



Department for
International Trade

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

Wave 3

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1 Executive Summary

1.1 About the National Survey of Registered Businesses (NSRB)

The National Survey of Registered Businesses (NSRB) provides unique measures of businesses' exporting behaviours, plans and attitudes, alongside insights into the perceived barriers to exporting. Furthermore, the NSRB has been designed to provide insights into the performance of the multi-channel *Exporting is GREAT* campaign to date and make suggestions for the way forward. The *Exporting is GREAT* campaign is an important component of the government's ambition and strategy to help UK businesses start exporting and win contracts across the world.

Three waves of the NSRB have been completed to date: Wave 1 in October 2015; Wave 2 in April 2016; and Wave 3 in August 2017. As such, Wave 3 was the first to be conducted since the referendum on leaving the European Union. The wave-based approach allows the NSRB to track changes over time.

While the NSRB provides statistics for the entire population of UK registered businesses, the primary focus of the survey is on businesses with a turnover of £500k+ and all sub-group analysis is based on this group. The size of these businesses means that each may potentially be able to generate a significant value of exports. They are also the primary target audience of the *Exporting is GREAT* campaign.

1.2 Survey findings & potential implications

The survey's key findings are grouped into themes and summarised below. More detail on these themes can be found in the following chapters. Further analysis relating specifically to Small and Medium sized businesses is published separately.¹

There is significant scope to grow the number of exporters. However, it will be necessary to translate the current positive attitudes towards exporting into more concrete actions. There is currently a disconnect between a broad appreciation that exporting offers opportunities and the more active pursuit of those opportunities. Even those businesses which have products or services potentially suitable for export believe there are a range of barriers to becoming exporters. Capacity (particularly managerial time) is a key perceived issue for businesses which self-identify as having goods or services which could potentially be exported or developed for export.

Effective signposting to the support offered by DIT is therefore a priority for the Department, as is ensuring that the process of exporting is as frictionless as possible.

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

Based on analysis from the two previous waves of this survey, DIT has grouped all UK businesses into four segments. These groupings reflect businesses' views on their potential to export. These segments include:

- **Sustain:** this segment includes current exporters, defined as UK businesses which have exported goods or services in the past 12 months. Around a quarter (26%) of UK businesses fall into this segment.

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

- **Reassure:** this segment includes lapsed or intermittent exporters. These are UK businesses which had previously exported, but have not done so in the past 12 months. One in ten (10%) UK businesses were included in this grouping.
- **Promote:** this segment includes *self-identified* potential exporters. These are UK businesses which have never exported but believe they have goods or services which *could* potentially be exported or developed for export. Around two in ten (19%) UK businesses feature in this segment.
- **Challenge:** this segment includes non-exporters, defined as UK businesses which have never exported and do not currently see their goods or services as suitable for export. Close to four in ten (38%) UK businesses were included in this grouping.

There was a sizeable set of businesses who have never exported but believe they may be able to in the future (the Promote segment). Between 428,000 and 604,000 UK businesses held these views and these businesses represent a key audience for DIT's export promotion efforts.²

There was no change in the proportion of £500k+ businesses (as measured by their annual turnover) falling into each of these segments from Waves 1-3. The implications of this are two-fold. Firstly, it indicates the statistical stability of the segments, and lends credibility to segmenting UK business using these variables. Secondly, it demonstrates the challenges of changing businesses' exporting behaviours. For example, had we observed a significantly larger proportion of £500k+ businesses in the Sustain segment across the three waves, that could have indicated an increasing number of exporters with the potential to generate substantial export value.

1.2.2 How are UK businesses' attitudes towards exporting changing?

UK business attitudes relating to international demand and the scope for increasing the number of British exporters were generally positive and have shown improvement over the course of the Exporting is GREAT campaign. Around three quarters of £500k+ businesses (73%) agreed that 'there is a lot of demand for British products and services around the world' – an increase from 68% at Wave 1. There was also an increase in the proportion of £500k+ businesses agreeing that 'a lot more businesses could export than do export' (63% at Wave 3 compared to 55% at Wave 2). There were also signs of strengthening in these measures among the important Promote segment, from which the majority of future exporters are likely to come.

More broadly, a new question at Wave 3 examined businesses mid-term expectations for UK exporters as a whole. The balance of opinion in this respect was positive - **47% of all UK businesses expected the total value of UK exports to increase** over the next 5 years while 20% expected there to be a decrease and 15% reported that they did not know what would happen. Businesses in Scotland were less positive in this respect (32% expected an increase).

As such, many of the wider attitudes to exporting are relatively healthy and the key opportunity lies in converting these positive attitudes into action.

1.2.3 How many businesses plan to export and could current exporters do more?

Although an increasing majority of UK businesses believed that a lot more businesses could export than do export, as outlined above, this attitude was not generally reflected in decision makers' plans for their own business. Overall, **3% of £500k+ businesses reported that they planned to start exporting in the future** and this proportion has remained stable from Waves 1 to 3.

The proportion with plans to start exporting was higher in the key Promote segment (17%). However, there might be scope to increase this proportion given that all businesses in this segment

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

self-identify as having goods or services which could potentially be exported or developed for export. It will be necessary to move such businesses from a position where they have an abstract appreciation of the opportunities offered by exporting, to a position where they **more actively think about the potential for their own business**. This is an integral objective of the Exporting is GREAT campaign.

There is also scope for growth amongst those who currently export. Around a quarter of all exporters (27%) reported being reactive in their exporting behaviours – they **did not plan to export to new countries but instead reacted when orders from new territories were placed**. As such, there may be benefit in looking to encourage such businesses to think more proactively about the possibility of entering new markets.

1.2.4 What do UK businesses say prevents them from exporting (or exporting more)?

One in six £500k+ UK businesses (16%) had seriously considered exporting to a specific country over the past two years, but decided against doing so. The specific reasons for deciding against exporting varied widely but could be grouped into four broad categories:

- cost
- lack of knowledge
- capacity to export or cater for international contracts
- access to contacts and customers.

Each of these was seen as a broadly equal barrier to exporting among the wider population of businesses for whom exporting was possible. However, there were marked differences in terms of how businesses in the different segments viewed these barriers. In particular, **businesses in the Promote segment were more likely to identify capacity issues as a strong barrier** to exporting (46% compared to 24% of all £500k+ businesses that have a product to export or could be developed for export).³ This is likely to have been a factor for at least some of the 22% of businesses in the Promote segment which had seriously looked into exporting to a specific country in the past two years but had decided against doing so. A perceived lack of access to contacts, customers and the right networks was also a prominent barrier in the Promote segment (cited as a strong barrier by 45%).

A **lack of managerial time** was the most frequently mentioned barrier among those businesses which saw capacity as a barrier to exporting (68% of all businesses for whom exporting is possible and 55% of £500k+ businesses for whom exporting is possible). This suggests that there is a need to ensure that the process of exporting is made as smooth as possible and, as discussed below, that the support available to businesses is highlighted clearly.

Transportation costs were the most frequently cited barrier relating to cost (cited by 57% of £500k+ businesses who said that costs were a barrier to exporting). This was a more **widespread issue for small companies** (with fewer than 10 employees), 68% of whom mentioned transportation costs.

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

1.2.5 Where would businesses look for support and do they think they need it?

Given the range of barriers described above, the availability of support would appear to be an important element in the drive to increase the number of exporters. Indeed, the proportion of £500k+ businesses reporting that they had ever **sought advice or support about exporting increased** from 32% at Wave 1 to 39% at Wave 3. This increase was seen amongst both current exporters (the Sustain segment) and potential exporters (the Promote segment).

Highlighting the support available, or facilitating access to such support, may further encourage businesses to become exporters. Within the key Promote segment, a third of these businesses (33%) said that they were interested in information and support services to assist them with exporting. This compares with only 17% in this same Promote segment who said they currently had active plans to export. Signposting clearly to sources of support (and **particularly the great.gov.uk site**) is a focus of the most recent Exporting is GREAT campaign activities. This is particularly important given that **DIT is not currently a top of mind source of support** – 7% of £500k+ businesses said that they would go to DIT if they needed exporting support or advice. Businesses were more inclined to rely on online searches for their information (16%). A quarter (25%) reported that they didn't know where they would go for such support.

While many businesses reported a low level of knowledge about a range of factors relating to exporting, there have been signs of improvement in this respect.⁴ There was a decrease in the proportion of Promote segment businesses which reported a low level of knowledge about **how** to export (63% at Wave 1 compared to 44% at Wave 3). There was also a decrease in the proportion of businesses in the Promote segment reporting a low level of knowledge about **where to go for information** about exporting (48% at Wave 1 compared to 33% at Wave 3) and **where to go for help and support** (49% at Wave 1 compared to 35% at Wave 3). These trends may reflect the greater proportion of businesses which had already sought advice about exporting, as described above.

1.2.6 Has the Exporting is GREAT campaign had an effect?

Between 50,000 and 130,000 businesses were estimated to have taken action as a result of seeing the Exporting is GREAT campaign (15% of all campaign recognisers amongst the total business population).⁵ Of these, between circa 14,000 and 22,500 had a turnover of £500k+. The most common actions were visiting the great.gov.uk website (the main call to action over this phase of the campaign) and finding out more about exporting.

More recent campaign activities have looked to take a more peer-to-peer led approach to the creative and messaging (by highlighting 'relatable' businesses in a range of sectors). Future waves of the NSRB will investigate the success of the campaign in these and other respects.

⁴ Businesses which saw their goods or services as suitable for export were asked to self-assess their own levels of knowledge about various aspects of exporting on a 0 to 10 scale. Their responses were grouped into three bands; a score of 8-10 was been classified as a 'high level of knowledge; a score of 3-7 was classified as a 'moderate knowledge level' and a score of 0-2 represented 'poor or no knowledge'. The knowledge bands have been defined differently to the bands used for barriers questions. This is because the threshold for what constitutes a barrier that is sufficiently strong to deter businesses from considering exporting is likely to fall relatively lower on such a 0-10 scale.

⁵ The rounded central estimate for the number of businesses taking action is 93,000. This was calculated by multiplying the total number of registered businesses by the proportion of businesses taking action (rebased on all respondents) i.e. 2,670,000 * 3.5%. There is a margin of error of ±1.5% associated with the survey estimate at a 95% confidence level. The proportion of businesses taking action is therefore estimated to lie between 5% (i.e. 3.5% + 1.5%) and 2% (i.e. 3.5% - 1.5%). The upper estimate is therefore 2,670,000 * 5% = 133,500 (rounded to 130,000). The lower estimate is 2,670,000 * 2% = 53,400 (rounded to 50,000).

2 Policy background

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

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

2.1 UK Government aims

Alongside legislation, taxation, regulation and spending, **effective communication and communication campaigns** are key government tools in successful policy implementation and supporting government priorities. DIT plays a central role in helping to deliver two of the overall Government communications priorities for 2017/2018. These are:⁶

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

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

2.2 DIT aims

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

- Supporting and encouraging UK businesses to drive sustainable international growth;
- Ensuring the UK remains a leading destination for international investment and maintains its number one position for international investment stock in Europe;
- Opening markets, building a trade framework with new and existing partners which is free and fair; and
- Using trade and investment to underpin the government's agenda for a Global Britain and its ambitions for prosperity, stability and security worldwide.⁷

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

⁶ Full details of the communications priorities can be found in the Government Communications Plan 2017/18

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

⁷ This section was amended on 8th June, 2018

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

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

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

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

Along with these DIT aims, it is also important to note the survey's methodology when interpreting any survey data within this report. This is particularly the case when drawing comparisons with the Annual Business Survey (ABS) – this is discussed further in Chapter 4.

2.3 The *Exporting is GREAT* campaign

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

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

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

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

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

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

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

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

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

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

3 Survey objectives and methodology

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

Methodology essentials

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

- The survey is representative of all registered UK businesses.
- Three waves of interviewing have been conducted, allowing trends over time to be identified.
- All sub-group analysis (i.e. comparisons between regions/sectors etc.) is based on businesses with an annual turnover of £500k+.
- The Wave 3 survey has seen a range of improvements and the margins of error in the Wave 3 data are therefore smaller than those of earlier waves.
- Direct comparisons should not be made with the Annual Business Survey.
- While the survey aims to measure campaign effects, external factors (such as developments in the process of the UK exiting the EU) may have impacted on some metrics.

Further detail on each of these points, and broader methodological details, is provided throughout this chapter.

3.1 Survey objectives

The NSRB series of surveys was designed to:

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

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

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

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

3.2 Methodology

3.2.1 Methodology overview

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

The findings from three waves of interviewing are included in this report:

- Wave 1 interviews were conducted from 20th October to 6th November 2015.
 - Timed so that interviewing was completed before the first burst of campaign activity began.
- Wave 2 interviews ran from 1st April to 4th May 2016.
 - Timed so that fieldwork started immediately after the initial bursts of campaign activity had been completed.
- Wave 3 interviews were carried out from 26th July to 7th September 2017.
 - Timed so that fieldwork was conducted three months after the end of the second year of campaign activity and was completed shortly before the start of the third burst of campaign activity. The third round of campaign activities began with low-spend online activities in September 2017 and the main burst, including Video On Demand (VOD) adverts, started in January 2018.

The survey data are not longitudinal – a separate sample of businesses was interviewed at each wave.

The Wave 1 interview was shorter than the following waves, primarily because it did not include the module of questions designed to measure prompted campaign recall and campaign impacts. Interviews lasted an average of:

- 12 minutes at Wave 1
- 17 minutes at Wave 2
- 21 minutes at Wave 3

During Waves 2 and 3, respondents were directed to a website which allowed them to view campaign materials during the telephone interview.

The accompanying technical report to this release contains a glossary (in section 1.13 of the technical report) of the main terms used in the NSRB's reports and data tabulations.

3.2.2 Sample design

The survey's sample for all three waves was drawn from the IDBR (Inter-Departmental Business Register). As such, the survey population consists of registered businesses.⁷

£500k+ turnover businesses were oversampled relative to their true proportion in the population of businesses, reflecting the targeting of the *Exporting is GREAT* campaign. This allows for more robust sub-group analysis when looking at £500k+ businesses, but also means that the effective base size when looking at findings among all businesses is reduced (see following section for further details).⁸

Quotas were applied to ensure that the required number of interviews was achieved with companies of a range of sizes; companies in a range of sectors; and companies based in different regions of the UK. However, prior to the application of quotas, a stratified random probability approach was used, with strata as shown in Figure 3.1.

Figure 3.1: Sample stratification variables

Variables used in the sample stratification	
Type/Size of Business	<£500k turnover with 0 employees
	<£500k turnover with 1-2 employees
	<£500k turnover with 3-4 employees
	<£500k turnover with 5-9 employees
	<£500k turnover with 10 or more employees
	£500k to £24,999,999 turnover with 0 employees
	£500k to £24,999,999 turnover with 1-4 employees
	£500k to £24,999,999 turnover with 5-9 employees
	£500k to £24,999,999 turnover with 10-19 employees
	£500k to £24,999,999 turnover with 20-49 employees
	£500k to £24,999,999 turnover with 50-99 employees
	£500k to £24,999,999 turnover with 100-249 employees
	£25m to £499,999,999 turnover with 0 employees
	£25m to £499,999,999 turnover with 1-19 employees
	£25m to £499,999,999 turnover with 20-49 employees

⁷ The IDBR provides the main sampling frame for surveys of businesses carried out by the Office for National Statistics (ONS) and other government departments. It covers 2.6 million businesses in all sectors of the UK economy, other than very small businesses (those without employees and with turnover below the tax threshold) and some non-profit making organisations. The two main sources of input are the Value Added Tax (VAT) system from HMRC (Customs) and Pay As You Earn (PAYE) from HMRC (Revenue). Additional input comes from Companies House, Dun and Bradstreet and ONS business surveys.

⁸ At Waves 1 and 2, strictly speaking the survey oversampled £500k+ SMEs and MSBs as opposed to all £500k+ businesses. This is discussed further in the following section.

	£25m to £499,999,999 turnover with 50-249 employees
	£500m or higher turnover OR 250 or more employees
Region	England – North (GOR: North East, North West, Yorkshire & Humber)
	England – Midlands (GOR: East Midlands, West Midlands, East of England)
	England – South (GOR: South East, South West, London)
	Scotland
	Wales
	Northern Ireland

3.2.3 Sample size and effective base sizes

The unweighted sample sizes achieved in each wave are shown in Figure 3.2.

While the weighting scheme was refined at Wave 3, all waves of the survey were weighted to ensure that they matched the profile of businesses on the IDBR in terms of:

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

Two separate sets of data were run, each weighted on the above factors. One of these was based on all businesses; the other on £500k+ businesses. The effective base sizes for each of these data sets are also shown in Figure 3.2.⁹

Figure 3.2: Unweighted and effective base sizes by data set

	Wave 1	Wave 2	Wave 3
All businesses – unweighted base	1,405	1,418	2,991
All businesses – effective base	347	405	550
£500k+ businesses – unweighted base	1,160	1,139	2,535
£500k+ businesses – effective base	922	909	1,617

Where data relating to the total business population is quoted in this report, we do **not** compare sub-groups (e.g. businesses in different industry sectors or regions). All sub-group comparisons in this report are based on £500k+ businesses – this is partly because this is the key target group for

⁹ The effective base size takes account of the reduction in statistical reliability associated with weighting data and is the value which is used in any significance testing conducted throughout this report. A more granular weighting scheme was used in Wave 3 – this has served to increase the ratio between unweighted and effective bases in the total business population but has also improved the representativeness of the Wave 3 weighted total population data. See the accompanying technical report for further details of the weighting schemes.

the *Exporting is GREAT* campaign and partly because the effective base size for the 'all businesses' group is not large enough to support robust sub-group analysis.

The effective base size for the 'all businesses' group is lower than that for the £500k+ group because it was necessary to apply heavier weights to the 'all businesses' data. This stems from a deliberate sample design decision based on the relative importance of £500k+ businesses to the export market. A boost sample of 90 small and medium businesses was also incorporated into the sample design, with a view to ensuring sufficiently large base sizes to feed into the Small and Medium business report which is published alongside this one.

3.2.4 Statistical significance

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

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

3.3 The impact of external factors on results

The fieldwork for Wave 1 of the NSRB survey was conducted in October/November 2015, while Wave 2 interviews were carried out in April/May 2016. As such, it is possible that the EU referendum campaign (which was active in the months leading up to the referendum itself on 23rd June 2016), may have impacted on trends observed between Waves 1 and 2.

Ongoing ripple effects (both positive and negative) stemming from the vote to leave the EU and the subsequent media focus on exporting may also have impacted on the data collected at Wave 3.

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

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

3.4 Change to the weighting approach

The weighting approach for the £500k+ dataset is similar to that employed in previous waves and cross-wave comparisons should therefore be reliable.

However, the weighting matrix for the 'all businesses' dataset was significantly more detailed than that used in Waves 1 and 2. This change in approach was enabled by the larger sample size at Wave 3 and means that the weighted Wave 3 data is more representative than that of earlier waves. However, this also means that trends may have been affected and a degree of caution is necessary when comparing Wave 3 figures for the total business population against earlier waves.

3.5 Change in £500k+ sub-group definition

In the first published report of the NSRB, which focused on Waves 1 and 2, one of the key sub-groups of interest was £500k+ SME/MSBs.¹⁰

In the previous report, SMEs (Small and Medium sized Enterprises) were defined as having between 1 and 249 employees and a turnover of less than £25m. MSBs (Mid-Sized Businesses) were defined as having at least one employee and a turnover of £25m up to £500m.

In this report, the group of interest has been amended and now constitutes all businesses with an annual turnover of £500k+. This change means that the new definition now incorporates the very small number of businesses which have no employees and a turnover of £500k+ (<1% of all £500k+ businesses) and businesses with a turnover of £500m+ (<2% of all £500k+ businesses). The inclusion of these extra companies in the definition will have had a minimal impact on trends and Wave 1 and 2 data have not therefore been recalculated.

Strictly speaking, the text throughout this report should refer to '£500k+ SME/MSBs' when discussing the Wave 1 and 2 data, and '£500k+ businesses' when discussing the Wave 3 data. However, bearing in mind the minimal difference in these definitions, a decision has been taken to refer to this sub-group as '£500k+ businesses' for all three waves of survey data.

3.6 Fundamental differences between ABS and the NSRB

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

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

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

- The ABS specifically targets those sectors which account for around two thirds of the total economy and excludes sub-categories including much of the finance and agriculture sectors. In contrast, the results from the NSRB include all sectors (except for the public sector and charities).¹¹
- ABS respondents provide answers in the context of their reporting unit, whereas the NSRB collects data at an enterprise level. This means that the ABS might record a smaller proportion of 'exporters' among its survey population (essentially because there are some companies which are made up of a mixture of units which export and units which do not).
- There are also methodological differences between the two surveys which may also impact on the data:

¹⁰ The previous report is published here:

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

¹¹ More specifically, the *Exporting is GREAT* sample was selected to include enterprises with a legal status of 1 (company), 2 (sole proprietor) or 3 (partnership) in the Inter-Departmental Business Register (IDBR).

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

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

3.7 Key findings from the Annual Business Survey

The November 2017 statistical release from the ABS focuses on 2016 data from Great Britain (i.e. excluding Northern Ireland).¹² As such, along with the other reasons outlined above, it is not directly comparable to the data contained elsewhere in this report. Nevertheless, it represents a robust source of data on exports and is included here to provide further context.

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

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

The ABS data also show that 214,000 registered businesses (9.1%) in GB imported goods and/or services, and 305,200 registered businesses (12.9%) in GB were involved in exporting, importing, or both in 2016.¹³

¹² ONS Annual Business Survey: Great Britain non-financial business economy, 2016 exporters and importers Statistical Release (November 2017 release)
<https://www.ons.gov.uk/releases/annualbusinesssurveygreatbritainnonfinancialbusinesseconomy2016exportersandimporters>

¹³ These data are released as 'experimental official statistics' and a methodology review is underway to ensure the data are fit for purpose. The ABS figures are lower than other estimates of the number or proportion of exporters derived from sources such as the BEIS Small Business Survey.

4 Current and future exporting behaviours

This chapter examines whether UK businesses are currently exporting and, if not, whether they potentially could be. It also investigates how this has changed over the course of the *Exporting is GREAT* campaign, whether businesses are planning to start exporting and how long the journey towards exporting typically takes.

Key Findings

- Between 428,000 and 604,000 UK businesses have never exported but self-identify as being potentially able to do so.
- There was no statistically significant change in the proportion of £500k+ businesses falling into each of the exporting segments, reflecting the challenge of changing businesses' exporting behaviours. Of particular note, the proportion of non-exporters self-identifying as having a product which could be developed for export remained stable.
- The proportion of businesses self-identifying as potentially able to begin exporting was similar regardless of the size of the business in terms of turnover.
- Only 1% of £500k+ businesses in Northern Ireland reported that they had not exported but were potentially able to do so (compared to 22% of those in the North East of England).
- 7% of all businesses reported an increase in exports of goods and 8% reported an increase in exports of services since October 2015 while 4% reported a fall (for both goods and services). Companies with a turnover of £2m+ performed more strongly in this respect than those with a turnover below £2m.
- 27% of all businesses which had exported reported that they did not actively plan to start exporting to new countries, but just reacted when overseas orders came in.

As discussed in Section 3.6, the design and scope of the NSRB differs from that of the ABS. As such, the data from each are not directly comparable. The ABS provides the definitive source of data on the number of exporters in GB.¹⁴

4.1 Current exporting behaviours

4.1.1 Exporting segmentation

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

¹⁴ <https://www.ons.gov.uk/surveys/informationforbusinesses/businesssurveys/annualbusinesssurvey>

Figure 4.1: Exporting segments

Sustain

Sustain consists of **current exporters**: businesses which have exported goods or services in the past 12 months.

Reassure

Reassure consists of businesses which **haven't exported in the past 12 months, but which had exported previously**.

Promote

Promote consists of businesses which **have never exported but which self-identify as having goods or services which could potentially be exported or developed for export**.

Challenge

Challenge consists of businesses which **have never exported and do not currently see their goods or services as suitable for export**.

As shown in Figure 4.2, around a quarter of all registered businesses (26%) reported that they had exported goods and/or services in the past 12 months (the 'Sustain' segment). One in ten (10%) were lapsed or intermittent exporters which had not exported in the past 12 months but had exported at some earlier point in their history (the 'Reassure' segment). Almost four in ten (38%) had never exported and did not see their goods or services as being potentially suitable for export (the 'Challenge' segment). Around one in five businesses (19%) self-identified as having goods or services which could potentially be exported or developed for export (the 'Promote' segment). The equivalent proportions for the key £500k+ turnover group are discussed in Section 4.1.3, below.

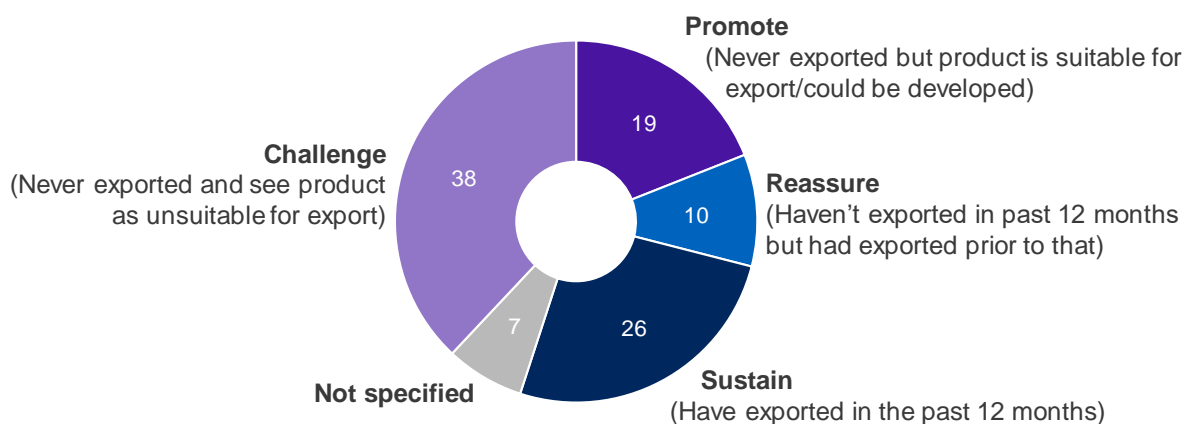
Given that there are around 2,670,000 million UK registered businesses, this suggests that there are between 428,000 and 604,000 registered businesses in the UK that could potentially become exporters and are already aware of this potential to some extent.¹⁵

¹⁵ This Wave 3 estimate was calculated by multiplying the number of registered businesses by the proportion of registered businesses falling into the Promote segment i.e. $2,670,000 * 19.34\% = 516,000$. However, there is a margin of error of $\pm 3.3\%$ associated with the survey estimate at a 95% confidence level. The proportion of businesses falling into the Promote segment is therefore estimated to lie between 22.64% (i.e. $19.34\% + 3.3\%$) and 16.04% (i.e. $19\% - 3.3\%$). The upper estimate is therefore $2,670,000 * 22.64\% = 604,000$. The lower estimate is $2,670,000 * 16.04\% = 428,000$.

The equivalent calculation at Wave 2 estimated that the value lay between 278,000 and 448,000, with a central estimate of 363,000. The number of registered businesses at Wave 2 was 2,449,000 and the proportion of businesses in the Promote segment was 14.83% (with a margin of error of $\pm 3.5\%$). There was not a statistically significant difference between the estimates at Waves 2 and 3. It is also worth noting that these estimates relate to businesses which self-identify as having goods or services which could be exported or which could be developed for export – they do not provide a firm estimate of whether the business is 'export ready' or has the capacity to export on a sustainable basis. The estimates may also have been affected by refinements to the weighting scheme at Wave 3.

Figure 4.2: Proportion of businesses falling into each of the exporting segments at Wave 3

% all respondents



Source: Composite measure merging data from several variables
Base : All respondents (2991)

4.1.2 Segment profiles

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

Each chart focuses on how the segment in question differs from the others. They show measures which are significantly different from one or more of the other segments (a selection of measures is shown where there are too many to display). The charts also show (using arrows) where there have been significant changes for each segment from Wave 2 to Wave 3 (i.e. from after the first year of the campaign to after the second year).

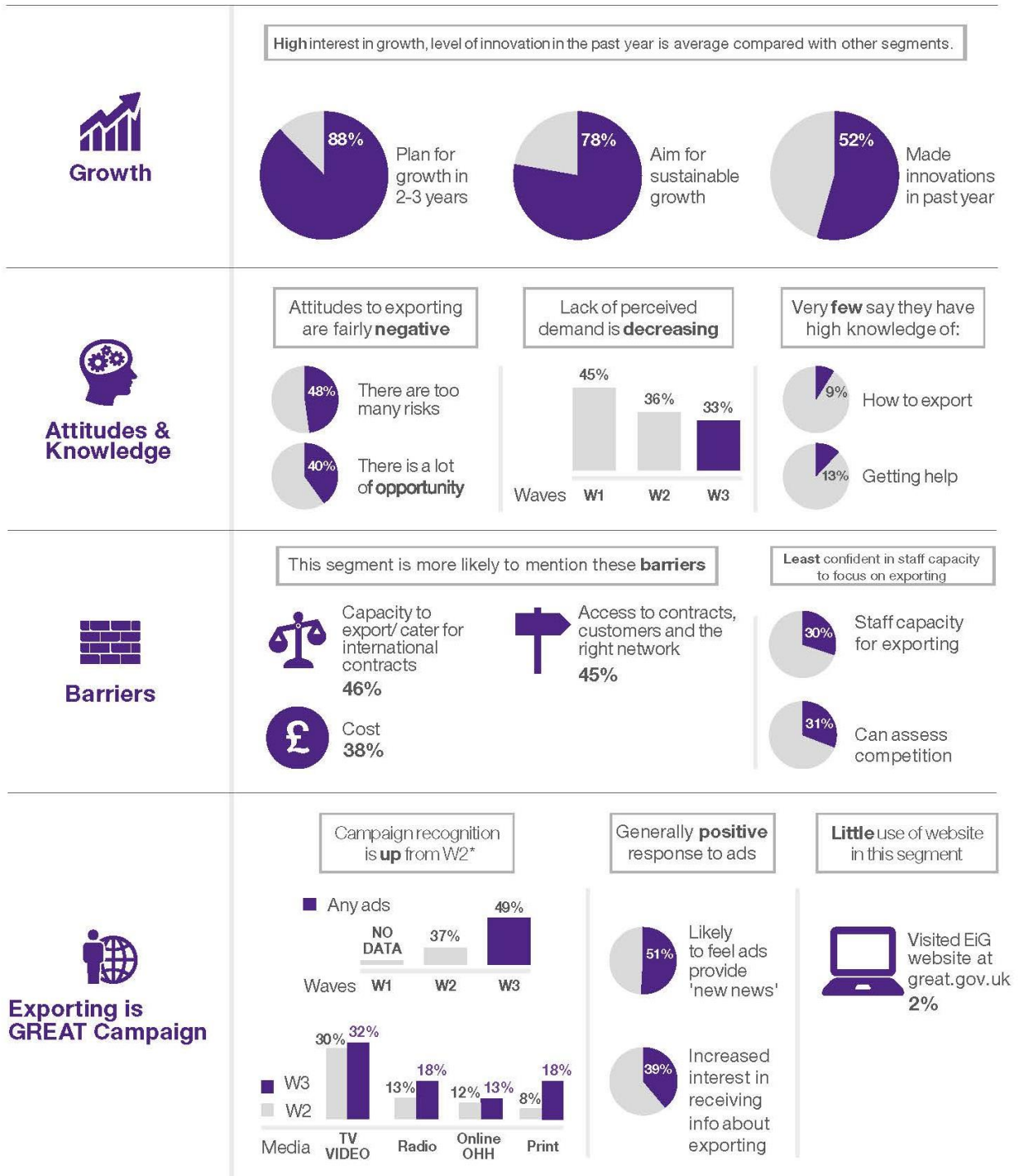
The charts for all four segments show key business demographics (only showing those for which there are significant differences), attitudes towards growth and exporting, and campaign evaluation measures. In addition, the three segments that export currently (or believe they could export in future) are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

Figure 4.3: Profile of 'Promote' segment

+ Promote

*The figures reported below are statistically significant differences compared to responses given by businesses in the other three segments unless otherwise specified.

19% of all UK businesses say they have never exported but their product is suitable for export/could be developed



* figures in this section show significant differences in responses between waves within the specified segment.

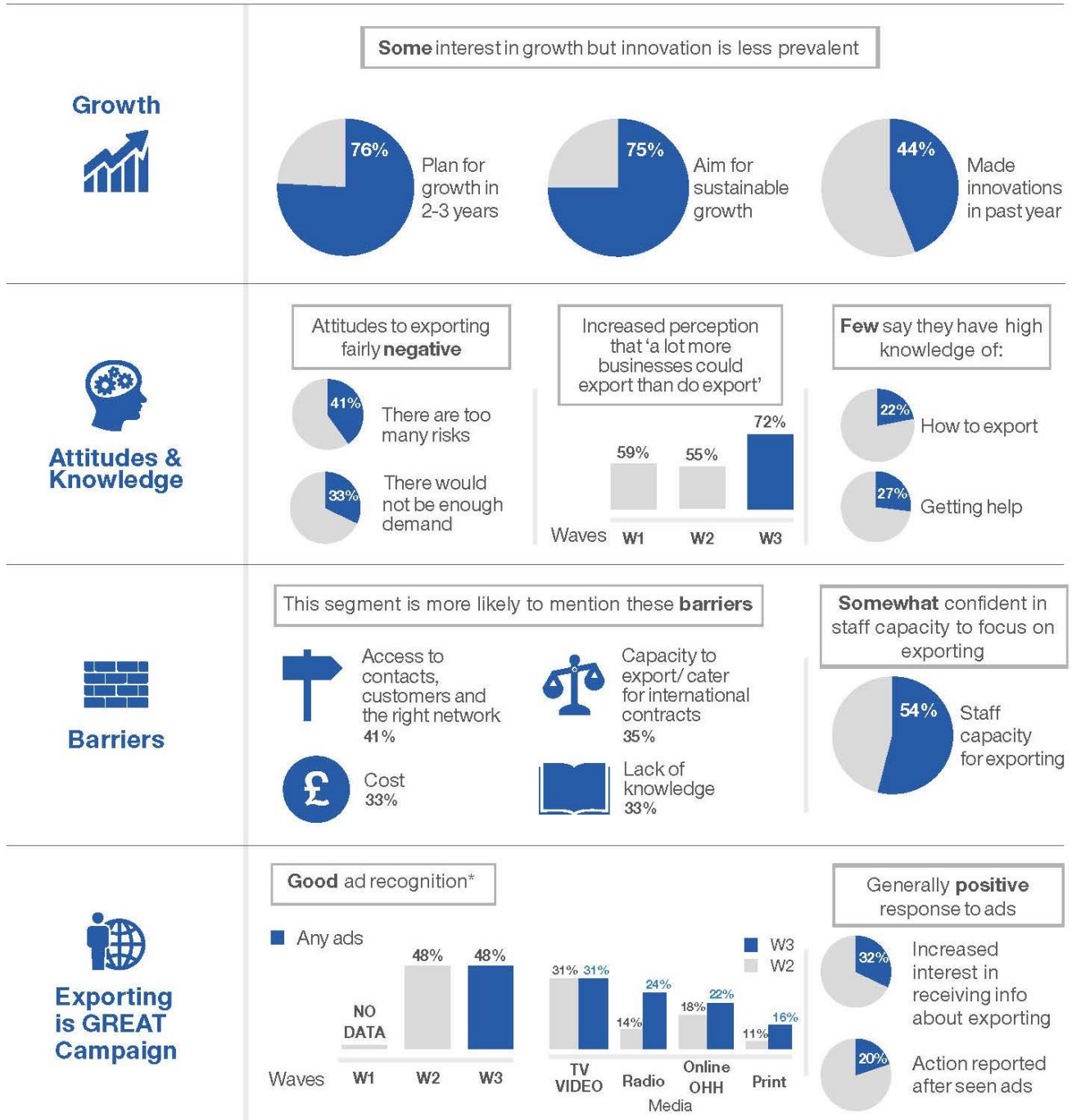
The data shown here are drawn from a broad range of NSRB questions. Some questions were asked of all respondents while others were asked of sub-groups within the main sample. All figures reported take account of these differences in base size and are statistically significant. The data tabulations published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

Figure 4.4: Profile of 'Reassure' segment

+ Reassure

* The figures reported below are statistically significant differences compared to responses given by businesses in the other three segments unless otherwise specified.

10% of all UK businesses say they have exported in the past but haven't exported in the last 12 months



* figures in this section show significant differences in responses between waves within the specified segment.

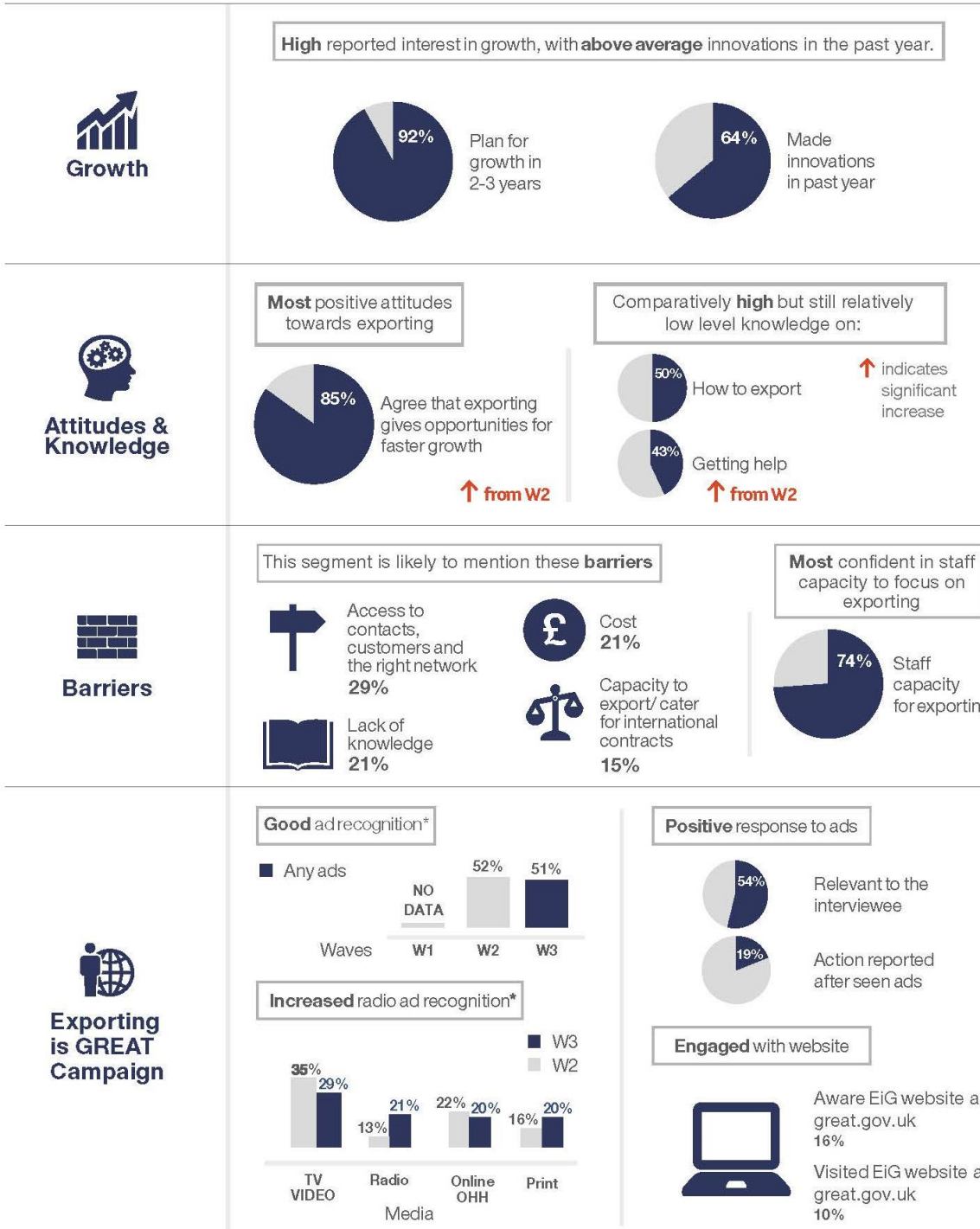
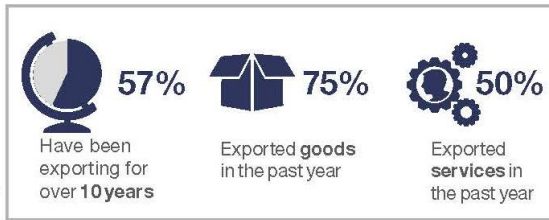
The data shown here are drawn from a broad range of NSRB questions. Some questions were asked of all respondents while others were asked of sub-groups within the main sample. All figures reported take account of these differences in base size and are statistically significant. The data tabulations published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

Figure 4.5: Profile of 'Sustain' segment

+ Sustain

*The figures reported below are statistically significant differences compared to responses given by businesses in the other three segments unless otherwise specified.

26% of UK businesses say they have exported in the last 12 months



* figures in this section show significant differences in responses between waves within the specified segment.

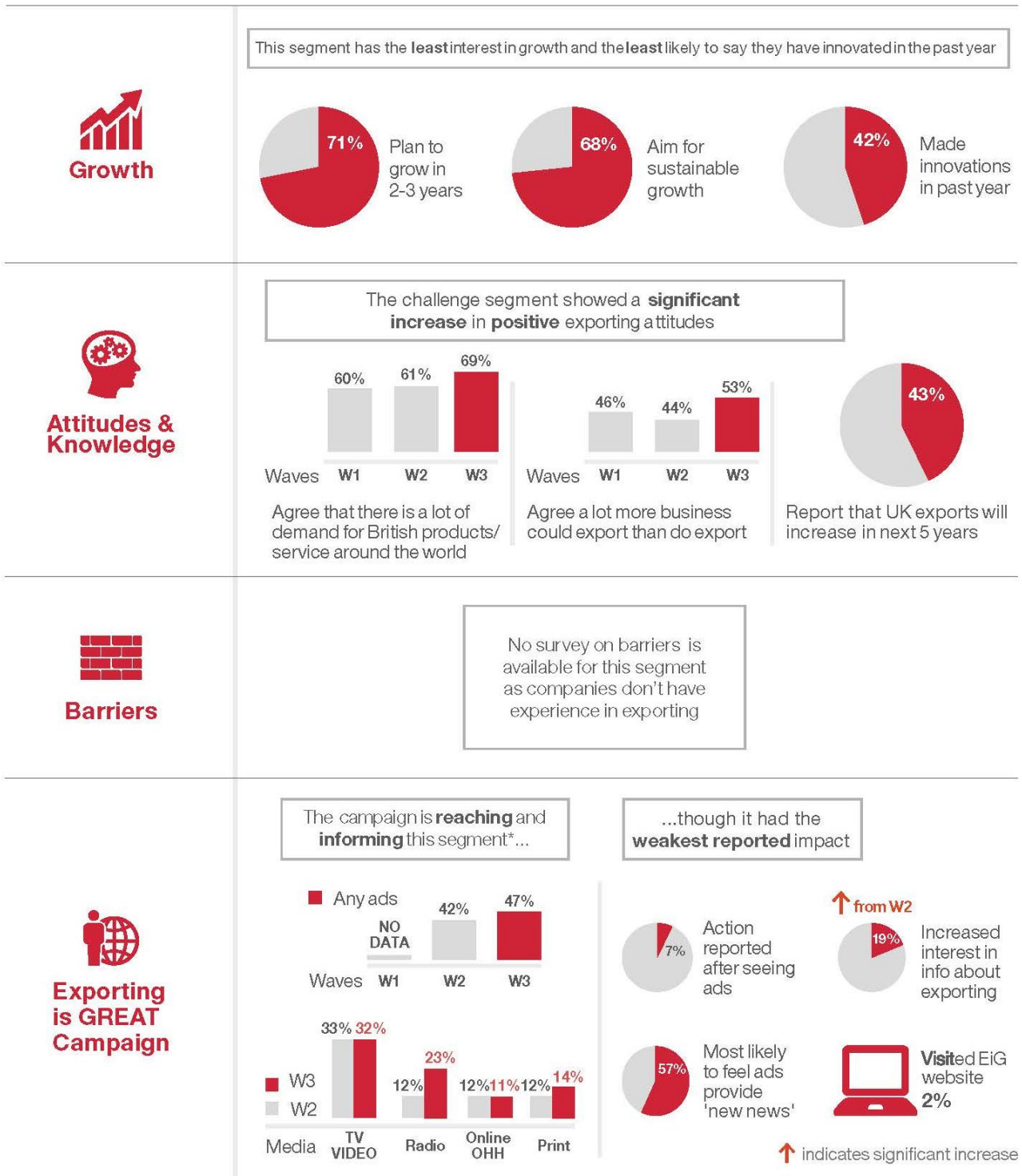
The data shown here are drawn from a broad range of NSRB questions. Some questions were asked of all respondents while others were asked of sub-groups within the main sample. All figures reported take account of these differences in base size and are statistically significant. The data tabulations published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

Figure 4.6: Profile of 'Challenge' segment

+ Challenge

* The figures reported below are statistically significant differences compared to responses given by businesses in the other three segments unless otherwise specified.

38% of all UK businesses say they have never exported and their **product is not suitable for export**



* figures in this section show significant differences in responses between waves within the specified segment.

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

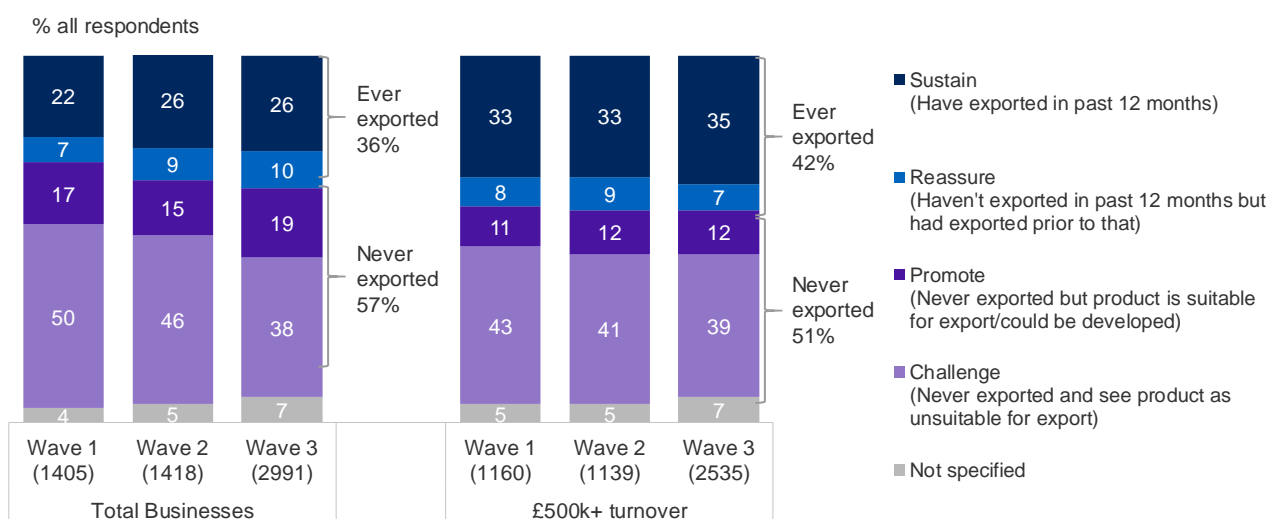
4.1.3 Exporting status among different types of businesses

The following section looks at how the proportion of businesses falling into each of the segments has changed over time (see Figure 4.7). It shows data for both the total population of registered businesses and for those businesses with an annual turnover of £500k or more.

Among the total business population, there was a decrease in the proportion of businesses which see their product as unsuitable for export and therefore fall into the Challenge segment (from 50% at Wave 1 to 38% at Wave 3).¹⁶ Over the same period, there was an increase in the proportion of businesses no longer able or willing to specify which segment they fall into (rising from 4% at Wave 1 to 7% at Wave 3). There was no statistically significant change in the proportion of businesses falling into the Promote, Sustain or Reassure segments.

There was no change in the proportion of £500k+ businesses in the Sustain, Reassure, Promote and Challenge segments across the three waves of the survey.

Figure 4.7: Exporting segments by business type



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

4.1.4 Exporting status of £500k+ businesses across the regions

The following section examines regional differences in the proportion of £500k+ businesses falling into each of the exporting segments at Wave 3.

It should be noted, as flagged in Figure 4.8, that the regional base sizes were low in some cases. As such, differences between some regions may be exaggerated while in other cases real differences may not meet the threshold of statistical significance.

Even so, the scale of regional variation means that we are able to identify a number of statistically significant differences which are worth bearing in mind when considering the national exporting landscape.

¹⁶ As discussed in Section 4.2, trends in the total population may have been impacted by improvements to the weighting design at Wave 3. As such, this decrease in the proportion of businesses falling into the Challenge segment should be treated with a degree of caution.

There were more £500k+ businesses in the Challenge segment in North West England (51%), the West Midlands (48%) and Scotland (49%) than in the East Midlands (31%), East Anglia (35%) and London (34%).

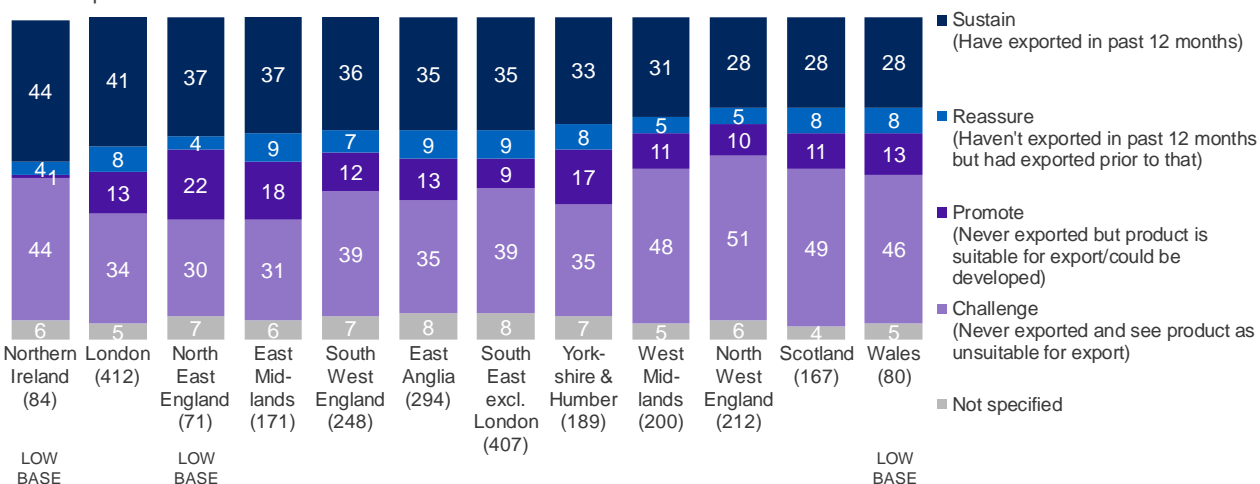
Northern Ireland (1%) had the lowest proportion of £500k+ businesses in the Promote segment - lower than in North East England (22%), Yorkshire and Humber (17%), the East Midlands (18%), East Anglia (13%), London (13%), South West England (12%) and Wales (13%).

The South West (12%) had a lower proportion of £500k+ businesses in the Promote segment than North East England (22%) and the East Midlands (18%).

Northern Ireland (44%) had a high proportion of £500k+ businesses in the Sustain segment - higher than North West England (28%) and Scotland (28%). London (41%) also had a high incidence of current exporters – again this was higher than in the North West (28%) and Scotland (28%).

Figure 4.8: Exporting segments by region (£500k+ businesses)

% all respondents



Source: Composite measure merging data from several variables
Base: All £500k+ turnover respondents

4.1.5 Exporting status of £500k+ businesses by industry sector

Due to the increased sample size, it is possible to provide more detailed sector break downs for the Wave 3 data than in earlier waves. As such, this section focuses on differences between £500k+ businesses within each of these more detailed sectors at Wave 3. The sectors described throughout this report are based on groupings of UK SIC (2007) sections, as outlined in Figure 4.9.¹⁷

¹⁷ Further information about the SIC classification is available from the ONS: <https://www.ons.gov.uk/methodology/classificationsandstandards/ukstandardindustrialclassificationofeconomicactivities>

Figure 4.9: How industry sectors referenced in this report map to UK SIC sections

Sector name	UK SIC (2007) sections
Construction & Real Estate	L (Real estate) and F (Construction)
Consumer Discretionary	R (Arts, entertainment & recreation) and I (Accommodation and food service activities)
Education and Health	P (Education) and Q (Human health and social work activities)
Financial & Insurance	K (Financial & insurance activities)
Information & Communication	J (Information & Communication)
Manufacturing, Raw Materials & Energy	A (Agriculture, forestry & fishing), B (Mining and quarrying), C (Manufacturing), D (Electricity, gas, steam and air conditioning supply) and E (Water supply; sewerage, waste management and remediation activities)
Professional & Services	M (Professional, scientific and technical activities) and N (Administrative and support service activities)
Transportation & Storage	H (Transport and storage)
Wholesale & Retail	G (Wholesale and retail trade; repair of motor vehicles and motor cycles)
Other	S (Other service activities) and T (Activities of households as employers; undifferentiated goods and services-producing activities of households for own use)

As flagged in Figure 4.10, the sector base sizes were low in some cases. As such, differences between some sectors may be exaggerated while in other cases real differences may not meet the threshold of statistical significance. Nevertheless, the sector differences discussed below were found to be statistically significant.

There were large differences in exporting behaviours between £500k+ businesses in different industry sectors. The manufacturing, raw materials and energy sector (53%) had a higher proportion of £500k+ businesses in the Sustain segment than any other sector apart from information and communication (46%), wholesale and retail (44%), and transport and storage (43%).

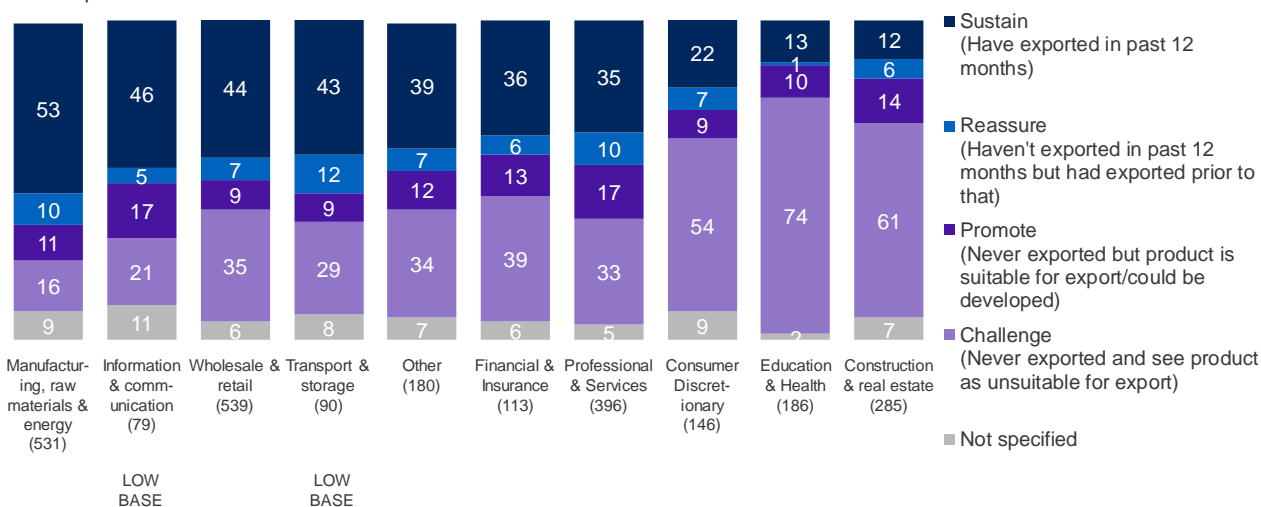
The education and health sector (1%) had a lower proportion of £500k+ businesses in the Reassure segment than any other sector apart from financial and insurance (6%) and information and communication (5%).

Businesses with a turnover of £500k+ in the professional and services sector (17%) were more likely to fall into the Promote segment than those in the consumer discretionary (9%) and wholesale and retail (9%) sectors.

The incidence of £500k+ businesses in the Challenge segment was relatively high in the construction and real estate (61%), consumer discretionary (54%) and education and health (74%) sectors. All of these three sectors had a significantly higher proportion of £500k+ businesses in the Challenge segment than was found in manufacturing, raw materials and energy (16%); information and communication (21%); other (34%); wholesale and retail (35%); professional and services (33%); and transportation and storage (29%).

Figure 4.10: Exporting segments by sector (£500k+ businesses)

% all respondents



Source: Composite measure merging data from several variables
Base : All £500k+ turnover respondents

4.1.6 Exporting status of £500k+ businesses by annual turnover

As shown in Figure 4.11, higher turnover was associated with an increased incidence of exporting activities up to the £5m threshold, but this effect flattened above the £5m threshold – businesses with a turnover of £50m+ (47%) were no more likely to fall into the Sustain segment than those with a turnover of £5m to £10m (49%)¹⁸.

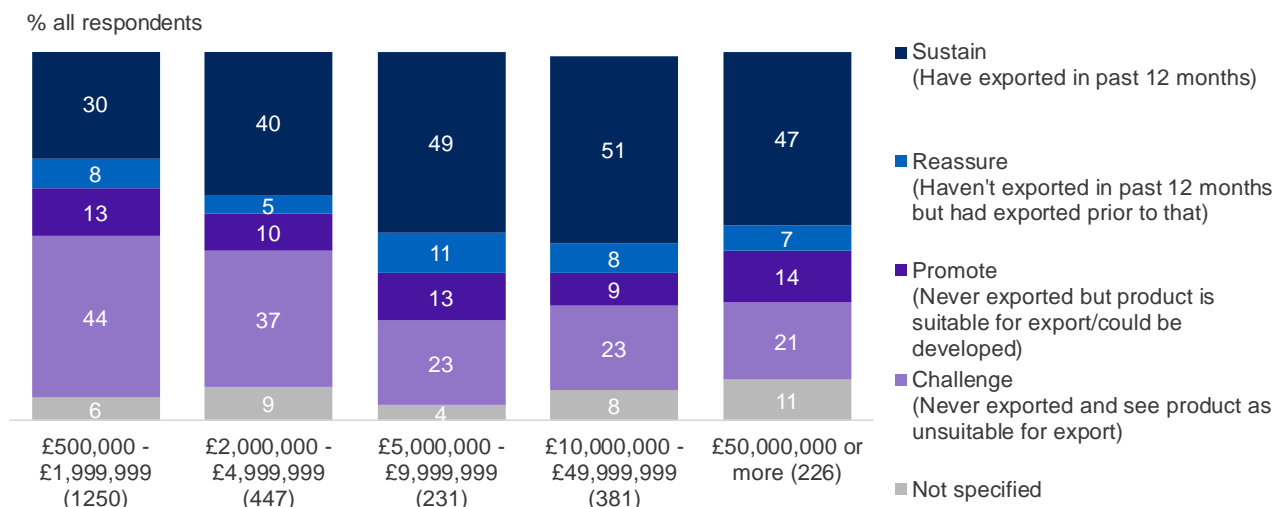
Those with a turnover of £10m to £50m (51%) were more likely to be in the Sustain segment than those in the £2m to £5m turnover group (40%).

There were no differences in the proportion of businesses in the Promote segment according to annual turnover i.e. there was a similar self-assessed potential to export amongst each of the turnover bands above £500k, regardless of size.

Businesses with an annual turnover of £500k to £2m (44%) or £2m to £5m (37%) were more likely to believe that their goods/services were not potentially suitable for export than those with a higher turnover.

¹⁸ To improve the flow of the report we have simplified the descriptions of the turnover bands so that they are based on rounded values. The more accurate underlying bands are: £500k to £1,999,999; £2m to £4,999,999; £5m to £9,999,999; and £10m to £50m. More detailed analyses of differences between companies in each of these turnover bands is included in the £500k+ Small and Medium Businesses Report which is published alongside this report.

Figure 4.11: Exporting segments by annual turnover (£500k+ businesses)



Source: Composite measure merging data from several variables
 Base : All £500k+ turnover respondents

4.2 Experience levels among exporters

Exporters were asked for how many years they had been exporting their goods or services. Among the total population of exporters, 4% of firms reported having started exporting in the past year – this was higher than the equivalent proportion of £500k+ turnover exporters (1%), suggesting that smaller companies are more likely to be new entrants to the export market. It should, however, be borne in mind that export activities (particularly for small companies) may consist of very low-level activity such as selling to a small number of overseas buyers through intermediary websites such as Amazon or eBay.¹⁹

A similar pattern was to be found when using a slightly broader timeframe to identify new entrants to the export market. 17% of all businesses had been exporting for 3 years or less, compared to 10% of £500k+ businesses.

A substantial proportion of businesses which export had a well-established history of selling overseas. 55% of exporters with a £500k+ turnover had been exporting for 11 years or more, compared to 44% of all exporters.

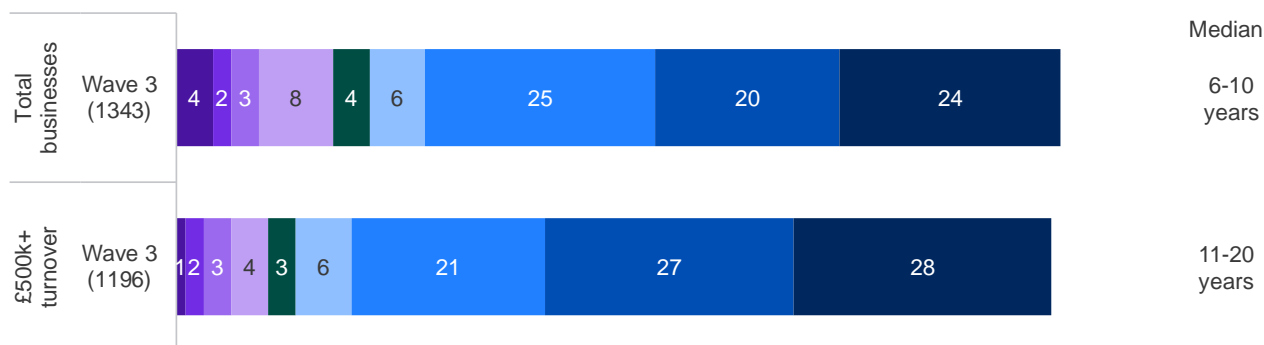
¹⁹ Amazon reports that the total value of UK exports through their selling platform was more than £1.8 billion in 2016.

<https://www.amazon.co.uk/p/feature/ossxsf3gzsjh8ab>

Figure 4.12: Number of years exporters have been exporting goods or services

% all who have exported

■ <1 year ■ 1 year ■ 2 years ■ 3 years ■ 4 years ■ 5 years ■ 6-10 years ■ 11-20 years ■ More than 20 years



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

4.3 Exporting goods and services

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

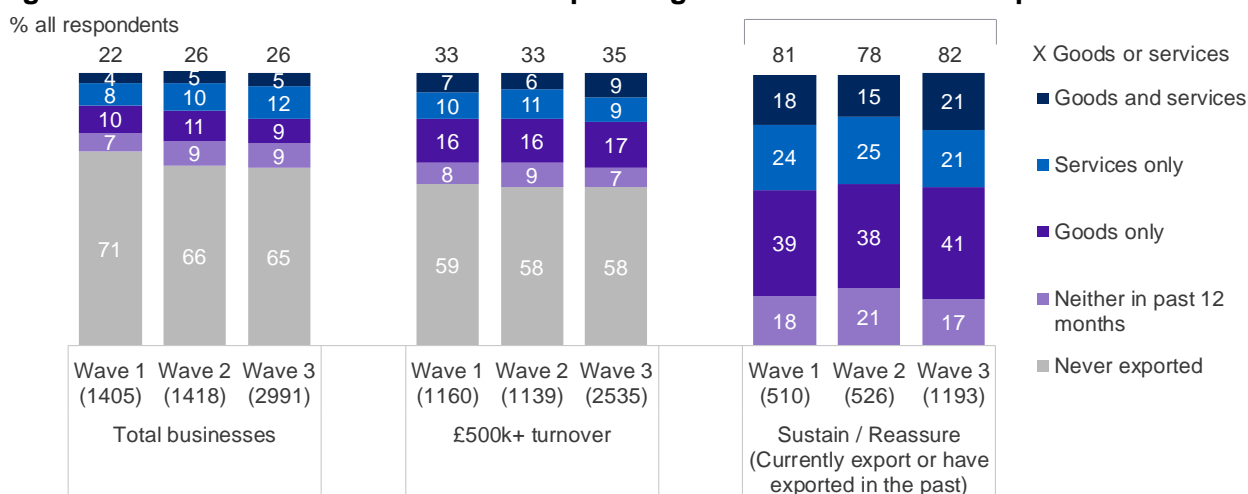
There was a stable picture in this respect, with no significant changes between Waves 1 and 3 for £500k+ businesses.

Among the total businesses population at Wave 3, broadly similar proportions had exported only goods in the past 12 months (9%) and had exported only services (12%). The incidence of businesses which exported both goods and services was lower (5%).

Among the population of £500k+ businesses, there was more of a skew towards goods. At Wave 3, 17% of £500k+ businesses had exported only goods in the past 12 months compared with 9% which had exported only services. Businesses in the total business population were less likely to export goods only (9%) and less likely to export services only (12%) than those with a turnover of £500k+.

The incidence of exporting both goods *and* services was higher among £500k+ businesses (9%) than among the total registered business population (5%).

Figure 4.13: Whether businesses have exported goods or services in the past 12 months



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

Base : All respondents

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

4.4 Recent changes in exporting behaviours

Those businesses which reported that they had ever exported were asked how their exports of goods and services had changed since October 2015 (the point at which the *Exporting is GREAT* campaign started). Given that this date does not represent one of the main business reporting dates (e.g. financial or calendar year end) there is likely to have been an element of estimation in responses to this question. The data in Figure 4.14 have been rebased to provide findings based on all businesses rather than only those who have exported.

The proportion of all businesses which reported that they had started exporting goods since October 2015 (1%) was balanced by the proportion reporting that they had stopped exporting goods (2%) – taking margins of error into account, this should be viewed as an essentially flat trend. The same applied to the exporting of services among the total business population and to the exporting of both goods and services among £500k+ turnover businesses – in all cases the proportion of new exporters was offset by the proportion of businesses leaving the export market.

More positively, the proportion of businesses reporting that their exports had increased since October 2015 was higher than the proportion reporting that they had decreased. Among the total businesses population, 7% reported an increase in export of goods while 4% reported a decrease. Similarly, 8% of all businesses reported an increase in exports of services while 4% reported a decrease.²⁰

²⁰ The BEIS Longitudinal Small Business survey also looks at exporting behaviours and data is published here: <https://www.gov.uk/government/publications/small-business-survey-2016-panel-report>

It should be noted that the findings of this survey are not directly comparable with those from the NSRB, given that it covers only SMEs (defined as having fewer than 250 employees) and there are methodological differences in terms of weighting targets (which are drawn from Business Population Estimates 2016 rather than IDBR), the oversampling of businesses in Scotland and Northern Ireland, and the longitudinal nature of the research. Findings from this survey include:

- 15% of the SMEs on the panel exported goods or services in both 2015 and 2016, and 76% did not export in either year. A larger proportion of exporters was recorded in small businesses with 10-49 employees (23%) and medium businesses with 50-249 employees (28%).
- Among businesses that did not export in 2015 but planned to do so in 2016, 25% had actually undertaken some export activity in 2016, and 75% had not.

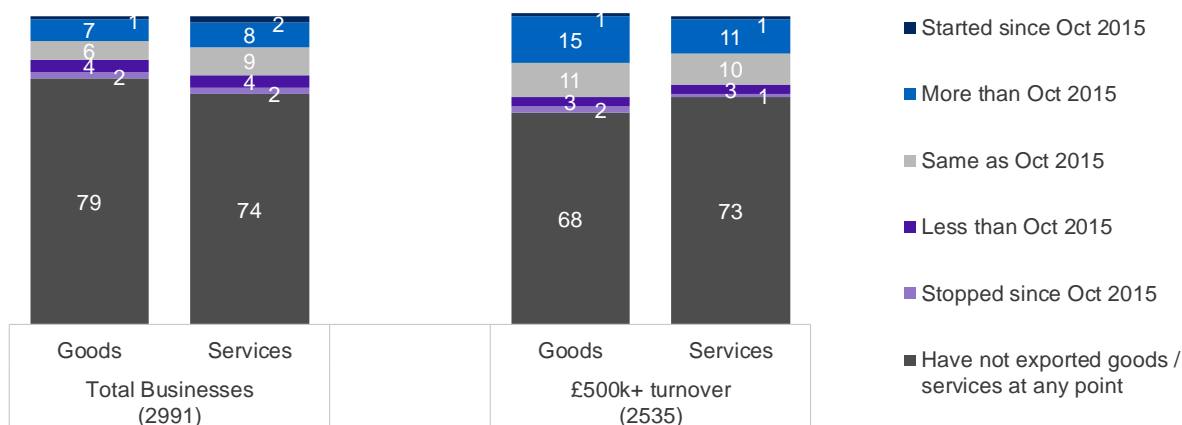
This pattern was even more pronounced among £500k+ businesses. Around one in seven (15%) reported an increase in exports of goods while 3% reported a decrease. In terms of the exporting of services, 11% reported an increase and 3% a decrease since October 2015. Compared with the total business population, £500k+ businesses were significantly more likely to say they had increased exports of each of goods and services.

Large companies appeared to have performed more strongly than small companies in terms of the export of goods. Among companies with a turnover of £500k to £2m, 3% reported a fall in exports and 12% an increase in exports since October 2015. Among companies with a turnover of £2m or higher, 21% saw an increase in exports and 3% saw a decrease in exports since October 2015.

The above difference was less pronounced when it comes to the export of services. Around one in ten (9%) companies with a turnover of £500k to £2m reported an increase in the export of services while 3% reported a decrease. Among companies with a turnover of £2m or higher, 13% had seen an increase in the export of services while 3% had seen a decrease since October 2015.

Figure 4.14: How exports for goods and services have changed since October 2015

% all respondents



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

4.5 Future plans for exporting

Non-exporters were asked whether they had plans or an active interest in starting to export. If so, they were asked whether they planned to start exporting within the next 12 months or at some point further in the future. The data for this question have been rebased to give a proportion of all companies, as shown in Figure 4.15, as this provides a clearer indication of the potential scope for change. Given the complexities of joining the exporting market (and the potential for changing priorities across a period of 12 months+) these findings should be interpreted as being indicative of

Footnote continued from previous page:

- Among businesses that exported in both years, 33% experienced an increase in the proportion of their turnover accounted for by exports of goods or services, 40% experienced a decrease, and 27% reported that the proportion was about the same. There was no change in the mean proportion of turnover accounted for by exports between 2015 and 2016. It should be noted that these data relate to a 12-month timeframe whereas NSRB figures relate to a circa 22-month period. They also relate to the proportion of total turnover accounted for by exports, whereas NSRB measures absolute increases or decreases in exports.

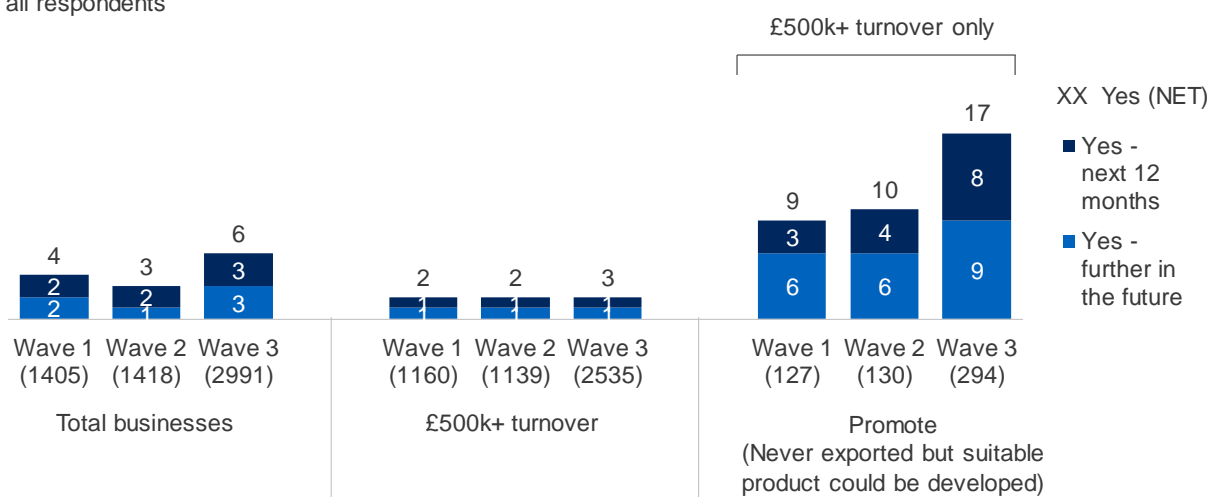
the businesses' intentions rather than being an absolutely accurate predictor of future exporting behaviour.

Among the total population of businesses, there was an increase in the proportion reporting that they had plans to start exporting within the next 12 months or at some point in the future, rising from 3% at Wave 2 to 6% at Wave 3. This was primarily driven by an increase in the proportion of companies reporting that they planned to export at some point in the future (1% at Wave 2 rising to 3% at Wave 3). There was not a statistically significant change in the proportion of all businesses planning to start exporting in the next 12 months.

Focussing on the population of businesses with a turnover of £500k+, the proportion planning to start exporting remained identical to that seen at both Waves 1 and 2. However, there was an increase in the proportion of £500k+ companies in the Promote segment reporting that they have plans to start exporting either in the next 12 months or at some point in the future, rising from 9% at Wave 1 to 17% at Wave 3.

Figure 4.15: Plans to start exporting in the future

% all respondents



Source : EXPFUT - Do you have plans to start exporting or licensing your goods or services outside the UK? If yes: do you think this will be in the next 12 months or further in the future?

Base of EXPFUT : Respondents who have not exported but are interested. Rebased figures in chart above: All respondents

Those businesses which reported having plans or an active interest in starting to export were asked whether they had taken any of five specific actions, as shown in Figure 4.16. Around two thirds (67%) of all businesses with such plans had taken at least one of the prompted actions (NB relatively low base size of 90 for this question). The most widespread actions were assessing the business's current readiness to export (54%) and doing a basic assessment of the business's export potential (49%).

Four in ten reported having investigated the rules of doing business with a country (40%) or researching other aspects of an overseas market (40%). However, only around one in five (19%) businesses with plans or an active interest in starting to export had gone as far as developing an export business plan – this equates to 1% of all businesses (after rebasing on the total population rather than just those with plans or an active interest in starting to export).

Figure 4.16 Actions taken to prepare for exporting

% businesses with plans or active interest in exporting



Source : Q27a – What, if any, of the following have you already done with a view to starting exporting? Have you...

Base : All businesses with plans or an active interest in starting to export (Wave 3 = 90)

4.6 Typical lead times on the exporting journey

Those businesses who had ever exported were asked how much time elapsed between the point at which they start seriously thinking about exporting to a specific country and the point at which they actually start to export to that country. This was a new question at Wave 3, so trend data are not available. Given that this timespan may be difficult for businesses to identify accurately, and that the lead time may vary from country to country, the survey questionnaire asked survey participants to give their best estimate when answering this question. The data described below should therefore be viewed as an approximation.

Around a quarter of all exporters (27%) and of exporters with an annual turnover of £500k+ (22%) were entirely reactive in their exporting behaviours – they did not plan to export to new countries but instead reacted when orders from new territories were placed.

A further 16% of all exporters (12% of £500k+ exporters) said that there was less than a month between thinking about exporting to a specific country and going on to export to it. The speed of this turnaround time may also suggest that these businesses (in at least some cases) may be reacting to orders coming in rather than proactively targeting new markets.

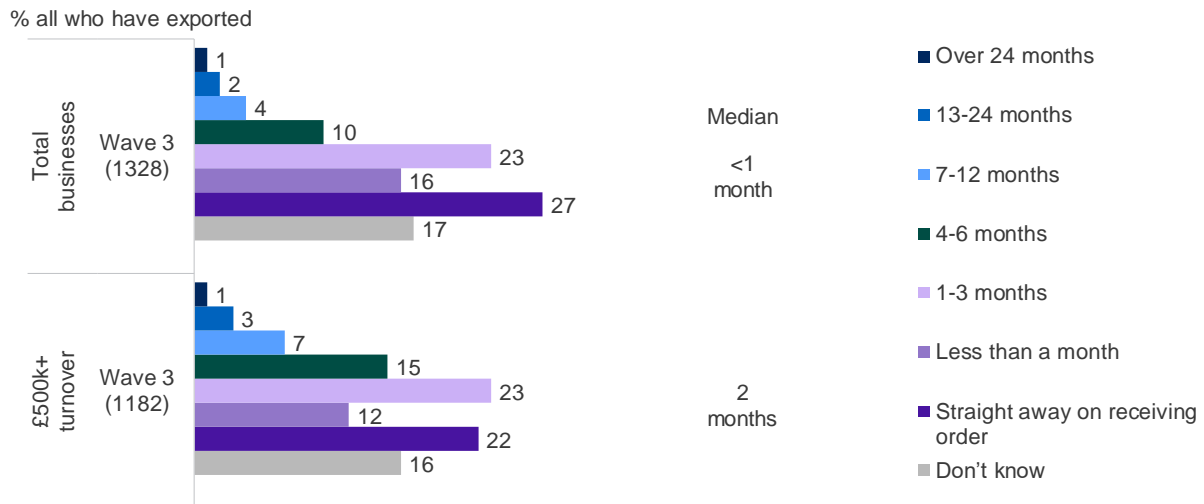
The mean lead time was 3 months among the total population of exporters and 4 months among £500k+ exporters. This was higher than the median values (less than 1 month for all exporters and 2 months for £500k+ exporters), reflecting the fact that some exporters have very extended lead times, which pushes up the mean.

Around a quarter of all exporting businesses (23%) cited a lead time of 1-3 months, while 10% said that entering a new market would typically take 4-6 months and 4% reported that it takes 7-12 months.

Lead times tended to be longer among £500k+ exporting businesses, 15% of whom cited a lead time of 4-6 months and 7% indicated a lead time of 7-12 months. A small minority of £500k+ businesses indicated that it would take over two years to start exporting to a new market (1%).

Just under a fifth of businesses gave a ‘Don’t know’ response to this question – this relatively high level of non-response is likely to be at least partly attributable to cases where exporting lead time may vary significantly depending on which country is being targeted.

Figure 4.17 Time taken between thinking about exporting to a country and exporting to it



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

5 Underlying attitudes towards growth and exporting

Attitudes shape ambitions and behaviours. In order to encourage businesses to export, or increase their exporting activity, it is important to ensure that they have positive attitudes about exporting and its relevance to them. A positive attitude towards growth in general is also necessary if businesses are to take steps into new markets. This chapter tracks attitudes towards growth and innovation over time, before moving on to discuss business perceptions of overseas demand and other broader attitudes related to exporting.

Key findings

- There were positive shifts in key attitudes towards exporting among £500k+ businesses, building on the relatively strong attitudinal position recorded in earlier waves:
 - They had become more likely to agree that ‘there is a lot of demand for British products or services around the world’ (73% agreed at Wave 3 compared to 68% at Wave 2).
 - They were also more likely to agree that ‘a lot more businesses *could* export than *do* export’ (63% at Wave 3 compared to 55% at Wave 2).
- A new question at Wave 3 established that 47% of all businesses expected the total value of UK exports to increase over the next 5 years while 20% expected there to be a decrease. £500k+ businesses in Scotland were less positive in this respect (32% expected an increase).
- There was not any change in the proportion of £500k+ businesses aiming for either rapid or steady sustainable growth between Waves 1 and 3.
- Fewer £500k+ businesses in the Promote segment reported that they had introduced new or significantly improved products or services in the past 12 months (52% at Wave 3 compared to 64% at Wave 1).

5.1 Innovation and plans for growth

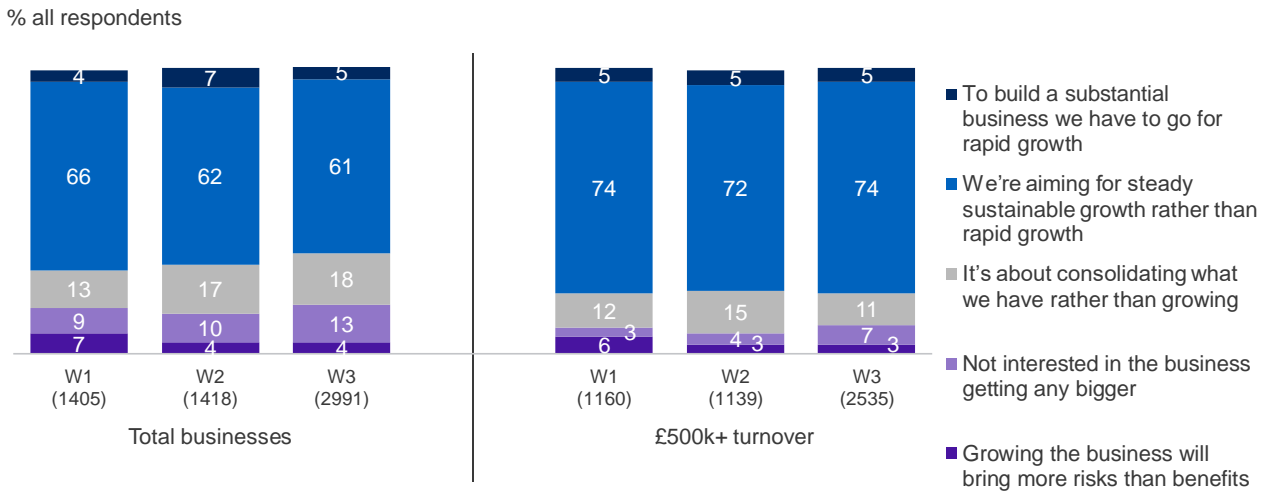
Businesses were prompted with an attitudinal scale and asked which best reflected their thinking on growth (see Figures 5.1 and 5.2). As at previous waves, at Wave 3 among the total business population the majority were aiming for sustainable growth (61%), with few aiming for rapid growth (5%). Businesses at Wave 3 remained more likely to be focused on consolidation (18%) than at Wave 1 (13%). There was no significant change in plans for growth between Waves 2 and 3.

At Wave 3, those with an annual turnover of £500k+ (74%) were again more likely than all businesses (61%) to be aiming for sustainable growth. They were less likely to report that they were focused on consolidating their business (11% compared to 18% of all businesses) or that they were not interested in getting any bigger (7% compared to 13% of all businesses). These differences suggest that businesses with a turnover of less than £500k+ (the majority of the business population) remain relatively more likely to be focused on maintaining their business than expanding.

For those with a turnover of £500k+, there has been a slight shift away from aiming for consolidation (11% at Wave 3 compared to 15% at Wave 2). This was offset by an increase in the proportion reporting that they were not interested in the business getting any bigger (7% up from

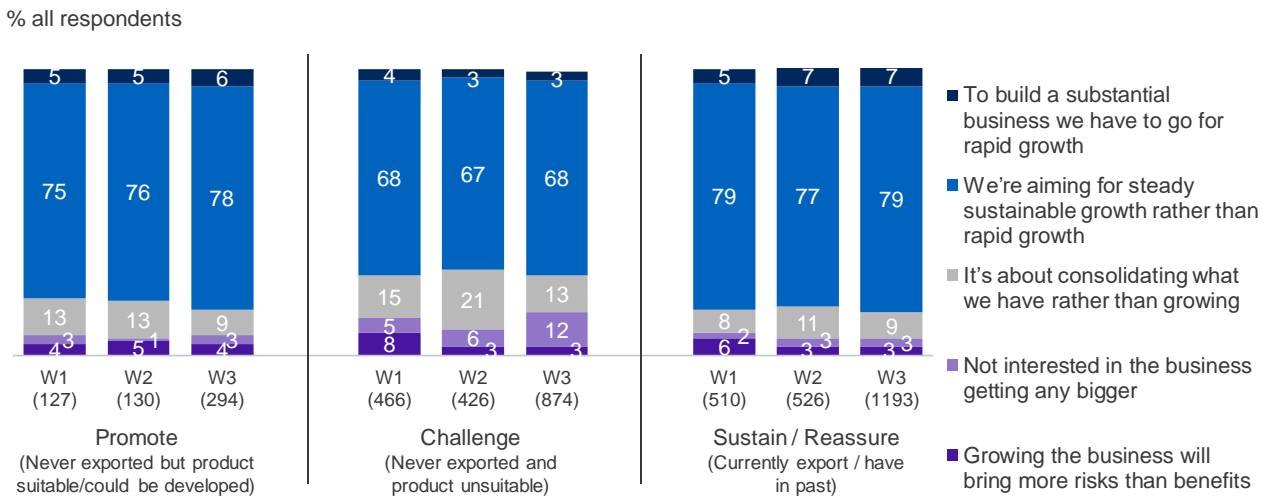
4%). The proportion believing that growing the business will bring more risks than benefits has stabilised following a decline from 6% at Wave 1 to 3% at Wave 2.

Figure 5.1: Current thinking on growth - total businesses vs. £500k+ businesses



Source : Q11. GROWATT – Which of these best describes your thinking on growth?
 Base : All respondents
 NB: Don't know not shown so does not always add to 100%

Figure 5.2: Current thinking on growth – exporting segments



Source : Q11. GROWATT – Which of these best describes your thinking on growth?
 Base : All respondents
 NB: Don't know not shown so does not always add to 100%

Among businesses with a turnover of £500k+, at Wave 3 those in the Sustain/Reassure and Promote segments were once again more focused on either rapid or steady growth (86% and 84% respectively) than those in the Challenge segment (71%). While there was no change from Wave 2 in growth plans for the Promote or Sustain/Reassure segments, the Challenge segment saw a shift away from consolidating (13% down from 21%) which marked a return to Wave 1 levels. This was accompanied by an increase in Challenge companies saying that they were not interested in getting any bigger (12% at Wave 3 compared to 6% at Wave 2). In Wave 3 this segment remained less likely than at Wave 1 to feel that growth brings more risks than benefits (3% and 8% respectively).

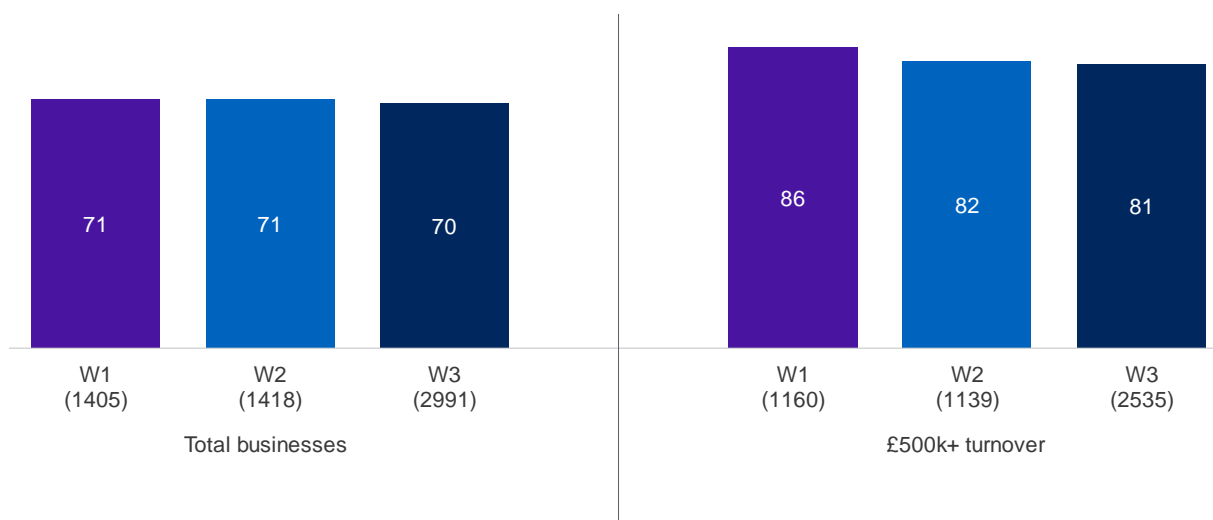
As at previous waves, among businesses with a turnover of £500k+ there was a relationship between business size and plans to grow. Of those with a turnover of £2m+, 86% were planning to grow compared with 77% of those with a smaller turnover. By sector, there were also more plans to grow in manufacturing, raw materials and energy (86%) and professional and services (83%) compared with construction and real estate (74%) and education and health (73%).

Businesses were also asked whether they aimed to grow in the next two to three years (see Figures 5.3 and 5.4). Unsurprisingly, the results to this question largely mirrored those described above, with the same patterns by size of business. In total, 70% of businesses said they were aiming to grow, and this was higher among businesses with an annual turnover of £500k+ (81%). Those in the Sustain/Reassure (89%) and Promote segments (88%) were more likely to be aiming to grow than those in the Challenge segment (71%).

Following the decline from Wave 1 to Wave 2 in plans to grow among those with a turnover of £500k+, there was no further change from Wave 2 to Wave 3. However, the Challenge segment has become less likely to plan growth in the next two to three years, falling from 79% at Wave 1 to 71% at Wave 3.

Figure 5.3: Whether aim to grow business in next two to three years (% saying ‘yes’) - total businesses vs. £500k+ businesses

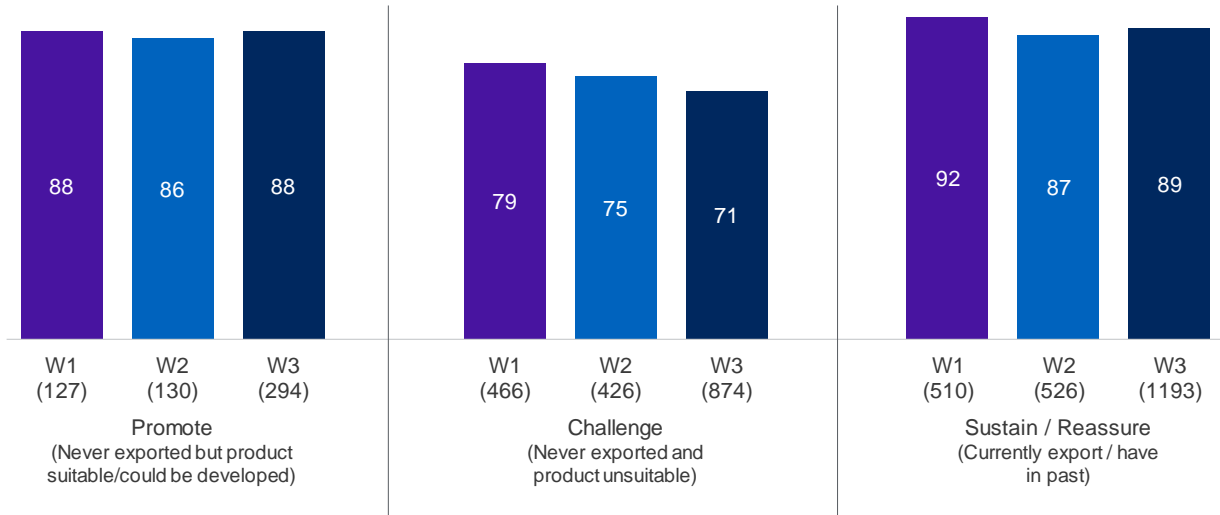
% all respondents



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

Figure 5.4: Whether aim to grow business in next two to three years (% saying ‘yes’) – exporting segments

% all respondents



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

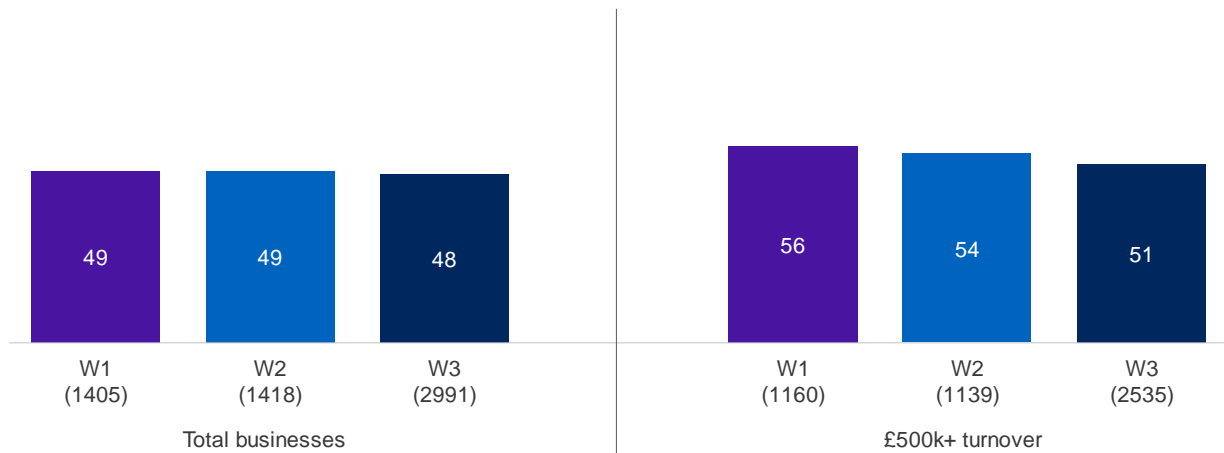
In terms of innovation, as shown in Figure 5.5, around half of businesses reported having introduced new or significantly improved products or services in the past 12 months (48% of all businesses and 51% of those with a turnover of £500k+). For those with a turnover of £500k+, innovation was more widespread in the Sustain/Reassure segment (61%), than in the Promote segment (52%). In turn, innovation was more widespread in the Promote segment (52%) than in the Challenge segment (42%).

While there was no significant change from Wave 2 to Wave 3, there was a decline in innovation among those with a turnover of £500k+ from Wave 1 (51% at Wave 3 compared to 56% at Wave 1). This was driven primarily by a decline in the Promote segment (52% at Wave 3 compared to 64% at Wave 1).

As with growth, innovation was related to size of business. Among those with a turnover of £500k+, those with 20 or more employees were more likely to report innovation (57%) than those with fewer employees (48%). Those with a turnover of £50m+ were also more likely to report innovation (59%) than those with a turnover of £500k to £50m (51%). By sector, there was more innovation reported in information and communication (60%), wholesale and retail (57%), consumer discretionary (56%) and manufacturing, raw materials and energy (54%) and less in construction and real estate (42%).

Figure 5.5: Whether business has introduced new or significantly improved products or services in past 12 months - total businesses vs. £500k+ businesses

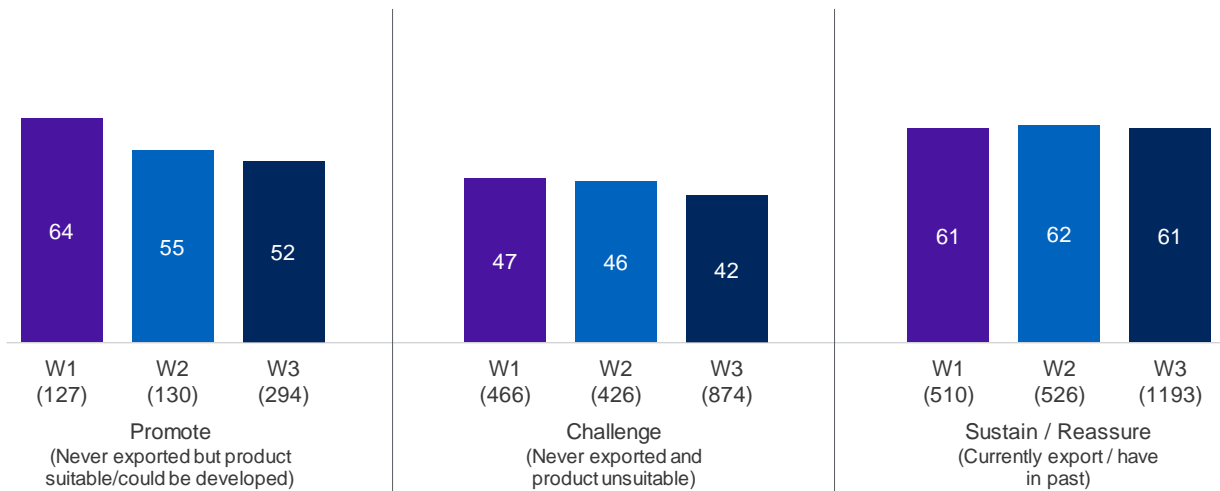
% all respondents



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

Figure 5.6: Whether business has introduced new or significantly improved products or services in past 12 months – exporting segments

% all respondents



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

5.2 Attitudes towards exporting

One influence on whether businesses have plans to grow (or not) through exporting is their perception of the level of current and future demand for their products or services around the world. More general attitudes towards the value of exporting are also likely to play a role. The questions discussed in this section are designed to collect data on attitudinal barriers that may dissuade businesses from fully engaging with the export market. To maximise the number of new exporters (and current exporters seeking to boost overseas sales) it is necessary to ensure that businesses have positive perceptions of the international demand for UK goods and services, the

scope for new exporters to join the market, and the future financial prospects of the export sector (along with a raft of other factors discussed below).

5.2.1 Perceived demand: now and in the future

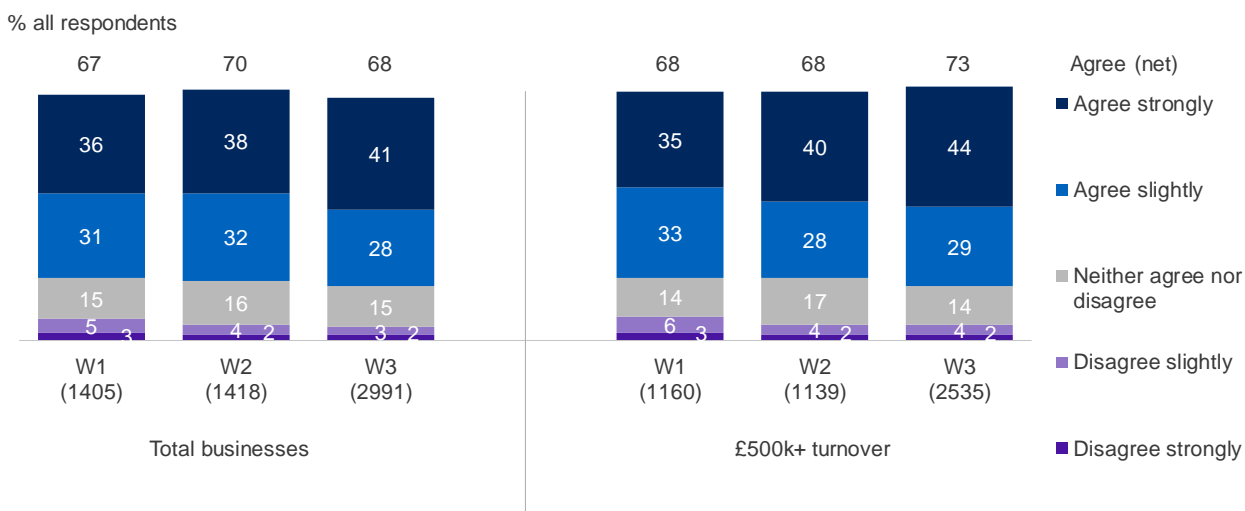
Businesses were asked about the extent to which they agreed or disagreed with two statements regarding their perceptions of the current level of demand for exports.

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

As was the case in earlier waves, around seven in ten businesses (68%) at Wave 3 agreed strongly or slightly that there is a lot of demand for British products or services around the world (see Figures 5.7 and 5.8).

A rise in agreement among those with a turnover of £500k+ (from 68% at Wave 2 to 73% at Wave 3) means that agreement is now higher for this group than among all businesses. This increase has been driven by a rise in strong agreement, which rose from 35% at Wave 1 to 44% at Wave 3.

Figure 5.7: Agreement that there is a lot of demand for British products or services around the world - total businesses vs. £500k+ businesses

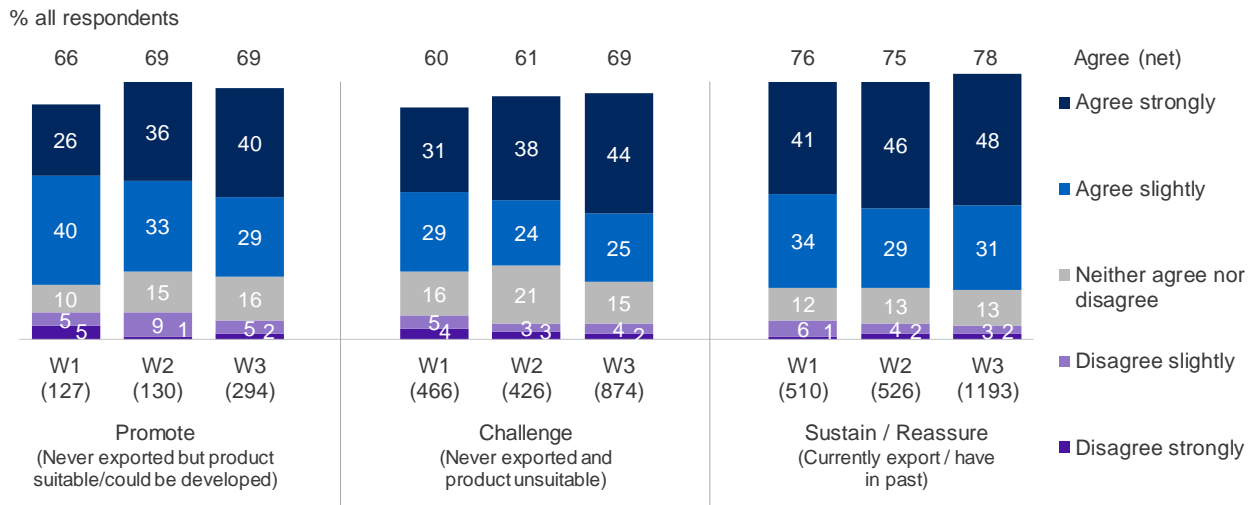


Source : Q14. EXPSTAT_ALL – To what extent do you agree or disagree that: There is a lot of demand for British products or services around the world
 Base : All respondents
 NB: Don't know not shown so does not always add to 100%

In terms of the exporting segments, there was an increase in strong or slight agreement among the Challenge segment (69% at Wave 3 compared to 61% at Wave 2). Despite this increase, those in the Sustain/Reassure segments remained more likely to agree (78%) than those in the Promote and Challenge segments (each 69%) at Wave 3.

Among businesses with a turnover of £500k+ agreement was lower in construction and real estate (64%) than in most other sectors (70% to 81%). Those who recognised the *Exporting is GREAT* campaign were more likely to agree (77%) than those who had not seen the campaign (71%).

Figure 5.8: Agreement that there is a lot of demand for British products or services around the world – exporting segments



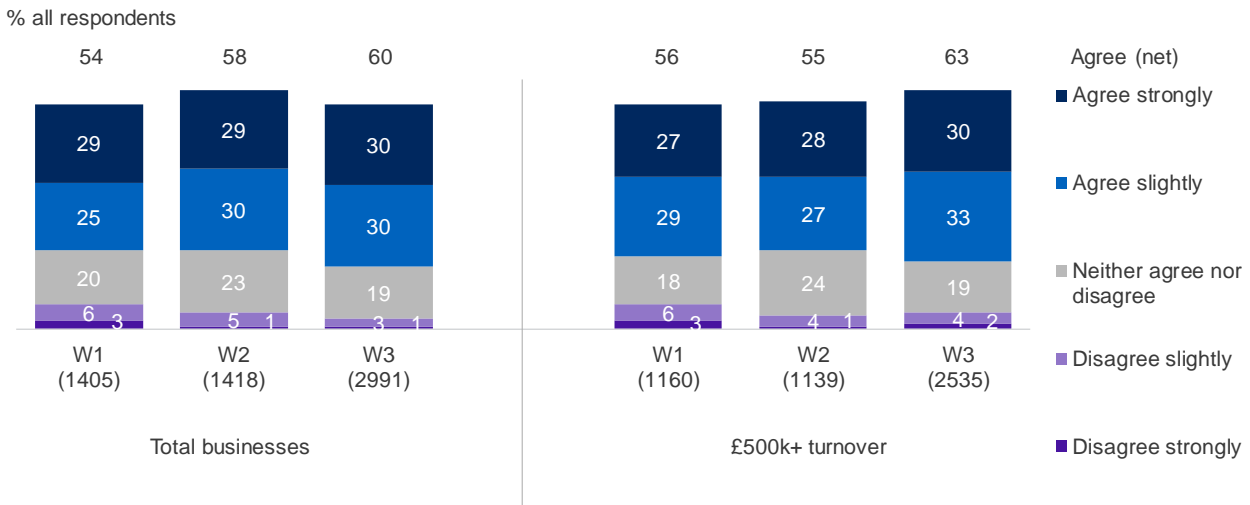
Source : Q14. EXPSTAT_ALL – To what extent do you agree or disagree that: There is a lot of demand for British products or services around the world
 Base : All respondents
 NB: Don't know not shown so does not always add to 100%

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

As shown in Figure 5.9, six in ten businesses (60%) agreed strongly or slightly that a lot more businesses could export than do export. Agreement was at a similar level among those with a turnover of £500k+ (63%) but this marked an increase from 55% at Wave 2. This increase in overall agreement among £500k+ businesses stemmed from an increase in slight agreement (33% at Wave 3 compared to 27% at Wave 2). It was also driven by increases in agreement among those in the Challenge (53% at Wave 3 compared to 44% at Wave 2) and Sustain/Reassure (72% at Wave 3 compared to 64% at Wave 2) segments. The increases for both the Challenge and Sustain/Reassure segments again stemmed from increases in slight agreement rather than strong agreement.

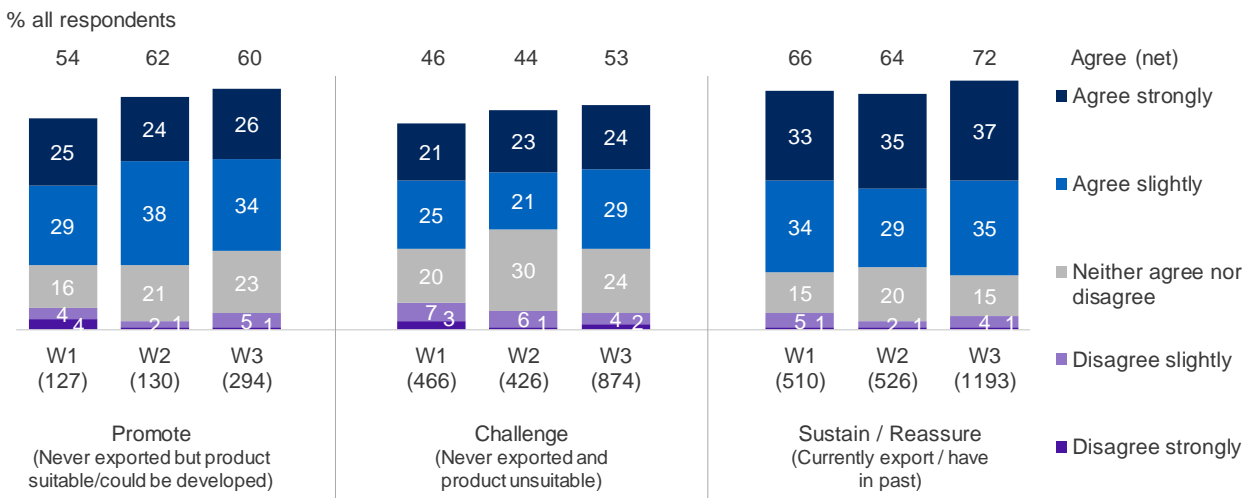
The increase in agreement for the Sustain/Reassure segment means that at Wave 3 this segment was now more likely to agree that more business could export than do export than both the Challenge and Promote segments at Wave 3.

Figure 5.9: Agreement that a lot more businesses could export than do export - total businesses vs. £500k+ businesses



Source : Q14. EXPSTAT_ALL – To what extent do you agree or disagree that: A lot more businesses could export than do export
 Base : All respondents
 NB: Don't know not shown so does not always add to 100%

Figure 5.10: Agreement that a lot more businesses could export than do export – exporting segments



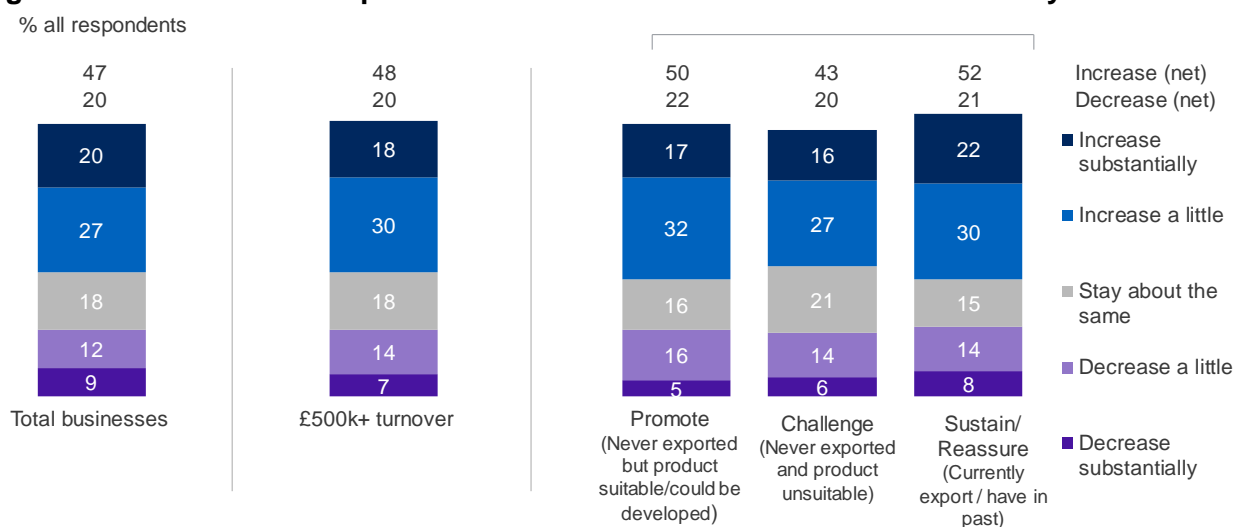
Source : Q14. EXPSTAT_ALL – To what extent do you agree or disagree that: A lot more businesses could export than do export
 Base : All respondents
 NB: Don't know not shown so does not always add to 100%

Among those with a turnover of £500k+, overall agreement was higher in a range of sectors. These included manufacturing, raw materials and energy (69%), information and communication (72%), wholesale and retail (69%) and transportation and storage (74%). Agreement was lower in the construction and real estate (57%), financial and insurance (48%), education and health (58%) and professional and services (57%) sectors. Those who recognised the *Exporting is GREAT* campaign were more likely to agree (72%) than those who had not seen the campaign (61%).

At Wave 3 a new question was introduced to the survey which asked whether businesses thought the value of UK exports would grow, decrease or stay the same over the next five years. On balance businesses had a more positive than negative outlook, as shown in Figure 5.11. Around half of all businesses thought that UK exports would increase (47%) while two in ten thought that they would decrease (20%). A substantial increase in exports (20%) was less widely anticipated than a smaller increase (27%).

The views of £500k+ businesses were very similar to those of the total business population.

Figure 5.11: Whether UK exports will increase or decrease over the next five years



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

Base: All respondents: total businesses (2991), £500K+ turnover (2535), Promote (294), Challenge (874), Sustain/reassure (1193)

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

Among businesses with a turnover of £500k+, those in the Sustain/Reassure segment were more likely to anticipate an increase (52%) than those in the Challenge segment (43%), and more likely to expect a substantial increase (22%) than either the Challenge (16%) or Promote (17%) segments.

Among businesses with a turnover of £500k+, businesses with fewer than 250 employees were more likely to expect an increase (48%) than businesses with 250+ employees (36%). However, there was no difference in the proportion expecting a substantial increase according to business size.

Those in England (49%) and Wales (43%) were more likely than those in Scotland (32%) to expect an increase. By sector, growth was more likely to be expected by those in construction and real estate (50%), manufacturing, raw materials and energy (49%), wholesale and retail (53%) and transportation and storage (55%). Those in the education and health (37%) and consumer discretionary (38%) sectors were less likely to anticipate growth.

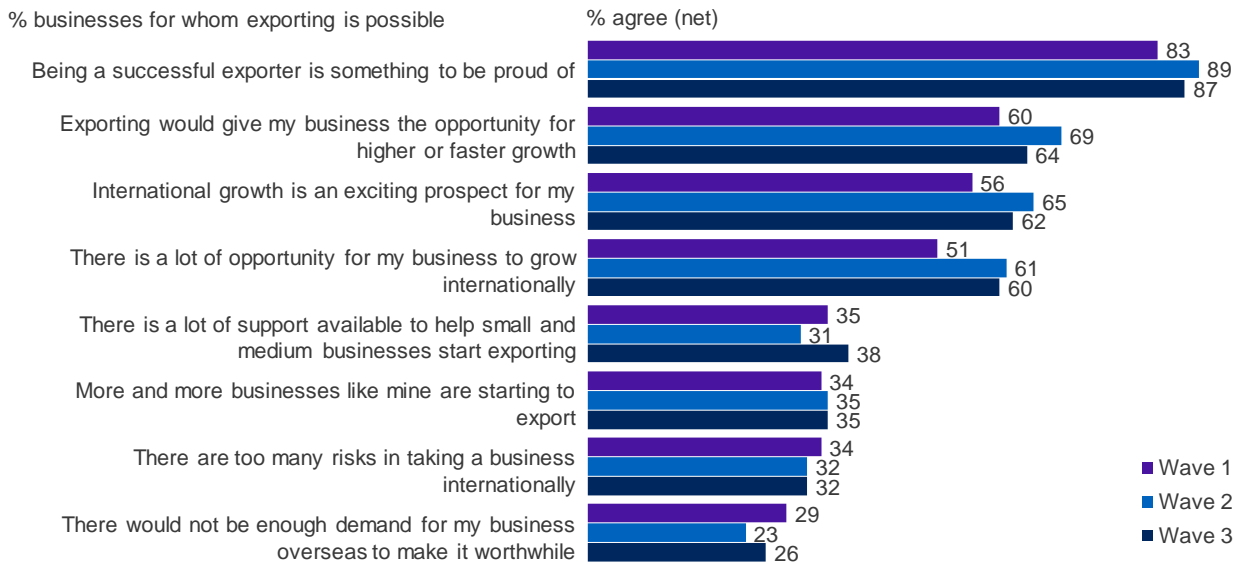
5.2.2 Broader views on exporting

Businesses for whom exporting was possible were asked a range of agree/disagree questions relating to various aspects of exporting. Figure 5.12, below, summarises the proportion of all businesses which agreed (either strongly or slightly) with each statement. Figure 5.13 shows the equivalent data among those with a turnover of £500k+, while Figure 5.14 focuses specifically on £500k+ businesses in the Promote segment. The long-term aim is to increase agreement with positive statements and to decrease agreement with negative statements.

Figure 5.12 shows only two significant changes across the three waves among all businesses. There was an increase in the proportion of businesses agreeing that 'there is a lot of support to help small and medium businesses start exporting' (38% at Wave 3 compared to 31% at Wave 2). However, this largely reverses a (non-statistically significant) decrease between Wave 1 and Wave 2. There was also an increase in agreement that 'there is a lot of opportunity for my business to grow internationally' between Wave 1 (51%) and Wave 2 (61%). This increase was maintained at

Wave 3 (60%) making this the only statement to show any significant change among all businesses since the campaign was launched.

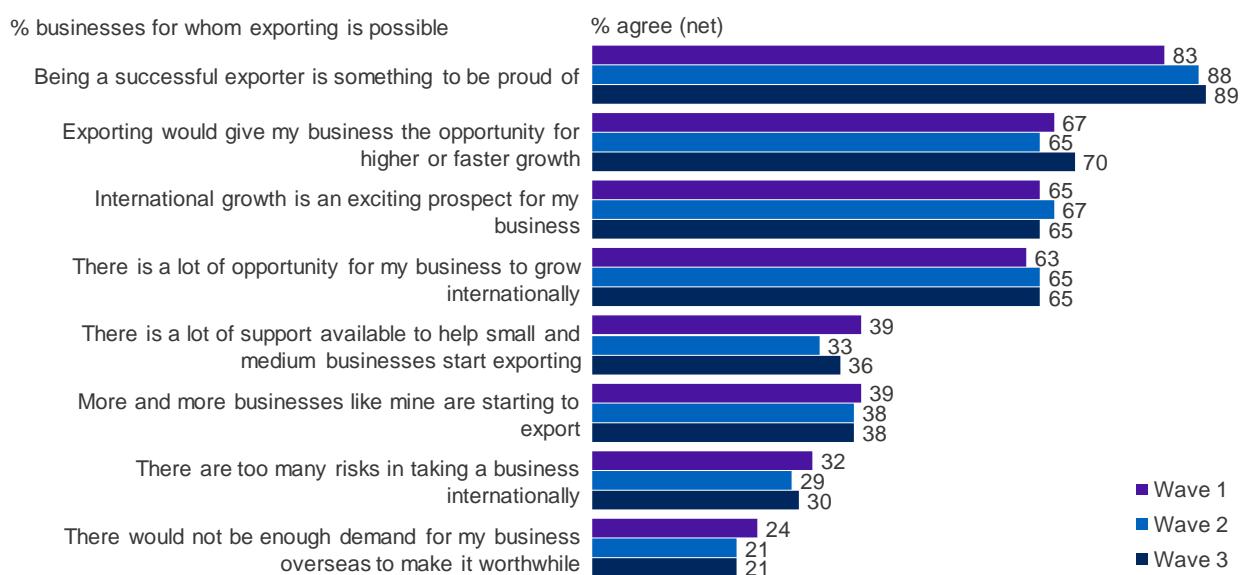
Figure 5.12: Proportion of ALL businesses for whom exporting is possible that agree (either strongly or slightly) with statements about exporting



Source : Q31. EXP_STAT – To what extent do you agree or disagree that...
 Base : All businesses for whom exporting is possible (Wave 1 = 749; Wave 2 = 800, Wave 3 = 1827)

Among businesses with a turnover of £500k+ (Figure 5.13), there was an increase in agreement that exporting would give my business the opportunity for higher or faster growth (70% at Wave 3 compared to 65% at Wave 2). However, there was no significant change in the measure when comparing Wave 1 to Wave 3. The previous increase in agreement that being a successful exporter is something to be proud of (88% at Wave 2 compared to 83% at Wave 1) was maintained (89% at Wave 3). As such, the 'pride' metric is the only attitude to show any statistically significant improvement among £500k+ businesses since the campaign began.

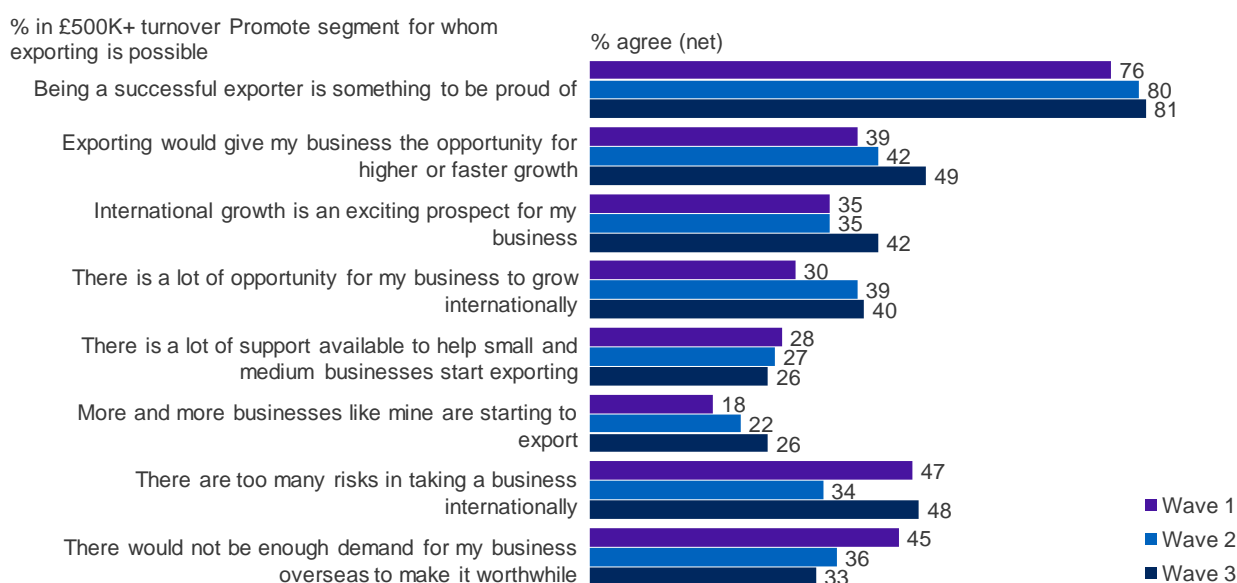
Figure 5.13: Proportion of businesses with a turnover of £500k+ and for whom exporting is possible that agree (either strongly or slightly) with statements about exporting



Source : Q31. EXP_STAT – To what extent do you agree or disagree that...
 Base : All £500k+ turnover businesses for whom exporting is possible (Wave 1 = 650; Wave 2 = 656, Wave 3 = 1575)

Among £500k+ businesses in the Promote segment, there was one improvement between Waves 1 and 3 (see Figure 5.14). Agreement with the negative statement that there would not be enough demand for my business overseas to make it worthwhile decreased to 33% at Wave 3 from 45% at Wave 1 (building on the non-significant decrease seen at Wave 2). There was an increase in agreement that there are too many risks in taking a business internationally (48% at Wave 3 compared to 34% at Wave 2). This reversed the non-significant improvement seen at Wave 2 and marks a return to the levels seen at Wave 1.

Figure 5.14: Proportion of businesses with a turnover of £500k+ in Promote segment agreeing (either strongly or slightly) with statements about exporting



Source : Q31. EXP_STAT – To what extent do you agree or disagree that...
 Base : All £500k+ turnover businesses in the Promote segment for whom exporting is possible (Wave 1 = 127; Wave 2 = 130, Wave 3 = 294)

Comparing the data in Figures 5.12 to 5.13, businesses with a turnover of £500k+ were slightly more positive than all businesses on three measures at Wave 3: exporting would give my business the opportunity for higher or faster growth (70% and 64% respectively); there is a lot of opportunity for my business to grow internationally (65% and 60% respectively); and there would not be enough demand for my business overseas to make it worthwhile (21% and 26% respectively).

Comparing the data in Figures 5.13 to 5.14, £500k+ businesses in the Promote segment were less positive on all attitudes than the wider population of businesses with a turnover of £500k+. They were more likely to agree with negative statements and less likely to agree with the positive attitude statements.

Among businesses with a turnover of £500k+, attitudes towards exporting were generally more positive among larger businesses (both in terms of turnover and number of employees). Attitudes tended to be less positive in the construction and real estate sector.

6 Knowledge, information and support

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

Key findings

- Among the total population of businesses for whom exporting was possible, knowledge levels about a range of aspects of exporting remained stable across the three waves.
- The Promote segment had a relatively low level of knowledge - however, this has improved across the three waves. 44% reported a poor level of knowledge about how to export at Wave 3 compared to 63% at Wave 1.
- Around half (46%) of businesses in the Sustain/Reassure segment reported that they only had a moderate level of knowledge about how to export.
- Businesses in the Promote segment had become more likely to have sought advice and support about exporting (16% at Wave 3 compared to 4% at Wave 1).
- DIT is not yet seen as the first port of call for advice or support about exporting (cited by 8% of all businesses as being a source of advice or support that they would use).
- A third (33%) of businesses in the Promote segment said that they were interested in information and support services to assist them with exporting.

6.1 Knowledge levels

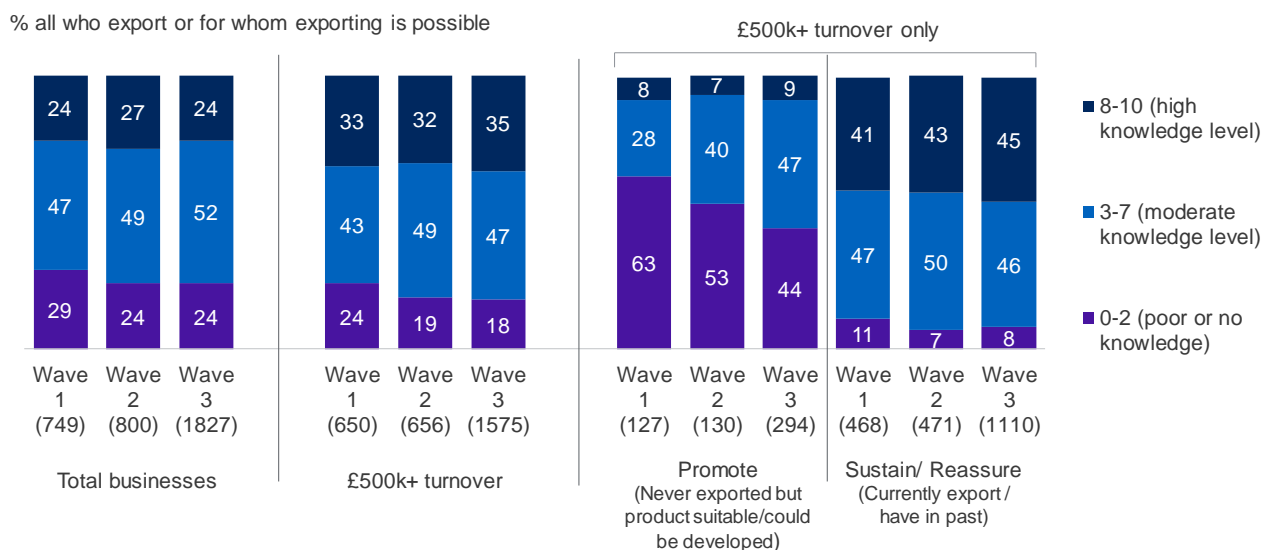
Businesses which saw their goods or services as suitable for export were asked to self-assess their own levels of knowledge about various aspects of exporting on a 0 to 10 scale. In this section their responses have been grouped into three bands; a score of 8-10 has been classified as a 'high level of knowledge'; a score of 3-7 is classified as a 'moderate knowledge level' and a score of 0-2 represents 'poor or no knowledge'. Knowledge levels remained relatively stable across the 3 waves, although there was some improvement in the Promote segment.

6.1.1 Knowledge about how to export

As shown in Figure 6.1, of all those who identified their goods or services as suitable for export, around a quarter felt that they had a high level of knowledge about how to export (24%). This was in line with earlier waves. Those with an annual turnover of £500k+ were more likely to feel their level of knowledge was high (35%) and knowledge levels (as might be expected) were higher still among those who had ever exported (45% for the Sustain/Reassure segment).

It is striking that around half (46%) of those in the Sustain/Reassure segment described their knowledge of moderate, and 8% as poor (no change from Wave 2). This may relate to the knowledge levels of the individual business decision maker interviewed in each business and may not reflect institutional knowledge of exporting (e.g. an MD may substantially delegate responsibility for the handling of exports to specialised teams within the organisation). It is also possible that social desirability bias may have had some impact (whereby survey participants are reticent about using the extremes of the scale to avoid seeming either boastful or ill-informed). However, the use of a numerical rather than verbal rating scale should have served to mitigate this effect.

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



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

Among businesses with a turnover of £500k+ who saw their goods or services as suitable for export, those in the Promote segment were relatively likely to report a poor level of knowledge (44%). However, this had decreased considerably from 63% at Wave 1. This was driven by a shift towards moderate knowledge levels (47% at Wave 3 compared to 28% at Wave 1). There has not been an increase in the proportion of businesses in the Promote segment reporting a high knowledge level (9% at Wave 3 compared to 8% at Wave 1).

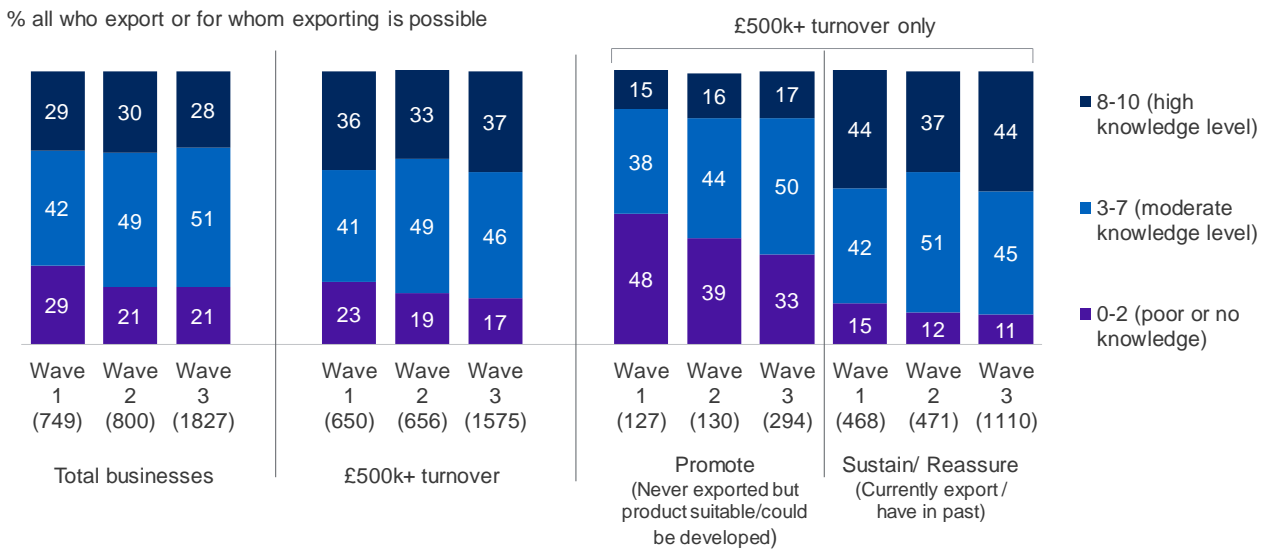
Those with a turnover of £500k to £2m were less likely to report a high level of knowledge (31%) than those with a turnover of £2m or higher (43%). By sector, those in financial and insurance (57%) and transportation and storage (53%) were more likely to report a high level of knowledge, particularly compared with those in construction and real estate (20%). There was, however, no difference at Wave 3 between those aware of the *Exporting is GREAT* campaign and those who had not seen it.

6.1.2 Knowledge of where to go for information about exporting

There were no statistically significant changes in self-reported knowledge about where to go for information about exporting among the total business population. However, the proportion of £500k+ businesses falling into the 'poor' knowledge category fell from 23% at Wave 1 to 17% at Wave 3.

Three in ten businesses that identified their goods or services as suitable for export reported a high level of knowledge about where to go for information at Wave 3 (28%), and this was higher for those with a turnover of £500k+ (37%). Reported knowledge levels were again higher in the Sustain/Reassure segment (44%) as shown in Figure 6.2. As was the case for knowledge about how to export, over half in this experienced segment reported moderate to low knowledge in terms of where to go for information about exporting.

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



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

Among businesses with a turnover of £500k+ which identified their goods or services as suitable for export, those in the Promote segment were more likely to report a poor level of knowledge (33%) than those in the Sustain/Reassure segment (11%). Nevertheless, there was a reduction in poor knowledge levels in the Promote segment (from 48% at Wave 1) accompanied by a shift towards moderate levels of knowledge (50% at Wave 3 compared to 38% at Wave 1).

Among £500k+ businesses with goods or services suitable for export, those with 250+ employees were more likely to report a high level of knowledge about where to go for information (48%) than those with under 50 employees (36%). There was also a similar pattern by sector to that seen for knowledge of how to export: those in manufacturing, raw materials and energy (42%), financial and insurance (44%) and transportation and storage (55%) were more likely to report a high level of knowledge about where to go for information, particularly compared with those in construction and real estate (22%). Those aware of the *Exporting is GREAT* campaign were less likely to report a low level of knowledge (11%) than those who had not seen the campaign (21%).

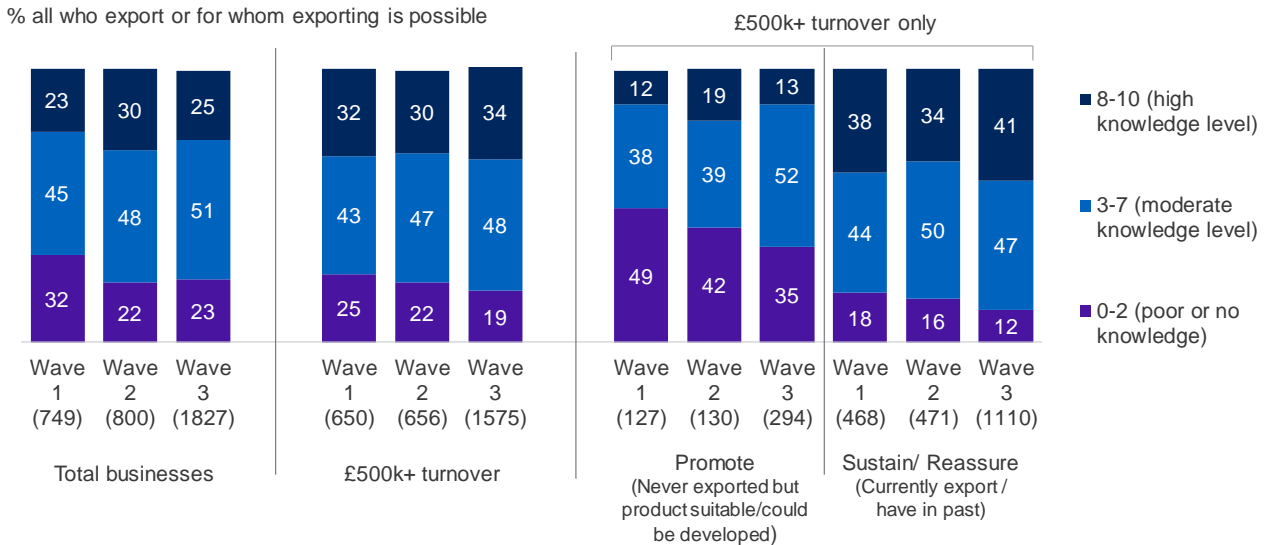
6.1.3 Knowledge of where to go for help and support about exporting

Respondents were also asked about their knowledge of where to go for help and support about exporting. Results for this followed a similar pattern to those for the other knowledge based questions (see Figure 6.3).

Between Wave 1 and Wave 3, there was a decrease in the proportion of all businesses falling into the 'poor' knowledge category (from 32% to 23%). There was also a decrease in the proportion of £500k+ businesses falling into the 'poor' knowledge category (from 25% to 19%), driven by a decrease for the Promote segment (49% at Wave 1 compared to 35% at Wave 3) as well as a smaller decrease for the Sustain/Reassure segment (18% at Wave 1 compared to 12% at Wave 3).

A quarter of businesses that identified their goods or services as suitable for export reported a high level of knowledge about where to go for information (25%), and this was higher for those with a turnover of £500k+ (34%), again driven by the Sustain/Reassure segment (41%).

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



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

Among £500k+ businesses which identified their goods or services as suitable for export, those with 250+ employees were more likely to report a high level of knowledge (48%) than those with fewer employees (33%). There was a similar pattern of difference by turnover, with 43% of those with a turnover of £10m+ reporting a high level of knowledge compared with 30% of those with a turnover of £500k to £2m. The pattern by sector was similar to that seen for the other areas of knowledge: manufacturing, raw materials and energy (42%), financial and insurance (41%) and transportation and storage (48%) were more likely to report a high level of knowledge particularly compared with those in construction and real estate (18%). Those aware of the *Exporting is GREAT* campaign were less likely to report a low level of knowledge (13%) than those who had not seen the campaign (21%).

6.2 Receiving advice

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

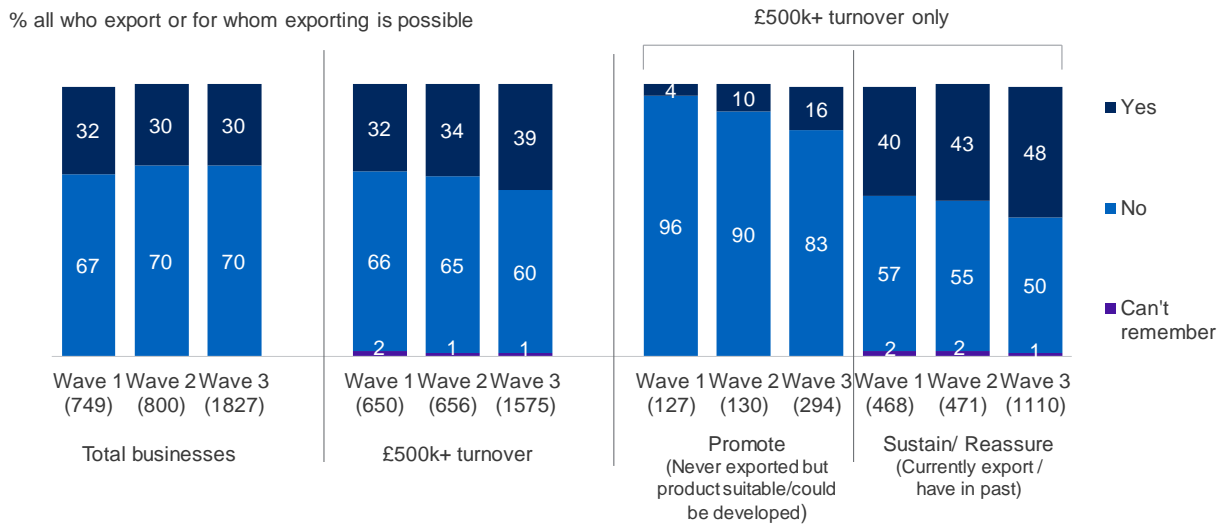
6.2.1 Use of advice and support about exporting

Among businesses which identified their goods or services as suitable for export, three in ten reported having sought advice or support about exporting (30%). As shown in Figure 6.4, this was in line with previous waves. Among those with a turnover of £500k+, an increase from 32% at Wave 1 to 39% at Wave 3 meant this group was now more likely than the total business population to have sought help.

The increase in the use of advice and support among £500k+ businesses was the result of increases for both the Promote segment (4% at Wave 1 compared to 16% at Wave 3) and the Sustain/Reassure segment (40% at Wave 1 compared to 48% at Wave 3). Businesses in the

Sustain/Reassure segment were more likely to have sought advice than those in the Promote segment.

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



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

By sector, advice was more likely to have been sought by businesses in the manufacturing, raw materials and energy (47%) and wholesale and retail (42%) sectors, particularly compared with construction and real estate (25%), consumer discretionary (22%) and transport and storage (20%). Those aware of the *Exporting is GREAT* campaign were more likely to say they had sought advice (46%) than those who had not seen the campaign (36%). Those who had seen the print or online adverts (50%) were particularly likely to have sought advice and support about exporting.

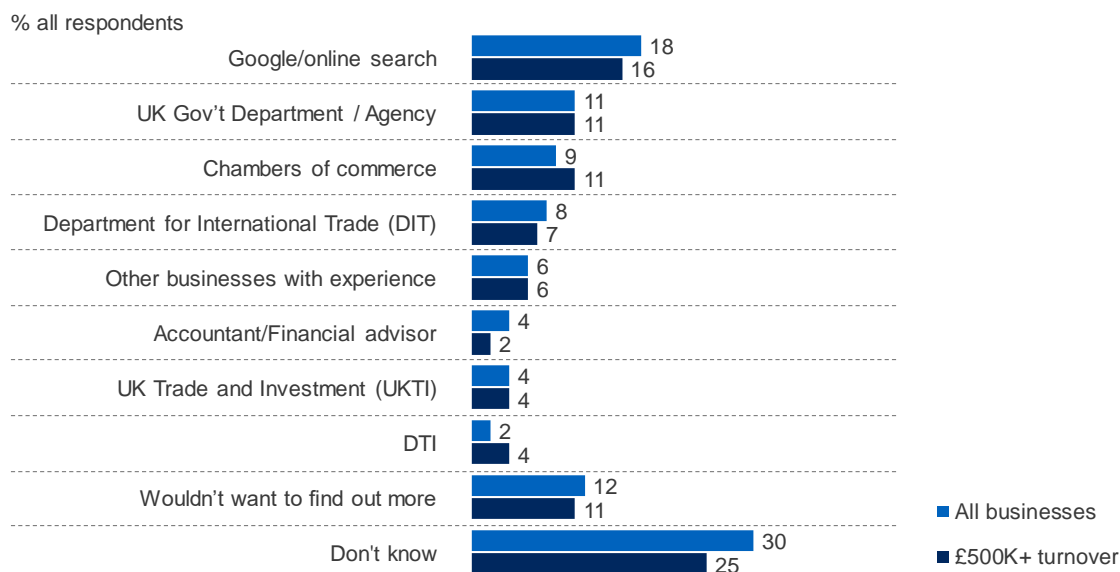
6.2.2 Where to go for exporting support or advice

All businesses were asked to say where (without prompting), they would go for support or advice on exporting. This question was changed at Wave 3, so no trend data is shown.

A substantial minority (30%) of all businesses did not know where they would go for support or advice (see Figure 6.5). The proportion among £500k+ businesses was lower overall (25%), though £500k+ businesses in the Challenge segment were particularly likely to say that they didn't know where to go for advice and support (37%).

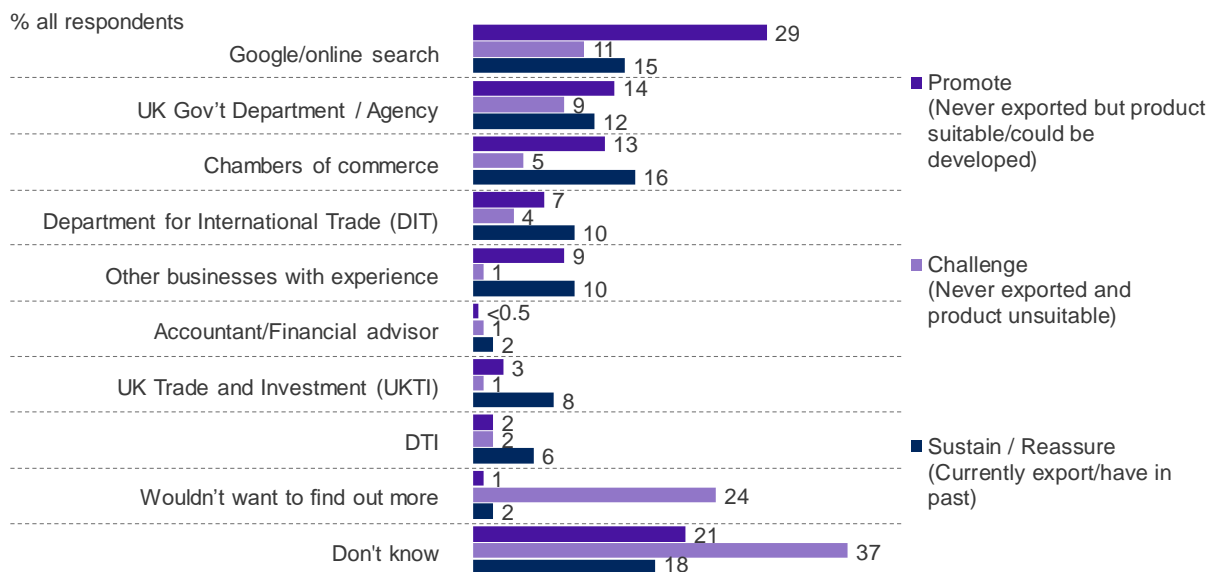
A further one in ten (12%) of all businesses said they would not want advice and support about exporting. The Challenge segment was again less engaged than other groups, with 24% reporting that they wouldn't want to find out more.

Figure 6.5: Where would go for advice and support about exporting – total businesses vs. £500k+ businesses



Source : Q34a.ADV_EXP_A - And where, if anywhere, would you go if you needed exporting support or advice?
 Base : All businesses (2991), £500k+ turnover (2535)

Figure 6.6: Where would go for advice and support about exporting – exporting segments



Source : Q34a.ADV_EXP_A - And where, if anywhere, would you go if you needed exporting support or advice?
 Base : £500k+ turnover segments: Promote (294), Challenge (874), Sustain/Reassure (1193)

The most frequently mentioned source of advice and support was through Google or other online searches (18% of all businesses and 29% of £500k+ businesses in the Promote segment). The next most frequently cited sources of information were Government departments and agencies in general (11% of all businesses) and the Chambers of commerce (9% of all businesses). Businesses in the £500k+ Challenge segment were less likely to cite the Chambers of commerce (5%).

DIT was the most frequently mentioned specific government department, mentioned by 8% of all businesses. Among £500k+ businesses, those in the Sustain/Reassure segment were more likely to mention DIT (10%) than those in the Challenge segment (4%).

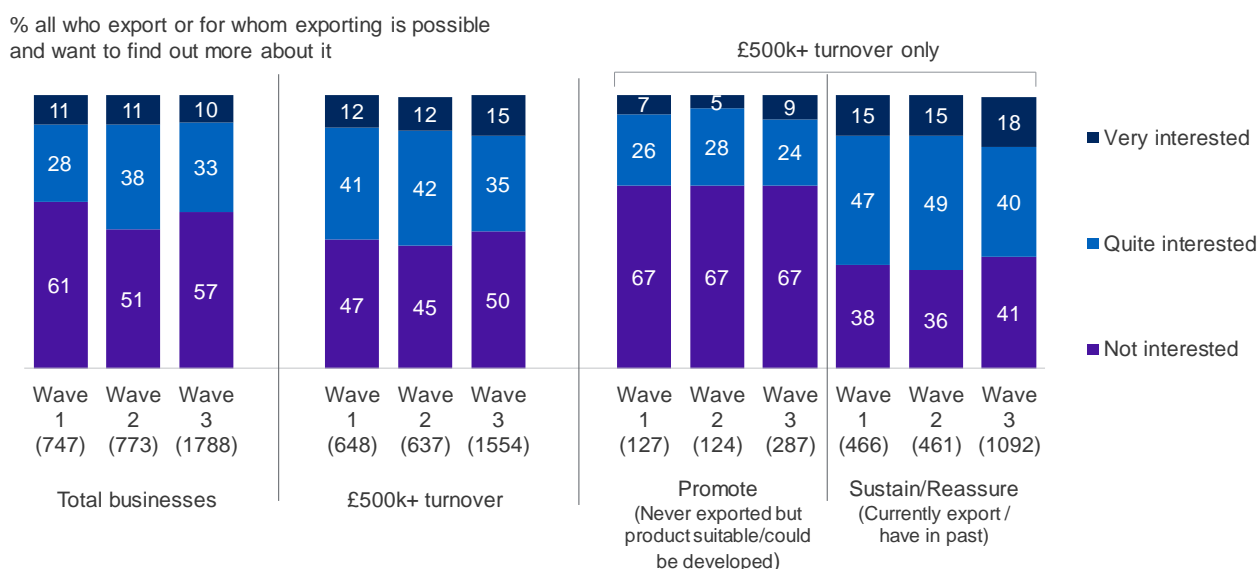
Other businesses with experience of exporting were cited by 6% of all businesses. Among £500k+ businesses, those in the Promote (9%) and Sustain/Reassure (10%) segments were more likely than those in the Challenge segment (1%) to say that they would go to other businesses with experience of exporting for advice.

Among businesses with a turnover of £500k+, those with a turnover of under £10m were more likely to say they did not know where to go (26%) than those with a higher turnover (17%). In terms of sector, those in education and health (36%) and construction and real estate (31%) were more likely to say they did not know, particularly compared with manufacturing, raw materials and energy (20%). Those who recognised the *Exporting is GREAT* campaign were *less* likely to say they did not know (17%) than those who had not seen it (28%).

6.2.3 Interest in using business support services to assist with exporting

Businesses with products or services that were suitable for export and who were open to finding out more about exporting were asked how interested they would be in receiving information and business support services to assist them with exporting (see Figure 6.7). As at previous waves, one in ten of all businesses (10%) said they were very interested, and around four in ten reported that they were very or fairly interested (43%). While there had been an increase from Wave 1 to Wave 2 in those saying 'quite interested' this higher level was not maintained at Wave 3 (falling back from 38% at Wave 2 to 33% at Wave 3). Those with a turnover of £500k+ were slightly more likely than all businesses to say they were very interested at Wave 3 (15%).

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



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

Among those with a turnover of £500k+, interest in exporting support was higher among the Sustain/Reassure segment (59% very or quite interested and 18% very interested) than the Promote segment (33% very or quite interested and 9% very interested). Among the Sustain/Reassure segment, there was a decrease in those who were quite interested from 49% at Wave 2 to 40% at Wave 3. In terms of sector, those in information and communication were more likely to be very interested in receiving exporting support (35%) than those in all other sectors (where scores ranged from 8% to 21%).

7 Barriers to exporting

Having a positive attitude towards exporting and a sound knowledge of the processes involved are not necessarily enough to bring businesses into the exporting market – there are also a number of other barriers which may inhibit businesses from targeting overseas markets. In Waves 1 and 2, a set of relatively top-level questions on barriers were included in the survey. These identified a wide range of potential barriers to exporting which fell into four broad categories - cost, knowledge, capacity and access. A number of new questions were added at Wave 3 to enable the barriers in these four categories to be explored in more detail. Further questions about perceived capacity and capability were also added, to provide more granular information about where skills and resource gaps may lie. New questions were also included to identify whether specific countries presented particular challenges and what these challenges were, with a view to identifying where country specific support or information may be beneficial. The questions relating to barriers were asked only of those businesses which currently exported or which self-classified as being potentially able to. However, as at previous waves, those who felt their goods or services were not suitable for export (and could not be developed for export) were asked to say why this was.

Key findings

- Cost, lack of knowledge, capacity to export or cater for international contracts, and access to contacts and customers were all seen as broadly equal barriers to exporting among the total business population. However, there were marked differences in terms of how businesses in the key Promote segment viewed these barriers.
- Businesses in the Promote segment were particularly likely to identify capacity issues as a strong barrier to exporting (46% compared to 24% of all £500k+ businesses that have a product to export or could be developed for export).
- Transportation costs were the most frequently cited barrier relating to cost amongst the total businesses population (cited by 58% of those who said that costs were a barrier to exporting) and exchange rate fluctuation was the most frequently mentioned factor for £500k+ businesses for whom cost was a barrier (61%).
- Amongst the total population of businesses for whom lack of knowledge was seen as a barrier to exporting, knowledge of legal issues was the most common specific barrier (68%).
- A lack of managerial time was the most frequently mentioned barrier among the total population of businesses which saw capacity as a barrier to exporting (68%).
- Understanding who to make contact with in the first instance was the chief barrier among the total population of businesses which identified access to customers and contacts as a barrier (70%).
- One in seven businesses (13% of the total business population) had seriously looked into exporting to a country over the past two years, but decided against doing so for some reason.

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

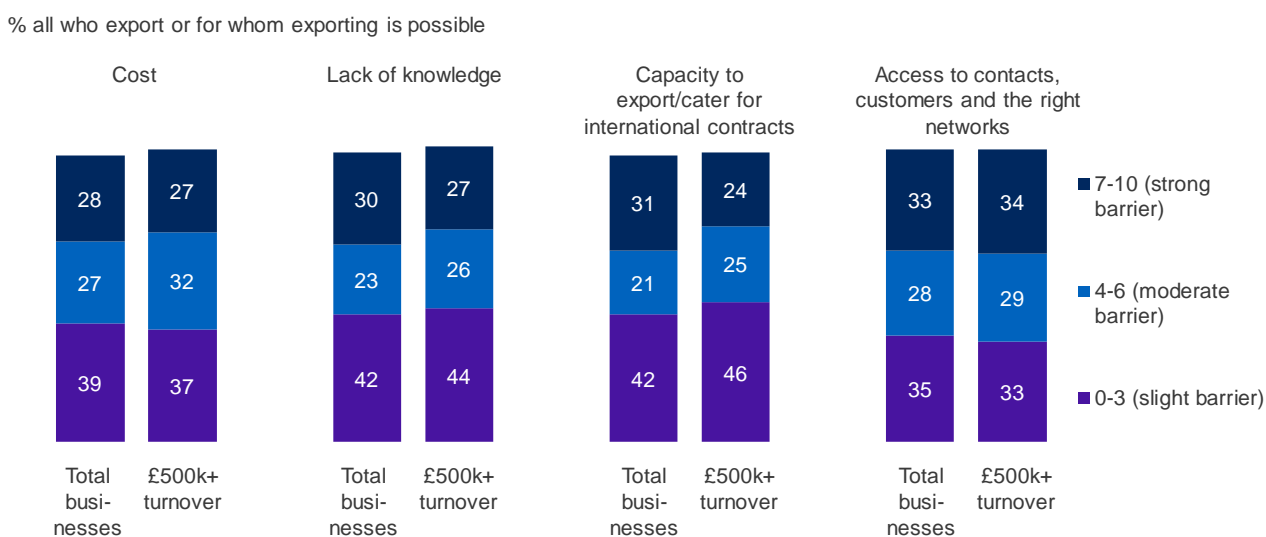
Businesses which currently exported or which self-classified as being potentially able to were asked to rate the degree to which they felt that four specific issues were barriers to exporting for them. A scale of 0 to 10 was used, where 0 signified the issue being 'not a barrier at all' and 10

signified 'a very strong barrier'. Responses have been grouped into three levels: strong (a score of 7 to 10), moderate (4 to 6) and slight (0 to 3).²¹

As shown in Figure 7.1, cost, lack of knowledge, capacity to export or cater for international contracts, and access to contacts and customers were each seen as a strong barrier by around three in ten of all businesses. Among those with a turnover of £500k+, capacity was less likely to be seen as a strong barrier (24%) than was the case among all businesses (31%). There were no significant differences between the total business population and £500k+ businesses in terms of the other three barriers (cost, lack of knowledge and access to contacts, customers and the right networks).

Those in the £500k+ Promote segment were more likely to see each of the four areas as presenting a strong barrier and less likely to classify each of the four issues as being a slight barrier than the broader population of all £500k+ businesses. This difference was most pronounced for capacity (46% of businesses in the Promote segment compared to 24% of all £500k+ businesses).

Figure 7.1: Extent to which each of cost, knowledge, capacity and access are barriers to exporting – total businesses vs. £500k+ businesses



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

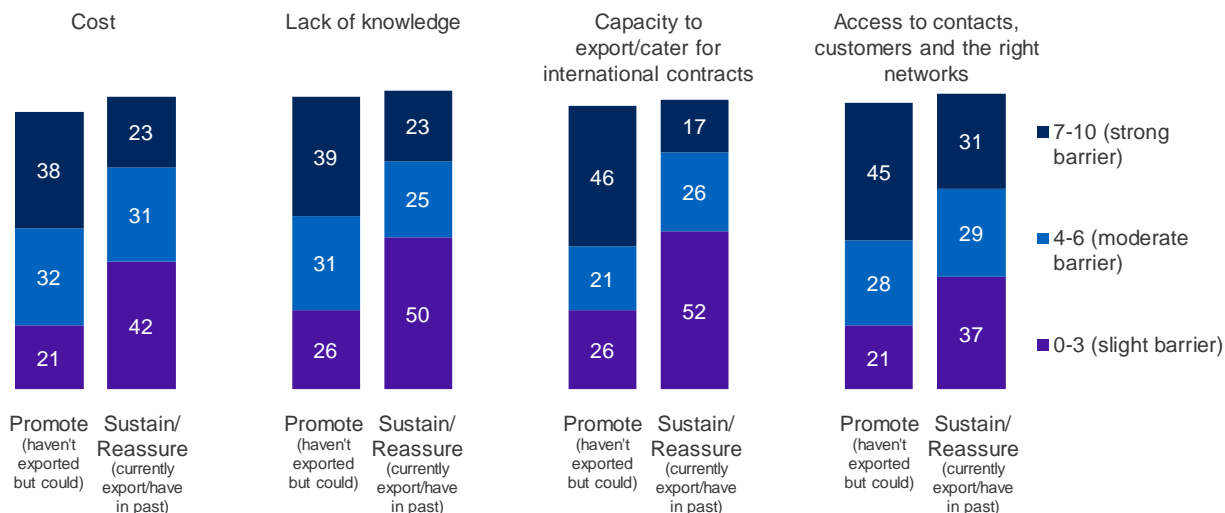
Base : Respondents who export or for whom exporting is possible W3: all businesses (1587), £500k+ turnover (1375)

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

²¹ These represent different numerical groupings to those used for the 0-10 scale relating to self-assessed knowledge of exporting. The 'strong barrier' group was attributed a relatively low starting value of '7' on the basis that businesses which are contemplating joining the export market may be dissuaded by relatively low-level barriers.

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

% all who export or for whom exporting is possible



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

Base : Respondents who export or for whom exporting is possible W3: Promote (288), Sustain/Reassure (1080)

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

Within the £500k+ group, there was no pattern of difference by size of business for any of the four measures. However, those in construction and real estate were more likely than those in other sectors to consider each of the four areas a strong barrier (e.g. 36% for cost, 39% for knowledge).

In addition to rating the extent to which each of these four broad areas represented a barrier, a sample of businesses which gave each of the four areas a score of six or higher was asked a further, more detailed question about the nature of the barriers faced. In the follow-up question, respondents were prompted with a list of more specific barriers and asked which of them had caused genuine difficulties or put them off exporting.

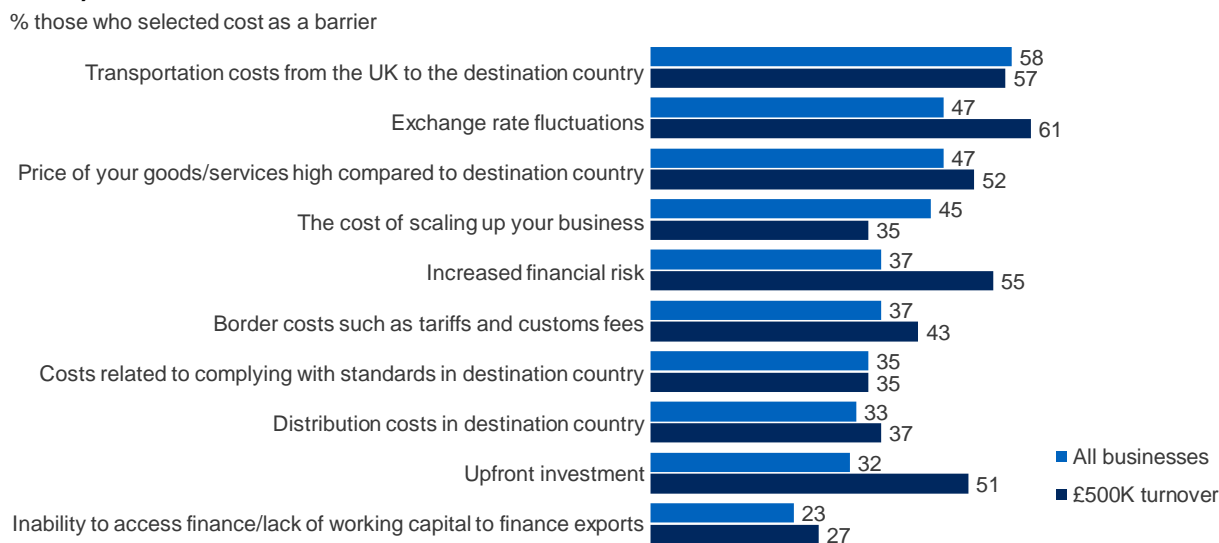
The proportion of all businesses which gave each of the broad barriers a score of 6 or higher was 33% for cost, 36% for knowledge, 37% for capacity and 37% for access. These proportions were similar among those with a turnover of £500k+ apart from a lower level for capacity (29%). All reasons explored in the following four sections are discussed only by those who felt each was a barrier, and not as a proportion of all of those who felt able to export.

Those who identified more than one of these areas as a barrier were assigned to one area at random for the follow-up question, to minimise respondent burden. The relatively small number of respondents at each question does not allow for analysis by segment.

7.1.1 Specific barriers relating to costs

As shown in Figure 7.3, among businesses which said that cost was a barrier, transportation costs from the UK to the destination country was the most commonly selected cost related issue (58%). A little under half chose exchange rate fluctuations (47%), the relatively high price of their goods/services compared to those in the destination country (47%) and the cost of scaling up the business (45%).

Figure 7.3: Ways in which cost is a barrier to exporting (among those for whom cost is a barrier)



Source : Q24XE1 – You mentioned costs as an important barrier. Which of the following specific cost issues have caused you genuine difficulties or put you off exporting?

Base : All who who export or for whom exporting is possible for whom cost is a barrier – Wave 3: All businesses (268); £500k+ turnover (232)

NOTE – businesses who selected multiple barriers at Q24XE assigned to one of selected barriers at random for follow-up questions Q24XE1 to Q24XE4

Those with a turnover of £500k+ were more likely than all businesses to cite increased financial risk (55% compared to 37% of all businesses) and upfront investment (51% compared to 32% of all businesses) as cost barriers.

Around one in three of all businesses for whom cost was a barrier cited border costs such as tariffs or customs fees (37%), costs related to standards in the destination country (35%) and distribution costs within the destination country (33%). £500k+ businesses reported broadly similar levels for these three cost factors.

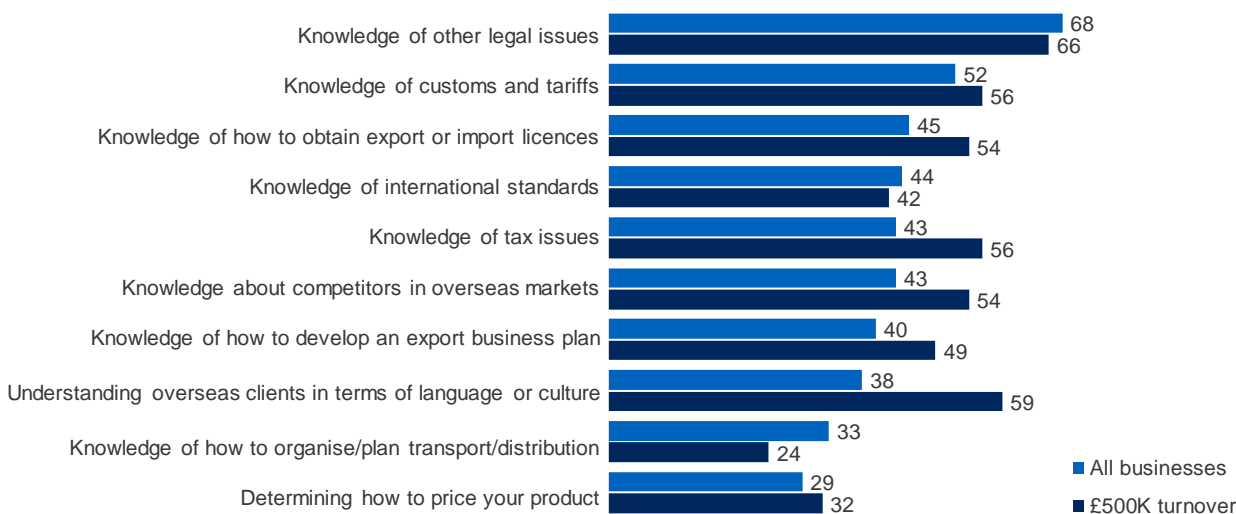
Among those with a turnover of £500k+, those with fewer than 10 employees were more likely to select transportation costs (68%) than those with 10+ employees (47%).

7.1.2 Specific barriers relating to knowledge

Among all businesses for whom knowledge was a barrier, the most frequently cited specific barrier was the non-specific ‘knowledge of other legal issues’ (mentioned by 68% as shown in Figure 7.4). The other issues were selected by 52% or fewer businesses.

Figure 7.4: Ways in which lack of knowledge is a barrier to exporting (among those for whom knowledge is a barrier)

% those who selected knowledge as a barrier



Source : Q24XE2 – You mentioned lack of knowledge as an important barrier. Which of the following knowledge gaps have caused you genuine difficulties or put you off exporting?
 Base : All who who export or for whom exporting is possible for whom knowledge is a barrier – Wave 3: All businesses (231); £500k+ turnover (191)
 NOTE – businesses who selected multiple barriers at Q24XE assigned to one of selected barriers at random for follow-up questions Q24XE1 to Q24XE4

The next most commonly selected knowledge related issues were all process related topics such as knowledge of customs and tariffs (52%), obtaining export or import licences (45%), international standards (44%) and tax issues (43%). There were no significant differences between all businesses and £500k+ businesses for these issues.

Issues relating to more strategic knowledge issues were chosen less often. These included competitor knowledge (43%), and knowledge of how to develop an export business plan (40%).

As outlined in the previous section, although transportation costs were seen as one of the major cost barriers, knowledge about how to organise transport was only seen an issue for one in three businesses with knowledge barriers (33%).

There was only one knowledge barrier which was chosen significantly more often by those with a turnover of £500k+ than by all businesses. This related to understanding overseas clients in terms of language or culture (59% of £500k+ businesses compared to 38% of all businesses).

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

As shown in Figure 7.5, among those for whom capacity was a barrier, lack of managerial time was the most frequently selected barrier (68%) while not having enough staff to expand operations was the second most widely chosen (56%). Not having the necessary machinery was the least likely to be cited as a barrier (23%).

In between lie issues concerning specific skills and training. A general lack of suitably trained staff was selected by 43% of all businesses which faced capacity barriers and the most frequently selected skills gap related to the ability to assess the cost of internationalisation (49%).

Given relatively small numbers of respondents at this question, there were no significant differences between all businesses for whom capability was a barrier, and those with a turnover of £500k+. However, there were some non-statistically significant differences which suggest that the

£500k+ group may be less likely to see managerial time (55%) and their ability to assess the cost of internationalisation (33%) as being problematic.

Figure 7.5: Ways in which capacity is a barrier to exporting (among those for whom capacity is a barrier)

% those who selected capacity as a barrier



Source : Q24XE3 – You mentioned capacity issues as an important barrier. Which of the following knowledge gaps have caused you genuine difficulties or put you off exporting?

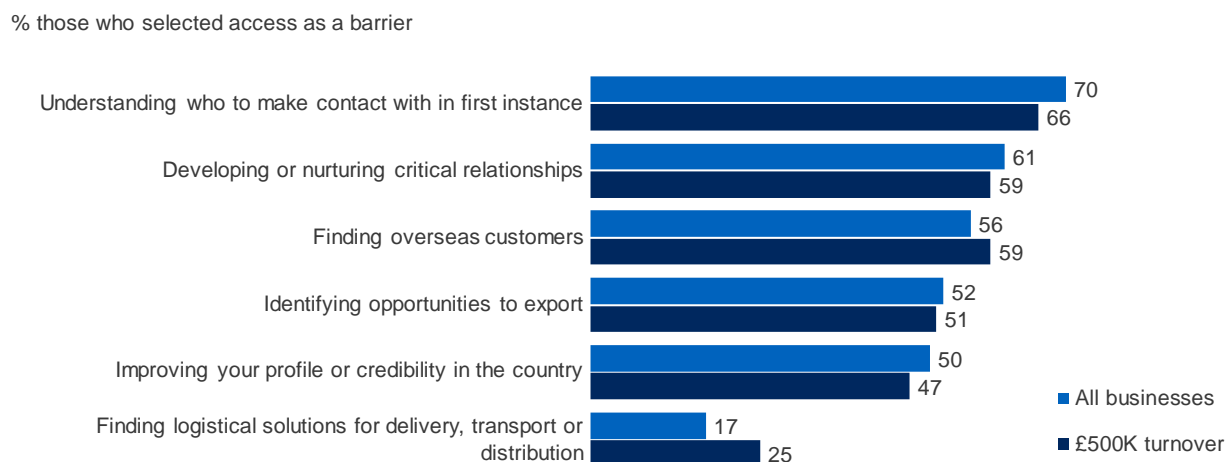
Base : All who who export or for whom exporting is possible for whom capacity is a barrier – Wave 3: All businesses (209); £500k+ turnover (178)

NOTE – businesses who selected multiple barriers at Q24XE assigned to one of selected barriers at random for follow-up questions Q24XE1 to Q24XE4

7.1.4 Specific barriers relating to access to contacts and customers

Among those businesses for whom access was a barrier, understanding who to make contact with in the first instance was the most widespread issue (70%) and over half saw finding overseas customers as a barrier (56%). Even if contacts had been established, six in ten (61%) felt that developing or nurturing relationships was a barrier (see Figure 7.6).

Figure 7.6: Ways in which access is a barrier to exporting (among those for whom access is a barrier)



Source : Q24XE4 – You mentioned access to contacts, customers and the right networks as an important barrier. Which of the following knowledge gaps have caused you genuine difficulties or put you off exporting?
 Base : All who who export or for whom exporting is possible for whom capacity is a barrier – Wave 3: All businesses (320); £500k+ turnover (287)
 NOTE – businesses who selected multiple barriers at Q24XE assigned to one of selected barriers at random for follow-up questions Q24XE1 to Q24XE4

Half felt there were barriers to identifying export opportunities (52%) and improving their profile or credibility in the country concerned (50%).

While transportation costs had been a major barrier, finding logistical solutions for delivery, transport or distribution were seen as a relatively small-scale problem, albeit one that was slightly more widespread for £500k+ businesses (17% of all businesses and 25% of £500k+ businesses).

7.2 Country specific barriers

At Wave 3, to shed further light on barriers to exporting, businesses were asked which countries, if any, they had seriously looked into exporting to in the past two years, but had decided against. In order to focus respondent thinking, they had already been asked to which countries they had exported successfully. The responses to that initial question are not reported in detail, since it was not always possible for respondents to accurately list all relevant countries and the questionnaire was not designed to produce an accurate record of countries receiving UK exports. However, to give some context to the findings discussed later in this chapter, businesses which had exported were most likely to report that they had exported to the USA (39%), France (37%), Germany (33%), Spain (18%), Australia (17%), Italy (17%), Ireland (15%), China (13%) and the Netherlands (12%). HMRC publishes data on the value of exports to different international markets and these would represent a more robust source in terms of understanding UK export destinations.²² Those businesses which identified countries they had decided against exporting to were also asked to provide the reason for this choice.

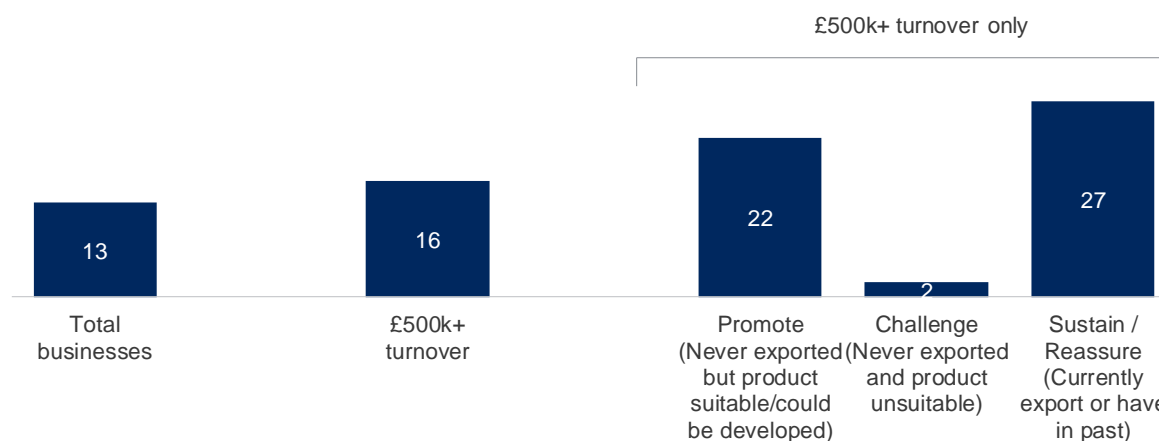
²² HMRC data on export destinations is published here:
<https://www.uktradeinfo.com/Statistics/OverseasTradeStatistics/Pages/OTS.aspx>

7.2.1 Countries which businesses have decided against exporting to

In total 13% of all businesses cited at least one country which they had considered exporting to in the past two years but decided, ultimately, not to export to- (see Figure 7.7). The proportion among £500k+ businesses was essentially the same (16%). However, within the £500k+ group, those in the Promote (22%) and Sustain/Reassure (27%) segments were more likely to cite at least one country than those in the Challenge segment (2%), reflecting their relative engagement with exporting.

Figure 7.7: Proportion of businesses which have decided against exporting to at least one country in the past two years

% all respondents



Source : Q24c – Which countries, if any, have you seriously looked into exporting to in the past 2 years, but decided against for some reason?
 Base : All respondents: total businesses (2991), £500K+ turnover (2535), Promote (294), Challenge (874), Sustain/Reassure (1193)

Among businesses with a turnover of £500k+, those with a turnover below £10m were less likely to cite any countries (16%) than those with a larger annual turnover (22%). By sector, those in construction and real estate (8%), consumer discretionary (7%) and education and health (10%) were less likely to cite any countries than most other sectors (where the proportion ranged from 16% to 21%).

No one country stood out as being a destination to which businesses had been dissuaded from exporting. The countries cited most often were the USA and France, each of which was mentioned by 2% of all businesses. The USA was more frequently mentioned by those in the £500k+ Sustain/Reassure segment (5%).

A further 16 countries and regions were each mentioned by 1% of businesses: Italy, Spain, Australia, India, Germany, Ireland, Russia, China, Switzerland, The Netherlands, Poland, Pakistan, along with Asia, Africa, the Middle East, and South America. The £500k+ Promote segment was more likely than the £500k+ Challenge segment to mention Ireland (5%), China (3%) and Germany (3%). The £500k+ Sustain/Reassure segment was also more likely to mention China (3%) than the Challenge segment.

7.2.2 Reasons for deciding against exporting to specific countries

The 14% of businesses which had cited a country to which they had decided not to export were asked to say (without prompting with specific response options) why this was. There were no significant differences between those with a turnover of £500k+ and all businesses, and all figures discussed in this section are those for all businesses.

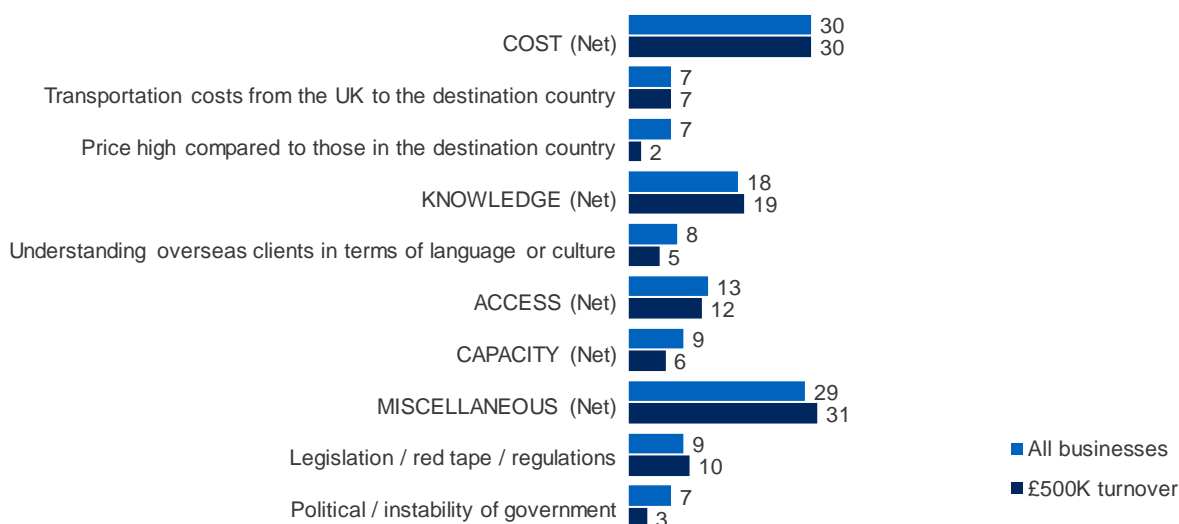
As shown in Figure 7.8, cost issues were the most cited factor (30%) followed by knowledge (18%), access (13%) and capacity (9%) but businesses also cited a wide range of other miscellaneous issues (29%). The full list of codes feeding into each of these net categories can be found in the accompanying data tabulations.

In terms of cost, this was most likely to be about transportation, or the ability to price competitively in the target country (each 7%). Other spontaneously mentioned cost issues included the cost of complying with standards, exchange rate fluctuations and upfront investment, each cited by 3%. These largely reflect the ranking of cost barriers discussed more generally in Section 7.1.1.

Knowledge was most likely to relate to understanding overseas clients in terms of knowledge or culture (8%), but also included knowledge of legal issues (5%), and of customs and tariffs, obtaining licences and tax issues (each 3%). Understanding overseas clients ranked more highly as a spontaneous barrier relating to specific countries than it did when prompted as a non-country specific knowledge barrier (as described in Section 7.1.2).

Figure 7.8: Reasons for deciding against exporting to specific countries

% those who decided against exporting to at least one country



Source: Q24d - What were the main specific barriers, if any, which prevented you from exporting to (randomly selected country from Q24c)
 Base: All who had decided against exporting to at least one country – Wave 3: All businesses (518); £500k+ turnover (454)
 NOTE – for those who had decided not to export to more than one country, country assigned at random from those rejected

Reasons given outside of the four main barrier areas included legislation and red tape (9%), political instability (7%), corruption and fraud (6%) and staff safety (3%).

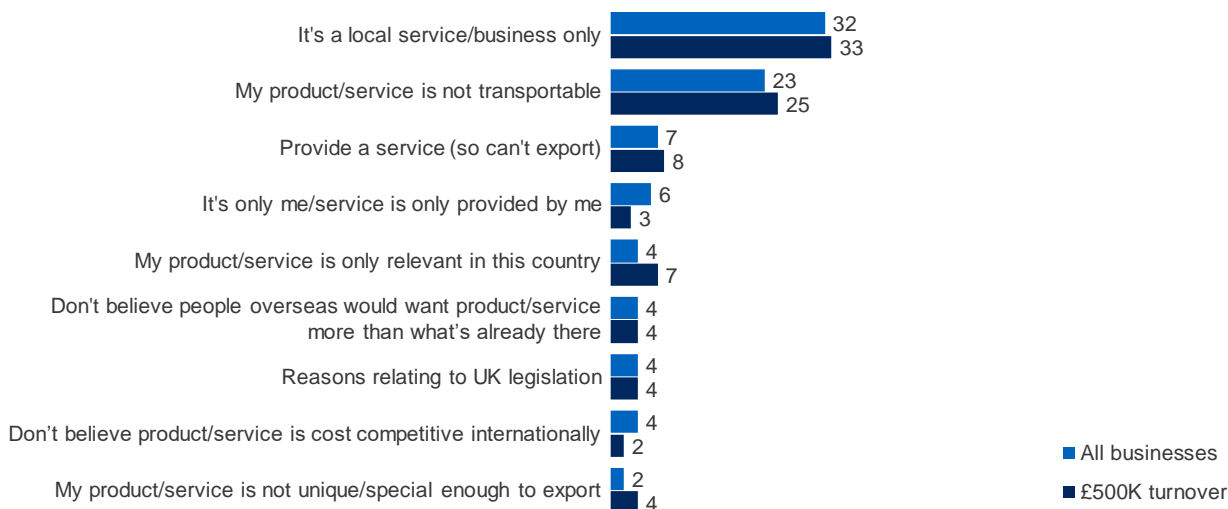
7.3 Perceived barriers to exporting among those who believe their offer is unsuitable for exporting

Prior to being asked the specific questions discussed above, those who felt their products or services would never be suitable for exports were asked to say (without prompting) why this was. This group offers fewer opportunities in terms of growing UK exports, as in many cases their perceived barriers to exporting may be genuinely insurmountable and no matter how much support or encouragement they are given, it will not be possible for them to export.

The reasons given were very similar to those seen at Wave 2. As shown in Figure 7.9, two issues were by far the most commonly cited: being a purely local business (32%) and the product or service not being transportable (23%).

Figure 7.9: Reasons believe products or services to be unsuitable for export

% all who believe product unsuitable for export



Source : Q19. EXP_UNSUITE – Why do you say your product or service is not suitable for export?
 Base : All who believe their product is unsuitable for export – Wave 3: All businesses (1164); £500k+ turnover (960)

A range of other reasons was cited by a small proportion of those who did not believe they could export their goods or services. At Wave 3 (in common with Wave 2), there was a belief by some that the fact they only provide a service precluded exporting (7%). Being a sole trader, or the only provider of a service was also seen as a barrier (6%) although less so by those with a turnover of £500k+ (3%).

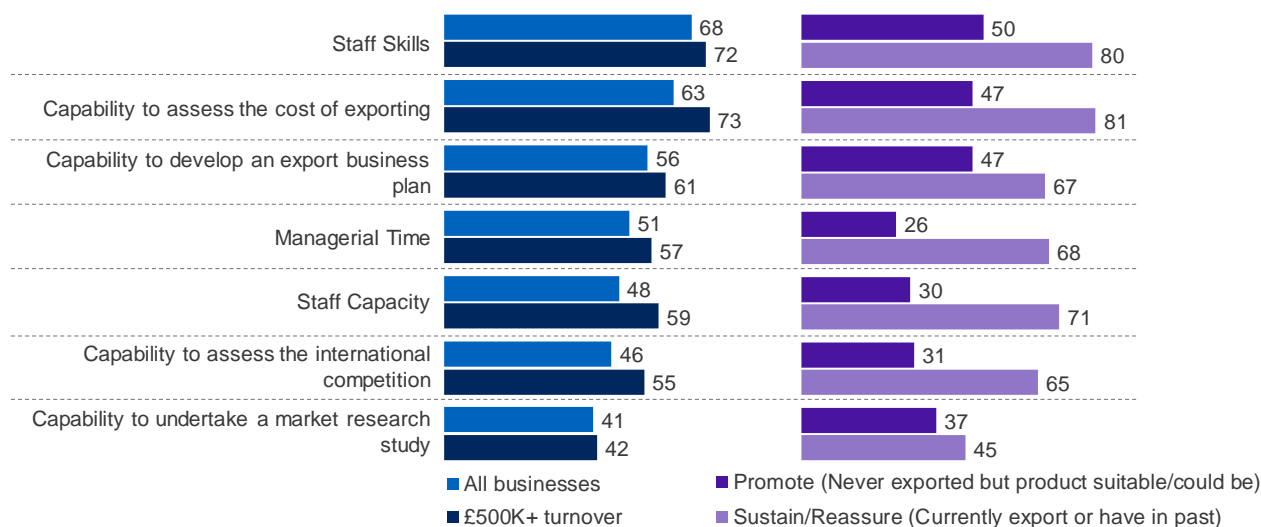
A number of other reasons reflect the perception that there would be no market for their product or service overseas, including a lack of relevance in other countries (4%), a lack of room in the marketplace (4%), not being competitive (4%) or not being unique (2%). UK legislation was also mentioned as a factor by 4% of those who did not believe they could export.

7.4 Business capacity and capability to enable exporting

Among businesses who felt their products or services were suitable for export, the majority felt that the skills of their staff were sufficient to focus on exporting: 68% among all businesses and 72% for those with a turnover of £500k+ (see Figure 7.10). In contrast, only around half of businesses felt they had enough managerial time (51%), and enough staff capacity (48%), albeit with those with a turnover of £500k+ more likely to feel they had enough staff capacity (59%), suggesting smaller businesses are more concerned about this issue.

Figure 7.10: Whether have enough capacity and capability to focus on exporting (% saying 'yes')

% all whose product is suitable for export



Source: Q31a - Thinking about your business' ability to start or continue exporting internationally, would you say that your business has enough of each of the following to focus on exporting

Base: All businesses whose product is suitable for export: all businesses (1827), £500k+ turnover (1575), Promote (294), Sustain/reassure (1110)

Almost three quarters of businesses with a turnover of £500k+ (73%) were confident in their capability to assess the cost of exporting, but this was slightly lower among all businesses (63%). Over half felt they had sufficient capability to develop an export business plan: 56% among all businesses and 61% of those with a turnover of £500k+.

Assessing the market was generally seen as more problematic for businesses, with fewer feeling they could assess international competition (46% of all businesses and 55% of those with a turnover of £500k+). Around four in ten felt that they could undertake a market research study (41% of all businesses and 42% of £500k+ businesses).

Those in the Sustain/Reassure segments were considerably more confident in their capacity and capability in almost all areas than those in the Promote segment. However, even among the Sustain/Reassure segment, there was a substantial minority (a third to a fifth of businesses) who did *not* think their business had enough capacity or capability in each area to **focus** on exporting.

Among those with a turnover of £500k+, the belief that capacity and capability were lacking in all areas was more widespread among smaller companies, particularly those with fewer than 10 employees or with a turnover of £500k to £2m. By sector, those in manufacturing, raw materials and energy, financial and insurance and wholesale and retail were largely more confident, particularly when compared with those in construction and real estate.

8 Overall summary of implications for DIT

The following chapter draws together some of the key points from Chapters 4-7 and considers their implications for DIT. This is very much an overall summary of findings and we would expect end-users across DIT to make further use of the NSRB data, using it to inform a range of decisions within the department. Chapter 12 focuses more specifically on campaign-related implications.

8.1 Current and future exporting behaviours

As discussed in Chapter 4, there is a large pool of 'Promote' segment businesses which self-identify as having goods or services which could potentially be exported (between 428,000 and 604,000 taking margins of error into account). There is also a healthy spread of businesses with different turnover levels within this group. The opportunity for DIT is therefore how best to **convert this potential into reality**.

Although there are signs of progress in terms of a decrease in the proportion of £500k+ businesses falling into the Challenge segment (i.e. believing that their goods or services are not potentially suitable for export), there are also signs that **quick wins may be harder to come by** – it appears that businesses are moving from a position where they believe they can't export to a position where they are unsure (rather than directly to a position where they believe that they *can* export). As such, DIT will **need to continue its efforts** to shift business perceptions of the viability of exporting **over the longer term**. We discuss this further in Chapter 12, where we draw together findings from throughout this report to provide a holistic overview of potential paths forwards for the campaign.

8.2 Underlying attitudes towards growth and exporting

Chapter 5 highlights that there are **strong and improving perceptions of international demand** for UK products and the scope for more UK businesses to start exporting. The balance of opinion concerning mid-term expectations for UK exports as a whole is positive (47% of all businesses expected the total value of UK exports to increase over the next 5 years, while 20% expected there to be a decrease and 15% reported that they did not know what would happen).

As such, the attitudinal exporting environment is relatively healthy and the key challenge lies in converting these positive attitudes into action. This may be more challenging given that the majority of businesses at Wave 3 remained **focused on steady sustainable growth** (61%) rather than rapid growth (5%) and there are signs that, if anything, they had become less ambitious in terms of growth aspirations than was the case in earlier waves. At the same time, there have also been signs of **retrenchment when it comes to innovation** – fewer companies in Wave 3 reported that they had introduced improved goods or services over the past 12 months. As shown in Chapter 4, only around 1 in 5 businesses (17%) which self-identified as potentially able to export (i.e. which fell into the Promote segment) reported that they planned to start exporting. As such, there is currently a **disconnect between the broad appreciation that exporting would be possible and the more active pursuit of exporting opportunities**. The reasons for this would merit further investigation in future research.

8.3 Knowledge, information and support

As detailed in chapter 6, DIT has been working to improve the knowledge of businesses about exporting, given that businesses embarking on the exporting journey need to understand *how* to export effectively if they are to succeed. There have been signs of improvement in this respect. For example, the proportion of businesses in the vital Promote segment which reported a poor level of knowledge (scores of 0-2 on a 0-10 rating scale) fell from 63% at Wave 1 to 44% at Wave 3. Nevertheless, **continuing efforts to boost knowledge levels of the Promote segment and awareness of where to find support will be of potential benefit**.

In particular, **DIT is not yet widely seen as one of the first ports of call** for advice or support about exporting (cited by 8% of all businesses as being a source of advice or support that they would use) and awareness of the great.gov.uk website is relatively low. We discuss this further in Chapter 12.

Many businesses are open to better understanding exporting. Focusing on the key Promote segment, a third (33%) said that they were interested in information and support services to assist them with exporting. This was around double the proportion of businesses in the Promote segment which currently had active plans to export (17%) The disparity between these figures suggests that **highlighting the support available, or facilitating access to such support, may encourage further businesses to join the export sector**, given that interest in exporting support isn't always translating into active plans to export. There has also been **an increase in the proportion of businesses seeking advice and support** about exporting (16% of businesses in the Promote segment had done so at Wave 3 compared to 4% at Wave 1). This underlying willingness to find out more about exporting should be addressed in ways that are as frictionless as possible for businesses, given the other demands on time that business decision makers face.

Given that the NSRB data have shown that there was also interest in directly consulting other businesses experienced in exporting, there is potentially a role for DIT in **coordinating peer networks of advocates** to help potential exporters to access such expertise more easily. This has been reflected in modifying the Exporting is Great campaign's wider strategy and proposition for 2018. The new creative approach positions successful exports advocates from a range of sectors at the heart of the campaign, a key theme maintained across the campaign moving forward.

8.4 Barriers to exporting

As seen in chapter 7, around one in five (22%) businesses in the Promote segment had seriously looked into exporting in the past two years, but had decided against doing so. As such, it is clear that **barriers are deterring a very significant number** of businesses which are actively interested in exporting from doing so. However, the nature of those barriers is complex – when asked to cite what had dissuaded the business from exporting, a very broad range of factors was flagged up. This complicates matters from a policy perspective as it means that **there isn't one single policy lever that can be used to address the barriers facing UK businesses**.

It is striking that, when prompted with a list of potential barriers, businesses in the Promote segment were particularly likely to identify capacity issues as a strong barrier to exporting (46% compared to 24% of all £500k+ businesses). A **lack of managerial time was the most frequently mentioned barrier** among those businesses which saw capacity as a barrier to exporting (68% of all businesses and 55% of £500k+ businesses). More broadly, the other main capacity related factors related to not having enough staff to expand operations or not having enough suitably trained staff. All of these factors again emphasise the need to **ensure that access to support is made as frictionless as possible** – businesses which feel that they do not have the resources to pursue exporting will not only be less likely to investigate the viability of exporting, they are also likely to be more easily deterred if they do start to investigate but cannot easily find the information or support that they need.

Transportation costs were the most frequently cited barrier relating to cost (mentioned by 58% of those who said that costs were a barrier to exporting). DIT has relatively limited powers in terms of directly influencing such costs, but does provide advice on shipping via the great.gov.uk website and should continue to publicise the site to boost traffic. Export cost factors relating to risk and financing were also widely cited – businesses are wary of exchange rate fluctuation, the amount of upfront investment needed and the increased financial risk associated with entering the export market. **Improving access to dependable long-term finance** would help to address all of these factors.

There are broad themes relating to barriers according by region (for example transportation costs are more of an issue for exporting to regions which are geographically distant while language is seen as more of an issue in Western Europe and India). However, at a country level the picture becomes more complex, with certain countries bucking the wider regional trends. As such, there would appear to be a **need for businesses to understand that support is available at a country-specific level.**

Many of the findings in this chapter have implications for future campaign messaging and these are discussed in Chapter 12. However, these findings also pose the question as to what other policy levers could be used to strengthen these measures in the future and merit further discussion and analysis by teams within DIT.

9 Engagement with *Exporting is GREAT* website

The *Exporting is GREAT* website at great.gov.uk is designed to play a large role in encouraging exporting behaviours, providing businesses with live, tangible export opportunities as well as advice and information to aid them in exporting. One of the aims of the *Exporting is GREAT* campaign (see Chapters 10 and 11) is to drive businesses to the website. As such, new questions were added to the third wave of the NSRB, with a view to better understanding the interactions of businesses with the website.

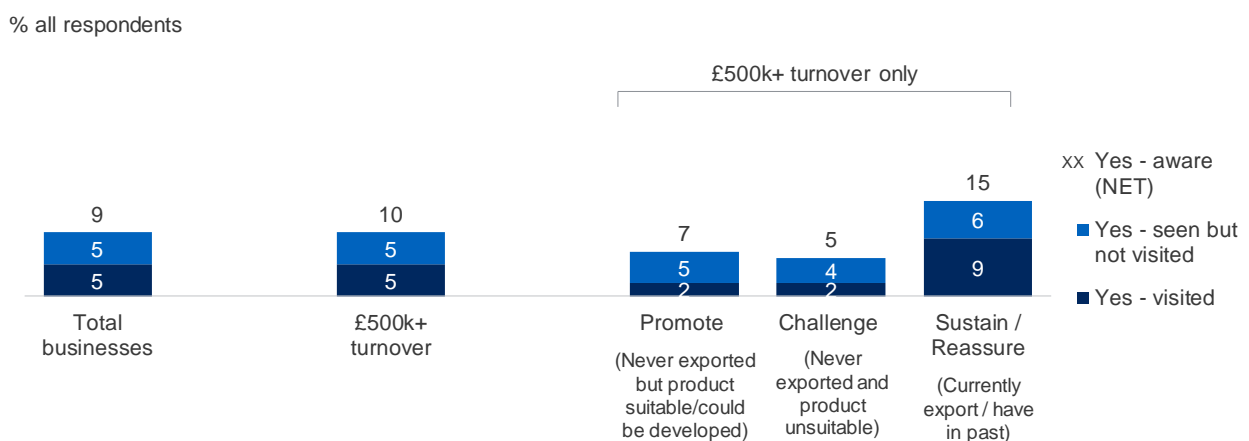
Key findings

- One in ten (9%) businesses were aware of the *Exporting is GREAT* website and one in twenty had visited it (5%).
- 2% of those in the Promote segment had visited the website (compared to 9% of those in the Sustain/Reassure segments).
- Awareness of the website was higher among those who had seen the advertising campaign (17%) than for those who had not (5%).
- Awareness of the specific services offered on the site was low (3% or fewer businesses had heard of each service)

9.1 Awareness of *Exporting is GREAT* website

As a first step to increasing use of the *Exporting is GREAT* website, awareness of the website needs to be raised. In total around one in ten businesses (9%) were aware of the website at Wave 3 (see Figure 9.1). Awareness of the website was higher among £500k+ businesses in the Sustain/Reassure segment (15%) than among those in either the Promote (7%) or Challenge (5%) segments.

Figure 9.1: Awareness and use of *Exporting is GREAT* website



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

Base : All respondents: total businesses (2991), £500K+ turnover (2535), Promote (294), Challenge (874), Sustain/Reassure (1193)

Around half of those aware of the website said that they had visited the website (5% of all businesses). This was higher for the Sustain/Reassure segment (9% had visited the website) than in the Promote and Challenge segments (2% of each had visited the website).

Among businesses with a turnover of £500k+, awareness of the website was higher among those with 250+ employees (16%) than among those with fewer than 250 employees (9%). This higher awareness did not, however, translate into significantly more large employers reporting visiting the website.

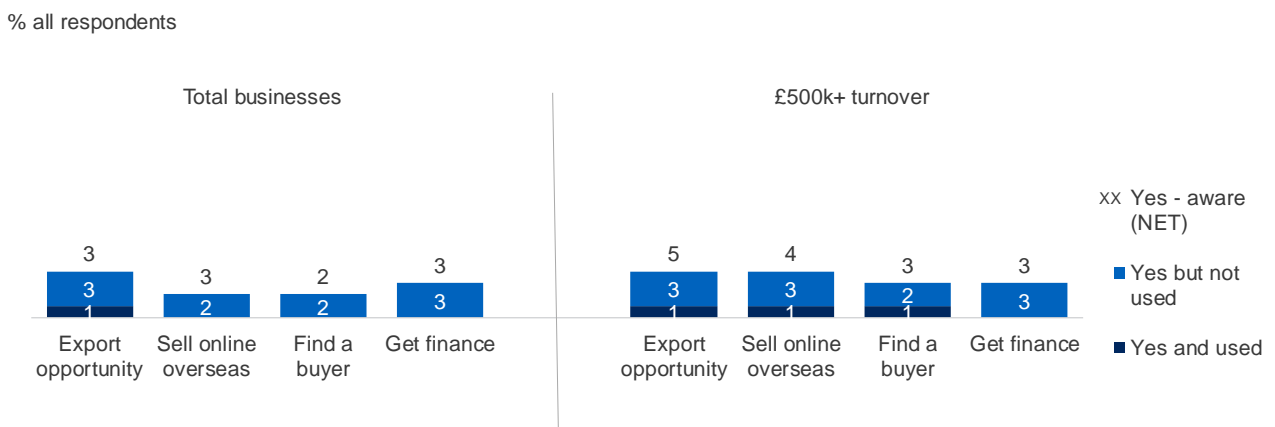
In terms of sector, awareness was higher for manufacturing, raw materials and energy (12%), information and communication (15%) and transportation and storage (17%) than for consumer discretionary (3%) and education and health (5%). Those businesses which expected the total value of UK exports to increase over the next five years were also more likely to be aware of (13%) and report visiting (7%) the website than those who did not expect UK exports to increase (7% and 4% respectively).

There is some evidence that the campaign may be driving businesses to the website; awareness was higher for those who recognised the campaign (17%) than for those who did not (5%). There was a similar pattern in terms of reported visits to the website (9% of campaign recognisers compared with 2% of non-recognisers). However, since only 3% of businesses who recognised the campaign reported having gone to the *Exporting is GREAT* website as a result of the campaign (see Section 11.3), this does not necessarily reflect the campaign influence alone. Those with a greater interest in exporting are more likely to have noticed the campaign as it is more salient to them and are possibly more likely than other businesses to have come across the website via a search engine or in some other way.

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

Awareness and usage of four services offered on the website were also explored in the interview. These services were: 'export opportunity', 'selling online overseas', 'find a buyer' and 'get finance'. Awareness of each specific service was low, reflecting the low levels of awareness of the website as a whole (see Figures 9.2 and 9.3).

Figure 9.2: Awareness and use of *Exporting is GREAT* website services – total businesses vs. £500k+ businesses



Source : AD4B - Before today, were you aware that any of the following services are offered on the great.gov.uk website? AD4C - And have you used any of these services via the great.gov.uk website...

Base : AD4B: all aware of website; AD4C: all aware of each service; Chart rebased over all respondents total businesses (2991), £500K+ turnover (2535)

Figure 9.3: Awareness and use of *Exporting is GREAT* website – exporting segments

% all respondents



Source : AD4B - Before today, were you aware that any of the following services are offered on the great.gov.uk website? AD4C - And have you used any of these services via the great.gov.uk website...

Base : AD4B: all aware of website; AD4C: all aware of each service; Chart rebased over all respondents Promote (294), Challenge (874), Sustain/reassure (1,193)

Among all businesses there was little difference in awareness and use of each of the services, with 2-3% aware of each and very little reported use. The ‘export opportunity’ service was the only one to have been used by 1% or more of the total business population. Levels of awareness and reported use were similar among businesses with a turnover of £500k+.

Among £500k+ businesses, awareness was higher among the Sustain/Reassure segment, with 9% aware of the ‘export opportunity’ service, compared with only 2% of the Promote segment and 1% of the Challenge segment. There were smaller, but nevertheless statistically significant differences in awareness between the segments for the other three services. Around one in twenty businesses (5% to 6%) in the Sustain/Reassure segment reported awareness of each service, compared with 1% of the Promote segment and circa 2% of the Challenge segment for most services. Usage of the services was largely limited to the Sustain/Reassure segment, with 3% of this segment reporting using the ‘export opportunity’ service and 1% reporting using each of the other three services.

In total, half of businesses who were aware of the website had heard of at least one of the four services (51%), with awareness highest for the ‘export opportunity’ service (37%), followed by ‘get finance’ (30%), ‘selling online overseas’ (28%), and ‘find a buyer’ (25%). Since relatively few respondents were aware of the website, it is not possible to explore significant differences between segments or other subgroups.

Chapter 12 draws together the findings outlined in this chapter with the wider findings discussed throughout this report, focusing on their implications for the future of the *Exporting is GREAT* campaign.

10 Advertising awareness

The *Exporting is GREAT* campaign plays a vital role in increasing awareness of exporting opportunities and encouraging exporting behaviours. This chapter provides further details about the campaign and assesses awareness of the campaign in terms of both spontaneous and prompted recognition. Further, diagnostic measures, and benchmarking against the *Business is GREAT* campaign provide further tools to assess the success of the campaign.²³

An overview which draws together all aspects of the campaign's performance is to be found in Chapter 12.

Key findings

- While evaluation of the first year of the campaign was conducted immediately after it aired, in the second year it was carried out three months after the campaign aired, so that the figures recorded are unlikely to represent peak levels of campaign awareness.
- Spontaneous awareness of 'any information or advertising encouraging businesses to think about exporting' decreased slightly from the previous year to 25% of businesses (but may have been higher immediately post campaign).
- Campaign recognition was maintained at 43% of businesses, with increased recognition to 49% for the Promote segment, meaning the campaign reached all three segments equally in its second year.
- Reduced spend on TV and increased spend on radio and print advertising resulted in more even campaign recognition by media channel, although TV adverts still had the highest recognition (22%).
- Recognition of the print adverts increased particularly for the Promote segment whilst there was also an increase for radio adverts driven by an increase for the Challenge segment.
- 86% agreed 'this advertising is clear and easy to understand' and 79% that 'you trust the information given by these adverts', but just 32% agreed 'the advertising is relevant to you'. Relevance was particularly low for the Challenge segment at 10%, although they were more likely to agree 'the advertising told you something new' (57%).

10.1 The campaign

10.1.1 Campaign aims

The overall aim of the campaign is to make businesses aware of the opportunities available for them overseas and get them to take action by visiting great.gov.uk, the government's single destination for exporters, international buyers and investors. Details of the more specific campaign objectives are outlined in Chapter 2.2.

²³ The Business is GREAT campaign aimed to increase confidence that Britain and Government is supporting small business, to promote aspirations of business and export growth, and to increase employer investment and recruitment. It featured successful small businesses and ran in national, regional and business press, large format out of home posters, radio, digital display and paid for search, social media, PR and partnership activity.

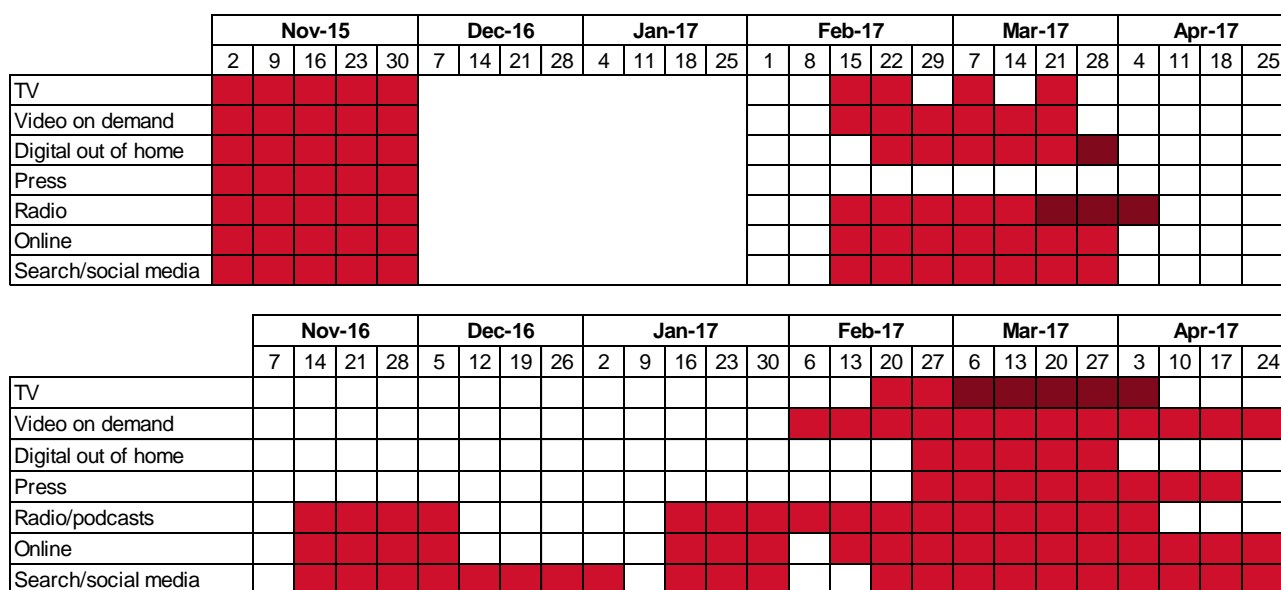
The core target for the campaign is businesses with an annual turnover of £500k or more. The campaign is targeted particularly at businesses in the UK who do not currently export but could because they have a product or service that is potentially exportable (the Promote segment), and those who do not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

Further details of the background to the campaign are included in Chapter 2.

10.1.2 Campaign timing

The campaign was launched in November 2015 with a first burst of media activity. A second burst of activity ran from mid-February to early April 2016. The success of this first year of the campaign, covering both bursts, was evaluated in the previous NSRB report. The campaign aired again in 2016-2017, with fairly low-level activity from November 2016 to January 2017 and the majority of activity from February to March 2017. This 2016-2017 activity is the focus of this report. Figure 10.1 shows the timing of these bursts of activity, by paid media used. Dark shaded cells highlight periods where the campaign spend was more heavily weighted.

Figure 10.1: Campaign timing by media



The campaign was first launched on 8th November 2015 using TV, out of home (OOH), press, radio and online activity (including display, search and social media). Some low level online activity continued in December 2015 in a 'sustain' phase between the two bursts (details of this are not shown in Figure 10.1). The second phase continued to use all media, other than press. Some radio and OOH activity at the second burst was back-loaded towards the end of the first year of the campaign.

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

the adverts in the trade press.²⁴ Audio activity included radio adverts, partnerships with LBC and talkRADIO and sponsorship of a number of podcasts.

Spend on paid media in the 2016-2017 campaign was slightly lower than in the 2015-2016 activities (93% of 2015-2016 paid media spend in total). The 2016-2017 spend was much more heavily weighted towards the second burst of activity as shown in Figure 10.2 and there was a much lower proportion of spend in the first burst than when the adverts were launched in 2015. Spend in the February to April burst of the 2016-2017 campaign was around two thirds as much again as was spent over the same period in the 2015-2016 campaign.

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

Figure 10.2: Campaign % spend by media and burst of activity (within campaign year)

Activity	2015-2016			2016-2017		
	Nov-Jan	Feb-Apr	Total	Nov-Jan	Feb-Apr	Total
TV	29%	22%	51% ²⁵	-	22%	22%
VOD	6%	-	6%	-	10%	10%
Digital OOH	2%	-	2%	-	23%	23%
Press	5%	8%	13%	11%	12%	23%
Radio	7%	11%	19%	3%	10%	13%
Online	5%	4%	9%	5%	3%	8%
Search/social media	55%	45%	100%	19%	81%	100%
TOTAL	55%	45%	100%	19%	81%	100%
Total value	£2.793m	£2.318m	£5.111m	£899k	£3.878m	£4.777m

10.1.3 The adverts

As set out above, the campaign included adverts on TV (including VOD), radio, online (both stills and video), digital OOH display and press. The adverts illustrated the wide-ranging demand for UK business products and services in a range of sectors and in a wide variety of countries around the world. Adverts included a direct call to action to visit the 'great.gov.uk' website or to search online for *Exporting is GREAT*. A range of images from the campaign are shown in Figure 10.3.

²⁴ Management Today; Director Magazine; Real Business; Crimson; RIBA Journal; Retail Week; The Manufacturer; New Scientist; The Grocer; The Register; Draper

²⁵ TV and VOD spend in 2015/2016 was provided at an overall level, while 2016/2017 spend was available with a more detailed breakdown between the two media. The data are presented accordingly here.

Figure 10.3: Campaign images

TV ad (stills)



Online and digital display ads



Press ads



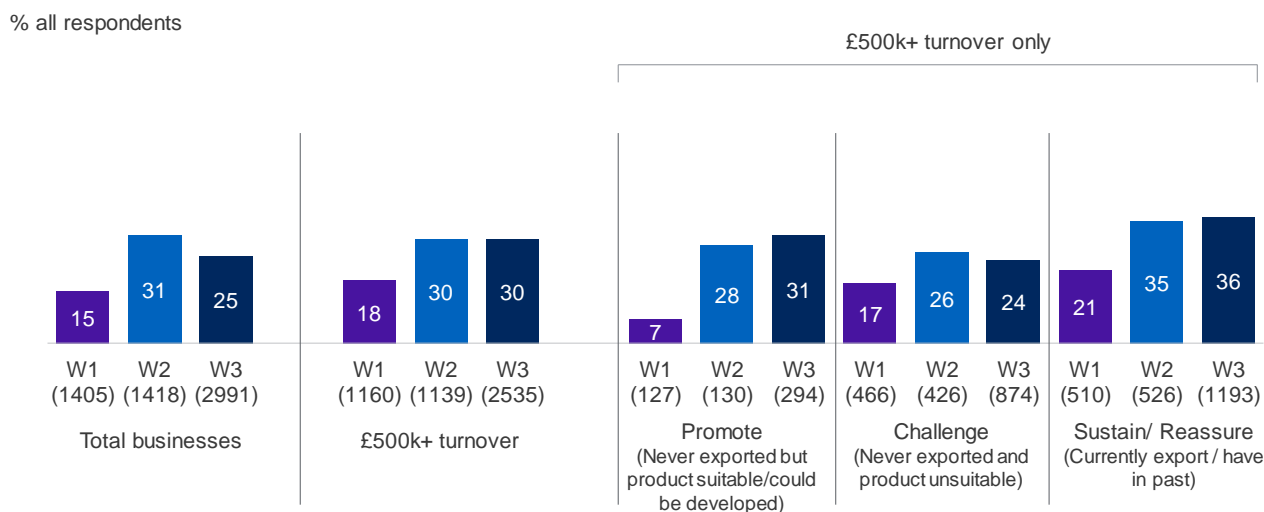
10.1.4 The evaluation

In the first year of the campaign (2015-2016), the campaign evaluation was conducted using two waves of research, with surveys just prior to the campaign (Wave 1), and again immediately after the bulk of the campaign had aired (Wave 2). This comparison of pre- and post-campaign findings provides the best possible estimate of campaign awareness and impact and allowed DIT to draw upon learnings from early phases of the campaign to refine subsequent campaign activities.²⁶

There was no survey conducted ahead of the second year of the campaign (2016-2017), so there is no record of the level of residual campaign awareness or impact on which the second year of the campaign built. Furthermore, the post campaign survey (Wave 3) was run from late July to September 2017, so there was a gap of almost three months between the end of the 2016-2017 campaign and the start of the survey (see Figure 10.4). Chapter 3 provides further details of method.

²⁶ Further details of the early campaign findings can be found in the first NSRB report. See: <https://www.gov.uk/government/publications/dit-national-survey-of-registered-businesses-exporting-behaviours-attitudes-and-needs>

Figure 10.5: Spontaneous awareness of exporting advertising/promotion (% aware)

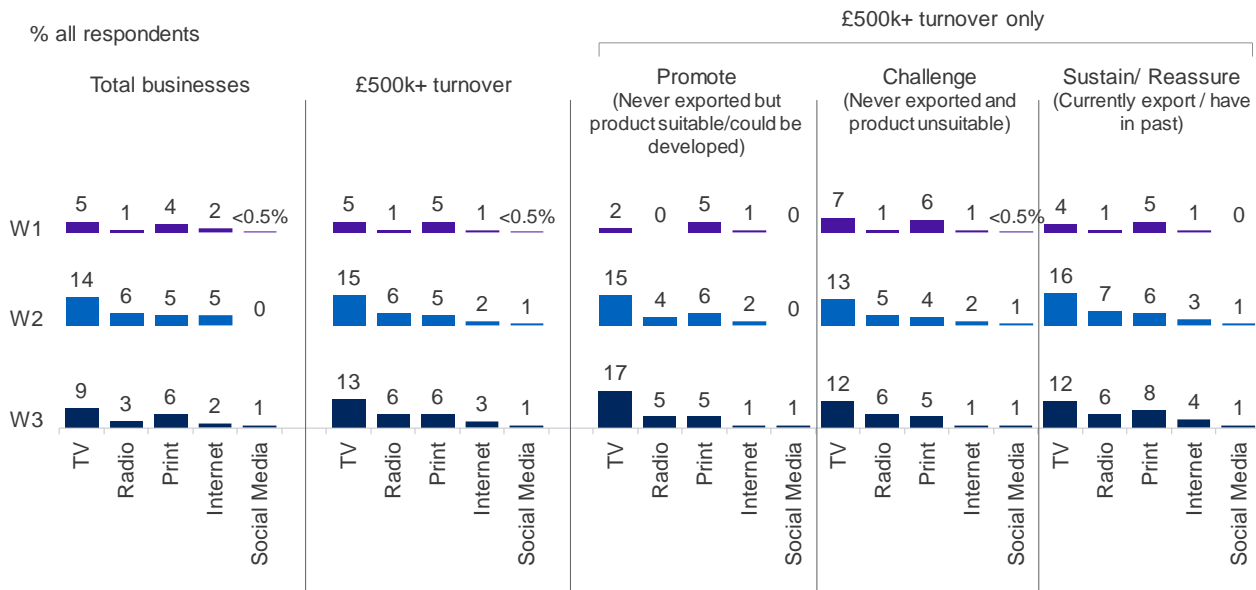


Source : Q39.AD_AWARE – In the last [WAVE 1: couple of months][WAVE 2: six months][WAVE 3: nine months since November last year], have you seen or heard any advertising, publicity or other types of information encouraging businesses to think about exporting?
Base : All respondents

At Wave 3, among businesses with a turnover of £500k+, awareness was higher in Yorkshire and the Humber (43%) than was the case elsewhere in England (29%), Scotland (28%), Wales (24%) and Northern Ireland (22%). Awareness was higher in the manufacturing, raw materials and energy (35%) and wholesale and retail (33%) sectors than in some other sectors, particularly education and health (23%) and consumer discretionary (21%). It was also higher for those expecting that there would be an increase in total UK exports over the next five years (38%) than for those expecting no change or a decrease (23%).

When asked where they had seen or heard this information or advertising, the source of spontaneous awareness cited most often was again TV at Wave 3 (see Figure 10.6). In line with the small decrease in overall spontaneous awareness, there was a small decrease in awareness of publicity on TV (9% at Wave 3 compared to 14% at Wave 2), radio (3% and 6% respectively) and the internet (2% and 5% respectively) among all businesses. Nevertheless, awareness of publicity on TV and radio remained above Wave 1 levels. Awareness of publicity on social media remained low. As was the case for overall awareness, these figures may have declined slightly from their peak immediately following the 2016-2017 campaign activity.

Figure 10.6: Spontaneous awareness of exporting advertising/promotion by channel (% aware)



Source : Q40. AD_SOURCE – Where did you see or hear this information or advertising?
 Base : All respondents W1/W2/W3. Total businesses(1405/1418/2991); £500k+ turnover (1160/1139/2535); Promote (127/130/294); Challenge (466/426/874); Sustain/Reassure (510/526/1193)

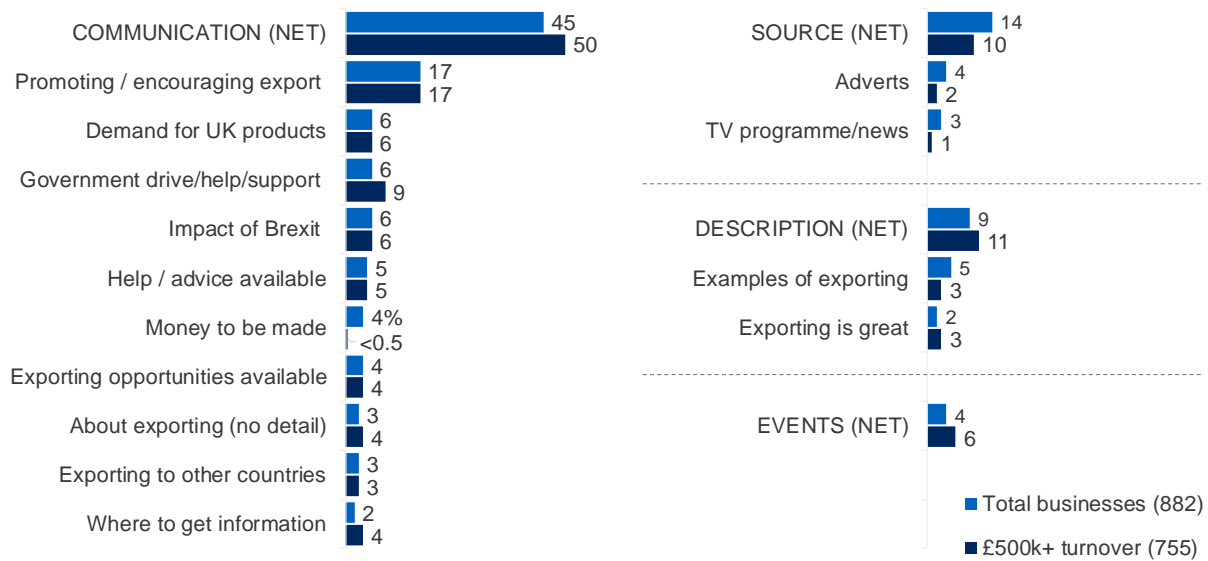
Among businesses with a turnover of £500k+, there was no significant change for any source of awareness from Wave 2 to Wave 3. At Wave 3, spontaneous awareness of TV (13%) and radio (6%) publicity was higher among £500k+ businesses than amongst the total business population. Awareness of publicity on TV, radio and the internet remained above Wave 1 levels, and a similar pattern over time was seen in each segment. As was the case at Wave 2, awareness of publicity in print and on the internet was higher in the Sustain/Reassure segment than in the Challenge segment.

At Wave 3, among businesses with a turnover of £500k+, awareness of TV publicity was slightly lower in the financial and insurance sector (3%) than for construction and real estate (14%) and manufacturing, raw materials and energy (14%).

At Wave 3, respondents who recalled seeing any information or advertising were asked to describe in their own words what they had seen and who they thought was responsible for the advertising, to provide further evidence of whether they were recalling the *Exporting is GREAT* campaign. Figure 10.7 shows the answers spanning the main themes reported: communication of messages related to exporting (around half of the answers given relate to this); descriptions that reflect the content of the campaign (around one in ten cited these, offering possible evidence of campaign recall); sources of information; and recall of events such as seminars, webinars, workshops and conferences.

The single message reported most often was the main message of the campaign: encouraging businesses to export (spontaneously mentioned by 17% of all businesses which recalled some advertising or information about exporting). Other more specific exporting-related messages were each recalled by around one in twenty, including messaging to the effect that exporting opportunities are available and that support is available. References to 'Brexit' also featured (cited by 6%).

Figure 10.7: Description of information or advertising recalled

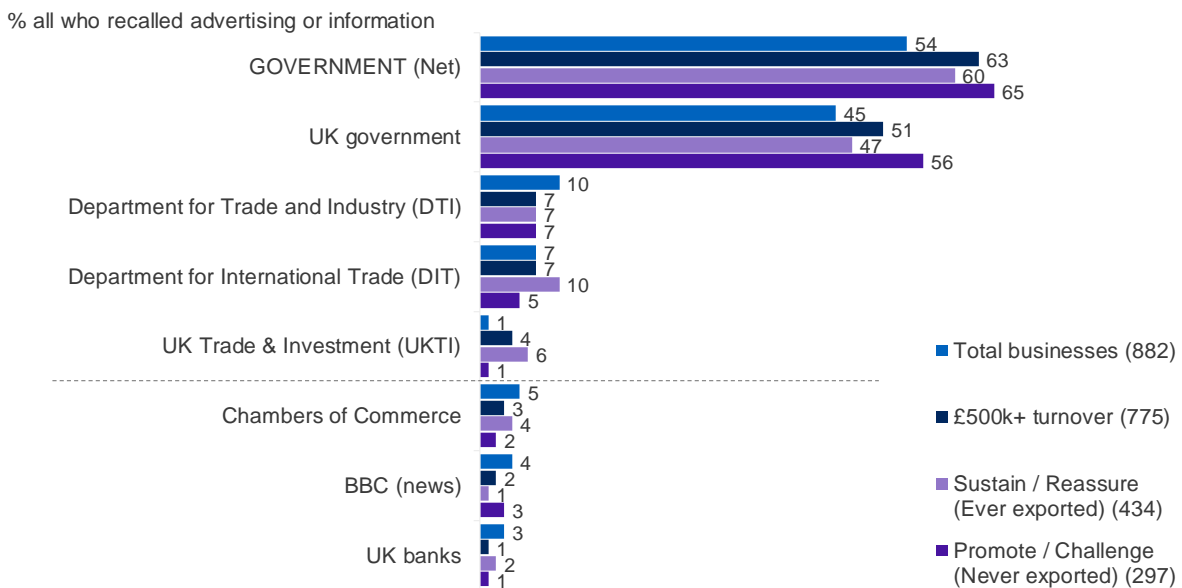


Source : AD3 – Please can you describe in detail what you remember about this information or advertising?
 Base : All respondents who recalled some advertising or information at Wave 3

Responses given by businesses with a turnover of £500k+ were similar to those given by all businesses, although the latter group were relatively more likely to cite a message of ‘money to be made’ (4% of those recalling any advertising or information).

Businesses were also asked who they thought was responsible for the information or advertising they had seen. They were most likely to attribute what they had seen to the Government: 54% among all businesses and higher at 63% among those with a turnover of £500k+, primarily driven by general references to the UK Government in both groups (see Figure 10.8).

Figure 10.8: Who was responsible for the information or advertising recalled



Source : AD4 – Who do you think was responsible for the information or advertising you remember seeing?
 Base : All respondents who recalled some advertising or information at Wave 3
 Showing most frequent responses

While direct comparison with Wave 2 is not possible, given changes in the list used to categorise responses, there appears to have been a decrease in more general mentions of the UK Government. Businesses at Wave 3 were instead more likely to mention a range of more specific, primarily Government, sources, of which the DTI and DIT were cited most often. This shift was most notable for those who had exported before. Those who had ever exported (the Sustain/Reassure segments) were more likely to cite the DIT (10%) and UKTI (6%) than those who had not (5% and 1% respectively).

10.3 Prompted campaign recognition

Prompted recognition of the campaign gives a more accurate measure of campaign reach, as the process of prompting respondents with campaign materials effectively removes other non-campaign related publicity about exporting from responses. Since the interview was conducted by telephone, which does not allow visual prompt materials to be shown, a short URL was read out to respondents. They were then asked to access a website during the interview, and to view/listen to a selection of the adverts and report whether or not they recognised them. Around a third of respondents were not able to view any of the adverts, so recognition is measured among the (around) two thirds of respondents who were able to see any of them. Figure 10.9 shows the numbers of respondents able to view the adverts in each media during the interview. As at Wave 2, base sizes were lower for the radio ad which is a function of the fact that some respondents were wary about playing audio files in the office environment (which is typically where they were at the time of the interview).

Figure 10.9: Number of respondents able to view adverts in each media during Wave 3 interview

	Total sample	£500k+ turnover			
		All	Promote	Challenge	Sustain/Reassure
TV/VOD	1,713	1,489	183	437	761
Radio	1,403	1,205	150	344	622
Online/OOH display	1,809	1,570	191	463	801
Print	1,804	1,566	188	461	801
At least one medium	1,837	1,598	192	470	820

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

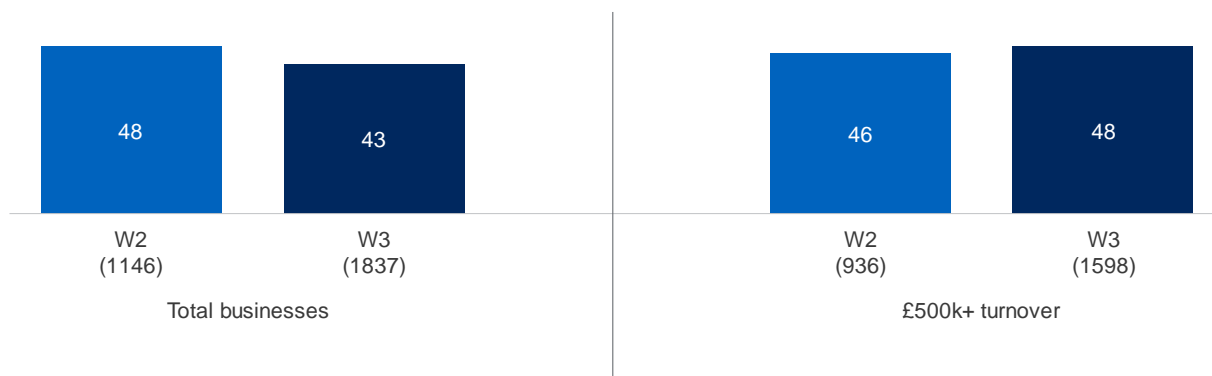
10.3.1 Total campaign recognition

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

As shown in Figure 10.10, among all businesses, around four in ten who could view any of the adverts during the interview recognised at least one of them (43%). This is not statistically significantly lower than at Wave 2. Businesses with a turnover of £500k+ were more likely to recognise the campaign (48%) than all businesses (43%) at Wave 3.

Figure 10.10: Campaign recognition of any adverts (% aware) – total businesses vs. £500k+ businesses

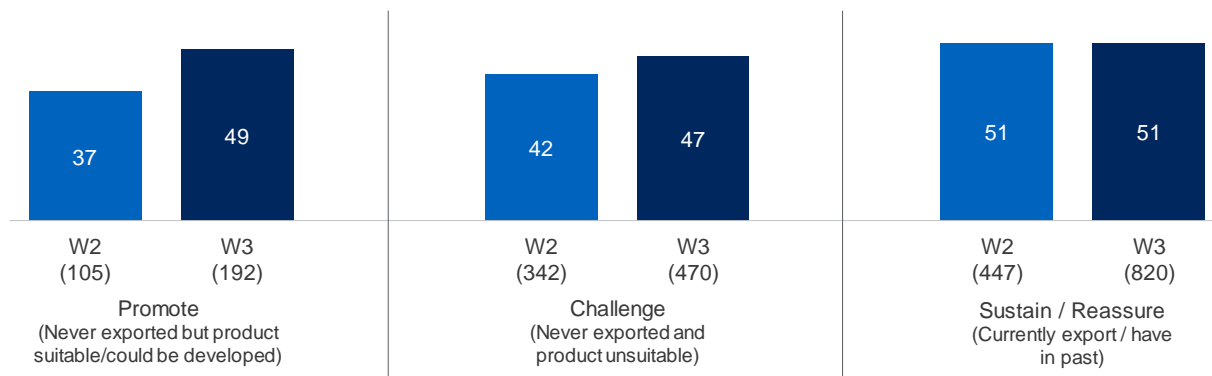
% all respondents



Source : Net of respondents recognising ads from any of listed sources at AD6-9 – Have you seen this advert (or one in a similar style) in the past 6 months or so?
 Base : All respondents able to see at least one of the ads prompted during the interview

Figure 10.11: Campaign recognition of any adverts (% aware) – exporting segments

% all respondents



Source : Net of respondents recognising ads from any of listed sources at AD6-9 – Have you seen this advert (or one in a similar style) in the past 6 months or so?
 Base : All respondents able to see at least one of the ads prompted during the interview

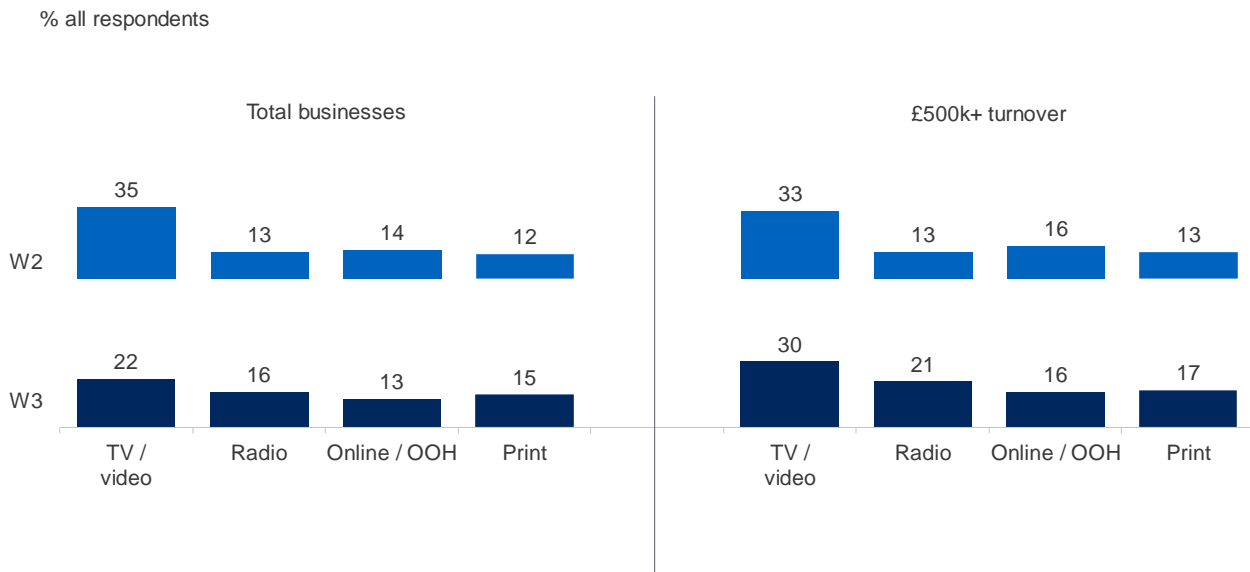
An increase in awareness among the Promote segment (49% up from 37% at Wave 2) means that there is no longer any difference in recognition by segment at Wave 3, with the campaign now equally successful in reaching all segments (see Figure 10.11).

Campaign recognition was higher for the manufacturing, raw materials and energy sector (57%) (the sector most likely to include current exporters), than for the consumer discretionary (41%) and financial and insurance (39%) sectors. The level of recognition of the campaign by sector largely reflects its propensity to export. Campaign recognition is higher than might have been expected based on exporting behaviour for education and health (56%) and construction and real estate (54%), and lower than expected for transportation and storage (37%) although small base sizes mean some caution should be exercised as these differences are not statistically significant.

10.3.2 Campaign recognition by media

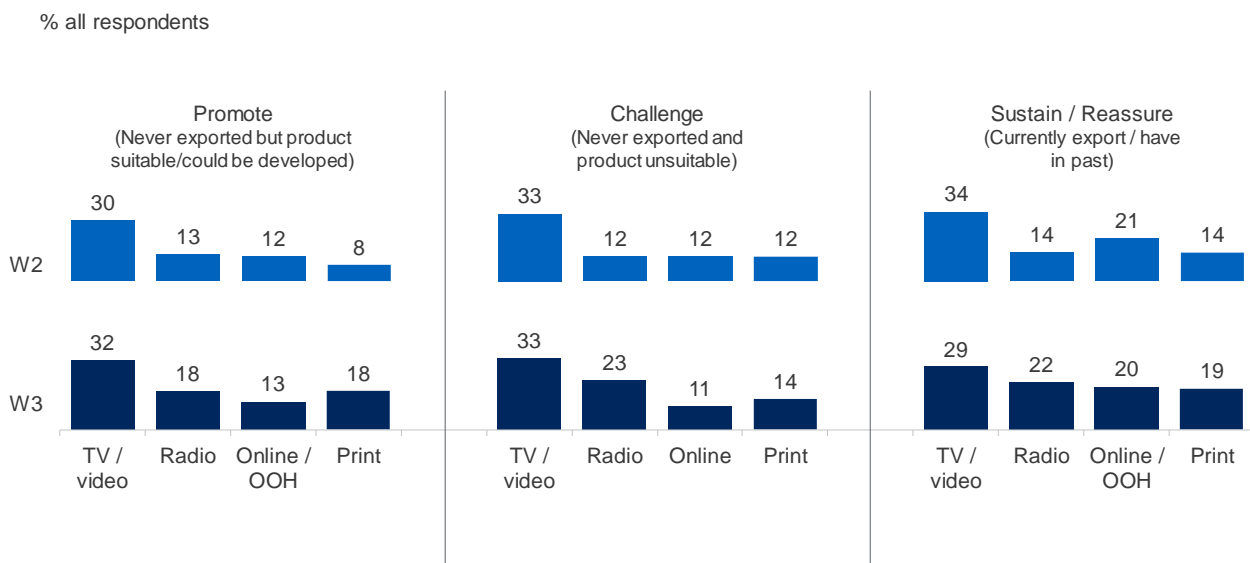
While the TV/video adverts remained the most widely recognised at Wave 3, a decrease in recognition among all businesses (22% down from 35%) means they are not such strong drivers of overall recognition as they were at Wave 2 (see Figure 10.12), reflecting the lower spend on TV in the second year of campaign activities. As was the case for other awareness figures discussed throughout this chapter, the Wave 3 figures are likely to be lower than peak levels of recognition would have been immediately following the 2016-2017 campaign activities.

Figure 10.12: Recognition of campaign by media (% aware) – total businesses vs. £500k+ businesses



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

Figure 10.13: Recognition of campaign by media (% aware) – exporting segments



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

Among businesses with a turnover of £500k+, recognition of TV/video adverts remained stable (33% at Wave 2 compared to 30% at Wave 3) despite the lower spend in the second year of campaign activities. There was an increase in recognition of radio adverts (13% at Wave 2 compared to 21% at Wave 3) and print adverts (13% at Wave 2 compared to 17% at Wave 3), corresponding to the increased emphasis on these channels in the second year of the campaign. This means that campaign recognition among £500k+ businesses was driven by a wider range of media at Wave 3 than at Wave 2.

Increases in recognition from Wave 2 to Wave 3 varied by segment. Recognition of print adverts increased for the Promote segment (from 8% to 18%), while recognition of the radio adverts increased for the Challenge segment (from 12% to 23%), and both increased for the Sustain/Reassure segments (print from 14% to 19% and radio from 14% to 22%). The Sustain/Reassure segments were more likely than other segments at Wave 3 to recognise the online/OOH adverts (see Figure 10.13).

Some of the adverts were run in multiple media. The TV ad was also shown in video on demand (VOD). The print and online/OOH executions were run in the press, online and on billboards and posters. As such, when prompted with each campaign execution during the interview, respondents were not only asked whether they recalled the adverts, but also to say where they recalled seeing each set of adverts (other than radio). Recall is unlikely to be perfect, and as many respondents said they did not recall where they had seen the online/OOH or print adverts as said they had seen them within each possible channel. Nevertheless, these data can provide an indication of the relative success of different channels.

Among all businesses, the TV ad was much more likely to be recalled from TV (20%) than from VOD (3%), though it is possible that some respondents may have misattributed the source given the similarity of the adverts. The print adverts were more evenly spread, albeit seen more on posters and billboards (6%), than online (2%) and in print media (2%) with a further 4% unsure where they had seen them. Recall of the online/OOH adverts was also fairly evenly spread between posters and billboards (3%), online (2%) and in print media (2%), with 4% again unsure where they had seen these adverts.

The overall pattern was similar for businesses with a turnover over £500k+. However, within this group, businesses in construction and real estate (33%) and manufacturing, raw materials and energy (35%) were more likely to have seen the ad on TV compared with those in the wholesale and retail (23%) and professional services (21%) sectors. The radio ad was more widely recognised by those in construction and real estate (26%), education and health (28%) and information and communication (30%) than by those in the consumer discretionary (11%) and wholesale and retail (16%) sectors. The print adverts were recognised more by those with 250+ employees (29%) than by those with fewer employees (17%).

Given the multi-channel nature of many of the executions it is difficult to assess return on spend for each channel used. However, broadly speaking, at Wave 2, the return on spend appeared strongest for print adverts and weakest for TV/video and online/OOH adverts.

At Wave 3, among all businesses, online/OOH adverts gave a relatively stronger return on spend than other media. However, among those with a turnover of £500k+, recognition was in line with spend for TV, radio and online adverts, with only print showing a weaker return.

10.3.3 Profile differences between campaign recognisers and non-recognisers

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

capacity to export and barriers to exporting, knowledge of and attitudes towards exporting, and response to the campaign.

Recognisers and non-recognisers were very similar in terms of business demographics and exporting behaviours, with one exception: recognisers included a slightly higher proportion of businesses in the manufacturing, raw materials and energy sectors (18%) than non-recognisers (13%). There were no significant differences by region, size, exporting segment or other exporting behaviours. Comparison with Wave 2 is complicated by question changes, but there was a similar lack of difference between recognisers and non-recognisers by key demographics and exporting behaviours at Wave 2.

The major differences related to knowledge of and attitudes towards exporting and response to the campaign. These measures are, therefore, the main focus in Figure 10.14 which shows some examples of the key differences between recognisers and non-recognisers.




Recognisers had more positive attitudes towards exporting than non-recognisers and this was seen in relation to more issues than had been the case at Wave 2. Recognisers also reported a higher interest in getting information and advice about exporting, but the gap had narrowed a little from Wave 2.

Response to the campaign was consistently more positive among recognisers, Recognisers were more likely to agree with each of the campaign outtake statements (relevance, salience, news, clarity and trust), more likely to report the adverts increasing their interest and confidence in exporting, and more likely to say they had visited the EIG website.

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

Figure 10.14: Profile differences between £500k+ campaign recognisers and non-recognisers

KEY: Sig. higher for Recognisers than for non-Recognisers: ▲ At Wave 2 ▲ At Wave 3

		W2		W3	
		Recogniser	Non-recogniser	Recogniser	Non-recogniser
Greater knowledge & interest, but gap narrowing at W3					
 KNOWLEDGE	High knowledge on where to get info	40% ▲	26%	39%	33%
	Sought advice	44% ▲	29%	46% ▲	36%
	Interested in getting info	64% ▲	46%	59% ▲	51%
Greater number of more positive attitudes to exporting at W3					
 ATTITUDES	Lot of demand	75% ▲	64%	77% ▲	71%
	More could export than do so	65% ▲	50%	72% ▲	61%
	Exciting prospect	69%	64%	70% ▲	62%
	Lot of support available	40% ▲	27%	44% ▲	33%
	More like me are starting to export	42%	39%	43% ▲	34%
More positive response to campaign, similar to W3					
 CAMPAIGN	Ads 'new news'			51% ▲	42%
	Increased interest	32% ▲	19%	35% ▲	29%
	Increased confidence	19% ▲	9%	21% ▲	11%
	Visited website			9% ▲	2%

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

10.4 Advertising diagnostics

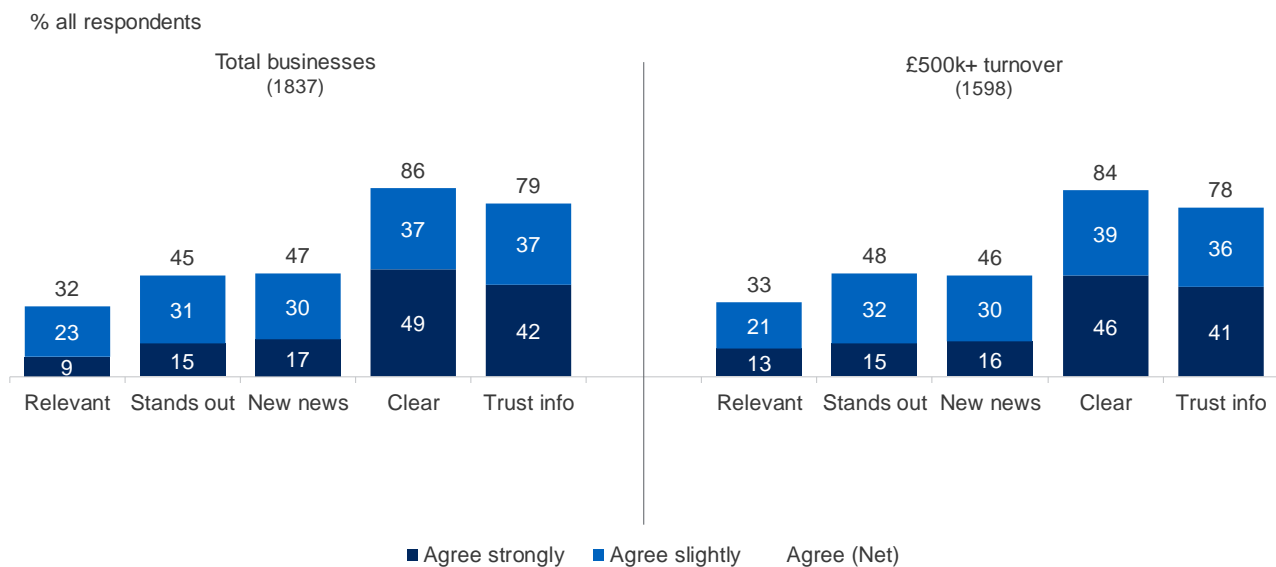
A new set of questions was included in this year's evaluation to provide an indication of how businesses perceived the adverts in terms of:

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

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

Figures 10.15 and 10.16 show that the campaign was strongest in communicating a clear and trustworthy message, with lower levels of agreement (with some variation) that the adverts were relevant, salient or 'new news'.

Figure 10.15: Campaign diagnostics (Wave 3 only) – total businesses vs. £500k+ businesses

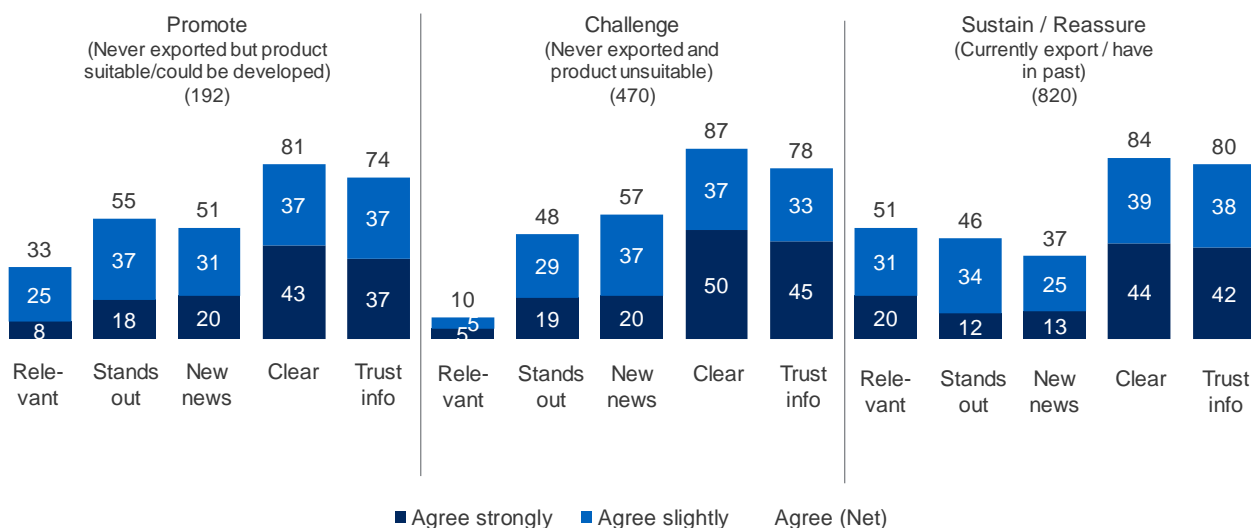


Source : AD16 – Thinking about these adverts, please tell me to what extent you agree or disagree with each of the following statements. Statements are: *Relevant*: The advertising is relevant to you; *Stands out*: This advertising stands out from other advertising; *New news*: The advertising told you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

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

Figure 10.16: Campaign diagnostics (Wave 3 only) – exporting segments

% all respondents



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

At least eight in ten in each group agreed that the adverts were clear and easy to understand and almost as many agreed they trusted the information given by the adverts. This represents a fairly strong performance on these measures compared with the norms for general public campaigns.

Overall 32% agreed the adverts were relevant to them, with similar levels for businesses with a turnover of £500k+ (33%). Compared with general public campaign norms, this is fairly low. It is, however, only a little lower than the Business is GREAT campaign among SMEs at a similar point, suggesting that targeting is more challenging for business campaigns. There was variation by segment: relevance was highest for Sustain/Reassure (51%) and lowest for Challenge (10%). The low score for the Challenge segment suggests that there are fundamental issues around relevance when communicating to businesses which do not believe their goods or services to be suitable for export.

Just under half of businesses agreed that the adverts stood out from other adverts, and that they told them something new. The Challenge segment was more likely to agree *strongly* that the adverts stand out from other adverts (19%) than those in the Sustain/Reassure segments (12%). Related to this, the Sustain/Reassure segments were less likely to agree that the adverts told them something new (37%) than the Promote (51%) or Challenge (57%) segments.

These differences were reflected in other differences e.g. by size, sector and expectations. Among businesses with a turnover of £500k+, those with 250+ employees were more likely to agree the adverts were relevant (44%) than those with fewer employees (33%). Those in manufacturing, raw materials and energy (46%) and in information and communication (52%) were more likely to find the adverts relevant, particularly compared with those in construction and real estate (15%). The adverts were more likely to provide ‘new news’ to those in construction and real estate (56%) and in education and health (57%). Those who expected the total value of UK exports to increase over the next five years were also more likely to find the adverts relevant (37%) than those who did not (27%).

10.5 Campaign benchmarking

There is little benchmarking data available for campaigns aimed at businesses, but comparisons can be made with the 2013-2015 'Business is GREAT' campaign. The Business is GREAT campaign aimed to increase confidence that Britain and Government is supporting small business, to promote aspirations of business and export growth, and to increase employer investment and recruitment. It featured successful small businesses and ran in national, regional and business press, large format out of home posters, radio, digital display and paid for search, social media, PR and partnership activity. The Britain is GREAT campaign was targeted at SMEs and did not incorporate TV adverts, but nevertheless serves as a reasonable comparator for the *Exporting is GREAT* campaign. It first ran from November 2013 to March 2014 (the same time of year as *Exporting is GREAT* in 2015-2016) and there was a second burst from July 2014 to March 2015 (a longer period than the second year of *Exporting is GREAT* in 2016-2017).

Figure 10.17 shows the recognition levels for Business is GREAT for each year of the campaign. The top row of data shows campaign recognition after the first burst (when spend was circa 60% of the total *Exporting is GREAT* spend for the 2015-2016 activities). The second row shows recognition at the end of the Business is GREAT campaign, after a similar two year spend to the *Exporting is GREAT* activities in 2015-2016 and 2016-2017. The bottom row shows figures two months after the campaign had ended. These figures are *most* comparable with Wave 3 for *Exporting is GREAT* although slight differences in timing mean some caution should be exercised.

In year two, the two campaigns each had a similar spend on press adverts but Business is GREAT spent more on OOH and online adverts and less on radio. *Exporting is GREAT* used TV adverts, whereas Business is GREAT did not.

Figure 10.17: Campaign recognition for Business is GREAT (2013-15) vs. *Exporting is GREAT*

	Total	By media				
		Radio	Online	OOH	Press	TV/video
Business is GREAT campaign recognition at different points in time						
By April 2014 (c.60% <i>Exporting is GREAT</i> year 1 spend)	21%	n/a	6%	11%	12%	n/a
By March 2015 (similar total year 2 spend, but over a longer period)	54%	21%	5%	21%	28%	n/a
By May 2015 (two months after the campaign ended)	46%	16%	6%	17%	24%	n/a
<i>Exporting is GREAT</i> campaign recognition at different points in time						
At Wave 2 (immediately after 1 st year of campaign)	48%	13%	14%		12%	35%
At Wave 3 (3 months after 2 nd year of campaign)	43%	16%	13%		15%	22%

In the previous NSRB report, comparison of recognition levels after the first year of the *Exporting is GREAT* campaign concluded that *Exporting is GREAT* had, by that point, delivered a stronger return on spend among its target audience in a shorter time, probably driven by the additional use of the TV ad in a comparable launch period.

In Wave 3, recognition of the *Exporting is GREAT* campaign amongst the total business population was lower than in Wave 2 (at the end of the first year of campaign activities). However, the three-month gap between the end of the campaign and the Wave 3 survey beginning makes it probable that a higher peak level of recognition would have been achieved during the campaign, with some subsequent decay.

In contrast, recognition of Business is GREAT increased substantially during its second year, and two months after the end of the campaign was still at more than double the level seen in its first year. While it is not possible to estimate the peak level of recognition of the *Exporting is GREAT* campaign in its second year, it is unlikely that recognition among all businesses exceeded the level seen in Wave 2, at the end of the first year of campaign activities. The better performance of the *Exporting is GREAT* campaign among £500k+ businesses may, however, suggest that peak recall amongst these businesses would have been higher immediately after the second year of campaign activities had finished.

Taking all of this into account, it appears that *Exporting is GREAT* did not produce as strong a return on its second year of spend compared with the Business in GREAT campaign. The main difference is that activity on the Business is GREAT used a 'drip feed' approach to advertising, with lower level but more or less continuous advertising each month: the only gap in two years was three months from April to June 2014, and there were nine months of continuous activity prior to the final measure in April 2015. This enabled the Business is GREAT campaign to continue to build awareness month on month to a much higher level in year two.

In contrast, the six-month gap between the first and second year activities of the *Exporting is GREAT* campaign is likely to have resulted in a greater drop in awareness between the two campaign years, meaning the second year had to work harder to build awareness back up again. In addition, the initial three months of the 2016-2017 campaign had very low level spend, with the majority of the campaign running in February to April 2017. The second year of the *Exporting is GREAT* campaign seems unlikely to have built recognition much beyond the year one levels, with slightly lower recognition levels three months after the end of the year two campaign.

Using its 'drip feed' approach, the Business is GREAT campaign also managed to build in relevance over time. During the first year of the campaign, around one in four SMEs agreed the adverts were relevant, but over the second year this built to 46%, dropping back slightly to 40% by May. This may suggest that a longer more continuous drip-fed campaign can help to build this measure along with recognition and this approach has been adopted for the next phase of the campaign.

Chapter 12 draws together the findings outlined in this chapter with the wider findings discussed throughout this report, focusing on their implications for the future of the *Exporting is GREAT* campaign.

11 Reported campaign impacts

As discussed in Chapter 10, the key aims of the campaign were to raise awareness of the opportunities available through exporting, and to produce a positive change in attitudes and behaviour towards exporting as an opportunity. Changes in awareness, attitudes and behaviours over time were discussed in Chapters 4 to 7, but these cannot be directly attributed to either year of the campaign, as other factors may have also influenced any change. The ongoing developments following the Brexit vote, in particular, are likely to affect businesses.

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

To give an indication of any immediate campaign impact, at the post-campaign waves (Wave 2 and Wave 3) a small number of questions were asked about the impact of the adverts respondents had seen and heard during the interview. For around half of respondents this was the first time they had seen the adverts, so these data show their initial reaction. For others (ad recognisers) their previous exposure to the adverts may also have played a role. These questions were only asked to those who had been able to view or hear at least one of the adverts during the interview.

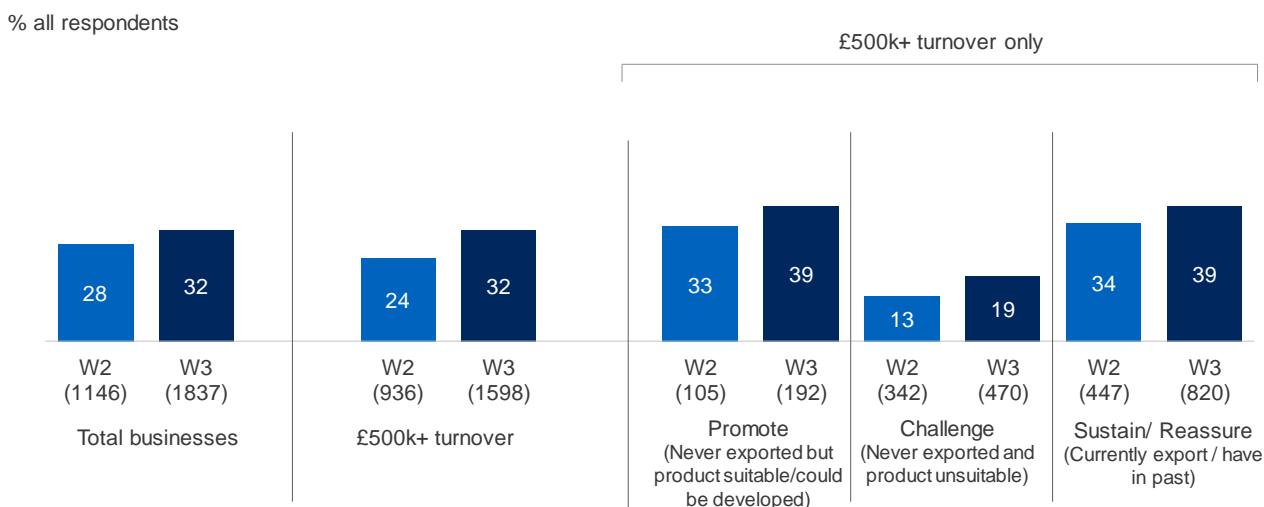
Key findings

- The later timing of evaluation of the second year of the campaign means peak campaign impact may not have been captured.
- Between around 50,000 and 130,000 businesses are estimated to have taken action as a result of seeing the *Exporting is GREAT* campaign (15% of campaign recognisers). Of these, between circa 14,000 and 22,500 had a turnover of £500k+. The most common actions were visiting the EIG website and finding out more about exporting.
- 32% of businesses said the adverts increased their interest in finding out more; for the Challenge segment this was lower at 19% but increased from 13% after the first year of the campaign. The main barrier to increased interest remained a lack of pre-existing interest in exporting.
- Similar to the previous year, 16% said the adverts had made them more confident about exporting, with no difference by segment.

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

The first step for businesses who were interested in starting to export would be to find out more information. The campaign call to action was to search online for the [great.gov.uk](https://www.great.gov.uk) website in order to do this. As shown in Figure 11.1, around one in three of all businesses who could view the adverts said that they increased their interest in finding out more (32%).

Figure 11.1: Whether adverts increased interest in finding out more about exporting (% saying 'yes')



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

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

As at Wave 2, this level is lower than for the equivalent question for the Business is GREAT campaign (which is used as our benchmark) at a similar point, in May 2015, when 52% of SME said the campaign had made them more interested in finding out more information about how to grow their business.²⁷ This suggests that exporting continues to present greater barriers to businesses than messages about growth in other ways.

The figure of 52% from the Business is GREAT campaign had dropped back slightly from a peak of 63% near the end of the campaign. Taking into account the gap between Wave 3 and the end of the *Exporting is GREAT* activities, it is likely that the peak value would have been higher than the 32% recorded at Wave 3.

While the level for all businesses was no higher at Wave 3 than at Wave 2, there was an increase for those with a turnover of £500k+, from 24% to 32%. As at Wave 2, those in the Challenge segment were less likely to say the adverts had increased their interest (19%) than those in the other segments (each 39%). Nevertheless, this marked an increase in the Challenge segment (from 13% at Wave 2) and suggests that the campaign has started to work a little more effectively among this hardest to influence segment.

Among businesses with a turnover of £500k+, those in information and communication (40%), manufacturing, raw materials and energy, and consumer discretionary (each 38%) and wholesale and retail (35%) were more likely to say their interest was increased, particularly compared with those in the financial (17%) and construction and real estate (24%) sectors. Those based in London were more likely to say their interest was increased (41%) than those in the South East (30%). Those who recognised the campaign were more likely to say it had increased their interest (35%), particularly those who had heard the radio adverts (45%), than those seeing it for the first time in the interview (29%). This may reflect a cumulative impact of the campaign, although it is also likely to reflect interest in the campaign message, with those with a greater interest in exporting probably more likely to have noticed the campaign prior to the interview.

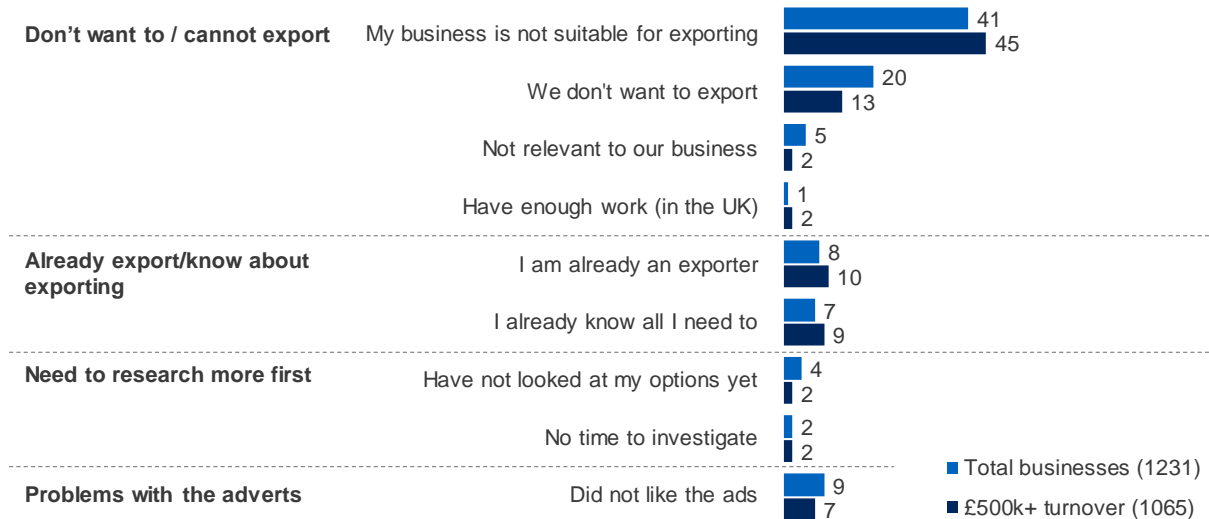
In order to better understand potential barriers, businesses who had been able to view the adverts, but who said they did not increase their interest in finding out more about exporting, were asked to

²⁷ See introduction to Chapter 10 for further details of the Business is GREAT campaign.

say why this was. Figures 11.2 and 11.3 show the reasons cited most frequently within each of the four main themes reported: not wanting to or feeling able to export; already exporting or knowing enough; needing to do more research first; and problems with the adverts.

Figure 11.2: Reasons why adverts failed to increase some businesses' interest in finding out more about exporting – total businesses vs. £500k+ businesses

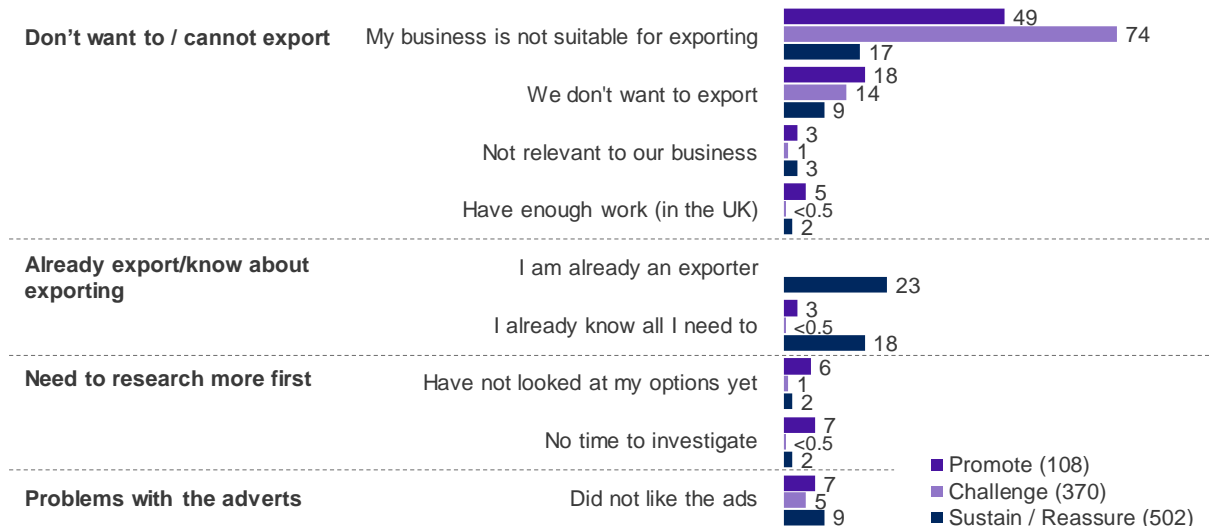
% all saying ads do not increase interest in exporting



Source : AD11 – Why don't these adverts increase your interest in finding out about exporting?
 Base : All respondents able to see at least one of the ads prompted during the interview who said the ads did not increase their interest at AD10 at Wave 3;
 Showing responses within each theme given by more than 1% in at least one sample group

Figure 11.3: Reasons why adverts failed to increase some businesses' interest in finding out more about exporting – exporting segments

% all saying ads do not increase interest in exporting



Source : AD11 – Why don't these adverts increase your interest in finding out about exporting?
 Base : All respondents able to see at least one of the ads prompted during the interview who said the ads did not increase their interest at AD10 at Wave 3;
 Showing responses within each theme given by more than 1% in at least one sample group

While direct comparison is not made with Wave 2, the reasons given are very similar at Wave 3. By far the most commonly given response was that the business is not suitable for, or interested in,

exporting (41% of all businesses rising to 74% in the Challenge segment). Businesses with a turnover of £500k+ were slightly less likely to say they did not want to export (13%) than all businesses (20%) but otherwise gave similar reasons.

Around one in twelve businesses (8%) gave reasons relating to the fact that they were already exporting. A similar proportion said that they already know enough about exporting (7%). Both of these reasons were given almost exclusively by businesses within the Sustain/Reassure segments, as would be expected. The Promote segment was more likely to give reasons relating to needing to do more research (e.g. 6% saying they have not yet explored their options). As at Wave 1, around one in ten (9%) of all businesses said the reason for their lack of increased interest was down to problems with the adverts themselves.

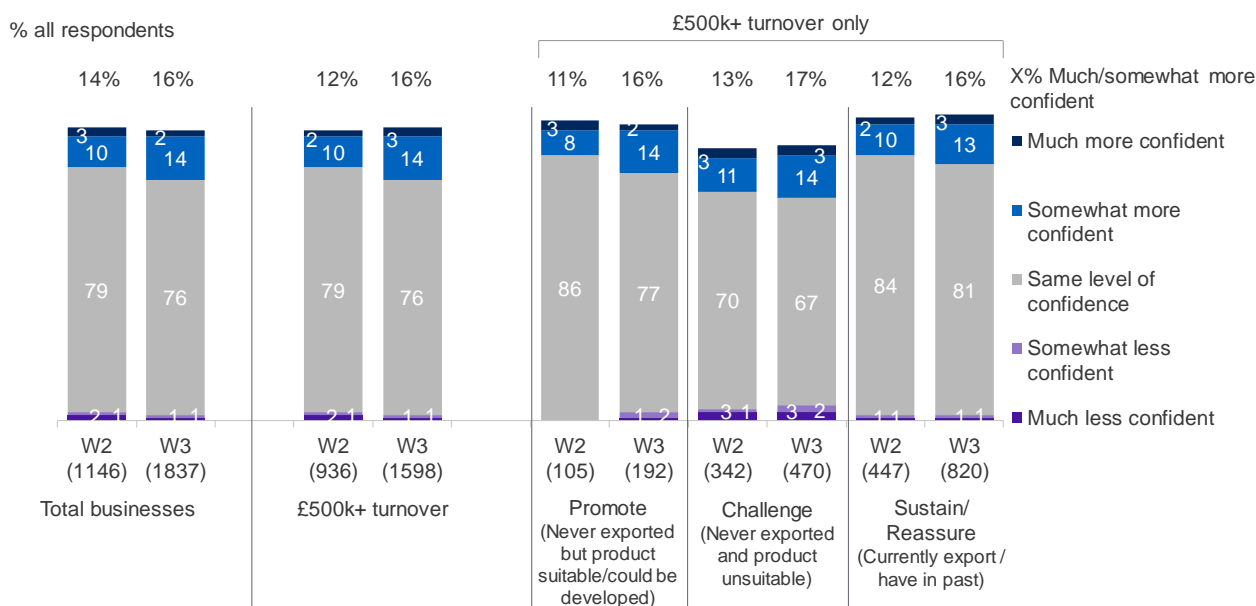
Reflecting their greater propensity to export already, larger businesses were more likely to say they already know all they need to about exporting. Among £500k+ businesses, those with 250+ employees (26%) and those with a turnover of £10m+ (18%) were more likely to give this reason than those with fewer employees (8%) or a lower turnover (8%). Similarly, those in the manufacturing, raw materials and energy sector were more likely to say they already export (26%) while those in most other sectors were more likely to say it was because their business is not suitable for exporting, especially in the construction and real estate (55%), consumer discretionary (61%), financial and insurance (65%), and education and health (60%) sectors.

To provide further evidence of campaign impact, businesses who do not currently export, but have plans to do so in the future were asked what had encouraged them to consider exporting. This question was only asked to a small number of respondents, and these businesses were most likely to report that there was no particular prompt (46%). Other reasons included market demands (15%) and family or friends (9%), while 5% cited a Government body. Fewer than 0.5% of businesses in this specific group cited the campaign as their reason.

11.2 Reported campaign impact on confidence about exporting

As a second impact measure, those who had been able to view or hear at least one of the adverts during the interview were asked to what extent the adverts had made them more or less confident about exporting. The majority of these businesses (76% at Wave 3) reported that the adverts had not made any difference to their confidence level, as shown in Figure 11.4. Overall 16% said the adverts had made them more confident, and 2% that the adverts had made them less confident, so on balance the impact of the adverts was again positive this year. There was no significant change from Wave 2 to Wave 3.

Figure 11.4: Extent to which feel more confident about exporting as a result of seeing adverts



Source: AD12 – As a result of seeing and hearing these adverts, which of the following applies to you?
 Base: All respondents able to see at least one of the ads prompted during the interview at Wave 2/Wave 3
 NB: Don't know not shown so does not always add to 100%

The level of increased confidence is lower than at the equivalent question for the Business is GREAT campaign at a similar stage. In May 2015, 33% of respondents said the Business is GREAT campaign had made them more confident about how they can take steps to grow their business (compared to 16% at Wave 3 for the *Exporting is GREAT* campaign).

For the Business is GREAT campaign, this level had built during the second year of the campaign. For the *Exporting is GREAT* campaign, among those with a turnover of £500k+, campaign recognisers were more likely to report increased confidence (21%) than those who had not seen the campaign before (11%) offering some evidence that repeated viewing of the campaign could help to build this effect.

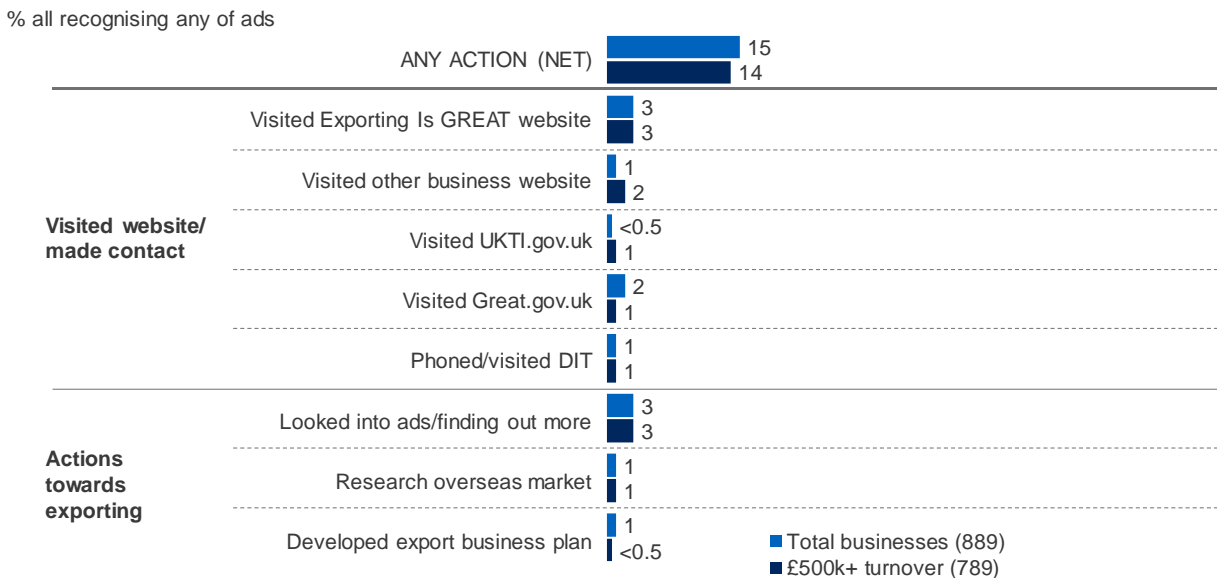
The Promote (77%) and Sustain/Reassure (81%) segments were more likely to say the adverts did not change their level of confidence than those in the Challenge segment (67%).

11.3 Actions taken after seeing the campaign

As a more direct measure of campaign impact, respondents who recognised any element of the campaign were asked to describe what, if any, action they had taken or considered taking as a result of seeing the campaign. Figure 11.5 shows that 15% of campaign recognisers reported taking some action. For £500k+ businesses, this proportion was higher among the Sustain/Reassure segment (19%) than the Challenge segment (7%).

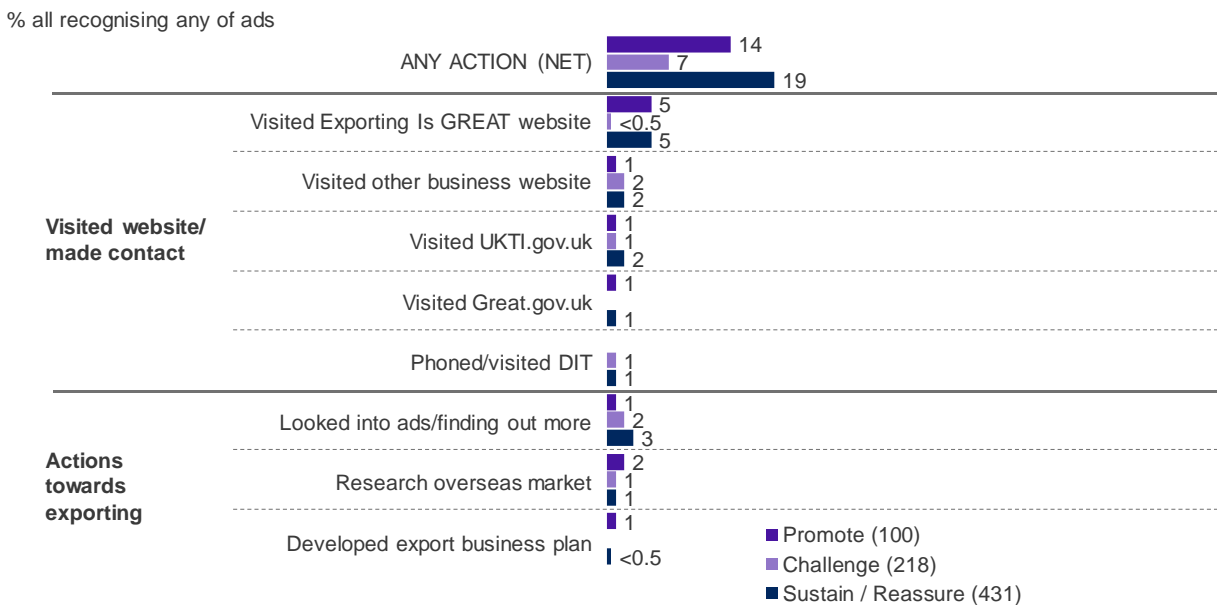
The most commonly reported action among all businesses was visiting the *Exporting is GREAT* website (3%) but this was rarely reported by the Challenge segment (<0.5% - see Figure 11.6). A similar proportion of campaign recognisers reported looking into the adverts to find out more (3%), and other less frequent actions included visiting a range of related websites including UKTI.gov.uk, great.gov.uk, and other business websites. Overall, 6% of all businesses and 4% of £500k+ businesses reported having visited either the *Exporting is GREAT* website, the great.gov.uk website or the UKTI.gov.uk site (which is likely to constitute a misattributed visit to the DIT site).

Figure 11.5: Actions taken or considered as a result of the campaign (campaign recognisers) – total businesses vs. £500k+ businesses



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

Figure 11.6: Actions taken or considered as a result of the campaign (campaign recognisers) – exporting segments



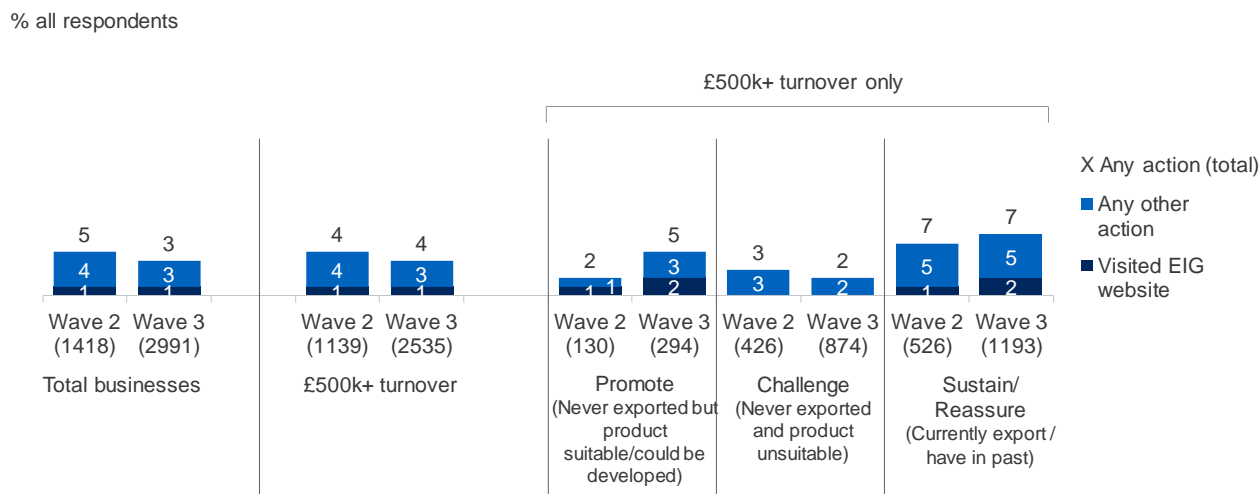
Source : AD13 – As a result of seeing or hearing these adverts what, if anything, have you done or considered doing?
Base : All respondents who recognised any of the ads at Wave 3;

The level of action at Wave 3 was again lower than that seen at the equivalent point of the Business is GREAT campaign (in May 2015), when 36% of SMEs who recognised the campaign said they had taken some action and 9% reported that they had visited the GREAT website.

Among businesses with a turnover of £500k+, those with 250+ employees were more likely to report taking some action (23%) than smaller businesses (14%).

While only ad recognisers were asked about their actions, combining this reported action with the overall level of campaign recognition allows us to produce an estimate of the level of action among *all* businesses. This is likely to be an underestimate, since not all respondents were able to view the adverts during the interview. However, basing this estimate on all respondents provides a conservative estimate that can more safely be grossed up to population level. On this basis it is estimated that 3% of all UK businesses took some action as a result of seeing the campaign at Wave 3 and around 1% claimed to have visited the website (the adverts' main call to action), as shown in Figure 11.7.

Figure 11.7: Actions taken or considered as a result of the campaign (all respondents)



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

This level of action is in line with that reported at Wave 2 after the first year of the campaign. At Wave 3 it was again slightly higher among the Sustain/Reassure segment (7%) than the Challenge segment (2%).

The proportion of business in the Promote segment which reported that they had visited the *Exporting is GREAT* website as a result of seeing the campaign was the same as the proportion of Promote businesses which had ever visited the site (2%). This suggests the campaign is serving as a gateway to the site for this group (and more so than for those in the Sustain/Reassure segments, 9% of whom had ever visited the site but only 2% of whom attributed this to having seen the campaign).

Whereas at Wave 2 the same level of action was seen for the Business is GREAT campaign among all SME (with the higher level of reported action among ad recognisers for Business is GREAT cancelled out by the lower level of campaign recognition), after the second year of the campaign levels of action were considerably higher for the Business is GREAT campaign at 17% of all SME, reflecting higher levels of both recognition and action among recognisers.

Assuming a population of 2.6m (see Chapter 4) UK registered businesses, this equates to around 90,000 UK businesses taking some action.²⁸ Taking into account the confidence interval for the

²⁸ The central estimate for the number of businesses taking action is c.93,000 (rounded to 90,000). This was calculated by multiplying the total number of registered businesses by the proportion of businesses taking action (rebased on all respondents) i.e. 2,670,000 * 3.5%. There is a margin of error of ±1.5% associated with the survey estimate at a 95% confidence level. The proportion of businesses falling into the Promote segment is therefore estimated to lie between 5% (i.e. 3.5% + 1.5%) and 2% (i.e. 3.5% - 1.5%). The upper

estimated level of action, the true figure is likely to be somewhere between 50,000 and 130,000. Focusing on £500k+ businesses only, around 18,000 took some action (and given a confidence interval of 1%, the true figure is likely to lie between circa 14,000 and 22,500).²⁹ As previously stated, this may be a slight underestimate since not all respondents were able to view the adverts during the interview.

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

Any UK businesses that recognised the adverts and reported having started to export since October 2015, exporting more since October 2015, or thinking about starting to export at some point in the future, were asked if the campaign had had any influence on their behaviour or plans. It is not possible to explore this data in detail since only 233 respondents had started exporting or exported more recently and had seen the adverts, and a further 32 were thinking about starting to export in the next 18 months and had seen the adverts.

Among the 233 respondents who had started exporting (or exporting more) recently and who recognised the adverts, 1% said that the campaign was in part responsible for their decision. This proportion was higher among such businesses with a turnover of £500k+ (6%). For the most part these businesses said they had already been thinking about exporting or expanding their exports, and that the campaign was at most 50% responsible for their decision.

Among the 32 businesses who were thinking about starting to export, nine respondents said the campaign had played some role in their decision.

Chapter 12 draws together the findings outlined in this chapter with the wider findings discussed throughout this report, focusing on their implications for the future of the *Exporting is GREAT* campaign.

estimate is therefore $2,670,000 * 5\% = 133,500$ (rounded to 130,000). The lower estimate is $2,670,000 * 2\% = 53,400$ (rounded to 50,000).

²⁹ 4.34% of the total population of 424,545 registered businesses with a turnover of £500k+

12 Overall campaign summary

This chapter pulls together the evidence from all previous chapters of the report to assess how the campaign has performed overall, and lays out implications for future campaign activity. Evidence relating to sectors is considered separately in Section 12.7 for ease of use in future campaign planning.

When considering the results, it is important to note that while evaluation of the first year of the campaign was conducted immediately after it finished, in the second year it was carried out three months after significant campaign media activity, meaning that the figures recorded are unlikely to represent peak levels of campaign awareness or response. It is highly likely that campaign awareness in particular would have been higher if measured immediately after campaign media activity.

12.1 Campaign reach - spend, media mix and timing

Figure 12.1: Implications for campaign structure

Key findings summary	Implications for campaign
Online adverts continued to reach the Sustain and Reassure segments more effectively	Consider split targeting of messaging aimed at different segments – cheaper digital campaign activities aimed at those with experience of exporting vs. ‘traditional’ media for those in the Promote and Challenge segments

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

The 2016-2017 approach resulted in more tightly focused targeting to businesses with a turnover of £500k+ and better reach to the Promote segment; however, it does not appear to have increased campaign reach beyond 2015-2016 levels among all businesses. Campaign recognition was maintained at 43% of businesses, and 48% of businesses with a turnover of £500k+ with increased recognition to 49% for the Promote segment, driven by the print adverts.

The lack of increased campaign reach among all businesses is likely to be attributable to the relatively lengthy gap between the end of campaign paid media activities in the 2015-2016 burst and the start of activities in the 2016-2017 burst. This would have resulted in a decay in awareness that had to be regained before the most recent campaign could build on the figures achieved in 2015-2016. This hypothesis is supported by the very low levels of long-term recall of the previous year’s campaign among respondents at Wave 3 (4%). It is, of course, possible that recognition levels were higher immediately following the campaign, and that the second year of the campaign reached a slightly higher proportion of all businesses than is suggested by these results. Evaluation immediately before and after the next wave of the campaign would help to assess the amount of decay and whether awareness is building year on year.

Given the lack of overall increased recognition, but increased recognition of radio and print adverts, the media mix in 2016-2017 has ensured that those who recognised the campaign were likely to have seen it in a wider range of channels than in 2015-2016, which should produce greater depth of knowledge of the campaign messages. The additional spend on print adverts in 2016-2017 was not fully converted into higher recognition of the adverts (although this may have been higher while the campaign had just aired than when measured three months later). Among businesses with a turnover of £500k+, recognition increased from 13% to 17%, while share of campaign spend had increased from 2% to 23%. Among businesses with a turnover of £500k+, recognition of adverts in other channels (TV, online and radio) more closely reflected their share of spend. Recognition of the online (16%) and TV adverts (30%) was maintained despite a lower share of spend. The increased share of spend on radio adverts produced a higher level of recognition this year (21% up from 13%). **This suggests that the optimal spend level for print may lie somewhere between that of the 2015-2016 campaign and that of the 2016-2017 campaign and that some spend could usefully be transferred from print to radio adverts, while maintaining the use of the full range of media channels.**

The media mix also served to produce more even targeting of the segments, with largely similar recall of adverts in each media for all three segments, although the online adverts continued to reach the Sustain and Reassure segments more effectively. As such, a strategy of using more of the cheaper **online media to communicate messages aimed at the more easily engaged businesses in the Sustain and Reassure segments**, and focusing a greater proportion of the more costly media such as **TV and radio on messaging targeting at the Promote and Challenge segments** may be effective.

In terms of **campaign timing**, comparison with the *Business is GREAT* campaign suggests a more **continuous drip feed approach over a longer period** may work better in terms of building awareness and relevance in the longer term, although the broader business audiences and messages need to be taken into account to decide if this approach would need to be tweaked for the *Exporting is GREAT* campaign.

12.2 Campaign messaging – increasing knowledge

Figure 12.2: Implications for messaging on knowledge

Key findings summary	Implications for campaign
Self-defined knowledge levels relating to exporting, although improving, remain low for the Promote segment	Continuing to refer current or potential exporters to the repository of knowledge on great.gov.uk is likely to be beneficial
Levels of interest in getting information or support are relatively high but not all businesses interested in this support are actively seeking it out	There is a need to make accessing support as easy as possible. Again great.gov.uk can play a role in this

To be effective, in addition to being seen, the campaign needs to cut through to its audience to improve knowledge levels and attitudes towards exporting, with the ultimate aim of influencing actions. The easiest task for most campaigns is to increase knowledge on a subject, particularly if existing knowledge levels are not particularly high.

The ad messages were well communicated with most agreeing they were easy to understand, and that they trusted the information. The campaign was also effective for those who do not currently export in terms of providing 'new news' (e.g. 57% of the Challenge segment) and even among those who already export one in three learnt something new. There is clearly an opportunity for this campaign to **further engage all segments through giving them new information** that could help them to export more effectively or encourage them to start exporting.

There is evidence that the campaign has started to increase knowledge about exporting among the £500k+ Promote segment, with a shift from poor towards moderate (self-assessed) knowledge, both in terms of knowledge about how to export and knowledge about where to go for information and for help and support about exporting. However, knowledge levels in the Promote segment remain lower than knowledge levels in the business population as a whole. **Ongoing reinforcement of campaign messaging targeted at all segments which directs exporters and potential exporters to information sources such as the website is essential.**

Levels of interest in getting information or support are high, even in the Promote segment (33%) but in some cases, this is a passive desire (i.e. businesses interested in support are not necessarily actively seeking it). There has been an increase since the campaign launched in the proportion of £500k+ businesses in the Promote and Sustain/Reassure segments that had already sought advice on exporting. This was higher among those who recognised the *Exporting is GREAT* campaign, suggesting the campaign may be playing a role in driving this search for information, but DIT and great.gov.uk are not the first port of call for most businesses, so **better signposting to the great.gov.uk site is needed in the campaign.** The website can then play a vital role in onward signposting to government-endorsed information and support.

12.3 Campaign messaging – influencing attitudes

In addition to increasing knowledge, the campaign also aims to influence attitudes towards exporting as a precursor to increasing export behaviour. Survey findings provide insights into the most appropriate messaging to use to influence attitudes, as summarised in Figure 12.3 below.

Figure 12.3: Implications for messaging with a view to influencing attitudes

Key findings summary	Implications for campaign
Businesses are more focused on steady, sustainable growth than rapid growth	Consider whether any future messaging on growth might be more resonant if framed in terms of making businesses stronger or more resilient rather than highlighting potential profits
Perceptions of international demand for UK products have strengthened, but this is not yet being translated into increased belief in personal opportunities for business growth through exporting	There may be a need to establish the personal relevance of exporting for businesses more strongly, for example by focusing on businesses which are relatable (not too aspirational)

The majority of businesses at Wave 3 remained focused on steady sustainable growth (61%) rather than rapid growth (5%). If anything, businesses at Wave 3 were a little more conservative in their aspirations. This was particularly the case for £500k+ businesses in the Challenge segment where 12% now reported that they were not interested in their businesses getting any bigger, an increase from 5% at Wave 1.

In line with findings from the earlier NSRB report published in July 2017, this suggests that (in line with current campaign materials) any future campaign messaging should not be too exuberant in its positioning of the opportunities offered by exports – **messaging around the notion that exports can help make a business stronger may be better received than messages suggesting that exporting offers a path to much higher profits.**

The potential benefit of messaging on stability is further underlined by the data on product or service innovation. There was a decline in the proportion of £500k+ businesses reporting that they had introduced new or improved products or services over the past 12 months between Waves 1 and 3. This was particularly the case amongst the key Promote segment where there was a decline from 64% at Wave 1 to 52% at Wave 3. **For some businesses a move into the export sector may be a lower cost alternative to investment in new products or services and, as such, a potentially appealing option to promote via the campaign** (though this may currently be offset by uncertainty about how trade agreements may change in the coming years).

Among £500k+ businesses, there have been **positive signs that the *Exporting is GREAT* campaign messaging has cut through.** There have been increases in agreement that there is a lot of demand for British products and services around the world between Waves 1 and 3 (from 68% to 73%) and that lots more businesses could export than currently do so (from 56% to 63%). The primary focus of the campaign messaging was on improving agreement levels for these two metrics (on the basis that perceptions of demand and the viability of entering the market are fundamental parts of the mindset necessary for businesses to focus on exporting). More positive attitudes among campaign recognisers offers further evidence that the campaign has played a role in this change. As such, these trends are to be welcomed.

Furthermore, those in the key £500k+ Promote segment have become less likely to believe that 'there is not enough demand to make exporting worthwhile for your business' since the campaign began. However, there are a number of key attitudes that have not yet shown any improvement among businesses in the Promote segment, particularly those concerning perceptions about opportunities and prospects for their own business.

These findings suggest that the campaign focus on the level of international demand for UK products may be starting to bear fruit, but that this is not yet being translated into increased belief in personal opportunities for business growth through exporting. More strongly establishing this personal relevance and making businesses more actively think about the viability of exporting may be one of the necessary steps in the process of converting those in the Promote segment into exporters. **Building on the previous campaign activities, the campaign needs to make businesses (particularly in the Promote segment) think more specifically about the potential of exporting as it relates to their own goods and services (rather than a broader appreciation of international demand for UK products).**

This means overcoming the key barrier of perceived lack of relevance to their business, as discussed in Section 12.4.

12.4 Campaign relevance – removing barriers to exporting

Figure 12.4: Implications for ensuring campaign relevance

Key findings summary	Implications for campaign
<p>The adverts were relatively weak in terms of perceived relevance</p>	<p>Given that it may be difficult to produce a single advert which appeals to the very diverse spectrum of businesses it may be worth adopting different messages for businesses at different stages of the exporting journey. For example:</p> <p>For Sustain: consider communicating the value of getting advice and support even if you are an experienced exporter.</p> <p>For Reassure and Promote: investigate how to nudge those who can see the potential for exporting to take the next step.</p> <p>For Challenge (and the Reassure and Promote segments): could look to address issues such as awareness of support that can counteract their barriers</p>
<p>Capacity and access (to contacts, customers and the right networks) were seen as particularly strong barriers in the Promote segment</p>	<p>These may be challenging to address using campaign messaging alone, but the support offered by the great.gov.uk website may be a way of addressing access concerns</p>
<p>Barriers are varied and can present genuine challenges</p>	<p>The tone of adverts will be important when addressing businesses which are uncertain of their ability to deal with barriers</p>

The adverts were fairly weak in terms of perceived relevance (32%), and this varied by exporting behaviour, lowest at 10% of those in the Challenge segment, and highest at 54% in the Sustain segment. The campaign materials did, however, increase the interest of one in three (32%) businesses in finding out more about exporting. While this remained lower among the Challenge segment at Wave 3 (19%), this represented progress from Wave 2 (13%) and offers evidence of growing campaign impact on this most difficult to influence segment. However, the challenge remains to **increase the perceived relevance of the campaign in order to raise interest in a higher number of businesses.**

Comparisons with findings of a similar question from the Business is GREAT campaign suggest that there are greater barriers to raising interest among businesses when it comes to exporting than for other ways to grow. As such, the *Exporting is GREAT* campaign faces a greater challenge in getting its message across and driving action.

For the Sustain segment the main barrier to the campaign increasing their interest is feeling that the campaign is not relevant since they already export. The main barrier for the Promote and

Challenge segments was that businesses were not interested in exporting, and so did not see the campaign messages as relevant to them.

These findings provide challenges for tailoring the campaign messaging to each segment to maximise relevance. When addressing the **Sustain** segment, this involves **communicating the value of getting advice and support even if you are an experienced exporter**. For the **Reassure and Promote** segments, this means information that will **nudge those who can see the potential for exporting to take the next step**. For the **Challenge** segment (and the Reassure and Promote segments), the campaign needs to **help businesses overcome the issues they perceive as barriers to exporting for their business**.

New data on barriers to exporting help to provide some guidance for future campaign messaging. Cost, knowledge, capacity and access to contacts and customers are all equal barriers for most businesses, but for the key group who have not exported before (the £500k+ Promote segment), capacity and access were seen as slightly greater barriers. This means that **all four barriers need to be addressed by the campaign, but for the Promote segment capacity and access should be the campaign message focus**.

Further details from the research suggests that the website already contains much of the information required to help businesses overcome each barrier, and indicates the following message focus in each area:

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

There was no single country that was a particular outlier in terms of presenting greater barriers to exporting amongst those who had considered it as a potential export destination. Barriers to exporting were similar for most countries, particularly those related to knowledge of legal requirements, exporting processes and red tape: albeit the sample sizes were not large enough to identify country-specific differences.

As such, there may be a benefit in establishing a **country (or region) specific link on the landing page of the great.gov.uk website**. While this information is currently available on the site, it is not easily found.

12.5 great.gov.uk website

Figure 12.5: Implications for promoting and refining the great.gov.uk website

Key findings summary	Implications for campaign
There is scope to increase awareness of great.gov.uk	An ongoing focus on the site in campaign materials may be needed to raise awareness
Knowledge of the services offered on the site is also relatively low	More emphasis on the support the site offers may help to address barriers to exporting mentioned previously

The insights included in the above sections make it clear that, with ongoing development, the website could play a valuable role in taking businesses from any initial interest raised by the adverts, through to more concrete action towards exporting.

There is a need for clearer (or more impactful) communication about sources of advice on exporting. A substantial minority of businesses would like advice, but do not know where to go or would simply default to online searches. DIT is not generally seen as one of the first ports of call for this type of advice. This also underlines the need to continue focusing on search engine results with a view to **ensuring that the great.gov.uk remains one of the top search results for those looking for support using a range of search terminology**. It is also worth noting that the campaign website is not the top search result when searching for some likely searches (e.g. 'help with exporting') and businesses do therefore need some guidance on search terms.

Awareness and use of great.gov.uk and the services it offers are both low. One in ten (9%) businesses were aware of the great.gov.uk website and one in twenty (5%) had visited it – largely businesses in the Sustain/Reassure segments. Both awareness and reported visits were higher among those who recognised the campaign offering evidence that the campaign has played a role in driving traffic to the website.

The campaign should continue to provide **clear messages for businesses to visit the website**, offering a **simple online search term** for them to use. The adverts could also usefully **stress the extent of relevant and helpful information and support available from or via the website**. This should include a focus on issues that businesses perceive as barriers (see Section 12.4 for details) and the homepage of the website should make it easy to navigate to this information. However, it should be noted that awareness of the site will not, of itself, be enough to engender changes in exporting behaviours - **other campaign messaging on the benefits and viability of exporting will also be needed**.

12.6 Driving action

Figure 12.6: Implications for driving action

Key findings summary	Implications for campaign
The process of moving businesses into the Promote or Sustain segments is slow	It appears that it will be necessary to continue campaign activities to reinforce messages and drive action
There is a high incidence of exporters in Northern Ireland	There may be benefits in tailoring messaging in Northern Ireland e.g. to focus more on growing exports/exporting to new markets

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

The reduction in size of the Challenge segment has not yet translated to a significant increase in the proportion of businesses in the 'Promote' or 'Sustain' categories but has instead shifted to an increase in the proportion of businesses that do not position themselves in *any* of the segments. This suggests a change in attitudes which could be a precursor to changes in intent to export. Businesses are not moving from a position where they dismiss exporting as an option to a position where they see themselves as potential exporters; instead they are moving to a position where they are not sure whether or not exporting is an option. Bearing in mind the complexities of the process of starting to export, it is unsurprising that the mindsets will be slow to influence and change. The **campaign messaging should continue to be used to drive attitudinal change as a precursor to action for the Challenge segment** (see Section 12.2).

Nevertheless, the *Exporting is GREAT* campaign has again this year succeeded in prompting a substantial minority of businesses to take at least some kind of immediate action (15% of campaign recognisers) although the level of action has not increased from the first year. It is possible, however, that the level of reported action may have been a little higher if measured in April 2017, immediately following the campaign. Businesses with under 250 employees were less likely to report action. Action was mainly in the Promote and Sustain/Reassure segments, and was most likely to involve visiting the website or attempting to find out more information about exporting.

There is some evidence (for the first time this year) of direct campaign influence on decisions to export or expand exporting for a small number of businesses. These were largely businesses who had already been thinking about exporting, and that other factors played a role suggesting the campaign can act as an additional nudge but is not taking businesses all the way from not thinking about exporting to taking action. This suggests **targeting of the Promote segment may be most productive for the current campaign messages**.

The Wave 3 survey data continue to show that there is already a large pool of 'Promote' segment businesses which self-identify as having goods or services which could potentially be exported (between 428,000 and 604,000 taking margins of error into account). Furthermore, these businesses are well distributed across all £500k+ turnover bands – there is not any particular skew in the perception of exporting potential between businesses with a very high turnover and those with a more modest turnover. Given that the *Exporting is GREAT* campaign has already focused

on raising and reinforcing awareness of the potential international demand for UK goods and services, these data suggest that the next phase could usefully focus more strongly on **driving action rather than awareness when targeting the Promote segment.**

However, there are signs that **Northern Ireland will be the most challenging region in terms of the generation of new exporters** – only 1% of Northern Irish businesses fell into the Promote segment. This is likely to be at least partly a function of the already high level of Northern Irish exporters (which, in turn, is likely to be at least partly due to the relatively frictionless export opportunities offered by cross-border exports to the Republic of Ireland). As such, ongoing messaging on the potential for joining the export market may be of enduring benefit in this region. However, given the already high incidence of exporting, it may actually be more important to tailor messaging in this region towards growth (or maintenance) of exports amongst those businesses which already do export, or to focus on expansion to new markets.

In general, businesses were significantly more likely to report that their exports of goods had increased since October 2015 (7%) than decreased (4%). However, there was a turnover gradient in this regard - companies with a turnover of £2m+ were more likely to have seen an increase in exports of goods than those with a turnover of £500k to £2m (21% and 12% respectively). It will therefore be important to continue to consider ways in which the presence of lower turnover companies in the exporting market can be maintained, particularly bearing in mind the large number of such companies. Fundamentally, if exporter numbers and the value of exports are to be increased, it is just as important to ensure that a business is able to continue exporting as it is to encourage a new business to join the export market. This means it is vital to **target both current and potential/lapsed or intermittent exporters within the population of smaller businesses.**

The UK's Department for International Trade (DIT) has overall responsibility for promoting UK trade across the world and attracting foreign investment to our economy. We are a specialised government department with responsibility for negotiating international trade policy, supporting business, as well as delivering an outward-looking trade diplomacy strategy.

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