

Topic:
CAD & Broadband

The European broadband picture – current situation and predictions from IDC

The relationship between CAD/CAM seat numbers and the number of employees per site.

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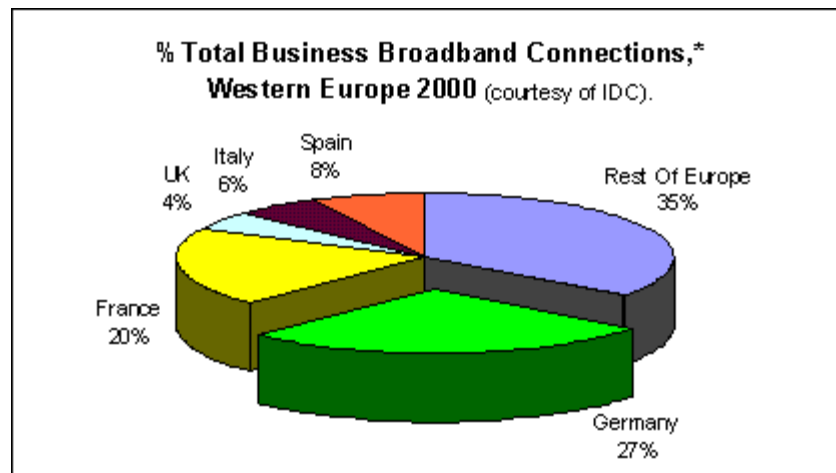
While suppliers who currently provide Internet-based/enabled products and services to European customers maintain this can be achieved successfully, no one would argue that the wide availability of cheap broadband would benefit everybody.

Europe lags behind America in the deployment of broadband, and the fact that there are significant differences between countries causes further complications for businesses keen to encourage their pan-European customers to use the Internet in new ways. Knowing when the majority of your customers will have broadband access available to you will help you plan the development and marketing of web-based services.

We asked Hamish Mackenzie, Senior Research Analyst at IDC, for an overview of the position in Western Europe. *"Germany is currently way ahead of other European countries in terms of numbers of business broadband connections, with 27% of the total number of broadband connections in Western Europe business sites. This lead will continue up to the end of 2005."* France, Italy and Spain come after Germany in the broadband league.

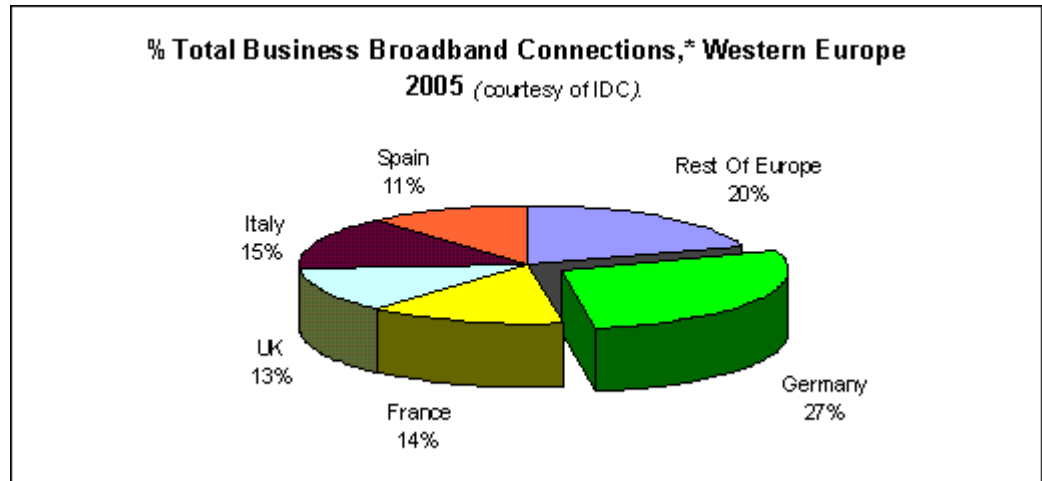


Hamish Mackenzie, IDC



***Total number of business broadband connections,
Western Europe 2000 = 321,000**

The deployment of broadband in the UK has been particularly slow; the number of German business sites with broadband access is six times higher than that in the UK according to IDC's figures. "The UK will improve its position relative to other countries by 2005," predicts Hamish, "but unless something dramatic happens such as a major injection of cash from the UK Government, it may not reach the top three."



***Total number of business broadband connections,
Western Europe 2005 = 7,445,000**

IDC does not however feel that the problems faced by Western Europe's broadband operators are insurmountable; they estimate there will be about a 23-fold increase in the number of business broadband connections from 321,000 sites in 2000, to 7,445,000 sites by the end of 2005.

Eastern Europe

John Gole, IDC's Eastern European Analyst, summarises the picture: *"You can get broadband in just about every Eastern European country, but it may just be in one city and it is patchy. The overwhelming majority of Internet connections in Eastern Europe are via traditional dial up." Again there are variations from country to country. "A company in Poland has offered ADSL for some time; ADSL has also recently begun rolling out in the Czech Republic," (a country incidentally that was recently rated above the UK in terms of high-speed net connections by the Organisation for Economic Co-operation and Economic Development). "However, surprisingly Estonia is one of the leading Eastern European countries," says John. "They have got 10,000 ADSL subscribers, which is high for a small country."*

"In some ways Eastern Europe is not that far behind Western Europe, because they can start to roll out their services at the same time. However, the market potential in Eastern Europe is lower than in Western Europe. In Western Europe operators expect a high penetration of the new technology, but in Central and Eastern Europe this may be more modest. You can put network equipment in place, but that doesn't mean it'll be an overnight success."

Conclusion

Businesses that are looking to increase the take-up of web-based services and products across Europe need to be aware of the current and predicted future levels of broadband access in their target markets. We looked at on-line training in the last issue of *iCAD*; this is a good example of a service where providers could target their marketing efforts at those regions/countries (e.g. Germany) where the capacity and confidence currently exists to use such services.

While taking this into account, suppliers of web-based or web-enabled products also need to understand whether or not their customers value or are aware of the benefits that broadband could bring. According to a survey from opinion pollsters Mori, 80% of managing directors of UK companies with a turnover of £1m plus believed their current Internet access was sufficient for their present-day e-business needs. A similar figure doubted that adopting high speed DSL access would make their business any more successful in future. Suppliers who believe that broadband is important to the delivery of their products and services may need to play a role in educating their customers about the wider potential business benefits of broadband technologies.

Many thanks to [IDC](#) for their co-operation with this article. If you want to understand more about your customers' attitudes to and plans for broadband technologies around the world, find out how our [Market Research Services](#) can help.

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