UK Trade & Investment

2011 Non-User Survey (PIMS)

Main Report

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1. Executive Summary

1.1 Introduction

This summary outlines the key findings from the telephone survey conducted amongst non-users of UKTI trade development products and services. The primary research objectives are to provide evidence on usage of non-UKTI export support, measure the extent to which firms encounter barriers which give rise to the need for such services, investigate attitudes towards support amongst those firms not accessing it, explore the impact of the recent economic conditions on export activity, and provide data on the profile of non-user firms (including comparisons with UKTI users).

The research was conducted by OMB Research in March and April 2011. A telephone methodology was employed, with interviews conducted using Computer Assisted Telephone Interviewing (CATI) and lasting an average of 20 minutes.

The sample of firms covered by this survey consisted of firms that had exported in the last 2 years (or seriously considered doing so) but had not obtained any assistance from UKTI. The sample was stratified by age of firm (those established up to 5 years, 6-10 years and over 10 years) in order to achieve a robust number of interviews with each of these groups, and the final data has been weighted back to the age profile of all UK exporters.

A random sample of UK firms was sourced from Experian and 'screening' questions were included at the start of the questionnaire to exclude any firms that did not export (and had not tried to in the last 2 years) or that had received UKTI support.

In addition to the above, comparative data has also been provided for users of UKTI from the main PIMS surveys, the PIMS follow-up surveys and the 2011 Internationalisation Survey. Where base sizes are low (i.e. when looking at supported and unsupported non-users) the 2011 non-user data has been combined with data collected in the 2010 survey.

The following table shows the number of interviews completed along with the associated response and refusal rates.

Figure 1: Sample Analysis (Summary)

Interviews achieved	300
Response rate	27%
Refusal rate	41%

1.2 Summary Results

1.2.1 Profile

The table below provides a summary of the profile of the non-users covered by this research, along with comparative data for users of UKTI support (from the main PIMS research).

Figure 2 : Summary Of Business Profile

	Non-Users (2011)				Users (PIMS 20-23)			
	Total	0-5 years old	6-10 years old	>10 years old	Total	0-5 years old	6-10 years old	>10 years old
Base	*300*	*99*	*100*	*101*	*3945*	*952*	*664*	*2313*
Size: <10 staff	66%	88%	74%	57%	39%	71%	58%	21%
Size: 50-249 staff	9%	3%	6%	12%	17%	4%	8%	25%
Size: 250+ staff	3%	1%	2%	4%	13%	1%	3%	20%
Turnover: <£500k	52%	66%	63%	45%	29%	60%	43%	14%
Turnover: £10M+	8%	4%	7%	9%	19%	2%	6%	29%
Sector: Production	25%	19%	26%	27%	39%	29%	29%	45%
Sector: Services	73%	71%	72%	73%	59%	69%	69%	52%
Innovative	63%	59%	69%	62%	83%	69%	86%	88%
Innovative (alternative)	34%	29%	35%	35%	64%	57%	65%	66%
IP active	17%	11%	19%	18%	38%	40%	36%	37%
Planned growth: substantial	25%	40%	31%	18%	43%	55%	48%	37%
Planned growth: substantial or moderate	78%	90%	80%	74%	89%	87%	91%	90%
Innovative high growth	20%	26%	24%	16%	38%	44%	43%	34%
Skilled owners/directors	59%	62%	68%	55%	73%	77%	78%	71%
Current business plan	42%	47%	37%	43%	71%	75%	64%	72%

Non-user firms tend to be smaller than users of UKTI support (both in terms of employee numbers and turnover) and are also more likely to be in the service sector.

Non-users are also significantly less innovative than UKTI users and are less ambitious in terms of their growth objectives. Whilst they are therefore less likely to be classified as 'innovative high growth' firms, it is worth noting that a fifth of non-users do fall into this group and as such are the type of clients that UKTI should ideally be supporting.

UKTI users are more likely to have degree-level members of the management team and also appear to be more strategic, in the sense that they are much more likely to have a current business plan.

The differences between users and non-users outlined above are evident across all ages of firm. Although not shown above, it is worth noting that supported non-users (i.e. those that have accessed some form of non-UKTI export support) are closer in profile to UKTI users in that they tend to be larger than unsupported non-users, display greater levels of innovation and have more ambitious growth objectives.

1.2.2 Export Experience

The table below provides a summary of the overseas experience of the non-users covered by this research, along with comparative data for users of UKTI support.

Figure 3: Summary Of Export Experience

	Non-Users (2011)				Users (PIMS 20-23)[1]			
	Total	0-5 years old	6-10 years old	>10 years old	Total	0-5 years old	6-10 years old	>10 years old
Base	*300*	*99*	*100*	*101*	*3945*	*952*	*664*	*2313*
Time: <2 yrs	26%	62%	19%	19%	24%	66%	24%	8%
Time: 2-10 yrs	44%	38%	79%	32%	32%	34%	76%	20%
Time: >10 yrs	28%	-	-	48%	42%	-	-	71%
% of turnover: 10% or less	64%	70%	61%	64%	33%	47%	39%	26%
% of turnover: 11-50%	17%	18%	23%	16%	30%	23%	26%	34%
% of turnover: Over 50%	15%	8%	17%	17%	31%	28%	31%	33%
Markets: 5 or less	71%	72%	67%	73%	45%	73%	43%	29%
Markets: 6-20	21%	22%	29%	18%	39%	24%	52%	43%
Markets: Over 20	8%	6%	3%	9%	16%	3%	5%	28%
Regions: EU	68%	60%	75%	68%	90%	87%	86%	93%
Regions: North America	34%	34%	39%	33%	62%	54%	58%	64%
Regions: Other countries	50%	45%	54%	50%	81%	70%	80%	83%

UKTI users are slightly more experienced than non-users when it comes to the length of time they have been doing business overseas. They are also more 'intensive' exporters, in the sense that overseas sales account for a greater proportion of their total turnover, they tend to be doing business in more markets and are more likely to be active in each of the 3 broad regions of the world (i.e. the EU, North America and elsewhere).

As seen with the other profile variables, supported non-users (i.e. those that have accessed some form of non-UKTI export support) are closer to UKTI users when it comes to their export experience. They tend to be active in more markets and report higher overseas sales than unsupported non-users.

[1] Please note that the user data on number of markets comes from the PIMS 14-17 Follow-Up surveys and the data on overseas regions comes from the 2011 Internationalisation Survey. The bases for these elements of the table are as follows:
Markets: Total (300), 0-5 years (99), 6-10 years (100), >10 years (99)
Regions: Total (248), 0-5 years (46), 6-10 years (76), >10 years (126)

1.2.3 Export Motivations

Non-user firms were read out a list of possible export motivations and asked the extent to which each one applied to them. The table below shows the proportions of non-user firms agreeing that they did business overseas for each of these reasons, along with comparative data for users of UKTI support.

Figure 4: Summary Of Export Motivations

Proportion agreeing (4-5 out of 5) that they export for the following reasons…	Non-Users (2011)				Users (PIMS 20-23)			
	Total	0-5 years old	6-10 years old	>10 Years old	Total	0-5 years old	6-10 years old	>10 Years old
Base	*300 (99)*	*99 (61)*	*100 (19)*	*101 (19)*	*3945 (998)*	*952 (619)*	*664 (162)*	*2313 (217)*
To achieve a level of growth otherwise not possible	48%	53%	52%	45%	79%	80%	78%	80%
To more fully utilise your existing capacity	52%	53%	52%	52%	60%	57%	56%	63%
To reduced your dependence on the UK market	31%	28%	27%	34%	49%	45%	48%	52%
To improve your profile or credibility	41%	46%	47%	38%	63%	66%	65%	62%
You keep receiving orders/enquiries from overseas customers	67%	69%	69%	66%	61%	59%	59%	63%
If exporting < 2years: You had personal connections overseas or a desire to travel abroad	23%	33%	16%	16%	30%	36%	22%	19%

There are a number of differences in the export motivations of UKTI users and non-users, with the former significantly more likely to be influenced by more proactive or strategic reasons (e.g. enabling growth, reducing dependence on the UK market, improving their profile). Non-users, on the other hand, are more likely to highlight customer orders/enquiries as a reason for doing business overseas, and this is the most common motivation amongst this group by some distance. This indicates that non-users of UKTI are more reactive in their approach to exporting.

1.2.4 Barriers To Overseas Trade

Non-user firms were read out a list of issues that they may have had to tackle when trying to develop the export side of their business and asked to indicate the extent to which each was a difficulty that they had encountered. These barriers have been summarised into seven themes: 'legal & regulatory', 'customs', 'contacts', 'information', 'resource', 'language & cultural' and 'bias' barriers. The table below shows the proportions of non-user firms experiencing each of these barriers to a significant extent, along with comparative data for users of UKTI support (from the Internationalisation Survey).

Figure 5: Summary Of Barriers To Overseas Trade

Proportion experiencing significant difficulties (4-5) with...	Non-Users (PIMS 2011)				Users (2011 Internationalisation)			
	Total	0-5 years old	6-10 years old	>10 Years old	Total	0-5 years old	6-10 years old	>10 Years old
Base	*300*	*99*	*100*	*101*	*242*	*43*	*74*	*125*
At least 1 sig. barrier	46%	54%	46%	44%	83%	84%	77%	85%
- Legal & regulatory	22%	27%	22%	20%	51%	56%	53%	50%
- Customs	14%	10%	12%	16%	30%	30%	36%	28%
- Contacts	20%	26%	22%	17%	46%	42%	42%	49%
- Information	13%	18%	11%	12%	18%	16%	22%	18%
- Resource	15%	17%	17%	14%	29%	30%	26%	30%
- Language & cultural	9%	14%	6%	8%	23%	16%	20%	25%
- Bias	9%	15%	6%	9%	26%	28%	23%	26%
No sig. barriers	54%	46%	54%	56%	17%	16%	23%	15%

The above table demonstrates that firms receiving support from UKTI are consistently more likely to have encountered barriers to overseas trade, and this is true irrespective of the age of the firm. Overall, 83% of users have encountered at least one significant barrier, compared to only 46% of non-users, suggesting that firms that do not encounter significant barriers are considerably less likely to seek external export assistance. This hypothesis is backed up by the fact that those non-users that have received some form of (non-UKTI) export assistance are also more likely to have experienced barriers than unsupported non-users.

Amongst both users and non-users of UKTI support, the most widely encountered barriers are 'legal & regulatory' and 'contacts' barriers (i.e. making and developing contacts overseas).

It is also interesting to note that, amongst non-users, young firms that have been established for 5 years or less are most likely to experience barriers, implying that this group could benefit most from the types of services that UKTI provide.

1.2.5 UKTI Support: Awareness & Alternatives

Non-user firms were asked whether they were aware that UKTI provide assistance to help UK firms do business overseas, and were also read out descriptions of several UKTI services and asked whether they had heard of them.

Figure 6: Awareness of UKTI & Selected Services

	Non-Users (2011)			
	Total	0-5 years old	6-10 years old	>10 years old
Base	*300*	*99*	*100*	*101*
UKTI	37%	34%	38%	38%
OMIS	18%	14%	15%	21%
ITAs	22%	17%	20%	25%
UKTI export events/seminars	44%	34%	40%	48%

Awareness of UKTI is not particularly high amongst non-users, with only just over a third indicating that they knew that UKTI provide assistance to help UK firms do business overseas. There is little difference by age of firm in this respect.

Approaching a fifth of firms had heard of the OMIS service, with a slightly higher proportion aware of the support available through UKTI's International Trade Advisors. Interestingly, when told that UKTI put on events and seminars in the UK that focus on doing business overseas, 44% of firms claimed to have heard of these type of events (although given that this is higher than the overall UKTI awareness figure, it is likely that this figure relates to awareness of export-focussed events in general rather than UKTI-organised ones specifically). Awareness of each of these types of UKTI support increased amongst older firms.

Irrespective of whether they had heard of the various UKTI services, non-user firms were read out a brief description of each one and asked whether they would be interested in using it.

Figure 7: Interest in UKTI Services

	Non-Users (2011)			
	Total	0-5 years old	6-10 years old	>10 years old
Base	*300*	*99*	*100*	*101*
OMIS	20%	32%	27%	14%
ITAs	36%	45%	38%	33%
UKTI export events/seminars	29%	38%	33%	25%

As detailed above, a fifth of firms expressed an interest in using the OMIS service, with this rising to around a third for the International Trade Advisors and export-focussed events. Although awareness of the various UKTI services was generally lowest amongst younger firms, this group tend to express more interest in using such services.

The table below summarises the proportion of non-user firms interviewed that had received any information, advice or support relating to exporting from non-UKTI sources over the previous 2 years.

Figure 8: Whether Received Non-UKTI Export Support

	Non-Users (2010/11)			
	Total	0-5 years old	6-10 years old	>10 years old
Base	*602*	*195*	*200*	*207*
Yes	26%	20%	20%	31%
No	73%	80%	79%	69%
Don't know	1%	0%	1%	0%

A quarter of non-user firms had received some form of external export assistance over the last 2 years, and are therefore classed as 'supported' non-users.

The most widely used sources of non-UKTI export assistance were HM Revenue & Customs, the Chamber of Commerce, banks and trade associations. In terms of the substance of the support received, the most common type was information on how to do business overseas, followed by specific information about overseas business opportunities, information about entering a new market and help identifying overseas contacts. Only a quarter (27%) of supported non-users indicated that they had paid for any of the export support they had received.

Those non-users that had <u>not</u> received any export support were asked whether this type assistance would have benefited them, in terms of helping them overcome any difficulties they had experienced while developing the export side of their business.

Figure 9: Need For Support – Unsupported Non-Users

	Unsupported Non-Users (2010/11)			
	Total	0-5 years old	6-10 years old	>10 years old
Base	*460*	*156*	*161*	*143*
Yes	40%	45%	37%	41%
Maybe	7%	5%	6%	8%
No	52%	48%	56%	52%
Don't know	1%	2%	2%	0%

Two-fifths of unsupported firms felt that some form of export assistance would definitely have been beneficial and, when asked to give details of the specific type of support that would have helped, the most common types were advice on export regulations and taxes and general information on how to export or enter new markets. However, two-thirds of the unsupported non-users that felt support would have been beneficial were *unaware* of anyone that could have provided this, clearly demonstrating that, if awareness of the organisation is increased, there is potential for UKTI to reach and help a significantly greater number of firms.

Those unsupported non-user firms that did *not* feel they would have benefited from any external support were asked for their reasons, and the most common responses were that doing business overseas was straightforward and that they already had the required expertise within their company.

1.2.6 Key Survey Measures

The table below summarises the proportions of supported non-users scoring against various key survey measures relating to the quality and impact of this support. Please note that, with the exception of 'A09 Quality Rating', figures are quoted net of non-additionality. Comparative data has also been provided for users of UKTI support[2].

Figure 10: Key Measures & Additionality – Supported Firms

	Supported Non-Users (2010/11)				Users (PIMS 20-23)			
	Total	0-5 years old	6-10 years old	>10 years old	Total	0-5 years old	6-10 years old	>10 years old
Base	*127*	*36*	*36*	*55*	*3945*	*952*	*664*	*2313*
Key Measures								
A81 – Increased Skills	14%	25%	14%	13%	46%	55%	48%	43%
A83 – Changed Behaviour	26%	28%	19%	27%	55%	62%	59%	52%
A04 – Increased Innovation	13%	19%	14%	11%	32%	40%	38%	27%
A92 – Barriers Overcome	30%	25%	36%	29%	60%	67%	60%	58%
Increased Sales	13%	14%	8%	15%	29%	34%	30%	27%
A06 – Improved Prod. & Comp	39%	31%	36%	42%	68%	73%	68%	66%
A09 – Quality Rating	52%	53%	51%	52%	78%	79%	80%	77%
Additionality								
Fully additional	9%	14%	14%	7%	26%	30%	27%	23%
Partially additional	44%	39%	42%	45%	54%	53%	52%	55%
Non-additional	47%	47%	44%	47%	21%	17%	22%	22%

Although the base of supported non-users covered by the research is relatively low (even when data is combined from both the 2010 and 2011 surveys), there is clear evidence that the export support provided by UKTI is more effective than that delivered by non-UKTI sources. UKTI users are significantly more likely to score against all of the key impact measures, and this is true across all age groups.

It is also notable that almost half of those firms receiving non-UKTI export support judge this to have been 'non-additional' (i.e. they believe that they would have achieved similar results anyway even if they had not obtained the support). In contrast, just 21% of UKTI users classify the assistance as 'non-additional'.

The perceived quality of the UKTI support is also considerably higher than that seen for other support providers, with mean quality ratings of 78% and 52% respectively.

[2] Please note that the user data has been recalculated for some of the key measures to reflect the approach taken in the non-user surveys.

2. Background & Objectives

This report details the findings of the 2011 PIMS Non-User Survey, which consisted of a telephone survey of exporting firms that have not received any support form UK Trade & Investment. The survey is similar to that conducted in 2010, and data from the 2010 survey has been combined with the new 2011 data to allow more robust analysis where base sizes are low (e.g. when conducting sub-analysis by supported and unsupported non-users).

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

- Issues: Rationale for service provision
  - The extent of existence of private sector alternatives of comparable scope and quality to UKTI
  - The extent to which businesses encounter barriers which give rise to the need for such services, and how these may vary across business groups
  - The extent to which businesses may have differential access to existing alternatives and why (e.g. differential access to key networks, service providers catering for specific groups such as larger firms, etc)
- Issues: Rationale for subsidy
  - Businesses don't realise, or don't have confidence, that the benefits of using the services will justify the costs (underestimated benefits)
  - Financial constraints: a need to distinguish between real financial constraints and management judgement that there are better uses of resources
  - Wider benefits (e.g. knowledge spillovers)

It was therefore decided that the 2011 PIMS Non-User Survey would focus on addressing the following specific objectives:

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

3. Methodology

This survey of UKTI non-users employed a telephone methodology, with interviews conducted using CATI (Computer Assisted Telephone Interviewing). All fieldwork was conducted in March and April 2011, using the same interviewer team that works on the main PIMS user surveys.

Interviews lasted an average of 20 minutes, and the questionnaire was fully piloted prior to the start of main fieldwork. The pilot checked the flow, clarity, relevance and length of the questionnaire as well as the content. Where appropriate, the questions included in the non-user survey replicated those asked in the main PIMS user surveys to ensure comparability of results. A copy of the final questionnaire is appended to this report.

The research was positioned as being on behalf of UK Trade & Investment and the Department for Business, Innovation & Skills, and respondents were informed that it would cover their current export activities and the impact that exporting has had on their business. Interviewers initially asked to speak to either the owner or the person responsible for the firm's strategy in relation to business development and then further clarification was sought as to whether the respondent was the person best qualified to talk about their company's export activities, with referrals taken as necessary.

In order to ensure that the research covered a representative sample of exporters, the sample frame was built from a random sample of UK businesses which was then screened to identify those engaged in overseas business. The initial sample frame was sourced from Experian, and the sample was stratified by age of firm (those established up to 5 years, 6-10 years and over 10 years) in order to achieve a robust number of interviews with each of these groups. The final data was then weighted back to the age profile of all UK exporters using Annual Small Business Survey data.

In order that the incidence within the sample frame of firms eligible for interview (i.e. engaged in international business activity) was kept to within sensible limits, an approach was taken to the construction of the initial sample frame whereby a small number of industry sectors with only a very small proportion of firms involved in overseas business activity were excluded. The exclusions were made on the basis of analysis of data from the Community Innovation Survey (CIS) on the incidence of exporting for individual industry sectors by age group[3].

The list of firms sourced from Experian was 'de-duplicated' against known users of UKTI (using a list compiled from all records of supported firms provided for the main PIMS user surveys), to ensure that any firms that had received assistance from UKTI were removed from the sample frame. As a further precaution, 'screening' questions were included at the start of the questionnaire and the interview was terminated if the firm had not sold any goods or services to overseas customers in the last 2 years (and hadn't seriously considered doing so) or revealed that they had used UKTI services in relation to trade development in the last 5 years.

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

The following table summarises the number of sample records selected for CATI (following de-duplication against the UKTI user database), the approximate number of records lost due to screening-out or incorrect contact details, and the number of interviews completed along with the associated response and refusal rates.

Figure 11: Sample Analysis

CATI SCREENING	
Selection for CATI	6,997
Unusable – do not export	4,868
Unusable – user of UKTI services	66
Unusable – contact details incorrect	964
ACHIEVED INTERVIEWS / RESPONSE RATES	
Total useable sample	1,099
Interviews achieved	300
Response rate (%)	27%
Refusal rate (%)	41%

Throughout this report, comparative data has also been shown for users of UKTI services, from the following sources:

- *Main PIMS Surveys:* Users of UKTI's trade development services interviewed in the main PIMS research, with data aggregated across PIMS 20-23 (excluding Website users and ER Events participants).
- *PIMS Follow-Up Surveys:* Users of UKTI's trade development services interviewed in the PIMS follow-up surveys, with data aggregated across the PIMS 16-19 follow-ups (excluding Website users and ER Events participants).
- *Internationalisation Survey:* UKTI users interviewed in the 2011 survey of internationalising firms

Wherever possible the 'user' data has been taken from the main PIMS surveys, which involve a larger sample, but in some cases the relevant questions were only included in the PIMS Follow-Up surveys or the Internationalisation Survey so the data is taken from these sources instead.

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

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

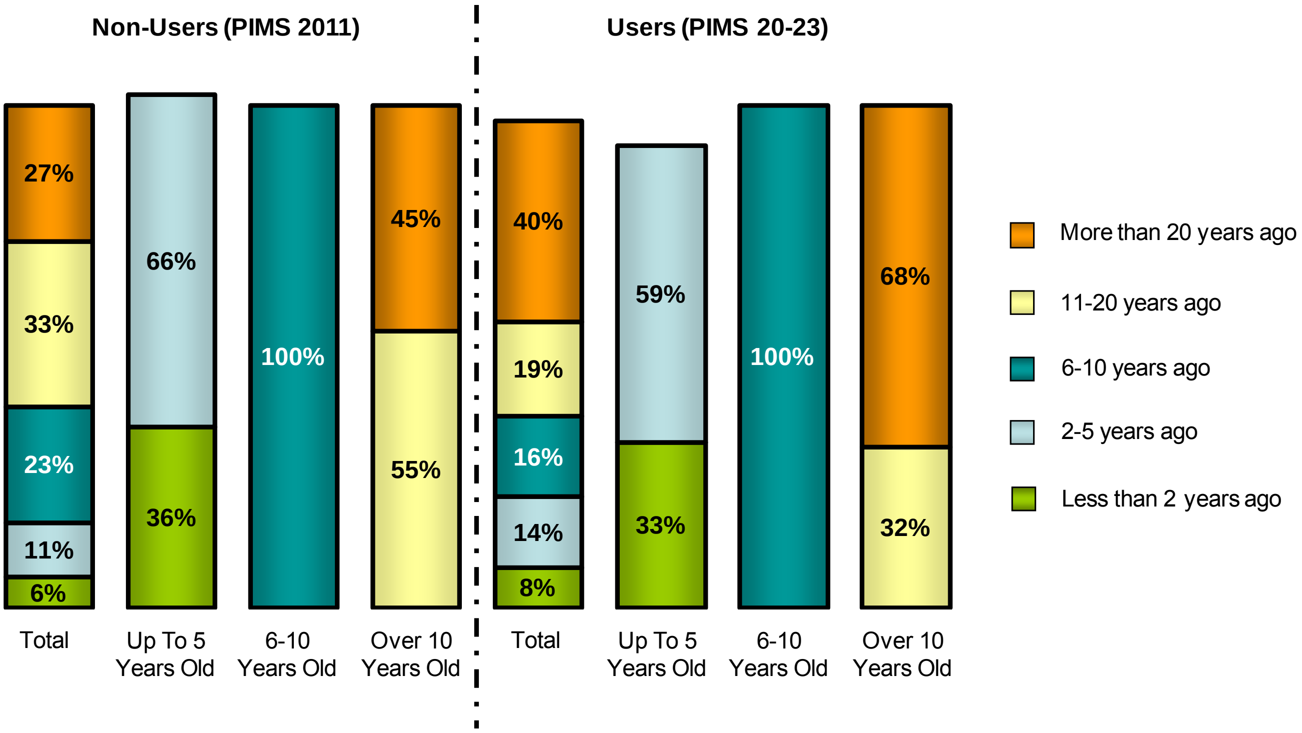
Throughout this report, any differences referred to across the various sub-analysis groups detailed above are statistically significant at the 95% level of confidence (unless otherwise stated). Confidence intervals have been shown for all of the key survey measures.

4. Profile Of Participants

4.1 Age Of Business

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

Figure 12: Age Of Business



Base: All respondents (Base, Don't know/Refused, Not yet trading)
Non-Users – Total (300, 0%, 0%), Up to 5 years old (99, 0%, 0%) 6-10 years old (100, 0%, 0%), Over 10 years old (101, 0%, 0%)
Users – Total (3945, 0%, 2%), Up to 5 years old (952, 0%, 8%), 6-10 years old (664, 0%, 0%), Over 10 years old (2313, 0%,0%)

As detailed earlier, the overall sample frame for the non-user survey was stratified by age to ensure robust coverage of firms aged up to 5 years, firms aged 6-10 and firms more than 10 years old. The data was then weighted to the known profile of internationalising firms (based on data taken from the Annual Small Business Survey), and the overall profile of firms reflects this.

Whilst the age profile of UKTI users and non-users is broadly similar, the former are somewhat more likely to be in the oldest bracket (established for more than 20 years).

The following table provides a further breakdown of the non-user age profile by those firms that have received any non-UKTI export support ('supported non-users') and those that have not ('unsupported non-users'). Please note that throughout this report the data from the 2010 and 2011 non-user surveys have been combined when results are provided for 'supported' and 'unsupported' firms, to allow for more robust analysis at this level.

Figure 13: Age Of Business - Non-Users By Whether Supported (2010/2011 Combined)

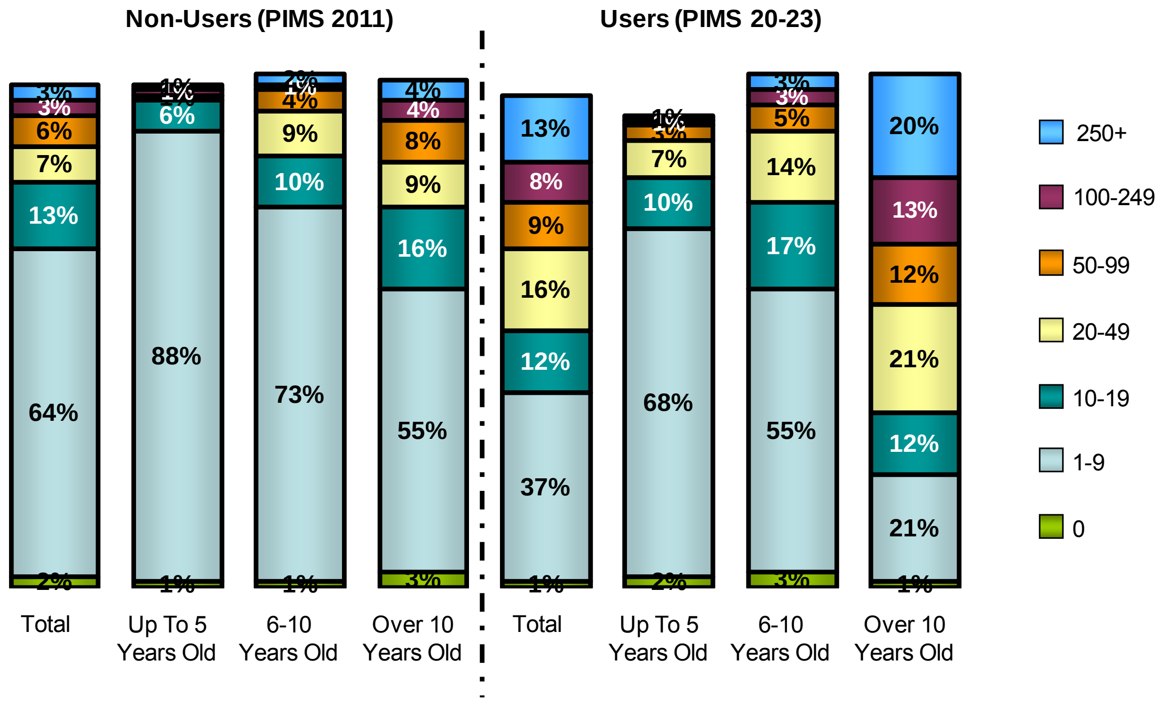
	Total		Up to 5 years		6-10 years		Over 10 years	
	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted
Base	*142*	*460*	*39*	*156*	*39*	*161*	*64*	*143*
Less than 2 years	5%	6%	40%	33%	-	-	-	-
2-5 years	8%	12%	65%	67%	-	-	-	-
6-10 years	17%	26%	-	-	100%	100%	-	-
11-20 years	33%	28%	-	-	-	-	47%	50%
Over 20 years	37%	28%	-	-	-	-	53%	50%

As seen above, supported non-users tend to be slightly older than their unsupported counterparts, and as such are closer to the profile of UKTI users.

4.2 Size Of Business

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

Figure 14: Size Of Business



Base: All respondents (Base, Don't know/Refused, Not yet trading)
Non-Users – Total (300, 2%, 0%), Up to 5 years old (99, 3%, 0%), 6-10 years old (100, 0%, 0%), Over 10 years old (101, 2%, 0%)
Users – Total (3945, 1%, 2%), Up to 5 years old (952, 1%, 8%), 6-10 years old (664, 0%, 0%), Over 10 years old (2313, 2%,0%)

A high proportion of the non-user firms interviewed are relatively small in terms of number of employees, with two-thirds employing less than 10 members of staff. Even amongst firms that have been trading for over 10 years, the majority still have less than 10 employees.

Whilst they are still primarily SMEs, UKTI clients tend to be significantly larger than non-user firms, with the majority having 10 or more employees. Around a fifth (21%) of UKTI users have 100 or more employees, compared to just 6% of non-user firms. This difference in the size profile of users and non-users is evident in each of the three age bands.

Generally, supported non-users tend to be larger than unsupported ones, and are therefore closer in profile to users of UKTI.

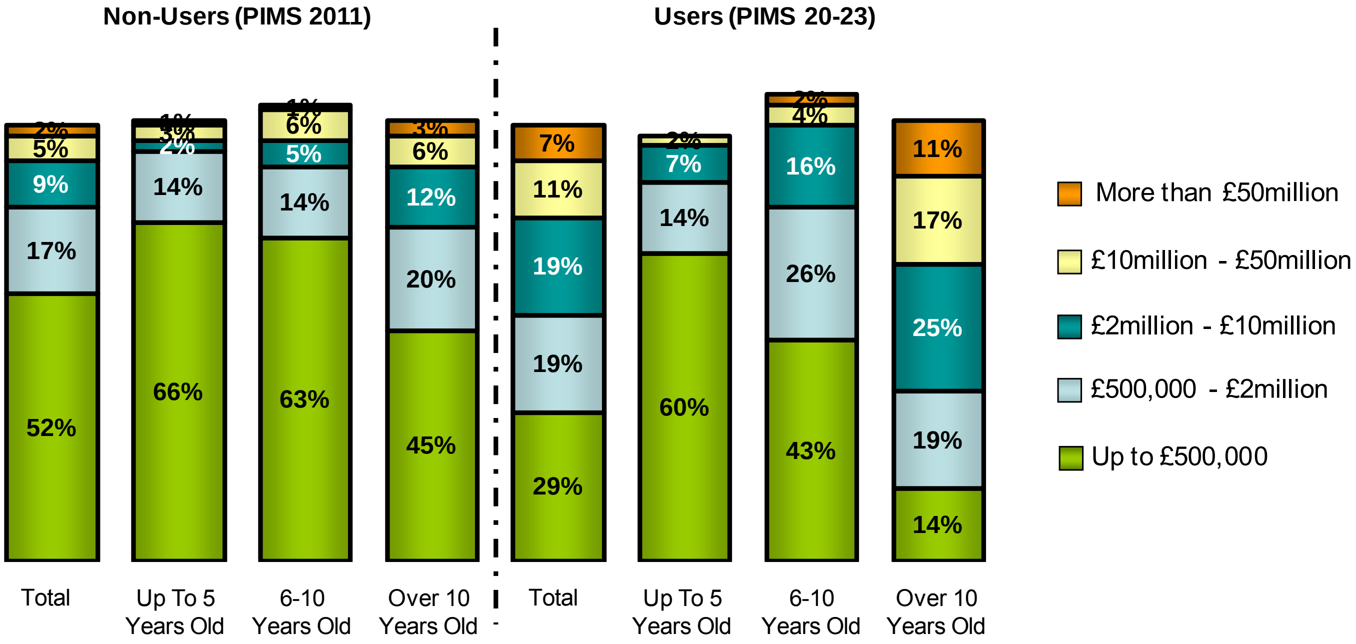
Figure 15: Size Of Business - Non-Users By Whether Supported (2010/2011 Combined)

	Total		Up to 5 years		6-10 years		Over 10 years	
	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted
Base	*142*	*460*	*39*	*156*	*39*	*161*	*64*	*143*
0	1%	2%	0%	2%	0%	2%	2%	2%
1-9	43%	63%	74%	77%	56%	73%	33%	55%
10-19	19%	16%	13%	11%	18%	8%	20%	22%
20-49	15%	10%	3%	5%	10%	11%	19%	10%
50-99	10%	3%	3%	1%	13%	4%	11%	3%
100-249	7%	2%	3%	1%	3%	1%	9%	3%
250+	5%	2%	5%	1%	0%	1%	6%	4%
Don't know	0%	2%	0%	4%	0%	1%	0%	1%

4.3 Turnover

The chart below shows the profile of non-user businesses in terms of their current annual turnover. Comparative data has also been provided for users of UKTI support (from PIMS).

Figure 16: Annual Turnover



Base: All respondents (Base, Don't know/Refused, Not yet trading)
Non-Users – Total (300, 14%, 0%), Up to 5 years old (99, 14%, 0%), 6-10 years old (100, 11%, 0%), Over 10 years old (101, 15%, 0%)
Users – Total (3945, 12%, 2%), Up to 5 years old (952, 9%, 8%), 6-10 years old (664, 10%, 0%), Over 10 years old (2313, 14%, 0%)

Reflecting their smaller size in terms of employee numbers, non-user businesses also tend to have lower annual turnovers, with around half reporting sales of no more than £500,000 per year (compared to 29% of users).

Amongst UKTI users there is a clear correlation between age of firms and annual turnover, and the proportion of firms reporting sales of £500,000 or less falls significantly as firms become more well established. However, this relationship is less evident amongst non-users, with similar proportions of firms aged 0-5 years and 6-10 years reporting turnover of no more than £500,000 (66% and 63% respectively).

As seen below, those non-users that have accessed non-UKTI support report significantly higher sales than those that have not used external export-related support, and are much closer in profile to UKTI users in this respect. There is also a clearer relationship between age and annual turnover amongst supported non-users, whereas amongst unsupported firms the proportion reporting sales of no more than £500,000 is broadly similar irrespective of age.

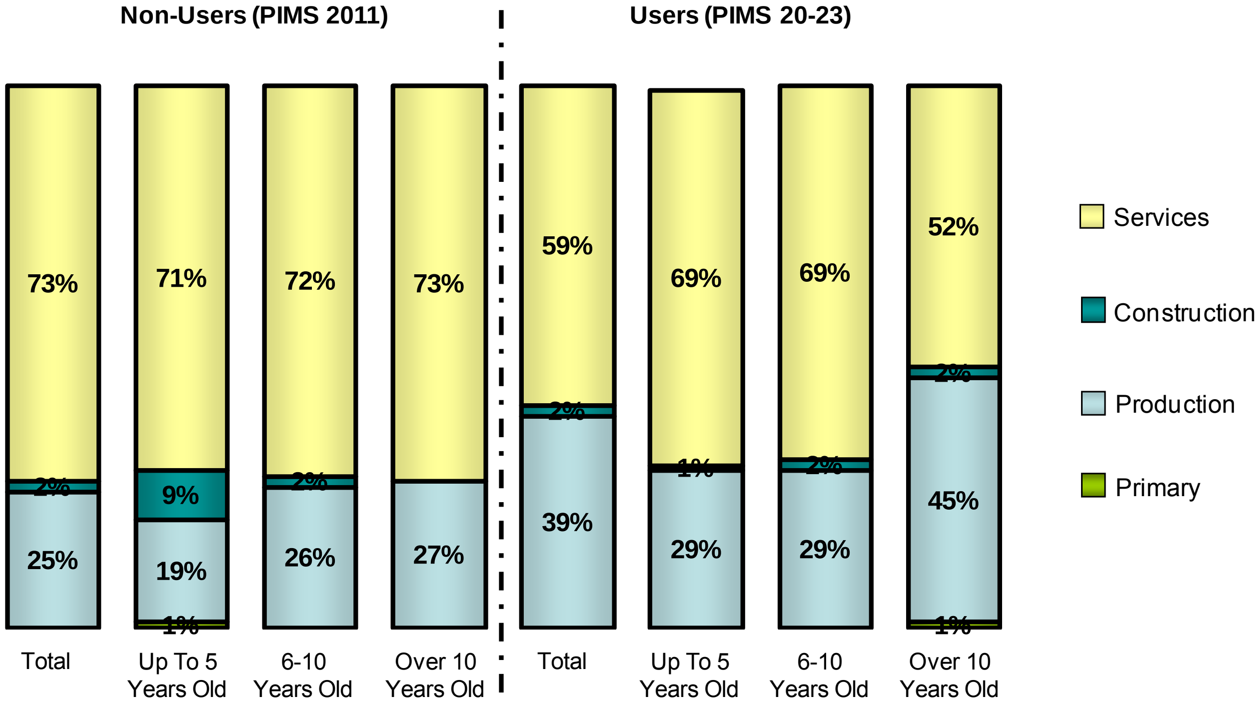
Figure 17: Annual Turnover - Non-Users By Whether Supported (2010/2011 Combined)

	Total		Up to 5 years		6-10 years		Over 10 years	
	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted
Base	*142*	*460*	*39*	*156*	*39*	*161*	*64*	*143*
Up to £500k	32%	49%	54%	54%	41%	55%	25%	44%
£500k-£2m	22%	21%	26%	21%	21%	19%	22%	22%
£2m-£10m	20%	9%	8%	5%	18%	7%	23%	11%
£10m-£50m	12%	3%	5%	1%	10%	4%	14%	4%
Over £50m	0%	2%	0%	1%	0%	1%	0%	3%
Don't know/refused	14%	16%	8%	19%	10%	14%	16%	16%

4.4 Industry Sector

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

Figure 18: Industry Sector



Base: All respondents (Base)
Non-Users – Total (300), Up to 5 years old (99) 6-10 years old (100), Over 10 years old (101)
Users – Total (3945), Up to 5 years old (952), 6-10 years old (664), Over 10 years old (2313)

For both users and non-users of UKTI, the majority of firms operate in the services sector. However, UKTI users are comparatively more likely to be in the production sector, with this particularly true of older firms that have been established for more than 10 years.

It is worth noting that the proportion of non-user firms in the services sector has increased over time, from 63% in 2010 to 73% currently. Whilst this could be a function of the sampling approach, the same methodology was employed in both of these surveys whereby a random sample of UK firms was sourced (excluding a small number of sectors where export propensity is very low) and 'screening' questions were asked to identify exporters. The increase may therefore indicate that the UK service sector has been expanding or that service sector firms are increasingly likely to export.

The table below again suggests that non-user firms that access external (non-UKTI) support are similar in profile to UKTI users, with this group more likely to be in the production sector (although it should be noted that this difference between supported and unsupported non-users is not statistically significant).

Figure 19: Industry Sector - Non-Users By Whether Supported (2010/2011 Combined)

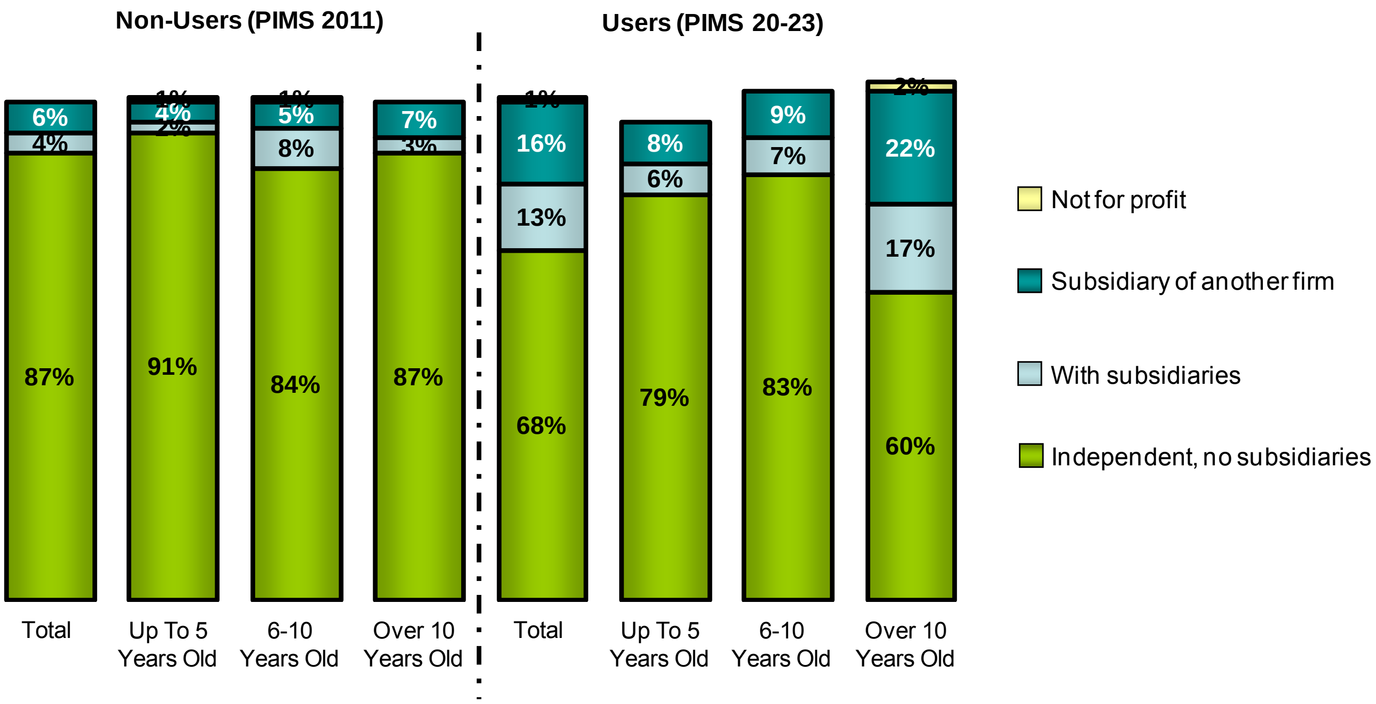
	Total		Up to 5 years		6-10 years		Over 10 years	
	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted
Base	*142*	*460*	*39*	*156*	*39*	*161*	*64*	*143*
Primary	1%	1%	5%	0%	0%	1%	0%	1%
Production	35%	28%	13%	25%	23%	25%	42%	29%
Construction	2%	2%	8%	5%	5%	2%	0%	1%
Services	63%	70%	74%	70%	72%	72%	58%	69%

4.5 Company Status & Ownership

4.5.1 Company Status

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

Figure 20: Company Status



Base: All respondents (Base, Don't know/Refused, Not yet trading)
Non-Users – Total (300, 2%, 0%) Up to 5 years old (99, 1%, 0%), 6-10 years old (100,2%, 0%), Over 10 years old (101, 3%, 0%)
Users – Total (3945, 1%, 2%), Up to 5 years old (952, 0%, 8%), 6-10 years old (664, 1%, 0%), Over 10 years old (2313, 1%,0%)

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

Overall, supported non-users are more likely to be subsidiaries of larger firms than is the case for unsupported non-users, with this difference particularly apparent for older firms that have been established for 10 years or more.

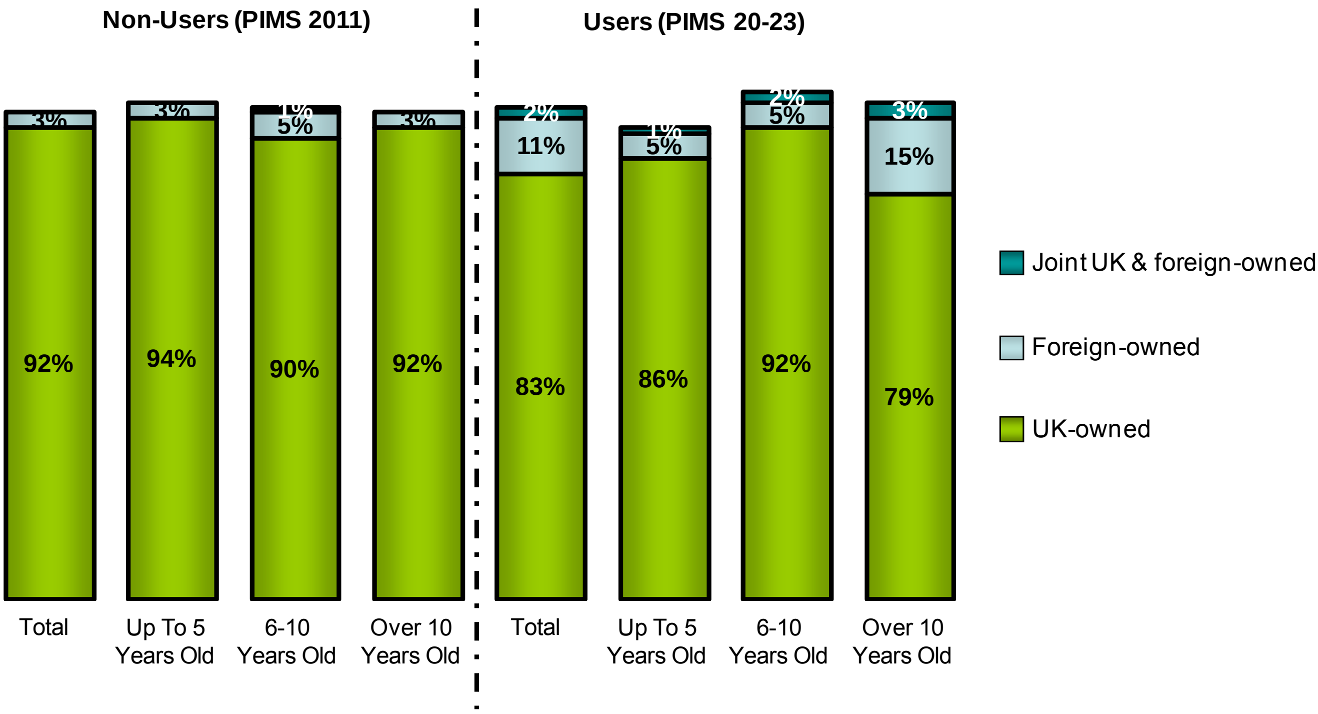
Figure 21: Company Status - Non-Users By Whether Supported (2010/2011 Combined)

	Total		Up to 5 years		6-10 years		Over 10 years	
	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted
Base	*142*	*460*	*39*	*156*	*39*	*161*	*64*	*143*
Independent, no subsidiaries	70%	88%	85%	90%	74%	85%	66%	88%
Business with subsidiaries	5%	4%	3%	3%	10%	6%	5%	3%
Subsidiary of another firm	22%	6%	10%	6%	13%	6%	26%	6%
Not for profit	0%	1%	0%	1%	0%	1%	0%	1%
Don't know	3%	1%	3%	0%	3%	2%	3%	1%

4.5.2 Company Ownership

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

Figure 22: Company Ownership



Base: All respondents (Base, Don't know/Refused, Not for profit/other business type, Not yet trading)
Non-Users – Total (300,4%,1%,0%), Up to 5 years old (99,1%,4%,0%) 6-10 years old (100,3%,1%,0%), Over 10 years old (101,5%,0%,0%)
Users – Total (3945,0%,2%,2%), Up to 5 years old (952,1%,0%,8%), 6-10 years old (664,0%,2%,0%), Over 10 years old (2313,0%,2%,0%)

Reflecting the fact that they tend to be independent firms rather than subsidiaries, the vast majority of non-user businesses are UK-owned. This is also true of UKTI users, although this latter group are comparatively more likely to be foreign owned (13% vs. 3% of non-users).

As seen below, supported non-users are significantly more likely to be foreign owned than unsupported non-users, and this is the case across all age bands.

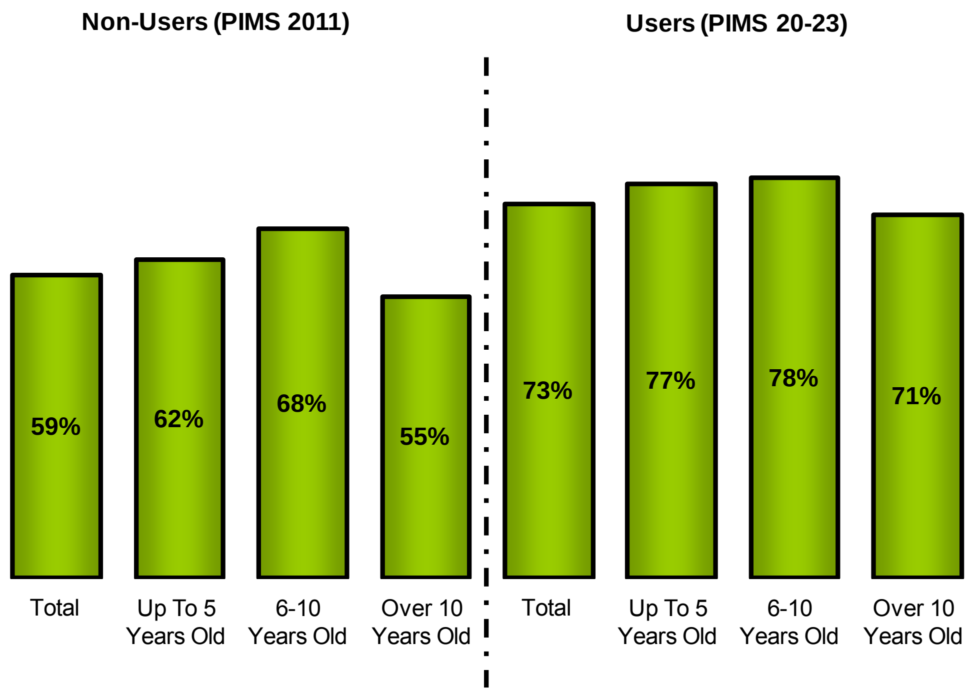
Figure 23: Company Ownership - Non-Users By Whether Supported (2010/2011 Combined)

	Total		Up to 5 years		6-10 years		Over 10 years	
	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted
Base	*142*	*460*	*39*	*156*	*39*	*161*	*64*	*143*
UK-owned	81%	93%	87%	95%	80%	93%	80%	93%
Foreign-owned	14%	4%	8%	3%	10%	4%	15%	3%
Joint UK & foreign-owned	1%	1%	3%	0%	3%	1%	0%	1%
Not for profit/ other business type	1%	1%	0%	2%	3%	2%	0%	1%
Don't know	4%	1%	3%	0%	7%	1%	5%	2%

4.6 Management Profile

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

Figure 24: At Least One Owner, Partner or Director With Degree Level Or Equivalent Qualifications



Base: All respondents (Base, Don't know/Refused, Not yet trading)
Non-Users – Total (300, 4%, 0%), Up to 5 years old (99, 4%, 0%) , 6-10 years ago (100, 2%, 0%), Over 10 years old (101, 5%, 0%)
Users – Total (3945, 11%, 2%), Up to 5 years old (952, 3%, 8%), 6-10 years old (664, 5%, 0%), Over 10 years old (2313, 15%,0%)

The majority of non-user firms have at least one owner, partner or director with degree level qualifications, although the proportion decreases slightly amongst older firms.

Users of UKTI trade development services are considerably more likely to have at least one highly-qualified member of the senior management team and, as seen below, the same is true of supported non-users. This suggests that firms with degree-level management are more inclined to seek out export assistance.

Figure 25: At Least One Owner, Partner or Director With Degree Level Or Equivalent Qualifications - Non-Users By Whether Supported (2010/2011 Combined)

	Total		Up to 5 years		6-10 years		Over 10 years	
	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted
Base	*142*	*460*	*39*	*156*	*39*	*161*	*64*	*143*
Yes	63%	56%	59%	56%	69%	61%	63%	54%
No	29%	40%	33%	41%	23%	36%	30%	42%
Don't know	8%	3%	8%	3%	8%	2%	8%	4%

4.7 Business Strategy

4.7.1 Business Planning

Non-user businesses were asked whether they had a current, written business plan and, if so, whether this plan contained any targets that specifically related to overseas sales. These results are shown in the following table, along with comparable results for users of UKTI support (only available from PIMS 22-23).

Figure 26: Business Planning

	Non-Users (PIMS 2011)				Users (PIMS 22-23)			
	Total	Up to 5 years	6-10 years	>10 years	Total	Up to 5 years	6-10 years	>10 years
Base	*300*	*99*	*100*	*101*	*1922*	*448*	*318*	*1147*
Current business plan	42%	47%	37%	43%	71%	75%	64%	72%
- With overseas targets	*21%*	*22%*	*19%*	*21%*	*56%*	*58%*	*45%*	*58%*
- No overseas targets	*18%*	*24%*	*16%*	*18%*	*13%*	*17%*	*16%*	*11%*
- Don't know	*3%*	*1%*	*2%*	*4%*	*3%*	*0%*	*3%*	*3%*
No current business plan	54%	49%	61%	52%	25%	24%	30%	24%
Don't know if have plan	4%	3%	2%	5%	4%	1%	6%	4%

Business planning appears to be much more prevalent amongst users of UKTI trade development services than non-users, with almost three-quarter of users having a business plan compared to just two-fifths of non-users. Furthermore, only a fifth of non-users have a plan that contains targets relating to overseas sales, whereas over half of UKTI clients indicated that this was the case.

With respect to differences between supported and unsupported non-user firms, the former are more likely to have a current written business plan and for it to contain overseas targets (although still significantly less likely than UKTI users).

Figure 27: Business Planning - Non-Users By Whether Supported (2010/2011 Combined)

	Total		Up to 5 years		6-10 years		Over 10 years	
	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted
Base	*142*	*460*	*39*	*156*	*39*	*161*	*64*	*143*
Current business plan	56%	40%	51%	49%	56%	39%	56%	37%
- With overseas targets	*32%*	*18%*	*38%*	*19%*	*21%*	*16%*	*34%*	*18%*
- No overseas targets	*18%*	*21%*	*13%*	*30%*	*33%*	*22%*	*16%*	*17%*
- Don't know	*5%*	*1%*	*0%*	*1%*	*3%*	*1%*	*6%*	*2%*
No current plan	40%	57%	46%	49%	41%	58%	39%	59%
Don't know if have plan	4%	3%	3%	2%	3%	4%	5%	4%

4.7.2 Business Focus

Firms were asked whether the key focus of their business at the time of interview was to maintain sales of their current products/services, increase sales of their current products/services or develop new products/services. Further clarification was then sought to establish whether this related to their existing markets or new markets.

Figure 28: Key Focus For The Business At This Time

	Non-Users (PIMS 2011)				Users (PIMS 16-19 Follow Up)			
	Total	Up to 5 years	6-10 years	>10 years	Total	Up to 5 years	6-10 years	>10 years
Base	*300*	*99*	*100*	*101*	*391*	*99*	*73*	*219*
Maintaining sales of current products/services	28%	15%	22%	35%	14%	5%	21%	17%
Increasing sales of current products/services	57%	67%	61%	53%	66%	68%	61%	66%
- In current markets	*22%*	*19%*	*22%*	*23%*	*21%*	*30%*	*13%*	*18%*
- In new markets	*7%*	*14%*	*10%*	*4%*	*23%*	*21%*	*20%*	*24%*
- In both	*28%*	*33%*	*29%*	*26%*	*22%*	*17%*	*27%*	*24%*
Developing new products/services	26%	19%	24%	29%	37%	41%	40%	35%
- For current markets	*6%*	*6%*	*7%*	*5%*	*12%*	*11%*	*4%*	*15%*
- For new markets	*3%*	*4%*	*3%*	*3%*	*9%*	*9%*	*18%*	*6%*
- For both	*17%*	*9%*	*14%*	*20%*	*17%*	*21%*	*17%*	*15%*
None of these	2%	3%	3%	1%	2%	4%	0%	2%
Don't know	0%	1%	0%	0%	0%	0%	0%	0%

Non-user businesses are generally fairly positive in their outlook, with over half (57%) focussing on increasing sales of their current products and services and a quarter (26%) concentrating on developing new products and services. Nonetheless, this does leave over a quarter (28%) of non-users that are merely looking to maintain sales of their current products and services, with this more likely to be the case amongst older firms.

In contrast, UKTI users tend to have more ambitious plans than non-users, with only 14% primarily focussing on maintaining sales rather than increasing sales or developing new products/services. This implies that accessing UKTI support encourages firms to be more dynamic in their growth aspirations, although of course it could also be the case that firms who are looking to expand are more inclined to seek out external support to help do this.

The following table provides a more detailed analysis of the business objectives of supported and unsupported non-users.

Figure 29: Key Focus For The Business At This Time – Non-Users By Whether Supported (2010/2011 Combined)

	Total		Up to 5 years		6-10 years		Over 10 years	
	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted
Base	*142*	*460*	*39*	*156*	*39*	*161*	*64*	*143*
Maintaining sales of current products/ services	33%	30%	16%	27%	41%	26%	34%	34%
Increasing sales of current products/ services	51%	56%	59%	62%	51%	59%	50%	52%
- In current markets	*17%*	*23%*	*16%*	*19%*	*13%*	*27%*	*19%*	*22%*
- In new markets	*8%*	*7%*	*10%*	*13%*	*13%*	*7%*	*6%*	*5%*
- In both	*26%*	*25%*	*33%*	*30%*	*26%*	*25%*	*25%*	*24%*
Developing new products/services	33%	25%	36%	19%	33%	21%	33%	28%
- For current markets	*7%*	*7%*	*18%*	*4%*	*3%*	*7%*	*6%*	*8%*
- For new markets	*7%*	*3%*	*3%*	*4%*	*8%*	*4%*	*8%*	*3%*
- For both	*19%*	*14%*	*15%*	*11%*	*23%*	*9%*	*19%*	*17%*
None of these	0%	2%	3%	2%	0%	3%	0%	1%
Don’t know	0%	0%	3%	0%	0%	0%	0%	0%

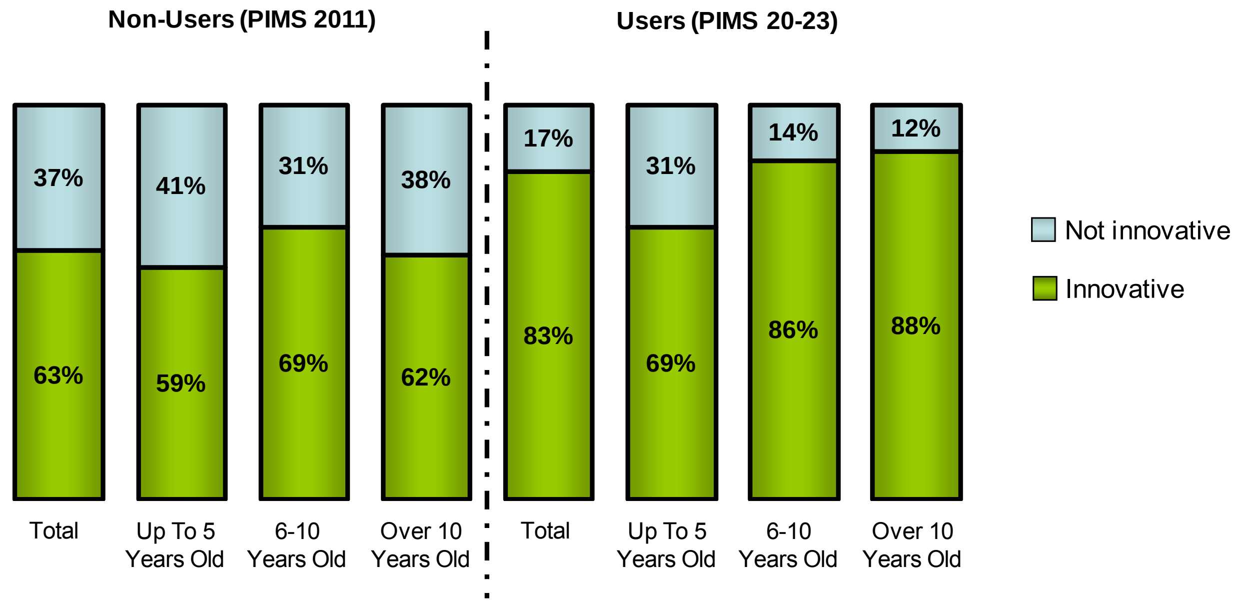
Overall, the current business objectives of supported and unsupported non-users are broadly similar, with just over half primarily focussing on increasing sales of their current products and services.

4.8 Innovation

4.8.1 'Innovative' Firms

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

Figure 30: Innovative Firms



Base: All respondents (Base)
Non-Users – Total (300), Up to 5 years old (99), 6-10 years old (100), Over 10 years old (101)
Users – Total (3945), Up to 5 years old (952), 6-10 years old (664), Over 10 years old (2313)

Innovation levels differ significantly between non-users and users, with just under two-thirds of non-users classified as being innovative, compared with over four-fifths of UKTI users.

Once again, supported non-user firms are closer in profile to UKTI users, and are significantly more likely to be innovative than their unsupported counterparts. This appears to be true across all age bands.

Figure 31: Innovative Firms - Non-Users By Whether Supported (2010/2011 Combined)

	Total		Up to 5 years		6-10 years		Over 10 years	
	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted
Base	*142*	*460*	*39*	*156*	*39*	*161*	*64*	*143*
Innovative	75%	59%	69%	55%	74%	59%	76%	61%

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

'Innovative' Firms

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

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

As detailed above, the 'introduced new products or services in the last 3 years' element is not used as an indicator of innovation for recently established firms (on the basis that all products/services sold by newly established firms could be classed as being 'new').

However, it should be noted that the omission of this element for new firms seems to be pulling down the innovation results for the 'Established up to 5 years' group of firms. The table below compares results for all firms established in the last 5 years with results for firms established 2-5 years (i.e. excluding those not asked the new products/services element of the innovation measure).

Figure 32: Innovative Firms – Excluding Those Established In Last 2 Years

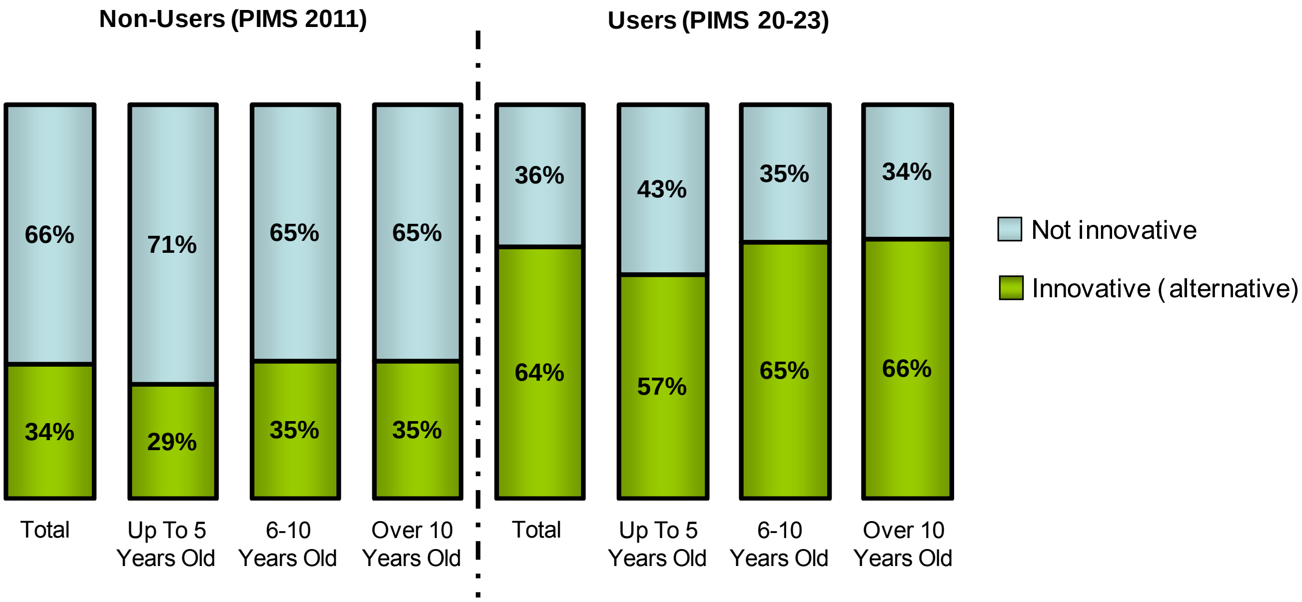
	Non-Users (PIMS 2011)		Users (PIMS 20-23)	
	0-5 years old	2-5 years old	0-5 years old	2-5 years old
Base	99	64	952	593
Innovative	59%	73%	69%	88%

When the innovation definition is recalculated to exclude firms established in the last 2 years, the results for both users and non-users increase significantly (to a level similar to that seen for older firms).

4.8.2 'Innovative' Firms (Alternative, Tighter Definition)

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

Figure 33: Innovative Firms (Alternative)



Base: All respondents (Base)
Non-Users – Total (300), Up to 5 years old (99), 6-10 years old (100), Over 10 years old (101)
Users – Total (3945), Up to 5 years old (952), 6-10 years old (664), Over 10 years old (2313)

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

Supported non-user firms are more likely than unsupported non-users to be classified as innovative, although they are still significantly less innovative than UKTI users.

Figure 34: Innovative Firms (Alternative) - Non-Users By Whether Supported (2010/2011 Combined)

	Total		Up to 5 years		6-10 years		Over 10 years	
	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted
Base	*142*	*460*	*39*	*156*	*39*	*161*	*64*	*143*
Innovative (alternative)	43%	30%	41%	24%	28%	29%	47%	31%

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

‘Innovative’ Firms (Alternative)

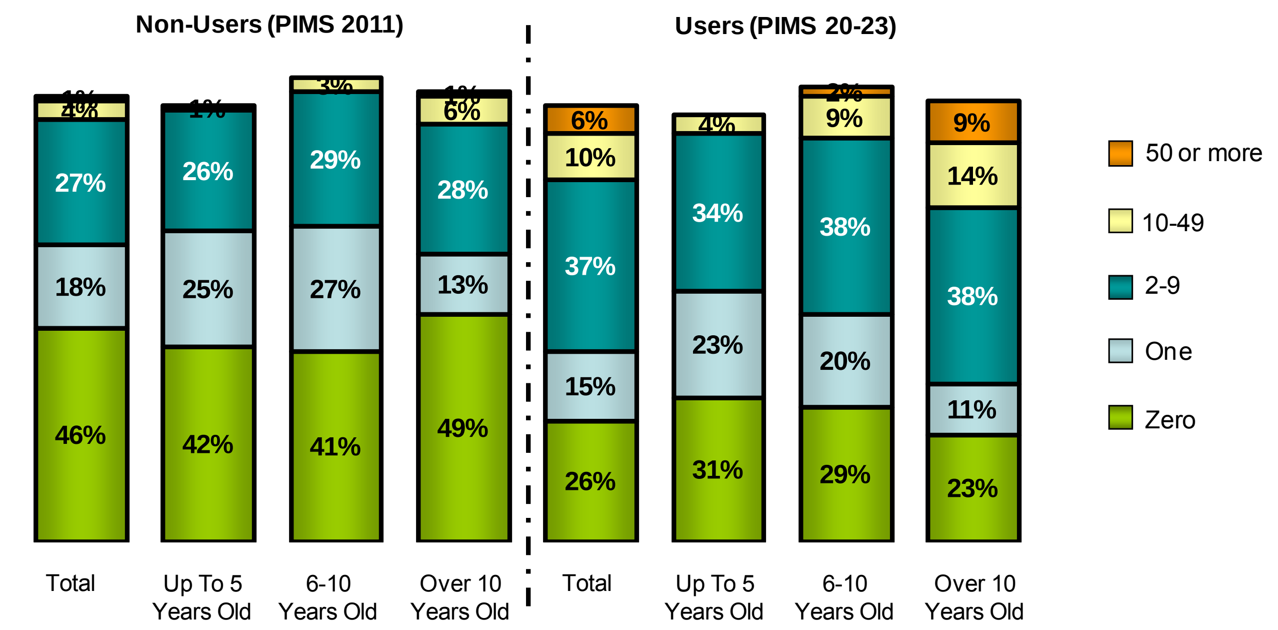
In the PIMS non-user survey and the PIMS user surveys, firms are classified as being ‘innovative’ under this alternative definition if…

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

4.8.3 Employees Engaged In R&D Activity

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

Figure 35: Number Of Employees Engaged In R&D Activity



Base: All respondents (Base, Don't know/Refused, Not yet trading)
Non-Users – Total (300, 3%, 0%), Up to 5 years old (99, 6%, 0%), 6-10 years old (100, 1%, 0%), Over 10 years old (101, 4%, 0%)
Users – Total (3945, 4%, 2%), Up to 5 years old (952, 1%, 8%), 6-10 years old (664, 3%, 0%), Over 10 years old (2313, 6%, 0%)

UKTI users are significantly more likely to have staff engaged in R&D than non-users, with 68% having at least one employee involved in these activities compared to only 51% of non-users.

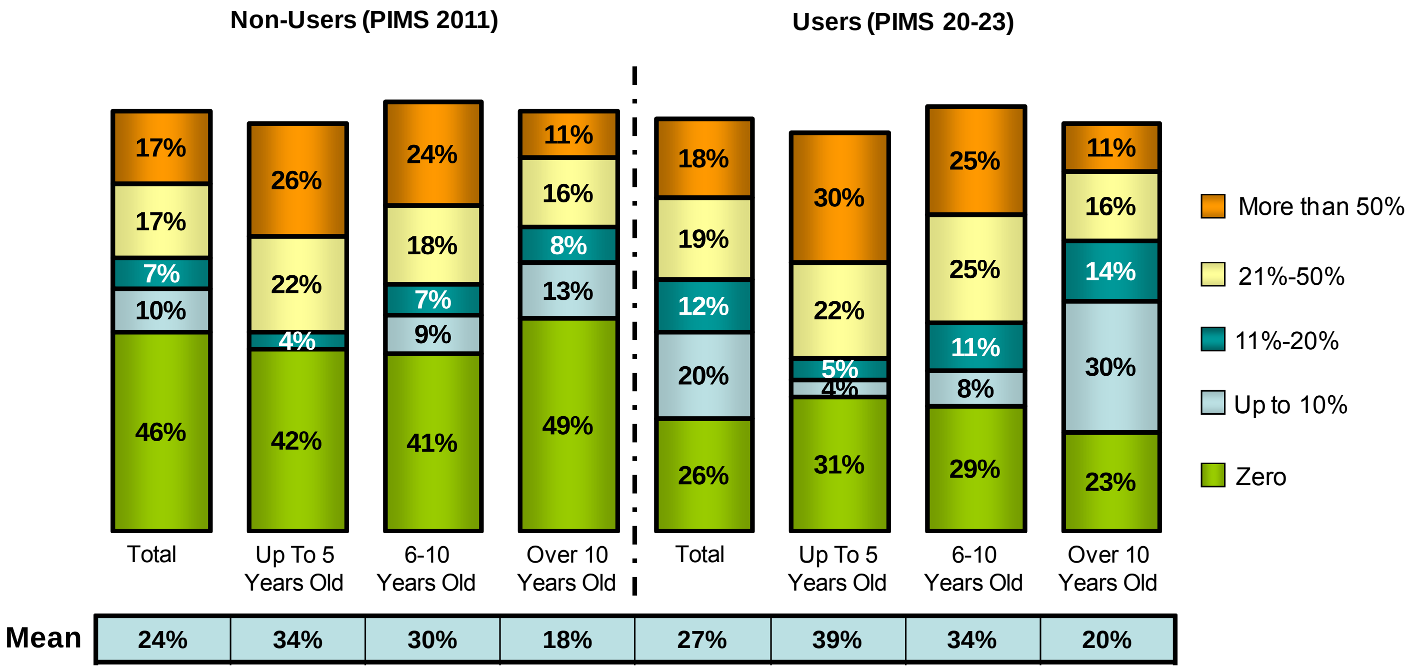
The table below demonstrates that supported non-users are considerably more likely to have employees involved in R&D than unsupported ones.

Figure 36: Number Of Employees Engaged In R&D Activity - Non-Users By Whether Supported (2010/2011 Combined)

	Total		Up to 5 years		6-10 years		Over 10 years	
	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted
Base	*142*	*460*	*39*	*156*	*39*	*161*	*64*	*143*
Zero	34%	55%	28%	45%	41%	55%	33%	58%
1	18%	19%	36%	24%	23%	20%	14%	17%
2-9	40%	20%	30%	26%	30%	22%	45%	18%
10-49	6%	3%	3%	0%	7%	2%	6%	4%
50+	0%	1%	3%	1%	0%	0%	0%	1%
Don't know	1%	3%	3%	6%	0%	2%	2%	3%

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

Figure 37: Proportion Of Employees Engaged In R&D Activity



Base: All respondents (Base, Don't know/Refused, Not Yet Trading)
Non-Users – Total (300, 3%, 0%), Up to 5 years old (99, 5%, 0%), 6-10 years old (100, 1%, 0%), Over 10 years old (101, 4%, 0%)
Users – Total (3945, 4%, 2%), Up to 5 years old (952, 1%, 8%), 6-10 years old (664, 3%, 0%), Over 10 years old (2313, 6%,0%)

Although UKTI users are more likely to have *any* staff engaged in R&D, there is actually little difference between users and non-users when it comes to the mean proportion of employees involved in these activities (27% and 24% respectively). Generally, the younger the firm the greater the proportion of their staff engaged in R&D, and this is true for both users and non-users of UKTI.

As seen below, supported non-users are more likely to have *any* employees involved in R&D, but similar proportions of supported and unsupported firms indicate that over 50% of their workforce is engaged in this type of activity.

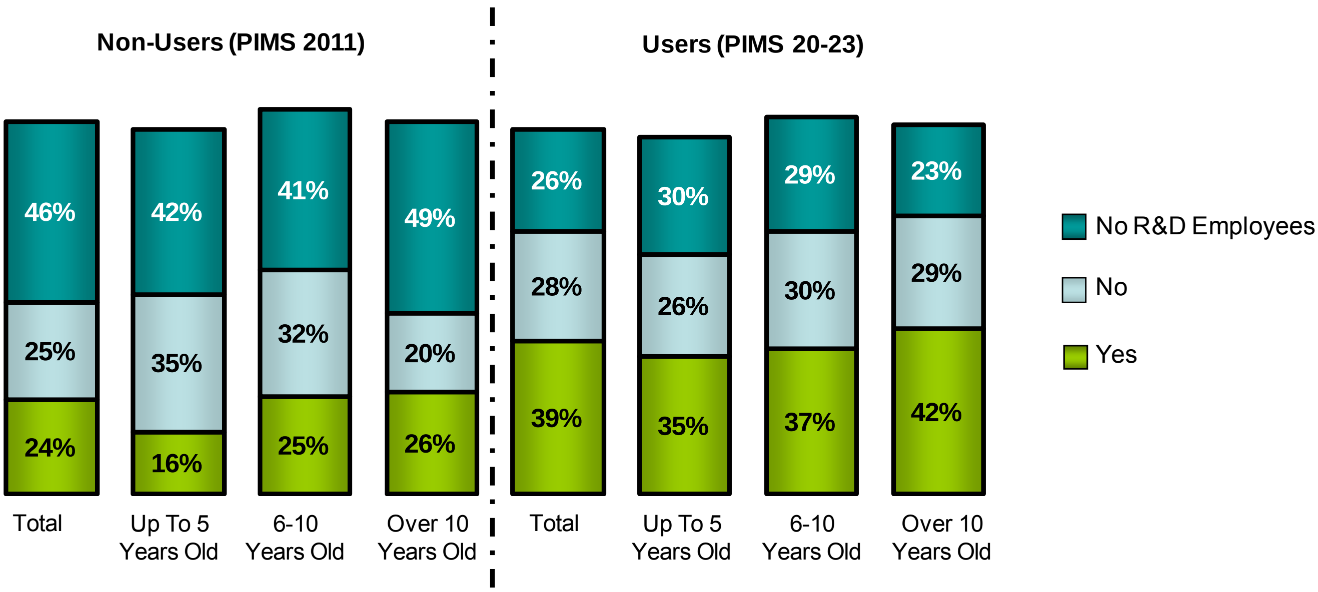
Figure 38: Proportion Of Employees Engaged In R&D Activity - Non-Users By Whether Supported (2010/2011 Combined)

	Total		Up to 5 years		6-10 years		Over 10 years	
	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted
Base	*142*	*460*	*39*	*156*	*39*	*161*	*64*	*143*
Zero	34%	55%	28%	45%	41%	55%	33%	58%
Up to 10%	20%	7%	8%	4%	13%	5%	23%	9%
11-20%	12%	9%	8%	9%	10%	7%	14%	9%
21-50%	19%	15%	23%	17%	23%	14%	17%	14%
More than 50%	14%	12%	31%	20%	13%	18%	11%	7%
Don't know	1%	3%	3%	5%	0%	1%	2%	3%

4.8.4 Employees Involved In Development Of Scientific/Technical Knowledge

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

Figure 39: Whether R&D Employees Are Involved In 'The Development Of Scientific Or Technical Knowledge That Isn't Commonly Available'



Base: All respondents (Base, Don't know/Refused, Not yet trading)
Non-Users – Total (300, 5%, 0%), Up to 5 years old (99, 8%, 0%), 6-10 years old (100, 3%, 0%), Over 10 years old (101, 6%, 0%)
Users – Total (3945, 5%, 2%), Up to 5 years old (952, 2%, 8%), 6-10 years old (664, 4%, 0%), Over 10 years old (2313, 6%, 0%)

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

Once again, those non-user firms that have accessed export related support (from a non-UKTI source) are more likely to be engaged in innovation activities than unsupported non-users and are similar to UKTI users in this regard.

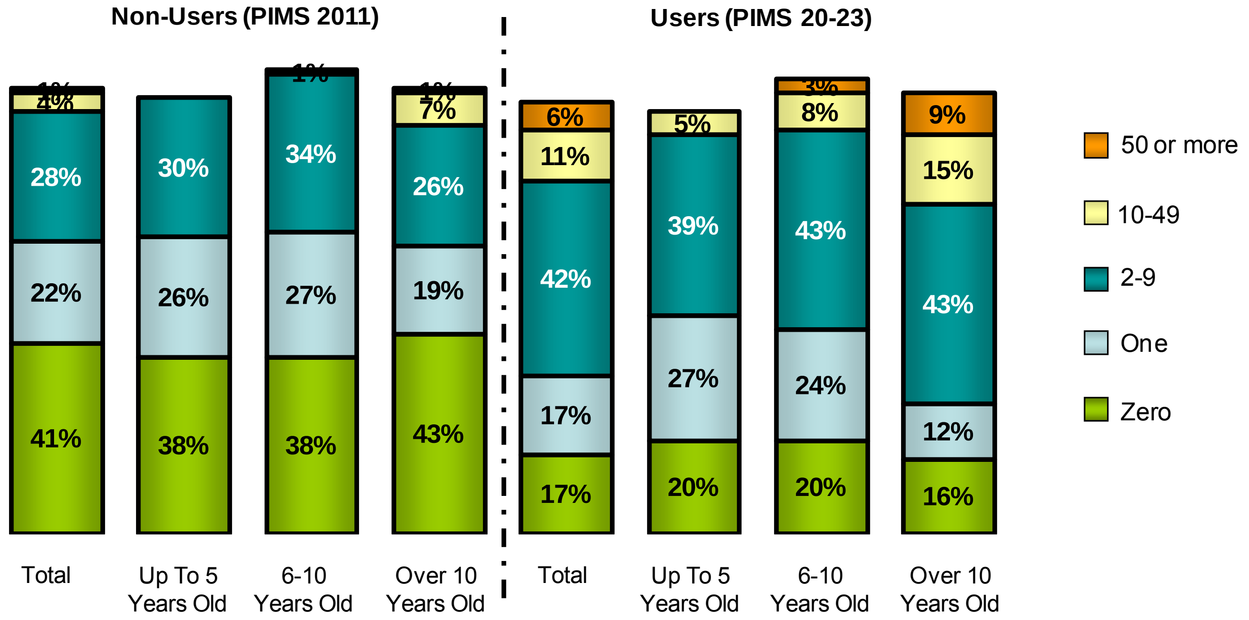
Figure 40: Whether R&D Employees Are Involved In Scientific Or Technical Knowledge That Isn't Commonly Available - Non-Users By Whether Supported (2010/2011 Combined)

	Total		Up to 5 years		6-10 years		Over 10 years	
	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted
Base	*142*	*460*	*39*	*156*	*39*	*161*	*64*	*143*
Yes	35%	17%	33%	12%	33%	17%	36%	18%
No	28%	24%	33%	37%	26%	26%	28%	20%
No R&D employees	34%	55%	28%	45%	41%	55%	33%	58%
Don't know	3%	4%	10%	6%	0%	2%	4%	5%

4.8.5 Employees Engaged In New Product Or Service Development

Non-user businesses were asked to indicate the number of their employees involved either wholly or partly in new product or service development. Comparative data has also been provided for users of UKTI support.

Figure 41: Number Of Employees Engaged In New Product Or Service Development



Base: All respondents (Base, Don't know/Refused, Not yet trading)
Non-Users – Total (300, 4%, 0%), Up to 5 years old (99, 6%, 0%), 6-10 years old (100, 0%, 0%), Over 10 years old (101, 5%, 0%)
Users – Total (3945, 4%, 2%), Up to 5 years old (952, 1%, 8%), 6-10 years old (664, 3%, 0%), Over 10 years old (2313, 6%, 0%)

A little over half of non-user firms have at least one employee engaged in new product or service development, compared to three quarters of UKTI users.

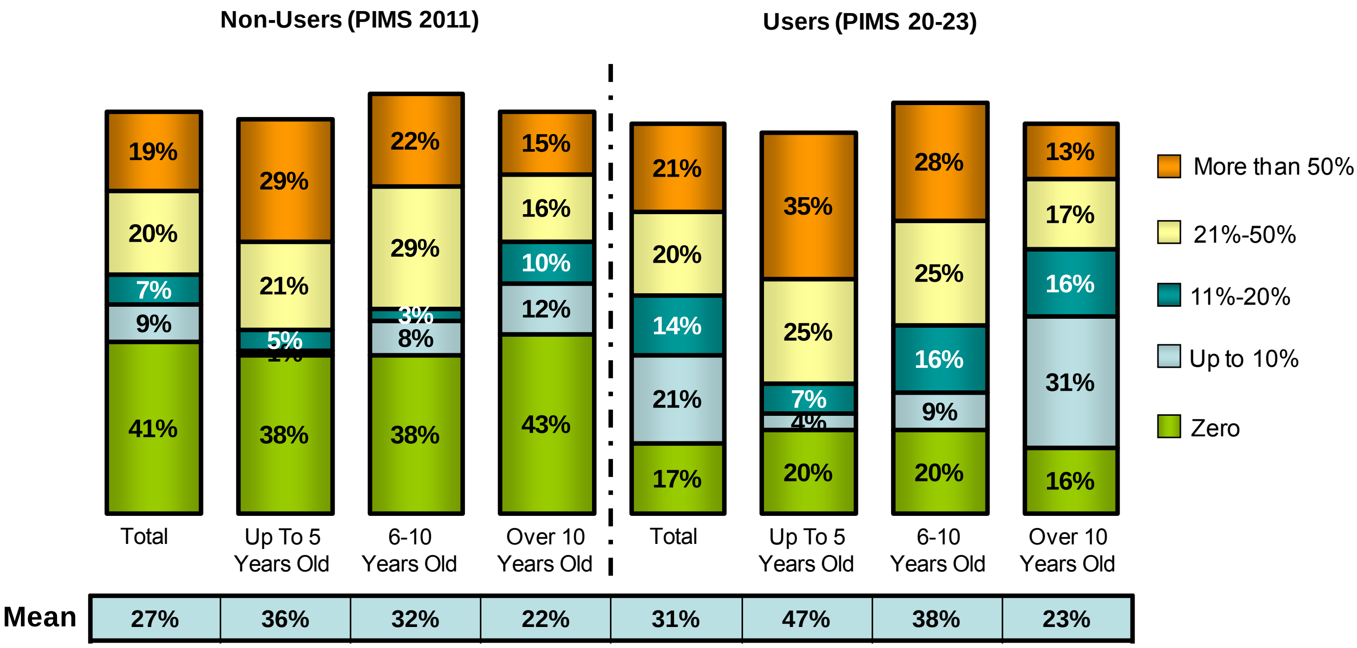
The table below indicates that supported non-user firms are significantly more likely to have employees engaged in new product or service development, although levels are still below those seen for UKTI clients.

Figure 42: Number Of Employees Engaged In New Product Or Service Development - Non-Users By Whether Supported (2010/2011 Combined)

	Total		Up to 5 years		6-10 years		Over 10 years	
	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted
Base	*142*	*460*	*39*	*156*	*39*	*161*	*64*	*143*
Zero	31%	46%	26%	39%	28%	48%	33%	47%
1	21%	20%	28%	23%	31%	24%	17%	18%
2-9	37%	27%	40%	32%	37%	27%	37%	25%
10-49	6%	4%	3%	0%	5%	1%	8%	6%
50+	1%	1%	3%	1%	0%	0%	0%	1%
Don't know	3%	3%	3%	6%	0%	1%	5%	3%

The chart below gives the same results, but displaying the number of employees engaged in product/service development as a *proportion* of all employees at the firm.

Figure 43: Proportion Of Employees Engaged In New Product Or Service Development



Base: All respondents (Base, Don't know/Refused, Not Yet Trading)
Non-Users – Total (300, 4%, 0%), Up to 5 years old (99, 5%, 0%), 6-10 years old (100, 0%, 0%), Over 10 years old (101, 5%, 0%)
Users – Total (3945, 5%, 2%), Up to 5 years old (952, 1%, 8%), 6-10 years old (664, 3%, 0%), Over 10 years old (2313, 7%, 0%)

As was seen for R&D employees, although UKTI users are more likely to have *any* staff engaged in new product or service development, when expressed as a mean proportion of all employees there is actually relatively little difference in this respect. On average, 31% of the workforce of UKTI users are engaged at least partly in NPD, compared to 27% for non-users.

Whilst supported non-users are more likely to have at least some employees engaged in product or service development, when unsupported non-users are doing this it tends to involve a fairly high proportion of their staff.

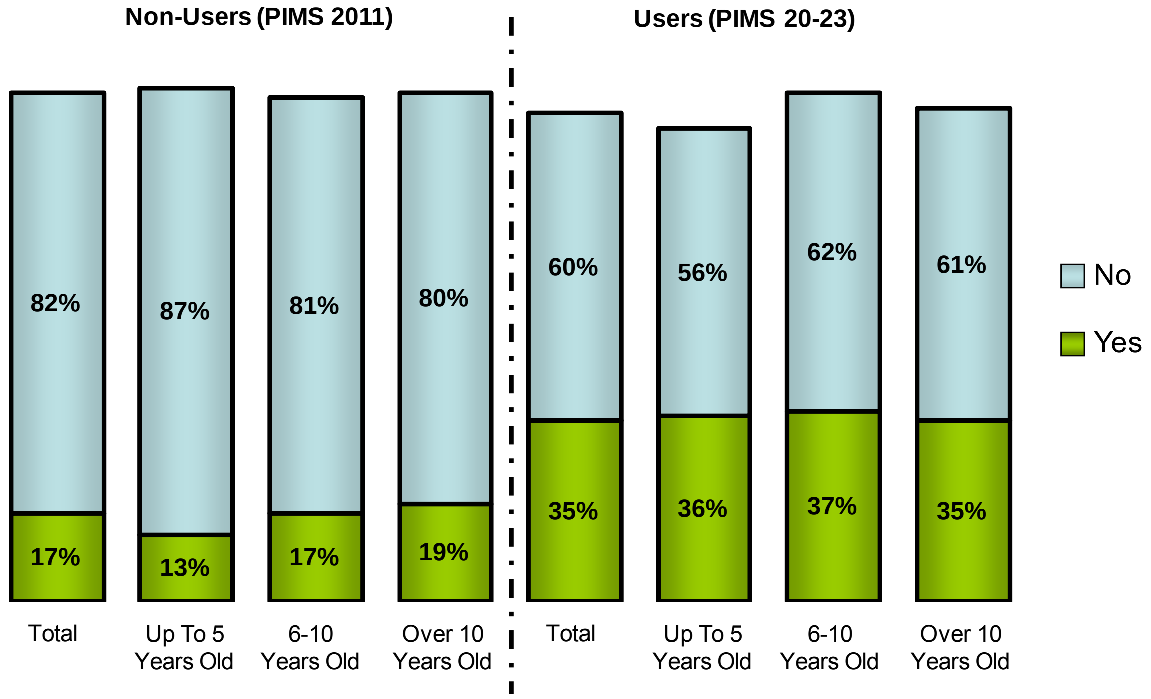
Figure 44: Proportion Of Employees Engaged In New Product Or Service Development - Non-Users By Whether Supported (2010/2011 Combined)

	Total		Up to 5 years		6-10 years		Over 10 years	
	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted
Base	*142*	*460*	*39*	*156*	*39*	*161*	*64*	*143*
Zero	31%	46%	26%	39%	28%	48%	33%	47%
Up to 10%	19%	6%	5%	3%	18%	6%	22%	8%
11-20%	12%	9%	13%	10%	10%	7%	12%	10%
21-50%	20%	18%	21%	18%	31%	19%	17%	18%
More than 50%	14%	17%	33%	24%	13%	20%	11%	14%
Don't know	4%	3%	3%	6%	0%	1%	5%	3%

4.8.6 External R&D Or New Product/Service Development

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

Figure 45: Whether Commissioned Any External R&D Or New Product/Service Development In The Last Year



Base: All respondents (Base, Don't know/Refused, Not Yet Trading)
Non-Users – Total (300, 1%, 0%), Up to 5 years old (99, 0%, 0%), 6-10 years old (100, 2%, 0%), Over 10 years old (101, 1%, 0%)
Users – Total (3945, 3%, 2%), Up to 5 years old (952, 0%, 8%), 6-10 years old (664, 2%, 0%), Over 10 years old (2313, 4%, 0%)

UKTI clients are twice as likely to have outsourced R&D or new product/service development than non-user firms.

There is also some indication that a greater proportion of supported non-users have commissioned external R&D or NPD than is the case for their unsupported counterparts, although this is not statistically significant. This difference is most apparent amongst young firms established in the last 5 years, and for this group the difference between supported and unsupported firms *is* statistically significant.

Figure 46: Whether Commissioned Any External R&D Or New Product/Service Development In The Last Year - Non-Users By Whether Supported (2010/2011 Combined)

	Total		Up to 5 years		6-10 years		Over 10 years	
	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted
Base	*142*	*460*	*39*	*156*	*39*	*161*	*64*	*143*
Yes	20%	14%	31%	13%	10%	14%	20%	15%
No	80%	85%	69%	87%	90%	85%	80%	84%
Don't know	0%	1%	0%	0%	0%	1%	0%	1%

4.8.7 New Products & Services

Non-user firms were asked whether they had introduced any new products or services over the last 3 years and, if so, whether these were just new to their business, new to their industry/sector or completely new to the world. The table summarises these results, along with comparative data for users of UKTI support.

Figure 47: Whether Introduced Any New Products Or Services Over The Last Three Years

	Non-Users (PIMS 2011)				Users (PIMS 20-23)			
	Total	Up to 5 years	6-10 years	>10 years	Total	Up to 5 years	6-10 years	>10 years
Base	*300*	*99*	*100*	*101*	*3945*	*952*	*664*	*2313*
Yes	53%	44%	60%	53%	71%	47%	79%	79%
- New to the business	*30%*	*26%*	*35%*	*29%*	*31%*	*17%*	*36%*	*35%*
- New to the sector	*10%*	*10%*	*9%*	*10%*	*14%*	*6%*	*16%*	*16%*
- New to the world	*8%*	*5%*	*10%*	*8%*	*13%*	*16%*	*17%*	*11%*
- Some new to world, some just new to business	*5%*	*2%*	*5%*	*6%*	*13%*	*7%*	*10%*	*16%*
No	40%	20%	40%	46%	18%	12%	20%	20%
Don’t know	1%	0%	0%	1%	1%	1%	1%	1%
Less than 3 yrs old	6%	35%	0%	0%	10%	41%	0%	0%

UKTI users are more likely to have introduced new products or services over the last 3 years than non-users. Furthermore, a quarter of users indicate that at least some of these products were completely ‘new to the world’, compared to just 13% of non-users.

However, as detailed below, supported non-users are much closer to UKTI users in this respect, with over two-thirds having introduced new products or services in the past 3 years.

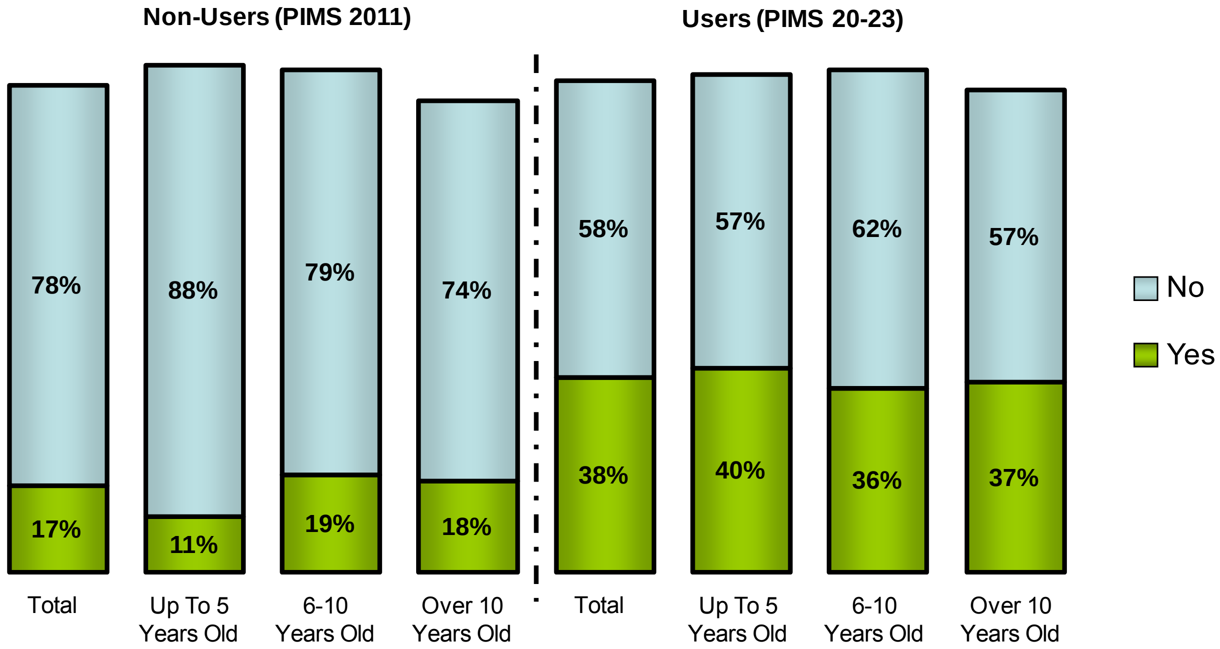
Figure 48: Whether Introduced Any New Products Or Services Over The Last Three Years - Non-Users By Whether Supported (2010/2011 Combined)

	Total		Up to 5 years		6-10 years		Over 10 years	
	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted
Base	*142*	*460*	*39*	*156*	*39*	*161*	*64*	*143*
Yes	69%	50%	49%	42%	72%	51%	72%	52%
- New to the business	*34%*	*29%*	*31%*	*26%*	*46%*	*29%*	*31%*	*29%*
- New to the sector	*16%*	*9%*	*18%*	*6%*	*18%*	*7%*	*16%*	*10%*
- New to the world	*13%*	*7%*	*0%*	*5%*	*5%*	*8%*	*17%*	*7%*
- Some new to world, some just new to business	*6%*	*4%*	*0%*	*3%*	*3%*	*6%*	*8%*	*4%*
No	26%	44%	15%	25%	26%	49%	28%	48%
Don’t know	0%	0%	0%	0%	3%	0%	0%	1%
Less than 3 yrs old	5%	6%	36%	33%	0%	0%	0%	0%

4.8.8 IP Protection

Non-user firms were asked whether they had applied for or obtained any patents, trademarks or other legal protection (either in the UK or overseas) for any of their products/services. Equivalent data has also been provided for UKTI users from the main PIMS surveys.

Figure 49: IP Active Firms (Hold Or Applied For Patents, Trademarks or Other Legal Protection)



Base: All respondents (Base, Don't know)
Non-Users – Total (300, 5%), Up to 5 years old (99, 1%), 6-10 years old (100, 2%), Over 10 years old (101, 8%)
Users – Total (3945, 4%), Up to 5 years old (952, 3%), 6-10 years old (664, 2%), Over 10 years old (2313, 6%)

Reflecting their generally lower involvement in innovation activities (as seen throughout this section of the report), non-users are significantly less likely than users to hold any IP protection. This difference is particularly apparent for young firms established in the last 5 years, with only 11% of non-users holding patents, trademarks or other legal protection compared to 40% of UKTI users in this age band.

Amongst non-users firms, those that have obtained some forms of export related support (from a non-UKTI source) are also more likely to be IP active.

Figure 50: IPP Market Coverage - Non-Users By Whether Supported (2010/2011 Combined)

	Total		Up to 5 years		6-10 years		Over 10 years	
	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted
Base	*142*	*460*	*39*	*156*	*39*	*161*	*64*	*143*
Yes	30%	15%	13%	8%	21%	12%	36%	19%
No	65%	82%	82%	92%	79%	85%	58%	77%
Don't know	5%	3%	5%	1%	0%	2%	6%	4%

Those firms that held IP protection were asked to give more details of the type of IPP held, whether it covered the UK or overseas markets, and also whether they held any 'triadic patents' (i.e. patents covering the USA, Japan and Europe).

It should be noted that this level of detail is only available for UKTI users from the Internationalisation Survey, and as a result the user data in the table below does not exactly match that in the preceding chart (which is based on the main PIMS 20-23 surveys). However, the PIMS and Internationalisation surveys are consistent in that they each report that 38% of UKTI users are IP active.

Figure 51: Type & Coverage Of IP Protection

	Non-Users (PIMS 2011)				Users (2011 Internationalisation)			
	Total	Up to 5 years	6-10 years	>10 years	Total	Up to 5 years	6-10 years	>10 years
Base	*300*	*99*	*100*	*101*	*248*	*46*	*76*	*126*
Type of IP Protection								
Patents	7%	5%	7%	8%	20%	24%	16%	21%
Trademarks	10%	8%	11%	10%	22%	20%	28%	21%
Other IP protection	5%	0%	5%	7%	12%	11%	16%	10%
Not IP active	83%	89%	81%	82%	62%	61%	62%	62%
Geographical Coverage of IP Protection								
UK only	6%	4%	6%	6%	7%	13%	7%	6%
Overseas only	1%	0%	1%	1%	2%	4%	1%	2%
Both	11%	7%	12%	11%	29%	22%	29%	30%
Not IP active	83%	89%	81%	82%	62%	61%	62%	62%
Triadic Patents								
Yes	2%	0%	3%	3%	5%	11%	4%	5%
No	98%	100%	97%	97%	95%	89%	96%	95%

UKTI users are more likely to hold each type of IP protection. For both groups, the majority of firms with IP protection indicate that this covers both the UK and overseas markets. However, only a small minority of firms hold triadic patents (2% of non-users vs. 5% of UKTI users).

The table below provides similar analysis by supported and unsupported non-users. Please note that the data on the type of IP Protection held is only available from the 2011 Non-User survey (hence the proportion classed as 'Not IP Active' differs from that shown in the geographical coverage analysis).

Figure 52: IPP Market Coverage - Non-Users By Whether Supported (2010/2011 Combined)

	Total		Up to 5 years		6-10 years		Over 10 years	
	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted
Base	*142*	*460*	*39*	*156*	*39*	*161*	*64*	*143*
Type of IP Protection								
Patents	8%	7%	16%	3%	0%	8%	8%	8%
Trademarks	17%	8%	11%	8%	12%	11%	20%	7%
Other IP protection	5%	5%	0%	0%	0%	6%	8%	7%
Not IP active	80%	84%	79%	91%	82%	81%	80%	83%
Geographical Coverage of IP Protection								
UK only	6%	5%	5%	3%	5%	4%	6%	6%
Overseas only	1%	1%	0%	0%	0%	1%	2%	1%
Both	23%	9%	8%	5%	15%	7%	28%	12%
Not IP active	70%	85%	87%	92%	79%	88%	64%	81%
Triadic Patents								
Yes	5%	3%	0%	0%	3%	2%	6%	5%
No	95%	97%	100%	100%	97%	98%	94%	95%

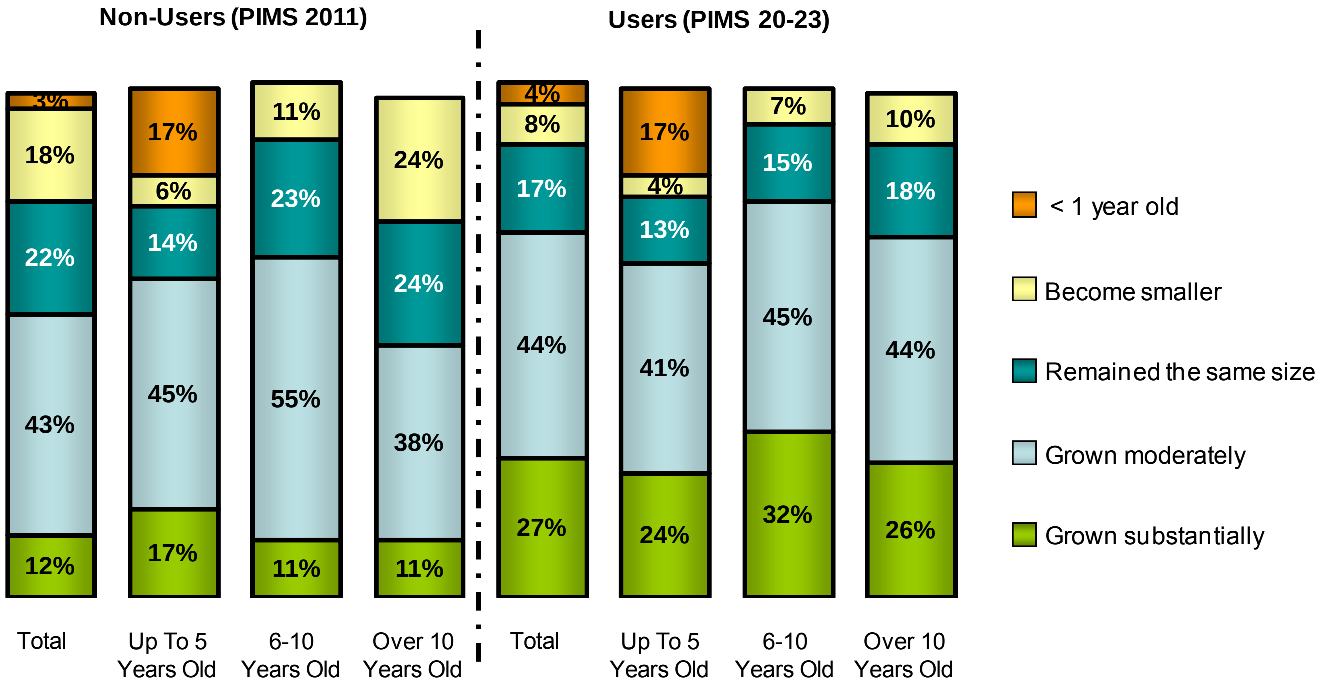
Supported non-users are more likely to have trademarks than unsupported firms, and are also more likely to hold IP protection that covers overseas markets.

4.9 Growth

4.9.1 Recent Growth

The following chart shows the growth of non-user firms over the last 5 years, along with comparative data for users of UKTI support (from PIMS).

Figure 53: Growth Over Last Five Years For Business As A Whole



Base: All respondents (Base, Don't know/Refused)
Non-Users – Total (300, 2%), Up to 5 years old (99, 0%), 6-10 years old (100, 0%), Over 10 years old (101, 4%)
Users – Total (3945, 1%), Up to 5 years old (952, 1%), 6-10 years old (664, 1%), Over 10 years old (2313, 2%)

UKTI users demonstrate significantly higher recent growth than is the case for non-users, with 71% of the former indicating that they have grown over the past 5 years compared to just 55% of non-users.

In particular, UKTI users are more likely to have experienced 'substantial growth'. This suggests that UKTI support is helping firms to grow, although it could also be the case that growing firms are more inclined to seek out external support.

As detailed below, supported firms non-users are significantly more likely to have grown substantially over the past five years than unsupported ones.

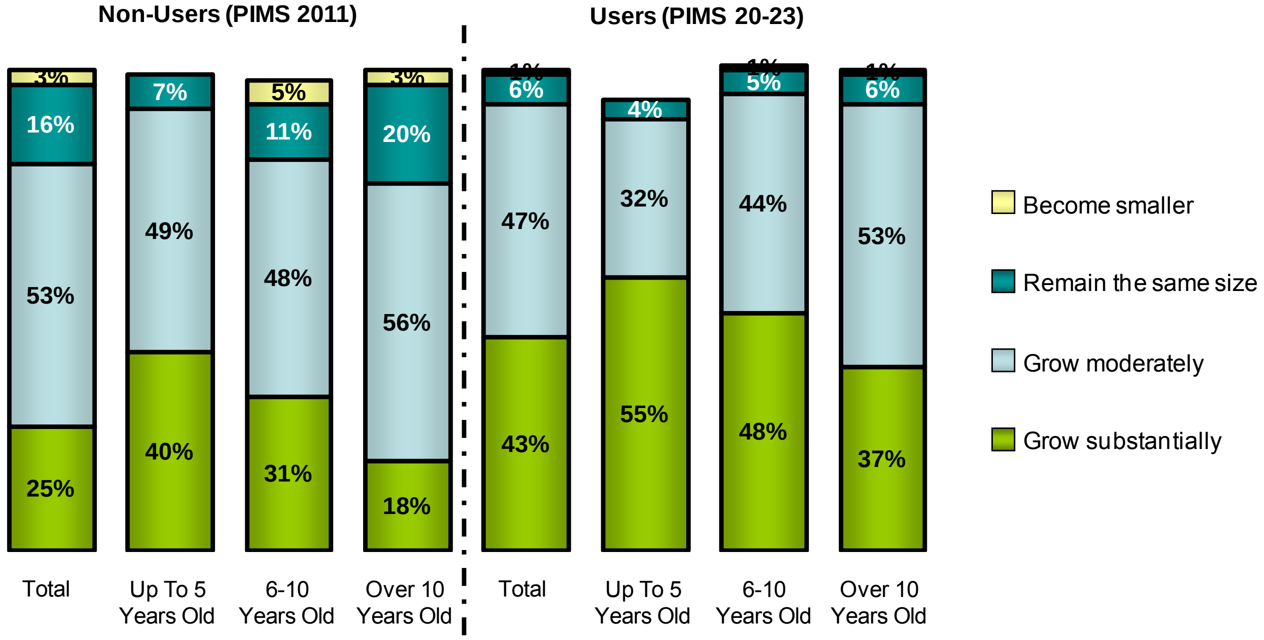
Figure 54: Growth Over Last Five Years For Business As A Whole - Non-Users By Whether Supported (2010/2011 Combined)

	Total		Up to 5 years		6-10 years		Over 10 years	
	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted
Base	*142*	*460*	*39*	*156*	*39*	*161*	*64*	*143*
Grown substantially	19%	9%	23%	15%	26%	10%	17%	7%
Grown moderately	42%	43%	41%	45%	41%	47%	42%	40%
Remained same	19%	26%	15%	14%	23%	25%	19%	30%
Become smaller	15%	18%	3%	9%	10%	17%	19%	21%
< 1 year old	2%	3%	18%	15%	0%	0%	0%	0%
Don't know	2%	2%	0%	1%	0%	1%	3%	2%

4.9.2 Current Growth Objectives

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

Figure 55: Growth Objectives Over Next 5 Years For Business As A Whole



Base: All respondents (Base, Don't know/Refused, Not yet trading)
Non-Users – Total (300, 3%, 0%), Up to 5 years old (99, 4%, 0%), 6-10 years old (100, 5%, 0%), Over 10 years old (101, 3%, 0%)
Users – Total (3945, 3%, 2%), Up to 5 years old (952, 1%, 8%), 6-10 years old (664, 3%, 0%), Over 10 years old (2313, 3%, 0%)

In addition to being less likely to have experienced growth over the last 5 years, non-user businesses are also less optimistic about their growth prospects for the next five years. Although the majority expect some level of growth, they are much less likely to be anticipating 'substantial' growth.

Whilst an identical proportion of supported and unsupported non-users expect to grow over the next 5 years, the former are significantly more likely to predict that this will be 'substantial'.

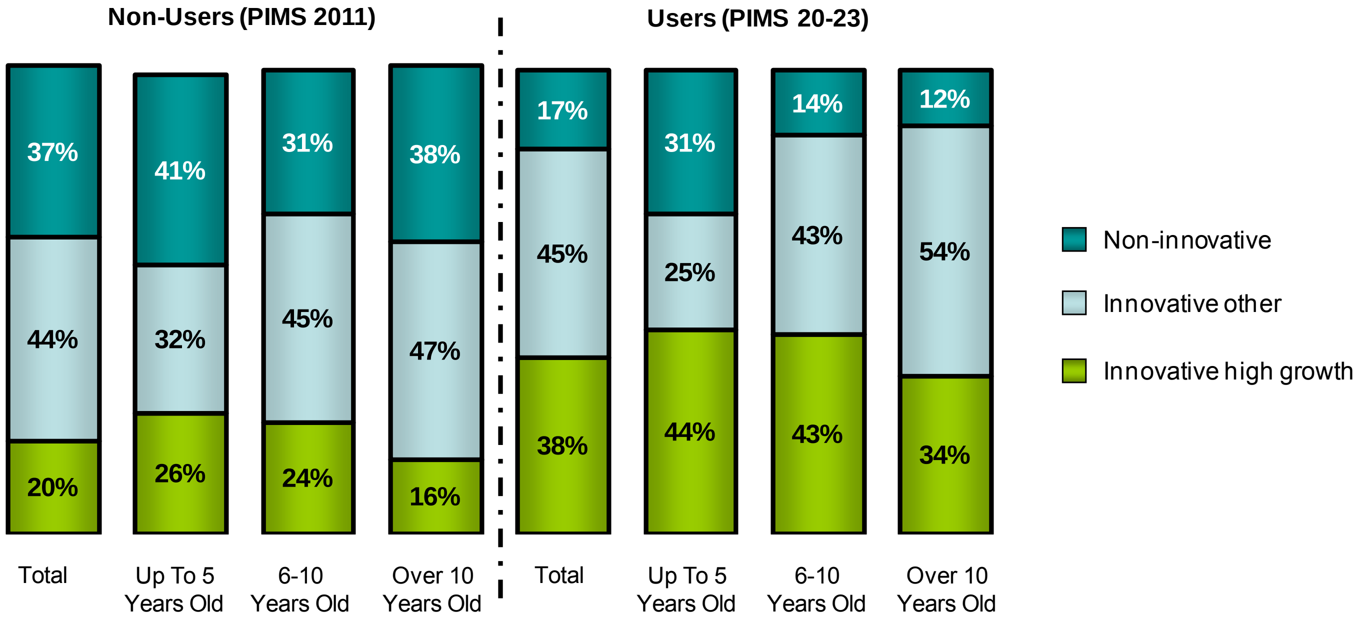
Figure 56: Growth Objectives Over Next 5 Years For Business As A Whole - Non-Users By Whether Supported (2010/2011 Combined)

	Total		Up to 5 years		6-10 years		Over 10 years	
	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted
Base	*142*	*460*	*39*	*156*	*39*	*161*	*64*	*143*
Grow substantially	31%	21%	38%	36%	38%	22%	28%	15%
Grow moderately	47%	57%	49%	51%	44%	52%	47%	61%
Remain same	18%	14%	8%	8%	13%	18%	20%	15%
Become smaller	2%	5%	0%	2%	5%	4%	2%	6%
Don't know	3%	3%	10%	2%	0%	4%	4%	2%

4.9.4 'Innovative High Growth' Firms

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

Figure 57: 'Innovative High Growth' Firms



Base: All respondents (Base)
Non-Users – Total (300), Up to 5 years old (99), 6-10 years old (100), Over 10 years old (101)
Users – Total (3945), Up to 5 years old (952), 6-10 years old (664), Over 10 years old (2313)

UKTI appears to support a disproportionally high number of innovative high growth firms, with users almost twice as likely to be classified in this way as non-users. However, there are clearly still significant numbers of innovative high growth firms that UKTI do not reach, with 20% of non-users meeting this definition.

As seen below, a significant proportion of the innovative high growth firms that are *not* accessing UKTI support are using alternative sources of export-related assistance instead, with 28% of supported non-users classified as innovative high growth compared to just 15% of unsupported ones. This suggests that many innovative high growth firms do have an appetite/need for export support, and this need could potentially be met by UKTI if they can be reached.

Figure 58: 'Innovative High Growth' Firms - Non-Users By Whether Supported (2010/2011 Combined)

	Total		Up to 5 years		6-10 years		Over 10 years	
	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted
Base	*142*	*460*	*39*	*156*	*39*	*161*	*64*	*143*
Innovative high growth	28%	15%	31%	21%	31%	15%	27%	13%
Innovative other	47%	45%	38%	34%	44%	44%	50%	48%
Non-innovative	25%	41%	31%	45%	26%	41%	24%	39%

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

'Innovative High Growth' Firms

'Innovative high growth' firms are those that…

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

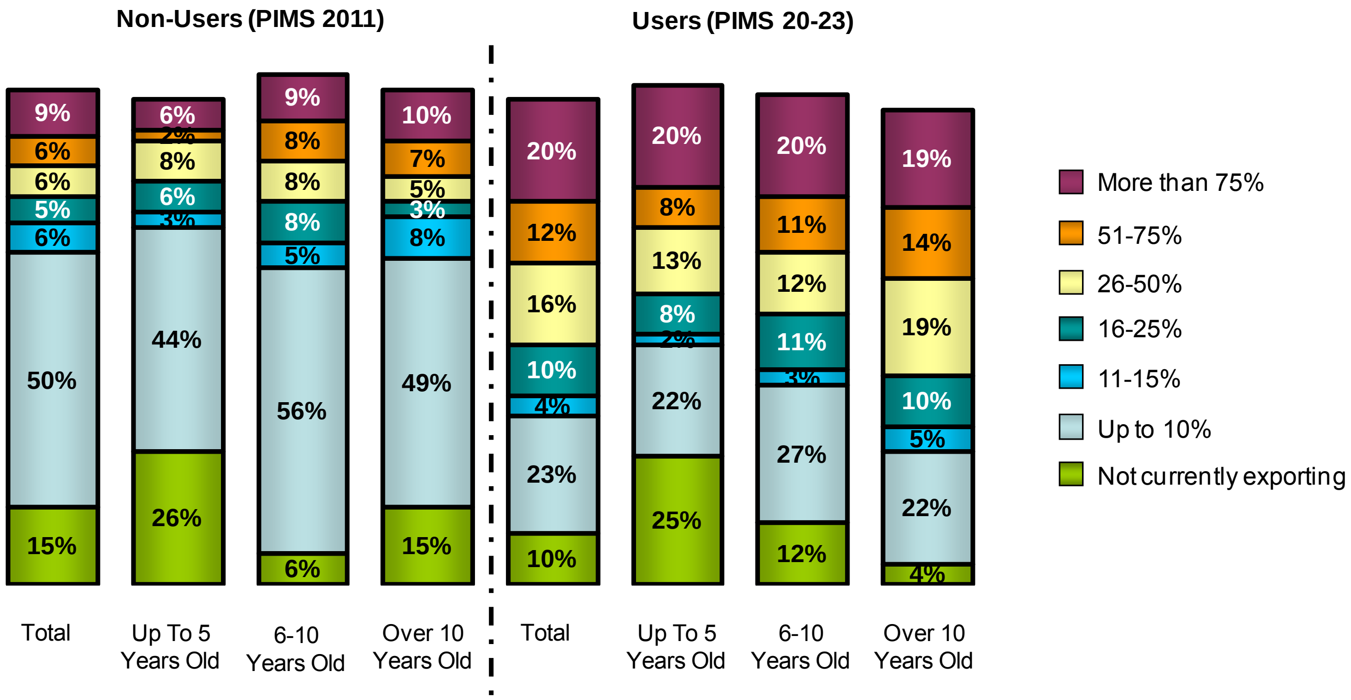
5. Export Strategy

5.1 Export Volume

5.1.1 Current Export Volume

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

Figure 59: Percentage Of Turnover Accounted For By Overseas Sales



Base: All respondents (Base, Don't know/Refused)
Non-Users – Total (300, 3%), Up to 5 years old (99, 5%), 6-10 years old (100, 1%), Over 10 years old (101, 3%)
Users – Total (3945, 6%), Up to 5 years old (952, 2%), 6-10 years old (664, 4%), Over 10 years old (2313, 7%)

Overseas sales appear to be more important to UKTI users than non-users, in the sense that the former indicate that these account for a greater proportion of their overall sales. Two-thirds of non-users report that exports contribute less than 10% of their total turnover, compared to only a third of users.

It is also interesting to note that amongst non-users there is relatively little difference in export turnover by age of firm, but for users the importance of overseas sales (in terms of their contribution to total turnover) increases amongst more long established firms.

As seen below, supported non-users tend to be more engaged exporters, with overseas sales accounting for a greater proportion of their turnover than is the case for unsupported non-users. However, they still appear to be less intensive exporters than UKTI users.

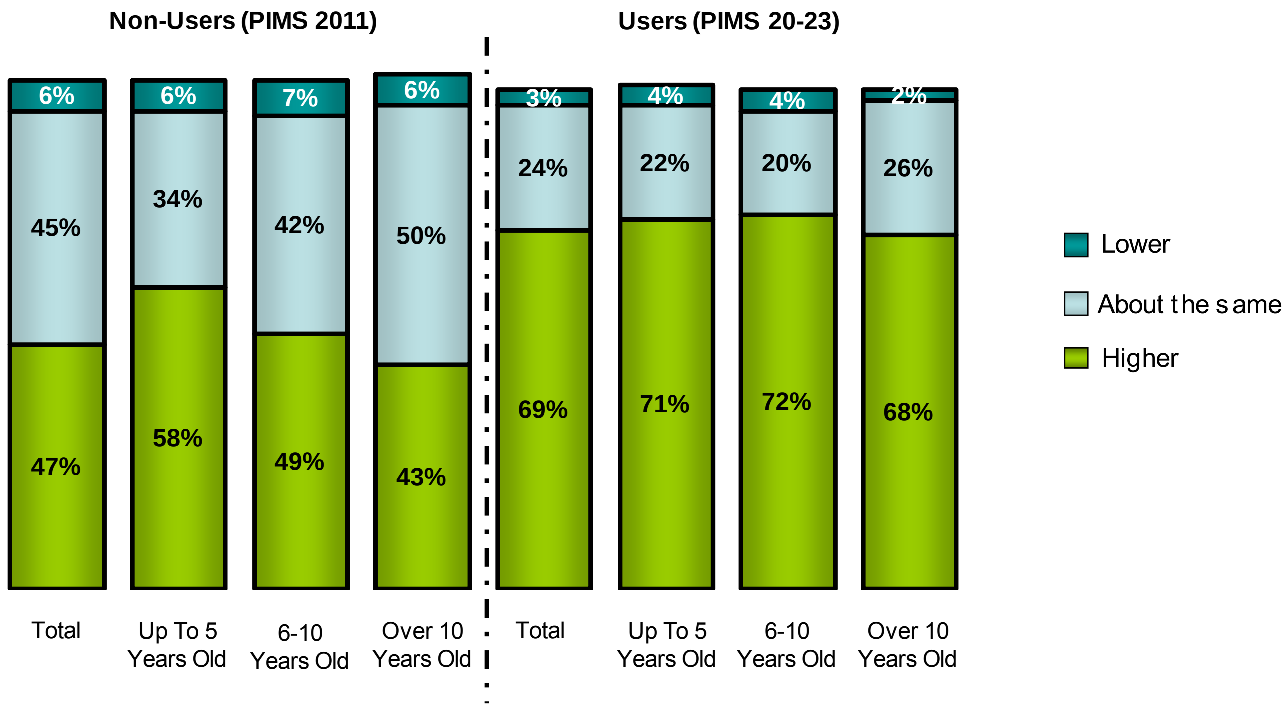
Figure 60: Percentage Of Turnover Accounted For By Overseas Sales - Non-Users By Whether Supported (2010/2011 Combined)

	Total		Up to 5 years		6-10 years		Over 10 years	
	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted
Base	*142*	*460*	*39*	*156*	*39*	*161*	*64*	*143*
Not exporting	3%	14%	10%	22%	5%	12%	2%	12%
Up to 10%	42%	50%	50%	46%	44%	53%	39%	51%
11-15%	6%	5%	0%	3%	3%	4%	8%	6%
16-25%	8%	7%	8%	7%	10%	6%	8%	8%
26-50%	12%	9%	10%	11%	18%	9%	11%	8%
51-75%	11%	5%	0%	4%	8%	7%	14%	4%
Over 75%	14%	7%	18%	4%	13%	7%	14%	8%
Don’t know	4%	3%	10%	4%	0%	1%	5%	4%

5.1.2 Anticipated Export Volume In 3 Years Time

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

Figure 61: Anticipated Change In Percentage Of Turnover Accounted For By Overseas Sales Over Next Three Years



Base: All respondents (Base, Don't know/Refused)
Non-Users – Total (300, 2%), Up to 5 years old (99, 2%), 6-10 years old (100, 2%), Over 10 years old (101, 2%)
Users – Total (3945, 4%), Up to 5 years old (952, 3%), 6-10 years old (664, 3%), Over 10 years old (2313, 4%)

Non-users of UKTI appear to be considerably less optimistic/ambitious when it comes to overseas growth, with a little under half expecting overseas sales to account for a greater proportion of their turnover in 3 years time, compared to around two-thirds of users. This difference is apparent irrespective of age of firm.

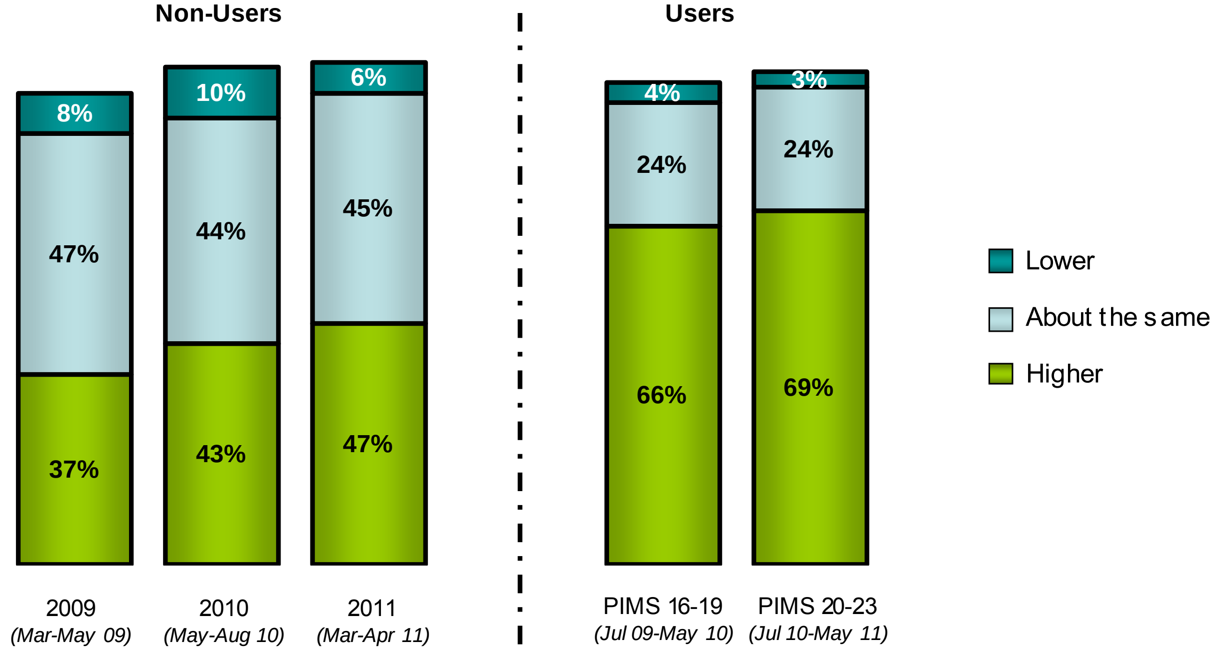
Although it is not statistically significant, it does appear that supported non-users are more likely to anticipate an increase in their export turnover.

Figure 62: Anticipated Change In Percentage Of Turnover Accounted For By Overseas Sales Over Next Three Years - Non-Users By Whether Supported (2010/2011 Combined)

	Total		Up to 5 years		6-10 years		Over 10 years	
	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted
Base	*142*	*460*	*39*	*156*	*39*	*161*	*64*	*143*
Higher	51%	42%	59%	46%	51%	39%	50%	43%
About the same	37%	47%	28%	46%	28%	48%	41%	48%
Lower	9%	7%	3%	8%	21%	7%	8%	7%
Don't know	2%	3%	10%	1%	0%	6%	2%	3%

The chart below tracks how responses to this question have changed over time. Please note that comparable data is only available for the last 3 years of the non-user survey, and the last 2 years of the main PIMS user survey.

Figure 63: Anticipated Change In Percentage Of Turnover Accounted For By Overseas Sales Over Next Three Years – Over Time



Base: All respondents (Base, Don't know/Refused)
Non-Users – 2009 (300, 7%), 2010 (302, 4%) , 2011 (300, 2%)
Users – PIMS 16-19 (3984, 6%), PIMS 20-23 (3945, 4%)

The proportion of non-user firms expecting the proportion of their turnover accounted for by exports to increase has risen steadily over the last 2 years, and there has also been a small (but statistically significant) rise amongst UKTI users. This suggests that internationalising firms are increasingly positive about their overseas prospects, perhaps due to a perception that the global economic situation is improving.

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

Figure 64: How Increase In Export Turnover Will Be Achieved

	Non-Users (PIMS 2011)				Users (PIMS 22-23)			
	Total	Up to 5 years	6-10 years	>10 years	Total	Up to 5 years	6-10 years	>10 years
Base	*300*	*99*	*100*	*101*	*1192*	*448*	*318*	*1147*
Entering new markets	10%	16%	12%	7%	23%	34%	29%	17%
Expanding in existing markets	16%	11%	13%	18%	10%	10%	11%	9%
Both	21%	30%	24%	18%	38%	29%	33%	43%
Not expecting growth in export turnover	53%	42%	51%	57%	29%	27%	26%	30%

For both users and non-users, those firms expecting to see growth in export turnover were most likely to believe this would come from a combination of increases to the extensive margins (i.e. entering new markets) and the intensive margins (i.e. expanding in current markets). However, it is interesting to note that non-users were more likely to expect growth through increased sales to existing markets than by entering new markets, whereas the opposite was true for UKTI users.

The table below provides further analysis by supported and unsupported non-users. Please note that data is only available from the 2011 non-user survey, and base sizes are therefore low for some of the groups in this table.

Figure 65: How Increase In Export Turnover Will Be Achieved - Non-Users By Whether Supported (2011 Only)

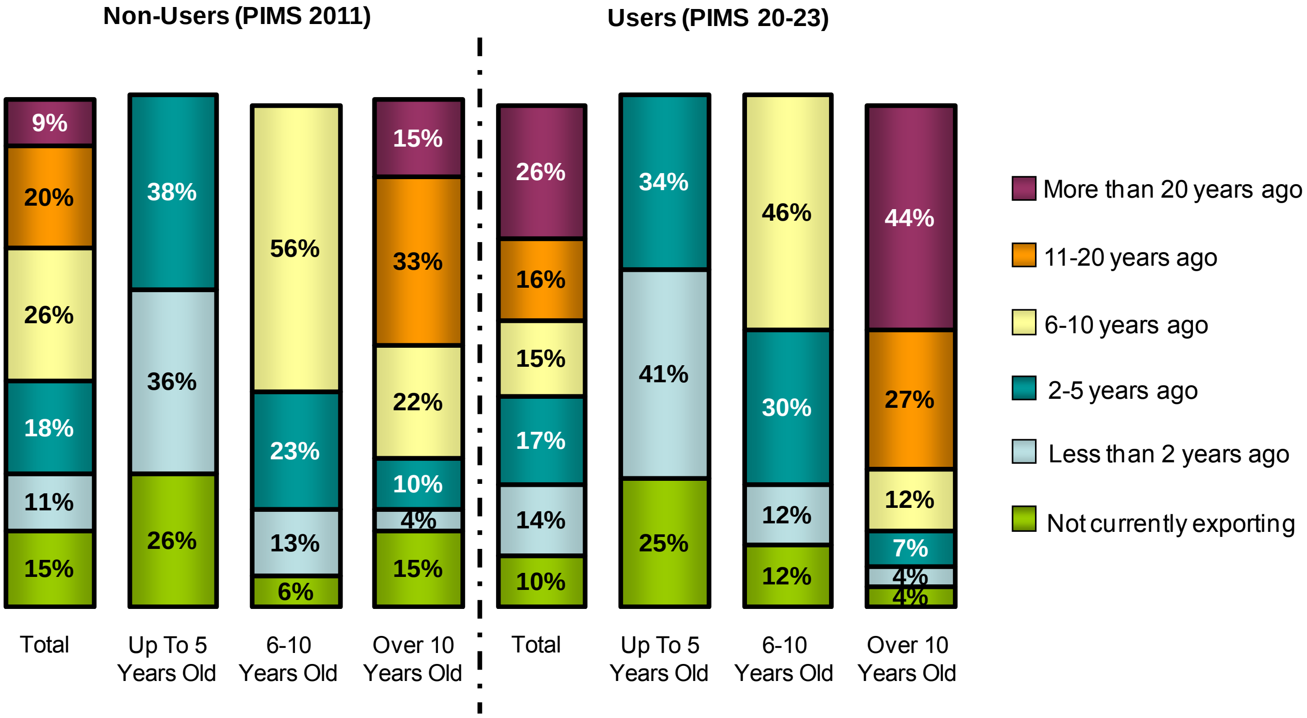
	Total		Up to 5 years		6-10 years		Over 10 years	
	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted
Base	*61*	*239*	*19*	*80*	*17*	*83*	*25*	*76*
Entering new markets	2%	12%	16%	16%	0%	14%	0%	9%
Expanding in existing markets	7%	18%	5%	13%	6%	14%	8%	21%
Both	43%	15%	47%	26%	53%	18%	40%	11%
Not expecting growth in export turnover	47%	55%	32%	45%	41%	53%	52%	59%

Even though the base sizes are low, it is clear that non-user firms that have obtained some form of external export-related support are considerably more likely to increase their overseas turnover by a combination of entering new markets and expanding in existing markets.

5.2 Length Of Time Exporting

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

Figure 66: When Started Doing Business Overseas



Base: All respondents (Base, Don't know/Refused)
Non-Users – Total (300, 2%), Up to 5 years old (99, 1%), 6-10 years old (100, 1%), Over 10 years old (101, 2%)
Users – Total (3945, 1%), Up to 5 years old (952, 0%), 6-10 years old (664, 1%), Over 10 years old (2313, 1%)

There is relatively little difference between users of UKTI and non-users, although the former are significantly more likely to be long-term exporters that have been doing business overseas for in excess of 20 years.

Supported non-users are slightly more experienced overseas than unsupported non-users, and are more likely to have been exporting for more than 20 years and less likely to have not yet started doing business overseas.

Figure 67: When Started Doing Business Overseas - Non-Users By Whether Supported (2010/2011 Combined)

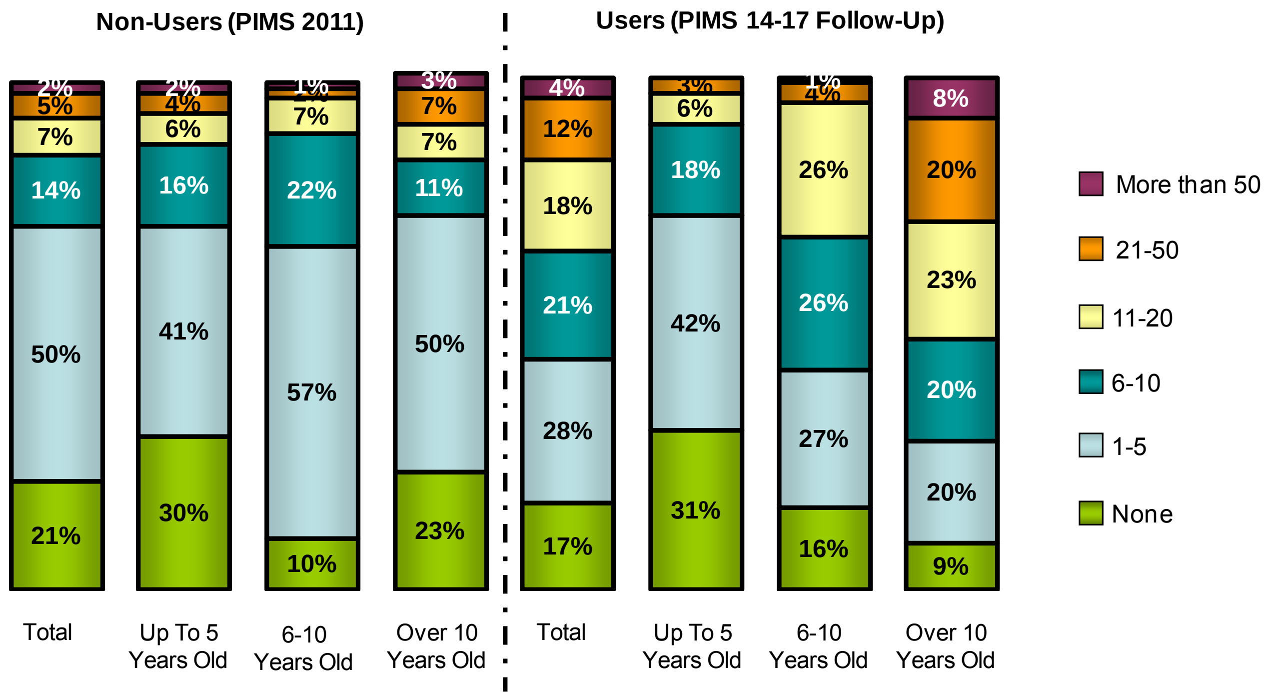
	Total		Up to 5 years		6-10 years		Over 10 years	
	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted
Base	*142*	*460*	*39*	*156*	*39*	*161*	*64*	*143*
Not exporting	3%	14%	10%	22%	5%	12%	2%	12%
Less than 2 years	14%	13%	45%	38%	11%	14%	10%	4%
2-5 years	15%	18%	45%	38%	22%	21%	7%	9%
6-10 years	29%	26%	0%	0%	62%	52%	27%	22%
11-20 years	19%	19%	0%	0%	0%	0%	27%	34%
Over 20 years	18%	11%	0%	0%	0%	0%	26%	19%
Don't know	1%	1%	3%	0%	0%	1%	2%	1%

5.3 Number Of Markets

5.3.1 Current Number Of Markets

The chart below shows the number of overseas markets that non-user firms have done business in over the last year, along with comparative data for users of UKTI support. Please note that the user data is taken from the PIMS 14-17 Follow-Up surveys as this is the latest available comparable data, and as such it is slightly less current than the data for non-users.

Figure 68: Number Of Overseas Countries Done Business In Over Last Year



Base: All respondents (Base, Don't know/Refused)
Non-Users – Total (300, 0%), Up to 5 years old (99, 0%), 6-10 years old (100, 1%), Over 10 years old (99, 0%),
Users – Total (400, 0%), Up to 5 years old (124, 0%), 6-10 years old (69, 0%), Over 10 years old (207, 0%)

Overall, non-user businesses are generally doing business in fewer overseas markets than users. However, this is not the case amongst younger firms that have been established for 5 years or less, where the profile of users and non-users is closely matched.

As seen below, supported non-users have a much more similar profile to UKTI users and tend to be operating in more markets than their unsupported counterparts.

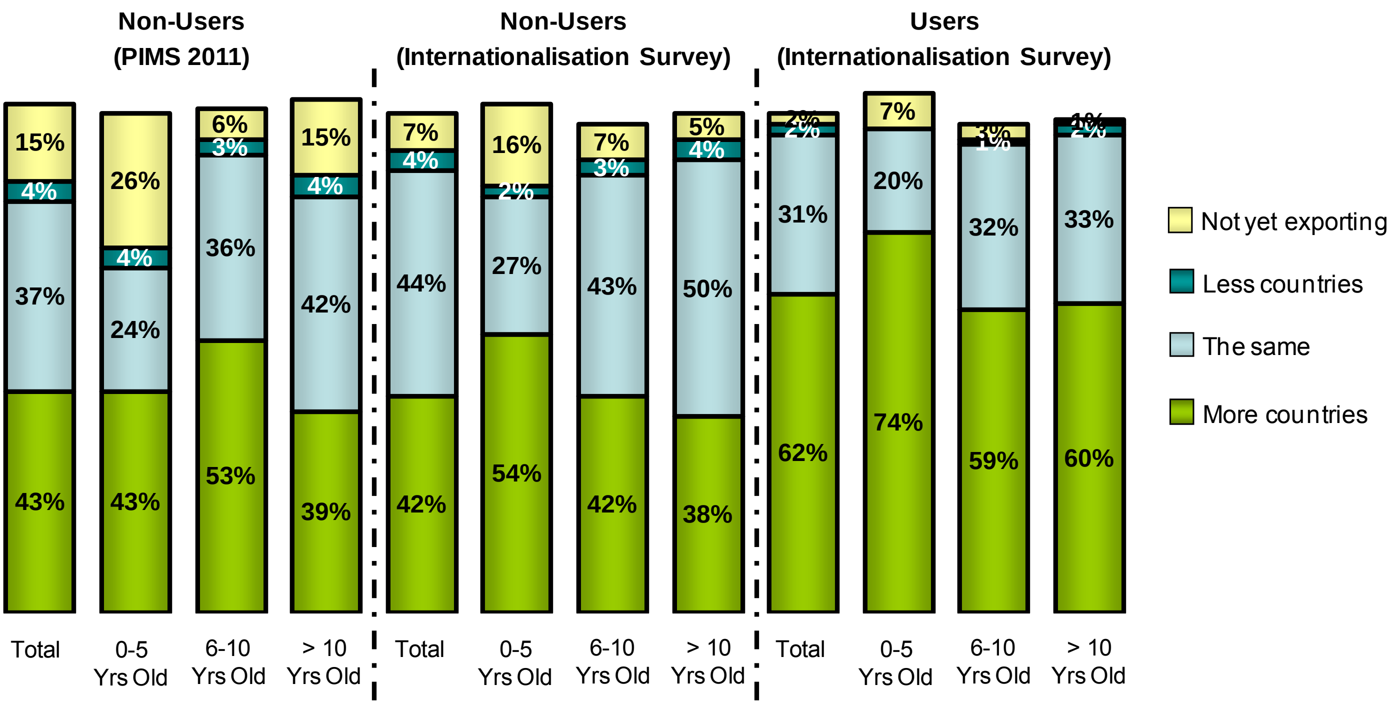
Figure 69: Number Of Overseas Countries Done Business In Over Last Year - Non-Users By Whether Supported (2010/2011 Combined)

	Total		Up to 5 years		6-10 years		Over 10 years	
	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted
Base	*142*	*460*	*39*	*156*	*39*	*161*	*64*	*143*
None	6%	20%	13%	26%	8%	19%	5%	18%
1-5	52%	49%	49%	46%	64%	49%	50%	50%
6-10	13%	17%	15%	16%	15%	19%	12%	16%
11-20	14%	8%	16%	6%	5%	10%	16%	7%
21-50	11%	4%	8%	2%	5%	2%	12%	5%
More than 50	4%	3%	0%	2%	3%	1%	5%	4%
Don't know	0%	0%	0%	1%	0%	1%	0%	0%

5.3.2 Anticipated Number Of Markets In 3 Years Time

In addition to providing data on their current number of markets, non-user firms were also asked to estimate whether this number would increase, decrease or remain the same over the next 3 years. Comparative data on both users and non-users has also been provided from the 2011 Internationalisation Survey.

Figure 70: Anticipated Change In Number Of Markets Over Next Three Years



Base: All respondents (Base, Don't know/Refused)
Non-Users (PIMS) – Total (300, 1%), Up to 5 years old (99, 2%), 6-10 years old (100, 2%), Over 10 years old (101, 1%)
Non-Users (Int) – Total (655, 3%), Up to 5 years old (190, 1%), 6-10 years old (180, 4%), Over 10 years old (285, 3%)
Users (Int) – Total (248, 3%), Up to 5 years old (46, 0%), 6-10 years old (76, 5%), Over 10 years old (126, 3%)

The PIMS Non-User survey found that just over two-fifths of non-users (43%) expect to increase the number of overseas markets in which they do business over the next 3 years, and this is consistent with the non-user data captured in the Internationalisation Survey (42%).

In comparison, approaching two-thirds of UKTI users (62%) expect to expand into more markets over the next 3 years, which is consistent with the fact that users tend to have more ambitious growth aspirations (see Section 4.9.3)

However, it should be noted that 15% of non-users were not exporting at the time they were surveyed, but qualified for interview because they had attempted to do so in the past 2 years. Although they were not asked whether they expected the number of markets they operated in to increase (and are shown separately in the chart above), they *were* asked if they expected to do business overseas in the next 5 years and two-thirds indicated that they did. If this is factored in, then the proportion of non-users expecting to increase the number of markets they operate in rises to 52%.

As seen below, those non-users that have received some form of non-UKTI export-related support are significantly more likely to anticipate increasing their overseas operations than in the case for unsupported non-users.

Figure 71: Anticipated Change In Number Of Markets Over Next Three Years - Non-Users By Whether Supported (2010/2011 Combined)

	Total		Up to 5 years		6-10 years		Over 10 years	
	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted
Base	*142*	*460*	*39*	*156*	*39*	*161*	*64*	*143*
More markets	54%	37%	54%	43%	51%	41%	55%	33%
The same	35%	42%	33%	26%	36%	40%	34%	49%
Less markets	6%	4%	3%	6%	5%	3%	6%	4%
Not yet exporting	3%	14%	10%	22%	5%	12%	2%	12%
Don't know	3%	3%	0%	3%	3%	4%	3%	2%

5.3.3 Entered New Markets In Last 2 Years

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

Figure 72: Whether Successfully Entered Any New Markets In The Last Two Years

	Non-Users (PIMS 2011)				Users (PIMS 16-19 Follow-Up)			
	Total	Up to 5 years	6-10 years	>10 years	Total	Up to 5 years	6-10 years	>10 years
Base	*300*	*99*	*100*	*101*	*391*	*99*	*73*	*219*
Yes	42%	38%	52%	39%	53%	43%	44%	62%
- Europe	*23%*	*22%*	*33%*	*19%*	*N/A*			
- Middle East & Africa	*11%*	*9%*	*11%*	*11%*				
- North America	*10%*	*9%*	*9%*	*10%*				
- South & Latin America	*2%*	*2%*	*3%*	*1%*				
- Asia Pacific	*9%*	*9%*	*8%*	*9%*				
No	43%	35%	41%	46%	25%	13%	37%	27%
Don't know	1%	0%	1%	1%	1%	0%	0%	2%
Not yet exporting	15%	26%	6%	15%	21%	43%	19%	10%

Once again, non-users seem to be a little less dynamic in their overseas development than UKTI users, with 42% and 53% respectively having entered new markets in the last 2 years. This suggests that those firms actively pursuing export growth (and perhaps encountering problems along the way) are more inclined to seek out UKTI's assistance.

As seen for many of the areas relating to firm characteristics and export experience, supported non-users are much closer in profile to UKTI users, with 54% having entered new markets in the last 2 years (compared to just 38% of unsupported non-users).

Figure 73 : Whether Successfully Entered Any New Markets In The Last Two Years - Non-Users By Whether Supported (2010/2011 Combined)

	Total		Up to 5 years		6-10 years		Over 10 years	
	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted
Base	*142*	*460*	*39*	*156*	*39*	*161*	*64*	*143*
Yes	54%	38%	56%	41%	49%	42%	55%	35%
- Europe	*31%*	*21%*	*33%*	*22%*	*26%*	*24%*	*31%*	*19%*
- Middle East/Africa	*18%*	*9%*	*18%*	*12%*	*15%*	*9%*	*19%*	*8%*
- North America	*5%*	*8%*	*10%*	*10%*	*8%*	*7%*	*3%*	*8%*
- South/Latin America	*3%*	*1%*	*5%*	*1%*	*3%*	*2%*	*3%*	*1%*
- Asia Pacific	*21%*	*9%*	*15%*	*8%*	*15%*	*8%*	*23%*	*9%*
No	43%	48%	31%	38%	46%	44%	44%	52%
Don’t know	0%	1%	3%	0%	0%	1%	0%	1%
Not yet exporting	3%	14%	10%	22%	5%	12%	2%	12%

5.4 Overseas Regions

The table below shows the overseas regions that non-user firms have done business in over the last year, along with comparative data for users of UKTI support (from the 2011 Internationalisation Survey). Please note that this analysis is based just on those firms that have exported/reported overseas sales in the last year.

Figure 74: Overseas Regions Done Business In Over Last Year

	Non-Users (PIMS 2011)				Users (2011 Internationalisation)			
	Total	Up to 5 years	6-10 years	>10 years	Total	Up to 5 years	6-10 years	>10 years
Base: All exporting in last year	*237*	*69*	*90*	*78*	*242*	*43*	*74*	*125*
Countries in the EU	86%	86%	84%	89%	92%	93%	88%	94%
North America	43%	49%	43%	43%	63%	58%	59%	65%
Other countries outside the EU & North America	63%	66%	60%	64%	83%	74%	82%	84%
Don't know	0%	0%	0%	0%	1%	0%	0%	1%

Reflecting the fact that they tend to be operating in a greater number of markets, UKTI users are also significantly more likely to be active in each of the three regions detailed above. In particular, users are comparatively more likely to be doing business in North America and other countries outside the EU.

Supported non-users are also more likely to be active in markets outside of the EU and North America than their unsupported counterparts (but there is little difference between these groups when it comes to EU markets and North America).

Figure 75: Overseas Regions Done Business In Over Last Year - Non-Users By Whether Supported (2010/2011 Combined)

	Total		Up to 5 years		6-10 years		Over 10 years	
	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted
Base: All exporting in last year	*131*	*363*	*34*	*115*	*36*	*131*	*61*	*117*
Countries in the EU	85%	89%	88%	85%	80%	86%	87%	92%
North America	48%	43%	47%	48%	52%	48%	47%	40%
Other countries outside the EU & North America	73%	59%	71%	63%	68%	62%	75%	57%
Don't know	0%	1%	0%	2%	0%	1%	0%	0%

5.5 Use Of Agents/Distributors

The table below shows the proportions of non-user firms that employ agents or distributors when doing business overseas. Please note that no comparative data is available for users of UKTI.

Figure 76: Whether Use Agents/Distributors When Doing Business Overseas

	Non-Users (PIMS 2011)			
	Total	Up to 5 years	6-10 years	>10 years
Base	*300*	*99*	*100*	*101*
Yes	28%	16%	29%	31%
- In all markets	*5%*	*4%*	*6%*	*5%*
- In most markets	*5%*	*1%*	*2%*	*7%*
- In some markets	*18%*	*11%*	*20%*	*19%*
No	57%	58%	65%	53%
Don't know	1%	0%	0%	1%
Not yet exporting	15%	26%	6%	15%

Over a quarter of non-user firms use agents or distributors, with this most likely to be the case amongst firms than have been trading for over 5 years. In most cases these firms only use agents or distributors in selected markets, although there is a significant sub-set of firms (5%) who employ them in *every* overseas market that they operate in.

The following table provides further analysis by supported and unsupported non-users, and clearly demonstrates that the former are more likely to sell through agents and distributors.

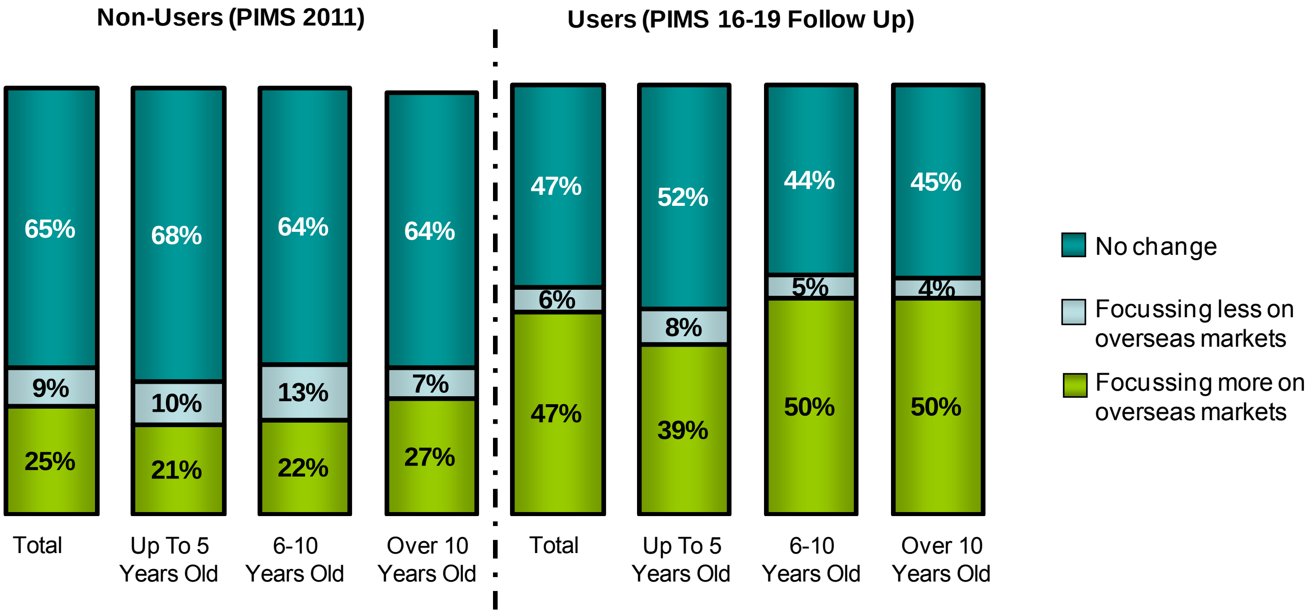
Figure 77: Whether Use Agents/Distributors When Doing Business Overseas - Non-Users By Whether Supported (2010/2011 Combined)

	Total		Up to 5 years		6-10 years		Over 10 years	
	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted
Base	*142*	*460*	*39*	*156*	*39*	*161*	*64*	*143*
Yes	50%	21%	39%	14%	44%	22%	53%	23%
- In all markets	*8%*	*6%*	*5%*	*3%*	*10%*	*5%*	*8%*	*7%*
- In most markets	*11%*	*3%*	*5%*	*2%*	*8%*	*3%*	*12%*	*4%*
- In some markets	*31%*	*12%*	*28%*	*9%*	*23%*	*14%*	*33%*	*13%*
No	41%	62%	51%	64%	44%	64%	39%	61%
Don't know	6%	2%	0%	1%	8%	1%	6%	3%
Not yet exporting	3%	14%	10%	22%	5%	12%	2%	12%

5.6 Changes In Overseas Strategy

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

Figure 78: Change In Overseas Strategy In The Last Year



Base: All respondents (Base, Don't know/Refused)
Non-Users – Total (300, 2%), Up to 5 years old (99, 1%), 6-10 years old (100, 1%), Over 10 years old (101, 2%)
Users – Total (391, 0%), Up to 5 years old (99, 0%), 6-10 years old (73, 0%), Over 10 years old (219, 0%)

The majority of non-user businesses have not changed their overseas focus in the last year, although a quarter are now focussing more on overseas markets. In contrast, UKTI users are almost twice as likely to have increased their focus on overseas markets in the past year (which could be as a result of the support they received).

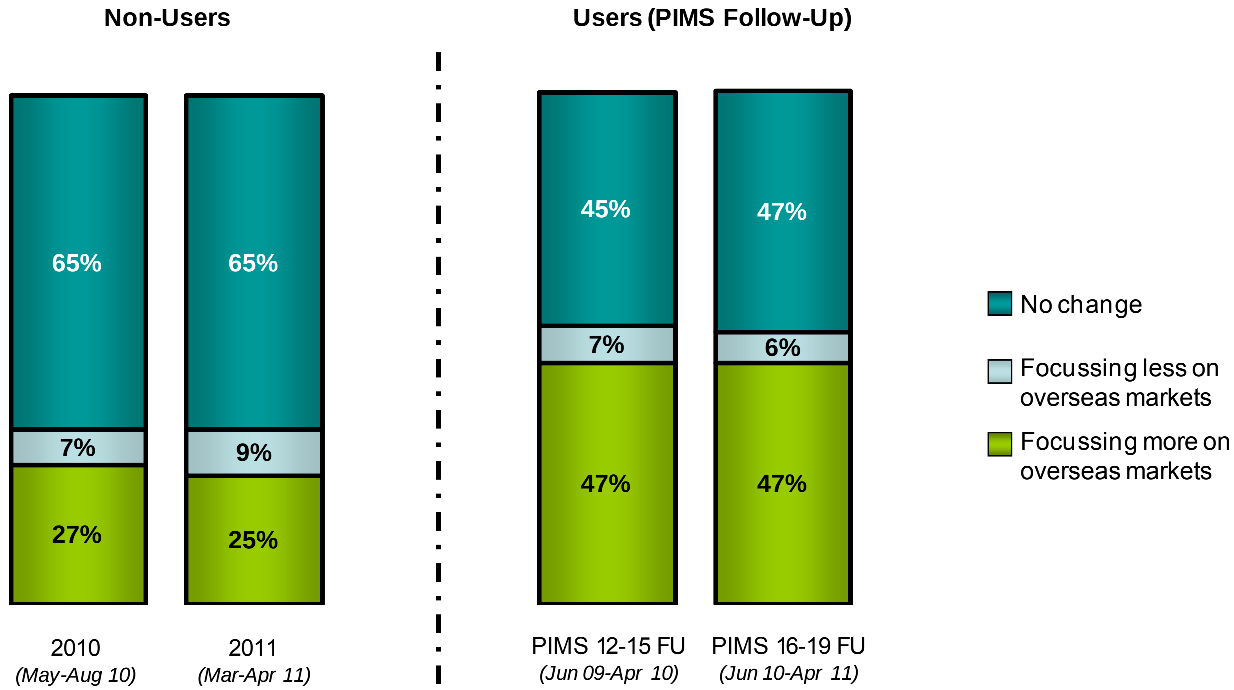
As seen below, supported non-users are again closer to UKTI users and are much more likely to have increased their focus on overseas markets in the past year.

Figure 79: Change In Overseas Strategy In The Last Year - Non-Users By Whether Supported (2010/2011 Combined)

	Total		Up to 5 years		6-10 years		Over 10 years	
	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted
Base	*142*	*460*	*39*	*156*	*39*	*161*	*64*	*143*
Focussing more on overseas markets	37%	22%	38%	19%	21%	15%	40%	27%
Focussing less on overseas markets	6%	9%	8%	8%	18%	12%	3%	7%
No change	55%	69%	51%	72%	62%	72%	55%	66%
Don't know	1%	1%	3%	0%	0%	1%	2%	1%

The chart below tracks how responses to this question have changed over time. Please note that comparable data is only available for the last 2 years.

Figure 80: Changes In Overseas Strategy In Last Year – Over Time



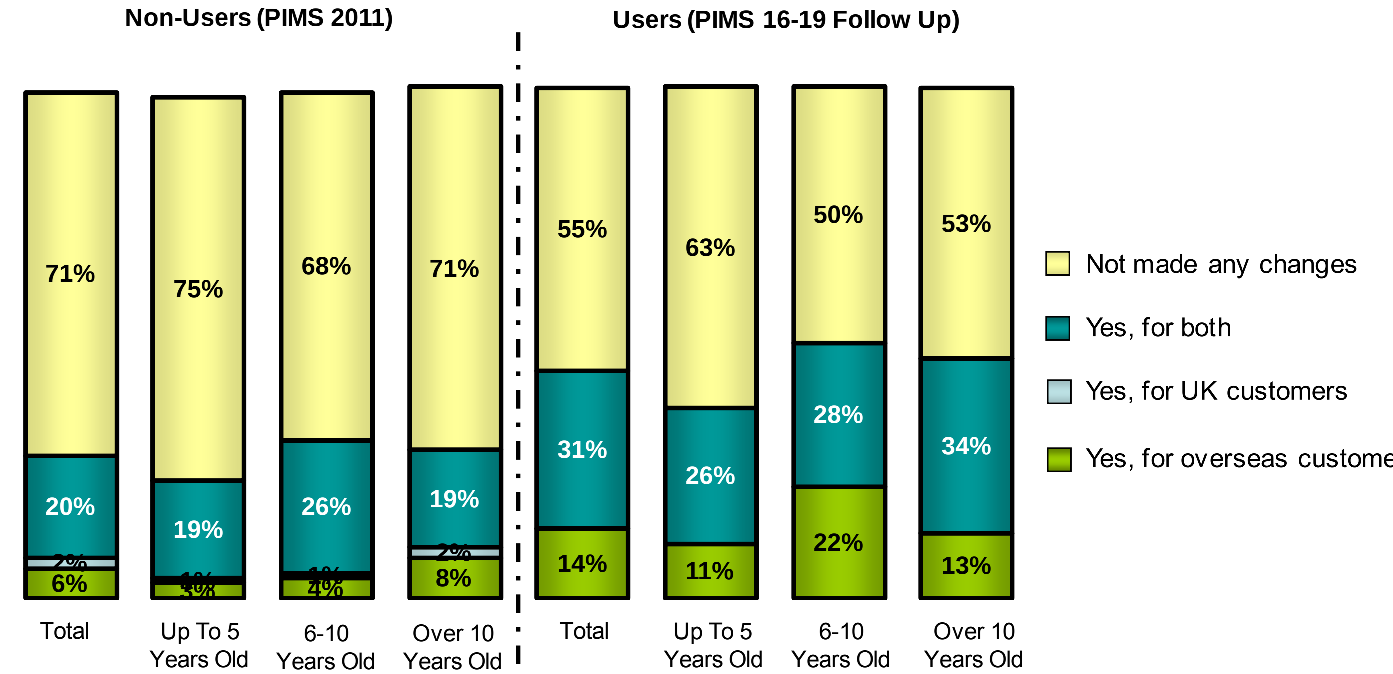
Base: All respondents (Base, Don't know/Refused)
Non-Users – 2010 (302, 0%) , 2011 (300, 2%)
Users – PIMS 12-15 FU (393, 0%), PIMS 16-19 FU (391, 0%)

The proportion of non-user firms revising their overseas strategy has fallen slightly over the last year, although this difference is not statistically significant. There has been no change in this respect amongst UKTI users.

5.7 Changes To Products & Services

Firms were also asked whether their experiences of doing business overseas had led them to make any significant changes to their products or services and, if so, whether these changes were designed for overseas customers, UK customers or both.

Figure 81: Proportion Making Changes To Their Products/Services



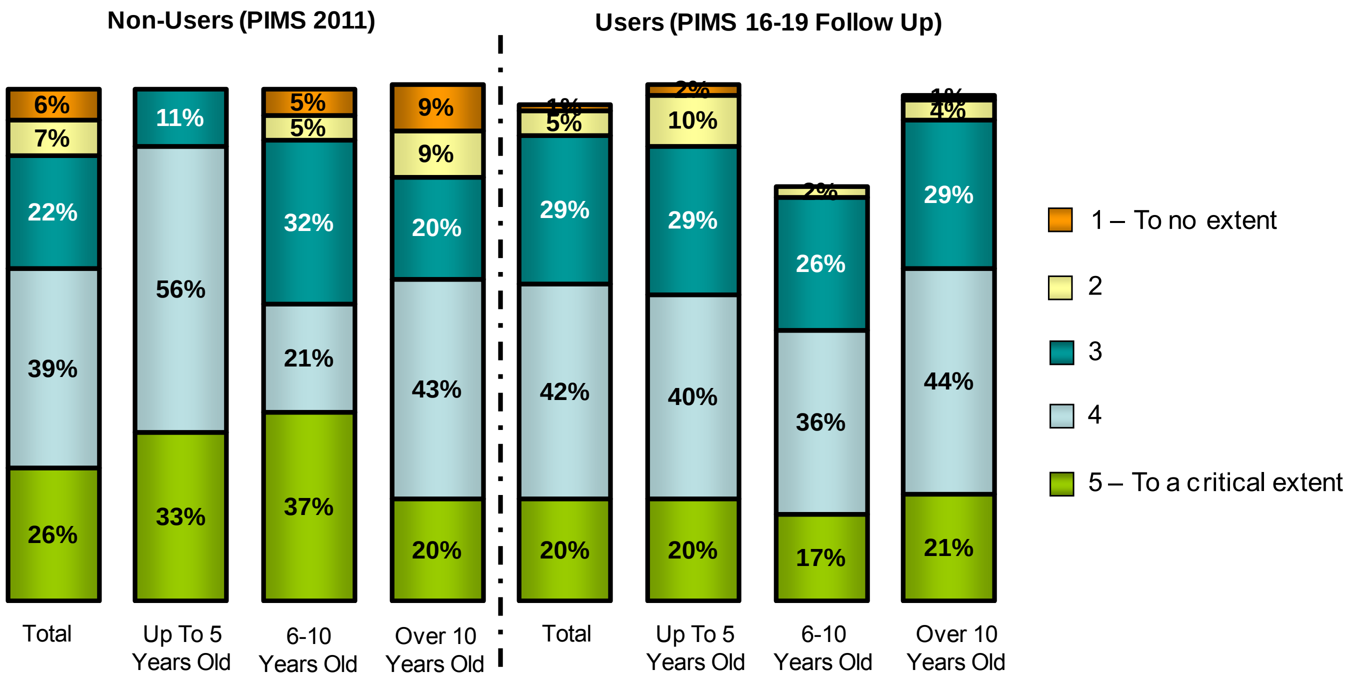
Base: All those exporting (Base, Don't know/Refused)
Non-Users – Total (253, 0%), Up to 5 years old (73, 1%), 6-10 years old (94, 1%), Over 10 years old (86, 0%)
Users – Total (391, 0%), Up to 5 years old (99, 0%), 6-10 years old (73, 0%), Over 10 years old (219, 0%)

Over a quarter (29%) of non-users have made changes to their products or services as a result of their overseas experiences. This is significantly lower than the 45% seen amongst users of UKTI support, suggesting that UKTI can play an important role in helping businesses realise the scale or type of adjustments that are required to trade successfully in overseas markets.

For both users and non-users, the changes made by firms to their products and services tend to have been for both overseas and UK customers.

Those firms making changes to their products or services were also asked to indicate the extent to which these had been a benefit to their business.

Figure 82: Extent That Changes Have Been A Benefit



Base: All making changes to products/services as result of overseas experiences (Base, Don't know/Refused)
Non-Users – Total (71, 0%), Up to 5 years old (17, 0%), 6-10 years old (29, 0%), Over 10 years old (25, 0%)
Users – Total (184, 4%), Up to 5 years old (49, 0%), 6-10 years old (31, 19%), Over 10 years old (104, 1%)

In almost all cases where firms have made changes to their products or services, this is seen as having been of at least some benefit to the firm, and this is true of both users and non-users of UKTI. Overall, 65% of non-users and 62% of users judged this to have been a significant benefit (i.e. scored 4-5 out of 5).

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

Figure 83: Proportion Making Changes To Their Products/Services & Extent To Which These Have Been A Benefit - Non-Users By Whether Supported (2010/2011 Combined)

	Total		Up to 5 years		6-10 years		Over 10 years	
	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted
Base: All exporters	*135*	*389*	*35*	*122*	*37*	*141*	*63*	*126*
Whether doing business overseas has led to significant changes to products or services								
Yes	34%	24%	48%	21%	32%	25%	32%	25%
- For overseas customers	*8%*	*5%*	*12%*	*5%*	*11%*	*2%*	*6%*	*6%*
- For UK customers	*0%*	*2%*	*0%*	*1%*	*0%*	*1%*	*0%*	*2%*
- For both	*26%*	*18%*	*37%*	*15%*	*22%*	*22%*	*25%*	*17%*
No	66%	75%	49%	79%	68%	74%	68%	75%
Don't know	0%	0%	3%	1%	0%	1%	0%	0%
Extent that these changes have been a benefit to the business								
Base: All making changes	*49*	*92*	*17*	*25*	*12*	*35*	*20*	*32*
5 – To a critical extent	28%	28%	30%	20%	50%	32%	26%	29%
4	43%	26%	30%	27%	25%	24%	49%	25%
3	23%	28%	20%	33%	13%	32%	26%	25%
2	2%	11%	10%	7%	0%	8%	0%	13%
1	2%	6%	0%	7%	13%	0%	0%	9%
Don't know	2%	1%	10%	7%	0%	4%	0%	0%

Non-users that have accessed some form of export-related support are more likely to have changed their products or services as a result of doing business overseas. They are also more likely to judge these changes to have been a significant benefit (71% and 54% respectively scoring 4-5 out of 5).

6. Motivations For Exporting

6.1 Summary

Non-user businesses were read out a list of possible reasons for doing business overseas and asked to indicate the extent that each one applied to them, using a 5-point scale where 5 meant 'agree strongly' and 1 meant 'disagree strongly'. This question was asked slightly differently depending on the firms' current export experience and ambitions, as follows:

- Firms exporting for up to 2 years (or not yet exporting) were asked about reasons for *starting to sell overseas*
- Firms exporting for over 2 years and expecting their overseas sales to grow were asked about reasons for *seeking to increase their overseas sales*
- Firms exporting for over 2 years and not expecting their overseas sales to grow were asked about reasons for *doing business overseas*

The following table summarises the proportion of firms in each of these groups agreeing (i.e. scoring 4-5 on the 5-point scale) that they do business overseas for each of the reasons tested.

Figure 84: Export Motivations

Proportion agreeing (4-5 out of 5) that they export for the following reasons...	Non-Users (PIMS 2011)				Users (PIMS 20-23)			
	Total	Starting selling overseas	Increasing overseas sales	Doing business overseas	Total	Starting selling overseas	Increasing overseas sales	Doing business overseas
Base	*300*	*99*	*90*	*111*	*3945*	*998*	*2032*	*915*
To enable you to achieve a level of growth otherwise not possible	48%	51%	59%	37%	79%	73%	84%	76%
To allow you to more fully utilise existing capacity	52%	49%	64%	45%	60%	52%	64%	60%
To reduce your dependence on the UK market	31%	26%	43%	25%	49%	44%	57%	39%
To improve your firm's profile or credibility	41%	45%	50%	33%	63%	61%	68%	56%
You received orders or enquiries from overseas customers	67%	48%	63%	82%	61%	49%	63%	71%
If exporting <2 years: You had personal connections overseas or a desire to travel abroad	23%	23%	-	-	30%	30%	-	-

Internationalising firms are clearly influenced by a range of different motivations, both reactive and proactive. However, at the total level, the most widespread export motivation amongst non-user firms is a reactive one, with 67% agreeing that they do so in response to orders or enquiries from overseas customers.

Around half of all non-users firms also export because it enables them to achieve a level of growth that would otherwise not be possible and because it allows them to more fully utilise their existing capacity.

However, there are a number of clear differences between the 3 groups of non-user firms. Those firms that have been operating overseas for a number of years but are not expecting export sales to increase are significantly more likely to be acting in response to orders or enquiries from overseas customers, but comparatively less likely to be motivated by growth or improved profile/credibility.

In contrast, those established exporters that were anticipating growth in overseas sales were more likely to highlight growth facilitation, use of existing capacity, reduced dependence on the UK and improved profile as key motivations for seeking to expand their overseas operations. However, it should be noted that there are clearly a number of different motivations influencing these firms, and almost two-thirds of this group still indicated that one of the primary drivers of their overseas growth ambitions was orders or requests from overseas customers.

Interestingly, firms that have only recently started doing business overseas (or are not yet exporting) are the least likely to be acting in response to enquiries from overseas customers. This indicates that many firms take the initial decision to enter overseas markets based on more strategic reasons rather than in direct response to confirmed interest in their products/services. Although it is the least widespread motivation, it is also interesting to note that almost a quarter of new exporters are influenced by personal connections overseas or a desire to travel abroad.

There are a number of key differences in the export motivations of UKTI users and non-users. The former are significantly more likely to be influenced by the more proactive or strategic reasons, such as enabling growth, reducing dependence on the UK market and improving their profile. However, UKTI users are less inclined to highlight customer orders/enquiries as a significant motivation.

The table below provides similar analysis, but this time by age of firm. Please note that the base sizes shown in brackets refer to the number of interviews with firms exporting less than 2 years, who were the only group to be asked about personal connections or a desire to travel abroad.

Figure 85: Export Motivations

Proportion agreeing (4-5 out of 5) that they export for the following reasons...	Non-Users (PIMS 2011)				Users (PIMS 20-23)			
	Total	Up to 5 years old	6-10 years old	>10 Years old	Total	Up to 5 years old	6-10 years old	>10 Years old
Base	*300 (99)*	*99 (61)*	*100 (19)*	*101 (19)*	*3945 (998)*	*952 (619)*	*664 (162)*	*2313 (217)*
To enable you to achieve a level of growth otherwise not possible	48%	53%	52%	45%	79%	80%	78%	80%
To allow you to more fully utilise existing capacity	52%	53%	52%	52%	60%	57%	56%	63%
To reduce your dependence on the UK market	31%	28%	27%	34%	49%	45%	48%	52%
To improve your firm's profile or credibility	41%	46%	47%	38%	63%	66%	65%	62%
You received orders or enquiries from overseas customers	67%	69%	69%	66%	61%	59%	59%	63%
If exporting <2 years: You had personal connections overseas or a desire to travel abroad	23%	33%	16%	16%	30%	36%	22%	19%

For both users and non-users of UKTI, there is generally little difference in export motivations by age of firm. However, non-user firms that have been established over 10 years appear to be slightly less motivated by growth and improving their profile/credibility but are a little more likely to be influenced by a desire to reduce their dependence on the UK market.

The following table provides a more detailed analysis of the export benefits experienced by supported and unsupported non-users. Please note that this data is only available from the 2011 Non-User survey so base sizes are low for some groups.

Figure 86: Export Motivations - Non-Users By Whether Supported (2011 Only)

Proportion agreeing (4-5 out of 5) that they export for the following reasons...	Total		Up to 5 years		6-10 years		Over 10 years	
	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted
Base	*61 (13)*	*239 (86)*	*19 (11)*	*80 (50)*	*17 (0)*	*83 (19)*	*25 (2)*	*76 (17)*
To enable you to achieve a level of growth otherwise not possible	57%	45%	74%	48%	65%	49%	52%	42%
To allow you to more fully utilise existing capacity	60%	50%	53%	53%	53%	52%	64%	49%
To reduce your dependence on the UK market	45%	27%	32%	28%	29%	27%	52%	28%
To improve your firm's profile or credibility	50%	39%	63%	43%	47%	47%	48%	34%
You received orders or enquiries from overseas customers	72%	66%	74%	68%	88%	65%	68%	66%
If exporting <2 years: You had personal connections overseas or a desire to travel abroad	28%	22%	45%	30%	-	16%	0%	18%

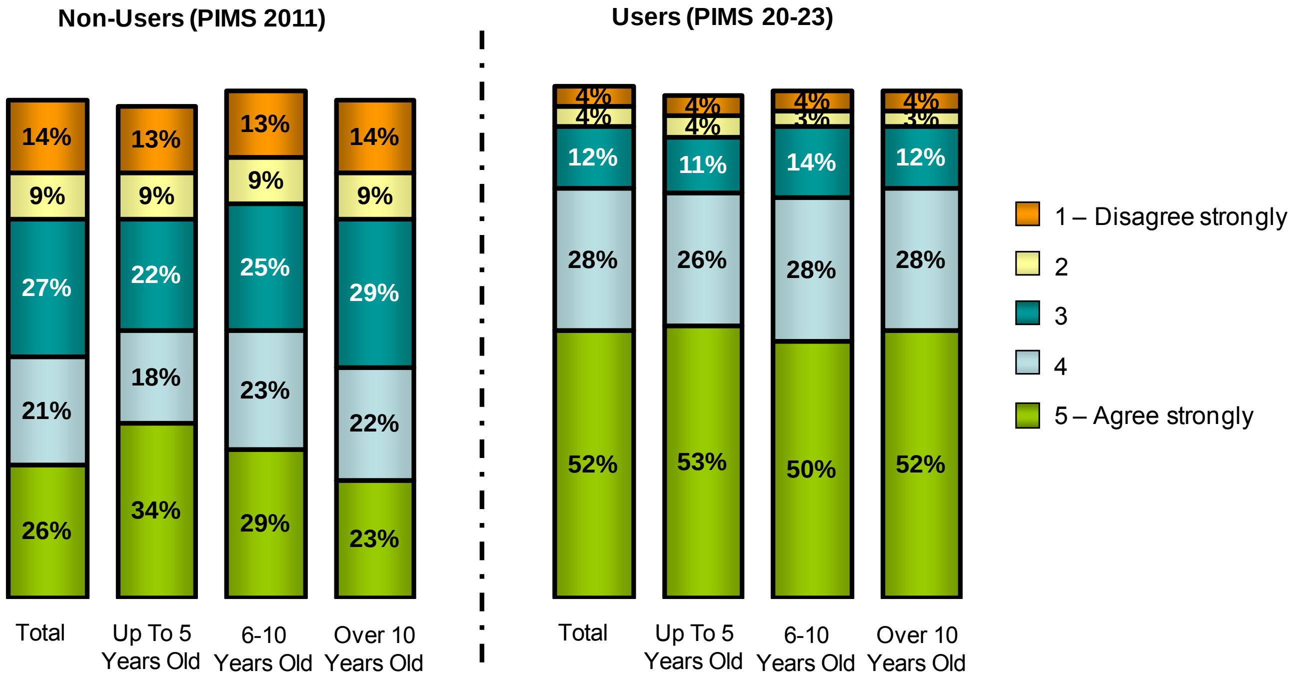
Non-user firms that have received some type of export-related support tend to highlight a wider range of export motivations and are more likely to agree to each of the individual reasons than unsupported non-users.

6.2 Individual Motivations

6.2.1 Level Of Growth Otherwise Not Possible

The chart below shows the extent to which the non-user firms interviewed agree that they do business overseas in order to achieve a level of growth that would otherwise not be possible. Comparative data has been provided for users of UKTI support.

Figure 87: To Achieve A Level Of Growth Otherwise Not Possible



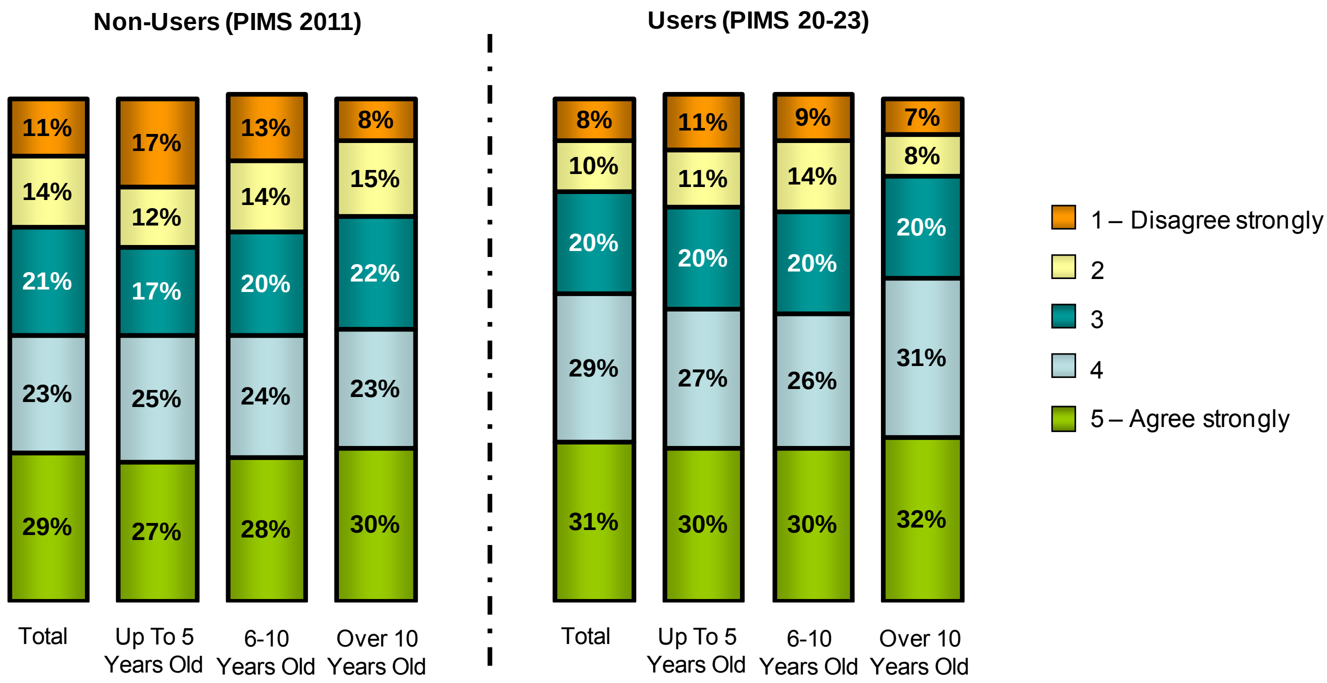
Base: All respondents (Base, Don't know/Refused)
Non-Users – Total (300, 3%), Up to 5 years old (99, 3%), 6-10 years old (100, 1%), Over 10 years old (101, 4%)
Users – Total (3945, 1%), Up to 5 years old (952, 0%), 6-10 years old (664, 0%), Over 10 years old (2313, 1%)

Over three-quarters of UKTI users agree (i.e. score 4-5 out of 5) that they do business overseas because of the potential for growth that it offers, compared to just less than half of non-user firms. Older non-users that have been established for more than 10 years appear least likely to be motivated by this.

6.2.2 Utilisation Of Existing Capacity

The chart below shows the extent to which the non-user firms interviewed agree that they do business overseas in order to more fully utilise their existing capacity. Comparative data has been provided for users of UKTI support.

Figure 88 : To More Fully Utilise Existing Capacity



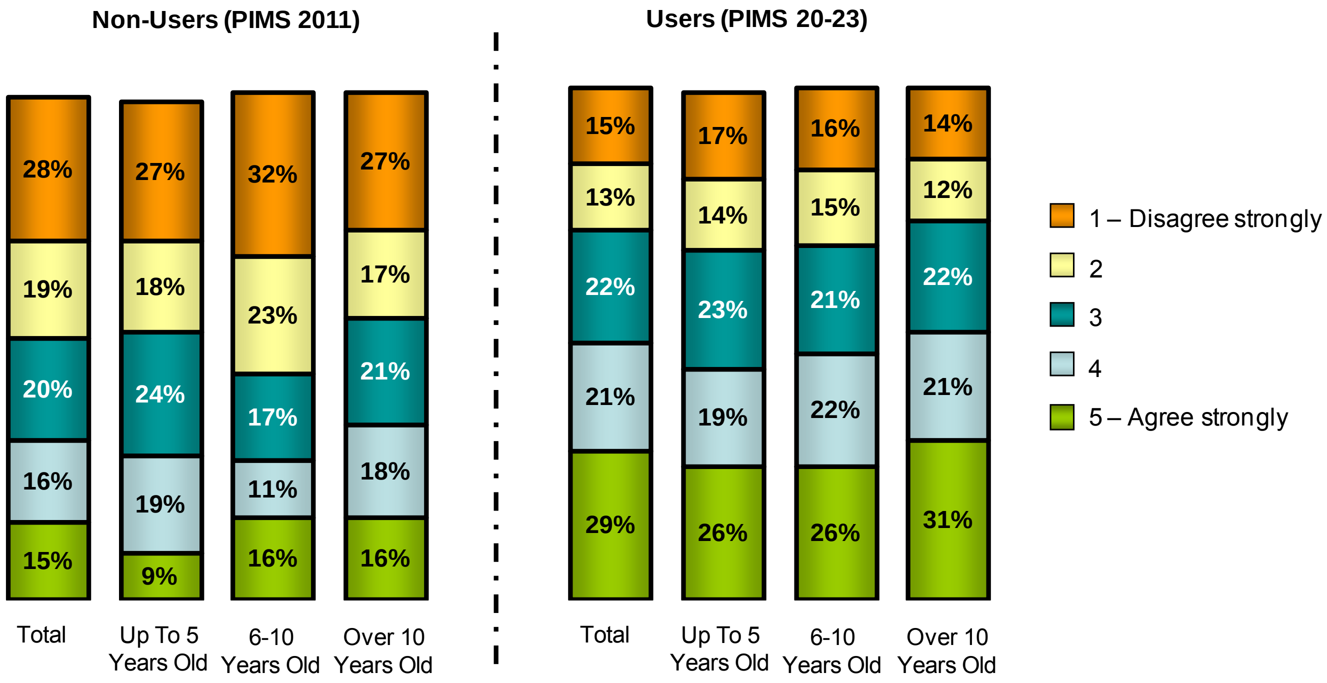
Base: All respondents (Base, Don't know/Refused)
Non-Users – Total (300, 2%), Up to 5 years old (99, 1%), 6-10 years old (100, 1%), Over 10 years old (101, 3%)
Users – Total (3945, 1%), Up to 5 years old (952, 1%), 6-10 years old (664, 1%), Over 10 years old (2313, 1%)

UKTI users are somewhat more likely to export because it enables them to better use their existing capacity, with 60% agreeing that this is a reason for doing business overseas compared to 52% of non-users. There is little difference by age of firm in this respect.

6.2.3 Reduce Dependence On UK Market

The chart below shows the extent to which the non-user firms interviewed agree that they do business overseas in order to reduce their dependence on the UK market. Comparative data has been provided for users of UKTI support.

Figure 89: To Reduce Dependence On The UK Market



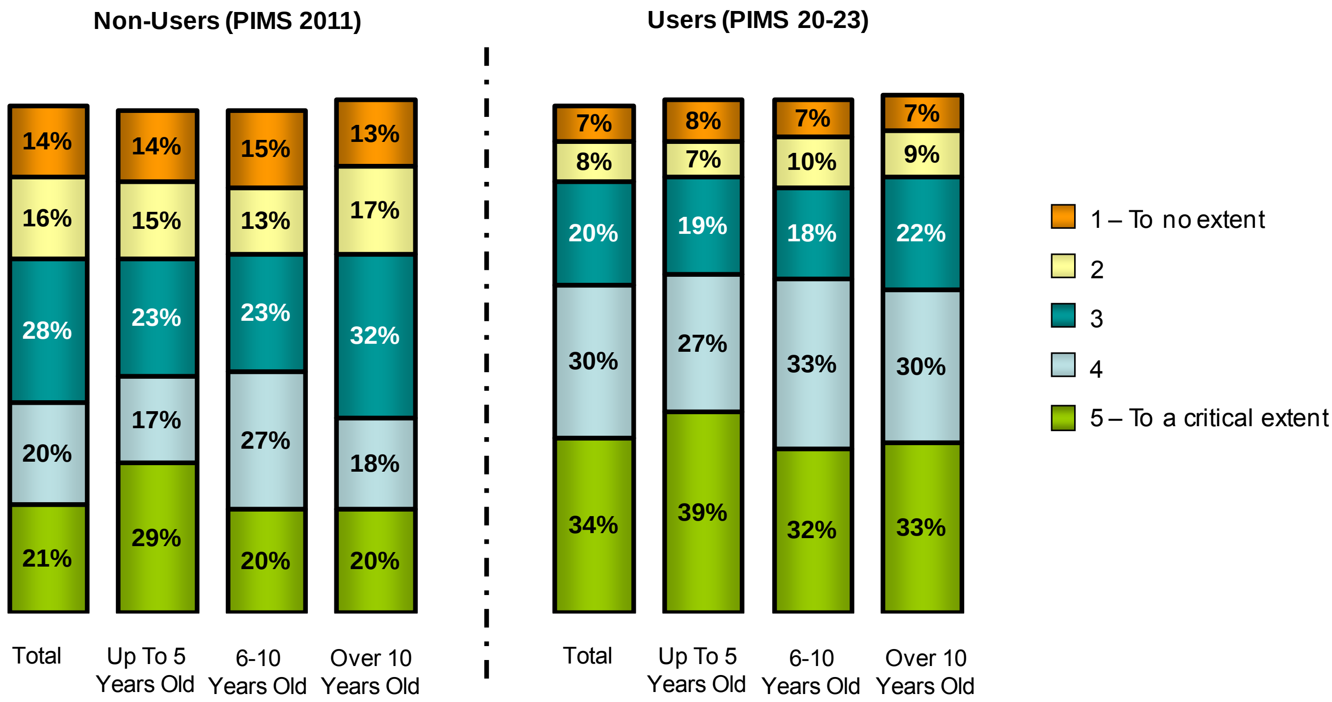
Base: All respondents (Base, Don't know/Refused)
Non-Users – Total (300, 2%), Up to 5 years old (99, 2%), 6-10 years old (100, 1%), Over 10 years old (101, 2%)
Users – Total (3945, 1%), Up to 5 years old (952, 1%), 6-10 years old (664, 0%), Over 10 years old (2313, 1%)

Less than a third of non-users firms agree that they do business overseas to reduce their dependence on the UK market, and 28% disagree strongly that this is the case. In contrast, a large number of UKTI clients are driven by a desire to diversify geographically (and hence spread their risk), with half indicating that reducing dependence on the UK is a significant motivation. For both users and non-users, this motivation is more likely to apply to older firms.

6.2.4 Profile & Credibility

The chart below shows the extent to which the non-user firms interviewed agree that they do business overseas in order to improve their profile or credibility. Comparative data has been provided for users of UKTI support.

Figure 90: To Improve Profile Or Credibility



Base: All respondents (Base, Don't know/Refused)
Non-Users – Total (300, 1%), Up to 5 years old (99, 1%), 6-10 years old (100, 2%), Over 10 years old (101, 1%)
Users – Total (3945, 1%), Up to 5 years old (952, 0%), 6-10 years old (664, 0%), Over 10 years old (2313, 1%)

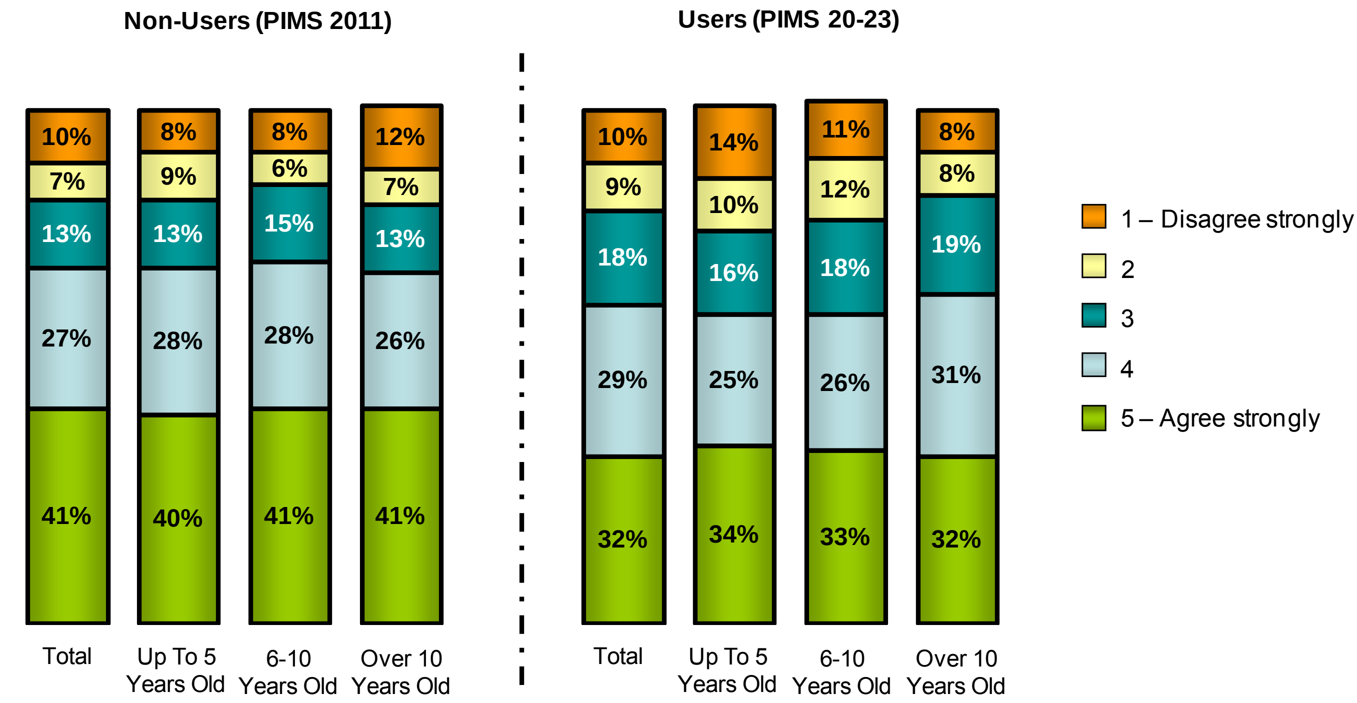
Whilst improving their profile and credibility is a key motivation for UKTI users, with almost two-thirds agreeing that this is a reason for doing business overseas, only two-fifths of non-user firms view this as a factor that influences them to export.

There is some indication that this reason is least applicable to older non-user firms.

6.2.5 Orders & Enquiries

The chart below shows the extent to which the non-user firms interviewed agree that they do business overseas because they keep getting orders or enquiries from overseas customers. Comparative data has been provided for users of UKTI support.

Figure 91: In Response To Orders/Enquiries From Overseas Customers



Base: All respondents (Base, Don't know/Refused)
Non-Users – Total (300, 2%), Up to 5 years old (99, 1%), 6-10 years old (100, 2%), Over 10 years old (101, 2%)
Users – Total (3945, 1%), Up to 5 years old (952, 0%), 6-10 years old (664, 1%), Over 10 years old (2313, 1%)

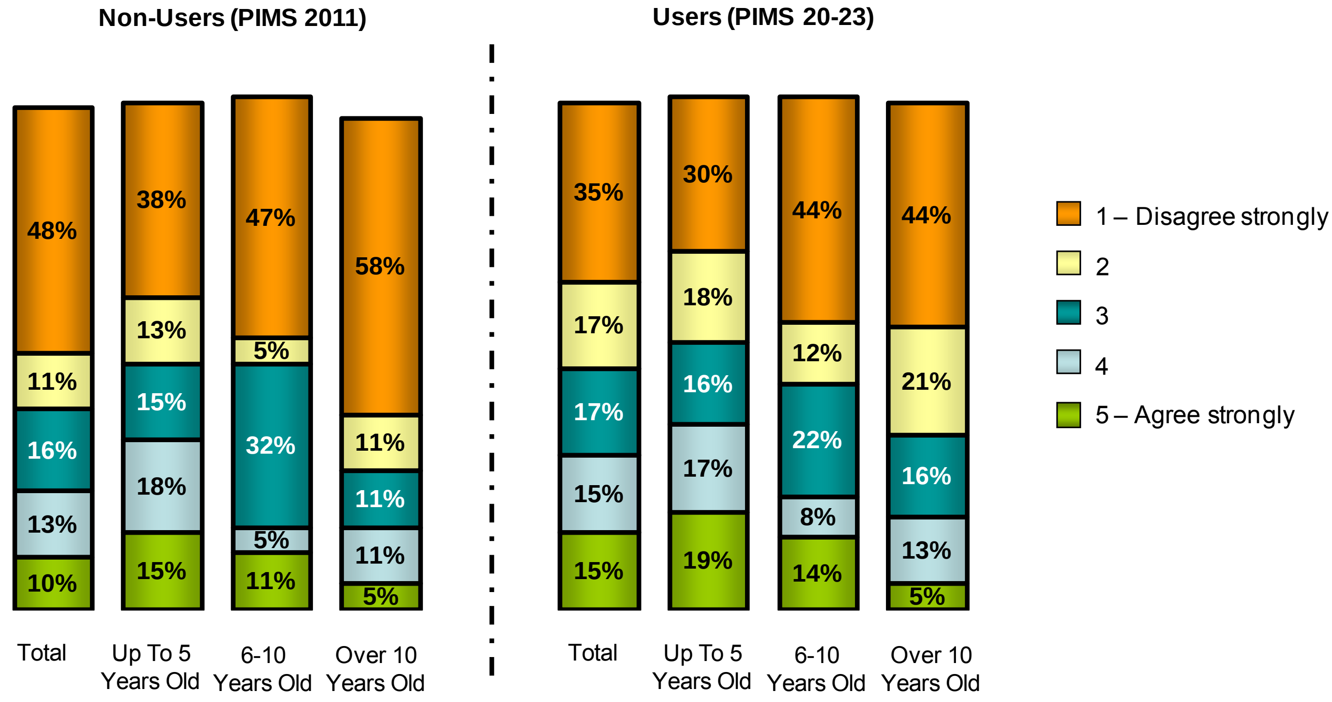
Over two-thirds of non-users agree that they export because they receive orders or enquiries from overseas customers, and this is+ the only one of the various export motivations tested where higher levels of agreement are seen for non-users than users.

This suggests that non-users are more likely to be purely reactive exporters, whereas UKTI users tend to also be influenced by a range of more strategic/proactive factors. That said, it is still the case that well over half of UKTI users are motivated by customer orders/enquiries, indicating that serendipity still plays a significant part in the overseas activities of this group.

6.2.6 Personal Connections Or Desire To Travel

The chart below shows the extent to which the non-user firms interviewed agree that they do business overseas because they have personal connections overseas or a desire to travel abroad. Comparative data has been provided for users of UKTI support. Please note that this question was only asked to firms that have been exporting for less than 2 years (or not yet started exporting).

Figure 92: Have Personal Connections Or Desire To Travel



Base: All exporting for less than 2 years (Base, Don't know/Refused)
Non-Users – Total (99, 3%), Up to 5 years old (61, 2%), 6-10 years old (19, 0%), Over 10 years old (19, 5%)
Users – Total (998, 1%), Up to 5 years old (619, 1%), 6-10 years old (162, 0%), Over 10 years old (217, 1%)

A significant minority of new exporters were motivated to start doing business overseas because they either had existing connections/contacts in overseas markets or a desire to travel abroad. Although it appears that is more likely to be the case for UKTI users, this apparent difference is not statistically significant.

7. Barriers To Overseas Trade

7.1 Summary

Non-user businesses were read out a list of issues that they might have had to tackle when trying to develop the export side of their business and asked whether or not they had ever experienced any difficulties with them. For each one that had been a difficulty they were then asked the extent, using a 5-point scale where 5 meant it had been ‘extremely difficult’ and 1 meant it had ‘not been at all difficult’.

These results are summarised in the following table, with the proportion of firms encountering each of these difficulties ‘to a significant’ extent shown (i.e. the proportion giving a score of either ‘4’ or ‘5’ on the 5-point scale). Comparative data has also been provided for users of UKTI support (from the 2011 Internationalisation Survey)[4].

Figure 93: Barriers To Overseas Trade

Proportion experiencing significant difficulties	Non-Users (PIMS 2011)				Users (2011 Internationalisation)			
	Total	Up to 5 years	6-10 years	>10 years	Total	Up to 5 years	6-10 years	>10 years
Base	*300*	*99*	*100*	*101*	*242*	*43*	*74*	*125*
Dealing with legal or tax regulations and standards	11%	21%	8%	10%	33%	33%	27%	35%
Protecting your intellectual property	7%	12%	7%	6%	18%	19%	24%	16%
Ensuring you get paid and enforcing contracts	10%	6%	13%	10%	22%	23%	23%	21%
Dealing with customs procedures or paperwork	14%	10%	12%	16%	30%	30%	36%	28%
Identifying who to make contact with	14%	17%	14%	14%	30%	30%	31%	30%
Establishing an initial dialogue	9%	8%	9%	9%	24%	23%	15%	27%
Building relationships with influencers/decision makers	9%	14%	12%	7%	28%	26%	20%	31%
Obtaining basic information about an overseas market	13%	18%	11%	12%	18%	16%	22%	18%
Finding the necessary management time	15%	17%	17%	14%	29%	30%	26%	30%
Language barriers	6%	12%	6%	5%	23%	16%	20%	25%
Cultural differences	4%	8%	2%	4%				
Preference for doing business with firms from own country	9%	15%	6%	9%	26%	28%	23%	26%

Firms receiving support from UKTI are consistently more likely to have encountered the various barriers to overseas trade, and this is the case irrespective of age of firm. This suggests that firms that do not encounter significant barriers are, as a result, less inclined to seek out assistance from UKTI.

[4] Please note that in the Internationalisation Survey there was a single barrier covering ‘language and cultural differences’, whereas in the Non User survey these were treated separately.

It should be noted that non-user firms tend to be less 'involved' exporters than UKTI users, in the sense that they operate in fewer markets and overseas sales account for a lower proportion of their total turnover. As a result, it is likely that non-user firms have been exposed to fewer barriers due to their typically more limited experience of overseas business.

There is some evidence that younger non-user firms are more likely to have encountered many of the barriers, such as issues with legal/tax regulations, problems protecting intellectual property, difficulty obtaining basic information about a market, language barriers and cultural differences. However, older non-users firms are slightly more likely to have experienced payment-related problems and customs difficulties. Interestingly, the same pattern is not seen amongst UKTI users, for whom there are generally few differences by age of firm in the proportion reporting each barrier. However, the relatively low base sizes for UKTI users should be taken into account when analysing the data at this level.

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

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

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

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

- Dealing with customs procedures or paperwork

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

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

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

- Obtaining basic information about an overseas market

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

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

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

- Language barriers
- Or, Cultural differences outside of language barriers

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

- A preference on the part of overseas customers for doing business with firms from their own country

The table below summarises the barriers to overseas trade experienced by non-user firms. Comparative data has also been provided for users of UKTI support (from the 2011 Internationalisation Survey).

Figure 94: Summary Barriers To Overseas Trade

Proportion experiencing significant difficulties	Non-Users (PIMS 2011)				Users (2011 Internationalisation)			
	Total	Up to 5 years old	6-10 years old	>10 Years old	Total	Up to 5 years old	6-10 years old	>10 Years old
Base	*300*	*99*	*100*	*101*	*242*	*43*	*74*	*125*
At least 1 sig. barrier	46%	54%	46%	44%	83%	84%	77%	85%
- Legal & regulatory	22%	27%	22%	20%	51%	56%	53%	50%
- Customs	14%	10%	12%	16%	30%	30%	36%	28%
- Contacts	20%	26%	22%	17%	46%	42%	42%	49%
- Information	13%	18%	11%	12%	18%	16%	22%	18%
- Resource	15%	17%	17%	14%	29%	30%	26%	30%
- Language & cultural	9%	14%	6%	8%	23%	16%	20%	25%
- Bias	9%	15%	6%	9%	26%	28%	23%	26%
No sig. barriers	54%	46%	54%	56%	17%	16%	23%	15%

As seen previously, users of UKTI's services are much more likely than non-users to encounter significant barriers, with 83% and 46% respectively reporting difficulties with at least one of these issues. Amongst both users and non-users of UKTI support, the most widely encountered barriers are 'legal & regulatory' and 'contacts' barriers (i.e. making and developing contacts overseas).

Amongst non-users, young firms that have been established for no more than 5 years are most likely to experience barriers, implying that this is the group that could benefit most from UKTI assistance.

As detailed below, supported non-users are more likely to have encountered significant barriers to overseas trade than unsupported businesses. Given that UKTI users were also considerably more likely to report barriers, this implies that firms that encounter barriers are more inclined to seek support.

Figure 95: Summary Barriers To Overseas Trade – Non-Users By Whether Supported (2010/2011 Combined)

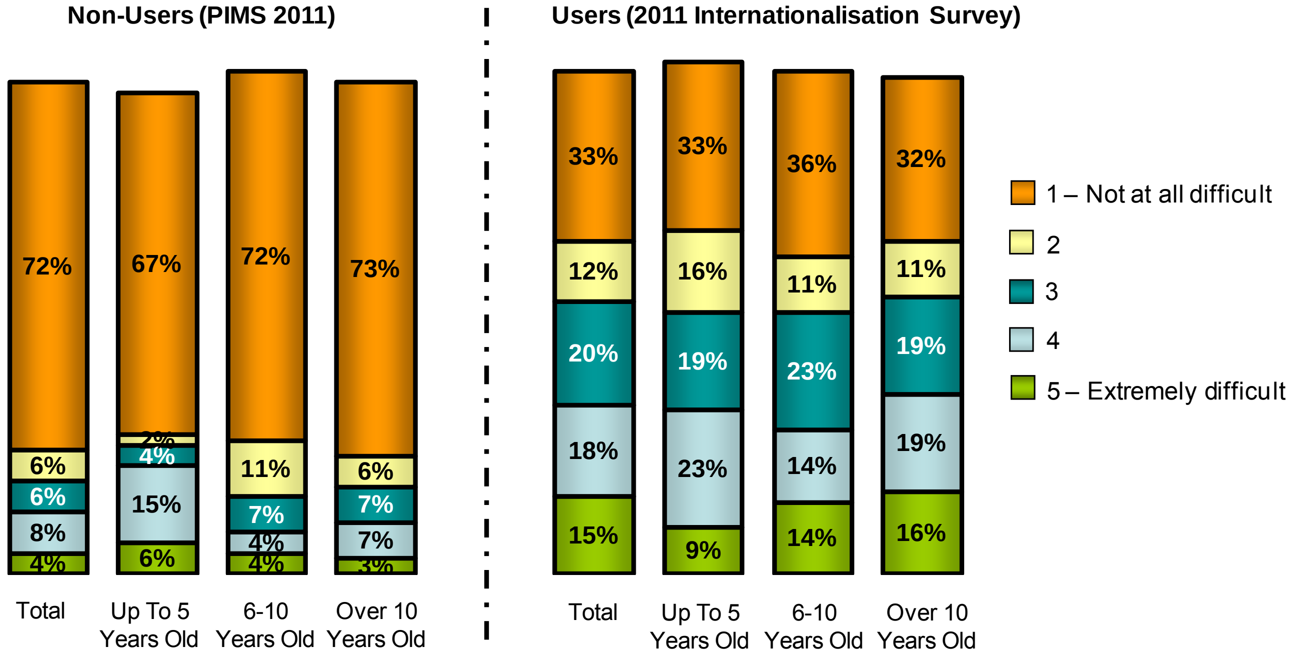
Proportion experiencing significant difficulties	Total		Up to 5 years		6-10 years		Over 10 years	
	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted
Base	*142*	*460*	*39*	*156*	*39*	*161*	*64*	*143*
At least 1 sig. barrier	64%	41%	59%	46%	64%	45%	66%	38%
- Legal & regulatory	32%	21%	31%	26%	23%	23%	34%	19%
- Customs	14%	14%	11%	10%	12%	12%	16%	16%
- Contacts	18%	20%	31%	20%	26%	23%	14%	19%
- Information	13%	11%	20%	12%	18%	12%	11%	11%
- Resource	26%	13%	33%	15%	26%	14%	25%	11%
- Language & cultural	13%	8%	18%	13%	5%	7%	14%	6%
- Bias	12%	9%	23%	11%	8%	10%	11%	8%
No sig. barriers	36%	59%	41%	54%	36%	55%	34%	62%

7.2 Individual Barriers

7.2.1 Regulations & Standards (Legal & Regulatory Barrier)

The chart below shows the extent to which the non-user businesses interviewed have experienced barriers relating to 'dealing with legal or tax regulations and standards overseas'. Comparative data has also been provided for users of UKTI support.

Figure 96: Barrier – Dealing With Legal Or Tax Regulations And Standards Overseas



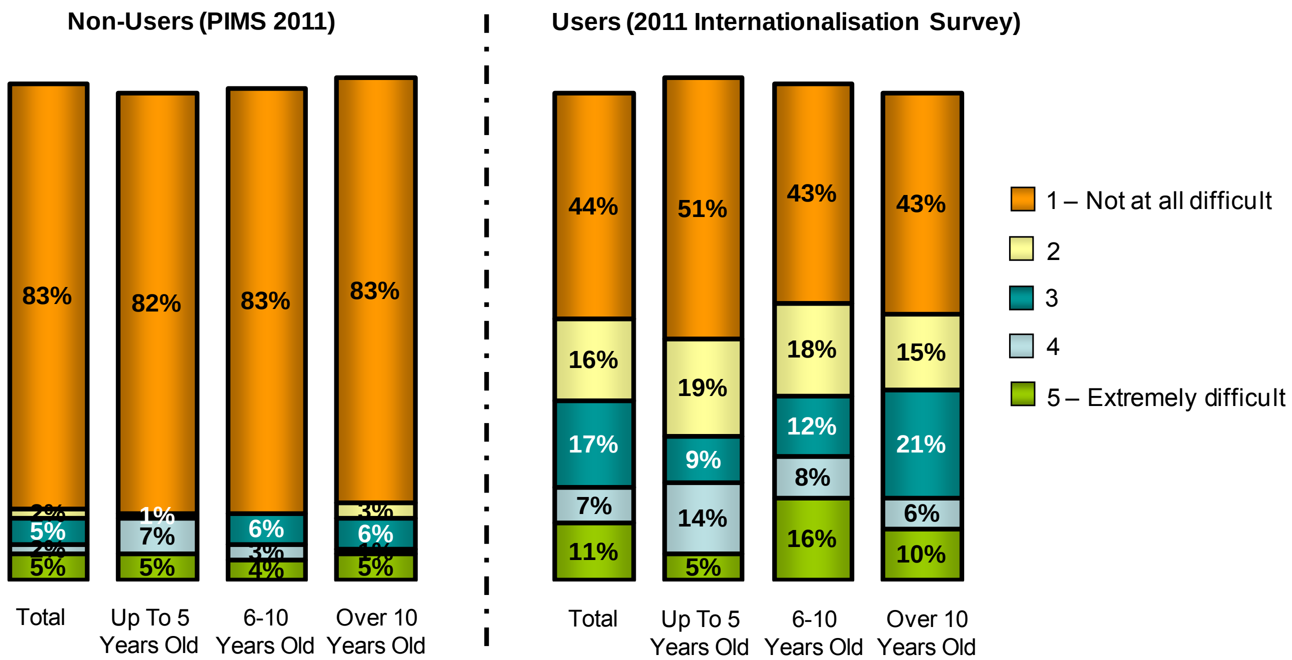
Base: All respondents (Base, Don't know/Refused)
Non-Users – Total (300, 4%), Up to 5 years ago (99, 6%), 6-10 years old (100, 2%), Over 10 years old (101, 4%)
Users – Total (242, 2%), Up to 5 years ago (43, 0%), 6-10 years old (74, 3%), Over 10 years old (125, 2%)

It is very clear that users of UKTI support are more likely than non-users to have experienced difficulties with regulations and standards whilst trying to export overseas. Overall, 65% of UKTI users have had some level of difficulty with these issues (i.e. scored 2-5 out of 5), compared to just 24% of non-users.

7.2.2 IP Protection (Legal & Regulatory Barrier)

The chart below shows the extent to which the non-user businesses interviewed have experienced barriers relating to ‘protecting your intellectual property’. Comparative data has also been provided for users of UKTI support.

Figure 97: Barrier – Protecting Your Intellectual Property



Base: All respondents (Base, Don't know/Refused)
Non-Users – Total (300, 3%), Up to 5 years ago (99, 5%), 6-10 years old (100, 4%), Over 10 years old (101, 2%)
Users – Total (242, 4%), Up to 5 years ago (43, 2%), 6-10 years old (74, 3%), Over 10 years old (125, 5%)

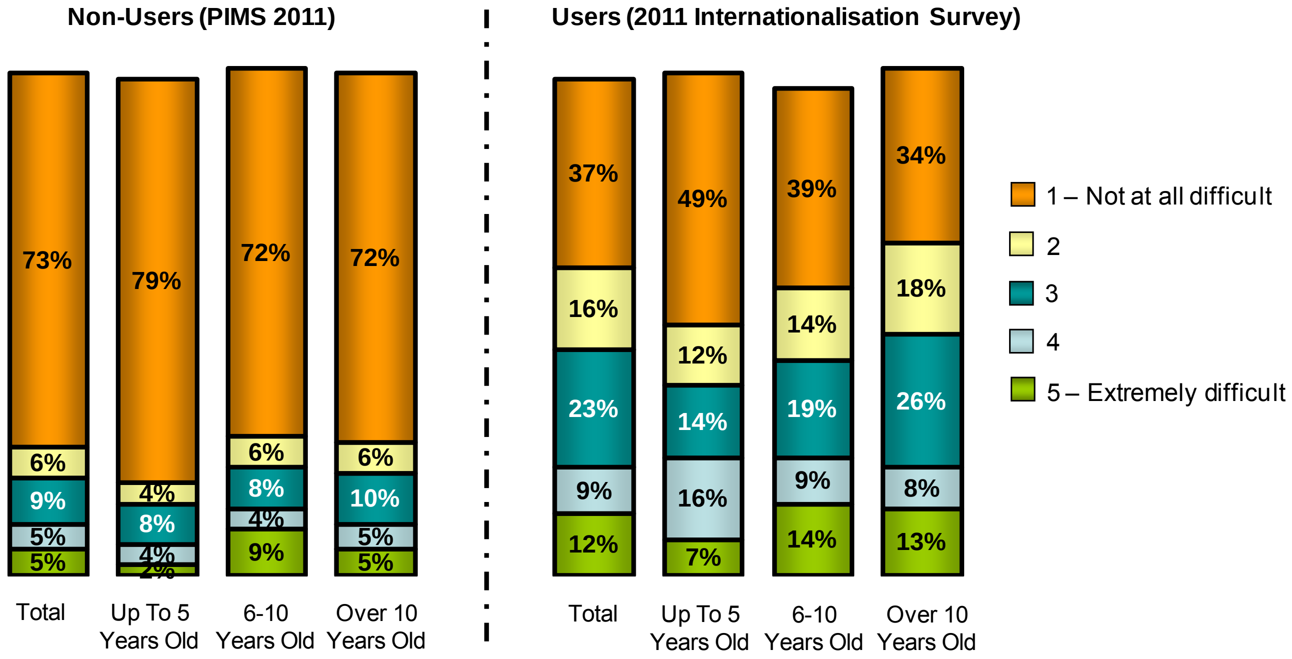
Only 14% of non-user firms have experienced <u>any</u> problems in protecting their intellectual property when doing business overseas, compared with 52% of UKTI users.

This difference is consistent with the fact that non-users are much less likely to be IP active or be engaged in innovation activities (i.e. they have fewer employees engaged in R&D and product/service development, they are less likely to commission external product development services and they are less likely to have introduced ‘new to the world’ products or services recently).

7.2.3 Ensuring Payment (Legal & Regulatory Barrier)

The chart below shows the extent to which the non-user businesses interviewed have experienced barriers relating to 'ensuring you get paid and enforcing contacts'. Comparative data has also been provided for users of UKTI support.

Figure 98: Barrier – Ensuring You Get Paid And Enforcing Contracts



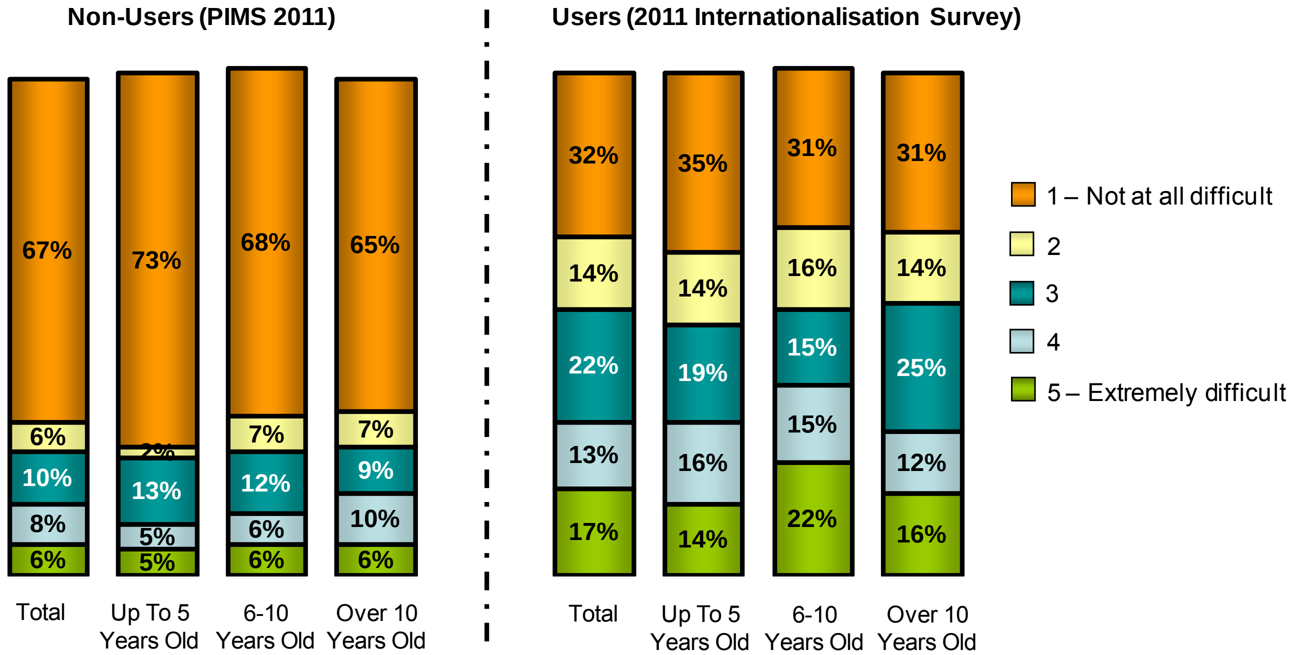
Base: All respondents (Base, Don't know/Refused)
Non-Users – Total (300, 2%), Up to 5 years ago (99, 3%), 6-10 years old (100, 1%), Over 10 years old (101, 2%)
Users – Total (242, 3%), Up to 5 years ago (43, 2%), 6-10 years old (74, 5%), Over 10 years old (125, 2%)

Users of UKTI are more than twice as likely as non-users to have experienced problems in getting paid when doing business overseas, with 60% and 25 % respectively indicating that they have had at least some difficulty in this respect (scoring 2-5 out of 5). This difference may be connected to the fact that UKTI users are significantly more likely to be doing business in countries outside of the EU and North America.

7.2.4 Customs Procedures & Paperwork (Customs Barrier)

The chart below shows the extent to which the non-user businesses interviewed have experienced barriers relating to 'dealing with customs procedures and paperwork'. Comparative data has also been provided for users of UKTI support.

Figure 99: Barrier – Dealing With Customs Procedures & Paperwork



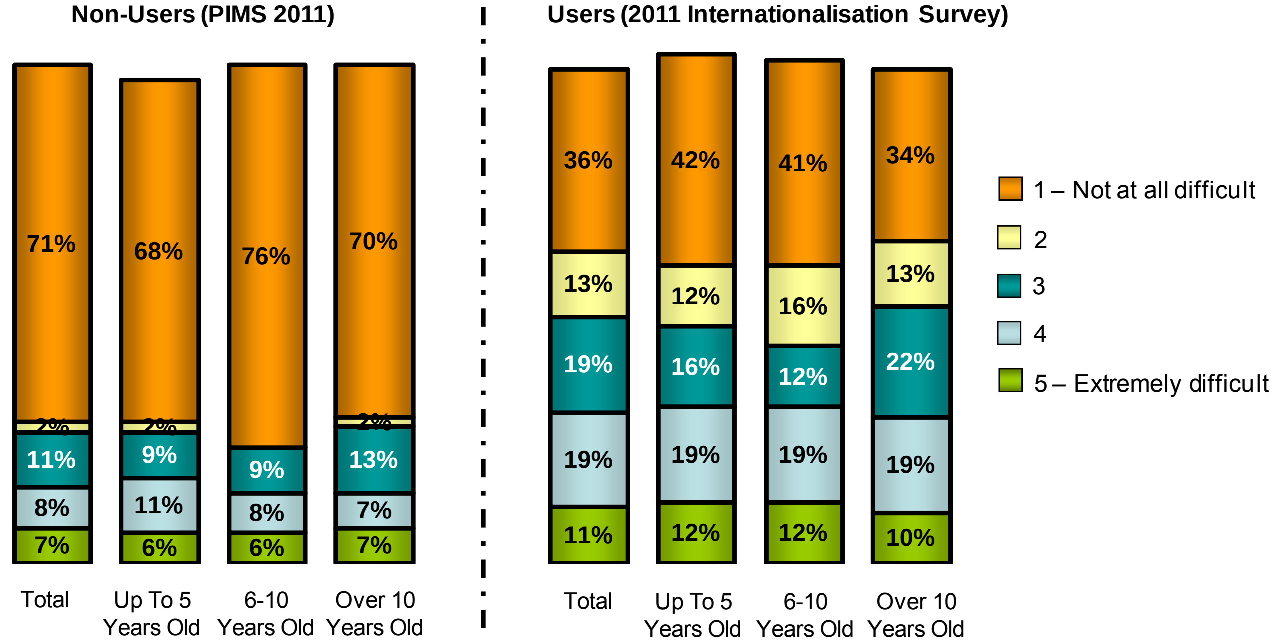
Base: All respondents (Base, Don't know/Refused)
Non-Users – Total (300, 2%), Up to 5 years ago (99, 2%), 6-10 years old (100, 1%), Over 10 years old (101, 3%)
Users – Total (242, 2%), Up to 5 years ago (43, 2%), 6-10 years old (74, 1%), Over 10 years old (125, 2%)

Less than a third of non-user firms (31%) have experienced any difficulties with customs procedures or paperwork in the course of carrying out their overseas business (i.e. scored 2-5 out of 5). However, amongst UKTI users this proportion increases sharply to 66%.

7.2.5 Identifying Contacts (Contacts Barrier)

The chart below shows the extent to which the non-user businesses interviewed have experienced barriers relating to 'identifying who to make contact with in the first instance'. Comparative data has also been provided for users of UKTI support.

Figure 100: Barrier – Identifying Who To Make Contact With In The First Instance



Base: All respondents (Base, Don't know/Refused)
Non-Users – Total (300, 2%), Up to 5 years ago (99, 4%), 6-10 years old (100, 1%), Over 10 years old (101, 1%)
Users – Total (242, 2%), Up to 5 years ago (43, 0%), 6-10 years old (74, 0%), Over 10 years old (125, 2%)

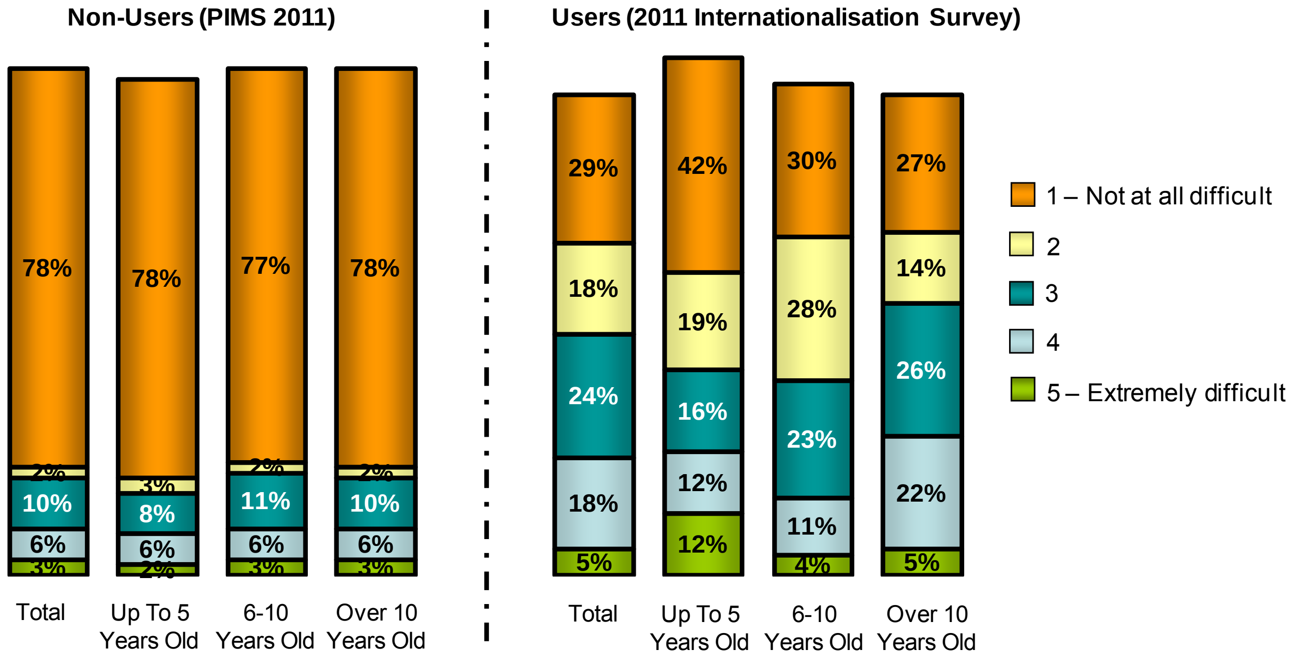
Contact facilitation is clearly an issue for a large number of UKTI clients, with 62% reporting at least some level of difficulty in this respect (and 30% indicating it has been a significant barrier). This may well have been one of the issues that prompted many of these firms to access UKTI support.

Non-users firms are less likely to identify this as a problem, which is consistent with the fact that non-users are more likely to indicate that they do business overseas because they receive orders/enquires from overseas customers. This implies that in many cases these firms do not need to identify contacts (as the customers approach them). However, it is still the case that over a quarter of non-users do report some degree of difficulty with identifying contacts, suggesting that a significant proportion of these firms would benefit from the type of contact-facilitation assistance provided by UKTI through services such as OMIS.

7.2.6 Initial Dialogue (Contacts Barrier)

The chart below shows the extent to which the non-user businesses interviewed have experienced barriers relating to 'establishing an initial dialogue with prospective customers or business partners'. Comparative data has also been provided for users of UKTI support.

Figure 101: Barrier – Establishing An Initial Dialogue With Prospective Customers Or Business Partners



Base: All respondents (Base, Don't know/Refused)
Non-Users – Total (300, 1%), Up to 5 years ago (99, 3%), 6-10 years old (100, 1%), Over 10 years old (101, 1%)
Users – Total (242, 4%), Up to 5 years ago (43, 0%), 6-10 years old (74, 4%), Over 10 years old (125, 5%)

As well as being more likely than non-users to encounter difficulties in identifying who to contact in the first instance, users of UKTI support are also much more likely to have experienced problems establishing an initial dialogue with these contacts. Overall, 67% of users report some degree of difficulty in this area, compared to just 21% of non-user firms.

Those non-user firms that had reported no or very small difficulties with establishing an initial dialogue (i.e. 1-2 out of 5) were asked why this had not been a problem for them.

Figure 102: Reasons For Not Having Difficulties With Establishing An Initial Dialogue

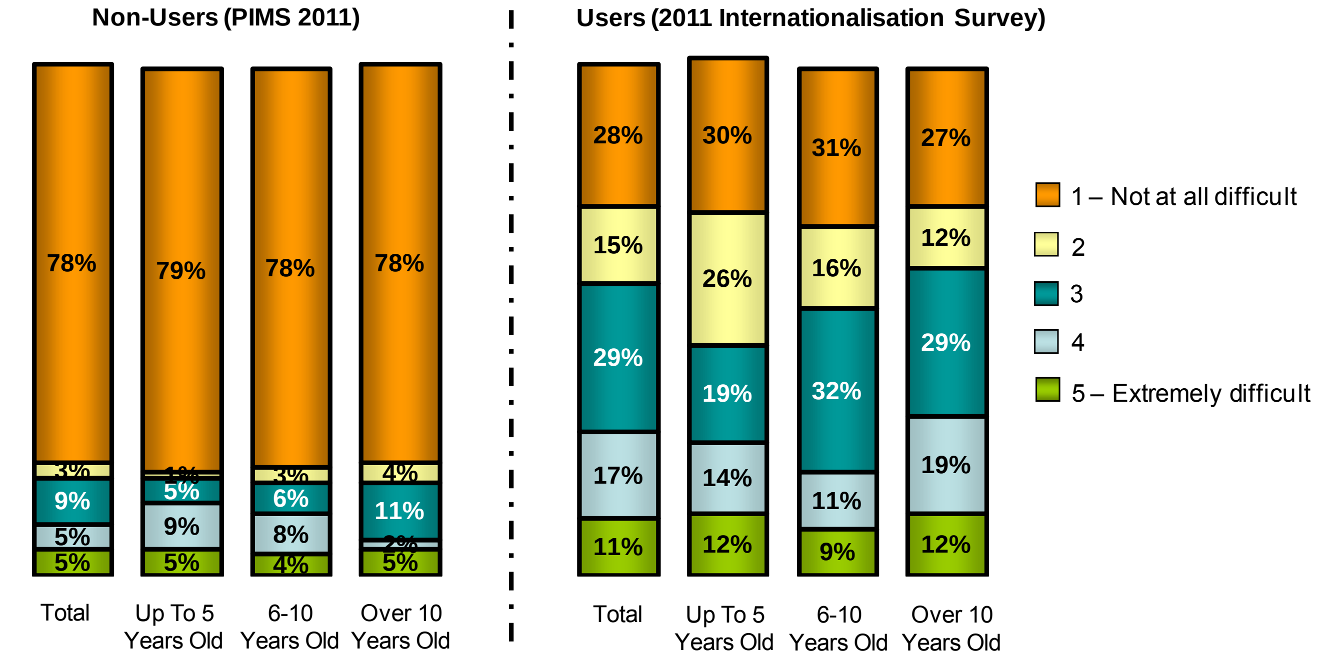
	Non-Users (PIMS 2011)			
	Total	Up to 5 years old	6-10 years old	>10 years old
Base	*300*	*99*	*100*	*101*
Already had contacts	38%	43%	36%	38%
Customers initiated the contact	45%	38%	48%	46%
Other reason	4%	6%	6%	2%
Don't know	4%	3%	0%	6%
Initial dialogue was a barrier (3-5 out of 5)	*19%*	*16%*	*20%*	*19%*

As detailed above, there is a fairly even split between firms indicating that they had not had difficulty establishing an initial dialogue because they already had contacts and those indicating that it was because the customers themselves initiated the contact.

7.2.7 Building Relationships (Contacts Barrier)

The chart below shows the extent to which the non-user businesses interviewed have experienced barriers relating to 'building relationships with key influencers or decision-makers'. Comparative data has also been provided for users of UKTI support.

Figure 103: Barrier – Building Relationships With Key Influencers Or Decision-Makers



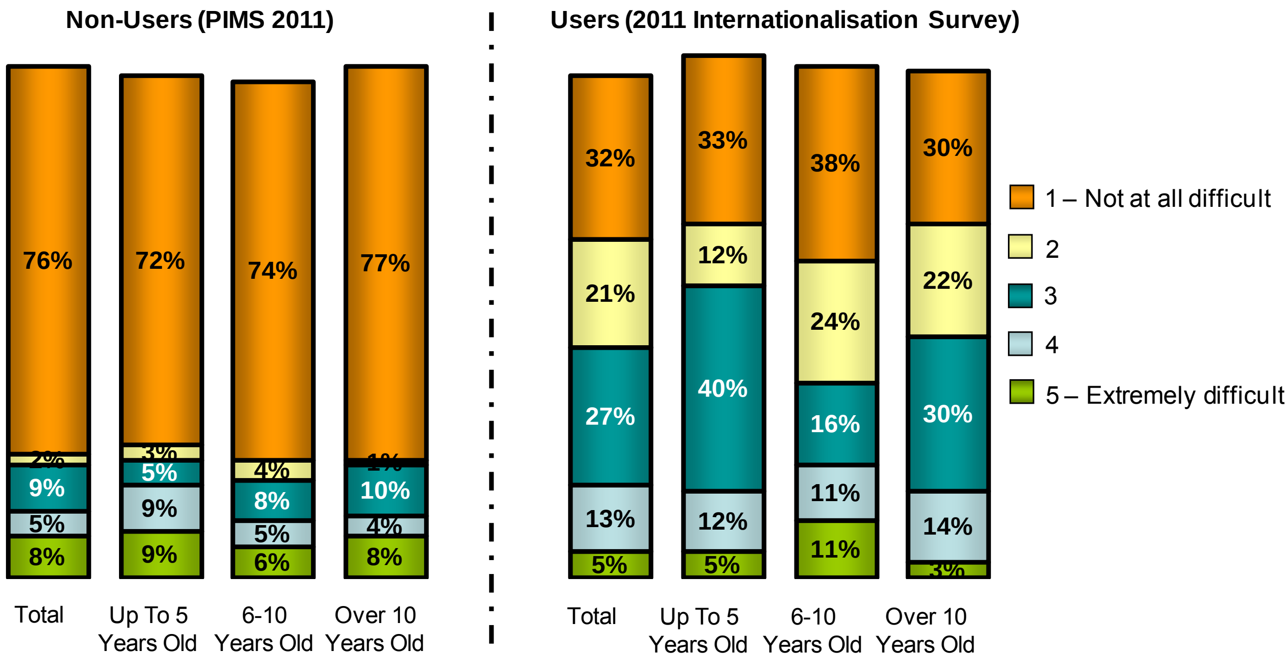
Base: All respondents (Base, Don't know/Refused)
Non-Users – Total (300, 0%), Up to 5 years ago (99, 1%), 6-10 years old (100, 1%), Over 10 years old (101, 0%)
Users – Total (242, 1%), Up to 5 years ago (43, 0%), 6-10 years old (74, 0%), Over 10 years old (125, 1%)

There is also a marked contrast in the proportion of users and non-users reporting problems with building relationships with key contacts overseas, with 71% of the former experiencing at least some difficulties in this respect compared to just 22% of the latter.

7.2.8 Obtaining Information (Information Barrier)

The chart below shows the extent to which the non-user businesses interviewed have experienced barriers relating to 'obtaining basic information about an overseas market'. Comparative data has also been provided for users of UKTI support.

Figure 104: Barrier – Obtaining Basic Information About An Overseas Market



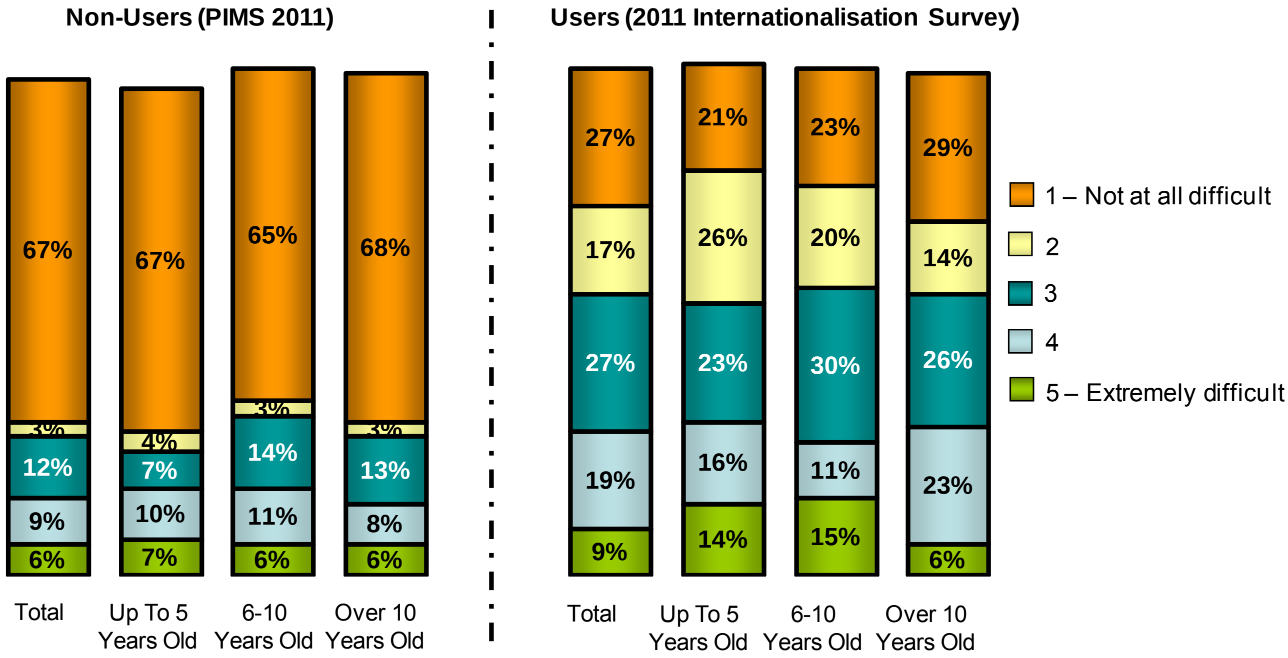
Base: All respondents (Base, Don't know/Refused)
Non-Users – Total (300, 1%), Up to 5 years ago (99, 2%), 6-10 years old (100, 3%), Over 10 years old (101, 0%)
Users – Total (242, 1%), Up to 5 years ago (43, 0%), 6-10 years old (74, 0%), Over 10 years old (125, 1%)

Less than a quarter of non-user firms claim to have had difficulties in obtaining basic information about an overseas market (with just 13% judging it to have been a significant problem), whereas 67% of UKTI users have experienced at least some problems in this area. Again, this may be linked to the more reactive nature of non-users when it comes to overseas business (i.e. they typically respond to orders/enquiries from overseas customers), meaning that they have less need to find information about potential overseas markets.

7.2.9 Management Time (Resource Barrier)

The chart below shows the extent to which the non-user businesses interviewed have experienced barriers relating to 'finding the necessary management time to devote to doing business in an overseas country'. Comparative data has also been provided for users of UKTI support.

Figure 105: Barrier – Finding The Necessary Management Time To Devote To Doing Business In An Overseas Country



Base: All respondents (Base, Don't know/Refused)
Non-Users – Total (300, 2%), Up to 5 years ago (99, 5%), 6-10 years old (100, 1%), Over 10 years old (101, 2%)
Users – Total (242, 1%), Up to 5 years ago (43, 0%), 6-10 years old (74, 1%), Over 10 years old (125, 1%)

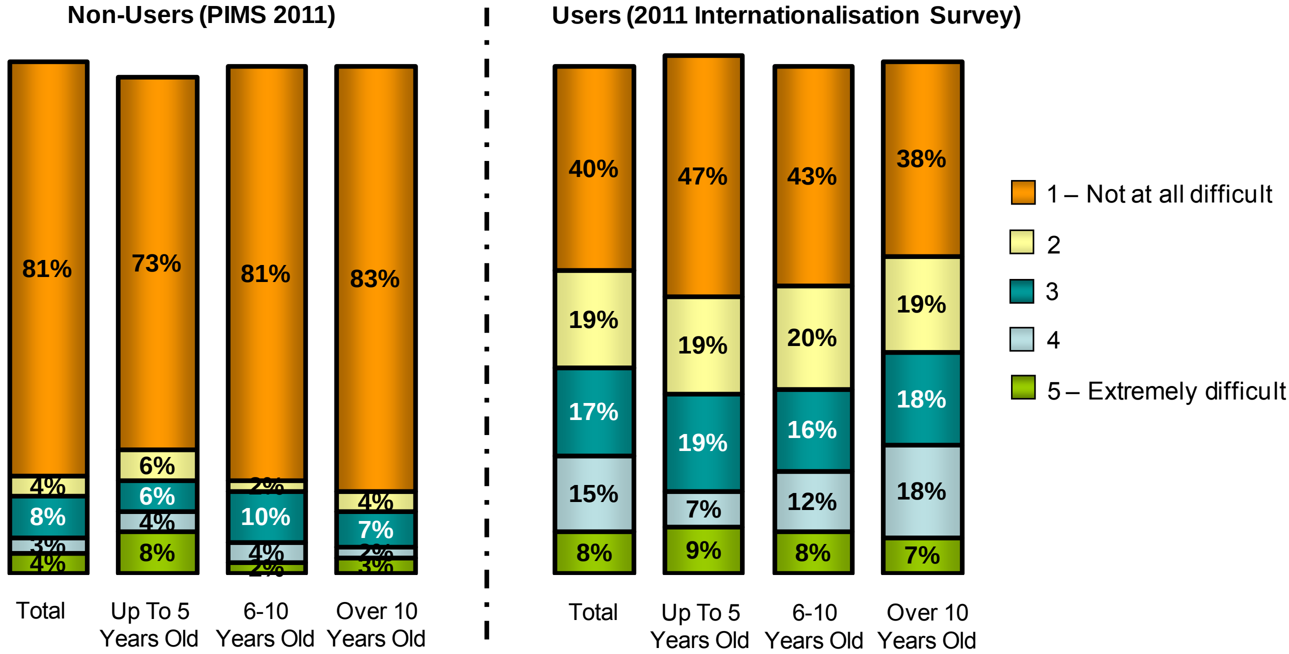
Lack of management time was the most widespread barrier for non-user firms, although only 15% felt that this was a significant problem (i.e. scoring 4-5 out of 5) and two-thirds did not report any difficulties in this respect. In contrast, 72% of UKTI users had experienced at least some problems with this (29% to a significant extent).

Given that they tend to have fewer employees, it might be expected that younger firms would be more likely to have difficulty finding the required management time to do business overseas, but there is no evidence that this is the case. Furthermore, when looking at these results by size of firm, it appears that larger non-user firms are in fact more likely to be constrained by a lack of management resources, with a third of those with 100 or more staff reporting significant problems in this respect.

7.2.10 Language (Language & Cultural Barrier)

The chart below shows the extent to which the non-user businesses interviewed have experienced barriers relating to 'language barriers'. Comparative data has also been provided for users of UKTI support[5].

Figure 106: Barrier – Language Barriers



Base: All respondents (Base, Don't know/Refused)
Non-Users – Total (300, 1%), Up to 5 years ago (99, 3%), 6-10 years old (100, 1%), Over 10 years old (101, 1%)
Users – Total (242, 1%), Up to 5 years ago (43, 0%), 6-10 years old (74, 0%), Over 10 years old (125, 1%)

It is clear that non-users are considerably less likely to have experienced significant language barriers than UKTI users. As seen below, in most cases this was because firms had been able to use English when dealing with their overseas customers.

Figure 107: Reasons For Not Having Difficulties With Language Barriers

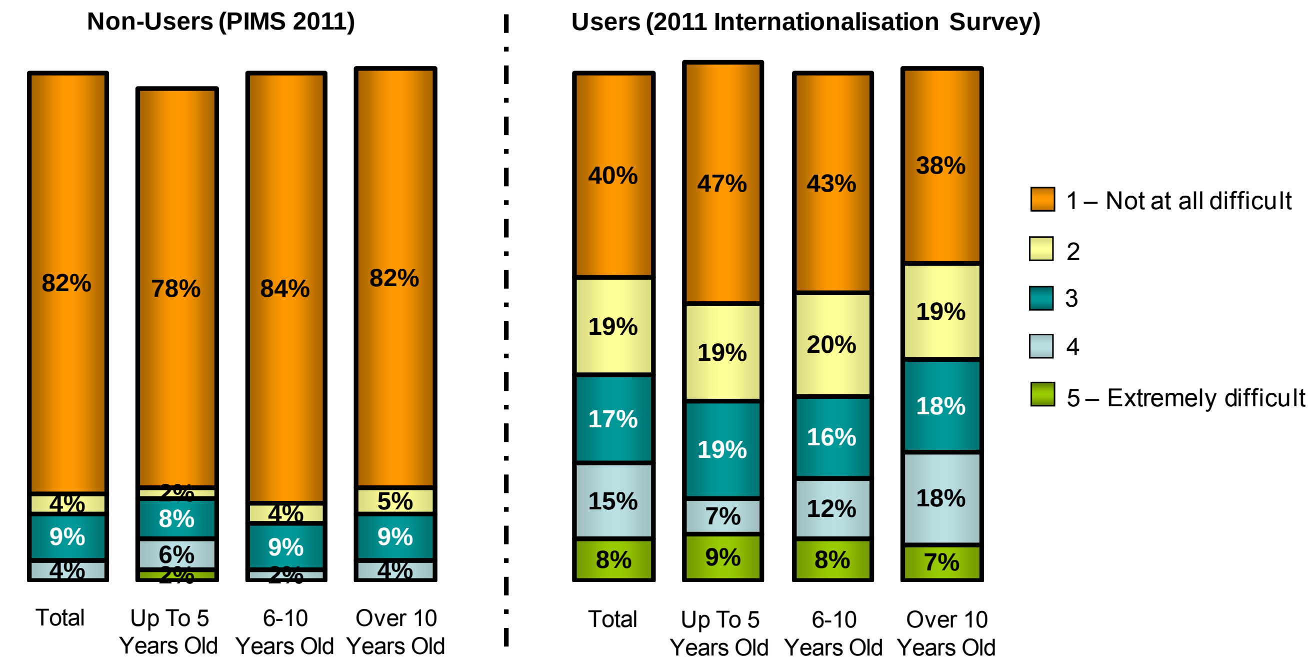
	Non-Users (PIMS 2011)			
	Total	Up to 5 years old	6-10 years old	>10 years old
Base	*300*	*99*	*100*	*101*
Always been able to use English	72%	65%	73%	73%
Have staff with necessary language skills	17%	7%	20%	19%
Other reason	5%	7%	2%	5%
Don't know	0%	2%	0%	0%
Language was a barrier (3-5 out of 5)	*14%*	*18%*	*16%*	*12%*

[5] Please note that the user data relates to 'language or cultural differences' as these 2 barriers were combined in the Internationalisation Survey questionnaire.

7.2.11 Cultural Differences (Language & Cultural Barrier)

The chart below shows the extent to which the non-user businesses interviewed have experienced barriers relating to 'cultural differences outside of language barriers'. Comparative data has also been provided for users of UKTI support[6].

Figure 108: Barrier – Cultural Differences Outside Of Language Barriers



Base: All respondents (Base, Don't know/Refused)
Non-Users – Total (300, 1%), Up to 5 years ago (99, 4%), 6-10 years old (100, 1%), Over 10 years old (101, 0%)
Users – Total (242, 1%), Up to 5 years ago (43, 0%), 6-10 years old (74, 0%), Over 10 years old (125, 1%)

Only 17% of non-users felt that they had experienced any difficulties with cultural differences, and only 4% judged these to have been 'significant' (i.e. 4-5 out of 5). In comparison, well over half of UKTI users had experienced problems with this (23% to a significant extent). However, it should be noted that the user data displayed in the above chart relates to difficulties with 'language or cultural differences' (as these two barriers were combined in the Internationalisation Survey).

[6] Please note that the user data relates to 'language or cultural differences' as these 2 barriers were combined in the Internationalisation Survey questionnaire.

As seen below, in most cases where non-user firms have not experienced any problems with cultural differences, this is because they have not come across them, although a fifth have avoided them by virtue of having staff that are familiar with the culture in the overseas markets in which they do business.

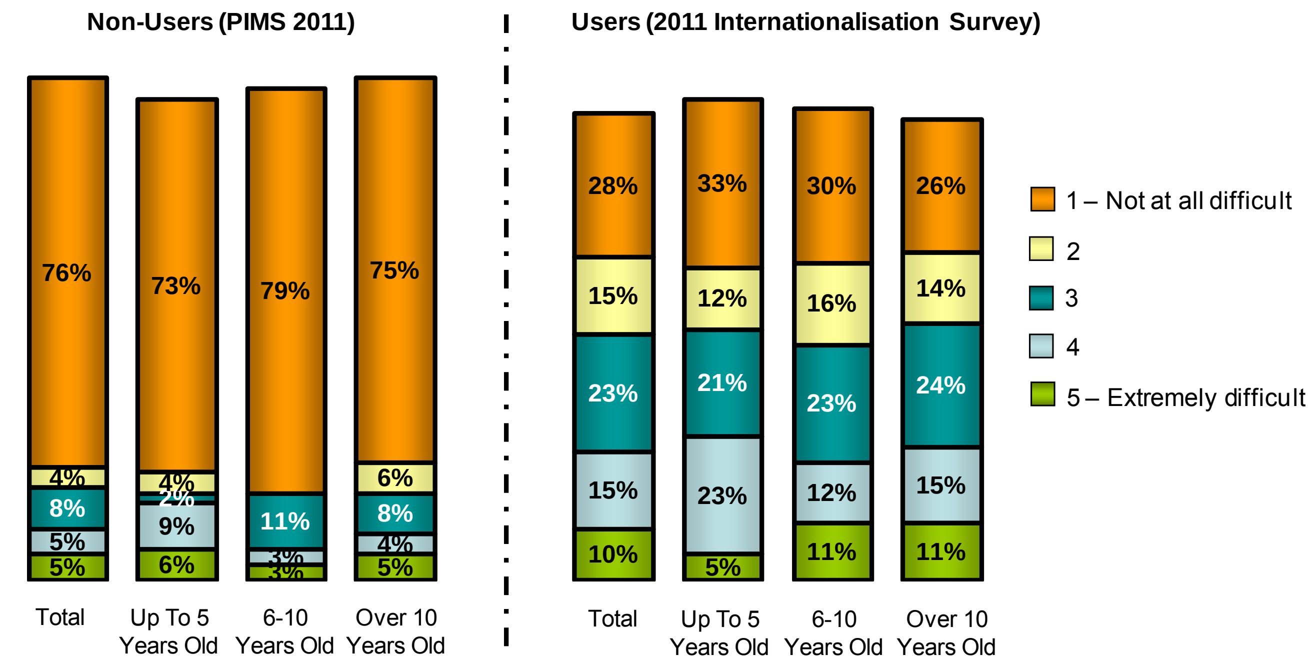
Figure 109: Reasons For Not Having Difficulties With Cultural Differences

	Non-Users (PIMS 2011)			
	Total	Up to 5 years old	6-10 years old	>10 years old
Base	*300*	*99*	*100*	*101*
Not come across cultural differences	65%	59%	64%	67%
Have staff familiar with the culture	20%	19%	24%	19%
Other reason	5%	5%	6%	4%
Don't know	1%	0%	0%	2%
Cultural differences were a barrier (3-5 out of 5)	*13%*	*16%*	*11%*	*13%*

7.2.12 Bias (Bias Barrier)

The chart below shows the extent to which the non-user businesses interviewed have experienced barriers relating to ‘a preference on the part of overseas customers for doing business with firms from their own country’. Comparative data has also been provided for users of UKTI support.

Figure 110: Barrier – A Preference On The Part Of Overseas Customers For Doing Business With Firms From Their Own Country



Base: All respondents (Base, Don't know/Refused)
Non-Users – Total (300, 3%), Up to 5 years ago (99, 6%), 6-10 years old (100, 4%), Over 10 years old (101, 2%)
Users – Total (242, 8%), Up to 5 years ago (43, 7%), 6-10 years old (74, 8%), Over 10 years old (125, 9%)

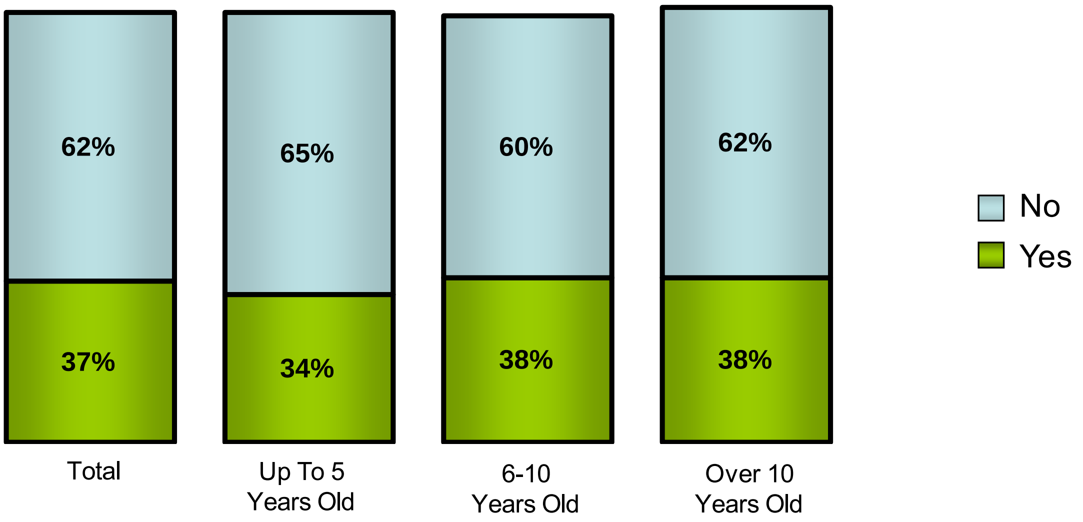
Only a fifth of non-users (21%) have experienced any problems with overseas firms preferring to do business with companies from their own country. This issue of bias towards domestic firms is a much more significant problem for UKTI users, with almost two-thirds (64%) reporting some difficulties in this respect.

8. UKTI Support: Awareness & Alternatives

8.1 Awareness Of UKTI

The chart below shows the proportion of non-user businesses that were aware that UK Trade & Investment provide assistance to help UK firms do business overseas.

Figure 111: Awareness Of UKTI Export Support



Base: All respondents (Base, Don't know/Refused)
Non-Users – Total (300, 1%), Up to 5 years old (99, 1%), 6-10 years old (100, 2%), Over 10 years old (101, 0%)

Only just over a third of non-users firms were aware that UKTI provide assistance to help UK firms do business overseas. Awareness levels are broadly similar across the different firm age groups.

However, the table below demonstrates that awareness of UKTI increases significantly amongst supported non-users, and this does raises the question of why half of those firms that are accessing external export-related support are aware of UKTI but choosing not to use their services.

Figure 112: Awareness Of UKTI Export Support - Non-Users By Whether Supported (2010/2011 combined)

	Total		Up to 5 years		6-10 years		Over 10 years	
	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted
Base	*142*	*460*	*39*	*156*	*39*	*161*	*64*	*143*
Yes	52%	32%	51%	28%	44%	38%	55%	31%
No	47%	68%	46%	72%	54%	61%	45%	69%
Don't know	1%	0%	3%	1%	3%	1%	0%	0%

8.2 Awareness & Interest In UKTI Services

8.2.1 The Overseas Market Introduction Service (OMIS)

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

"The Overseas Market Introduction Service, or OMIS, is a charged service delivered by UK embassies and consulates overseas. It can include advice about an overseas market or the identification of possible customers or business partners".

Figure 113: Awareness & Interest In OMIS

	Non-Users (PIMS 2011)			
	Total	Up to 5 years old	6-10 years old	Over 10 years old
Base	*300*	*99*	*100*	*101*
Have you heard of this service before?				
Yes	18%	14%	15%	21%
No	80%	85%	84%	76%
Don't know	2%	1%	1%	3%
Would you be interested in using this service?				
Yes	20%	32%	27%	14%
Maybe	13%	8%	11%	16%
No	66%	60%	61%	70%
Don't know	0%	0%	1%	0%

Approaching a fifth of non-user firms had heard of the OMIS service. Based on the brief description that respondents were given about OMIS, a fifth felt that they would be interested in using it (with a further 13% indicating they may be interested).

Interestingly, awareness seems to be slightly higher amongst older firms, but it is younger firms that find the service most appealing.

The table below provides further analysis of awareness of, and interest in, the OMIS service amongst non-user firms by their growth objectives and innovation levels. Please note that to enable more robust analysis at this level, the data is based on both the 2010 and 2011 Non-User surveys.

Figure 114: Awareness & Interest In OMIS – By Growth & Innovation (2010/2011 Combined)

	Growth objectives			Innovation			
	Substantial growth	Moderate growth	No growth	Innovative (alternative)	Innovative	Non-innovative	Innovative high growth
Base	*163*	*316*	*106*	*187*	*373*	*229*	*116*
Have you heard of this service before?							
Yes	17%	15%	29%	25%	20%	16%	19%
No	83%	83%	69%	73%	79%	83%	81%
Don't know	0%	2%	2%	1%	2%	1%	0%
Would you be interested in using this service?							
Yes	27%	22%	12%	22%	23%	18%	27%
Maybe	57%	63%	77%	64%	61%	69%	57%
No	16%	14%	10%	13%	15%	12%	16%
Don't know	0%	1%	0%	1%	1%	1%	0%

As seen above, awareness of the OMIS service was higher amongst firms that do not plan to grow over the next 5 years. However, those firms that are aiming for growth (particularly substantial growth) were significantly more interested in the service once they had heard a summary of what it involved, with only a minority of this group indicating that they definitely would not want to use it. This clearly demonstrates that there are a significant number of dynamic firms that would potentially benefit from OMIS but have not considered using it simply because they are unaware of its existence.

There is a slightly different picture when it comes to innovation, with innovative firms demonstrating both higher awareness of OMIS and a slightly greater degree of interest in using the service. Reflecting the lower awareness level amongst growing firms as a whole, innovative high growth firms were less likely to have heard of OMIS than other innovative firms, but this group did find the idea of OMIS particularly appealing.

8.2.2 International Trade Advisors

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

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

Figure 115: Awareness & Interest In ITAs

	Non-Users (PIMS 2011)			
	Total	Up to 5 years old	6-10 years old	Over 10 years old
Base	*300*	*99*	*100*	*101*
Have you heard of this service before?				
Yes	22%	17%	20%	25%
No	77%	81%	80%	74%
Don't know	1%	2%	0%	1%
Would you be interested in using this service?				
Yes	36%	45%	38%	33%
Maybe	13%	9%	10%	15%
No	50%	44%	51%	50%
Don't know	2%	1%	1%	2%

Awareness of the ITAs is marginally higher than that seen for OMIS (22% vs. 18%). This service also seems to be more appealing to non-users than OMIS, with over a third of firms expressing an interest in using the ITAs (and a further 13% indicating that they may be interested).

As with OMIS, awareness of ITAs is slightly higher amongst older firms, but more recently established firms are most interested in using this type of support.

The table below provides further analysis of awareness of, and interest in, the services provided by ITAs amongst non-user firms by their growth objectives and innovation levels. Please note that to enable more robust analysis at this level, the data is based on both the 2010 and 2011 Non-User surveys.

Figure 116: Awareness & Interest In ITAs – By Growth & Innovation (2010/2011 Combined)

	Growth objectives			Innovation			
	Substantial growth	Moderate growth	No growth	Innovative (alternative)	Innovative	Non-innovative	Innovative high growth
Base	*163*	*316*	*106*	*187*	*373*	*229*	*116*
Have you heard of this service before?							
Yes	22%	20%	27%	24%	23%	19%	22%
No	77%	79%	73%	75%	77%	80%	76%
Don't know	1%	1%	0%	1%	0%	1%	2%
Would you be interested in using this service?							
Yes	42%	37%	20%	33%	37%	29%	42%
Maybe	42%	48%	67%	48%	47%	56%	40%
No	15%	15%	13%	18%	15%	13%	16%
Don't know	1%	1%	0%	1%	1%	1%	2%

As was the case with OMIS, awareness of the ITAs was actually lower amongst firms that were planning to grow over the next 5 years, but this group were considerably more interested in using the service. This again suggests that usage of the ITAs could be increased (particularly amongst more ambitious firms that are planning growth) if the service is more widely publicised.

Both awareness and interest in ITAs appears to be slightly higher amongst innovative firms, although these differences are not statistically significant. However, innovative high growth firms are significantly more likely to express clear interest in the service than non-innovative firms.

8.2.3 UK Events

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

"UK Trade & Investment put on a variety of events and seminars in the UK that focus on export opportunities and other aspects of doing business overseas"

Figure 117: Awareness & Interest In UK Events

	Non-Users (PIMS 2011)			
	Total	Up to 5 years old	6-10 years old	Over 10 years old
Base	*300*	*99*	*100*	*101*
Have you heard of these events before?				
Yes	44%	34%	40%	48%
No	56%	65%	60%	52%
Don't know	0%	1%	0%	0%
Would you be interested in attending this type of event?				
Yes	29%	38%	33%	25%
Maybe	9%	10%	12%	7%
No	61%	51%	54%	67%
Don't know	1%	1%	1%	1%

Awareness of this type of UKTI export-focussed events is higher than was seen for either OMIS or the ITAs, at 44%. However, given that only 37% of firms knew that UKTI provide assistance to help UK firms do business overseas, it seems that this figure refers to awareness of export-related events in general, rather than UKTI ones specifically.

There is also considerable interest in this type of event, with over a quarter indicating that they would be interested in attending (and a further 9% stating that they may be interested).

The table below provides further analysis of awareness of, and interest in, UK export events amongst non-user firms by their growth objectives and innovation levels. Please note that to enable more robust analysis at this level, the data is based on both the 2010 and 2011 Non-User surveys.

Figure 118: Awareness & Interest In UK Events – By Growth & Innovation (2010/2011 Combined)

	Growth objectives			Innovation			
	Substantial growth	Moderate growth	No growth	Innovative (alternative)	Innovative	Non-innovative	Innovative high growth
Base	*163*	*316*	*106*	*187*	*373*	*229*	*116*
Have you heard of this service before?							
Yes	43%	43%	49%	48%	47%	39%	45%
No	57%	57%	51%	52%	53%	61%	55%
Don’t know	0%	0%	0%	0%	0%	0%	0%
Would you be interested in using this service?							
Yes	42%	33%	20%	31%	35%	27%	42%
Maybe	47%	55%	69%	53%	54%	61%	45%
No	11%	12%	9%	16%	11%	10%	13%
Don’t know	0%	1%	2%	0%	0%	2%	0%

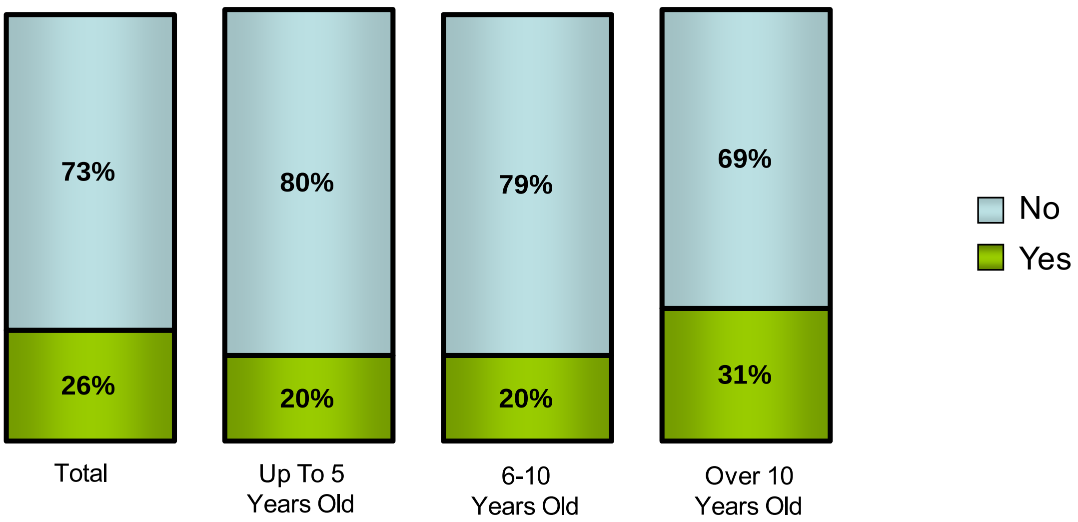
There are no significant differences in awareness of this type of event by the level of firms’ growth ambitions, although innovative firms are more likely to have heard of them than their non-innovative counterparts.

In terms of the appeal of these events, firms that are expecting to grow (particularly those planning for substantial growth) and innovative firms both exhibit significantly higher levels of interest in attending.

8.3 Use Of Non-UKTI Support

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

Figure 119: Whether Received Export Support In Last 2 Years - Non-Users (2010/11 Combined)



Base: All respondents (Base, Don't know/Refused)
Non-Users – Total (602, 1%), Up to 5 years old (195, 0%), 6-10 years old (200, 1%), Over 10 years old (207, 0%)

Just over a quarter of non-users had received export support from a non-UKTI source in the previous two years, and are therefore classed as 'supported' non-users. Older firms established for more than 10 years were most likely to have accessed external support.

As detailed below, the most widely used sources of support were HM Revenue and Customs and the Chamber of Commerce, followed by banks and trade associations.

Figure 120: Sources Of Non-UKTI Support Received - Non-Users (2010/2011 Combined)

	Total	Non-Users		
		Up to 5 years old	6-10 years old	Over 10 years old
Base: All non-users	*602*	*195*	*200*	*207*
HM Revenue and customs	9%	9%	8%	10%
Chamber of Commerce	9%	4%	5%	12%
Bank	8%	6%	3%	11%
Trade Association	6%	2%	5%	7%
Consultant	4%	5%	5%	3%
Regional Development Agency	4%	4%	4%	3%
Market research agency	3%	2%	2%	3%
Other	4%	4%	1%	5%
No support received	*73%*	*80%*	*79%*	*69%*
Don't know if received support	*1%*	*0%*	*1%*	*0%*

8.4 Supported Non-Users

8.4.1 Focus Of Support

The most widespread type of support accessed by non-users related to information on how to do business in an overseas market, with just over half of all supported non-users indicating that they had obtained this in the previous 2 years. Over a quarter of firms had also received specific information about business opportunities overseas, with a slightly lower proportion accessing information about entering a new market and help identifying overseas contacts.

Figure 121: Types Of Support Received - Supported Non-Users (2010/2011 Combined)

	Total	Supported Non-Users		
		Up to 5 years old	6-10 years old	Over 10 years old
Base: Supported non-users	*142*	*39*	*39*	*64*
Info on how to do business in an overseas market	53%	54%	59%	52%
Info about business opportunities overseas	28%	31%	33%	27%
Info about entering a new market	23%	28%	31%	20%
Help identifying overseas contacts	21%	23%	33%	17%
Certificates of Origin	18%	10%	5%	23%
Help accessing finance or funding	17%	26%	15%	16%
Help with developing overseas business strategy	16%	21%	28%	13%
Help with doing market research overseas	13%	21%	23%	9%
Political support	3%	5%	5%	2%
Other	7%	10%	10%	6%
Don't know	6%	10%	5%	5%

8.4.2 Paid-For Support

Supported non-users were also asked whether they had paid for any of the support they had received, and as detailed below, just over a quarter had done so. Young firms are considerably less likely to have paid for support, perhaps reflecting the lower financial resources of many newly established firms.

Figure 122: Paid-For Support - Supported Non-Users (2010/2011 Combined)

	Total	Supported Non-Users		
		Up to 5 years old	6-10 years old	Over 10 years old
Base: Supported non-users	*142*	*39*	*39*	*64*
Yes	27%	13%	26%	30%
No	72%	87%	74%	69%
Don't know	1%	0%	0%	2%

8.4.3 Time Spent

Supported non-users were also asked to estimate how much time the support provider had spent on assisting them.

Figure 123: Time Spent On Support - Supported Non-Users (2010/2011 combined)

	Total	Supported Non-Users		
		Up to 5 years old	6-10 years old	Over 10 Years old
Base: Supported non-users	*142*	*39*	*39*	*64*
More than a week	8%	5%	13%	8%
3-5 day's work	11%	10%	18%	9%
1-2 day's work	14%	15%	10%	14%
Less than a day	31%	33%	33%	29%
Less than an hour	28%	23%	26%	30%
Don't know	8%	13%	0%	9%

Most firms receiving external export support indicated that this had been relatively light in terms of time, with only 8% feeling that they had received more than a week's worth of assistance and over a quarter (28%) believing it was less than an hour. However, it should be noted that this relates to firms' perceptions of the time spent by the support provider.

8.5 Unsupported Non-users

8.5.1 Perceived Benefit Of External Support

All non-user businesses that had not received any support were asked whether they thought they would have benefited from such support to help overcome any difficulties they had encountered when developing the export side of their business. As seen below, two-fifths believed that they *would* have benefited from this type of assistance (with a further 7% indicating that they might have done so).

Figure 124: Types of External Support That Would Have Been Beneficial
Unsupported Non-Users (2010/2011 Combined)

	Total	Unsupported Non-Users		
		Up to 5 years old	6-10 years old	Over 10 years old
Base: Unsupported non-users	*460*	*156*	*161*	*143*
Yes	40%	45%	37%	41%
Maybe	7%	5%	6%	8%
No	52%	48%	56%	52%
Don't know	1%	2%	2%	0%

Those firms that felt they would have benefited from some type of export related assistance were asked to specify what particular types of advice or support would have helped. Please note that comparable data is not available from the 2010 survey, so the table below is based solely on the 2011 survey. As seen below, the most widely required types of assistance relate to help with export regulations, rules and taxes (29%) and general advice on how to export or enter new markets.

Figure 125: Types of External Support That Would Have Been Beneficial
Unsupported Non-Users (2011 Only)

	Total	Unsupported Non-Users		
		Up to 5 years old	6-10 years old	Over 10 years old
Base: Unsupported non-users	*239*	*80*	*83*	*76*
Info/advice on export regulations/ rules/taxes	29%	24%	19%	34%
General info/advice on how to export/enter new markets	18%	23%	20%	16%
Finance/grants/subsidies	8%	5%	6%	11%
Info about specific countries/market intelligence	8%	11%	7%	7%
Help with overseas marketing strategy	7%	10%	5%	7%
Help with accessing business contacts	5%	11%	5%	4%
Info/advice about securing payment/ enforcing contracts	5%	4%	6%	5%
Other	4%	5%	5%	4%
Don't know	3%	1%	5%	3%
Would not have benefited from support	47%	48%	47%	46%
Don't know if would have benefited from support	1%	1%	4%	0%

8.5.2 Awareness Of Potential Support Providers

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

Figure 126: Awareness Of Export Support Providers
Unsupported Non-Users (2010/2011 Combined)

	Total	Unsupported Non-Users		
		Up to 5 years old	6-10 years old	Over 10 years old
Base: All unsupported non-users indicating would benefit from support	*215*	*78*	*68*	*69*
Yes, aware of support providers	35%	32%	34%	36%
- Business Link	*8%*	*6%*	*6%*	*9%*
- Friend, colleagues, business associates	*7%*	*4%*	*3%*	*10%*
- Chamber of Commerce	*7%*	*3%*	*10%*	*7%*
- Trade Association	*5%*	*4%*	*3%*	*6%*
- HM Revenue and Customs	*4%*	*8%*	*7%*	*1%*
- Bank	*4%*	*3%*	*3%*	*4%*
- UKTI	*3%*	*5%*	*1%*	*3%*
- Dept for Business, Innovation & Skills	*2%*	*0%*	*3%*	*1%*
- Regional Development Agency	*1%*	*0%*	*1%*	*1%*
- Embassies	*1%*	*0%*	*0%*	*1%*
- Consultant	**%*	*3%*	*0%*	*0%*
- Other	*7%*	*4%*	*4%*	*9%*
No, not aware of support providers	65%	68%	66%	64%

It appears that in most cases the reason why those firms that feel export support would be beneficial have not actually used it is because they are unaware of any providers, with 65% of firms indicating that this is the case.

Amongst those firms that were aware of potential support providers, the most widely mentioned suppliers were Business Link, the Chamber of Commerce and more informal assistance from friends or business associates. Only 3% of firms suggested UKTI as a source of export support (with a further 2% mentioning BIS), and this is consistent with the low awareness levels seen earlier (37% of all non-users aware of UKTI).

8.5.3 Reasons For Not Needing Export Support

Unsupported non-users who felt that they would not have benefitted from any external export-related advice or support were asked why this was. Please note that comparable data is not available from the 2010 survey, hence base sizes are low when looking at individual age groups.

Figure 127: Reasons For Not Needing Support
Unsupported Non-Users (2011 Only)

	Total	Unsupported Non-Users		
		Up to 5 years old	6-10 years old	Over 10 years old
Base: All unsupported non-users indicating would not benefit from support	*112*	*38*	*39*	*35*
Easy/straightforward/don't need help	35%	42%	31%	34%
Already have experience/expertise within the company	31%	29%	38%	29%
Manage fine as we are/do it ourselves	22%	21%	15%	26%
Customers contact us/we respond to orders/enquiries	22%	21%	21%	23%
Have our own/existing contacts	16%	11%	10%	20%
No one could provide relevant help/information	7%	5%	5%	9%
Have a niche market/product	6%	5%	15%	3%
Other	7%	5%	5%	9%
Don't know	3%	3%	3%	3%

As detailed above, the main reasons for not requiring support were that firms felt that doing business overseas was easy or straightforward and that they already had the required expertise within their company, with each of these mentioned by around a third of firms.

9. Quality Of Support

9.1 Quality Rating – Measure A09

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

- The quality & relevance of the information they provided
- The quality and relevance of any contacts it allowed you to make
- Their attitude & professionalism
- Their objectivity and acting in your best interests

These ratings have been used to create a mean quality rating for the summarised through a calculation of the average proportion of firms providing a rating of '4' or '5' on the 5-point scale across these aspects of service. This analysis forms one of the key survey measures, namely 'Measure A09 – Quality rating'.

Figure 128: Measure A09 – Quality Rating
Supported Non-Users (2010/2011 Combined)

	Total	Supported Non-Users		
		1-5 Years Old	6-10 Years Old	Over 10 Years Old
Base: Supported non-users	*142*	*39*	*39*	*64*
Average proportion providing a rating of '4' or '5'	52%	53%	51%	52%
95% confidence interval	± 8%	± 16%	± 16%	± 12%

The mean quality rating for non-UKTI support is 52%, and there are no statistically significant differences by age of firm in this respect.

The panel below provides further details of how Measure A09 has been calculated for this survey, and demonstrates that the key strength of non-UKTI support is the attitude and professionalism of those delivering it, but the primary weakness is the contacts provided (with only 25% giving a score of 4-5 out of 5 for this element).

A09 – Quality Rating

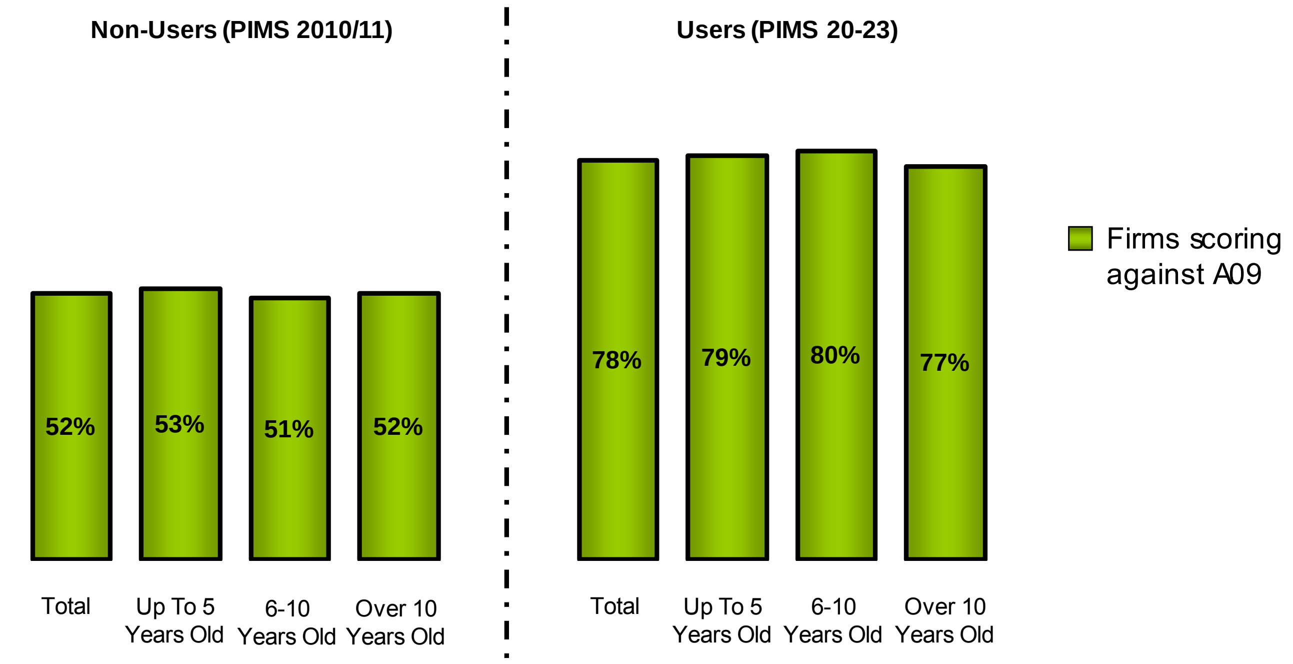
The average proportion of firms scoring '4' or '5' on a 5-point scale for…

- The quality & relevance of the information they provided (56%)
- The quality and relevance of any contacts it allowed you to make (25%)
- Their attitude & professionalism (67%)
- Their objectivity and acting in your best interests (60%)

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

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

Figure 129: Measure A09 – Quality Rating



Base: All supported firms (Base)
Non-Users – Total (142), Up to 5 years old (39), 6-10 years old (39), Over 10 years old (64),
Users – Total (3945), Up to 5 years old (952), 6-10 years old (664), Over 10 years old (2313)

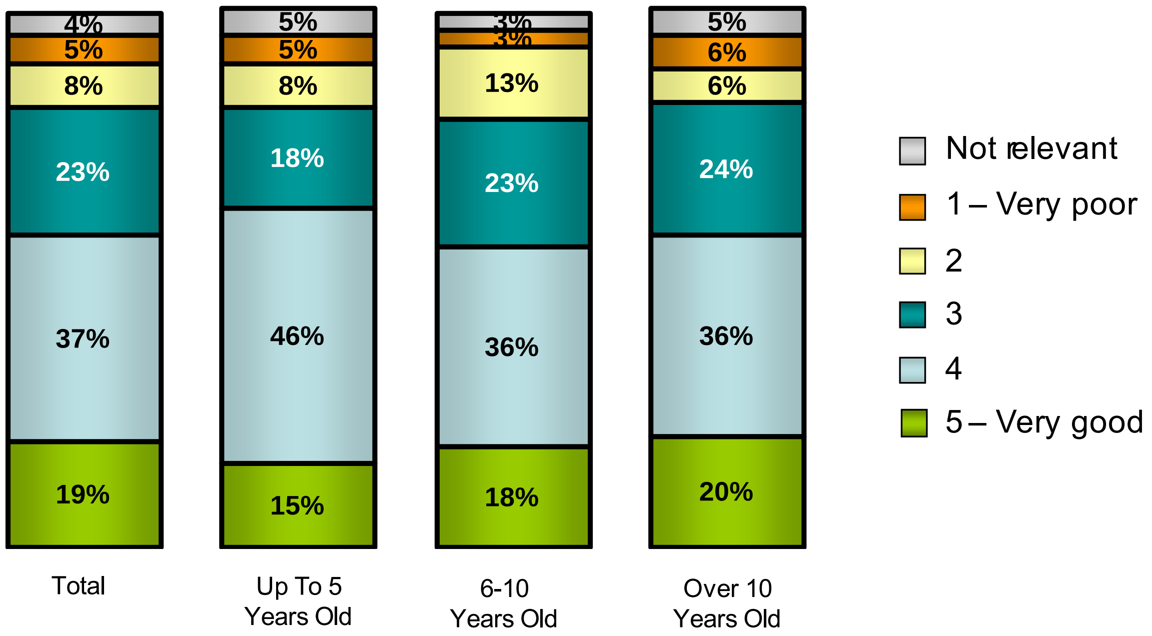
Overall, UKTI support is perceived to be of significantly higher quality than that provided by alternative providers, with mean quality ratings of 78% and 52% respectively. In each case, there is little difference in the perceived quality of the support by age of firm.

9.2 Individual Quality Ratings

9.2.1 Quality & Relevance Of Information

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

Figure 130: The Quality & Relevance Of The Information They Provided
Supported Non-Users (2010/2011 Combined)



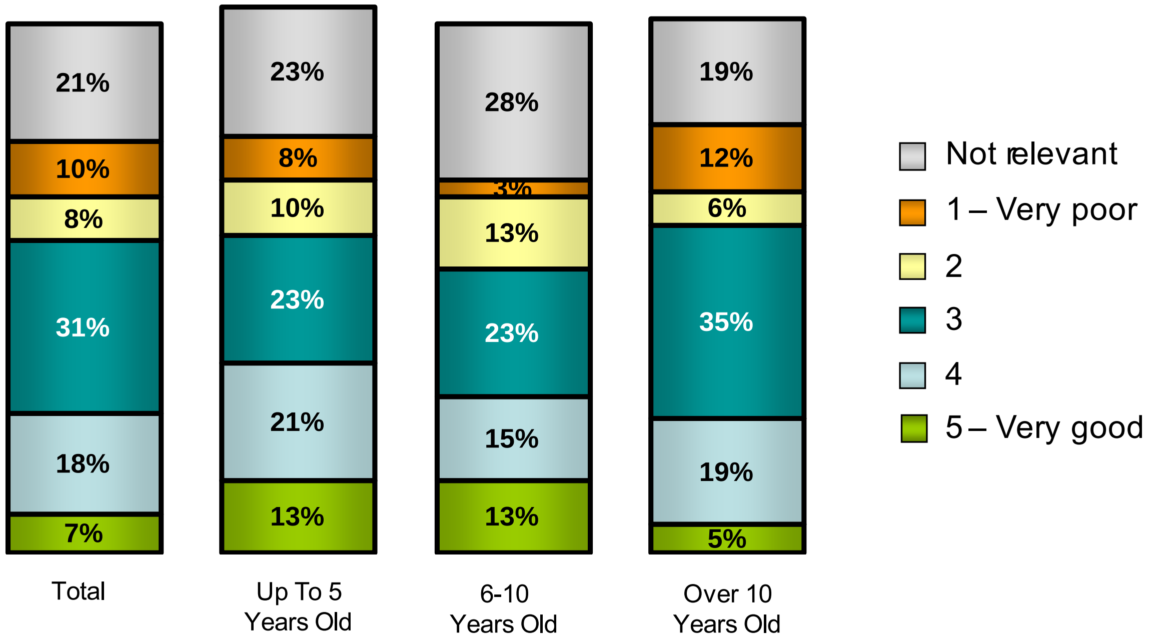
Base: All supported non-users (Base, Don't know/Refused)
Non-Users – Total (142 ,3%), Up to 5 years old (39, 3%), 6-10 years old (39, 5%), Over 10 years old (64, 3%)

Although many supported non-users (56%) gave high ratings (i.e. 4-5 out of 5) for the quality and relevance of the information they were provided with, a significant minority felt that the quality and relevance of information was poor, with 13% scoring just 1-2 out of 5.

9.2.2 Quality & Relevance Of Contacts

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

Figure 131: The Quality & Relevance Of Any Contacts It Allowed You To Make
Supported Non-Users (2010/2011 Combined)



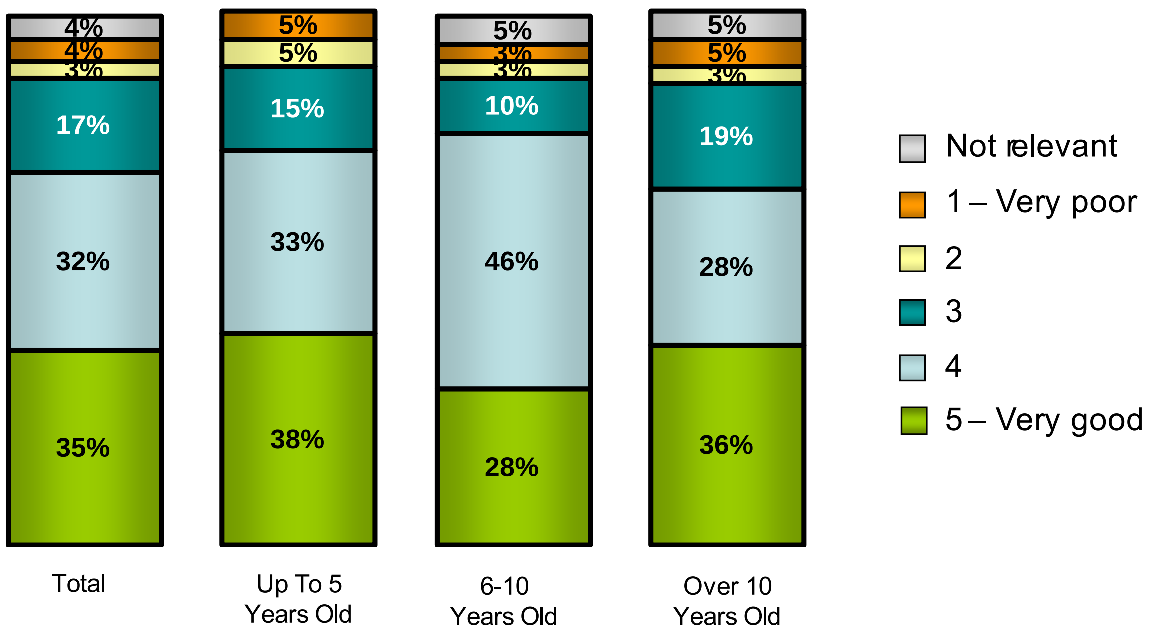
Base: All supported non-users (Base, Don't know/Refused)
Non-Users – Total (142 ,5%), Up to 5 years old (39, 3%), 6-10 years old (39, 5%), Over 10 years old (64, 5%)

Only a quarter of supported non-users gave a high rating of 4-5 for the quality and relevance of the contacts they received from the external provider(s). Whilst this is partly because a fifth indicated that this was not relevant, presumably because the export support had not involved the provision of contacts, it is still the case that 18% gave a poor score of just 1-2 out of 5.

9.2.3 Attitude & Professionalism

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

Figure 132: Their Attitude And Professionalism
Supported Non-Users (2010/2011 Combined)



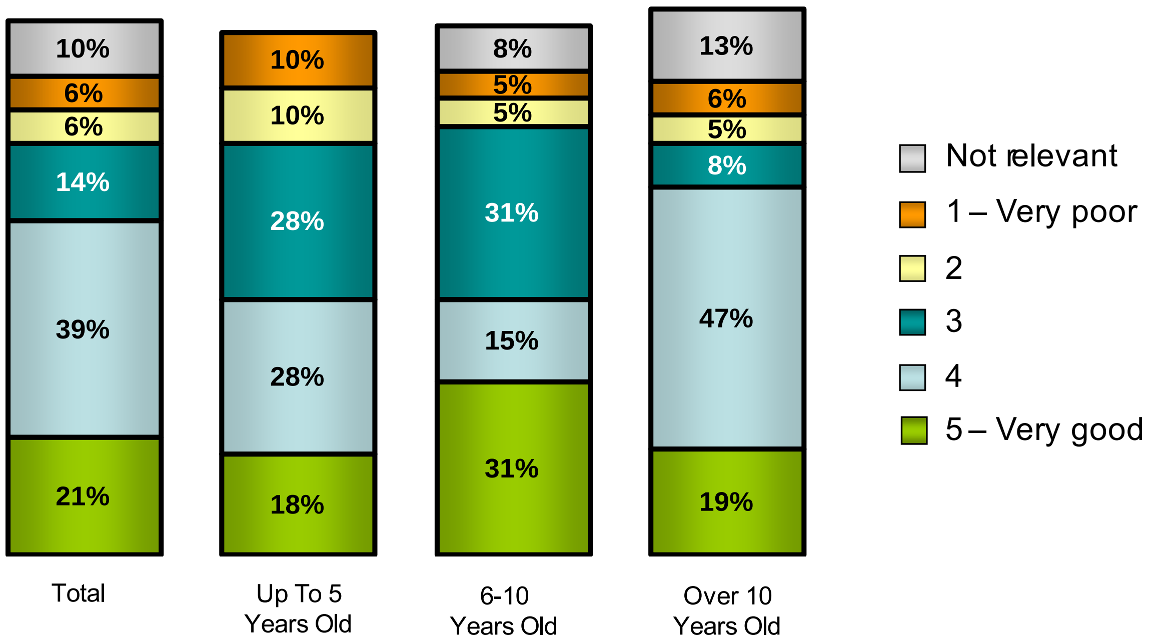
Base: All supported non-users (Base, Don't know/Refused)
Non-Users – Total (142 ,5%), Up to 5 years old (39, 3%), 6-10 years old (39, 5%), Over 10 years old (64, 5%)

The attitude and professionalism of the staff is a major strength of these external support providers, with two-thirds of supported non-users (67%) scoring 4-5 out of 5 for this element and only 7% giving 'poor' ratings (i.e. 1-2).

9.2.4 Objectivity & Acting In Best Interests

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

Figure 133: Their Objectivity & Acting In Your Best Interests
Supported Non-Users (2010/2011 Combined)



Base: All supported non-users (Base, Don't know/Refused)
Non-Users – Total (142 ,4%), Up to 5 years old (39, 5%), 6-10 years old (39, 5%), Over 10 years old (64, 3%)

The majority of non-users were also positive about the impartiality of the support provider they used, with well over half (60%) scoring 4-5 out of 5 for this element.

9.2.5 Comparison With UKTI Users

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

- **Passport to Export, Gateway to Global Growth (GGG) & English Regions Trade Advisors (ERTA)** – These are the advisory services delivered by International Trade Advisors in the English regions
- **Overseas Market Introduction Service (OMIS)** – This is the charged service delivered by the overseas posts

Figure 134: Individual Quality Ratings – UKTI Users vs. Non-Users

Proportion scoring 4-5 out of 5	Supported Non-Users (PIMS 2010/11)				UKTI Users (PIMS 20-23)							
					Passport, GGG & ERTA				OMIS			
	Total	> 5 yrs	6-10 yrs	>10 yrs	Total	> 5 yrs	6-10 yrs	>10 yrs	Total	> 5 yrs	6-10 yrs	>10 yrs
Base	*142*	*39*	*39*	*64*	*1062*	*297*	*213*	*552*	*426*	*80*	*51*	*291*
Quality Rating (A09)	52%	53%	51%	52%	88%	89%	90%	87%	73%	78%	76%	72%
- Quality & relevance of info and advice	56%	62%	54%	56%	79%	77%	83%	79%	70%	76%	75%	68%
- Quality & relevance of contacts	25%	33%	28%	23%	-	-	-	-	64%	72%	70%	61%
- Attitude & professionalism	67%	72%	74%	64%	94%	97%	91%	93%	87%	91%	80%	88%
- Objectivity & acting in best interests	60%	46%	46%	66%	-	-	-	-	78%	75%	75%	79%

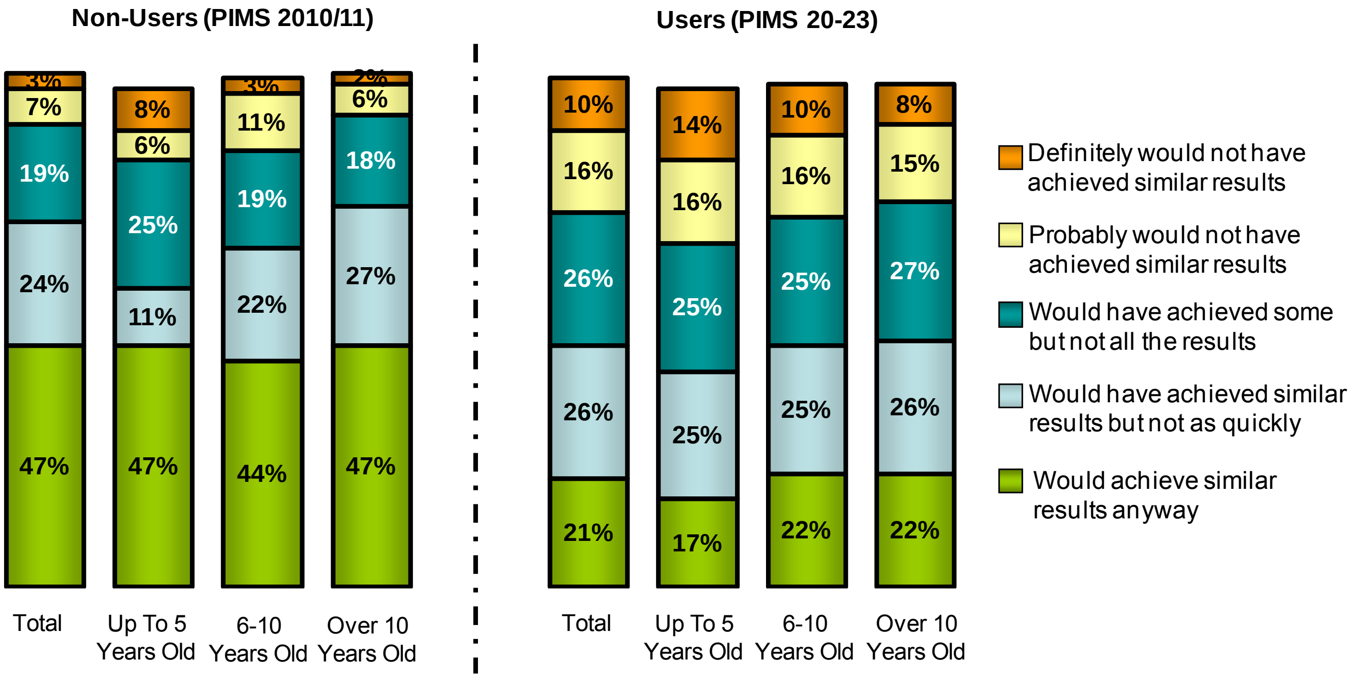
As seen above, the various UKTI services consistently outperform the alternative support sources for each of the elements tested, with those UKTI services delivered by the regional network of International Trade Advisors rated particularly highly.

The difference in the quality of contact facilitation is very apparent, with two-thirds of OMIS users giving a score of 4-5 out of 5 for this aspect, compared to just 25% for alternative providers.

10. Additionality

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

Figure 135: Generic Additionality: Would Have Achieved Similar Results Anyway?



Base: All supported firms excluding non-users just receiving Certificates of Origin or <1 hour of 'other' support (Base, None of these)
Non-Users – Total (127, 0%), Up to 5 years old (36, 3%), 6-10 years old (36, 0%), Over 10 years old (55, 0%),
Users – Total (3945, 2%), Up to 5 years old (952, 3%), 6-10 years old (664, 1%), Over 10 years old (2313, 2%)

There is clear evidence to suggest that support provided by UK Trade & Investment has a higher level of additionality than that provided by alternative sources.

Almost half of all supported non-users judged the assistance they received to be 'non-additional' (i.e. they feel that they would have achieved similar results anyway), whereas this is only the case for a fifth of UKTI users. Furthermore, the alternative non-UKTI export support is only classified as 'fully additional' in 10% of cases (i.e. they probably or definitely would not have achieved similar results without the support), compared to 26% for UKTI services.

These differences in the additionality of UKTI and non-UKTI support are clearly evident across all ages of firm.

11. Impacts & Outcomes

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

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

11.1 Increased Skills - Measure A81

11.1.1 Summary

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

Figure 136: Measure A81 – Increased Skills – Supported Non-Users (2010/2011 Combined)

	Total	Supported Non-Users		
		1-5 Years Old	6-10 Years Old	Over 10 Years Old
Base	*127*	*36*	*36*	*55*
Proportion displaying at least one 'increased skill', net of non-additionality	14%	25%	14%	13%
95% confidence interval	± 6%	± 14%	± 11%	± 9%

Overall, just 14% of supported non-users are judged to have significantly increased their skills as a result of the assistance they received. Whilst there is some indication that this proportion increases amongst younger firms, this apparent difference is not statistically significant.

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

A81 – Increased Skills

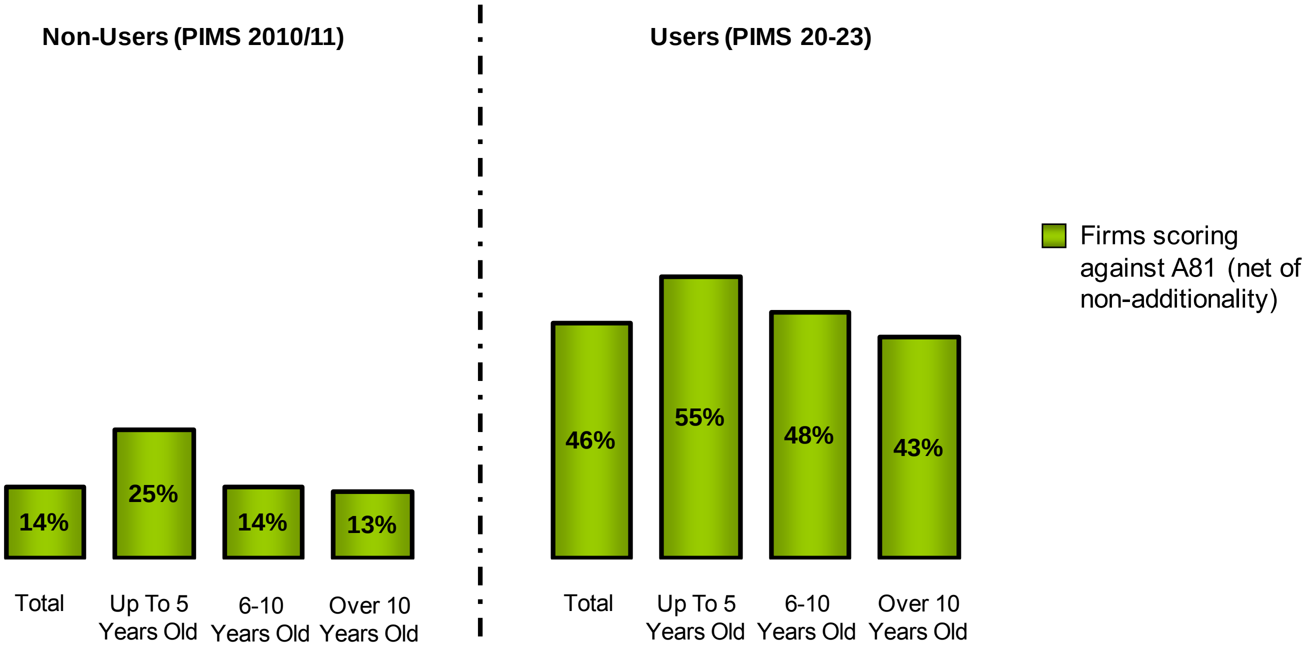
Firms are classified as indicating increased skills if they feel that they have 'to a significant extent' (i.e. scored '4' or '5' for)…

- Improved their knowledge of the competitive environment in an overseas market (C7i) - 10%
- Or, improved their overseas marketing strategy (C7o) - 8%

In each case, net of non-additionality, with non-additionality in this context taken to be firms indicating that they feel that they 'could have got similar support elsewhere' (C9).

The chart below includes comparative data for users of UKTI support (from PIMS) scoring against Measure A81[7].

Figure 137 : Measure A81 – Increased Skills



Base: All supported firms excluding non-users just receiving Certificates of Origin or <1 hour of 'other' support (Base)
Non-Users – Total (127), Up to 5 years old (36), 6-10 years old (36), Over 10 years old (55),
Users – Total (3945), Up to 5 years old (952), 6-10 years old (664), Over 10 years old (2313)

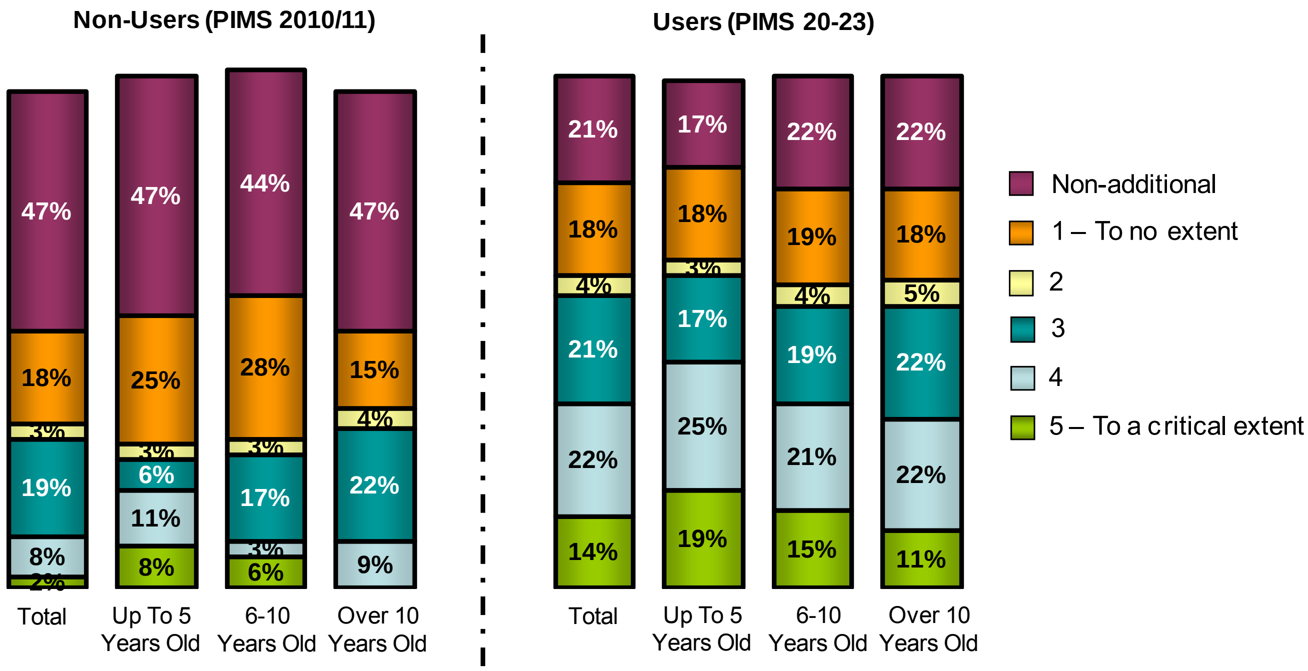
UKTI users are more than three times as likely to increase their skills as a result of the support than is the case for firms accessing non-UKTI export support. For both users and non-users, skills benefits are most widely experienced by younger firms.

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

11.1.2 Knowledge Of Competitive Environment

The chart below shows the extent to which, as a direct result of the (non-UKTI) support they received, businesses have either benefited or anticipate benefiting through improving their knowledge of the competitive environment in an overseas market. Comparative data has also been provided for users of UKTI support (from PIMS).

Figure 138 : Improved Your Knowledge Of The Competitive Environment In An Overseas Market



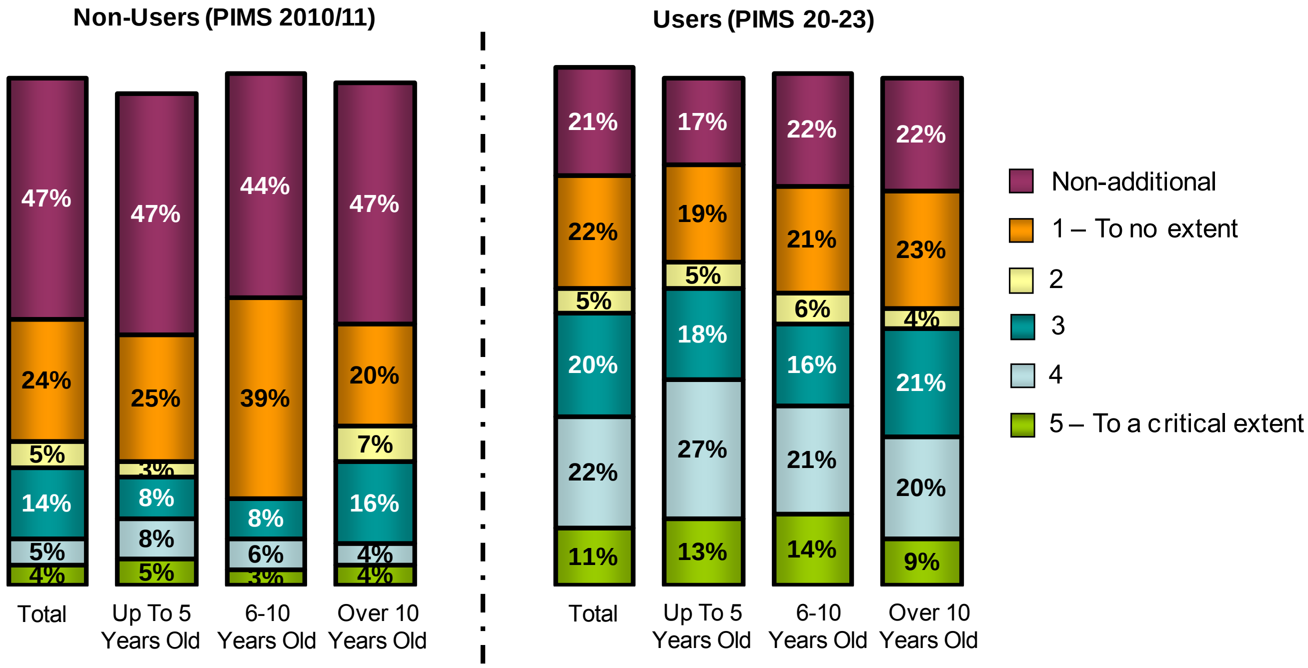
Base: All supported firms excluding non-users just receiving Certificates of Origin or <1 hour of 'other' support (Base, Don't know)
Non-Users – Total (127, 3%), Up to 5 years old (36, 0%), 6-10 years old (36, 0%), Over 10 years old (55, 4%)
Users – Total (3945, 0%), Up to 5 years old (952, 1%), 6-10 years old (664, 1%), Over 10 years old (2313, 0%)

Only 1 in 10 supported non-users experience significant benefits in terms of improving their knowledge of the competitive environment overseas, compared to over a third of UKTI users.

11.1.3 Improved Overseas Marketing Strategy

The chart below shows the extent to which, as a direct result of the (non-UKTI) support they received, businesses have either benefited or anticipate benefiting from making improvements to their overseas marketing strategy. Comparative data has also been provided for users of UKTI support (from PIMS).

Figure 139: Improved Your Overseas Marketing Strategy



Base: All supported firms excluding non-users just receiving Certificates of Origin or <1 hour of 'other' support (Base, Don't know)
Non-Users – Total (127, 2%), Up to 5 years old (36, 3%), 6-10 years old (36, 0%), Over 10 years old (55, 2%)
Users – Total (3945, 0%), Up to 5 years old (952, 1%), 6-10 years old (664, 0%), Over 10 years old (2313, 0%)

There is also clear evidence that UKTI support is more likely to result in improvements to firms' overseas marketing strategies than support provided by non-UKTI sources.

11.2 Changed Behaviour – Measure A83

11.2.1 Summary

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

Figure 140: Measure A83 – Changed Behaviour
Supported Non-Users (2010/2011 Combined)

	Total	Supported Non-Users		
		1-5 Years Old	6-10 Years Old	Over 10 Years Old
Base	*127*	*36*	*36*	*55*
Proportion displaying at least one 'change in behaviour', net of non-additionality	26%	28%	19%	27%
95% confidence interval	± 8%	± 14%	± 13%	± 12%

Just over a quarter of supported non-user firms score against this measure, and the most widespread behavioural change involves firms improving the way they do business in overseas markets.

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

A83 – Changed Behaviour

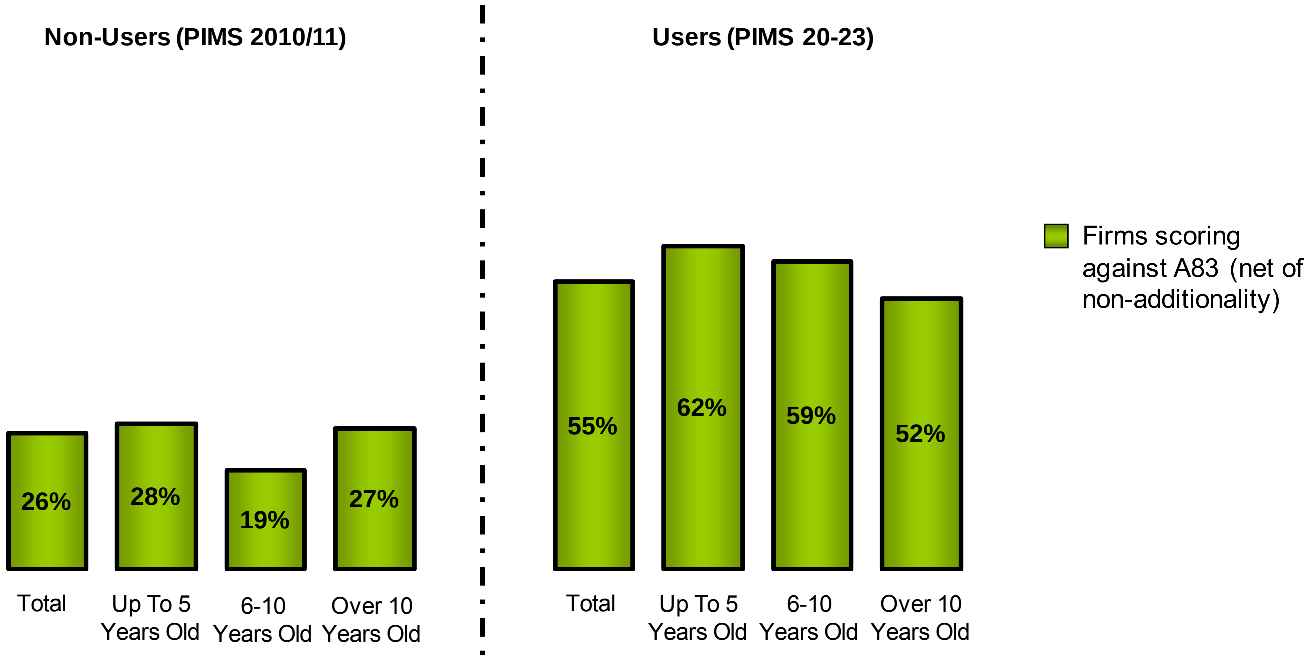
Firms are classified as having changed their behaviour if they feel that they have 'to a significant extent' (i.e. scored '4' or '5' for)…

- Made improvements to products, services or management practices (C7l) – 10%
- Or, made improvements to your new product or service development strategy (C7t) – 6%
- Or, improved the way you do business in overseas markets (C7n) – 15%
- Or, gained the confidence to either explore a new market or expand in an existing one (C7h) – 11%
- Or, improved your overseas marketing strategy (C7o) – 8%

In each case, net of non-additionality, with non-additionality in this context taken to be firms indicating that they feel that they 'could have got similar support elsewhere' (C9).

The chart below includes comparative data for users of UKTI support (from PIMS) scoring against Measure A83[8].

Figure 141: Measure A83 – Changed Behaviour



Base: All supported firms excluding non-users just receiving Certificates of Origin or <1 hour of 'other' support (Base)
Non-Users – Total (127), Up to 5 years old (36), 6-10 years old (36), Over 10 years old (55),
Users – Total (3945), Up to 5 years old (952), 6-10 years old (664), Over 10 years old (2313)

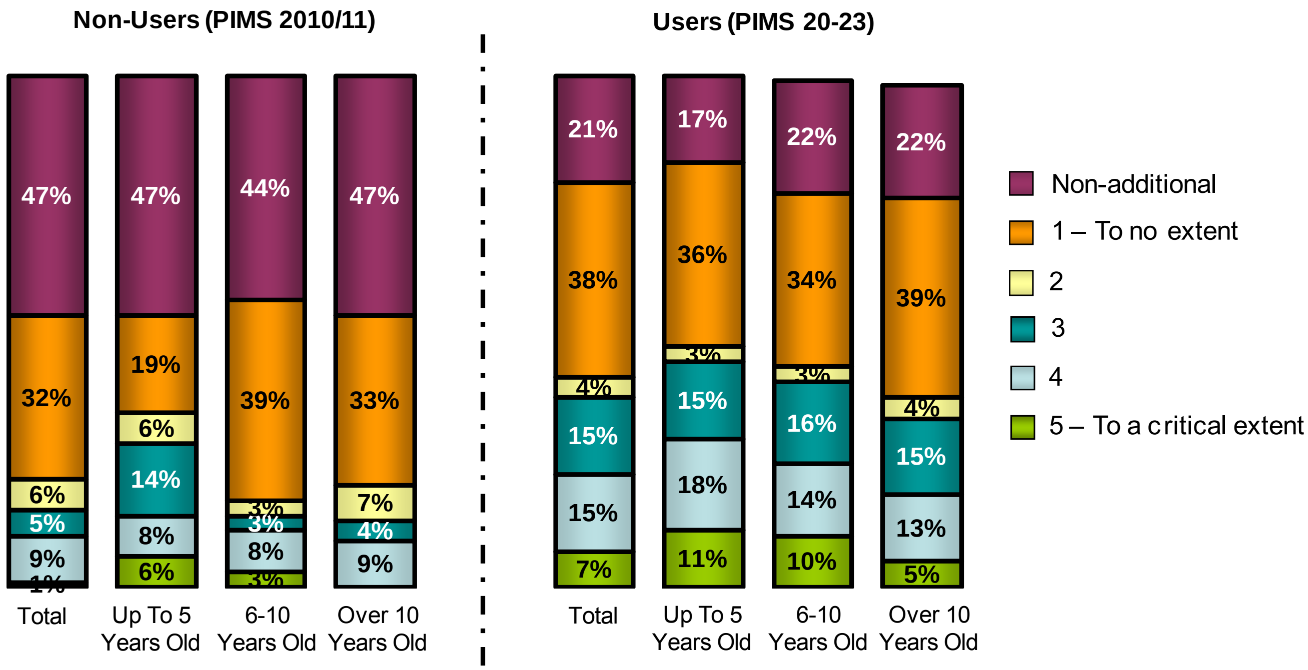
Over half of UKTI users score against this measure, compared to only a quarter of firms accessing non-UKTI export support.

[8] Please note that the user data has been recalculated to match the non user definition of A83.

11.2.2 Improved Products, Services Or Management Practices

The chart below shows the extent to which, as a direct result of the (non-UKTI) support they received, businesses have either benefited or anticipate benefiting from making improvements to their products, services or management practices. Comparative data has also been provided for users of UKTI support (from PIMS)[9].

Figure 142: Made Improvements To Your Products, Services or Management Practices



Base: All supported firms excluding non-users just receiving Certificates of Origin or <1 hour of 'other' support & users receiving Special Reports (Base, Don't know)
Non-Users – Total (127, 0%), Up to 5 years old (36, 0%), 6-10 years old (36, 0%), Over 10 years old (55, 0%),
Users – Total (3915, 1%), Up to 5 years old (950, 1%), 6-10 years old (660, 0%), Over 10 years old (2289, 1%)

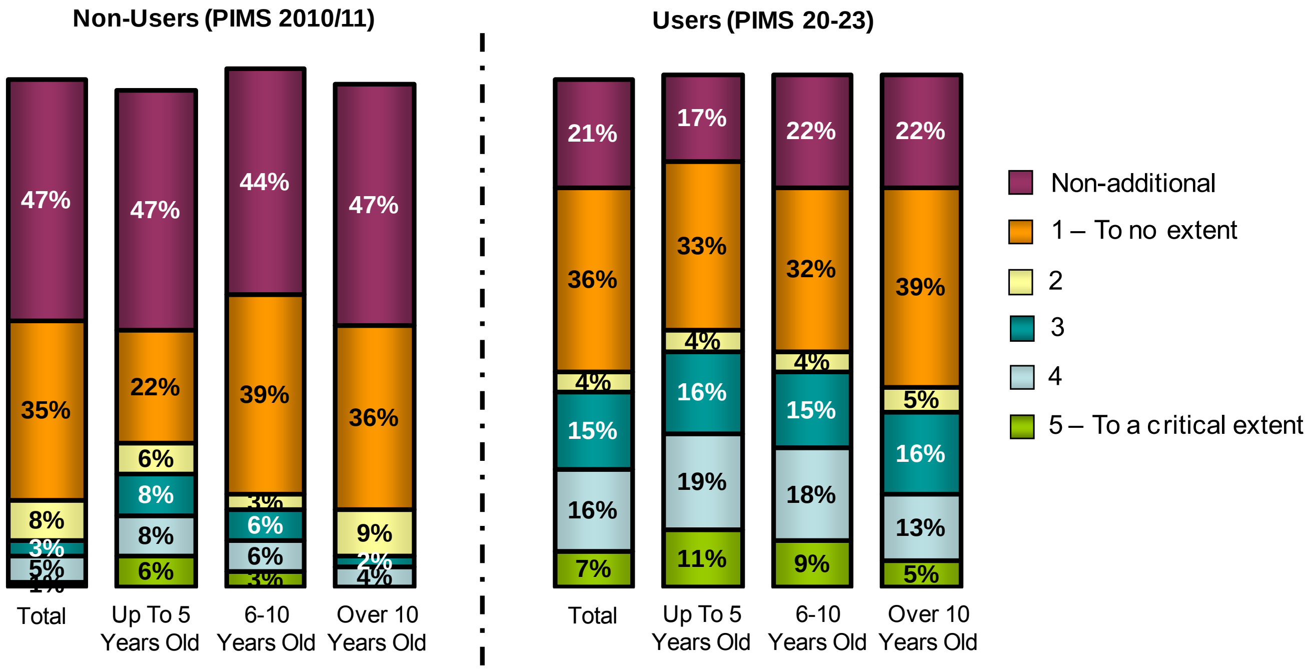
UKTI assistance is significantly more likely than the alternative support to result in improved products, services or practices, and this is true irrespective of age of firm. For both users and non-users, the younger the firm the more likely they are to make significant behavioural changes as a result of the support.

[9] Please note that for UKTI users, this data only relates to improvements to products or services, not management practices.

11.2.3 Improved New Product Development Strategy

The c hart below s hows t he ex tent t o w hich, as a di rect r esult of t he (non-UKTI) support they received, businesses have either benefited or anticipate benefiting from improving their new product development strategy. Comparative data has also been provided for users of UKTI support (from PIMS).

Figure 143: Improved New Product Development Strategy



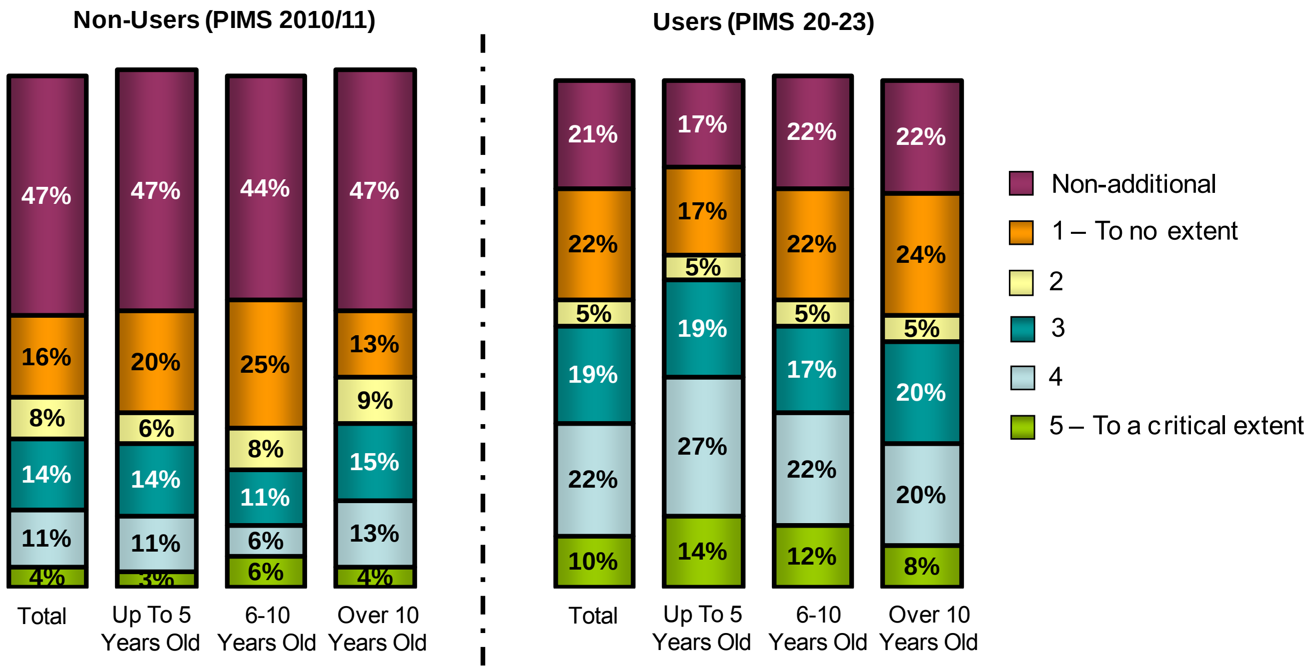
Base: All supported firms excluding non-users just receiving Certificates of Origin or <1 hour of 'other' support & users receiving Special Reports (Base, Don't know)
Non-Users – Total (127, 2%), Up to 5 years old (36, 3%), 6-10 years old (36, 0%), Over 10 years old (55, 2%),
Users – Total (3915, 1%), Up to 5 years old (950, 0%), 6-10 years old (660, 1%), Over 10 years old (2289, 0%)

The above findings clearly demonstrate that UKTI support is significantly more likely to lead firms to improve their product/service development strategy.

11.2.4 Improved Way Of Doing Business Overseas

The chart below shows the extent to which, as a direct result of the (non-UKTI) support they received, businesses have either benefited or anticipate benefiting from improving the way they do business in overseas markets. Comparative data has also been provided for users of UKTI support (from PIMS).

Figure 144: Improved The Way You Do Business In Overseas Markets



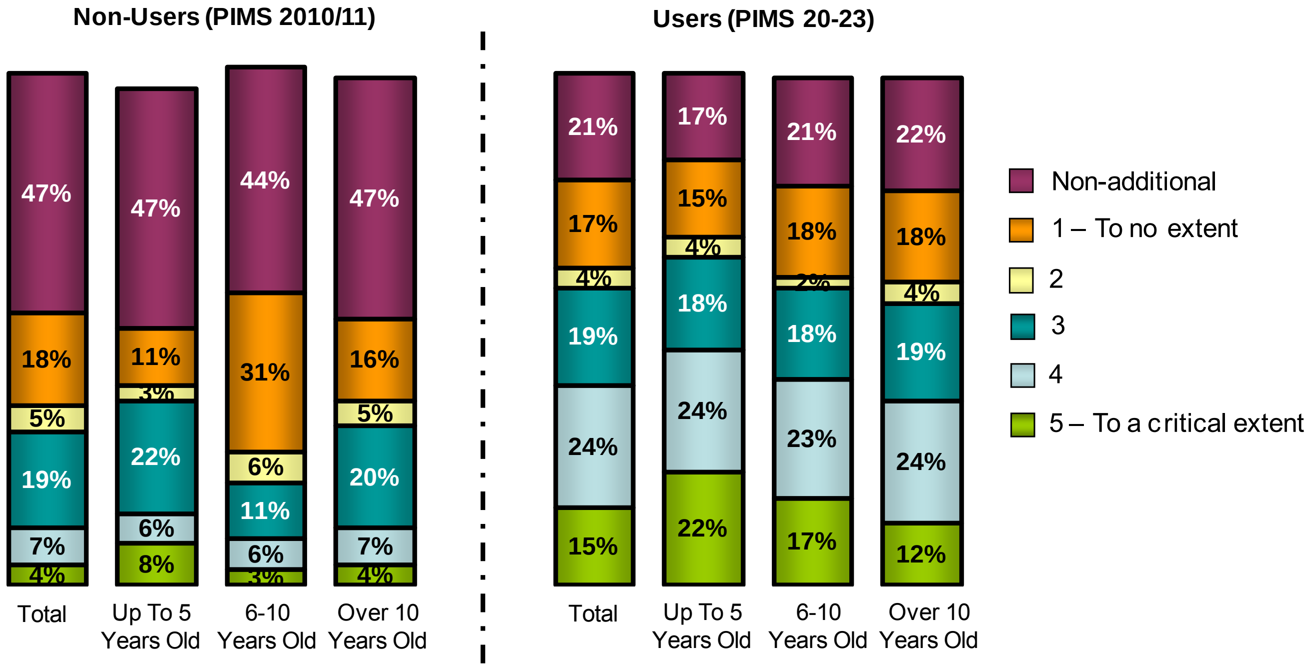
Base: All supported firms excluding non-users just receiving Certificates of Origin or <1 hour of 'other' support (Base, Don't know)
Non-Users – Total (127, 0%), Up to 5 years old (36, 0%), 6-10 years old (36, 0%), Over 10 years old (55, 0%),
Users – Total (3945, 1%), Up to 5 years old (952, 1%), 6-10 years old (664, 1%), Over 10 years old (2313, 1%)

UKTI clients are also twice as likely as users of other providers to significantly improve the way they do business overseas following the support.

11.2.5 Gained Confidence To Explore/Expand

The chart below shows the extent to which, as a direct result of the (non-UKTI) support they received, businesses have either benefited or anticipate benefiting from gaining the confidence to either explore new markets or expand in an existing one. Comparative data has also been provided for users of UKTI support (from PIMS).

Figure 145: Gained The Confidence To Either Explore A New Market Or Expand In An Existing One



Base: All supported firms excluding non-users just receiving Certificates of Origin or <1 hour of 'other' support & users attending Posts Events Seminars & Sector Events Abroad Seminars (Base, Don't know)
Non-Users – Total (127, 0%), Up to 5 years old (36, 3%), 6-10 years old (36, 0%), Over 10 years old (55, 0%),
Users – Total (3921, 1%), Up to 5 years old (947, 1%), 6-10 years old (660, 1%), Over 10 years old (2300, 0%)

As detailed above, only around 1 in 10 users of non-UKTI export support feel that this has significantly benefited them in terms of giving them the confidence to expand their overseas operations. In contrast, two-fifths of UKTI users indicated that this was a significant benefit of the support.

11.3 Increased Innovation – Measure A04

11.3.1 Summary

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

Figure 146 : Measure A04 – Increased Innovation
Supported Non-Users (2010/2011 Combined)

	Total	Supported Non-Users		
		1-5 Years Old	6-10 Years Old	Over 10 Years Old
Base	*127*	*36*	*36*	*55*
Proportion displaying at least one 'increase in innovation', net of non-additionality	13%	19%	14%	11%
95% confidence interval	± 6%	± 13%	± 11%	± 8%

Overall, just 13% of supported non-users score against this measure of increased innovation. Whilst this proportion appears to increase amongst younger firms, this apparent difference is not statistically significant.

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

A04 – Increased Innovation

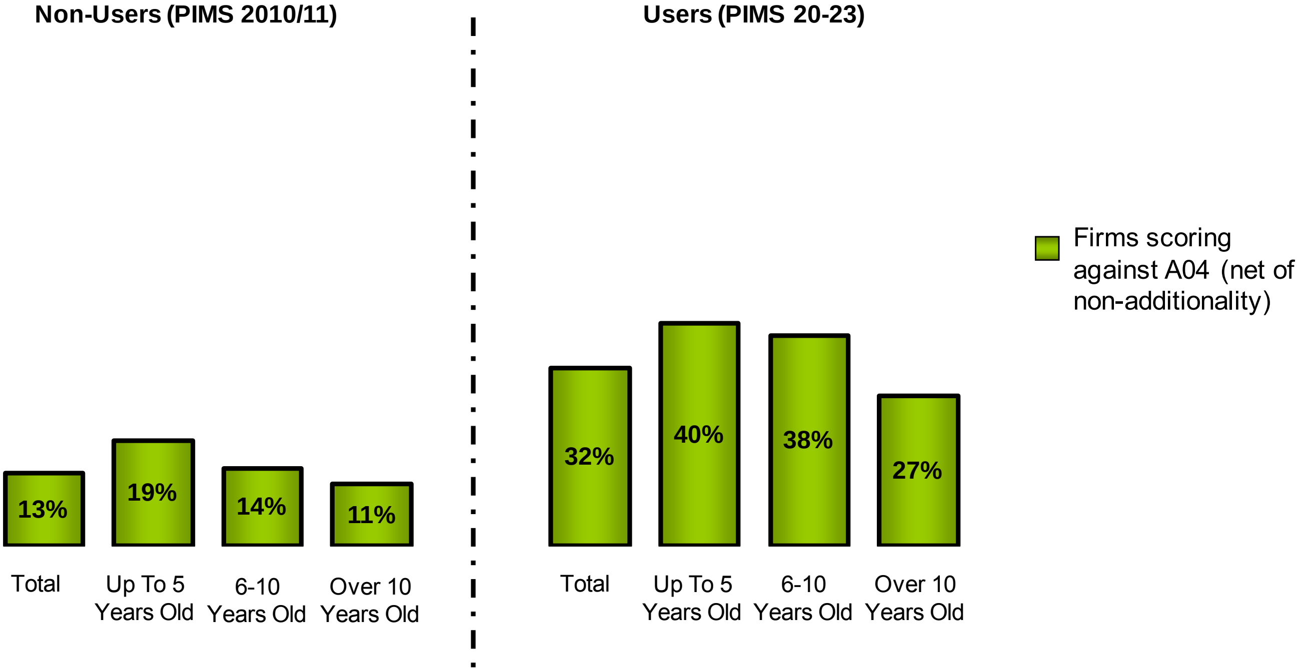
Firms are classified as having increased innovation if they feel that they have 'to a significant extent' (i.e. scored '4' or '5' for)…

- Made improvements to products, services or management practices (C7l) – 10%
- Or, made improvements to your new product development strategy (C7t) – 6%

In each case, net of non-additionality, with non-additionality in this context taken to be firms indicating that they feel that they 'could have got similar support elsewhere' (C9).

The chart below includes comparative data for users of UKTI support (from PIMS) scoring against Measure A04.[10]

Figure 147 : Measure A04 – Increased Innovation



Base: All supported firms excluding non-users just receiving Certificates of Origin or <1 hour of 'other' support & users receiving Special Reports (Base)
Non-Users – Total (127), Up to 5 years old (36), 6-10 years old (36), Over 10 years old (55),
Users – Total (3915), Up to 5 years old (950), 6-10 years old (660), Over 10 years old (2289)

UKTI support leads to increased innovation activity in around a third of all cases, whereas only 13% of supported non-user firms score against this measure. For both users and non-users, younger firms are more likely to benefit in this way.

[10] Please note that the user data has been recalculated to match the non-user definition of A04.

11.4 Barriers To Market Access Overcome – Measure A92

11.4.1 Summary

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

Figure 148 : Measure A92 – Barriers To Market Access Overcome
Supported Non-Users (2010/2011 Combined)

	Total	Supported Non-Users		
		1-5 Years Old	6-10 Years Old	Over 10 Years Old
Base	*127*	*36*	*36*	*55*
Proportion displaying at least one 'barrier overcome', net of non-additionality	30%	25%	36%	29%
95% confidence interval	± 8%	± 14%	± 16%	± 12%

Approaching a third of all supported non-users score against this measure, and the most widely experienced benefit relates to accessing information that they would otherwise have been unable to come by.

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

A92 – Barriers To Market Access Overcome

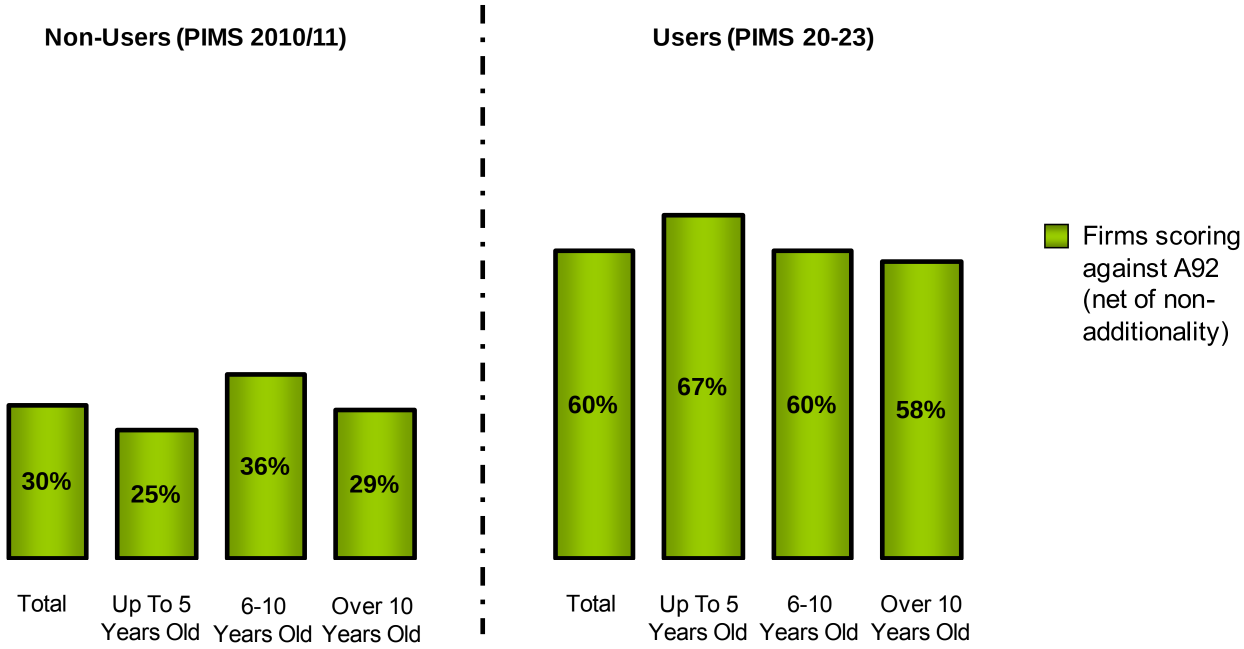
Firms are classified as indicating barriers to market access overcome if they feel that they have 'to a significant extent' (i.e. scored '4' or '5' for)…

- Gained access to prospective customers, business partners or other people you would otherwise have been unable to meet (C7a) – 11%
- Or, gained access to information that you would otherwise have been unable to come by (C7e) – 25%
- Or, improved your company's profile overseas (C7c) – 12%

In each case, net of non-additionality, with non-additionality in this context taken to be firms indicating that they feel that they 'could have got similar support elsewhere' (C9).

The chart below includes comparative data for users of UKTI support (from PIMS) scoring against Measure A92[11].

Figure 149 : Measure A92 – Barriers To Market Access Overcome



Base: All supported firms excluding non-users just receiving Certificates of Origin or <1 hour of 'other' support (Base)
Non-Users – Total (127), Up to 5 years old (36), 6-10 years old (36), Over 10 years old (55),
Users – Total (3945), Up to 5 years old (952), 6-10 years old (664), Over 10 years old (2313)

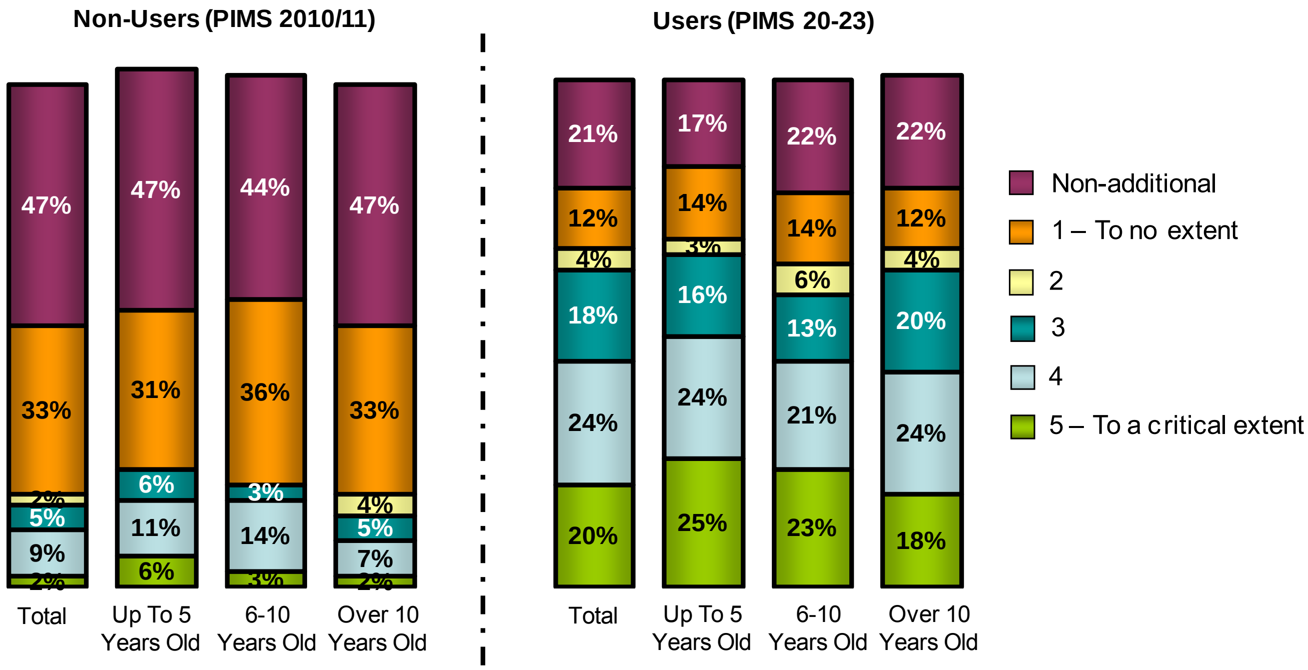
Users of UKTI services are twice as likely as firms accessing non-UKTI export support to have overcome barriers to market access.

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

11.4.2 Access To Contacts

The chart below shows the extent to which, as a direct result of the (non-UKTI) support they received, businesses have either benefited or anticipate benefiting from gaining access to prospective customers, business partners or other people they would otherwise have been unable to meet. Comparative data has also been provided for users of UKTI support (from PIMS).

Figure 150: Gained Access To Prospective Customers, Business Partners Or Other People You Would Otherwise Have Been Unable To Meet



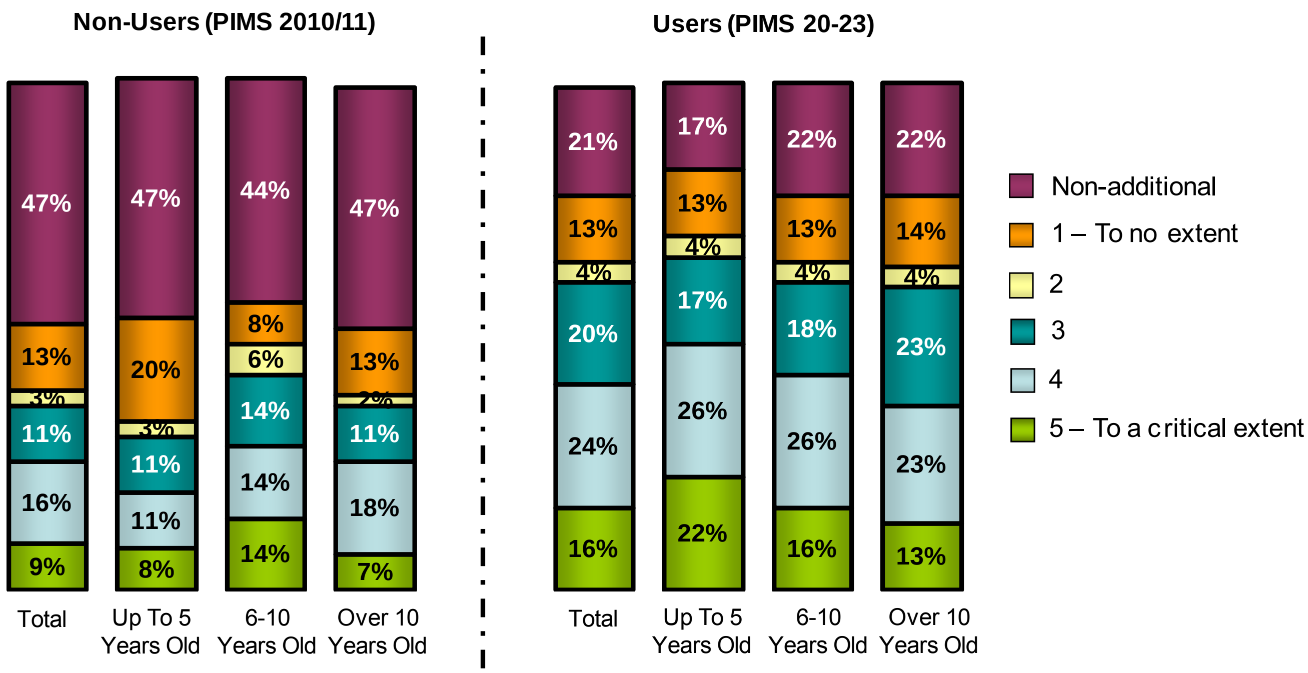
Base: All supported firms excluding non-users just receiving Certificates of Origin or <1 hour of 'other' support (Base, Don't know)
Non-Users – Total (127, 1%), Up to 5 years old (36, 0%), 6-10 years old (36, 0%), Over 10 years old (55, 2%)
Users – Total (3945, 1%), Up to 5 years old (952, 1%), 6-10 years old (664, 1%), Over 10 years old (2313, 1%)

Contact provision appears to be a major strength of the UKTI support, and differentiates it from the alternative sources of export assistance that are available to firms. Overall, 44% of UKTI users have benefited significantly from gaining access to contacts, compared to just 11% of supported non-users. This aspect of export support is particularly critical given that 'contacts barriers' emerged as one of the major difficulties faced by internationalising firms (as detailed in Section 7 of this report).

11.4.3 Access To Information

The chart below shows the extent to which, as a direct result of the (non-UKTI) support they received, businesses have either benefited or anticipate benefiting from gaining access to information they would otherwise have been unable to access. Comparative data has also been provided for users of UKTI support (from PIMS).

Figure 151: Gained Access To Information That You Would Otherwise Have Been Unable To Come By



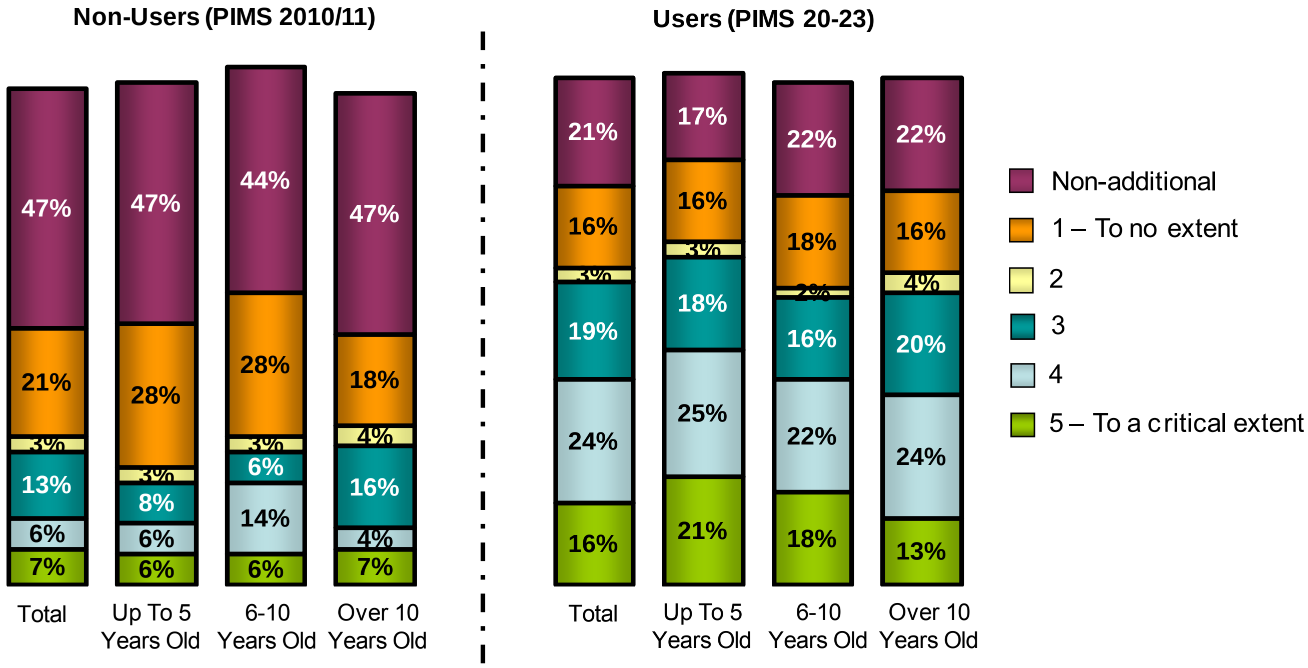
Base: All supported firms excluding non-users just receiving Certificates of Origin or <1 hour of 'other' support (Base, Don't know)
Non-Users – Total (127, 1%), Up to 5 years old (36, 0%), 6-10 years old (36, 0%), Over 10 years old (55, 2%)
Users – Total (3945, 1%), Up to 5 years old (952, 1%), 6-10 years old (664, 0%), Over 10 years old (2313, 1%)

UKTI support is also more effective at filling knowledge gaps that might be holding back exporting firms, with 40% of UKTI users benefiting significantly from access to information they would otherwise have been unable to come by, compared to 25% of non-users.

11.4.4 Improved Profile or Credibility

The chart below shows the extent to which, as a direct result of the (non-UKTI) support they received, businesses have either benefited or anticipate benefiting from improving their company's profile overseas. Comparative data has also been provided for users of UKTI support (from PIMS).

Figure 152: Improved Your Company's Profile Or Credibility Overseas



Base: All supported firms excluding non-users just receiving Certificates of Origin or <1 hour of 'other' support & users receiving Special Reports (Base, Don't know)
Non-Users – Total (127, 3%), Up to 5 years old (36, 3%), 6-10 years old (36, 0%), Over 10 years old (55, 4%)
Users – Total (3915, 1%), Up to 5 years old (950, 1%), 6-10 years old (660, 1%), Over 10 years old (2289, 1%)

Two-fifths of UKTI users have significantly improved their profile or credibility as a result of the support, which is encouraging given that this is a key motivation for doing business overseas (53% of users highlighted this as a reason for exporting). In contrast, just 12% of firms accessing export support from non-UKTI providers experienced this benefit to a significant extent.

11.5 Increased Sales

11.5.1 Summary

Shown in the table below are the summarised proportions of supported non-user businesses classified as benefiting from the (non-UKTI) support received in terms of increasing sales. This analysis forms one of the key survey measures, namely 'Increased Sales'.

Figure 153: Increased Sales
Supported Non-Users (2010/2011 Combined)

	Total	Supported Non-Users		
		1-5 Years Old	6-10 Years Old	Over 10 Years Old
Base	*127*	*36*	*36*	*55*
Proportion 'increasing sales', net of non-additionality	13%	14%	8%	15%
95% confidence interval	± 6%	± 11%	± 9%	± 9%

Just over a tenth of supported non-users scored against this measure, and there are no consistent differences by age of firm.

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

Increased Sales

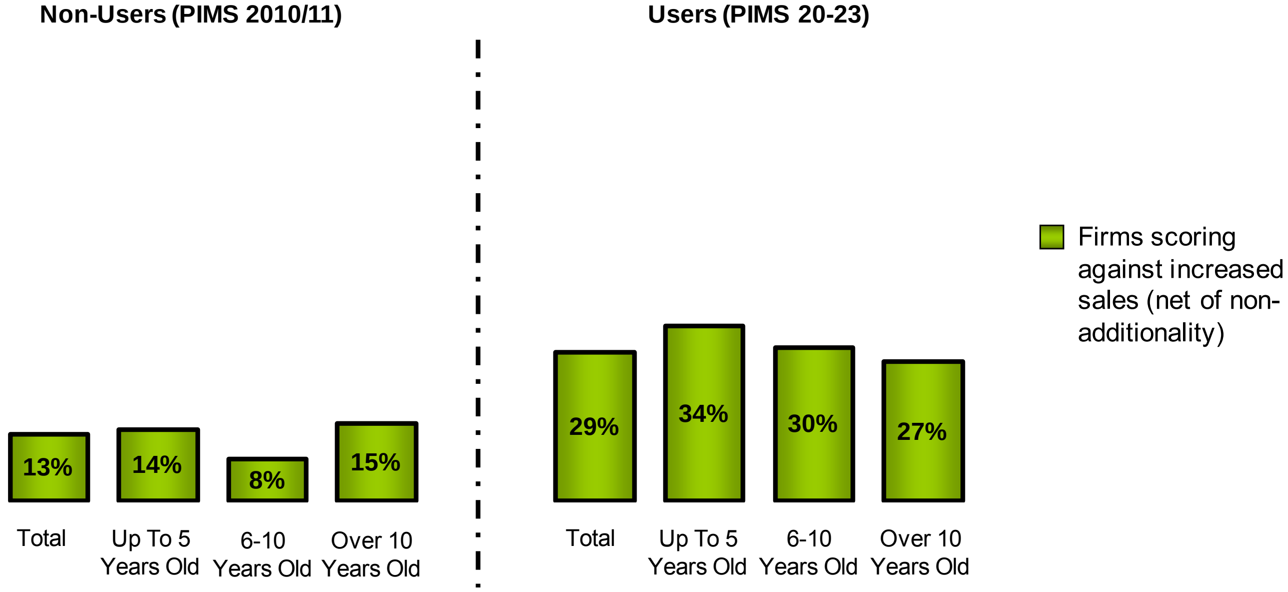
Firms are classified as indicating increased sales if they feel that they have 'to a significant extent' (i.e. scored '4' or '5' for)…

- Increased total sales (C7q) - 13%

Net of non-additionality, with non-additionality in this context taken to be firms indicating that they feel that they 'could have got similar support elsewhere' (C9).

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

Figure 154 : Increased Sales



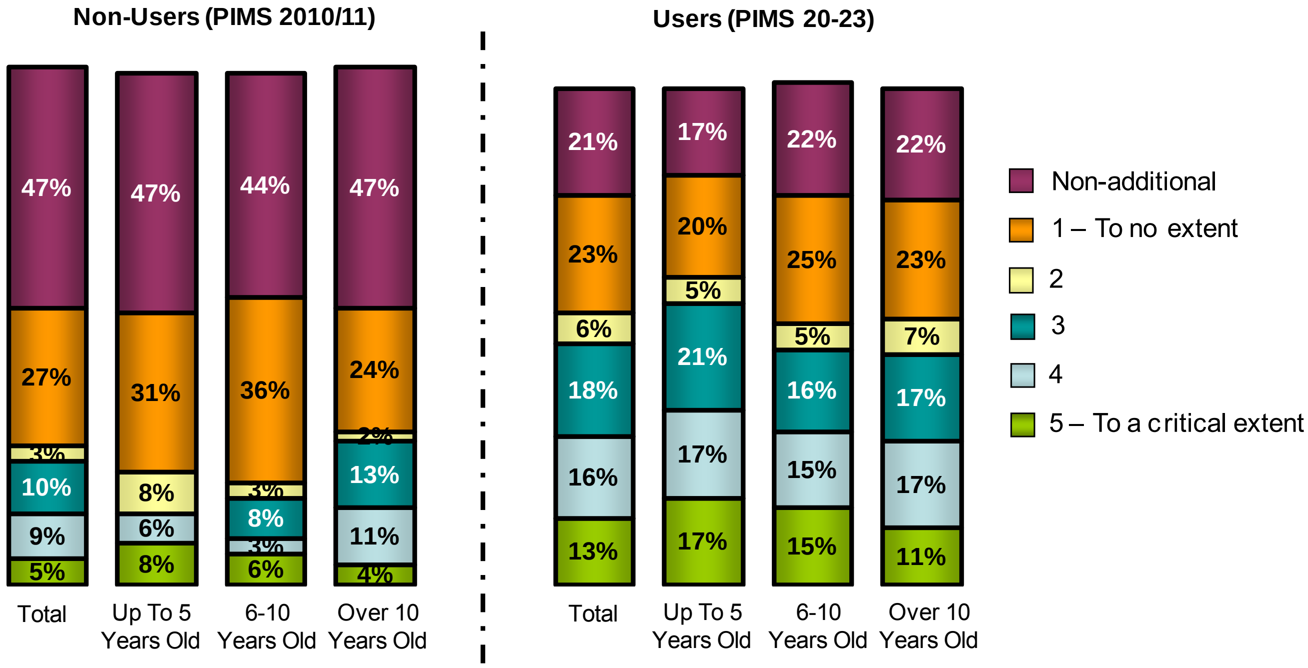
Base: All supported firms excluding non-users just receiving Certificates of Origin or <1 hour of 'other' support (Base)
Non-Users – Total (127), Up to 5 years old (36), 6-10 years old (36), Over 10 years old (55),
Users – Total (3945), Up to 5 years old (952), 6-10 years old (664), Over 10 years old (2313)

UKTI support is significantly more likely to result in increased sales for participating businesses than is the case for support provided by alternative providers.

11.5.2 Benefit – Increased Total Sales

The chart below shows a more detailed analysis of the extent to which businesses have either benefited or anticipate benefiting from increased total sales as a direct result of the (non-UKTI) support they received. Comparative data has also been provided for users of UKTI support (from PIMS).

Figure 155 : Benefit – Increased Total Sales



Base: All supported firms excluding non-users just receiving Certificates of Origin or <1 hour of 'other' support (Base, Don't know)
Non-Users – Total (127, 0%), Up to 5 years old (36, 0%), 6-10 years old (36, 0%), Over 10 years old (55, 0%)
Users – Total (3945, 3%), Up to 5 years old (952, 3%), 6-10 years old (664, 2%), Over 10 years old (2313, 3%)

Only a quarter of non-user firms (26%) expect any increase in sales as a result of the support received (i.e. 2-5 out of 5), compared to over half of UKTI users.

11.6 Improved Productivity & Competitiveness – Measure A06

11.6.1 Summary

The table below shows the summarised proportions of supported non-user businesses that are classified as benefiting from the support received in terms of improved productivity and competitiveness. This analysis forms one of the key survey measures, namely 'Measure A06 – Improved productivity and competitiveness'.

Figure 156: Measure A06 – Improved Productivity & Competitiveness
Supported Non-Users (2010/2011 Combined)

	Total	Supported Non-Users		
		1-5 Years Old	6-10 Years Old	>10 Years Old
Base	*127*	*36*	*36*	*55*
Proportion displaying at least one improvement in 'productivity and competitiveness', net of non-additionality	39%	31%	36%	42%
95% confidence interval	± 8%	± 15%	± 16%	± 13%

Around two-fifths of supported non-user firms score against this measure of improved productivity and competitiveness, and there is some indication that the likelihood of benefiting in this way increases amongst older firms (although this is not statistically significant).

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

A06 – Improved Productivity & Competitiveness

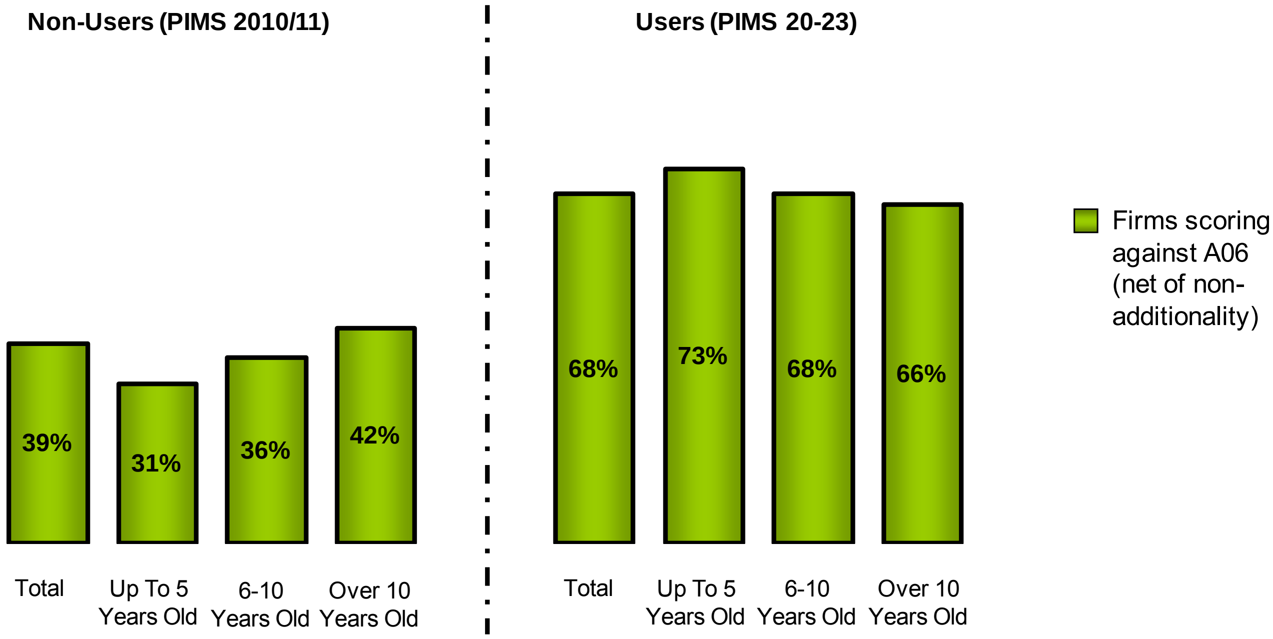
Firms are classified as experiencing improved productivity and competitiveness if they score against…

- Measure A81 Increased Skills – 14%
- Or, Measure A83 Changed Behaviour – 26%
- Or, Measure A92 Barriers to Market Access Overcome – 30%
- Or, Increased Sales – 13%

In each case, net of non-additionality, with non-additionality in this context taken to be firms indicating that they feel that they 'could have got similar support elsewhere' (C9).

The chart below includes comparative data for users of UKTI support (from PIMS) scoring against Measure A06[12].

Figure 157: Measure A06 – Improved Productivity & Competitiveness



Base: All supported firms excluding non-users just receiving Certificates of Origin or <1 hour of 'other' support (Base)
Non-Users – Total (127), Up to 5 years old (36), 6-10 years old (36), Over 10 years old (55),
Users – Total (3945), Up to 5 years old (952), 6-10 years old (664), Over 10 years old (2313)

As demonstrated above, two-thirds of UKTI users are classified as significantly improving their productivity and competitiveness as a result of the support, compared to just two-fifths of supported non-users.

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

11.7 'Light Touch' Support

A small number of non-user firms (15) had received export-related support but indicated that this only consisted of Certificates of Origin (from the Chamber of Commerce) or 'other' support that lasted less than 1 hour. Due to the minimal nature of this assistance, these firms were not asked the full range of impact questions but instead were simply asked whether it had any positive impact on the performance of their firm. The table below shows these results (net of non-additionality).

Figure 158: Light Touch Support – Positive Impact On Performance Of Firm
Light Touch Supported Non-Users (2010/2011 Combined)

	Total
Base: 'Light touch' supported firms	*15*
Yes	39%
No	36%
Non-additional	25%

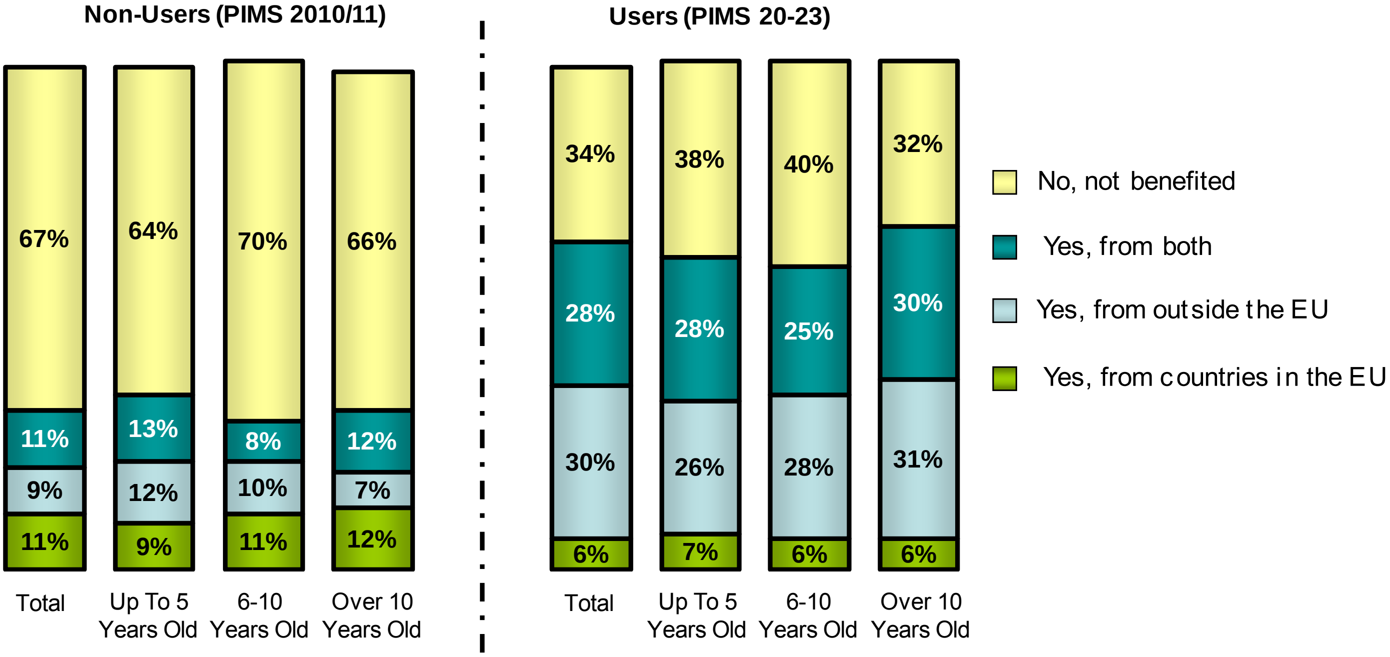
Reflecting the light nature of the support received, less than half of these firms felt that it had a positive impact on their business performance and a quarter judged it to be non-additional (i.e. they would have achieved similar results anyway).

12. Economic Climate

12.1 Sustained Economic Growth Or Increasing Demand Overseas

Those non-user firms that were currently exporting were asked whether their business had benefited from sustained economic growth or increasing demand in any overseas countries in the previous year. Comparative data has also been provided for users of UKTI support.

Figure 159: Whether Benefited From Sustained Growth Or Increasing Demand Overseas



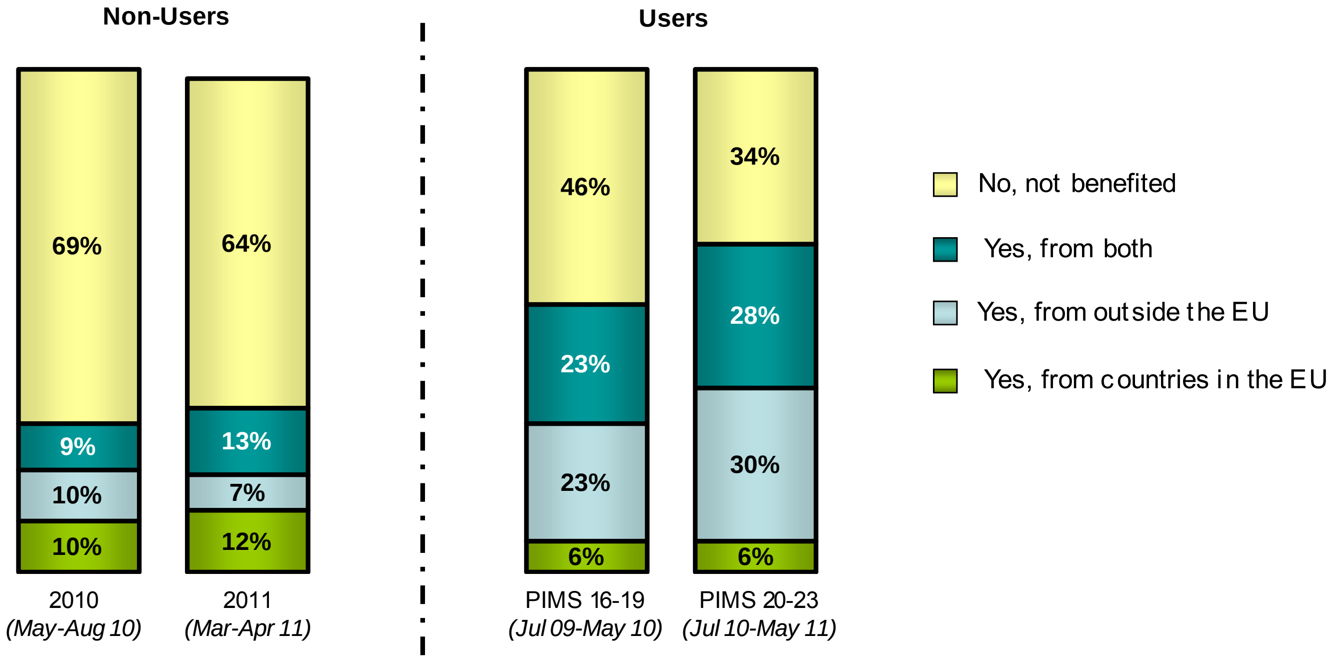
Base: All exporters (Base, Don't know/Refused)
Non-Users – Total (524, 3%), Up to 5 years old (157, 3%) 6-10 years old (178, 2%), Over 10 years old (189, 3%)
Users – Total (3552, 2%), Up to 5 years old (734, 2%), 6-10 years old (594, 1%), Over 10 years old (2208, 2%)

There is some evidence that UKTI users are better placed to benefit from economic growth or increasing demand overseas than is the case for non-users. Approaching two-thirds of UKTI users have benefited in this way over the past year, compared to less than a third of non-users. In particular, UKTI users were more likely to have benefited from growth/demand arising from outside of the EU.

The considerable difference between users and non-users in this respect is likely to be partly due to the former being more 'involved' exporters (i.e. active in more markets, overseas sales account for a greater proportion of turnover, etc). However, the results also suggest that the support provided by UKTI may put firms in a better position to benefit from any positive changes in overseas economies.

The chart below tracks how responses to this question have changed over the last 2 years.

Figure 160: Whether Benefited From Sustained Growth Or Increasing Demand Overseas – Over Time



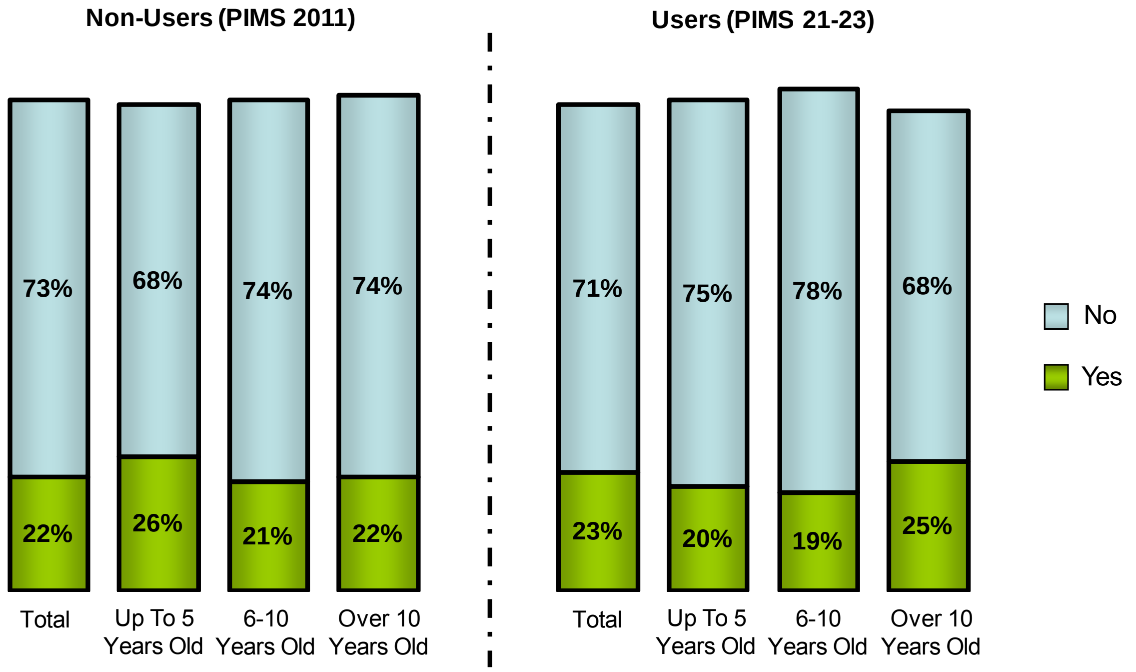
Base: All exporters (Base, Don't know/Refused)
Non-Users – 2010 (271 ,2%), 2011 (253, 4%)
Users – PIMS 16-19 (3499, 2%), PIMS 20-23 (3552, 2%)

For both users and non-users, there appears to have been a rise in the proportion of firms benefiting from economic growth or increased demand overseas. However, this increase is much more pronounced amongst UKTI clients.

12.2 Sterling Exchange Rates

All non-user firms were asked whether they felt that they were receiving more orders or enquiries from overseas customers as a result of the recent fall in Sterling Exchange rates. Comparative data has also been provided for users of UKTI support.

Figure 161: Whether Receiving More Orders/Enquiries From Overseas Customers As A Result Of The Fall In Sterling Exchange Rates



Base: All respondents (Base, Don't know/refused)
Non-Users – Total (300, 5%), Up to 5 years old (99, 6%), 6-10 years old (100, 5%), Over 10 years old (101, 4%)
Users – Total (2938, 6%), Up to 5 years old (690, 5%), 6-10 years old (494, 3%), Over 10 years old (1744, 6%)

There is no difference between users and non-users in this respect, with approaching a quarter of firms believing that they have received more interest from overseas customers as a result of the decline in exchange rates.

12.3 Export Credit Insurance

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

Figure 162: Difficulties Accessing Export Credit Insurance Over Last 6 Months

	Non-Users (PIMS 2011)				Users (PIMS 20-23)			
	Total	Up to 5 years	6-10 years	>10 years	Total	Up to 5 years	6-10 years	>10 years
Base: All exporters	*253*	*73*	*94*	*86*	*3552*	*734*	*594*	*2208*
Yes	0%	0%	0%	0%	3%	1%	1%	4%
No	7%	3%	5%	8%	11%	6%	7%	13%
Do not use export credit insurance	85%	95%	86%	83%	73%	88%	82%	67%
Don't know/refused	8%	3%	9%	9%	13%	5%	9%	16%

Only a small proportion of internationalising firms use export credit insurance, although usage is higher amongst UKTI users than non-users (14% and 7% respectively).

None of the non-user firms reported any difficulty in accessing this type of insurance. However, 3% of UKTI users had experienced problems with this and, although only a small proportion, this does equate to around a quarter of all those using export credit insurance.

Annex A – Questionnaire

OMB Research Ltd
UKTI Trade Development Non-User Questionnaire

March/April 2011

TARGET QUOTAS:

- 100 interviews businesses 0-5 years old (codes 1-5 or 9 at S1c)
- 100 interviews with businesses 6-10 years old (code 6 at S1c)
- 100 interviews with businesses more than 10 years old (codes 7-8 at S1c)

SCREENER

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

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

INTERVIEWER NOTE – IF THERE IS A NAMED CONTACT ON SAMPLE YOU CAN ASK FOR THIS PERSON, BUT THEY MAY NOT BE THE BEST PERSON TO SPEAK TO.

INTERVIEWER NOTE – YOU MAY TAKE REFERRALS TO ANOTHER SITE WITHIN THE UK.

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

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

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

FOR ALL SAMPLE GROUPS ADD IF NECESSARY

- **The research is being conducted under the Code of Practice of the Market Research Society, which means that all of the answers you give are strictly confidential and anonymous. Participation in this survey is voluntary.**
- **The responses of all organisations taking part will be combined into a statistical report**
- **Your organisation was selected at random from a list of UK businesses held by a commercial list broker**
- **If you wish to check that OMB Research is a bona fide market research agency, you can contact the Market Research Society on 0500 396999, or call James Murray at OMB Research on 01732 220582 or Heather Booth di Giovanni at UK Trade & Investment on 020 7215 4989.**

OFFER EMAIL REASSURANCE IF NECESSARY

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

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

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

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

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

AS NECESSARY: **This includes licensing agreements where you licence your products, services or intellectual property for use overseas.**

AS NECESARY: **This includes selling to either business or individuals overseas**

INTERVIEWER NOTE: SOUTHERN IRELAND COUNTS AS OVERSEAS

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

IF NOT EXPORTED (CODES 2-3 AT S2)
S3a – Have you seriously considered conducting any business overseas within the last two years?

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

IF NOT CONSIDERED EXPORTING (CODES 2-3 AT S3a)
S3b – Have you actually attempted to win any overseas business within the last two years?

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

IF NOT EXPORTED BUT CONSIDERED/ATTEMPTED (CODE 1 AT S3a OR CODE 1 AT S3b)
S3c – Can I just check, do you anticipate doing business overseas at all over the next 5 years?

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

ASK ALL
S7a –In the last 5 years has your firm received any form of information, advice or support from UK Trade & Investment in relation to doing business overseas? You may have received this from UK Trade & Investment in the UK, or from a UK embassy or consulate based overseas.

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

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

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

<u>ASK ALL</u>

S1c – How long ago was your business established?

READ OUT – CLARIFY AS NECESSARY – THIS MEANS WHEN THE BUSINESS STARTED TRADING

AS NECESSARY – THIS MEANS THE BUSINESS IN ITS CURRENT FORM

AS NECESSARY – IF THE BUSINESS IS A SUBSIDIARY THIS REFERS TO THE SUBSIDIARY IN WHICH YOU WORK

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

CHECK QUOTAS

<u>ASK ALL</u>

S1d – And what is the main activity of the business?

OPEN ENDED QUESTION – PROBE FULLY FOR INDUSTRY TYPE - IF MANUFACTURING WHAT TYPE OF MANUFACTURING, IF FINANCIAL SERVICES WHAT KIND AND SO FORTH

A – Agriculture, hunting & forestry 1
B – Fishing...2
C – Mining & quarrying 3
D – Manufacturing 4
E – Electricity, gas and water supply...5
F – Construction 6
G – Retail, wholesale & repair of motor vehicles.......................7
H – Hotels and catering 8
I - Transport, storage and communication.................................9
J - Financial intermediation (Finance).......................................10
K - Real estate, renting & business activities 11
L - Public administration and defence 12
M – Education..13
N - Health and social work 14
O - Other community, social & personal service activities 15
Other (SPECIFY)..96
(Don't know) 97
(Refused)...98

<u>ASK ALL</u>

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

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

<u>IF PART OF MULTINATIONAL (CODE 1 AT S4)</u>
S5 – And <IF CODE 1 AT S2 **do you export to /** IF CODE 1 AT S3a OR S3b **have you considered exporting to > any affiliated companies overseas?**

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

<u>IF EXPORT TO AFFILIATED COMPANIES (CODES 1 OR 3 AT S5)</u>
S6 – And <IF CODE 1 AT S2 **do you export to /** IF CODE 1 AT S3a OR S3b **have you considered exporting to > any overseas customers other than affiliated companies?**

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

SECTION X: USAGE OF TRADE DEVELOPMENT SERVICES

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

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

A bank (other than just setting up accounts, payments, etc.) ... 1
A consultant.. 2
A market research company 11
A Trade Association.. 4
The Chamber of Commerce 5
A Regional Development Agency (RDA)........................ 6
HM Revenue & Customs 9
Anyone else? (SPECIFY) 95
None of these 96
(Don't know) 97

<u>READ OUT IF 2 OR MORE PROVIDERS SELECTED AT X1</u>
For the next few questions I'd like you to think about <u>all</u> the help or support you've received from these external providers over the last 2 years, and answer about this support overall.

IF RECEIVED ANY SUPPORT (CODES 1-95 AT X1)
X2a - Which of the following forms did this support take? READ OUT – CODE ALL THAT APPLY – ROTATE

ALWAYS ASK CODES 5, 6 & 8 IN ORDER & ALWAYS ASK CODES 3 & 4 IN ORDER

Help accessing finance or funding opportunities 1
Help identifying or accessing business contacts overseas (such as customers or business partners) 2
Help with doing marketing research overseas...3
Help with developing your overseas business strategy 4
Information or advice about how to do business in an overseas market (such as help dealing with either the regulatory or cultural environment)...5
Information or advice about entering a new market....................................6
Information or advice about business opportunities in an overseas market.8
ONLY SHOW IF CODE 9 OR 95 AT X1: Political support (such as help resolving an issue with an existing contract, or help accessing a regulated market)...10
ONLY SHOW IF CODE 5 AT X1: Certificates of Origin...............................11
Anything else? (SPECIFY)...95
(Don't know) 97

IF RECEIVED ANY SUPPORT (CODES 1-95 AT X1)
X2b – And did you have to pay for any of this support? SINGLE CODE

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

IF RECEIVED ANY SUPPORT (CODES 1-95 AT X1)
X2c – Overall, how much time would you estimate that < IF ONLY ONE SELECTED AT X1 <NAME OF PROVIDER FROM X1> / IF MORE THAN ONE SELECTED AT X1 **these external providers > ~~they~~ spent providing this information, advice or support? Would you say it was…?** READ OUT

More than a week of their time.. 1
3-5 day's work 2
1-2 day's work 3
Or, less than a day's work.. 4
(Don't know) 5

IF LESS THAN A DAY AT X2c (CODE 4)
X2d – Would you say that it was more or less than an hour's work? READ OUT
More than an hour's work 1
Less than an hour's work.. 2
(Don't know) 3

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

Overall, how would you rate the quality of the support you have received from < IF ONLY ONE SELECTED AT X1 <NAME OF PROVIDER FROM X1> / IF MORE THAN ONE SELECTED AT X1 **these external providers > in terms of…** READ OUT - RANDOMISE

(a) The quality & relevance of the information they provided
(b) DELETED
(c) The quality & relevance of any contacts it allowed you to make
(d) Their attitude and professionalism
(e) Their objectivity and acting in your best interests

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

SECTION B: EXPORT STRATEGY

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

IF ALREADY EXPORTING (CODE 1 AT S2)
B1 – How long ago did your firm start doing business overseas?
CLARIFY AS NECESSARY: **And by that I mean selling goods or services to either businesses or individuals based abroad.**

AS NECESSARY **Please answer just for the UK part of your business**

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

READ OUT AS NECESSARY – CATI TO ONLY SHOW FEASIBLE CODES BASED ON ANSWER TO S1c

Within the last year 1
Over 1, up to 2 years ago 2
Over 2, up to 3 years ago 3
Over 3, up to 4 years ago 4
Over 4, up to 5 years ago 5
Over 5, up to 10 years ago 6
Over 10, up to 20 years ago 7
Over 20 years ago 8
(Don't know) 10
(Refused) 11

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

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

AS NECESSARY **Please answer just for the UK part of your business**

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

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

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

ASK ALL EXCEPT NOT PLANNING TO EXPORT (I.E. DO NOT ASK IF CODE 2 AT S3c)
B3b – In three years time do you think the percentage of your turnover that is accounted for by overseas sales will be higher than it is now, lower, or about the same? READ OUT

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

ASK IF WILL INCREASE OVERSEAS TURNOVER (CODE 1 AT B3b)
B26c – And will you achieve this by...? SINGLE CODE. READ OUT

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

ASK ALL

C11 – <IF S2=2-3 **You mentioned earlier that you had considered or attempted to do business overseas in the last 2 years.> I'm now going to read out some possible reasons for <**IF B1=1-2 OR S3c=1 OR 3 **starting to sell overseas /** IF S3c=2 **considering selling overseas /** IF B1=3-11 AND B3b=1 **seeking to increase your overseas sales /** IF B1=3-11 AND B3b=2-5 **doing business overseas >, and I'd like you to tell me the extent to which each one applies to your business. Please give me a score of 1 to 5 where 1 means that you 'disagree strongly' and 5 means that you 'agree strongly'. So firstly…**

ON EACH OF THE C11 SCREENS SHOW (AT BOTTOM):
To what extent do you agree with that?

ORDER OF STATEMENTS TO BE RANDOMISED

(a) You <IF B1=1-2 **started selling overseas /** IF S3c=1 OR 3 **are looking to start selling overseas /** IF S3c=2 **considered selling overseas /** IF B1=3-11 AND B3b=1 **are looking to increase your overseas sales /** IF B1=3-11 AND B3b=2-5 **sell overseas > to enable you to achieve a level of growth otherwise not possible**

(b) You <IF B1=1-2 **started selling overseas /** IF S3c=1 OR 3 **are looking to start selling overseas /** IF S3c=2 **considered selling overseas /** IF B1=3-11 AND B3b=1 **are looking to increase your overseas sales /** IF B1=3-11 AND B3b=2-5 **sell overseas > because it allows you to more fully utilise your existing capacity**

(c) You <IF B1=1-2 **started selling overseas /** IF S3c=1 OR 3 **are looking to start selling overseas /** IF S3c=2 **considered selling overseas /** IF B1=3-11 AND B3b=1 **are looking to increase your overseas sales /** IF B1=3-11 AND B3b=2-5 **sell overseas > to reduce your dependence on the UK market**

(d) You <IF B1=1-2 **started selling overseas /** IF S3c=1 OR 3 **are looking to start selling overseas /** IF S3c=2 **considered selling overseas /** IF B1=3-11 AND B3b=1 **are looking to increase your overseas sales /** IF B1=3-11 AND B3b=2-5 **sell overseas > to improve your firm's profile or credibility**

(e) You <IF B1=1-2 **started selling overseas /** IF S3c=1 OR 3 **are looking to start selling overseas /** IF S3c=2 **considered selling overseas /** IF B1=3-11 AND B3b=1 **are looking to increase your overseas sales /** IF B1=3-11 AND B3b=2-5 **sell overseas > because you <**IF B1=1-2 OR S2=2-3 **received** / IF B1=3-11 **keep getting> orders or enquiries from overseas customers**

ONLY ASK IF EXPORTING 2 YEARS OR LESS (B1=1-2 OR S2=2-3)

(f) You <IF B1=1-2 **started selling overseas /** IF S3c=1 OR 3 **are looking to start selling overseas /** IF S3c=2 **considered selling overseas > because you have personal connections overseas or a desire to travel abroad**

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

ASK ALL EXCEPT NOT PLANNING TO EXPORT (I.E. DO NOT ASK IF CODE 2 AT S3c)

C10a – Overall, < IF ALREADY EXPORTING (CODE 1 AT S2) **would you say that your experiences of doing business overseas have led /** IF ONLY ATTEMPTED TO WIN EXPORT BUSINESS (CODES 2 OR 3 AT S2) **do you expect that doing business overseas will lead > you to make any significant changes to your products or services?**

Yes 1
No... 2
(Don’t know) 3

ASK IF CHANGED PRODUCTS/SERVICES (CODE 1 AT C10a) AND ALREADY EXPORTING (CODE 1 AT S2)

C10b – And were these changes to your products or services designed for your overseas customers, your UK customers or both?

Overseas customers 1
UK customers... 2
Both... 3
(Don’t know) 4

ASK IF CHANGED PRODUCTS/SERVICES (CODE 1 AT C10a) AND ALREADY EXPORTING (CODE 1 AT S2)

C10c – And to what extent have these changes been a benefit to your business? Please answer on a scale of 1 to 5, where 1 means ‘to no extent’ and 5 means they have benefited you ‘to a critical extent’.

1 – To no extent 1
2 2
3 3
4 4
5 – To a critical extent.. 5
(Don’t know) 6

ASK ALL

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

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

<u>IF ALREADY EXPORTING (CODE 1 AT S2)</u>
B6a –How many overseas countries have you done business in over the last year? RECORD NUMBER
INTERVIEWER ADD AS NECESSARY **I just need the number of countries I don't need to know which ones**

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

<u>IF DON'T KNOW AT B6a</u>
B6b – If you had to estimate this number, into which of the following bands would you put it? READ OUT

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

<u>IF ALREADY EXPORTING (CODE 1 AT S2)</u>
B6c – And in 3 years time, do you think that you will be doing business in more, less or the same number of countries as you are now?

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

<u>IF ALREADY EXPORTING (CODE 1 AT S2) UNLESS ZERO AT B6a OR CODE 1 AT B6b</u>
B21 – Which of the following overseas countries or regions have you done business in over the last year? READ OUT. CODE ALL THAT APPLY

Countries in the European Union 1
North America (i.e. the USA & Canada)..2
Other countries outside of the EU and North America.....................3
(Don't know) 4
(Refused)..5

<u>IF ALREADY EXPORTING (CODE 1 AT S2)</u>
B30 - Do you ever use agents or distributors when doing business overseas?

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

IFCODE 1 AT B30

B30a – And do you use them in...? READ OUT - SINGLE CODE.

All overseas countries you do business in 1
Most...2
Or, just some 3
(Don't know) 4
(Refused)..5

ASK ALL

F10a Thinking now about your main business objectives, which ONE of the following would you say is the key focus for your business at this time? READ OUT. SINGLE CODE IF POSSIBLE BUT MULTICODE ALLOWED

Maintaining sales of your current products or services..................... 1
Increasing sales of your current products or services....................... 2
Or, developing new products or services 3
(None of these) 4
(Don't know).. 5

IF CODE 2 AT F10a

F10b <IF CODES 2 AND 3 AT F10a **Thinking about your current products or services, > Are you mainly looking to…?** READ OUT. SINGLE CODE

Increase sales in countries in which you are already operating......... 1
Or, introduce your current products or services into new countries ... 2
(Both).. 3
(None of these) 4
(Don't know).. 5

IF CODE 3 AT F10a

F10c <IF CODES 2 AND 3 AT F10a **Thinking now about the development of any new products or services, > Will these new products or services be aimed at customers based in…?** READ OUT. SINGLE CODE

Countries in which you are already operating.................................. 1
Or, new countries.. 2
(Both).. 3
(None of these) 4
(Don't know).. 5

IF ALREADY EXPORTING (CODE 1 AT S2)

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

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

<u>ASK ALL</u>
B26d – And thinking about the recent fall in Sterling exchange rates, do you think that you are getting more orders <IF S2=2-3 **or enquiries> from overseas customers as a result of this?**

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

<u>IF ALREADY EXPORTING (CODE 1 AT S2)</u>
B5a – In the last 2 years have you successfully started doing business in any new countries?
CLARIFY AS NECESSARY: **By that I mean have you started selling goods or services in a country that your business hasn't dealt with before?**

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

<u>IF ENTERED NEW COUNTRIES (CODE 1 AT B5a)</u>
B5b – Which new countries have you started doing business in over the last 2 years? WRITE IN – PROBE AS NECESSARY **Any others?**

....
(None/Not entered any new countries)............................ 96
(Don't know) 97

ASK ALL

B13 – I'm now going to read out a list of issues that you may have had to tackle when trying to develop the overseas side of your business. Thinking about all the overseas countries that you've < IF S 2 = 1 **dealt with/** IF S2 = 2 or 3 **considered doing business with>, has YOUR BUSINESS ever had any difficulties with…?**

ROTATE LIST

ALWAYS ASK STATEMENT H AFTER STATEMENT G

ALWAYS ASK STAEMENTS B, K & C IN THAT ORDER.

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

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

(a) Obtaining basic information about an overseas market
(b) Identifying who to make contact with in the first instance
(c) Building relationships with key influencers or decision-makers
(d) Dealing with legal or tax regulations or standards overseas
(g) Language barriers
(h) Cultural differences outside of language barriers
(j) A preference on the part of overseas customers for doing business with firms from their own country
(k) Establishing an initial dialogue with prospective customers or business partners
(p) **Finding the necessary management time to devote to doing business in an overseas country**
(q) Protecting your intellectual property
(r) Ensuring you get paid and enforcing contracts
(s) Dealing with customs procedures or paperwork

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

ASK FOR EACH OF A-S THAT RESPONDENT AGREES IS A DIFFICULTY THEY HAVE ENCOUNTERED. ASK B14 DIRECTLY AFTER B13 FOR EACH ONE

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

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

<u>IF NO (CODE 2) AT B13g OR CODES 1-2 AT B14g – TO FOLLOW DIRECTLY AFTER B13/14g</u>

B20g – Is the reason that you haven't had <IF CODE 2 AT B13g OR CODE 1 AT B14g **any /** IF CODE 2 AT B14g **many> difficulties with language barriers because…?** READ OUT

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

<u>IF NO (CODE 2) AT B13h OR CODES 1-2 AT B14h – TO FOLLOW DIRECTLY AFTER B13/14h</u>

B20h – Is the reason that you haven't had <IF CODE 2 AT B13h OR CODE 1 AT B14h **any /** IF CODE 2 AT B14h **many> difficulties with cultural differences because…?** READ OUT

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

<u>IF NO (CODE 2) AT B13k OR CODES 1-2 AT B14k – TO FOLLOW DIRECTLY AFTER B13/14k</u>

B20k – Is the reason that you haven't had <IF CODE 2 AT B13k OR CODE 1 AT B14k **any /** IF CODE 2 AT B14k **many> difficulties establishing an initial dialogue because…?** READ OUT

You already had contacts 1
They initiated the contact..2
Or, some other reason (SPECIFY) 95
(Don't know) 97

SECTION Y: REASONS FOR NOT SEEKING SUPPORT & AWARENESS

IF HAVE NOT RECEIVED ANY SUPPORT (CODES 96 OR 97 AT X1)
Y1 – Thinking about < IF AT LEAST ONE 'YES' AT B13 **these** IF ALL 'NO' AT B13 **any > difficulties that you <** IF ALL 'NO' AT B13 **may > have had to tackle when <** IF S2 = 1 **developing/** IF S2 = 2 or 3 **trying to develop>the overseas side of your business, do you think you would have benefited from some kind of external advice or support to help you overcome any of these difficulties?**

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

IF YES OR MAYBE AT Y1 (CODES 1 OR 3)
Y2 – What types of advice or support would have helped? DO NOT READ OUT BUT PROMPT TO CLARIFY. CODE ALL THAT APPLY

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

IF YES OR MAYBE AT Y1 (CODES 1 OR 3)
Y3 – Are you aware of anywhere or anyone who could provide this type of advice or support?
ADD AS NECESSARY: **Please include all sources of export support that you are aware of even if you wouldn't personally use them.**

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

IF YES AT Y3

Y4 – Who could provide this? CODE ALL THAT APPLY – DO NOT PROMPT
ADD AS NECESSARY: **Anyone else?**

A bank 1
A consultant.. 2
Friends, colleagues or other business associates........... 3
A Trade Association.. 4
The Chamber of Commerce 5
A Regional Development Agency (RDA)......................... 6
UK Trade & Investment (UKTI)...................................... 7
Department for Business, Innovation and Skills (BIS)..... 8
Business Link 9
HM Revenue and Customs.. 11
A Market Research Company.. 12
Anyone else? (SPECIFY) 95
(No-one that I am aware of)... 96
(Don't know) 97

IF NO AT Y1

Y7 – Could you tell me why you think you would not have benefitted from any external advice or support? DO NOT READ OUT BUT PROMPT TO CLARIFY. CODE ALL THAT APPLY

Already have experience / expertise within the company 1
Have our own/existing contacts 2
Customers contact us / we respond to orders/enquiries.. 3
Have a niche market/product... 4
No one could provide relevant help/information 5
Manage fine as we are / do it ourselves.......................... 6
Easy /straightforward / don't need help........................... 7
Other (Specify) 95
(Don't know) 97

ASK ALL

S8 – Before today, were you aware that UK Trade & Investment provide assistance to help UK firms do business overseas?

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

ASK ALL

S9 – I'm now going to read out details of some services that are designed to help UK firms do business overseas. For each one, I'd like you to tell me whether you're aware of it, and whether you would be interested in using this type of service.

Please note that this is just to measure interest in these services and your details will not be passed on to UKTI. If you would like to find out more about any of these services we can arrange to send you details at the end of the interview.

So firstly… READ OUT DESCRIPTION FOLLOWED BY QUESTIONS FOR EACH OF A-D. RANDOMISE ORDER OF A-D

A) The Overseas Market Introduction Service, or OMIS, is a charged service delivered by UK embassies and consulates overseas. It can include advice about an overseas market or the identification of possible customers or business partners.

A1 – Have you heard of this service before?

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

A2 – And would you be interested in using this service?

Yes 1
No.. 2
(Maybe) 3
(Don't know) 6

B1 & B2 – DELETED

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

C1 – Have you heard of this service before?

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

C2 – And would you be interested in using this service?

Yes 1
No.. 2
(Maybe) 3
(Don't know) 6

D) UK Trade & Investment put on a variety of events and seminars in the UK that focus on export opportunities and other aspects of doing business overseas.

D1 – Have you heard of these type of events before?

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

D2 – And would you be interested in attending these type of events?

Yes 1
No... 2
(Maybe) 3
(Don't know) 6

SECTION C: IMPACT & OUTCOMES

IF MENTIONED AT LEAST ONE FORM OF SUPPORT AT X1 (CODES 1-95), EXCEPT…

- DO NOT ASK IF ONLY MENTIONED 'CERTIFICATE OF ORIGIN' (CODE 11 AT X2a)
- DO NOT ASK IF ONLY MENTIONED 'OTHER' (CODE 95 AT X2a) AND LESS THAN 1 HOUR (CODE 2 AT X2d)

C7 – Thinking now specifically about the support you have received from <CATI TO INSERT ALL FROM X1, UNLESS 3 OR MORE CODED & THEN INSERT **the external providers you mentioned earlier > in relation to overseas business. I'm going to read out a list of ways in which your business may have benefited from this support and I would like you to tell me whether this is a benefit that you have felt as a DIRECT RESULT.**
So, firstly…

STATEMENTS TO BE RANDOMISED WITHIN GROUPS.
ALWAYS ASK GROUP 1 FIRST, RANDOMISE ORDER OF GROUPS 2-3, ALWAYS ASK GROUP 4 LAST.

ON EACH OF THE C7 SCREENS ADD AFTER EACH STATEMENT
AS N ECESSARY- '**Is this a benefit you have experienced as a result of the support you have received from** < CATI TO INSERT ALL FROM X1>**?**'

GROUP 1 - BARRIERS TO MARKET ACCESS OVERCOME
(a) Gained access to prospective customers, business partners or other people that you would otherwise have been unable to meet (*as a result of the support)*
(c) Improved your company's profile or credibility overseas (*as a result of the support)*
(e) Gained access to information that you would otherwise have been unable to come by (*as a result of the support)*

GROUP 2 - INCREASED SKILLS
(h) Gained the confidence to either explore a new market or expand in an existing market (*as a result of the support)*
(i) Improved your knowledge of the competitive environment in an overseas market (*as a result of the support)*

GROUP 3 - CHANGED BEHAVIOUR (& MISCELLANEOUS)
(l) Made improvements to your products, services, processes or management practices (*as a result of the support)*
AS N ECESSARY **By 'products and services' I mean everything that your business offers**
(t) Made improvements to your new product or service development strategy (*as a result of the support)*
(n) Improved the way you do business in overseas markets (*as a result of the support)*
(o) Improved your overseas marketing strategy (*as a result of the support)*

Still thinking about the possible ways in which your business may have benefited from the support you received from < CATI TO INSERT ALL FROM X1>. **Have you benefited from…?**

GROUP 4 - IMPROVEMENTS IN HARD BUSINESS PERFORMANCE
(q) Increased total sales (*as a result of the support)*

FOR EAC H T HAT R ESPONDENT A GREES I S A BEN EFIT (ASK C 8 DIRECTLY AFTER C7)
C8 - And to what extent do you feel that this has been a benefit of the support you received. Please give me a score of 1 to 5, where 1 means 'to no extent' and 5 means 'to a critical extent'. READ OUT AS NECESSARY

1 – To no extent.. 1
2 2
3 3
4 4
5 -To a critical extent 5
(Don't know) 6

ASK IF ONLY MENTIONED CERTIFICATE OF ORIGIN (CODE 11 AT X2a) OR (ONLY MENTIONED 'OTHER' (CODE 95 AT X2a) AND LESS THAN 1 HOUR (CODE 2 AT X2d))
C10 – Thinking now specifically about the support you have received from <CATI TO INSERT ALL FROM X1, UNLESS 3 OR MORE CODED & THEN INSERT **the external providers you mentioned earlier > in relation to sales in overseas markets. Would you say that this support has had any positive impact on the performance of your firm?**

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

IF MENTIONED AT LEAST ONE FORM OF SUPPORT AT X1 (CODES 1-95) BUT DO NOT ASK IF NO (CODE 2) AT EVERY C7 STATEMENT
C9 – Which of the following best describes your view on the contribution the support you have received from <CATI TO INSERT ALL FROM X1, UNLESS 3 OR MORE CODED & THEN INSERT **these external providers > has made to your firm?** READ OUT – SINGLE CODE

We would have achieved similar results anyway............................1
We would have achieved similar results, but not as quickly 2
We would have achieved some but not all of the results.................3
We probably would not have achieved similar results 4
We definitely would not have achieved similar results.....................5
(None of these)...6

SECTION F: PROFILING

ASK ALL
Finally, I'd just like to ask you some questions about your business - these are just to classify your answers for analysis purposes. You may of course skip any question you do not wish to answer. Please be assured your responses are confidential and will only be presented to UK Trade & Investment in the form of statistical summaries.

ASK ALL EXCEPT 'NOT YET TRADING' (CODE 9) AT S1c
F1a- Which of these best describes the current status of your business? READ OUT - MULTICODE

An independent business with no subsidiaries................ 1
A business with subsidiaries 2
A subsidiary of another business 3
(A not for profit organisation) 4
(Other (SPECIFY))... 95
(Don't know) 97
(Refused)... 98

IF CODES 1-3 AT F1a
F1b – Can I just check, is the business UK or foreign-owned?

UK-owned.. 1
Foreign-owned... 2
(Joint UK and foreign-owned) 3
(Don't know) 4

TEXT IF CODE 3 AT F1a
From now on when I ask about your business I'd like you to answer just for the subsidiary in which you work.

ASK ALL EXCEPT 'NOT YET TRADING' (CODE 9) AT S1c
F2a – How many people are currently employed by your business within the UK?

INTERVIEWER NOTE AS NECESSARY **Please include both full and part-time staff.**

INTERVIEWER NOTE **Please only include UK-based staff**

Write in number (0+):
(Refused)
(Don't know) – PROMPT WITH RANGES

SHOW IF ZERO ENTERED AT F2a
INTERVIEWER NOTE - Please confirm that the firm has NO employees in the UK. If they are unsure or don't know please code accordingly rather than putting zero

<u>ASK IF DON'T KNOW AT F2a</u>
F2b – If you had to estimate, approximately how many people are employed by your business in the UK?
READ OUT AS NECESSARY

No employees	1
1-4	2
5-9	3
10-19	4
20-49	5
50-99	6
100-199	7
200-249	8
250-499	9
500 or more	10
(Don't know)	11
(Refused)	12

<u>IF F2a>250 OR IF F2b=9-10</u>
F2c – So can I just confirm that you have <INSERT RESPONSE FROM F2a/b> **employees <u>based in the UK</u>?**

Yes	1
No	2

IF NO, CATI TO ROUTE INTERVIEW BACK TO F2a & INTERVIEWER TO AMEND

<u>ASK ALL EXCEPT 'NOT YET TRADING' (CODE 9 AT S1c)</u>
F3a – <IF NOT ESTABLISHED IN LAST YEAR (S1c = NOT1 AND NOT9) **Can I ask, what is the current annual turnover of your business /** IF ESTABLISHED IN LAST YEAR (S1c =1 OR 9) **What do you anticipate will be the turnover of your business in the first year of trading>?**

AS NECESSARY **By this I mean your annual sales, income or receipts.**

<u>IF SUBSIDIARY (CODE 3 AT F1a):</u>
AS NECESSARY **Please just give me the turnover of the subsidiary in which you work**

<u>IF HAS SUBSIDIARIES (CODE 2 AT F1a):</u>
AS NECESSARY **Please give me the turnover for the UK part of your business, but including revenues from overseas sales made from the UK**

Write in amount in £ (£0+):
(Refused)
(Don't know) – PROMPT WITH RANGES

CATI TO VALIDATE AMOUNT ENTERED USING RANGES IN F3b

<u>IF DON'T KNOW AT F3a</u>

F3b - If you had to estimate your total turnover, into which of the following bands would you put yourself? READ OUT AS NECESSARY

£0	1
£100,000 or less	2
£100,001 - £500,000	3
£500,001 - £2million	4
£2million - £10million	5
£10million - £50million	6
More than £50million	7
(Don't know)	8
(Refused)	9

<u>ASK ALL EXCEPT 'NOT YET TRADING' (CODE 9 AT S1c) OR NO EMPLOYEES (0 AT F2a OR CODE 1 AT F2b)</u>

F3c – Approximately how many of your UK-based employees are engaged either wholly or partly in R&D activity? READ OUT

Zero	1
One	2
2-4	3
5-9	4
10-19	5
20-49	6
50-99	7
100-199	8
200-249	9
250-499	10
500 or more	11
(Don't know)	12
(Refused)	13

<u>ASK IF F3c IS CODES 2-11</u>

F3e – Can I just check, are any of these employees involved in activities that could be described as 'the development of scientific or technical knowledge that isn't commonly available'?

Yes	1
No	2
Don't know	3

ASK ALL EXCEPT ['NOT YET TRADING' (CODE 9 AT S1c) OR NO EMPLOYEES (0 AT F2a OR CODE 1 AT F2b)]

F3d – And approximately how many of your UK employees are engaged either wholly or partly in new product or service development? READ OUT

Zero 1
One 2
2-4 3
5-9 4
10-19 5
20-49 6
50-99 7
100-199 8
200-249 9
250-499 10
500 or more 11
(Don't know) 12
(Refused) 13

ASK ALL EXCEPT 'NOT YET TRADING' (CODE 9 AT S1c)

F4 – In the last year have you commissioned anyone external to your business to conduct any R&D or new product or service development activity for you?

Yes 1
No 2
(Don't know) 3

ASK ALL UNLESS ESTABLISHED IN LAST TWO YEARS (I.E. DO NOT ASK IF CODES 1 OR 2 OR 9 AT S1c)

F5a – Have you introduced any new products or services over the last three years?

Yes 1
No 2
(Don't know) 3

ASK IF YES AT F5a

F5d - And are these new products or services…? READ OUT - SINGLE CODE ADD AS N ECESSARY: **By completely new I mean that, to the best of your knowledge, they have not been introduced by anyone before you** READ OUT – SINGLE CODE

Just new to your business 7
New to your industry or sector 8
Or are they completely new to the world 9
(Some are just new to the business and some are completely new) 10
(Don't know) 97

ASK ALL
F5f –Have you either applied for or obtained any patents, trademarks or other legal protection, either in the UK or overseas, for any of your products or services?

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

IF IP PROTECTION (CODE 1 AT F5f)
F5i – And is this...? READ OUT. CODE ALL THAT APPLY

Patents 1
Trademarks 2
Or other legal protection 3
(Don't know) 4

IF IP PROTECTION (CODE 1 AT F5f)
F5g – And do these relate to the UK, overseas countries or both?

AS NECESSARY: **Please include all patents, trademarks and other legal protection**

UK 1
Overseas 2
Both.. 3
(Don't know) 4

IF OVERSEAS PATENTS (CODE 1 AT F5i & CODES 2-3 AT F5g)
F5h – Can I just check, does your firm hold any 'triadic patents' by which I mean you hold a patent in the US, EU and Japan for the same product or innovation? READ OUT – SINGLE CODE

INTERVIEWER NOTE: ONLY CODE YES IF SAME PATENT HELD IN ALL THREE MARKETS

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

<u>ASK IF BUSINESS OVER 1 YEAR OLD AT S1c (2-8 OR 10-11)</u>
F8 - <IF BUSINESS MORE THAN 5 YEARS OLD (CODES 6-8 OR 10-11 AT S1c) **Thinking about your business as a whole, in the last FIVE years would you say that your business has…? /** IF BUSINESS 1-5 YEARS OLD (CODES 2-5 AT S1c) **Thinking about your business as a whole, since your business was established would you say that it has…?>**
READ OUT

INTERVIEWER TO ADD AS NECESSARY **This is just your overall impression of the growth of the business taking account of factors like size, number of employees, turnover and sales.**

Remained the same size 1
Become smaller.. 2
Grown moderately 3
Grown substantially 4
(Don't know) 5
(Refused)... 6

<u>ASK ALL</u>
F9 – And, what growth objectives do you have for the business over the <u>next</u> FIVE years? Do you plan to…?
READ OUT

Remain the same size 1
Become smaller.. 2
Grow moderately 3
Grow substantially 4
(Don't know) 5
(Refused)... 6

<u>ASK ALL</u>
F11 – Can I just check, do you have a current, written business plan?

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

<u>IF YES AT F11</u>
F12 - Does the plan contain any targets relating to revenues from overseas sales?

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

ASK ALL CURRENTLY EXPORTING (CODE 1 AT S2)
F21a – Can I just check, does your firm use export credit insurance? SINGLE CODE

INTERVIEWER NOTE: IF RESPONDENT DOES NOT KNOW WHAT EXPORT CREDIT INSURANCE IS THEN CODE AS 'NO'

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

IF USE EXPORT CREDIT INSURANCE (CODE 1) AT F21a
F21b – And over the last 6 months, have you had any difficulties in accessing export credit insurance? SINGLE CODE

INTERVIEWER NOTE: IF THE RESPONDENT SAYS THEIR EXPORT CREDIT INSURANCE HAS BEEN REDUCED, THEN CODE AS 'YES'

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

ASK ALL EXCEPT 'NOT YET TRADING' (CODE 9 AT S1c)
F14 - How many owners, partners or directors are there in day-to-day control of the business? (at this site) PROBE FOR BEST ESTIMATE

Enter number
(Don't know)
(Refused)

IF ANY NUMBER GIVEN AT F14 (1+)
F15 – < IF 2+ AT F14 **How many of these owners, partners, or directors** / IF 1 AT F14 **Does this person > have degree level or equivalent qualifications?** PROBE FOR BEST ESTIMATE

INTERVIEWER NOTE: IF THERE IS JUST 1 PERSON ENTER 1 IF YES

Enter number (ALLOW FOR ZERO)
(Don't know)
(Refused)

ASK ALL

F17 – That's the end of the interview, thank you very much for taking part. Would you be willing to take part in any future research on this topic conducted on behalf of UK Trade & Investment or the Department for Business, Innovation & Skills (BIS)?

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

IF CODE 1 AT S9A2 OR S9C2 OR S9D2

F20 – You mentioned earlier that you may be interested in some of the services offered by UKTI. Would you like to be emailed some more information on these services? IF Y ES, R ECORD EM AIL ACCURATELY & R EAD I T BAC K LETTER BY LETTER TO CONFIRM.

Yes (RECORD EMAIL ADDRESS)................................. 1
No... 2

ASK ALL

F18 – Finally as proof of this interview please could I just confirm your business postcode?
CATI TO D ISPLAY P OSTCODE I F AVAI LABLE – AMEND I F M ISSING O R INCORRECT

ASK ALL

F19 – And may I take a note of your name?
WRITE IN……………………………………………

STANDARD THANK & CLOSE