

Segmentation of UK Businesses

Empowering sustainable export-led growth



Department for
International Trade

**BUSINESS
IS
GREAT**
BRITAIN & NORTHERN IRELAND

Contents

- 1 Background & Objective

- 2 Methodology

- 3 The Segments & How to Support Them

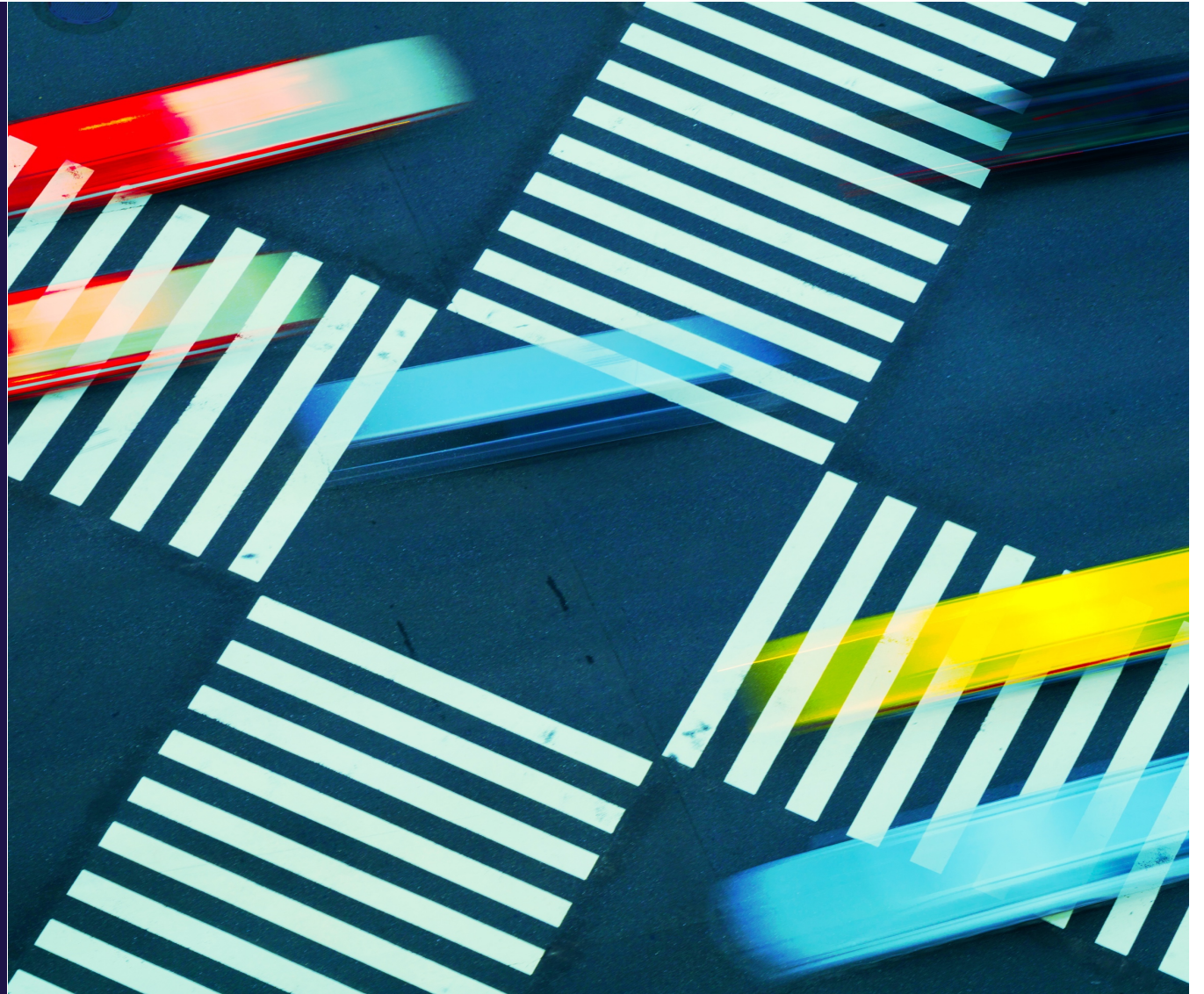
- 4 Golden Questions: How to Prospect Businesses into Segments

- 5 Key Learnings by Business Size

- 6 Key Learnings by Business Sector

- 7 Estimates of High Export Potential Business in the UK and by Region

1. Background and Objective

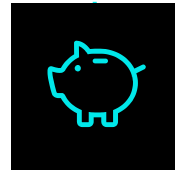


The objectives and priorities of DIT have been laid out in the HM Government Export Strategy.

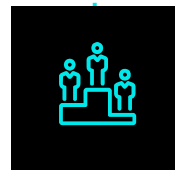


These include:

Adopting a **business-led approach** for engaging with current and potential exporters based on characteristics and attitudes of businesses.



Delivering **value for money** by applying a **proportional approach** to allocating export support with more dedicated support going to those with 'high export potential'.



Helping businesses **address a range of practical barriers** that are currently preventing them from reaching full export potential.

DIT offers a large suite of products and services to help businesses export, and the way businesses use these is non-linear

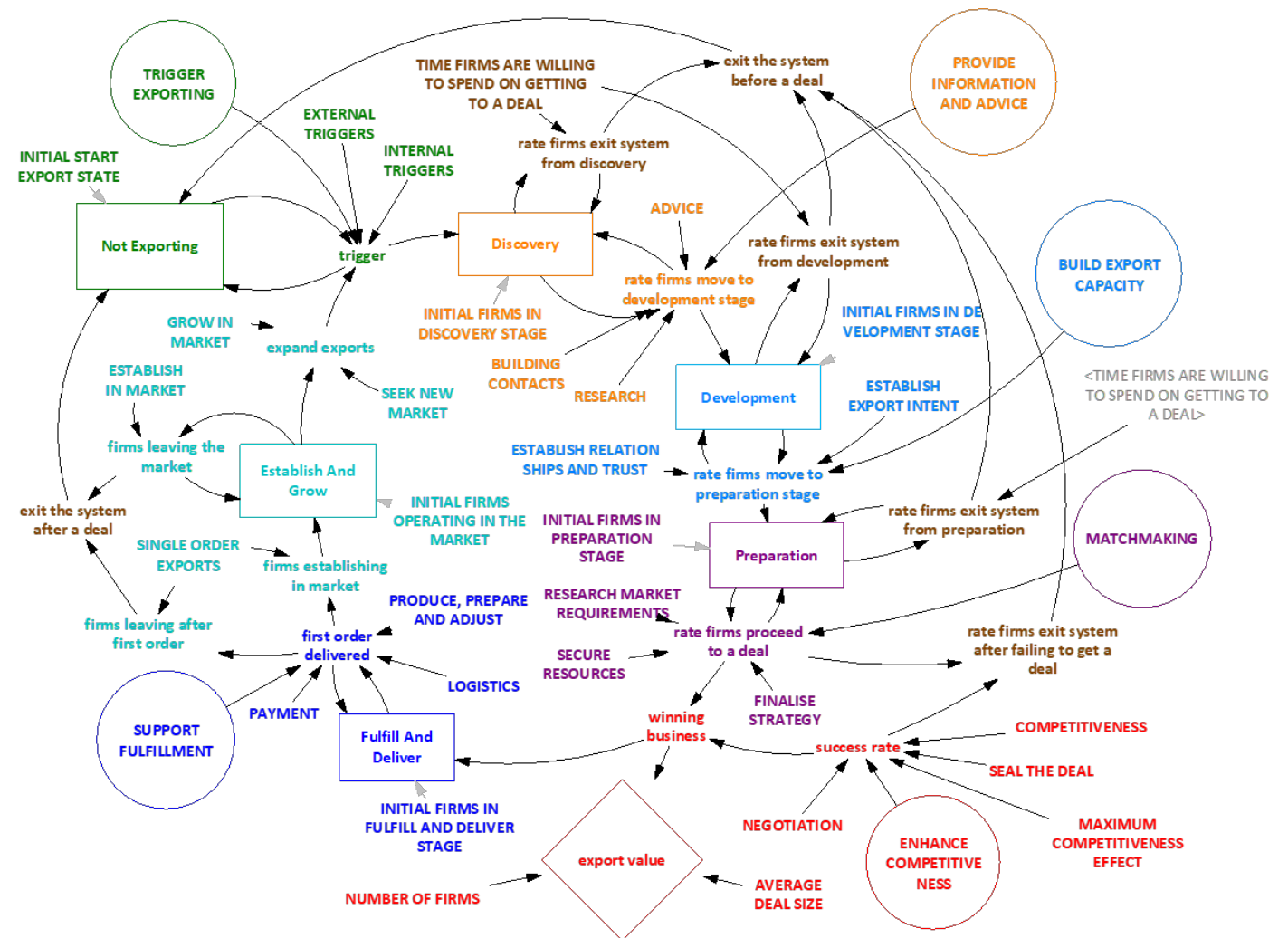


FIGURE 1 - Source: Larrainzer Consulting Solution Ltd, Frontier Economics, DIT Export Promotion Analysis.

DIT helps businesses export by supporting a range of capabilities. This segmentation will help tailor capability based solutions for different businesses based on their needs

TRIGGER

To encourage firms to begin the process of exporting, to expand export activity within an existing market or extend such activity to a new market.

INFORM

To provide firms with sufficient information on foreign markets and the process of international trade to allow them to make an informed decision as to which opportunities and markets to investigate in more depth.

BUILD

To provide firms with specific information to allow them to improve their export capabilities and operate effectively in particular foreign markets or sectors.

MATCH

To put firms in contact with those they need to work with to put a deal in place- this includes buyers, agents, finance providers and intermediaries.

ENHANCE

To increase the competitiveness of UK goods and services in a particular market or sector and make a successful deal more likely. This includes the reduction of barriers to export, provision of competitive export finance and encouraging foreign consumers and businesses to buy British.

SUPPORT

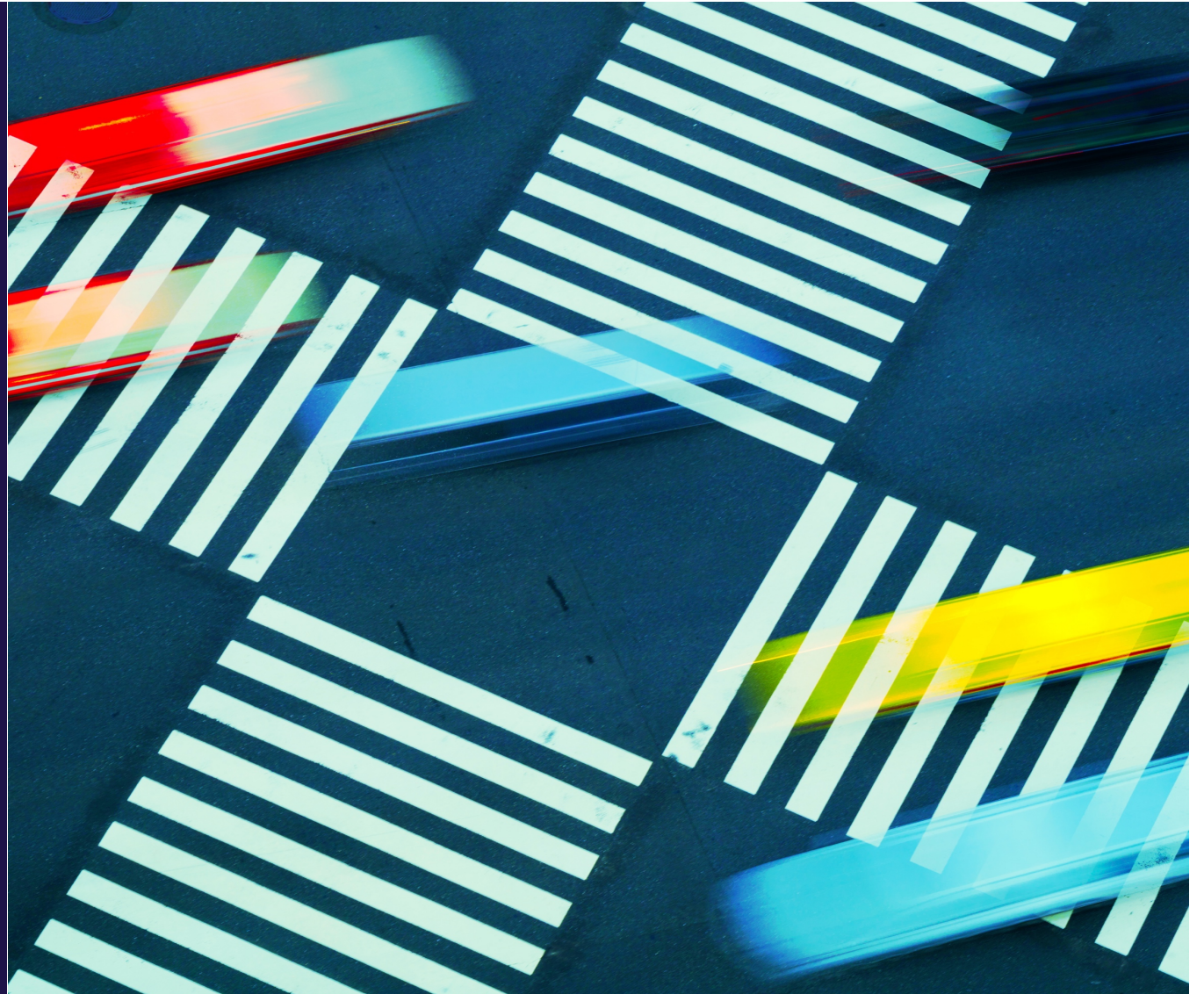
To support firms in arranging for goods or services to be supplied to a particular foreign market. This includes both services such as the provision of export licences and putting firms in contact with third party specialists in shipping, payment or regulations

The overall purpose of this segmentation is to improve the efficacy of targeting, design and delivery of export promotion services to UK businesses

It will do so through helping DIT to:

- Increase the sustainable growth of UK exports through equipping and encouraging UK businesses to export
- Identify what kind of support different business groups need to help them start exporting, or grow their exporting capacity
- Target finite resources more effectively by prioritising business groups for whom such interventions are more likely to have a significant impact

2. Methodology



Technical Note

This study is based on data from the 3 waves of the NSRB (National Survey of UK Registered Businesses) as the source for this segmentation.

This source was selected for the following reasons:

- It is a large, robust survey which has been carried out annually for the last three years
- Using this data rather than collecting new data is a cost effective use of public funds

The overall sample size of businesses across three waves is 4514*

A full technical report is available and has been published along this report.

* Unless indicated otherwise this data is based on waves 1 2 & 3 of the DIT NSRB, with the proportions of businesses (£500k+ turnover) in each of the four main segments weighted to match the proportions from wave 3 of the survey
Some questions (as indicated) are based on wave 3 only due to changes in the questionnaire over time (see technical report for full details). Data were cleaned to exclude those who answered 'don't know' to most questions

First Segmentation key for DIT: Business size

DIT focuses on supporting all business sizes to export. However, not all business will need the same intensity and level of support. According to the ONS 'UK business' activity, size and location: 2017', there are 2,668,810 registered businesses in the UK. SMEs account for over 99% of the registered business population. Of these, the clear majority are micro 0-9 employees (89.4% or 2,386,735 businesses), small businesses with 10-49 employees represent 8.7% or 231,715 businesses, and MSBs represent 1.5% – approx. 40,530 businesses. There are around 0.4% large businesses (250+ employees), approx. 9,830.

HMRC provides data on the value of goods exports. According to these figures, large businesses contribute the majority of the value of goods exports (55.8%), medium size business contribute 14.7% and micro and small businesses a combined value of 14.7%. This is consistent with the fact that as business get bigger they are increasingly able to cater for larger export contracts, owing to their larger size, resources and capabilities.

Contribution to goods exports by business size (GB registered businesses exporting goods 2016)

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



FIGURE 2 – Contribution to goods exports by business size (GB registered businesses exporting goods 2016)) Source: HMRC Trade in Goods by Business Characteristics. Period covered: 2016

Those capable of making an important contribution to the value of UK exports

DIT focuses on supporting businesses of all sizes. However, to increase the effectiveness in the way resources are utilised, it is vital to have a greater understanding of size. Turnover is a very good indicator and first segmentation key to start directing businesses to the right support and arrive at a proportional approach to service provision.

Therefore, a key focus in this report is the estimated 425,000 businesses over £500k turnover. These include micro, small, medium and large businesses representing the top layer of the business population and approximately 16% of the UK registered business population.

Having achieved £500k turnover, 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 Number of Businesses by Turnover (£'000s) Threshold (Histogram)

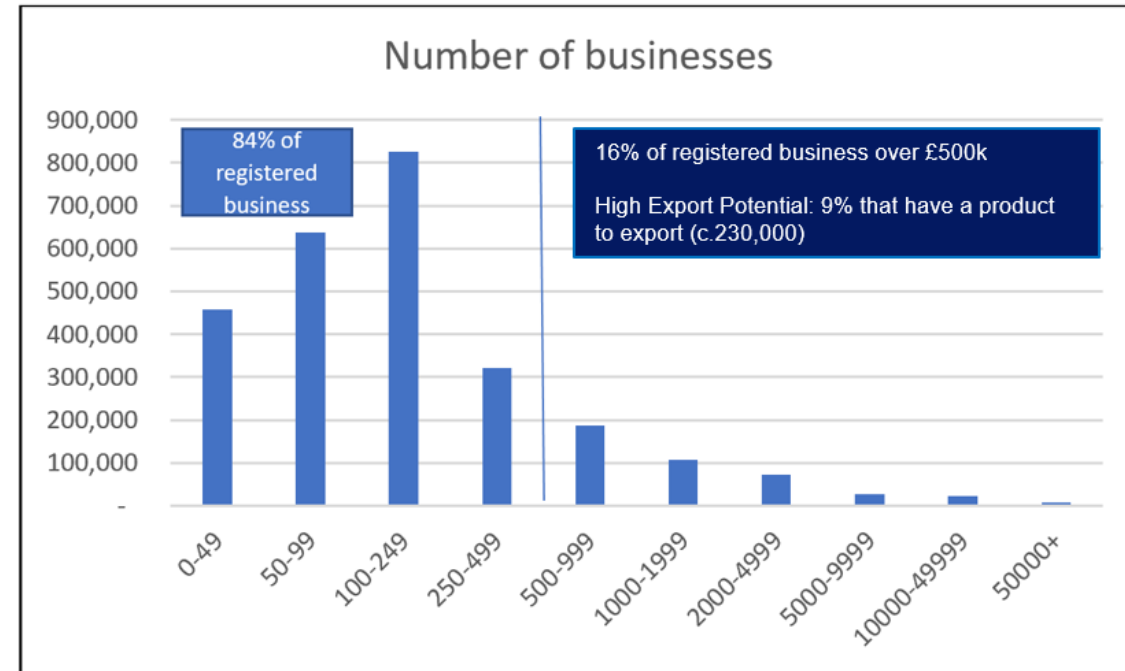


FIGURE 3 – Source: ONS 'UK business' activity, size and location: 2017¹
DIT National Survey of UK Registered Businesses' Exporting Behaviours, Attitudes and Needs 2017: £500k+ Small and Medium Business Report

Why this approach enhances our understanding of firms' exporting support needs beyond simply using business size or sector

It is tempting to imagine that it is possible to develop an ideal nuanced approach to supporting businesses on their export journey simply by customising support just based on sector or business size. Of course this is to an extent true – a business exporting furniture has different needs to one exporting software.

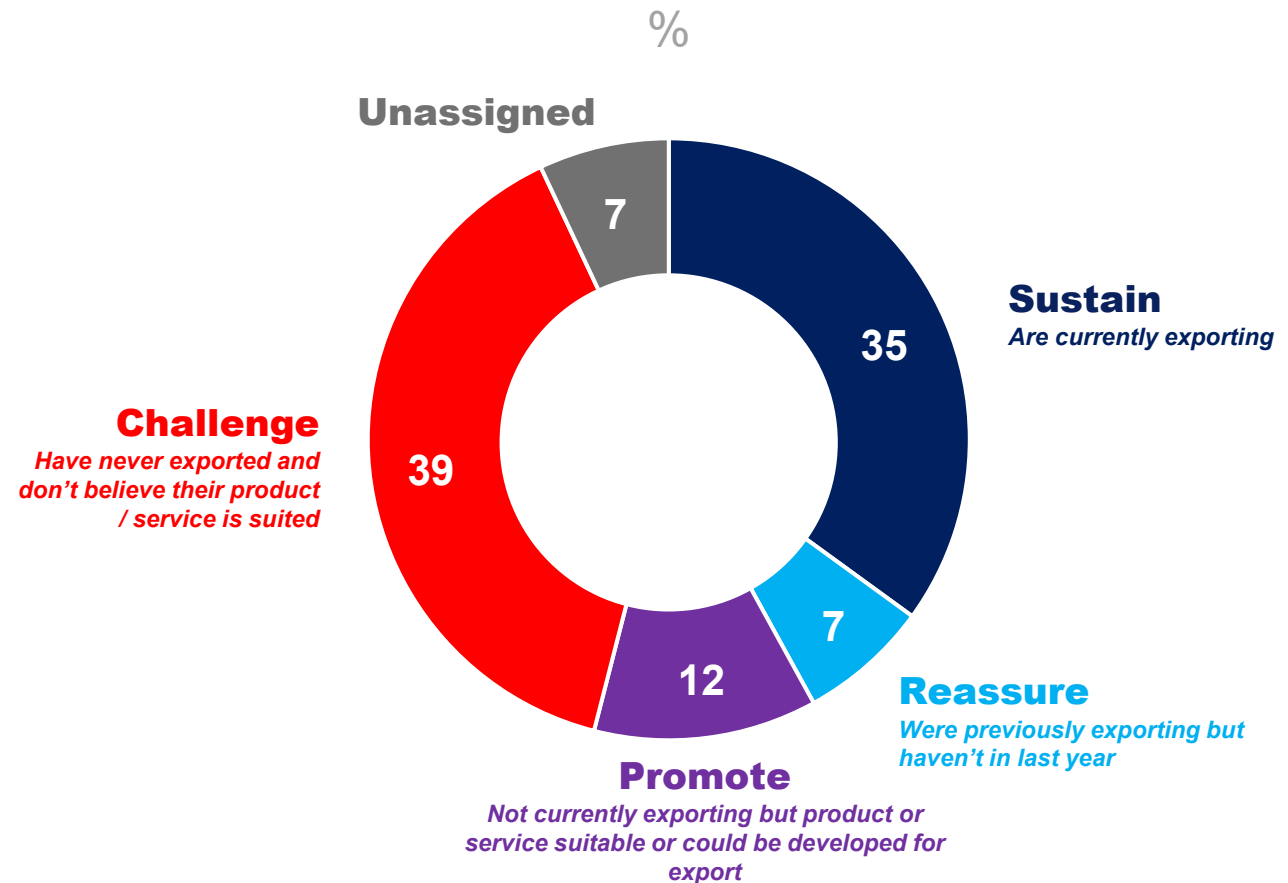
Yet if the task is to identify what DIT capabilities are going to be most effective in supporting different businesses on their exporting journey – it is more useful to consider their attitudes towards exporting, how well set up they are for exporting, and how interested they are in government support.

The below table shows that the level of differentiation amongst the segments (and therefore the effectiveness of the segmentation) improves as you go from left to right, and the segmentation solution presented in this report provides optimum differentiation.

Differentiation:

	# employees	sector	turnover	Original '4 segment' solution	Final segmentation solution
Exporting attitude for business	Red	Orange	Yellow	Light Green	Light Green
Exporting Knowledge	Orange	Orange	Yellow	Light Green	Light Green
Business skillset	Yellow	Orange	Light Green	Orange	Yellow
Innovation capabilities	Light Green	Yellow	Light Green	Light Green	Light Green
Interest in govt. support	Orange	Yellow	Light Green	Light Green	Dark Green

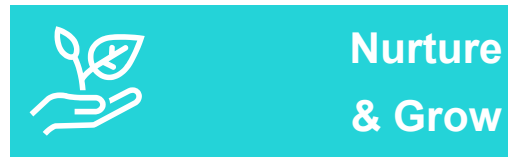
Previous work has identified that UK businesses fall into 4 groups based on where they are on the exporting journey



Current segmentation has evolved this model to provide more direction on how particular businesses should therefore be engaged to drive further exporting

Across these 4 groups there are 5 types of interventions that businesses would benefit from

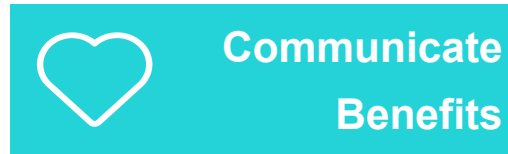
For businesses that are....



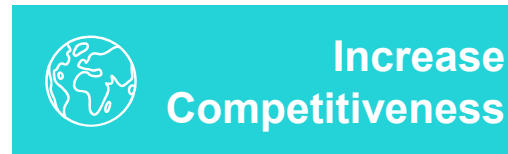
Positive about exporting, and already have a relatively high level of skills, knowledge and capability to do so



Recognise the potential of exporting and are eager to pursue it, but are not yet set up to do so in a way that would fully maximise the opportunity



Sceptical about the benefits of exporting and risk averse, and are therefore not currently set up to fully pursue exporting opportunities



Competent exporters today and not seeking support, yet their lack of innovation means they risk being outcompeted in the global market



Knowledgeable about exporting, and have made a considered decision not to pursue it as it does not make commercial sense

And there are some businesses that are not interested in exporting, and not worth pursuing

For businesses that are....



Nurture & Grow

Positive about exporting, and already have a relatively high level of skills, knowledge and capability to do so



Grow Exporting Capability

Recognise the potential of exporting and are eager to pursue it, but are not yet set up to do so in a way that would fully maximise the opportunity



Communicate Benefits

Sceptical about the benefits of exporting and risk averse, and are therefore not currently set up to fully pursue exporting opportunities




Increase Competitiveness

Competent exporters today and not seeking support, yet their lack of innovation means they risk being outcompeted in the global market



Change the Game

Knowledgeable about exporting, and have made a considered decision not to pursue it as it does not make commercial sense



Leave Be

Small (representing insignificant value of total turnover), not interested in exporting nor government support, and not expecting to grow

Combining these results in 11 Segments, each with a distinct set of requirements for how they should best be engaged

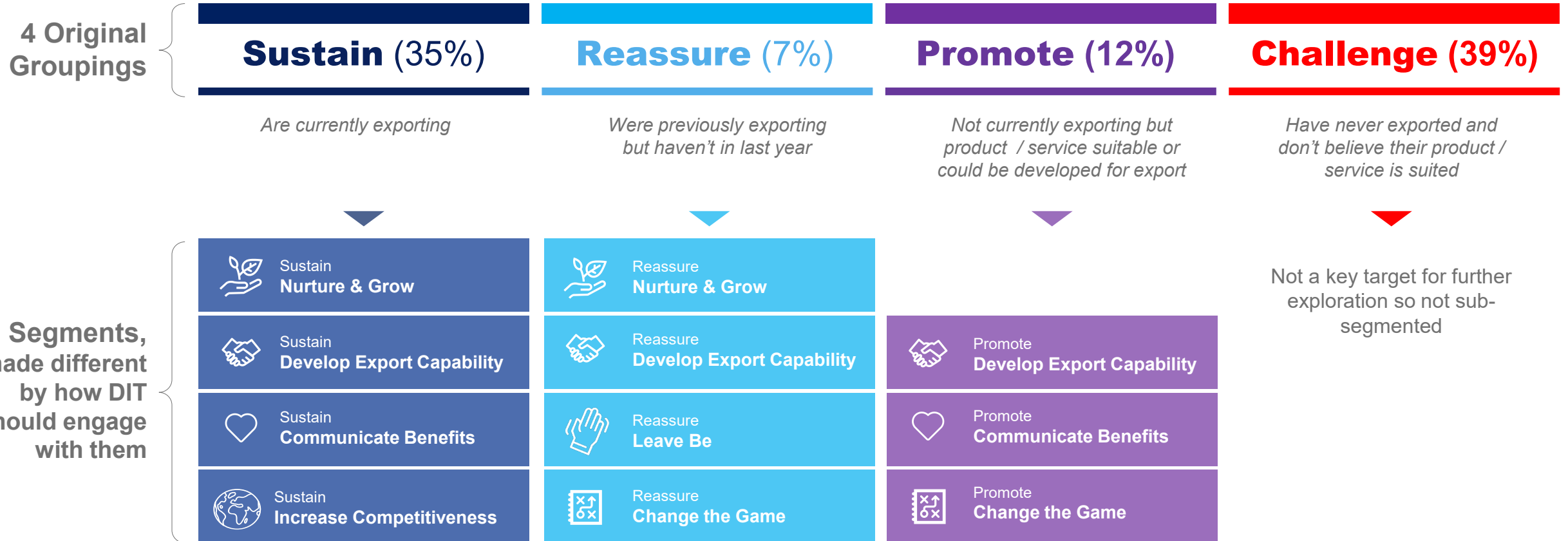


FIGURE 6 - The final segmentation framework (2018)

What defines the segments – using maths to tell a story!

- Each segment has particular characteristics which makes it distinctive and different from the others
- Some of these are of course related to their original groupings – ‘Sustain’ segments are generally more positive about exporting than ‘Promote’ segments for example
- But the differences *within* original groupings are what makes them interesting and actionable
- With a long list of different attitudes within the survey, it would be easy to get lost in the detail. We have therefore used a process called factor analysis to identify groups of statements which do a good job of describing the differences.
- These are statements which tend to be ‘picked together’ – so for example, if I agree that there is a “Lot of opportunity to grow my business internationally” then I am likely to agree with “Exporting would give (my business an) opportunity for high/faster growth”
- Having created the factors, we then use these to illustrate the key discriminating differences between segment on the first slide of each profile
- The factors we have used and the statements within them are summarised on the next slide



Factors used to group statements

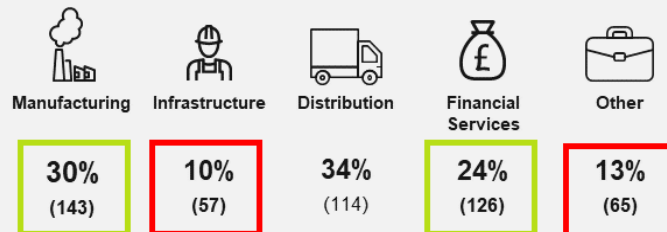
Pro-Exporting for business	<ul style="list-style-type: none"> International growth an exciting prospect for my business More and more businesses like mine starting to export Lot of opportunity to grow my business internationally Not enough demand for my business overseas (disagree)
Exporting Knowledge	<ul style="list-style-type: none"> Exporting would give opportunity for high/faster growth Current knowledge about how to export Know where to go for info on exporting Know where to go for help/support with exporting
Staff capacity, skills & time	<ul style="list-style-type: none"> Have enough staff capacity Have enough managerial time Have enough staff skills
Capability to assess & plan	<ul style="list-style-type: none"> Have capability to undertake market research study Have capability to develop export business plan Have capability to assess international competition Have capability to assess cost of exporting

Pro-Exporting in general	<ul style="list-style-type: none"> A lot of demand for British products around world A lot more businesses could export than do
Growing the business	<ul style="list-style-type: none"> Positive attitude to growth Plans to grow in next 2-3 years
Innovation Capabilities	<ul style="list-style-type: none"> Have any patents, trademarks, legal protection Introduced new products in L12M Have UK employees engaged in R&D / NPD
Business Skillset	<ul style="list-style-type: none"> Have owner / manager with a degree Have a finance team Have people with language skills Have a written business plan Have connections with other businesses

More maths – understanding indices

- A quick way of understanding how a segment is different from the total, or from the 'higher order' segment is to use an index
- An index is calculated by dividing the score for a particular segment by the overall score and multiplying by 100
- An index of 100 means the segment is exactly the same as the total, higher than 100 means more likely to have that attitude, lower means less likely
- As a rule of thumb, indices of >120 or <80 indicate an interesting difference

Example: **Sustain**

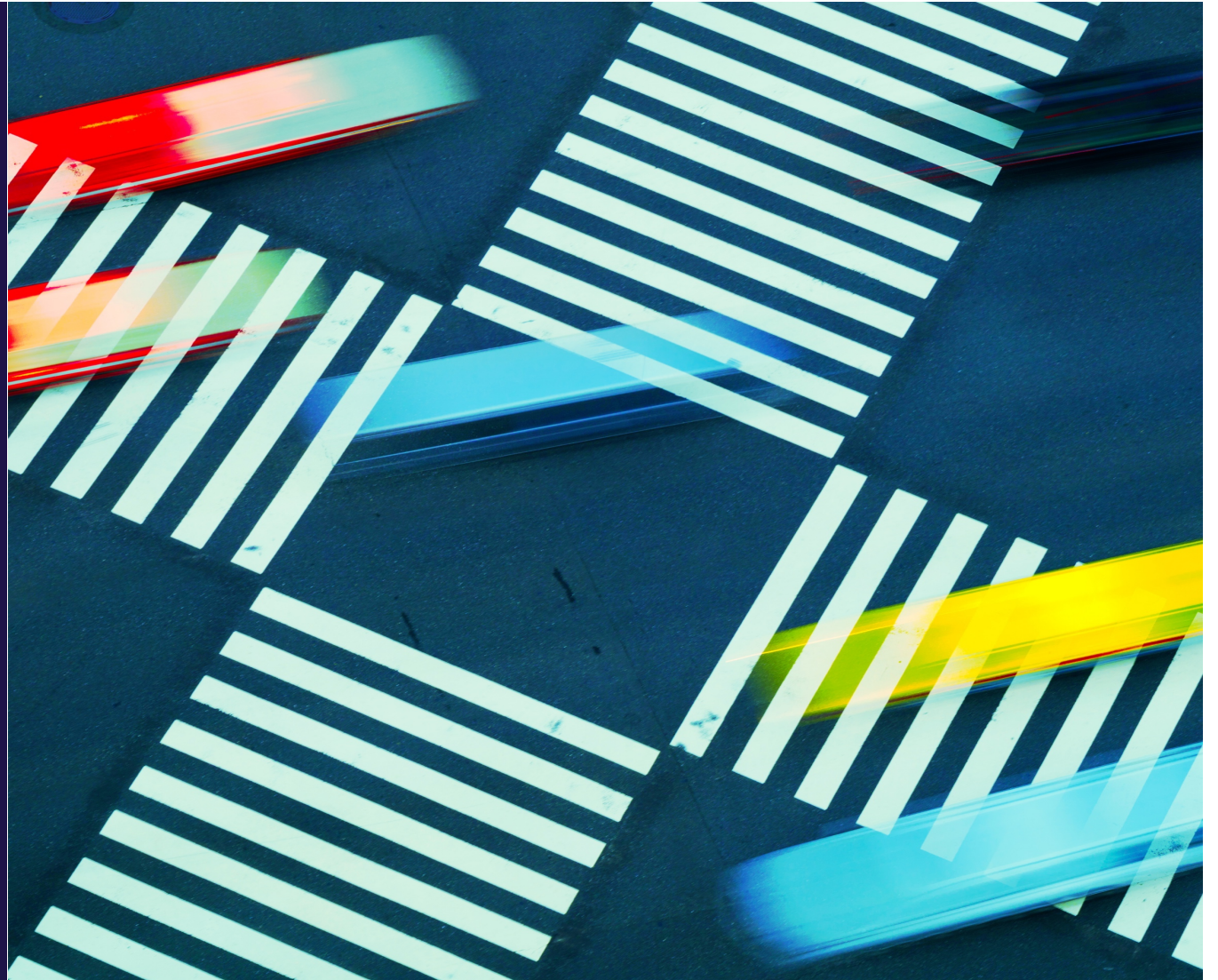


This segment less likely to be in infrastructure, more likely to be in financial services / manufacturing



3.

The Segments & How to Support Them



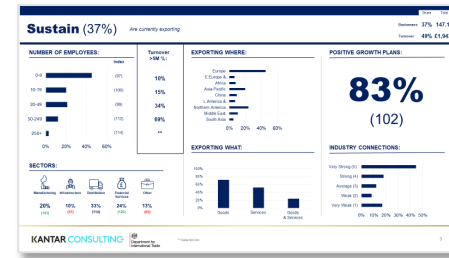
How to interpret the data
on each profile slide

Each segment has been profiled across a number of slides

4 Original Groupings



Each of the 4 high-level groupings (or 'higher order segments') has 2 slides to help us understand it



#1
Data snapshot of businesses in the 'Sustain' group



#2
What segments the 'Sustain' group contains, what makes them different and how to engage them

11 Segments



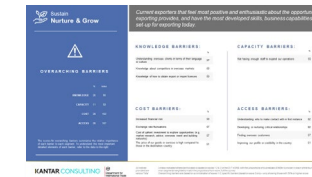
Each of the 11 segments has 4 slides to help us understand them



#1
Overview of the whole segment



#2
Data and attitudes relevant to growth and exporting



#3
Segment barriers to exporting



#4
Business capabilities and exporting support needs

FIGURE 7 - Detailed breakdown of what data is available to help understand the segmentation

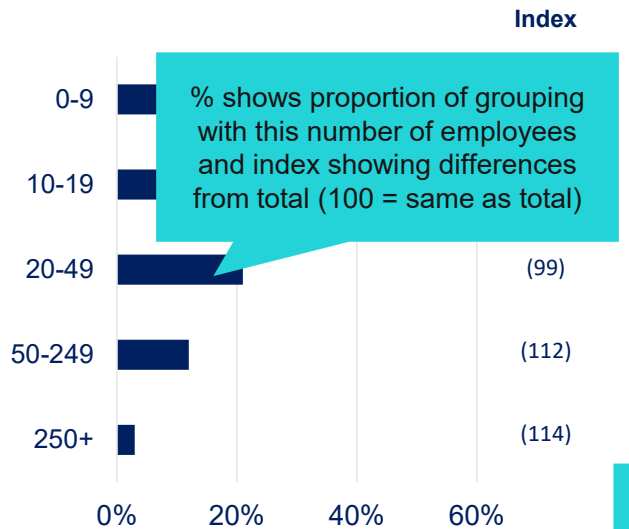
Sustain (35%)

Are currently exporting

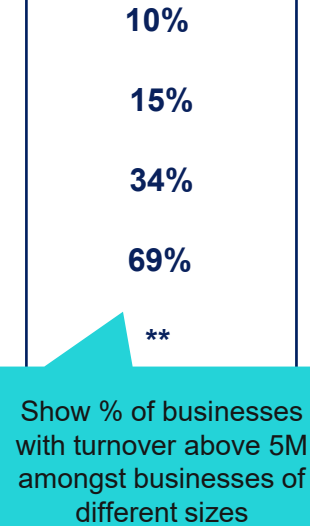
Businesses **35%** 147.1k

Turnover **45%**

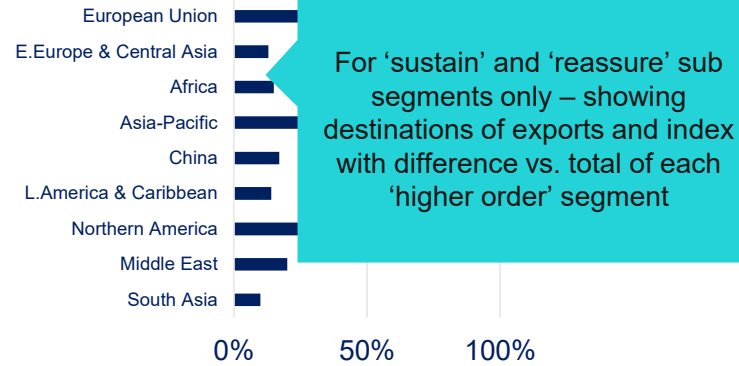
NUMBER OF EMPLOYEES:



Turnover >5M %:

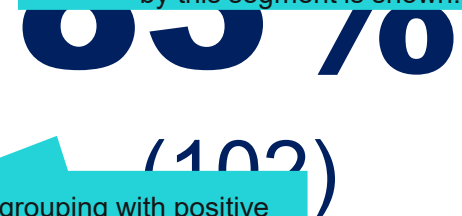


EXPORTING WHERE:



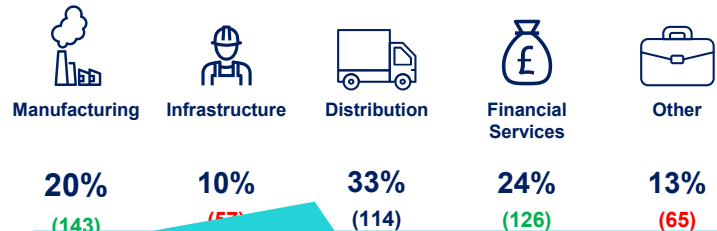
POSITIV

Shows % and number of businesses identified in this segment when applied to known total number of £500k+ businesses.
The approximate turnover of each business in the sample was summed and the % of this total turnover accounted for by this segment is shown.



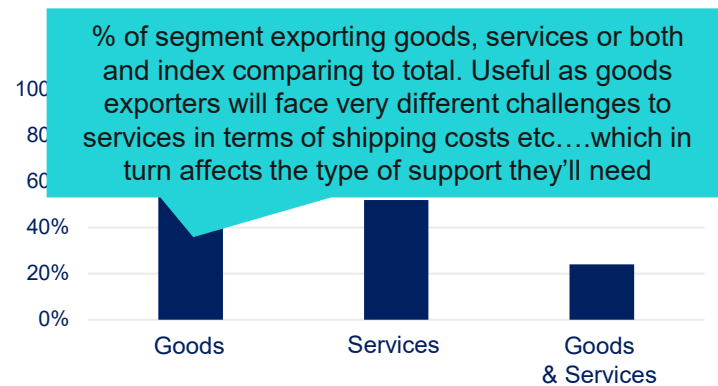
% of grouping with positive growth plans / attitude (based on factor) and index vs. total

SECTORS:

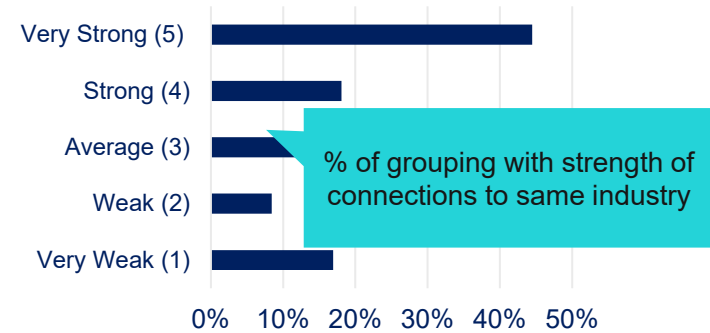


Proportion of segment in each sector and index showing differences from total (100 = same as total)

EXPORTING WHAT:



INDUSTRY CONNECTIONS:



** base too low

Unless indicated otherwise this data is based on waves 1 2 & 3 of the DIT NSRB, with the proportions of businesses (£500k+ turnover) in each of the four main segments weighted to match the proportions from wave 3 of the survey
Some questions (as indicated) are based on wave 3 only due to changes in the questionnaire over time (see technical report for full details)

Footnote: Because the figures shown are derived from %'s based on survey data they are not exact counts and are subject to a certain margin of error. While the figures themselves are not entirely appropriate for the application of conventional error calculations these can be applied to produce an estimate of the margin of error. For example, we are 95% certain that the number of businesses in this segment lies within the range of 147.1k ± 6.4k



Sustain Nurture & Grow

Current exporters that feel most positive and enthusiastic about exporting provides, and have the most developed skills, but are not yet fully set-up for exporting today.

Brief description of what this segment is all about

9%

PROPORTION OF FIRMS THIS SEGMENT REPRESENTS*

40.2k

NUMBER OF FIRMS IN THIS SEGMENT*

Share of total business and number this equates to and share over total turnover and what this equates to – interesting to compare to inform how to engage (more vs. fewer businesses) and likely impact of activities (share of turnover)

REPRESENT*

£14m

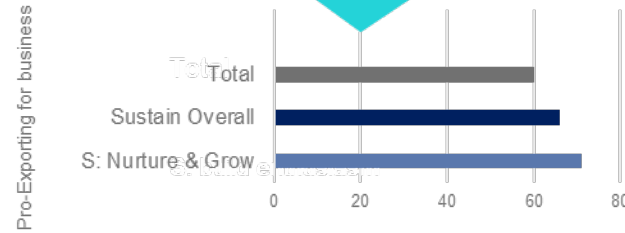
AVERAGE TURNOVER PER BUSINESS

Calculated from the total approximate turnover value of companies classified in this segment within the survey

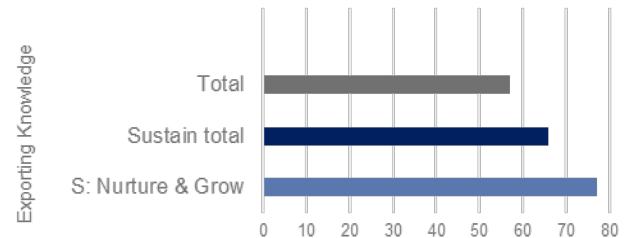
WHAT DEFINES THEM:

More positive about exporting, not just current exporters but UK exporters overall

Key areas (factors) which define the segment showing differences from Total and Grouping / Higher-order segment



Most knowledgeable about exporting, not just amongst other current exporters but UK businesses overall



HOW TO ENGAGE:

These businesses are the golden standard for exporting, so they could potentially be used to inspire others.

ENHANCE

Improve market conditions for exporting (e.g. provide competitive export finance, encourage foreign consumers and businesses to buy British etc.)

MATCH

Help them understand who to make contact with in first instance, and help them develop / nurture critical relationships

Initial thoughts on the policy prescriptions for this segment and what DIT capabilities would be most relevant

All indices provided are versus Total

Unless indicated otherwise this data is based on waves 1 2 & 3 of the DIT NSRB, with the proportions of businesses (£500k+ turnover) in each of the four main segments weighted to match the proportions from wave 3 of the survey. Some questions (as indicated) are based on wave 3 only due to changes in the questionnaire over time (see technical report for full details)

POSITIVE GROWTH PLANS:



% of grouping with positive growth plans / attitude (based on factor) and index vs. total

This score summarises the business' attitude to growth – a combination of a question regarding planned growth trajectory (fast, slow or not at all) and whether there are specific plans to grow in the next 2-3 years.

Current exporters that feel most positive and enthusiastic about the opportunities

Attitudes to exporting amongst businesses in this segment:

The % shows what proportion of businesses in this segment agree with the given statement. The index shows how this compares versus businesses in all other segments. If index is 100, then this segment agrees with the statement as much as any other segment (irrespective of whether the % is high or low.) If index is higher than 100 – that means this segment is more likely than businesses in other segments to agree with this statement. If index is below 100, then this segment agrees with a particular statement less than businesses in other segments. The further away from 100 the index is, the stronger that relationship is.

	% agreement	Index
There is a lot of support available to help small and medium businesses start exporting	64	123
There is a lot of opportunity for my business to grow internationally	93	132
International growth is an exciting prospect for my business	93	130
Exporting would give my business the opportunity for higher or faster growth	93	125
I currently have good knowledge on how to export	76	133
More and more businesses like mine are starting to export	71	125
A lot more businesses could export than do export	85	115
There is a lot of demand for British products or services around the world	87	111
Being a successful exporter is something to be proud of	96	108
Too many risks in taking the business internationally	23	57
There would not be enough demand for my business overseas to make it worth the effort	7	23

Index above 120 means businesses in this segment agree with these statements much more than all other businesses

Index below 80 means businesses in this segment agree with these statements much less than other businesses

All indices provided are versus Total

Unless indicated otherwise this data is based on waves 1 2 & 3 of the DIT NSRB, with the proportions of businesses (£500k+ turnover) in each of the four main segments weighted to match the proportions from wave 3 of the survey. Some questions (as indicated) are based on wave 3 only due to changes in the questionnaire over time (see technical report for full details)

Current exporters that feel most positive and enthusiastic about the opportunities exporting provides, and have the most developed skills, business capabilities and set-up for exporting today.

OVER-ARCHING BARRIERS:



Overarching barriers to exporting summarise the relative importance of each barrier to each segment. Indices show how this compares to other segments

	100	200
KNOWLEDGE	11	72
CAPACITY	11	72
COST	28	102
ACCESS	26	107

The scores for overarching barriers summarise the relative importance of each barrier to each segment. To understand the most important detailed elements of each barrier, refer to the data to the right.

KNOWLEDGE BARRIERS:

	% agreement
Understanding overseas clients in terms of their language or culture	57
Knowledge about competitors in overseas markets	50
Knowledge of how to obtain export or import licences	50

COST BARRIERS:

	% agreement
Increased financial risk	59
Exchange rate fluctuations	57
Cost of upfront investment to explore opportunities (e.g. market research, advice, overseas travel and building networks)	57
The price of our goods or services is high compared to those in the destination country	51

CAPACITY BARRIERS:

	% agreement
Not having enough staff to expand our operations	55

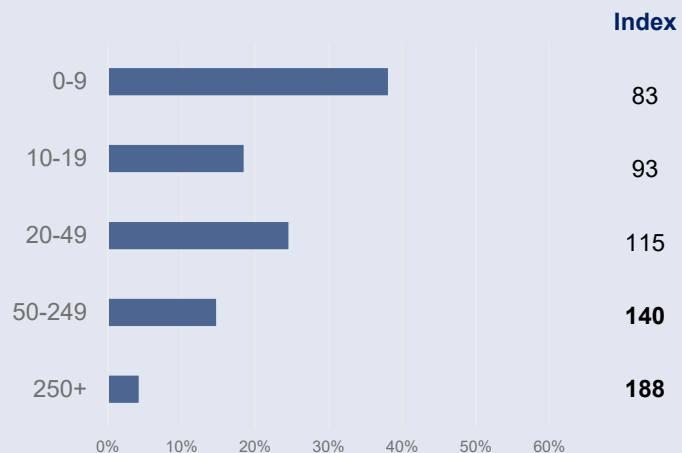
To understand the most important detailed elements of each barrier, refer to the data to the right

ACCESS BARRIERS:

	% agreement
Understanding who to make contact with in first instance	62
Developing or nurturing critical relationships	62
Finding overseas customers	57
Improving our profile or credibility in the country	51

Current exporters that feel most positive and enthusiastic about the opportunities exporting provides, and have the most developed skills, business capabilities and set-up for exporting today.

NUMBER OF EMPLOYEES:



% shows proportion of segment with this number of employees and index showing differences from total (100 = same as total)

Index shows differences from total (100 = same as total)

BUSINESS CAPABILITIES:

	% agreement	Index
Applied for or obtained any patents, trademarks or other legal protection for any of your products or services	56	279
UK based employees engaged in Research and Development or new product or service development activity	85	242
An overseas target	61	353
Whether have introduced new products or services in past 12 months	85	159
A written business plan	74	120
Owner / manager with a degree	82	135
People with foreign language skills	66	151
Owner / manager born overseas	30	152
		130
		128

Business capabilities (specific statements) – selected and ranked based on differentiation vs. ‘higher order’ segment – but showing indices vs. total overall for consistency

SUPPORT NEEDS:

	% agreement	Index
My business has enough capability to undertake a market research study	51	118
My business has enough managerial time to focus on exporting	76	132
My business has enough capability to assess international competition for your product or service	75	130
My business has enough capability to develop an export business plan	75	120

SUPPORT ATTITUDES:

	% agreement	Index
My business would be interested in information and business support services to assist me with exporting	72	208
I have heard of or visited the Exporting is Great site at great.gov.uk	26	256
	77	137
	79	135

Support needs and attitudes (specific statements) – selected and ranked based on differentiation vs. ‘higher order’ segment – but showing indices vs. total overall for consistency

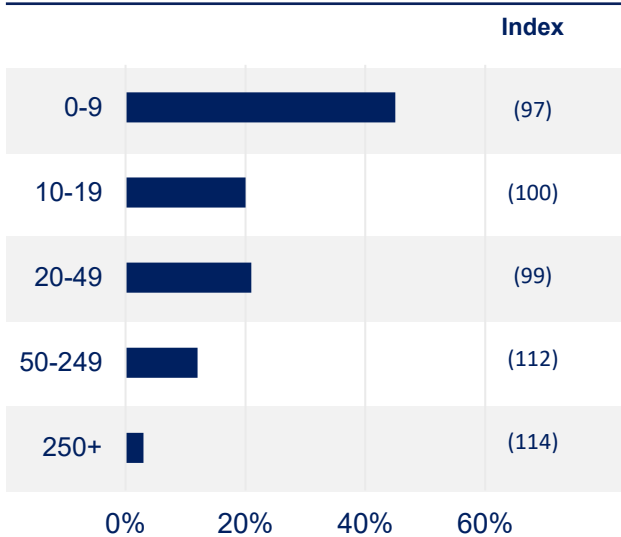
Segment Profiles

Sustain (35%) *Are currently exporting*

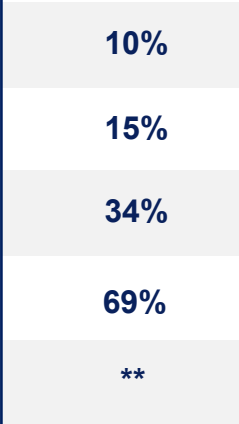
Businesses **35%** 147.1k

Turnover **45%**

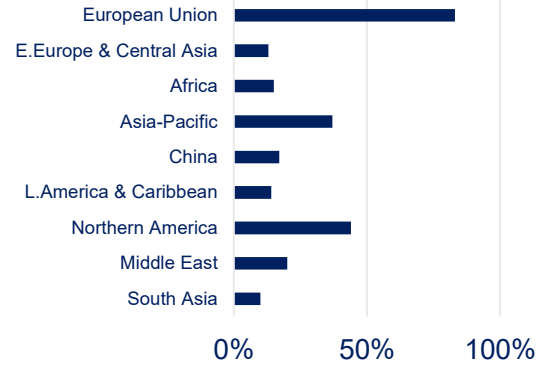
NUMBER OF EMPLOYEES



Turnover >5M %:



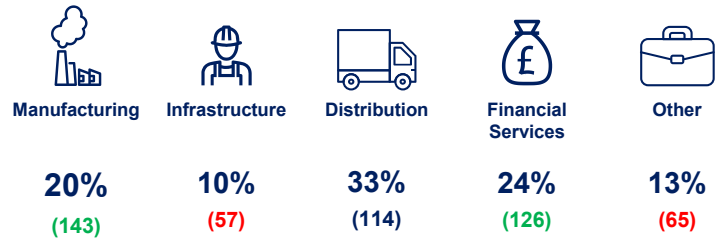
EXPORTING WHERE



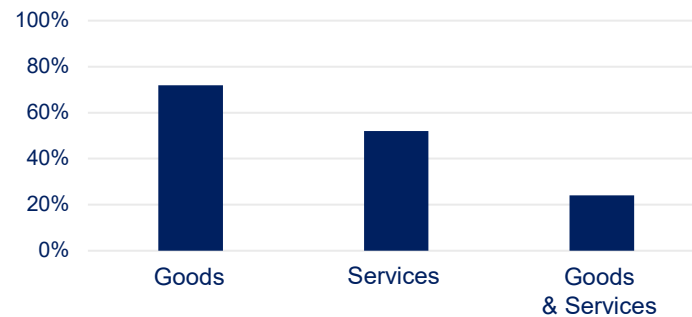
POSITIVE GROWTH PLANS

83%
(102)

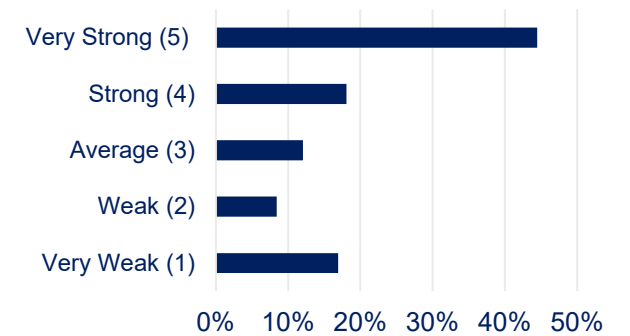
SECTORS



EXPORTING WHAT



INDUSTRY CONNECTIONS



** base too low Unless indicated otherwise this data is based on waves 1 2 & 3 of the DIT NSRB, with the proportions of businesses (£500k+ turnover) in each of the four main segments weighted to match the proportions from wave 3 of the survey Some questions (as indicated) are based on wave 3 only due to changes in the questionnaire over time (see technical report for full details)

Sustain (35%) *Are currently exporting*

Businesses **35%** 147.1kTurnover **45%**

The majority of businesses currently exporting need support to ensure they successfully continue doing so in the future.

Only one of the four segments (Nurture & Grow) is fully set up to remain a sustainable exporter.

The other three all have a different set of challenges, but there is ample room to help them with resolving these.



Sustain
Nurture & Grow (9%)

Current exporters that feel most positive and enthusiastic about the opportunities exporting provides, and have the most developed skills, business capabilities and set-up for exporting today.



How to engage:

- These businesses are the golden standard for exporting, so they could potentially be used to inspire others.
- Improve market conditions for exporting (e.g. provide competitive export finance, encourage foreign consumers and businesses to buy British etc.) (**Enhance**)
- Help them understand who to make contact with in first instance, and help them develop / nurture critical relationships (**Match**)



Sustain
Develop Export Capability (9%)

Current exporters that are very positive about the future of exporting, but with room for improvement in their knowledge around it. Open to support, but often don't know where to turn for it.



How to engage:

- This group are likely to be some of the most receptive for any support provided by DIT or partners.
- Provide info on how to export e.g. obtaining export / import licences, legal / tax / tariff issues, cultural understanding of overseas clients etc. (**Build**)
- Help them understand who to make contact with in first instance, develop & nurture key relationships, find overseas customers etc. (**Match**)



Sustain
Communicate Benefits (7%)

Whilst they are currently exporting, these businesses do not view it as a priority for future growth as they believe there is limited demand for their goods or services abroad.



How to engage:

- They are not interested in information or business support services to assist me with exporting. From their point of view it simply does not make commercial sense – they believe there is not enough demand for their goods / services abroad to justify the cost
- Improve market conditions for exporting (e.g. provide competitive export finance, encourage foreign consumers and businesses to buy British etc.) (**Enhance**)



Sustain
Increase Competitiveness (9%)

Current exporters confident in their business & exporting capabilities, with little interest in government support. However, they have a significant blind spot – limited investment in innovation means they risk being outcompeted.



How to engage:

- Avoid educating them about exporting – they feel confident in their knowledge of this area, so are not likely to be receptive
- Instead, educate them about the value of innovation in the context of global market competition (**Inform**) and help them expand their own innovation capabilities (**Build**)

Current exporters that feel most positive and enthusiastic about the opportunities exporting provides, and have the most developed skills, business capabilities and set-up for exporting today.

9% PROPORTION OF FIRMS THIS SEGMENT REPRESENTS*

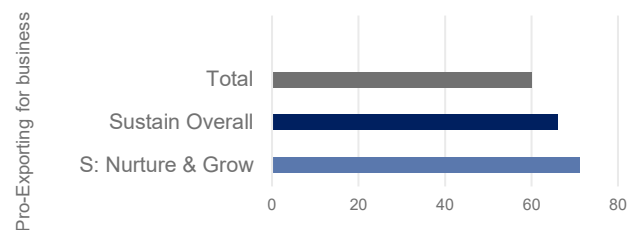
40.2k NUMBER OF FIRMS IN THIS SEGMENT*

13% SHARE OF TURNOVER AMONGST THESE FIRMS REPRESENT*

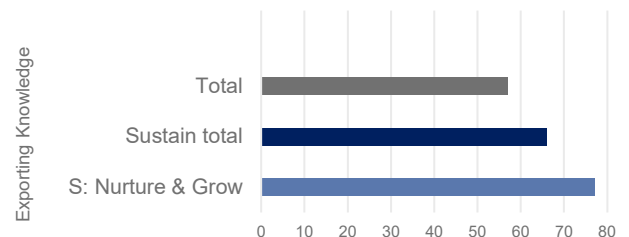
£14m AVERAGE TURNOVER PER BUSINESS

WHAT DEFINES THEM:

More positive about the business benefits of exporting, not just amongst other current exporters but UK businesses overall



Most knowledgeable about exporting, not just amongst other current exporters but UK businesses overall



HOW TO ENGAGE:

These businesses are the golden standard for exporting, so they could potentially be used to inspire others.

ENHANCE Improve market conditions for exporting (e.g. provide competitive export finance, encourage foreign consumers and businesses to buy British etc.)

MATCH Help them understand who to make contact with in first instance, and help them develop / nurture critical relationships

*Amongst UK businesses with £500k+ turnover

All indices provided are versus Total
Unless indicated otherwise this data is based on waves 1 2 & 3 of the DIT NSRB, with the proportions of businesses (£500k+ turnover) in each of the four main segments weighted to match the proportions from wave 3 of the survey
Some questions (as indicated) are based on wave 3 only due to changes in the questionnaire over time (see technical report for full details)

Current exporters that feel most positive and enthusiastic about the opportunities exporting provides, and have the most developed skills, business capabilities and set-up for exporting today.

POSITIVE GROWTH PLANS:



This score summarises the business' attitude to growth – a combination of a question regarding planned growth trajectory (fast, slow or not at all) and whether there are specific plans to grow in the next 2-3 years.

ATTITUDES TOWARDS EXPORTING:

	% agreement	Index
There is a lot of support available to help small and medium businesses start exporting	64	123
There is a lot of opportunity for my business to grow internationally	93	132
International growth is an exciting prospect for my business	93	130
Exporting would give my business the opportunity for higher or faster growth	93	125
I currently have good knowledge on how to export	76	133
More and more businesses like mine are starting to export	71	125
A lot more businesses could export than do export	85	115
There is a lot of demand for British products or services around the world	87	111
Being a successful exporter is something to be proud of	96	108
Too many risks in taking the business internationally	23	57
There would not be enough demand for my business overseas to make it worthwhile	7	23

Current exporters that feel most positive and enthusiastic about the opportunities exporting provides, and have the most developed skills, business capabilities and set-up for exporting today.

OVER-ARCHING BARRIERS:



	%	Index
KNOWLEDGE	26	99
CAPACITY	11	72
COST	28	102
ACCESS	26	107

The scores for overarching barriers summarise the relative importance of each barrier to each segment. To understand the most important detailed elements of each barrier, refer to the data to the right.

KNOWLEDGE BARRIERS:

	% agreement
Understanding overseas clients in terms of their language or culture	57
Knowledge about competitors in overseas markets	50
Knowledge of how to obtain export or import licences	50

COST BARRIERS:

	% agreement
Increased financial risk	59
Exchange rate fluctuations	57
Cost of upfront investment to explore opportunities (e.g. market research, advice, overseas travel and building networks)	57
The price of our goods or services is high compared to those in the destination country	51

CAPACITY BARRIERS:

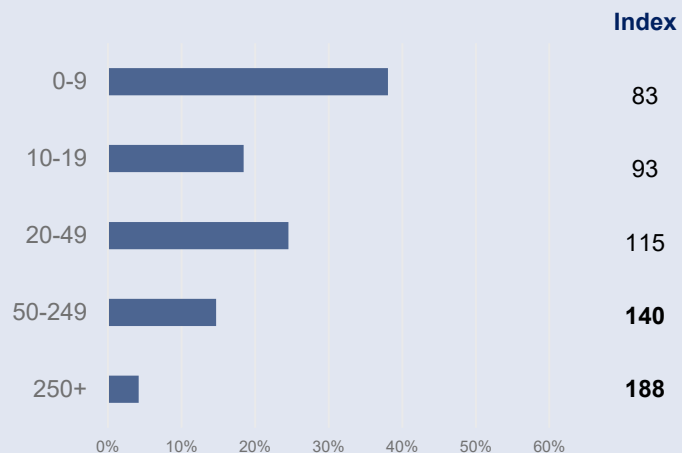
	% agreement
Not having enough staff to expand our operations	55

ACCESS BARRIERS:

	% agreement
Understanding who to make contact with in first instance	62
Developing or nurturing critical relationships	62
Finding overseas customers	57
Improving our profile or credibility in the country	51

Current exporters that feel most positive and enthusiastic about the opportunities exporting provides, and have the most developed skills, business capabilities and set-up for exporting today.

NUMBER OF EMPLOYEES:



BUSINESS CAPABILITIES:

	% agreement	Index
Applied for or obtained any patents, trademarks or other legal protection for any of your products or services	56	279
UK based employees engaged in Research and Development or new product or service development activity	85	242
An overseas target	61	353
Whether have introduced new products or services in past 12 months	85	159
A written business plan	74	120
Owner / manager with a degree	82	135
People with foreign language skills	66	151
Owner / manager born overseas	30	152
A finance team	76	130
Connections with other businesses	83	128

SUPPORT NEEDS:

	% agreement	Index
My business has enough capability to undertake a market research study	51	118
My business has enough managerial time to focus on exporting	76	132
My business has enough capability to assess international competition for your product or service	75	130
My business has enough capability to develop an export business plan	75	120

SUPPORT ATTITUDES:

	% agreement	Index
My business would be interested in information and business support services to assist me with exporting	72	208
I have heard of or visited the Exporting is Great site at great.gov.uk	26	256
I have good knowledge about where to go for help and support with exporting	77	137
I have good knowledge about where to go for information about exporting	79	135



Sustain
Develop
Export Capability

9%

PROPORTION OF FIRMS THIS SEGMENT REPRESENTS*

39.2k

NUMBER OF FIRMS IN THIS SEGMENT*

11%

SHARE OF TURNOVER AMONGST THESE FIRMS REPRESENT*

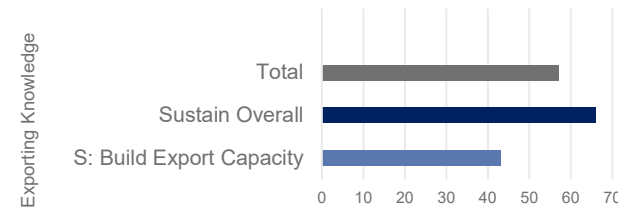
£12m

AVERAGE TURNOVER PER BUSINESS

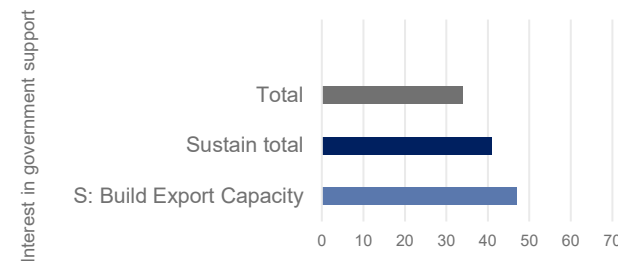
Current exporters that are very positive about the future of exporting, but there is room for improvement in their knowledge around it. Open to receiving support, but often don't know where to turn for it.

WHAT DEFINES THEM:

Even though they are currently exporting, these businesses have relatively little knowledge about how to do so.



That said, they are fully aware of their knowledge gap and would welcome government support when it comes to exporting.



HOW TO ENGAGE:

This group are likely to be some of the most receptive for any support provided by DIT or partners.



Provide information on how to export e.g. obtaining export or import licences, legal / tax / tariff issues, cultural understanding of overseas clients etc.



Help them understand who to make contact with in first instance, develop & nurture key relationships, find overseas customers etc.

*Amongst UK businesses with £500k+ turnover

All indices provided are versus Total
Unless indicated otherwise this data is based on waves 1 2 & 3 of the DIT NSRB, with the proportions of businesses (£500k+ turnover) in each of the four main segments weighted to match the proportions from wave 3 of the survey
Some questions (as indicated) are based on wave 3 only due to changes in the questionnaire over time (see technical report for full details)



Current exporters that are very positive about the future of exporting, but there is room for improvement in their knowledge around it. Open to receiving support, but often don't know where to turn for it.

POSITIVE GROWTH PLANS:



This score summarises the business' attitude to growth – a combination of a question regarding planned growth trajectory (fast, slow or not at all) and whether there are specific plans to grow in the next 2-3 years.

ATTITUDES TOWARDS EXPORTING:

	% agreement	Index
Exporting would give my business the opportunity for higher or faster growth	90	121
There is a lot of opportunity for my business to grow internationally	86	122
International growth is an exciting prospect for my business	88	123
A lot more businesses could export than do export	79	108
More and more businesses like mine are starting to export	66	115
Being a successful exporter is something to be proud of	92	104
There is a lot of demand for British products or services around the world	81	104
I currently have good knowledge on how to export	57	98
There is a lot of support available to help small and medium businesses start exporting	37	71
Too many risks in taking the business internationally	40	99
There would not be enough demand for my business overseas to make it worthwhile	14	50



Current exporters that are very positive about the future of exporting, but there is room for improvement in their knowledge around it. Open to receiving support, but often don't know where to turn for it.

OVER-ARCHING BARRIERS:



	%	Index
KNOWLEDGE	30	115
CAPACITY	10	62
COST	25	89
ACCESS	27	113

The scores for overarching barriers summarise the relative importance of each barrier to each segment. To understand the most important detailed elements of each barrier, refer to the data to the right.

KNOWLEDGE BARRIERS:

	% agreement
Knowledge of how to obtain export or import licences	81
Knowledge of other legal issues	71
Understanding overseas clients in terms of their language or culture	63
Knowledge of customs and tariffs	60
Knowledge of tax issues	60
Knowledge of how to develop an export business plan	59
Knowledge about competitors in overseas markets	55
Knowledge of international standards which your products or services have to conform to	52

COST BARRIERS:

	% agreement
Exchange rate fluctuations	81
Transportation costs from the UK to the destination country	65
Increased financial risk	64
The price of our goods or services is high compared to those in the destination country	57
Cost of upfront investment to explore opportunities (e.g. market research, advice, overseas travel and building networks)	55

CAPACITY BARRIERS:

	% agreement
Not having enough managerial time to focus on internationalisation	61
Not having the capability to undertake a market research study	60
Not having suitably trained staff	51

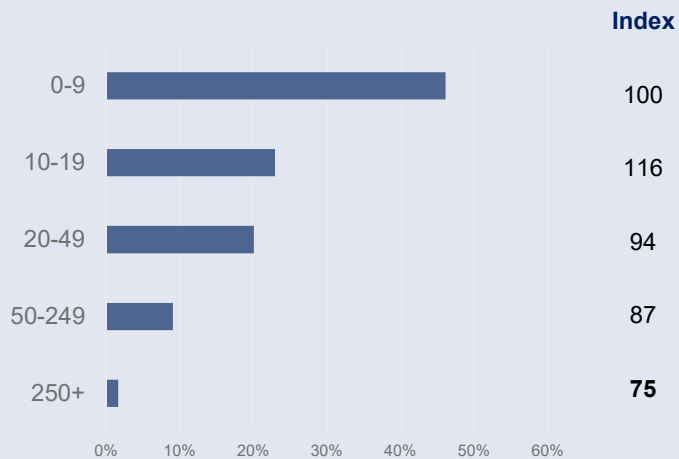
ACCESS BARRIERS:

	% agreement
Understanding who to make contact with in first instance	77
Developing or nurturing critical relationships	66
Finding overseas customers	63
Identifying opportunities to export	63
Improving our profile or credibility in the country	60



Current exporters that are very positive about the future of exporting, but there is room for improvement in their knowledge around it. Open to receiving support, but often don't know where to turn for it.

NUMBER OF EMPLOYEES:



BUSINESS CAPABILITIES:

	% agreement	index
Whether have introduced new products or services in past 12 months	69	129
Connections with other businesses	77	120
Owner / manager with a degree	73	121
UK based employees engaged in Research and Development or new product or service development activity	56	160
A written business plan	62	101
A finance team	66	111
Owner / manager born overseas	25	127
People with foreign language skills	54	124
An overseas target	38	220
Applied for or obtained any patents, trademarks or other legal protection for any of your products or services	29	144

SUPPORT NEEDS:

	% agreement	Index
My business has enough staff capacity to focus on exporting	70	115
My business has enough capability to develop an export business plan	66	105
The staff in my business have enough skills to focus on exporting	74	101
My business has enough capability to assess international competition for your product or service	63	110

SUPPORT ATTITUDES:

	% agreement	Index
My business would be interested in information and business support services to assist me with exporting	48	138
I have heard of or visited the Exporting is Great site at great.gov.uk	13	124
I have good knowledge about where to go for information about exporting	39	67
I have good knowledge about where to go for help and support with exporting	34	61

All indices provided are versus Total

Unless indicated otherwise this data is based on waves 1 2 & 3 of the DIT NSRB, with the proportions of businesses (£500k+ turnover) in each of the four main segments weighted to match the proportions from wave 3 of the survey. Some questions (as indicated) are based on wave 3 only due to changes in the questionnaire over time (see technical report for full details)



Sustain

Communicate Benefits

7%

PROPORTION OF FIRMS THIS SEGMENT REPRESENTS*

27.9k

NUMBER OF FIRMS IN THIS SEGMENT*

6%

SHARE OF TURNOVER AMONGST THESE FIRMS REPRESENT*

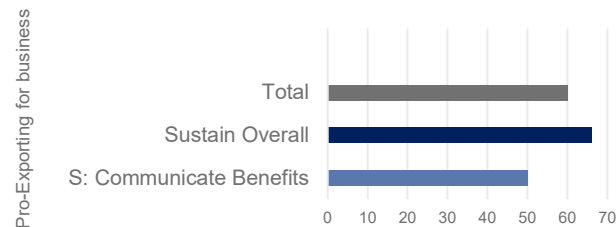
£9m

AVERAGE TURNOVER PER BUSINESS

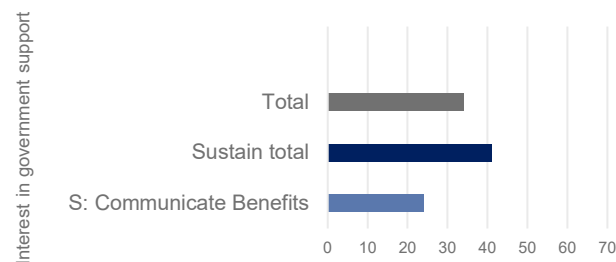
Whilst they are currently exporting, these businesses do not view it as a priority for future growth as they believe there is limited demand for their goods or services abroad.

WHAT DEFINES THEM:

Limited enthusiasm for exporting – despite the fact they are currently doing so



Limited interest in government support – not just compared to other exporters, but businesses overall



HOW TO ENGAGE:

They are not interested in information or business support services to assist them with exporting. From their point of view it simply does not make commercial sense – they believe there is not enough demand for their goods / services abroad to justify the cost of exporting.

ENHANCE

Improve market conditions for exporting (e.g. provide competitive export finance, encourage foreign consumers and businesses to buy British etc.)

*Amongst UK businesses with £500k+ turnover

All indices provided are versus Total
Unless indicated otherwise this data is based on waves 1 2 & 3 of the DIT NSRB, with the proportions of businesses (£500k+ turnover) in each of the four main segments weighted to match the proportions from wave 3 of the survey
Some questions (as indicated) are based on wave 3 only due to changes in the questionnaire over time (see technical report for full details)



Sustain

Communicate Benefits

Whilst they are currently exporting, these businesses do not view it as a priority for future growth as they believe there is limited demand for their goods or services abroad.

POSITIVE GROWTH PLANS:



This score summarises the business' attitude to growth – a combination of a question regarding planned growth trajectory (fast, slow or not at all) and whether there are specific plans to grow in the next 2-3 years.

ATTITUDES TOWARDS EXPORTING:

	% agreement	Index
There would not be enough demand for my business overseas to make it worthwhile	54	192
There are too many risks in taking a business internationally	55	137
There is a lot of support available to help small and medium businesses start exporting	52	98
Being a successful exporter is something to be proud of	81	92
A lot more businesses could export than do export	67	91
There is a lot of demand for British products or services around the world	70	89
I currently have good knowledge on how to export	59	103
More and more businesses like mine are starting to export	45	79
Exporting would give my business the opportunity for higher or faster growth	57	77
International growth is an exciting prospect for my business	49	68
There is a lot of opportunity for my business to grow internationally	44	62

All indices provided are versus Total

Unless indicated otherwise this data is based on waves 1 2 & 3 of the DIT NSRB, with the proportions of businesses (£500k+ turnover) in each of the four main segments weighted to match the proportions from wave 3 of the survey. Some questions (as indicated) are based on wave 3 only due to changes in the questionnaire over time (see technical report for full details)



Whilst they are currently exporting, these businesses do not view it as a priority for future growth as they believe there is limited demand for their goods or services abroad.

OVER-ARCHING BARRIERS:



	%	Index
KNOWLEDGE	24	92
CAPACITY	9	61
COST	36	128
ACCESS	19	77

The scores for overarching barriers summarise the relative importance of each barrier to each segment. To understand the most important detailed elements of each barrier, refer to the data to the right.

KNOWLEDGE BARRIERS:

	% agreement
Knowledge of other legal issues	74
Knowledge of how to develop an export business plan	63
Understanding overseas clients in terms of their language or culture	58

COST BARRIERS:

	% agreement
Transportation costs from the UK to the destination country	58
The price of our goods or services is high compared to those in the destination country	57
Exchange rate fluctuations	56
Costs related to complying with standards in the destination country	53

CAPACITY BARRIERS:

No barrier related to Capacity scores above 50%)

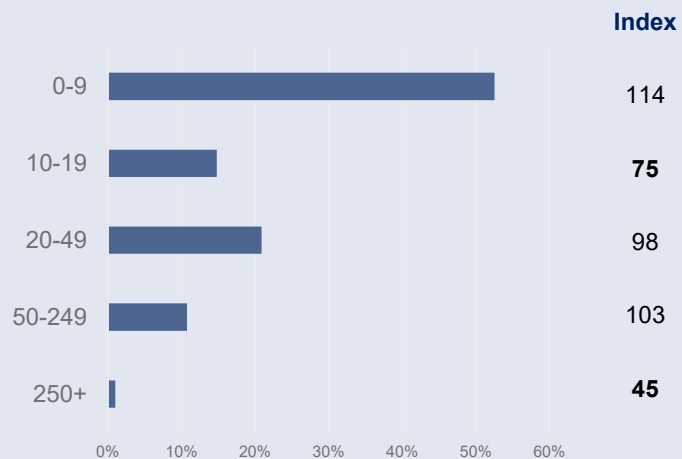
ACCESS BARRIERS:

	% agreement
Understanding who to make contact with in first instance	71
Identifying opportunities to export	60
Finding overseas customers	58



Whilst they are currently exporting, these businesses do not view it as a priority for future growth as they believe there is limited demand for their goods or services abroad.

NUMBER OF EMPLOYEES:



BUSINESS CAPABILITIES:

	% agreement	Index
A finance team	58	99
Connections with other businesses	62	96
A written business plan	51	83
Whether have introduced new products or services in past 12 months	52	97
Owner / manager with a degree	57	94
People with foreign language skills	41	96
UK based employees engaged in Research and Development or new product or service development activity	37	105
Owner / manager born overseas	16	82
Applied for or obtained any patents, trademarks or other legal protection for any of your products or services	19	95
An overseas target	16	96

SUPPORT NEEDS:

	% agreement	Index
My business has enough capability to assess the cost of exporting (costing products, taxes, transport etc)	75	103
My business has enough staff capacity to focus on exporting	65	106
My business has enough managerial time to focus on exporting	60	104
The staff in my business have enough skills to focus on exporting	67	91

SUPPORT ATTITUDES:

	% agreement	Index
I have good knowledge about where to go for information about exporting	62	106
I have good knowledge about where to go for help and support with exporting	58	104
My business would be interested in information and business support services to assist me with exporting	24	70
I have heard of or visited the Exporting is Great site at great.gov.uk	8	78

All indices provided are versus Total

Unless indicated otherwise this data is based on waves 1 2 & 3 of the DIT NSRB, with the proportions of businesses (£500k+ turnover) in each of the four main segments weighted to match the proportions from wave 3 of the survey. Some questions (as indicated) are based on wave 3 only due to changes in the questionnaire over time (see technical report for full details)



Sustain Increase Competitiveness

9%

PROPORTION OF FIRMS THIS SEGMENT REPRESENTS*

39.9k

NUMBER OF FIRMS IN THIS SEGMENT*

16%

SHARE OF TURNOVER AMONGST THESE FIRMS REPRESENT*

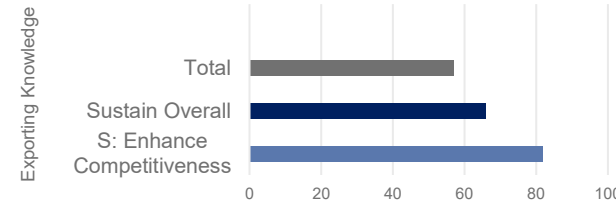
£17m

AVERAGE TURNOVER PER BUSINESS

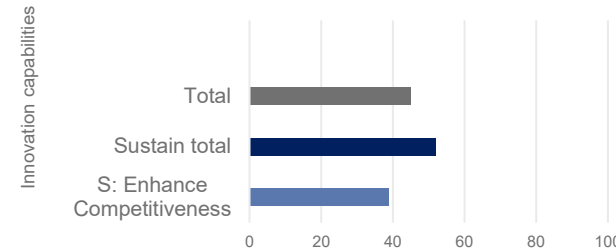
Current exporters confident in their business & exporting capabilities, with little interest in government support. However, they have a significant blind spot – limited investment in innovation means they risk being outcompeted.

WHAT DEFINES THEM:

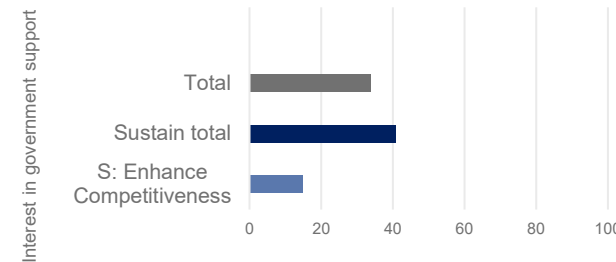
Confidence in their own exporting knowledge



Limited innovation focus or capabilities



Little interest in government support – they feel they have it all in hand



HOW TO ENGAGE:

Given these businesses' self-confidence in their own exporting knowledge and capabilities, they are not likely to be receptive to communication on *how to export*. However, their main weakness is lack of innovation.

INFORM

Educate these firms about the necessity to innovate in order to remain competitive in the global context

BUILD

Provide these firms with information and support to help them expand their innovation capabilities

*Amongst UK businesses with £500k+ turnover

All indices provided are versus Total
Unless indicated otherwise this data is based on waves 1 2 & 3 of the DIT NSRB, with the proportions of businesses (£500k+ turnover) in each of the four main segments weighted to match the proportions from wave 3 of the survey
Some questions (as indicated) are based on wave 3 only due to changes in the questionnaire over time (see technical report for full details)



Current exporters confident in their business & exporting capabilities, with little interest in government support. However, they have a significant blind spot – limited investment in innovation means they risk being outcompeted.

POSITIVE GROWTH PLANS:



This score summarises the business' attitude to growth – a combination of a question regarding planned growth trajectory (fast, slow or not at all) and whether there are specific plans to grow in the next 2-3 years.

ATTITUDES TOWARDS EXPORTING:

	% agreement	Index
There is a lot of support available to help small and medium businesses start exporting	64	123
I currently have good knowledge on how to export	81	141
More and more businesses like mine are starting to export	71	125
International growth is an exciting prospect for my business	90	126
There is a lot of opportunity for my business to grow internationally	88	125
Exporting would give my business the opportunity for higher or faster growth	87	118
There is a lot of demand for British products or services around the world	84	108
Being a successful exporter is something to be proud of	92	104
A lot more businesses could export than do export	78	105
Too many risks in taking the business internationally	19	48
There would not be enough demand for my business overseas to make it worthwhile	7	26

All indices provided are versus Total

Unless indicated otherwise this data is based on waves 1 2 & 3 of the DIT NSRB, with the proportions of businesses (£500k+ turnover) in each of the four main segments weighted to match the proportions from wave 3 of the survey
 Some questions (as indicated) are based on wave 3 only due to changes in the questionnaire over time (see technical report for full details)



Current exporters confident in their business & exporting capabilities, with little interest in government support. However, they have a significant blind spot – limited investment in innovation means they risk being outcompeted.

OVER-ARCHING BARRIERS:



	%	Index
KNOWLEDGE	14	55
CAPACITY	7	48
COST	19	68
ACCESS	14	58

The scores for overarching barriers summarise the relative importance of each barrier to each segment. To understand the most important detailed elements of each barrier, refer to the data to the right.

KNOWLEDGE BARRIERS:

No barrier related to Knowledge scores above 50%)

CAPACITY BARRIERS:

	% agreement
Not having enough staff to expand our operations	54
Not having enough managerial time to focus on internationalisation	50

COST BARRIERS:

	% agreement
The price of our goods or services is high compared to those in the destination country	69
Exchange rate fluctuations	66
Transportation costs from the UK to the destination country	60
Increased financial risk	58
Border costs such as tariffs and customs fees	56

ACCESS BARRIERS:

	% agreement
Understanding who to make contact with in first instance	62
Finding overseas customers	50

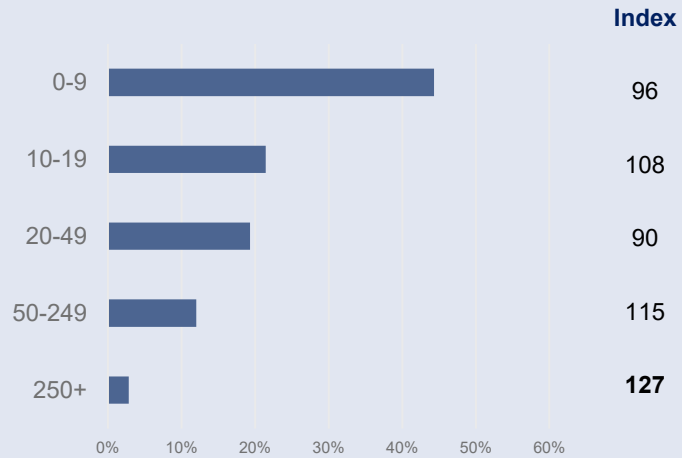
All indices provided are versus Total

*Unless indicated otherwise this data is based on waves 1 2 & 3 of the DIT NSRB, with the proportions of businesses (£500k+ turnover) in each of the four main segments weighted to match the proportions from wave 3 of the survey
Overarching barriers are based on a combination of waves 1-3, specific barriers based on wave 3 only – only showing those with 50% or higher score*



Current exporters confident in their business & exporting capabilities, with little interest in government support. However, they have a significant blind spot – limited investment in innovation means they risk being outcompeted.

NUMBER OF EMPLOYEES:



BUSINESS CAPABILITIES:

	% agreement	Index
Owner / manager born overseas	32	167
An overseas target	50	289
People with foreign language skills	66	151
A finance team	71	120
A written business plan	64	105
Connections with other businesses	75	115
Owner / manager with a degree	70	116
Whether have introduced new products or services in past 12 months	50	93
UK based employees engaged in Research and Development or new product or service development activity	43	123
Applied for or obtained any patents, trademarks or other legal protection for any of your products or services	24	119

SUPPORT NEEDS:

	% agreement	Index
My business has enough capability to undertake a market research study	58	135
My business has enough staff capacity to focus on exporting	86	141
The staff in my business have enough skills to focus on exporting	94	128
My business has enough capability to assess international competition for your product or service	81	140

SUPPORT ATTITUDES:

	% agreement	Index
I have good knowledge about where to go for help and support with exporting	81	145
I have good knowledge about where to go for information about exporting	83	141
I have heard of or visited the Exporting is Great site at great.gov.uk	17	167
My business would be interested in information and business support services to assist me with exporting	15	44

All indices provided are versus Total

Unless indicated otherwise this data is based on waves 1 2 & 3 of the DIT NSRB, with the proportions of businesses (£500k+ turnover) in each of the four main segments weighted to match the proportions from wave 3 of the survey. Some questions (as indicated) are based on wave 3 only due to changes in the questionnaire over time (see technical report for full details)

Reassure (7%) *Were previously exporting but haven't in last year*

Businesses 7% 31.4k

Turnover 7%

Amongst lapsed exporters, the segment that is most worth focussing on is 'Nurture & Grow'

Not only is it the biggest in terms of number of businesses, but it also has a higher share of turnover relative to its size. Activation targeted at 'Nurture & Grow' is also likely to be relevant to and effective for 'Develop Export Capability'. The other two segments would require substantially more investment, with limited return potential.

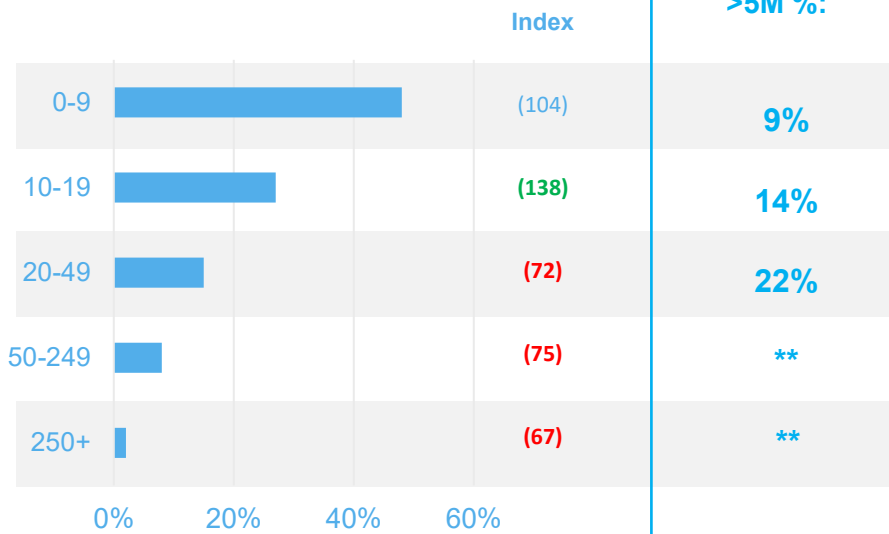
 Reassure Nurture & Grow (2%)	 Reassure Develop Export Capability (2%)	 Reassure Leave Be (1%)	 Reassure Change the Game (2%)
<p>Though they did not export last year, these businesses are eager to do so and feel confident in their capabilities, knowledge and general set-up.</p> <p>▼</p> <p>How to engage:</p> <ul style="list-style-type: none"> • These businesses are set up and eager to go, so only a small nudge may be required to get them 'over the line.' • Key barrier is access to contacts and networks - help fostering these and put them in contact with prospective partners (Match) 	<p>Lapsed exporters that fully recognise the potential of exporting, but do not feel equipped or knowledgeable enough to give it another go.</p> <p>▼</p> <p>How to engage:</p> <ul style="list-style-type: none"> • These businesses would very much welcome exporting support - currently they feel there is not enough of it, and they don't know where to find it. • Provide them with relevant information on foreign markets and the process of international trade (Inform) • Help build & improve their export capabilities (Build) • Support them in arranging for goods or services to be supplied to a particular foreign market (Support) 	<p>Small businesses that used to export, but no longer do so. Not expecting to grow much, have limited business capabilities and no interest in exporting support.</p> <p>▼</p> <p>How to engage:</p> <ul style="list-style-type: none"> • Do not dedicate resource for reaching or engaging these firms – they represent 0% of turnover and are very hard to convert • Provide information on foreign markets and the process of international trade to allow them to make an informed decision (Inform) 	<p>Lapsed exporters that are not interested in learning more about it, as they have already concluded it doesn't make commercial sense for their business.</p> <p>▼</p> <p>How to engage:</p> <ul style="list-style-type: none"> • Likely to be one of the hardest segments to engage, since they have already tried it and feel that they are knowledgeable about exporting. From their point of view it simply does not make commercial sense. • Improve market conditions for exporting (e.g. provide competitive export finance, encourage foreign consumers and businesses to buy British etc.) (Enhance)

Unless indicated otherwise this data is based on waves 1 2 & 3 of the DIT NSRB, with the proportions of businesses (£500k+ turnover) in each of the four main segments weighted to match the proportions from wave 3 of the survey
Some questions (as indicated) are based on wave 3 only due to changes in the questionnaire over time (see technical report for full details)

Reassure (7%) *Were previously exporting but haven't in last year*

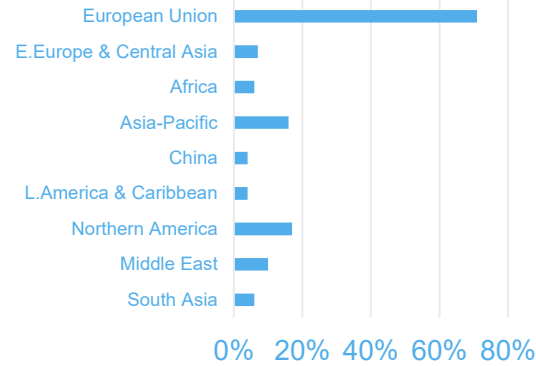
Businesses 7% 31.4k
Turnover 7%

NUMBER OF EMPLOYEES:



Turnover >5M %:

EXPORTING WHERE (PREVIOUSLY):



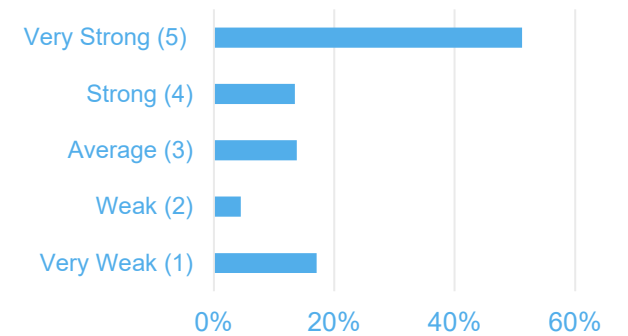
POSITIVE GROWTH PLANS:

75%
(93)

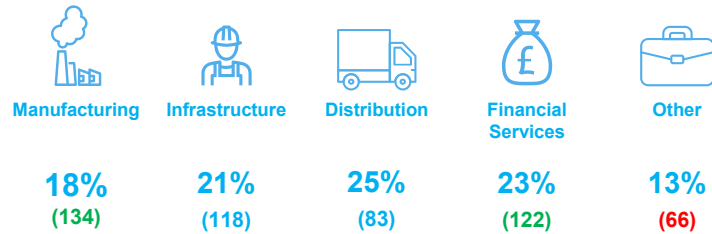
EXPORTING WHAT:

N/A

INDUSTRY CONNECTIONS:



SECTORS:



** base too low

Unless indicated otherwise this data is based on waves 1 2 & 3 of the DIT NSRB, with the proportions of businesses (£500k+ turnover) in each of the four main segments weighted to match the proportions from wave 3 of the survey. Some questions (as indicated) are based on wave 3 only due to changes in the questionnaire over time (see technical report for full details)

Reassure (7%) *Were previously exporting but haven't in last year*

Businesses 7% 31.4k

Turnover 7%

Within Reassure the base size is too low to analyse specific barriers at the level of individual segments.

As a result, this detail is only shown at the overall level to the right.

KNOWLEDGE BARRIERS:

	% agreement
Knowledge of international standards which your products or services have to conform to	75
Knowledge of tax issues	74
Knowledge of other legal issues	71
Knowledge of customs and tariffs	69
Knowledge of how to obtain export or import licences	66
Determining how to price your product	65
Knowledge about competitors in overseas markets	63
Knowledge of how to develop an export business plan	57
Understanding overseas clients in terms of their language or culture	55

COST BARRIERS:

	% agreement
Transportation costs from the UK to the destination country	68
Cost of upfront investment to explore opportunities (e.g. market research, advice, overseas travel and building networks)	65
Increased financial risk	61
The price of our goods or services is high compared to those in the destination country	52

CAPACITY BARRIERS:

No barrier related to Capacity scores above 50%)

ACCESS BARRIERS:

	% agreement
Identifying opportunities to export	66
Developing or nurturing critical relationships	63
Finding overseas customers	60

** base too low Unless indicated otherwise this data is based on waves 1 2 & 3 of the DIT NSRB, with the proportions of businesses (£500k+ turnover) in each of the four main segments weighted to match the proportions from wave 3 of the survey Some questions (as indicated) are based on wave 3 only due to changes in the questionnaire over time (see technical report for full details)

Though they did not export last year, these businesses are eager to do so and feel confident in their capabilities, knowledge and general set-up.

9% PROPORTION OF FIRMS THIS SEGMENT REPRESENTS*

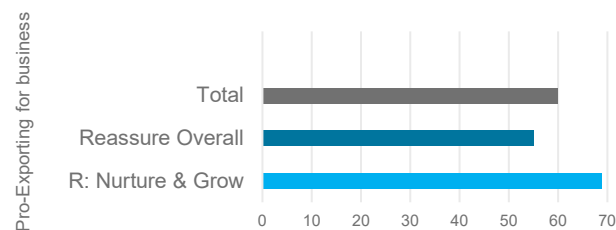
10.4k NUMBER OF FIRMS IN THIS SEGMENT*

16% SHARE OF TURNOVER AMONGST THESE FIRMS REPRESENT*

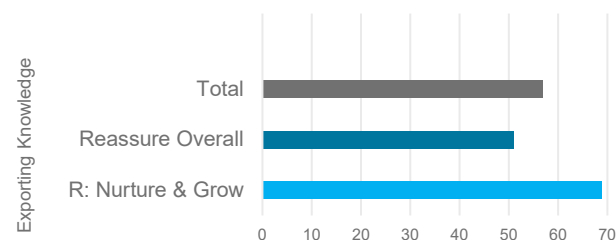
£17m AVERAGE TURNOVER PER BUSINESS

WHAT DEFINES THEM:

Very positive about the businesses benefits of exporting, despite the fact they did not do so last year.



Feel very confident in their exporting knowledge



HOW TO ENGAGE:

These businesses are set up and eager to go, so only a small nudge may be required to get them 'over the line.'

MATCH

Key barrier is access to contacts and networks - help fostering these and put them in contact with prospective partners

*Amongst UK businesses with £500k+ turnover

All indices provided are versus Total
 Unless indicated otherwise this data is based on waves 1 2 & 3 of the DIT NSRB, with the proportions of businesses (£500k+ turnover) in each of the four main segments weighted to match the proportions from wave 3 of the survey
 Some questions (as indicated) are based on wave 3 only due to changes in the questionnaire over time (see technical report for full details)

Though they did not export last year, these businesses are eager to do so and feel confident in their capabilities, knowledge and general set-up.

POSITIVE GROWTH PLANS:



This score summarises the business' attitude to growth – a combination of a question regarding planned growth trajectory (fast, slow or not at all) and whether there are specific plans to grow in the next 2-3 years.

ATTITUDES TOWARDS EXPORTING:

	% agreement	Index
International growth is an exciting prospect for my business	87	121
There is a lot of opportunity for my business to grow internationally	86	122
More and more businesses like mine are starting to export	70	123
I currently have good knowledge on how to export	65	113
Exporting would give my business the opportunity for higher or faster growth	81	110
There is a lot of support available to help small and medium businesses start exporting	59	113
There is a lot of demand for British products or services around the world	86	110
Being a successful exporter is something to be proud of	92	104
A lot more businesses could export than do export	82	111
Too many risks in taking the business internationally	31	78
There would not be enough demand for my business overseas to make it worthwhile	18	66

Though they did not export last year, these businesses are eager to do so and feel confident in their capabilities, knowledge and general set-up.

OVER-ARCHING BARRIERS:



	%	Index
KNOWLEDGE	19	74
CAPACITY	9	61
COST	21	75
ACCESS	27	113

KNOWLEDGE BARRIERS:

Base size too low to analyse specific barriers

CAPACITY BARRIERS:

Base size too low to analyse specific barriers

COST BARRIERS:

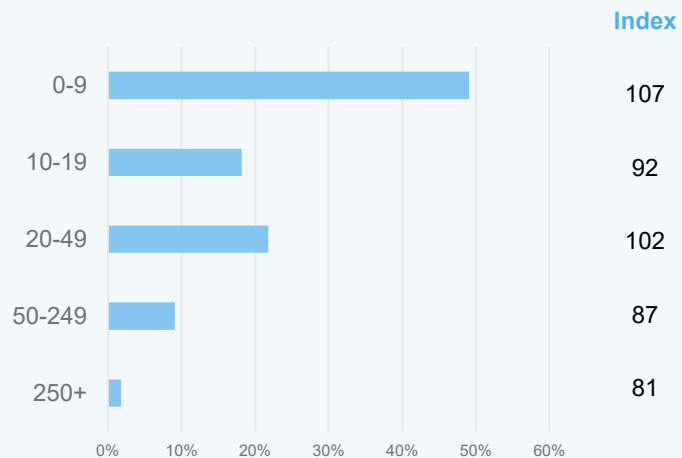
Base size too low to analyse specific barriers

ACCESS BARRIERS:

Base size too low to analyse specific barriers

Though they did not export last year, these businesses are eager to do so and feel confident in their capabilities, knowledge and general set-up.

NUMBER OF EMPLOYEES:



BUSINESS CAPABILITIES:

	% agreement	Index
An overseas target	23	136
UK based employees engaged in Research and Development or new product or service development activity	55	157
Applied for or obtained any patents, trademarks or other legal protection for any of your products or services	31	157
Owner / manager born overseas	30	157
People with foreign language skills	57	131
Whether have introduced new products or services in past 12 months	62	115
Owner / manager with a degree	70	116
A written business plan	69	113
Connections with other businesses	72	111
A finance team	65	110

SUPPORT NEEDS:

	% agreement	Index
My business has enough capability to assess international competition for your product or service	84	145
My business has enough capability to develop an export business plan	80	128
My business has enough capability to undertake a market research study	60	140
My business has enough managerial time to focus on exporting	80	139

SUPPORT ATTITUDES:

	% agreement	Index
I have heard of or visited the Exporting is Great site at great.gov.uk	14	140
I have good knowledge about where to go for help and support with exporting	69	123
I have good knowledge about where to go for information about exporting	72	123
My business would be interested in information and business support services to assist me with exporting	30	85



Reassure Develop Export Capability

2%

PROPORTION OF FIRMS THIS SEGMENT REPRESENTS*

8.1k

NUMBER OF FIRMS IN THIS SEGMENT*

1%

SHARE OF TURNOVER AMONGST THESE FIRMS REPRESENT*

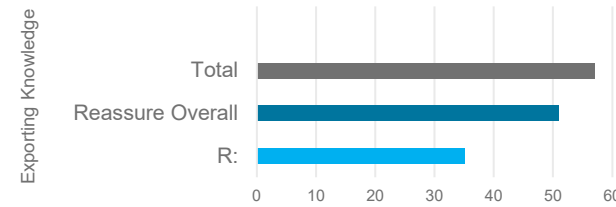
£7m

AVERAGE TURNOVER PER BUSINESS

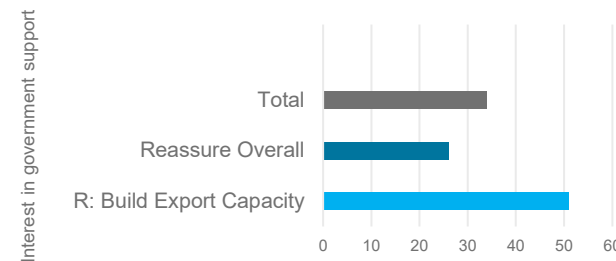
Lapsed exporters that fully recognise the potential of exporting, but do not feel equipped or knowledgeable enough to give it another go.

WHAT DEFINES THEM:

Despite having done it before, these businesses have very limited exporting knowledge compared to other UK businesses



However, they recognise this knowledge gap and are keen to address it – as a result they are very open to government support in this area



HOW TO ENGAGE:

These businesses would very much welcome exporting support currently they feel there is not enough of it, and they don't know where to find it.

INFORM

Provide them with relevant information on foreign markets and the process of international trade to allow them to make an informed decision

BUILD

Provide them with specific information to help them build and improve their export capabilities

SUPPORT

Support them in arranging for goods or services to be supplied to a particular foreign market (since staff / business capacity is an important barrier)

*Amongst UK businesses with £500k+ turnover

All indices provided are versus Total
Unless indicated otherwise this data is based on waves 1 2 & 3 of the DIT NSRB, with the proportions of businesses (£500k+ turnover) in each of the four main segments weighted to match the proportions from wave 3 of the survey
Some questions (as indicated) are based on wave 3 only due to changes in the questionnaire over time (see technical report for full details)



Lapsed exporters that fully recognise the potential of exporting, but do not feel equipped or knowledgeable enough to give it another go.

POSITIVE GROWTH PLANS:



This score summarises the business' attitude to growth – a combination of a question regarding planned growth trajectory (fast, slow or not at all) and whether there are specific plans to grow in the next 2-3 years.

ATTITUDES TOWARDS EXPORTING:

	% agreement	Index
Too many risks in taking the business internationally	58	146
Exporting would give my business the opportunity for higher or faster growth	82	110
International growth is an exciting prospect for my business	72	100
There is a lot of opportunity for my business to grow internationally	71	102
More and more businesses like mine are starting to export	56	98
A lot more businesses could export than do export	81	110
There is a lot of demand for British products or services around the world	80	102
Being a successful exporter is something to be proud of	87	98
There would not be enough demand for my business overseas to make it worthwhile	26	91
There is a lot of support available to help small and medium businesses start exporting	41	77
I currently have good knowledge on how to export	38	67

All indices provided are versus Total

Unless indicated otherwise this data is based on waves 1 2 & 3 of the DIT NSRB, with the proportions of businesses (£500k+ turnover) in each of the four main segments weighted to match the proportions from wave 3 of the survey
Some questions (as indicated) are based on wave 3 only due to changes in the questionnaire over time (see technical report for full details)



Lapsed exporters that fully recognise the potential of exporting, but do not feel equipped or knowledgeable enough to give it another go.

OVER-ARCHING BARRIERS:



	%	Index
KNOWLEDGE	23	87
CAPACITY	20	127
COST	32	115
ACCESS	35	145

KNOWLEDGE BARRIERS:

Base size too low to analyse specific barriers

CAPACITY BARRIERS:

Base size too low to analyse specific barriers

COST BARRIERS:

Base size too low to analyse specific barriers

ACCESS BARRIERS:

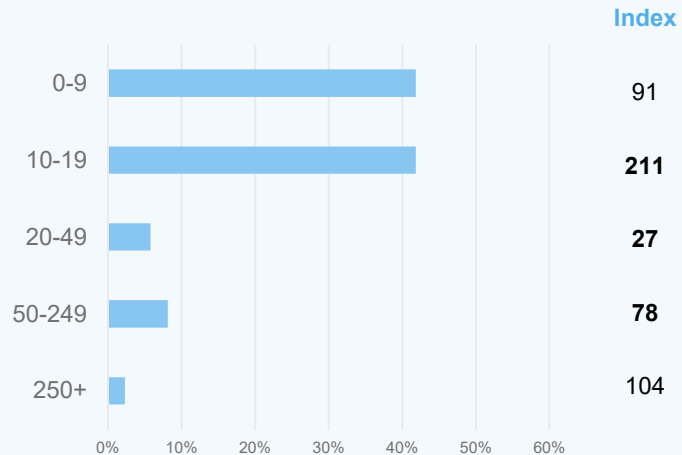
Base size too low to analyse specific barriers



Reassure Develop Export Capability

Lapsed exporters that fully recognise the potential of exporting, but do not feel equipped or knowledgeable enough to give it another go.

NUMBER OF EMPLOYEES:



BUSINESS CAPABILITIES:

	% agreement	Index
People with foreign language skills	47	109
Connections with other businesses	67	104
A finance team	56	95
A written business plan	58	95
An overseas target	11	63
Owner / manager born overseas	18	92
Owner / manager with a degree	52	86
Whether have introduced new products or services in past 12 months	44	82
UK based employees engaged in Research and Development or new product or service development activity	25	72
Applied for or obtained any patents, trademarks or other legal protection for any of your products or services	6	29

SUPPORT NEEDS:

	% agreement	Index
The staff in my business have enough skills to focus on exporting	84	114
My business has enough capability to assess the cost of exporting (costing products, taxes, transport etc)	67	92
My business has enough staff capacity to focus on exporting	50	81
My business has enough capability to develop an export business plan	50	80

SUPPORT ATTITUDES:

	% agreement	Index
My business would be interested in information and business support services to assist me with exporting	51	147
I have heard of or visited the Exporting is Great site at great.gov.uk	12	117
I have good knowledge about where to go for information about exporting	35	60
I have good knowledge about where to go for help and support with exporting	30	54

All indices provided are versus Total

Unless indicated otherwise this data is based on waves 1 2 & 3 of the DIT NSRB, with the proportions of businesses (£500k+ turnover) in each of the four main segments weighted to match the proportions from wave 3 of the survey
Some questions (as indicated) are based on wave 3 only due to changes in the questionnaire over time (see technical report for full details)



Reassure
Leave Be

1%

PROPORTION OF FIRMS THIS SEGMENT REPRESENTS*

5.3k

NUMBER OF FIRMS IN THIS SEGMENT*

0%

SHARE OF TURNOVER AMONGST THESE FIRMS REPRESENT*

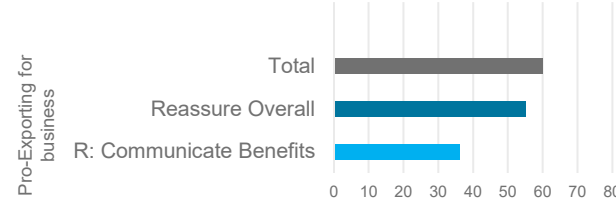
£4m

AVERAGE TURNOVER PER BUSINESS

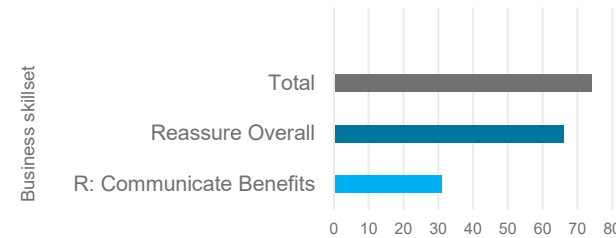
Small businesses (both in terms of size & turnover) that used to export, but not longer do so. They are not expecting to grow much, have limited business capabilities and practically no interest support with exporting.

WHAT DEFINES THEM:

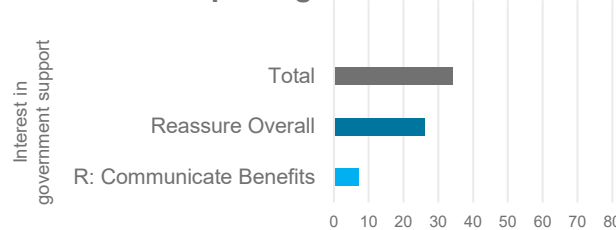
Do not view exporting as a an aspirational business growth opportunity



Have a comparatively limited business skillset



Very little interest in government support when it comes to exporting



HOW TO ENGAGE:

Given that all 5.3k businesses in this segment add up to 0% of total turnover - this segment is not worth prioritising for engagement. They are not interested in exporting or support with it – so substantial investment would be required to push them over the line, and it would not yield enough return.

INFORM

Provide information on foreign markets and the process of international trade to allow them to make an informed decision

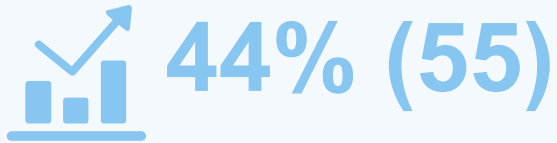
*Amongst UK businesses with £500k+ turnover

All indices provided are versus Total
Unless indicated otherwise this data is based on waves 1 2 & 3 of the DIT NSRB, with the proportions of businesses (£500k+ turnover) in each of the four main segments weighted to match the proportions from wave 3 of the survey
Some questions (as indicated) are based on wave 3 only due to changes in the questionnaire over time (see technical report for full details)



Small businesses (both in terms of size & turnover) that used to export, but not longer do so. They are not expecting to grow much, have limited business capabilities and practically no interest support with exporting.

POSITIVE GROWTH PLANS:



This score summarises the business' attitude to growth – a combination of a question regarding planned growth trajectory (fast, slow or not at all) and whether there are specific plans to grow in the next 2-3 years.

ATTITUDES TOWARDS EXPORTING:

	% agreement	Index
There would not be enough demand for my business overseas to make it worthwhile	66	235
Too many risks in taking the business internationally	72	180
A lot more businesses could export than do export	76	103
There is a lot of demand for British products or services around the world	71	90
Being a successful exporter is something to be proud of	77	87
There is a lot of support available to help small and medium businesses start exporting	39	75
There is a lot of opportunity for my business to grow internationally	32	46
Exporting would give my business the opportunity for higher or faster growth	34	46
I currently have good knowledge on how to export	25	43
More and more businesses like mine are starting to export	25	44
International growth is an exciting prospect for my business	23	32

All indices provided are versus Total

Unless indicated otherwise this data is based on waves 1 2 & 3 of the DIT NSRB, with the proportions of businesses (£500k+ turnover) in each of the four main segments weighted to match the proportions from wave 3 of the survey
Some questions (as indicated) are based on wave 3 only due to changes in the questionnaire over time (see technical report for full details)



Small businesses (both in terms of size & turnover) that used to export, but not longer do so. They are not expecting to grow much, have limited business capabilities and practically no interest support with exporting.

Leave be

OVER-ARCHING BARRIERS:



	%	Index
KNOWLEDGE	45	174
CAPACITY	33	216
COST	33	119
ACCESS	36	151

KNOWLEDGE BARRIERS:

Base size too low to analyse specific barriers

CAPACITY BARRIERS:

Base size too low to analyse specific barriers

COST BARRIERS:

Base size too low to analyse specific barriers

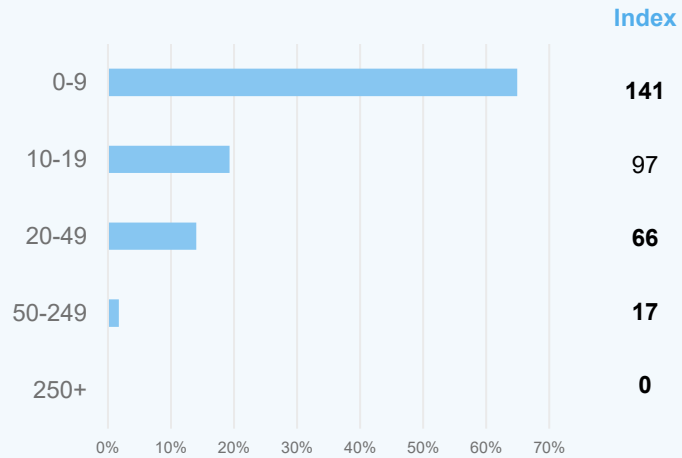
ACCESS BARRIERS:

Base size too low to analyse specific barriers



Small businesses (both in terms of size & turnover) that used to export, but not longer do so. They are not expecting to grow much, have limited business capabilities and practically no interest support with exporting.

NUMBER OF EMPLOYEES:



BUSINESS CAPABILITIES:

	% Agreement	Index
Connections with other businesses	35	53
Applied for or obtained any patents, trademarks or other legal protection for any of your products or services	10	51
A finance team	29	50
A written business plan	24	40
Whether have introduced new products or services in past 12 months	18	35
People with foreign language skills	17	38
Owner / manager with a degree	21	35
Owner / manager born overseas	4	22
UK based employees engaged in research and development or new product or service development activity	3	10
An overseas target	0	0

SUPPORT NEEDS:

	% agreement	Index
My business has enough managerial time to focus on exporting	33	56
My business has enough capability to undertake a market research study	20	47
My business has enough capability to assess the cost of exporting (costing products, taxes, transport etc)	31	43
The staff in my business have enough skills to focus on exporting	32	44

SUPPORT ATTITUDES:

	% agreement	Index
I have good knowledge about where to go for information about exporting	27	47
I have good knowledge about where to go for help and support with exporting	24	43
My business would be interested in information and business support services to assist me with exporting	7	19
I have heard of or visited the Exporting is Great site at great.gov.uk	0	0

All indices provided are versus Total

Unless indicated otherwise this data is based on waves 1 2 & 3 of the DIT NSRB, with the proportions of businesses (£500k+ turnover) in each of the four main segments weighted to match the proportions from wave 3 of the survey. Some questions (as indicated) are based on wave 3 only due to changes in the questionnaire over time (see technical report for full details)



Reassure Change the Game

2%

PROPORTION OF FIRMS THIS SEGMENT REPRESENTS*

7.5k

NUMBER OF FIRMS IN THIS SEGMENT*

2%

SHARE OF TURNOVER AMONGST THESE FIRMS REPRESENT*

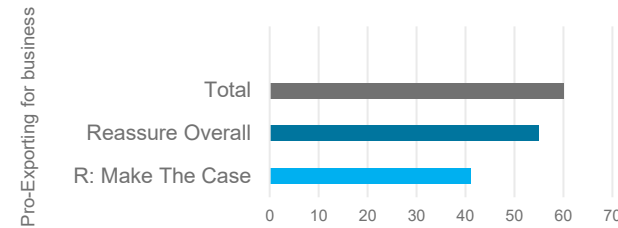
£10m

AVERAGE TURNOVER PER BUSINESS

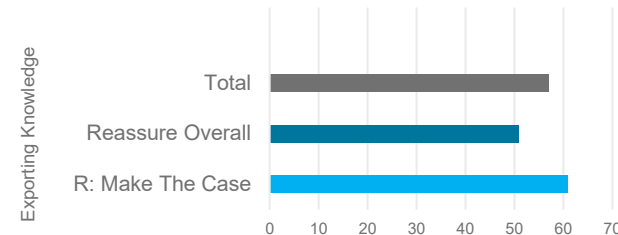
Lapsed exporters that are not interested in learning more about it, as they have already concluded it doesn't make commercial sense for their business.

WHAT DEFINES THEM:

Low enthusiasm for exporting - the majority do not see it as a considerable opportunity for their business.



More confidence in their knowledge about exporting compared to other 'Reassure' segments and total business population.



HOW TO ENGAGE:

Likely to be one of the hardest segments to engage, since they have already tried it and feel that they are knowledgeable about exporting. From their point of view it simply does not make commercial sense.

ENHANCE

Improve market conditions for exporting (e.g. provide competitive export finance, encourage foreign consumers and businesses to buy British etc.)

All indices provided are versus Total

Unless indicated otherwise this data is based on waves 1 2 & 3 of the DIT NSRB, with the proportions of businesses (£500k+ turnover) in each of the four main segments weighted to match the proportions from wave 3 of the survey. Some questions (as indicated) are based on wave 3 only due to changes in the questionnaire over time (see technical report for full details)



Lapsed exporters that are not interested in learning more about it, as they have already concluded it doesn't make commercial sense for their business.

POSITIVE GROWTH PLANS:



This score summarises the business' attitude to growth – a combination of a question regarding planned growth trajectory (fast, slow or not at all) and whether there are specific plans to grow in the next 2-3 years.

ATTITUDES TOWARDS EXPORTING:

	% agreement	Index
There would not be enough demand for my business overseas to make it worthwhile	77	274
Too many risks in taking the business internationally	55	137
There is a lot of support available to help small and medium businesses start exporting	56	106
I currently have good knowledge on how to export	51	89
Being a successful exporter is something to be proud of	80	91
There is a lot of demand for British products or services around the world	71	91
A lot more businesses could export than do export	67	91
Exporting would give my business the opportunity for higher or faster growth	41	56
More and more businesses like mine are starting to export	32	56
International growth is an exciting prospect for my business	30	41
There is a lot of opportunity for my business to grow internationally	27	39

All indices provided are versus Total

Unless indicated otherwise this data is based on waves 1 2 & 3 of the DIT NSRB, with the proportions of businesses (£500k+ turnover) in each of the four main segments weighted to match the proportions from wave 3 of the survey
Some questions (as indicated) are based on wave 3 only due to changes in the questionnaire over time (see technical report for full details)



Lapsed exporters that are not interested in learning more about it, as they have already concluded it doesn't make commercial sense for their business.

OVER-ARCHING BARRIERS:



	%	Index
KNOWLEDGE	27	103
CAPACITY	23	146
COST	42	152
ACCESS	18	73

KNOWLEDGE BARRIERS:

Base size too low to analyse specific barriers

CAPACITY BARRIERS:

Base size too low to analyse specific barriers

COST BARRIERS:

Base size too low to analyse specific barriers

ACCESS BARRIERS:

Base size too low to analyse specific barriers

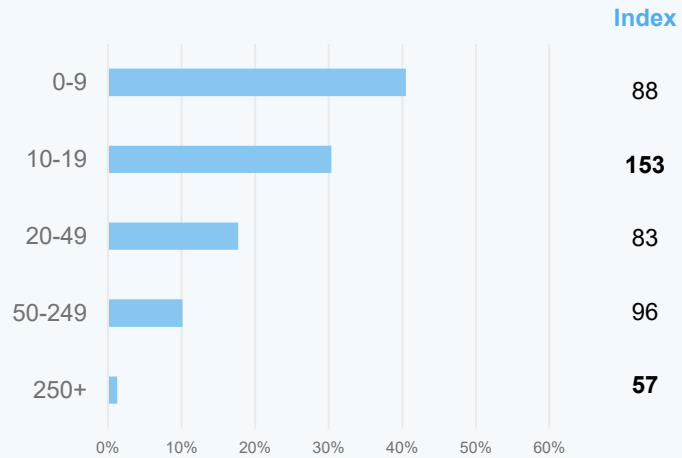
All indices provided are versus Total

*Unless indicated otherwise this data is based on waves 1 2 & 3 of the DIT NSRB, with the proportions of businesses (£500k+ turnover) in each of the four main segments weighted to match the proportions from wave 3 of the survey
Overarching barriers are based on a combination of waves 1-3, specific barriers based on wave 3 only – only showing those with 50% or higher score*



Lapsed exporters that are not interested in learning more about it, as they have already concluded it doesn't make commercial sense for their business.

NUMBER OF EMPLOYEES:



BUSINESS CAPABILITIES:

	% agreement	Index
A written business plan	78	126
Applied for or obtained any patents, trademarks or other legal protection for any of your products or services	23	117
A finance team	68	116
Owner / manager with a degree	62	102
Connections with other businesses	69	106
Whether have introduced new products or services in past 12 months	49	92
UK based employees engaged in Research and Development or new product or service development activity	33	95
People with foreign language skills	36	83
Owner / manager born overseas	14	71
An overseas target	3	17

SUPPORT NEEDS:

	% agreement	Index
My business has enough capability to undertake a market research study	45	104
The staff in my business have enough skills to focus on exporting	73	100
My business has enough staff capacity to focus on exporting	49	80
My business has enough capability to assess the cost of exporting (costing products, taxes, transport etc)	56	77

SUPPORT ATTITUDES:

	% agreement	Index
I have good knowledge about where to go for help and support with exporting	66	118
I have good knowledge about where to go for information about exporting	66	112
I have heard of or visited the Exporting is Great site at great.gov.uk	8	81
My business would be interested in information and business support services to assist me with exporting	9	27

All indices provided are versus Total

Unless indicated otherwise this data is based on waves 1 2 & 3 of the DIT NSRB, with the proportions of businesses (£500k+ turnover) in each of the four main segments weighted to match the proportions from wave 3 of the survey. Some questions (as indicated) are based on wave 3 only due to changes in the questionnaire over time (see technical report for full details)

Promote (12%) *Not currently exporting but product suitable or could be developed for export*

Businesses 12% 51.7k

Turnover 10%

Amongst the businesses that have never exported - the greatest opportunity lies with 'Develop Export Capability'

Businesses in this segment have the hunger and appetite for exporting, along with openness for government support in doing so.



Promote
Develop Export
Capability

(4%)

Have never exported, but very eager to do so – and are looking for help and support to get there. Their main limiting factors are knowledge and business capacity, but they have an appetite to address these challenges.



How to engage:

- Likely to be very receptive to any engagement, since they are actively looking for exporting support.
- Provide them with relevant information around exporting (e.g. legal issues, tariffs, understanding of overseas competitors etc.) (**Inform**), help them build and improve their export capabilities (**Build**) and support them in arranging for goods or services to be supplied to a particular foreign market (**Support**)



Promote
Communicate Benefits

(5%)

Businesses that could potentially export, but do not really see the benefit of doing so for their business. The majority are small, with fairly limited business capabilities and their priorities lie elsewhere.



How to engage:

- They are not interested in information or business support services to assist me with exporting, as they believe it would not be worth their while.
- Provide information to show where potential demand and opportunity could lie for them abroad (**Inform**)
- Help them build their business capabilities, since their current limited business capacity means exporting is simply not a priority (**Build**)



Promote
Change the Game

(3%)

Have substantial business capabilities could potentially export, but have concluded that exporting does not currently make commercial sense for them.



How to engage:

- They are not interested in information or business support services to assist me with exporting. From their point of view it simply does not make commercial sense – they believe there is not enough demand for their goods / services abroad to justify the cost of exporting.
- Create more favourable conditions for exporting, for example by stimulating demand abroad for British goods and services (**Enhance**)

** base too low

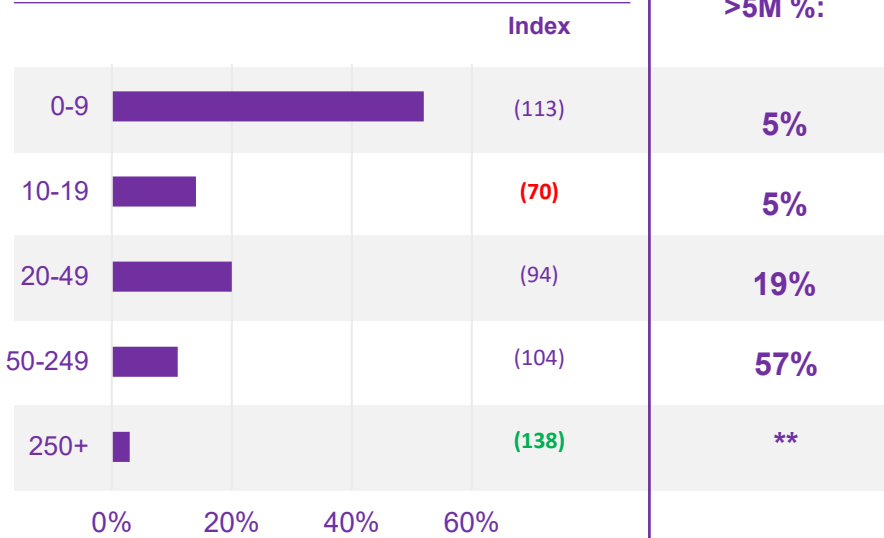
Unless indicated otherwise this data is based on waves 1 2 & 3 of the DIT NSRB, with the proportions of businesses (£500k+ turnover) in each of the four main segments weighted to match the proportions from wave 3 of the survey
Some questions (as indicated) are based on wave 3 only due to changes in the questionnaire over time (see technical report for full details)

Promote (12%) *Not currently exporting but product suitable or could be developed for export*

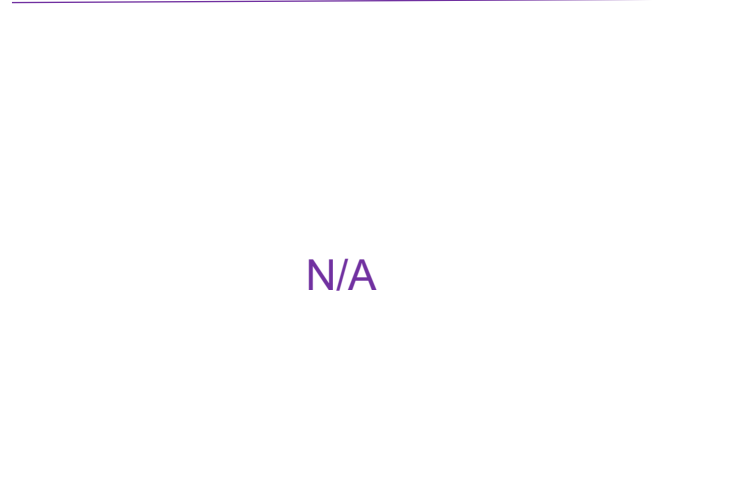
Businesses **12%** **51.7k**

Turnover **10%**

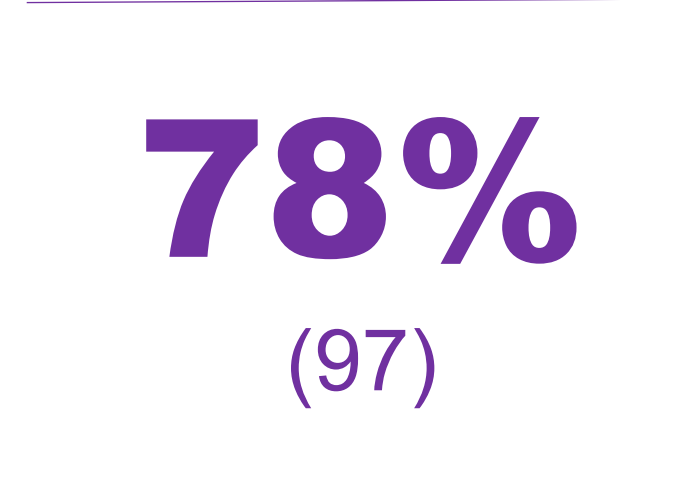
NUMBER OF EMPLOYEES:



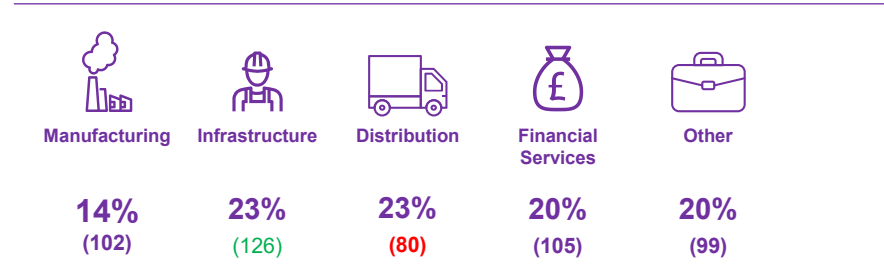
EXPORTING WHERE:



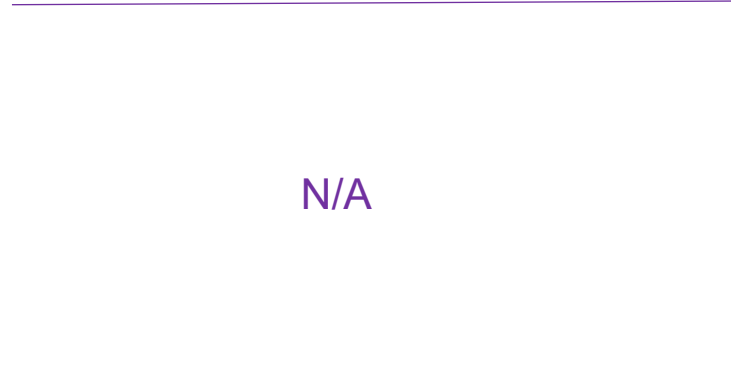
POSITIVE GROWTH PLANS:



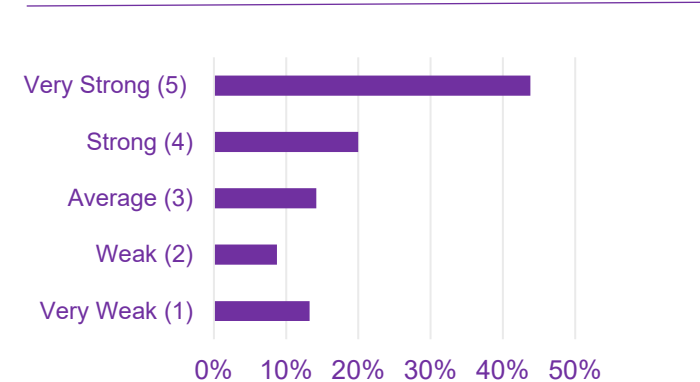
SECTORS:



EXPORTING WHAT:



INDUSTRY CONNECTIONS:



** base too low Unless indicated otherwise this data is based on waves 1 2 & 3 of the DIT NSRB, with the proportions of businesses (£500k+ turnover) in each of the four main segments weighted to match the proportions from wave 3 of the survey Some questions (as indicated) are based on wave 3 only due to changes in the questionnaire over time (see technical report for full details)



Promote Develop Export Capability

4%

PROPORTION OF FIRMS THIS SEGMENT REPRESENTS*

18.7k

NUMBER OF FIRMS IN THIS SEGMENT*

4%

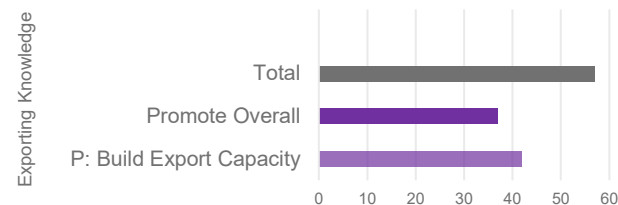
SHARE OF TURNOVER AMONGST THESE FIRMS REPRESENT*

£9m

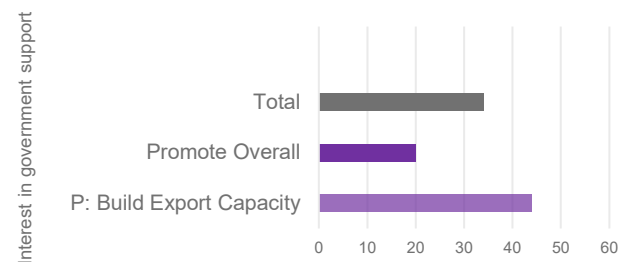
AVERAGE TURNOVER PER BUSINESS

WHAT DEFINES THEM:

Substantial knowledge about exporting compared to other businesses that have not exported before.



Strong interest in government support with exporting – not just compared to other non-exporters, but the total UK business population.



HOW TO ENGAGE:

Likely to be very receptive to any engagement, since they are actively looking for exporting support.

MOST RELEVANT CAPABILITIES:

INFORM

Provide them with relevant information around exporting (e.g. legal issues, tariffs, understanding of overseas competitors etc.)

BUILD

Help them improve their internal capabilities as lack of business capacity is a barrier

SUPPORT

Support them in arranging for goods or services to be supplied to a particular foreign market (since staff / business capacity is an important barrier)

*Amongst UK businesses with £500k+ turnover

All indices provided are versus Total
Unless indicated otherwise this data is based on waves 1 2 & 3 of the DIT NSRB, with the proportions of businesses (£500k+ turnover) in each of the four main segments weighted to match the proportions from wave 3 of the survey
Some questions (as indicated) are based on wave 3 only due to changes in the questionnaire over time (see technical report for full details)



Promote Develop Export Capability

POSITIVE GROWTH PLANS:



This score summarises the business' attitude to growth – a combination of a question regarding planned growth trajectory (fast, slow or not at all) and whether there are specific plans to grow in the next 2-3 years.

ATTITUDES TOWARDS EXPORTING:

	% agreement	Index
There is a lot of opportunity for my business to grow internationally	81	115
International growth is an exciting prospect for my business	81	113
Exporting would give my business the opportunity for higher or faster growth	83	111
More and more businesses like mine are starting to export	59	103
I currently have good knowledge on how to export	39	69
Being a successful exporter is something to be proud of	92	104
A lot more businesses could export than do export	79	107
There is a lot of demand for British products or services around the world	80	102
There is a lot of support available to help small and medium businesses start exporting	44	84
Too many risks in taking the business internationally	40	100
There would not be enough demand for my business overseas to make it worthwhile	25	89

All indices provided are versus Total

Unless indicated otherwise this data is based on waves 1 2 & 3 of the DIT NSRB, with the proportions of businesses (£500k+ turnover) in each of the four main segments weighted to match the proportions from wave 3 of the survey
Some questions (as indicated) are based on wave 3 only due to changes in the questionnaire over time (see technical report for full details)



Promote Develop Export Capability

Have never exported, but very eager to do so – and are looking for help and support to get there. Their main limiting factors are knowledge and business capacity, but they have an appetite to address these challenges.

OVER-ARCHING BARRIERS:



	%	Index
KNOWLEDGE	32	124
CAPACITY	25	163
COST	31	110
ACCESS	34	141

KNOWLEDGE BARRIERS:

	% agreement
Knowledge of other legal issues	85
Knowledge of customs and tariffs	71
Understanding overseas clients in terms of their language or culture	70
Knowledge about competitors in overseas markets	69
Knowledge of how to develop an export business plan	62
Knowledge of international standards which your products or services have to conform to	54
Knowledge of tax issues	53

COST BARRIERS:

	% agreement
Cost of upfront investment to explore opportunities (e.g. market research, advice, overseas travel and building networks)	67
The cost of scaling up the business	50

CAPACITY BARRIERS:

	% agreement
Not having the capability to undertake a market research study	68
Not having enough managerial time to focus on internationalisation	66
Not having suitably trained staff	60
Not having enough staff to expand our operations	56
Not having the capability to assess international competition for the product	54
Not having the capability to develop an export business plan	53

ACCESS BARRIERS:

	% agreement
Understanding who to make contact with in first instance	76
Finding overseas customers	64
Developing or nurturing critical relationships	61

All indices provided are versus Total

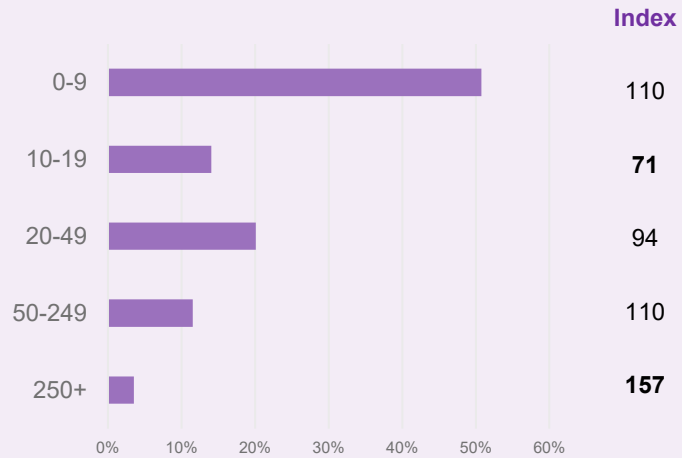
Unless indicated otherwise this data is based on waves 1 2 & 3 of the DIT NSRB, with the proportions of businesses (£500k+ turnover) in each of the four main segments weighted to match the proportions from wave 3 of the survey
Overarching barriers are based on a combination of waves 1-3, specific barriers based on wave 3 only – only showing those with 50% or higher score



Promote Develop Export Capability

Have never exported, but very eager to do so – and are looking for help and support to get there. Their main limiting factors are knowledge and business capacity, but they have an appetite to address these challenges.

NUMBER OF EMPLOYEES:



BUSINESS CAPABILITIES:

	% agreement	Index
An overseas target	6	33
Applied for or obtained any patents, trademarks or other legal protection for any of your products or services	29	144
UK based employees engaged in Research and Development or new product or service development activity	47	135
Owner / manager born overseas	20	105
People with foreign language skills	49	113
Whether have introduced new products or services in past 12 months	69	128
Connections with other businesses	78	121
A finance team	68	116
Owner / manager with a degree	62	102
A written business plan	70	115

SUPPORT NEEDS:

	% agreement	Index
My business has enough capability to assess international competition for your product or service	48	83
My business has enough staff capacity to focus on exporting	46	75
My business has enough managerial time to focus on exporting	38	65
My business has enough capability to develop an export business plan	62	99

SUPPORT ATTITUDES:

	% agreement	Index
My business would be interested in information and business support services to assist me with exporting	44	127
I have heard of or visited the Exporting is Great site at great.gov.uk	8	82
I have good knowledge about where to go for information about exporting	45	76
I have good knowledge about where to go for help and support with exporting	43	76

All indices provided are versus Total

Unless indicated otherwise this data is based on waves 1 2 & 3 of the DIT NSRB, with the proportions of businesses (£500k+ turnover) in each of the four main segments weighted to match the proportions from wave 3 of the survey. Some questions (as indicated) are based on wave 3 only due to changes in the questionnaire over time (see technical report for full details)



Promote Communicate Benefits

5%

PROPORTION OF FIRMS THIS SEGMENT REPRESENTS*

19.7k

NUMBER OF FIRMS IN THIS SEGMENT*

3%

SHARE OF TURNOVER AMONGST THESE FIRMS REPRESENT*

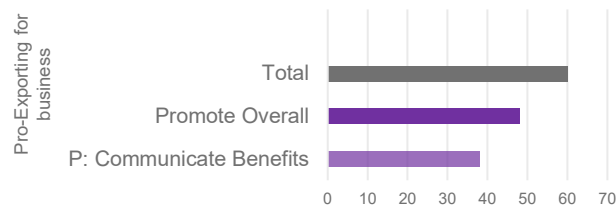
£6m

AVERAGE TURNOVER PER BUSINESS

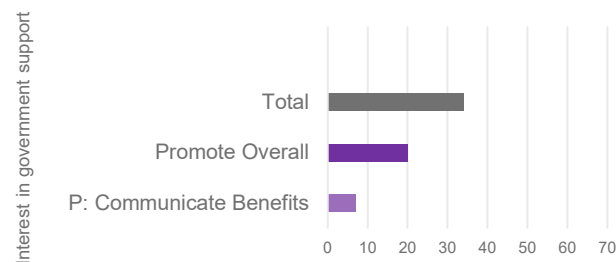
Businesses that could potentially export, but do not really see the benefit of doing so for their business. The majority are small (under 20 people), with fairly limited business capabilities and their priorities lie elsewhere.

WHAT DEFINES THEM:

Do not view exporting as an exciting growth opportunity for business overall, and theirs in particular.



Very limited interest in government support with matters to do with exporting



HOW TO ENGAGE:

They are not interested in information or business support services to assist me with exporting, as they believe it would not be worth their while.

INFORM

Provide information to show where potential demand and opportunity could lie for them abroad

BUILD

Help them build their business capabilities, since their current limited business capacity means exporting is simply not a priority

*Amongst UK businesses with £500k+ turnover

All indices provided are versus Total
Unless indicated otherwise this data is based on waves 1 2 & 3 of the DIT NSRB, with the proportions of businesses (£500k+ turnover) in each of the four main segments weighted to match the proportions from wave 3 of the survey
Some questions (as indicated) are based on wave 3 only due to changes in the questionnaire over time (see technical report for full details)



Promote Communicate Benefits

POSITIVE GROWTH PLANS:



This score summarises the business' attitude to growth – a combination of a question regarding planned growth trajectory (fast, slow or not at all) and whether there are specific plans to grow in the next 2-3 years.

ATTITUDES TOWARDS EXPORTING:

	% agreement	Index
There would not be enough demand for my business overseas to make it worthwhile	62	222
Too many risks in taking the business internationally	65	162
A lot more businesses could export than do export	68	92
There is a lot of demand for British products or services around the world	70	89
Being a successful exporter is something to be proud of	76	86
There is a lot of support available to help small and medium businesses start exporting	42	80
More and more businesses like mine are starting to export	28	49
Exporting would give my business the opportunity for higher or faster growth	37	50
International growth is an exciting prospect for my business	34	47
There is a lot of opportunity for my business to grow internationally	28	40
I currently have good knowledge on how to export	12	21

All indices provided are versus Total

Unless indicated otherwise this data is based on waves 1 2 & 3 of the DIT NSRB, with the proportions of businesses (£500k+ turnover) in each of the four main segments weighted to match the proportions from wave 3 of the survey
Some questions (as indicated) are based on wave 3 only due to changes in the questionnaire over time (see technical report for full details)



Promote Communicate Benefits

Businesses that could potentially export, but do not really see the benefit of doing so for their business. The majority are small (under 20 people), with fairly limited business capabilities and their priorities lie elsewhere.

OVER-ARCHING BARRIERS:



	%	Index
KNOWLEDGE	40	152
CAPACITY	36	233
COST	26	95
ACCESS	28	117

KNOWLEDGE BARRIERS:

	% agreement
Knowledge of tax issues	84
Knowledge of other legal issues	70
Understanding overseas clients in terms of their language or culture	70
Knowledge of customs and tariffs	67
Knowledge of how to develop an export business plan	64
Knowledge about how to organise and plan transport or distribution	59
Knowledge of how to obtain export or import licences	59
Knowledge about competitors in overseas markets	57
Knowledge of international standards which your products or services have to conform to	54
Determining how to price your product	53

COST BARRIERS:

	% agreement
Exchange rate fluctuations	71
Increased financial risk	71
Cost of upfront investment to explore opportunities (e.g. market research, advice, overseas travel and building networks)	71
Transportation costs from the UK to the destination country	70
Distribution costs within the destination country	61
Border costs such as tariffs and customs fees	60
The cost of scaling up the business	57
Costs related to complying with standards in the destination country	56
The price of our goods or services is high compared to those in the destination country	54

CAPACITY BARRIERS:

	% agreement
Not having enough staff to expand our operations	72
Not having enough managerial time to focus on internationalisation	70
Not having suitably trained staff	63
Not having the capability to assess the cost of internationalisation, for example costing products, taxes, transport etc.	59
Not having the capability to assess international competition for the product	52

ACCESS BARRIERS:

	% agreement
Understanding who to make contact with in first instance	89
Finding overseas customers	84
Identifying opportunities to export	83
Developing or nurturing critical relationships	82
Improving our profile or credibility in the country	66

All indices provided are versus Total

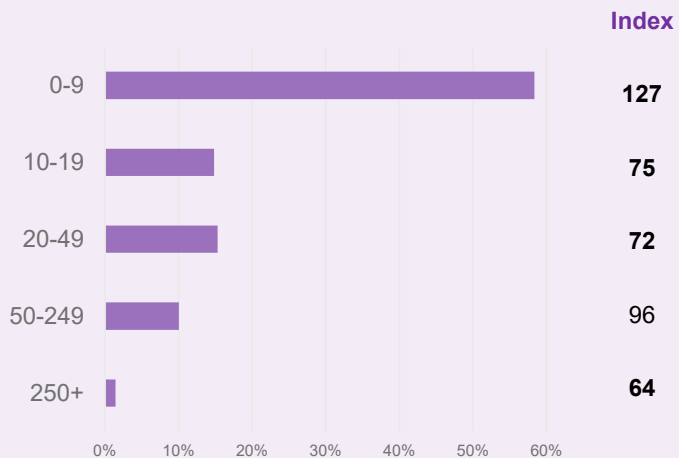
Unless indicated otherwise this data is based on waves 1 2 & 3 of the DIT NSRB, with the proportions of businesses (£500k+ turnover) in each of the four main segments weighted to match the proportions from wave 3 of the survey
Overarching barriers are based on a combination of waves 1-3, specific barriers based on wave 3 only – only showing those with 50% or higher score



Promote Communicate Benefits

Businesses that could potentially export, but do not really see the benefit of doing so for their business. The majority are small (under 20 people), with fairly limited business capabilities and their priorities lie elsewhere.

NUMBER OF EMPLOYEES:



BUSINESS CAPABILITIES:

	% agreement	Index
Owner / manager with a degree	48	79
A written business plan	57	92
Whether have introduced new products or services in past 12 months	43	81
Connections with other businesses	48	75
A finance team	42	71
Owner / manager born overseas	9	45
People with foreign language skills	20	46
UK based employees engaged in Research and Development or new product or service development activity	16	46
Applied for or obtained any patents, trademarks or other legal protection for any of your products or services	8	42
An overseas target	0	0

SUPPORT NEEDS:

	% agreement	Index
The staff in my business have enough skills to focus on exporting	46	63
My business has enough capability to undertake a market research study	26	59
My business has enough capability to assess the cost of exporting (costing products, taxes, transport etc)	26	35
My business has enough capability to develop an export business plan	24	38

SUPPORT ATTITUDES:

	% agreement	Index
I have heard of or visited the Exporting is Great site at great.gov.uk	6	55
I have good knowledge about where to go for information about exporting	18	30
I have good knowledge about where to go for help and support with exporting	17	30
My business would be interested in information and business support services to assist me with exporting	7	20

All indices provided are versus Total

Unless indicated otherwise this data is based on waves 1 2 & 3 of the DIT NSRB, with the proportions of businesses (£500k+ turnover) in each of the four main segments weighted to match the proportions from wave 3 of the survey. Some questions (as indicated) are based on wave 3 only due to changes in the questionnaire over time (see technical report for full details)



Promote Change the Game

3%

PROPORTION OF FIRMS THIS SEGMENT REPRESENTS*

13.4k

NUMBER OF FIRMS IN THIS SEGMENT*

3%

SHARE OF TURNOVER AMONGST THESE FIRMS REPRESENT*

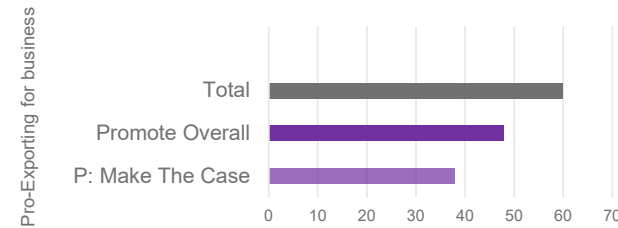
£11m

AVERAGE TURNOVER PER BUSINESS

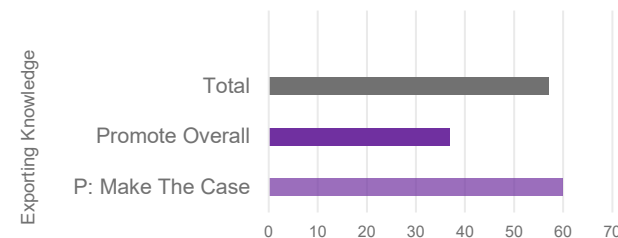
Have substantial business capabilities could potentially export, but have concluded that exporting does not currently make commercial sense for them.

WHAT DEFINES THEM:

Do not view exporting as an exciting growth opportunity for business overall, and theirs in particular.



Considerably higher exporting knowledge compared to other businesses that do not export.



HOW TO ENGAGE:

They are not interested in information or business support services to assist me with exporting. From their point of the view it simply does not make commercial sense – they believe there is not enough demand for their goods / services abroad to justify the cost of exporting.

ENHANCE

Create more favourable conditions for exporting, for example by stimulating demand abroad for British goods and services.

*Amongst UK businesses with £500k+ turnover

All indices provided are versus Total
Unless indicated otherwise this data is based on waves 1 2 & 3 of the DIT NSRB, with the proportions of businesses (£500k+ turnover) in each of the four main segments weighted to match the proportions from wave 3 of the survey
Some questions (as indicated) are based on wave 3 only due to changes in the questionnaire over time (see technical report for full details)



Promote Change the Game

POSITIVE GROWTH PLANS:



This score summarises the business' attitude to growth – a combination of a question regarding planned growth trajectory (fast, slow or not at all) and whether there are specific plans to grow in the next 2-3 years.

Have substantial business capabilities could potentially export, but have concluded that exporting does not currently make commercial sense for them.

ATTITUDES TOWARDS EXPORTING:

	% agreement	Index
There would not be enough demand for my business overseas to make it worthwhile	63	222
Too many risks in taking the business internationally	61	153
I currently have good knowledge on how to export	46	79
There is a lot of support available to help small and medium businesses start exporting	60	114
There is a lot of demand for British products or services around the world	76	97
A lot more businesses could export than do export	71	97
Being a successful exporter is something to be proud of	81	92
More and more businesses like mine are starting to export	29	51
Exporting would give my business the opportunity for higher or faster growth	39	52
There is a lot of opportunity for my business to grow internationally	33	46
International growth is an exciting prospect for my business	27	38

All indices provided are versus Total

Unless indicated otherwise this data is based on waves 1 2 & 3 of the DIT NSRB, with the proportions of businesses (£500k+ turnover) in each of the four main segments weighted to match the proportions from wave 3 of the survey
Some questions (as indicated) are based on wave 3 only due to changes in the questionnaire over time (see technical report for full details)



Promote Change the Game

Have substantial business capabilities could potentially export, but have concluded that exporting does not currently make commercial sense for them.

OVER-ARCHING BARRIERS:



	%	Index
KNOWLEDGE	25	95
CAPACITY	30	191
COST	37	132
ACCESS	21	87

KNOWLEDGE BARRIERS:

	% agreement
Knowledge of other legal issues	90
Knowledge of tax issues	83
Knowledge of customs and tariffs	81
Knowledge about competitors in overseas markets	76
Understanding overseas clients in terms of their language or culture	68
Knowledge of how to obtain export or import licences	57

COST BARRIERS:

	% agreement
Increased financial risk	82
Exchange rate fluctuations	60
The cost of scaling up the business	53
Transportation costs from the UK to the destination country	52

CAPACITY BARRIERS:

	% agreement
Not having enough managerial time to focus on internationalisation	82
Not having enough staff to expand our operations	71
Not having suitably trained staff	56
Not having the capability to assess international competition for the product	52

ACCESS BARRIERS:

	% agreement
Developing or nurturing critical relationships	67
Finding overseas customers	57
Understanding who to make contact with in first instance	52
Improving our profile or credibility in the country	51

All indices provided are versus Total

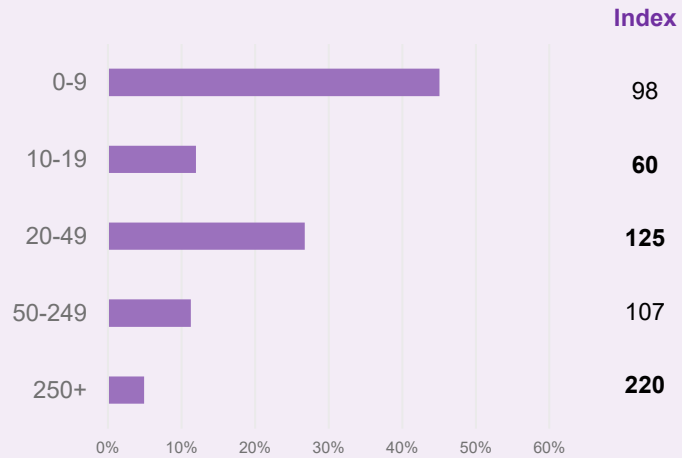
Unless indicated otherwise this data is based on waves 1 2 & 3 of the DIT NSRB, with the proportions of businesses (£500k+ turnover) in each of the four main segments weighted to match the proportions from wave 3 of the survey
Overarching barriers are based on a combination of waves 1-3, specific barriers based on wave 3 only – only showing those with 50% or higher score



Promote Change the Game

Have substantial business capabilities could potentially export, but have concluded that exporting does not currently make commercial sense for them.

NUMBER OF EMPLOYEES:



BUSINESS CAPABILITIES:

	% agreement	index
People with foreign language skills	49	114
A finance team	75	128
Owner / manager born overseas	18	93
UK based employees engaged in Research and Development or new product or service development activity	36	104
A written business plan	73	119
Connections with other businesses	72	111
Owner / manager with a degree	57	93
Whether have introduced new products or services in past 12 months	56	104
Applied for or obtained any patents, trademarks or other legal protection for any of your products or services	17	87
An overseas target	0	0

SUPPORT NEEDS:

	% agreement	Index
My business has enough managerial time to focus on exporting	31	53
My business has enough capability to develop an export business plan	52	84
My business has enough capability to assess the cost of exporting (costing products, taxes, transport etc)	50	69
The staff in my business have enough skills to focus on exporting	52	71

SUPPORT ATTITUDES:

	% agreement	Index
I have good knowledge about where to go for help and support with exporting	68	121
I have good knowledge about where to go for information about exporting	67	114
I have heard of or visited the Exporting is Great site at great.gov.uk	5	53
My business would be interested in information and business support services to assist me with exporting	7	21

All indices provided are versus Total

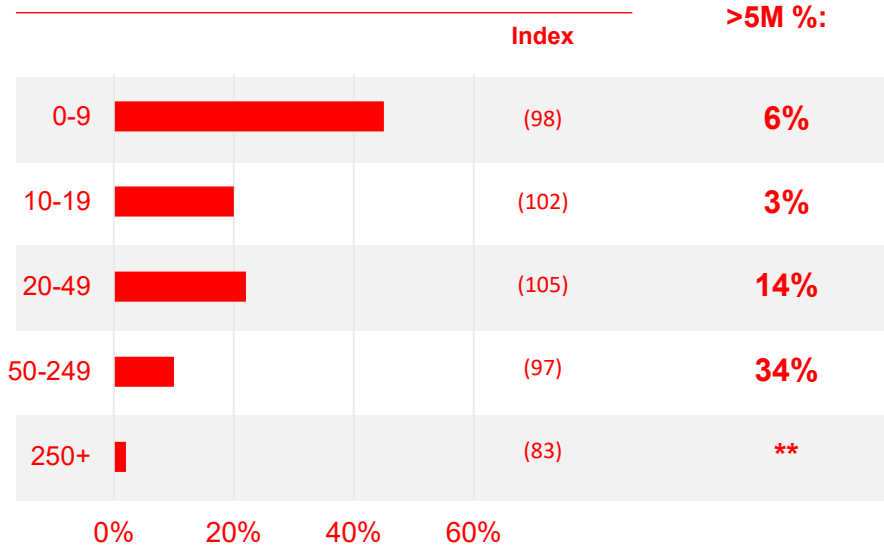
Unless indicated otherwise this data is based on waves 1 2 & 3 of the DIT NSRB, with the proportions of businesses (£500k+ turnover) in each of the four main segments weighted to match the proportions from wave 3 of the survey
Some questions (as indicated) are based on wave 3 only due to changes in the questionnaire over time (see technical report for full details)

Challenge (39%) *Have never exported and don't believe their product / service is suited*

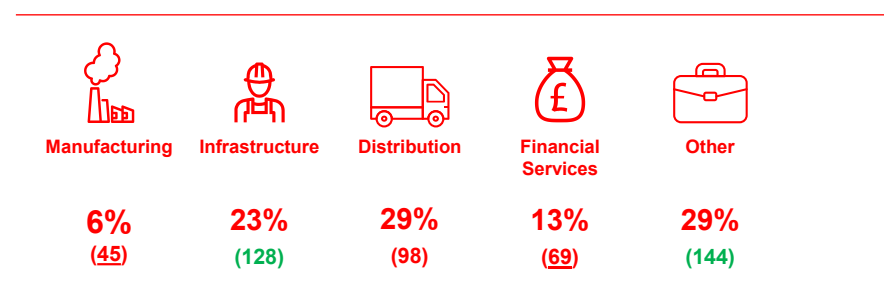
Businesses **39%** **166.5k**

Turnover **32%**

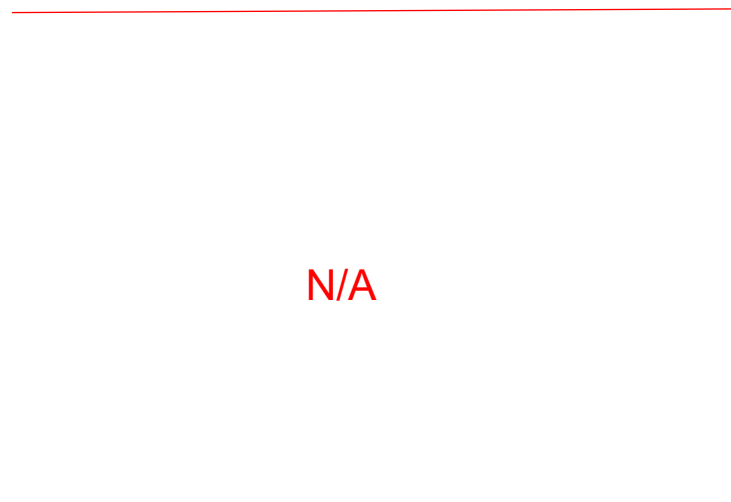
NUMBER OF EMPLOYEES:



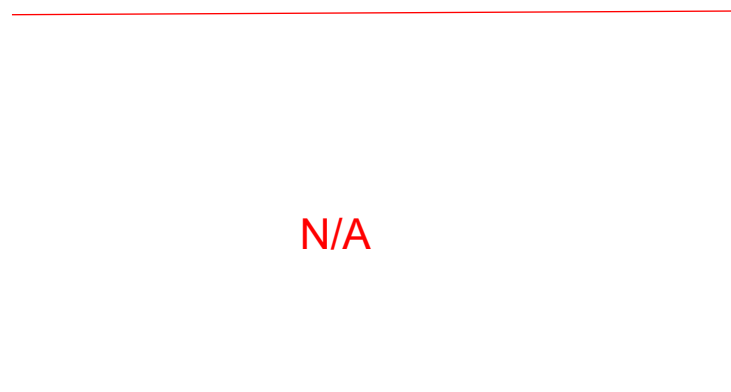
SECTORS:



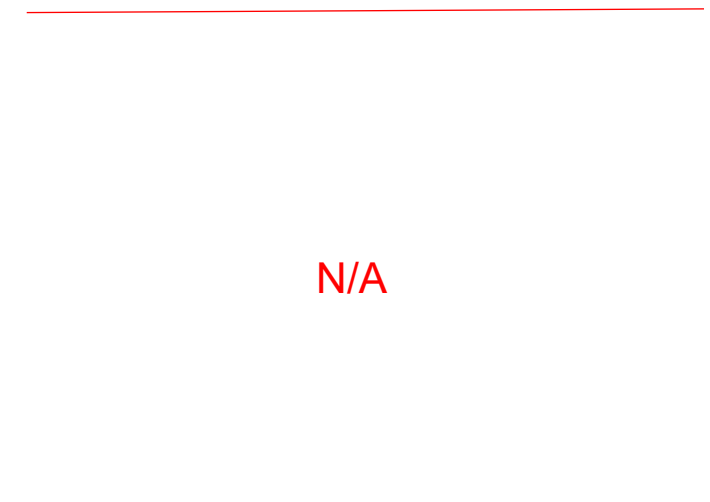
EXPORTING WHERE:



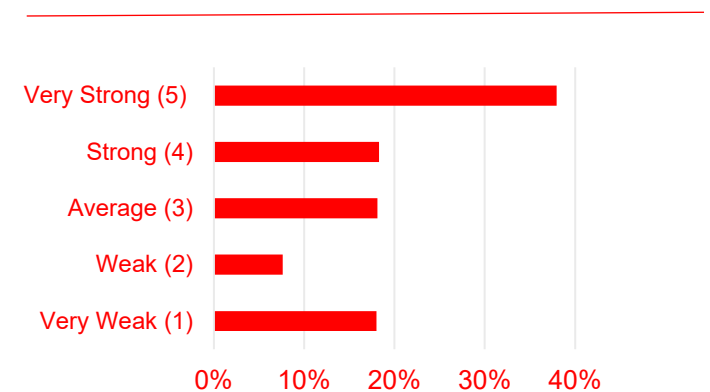
EXPORTING WHAT:



POSITIVE GROWTH PLANS:



INDUSTRY CONNECTIONS:

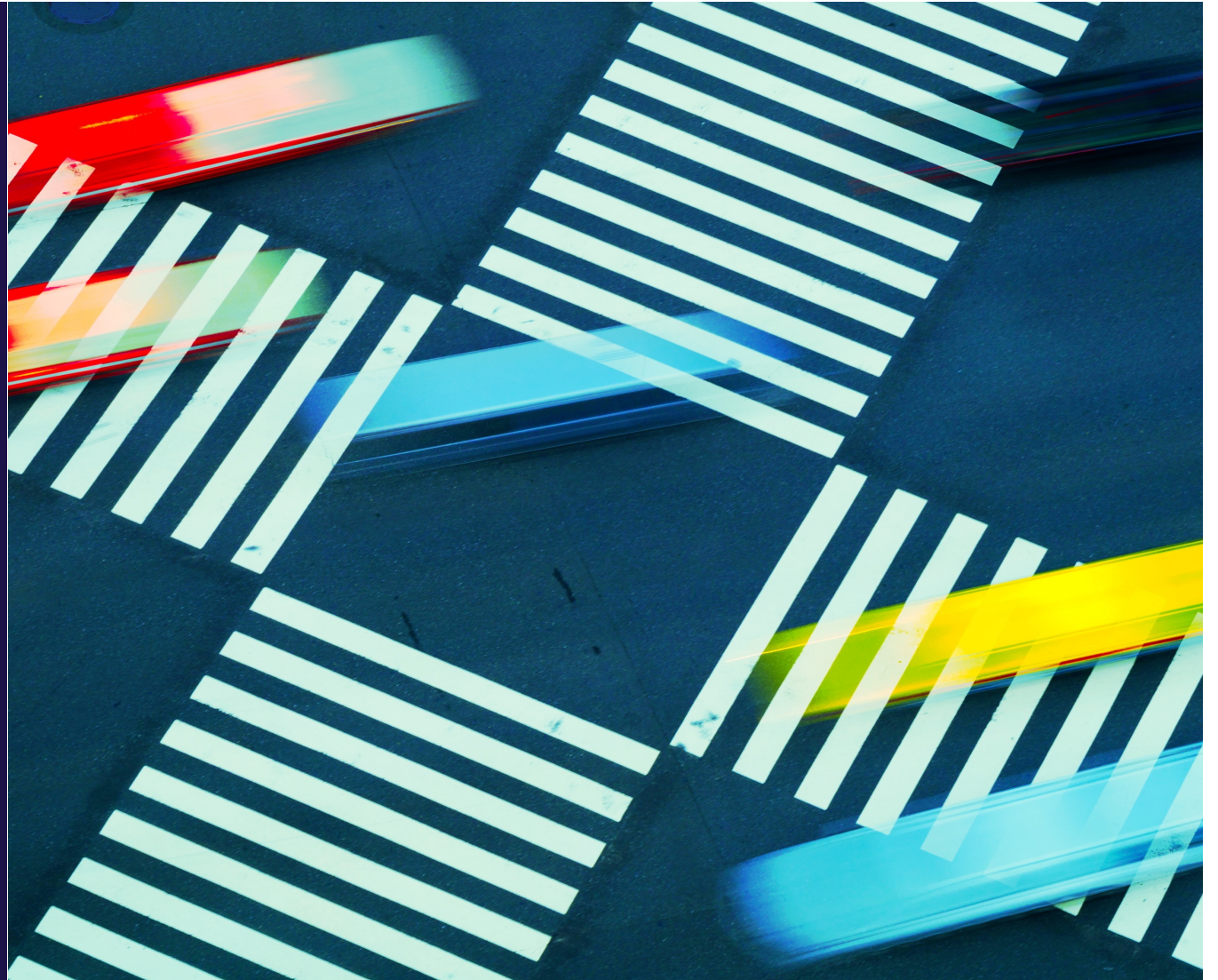


** low base

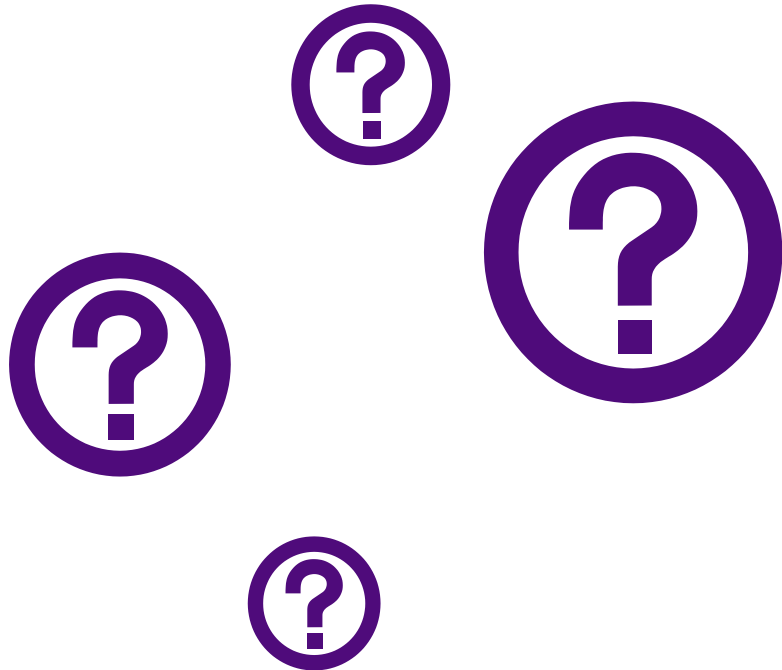
Unless indicated otherwise this data is based on waves 1 2 & 3 of the DIT NSRB, with the proportions of businesses (£500k+ turnover) in each of the four main segments weighted to match the proportions from wave 3 of the survey. Some questions (as indicated) are based on wave 3 only due to changes in the questionnaire over time (see technical report for full details)

4.

Golden Questions: How to Prospect Businesses into Segments



Golden questions – what and why



Having a nuanced understanding of larger UK businesses and how the DIT can support them on their export journey is a useful tool to inform policy.

However a single ‘snapshot’ of the landscape fails to realise the full potential of the approach. To ensure that DIT interventions have the optimal impact on the target segments at each stage of the export journey, it would be necessary to classify businesses by segment as they start to engage with DIT, in order to facilitate customised support.

By having businesses answer a short series of ‘golden questions’ (for example as part of a sign-up process of great.gov.uk site), we are able to allocate them to a segment with a high degree of accuracy.

A series of 5 questions have been developed which (in addition to the questions used to classify to ‘higher order segment’) enables classification of businesses to a sub-segment with an overall accuracy rate of 80%, which is a very strong performance.

The questions were selected using a discriminant analysis to identify the set of questions which best predict segment membership (as validated by applying the algorithm to the original dataset).

This same algorithm can be deployed across engagement touchpoints and a database built up over time mapping UK businesses to segment.

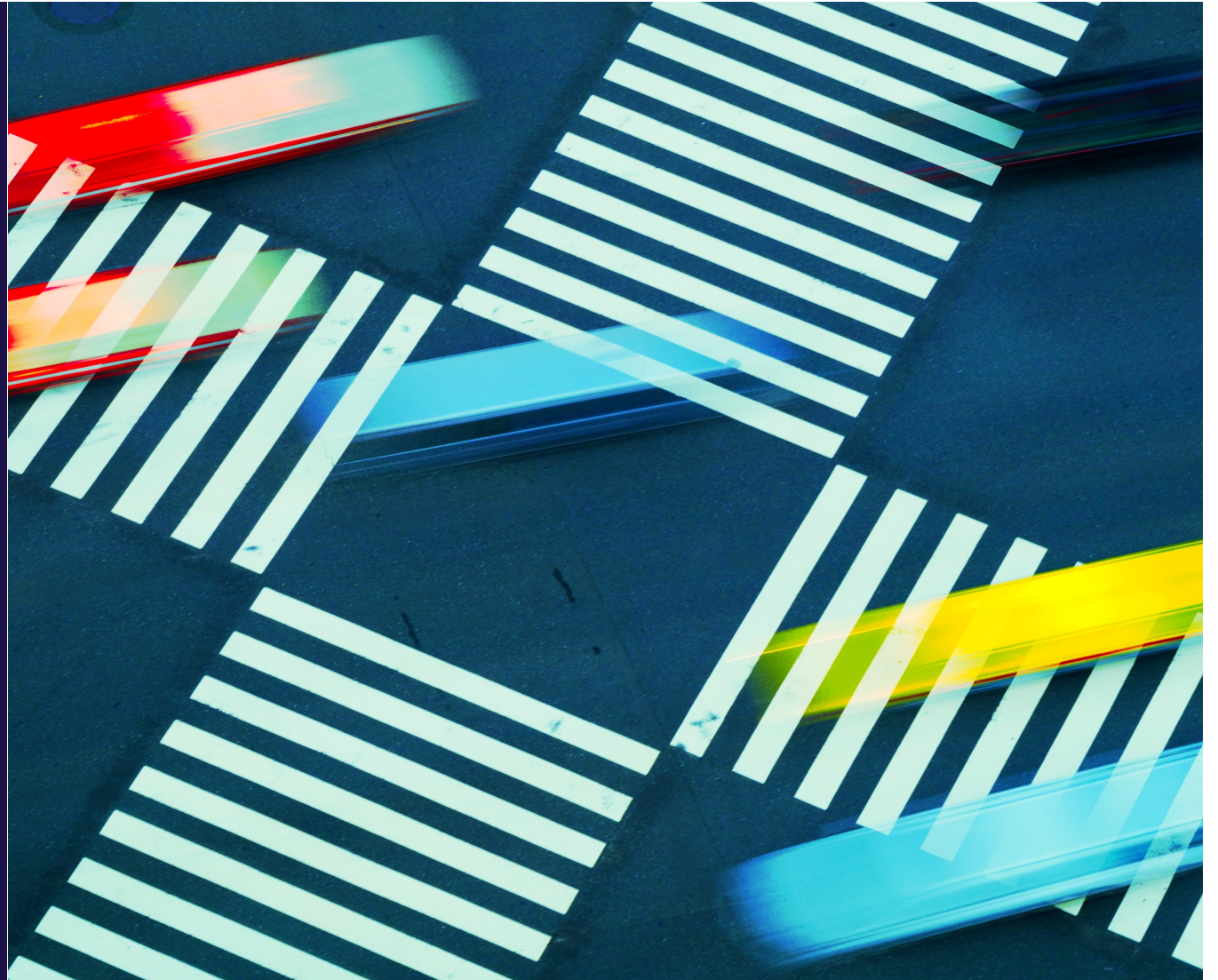
In addition, this tool can be used to track the *migration* of businesses from one segment to another – hopefully progressing on the export journey.

List of Golden Questions



- 1. Which best describes you:**
 - I have exported in the last 12 months
 - I have exported before but not in the last 12 months
 - I have never exported but have a product suitable or that could be developed for export
 - I do not have a product for export
- 2. How would you describe your knowledge of where to go for help and support with exporting?** Scale of 1 to 10.
- 3. To what extent do you agree or disagree that international growth is an exciting prospect for my business?** Strongly disagree to strongly agree
- 4. To what extent do you agree or disagree there is a lot of opportunity for my business to grow internationally?** Strongly disagree to strongly agree
- 5. To what extent do you agree or disagree there would not be enough demand for my business overseas to make it worthwhile?** Strongly disagree to strongly agree
- 6. How interested would your business be in information and business support services that can assist you with exporting?** Very interested to not interested

5. Key Learnings by Business Size



Businesses further along the exporting journey tend to have higher turnover – whatever the size of the business

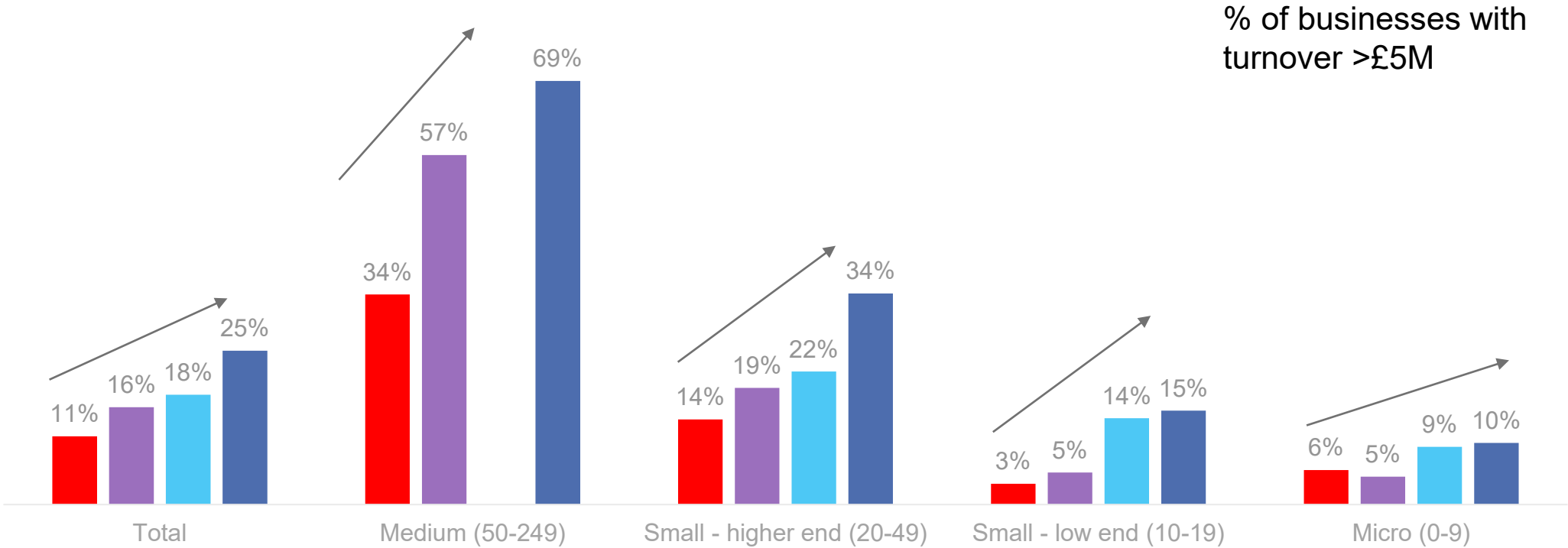


FIGURE 8 - Bar charts showing the relationship between business turnover and where the business is on exporting journey across different business sizes

■ Sustain ■ Reassure ■ Promote ■ Challenge

A high proportion of 'challenge' sit in Micro businesses – but also significant in small sized

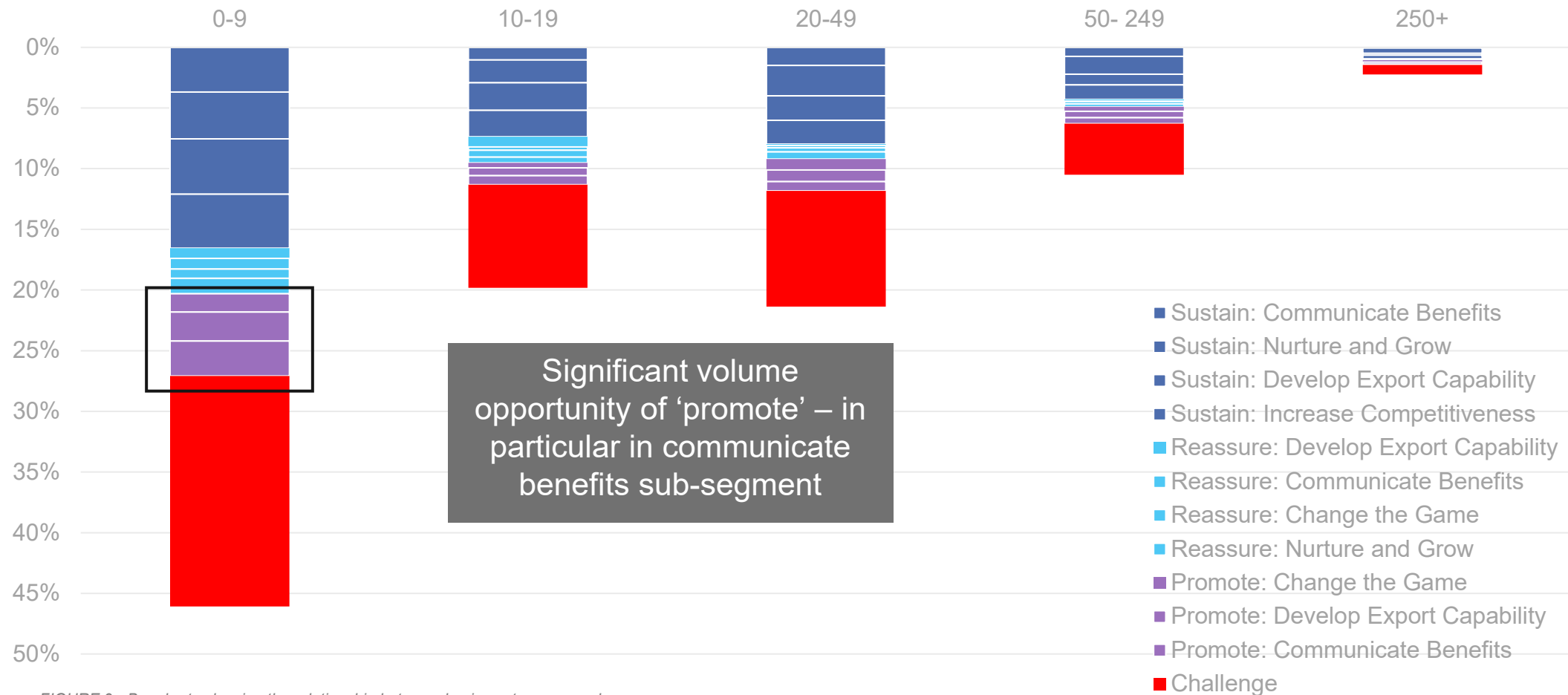


FIGURE 9 - Bar charts showing the relationship between business turnover and where the business is on exporting journey across different business sizes

While the share of challenge reduces with business size, ‘promote’ increases – and there are a significant proportion for whom we need to ‘Change the Game’

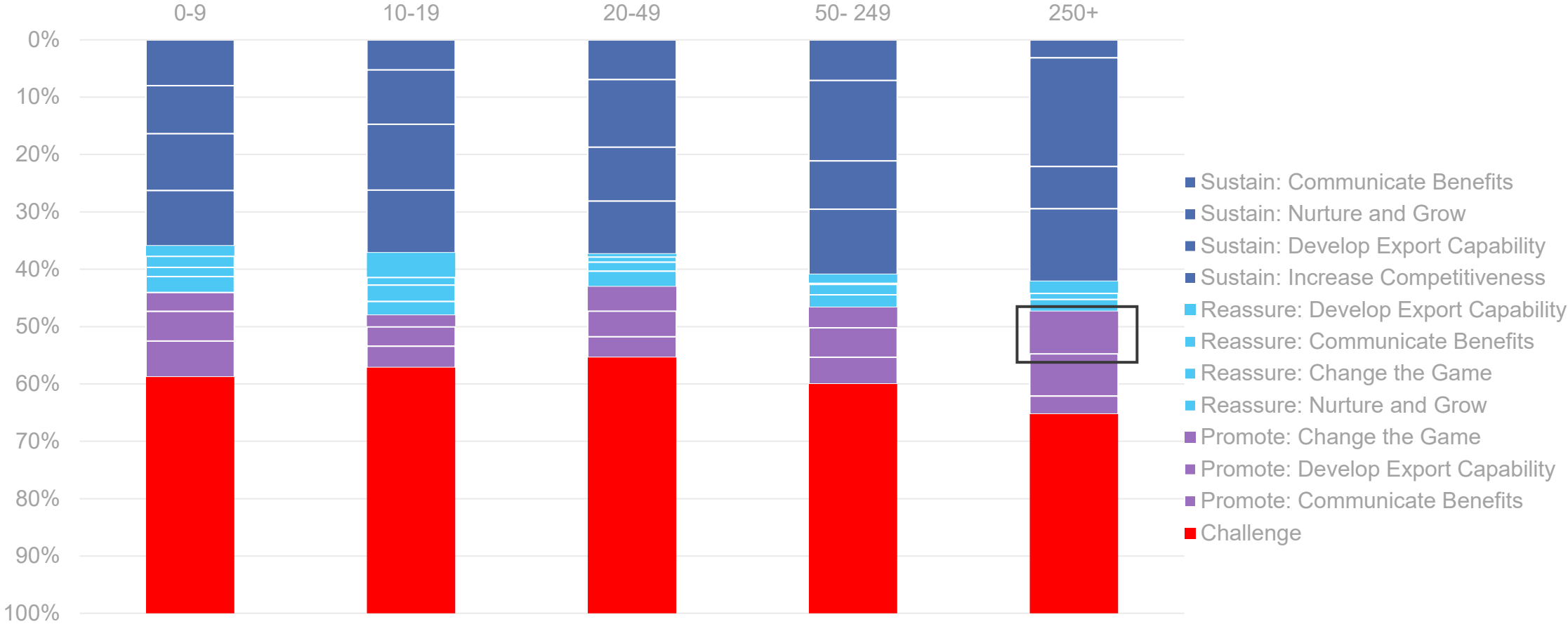
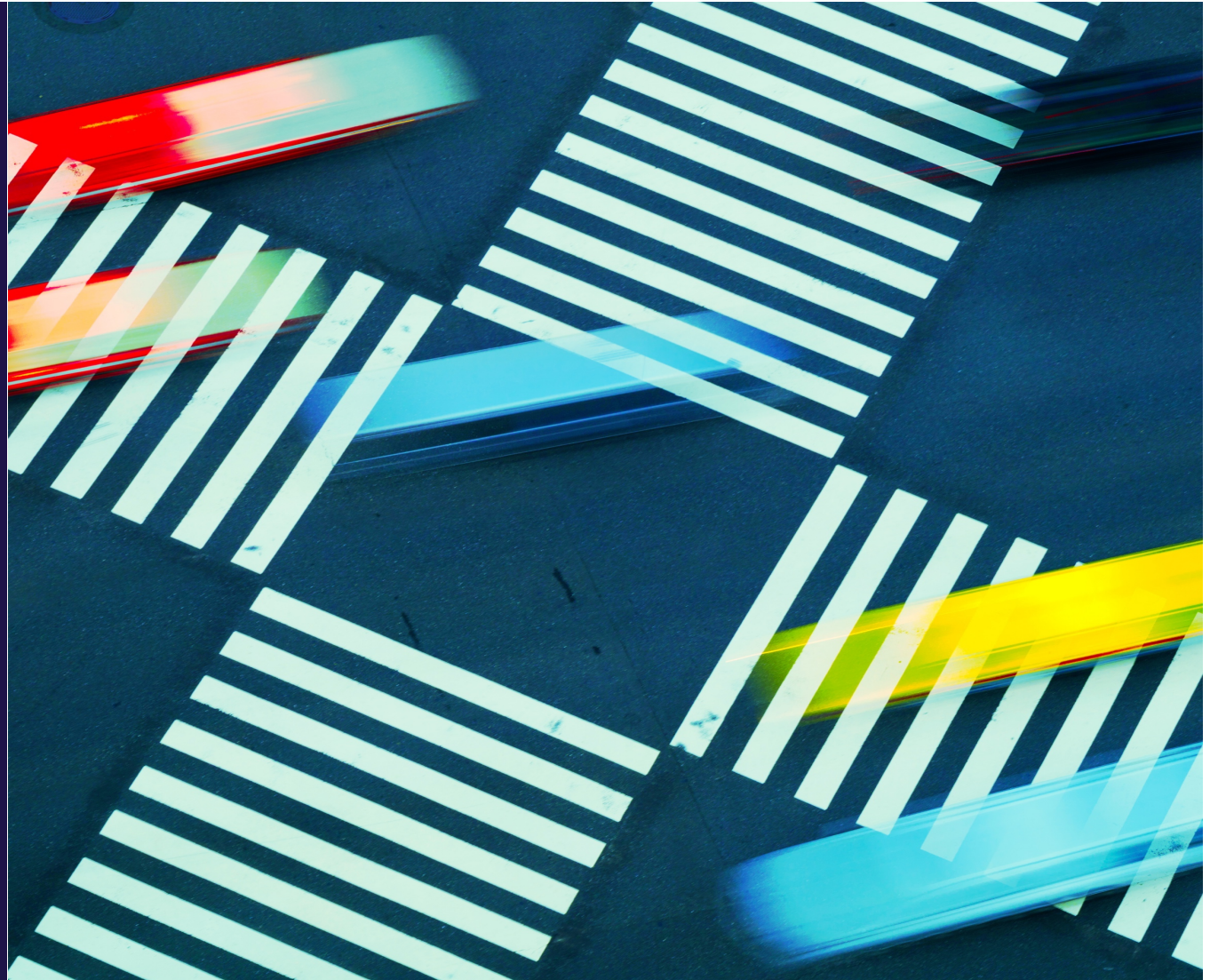


FIGURE 10 - Bar charts showing the relationship between business size (as measured by # of employees) and segment

6.

Key Learnings by Business Sector



Unsurprisingly, Sustain segments in Financial Services represent a significant volume, but there is a need to enhance competitiveness for some in this sector

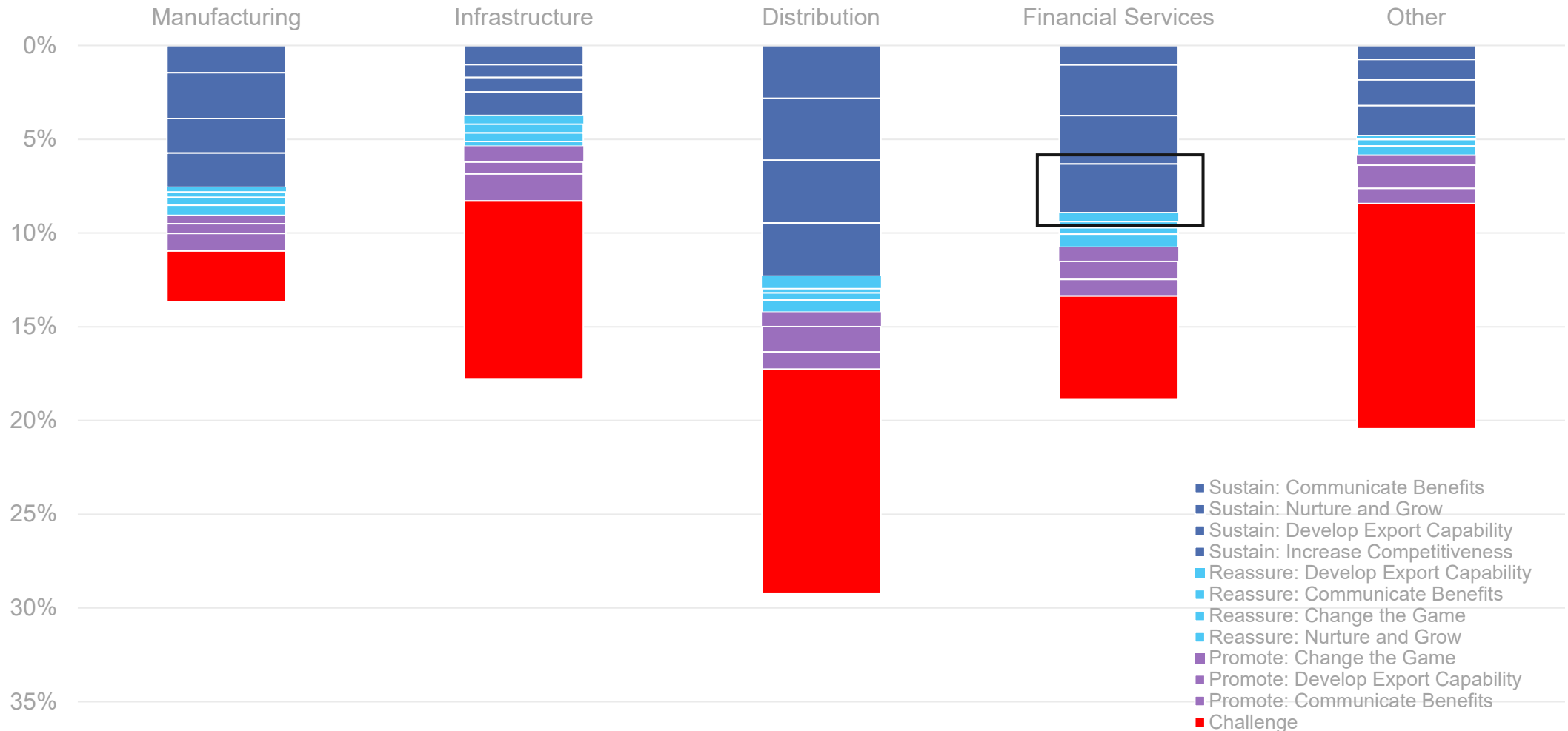


FIGURE 11 - Bar charts showing the relationship between sectors and segment

Naturally, manufacturing has a high proportion of ‘sustain’ sub segments – but there is also an opportunity to grow exporting within the sector by better communicating benefits

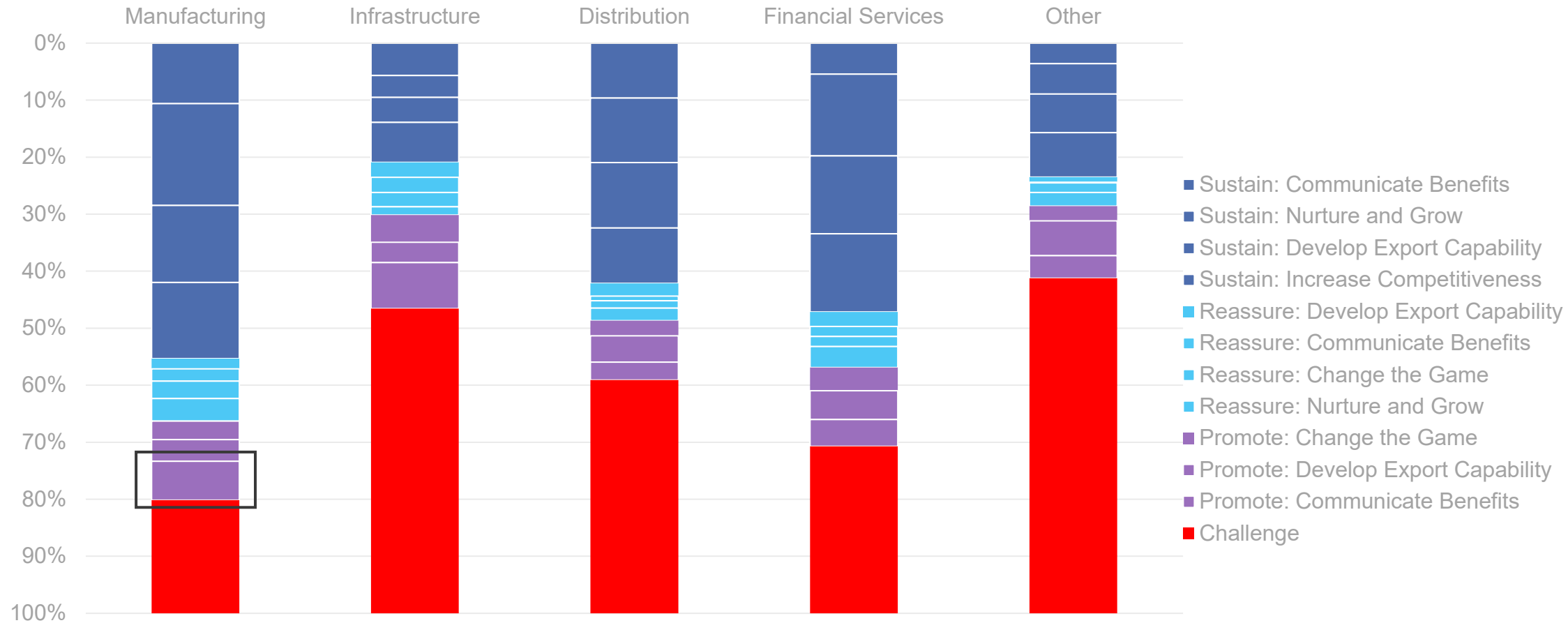
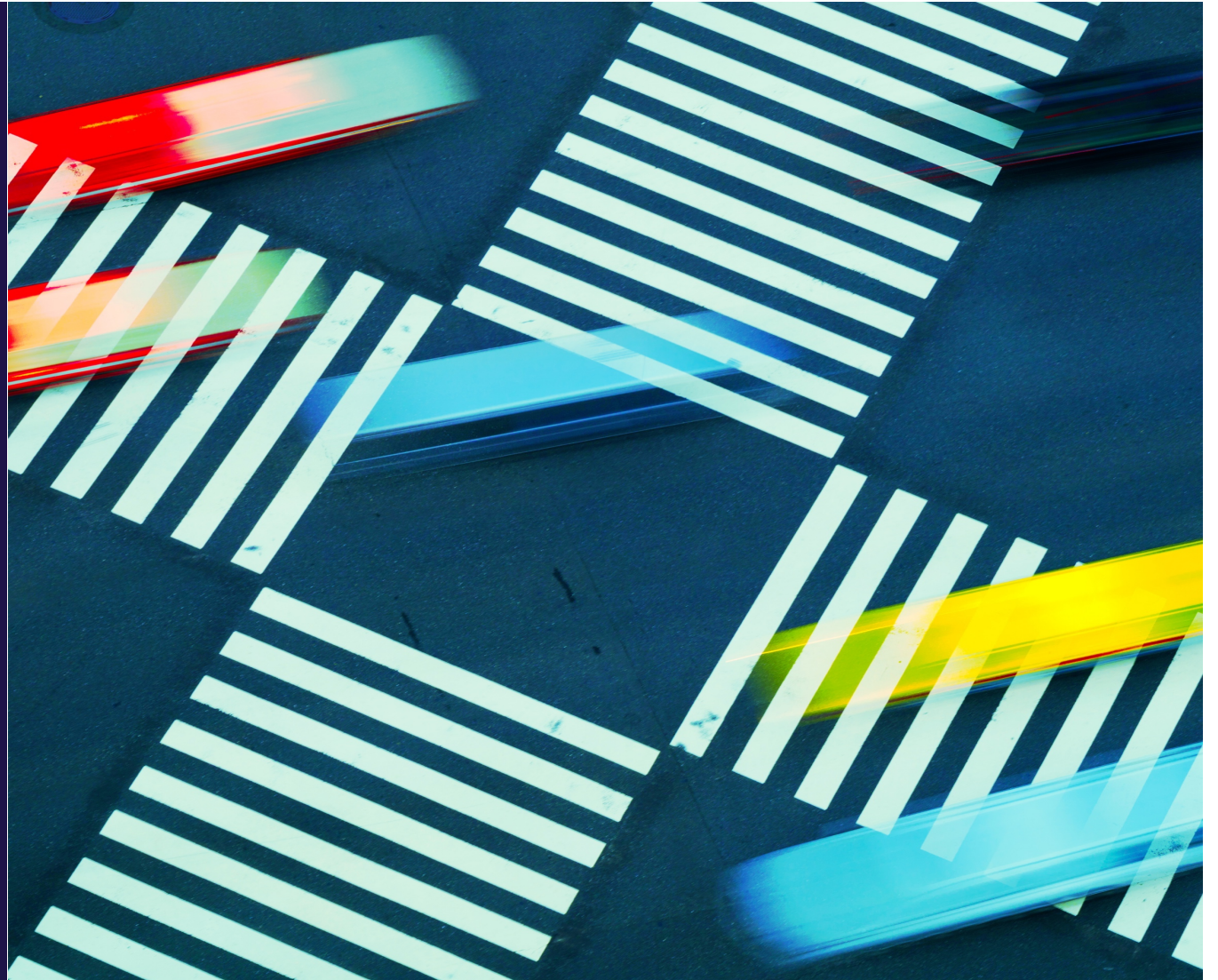


FIGURE 12 - Bar charts showing the relationship between sectors and segment

7.

**Estimates of High
Export Potential
Businesses in the
UK and by Region**



Breakdown of Estimates of High Export Potential Businesses By Size & Export Journey Stage

Export Journey Stage	Businesses by Size (Employees and >£500k turnover)					
	Micro (0-9 > £500k)	Small (Lower 10 - 19)	Small (Upper 20 -49)	Medium (Lower 50 - 249)	Large (250+)	Total
Sustain - Exported in past 12 months	62,785	31,550	27,684	19,996	5,118	147,133
Reassure - Exported more than 12 months ago (but not in past 12 months)	15,670	8,228	4,182	2,366	977	31,423
Promote - Haven't exported but product suitable/could be developed	27,277	7,149	9,776	5,505	2,032	51,739
Total	105,732	46,927	41,642	27,867	8,127	230,295

FIGURE 13 –

Source: ONS 'UK business' activity, size and location: 2017'

DIT National Survey of UK Registered Businesses' Exporting Behaviours, Attitudes and Needs 2017: £500k+ Small and Medium Business Report

Footnote: Because the figures shown are estimates based on survey data they are not exact counts and are subject to a certain margin of error.

Breakdown of Estimates of High Export Potential Businesses Across UK Regions & Export Journey Stage

Region	Sustain Exported in past 12 months	Reassure Exported more than 12 months ago (but not in past 12 months)	Promote Haven't exported but product suitable/could be developed	Total All High Export Potential Businesses
England	130,251	27,654	46,713	204,618
North West England	10,249	1,807	3,665	15,722
North East England	4,283	412	2,580	7,275
Yorkshire & Humber	11,548	2,791	5,718	20,058
West Midlands	10,589	1,566	3,704	15,859
East Midlands	9,382	2,252	4,645	16,280
East of England	17,151	4,223	6,542	27,917
London	26,641	5,171	8,267	40,079
South East (ex. London)	25,233	6,489	6,638	38,360
South West England	15,173	2,944	4,953	23,070
Scotland	7,628	2,107	2,939	12,674
Wales	4,033	1,155	1,921	7,109
Northern Ireland	5,220	507	166	5,893
UK Total	147,133	31,423	51,738	230,294

FIGURE 14 -

Source: ONS 'UK business' activity, size and location: 2017⁷

DIT National Survey of UK Registered Businesses' Exporting Behaviours, Attitudes and Needs 2017: £500k+ Small and Medium Business Report

Breakdown of Estimates of High Export Potential Businesses Across Industry Sector

Industry Sector (from database)	Total All High Export Potential Businesses
Agriculture, Forestry & Fishing	3,789
Mining & Quarrying	358
Manufacturing	37,661
Electricity, Gas, Steam & Air Conditioning Supply	570
Water Supply; Sewerage, Waste Management & Remediation Activities	1,535
Construction	17,284
Wholesale & Retail Trade; Repair of Motor Vehicles & Motorcycles	64,433
Transportation & Storage	13,763
Accommodation & Food Service Activities	4,284
Information & Communication	11,138
Financial & Insurance Activities	8,240
Real Estate Activities	3,765
Professional, Scientific & Technical Activities	29,715
Administrative & Support Service Activities	20,071
Education	3,197
Human Health & Social Work Activities	3,224
Arts, Entertainment & Recreation	3,204
Other Service Activities	4,065
Total	230,295

FIGURE 13 –

Source: ONS 'UK business' activity, size and location: 2017'

DIT National Survey of UK Registered Businesses' Exporting Behaviours, Attitudes and Needs 2017: £500k+ Small and Medium Business Report

Footnote: Because the figures shown are estimates based on survey data they are not exact counts and are subject to a certain margin of error. Figures highlighted in red are based on a sample of less than 35 businesses.

About the authors:

This report was written by Simon Trusler and Gill Edwards at Kantar Analytics (formerly Kantar TNS).

Thanks are given to Natalia Chivite-Matthews, Shilpa Patel and Gemma Pilling at DIT, and to Richard Brind at Kantar Public. Their support throughout the analytical process has been invaluable.



Department for
International Trade

GREAT

BRITAIN & NORTHERN IRELAND

