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Understanding the technological needs and wills of Queensland's businesses is essential for companies like Atmail that provide software and services to businesses in the state, across the country and throughout the world.

The Digital Readiness survey will aid in our understanding of the key drivers for improving the adoption of technology in Queensland. The insights from this study will inform what we as a company can do to help Queensland's businesses grow and increase their efficiency and profitability.

The use of digital tools and services cannot be ignored or dismissed in today's economy. To build our competitiveness and ensure efficiency, it is essential that companies in our state are up to date with current technologies. Worldwide customers, remote teams, increasing demand for reaching customers through the channels and devices of their choosing and expectations of decreased reaction times are all challenges that companies must address. A significant part of the solution is correctly using information and communication technologies both to run the business as well as to engage with customers.

At Atmail we believe that, when used appropriately, technology can not only reduce costs for companies, but also help increase and retain their customer base. From providing messaging solutions to large Internet and Hosting Service Providers across Australia and the world to powering the email running business in over 120 countries, we have a successful track record of helping our clients succeed. Atmail has also led actions to empower our local community to embrace digital technologies such as providing free Wi-Fi for local shops and restaurants supporting the idea that technology can help any type of business to build a better relationship with their customers.



ZACH JOHNSON
COO ATMAIL



EXECUTIVE SUMMARY

The Chamber of Commerce and Industry Queensland's (CCIQ) 2013 Digital Readiness Study reviews how businesses are preparing for their transition into the digital economy. Almost 500 companies participated in this study, sharing insights on how they utilise Information Technology (IT) services, social networks and digital technologies to shape their business for the future.

Key findings from the study point to increased adoption of technology solutions within Queensland businesses, although there are barriers including lack of awareness of technology choices and inadequate investment in technology infrastructure which keep them from fully participating in the digital economy.

KEY FINDINGS

1. Businesses are increasingly reaching customers through their mobile devices. 35% of Queensland businesses now offer mobile versions of their website, and an additional 10% will be launching mobile versions of their website soon.
2. Businesses need to drive their visibility on mobile-based platforms further - a majority of Queensland businesses (81.4%) are yet to create mobile phone apps to educate customers on their products and services.
3. Companies have wide scope for enhancing their online retail and e-commerce capabilities. 60% of Queensland businesses receive less than 10% of their revenues through online sales.
4. Information security and data integrity are very important to Queensland businesses. 77% of businesses have now implemented security measures to protect their communication and scheduling systems. Almost three quarters of businesses feel confident that they maintain clean, up-to-date and quality data.
5. Queensland businesses have significantly expanded their presence on social media platforms such as Facebook (86.5%) and LinkedIn (63.6%). A growing community of businesses (18.5%) are also actively building their visibility through business blogs.
6. Digital advertising by Queensland businesses is largely channelled through Search Engine Optimisation (SEO) advertising (74.2%).
7. Nearly all companies (94%) are optimistic that the digital economy will open new opportunities for their business and are willing to take the necessary steps to pursue them.
8. Businesses are increasingly comfortable with flexible working practices. 71% of the companies surveyed now allow their employees to connect to the workplace from home.
9. Businesses lack dedicated specialists to manage their digital and social media presence. Over half of the companies (58.4%) rely on external resources specialists to manage their digital businesses on social media, and worry over potential skill shortages in the digital economy.

Businesses achieve digital readiness by allowing their data and delivery systems, social presence and future business goals to intersect at the right places, and by staying nimble enough to adapt to current and emergent industry trends. This enables them to widen capability and increase collaboration, innovation and customer engagement to deliver better designed solutions.

Following the Digital Readiness Study that it conducted in 2012, CCIQ now explores the digital needs of Queensland businesses, their challenges and successes as well as the strategies that they embrace to work in the digital economy.

Building the digital economy will continue to remain a key mandate across both government and private enterprise sectors for the foreseeable future. Both sectors are rapidly investing in technologies and systems, to ensure their survival in highly competitive and digitally driven markets. This calls for not just understanding and preparedness, but also a degree of curiosity and willingness to explore new technology frontiers.

In its paper **Building the Lucky Country – Business Imperatives for a Prosperous Australia**, Deloitte defines the prospects for digital disruption in a country. It explains how digital technologies explode the status quo and present unprecedented challenges, along with the creation of a “range of opportunities for the innovative”.

Further, they add that digital disruption in Australia will impact industry in the following ways:

Short fuse, big bang

– significant and imminent digital disruption will be experienced by firms in finance, retail trade, information, media, telecommunications and professional services industries.

Long fuse, big bang

– significant disruption that occurs over a prolonged timeframe will be experienced by government services and large business including health, transport and education.

Long fuse, smaller bang

– minimal disruption impacting industries such as manufacturing and mining that have traditionally had lower levels of “total digital potential”.

Giam Swiegers, CEO Deloitte Australia, emphasises that mastering digital disruption is vital to Australia’s future prosperity. While there are some risks and threats, digital disruption will help businesses to enhance their digital potential, better compete and define new revenue streams. When they work with such opportunities, they emerge as “digital survivors”.

Businesses are broadly advised to adopt the following survival strategies:

1. Recalibrate cost structures

including people, supply chain and overheads. This drives cost reductions and builds competitiveness.

2. Replenish revenue streams

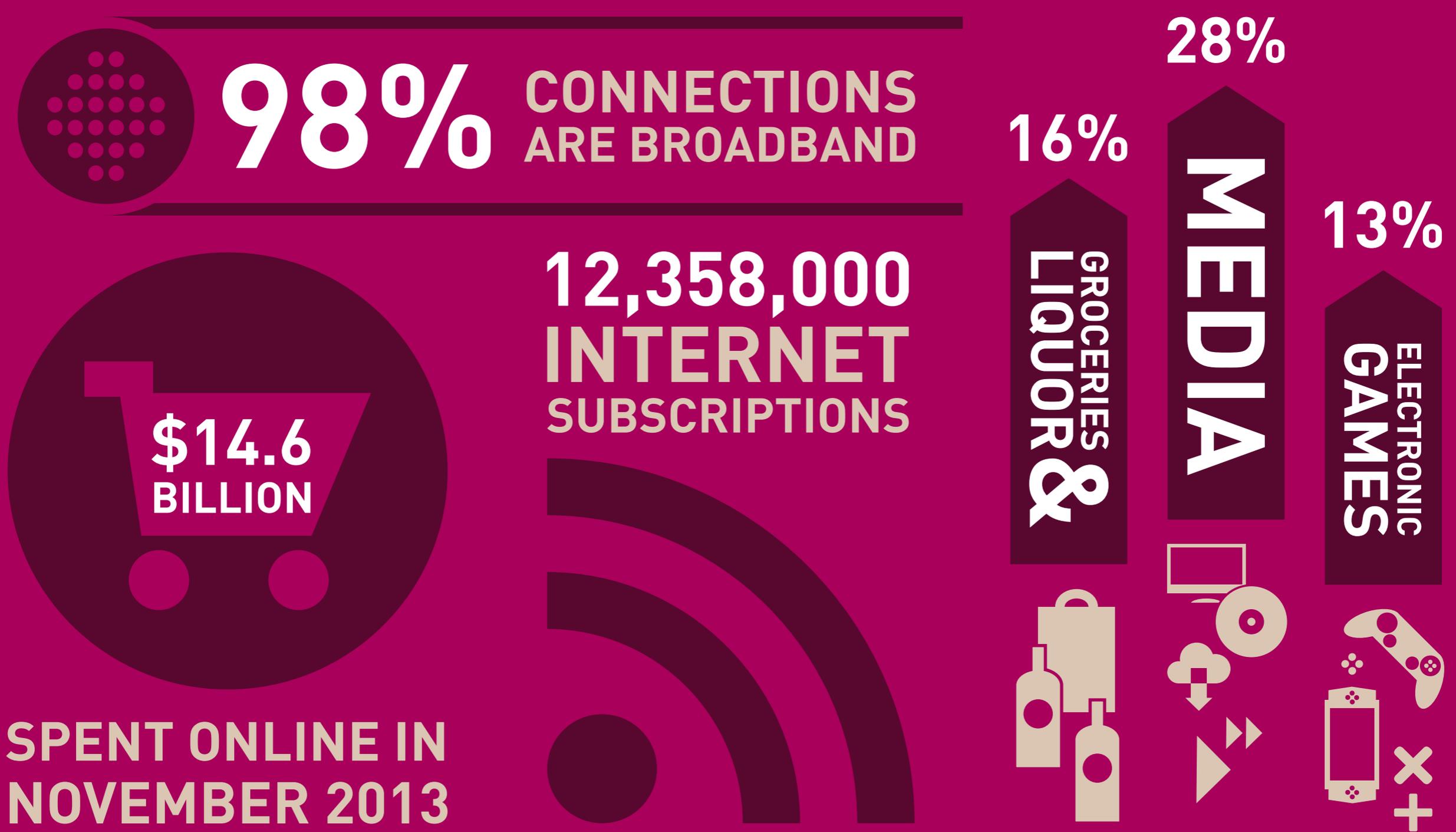
by exploring new sources of revenue across geographies, segments, and business models.

3. Reshape corporate strategies

by reviewing risks and assets.



THE DIGITAL ECONOMY- HOW DOES IT IMPACT OUR LIVES?



The National Broadband Network (NBN) project is designed to bring digital leadership into Australia. Once the rollout is complete, it will enable businesses and households to enjoy unprecedented internet speeds, as well as bolstering Australia's position as one of the leading digital economies in the world by 2020.



“Being a digital leader allows us to be more productive through cloud solutions. It gives us the opportunity to collaborate more with our remote (Australian based) team. It does require a stronger focus on communication to compensate for lack of one on one contact.”
- Sustainable Marketing Services

DRIVING THE ECONOMY FORWARD

Australians are increasingly channelling their everyday activities into the internet and social media. According to the Australian Bureau of Statistics (ABS) businesses have witnessed significant increase in their online sales in recent years. For instance, in 2010-11, online sales in Australia grew to \$189 billion – a 32% jump over the \$143 billion generated in 2009-10.

Further, data from National Australia Bank (NAB) Online indicates that in November 2013 alone, Australians spent \$14.6 billion buying products online which roughly constitutes about 6.4% of all sales in traditional retail outlets. Further, an upward growth trend in online retail sales was observed across all sectors - while electronic games grew by a modest 13% and groceries and liquor by 16%, the media sector grew significantly at 28%.

Positive change in the economy is spurred by technology investment. For instance, the increasing trend in online retail sales is a direct result of increased connectivity in Australian households - household subscriptions grew by 5% in 2013, and now constitute 78% of the 12,358,000 subscriptions in the country.

Consumers are also gaining better quality access to the internet - 98% of internet subscribers in Australia now use broadband connection. This suggests that consumers now spend more time staying connected and manage more of their everyday activities such as maintaining friendships, learning skills, paying bills and buying online.

INCREASED CONVENIENCE TO HELP US MANAGE MORE

In addition to the broadband services that they use at home, consumers also stay connected through their mobile phones. As the most prevalent technology in the country, mobile wireless broadband now accounts for half of all connections, indicating a growing appetite for seeking and managing information on-the-go.

Besides aiding convenience, digital technologies also help create intuitively designed services. For instance, in conjunction with the G20 summit in April this year, Brisbane City Council will launch an integrated wi-fi system to enable free internet access across the South Bank, Victoria Bridge and the Queen Street Mall. This will be particularly beneficial to visitors to help them stay connected, check and manage emails etc.

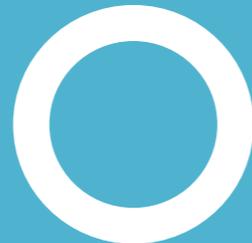
In addition, Brisbane citizens are already able to enjoy free wi-fi internet access in 22 outdoor locations, across all 33 council libraries, and also when they travel with the CityCat fleet. Many businesses in the city are also being encouraged to offer free wi-fi to citizens, and over 250 of them are now listed on Brisbane's digital map.

As observed by Lord Mayor Graham Quirk - “Providing free wi-fi brings benefits to operators by encouraging foot traffic, enticing customers to stay longer and spend more, and promoting customer loyalty.”

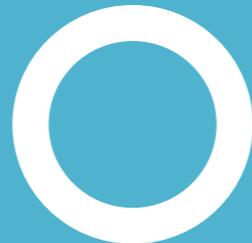
THE 2013 QUEENSLAND DIGITAL READINESS STUDY



COMPANIES SURVEYED



QUESTION 3



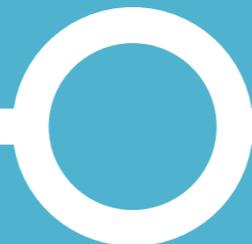
QUESTION 4



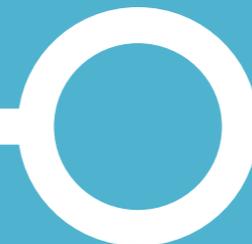
STRONGLY AGREE



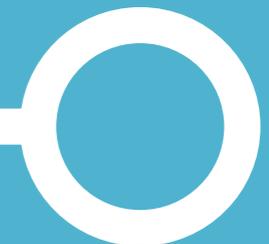
AGREE



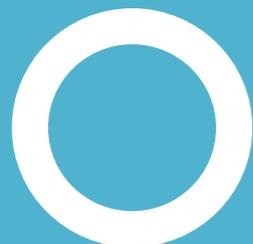
NEUTRAL



DISAGREE



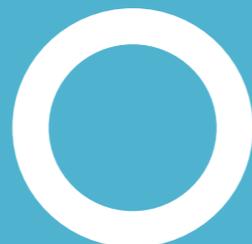
STRONGLY DISAGREE



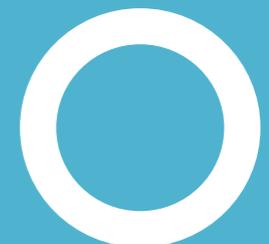
YES



NO



QUESTION 79



QUESTION 80

The 2013 Queensland Digital Readiness Study explores in detail, varied issues that businesses face in transitioning into a digital economy. Technology measures and work practices that have been adopted thus far, in preparation for the digital economy, are examined. The survey also seeks information on the constraints and technology support requirements needed to transcend into a truly digital environment.

RESEARCH METHOD AND DESIGN

The survey has been designed to elicit industry responses on a range of issues relating to digital adoption including technology adoption, digital business strategy, social media presence and digital readiness.

RESEARCH METHODOLOGY

The research was managed across four key stages, including:

- Design of survey questionnaire
- Survey administration
- Analysis of survey results
- Findings and conclusion

DESIGN OF SURVEY QUESTIONNAIRE

The survey questionnaire sought to understand generic information such as company details, industry represented, nature of business, size and location(s) of operation, as well as specific details relating to quantum of IT investment, extent of web presence, views on data integrity, mobility etc. These helped to create a better understanding of the respondent profile, and their specific IT investments, digital business strategies etc.

Questions were structured to gather data for the following information segments:

- **Generic Data** – generic information on the organisations and the industries they represented, including other details such as organisation size and scale of operations. Questions – 75, 76, 77, 79 and 80.

- **Technology Adoption** – measure the nature and extent of technology adoption within the organisations by examining key parameters such as use and management of business website, digital devices, IT equipment and resources. Questions – 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 44, 45, 46, 47, 48, 49, 51 and 52.
- **Social Media Presence** – usage of social media tools such as Facebook, Twitter and LinkedIn to create a social savvy business and communicate with present and potential customers. Questions – 16, 17, 18, 19, 20 and 21.
- **Digital Business Strategy** – explores present or evolving digital business strategies centred on communication with customers, managing customer data, building greater access to the market and enhancing organisation visibility. Questions – 22, 23, 24, 25, 26, 27, 28, 29, 30, 41, 42, 43, 50, 54, 55, 56 and 60.
- **Digital Readiness** - examines key enablers and barriers to digital readiness within businesses, presence of digital business solutions and dedicated resources. Also examines the extent of employer sponsorship in creating awareness and access to digital resources such as the internet and social media in the work environment. Questions – 50, 53, 57, 58, 59, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74 and 78.



The survey questionnaire includes different question formats such as the Likert Scale, rank order, dichotomous (yes/no) and open-ended questions, to help elicit a wide range of responses.

Questions based on Likert Scale response, ranked response and dichotomous response, generate numerical responses that can be quantified and measured. Open-ended questions offer descriptive responses, which are ideal for rich qualitative interpretation.

Likert Scale questions are designed to elicit the extent of agreement with a statement. For instance, respondents will evaluate any subjective or objective criteria stated in a question and indicate the extent of agreement or disagreement, using five ordered response levels such as:

1. Strongly disagree
2. Disagree
3. Neither agree nor disagree
4. Agree
5. Strongly agree

In rank order questions, respondents indicate their most preferred option from a list of alternatives. Also, they provide information on the sequence of preference shown for the remaining alternatives, and this helps in measuring the relationship and extent of importance between the alternatives.

Dichotomous questions or polar questions help elicit either of two possible responses such as “yes/no”, “agree/disagree” and “true/false” from the survey respondent.

Open Ended questions are unstructured in nature, and unlike structured multiple choice questions, help respondents to answer a question in their own words, enabling rich qualitative information.

SURVEY ADMINISTRATION

The survey was administered to respondents from 498 companies, representing a wide cross-section of the Queensland business community. Respondents participated in the survey by answering an online questionnaire that comprised 80 questions. The survey presented respondents with an option to skip questions and also supplement their responses with additional text where needed.

Following the closure of the survey, responses generated to each question were analysed, and inferences drawn. Qualitative and quantitative information was evaluated in tandem to generate additional insights and interpretation. Juxtaposing the qualitative and quantitative data enabled better depth and quality of understanding of the key elements explored in this study.



OVERVIEW ON RESPONDENT PROFILES



EUROPE



AGRICULTURE FORESTRY & FISHING



ELECTRICITY, GAS, WATER
AND WASTE SERVICES



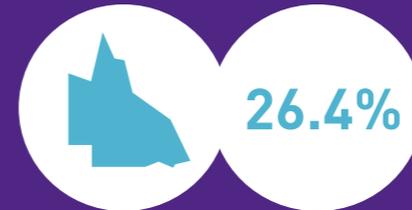
AUSTRALIA



TRANSPORT, POSTAL AND WAREHOUSING



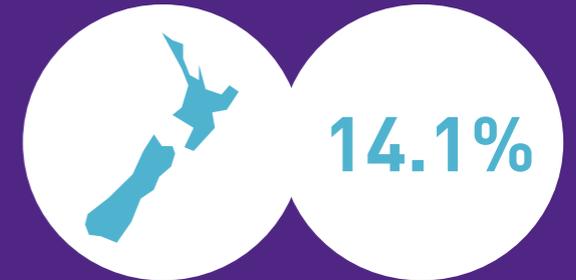
MINING



QUEENSLAND



CONSTRUCTION



NEW ZEALAND



FINANCIAL AND INSURANCE SERVICES



RENTAL, HIRING & REAL ESTATE SERVICES

The survey was administered to respondents from across 498 companies.

Respondents were largely represented by the Manufacturing (16.4%), Professional, Scientific and Technical Services (15.5%), Retail Trade (11.5%) and Construction (9.8%) sectors. Health Care and Social Assistance (8.6%) Education and Training (7.8%), Information Media and Telecommunications (7.2%) sectors also had significant representation.



INDUSTRY REPRESENTATION

Agriculture, Forestry and Fishing	6.0%
Mining	5.7%
Manufacturing	16.4%
Electricity, Gas, Water and Waste Services	2.0%
Construction	9.8%
Wholesale Trade	6.3%
Retail Trade	11.5%
Accommodation and Food Services	6.0%
Transport, Postal and Warehousing	5.7%
Information Media and Telecommunications	7.2%
Financial and Insurance Services	3.2%
Rental, Hiring and Real Estate Services	0.9%
Professional, Scientific & Technical Services	15.5%
Administrative and Support Services	6.3%
Public Administration and Safety	0.9%
Education and Training	7.8%
Health Care and Social Assistance	8.6%
Arts and Recreation Services	3.2%
Other Services	21.3%

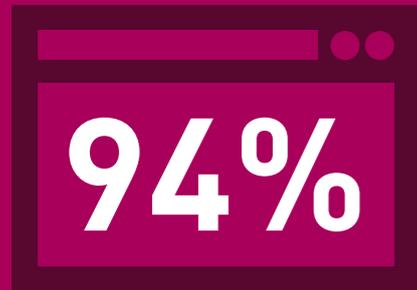
The majority of the companies that participated in the survey were small businesses, employing fewer than 50 employees, and operating through 1 to 5 offices across Queensland. Around 19% of the companies had a workforce of 100 employees or over. Large businesses with 501 – 1000 employees constituted around 9% of the respondents. While small businesses dominated the survey, a sizeable proportion of these companies (43.4%) maintained nationwide operations.

Many of the companies (62.9%) also maintained an active local and regional presence. Companies that were involved in international businesses were largely active across the Asia Pacific (16.1%), New Zealand (14.1%), Europe (11.2%), China and Japan, and North America (both 9.5%) regions.

WHERE DOES YOUR BUSINESS TRADE?

Locally: Within 10km	20.1%
Regionally: Within local region (e.g. Wide Bay, Sunshine Coast)	42.8%
State-wide: Across all of Queensland	26.4%
Nationally: Throughout Australia	43.4%
Internationally: New Zealand	14.1%
Internationally: China, Japan, Korea	9.5%
Internationally: Asia Pacific	16.1%
Internationally: North America	9.5%
Internationally: Africa	5.7%
Internationally: Europe	11.2%
Internationally: South America	4.3%

TECHNOLOGY ADOPTION



94% OF BUSINESSES HAVE A WEBSITE

"We invested in business management Software as a Service (SaaS) considered to be the gold standard, even though it's designed for much bigger businesses. It has led to a 30% drop in lost admin time - worth every cent." - New Word Order



55% HAVE A MOBILE FRIENDLY WEBSITE

"...Since May last year we moved to Google Apps for Business. Our costs have been reduced from \$70,000 to \$10,000 a year with third party backups. Access to data is significantly improved. The Google Apps suite is outstanding for collaboration and employees can now work from any device, anywhere, at any time."
- NQ Dry Tropics NRM



10% USE CLOUD BASED EMAIL



1 IN 10 HAVE A DEDICATED MOBILE APP



ONLY 1 IN 5 BUSINESSES GENERATE \$ ONLINE

Technology adoption is being defined by the quantum of IT investments that have been made/are being planned within businesses. These include the extent of online presence, website deployment for internal and external communication and use of mobile-based technologies to connect with customers. Investments in IT infrastructure and work tools such as laptops, tablets and smart phones are also reviewed.

BRIEF OVERVIEW OF 2012 STUDY RESULTS

- Most businesses maintained a running website and had adequate knowledge and resources to manage their website internally.
- They were more focussed on using new and updated personal work devices rather than computer servers and cloud-based services.
- Businesses lacked a strategy to drive sales and revenue through their web presence.

HIGHLIGHTS FROM 2013 STUDY RESULTS

- Companies continue to widen their web presence.
- Increased technology adoption to work with greater convenience, enable secure data environments and drive better performance.
- Reaching customers more directly through mobile-based platforms.

“We invested in business management Software as a Service (SaaS) considered to be the gold standard, even though it’s designed for much bigger businesses. It has led to a 30% drop in lost admin time - worth every cent.”- New Word Order

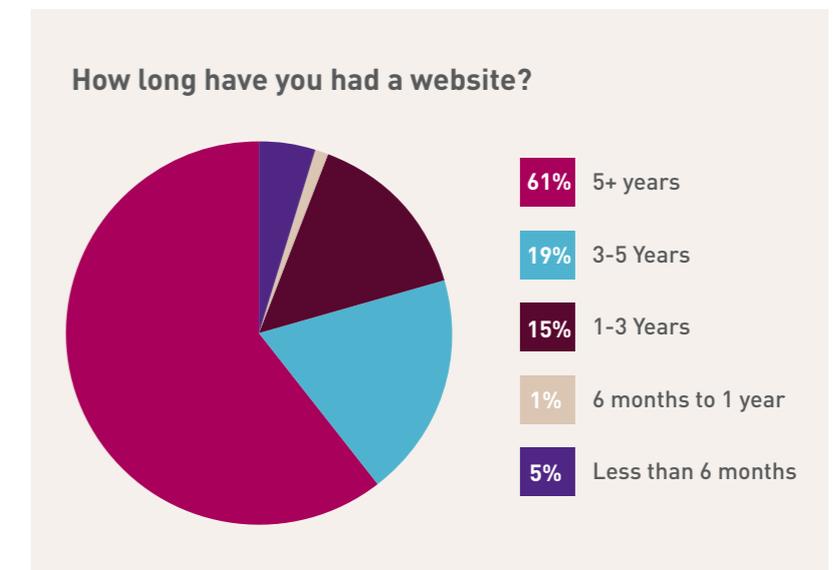
WEB PRESENCE

Web presence among companies is almost universal. 94% of the companies responded that they maintain a business website to share company information and also educate visitors on their service capabilities.

Websites are viewed as an essential step in the start-up and running of a business, and a majority (79.1%) of the companies have maintained a website for at least three years. 61% of the companies reported owning and maintaining a website for five years and longer. The presence of a company website has helped businesses strengthen their marketing, communication, training and education activities.

Over the years, companies have invested in building competence internally to manage their websites, and a majority (70%) now maintain a dedicated team or a staff member to support their web presence. The presence of internal resources ensures frequent information updates (nearly half of the companies update their websites at least monthly), and better quality interaction with customers.

“Digitized all our patient records, huge project, but stunning results in productivity and efficiency. More professional results, has improved our ability to communicate patient information to other medical professionals.”
- Gladstone Vision



Despite the ease with which companies now manage their business websites, some still struggle with basic issues such as set-up and hosting, besides lacking a budget for website maintenance. Nearly three-quarters of the companies that don't maintain a website indicate they lack access to the resources, education and time needed to build and maintain a website. Also, some companies prefer not to have a website, as they feel social media channels enable marketing and customer support activities at reduced costs.

MORE MOBILE VERSIONS OF WEBSITES

Businesses are increasingly aware of the need to offer mobile versions of their websites to customers. 35% of companies maintain a mobile version of their website, and a further 10% are actively looking to launch a mobile version shortly.

Despite their growing presence on online and mobile-based platforms, companies are not sufficiently invested in creating mobile phone apps on App store or on Google Play. Most companies (81.4%) are yet to create mobile phone apps to educate customers on their businesses and the products and services they offer. For the moment, a small group of companies (10%) do offer mobile phone apps and another minority (9.1%) is looking to introduce such options, indicating a growing appetite for mobile phone apps within the Queensland business community.

POTENTIAL FOR E-COMMERCE UNDER UTILISED

For most companies, an active web presence has not translated into adequate e-commerce opportunities. Presently, just over a fifth (20.6%) of the companies uses their website to advertise and sell their products and services online.

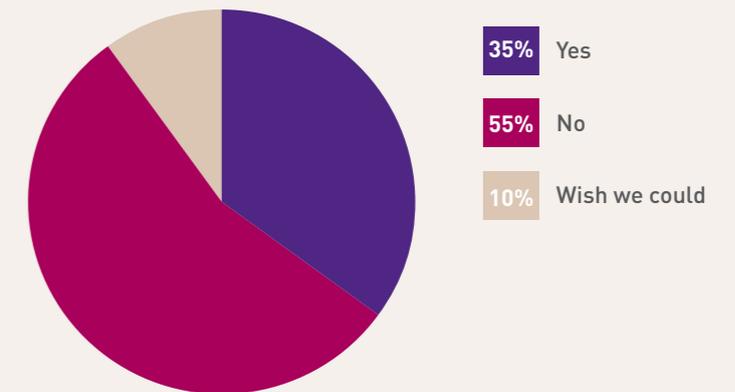
As a consequence of being under invested in e-commerce, revenue through online sales has been fairly minimal for companies. Most companies (60.2%) receive fewer than 10% of their revenues through online sales, and only a small group of companies (3.4%) make significant revenues, exceeding 80% of total revenue.

INCREASED E-MAIL SECURITY, INFORMATION PRIVACY AND USE OF DEVICES

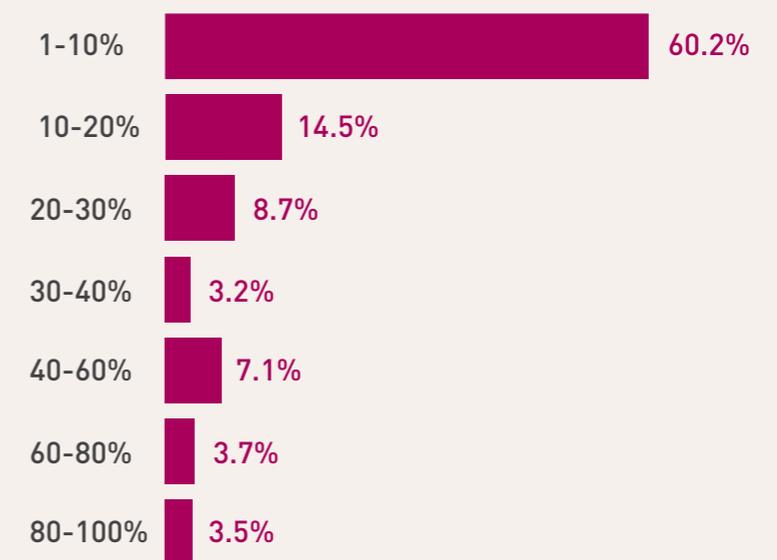
E-mail remains the key channel for all internal and external communication within businesses, and companies are also investing in technologies to better manage intranet access, mail communication and enhance productivity. This has enabled employees to work away from the office and enjoy access to e-mails, individual and shared calendars as well as working documents.

Businesses are increasingly reliant on devices to manage work schedules. In most companies today, meetings and discussion appointments are being managed through personal devices. Given the increased emphasis on security, a majority (77%) of Queensland businesses have now implemented security measures to protect their e-mails/ contacts/ calendars.

Do you have a mobile version of your website? (%)



What percentage of revenue do you receive from online (internet) sales (best estimate)?



Companies also continue to invest in information security and data privacy. Nearly half the companies surveyed are now hosting and managing their e-mail service on their own, and a small number (10.4%) are using business-grade e-mail solutions based in the cloud.

Secure e-mail management helps companies feel protected from spam and computer virus infections. Virus infections and spam e-mails in particular are viewed as a serious threat and companies report feeling somewhat, or very concerned over viruses being spread through email attachments, as they can significantly damage their reputation with external partners.

Companies are invested in business continuity technologies too. A majority (58.6%) of companies report having business continuity plans in place to support continued operations in adverse conditions. Despite such measures being implemented, businesses still remain vulnerable to IT risks - 10% of the companies report being directly impacted by a major IT disaster in the past 12 months.

“Lack of business input - software implementation is done by IT people with no business knowledge resulting in a product partially suited to the business.”
- Process, Systems, Training & Development

ACCESS TO TECHNOLOGIES

Making the right technology choices helps companies deliver better services and stay ahead of the game. Competence in accessing relevant technologies is enabled through awareness and understanding of options available in the market.

Overall, companies feel quite competent to support their current business technology needs, and seek to invest in improving their communication and data processing capabilities, in addition to better promotion of their goods and services. While a fifth of the companies reported having access to the skills and knowledge needed to support their business technology requirements, over half rely on a combination of in-house and external service provider support services.

Apple smart phones and tablets are the dominant work devices used in Queensland businesses. For work applications, a majority of the companies use Microsoft Office applications and specialised accounting software, however, the uptake for integrated applications such as Enterprise Resource Planning (ERP) is rather low.

In contrast to 2012, when companies mostly used cloud-based services to manage their e-mails (65.1%) and storage (53%), they are now using such solutions to access Software as a Service (SaaS). Google Apps, Microsoft Office 365 and QuickBooks Online are some of the prominent solutions used for SaaS.

Many companies (40%) maintain IT equipment that is at least 2 years or older, and a majority (70%) also maintain a computer server at the office. Companies that did not manage their server within the office typically maintained them in a 3rd party hosting facility such as Amazon, Rackspace, iSeek, AAPT, Optus and Telstra.

“We are not digital leaders but consciously sought assistance from IT savvy people to help us establish our website and digital advertising... Establishment of our website gave us access to clients we would otherwise have missed. Increased sales resulted, not only locally but interstate too. Costs of website establishment and continuity were quite quickly covered and a moderate level of profitability has resulted...”
- Ambiré Enterprises



A quarter of the companies however, outsource or relies entirely on external service providers to manage their business technology needs. Also, while the majority of companies (68.7%) feel they can easily access relevant technologies, a third (31.3%) of the companies report finding it difficult, indicating the need for additional education and support.

INVESTING IN IT INFRASTRUCTURE

Technology choices are also driven by other factors such as price, vendor reputation and after sales service support. In addition, many companies assert that they prefer working with providers who closely understand the nature of their business.

Overall, companies are cautious when planning their technology implementations as they fear cost overruns and potential failures in integration. Many worry that IT implementations involve:

- high costs with low or unknown return on investment
- unexpected recurring expense
- reduced cost savings as products fail to deliver on customer expectations.

Companies also report concerns abound over internal challenges such as:

- Ineffective planning which leads to disconnects between technology and business strategies
- challenges in linking with outsourcing partners
- insufficiently staffed IT teams who are unable to manage IT implementation exercise.

While some companies are undecided on how they would direct their IT investments in the short term, a majority of the companies will likely increase their IT investments over the next twelve months. Particularly, they are looking to selectively increase their investment on technologies that will enhance business value, through improved productivity, business intelligence and customer service.

DISCUSSION

Businesses understand that technology investments pave the way for better customer engagement, resulting in increased revenue generation. An active web presence, along with increased access to customers through mobile-based platforms has ensured better visibility for products and brand building opportunities. Companies are also investing in technologies to improve performance - for instance, they are ensuring employees work with upgraded technology devices, and have continued access to the work environment, even in their homes. Most Queensland businesses are increasingly sensitive to information security and data privacy, and the adoption of technologies that support high standards of data integrity.

Despite the investments being made, businesses may fall short of results if they continue to ignore the need to build over/capitalise on existing technology capabilities. For instance, a broad section of businesses have stayed away from mobile-based applications as well as e-commerce. As customers increasingly shift their consumption online, these are missteps that businesses can

ill afford. Data from the Australian Bureau of Statistics (ABS) reveals that Australian customers are increasingly buying online. Online orders have increased from 13% in 2009-10, to 28% in 2010-11, and the trend is only expected to increase in the coming years.

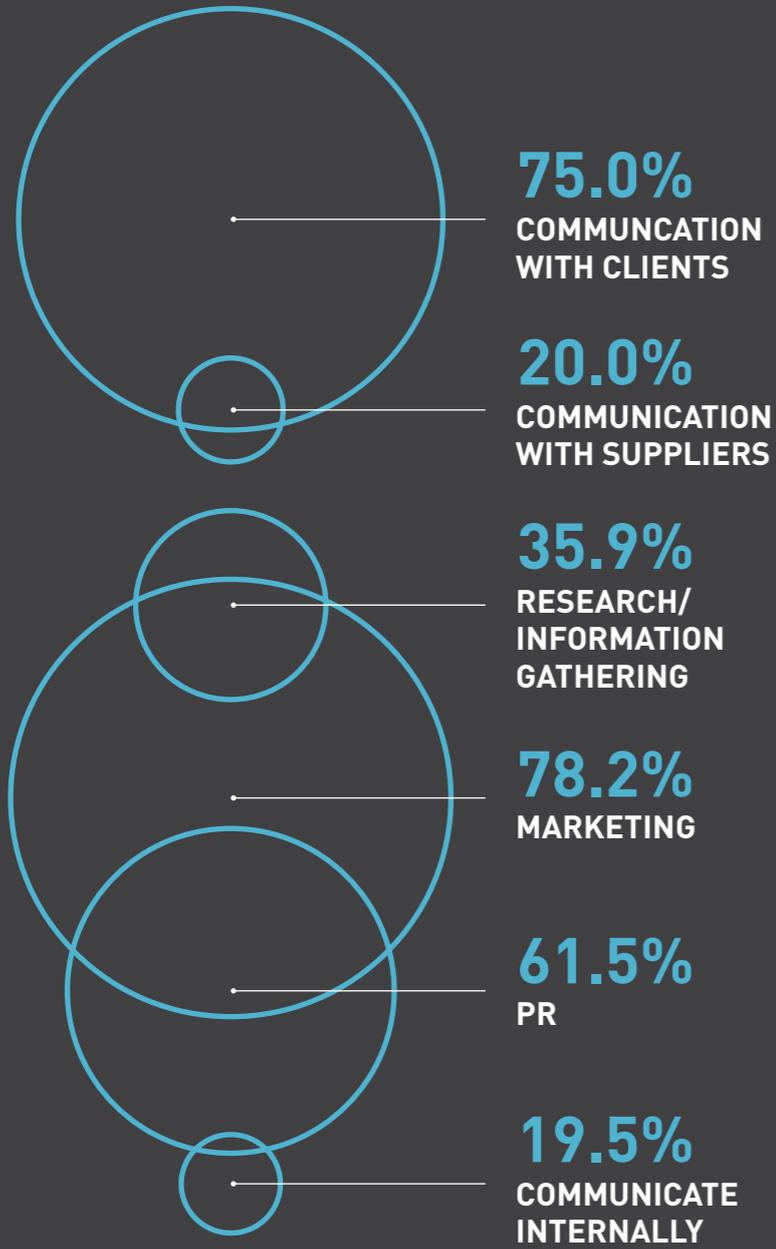
Additionally, businesses need to better understand their technology directions and seek information where necessary. Presently, most businesses are quite undecided on how they would direct their IT investments over the coming years – this may lead to expensive mistakes and worse, hold them back from investing in technologies that are essential to their survival.

AREAS FOR ACTION

1. Investing in e-commerce tools and mobile-based applications will help businesses broaden their reach as well as drive revenue growth.
2. Companies can achieve significant cost savings when they develop in-house capability to support their business technology needs.

SOCIAL MEDIA PRESENCE

HOW DO YOU USE SOCIAL MEDIA IN YOUR BUSINESS?



3/4

OF BUSINESSES ARE AGGRESSIVELY GROWING THEIR SOCIAL MEDIA PRESENCE



25%

OF BUSINESSES DOUBT SOCIAL MEDIA IS WORTH THE EFFORT

WHICH SOCIAL MEDIA CHANNELS DO YOU USE TO PROMOTE YOUR BUSINESS AND COMMUNICATE WITH CUSTOMERS AND POTENTIAL CUSTOMERS?



Over the past few years, businesses everywhere have aggressively built their social media presence to support their marketing and brand building activities. Social media channels have helped companies gain unprecedented access to wide groups of customers, better understand their needs and preferences, and closely observe their consumption behaviour. Social media is now among the key drivers of improved customer reach, brand recall and visibility within many companies.

“I wouldn’t call myself a digital leader but I’ve managed social media for businesses including my current business and it’s an effective marketing tool for us. I’ve built a good presence on LinkedIn, Facebook and Twitter. I also proactively manage our SEO for certain keywords and have been successful in establishing our business high in the rankings.” - ITOC

BRIEF OVERVIEW OF 2012 STUDY RESULTS

- Most companies have adopted social media in their business.
- Facebook, Twitter and LinkedIn were some of the popular social media tools being used.

HIGHLIGHTS FROM 2013 STUDY RESULTS

- Companies are increasingly focussed on developing better social media skills to help drive brand visibility and ensure they stay connected with customers.
- Businesses continue to see Facebook and LinkedIn as dominant social media platforms.

SOCIAL PRESENCE CONTINUES TO RISE

A majority of Queensland businesses (75%) are aggressively investing in widening their social media presence, to promote visibility on their brand and communicate with existing and potential customers. Besides enabling marketing, public relations and client communication exercises, social media has also enabled companies to support their research and information gathering exercises.

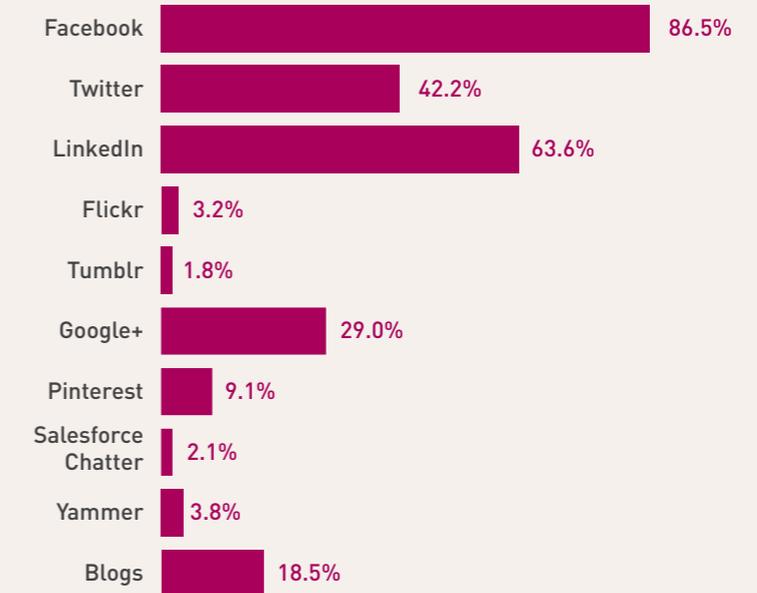
Companies mainly connect with the community through channels such Facebook (86.5%) and LinkedIn (63.6%), as well as Twitter (42.2%) and Google+ (29%). Besides social networking sites, a growing community of Queensland businesses (18.5%) are also actively building their visibility for their businesses through blogs.

As companies grow cognisant of the rising influence of social media presence in developing their

How do you use social media in your business?



Which social media channels do you use to promote your business and communicate with customers and potential customers?



business opportunities, they are actively investing in gaining the necessary skills and resources to better manage their business on social networking platforms. They are also encouraging employees to use the medium to promote products and services.

Interestingly, while companies understand the increasing value of social media presence, 40% of them also continue to rely on traditional tools to manage their marketing and outreach initiatives.

WHY DO SOME COMPANIES STAY AWAY FROM SOCIAL MEDIA?

Overall, companies indicate that given more time and resources to help with better understanding of social networks, they will get more involved in building and maintaining their social presence. However, some companies have stayed off the medium as they are concerned about the escalated potential for threats to business reputation and negative publicity, when things go wrong.

Over a quarter of the companies were also doubtful whether maintaining a social presence offered adequate value and returns for the time and monetary investment made. Some businesses were also staying away from social media as they lacked the time and resources to manage it, and felt that it may not be entirely relevant to their customers.

“Upper management see it as too risky” - RHealth

“When I get busy my focus on social media falls.” - Sustainable Marketing Services

“Not certain how this could help my business” - Work Injury Solutions

DISCUSSION

Social media helps businesses build their brand visibility and gain access to a wide market, spanning well beyond their geographic location. It also helps them build immense proximity with their customers, drawing information and insights of great depth and granularity. In recent years, most businesses have expanded their social presence, but continue to rely on traditional channels to drive their core marketing initiatives. By doing so, businesses fail to reap the possible gains out of their existing social presence, and also distance themselves from young customers, who are fast emerging as key purchase influencers.

Companies likely want to do more with their social presence, but achieve little, as they have not adequately invested in building relevant skills within their workforce. Building the technical skills, educating their workforce and customers on how they can connect better as well as manage a secure relationship, will help drive increased gains in coming years.

AREAS FOR ACTION

1. A well designed social media strategy that encourages uniform and consistent presence across varied social media channels (Facebook, Google+, LinkedIn etc.) will drive improved brand building.
2. In most companies, social presence lies at the periphery of their media and communications strategy. Bringing it to the centre, and integrating it across all relationship lines, will help businesses communicate, collaborate and deliver better.
3. Understanding the “what, why and how” and investing in social media education will help companies leverage their social presence far more effectively.

Why do you not use social media in your business?



DIGITAL BUSINESS STRATEGY

DO YOU USE ANY OF THE FOLLOWING DIGITAL ADVERTISING SOLUTIONS?



ONLY 1 IN 4 USE CRM TO MANAGE THEIR CUSTOMER INFORMATION



"I see Digital Technology as a support for business not a prime driver of productivity or profitability."
- GrouyTech (Aust) Pty Ltd



85%

OF BUSINESSES ARE CONFIDENT THEIR DATA IS SECURE



61%

OF BUSINESSES DON'T HAVE A DIGITAL MARKETING PLAN

A well defined digital business strategy enables companies to integrate their technology choices along future business directions, and drive increased capability in delivering better quality products and services. It also helps connect varied IT investments in the operational environment including technology devices, enterprise software, social presence etc.

BRIEF OVERVIEW OF 2012 STUDY RESULTS

- Opportunities in digital businesses were being built around electronic data management.
- Companies were yet to aggressively adopt technology as a means to manage their business, and mainly used it to drive external relationships.
- Uncertainties over costs and performance kept companies away from exploring digital businesses.

HIGHLIGHTS FROM 2013 STUDY RESULTS

- Digital business plans continue to be superficially entrenched within most Queensland companies.
- Most companies lack a concrete digital marketing plan and those who do have one are still in the early stages of developing it.
- Companies are considerably active in maintaining their social presence, but unable to complement it with an effective strategy to drive digital presence.

PURSUING DIGITAL BUSINESSES

A majority of the companies in Queensland (61%) report not having a concrete digital marketing plan. While companies unanimously view digital business solutions as being highly useful, many (56.3%) shy away from digital business ventures because they lack relevant knowledge and understanding, and find it difficult to access high internet speeds. Further, many businesses also lack an accurate understanding of the resources of time and money, as well as the benefits involved in adopting a digital business model.

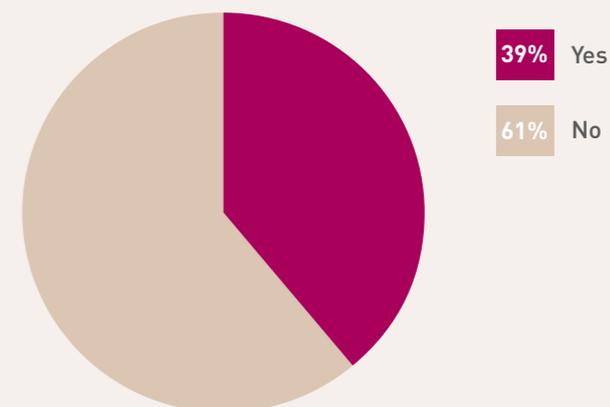
Nearly all companies (94%) feel considerably optimistic about the benefits that they will gain through digital business opportunities and are willing to take the necessary steps to pursue them. Digital business solutions will help companies drive improved access to the market, increasing productivity and competitiveness, and help build a profitable business in the long run. Most companies however are looking for online resources, information and training sessions to learn more on potential benefits from digital business opportunities.

DIGITAL TECHNOLOGY SOLUTIONS

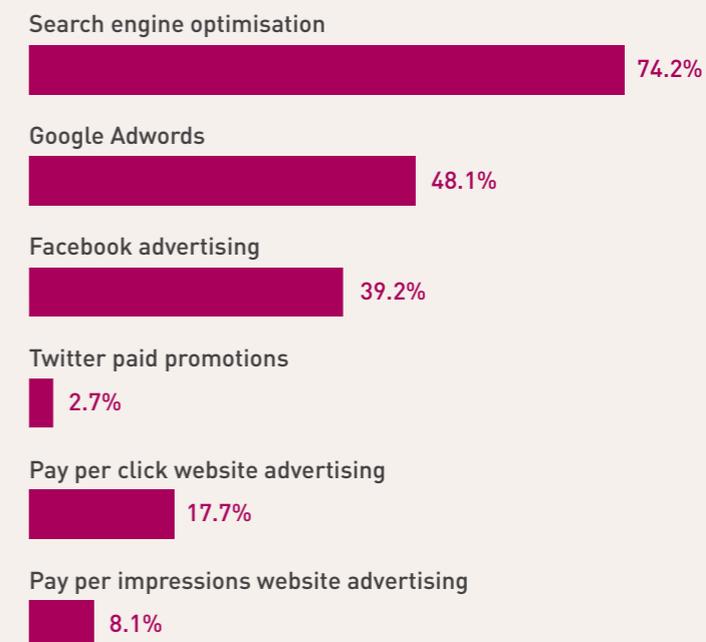
Digital technology solutions that are currently in use support sales, billing and basic customer data management, and are not being adequately deployed to manage more complex information. For instance, only 11% of the companies report managing their transaction data electronically.

The use of Customer Relationship Management (CRM) is also somewhat minimal. Just over a quarter of the companies surveyed (29%) use

Does your business have a digital marketing plan?



Do you use any of the following digital advertising solutions?



CRM tools such as Salesforce to manage their customer and business transaction information. Most companies generate customer data to manage basic communication initiatives such as newsletters distribution. While some companies use CRM generated data to manage value added activities such as customised initiatives and special offers, or product and service launches, they are yet to use the data to develop insights into what customers really want. Presently only a small group of businesses (15.6%) are using customer data to create mobile or tablet applications.

DIGITAL ADVERTISING BECOMES POPULAR

Companies are increasingly looking to manage their customer outreach activities online. They find that customers respond better to digital advertisement routes, and are increasingly focussed on promoting their products and services to customers via the internet.

A majority of companies (74.2%) are now using search engine optimisation to support their digital advertising needs. They are also exploring other popular digital advertising solutions such as Google Adwords and Facebook advertising. While companies commonly advertise on Facebook, use of other channels such as Twitter paid promotions is very minimal (2.7%).

EMPHASIS ON PROTECTING CUSTOMER DATA

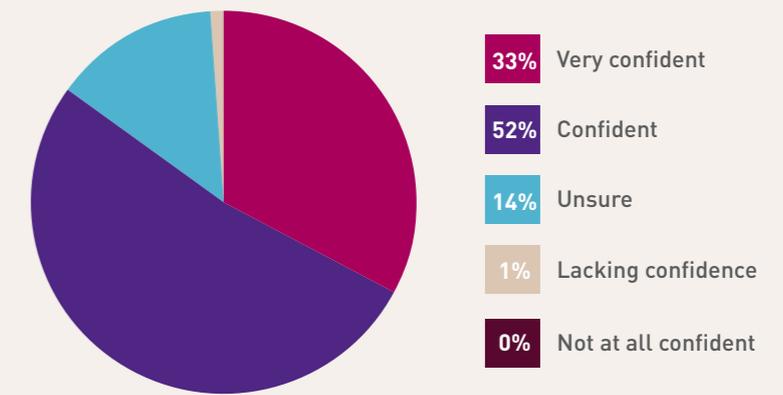
Companies understand the responsibility that comes with electronic customer data management and are extremely sensitive to maintaining data protection standards.

A majority of the companies (76%) have taken stringent measures to meet government requirements on data protection, spam act, and privacy legislation, and have consequently made significant investments to protect their customer data. The increased investment in information security is paying off, and many companies (85%) now feel confident that their customer data is safe and secure.

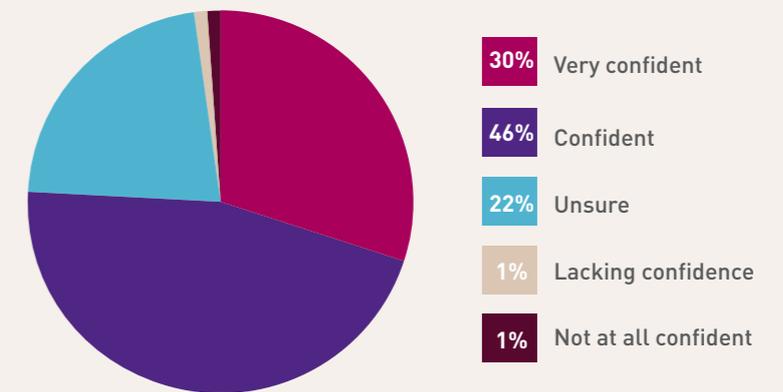
The increased focus on data protection has also helped improve data integrity. Most companies in Queensland are highly attentive to the quality of data they maintain. Almost three quarters (73%) also report feeling confident that the data they maintain is clean, up-to-date and of good quality.

However, data protection continues to be a challenge for some companies. A small group (21.8%) of companies report struggling with their data protection systems, and also worry that their information systems are not adequately compliant with government stipulated standards.

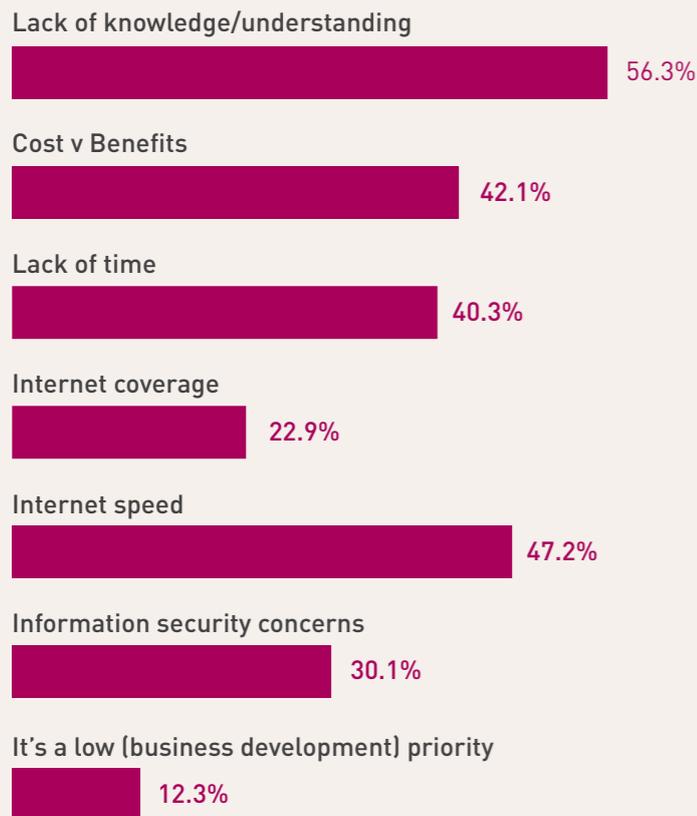
How confident are you that your customer data is safe and secure?



How confident are you that your business complies with data protection, spam act, and privacy legislation?



What are the barriers to digital business (including the internet)?



BARRIERS TO DIGITAL BUSINESS

Despite the positive sentiment that accompanies the digital business movement in Queensland, businesses worry that there are too many barriers preventing their entry into digital business. In addition to a lack of relevant knowledge and understanding (56.3%), businesses are not confident that they have the adequate internet speed (47.2%) or clarity on cost vs. benefits (42.1%) to foray into digital business.

DISCUSSION

Nearly all businesses in Queensland recognise the importance of having a digital business strategy, but contend that its success rides upon two critical factors - internet speed and knowledge on how to work the digital environment. At the moment, most businesses lack a concrete digital marketing plan.

As a continued trend from the 2012 study, it is apparent that businesses have taken a fragmented approach in building their digital strategy. For instance, most companies indicate they value data and have directed several measures at ensuring data integrity; but very few are adequately invested in harnessing value from it. This is evident from the minimal adoption of CRM and Enterprise Resource Planning (ERP) technologies. 29% of the companies surveyed use CRM tools such as Salesforce and most use customer data to manage simplistic initiatives. Presently, very few businesses apply the data they have to drive value added initiatives, develop specific insights on what their customers want or create mobile and tablet applications.

Companies are also cautious in driving their digital marketing plans, because of uncertainty over their digital mandates and the results they want. Not surprisingly, this has led to a “chicken and egg” scenario - where businesses are unsure as to which digital technologies they need to adopt, as they don’t know what they really want.

Despite this lack of clarity on some aspects related to digital marketing, many Queensland businesses see considerable value in digital advertising and reach their customers through Facebook advertising, Google Adwords and SEO channels.

AREAS FOR ACTION

1. The need for executing an optimal digital business strategy remains; and businesses will need to continue working on planning/driving their technology investments from varied standpoints including data, online presence and social media integration.
2. Education is key to driving effective digital technology choices. Businesses undoubtedly make better technology choices when they have access to information such as costing, range of functions and performance.
3. Businesses are increasingly including digital advertising in their media strategy - companies can gain more by exploring these channels further.

“People do not know what they don’t know - what’s available and how they can use it for their business.”
- Northwind Apartments

“Lack of take-up interest among clients/suppliers. They prefer face to face communication.” - FAQI

DIGITAL READINESS

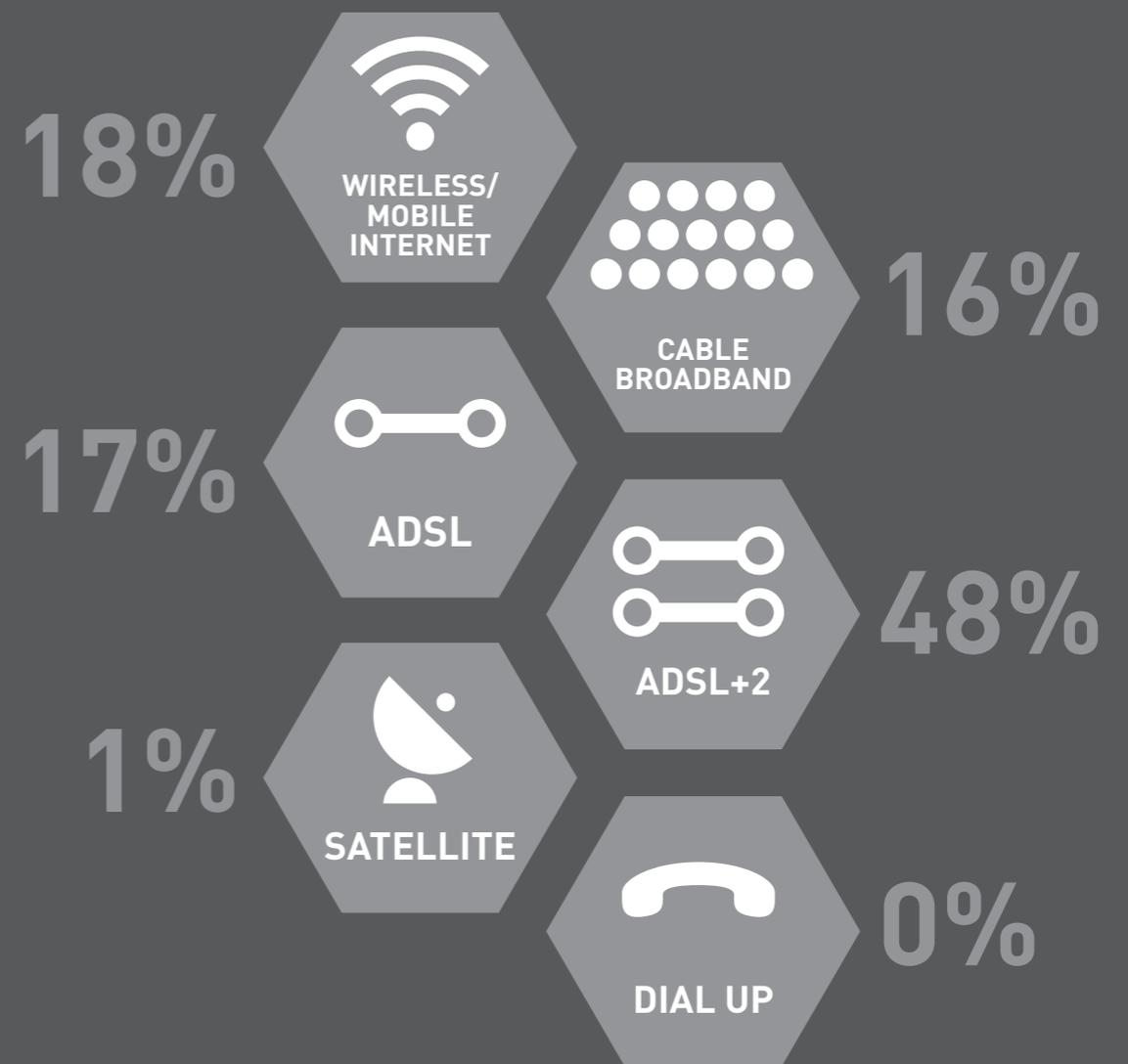
1/3 OF COMPANIES ALLOW EMPLOYEES TO WORK FROM HOME



51% WORRY ABOUT A DIGITAL SKILLS SHORTAGE



HOW DOES YOUR BUSINESS CURRENTLY CONNECT TO THE DIGITAL ECONOMY?



Digital readiness defines the extent to which businesses are integrating their future business goals with emerging digital technologies. Particularly, it helps businesses align their technology goals with future market directions.

BRIEF OVERVIEW OF 2012 SURVEY RESULTS

- Most businesses were optimistic about exploring digital business opportunities, and believed it would help drive improved market reach and productivity.
- Concerns existed about the move to an integrated digital business model in several areas, including lack of adequate understanding, the costs involved and the actual impact on profitability

HIGHLIGHTS FROM 2013 SURVEY RESULTS

- The NBN rollout is viewed as a key enabler in the success of a digital economy.
- Companies need to build skilled resources in-house to better support their digital business plans.

“A systematic migration to cloud computing is underway at my business. In six months we have been able to turn off four of five servers in the office - reducing power both used by the servers and to cool them. We have also reduced our monthly service agreement bill by around 40% and we will avoid capital expenditure into the coming year on replacing ageing servers and avoid the need to upgrade to newer server software versions. As a result of a commitment to cloud computing and an “apps” based approach to business systems, we have been able to improve productivity, collaboration and reduce paper use.” - NQ Dry Tropics

NATIONAL BROADBAND ROLLOUT

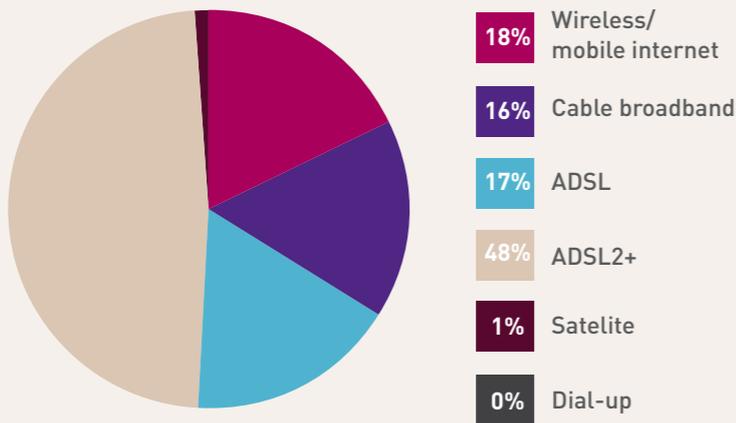
The NBN rollout significantly impacts the creation of a digital economy in Australia. Queensland companies are eager to leverage the digital business opportunities that the NBN will enable. Queensland companies perceive the NBN to be a valuable investment, and see it as a good investment in building Australia's commercial future. Businesses feel that the NBN will deliver faster internet speed access and better connectivity, helping them improve on their services and relationships with customers.

While many believe that the NBN roll out will help Australian businesses compete better globally, they continue to worry that the rollout may not occur on time and on budget, or worse, not cover their region. This could deter many businesses from planning and efficiently responding to improved technology when it becomes available.

Connectivity in Queensland companies is mainly sustained through ADSL2+ connections, in addition to other options such as wireless/mobile internet, cable broadband and ADSL. Businesses are largely satisfied (60.4%) with the quality, cost, and speed of the internet connections they receive, however a quarter of them believe that a lot needs to improve around connectivity in Queensland.



How does your business currently connect to the digital economy?



CHALLENGES IN TRANSITIONING INTO A DIGITAL ECONOMY

Effective transitioning into a digital economy is possible when businesses feel adequately prepared to reap the benefits from a digitised business environment. A small group of Queensland businesses (10%) feel considerably prepared to take on the digital economy, while most indicate feeling only partially prepared to make the transition.

Businesses are however encouraging employees to prepare for the changes that a digital economy will bring. For instance, internet access is commonly provided in today’s workplaces and a growing number of companies (55%) have also implemented social media guidelines for their employees. More than a third of the companies allow half (or more) of their employees to work from home, and just under a fifth of companies (16.6%) now allow their workforce to connect to the workplace from home.

Yet businesses may only be taking minimal steps to prepare their workforce for a digitised business environment. While businesses are encouraging an internet savvy workforce, they have not yet invested in helping staff build specialist skills – for instance, most companies (58.4%) do not employ dedicated specialists to manage digital businesses through their website and social media. As a consequence of the limited skill building, over half the companies (51%) worry over potential skill shortages in the digital economy.

This calls for more initiative on the part of companies in learning about trends and technologies that will become relevant to their business in the future, and build skills accordingly. They are broadly gaining these through reading relevant articles, publications and attending industry events. They will however need to drive focussed understanding on which digital developments will impact their business most and plan skill building accordingly.

DISCUSSION

Digital readiness continues to be a key factor in determining the success of a digital economy. Businesses in Queensland are keen to gain from the opportunities that a digital economy will bring. They view the NBN rollout as a significant step in bringing them closer to a digital business landscape, but worry that it may not arrive soon enough.

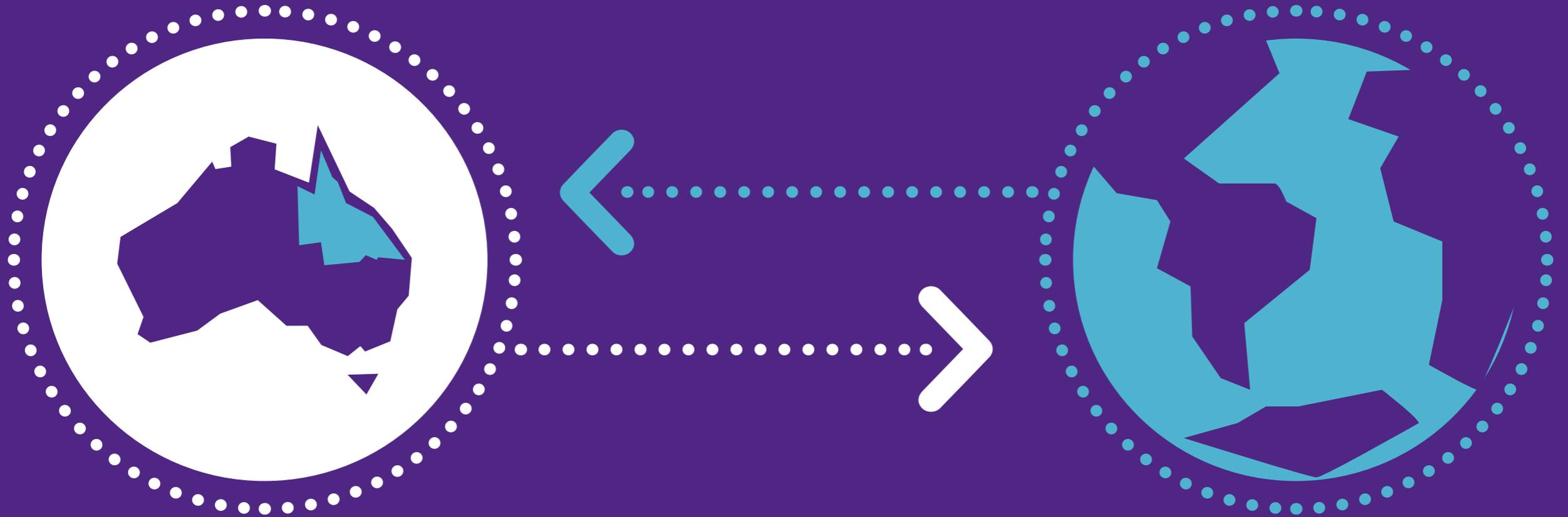
Businesses are preparing their employees in gaining relevant digital skills, and also helping them navigate social media platforms in a safe and responsible manner. However, the fact that businesses are only adopting the basic measures in educating their workforce continues to be a cause for concern. For instance, while businesses encourage their staff to be internet and social media savvy, they have not adequately invested in helping their staff build specialist skills. The lack of focus could indicate that businesses are not fully aware of the evolutionary milestones leading to digital readiness – in other words, they may be caught unprepared to meet the demands of a digital business environment.

AREAS FOR ACTION

1. Businesses need to be mentored on the technologies that will likely have the most impact on their transition into a digital economy, and be guided to developing related skills.
2. Connectivity and speed are important drivers of a digital economy - the digitised products and services that businesses offer will only make sense if there remains adequate and efficient bandwidth to support them.

“Improved productivity, simply because of the increased speed of the internet.”
- Aussie Pool Cues

DIGITAL READINESS WITHIN QUEENSLAND – MAKING IT HAPPEN



Simply put, digital readiness defines the extent of preparedness that businesses have in responding to a digitally driven market environment. Businesses that use digital technologies are geared to perform better, besides being better equipped to handle shifts in customer demands.

Yet, for most businesses, it takes more than just investing in digital technologies to ensure that they succeed/survive in a digital environment. Findings from the 2012 Digital Readiness study highlight the importance of fostering a digital ecosystem, and identify several enabling factors including the presence of a digital culture and partnership with varied stakeholders. They also stress the need for increased capability building through technology integration within business, rigour in implementation and managing customer expectations.

Results gathered from the 2013 study indicate that Queensland businesses are addressing some of these action areas. For instance, over 50% of businesses are now using mobile versions of their websites or SEO to reach customers direct, and share information on their products and services. In addition, digital advertising has gained momentum and businesses are channelling their brand building and product advertising onto social media platforms such as Facebook, Google+ and LinkedIn. Despite some of these encouraging trends, areas for considerable action and improvement remain.



1.

INCREASED EDUCATION ON TECHNOLOGY CHOICES

Businesses need to execute their digital strategies with greater confidence and decisiveness. And they can do so through better guidance/awareness on how best to plan their technology investments. Only 20% of the companies feel they have access to the skills and knowledge needed to support their business technology investments, while over half rely on a combination of in-house and external service provider support services. In addition, almost a third (31.3%) of the companies finds it difficult to initiate independent technology choices.

Businesses struggle with their technology choices as they are unsure on the quantum of benefits they deliver. They are also concerned about the need for ideal conditions within the environment to support such investments – for instance most companies do not opt for newer technologies because they worry that IT implementations are expensive to launch and maintain.

They are also concerned that some technology choices may lead to ineffective planning and create disconnects within business strategies and/or disrupt supplier/outsourcing partner relationships.

2.

SYNCHRONISED TECHNOLOGY INVESTMENTS

When technology adoption is synchronised, it optimises delivery mechanisms. For instance, while nearly all companies (94%) had invested in building their web presence, only 35% had initiated related technology investments such as mobile versions of their website. Similarly, while companies invest in digital advertisements on social media platforms, they need to systematically evaluate other channels such as mobile-based applications to ensure they have maximum reach within their target customer groups.

Further, while many businesses are significantly invested in building information security and data integrity, most did not explore integrating the data in to CRM/ERP systems. Doing so would help them develop key insights on customer needs as well as channels for better reach.

When businesses base their technology choices along a well-structured roadmap, they are able to set off systems that work in tandem, driving better service delivery as well as increased financial efficiencies.

3.

INVESTING IN SKILLS IS KEY

Technology skills serve as a key differentiator in digital environments. Businesses will likely gain more from their digital transformation if they are adequately invested in helping employees develop the right skill sets. While governments plan for large-scale technology interventions such as the NBN, industry can gain from it only if are adequately prepared and have equipped their workforce with relevant skills.

Presently, businesses have taken minimal steps to prepare their workforce for a digitised business environment. Social media skills within businesses are fairly basic, and a majority of businesses rely on external sources for specialist skills. Given the poor investment in skills development, only 10% feel considerably prepared to adapt to their digital transformation.

Skill shortages can be risky and especially when occurring over a prolonged period of time, significantly compromise service delivery as well as performance quality.

CONCLUSION

At the core of a digital economy is the desire to propel businesses into a higher plane of performance, where increased market reach, speed and economy are harmonised to deliver valuable results to customers and investors alike.

To succeed in their digital transformation, businesses will have to explore evolving technologies, prepare to take a few calculated risks, and invest in educating their employees and customers on the possibilities within a digital environment. This will drive better collaboration and innovation resulting in value driven, personalised, and easy to use products and services.

Challenge:

How do you market a small business on a \$60 budget?

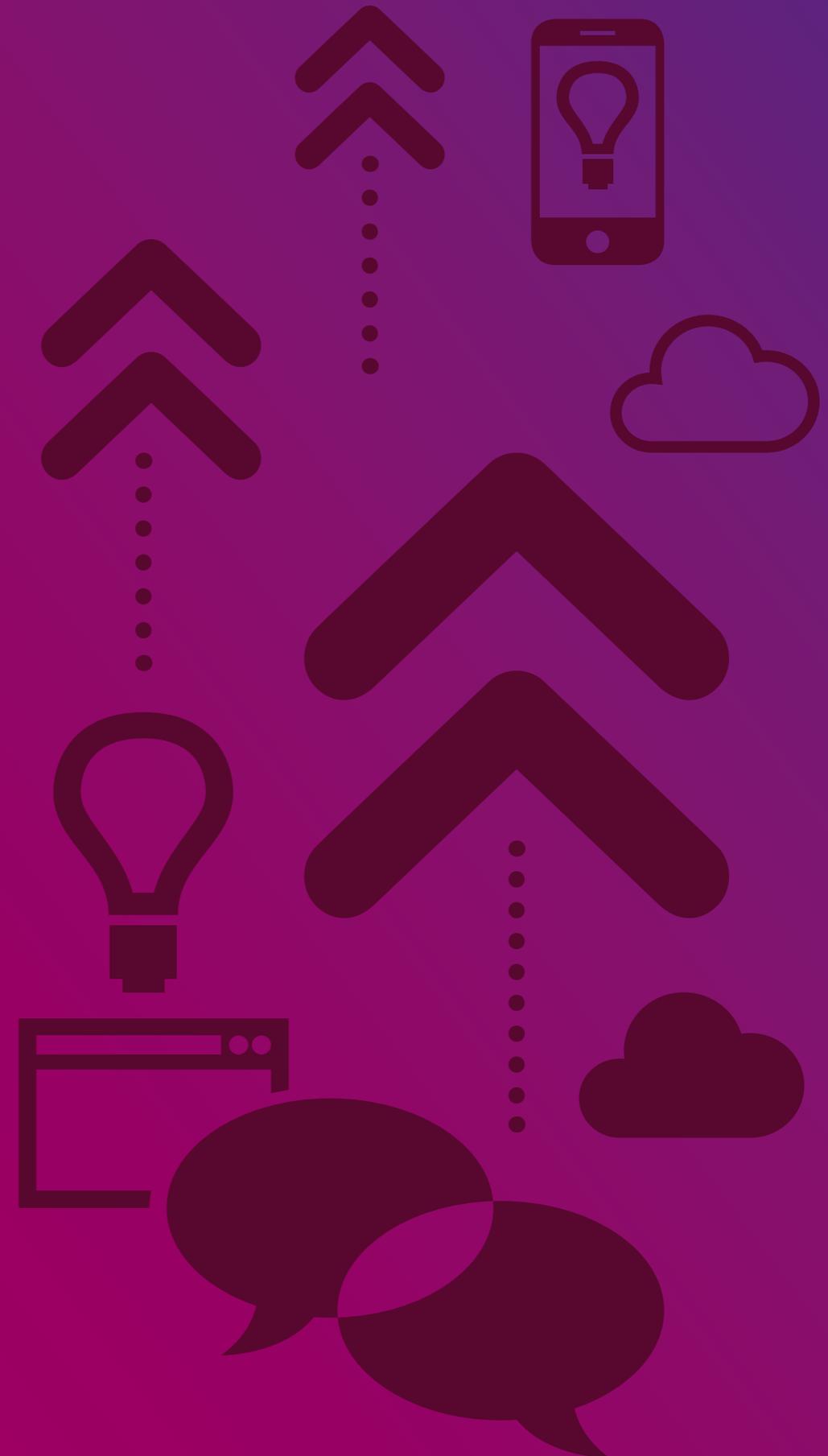
Solution:

Used Google Apps for website, blog, email, and office apps, used social media to build awareness, engage customers, provide leads, undertake research, used Google Forms for more detailed market research, used Nimble Personal for CRM, used Google Analytics for website and blog, as well as tracking social media posts.

Results:

Costs include domain \$10, Google Apps \$50, and my time. 5000+ engaged customer database and growing, plus more leads than we can handle.

- Bainbridge Consulting Pty Ltd



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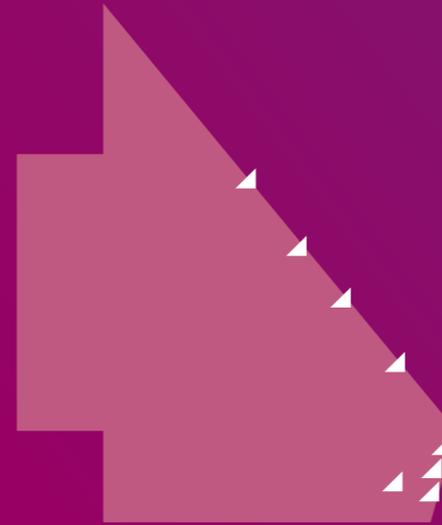
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