

# 1 E-business Adoption Survey 2008

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This survey was completed by the West Midlands Regional Observatory at Advantage West Midlands's request to compare regional e-business adoption with the last detailed survey undertaken in 2004. E-Adopters are defined as businesses that have or use computers; this includes desktops, laptops and PDAs such as Blackberries or smart phones.

Across the West Midlands e-adoption levels have risen from 58% of surveyed businesses in 2004 to 62% in 2008 (Table 5). This is a low increase over a 4 year period which has seen significant developments in information technology. Based on the survey 38% of businesses in the region still do not utilise any computing technology.

The reasons for not adopting e-business practices are predominantly to do with a perceived lack of relevance to the business with 80% of non-adopters giving reasons relating to relevance (Table 7). Skills issues are also raised with nearly 20% of non-adopters in the region citing skills issues, this rises to over 30% in Coventry & Warwickshire but this is a relatively small sample. The other major barrier is cost with nearly 10% of non-adopters citing cost as a barrier.

Direct comparisons of broadband usage are not possible with 2004 as the 2004 survey didn't differentiate between broadband and dial up connections but over 90% of e-adopters in the region now have a broadband connection with just over 30% saying they had a dial up connection (Table 9a). This equates to nearly 57% of all surveyed businesses having a broadband connection though this falls to 49.4% in the Black Country.

Of those who are e-adopters the least used technologies are CRMs (only 24% of e-adopters have them), dial up connections (explained by high levels of broadband usage) and the facility to sell online with just 28% of e-adopters in the region having the facility to sell their goods or services online.

Of those who had invested in ICT in the last three years nearly 80% felt that it had either just or completely covered its costs (Table 38). Only 6% of businesses felt that their investment had not come close to covering its costs. Overall this paints a picture in which less than a third of the region's businesses are using IT effectively (i.e. sell goods or services online), but those who do invest find their investment at least covers the cost. In contrast over a third of the region's businesses do not use IT and fail to see its relevance.

Against this background the regional IT Advisory Service has been developed as a specialist service of Business Link West Midlands to address these issues which have the potential to raise the region's GVA by £3bn over a 5-7 year period. The IT Advisory Service will seek to address the issues of ICT relevance for non adopters, whilst also encouraging greater exploitation in all levels of adoption.