UK Trade & Investment
Performance & Impact Monitoring Surveys (PIMS)

2012 Non-User Survey

Main Report

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OMB Research, The Stables, Bradbourne House, East Malling, West Malling, Kent, ME19 6DZ
T. 0844 8871099 E. info@ombresearch.co.uk W. www.ombresearch.co.uk

Contents

1. Executive Summary

1.1 Introduction

The Performance & Impact Monitoring Survey (PIMS) measures the impact and effectiveness of UKTI support, and the PIMS programme includes an annual survey of exporting firms that have not used UKTI services. This summary outlines the key findings from the 2012 non-user survey. The primary research objectives are:

- To provide evidence on usage of non-UKTI export support;
- To provide evidence on the quality and impact of non-UKTI export support (for comparison with PIMS evidence on the performance of UKTI services);
- To measure the extent to which firms encounter barriers which give rise to the need for export support;
- To investigate attitudes towards support amongst those firms not accessing it;
- To explore the impact of the recent economic conditions on export activity;
- To 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 2012. A telephone methodology was employed, with interviews conducted using Computer Assisted Telephone Interviewing (CATI) and lasting an average of 20 minutes.

The sample for this survey consisted of firms that had exported in the last 2 years (or seriously considered doing so) and that had <u>not</u> obtained any assistance from UKTI. A stratified random sample of UK firms was sourced from Experian and 'screening' questions were included at the start of the questionnaire to identify and exclude any firms that did not export (and had not tried to in the last 2 years) or that had received UKTI support.

In order to achieve a robust number of interviews with more recently established firms (an important group for UKTI), the sample was stratified by age of firm. The final data has been weighted back to the true age profile of all UK exporters, and all data in this report is presented weighted unless otherwise specified.

In the main, this report just provides non-user results from the 2012 survey. However, where base sizes are low (e.g. when looking at supported and unsupported non-users) the 2012 non-user data has been combined with data collected in the 2011 survey to allow for more robust analysis. In this report comparative data have also been provided for UKTI users, with this data taken from the main PIMS surveys, the PIMS follow-up surveys or the 2012 Internationalisation Survey as appropriate.

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

Table 1.1 Sample Analysis (Summary)

Interviews achieved	300
Response rate	30%
Refusal rate	30%

1.2 Summary Results

1.2.1 Profile of UKTI Users & Non-Users

This section examines how the profile of UKTI users compares with that of non-user businesses. The analysis demonstrates that these groups differ in a number of interesting and important ways – most notably in relation to innovation, export intensity, growth, and management strategy. Specifically, the key findings are that:

- UKTI clients are more likely to be innovative, have degree-educated senior management and have formal business plans;
- They tend to have more employees and higher turnovers than non-users even though their age profile is similar;
- UKTI users operate in a greater number of markets than non-users and overseas sales account for a greater proportion of their turnover – despite the fact that they have been doing business overseas for a similar length of time.
- Businesses accessing UKTI support are more dynamic than non-users – they are more likely to have grown substantially over the previous 5 years, to predict substantial growth in future and to anticipate an increase in their overseas activity;
- The above differences are consistent across all recent waves of the PIMS Non-User survey;
- Nevertheless, a significant minority of non-user businesses match the target profile of UKTI clients in that they are innovative, high growth and strategic in their approach.

The table below provides a summary of the business profile characteristics of users and non-users, covering age, size, sector and innovation levels.

Table 1.2.1.1 Business Profile

		Non-Users (2012)	Users (PIMS 24-27)
Base		*300*	*3817*
Age	Up to 5 yrs	17%	22%
	6-10 yrs	23%	19%
	Over 10 yrs	60%	57%
Employees	0-9	70%	42%
	10-49	21%	29%
	50-249	3%	17%
	250+	5%	9%
Turnover	Up to £500k	48%	33%
	£500k - £2m	23%	21%
	£2m - £10m	10%	20%
	Over £10m	9%	17%
Sector	Production	23%	36%
	Services	77%	63%
Innovation	Innovative	63%	83%
	Innovative (alternative)	33%	64%
	IP active	14%	39%

The previous table shows that there are significant differences between users and non-users, consistent with the findings from previous waves of this survey. UKTI clients are significantly more likely to be classed as 'innovative' than non-users and are more inclined to hold patents, trademarks or other legal protection and hence be classified as 'IP active'.

UKTI users also tend to be larger than non-users (in terms of both employee numbers and turnover) and are more likely to operate in the production sector. The age profile of users and non-users of UKTI is broadly similar, although it should be noted that the non-user data was weighted by age of firm to reflect the true age profile of all UK exporters.

The survey data was also used to further classify non-user firms as either 'supported non-users' or 'unsupported non-users', based on whether or not they had accessed some form of non-UKTI export support (e.g. from a trade association, consultant, etc). Although it is not detailed in the above table, it is interesting to note that supported non-users are somewhat closer in profile to UKTI clients, in that they tend to be larger than unsupported non-users, display greater levels of innovation and are more inclined to be members of trade associations of sector bodies.

The table below provides a comparison of the overseas experience of users and non-users of UKTI, covering the length of time they have been exporting, overseas sales as a proportion of total turnover and the number of markets they operate in.

Table 1.2.1.2 Export Experience

		Non-Users (2012)	Users (PIMS 24-27)
Base		*300*	*3817*
Years Exporting	Not yet exporting	11%	11%
	Up to 2 yrs	13%	15%
	2-10 yrs	40%	35%
	Over 10 yrs	35%	39%
Export Sales (as proportion of turnover)	0% (not yet exporting)	11%	11%
	1-10%	50%	27%
	11-25%	12%	13%
	26-50%	10%	17%
	Over 50%	15%	28%
Number of Markets	0 (not yet exporting)	11%	11%
	1-5	52%	31%
	6-20	28%	33%
	Over 20	5%	21%

UKTI clients are much more 'intensive' exporters than non-users, in the sense that overseas sales account for a greater proportion of their total turnover and they tend to be operating in more markets. This is despite the fact that there is little difference in the profile of users and non users in terms of the length of time they have been doing business overseas.

Supported non-users (i.e. those that have accessed some form of non-UKTI export support) are again closer to UKTI users in profile. They tend to be active in more markets and report higher overseas sales than unsupported non-users.

The table below compares UKTI users and non-users in terms of the growth of their business as a whole, the growth of their overseas activity, and their business planning and capabilities.

Table 1.2.1.3 Growth & Business Planning/Strategy

		Non-Users (2012)	Users (PIMS 24-27)
Base		*300*	*3817*
Past Growth (Last 5 Years)	Substantial	15%	27%
	Moderate	45%	43%
	No Growth	39%	24%
Growth Objectives (Next 5 Years)	Substantial	26%	43%
	Moderate	51%	46%
	No Growth	18%	6%
	Innovative high growth	21%	39%
Entered New Markets (Last 2 Years)	Yes	42%	61%
	No	57%	39%
Exports as % of Turnover (Next 3 Years)	Higher	45%	70%
	Same	43%	24%
	Lower	7%	3%
Number of Markets (Next 3 Years)	Higher	47%	74%
	Same	43%	23%
	Lower	6%	1%
Business Planning	Current business plan	38%	72%
	Plan with overseas targets	18%	56%
Changes in Overseas Strategy (Last Year)	Focussing more on overseas mkts	23%	51%
	No change	66%	42%
	Focussing less on overseas mkts	11%	8%
Capabilities & Networks	Degree-level senior management	61%	87%
	Member of Trade Associations or sector bodies	40%	57%

Looking at their business as a whole, UKTI users are considerably more dynamic than non-users. They are more likely to have grown substantially over the past 5 years and are significantly more ambitious in their growth objectives for the next 5 years. UKTI clients are also more likely to be classified as 'innovative high growth' firms, although it is worth noting that a fifth of non-users also fall into this key group and as such appear to be the type of clients that UKTI should ideally be supporting.

UKTI users are also more dynamic than non-users in terms of expanding their export activity. They are markedly more likely to have entered new markets in the previous 2 years, and to predict that the number of markets they operate it will increase further over the next 3 years. Users are also more inclined to feel that overseas sales will become more important to their business in terms of their contribution to total turnover.

It is also very clear that UKTI clients have more formal business planning procedures in place than non-user firms. The former are nearly twice as likely to have a current written business plan and three times as likely to indicate that this plan contains targets specifically relating to overseas revenues. They are also more likely to have revised their strategy in the past year to put more emphasis on the development of their overseas business.

Firms accessing UKTI support are also more likely to have degree-level educated members of their senior management team and more inclined to join trade associations or other sector bodies.

1.2.2 Export Motivations & Barriers

This section explores the motivations for exporting, and the barriers that firms encounter when doing business overseas. This analysis demonstrates that:

- UKTI clients have stronger and more proactive motivations for exporting, whereas non-users are most likely to be simply responding to enquiries from overseas;
- Notwithstanding their less ambitious approach to exporting, half of all non-user firms have still experienced significant barriers to the development of their overseas business;
- The most widely experienced barriers relate to legal/regulatory issues, identifying/developing contacts and insufficient resources;
- It is important to note that there are existing UKTI services specifically designed to address these barriers, and the impacts reported in the main PIMS survey clearly demonstrate that UKTI clients are benefiting in this way.

The table below shows the proportions of firms agreeing that they do business overseas for various reasons (both proactive and reactive).

Table 1.2.2.1 Export Motivations

Proportion agreeing that they export for the following reasons…	Non-Users (2012)	Users (PIMS 24-27)
Base	*300 (91)*	*3817 (986)*
To achieve a level of growth otherwise not possible	48%	82%
To more fully utilise your existing capacity	49%	62%
To reduce your dependence on the UK market	31%	53%
To improve your profile or credibility	42%	63%
You received orders/enquiries from overseas customers	74%	61%
If exporting < 2years: You had personal connections overseas or a desire to travel abroad	23%	34%

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 proactive or strategic reasons (e.g. enabling growth, reducing dependence on the UK market, improving their profile). Non-users, on the other hand, are comparatively 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 clearly indicates that non-users of UKTI are more reactive in their approach to exporting, and is consistent with the fact that non-uses are less export intensive and less ambitious when it comes to their overseas plans.

One of the key purposes of the PIMS Non-User Survey is to help understand what non-user businesses need in terms of export support services. In response to this, non-user firms were read out a list of issues that they may have had to tackle when trying to develop the export side of their business and asked to indicate the extent to which each was a difficulty that they had encountered. The specific barriers tested all related to areas that UKTI can potentially help with. These barriers have been summarised into seven themes (e.g. legal & regulatory barriers, contacts barriers, etc) and the table below shows the proportion of non-user firms experiencing significant difficulties in each area.

Table 1.2.2.2 Barriers to Overseas Trade

Proportion experiencing significant difficulties with...	Non-Users (PIMS 2012)
Base	*300*
At least 1 significant barrier	50%
- Legal & regulatory barriers	24%
- Customs barriers	14%
- Contacts barriers	22%
- Information barriers	12%
- Resource barriers	23%
- Language & cultural barriers	12%
- Bias barriers	11%
No significant barriers	50%

Half of all non-user firms have experienced significant barriers to the development of their overseas business, suggesting that many would have benefited from the type of assistance that UKTI can provide. The most widespread barriers encountered relate to legal and regulatory issues (e.g. getting paid, protecting IP), contacts (e.g. identifying who to contact, building relationships) and resources (e.g. finding the management required to develop their overseas business).

Although not shown here, evidence from UKTI's Internationalisation Survey clearly demonstrates that UKTI clients are considerably more likely to encounter barriers than non-users. These barriers may of course have been the motivation for contacting UKTI for assistance, and this hypothesis is backed up by the fact that supported non-users (i.e. those that have accessed some form of non-UKTI export assistance) are more likely to have experienced barriers than unsupported non-users.

The comparatively lower incidence of barriers amongst non-users firms is likely to be connected to their different motivations for exporting. As seen previously, non-users are more reactive in their approach and the most common motivation is that they are simply responding to orders/enquiries from overseas (rather than seeking to grow, trying to enhance their profile, etc).

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

Table 1.2.2.3 How UKTI Support Can Address Barriers

Barrier	**Corresponding Benefit of UKTI Support**
Legal & regulatory	• Overcome problem or difficulty with a legal or regulatory issue or quality standards (12%) • Made improvements to products or services (23%)
Customs	• Improved the way you do business in overseas markets (32%)
Contacts	• Gained access to prospective customers or business partners (42%) • Improved overseas marketing strategy (31%)
Information	• Gained access to information otherwise unable to come by (40%)
Resource	• Made improvements to processes or management practices (16%) • Gained confidence to enter new market/expand in existing one (37%)
Language & cultural	• Gained access to information otherwise unable to come by (40%) • Improved the way you do business in overseas markets (32%)
Bias	• Improved profile or credibility (37%) • Improved knowledge of competitive environment in overseas market (36%)

1.2.3 UKTI Support: Awareness & Alternatives

This section covers awareness and use of export support and the extent that exporters feel the need for such services. The analysis demonstrates that:

- Awareness of the UKTI name amongst non-user firms stands at just 40%;
- However, there is clear interest in the types of service that UKTI offers, particularly amongst inexperienced exporters;
- Most non-users are not accessing any form of export support – just a fifth have obtained this type of assistance from non-UKTI sources;
- Almost half of all unsupported non-users feel that external support would be beneficial – but most of these firms are unaware of anyone that could provide it.

Non-user firms were asked whether they had heard of UKTI (prior to the interview), and were also read out descriptions of several UKTI services and asked whether they had heard of them.

Table 1.2.3.1 Awareness of UKTI & Selected Services

	Non-Users (2012)			
	Total	0-5 years old	6-10 years old	>10 years old
Base	*300*	*100*	*100*	*100*
UKTI	40%	39%	41%	40%
OMIS	15%	20%	16%	13%
ITAs	19%	18%	17%	20%
UKTI export events/seminars	38%	34%	26%	43%

Awareness of the UKTI name amongst non-users stands at 40%, and there is no difference by age of firm in this respect. However, although not shown in the previous table, awareness of UKTI was highest among larger firms, innovative firms, those that had been doing business overseas for longer, and those that planned to grow.

Only 15% of firms had heard of the OMIS service, with a slightly higher proportion of non-users aware of the support available through UKTI's International Trade Advisors. When told that UKTI put on events and seminars in the UK that focus on doing business overseas, 38% of firms claimed to have heard of these type of events (although given that this is a similar level to the overall UKTI awareness figure, it is likely that some firms were answering in the context of export-focussed events in general rather than UKTI-organised ones specifically).

Irrespective of whether they had heard of the various UKTI services, non-user firms were asked whether they would be interested in using each one (based on a brief description of what each one involved).

Table 1.2.3.2 Interest in UKTI Services

	Non-Users (2012)			
	Total	0-5 years old	6-10 years old	>10 years old
Base	*300*	*100*	*100*	*100*
OMIS	25%	30%	32%	21%
ITAs	33%	39%	33%	31%
UKTI export events/seminars	33%	38%	36%	30%

As detailed above, a quarter 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. Older firms that had been established for over 10 years generally showed least appetite for the various types of UKTI assistance. It is also interesting to note that very recent exporters were least likely to have heard of each of the 3 UKTI services tested, but were most interested in accessing this type of support.

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

Table 1.2.3.3 Whether Received Non-UKTI Export Support

	Non-Users (2011/12)			
	Total	0-5 years old	6-10 years old	>10 years old
Base	*600*	*199*	*200*	*201*
Yes	20%	22%	17%	20%
No	79%	78%	81%	79%
Don't know	1%	0%	3%	0%

Just a fifth of non-user firms have received some form of external export assistance over the last 2 years, and are therefore classed as 'supported' non-users. A variety of different providers were used by these firms, but the most common source was

HMRC, followed by the Chamber of Commerce, banks, consultants and trade associations. In most cases this support had been provided free of charge, with only 22% of firms paying for any of it.

In terms of the substance of the support received, the most common type was information on doing business in a particular overseas market, followed by specific information about entering a new market, information about overseas business opportunities, help identifying contacts and assistance developing an overseas strategy. This support was often quite light in intensity, with 28% of non-users estimating that it had taken less than an hour of the provider's time (and a further 26% judging it to be more than an hour but less than a day).

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

Table 1.2.3.4 Need for Support (Unsupported Non-Users)

	Unsupported Non-Users (2011/12)			
	Total	0-5 years old	6-10 years old	>10 years old
Base	*482*	*156*	*166*	*160*
Yes	45%	44%	42%	46%
Maybe	7%	4%	7%	7%
No	48%	51%	48%	48%
Don't know	1%	1%	2%	0%

Nearly half (45%) 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. The main explanations given were that the firm felt that doing business overseas was easy or straightforward, and that they were managing fine without any external assistance, with each of these mentioned by around a quarter of firms. However, it is interesting to note that 16% of firms believed that no one would be able to help them in this way, and a further 17% highlighted the niche nature of their business (with the implication that it is too specialised for any external support to be beneficial).

1.2.4 Key Survey Measures

This section compares the impact of UKTI support and other (non-UKTI) export support. The analysis demonstrates that:

- UKTI support generates significantly greater business benefits than export support provided by other sources;
- UKTI clients also have a much better perception of the quality of the support/service they received;
- UKTI support demonstrates higher additionality (i.e. it is more likely to deliver benefits that the firm would not have been able to realise without the assistance).

The table below shows the proportion of supported non-users scoring against various key survey measures relating to the impact and quality of the export support received. Please note that, with the exception of 'A09 Quality Rating', figures are quoted net of non-additionality.

Table 1.2.4 Key Measures & Additionality (Supported Firms)

	Supported Non-Users (2011/12)[1]	Users (PIMS 24-27)[2]
Base	*79*	*3817*
Key Measures		
A81 – Increased Skills	11%	49%
A83 – Changed Behaviour	27%	56%
A04 – Increased Innovation	20%	34%
A92 – Barriers Overcome	30%	60%
AR&D – Increased R&D	18%	15%
Increased Sales/Orders	31%	55%
A06 – Improved Productivity & Competitiveness	39%	69%
A09 – Quality Rating	56%	78%
Additionality		
Fully additional	10%	26%
Partially additional	45%	51%
Non-additional	32%	22%

Although the base of supported non-users covered by the research is relatively low (even when data is combined from both the 2011 and 2012 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, with the exception of Increased R&D (for which there is no statistically significant difference between the two groups).

[1] The non-user data in this table exclude those only getting very 'light touch' support (i.e. just Certificates of Origin or support of less than 1 hour duration) to make it more comparable with UKTI support. However, the Quality Rating is based on all supported non-users (113 firms).
[2] Please note that the UKTI user data has been recalculated for some key measures to reflect the approach taken in the non-user survey and provide a valid comparison.

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 56% respectively.

It is also notable that a third 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 22% of UKTI users classify the assistance as 'non-additional'.

1.2.5 Summary & Conclusions

- UKTI users have some very different characteristics from non-users. They tend to be more innovative, more strategic in approach and display more dynamic growth.
- However, there is a significant sub-set of the non-user population that match the profile of UKTI clients in terms of their innovation activity and growth trajectory; 21% of non-users are classified as 'innovative high growth' firms and hence would represent good additions to UKTI's client base.
- UKTI clients are also more export intensive than non-users (despite having a similar profile in terms of the length of time they have been doing business overseas), and have stronger and more proactive motivations for doing business overseas.
- Notwithstanding their less ambitious approach to exporting, half of all non-user firms have still experienced significant barriers to the development of their overseas business. The most widespread of these are legal and regulatory barriers, contacts barriers and resource barriers, all of which could potentially be addressed (or at least reduced) by existing UKTI services.
- Only a fifth of non-users have obtained export-related support from non-UKTI sources – and those that have done so differ in profile from other non-users and share some similarities with UKTI users (i.e. they tend to be more innovative, more dynamic, etc).
- Non-users lack awareness of UKTI. This applies both to recognition of the UKTI name (just 40%) and of specific services (OMIS 15%, ITAs 19%, events 38%). Many non-user firms feel that external export support would be beneficial to them but they are unaware of anyone that could provide it.
- However, there is clear interest in the types of service that UKTI provide, with this particularly true of less experienced exporters (who conversely display the lowest awareness of these services and of UKTI itself).
- UKTI support generates significantly greater business impacts than export support provided by other sources, and the perceived quality of the support/service provided by UKTI is also considerably higher.
- The above findings from the 2012 PIMS Non-User Survey are consistent with the patterns that have been found in all previous waves of this research.

2. Background & Objectives

The Performance & Impact Monitoring Survey (PIMS) measures the impact and effectiveness of UKTI support, and the PIMS programme includes an annual survey of exporting firms that have not used UKTI services. This report details the findings of the 2012 PIMS Non-User Survey. The survey is similar to that conducted in 2011, and data from the 2011 survey has been combined with the new 2012 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:

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

While much of the survey content is consistent across waves, to allow comparison over time, some elements are varied each year to enable the survey to provide new evidence on evolving policy issues. It was therefore decided that the 2012 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;
- Collect non-user profile data, including data on innovation, growth and export strategy;
- Explore attitudes towards support services amongst those non-user firms not accessing any forms of external support;
- Examine the motivations for doing business overseas;
- Measure awareness of, and interest in, certain key UKTI services;
- Explore any impact of the current economic climate.

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 2012, 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. engaging in international business activity) was kept to within sensible limits, a small number of industry sectors where export propensity is very low were excluded from the initial sample frame. The exclusions were made on the basis of analysis of data from the Community Innovation Survey (CIS) on the incidence of exporting for individual industry sectors by age group[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 Durham.

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.

Table 3.1 Sample Analysis

CATI SCREENING	
Selection for CATI	6,441
Unusable – do not export	4,611
Unusable – Other reason (e.g. incorrect contact details, UKTI user, public sector organisation, etc)	835
ACHIEVED INTERVIEWS / RESPONSE RATES	
Total useable sample	995
Interviews achieved	300
Response rate (%)	30%
Refusal rate (%)	30%

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 (excluding those only receiving 'light' assistance[4]).
- *PIMS Follow-Up Surveys:* Users of UKTI's trade development services interviewed in the PIMS follow-up surveys, which are conducted c.1 year after the initial PIMS survey.
- *Internationalisation Survey:* UKTI users interviewed in this annual 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] Users of the Website Business Opportunities service and those attending English Regions' Events lasting less than ½ day.

4. Business Profile

4.1 Age

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

The sample was stratified into 3 age groups (0-5 years old, 6-10 years old and over 10 years old). To account for this disproportionate sampling approach, the final non-user data has been weighted back to the true age profile of internationalising firms (using data from the Annual Small Business Survey).

The table below provides details of the actual (unweighted) age distribution of sampled firms, the weighting regime applied, and the weighted proportion of firms in the final sample.

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

<table>
<tr><th></th><th>No. of interviews</th><th>% of interviews (unweighted)</th><th>True profile of exporters (ASBS data)</th><th>Weight applied</th><th>% of interviews (Weighted)</th></tr>
<tr><td>Not yet trading</td><td>1</td><td>0%</td><td rowspan="3">17%</td><td rowspan="3">0.50</td><td>0%</td></tr>
<tr><td>Within the last 2 years</td><td>29</td><td>10%</td><td>5%</td></tr>
<tr><td>2-5 years ago</td><td>70</td><td>23%</td><td>12%</td></tr>
<tr><td>6-10 years ago</td><td>100</td><td>33%</td><td>23%</td><td>0.70</td><td>23%</td></tr>
<tr><td>11-20 years ago</td><td>60</td><td>20%</td><td rowspan="2">60%</td><td rowspan="2">1.79</td><td>36%</td></tr>
<tr><td>More than 20 years ago</td><td>40</td><td>13%</td><td>24%</td></tr>
<tr><td>Total</td><td>300</td><td>100%</td><td>100%</td><td>-</td><td>100%</td></tr>
</table>

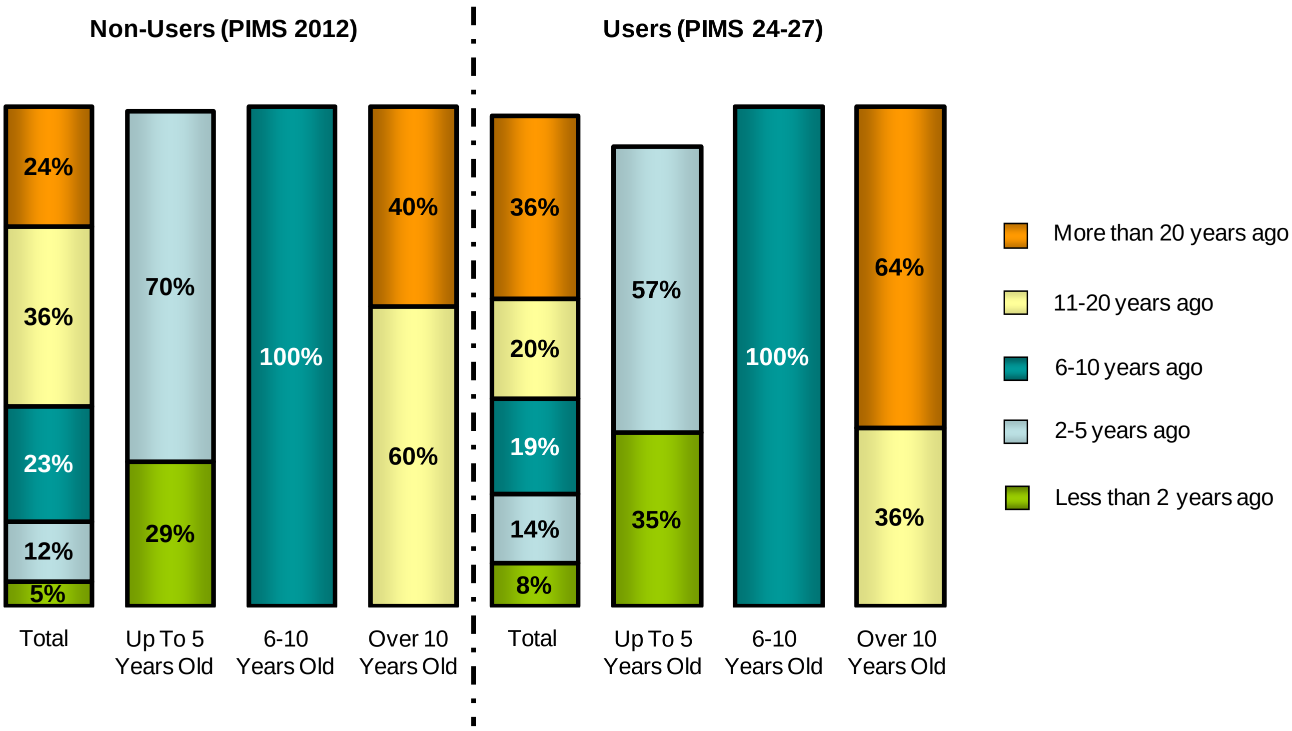
As detailed above, young firms established in the last 5 years are over-represented in the sample for this survey, accounting for 33% of all interviews compared to just 17% of all exporting firms, and as a result have been down-weighted by a factor of 0.50.

The same is true for firms established 6-10 years, although to a lesser extent, with this group being allocated a weight of 0.70. Conversely, older firms are under-represented in the sample and have been up-weighted by a factor of 1.79.

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

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

Chart 4.1.1 When Business Established



Base: All respondents (Base, Not yet trading)
Non-Users – Total (300, 0%), Up to 5 years old (100, 1%) 6-10 years old (100, 0%), Over 10 years old (100, 0%)
Users – Total (3817, 2%), Up to 5 years old (932, 8%), 6-10 years old (708, 0%), Over 10 years old (2177, 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.

The age profile of UKTI users and non-users is broadly similar, although the former are 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 some form of export-related support from non-UKTI sources (‘supported non-users’) and those that have not (‘unsupported non-users’). Details of the type of non-UKTI support received and the providers used can be found in Section 9 of this report.

Please note that throughout this report the data from the 2011 and 2012 non-user surveys have been combined when results are provided for supported and unsupported firms, to allow for more robust analysis at this level.

Table 4.1.1 When Business Established
- Non-Users by Whether Supported (2011/2012 Combined)

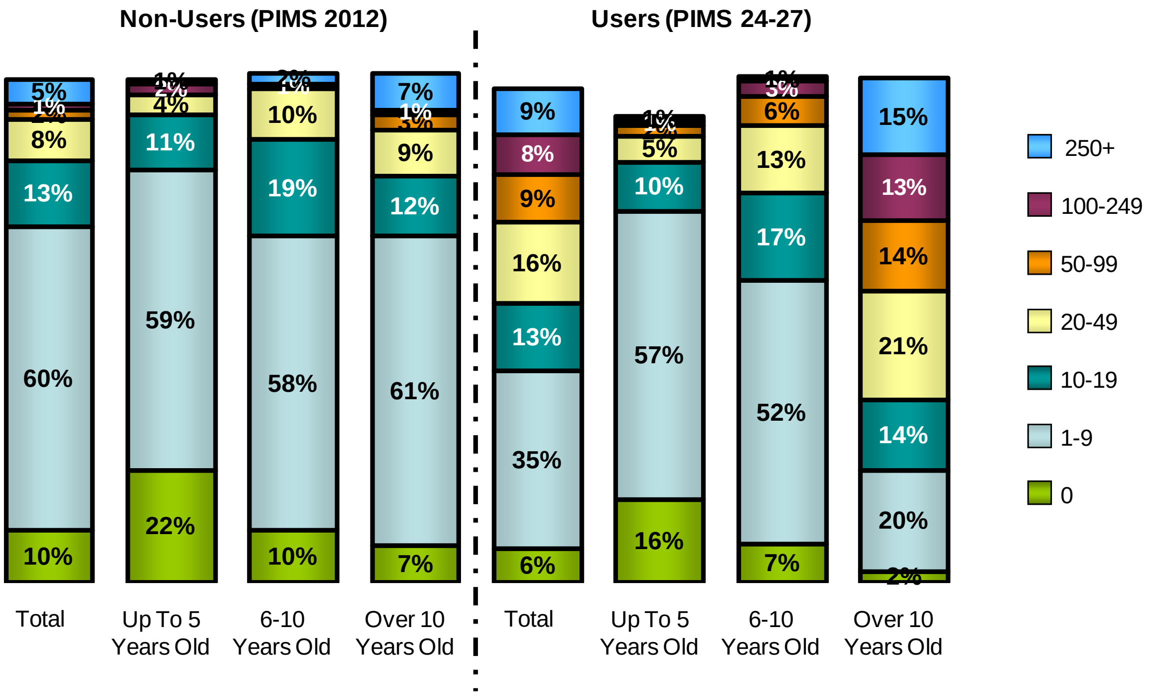
	Total		Up to 5 years		6-10 years		Over 10 years	
	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted
Base	*113*	*482*	*42*	*156*	*32*	*166*	*39*	*160*
Not yet trading	0%	0%	2%	0%	-	-	-	-
Less than 2 years	6%	5%	33%	31%	-	-	-	-
2-5 years	12%	11%	64%	69%	-	-	-	-
6-10 years	20%	24%	-	-	100%	100%	-	-
11-20 years	38%	33%	-	-	-	-	62%	56%
Over 20 years	24%	26%	-	-	-	-	38%	44%

As seen above, there is little difference in the age profile of those non-users firms that have accessed export support and those that have not.

4.2 Size (Employees)

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

Chart 4.2.1 Number of Employees



Base: All respondents (Base, Don't know/Refused, Not yet trading)
Non-Users – Total (300, 0%, 0%), Up to 5 years old (100, 0%, 1%), 6-10 years old (100, 0%, 0%), Over 10 years old (100, 0%, 0%)
Users – Total (3817, 1%, 2%), Up to 5 years old (932, 1%, 8%), 6-10 years old (708, 1%, 0%), Over 10 years old (2177, 1%, 0%)

Over two-thirds (70%) of non-user firms are micro SMEs with fewer than 10 employees. 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 (55%) having 10 or more employees. Around a quarter (26%) of UKTI users have 50 or more employees, compared to just 8% of non-user firms. This difference in the size profile of users and non-users is most evident when it comes to firms that have been trading for more than 10 years.

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

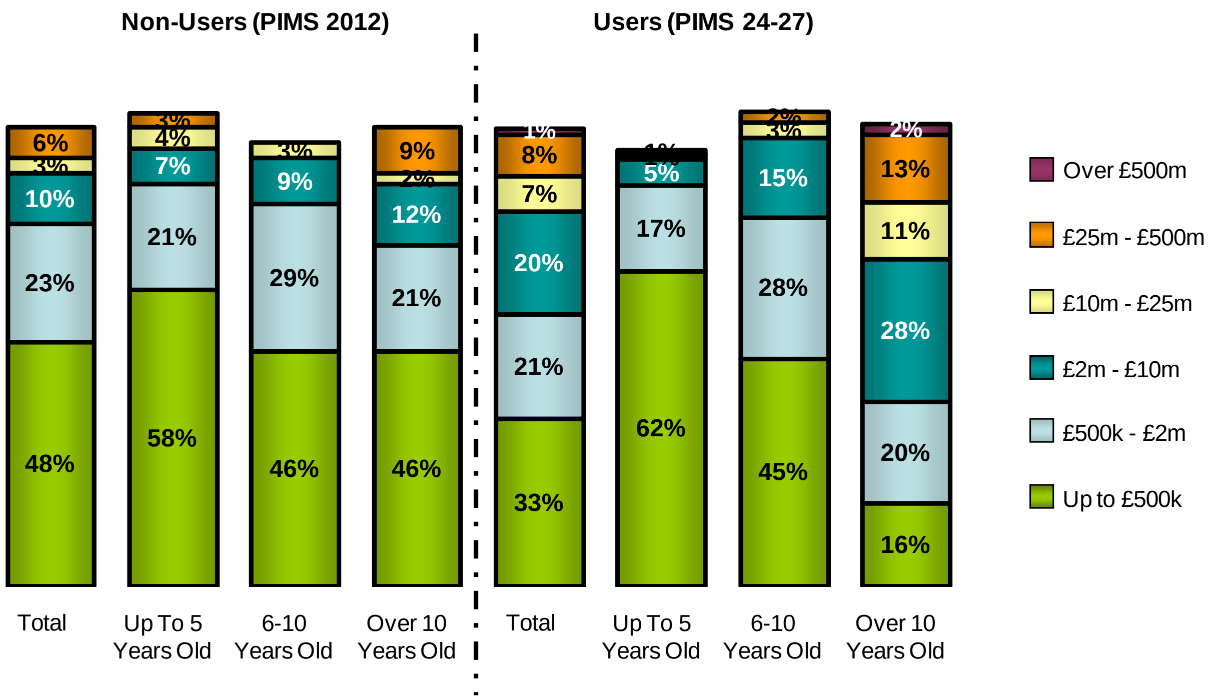
Table 4.2.1 Number of Employees
- Non-Users by Whether Supported (2011/2012 Combined)

	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	*113*	*482*	*42*	*156*	*32*	*166*	*39*	*160*
0	4%	7%	5%	13%	0%	7%	5%	5%
1-9	57%	63%	81%	71%	69%	65%	46%	60%
10-19	9%	14%	7%	9%	16%	14%	8%	16%
20-49	14%	7%	0%	3%	13%	8%	18%	7%
50-99	7%	3%	2%	0%	3%	2%	10%	4%
100-249	3%	2%	0%	2%	0%	1%	5%	2%
250+	5%	4%	2%	1%	0%	2%	8%	5%
Don’t know	0%	1%	0%	2%	0%	0%	0%	1%
Not yet trading	0%	0%	2%	0%	0%	0%	0%	0%

4.3 Size (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).

Chart 4.3.1 Annual Turnover



Base: All respondents (Base, Don't know/Refused, Not yet trading)
Non-Users – Total (300, 10%, 0%), Up to 5 years old (100, 6%, 1%), 6-10 years old (100, 13%, 0%), Over 10 years old (100, 10%, 0%)
Users – Total (3817, 8%, 2%), Up to 5 years old (932, 6%, 8%), 6-10 years old (708, 7%, 0%), Over 10 years old (2177, 9%, 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 33% of UKTI users).

Amongst UKTI users there is a clear correlation between the length of time firms have been established and their annual turnovers, with the proportion of firms reporting sales of £500,000 or less falling significantly amongst older businesses. However, this relationship is less evident amongst non-users, with the same proportion of firms aged 6-10 years and over 10 years reporting a turnover of £500,000 or less.

The table below provides a comparison of the turnovers of supported and unsupported non-user firms, based on combined data from the 2011 and 2012 surveys (to enable more robust analysis). Please note that the bands used to capture turnover were changed in 2012 so it is not possible to separately identify 'mid-cap' companies (with a turnover of £25million to £500million) when combining data from the last 2 years.

Table 4.3.1 Annual Turnover
- Non-Users by Whether Supported (2011/2012 Combined)

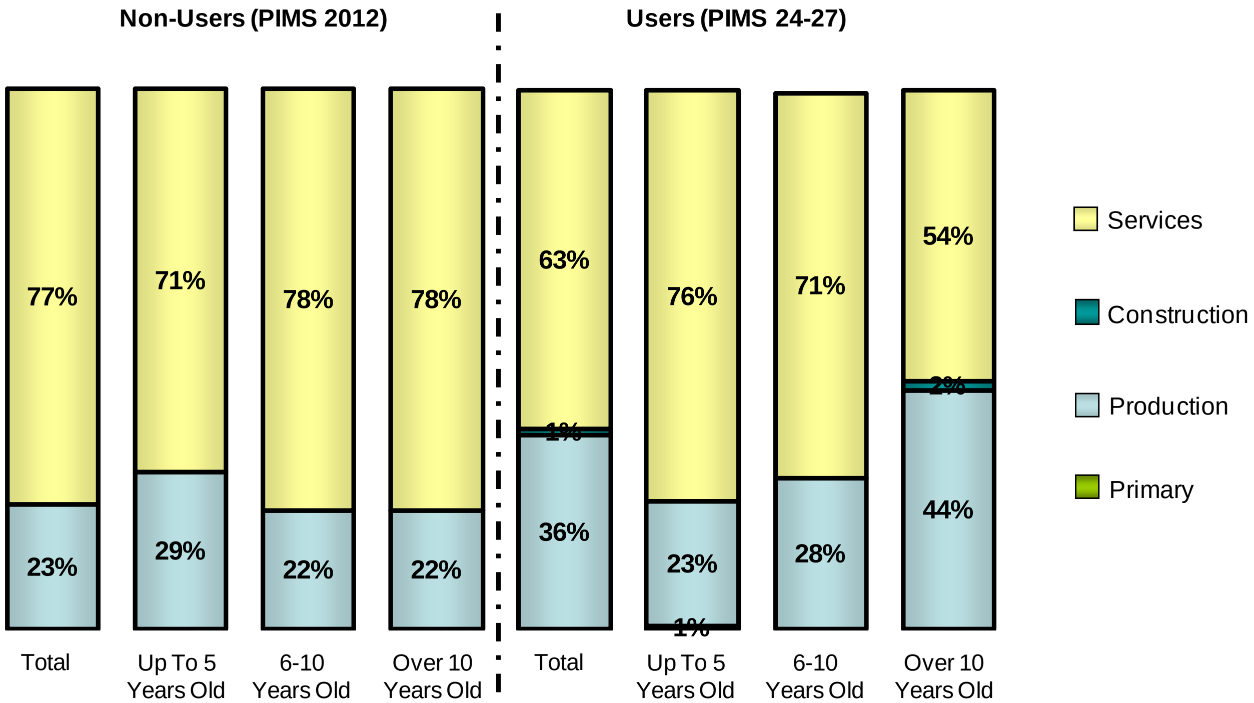
	Total		Up to 5 years		6-10 years		Over 10 years	
	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted
Base	*113*	*482*	*42*	*156*	*32*	*166*	*39*	*160*
Up to £500k	41%	52%	60%	63%	63%	54%	28%	49%
£500k-£2m	27%	19%	24%	15%	19%	22%	31%	18%
£2m-£10m	9%	10%	0%	6%	6%	7%	13%	12%
£10m-£50m	7%	5%	7%	4%	3%	4%	8%	5%
Over £50m	5%	3%	0%	1%	0%	1%	8%	4%
Don't know/refused	12%	12%	7%	11%	9%	12%	13%	13%
Not yet trading	0%	0%	2%	0%	0%	0%	0%	0%

As seen above, those non-users that have accessed some form of (non-UKTI) assistance report slightly higher sales than those that have not used export-related support, and are therefore somewhat closer in profile to UKTI users in this respect. The difference in the annual turnovers of supported and unsupported non-users is most apparent amongst firms that have been established for more than 10 years.

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).

Chart 4.4.1 Sector



Base: All respondents (Base)
Non-Users – Total (300), Up to 5 years old (100) 6-10 years old (100), Over 10 years old (100)
Users – Total (3817), Up to 5 years old (932), 6-10 years old (708), Over 10 years old (2177)

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, with 63% in 2010, 73% in 2011 and 77% currently. The same methodology and sampling approach was employed in all of these surveys, so the increase may therefore indicate that the UK service sector has been expanding or that service sector firms are increasingly likely to export. It should be noted that although there has been an increase in the proportion of UKTI users operating in the services sector, this has been to a much lesser degree (58% in 2010, 59% in 2011 and 63% in 2012).

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

Table 4.4.1 Sector - Non-Users by Whether Supported (2011/2012 Combined)

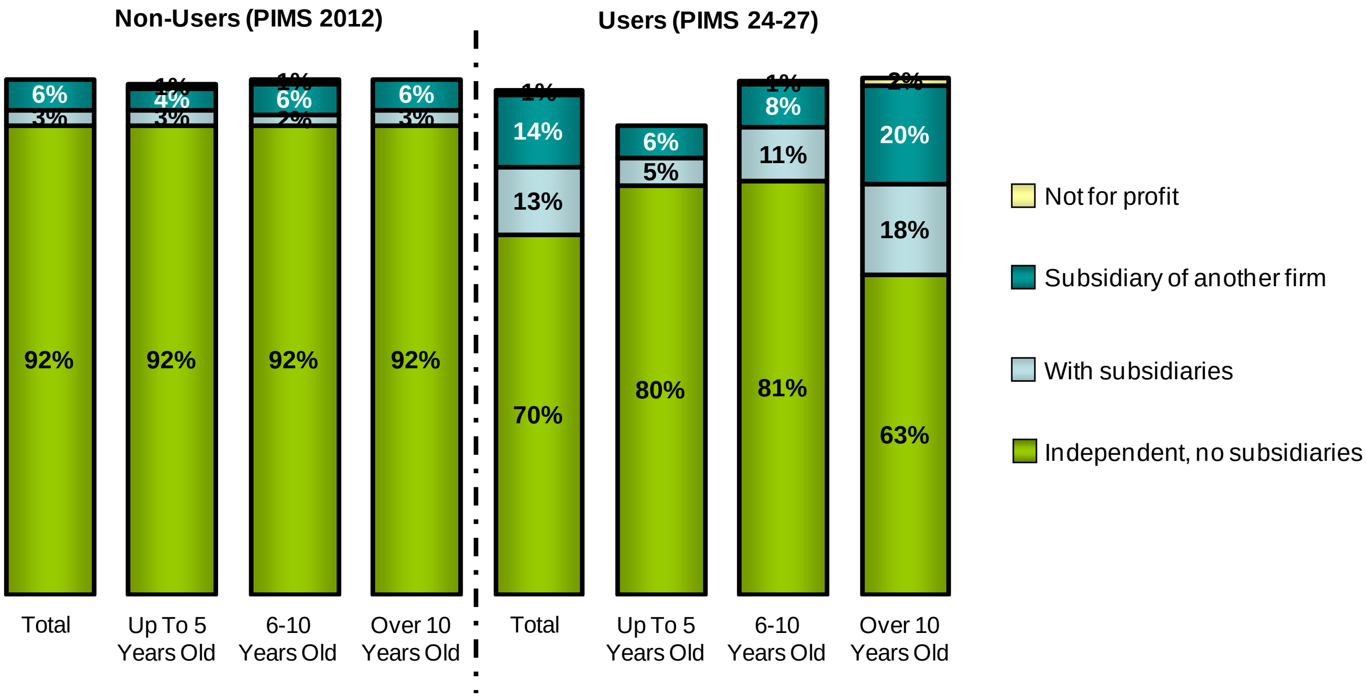
	Total		Up to 5 years		6-10 years		Over 10 years	
	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted
Base	*113*	*482*	*42*	*156*	*32*	*166*	*39*	*160*
Primary	0%	0%	2%	0%	0%	0%	0%	0%
Production	22%	25%	10%	28%	16%	26%	28%	24%
Construction	2%	1%	7%	4%	3%	1%	0%	0%
Services	75%	74%	81%	68%	81%	73%	72%	76%

4.5 Company Status & Ownership

4.5.1 Company Status

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

Chart 4.5.1.1 Company Status



Base: All respondents (Base, Don't know/Refused, Not yet trading)
Non-Users – Total (300, 0%, 0%) Up to 5 years old (100, 0%, 1%), 6-10 years old (100, 0%, 0%), Over 10 years old (100, 0%, 0%)
Users – Total (3817, 0%, 2%), Up to 5 years old (932, 0%, 8%), 6-10 years old (708, 0%, 0%), Over 10 years old (2177, 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.

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

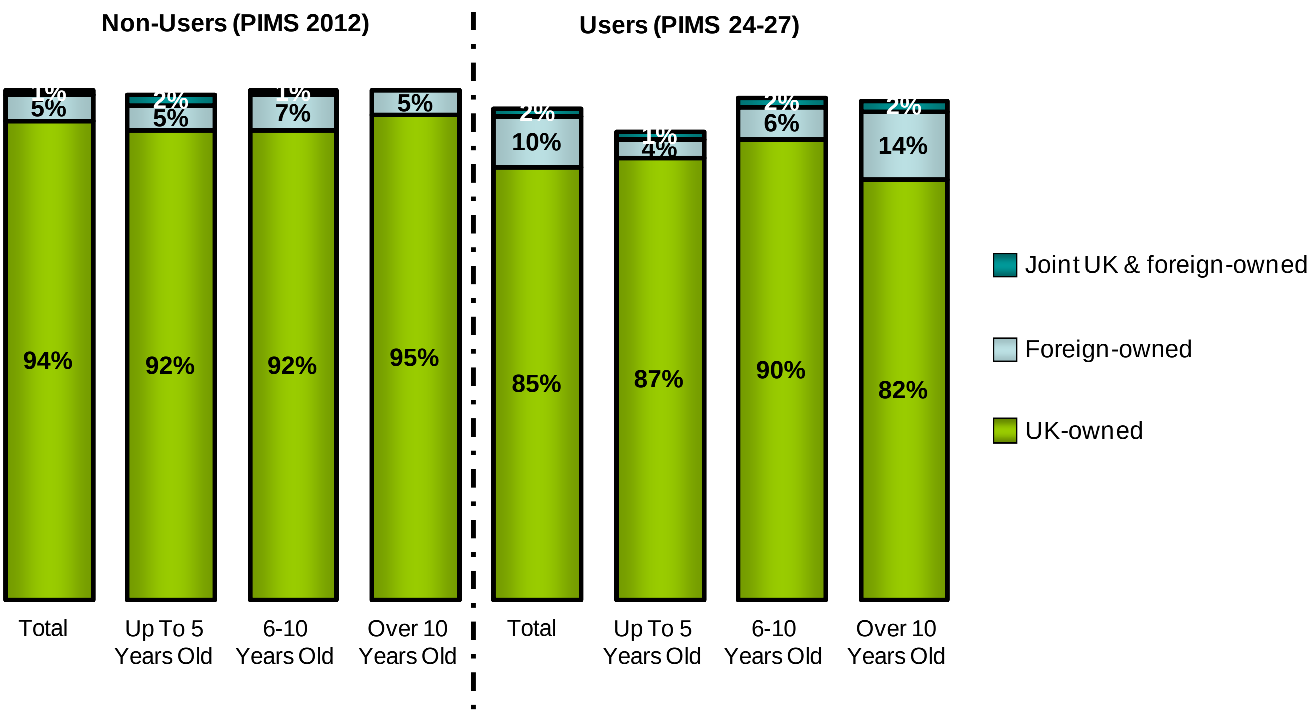
Table 4.5.1.1 Company Status
- Non-Users by Whether Supported (2011/2012 Combined)

	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	*113*	*482*	*42*	*156*	*32*	*166*	*39*	*160*
Independent	82%	91%	88%	93%	84%	89%	80%	92%
Business with subsidiaries	4%	3%	2%	3%	3%	5%	5%	2%
Subsidiary of another firm	10%	5%	5%	3%	6%	5%	13%	5%
Not for profit	0%	1%	0%	1%	0%	1%	0%	0%
Don't know	4%	0%	0%	0%	3%	1%	5%	0%
Not yet trading	0%	0%	2%	0%	0%	0%	0%	0%

4.5.2 Company Ownership

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

Chart 4.5.2.1 Company Ownership



Base: All respondents (Base, Don't know/Refused, Not for profit/other business type, Not yet trading)
Non-Users – Total (300, 0%, 0%, 0%), Up to 5 years (100, 0%, 0%, 1%) 6-10 years (100, 0%, 0%, 0%), Over 10 years (100, 0%, 0%, 0%)
Users – Total (3817, 0%, 1%, 2%), Up to 5 years (932, 0%, 0%, 8%), 6-10 years (708, 0%, 1%, 0%), Over 10 years (2177, 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 either solely or jointly foreign owned (12% vs. 6% of non-users).

As seen below, supported non-users are closer in profile to UKTI clients and are more likely to be foreign owned than unsupported firms.

Table 4.5.2.1 Company Ownership
- Non-Users by Whether Supported (2011/2012 Combined)

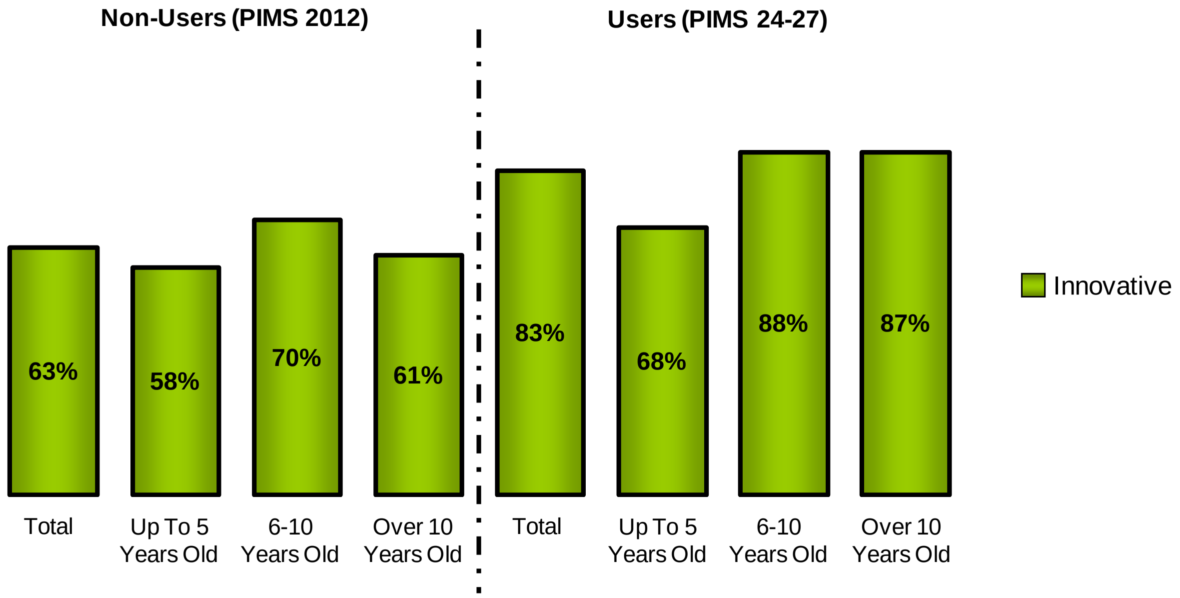
	Total		Up to 5 years		6-10 years		Over 10 years	
	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted
Base	*113*	*482*	*42*	*156*	*32*	*166*	*39*	*160*
UK-owned	85%	95%	90%	94%	81%	93%	85%	96%
Foreign-owned	7%	4%	5%	4%	9%	5%	8%	3%
Joint UK & foreign-owned	0%	1%	0%	1%	0%	1%	0%	0%
Not for profit/ other business type	1%	0%	0%	1%	3%	0%	0%	0%
Don't know	6%	1%	2%	0%	6%	1%	8%	2%
Not yet trading	0%	0%	2%	0%	0%	0%	0%	0%

4.6 Innovation

4.6.1 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).

Chart 4.6.1.1 Innovative Firms



Base: All respondents (Base)
Non-Users – Total (300), Up to 5 years old (100), 6-10 years old (100), Over 10 years old (100)
Users – Total (3817), Up to 5 years old (932), 6-10 years old (708), Over 10 years old (2177)

Innovation levels differ significantly between non-users and users, with just under two-thirds of non-users classified as being innovative, compared with well over three-quarters 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 is true across all age bands, although it is worth noting that this difference is only significant when comparing firms established 6-10 years.

Table 4.6.1.1 Innovative Firms
- Non-Users by Whether Supported (2011/2012 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	*113*	*482*	*42*	*156*	*32*	*166*	*39*	*160*
Innovative	69%	62%	64%	57%	88%	66%	64%	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 is pulling down the innovation results for the youngest age group. The table below compares results for all firms established in the last 5 years with results for firms established 2-5 years (i.e. excluding those not asked the new products/services element of the innovation measure).

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

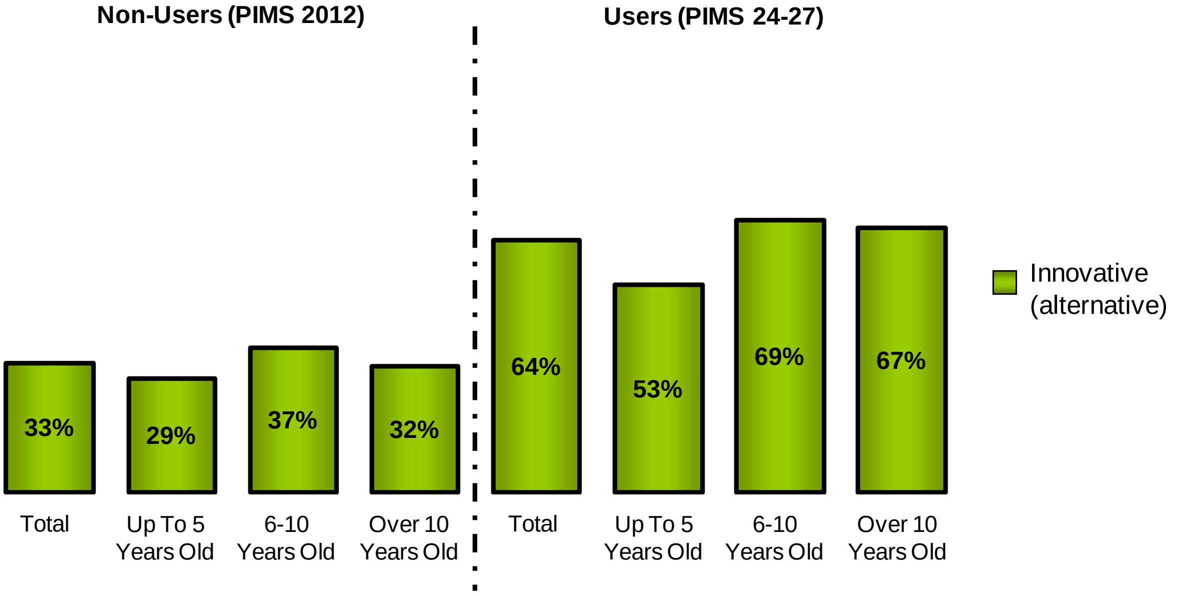
	Non-Users (PIMS 2012)		Users (PIMS 24-27)	
	0-5 years old	2-5 years old	0-5 years old	2-5 years old
Base	*100*	*70*	*932*	*547*
Innovative	58%	70%	68%	88%

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

4.6.2 Innovative Firms (Alternative, Tighter Definition)

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

Chart 4.6.2.1 Innovative Firms



Base: All respondents (Base)
Non-Users – Total (300), Up to 5 years old (100), 6-10 years old (100), Over 10 years old (100)
Users – Total (3817), Up to 5 years old (932), 6-10 years old (708), Over 10 years old (2177)

When the alternative definition of innovation is employed, the difference between users and non-users of UKTI is even more apparent, with almost two-thirds of the former 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 via the tighter definition, although they are still significantly less innovative than UKTI users.

Table 4.6.2.1 Innovative Firms (Alternative)
- Non-Users by Whether Supported (2011/2012 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	*113*	*482*	*42*	*156*	*32*	*166*	*39*	*160*
Innovative (alternative)	40%	34%	36%	29%	41%	35%	41%	34%

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

Innovative Firms (Alternative)

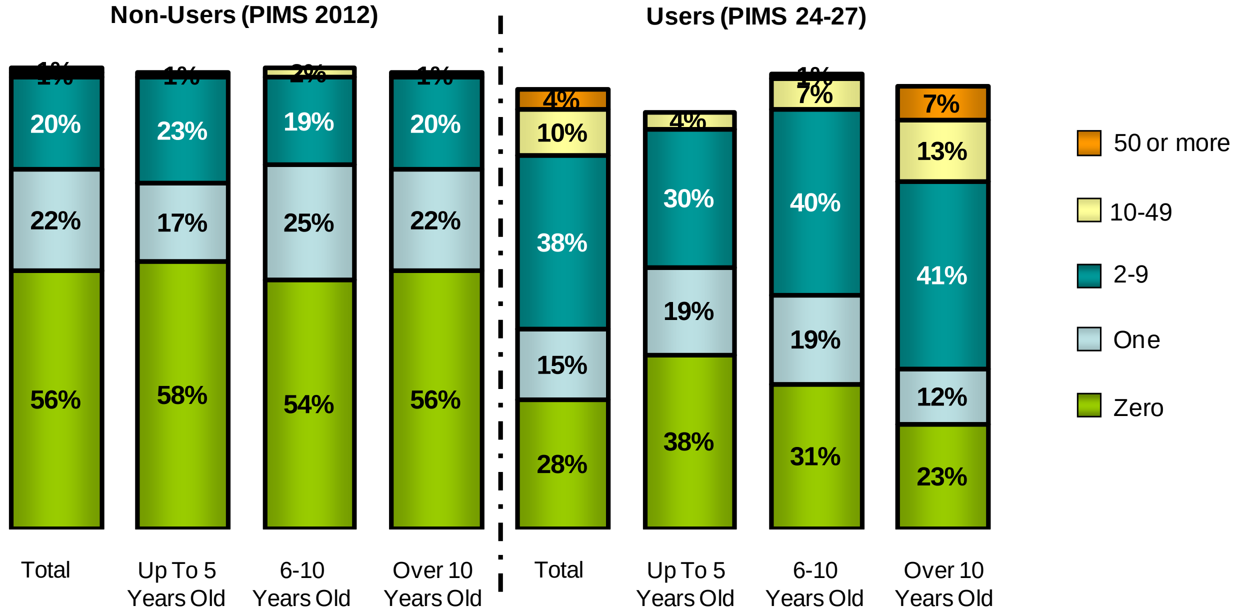
In the PIMS non-user survey and the PIMS user surveys, firms are classified as being ‘innovative’ under this alternative definition if…

- They have more than one employee engaged either wholly or partly in R&D activity <u>and</u> have more than one employee engaged either wholly or partly in new product or service development <u>and</u> at least some employees are engaged in the development of scientific or technical knowledge not commonly available
- <u>Or</u>, they have employed someone external to the business to conduct 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* <u>and</u> these are ‘new to the world’ or ‘new to the sector’

4.6.3 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).

Chart 4.6.3.1 Number of Employees Engaged in R&D



Base: All respondents (Base, Don't know/Refused, Not yet trading)
Non-Users – Total (300, 1%, 0%), Up to 5 years old (100, 0%, 1%), 6-10 years old (100, 0%, 0%), Over 10 years old (100, 1%, 0%),
Users – Total (3817, 3%, 2%), Up to 5 years old (932, 1%, 8%), 6-10 years old (708, 1%, 0%), Over 10 years old (2177, 4%, 0%)

UKTI users are significantly more likely to have staff engaged in R&D than non-users, with 67% having at least one employee involved in these activities compared to only 44% of non-users.

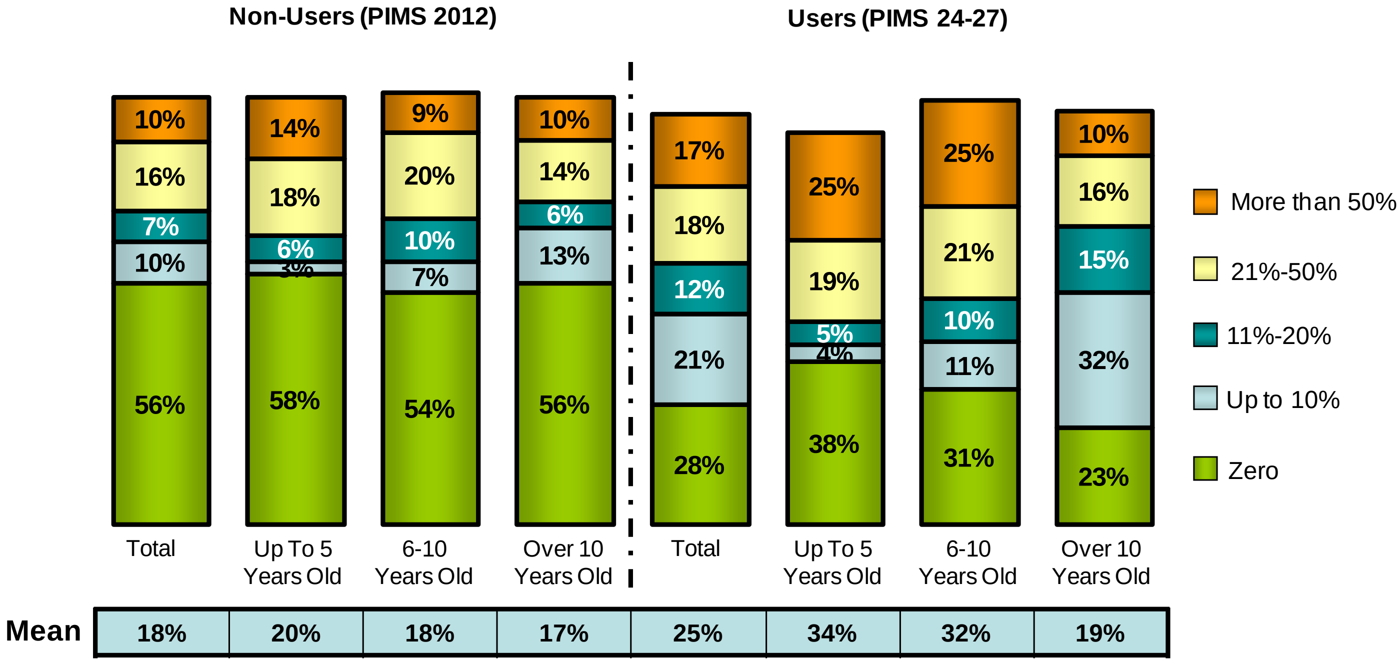
The table below demonstrates that supported non-users tend to have significantly greater numbers of staff involved in R&D than unsupported ones.

Table 4.6.3.1 Number of Employees Engaged in R&D
- Non-Users by Whether Supported (2011/2012 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	*113*	*482*	*42*	*156*	*32*	*166*	*39*	*160*
Zero	42%	53%	40%	53%	47%	48%	41%	55%
1	16%	21%	26%	19%	25%	26%	10%	19%
2-9	32%	22%	31%	23%	28%	23%	33%	21%
10-49	5%	2%	0%	1%	0%	2%	8%	2%
50+	2%	0%	0%	1%	0%	0%	3%	1%
Don't know	3%	2%	0%	3%	0%	1%	5%	2%
Not yet trading	0%	0%	2%	0%	0%	0%	0%	0%

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

Chart 4.6.3.2 Proportion of Employees Engaged in R&D



Base: All respondents (Base, Don't know/Refused, Not Yet Trading)
Non-Users – Total (300, 1%, 0%), Up to 5 years old (100, 0%, 1%), 6-10 years old (100, 0%, 0%), Over 10 years old (100, 1%, 0%)
Users – Total (3817, 3%, 2%), Up to 5 years old (932, 1%, 8%), 6-10 years old (708, 1%, 0%), Over 10 years old (2177, 4%, 0%)

In addition to being more likely to have *any* staff engaged in R&D, UKTI users also have a higher mean proportion of their employees involved in these activities than non-users (25% and 18% respectively).

For UKTI users, although younger firms are generally less likely to have any staff engaged in R&D, when they do this tends to account for a greater proportion of their total workforce. For non-users there is little difference in R&D activity by age of firm.

As seen below, supported non-users tend to have a slightly higher proportion of their staff engaged in R&D, with this difference most apparent for young firms established in the last 5 years.

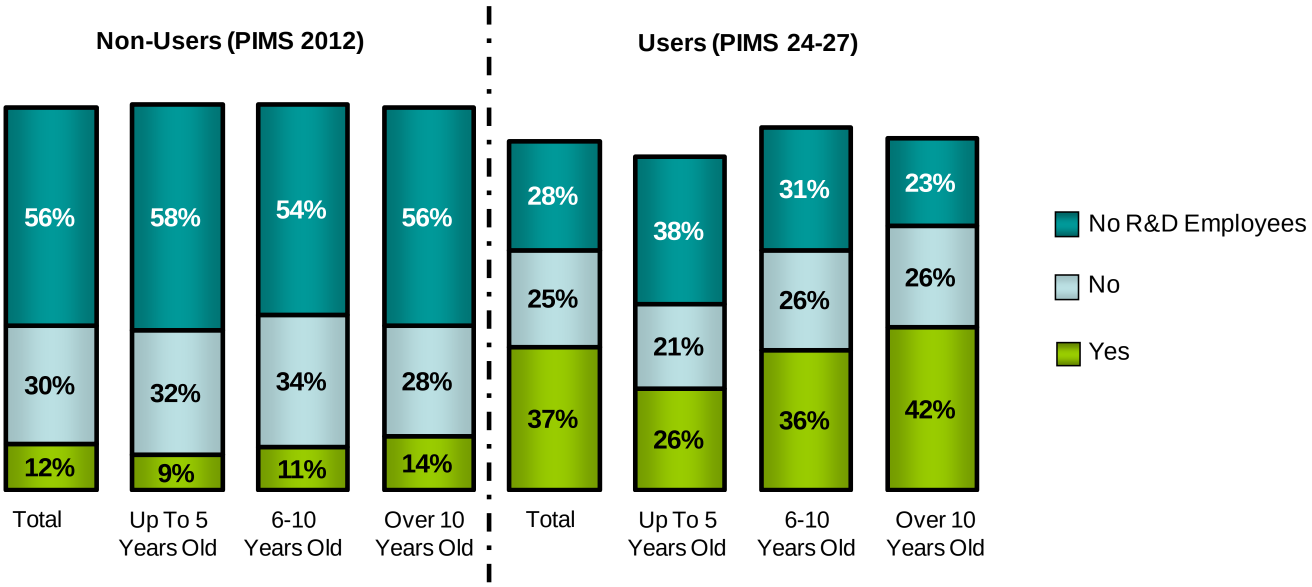
Table 4.6.3.2 Proportion of Employees Engaged in R&D - Non-Users by Whether Supported (2011/2012 Combined)

	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	*113*	*482*	*42*	*156*	*32*	*166*	*39*	*160*
Zero	42%	53%	40%	53%	47%	48%	41%	55%
Up to 10%	14%	9%	0%	2%	9%	8%	21%	11%
11-20%	8%	7%	7%	4%	9%	8%	8%	7%
21-50%	15%	17%	21%	20%	25%	17%	10%	16%
More than 50%	17%	13%	29%	17%	9%	17%	15%	9%
Don't know/refused	3%	2%	0%	3%	0%	1%	5%	2%
Not yet trading	0%	0%	2%	0%	0%	0%	0%	0%
Mean	*23%*	*20%*	*35%*	*24%*	*21%*	*24%*	*20%*	*17%*

4.6.4 Development of Scientific/Technical Knowledge Not Commonly Available

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

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



Base: All respondents (Base, Don't know/Refused, Not yet trading)
Non-Users – Total (300, 1%, 0%), Up to 5 years old (100, 0%, 1%), 6-10 years old (100, 1%, 0%), Over 10 years old (100, 1%, 0%),
Users – Total (3817, 9%, 2%), Up to 5 years old (932, 7%, 8%), 6-10 years old (708, 7%, 0%), Over 10 years old (2177, 10%, 0%)

Only 12% 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 over a third 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 closer to UKTI clients in this regard.

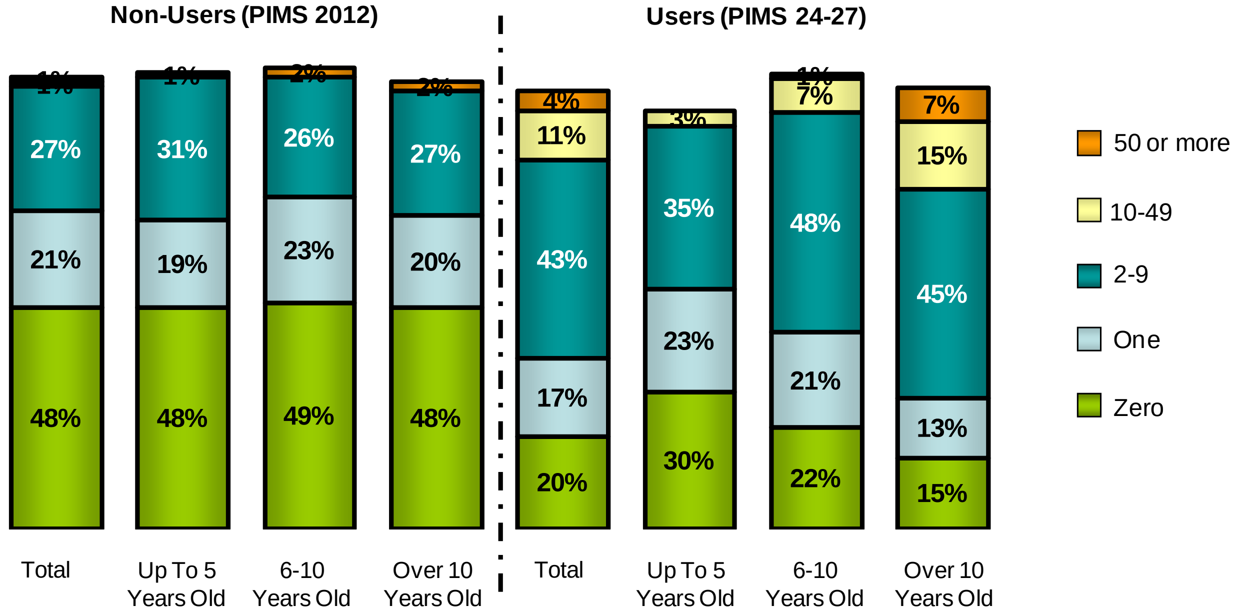
Table 4.6.4.1 Whether Any Employees Involved in Development of Scientific or Technical Knowledge Not Commonly Available
- Non-Users by Whether Supported (2011/2012 Combined)

	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	*113*	*482*	*42*	*156*	*32*	*166*	*39*	*160*
Yes	29%	16%	19%	11%	31%	16%	31%	17%
No	25%	28%	36%	33%	22%	34%	23%	24%
No R&D employees	42%	53%	40%	53%	47%	48%	41%	55%
Don't know	3%	3%	2%	3%	0%	2%	5%	4%
Not yet trading	0%	0%	2%	0%	0%	0%	0%	0%

4.6.5 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.

Chart 4.6.5.1 Number of Employees Engaged in New Product/Service Development



Base: All respondents (Base, Don't know/Refused, Not yet trading)
Non-Users – Total (300, 2%, 0%), Up to 5 years old (100, 0%, 1%), 6-10 years old (100, 0%, 0%), Over 10 years old (100, 3%, 0%)
Users – Total (3817, 3%, 2%), Up to 5 years old (932, 1%, 8%), 6-10 years old (708, 1%, 0%), Over 10 years old (2177, 4%, 0%)

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

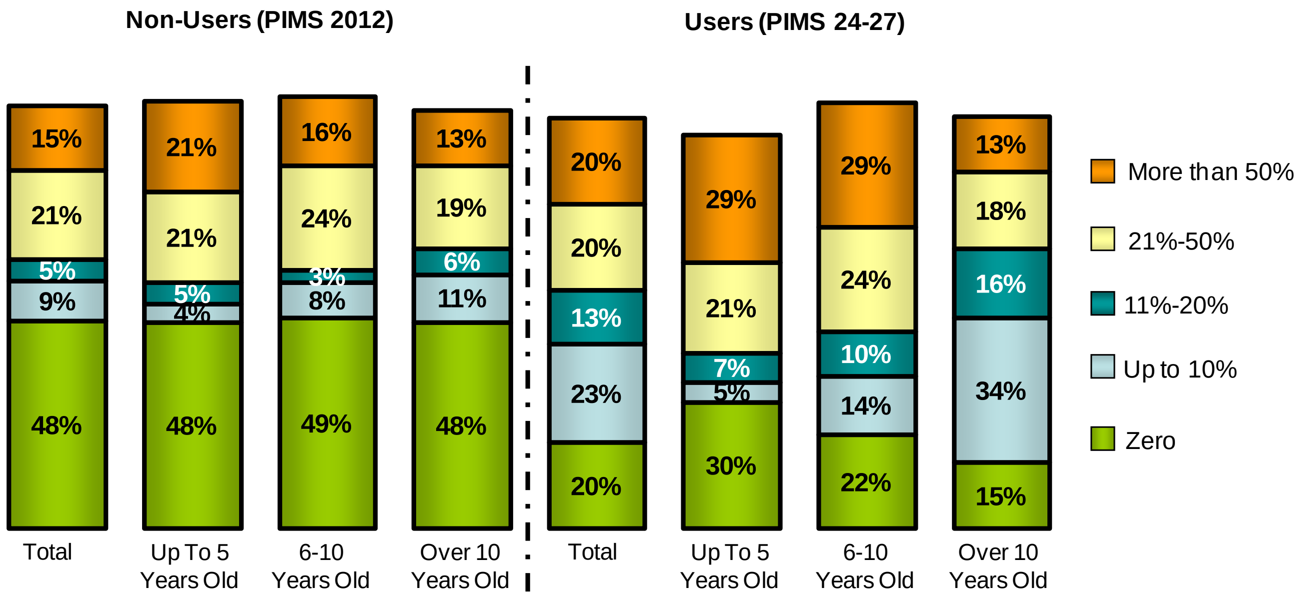
The table below demonstrates that supported non-user firms are significantly more likely to have employees engaged in new product or service development, although levels are still below those seen for UKTI clients.

Table 4.6.5.1 Number of Employees Engaged in New Product/Service Development - Non-Users by Whether Supported (2011/2012 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	*113*	*482*	*42*	*156*	*32*	*166*	*39*	*160*
Zero	33%	47%	29%	47%	28%	47%	36%	48%
1	21%	21%	33%	19%	34%	23%	13%	21%
2-9	32%	27%	36%	29%	34%	29%	31%	26%
10-49	5%	2%	0%	1%	3%	1%	8%	2%
50+	3%	0%	0%	0%	0%	0%	5%	1%
Don't know	5%	2%	0%	3%	0%	0%	8%	3%
Not yet trading	0%	0%	2%	0%	0%	0%	0%	0%

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.

Chart 4.6.5.2 Proportion of Employees Engaged in New Product/Service Development



Mean	23%	27%	24%	22%	29%	40%	37%	22%

Base: All respondents (Base, Don't know/Refused, Not Yet Trading)
Non-Users – Total (300, 2%, 0%), Up to 5 years old (100, 0%, 1%), 6-10 years old (100, 0%, 0%), Over 10 years old (100, 3%, 0%)
Users – Total (3817, 3%, 2%), Up to 5 years old (932, 1%, 8%), 6-10 years old (708, 1%, 0%), Over 10 years old (2177, 4%, 0%)

As was seen for R&D employees, as well as being more likely than non-users to have any staff engaged in new product or service development, UKTI users also have a slightly higher proportion of their employees involved in these activities. On average, UKTI users have 29% of their staff engaged wholly or partly in product/service development compared to 23% for non-users.

Although UKTI clients established for over 10 years are more likely to have any staff involved in new product development, this tends to involve a lower proportion of their total workforce. There is little difference by age when it comes to non-user firms.

Supported non-users have a slightly higher proportion of their staff engaged in product/service development, with this difference more evident amongst younger firms.

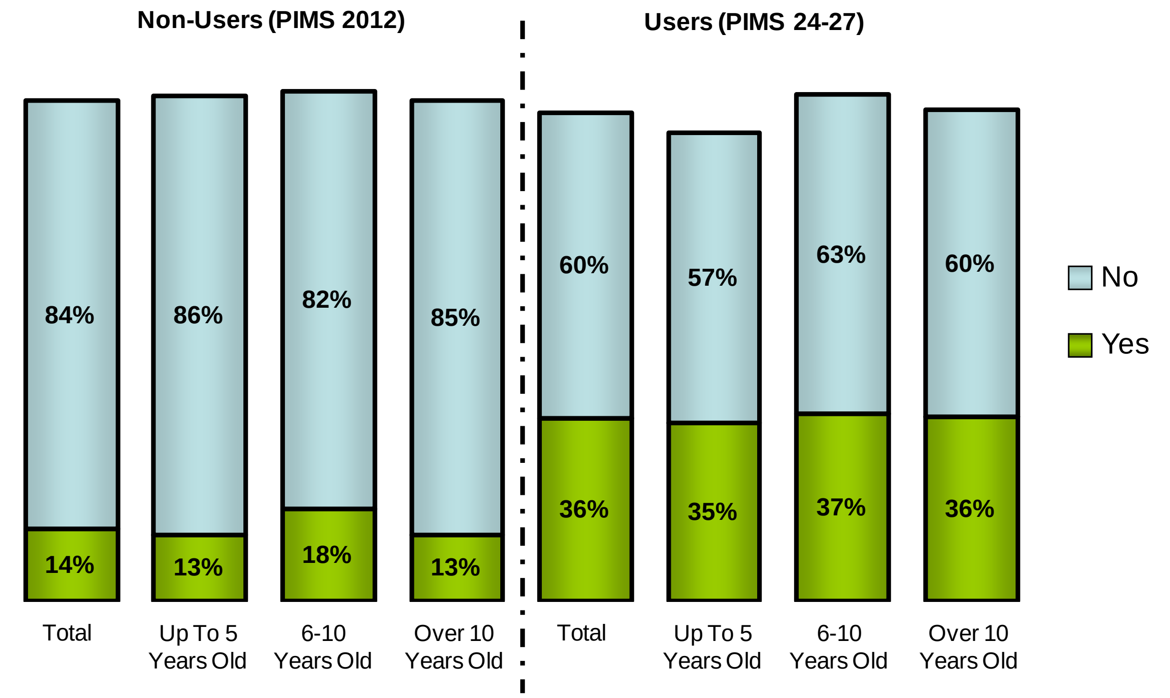
Table 4.6.5.2 Proportion of Employees Engaged in New Product/Service Development - Non-Users by Whether Supported (2011/2012 Combined)

	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	*113*	*482*	*42*	*156*	*32*	*166*	*39*	*160*
Zero	33%	47%	29%	47%	28%	47%	36%	48%
Up to 10%	12%	8%	0%	3%	13%	7%	15%	11%
11-20%	12%	5%	10%	4%	6%	2%	15%	6%
21-50%	20%	20%	33%	18%	38%	24%	10%	19%
More than 50%	17%	17%	26%	24%	16%	20%	15%	14%
Don't know	5%	2%	0%	3%	0%	0%	8%	3%
Not yet trading	0%	0%	2%	0%	0%	0%	0%	0%
Mean	*28%*	*24%*	*41%*	*29%*	*32%*	*27%*	*22%*	*22%*

4.6.6 External R&D or Product/Service Development

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

Chart 4.6.6.1 Whether Commissioned External R&D or Product/Service Development in Last Year



Base: All respondents (Base, Don't know/Refused, Not Yet Trading)
Non-Users – Total (300, 1%, 0%), Up to 5 years old (100, 0%, 1%), 6-10 years old (100, 0%, 0%), Over 10 years old (100, 2%, 0%)
Users – Total (3817, 2%, 2%), Up to 5 years old (932, 0%, 8%), 6-10 years old (708, 1%, 0%), Over 10 years old (2177, 4%, 0%)

UKTI clients are more than twice as likely as non-users to have outsourced R&D or new product/service development in the past year.

It is also the case that a significantly greater proportion of supported non-users have commissioned external R&D or NPD than is the case for their unsupported counterparts. This difference is most apparent amongst older firms established over 10 years ago.

Table 4.6.6.1 Whether Commissioned External R&D or Product/Service Dev't in Last Year - Non-Users by Whether Supported (2011/2012 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	*113*	*482*	*42*	*156*	*32*	*166*	*39*	*160*
Yes	23%	14%	17%	12%	19%	17%	26%	14%
No	74%	85%	81%	88%	81%	81%	69%	86%
Don't know	3%	1%	0%	0%	0%	1%	5%	1%
Not yet trading	0%	0%	2%	0%	0%	0%	0%	0%

4.6.7 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.

Table 4.6.7.1 Whether Introduced Any New Products/Services in Last 3 Years

	Non-Users (PIMS 2012)				Users (PIMS 24-27)			
	Total	0-5 years	6-10 years	>10 years	Total	0-5 years	6-10 years	>10 years
Base: All est. 2 yrs or more	*270*	*70*	*100*	*100*	*3432*	*547*	*708*	*2177*
Yes	60%	64%	62%	58%	80%	78%	80%	80%
- New to the business	*36%*	*40%*	*37%*	*35%*	*34%*	*30%*	*31%*	*36%*
- New to the sector	*14%*	*10%*	*13%*	*15%*	*17%*	*15%*	*17%*	*17%*
- New to the world	*8%*	*11%*	*8%*	*7%*	*17%*	*23%*	*22%*	*14%*
- Some new to world, some just new to business	*1%*	*3%*	*4%*	*0%*	*11%*	*9%*	*10%*	*12%*
No	40%	36%	36%	42%	20%	21%	19%	20%
Don't know	1%	0%	1%	1%	0%	0%	1%	0%

UKTI users are more likely to have introduced new products or services over the last 3 years than non-users (80% vs. 60%). Furthermore, 28% of users indicated that at least some of these products were completely 'new to the world', compared to just 9% of non-users. For both users and non-users there is relatively little difference in the proportion of firms introducing new products/services by age of firms.

As detailed below, those non-user firms that have accessed some form of export-related support appear more likely to be dealing with new products/services than unsupported non-users. However, it should be noted that this apparent difference is not statistically significant.

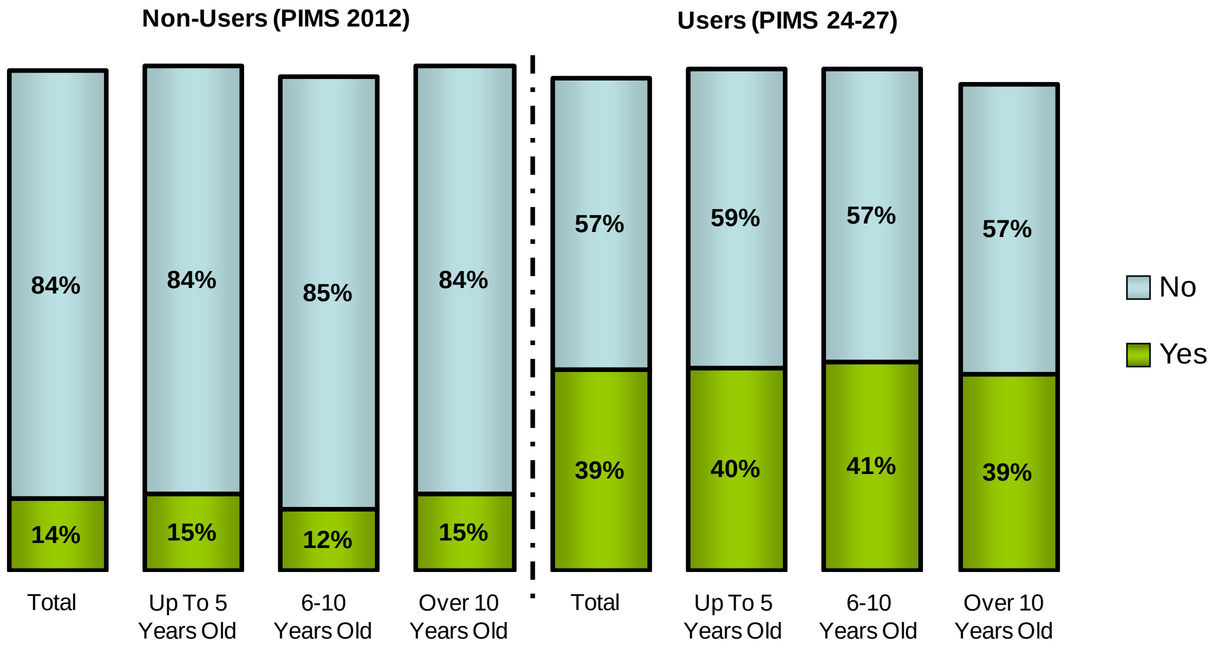
Table 4.6.7.2 Whether Introduced Any New Products/Services in Last 3 Years - Non-Users by Whether Supported (2011/2012 Combined)

	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 est. 2 yrs or more	*98*	*433*	*27*	*107*	*32*	*166*	*39*	*160*
Yes	65%	57%	70%	65%	81%	57%	59%	55%
- New to the business	*39%*	*33%*	*48%*	*38%*	*59%*	*32%*	*31%*	*32%*
- New to the sector	*11%*	*12%*	*19%*	*11%*	*16%*	*9%*	*8%*	*14%*
- New to the world	*11%*	*7%*	*0%*	*12%*	*6%*	*10%*	*15%*	*6%*
- Some new to world, some just new to business	*4%*	*3%*	*4%*	*3%*	*0%*	*5%*	*5%*	*2%*
No	35%	43%	30%	35%	19%	42%	41%	44%
Don't know	0%	2%	0%	1%	0%	2%	0%	2%

4.6.8 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. If so, they have been classified as 'IP active'. Equivalent data has also been provided for UKTI users from the main PIMS surveys.

Chart 4.6.8.1 IP Active Firms



Base: All respondents (Base, Don't know)
Non-Users – Total (300, 1%), Up to 5 years old (100, 1%), 6-10 years old (100, 3%), Over 10 years old (100, 1%),
Users – Total (3817, 3%), Up to 5 years old (932, 2%), 6-10 years old (708, 2%), Over 10 years old (2177, 5%)

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

Amongst non-users firms, those that have obtained some forms of export related support (from a non-UKTI source) appear more likely to be IP active, although this difference is only evident for firms established over 10 years and is not statistically significant.

Table 4.6.8.1 IP Active Firms
- Non-Users by Whether Supported (2011/2012 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	*113*	*482*	*42*	*156*	*32*	*166*	*39*	*160*
Yes	20%	15%	14%	13%	16%	16%	23%	15%
No	73%	83%	83%	87%	84%	81%	67%	82%
Don't know	7%	3%	2%	1%	0%	3%	10%	3%

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 for the same product/innovation 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 24-27 surveys). However, the PIMS and Internationalisation surveys are consistent in that they report that 39% and 38% of UKTI users are IP active respectively.

Table 4.6.8.2 Type & Coverage of IP Protection

	Non-Users (PIMS 2012)				Users (2012 Internationalisation)			
	Total	Up to 5 years	6-10 years	>10 years	Total	Up to 5 years	6-10 years	>10 years
Base	*300*	*100*	*100*	*100*	*189*	*26*	*50*	*113*
Type of IP Protection								
Patents	8%	7%	3%	10%	20%	27%	8%	23%
Trademarks	10%	10%	8%	10%	27%	23%	16%	30%
Other IP protection	3%	2%	3%	3%	12%	23%	8%	12%
Not IP active	86%	85%	88%	85%	62%	54%	80%	58%
Geographical Coverage of IP Protection								
UK only	5%	7%	5%	4%	5%	12%	4%	4%
Overseas only	1%	0%	0%	1%	0%	0%	2%	0%
Both	9%	8%	6%	10%	32%	35%	14%	37%
Not IP active	86%	85%	88%	85%	62%	54%	80%	58%
Triadic Patents								
Yes	1%	1%	1%	1%	6%	12%	0%	7%
No	98%	99%	99%	98%	94%	88%	100%	93%

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 (1% of non-users vs. 6% of UKTI users).

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

Table 4.6.8.3 Type & Coverage of IP Protection
- Non-Users by Whether Supported (2011/2012 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	*113*	*482*	*42*	*156*	*32*	*166*	*39*	*160*
Type of IP Protection								
Patents	8%	7%	7%	6%	3%	5%	10%	9%
Trademarks	18%	8%	10%	9%	13%	9%	23%	7%
Other IP protection	4%	4%	0%	1%	3%	4%	5%	5%
Not IP active	80%	85%	86%	87%	84%	84%	77%	85%
Geographical Coverage of IP Protection								
UK only	4%	6%	7%	5%	3%	6%	3%	6%
Overseas only	0%	1%	0%	0%	0%	1%	0%	1%
Both	16%	8%	7%	8%	13%	8%	21%	8%
Not IP active	80%	85%	86%	87%	84%	84%	77%	85%
Triadic Patents								
Yes	4%	1%	0%	1%	3%	2%	5%	1%
No	97%	99%	100%	99%	97%	98%	95%	98%

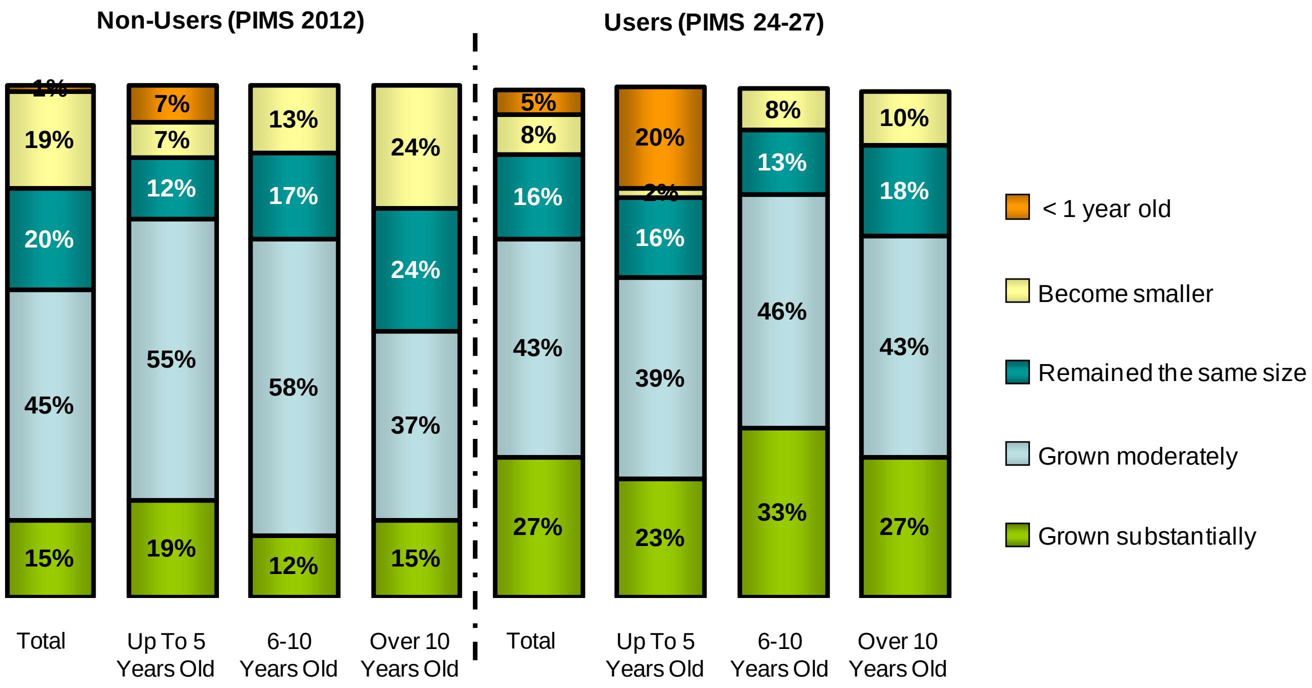
As detailed previously, supported non-users are slightly more likely to be classified as IP active than their unsupported counterparts. Specifically, they are more likely to have trademarks, are more likely to hold IP protection that covers both the UK and overseas markets and are more likely to hold triadic patents.

4.7 Growth

4.7.1 Recent Growth

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

Chart 4.7.1.1 Past Growth (Last 5 Years)



Base: All respondents (Base, Don't know/Refused)
Non-Users – Total (300, 0%), Up to 5 years old (100, 0%), 6-10 years old (100, 0%), Over 10 years old (100, 0%),
Users – Total (3817, 1%), Up to 5 years old (932, 0%), 6-10 years old (708, 1%), Over 10 years old (2177, 1%)

UKTI users have experienced more dynamic growth than non-users, with 70% of the former indicating that they have grown over the past 5 years compared to just 60% of non-users. In particular, users are more likely to have experienced 'substantial growth', suggesting that UKTI support is helping UK exporters to grow.

Interestingly, amongst young firms established in the past 5 years, non-users are actually more likely to report recent growth than users (although users still appear more likely to have experienced 'substantial' growth). However, it should be noted that this difference is largely due to the higher proportion of UKTI users that have been established less than 1 year and were therefore not asked about their recent growth performance (20% of UKTI users in the 0-5 years old band, compared to just 7% of non-users).

As detailed below, there appears to be little difference in the recent growth performance of supported and unsupported non-users.

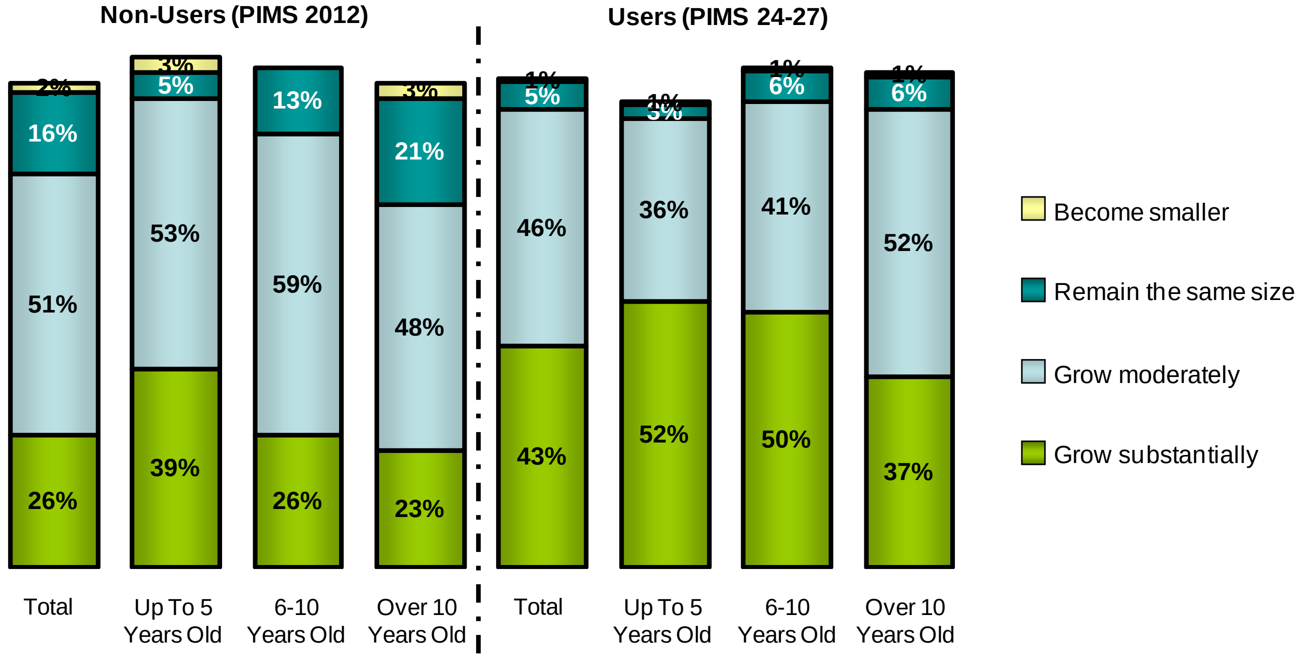
Table 4.7.1.1 Past Growth (Last 5 Years)
- Non-Users by Whether Supported (2011/2012 Combined)

	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	*113*	*482*	*42*	*156*	*32*	*166*	*39*	*160*
Grown substantially	11%	14%	24%	17%	9%	11%	8%	14%
Grown moderately	48%	43%	43%	52%	53%	58%	49%	35%
Remained same	21%	21%	17%	12%	28%	18%	21%	25%
Become smaller	14%	19%	0%	8%	9%	13%	21%	24%
< 1 year old	3%	2%	16%	11%	0%	0%	0%	0%

4.7.2 Future Growth

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

Chart 4.7.2.1 Growth Objectives (Next 5 Years)



Base: All respondents (Base, Don't know/Refused, Not yet trading)
Non-Users – Total (300, 3%, 1%), Up to 5 years old (100, 0%, 0%), 6-10 years old (100, 2%, 0%), Over 10 years old (100, 4%, 1%)
Users – Total (3817, 2%, 2%), Up to 5 years old (932, 1%, 8%), 6-10 years old (708, 2%, 0%), Over 10 years old (2177, 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 than UKTI users to be anticipating 'substantial' growth and this is true irrespective of the length of time firms have been established.

There is some suggestion that supported non-users are more likely to expect to grow (either moderately or substantially) over the next 5 years than unsupported non-users, but this difference is not statistically significant.

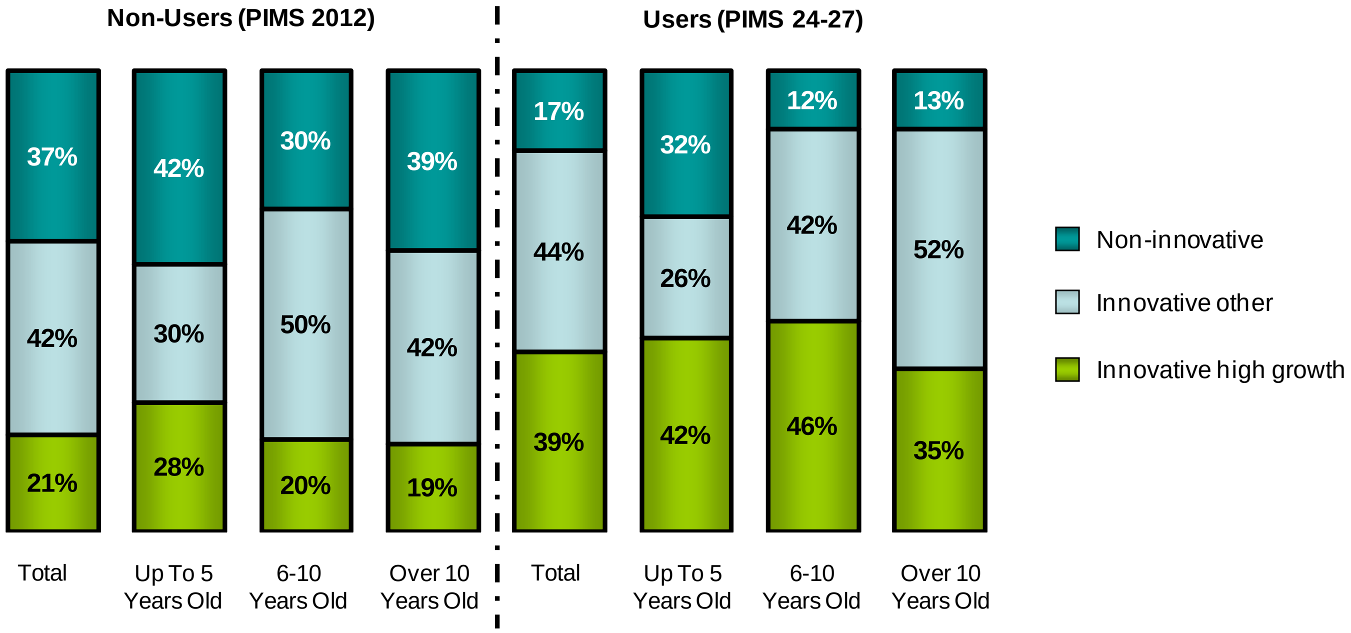
Table 4.7.2.1 Growth Objectives (Next 5 Years)
- Non-Users by Whether Supported (2011/2012 Combined)

	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	*113*	*482*	*42*	*156*	*32*	*166*	*39*	*160*
Grow substantially	29%	25%	38%	40%	25%	29%	28%	19%
Grow moderately	53%	52%	52%	51%	59%	52%	51%	52%
Remain same	14%	16%	5%	6%	13%	12%	18%	21%
Become smaller	1%	3%	0%	2%	3%	2%	0%	4%
Don't know	0%	3%	2%	1%	0%	4%	0%	3%
Not yet trading	0%	0%	2%	0%	0%	0%	0%	0%

4.7.3 Innovative High Growth Firms

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

Chart 7.3.1.1 Innovative High Growth Firms



Base: All respondents (Base)
Non-Users – Total (300), Up to 5 years old (100), 6-10 years old (100), Over 10 years old (100)
Users – Total (3817), Up to 5 years old (932), 6-10 years old (708), Over 10 years old (2177)

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 21% 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 25% of supported non-users classified as innovative high growth (compared to 19% of unsupported ones). This suggests that many innovative high growth non-user firms do have an appetite/need for export support, and this need could potentially be met by UKTI if they can be reached.

Table 7.3.1.1 Innovative High Growth Firms
- Non-Users by Whether Supported (2011/2012 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	*113*	*482*	*42*	*156*	*32*	*166*	*39*	*160*
Innovative high growth	25%	19%	29%	27%	19%	22%	26%	16%
Innovative other	44%	43%	36%	30%	69%	43%	38%	46%
Non-innovative	31%	38%	36%	43%	13%	34%	36%	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

4.8 Business Planning

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

Table 4.8.1 Business Planning

	Non-Users (PIMS 2012)				Users (PIMS 24-27)			
	Total	Up to 5 years	6-10 years	>10 years	Total	Up to 5 years	6-10 years	>10 years
Base	*300*	*100*	*100*	*100*	*3817*	*932*	*708*	*2177*
Do you have a current business plan?								
Yes	38%	44%	42%	35%	72%	72%	70%	73%
In progress/being written	2%	4%	1%	1%	1%	0%	1%	1%
No	58%	48%	53%	62%	25%	27%	28%	22%
Don't know	3%	4%	4%	2%	2%	1%	1%	3%
Does this plan contain any targets relating to overseas sales?								
Yes	18%	20%	24%	15%	56%	52%	53%	59%
No	21%	27%	18%	20%	15%	18%	16%	13%
Don't know	0%	1%	1%	0%	2%	0%	1%	2%
No business plan	61%	50%	57%	64%	25%	27%	28%	22%

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, less than 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 to detail targets for overseas sales within this plan (although still significantly less likely than UKTI users).

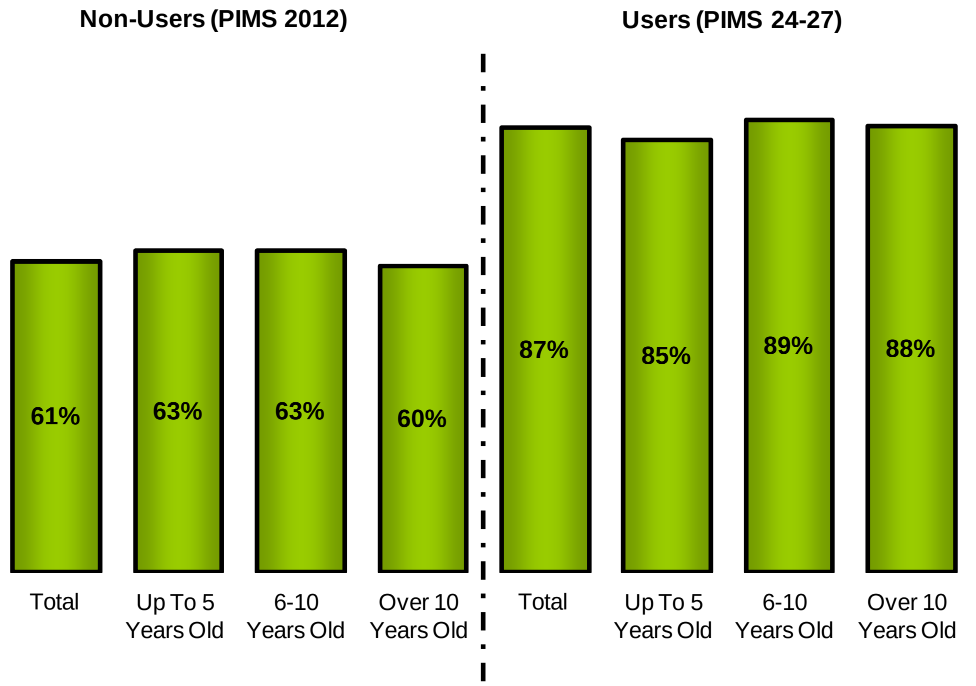
Table 4.8.2 Business Planning
- Non-Users by Whether Supported (2011/2012 Combined)

	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	*113*	*482*	*42*	*156*	*32*	*166*	*39*	*160*
Do you have a current business plan?								
Yes	45%	39%	45%	46%	47%	38%	44%	37%
In progress/being written	2%	0%	2%	2%	0%	1%	3%	0%
No	48%	58%	50%	49%	50%	58%	46%	60%
Don't know	6%	3%	2%	4%	3%	3%	8%	2%
Does this plan contain any targets relating to overseas sales?								
Yes	24%	18%	31%	18%	22%	22%	23%	16%
No	18%	20%	17%	28%	22%	16%	18%	19%
Don't know	4%	1%	0%	1%	3%	1%	5%	1%
No business plan	48%	58%	50%	49%	50%	58%	46%	60%

4.9 Degree-Level Senior Management

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

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



Base: All respondents (Base, Don't know/Refused, Not yet trading)
Non-Users – Total (300, 5%, 0%), Up to 5 years old (99, 2%, 1%), 6-10 years ago (100, 4%, 0%), Over 10 years old (101, 6%, 0%)
Users – Total (3358, 0%, 0%), Up to 5 years old (826, 0%, 0%), 6-10 years old (674, 0%, 0%), Over 10 years old (1858, 0%, 0%)

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

As seen below, there is little difference in this respect between supported and unsupported non-users.

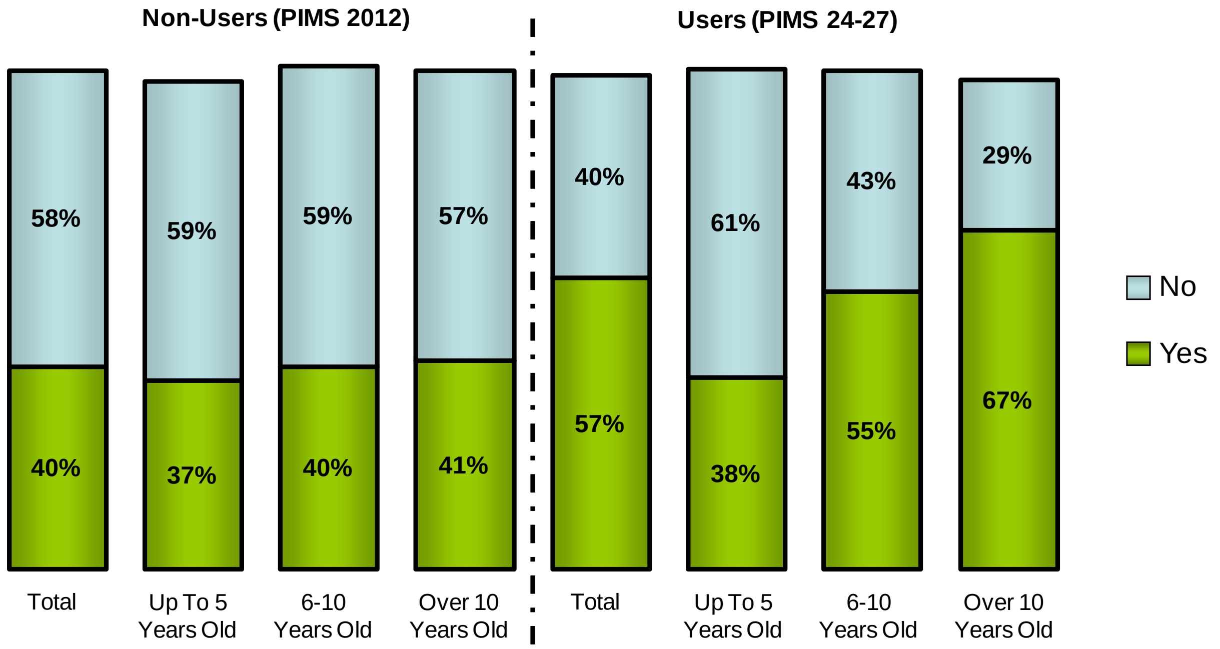
Table 4.9.1 Any Owners, Partners or Directors with Degree-Level or Equivalent Qualifications - Non-Users by Whether Supported (2011/2012 Combined)

	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	*113*	*482*	*42*	*156*	*32*	*166*	*39*	*160*
Yes	63%	60%	71%	60%	66%	66%	59%	57%
No	32%	36%	24%	37%	28%	31%	36%	37%
Don't know	5%	4%	2%	3%	6%	2%	5%	6%
Not yet trading	0%	0%	2%	0%	0%	0%	0%	0%

4.10 Membership of Trade Associations or Sector Bodies

The chart below shows the proportions of non-user businesses that belong to any Trade Associations or other sector bodies. Comparative data has also been provided for users of UKTI support.

Chart 4.10.1 Whether Member of Trade Associations or Sector Bodies



Base: All respondents (Base, Don't know)
Non-Users – Total (300, 2%), Up to 5 years old (100, 4%), 6-10 years ago (100, 1%), Over 10 years old (100, 2%)
Users – Total (3817, 3%), Up to 5 years old (932, 2%), 6-10 years old (708, 2%), Over 10 years old (2177, 4%)

UKTI users are significantly more likely to belong to trade associations or sector bodies than non-users.

Those non-user firms that have obtained some form of export-related support (from a non-UKTI source) are much closer in profile to UKTI users in this respect, with 59% belonging to trade associations or sector bodies.

Table 4.10.1 Whether Member of Trade Associations or Sector Bodies - Non-Users by Whether Supported (2011/2012 Combined)

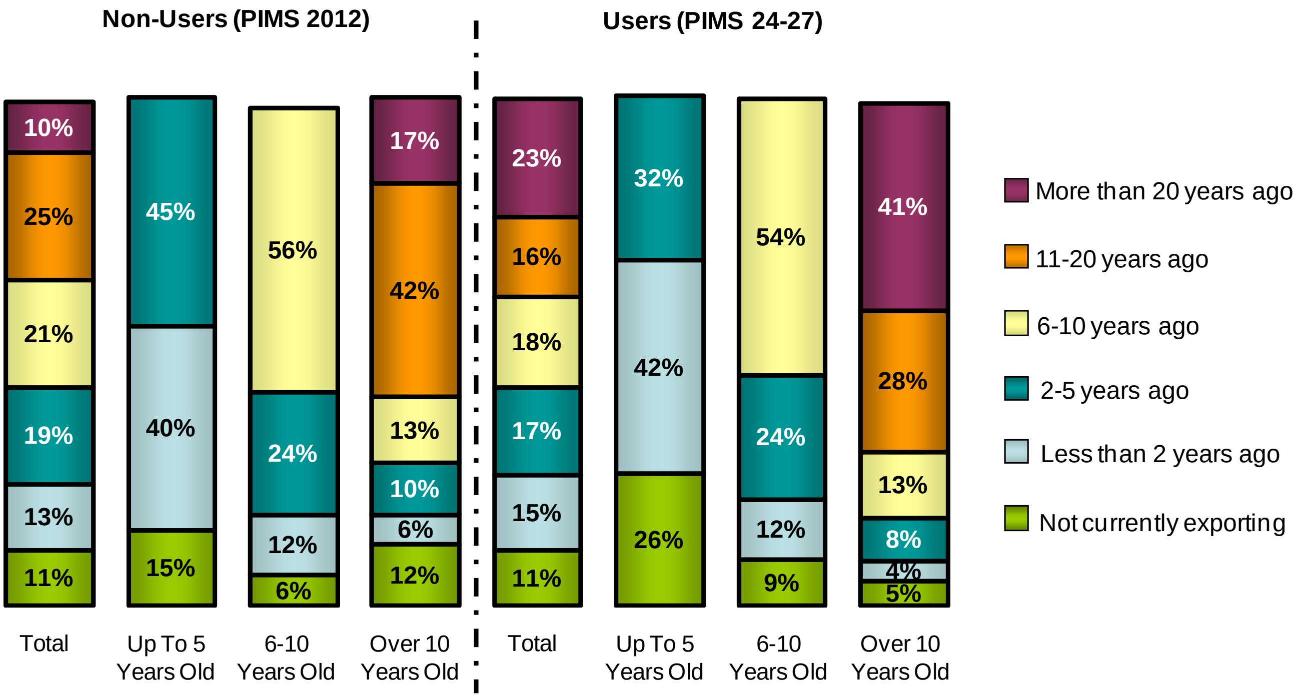
	Total		Up to 5 years		6-10 years		Over 10 years	
	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted
Base	*56*	*243*	*24*	*76*	*16*	*83*	*16*	*84*
Yes	59%	36%	58%	30%	50%	39%	63%	37%
No	38%	62%	42%	64%	50%	60%	31%	62%
Don't know	3%	2%	0%	5%	0%	1%	6%	1%

5. Export Experience & Strategy

5.1 Length of Time Exporting

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

Chart 5.1.1 When Started Doing Business Overseas



Base: All respondents (Base, Don't know)
Non-Users – Total (300, 0%), Up to 5 years old (100, 0%), 6-10 years old (100, 2%), Over 10 years old (100, 0%)
Users – Total (3817, 1%), Up to 5 years old (932, 0%), 6-10 years old (708, 0%), Over 10 years old (2177, 1%)

There is generally little difference between users and non-users of UKTI, although the former are significantly more likely to be long-term exporters that have been doing business overseas for in excess of 20 years (23% vs. 10% of non-users).

Supported non-users are slightly more experienced overseas than unsupported non-users, and are more likely to have been exporting for more than 10 years and less likely to have not yet started doing business overseas.

Table 5.1.1 When Started Doing Business Overseas
- Non-Users by Whether Supported (2011/2012 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	*113*	*482*	*42*	*156*	*32*	*166*	*39*	*160*
Not exporting	5%	15%	17%	22%	3%	6%	3%	16%
Less than 2 years	12%	12%	38%	37%	6%	14%	5%	5%
2-5 years	21%	18%	43%	41%	28%	23%	13%	9%
6-10 years	22%	23%	0%	0%	63%	55%	15%	17%
11-20 years	27%	22%	0%	0%	0%	0%	44%	36%
Over 20 years	11%	9%	0%	0%	0%	0%	18%	16%
Don’t know	2%	1%	2%	0%	0%	2%	3%	1%

To be eligible for the Non-User survey, firms that were not yet exporting had to indicate that they had attempted or seriously considered doing business overseas in the previous 2 years. These firms were also asked whether they expected to start doing business overseas in the next 3 years. Comparative results have been shown for UKTI users from PIMS 27 (as this question was not asked prior to this point).

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

	Firms Not Yet Exporting	
	Non-Users (2012)	Users (PIMS 27)
Base: All not yet exporting	*33*	*102*
Yes	72%	87%
- In next year	*19%*	*46%*
- In next 1-2 years	*23%*	*31%*
- In next 2-3 years	*26%*	*11%*
- Don’t know when	*4%*	*0%*
No	22%	7%
Don’t know	7%	6%

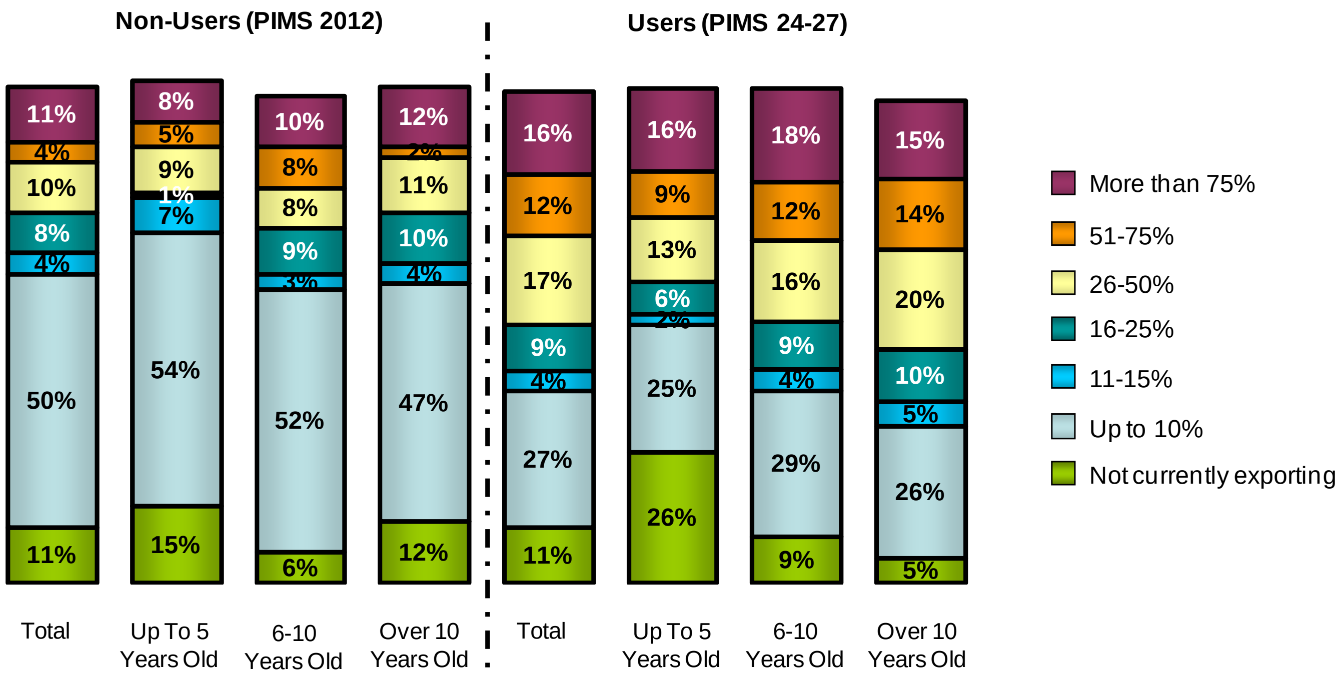
Approaching three-quarters of non-user firms that were not currently exporting expected to start in the next 3 years. The equivalent group of UKTI users were more likely to start doing business overseas, and also expected this to happen more quickly.

5.2 Export Turnover

5.2.1 Current Export Turnover

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

Chart 5.2.1.1 Percentage of Turnover Accounted for by Overseas Sales



Base: All respondents (Base, Don't know/Refused)
Non-Users – Total (300, 2%), Up to 5 years old (100, 1%), 6-10 years old (100, 4%), Over 10 years old (100, 2%)
Users – Total (3817, 4%), Up to 5 years old (932, 2%), 6-10 years old (708, 3%), Over 10 years old (2177, 5%)

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. Overall, 61% of non-users report that exports contribute no more than 10% of their total turnover, compared to just 38% 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 businesses.

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

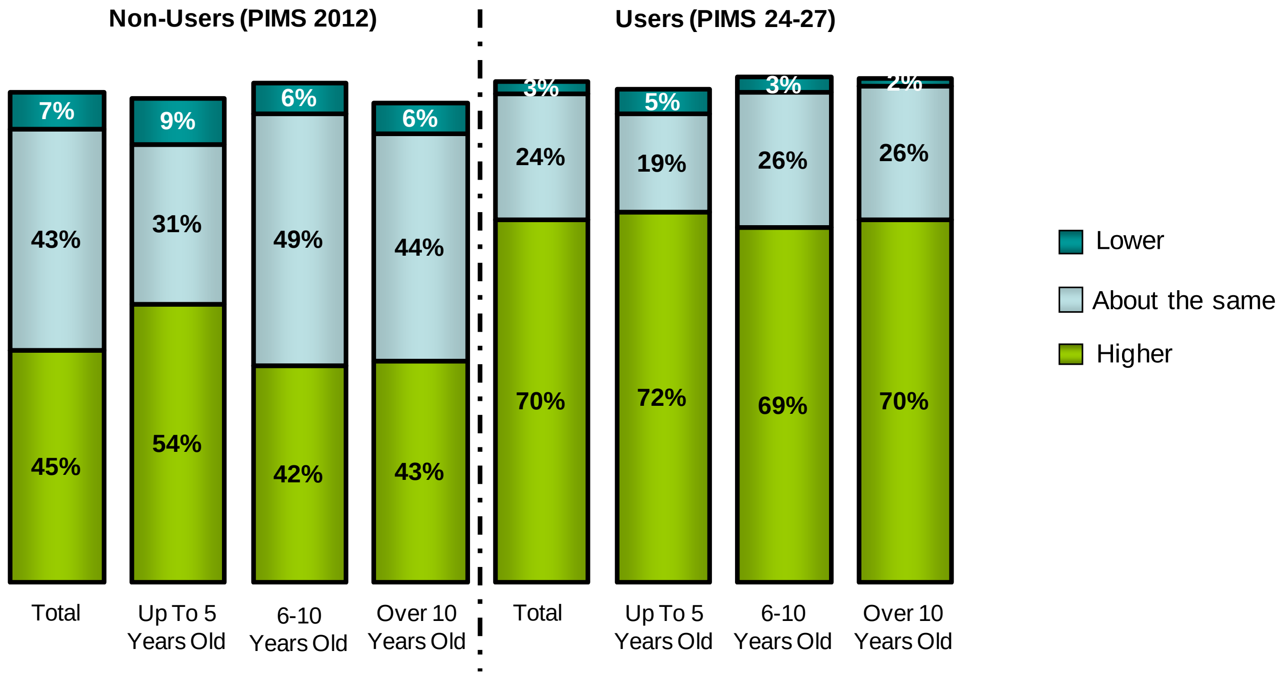
Table 5.2.1.1 Percentage of Turnover Accounted for by Overseas Sales - Non-Users by Whether Supported (2011/2012 Combined)

	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	*113*	*482*	*42*	*156*	*32*	*166*	*39*	*160*
Not exporting	5%	15%	17%	22%	3%	6%	3%	16%
Up to 10%	48%	50%	50%	49%	60%	53%	44%	50%
11-15%	8%	5%	2%	6%	0%	5%	13%	4%
16-25%	5%	7%	2%	4%	6%	9%	5%	7%
26-50%	13%	7%	10%	8%	9%	7%	15%	6%
51-75%	9%	4%	7%	3%	6%	8%	10%	2%
Over 75%	10%	10%	10%	6%	9%	10%	10%	11%
Don't know	1%	2%	0%	1%	6%	0%	0%	2%

5.2.2 Anticipated Change in Export Turnover

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

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



Base: All respondents (Base, Don't know/Refused)
Non-Users – Total (300, 6%), Up to 5 years old (100, 6%), 6-10 years old (100, 3%), Over 10 years old (100, 7%)
Users – Total (3817, 3%), Up to 5 years old (932, 4%), 6-10 years old (708, 2%), Over 10 years old (2177, 2%)

Non-users of UKTI appear to be considerably less optimistic and/or ambitious when it comes to overseas growth, with only 45% expecting overseas sales to account for a greater proportion of their turnover in 3 years time compared to 70% of users.

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

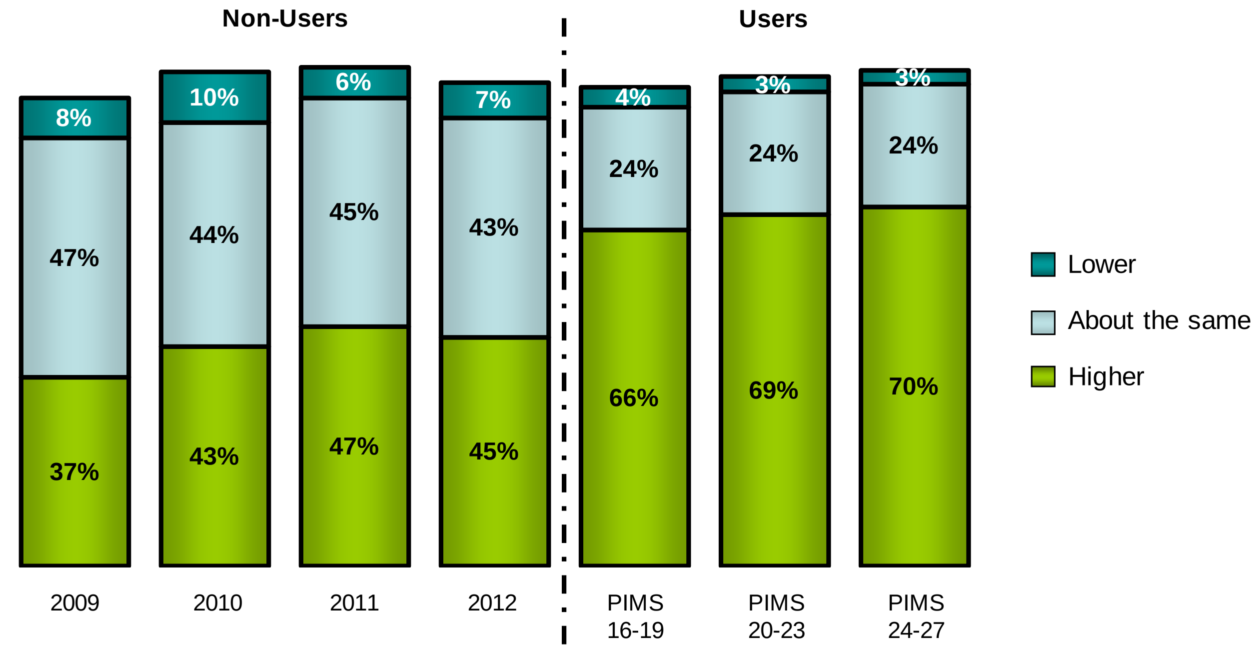
Although it is not statistically significant, there is some indication that supported non-users are more likely to anticipate an increase in the proportion of their turnover accounted for by overseas sales.

Table 5.2.2.1 Anticipated Change in Percentage of Turnover Accounted for by Overseas Sales - Non-Users by Whether Supported (2011/2012 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	*113*	*482*	*42*	*156*	*32*	*166*	*39*	*160*
Higher	52%	44%	57%	56%	56%	43%	49%	41%
About the same	39%	46%	31%	33%	34%	48%	44%	48%
Lower	6%	6%	7%	8%	9%	6%	5%	6%
Don't know	2%	4%	5%	4%	0%	3%	3%	5%

The chart below tracks how responses to this question have changed over time. Please note that comparable data is available for the last 4 years of the non-user survey, but only the last 3 years of the main PIMS user survey.

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



Base: All respondents (Base, Don't know/Refused)
Non-Users – 2009 (300, 7%), 2010 (302, 4%), 2011 (300, 2%), 2012 (300, 6%)
Users – PIMS 16-19 (3984, 6%), PIMS 20-23 (3945, 4%), PIMS 24-27 (3817, 3%)

Non-users' predictions for their overseas turnover are more positive than they were at the height of the economic downturn in 2009, but there has been little change over the last 3 years. For users of UKTI, there has been a gradual upward trend in the proportion of firms expecting an increase in the contribution of overseas sales to their total turnover.

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

Table 5.2.2.2 How Increase in Export Turnover Will Be Achieved

	Non-Users (PIMS 2012)				Users (PIMS 24-27)			
	Total	Up to 5 years	6-10 years	>10 years	Total	Up to 5 years	6-10 years	>10 years
Base	*300*	*100*	*100*	*100*	*3842*	*923*	*711*	*2204*
Entering new markets	17%	25%	19%	14%	25%	37%	26%	20%
Expanding in existing markets	12%	16%	8%	13%	9%	7%	12%	10%
Both	14%	13%	14%	14%	35%	28%	33%	39%
Don't know	1%	0%	1%	2%	0%	0%	0%	0%
Not expecting growth in export turnover	55%	46%	58%	57%	30%	27%	30%	32%

For both users and non-users, the majority of those firms expecting an increase in export turnover believe that this will come about through entering new overseas markets (often in conjunction with expansion in existing markets).

It is clear from the analysis below that supported non-users are considerably more likely to increase their overseas turnover by entering new markets than is the case for unsupported firms (43% vs. 28%).

Table 5.2.2.3 How Increase in Export Turnover Will Be Achieved
- Non-Users by Whether Supported (2011/2012 Combined)

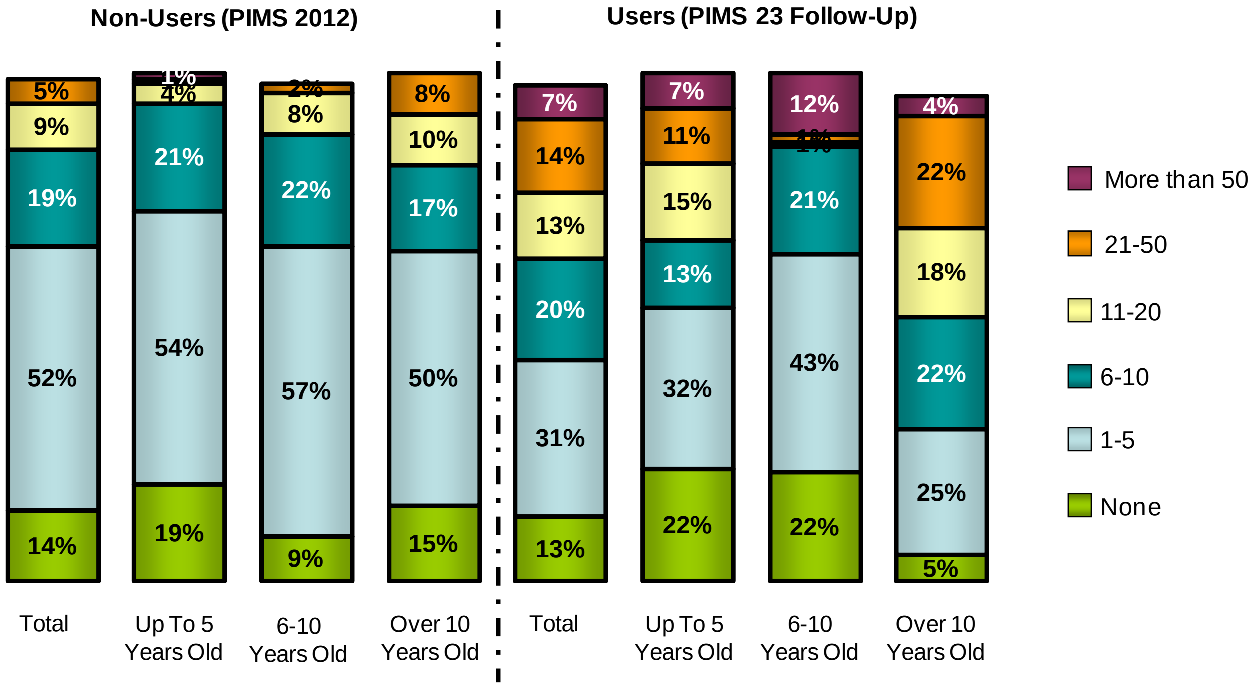
	Total		Up to 5 years		6-10 years		Over 10 years	
	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted	Supp-orted	Unsupp-orted
Base	*113*	*482*	*42*	*156*	*32*	*166*	*39*	*160*
Entering new markets	10%	14%	19%	21%	6%	17%	8%	11%
Expanding in existing markets	9%	15%	10%	15%	6%	11%	10%	17%
Both	33%	14%	29%	20%	44%	14%	31%	12%
Don't know	0%	1%	0%	0%	0%	1%	0%	1%
Not expecting growth in export turnover	48%	56%	43%	44%	44%	57%	51%	59%

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 only available from the PIMS 23 Follow-Up survey so the base sizes for users are low (particularly when looking at results by age of firm).

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



Base: All respondents (Base, Don't know/Refused)
Non-Users – Total (300, 0%), Up to 5 years old (100, 0%), 6-10 years old (100, 2%), Over 10 years old (100, 0%),
Users – Total (100, 2%), Up to 5 years old (21, 0%), 6-10 years old (24, 0%), Over 10 years old (55, 4%)

Overall, non-user businesses are generally doing business in fewer overseas markets than users. This difference is particularly evident amongst firms established for more than 10 years.

As seen below, supported non-users are generally active in a greater number of markets than unsupported firms, and therefore have more similarities with UKTI users in this respect.

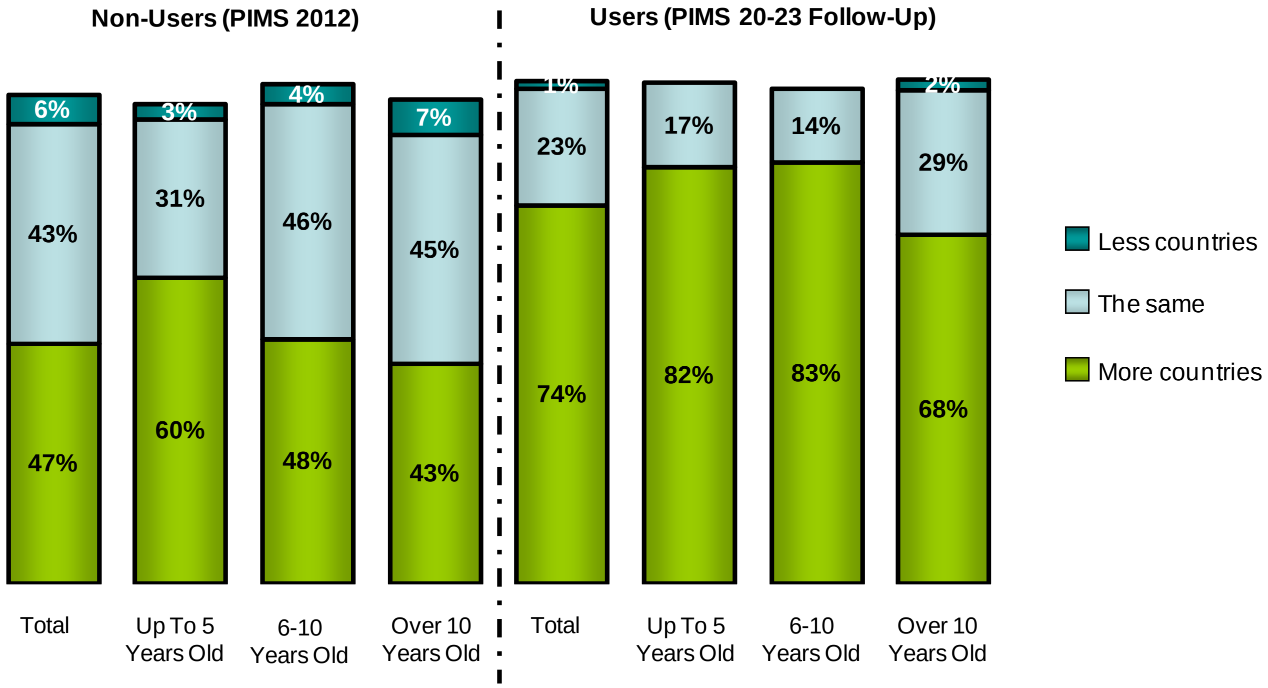
Table 5.3.1.1 Number of Overseas Markets Done Business in Over Last Year - Non-Users by Whether Supported (2011/2012 Combined)

	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	*113*	*482*	*42*	*156*	*32*	*166*	*39*	*160*
None	9%	20%	21%	26%	3%	10%	8%	22%
1-5	50%	51%	48%	48%	63%	56%	46%	50%
6-10	15%	17%	19%	18%	25%	22%	10%	15%
11-20	12%	7%	7%	4%	6%	8%	15%	7%
21-50	13%	4%	5%	2%	3%	2%	18%	5%
More than 50	2%	1%	0%	2%	0%	1%	3%	1%
Don't know	0%	0%	0%	0%	0%	1%	0%	0%

5.3.2 Anticipated Change in Number of Markets

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

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



Base: All respondents (Base, Don't know/Refused)
Non-Users – Total (300, 4%), Up to 5 years old (100, 6%), 6-10 years old (100, 2%), Over 10 years old (100, 5%),
Users – Total (395, 1%), Up to 5 years old (96, 2%), 6-10 years old (83, 3%), Over 10 years old (215, 1%)

Nearly half of non-users expect to increase the number of overseas markets in which they do business over the next 3 years. In comparison, three quarters of UKTI users 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 for their business as a whole (see Section 4.7.2). There is some evidence that older firms are less likely to anticipate expanding into new overseas markets.

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.

Table 5.3.2.1 Anticipated Change in Number of Markets over Next 3 Years - Non-Users by Whether Supported (2011/2012 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	*113*	*482*	*42*	*156*	*32*	*166*	*39*	*160*
More markets	62%	46%	69%	58%	72%	48%	56%	42%
The same	31%	46%	26%	33%	22%	46%	36%	49%
Less markets	5%	4%	5%	3%	6%	3%	5%	5%
Don't know	2%	4%	0%	6%	0%	2%	3%	4%

5.3.3 New Markets Entered in Last 2 Years

Non-user businesses were also asked whether they had successfully entered or begun trading in any new countries in the previous 2 years and, if so, which ones. The chart below summarises these results and also provides comparative data for users of UKTI support (from the PIMS Follow-Up surveys[5]).

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

	Non-Users (PIMS 2012)				Users (PIMS 20-23 Follow-Up)			
	Total	Up to 5 years	6-10 years	>10 years	Total	Up to 5 years	6-10 years	>10 years
Base	*300*	*100*	*100*	*100*	*395*	*96*	*83*	*215*
Yes	42%	54%	41%	39%	61%	49%	64%	64%
- Europe	*27%*	*39%*	*28%*	*23%*	*40%*	*38%*	*53%*	*34%*
- Middle East & Africa	*10%*	*11%*	*7%*	*11%*	*24%*	*24%*	*3%*	*33%*
- North America	*7%*	*16%*	*5%*	*5%*	*8%*	*14%*	*10%*	*5%*
- South & Latin America	*3%*	*3%*	*1%*	*4%*	*16%*	*10%*	*12%*	*20%*
- Asia Pacific	*11%*	*14%*	*8%*	*12%*	*38%*	*40%*	*42%*	*36%*
No	46%	31%	52%	48%	28%	25%	25%	30%
Don't know	1%	0%	1%	1%	0%	0%	0%	0%
Not yet exporting	11%	15%	6%	12%	12%	26%	11%	6%

Once again, non-users seem to be less dynamic in their overseas development than UKTI users, with 42% and 61% 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.

Users are generally more likely to have entered markets in each geographic area in the past 2 years, with this particularly true of the Asia Pacific region.

[5] Please note that the user data on the specific regions entered in the last 2 years is based on the PIMS 23 Follow-Up only (as this question was not asked prior to this point).

As seen for many of the areas relating to firm characteristics and export experience, supported non-users are closer in profile to UKTI users, with 47% having entered new markets in the last 2 years (compared to 41% of unsupported non-users).

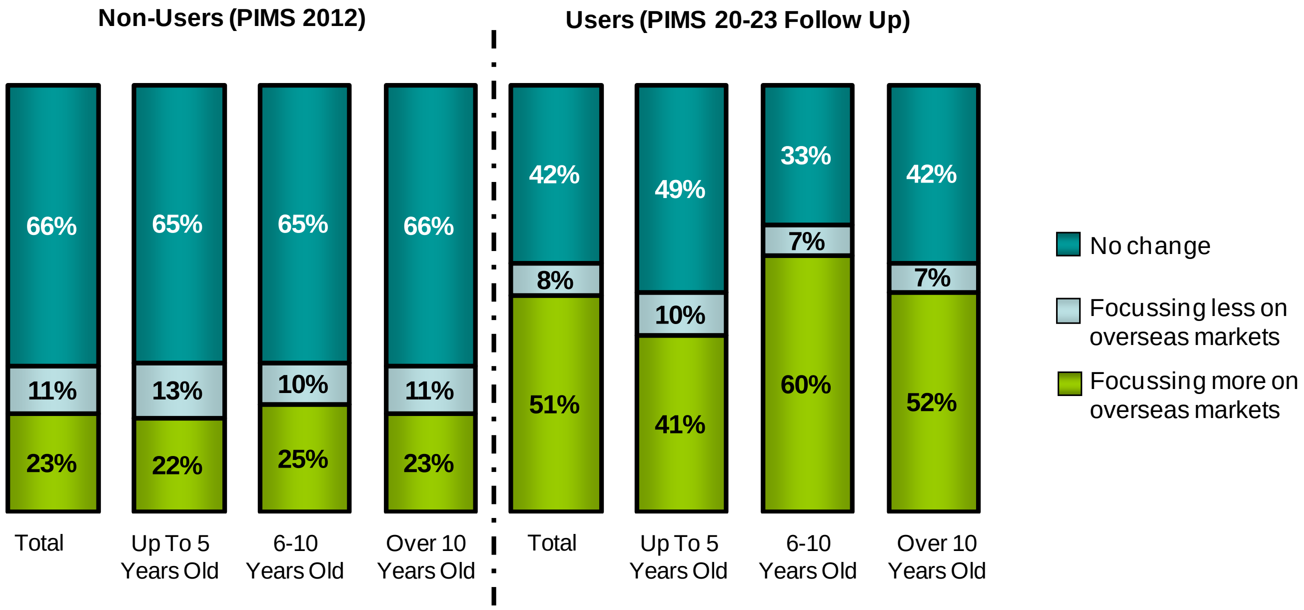
Table 5.3.3.2 Whether Successfully Entered Any New Markets in Last 2 Years - Non-Users by Whether Supported (2011/2012 Combined)

	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	*113*	*482*	*42*	*156*	*32*	*166*	*39*	*160*
Yes	47%	41%	55%	44%	50%	46%	44%	38%
- Europe	*28%*	*24%*	*33%*	*31%*	*28%*	*31%*	*26%*	*19%*
- Middle East/Africa	*15%*	*10%*	*9%*	*19%*	*19%*	*7%*	*13%*	*11%*
- North America	*8%*	*9%*	*10%*	*14%*	*6%*	*7%*	*8%*	*7%*
- South/Latin America	*2%*	*2%*	*5%*	*3%*	*0%*	*2%*	*3%*	*3%*
- Asia Pacific	*13%*	*10%*	*14%*	*12%*	*13%*	*7%*	*13%*	*10%*
No	48%	44%	29%	35%	47%	47%	54%	45%
Don’t know	0%	1%	0%	0%	0%	1%	0%	1%
Not yet exporting	5%	15%	17%	22%	3%	6%	3%	16%

5.4 Changes in Overseas Strategy

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

Chart 5.4.1 Changes in Overseas Strategy in Last Year



Base: All respondents (Base, Don't know/Refused)
Non-Users – Total (300,), Up to 5 years old (100), 6-10 years old (100), Over 10 years old (100)
Users – Total (395, 0%), Up to 5 years old (96, 0%), 6-10 years old (83, 0%), Over 10 years old (215, 0%)

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

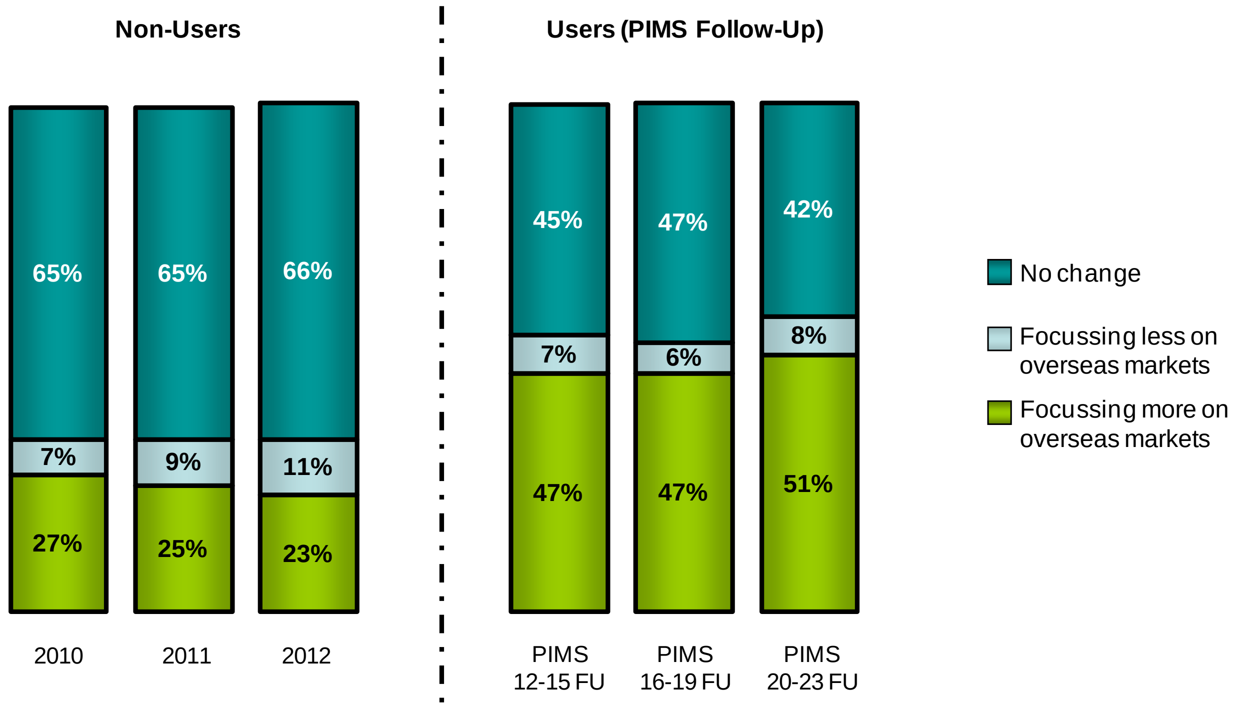
As seen below, supported non-users are slightly more likely to have increased their focus on overseas markets in the past year than is the case for unsupported firms.

Table 5.4.1 Changes in Overseas Strategy in Last Year
- Non-Users by Whether Supported (2011/2012 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	*113*	*482*	*42*	*156*	*32*	*166*	*39*	*160*
Focussing more on overseas markets	28%	23%	26%	20%	22%	23%	31%	23%
Focussing less on overseas markets	6%	11%	10%	12%	16%	11%	3%	10%
No change	63%	66%	62%	67%	63%	65%	64%	66%
Don't know	2%	1%	2%	0%	0%	1%	3%	1%

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

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



Base: All respondents (Base, Don't know/Refused)
Non-Users – 2010 (302, 0%), 2011 (300, 2%), 2012 (300, 0%)
Users – PIMS 12-15 FU (392, 0%), PIMS 16-19 FU (391, 0%), PIMS 20-23 FU (395, 0%)

The proportion of non-user firms changing their strategy to focus more on export opportunities has gradually fallen over the last 2 years. In contrast, there has been a slight increase in this respect for UKTI user compared to a year ago.

5.5 Impact of Importing on Exporting

All firms that were currently exporting at the time of the interview were asked whether or not they had imported any goods into the UK in the last 5 years and, if so, whether their experiences of importing had helped them at all when it came to selling their products/services overseas. Comparative data for UKTI users has been provided from the Follow-Up survey.

Overall, 48% of non-user firms and 53% of UKTI users had imported within the last 5 years, and the following analysis is based just on these firms.

Table 5.5.1 Whether Experiences of Importing Have Helped when Selling Overseas

	Non-Users (2012)				*Users (PIMS 23 Follow-Up)*			
	Total	*Up to 5 years*	*6-10 years*	*>10 years*	*Total*	*Up to 5 years*	*6-10 years*	*>10 years*
Base: All importers	*126*	*35*	*48*	*43*	*150*	*39*	*26*	*85*
Yes	39%	40%	48%	35%	49%	45%	25%	56%
- By incorporating imported goods into products that are sold overseas	*21%*	*23%*	*27%*	*19%*	*34%*	*28%*	*23%*	*39%*
- By making contacts that were helpful when selling overseas	*19%*	*17%*	*31%*	*14%*	*36%*	*36%*	*16%*	*42%*
- By improving knowledge and understanding of overseas markets	*33%*	*34%*	*40%*	*30%*	*46%*	*45%*	*25%*	*52%*
No	60%	60%	50%	65%	50%	55%	75%	41%
Don't know	1%	0%	2%	0%	2%	0%	0%	3%

Overall, 39% of those non-user firms that import believe that this has helped them when it comes to exporting. Whilst many of these indicate that this is simply down to them incorporating the imported goods into the products that they then sell overseas, the majority feel that importing has improved their knowledge of overseas markets. Furthermore, around half of those that have benefited highlight the contacts that they have made through importing.

UKTI users are more likely to feel that their experiences of importing have been beneficial when selling overseas, and this is true across all three of the different benefits tested.

As seen below, supported non-users report slightly greater benefits from importing, although the low base sizes should be taken into account when interpreting this data.

Table 5.5.2 Whether Experiences of Importing Have Helped when Selling Overseas - Non-Users by Whether Supported (2012 Only)

	Non-users	
	Supported	Unsupported
Base: All importers	*24*	*102*
Yes	45%	38%
- *By incorporating imported goods into products that are sold overseas*	*31%*	*19%*
- *By making contacts that were helpful when selling overseas*	*23%*	*18%*
- *By improving knowledge and understanding of overseas markets*	*39%*	*32%*
No	52%	62%
Don’t know	3%	0%

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.

Table 6.1.1 Export Motivations

Proportion agreeing (4-5 out of 5) that they export for the following reasons...	Non-Users (PIMS 2012)				Users (PIMS 24-27)			
	Total	Starting selling overseas	Increasing overseas sales	Doing business overseas	Total	Starting selling overseas	Increasing overseas sales	Doing business overseas
Base	*300 (91)*	*91*	*90*	*111*	*3817 (986)*	*986*	*1982*	*849*
To enable you to achieve a level of growth otherwise not possible	48%	54%	59%	37%	82%	77%	86%	80%
To allow you to more fully utilise existing capacity	49%	43%	57%	48%	62%	59%	64%	63%
To reduce your dependence on the UK market	31%	33%	44%	20%	53%	50%	58%	46%
To improve your firm's profile or credibility	42%	40%	64%	27%	63%	60%	68%	56%
You received orders or enquiries from overseas customers	74%	70%	72%	77%	61%	48%	61%	75%
If exporting <2 years: You had personal connections overseas or a desire to travel abroad	23%	23%	-	-	34%	34%	-	-

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 74% 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.

There are a number of key differences in the export motivations of UKTI users and non-users. Users 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, but less inclined to highlight customer orders/enquiries as a significant motivation.

There are also a number of 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 most likely to be acting in response to orders or enquiries from overseas customers, whereas established exporters that are seeking overseas growth are comparatively more likely to highlight the other motivations (particularly improved profile and credibility). That said, receiving orders or requests from overseas customers was still the most common motivation among this latter group.

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.

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.

Table 6.1.2 Export Motivations

Proportion agreeing (4-5 out of 5) that they export for the following reasons...	Non-Users (PIMS 2012)				Users (PIMS 24-27)			
	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 (91)*	*100 (55)*	*100 (18)*	*100 (18)*	*3817 (986)*	*932 (627)*	*708 (150)*	*2177 (209)*
To enable you to achieve a level of growth otherwise not possible	48%	54%	53%	45%	82%	81%	82%	83%
To allow you to more fully utilise existing capacity	49%	49%	46%	51%	62%	63%	60%	63%
To reduce your dependence on the UK market	31%	32%	28%	32%	53%	51%	50%	55%
To improve your firm's profile or credibility	42%	44%	42%	42%	63%	64%	60%	63%
You received orders or enquiries from overseas customers	74%	81%	72%	72%	61%	58%	64%	61%
If exporting <2 years: You had personal connections overseas or a desire to travel abroad	23%	25%	6%	28%	34%	39%	32%	20%

For both users and non-users of UKTI, there are few clear or consistent differences in export motivations by age of firm. However, non-user firms that have been established less than 5 years are more likely to be motivated by orders/enquiries from overseas customers (although it is interesting to note that the same pattern is not evident for UKTI users).

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

Table 6.1.3 Export Motivations
- Non-Users by Whether Supported (2011/12 Combined)

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	*113 (29)*	*482 (159)*	*42 (23)*	*156 (92)*	*32 (3)*	*166 (33)*	*39 (3)*	*160 (34)*
To enable you to achieve a level of growth otherwise not possible	54%	46%	55%	53%	59%	51%	51%	43%
To allow you to more fully utilise existing capacity	55%	49%	52%	50%	44%	49%	59%	49%
To reduce your dependence on the UK market	43%	28%	43%	27%	31%	27%	46%	29%
To improve your firm's profile or credibility	56%	38%	57%	42%	47%	43%	59%	36%
You received orders or enquiries from overseas customers	77%	69%	81%	73%	75%	70%	77%	68%
If exporting <2 years: You had personal connections overseas or a desire to travel abroad	31%	21%	35%	27%	0%	12%	34%	21%

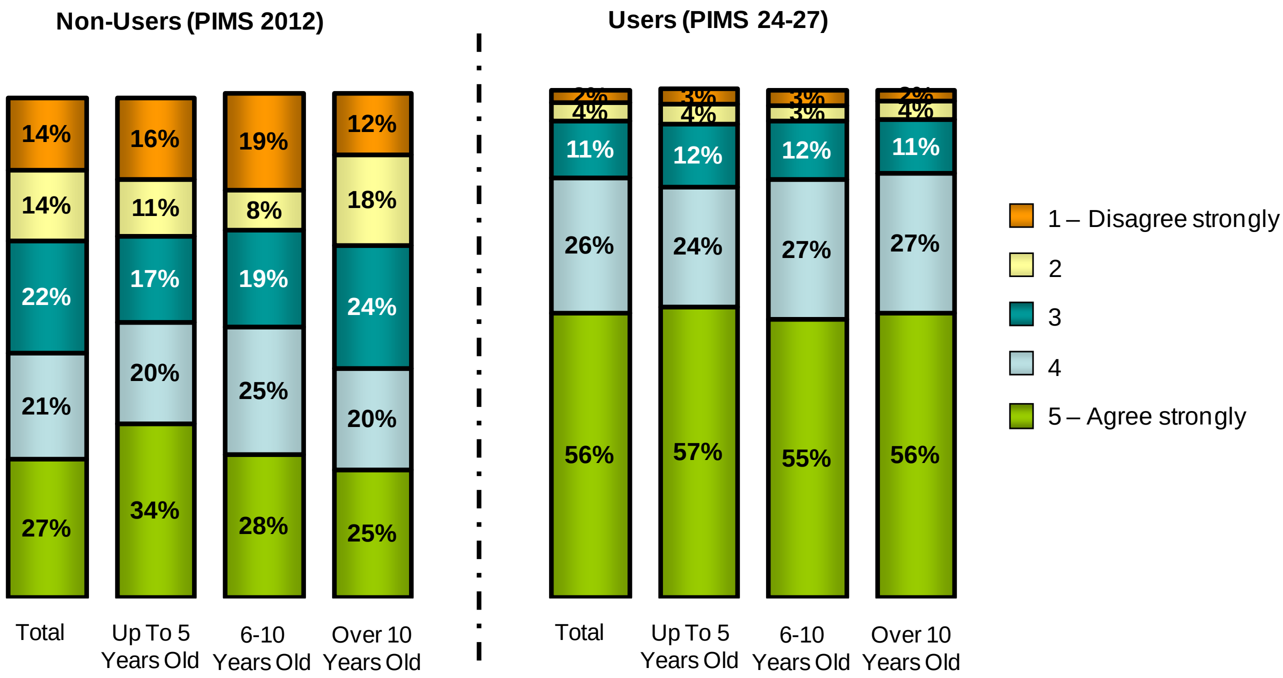
Non-user firms that have received some type of export-related support tend to highlight a wider range of export motivations and are more likely to agree to each of the individual reasons than unsupported non-users.

6.2 Individual Motivations

6.2.1 Growth

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.

Chart 6.2.1 To Enable You to Achieve a Level of Growth Otherwise Not Possible



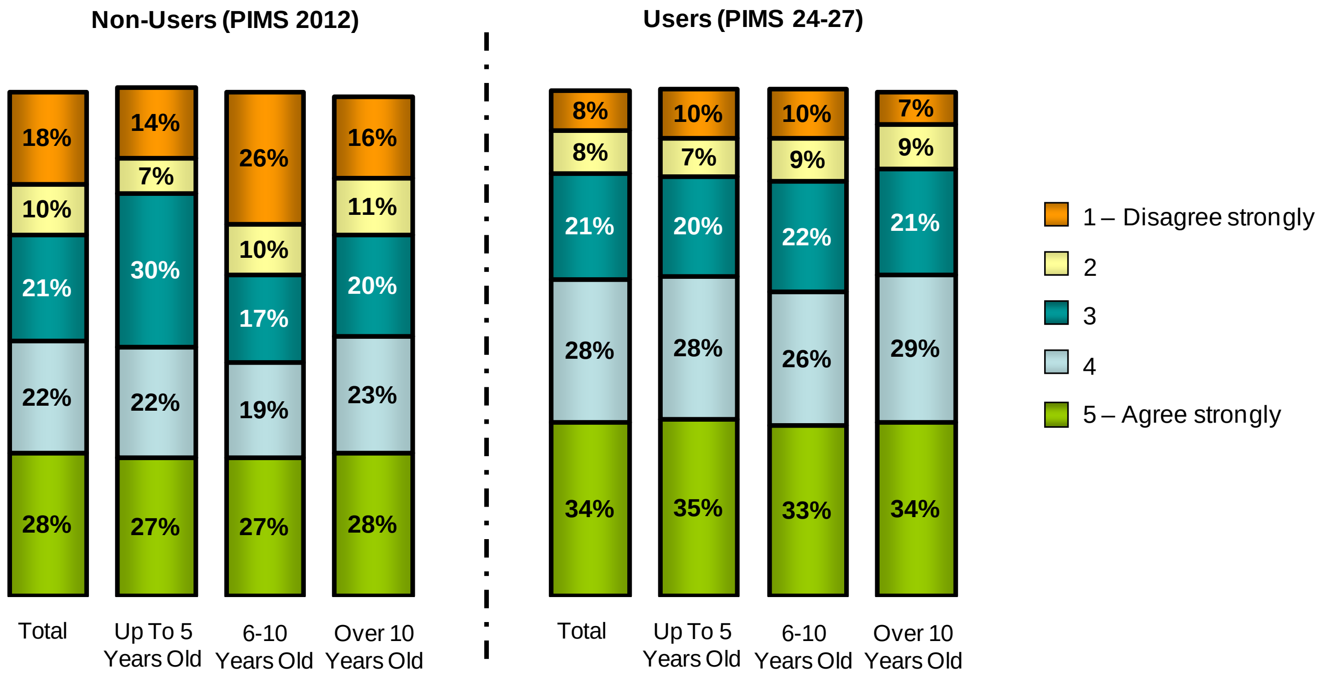
Base: All respondents (Base, Don't know/Refused)
Non-Users – Total (300, 1%), Up to 5 years old (100, 2%), 6-10 years old (100, 1%), Over 10 years old (100, 1%)
Users – Total (3817, 0%), Up to 5 years old (932, 0%), 6-10 years old (708, 0%), Over 10 years old (2177, 1%)

Well 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 only around 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 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.

Chart 6.2.2 To Allow You to More Fully Utilise Your Existing Capacity



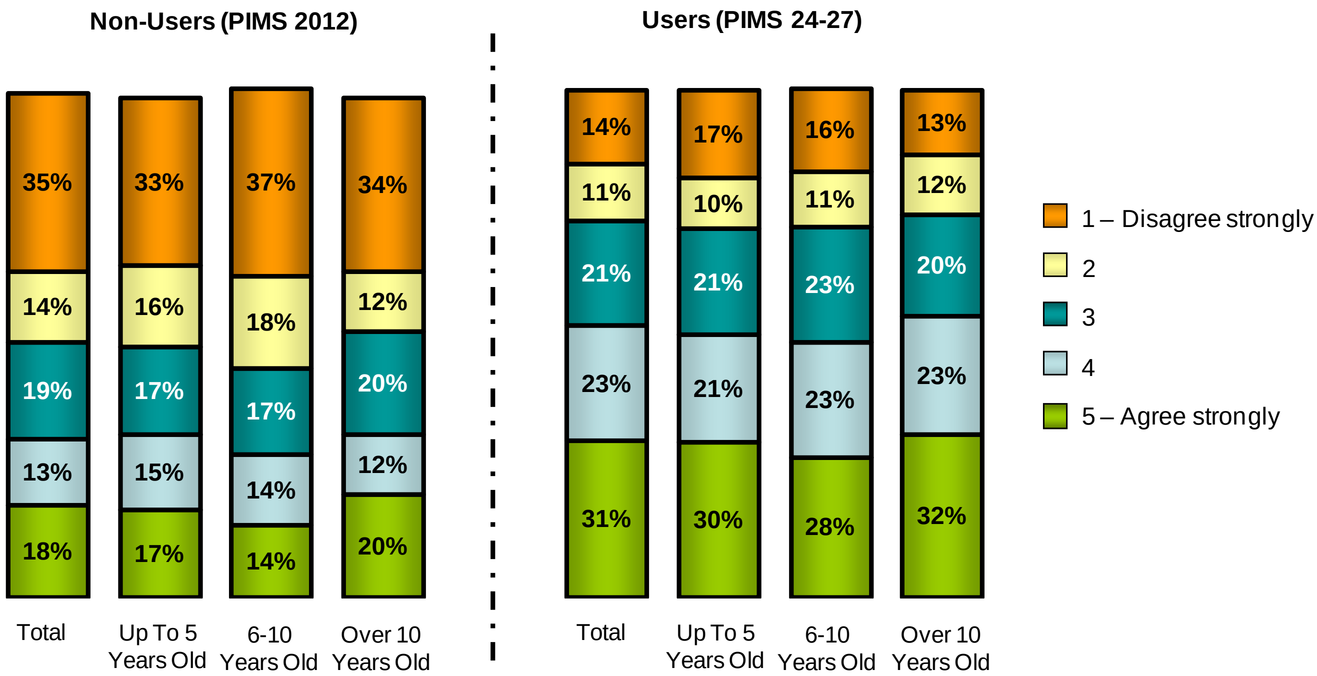
Base: All respondents (Base, Don't know/Refused)
Non-Users – Total (300, 1%), Up to 5 years old (100, 0%), 6-10 years old (100, 1%), Over 10 years old (100, 2%)
Users – Total (3817, 1%), Up to 5 years old (932, 0%), 6-10 years old (708, 0%), Over 10 years old (2177, 1%)

UKTI users are somewhat more likely to export because it enables them to better use their existing capacity, with 62% agreeing that this is a reason for doing business overseas compared to 49% of non-users. There is little difference by age of firm in this respect.

6.2.3 Reduce Dependence

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.

Chart 6.2.3 To Reduce Your Dependence on the UK Market



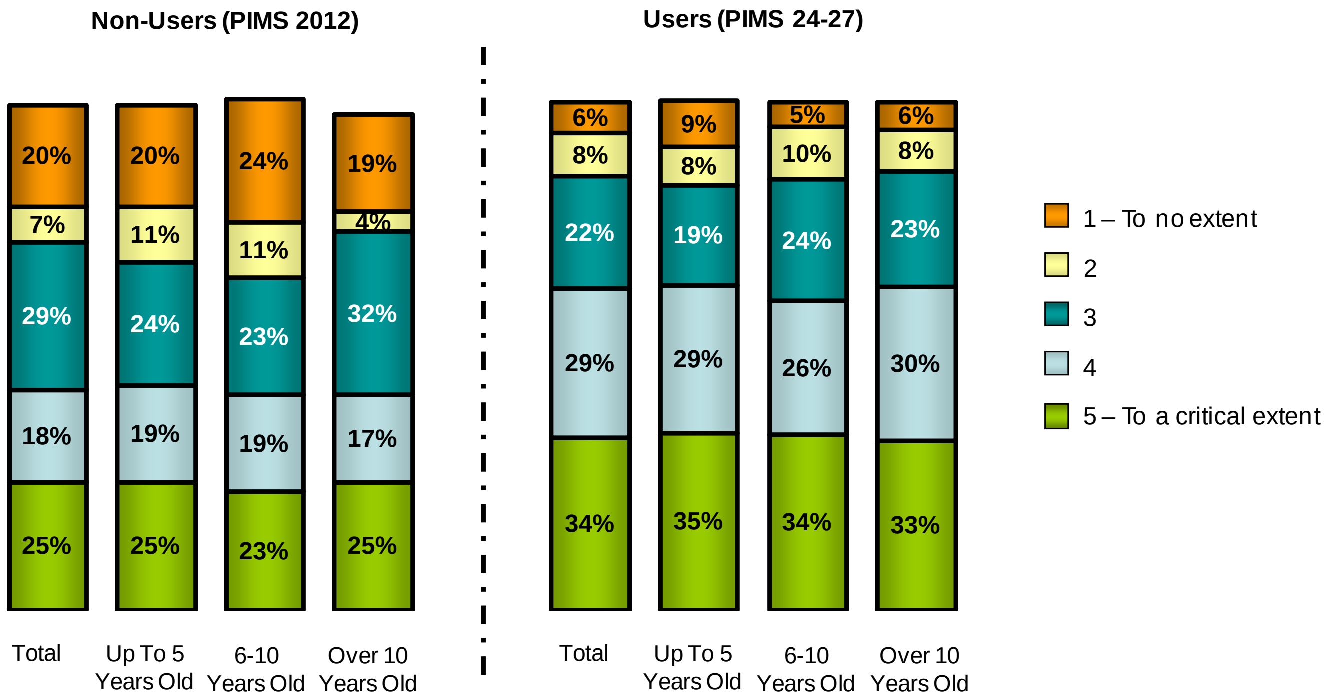
Base: All respondents (Base, Don't know/Refused)
Non-Users – Total (300, 2%), Up to 5 years old (100, 2%), 6-10 years old (100, 0%), Over 10 years old (100, 2%)
Users – Total (2877, 0%), Up to 5 years old (709, 0%), 6-10 years old (539, 0%), Over 10 years old (1629, 1%)

Less than a third of non-users firms agree that they do business overseas to reduce their dependence on the UK market, and 35% disagree strongly that this is the case. In contrast, over half of UKTI clients are motivated by a desire to spread their risk by diversifying into more markets geographically.

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.

Chart 6.2.4 To Improve Your Firm's Profile or Credibility



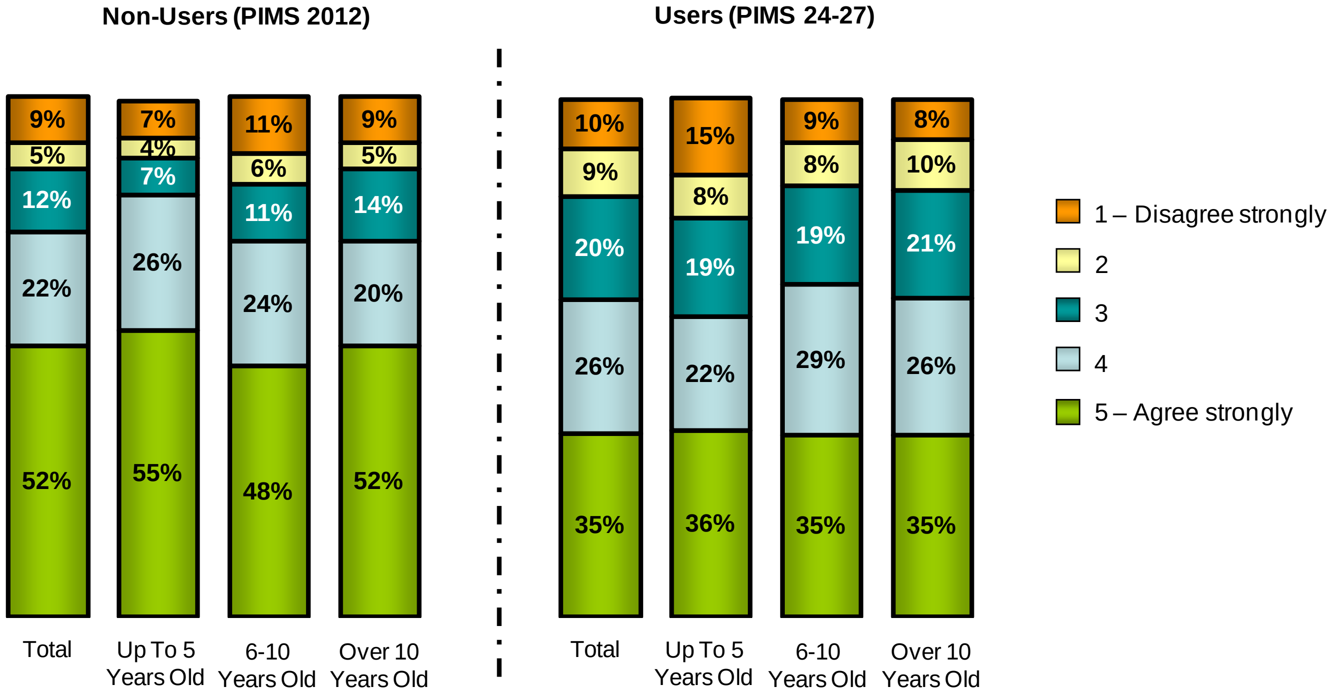
Base: All respondents (Base, Don't know/Refused)
Non-Users – Total (300, 2%), Up to 5 years old (100, 1%), 6-10 years old (100, 0%), Over 10 years old (100, 3%)
Users – Total (3817, 0%), Up to 5 years old (932, 0%), 6-10 years old (708, 0%), Over 10 years old (2177, 0%)

Improving their profile and credibility is a key motivation for UKTI users, with almost two-thirds (63%) agreeing that this is a reason for doing business overseas. However, only two-fifths (42%) of non-user firms view this as an influence on their decision to export.

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.

Chart 6.2.5 You Received/Keep Getting Orders or Enquiries from Overseas Customers



Base: All respondents (Base, Don't know/Refused)
Non-Users – Total (300, 0%), Up to 5 years old (100, 1), 6-10 years old (100, 0%), Over 10 years old (100, 0%)
Users – Total (3817, 1%), Up to 5 years old (932, 0%), 6-10 years old (708, 1%), Over 10 years old (2177, 1%)

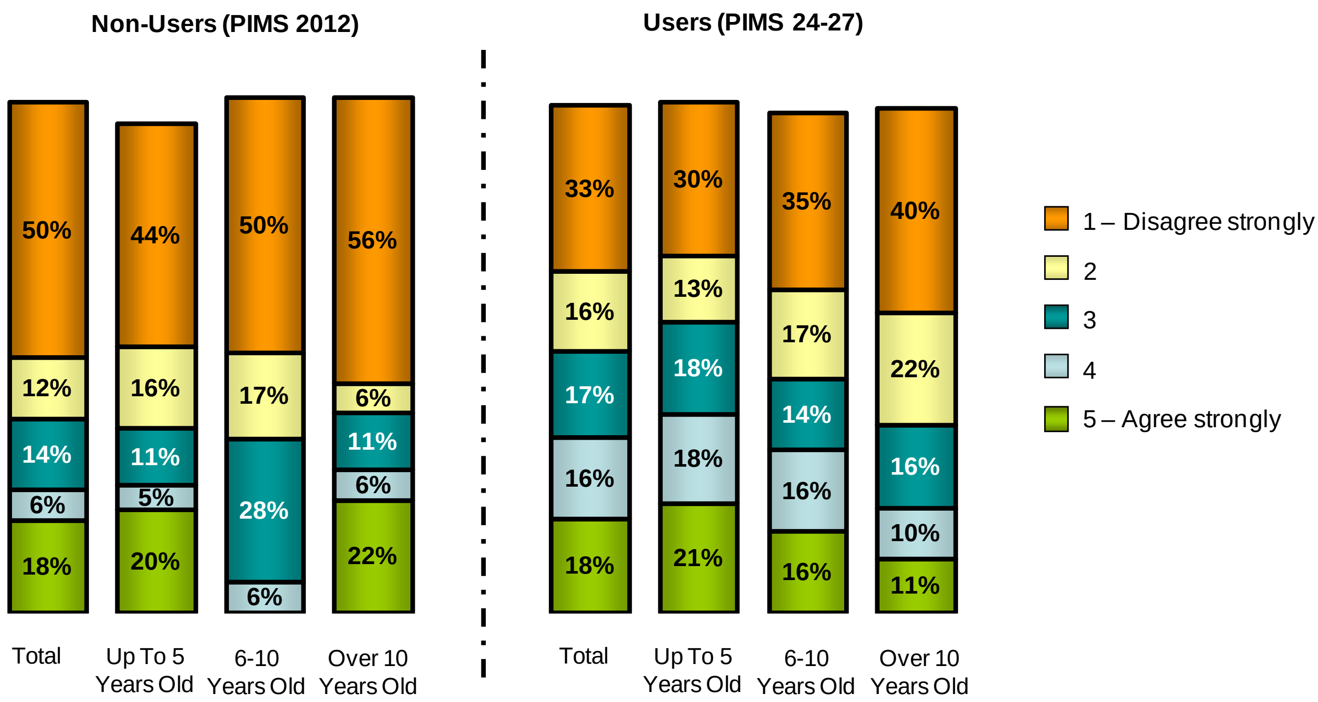
Three quarters of non-users agree that they export because they receive orders or enquiries from overseas customers, and this is the only one of the various export motivations tested where higher levels of agreement are seen for non-users than users.

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 had been exporting for less than 2 years (or not yet started exporting).

Chart 6.2.6 You Have Personal Connections Overseas or a Desire to Travel Abroad (Recent Exporters Only)



Base: All exporting for less than 2 years (Base, Don't know/Refused)
Non-Users – Total (91, 1%), Up to 5 years old (55, 4%), 6-10 years old (18, 0%), Over 10 years old (18, 0%)
Users – Total (986, 1%), Up to 5 years old (627, 0%), 6-10 years old (150, 2%), Over 10 years old (209, 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. This is more likely to be the case for UKTI users.

7. Barriers to Overseas Trade

7.1 Summary

One of the key purposes of the PIMS Non-User Survey is to help understand what non-user businesses need in terms of export support services. In response to this, non-user firms were read out a list of issues that they may have had to tackle when trying to develop the 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).

Table 7.1.1 Individual Barriers

Proportion experiencing significant difficulties (4-5 out of 5)	Non-Users (PIMS 2012)			
	Total	Up to 5 years	6-10 years	>10 years
Base	*300*	*100*	*100*	*100*
Dealing with legal or tax regulations and standards	10%	11%	13%	8%
Protecting your intellectual property	7%	7%	9%	7%
Ensuring you get paid and enforcing contracts	12%	9%	12%	13%
Dealing with customs procedures or paperwork	14%	18%	13%	13%
Identifying who to make contact with	16%	15%	15%	16%
Establishing an initial dialogue	13%	7%	10%	16%
Building relationships with influencers/decision makers	10%	6%	9%	12%
Obtaining basic information about an overseas market	12%	14%	11%	11%
Finding the necessary management time	23%	20%	20%	25%
Language barriers	9%	8%	6%	11%
Cultural differences	5%	1%	5%	6%
Preference for doing business with firms from own country	11%	11%	12%	11%

The most widespread barrier reported by non-user firms relates to difficulty finding sufficient management time to devote to doing business overseas. Problems identifying contacts and developing relationships, and in dealing with overseas customs procedures, were the next most commonly mentioned individual barriers.

There are few consistent differences by age of firm, although younger firms appear more likely to encounter difficulties with customs procedures and older firms seem more likely to experience language/cultural barriers and difficulties establishing a dialogue and building relationships with overseas contacts. It is interesting to note that firms of all ages experienced difficulties with finding enough management time to develop their overseas business.

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

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

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

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

- Dealing with customs procedures or paperwork

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

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

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

- Obtaining 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
- <u>Or</u>, 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.

Table 7.1.2 Summary Barriers

Proportion experiencing significant difficulties (4-5 out of 5)	Non-Users (PIMS 2012)			
	Total	Up to 5 years	6-10 years	>10 years
Base	*300*	*100*	*100*	*100*
At least 1 sig. barrier	50%	44%	50%	51%
- Legal & regulatory	24%	20%	27%	24%
- Customs	14%	18%	13%	13%
- Contacts	22%	18%	21%	24%
- Information	12%	14%	11%	11%
- Resource	23%	20%	20%	25%
- Language & cultural	12%	8%	9%	15%
- Bias	11%	11%	12%	11%
No sig. barriers	50%	56%	50%	49%

Half of all non-user firms have experienced one or more significant barrier to the development of their overseas business, suggesting that many would benefit from the type of support that UKTI can provide. The most widespread issues encountered relate to legal and regulatory issues, establishing/developing contacts and finding sufficient resources.

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

Table 7.1.3 How UKTI Support Can Address Barriers

Barrier	**Corresponding Benefit of UKTI Support**
Legal & regulatory	• Overcome problem or difficulty with a legal or regulatory issue or quality standards (12%) • Made improvements to products or services (23%)
Customs	• Improved the way you do business in overseas markets (32%)
Contacts	• Gained access to prospective customers or business partners (42%) • Improved overseas marketing strategy (31%)
Information	• Gained access to information otherwise unable to come by (40%)
Resource	• Made improvements to processes or management practices (16%) • Gained confidence to enter new market/expand in existing one (37%)
Language & cultural	• Gained access to information otherwise unable to come by (40%) • Improved the way you do business in overseas markets (32%)
Bias	• Improved profile or credibility (37%) • Improved knowledge of competitive environment in overseas market (36%)

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

Table 7.1.4 Summary Barriers
- Non-Users by Whether Supported (2011/2012 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	*113*	*482*	*42*	*156*	*32*	*166*	*39*	*160*
At least 1 sig. barrier	62%	44%	62%	46%	66%	44%	62%	44%
- Legal & regulatory	33%	20%	31%	22%	25%	23%	36%	19%
- Customs	18%	13%	19%	13%	19%	11%	18%	14%
- Contacts	29%	19%	36%	19%	41%	17%	23%	20%
- Information	19%	10%	31%	12%	19%	8%	15%	11%
- Resource	19%	19%	31%	15%	25%	17%	13%	21%
- Language & cultural	15%	10%	10%	12%	19%	5%	15%	11%
- Bias	13%	9%	17%	12%	13%	8%	13%	9%
No sig. barriers	38%	56%	38%	54%	34%	56%	38%	56%

Those non-user firms that have accessed some form of (non-UKTI) export support are significantly more likely to have encountered barriers to overseas trade than unsupported non-users. This suggests that coming up against these barriers is a catalyst for seeking out external support.

Barriers to overseas trade are also explored in UKTI's Internationalisation Survey, which covers both users and non-users of UKTI. It is not possible to make direct comparisons with the PIMS Non-User Survey data due to a different questioning approach. However, one key finding of the Internationalisation Survey is that UKTI clients are much more likely to encounter significant barriers than non-users (72% vs. 52%[6]). This is consistent with the above finding that supported non-users are more likely to report barriers, and again suggests that firms are prompted to access support as a result of encountering barriers.

The lower incidence of barriers amongst non-user firms (and particularly unsupported non-users) is also likely to be linked to the fact that they have weaker, and more reactive, export motivations (as seen in Section 6.1). Non-users are also 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 of these factors, it is likely that non-user firms have been exposed to fewer barriers due to their typically more limited experience of overseas business.

[6] UKTI Internationalisation Survey 2012, OMB Research

7.2 Individual Barriers

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

Table 7.2.1 Individual Barriers – Detailed Results

Extent of difficulty	Dealing with legal or tax regulations & standards	Protecting your intellectual property	Ensuring you get paid and enforcing contracts	Dealing with customs procedures or paperwork
Base	*300*	*300*	*300*	*300*
5 – Extremely difficult	4%	5%	9%	5%
4	5%	1%	3%	8%
3	6%	2%	6%	11%
2	3%	4%	4%	3%
1 – Not at all difficult	81%	84%	78%	72%
Don't know/refused	1%	2%	0%	0%
Net: 4-5 out of 5	*10%*	*7%*	*12%*	*14%*
Extent of difficulty	Identifying who to make contact with in the first instance	Establishing an initial dialogue with prospective customers or partners	Building relationships with influencers/ decision makers	Obtaining basic information about an overseas market
Base	*300*	*300*	*300*	*300*
5 – Extremely difficult	8%	5%	5%	5%
4	8%	8%	5%	7%
3	6%	5%	7%	5%
2	1%	1%	2%	1%
1 – Not at all difficult	78%	79%	80%	81%
Don't know/refused	0%	1%	0%	2%
Net: 4-5 out of 5	*16%*	*13%*	*10%*	*12%*
Extent of difficulty	Finding the necessary management time to devote to doing business overseas	Language barriers	Cultural differences	Preference on part of overseas customers for doing business with firms from own country
Base	*300*	*300*	*300*	*300*
5 – Extremely difficult	10%	2%	1%	5%
4	13%	7%	4%	6%
3	9%	12%	4%	8%
2	2%	3%	3%	3%
1 – Not at all difficult	66%	75%	88%	76%
Don't know/refused	0%	0%	0%	2%
Net: 4-5 out of 5	*23%*	*9%*	*5%*	*11%*

Those non-user firms that reported no or very minimal difficulties (i.e. 1-2 out of 5) with establishing an initial dialogue with prospective customers or partners were asked why this had not been a problem for them. As detailed below, in most cases this is because these customers/partners initiated the contact. This again highlights the reactive approach to exporting adopted by many non-user firms, consistent with the fact that most indicated that they did business overseas in response to enquiries or orders from overseas contacts (see Section 6.1 for details).

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

	Non-Users (PIMS 2012)			
	Total	Up to 5 years old	6-10 years old	>10 years old
Base	*300*	*100*	*100*	*100*
Already had contacts	27%	28%	34%	24%
Customers/partners initiated the contact	62%	62%	61%	62%
Other reason	5%	6%	6%	5%
Don’t know	1%	3%	0%	1%
Initial dialogue was a barrier (3-5 out of 5)	*18%*	*17%*	*15%*	*20%*

Firms that reported no or very minimal difficulties (i.e. 1-2 out of 5) with language barriers were also asked why this had not been a problem for them. As seen below, in most cases this was because firms had been able to use English when dealing with overseas contacts.

Table 7.2.3 Reasons for Not Having Difficulties with Language Barriers

	Non-Users (PIMS 2012)			
	Total	Up to 5 years old	6-10 years old	>10 years old
Base	*300*	*100*	*100*	*100*
Always been able to use English	65%	66%	71%	62%
Have staff with necessary language skills	18%	19%	19%	18%
Other reason	4%	7%	6%	3%
Don’t know	1%	1%	0%	1%
Language was a barrier (3-5 out of 5)	*22%*	*20%*	*14%*	*25%*

Similarly, those firms that had experienced no or very minimal difficulties (i.e. 1-2 out of 5) with cultural differences were asked why this had not been a problem for them. In most cases this is because firms have not come across any (major) cultural differences, although around a quarter have avoided them by virtue of having staff that are familiar with the culture in the overseas markets in which they do business.

Table 7.2.4 Reasons for Not Having Difficulties with Cultural Differences

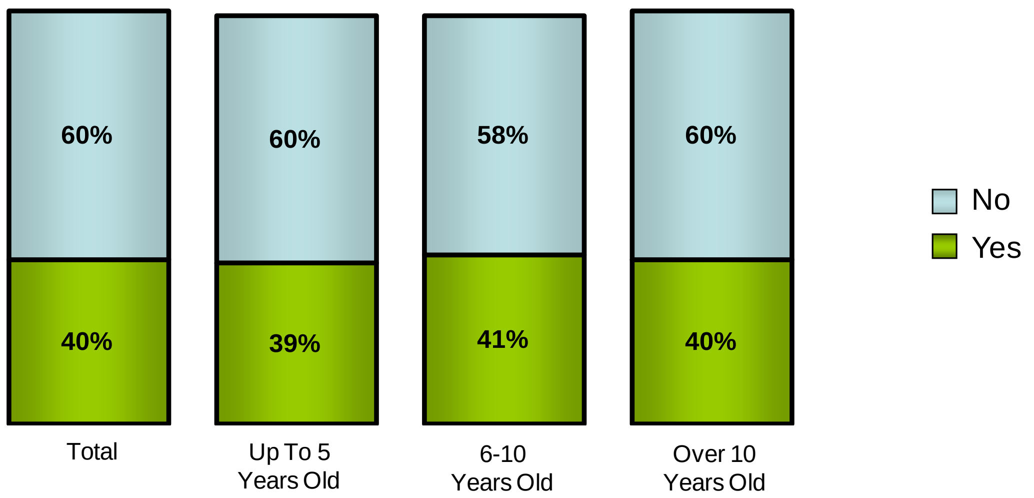
	Non-Users (PIMS 2012)			
	Total	Up to 5 years old	6-10 years old	>10 years old
Base	*300*	*100*	*100*	*100*
Not come across cultural differences	62%	67%	63%	60%
Have staff familiar with the culture	27%	27%	29%	26%
Other reason	10%	8%	6%	12%
Don’t know	1%	0%	0%	1%
Cultural differences were a barrier (3-5 out of 5)	*9%*	*9%*	*9%*	*9%*

8. Awareness of UKTI

8.1 Awareness of UKTI Name

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

Chart 8.1.1 Awareness of UK Trade & Investment / UKTI
- Non-Users (2012)



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

Two fifths of non-users firms are aware of UKTI, and awareness levels are very similar across the different age groups.

As seen below, those non-user firms that have accessed some form of external export-related support are more likely to have heard of UKTI. This raises the question as to why significant numbers of firms who are aware of UKTI and are obtaining export support have so far decided against using UKTI services.

Table 8.1.1 Awareness of UK Trade & Investment / UKTI
- Non-Users by Whether Supported (2011/2012 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	*113*	*482*	*42*	*156*	*32*	*166*	*39*	*160*
Yes	49%	36%	45%	34%	44%	39%	51%	35%
No	50%	64%	50%	66%	56%	60%	49%	65%
Don't know	1%	0%	5%	0%	0%	2%	0%	0%

The table below provides further analysis of awareness levels by firm size and export experience. Please note that to enable more robust analysis at this level, the data is based on both the 2011 and 2012 Non-User surveys.

Table 8.1.2 Awareness of UK Trade & Investment / UKTI
- Non-Users by Size & Export Experience (2011/2012 Combined)

	Size (Employees)			Years Exporting		
	0-9	10-99	100+	< 2 years	2-10 years	> 10 years
Base	*436*	*132*	*26*	*190*	*297*	*107*
Yes	36%	44%	46%	27%	39%	48%
No	64%	56%	54%	72%	60%	52%
Don’t know	1%	0%	0%	0%	1%	0%

The above analysis clearly demonstrates that awareness of UKTI is lowest amongst micro SMEs and those that have been doing business overseas for less than 2 years.

The following analysis provides details of awareness levels by the extent of firms’ growth ambitions for the next 5 years and whether or not they are classified as being innovative. Again, this data is based on both the 2011 and 2012 Non-User surveys.

Table 8.1.3 Awareness of UK Trade & Investment / UKTI
- Non-Users by Growth Objectives & Innovation (2011/2012 Combined)

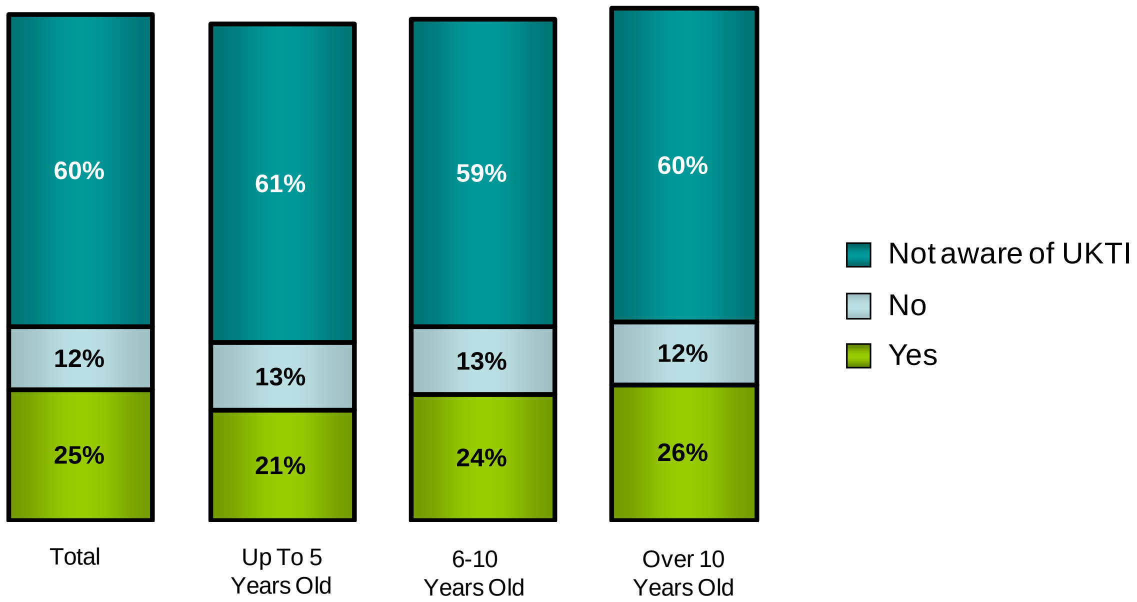
	Growth Objectives			Innovation			
	Substantial growth	Moderate growth	No growth	Innovative (alternative)	Innovative	Non-innovative	Innovative high growth
Base	*177*	*314*	*91*	*205*	*379*	*221*	*133*
Yes	42%	40%	33%	47%	44%	30%	44%
No	58%	60%	66%	52%	56%	70%	56%
Don’t know	0%	0%	1%	1%	1%	1%	0%

Awareness levels are also significantly higher amongst firms that plan to grow over the next 5 years and amongst innovative firms.

8.2 Awareness of UKTI Role

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

Chart 8.2.1 Awareness That UKTI Provides Assistance to Help UK Firms Do Business Overseas - Non-Users (2012)



Base: All respondents (Base, Don't know)
Non-Users – Total (300, 3%), Up to 5 years old (100, 5%), 6-10 years old (100, 4%), Over 10 years old (100, 2%)

The majority of those non-user firms that had heard of UKTI also knew that the organisation provides assistance to help UK firms do business overseas. However, this still only equates to 25% of all non-user firms being aware of UKTI's role. Although there was no difference in the awareness of the UKTI name by age of firm, older firms were slightly more likely to know that UKTI provided export support.

The analysis below provides results by supported and unsupported non-users, and is based only on the 2012 survey data as the question about awareness of UKTI's role was not asked in 2011.

Table 8.2.1 Awareness That UKTI Provides Assistance to Help UK Firms Do Business Overseas - Non-Users by Whether Supported (2012 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	*56*	*243*	*24*	*76*	*16*	*83*	*16*	*84*
Yes	19%	26%	8%	25%	31%	23%	19%	27%
No	19%	11%	17%	12%	6%	13%	25%	10%
Not aware of UKTI	58%	60%	58%	62%	63%	59%	56%	61%
Don't know	4%	3%	17%	1%	0%	5%	0%	2%

There are no statistically significant differences in awareness of UKTI's role between supported and unsupported non-users.

It should be noted that in the 2012 survey awareness of the *UKTI name* was similar for supported and unsupported non-users but, as seen in Table 8.1.1, when the 2011 and 2012 data is combined awareness is higher amongst supported non-users.

8.3 Awareness & Interest in UKTI Services

8.3.1 OMIS

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

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

Table 8.3.1.1 Awareness & Interest in OMIS - Non-Users (2012)

	Non-Users			
	Total	Up to 5 years old	6-10 years old	Over 10 years old
Base	*300*	*100*	*100*	*100*
Have you heard of this service before?				
Yes	15%	20%	16%	13%
No	84%	80%	84%	85%
Don't know	1%	0%	0%	2%
Would you be interested in using this service?				
Yes	25%	30%	32%	21%
Maybe	13%	17%	8%	14%
No	61%	52%	57%	65%
Don't know	1%	1%	3%	0%

Only 15% of non-user firms had heard of the OMIS service. However, based on the brief description that respondents were given about OMIS, a quarter felt that they would be interested in using it (with a further 13% indicating they may be interested).

Younger firms were more likely to have heard of OMIS and also expressed greater interest in using it.

The table below provides further analysis by firm size and export experience. Please note that to enable more robust analysis at this level, the data is based on both the 2011 and 2012 Non-User surveys.

Table 8.3.1.2 Awareness & Interest in OMIS
- Non-Users by Size & Export Experience (2011/2012 Combined)

	Size (Employees)			Years Exporting		
	0-9	10-99	100+	< 2 years	2-10 years	> 10 years
Base	*436*	*132*	*26*	*190*	*297*	*107*
Have you heard of this service before?						
Yes	16%	18%	18%	6%	19%	22%
No	83%	80%	82%	94%	79%	75%
Don't know	1%	3%	0%	0%	2%	3%
Would you be interested in using this service?						
Yes	26%	16%	19%	32%	21%	17%
Maybe	12%	17%	17%	13%	13%	14%
No	62%	66%	64%	54%	65%	69%
Don't know	1%	1%	0%	1%	1%	0%

Awareness of OMIS is similar irrespective of business size, but smaller firms with less than 10 employees are slightly more interested in the service.

Interestingly, when looking at results by export experience it is clear that awareness of OMIS is lowest among very recent exporters, yet this is the group that find the idea of 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. Again, this data is based on both the 2011 and 2012 Non-User surveys.

Table 8.3.1.3 Awareness & Interest in OMIS
- Non-Users by Growth Objectives & Innovation (2011/2012 Combined)

	Growth Objectives			Innovation			
	Substantial growth	Moderate growth	No growth	Innovative (alternative)	Innovative	Non-innovative	Innovative high growth
Base	*177*	*314*	*91*	*205*	*379*	*221*	*133*
Have you heard of this service before?							
Yes	19%	15%	19%	20%	19%	13%	21%
No	79%	83%	81%	78%	80%	85%	79%
Don't know	1%	2%	0%	1%	2%	2%	0%
Would you be interested in using this service?							
Yes	32%	23%	11%	27%	24%	20%	31%
Maybe	15%	15%	7%	13%	15%	10%	16%
No	54%	62%	81%	59%	60%	69%	53%
Don't know	0%	1%	0%	1%	1%	0%	0%

As seen above, awareness of the OMIS service was fairly similar irrespective of firms' growth ambitions. However, those firms that are aiming for growth (and particularly substantial growth) were considerably more interested in the service once they had heard a summary of what it involved. This 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 higher awareness of OMIS and a slightly greater level of interest in using the service.

8.3.2 International Trade Advisors

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

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

Table 8.3.2.1 Awareness & Interest in ITAs - Non-Users (2012)

	Non-Users			
	Total	Up to 5 years old	6-10 years old	Over 10 years old
Base	*300*	*100*	*100*	*100*
Have you heard of this service before?				
Yes	19%	18%	17%	20%
No	81%	82%	83%	80%
Don't know	0%	0%	0%	0%
Would you be interested in using this service?				
Yes	33%	39%	33%	31%
Maybe	12%	11%	11%	12%
No	54%	50%	53%	56%
Don't know	1%	0%	3%	1%

Awareness of the ITAs is slightly higher than that seen for OMIS (19% vs. 15%). This service also seems to have more instant appeal than OMIS (based on the brief descriptions firms were given), with over a third of firms expressing an interest in using the ITAs and a further 12% indicating that they may be interested (compared to 25% interested in OMIS).

There is little difference in awareness levels by age of firm, but recently established firms are most interested in using this type of support.

Awareness of the services provided by UKTI's international trade advisors increases significantly amongst firms with more overseas experience, and also appears to be higher amongst larger firms. As was seen with OMIS, although very recent exporters are least likely to have heard of the ITAs, they are most interested in accessing this type of support.

Table 8.3.2.2 Awareness & Interest in ITAs
- Non-Users by Size & Export Experience (2011/2012 Combined)

	Size (Employees)			Years Exporting		
	0-9	10-99	100+	< 2 years	2-10 years	> 10 years
Base	*436*	*132*	*26*	*190*	*297*	*107*
Have you heard of this service before?						
Yes	19%	23%	31%	10%	21%	29%
No	81%	77%	69%	88%	79%	71%
Don't know	1%	0%	0%	2%	0%	0%
Would you be interested in using this service?						
Yes	37%	26%	36%	50%	31%	26%
Maybe	12%	12%	10%	14%	11%	13%
No	49%	59%	48%	36%	57%	58%
Don't know	1%	2%	5%	0%	1%	3%

There were no statistically significant differences in awareness levels by firms' growth objectives, but those firms planning to grow over the next 5 years were considerably more interested in accessing this type of support. Innovative firms were more likely to have heard of the ITAs than their non-innovative counterparts, and also found the service more appealing.

Table 8.3.2.3 Awareness & Interest in ITAs
- Non-Users by Growth Objectives & Innovation (2011/2012 Combined)

	Growth Objectives			Innovation			
	Substantial growth	Moderate growth	No growth	Innovative (alternative)	Innovative	Non-innovative	Innovative high growth
Base	*177*	*314*	*91*	*205*	*379*	*221*	*133*
Have you heard of this service before?							
Yes	25%	19%	21%	26%	23%	16%	26%
No	73%	81%	79%	73%	76%	83%	72%
Don't know	1%	0%	0%	1%	0%	0%	1%
Would you be interested in using this service?							
Yes	46%	36%	17%	39%	39%	26%	47%
Maybe	14%	14%	6%	13%	13%	11%	14%
No	39%	48%	76%	47%	47%	61%	37%
Don't know	1%	2%	0%	2%	1%	1%	1%

8.3.3 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"

Table 8.3.3.1 Awareness & Interest in UKTI Export Events - Non-Users (2012)

	Non-Users			
	Total	Up to 5 years old	6-10 years old	Over 10 years old
Base	*300*	*100*	*100*	*100*
Have you heard of these events before?				
Yes	38%	34%	26%	43%
No	62%	65%	73%	57%
Don't know	0%	1%	1%	0%
Would you be interested in attending this type of event?				
Yes	33%	38%	36%	30%
Maybe	10%	14%	11%	9%
No	57%	48%	52%	61%
Don't know	0%	0%	1%	0%

Awareness of this type of UKTI export-focussed events is higher than was seen for either OMIS or the ITAs, at 38%. However, given that only 40% of firms were aware of the UKTI name and just 25% knew that the organisation provides assistance to help UK firms do business overseas, it seems likely that some firms were answering about export-related events in general, rather than UKTI ones specifically.

There is considerable interest in this type of event, with a third of non-users indicating that they would be interested in attending and a further 10% stating that they may be interested.

There are no consistent differences in awareness levels by age of firm, although firms established in the last 10 years appear to be more interested in export events than older firms.

There are no statistically significant differences by size of firm in awareness of, or interest in, UKTI export events. However, awareness increases amongst more experienced exporters, but interest is greatest amongst new exporters.

Table 8.3.3.2 Awareness & Interest in UKTI Export Events
- Non-Users by Size & Export Experience (2011/2012 Combined)

	Size (Employees)			Years Exporting		
	0-9	10-99	100+	< 2 years	2-10 years	> 10 years
Base	*436*	*132*	*26*	*190*	*297*	*107*
Have you heard of this service before?						
Yes	39%	45%	31%	28%	41%	51%
No	61%	54%	69%	72%	59%	49%
Don't know	0%	1%	0%	0%	0%	0%
Would you be interested in using this service?						
Yes	32%	24%	38%	40%	28%	27%
Maybe	10%	8%	13%	14%	10%	7%
No	57%	68%	49%	46%	62%	66%
Don't know	1%	1%	0%	0%	1%	0%

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

Table 8.3.3.3 Awareness & Interest in UKTI Export Events
- Non-Users by Growth Objectives & Innovation (2011/2012 Combined)

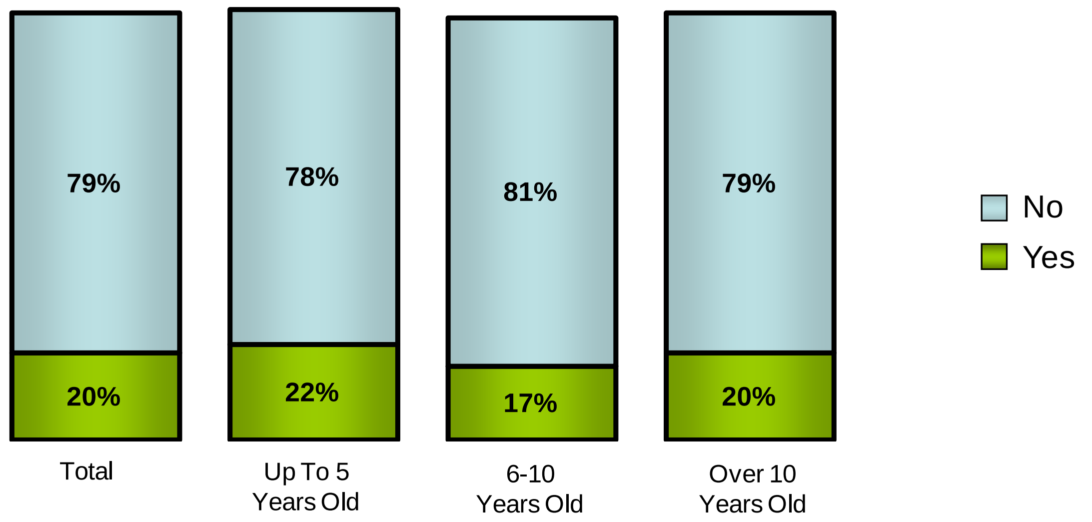
	Growth Objectives			Innovation			
	Substantial growth	Moderate growth	No growth	Innovative (alternative)	Innovative	Non-innovative	Innovative high growth
Base	*177*	*314*	*91*	*205*	*379*	*221*	*133*
Have you heard of this service before?							
Yes	39%	42%	42%	44%	41%	40%	40%
No	61%	58%	58%	56%	59%	59%	60%
Don't know	0%	0%	0%	0%	0%	1%	0%
Would you be interested in using this service?							
Yes	45%	30%	16%	36%	36%	22%	45%
Maybe	11%	10%	7%	12%	10%	9%	12%
No	44%	60%	75%	52%	54%	67%	43%
Don't know	0%	0%	2%	0%	0%	1%	0%

9. Awareness & Use of Non-UKTI Support

9.1 Use of Non-UKTI Support

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

Chart 9.1.1 Whether Received Export Support in Last 2 Years - Non-Users (2011/2012 Combined)



Base: All respondents (Base, Don't know/Refused)
Non-Users – Total (600, 1%), Up to 5 years old (199, 0%), 6-10 years old (200, 3%), Over 10 years old (201, 0%)

A fifth of non-users had received export support from a non-UKTI source in the previous two years, and are therefore classed as 'supported' non-users. There is little difference in the likelihood of accessing export support by age of firm.

The table below provides details of specific providers used by those firms accessing non-UKTI export support.

Table 9.1.1 Sources of External (Non-UKTI) Export Support Used - Non-Users (2011/2012 Combined)

	Non-Users			
	Total	Up to 5 years old	6-10 years old	Over 10 years old
Base: All non-users	*600*	*199*	*200*	*201*
HM Revenue and Customs	8%	11%	6%	7%
Chamber of Commerce	6%	3%	2%	8%
Bank	5%	5%	4%	5%
Consultant	4%	3%	4%	3%
Trade Association	4%	2%	3%	5%
Regional Development Agency	2%	2%	3%	2%
Market research agency	1%	2%	1%	1%
British Council	1%	1%	0%	1%
Other	3%	6%	4%	2%
No support received	*79%*	*78%*	*81%*	*79%*
Don't know if received support	*1%*	*0%*	*3%*	*0%*

A variety of different providers were used by non-user firms, but the most common source was HMRC, followed by the Chamber of Commerce, banks, consultants and trade associations.

It should be noted that 13 firms (2%) indicated that they had received export support from a regional development agency, which is therefore likely to have been delivered by UKTI even though the firms themselves were unaware of this. These firms have been treated as follows:

- *Firms that had also used other non-UKTI support providers (8 firms):* These firms were asked to focus on the other (non RDA) support in subsequent questions, and have been treated as 'supported' non-users.
- *Firms that had only used RDA support (5 firms):* These firms have been included in the overall non-user base but have not been classified as either 'supported' or 'unsupported' non-users.

In the 2012 Non-User survey, those firms that had obtained export-related support from more than one provider were asked to identify which of these sources had been most important to them in relation to doing business overseas. Please note that if firms had only obtained support from a single provider this has been included as the 'most important' source in the analysis below.

Table 9.1.2 Most Important Source of External (Non-UKTI) Export Support - Non-Users (2012 Only)

	Non-Users			
	Total	Up to 5 years old	6-10 years old	Over 10 years old
Base: All non-users	*300*	*100*	*100*	*100*
HM Revenue and customs	5%	6%	4%	5%
Chamber of Commerce	3%	1%	1%	4%
Bank	3%	3%	4%	2%
Trade Association	2%	2%	1%	2%
Consultant	1%	2%	0%	1%
British Council	1%	1%	0%	1%
Market research agency	0%	1%	0%	0%
Other	3%	8%	6%	1%
No support received	*82%*	*76%*	*80%*	*84%*
Don't know if received support	*1%*	*0%*	*3%*	*0%*
Only received RDA support	*0%*	*0%*	*1%*	*0%*

Please note that for all the subsequent questions about the type, quality and impact of the export support received, 2012 survey respondents were asked about the *most important provider*. However, in the 2011 survey, respondents were asked about *all of the providers* they had used.

Those firms that received assistance from the Chamber of Commerce were asked whether the Chamber in question was based in the UK or overseas. They were also asked whether, as far as they were aware, the assistance they received from the Chamber was supported by UKTI. Please note that these questions were only included in the 2012 Non-User survey, when only 11 firms had received support from the Chamber of Commerce.

Table 9.1.3 Chamber of Commerce Support
- Non-Users (2012 Only)

	Total
Base: All using Chamber of Commerce	*11*
Was the Chamber of Commerce based in the UK or located overseas?	
Based in the UK	100%
Located overseas	0%
- British Chamber of Commerce overseas	*0%*
- Local Chamber of Commerce overseas	*0%*
Don't know	0%
Was the assistance you received from the Chamber of Commerce supported by UKTI?	
Yes	40%
No	3%
Don't know	57%

All firms accessing support through the Chamber of Commerce indicated that this was from a Chamber of Commerce in the UK. Most were unsure whether any of the assistance provided by the Chamber had been supported by UKTI, although 40% (4 firms) believed that it had been.

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

9.2.1 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 almost half of all supported non-users obtaining this in the previous 2 years. Approaching a quarter had received specific information about entering a new market and information about overseas business opportunities, and around a fifth had been provided with contacts and had received assistance developing their overseas strategy.

Table 9.2.1.1 Types of External Support Received
- Supported Non-Users (2011/2012 Combined)

	Supported Non-Users			
	Total	Up to 5 years old	6-10 years old	Over 10 years old
Base: Supported non-users	*113*	*42*	*32*	*39*
Info on how to do business in an overseas market	48%	52%	44%	49%
Info about entering a new market	23%	21%	34%	20%
Info about business opportunities overseas	22%	19%	28%	20%
Help identifying overseas contacts	20%	29%	19%	18%
Help with developing overseas business strategy	19%	17%	25%	18%
Help accessing finance or funding	15%	19%	16%	13%
Certificates of Origin	13%	7%	3%	18%
Help with doing market research overseas	9%	19%	13%	5%
Other	41%	40%	56%	36%
Don't know	7%	10%	3%	8%

9.2.2 Paid-For Support

Supported non-users were also asked whether they had paid for any of the support they had received, and as detailed below, almost a quarter had done so. Young firms are considerably less likely to have paid for support, perhaps reflecting the greater financial constraints on many of these firms.

Table 9.2.2.1 Whether Had to Pay for Any External Support
- Supported Non-Users (2011/2012 Combined)

	Supported Non-Users			
	Total	Up to 5 years old	6-10 years old	Over 10 years old
Base: Supported non-users	113	42	32	39
Yes	22%	12%	19%	26%
No	77%	88%	81%	72%
Don't know	2%	0%	0%	3%

9.2.3 Time Spent

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

Table 9.2.3.1 Estimated Time Spent by Support Provider - Supported Non-Users (2011/2012 Combined)

	Supported Non-Users			
	Total	Up to 5 years old	6-10 years old	Over 10 Years old
Base: Supported non-users	113	42	32	39
More than a week	4%	5%	6%	3%
3-5 day's work	15%	12%	19%	15%
1-2 day's work	16%	12%	6%	21%
Less than a day	26%	40%	38%	18%
Less than an hour	28%	26%	31%	28%
Don't know	10%	5%	0%	15%

Most firms receiving external export support indicated that this had been relatively light in terms of time, with only 4% 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.

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

9.3.1 Perceived Benefit of Export Support

All non-user businesses that had not received any support were asked whether they thought they would have benefited from such support to help overcome any difficulties they had encountered when developing the export side of their business. As seen below, nearly half (45%) believed that they *would* have benefited from this type of assistance (with a further 7% indicating that they might have done so).

Table 9.3.1.1 Need for Support
- Unsupported Non-Users (2011/2012 Combined)

	Unsupported Non-Users			
	Total	Up to 5 years old	6-10 years old	Over 10 years old
Base: Unsupported non-users	*482*	*156*	*166*	*160*
Yes	45%	44%	42%	46%
Maybe	7%	4%	7%	7%
No	48%	51%	48%	48%
Don't know	1%	1%	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. As seen below, the most widely required types of assistance relate to help with export regulations, rules and taxes (23%) and general advice on how to export or enter new markets.

Table 9.3.1.2 Types of Support That Would Have Been Beneficial
- Unsupported Non-Users (2011/2012 Combined)

	Unsupported Non-Users			
	Total	Up to 5 years old	6-10 years old	Over 10 years old
Base: Unsupported non-users	*482*	*156*	*166*	*160*
Info & advice on export regulations/ rules/taxes	23%	19%	22%	25%
General info & advice on how to export/enter new markets	15%	19%	17%	13%
Help with accessing business contacts	7%	11%	7%	5%
Info about specific countries/market intelligence	7%	8%	8%	6%
Finance/grants/subsidies	7%	5%	7%	7%
Help with overseas marketing strategy	4%	6%	4%	4%
Info & advice about securing payment/ enforcing contracts	4%	2%	5%	4%
Don't know	4%	3%	4%	4%
Would not have benefited from support	*48%*	*51%*	*48%*	*48%*
Don't know if would have benefited	*1%*	*1%*	*2%*	*0%*

It should be noted that UKTI currently provides all of the types of assistance/support listed in the above table. This includes financial support, as although the organisation now provides very limited direct financial support/grants, most UKTI services are still heavily subsidised.

This clearly indicates that the main issue is a lack of awareness of UKTI and what it offers, rather than a lack of availability of the desired types of export support.

9.3.2 Awareness of Potential Support Providers

Those unsupported non-user firms indicating that export support 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.

Table 9.3.2.1 Awareness of Export Support Providers
- Unsupported Non-Users (2011/2012 Combined)

	Unsupported Non-Users			
	Total	Up to 5 years old	6-10 years old	Over 10 years old
Base: All unsupported non-users indicating would benefit from support	*242*	*76*	*82*	*84*
Yes	34%	33%	35%	33%
- *Business Link*	*5%*	*4%*	*4%*	*6%*
- *Friend, colleagues, business associates*	*5%*	*3%*	*2%*	*6%*
- *Trade Association*	*5%*	*3%*	*6%*	*6%*
- *Chamber of Commerce*	*5%*	*1%*	*6%*	*6%*
- *HM Revenue and Customs*	*4%*	*7%*	*6%*	*2%*
- *UKTI*	*4%*	*7%*	*1%*	*5%*
- *BIS*	*4%*	*3%*	*4%*	*5%*
- *Bank*	*4%*	*1%*	*5%*	*5%*
- *Accountant*	*3%*	*1%*	*2%*	*4%*
- *Regional Development Agency*	*1%*	*0%*	*2%*	*1%*
- *Consultant*	*0%*	*3%*	*0%*	*0%*
- *Market Research Company*	*0%*	*1%*	*0%*	*0%*
- *Other*	*5%*	*9%*	*5%*	*4%*
No, not aware of any support providers	66%	67%	63%	67%

In most cases the reason why firms have not accessed any export support even though they feel it would have been beneficial is because they are unaware of any providers of this type of assistance, with 66% of firms indicating that this is the case. This clearly suggests that, if awareness of the organisation is increased, there is potential for UKTI to reach and help a significantly greater number of firms.

Amongst those firms that were aware of potential support providers, a wide range of sources were mentioned covering government bodies, sectoral bodies, private sector suppliers and less formal assistance from friends or business associates. However, only 4% of firms suggested UKTI as a source of export support (with a further 4% mentioning BIS).

9.3.3 Reasons for Not Needing Export Support

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

Table 9.3.3.1 Reasons for Not Needing Support
- Unsupported Non-Users (2011/2012 Combined)

	Unsupported Non-Users			
	Total	Up to 5 years old	6-10 years old	Over 10 years old
Base: All unsupported non-users indicating would not benefit from support	*235*	*79*	*80*	*76*
Easy/straightforward/don't need help	25%	25%	28%	24%
Manage fine as we are/do it ourselves	22%	24%	19%	22%
Have a niche market/product	17%	19%	15%	17%
Have our own/existing contacts	17%	17%	23%	14%
No one could provide relevant help/information	16%	23%	11%	16%
Customers contact us/we respond to orders/enquiries	15%	14%	15%	15%
Already have experience/expertise within the company	10%	8%	15%	9%
Other reason	6%	4%	6%	7%
Don't know	1%	1%	0%	1%

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 were managing fine without any external assistance, with each of these mentioned by around a quarter of firms.

However, it is interesting to note that 16% of firms believed that no one would be able to help them in this way, and a further 17% highlighted the niche nature of their business (with the implication that it is too specialised for any external support to be beneficial).

10. Support Quality

10.1 Quality Rating – Measure A09

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

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

These ratings have been used to create a mean quality rating, calculated as the average proportion of firms providing a rating of 4 or 5 out of 5 across these service aspects. This analysis forms one of the key survey measures, namely 'Measure A09 Quality Rating'. Please note that the following data is based on both the 2011 and 2012 surveys to allow more robust analysis of supported non-users.

Table 10.1.1 Measure A09 – Quality Rating
- Supported Non-Users (2011/2012 Combined)

	Supported Non-Users			
	Total	1-5 years old	6-10 years old	Over 10 years old
Base: Supported non-users	*113*	*42*	*32*	*39*
Average proportion providing a rating of '4' or '5'	56%	61%	55%	55%
95% confidence interval	± 9%	± 15%	± 17%	± 16%

The mean quality rating for non-UKTI support is 56%, 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 30% giving a score of 4-5 out of 5 for this element).

A09 – Quality Rating

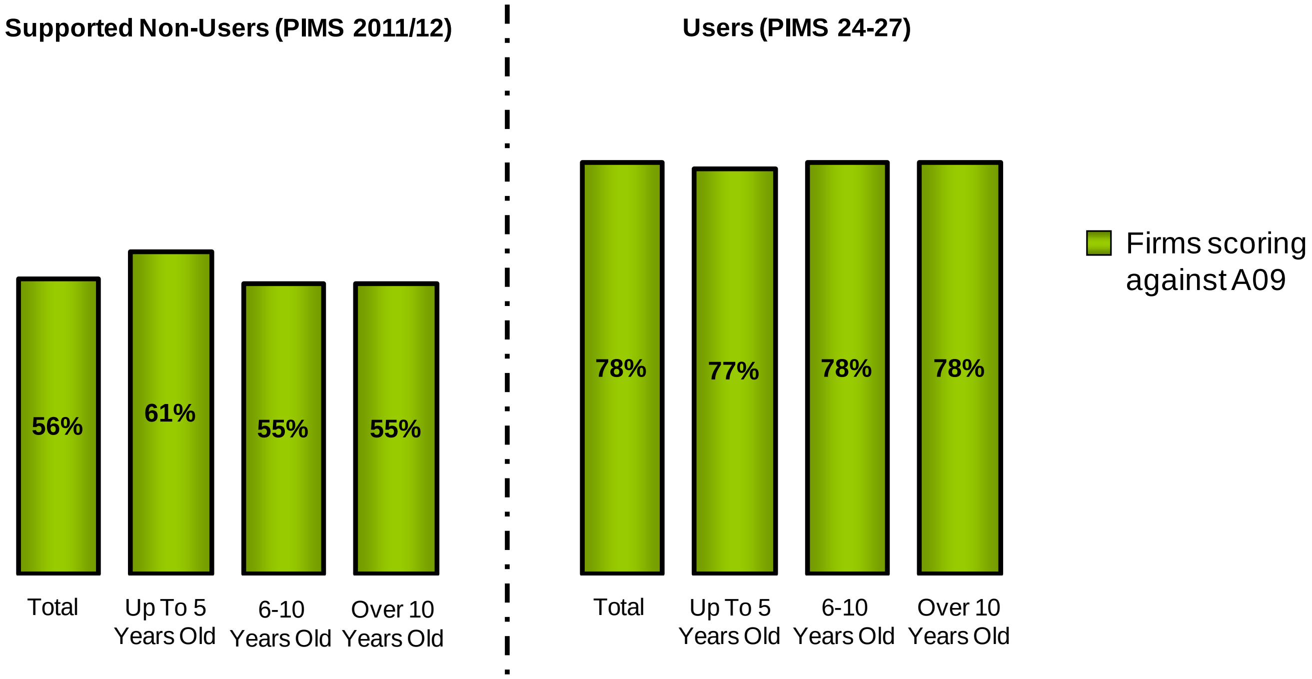
The average proportion of firms scoring '4' or '5' on a 5-point scale for…

- The quality & relevance of the information they provided (63%)
- The quality and relevance of any contacts it allowed you to make (30%)
- Their attitude & professionalism (71%)
- 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. .

Chart 10.1.1 Measure A09 – Quality Rating



Base: All supported firms (Base)
Non-Users – Total (113), Up to 5 years old (42), 6-10 years old (32), Over 10 years old (39),
Users – Total (3817), Up to 5 years old (932), 6-10 years old (708), Over 10 years old (2177)

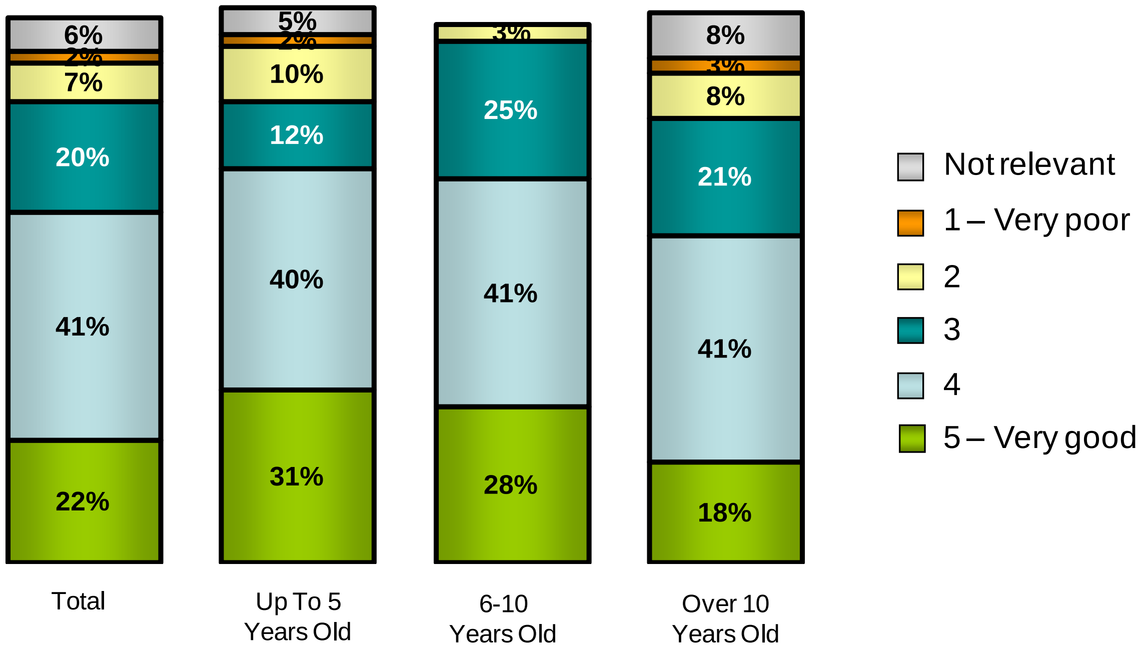
Overall, UKTI support is perceived to be of significantly higher quality than that provided by alternative providers, with mean quality ratings of 78% and 56% respectively. This difference is evident across all business age groups.

10.2 Individual Quality Ratings

10.2.1 Quality & Relevance of Information

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

Chart 10.2.1.1 Quality & Relevance of the Information & Advice Provided - Supported Non-Users (2011/2012 Combined)



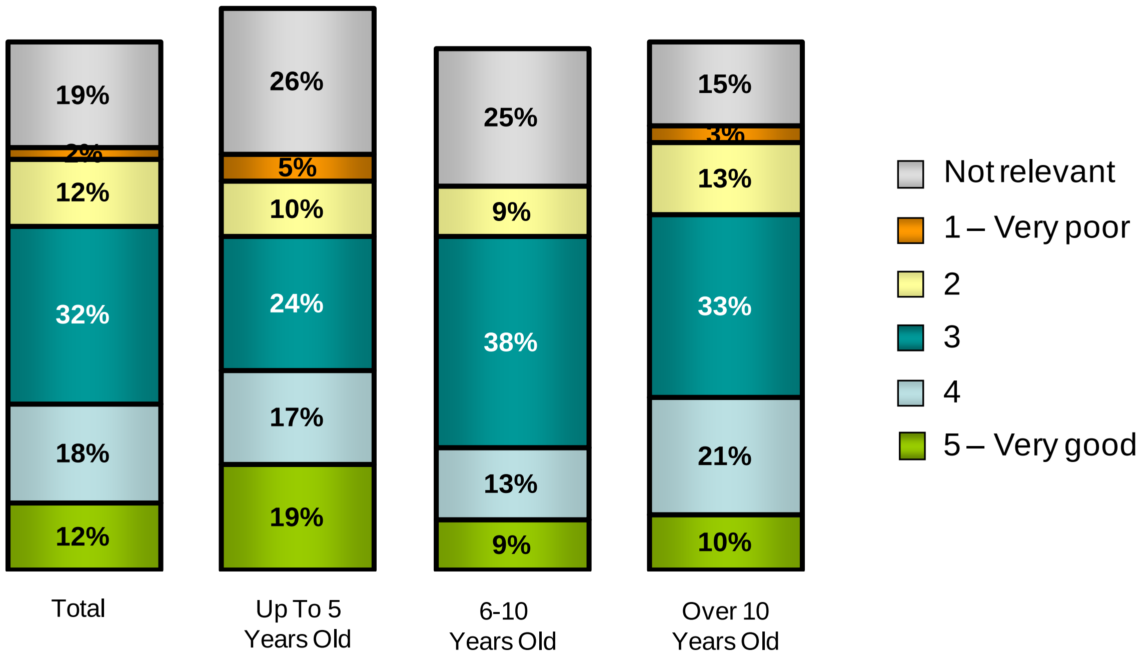
Base: All supported non-users (Base, Don't know/Refused)
Non-Users – Total (113, 2%), Up to 5 years old (42, 0%), 6-10 years old (32, 3%), Over 10 years old (39, 3%)

The quality and relevance of the information obtained from external (non-UKTI) providers is generally well regarded, with almost two-thirds of supported non-users giving high ratings (i.e. 4-5 out of 5) and only 9% giving a poor score of 1-2 out of 5.

10.2.2 Quality & Relevance of Contacts

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

Chart 10.2.2.1 Quality & Relevance of Any Contacts It Allowed You to Make - Supported Non-Users (2011/2012 Combined)



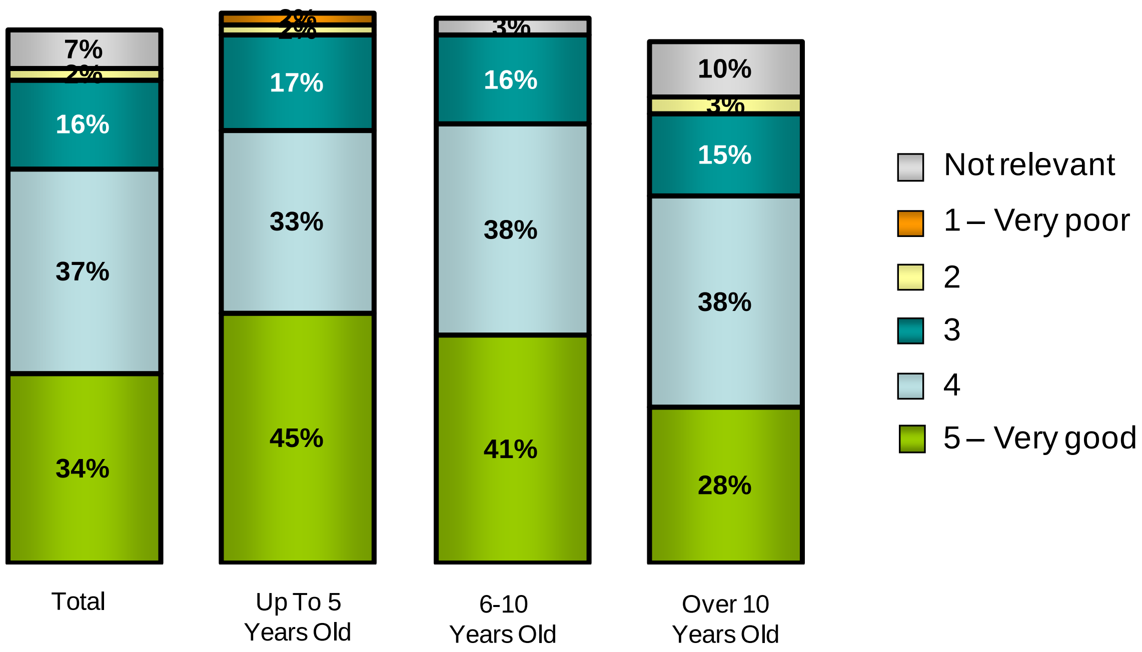
Base: All supported non-users (Base, Don't know/Refused)
Non-Users – Total (113, 4%), Up to 5 years old (42, 0%), 6-10 years old (32, 6%), Over 10 years old (39, 5%)

Less than a third (30%) of supported non-users gave a high rating for the quality and relevance of the contacts they were provided with by the support provider. 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 14% gave a poor score of just 1-2 out of 5.

10.2.3 Attitude & Professionalism

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

Chart 10.2.3.1 Attitude & Professionalism of Support Provider - Supported Non-Users (2011/2012 Combined)



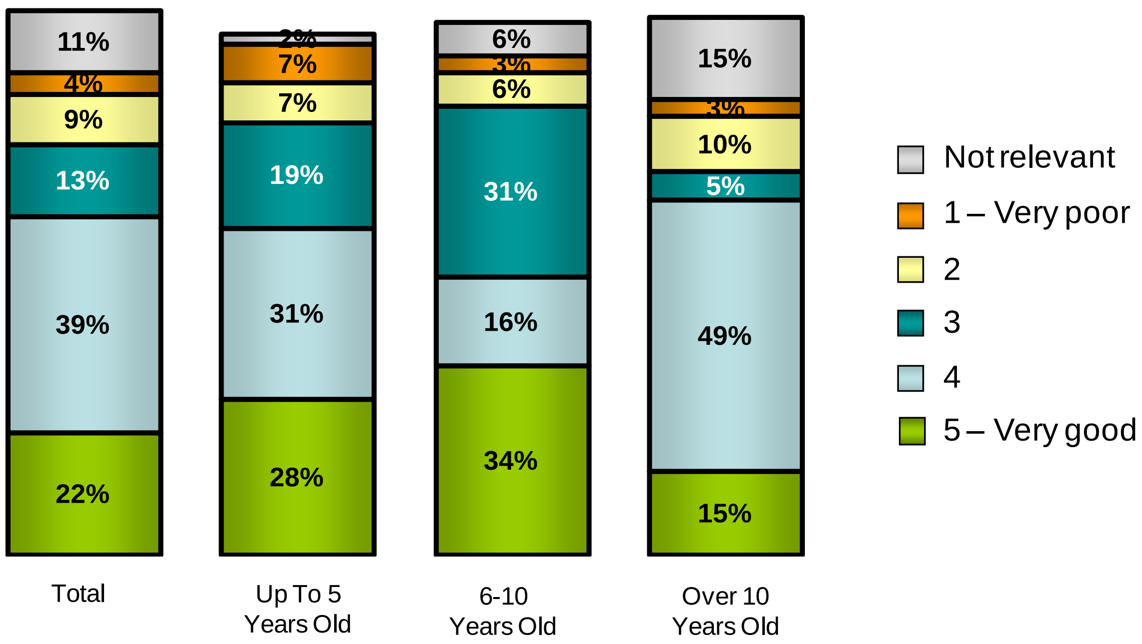
Base: All supported non-users (Base, Don't know/Refused)
Non-Users – Total (113, 4%), Up to 5 years old (42, 0%), 6-10 years old (32, 3%), Over 10 years old (39, 5%)

The attitude and professionalism of the personnel delivering the assistance is a major strength of these external support providers, with almost three-quarters of supported non-users (71%) scoring 4-5 out of 5 for this element and only 2% giving ‘poor’ ratings (i.e. 1-2 out of 5).

10.2.4 Objectivity & Acting in Best Interests

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

Chart 10.2.4.1 Their Objectivity & Acting in Your Best Interests
- Supported Non-Users (2011/2012 Combined)



Base: All supported non-users (Base, Don't know/Refused)
Non-Users – Total (113, 3%), Up to 5 years old (42, 5%), 6-10 years old (32, 3%), Over 10 years old (39, 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. That said, a significant minority (13%) gave a poor rating of only 1-2 out of 5 for this.

10.2.5 Comparison with UKTI Users

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

- **Passport to Export, Gateway to Global Growth (GGG) & English Regions Trade Advisors' Significant Assists (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

Table 10.2.5.1 Individual Quality Ratings – Comparison with UKTI Services

Proportion scoring 4-5 out of 5	Supported Non-Users (PIMS 2011/12)				UKTI Users (PIMS 24-27)							
					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	*113*	*42*	*32*	*39*	*993*	*310*	*187*	*496*	*420*	*66*	*75*	*279*
Quality Rating (A09)	56%	61%	55%	55%	86%	85%	86%	87%	76%	76%	70%	77%
- Quality & relevance of info and advice	63%	71%	69%	59%	74%	71%	74%	76%	71%	70%	68%	73%
- Quality & relevance of contacts	30%	36%	22%	31%	-	-	-	-	63%	69%	58%	63%
- Attitude & professionalism	71%	79%	78%	67%	92%	91%	90%	94%	87%	84%	89%	88%
- Objectivity & acting in best interests	60%	59%	50%	64%	-	-	-	-	79%	79%	88%	77%

As seen above, the various UKTI services consistently outperform the alternative support sources for each of the elements tested.

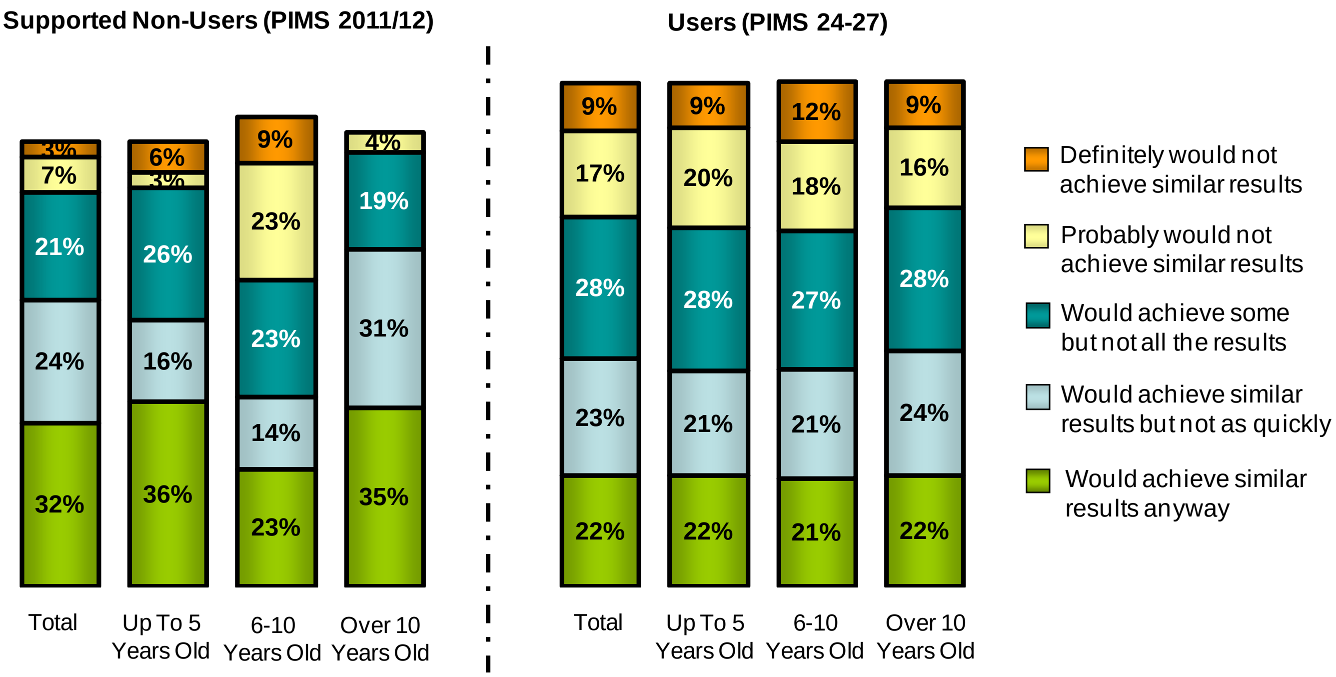
The difference in the quality of contact facilitation is very apparent, with OMIS users twice as likely to give a good rating for the contacts they were provided with. That said, it should be recognised that OMIS is specifically designed to provide access to contacts, whereas some non-user firms may not have been seeking this from their support provider (as demonstrated by the fact that 19% indicated that this was not relevant when asked to rate this service element).

11. Additionality

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

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

Chart 11.1 Whether Firms Would Have Achieved Similar Results Anyway



Base: All supported firms excluding non-users just receiving Certificates of Origin or <1 hour of support (Base, None of these)
Non-Users – Total (79, 11%), Up to 5 years old (31, 13%), 6-10 years old (22, 9%), Over 10 years old (26, 12%),
Users – Total (3817, 1%), Up to 5 years old (932, 1%), 6-10 years old (708, 1%), Over 10 years old (2177, 1%)

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.

A third 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), compared to just 22% 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.

Amongst non-users it appears that firms established 6-10 years display higher levels of additionality, with similar results to the equivalent group of UKTI users. However, it should be noted base sizes are low for supported non-users when breaking down results by age band, so it is difficult to draw any definite conclusions in this respect.

12. Impacts & Outcomes

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

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

12.1 Increased Skills - Measure A81

12.1.1 Summary

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

Table 12.1.1 Measure A81 – Increased Skills
- Supported Non-Users (2011/2012 Combined)

	Supported Non-Users			
	Total	1-5 years old	6-10 years old	Over 10 years old
Base	*79*	*31*	*22*	*26*
Proportion displaying at least one 'increased skill', net of non-additionality	11%	23%	18%	4%
95% confidence interval	± 7%	± 15%	± 16%	± 8%

Overall, just 11% of supported non-users are judged to have significantly increased their skills as a result of the assistance they received. Older firms that have been trading for more than 10 years are least likely to experience this benefit from the non-UKTI support.

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

A81 – Increased Skills

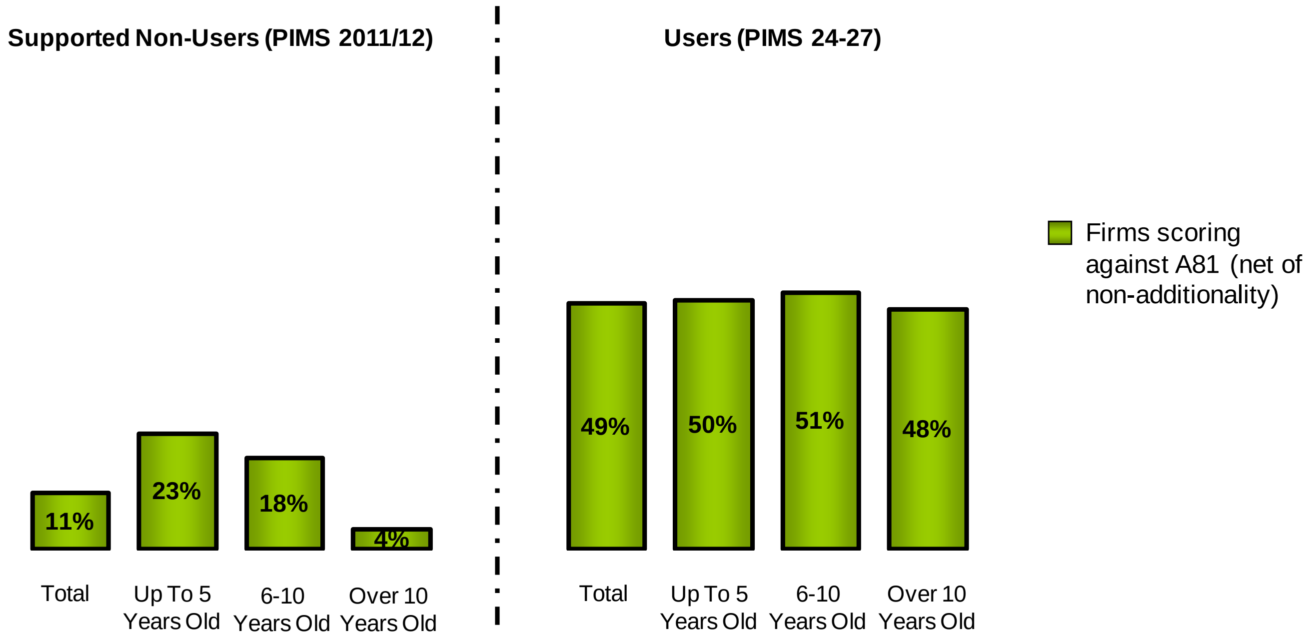
Firms are classified as indicating increased skills if they feel that they have or will benefit 'to a significant extent' (i.e. score '4' or '5') from…

- Improving their knowledge of the competitive environment in an overseas market (C7i) - 6%
- Or, improving 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].

Chart 12.1.1 Measure A81 – Increased Skills



Base: All supported firms excluding non-users just receiving Certificates of Origin or <1 hour of support (Base)
Non-Users – Total (79), Up to 5 years old (31), 6-10 years old (22), Over 10 years old (26),
Users – Total (3817), Up to 5 years old (932), 6-10 years old (708), Over 10 years old (2177)

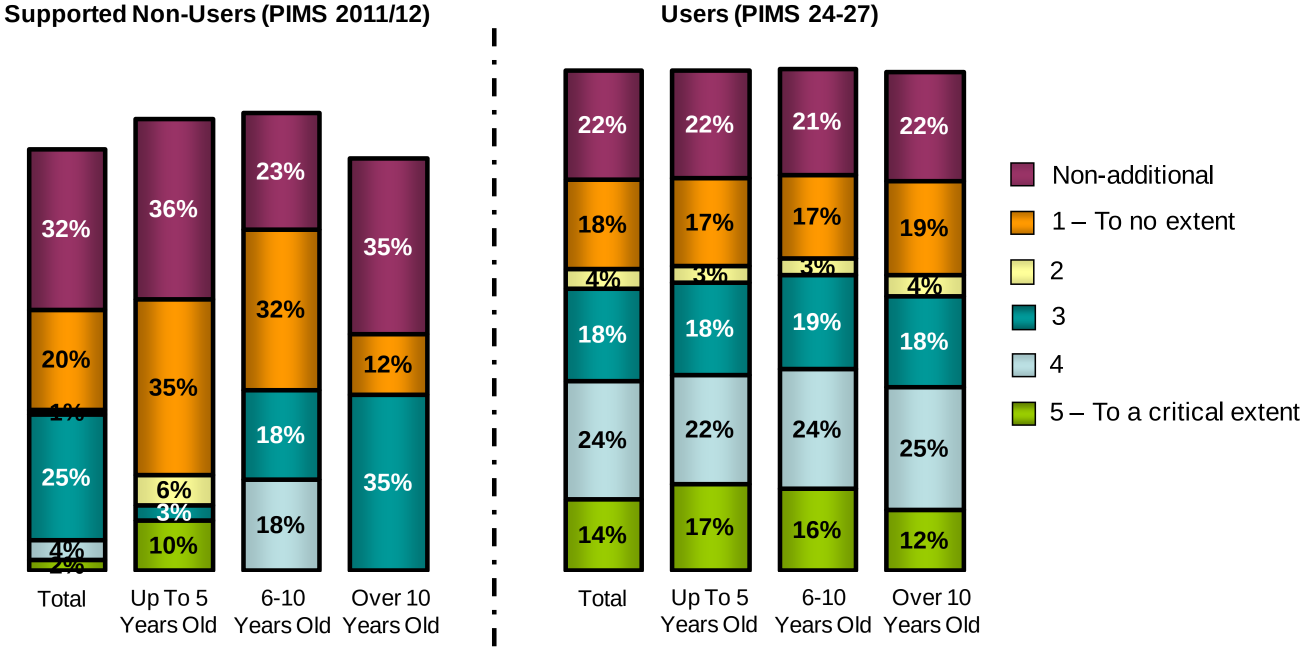
UKTI users are more than four times as likely to increase their skills as a result of the support than is the case for firms accessing non-UKTI export support.

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

12.1.2 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).

Chart 12.1.2 Improved Your Knowledge of the Competitive Environment in an Overseas Market



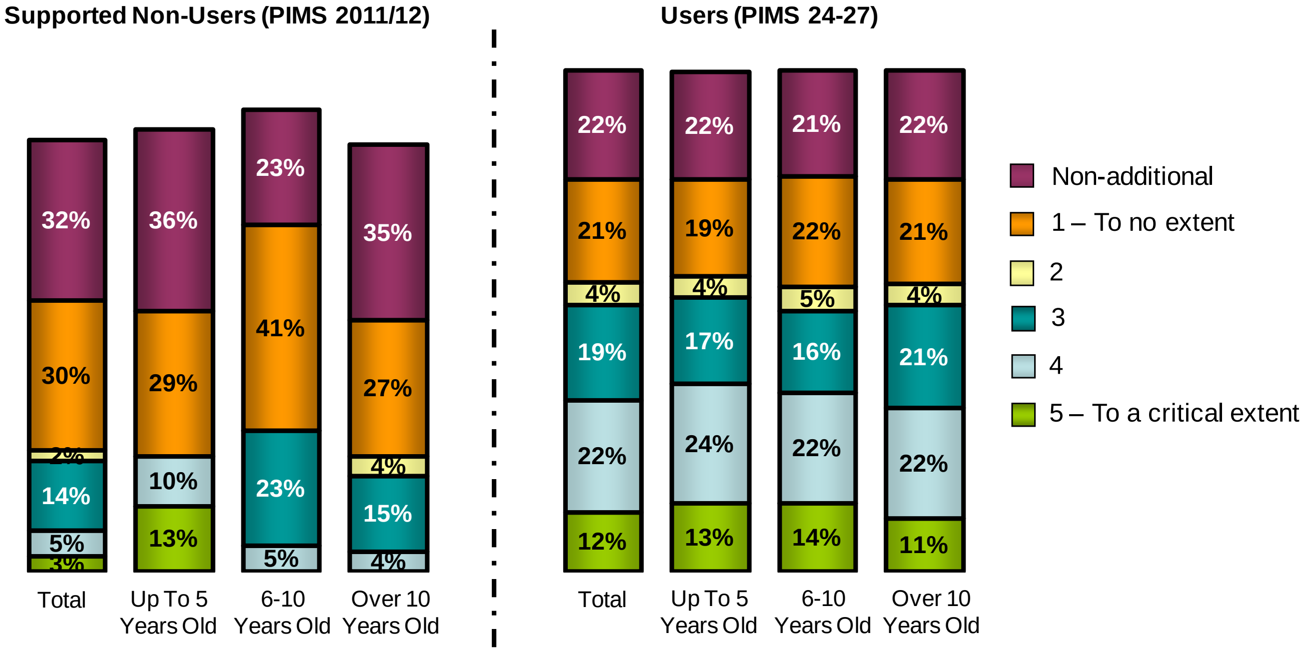
Base: All supported firms excluding non-users just receiving Certificates of Origin or <1 hour of support (Base, Don't know)
Non-Users – Total (79, 15%), Up to 5 years old (31, 10%), 6-10 years old (22, 9%), Over 10 years old (26, 19%)
Users – Total (3817, 0%), Up to 5 years old (932, 0%), 6-10 years old (708, 0%), Over 10 years old (2177, 1%)

There is clear evidence that UKTI support is much more effective at increasing firms' knowledge of the competitive environment in overseas markets than is the case for export support delivered by non-UKTI sources. Overall, 38% of users indicate that this has been a significant benefit of the support (i.e. scored 4-5 out of 5), compared to just 6% of supported non-users.

12.1.3 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).

Chart 12.1.2 Improved Your Overseas Marketing Strategy



Base: All supported firms excluding non-users just receiving Certificates of Origin or <1 hour of support (Base, Don't know)
Non-Users – Total (79, 14%), Up to 5 years old (31, 13%), 6-10 years old (22, 9%), Over 10 years old (26, 15%)
Users – Total (3817, 0%), Up to 5 years old (932, 0%), 6-10 years old (708, 0%), Over 10 years old (2177, 0%)

Support delivered by UKTI is also considerably more likely to result in improved overseas marketing strategies among assisted firms, with 34% of UKTI clients reporting a significant impact in this respect compared to just 8% of firms accessing non-UKTI support.

12.2 Changed Behaviour – Measure A83

12.2.1 Summary

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

Table 12.2.1 Measure A83 – Changed Behaviour - Supported Non-Users (2011/2012 Combined)

	Supported Non-Users			
	Total	1-5 years old	6-10 years old	Over 10 years old
Base	*79*	*31*	*22*	*26*
Proportion displaying at least one 'change in behaviour', net of non-additionality	27%	32%	32%	23%
95% confidence interval	± 10%	± 16%	± 19%	± 16%

Just over a quarter of supported non-user firms score against this measure. There is some indication that older firms are less likely to benefit in this way, although the difference is not statistically significant.

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

A83 – Changed Behaviour

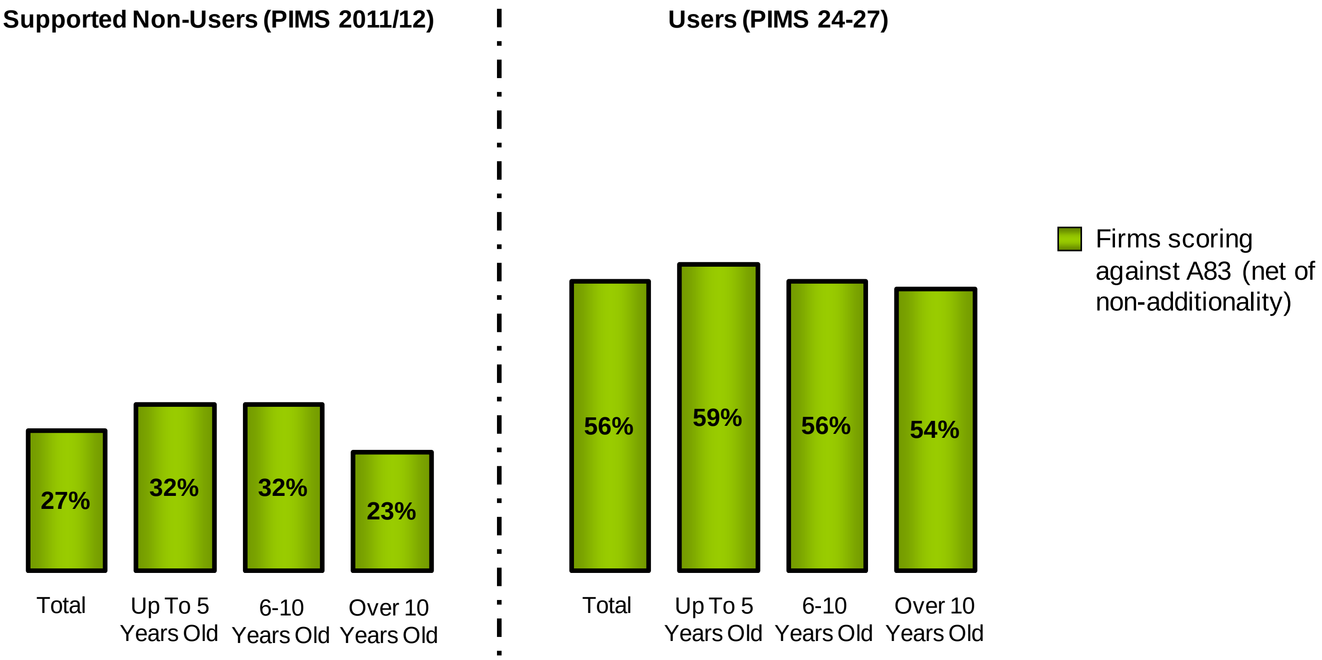
Firms are classified as having changed their behaviour if they feel that they have or will benefit 'to a significant extent' (i.e. score '4' or '5') from…

- Making improvements to their products, services or management practices (C7l) – 14%
- Or, making improvements to their new product or service development strategy (C7t) – 11%
- Or, improving the way they do business in overseas markets (C7n) – 13%
- Or, gaining the confidence to either explore a new market or expand in an existing one (C7h) – 12%
- Or, improving 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 A83.

Chart 12.2.1 Measure A83 – Changed Behaviour



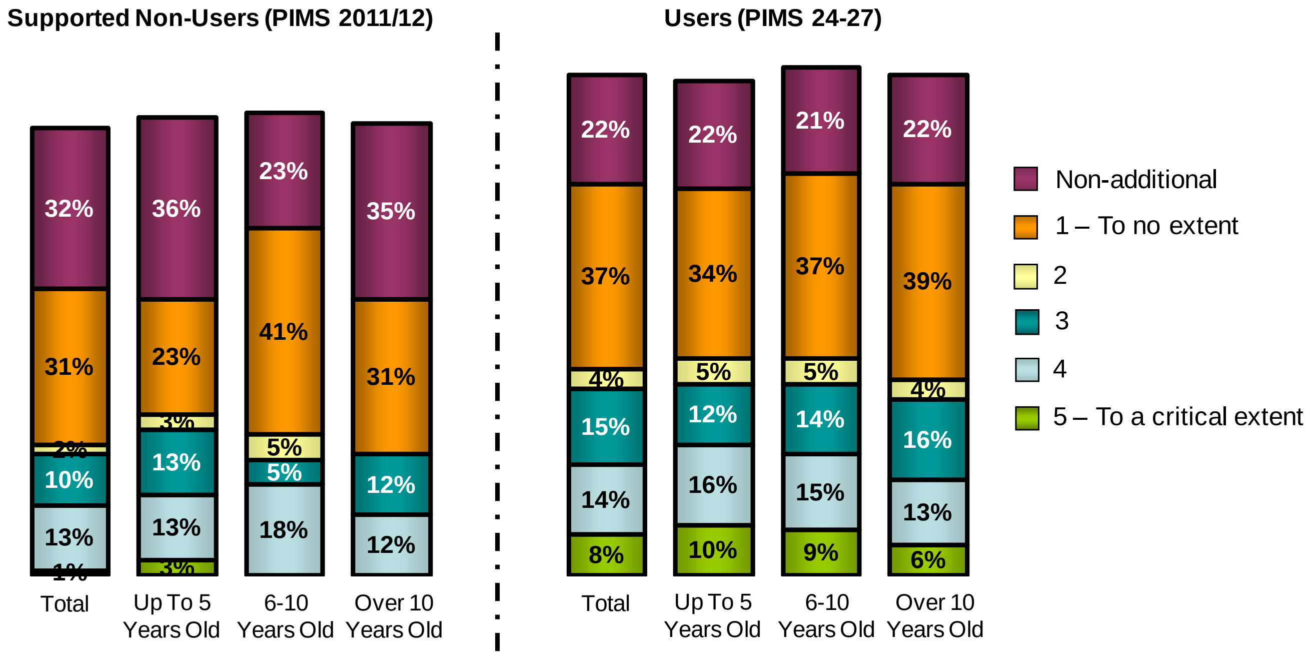
Base: All supported firms excluding non-users just receiving Certificates of Origin or <1 hour of support (Base)
Non-Users – Total (79), Up to 5 years old (31), 6-10 years old (22), Over 10 years old (26),
Users – Total (3817), Up to 5 years old (932), 6-10 years old (708), Over 10 years old (2177)

Over half of UKTI users score against this measure, compared to just over a quarter of firms accessing non-UKTI export support. For both groups there is some evidence that younger firms are comparatively more likely to benefit from changed behaviour as a result of the support.

12.2.2 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)[8].

Chart 12.2.2 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 support (Base, Don't know)
Non-Users – Total (79, 11%), Up to 5 years old (31, 10%), 6-10 years old (22, 9%), Over 10 years old (26, 12%),
Users – Total (3817, 0%), Up to 5 years old (932, 0%), 6-10 years old (708, 0%), Over 10 years old (2177, 0%)

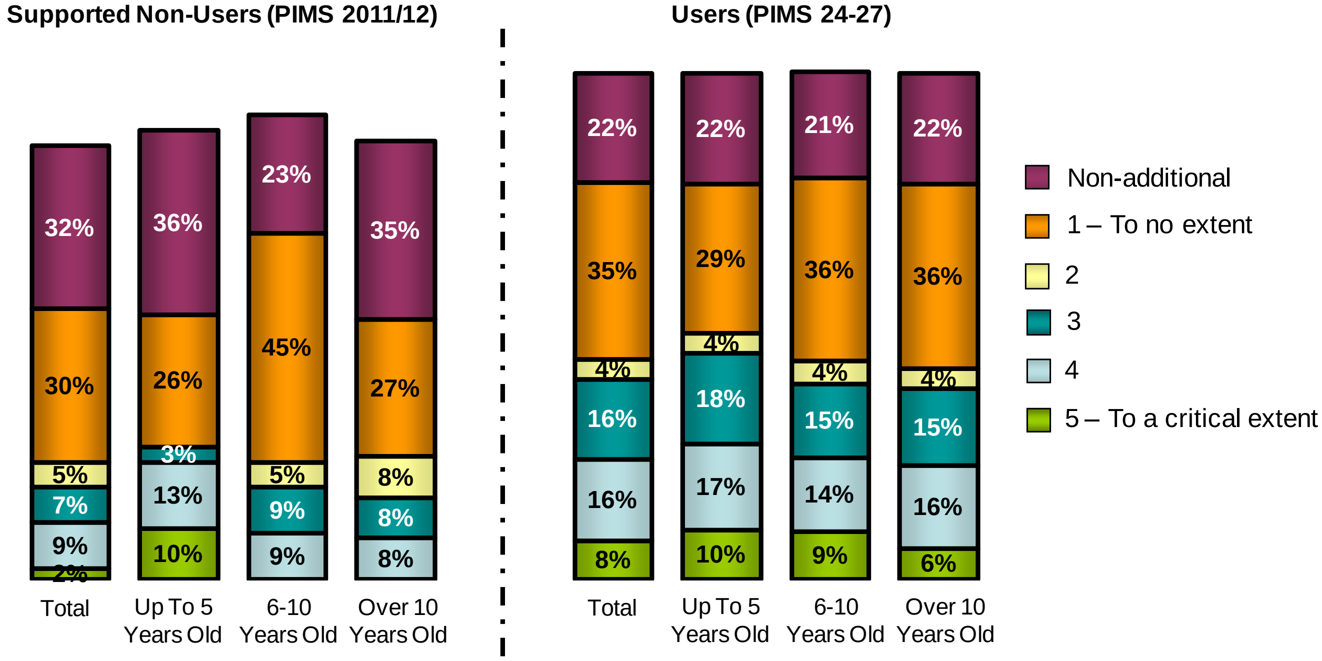
UKTI users are more likely than users of alternative export support to make significant improvements to their products, services or management practices. This difference is not as pronounced as for many of the other impacts (22% vs. 14%) but it should be considered that for UKTI users this data only relates to improvements to products or services, as the impact on management practices was asked about separately (and 16% of users reported significant benefits on this aspect).

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

12.2.3 Improved New Product Development 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 improving their new product or service development strategy. Comparative data has also been provided for users of UKTI support (from PIMS).

Chart 12.2.3 Made Improvements to Your New Product/Service Development Strategy



Base: All supported firms excluding non-users just receiving Certificates of Origin or <1 hour of support (Base, Don't know)
Non-Users – Total (79, 14%), Up to 5 years old (31, 13%), 6-10 years old (22, 9%), Over 10 years old (26, 15%),
Users – Total (3817, 1%), Up to 5 years old (932, 1%), 6-10 years old (708, 0%), Over 10 years old (2177, 1%)

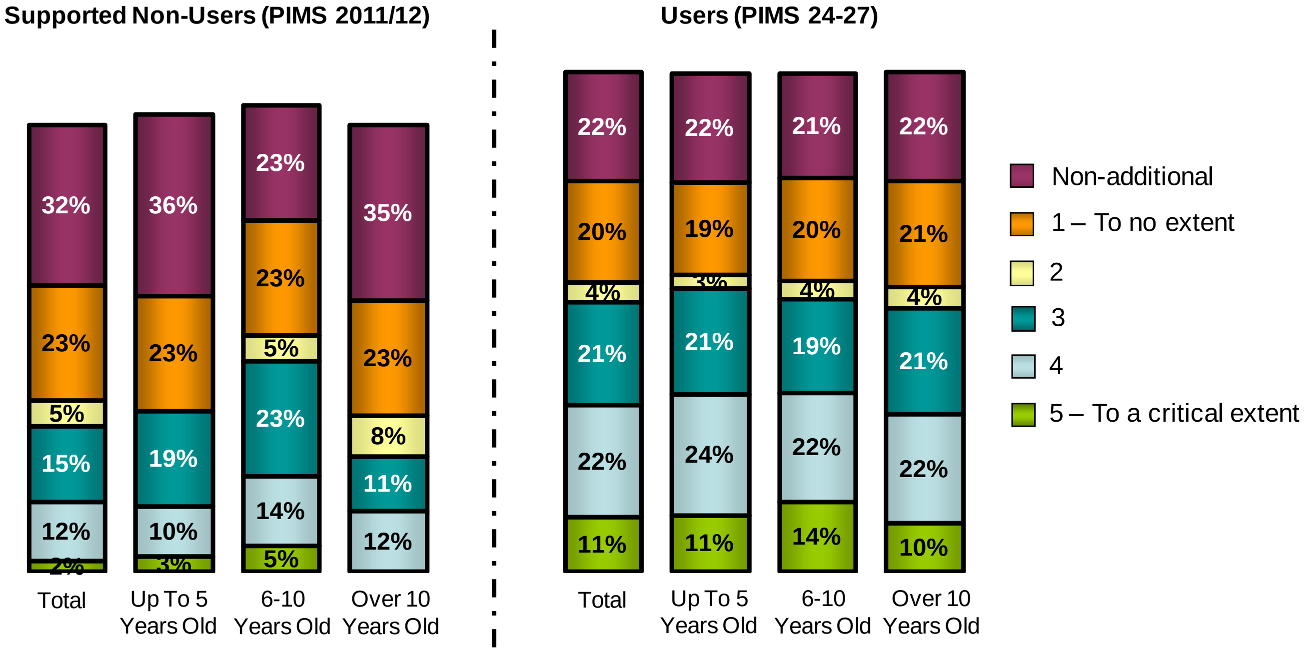
As well as being more likely to improve their products and services, UKTI users are also more likely to report that they have improved their product/service development strategy.

There is some evidence that, for both users and non-users, younger firms are most likely to benefit in this way.

12.2.4 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).

Chart 12.2.4 Improved the Way You Do Business in Overseas Markets



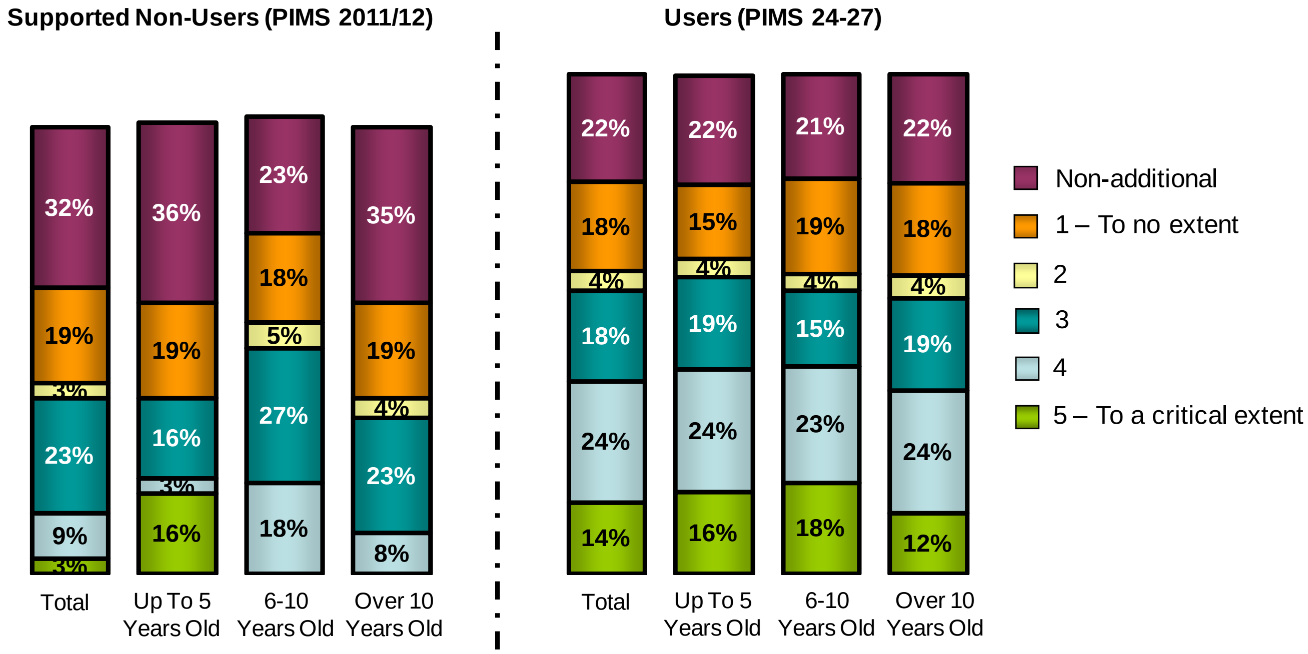
Base: All supported firms excluding non-users just receiving Certificates of Origin or <1 hour of support (Base, Don't know)
Non-Users – Total (79, 11%), Up to 5 years old (31, 10%), 6-10 years old (22, 9%), Over 10 years old (26, 12%),
Users – Total (3817, 0%), Up to 5 years old (932, 1%), 6-10 years old (708, 1%), Over 10 years old (2177, 0%)

A third of UKTI clients believe that they have significantly improved the way they do business in overseas markets as a result of the support, compared to just 13% of firms accessing non-UKTI export assistance.

12.2.5 Gained Confidence

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).

Chart 12.2.5 Gained the Confidence to Either Explore a New Market or Expand in an Existing Market



Base: All supported firms excluding non-users just receiving Certificates of Origin or <1 hour of support (Base, Don't know)
Non-Users – Total (79, 11%), Up to 5 years old (31, 10%), 6-10 years old (22, 9%), Over 10 years old (26, 12%),
Users – Total (3817, 0%), Up to 5 years old (932, 1%), 6-10 years old (708, 0%), Over 10 years old (2177, 0%)

As detailed above, UKTI users are three times as likely as supported non-users to gain the confidence to expand their overseas operations, with 38% and 12% respectively reporting this to be a significant benefit (i.e. 4-5 out of 5).

12.3 Increased Innovation – Measure A04

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

Table 12.3.1 Measure A04 – Increased Innovation
- Supported Non-Users (2011/2012 Combined)

	Supported Non-Users			
	Total	1-5 years old	6-10 years old	Over 10 years old
Base	*79*	*31*	*22*	*26*
Proportion displaying at least one ‘increase in innovation’, net of non-additionality	20%	26%	18%	19%
95% confidence interval	± 9%	± 15%	± 16%	± 15%

Overall, a fifth 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 Measure A04 has been calculated for this survey.

A04 – Increased Innovation

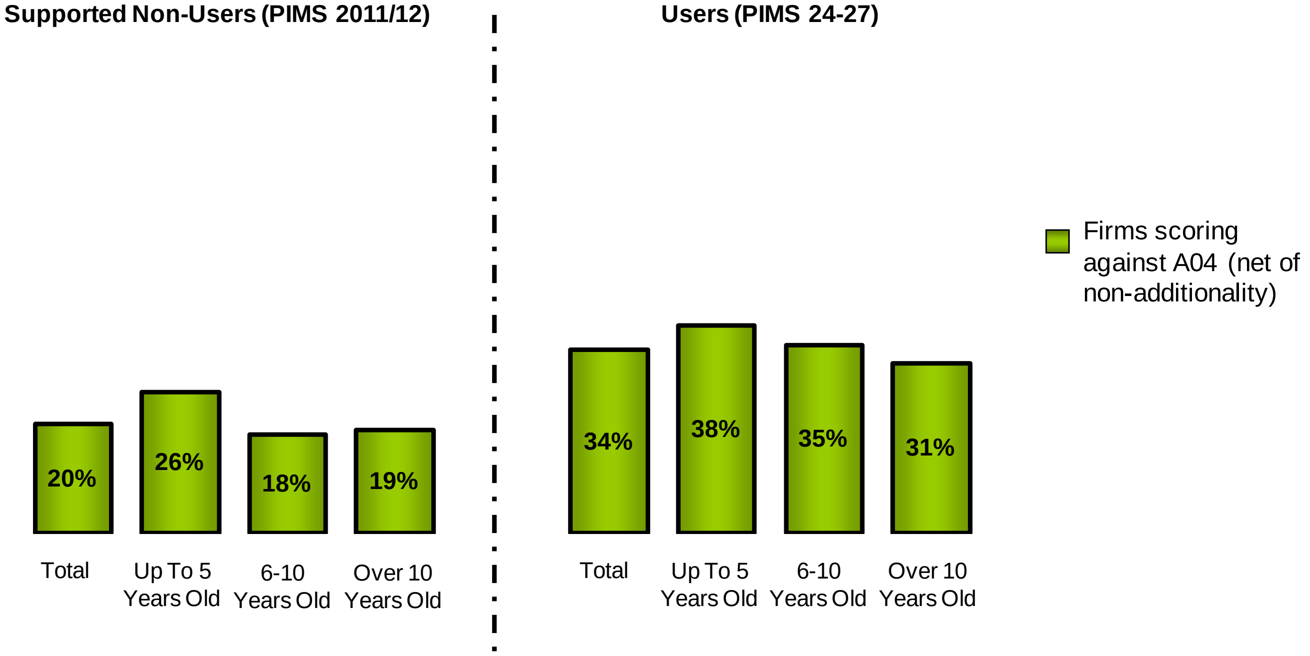
Firms are classified as having increased innovation if they feel that they have or will benefit ‘to a significant extent’ (i.e. score ‘4’ or ‘5’) from…

- Making improvements to their products, services or management practices (C7l) – 14%
- Or, making improvements to their new product or service development strategy (C7t) – 11%

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.

Chart 12.3.1 Measure A04 – Increased Innovation



Base: All supported firms excluding non-users just receiving Certificates of Origin or <1 hour of support & users receiving Special Reports (Base)
Non-Users – Total (79), Up to 5 years old (31), 6-10 years old (22), Over 10 years old (26),
Users – Total (3792), Up to 5 years old (926), 6-10 years old (705), Over 10 years old (2161

UKTI support leads to increased innovation activity in around a third of all cases, whereas only 20% 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.

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

12.4 Increased R&D – Measure AR&D

The table below shows the proportion of supported non-user businesses classified as benefiting from the (non-UKTI) support received in terms of increased R&D. This analysis forms one of the key survey measures, namely 'Measure AR&D – Increased R&D'. Please note that this measure was only introduced to the PIMS Non-User survey in 2012, so the bases sizes are low (particularly when analysing by age band).

Table 12.4.1 Measure AR&D – Increased R&D
- Supported Non-Users (2012 Only)

	Supported Non-Users			
	Total	1-5 years old	6-10 years old	Over 10 years old
Base	*40*	*18*	*11*	*11*
Proportion increase their R&D activity, net of non-additionality	18%	11%	27%	18%
95% confidence interval	± 12%	± 14%	± 26%	± 23%

Overall, a significant minority (18%) of supported non-users score against this measure of increased R&D.

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

AR&D – Increased R&D

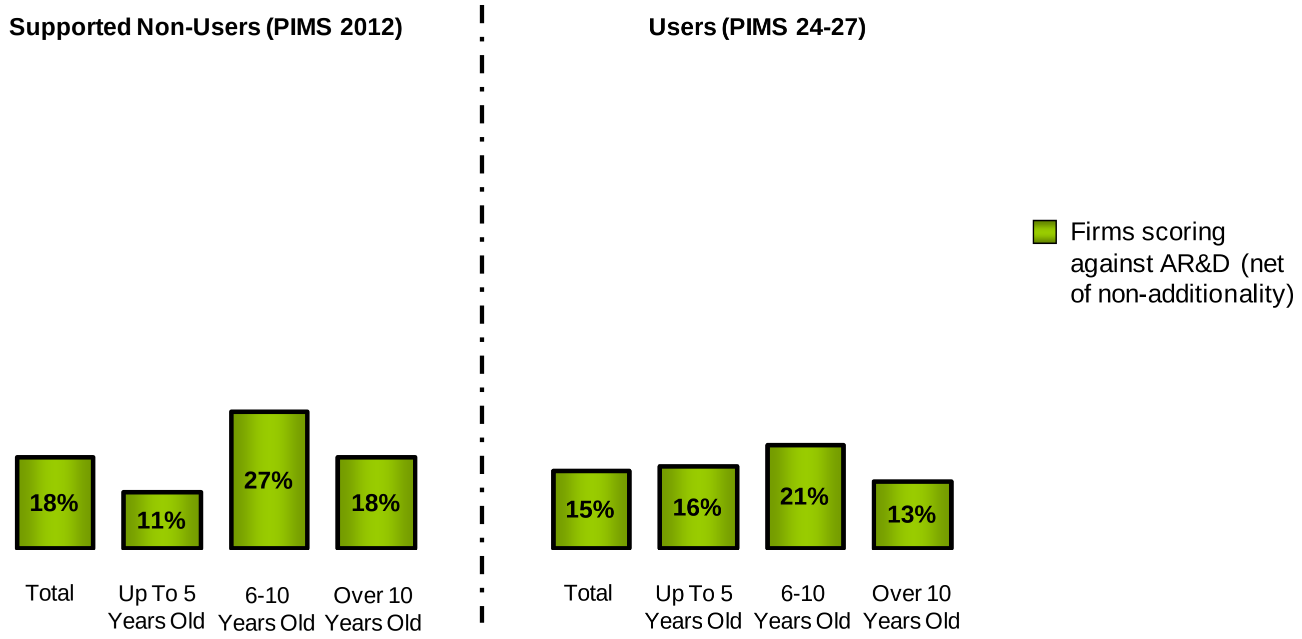
Firms are classified as having increased R&D if they have or expect to…

- Increase the amount of time spent on R&D or NPD (F24a)
- And, increase the amount they spend on R&D or NPD (F24b)

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 AR&D.

Chart 12.4.1 Measure AR&D – Increased R&D



Base: All supported firms excluding non-users just receiving Certificates of Origin or <1 hour of support (Base)
Non-Users – Total (40), Up to 5 years old (18), 6-10 years old (11), Over 10 years old (11),
Users – Total (3817), Up to 5 years old (932), 6-10 years old (708), Over 10 years old (2177)

Increased R&D is the one measure where supported non-users report greater benefits than UKTI clients, although the difference is not statistically significant. Interestingly, there is some suggestion that firms established for between 6-10 years are most likely to experience R&D impacts from export support.

12.5 Barriers to Market Access Overcome – Measure A92

12.5.1 Summary

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

Table 12.5.1 Measure A92 – Barriers Overcome - Supported Non-Users (2011/2012 Combined)

	Supported Non-Users			
	Total	1-5 years old	6-10 years old	Over 10 years old
Base	*79*	*31*	*22*	*26*
Proportion displaying at least one 'barrier overcome', net of non-additionality	30%	35%	32%	27%
95% confidence interval	± 10%	± 17%	± 19%	± 17%

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

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

A92 – Barriers to Market Access Overcome

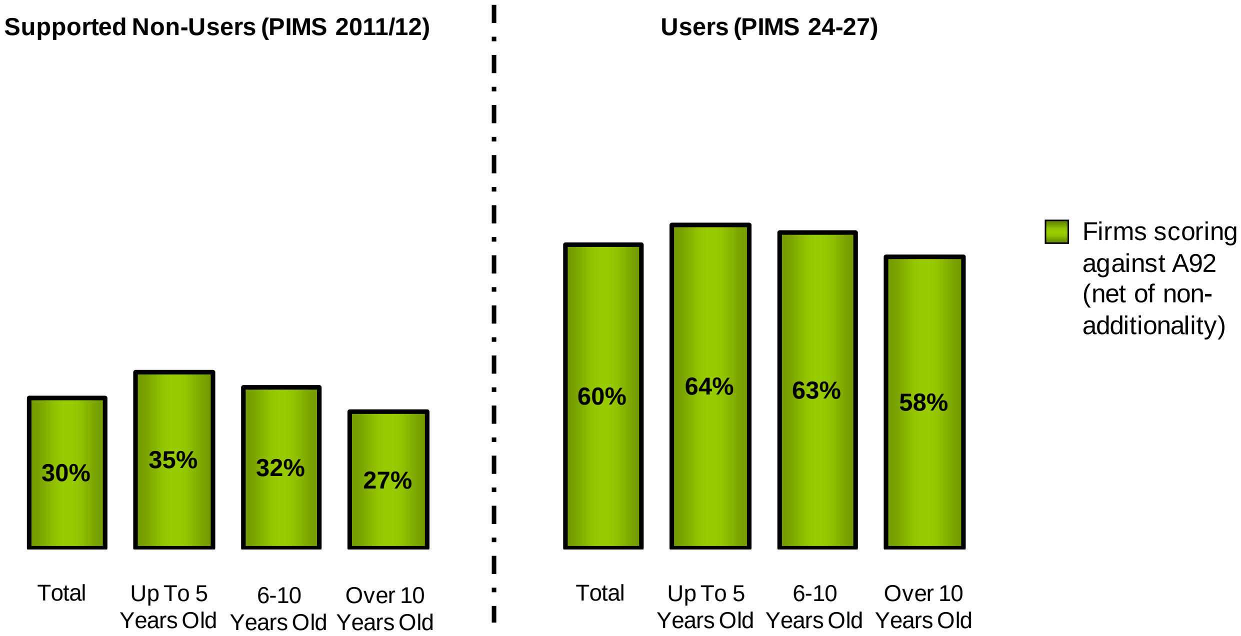
Firms are classified as indicating barriers to market access overcome if they feel that they have or will benefited 'to a significant extent' (i.e. score '4' or '5') from…

- Gaining access to prospective customers, business partners or other people they would otherwise have been unable to meet (C7a) – 17%
- Or, gaining access to information that they would otherwise have been unable to come by (C7e) – 22%
- Or, improving their company's profile or credibility (C7c) – 15%

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[9].

Chart 12.5.1 Measure A92 – Barriers Overcome



Base: All supported firms excluding non-users just receiving Certificates of Origin or <1 hour of support (Base)
Non-Users – Total (79), Up to 5 years old (31), 6-10 years old (22), Over 10 years old (26),
Users – Total (3817), Up to 5 years old (932), 6-10 years old (708), Over 10 years old (2177)

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

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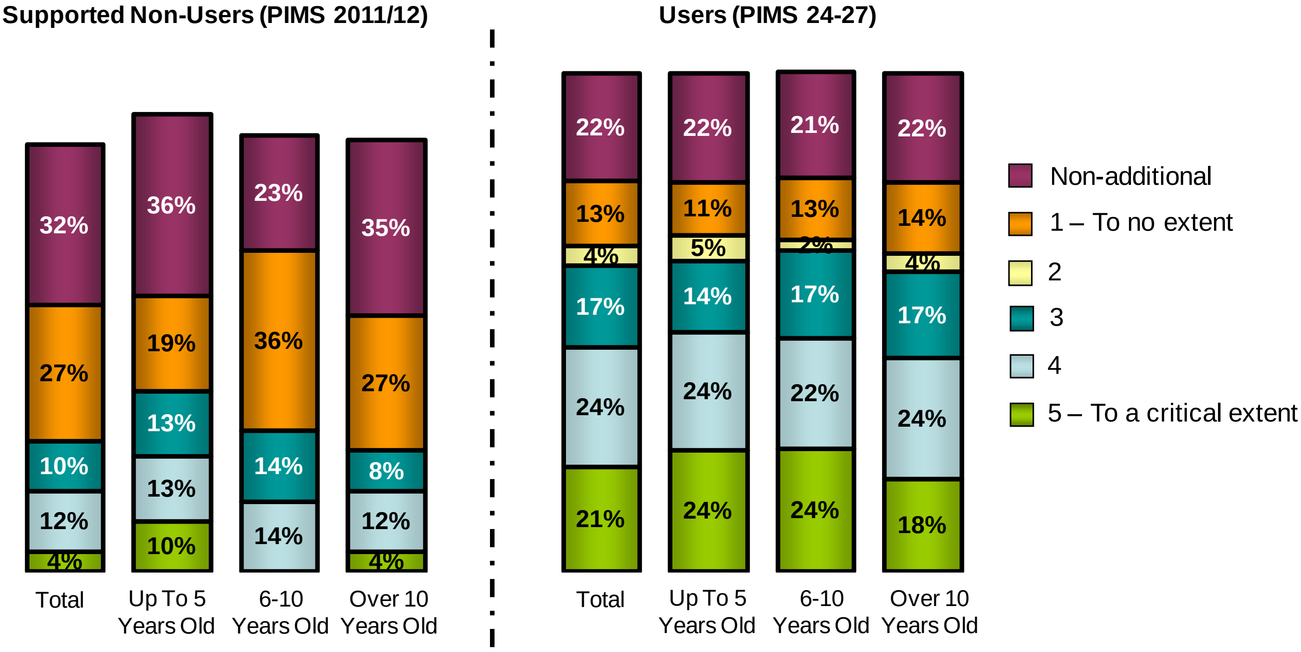
[9] Please note that he user data has been recalculated to match the non-user definition of A92.

12.5.2 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).

Chart 12.5.2 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 support (Base, Don't know)
Non-Users – Total (79, 14%), Up to 5 years old (31, 10%), 6-10 years old (22, 14%), Over 10 years old (26, 15%)
Users – Total (3817, 1%), Up to 5 years old (932, 1%), 6-10 years old (708, 0%), Over 10 years old (2177, 1%)

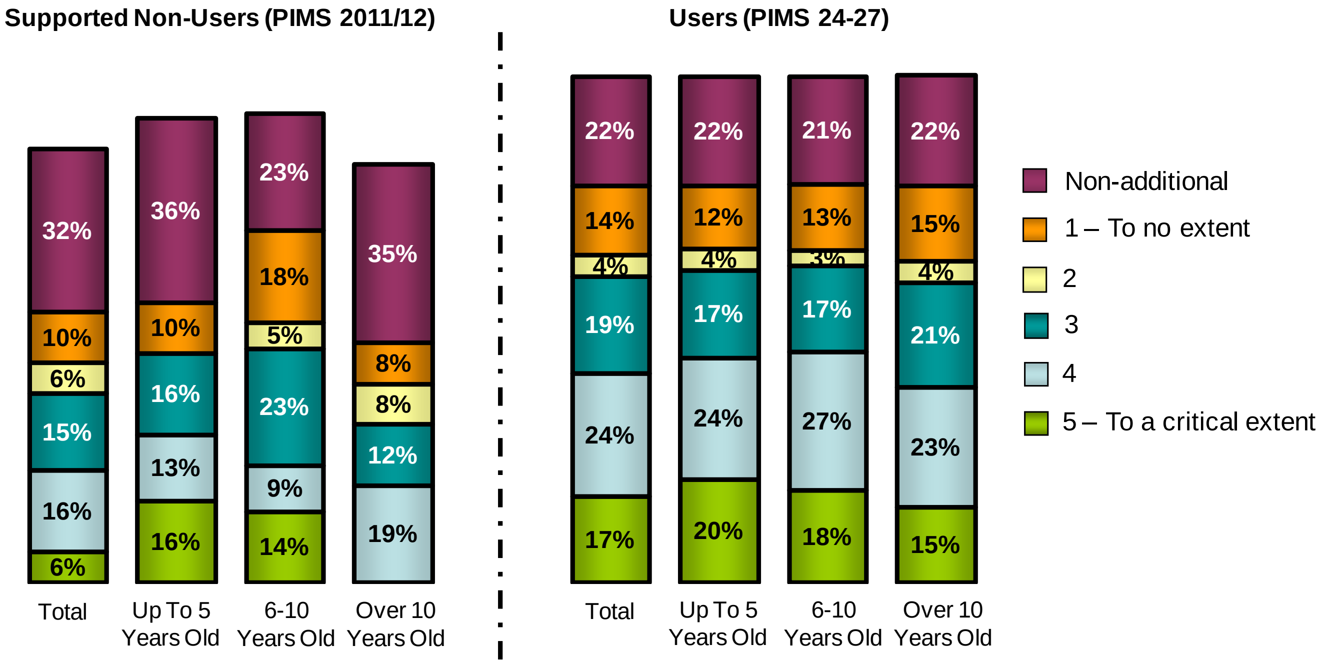
Contact provision appears to be a major strength of the UKTI support, and differentiates it from the alternative sources of export assistance that are available to firms from non-UKTI sources. Overall, 45% of UKTI users have benefited significantly from gaining access to contacts, compared to just 17% of supported non-users.

This aspect of export support is particularly critical given that 'contacts barriers' emerged as one of the major problems faced by internationalising firms, with 22% of non-users and 34% of UKTI users reporting significant difficulties with this issue when looking to develop their overseas business (as detailed in Section 7 of this report).

12.5.3 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 come by. Comparative data has also been provided for users of UKTI support (from PIMS).

Chart 12.5.3 Gained Access to Information That You Would Otherwise Have Been Unable to Come By



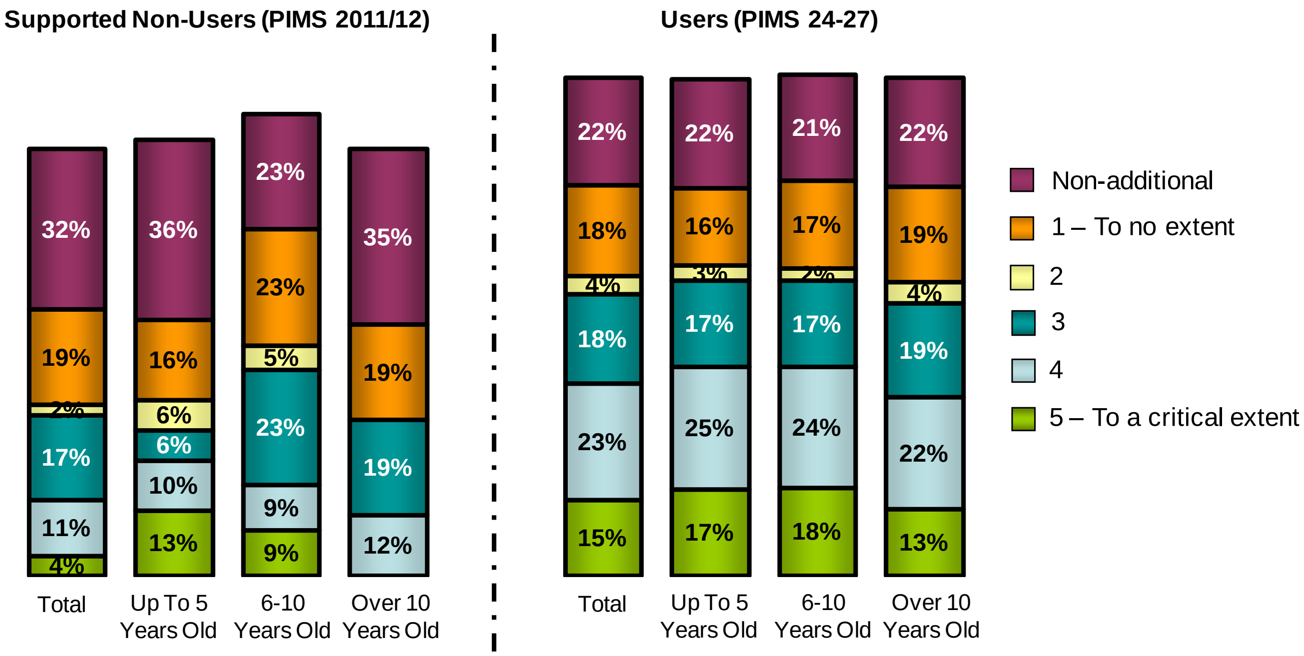
Base: All supported firms excluding non-users just receiving Certificates of Origin or <1 hour of support (Base, Don't know)
Non-Users – Total (79, 15%), Up to 5 years old (31, 10%), 6-10 years old (22, 9%), Over 10 years old (26, 19%)
Users – Total (3817, 1%), Up to 5 years old (932, 0%), 6-10 years old (708, 1%), Over 10 years old (2177, 1%)

UKTI support is also more effective at filling knowledge gaps that might be holding back exporting firms, with 41% of UKTI users benefiting significantly from access to information they would otherwise have been unable to come by, compared to just 22% of non-users.

12.5.4 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 or credibility. Comparative data has also been provided for users of UKTI support (from PIMS).

Chart 12.5.4 Improved Your Company's Profile or Credibility



Base: All supported firms excluding non-users just receiving Certificates of Origin or <1 hour of support & users receiving Special Reports (Base, Don't know)
Non-Users – Total (79, 14%), Up to 5 years old (31, 13%), 6-10 years old (22, 9%), Over 10 years old (26, 15%)
Users – Total (3817, 1%), Up to 5 years old (932, 1%), 6-10 years old (708, 0%), Over 10 years old (2177, 1%)

Overall 38% of UKTI users have significantly improved their profile or credibility as a result of the support they received, which is encouraging given that this is a key motivation for doing business overseas (with 63% of users and 42% of non-users highlighting this as one of the significant reasons for why they export). In contrast, just 15% of firms accessing export support from non-UKTI providers experienced this benefit to a significant extent.

12.6 Increased Sales/Orders

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

Table 12.6.1 Increased Sales/Orders
- Supported Non-Users (2011/2012 Combined)

	Supported Non-Users			
	Total	1-5 years old	6-10 years old	Over 10 years old
Base	*79*	*31*	*22*	*26*
Proportion increasing sales or winning new orders, net of non-additionality	31%	32%	41%	27%
95% confidence interval	± 10%	± 16%	± 21%	± 17%

Nearly a third of supported non-users scored against this measure, and there are no consistent or statistically significant differences by age of firm.

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

Increased Sales/Orders

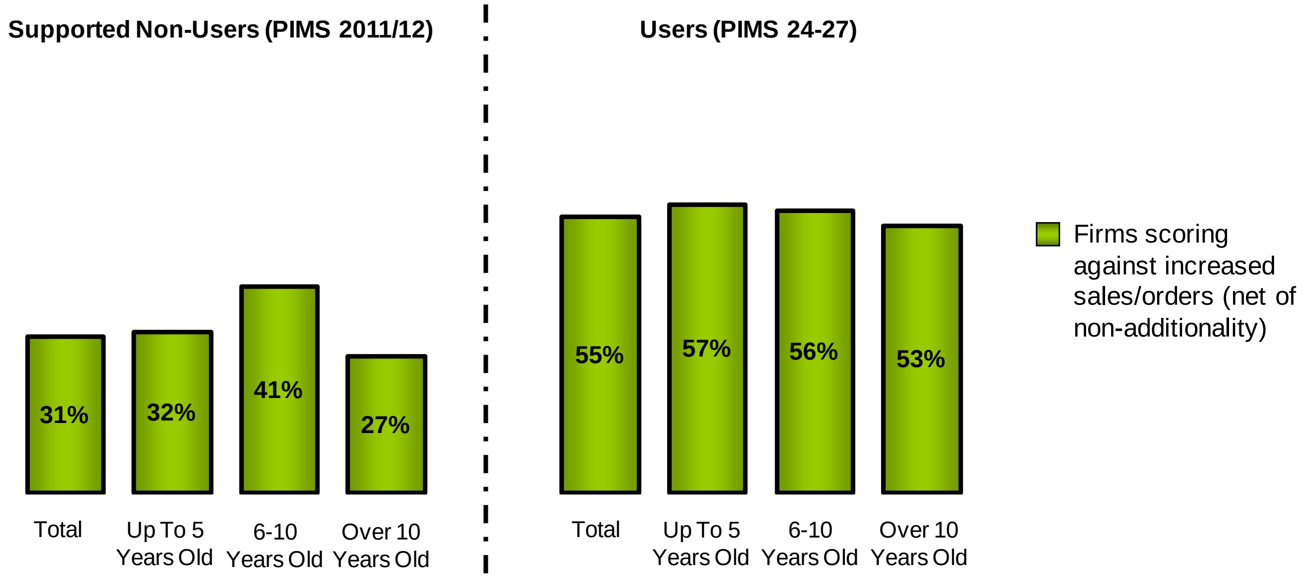
Firms are classified as benefiting from increased sales/orders if they have or expect to…

- Increase their sales or win new orders (C12) - 31%

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/Orders measure.

Chart 12.6.1 Increased Sales/Orders



Base: All supported firms excluding non-users just receiving Certificates of Origin or <1 hour of support (Base)
Non-Users – Total (79), Up to 5 years old (31), 6-10 years old (22), Over 10 years old (26),
Users – Total (3817), Up to 5 years old (932), 6-10 years old (708), Over 10 years old (2177)

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

12.7 Improved Productivity & Competitiveness – Measure A06

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 & Competitiveness’.

Table 12.7.1 Measure A06 – Improved Productivity & Competitiveness - Supported Non-Users (2011/2012 Combined)

	Supported Non-Users			
	Total	1-5 years old	6-10 years old	Over 10 years old
Base	*79*	*31*	*22*	*26*
Proportion displaying at least one improvement in ‘productivity and competitiveness’, net of non-additionality	39%	35%	45%	38%
95% confidence interval	± 11%	± 17%	± 21%	± 19%

Around two-fifths of supported non-user firms score against this measure of improved productivity and competitiveness.

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

A06 – Improved Productivity & Competitiveness

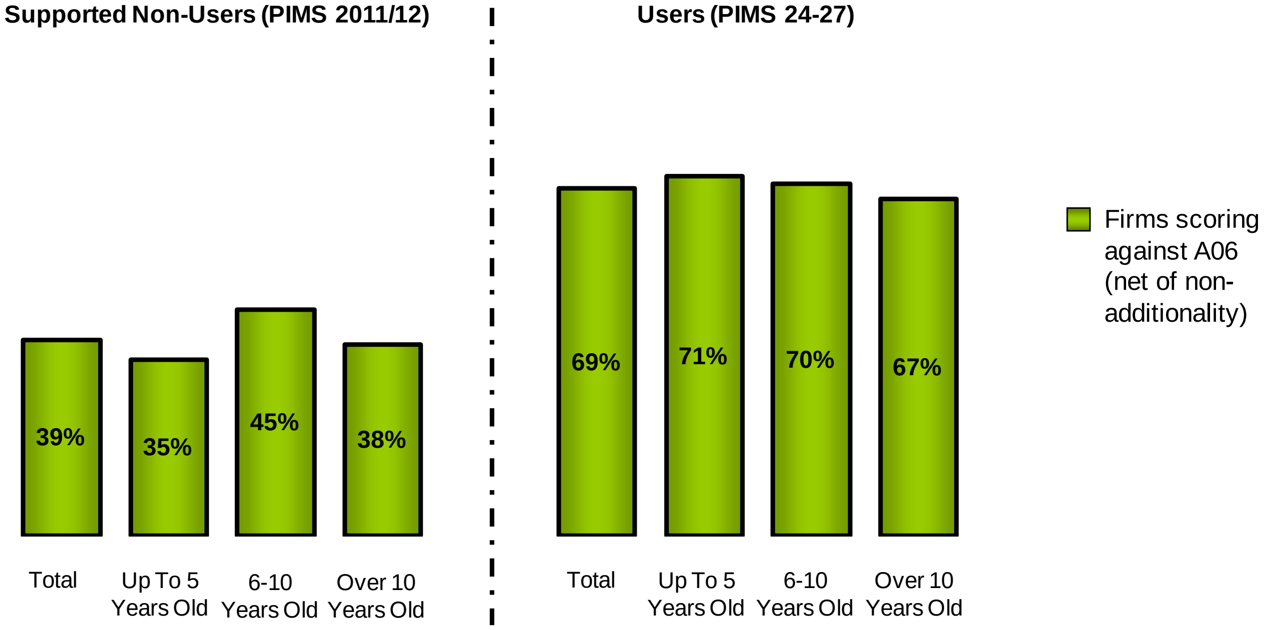
Firms are classified as experiencing improved productivity and competitiveness if they score against…

- Measure A81 Increased Skills – 11%
- Or, Measure A83 Changed Behaviour – 27%
- Or, Measure A92 Barriers to Market Access Overcome – 30%

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[10].

Chart 12.7.1 Measure A06 – Improved Productivity & Competitiveness



Base: All supported firms excluding non-users just receiving Certificates of Origin or <1 hour of support (Base)
Non-Users – Total (79), Up to 5 years old (31), 6-10 years old (22), Over 10 years old (26),
Users – Total (3817), Up to 5 years old (932), 6-10 years old (708), Over 10 years old (2177)

Over 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.

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

12.8 'Light Touch' Support

A small number of non-user firms (34) had received export-related assistance but indicated that this only consisted of Certificates of Origin (from the Chamber of Commerce) or support that lasted for less than 1 hour. Due to the minimal nature of this assistance, these firms were not asked the full range of impact questions but instead were simply asked whether it had any positive impact on the performance of their firm. The table below shows these results (net of non-additionality).

Table 12.8.1 Light Touch Support – Positive Impact on Performance of Firm - Light Touch Supported Non-Users (2011/2012 Combined)

	All receiving 'light touch' support
Base: 'Light touch' supported firms	*34*
Yes	26%
No	13%
Don't know	20%
Non-additional	42%

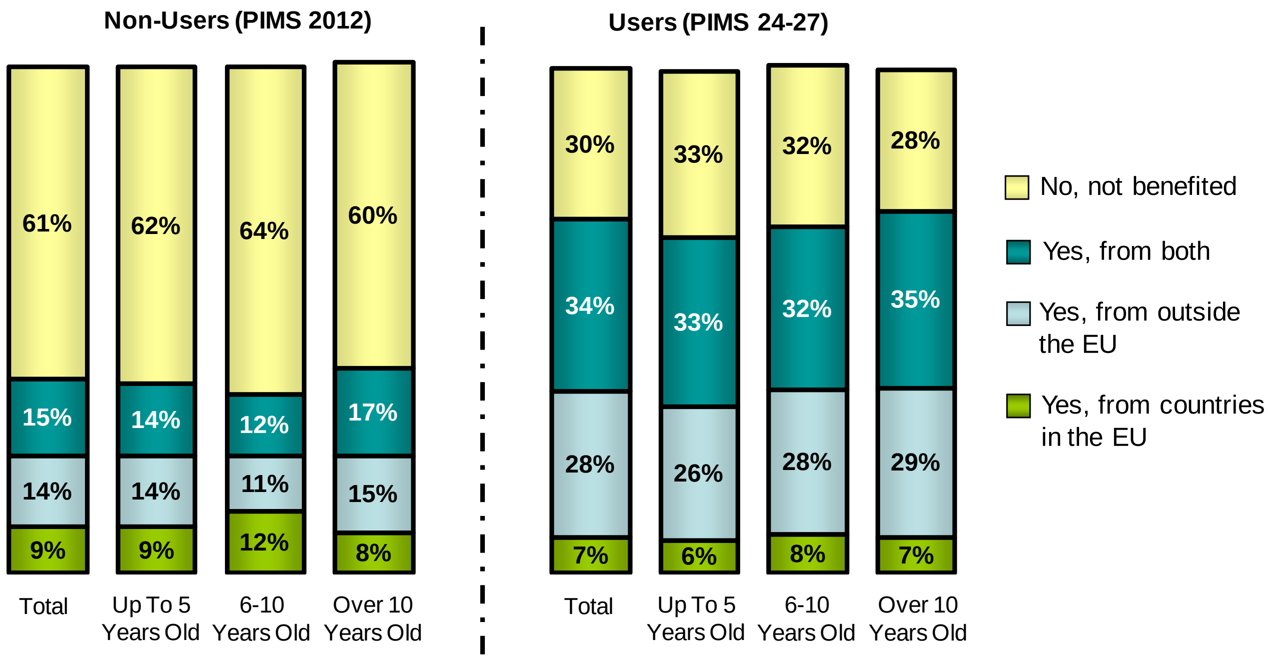
Reflecting the less intensive nature of the support received, just a quarter of these firms felt that it had a positive impact on their business performance and two fifths judged it to be non-additional (i.e. they would have achieved similar results anyway).

13. Economic Climate

13.1 Sustained Economic Growth or Increasing Demand Overseas

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

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



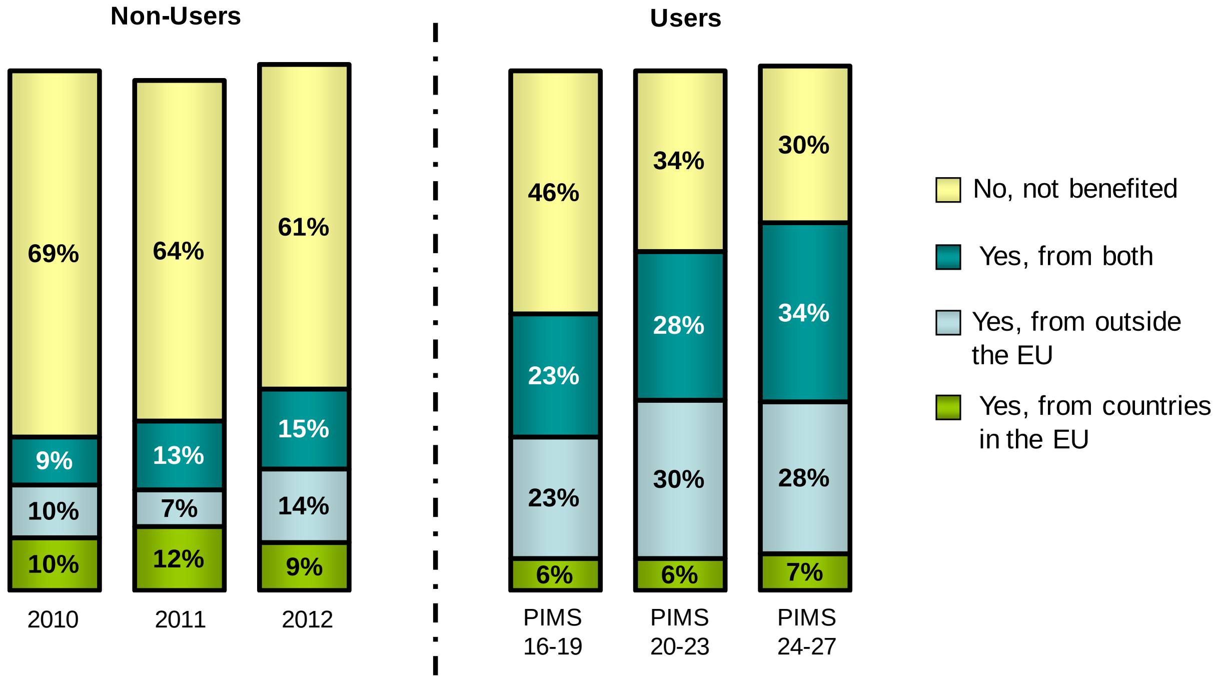
Base: All exporters (Base, Don't know/Refused)
Non-Users – Total (267, 1%), Up to 5 years old (85, 0%), 6-10 years old (94, 2%), Over 10 years old (88, 0%)
Users – Total (3419, 1%), Up to 5 years old (698, 2%), 6-10 years old (652, 0%), Over 10 years old (2069, 1%)

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. Over two-thirds (69%) of UKTI users have benefited in this way over the past year, compared to just 38% of non-users. In particular, UKTI users were more likely to have benefited from growth/demand arising from outside of the EU.

The 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 three years.

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



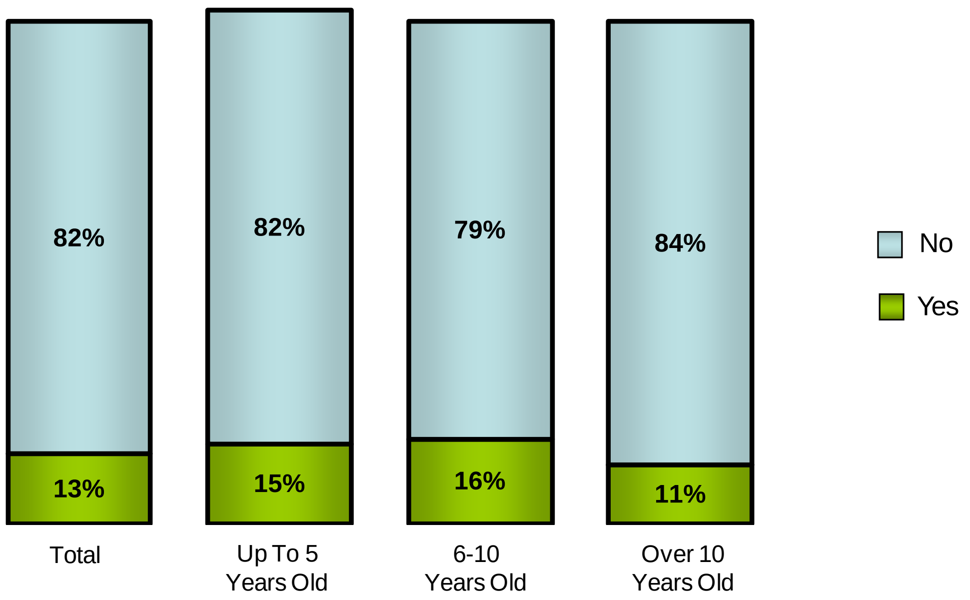
Base: All exporters (Base, Don't know/Refused)
Non-Users – 2010 (271, 2%), 2011 (253, 4%), 2012 (267, 1%)
Users – PIMS 16-19 (3499, 2%), PIMS 20-23 (3552, 2%), PIMS 24-27 (3419, 1%)

For both users and non-users, there has been a steady rise in the proportion of firms benefiting from economic growth or increased demand overseas over the past few years.

13.2 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. Please note that no recent comparative data is available for users of UKTI services.

Chart 13.2.1 Whether Receiving More Orders/Enquiries from Overseas Customers as a Result of the Recent Fall in Sterling Exchange Rates



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

Overall, 13% of non-user firms believe that the fall in sterling exchange rates has led to an increase in orders or enquiries from overseas customers. This represents a significant fall from the 22% recorded in the 2011 Non-User survey, which perhaps reflects the fact that the pound has strengthened against the Euro over the last 12 months.

13.3 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.

Table 13.3.1 Difficulties Accessing Export Credit Insurance in Last 6 Months

	Non-Users (PIMS 2012)				Users (PIMS 24-27)			
	Total	Up to 5 years	6-10 years	>10 years	Total	Up to 5 years	6-10 years	>10 years
Base: All exporters	*267*	*85*	*94*	*88*	*3419*	*698*	*652*	*2069*
Yes	1%	0%	3%	0%	3%	1%	1%	4%
No	5%	6%	6%	3%	9%	5%	6%	11%
Don't know	1%	0%	0%	1%	1%	1%	0%	1%
Do not use export credit insurance	93%	92%	88%	95%	80%	89%	89%	73%
Don't know if use export credit insurance	1%	2%	2%	0%	8%	3%	4%	11%

Only a small proportion of internationalising firms use export credit insurance, although usage is higher amongst UKTI users than non-users (12% and 6% respectively).

Only 1% 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.

Results are similar in this respect to those seen in 2011.

Annex A - Questionnaire

OMB Research Ltd
UKTI PIMS Non-User Questionnaire 2012

March/April 2012

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.ukti.gov.uk**

ADD IF NECESSARY

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

OFFER INFORMATION EMAIL IF NECESSARY

ASK ALL

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

ASK ALL

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 NECESSARY: **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

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

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

<u>IF NOT EXPORTED BUT CONSIDERED/ATTEMPTED (CODE 1 AT S3a OR CODE 1 AT S3b)</u>
S3c – Can I just check, do you anticipate doing business overseas at all over the next 3 years? IF YES, PROBE FOR WHEN LIKELY TO START DOING BUSINESS OVERSEAS

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

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

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

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

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

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

<u>ASK ALL</u>
S10 – Is your organisation...? READ OUT. SINGLE CODE

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

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

AS NECESSARY:
- THIS MEANS WHEN THE BUSINESS STARTED TRADING IN ITS CURRENT FORM
- IF THE BUSINESS IS A SUBSIDIARY THIS REFERS TO THE SUBSIDIARY IN WHICH YOU WORK

Within the last year	1	CHECK QUOTAS
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	

<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

ASK ALL

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

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

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

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

A bank (other than just setting up accounts, payments, etc.).... 1
A consultant.. 2
A market research company 3
A Trade Association 4
The Chamber of Commerce (UK or overseas).................. 5
A Regional Development Agency (RDA).......................... 6
HM Revenue & Customs.. 9
The British Council 10
Anyone else? (SPECIFY)... 95
None of these 96
(Don't know) 97

IF CHAMBER OF COMMERCE (X1=5)

X5a – And as far as you know, was the assistance you received from the Chamber of Commerce supported by UKTI?

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

IF CHAMBER OF COMMERCE (X1=5)

X5b – And was the Chamber of Commerce based in the UK or located overseas?

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

IF OVERSEAS CHAMBER OF COMMERCE (X5b=2)

X5c – And was this overseas Chamber of Commerce a British Chamber of Commerce or a local Chamber of Commerce?

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

<u>IF MORE THAN ONE NON-RDA PROVIDER SELECTED AT X1 (I.E. MORE THAN ONE OF CODES 1, 2, 3, 4, 5, 9, 10 OR 95 AT X1)</u>
X6 – Of all the sources of assistance you just mentioned, <IF X1=6 **excluding the Regional Development Agency, > which did you find <u>most important</u> in relation to <u>doing business overseas</u>?** READ OUT AS NECESSARY. SINGLE CODE

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

CATI TO ONLY SHOW CODES SELECTED AT X1 EXCEPT RDA (CODE 6), NONE OF THESE (CODE 96) AND DON'T KNOW (CODE 97).

A bank (other than just setting up accounts, payments, etc.).... 1
A consultant.. 2
A market research company 3
A Trade Association 4
The Chamber of Commerce.. 5
HM Revenue & Customs... 9
The British Council 10
<INSERT OTHER SPECIFY TEXT FROM CODE 95 AT X1>.. 11

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

- the bank ((IF X1=1 & X1=NOT 2, 3, 4, 5, 9, 10 OR 95) OR IF X6=1)
- the consultant ((IF X1=2 & X1=NOT 1, 3, 4, 5, 9, 10 OR 95) OR IF X6=2)
- the market research company ((IF X1=3 & X1=NOT 1, 2, 4, 5, 9, 10 OR 95) OR IF X6=3)
- the trade association ((IF X1=4 & X1=NOT 1, 2, 3, 5, 9, 10 OR 95) OR IF X6=4)
- the Chamber of Commerce ((IF X1=5 & X1=NOT 1, 2, 3, 4, 9, 10 OR 95) OR IF X6=5)
- HM Revenue & Customs ((IF X1=9 & X1=NOT 1, 2, 3, 4, 5, 10 OR 95) OR IF X6=9)
- the British Council ((IF X1=10 & X1=NOT 1, 2, 3, 4, 5, 9 OR 95) OR IF X6=10)
- <TEXT FROM CODE 95 AT X1> ((IF X1=95 & X1=NOT 1, 2, 3, 4, 5, 9 OR 10) OR IF X6=11)

IF RECEIVED ANY NON-RDA SUPPORT (CODES 1-5 OR 9-95 AT X1)
X2a - Which of the following forms did the support provided by <SUPPORT PROVIDER> **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 SUPPORT PROVIDER IS CHAMBER OF COMMERCE: Certificates of Origin.. 11

Anything else? (SPECIFY) 95

(Don't know) 97

IF RECEIVED ANY NON-RDA SUPPORT (CODES 1-5 OR 9-95 AT X1)
X2b – And did you have to pay for any of the support provided by <SUPPORT PROVIDER>**?** SINGLE CODE

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

IF RECEIVED ANY NON-RDA SUPPORT (CODES 1-5 OR 9-95 AT X1)
X2c – Overall, how much time would you estimate that <SUPPORT PROVIDER> **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

<u>IF RECEIVED ANY NON-RDA SUPPORT (CODES 1-5 OR 9-95 AT X1)</u>
X4 – I'm now going to read through a list of service aspects and I'd like you to rate your experience of each one on a scale of 1 to 5, where 1 is 'very poor' and 5 is 'very good'.

Overall, how would you rate the quality of the support you have received from <SUPPORT PROVIDER> **in terms of…** READ OUT – 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

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

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

AS NECESSARY: **This means the business in its current form**

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

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

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

<u>IF ALREADY EXPORTING (CODE 1 AT S2)</u>
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**

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

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

<u>IF DON'T KNOW AT B2a</u>
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

<u>IF ALREADY EXPORTING (CODE 1 AT S2)</u>
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

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

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

<u>ASK ALL</u>
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=1-3 **starting to sell overseas /** IF S3c=4-5 **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=1-3 **are looking to start selling overseas /** IF S3c=4-5 **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=1-3 **are looking to start selling overseas /** IF S3c=4-5 **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=1-3 **are looking to start selling overseas /** IF S3c=4-5 **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=1-3 **are looking to start selling overseas /** IF S3c=4-5 **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=1-3 **are looking to start selling overseas /** IF S3c=4-5 **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**

<u>ONLY ASK IF EXPORTING 2 YEARS OR LESS (B1=1-2 OR S2=2-3)</u>
(f) You <IF B1=1-2 **started selling overseas /** IF S3c=1-3 **are looking to start selling overseas /** IF S3c=4-5 **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
B29 – Compared with a year ago, would you say that your business is now…?
READ OUT – SINGLE CODE

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

IF ALREADY EXPORTING (CODE 1 AT S2)
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)

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

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

IF ALREADY EXPORTING (CODE 1 AT S2)
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)</u>

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? PROBE AS NECESSARY **Any others?**

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

<u>ASK ALL</u>

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

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

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

(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 (AS NECESSARY: **For example, where customers in France prefer to buy from French companies rather than UK ones.)**
(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

<u>ASK FOR EACH OF A-S THAT RESPONDENT AGREES IS A DIFFICULTY THEY HAVE ENCOUNTERED. ASK B14 DIRECTLY AFTER B13 FOR EACH ONE</u>

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

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

IF NO (CODE 2) AT B13g OR CODES 1-2 AT B14g – TO FOLLOW DIRECTLY AFTER B13/14g

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 BOTH OPTIONS BEFORE TAKING AN ANSWER

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

IF NO (CODE 2) AT B13h OR CODES 1-2 AT B14h – TO FOLLOW DIRECTLY AFTER B13/14h

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 BOTH OPTIONS BEFORE TAKING AN ANSWER

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

IF NO (CODE 2) AT B13k OR CODES 1-2 AT B14k – TO FOLLOW DIRECTLY AFTER B13/14k

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 ALL 3 OPTIONS CODES BEFORE TAKING AN ANSWER

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
S8a – Before today, had you heard of UK Trade & Investment or UKTI?

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

ASK IF HEARD OF UKTI (CODE 1 AT S8a)
S8b – And were you aware that they provide assistance to help UK firms do business overseas?

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

ASK ALL
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

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 RECEIVED ANY NON-RDA SUPPORT (CODES 1-5 OR 9-95 AT X1) EXCEPT…

- DO NOT ASK IF ONLY MENTIONED 'CERTIFICATE OF ORIGIN' (CODE 11 AT X2a)
- DO NOT ASK IF RECIEVED LESS THAN 1 HOUR OF SUPPORT (CODE 2 AT X2d)

C7 – I'd now like to focus again on the assistance or support you have received from <SUPPORT PROVIDER> **in the last 2 years in relation to doing business overseas. I'm going to read out a list of ways in which your business may benefit from this support and I would like you to tell me whether this is a benefit that you have experienced or expect to experience as a direct result. So, firstly…**

STATEMENTS TO BE RANDOMISED WITHIN GROUPS. ALWAYS ASK GROUP 1 FIRST, RANDOMISE ORDER OF GROUPS 2-3, ALWAYS ASK GROUP 4 LAST.

GROUP 1 - BARRIERS TO MARKET ACCESS OVERCOME

(a) Have you, or will you, gain access to prospective customers, business partners or other people that you would otherwise have been unable to meet *as a result of the assistance from* **<***SUPPORT PROVIDER***>**

(c) Have you, or will you, improve your company's profile or credibility ~~overseas~~ *as a result of the assistance from* **<***SUPPORT PROVIDER***>**

(e) Have you, or will you, gain access to information that you would otherwise have been unable to come by *as a result of the assistance from* **<***SUPPORT PROVIDER***>**

GROUP 2 - INCREASED SKILLS

(h) Have you, or will you, gain the confidence to either explore a new market or expand in an existing market *as a result of the assistance from* **<***SUPPORT PROVIDER***>**

(i) Have you, or will you, improve your knowledge of the competitive environment in an overseas market *as a result of the assistance from* **<***SUPPORT PROVIDER***>**

GROUP 3 - CHANGED BEHAVIOUR (& MISCELLANEOUS)

(l) Have you, or will you, make improvements to your products, services, processes or management practices *as a result of the assistance from* **<***SUPPORT PROVIDER***>**

AS NECESSARY **By 'products and services' I mean everything that your business offers**

(t) Have you, or will you, make improvements to your new product or service development strategy *as a result of the assistance from* **<***SUPPORT PROVIDER***>**

(n) Have you, or will you, improve the way you do business in overseas markets *as a result of the assistance from* **<***SUPPORT PROVIDER***>**

(o) Have you, or will you, improve your overseas marketing strategy *as a result of the assistance from* **<***SUPPORT PROVIDER***>**

FOR EACH THAT RESPONDENT AGREES IS A BENEFIT (ASK C8 DIRECTLY AFTER C7)

C8 - And to what extent do you feel that this has been, or will be, a benefit of the assistance you received?

Please give me a score of 1 to 5, where 1 means 'to no extent' and 5 means 'to a critical extent'. READ OUT AS NECESSARY

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

ASK IF RECEIVED ANY NON-RDA SUPPORT (CODES 1-5 OR 9-95 AT X1) BUT DO NOT ASK IF ONLY MENTIONED 'CERTIFICATE OF ORIGIN' (CODE 11 AT X2a) OR IF RECIEVED LESS THAN 1 HOUR OF SUPPORT (CODE 2 AT X2d) OR IF NO (CODE 2) AT EVERY C7 STATEMENT

C12 – And as a result of the assistance you have received from <SUPPORT PROVIDER**>have you, or do you expect to, increase your sales or win any new orders?**

Yes	1
No	2
(Don't know)	3

ASK IF ONLY MENTIONED CERTIFICATE OF ORIGIN (CODE 11 AT X2a) OR LESS THAN 1 HOUR (CODE 2 AT X2d)

C10 – Thinking now specifically about the support you have received from <SUPPORT PROVIDER**> in relation to doing business overseas. Do you think that this support will have any positive impact on the performance of your firm?**

Yes	1
No	2
(Don't know)	3

IF RECEIVED ANY NON-RDA SUPPORT (CODES 1-5 OR 9-95 AT X1) 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 <SUPPORT PROVIDER**> has made to your firm, or is expected to make to your firm?** READ OUT – SINGLE CODE

We would achieve similar results anyway	1
We would achieve similar results, but not as quickly	2
We would achieve some but not all of the results	3
We probably would not achieve similar results	4
We definitely would not achieve 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.

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?

AS NECESSARY: **Please include both full and part-time staff.**

AS NECESSARY: **Please only include UK-based staff**

INTERVIEWER NOTE – If the respondent owns the company and does not employ anyone else, please code as zero employees.

Write in number (0+):
(Refused)
(Don't know) – PROMPT WITH RANGES

SHOW IF ZERO ENTERED AT F2a
INTERVIEWER NOTE - Please confirm that the firm has NO employees in the UK. If they are unsure or don't know please code accordingly rather than putting zero

ASK IF DON'T KNOW AT F2a

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

IF F2a>250 OR IF F2b=9-10

F2c – So can I just confirm that you have <INSERT RESPONSE FROM F2a/b> **employees based in the UK?**

Yes	1
No	2

IF NO, CATI TO ROUTE INTERVIEW BACK TO F2a & INTERVIEWER TO AMEND

ASK ALL EXCEPT 'NOT YET TRADING' (CODE 9 AT S1c)

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.**

IF SUBSIDIARY (CODE 3 AT F1a):

AS NECESSARY **Please just give me the turnover of the subsidiary in which you work**

IF HAS SUBSIDIARIES (CODE 2 AT F1a):

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

IF DON'T KNOW AT F3a

F3b - If you had to estimate your total turnover, into which of the following bands would you put yourself? READ OUT AS NECESSARY

£0 1
£100,000 or less..2
£100,001 - £500,000 3
£500,001 - £2million 4
£2million - £10million..5
£10million - £25million..6
£25million - £50million..7
£50million - £500million..8
More than £500million 9
(Don't know) 10
(Refused)..11

ASK ALL EXCEPT 'NOT YET TRADING' (CODE 9 AT S1c) OR NO EMPLOYEES (0 AT F2a OR CODE 1 AT F2b)

F3c – Approximately how many of your UK-based employees are engaged either wholly or partly in R&D activity? READ OUT

AS NECESSARY: **By R&D I mean 'research and development'**

Zero 1
One..2
2-4 3
5-9 4
10-49 5
50 or more 6
(Don't know) 12
(Refused)..13

ASK IF F3c IS CODES 3-6

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
10-49 5
50 or more 6
(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?

AS NECESSARY: **By R&D I mean 'research and development'**

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 NECESSARY: **By completely new I mean that, to the best of your knowledge, they have not been introduced by anyone before you**

Just new to your business 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

IF RECEIVED ANY NON-RDA SUPPORT & INVOLVED IN NPD/R&D ((CODES 1-5 OR 9-95 AT X1) & (CODE 1 AT C7i, C7l, C7t OR C12) & (F3c=2-6 OR F3d=2-6 OR F4=1)) BUT DO NOT ASK IF ONLY MENTIONED 'CERTIFICATE OF ORIGIN' (JUST CODE 11 AT X2a) OR IF LESS THAN 1 HOUR (CODE 2 AT X2d) OR IF NON-ADDITIONAL (CODE 1 AT C9)
F24a –Thinking again about the assistance you have received from <SUPPORT PROVIDER**> in relation to doing business overseas. As a result of this assistance, have you or will you increase the number of people engaged in, or the total time devoted to, R&D or new product or service development?**

Yes 1
No 2
(Don't know) 3

IF INCREASED R&D STAFF/TIME (CODE 1 AT F24a)
F24b – And as a result of the assistance from <SUPPORT PROVIDER**>, have you or will you increase the amount you spend on R&D or new product or service development?**

AS NECESSARY **Please include expenditure on salaries, wages and staff time as well as equipment, and any expenditure on 'bought-in' product development services.**

Yes 1
No 2
(Don't know) 3

<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
Or, grown substantially...4
(Don’t know) 5
(Refused)...6

<u>ASK ALL</u>
F9 – And, what growth objectives do you have for the business over the <u>next</u> FIVE years? Do you plan to…?
READ OUT

Remain the same size...1
Become smaller...2
Grow moderately...3
Or, grow substantially..4
(Don’t know) 5
(Refused)...6

<u>ASK ALL</u>
F11 – Can I just check, do you have a current, written business plan?

Yes 1
No 2
(In progress/currently writing business plan)....................5
(Don’t know) 6
(Refused)...7

<u>IF HAVE PLAN OR IN PROGRESS (CODES 1 OR 5 AT F11)</u>
F12 - <IF F11=1 **Does** / IF F11=5 **Will> the plan contain any targets relating to revenues from overseas sales?**

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

<u>ASK ALL CURRENTLY EXPORTING (CODE 1 AT S2)</u>
F25a – Has your business <u>imported</u> any goods or services into the UK over the last 5 years?

AS NECESSARY **By importing I mean buying in goods or services from overseas suppliers.**

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

<u>IF IMPORTED (CODE 1 AT F25a)</u>
F25b – And have your experiences of importing helped you at all when it comes to <u>selling your products or services overseas</u>?

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

<u>IF IMPORTING HAS HELPED EXPORT (CODE 1 AT F25b)</u>
F25c – And was this because...? READ OUT. CODE ALL THAT APPLY

You've incorporated the goods that you import into the products that you sell overseas 1

You made contacts when importing that were helpful when selling overseas..2

Your experiences of importing have improved your knowledge and understanding of overseas markets 3

Or some other reason (SPECIFY)...................................95

(Don't know) 97

<u>ASK ALL CURRENTLY EXPORTING (CODE 1 AT S2)</u>
F21a – Can I just check, does your firm use export credit insurance? SINGLE CODE

INTERVIEWER NOTE: IF RESPONDENT DOES NOT KNOW WHAT EXPORT CREDIT INSURANCE IS THEN CODE AS 'NO'

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

<u>IF USE EXPORT CREDIT INSURANCE (CODE 1) AT F21a</u>
F21b – And over the last 6 months, have you had any difficulties in accessing export credit insurance? SINGLE CODE

INTERVIEWER NOTE: IF THE RESPONDENT SAYS THEIR EXPORT CREDIT INSURANCE HAS BEEN REDUCED, THEN CODE AS 'YES'

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

<u>ASK ALL EXCEPT 'NOT YET TRADING' (CODE 9 AT S1c)</u>
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)

<u>IF ANY NUMBER GIVEN AT F14 (1+)</u>
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)

<u>ASK ALL</u>
F26 – Finally, does your firm belong to any Trade Associations or sector bodies?

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

<u>ASK ALL</u>
F17 – That's the end of the interview, thank you very much for taking part. Would you be willing to take part in any future research on this topic conducted on behalf of UK Trade & Investment or the Department for Business, Innovation & Skills (BIS)?

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

<u>IF CODE 1 AT S9A2 OR S9C2 OR S9D2</u>
F20 – You mentioned earlier that you may be interested in some of the services offered by UKTI. Would you like to be emailed some more information on these services? IF YES, RECORD EMAIL.

Yes (RECORD EMAIL ADDRESS) 1
No...2

<u>ASK ALL</u>
F18 – Finally as proof of this interview please could I just confirm your business postcode? CATI TO DISPLAY POSTCODE IF AVAILABLE – AMEND IF MISSING OR INCORRECT

<u>ASK ALL</u>
F19 – And may I take a note of your name?
WRITE IN……………………………………………

STANDARD THANK & CLOSE