UK Trade & Investment

Performance & Impact Monitoring Surveys (PIMS) 2014 Non-User Survey

Research Report

August 2014

JN: 4408

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Contents

1. Executive Summary

UKTI's Performance & Impact Monitoring Survey (PIMS) measures the impact and effectiveness of UKTI support. The PIMS programme also includes an annual telephone survey of exporting firms that have not used UKTI services.

The 2014 PIMS Non-User survey involved 300 interviews with UK firms that had exported (or attempted to export) in the last 2 years and it includes firms that have obtained export-related assistance from other, non-UKTI sources (supported non-users) and those that have not accessed any export-related support (unsupported non-users). Where available, comparisons have been made with UKTI clients.

Throughout this report, any differences referred to in the commentary are statistically significant at the 95% level of confidence unless otherwise stated.

1.1 Business Profile & Growth

- **UKTI clients tend to be a little larger than non-users (although the vast majority are still SMEs) and display significantly greater innovation levels.**
- **UKTI users are more export intensive than non-users in terms of the length of time they have been conducting business overseas, the number of overseas markets they operate in, and the share of turnover accounted for by export sales.**
- **UKTI clients are significantly more dynamic than non-users, both in terms of their overall business growth and their overseas development. They are also more strategic in their approach.**
- **However, there are still significant proportions of non-users that are on an upward growth trajectory, are innovating and adopt a strategic approach to their business development and would therefore represent very good additions to UKTI's client base.**

The age profile of UKTI users and non-users is broadly similar, although the UKTI client base includes a higher proportion of older firms.

UKTI clients tend to be larger than non-user firms in both employee and turnover terms, although it is still the case that the vast majority of UKTI users are SMEs (i.e. 0-249 employees).

The majority of firms operate in the services sector. However, UKTI users are comparatively more likely to be in the production sector.

UKTI clients are more likely to be 'innovative' and are also more likely to hold patents, trademarks or other legal protection for their products/services.

Business Profile

		Non-Users	UKTI Users
Base		*300*	*3714*
Age	0-5 years	25%	26%
	5-10 years	23%	17%
	10-20 years	26%	19%
	Over 20 years	26%	38%
Employees	0-9 employees	74%	43%
	10-99 employees	24%	37%
	100-249 employees	1%	8%
	250+ employees	1%	7%
Turnover	Up to £500k	56%	32%
	£500k - £2m	23%	20%
	£2m - £10m	8%	18%
	Over £10m	4%	14%
Sector	Production	28%	37%
	Services	72%	61%
Innovation	Innovative	64%	86%
	IP active	15%	41%

Export Experience

		Non-Users	UKTI Users
Base		*300*	*3714*
Years Exporting	0-2 years	23%	24%
	2-10 years	42%	35%
	Over 10 years	34%	40%
Export Sales (as % of turnover)	Up to 10%	60%	33%
	11-25%	14%	13%
	26-50%	10%	18%
	Over 50%	13%	30%
Number of Markets	None	11%	19%
	1-5	60%	30%
	6-20	23%	33%
	Over 20	5%	18%

UKTI users tend to have significantly greater overseas experience than non-users.

They have been operating overseas for longer, and exports typically contribute more to their total turnover.

UKTI clients also tend to be active in a greater number of markets.

UKTI clients are notably more dynamic than non-users; they are more likely to have grown substantially in the past 5 years and to anticipate further substantial growth in the next 5 years.

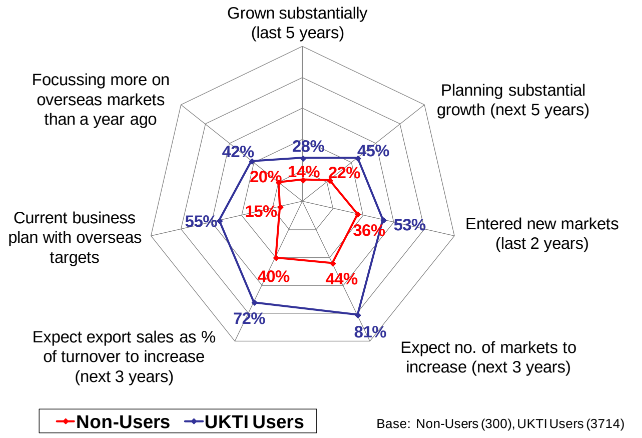
Firms accessing UKTI support also tend to have a more positive outlook when it comes to the development of their overseas business. Around three-quarters of UKTI clients expect the number of markets they do business in and their export sales to increase in the next three years, compared to less than half of all non-users.

UKTI users are also more likely to have recently entered new markets and to be focussing more on overseas markets than they were a year ago.

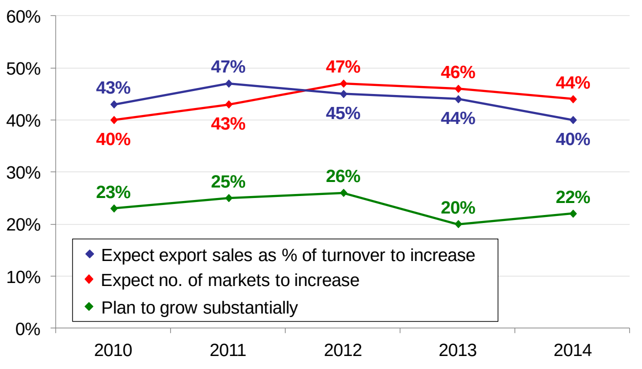
There is evidence that UKTI clients are more strategic in their approach than non-users. Not only are they more inclined to have a formal business plan, but they are also more likely to indicate that this plan contains specific targets relating to revenues from overseas sales.

Overall, there has been little change in the growth aspirations of non-user firms over the last 4 years.

Growth & Strategy



Business Growth – Over Time



1.2 Benefits of Exporting

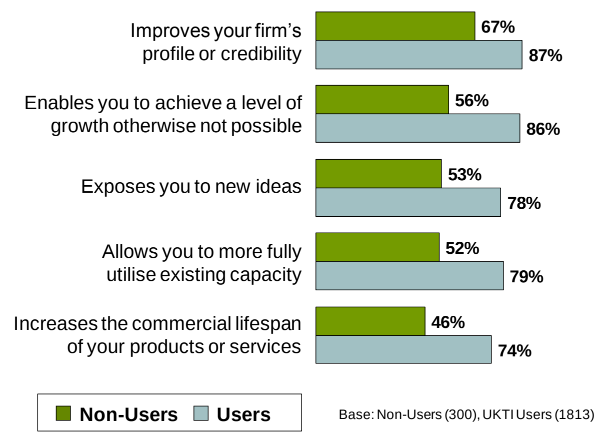
- **Exporting benefits firms in a range of different ways, and UKTI users are significantly more likely than non-users to report these benefits.**

Exporting clearly benefits internationalising firms in a number of different ways, and not simply through enabling them to achieve a level of growth otherwise not possible.

At the total level the most widespread benefit of exporting is that it improves firms' profile or credibility.

UKTI users are significantly more likely to report each of the benefits tested, suggesting that accessing support from UKTI puts firms in a better position to take advantage of the potential positive impacts of exporting.

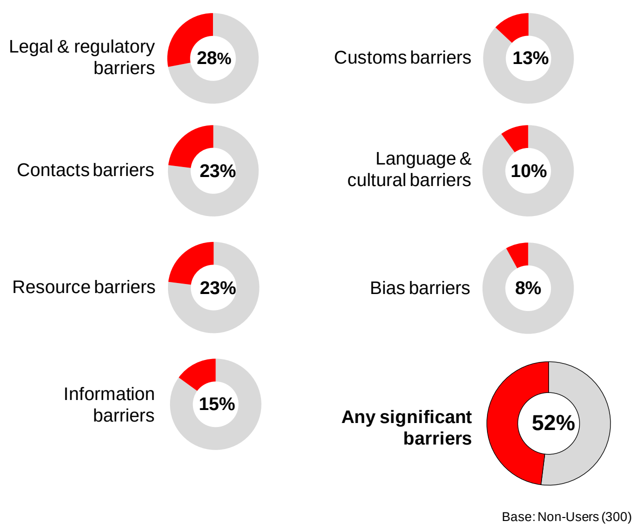
Benefits of Exporting



1.3 Barriers to Overseas Trade

- **Half of all non-users have still experienced significant barriers to the development of their overseas business.**
- **The most widespread are legal and regulatory, contacts and resource barriers. Many of these could potentially be addressed (or at least reduced) by existing UKTI services.**

Barriers to Doing Business Overseas



Around half of non-users have experienced one or more significant barriers to the development of their overseas business. This suggests that many would benefit from the type of support that UKTI can provide.

The most widespread barriers relate to legal and regulatory issues, followed by difficulties establishing/developing contacts and problems finding sufficient time to develop their export business.

Please note that the PIMS user surveys do not capture data on barriers, so comparable data is not available for UKTI clients.

It is important to note that all of these barriers can, to at least some extent, be addressed by the existing range of UKTI export support services. The table below matches each barrier to relevant impacts reported by UKTI clients in the main PIMS surveys (along with the proportion of UKTI users benefiting to a significant extent from each one).

Barrier	Corresponding Benefit of UKTI Support
Legal & Regulatory	• Overcome difficulty with a legal/regulatory issue or quality standards (14%) • Introduced new products/services or improved existing ones (28%) • Made improvements to new product development strategy (28%)
Customs	• Improved way do business in an overseas market (37%)
Contacts	• Gained access to prospective customers/business partners (47%) • Improved overseas marketing strategy (37%)
Information	• Gained access to information otherwise unable to come by (46%)
Resource	• Gained confidence to enter new market/expand in existing one (43%)
Language & Cultural	• Gained access to information otherwise unable to come by (46%) • Improved way do business in an overseas market (37%) • Improved overseas marketing strategy (37%)
Bias	• Improved profile or credibility (42%) • Improved knowledge of competitive environment in overseas market (40%)

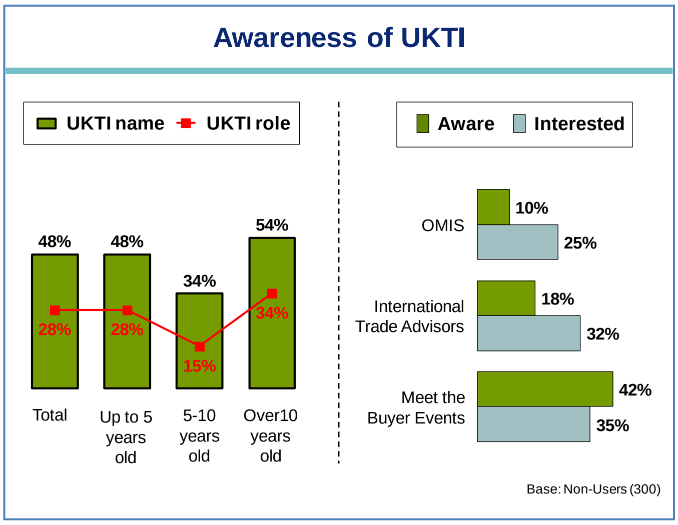
1.4 Awareness of UKTI

- **Non-users lack awareness of UKTI. This applies to recognition of the UKTI name (48%) and understanding of UKTI's role (28%).**
- **However, awareness has risen over the last few years (up from 38% in 2010 to 48% currently). There is also clear interest in the types of service that UKTI provides, particularly among less experienced exporters.**

Awareness of the UKTI name among exporters that have not used UKTI services stands at 48% (and this has risen over the past 3 years).

However, only 28% knew that UKTI provides assistance to help UK firms do business overseas (i.e. were aware of UKTI's role).

Only a tenth of non-users had heard of the OMIS service and a fifth had heard of the support available through UKTI's ITA network, although awareness increased to 42% for 'Meet the Buyer' events.



Interest in using these services is highest for ITAs and Meet the Buyer events. For all three services, interest levels were highest among very inexperienced exporters and among firms that were planning to grow.

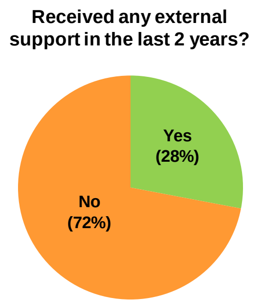
1.5 Demand for Export Support

- **Even though many non-user firms feel that external export support would be beneficial to them, just 28% have accessed assistance from a non-UKTI source in the past 2 years.**
- **The primary reason for not obtaining support is that firms are unaware of anyone that could provide it.**

28% of non-user firms have obtained export support from a non-UKTI source in the previous two years (classed as 'supported' non-users). A variety of different providers were used by these firms, but the most common were accountants, HMRC and banks.

The most widely accessed type of support was information on how to do business in an overseas market, with two-thirds of all supported non-users obtaining this in the previous 2 years. Around a quarter had received assistance with entering a new market, information on business opportunities overseas and help identifying contacts.

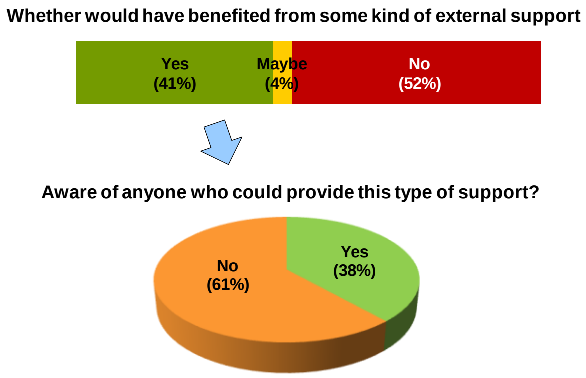
Use of External (Non-UKTI) Support



Support Providers Used *Mentioned by 3%+*	
Accountant	12%
HMRC	10%
Bank	8%
Chamber of Commerce	6%
Trade Association	5%
Consultant	4%
None	72%

Base: Non-Users (300)

Need For Support



Base: Unsupported Non-Users (218)

Of the non-user firms that had not received support, 41% felt they *would* have benefitted from some type of export related assistance.

61% of these firms had not accessed any export support because they were *unaware* of any providers of this type of assistance.

Among the non-users who thought they would *not* benefit from external support, the main reasons given were that they believed exporting was easy/straightforward, they managed fine without, and they had in-house export expertise. However, a significant minority felt that no one could provide relevant support or that they were too niche for support to be helpful.

When asked which country it would be most useful to receive support about, the most common response was the USA, followed by France, China and Germany.

Overall, demand for support is greatest in relation to European markets.

However, there is similar demand for support across high growth, established and other market types.

Most Useful Country to Receive Support About

Individual Markets (Mentioned by 3%+)	
USA	18%
France	10%
China	8%
Germany	8%
Russia	3%
United Arab Emirates	3%
Spain	3%
Ireland	3%
None/not interested in external support	*27%*
Don't know	*6%*

Base: Non-Users (300)

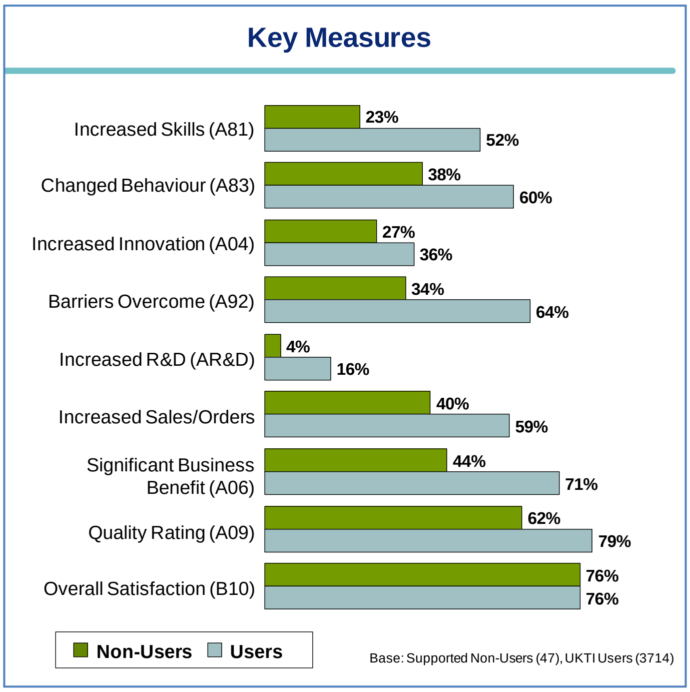
1.6 Key Measures

- **UKTI support generates significantly greater business impacts than export support provided by other sources.**
- **UKTI assistance is also associated with much higher levels of additionality; firms accessing non-UKTI support are more likely to feel that they would have achieved the same outcomes anyway even if had they not received the support.**

There is some evidence that the export support provided by UKTI is more effective than that delivered by non-UKTI sources. UKTI users are significantly more likely to score against all of the key impact measures, with the exception of Increased Innovation.

While satisfaction levels are similar for UKTI and non-UKTI support, the mean quality rating is higher for UKTI.

43% of those firms receiving non-UKTI export support judged this to have been 'non-additional' (i.e. they would have achieved similar results anyway even if they had not obtained the support), compared to just 20% of UKTI users.



2. Background & Objectives

UKTI's Performance & Impact Monitoring Survey (PIMS) measures the impact and effectiveness of UKTI support. The PIMS programme includes an annual survey of exporting firms that have not used UKTI services. This report details the findings of the 2014 PIMS Non-User Survey.

The broad aim of the PIMS Non-User Surveys is to help shed light on the economic rationale for UKTI trade development services, and investigate the following issues:

- The extent of existence of private sector alternatives of comparable scope and quality to UKTI;
- The extent to which businesses encounter barriers which give rise to the need for such services, and how these may vary across business groups;
- The extent to which businesses may have differential access to existing alternatives and why (e.g. differential access to key networks, service providers catering for specific groups such as larger firms, etc);
- The level of business interest in using export support services, and the factors which influence the demand side of the market for such services.

While much of the survey content is consistent across waves to allow comparison over time, some elements are varied each year to enable the survey to provide new evidence on evolving policy issues. It was decided that the 2014 PIMS Non-User Survey would focus on addressing the following specific objectives:

- Gather evidence on use of non-UKTI support services, including the impact and effectiveness of these programmes (in a consistent and comparable form to the ongoing PIMS surveys of UKTI clients);
- Assess the extent to which businesses encounter barriers which give rise to a need for such services;
- Explore attitudes towards support services amongst those non-user firms not accessing any forms of external support;
- Measure awareness of, and interest in, certain key UKTI services;
- Examine the benefits arising from doing business overseas;
- Explore any impact of the current economic climate;
- Collect non-user profile data, including data on innovation, growth and export strategy.

3. Methodology

3.1 Sampling Approach

A total of 300 interviews were conducted with a random sample of UK exporters (or firms that had attempted/seriously considered exporting in the previous 2 years).

To ensure that the research covered a representative sample of exporters, the sample frame was built from a random sample of UK businesses which was then 'screened' to identify those engaged in overseas business. The screening questions firstly checked whether the firm had made any sales to overseas customers in the previous 2 years and, if not, whether they had attempted/seriously considered doing so. The survey closed if the company did not meet either of these qualification criteria.

The initial sample frame was sourced from a Companies House-based list provided by Experian. In order that the incidence within the sample frame of firms eligible for interview (i.e. engaging in international business activity) was kept to within sensible limits, a small number of industry sectors where export propensity is very low were excluded from the initial sample frame. The exclusions were made on the basis of analysis of data from the Community Innovation Survey (CIS) on the incidence of exporting for individual industry sectors by age group[1]. The available data only enabled exclusions to be made at the level of 2-digit SIC codes, but a number of more detailed sub-sectors were also excluded based on both common sense and the research team's experiences of the previous surveys and pilot sessions (e.g. sub-post offices, taxi firms, dispensing chemists, etc).

In order to ensure sufficient coverage of younger firms we adopted a disproportionate sample design that involved stratifying the sample by 3 age bands (<4 years, 4-9 years and 10+ years). Firms established within the last 4 years were slightly over-sampled to enable more robust analysis of this group. This disproportionate sampling approach was addressed in the analysis phase through weighting the data back to the true age profile of UK exporters.

The initial sample was also 'de-duplicated' against known users of UKTI from the previous 5 years (using a list compiled from all records of supported firms provided for the main PIMS user surveys), to ensure that any firms that had received assistance from UKTI were removed from the sample frame. As a further precaution, an additional screening question was included at the start of the survey and the interview was terminated if the firm revealed that they had received export support from UKTI (or a British embassy/consulate overseas) in the last 5 years.

[1] Based on analysis by Professor Richard Harris, University of Glasgow.

3.2 Questionnaire Design

Strong emphasis was placed on questionnaire design in the early stages of this project to ensure that the questionnaire was easily understandable, flowed logically, was of an acceptable length and was capable of delivering high quality data across all the areas necessary to answer the research objectives.

A comprehensive 'live' pilot was conducted prior to the start of main fieldwork. This took place over the course of 2 days and involved OMB executives and UKTI representatives listening to live interviews conducted by the telephone research team. Following this session, a number of changes and improvements were made to the questionnaire script. A copy of the final questionnaire is appended to this report.

The research was positioned as being on behalf of UK Trade & Investment and the Department for Business, Innovation & Skills, and respondents were informed that it would cover their current export activities and the impact that exporting has had on their business. Interviewers asked to speak to either the owner or the person responsible for the firm's strategy in relation to exporting or overseas sales.

Where appropriate, the questions included in the non-user survey replicated those asked in the main PIMS user surveys to ensure comparability of results.

3.3 Fieldwork

The research was conducted via quantitative CATI[2] interviews, administered by a specialist team of business-to-business researchers with extensive experience of conducting similar studies with this type of audience. Interviews were conducted between April and May 2014, and lasted an average of c.20 minutes.

The following table summarises the number of sample records selected for CATI, the number of records lost due to screening-out or incorrect contact details, and the response and refusal rates.

Table 3.1 Sample Analysis

CATI SCREENING	
Selection for CATI	6,418
Unusable – Do not export	4,477
Unusable – Other reason (e.g. incorrect contact details, UKTI user, public sector organisation, etc)	842
ACHIEVED INTERVIEWS / RESPONSE RATES	
Total useable sample	1,096
Interviews achieved	300
Response rate (%)	27%
Refusal rate (%)	41%

[2] Computer Assisted Telephone Interviewing.

3.4 Analysis

3.4.1 Weighting

All of data from this survey has been weighted to account for the skewed nature of the sample design (i.e. the disproportionate sampling by business age). The weighting regime uses data from the ONS Annual Business Survey (ABS) 2011[3] on the profile of UK exporters, with the survey data weighted to the profile shown below.

Table 3.4.1 Weighting

Age	UK exporters (2011 ABS)	Interviewed firms	Weighting
<4 years	20.9%	24.7%	0.847
4-9 years	27.3%	25.3%	1.078
10+ years	51.8%	50.0%	1.036

3.4.2 Comparative Analysis

Throughout this report, comparative data has also been shown (where available) for users of UKTI services. This data has been drawn from the following sources:

- *Main PIMS Surveys:* Users of UKTI's trade development services interviewed in the main PIMS surveys, with data aggregated across the latest 4 quarterly waves (PIMS 32-35).
- *PIMS Follow-Up Surveys:* Users of UKTI's trade development services interviewed in the PIMS follow-up surveys (conducted c.1 year after the initial PIMS survey), with data aggregated across the latest 4 quarterly waves (PIMS 28-31 Follow-Up)

Wherever possible the user data has been taken from the main PIMS surveys, which involve a larger sample, but in some cases the relevant questions were only included in the PIMS Follow-Up surveys. In line with the standard PIMS reporting conventions, firms only receiving 'light' support have been excluded from the UKTI user analysis[4].

For the non-user data, as well as providing a breakdown by age of firm, analysis has also been provided by 'supported' and 'unsupported' non-users. The definitions of these two non-user sub-groups are as follows:

- *Supported Non-Users:* Firms that have received some form of export-related support from external (non-UKTI) sources in the last 2 years
- *Unsupported Non-Users:* Firms that have not received any external export-related support in the last 2 years

[3] This data was used because at the time of the survey, the ONS Annual Business Survey (ABS) 2012 figures had not yet become available.
[4] Light support is defined as the Website Business Opportunities service, Webinars and English Regions' Events of less than ½ day duration.

3.4.3 Base Size Descriptions

Under each chart in this report is a base description, which provides details of:

- The group of firms that the analysis is based on (e.g. All respondents, All exporters, etc)
- The unweighted number of firms included in the analysis (i.e. the base)
- The percentage falling into any categories that are not shown in the chart itself (e.g. 'Don't know/refused' responses).

For example, the base description shown below indicates that the analysis covers all firms that are currently exporting, the 'total' results in the chart are based on 271 firms, and 1% of these answered 'don't know' or 'refused' to this particular question. It also shows the same information for each of the 3 company age bands (e.g. the analysis of firms established 0-5 years is based on 74 interviews and 0% answered don't know/refused).

Example base description
Base: All currently exporting (Base, Don't know/refused)
Total (271, 1%), 0-5 years (74, 0%), 5-10 years (75, 2%), >10 years (140, 1%)

3.4.4 Statistical Significance

Throughout this report, **any differences referred to in the commentary are statistically significant at the 95% level of confidence** unless otherwise stated. Confidence intervals have been shown for all of the key survey measures.

3.4.5 Rounding

Throughout this report results are typically presented to the nearest whole number (e.g. 24.7% will be rounded up and displayed as 25%). For this reason there can be apparent discrepancies between the charts/tables and the commentary when several figures are combined. For example, values of 8.4% and 15.3% would be shown as 8% and 15% respectively in a chart, but the combined value if referred to in the commentary would be 23.7% and hence displayed as 24%.

4. Business Profile

4.1 Age

The sample for this survey was stratified by age of firm. The primary reason for this is that young firms are an important group for UKTI and it is therefore important that sufficiently robust data of collected for this group to enable a good understanding of their profile, barriers experienced, benefits of exporting, etc. Furthermore, stratifying the sample by age of firm also provides a unique insight into how exporting businesses develop over time.

The sample was stratified into 3 age groups (firms established <4 years, 4-9 years and 10+ years). To account for this disproportionate sampling approach, the final non-user data has been weighted back to the true age profile of internationalising firms using data from the ONS Annual Business Survey (ABS)[5].

The table below provides details of the actual (unweighted) age distribution of interviewed firms, the age profile of all UK exporters, and the weighted proportion of firms in the final sample.

Table 4.1.1 When Business Established – Stratification & Weighting (Non-Users)

	No. of interviews	% of interviews (unweighted)	True profile of exporters (ASBS data)	Weight applied	% of interviews (Weighted)
<2 years ago	30	10.0%	20.9%	0.847	8.5%
2-4 years ago	44	14.7%			12.4%
4-5 years ago	11	3.7%	27.3%	1.078	4.0%
5-10 years ago	65	21.7%			23.3%
10-20 years ago	75	25.0%	51.8%	1.036	25.9%
Over 20 years ago	75	25.0%			25.9%
Total	**300**	**100.0%**	**100%**	-	**100%**

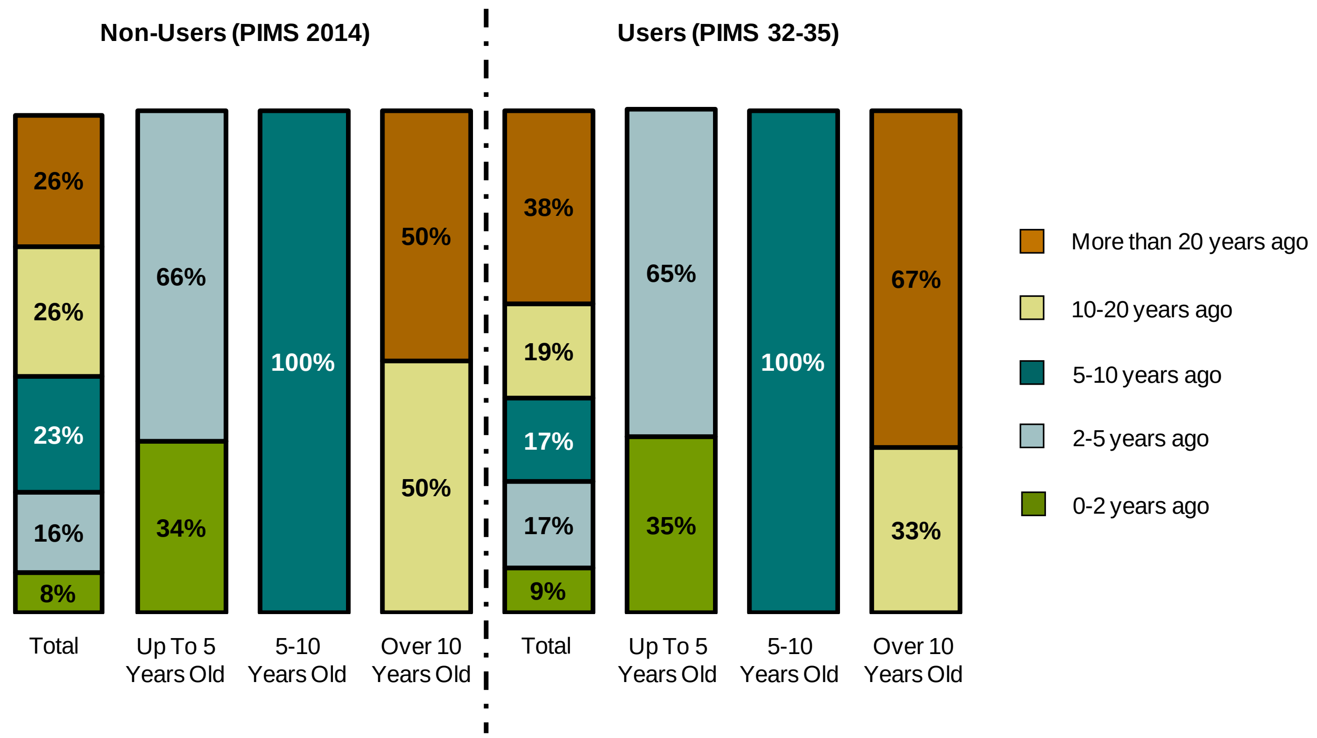
As detailed above, younger firms (under 4 years) were intentionally over-represented in the sample for this survey and as a result have been down-weighted, whilst older firms are up-weighted slightly.

Please note that all results shown in the remainder of this report have been weighted.

[5] Using data on the age profile of UK exporters from ABS 2011.

The chart below shows the weighted profile of the non-user businesses interviewed in terms of the number of years they have been established. Comparative data has also been provided for users of UKTI support (from the main PIMS survey).

Chart 4.1.1 When Business Established



Base: All respondents (Base, Don't know/Refused)
Non-Users – Total (300, 0%), Up to 5 years old (85, 0%), 5-10 years old (65, 0%), Over 10 years old (150, 0%)
Users – Total (3714, 0%), Up to 5 years old (967, 0%), 5-10 years old (615, 0%), Over 10 years old (2130, 0%)

Although the age profile of UKTI users and non-users is broadly similar, the UKTI client base includes a higher proportion of firms that have been trading for more than 20 years.

The following table provides a further breakdown of the non-user age profile by those firms that have received some form of export-related support from non-UKTI sources ('supported non-users') and those that have not ('unsupported non-users').

Table 4.1.2 When Business Established
- Non-Users by Whether Supported

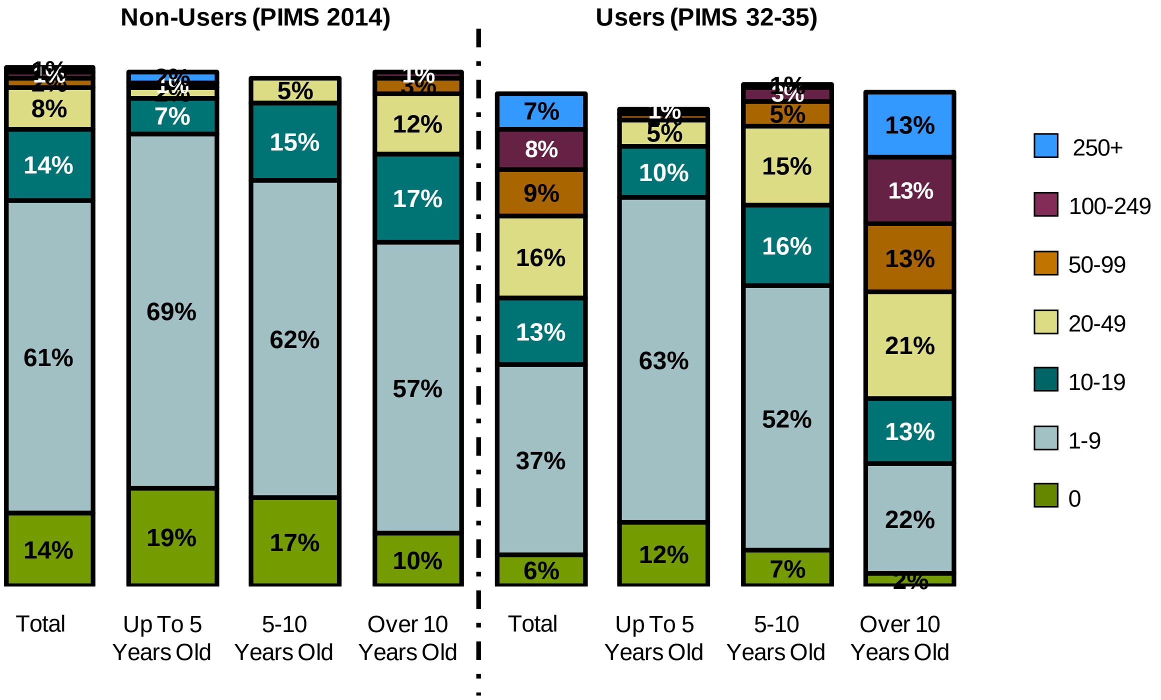
	Non-Users	
	Supported	Unsupported
Base	*82*	*218*
0-2 years	6%	9%
2-5 years	19%	15%
5-10 years	29%	21%
10-20 years	26%	26%
Over 20 years	20%	28%

There are no statistically significant differences in the age profile of supported and unsupported non-users.

4.2 Size (Employees)

The chart below shows the profile of the non-user businesses interviewed in terms of the number of employees they have within the UK. Comparative data has also been provided for users of UKTI support.

Chart 4.2.1 Number of Employees



Base: All respondents (Base, Don't know/Refused, Not yet trading)
Non-Users – Total (300, 0%, 0%), Up to 5 years old (85, 0%, 0%), 5-10 years old (65, 2%, 0%), Over 10 years old (150, 0%, 0%)
Users – Total (3714, 3%, 1%), Up to 5 years old (967, 1%, 6%), 5-10 years old (615, 2%, 0%), Over 10 years old (2130, 4%, 0%)

Three-quarters (74%) of non-user firms are micro SMEs with fewer than 10 employees. Even among firms that have been trading for over 10 years, the majority still have less than 10 employees.

Whilst they are still primarily SMEs, UKTI clients tend to be significantly larger than non-user firms, with more than half (53%) having 10 or more employees. Around a quarter (24%) of UKTI users have 50 or more employees, compared to just 3% of non-user firms. This difference in the size profile of users and non-users is most evident when it comes to firms that have been trading for more than 10 years.

Supported non-users tend to be slightly larger than unsupported ones, although on average they still have significantly fewer staff than UKTI clients.

Table 4.2.1 Number of Employees
- Non-Users by Whether Supported

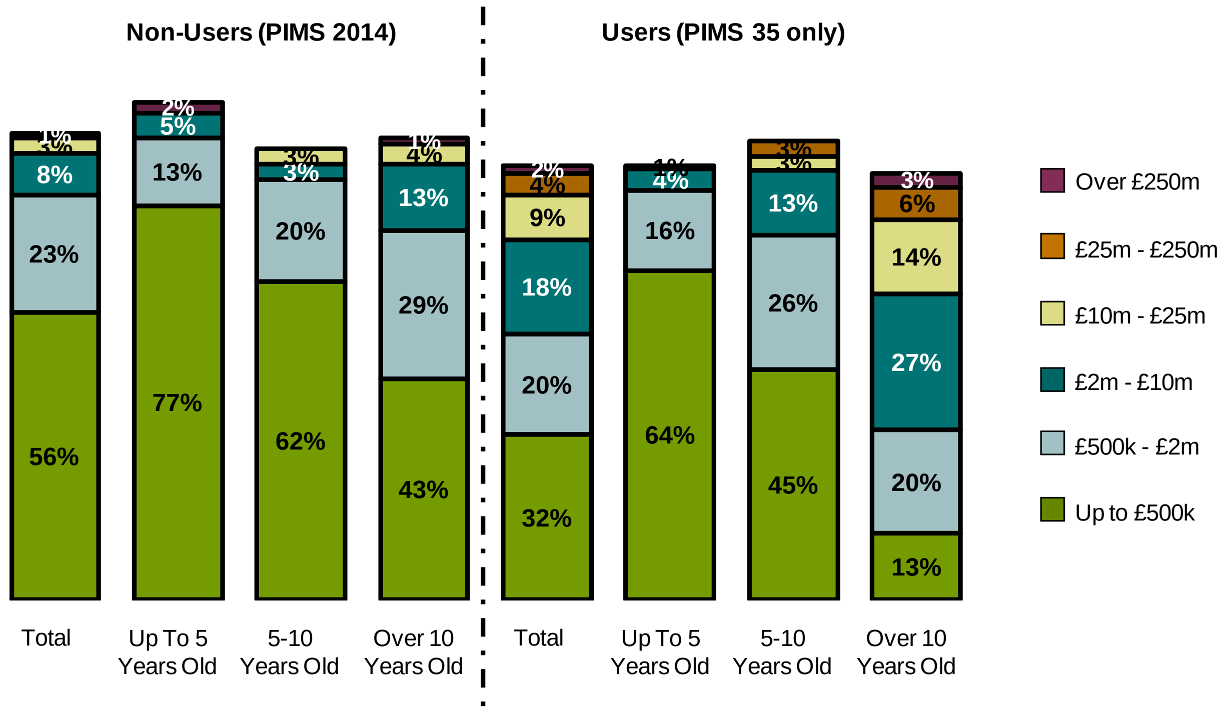
	Non-Users	
	Supported	Unsupported
Base	*82*	*218*
0	11%	15%
1-9	59%	61%
10-19	16%	13%
20-49	11%	7%
50-99	1%	2%
100-249	1%	1%
250+	0%	1%
Don’t know/refused	0%	0%

4.3 Turnover & Profitability

4.3.1 Turnover

The chart below shows the profile of non-user businesses in terms of their current annual turnover. Comparative data has also been provided for users of UKTI support, although please note that this is only available from the last quarterly wave (PIMS 35) due to changes to the questionnaire.

Chart 4.3.1.1 Annual Turnover



Base: All respondents (Base, Don't know/Refused, Not yet trading)
Non-Users – Total (300, 9%, 0%), Up to 5 years old (85, 3%, 0%), 5-10 years old (65, 12%, 0%), Over 10 years old (150, 11%, 0%)
Users – Total (901, 13%, 2%), Up to 5 years old (247, 8%, 7%), 5-10 years old (143, 10%, 0%), Over 10 years old (511, 17%, 0%)

Reflecting their smaller size in terms of employee numbers, non-user businesses also tend to have lower annual turnovers than UKTI clients, with more than half reporting sales of no more than £500,000 per year (compared to 32% of UKTI users).

Amongst both UKTI users and non-users, there is a clear correlation between the length of time firms have been established and their annual turnovers, with the proportion of firms reporting sales of £500,000 or less falling significantly amongst older businesses. However, this relationship is less pronounced among non-users.

The table below provides a comparison of the turnovers of supported and unsupported non-user firms.

Table 4.3.1.1 Annual Turnover
- Non-Users by Whether Supported

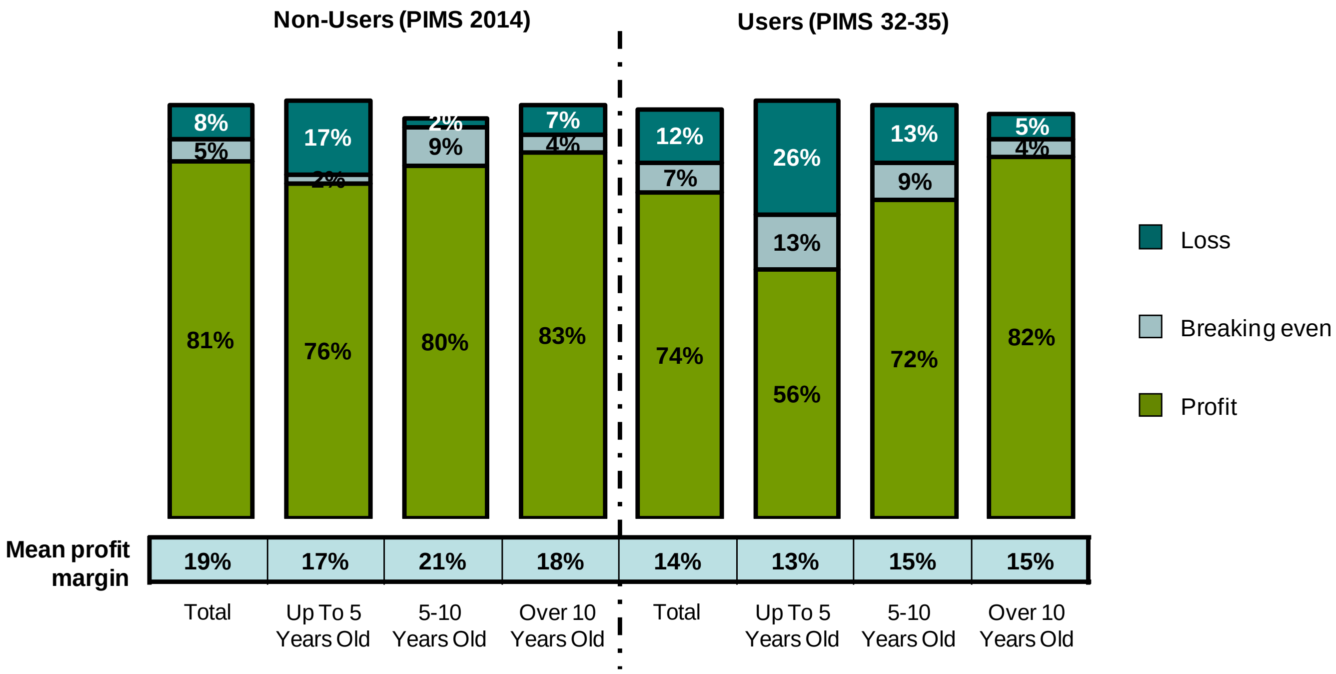
	Non-Users	
	Supported	Unsupported
Base	*82*	*218*
Up to £500k	51%	57%
£500k-£2m	20%	24%
£2m-£10m	16%	6%
£10m-£25m	5%	2%
£25m - £250m	0%	0%
Over £250m	1%	1%
Don't know/refused	6%	10%

As seen above, those non-users that have accessed some form of (non-UKTI) assistance report slightly higher sales than those that have not used export-related support, and are therefore somewhat closer in profile to UKTI users in this respect. Supported non-users are significantly more likely to have a turnover in excess of £2 million.

4.3.2 Profitability

The chart below shows the profile of non-user businesses in terms of whether they are making an annual profit or loss. Comparative data has also been provided for users of UKTI support.

Chart 4.3.2.1 Annual Profit or Loss



Base: All respondents (Base, Don't know/Refused)
Non-Users – Total (300, 6%) Up to 5 years old (85, 5%), 5-10 years old (65, 9%), Over 10 years old (150, 5%)
Users – Total (3714, 7%), Up to 5 years old (967, 5%), 5-10 years old (615, 6%), Over 10 years old (2130, 8%)

More than three-quarters (81%) of non-user firms indicated that they were making a profit, with firms that have been trading for more than 10 years most likely to indicate that this is the case. At the total level, a significantly *lower* proportion of UKTI clients are making a profit (74%) and, reflecting this, the mean profit margin is significantly higher for non-users (19% vs. 14%). However, there is a much clearer link between profitability and age amongst UKTI users.

The table below shows comparable data from the 2013 PIMS surveys and the last 2 years of the UKTI Internationalisation Survey. This analysis shows a similar pattern of higher profit margins for non-users. However, it should be noted that although their profit margin is lower, UKTI clients typically have higher annual turnovers than non-users so it may well be that they still make more profit in financial terms.

Table 4.3.2.1 Annual Profit or Loss – Over Time

		PIMS		Internationalisation Survey	
		Non-Users	Users	Non-Users	Users
Proportion making a profit	2014	81%	74%	80%	79%
	2013	77%	78%	76%	78%
Mean profit margin	2014	19%	14%	17%	14%
	2013	18%	15%	15%	13%

The table below provides a comparison of the profitability of supported and unsupported non-user firms.

Table 4.3.2.1 Annual Profit or Loss
- Non-Users by Whether Supported

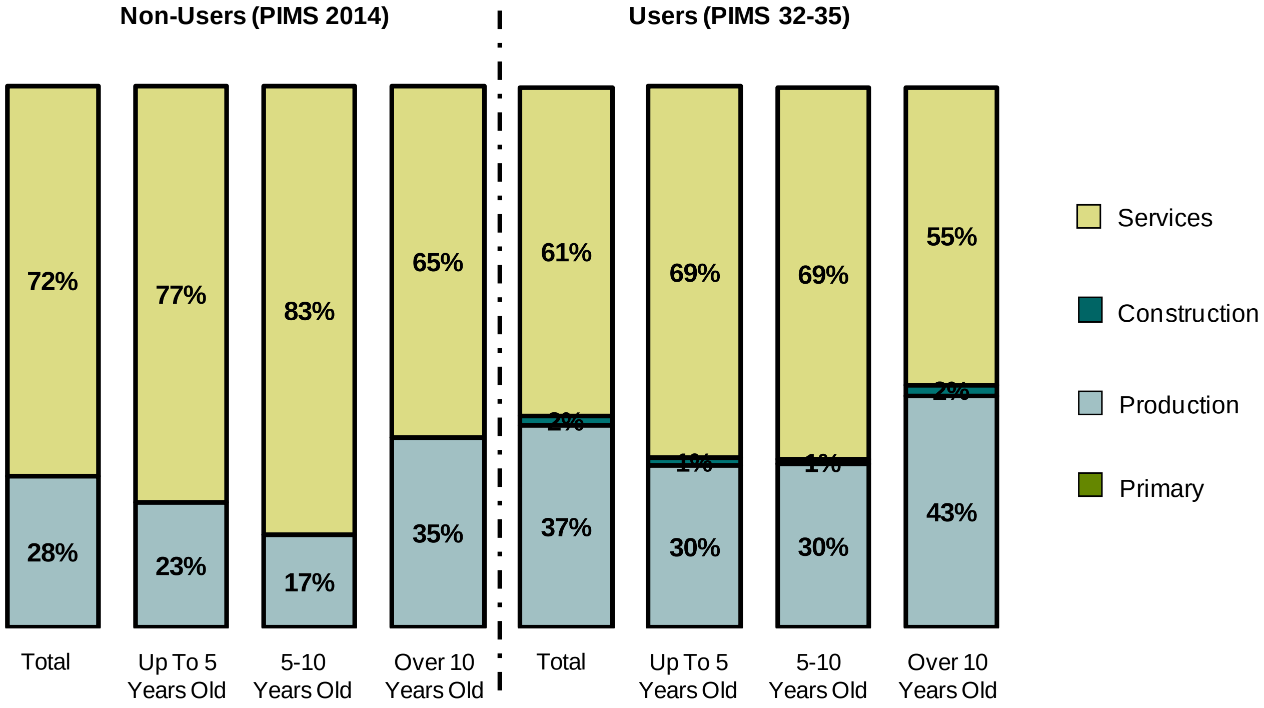
	Non-Users	
	Supported	Unsupported
Base	*82*	*218*
Profit	79%	81%
Breaking even	6%	4%
Loss	9%	8%
Don't know/refused	6%	6%
Mean profit margin	*19%*	*18%*

There are no significant differences in profitability or profit margin between supported and unsupported non-users.

4.4 Industry Sector

The chart below shows the profile of the non-user businesses interviewed in terms of their broad industry sector. Comparative data has also been provided for users of UKTI support.

Chart 4.4.1 Sector



Base: All respondents (Base)
Non-Users – Total (300), Up to 5 years old (85), 5-10 years old (65), Over 10 years old (150)
Users – Total (3714), Up to 5 years old (967), 5-10 years old (615), Over 10 years old (2130)

For both users and non-users of UKTI, the majority of firms operate in the services sector. However, UKTI users are comparatively more likely to be in the production sector.

At the overall level, there is no statistically significant difference in the sector profile of supported and unsupported non-users.

Table 4.4.1 Sector - Non-Users by Whether Supported

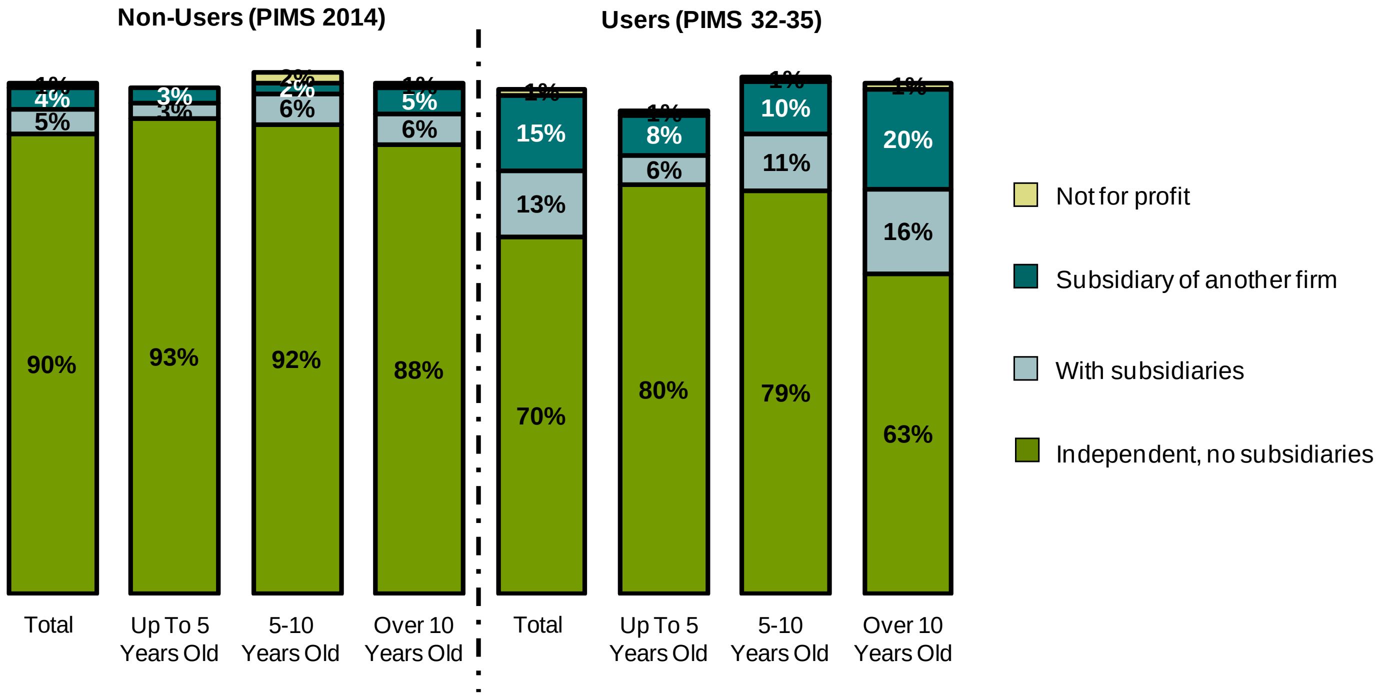
	Non-Users	
	Supported	Unsupported
Base	*82*	*218*
Primary	0%	0%
Production	25%	29%
Construction	0%	0%
Services	75%	71%

4.5 Company Status & Ownership

4.5.1 Company Status

The company status of the non-user businesses interviewed is shown below, along with comparative data for users of UKTI support.

Chart 4.5.1.1 Company Status



Base: All respondents (Base, Don't know/Refused, Not yet trading)
Non-Users – Total (300, 0%, 0%) Up to 5 years old (85, 0%, 0%), 5-10 years old (65, 0%, 0%), Over 10 years old (150, 0%, 0%)
Users – Total (3714, 1%, 1%), Up to 5 years old (967, 0%, 6%), 5-10 years old (615, 0%, 0%), Over 10 years old (2130, 1%, 0%)

Users of UKTI's services are significantly more likely to either have their own subsidiaries or be a subsidiary of a larger firm. However, for both users and non-users the majority are still independent firms with no subsidiaries.

As seen below, supported non-users are comparatively more likely to be subsidiaries of larger firms or have their own subsidiary, and are therefore a little closer in profile to UKTI users.

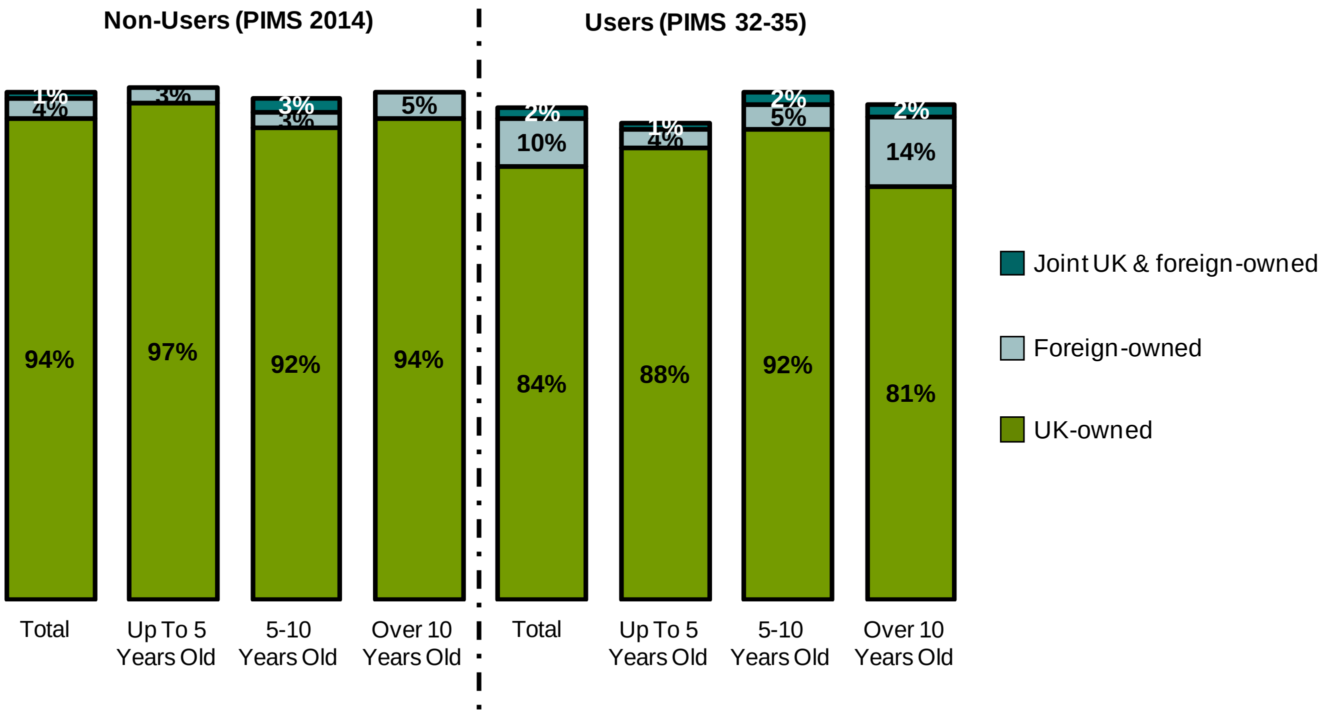
Table 4.5.1.1 Company Status
- Non-Users by Whether Supported

	Non-Users	
	Supported	Unsupported
Base	*82*	*218*
Independent, no subsidiaries	85%	92%
Business with subsidiaries	9%	4%
Subsidiary of another firm	5%	3%
Not for profit	3%	0%
Don't know/refused	0%	0%

4.5.2 Company Ownership

The chart below shows data on the ownership of non-user businesses, along with comparative data for users of UKTI support.

Chart 4.5.2.1 Company Ownership



Base: All respondents (Base, Don't know/Refused, Not for profit/other business type, Not yet trading)
Non-Users–Total (300, 0%, 1%, 0%), Up to 5 years old (85, 0%, 0%, 0%) 5-10 years old (65, 2%, 0%, 0%), Over 10 years old (150, 0%, 1%, 0%),
Users–Total (3714, 0%, 2%, 1%), Up to 5 years old (967, 0%, 1%, 6%), 5-10 years old (615, 0%, 1%, 0%), Over 10 years old (2130, 0%, 3%, 0%)

Reflecting the fact that they tend to be independent firms rather than subsidiaries, the vast majority of non-user businesses are UK-owned. This is also true of UKTI users, although this latter group are comparatively more likely to be either solely or jointly foreign owned (12% vs. 5% of non-users).

There is some indication that supported non-users are more likely than their unsupported counterparts to be foreign-owned or joint UK & foreign-owned, although this difference is not statistically significant.

Table 4.5.2.1 Company Ownership
- Non-Users by Whether Supported

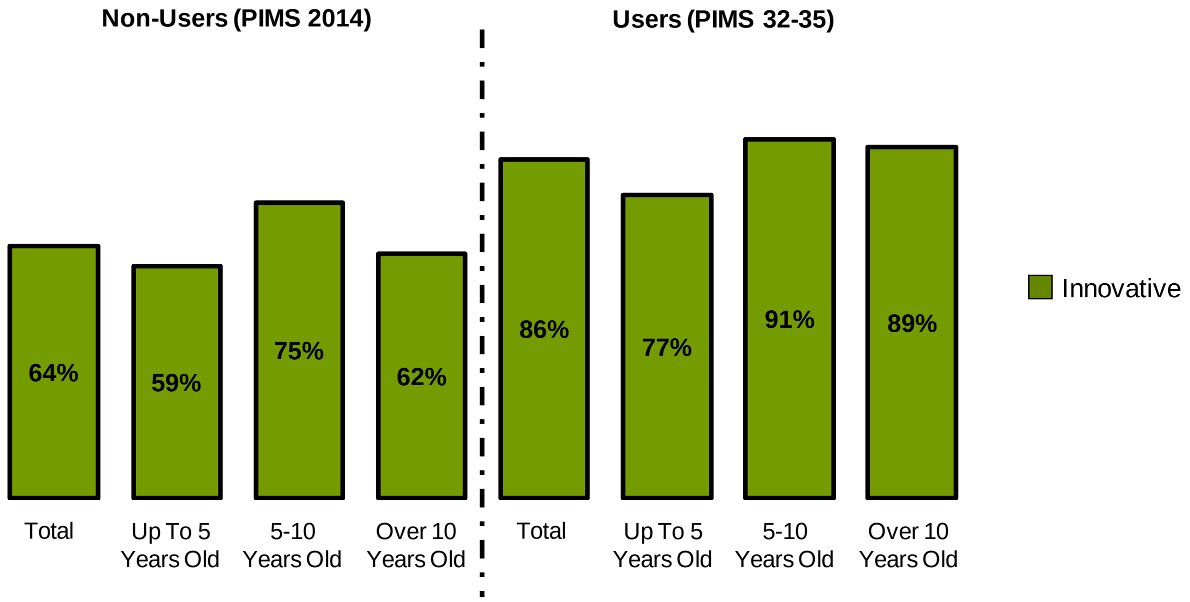
	Non-Users	
	Supported	Unsupported
Base	*82*	*218*
UK-owned	91%	95%
Foreign-owned	4%	4%
Joint UK & foreign-owned	3%	0%
Not for profit/ other business type	1%	0%
Don't know/refused	1%	0%

4.6 Innovation

4.6.1 Innovative Firms

The chart below shows the proportions of supported businesses that are classified as being 'innovative'. Comparative data has also been provided for users of UKTI support.

Chart 4.6.1.1 Innovative Firms



Base: All respondents (Base)
Non-Users – Total (300), Up to 5 years old (85), 5-10 years old (65), Over 10 years old (150)
Users – Total (3714), Up to 5 years old (967), 5-10 years old (615), Over 10 years old (2130)

Innovation levels differ significantly between non-users and users, with 64% of the former classified as being innovative, compared with 86% of UKTI clients.

It appears that supported non-user firms are much closer in profile to UKTI users and are significantly more likely to be innovative.

Table 4.6.1.1 Innovative Firms - Non-Users by Whether Supported

	Non-Users	
	Supported	Unsupported
Base	*82*	*218*
Innovative	79%	59%

The panel below provides details of how ‘innovative’ firms have been defined for the purposes of this analysis.

Innovative Firms

In the PIMS non-user survey and the PIMS user surveys, firms are classified as being ‘innovative’ if…

- They have more than one employee engaged either wholly or partly in R&D or new product or service development activity
- Or, they have employed someone external to the business to conduct R&D or new product/service development in the last year
- Or, have introduced new products or services in the last 3 years *except firms established in the last 2 years*

As detailed above, the ‘introduced new products or services in the last 3 years’ element is not used as an indicator of innovation for recently established firms (on the basis that all products/services sold by newly established firms would theoretically be classed as ‘new’). However, it should be noted that the omission of this element for new firms is pulling down the innovation results for the youngest age group.

The table below compares results for all firms established in the last 5 years with results for firms established 2-5 years (i.e. excluding those not asked the new products/services element of the innovation measure).

Table 4.6.1.2 Innovative Firms – Excluding Those Established in Last 2 Years

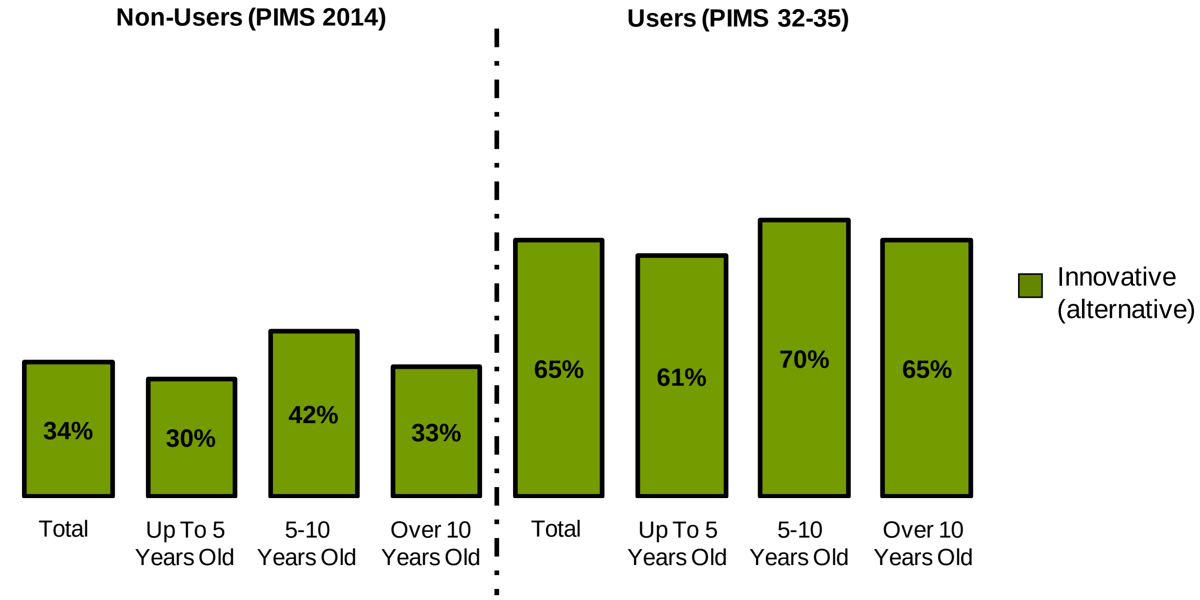
	Non-Users (PIMS 2014)		Users (PIMS 32-35)	
	0-5 years old	2-5 years old	0-5 years old	2-5 years old
Base	*85*	*55*	*967*	*636*
Innovative	59%	70%	77%	91%

When the innovation definition is recalculated to exclude firms established in the last 2 years, the proportion of innovative firms increases for both users and non-users.

4.6.2 Innovative Firms (Alternative, Tighter Definition)

The chart below shows the proportions of supported businesses that have been classified as being 'innovative' using the alternative, tighter definition. Comparative data has also been provided for users of UKTI support.

Chart 4.6.2.1 Innovative Firms



Base: All respondents (Base)
Non-Users – Total (300), Up to 5 years old (85), 5-10 years old (65), Over 10 years old (150)
Users – Total (3714), Up to 5 years old (967), 5-10 years old (615), Over 10 years old (2130)

When the alternative definition of innovation is employed, the difference between users and non-users of UKTI is even more apparent, with almost two-thirds of the former classified as innovative compared to just a third of the latter.

There is no statistically significant difference between supported and unsupported non-users in this respect.

Table 4.6.2.1 Innovative Firms (Alternative) - Non-Users by Whether Supported

	Non-Users	
	Supported	Unsupported
Base	*82*	*218*
Innovative (alternative)	41%	32%

The panel below provides details of how ‘innovative’ firms have been defined for the purposes of this analysis.

Innovative Firms (Alternative)

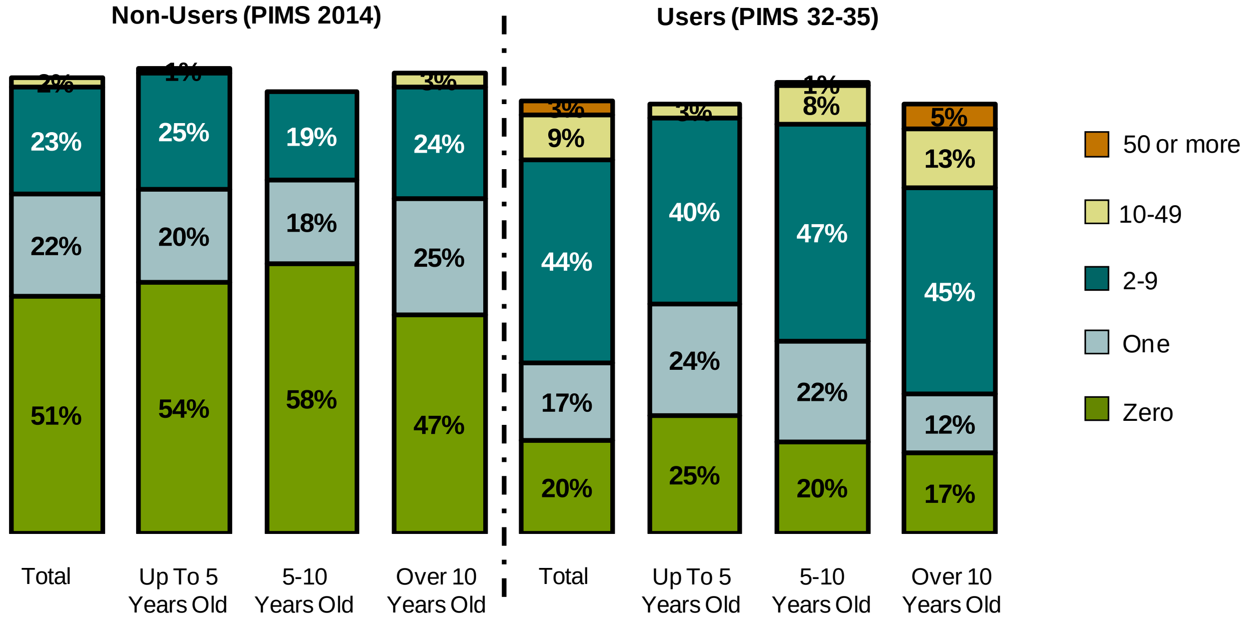
In the PIMS non-user survey and the PIMS user surveys, firms are classified as being ‘innovative’ under this alternative definition if…

- They have more than one employee engaged either wholly or partly in R&D or new product/service development activity <u>and</u> any of these staff are engaged in the ‘development of scientific or technical knowledge not commonly available’
- <u>Or</u>, they have employed someone external to the business to conduct R&D or new product/service development in the last year
- <u>Or</u>, have introduced new products or services in the last 3 years *except firms established in the last 2 years* <u>and</u> these are ‘new to the world’ or ‘new to the sector’

4.6.3 Employees Engaged in R&D or NPD Activity

Non-user businesses were asked to indicate the number of their employees involved either wholly or partly in Research and Development or New Product/Service Development activity. Comparative data has also been provided for users of UKTI support.

Chart 4.6.3.1 Number of Employees Engaged in R&D or NPD



Base: All respondents (Base, Don't know/Refused, Not yet trading)
Non-Users – Total (300, 2%, 0%), Up to 5 years old (85, 1%, 0%), 5-10 years old (65, 5%, 0%), Over 10 years old (150, 1%, 0%)
Users – Total (3714, 5%, 1%), Up to 5 years old (967, 2%, 6%), 5-10 years old (615, 3%, 0%), Over 10 years old (2130, 8%, 0%)

UKTI users are significantly more likely to have staff engaged in R&D/NPD, with 73% having at least one employee involved in these activities compared to only 47% of non-users.

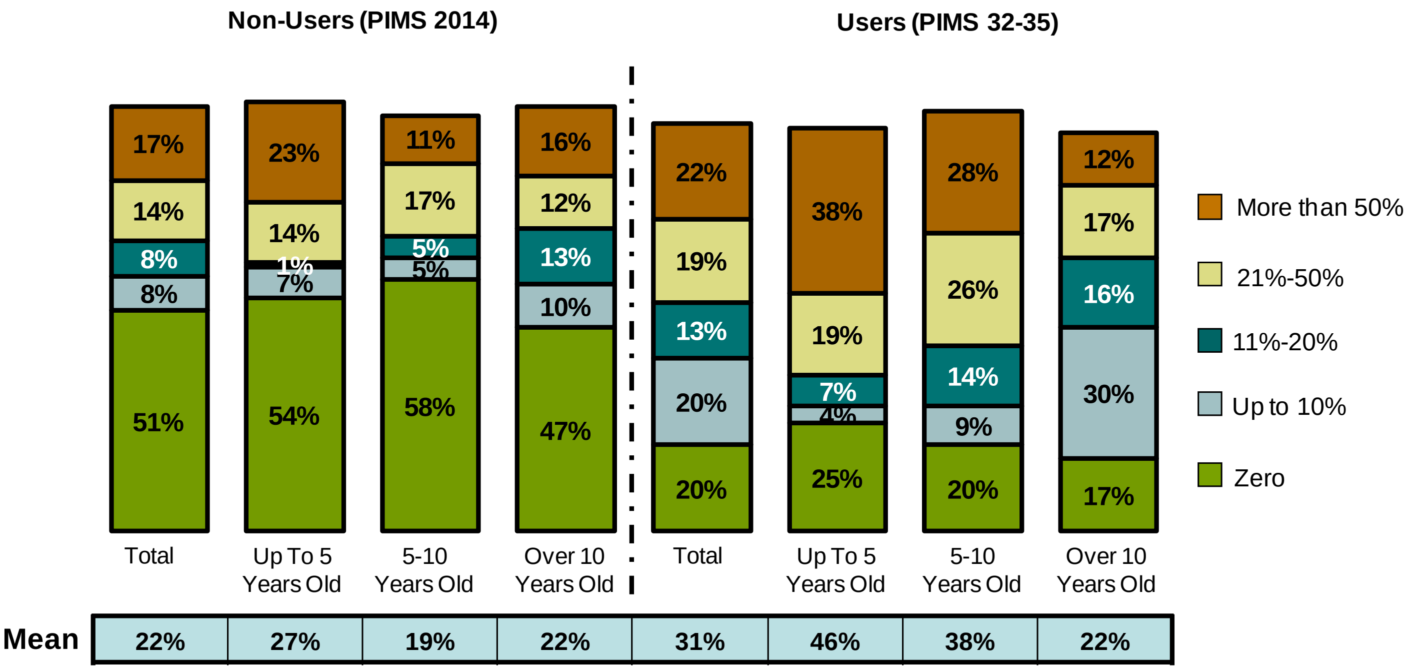
Although the difference is not statistically significant, the table below suggests that supported non-users are more likely than unsupported ones to have employees involved in R&D or NPD, again making them slightly closer in profile to UKTI users.

Table 4.6.3.1 Number of Employees Engaged in R&D or NPD - Non-Users by Whether Supported

	Non-Users	
	Supported	Unsupported
Base	*82*	*218*
Zero	44%	54%
1	17%	24%
2-9	36%	18%
10-49	1%	2%
50+	0%	0%
Don't know/refused	1%	2%

The chart below gives the same results, but displaying the number of R&D or NPD employees as a *proportion* of the firm's total employees.

Chart 4.6.3.2 Proportion of Employees Engaged in R&D or NPD



Base: All respondents (Base, Don't know/Refused, Not Yet Trading)
Non-Users – Total (300, 2%, 0%), Up to 5 years old (85, 1%, 0%), 5-10 years old (65, 5%, 0%), Over 10 years old (150, 1%, 0%)
Users – Total (3714, 5%, 1%), Up to 5 years old (967, 2%, 6%), 5-10 years old (615, 3%, 0%), Over 10 years old (2130, 8%, 0%)

In addition to being more likely to have *any* staff engaged in R&D or NPD, UKTI users also have a higher mean *proportion* of their employees involved in these activities than non-users (31% and 22% respectively). For both groups, although younger firms are generally less likely to have any staff engaged in R&D/NPD, when they do this tends to account for a greater proportion of their total workforce.

There is some indication that supported non-users typically have a higher proportion of their workforce involved in innovation activities, although this difference is not statistically significant.

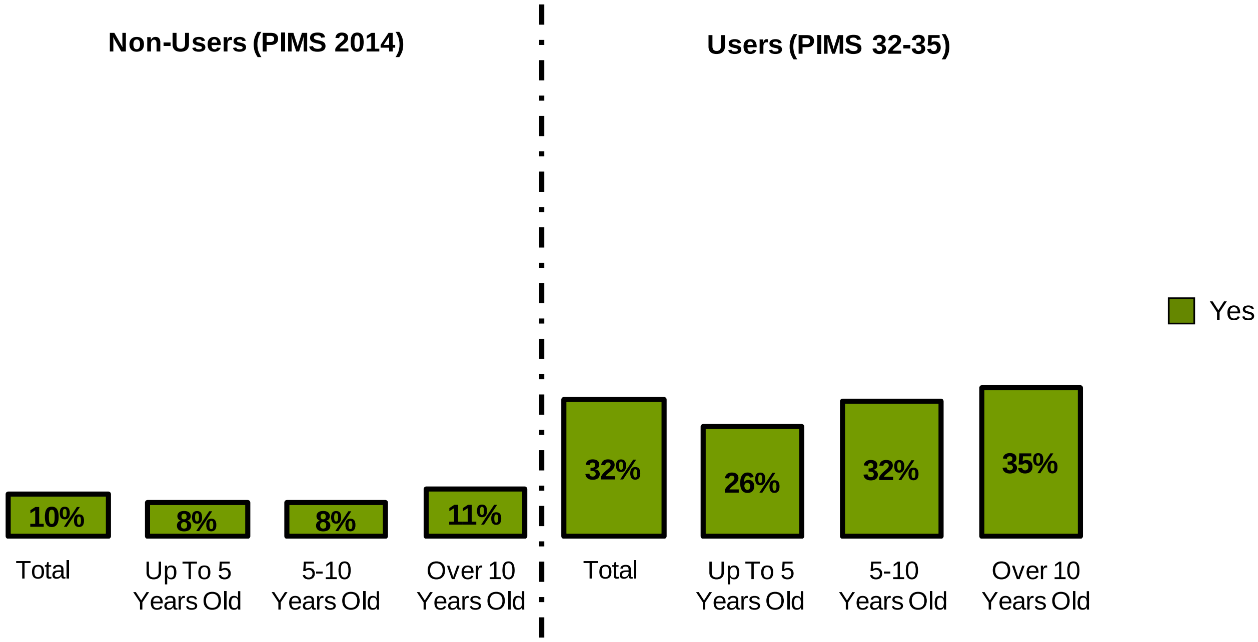
Table 4.6.3.2 Proportion of Employees Engaged in R&D or NPD - Non-Users by Whether Supported

	Non-Users	
	Supported	Unsupported
Base	*82*	*218*
Zero	44%	54%
Up to 10%	9%	8%
11-20%	13%	7%
21-50%	16%	13%
More than 50%	18%	16%
Don't know/refused	1%	2%
Mean	*27%*	*21%*

4.6.4 Development of Scientific/Technical Knowledge Not Commonly Available

Non-user businesses were asked to indicate whether any of their R&D employees were involved in activities that could be described as 'the development of scientific or technical knowledge that isn't commonly available'. Comparative data has also been provided for users of UKTI support.

Chart 4.6.4.1 Employees Involved in Development of Scientific or Technical Knowledge Not Commonly Available



Base: All respondents (Base, Don't know, Not yet trading)
Non-Users – Total (300, 3%, 0%), Up to 5 years old (85, 3%, 0%), 5-10 years old (65, 5%, 0%), Over 10 years old (150, 2%, 0%)
Users – Total (3714, 6%, 1%), Up to 5 years old (967, 2%, 6%), 5-10 years old (615, 3%, 0%), Over 10 years old (2130, 9%, 0%)

Only 10% of non-user businesses indicated that they have staff involved in 'the development of scientific or technical knowledge that isn't commonly available', compared to a third of UKTI users.

There is little difference between supported and unsupported non-users in this respect.

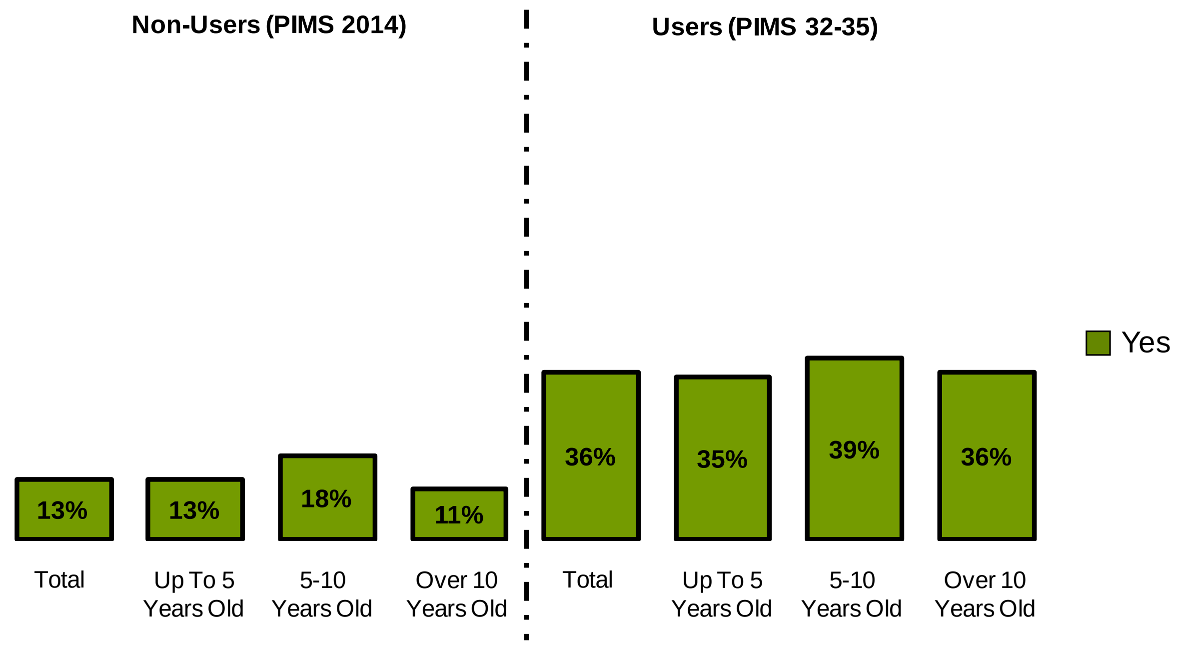
Table 4.6.4.1 Employees Involved in Development of Scientific or Technical Knowledge Not Commonly Available - Non-Users by Whether Supported

	Non-Users	
	Supported	Unsupported
Base	*82*	*218*
Yes	13%	9%

4.6.5 External R&D or Product/Service Development

Non-user businesses were also asked whether they had commissioned anyone external to their business to conduct any R&D or new product/service development for them in the last year. Comparative data has also been provided for users of UKTI support.

Chart 4.6.5.1 Whether Commissioned External R&D or Product/Service Development in Last Year



Base: All respondents (Base, Don't know/Refused, Not Yet Trading)
Non-Users – Total (300, 1%, 0%), Up to 5 years old (85, 0%, 0%), 5-10 years old (65, 3%, 0%), Over 10 years old (150, 0%, 0%)
Users – Total (3714, 4%, 1%), Up to 5 years old (967, 1%, 6%), 5-10 years old (615, 2%, 0%), Over 10 years old (2130, 7%, 0%)

In comparison to non-users, UKTI clients are considerably more likely to have outsourced R&D or new product/service development in the past year.

As seen below, there is little difference between supported and unsupported non-users in their use of external R&D or NPD.

Table 4.6.5.1 Whether Commissioned External R&D or Product/Service Development in Last Year - Non-Users by Whether Supported

	Non-Users	
	Supported	Unsupported
Base	*82*	*218*
Yes	18%	11%

4.6.6 New Products & Services

Non-user firms were asked whether they had introduced any new products or services over the last 3 years and, if so, whether these were just new to their business, new to their industry/sector or completely new to the world. The table below summarises these results, along with comparative data for users of UKTI support. Please note that this analysis excludes very recently established firms that have been trading less than 2 years.

Table 4.6.6.1 Whether Introduced Any New Products/Services in Last 3 Years

	Non-Users (PIMS 2014)				Users (PIMS 32-35)			
	Total	0-5 years	5-10 years	>10 years	Total	0-5 years	5-10 years	>10 years
Base: All est. 2 yrs or more	*270*	*55*	*65*	*150*	*3383*	*636*	*615*	*2130*
Yes	58%	63%	69%	51%	80%	81%	80%	80%
- New to the business	*33%*	*32%*	*40%*	*31%*	*34%*	*30%*	*33%*	*36%*
- New to the sector	*14%*	*20%*	*12%*	*13%*	*19%*	*18%*	*17%*	*20%*
- New to the world	*7%*	*5%*	*12%*	*6%*	*17%*	*25%*	*20%*	*14%*
- Some new to world, some just new to business	*3%*	*6%*	*3%*	*1%*	*9%*	*8%*	*10%*	*9%*
No	42%	37%	31%	49%	17%	19%	18%	16%
Don't know	0%	0%	0%	0%	3%	1%	2%	4%

UKTI users are more likely to have introduced new products or services over the last 3 years (80% vs. 58% of non-users). Furthermore, 26% of users indicated that at least some of these products were completely 'new to the world', compared to just 9% of non-users. For both users and non-users there are few consistent differences by age of firm when it comes to the proportion introducing new products/services.

As detailed below, those non-user firms that have accessed some form of export-related support are significantly more likely to be dealing with new products/services than unsupported non-users.

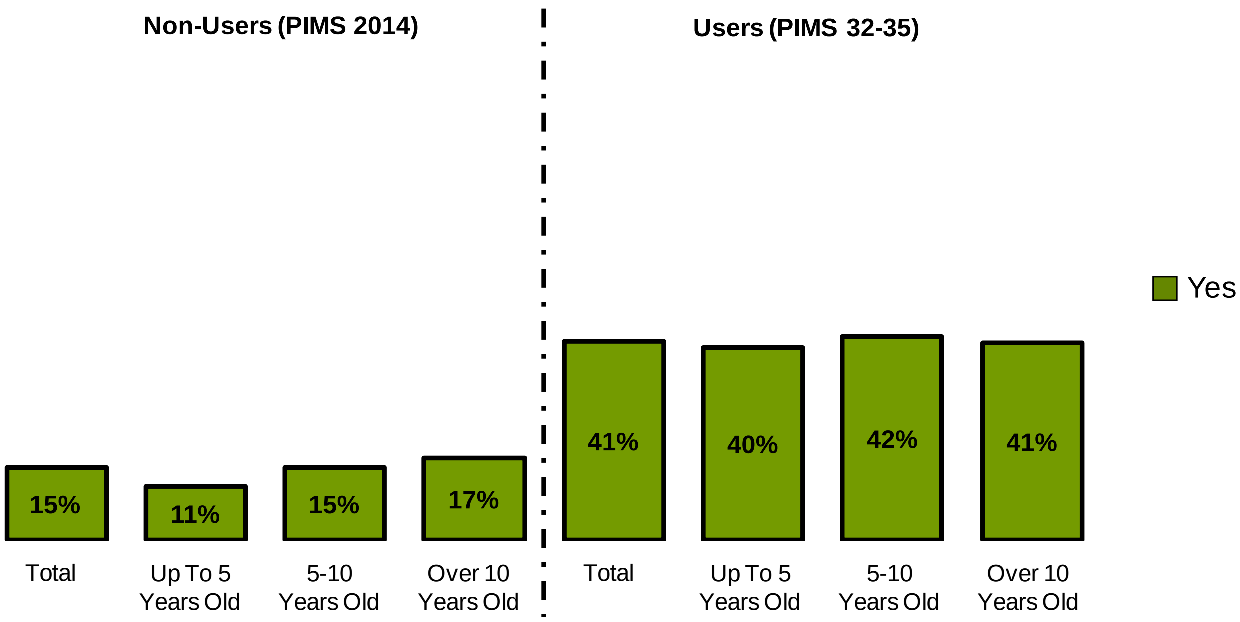
Table 4.6.6.2 Whether Introduced Any New Products/Services in Last 3 Years - Non-Users by Whether Supported

	Non-Users	
	Supported	Unsupported
Base: All est. 2 yrs or more	*76*	*194*
Yes	71%	53%
- New to the business	*42%*	*30%*
- New to the sector	*14%*	*14%*
- New to the world	*10%*	*7%*
- Some new to world, some just new to business	*5%*	*2%*
No	29%	47%
Don't know	0%	0%

4.6.7 IP Protection

Non-user firms were asked whether they had applied for or obtained any patents, trademarks or other legal protection (either in the UK or overseas) for any of their products/services. If so, they have been classified as ‘IP active’. Equivalent data has also been provided for UKTI users.

Chart 4.6.7.1 IP Active Firms



Base: All respondents (Base, Don't know)
Non-Users – Total (300, 2%), Up to 5 years old (85, 1%), 5-10 years old (65, 5%), Over 10 years old (150, 1%)
Users – Total (3714, 6%), Up to 5 years old (967, 1%), 5-10 years old (615, 4%), Over 10 years old (2130, 9%)

Reflecting their generally lower involvement in innovation activities (as seen throughout this section of the report), non-users are much less likely than users to hold any IP protection.

There are no differences between supported and unsupported non-user firms when it comes to the likelihood of holding IP protection.

Table 4.6.7.1 IP Active Firms
- Non-Users by Whether Supported

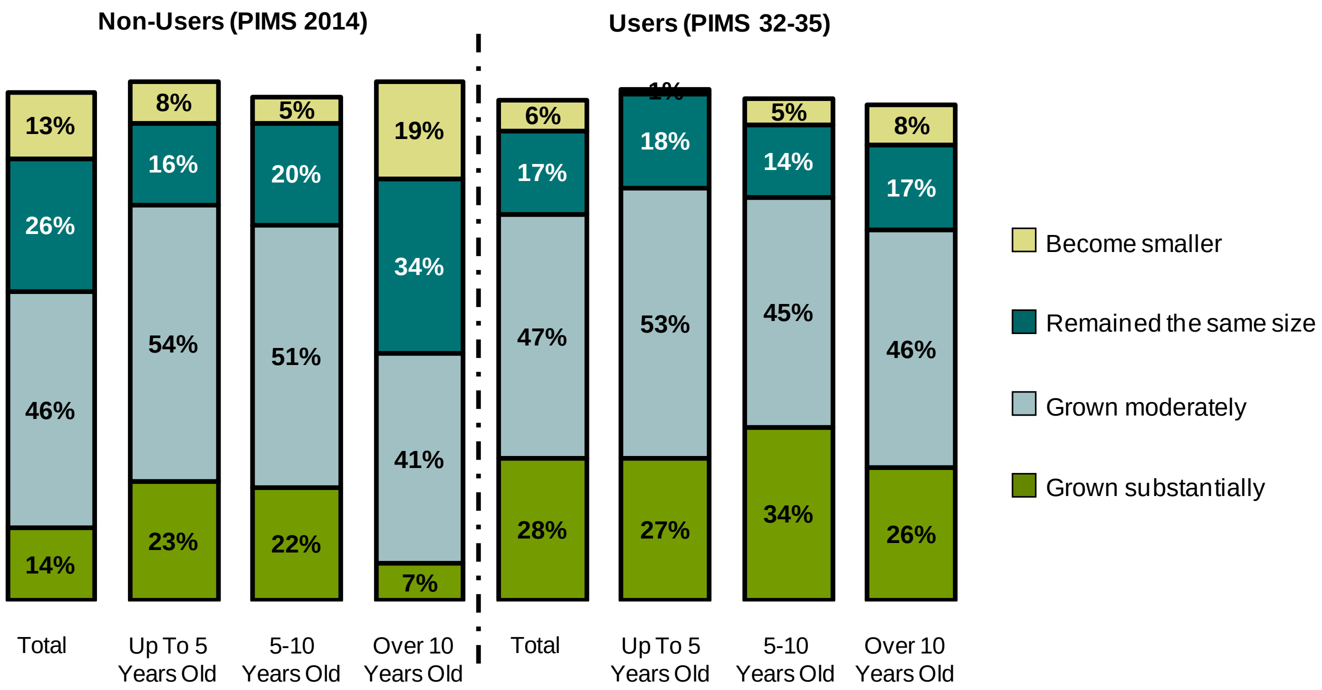
	Non-Users	
	Supported	Unsupported
Base	*82*	*218*
Yes	17%	14%

4.7 Growth

4.7.1 Recent Growth

The following chart shows the growth of non-user firms over the last 5 years, along with comparative data for users of UKTI support. Please note that firms established for 1 year or less were not asked this question and have been excluded from the analysis.

Chart 4.7.1.1 Past Growth (Last 5 Years)



Base: All respondents established > 1 year (Base, Don't know/Refused)
Non-Users – Total (291, 1%), Up to 5 years old (76, 0%), 5-10 years old (65, 3%), Over 10 years old (150, 0%),
Users – Total (3578, 3%), Up to 5 years old (831, 0%), 5-10 years old (615, 2%), Over 10 years old (2130, 4%)

UKTI users have experienced more dynamic growth than non-users, with 75% of the former indicating that they have grown over the past 5 years compared to 59% of non-users. In particular, users are more likely to have experienced 'substantial growth', suggesting that UKTI support can have a positive impact on the growth performance of UK exporters.

This difference between UKTI users and non-users is evident across all age bands, but is particularly notable in firms established over 10 years ago.

As detailed below, supported non-user firms are significantly more likely to report growth over the last 5 years than unsupported firms. This again suggests that export support (from UKTI or other organisations) can have a positive impact on overseas business performance.

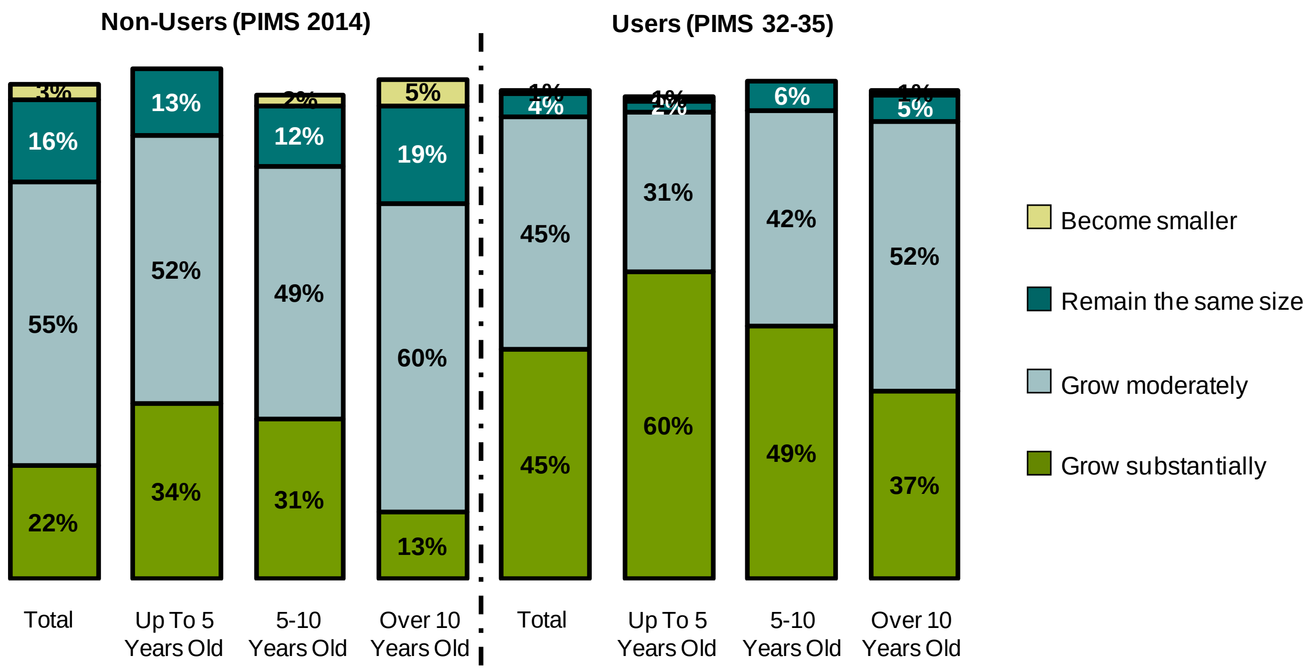
Table 4.7.1.1 Past Growth (Last 5 Years) - Non-Users by Whether Supported

	Non-Users	
	Supported	Unsupported
Base: All est. >1 year	*80*	*211*
Grown substantially	19%	12%
Grown moderately	54%	43%
Remained same	15%	31%
Become smaller	13%	13%
Don’t know/refused	0%	1%

4.7.2 Future Growth

Non-user businesses were also asked to indicate the growth objectives for their business over the next five years. Comparative data has also been provided for users of UKTI support.

Chart 4.7.2.1 Growth Objectives (Next 5 Years)



Base: All respondents (Base, Don't know/Refused, Not Yet Trading)
Non-Users – Total (300, 4%, 0%), Up to 5 years old (85, 1%, 0%), 5-10 years old (65, 6%, 0%), Over 10 years old (150, 4%, 0%)
Users – Total (3714, 4%, 1%), Up to 5 years old (967, 1%, 6%), 5-10 years old (615, 3%, 0%), Over 10 years old (2130, 5%, 0%)

In addition to being less likely to have experienced growth over the last 5 years, non-user businesses are also less optimistic about their growth prospects for the next five years. Although the majority expect some level of growth, they are much less likely than UKTI users to be anticipating 'substantial' growth and this is true irrespective of the length of time firms have been established.

Supported non-users are significantly more likely to be predicting some degree of growth than unsupported non-users, although the proportion planning for 'substantial' growth is still well below that seen for UKTI clients.

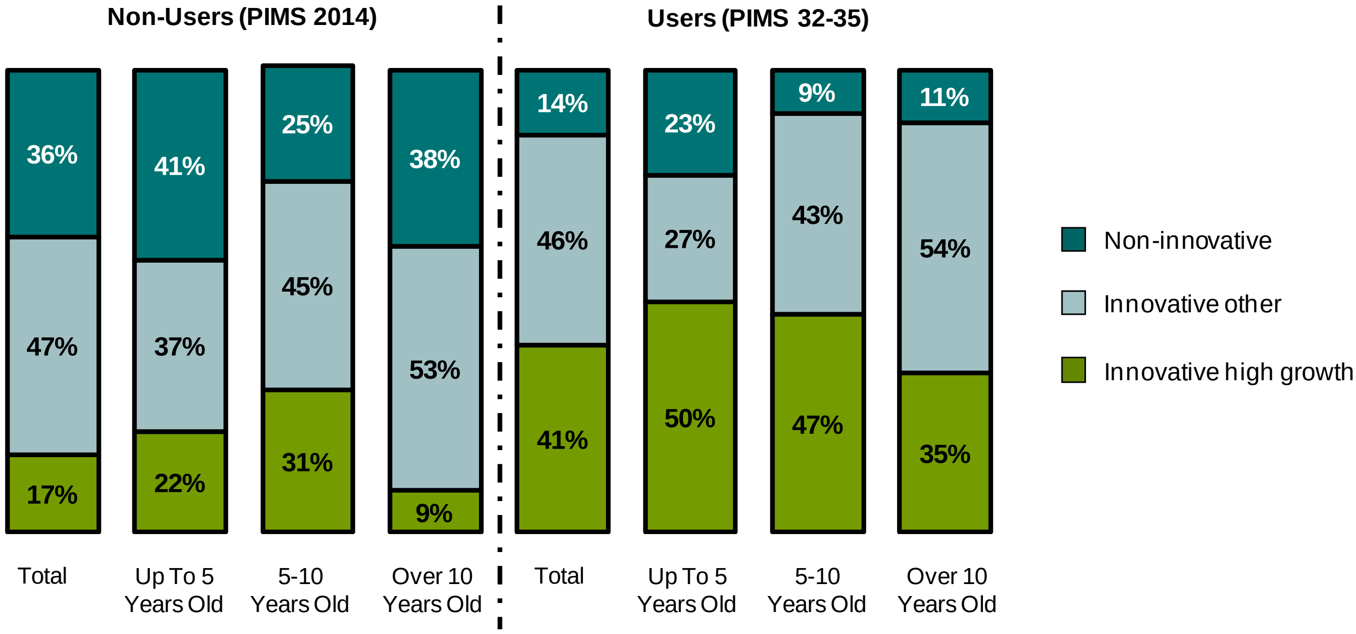
Table 4.7.2.1 Growth Objectives (Next 5 Years)
- Non-Users by Whether Supported

	Non-Users	
	Supported	Unsupported
Base	*82*	*218*
Grow substantially	21%	22%
Grow moderately	67%	51%
Remain same	9%	19%
Become smaller	0%	4%
Don't know	3%	4%

4.7.3 Innovative High Growth Firms

The chart below shows the proportions of non-user businesses that are classified as being 'innovative high growth' (as per the definition in the panel overleaf). Comparative data has also been provided for users of UKTI support from the main PIMS surveys.

Chart 7.3.1.1 Innovative High Growth Firms



Base: All respondents (Base)
Non-Users – Total (300), Up to 5 years old (85), 5-10 years old (65), Over 10 years old (150)
Users – Total (3714), Up to 5 years old (967), 5-10 years old (615), Over 10 years old (2130)

UKTI appears to support a disproportionally high number of innovative high growth firms, with users more than twice as likely as non-users to be classified in this way. However, there are clearly still significant numbers of innovative high growth firms that UKTI do not reach, with 17% of non-users meeting this definition.

There is no significant difference between supported and unsupported non-user firms in terms of the proportion that are innovative high growth.

Table 7.3.1.1 Innovative High Growth Firms
- Non-Users by Whether Supported

	Non-Users	
	Supported	Unsupported
Base	*82*	*218*
Innovative high growth	19%	16%
Innovative other	59%	43%
Non-innovative	21%	41%

The panel below provides details of how ‘innovative high growth’ firms have been defined for the purposes of this analysis.

Innovative High Growth Firms

‘Innovative high growth’ firms are those that…

- Are defined as being ‘innovative’ (using the standard definition)
- And, expect to grow substantially over the next 5 years

4.8 Business Planning

Non-user businesses were asked whether they had a current, written business plan and, if so, whether this plan contained any targets that specifically related to overseas sales. These results are shown in the following table, along with comparable results for users of UKTI support.

Table 4.8.1 Business Planning

	Non-Users (PIMS 2014)				Users (PIMS 35-35)			
	Total	Up to 5 years	5-10 years	>10 years	Total	Up to 5 years	5-10 years	>10 years
Base	*300*	*85*	*65*	*150*	*3714*	*967*	*615*	*2130*
Do you have a current business plan?								
Yes	40%	46%	46%	35%	69%	71%	68%	68%
In progress/being written	1%	3%	0%	1%	3%	3%	3%	2%
No	55%	49%	51%	61%	22%	24%	25%	21%
Don’t know	3%	2%	3%	3%	7%	2%	4%	9%
Does this plan contain any targets relating to overseas sales?								
Yes	15%	17%	17%	13%	55%	55%	53%	55%
No	25%	32%	26%	21%	15%	18%	17%	12%
Don’t know	2%	0%	3%	2%	2%	1%	2%	3%
No business plan	55%	49%	51%	61%	22%	24%	25%	21%
Don’t know if have business plan	3%	2%	3%	3%	7%	2%	4%	9%

Business planning appears to be much more prevalent amongst users of UKTI trade development services than non-users, with 69% of the former having a business plan compared to just 40% of the latter.

Furthermore, only 15% of non-users have a plan that contains targets relating to overseas sales, whereas over half of UKTI clients indicated that this was the case.

With respect to differences between supported and unsupported non-user firms, the former are more likely to have a current written business plan and to detail targets for overseas sales within this plan (although still less likely than UKTI users). This may indicate that export support, and particularly that delivered by UKTI, encourages firms to take a more strategic approach to the development of their business.

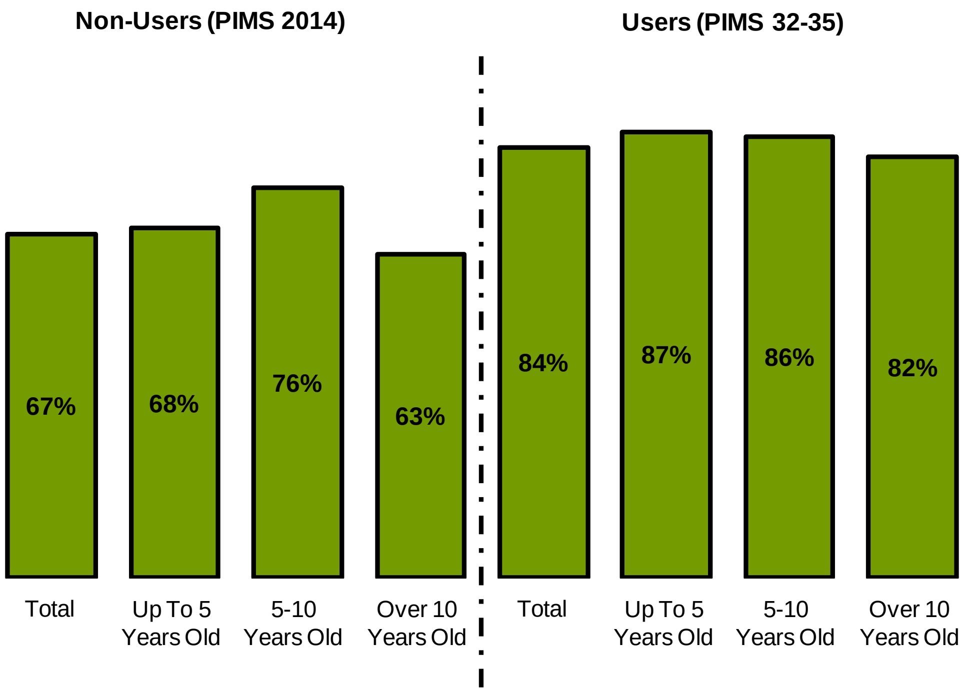
Table 4.8.2 Business Planning
- Non-Users by Whether Supported

	Non-Users	
	Supported	Unsupported
Base	*82*	*218*
Do you have a current business plan?		
Yes	55%	35%
In progress/being written	1%	1%
No	42%	60%
Don't know	1%	4%
Does this plan contain any targets relating to overseas sales?		
Yes	20%	13%
No	33%	22%
Don't know	4%	1%
No business plan	42%	60%
Don't know if have business plan	1%	4%

4.9 Degree-Level Senior Management

The chart below shows the proportions of non-user businesses interviewed that have at least one owner, partner or director with degree level (or equivalent) qualifications. Comparative data has also been provided for users of UKTI support.

Chart 4.9.1 Any Owners, Partners or Directors with Degree-Level or Equivalent Qualifications



Base: All able to answer (Base)
Non-Users – Total (284), Up to 5 years old (82) , 5-10 years ago (59), Over 10 years old (143)
Users – Total (3269), Up to 5 years old (891), 5-10 years old (581), Over 10 years old (1796)

The majority of non-user firms have at least one owner, partner or director with degree level qualifications. However, UKTI users are considerably more likely to have at least one highly-qualified member of the senior management team.

As seen below, supported non-user firms are significantly more likely to have degree-level senior management than unsupported firms, and are much more similar to UKTI clients in this respect.

Table 4.9.1 Any Owners, Partners or Directors with Degree-Level or Equivalent Qualifications - Non-Users by Whether Supported

	Non-Users	
	Supported	Unsupported
Base	*79*	*205*
Yes	78%	63%
No	22%	37%
Don't know	0%	0%

4.10 Membership of Business Bodies

All firms were asked if they belonged to the Chamber of Commerce, any Trade Associations or sector bodies, or any other organisations representing business (e.g. the CBI, FSB, etc). Comparative data has also been provided for users of UKTI support.

Table 4.10.1 Membership of Business Bodies

	Non-Users (PIMS 2014)				Users (PIMS 32-35 only)			
	Total	Up to 5 years	5-10 years	>10 years	Total	Up to 5 years	5-10 years	>10 years
Base	*300*	*85*	*65*	*150*	*3714*	*967*	*615*	*2130*
Chamber of Commerce	13%	13%	9%	14%	28%	16%	21%	36%
Trade associations or sector bodies	22%	12%	14%	31%	53%	37%	50%	62%
Other organisations representing business	26%	20%	28%	28%	21%	14%	17%	25%
None of these	53%	61%	58%	46%	30%	48%	35%	21%
Don't know	1%	0%	0%	2%	5%	2%	4%	7%
Member of at least one	*46%*	*39%*	*42%*	*52%*	*65%*	*50%*	*61%*	*73%*

UKTI users are significantly more likely than non-users to belong to the Chamber of Commerce and trade associations/sector bodies, whereas non-users are comparatively more likely to belong to other organisations representing business (e.g. the CBI or Federation of Small Businesses).

Those non-user firms that had obtained some form of export-related support (from a non-UKTI source) are slightly more likely to be members of the Chamber of Commerce and trade associations/sector bodies than unsupported non-users.

Table 4.10.2 Membership of Business Bodies
- Non-Users by Whether Supported

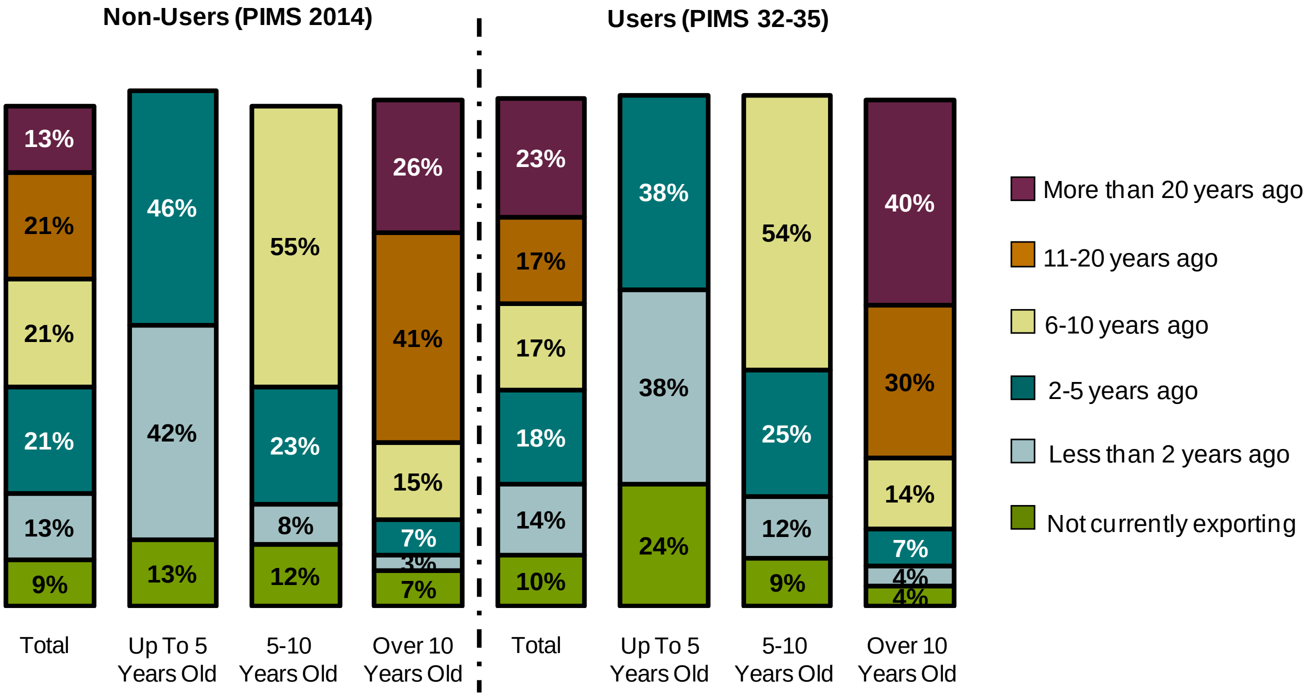
	Non-Users	
	Supported	Unsupported
Base	*82*	*218*
Chamber of Commerce	19%	10%
Trade associations or sector bodies	29%	19%
Other organisations representing business	23%	27%
None of these	51%	53%
Don't know	0%	1%
Member of at least one	*49%*	*45%*

5. Export Experience & Strategy

5.1 Length of Time Exporting

The chart below provides details of the length of time that non-user businesses have been doing business overseas. Comparative data has also been provided for users of UKTI support.

Chart 5.1.1 When Started Doing Business Overseas



Base: All respondents (Base, Don't know)
Non-Users – Total (300, 1%), Up to 5 years old (85, 0%), 5-10 years old (65, 2%), Over 10 years old (150, 1%)
Users – Total (3714, 1%), Up to 5 years old (967, 0%), 5-10 years old (615, 0%), Over 10 years old (2130, 1%)

There is relatively little difference between users and non-users of UKTI, although the former are more likely to be very long-term exporters with over 20 years experience.

As seen below, there are no consistent differences in the length of time that supported and unsupported non-users have been doing business overseas.

Table 5.1.1 When Started Doing Business Overseas
- Non-Users by Whether Supported

	Non-Users	
	Supported	Unsupported
Base	*82*	*218*
Not exporting	5%	11%
Less than 2 years	13%	14%
2-5 years	29%	17%
6-10 years	21%	21%
11-20 years	21%	21%
Over 20 years	10%	15%
Don’t know	1%	1%

Firms that were not yet exporting were eligible for the Non-User survey as long as they had attempted or seriously considered doing business overseas in the previous 2 years. Overall, this group accounted for 9% of the non-user sample. These firms were asked whether they expected to start doing business overseas in the next 3 years. Comparative results have also been shown for UKTI users.

Table 5.1.2 Whether Expect to Do Business Overseas in Next 3 Years
(Not Yet Exporting Firms)

	Firms Not Yet Exporting	
	Non-Users (2014)	Users (PIMS 32-35)
Base: All not yet exporting	*29*	*364*
Yes	86%	87%
- In next year	*37%*	*46%*
- In next 1-2 years	*20%*	*25%*
- In next 2-3 years	*29%*	*15%*
- Don’t know when	*0%*	*0%*
No	14%	7%
Don’t know	0%	6%

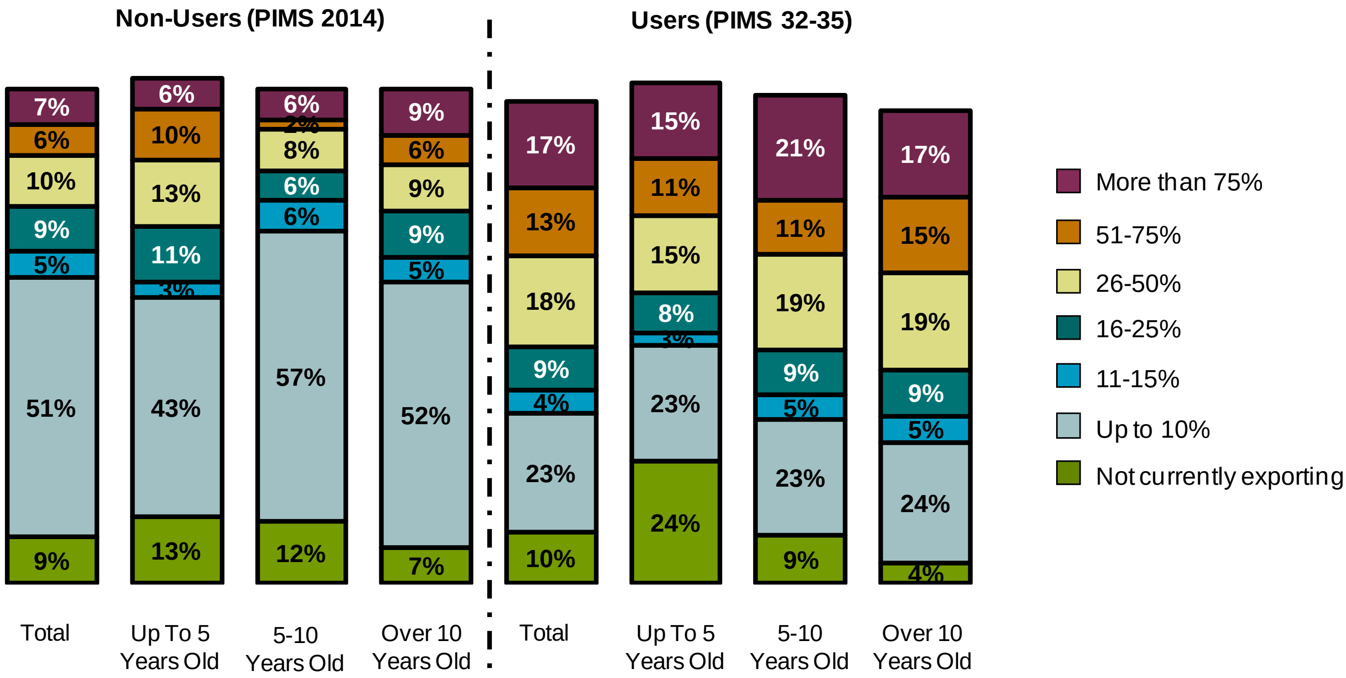
The vast majority of non-user firms that were not currently exporting expected to start in the next 3 years, and over half thought it would take less than 2 years to reach this point. Within the equivalent group of UKTI clients, a similar proportion of firms were expecting to start doing business overseas in the next 3 years.

5.2 Export Turnover

5.2.1 Current Export Turnover

The chart below shows the profile of the non-user businesses interviewed in terms of the proportion of their turnover that is accounted for by overseas sales. Comparative data has also been provided for users of UKTI support.

Chart 5.2.1.1 Percentage of Turnover Accounted for by Overseas Sales



Base: All respondents (Base, Don't know/Refused)
Non-Users – Total (300, 3%), Up to 5 years old (85, 1%), 5-10 years old (65, 3%), Over 10 years old (150, 5%)
Users – Total (3714, 5%), Up to 5 years old (967, 2%), 5-10 years old (615, 4%), Over 10 years old (2130, 7%)

Overseas sales appear to be more important to UKTI users than non-users, in the sense that the former indicate that exports account for a greater proportion of their overall sales. Overall, 60% of non-users report that exports contribute no more than 10% of their total turnover (or are not currently exporting), compared to just 33% of users.

Results are similar irrespective of the length of time companies have been trading (other than the higher incidence of 'not yet exporting' firms in the younger age band). This is true for both UKTI users and non-users.

As seen below, supported non-users tend to be more engaged exporters, with overseas sales generally accounting for a greater proportion of their turnover than is the case for unsupported firms. However, exports are still less important to these businesses than is the case for UKTI users.

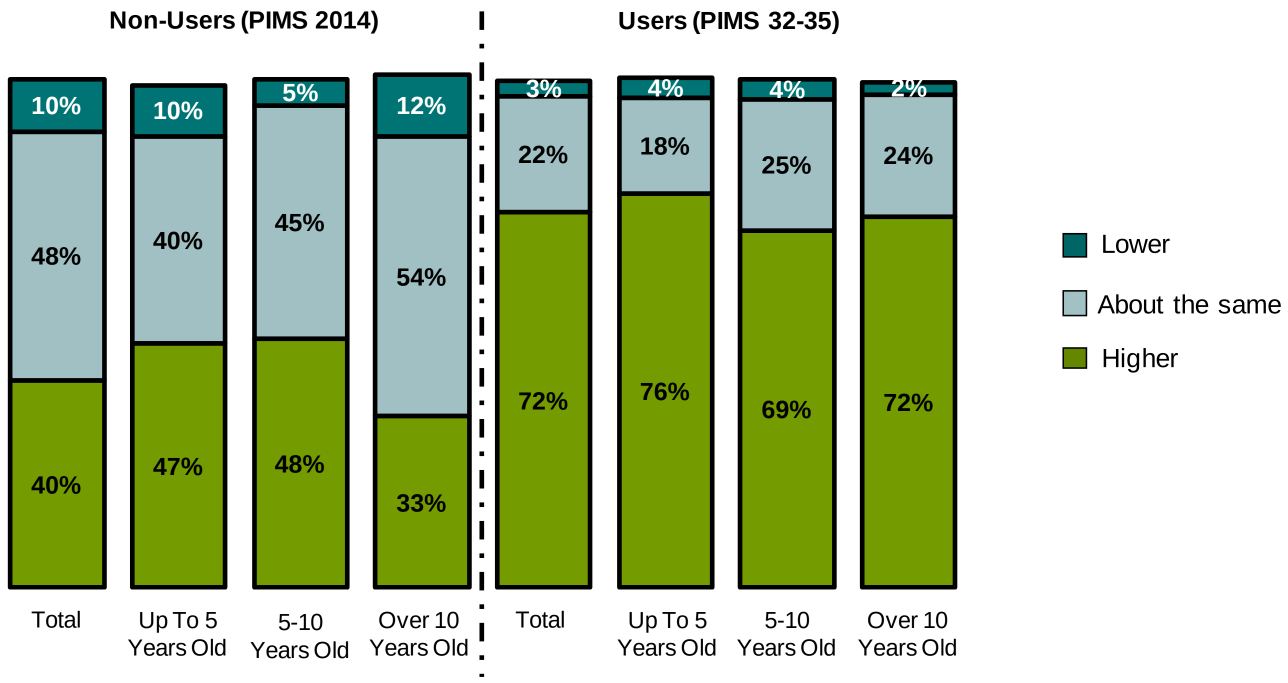
Table 5.2.1.1 Percentage of Turnover Accounted for by Overseas Sales - Non-Users by Whether Supported

	Non-Users	
	Supported	Unsupported
Base	*82*	*218*
Not exporting	5%	11%
Up to 10%	43%	53%
11-15%	4%	5%
16-25%	10%	9%
26-50%	17%	7%
51-75%	7%	5%
Over 75%	9%	7%
Don’t know/refused	4%	3%

5.2.2 Anticipated Change in Export Turnover

In addition to providing their current export turnover, non-user firms were also asked whether they expected that the percentage of their turnover accounted for by overseas sales would be higher, lower or the about the same in 3 years time.

Chart 5.2.2.1 Anticipated Change in Percentage of Turnover Accounted for by Overseas Sales Over Next 3 Years



Base: All respondents (Base, Don't know/Refused)
Non-Users – Total (300, 2%), Up to 5 years old (85, 3%), 5-10 years old (65, 3%), Over 10 years old (150, 1%)
Users – Total (3714, 2%), Up to 5 years old (967, 2%), 5-10 years old (615, 2%), Over 10 years old (2130, 3%)

Non-users of UKTI appear to be considerably less optimistic and/or ambitious when it comes to overseas growth, with only 40% expecting overseas sales to account for a greater proportion of their turnover in 3 years time compared to 72% of users.

This difference is apparent irrespective of age of firm, although it is interesting to note that younger non-users are more likely to be expecting overseas growth than older firms. In contrast, the proportion of UKTI users expecting to see an increase in their export sales is similar irrespective of the age of the firm.

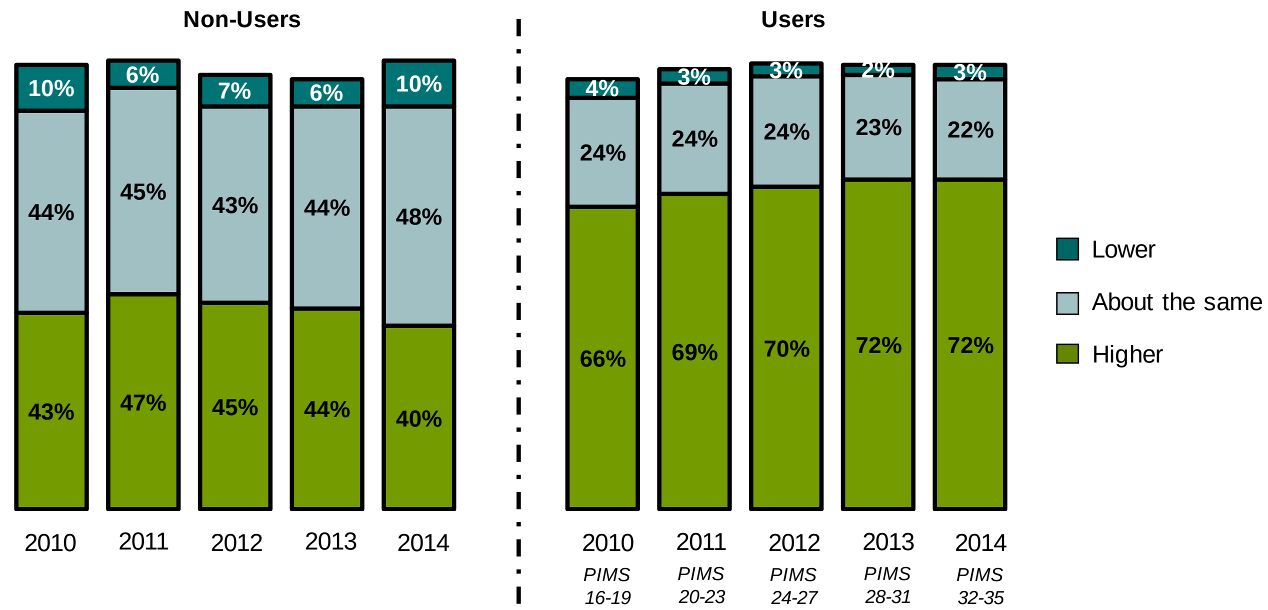
Although it is not statistically significant, there is some indication that supported non-users are more likely to anticipate an increase in the proportion of their turnover accounted for by overseas sales.

Table 5.2.2.1 Anticipated Change in Percentage of Turnover Accounted for by Overseas Sales - Non-Users by Whether Supported

	Non-Users	
	Supported	Unsupported
Base	*82*	*218*
Higher	48%	37%
About the same	45%	50%
Lower	6%	11%
Don't know	1%	3%

The chart below tracks how responses to this question have changed over time, with comparable shown for the last 5 years of the main PIMS user survey.

Chart 5.2.2.2 Anticipated Change in Percentage of Turnover Accounted for by Overseas Sales over Next 3 Years – Over Time



Base: All respondents (Base, Don't know/Refused)
Non-Users – 2010 (302, 4%) , 2011 (300, 2%), 2012 (300, 6%), 2013 (829, 6%), 2014 (300, 2%)
Users – 2010 (3984), PIMS 2011 (3945, 4%), PIMS 2012 (3817, 3%), PIMS 2013 (3823, 3%), PIMS 2014 (3714, 2%)

Non-users' predictions for their overseas turnover are significantly less positive than they have been in previous years and a gradual downwards trend appears to have emerged. However, for users of UKTI the opposite is true and there has been a significant increase over the last 5 years.

Those firms that were expecting their export turnover to increase over the next 3 years were asked whether they would achieve this through entering new markets or by expanding in markets in which they were already operating.

Table 5.2.2.2 How Increase in Export Turnover Will Be Achieved

	Non-Users (PIMS 2014)			
	Total	Up to 5 years	5-10 years	>10 years
Base	*300*	*85*	*65*	*150*
Entering new markets	17%	22%	17%	14%
Expanding in existing markets	10%	15%	12%	7%
Both	11%	9%	18%	9%
Don't know	1%	0%	0%	2%
Not expecting growth in export turnover	60%	53%	52%	67%
Net: New markets	*28%*	*32%*	*35%*	*23%*
Net: Existing markets	*22%*	*24%*	*31%*	*17%*

Among firms expecting an increase in export turnover, a higher proportion believe that this will come about through entering new overseas markets than through expanding in existing markets.

There are no statistically significant differences in this respect by whether or not non-users have accessed (non-UKTI) export support.

Table 5.2.2.3 How Increase in Export Turnover Will Be Achieved
- Non-Users by Whether Supported

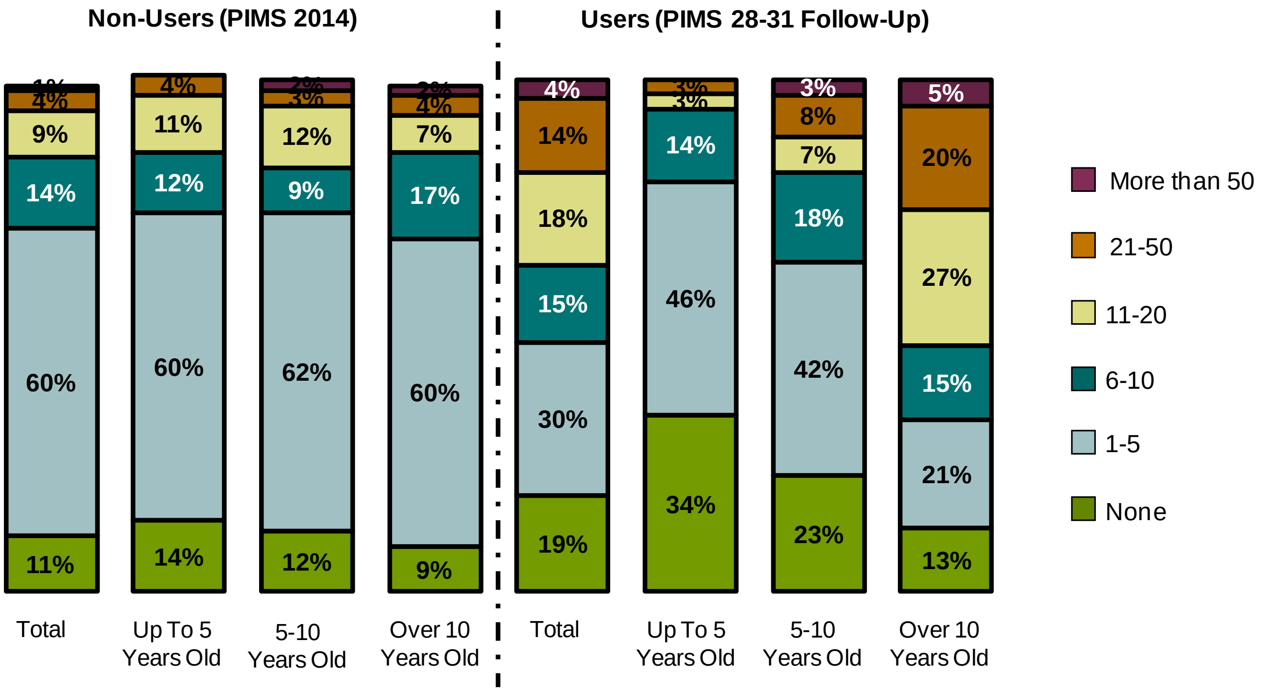
	Non-Users	
	Supported	Unsupported
Base	*82*	*218*
Entering new markets	18%	16%
Expanding in existing markets	13%	9%
Both	16%	10%
Don't know	0%	1%
Not expecting growth in export turnover	52%	63%
Net: New markets	*34%*	*26%*
Net: Existing markets	*29%*	*19%*

5.3 Number of Markets

5.3.1 Current Number of Markets

The chart below shows the number of overseas markets that non-user firms have done business in over the last year. Comparative data has also been provided for users of UKTI support (from the PIMS Follow-Up surveys).

Chart 5.3.1.1 Number of Overseas Markets Done Business in Over Last Year



Base: All respondents (Base, Don't know/Refused)
Non-Users – Total (300, 0%), Up to 5 years old (85, 0%), 5-10 years old (65, 0%), Over 10 years old (150, 1%),
Users – Total (402, 0%), Up to 5 years old (78, 0%), 5-10 years old (79, 0%), Over 10 years old (245, 0%)

Overall, non-user businesses are generally doing business in fewer overseas markets than UKTI clients. This difference is particularly evident amongst firms established for more than 10 years. There is also a much stronger relationship between age and geographical expansion among UKTI users, with older firms active in more markets. In comparison, for non-users this remains fairly similar regardless of age.

As seen below, supported non-users are more likely to be active in over 10 markets than unsupported firms.

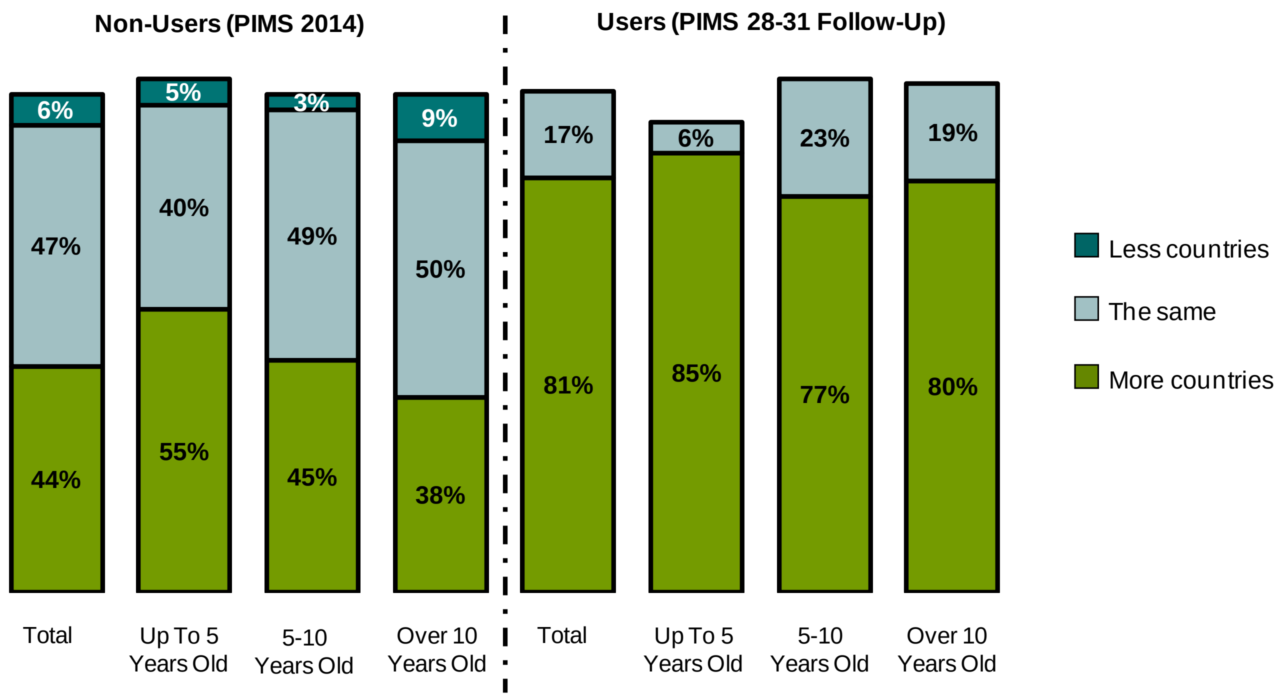
Table 5.3.1.1 Number of Overseas Markets Done Business in Over Last Year - Non-Users by Whether Supported

	Non-Users	
	Supported	Unsupported
Base	*82*	*218*
None	6%	13%
1-5	62%	60%
6-10	11%	15%
11-20	15%	7%
21-50	5%	3%
More than 50	1%	1%
Don't know	0%	0%

5.3.2 Anticipated Change in Number of Markets

In addition to providing data on their current number of markets, non-user firms were also asked to estimate whether this number would increase, decrease or remain the same over the next 3 years.

Chart 5.3.2.1 Anticipated Change in Number of Markets over Next 3 Years



Base: All respondents (Base, Don't know/Refused)
Non-Users – Total (300, 2%), Up to 5 years old (85, 0%), 5-10 years old (65, 3%), Over 10 years old (150, 3%),
Users – Total (402, 2%), Up to 5 years old (78, 8%), 5-10 years old (79, 0%), Over 10 years old (245, 1%)

Less than half of non-users expect to increase the number of overseas markets in which they do business over the next 3 years. In comparison, more than three quarters of UKTI users expect to expand into more markets over this period, which is consistent with the fact that users have more ambitious growth aspirations for their business as a whole (see Section 4.7.2). There is some evidence that older non-user firms are less likely to anticipate expanding into new overseas markets.

There are no statistically significant differences between supported and unsupported non-users when it comes to the proportion anticipating an increase in their overseas operations.

Table 5.3.2.1 Anticipated Change in Number of Markets over Next 3 Years - Non-Users by Whether Supported

	Non-Users	
	Supported	Unsupported
Base	*82*	*218*
More markets	52%	41%
The same	42%	50%
Less markets	2%	8%
Don't know	4%	2%

5.3.3 New Markets Entered in Last 2 Years

Non-user businesses were also asked whether they had successfully entered or begun trading in any new countries in the previous 2 years and, if so, which ones. The chart below summarises these results and also provides comparative data for users of UKTI support (from the PIMS Follow-Up surveys).

Table 5.3.3.1 Whether Successfully Entered Any New Markets in Last 2 Years

	Non-Users (PIMS 2014)				Users (PIMS 28-31 Follow-Up)			
	Total	Up to 5 years	5-10 years	>10 years	Total	Up to 5 years	5-10 years	>10 years
Base	*300*	*85*	*65*	*150*	*402*	*78*	*79*	*245*
Yes	36%	51%	40%	27%	53%	46%	44%	58%
- Europe	*23%*	*35%*	*28%*	*15%*	*27%*	*33%*	*27%*	*25%*
- Middle East/Africa	*7%*	*7%*	*11%*	*6%*	*14%*	*5%*	*6%*	*19%*
- North America	*7%*	*13%*	*12%*	*1%*	*9%*	*15%*	*10%*	*7%*
- South/Latin America	*4%*	*9%*	*5%*	*1%*	*8%*	*3%*	*8%*	*10%*
- Asia Pacific	*13%*	*17%*	*18%*	*8%*	*25%*	*18%*	*26%*	*28%*
No	54%	37%	48%	66%	30%	22%	38%	31%
Don't know	0%	0%	0%	1%	0%	0%	0%	1%
Not yet exporting	9%	13%	12%	7%	16%	33%	17%	11%

Once again, non-users seem to be less dynamic in their overseas development than UKTI users, with 36% and 53% respectively having entered new markets in the last 2 years. This suggests that those firms actively pursuing export growth (and perhaps encountering problems along the way) are more inclined to seek out UKTI's assistance.

UKTI clients are twice as likely to have started doing business in markets in the Middle East/Africa and Asia Pacific regions, which might imply that these countries are more closely associated with a need for external support.

As seen for many of the areas relating to firm characteristics and export behaviour, supported non-users are closer in profile to UKTI users, with 43% having entered new markets in the last 2 years (compared to 33% of unsupported non-users). However, it should be noted that this difference is not statistically significant.

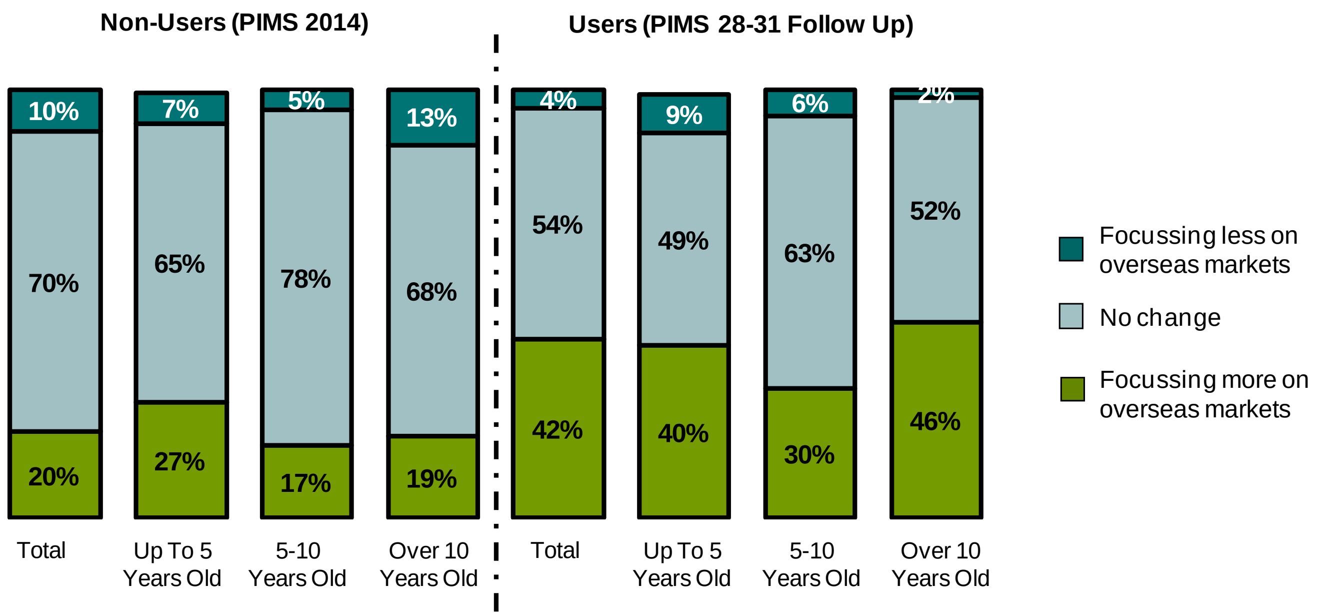
Table 5.3.3.2 Whether Successfully Entered Any New Markets in Last 2 Years - Non-Users by Whether Supported

	Non-Users	
	Supported	Unsupported
Base	*82*	*218*
Yes	43%	33%
- Europe	*32%*	*19%*
- Middle East/Africa	*14%*	*5%*
- North America	*6%*	*7%*
- South/Latin America	*4%*	*4%*
- Asia Pacific	*13%*	*13%*
No	52%	55%
Don't know	0%	0%
Not yet exporting	5%	11%

5.4 Changes in Overseas Strategy

Non-user firms were asked whether, compared with a year ago, they were now focussing more or less on overseas markets. Results are shown below, along with comparative data for users of UKTI support (from the PIMS Follow-Up surveys).

Chart 5.4.1 Changes in Overseas Strategy in Last Year



Base: All respondents (Base, Don't know/Refused)
Non-Users – Total (300, 0%), Up to 5 years old (85, 0%), 5-10 years old (65, 0%), Over 10 years old (150, 0%)
Users – Total (402, 0%), Up to 5 years old (78, 1%), 5-10 years old (79, 0%), Over 10 years old (245, 0%)

The majority of non-user businesses have not changed their overseas focus in the last year, although a fifth are now focussing more on overseas markets. In contrast, UKTI users are twice as likely to have increased their focus on overseas markets in the past year. This suggests that UKTI support may be encouraging firms to concentrate more on export opportunities, although of course it may be that firms that are targeting overseas growth are more likely to then seek out UKTI assistance to help them do so.

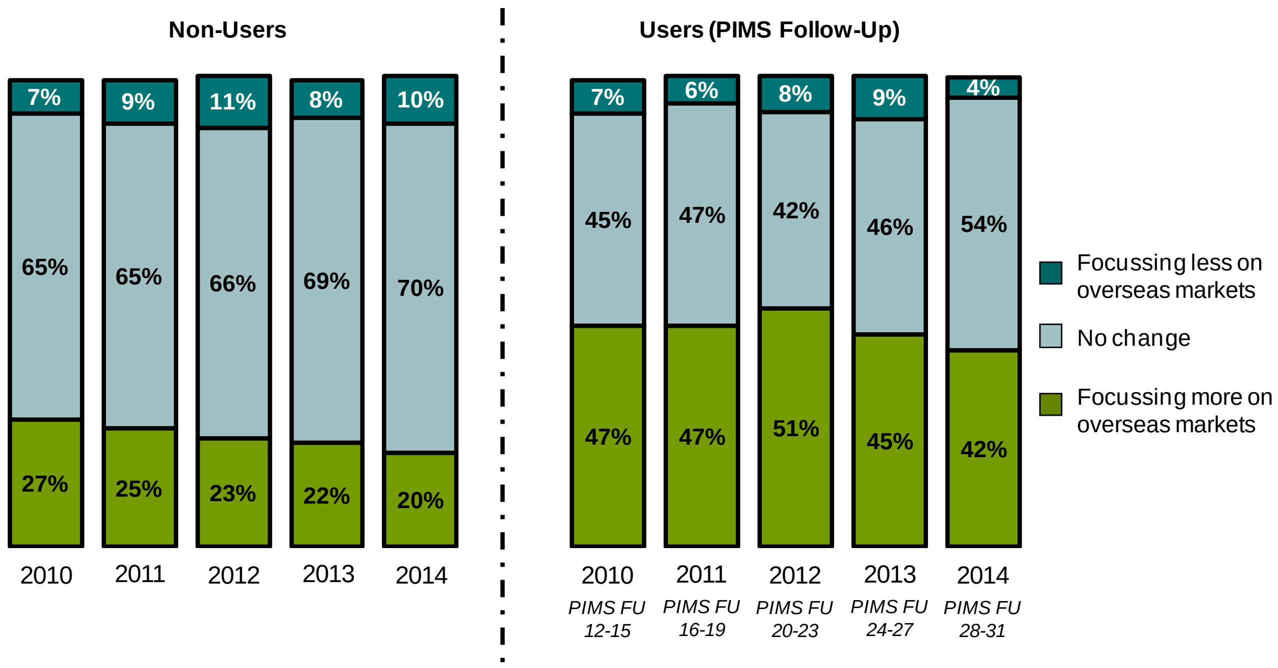
As seen below, supported non-users appear more likely than unsupported firms to have increased their focus on overseas markets in the past year.

Table 5.4.1 Changes in Overseas Strategy in Last Year
- Non-Users by Whether Supported

	Non-Users	
	Supported	Unsupported
Base	*82*	218
Focussing more on overseas markets	28%	18%
No change	66%	71%
Focussing less on overseas markets	6%	11%
Don't know	0%	0%

The chart below tracks how responses to this question have changed over time.

Chart 5.4.2 Changes in Overseas Strategy in Last Year – Over Time



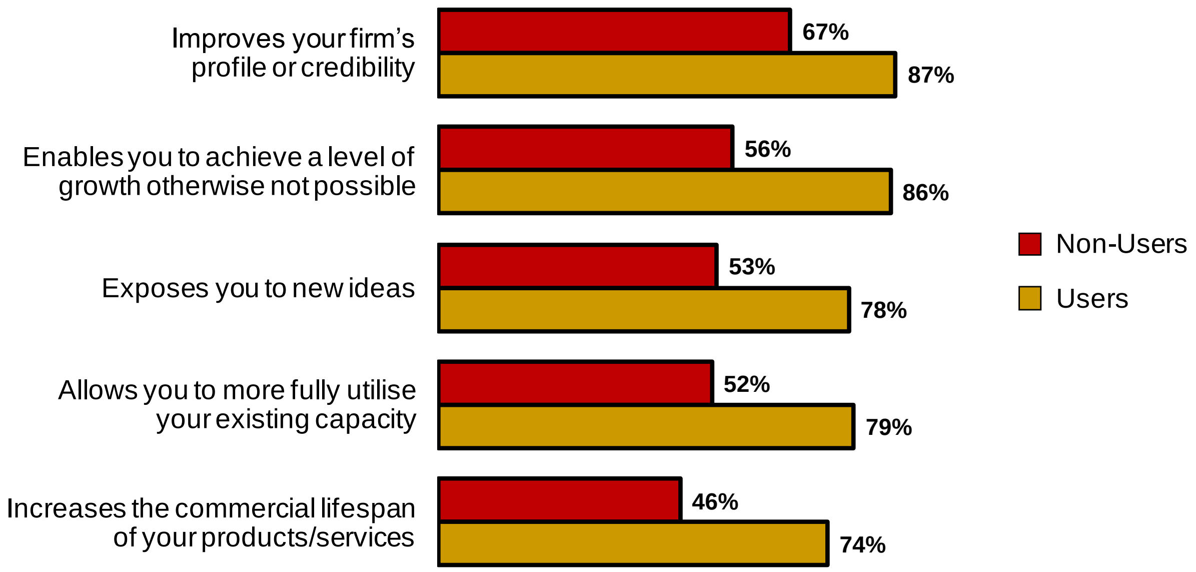
Base: All respondents (Base, Don't know/Refused)
Non-Users – 2010 (302, 0%), 2011 (300, 2%), 2012 (300, 0%), 2013 (829, 1%), 2014 (300, 0%)
Users – 2010(392, 0%), 2011 (388, 0%), 2012 (395, 0%), 2013 (401, 0%), 2014 (402, 0%)

The proportion of non-user firms changing their strategy to focus more on export opportunities has gradually fallen over the last 4 years. Although less conclusive, there has been a similar decline for UKTI clients.

6. Benefits of Exporting

Non-user businesses were read out a list of possible benefits of doing business overseas and asked to indicate the extent that they agreed with each one, using a 5-point scale where 5 meant ‘agree strongly’ and 1 meant ‘disagree strongly’. The chart below summarises the proportion of non-users agreeing that each of these is a benefit (i.e. 4-5 out of 5), along with comparative data for users of UKTI support. Please note that for these questions, comparable user data is only available from PIMS 30-31 due to changes to the questionnaire.

Chart 6.1 Benefits of Exporting



Base: All respondents
Non-Users (300), Users (1813)

Exporting clearly benefits internationalising firms in a number of different ways, and not just through enabling firms to achieve a level of growth otherwise not possible. Among both non-users and users, the most widely experienced benefit of exporting is that it improves firms’ profile or credibility.

Over half of all non-users firms also agree that exporting benefits their firm because it enables them to achieve a level of growth that would otherwise not be possible, it exposes them to new ideas and it allows them to more fully utilise their existing capacity.

Users are significantly more likely to report each of the benefits tested, suggesting that accessing support from UKTI puts firms in a better position to take advantage of the potential positive impacts of exporting.

As detailed below, for both users and non-users of UKTI there are few clear or consistent differences in benefits of exporting by age of firm. However, younger non-user firms are more likely to cite exposure to new ideas as a benefit of exporting.

Table 6.1 Benefits of Exporting - By Age of Business

Proportion agreeing (4-5 out of 5) that exporting...	Non-Users (PIMS 2014)				Users (PIMS 30-31 only)			
	Total	Up to 5 years old	5-10 years old	>10 years old	Total	Up to 5 years old	5-10 years old	>10 years old
Base	*300*	85	*65*	150	*1813*	*407*	*264*	*1141*
Improves your firm's profile or credibility	67%	72%	66%	65%	87%	88%	90%	86%
Enables you to achieve a level of growth otherwise not possible	56%	57%	49%	59%	86%	87%	83%	86%
Exposes you to new ideas	53%	65%	52%	47%	78%	77%	79%	78%
Allows you to more fully utilise existing capacity	52%	56%	45%	53%	79%	75%	80%	80%
Increases the commercial life span of your products or services	46%	47%	37%	50%	74%	78%	74%	72%

More experienced exporters are more likely to agree that exporting enables them to achieve a level of growth otherwise not possible and that it allows them to more fully utilise their existing capacity. This is true of both users and non-users.

Table 6.2 Benefits of Exporting - By Number of Years Exporting

Proportion agreeing (4-5 out of 5) that exporting...	Non-Users (PIMS 2014)			Users (PIMS 30-31 only)		
	Exp. <2 yrs	Exp. 2-10 yrs	Exp. >10 yrs	Exp. <2 yrs	Exp. 2-10 yrs	Exp. >10 yrs
Base	*74*	*123*	*100*	*409*	*614*	*781*
Improves your firm's profile or credibility	78%	57%	70%	85%	90%	86%
Enables you to achieve a level of growth otherwise not possible	50%	50%	66%	81%	85%	88%
Exposes you to new ideas	65%	50%	49%	76%	79%	78%
Allows you to more fully utilise existing capacity	50%	44%	60%	71%	80%	82%
Increases the commercial life span of your products or services	50%	36%	57%	75%	73%	74%

Non-user firms that have received some type of export-related support tend to highlight a wider range of export benefits and are more likely to agree to each of the individual factors than unsupported non-users, making their responses more in line with UKTI clients.

Table 6.3 Export Motivations - Non-Users by Whether Supported

Proportion agreeing (4-5 out of 5) that exporting...	Non-Users	
	Supported	Unsupported
Base	*82*	218
Improves your firm's profile or credibility	75%	63%
Enables you to achieve a level of growth otherwise not possible	68%	51%
Exposes you to new ideas	63%	49%
Allows you to more fully utilise existing capacity	56%	50%
Increases the commercial life span of your products or services	56%	43%

7. Barriers to Overseas Trade

7.1 Summary

One of the key purposes of the PIMS Non-User Survey is to help understand what non-user businesses need in terms of export support services. In response to this, non-user firms were read out a list of issues that they may have had to tackle when trying to develop the overseas side of their business and asked whether or not they had ever experienced any difficulties with them. For each one that had been a difficulty they were then asked the extent, using a 5-point scale where 5 meant it had been ‘extremely difficult’ and 1 meant it had ‘not been at all difficult’.

These results are summarised below, with the proportion of firms encountering each of these difficulties to a ‘significant’ extent shown (i.e. the proportion giving a score of either 4 or 5 on the 5-point scale).

Table 7.1.1 Individual Barriers

Proportion experiencing significant difficulties (4-5 out of 5) with...	Non-Users (PIMS 2014)			
	Total	Up to 5 years	5-10 years	>10 years
Base	*300*	*85*	*65*	150
Finding the necessary management time to devote to doing business in an overseas country	23%	20%	25%	25%
Identifying who to make contact with in the first instance	17%	19%	15%	17%
Obtaining information about the potential business opportunities in an overseas market	15%	17%	9%	17%
Dealing with legal or tax regulations and standards overseas	14%	7%	22%	15%
Establishing an initial dialogue with prospective customers or business partners	14%	12%	18%	14%
Dealing with customs procedures or paperwork	13%	7%	17%	15%
Building relationships with influencers or decision makers	12%	7%	14%	14%
Ensuring you get paid and enforcing contracts	12%	11%	12%	12%
Protecting your intellectual property	11%	6%	12%	12%
Overseas customers preferring to do business with firms from their own country	8%	6%	11%	9%
Language barriers	8%	8%	6%	9%
Cultural differences	3%	1%	5%	3%

The most widespread barrier reported by non-user firms relates to difficulty finding sufficient management time to devote to doing business overseas.

Interestingly, relatively few firms reported language or cultural barriers. However, it could be that although firms do not believe they have been affected by a lack of language skills, this could be a factor behind some of the other barriers experienced (e.g. difficulty complying with legal and regulatory standards, problems building relationships, etc).

It is clear that barriers affect firms of all ages, and although there are some differences by age in the likelihood of encountering each difficulty, there is no consistent pattern in this respect.

These barriers have been summarised through a grouping of the individual issues and difficulties tested into seven themes, as detailed below.

Firms have been classified as encountering significant difficulties with **'legal & regulatory barriers'** if they scored '4' or '5' on a 5-point scale for…

- Dealing with legal or tax regulations and standards overseas
- <u>Or</u>, Protecting your intellectual property
- <u>Or</u>, Ensuring you get paid and enforcing contracts

Firms have been classified as encountering significant difficulties with **'customs barriers'** if they scored '4' or '5' on a 5-point scale for…

- Dealing with customs procedures or paperwork

Firms have been classified as encountering significant difficulties with **'contact barriers'** if they scored '4' or '5' on a 5-point scale for…

- Identifying who to make contact with in the first instance
- <u>Or</u>, Establishing an initial dialogue with prospective customers or business partners
- <u>Or</u>, Building relationships with key influencers or decision-makers

Firms have been classified as encountering significant difficulties with **'information barriers'** if they scored '4' or '5' on a 5-point scale for…

- Obtaining information about the potential business opportunities in an overseas market

Firms have been classified as encountering significant difficulties with **'resource barriers'** if they scored '4' or '5' on a 5-point scale for…

- Finding the necessary management time to devote to doing business in an overseas country

Firms have been classified as encountering significant difficulties with **'language and cultural barriers'** if they scored '4' or '5' on a 5-point scale for…

- Language barriers
- <u>Or</u>, Cultural differences

Firms have been classified as encountering significant difficulties with **'bias barriers'** if they scored '4' or '5' on a 5-point scale for…

- Overseas customers preferring to do business with firms from their own country

The table below summarises the barriers to overseas trade experienced by non-user firms.

Table 7.1.2 Summary Barriers

Proportion experiencing significant difficulties (4-5 out of 5) with...	Non-Users (PIMS 2014)			
	Total	Up to 5 years	5-10 years	>10 years
Base	*300*	*85*	*65*	*150*
At least 1 sig. barrier	52%	45%	58%	52%
- Legal & regulatory	28%	20%	31%	30%
- Contacts	23%	21%	28%	22%
- Resource	23%	20%	25%	25%
- Information	15%	17%	9%	17%
- Customs	13%	7%	17%	15%
- Language & cultural	10%	8%	11%	10%
- Bias	8%	6%	11%	9%
No sig. barriers	48%	55%	42%	48%

More than half of all non-user firms (52%) have experienced one or more significant barriers to the development of their overseas business, suggesting that many would benefit from the type of support that UKTI can provide. The most widespread barriers relate to legal and regulatory issues, establishing/developing contacts and freeing up enough resources to deal with the export side of the business.

It is also important to note that all of the barriers tested can, to at least some extent, be addressed by the existing range of UKTI export support services. The table below matches each barrier to relevant impacts reported by UKTI clients in the main PIMS surveys (with the figures in brackets giving the proportion of UKTI users benefiting to a significant extent from each outcome).

Table 7.1.3 How UKTI Support Can Address Barriers

Barrier	**Corresponding Benefit of UKTI Support (PIMS 32-35)**
Legal & regulatory	• Overcome problem or difficulty with a legal or regulatory issue or quality standards (14%)[6] • Introduced new products/services or improved existing ones (28%) • Made improvements to new product development strategy (28%)
Customs	• Improved way do business in an overseas market (37%)
Contacts	• Gained access to prospective customers or business partners (47%) • Improved overseas marketing strategy (37%)
Information	• Gained access to information otherwise unable to come by (46%)
Resource	• Gained confidence to enter new market/expand in existing one (43%)
Language & cultural	• Gained access to information otherwise unable to come by (46%) • Improved way do business in an overseas market (37%) • Improved overseas marketing strategy (37%)
Bias	• Improved profile or credibility (42%) • Improved knowledge of competitive environment in overseas market (40%)

[6] OMIS, Posts Significant Assists and Posts Events only

Barriers to overseas trade are also explored in UKTI's Internationalisation Survey, which covers both users and non-users of UKTI. It is not possible to make direct comparisons with the PIMS Non-User Survey data due to a different questioning approach. However, one key finding of the Internationalisation Survey is that UKTI clients are much more likely to encounter significant barriers than non-users (79% vs. 60%[7]). This suggests that firms are prompted to access UKTI support as a result of encountering difficulties overseas.

The lower incidence of barriers amongst non-user firms is also likely to be linked to the fact that they are typically less 'involved' exporters than UKTI users. As seen in Section 5 of this report, non-users tend to operate in fewer markets than UKTI clients and overseas sales account for a lower proportion of their total turnover. As a result of these factors, it is likely that non-user firms have been exposed to fewer barriers due to their more limited engagement in overseas business.

The table below provides further analysis by supported and unsupported non-users.

Table 7.1.4 Summary Barriers
- Non-Users by Whether Supported

Proportion experiencing significant difficulties with...	Non-Users	
	Supported	Unsupported
Base	*82*	*218*
At least 1 sig. barrier	51%	52%
- Legal & regulatory	27%	28%
- Contacts	26%	22%
- Resource	26%	23%
- Information	20%	13%
- Customs	16%	12%
- Language & cultural	11%	9%
- Bias	12%	7%
No sig. barriers	49%	48%

There are no significant differences in the overall likelihood of encountering barriers to overseas trade between non-user firms that have accessed some form of (non-UKTI) export support and unsupported non-users.

[7] International Business Strategies, Barriers & Awareness Survey 2014 (OMB Research, May 2014)

7.2 Individual Barriers

The table below shows a more detailed analysis of the individual barriers tested, showing the full distribution of responses on the 1-5 scale.

Table 7.2.1 Individual Barriers – Detailed Results

Extent of difficulty	Dealing with legal or tax regulations & standards	Protecting your intellectual property	Ensuring you get paid and enforcing contracts	Dealing with customs procedures or paperwork
Base	*300*	*300*	*300*	*300*
5 – Extremely difficult	6%	5%	4%	4%
4	8%	6%	8%	9%
3	7%	2%	9%	9%
2	2%	2%	2%	2%
1 – Not at all difficult	75%	86%	77%	74%
Don't know/refused	1%	0%	0%	1%
Net: 4-5 out of 5	*14%*	*11%*	*12%*	*13%*
Extent of difficulty	Identifying who to make contact with in the first instance	Establishing an initial dialogue with prospective customers or partners	Building relationships with influencers/ decision makers	Obtaining information about potential opportunities in an overseas market
Base	*300*	*300*	*300*	*300*
5 – Extremely difficult	5%	4%	2%	4%
4	12%	10%	10%	11%
3	5%	7%	4%	7%
2	2%	2%	0%	2%
1 – Not at all difficult	75%	76%	82%	75%
Don't know/refused	0%	1%	2%	1%
Net: 4-5 out of 5	*17%*	*14%*	*12%*	*15%*
Extent of difficulty	Finding the necessary management time to devote to doing business overseas	Language barriers	Cultural differences	Overseas customers preferring to do business with firms from their own country
Base	*300*	*300*	*300*	*300*
5 – Extremely difficult	9%	5%	0%	2%
4	15%	3%	3%	7%
3	7%	11%	7%	10%
2	3%	5%	2%	4%
1 – Not at all difficult	66%	75%	87%	76%
Don't know/refused	1%	0%	1%	2%
Net: 4-5 out of 5	*23%*	*8%*	*3%*	*8%*

Those non-user firms that reported no or very minimal difficulties (i.e. 1-2 out of 5) with establishing an initial dialogue with prospective customers/partners, language barriers or cultural differences were asked further questions to establish why they had not experienced any problems. Similar questions were included in the PIMS Follow-Up survey to provide a comparison with UKTI clients, and these results have been included in the analysis.

As detailed below, most non-users that had not encountered difficulty in establishing an initial dialogue indicated that this was because their customers/partners initiated the contact. In comparison, for UKTI users there was a fairly even split between those with existing contacts, those where customers/partners initiated the contact and those identifying another reason for not experiencing this barrier. There are no consistent differences in this respect by age of firm.

Table 7.2.2 Reasons for Not Having Difficulties with Establishing an Initial Dialogue

	Non-Users (PIMS 2014)				Users (PIMS Follow-Up 30-31)			
	Total	Up to 5 years old	5-10 years old	>10 years old	Total	Up to 5 years old	5-10 years old	>10 years old
Base: All reporting no/minimal difficulties	*234*	*69*	*46*	*119*	*107*	*21*	*19*	*67*
Already had contacts	41%	38%	36%	44%	29%	28%	19%	32%
Customers/partners initiated the contact	65%	67%	64%	64%	31%	21%	56%	27%
Other reason	8%	5%	12%	7%	36%	42%	25%	38%
Don’t know	3%	5%	0%	2%	3%	9%	0%	3%

Firms that reported no or very minimal difficulties with language barriers typically indicated that this was because they had always been able to use English when dealing with overseas contacts. This is true for both users and non-users, and for all age bands.

Table 7.2.3 Reasons for Not Having Difficulties with Language Barriers

	Non-Users (PIMS 2014)				Users (PIMS Follow-Up 30-31)			
	Total	Up to 5 years old	5-10 years old	>10 years old	Total	Up to 5 years old	5-10 years old	>10 years old
Base: All reporting no/minimal difficulties	*241*	*69*	*51*	*121*	*135*	*24*	*27*	*84*
Always been able to use English	82%	79%	82%	84%	69%	59%	86%	66%
Have staff with necessary language skills	24%	16%	24%	27%	19%	10%	12%	24%
Other reason	4%	7%	4%	2%	11%	25%	2%	10%
Don’t know	0%	2%	0%	0%	1%	6%	0%	0%

There is a notable difference between users and non-users of UKTI when it comes to the reasons they gave for not encountering any significant problems with cultural differences. The majority of UKTI clients avoided this barrier through employing staff that were familiar with the culture, whereas most non-user firms simply felt that they had not come across any significant cultural differences. This difference may be at least partially due to the fact that UKTI users tend to be operating in a greater number of markets and are therefore more likely to have dealt with countries where the culture is significantly different from that in the UK.

Table 7.2.4 Reasons for Not Having Difficulties with Cultural Differences

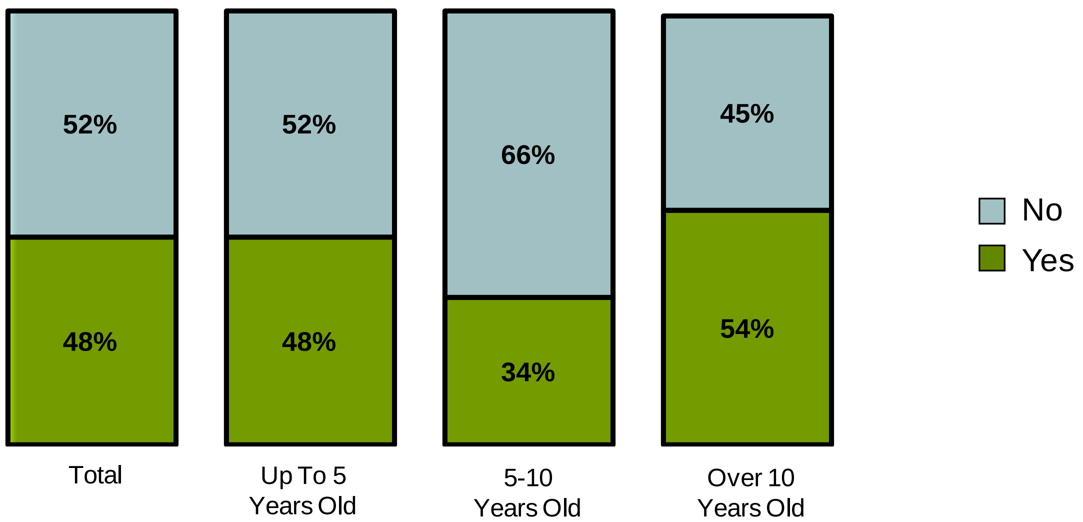
	Non-Users (PIMS 2014)				Users (PIMS Follow-Up 30-31)			
	Total	Up to 5 years old	5-10 years old	>10 years old	Total	Up to 5 years old	5-10 years old	>10 years old
Base: All reporting no/minimal difficulties	*267*	*75*	*57*	*135*	*151*	*24*	*31*	*96*
Not come across cultural differences	60%	62%	48%	65%	27%	28%	22%	28%
Have staff familiar with the culture	35%	32%	46%	33%	61%	49%	74%	60%
Other reason	7%	9%	7%	5%	11%	16%	4%	12%
Don’t know	1%	2%	2%	1%	1%	7%	0%	0%

8. Awareness of UKTI

8.1 Awareness of UKTI Name

All non-user firms were asked whether, prior to the interview, they had heard of UK Trade & Investment or UKTI.

Chart 8.1.1 Awareness of UK Trade & Investment / UKTI
- Non-Users Only



Base: All respondents (Base, Don't know/Refused)
Non-Users – Total (300, 1%), Up to 5 years old (85, 0%), 5-10 years old (65, 0%), Over 10 years old (150, 1%)

48% of non-users firms have heard of UKTI, although awareness levels drop among firms that have been trading for 5-10 years. .

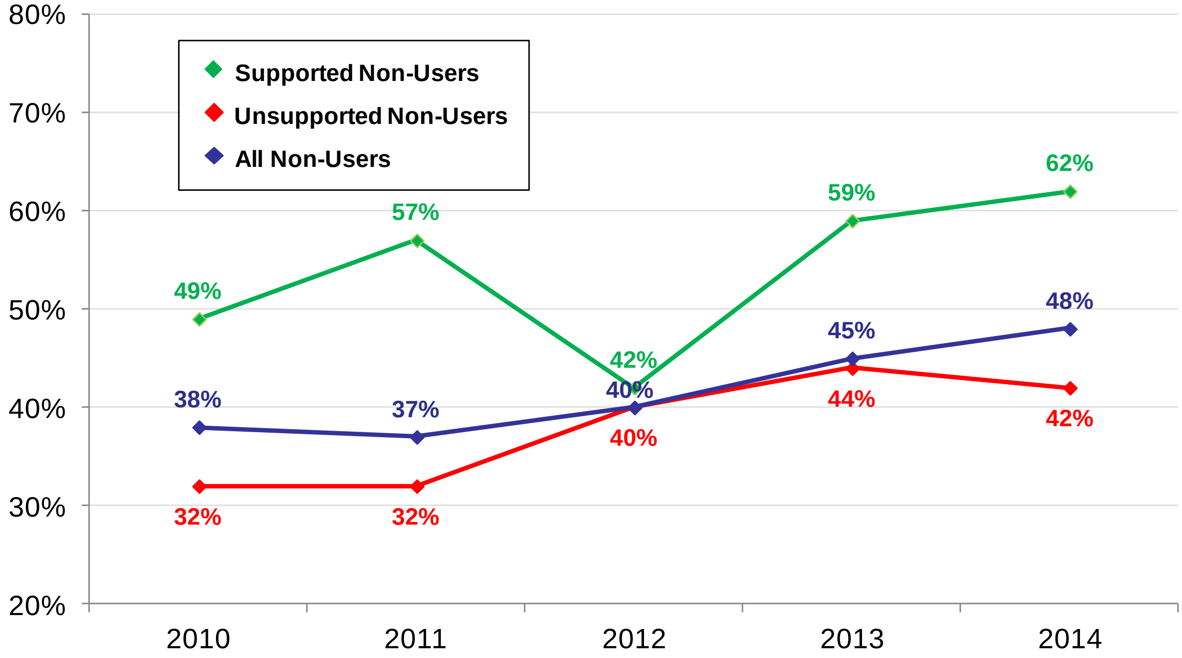
The table below compares awareness between supported and unsupported non-users. Non-user firms that have accessed export-related assistance (from non-UKTI sources) are significantly more likely to have heard of UKTI than unsupported firms, suggesting that they are more 'plugged in' to the support landscape.

Table 8.1.1 Awareness of UK Trade & Investment / UKTI
- Non-Users by Whether Supported

	Non-Users	
	Supported	Unsupported
Base	*82*	*218*
Yes	62%	42%
No	38%	57%
Don't know	0%	1%

The chart below tracks how awareness of the UKTI name has changed over time among non-user firms.

Chart 8.1.2 Awareness of UK Trade & Investment / UKTI
- Non-Users Over Time



Base: All respondents (Base)
Supported – 2010 (81), 2011 (61), 2012 (56), 2013 (30), 2014 (82) / Unsupported – 2010 (221), 2011 (239), 2012 (243), 2013 (271), 2014 (218) / All – 2010 (302), 2011 (300), 2012 (300), 2013 (301), 2014 (300)

At the total level, there has been a steady and statistically significant increase in the proportion of non-users aware of UKTI over the last 4 years, from 37% in 2011 to 48% currently. However, please note that the 3% increase from 2013 to 2014 is not statistically significant.

Results for supported non-users have been a little more erratic. Although there appears to be an upward trend in awareness, the change from 2010 to 2014 is not statistically significant. However, the increase from the low point of 42% in 2012 to the 62% recorded currently is significant.

There has also been an overall increase in awareness among unsupported non-users since 2010, although this has levelled out over the last 2 years.

The table below provides further analysis of awareness levels by firm size and export experience. Please be aware of the very low base size from 100+ employee firms when interpreting these results.

Table 8.1.2 Awareness of UK Trade & Investment / UKTI - Non-Users by Size & Export Experience

	Size (Employees)			Years Exporting		
	0-9	10-99	100+	< 2 years	2-10 years	> 10 years
Base	*225*	*69*	*5*	*74*	*123*	*100*
Yes	46%	56%	18%	46%	43%	54%
No	53%	44%	82%	54%	56%	45%
Don't know	1%	0%	0%	0%	1%	1%

There are no statistically significant differences in awareness by company size. However, the low awareness figure for firms with 100+ employees (18%) should be interpreted with extreme caution as it is based on just 5 interviews with firms of this size. The UKTI Internationalisation Survey (which is based on a larger sample of 900 interviews) does show that awareness of UKTI is significantly higher among larger exporters.

Although the data suggests that firms with over 10 years export experience are more likely to have heard of UKTI, this difference is not statistically significant. It should be noted that the Internationalisation Survey also shows no significant differences in awareness levels by export experience.

The following analysis provides details of awareness levels by the extent of firms' growth ambitions for the next 5 years and whether or not they are classified as being innovative.

Table 8.1.3 Awareness of UK Trade & Investment / UKTI - Non-Users by Growth Objectives & Innovation

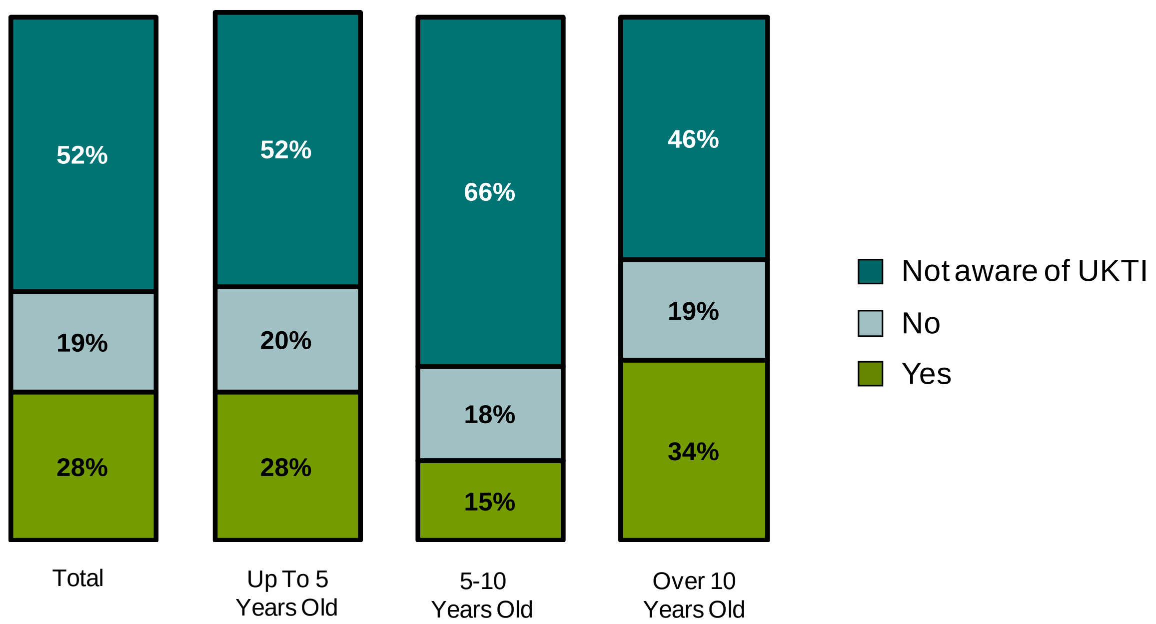
	Growth Objectives			Innovation		
	Substantial growth	Moderate growth	No growth	Innovative (alternative)	Innovative	Non-innovative
Base	*68*	*166*	*55*	*102*	*191*	*109*
Yes	52%	51%	40%	50%	49%	46%
No	48%	48%	60%	50%	50%	54%
Don't know	0%	1%	0%	0%	1%	0%

Although it appears that those firms that are planning to grow are more likely to recognise the UKTI name, this difference is not statistically significant. There are also no significant differences in awareness levels between innovative and non-innovative firms.

8.2 Awareness of UKTI Role

Those firms that had heard of UKTI were also asked whether they were aware that the organisation provides assistance to help UK firms do business overseas.

Chart 8.2.1 Awareness that UKTI Provides Assistance to Help UK Firms Do Business Overseas - Non-Users



Base: All respondents (Base, Don't know)
Non-Users – Total (300, 0%), Up to 5 years old (85, 0%), 5-10 years old (65, 0%), Over 10 years old (150, 1%)

Although 48% of non-user firms were aware of the UKTI name, only 28% knew that UKTI provides support to help UK firms do business overseas (i.e. the remainder of this group recognised the UKTI name but had no understanding of the organisations' role).

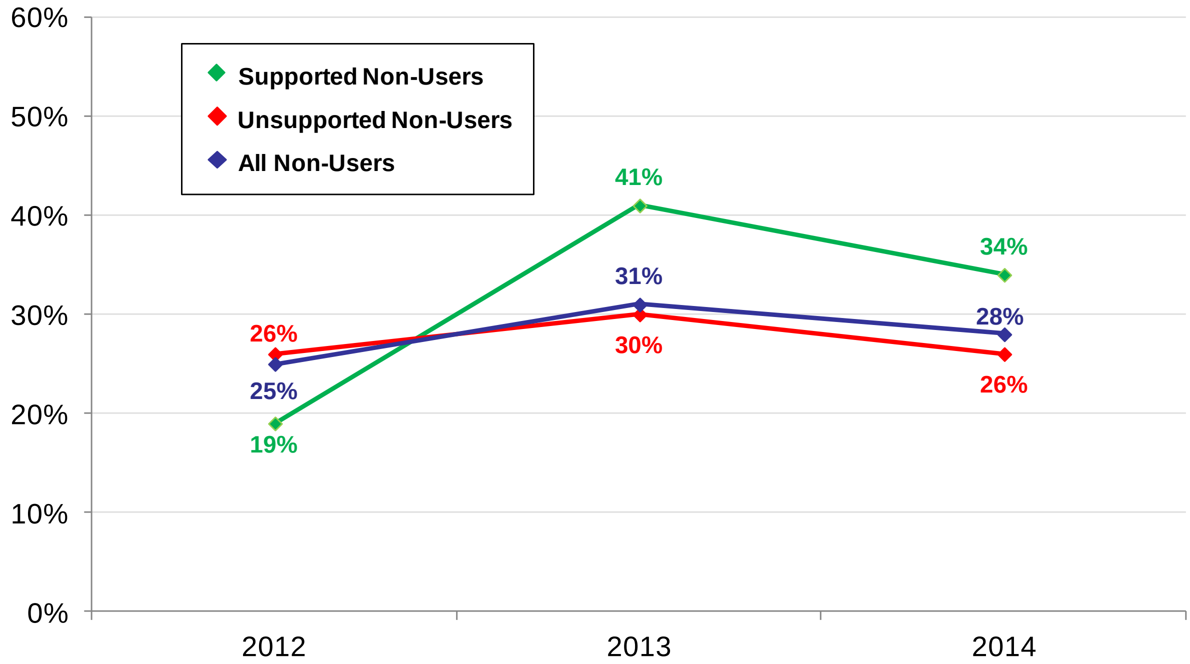
Although supported non-users appear more likely to be aware of UKTI's role than unsupported non-users, this difference is not statistically significant.

Table 8.2.1 Awareness that UKTI Provides Assistance to Help UK Firms Do Business Overseas - Non-Users by Whether Supported

	Non-Users	
	Supported	Unsupported
Base	*82*	*218*
Yes	34%	26%
No	28%	16%
Not aware of UKTI	38%	58%

The chart below tracks how awareness of UKTI's role has changed over time among non-user firms. Please note that time series data is only available from 2012 onwards, when this question was first included in the Non-User survey.

Chart 8.2.2 Awareness that UKTI Provides Assistance to Help UK Firms Do Business Overseas - Non-Users Over Time



Base: All respondents (Base)
Supported – 2012 (56), 2013 (30), 2014 (82) / Unsupported – 2012 (243), 2013 (271), 2014 (218) / All – 2012 (300), 2013 (301), 2014 (300)

There has been no statistically significant change in awareness of UKTI's role between 2012 and 2014.

8.3 Awareness & Interest in UKTI Services

8.3.1 OMIS

Businesses were read out the following description of OMIS and asked if they had heard of this service and whether they would be interested in using it.

"The Overseas Market Introduction Service, or OMIS, is a charged service delivered by UK embassies and consulates overseas. It can include a report about an overseas market, or help identifying and contacting possible customers or business partners".

Table 8.3.1.1 Awareness & Interest in OMIS - Non-Users

	Non-Users			
	Total	Up to 5 years old	5-10 years old	Over 10 years old
Base	*300*	*85*	*65*	*150*
Have you heard of this service before?				
Yes	10%	9%	5%	13%
No	90%	91%	95%	87%
Would you be interested in using this service?				
Yes	25%	23%	32%	23%
Maybe	7%	6%	8%	7%
No	68%	71%	60%	70%
Don't know	0%	0%	0%	1%

Only 10% of non-user firms had heard of the OMIS service (a significant decrease from the 18% recorded in 2013). However, based on the brief description that respondents were given about OMIS, a quarter felt that they would be interested in using it (with a further 7% indicating they may be interested).

There are no significant differences in awareness of or interest in the OMIS service by age of firm.

The table below provides further analysis by firm size and export experience, and shows that there are no significant differences by size of firm (and the very low base for larger firms should be taken into account when interpreting this data). However, it is evident that very recent exporters show significantly more interest in using the OMIS service (when read a description of what it involves), yet are least likely to be aware of it.

Table 8.3.1.2 Awareness & Interest in OMIS
- Non-Users by Size & Export Experience

	Size (Employees)			Years Exporting		
	0-9	10-99	100+	< 2 years	2-10 years	> 10 years
Base	*225*	*69*	*5*	*74*	*123*	*100*
Have you heard of this service before?						
Yes	10%	10%	0%	6%	7%	16%
No	90%	90%	100%	94%	93%	84%
Would you be interested in using this service?						
Yes	22%	33%	22%	40%	21%	20%
Maybe	6%	10%	0%	5%	9%	5%
No	72%	57%	78%	55%	70%	74%
Don’t know	0%	0%	0%	0%	0%	1%

As seen below, awareness of the OMIS service is fairly similar irrespective of firms’ growth ambitions. However, those firms that are aiming for growth (and particularly substantial growth) are considerably more interested in the service. Similarly, innovative firms are most likely to be interested in using OMIS. This demonstrates that there are a significant number of dynamic and innovative firms that would potentially benefit from OMIS but have not considered using it simply because they are unaware of its existence.

Table 8.3.1.3 Awareness & Interest in OMIS
- Non-Users by Growth Objectives & Innovation

	Growth Objectives			Innovation		
	Substantial growth	Moderate growth	No growth	Innovative (alternative)	Innovative	Non-innovative
Base	*68*	*166*	*55*	*102*	*191*	*109*
Have you heard of this service before?						
Yes	6%	12%	9%	11%	12%	6%
No	94%	88%	91%	89%	88%	94%
Would you be interested in using this service?						
Yes	35%	25%	14%	32%	29%	18%
Maybe	7%	6%	6%	6%	6%	8%
No	58%	68%	80%	62%	65%	73%
Don’t know	0%	1%	0%	0%	0%	1%

8.3.2 International Trade Advisors

Businesses were read out the following description of UKTI's International Trade Advisors and asked if they had heard of this service before and whether they would be interested in using it.

"UK Trade & Investment employ a number of International Trade Advisors who are based in the UK and provide one-to-one advice to help firms develop their overseas business. They can also provide referrals to other support or specialist advice".

Table 8.3.2.1 Awareness & Interest in ITAs - Non-Users

	Non-Users			
	Total	Up to 5 years old	5-10 years old	Over 10 years old
Base	*300*	*85*	*65*	*150*
Have you heard of this service before?				
Yes	18%	24%	8%	19%
No	82%	76%	92%	81%
Would you be interested in using this service?				
Yes	32%	29%	42%	29%
Maybe	7%	7%	8%	7%
No	61%	62%	51%	64%
Don't know	0%	1%	0%	0%

Awareness of the ITAs is significantly higher than that seen for OMIS (18% vs. 10%). In addition, based on the brief descriptions firms were given, this service also seems to have slightly more appeal than OMIS, with 32% of firms expressing an interest in accessing support from UKTI's ITAs (compared to 25% for OMIS). However, this difference is not statistically significant.

Firms that have been established for 5-10 years are least likely to be aware of the ITA support available, yet once they have been read a description of the service they are more inclined to express an interest in using it.

There are no statistically significant differences in awareness of the services provided by UKTI's international trade advisors by firms' size or export overseas experience. However, slightly larger firms with 10-99 employees and those with less than 2 years' overseas experience are most interested in using it.

Table 8.3.2.2 Awareness & Interest in ITAs
- Non-Users by Size & Export Experience

	Size (Employees)			Years Exporting		
	0-9	10-99	100+	< 2 years	2-10 years	> 10 years
Base	*225*	*69*	*5*	*74*	*123*	*100*
Have you heard of this service before?						
Yes	18%	17%	0%	17%	15%	22%
No	82%	83%	100%	83%	85%	78%
Would you be interested in using this service?						
Yes	28%	42%	22%	40%	32%	26%
Maybe	8%	6%	0%	8%	8%	6%
No	63%	52%	78%	52%	59%	68%
Don't know	0%	0%	0%	0%	1%	0%

Interestingly, firms with more ambitious growth objectives are less likely to have heard of the ITAs. However, these firms are also considerably more likely to show an interest in using the service.

Table 8.3.2.3 Awareness & Interest in ITAs
- Non-Users by Growth Objectives & Innovation

	Growth Objectives			Innovation		
	Substantial growth	Moderate growth	No growth	Innovative (alternative)	Innovative	Non-innovative
Base	*68*	*166*	*55*	*102*	*191*	*109*
Have you heard of this service before?						
Yes	11%	18%	29%	12%	17%	20%
No	89%	82%	71%	88%	83%	80%
Would you be interested in using this service?						
Yes	47%	31%	20%	39%	34%	28%
Maybe	9%	8%	4%	9%	9%	5%
No	44%	61%	76%	52%	57%	67%
Don't know	0%	1%	0%	0%	0%	0%

8.3.3 Meet the Buyer Events

Businesses were read out the following description of UKTI ‘Meet the Buyer’ events and were asked whether they had heard of these events before and whether they would be interested in attending.

“UK Trade & Investment put on events in the UK that enable attendees to have one-to-one meetings with relevant high-profile overseas businesses, and also offer wider networking opportunities. These events are facilitated by experts with knowledge of both the overseas market and the industry.”

Table 8.3.3.1 Awareness & Interest in UKTI Meet the Buyer Events - Non-Users

	Non-Users			
	Total	Up to 5 years old	5-10 years old	Over 10 years old
Base	*300*	*85*	*65*	*150*
Have you heard of this type of event before?				
Yes	42%	44%	37%	43%
No	58%	56%	63%	57%
Don’t know	0%	0%	0%	1%
Would you be interested in attending this type of event?				
Yes	35%	35%	43%	32%
Maybe	6%	6%	8%	6%
No	58%	59%	49%	62%
Don’t know	0%	0%	0%	0%

Awareness of UKTI ‘Meet the Buyer’ events is significantly higher than was seen for either OMIS or the ITAs, at 42%.

There is also considerable interest in this type of event, with over a third of non-users indicating that they would be interested in attending and a further 6% stating that they may be interested.

There are no statistically significant differences in awareness or interest levels by age of firm.

There are no differences by size of firm when it comes to awareness of UKTI 'Meet the Buyer' events, but medium sized firms (with 10-99 employees) were most likely to express an interest in attending this type of event. Interest is also significantly higher amongst inexperienced exporters.

Table 8.3.3.2 Awareness & Interest in UKTI Meet the Buyer Events - Non-Users by Size & Export Experience

	Size (Employees)			Years Exporting		
	0-9	10-99	100+	< 2 years	2-10 years	> 10 years
Base	*225*	*69*	*5*	*74*	*123*	*100*
Have you heard of this service before?						
Yes	43%	41%	18%	44%	38%	46%
No	57%	59%	82%	56%	62%	53%
Don't know	0%	0%	0%	0%	0%	1%
Would you be interested in using this service?						
Yes	31%	48%	41%	46%	32%	33%
Maybe	7%	6%	0%	7%	6%	6%
No	62%	46%	59%	47%	62%	61%
Don't know	0%	0%	0%	0%	0%	0%

Although there is no difference in awareness levels by firms' growth objectives, firms that were planning to grow over the next 5 years were considerably more interested in attending this type of event (with this particularly true of those aiming for substantial growth). A similar picture was seen for OMIS and ITAs, and together this suggests that firms seeking growth are often looking to access external export support to help them realise these ambitions. There are no significant differences in awareness or interest levels for 'Meet the Buyer' events by innovation.

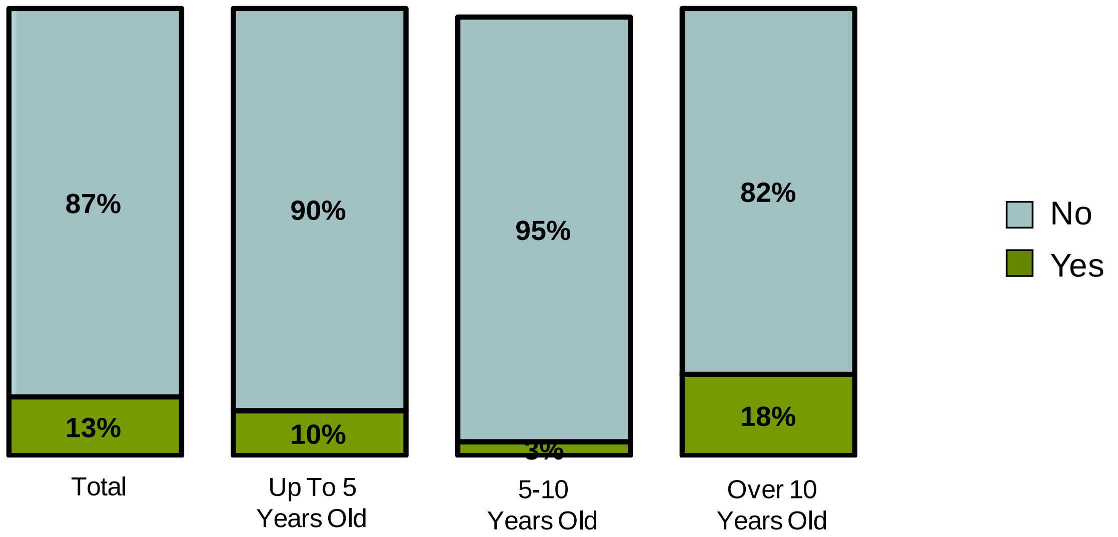
Table 8.3.3.3 Awareness & Interest in UKTI Meet the Buyer Events - Non-Users by Growth Objectives & Innovation

	Growth Objectives			Innovation		
	Substantial growth	Moderate growth	No growth	Innovative (alternative)	Innovative	Non-innovative
Base	*68*	*166*	*55*	*102*	*191*	*109*
Have you heard of this service before?						
Yes	43%	40%	47%	47%	43%	39%
No	57%	59%	53%	52%	57%	61%
Don't know	0%	1%	0%	1%	1%	0%
Would you be interested in using this service?						
Yes	47%	37%	22%	38%	39%	29%
Maybe	3%	6%	6%	5%	5%	8%
No	50%	57%	73%	57%	56%	63%
Don't know	0%	0%	0%	0%	0%	0%

8.4 Awareness & Use of UK Export Finance

All non-user firms were asked whether they had heard of UK Export Finance (also known as UKEF). Results are shown below.

Chart 8.4.1 Awareness of UK Export Finance / UKEF
- Non-Users



Base: All respondents (Base, Don't know/Refused)
Non-Users – Total (300, 0%), Up to 5 years old (85, 0%), 5-10 years old (65, 2%), Over 10 years old (150, 0%)

Awareness of UK Export Finance amongst exporting firms that have not accessed UKTI support stands at 13%. This rises slightly to 18% among more well-established firms that have been trading for over 10 years.

As shown in the table below, there are no significant differences in awareness levels of UK Export Finance between supported and unsupported non-users.

Table 8.4.1 Awareness of UK Export Finance / UKEF
- Non-Users by Whether Supported

	Non-Users	
	Supported	Unsupported
Base	*82*	*218*
Yes	10%	14%
No	90%	86%
Don’t know	0%	0%

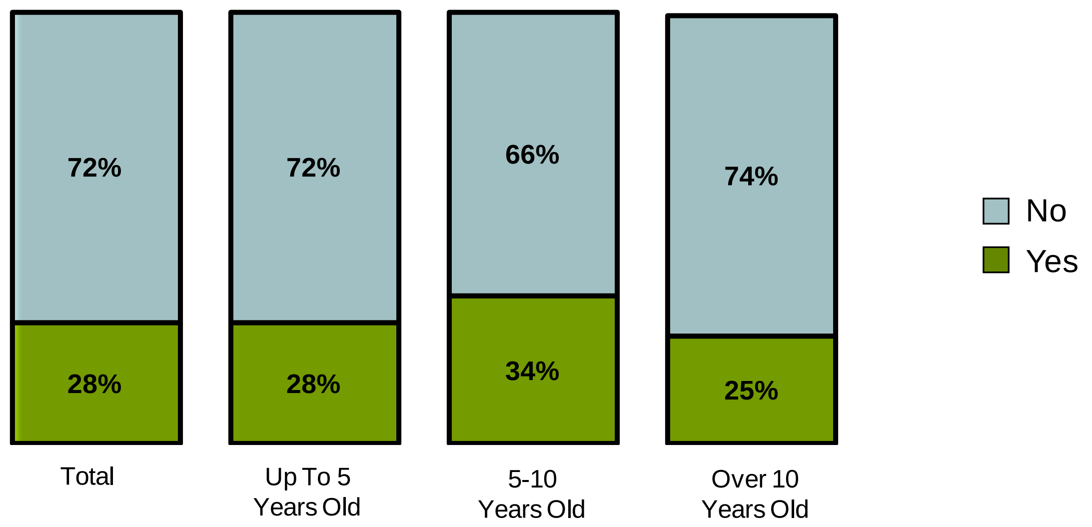
Non-users were also asked whether they had ever used any of the services provided by UKEF. Despite 13% being aware of UKEF, none of the non-user firms interviewed had used their services.

9. Awareness & Use of Non-UKTI Support

9.1 Use of Non-UKTI Support

The chart below shows the proportion of non-user firms that have received any external (non-UKTI) information, advice or support in relation to doing business overseas in the last two years.

Chart 9.1.1 Whether Received Export Support in Last 2 Years - Non-Users



Base: All respondents (Base, Don't know/Refused)
Non-Users – Total (300, 1%), Up to 5 years old (85, 0%), 5-10 years old (65, 0%), Over 10 years old (150, 1%)

More than a quarter (28%) of non-users had received export support from a non-UKTI source in the previous two years, and are therefore classed as 'supported' non-users. There are no significant differences by age of firm.

Firms were asked to identify all external sources from which they had obtained export-related support. Those firms that had obtained support from more than one provider were also asked to identify which of these sources had been *most important* to them in relation to doing business overseas (please note that if firms had only obtained support from a single provider this has been included as the 'most important' source in the analysis below).

Table 9.1.1 Sources of External (Non-UKTI) Export Support Used - Non-Users

	Non-Users			
	Total	Up to 5 years old	5-10 years old	Over 10 years old
Base: All non-users	*300*	*85*	*65*	*150*
All providers used				
Accountant	12%	9%	17%	11%
HM Revenue and Customs	10%	15%	11%	8%
Bank	8%	6%	6%	9%
Chamber of Commerce	6%	7%	2%	7%
Trade Association	5%	6%	0%	6%
Consultant	4%	5%	8%	3%
Market research agency	1%	1%	2%	1%
Other government departments	1%	1%	2%	1%
Federation of Small Businesses	1%	1%	2%	0%
Online information service (paid for)	1%	0%	3%	1%
Business associates	1%	0%	2%	1%
Other	1%	0%	0%	1%
No support received	*72%*	*72%*	*66%*	*74%*
Don't know if received support	*1%*	*0%*	*0%*	*1%*
Most important provider used				
HM Revenue and Customs	7%	9%	9%	4%
Accountant	7%	5%	9%	7%
Chamber of Commerce	4%	5%	0%	5%
Consultant	3%	2%	8%	1%
Trade Association	2%	3%	0%	2%
Bank	2%	2%	2%	3%
Online information service (paid for)	1%	0%	2%	1%
Market research agency	0%	0%	0%	0%
Other	3%	1%	5%	3%
No support received	*72%*	*72%*	*66%*	*74%*
Don't know if received support	*1%*	*0%*	*0%*	*1%*

A variety of different providers were used by non-user firms, but the most common source was an accountant, followed by HMRC. These were also most likely to be identified as the most important sources of export support used. Please note that for all the subsequent questions about the type, quality and impact of the export support received, respondents were asked to focus just on the *most important provider* they had used.

Those firms that received assistance from the Chamber of Commerce were asked whether the Chamber in question was based in the UK or overseas.

Table 9.1.2 Chamber of Commerce Support
- Non-Users

	Total
Base: All using Chamber of Commerce	*18*
Based in the UK	100%
Located overseas	0%
- British Chamber of Commerce overseas	*0%*
- Local Chamber of Commerce overseas	*0%*
Don't know	0%

All of the 18 firms accessing support through the Chamber of Commerce indicated that this was from a Chamber of Commerce in the UK.

9.2 Type of Non-UKTI Support Received (Supported Non-Users)

9.2.1 Focus of Support

The table below provides details of the specific type of assistance received by supported non-users. Please note that the results by age of firm should be treated with caution due to the low base sizes.

Table 9.2.1.1 Types of External Support Received - Supported Non-Users

	Supported Non-Users			
	Total	Up to 5 years old	5-10 years old	Over 10 years old
Base: Supported non-users	*82*	*23*	*22*	*37*
Info on how to do business in an overseas market	66%	57%	82%	62%
Info about entering a new market	25%	25%	23%	27%
Info about business opportunities overseas	24%	29%	27%	19%
Help identifying overseas contacts	21%	29%	23%	16%
Help with developing overseas business strategy	17%	8%	23%	19%
Info about other potential support providers	17%	23%	9%	19%
Help with doing market research overseas	11%	4%	18%	11%
Help accessing finance or funding	10%	4%	18%	8%
Issuing Certificates of Origin	9%	18%	0%	11%
Help with VAT	4%	5%	9%	0%
Other	7%	8%	0	11%
Don't know	2%	4%	5%	0%

The most widespread type of support accessed by non-users related to information on how to do business in an overseas market, with two-thirds obtaining this in the previous 2 years.

A quarter had received information or advice about entering a specific market and a similar proportion received help identifying business opportunities or contacts overseas.

9.2.2 Paid-For Support

Supported non-users were also asked whether they had paid for any of the support they had received, and as detailed below, a third had done so.

Table 9.2.2.1 Whether Had to Pay for Any External Support
- Supported Non-Users

	Supported Non-Users			
	Total	Up to 5 years old	5-10 years old	Over 10 years old
Base: Supported non-users	*82*	*23*	*22*	*37*
Yes	32%	30%	45%	24%
No	67%	70%	55%	73%
Don’t know	1%	0%	0%	3%

9.2.3 Time Spent

Supported non-users were also asked to estimate how much time the support provider had spent assisting them. Most firms receiving external export support indicated that this had been relatively light in terms of time, with just 9% feeling that they had received more than a week’s worth of assistance and over a third (38%) believing it was less than an hour. However, it should be noted that this relates to firms’ perceptions of the time spent by the support provider.

Table 9.2.3.1 Estimated Time Spent by Support Provider
- Supported Non-Users

	Supported Non-Users			
	Total	Up to 5 years old	5-10 years old	Over 10 Years old
Base: Supported non-users	*82*	*23*	*22*	*37*
More than a week	9%	16%	9%	5%
3-5 day’s work	8%	5%	14%	5%
1-2 day’s work	14%	16%	14%	14%
Less than a day	25%	18%	32%	24%
Less than an hour	38%	36%	32%	43%
Don’t know / Not applicable	6%	9%	0%	8%

9.3 Awareness & Interest in Export Support (Unsupported Non-Users)

9.3.1 Perceived Benefit of Export Support

All non-user businesses that had not received any support were asked whether they thought they would have benefited from such support to help overcome any difficulties they had encountered when developing the export side of their business. As seen below, 41% believed that they *would* have benefited from this type of assistance (with a further 4% indicating that they might have done so). There are no significant differences in this respect by age of firm.

Table 9.3.1.1 Need for Support
- Unsupported Non-Users

	Unsupported Non-Users			
	Total	Up to 5 years old	5-10 years old	Over 10 years old
Base: Unsupported non-users	*218*	*62*	*43*	*113*
Yes	41%	39%	51%	39%
Maybe	4%	0%	7%	5%
No	52%	58%	35%	56%
Don't know	2%	3%	7%	0%

Those firms that felt they would have benefited from some type of export-related assistance were asked to specify what particular types of advice or support would have helped. As seen below, the most widely required types of assistance relate to general advice on how to export or enter new markets (20%) and help with export regulations, rules and taxes (16%).

Table 9.3.1.2 Types of Support That Would Have Been Beneficial
- Unsupported Non-Users

Top Mentions (1%+)	Unsupported Non-Users			
	Total	Up to 5 years old	5-10 years old	Over 10 years old
Base: Unsupported non-users	*218*	*62*	*43*	*113*
General info/advice on how to export/enter new markets	20%	21%	30%	15%
Info/advice on export regulations/rules/taxes	16%	13%	19%	17%
Info about specific countries/market intelligence	12%	8%	14%	13%
Help with overseas marketing strategy	5%	7%	5%	4%
Help with accessing business contacts	8%	8%	7%	8%
Info/advice about securing payment/enforcing contracts	4%	5%	2%	4%
Finance/grants/subsidies	1%	2%	2%	1%
Other	5%	5%	7%	4%
Don't know	3%	0%	9%	2%
Would not have benefited from support	*52%*	*58%*	*35%*	*56%*
Don't know if would have benefited	*2%*	*3%*	*7%*	*0%*

It should be noted that UKTI currently provides all of the types of assistance/support listed in the above table. This does include financial support, as although the organisation now provides very limited direct financial support/grants, most UKTI services are still heavily subsidised. This clearly indicates that the main issue is a lack of awareness of UKTI and what it offers, rather than a lack of availability of the desired types of export support.

9.3.2 Awareness of Potential Support Providers

Those unsupported non-user firms indicating that export support would have been beneficial to them were asked whether they were aware of anyone who could provide this type of support, with the results detailed below.

Table 9.3.2.1 Awareness of Export Support Providers
- Unsupported Non-Users

	Unsupported Non-Users			
	Total	Up to 5 years old	5-10 years old	Over 10 years old
Base: All unsupported non-users indicating would benefit from support	*99*	*24*	25	*50*
Yes, aware of export support providers	38%	38%	48%	32%
- *Accountant*	*7%*	*8%*	*8%*	*6%*
- *UKTI*	*6%*	*0%*	*4%*	*10%*
- *Friend, colleagues, business associates*	*4%*	*4%*	*4%*	*4%*
- *Federation of Small Businesses*	*4%*	*4%*	*4%*	*4%*
- *Chamber of Commerce*	*4%*	*0%*	*8%*	*4%*
- *HM Revenue and Customs*	*3%*	*8%*	*0%*	*2%*
- *Trade Association*	*3%*	*4%*	*8%*	*0%*
- *BIS*	*3%*	*4%*	*0%*	*4%*
- *Consultant*	*2%*	*0%*	*0%*	*4%*
- *Business Link*	*2%*	*0%*	*0%*	*4%*
- *Bank*	*1%*	*0%*	*0%*	*2%*
- *Other*	*12%*	*21%*	*20%*	*4%*
No, not aware of any support providers	61%	62%	48%	68%
Don't know	1%	0%	4%	0%

In most cases the reason why firms have not accessed any export support (even though they feel it would have been beneficial) is because they are unaware of any providers of this type of assistance, with 61% of firms indicating that this is the case. This clearly suggests that, if awareness of UKTI is increased, there is potential for the organisation to reach and help a significantly greater number of firms.

Amongst those firms that were aware of potential support providers, a wide range of sources were mentioned covering government bodies, business membership organisations, private sector suppliers and less formal assistance from friends or business associates. However, only 6% of firms suggested UKTI as a potential source of export support.

9.3.3 Reasons for Not Needing Export Support

Unsupported non-users who felt that they would not have benefitted from any external export-related advice or support were asked why this was.

Table 9.3.3.1 Reasons for Not Needing Support
- Unsupported Non-Users

Top Mentions (1%+)	Unsupported Non-Users			
	Total	Up to 5 years old	5-10 years old	Over 10 years old
Base: All unsupported non-users indicating would not benefit from support	*114*	*36*	*15*	*63*
Easy/straightforward/don’t need help/no problems	39%	50%	40%	33%
Manage fine as we are/do it ourselves	22%	16%	33%	22%
Already have experience/expertise within the company	18%	13%	20%	19%
Customers contact us/we respond to orders/enquiries	11%	11%	13%	11%
Not looking for overseas business	9%	11%	20%	5%
Have a niche market/product	6%	0%	7%	10%
No one could provide relevant help/information	6%	6%	0%	8%
Have our own/existing contacts	5%	8%	7%	3%
Other reason	8%	3%	13%	10%
Don’t know	2%	3%	0%	2%

As detailed above, the main reason for not requiring support was that firms believed that exporting was easy or straightforward. Significant proportions also simply felt that they were managing fine without any external assistance or already had sufficient expertise in-house.

However, it is interesting to note that 6% of firms believed that no one would be able to help them in this way, and a further 6% highlighted the niche nature of their business (with the implication that it is too specialised for any external support to be beneficial). While this may be true, it is certainly possible that an organisation such as UKTI would be able to provide meaningful support even in fairly niche areas (e.g. through its team of sector specialists).

9.3.4 Key Markets for Export Support

All non-user firms were asked to identify the country or countries that it would be most useful to get some form of external supported about. As seen below, the most widely mentioned market was the USA, followed by France, China, and Germany.

Table 9.3.4.1 Key Markets for External Support – Individual Markets

Individual Markets (2%+ mentions)	All Non-Users
Base	*300*
USA	18%
France	10%
China	8%
Germany	8%
Russia	3%
United Arab Emirates	3%
Spain	3%
Ireland	3%
Australia	2%
India	2%
Netherlands	2%
Nigeria	2%
Japan	2%
Italy	2%
None/not interested in external support	*27%*
Don't know	*6%*

The table below provides further analysis, with individual markets grouped into broad geographic areas. This shows that demand is greatest for support about European markets (reflecting the fact that it is the most common export destination), but significant proportions of firms also identified markets in North America and Asia Pacific.

Table 9.3.4.2 Key Markets for External Support – Geographic Area

Individual Markets (2%+ mentions)	All Non-Users
Base	*300*
Europe	28%
North America	18%
Asia Pacific	14%
Middle East & Africa	8%
Latin America	2%
None/not interested in external support	*27%*
Don't know	*6%*

The table below provides similar analysis but this time by whether markets are high growth, established or neither. It is clear from this analysis that there is similar demand for support relating to all three market types.

Table 9.3.4.3 Key Markets for External Support – Market Type

Individual Markets (2%+ mentions)	All Non-Users
Base	*300*
High Growth	18%
Established	24%
Other	23%
None/not interested in external support	*27%*
Don't know	*6%*

10. Support Quality & Satisfaction

10.1 Quality Rating – Measure A09

Supported non-user businesses were asked to rate a number of aspects of the (non-UKTI) export support they received, as follows:

- The quality & relevance of the information provided
- The quality and relevance of any contacts it allowed the firm to make
- The attitude & professionalism of the support provider
- The provider's objectivity and acting in the firm's best interests

These ratings have been used to create a mean quality rating, calculated as the average proportion of firms providing a rating of 4 or 5 out of 5 across these service aspects. This analysis replicates as closely as possible one of the PIMS key survey measures, namely 'Measure A09 Quality Rating'.

It should be noted that these questions were of course only asked to non user firms that had received export related support (non-UKTI) in the last two years. The results and analysis are therefore based only on the 28% of non-users that had received external support. As a result, caution needs to be taken when interpreting results for different groups (e.g. analysis by age of firm) due to the low base sizes.

Table 10.1.1 Measure A09 – Quality Rating
- Supported Non-Users

	Supported Non-Users			
	Total	1-5 years old	5-10 years old	Over 10 years old
Base: Supported non-users	*82*	*23*	*22*	*37*
Average proportion providing a rating of '4' or '5'	62%	67%	61%	61%
95% confidence interval	± 11%	± 19%	± 20%	± 16%

As the table above illustrates, the mean quality rating for non-UKTI support is 62%, and there are no statistically significant differences by age of firm in this respect.

The panel below provides further details of how Measure A09 has been calculated for this survey, along with the proportion of firms giving a 'good' rating of 4-5 out of 5 for each element. This demonstrates that the key strength of non-UKTI support is the attitude and professionalism of those delivering it, but the primary weakness is the contacts provided (with only 21% giving a score of 4-5 out of 5 for this element).

A09 – Quality Rating

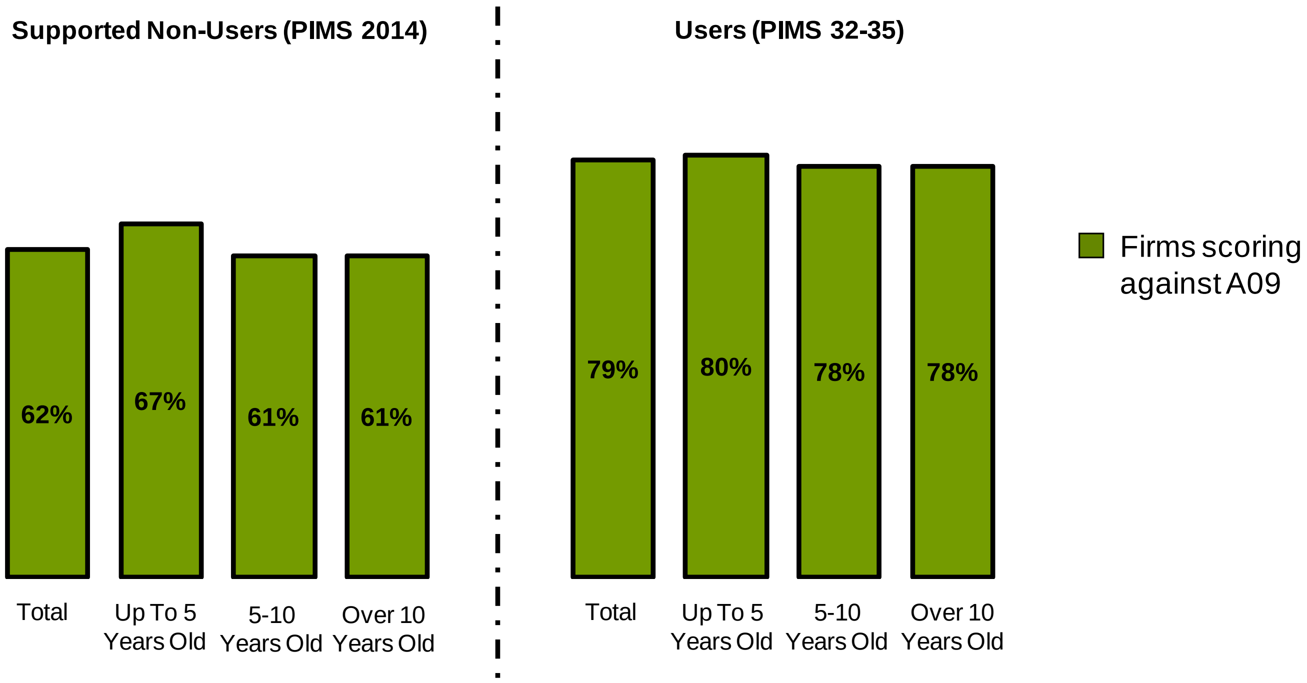
The average proportion of firms scoring '4' or '5' on a 5-point scale for…

- The quality & relevance of the information provided (70%)
- The quality and relevance of any contacts it allowed you to make (21%)
- Their attitude & professionalism (84%)
- Their objectivity and acting in your best interests (77%)

Throughout this section, comparative quality data has also been provided for users of UKTI support (from the main PIMS survey). Please note that for UKTI users, the individual elements of the quality rating differ depending on the specific type of support received. However, unless otherwise stated, the results relate to the mean quality rating across <u>all</u> UKTI services.

The following chart provides a comparison with the quality ratings for UKTI support.

Chart 10.1.1 Measure A09 – Quality Rating



Base: All supported firms (Base)
Non-Users – Total (82), Up to 5 years old (23), 5-10 years old (22), Over 10 years old (37),
Users – Total (3714), Up to 5 years old (967), 5-10 years old (615), Over 10 years old (2130)

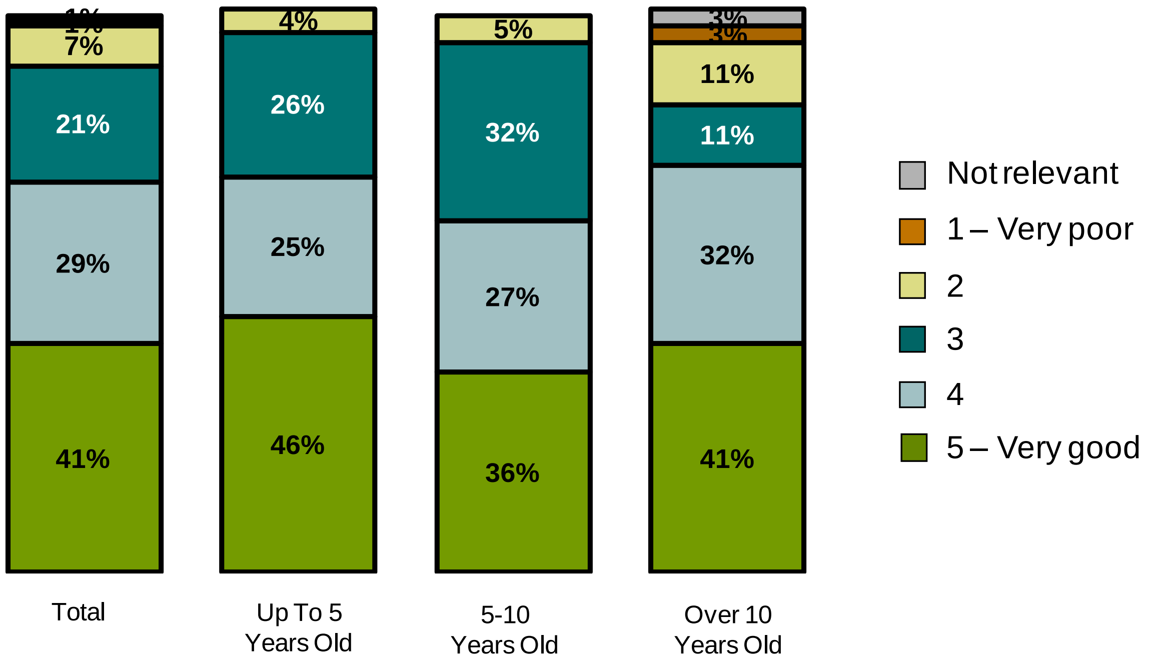
Overall, UKTI support is perceived to be of significantly higher quality than that provided by alternative providers, with mean quality ratings of 79% and 62% respectively. This difference is evident across all business age groups, but is only statistically significant for those established over 10 years ago.

10.2 Individual Quality Ratings

10.2.1 Quality & Relevance of Information

The chart below shows the ratings given by supported non-user firms for the quality and relevance of the information provided (by non-UKTI sources).

Chart 10.2.1.1 Quality & Relevance of the Information Provided - Supported Non-Users



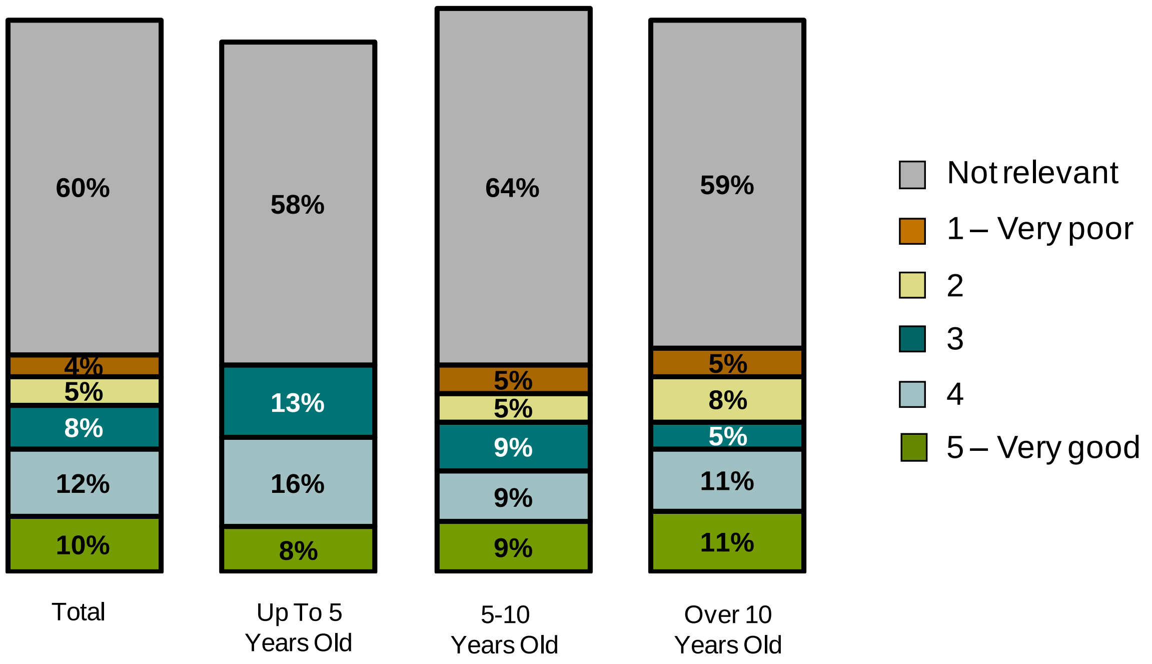
Base: All supported non-users (Base, Don't know/Refused)
Non-Users – Total (82, 0%), Up to 5 years old (23, 0%), 5-10 years old (22, 0%), Over 10 years old (37, 0%)

The quality and relevance of the information obtained from external (non-UKTI) providers is generally well regarded, with over two-thirds of supported non-users giving high ratings (i.e. 4-5 out of 5) and only 8% giving a poor score of 1-2 out of 5.

10.2.2 Quality & Relevance of Contacts

The chart below shows the ratings given by supported non-user firms for the quality and relevance of any contacts the (non-UKTI) support allowed them to make.

Chart 10.2.2.1 Quality & Relevance of Any Contacts It Allowed You to Make - Supported Non-Users



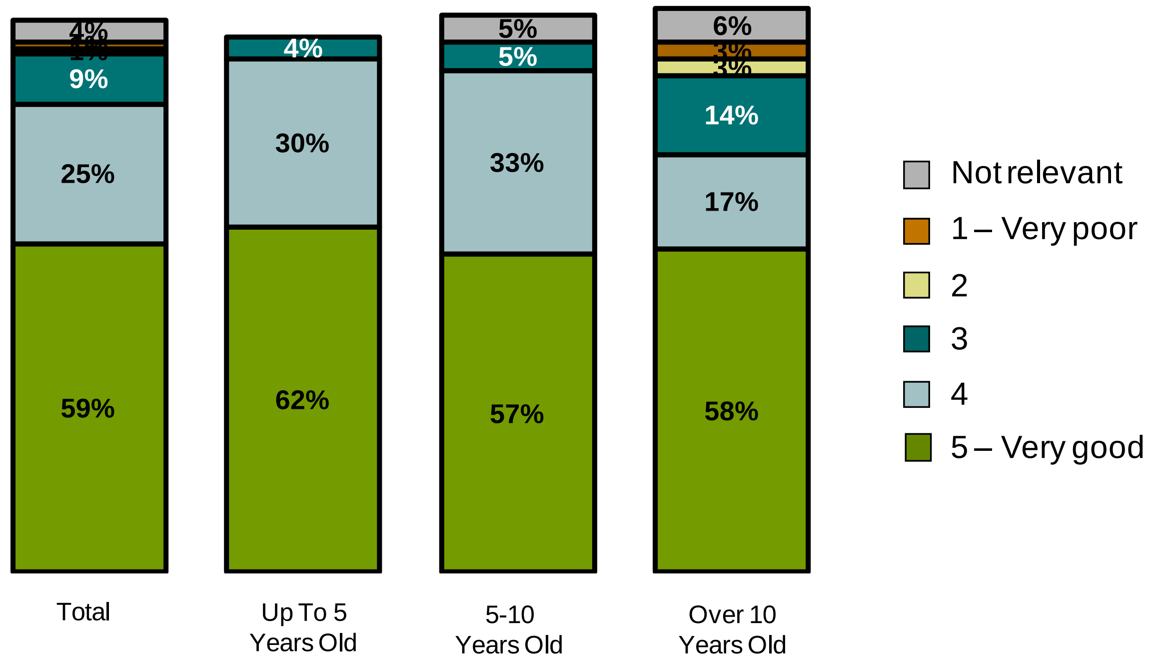
Base: All supported non-users (Base, Don't know/Refused)
Non-Users – Total (82, 1%), Up to 5 years old (23, 4%), 5-10 years old (22, 0%), Over 10 years old (37, 0%)

Just over a fifth of supported non-users gave a high rating for the quality and relevance of the contacts they were provided with by the support provider. Although this proportion appears low, it is partly because 60% indicated that this was not relevant, presumably because the export support had not involved the provision of contacts.

10.2.3 Attitude & Professionalism

The chart below shows the ratings given by supported non-user firms for the attitude and professionalism of the (non-UKTI) support providers used.

Chart 10.2.3.1 Attitude & Professionalism of Support Provider - Supported Non-Users



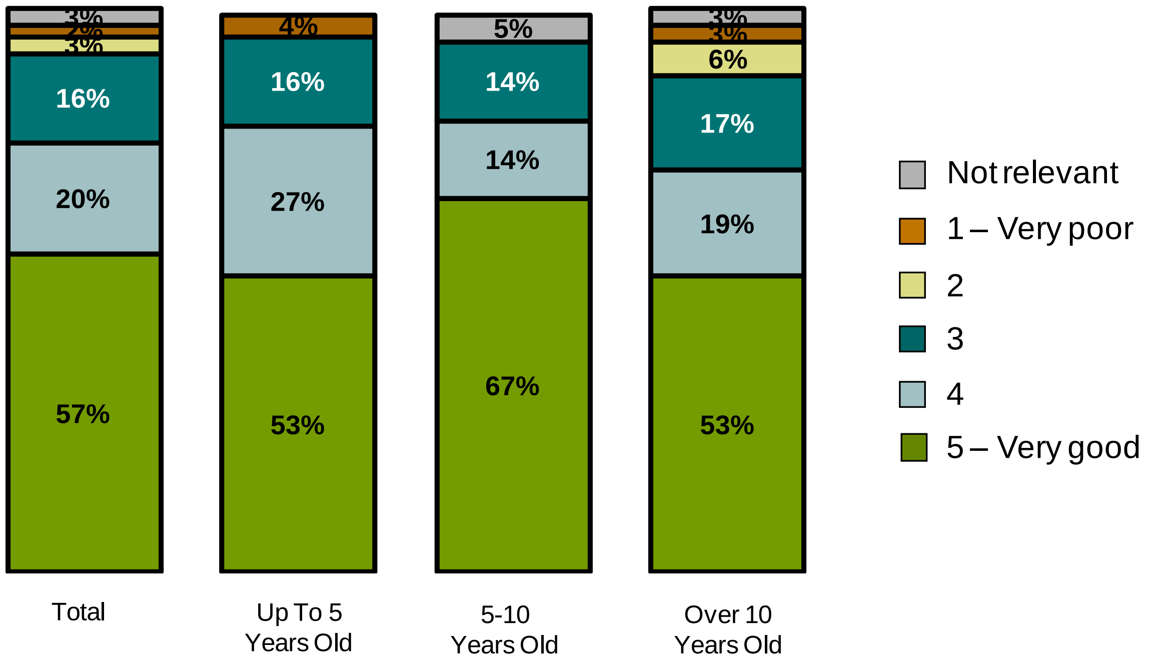
Base: All supported non-users except those using online information services (Base, Don't know/Refused)
Non-Users – Total (80, 1%), Up to 5 years old (23, 4%), 5-10 years old (21, 0%), Over 10 years old (36, 0%)

The attitude and professionalism of the personnel delivering the assistance is a major strength of these external support providers, with 84% of supported non-users scoring 4-5 out of 5 for this element and only 2% giving 'poor' ratings (i.e. 1-2 out of 5).

10.2.4 Objectivity & Acting in Best Interests

The chart below shows the ratings given by supported non-user firms for the (non-UKTI) support providers being objective and acting in the firm's best interests.

Chart 10.2.4.1 Their Objectivity & Acting in Your Best Interests - Supported Non-Users



Base: All supported non-users except those using online information services (Base, Don't know/Refused)
Non-Users – Total (80, 0%), Up to 5 years old (23, 0%), 5-10 years old (21, 0%), Over 10 years old (36, 0%)

The majority of non-users were also positive about the impartiality of the support provider they used, with over three-quarters (77%) scoring 4-5 out of 5 for this element.

10.2.5 Comparison with UKTI Users

For UKTI users the individual elements of the quality rating differ depending on the specific service. For comparative purposes, the table below provides user data for relevant UKTI services, as follows:

- **ERTA Significant Assists** – This is ad hoc support delivered by UKTI's International Trade Advisors in the English regions.
- **Posts Significant Assists** – This is ad hoc support delivered by UKTI's overseas network (i.e. staff based at British embassies/consulates)
- **Overseas Market Introduction Service (OMIS)** – This is a charged service delivered by UKTI's overseas network and can include market analysis, contact provision and event facilitation.

Table 10.2.5.1 Individual Quality Ratings – Comparison with UKTI Services

	Supported Non-Users	UKTI Users (PIMS 32-35)		
		ERTA Sig. Assists	Posts Sig. Assists	OMIS
Base	*82*	*360*	*617*	*380*
Quality Rating (A09) [8]	62%	88%	78%	75%
- Quality & relevance of info and advice	70%	78%	69%	71%
- Quality & relevance of contacts	21%	-	57%	62%
- Attitude & professionalism	84%	94%	89%	86%
- Objectivity & acting in best interests[9]	77%	92%	75%	80%

As seen above, the UKTI services shown above all receive a higher Quality Rating than non-UKTI support. This difference is particularly notable when it comes to the 'quality & relevance of contacts'. However, It should be recognised that OMIS is specifically designed to provide access to contacts, whereas some non-user firms may not have been seeking this from their support provider (as demonstrated by the fact that 60% indicated that this was not relevant when asked to rate this service element).

[8] Please note that ERTA, Posts Significant Assists and OMIS users are also asked to rate a number of other aspects that contribute to the overall Quality Rating. However, the table only shows quality ratings that were also asked to Supported Non-Users.
[9] For ERTA Significant Assists this question asked about the 'impartiality' of the ITA.

10.3 Overall Satisfaction – Measure B10

Supported non-user businesses were also asked to rate their overall satisfaction with the (non-UKTI) export support they received. A key survey measure, namely 'Measure B10 – Overall Satisfaction', is calculated from this question by taking the proportion of firms providing a rating of 4 or 5 out of 5 (i.e. 'fairly' or 'very satisfied' with the support they have received).

Table 10.3.1 Measure B10 – Overall Satisfaction
- Supported Non-Users

	Supported Non-Users			
	Total	1-5 years old	5-10 years old	Over 10 years old
Base: Supported non-users	*82*	*23*	*22*	*37*
Proportion of firms providing a rating of '4' or '5'	76%	74%	82%	73%
95% confidence interval	± 9%	± 18%	± 16%	± 14%

As the table above illustrates, the overall satisfaction rating for non-UKTI support is 76%, and there are no statistically significant differences by age of firm in this respect.

The panel below shows the detail of how Measure B10 has been calculated for this survey.

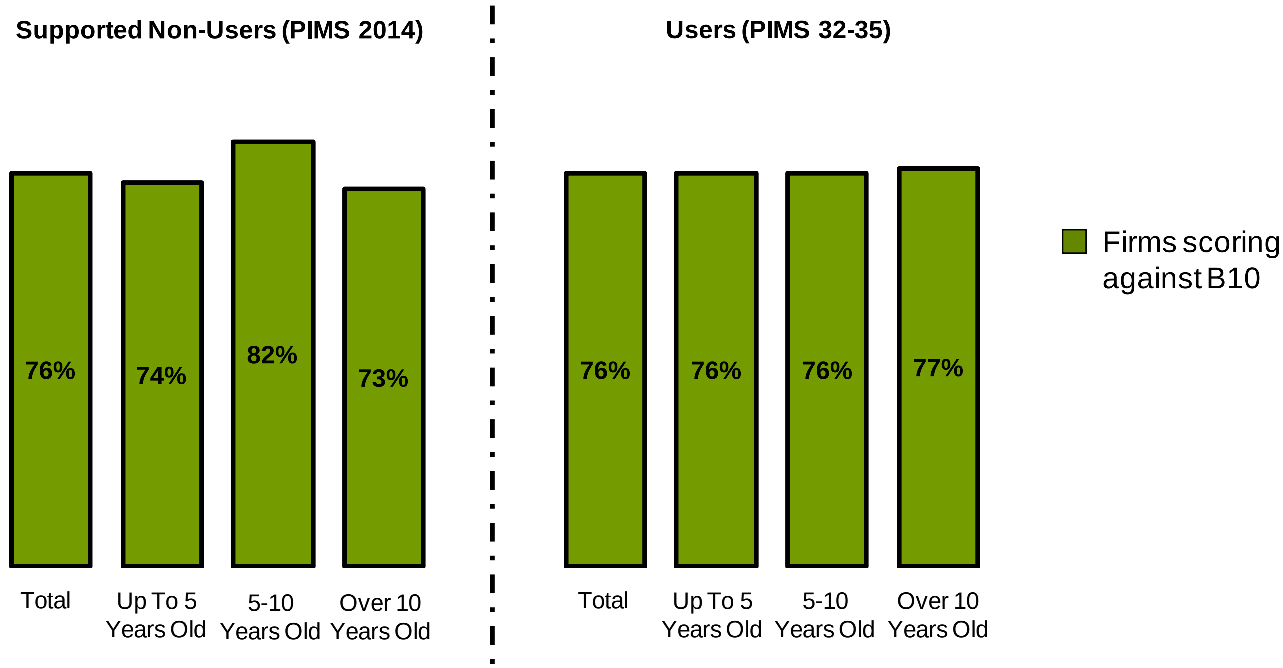
B10 – Overall Satisfaction

Firms scoring '4' or '5' on a 5-point scale for…

- Thinking about your total experience of the support, how would you rate your satisfaction overall?

The following chart provides a comparison with the overall satisfaction measure for UKTI support (from PIMS).

Chart 10.3.1 Measure B10 - Overall Satisfaction

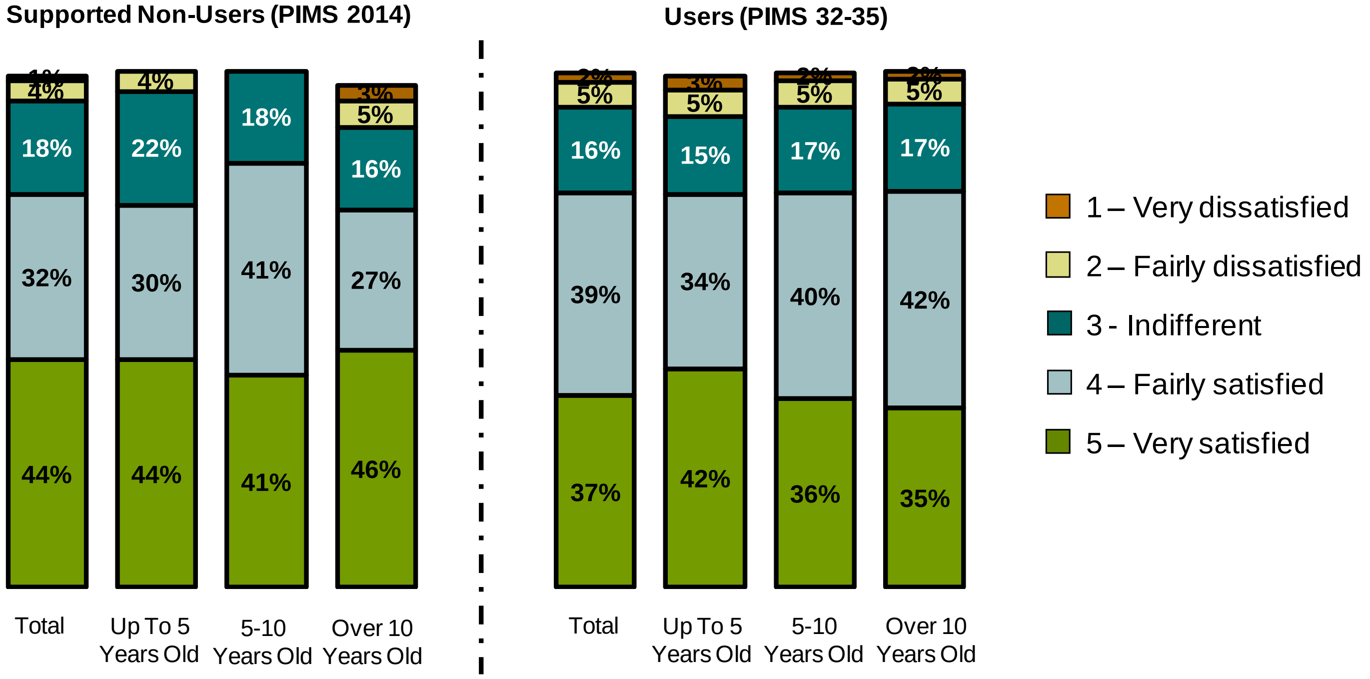


Base: All supported firms (Base)
Non-Users – Total (82), Up to 5 years old (23), 5-10 years old (22), Over 10 years old (37)
Users – Total (3714), Up to 5 years old (967), 5-10 years old (615), Over 10 years old (2130)

The overall satisfaction ratings given by supported non-users and UKTI users are identical, at 76%.

The chart below shows a more detailed distribution of responses for overall satisfaction. Comparative data has also been provided for users of UKTI support (from PIMS).

Chart 10.3.2 Overall Satisfaction



Base: All supported non-users (Base, Don't know/Can't remember)
Non-Users – Total (82, 1%), Up to 5 years old (23, 0%), 5-10 years old (22, 0%), Over 10 years old (37, 3%)
Users – Total (3714, 0%), Up to 5 years old (967, 1%), 5-10 years old (615, 0%), Over 10 years old (2130, 0%)

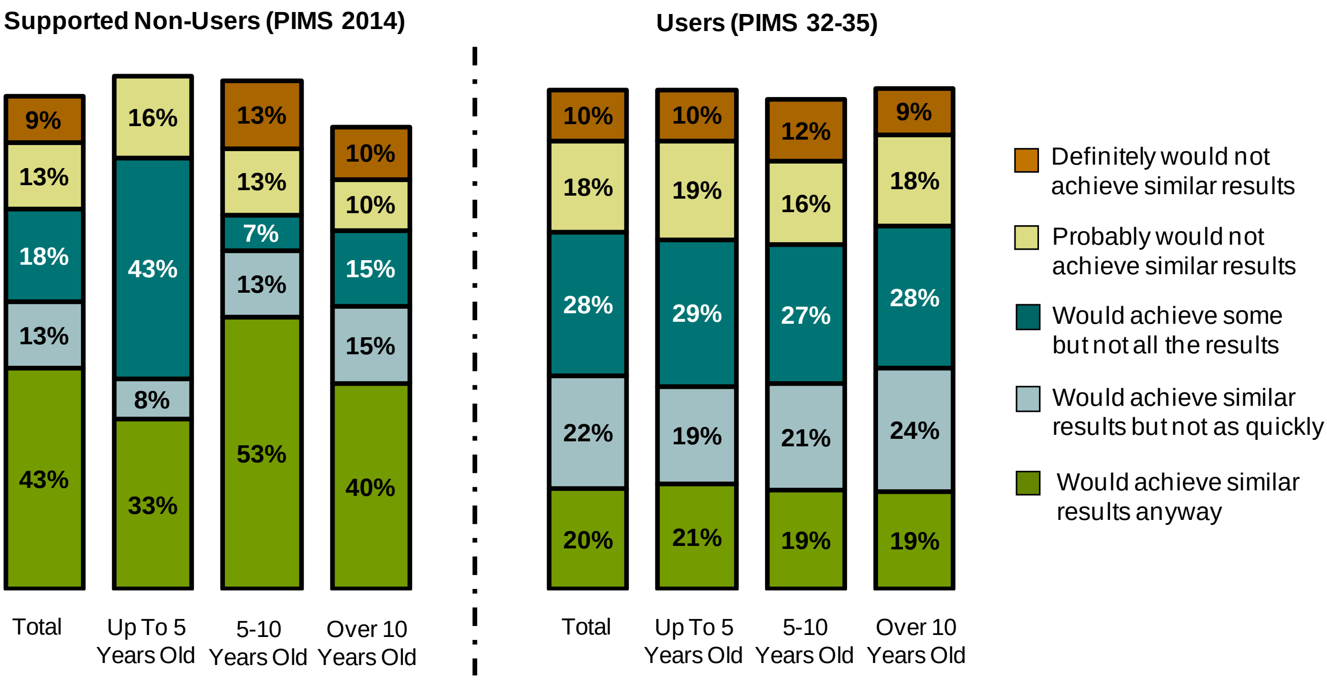
For both users and non-users, relatively few firms are dissatisfied with the support received (7% and 5% respectively). Base sizes are too low to draw any robust conclusions by age of firm, although it does appear that firms are equally satisfied regardless of age.

11. Additionality

Supported non-users were asked the extent to which they would have achieved similar results anyway had they not received the (non-UKTI) support. Comparative data has also been provided for users of UKTI support.

Please note that supported non-users receiving very 'light touch' support (i.e. those that only received Certificates of Origin or support lasting for less than one hour) were not asked the full range of impact questions and are excluded from this analysis. The rationale for this was partly to reduce respondent burden by not asking a series of detailed questions about very minimal support, but also to provide a more valid comparison with the generally more substantial support provided by UKTI[10].

Chart 11.1 Whether Firms Would Have Achieved Similar Results Anyway



Base: All supported firms excluding non-users just receiving Certificates of Origin or <1 hour of support (Base, None of these)
Non-Users – Total (47, 4%), Up to 5 years old (12, 0%), 5-10 years old (15, 0%), Over 10 years old (20, 10%),
Users – Total (3714, 2%), Up to 5 years old (967, 2%), 5-10 years old (615, 3%), Over 10 years old (2130, 2%)

There is clear evidence that support provided by UK Trade & Investment has a higher level of additionality than that provided by alternative sources. Two-fifths (43%) of non-users judged the assistance they received to be non-additional (i.e. they feel that they would have achieved similar results anyway), compared to just 20% of UKTI users. Furthermore, non-UKTI export support is classified as fully additional in 21% of cases (i.e. they probably or definitely would not have achieved similar results without the support), compared to 28% for UKTI services.

It should be noted that base sizes are very low for supported non-users when breaking down results by age band, so it is difficult to draw any definite conclusions in this respect. There are no clear or consistent differences in additionality levels by age for UKTI users.

[10] The analysis of UKTI users also excludes 'light' support, which is defined as the Web Business Opportunities Service, Webinars and English Regions Events of less than half a day duration.

12. Impacts & Outcomes

The following section reports on the impacts and outcomes of the (non-UKTI) export support received by non-user firms. Please note that only impacts and outcomes judged to be additional are referred to (i.e. non-additional interventions do not score against the key measures). Non-additional interventions are defined as those where the firm indicated that they 'would have achieved similar results anyway' without the support.

It should also be noted that those supported non-users that received very 'light touch' support (i.e. only received Certificates of Origin or support lasting for less than one hour) were not asked the full range of impact questions and are therefore excluded from this analysis. The base sizes for supported non-users are low, particularly when looking at individual sub-groups (e.g. age band) so caution should be taken when interpreting these results.

12.1 Increased Skills – Measure A81

12.1.1 Summary

The table below shows the proportion of supported non-user businesses classified as benefiting from the (non-UKTI) support received in terms of increasing their skills. This analysis forms one of the key survey measures, namely 'Measure A81 Increased skills'.

Table 12.1.1 Measure A81 – Increased Skills - Supported Non-Users

	Supported Non-Users			
	Total	1-5 years old	5-10 years old	Over 10 years old
Base	*47*	*12*	*15*	*20*
Proportion displaying at least one 'increased skill', net of non-additionality	23%	24%	27%	20%
95% confidence interval	± 12%	± 24%	± 22%	± 18%

Overall, just 23% of supported non-users are judged to have significantly increased their skills as a result of the assistance they received.

The panel below provides further details of how Measure A81 has been calculated.

A81 – Increased Skills

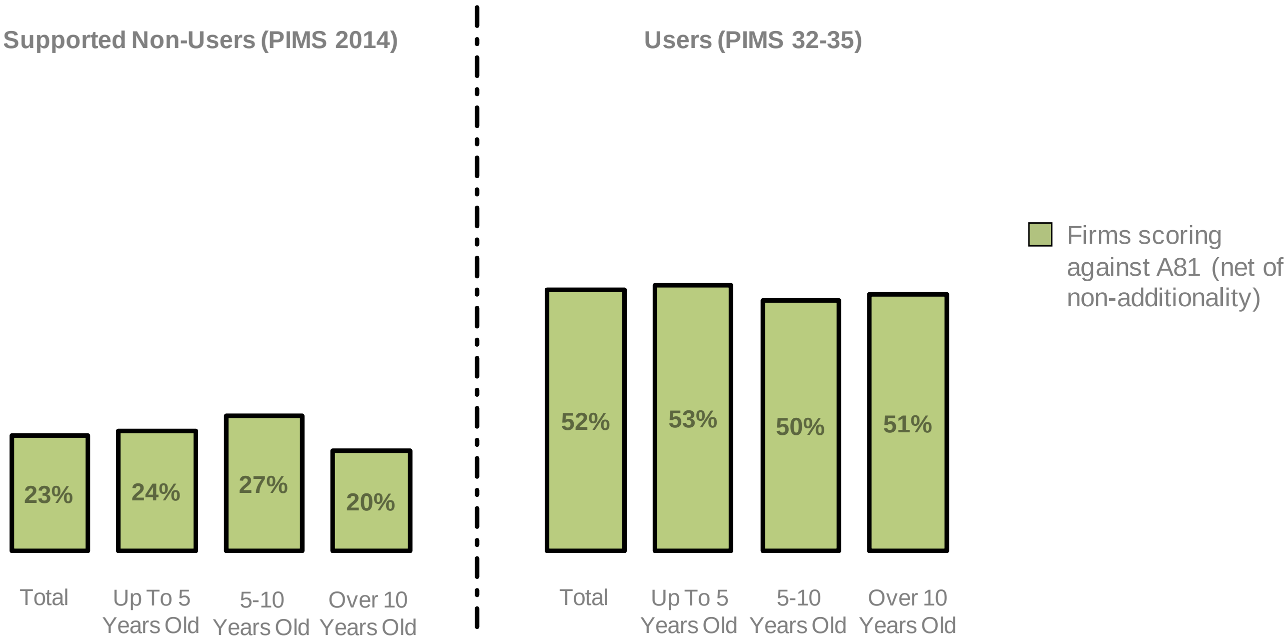
Firms are classified as indicating increased skills if they feel that they have or will benefit 'to a significant extent' (i.e. score '4' or '5') from…

- Improving their knowledge of the competitive environment in an overseas market
- Or, improving their overseas marketing strategy

In each case, net of non-additionality, with non-additionality in this context taken to be firms indicating that they feel that they 'could have got similar support elsewhere'

The chart below includes comparative data for users of UKTI support (from PIMS) scoring against Measure A81[11].

Chart 12.1.1 Measure A81 – Increased Skills



Base: All supported firms excluding non-users just receiving Certificates of Origin or <1 hour of support (Base)
Non-Users – Total (47), Up to 5 years old (12), 5-10 years old (15), Over 10 years old (20),
Users – Total (3714), Up to 5 years old (967), 5-10 years old (615), Over 10 years old (2130)

In comparison to firms accessing non-UKTI export support, UKTI clients are more than twice as likely to increase their skills as a result of the support.

[11] Please note that the user data has been recalculated to match the non-user definition of A81.

12.1.2 Individual Elements

The table below shows the proportion of supported non-user businesses scoring against each of the constituent elements of Measure A81. Comparative data has also been provided for users of UKTI support.

Table 12.1.2 Measure A81 – Increased Skills – Individual Elements

Proportion scoring 4-5 out of 5	Supported Non-Users (PIMS 2014)				Users (PIMS 32-35)			
	Total	> 5 yrs	5-10 yrs	>10 yrs	Total	> 5 yrs	5-10 yrs	>10 yrs
Base: Supported firms exc. just receiving Certificates of Origin or <1 hour of support	*47*	*12*	*15*	*20*	*3714*	*967*	*615*	*2130*
Improved your knowledge of the competitive environment in an overseas market	19%	24%	20%	15%	40%	43%	36%	39%
Improved your overseas marketing strategy	19%	16%	27%	15%	37%	40%	39%	35%

There is clear evidence that UKTI support is more effective than that delivered by other providers at increasing firms' knowledge of the competitive environment in overseas markets. Overall, 40% of users indicate that this has been a significant benefit of the support (i.e. scored 4-5 out of 5), compared to just 19% of supported non-users.

UKTI support also appears to be significantly more effective at improving firms' overseas marketing strategies than non-UKTI support, with 37% of users scoring against this element compared to just 19% of supported non-users.

12.2 Changed Behaviour – Measure A83

12.2.1 Summary

The table below shows the proportion of supported non-user businesses classified as benefiting from the (non-UKTI) support received in terms of changing their behaviour. This analysis forms one of the key survey measures, namely 'Measure A83 – Changed behaviour'.

Table 12.2.1 Measure A83 – Changed Behaviour - Supported Non-Users

	Supported Non-Users			
	Total	1-5 years old	5-10 years old	Over 10 years old
Base	*47*	*12*	*15*	*20*
Proportion displaying at least one 'change in behaviour', net of non-additionality	38%	59%	47%	20%
95% confidence interval	± 14%	± 28%	± 25%	± 18%

Almost two-fifths of supported non-user firms score against this measure, although this drops to a fifth among older firms that have been trading for over 10 years.

The panel below provides further details of how A83 has been calculated for this survey.

A83 – Changed Behaviour

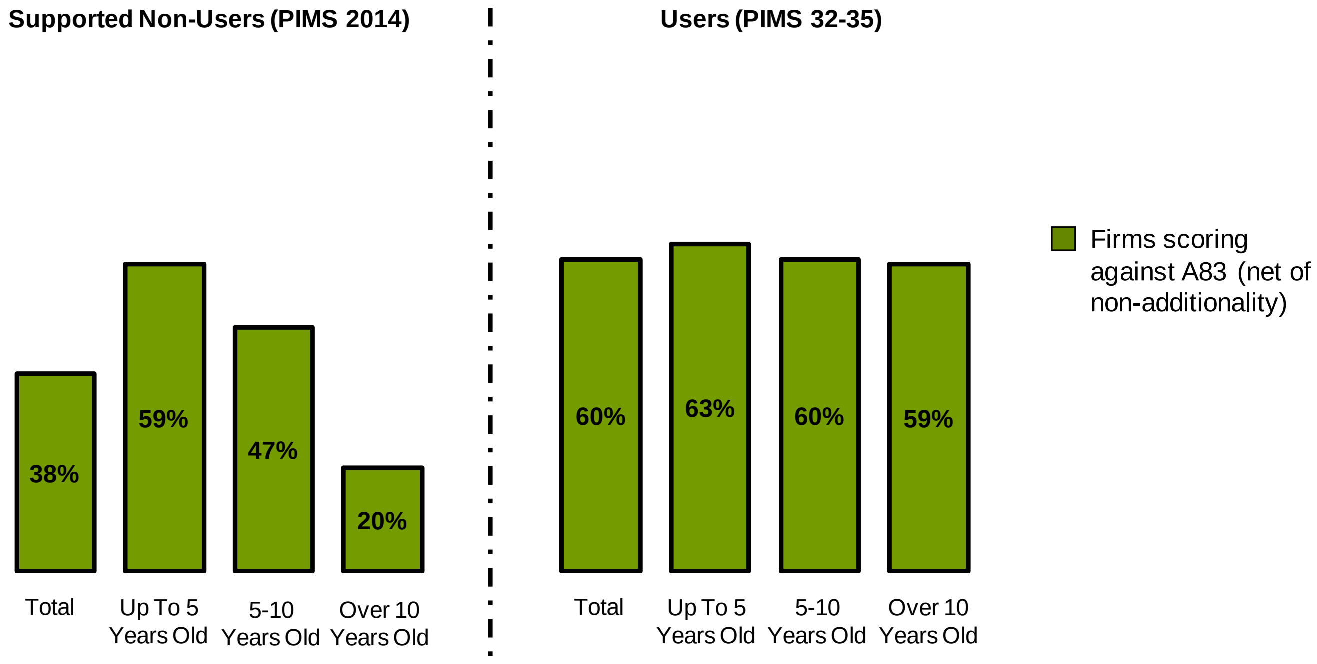
Firms are classified as having changed their behaviour if they feel that they have or will benefit 'to a significant extent' (i.e. score '4' or '5') from…

- Introducing any new products or services, or improving any existing ones
- Or, making improvements to their new product or service development strategy
- Or, improving the way they do business in overseas markets
- Or, gaining the confidence to either explore a new market or expand in an existing one
- Or, improving their overseas marketing strategy

In each case, net of non-additionality, with non-additionality in this context taken to be firms indicating that they feel that they 'could have got similar support elsewhere'

The chart below includes comparative data for users of UKTI support (from PIMS) scoring against Measure A83.

Chart 12.2.1 Measure A83 – Changed Behaviour



Base: All supported firms excluding non-users just receiving Certificates of Origin or <1 hour of support (Base)
Non-Users – Total (47), Up to 5 years old (12), 5-10 years old (15), Over 10 years old (20),
Users – Total (3714), Up to 5 years old (967), 5-10 years old (615), Over 10 years old (2130)

60% of UKTI users score against this measure, compared to around two-fifths of firms accessing non-UKTI export support. For supported non-users, older firms (over 10 years old) are significantly less likely to score against this measure.

12.2.2 Individual Elements

The table below shows the proportion of supported non-user businesses scoring against each of the constituent elements of Measure A81. Comparative data has also been provided for users of UKTI support.

Table 12.1.2 Measure A83 – Changed Behaviour – Individual Elements

Proportion scoring 4-5 out of 5	Supported Non-Users (PIMS 2014)				Users (PIMS 32-35)			
	Total	> 5 yrs	5-10 yrs	>10 yrs	Total	> 5 yrs	5-10 yrs	>10 yrs
Base: Supported firms exc. just receiving Certificates of Origin or <1 hour of support	*47*	*12*	*15*	*20*	*3714*	*967*	*615*	*2130*
Introduced any new products or services, or improved any existing ones	18%	33%	27%	5%	28%	33%	27%	25%
Made improvements to your new product or service development strategy	23%	33%	27%	15%	28%	34%	28%	25%
Improved the way you do business in overseas markets	24%	27%	40%	10%	37%	42%	38%	35%
Gained confidence to either explore a new market or expand in an existing market	25%	43%	20%	20%	43%	48%	43%	40%
Improved your overseas marketing strategy	19%	16%	27%	15%	37%	40%	39%	35%

UKTI clients appear more likely than users of alternative export support to have benefitted from all of the constituent elements of Measure A83, particularly in gaining the confidence to explore a new market or expand in an existing one (43% vs. 25% scoring 4-5 out of 5), and in improving their overseas marketing strategy (37% vs. 19%). Differences are not statistically significant for the other elements due to the low base size for supported non-users.

Younger firms generally appear more likely to benefit from each of these elements.

12.3 Increased Innovation – Measure A04

The table below shows the proportion of supported non-user businesses classified as benefiting from the (non-UKTI) support received in terms of increased innovation. This analysis forms one of the key survey measures, namely 'Measure A04 – Increased Innovation'.

Table 12.3.1 Measure A04 – Increased Innovation
- Supported Non-Users

	Supported Non-Users			
	Total	1-5 years old	5-10 years old	Over 10 years old
Base	*47*	*12*	*15*	*20*
Proportion displaying at least one 'increase in innovation', net of non-additionality	27%	41%	33%	15%
95% confidence interval	± 13%	± 28%	± 24%	± 16%

Overall, more than a quarter of supported non-users score against this measure of increased innovation. Although it appears that older non-users are less likely to score against this measure, this difference is not statistically significant.

The panel below provides further details of how Measure A04 has been calculated for this survey.

A04 – Increased Innovation

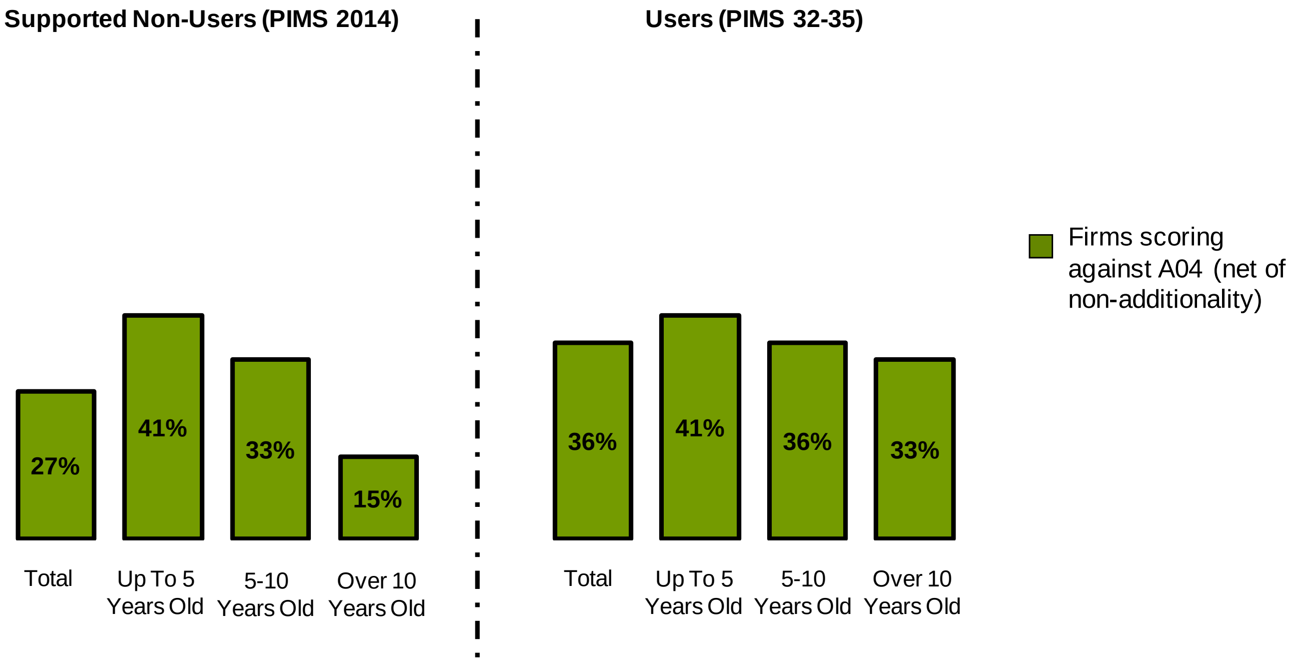
Firms are classified as having increased innovation if they feel that they have or will benefit 'to a significant extent' (i.e. score '4' or '5') from…

- Introducing any new products or services, or improved any existing ones
- Or, making improvements to their new product or service development strategy

In each case, net of non-additionality, with non-additionality in this context taken to be firms indicating that they feel that they 'could have got similar support elsewhere'

The chart below includes comparative data for users of UKTI support (from PIMS) scoring against Measure A04.

Chart 12.3.1 Measure A04 – Increased Innovation



Base: All supported firms excluding non-users just receiving Certificates of Origin or <1 hour of support (Base)
Non-Users – Total (47), Up to 5 years old (12), 5-10 years old (15), Over 10 years old (20),
Users – Total (3714), Up to 5 years old (967), 5-10 years old (615), Over 10 years old (2130)

UKTI support leads to increased innovation activity in just over a third of all cases, whereas 27% of supported non-user firms score against this measure. However, this difference is not statistically significant. For non-users, there are also no significant differences by age of firm due to the low base sizes involved. However, among UKTI users there is a clear association between increased innovation and age, with this impact more likely to be reported by younger firms.

Please note that this measure is a subset of the Changed Behaviour measure, and results for the individual elements of this measure have already been reported in Section 12.2 of this report.

12.4 Increased R&D – Measure AR&D

The table below shows the proportion of supported non-user businesses classified as benefiting from the (non-UKTI) support received in terms of increased R&D. This analysis forms one of the key survey measures, namely 'Measure AR&D – Increased R&D'.

Table 12.4.1 Measure AR&D – Increased R&D
- Supported Non-Users

	Supported Non-Users			
	Total	1-5 years old	5-10 years old	Over 10 years old
Base	*47*	*12*	*15*	*20*
Proportion increase their R&D activity, net of non-additionality	4%	16%	0%	0%
95% confidence interval	± 6%	± 21%	± 0%	± 0%

Overall, only a small minority (4%) of supported non-users score against this measure of increased R&D.

The panel below provides further details of how AR&D has been calculated for this survey.

AR&D – Increased R&D

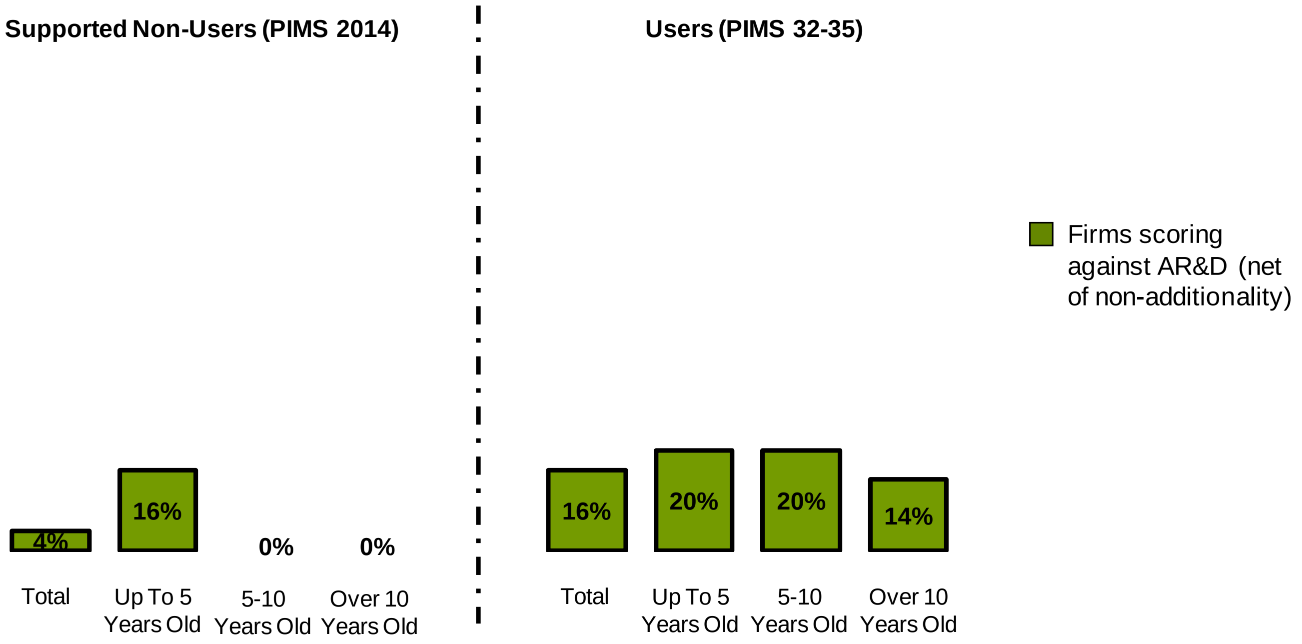
Firms are classified as having increased R&D if they have or expect to…

- Increase the number of people engaged in, or the amount of time spent on R&D or NPD
- And, increase the amount they spend on R&D or NPD

Net of non-additionality, with non-additionality in this context taken to be firms indicating that they feel that they 'could have got similar support elsewhere'

The chart below includes comparative data for users of UKTI support (from PIMS) scoring against Measure AR&D.

Chart 12.4.1 Measure AR&D – Increased R&D



Base: All supported firms excluding non-users just receiving Certificates of Origin or <1 hour of support (Base)
Non-Users – Total (47), Up to 5 years old (12), 5-10 years old (15), Over 10 years old (20),
Users – Total (3714), Up to 5 years old (967), 5-10 years old (615), Over 10 years old (2130)

UKTI users are significantly more likely to report additional R&D activity as a result of the support than supported non-users.

Interestingly, for both users and non-users there is some suggestion that the longer firms have been established, the less likely they are to experience R&D impacts from export support.

12.5 Barriers to Market Access Overcome – Measure A92

12.5.1 Summary

The table below shows the proportion of supported non-user businesses classified as benefiting from the (non-UKTI) support received in terms of overcoming barriers to market access. This analysis forms one of the key survey measures, namely 'Measure A92 - Barriers Overcome'.

Table 12.5.1 Measure A92 – Barriers to Market Access Overcome - Supported Non-Users

	Supported Non-Users			
	Total	1-5 years old	5-10 years old	Over 10 years old
Base	*47*	*12*	*15*	*20*
Proportion displaying at least one 'barrier overcome', net of non-additionality	34%	33%	40%	30%
95% confidence interval	± 14%	± 27%	± 25%	± 20%

A third of all supported non-users have experienced significant benefits in terms of overcoming barriers to market access.

The panel below provides further details of how this measure has been calculated.

A92 – Barriers to Market Access Overcome

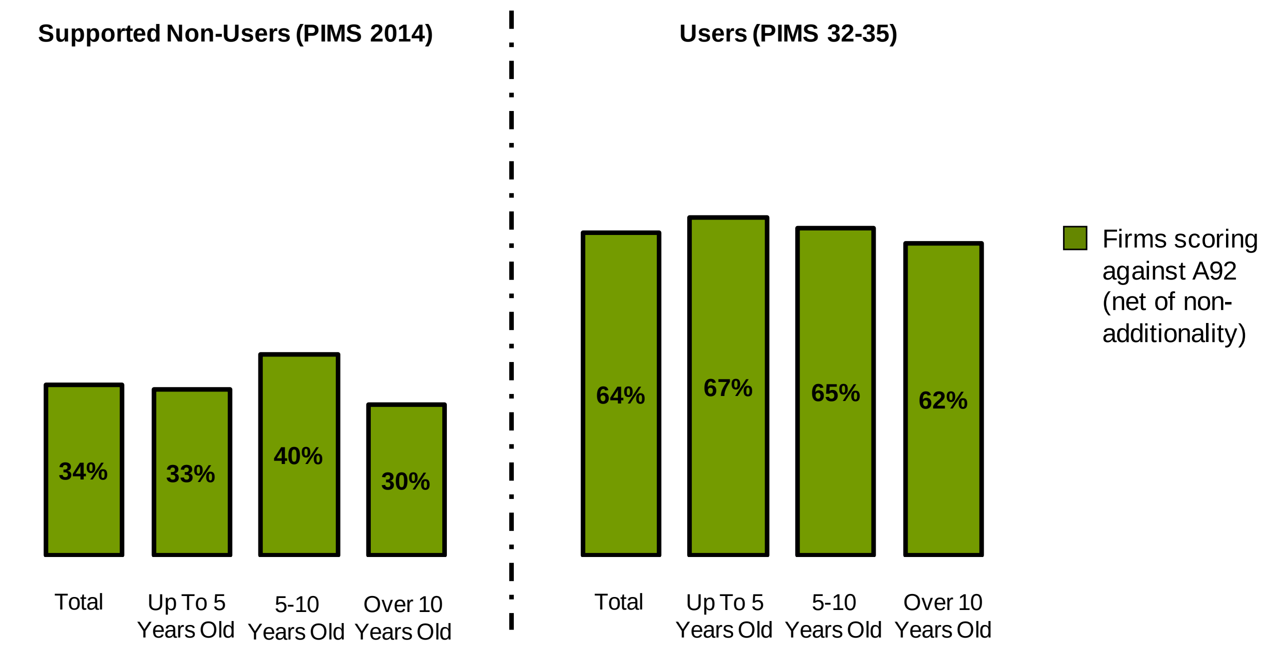
Firms are classified as indicating barriers to market access overcome if they feel that they have or will benefited 'to a significant extent' (i.e. score '4' or '5') from…

- Gaining access to prospective customers, business partners or other people they would otherwise have been unable to meet
- Or, gaining access to information that they would otherwise have been unable to come by
- Or, improving their company's profile or credibility

In each case, net of non-additionality, with non-additionality in this context taken to be firms indicating that they feel that they 'could have got similar support elsewhere'

The chart below includes comparative data for users of UKTI support (from PIMS) scoring against Measure A92[12].

Chart 12.5.1 Measure A92 – Barriers to Market Access Overcome



Base: All supported firms excluding non-users just receiving Certificates of Origin or <1 hour of support (Base)
Non-Users – Total (47), Up to 5 years old (12), 5-10 years old (15), Over 10 years old (20),
Users – Total (3714), Up to 5 years old (967), 5-10 years old (615), Over 10 years old (2130)

Users of UKTI services are significantly more likely to have overcome barriers to market access than is the case for firms accessing non-UKTI export support.

Base sizes for supported non-users are too low to draw firm conclusions of differing impacts by age of firm, but, among UKTI users there is evidence that older firms are less likely to score against this measure.

[12] Please note that the user data has been recalculated to match the non-user definition of A92.

12.5.2 Individual Elements

The table below shows the proportion of supported non-user businesses scoring against each of the constituent elements of Measure A92. Comparative data has also been provided for users of UKTI support.

Table 12.1.2 Measure A92 – Barriers to Market Access Overcome – Individual Elements

Proportion scoring 4-5 out of 5	Supported Non-Users (PIMS 2014)				Users (PIMS 32-35)			
	Total	> 5 yrs	5-10 yrs	>10 yrs	Total	> 5 yrs	5-10 yrs	>10 yrs
Base: Supported firms exc. just receiving Certificates of Origin or <1 hour of support	*47*	*12*	*15*	*20*	*3714*	*967*	*615*	*2130*
Gained access to prospective customers, business partners	23%	24%	33%	15%	47%	50%	47%	46%
Gained access to information that you would otherwise have been unable to come by	26%	16%	33%	25%	46%	51%	45%	43%
Improved your company's profile or credibility overseas	23%	33%	33%	10%	42%	46%	43%	39%

UKTI users are significantly more likely to have benefitted from gaining access to prospective customers or business partners, gaining access to information, and improving their company's profile overseas

Contact provision is a particularly critical benefit of export support, given that 'contacts barriers' emerged as one of the major problems faced by internationalising firms. Overall, 23% of non-users reported significant difficulties with this issue when looking to develop their overseas business (as detailed in Section 7 of this report).

12.6 Increased Sales/Orders

The table below shows the proportion of supported non-user businesses classified as benefiting from the (non-UKTI) support received in terms of increasing their sales or winning new orders. This analysis forms one of the key survey measures, namely 'Increased Sales/Orders'.

Table 12.6.1 Increased Sales/Orders
- Supported Non-Users

	Supported Non-Users			
	Total	1-5 years old	5-10 years old	Over 10 years old
Base	*47*	*12*	*15*	*20*
Proportion increasing sales or winning new orders, net of non-additionality	40%	49%	33%	40%
95% confidence interval	± 14%	± 28%	± 24%	± 21%

Two-fifths of non-users reported a hard financial impact of the support they received (i.e. additional sales or orders).

The panel below provides further details of how this measure has been calculated.

Increased Sales/Orders

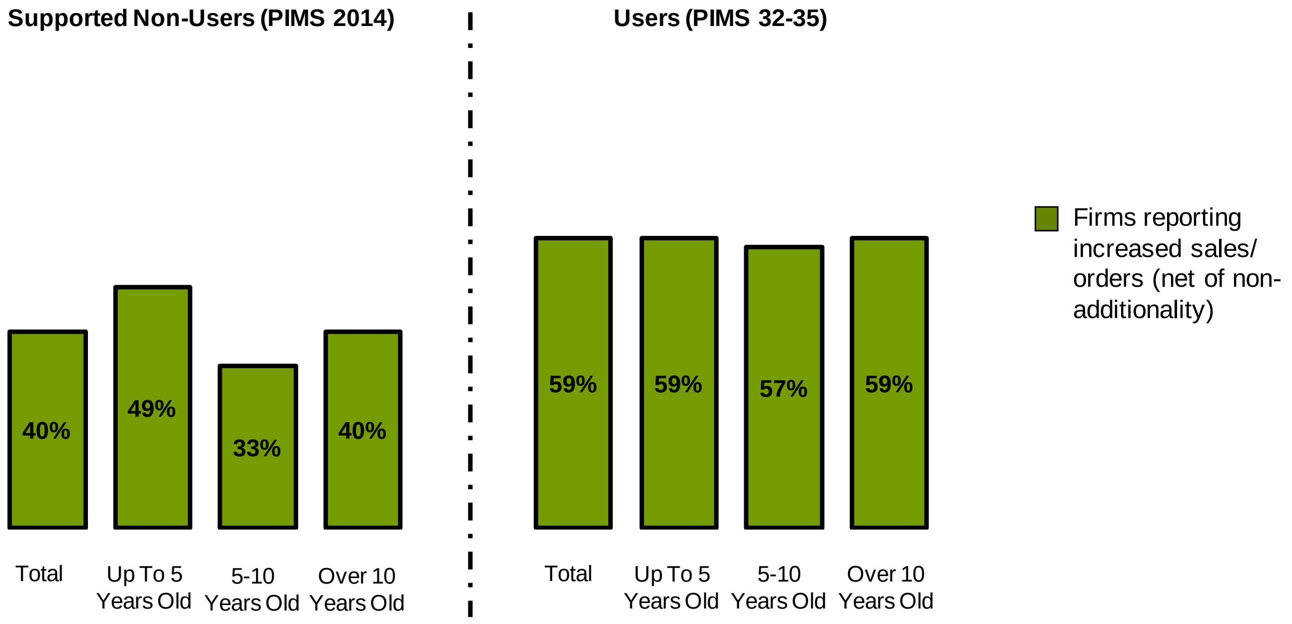
Firms are classified as benefiting from increased sales/orders if they have or expect to…

- Increase their sales or win new orders

Net of non-additionality, with non-additionality in this context taken to be firms indicating that they feel that they 'could have got similar support elsewhere'

The chart below includes comparative data for users of UKTI support (from PIMS) scoring against the Increased Sales/Orders measure.

Chart 12.6.1 Increased Sales/Orders



Base: All supported firms excluding non-users just receiving Certificates of Origin or <1 hour of support (Base)
Non-Users – Total (47), Up to 5 years old (12), 5-10 years old (15), Over 10 years old (20),
Users – Total (3714), Up to 5 years old (967), 5-10 years old (615), Over 10 years old (2130)

UKTI support is significantly more likely to result in increased sales for participating businesses than is the case for support provided by alternative providers. There are no significant differences in this respect by age of firm.

12.7 Significant Business Benefit – Measure A06

The table below shows the summarised proportions of supported non-user businesses that are classified as experiencing one or more significant business benefits as a result of the support. This analysis forms one of the key survey measures, namely 'Measure A06 – Significant Business Benefit'.

Table 12.7.1 Measure A06 – Significant Business Benefit - Supported Non-Users

	Supported Non-Users			
	Total	1-5 years old	5-10 years old	Over 10 years old
Base	*47*	*12*	*15*	*20*
Proportion displaying at least one improvement in 'productivity and competitiveness', net of non-additionality	44%	59%	47%	35%
95% confidence interval	± 14%	± 28%	± 25%	± 21%

Just under half of supported non-user firms report one or more significant business benefits and therefore score against this measure.

The panel below provides further details of how Measure A06 has been calculated for this survey.

A06 – Significant Business Benefit

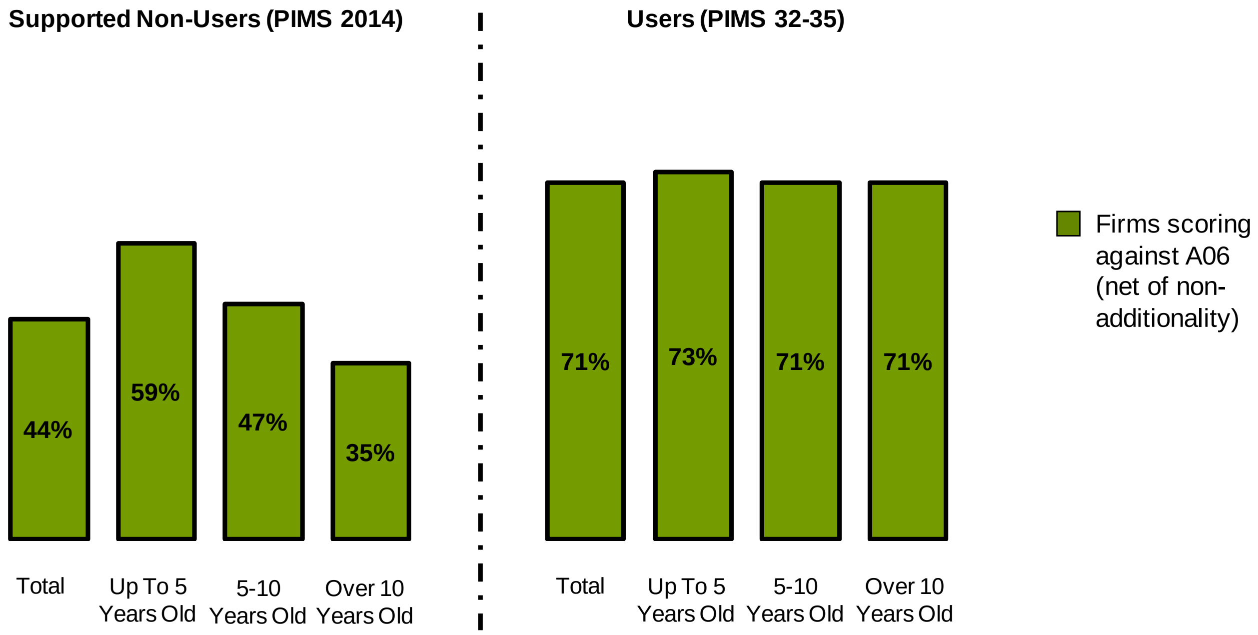
Firms are classified as experiencing significant business benefit if they score against…

- Measure A81 Increased Skills – 23%
- Or, Measure A83 Changed Behaviour – 38%
- Or, Measure A92 Barriers to Market Access Overcome – 34%

In each case, net of non-additionality, with non-additionality in this context taken to be firms indicating that they feel that they 'could have got similar support elsewhere'

The chart below includes comparative data for users of UKTI support (from PIMS) scoring against Measure A06[13].

Chart 12.7.1 Measure A06 – Significant Business Benefit



Base: All supported firms excluding non-users just receiving Certificates of Origin or <1 hour of support (Base)
Non-Users – Total (47), Up to 5 years old (12), 5-10 years old (15), Over 10 years old (20),
Users – Total (3714), Up to 5 years old (967), 5-10 years old (615), Over 10 years old (2130)

Approaching three-quarters of UKTI users are classified as experiencing significant business benefits as a result of the assistance received, compared to just under half of supported non-users.

Although it appears that older supported non-users are less likely to score against this measure, this difference is not statistically significant. For UKTI users, the proportion of firms experiencing significant business benefits as a result of the assistance received is fairly consistent regardless of age.

[13] Please note that the user data has been recalculated to match the non-user definition of A06.

12.8 'Light Touch' Support

A small number of non-user firms (35) had received export-related assistance but indicated that this only consisted of Certificates of Origin (from the Chamber of Commerce) or support that lasted for less than 1 hour.

Due to the minimal nature of this assistance, these firms were not asked the full range of impact questions but instead were simply asked whether it had any positive impact on the performance of their firm. The table below shows these results (net of non-additionality).

Table 12.8.1 Light Touch Support – Positive Impact on Performance of Firm - Light Touch Supported Non-Users

	All receiving 'light touch' support
Base: 'Light touch' supported firms	*35*
Yes	39%
No	20%
Non-additional	40%

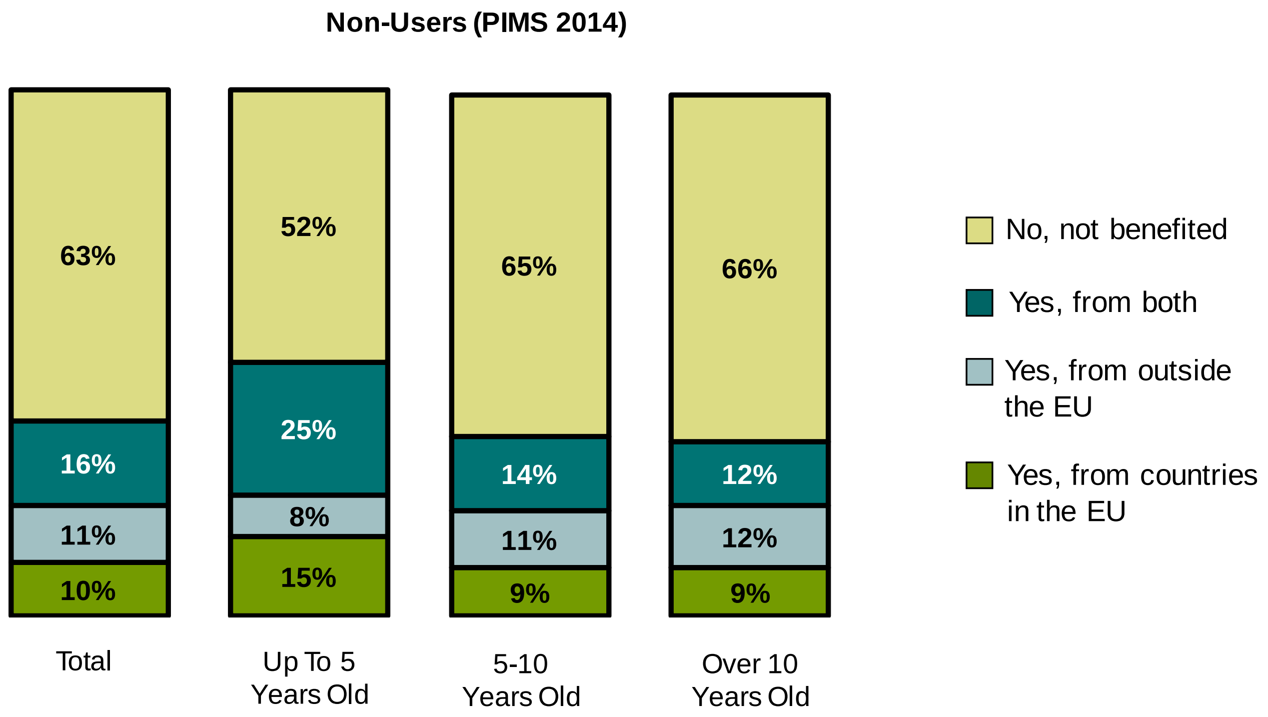
Reflecting the less intensive nature of the support received, less than half (39%) of these firms felt that it had a positive impact on their business performance and a similar proportion judged it to be non-additional (i.e. they would have achieved similar results anyway).

13. Economic Climate

13.1 Sustained Economic Growth or Increasing Demand Overseas

Those non-user firms that were currently exporting were asked whether their business had benefited from sustained economic growth or increasing demand in any overseas countries in the previous year.

Chart 13.1.1 Whether Benefited from Sustained Economic Growth or Increasing Demand in Any Overseas Countries in Last Year



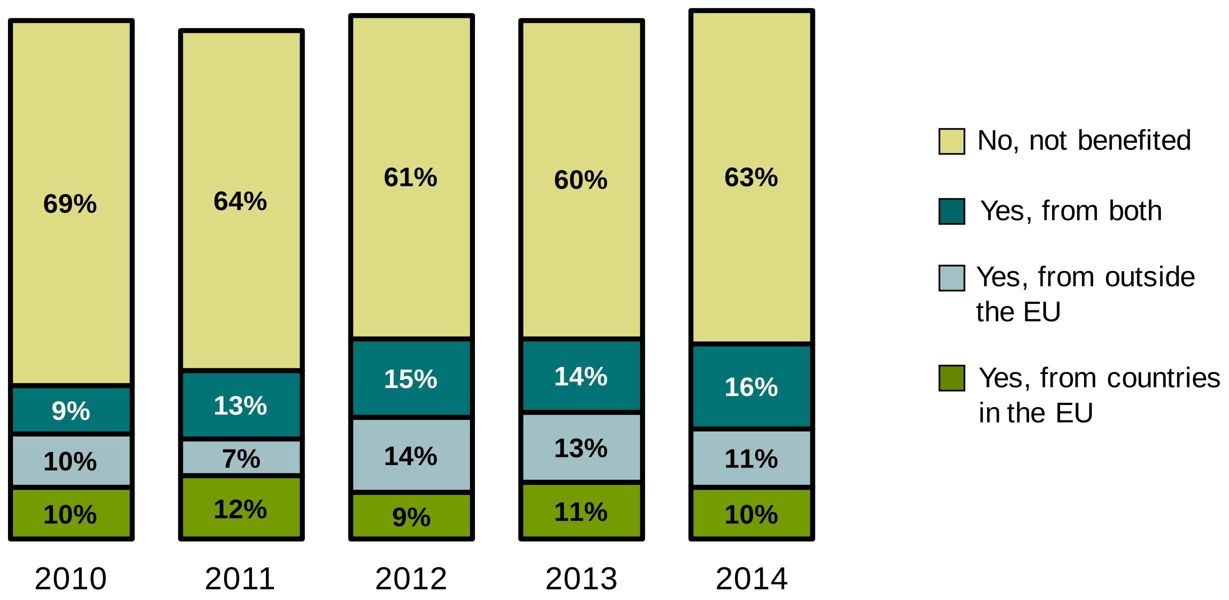
Base: All non-users currently exporting (Base, Don't know/Refused)
Non-Users – Total (271, 1%), Up to 5 years old (74, 0%), 5-10 years old (57, 2%), Over 10 years old (140, 1%)

Overall, 36% of non-user firms have benefitted from economic growth or increasing demand overseas over the past year. There is an even split between those benefitting from growth/demand from within the EU and from outside the EU (and indeed many firms have reported increased demand from both of these areas).

Interestingly, it appears that younger firms (established in the last 5 years) are more likely than older firms to have benefitted in these ways.

The chart below tracks how responses to this question have changed over the last five years.

Chart 13.1.2 Whether Benefited from Sustained Economic Growth or Increasing Demand in Any Overseas Countries in Last Year – Over Time



Base: All non-users currently exporting (Base, Don't know/Refused)
Non-Users – 2010 (271, 2%), 2011 (253, 4%), 2012 (267, 1%), 2013 (771, 1%), 2014 (271, 1%)

Although there was a rise in the proportion of non-user firms benefiting from economic growth or increased demand overseas between 2010 and 2012, this trend has levelled off in the last two years.

13.2 Export Credit Insurance

Those firms that were currently exporting were asked whether they used export credit insurance and, if so, whether they had experienced any difficulties in accessing it over the previous 6 months.

Table 13.2.1 Difficulties Accessing Export Credit Insurance in Last 6 Months

	Non-Users (PIMS 2014)				Users (PIMS 32-35)			
	Total	Up to 5 years	5-10 years	>10 years	Total	Up to 5 years	5-10 years	>10 years
Base: All exporters	*271*	*74*	*57*	*140*	*3360*	*750*	*561*	*2047*
Yes	0%	0%	0%	0%	2%	1%	1%	3%
No	5%	5%	7%	4%	9%	4%	6%	12%
Don't know	0%	0%	0%	0%	1%	0%	1%	1%
Do not use export credit insurance	90%	89%	89%	91%	74%	91%	80%	66%
Don't know if use export credit insurance	5%	6%	4%	5%	14%	4%	12%	18%

Only a small proportion of internationalising firms use export credit insurance, although usage is higher among UKTI users than among non-users (12% and 5% respectively).

None of the non-user firms and just 2% of UKTI users reported any difficulty in accessing this type of insurance. Although these are only small proportions, this does equate to almost a fifth of the UKTI clients that actually use export credit insurance.

Annex A - Questionnaire

UKTI PIMS Non-User Survey 2014
OMB Research Ltd

TARGET QUOTAS:
- 75 interviews businesses <4 years old (codes 1-4 or 9 at S1c)
- 75 interviews with businesses 4-9 years old (code 5-6 at S1c)
- 150 interviews with businesses 10+ years old (codes 7-8 at S1c)

INTRO & SCREENERS

ASK ALL
Could I please speak to either the owner or someone responsible for your firm's strategy in relation to exporting or overseas sales?

INTERVIEWER NOTE

- IF THERE IS A NAMED CONTACT ON SAMPLE YOU CAN ASK FOR THIS PERSON, BUT THEY MAY NOT BE THE BEST PERSON TO SPEAK TO.
- YOU MAY TAKE REFERRALS TO ANOTHER SITE WITHIN THE UK.

Good morning/afternoon, my name is … and I am calling on behalf of OMB Research, an independent market research agency. We have been commissioned by UK Trade & Investment and the Department for Business, Innovation and Skills (BIS) to conduct a survey on the topic of doing business overseas.

We're conducting an evaluation to measure the impact of overseas business and identify any issues or difficulties that businesses face when trying to sell overseas, particularly in the current economic climate. UK Trade & Investment will use this to improve the services they offer to help businesses export. The research will take around 15-20 minutes, depending on your answers. Is it convenient to speak to you now or would you prefer to make an appointment for another time?

AS NECESSARY: **It doesn't matter if you only sell overseas on a small scale, we're interested in speaking to a range of firms about their experiences. Even if you just make the occasional sale to overseas customers, we are still keen to talk to you.**

AS NECESSARY: **A summary of the key findings from this evaluation will be made available on the UK Trade & Investment website, at** www.ukti.gov.uk

ADD IF NECESSARY

- **The research is being conducted under the Code of Practice of the Market Research Society, which means that all of the answers you give are strictly confidential and anonymous. Participation in this survey is voluntary.**
- **The responses of all organisations taking part will be combined into a statistical report**
- **Your organisation was selected at random from a list of UK businesses held by a commercial list broker**
- **If you wish to check that OMB Research is a bona fide market research agency, you can contact the Market Research Society on 0500 396999, or call James Murray at OMB Research on 01732 220582 or Maria del Castillo at UK Trade & Investment on maria.delcastillo@ukti.gsi.gov.uk or 020 7215 8390.**

<u>ASK ALL</u>

S1a – Can I confirm that you are one of the people best qualified to talk about your company's overseas activities?

INTERVIEWER NOTE: IF KNOW ALREADY THAT YOU ARE SPEAKING TO THE CORRECT PERSON THEN CODE YES AUTOMATICALLY

REFERRALS CAN BE TAKEN TO ANY SITE WHEN THE CONTACT FEELS THAT THERE IS SOMEONE WITHIN THE COMPANY BETTER PLACED TO ANSWER QUESTIONS ON THE TOPIC AREAS OUTLINED

Yes 1
No – take referral and being transferred 2
No – take referral and arrange call back 3
No – refused referral.. 4

<u>ASK ALL</u>

S2 – Over the last 2 years have you sold goods or services to any customers based overseas, either directly or via agents or distributors?

AS NECESSARY:

- **This includes licensing agreements where you licence your products, services or intellectual property for use overseas.**
- **This includes selling to either business or individuals overseas**

INTERVIEWER NOTE: SOUTHERN IRELAND COUNTS AS OVERSEAS

Yes 1
No... 2
(Don't know) 3

<u>IF NOT EXPORTED (S2=2-3)</u>

S3a – Have you seriously considered selling goods or services overseas within the last two years?

Yes 1
No... 2
(Don't know) 3

<u>IF NOT CONSIDERED EXPORTING (S3a=2-3)</u>

S3b – Have you actually attempted to win any overseas business within the last two years?

Yes 1
No... 2 - CLOSE
(Don't know) .... 3 - CLOSE

<u>IF CONSIDERED/ATTEMPTED EXPORTING (S3a=1 OR S3b=1)</u>

S3c – Can I just check, do you anticipate doing business overseas at all over the next 3 years? IF YES, PROBE FOR WHEN LIKELY TO START DOING BUSINESS OVERSEAS

Yes – within the next year.. 1
Yes – in 1-2 years time 2
Yes – in 2-3 years time 3
No... 4
(Don't know) 5

<u>ASK ALL</u>
S7a – In the last 5 years has your firm received any form of information, advice or support about doing business overseas from either UK Trade & Investment, a UK embassy or consulate based overseas, or a Regional Development Agency? READ OUT QUESTION <u>IN FULL</u>

AS NECESSARY: **This would include attending events put on by any of these organisations.**

Yes 1
No... 2
(Don't know) 3

<u>IF RECEIVED UKTI SUPPORT (S7a=1)</u>
S7b – And can I just check, did this information or advice definitely relate to <u>doing business overseas</u>?

Yes .... 1 - CLOSE
No... 2
(Don't know) 3

<u>ASK ALL</u>
S10 – And can I confirm that your organisation is a <u>business</u> rather than a trade association or public sector body? READ OUT. SINGLE CODE

A business.. 1
A trade association .... 2 – CLOSE
A public sector organisation such as a Government
department, local council, etc.............................. 3 – CLOSE
(Other)... 4
(Don't know) 5

<u>ASK ALL</u>
S1c – How long ago was your business established? READ OUT AS NECESSARY.

AS NECESSARY:

- **This means when the business started trading**
- **If the business is a subsidiary this refers to the subsidiary in which you work**

Within the last year 1
Over 1, up to 2 years ago 2
Over 2, up to 3 years ago 3
Over 3, up to 4 years ago 4
Over 4, up to 5 years ago 5
Over 5, up to 10 years ago 6
Over 10, up to 20 years ago 7
Over 20 years ago 8
(Not yet trading)... 9 – CLOSE IF S2=1
(Don't know) .... 10 - CLOSE
(Refused).. 11 - CLOSE

CHECK QUOTAS

<u>ASK ALL</u>

S4 – Is your firm part of a multinational company or an international joint venture that has operations overseas?

Yes 1
No.. 2
(Don't know) 3

<u>IF PART OF MULTINATIONAL (S4=1)</u>

S5 – And <IF S2=1 **do you export to /** IF S3a=1 OR S3b=1 **have you considered exporting to > any affiliated companies overseas?**

Yes 1
No.. 2
(Don't know) 3

<u>IF EXPORT TO AFFILIATED COMPANIES (S5=1)</u>

S6 – And <IF S2=1 **do you export to /** IF S3a=1 OR S3b=1 **have you considered exporting to > any overseas customers other than affiliated companies?**

Yes 1
No.. 2 - CLOSE
(Don't know) .... 3 - CLOSE

Questions deleted from Section S

- ***S1b, S1d, S9b1, S9b2***

SECTION X: USAGE OF TRADE DEVELOPMENT SERVICES

ASK ALL
X1 – Over the last 2 years, has your firm received any information, advice or support in relation to DOING BUSINESS OVERSEAS from any of the following?
READ OUT – CODE ALL THAT APPLY – RANDOMISE

AS NECESSARY: **We are only asking about support relating to overseas business.**

AS NECESSARY: **This could include attending events organised by any of these organisations, if they focussed on overseas business.**

INTERVIEWER NOTE: If recording an 'Other specify' response please record this accurately and in good English as will be used in later text substitutions.

A bank (other than just setting up accounts, payments, etc.) ... 1
A consultant ... 2
A market research company ... 3
A Trade Association ... 4
The Chamber of Commerce (UK or overseas) ... 5
HM Revenue & Customs ... 6
An accountant ... 7
A paid-for online information service ... 8
Anyone else? (SPECIFY) ... 95
None of these ... 96
(Don't know) ... 97

IF RECEIVED SUPPORT (X1=1-95)
X1b – Can I just double check that the information or assistance you received from <IF ONLY ONE OF CODES 1-95 AT X1 **INSERT PROVIDER NAME**/ IF MORE THAN ONE OF CODES 1-95 AT X1 INSERT **these providers> was definitely in relation to doing business overseas?**

Yes ... 1
No ... 2 – GO BACK TO X1

IF USED CHAMBER OF COMMERCE (X1=5)
X5b – And was the Chamber of Commerce based in the UK or located overseas?

Based in the UK ... 1
Located overseas ... 2
(Don't know) ... 3

IF USED OVERSEAS CHAMBER OF COMMERCE (X5b=2)
X5c – And was this overseas Chamber of Commerce a British Chamber of Commerce or a local Chamber of Commerce?

British Chamber of Commerce ... 1
Local Chamber of Commerce ... 2
(Don't know) ... 3

<u>IF MORE THAN ONE PROVIDER SELECTED AT X1 (I.E. MORE THAN ONE OF CODES 1-8 OR 95 AT X1)</u>

X6 – Of all the sources of assistance you just mentioned, which did you find <u>most important</u> in relation to <u>doing business overseas</u>? READ OUT AS NECESSARY. SINGLE CODE

INTERVIEWER NOTE: NEED TO PUSH RESPONDENT INTO ONE CODE AS FOLLOWING QUESTIONS ASK FOR COMPARISONS WITH THIS TYPE OF SUPPORT

CATI TO ONLY SHOW CODES SELECTED AT X1 EXCEPT NONE OF THESE (CODE 96) AND DON'T KNOW (CODE 97).

The bank (other than just setting up accounts, payments, etc.) 1
The consultant 2
The market research company 3
The Trade Association.. 4
The Chamber of Commerce 5
HM Revenue & Customs 6
The accountant.. 7
The paid-for online information service 8
<INSERT OTHER SPECIFY TEXT FROM CODE 95 AT X1>.. 9

<u>SUPPORT PROVIDER ALLOCATION & TEXT FOR SUBSEQUENT QUESTIONS</u>

- the bank ((IF X1=1 & X1=NOT 2, 3, 4, 5, 6, 7, 8 OR 95) OR IF X6=1)
- the consultant ((IF X1=2 & X1=NOT 1, 3, 4, 5, 6, 7, 8 OR 95) OR IF X6=2)
- the market research company ((IF X1=3 & X1=NOT 1, 2, 4, 5, 6, 7, 8 OR 95) OR IF X6=3)
- the trade association ((IF X1=4 & X1=NOT 1, 2, 3, 5, 6, 7, 8 OR 95) OR IF X6=4)
- the Chamber of Commerce ((IF X1=5 & X1=NOT 1, 2, 3, 4, 6, 7, 8 OR 95) OR IF X6=5)
- HM Revenue & Customs ((IF X1=6 & X1=NOT 1, 2, 3, 4, 5, 7, 8 OR 95) OR IF X6=6)
- the accountant ((IF X1=7 & X1=NOT 1, 2, 3, 4, 5, 6, 8 OR 95) OR IF X6=7)
- the online information service ((IF X1=8 & X1=NOT 1, 2, 3, 4, 5, 6, 7 OR 95) OR IF X6=8)
- <TEXT FROM CODE 95 AT X1> ((IF X1=95 & X1=NOT 1, 2, 3, 4, 5, 6, 7 OR 8) OR IF X6=9)

<u>IF RECEIVED ANY SUPPORT (X1=1-95)</u>
X2a - Which of the following forms did the support you received from <SUPPORT PROVIDER> **take?** READ OUT – CODE ALL THAT APPLY – ROTATE

ALWAYS ASK CODES 5, 6 & 7 IN ORDER & ALWAYS ASK CODES 3 & 4 IN ORDER

DO <u>NOT</u> SHOW CODES 1, 2 OR 3 IF ALLOCATED SUPPORT PROVIDER IS HM REVENUE & CUSTOMS

DO NOT SHOW IF HMRC: Help accessing finance or funding opportunities 1
DO NOT SHOW IF HMRC: Help identifying or accessing business contacts overseas (such as customers or business partners) 2
DO NOT SHOW IF HMRC: Help with doing market research overseas 3
Help with developing your overseas business strategy 4
Information or advice about how to do business in an overseas market, such as help dealing with the regulatory, tax or cultural environment 5
Information or advice about entering a new market 6
Information or advice about business opportunities in an overseas market 7
ONLY SHOW IF SUPPORT PROVIDER IS CHAMBER OF COMMERCE: Issuing Certificates of Origin 8
Information about other potential providers of export support or advice 9
Anything else? (SPECIFY) 95
(Don't know) 97

<u>IF RECEIVED ANY SUPPORT (X1=1-95) EXCEPT IF SUPPORT PROVIDER IS ONLINE INFO SERVICE</u>
X2b – And did you have to pay for any of the support provided by <SUPPORT PROVIDER>**?** SINGLE CODE

Yes 1
No 2
(Don't know) 3

<u>IF RECEIVED ANY SUPPORT (X1=1-95)</u>
X2c – Overall, how much time would you estimate that <IF SUPPORT PROVIDER NOT ONLINE INFO SERVICE: <SUPPORT PROVIDER> **spent providing /** IF SUPPORT PROVIDER IS ONLINE INFO SERVICE: **you spent accessing**> **this information, advice or support? Would you say it was…?** READ OUT

More than a week's work 1
3-5 day's work 2
1-2 day's work 3
Or, less than a day's work 4
(Don't know) 5
(Not applicable) 6

<u>IF LESS THAN A DAY (X2c=4)</u>
X2d – Would you say that it was more or less than an hour's work? READ OUT

More than an hour's work 1
One hour or less 2
(Don't know) 3

<u>IF RECEIVED ANY SUPPORT (X1=1-95)</u>
X4 – I'm now going to read through a list of service aspects and I'd like you to rate your experience of each one on a scale of 1 to 5, where 1 is 'very poor' and 5 is 'very good'.

Overall, how would you rate the quality of the support you have received from <SUPPORT PROVIDER> **in terms of…** READ OUT – DO NOT RANDOMISE

<u>ASK A & C IF ANY SUPPORT</u>
(a) The quality & relevance of the information provided
(c) The quality & relevance of any contacts it allowed you to make, if applicable
INTERVIEWER NOTE: If respondent says that contacts weren't applicable (i.e. they weren't given any, weren't looking for any, etc) then code as 'not relevant'

<u>ASK D & E UNLESS SUPPORT PROVIDER IS ONLINE INFO SERVICE</u>
(d) Their attitude and professionalism
(e) Their objectivity and acting in your best interests

<u>ASK F & G IF SUPPORT PROVIDER IS ONLINE INFO SERVICE</u>
(f) The clarity and ease of understanding of the information provided
(g) The level of detail provided

1 – Very poor 1
2 2
3 3
4 4
5 – Very good 5
Not relevant 6
(Don't know) 7

<u>IF RECEIVED ANY SUPPORT (X1=1-95)</u>
X7 – And thinking now about your TOTAL experience of the support you received from <SUPPORT PROVIDER**>, how would you rate your satisfaction overall? Please give me a score between 1 and 5, where 5 means 'very satisfied' and 1 means 'very dissatisfied'.**

1 – Very dissatisfied.. 1
2 – Fairly dissatisfied 2
3 – Indifferent.. 3
4 – Fairly satisfied.. 4
5 – Very satisfied 5
(Don't know/Can't remember) 6

Questions deleted from Section X

- ***X3, X4b, X5a***

SECTION B: EXPORT STRATEGY

ASK ALL
I'd now like to move on to talking a bit more about your current overseas business activity and your plans for the future.

IF ALREADY EXPORTING (S2=1)
B1 – How long ago did your firm start doing business overseas, and by that I mean selling goods or services to either businesses or individuals based abroad? READ OUT AS NECESSARY – CATI TO ONLY SHOW FEASIBLE CODES BASED ON ANSWER TO S1c

IF S4=1: AS NECESSARY: **Please answer just for the UK part of your business**

AS NECESSARY: **Please include any licensing deals with overseas companies**

Within the last year 1
Over 1, up to 2 years ago 2
Over 2, up to 3 years ago 3
Over 3, up to 4 years ago 4
Over 4, up to 5 years ago 5
Over 5, up to 10 years ago 6
Over 10, up to 20 years ago 7
Over 20 years ago 8
(Don't know) 9
(Refused)... 10

IF ALREADY EXPORTING (S2=1)
B2a – In the last financial year, approximately what percentage of your turnover was accounted for by overseas sales? RECORD PERCENTAGE

AS NECESSARY **Please include any fees received from overseas companies or overseas licensing deals**

IF S4=1: AS NECESSARY **Please answer just for the UK part of your business**

Write in (%)
(Don't know)
(Refused)

IF DON'T KNOW AT B2a
B2b – If you had to estimate this percentage, into which of the following bands would you put your business? READ OUT

Up to 5% 1
6-10%.. 2
11-15%.. 3
16 – 25% 4
26 – 50% 5
51 – 75% 6
More than 75% 7
(Don't know) 8
(Refused)... 9

IF ALREADY EXPORTING (S2=1)

B3b – In three years time do you think the percentage of your turnover that is accounted for by overseas sales will be higher than it is now, lower, or about the same? READ OUT

Higher 1
Lower 2
About the same 3
(Don't know) 4
(Refused) 5

IF WILL INCREASE OVERSEAS TURNOVER (B3b=1)

B26c – And will you achieve this by...? SINGLE CODE. READ OUT

Entering new overseas countries 1
Or, by increasing sales to countries in which you are already doing business . 2
(Both) 3
(Don't know) 4
(Refused) 5

ASK ALL

B29 – Compared with a year ago, would you say that your business is now…? READ OUT – SINGLE CODE

Focussing more on overseas markets than it was a year ago 1
Focussing less on overseas markets 2
Or has there been no change in this respect 3
(Don't know) 4

IF ALREADY EXPORTING (S2=1)

B6a – How many overseas countries have you done business in over the last year? RECORD NUMBER

AS NECESSARY **By this I mean how many different countries have you sold to in the last year**

AS NECESSARY **I just need the number of countries I don't need to know which ones**

Write in (NUMBER)
(Don't know)
(Refused)

IF DON'T KNOW AT B6a

B6b – If you had to estimate this number, into which of the following bands would you put it? READ OUT

None 1
1-5 2
6-10 3
11-20 4
21-50 5
More than 50 6
(Don't know) 7
(Refused) 8

IF ALREADY EXPORTING (S2=1)

B6c – And in 3 years time, do you think that you will be doing business in more, less or the same number of countries as you are now?

More countries than now... 1
The same 2
Less countries than now 3
(Don't know) 4
(Refused).. 5

ASK ALL

B31 - I'm going to read out some possible benefits of selling into overseas markets, and I'd like you to tell me the extent to which you agree with each one. Please give me a score of 1 to 5 where 5 means that you 'agree strongly' and 1 means that you 'disagree strongly'.

<IF S2=2-3 OR S1c=9 OR B2a=0-5 OR B2b=1: **If you have not yet made any overseas sales, or done very little overseas business, then please answer based on whether you would expect to benefit in these ways.>**

So firstly…? ORDER OF STATEMENTS TO BE RANDOMISED.

(a) Selling overseas enables you to achieve a level of growth otherwise not possible

(b) Selling overseas allows you to more fully utilise your existing capacity

(d) Selling overseas exposes you to new ideas

(e) Selling overseas increases the commercial life span of your products or services

(f) Selling overseas improves your firm's profile or credibility

ON EACH OF THE B31 SCREENS SHOW (AT BOTTOM):

To what extent do you agree with that? Please answer on a 1-5 scale where 1 means you disagree strongly and 5 means you agree strongly.

1 – Disagree strongly... 1
2 2
3 3
4 4
5 – Agree strongly 5
(Don't know) 6

IF ALREADY EXPORTING (S2=1)

B25b – In the last year, has your business benefited from sustained economic growth or increasing demand in any overseas countries? SINGLE CODE. IF YES, PROBE: **Does this relate to countries within the EU, outside the EU or both?**

Yes, in countries within the EU 1
Yes, in countries outside of the EU 2
Yes, both 3
No 4
(Don't know) 5

IF ALREADY EXPORTING (S2=1)
B5a – In the last 2 years have you successfully started doing business in any NEW countries?

CLARIFY AS NECESSARY: **By that I mean have you started selling goods or services in a country that your business had not dealt with before?**

Yes 1
No.. 2
(Don't know) 3

IF ENTERED NEW COUNTRIES (B5a=1)
B5b – Which new countries have you started doing business in over the last 2 years? PROBE AS NECESSARY **Any others?**

CATI TO SHOW LIST OF MOST COMMON MARKETS, PLUS:
Other (SPECIFY) ....
(Don't know)

ASK ALL
B13 – I'm now going to read out a list of issues that you may have had to tackle when trying to develop the overseas side of your business. Thinking about all the overseas countries that you've < IF S2=1 **dealt with/** IF S2=2-3 **considered doing business with>…?** ROTATE LIST BUT ALWAYS ASK B, K & C IN THAT ORDER.

ON EACH OF THE B13 SCREENS ADD ABOVE EACH STATEMENT
AS NECESSARY **Have you ever had any difficulties with...?**

ON EACH OF THE B13 SCREENS ADD AFTER EACH STATEMENT
AS NECESSARY **Please only answer about difficulties you have <**IF S2=1 **experienced when doing business overseas** / IF S2=2-3 **already experienced when trying to do business overseas>.'**

(a) Obtaining information about the potential business opportunities in an overseas market

(b) Identifying who to make contact with in the first instance

(k) Establishing an initial dialogue with prospective customers or business partners

(c) Building relationships with key influencers or decision-makers

(d) Dealing with legal or tax regulations or standards overseas

(g) Language barriers

(h) Cultural differences

(j) Overseas customers preferring to do business with firms from their own country (rather than with UK firms)

(p) Finding the necessary management time to devote to doing business in an overseas country

(q) Protecting your intellectual property

(r) Ensuring you get paid and enforcing contracts

(s) Dealing with customs and excise procedures or paperwork

Yes 1
No.. 2
(Don't know) 3

ASK FOR EACH OF A-S THAT RESPONDENT AGREES IS A DIFFICULTY (B13=1). ASK B14 DIRECTLY AFTER B13 FOR EACH ONE

B14 - And to what extent do you feel that this has been a difficulty, on a scale of 1 to 5 where 1 means it has 'not been at all difficult' and 5 means it has been 'extremely difficult'.

1 – Not at all difficult	1
2	2
3	3
4	4
5 – Extremely difficult	5
(Don't know)	6

IF NO/MINIMAL LANGUAGE BARRIERS (B13g=2 OR B14g=1-2) – TO FOLLOW DIRECTLY AFTER B13/14g

B20g – Is the reason that you haven't had <IF B13g=2 OR B14g=1 **any /** IF B14g=2 **many> difficulties with language barriers because…?** READ OUT BOTH OPTIONS BEFORE TAKING AN ANSWER

You've always been able to use English as a common language	1
Or, because you or other staff have the necessary language skills	2
(Other)	95
(Don't know)	97

IF NO/MINIMAL CULTURAL BARRIERS (B13h=2 OR B14h=1-2) – TO FOLLOW DIRECTLY AFTER B13/14h

B20h – Is the reason that you haven't had <IF B13h=2 OR B14h=1 **any /** IF B14h=2 **many> difficulties with cultural differences because…?** READ OUT BOTH OPTIONS BEFORE TAKING AN ANSWER

You haven't come across any cultural differences	2
Or, because you or other staff are familiar with the culture	3
(Other)	95
(Don't know)	97

IF NO/MINIMAL INITIAL DIALOGUE BARRIERS (B13k=2 OR B14k=1-2) – TO FOLLOW DIRECTLY AFTER B13/14k

B20k – Is the reason that you haven't had <IF B13k=2 OR B14k=1 **any /** IF B14k=2 **many> difficulties establishing an initial dialogue because…?** READ OUT ALL 3 OPTIONS CODES BEFORE TAKING AN ANSWER

You already had contacts	1
Or, because they initiated the contact with you	2
(Other (SPECIFY))	95
(Don't know)	97

Questions deleted from Section B

- ***B3a, B4, B7a, B7b, B7c, B7d, B7e, B7f, B9a, B9b, B10, B11, B11f, B12a, B12b, B12c, B12d, B13f, B13i, B13m, B13n, B13o, B15a, B15b, B16, B17a, B17b, B17c, B18a, B18b, B18c, B19a, B19b, B19c, B19d, B19e, B21, B22a, B22b, B23a, B23b, B24a, B24b, B24c, B24d, B25a, B26a, B26b, B26d, B27a, B27b, B27c, B28, B30, B30a, C11***

SECTION Y: REASONS FOR NOT SEEKING SUPPORT & AWARENESS

IF NOT RECEIVED ANY SUPPORT (X1=96-97)

Y1 – Thinking about < IF CODE 1 AT ANY B13 **these difficulties that you /** IF CODES 2-3 AT EVERY B13 **any difficulties that you may > have had to tackle when <** IF S2=1 **developing/** IF S2=2 or 3 **trying to develop>the overseas side of your business, do you think you would have benefited from some kind of external advice or support to help you overcome any of these difficulties?**

Yes 1
No... 2
(Maybe) 3
(Don't know) 4

IF MIGHT HAVE BENEFITED FROM SUPPORT (Y1=1 OR 3)

Y2 – What types of advice or support would have helped? DO NOT READ OUT BUT PROMPT TO CLARIFY. CODE ALL THAT APPLY

General info/advice on how to export / enter new markets..........1
Info/advice on export regulations/rules/taxes 2
Info about specific countries / market intelligence 3
Help with overseas marketing strategy 4
Help with accessing business contacts.......................................5
Info/advice about securing payment/enforcing contracts.............6
Finance/grants/subsidies 7
Other (Specify) 95
(Don't know) 97

IF MIGHT HAVE BENEFITED FROM SUPPORT (Y1=1 OR 3)

Y3 – Are you aware of anywhere or anyone who could provide this type of advice or support?

ADD AS NECESSARY: **Please include all sources of export support that you are aware of even if you wouldn't personally use them.**

Yes 1
No... 2
(Don't know) 3

IF AWARE OF SUPPORT PROVIDER (Y3=1)
Y4 – Who could provide this? CODE ALL THAT APPLY – DO NOT PROMPT
ADD AS NECESSARY: **Anyone else?**

A bank 1
A consultant.. 2
Friends, colleagues or other business associates........... 3
A Trade Association.. 4
The Chamber of Commerce 5
UK Trade & Investment (UKTI) 6
Department for Business, Innovation and Skills (BIS) 7
Business Link 8
HM Revenue and Customs... 9
A Market Research Company.. 10
Anyone else? (SPECIFY) 95
(No-one that I am aware of)... 96
(Don't know) 97

IF WOULD NOT HAVE BENEFITED FROM SUPPORT (Y1=2)
Y7 – Could you tell me why you think you would not have benefitted from any external advice or support? DO NOT READ OUT BUT PROMPT TO CLARIFY. CODE ALL THAT APPLY

Already have experience / expertise within the company 1
Have our own/existing contacts 2
Customers contact us / we respond to orders/enquiries.. 3
Have a niche market/product... 4
No one could provide relevant help/information 5
Manage fine as we are / do it ourselves.......................... 6
Easy /straightforward / don't need help / no problems..... 7
Other (Specify) 95
(Don't know) 97

ASK ALL
S8a – <IF X1=1-95 **And moving on, > Before today had you heard of UK Trade & Investment or UKTI?**

Yes 1
No.. 2
(Don't know) 3

IF HEARD OF UKTI (S8a=1)
S8b – And were you aware that they provide assistance to help UK firms do business overseas?

Yes 1
No.. 2
(Don't know) 3

ASK ALL
S8d – Have you heard of UK Export Finance, also known as UKEF?

AS NECESSARY: **UK Export Finance is the UK Government's export credit agency. It provides credit guarantees, insurance and advice to UK-based exporters.**

Yes 1
No.. 2
(Don't know) 3

IF HEARD OF UKEF (S8d=1)
S8e – And has your business used any of the services provided by UK Export Finance?

AS NECESSARY: **UK Export Finance provides credit guarantees, insurance and advice to UK-based exporters.**

Yes 1
No.. 2
(Don't know) 3

ASK ALL
S9 – I'm now going to read out details of some services that are designed to help UK firms do business overseas. For each one, I'd like you to tell me whether you're aware of it, and whether you would be interested in using this type of service.

Please note that this is just to measure interest in these services and your details will not be passed on to UKTI. If you would like to find out more about any of these services we can arrange to send you details at the end of the interview.

So firstly… READ OUT DESCRIPTION FOLLOWED BY QUESTIONS FOR EACH OF S9a, S9c & S9d. RANDOMISE ORDER OF S9a, S9c & S9d

OMIS

The Overseas Market Introduction Service, or OMIS, is a charged service delivered by UK embassies and consulates overseas. It can include a report about an overseas market, or help identifying and contacting possible customers or business partners.

S9a1 – Have you heard of the OMIS service before?

Yes 1
No.. 2
(Don't know) 3

S9a2 – And would you be interested in using this service?

Yes 1
No.. 2
(Maybe) 3
(Don't know) 4

International Trade Advisors

UK Trade & Investment employ a number of International Trade Advisors, who are based in the UK and provide one-to-one advice to help firms develop their overseas business. They can also provide referrals to other support or specialist advice.

S9c1 – Have you heard of these International Trade Advisors before?

Yes 1
No... 2
(Don't know) 3

S9c2 – And would you be interested in using this service?

Yes 1
No... 2
(Maybe) 3
(Don't know) 4

Meet The Buyer Events

UK Trade & Investment put on events in the UK that enable attendees to have one-to-one meetings with relevant high-profile overseas businesses, and also offer wider networking opportunities. These events are facilitated by experts with knowledge of both the overseas market and the industry.

S9d1 – Have you heard of this type of event before?

Yes 1
No... 2
(Don't know) 3

S9d2 – And would you be interested in attending this type of event?

Yes 1
No... 2
(Maybe) 3
(Don't know) 4

ASK ALL
Y8 – Thinking about your overseas business and plans, which country would it be most useful to get some form of external support about? AIM FOR SINGLE CODE BUT MULTICODE ALLOWED

INTERVIEWER NOTE: IF RESPONDENT ISN'T SURE OR ISN'T INTERESTED IN SUPPORT THEN DO NOT PUSH – IT'S FINE TO USE THE 'DON'T KNOW' OR 'NONE' OPTIONS

CATI TO SHOW LIST OF MOST COMMON MARKETS, PLUS:
Other (SPECIFY) ....
(None/not interested in external support)
(Don't know)

Questions deleted from Section Y

- ***Y5, Y6, S8c***

SECTION C: IMPACT & OUTCOMES

IF RECEIVED ANY SUPPORT (X1=1-95) BUT DO NOT ASK IF ONLY GOT CERTIFICATES OF ORIGIN (X2a=8 & NOT 1-7 OR 9 OR 95) OR LESS THAN 1 HOUR OF SUPPORT (X2d=2)

C7 – I'd now like to focus again on the assistance or support you have received from <SUPPORT PROVIDER**> in the last 2 years in relation to doing business overseas. I'm going to read out a list of ways in which your business may benefit from this support and I would like you to tell me whether this is a benefit that you have experienced or expect to experience as a direct result.**

So, firstly… STATEMENTS TO BE RANDOMISED WITHIN GROUPS. ALWAYS ASK GROUP 1 FIRST, RANDOMISE ORDER OF GROUPS 2-3.

GROUP 1 - BARRIERS TO MARKET ACCESS OVERCOME

(a) Have you, or will you, gain access to prospective customers, business partners or other people that you would otherwise have been unable to meet *(as a result of the assistance from* <*SUPPORT PROVIDER* **>)***

(c) Have you, or will you, improve your company's profile or credibility *(as a result of the assistance from* <*SUPPORT PROVIDER* **>)***

(e) Have you, or will you, gain access to information that you would otherwise have been unable to come by *(as a result of the assistance from* <*SUPPORT PROVIDER* **>)***

GROUP 2 - INCREASED SKILLS

(h) Have you, or will you, gain the confidence to either explore a new market or expand in an existing market *(as a result of the assistance from* <*SUPPORT PROVIDER* **>)***

(i) Have you, or will you, improve your knowledge of the competitive environment in an overseas market *(as a result of the assistance from* <*SUPPORT PROVIDER* **>)***

GROUP 3 - CHANGED BEHAVIOUR (& MISCELLANEOUS)

(l) Have you, or will you, introduce new products or services or improve any of your existing ones *(as a result of the assistance from* <*SUPPORT PROVIDER* **>)***

AS NECESSARY **By 'products and services' I mean everything that your business offers**

(t) Have you, or will you, make improvements to your new product or service development strategy *(as a result of the assistance from* <*SUPPORT PROVIDER* **>)***

(n) Have you, or will you, improve the way you do business in overseas markets *(as a result of the assistance from* <*SUPPORT PROVIDER* **>)***

(o) Have you, or will you, improve your overseas marketing strategy *(as a result of the assistance from* <*SUPPORT PROVIDER* **>)***

Yes 1
No 2
(Don't know) 3

<u>FOR EACH THAT RESPONDENT AGREES IS A BENEFIT (ASK C8 DIRECTLY AFTER C7)</u>
C8 - And to what extent do you feel that this has been, or will be, a benefit of the assistance you received?

Please give me a score of 1 to 5, where 1 means 'to no extent' and 5 means 'to a critical extent'. READ OUT AS NECESSARY

1 – To no extent.. 1
2 2
3 3
4 4
5 -To a critical extent 5
(Don't know) 6

<u>IF RECEIVED ANY SUPPORT (X1=1-95) BUT DO NOT ASK IF ONLY GOT CERTIFICATES OF ORIGIN (X2a=8 & NOT 1-7 OR 9 OR 95) OR LESS THAN 1 HOUR OF SUPPORT (X2d=2) OR NO BENEFITS (CODE 2 AT EVERY C7 STATEMENT)</u>
C12 – And as a result of the assistance you have received from <SUPPORT PROVIDER>**have you, or do you expect to, <u>increase your sales</u> or <u>win any new orders</u>?**

Yes 1
No 2
(Don't know) 3

<u>IF ONLY GOT CERTIFICATES OF ORIGIN (X2a=8 & NOT 1-7 OR 9 OR 95) OR LESS THAN 1 HOUR OF SUPPORT (X2d=2)</u>
C10 – Thinking now specifically about the support you have received from <SUPPORT PROVIDER> **in relation to doing business overseas. Do you think that this support will have any positive impact on the performance of your firm?**

Yes 1
No... 2
(Don't know) 3

<u>IF RECEIVED ANY SUPPORT (X1=1-95) BUT DO NOT ASK IF NO BENEFITS (CODE 2 AT EVERY C7 STATEMENT)</u>
C9 – <IF CODE 1 AT ANY C7 STATEMENT **Thinking about <u>all</u> of the benefits you've just mentioned, > which of the following best describes your view on the contribution the support you have received from** <SUPPORT PROVIDER> **has made to your firm, or is expected to make to your firm?** READ OUT – SINGLE CODE

You would achieve similar results anyway 1
You would achieve similar results, but not as quickly 2
You would achieve some but not all of the results........................... 3
You probably would not achieve similar results............................... 4
You definitely would not achieve similar results 5
(None of these)... 6

Questions deleted from Section C

- ***C1, C2, C3, C7f, C7k, C7m, C7q, C7r, C7s, C10a, C10b, C10c***

SECTION F: PROFILING

ASK ALL
Finally, I'd just like to ask you some questions about your business - these are just to classify your answers for analysis purposes.

ASK ALL
F1a- Which of these best describes the current status of your business? READ OUT - MULTICODE

An independent business with no subsidiaries................ 1
A business with subsidiaries 2
A subsidiary of another business 3
(A not for profit organisation) 4
(Other (SPECIFY))... 95
(Don't know) 97
(Refused).. 98

IF BUSINESS (F1a=1-3)
F1b – Can I just check, is the business UK or foreign-owned?

UK-owned... 1
Foreign-owned.. 2
(Joint UK and foreign-owned) 3
(Don't know) 4

READ OUT IF SUBSIDIARY (F1a=3)
From now on when I ask about your business I'd like you to answer just for the subsidiary in which you work.

ASK ALL
F2a – How many people are currently employed by your business within the UK?

AS NECESSARY: **Please include both full and part-time staff.**

AS NECESSARY: **Please only include UK-based staff**

INTERVIEWER NOTE – If the respondent owns the company and does not employ anyone else, please code as zero employees.

Write in number (0+):
(Refused)
(Don't know) – PROMPT WITH RANGES

SHOW IF ZERO ENTERED AT F2a
INTERVIEWER NOTE - Please confirm that the firm has NO employees in the UK. If they are unsure or don't know please code accordingly rather than putting zero

<u>IF DON'T KNOW AT F2a</u>
F2b – If you had to estimate, approximately how many people are employed by your business in the UK? READ OUT AS NECESSARY

No employees 1
1-4 2
5-9 3
10-19 4
20-49 5
50-99 6
100-199 7
200-249 8
250-499 9
500 or more 10
(Don't know) 11
(Refused) 12

<u>IF 250+ EMPLOYEES (F2a>249 OR F2b=9-10)</u>
F2c – So can I just confirm that you have <INSERT RESPONSE FROM F2a/b> **employees <u>based in the UK</u>?**

Yes 1
No 2

IF NO, CATI TO ROUTE INTERVIEW BACK TO F2a & INTERVIEWER TO AMEND

<u>IF TRADING (S1c=1-8)</u>
F3a – <IF S1c=2-8 **Can I ask, what is the current annual turnover of your business /** IF S1c=1 **What do you anticipate will be the turnover of your business in the first year of trading>?**

AS NECESSARY **By this I mean your annual sales, income or receipts.**

<u>IF SUBSIDIARY (F1a=3):</u>
AS NECESSARY **Please just give me the turnover of the subsidiary in which you work**

<u>IF HAS SUBSIDIARIES (F1a=2):</u>
AS NECESSARY **Please give me the turnover for the UK part of your business, but including revenues from overseas sales made from the UK**

Write in amount in £ (£0+):
(Refused)
(Don't know) – PROMPT WITH RANGES

CATI TO VALIDATE AMOUNT ENTERED USING RANGES IN F3b

<u>IF DON’T KNOW AT F3a</u>

F3b - If you had to estimate your total turnover, into which of the following bands would you put yourself? READ OUT AS NECESSARY

£0 1
£100,000 or less 2
£100,001 - £500,000... 3
£500,001 - £2million 4
£2million - £10million 5
£10million - £25million 6
£25million - £50million 7
£50million - £250million 8
£250million - £500million 9
More than £500million 10
(Don’t know) 11
(Refused)... 12

<u>IF TRADING (S1c=1-8)</u>

F27a – < IF S1c=2-8 **Is your company currently making an annual profit or loss** / IF S1c=1 **Do you anticipate that your company will make a profit or loss in its first year of trading >?**

Profit 1
Loss.. 2
(Break even) 3
(Don’t know) 4
(Refused).. 5

<u>IF MAKING PROFIT (F27a=1)</u>

F27b – Approximately what proportion of your < IF S1c=2-8 **annual turnover is /** IF S1c=1 **turnover in the first year of trading do you anticipate will be > accounted for by profits?**

AS NECESSARY By this I mean what is your profit margin?

AS NECESSARY Please answer in relation to pre-tax profit

Write in (% - MUST BE BETWEEN 1% & 100%)
(Don’t know)
(Refused)

CATI TO CHECK NUMBER IS BETWEEN 1 AND 100

<u>IF DON’T KNOW AT F27b</u>

F27c - If you had to estimate this proportion, into which of the following bands would you place it? READ OUT AS NECESSARY

Up to 10%... 1
11% – 25% 2
26%-50%.. 3
51%-75%.. 4
More than 75% 5
(Don’t know) 6
(Refused).. 7

<u>IF ANY EMPLOYEES (F2a>0 OR F2b=2-12))</u>
F3c – Approximately how many of your UK employees are engaged either wholly or partly in R&D or new product or service development activity? READ OUT

AS NECESSARY: **By R&D I mean 'research and development'**

Zero 1
One 2
2-4 3
5-9 4
10-49 5
50 or more 6
(Don't know) 7
(Refused) 8

<u>ASK IF 2 OR MORE R&D EMPLOYEES (F3c=3-6)</u>
F3e – Can I just check, are any of these employees involved in activities that could be described as 'the development of scientific or technical knowledge that is not commonly available'?

Yes 1
No 2
Don't know 3

<u>ASK ALL</u>
F4 – In the last year have you commissioned anyone <u>external</u> to your business to conduct any R&D or new product or service development activity for you?

AS NECESSARY: **By R&D I mean 'research and development'**

Yes 1
No 2
(Don't know) 3

<u>IF ESTABLISHED OVER 2 YEARS (S1c=3-8)</u>
F5a – Have you introduced any new products or services over the last three years?

Yes 1
No 2
(Don't know) 3

<u>IF INTRODUCED NEW PRODUCTS/SERVICES (F5a=1)</u>
F5d - And are these new products or services…? READ OUT - SINGLE CODE

ADD AS NECESSARY: **By completely new I mean that, to the best of your knowledge, they have not been introduced by anyone before you**

Just new to your business 1
New to your industry or sector 2
Or are they completely new to the world 3
(Some are just new to the business and some are completely new) . 4
(Don't know) 5

ASK ALL

F5f –Have you either applied for or obtained any patents, trademarks or other legal protection for any of your products or services?

ADD AS NECESSARY: **Please answer yes if you have any patents, etc either in the UK or in overseas countries.**

Yes 1
No.. 2
(Don't know) 3

IF RECEIVED ANY SUPPORT & INVOLVED IN NPD/R&D ((X1=1-95) & (C7i=1 OR C7l=1 OR C7t=1 OR C12=1) & (F3c=2-6 OR F4=1)) BUT DO NOT ASK IF ONLY GOT CERTIFICATES OF ORIGIN (X2a=8 & NOT 1-7 OR 9 OR 95) OR LESS THAN 1 HOUR OF SUPPORT (X2d=2) OR NON-ADDITIONAL (C9=1)

F24a –Thinking again about the assistance you have received from <SUPPORT PROVIDER**> in relation to doing business overseas. As a result of this assistance, have you or will you increase the number of people engaged in, or the total time devoted to, R&D or new product or service development?**

Yes 1
No.. 2
(Don't know).. 3

IF INCREASED R&D STAFF/TIME (F24a=1)

F24b – And as a result of the assistance from <SUPPORT PROVIDER**>, have you or will you increase the amount you spend on R&D or new product or service development?**

AS NECESSARY **Please include expenditure on salaries, wages and staff time as well as equipment, and any expenditure on 'bought-in' product development services.**

Yes 1
No.. 2
(Don't know).. 3

IF ESTABLISHED OVER 1 YEAR (S1c=2-8)

F8 - **<**IF S1c=6-8 **Thinking about your business as a whole, in the last FIVE years would you say that your business has…? /** IF S1c=2-5 **Thinking about your business as a whole, since your business was established would you say that it has…?>**
READ OUT

INTERVIEWER TO ADD AS NECESSARY **This is just your overall impression of the growth of the business taking account of factors like size, number of employees, turnover and sales.**

Remained the same size 1
Become smaller.. 2
Grown moderately 3
Or, grown substantially 4
(Don't know) 5
(Refused)... 6

<u>ASK ALL</u>

F9 – And, what growth objectives do you have for the business over the <u>next</u> FIVE years? Do you plan to…?
READ OUT

Remain the same size 1
Become smaller... 2
Grow moderately 3
Or, grow substantially 4
(Don't know) 5
(Refused)... 6

<u>ASK ALL</u>

F11 – Can I just check, do you have a current, written business plan?

Yes 1
No 2
(In progress/currently writing business plan) 3
(Don't know) 4
(Refused)... 5

<u>IF HAVE PLAN OR IN PROGRESS (F11=1 OR 3)</u>

F12 - <IF F11=1 **Does** / IF F11=3 **Will> the plan contain any targets relating to revenues from overseas sales?**

Yes 1
No 2
(Don't know) 3
(Refused)... 4

<u>IF CURRENTLY EXPORTING (S2=1)</u>

F21a – Can I just check, does your firm use export credit insurance? SINGLE CODE

INTERVIEWER NOTE: IF RESPONDENT DOES NOT KNOW WHAT EXPORT CREDIT INSURANCE IS THEN CODE AS 'NO'

Yes 1
No.. 2
(Don't know) 3

<u>IF USE EXPORT CREDIT INSURANCE (F21a=1)</u>

F21b – And over the last 6 months, have you had any difficulties in accessing export credit insurance? SINGLE CODE

INTERVIEWER NOTE: IF THE RESPONDENT SAYS THEIR EXPORT CREDIT INSURANCE HAS BEEN REDUCED, THEN CODE AS 'YES'

Yes 1
No.. 2
(Don't know) 3
(Refused) 4

<u>ASK ALL</u>
F14 - How many owners, partners or directors are there in day-to-day control of the business? PROBE FOR BEST ESTIMATE

<u>IF SUBSIDIARY (F1a=3):</u>
AS NECESSARY **Please just answer in relation to the subsidiary in which you work**

Enter number
(Don't know)
(Refused)

<u>IF ANY OWNERS ETC (F14=1+)</u>
F15 – < IF F14=2+ **How many of these owners, partners, or directors /** IF F14=1 **Does this person > have degree level or equivalent qualifications?** PROBE FOR BEST ESTIMATE

INTERVIEWER NOTE: IF THERE IS JUST 1 PERSON ENTER 1 IF YES

Enter number (ALLOW FOR ZERO)
(Don't know)
(Refused)

<u>ASK ALL</u>
F26 – Finally, is your firm a member of any of the following? READ OUT. CODE ALL THAT APPLY.

The Chamber of Commerce	1
Any trade associations or sector bodies	2
Any other organisations representing business such as the CBI or the Federation of Small Businesses	3
None of these	4
(Don't know)	5

<u>ASK ALL</u>
F17 – That's the end of the interview, thank you very much for taking part. Would you be willing to take part in any future research on this topic conducted on behalf of UK Trade & Investment or the Department for Business, Innovation & Skills (BIS)?

Yes	1
No	2
(Don't know)	3

<u>IF INTERESTED IN UKTI SERVICES (S9a2=1 OR S9c2=1 OR S9d2=1</u>
F20 – You mentioned earlier that you may be interested in some of the services offered by UKTI. Would you like to be emailed some more information on these services? IF YES, RECORD EMAIL ACCURATELY & READ IT BACK LETTER BY LETTER TO CONFIRM.

Yes (RECORD EMAIL ADDRESS) 1
No.. 2

IF CODE 1 AT F20, THEN CATI TO AUTOMATICALLY SEND OUT EMAIL WITH INFO ON UKTI SERVICES AT THIS POINT

<u>ASK ALL</u>
F18 – Finally as proof of this interview please could I just confirm your business postcode? CATI TO DISPLAY POSTCODE IF AVAILABLE – AMEND IF MISSING OR INCORRECT

WRITE IN ....

<u>ASK ALL</u>
F19 – And may I take a note of your name?

WRITE IN ....

STANDARD THANK & CLOSE

Questions deleted from Section F

- ***F1c, F1d, F3d, F5b, F5c, F5e, F5g, F5h, F5i, F10a, F10b, F10c, F13, F16, F20a, F20b, F20c, F20d, F22a, F22b, F23a, F23b, F23c, F25a, F25b, F25c***