

# INFORMATION SERIES

E - C O M M E R C E F O R S M A L L B U S I N E S S

## FACT SHEET # 1 1

## B R O A D B A N D - T H E B E N E F I T S

When choosing an appropriate ISP, broadband Internet connections can be a profitable choice for SMEs. The Fact Sheet expands on the benefits of broadband for small business.

### BENEFITS OF AN ONLINE PRESENCE

If you don't use the Internet consider this:

- As of June 2002, 79 percent of small businesses were online. For medium sized businesses, the rate of connectivity was 95 percent. These numbers are increasing with growth in all industry sectors and is likely to continue in the near future.
- During 2000 there was a 225% increase in adults using the Internet to pay bills and transfer funds
- During 2000 there was a 67% increase of goods purchased or ordered via the Internet
- These figures show that an online capability is essential to any business in such a rapidly evolving market
- A common motivation for companies going online is e-commerce
- Practical case studies (available online from NOIE) show that participants view e-commerce as a way to improve business efficiency (62%) and a way to higher sales in new and existing markets (32%)
- Investment in e-commerce by the majority of companies (65%) involved less than \$15,000 (46% spent less than \$5,000)
- The experience of these businesses was so positive that "they are looking to expand their e-commerce involvement in the future"

### THREE GOOD REASONS TO CONSIDER BROADBAND

**It is cheaper:**

- Broadband is cheaper regardless of your usage levels: Broadband costs compare favourably to dial-up narrowband costs
- Broadband saves on call costs and is just as cost effective for usage
- Savings increase as the number of users increases

**It improves staff productivity:**

- Broadband is faster
- At least 20 staff hours per month can be saved using it to download 300 Mbytes per month
- This can result in significant savings for your business
- Note that traffic on the Internet can reduce the effective speeds in practice.

**It is the business tool of the future**

- World wide leading software and technology companies are building advanced products that rely on broadband for effective delivery
- Services will be accessed from the Internet with Microsoft's .Net strategy
- Many Application Service Providers (ASPs) are preparing to provide convenient, secure application and infotainment services to a broad range of businesses and consumers (see 'Outsourcing to ASPs' Fact Sheet)
- Early adoption of the right ASP solutions will secure a competitive advantage
- Establishing a broadband platform will help give your business a competitive edge
- A broadband platform will streamline your e-business applications in:
  - Supply chain management – more competitive procurement through online ordering
  - Access to the market through online tendering & procurement
  - Online access to market, customer and supplier data
  - Online financial transactions
  - Consumer sales online – in 2000 10% of Australians made Internet purchases
  - Reaching new markets and servicing existing ones better with Web site marketing and service solutions

## USEFUL LINKS

**Broadband Xchange**

<http://www.broadbandxchange.org>

Broadband Xchange is a project between Internet service providers, application and content providers, user groups and government agencies to provide a catalyst for

**Broadband Advisory Group Report**

<http://www.noie.gov.au/projects/framework/Priorities/BAG.htm>

Broadband Advisory Group report sets out benefits and concerns relating to broadband uptake and usage in Australia.

## IMPORTANT LEGAL NOTICE

The information in this Fact Sheet is provided in good faith and every attempt has been taken to ensure its accuracy. However, neither the Australian Capital Territory nor the Internet Industry Association (IIA) nor any of its officers, employees, agents or directors give any representation or warranty as to the reliability, accuracy or completeness of the information, nor do they accept any responsibility arising in any way, including negligence, for errors in, or omissions from, the information. The information on this Fact Sheet is not intended as business advice and must not be relied upon as such. Professional advice should be obtained as necessary or prudent according to the specific circumstances of a person before making any business decisions in relation to the subject matter or issues referred to in the Fact Sheets. A reference to any product, service or entity referred to in this Fact Sheet does not imply, nor should be construed as implying, any recommendation or endorsement of it by either the Australian Capital Territory or the IIA.

## SERIES EDITORS

Christine Gill, Bruce Harris, Peter Coroneos

## DESIGN AND PRODUCTION

Brainwaave Interactive

## PRODUCED WITH THE ASSISTANCE OF



[www.business.act.gov.au](http://www.business.act.gov.au)



internet industry association  
[www.ii.net.au](http://www.ii.net.au)



[www.broadbandxchange.org](http://www.broadbandxchange.org)