



Department for
International Trade

DIT National Survey of UK Registered Businesses' Exporting Behaviours, Attitudes and Needs 2018

Wave 4 Report

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1 Executive Summary

1.1 About the National Survey of Registered Businesses (NSRB)

The National Survey of Registered Businesses (NSRB) is commissioned by the Department for International Trade (DIT) to provide measures of businesses' exporting behaviours, plans, capabilities and attitudes.

The NSRB also provides insights into the performance of DIT's *Exporting is GREAT* communications campaign which contributes to the Department's objective of encouraging and inspiring UK businesses to sell overseas.

Four waves of the NSRB have been completed to date. The first wave of interviewing was conducted in 2015 and there have subsequently been waves of interviewing in 2016, 2017 and 2018. More specifically, fieldwork for the most recent wave was conducted from 23rd October 2018 to January 4th 2019. The wave-based approach allows the NSRB to track change over time. Waves 1 and 2 were conducted prior to the European Union membership referendum (see section 3.1.1 for exact dates).

The primary focus of the NSRB is on businesses with an annual turnover of £500,000 or more, on the basis that these businesses are of a scale where they have the potential to add significantly to the value of UK exports. As such, wherever the report refers to 'UK businesses', unless specified otherwise, it is only those with a turnover of £500k or higher which are being considered.

A brief summary chapter at the end of the report provides findings relating to the wider population of all registered businesses.

1.2 Survey findings and implications

The key message from the survey is that **more businesses still expect an increase in the value of UK exports than a decrease, but that the proportion of businesses expecting an increase has fallen** since 2017. The proportion expecting the total value of UK exports to be higher in five years' time decreased from 48% at Wave 3 to 37% at Wave 4. However, **perceptions of international demand for UK products remain strong**, and around one in seven of those potentially able to start exporting have plans to do so at some point, which represents an increase since Wave 1.

There also appears to be scope for encouraging growth amongst current exporters, given that the **majority are currently 'passive' in their exporting** and only react when orders come in rather than actively seeking overseas business. The potential here is underlined by the fact that **'active' exporters were markedly more likely than 'passive' exporters to have seen growth** in exports over the past year. Tempering this opportunity, it should also be noted that there are signs that **businesses are currently experiencing greater challenges** in terms of finding the necessary staff resources to focus on exporting.

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

DIT has grouped all UK businesses into four segments which 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 third (33%) of UK businesses fell into this segment.¹
- **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 fourteen (7%) 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 one in eight (13%) UK businesses were 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.

The **proportion of businesses in each segment has remained stable** across all four waves. Given that the population of registered businesses with a turnover of £500k+ at the time that fieldwork began was 413,013, the number of businesses which have never exported but self-identify as potentially able to do so (the Promote segment) is estimated to be somewhere between c.44,700 and c.59,500 at Wave 4.²

As such, there is a substantial pool of businesses which could potentially contribute to the expansion of UK exports – the challenge lies in persuading them to do so. At present, **one in twenty businesses in the Promote segment (5%) plan to start exporting in the next year** and a further 10% have less distinct plans to start exporting at some point further in the future.

Those **who had exported within the past year were more likely to report an increase in exports** of goods (39%) or services (39%) than to report a decrease (18% for goods and 12% for services).

Those businesses which reported a reduction or cessation of exports were asked what had caused this. The most commonly cited reasons were: a lack of demand (23%); changes within their business (13%); passivity in their exporting behaviours (10%); cost implications (7%); lack of suitability of their product (6%); and Brexit (6%).

¹ Again, it should be noted that wherever the report refers to 'UK businesses', it is focussing on registered businesses with a turnover of £500k+.

² The unrounded proportion of businesses in the Promote segment was 12.61%. There is a margin of error of ±1.79% associated with the survey estimate at a 95% confidence level. The proportion of businesses taking action is therefore estimated to lie between 10.82% (i.e. 12.61% - 1.79%) and 14.4% (i.e. 12.61% + 1.79%). The upper estimate is therefore 413,013 * 14.4% = 59,474. The lower estimate is 413,013 * 10.82% = 44,688. The provisos regarding the calculation of confidence intervals on quota samples outlined in the Methodology chapter also apply here.

1.3 Does a more targeted approach to exporting result in growth?

Two thirds (66%) of current or past exporters said that they were essentially passive in their exporting behaviours - they responded to orders from abroad when they were received but did not specifically target customers in other countries.

This compares to around a quarter of exporters (28%) reporting that they intentionally targeted customers in specific countries and would therefore be classified as 'active' exporters. The remainder reported that they were unsure about their exporting approach (which may well be a proxy for passive behaviours).

Furthermore, it appears that an 'active' approach to exporting yields results, given that **active exporters were markedly more likely than passive exporters to report that they had seen growth in their exports over the past year**. Just over half of active exporters said they had grown exports of goods (54%) or services (51%) in the past year, compared to around a third of passive exporters (31% for goods and 32% for services).

However, **smaller businesses often feel that they don't have the staff resources to focus on exporting**. More than four in ten micro (0-9 employees) and small (10-49 employees) businesses which said that they have or potentially could export, reported that they did not have enough staff capacity to focus on exporting).

1.3.1 Are UK businesses focused on, and do they expect, growth?

Overall, **businesses said they were generally focused on growth rather than consolidation**. Three in four businesses (73%) reported that they were aiming for growth while a quarter (27%) said they were looking to consolidate rather than grow the business. **Smaller businesses were less growth focused**, with around a third of micro businesses (0-9 employees) saying they were focusing on consolidation (36%).

Reflecting this desire for growth, around **half of businesses reported that they had introduced new or significantly improved products or services** in the past 12 months (53%) and this proportion has remained stable across survey waves. However, there has been a decline in the prevalence of such innovation in the Promote segment, falling from 64% at Wave 1 to 50% at Wave 4 (continuing a general downward trend which started in Wave 2). This suggests a degree of **retrenchment amongst this key group of potential exporters** in the way that they conduct their business. Convincing them to make changes to their business model, such as taking steps toward exporting, may therefore currently be challenging.

The current challenges of convincing businesses to start exporting are underlined by a decline in optimism regarding the prospects for UK exports over the next five years. Whilst **the balance of opinion remained positive** (24% expected a decrease in the value of UK exports in the next five years compared to the 37% who expected an increase), this nevertheless represents a decline from 48% expecting an increase at Wave 3. This decline was most pronounced among those with experience of exporting – the proportion of businesses in the Sustain/Reassure segment which expected UK export growth fell from 52% at Wave 3 to 36% at Wave 4.

Much of the decline in optimism across a five-year window was attributable to businesses **moving to a position of uncertainty rather than expecting a contraction**. Expectations for the value of UK exports over the next 12 months (a new question at Wave 4) were marginally pessimistic on balance, with 30% expecting a decrease and 26% expecting an increase.

1.3.2 What do UK businesses think about exporting?

In general, business attitudes towards exporting have remained relatively stable. **Perceptions of the global demand for British products and services remained strong** (71% agreed that there was a lot of global demand which was on a par with the 73% recorded at Wave 3) and businesses continued to believe that being a successful exporter is something to be proud of (86% agreed).

However, some attitudinal measures shifted at Wave 4. Businesses with experience of exporting (in the Sustain and Reassure segments) had become **less likely to agree that a lot more businesses could export than do export** (65% at Wave 4 compared to 72% at Wave 3). Whilst this represents a decrease, there remains a majority of businesses with experience of exporting who continue to believe that there is scope for more businesses to start exporting.

Businesses had also become **more likely to think that there wouldn't be enough demand for their specific goods or services to make exporting worthwhile** (26% thought this at Wave 4, an increase from 21% at Wave 3) and had also become less confident in their knowledge about how to export and where to go for information.

Given that perceptions of international demand for British products has remained strong, there is a suggestion that these **negative trends are more related to the process/challenges of exporting** rather than any lack of overseas demand.

1.3.3 Are businesses engaging with exporting support and advice?

There has been a **decline in the proportion of businesses reporting that they had sought advice and support about exporting**, falling from 39% at Wave 3 to 33% at Wave 4. While businesses in the Promote segment are an exception (16% had sought advice and support at Wave 4, the same proportion as at Wave 3 and an increase from 4% at Wave 1), their engagement with support/advice services was not always being converted into increased intention to start exporting. 5% of businesses in the Promote segment reported an intention to start exporting in the next year and 15% said they intended to start exporting at any point in the future (which marked an increase from 9% at Wave 1). However, the rate of change in intention to export was less rapid than the increase in seeking advice and support.

The proportion of businesses which are interested in receiving exporting information or support in the future has also declined. The proportion of exporters or potential exporters saying that they were *not* interested in receiving such support increased from 47% at Wave 1 to 57% at Wave 4. This increasing resistance to receiving information and support applied to both current exporters and potential exporters – across the board **it appears that some businesses are either increasingly looking inwards or delaying/deciding against active engagement with exporting**.

At the same time, businesses in the Sustain and Reassure segments had become less likely to feel that they had the capability to assess the cost of exporting (76% at Wave 4 compared to 81% at Wave 3) or to assess international competition (59% at Wave 4 compared to 65% at Wave 3).

1.3.4 Is the *Exporting is GREAT* campaign getting through to businesses?

The level of spontaneous awareness of 'any information or advertising encouraging businesses to think about exporting' (26%) is higher than at the Wave 1 baseline (18%), but lower than at Wave 3 (30%) This decline was relatively small given the substantial reduction in campaign media spend over the period leading up to Wave 4.³

While the *Exporting is GREAT* adverts were widely seen as being clear and easy to understand, **some businesses had become less inclined to trust the information given by the campaign**. While the majority of businesses at Wave 4 saw the information in the adverts as trustworthy (66%) this marked a decline from Wave 3 (when the equivalent figure was 78%). Those with negative expectations regarding the future of UK exports were less likely to trust the information in the adverts - 58% of those expecting the total value of UK exports to *decrease* over the next 12 months said they trusted the information in the adverts, compared to 77% amongst those who expected the value of UK exports to *increase*.

Given that the proportion of businesses with negative expectations for the value of UK exports has risen it appears that the decline in trust is likely to be attributable to contextual factors rather than being a sign of an issue with the adverts themselves.

Nevertheless, 17% of those who recognised the campaign when prompted during the interview reported that it had driven them to take or consider taking action. This equates to between c.18,500 and c.33,000 businesses (with an annual turnover of £500k+) and is broadly in line with Wave 3.⁴ 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.

Campaign recognisers were also more likely than non-recognisers to be interested in information and business support services to assist with exporting. 60% of recognisers were either 'very interested' or 'fairly interested', compared to 46% of non-recognisers. The gap between the two groups has expanded since Wave 3, suggesting that the campaign may be helping to mitigate the wider declines in interest.

³ This reduction is due to timings of fieldwork relative to campaign activity. Campaign media spend across financial years 18/19 to 19/20 has remained broadly consistent.

⁴ The proportion of businesses taking action (rebased on all respondents) was 6.24%. There is a margin of error of $\pm 1.73\%$ associated with the survey estimate at a 95% confidence level. The proportion of businesses taking action is therefore estimated to lie between 4.51% (i.e. 6.24% - 1.73%) and 7.97% (i.e. 6.24% + 1.73%). The upper estimate is therefore $413,013 * 7.97\% = 32,917$. The lower estimate is $413,013 * 4.51\% = 18,627$. The provisos regarding the calculation of confidence intervals on quota samples outlined in the Methodology chapter also apply here.

1.3.5 Regional differences

Businesses in Northern Ireland were particularly likely to be exporters (56% falling into the Sustain segment). Cross-border exports with the Republic of Ireland were of particular importance, with 32% of Northern Irish businesses reporting that they were exporters but *only* exported to the Republic of Ireland.

There was a relatively high overall incidence of exporters in London which was driven more by the export of services (32% of London businesses) rather than goods (20%). **London was the only region where the export of services was more widespread than the export of goods.**

Businesses in the North West were far more likely to export goods (34%) than services (15%). This was **also the case in Yorkshire and Humberside**, where 29% exported goods and 11% exported services. This may represent **unfulfilled potential in terms of the export of services in these regions**, particularly given that both contain major metropolitan hubs.

Businesses in London and Northern Ireland, which had the highest incidence of exporters, were the least positive about the future value of UK exports.

1.3.6 The total business population

The sections above all relate to the population of businesses with an annual turnover of £500k+. The NSRB also collects data relating to the **total population** of registered businesses, which is primarily made up of **small businesses**.

Looking at this wider population of registered businesses, around **one in three had ever exported, with a quarter having exported in the past 12 months**. These proportions had remained essentially stable across the four NSRB waves.

There was an **even balance between the proportion of businesses reporting increases or decreases in exports** of both goods and services over the past 12 months. However, they were **more likely to have stopped exporting altogether than to have started** in the past year.

Businesses in the total population had become **less likely to report that they had sufficient staff capacity** to focus on exporting and the **proportion with plans to start exporting had fallen** from Wave 3.

Perceptions of global demand for UK products and services remained steady, with around three quarters agreeing that there was 'a lot of demand'.

2 Background

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

2.1 DIT's objectives

As specified in the [Department for International Trade single departmental plan](#)⁵, the Department's objectives are to:

1. Support UK businesses to grow internationally in a sustainable way.

- 1.1 Encourage and inspire UK businesses to sell overseas.
- 1.2 Inform businesses by providing information, advice and practical assistance on exporting.
- 1.3 Connect UK businesses with overseas buyers, international markets, and each other.
- 1.4 Finance exports through UKEF products and encourage the availability and uptake of private sector funding.
- 1.5 Drive sustainable growth by encouraging and facilitating Outward Direct Investment.

2. Ensure the UK remains a leading destination for international investment and maintains its number one position for international investment stock in Europe

- 2.1 Identify and engage prospective investors to the UK, while maintaining relationships with strategically important investors
- 2.2 Promote the UK as a world leading investment destination and work with regions and nations to showcase investment opportunities across the country
- 2.3 Offer expert help and advice to investors to help them establish and grow their business in the UK.
- 2.4 Work across government and industry to understand foreign investor needs and help keep the UK business environment globally competitive.

3. Open markets, building a trade framework with new and existing partners which is free and fair

- 3.1 Open up new markets, by negotiating, agreeing, and ratifying a set of ambitious Free Trade Agreements.
- 3.2 Ensure we maintain the UK's current trade access to international markets.

⁵ See: <https://www.gov.uk/government/publications/department-for-international-trade-single-departmental-plan/department-for-international-trade-single-departmental-plan--2>

3.3 Identify barriers to market access and address them through engagement with our international partners.

3.4 Ensure a level playing field by defending our industries from unfair trade practices through trade remedies and dispute resolution.

3.5 Support, strengthen, and influence the multilateral trading system, championing free and fair trade across the world.

4. Use trade and investment to underpin the government's agenda for a Global Britain and its ambitions for prosperity, stability and security worldwide

4.1 Strengthen UK trade and investment opportunities in developing countries, working with other government departments, to promote mutual prosperity and global poverty reduction

4.2 Place trade and investment at the heart of government's ambition to maximise the UK's presence, influence and impact across the world

4.3 Coordinate the government's trade and investment activity to align with national security requirements.

These objectives are underpinned by a diverse range of activities which, reflecting the complexity of DIT's remit, often involve working with other government departments. Further details may be found in DIT's single departmental plan.

2.2 The Exporting is GREAT campaign

The multi-channel *Exporting is GREAT* campaign is one of DIT's largest communications campaigns and plays a central role in DIT's objective of encouraging and inspiring UK businesses to sell overseas.

The campaign is also an important component of the government's wider communications strategy which is detailed in the annual [Government Communication Plan](#)⁶. The plan identifies four priority themes that communications should support the government in working towards:

- a stronger, fairer economy
- a more caring society
- a truly global Britain and Northern Ireland
- a strong, new relationship with Europe

The *Exporting is GREAT* campaign was launched in November 2015 and forms a part of the government's wider, multi-departmental GREAT campaign.

Drawing upon findings from the NSRB, the *Exporting is GREAT* campaign has evolved over time, expanding upon its initial aim of driving business perceptions of international demand. Recent campaign activities have focused more strongly on behaviour change,

⁶ See: <https://gcs.civilservice.gov.uk/communications-plan/>

encouraging businesses to take active steps towards exporting by highlighting examples of successful (and relatable) exporters in a diverse range of sectors.

The campaign also aims to drive traffic to [great.gov.uk](https://www.great.gov.uk), one of the government's main destinations for exporters, international buyers and investors.

2.3 The objectives of the NSRB

The NSRB serves two broad functions which support DIT's objectives. It is both a campaign evaluation tool and a wider strategic survey for the Department.

Relating to the first of these aims, the NSRB is designed to:

- Capture a range of awareness measures for the *Exporting is GREAT* campaign and track changes over the course of the campaign
- Measure whether exporting attitudes and behaviours change over the duration of the campaign and, crucially, determine whether businesses attribute any changes in behaviour to the campaign
- Measure how the campaign is being received by businesses, and whether it is achieving its aims
- Measure awareness and usage of the [great.gov.uk](https://www.great.gov.uk) website

Relating to the second of these aims, the NSRB:

- Provides a measure of the size of the opportunity and challenge for DIT in terms of the proportion and number of companies at different stages of the exporting journey
- Gives information on barriers to exporting
- Identifies the level of interest in, and engagement with, exporting support and advice
- Highlights skills/resource/knowledge gaps

The most recent wave of the survey (Wave 4) includes several new questions designed to:

- Gauge business confidence in UK exports over the next year
- Better understand the specific issues facing businesses in Northern Ireland
- Identify whether businesses are active or passive in their exporting behaviours
- Provide additional information about exports to four key markets (USA, Australia, China and New Zealand)
- Determine levels of engagement with paid export services
- Identify issues which are causing businesses to stop or reduce their exports

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

2.4 NSRB timings in relation to the EU membership referendum

The United Kingdom European Union membership referendum took place on 23rd June 2016. This is an important contextual factor which is highly likely to have impacted on the data collected in Waves 2 to 4 of the NSRB.

Wave 2 was conducted in the run-up to the referendum, at which point businesses would have been exposed to arguments both for and against EU membership and the potential impacts on future trading arrangements.

Waves 3 and 4 were conducted in the aftermath of the referendum result and against a background where there has been ongoing and extensive discussion of matters that will have a direct impact on exporting.

3 Survey methodology

This chapter provides an overview of the survey methodology and contains information which is important for readers to bear in mind. 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:

- There are two separate data sets:
 - Chapters 4 - 10 focus on UK registered businesses with a turnover of £500k+
 - Chapter 11 focuses on the total population of UK registered businesses
- Data are collected at an enterprise level (i.e. respondents provide answers relating to their organisation as a whole rather than at branch or site level)
- There are margins of error around the survey data quoted in this report - some apparent trends in charts may not be statistically significant
 - The written commentary focuses on findings where significance testing indicates that we can be reasonably confident that the survey data support the point being made
- The sample sizes of Waves 3 and 4 are larger than those of earlier waves (and the margins of error surrounding data from these later waves are, accordingly, smaller)

3.1 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 four waves are included in this report. The timing of fieldwork for each wave was as follows:

- Wave 1: 20th October to 6th November 2015
- Wave 2: 1st April to 4th May 2016
- Wave 3: 26th July to 7th September 2017
- Wave 4: 23rd October 2018 to 4th January 2019

Wave 1 was conducted prior to the launch of the *Exporting is GREAT* campaign. Subsequent waves have been conducted around bursts of campaign activity. Due to the variability of campaign activity, the relative timings of fieldwork has varied between waves. Wave 2 was conducted immediately after the campaign had aired. Wave 3 was conducted 3 months after the campaign had aired, which may have affected the recorded levels of campaign awareness. Wave 4 was conducted during campaign activity, so there was no time lag. However, the amount of activity which took place prior to fieldwork was lower than for previous waves, which may also have impacted on campaign awareness.

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

The NSRB collects enterprise level data whereby respondents give answers in relation to their organisation as a whole rather than focusing on smaller reporting units within the organisation. This means that the NSRB reports a higher incidence of exporters than is found in surveys which publish data based on reporting units (given that many businesses will comprise some reporting units which export and some reporting units which do not). The [Annual Business Survey](#) is the UK's main structural business survey which provides reporting-unit level data.⁷

In Waves 2 to 4, respondents were directed to a website which allowed them to view campaign materials during the telephone interview.

3.2 Sample design

The sample for all four waves was drawn from the IDBR (Inter-Departmental Business Register). As such, the survey population only consists of registered businesses.⁸

£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 examining the £500k+ businesses which are the primary focus of this report.

The sample was stratified and 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.

The Wave 4 sample incorporated boost samples of businesses in Scotland, Wales and Northern Ireland to give more scope for analysis at a sub-national level.

⁷ See: <https://www.ons.gov.uk/surveys/informationforbusinesses/businesssurveys/annualbusinesssurvey>

⁸ 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.

3.3 Sample size and effective base sizes

The unweighted sample sizes achieved in each wave are shown in Figure 3.1.

All waves of the survey were weighted to ensure that they matched the profile of businesses on the IDBR at the time the sample was drawn in terms of:

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

Two separate sets of data were produced, each weighted on the above factors. The first data set was based only on £500k+ turnover businesses (the focus of Chapters 4-10). The second was based on the total population of registered businesses (the focus of Chapter 11).

The effective base sizes for each of these data sets are also shown in Figure 3.1.⁹

Figure 3.1: Unweighted and effective base sizes by data set

	Wave 1	Wave 2	Wave 3	Wave 4
£500k+ businesses – unweighted base	1,160	1,139	2,535	2,448
£500k+ businesses – effective base	922	909	1,617	1,319
All businesses – unweighted base	1,405	1,418	2,991	3,000
All businesses – effective base	347	405	550	635

3.4 Statistical significance

Survey data are subject to error - in most cases the responses obtained from a survey sample will not perfectly reflect the wider population that the sample represents.

Strictly speaking confidence intervals cannot be applied to quota samples, like this one, given that they do not use equal or known probabilities of selection.

We have applied significance testing to the data and have used this to guide our commentary.¹⁰ Charts throughout the report also highlight where differences across waves or between sub-groups are sufficiently large to note.

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. See the accompanying technical report for further details of the weighting schemes.

¹⁰ Commentary throughout the report focuses on data that, in an equivalent random probability sample, would be statistically significant at a 95 per cent confidence level. In basic terms this means that if the survey

However, due to the sampling method, none of the findings in this report are statistically significant in the conventional sense, that is being able to assume to within a stated degree of probability that they also apply to the wider population. Where 'significance' is referenced, this is only intended as a guide to the findings that stood out within this dataset.

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.

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

- Most exporters are passive – they say they tend to react to orders coming in rather than actively seeking overseas business.
- Active exporters were twice as likely to report growth in their exports as passive exporters. Nevertheless, a quarter of passive exporters also reported growth in exports.
- While exporters were more likely to report a growth in exports rather than a reduction, there are signs that more businesses are ceasing to export than are starting.
- There continues to be a large pool of businesses which self-identify as potentially able to export but which have not yet done so. The majority of these do not have active plans to start exporting.
- A high proportion of Northern Irish businesses export their goods or services – cross-border exporting with the Republic of Ireland accounts for a large part of this activity.

4.1 Current exporting behaviours

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

Figure 4.1: Exporting segments

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, a third of businesses (33%) had exported either goods or services in the past 12 months and therefore fell into the 'Sustain' segment. A further 7% were either lapsed or intermittent exporters, who had not exported in the past 12 months but had done previously – these made up the 'Reassure' segment. As such, a total of four in ten businesses (41%) had direct experience of exporting (whether current or past).

Around one in eight businesses (13%) had never exported but self-identified as having goods or services that were suitable for export or which could be developed for export – these businesses constitute the 'Promote' segment. This is the group from which new exporters are most likely to come and the size of the group suggests that substantially more UK businesses **could export than currently do export.**

Given that the population of registered businesses with a turnover of £500k+ is 413,013, the number of businesses in the Promote segment is estimated to be somewhere between c.44,700 and c.59,500 at Wave 4.¹¹

The Challenge segment, which is made up of businesses which have never exported and which do not see their goods or services as suitable for export, accounts for four in ten businesses (38%).

The remainder of businesses fall outside the segment definitions and are typically uncertain of their exporting potential or history.

Businesses with a higher turnover were more likely to be exporters - the proportion of businesses in the Sustain segment varied from 29% among firms with a turnover of £500k-£2m to 54% among businesses with a turnover of £50m+.

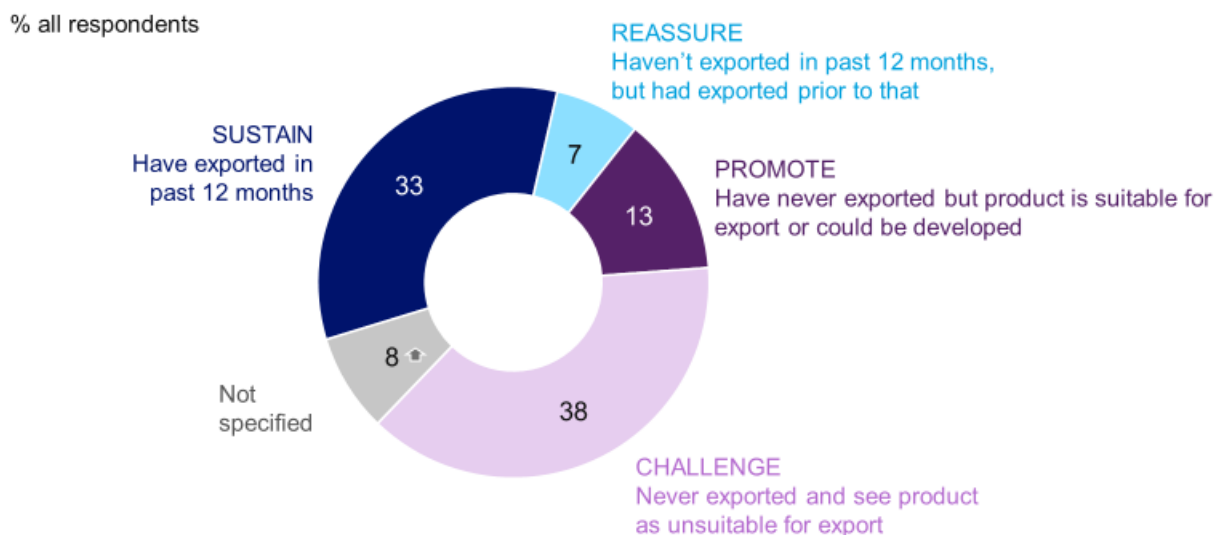
¹¹ The unrounded proportion of businesses in the Promote segment was 12.61%. There is a margin of error of $\pm 1.79\%$ associated with the survey estimate at a 95% confidence level. The proportion of businesses in this segment is therefore estimated to lie between 10.82% (i.e. 12.61% - 1.79%) and 14.4% (i.e. 12.61% + 1.79%). The upper estimate is therefore $413,013 * 14.4\% = 59,474$. The lower estimate is $413,013 * 10.82\% = 44,688$. The provisos regarding the calculation of confidence intervals on quota samples outlined in the Methodology chapter also apply here.

Businesses in London (42%) and Northern Ireland (56%) were most likely to fall into the Sustain segment. Those in East Anglia (16%) and the West Midlands (19%) were more likely than average to fall into the Promote segment.

A new question was added to Wave 4 of the NSRB to allow us to better understand the broad destination of Northern Irish exports. Overall 32% of Northern Irish businesses reported that they exported in the past 12 months but only to the Republic of Ireland, 22% said they exported both to the Republic and overseas, and 2% exported to overseas destinations only.

The incidence of exporting was highest in the Information and Communication sector (67%), and the Manufacturing, Raw materials & Energy sector (48%). There was a low prevalence of exporting in the Construction & Real Estate (15%), Consumer Discretionary (18%), Education and Health (18%) and Transportation and Storage (19%) sectors.

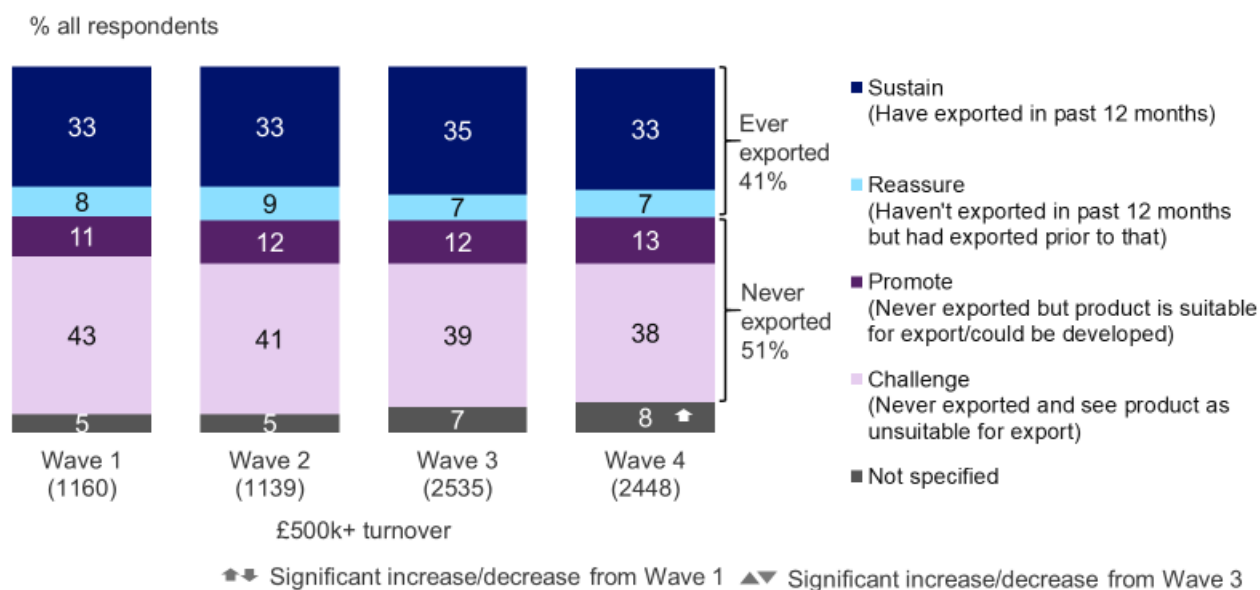
Figure 4.2: Proportion of businesses in each exporting segment



Source: Composite measure merging data from several variables Base : All respondents: £500k+ turnover Wave 4 (2,448)
 ▲↘ Significant increase/decrease from Wave 1
 ▲↙ Significant increase/decrease from Wave 3

Figure 4.3 shows that the proportion of businesses falling into each segment has remained highly stable across all four waves of the NSRB. There has been no material change in the proportion of businesses in any of the four exporting segments (though, as discussed later in this chapter, there are some signs at Wave 4 that more businesses may have stopped exporting than started in the past year). The only change was a slight increase in the proportion of businesses falling outside the segmentation (5% at Wave 1 compared to 8% at Wave 4).

Figure 4.3: Proportion of businesses in each exporting segment over time



Source: Composite measure merging data from several variables
Base : All respondents: Wave 1/2/3/4: All £500k+ turnover (1160/1139/2535/2448)

3

4.2 Exporting goods and services

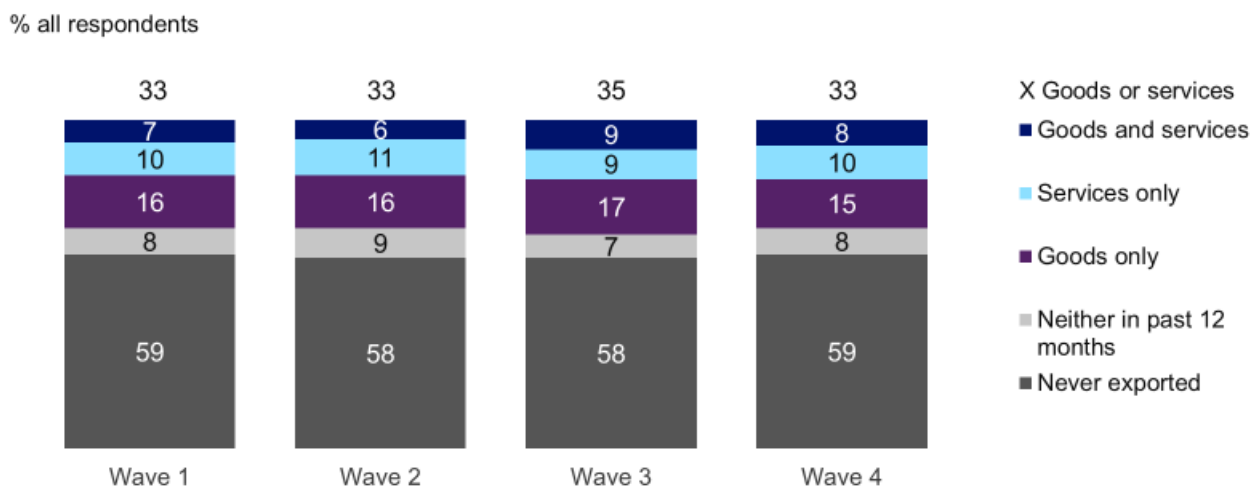
As shown in Figure 4.4, at Wave 4, around one in twelve businesses (8%) reported that they had exported both goods and services in the past 12 months, one in ten (10%) had exported services only, and around one in seven (15%) had exported goods only.

The proportion of businesses which exported goods only, services only, and both goods and services have each remained highly stable over time, with no real changes across the four waves.

Reflecting the high overall proportion of exporters in Northern Ireland, businesses here were more likely than average to export both goods (42%) and services (37%). However, the relatively high overall incidence of exporters in London was driven more by the export of services (32%) rather than goods (20%). London was the only region where the export of services was more widespread than the export of goods.

Businesses in the North West were far more likely to export goods (34%) than services (15%). This was also the case in Yorkshire and Humberside, where 29% exported goods and 11% exported services. This may represent unfulfilled potential in terms of the export of services in these regions, particularly given that both contain major metropolitan hubs. A similar, albeit less pronounced pattern was also present in Wales, the South West and across the Midlands.

Figure 4.4: Whether exported goods and/or services in past 12 months



↕ Significant increase/decrease from Wave 1
 ▲▼ Significant increase/decrease from Wave 3

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: Wave 1/2/3/4: All £500k+ turnover (1160/1139/2535/2448) NB: Don't know not shown so does not always add to 100%

4.3 Export growth and contraction

Figure 4.5 shows the proportion of businesses reporting growth, stability or contraction in their exports of goods and services over the past year. The data here are based on businesses in the Sustain segment which were able to specify whether their exports had increased, decreased or remained stable over the past year or so.¹² More of these businesses reported growth in exports of goods (39%) and services (39%) than reported a decline or cessation in their export of goods (18%) or services (12%).

Those businesses which reported a reduction or cessation of exports were asked what had caused this. The most commonly cited reasons were: a lack of demand (23%); changes within their business (13%); passivity in their exporting behaviours (10%); cost implications (7%); lack of suitability of their product (6%); and Brexit (6%).

¹² It should be noted that these data are likely to slightly under-estimate the proportion of businesses which stopped exporting in the past year. The change in exports data is based only on those who had exported in the past 12 months whereas the frame of reference in the question was 'since September 2017' - this would have covered a 16 month period for those respondents interviewed towards the end of the fieldwork period in January 2019. As such, those who ceased exporting between 13 and 16 months ago would not have been recorded in these data.

Figure 4.5: Changes in exports over past year

% past 12 month exporters able to specify change in exports



Source: Q20c/Q23C. Thinking about the last year or so, that is since September 2017, which of the following best describes your business' export of GOODS/SERVICES? IF NECESSARY: This would be exports outside the UK, including sales to the Republic of Ireland
 Base : All in Sustain segment who were able to specify whether exports had increased/decreased/stayed the same over that period: Goods (730) Services (586)

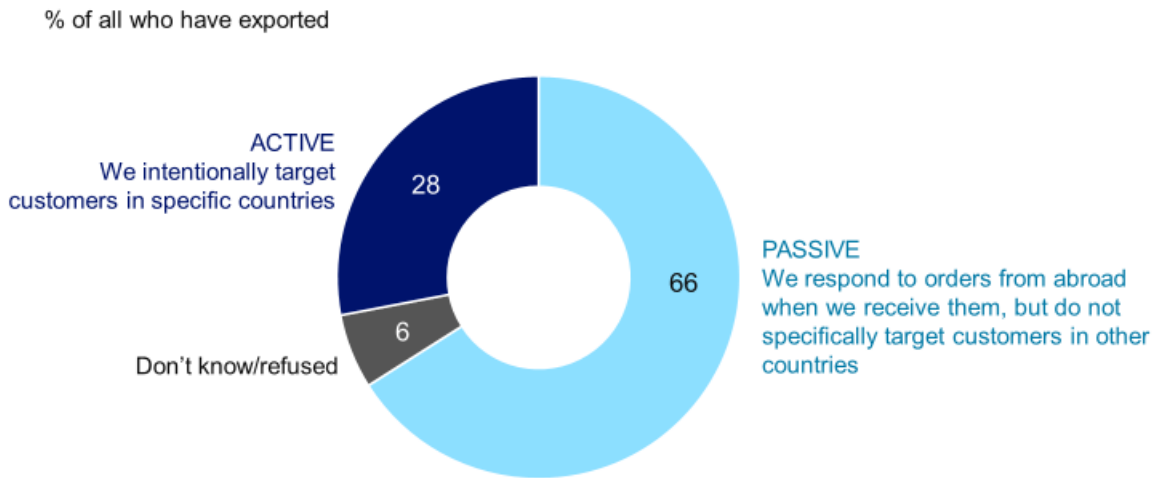
4.4 Active and passive exporting

Another new question which was introduced at Wave 4 allows us to better understand the extent to which exporters are actively pursuing overseas business (see Figure 4.6). Two thirds (66%) of exporters said that they were essentially passive in their exporting behaviours, responding to orders from abroad when they were received, but not specifically targeting customers in other countries.

Around a quarter of exporters (28%) reported that they intentionally targeted customers in specific countries and would therefore be classified as 'active' exporters.

Businesses with a higher employee headcount were more likely to be 'active' exporters than those with a lower headcount. A fifth of exporters with 0-9 employees were 'active' exporters (20%) compared to more than a half of exporters with 250+ employees (54%). As such, resource limitations appear to be a likely driver of passivity in exporting.

Figure 4.6: Active or passive approach to exporting

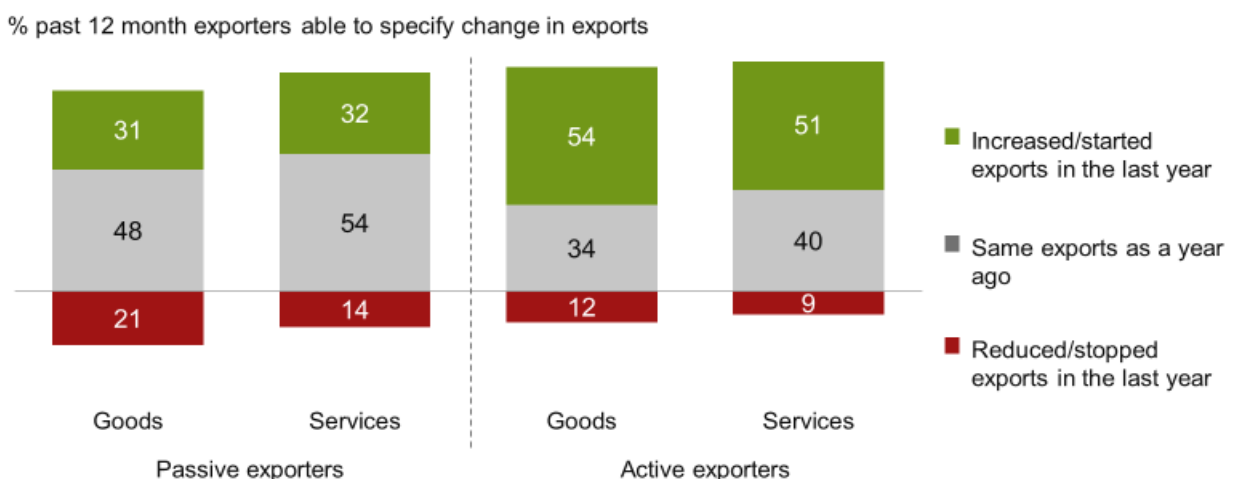


Source: Q24A1. Thinking about countries that you have exported to, which of the following statements best describes the typical approach of your business to exporting?
 Base : All £500k+ businesses who have exported Wave 4 (1,126)

The potential benefits of actively targeting overseas customers are clearly discernible in Figure 4.7, which contrasts the proportion of active and passive exporters against their reported growth in exports over the past year.

Active exporters were markedly more likely than passive exporters to have seen growth in exports. Around half of active exporters reported growth in their export of goods (54%) or services (51%) over the past year. Among passive exporters this proportion fell to around a third (31% for goods and 32% for services). Around one in five (21%) passive exporters reported a decline in their exports of goods.

Figure 4.7: Proportion of active/passive exporters experiencing growth in exports



Source: Q20c/Q23C. Thinking about the last year or so, that is since September 2017, which of the following best describes your business' export of GOODS/SERVICES? IF NECESSARY: This would be exports outside the UK, including sales to the Republic of Ireland
 Base : All in Sustain segment who were able to specify whether exports had increased/decreased/stayed the same over that period Wave 4: £500k+ turnover: Active exporters goods (298), Active exporters services (240), Passive exporters goods (409), Passive exporters services (326)

4.5 Future plans for exporting

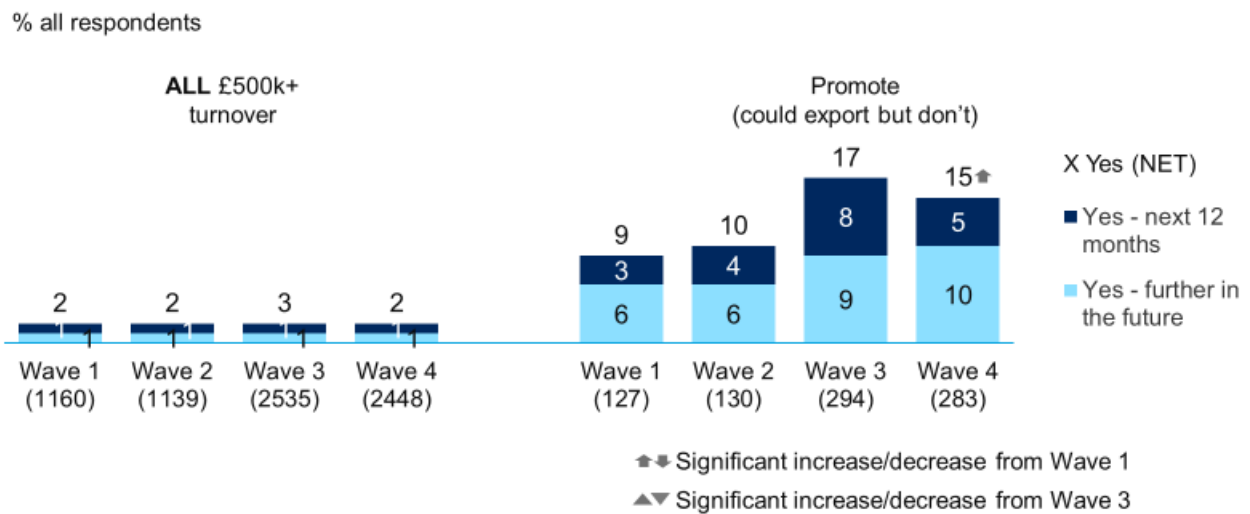
Non-exporters were also asked whether they had plans to start exporting or licensing their goods or services outside the UK. The data in Figure 4.8 have been rebased on all businesses to give a clearer sense of the potential pipeline of new exporters.

Overall, 2% of businesses reported that they had plans to start exporting at any point and half of these (1%) said that they planned to start exporting within the next 12 months. This has been stable across the four survey waves.

Focussing on the key Promote segment, around one in seven said that they planned to start exporting (15%). Of these, one third intended to start exporting within the next 12 months (5% of all Promote segment businesses).

As such, while there has been an increase since wave 1 in the proportion of Promote segment businesses with plans to start exporting, it remains the case that a large majority of those that potentially *could* export still have no plans to do so (85% at Wave 4).

Figure 4.8: Whether plan to start exporting



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 Wave 1/2/3/4: £500k+ turnover (1,160/1,139/2,535/2,448), Promote (127/130/294/283)

8

5 Underlying attitudes towards growth and exporting

Attitudes shape ambitions and behaviours. Positive attitudes about exporting and its relevance to a given business are important if that business is to embark on the journey towards exporting. A positive attitude towards growth in general is also necessary if businesses are to take steps into new markets. This chapter looks at business innovation and plans for growth, views on the future of UK exports, and trends in attitudes related to exporting.

Key findings

- Micro businesses were as likely to be focused on consolidation as they were to consider growth as being integral to their business plans. Larger businesses were much more growth focused.
- Businesses in the Promote segment had become less likely to have introduced new or improved products, suggesting a degree of retrenchment in this key group of potential exporters.
- 5 year expectations for the total value of exports from the UK had weakened substantially since Wave 3. Businesses in London and Northern Ireland saw particularly pronounced shifts.
- Businesses with experience of exporting had become less likely to agree that a lot more businesses could export than do export, though their perception of international demand remained steady. It therefore may be that the issue is more around the process of exporting rather than any lack of potential customers.

5.1 Innovation and plans for growth

A new question relating to business attitudes towards growth was introduced at Wave 4. Overall, around three in four £500k+ turnover businesses (73%) reported that they were aiming to grow rather than consolidate their business. More specifically, around half (47%) said growth was an integral part of their business plans and a further quarter (26%) intended to grow the business but had no concrete plans on how to do this (see Figure 5.1). A quarter (27%) said they were looking to consolidate rather than grow the business.

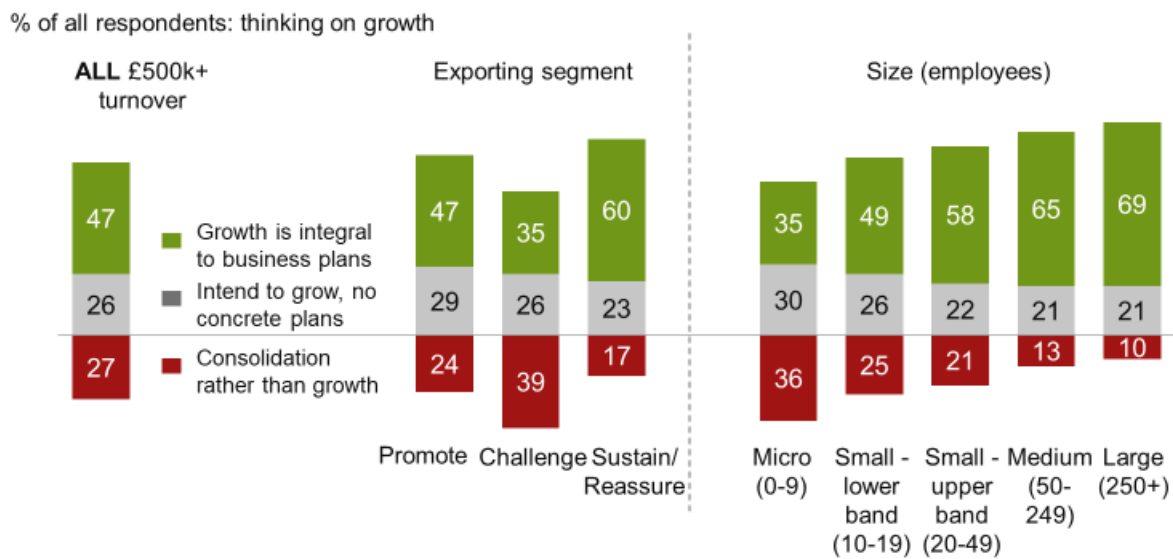
Businesses in the Sustain and Reassure segments were more growth focused, with 60% saying that growth was integral to their business plans. The Challenge segment was less growth focused, with around four in ten reporting that they aimed to consolidate rather than grow (39%).

There was also a clear pattern by business size, with the larger businesses more likely to view growth as integral to their plans. Large businesses with 250+ employees were twice as likely to say that growth was integral to their plans than micro businesses with 0-9 employees (69% and 35% respectively). The proportion of micro businesses focused on

consolidation (36%) was as large as the proportion saying that growth was integral to their plans (35%).

Businesses in the East Midlands (35%) and Yorkshire and Humber (34%) were the most likely to be focused on consolidation rather than growth. Differences by sector largely reflected the incidence of exporting in each sector, again highlighting the relatively strong focus on growth among exporters. The main exception was found in the financial sector, which was average in terms of the incidence of exporting but was much more likely than average to say that growth was an integral part of their plans (62%).

Figure 5.1: Current thinking on growth (Wave 4)



Source: Q11. GROWATT – Which of these best describes your thinking on growth?
 Base : W4 - All £500k+ turnover businesses (2448); Promote (283), Challenge (840) Sustain/Reassure (1132), Micro (640), Small – lower (417), Small – upper (620), Medium (554), Large 250+ (217)

As shown in Figure 5.2, there has been no material change over time in the prevalence of innovation, with around half of businesses (53%) reporting having introduced new or significantly improved products or services in the past 12 months.

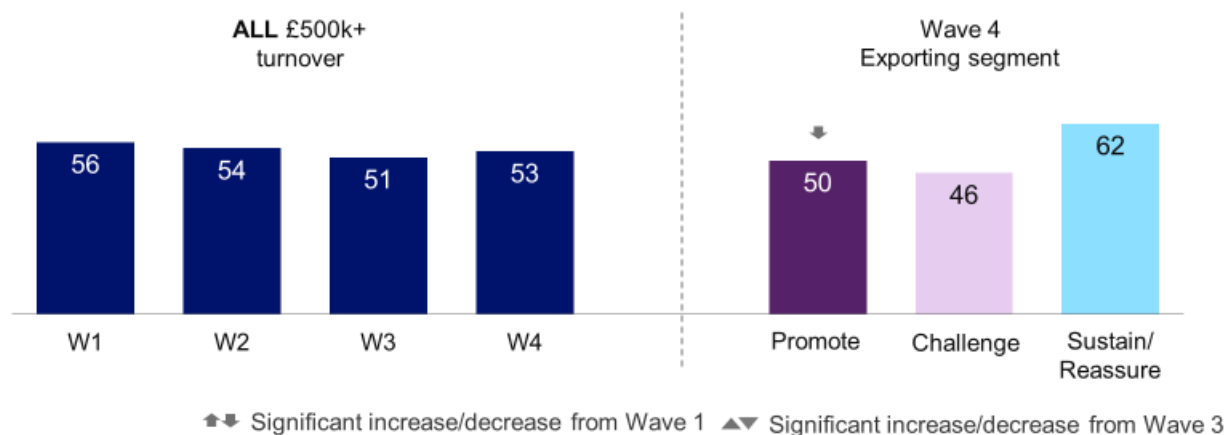
As at Wave 3, businesses in the Sustain and Reassure segments were more likely than those in other segments to have introduced new or improved products or services in the past 12 months (62% compared to 50% in the Promote segment and 46% in the Reassure segment).

There has been a decline in the prevalence of innovation in the Promote segment, falling from 64% at Wave 1 to 50% at Wave 4 (continuing a general downward trend which started in Wave 2). This suggests a degree of retrenchment amongst this key group of potential exporters.

There was no notable regional variation in the prevalence of innovation.

Figure 5.2: Whether business has introduced new or significantly improved products or services in past 12 months

% of all respondents: made innovations to products or services in last 12 months



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 : Wave 1/2/3/4: All £500k+ turnover (1160/1139/2535/2448), W4: Promote (127/130/294/283), Challenge (840) Sustain/Reassure (1132)

5.2 Expectations for growth in UK exports

To get a sense of business confidence in the prospects for UK exports as a whole, from Wave 3 onwards businesses were asked whether they expected the total value of UK exports over the next 5 years to increase, decrease or stay the same.

At Wave 4, businesses had become markedly less optimistic, albeit with most of the shift towards uncertainty rather than towards explicitly negative expectations.

Overall, 37% of businesses thought that the total value of UK exports would be higher in five years, a decrease from 48% at Wave 3 (see Figure 5.3). Conversely, the proportion expecting the value of UK exports to decrease went up from 20% at Wave 3 to 24% at Wave 4. The proportion reporting that they didn't know what would happen to UK exports over a 5 year window increased more rapidly, from 14% at Wave 3 to 23% at Wave 4.

In spite of these relatively sizeable changes, it is worth noting that the balance of opinion remains positive – more businesses thought the UK would be exporting more in 5 years' time than expected the UK to be exporting less. The survey data do not allow us to determine whether those expecting growth were thinking of 'real terms' growth (i.e. increases at an above inflationary rate).

The decline in optimism was most pronounced in the Sustain and Reassure segments (i.e. amongst businesses with experience of exporting). At Wave 3 around half of these businesses expected growth in UK exports over a 5 year window (52%) and this fell to around a third (36%) at Wave 4. The proportion of businesses in the Sustain and Reassure segments which expected a decrease in the value of UK exports increased from 21% at Wave 3 to 27% at Wave 4. However, expectations in the Promote segment

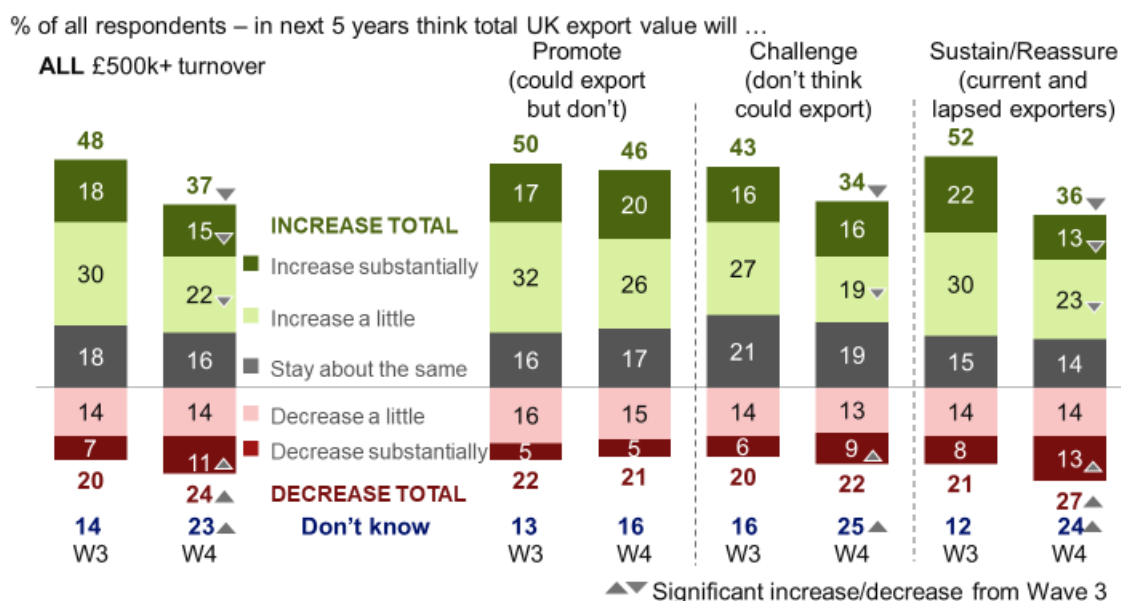
remained stable, with around half (46%) expecting growth and one in five (21%) expecting a contraction in the total value of UK exports.

As discussed later in this chapter, perceptions of the international demand for UK products and services had remained stable in the Sustain and Reassure segments. As such, there is a suggestion that it is factors relating to the *process* of exporting rather than any shortage of *demand* which businesses with experience of exporting are concerned about. The fact that it is those with experience of exporting whose perceptions are changing most rapidly also suggests that it is more likely that it is real knowledge of the process of exporting which is driving these trends rather than simply wider perceptual issues of the current exporting context.

The decline in the proportion of businesses which expected the value of UK exports to increase over the next 5 years was driven by three sectors: construction (38% expected growth at Wave 4 compared to 50% at Wave 3); wholesale and retail (33% at Wave 4, down from 53% at Wave 3); and professional and services (32% at Wave 4, down from 45% at Wave 3).

Businesses in London and Northern Ireland were more likely than businesses elsewhere to expect a contraction in the total value of UK exports over the next 5 years and the balance of opinion in these regions was negative, with more expecting contraction than growth. For London the proportion expecting a contraction increased from 27% at Wave 3 to 38% at Wave 4, while in Northern Ireland the proportion expecting a contraction increased from 18% at Wave 3 to 34% at Wave 4. The relatively high incidence of exporters in these regions is likely to play some role in this.

Figure 5.3: Whether believe 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 Wave 3/4: £500k+ turnover (2535/2448), Promote (294/283), Challenge (874/840), Sustain/Reassure (1193/1132)

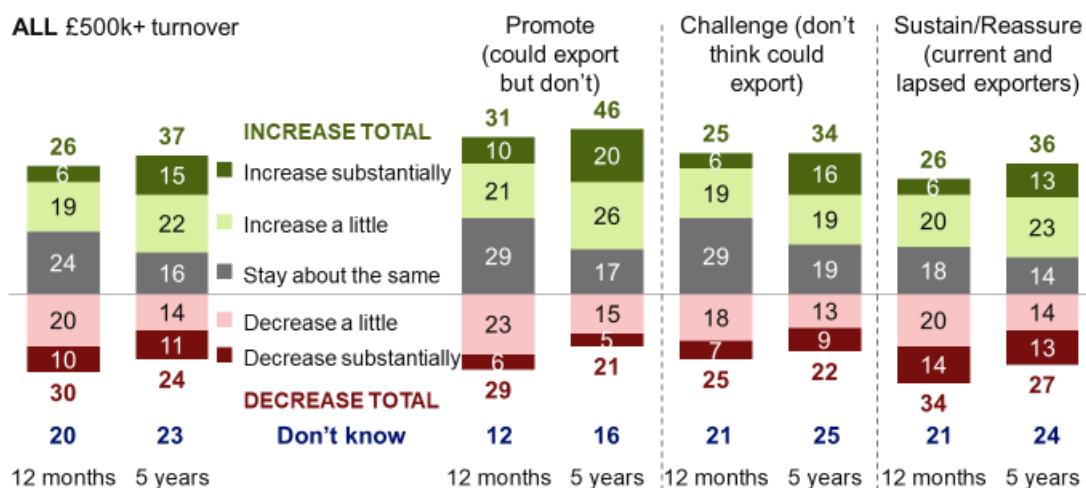
A new question was added to the survey at Wave 4, allowing us to better understand short-term expectations for UK exports. As shown in Figure 5.4 there was a broadly even split between the proportion of businesses expecting the total value of UK exports to decrease over the next 12 months (30%) and the proportion expecting an increase (26%). As such, 12-month expectations for UK exports were less positive than 5-year expectations (see above).

The balance of opinion regarding the 12-month outlook for the total value of UK exports was negative among businesses in the Sustain and Reassure segments (34% expected a decrease and 26% an increase).

Businesses in London were particularly likely to expect a *substantial* decrease in the value of UK exports over the next 12 months (19% compared to 10% of businesses overall). They were also more likely than average to expect a decrease of any size (39% compared to 30% of businesses overall).

Figure 5.4: Whether believe UK exports will increase or decrease over the next 12 months / 5 years

% of all respondents – in next 12 months/5 years think total UK export value will ...



Source: Q40b. And over the next 12 months or so, do you think that the total value of exports by UK businesses will...

Base : All respondents Wave 4: £500k+ turnover (2448), Promote (283), Challenge (840), Sustain/Reassure (1132)

5.3 Attitudes towards exporting

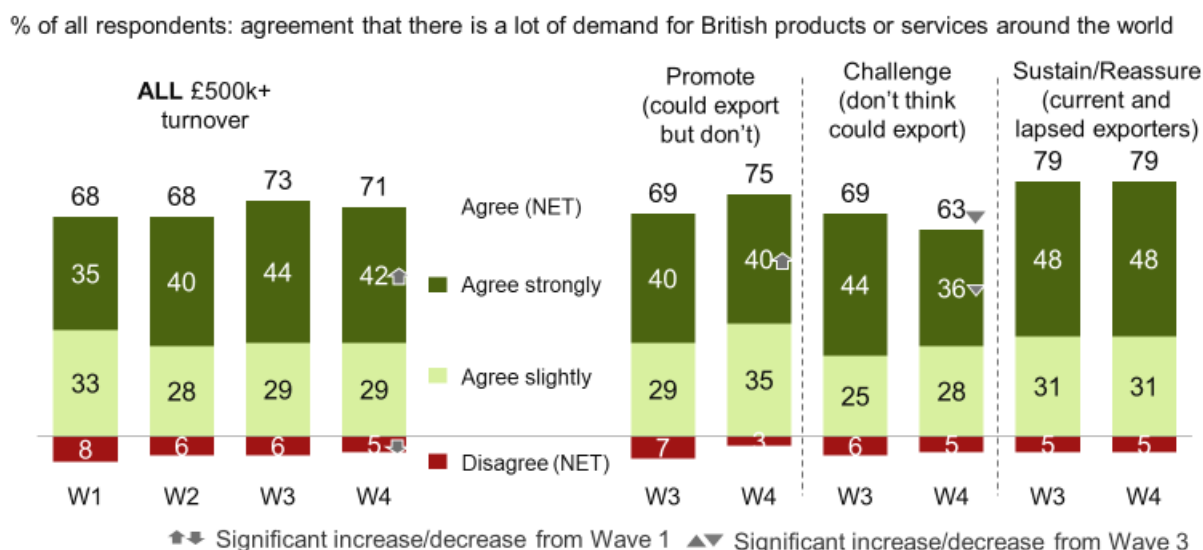
A range of attitudinal measures are included in the NSRB. Here we focus first on the two key measures: whether businesses perceive that there is a lot of demand for UK products and services globally; and whether a lot more businesses could export than do export. Later in this section we go on to look more briefly at a range of other attitudinal measures which broaden our understanding of how business attitudes towards exporting are changing over time.

As shown in Figure 5.5, perceptions of the global demand for British products or services have strengthened since Wave 1. Around seven in ten (71%) businesses agreed (either slightly or strongly) that *there is a lot of demand for British products or services around the world* at Wave 4. Around four in ten (42%) agreed *strongly*, an increase from 35% at Wave 1.

The increase in *strong* agreement that there is a lot of global demand for British products or services was driven by the Promote segment, which saw an increase from 26% at Wave 1 at 40% at Wave 4, although this hasn't changed since Wave 3.

Positive perceptions of international demand for UK products or services were more prevalent in the manufacturing sector (79% agreed either strongly or slightly that there was a lot of demand).

Figure 5.5: Agreement that there is a lot of demand for British products or services around the world



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: Wave 1/2/3/4: All £500k+ turnover (1160/1139/2535/2448), Wave 3/4: Promote (294/283), Challenge (874/840), Sustain/Reassure (1193/1132)

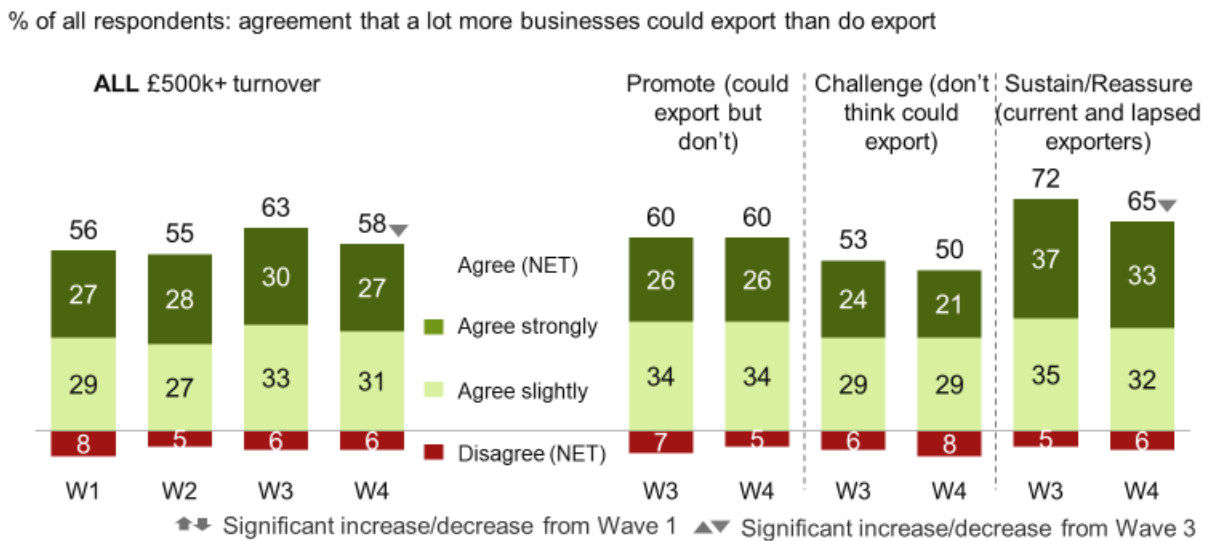
Figure 5.6 shows that overall agreement that *a lot more businesses could export than do export* had declined, falling from 63% at Wave 3 to 58% at Wave 4. This was driven by businesses in the Sustain and Reassure segments (72% of whom agreed at Wave 3 compared to 65% at Wave 4). It is worth noting that this contrasts with perceptions of international demand, which have remained stable in the Sustain and Reassure segments, as discussed above. As such, there is a suggestion that the issue is around process rather than a lack of potential customers. This possibility appears to be supported by the declines in exporters' assessment of their own exporting capabilities which are discussed in Chapter 7.

Businesses in Northern Ireland (the region with the highest prevalence of exporting) were markedly more likely to agree that more businesses could export than do export. Three

quarters of businesses in Northern Ireland (75%) agreed this was the case compared to the UK average of 58%. This finding may well relate to the fact that, as discussed earlier, much of the exporting in Northern Ireland relates to cross-border exports to the Republic of Ireland, which are not subject to factors like translation and overseas shipping.

Once again, businesses in the manufacturing sector were the most likely to agree (67% of manufacturers thought that more businesses could export than do).

Figure 5.6: Agreement that a lot more businesses could export than do export



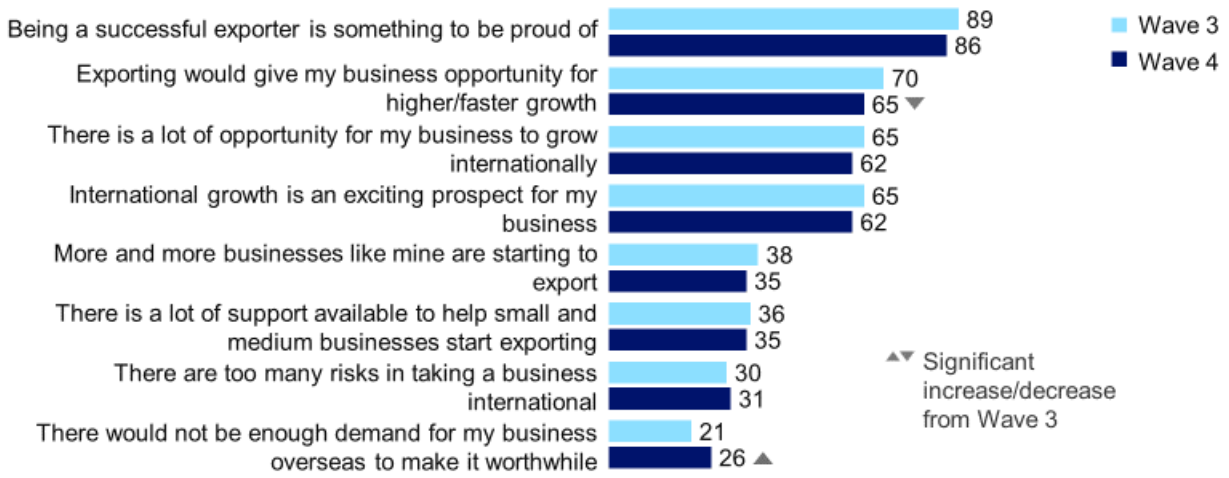
Source: Q14. EXPSTAT_ALL – To what extent do you agree or disagree that: There is a lot more businesses could export than do export
 Base : All respondents: Wave 1/2/3/4: All £500k+ turnover (1160/1139/2535/2448), Wave 3/4: Promote (294/283), Challenge (874/840), Sustain/Reassure (1193/1132)

Figure 5.7 shows the proportion of businesses who had exported or saw themselves as potentially able to export, and agreed (either strongly or slightly) with a range of statements relating to exporting. In general responses have remained relatively stable, but there has been a slight reduction in agreement that *exporting would give my business opportunity for higher or faster growth* (65% at Wave 4, down from 70% at Wave 3).

The proportion agreeing that *there would not be enough demand for my business overseas to make it worthwhile* had increased (from 21% at Wave 3 to 26% at Wave 4). The increase in perceptions that there would not be enough demand for *my business* overseas contrasts with the more general statement regarding demand for UK products and services as a whole discussed earlier in this chapter (which had remained stable). While perceptions of demand are holding up, it appears that businesses are less inclined to think it would be *worthwhile*, again suggesting that businesses are being deterred by perceived additional challenges to the process of exporting.

Figure 5.7: Agreement with other statements relating to exporting

% of respondents who could/do export – agree that ...



Source: Q31. EXP_STAT – To what extent do you agree or disagree that...
 Base : All who export or could potentially export: £500k+ turnover W3/W4 (1575/1510)

6 Knowledge, information and support

As well as improving attitudes and perceptions, 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 use of and interest in using support and advice.

Key findings

- Businesses are becoming less confident in their knowledge about how to export and where to go for information. This affects both existing exporters and those who could potentially export.
- There has been a decline in the reported use of exporting advice and support. While businesses in the Promote segment are an exception (i.e. their use of advice and support services is stable) this is not always being converted into increased intention to start exporting.
- Most businesses could not name a specific source of information about exporting and instead said they would conduct online searches if they needed information. Scottish Enterprise and Invest NI play a key role in Scotland and Northern Ireland, while the Chambers of Commerce feature more prominently in the North West and West Midlands.
- The proportion of businesses which are interested in receiving exporting information or support has declined. This decline applies to both current exporters and potential exporters – across the board it appears that businesses are either increasingly looking inwards or delaying/deciding against active engagement with exporting.

6.1 Knowledge levels

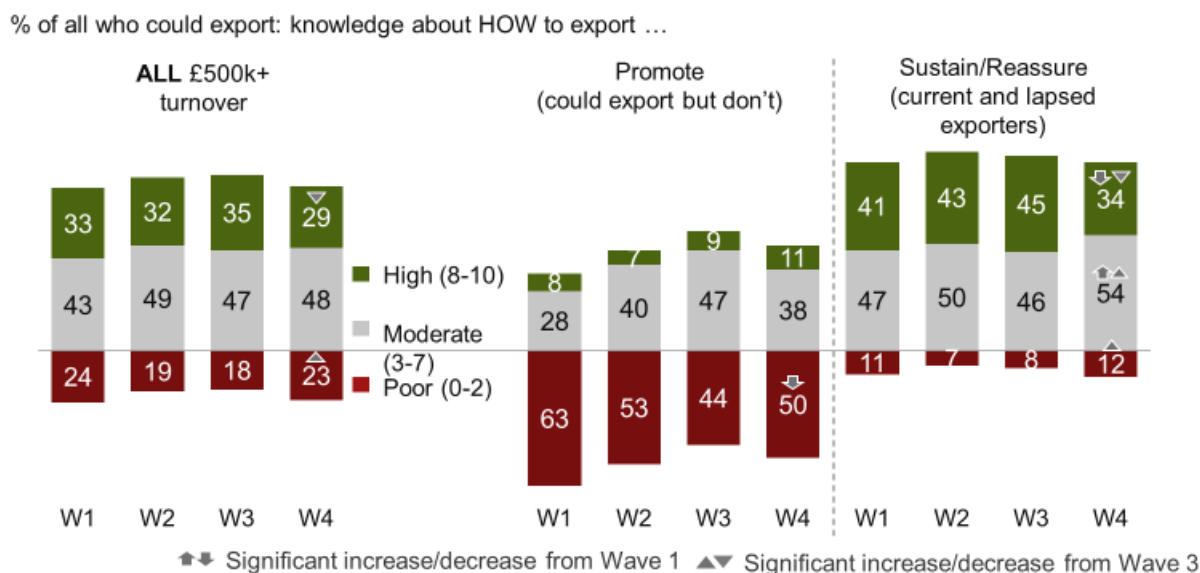
Businesses that had previously exported or saw their goods or services as suitable for export were asked to self-assess their level of knowledge about various aspects of exporting on a 0 to 10 scale. In this section their responses have been grouped into three bands: a score of 8-10 has been classified 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'.

As shown in Figure 6.1 around three in ten felt that they had a high level of knowledge about **how to export** (29%). This represents a decrease from Wave 3 when 35% reported a high level of knowledge. There was an according increase in the proportion who assessed their level of knowledge as poor (23% at Wave 4 compared to 18% at Wave 3).

There was a particularly sharp decline among those with experience of exporting - the proportion of businesses in the Sustain/Reassure segments who self-assessed their knowledge as being high fell from 45% at Wave 3 to 34% at Wave 4. This reverses gains seen over the course of the *Exporting is GREAT* campaign and means that those with experience of exporting are now less confident in their knowledge than they were at Wave 1. While we cannot be absolutely certain of the causes, it would seem highly likely that ongoing uncertainty around the UK's exit from the EU will have been a contributing factor.

More than a quarter of micro businesses (0-9 employees) self-assessed their knowledge as poor, and the improvements between Wave 1 (28%) and Wave 3 (19%) were reversed at Wave 4 (27%).

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 knowledge of HOW to export
 Base : All £500k+ turnover businesses for whom exporting is possible W1/W2/W3/W4: (650/656/1575/1510);
 Promote (127/130/294/283) Sustain/Reassure (468/471/1110/1043)

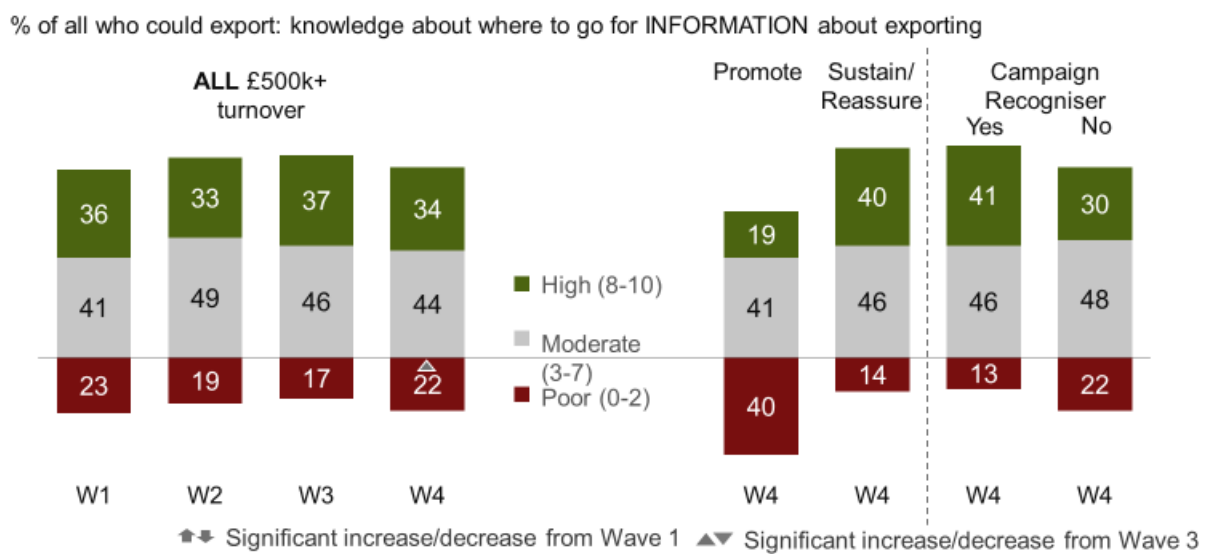
There was slightly less change in terms of knowing **where to go for information about exporting**. As shown in Figure 6.2, around a third (34%) of those who saw their goods or services as suitable for export felt that they had a high level of knowledge and this has not changed over time.

Nevertheless, more than one in five (22%) felt their level of knowledge of where to get information was low. This was a higher proportion than was recorded at Wave 3 (17%) and again marks a reversal of earlier progress. Those in the Promote segment remained much more likely to rate their knowledge as poor (40%) than those in the Sustain and Reassure segments (14%), underlining the importance of continuing to signpost potential exporters to information sources in campaign activities. It would seem particularly necessary to increase the number of potential exporters with high knowledge levels if they are to be successfully converted into exporters – only 19% in the Promote segment reported a high knowledge of information sources compared to 40% in the Sustain/Reassure segments.

Differences by sector again reflect prevalence of exporting – those sectors with a higher incidence of exporters were less likely to report low knowledge levels.

In common with declines in their knowledge about *how* to export, micro businesses had become more likely to report a poor level of knowledge of where to go for information (26% at Wave 4 compared to 18% at Wave 3). This again marked a reversal of earlier increases and a return to levels seen at Wave 1 (27%).

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



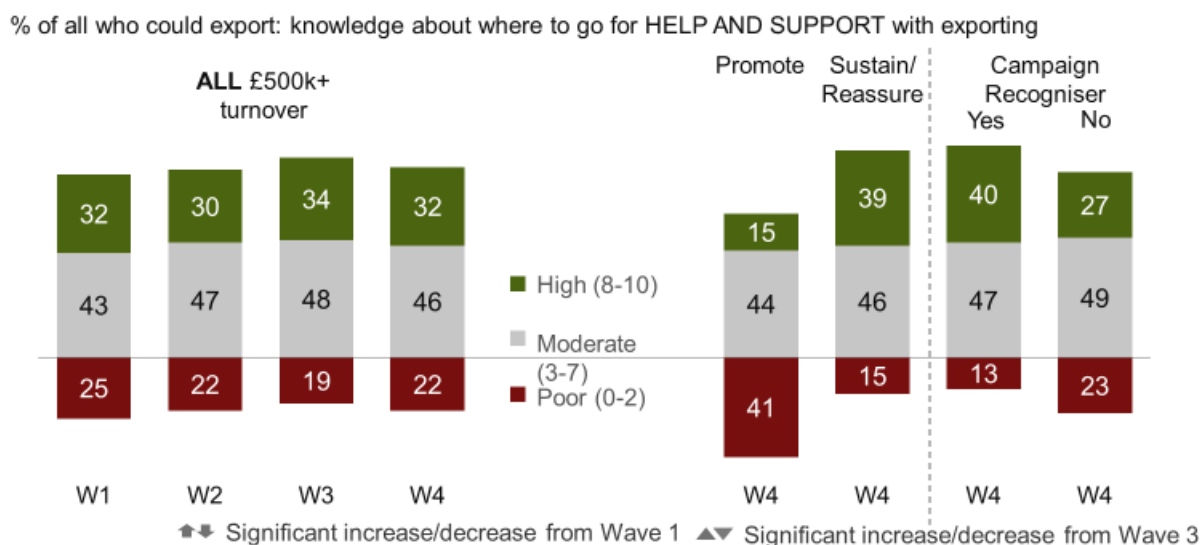
Source: Q30. EXP_KNOW On a scale of 0 to 10, where 10 means you have very good knowledge and 0 means you have no knowledge at all, how would you describe: Your knowledge of where to go for INFORMATION about exporting
 Base : All £500k+ turnover businesses for whom exporting is possible W1/W2/W3/W4: (650/656/1575/1510); W4: Promote (283), Sustain/Reassure (1043), Recognise campaign (316), Do not recognise campaign (425)

As shown in Figure 6.3, reported knowledge of **where to go for help and support with exporting** had remained more stable. Around one third (32%) of all those for whom exporting was possible felt they had a high level of knowledge about where to go for help and support with exporting. Around one in five (22%) reported a poor knowledge level.

As was the case for the other areas of knowledge, the greatest difference related to exporting experience, with far more in the Promote segment reporting poor knowledge (41%) than in the more experienced Sustain and Reassure segments (15%).

Micro businesses had again seen a decrease in knowledge scores, with 28% assessing their knowledge of where to go for help and support as poor (compared to 21% at Wave 3).

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 : All £500k+ turnover businesses for whom exporting is possible W1/W2/W3/W4: (650/656/1575/1510); W4: Promote (283), Sustain/Reassure (1043), Recognise campaign (316), Do not recognise campaign (425)

6.2 Receiving advice and support

Businesses were asked whether they had ever sought advice and support about exporting and where they would go for any support or advice. Businesses also gave details of their interest in using business support services to assist them with exporting and, for the first time at Wave 4, about their prior use of export services organisations.

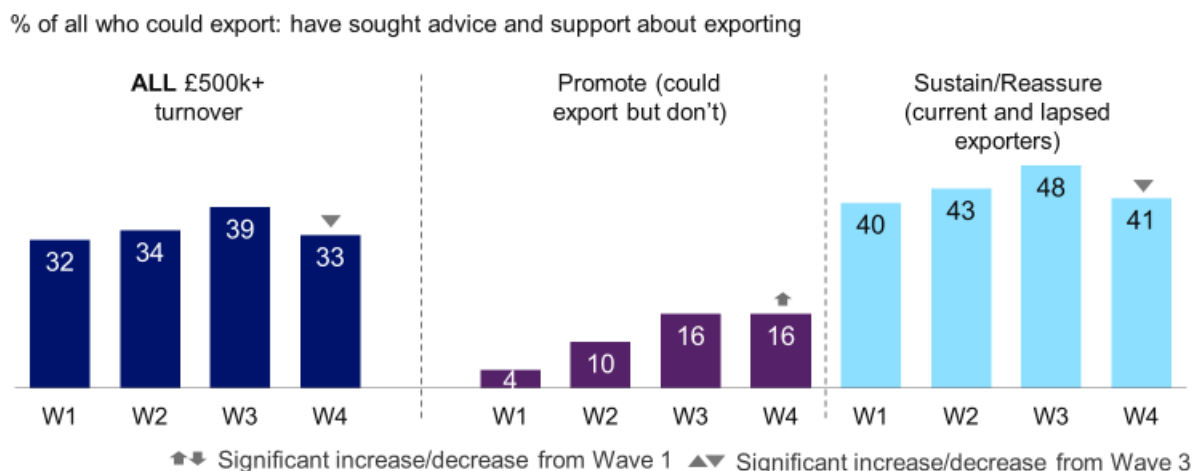
6.2.1 Use of and preferred sources of advice and support about exporting

Among businesses that had previously exported or who identified their goods or services as suitable for export, one in three (33%) said they had sought advice about exporting, which marked a decrease from 39% at Wave 3 (see Figure 6.4). Sustain/Reassure segments saw a peak in Wave 3 (48%) followed by a return to pre-campaign levels at Wave 4 (41%).

The trend for potential exporters follows a different pattern. The proportion of businesses in the Promote segment reporting that they had sought advice about exporting increased from 4% at Wave 1 to 16% at Wave 4. At face value, this appears to be a positive development. However, the fact that there has not been a commensurate increase in the proportion of businesses with plans to start exporting suggests that many of those who have sought advice or support have subsequently been deterred from progressing their exporting journey.

The wholesale and retail sector saw an above average decrease in the proportion seeking advice about exporting (falling from 42% at Wave 3 to 28% at Wave 4). There were no notable changes in other sectors.

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 : All £500k+ turnover businesses for whom exporting is possible W1/W2/W3/W4: (650/656/1575/1510); Promote (127/130/294/283), (466/426/874/840), Sustain/Reassure (510/526/1193/1132)

All businesses were asked (without prompting) to say where they would go for support or advice on exporting (see Figure 6.5). Overall, around half reported that they did not know where to go or were not interested: one in four reported that they did not know where they would go (27%); one in six (17%) said they would conduct online searches (effectively a proxy for not specifically knowing where to go); and one in ten (10%) explicitly said that they would not want any more information.

Changes compared to Wave 3 were generally small, but businesses did appear to have become slightly less likely to view government or the Chambers of Commerce (which acts in partnership with DIT to deliver export support services) as their go-to source for support and advice. Those with experience of exporting (the Sustain and Reassure segments) tended to cite Government sources or the Chambers of Commerce more frequently than those without exporting experience.

The key Promote segment were most likely to say that they would conduct online searches if they needed exporting advice or support, again underlining the need to continue signposting such businesses to great.gov.uk (from which they can, in turn, be signposted to more specific information or support networks).

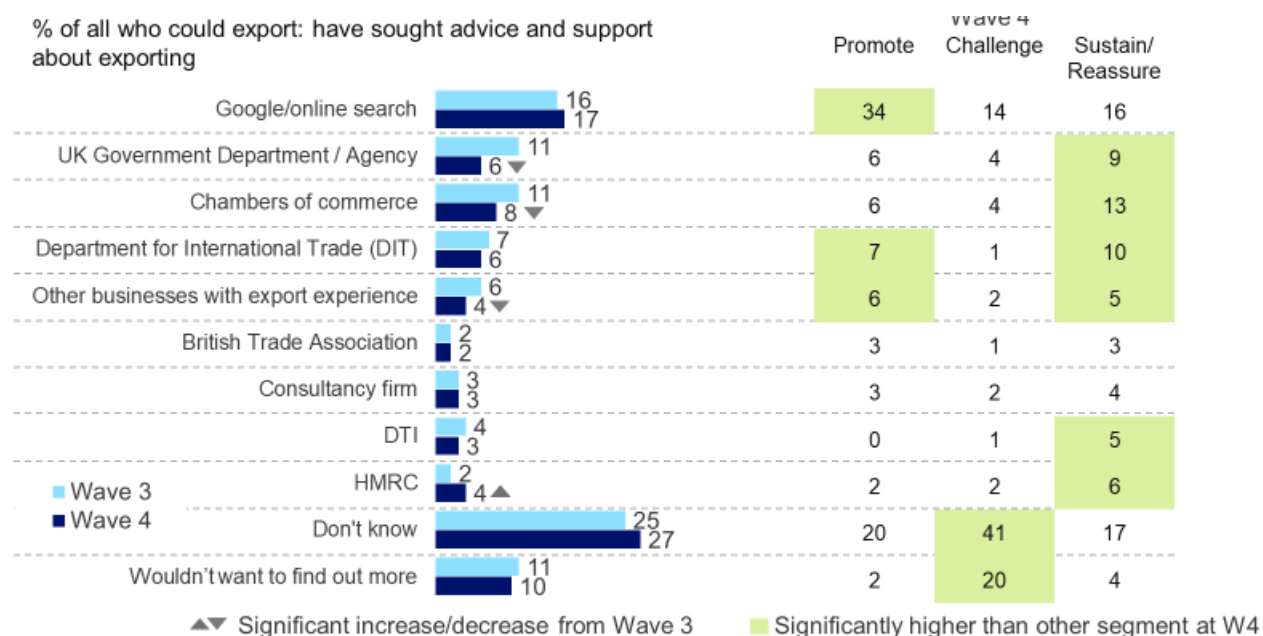
Given their lack of engagement with exporting, it is not surprising that the Challenge segment was most likely to say they did not know where to go for advice or support (41%) or to not want further information (20%).

Other differences reflected available resources, with large businesses (250+ employees) more likely to cite internal resources (11%) or consultancy firms (9%) compared with smaller firms.

There were also some regional differences, with 16% of Scottish businesses citing Scottish Enterprise, 18% of Northern Irish businesses citing Invest NI, and the Chambers

of Commerce cited more in the North West (15%) and the West Midlands (18%), particularly compared with London (3%).

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



Source : Q34a. ADV_EXP_A - And where, if anywhere, would you go if you needed exporting support or advice?
 SHOWING TOP SOURCES
 Base : W3/W4: All £500k+ turnover businesses (2535/2,448); W4: Promote (283), Challenge (840), Sustain/Reassure (1132)

6.2.2 Interest in and use of business export support services

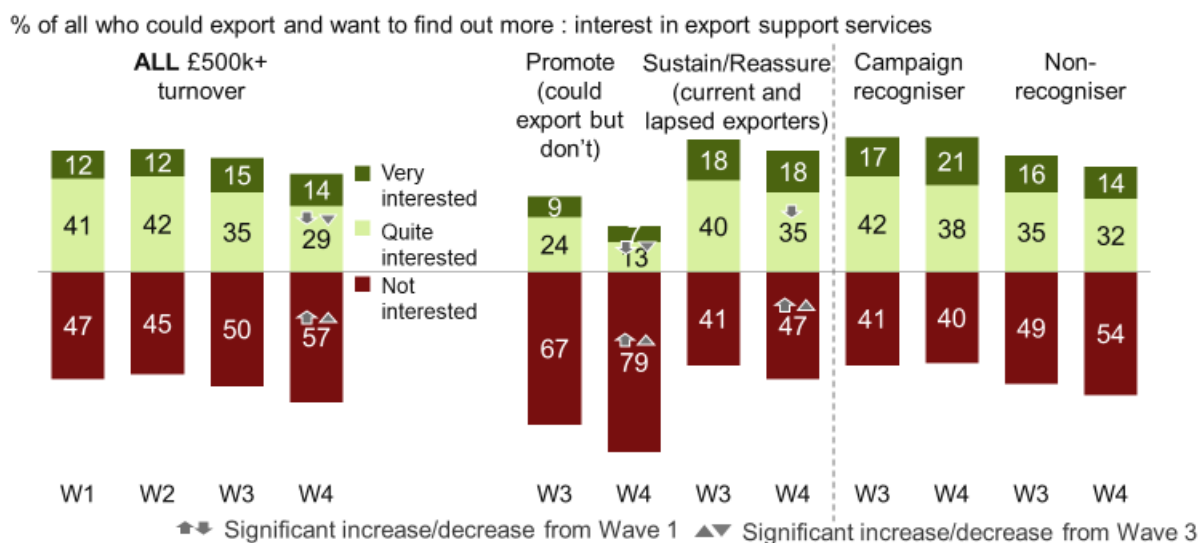
Businesses that had previously exported or with products or services that were suitable for export, and who had not spontaneously said they didn't want to find out more about exporting, were asked how interested they would be in receiving information and business support services to assist them with exporting (see Figure 6.6).

There was a decrease in willingness to engage with external support and 57% of businesses at Wave 4 said they were not interested (compared to 50% at Wave 3). This is the first time this measure has moved since the baseline and again suggests that businesses are becoming more inward looking/less willing to engage with external exporting support.

The proportion who were 'very interested' has remained relatively stable (14% at Wave 4) and it appears that it is primarily the less driven businesses which have lost interest - the increase in those saying they are not interested was accompanied by a corresponding decrease in the proportion saying they are 'quite interested'.

This shift has been seen both in the Promote segment (79% not interested at Wave 4 compared to 67% at Wave 3) and in the more experienced Sustain and Reassure segments (47% at Wave 4 compared to 41% at Wave 3). This is the first time there has been substantial movement in this metric for any of the segments and it again seems highly probable that current uncertainty relating to leaving the EU is causing businesses to put exporting decisions on hold.

Figure 6.6: 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: W1/W2/W3/W4: £500k+ businesses (648/637/1554/1482); W3/W4 Promote (287/278), Sustain/Reassure (1092/1030); Recognise campaign (541/310), Do not recognise campaign (542/418)

A new question at Wave 4 asked all businesses that had ever exported whether they had used paid exporting services. Overall around one in eight (13%) reported having paid to use an export services organisation of any type.

Reported usage of specific types of export service was low, with shipping or haulage services being the most widespread (5%). Market intelligence or research had been procured by 2% as had marketing and promotion (also 2%). All other services had an incidence of 1% or less (including legal assistance, distribution and packaging design).

Of those who had used such an organisation (n=167), a large majority (73%) reported that the support had been easy to find and only 12% reported difficulty in finding the necessary support. As such, there does not generally seem to be an issue in **finding** paid support services for those who use them, but there is a more fundamental question about whether more exporters should be **investing** in external service organisations to boost their trade. This would seem to be in line with the findings discussed in Chapter 4, which highlighted that a majority of exporters are passive (only selling overseas when international customers approach them). It appears that even among businesses that do export, it is only a minority that take proactive steps toward exporting.

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 many other barriers which may inhibit businesses from targeting overseas markets. Questions relating to barriers were asked of businesses which currently export or which self-classify as being potentially able to. Those who feel their goods or services are not suitable for export (and could not be developed for export) were asked to say why this was. NSRB Wave 4 also included new questions about exporting barriers in four key markets: USA, Australia, China and New Zealand.

Key findings

- There were declines in the proportion of businesses which felt they had the capability to assess the cost of exporting or to assess international competition. The proportion reporting that they had sufficient staff capacity to focus on exporting had also fallen since Wave 3. These trends were driven by firms with experience of exporting.
- Staffing was a particular issue for potential exporters, with fewer than a third reporting that they had sufficient managerial or broader staff capacity to focus on exporting. This was a particular issue for smaller businesses.
- Among the four key markets, China was the market which businesses were most likely to have seriously considered exporting to but decided against. It tended to be higher turnover businesses which did go on to export to China.

7.1 Business capacity and capability to enable exporting

Businesses who have exported or saw themselves as potentially able to export generally felt that they had the capability to assess the cost of exporting (66%) and a majority also felt that they had the capability to develop an export business plan (61%) as shown in Figure 7.1. They were slightly less positive in terms of staff resources, with 55% feeling that they had sufficient managerial time and 54% enough staff capacity to focus on exporting. The ability to assess international competition was more of a weakness, with half (50%) feeling that they had this capability and fewer still felt that they would be able to undertake a market research study (40%).

There were several downward trends, with businesses feeling less able to assess the cost of exporting (66% at Wave 4, down from 73% at Wave 3) or assess international competition (50%, down from 55%). They were also less inclined to believe that they had sufficient staff capacity to focus on exporting (54%, down from 59%).

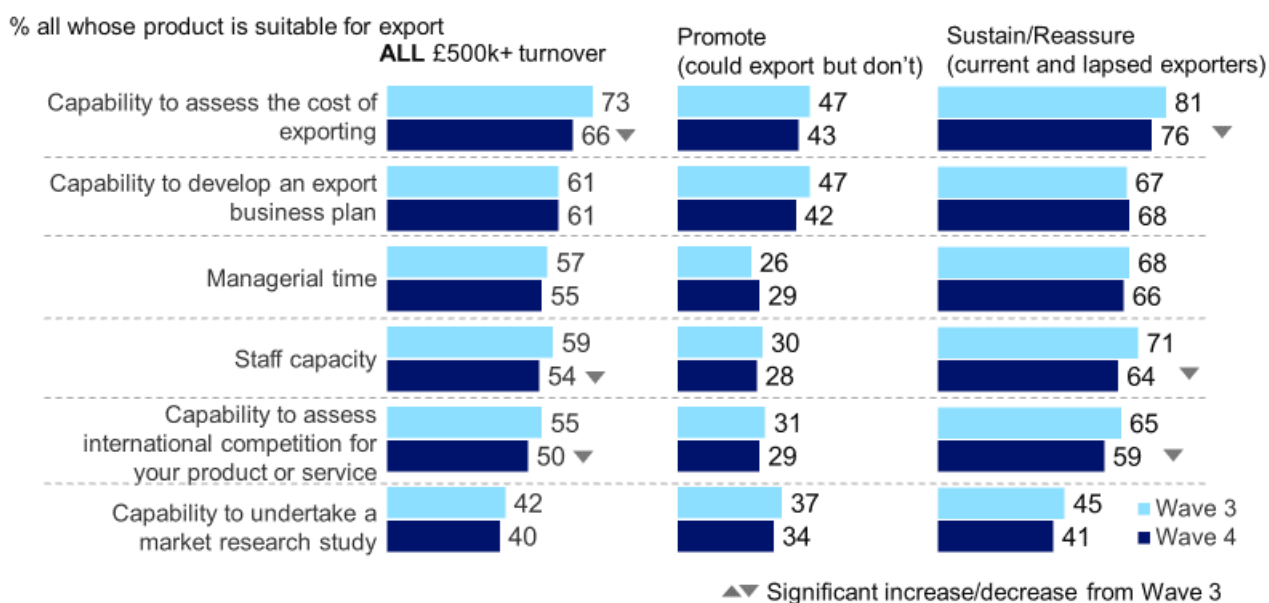
These downward trends were driven by those with experience of exporting rather than by those with the potential to start exporting. This suggests that it is real knowledge of the process of exporting which is driving these declines rather than simply wider perceptual

issues of the current exporting landscape (which may have arisen from, for example, negative press coverage of trade issues). Those in the Sustain/Reassure segments saw: a five percentage point decline in their capability to assess the cost of exporting (from 81% at Wave 3 to 76% at Wave 4); a seven percentage point decline in sufficient staff capacity (from 71% to 64%); and a six percentage point decline in their capability to assess international competition. It is uncertain to what extent these declines may relate to broad contextual factors relating to exports (e.g. the increasingly protectionist stance of the US or the UK's planned exit from the EU) or more company-specific issues (e.g. recruiting staff in a tightening labour market). Either way, it is likely that these trends will have made businesses less willing to expand their exporting efforts.

Staff capacity (or at least *perception* of staff capacity) appears to be a particular issue for potential exporters – only 29% felt they had sufficient managerial time and 28% sufficient staff capacity to focus on exporting.

The belief that capacity and capability were lacking in all areas was more widespread among smaller companies. More than four in ten micro (0-9 employees) and small (10-49 employees) businesses which said that they have or potentially could export, reported that they did not have enough staff capacity to focus on exporting).

Figure 7.1: Whether have enough capacity and capability to focus on exporting (% saying 'yes')



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 Wave 3/Wave 4: £500k+ turnover businesses (1575/1510), Promote (294/283), Sustain/Reassure (1110/1043)

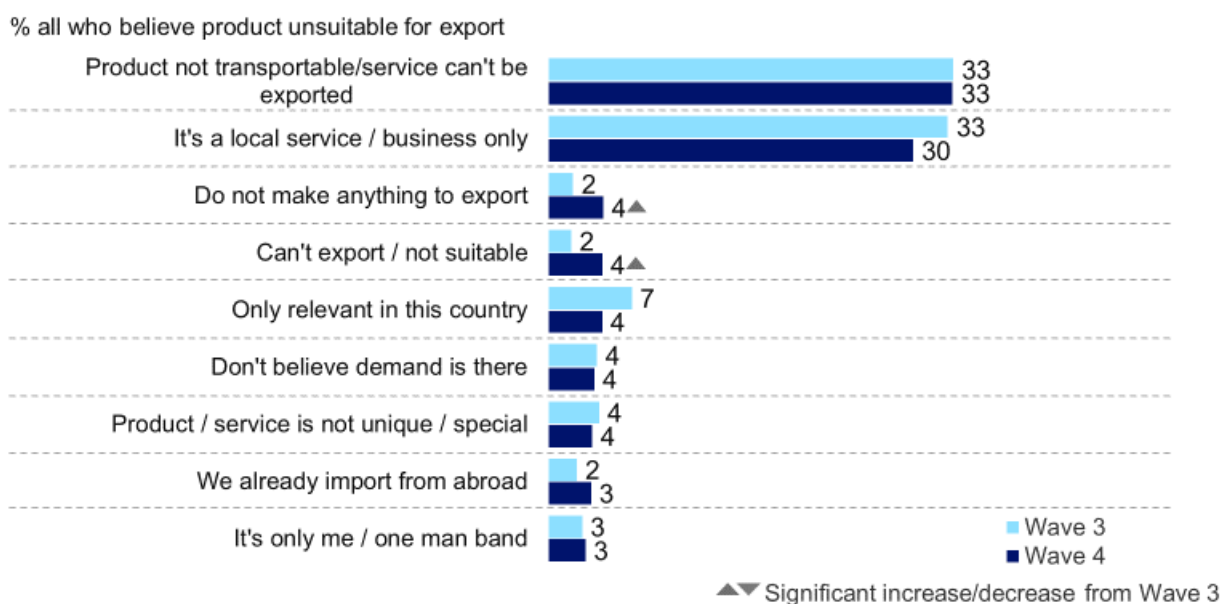
7.2 Barriers for businesses who do not believe they could export

Those businesses that felt their products or services would never be suitable for export 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 usually non-specific or challenging to address, with the most frequent responses being that the business had products/services which were not transportable (33%) or were 'local' (30%). A range of other barriers, each cited by a small proportion, include being a one-person organisation and only being relevant in the UK. As such there were no clear issues which, if addressed, stood out as being quick or easy means to substantially boost exporting.

Figure 7.2: Reasons believe products or services to be unsuitable for export



Source : Q19. EXP_UNSUIT – Why do you say your product or service is not suitable for export?
 Base : All who believe their product is unsuitable for export Wave 3/Wave 4: £500k+ turnover businesses (960/938)

7.3 Barriers in key markets

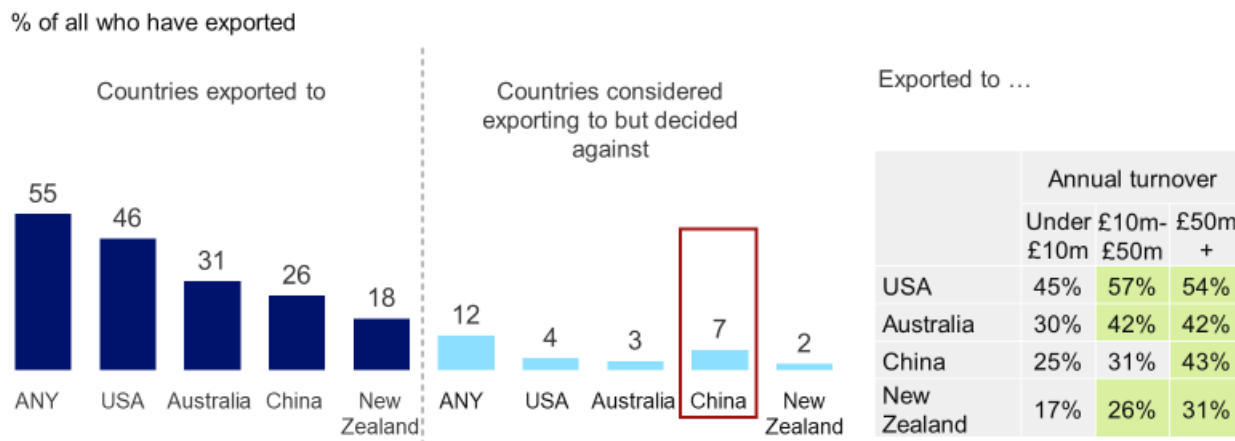
New questions at Wave 4 focused on four key markets and aimed to identify whether there were different barriers to exporting to the USA, Australia, China and New Zealand. As shown in Figure 7.3, just over half of exporters had exported to one or more of the key markets (55%) and the USA was clearly the most common export destination (46%).

Perhaps unsurprisingly, larger exporters were more likely to export to each of the four key markets. However, while the incidence of exporting to English speaking nations tended to increase at the £10m turnover threshold, the threshold for exporting to China appears to be higher (increasing at a £50m turnover threshold, as shown by the green highlighted boxes in Figure 7.3).

China was also the country which businesses were most likely to have decided against exporting to after giving it serious consideration (7% compared to 2-4% for the other key

markets). As such, there are clear signs that the barriers associated with exporting to China are harder for smaller businesses to overcome.

Figure 7.3: Involvement in exporting to key markets



A series of follow-up questions were asked about barriers to exporting to the key markets. Base sizes were relatively small (given that each respondent could only be asked about a single country) so we do not quote percentages here.

Broadly speaking, the proportion of businesses which reported barriers to exporting to these markets was broadly similar for both goods and services (around half).

In relation to goods, the main barriers reported related to problems with customs procedures (e.g. documentation and guidance) and business conditions (e.g. costs and competition).

In relation to services, barriers were primarily related to conditions for the supply of services (e.g. licences and permits) and administrative burdens (particularly cost related).

8 Advertising awareness and diagnostics

The *Exporting is GREAT* campaign is one of the main pillars supporting DIT's objective to encourage and inspire UK businesses to sell overseas, as described in Chapter 2. This chapter provides further details about the campaign and examines both spontaneous and prompted campaign recognition amongst other key metrics.

Key findings

- The level of spontaneous awareness of 'any advertising, publicity or other types of information encouraging businesses to think about exporting' remained broadly similar to that recorded in previous waves in spite of campaign media spend in the run up to Wave 4 being around half that prior to Wave 3.
- Three in ten respondents recalled having seen the campaign and recognition levels were similar across those in each of the exporting segments and by region.
- While the ads were widely seen as being clear and easy to understand, businesses had become less inclined to trust the information given by the campaign. Increasingly negative expectations for the future of UK exports appear to be undermining campaign messaging.

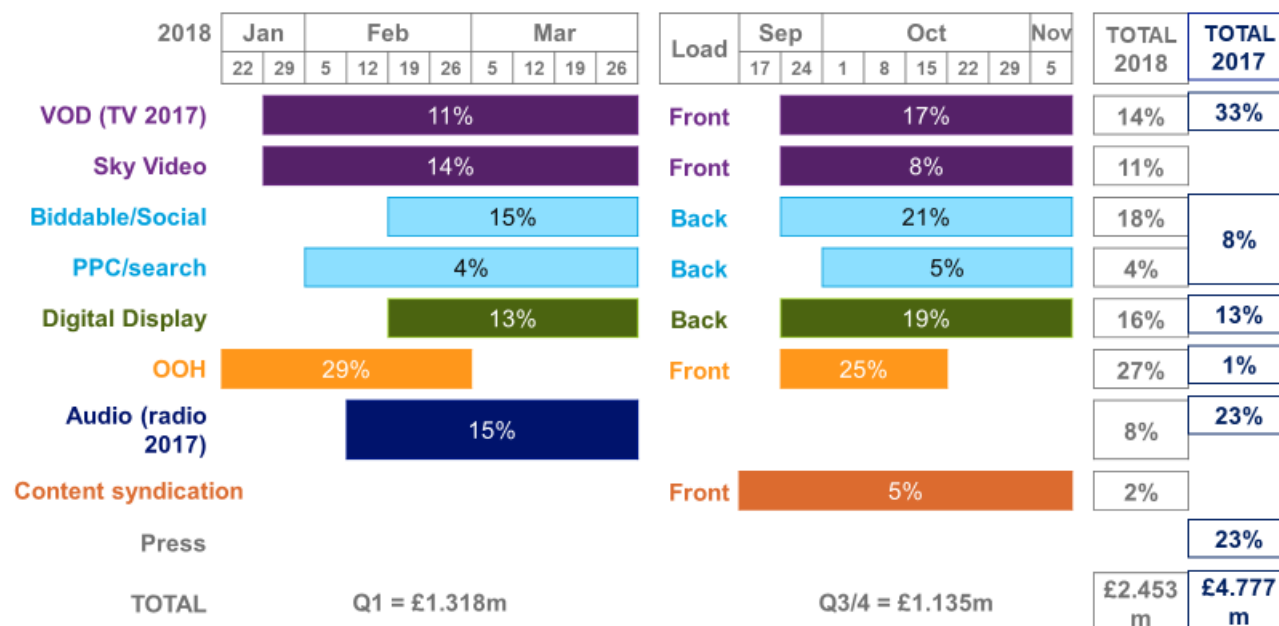
8.1 The campaign

The overall aim of the campaign is to inspire and support more UK companies to take their first steps towards selling overseas. The campaign in the run up to Wave 4 focused on the message 'if we can, you can' and shows businesses in a wide range of sectors which have successfully exported. As well as aiming to make businesses understand that firms like theirs are already exporting, and that they could too, the campaign also signposts them to the great.gov.uk website, the government's hub for exporters, international buyers and investors.

The campaign was first launched in November 2015, with a second burst of activity from February to April 2016. The campaign aired again from November 2016, with the majority of activity from February to March 2017. In 2018 the campaign aired from January to March and again from September to November.

Total campaign media spend in the run up to the survey fieldwork in 2018 was around half that in 2017 (and less than half of 2016 spend) and was split evenly between the two bursts of media activity. There was a shift in channel use towards Out Of Home (OOH) and biddable/social media in 2018, moving away from the TV and press focus of the 2017 campaign (see Figure 8.1).

Figure 8.1: 2018 campaign spend and timing by channel



8.2 Spontaneous awareness

Spontaneous awareness of ‘any advertising, publicity or other types of information encouraging businesses to think about exporting’ was measured at Wave 1 to provide a pre-campaign baseline and again at Waves 2 to 4 to provide post-campaign measures.

As shown in Figure 8.2, spontaneous awareness of publicity encouraging exporting was still higher at Wave 4 (26%) than at the Wave 1 baseline (18%). While there had been a decrease in awareness since Wave 3 (30%), the decline was relatively small given the reduction in campaign media spend in 2018.

However, spontaneous recall among businesses in the Promote segment had declined more rapidly (from 31% at Wave 3 to 17% at Wave 4). This is a concern given that potential exporters are one of the main target groups and the campaign appears to have become less successful at lodging in their memory.

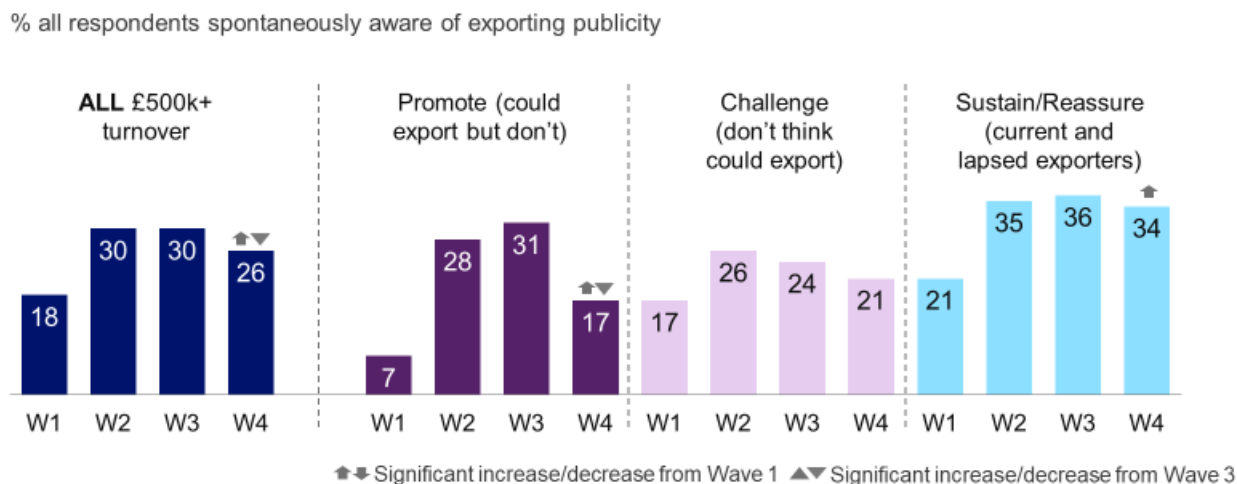
Perhaps reflecting their more active engagement with exporting, spontaneous awareness was relatively high among businesses in the Sustain and Reassure segments (34%) and had remained stable since Wave 2 (35%).

Awareness was higher in Scotland (34%) than in England (25%) whilst awareness in Northern Ireland (28%) and Wales (23%) was relatively similar to that in England.

The campaign appears to have played an important (but not absolute) role in driving spontaneous awareness, which was much higher among campaign recognisers (54%) than among those who did not recognise the campaign when prompted (18%). This suggests that there may be other sources of publicity encouraging exporting, although the campaign is likely the most significant and widespread.

Around two thirds (63%) of those who spontaneously recalled seeing publicity attributed it to the Government when asked who they thought was responsible for it. Businesses in the Sustain and Reassure segments were particularly likely to attribute their spontaneous awareness to government activity (70% at Wave 4, an increase from 60% at Wave 3).

Figure 8.2: Spontaneous awareness of exporting advertising/promotion (% aware)



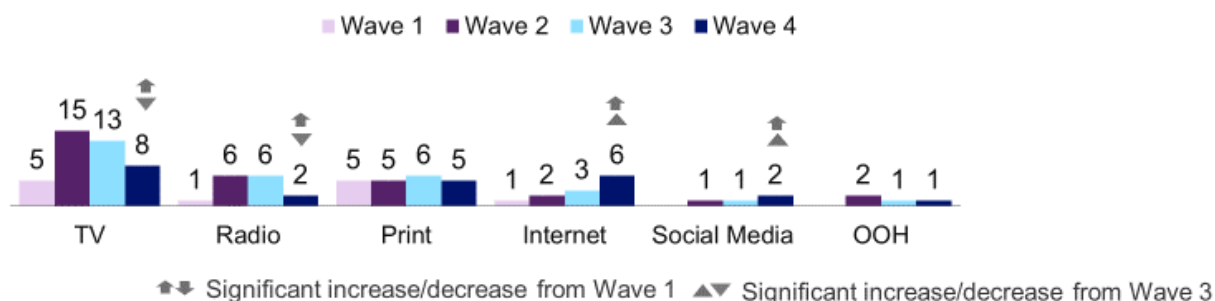
Source: Q39 – In the last [W1: couple of months][WAVE 2: six months][W3: nine months since November last year][W4: year or so, since September 2017], have you seen or heard any advertising, publicity or other types of information encouraging businesses to think about exporting?
 Base : All respondents Wave 1/2/3/4: All £500k+ turnover (1160/1139/2535/2448), Promote (127/130/294/283), Challenge (466/426/874/840), Sustain/Reassure (510/526/1193/1132)

When asked where they had seen or heard this information or advertising, changes in the source of spontaneous awareness reflect changes to the campaign structure in 2018 (see Figure 8.3). The shift in campaign focus away from TV adverts and the sharp decrease in spend on radio/audio advertising was reflected in fewer citing TV (8% at Wave 4 compared to 13% at Wave 3) or radio (2% at Wave 4 compared to 6% at Wave 3). Similarly, the increased spend on biddable, social media and online search produced an upturn in spontaneous recall of publicity on the internet (6% at Wave 4 compared to 3% at Wave 3). There was not, however, an increase in recall of Out Of Home publicity on exporting, despite a sizeable uplift in spend on this channel in 2018.

By region, recall of publicity on the internet was relatively high in Scotland (11%) and Northern Ireland (10%), with businesses in the East Midlands also relatively more likely to recall publicity on the internet (10%) and social media (7%) than those based elsewhere.

Figure 8.3: Spontaneous awareness of exporting advertising/promotion by channel (% aware)

% all respondents spontaneously aware of exporting publicity on ...



Q40. AD_SOURCE – Where did you see or hear this information or advertising?
 Base : All respondents Wave 1/2/3/4: £550k+ turnover (1160/1139/2535/2448)

8.3 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 their responses. Since the interview was conducted by telephone, respondents were asked to access a website which contained the necessary prompt materials (consisting of images and audio files from the campaign).

Around four in ten respondents were not able (or refused) to view any of the adverts, so recognition is measured among the approximately six in ten respondents who did access them during the interview. Figure 8.4 shows the number of respondents able to view or listen to each of the adverts during the interview. As at previous waves, base sizes were lower for the radio ad. This is a function of the fact that some respondents were wary about playing audio files in the office environment (where they typically were at the time of the interview).

Total campaign recognition is based on all respondents able to view or listen to at least one advert during the interview. This may slightly under-represent true recognition, as some of these respondents were not able to view/hear **all** of the adverts during the interview.

Figure 8.4: Number of respondents able to view or listen to adverts in each media during Wave 4 interview

	All £500k turnover	Promote	Challenge	Sustain/Reassure
Video On Demand stills	1,423	156	439	714
Radio ad	1,021	110	321	508
Online/Out Of Home stills	1,415	155	434	712
ANY MEDIA	1,428	157	439	718

The 2018 campaign featured a large number of advert variants in each channel, each focussing on a different type of exporter. This meant that at Wave 4 it was necessary to prompt respondents with multiple stills from a range of Video On Demand (VOD) adverts, rather than showing them video footage from a single execution (the approach adopted in earlier waves). This is likely to have resulted in lower recorded levels of recognition. As such, it is only possible to make direct comparisons with earlier waves for the radio adverts, which were prompted in a consistent way.

Figure 8.5 shows that 32% of businesses recognised at least one element of the campaign. In contrast to spontaneous awareness, prompted recognition among businesses in the Promote segment was at a similar level to those in the Sustain/Reassure segments. As such, while the campaign had clearly been seen by many of the potential exporters in the Promote segment, it had not stuck in their minds as well as it had for those with experience of exporting.

There were no notable differences in total prompted campaign recognition by region or devolved nation.

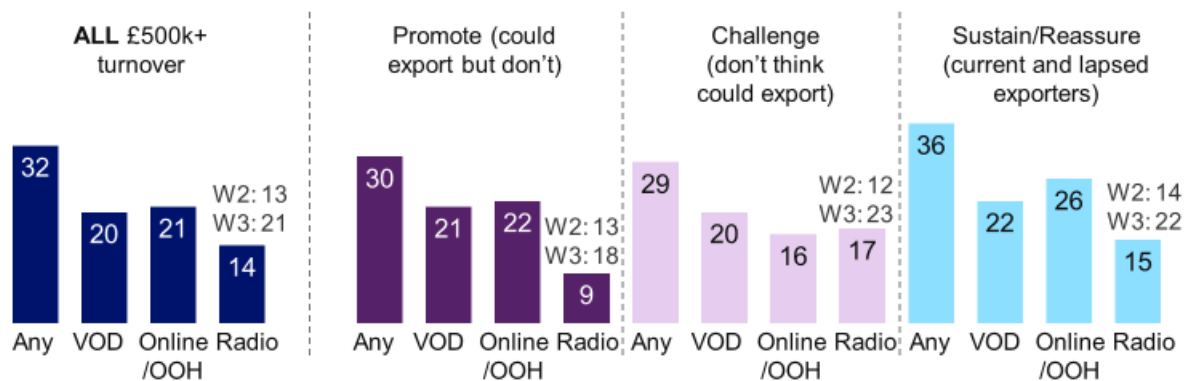
Reflecting the change in campaign media spend patterns, prompted recognition of the radio ad had fallen from 21% at Wave 3 to 14% at Wave 4.

Recognition of the online and Out Of Home adverts was higher for the Sustain and Reassure segments (26%) than for the Challenge segment (16%).

Recognition of the Video On Demand adverts was higher in the West Midlands (33%) than in London and the South East (17%) and East Anglia (16%). Awareness of the radio advert was higher in East Anglia (22%) but lower in London (9%).

Figure 8.5: Recognition of campaign by channel (% aware)

% all respondents able to view ads - recognise ads



Source : Net of respondents recognising ads from any of listed sources at AD6-9b – Have you seen this advert (or one in a similar style) in the past 6 months or so? CHANGE IN PROMPT APPROACH MEANS NOT COMPARABLE TO W2 OR W3 OTHER THAN RADIO AD RECOGNITION

Base : All respondents able to see or hear ad in each media prompted during the interview W4 (see Figure 8.4)

8.4 Ad diagnostics

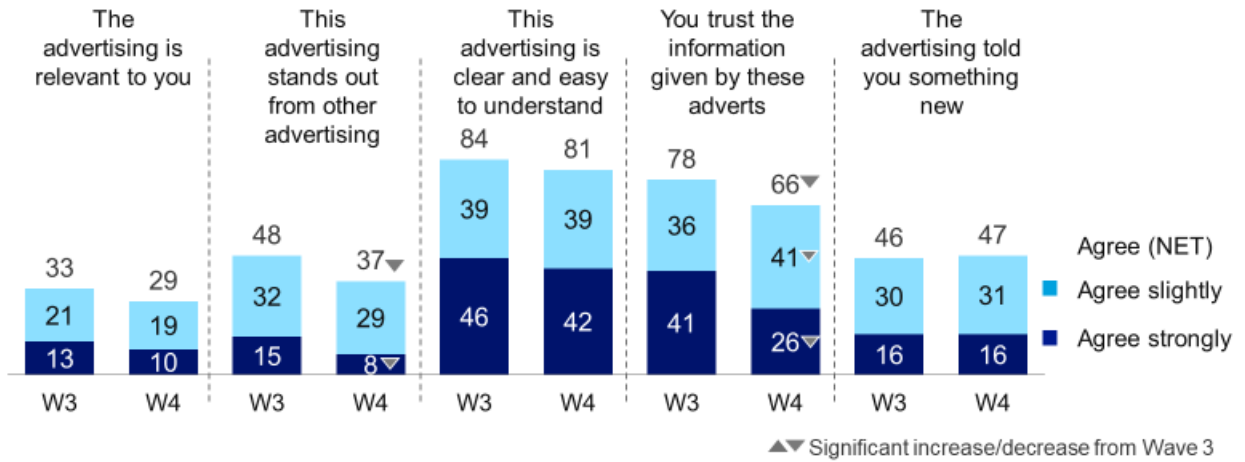
Standard diagnostic measures were used to give an indication of the success of the campaign. These were asked of all respondents who had been able to view or listen to the adverts during the interview. As shown in Figure 8.6 the adverts continued to be widely seen as clear and easy to understand (81%) at Wave 4. Around half agreed that the adverts told them something new (47%) and around a third saw the adverts as relevant to their business (29%).

While at Wave 4 the majority still saw the information in the adverts as trustworthy (66%) this marked a relatively large decline from Wave 3 (78%). It is striking that those with negative expectations regarding the future of UK exports were less likely to trust the information in the adverts - 58% of those expecting the total value of UK exports to *decrease* over the next 12 months said they trusted the information in the adverts, compared to 77% amongst those who expected the value of UK exports to *increase*. Given that the proportion of businesses with negative expectations for the value of UK exports has risen (as discussed in section 5.3), it appears that the decline in trust is more attributable to contextual factors rather than being a sign of an issue with the adverts themselves. A similar pattern is seen when examining 5-year expectations for the value of UK exports – those expecting a decrease in the value of exports are less likely to trust the adverts. This was true at both Waves 3 and 4 which further suggests that the decline in trust is more attributable to declining optimism about UK exports than to the campaign itself.

The apparent decrease in the proportion of businesses agreeing that the advertising stands out from other advertising may be attributable to changes in the way campaign materials were prompted during the interview (respondents were played video footage at Wave 3 and shown stills at Wave 4). As such, this should not be considered as a genuine decline.

Figure 8.6: Campaign diagnostics (% agree)

% all respondents able to view ads



Source: AD16 - Thinking about these adverts, please tell me to what extent you agree or disagree with each of the following statements.

Base : All £500k+ turnover businesses W3/W4: (2535/2418)

9 Reported and apparent campaign impacts

To give an indication of any immediate campaign impact, a small number of questions were asked about the effect 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, previous exposure to the adverts may also have played a role.

Key findings

- Businesses had become less likely to say that the ads increased their interest in finding out more about exporting, though interest levels in the key Promote segment had remained stable. The decline is likely to have been influenced by a decrease in optimism about UK exports.
- Around one in twenty businesses in the Promote segment reported that the campaign had influenced an intention to start exporting.
- There are signs that the *Exporting is GREAT* campaign has mitigated downturns in knowledge of where to go for exporting information and interest in receiving support

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

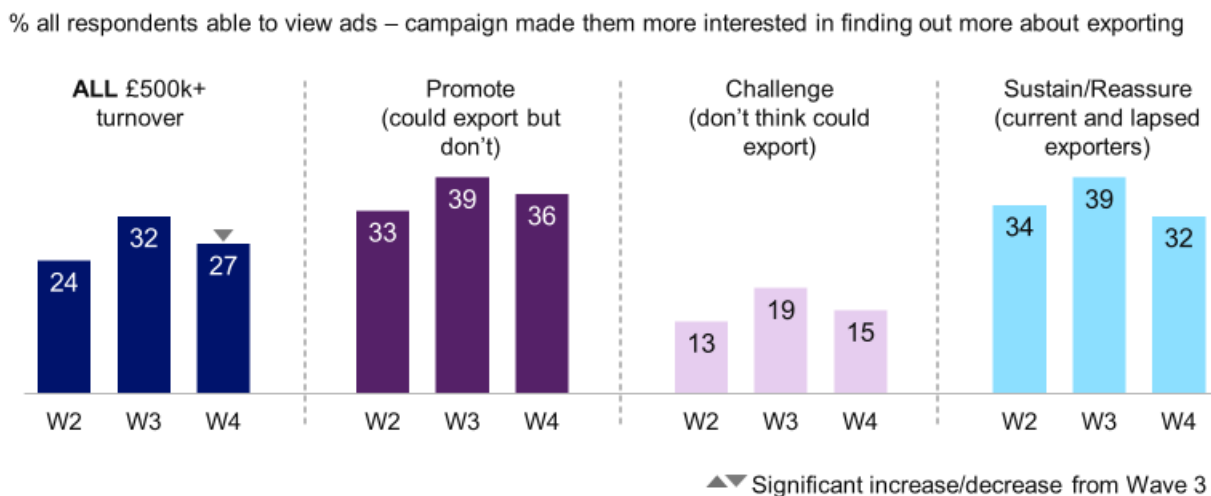
One of the first steps for businesses who were interested in starting to export would be to find out more information. As such, the call to action of the *Exporting is GREAT* campaign was to search online for the [great.gov.uk](https://www.great.gov.uk) website.

As shown in Figure 9.1, around a quarter of businesses who viewed the adverts during the interview said that the adverts increased their interest in finding out more about exporting (27%). This signified a reversal of the earlier increase from 24% at Wave 2 to 32% at Wave 3. As discussed elsewhere in this report, businesses had become less optimistic about the prospects for UK exports and this appears to be having effects on other survey measures - this may explain at least some of the decline in interest. This hypothesis is supported by the fact that the Promote segment, whose views on the prospects for UK exports had remained essentially stable, also saw stability in terms of their interest in finding out more after seeing the adverts (36% at Wave 4 compared to 39% at Wave 3).

Those who expected the value of UK exports to *decrease* over the next 12 months were less likely to express an interest in finding out more about exporting than those expecting the value of UK exports to *increase* (25% and 32% respectively).

Those who recalled having seen the adverts prior to the interview were more likely to say the adverts had increased their interest (34%) than those who saw them for the first time at interview (23%).

Figure 9.1: 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 Wave 2/3/4 able to view ads: £500k+ turnover (936/1598/1428), Promote (105/192/157), Challenge (342/470/439) Sustain/Reassure (447/820/718)

The seven in ten businesses who said the adverts had *not* increased their interest in finding out more were asked why this was. Many of these reasons were related to their exporting status or ability to export: 62% gave a reason relating to not wanting to export, or not thinking they could export, and this was higher for the Challenge segment (85%). Fourteen per cent mentioned that they were already exporters or had all the information they needed (rising to 28% in the Sustain/Reassure segments). Fewer than one in ten (7%) said their lack of interest was due to the execution of the adverts themselves.

9.2 Actions taken after seeing the campaign

As a more concrete measure of campaign impact, respondents who reported that they had seen any element of the campaign prior to the interview were asked to describe what, if any, actions they had taken or considered taking as a direct result of seeing the campaign. This question was asked only of those who recognised the campaign but data have also been rebased to provide an estimate of the effect on the wider business population.

Figure 9.2 shows that 17% of campaign recognisers reported taking or considering action as a result of exposure to the campaign at Wave 4. This equates to 6% of all Wave 4 respondents who viewed the adverts during the interview. This is in line with the incidence of actions reported at Wave 3 (7%).

Given that the population of registered businesses with a turnover of £500k+ is 413,013, and taking into account the confidence interval for the estimated level of action, the true figure is likely to be somewhere between c.18,500 and c.33,000.¹³

Those with experience of exporting were more likely to report taking or considering some action because of the campaign (10% of all Sustain/Reassure segment businesses who viewed the adverts during the interview). This was consistent with the level of action seen at Wave 3 (also 10%).

Figure 9.2: Whether took action or considered taking action as a result of the campaign



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

Base : All respondents Wave 2/3/4 able to view ads: £500k+ turnover (936/1598/1428), Promote (105/192/157), Challenge (342/470/439) Sustain/Reassure (447/820/718)

Overall 3% of campaign recognisers reported that they had looked further into exporting, 2% had researched aspects of an overseas market and 1% had visited the Exporting is GREAT website – these were unprompted responses.

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

Any UK businesses that recognised the adverts and reported that they had started to export since September 2017, had exported more since September 2017, or were thinking about starting to export, were asked if the campaign had had any influence on these

¹³ The proportion of businesses taking action (rebased on all respondents) was 6.24%. There is a margin of error of $\pm 1.73\%$ associated with the survey estimate at a 95% confidence level. The proportion of businesses taking action is therefore estimated to lie between 4.51% (i.e. 6.24% - 1.73%) and 7.97% (i.e. 6.24% + 1.73%). The upper estimate is therefore $413,013 * 7.97\% = 32,917$. The lower estimate is $413,013 * 4.51\% = 18,627$. The provisos regarding the calculation of confidence intervals on quota samples outlined in the Methodology chapter also apply here.

behaviours or plans. It is not possible to explore these data in detail since only 127 respondents had started exporting or exported more recently and had seen the adverts, and a further 15 were thinking about starting to export in the next 18 months and had seen the adverts.

Among the 127 respondents who had begun or increased their exporting recently and who recognised the adverts, 7% said that the campaign had played some role in their decision. For the most part these businesses said they were already thinking seriously about exporting and the campaign only played a small part in their decision.

Among the 15 businesses who were thinking about starting to export, seven respondents said the campaign had played some role in their decision (unweighted data are quoted here given the very low number of responses).

9.4 Funnel of campaign recognition to action

Figure 9.3 provides an overview of the campaign's reach and impacts. To give a realistic measure of campaign impacts, only those who reported having seen the campaign prior to the interview are counted in the calculation of 'increased interest' figures (in contrast to the figures quoted earlier in this chapter which were based on all who were able to view the campaign materials during the interview). All figures are based on the total number of respondents in each group who were able to view the prompt materials during the interview – the base for each step in the funnel is consistent.

Overall, 32% of businesses recognised the campaign, and 11% of businesses had seen the campaign *and* said it had increased their interest in finding out more about exporting. Slightly more than one in twenty (6%) reported taking or considering some action having seen the campaign and 1.3% reported that the campaign had, to some extent, influenced them to start or increase exporting or to consider starting to export. These proportions were highly similar to those seen at Wave 3 (7% had taken or considered taking action and 1.6% reported influence on exports).

The campaign effect on the Promote segment was more pronounced in terms of influencing a decision to start exporting (5.6%). In the Sustain/Reassure segments the campaign performed relatively strongly in terms of making businesses more interested in finding out more (15%) and making them take or consider taking action (10%).

Figure 9.3: Funnel of campaign recognition to influence and action



Source: Net of respondents recognising ads from any of listed sources at AD6-9b; 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? AD13 – As a result of seeing or hearing these adverts what, if anything, have you done or considered doing? AD14/15 To what extent would you say that [your interest in exporting/this growth in exports] was a direct result of the Exporting is GREAT adverts or press coverage that you saw before today?

Base : All respondents Wave 4 able to view ads: £500k+ turnover (1428), Promote (157), Challenge (439) Sustain/Reassure (718)

9.5 Comparison between those who recognised the campaign and those who did not

In this section we examine some of the key differences between those who recognised the campaign when prompted and those who did not. It should be noted that the findings described below do not necessarily indicate causation. Any differences between those who recognised the campaign and those who did not may not be specifically caused by the campaign but may, for example, be due to individuals who are more positively engaged with exporting being more likely to see the campaign, or being more likely to remember it once seen. For example, campaign recognisers were more likely to have exported in the past 12 months (44% of recognisers fell into the Sustain segment, compared to 35% of non-recognisers).

However, there are also suggestions that campaign recognisers were *not* simply more engaged with exporting, and that some differences may in fact have been directly caused by the campaign. For example, while there was no difference in reported knowledge of *how* to export, campaign recognisers were more confident that they would know *where to find information* than those who had not seen the campaign before (41% and 30% respectively had a high level of knowledge). If campaign recognisers were simply more positively engaged with exporting before seeing the campaign, then we would also expect them to report greater knowledge of how to export.

Looking at how differences between recognisers and non-recognisers have changed over time can also help to understand whether the campaign is in fact causing these changes and this approach suggests that the campaign is having some positive impacts in the face of contextual challenges.

Campaign recognisers were more likely than non-recognisers to be interested in information and business support services to assist with exporting. 60% of recognisers were either 'very interested' or 'fairly interested', compared to 46% of non-recognisers. The gap between the two groups has expanded since Wave 3, suggesting that the campaign may be helping to mitigate the wider declines in interest.

However, campaign recognisers had been more likely to have sought advice at Wave 3, but this was no longer the case at Wave 4. It may well be that the campaign is facing a greater challenge in driving exploratory behaviour due to the current uncertainties about the future of UK exports which are highlighted in section 5.2 of this report.

Other differences between campaign recognisers and non-recognisers include the following points. As outlined above, these cannot be specifically attributed to the campaign, but many of them do relate to messages explicitly communicated by the campaign:

- Campaign recognisers were more likely to agree that more businesses could export (69%) than non-recognisers (60%).
- Those who recognised the campaign were less likely to say they did not know where they would go if they needed exporting support or advice (18%) than non-recognisers (28%).
- There was no difference between campaign recognisers and non-recognisers in terms of expectations for the total value of UK exports over the next 12 months or 5 years.

10 Engagement with the great.gov.uk website

The *Exporting is GREAT* website at great.gov.uk is designed to encourage and enable 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 is to drive businesses to the website. As such, questions were added from the third wave of the NSRB onwards, with a view to better understanding the interactions of businesses with the website.

Key findings

- Awareness of the site among campaign recognisers had increased, reflecting its greater prominence in 2018 campaign materials.
- Those with experience of exporting were more likely to have visited the site than those with the potential to start exporting.

10.1 Awareness of and visits to *Exporting is GREAT* website

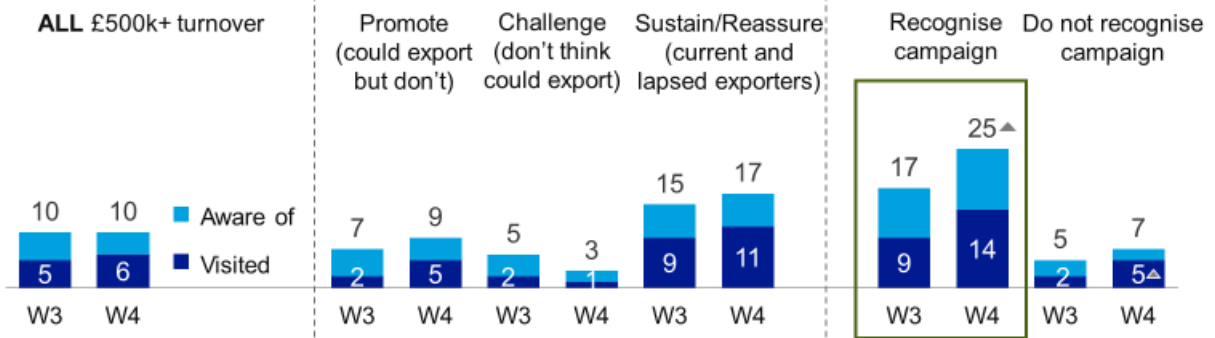
Awareness of the *Exporting is GREAT* website remained consistent at 10%. Awareness was higher among campaign recognisers (25%) than among those who saw the campaign for the first time at interview (7%). Reflecting the greater prominence of the great.gov.uk site in 2018 campaign materials, awareness among campaign recognisers had increased since Wave 3 (from 17% to 25%).

Around half of those aware of the site had visited it (6%). As was the case at Wave 3, those with experience of exporting were more likely to have visited the site than those with the potential to start exporting (11% of the Sustain/Reassure segments compared to 5% of the Promote segment). Those aware of the campaign were more likely to have visited the site than those who were not (14% and 5% respectively).

There was no regional difference in reported visits, but awareness was higher than average in the North West (15%), North East (18%), West Midlands (12%), East Anglia (14%) and Scotland (14%) and lower in the East Midlands (3%).

Figure 10.1: Awareness and use of the great.gov.uk website services

% all respondents – aware of/visited great.gov.uk



▲▼ Significant increase/decrease from Wave 3

Source: AD4A - Have you ever heard of or visited the Exporting is Great site at great.gov.uk?
 Base : All £500k+ turnover businesses W3/W4: (2535/2418) Promote (294/283), Challenge (874/840)
 Sustain/Reassure (1193/1332), Recognisers (789/457) non-recognisers (836/668)

11 Findings within the *total* registered business population

The preceding chapters have focused on businesses with an annual turnover of £500k+. In contrast, this chapter focuses on findings relating to the *total* population of registered businesses.

Given the very high number of small businesses in the total registered business population, these data are strongly influenced by micro businesses (which make up 73% of the total business population).¹⁴

Summary

- Around one in three businesses in the total population had ever exported, with a quarter having exported in the past 12 months. These proportions had remained stable across the four NSRB waves.
- There was an even balance between the proportion of businesses reporting increases or decreases in exports of both goods and services over the past 12 months. However, they were more likely to have stopped exporting altogether than to have started in the past year.
- Businesses in the total population had become less likely to report that they had sufficient staff capacity to focus on exporting.
- The proportion of businesses in the total population with plans to start exporting had fallen from Wave 3.
- Perceptions of global demand for UK products and services remained strong, with around three quarters agreeing that there was 'a lot of demand'.

11.1 Current and future exporting and business behaviours

Around a third of the total business population (32%) had ever exported and around a quarter (24%) had exported in the past 12 months. These proportions had remained essentially stable across the four waves of the NSRB. The only change across the four exporting statements was that businesses had become slightly less likely to self-identify as unsuitable for exporting (42% fell into the Challenge segment at Wave 4, a decrease from 50% at Wave 1). This was offset by an increase in businesses falling outside the segmentation (which in many cases is a sign of uncertainty regarding their export potential). Around one in seven businesses (15%) had never exported but self-identified as

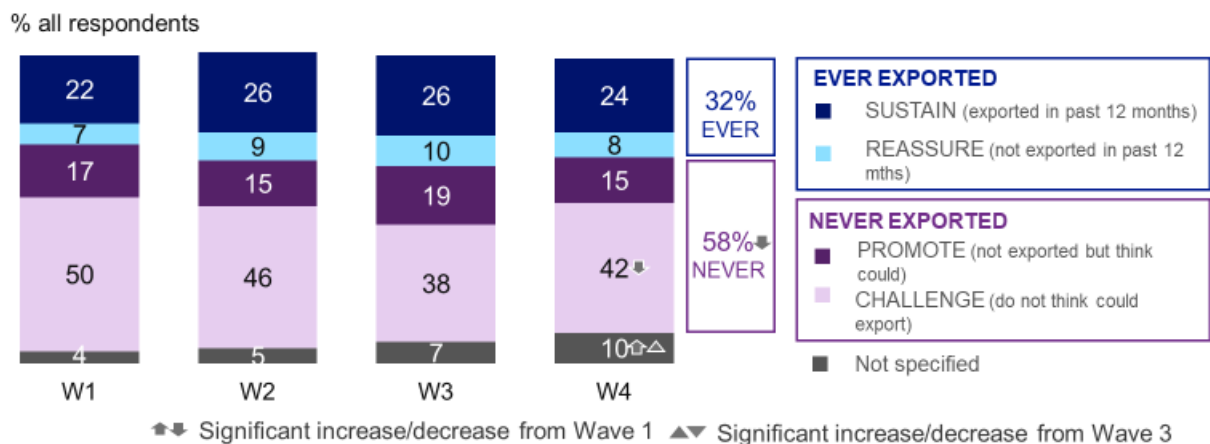
¹⁴ Micro businesses are in this case defined as having fewer than 10 employees. In the total registered business population 79% of businesses had an annual turnover of less than £500k.

having goods or services that were suitable for export or which could be developed for export.

Based on the assumption that all registered businesses (including public sector and not-for-profit organisations, and those with incomplete data records) have a similar capacity to export as the sample used in this research (which excludes public sector and non-profit organisations), and given that the total population of registered businesses at the time of this research was 2,696,092, then the number of businesses in the Promote segment can be estimated to be somewhere between 338,629 and 489,880¹⁵. The basis for this assumption is discussed in further detail in the technical report, which accompanies this release.

Without making this assumption, and instead only extending the findings to the population from which this research was sampled (therefore excluding public sector and not-for-profit organisations, and those with incomplete data on location, sector, turnover or employee numbers) and given that the size of this population was 1,967,471, then the number of businesses in the Promote segment is estimated to be somewhere between 247,114 and 357,489.

Figure 11.1: Exporting segments



Source: Composite measure merging data from several variables
 Base : All respondents Wave 1/2/3/4: Total (1405/1418/2991/3000)

There was a fairly even balance in terms of whether exports for the total business population had increased or decreased. Five per cent reported exporting more goods than a year ago, and 5% reported exporting fewer goods. Similarly, 6% reported an increase in service exports and 5% reported a decrease.

¹⁵ The unrounded proportion of businesses in the Promote segment was 15.37%. There is a margin of error of $\pm 2.81\%$ associated with the survey estimate at a 95% confidence level. The proportion of businesses in this segment is therefore estimated to lie between 12.56% (i.e. 15.37% - 2.81%) and 18.17% (i.e. 15.37% + 2.81%). The provisos regarding the calculation of confidence intervals on quota samples outlined in the Methodology chapter also apply here.

The total business population was more likely to have stopped exporting in the past year (2% each for goods and services) than to have started exporting (1% each for goods and services).

Following an increase to 6% at Wave 3, the proportion planning to start exporting in future fell back to 3% at Wave 4.

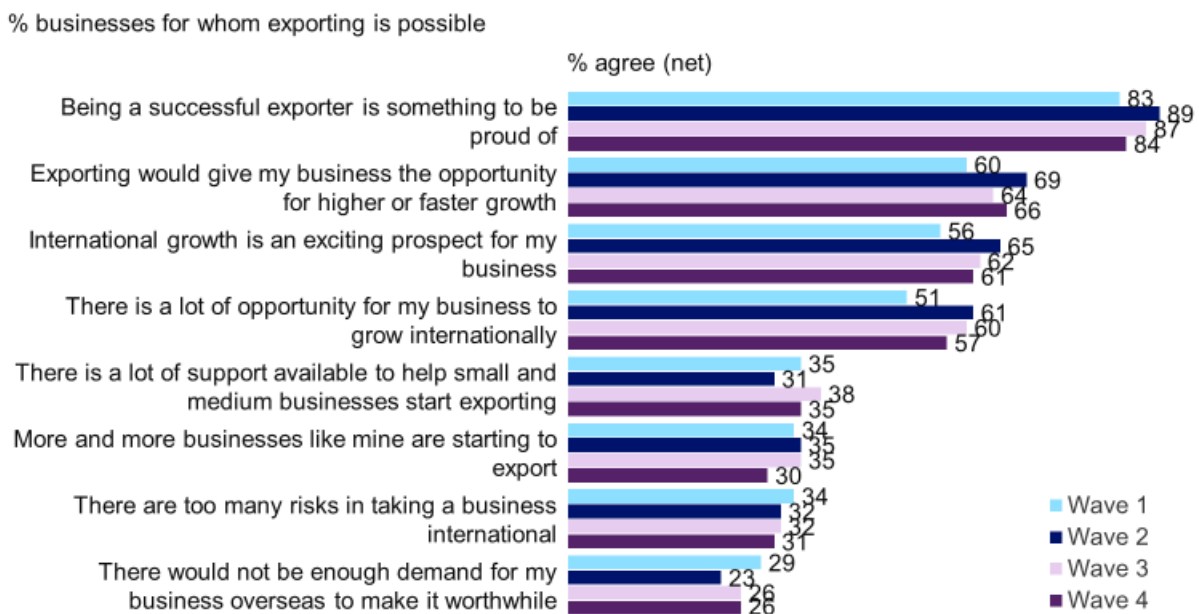
11.2 Attitudes towards growth and exporting

A majority of the total business population was focused on growing (rather than consolidating) their business (62%). More specifically, just over a third (37%) said that growth was an integral part of their plans and 25% reported that they intended to grow but did not have concrete plans on how to do so.

There was widespread agreement that there is a lot of demand for British goods and services around the world (73%, an increase from 67% at Wave 1). Around six in ten (61%) agreed that a lot more businesses could export than do export, an increase from 54% at Wave 1.

As summarised in Figure 11.2, trends across a range of other exporting-related statements remained stable in the total business population.

Figure 11.2: 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, Wave 4 = 1,789)

11.3 Knowledge, information and support

In the total business population, 23% of those who exported or could potentially export reported a high knowledge of how to export and 29% reported a poor level of knowledge. A similar proportion felt they knew where to go for help and support, with 25% reporting high knowledge. Knowledge about where to go for information was slightly higher, with 32% of those who exported or could potentially export reporting a high level of knowledge.

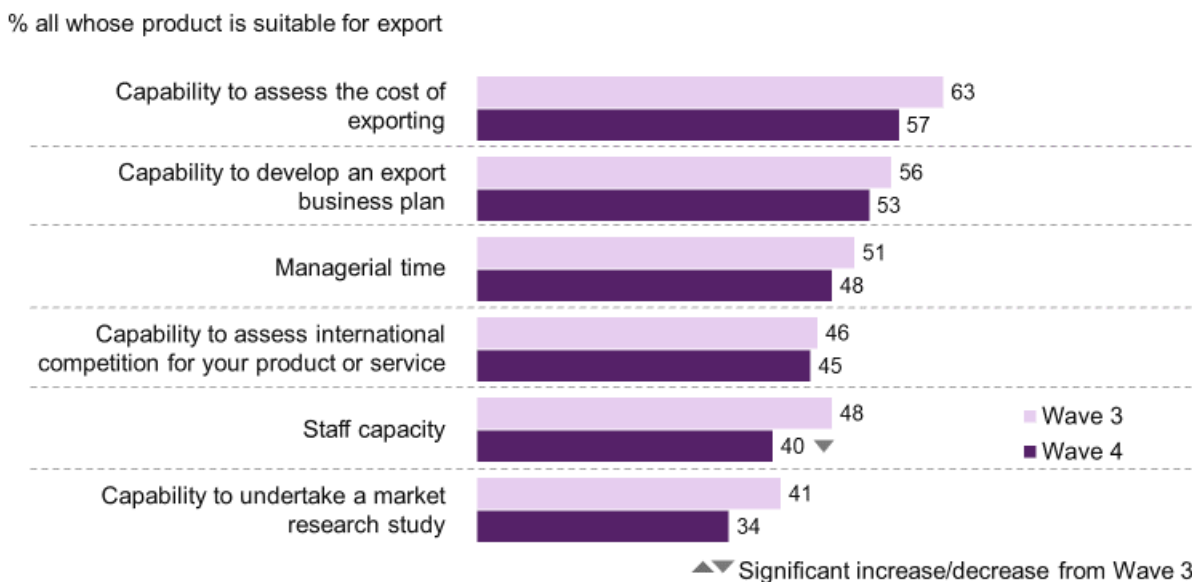
Just over a quarter (28%) of those who exported or could potentially export said that they had sought advice and support about exporting. This remains in line with the proportion recorded at Wave 3.

Interest in information and business support services that can assist with exporting had also remained stable for exporters and potential exporters (46% said they were interested at Wave 4).

11.4 Barriers to exporting

There was relatively little change from Wave 3 in terms of reported business capacity and capabilities (see Figure 11.3). However, businesses in the total population have become less likely to report that they had sufficient staff capacity to focus on exporting (40% at Wave 4 compared to 48% at Wave 3).

Figure 11.3: Whether have enough capacity and capability to focus on exporting (% saying ‘yes’)



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 Wave 3/Wave 4: All businesses (1827/1789)

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