. Expanded online education
6. Increased teleworking
7. Improved online government service delivery and engagement
Our Consumer Surveys

- The Roy Morgan Single Source Survey has 50,000 respondents every 12 months
- Methodical screening and cleansing of data
Our Business Survey

• The Roy Morgan Business to Business Survey is the first in a series of a regular study of 12,000 businesses every 12 months
• First results from 449 businesses
Basic statistics
Number of Households and Businesses in Australia and the % with Internet Connection

- **Households**:
  - Total: 8,487,000
  - Connected: 6,254,919
  - % Connected: 74%

- **Businesses**:
  - Total: 2,051,000
  - Connected: 2,012,031
  - % Connected: 98%

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### Type of Internet Connection - City vs. Country

#### Type of Connection for Households with Home Internet - July 2010 to June 2011

<table>
<thead>
<tr>
<th>Type of Connection</th>
<th>Capital Cities</th>
<th>Country Areas</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dial up modem</td>
<td>6.5%</td>
<td>7.9%</td>
</tr>
<tr>
<td>ISDN</td>
<td>2.7%</td>
<td>3.5%</td>
</tr>
<tr>
<td>Broadband/High speed</td>
<td>88.0%</td>
<td>85.7%</td>
</tr>
<tr>
<td>No answer</td>
<td>3.5%</td>
<td>3.7%</td>
</tr>
</tbody>
</table>

% of Respondents with Home Internet Connection

- **Dial up modem**: 6.5% Capital Cities vs. 7.9% Country Areas
- **ISDN**: 2.7% Capital Cities vs. 3.5% Country Areas
- **Broadband/High speed**: 88.0% Capital Cities vs. 85.7% Country Areas
- **No answer**: 3.5% Capital Cities vs. 3.7% Country Areas
Connection and Frequency of Internet Usage

Internet Connections and Frequency of Usage of +18 Australian's

Base Aust Population aged 14+; Source: Roy Morgan Research n = 18135 (Jul11-Jun11)

- TOTAL have an Internet connection at home: 13,618,000
- TOTAL have an Internet connection at Work: 7,733,000
- More than once a day: 10,033,000
- Total Per Week: 14,200,000

Number of +18 Australian's in Million's

Australian's with an internet connection

Frequency Australia's access the internet

Base Aust Population aged 14+: Source: Roy Morgan Research n = 18135 (Jul11-Jun11)
Internet Habits

Internet Habits of +18 Australian's over the last 4 weeks who are Connected to Internet - July 2010 to June 2011

![Bar chart showing internet activities.](chart-image-url)

- **TOTAL - Did one or more internet activities online:** 11,433
- **TOTAL - Did one or more research & information activities online:** 8,887
- **TOTAL - Did one or more communication activities online:** 8,639
- **TOTAL - Did one or more banking & finance activities online:** 8,241
- **TOTAL - Did one or more general activities online:** 7,110
- **TOTAL - Did one or more entertainment & amusement activities online:** 6,172
- **TOTAL - Did one or more buying, selling, shopping activities online:** 5,568
- **TOTAL - Did one or more blogs & online communities activities online:** 4,545
- **TOTAL - Did one or more advertising activities online:** 4,167
- **TOTAL - Did one or more other interactive activities online:** 3,126

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Internet Habits

Internet Activities of +18 Australian's with Internet Connection and who Accessed the Internet in the Last 4 Weeks - July 2010 to June 2011

- TOTAL - Did one or more research & information activities online: 77.7%
- TOTAL - Did one or more communication activities online: 75.6%
- TOTAL - Did one or more banking & finance activities online: 72.1%
- TOTAL - Did one or more general activities online: 62.2%
- TOTAL - Did one or more entertainment & buying, selling, shopping activities online: 54.0%
- TOTAL - Did one or more amusement activities online: 48.7%
- TOTAL - Did one or more blogs & online communities: 39.8%
- TOTAL - Did one or more advertising activities online: 36.4%
- TOTAL - Did one or more other interactive activities online: 27.3%
Australian's with Home Internet Connection

- TOTAL have an Internet connection at home: 78.5%
- TOTAL do not have an Internet connection at home: 15%
- Can't say: 6.5%
Issues we share
Core networking values we share:

WHO VOTED FOR LESS PRIVACY?
Privacy and Security

Technology Concerns of +18 Australian's

- 65% concerned about invasion of privacy through new technology
- 19% feel comfortable giving personal details over the internet
- 66% keep their computer up to date with security software (From October 2010)

Concerns of +18 Australian's

Base Aust Population aged 14+; Source: Roy Morgan Research n = 18135 (Jul11-Jun11)
65% of Australian’s state that “the internet is far more an information tool than an entertainment tool.” Which begs the question – should we let the NBN end up being he new TV/Entertainment tool?
Family connections

• I really enjoy going online to send and receive emails from family and friends. (75%)
Regional vs. Metro
Reasons Likely to Connect to the Internet

Australian Households without Home Internet Connection who are Likely to Connect to the Internet in the Next 6 Months - July 2010 to June 2011

Reason(s) Likely to Connect Internet at Home in the Next 6 Months

- **Internet Banking**
- **Meeting People**
- **Communicating with Friends and Family**
- **Research/Education Purposes**
- **Play Games/Entertainment**
- **Get News Information from around the World**
- **Work/Business Purposes**
- **Other**
- **Can’t Say**

Capital Cities vs. Country Areas
Reason(s) why they are Unlikely to Connect to the Internet at Home

- **36.4%** Not relevant to my lifestyle
- **29.2%** Too expensive
- **12.0%** Too difficult
- **10.7%** Other
- **6.2%** Already available to me at work
- **3.3%** Disappointed with what seen on Internet so far
- **2.6%** Can't say
- **2.3%** Lack of confidence in the service provider
- **1.9%** Not available in the area I live in (From January 2004)
Digital Premium - Health
• The chart below shows the huge difference between the health problems country v metro.
Incidence of selected illnesses reported by rural Australians: Over index vs. incidence reported by city dwellers

Single Source enables profiling and detailed segmentation of Australians with selected NHRA priority illnesses/conditions, in rural areas of each state, to be monitored and compared.
Respondents reporting Tooth decay by regions: Weighted Count ‘000s

Regional population with Target Illnesses - Tooth decay

Base: Apr '10 - Mar '11

Single source also reports on gum disease & teeth sensitivity. Oral health metrics can be segmented by demographics and preferred health media channels.

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Preferred Health Media channels for respondents with Tooth decay in North /East NSW

Broad Brush on preferred Channels for Health Media amongst target population - guides more detailed media planning to optimise reach & frequency for specific segments eg gender & age group

- e.g. 58% of target population prefer Print media channels
Highest Level of Education - Capital Cities vs. Country Areas - Apr 10 to Mar 11

% of Respondents Who Answered the Question

Level of Education

- Some/Finished Primary School
- Some Secondary School
- Some Tech. or Commercial
- Intermediate/Form 4/Year 10
- Finish Tech or Cmmrcl College
- Finish/ Now Doing Matric/HSC/Year 12
- Some University Training
- Now at University
- Tertiary Diploma, Not Uni
- Degree
- Post Graduate Studies

Capital Cities
Country Areas

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Marketing Challenges – City v County example

Reasons not connected to Broadband

- Too expensive
- Can’t see the benefits
- Too difficult/complicated
- Don’t use the Internet enough
- Not available in my area
- Happy with current connection
- Still on contract
- Can’t get around to it

Bar chart showing reasons for not connecting to broadband in Capital Cities vs Country Areas.
Business to Business Survey

• What we did;

• 449 Business Respondents

• Online and Phone Interviews

• Screened Method = Reliable

• 55% City/ 45% Rural Split

• 6 Key Findings
Australian Business rate their understanding of NBN rollout

- Very Good: 6%
- Good: 27%
- Basic understanding/Rough idea: 55%
- Know very little: 11%
- No understanding: 3%
Perceived Benefits

What do Australian Businesses see as the main benefit of NBN?

- Faster Internet speed: 58%
- No benefit: 12%
- No idea at this stage: 11%

Other:
- Greater access to business services and/or partners: 5%
- Ability to offer better service for your customers: 4%
- Other: 2%
- Enhanced workplace communication with your partners, staff: 2%
- New revenue opportunities: 1%
- Ability to offer new products and/or services: 1%
- Expand your customer base: 1%
- Improve your competitiveness: 1%
- Smarter/flexible work force: 1%
- Decrease your business/IT costs: 1%
- Supply chain efficiencies: 0%
Business Investment

As a result of the NBN Rollout Australian Businesses will invest in the following...

- BUSINESS WEBSITE: 26%
- COMPUTER OR COMMUNICATION SOFTWARE: 19%
- ONLINE PURCHASE/ORDERING: 17%
- VOIP TELEPHONY: 16%
- ADVERTISING ONLINE: 16%
- ONLINE (STORE) SELLING: 13%
- ONLINE COLLABORATION TOOLS: 13%
- VIDEO CONFERENCE: 12%
- CLOUD COMPUTING: 11%
- STAFF TRAINING PROGRAMS: 11%
- MODIFIED WORKFORCE: 8%
- EXPAND BUSINESS TO NEW LOCATION/OVERSEAS: 4%
- OTHER REASONS: 0%
Metro Opinions

Metropolitan Australian Business rating Governments
Goals for NBN

Goal

Importance

Not Important Less Important Neither / Nor Important Very Important

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

Goal

Improved health and age care to remote areas of Australia
More Australian households connected to broadband Internet at home
More Australian businesses having an online presence
Improve online service delivery and engagement
Expanded online education
Smarter management of our environment and infrastructure
Greater digital engagement in regional Australia
Increase Teleworking

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Regional Australian Business rating Governments Goals for NBN

- More Australian households connected to broadband Internet at home: 43% Very Important, 25% Important, 26% Neither / Nor, 20% Less Important, 10% Not Important
- Improve online Government service delivery and engagement: 41% Very Important, 26% Important, 20% Neither / Nor, 28% Less Important, 5% Not Important
- More Australian businesses having an online presence: 39% Very Important, 20% Important, 28% Neither / Nor, 26% Less Important, 6% Not Important
- Greater digital engagement in regional Australia: 27% Very Important, 28% Important, 26% Neither / Nor, 24% Less Important, 5% Not Important
- Improved health andage care to remote areas of Australia: 27% Very Important, 26% Important, 26% Neither / Nor, 24% Less Important, 5% Not Important
- Expanded online education: 20% Very Important, 26% Important, 24% Neither / Nor, 24% Less Important, 6% Not Important
- Smarter management of our environment and infrastructure: 19% Very Important, 24% Important, 20% Neither / Nor, 20% Less Important, 7% Not Important
- Increase Teleworking: 16% Very Important, 20% Important, 20% Neither / Nor, 19% Less Important, 9% Not Important

More Australian households connected to broadband Internet at home

Improve online Government service delivery and engagement

More Australian businesses having an online presence

Greater digital engagement in regional Australia

Improved health and age care to remote areas of Australia

Expanded online education

Smarter management of our environment and infrastructure

Increase Teleworking

Goal

- Not Important
- Less Important
- Neither / Nor
- Important
- Very Important
All Opinions

Australian Business rating Governments Goals for NBN

Goal

- More Australian households connected to broadband Internet at home
- Improve online Government service delivery and engagement
- More Australian businesses having an online presence
- Improved health andage care to remote areas of Australia
- Greater digital engagement in regional Australia
- Expanded online education
- Smarter management of our environment and infrastructure
- Increase Teleworking

Importance

- Not Important
- Less Important
- Neither / Nor
- Important
- Very Important
Will Australian Businesses take up NBN when available?

- Very likely: 16%
- Fairly likely: 30%
- Neither likely nor unlikely: 29%
- Fairly unlikely: 10%
- Very unlikely: 14%
Conclusion

• Roy Morgan conducts the biggest and most extensive market research survey in Australia

• Roy Morgan is able to profile every Australian into a customer value segment

• We know who is and isn’t connected and why.

• Roy Morgan’s data is purchased/utilised by all of the major banks and many more large and small businesses and organisations

• We know the market and we know your current and future customers
What We Offer

• The Surveys
  • An Establishment Survey that interviews 50,000 Australian’s every year.
  • A Single Source Survey with 20,000 respondents per annum
  • Media Diary
  • Customised Surveys to suit your needs and costs

• How
  • ASTEROID Database – One Off/Subscription
  • Specialised/Customised Reports
  • Online Reports from our Online Store - http://www.roymorganonlinestore.com/
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