



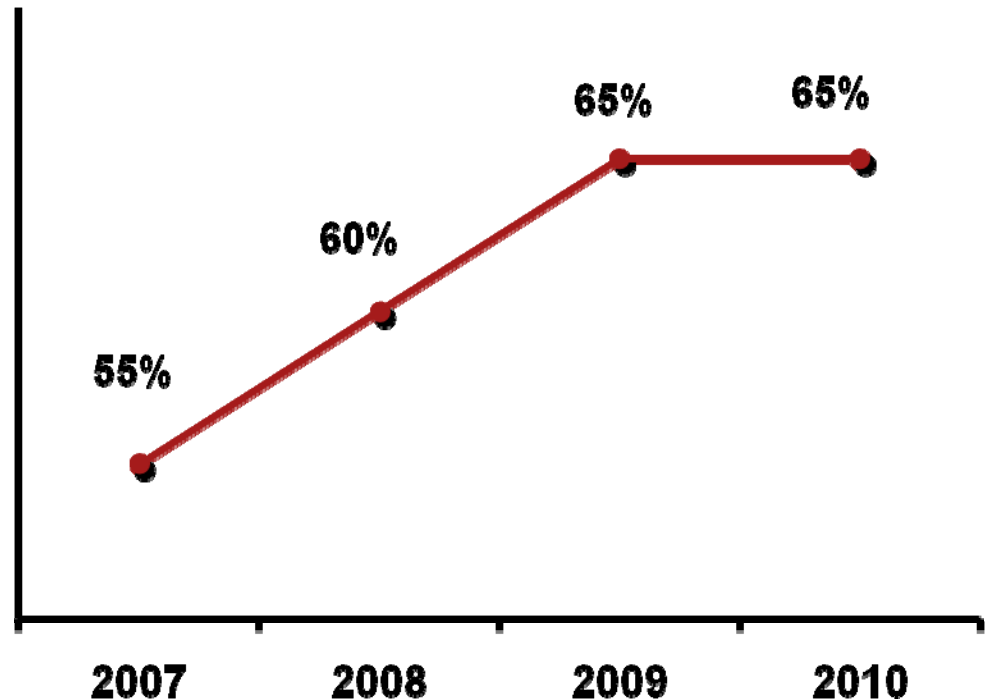
Broadband Adoption Among Tennessee Businesses



Broadband Adoption Among Tennessee Businesses

Percent of all Tennessee businesses

Approximately
90,000 Tennessee
businesses
subscribe to
broadband service.



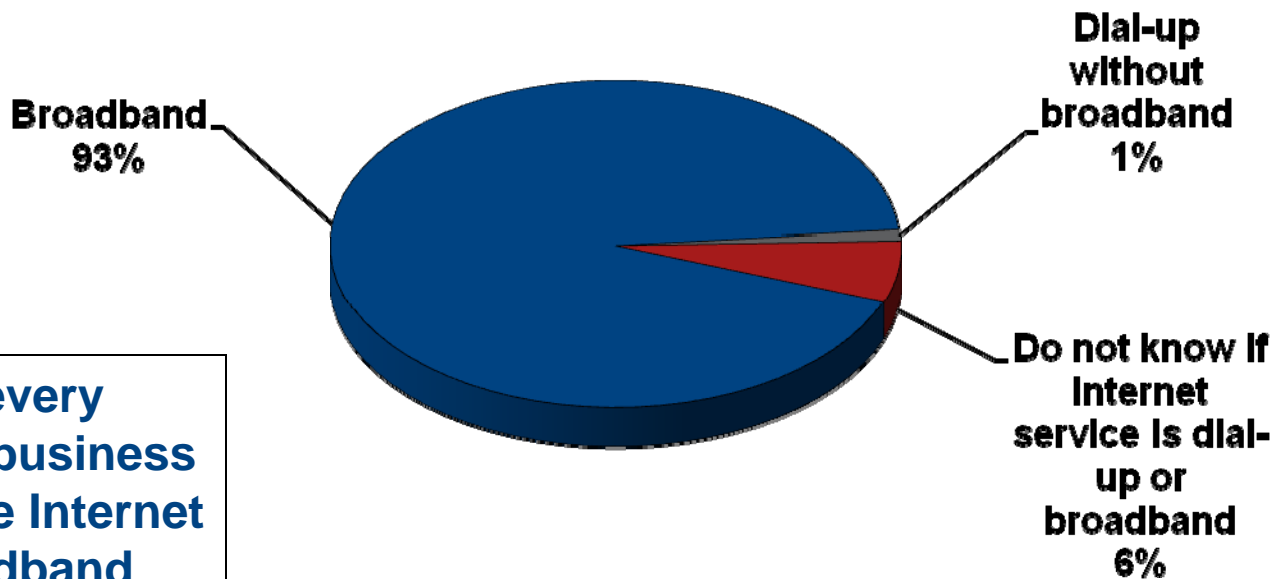
Q: Which of the following describes the type of Internet access your company has?
(n=812 TN businesses in 2007, n=808 TN businesses in 2008, n=807 TN businesses in 2009, and n=803 TN businesses in 2010)

Source: July 2007- January 2010 Connected Tennessee®
Surveys of Businesses
www.connectedtennessee.org



Broadband Users Among Internet-Connected Tennessee Businesses

Percent of Internet-connected Tennessee businesses



Nearly every Tennessee business that uses the Internet has broadband service.

Q: Which of the following describes the type of Internet access your company has?
(n=629 TN businesses that use the Internet)

Source: January 2010 Connected Tennessee®
Survey of Businesses
www.connectedtennessee.org

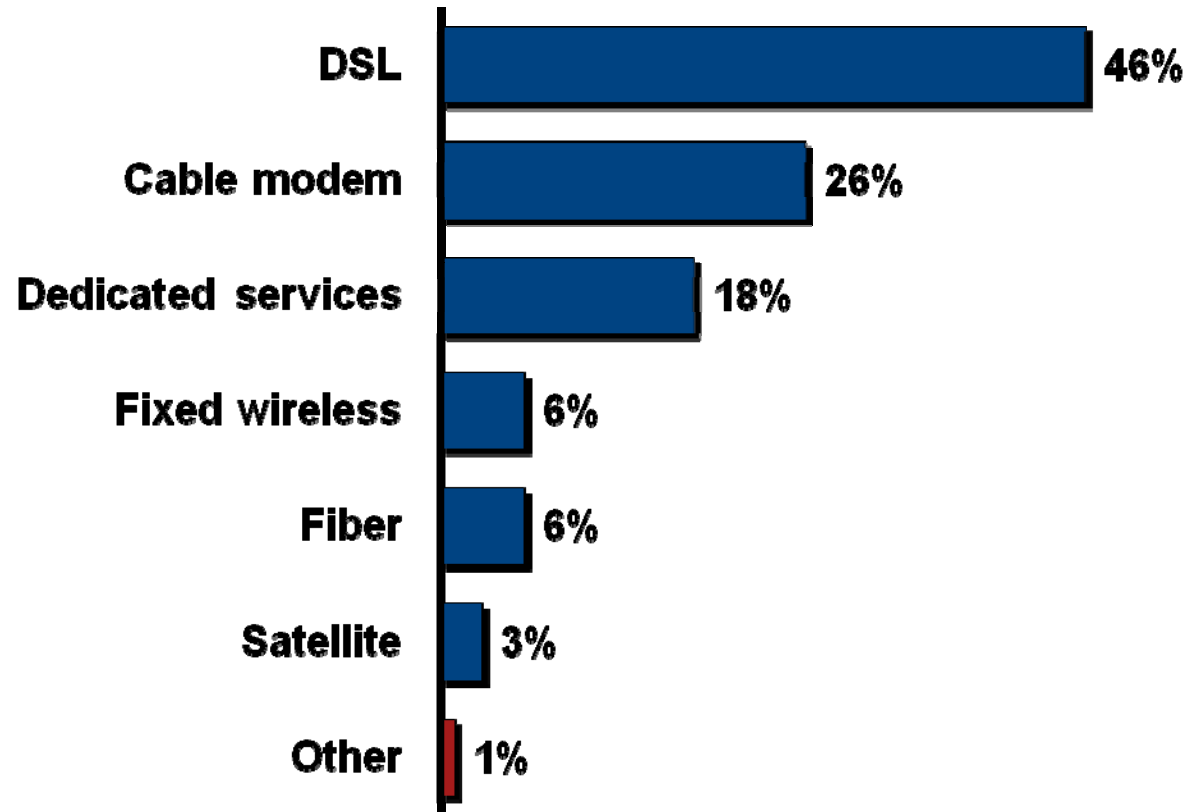


Methods of Broadband Access

DSL service is the most popular broadband platform among Tennessee businesses, followed by cable broadband and dedicated services.

Statewide, only 1% of businesses say they rely exclusively on dial-up Internet service.

Percent of businesses using broadband*



Q: Which of the following describes the type of Internet access your company has?
(n=590 TN businesses with a broadband connection)
*Percentages do not add up to 100% because businesses could give multiple responses.

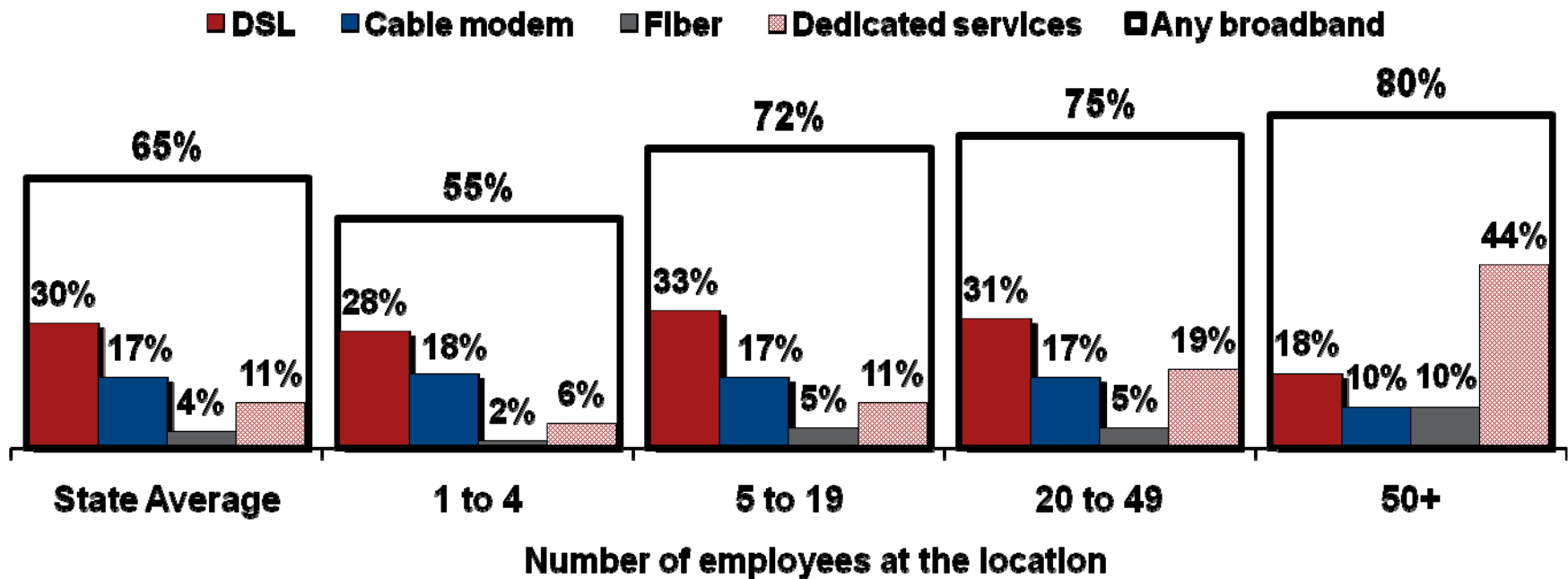
Source: January 2010 Connected Tennessee®
Survey of Businesses
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Broadband Adoption by Company Size

Smaller Tennessee businesses are more likely to use DSL broadband, but as business size increases, businesses are more likely to rely on dedicated broadband services.

Type of broadband service



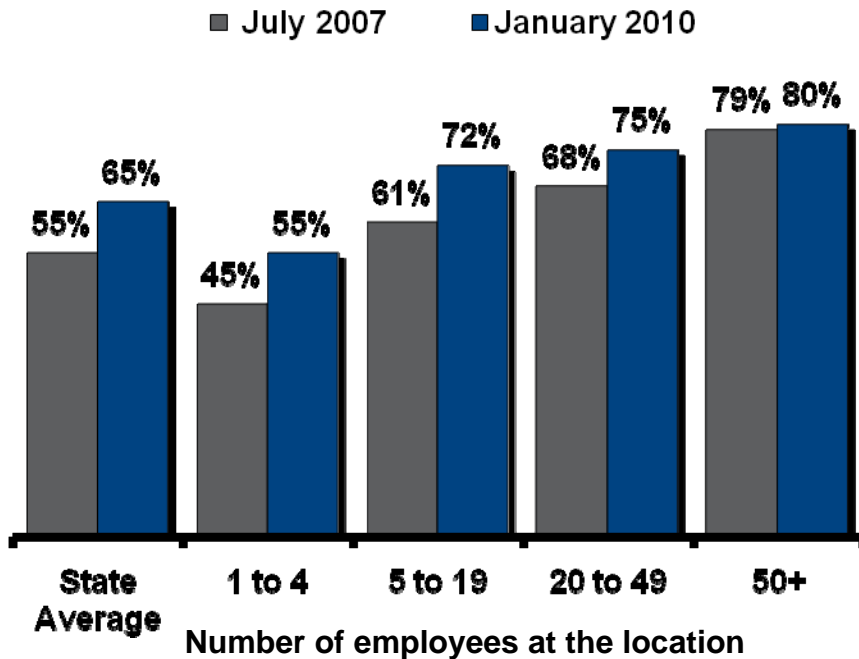
Q: Which of the following describes the type of Internet access your company has?
(n=803 TN businesses)

Source: January 2010 Connected Tennessee®
Survey of Businesses
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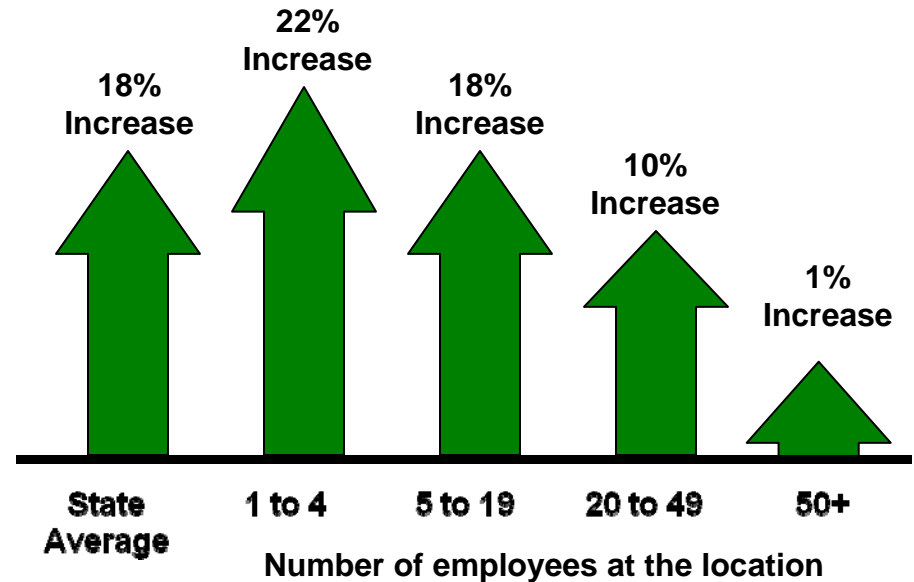


Broadband Adoption Trends by Business Size

Trends in broadband adoption by business size



Percent change in broadband adoption from July 2007 to January 2010



Q: Which of the following describes the type of Internet access your company has?
(n=812 TN businesses in 2007 and n=803 TN businesses in 2010)

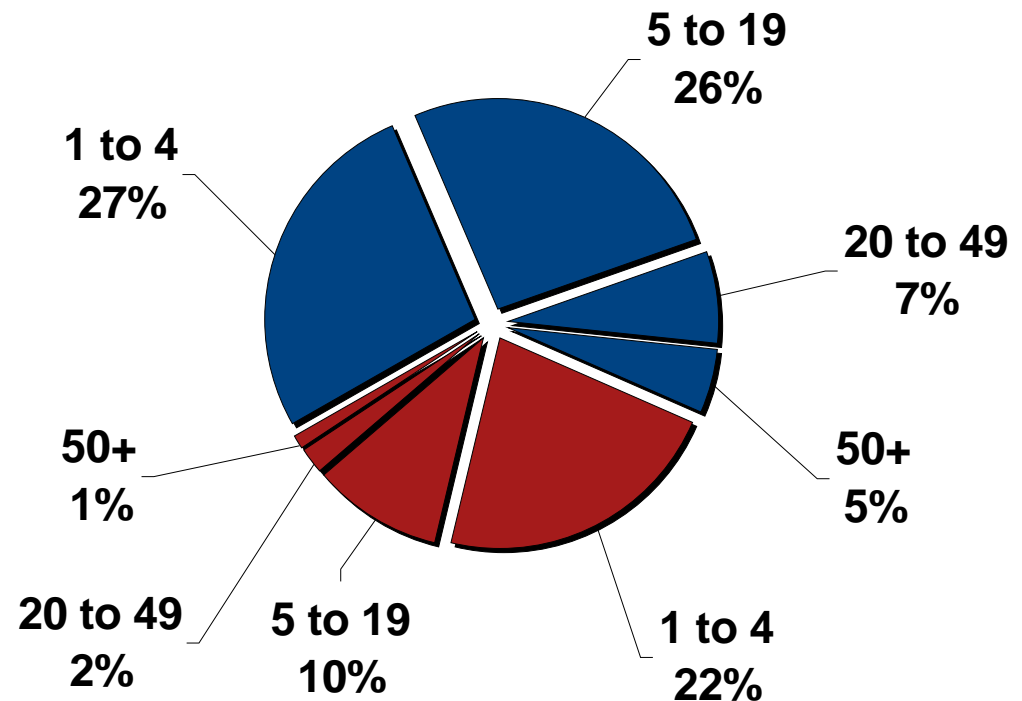
Source: July 2007 and January 2010 Connected Tennessee®
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Businesses With and Without Broadband Service by Size

Percent of all Tennessee businesses

- Percent of businesses that use broadband by business size (# of employees)
- Percent of businesses that do not use broadband by business size (# of employees)



Q: Does your company use the Internet to handle any of your business functions?
(n=803 TN businesses)

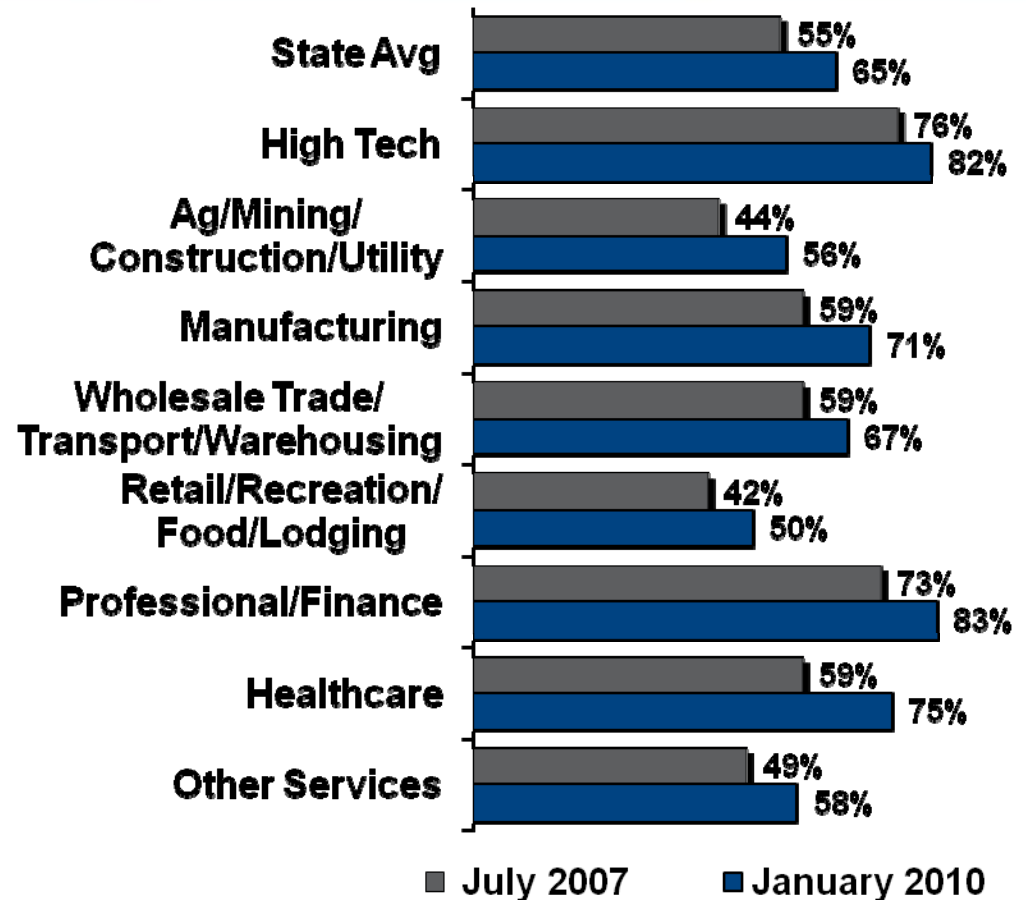
Source: January 2010 Connected Tennessee®
Survey of Businesses
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Broadband Adoption Trends by Industry Sector

The Healthcare sector had the largest growth in Internet adoption between July 2007 and January 2010.

The Professional/Financial Services and the High Tech sectors continue to have the highest percentage of companies with broadband.

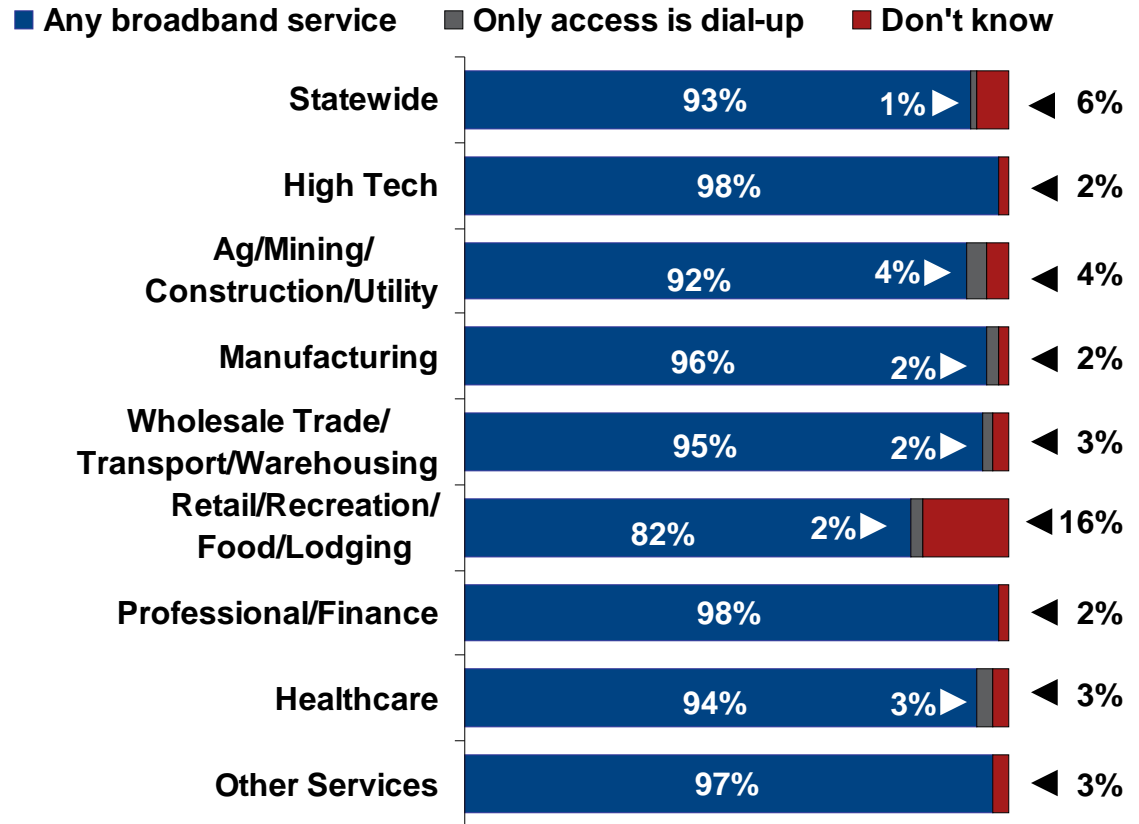


Q: Which of the following describes the type of Internet access your company has?
(n=812 TN businesses in 2007 and n=803 TN businesses in 2010)

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Broadband Adoption by Industry Sector



The Manufacturing sector has the largest share of Internet-connected businesses that subscribe to broadband, while the Retail/Recreation/Food/Lodging sector has the lowest share of broadband-connected businesses.

The Ag/Mining/Construction/Utility has the largest share of Internet-connected businesses that still rely on dial-up service.

Among Tennessee businesses with Internet service

Q: Which of the following describes the type of Internet access your company has?
(n=629 TN businesses that use the Internet)

Source: January 2010 Connected Tennessee®
Survey of Businesses
www.connectedtennessee.org



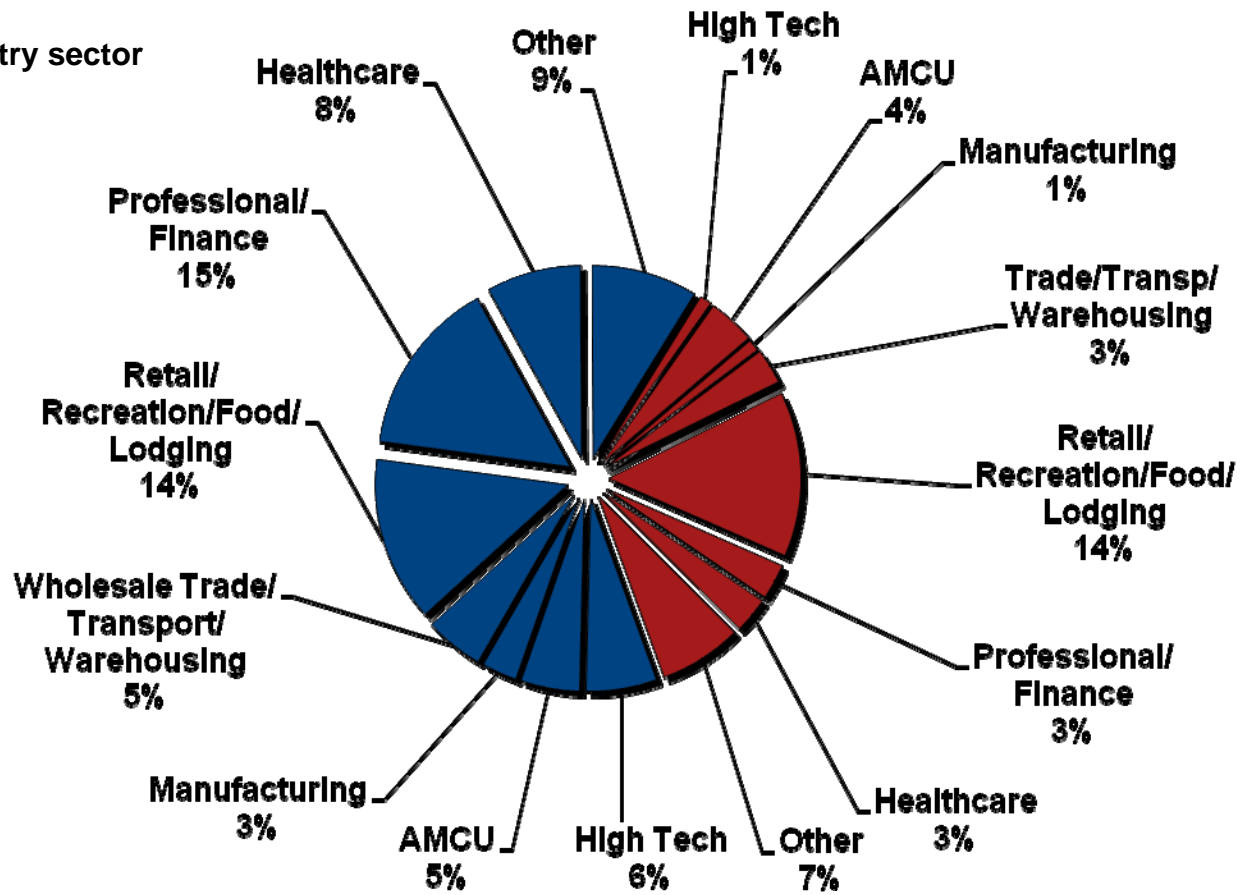
Businesses With and Without Broadband Service by Industry Sector



Percent of businesses that do not use broadband by industry sector



Percent of businesses that use broadband by industry sector



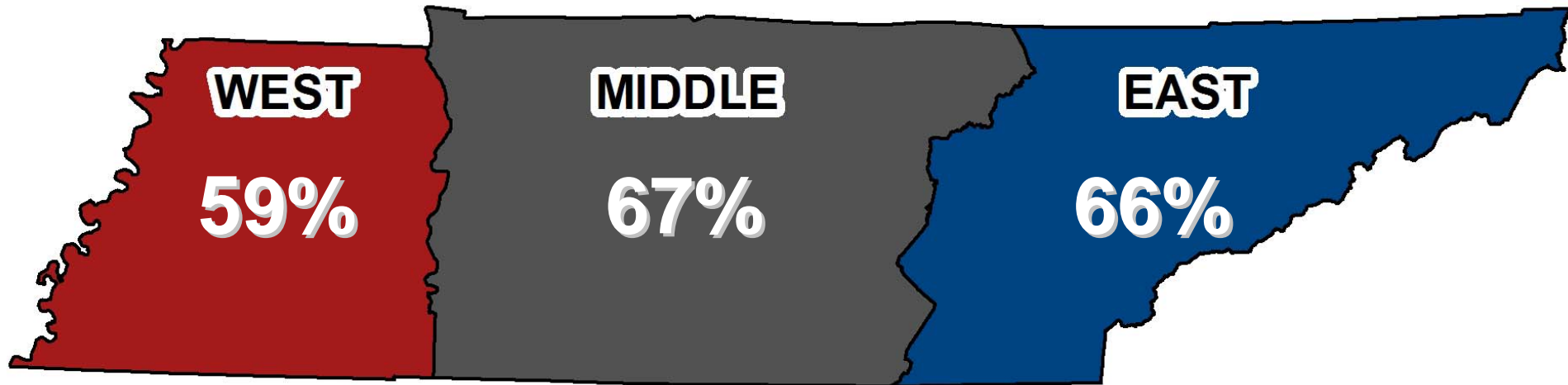
Q: Does your company use the Internet to handle any of your business functions?
(n=803 TN businesses)

Source: January 2010 Connected Tennessee®
Survey of Businesses
www.connectedtennessee.org



Broadband Adoption by Tennessee Grand Division

Percent of businesses that use broadband



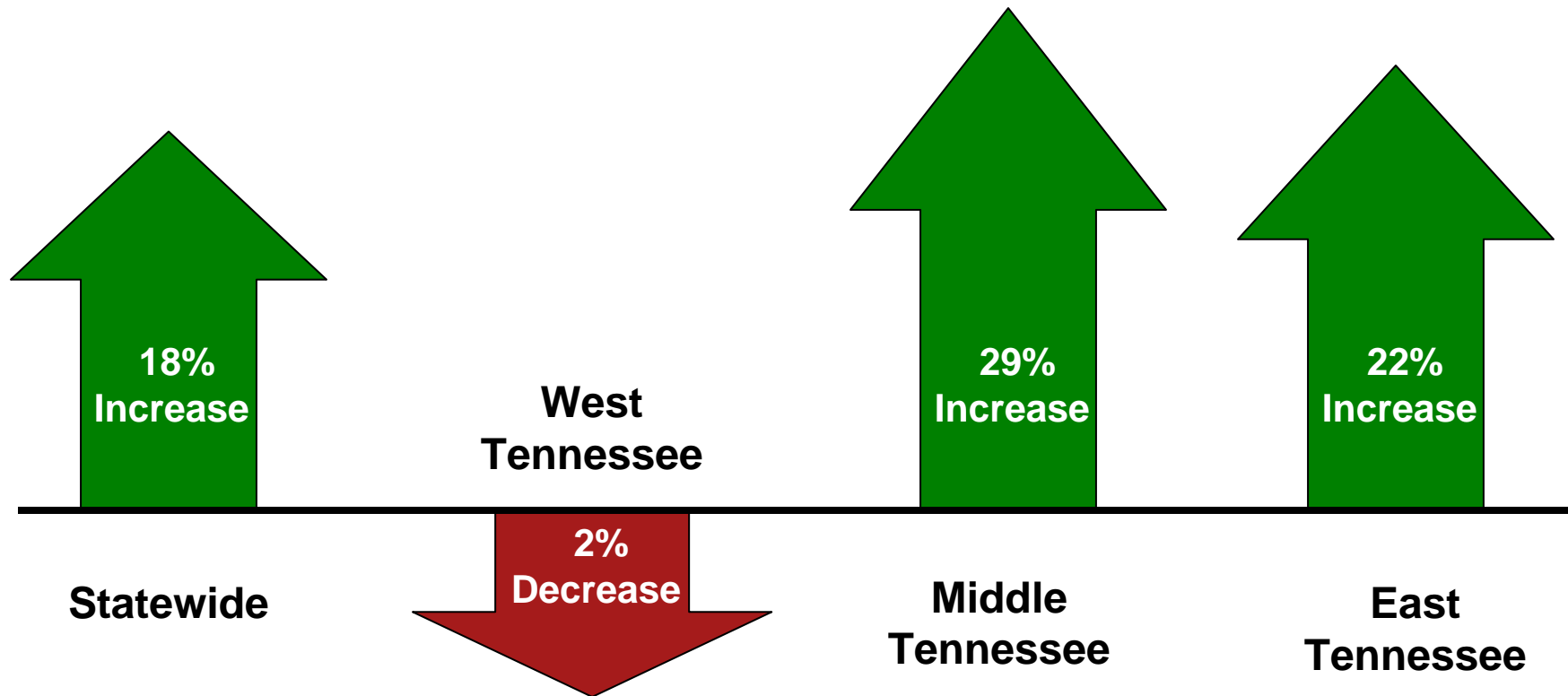
**Statewide Average: 65% of Tennessee businesses have a
broadband connection**

Q: Which of the following describes the type of Internet access
your company has?
(n=803 TN businesses)

Source: January 2010 Connected Tennessee®
Survey of Businesses
www.connectedtennessee.org



Trends in Broadband Adoption by Tennessee Grand Division



Percent change in broadband adoption from July 2007 to January 2010

Q: Which of the following describes the type of Internet access your company has?
(n=812 TN businesses in 2007 and n=803 TN businesses in 2010)

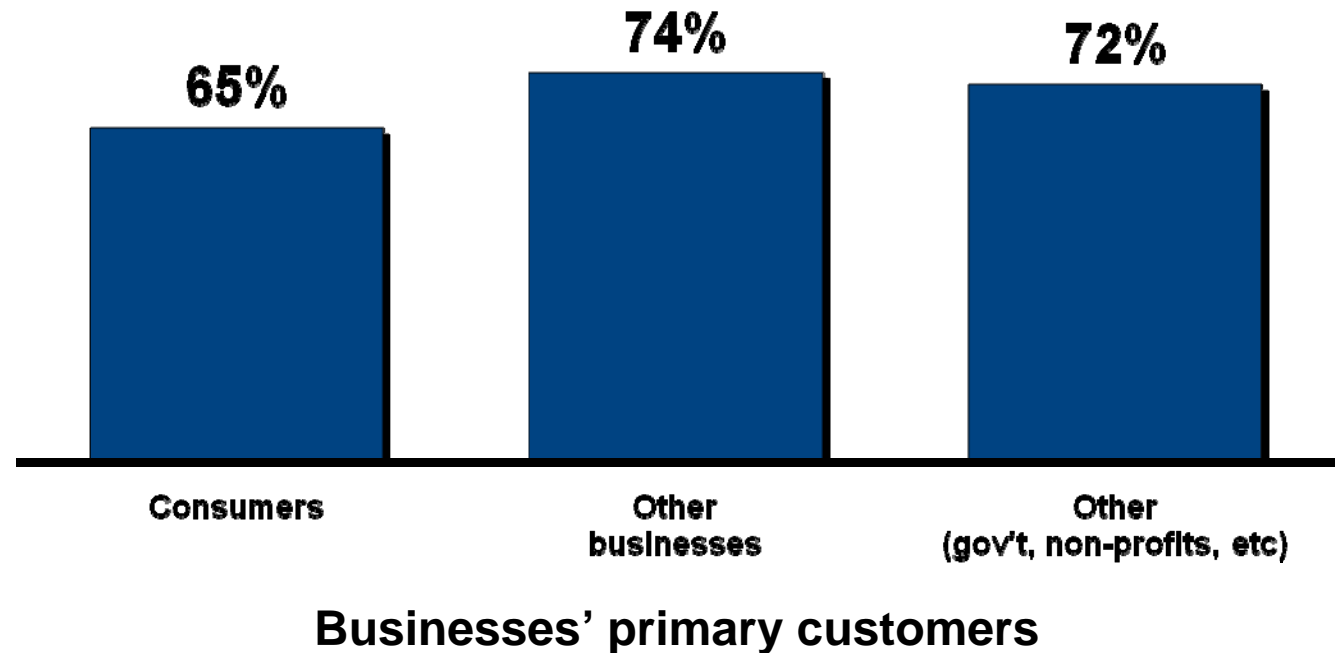
Source: July 2007 and January 2010 Connected Tennessee®
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Broadband Adoption by Primary Customer

Percent of all Tennessee businesses that have broadband service

Tennessee businesses that sell primarily to consumers are significantly less likely to subscribe to broadband service than businesses dealing with other businesses or organizations.



Q: Which of the following describes the type of Internet access your company has?
(n=803 TN businesses)

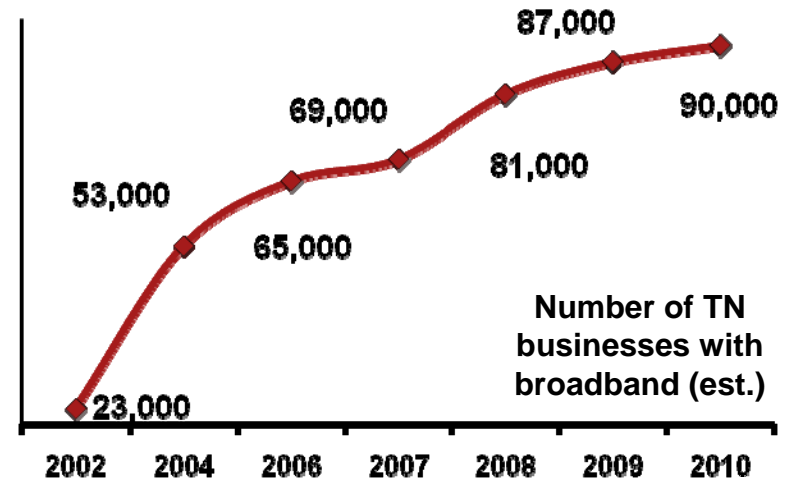
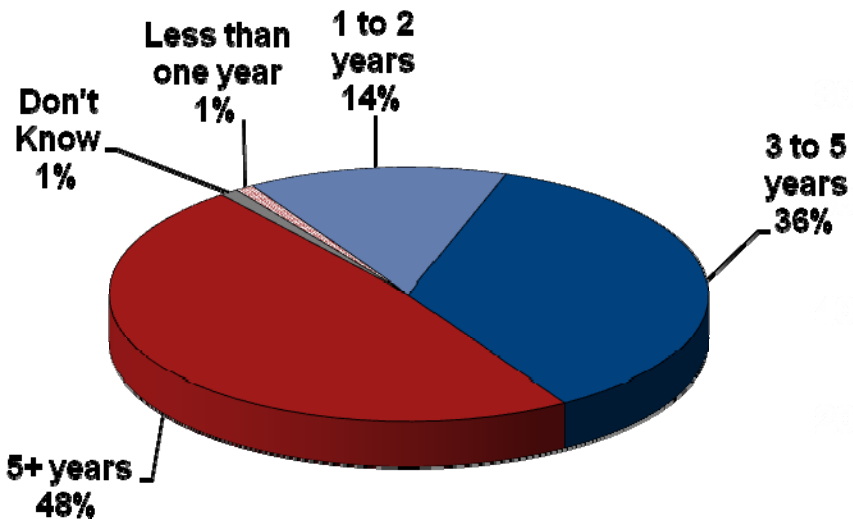
Source: January 2010 Connected Tennessee®
Survey of Businesses
www.connectedtennessee.org



Years of Broadband Use

An estimated 90,000 Tennessee businesses use broadband service.

Tennessee businesses with broadband



Q: How many years has your organization been using broadband service?
(n=590 TN businesses with a broadband connection)

Source: January 2010 Connected Tennessee®
Survey of Businesses
www.connectedtennessee.org



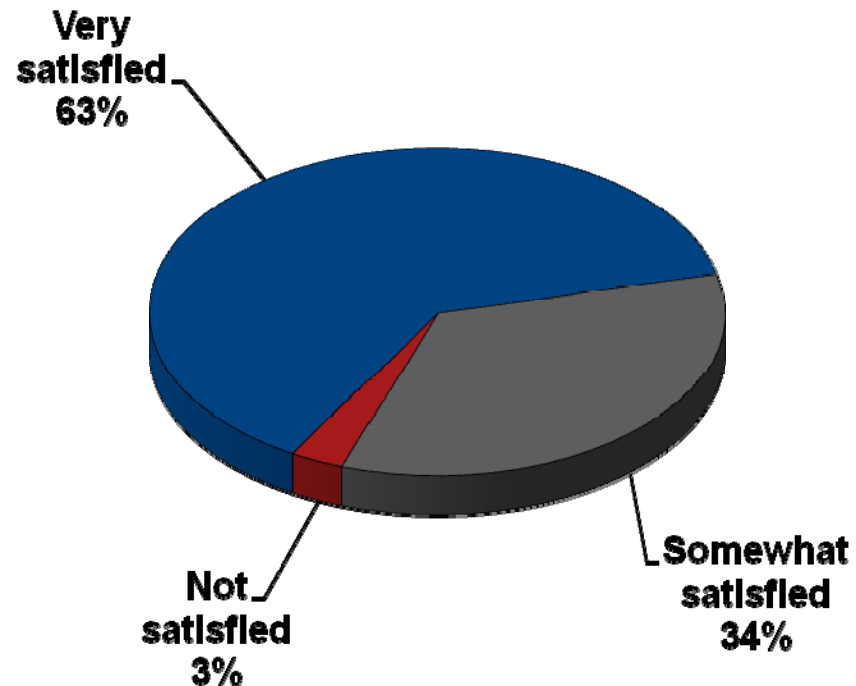
Satisfaction With Broadband Service

Percent of Tennessee businesses with broadband service

Nearly two-thirds (63%) of Tennessee businesses with broadband are “very satisfied” with their current service.

Another 34% of businesses are “somewhat satisfied.”

Only 3% of Tennessee businesses that have broadband report being dissatisfied with their current broadband service.



Q: How satisfied are you with your broadband service?
(n=590 TN businesses using a broadband connection)

Source: January 2010 Connected Tennessee®
Survey of Businesses
www.connectedtennessee.org

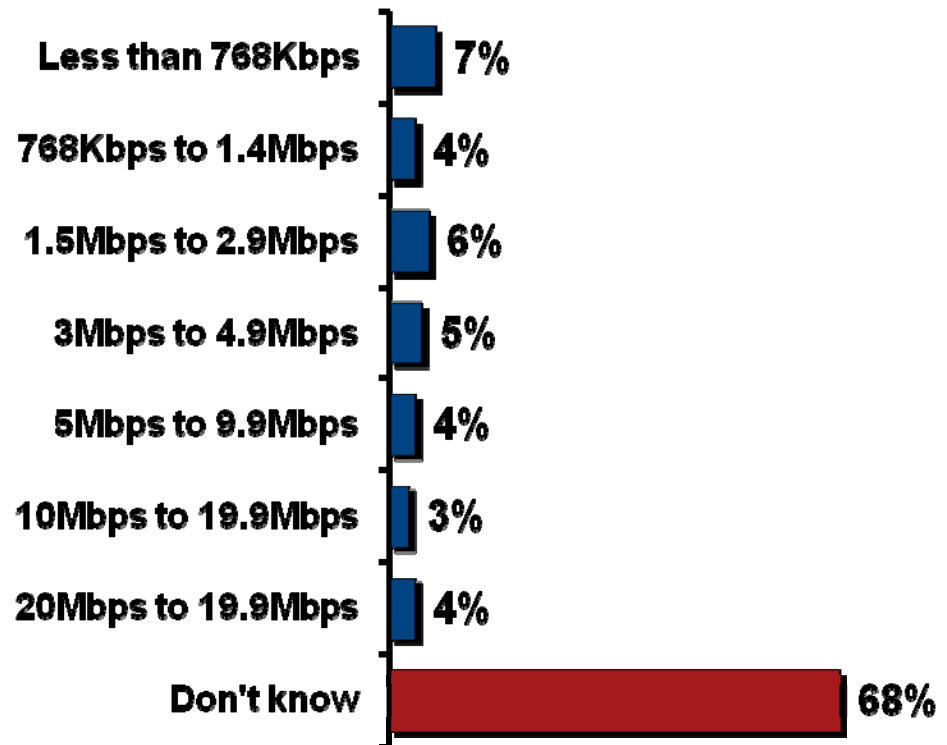


Current Download Speeds

Current estimated download speeds
(among broadband-connected Tennessee businesses)

Among broadband-connected Tennessee businesses that know their approximate bandwidth, the average download speed is 7.4 Mbps.

Statewide, only 32% of broadband-connected Tennessee businesses know their approximate download speed.



Q: To the best of your knowledge, what is the approximate bandwidth provided by your Internet service provider?
(n=590 TN businesses with a broadband connection)

Source: January 2010 Connected Tennessee®
Survey of Businesses
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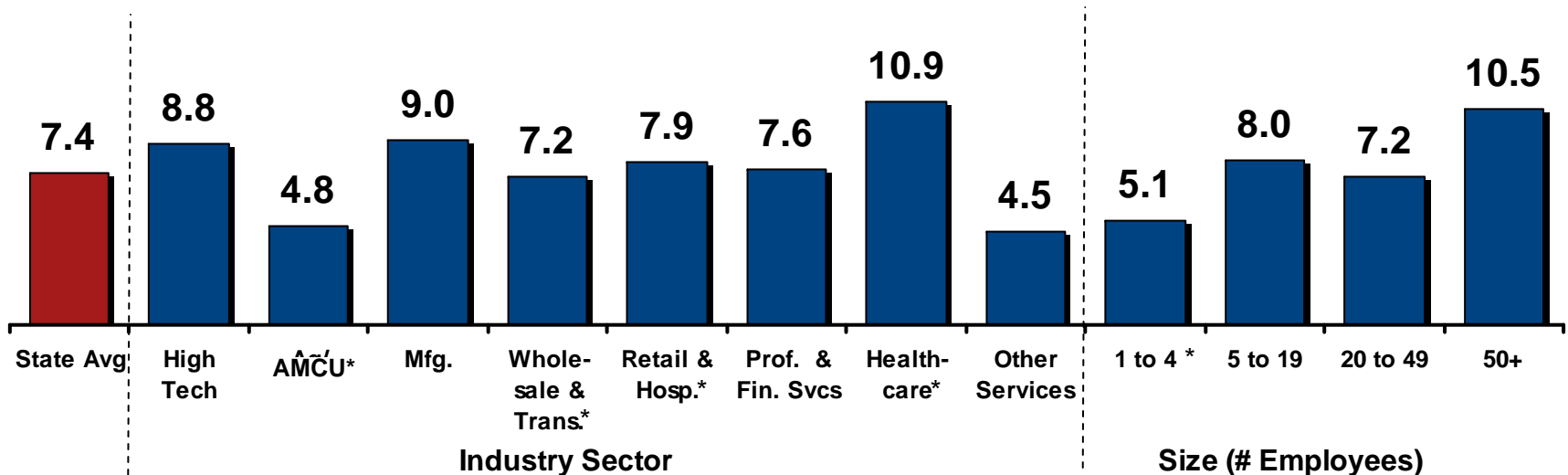


Average Broadband Download Speeds by Size and Industry Sector

(among businesses that know their approximate bandwidth)

Broadband-connected businesses in the Healthcare sector report the highest average broadband speed, followed by the Manufacturing sector.

Average download speed (Mbps), by sector and size
(among businesses that know their approximate bandwidth)



Q: To the best of your knowledge, what is the approximate bandwidth provided by your Internet service provider?

(n=247 broadband-connected TN businesses that know their approximate download speed)

*Indicates sample size smaller than 30 establishments

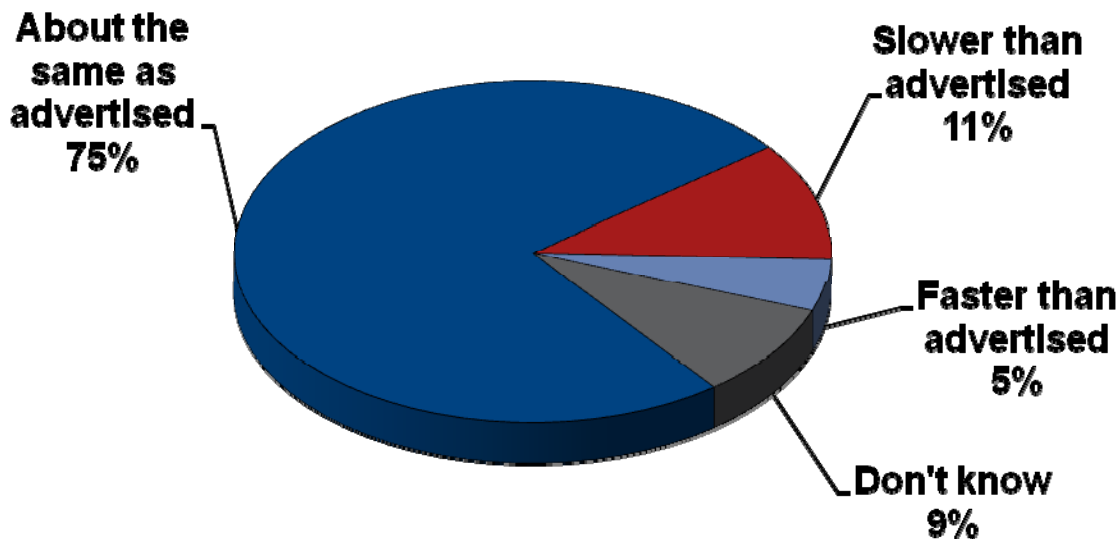
Source: January 2010 Connected Tennessee®
Survey of Businesses
www.connectedtennessee.org



Actual Broadband Speeds Compared to Advertised Speeds

How actual broadband speeds compare to advertised speeds
(among broadband-connected Tennessee businesses)

Four out of five
broadband-connected
businesses say their
actual broadband
speeds are about as
fast or faster than
advertised.



Q: To what extent would you say the actual speeds your business receives compare to the speeds advertised by the Internet provider you use?
(n=590 TN businesses with a broadband connection)

Source: January 2010 Connected Tennessee®
Survey of Businesses
www.connectedtennessee.org

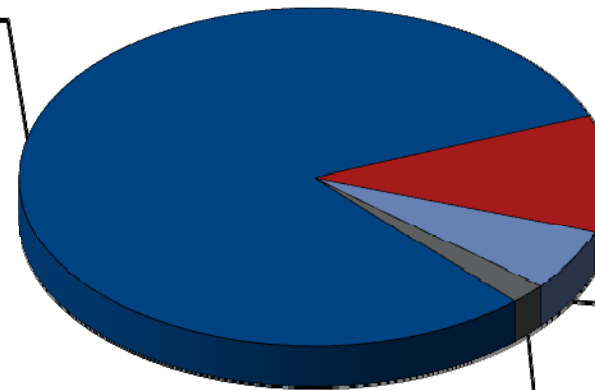


Broadband Speeds (Bandwidth) and Current Business Needs

Among all broadband-connected Tennessee businesses

In Tennessee, 87% of broadband-connected businesses say their current bandwidth is “about right” or faster than they currently need.

Our current bandwidth is about right
81%



We could use more
11%

We have more than we need
6%

Don't know
2%

Q: How well does your current bandwidth meet your needs?
(n=590 TN businesses with a broadband connection)

Source: January 2010 Connected Tennessee®
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Demand for Greater Bandwidth Among Tennessee Businesses

Among businesses that say they need more bandwidth

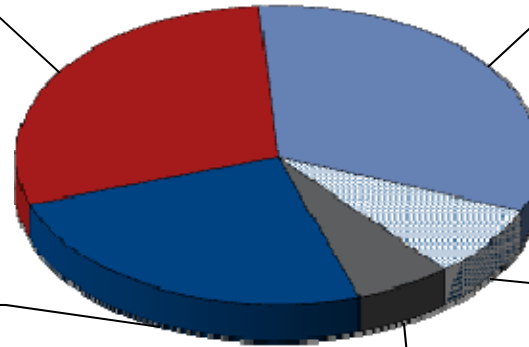
Cannot obtain additional bandwidth
29%

Do not know if additional bandwidth is available in their area
32%

Can obtain additional bandwidth, but have chosen not to invest in it yet
25%

Other
6%

Don't know why they have not invested
8%



Among Tennessee businesses that say they need more bandwidth, more than one-half have chosen not to invest in broadband yet or have not researched whether faster service is available.

Q: Which of the following apply to your company's need for additional bandwidth?
(n=80 TN businesses that say they could use more bandwidth)

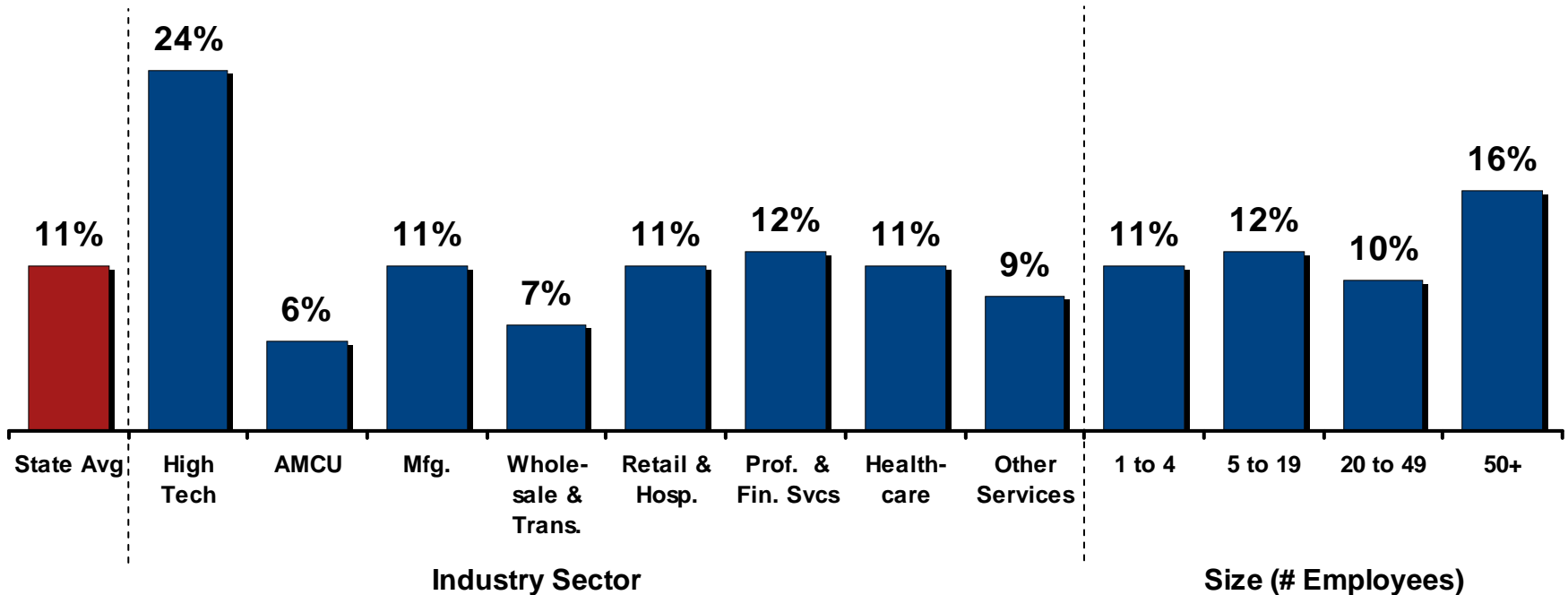
Source: January 2010 Connected Tennessee®
Survey of Businesses
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Businesses That Need More Bandwidth by Size and Industry Sector

Large businesses and those in the High Tech sector are the most likely to say they want more bandwidth than they currently have.

Percent of broadband-connected businesses that say they need more bandwidth



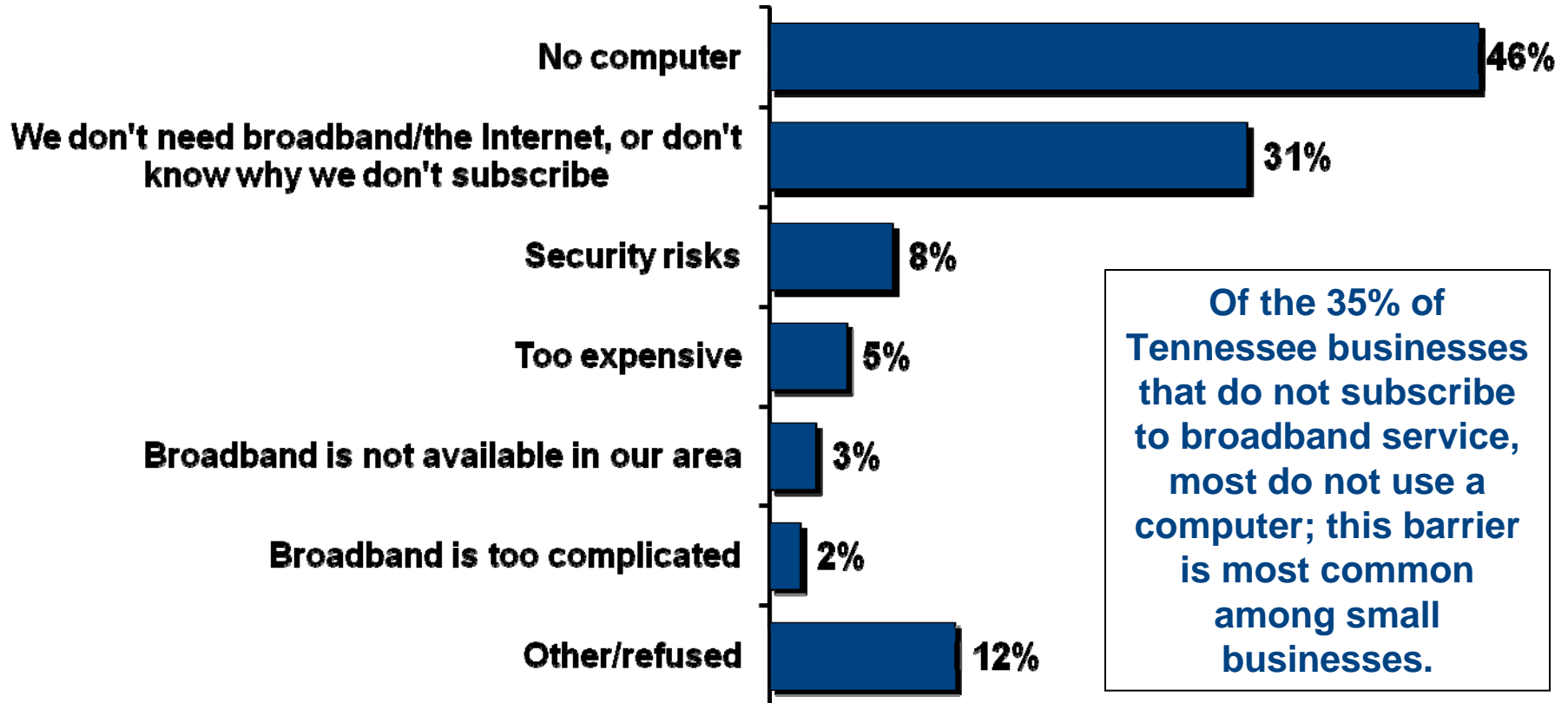
Q: How well does your current bandwidth meet your needs?
(n=590 TN businesses with a broadband connection)

Source: January 2010 Connected Tennessee®
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Barriers to Broadband Adoption

Among Tennessee businesses
with no broadband service*



Q: Why doesn't your organization subscribe to broadband service?
(n=213 TN businesses with no Internet or broadband service)

*Percentages do not add up to 100% because businesses could give multiple responses.

Source: January 2010 Connected Tennessee®
Survey of Businesses
www.connectedtennessee.org