



Department for
International Trade

DIT National Survey of Registered Businesses' Exporting Behaviours, Attitudes and Needs 2017

£500k+ Small and Medium Businesses Report

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1 Executive Summary

1.1 About the National Survey of Registered Businesses (NSRB)

The Exporting is GREAT campaign is an important component of the strategy to help UK businesses start exporting and win contracts across the world. The NSRB has been designed to provide insights into the performance of the campaign to date and make suggestions for the way forward. The survey also provides valuable and unique measures of businesses' exporting behaviours, plans and attitudes, alongside insights into the perceived barriers to exporting.

Three waves of the NSRB have been completed to date: Wave 1 in October 2015; Wave 2 in April 2016; and Wave 3 in August 2017. As such, Wave 3 was the first to be conducted since the referendum on leaving the EU. The wave-based approach allows the NSRB to track changes over time. It also allows issues which are identified in a given wave of the survey to be investigated in more depth in later waves (barriers to exporting being a prime example of this approach).

While the NSRB provides statistics for the entire population of UK registered businesses, this report only examines businesses with an annual turnover of £500k+. In particular, it focuses on businesses with between 10 and 249 employees and businesses with a turnover of £500k to £50m. These businesses are a focus for DIT given that they are large enough that each may potentially be able to generate a significant value of exports, but not so large that it is a given that they will already have seriously looked into the viability of exporting. Collectively they are referred to as 'Small and Medium' businesses throughout this report.

We examine differences between several more granular sub-groups which lie within the broad employee number and turnover bands, as follows:

Employee groupings
Lower-band small businesses (10-19 employees)
Upper-band small businesses (20-49 employees)
Medium businesses (50-249 employees)

Turnover groupings
£500k to £2m turnover
£2m to £5m turnover
£5m to £10m turnover
£10m to £50m turnover

It is helpful to present both groupings given that administrative data sources held by DIT or by the wider group of NSRB data users, to which comparisons will need to be made, may not always hold both measures.

1.2 Survey findings

Key findings from the survey are summarised below. The following chapters of this report on Small and Medium businesses expand significantly on these points. Further analysis relating to the broader population of UK businesses is published separately.¹

The findings below can be broadly summarised as follows:

There is scope to grow exports across the full spectrum of small and medium businesses. However, those towards the lower end of the turnover scale, while positive about exporting, face more challenges in terms of current knowledge levels and management time.

A methodological point to note is that **turnover was found to be a more effective categorisation than number of employees** in terms of identifying differences between businesses of different sizes. DIT should bear this in mind when classifying businesses in their other work.

1.2.1 How do UK businesses map to DIT's exporting segments?

As outlined in the main survey report, NSRB has identified a set of businesses which have never exported but believe they may have the potential to do so in future. Between 419,000 and 595,000 UK businesses held these views. These businesses represent a key audience for DIT's export promotion efforts.²

Based on analysis from the two previous waves of this survey, DIT has grouped all UK businesses into four segments, one of which (the 'Promote' segment) corresponds to this key audience. The segment groupings reflect businesses' views on their potential to export and include:

- **Sustain:** this segment includes current exporters. That is, those UK businesses which have exported goods or services in the past 12 months.
- **Reassure:** this segment includes lapsed or intermittent exporters. That is, those UK businesses which had exported previously, but have not done so in the past 12 months.
- **Promote:** this segment includes *self-identified* potential exporters. That is, those UK businesses which have never exported but believe they have goods or services which *could* potentially be exported or developed for export.
- **Challenge:** this segment includes non-exporters. That is those UK businesses which have never exported and do not currently see their goods or services as suitable for export.

Within the population of Small and Medium businesses, there was found to be a relationship between the size of the business and its likelihood to be an exporter (i.e. of falling within the Sustain segment). **Larger businesses were more likely than smaller businesses to be exporters**, regardless of whether size was defined in terms of employee headcount or turnover. This is what might intuitively be expected.

However, **there was no such difference in the proportion of businesses self-identifying as being potentially able to export** (i.e. falling into the Promote segment). The proportion of businesses in the Promote segment fell within a narrow range (from 8% to 13%) across the various size and employee sub-groups and any differences between them were not statistically significant.

¹ <https://www.gov.uk/government/publications/dit-national-survey-of-registered-businesses-exporting-behaviours-attitudes-and-needs>

² This estimate relates to businesses' perceptions of their own potential to export. It is therefore possible that a number of these businesses might not have the resources, skills or knowledge to actually go on to export.

It is also worth noting that **lower-band small businesses were more likely to be lapsed or intermittent exporters** and therefore fall into the Reassure segment (9%) than upper-band small and medium businesses (5% each).

1.2.2 What are UK business attitudes towards exporting?

Core attitudes towards exporting were relatively consistent across the employee and turnover sub-groups. There was **widespread agreement that ‘there is a lot of demand for British products or services around the world’**, with around three quarters (73%) of all £500k+ businesses agreeing with this to some extent. However, the *strength* of agreement was higher among businesses with lower turnover (45% of £500k to £2m turnover businesses agreed *strongly* with this compared to 34% of £5m to £10m businesses). As such, while the overall picture in this respect is positive, these **larger turnover businesses represent a slightly greater challenge in terms of their perceptions of global demand.**

There was also a **broad acceptance that ‘a lot more businesses could export than do export’**. Around two thirds (63%) of £500k businesses agreed with this to some extent and there were not significant differences across the employee and turnover sub-groups. Active disagreement with this statement was low (6% of £500k+ businesses). However, **higher turnover businesses were less likely to believe that exports offered significant potential opportunities to their own business.** Around a third (32%) of those with a turnover of £10m to £50m agreed strongly that ‘there is a lot of opportunity for your business to grow internationally’ compared to 53% of those with a turnover of £5m to £10m and 44% of those with a turnover of £2m to £5m.

1.2.3 Are UK businesses actively pursuing export opportunities?

Smaller businesses were found to be **more reactive in their exporting behaviours** – a quarter (27%) of exporters with a turnover of £500k to £2m said that they didn’t think about exporting beforehand and fulfilled overseas orders as and when they came in, compared to one in ten (10%) of those with a turnover of £5m to £50m.

1.2.4 How do knowledge levels differ according to business size?

Broadly reflecting differences in the incidence of exporting, **self-perceived knowledge of exporting was higher in businesses with a higher annual turnover.** Businesses with a turnover of £2m to £5m (40%), £5m to £10m (43%) and £10m to £50m (48%) were more likely to perceive their knowledge of how to export as being high compared with those with a turnover of £500k to £2m (31%). Overall, around a third (35%) of the senior decision makers in the £500k+ businesses interviewed gave themselves a score of 8 or more out of 10 in terms of their knowledge of how to export.

There was also a **turnover gradient in terms of knowledge about where to go for information about exporting.** Businesses with a turnover of £500k to £2m were less likely to report they had a high knowledge level (34%) than those with a turnover of £5m to £10m or £10m to £50m (44% each).

1.2.5 How do barriers to exporting differ by business size?

Larger businesses were generally **more confident in their capacity and capability to export.** This was most notable by turnover: those with a turnover of £10m to £50m were most likely to report having enough capacity and those with a turnover of £500k to £2m least likely. This difference by size is seen for all aspects of capacity and capability other than staff skills.

Businesses with a turnover of £500k to £2m were **less likely to believe that they had sufficient managerial time or staff capacity to cope** with exporting than those with a turnover of £10m to £50m.

1.2.6 What is the role of exporting support and advice services?

As might be expected given their higher incidence of exporting, larger businesses were more likely to have already sought advice and support about exporting (50% of those with a turnover of £10 to £50m compared with 37% of those with a turnover of £500k to £2m).

However, the **level of interest in receiving information or business support services to assist with exporting was highly consistent across the employee and turnover sub-groups.**

Overall, 15% of £500k+ businesses reported that they would be 'very interested' in receiving such support and 35% that they would be 'quite interested'.

1.2.7 Has the Exporting is GREAT campaign reached all sizes of business?

Campaign **recall was fairly consistent** across each of the company size groups and stood at 48% among the total population of £500k+ turnover businesses. However, there are signs that businesses with a turnover of £500k to £2m were **less likely to see the adverts as being relevant to them than those with a higher turnover.**

1.2.8 Key potential policy and campaign implications

Targeting businesses

Larger and smaller businesses were just as likely to self-identify as being potentially able to export. As such, there is potential to grow exports across the full spectrum of Small and Medium businesses.

As the lower-band small businesses were more likely to be lapsed or intermittent exporters, when targeting smaller businesses, it may therefore be effective to focus on the additional support and advice which is now available to help them to export successfully.

Information and knowledge levels

Businesses with a lower turnover face more challenges in terms of current knowledge levels and management time, **therefore effective signposting to the support offered, by DIT (focusing on the great.gov.uk website) is a priority.** Doing so can help to address the questions that these businesses may have. Highlighting the support offered by the site can also play a role in reassuring businesses that exporting may be more achievable in terms of resource than they perceive it to be. **Smaller businesses already have very positive perceptions** of global demand for UK products and services, and are more likely than those with higher turnovers to believe that exporting could offer significant growth opportunities. As such, their **positive attitudes may serve to at least partly counterbalance the additional challenges they face** when it comes to encouraging them to export.

There is a **need to raise awareness and engagement with the *Exporting is GREAT* website at great.gov.uk** among smaller businesses. Businesses with a turnover of £10m to £50m were more likely to have heard of the website (15%) and to have visited it (10%) than smaller businesses, particularly those with a turnover of £500k to £2m (of whom 8% had heard of the site and 4% had visited it).

More broadly, there is significant **scope to increase the salience of government** (and particularly DIT) as a source of support or advice on exporting and this applied to all employee and turnover sub-groups. Overall, £500k+ businesses were more likely to say that they would conduct online searches (16%) or that they did not know where to go for advice or support (25%) rather than to mention a UK government department or agency (11%) or DIT (7%).

Exporting behaviours

Smaller businesses were found to be **more reactive in their exporting behaviours**. As such, there are potential gains to be made in nudging low turnover companies which export passively to consider what could be done to more actively pursue export opportunities. Low friction exporting mechanisms such as third party online selling platforms may be particularly well suited to this aim for exporters of goods.

Barriers to exporting

Businesses with a turnover of £500k to £2m were **less likely to believe that they had sufficient managerial time or staff capacity to cope** with exporting than those with a turnover of £10m to £50m. As such, signposting to support services and initiatives to make the process of exporting as frictionless as possible are likely to be particularly welcomed by these smaller businesses.

Engagement with Exporting is GREAT campaign

The **level of interest in receiving information or business support services to assist with exporting was consistently high across the employee and turnover sub-groups**. As such, there is clearly an appetite for information and support services. The provision of these services (and signposting to them) should take account of the broad base of Small and Medium businesses which want them.

There are signs that businesses with a turnover of £500k to £2m were **less likely to see the adverts as being relevant to them than those with a higher turnover**. Ongoing campaign activities have accounted for this (by ensuring the relatability of businesses included in the newer campaign materials to small and medium businesses in a range of sectors).

Ongoing campaign activities have also now placed more emphasis on the great.gov.uk website and have emphasised a clearer call to action to visit the site. This should help to address earlier points re: business awareness of the site and the support that it offers. Changes to relevant metrics will be monitored in future waves of the NSRB.

2 Policy background

This chapter provides an overview of the policy background to the DIT National Survey of Registered Businesses' Exporting Behaviours, Attitudes and Needs. To improve the flow of the report, the full survey name has been abbreviated to 'the NSRB' throughout.

The NSRB is both a campaign evaluation tool and a wider, strategic survey for DIT. Therefore, the section begins with an overview of the UK Government's aims, then considers DIT's departmental objectives and finishes with how the Exporting is GREAT campaign complements those objectives.

2.1 UK Government aims

Alongside legislation, taxation, regulation and spending, **effective communication and communication campaigns** are key government tools in successful policy implementation and supporting government priorities. DIT plays a central role in helping to deliver two of the overall Government communications priorities for 2017/2018. These are:³

- **Building a global Britain and Northern Ireland** that is outward looking and embraces the world, cementing strong relationships with countries around the globe; and
- **Building a strong economy** that improves living standards across the UK, creates opportunity and protects vital public services.

These priorities must, of course, be delivered in the context of negotiating an EU exit agreement that works for the whole country and that has the greatest possible public support. They must also work alongside other key government priorities, including delivering a more secure UK, building a stronger Union and a fairer society.

2.2 DIT aims

Since its creation in July 2016 the Department for International Trade (DIT) has been tasked with:

- Supporting and encouraging UK businesses to drive sustainable international growth;
- Ensuring the UK remains a leading destination for international investment and maintains its number one position for international investment stock in Europe;
- Opening markets, building a trade framework with new and existing partners which is free and fair; and
- Using trade and investment to underpin the government's agenda for a Global Britain and its ambitions for prosperity, stability and security worldwide.⁴

As part of the priority to **build a global Britain and Northern Ireland**, DIT aims to showcase the UK as a great trading nation and make the case for free trade as a driver of prosperity and consumer choice. Alongside the *GREAT Britain* campaign, which promotes the UK as a world-class destination for trade, investment, education and tourism, DIT also leads on the *Exporting is GREAT* campaign which inspires UK businesses to start exporting and secure business across the world. The aim of the campaign is to encourage businesses to take steps towards exporting and in the longer-term aims to normalise exporting amongst businesses as a key growth strategy. Complementing these communications activities, DIT also leads an international trade and inward

³ Full details of the communications priorities can be found in the Government Communications Plan 2017/18

https://gcs.civilservice.gov.uk/wp-content/uploads/2017/08/6.3149_CO_GCS-Comms-Plan_FINAL_WEB.pdf

⁴ This section was amended on 8th June

investment campaign which encourages overseas companies to buy British goods and services and seeks to maximise inward investment in the UK.

In addition to the outlined campaigns, DIT, through UK Export Finance, also educates and helps UK exporters make the most of export finance and insurance, to help them win, fulfil and secure more export contracts. Internationally, it aims to encourage overseas purchasers to buy from the UK by offering competitive finance.

As part of the priority to **build a stronger economy**, DIT works closely with other Government departments and agencies to produce communications that build exporting opportunities in a range of sectors and regions. This includes working with:

- Local stakeholders and the Ministry for Housing, Communities and Local Government to communicate the Northern Powerhouse and the Midlands Engine as major UK and European gateways, unlocking the regions' potential as drivers of growth for the UK economy;
- The Devolved Assemblies in Scotland, Wales and Northern Ireland to promote every part of the UK as a great destination for overseas investment and support UK companies to sell their products and services to the world;
- Other UK government departments, for example, the Foreign and Commonwealth Office, the Department for International Development, the Ministry of Defence, the Department for Transport and the Department for Environment, Food and Rural Affairs, to help build global demand for UK goods and services among international businesses and consumers;
- HM Treasury to champion the UK's world-leading financial technology sector at home and abroad; and
- The Ministry of Justice, to promote the UK's world-leading legal services sector to overseas audiences.

Along with these DIT aims, it is also important to note the survey's methodology when interpreting any survey data within this report. This is particularly the case when drawing comparisons with the Annual Business Survey (ABS) – this is discussed further in Chapter 3.

2.3 The Exporting is GREAT campaign

Within the broader context of the aims and responsibilities of DIT, the multi-channel *Exporting is GREAT* campaign is an important component of the government's strategy and ambition to help UK businesses start exporting and win contracts across the world. The campaign is supported by the [great.gov.uk](https://www.great.gov.uk) website which is designed to provide support to the current and future UK exporters targeted by the campaign (<https://www.great.gov.uk>).

Below we outline campaign activities up to the point at which Wave 3 of the NSRB was conducted. Subsequent bursts of activity in the *Exporting is GREAT* campaign have drawn upon findings from the NSRB with a view to effectively encouraging further businesses to become exporters.

The campaign was launched in November 2015 and one of the aims of this report is to evaluate the second year of the campaign which ran from November 2016 to April 2017. The second-year campaign activities included advertising across TV, radio, print and online (including social media) and aimed to make businesses aware of the opportunities available for them overseas and get them to take action by visiting [great.gov.uk](https://www.great.gov.uk), one of the government's main destinations for exporters, international buyers and investors. The proposition for the campaign was 'The demand is out there, you should be too'. The website provides advice and information to support UK businesses with exporting. The scope of the online services was also expanded - while the focus of the site was originally on providing businesses with export opportunities, in the second year of the campaign advice and support on exporting online, securing finance and promoting businesses

internationally were also provided. Guidance documents covering topics such as business planning, market intelligence, international payments, and compliance issues were also added to the site. Examples of the campaign materials and further details of campaign timing and media use are provided in Chapter 9. A key component of the campaign was to also work with partners who could help amplify and support the campaign through their brands, channels and activities.

The overall positioning of the campaign when this survey was conducted was to increase awareness that there are opportunities globally for UK companies and ultimately change perceptions that UK businesses have about the suitability of their products for export, nudging them into taking some action. More specifically, the high-level objectives were to:

- Create interest around exporting with a view to increasing awareness, interest, knowledge and, resultantly, generate a pipeline of firms taking active steps towards exporting
- Make significantly more firms aware of the opportunities available to them from overseas sales and increase awareness of where they can go for advice, help and support
- Generate a positive change in firms' attitudes and behaviour towards doing business overseas, creating a business culture where exporting is seen as a natural business/growth opportunity
- Show and demonstrate the breadth of opportunities available for UK companies in overseas markets

The core messaging of the campaign aimed to communicate the following:

- There is demand for our skills, expertise, products and services all over the world, and thousands of UK companies meet this demand daily
- Help and support is available, you just have to take the first step by visiting [great.gov.uk](https://www.great.gov.uk) (referencing specific digital services that can help businesses)

The campaign was targeted at businesses in the UK who do not currently export but understand that their goods or services are potentially exportable (which are described more succinctly throughout the report as the 'Promote' segment). In particular, the approximately 425,000 businesses with a turnover of £500k+ were a priority target, given that they are more likely to have the capacity and/or capability to export than smaller businesses. In cases where £500k+ businesses join the export market, they are also (on average) likely to generate a higher value of exports than smaller businesses.

Those who do not currently self-identify as having goods or services that are suitable for export were also a target (the 'Challenge' segment) and a secondary aim of the campaign was also to encourage existing exporters to increase the value and scope of their exports (the 'Sustain' segment). These segments form the basis of much of the sub-group analysis which follows and provide a valuable means of quickly identifying where businesses currently sit on their exporting journey.

2.4 The importance of Small and Medium businesses to the UK economy

Small and Medium businesses are the focus of this report because they collectively make a substantial contribution to the UK economy in terms of both turnover and employment but are less likely than larger businesses to have fully explored the opportunities offered by exporting. As such, supporting Small and Medium businesses to grow through exporting can have a large impact on the health of the UK economy. We discuss this further below.

2.4.1 Rationale for the focus on Small and Medium businesses

As shown in Figure 2.1, although Micro businesses (with 1 to 9 employees) make up 89.4% of all UK registered businesses, their small size means that they account for a much lower proportion of the total turnover of UK registered businesses (15.2%). Accordingly, they offer (on average) less scope for growth in the value of the UK export market. The limited size of these businesses also means that they are less likely to have the capacity to cater for large contracts overseas (see Chapter 7 of the main survey report published alongside this report for further details). As such, while they are an absolutely vital part of the UK economy, they are not a focus of this report.

Conversely, Large businesses (with 250 or more employees) account for only 0.4% of all registered businesses but 58.5% of the total turnover of UK businesses. As such, they are highly important to the UK economy. However, given their scale they are also more likely to have made informed decisions about whether or not to pursue exporting and are not therefore a focus for this report.

As such, our focus in this report is on the 231,715 Small businesses (with 10-49 employees) and the 40,530 Medium businesses (with 50-249 employees) which collectively account for 10.2% of UK registered businesses and 26.3% of registered business turnover.

Medium businesses account for a slightly higher proportion of total turnover than Small businesses (14.4% and 11.9% respectively - see Figure 2.1). However, the inverse applies to their contribution in terms of employment (14.6% for Small businesses and 13.2% for Medium businesses).

These businesses are of a scale where they have the potential to add significantly to the value of UK exports, but are not so large that they will always have already seriously looked into exporting.

The report also provides turnover breakdowns for businesses with an annual turnover of between £500k and £50m. This definition overlaps with the 10 to 249 employee size range but provides a useful alternative way to consider differences between businesses of varying sizes.

Figure 2.1: Profile of registered UK businesses, 2016⁴

Business size	Number of Businesses	Proportion of UK registered businesses	Employment Contribution (number of employees)	% Employment Contribution	Turnover Contribution (£ million)	% Turnover Contribution
Micro (0 to 9 employees)	2,386,735	89.4%	5,491,009	18.0%	791,771,342	15.2%
Small (10 to 49 employees)	231,715	8.7%	4,450,716	14.6%	616,807,735	11.9%
Medium (50 to 249 employees)	40,530	1.5%	4,022,822	13.2%	749,517,142	14.4%
Large (250 or more employees)	9,830	0.4%	16,470,729	54.1%	3,038,250,033	58.5%
Total	2,668,810	100.0%	30,435,276	100.0%	5,196,346,252	100.0%

⁴ ONS "UK business' activity, size and location: 2017". Covers the number of VAT and or PAYE businesses in the UK. Period covered; 2016.

2.4.2 Profile of exporting businesses

As shown in Figure 2.2, Medium businesses account for 35.3% of all exporting businesses in Great Britain (GB), a similar proportion to Large businesses (40.4%). Given that Medium businesses only account for 1.5% of all UK businesses (see Figure 2.1), this highlights the relatively high incidence of exporting for this group (and their according importance for UK exports as a whole). Small businesses also account for a larger proportion of exporters compared to their prevalence within the total business population (small businesses account for 20.2% of all GB exporters, but 8.7% of all UK businesses).

Figure 2.2 Number of GB registered businesses exporting goods and services in 2016 by business size⁵

Business size	Count of Businesses	Number of Exporters	% Exporters from business population
Micro (1 to 9 employees) ⁶	2,106,800	151,400	7.3%
Small (10 to 49 employees)	208,500	39,800	20.2%
Medium (50 to 249 employees)	35,500	12,300	35.3%
Large (250 or more employees)	8,300	3,300	40.4%
Total	2,359,100 ⁷	206,800	8.8%

2.4.3 Gross value added

The contribution to the economy from businesses is often measured using the approximate gross value-added at basic prices (aGVA) in producing goods and services. This amount represents the income of UK businesses, less the cost of goods and services consumed in its creation.⁸

Medium businesses contributed nearly £200 billion in aGVA in 2016, (see Figure 2.3), which was approximately as much as did Small businesses despite there being a far smaller number of Medium businesses (c. 41,000 compared to c.232,000). This trend is broadly consistent over time, although differences in ABS methodology prevent direct numerical comparisons between years.⁹

⁵ ONS Annual Business Survey, Exporters and Importers in Great Britain 2016. The ABS covers only the UK Non-Financial Business Economy which accounts for approximately two thirds of the UK economy in terms of Gross Value Added. Exc. Insurance and Reinsurance industries.

⁶ This size band for Micro businesses (1-9) is different from the one used in Figure 2.1 (0-9) due to differences in coverage and methodology

⁷ Due to differences in coverage and methodology, the estimate of the GB business population size is different to the UK estimate reported in Figure 2.1

⁸ ONS Annual Business Survey methodological note 2016. Definition of GVA:

<https://www.ons.gov.uk/businessindustryandtrade/business/businessservices/bulletins/uknonfinancialbusiness/economy/2014revisedresultsannualbusinesssurvey#methodology>

⁹ Due to methodological changes introduced by the ONS in 2016 (including sample re-optimisation of the ABS survey and inclusion of an additional 92,000 PAYE businesses), the 2016 results are not comparable with previous years' results. There are also discontinuities between the 2015 data and previous years' data. The only comparable data are for 2011-14.

Figure 2.3: Gross value-added (aGVA) contribution UK registered businesses 2016¹⁰

Business size	AGVA Contribution (£ million)	% aGVA Contribution
Micro (1 to 9 employees)	219,052	18.2%
Small (10 to 49 employees)	196,903	16.4%
Medium (50 to 249 employees)	198,958	16.6%
Large (250 or more employees)	586,191	48.8%
Total	1,201,104	100.0%

2.4.4 Participation of UK Businesses in Goods Exports

HMRC provides data on the volume of goods exports. According to these figures, large businesses contribute the majority of the value of goods exports (55.8%), Medium size businesses contribute 14.7% and Micro and Small businesses a *combined* value of 14.7%. This is consistent with the fact that MSBs and large businesses tend to cater for larger export contracts.

Figure 2.4 Contribution to goods exports by business size, UK registered businesses 2016¹¹

Business size	Value of goods exports (£ millions)	% contribution by business size
Micro (0 to 9 employees)	18,766	6.2%
Small (10 to 49 employees)	25,739	8.5%
Medium (50 to 249 employees)	44,453	14.7%
Large (250 or more employees)	169,038	55.8%
Unknown	44,835	14.8%
Total	302,832	100%

¹⁰ “Annual Business Survey – 2016 Provisional Results: Employment Sizeband”. ONS data extracted from the Inter-Departmental Business Register on 9 November 2017. The ABS covers only the UK Non-Financial Business Economy which accounts for approximately two thirds of the UK economy in terms of Gross Value Added. Exc. Insurance and Reinsurance industries.

¹¹ HMRC Trade in Goods by Business Characteristics. Trade in goods statistics matched with registered business from the inter-departmental business register. Period covered; 2016

3 Survey objectives and methodology

This chapter outlines the objectives of the NSRB which is the chief source of data in this report. It also provides an overview of the survey methodology and outlines the limitations of the survey and its differences from existing data sources. Further details of the survey methodology are included in the Technical Report which is published alongside this report.

Methodology essentials

Key points to bear in mind when reading this report are as follows:

- The survey as a whole is representative of all registered UK businesses but this report focuses on small and medium businesses with an annual turnover of £500k+, with a particular focus on small and medium businesses.
- Three waves of interviewing have been conducted, allowing trends over time to be identified – however this report focuses on Wave 3, which had a larger sample size and therefore gives more scope for sub-group analysis of small and medium businesses.
- Direct comparisons should not be made with the Annual Business Survey.
- While the survey aims to measure campaign effects, external factors (such as developments in the process of the UK exiting the EU) may have impacted on some metrics.
- When discussing employee size groupings, the publication is largely aligned with EU definitions. The small group (10 to 49 employees) has been split into two groups - lower-band small businesses have 10-19 employees, upper-band small businesses have 20-49 employees and medium size businesses remain defined as those with 50-249 employees, as per the EU definition.
- It should also be noted that the turnover subgroups include some micro businesses (0-9) employees with an annual turnover of £500k+. Equally, the turnover subgroups include some large businesses (250+ employees), the majority of which fall into the £10m-£50m band.¹²

3.1 Survey objectives

The NSRB series of surveys was designed to:

- Establish a range of baseline measures for the *Exporting is GREAT* campaign and track changes in key metrics over the course of the campaign.
- Provide a measure of the size of the opportunity and challenge for DIT in terms of the proportion and number of companies falling into different exporting segments.
- Determine the current barriers to exporting.
- Identify the types of support required and currently used by businesses.
- Monitor whether businesses' attitudes towards exporting change over the duration of the campaign:
 - A key focus is on businesses' perception that there is strong international demand for UK products (reflecting the key message of the *Exporting is GREAT* campaign).
 - Also focus on whether businesses believe that their goods or services could potentially be exported.
- Measure whether exporting behaviours change over the duration of the campaign.
 - Focus on whether active steps are being taken towards exporting.
- Determine whether businesses attribute changes in behaviour to the campaign.

¹² This section was amended on 8th June, 2018

The most recent wave of the survey (Wave 3) includes new questions designed to:

- Provide more detailed information on barriers to exporting (including country-specific data).
- Identify typical lead times for businesses looking to enter a new market.
- Highlight skills/resource gaps.
- Measure knowledge and usage of the great.gov.uk website and the associated *Exporting is GREAT* content.
- Understand business perceptions of the UK's exporting prospects.

The findings relating to these objectives are grouped thematically into the chapters which follow.

3.2 Methodology

3.2.1 Overview

The NSRB was conducted using a CATI method (Computer Assisted Telephone Interviewing). Interviews were undertaken with the senior manager who was best qualified to talk about specifics of the business – this was typically the owner, proprietor, MD or another senior decision maker.

Three waves of interviewing have, at this point, been completed. Findings from all three waves are included in the main survey report which has been published alongside this one. However, the focus of this report is on differences between companies of different sizes at Wave 3.

More specifically, this report compares businesses with different numbers of employees and differing turnovers, as follows:

- Employee groupings:
 - All £500k+ businesses
 - defined as all businesses with an annual turnover of £500k+, regardless of the number of employees
 - Lower-band small businesses
 - defined as £500k+ businesses with 10-19 employees
 - Upper-band small businesses
 - defined as £500k+ businesses with 20-49 employees
 - Medium businesses
 - defined as £500k+ businesses with 50-249 employees
- Annual turnover groupings:
 - £500k to £1,999,999
 - £2m to £4,999,999
 - £5m to £9,999,999
 - £10m to £50m

To improve the flow of the report, we refer to the turnover groupings above using the following simplified terminology.

- Abbreviated turnover grouping descriptors:
 - £500k to £2m
 - £2m to £5m
 - £5m to £10m
 - £10m to £50m

As discussed in Chapter 2.4, DIT has identified these groups as being of particular interest on the basis that they have a turnover large enough to generate significant export sales but are less likely to have investigated the viability of exporting. Small businesses with a turnover of less than £500k therefore fall outside the scope of this report (but are covered in the main survey report). Large businesses have also been excluded from this report (on the basis that they are more likely to have investigated the viability of exporting and to have made an informed decision) but are again included in the main survey report.

It should be noted that the turnover subgroups also include some micro businesses (0-9) employees with a turnover of £500k+. Equally, the turnover subgroups include some large businesses (250+ employees), the majority of which fall into the £10m-£50m band. Throughout the report, we look to make it clear whether we are discussing the turnover bands or the employee number bands at any given point. However, we use less specific terminology to make a general point (e.g. smaller companies were less likely to have exported), the more detailed sub-group specific findings which underlie the broader point can be found in the accompanying report text and charts.¹³

Respondents were directed to a website which allowed them to view campaign materials during the telephone interview.

Wave 3 interviews were conducted between 26th July and 7th September 2017. Wave 3 was timed so that fieldwork was conducted three months after the end of the second year of campaign activity and was completed shortly before the start of the third burst of campaign activity. The third round of campaign activities began with low-spend online activities in September 2017 and the main burst, including Video On Demand (VOD) TV adverts, started in January 2018.

3.2.2 Sample design

The survey's sample was drawn from the IDBR (Inter-Departmental Business Register). As such, the survey population consists of registered businesses.

Quotas were applied to ensure that the required number of interviews was achieved with companies of a range of sizes; companies in a range of sectors; and companies based in different regions of the UK. However, prior to the application of quotas, a stratified random probability approach was used, with strata as shown in Figure 3.1. As mentioned earlier, this report focuses only on those businesses with a turnover of £500k+ and therefore excludes some of these strata.

¹³ This section was amended on 8th June, 2018

Figure 3.1: Sample stratification variables

Variables used in the sample stratification	
Type/Size of Business	<£500k turnover with 0 employees
	<£500k turnover with 1-2 employees
	<£500k turnover with 3-4 employees
	<£500k turnover with 5-9 employees
	<£500k turnover with 10 or more employees
	£500k to £24,999,999 turnover with 0 employees
	£500k to £24,999,999 turnover with 1-4 employees
	£500k to £24,999,999 turnover with 5-9 employees
	£500k to £24,999,999 turnover with 10-19 employees
	£500k to £24,999,999 turnover with 20-49 employees
	£500k to £24,999,999 turnover with 50-99 employees
	£500k to £24,999,999 turnover with 100-249 employees
	£25m to £499,999,999 turnover with 0 employees
	£25m to £499,999,999 turnover with 1-19 employees
	£25m to £499,999,999 turnover with 20-49 employees
	£25m to £499,999,999 turnover with 50-249 employees
	£500m or higher turnover OR 250 or more employees
Region	England – North (GOR: North East, North West, Yorkshire & Humber)
	England – Midlands (GOR: East Midlands, West Midlands, East of England)
	England – South (GOR: South East, South West, London)
	Scotland
	Wales
	Northern Ireland

3.2.3 Sample size and effective base sizes

Weights were applied to the survey data to ensure that they matched the profile of businesses on the IDBR in terms of:

- Business turnover interlocked with number of employees
- Region
- Broad sector

The unweighted and effective base sizes for the key sub-groups referenced in this report are shown in Figure 3.2.¹² It should be noted that these groups are not mutually exclusive – businesses which fall into an employee number band (e.g. lower-band small businesses) will also fall into a turnover band (e.g. £2m to £5m turnover). It should also be noted that the total population of £500k+ businesses includes businesses which fall outside the employee number and turnover bands. These are primarily micro businesses with fewer than 10 employees and large businesses with more than 250 employees or a turnover greater than £50m.

Figure 3.2: Unweighted and effective base sizes by sub-group at Wave 3

	Unweighted base	Effective base
All £500k+ businesses	2,535	1,617
Employee groupings		
Lower-band small businesses (10-19 employees)	419	339
Upper-band small businesses (20-49 employees)	525	415
Medium businesses (50-249 employees)	560	335
Turnover groupings		
£500k to £2m turnover	1,250	951
£2m to £5m turnover	447	327
£5m to £10m turnover	231	172
£10m to £50m turnover	381	187

3.2.4 Statistical significance

Unless specified to the contrary, all commentary in this report focuses on differences (between waves or between sub-groups) that are statistically significant at a 95 per cent confidence level. In basic terms this means that if the survey were to be conducted 100 times, a finding of the same nature (e.g. sub-group A is more likely to respond in a certain way than sub-group B) would be found on at least 95 occasions.

Strictly speaking confidence intervals cannot be applied to quota samples given that they do not use equal or known probabilities of selection. However, it is common practice to derive them and this is a pragmatic approach to provide some indication of the relative levels of variation to help users of the data understand that the percentages provided are statistics, not absolute numbers, and that all quoted percentages fall within a range.

¹² The effective base size takes account of the reduction in statistical reliability associated with weighting data and is the value which is used in any significance testing conducted throughout this report.

3.3 The impact of external factors on results

Ongoing ripple effects (both positive and negative) stemming from the 23rd June 2016 vote to leave the EU may have impacted on the data collected at Wave 3.

In the absence of a counterfactual showing how respondents' views would have differed if the vote to leave the EU had never taken place, it is impossible to be certain of the effect that this has had on the survey data. It should also be noted that other confounding factors, such as changes to the tone of discourse around protectionism (particularly from the US), may also have impacted on responses at Wave 3.

The survey has mitigated the lack of a counterfactual where possible, for example by asking respondents to directly specify whether the campaign had affected certain behaviours. However, it was not possible to obtain a reliable attribution of effect for the majority of survey metrics and it is therefore important to bear the broader background factors in mind when interpreting the findings.

3.4 Fundamental differences between ABS and the NSRB

It should be noted that some of the figures quoted in this report differ from those derived from the Annual Business Survey (ABS). The ABS is the main structural business survey conducted by the Office for National Statistics (ONS). It is a key source of data used by HM Treasury in managing economic policy and provides Official Statistics relating to the number and percentage of exporters in Great Britain. As such, it is a highly important source of data and remains the primary source used to inform government departments' understanding of fundamental exporting metrics.

The two surveys, while having some shared content, have different methodologies and different fundamental objectives.

There are a number of reasons for the differences in estimates between the ABS and the NSRB. Foremost among these are:

- The ABS specifically targets sectors which account for around two thirds of the total economy and excludes sub-categories including much of the finance and agriculture sectors. In contrast, the results from the NSRB include all sectors (with the exception of the public sector and charities).¹³
- ABS respondents provide answers in the context of their reporting unit, whereas the NSRB collects data at an enterprise level.¹⁴ This means that ABS might record a smaller proportion of 'exporters' among its survey population (essentially because there are some companies which are made up of a mixture of units which export and units which do not).
- There are also methodological differences between the two surveys which may also have had some impact on the data:

¹³ More specifically, the *Exporting is GREAT* sample was selected to include enterprises with a legal status of 1 (company), 2 (sole proprietor) or 3 (partnership) in the Inter-Departmental Business Register (IDBR).

¹⁴ The enterprise is the smallest combination of legal units that is an organizational unit producing goods or services, which benefits from a certain degree of autonomy in decision making, especially for the allocation of its current resources. An enterprise carries out one or more activities at one or more locations. An enterprise may be a sole legal unit. The reporting unit holds the mailing address for the business and is the unit for which businesses report their survey data to ONS. In general, the reporting unit is the same as the enterprise. In some of the more complex cases, enterprises are subdivided into reporting units that correspond to KAUs, and are defined by specifying the appropriate local units from within an enterprise.

- Different survey modes were employed. The ABS is conducted using a Pencil and Paper (PAPI) self-completion method, while the NSRB uses a Computer Assisted Telephone Interviewing (CATI) method
- The NSRB employed quotas rather than stratified random probability sampling to ensure a sufficient representation of different types of enterprise. Although the resulting data are weighted to reflect the population of IDBR this could still have an effect.
- The Northern Ireland data which feeds into the ABS is collected by the Department of Finance and Personnel (DFPNI) and is run as a separate exercise to the ONS data collection for Great Britain. The NSRB is conducted as a single survey covering the UK as a whole

The ABS is based on a survey of over 60,000 reporting units while the NSRB has a sample size of 2,991 respondents at Wave 3 (and approximately 1,400 respondents in earlier waves). Neither survey constitutes a census of UK businesses – as such, there are margins of error around the estimates that both surveys produce.

3.5 Key findings from the Annual Business Survey

The November 2017 statistical release from the ABS focuses on 2016 data from Great Britain (i.e. excluding Northern Ireland).¹⁵ As such, along with the other reasons outlined above, it is not directly comparable to the data contained elsewhere in this report. Nevertheless, it represents a robust source of data on exports and is included here to provide further context.

These ABS data show that 206,800 registered GB businesses (8.8%) exported either goods or services or both in 2016.

Due to methodological improvements introduced by the ONS this year the 2016 ABS results covering all registered businesses are not comparable with previous years' results. However, it is still possible to make year on year comparisons for large businesses (with 250 or more employees). The data show that 3,300 (or 40.4%) of all large registered GB businesses exported either goods or services or both in 2016, broadly unchanged from 2015 (3,300 or 40.3%).

The ABS data also show that 214,000 registered businesses (9.1%) in GB imported goods and/or services, and 305,200 registered businesses (12.9%) in GB were involved in exporting, importing, or both in 2016.¹⁶

¹⁵ ONS Annual Business Survey: Great Britain non-financial business economy, 2016 exporters and importers Statistical Release (November 2017 release)

<https://www.ons.gov.uk/releases/annualbusinesssurveygreatbritainnonfinancialbusinesseconomy2016exportersandimporters>

¹⁶ These data are released as “experimental official statistics” and a methodology review is underway to ensure the data are fit for purpose. The ABS figures are lower than other estimates of the number or proportion of exporters derived from sources such as the BEIS Small Business Survey.

4 Current and future exporting behaviours

This chapter examines whether UK businesses are currently exporting and, if not, whether they think they potentially could be. It also investigates whether businesses are planning to start exporting and how long the journey towards exporting typically takes. The focus in this chapter, and throughout this report, is on small and medium businesses (defined as having 10-249 employees or having a turnover of £500k to £50m). These businesses are of particular interest when it comes to developing the export market as they are large enough to generate a significant value of exports (and potentially to have the resources to start exporting) but not so large that they will already have made a definitive decision about the viability of exporting.

Key Findings

- Exporting behaviour varied substantially by turnover, while there was much less variation by size in terms of number of employees.
- However, it should be noted that there was no significant difference between the turnover bands in terms of the proportion of businesses which had never exported but believed their product to be potentially suitable, underlining the importance of not overlooking smaller businesses in efforts to drive exports.
- Smaller businesses were less likely to have exported. Of those with a turnover of £2m to £5m, 46% had ever exported, 40% in the last 12 months. Of those with a lower turnover of £500k to £2m, 37% had exported, 30% in the last 12 months. In particular, smaller businesses were less likely to have exported both goods and services.
- Lower-band small businesses were more likely to be lapsed or intermittent exporters and therefore fall into the Reassure segment (9%) than upper-band small and medium businesses (5% each). When targeting smaller businesses, it may therefore be effective to focus on the additional support and advice which is now available to help them to export successfully and/or to highlight any positive changes in the exporting landscape in recent years.
- Small businesses were more reactive in their exporting behaviours, further suggesting that there is scope to grow their exports. Around a quarter (27%) of businesses with a turnover of £500k to £2m said that they didn't think about exporting beforehand and fulfilled overseas orders as and when they came in, compared to one in ten businesses with a turnover of £5m to £50m.
- Experience tended to increase with turnover – 40% of exporters with a turnover of £10m to £50m had been exporting for more than 20 years, compared to 26% of those with a turnover of £500k to £2m.

As discussed in Section 3.4, the design and scope of the NSRB differs from that of the ABS. As such, the data from each are not directly comparable. The ABS provides the definitive source of data on the number of exporters in GB.¹⁷

¹⁷ <https://www.ons.gov.uk/surveys/informationforbusinesses/businesssurveys/annualbusinesssurvey>

4.1 Current exporting behaviours

4.1.1 Exporting segmentation

This section focuses on the exporting segments outlined in Figure 4.1. These segments provide a summary of where businesses currently sit on the pathway to exporting and have been designed to give a broad and easily understood set of groupings.

Figure 4.1: Exporting segments



4.1.2 Exporting status by business size

Regardless of whether businesses were classified by turnover or number of employees, larger businesses were more likely to be exporters than smaller businesses.

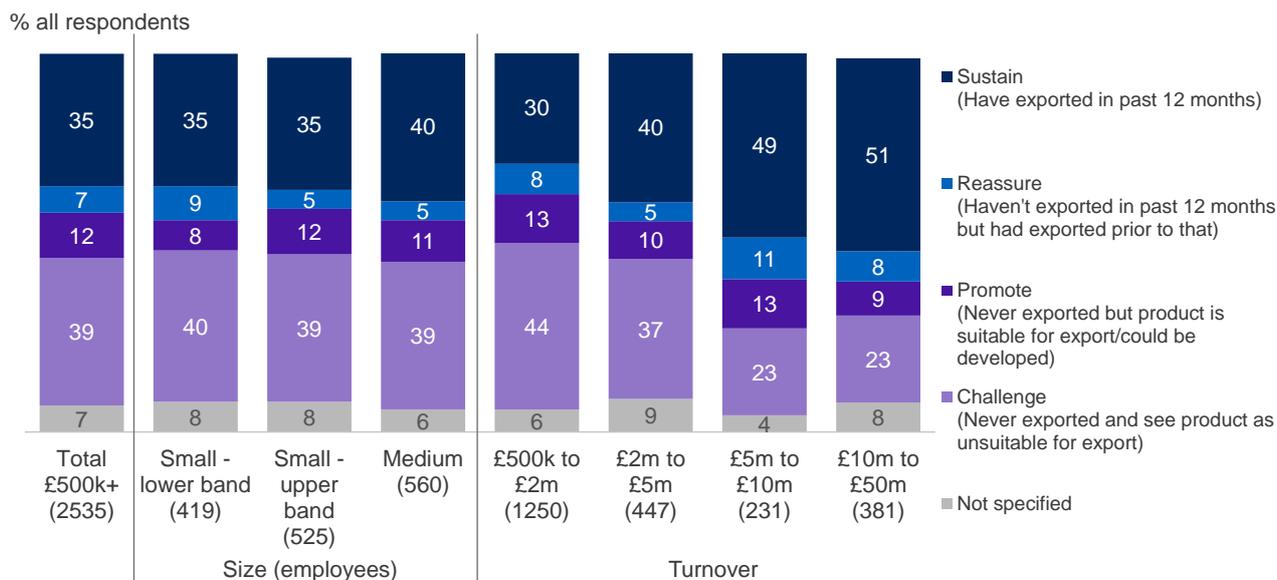
More specifically, medium businesses (40%) were more likely than upper-band small businesses (35%) and lower-band small businesses (also 35%) to have exported in the past 12 months and therefore fall into the Sustain segment (see Figure 4.2). Similarly, businesses with a turnover of £10m to £50m (51%) were more likely to fall into the Sustain segment than those with a turnover of £500k to £2m (30%) or £2m to £5m (40%). Those in the £500k to £2m band were less likely than those in any of the higher turnover bands to fall into the Sustain category.

Lower-band small businesses were the most likely to be lapsed or intermittent exporters – 9% fell into the Reassure segment compared to 5% of both upper-band small and medium businesses. Businesses with a £5m to £10m turnover (11%) were more likely than those with a turnover of £2m to £5m (5%) to fall into the Reassure segment.

The proportion of lower-band small businesses falling into the key Promote segment (8%) was lower than the proportion among all £500k+ businesses (12%). Turnover did not correlate strongly with the likelihood of falling into the Promote segment – there were no statistically significant differences between each of the turnover bands.

There was no difference in the proportion of businesses in the Challenge segment according to business size. However, those with lower turnovers were more inclined to view their products as unsuitable for export. Businesses with a turnover of £2m to £5m were more likely to fall into the Challenge segment (37%) than businesses with a turnover of £5m to £10m (23%) or £10m to £50m (23%). Those with a turnover of £500k to £2m were more likely to fall into the Challenge segment (44%) than those in any of the higher turnover bands.

Figure 4.2: Exporting segments by size of business



Source: Composite measure merging data from several variables
Base: All respondents

4.1.3 Segment profiles

Figures 4.3 to 4.6 provide profile summaries for each of the four segments among businesses with an annual turnover of £500k or more. Small numbers of businesses in the Reassure segment mean there is more limited scope to explore differences in the profile of this segment.

Each chart focuses on **how the segment in question differs from the other segments**, showing measures for which they are significantly different from one or more of the other segments (using a selection of measures where there are too many to show).

The charts for all four segments show key business demographics for which there are significant differences, attitudes towards growth and exporting, and campaign evaluation measures. In addition, the three segments that export or at least believe they could export are assessed in terms of knowledge of and barriers to exporting. Exporting behaviours are also shown for the 'Sustain' segment, as the only segment to have exported in the last 12 months.

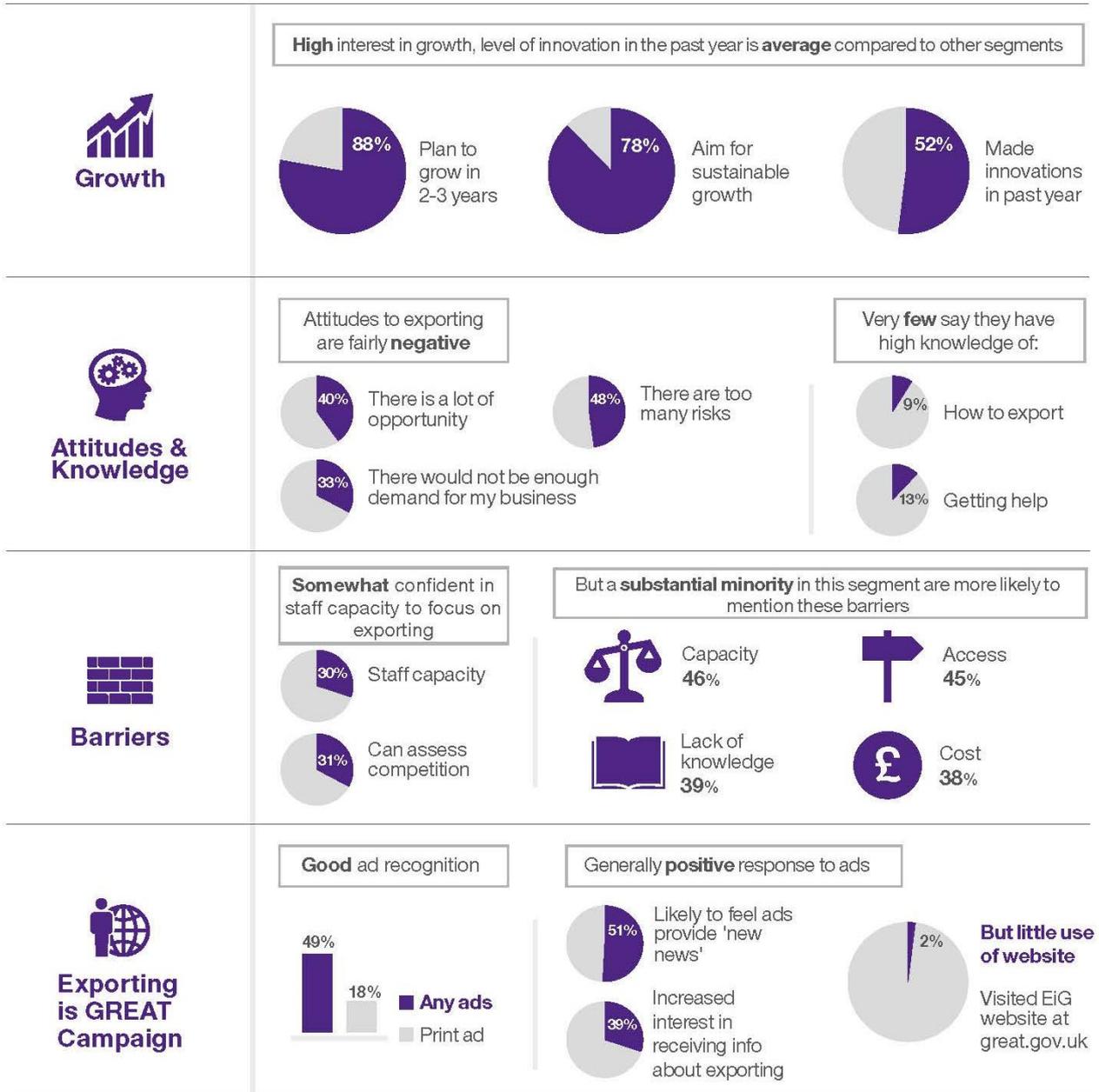
The **size indicators** at the top of each chart show the proportion of each segment within the key small and medium size bands by number of employees and turnover. These percentages are based on all businesses with an annual turnover of £500k or more, so do not add up to 100%.

Figure 4.3: Profile of 'Promote' segment

+ Promote

*The figures reported below are statistically significant differences compared to responses given by at least one of the other segments.

12% of £500k+ businesses say they have never exported but their product is suitable for export/could be developed



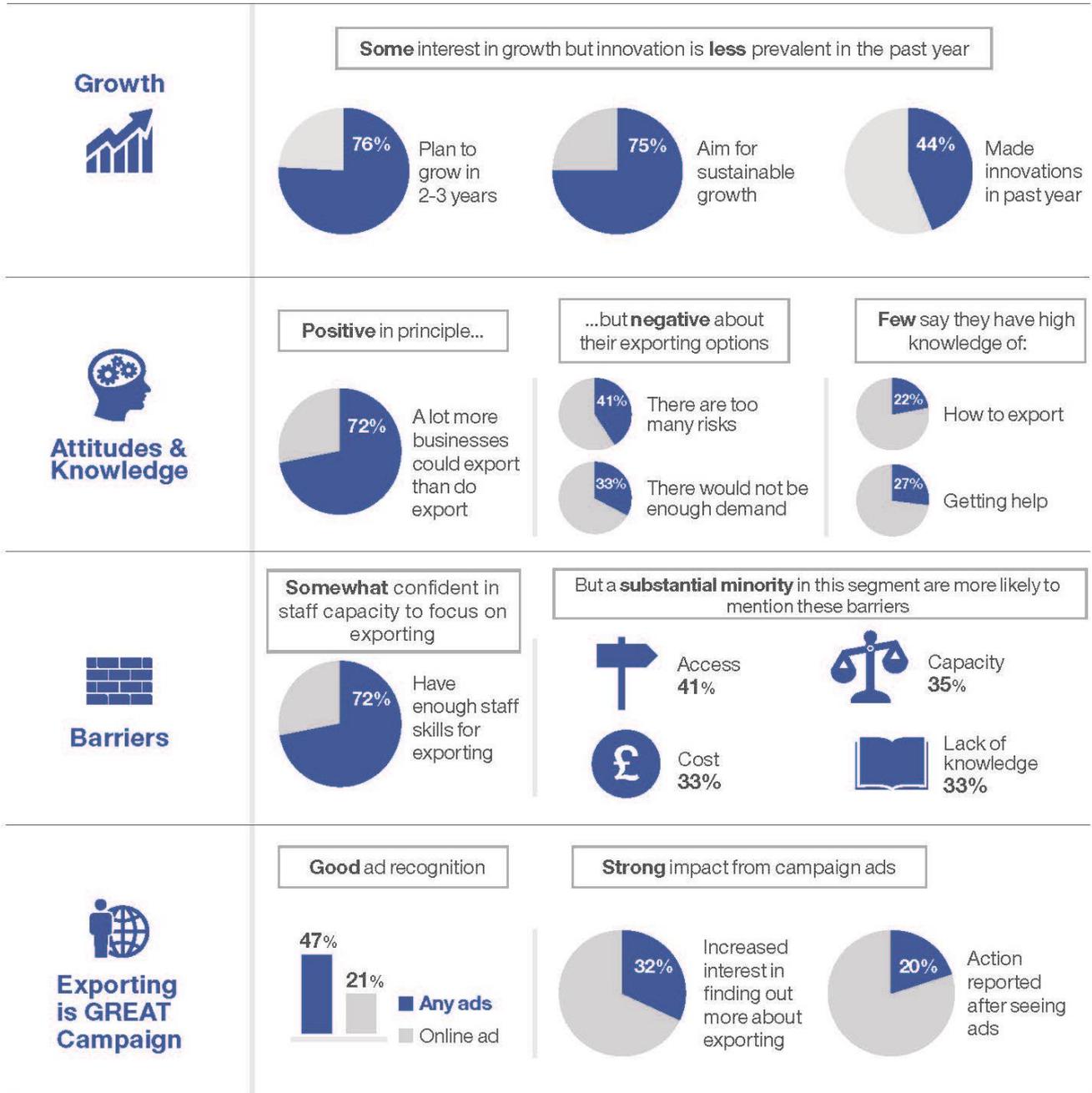
The data shown here are drawn from a broad range of NSRB questions. Some questions were asked of all respondents while others were asked of sub-groups within the main sample. All figures reported take account of these differences in base size and are statistically significant. The data tabulations published alongside this report provide more detailed data from each of the source questions used in these summaries and track data across all three waves of the study where appropriate.

Figure 4.4: Profile of 'Reassure' segment

+ Reassure

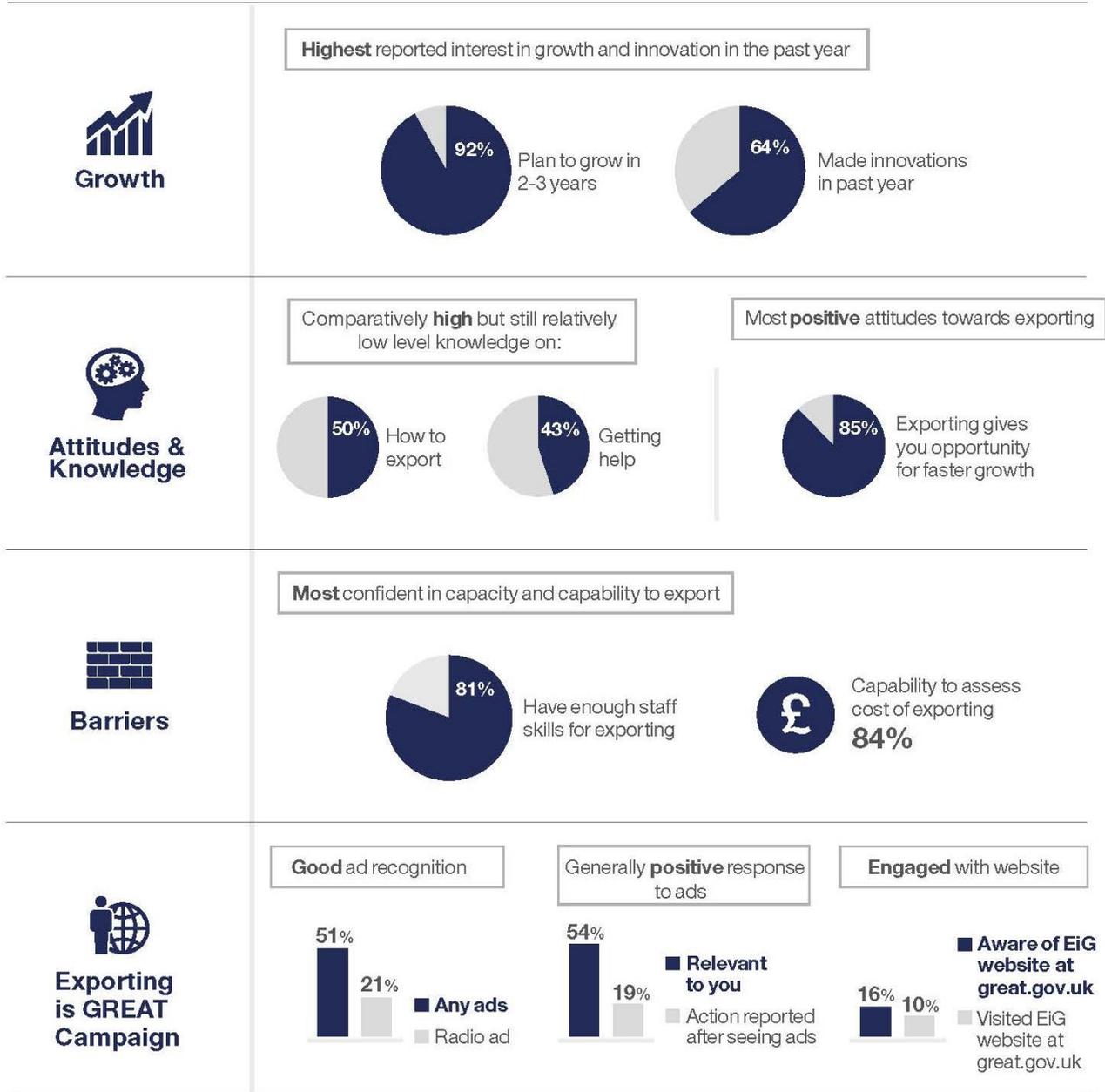
*The figures reported below are statistically significant differences compared to responses given by at least one of the other segments.

7% of £500k+ businesses say they have exported in the past but haven't exported in the last 12 months



The data shown here are drawn from a broad range of NSRB questions. Some questions were asked of all respondents while others were asked of sub-groups within the main sample. All figures reported take account of these differences in base size and are statistically significant. The data tabulations published alongside this report provide more detailed data from each of the source questions used in these summaries and track data across all three waves of the study where appropriate.

Figure 4.5: Profile of 'Sustain' segment

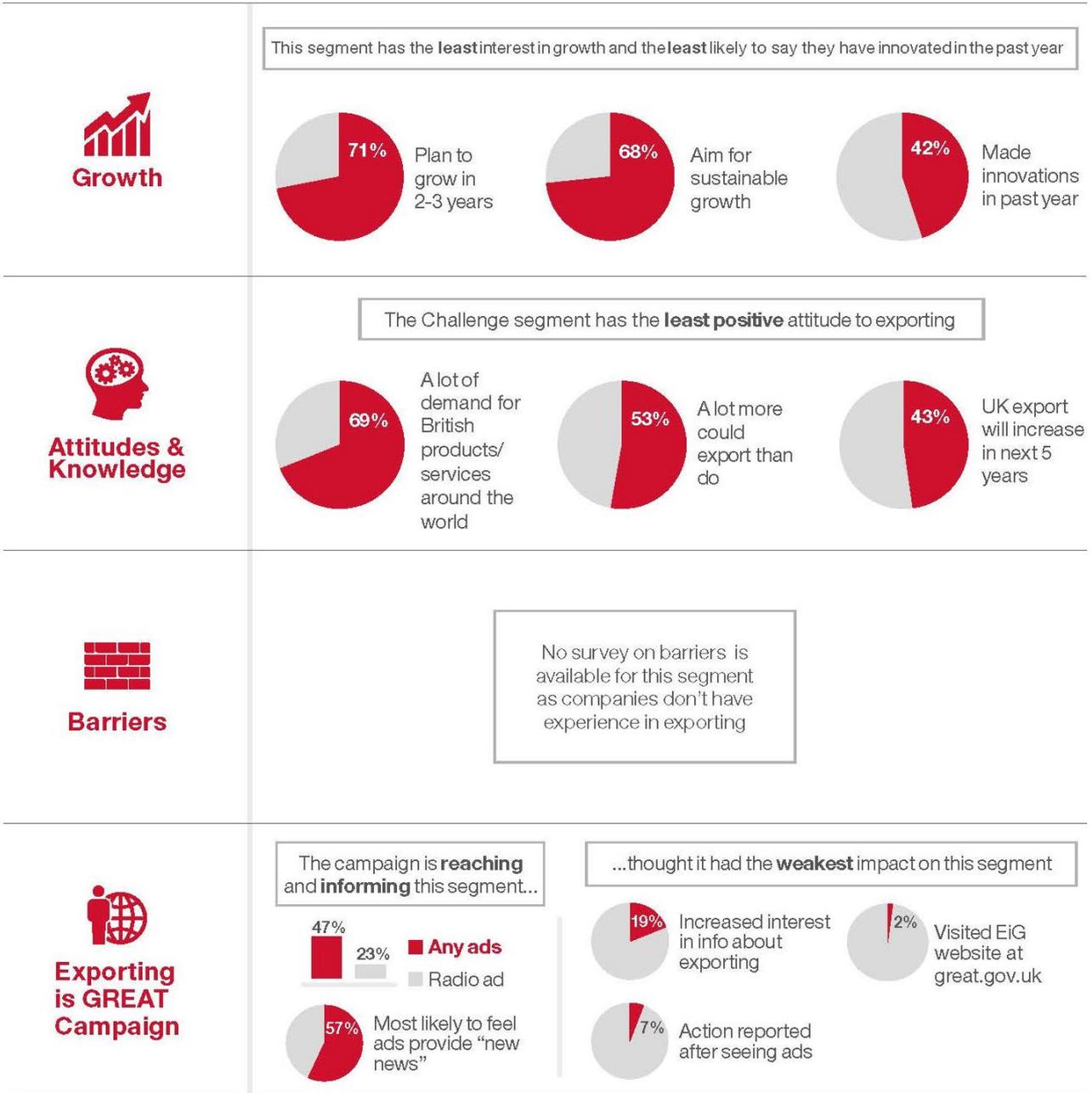


The data shown here are drawn from a broad range of NSRB questions. Some questions were asked of all respondents while others were asked of sub-groups within the main sample. All figures reported take account of these differences in base size and are statistically significant. The data tabulations published alongside this report provide more detailed data from each of the source questions used in these summaries and track data across all three waves of the study where appropriate.

Figure 4.6: Profile of ‘Challenge’ segment

+ Challenge * The figures reported below are statistically significant differences compared to responses given by at least one of the other segments.

39% of £500k+ businesses say they have never exported and their **product is not suitable for export**

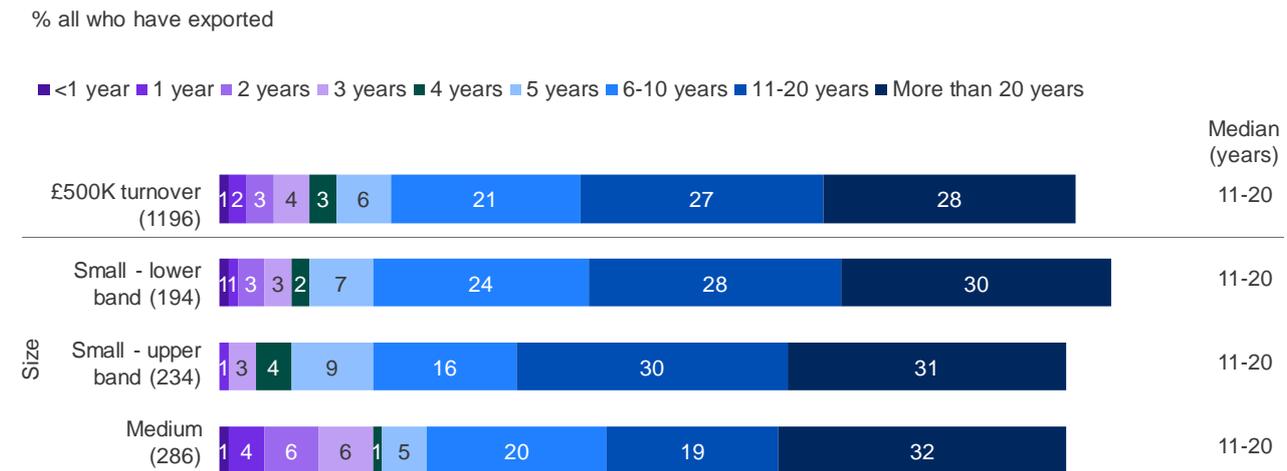


The data shown here are drawn from a broad range of NSRB questions. Some questions were asked of all respondents while others were asked of sub-groups within the main sample. All figures reported take account of these differences in base size and are statistically significant. The data tabulations published alongside this report provide more detailed data from each of the source questions used in these summaries and track data across all three waves of the study where appropriate.

4.2 Experience levels among exporters

Exporters were asked for how many years they had been exporting their goods or services. There was no difference according to business size in the proportion of long-term exporters with more than 20 years of experience (see Figure 4.7). However, upper-band small businesses were more likely to have 11-20 years of experience than medium businesses (30% and 19% respectively). Medium businesses were more likely to have joined the export market two years ago than upper-band small businesses (6% and <0.5% respectively).

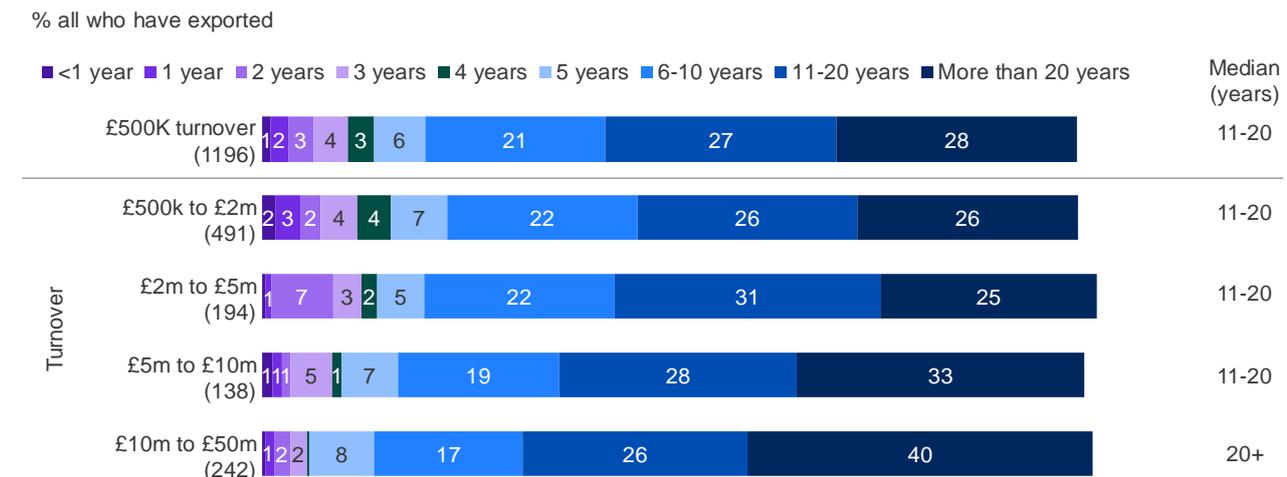
Figure 4.7: Number of years exporters have been exporting goods or services by size



Source : EXP_YEARS – How many years has your business been selling goods and / or services licensing its products overseas?
 Base : All who have exported; NB: Don't know not shown so does not always add to 100%

Exporters with a turnover of £10m to £50m were more likely to have been exporting for more than 20 years (40%) than those with a turnover of £500k to £2m (26%) or £2m to £5m (25%). Those with a turnover of £2m to £5m were more likely than those with a turnover of £500k to £2m to have started exporting two years ago (7% and 2% respectively).

Figure 4.8: Number of years exporters have been exporting goods or services by turnover



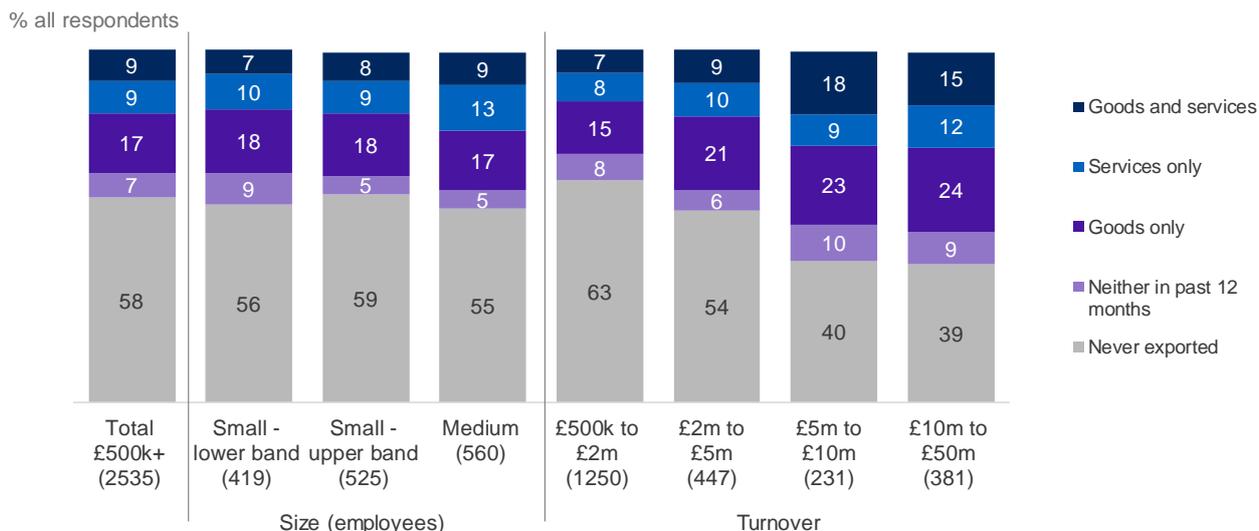
Source : EXP_YEARS – How many years has your business been selling goods and / or services licensing its products overseas?
 Base : All who have exported; NB: Don't know not shown so does not always add to 100%

4.3 Exporting goods and services

As well as being asked in broad terms about their current exporting behaviours, businesses were also asked more specifically about whether their exports over the past 12 months had consisted of goods only, services only, or both goods *and* services.

The proportion of medium businesses which exported services only (13%) was higher than the equivalent proportion among all £500k+ businesses (9%). This was the only statistically significant difference among the business size groups (see Figure 4.9).

Figure 4.9: Whether businesses have exported goods or services in the past 12 months



Source : EXP_SERV/EXP_GOOD – In the past 12 months did your business export any SERVICES/GOODS outside of the UK? This could include commissions, royalties and licences.
 Base : All respondents

NB: Don't know not shown so does not always add to 100%

Businesses with a turnover of £2m to £5m (21%), £5m to £10m (23%) or £10m to £50m (24%) were more likely than those with a turnover of £500k to £2m (15%) to export goods only.

Businesses with a turnover of £10m to £50m (12%) were also more likely than those with a turnover of £500k to £2m (8%) to export services only.

Those with a turnover of £5m to £10m (18%) and £10m to £50m (15%) were more likely to have diversified into the export of both goods *and* services than those with lower turnovers (7% of those with a turnover of £500k to £2m and 9% of those with a turnover of £2m to £5m).

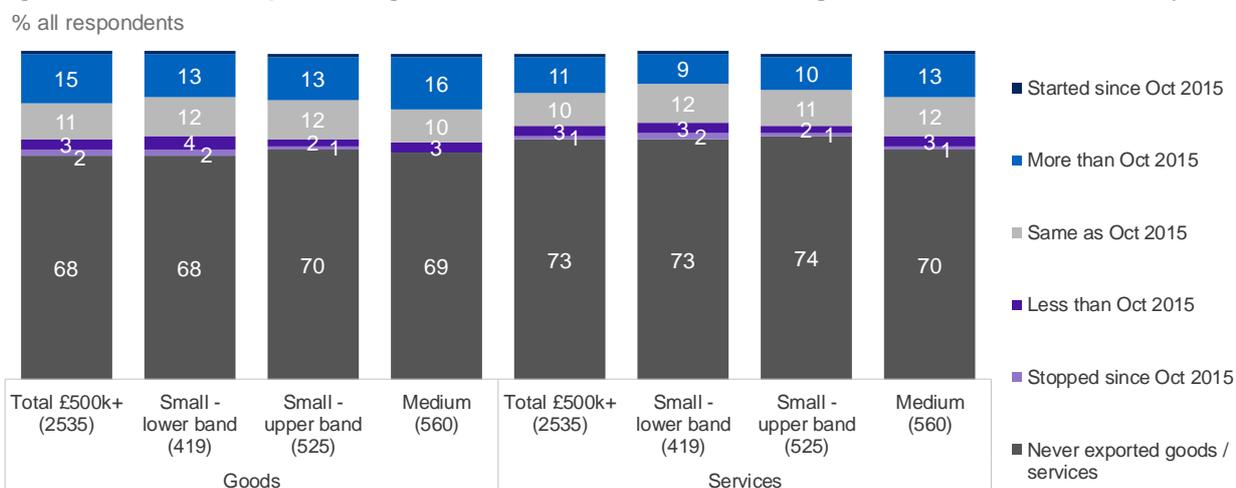
Lower turnover businesses were less likely to have ever exported. More than six in ten (63%) businesses with a turnover of £500k to £2m had never exported. This was significantly higher than the proportion of £2m to £5m turnover businesses (54%), which in turn was higher than the proportion of £5m to £10m (40%) and £10m to £50m (39%) businesses which had never exported.

4.4 Recent changes in exporting behaviours

Those businesses which reported that they had ever exported were asked how their exports of goods and services had changed since October 2015 (the point at which the *Exporting is GREAT* campaign started). Given that this date does not represent one of the main business reporting dates (e.g. financial or calendar year end) there is likely to have been an element of estimation in responses to this question. The data in Figures 4.10 and 4.11 have been rebased to provide findings based on all businesses rather than only those who have exported.

The overall pattern was relatively stable across the different business size groups. Nevertheless, a slightly higher proportion of lower-band small businesses reported that they had stopped exporting *goods* since October 2015 (2%) than was the case amongst medium businesses (<1%).

Figure 4.10: How exports of goods and services have changed since October 2015 by size



Source: Q20c. Thinking about the last two years, that is since October 2015, which of the following best describes your business' export of SERVICES? IF NECESSARY: This would be exports outside the UK, including sales to the Republic of Ireland Q23c. Thinking about the last two years, that is since October 2015, which of the following best describes your business' export of GOODS? IF NECESSARY: This would be exports outside the UK, including sales to the Republic of Ireland
 Base of Q20c/Q23c : Respondents who have ever exported. Rebased figures in chart above: All respondents
 NB: Don't know not shown so does not always add to 100%

There was more variation in recent exporting performance according to turnover than was seen among the business size groups (see Figure 4.11). We discuss differences by turnover below, focusing first on goods and then on services. It should be noted that some business are exporters of both goods and services and would therefore answer the questions on both.¹⁸

Goods

In general, businesses with a lower turnover were less likely to have exported goods. Those with a turnover of £500k to £2m were more likely to report that they had never exported goods (73%) than those with a turnover of £2m to £5m (65%). Those with a turnover of £2m to £5m were, in turn, more likely never to have exported goods than those with a turnover of £5m to £10m (53%) or £10m to £50m (51%).

¹⁸ The BEIS Longitudinal Small Business survey also looks at exporting behaviours and data is published here: <https://www.gov.uk/government/publications/small-business-survey-2016-panel-report>
 It should be noted that the findings of this survey are not directly comparable with those from the NSRB, given that it covers only SMEs (defined as having fewer than 250 employees) and there are methodological differences in terms of weighting targets (which are drawn from Business Population Estimates 2016 rather than IDBR), the oversampling of businesses in Scotland and Northern Ireland, and the longitudinal nature of the research. Findings from this survey include:

- 15% of the SMEs on the panel exported goods or services in both 2015 and 2016, and 76% did not export in either year. A larger proportion of exporters was recorded in small businesses with 10-49 employees (23%) and medium businesses with 50-249 employees (28%).
- Among businesses that did not export in 2015 but planned to do so in 2016, 25% had actually undertaken some export activity in 2016, and 75% had not.
- Among businesses that exported in both years, 33% experienced an increase in the proportion of their turnover accounted for by exports of goods or services, 40% experienced a decrease, and 27% reported that the proportion was about the same. There was no change in the mean proportion of turnover accounted for by exports between 2015 and 2016. It should be noted that these data relate to a 12-month timeframe whereas NSRB figures relate to an approximate 22-month period. They also relate to the proportion of total turnover accounted for by exports, whereas NSRB measures absolute increases or decreases in exports.

Lower turnover businesses were less likely to report an increase in the export of goods since October 2015 (12% of those with a turnover of £500k to £2m businesses compared to 19% of £2m to £5m businesses, 23% of £5m to £10m businesses and 22% of £10m to £50m businesses). However, this may be a function of the fact that fewer of the lower turnover businesses export goods at all (as discussed in the preceding paragraph).

Businesses with a turnover of £5m to £10m and £10m to £50m were more likely to report that exports of goods had remained the same as in October 2015 (15% and 18% respectively) than those with a turnover of £500k to £2m (9%). This may again relate to their relative propensity to export goods.

Services

Businesses with a turnover of £2m to £5m were slightly more likely to report that they had started exporting services since October 2015 (2%) than those with a turnover of £500k to £2m (<0.5%) and those with a turnover of £5m to £10m (<1%). In contrast with the figures discussed earlier, this difference cannot be attributed to the fact that fewer £500k to £2m turnover businesses export services – in fact the opposite applies in this case.

Businesses with turnover of £10m to £50m were more likely to report an increase in the export of services (16%) than those with a turnover of £500k to £2m (9%).

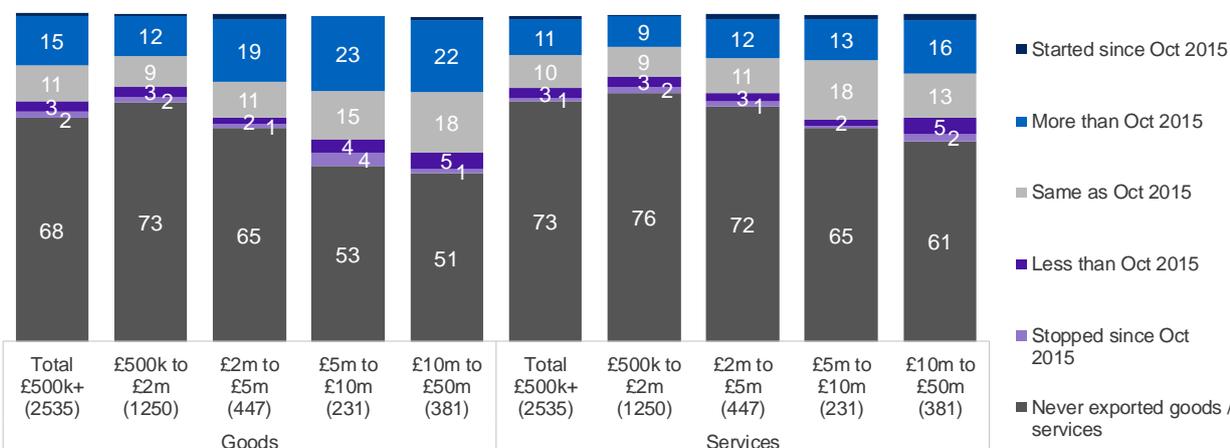
A higher proportion of businesses with a turnover of £5m to £10m reported that their exports of services had stayed the same as in October 2015 (18%) than was the case among businesses with a turnover of £500k to £2m (9%) or £2m to £5m (11%).

Businesses with a turnover of £500k to £2m were more likely to report that they had stopped exporting services (2%) than those with a turnover of £5m to £10m (<0.5%).

There was a relationship between turnover and the exporting of services. Around three quarters (76%) of businesses with a turnover of £500k to £2m had never exported services, compared to 72% of businesses with a turnover of £2m to £5m, 65% of businesses with a turnover of £5m to £10m and 61% of businesses with a turnover of £10m to £50m.

Figure 4.11: How exports of goods and services have changed since October 2015 by turnover

% all respondents



Source: Q20c. Thinking about the last two years, that is since October 2015, which of the following best describes your business' export of SERVICES? IF NECESSARY: This would be exports outside the UK, including sales to the Republic of Ireland Q23c. Thinking about the last two years, that is since October 2015, which of the following best describes your business' export of GOODS? IF NECESSARY: This would be exports outside the UK, including sales to the Republic of Ireland
 Base of Q20c/Q23c : Respondents who have ever exported. Rebased figures in chart above: All respondents
 NB: Don't know not shown so does not always add to 100%

4.5 Future plans for exporting

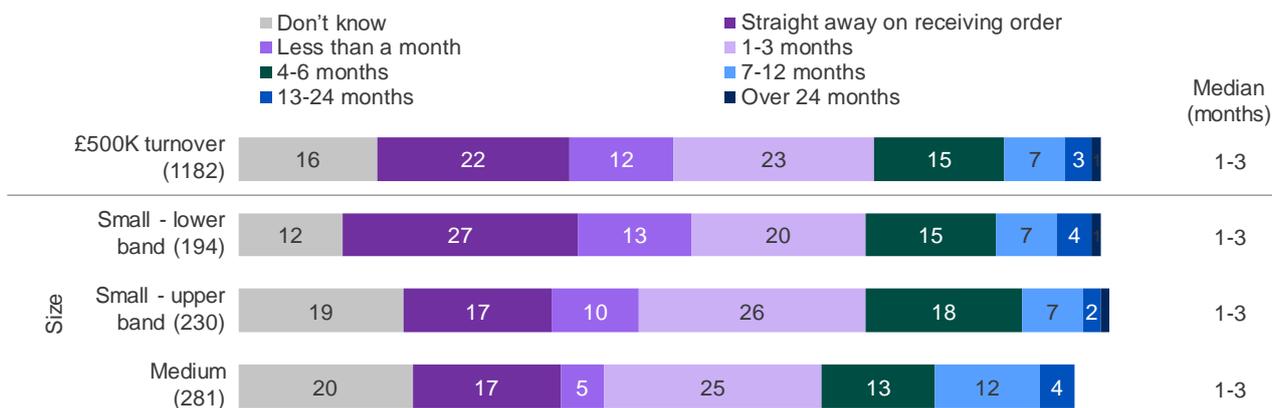
Non-exporters with an interest in exporting (8% of all £500k+ businesses) were asked whether they had plans or an active interest in starting to export. If so, they were asked whether they planned to start exporting within the next 12 months or at some point further in the future. The base size for this question was low among each of the employee and turnover groups and sub-group analysis is not therefore possible. Among the total population of £500k+ businesses which expressed an interest in starting to export, around a third (29%) said they thought they would do so within the next 12 months and a further third (32%) expected it to be further in the future. Given the potential complexities of beginning to export (and the potential for changing priorities across a period of 12 months+) these findings should be interpreted as being indicative of the businesses' intentions rather than being an absolutely accurate predictor of future exporting behaviour.

4.6 Typical lead times on the exporting journey

Those businesses who had ever exported were asked how much time there was between the point at which they started seriously thinking about exporting to a specific country and the point at which they actually started to export to that country (see Figures 4.12 and 4.13).

Figure 4.12 Time taken between thinking about exporting to a country and exporting to it by size

% all who have exported



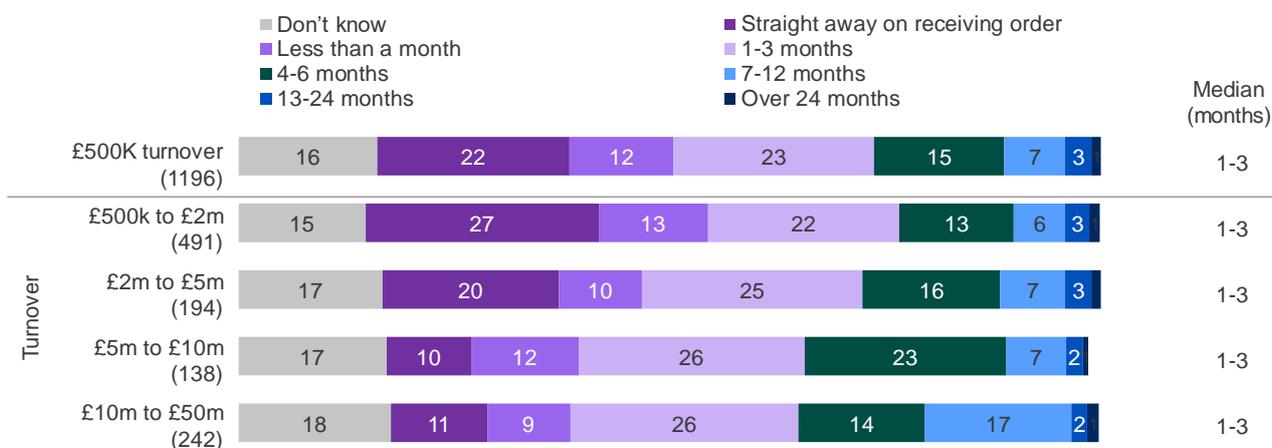
Source Q24b. Thinking of countries you have successfully exported to, how much time is there between the point at which you start seriously thinking about exporting to a specific country and the point at which you actually start to export your goods or services?
Base : All who have exported;

A relatively high proportion of lower-band small businesses reported a lead time of less than a month (13% compared to 5% of medium businesses). This may, again, be a sign that smaller businesses tend to react to orders coming in rather than strategically targeting exports to a new country.

Lower-band small businesses were more likely to report that they were reactive in their exporting behaviours i.e. they received an overseas order and fulfilled it without pre-planning. Around a quarter (27%) of lower-band small businesses exported in this way compared to 17% of upper-band small businesses.

Figure 4.13 Time taken between thinking about exporting to a country and exporting to it by turnover

% all who have exported



Source Q24b. Thinking of countries you have successfully exported to, how much time is there between the point at which you start seriously thinking about exporting to a specific country and the point at which you actually start to export your goods or services?
 Base : All who have exported; *Mid points used for banded responses to calculate estimated means

There was a similar pattern in terms of turnover, with small businesses being more reactive in their exporting behaviours. Around a quarter (27%) of businesses with a turnover of £500k to £2m said that they didn't think about exporting beforehand and fulfilled overseas orders as and when they came in, compared to 10% of businesses with a turnover of £5m to £10m and 11% of businesses with a turnover of £10m to £50m.

A higher proportion of businesses with a turnover of £10m to £50m reported a lead time of 7-12 months (17%) than was the case among businesses with a turnover of £5m to £10m (7%) and £500k to £2m (6%).

4.7 Potential policy and campaign implications

The Promote segment, businesses which do not currently export but which self-identify as potentially being able to, is key for increasing the number of exporters. Although the proportion of lower-band small businesses falling into the Promote segment (8%) was lower than that found in the total population of £500k+ turnover businesses (12%), the high number of businesses in the lower-band small business group (approximately 100,000) means that they can nevertheless potentially contribute significantly to export growth and should not be overlooked.

Indeed, when classifying businesses according to turnover groups rather than business size groups (which are based on the number of employees), it is striking that there is *no* real difference between the proportion of businesses in each turnover band which fall into the Promote segment. This further underlines the importance of not overlooking smaller businesses in efforts to drive exports. While it is true that, at a company-specific level, the potential value of exports for a high-turnover business is likely to be larger than that of a lower turnover business, there are far fewer high turnover businesses which can potentially join the export market.

Lower-band small businesses were more likely to be lapsed or intermittent exporters and therefore fall into the Reassure segment (9%) than upper-band small and medium businesses (5% each). When targeting smaller businesses, it may therefore be effective to focus on the additional support and advice which is now available to help them to export successfully and/or to highlight any positive changes in the exporting landscape in recent years (for example, at the time of writing, the improved cost-competitiveness of UK products due to changes in exchange rates). This is particularly the case given that relatively few reported that they had *recently* stopped exporting (only 2% of lower-band small businesses had stopped exporting goods since October 2015 and

2% reported that they had stopped exporting services over the same period). As such their understanding of the viability of exporting may not in some cases be based on the realities of the current exporting landscape (both positive and negative).

The fact that lower-band small businesses are much more likely to be reactive in their exporting behaviours (i.e. only exporting if overseas orders are placed with them rather than proactively sourcing opportunities) also suggests that there is significant scope to develop their involvement in the export market.

5 Underlying attitudes towards growth and exporting

To encourage businesses to export, or increase their exporting activity, it is important to ensure that they have positive attitudes about exporting and its relevance to them. This chapter examines attitudes towards growth and innovation, before moving on to discuss business perceptions of overseas demand and other broader attitudes related to exporting.

Key Findings

- Three in four businesses were focused on steady growth, and this proportion did not vary by size. However, medium businesses were more likely to be aiming for rapid growth (10%) than £500k+ businesses overall (5%). As such, any campaign messaging which focuses on the potential for swift growth is likely to be less effective than messaging which adopts a more measured tone.
- In line with this difference, medium businesses were more likely to say they were planning to grow over the next two to three years (91%) than £500k+ businesses overall (81%). Medium businesses were also more likely to report introducing new or significantly improved products or services in the past 12 months (60% compared to 51% of £500k+ businesses as a whole).
- Attitudes towards exporting were positive regardless of the size of business. Around three quarters (73%) of all £500k+ businesses agreed (either strongly or slightly) that there was a lot of demand for British products or services around the world and around two in three agreed that a lot more businesses could export than do export (63%)
- However, larger businesses with a turnover of £5m to £10m were less likely to *strongly* agree that there is a lot of global demand (34%) than those with a lower turnover of £500k to £2m (45%) or £2m to £5m (47%), though the balance of opinion remained very much positive. Given that strong perceptions in this respect may be needed before a business takes steps towards exporting, this may have implications in terms of the targeting/framing of future campaign activities.
- Expectations of growth were also broadly similar by size and turnover, with 48% of £500k+ businesses expecting UK exports to grow over the next five years. However, there was relatively widespread uncertainty among lower-band small businesses (20% of whom reported that they didn't know whether UK exports would increase or decrease). This may well serve as an inhibitor to exporting in the short term. Keeping businesses informed of any tangible progress relating to trade agreements will be important.

5.1 Innovation and plans for growth

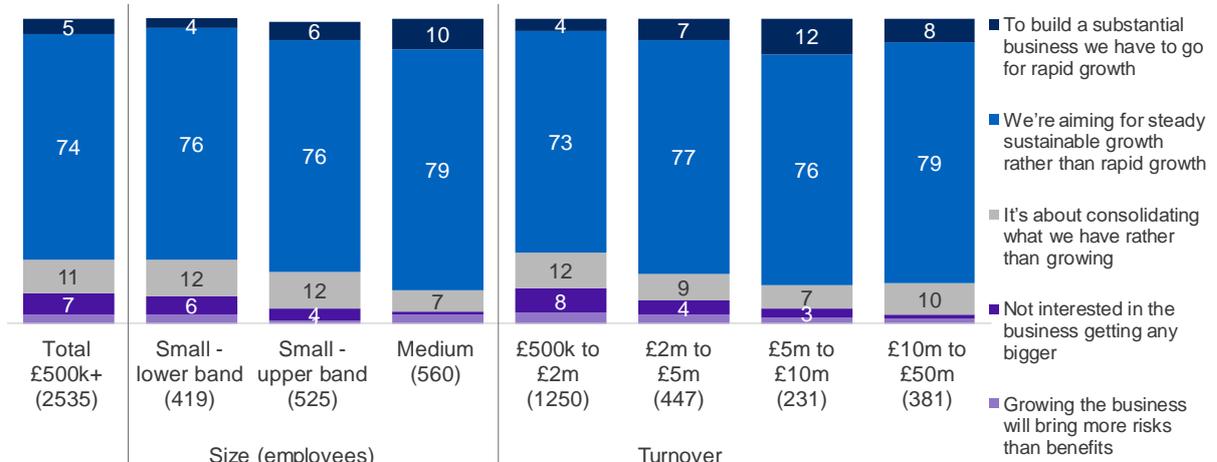
Businesses were prompted with an attitudinal scale and asked which best reflected their thinking on growth (see Figure 5.1). The large majority of all three business size groups reported that they were aiming for steady sustainable growth rather than rapid growth.

Medium businesses were more likely to believe that to build a substantial business they had to go for rapid growth (10%) than upper-band small businesses (6%) and lower-band small businesses (4%).

Small businesses were more likely to be focused on consolidation rather than growth (12% of both small business bands compared to 7% of medium businesses). Lower-band small businesses (6%) and upper-band small businesses (4%) were also more likely to report that they were not interested in their business getting any bigger than medium businesses (1%).

Figure 5.1: Current thinking on growth

% all respondents



Source : Q11. GROWATT – Which of these best describes your thinking on growth?

Base : All respondents

NB: Don't know not shown so does not always add to 100%

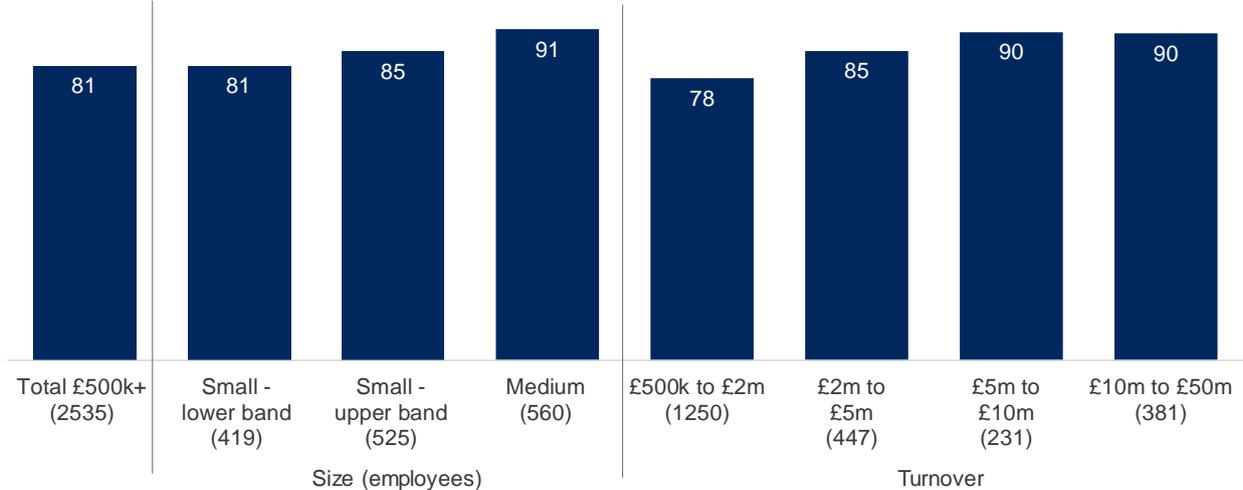
Businesses with a turnover of £500k to £2m were less likely to be aiming for rapid growth (4%) than those with a turnover of £2m to £5m (7%), £5m to £10m (12%) and £10m to £50m (8%).

Those with a turnover of £500k to £2m were more likely to report that they were not interested in the business getting any bigger (8%) than those with a turnover of £2m to £5m (4%), £5m to £10m (3%) and £10m to £50m (1%).

Businesses were also asked whether they aimed to grow in the next two to three years (see Figure 5.2) and larger businesses were more ambitious in this respect than smaller businesses. More specifically, the proportion of medium businesses aiming for growth (91%) was higher than the proportion of upper-band small businesses (85%) and lower-band small businesses (81%). Similarly, the proportion of businesses with a turnover of £2m to £5m (85%), £5m to £10m (90%) and £10m to £50m (90%) that were aiming for growth in the next two to three years was higher than that among businesses with a turnover of £500k to £2m (78%).

Figure 5.2: Whether businesses aim to grow in next two to three years (% saying 'yes')

% all respondents



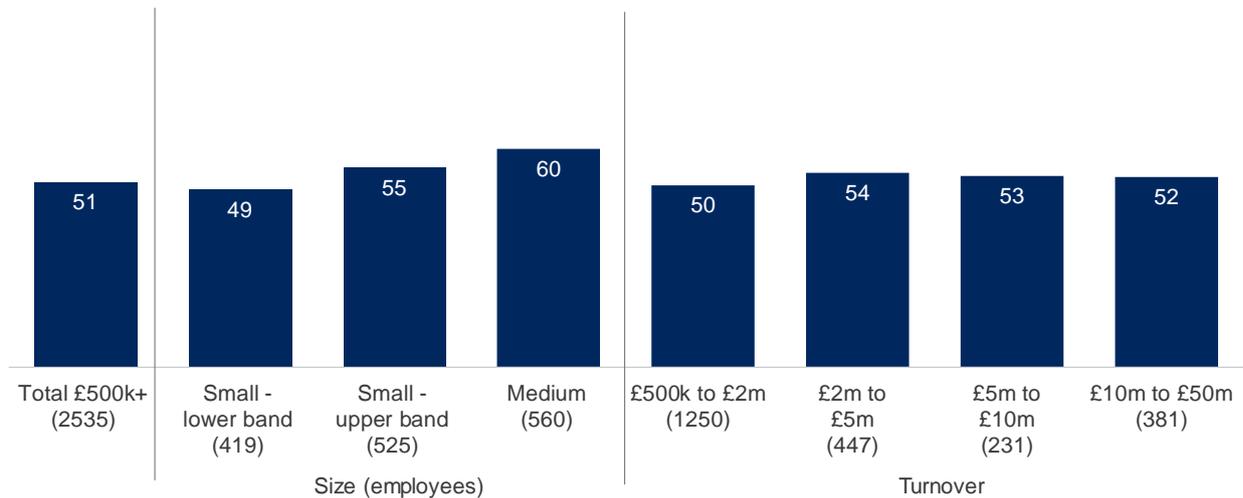
Source : Q13. PLAN_GROW – Over the next two to three years, do you aim to grow your business?
Base : All respondents

As shown in Figure 5.3, a higher proportion of medium businesses (60%) had introduced new or significantly improved products or services in the past 12 months than was the case for lower-band small businesses (49%).

However, there were no statistically significant differences by turnover groups.

Figure 5.3: Whether business has introduced new or significantly improved products or services in past 12 months (% saying 'yes')

% all respondents



Source : Q12. INNOV – Thinking about innovation within your business i.e. new products and processes, have you introduced new or significantly improved products or services in the past 12 months?
Base : All respondents

5.2 Attitudes towards exporting

One possible influence on whether businesses have plans to grow (or not) via exporting is their perception of the level of current and future demand for British products or services around the world. More general attitudes towards the value of exporting are also likely to play a role.

5.2.1 Perceived demand: now and in the future

Businesses were asked about the extent to which they agreed or disagreed with two statements regarding their perceptions of the current level of demand for exports.

Perception that ‘there is a lot of demand for British products or services around the world’

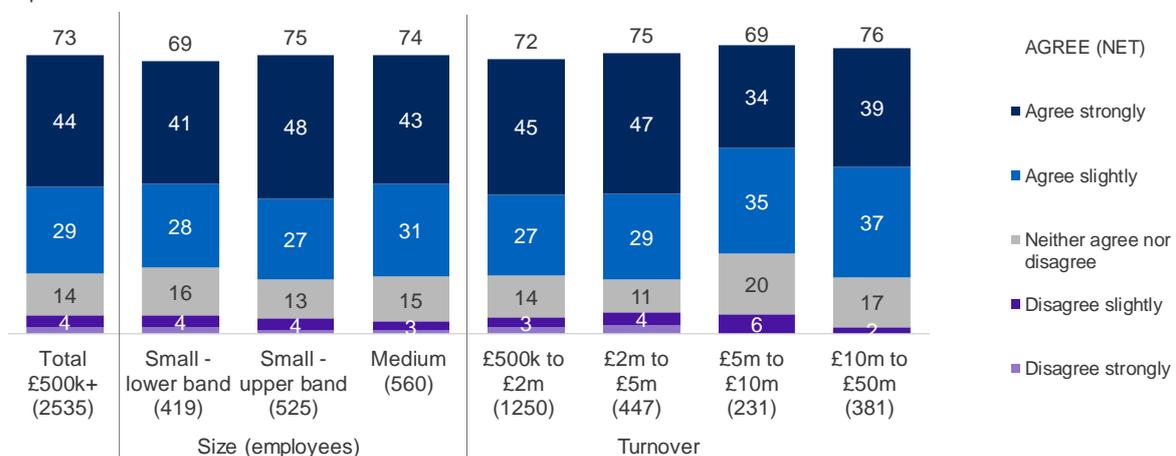
As shown in Figure 5.4, perceptions of the global demand for British products or services were similar across each of the business size groups and there were no statistically significant differences. Overall, around three quarters (73%) of all £500k+ businesses agreed that there was a lot of demand for British products or services around the world.

Businesses with a turnover of £5m to £10m were less likely to *strongly* agree that there is a lot of global demand (34%) than those with a turnover of £500k to £2m (45%) or £2m to £5m (47%).

The £5m to £10m turnover group was instead more likely to agree *slightly* that there is a lot of global demand (35% compared to 27% of £500k to £2m turnover businesses) or to neither agree nor disagree that this is the case (20% compared to 14% of businesses with a turnover of £500k to £2m and 11% of businesses with a turnover of £2m to £5m).

Figure 5.4: Agreement that there is a lot of demand for British products or services around the world

% all respondents



Source: Q14. EXPSTAT_ALL – To what extent do you agree or disagree that: There is a lot of demand for British products or services around the world
 Base: All respondents
 NB: Don't know not shown so does not always add to 100%

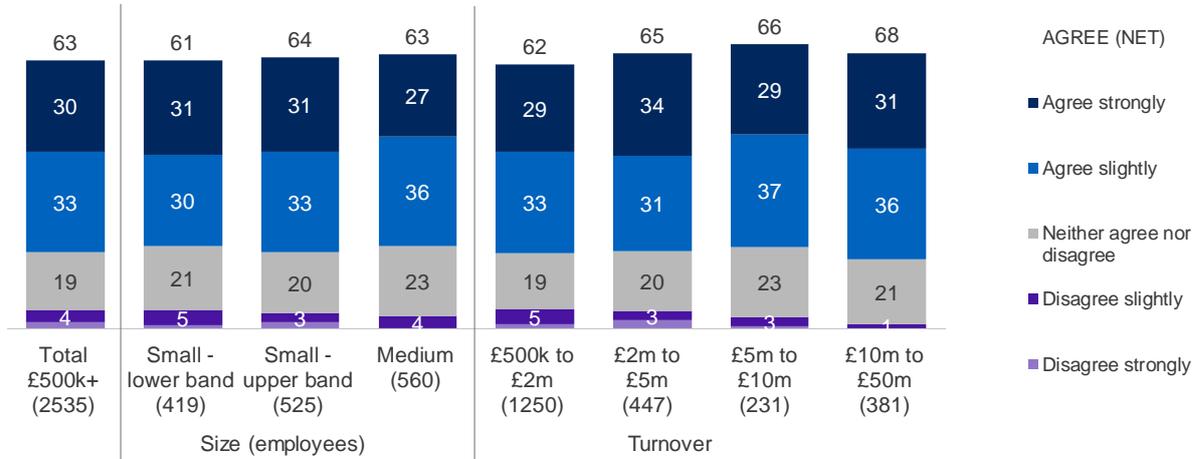
Perception that ‘a lot more businesses *could* export than *do* export’

There were no statistically significant differences between the business size groups in terms of their perception that a lot more businesses could export than do export. Overall, around two thirds (63%) of £500k+ businesses agreed that this was the case.

There were no differences in these perceptions between businesses falling into each of the different turnover bands.

Figure 5.5: Agreement that a lot more businesses could export than do export

% all respondents



Source : Q14. EXPSTAT_ALL – To what extent do you agree or disagree that: A lot more businesses could export than do export

Base : All respondents

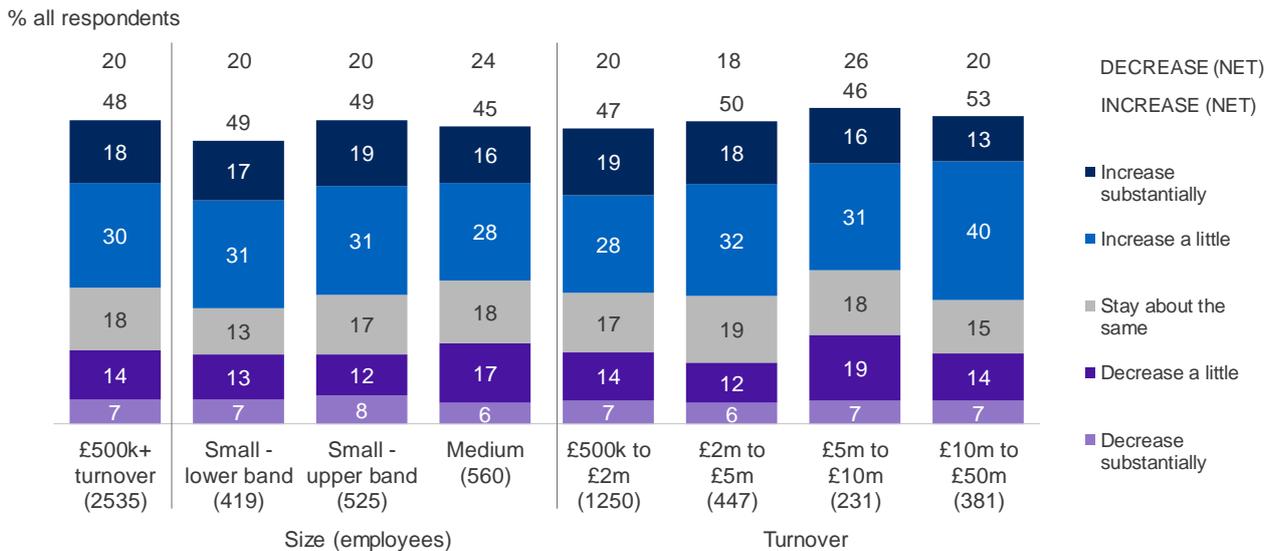
NB: Don't know not shown so does not always add to 100%

Businesses were also asked whether they thought the total value of UK exports would increase, decrease or stay the same over the next five years (see Figure 5.6). Attitudes among each of the business size groups were generally similar, though lower-band small businesses were more likely to give a ‘don’t know’ response, suggesting more uncertainty on their part (19% compared to 13% of upper-band small businesses).

Businesses with a turnover of £10m to £50m were more likely to expect the value of UK exports to increase a little (40%) than were those with a turnover of £500k to £2m (28%). This was, however, offset to some extent by a slightly lower proportion of £10m to £50m turnover businesses expecting to see a *substantial* increase in UK exports.

A higher proportion of businesses with a turnover of £5m to £10m reported that they expected UK exports to decrease a little (19%) than was the case among those with a turnover of £2m to £5m (12%).

Figure 5.6: Whether UK exports will increase or decrease over the next five years



Source : Q40a. Moving to a different topic now, thinking about UK exports over the next 5 years or so, do you think that the total value of exports by UK businesses will...
 Base : All respondents

NB: Don't know not shown so does not always add to 100%

5.2.2 Broader views on exporting

Businesses for whom exporting was possible were asked a range of agree/disagree questions relating to various aspects of exporting. Figure 5.7, below, summarises the proportion of businesses which agreed (either strongly or slightly) with each statement.

Small businesses tended to be more negative about the support available. Lower-band small businesses (13%) and upper-band small businesses (13%) were more likely than medium businesses (8%) to strongly disagree that there is a lot of support available to help small and medium businesses to start exporting.

Those with a turnover of £10m to £50m were more likely than those with a turnover of £500k to £2m to agree (either slightly or strongly) that there is a lot of support available to help small and medium businesses to start exporting (44% and 33% respectively).

Businesses with a turnover of £5m to £10m were more likely to agree strongly that international growth is an exciting prospect for their business than those with a turnover of £500k to £2m (55% and 40% respectively). The same applied to strong agreement with the statement that "More and more businesses like mine are starting to export" (21% and 13% respectively).

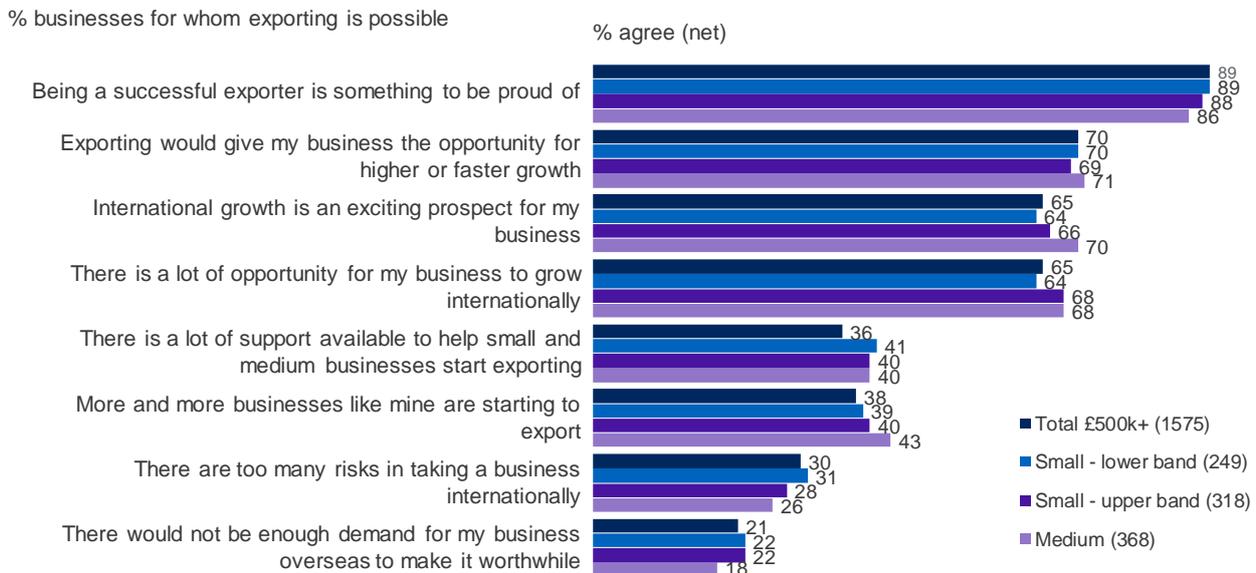
Higher turnover businesses tended to be less strongly positive about opportunities for international growth. Those with a turnover of £10m to £50m (32%) were less likely than those with a turnover of £2m to £5m (44%) or £5m to £10m (53%) to agree *strongly* that there is a lot of opportunity for their business to grow internationally. The £10m to £50m turnover businesses were, instead, more likely to agree *slightly* with this statement (35% compared to 24% of those with a turnover of £2m to £5m and 23% of those with a turnover of £5m to £10m). Those with a turnover of £500k to £2m (12%) were more likely than those with a turnover of £5m to £10m (5%) or £10m to £50m (5%) to disagree strongly with this statement.

Negative perceptions about overseas demand were more widespread among businesses with lower turnovers. Businesses with a turnover of £500k to £2m were more likely than those with a turnover of £10m to £50m to agree strongly that there would not be enough demand for their business overseas to make it worthwhile (14% and 4% respectively). Those with a turnover of £5m

to £10m (56%) were more likely than those with a turnover of £500k to £2m (43%) to disagree strongly with this statement.

There were no statistically significant differences in levels of agreement that there are too many risks in taking a business international (neither in terms of business size nor turnover).

Figure 5.7: Proportion of businesses for whom exporting is possible that agree (either strongly or slightly) with statements about exporting



Source : Q31. EXP_STAT – To what extent do you agree or disagree that...
 Base : All for whom exporting is possible

5.3 Potential policy and campaign implications

A large majority of all £500k+ turnover businesses are focused on steady sustainable growth (74%) as opposed to rapid growth (5%). Although larger businesses were slightly more likely to aim for rapid growth (10% of medium businesses and 8% of those with a turnover of £10m to £50m) this remains a relatively niche aspiration. As such, any campaign messaging which focuses on the potential for swift growth is likely to be less effective than messaging which adopts a more moderate tone. Messaging along the lines that exporting can help improve the stability of a business in uncertain times may resonate more strongly with all sizes of business.

Perceptions of global demand for British products and services were relatively similar across the business size and turnover groups. In all cases there was agreement that there is global demand (73% of all £500k+ businesses agreed that this was the case). The same applied to perceptions that a lot more UK businesses *could* export than *do* export (63% agreed and there was relatively little difference according to company size or turnover). Larger businesses with a turnover of £5m to £10m were less likely to *strongly* agree that there is a lot of global demand (34%) than those with a lower turnover of £500k to £2m (45%) or £2m to £5m (47%), though the balance of opinion remained very much positive. Given that strong perceptions in this respect may be needed before a business takes steps towards exporting, this may have implications in terms of the targeting/framing of future campaign activities.

As such, there is not any apparent need to skew campaign messaging in these respects towards any particularly company size or turnover group.

More broadly, the balance of opinion regarding the future for UK exports was generally positive - 48% of £500k+ businesses expect the total value of UK exports to increase over the next 5 years

and 20% expected that value to decrease. Views were similar across the different business size and turnover groups, but there was relatively widespread uncertainty among lower-band small businesses (19% of whom reported that they didn't know whether UK exports would increase or decrease). This may well serve as an inhibitor to exporting in the short term. Keeping businesses informed of any tangible progress relating to trade agreements will be important. DIT already communicates on these topics through the gov.uk website and broader PR activities - efforts in this respect should be continued.

6 Knowledge, information and support

As well as improving attitudes and perceptions (see Chapter 5), raising levels of knowledge about exporting, and where to go for help, information and support are also important when it comes to encouraging businesses to export. It is also necessary for businesses to be *willing* to seek advice and support. This chapter examines knowledge levels for exporting related topics as well as interest in using support and advice.

Key Findings

- Knowledge levels were weakest among smaller businesses. While 31% of those with a turnover of £500k to £2m reported high knowledge of how to export, this was higher for those with a turnover of £2m to £5m (40%), £5m to £10m (43%) and £10m to £50m (48%). There were similar patterns in terms of knowledge about where to get information, help and support about exporting.
- In line with wider literature on business support, larger businesses were more likely to have sought exporting advice (50% of those with a turnover of £10m to £50m compared to 37% of those with a turnover of £500k to £2m).
- While businesses were most likely to say that they would simply Google or conduct another online search if they needed to source advice (16% of £500k+ businesses), those with a turnover of £10m to £50m were more likely to cite the Chambers of Commerce (20% compared to 11% of all £500k+ businesses). Otherwise, there were few differences by size in preferred source.
- For businesses of all sizes, there is significant scope to increase the salience of government (and particularly DIT) as a source of support or advice on exporting.
- Half of businesses with a turnover of £500k+ would be interested in support services to help with exporting, and this did not vary by size.

6.1 Knowledge levels

Businesses which saw their goods or services as suitable for export were asked to self-assess their own levels of knowledge about various aspects of exporting on a 0 to 10 scale. In this section their responses have been grouped into three bands; a score of 8-10 has been classified as a 'high level of knowledge'; a score of 3-7 is classified as a 'moderate knowledge level' and a score of 0-2 represents 'poor or no knowledge'.

6.1.1 Knowledge about how to export

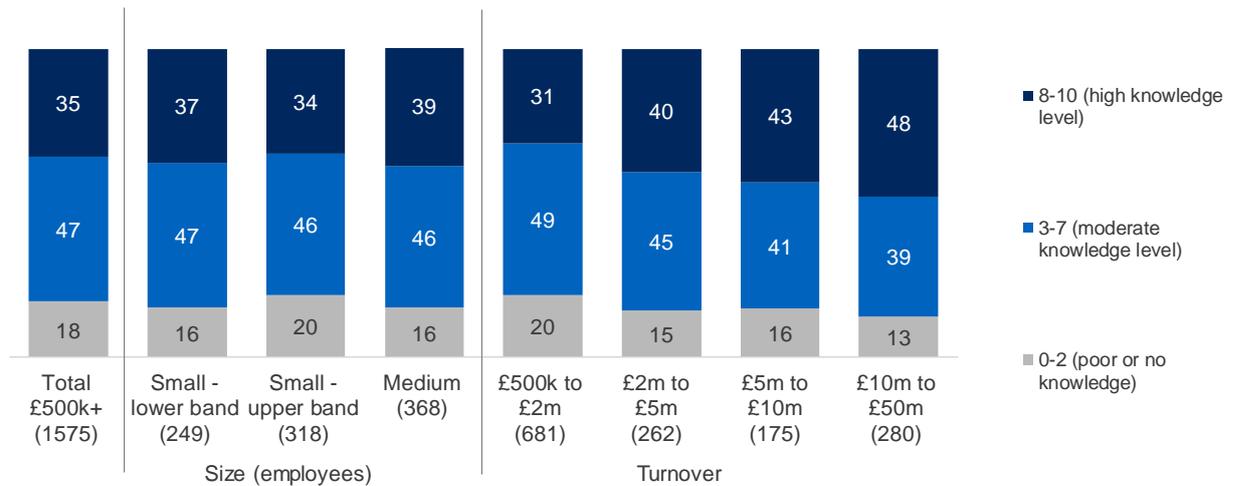
Among all businesses with a turnover of £500k+ who identified their goods and services as suitable for export, around a third (35%) reported a high level of knowledge about how to export, while around half (47%) assessed their knowledge as being of a moderate level and around one in five (18%) felt they had poor or no knowledge.

There were no statistically significant differences between the business size groups in terms of self-perceived knowledge about how export.

Broadly reflecting differences in the incidence of exporting, self-perceived knowledge of exporting was higher in businesses with a higher annual turnover. Businesses with a turnover of £500k to £2m (31%) were less likely than those with a turnover of £2m to £5m (40%), £5m to £10m (43%) or £10m to £50m (48%) to perceive their knowledge of how to export as being high.

Figure 6.1: Description of current knowledge about: how to export

% all who export or for whom exporting is possible



Source : Q30. EXP_KNOW On a scale of 0 to 10, where 10 means you have very good knowledge and 0 means you have no knowledge at all, how would you describe: Your current knowledge about HOW to export
 Base : Respondents who export or for whom exporting is possible
 NB: Don't know not shown so does not always add to 100%

6.1.2 Knowledge of where to go for information about exporting

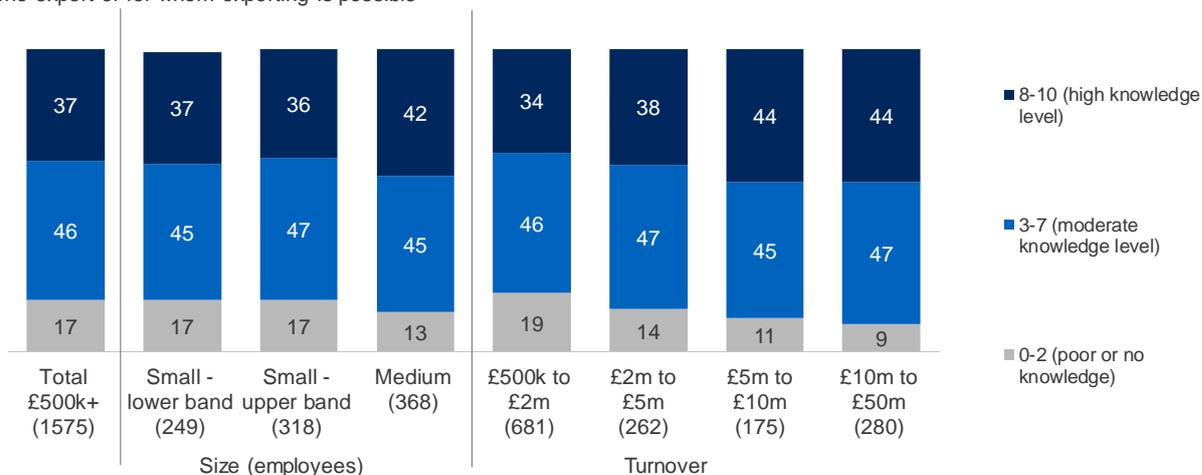
When asked to consider their knowledge of where to go for information about exporting, the knowledge level of businesses with an annual £500k+ turnover who identified their goods or services as suitable for export followed a similar pattern as was seen in their knowledge about how to export (see Figure 6.2).

Again, around a third (37%) of £500k+ businesses felt they had a high level of knowledge, nearly half (46%) said they felt they had a moderate level of knowledge and around one in five (17%) reported a low level of knowledge.

There were no statistically significant differences between the business size groups. However, businesses with a turnover of £500k to £2m were less likely to report a high level of knowledge than those with a turnover of £5m to £10m (34% and 44% respectively). The £500k to £2m turnover businesses were also more likely to report a poor (or zero) level of knowledge (19%) than those with a turnover of £5m to £10m (11%) or £10m to £50m (9%).

Figure 6.2: Description of current knowledge about: Where to go for information about exporting

% all who export or for whom exporting is possible



Source : Q30. EXP_KNOW On a scale of 0 to 10, where 10 means you have very good knowledge and 0 means you have no knowledge at all, how would you describe: Where to go for INFORMATION about exporting
 Base : Respondents who export or for whom exporting is possible
 NB: Don't know not shown so does not always add to 100%

6.1.3 Knowledge of where to go for help and support about exporting

Respondents were also asked about their knowledge of where to go for help and support about exporting (see Figure 6.3).

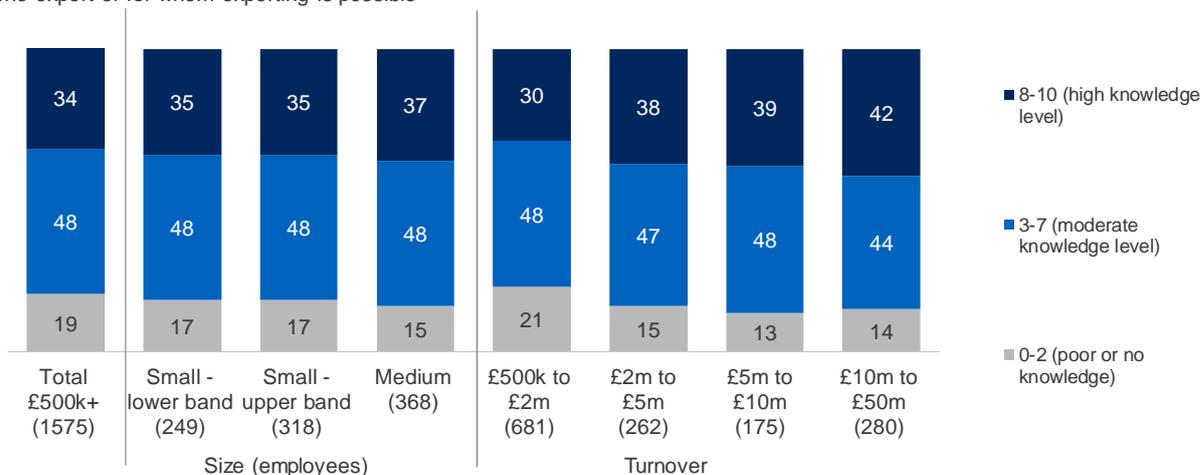
The levels of knowledge were very similar to the other knowledge measures described earlier in this chapter. Among £500k+ businesses which considered their goods and services suitable for export, 34% reported a high level of knowledge about where to go for help and support about exporting, while 48% reported a moderate knowledge level and 19% reported a poor level of knowledge.

There were no differences between the business size groups in terms of knowledge of where to go for help and support.

Businesses with a turnover of £10m to £50m were more likely to report a high level of knowledge (42%) than those with a turnover of £500k to £2m (30%). Those with a turnover of £500k to £2m were more likely to report a poor level of knowledge (21%) than those with a turnover of £5m to £10m (13%).

Figure 6.3: Description of current knowledge about: Where to go for help and support with exporting

% all who export or for whom exporting is possible



Source : Q30. EXP_KNOW On a scale of 0 to 10, where 10 means you have very good knowledge and 0 means you have no knowledge at all, how would you describe: Where to go for HELP AND SUPPORT with exporting
 Base : Respondents who export or for whom exporting is possible
 NB: Don't know not shown so does not always add to 100%

6.2 Receiving advice

Businesses were also asked whether they had ever sought advice and support about exporting. They also gave details of where they would go for this support or advice, and their level of interest in using business support services to assist them with exporting. These points are discussed below.

6.2.1 Use of advice and support about exporting

Among £500k+ businesses which identified their goods or services as suitable for export, around four in ten (39%) said that they had sought advice about exporting (see Figure 6.4).

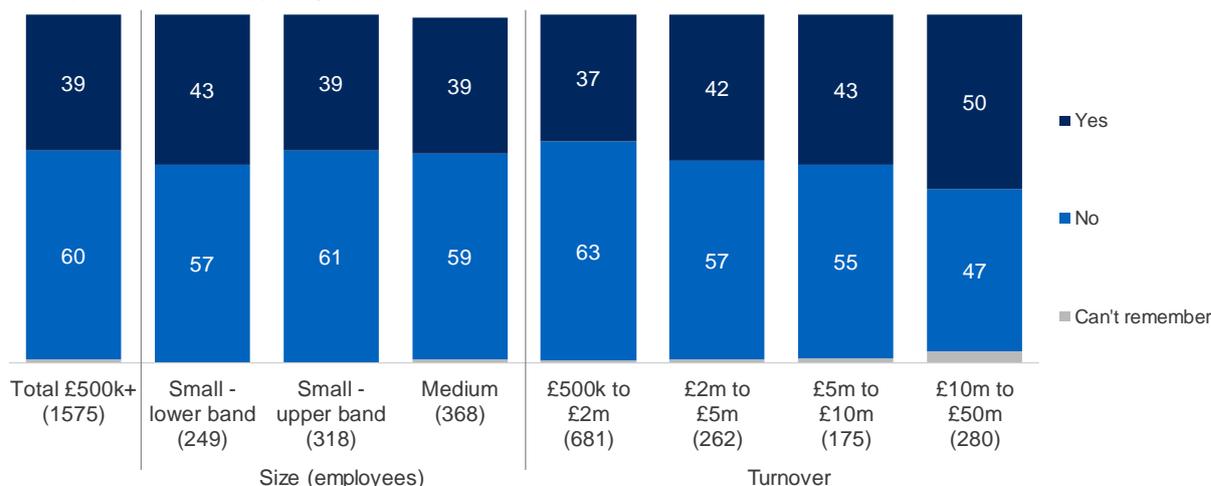
There were no statistically significant differences in this respect between the business size groups. However, businesses with a turnover of £10m to £50m (50%) were more likely than those with a turnover of £500k to £2m (37%) to have sought exporting advice. This tendency for larger businesses to be more proactive in seeking advice and support has also been noted in other research papers.¹⁹

¹⁹ For example:

<https://www.gov.uk/government/publications/a-research-paper-on-employer-perceptions-and-the-impact-of-employment-regulation>

Figure 6.4: Whether businesses have ever sought advice and support about exporting

% all who export or for whom exporting is possible



Source: Q33. EXPAD_B - Have you ever sought advice and support about exporting?
 Base: Respondents who export or for whom exporting is possible

6.2.2 Where to go for exporting support or advice

All businesses that considered their goods or services to be suitable for export were asked to say (without using sources of information to prompt) where they would go for support or advice on exporting. As shown in Figures 6.5 and 6.6, businesses were most likely to say that they would simply Google or conduct another online search if they needed to source this advice (16% of £500k+ businesses). The other most commonly cited sources of support or advice among £500k+ businesses were: UK government departments or agencies (11%); Chambers of Commerce (11%); and the Department for International Trade (7%).

Upper-band small businesses (4%) and medium businesses (5%) were more likely than lower-band small businesses (1%) to say that they would go to a consultancy firm for exporting support or advice.

Upper band small businesses (14%) were more likely than medium businesses (8%) to say that they wouldn't want to find out more about exporting (although they had identified their goods or services as potentially being suitable for export and their self-perceived knowledge of exporting was on a par).

Businesses with a turnover of £500k to £2m (18%) were more inclined to Google or conduct other online searches for exporting advice or support than those with a turnover of £2m to £5m (11%).

Those with a turnover of £10m to £50m were particularly likely to cite the Chambers of Commerce as their preferred source of information for exporting support or advice. One in five (20%) of those with a turnover of £10m to £50m mentioned the Chambers of Commerce, a higher proportion than was found among those with a turnover of £500k to £2m (10%) or £2m to £5m (12%).

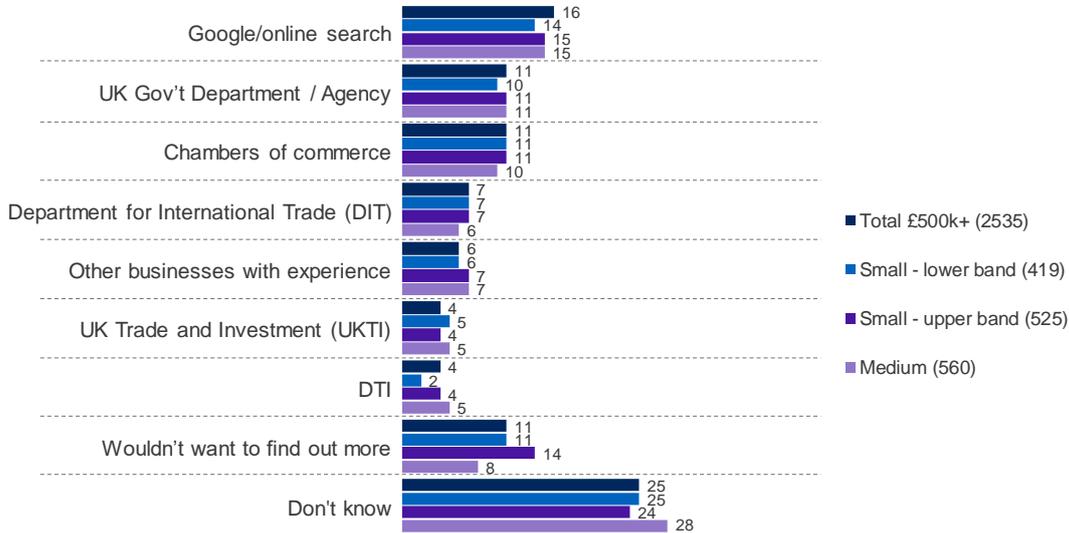
Legacy recall of the Department for Trade and Industry (DTI) was more widespread among businesses with a turnover of £2m to £5m (6%) and £10m to £50m (7%) than was the case among those with a turnover of £500k to £2m (3%).

Those with a turnover of £10m to £50m were more likely than those with a turnover of £500k to £2m to cite distributors (5% and 2% respectively) and legal firms (5% and 2% respectively) as a source of information. Those with a turnover of £5m to £10m were also more likely than those with

a turnover of £500k to £2m to mention distributors as a source of information (5% and 2% respectively).

Figure 6.5: Where would go for advice and support about exporting by size

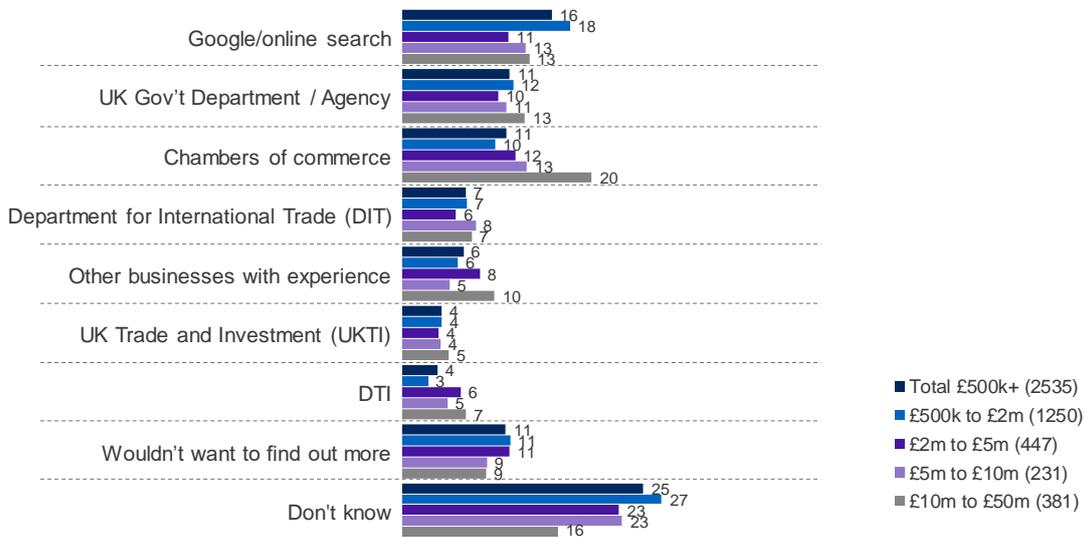
% all respondents



Source : Q34a.ADV_EXP_A - And where, if anywhere, would you go if you needed exporting support or advice?
Base : All respondents

Figure 6.6: Where would go for advice and support about exporting by turnover

% all respondents



Source : Q34a.ADV_EXP_A - And where, if anywhere, would you go if you needed exporting support or advice?
Base : All respondents

6.2.3 Interest in using business support services to assist with exporting

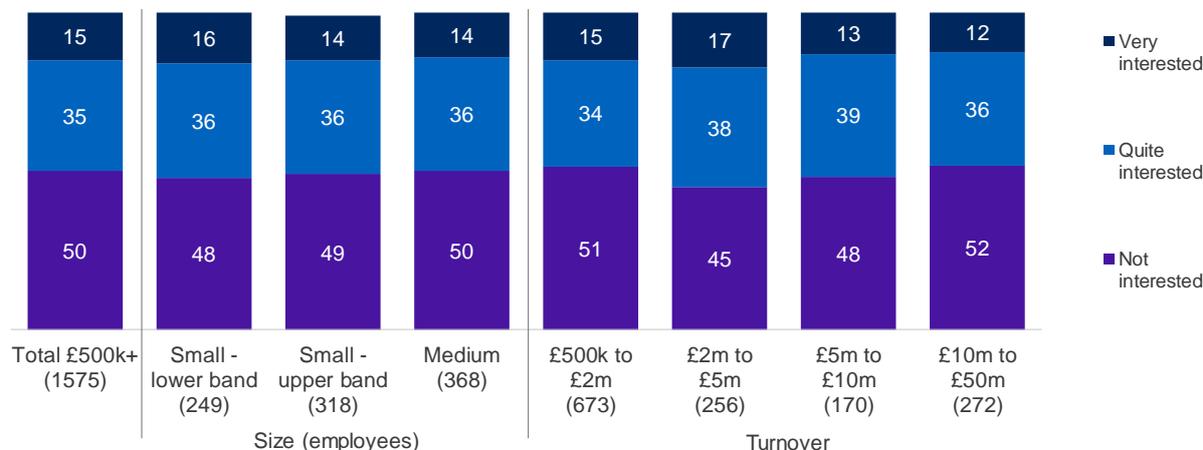
Businesses with products or services that were suitable for export, and which were open to finding out more about exporting, were asked how interested they would be in receiving information and business support services to assist them with exporting (see Figure 6.7).

Overall, 15% of £500k+ businesses in this category said that they were 'very interested' in receiving information or support and a further 35% said that they would be 'quite interested'.

There were no statistically significant differences between the business size and turnover groups in terms of the proportion of businesses expressing an interest in receiving information or support.

Figure 6.7: Interest in information and business support services to assist with exporting

% all who export or for whom exporting is possible and want to find out more about it



Source : Q37. ADVGOVT – How interested would your business be in information and business support services that can assist you with exporting?
 Base : All respondents who believe products and services can be exported and want to find out more about it
 NB: Don't know not shown so does not always add to 100%

6.3 Potential policy and campaign implications

A minority of £500k+ turnover businesses self-identified as having a ‘high’ level of knowledge about: how to export (35%); where to go for information about exporting (37%); and where to go for help and support with exporting (34%). It should be borne in mind that knowledge at an institutional level may be stronger (i.e. the senior manager who was interviewed may be less knowledgeable in these respects than one or more of their colleagues). Nevertheless, there is scope to improve knowledge levels across the wider business community and this may be particularly necessary for larger businesses given that the decision to export may need buy-in from multiple board members rather than a single senior manager. Highly targeted communications aimed at the people within a business who are most likely to make decisions on exporting may be effective, but it will also be important to cast the net sufficiently widely to capture the full spread of influencers.

Knowledge levels on all three topics (how to export; where to go for information; where to go for help and support) were lower among £500k to £2m turnover businesses than among higher turnover businesses. As such, the provision of additional information and signposting to support services may be particularly useful for £500k to £2m businesses. Indeed, around half (49%) of these smaller businesses specifically acknowledged that they would be interested in receiving information and business support services to assist them with exporting.

There is also significant scope to increase the salience of government (and particularly DIT) as a source of support or advice on exporting. Overall, £500k+ businesses were more likely to say that they would conduct online searches (16%) or that they did not know where to go for advice or support (25%) rather than to mention a UK government department or agency (11%) or DIT (7%).

7 Barriers to exporting

Having a positive attitude towards exporting and a sound knowledge of the processes involved are not necessarily enough to bring businesses into the exporting market – there are also a number of other barriers which may inhibit businesses from targeting overseas markets. The data in this chapter summarises data relating to businesses' self-perceived capacity and capability to export along with data which explores the areas of cost, knowledge, capacity and access as barriers to exporting. Data regarding country-specific exporting challenges are also summarised. The questions relating to barriers were asked only of those businesses which currently exported or which self-classified as being potentially able to. However, those who felt that their goods or services were not suitable for export (and could not be developed for export) were asked to say why this was the case.

Key Findings

- Larger businesses were generally more confident in their capacity and capability to export. This was most notable by turnover: those with a turnover of £10m to £50m were most likely to report having enough capacity and those with a turnover of £500k to £2m least likely. This difference by size is seen for all aspects of capacity and capability other than staff skills. As such, signposting to support services and initiatives to make the process of exporting as frictionless as possible are likely to be particularly welcomed by these smaller businesses.
- Access to contacts was the most widely reported barrier to exporting for businesses with a turnover of £500k+ (34%) and this did not vary by size. Around one in four reported cost (27%) and lack of knowledge (27%) as strong barriers, again with no difference by size.
- Around one in four also felt capacity to export was a strong barrier (24%). This was more of an issue for the smallest and the largest businesses: 27% of those with a turnover of £500k to £2m and 30% of those with a turnover of £10m to £50m.
- Businesses with a turnover of £10m to £50m were slightly more likely than those with a lower turnover to have decided against exporting to a range of countries (possibly reflecting their greater engagement with exporting in general), but there was no single dominant country which came across most strongly as posing challenges.
- Among businesses with a £500k+ turnover who felt their product was not suitable for export, there was no difference by size in the reasons why they felt this to be the case. The reasons given most often were: it's a local service or business only (33%); and the products or services are not transportable (25%).

7.1 Extent to which broad factors are seen as a barrier to exporting

Those businesses that currently exported or self-classified as being potentially able to were asked to rate the degree to which they felt that four specific issues were barriers to exporting for them. A scale of 0 to 10 was used, where 0 signified the issue being 'not a barrier at all' and 10 signified 'a very strong barrier'. Responses have been grouped into three levels: strong (a score of 7 to 10); moderate (4 to 6); and slight (0 to 3).²⁰

²⁰ These represent different numerical groupings to those used for the 0-10 scale relating to self-assessed knowledge of exporting. This was a judgement call

There were no statistically significant differences in the extent to which ‘cost’ was seen as a barrier according to business size or turnover, though this may partly be a function of the relatively small base size for this question. There is, however, a non-statistically significant gradient across the business size bands which suggests cost may be more of an issue for smaller businesses (see Figure 7.1).

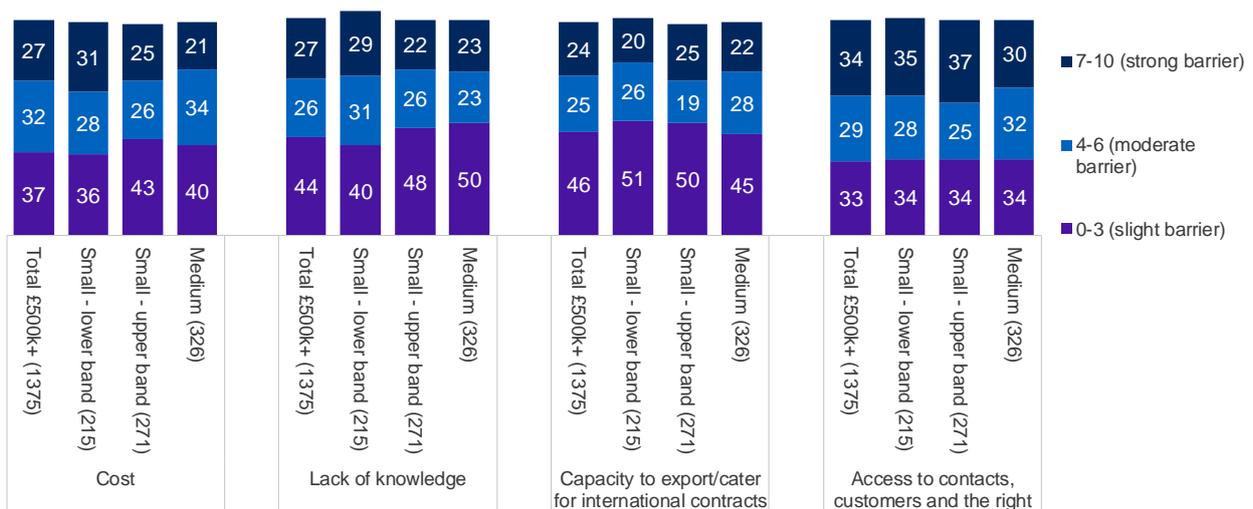
‘Lack of knowledge’ and ‘access to contacts, customers and networks’ also saw no statistically significant differences across the business size and turnover groups.

Medium businesses (28%) were slightly more likely than upper-band small businesses (19%) to see ‘the capacity of your business to export and cater for international contracts, for example having the right number of people, machinery, skill levels etc.’ as being a moderate barrier to exporting, but there were no statistically significant differences in terms of capacity being perceived as a strong or slight barrier.

Businesses with a turnover of £2m to £5m (17%) were less likely than those with a turnover of £500k to £2m (27%) or £10m to £50m (30%) to view capacity as a strong barrier (see Figure 7.2).

Figure 7.1: Extent to which each of cost, knowledge, capacity and access are barriers to exporting by size

% all who export or for whom exporting is possible



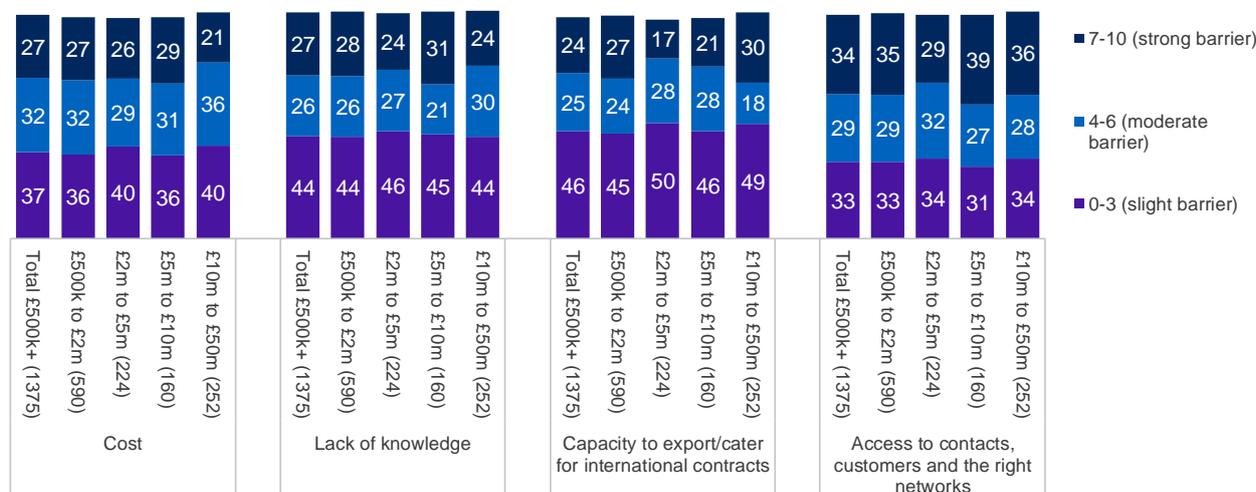
Source : Q24XE - On a scale of 0 to 10, where 0 means it is not a barrier at all and 10 means it is a very strong barrier, how much of a barrier is each of the following when it comes to exporting?

Base : Respondents who export or for whom exporting is possible

NB: Don't know not shown so does not always add to 100%

Figure 7.2: Extent to which each of cost, knowledge, capacity and access are barriers to exporting by turnover

% all who export or for whom exporting is possible



Source : Q24XE - On a scale of 0 to 10, where 0 means it is not a barrier at all and 10 means it is a very strong barrier, how much of a barrier is each of the following when it comes to exporting?

Base : Respondents who export or for whom exporting is possible

NB: Don't know not shown so does not always add to 100%

7.1.1 Specific barriers relating to costs

Business which said that cost was a barrier (giving a rating of 6 out of 10 or higher) were then probed for more detail about whether specific cost related factors posed a challenge²¹. The bases for this question were low among each of the business size and turnover groups and so the data are not charted.

As outlined in the main survey report, the chief cost related barriers among £500k+ businesses which identified cost as a barrier were: exchange rate fluctuations (61%); transportation costs from the UK to the destination country (57%); increased financial risk (55%); the price of goods or services being high compared to those in the destination country (52%); and the upfront investment required to explore opportunities to export (51%).

7.1.2 Specific barriers relating to knowledge

Business which said that knowledge was a barrier were then probed for more detail about whether specific knowledge related factors posed a challenge. The bases for this question were low among each of the business size and turnover groups and so the data are not charted.

Again, there is more detailed discussion of the data amongst the general business population in the main survey report. The main knowledge barriers among the £500k+ business population were found to be: knowledge of legal issues (66%); understanding overseas clients in terms of their language or culture (59%); knowledge of customs and tariffs (56%); knowledge of tax issues (56%); knowledge about competitors in overseas markets (54%); and knowledge of how to obtain export or import licences (54%).

²¹ This represents a higher threshold for what constitutes a 'barrier' than the earlier classification in which a score of 4-6 was defined as a 'moderate' barrier. The threshold of 6 was used as a cut-off in the questionnaire routing and is therefore reported here. It should, however, be borne in mind that a wider group of businesses would also have considered cost to be a not insignificant barrier.

7.1.3 Specific barriers relating to capacity to export or cater for international contracts

Business which said that capacity was a barrier were then probed for more detail about whether specific capacity related factors posed a challenge. The bases for this question were again low among each of the business size and turnover groups and so the data are not charted.

As discussed in the main survey report, the top capacity related barriers among all £500k+ businesses were: not having enough managerial time to focus on internationalisation (55%); not having enough staff to expand operations (55%); and not having enough suitably trained staff (50%).

7.1.4 Specific barriers relating to access to contacts and customers

Businesses which said that access to contacts and customers was a barrier were then probed for more detail about whether specific access related factors posed a challenge. In common with the other barriers discussed in this section, the bases for this question were low among each of the business size and turnover groups and so the data are not charted.

As per the main survey report, the main access related barriers among £500k+ businesses were identified as: understanding who to make contact with in the first instance (66%); developing or nurturing critical relationships (59%); finding overseas customers (59%); and identifying opportunities to export (51%).

7.2 Country specific barriers

To shed further light on barriers to exporting, businesses were asked which countries, if any, they had seriously considered exporting to in the past two years, but had decided against. To focus respondent thinking, they had already been asked to which countries they had exported successfully. The responses to that initial question are discussed broadly in the main survey report but are not reported in detail, since it was not always possible for respondents to accurately list all relevant countries and the questionnaire was not designed to produce an accurate record of countries receiving UK exports. The ONS publishes data on UK export destinations and these would represent a more robust source for this specific information.²² Those businesses which identified countries that they had decided against exporting to were also asked for their reasons for choosing not to export to them.

7.2.1 Countries which businesses have decided against exporting to

Overall, 16% of £500k+ businesses had decided against exporting to at least one country (see Figure 7.3). This proportion was lower among businesses with a turnover of £500k to £2m (15%) than among those with a turnover of £10m to £50m (23%).

²² ONS data on export destinations is published here:

<https://www.ons.gov.uk/businessindustryandtrade/internationaltrade/bulletins/exportsandimportsstatisticsbycountryforuktradeinservices/quarter2aprtojun2017>

Figure 7.3: Proportion of businesses which have decided against exporting to at least one country in the past two years

% all respondents



Source : Q24c – Which countries, if any, have you seriously looked into exporting to in the past 2 years, but decided against for some reason?
Base : All respondents

No one country stood out as being a destination which businesses had been dissuaded from exporting to. Among £500k+ businesses, the countries cited most often were the USA (2%) and China (2%). There was a long tail of 15 countries mentioned by 1% of businesses (which spanned across the globe) and 57 that were mentioned by <0.5% of businesses.

Businesses with a turnover of £10m to £50m were slightly more likely than those with a lower turnover to have decided against exporting to a range of countries (possibly reflecting their greater engagement with exporting in general), but there was still no single dominant country which came across most strongly as posing challenges. Among businesses with a turnover of £10m to £50m, the countries which featured more prominently than among lower turnover businesses were: France (3%), United Arab Emirates (3%), Brazil (3%), Italy (2%), Spain (2%), Poland (2%), Portugal (2%), Indonesia (2%), Malaysia (1%).

7.2.2 Reasons for deciding against exporting to specific countries

The 16% of £500k+ businesses which had cited a country to which they had decided not to export were asked to say (without prompting with specific response options) why this was. The base sizes are therefore too low to allow robust sub-group analysis, though there is a broad description of thematic differences by region in the main survey report. Among £500k+ businesses which had decided against exporting to a specific country, the most commonly cited reasons were: legislation/red tape/regulations (10%); transportation costs from the UK to the destination country (7%); other cost issues (6%); corruption/fraud/money laundering (5%); understanding overseas clients in terms of their language or culture (5%); and knowledge of how to obtain export or import licences (5%).

7.3 Perceived barriers to exporting among those who believe their offer is unsuitable for exporting

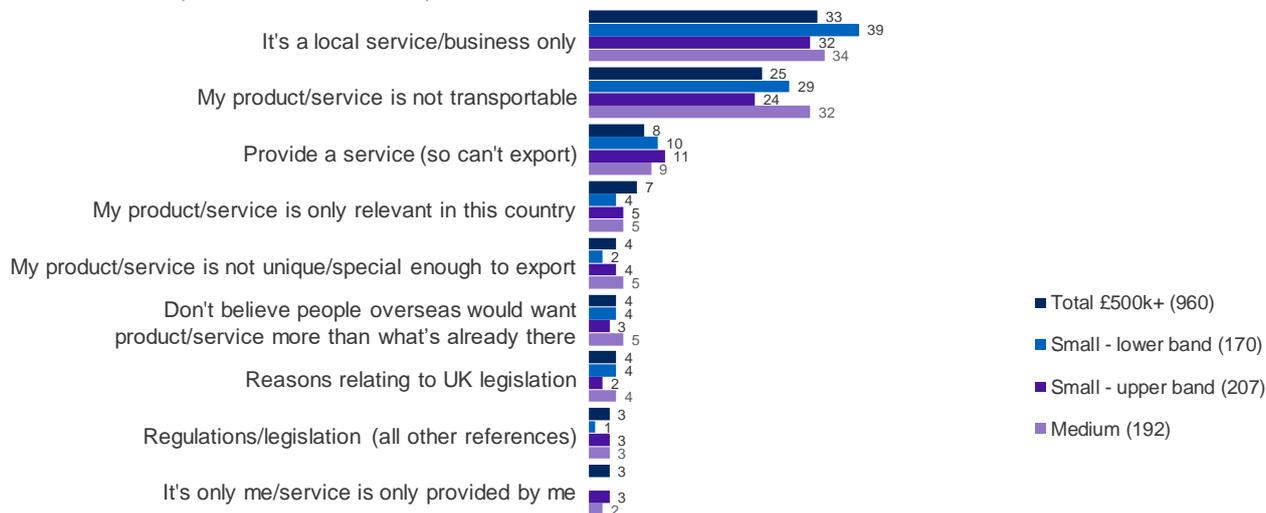
Prior to being asked the specific questions discussed above, those who felt their products or services would never be suitable for exports were asked to say (without prompting) why this was (see Figure 7.4).

There were no statistically significant differences according to business size or turnover. Among all £500k+ businesses, the most frequently cited reasons for believing products were unsuitable for export were: it's a local service or business only (33%); the products or services are not

transportable (25%); the business provides a service so can't export it (8%); and the product or service is only relevant in this country (7%).

Figure 7.4: Reasons believe products or services to be unsuitable for export

% all who believe product unsuitable for export



Source : Q19. EXP_UNSUIT – Why do you say your product or service is not suitable for export?
 Base : All who believe their product is unsuitable for export

7.4 Business capacity and capability to enable exporting

Among businesses who felt their products or services were suitable for export, those with a turnover of £10m to £50m (68%) or £5m to £10m (63%) were more likely than those with a turnover of £500k to £2m (53%) to feel that they had enough managerial time to focus on exporting.

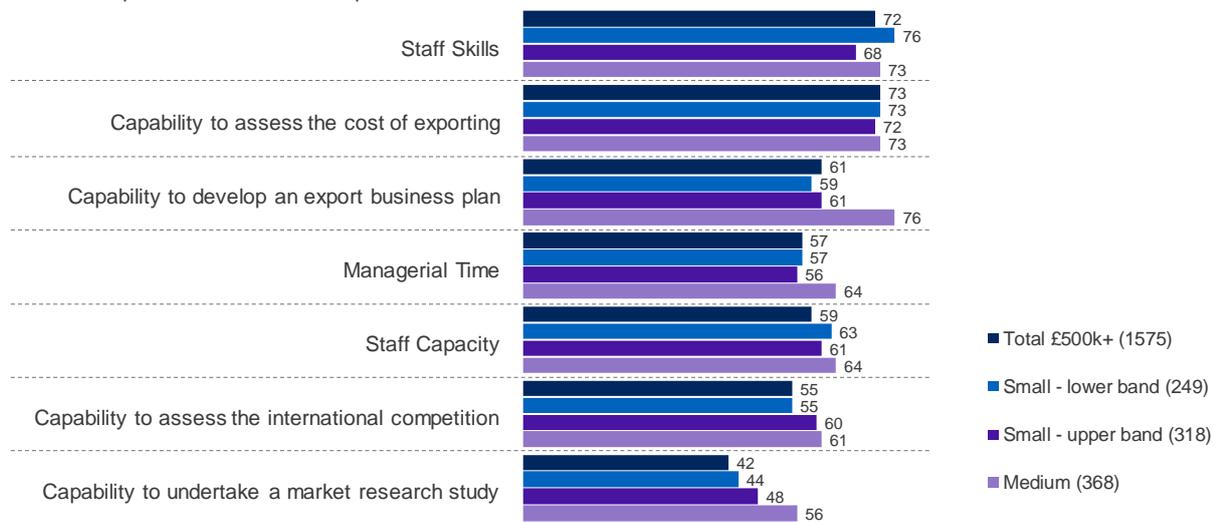
Those with a turnover of £10m to £50m (70%) were also more likely than those with a turnover of £500k to £2m (56%) to feel that they had enough staff capacity to focus on exporting.

There were, however, no statistically significant differences in terms of belief that the business had enough staff skills to focus on exporting according to business size or turnover.

Businesses with a turnover of £500k to £2m (50%) were less likely to believe that their business has enough capability to assess international competition for their product or service than those with a turnover of £2m to £5m (63%), £5m to £10m (61%) or £10m to £50m (66%). There was a similar pattern in terms of capability to assess the cost of exporting – 69% of £500k to £2m turnover businesses felt they had sufficient capability in this respect, compared to 78% of businesses with a turnover of £5m to £10m and 82% of businesses with a turnover of £10m to £50m.

Figure 7.5 Whether businesses have enough capacity and capability to focus on exporting by size (% saying 'yes')

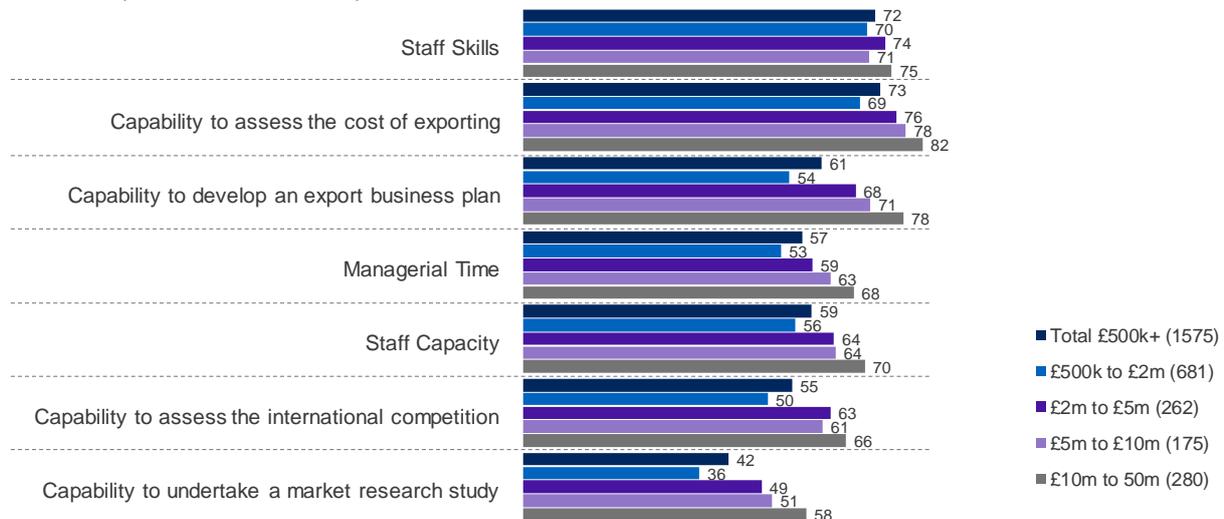
% all whose product is suitable for export



Source : Q31a - Thinking about your business' ability to start or continue exporting internationally, would you say that your business has enough of each of the following to focus on exporting
Base : All businesses whose product is suitable for export

Figure 7.6: Whether businesses have enough capacity and capability to focus on exporting by turnover (% saying yes)

% all whose product is suitable for export



Source : Q31a - Thinking about your business' ability to start or continue exporting internationally, would you say that your business has enough of each of the following to focus on exporting
Base : All businesses whose product is suitable for export

Medium businesses were more likely than lower-band small businesses to believe they had enough capability to undertake a market research study (56% and 44% respectively). Those with a turnover of £500k to £2m (36%) were less likely than those with a turnover of £2m to £5m (49%), £5m to £10m (51%) or £10m to £50m (58%) to feel that they have this capability.

Medium businesses (76%) were also more likely than lower-band small businesses (59%) and upper-band small businesses (61%) to feel that they had enough capability to develop an export business plan. Those with a turnover of £500k to £2m (54%) were again less likely to feel that they had this capability than those with a turnover of £2m to £5m (68%), £5m to £10m (71%) or £10m to £50m (78%).

7.5 Potential policy and campaign implications

Businesses with a turnover of £500k to £2m were less likely to believe that they had sufficient managerial time or staff capacity to cope with exporting than those with a turnover of £10m to £50m. As such, signposting to support services and initiatives to make the process of exporting as frictionless as possible are likely to be particularly welcomed by these smaller businesses. For exporters of goods, encouraging them to experiment with exporting through third party selling platforms may represent a relatively low-burden first step into the exporting market which could later be built upon as they gain in confidence. Strong signposting to the leading selling platforms in each market may be an effective driver of this process.

The Exporting is GREAT website already provides information on these topics but more direct communication to small businesses may also prove fruitful when it comes to sparking interest among those which are not yet proactively chasing export opportunities.

However, even when businesses use third party selling platforms, there are potential complications around translation and shipping costs. As such, it is worth considering how best to incorporate advice on these related topics in any direct communications activities. The question of whether third party selling platform holders would be willing to offer their own translation services may also be worth investigating.

8 Engagement with *Exporting is GREAT* website

The *Exporting is GREAT* website at great.gov.uk is designed to play a large role in encouraging exporting behaviours, providing businesses with live, tangible export opportunities as well as advice and information to aid them in exporting. One of the aims of the *Exporting is GREAT* campaign (see Chapters 9 and 10) is to drive businesses to the website. This chapter summarises data relating to these aims.

Key Findings

- Overall, there is significant scope to increase awareness and usage of the great.gov.uk site - raising awareness of the services on offer and pitching them as specific solutions to known barriers may well serve as an effective driver of traffic to the site.
- Businesses with a turnover of £10m to £50m were more likely to have heard of the *Exporting is GREAT* website (15%) and to have visited it (10%) than smaller businesses, particularly those with a turnover of £500k to £2m (of whom 8% had heard of the site and 4% had visited it).
- Awareness and usage of the services offered on the website was low although slightly higher among larger businesses, Medium businesses were more likely than upper-band small businesses to be aware of the 'Sell online overseas' service (5% and 2% respectively) and the 'Get finance' service (again 5% and 2% respectively). Businesses with a turnover of £10m to £50m were more likely to have heard of the 'Find export opportunities service' (9%) than those with a turnover of £500k to £2m (4%).

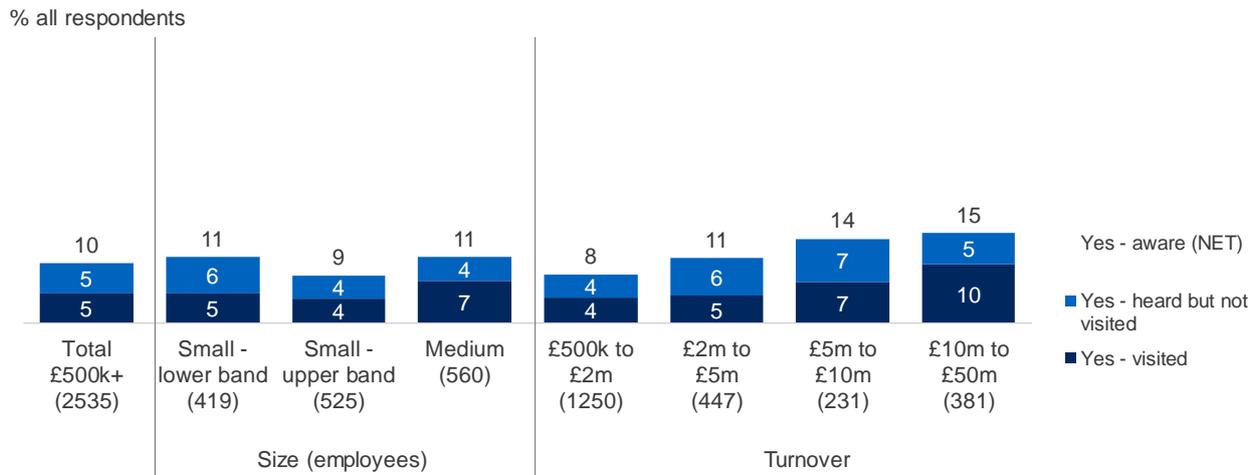
8.1 Awareness of *Exporting is GREAT* website

As a first step to increasing use of the *Exporting is GREAT* website, awareness of the website needs to be raised. As is shown in Figure 8.1, overall one in ten (10%) of businesses with a £500k+ annual turnover were aware of the website.

There were not any statistically significant differences in awareness or visits to the website according to the business size groups. However, businesses with a turnover of £10m to £50m were more likely to have visited the site (10%) than those with a turnover of £500k to £2m (4%) or £2m to £5m (5%).

Businesses with a turnover of £500k to £2m were less likely to have heard of or visited the site (8%) than those with a turnover of £5m to £10m (14%) or £10m to £50m (15%).

Figure 8.1: Awareness and use of *Exporting is GREAT* website



Source : AD4A - Have you ever heard of or visited the Exporting is Great site at great.gov.uk?
Base : All respondents

8.2 Awareness and usage of services on the *Exporting is GREAT* website

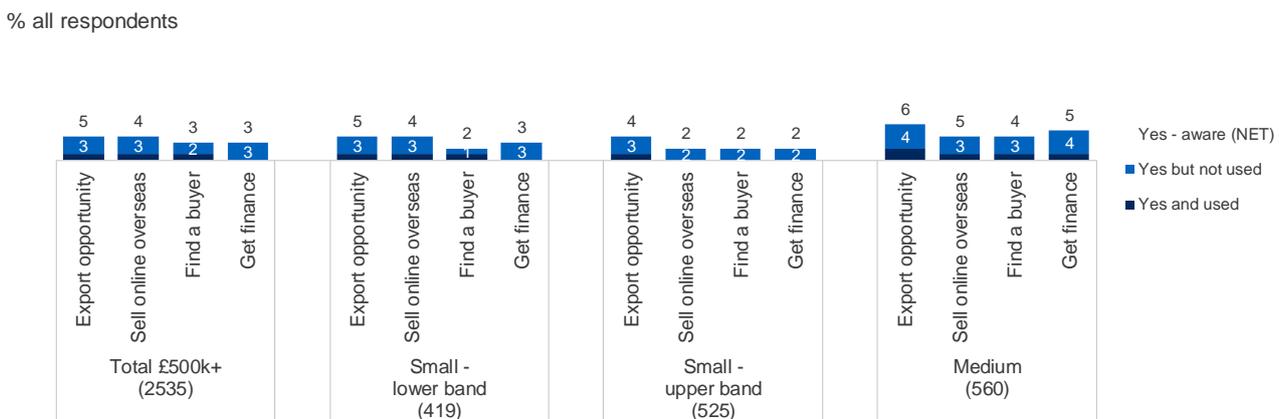
Awareness and usage of four services offered on the website were also explored in the interview. These services were: ‘export opportunity’, ‘selling online overseas’, ‘find a buyer’ and ‘get finance’.

Awareness of each specific service was low, reflecting the low levels of awareness of the website as a whole (see Figure 8.2).

Medium businesses were more likely than upper-band small businesses to be aware of the selling online overseas service (5% and 2% respectively) and the get finance service (again 5% and 2% respectively).

Businesses with a turnover of £10m to £50m were more likely to have heard of the export opportunities service (9%) than those with a turnover of £500k to £2m (4%).

Figure 8.2: Awareness and use of *Exporting is GREAT* website



Source : AD4B - Before today, were you aware that any of the following services are offered on the great.gov.uk website? AD4C - And have you used any of these services via the great.gov.uk website...
Base : AD4B: all aware of website; AD4C: all aware of each service; Chart rebased over all respondents

8.3 Potential policy and campaign implications

Awareness and usage of the Exporting is GREAT website was relatively low. One in ten £500k+ turnover businesses had heard of the site and one in twenty had visited it. Usage of the site was particularly low among business with a turnover of £500k to £2m (2%). As such, there is considerable scope to improve the engagement of all businesses with the site (but particularly for smaller businesses).

Awareness of the specific services offered on the Exporting is GREAT website was also low (ranging from 3% to 5% of all £500k+ turnover businesses, depending on the service). The services offered link well with the topics identified by businesses as barriers – as such, raising awareness of the services on offer and pitching them as specific solutions to known barriers may well serve as an effective driver of traffic to the site.

9 Advertising awareness

The *Exporting is GREAT* campaign plays an important role in increasing awareness of exporting opportunities and encouraging exporting behaviours. This chapter provides further details about the campaign and assesses awareness of the campaign in terms of both spontaneous and prompted recognition. Diagnostic measures provide further tools to assess the success of the campaign.

Key Findings

- Spontaneous awareness of advertising, publicity or other information about exporting stood at 30% amongst all £500k+ businesses, driven by TV (13%) and largely attributed to Government sources.
- Around half (48%) of £500k+ turnover businesses recalled seeing at least one of the campaign elements when prompted with them. This was highest for the TV adverts (30%). Recognition did not vary by size.
- Businesses with a turnover of £5m to £10m (42%) were more likely than those with a turnover of £500k to £2m (31%) to agree that the adverts were relevant to them. As such, there appears to be a need to make the campaign more relatable to smaller businesses.
- Those with a turnover of £2m to £5m (20%) were more likely than those with a turnover of £10m to £50m (10%) to agree strongly that the adverts told them something new. Upper-band small businesses (51%) were more likely than lower-band small businesses (41%) to agree strongly that the adverts were easy to understand. There is therefore a balance to be struck between ensuring that campaign messaging is understandable for smaller businesses without seeming self-evident to larger businesses.

9.1 The campaign

9.1.1 Campaign aims

The overall aim of the campaign is to increase awareness of exporting opportunities and ultimately change perceptions that SMEs have about the suitability of their products for export.

More specifically, the high-level objectives are to:

- Show and demonstrate the breadth of opportunities available for UK companies in overseas markets.
- Make significantly more firms aware of the opportunities available to them from overseas sales and increase awareness of where they can go for advice, help and support.
- Generate a positive change in firms' attitudes and behaviour towards doing business overseas, creating a business culture where exporting is seen as a natural business/growth opportunity.
- Create a movement around exporting with a view to increasing awareness, interest, knowledge and, resultantly, generate a pipeline of firms taking active steps towards exporting.

The core messaging of the campaign aims to communicate the following:

- There is demand for UK skills, expertise, products and services all over the world, and thousands of UK companies meet this demand daily.
- Help and support is available, you just have to take the first step by visiting great.gov.uk (referencing specific digital services that can help businesses).

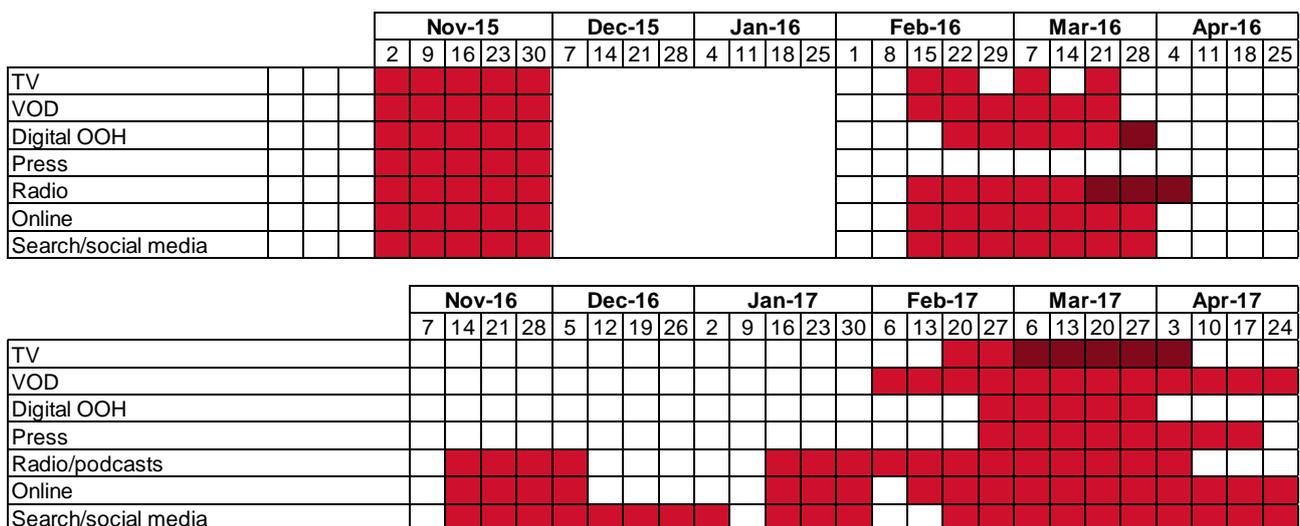
The core target for the campaign is UK businesses with an annual turnover of £500k or more. The campaign is targeted particularly at businesses in the UK who do not currently export but could because they think they have a product or service that is potentially exportable (the Promote segment), and those who do not consider exporting because they do not believe there is suitable demand for their products and services overseas (which constitute a subset of the Challenge segment). When buying media in 2016-2017, campaign activity was targeted particularly at senior decision makers in SMEs that had been operating for 3-5 years, had 2-20 employees and a turnover between £100k and £1m.

Further detail of the background to the campaign is included in Chapter 2.

9.1.2 Campaign timing

The campaign was launched in November 2015 with a first burst of media activity. A second burst of activity ran from mid-February to early April 2016. The success of this first year of the campaign, covering both bursts, was evaluated in the previous NSRB report. The campaign aired again in 2016-2017, with fairly low-level activity from November 2016 to January 2017 and the majority of activity from February to March 2017. This 2016-2017 activity is the focus of this report. Figure 9.1 shows the timing of these bursts of activity, by paid media used. Dark shaded cells highlight periods where the campaign spend was more heavily weighted.

Figure 9.1: Campaign timing by media



The campaign was first launched on 8th November 2015 using TV, OOH, press, radio and online activity (including display, search and social media). Some low level online activity continued in December 2015 in a 'sustain' phase between the two bursts (details of this are not shown in Figure 9.1). The second phase continued to use all media, other than press. Some radio and OOH activity at the second burst was back-loaded towards the end of the first year of the campaign.

In 2016-2017 the initial burst of activity was relatively low key, relying on radio and online activity in November, with a lower level of activity in these channels continuing in December and January. The main burst of activity ran from February to April 2017. TV ad spots included cherry-picked sporting events and the majority of TV adverts ran in March. VOD included the use of Sky Adsmart. Press activity was largely carried in national and regional titles, with a small proportion of the adverts in the trade press.²³ Audio activity included radio adverts, partnerships with LBC and talkRADIO and sponsorship of a number of podcasts.

Spend on paid media in the 2016-2017 campaign was slightly lower than in the 2015-2016 activities (93% of 2015-2016 paid media spend in total). The 2016-2017 spend was much more heavily weighted towards the second burst of activity as shown in Figure 9.2 and there was a much lower proportion of spend in the first burst than when the adverts were launched in 2015. Spend in the February to April burst of the 2016-2017 campaign was around two thirds as much again as was spent over the same period in the 2015-2016 campaign.

Spend on TV and VOD adverts was considerably lower in 2016-2017, at 32% of all allotted budget and this spend was restricted to the second burst of activity. Spend on Digital OOH adverts was also considerably lower at just 1% of the budget, whereas press spend was much higher this year at 23% (19% in national and regional titles and 4% in the trade press); both media were only used in the second burst in 2017. Radio spend was split across the two bursts, and was also higher in 2016-2017, accounting for 23% of the total budget. Spend on online display advertising was lower in the 2016-2017 campaign (13% of total spend) whereas the level of spend on paid search and social media was similar to that seen in 2015-2016 (8% of total spend).

Figure 9.2: Campaign % spend by media and burst of activity (within campaign year)

Activity	2015-2016			2016-2017		
	Nov-Jan	Feb-Apr	Total	Nov-Jan	Feb-Apr	Total
TV				-	22%	22%
VOD	29%	22%	51%	-	10%	10%
Digital OOH	6%	-	6%	-	1%	1%
Press	2%	-	2%	-	23%	23%
Radio	5%	8%	13%	11%	12%	23%
Online	7%	11%	19%	3%	10%	13%
Search/social media	5%	4%	9%	5%	3%	8%
TOTAL	55%	45%	100%	19%	81%	100%
Total value	£2.793m	£2.318m	£5.111m	£899k	£3.878m	£4.777m

9.1.3 The adverts

As set out above, the campaign included adverts on TV (including VOD), radio, online (both stills and video), digital OOH display and press. The adverts illustrated the wide-ranging demand for UK business products and services in a range of sectors and in a wide variety of countries around the world. Adverts included a direct call to action visit the 'great.gov.uk' website or to search online for *Exporting is GREAT*. A range of images from the campaign are shown in Figure 9.3.

²³ Management Today; Director Magazine; Real Business; Crimson; RIBA Journal; Retail Week; The Manufacturer; New Scientist; The Grocer; The Register; Draper

Figure 9.3: Campaign images

TV ad (stills)



Online and digital display ads



Press ads



9.1.4 The evaluation

There was no survey conducted ahead of the second year of the campaign (2016-2017), so there is no record of the level of residual campaign awareness or impact on which the second year of the campaign built. Furthermore, the post campaign survey (Wave 3) was run from late July to September 2017, so there was a gap of almost three months between the end of the 2016-2017 campaign and the start of the survey. Chapter 3 provides further details of method.

It is likely, therefore, that the Wave 3 results in this chapter do not reflect the peak levels of awareness for the latest campaign activity, with some decay in awareness usually seen within a few months after a campaign has aired. There is no reliable way, however, to estimate the degree of decay in recognition in the months after a campaign airs. As such, there is no way to estimate the peak level of recognition for the second year of the *Exporting is GREAT* campaign. Nevertheless, it should be noted that awareness figures cited in this chapter are highly likely to be slightly lower than those that would have been seen immediately after the end of the second year of campaign activity, in April 2017. The Wave 3 results will, however, serve as a baseline for the next round of campaign activities which started in Q3 2017.

9.2 Spontaneous awareness

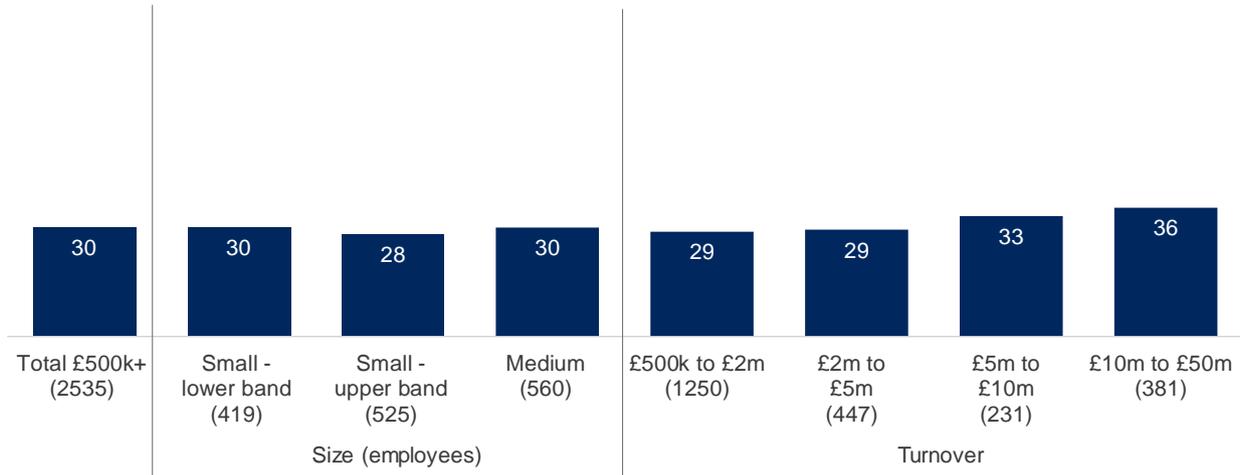
Businesses were asked whether they were aware of ‘any information or advertising encouraging businesses to think about exporting in the last nine months’.

It is not possible to identify definitively if respondents who recalled something were thinking specifically of the *Exporting is GREAT* campaign, although increases in awareness between waves may reflect the impact of the campaign on spontaneous awareness. Instead, this measure effectively serves as a monitor of the extent to which exporting is a top of mind issue.

As shown in Figure 9.4, spontaneous awareness of advertising, publicity or other information about exporting stood at 30% amongst all £500k+ businesses. Awareness levels were highly consistent and there were no statistically significant differences between any of the business size groups or turnover groups.

Figure 9.4: Spontaneous awareness of exporting advertising/promotion (% aware)

% all respondents

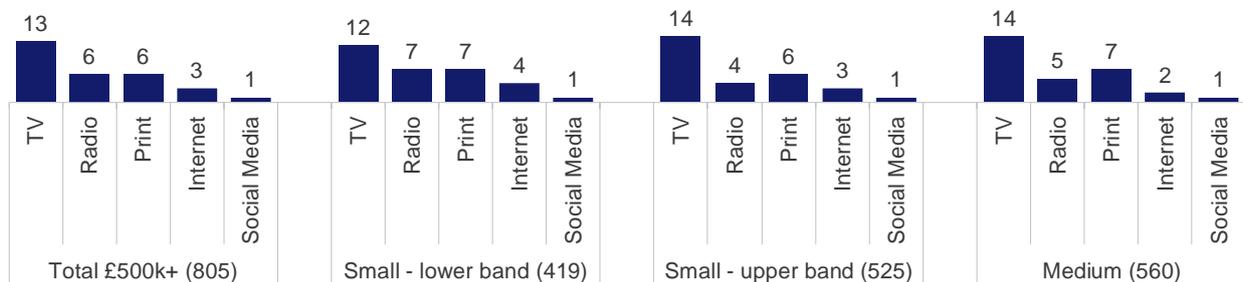


Source : Q39. AD_AWARE – In the last [WAVE 1: couple of months][WAVE 2: six months][WAVE 3: nine months since November last year], have you seen or heard any advertising, publicity or other types of information encouraging businesses to think about exporting?
Base : All respondents

When asked where they had seen or heard such advertising, publicity or information, 13% of all £500k+ businesses cited TV, 6% Radio, 6% Print, 3% Internet and 1% Social media (see Figure 9.5). There were no statistically significant differences between the business size groups or turnover groups in this respect.

Figure 9.5: Spontaneous awareness of exporting advertising/promotion by channel (% aware)

% all respondents



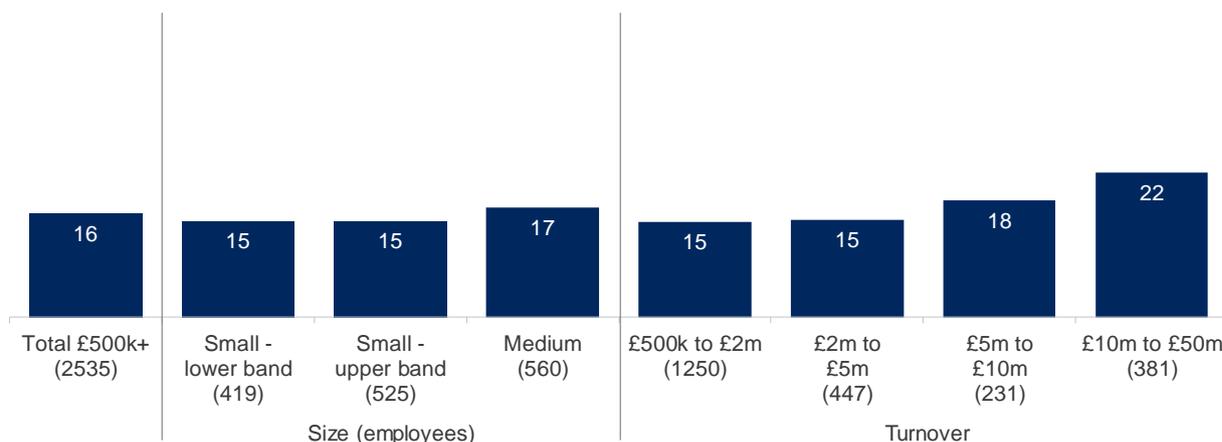
Source : Q40. AD_SOURCE – Where did you see or hear this information or advertising?
Base : All respondents aware of advertising

Focusing more specifically on campaign related sources of knowledge, 16% of £500k+ businesses reported that they had seen some form of *advertising* about exporting (see Figure 9.6). Again, there were no differences in this respect between the business size groups.

Businesses with a turnover of £10m to £50m were more likely to spontaneously recall having seen advertising about exporting in *any* channel (22%) than those with a turnover of £500k to £2m (15%) or £2m to £5m (also 15%).

Figure 9.6: Spontaneous awareness of exporting advertising in any media (% aware)

% all respondents



Source : Q40.AD_SOURCE – Where did you see or hear this information or advertising?

Base : All respondents

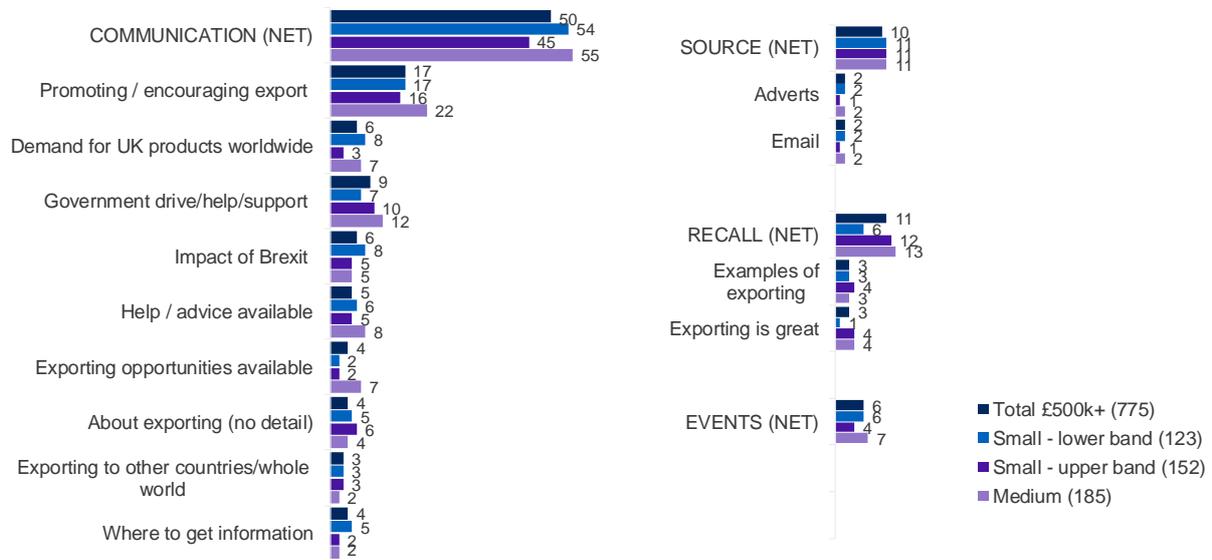
Respondents were asked to describe what they recalled about the advertising or information they had seen, to provide clarity on whether what they were describing was in fact the *Exporting is GREAT* campaign. Figure 9.7 shows that ‘communication’ was the most commonly cited theme (mentioned by 50% of £500k+ businesses). Around one in ten £500k+ businesses (11%) described elements of the campaign itself and a further one in ten (10%) identified where they had seen the campaign (for example on adverts, or a TV programme).

There were no statistically significant differences between the business size groups in terms of their descriptions of the information or advertising which they had seen or heard.

Those with a turnover of £10m to £50m were more likely to mention elements relating to communication (68%) than those with a turnover of £500k to £2m (49%) or £2m to £5m (45%). More specifically, those in the £10m to £50m turnover group were more likely to recall that the information or advertising was about promoting or encouraging exporting (27%) than those in the £500k to £2m turnover group (16%). The ‘Exporting is GREAT’ campaign name was more widely recalled by those with a turnover of £10m to £50m (9%) than by those with a turnover of £500k to £2m (3%).

Figure 9.7: Description of information or advertising recalled

% all respondents aware of any advertising or information



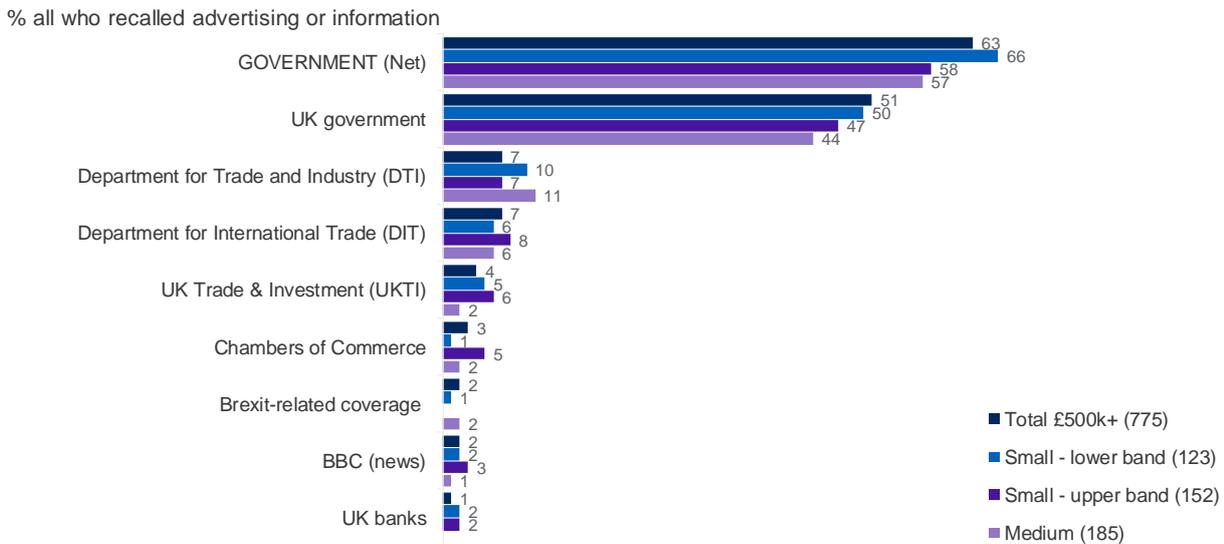
Source : AD3 – Please can you describe in detail what you remember about this information or advertising?
 Base : All respondents who recalled some advertising or information

Businesses were also asked who they thought was responsible for the information or advertising they had seen (see Figure 9.8). Among £500k+ businesses, the majority (63%) attributed the campaign to some part of government. Half (51%) mentioned the UK government specifically, while 7% mentioned the Department for International Trade. There was relatively strong attribution to the now-dissolved DTI (7%), which may suggest a degree of ongoing confusion as the DIT brand beds in. The other most frequent responses included UK Trade & Investment (4%), the Chambers of Commerce (3%), general Brexit related coverage (2%) and BBC news (2%).

There were no statistically significant differences between the business size groups in terms of campaign attribution.

Businesses with a turnover of £2m to £5m (14%) were more likely to believe the Department for International Trade was responsible for the information or advertising than those with a turnover of £500k to £2m (5%).

Figure 9.8: Who do you think was responsible for the information or advertising recalled



Source : AD4 – Who do you think was responsible for the information or advertising you remember seeing?
 Base : All respondents who recalled some advertising or information
 Showing top 9 responses

9.3 Prompted campaign recognition

Prompted recognition of the campaign gives a more accurate measure of campaign reach, as the process of prompting respondents with campaign materials effectively removes other non-campaign related publicity about exporting from responses. Since the interview was conducted by telephone, which does not allow visual prompt materials to be shown, a short URL was read out to respondents, who were asked to access a website during the interview and to view/listen to a selection of the adverts prior to reporting if they recognised them. Around a third of respondents were not able to view any of the adverts, so recognition is measured among the (around) two thirds of respondents who were able to see any of them. Figures 9.9 and 9.10 show the number of respondents able to view the adverts in each media during the interview. Base sizes were lower for the radio advert which is a function of the fact that some respondents were wary about playing audio files in the office environment (which is typically where they were at the time of the interview).

Figure 9.9: Number of respondents able to view adverts in each media during interview by size

	All £500k+ turnover businesses	£500k+ turnover		
		Small (lower band)	Small (upper band)	Medium
Total sample size	2,535	419	525	560
TV/VOD	1,489	254	324	353
Radio	1,205	205	257	283
Online/OOH display)	1,570	270	340	373
Print	1,566	271	336	373
At least one medium	1,598	275	345	378

Figure 9.10: Number of respondents able to view adverts in each media during interview by turnover

	All £500k+ turnover businesses	Turnover			
		£500k to £2m	£2m to £5m	£5m to £10m	£10m to £50m
Total sample size	2,535	1,250	447	231	381
TV/VOD	1,489	708	259	149	242
Radio	1,205	590	204	120	190
Online/OOH display	1,570	735	281	155	257
Print	1,566	733	278	156	257
At least one medium	1,598	750	283	159	262

As for spontaneous awareness, the timing of the Wave 3 surveys means that recognition figures cited in this chapter are likely to be slightly lower than the peak would have been immediately after the 2016-2017 campaign activities has finished.

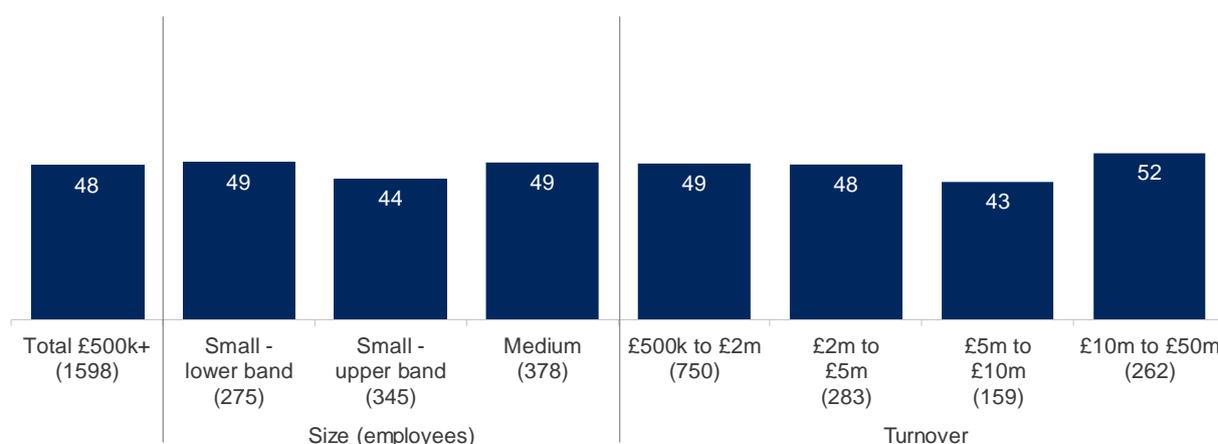
9.3.1 Total campaign recognition

Total campaign recognition (i.e. recognition of at least one of the adverts) is based on those respondents who were able to view an advert in at least one of the media. This may slightly under-represent true recognition, as some of these respondents will not have been able to view or hear all of the adverts during the interview.

Around half (48%) of £500k+ turnover businesses recalled seeing at least one of the campaign elements when prompted with them (see Figure 9.11). There were no statistically significant differences between the business size groups in this respect.

Figure 9.11: Campaign recognition of any adverts (% aware)

% all respondents able to view ads during interview



Source : Net of respondents recognising ads from any of listed sources at AD6-9 – Have you seen this advert (or one in a similar style) in the past 6 months or so?

Base : All respondents able to see at least one of the ads prompted during the interview

9.3.2 Campaign recognition by media

As shown in Figure 9.12, the TV/video adverts were the most widely recognised campaign executions. Around a third (30%) of businesses with a turnover of £500k+ recalled the video adverts when prompted. The radio adverts were recalled by 21% of £500k+ businesses, while 17% recalled the print adverts and 16% recalled having seen the online/OOH adverts.

There were no statistically significant differences between each of the business size groups in terms of recall of the different campaign elements.

Businesses with a turnover of £5m to £10m were more likely to say they had *not* heard the radio ad before than those in the £500k to £2m bracket (83% and 73% respectively). Businesses with a turnover of £10m to £50m were more likely to report that they had seen the online/OOH executions specifically in a newspaper/magazine/trade press (7%) than those with a turnover of £500k to £2m (2%).

Figure 9.12: Recognition of campaign by media (% aware)

% all respondents able to view ads during interview



Source : AD6-9 – Have you seen this advert /these adverts (or one(s) in a similar style) in the past 6 months or so?
 Base : All respondents able to see at least one of the ads prompted during the interview. For bases sizes see Figure 10.9

Respondents who had managed to access the website during the interview were also asked if they recalled having seen any of the adverts *prior* to November 2016, to provide evidence of legacy recall from the first year of the campaign. Overall, 6% of £500k+ businesses said they had seen the adverts before November 2016.

There were no statistically significant differences between the business size groups in terms of long-term campaign recall. However, those with a turnover of £500k to £2m were more likely than those with a turnover of £10m to £50m to say that they had not seen the campaign prior to November 2016 (86% and 78% respectively).

Given the multi-channel nature of many of the executions it is difficult to assess return on spend for each channel used. Figure 9.13 shows recognition of the executions designed for each channel, and spend on that channel ahead of Wave 3. However, it should be remembered that press and online display adverts could also be viewed in other channels, offering opportunities for cross-exposure. It should also be noted that Wave 3 figures are unlikely to represent peak levels of recognition post campaign, given the timing of the survey three months after the campaign aired. Spend on search and social media is excluded from Figure 9.13 as this is better assessed by click through rates and social media mentions.

Figure 9.13: Campaign recognition and spend by media

Channel	Recognition Wave 3	Spend Wave 3
	Total £500k+	
TV/VOD	30%	32%
Radio	21%	23%
Online display/digital OOH	16%	14%
Print	17%	23%

Recognition is largely in line with spend, except for Print, which shows a lower return on spend. This could, however, be related to the similarity of the online and print executions and there is potentially some misattribution of recognition at these questions.

9.3.3 Profile differences between campaign recognisers and non-recognisers

This section summarises the differences between businesses with an annual turnover of £500k+ who recognise any of the campaign when prompted, and those who do not. Comparisons were made in terms of business demographics, exporting behaviour (including segments), plans for growth, perceived capacity to export and barriers to exporting, knowledge of and attitudes towards exporting, and response to the campaign.

Recognisers and non-recognisers were very similar in terms of business demographics and exporting behaviours, with one exception: recognisers included a slightly higher proportion of businesses in the manufacturing, raw materials and energy sectors (18%) than non-recognisers. There were **no significant differences by size** (either number of employees or turnover), or by region, exporting segment or other exporting behaviours.

There were **no significant differences** in terms of **plans to grow** the business, or recent innovations.

Both groups perceived the same level of barriers to exporting, and the same capacity and capabilities to export within their business with just one exception as shown in Figure 9.14: recognisers were a little more likely to feel capable to develop an export plan (66%) than non-recognisers (58%).

The major differences related to information and support, attitudes towards exporting and response to the campaign.

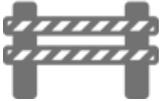
Recognisers had more positive attitudes towards exporting than non-recognisers. They also reported a higher interest in getting information and advice about exporting.

Response to the campaign was consistently more positive among recognisers, Recognisers were more likely to agree with each of the campaign outtake statements (relevance, salience, news, clarity and trust), more likely to report the adverts increasing their interest and confidence in exporting, and more likely to say they had visited the EIG website. It is not possible to compare resulting action as only those who recognised the campaign were asked if they had taken any action as a result, and the number of businesses reporting starting to export or exporting more is too small to allow comparisons between recognisers and non-recognisers.

It is important to note that it is not possible to determine whether exposure to the campaign influenced these responses and attitudes, or whether businesses that already had more positive attitudes towards exporting found the campaign more salient, and were therefore more likely to recall it and respond positively to it.

Figure 9.14: Profile differences between campaign recognisers and non-recognisers

KEY: ▲ Sig. higher for Recognisers than for non-Recognisers at Wave 3

		Recognisers	Non-recognisers
Greater interest in exporting information and advice			
 INFORMATION	Sought advice	46%▲	36%
	Interested in getting info	59%▲	51%
	Large number of more positive attitudes to exporting		
 ATTITUDES	Opportunity for faster/higher growth	79%▲	68%
	Lot of demand	77%▲	71%
	More could export than do so	72%▲	61%
	Exciting prospect	70%▲	62%
	Lot of support available	44%▲	33%
	More like me are starting to export	43%▲	34%
Business export plan less of a barrier			
 BARRIERS	Have capability to develop business export plan	66%▲	58%
	More positive response to campaign		
 CAMPAIGN	Ads provided 'new news'	51%▲	42%
	Increased interest in exporting	35%▲	29%
	Increased confidence in exporting	21%▲	11%
	Visited EIG website	9%▲	2%

The base sizes for each of these figures varies and can be found in the Data Appendix which is published alongside this report.

9.4 Advertising diagnostics

A new set of questions was included in this year's evaluation to provide an indication of ad take-out in terms of:

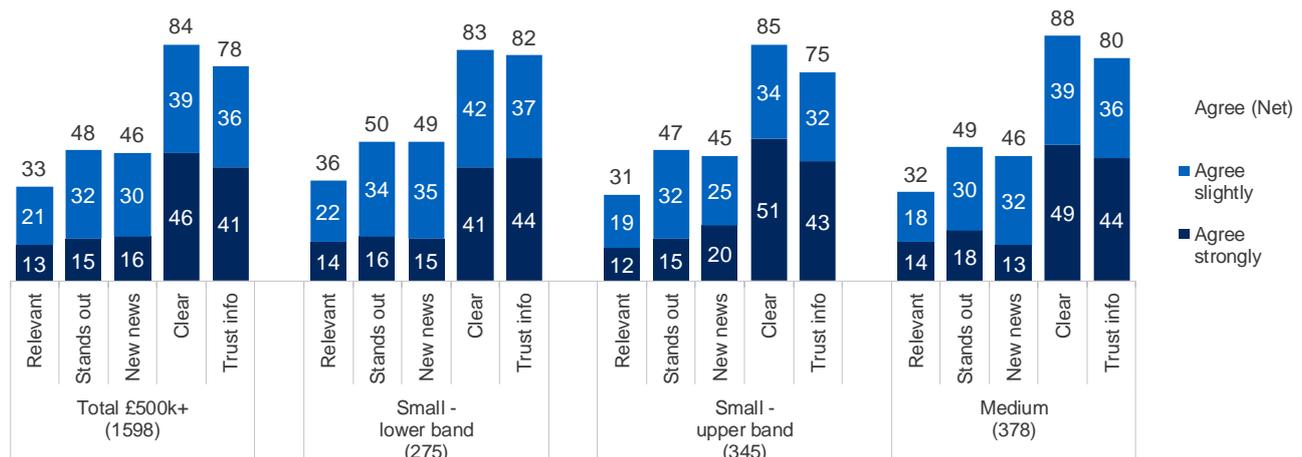
- relevance ('the advertising is relevant to you')
- salience ('the advertising stands out from other advertising')
- message communication ('the advertising told you something new', 'the advertising is clear and easy to understand' and 'you trust the information given by these adverts').

Standardised questions that have been used on many public-sector campaign evaluations were employed with a view to providing further assessment of the success of this campaign. These questions were put to those who had been able to access any adverts during the interview.

Figure 9.15 shows that across all of the business size groups, the campaign was strongest in communicating a clear and trustworthy message and less strong in terms of relevance, salience and 'new news'.

Figure 9.15: Campaign diagnostics by size (employees)

% all respondents able to view ads during interview



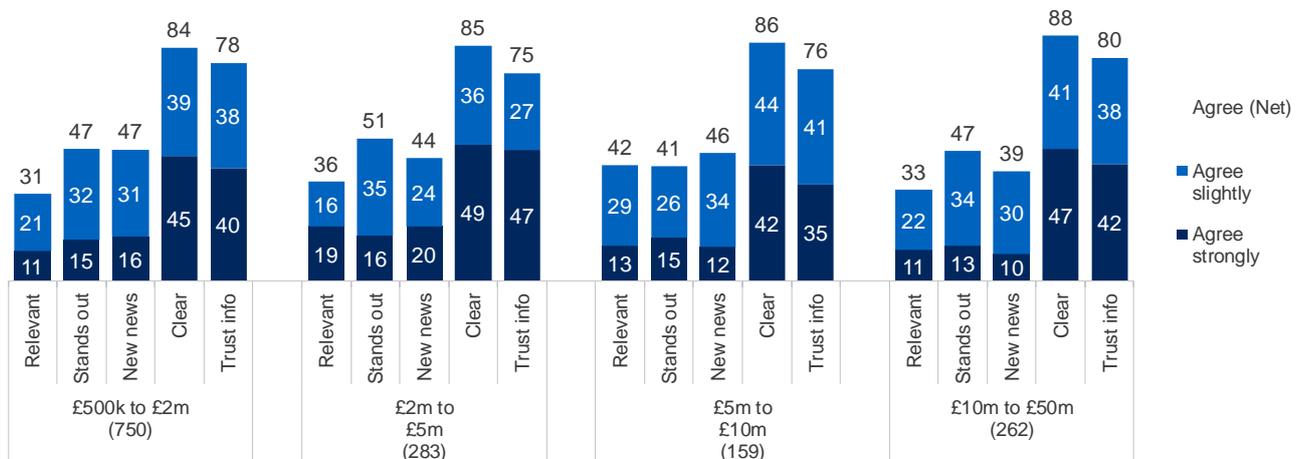
Source : AD16 – Thinking about these adverts, please tell me to what extent you agree or disagree with each of the following statements. Statements are: *Relevant*: The advertising is relevant to you; *Stands out*: This advertising stands out from other advertising; *New news*: The advertising told you something new; *Clear*: This advertising is clear and easy to understand; *Trust info*: You trust the information given by these adverts

Base : All respondents able to see at least one of the ads prompted during the interview (1598)

Agreement that the adverts were relevant was stable across each of the business size groups. However, as shown in Figure 9.16 those with a turnover of £5m to £10m (42%) were more likely than those with a turnover of £500k to £2m (31%) to agree that the adverts were relevant to them. This difference was driven by a higher proportion falling into the 'agree slightly' category (29% of businesses with a turnover of £5m to £10m compared to 21% of those with a turnover of £500k to £2m).

Figure 9.16: Campaign diagnostics by turnover

% all respondents able to view ads during interview



Source : AD16 – Thinking about these adverts, please tell me to what extent you agree or disagree with each of the following statements. Statements are: *Relevant*. The advertising is relevant to you; *Stands out*. This advertising stands out from other advertising; *New news*: The advertising told you something new; *Clear*. This advertising is clear and easy to understand; *Trust info*: You trust the information given by these adverts

Base : All respondents able to see at least one of the ads prompted during the interview (1598)

Lower-band small businesses (35%) were more likely than upper-band small businesses (25%) to agree slightly that the adverts told them something new. However, taking the ‘agree strongly’ responses into account, there was no overall difference in agreement between these groups - 49% of lower-band small businesses agreed either strongly or slightly compared to 45% of upper-band small businesses (a non-significant difference). Businesses with a turnover of £2m to £5m were more likely than those with a turnover of £10m to £50m to agree strongly that the adverts told them something new (20% and 10% respectively).

In terms of agreement that the adverts stood out from other advertising, there were no statistically significant differences between any of the business size or turnover groups.

Upper-band small businesses (51%) were more likely than lower-band small businesses (41%) to agree strongly that the adverts were easy to understand (but there was no difference in overall agreement when ‘agree slightly’ responses were taken into account). There were no differences in terms of agreement that the adverts were easy to understand according to business turnover.

The adverts were widely seen as trustworthy, with 78% of all £500k+ businesses agreeing that this was the case. There was no difference in this respect between each of the business size groups. Those with a turnover of £2m to £5m were more likely to agree strongly that the adverts could be trusted (47%) than those with a turnover of £5m to £10m (35%). However, when ‘agree slightly’ responses were taken into account there was no overall difference in agreement between these groups.

9.5 Potential policy and campaign implications

Campaign recall was fairly consistent across each of the company size groups and stood at 48% among the total population of £500k+ turnover businesses. However, there are signs that businesses with a turnover of £500k to £2m were less likely to see the adverts as being relevant to them than those with a higher turnover - this may be a point to consider in the development of future campaign materials.

Nevertheless, the campaign materials were seen as having performed strongly in terms of being trustworthy and easy to understand across all of the size and turnover groups. These two aspects are fundamental to the journey towards establishing interest in the export market and provide a solid foundation to build upon.

10 Reported campaign impacts

As discussed in Chapter 9, the key aims of the campaign were to raise awareness of the opportunities available through exporting, and to produce a positive change in attitudes and behaviour towards exporting as an opportunity. Changes in awareness, attitudes and behaviours over time were discussed in Chapters 4 to 7, but these cannot be directly attributed to either year of the campaign, as other factors may have also influenced any change. The ongoing developments following the Brexit vote, in particular, are likely to affect businesses.

Furthermore, it is unusual to see any immediate impact of a campaign such as this on attitudes and behaviour. Any such change is usually built up slowly over repeat campaigns over a number of years: initial changes are more typically seen in metrics such as awareness or knowledge of issues.

To give an indication of any immediate campaign impact, a small number of questions were asked about the impact of the adverts respondents had seen and heard during the interview. For around half of respondents this was the first time they had seen the adverts, so these data show their initial reaction. For others (advert recognisers) their previous exposure to the adverts may also have played a role. These questions were only asked to those who had been able to view or hear at least one of the adverts during the interview.

Key Findings

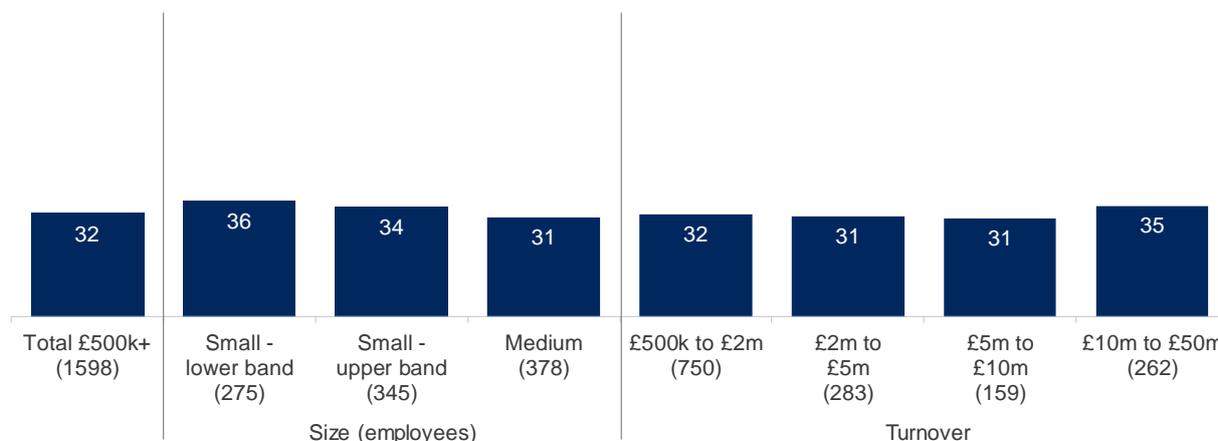
- Around one in six £500k+ businesses which recognised the campaign reported taking any action (14%) and this did not vary by business size. However, relatively few businesses which had started to export (or started to export more) attributed this change either wholly or partially to having seen the campaign. Given that the global demand for UK products is already widely recognised by businesses, it would appear that future campaign activities can have greater success if they focus more strongly on driving active investigation of exporting rather than working to increase perceptions of international demand.
- One in three businesses with a turnover of £500k+ and who were able to view the adverts during the interview reported that the adverts increased their interest in finding out more about exporting. This did not vary by business size.
- 16% said the adverts increased their confidence about exporting. Positive impacts on net confidence (i.e. those reporting that the adverts made them either 'much' or 'somewhat' more confident) were more widespread among lower-band small businesses (21%) than medium businesses (10%).

10.1 Reported campaign impact on interest in finding out more about exporting

When asked whether the adverts increased their interest in finding out more about exporting, around a third (32%) of all £500k+ businesses said 'yes'. There were no statistically significant differences between the business size and turnover subgroups in this respect.

Figure 10.1: Whether adverts increased interest in finding out more about exporting (% saying 'yes')

% all respondents able to view ads during interview



Source : AD10 – Thinking about all of the adverts that you've just seen and heard, do these adverts increase your interest in finding out more about exporting?

Base : All respondents able to see at least one of the ads prompted during the interview

In order to better understand potential barriers, businesses who had been able to view the adverts, but who said they did not increase their interest in finding out more about exporting, were asked to say why this was. Figure 10.2 shows the reasons given most frequently within each of the four main themes reported: not wanting to or feeling able to export; already exporting or knowing enough; needing to do more research first; and problems with the adverts.

The most widespread barrier to finding out more about exporting was a sense that the business simply wasn't suitable for exporting (cited by 45% of all £500k+ businesses). Around one in eight £500k+ businesses (13%) said their lack of interest in finding out more was simply down to the fact that they didn't want to export.

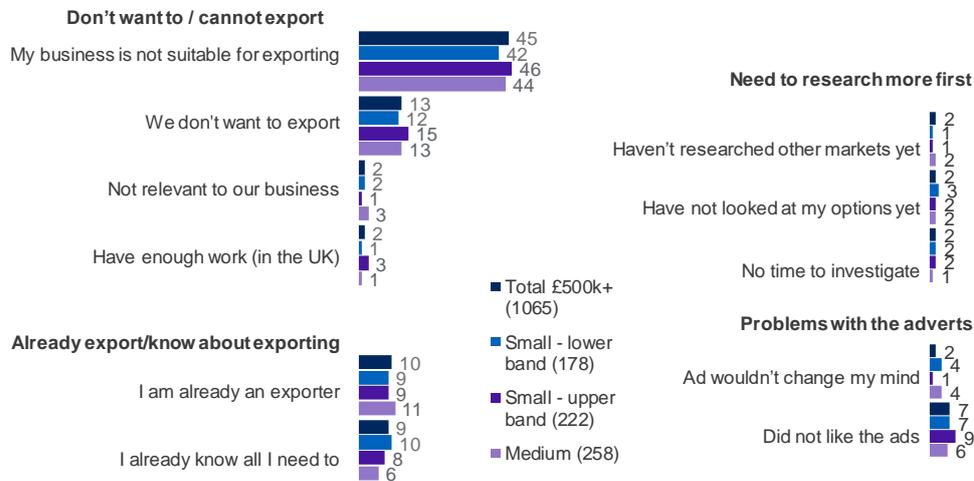
One in ten (10%) £500k+ businesses explained that their lack of interest was because they were already an exporter (and by implication, did not feel that they needed to know more). A further 9% of £500k+ businesses explicitly said that they felt that they already knew all that they needed to know.

Relatively few businesses identified problems with the adverts as the reason for their lack of interest in finding out more. Among £500k+ businesses, 7% reported that they did not like the adverts and 2% said that the adverts wouldn't change their mind about exporting.

There were no differences between the business size groups in this respect. However, those with a turnover of £500k to £2m (7%) were less likely than those with a higher turnover to say that they didn't want to find out more because they were already an exporter (13% of businesses with a turnover of £2m to £5m, 23% of those with a turnover of £5m to £10m and 17% of those with a turnover of £10m to £50m).

Figure 10.2: Reasons why adverts failed to increase some businesses' interest in finding out more about exporting

% all saying ads do not increase interest in exporting



Source : AD11 – Why don't these adverts increase your interest in finding out about exporting?

Base : All respondents able to see at least one of the ads prompted during the interview who said the ads did not increase their interest at AD10
Showing responses within each theme given by more than 2% of total

10.2 Reported campaign impact on confidence about exporting

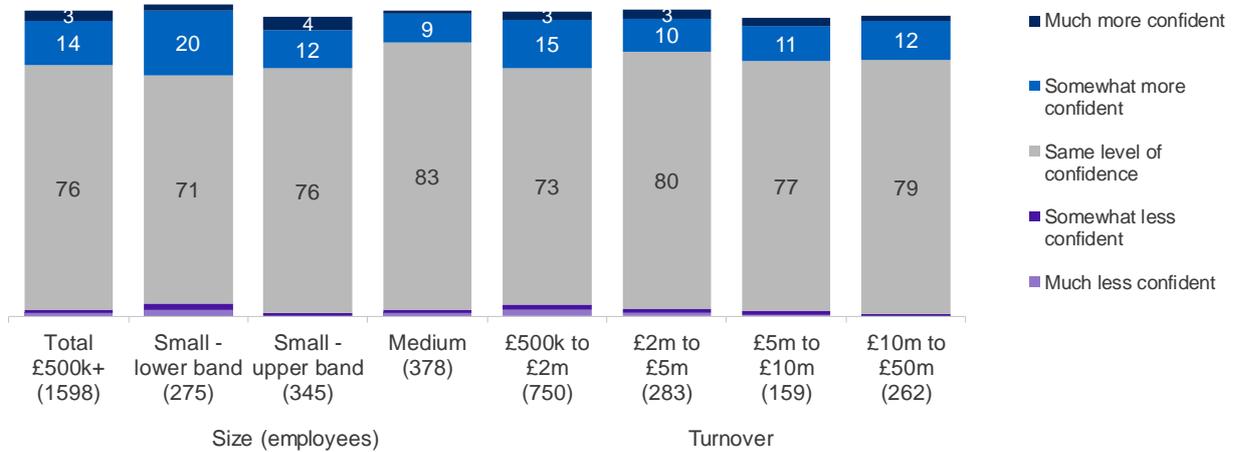
Those who had been able to view or listen to at least one of the adverts during the interview were asked to what extent the adverts had made them more or less confident about exporting (see Figure 10.3). Around three quarters (76%) of £500k+ businesses reported that the adverts had not had an impact in this respect and that they had the same level of confidence about exporting as they did before being shown the adverts. Among £500k+ businesses, 3% said that the adverts had made them feel much more confident about exports and 14% reported that they felt somewhat more confident about exporting having seen the adverts.

Medium businesses (83%) were more likely than lower-band small businesses (71%) to say that the adverts had no impact on their confidence about exporting. Lower-band small businesses (20%) were more likely to say that they felt somewhat more confident about exporting as a result of the adverts than upper-band small businesses (12%) and medium businesses (9%). Positive impacts on net confidence (i.e. those reporting that the adverts made them either 'much' or 'somewhat' more confident) were more widespread among lower-band small businesses (21%) than medium businesses (10%).

There were no statistically significant differences in the campaign impact on reported confidence according to businesses turnover.

Figure 10.3: Extent to which businesses feel more confident about exporting as a result of seeing adverts

% all respondents able to view ads during interview



Source: AD13 – As a result of seeing and hearing these adverts, which of the following applies to you?
 Base: All respondents able to see at least one of the ads prompted during the interview
 NB: Don't know not shown so does not always add to 100%

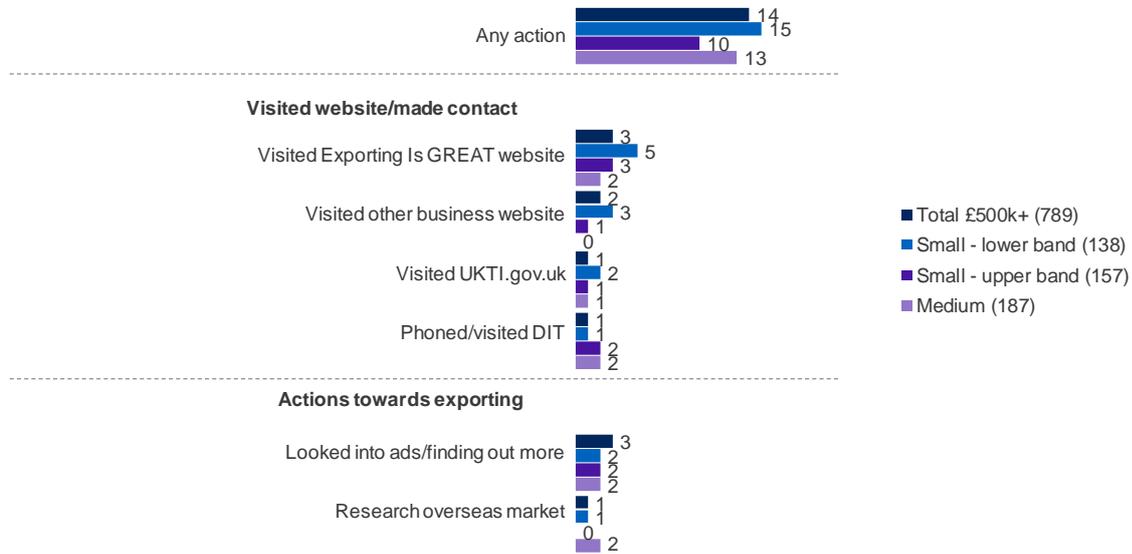
10.3 Actions taken after seeing the campaign

As a more direct measure of campaign impact, respondents who recognised any element of the campaign were asked to describe what, if any, action they had taken or considered taking as a result of seeing the campaign (see Figure 10.4). Around one in six £500k+ businesses which recognised the campaign reported taking any action (14%). Three percent said they had visited the *Exporting is Great* website, 3% had looked into the adverts to find out more and 1% said that they had phoned or visited the Department for International Trade.

There were no statistically significant differences in actions taken between each of the business size groups or turnover groups.

Figure 10.4: Actions taken or considered as a result of the campaign (campaign recognisers)

% all recognising any of ads

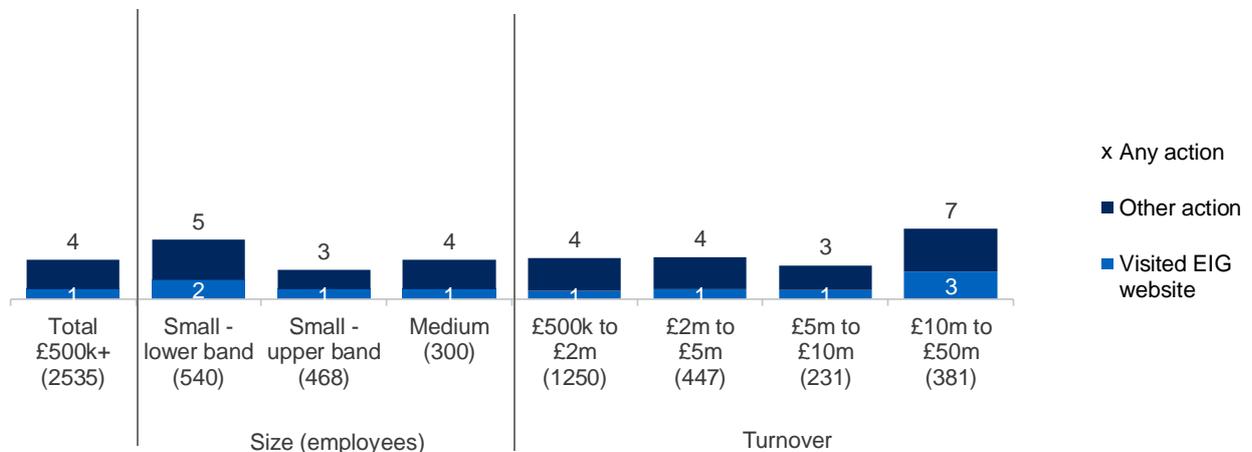


Source : AD13 – As a result of seeing or hearing these adverts what, if anything, have you done or considered doing?
 Base : All respondents who recognised any of the ads at Wave 3;
 Showing any responses with 2% or more across any subgroup

While only campaign recognisers were asked about their actions, combining this reported action with the overall level of campaign recognition allows us to produce an estimate of the level of action among *all* businesses. This is likely to be an underestimate, since not all respondents were able to view the adverts during the interview. However, basing this estimate on all respondents provides a conservative estimate that can more safely be grossed up to population level. On this basis it appears that 4% of £500k+ businesses took any type of action as a result of seeing or hearing the campaign, and 1% visited the Exporting is GREAT website. Again, there were no statistically significant differences in this regard between businesses in each of the business size or turnover groups.

Figure 10.5: Actions taken or considered as a result of the campaign (all respondents)

% all respondents



Source : AD13 – As a result of seeing or hearing these adverts what, if anything, have you done or considered doing?
 Base : All respondents

10.4 Reported campaign impact on recent or planned changes in exporting behaviour

Any UK businesses that recognised the adverts and reported having started to export since August 2016, exporting more since August 2016, or thinking about starting to export in the next 18 months, were asked if the campaign had had any influence on their behaviour or plans. Sub-group analysis is not possible as only 215 of the £500k+ businesses reported that they had started exporting or exported more recently and had seen the adverts. A further 25 of the £500k+ businesses were thinking about starting to export in the next 18 months and had seen the adverts.

Among those £500k+ businesses which had started exporting (or exporting more) recently and recognised the adverts, 6% said that the campaign was in part responsible for their decision. More specifically: 4% said they were already thinking seriously about exporting and the campaign only played a small role in the decision; 1% said that they were already thinking about exporting or exporting more, but the campaign still played an important role in raising their interest; and 1% said that the campaign was the most important factor in starting to export or export more, but it was something they had vaguely been considering beforehand.

10.5 Potential policy and campaign implications

Overall, when prompted with the adverts, around a third of £500k+ businesses (32%) reported that they had increased their interest in finding out more about exporting. This was consistent across the business size and turnover groups.

Among those who had seen the campaign prior to the interview, 14% reported that they had gone on to take some action as a result of seeing the campaign. This constitutes a relatively strong conversion rate from interest to action and was again relatively consistent across the business size and turnover groups. However, relatively few businesses which had started to export (or started to export more) attributed this change either wholly or partially to having seen the campaign. This is to be expected to some extent, as exporting behaviours are not necessarily easy to change. Nevertheless, in light of the fact that the global demand for UK products is already widely recognised by businesses, it would appear that future campaign activities can have greater success if they focus more strongly on driving active investigation of exporting. The Exporting is GREAT website would seem to serve as a natural platform for at least some of this activity.

11 Overall campaign summary

This chapter pulls together the evidence from all previous chapters of the report to assess how the campaign has performed overall and implications for future campaign activity.

When considering the results it is important to note that Wave 3 was carried out three months after the campaign aired, meaning that the figures recorded are unlikely to represent peak levels of campaign awareness or response. It is highly likely that campaign awareness in particular would have been higher if measured immediately after the campaign had aired.

11.1 Campaign reach - spend, media mix and timing

Figure 11.1: Implications for campaign structure

Key findings summary	Implications for campaign
There were no differences in prompted campaign awareness according to the size and turnover of businesses	Actively targeting businesses in higher turnover brackets may be productive (as each offers potentially larger export values if they start exporting). Could be done relatively efficiently given that there are fewer businesses in these higher turnover bands
The Online/Out Of Home adverts were widely recalled by higher turnover businesses	These channels may therefore be an effective way to address the point above, though direct communications to specific businesses may also be viable

The Exporting is GREAT Campaign launched in November 2015. The second year of the campaign was in 2016-2017 and year two spend was a little below year one (November 2015 to March 2016) levels. The burst of paid media activity in year two was largely delivered between November 2017 and April 2017). Spend on TV and online adverts was lower in 2016-2017 and there was higher spend on print and radio, based on the relatively strong performance of the print adverts in 2015-2016.

The 2016-2017 approach resulted in very consistent prompted campaign awareness at Wave 3 across all of the business size and turnover groups. There were no statistically significant differences between these groups and overall 48% of £500k+ businesses recalled seeing at least one of the campaign elements.

The TV/video adverts were the most widely recognised across all of the business size and turnover groups (recalled by 30% of all £500k+ businesses). However, there were differences in recall of adverts in other channels according to company size. The radio adverts performed relatively strongly among businesses with a turnover of £500k to £2m (24% compared to 21% of all £500k+ businesses). The online/OOH executions were more widely recalled by businesses with a turnover of £10m to £50m (24% compared to 16% of all £500k+ businesses).

11.2 Campaign messaging – increasing knowledge

Figure 11.2: Implications for messaging on knowledge

Key findings summary	Implications for campaign
High turnover businesses were less likely to feel that the adverts were telling them something new. They also had higher knowledge levels	There may be benefit in tailoring messaging to larger businesses to address more specific and/or less obvious topics
DIT is not currently seen as the 'go to' source for advice and support about exporting	Businesses may benefit if campaign messaging can make them more aware of the help that DIT can offer / signpost strongly to the great.gov.uk website

In order to be effective, in addition to being seen, the campaign needs to cut through to its audience to improve knowledge levels and attitudes towards exporting, with the ultimate aim of influencing actions.

Self-assessed knowledge levels were very consistent across the business size groups, but there was a knowledge gradient in terms of turnover. 48% of £10m to £50m reported a high level of knowledge about how to export compared to 31% of £500k to £2m businesses.

The adverts' messages were well communicated with most agreeing they were easy to understand, and that they trusted the information – this was highly consistent across all business size and turnover groups. However, there is clearly an opportunity for the campaign to further engage businesses in all of the size and turnover groups through giving them **new information** that could help them to export more effectively or encourage them to start exporting. In particular (and potentially reflecting their generally higher knowledge levels) businesses with a turnover of £10m to £50m were the least likely to feel that the adverts were telling them something new (39% compared to 46% of all £500k+ businesses).

Despite this, there were no statistically significant differences between the business size and turnover groups in terms of the proportion of businesses expressing an interest in receiving information or support to assist with exporting. Overall, half of £500k+ businesses reported that they would be either very or quite interested in receiving such support. However, regardless of size or turnover band, businesses do not yet view DIT as being an organisation they would go to for advice or support on exporting (cited by 7% of all £500k+ businesses).

11.3 Campaign messaging – influencing attitudes

In addition to increasing knowledge, the campaign also aims to influence attitudes towards exporting as a precursor to increasing export behaviour. Survey findings provide insights into the most appropriate messaging to use to influence attitudes, as summarised in Figure 11.3 below.

Figure 11.3: Implications for messaging with a view to influencing attitudes

Key findings summary	Implications for campaign
<p>There is a widespread view that there is demand for British exports, but businesses are not typically acting on this.</p>	<p>It therefore appears that businesses are not directly relating campaign messaging to their own businesses. As such, messaging which can make businesses think about exporting in more concrete terms (i.e. specifically relating to their own business) may prove fruitful</p>
<p>The campaign could perform more strongly in terms of relevance (particularly among lower turnover businesses)</p>	<p>Tying in to the point above, if the campaign can establish more direct relevance to businesses (e.g. by tailoring adverts to reflect different sectors / businesses of different sizes) this could drive exporter growth.</p>

Across all of the business size and turnover bands, the focus was on steady and sustainable growth rather than rapid growth. The majority of businesses aimed to grow in the next two to three years, but larger businesses were a little more ambitious in this respect. For example, 90% of those with a turnover of £10m to £50m aimed to grow compared to 78% of those with a turnover of £500k to £2m. However, given that this still represents a relatively consistent picture in terms of growth ambitions, there would not seem to be any need to tailor messaging in this respect.

Perceptions of international export demand were generally strong, particularly among businesses with a turnover of £500k to £2m (45% of whom strongly agreed that there is a lot of demand for British products or services around the world) and those with a turnover of £2m to £5m (47% of whom strongly agreed). There was also widespread agreement that a lot more businesses could export than do export (63% of all £500k+ businesses agreed to some extent, 30% strongly) and these perceptions were consistent across the business size and turnover groups. However, this does not yet translate into high levels of activity in terms of businesses taking steps towards exporting themselves.

Relating to this, the adverts were not widely seen as being of personal relevance to businesses, particularly those with a lower turnover. 42% of businesses with a turnover of £5m to £10m agreed that the adverts were relevant to them compared to 31% of those with a turnover of £500k to £2m. As such there appears to be a need to more actively message with a view to moving businesses from a position where they broadly appreciate that there are export opportunities to a position where they more actively think about the possibilities for their own businesses.

11.4 Campaign messaging – removing barriers to exporting

Figure 11.4: Implications for messaging on barriers

Key findings summary	Implications for campaign
Broad perceived barriers are similar across business size and turnover groups.	There doesn't appear to be a need to tailor barrier messaging according to business size (though available data are limited)

The extent to which cost, knowledge, capacity and access were seen as barriers to exporting was relatively consistent between businesses in the different size and turnover groups. The sample size is too low to allow detailed analysis by sub-group of the more specific barriers that sit within each of these four macro barriers.

As outlined in the main NSRB report, the great.gov.uk website already contains much of the information required to help businesses overcome each broad barrier. The following message focus in each area would be therefore be possible:

- **Capacity** - support is available (signposted in the adverts) and it may not take as much time or effort as you think to start exporting
- **Access** - support is available to identify contacts via the campaign website - the website could be positioned as the 'first step towards exporting'.
- **Knowledge** – signpost information on the campaign website on issues of concern such as knowing who to contact in the first instance, finding contacts and customers, and building relationships
- **Cost** – as for knowledge, the campaign should signpost information on the website particularly concerning costs of transportation, the level of up-front investment costs and financial risks.

11.5 great.gov.uk website

Figure 11.5: Implications for promoting and refining the great.gov.uk website

Key findings summary	Implications for campaign
Awareness and usage of the site is relatively low amongst all business size and turnover groups	Foregrounding great.gov.uk in campaign activities would appear to be key to raising awareness (ideally with a strong call to action to visit the site)
Knowledge of the services offered on the site is low (again across all size and turnover groups)	Calls to action around the support available could potentially help drive businesses to the site (as well as addressing perceived barriers to exporting)

The insights included in the above sections make it clear that the Exporting is GREAT website could play an important role in taking businesses from any initial interest raised by the adverts, through to more concrete action towards exporting.

However, awareness and usage of the website is currently relatively low, particularly among smaller businesses. Businesses with a turnover of £10m to £50m were more likely to have heard of the Exporting is GREAT website (15%) and to have visited it (10%) than smaller businesses,

particularly those with a turnover of £500k to £2m (of whom 8% had heard of the site and 4% had visited it), but there is a need to increase awareness and usage across all size and turnover bands.

Awareness of the services it offers are also low for all business size and turnover groups (ranging from 3% of all £500k+ businesses for 'get finance' and 'find a buyer', up to 5% for 'export opportunity').²⁴

11.6 Driving action

Figure 11.6: Implications for driving action

Key findings summary	Implications for campaign
<p>14% of those who recalled seeing the campaign had taken any action as a result.²⁵ However, only 3% visited the Exporting is GREAT website. There were no real differences according to business size or turnover</p>	<p>This again suggests that highlighting the website in campaign materials (regardless of business size/turnover) may help businesses</p>

The ultimate measure of campaign success is to prompt businesses to take action towards exporting. This includes immediate action, but also longer-term changes that may lead to greater levels of exporting.

The Exporting is GREAT campaign has again this year succeeded in prompting a substantial minority of £500k+ businesses to take immediate action (14% of those who recalled having seen the campaign when prompted). Businesses mentioned a broad range of actions including (but not limited to): assessing the capabilities of their business; investigating how to conduct business overseas; researching potential demand or the competitive context; and contacting Chambers of Commerce or other business organisations. There were no statistically significant differences in this respect according to business size or turnover.

Overall, 3% of £500k+ businesses were driven by the campaign to visit the Exporting is GREAT website. As discussed earlier, the website has the potential to positively impact on businesses' exporting attitudes and behaviours if they engage with it – as such, increasing the prominence of the call to action to visit the site would be potentially valuable.

²⁴ The services prompted to businesses during the interview to gauge awareness were: 'Export opportunities'; 'Selling online overseas'; 'Find a buyer'; and 'Get finance'

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