

# 2003 e-commerce survey of business : Information and Communication Technologies (ICT) adoption and usage

## Structure of this report.

- **Introduction** - including uses, limitations and improvements
- **Background** - including selection information and estimation
- **Types of technology used and levels of usage**
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- **Using ICT to interact with Public Authorities**

## Introduction

The e-commerce survey measures the level and type of ICT used by UK businesses. The data provides information to policy makers, to help direct efforts to support ICT innovation, and to businesses to help them benchmark their own ICT use against other comparative businesses. The survey is part of an European Union (EU) initiative providing EU-comparable data on e-commerce. The definition of e-commerce used is that agreed by the Organisation for Economic Co-operation and Development (OECD) and the EU: it is the method by which the order is placed which determines whether a transaction is e-commerce - not the payment or delivery channels.

This is the fourth annual data-set produced and this survey is still in its infancy. Because of this and the definitional developments and developmental nature of ICT, these data are designated as experimental. The Office for National Statistics' Code of Practice Protocol on Dissemination permits this status where National Statistics are developing and undergoing evaluation.

As in previous years, data are subject to revision, and some 2002 data have been revised by businesses contacted in the process of validating the 2003 data. Where this is the case, the data are marked 'r'. Additionally, methodological aspects of the survey are still under development, both within the EU and worldwide, in the context of the European Statistical Office (Eurostat) and OECD discussions. The outputs of the e-commerce survey are, therefore, likely to remain under development, and subject to change, for a number of years.

The survey questionnaire was revised significantly for the 2002 survey following consultation with businesses, UK government users, Eurostat and other EU member states, and building upon the experience of the first two surveys. Changes have also been made to the 2003 questionnaire, partly due to international development in the methodology of measurement in ICT, and partly due to changes in the technology itself, which has raised new areas of policy interest. These have been kept to a minimum to try to achieve a time series within the next few years.

While some patterns are emerging, year on year comparisons are often not appropriate prior to 2002 and should not be attempted unless shown in this report.

## Some key findings:

- The number of businesses using the Internet for sales increased by a quarter, to 5 per cent, between 2002 and 2003.
- Businesses were a lot more likely to buy than sell over the Internet, with 29 per cent reporting that they did so at some time during 2003.
- Three in ten (31 per cent) of businesses reported having a website at the end of 2003.
- The use of many ICTs was growing fastest among smaller businesses at the end of 2003, partly reflecting their catching up following the early investment by larger businesses.
- The largest increase in businesses with Internet access was among those with fewer than 50 employees.
- Seventy per cent of businesses used PCs in 2003; this rises to 92 per cent if businesses with fewer than 10 employees are excluded.
- The number of people with access to the Internet at work rose by 9 per cent between the end of 2002 and the end of 2003, to 7.1 million.
- One in four businesses used broadband as the primary method of Internet connection at the end of 2003, a rise from one in seven in 2002.
- Fewer businesses reported the reason for not using broadband as 'not available in geographic area' in 2003 than in 2002.
- The number of businesses using the Internet to interact with public authorities rose from 18 per cent to 19 per cent between 2002 and 2003.

## Background

This survey is sent annually to 12,000 UK businesses of all sizes and covers most economic activity (see Explanatory Note). For the 2003 survey, just over 84 per cent of the questionnaires were returned and validated. The Inter-Departmental Business Register (IDBR) was used as the sampling frame. Businesses with less than 10 employment were included in the sample for the third successive year.

The estimates published in this report are weighted to be consistent with the number and profile of businesses in the UK economy. Results weighted by business give an equal weight to every business irrespective of size. This method of calculation better reflects the contribution made by the large number of small businesses and is appropriate when assessing, for example, ICT penetration. Business weighted results can be found in tables 1-7. Employment weighted results give weight to businesses relative to their size i.e. each business' employment as a share of the employment total. This method of calculation is most appropriate when assessing the dominance of large businesses' contribution to an item or variable. Employment weighted results are presented for comparison in tables 8 - 14. Sectoral analyses are presented in tables 15 - 18.

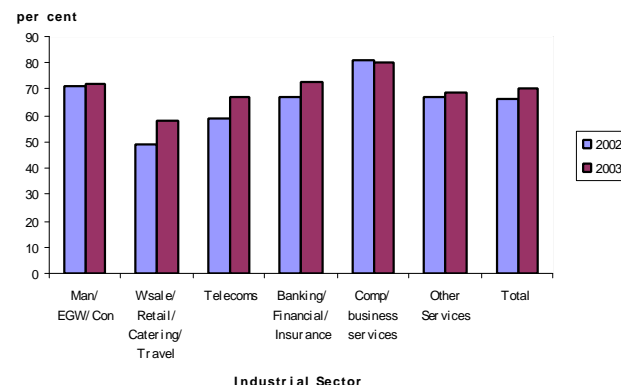
## Types of technologies used and levels of usage

The level of ICT use varies considerably between businesses of different size and different economic activity. But the 2003 data reaffirms the findings of previous years' surveys that, typically, the larger the business the more ICTs are used. On the other hand, the largest growth in usage was among smaller businesses, i.e. those with less than 50 employment, as they 'catch-up' in their ICT use.

One measure of the change in the level of basic ICT use is the number of businesses that reported use of personal computers (PCs), or similar devices. In 2003, 70 per cent of businesses reported the use of PCs or similar devices, an increase of 6 per cent on the figure in 2002 of 66 per cent, and 9 per cent on the 2001 figure of 64 per cent. The 2003 figure was 92 per cent for businesses with 10 or more employment, and nearly 100 per cent for businesses with 50 or more employment (see Table 4). When analysed by sector, the largest increase was seen in the Wholesale, Retail, Catering and Travel sector, rising from 49 per cent in 2002 to 58 per cent by the end of 2003. Despite this increase the number of businesses within the sector using PCs still

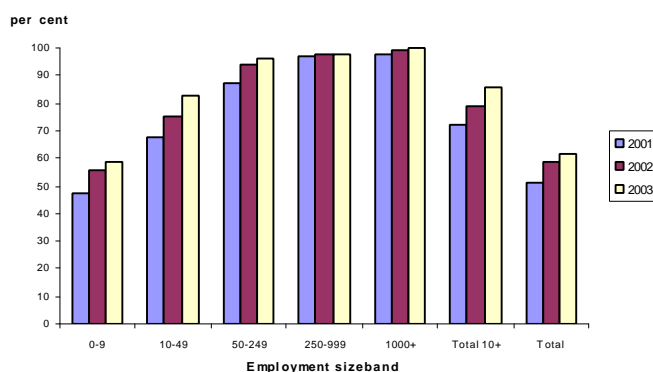
lags behind the rest of the economy, which is led by the Computing and Other Business Services sector (80 per cent) followed by the Banking, Financial and Insurance Services sector and Manufacturing sector (73 per cent and 72 per cent respectively) (see Table 17).

### Businesses with PCs, 2002 and 2003



The number of businesses with Internet access stood at 62 per cent at the end of 2003, (see Table 1) compared with 59 per cent at the end of 2002 and 51 per cent at the end of 2001. Again, almost all businesses with 50 or more employment had Internet access. At the other end of the scale, more than 40 per cent of the smallest businesses, i.e. those with less than 10 employment, did not have Internet access, although this has reduced from 53 percent in 2001.

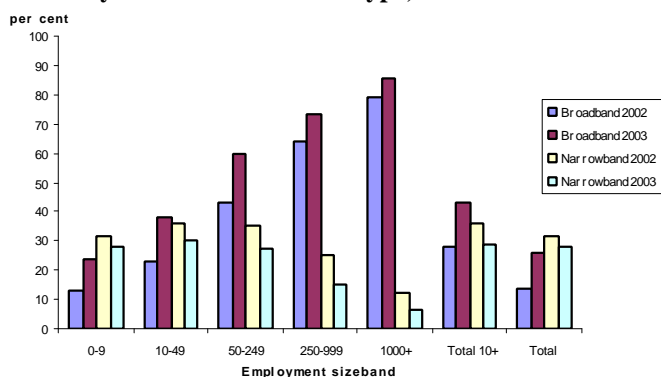
### Internet access, 2001, 2002 and 2003



Improved geographic coverage, aggressive marketing and competitive pricing have resulted in a near 86 per cent rise in the number of businesses reporting broadband as their primary method for Internet connection when compared with 2002. Typically, this figure has been boosted by even larger increases in the small and medium enterprises (SMEs) i.e. those with fewer than 250 employment. The overall level of businesses connecting via broadband stood at 26 per cent at the end of 2003 compared with 14 per cent at the end of 2002 (see Table 2). The monthly Index of Internet Connectivity, while

counting all connections (i.e. including households), presents evidence of continuing growth in this area.

#### Primary Internet Connection type, 2002 and 2003



Mis-reporting can arise from a number of factors including misunderstanding of questions. It has been reported that some confusion arose among businesses that have 'leased line' connections i.e. with capacity that exceeds that typically provided through conventional broadband. This resulted in those businesses recording a 'don't know' against this heading, when a response to the 'broadband' option would have been appropriate for the purpose of this survey. Such mis-reporting was corrected where found, but it is unlikely that all such cases were identified. This could have resulted in the under reporting of broadband connections, albeit small. Such misunderstandings do, however, highlight where future surveys must respond to the continuing developments in Internet connection technology.

Conversely, and predictably, dial-up 'narrowband' connections fell 13 per cent from 32 per cent at the end of 2002 to 28 per cent at the end of 2003. This fall was common to all sectors except Manufacturing, where narrowband rose from 30 to 31 per cent, although broadband also rose from 10 per cent to 19 per cent. As questions and definitions, and knowledge, improve, the number of businesses answering 'don't know' to the type of Internet connection fell by 25 per cent on the 2002 figure.

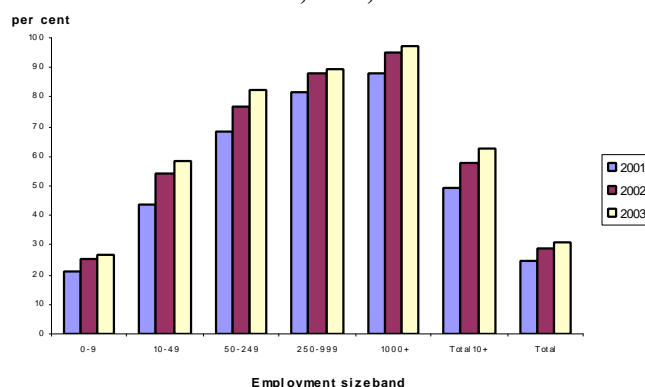
Broadband wireless or satellite connections were up by over 200 per cent, although still only used by less than 1 per cent of all businesses (see Table 3).

To complete the broadband picture: 5 per cent fewer businesses reported that broadband was not geographically available in 2003, compared with 2002; and less than 9 per cent of businesses (mostly those with fewer than 50 employment) reported that they did not need broadband.

Websites have become an essential part of many businesses' communication with their customers; although possibly not for sales. At the end of 2003 the number of businesses that reported having a website rose to 31 per cent, up 7 per cent from the 2002 figure of 29 per cent and from 25 per cent in 2001. The largest businesses (1000+ employment) are nearly four times more likely to have a website than the smallest (under 10 employment). More than 8 in 10 businesses with more than 50 employment had a website at the end of 2003 (see Table 4).

More businesses in the Banking, Financial and Insurance Services sector have websites than those in any other sector, 46 per cent at the end of 2003, while only 26 per cent of manufacturers reported having a website, the lowest sectoral group. Interestingly, a high proportion of websites do not allow visitors to buy on-line.

#### Businesses with websites, 2001, 2002 and 2003



#### Access to the Internet at work

Despite anecdotal reports from some businesses who have removed access from their employees' computers, or restricted use, 7.1 million people now have Internet access at work. This represents 36 per cent of the working population and an increase of just over 9 per cent on the 2002 figure of 6.5 million. This does, however, leave 2 million people that have access to computers or similar devices at work but do not have Internet access. This compares with 2.6 million in 2002, a fall of 23 per cent.

#### Buying and selling over the Internet (Table 5)

More businesses reported that they had sold products or services on-line, 5 per cent in 2003 compared with 4 per cent in 2002. The value of those sales will be reported later in November. However, there is a clear divide between the smallest and largest businesses, with nearly 1 in 3 businesses with 1000 and over employment selling on-line, compared with less than 1 in 20

of the smallest businesses, i.e. those with less than 10 employment.

By sector, Wholesale, Retail, Catering and Travel lead the way, with 7 per cent of businesses selling on-line, a small increase on 2002. However, the biggest mover was the Other Services sector, which includes health care, recreation and sporting and other service activities, which rose from less than 2 per cent to over 6 per cent.

Referring back to the number of businesses reporting that they have a website (31 per cent), the fact that less than 6 per cent of businesses sell on line suggests that the majority of businesses use their websites for purposes other than selling, e.g. product and company information.

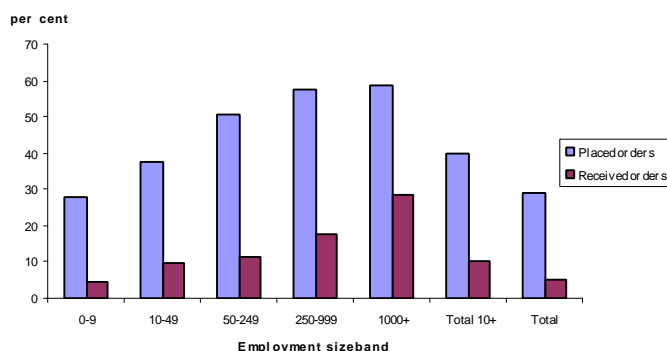
Some possible reasons for the movements in these data have been provided by businesses and include:

- Retailers, particularly dealerships, reported that they were required to deal over the Internet, sometimes extranet, by some manufacturers i.e. driven by suppliers.
- Manufacturers reported that they were required to deal over the Internet by large retailers e.g. supermarkets i.e. driven by retailers.
- Businesses reported greater demand from households e.g. flights and accommodation i.e. driven by consumers.
- Some businesses reported that they are actively directing their customers to their website rather than take telephone orders.

In direct comparison to sales, nearly six times the number of businesses bought on-line, at least once, in 2003. In fact, the number of businesses that bought on-line more than doubled to 29 per cent of the total, compared with 2002. Anecdotally, reports were received from businesses that the most common purchase on-line was for office consumables, i.e. stationery. This is possibly supported by a significant number of the smallest businesses reporting some on-line purchases in the year.

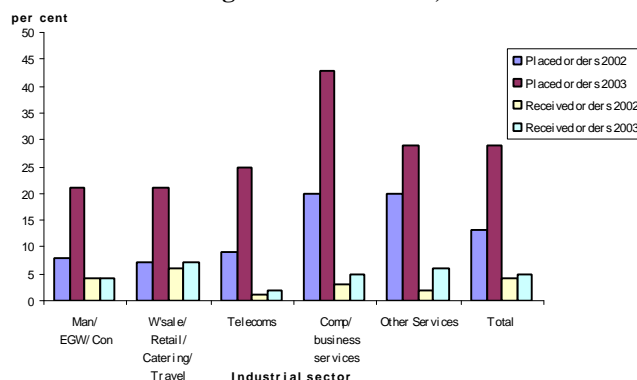
While again, the larger the business the more likely it is to buy on-line, the largest increases, commonly two-fold, have been seen among the smaller businesses, with 28 per cent of the smallest businesses reporting some on-line purchases in the year.

**Businesses trading over the Internet, 2003**



The most likely business to buy on-line is large and working in the Computing and Other Business Services sector. These data are supported by software businesses reporting that they are requiring that their customers order on-line to make delivery easier (direct to customers' PC), cheaper, quicker and safer. Another piece of supporting evidence is the reported increase in the number of stationery suppliers also requesting orders are placed on-line. The least likely to buy on-line is a small manufacturing business, although 1 in 5 did so in 2003.

**Businesses trading over the Internet, 2002 and 2003**



## Buying and selling over other types of ICTs (Table 5)

This category includes Electronic Data Interchange (EDI) over non-Internet systems, e-mail, PC-based fax and automated telephone entry e.g. of the type used for ordering cinema tickets.

Businesses reported that, at the end of 2003, they were almost twice more likely to use other ICTs than the Internet for selling. The 2003 figure of 10 per cent was more than double that of the 2002 figure (4.5 per cent). However, businesses have reported some boundary issues between EDI transactions using the Internet and using other ICTs, and these definitional issues may have had an impact on the figures reported.

Repeating the pattern of businesses' use of the Internet, while more larger businesses use other ICTs for sales, the biggest growth can be seen in the smaller businesses.

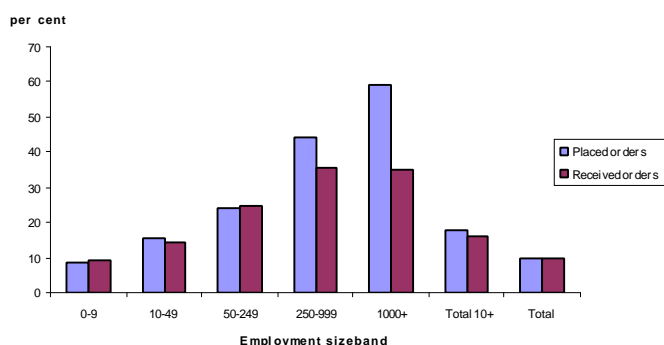
Sectorally, nearly one in eight computing and manufacturing businesses reported sales over other ICTs, more than businesses in any other sector.

The pattern of businesses' buying over other ICTs is very similar to the pattern of their sales, although at a sectoral level, Telecommunication businesses came out as the most likely to buy over other ICTs, 13 per cent reporting that they did so in 2003 (see Table 18).

Interestingly, while very similar numbers of businesses buy and sell over other ICTs (around one in ten), as already reported, six times more businesses buy than sell over the Internet.

Large increases between 2002 and 2003 are reported in the use of ICTs for making or receiving payments, increases of 83 per cent and 86 per cent respectively.

#### Businesses trading over ICTs other than the Internet, 2003



#### Business integration through ICTs (Table 6)

ICTs have been expected to generate performance improvements in business through integrating operations. Electronic links between business processes (e-business) are an aspect of this, and the e-commerce survey attempts to identify business' use of such links, specifically associated with electronic buying and selling.

While the percentage of businesses using internal links for managing orders at the end of 2003 was relatively low at 3.4 per cent, the range was large. Just 2.5 per cent of the smallest businesses, those with fewer than 10 employment, reported internal ICT links, while the largest businesses, those with 1000 or more employment, reported 57 per cent. No direct comparison is possible with previous years because of changes to the questions asked.

With the low levels of activity reported, drawing conclusions at anything but the highest levels of aggregation is unwise. However, the pattern of use by size of business seen in the internal links category above, is repeated throughout the data collected on the various types of internally linked systems available. Little significance can be drawn from a sectoral analysis, although, generally, Manufacturing came out as a low user of such technology, with Telecommunications and the Wholesale, Retail, Catering and Travel sector at the other end of the scale.

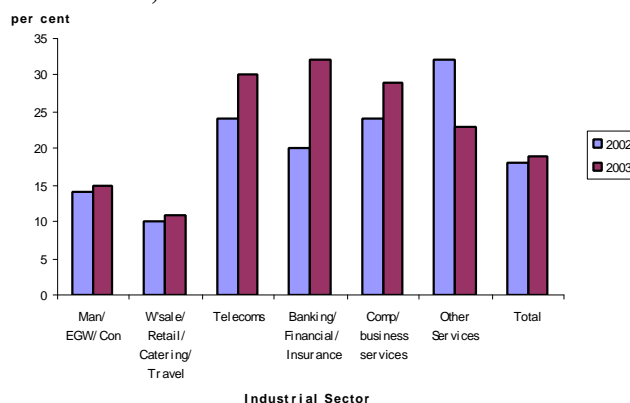
When asked about electronic links with other businesses, only 2.5 per cent of businesses at the end of 2003, said that their order management systems did. Predictably, the larger the business, the more likely they were to have such systems. Nearly 2 per cent of businesses reported electronic links with suppliers' ordering or business systems in 2003, compared to just over 1 per cent in 2002. Businesses with an employment of 1000 and over reported the highest level of links with suppliers' ordering or business systems, three in ten (30.2 per cent). By contrast, only 1 in 100 (1.3 per cent) of the smallest businesses reported links with suppliers' ordering or business systems.

At the sectoral level, the same pattern, and caveat as reported for internal links, applies.

#### Using ICT to interact with Public Authorities (Table 7)

The number of businesses using the Internet to interact with public authorities rose from 18 per cent in 2002 to 19 per cent in 2003. Financial institutions were the most likely to use this facility for such interactions while manufacturers were least likely.

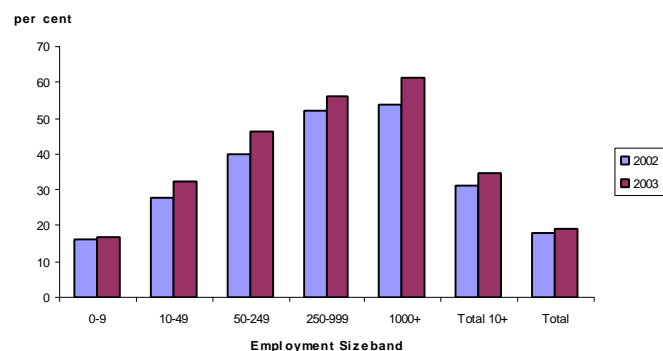
#### Businesses using the Internet to interact with Public Authorities, 2002 and 2003





The reasons for doing so were various, although the most common were to obtain information (19 per cent) and to obtain forms (15 per cent). As is the case across the whole economy's use of all types of technology, the larger the business, the more likely they were to interact with public authorities over the Internet.

#### Businesses using the Internet to interact with Public Authorities, 2002 and 2003



### EXPLANATORY NOTES

Revisions to 2002 estimates have been made in the course of investigating 2003 data where businesses have been contacted and have revised their previous responses.

#### Definition of broad sectors

The following UK SIC(92) Divisions define the broad sectors used in this report:

Manufacturing, Electricity, Gas and Water supply and Construction - Div 15-45

Wholesale, Retail, Catering and Travel - Div 50-63

Telecommunications - Div 64

Banking, Financial and Insurance Services - Div 65-67 (excl. Class 66.02)

Computing and Other Business Services - Div 70-74

Other Services - Div 85; 92-93.

### Coverage

The e-commerce survey covers the whole economy excluding:

#### UK SIC(92)

Div	Title
01	Agriculture
02	Forestry, logging and related activities
05	Fishing
10	Mining of coal and lignite and extraction of peat
11	Extraction of crude petroleum and natural gas
12	Mining of uranium and thorium
13	Mining of metal ores
14	Other mining, quarrying
75	Public administration, defence and social security
80	Education
90	Sewage and refuse disposal and similar activities
91	Membership organisations not elsewhere classified
95	Private households as employers of domestic staff
99	Extra-Territorial organisations

### Further Information

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**Table 1: Percentage of businesses with Internet access, by size of business, 2002 and 2003**

Employment size		0-9	10 - 49	50 - 249	250 - 999	1000+	All sizebands	10 or more
<i>Per cent</i>								
With Internet access	2002	56	75r	94	98	99	59	79
	2003	59	83	96	98	100	62	86
Without Internet access	2002	44	25r	6	2	1	41	21
	2003	41	17	4	2	-	38	14
Total	2002	100	100	100	100	100	100	100
	2003	100	100	100	100	100	100	100

Base: All UK businesses

**Table 2: Percentage of businesses with different primary Internet connection types, by size of business, 2002 and 2003**

Employment size		0-9	10 - 49	50 - 249	250 - 999	1000+	All sizebands	10 or more
<i>Per cent</i>								
With Internet access:								
With broadband as primary connection	2002	13	23	43r	64r	79r	14	28
	2003	24	38	60	73	86	26	43
With narrowband as primary connection	2002	32	36	35r	25r	12r	32	36r
	2003	28	30	27	15	7	28	29
Do not know primary connection type	2002	11	16	16	9	7r	12	16
	2003	8	15	9	10	7	9	14
Without Internet access	2002	44	25r	6	2	1	41	21
	2003	41	17	4	2	-	38	14
Total	2002	100	100	100	100	100	100	100
	2003	100	100	100	100	100	100	100

Base: All UK businesses

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Note: Discrepancies may occur between totals and the sum of their independently rounded components.

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**Table 3: Percentage of businesses with different primary broadband connection types, by size of business, 2002 and 2003**

Employment size		0-9	10 - 49	50 - 249	250 - 999	1000+	All sizebands	10 or more
<i>Per cent</i>								
With broadband as primary connection:								
Cable/DSL as primary connection	2002	11	20	28 <sup>r</sup>	27 <sup>r</sup>	27 <sup>r</sup>	13	22
	2003	21	33	45	38	39	22	35
Other fixed broadband as primary connection	2002	1	3	14	37 <sup>r</sup>	52 <sup>r</sup>	2	6 <sup>r</sup>
	2003	2	5	14	34	47	3	7
Satellite/wireless broadband as primary connection	2002	-	-	1	1	-	-	-
	2003	-	1	1	1	-	1	1
With narrowband as primary connection	2002	32	36	35 <sup>r</sup>	25 <sup>r</sup>	12 <sup>r</sup>	32	36 <sup>r</sup>
	2003	28	30	27	15	7	28	29
Do not know primary connection type	2002	11	16	16	9	7 <sup>r</sup>	12	16
	2003	8	15	9	10	7	9	14
Without Internet access	2002	44	25 <sup>r</sup>	6	2	1	41	21
	2003	41	17	4	2	-	38	14
Total	2002	100	100	100	100	100	100	100
	2003	100	100	100	100	100	100	100

*Base: All UK businesses*

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Note: Discrepancies may occur between totals and the sum of their independently rounded components.

<sup>r</sup> - revised



**Table 4: Percentage of businesses with different types of information and communication technologies (ICTs), by size of business, 2002 and 2003**

Employment size		0-9	10 - 49	50 - 249	250 - 999	1000+	All sizebands	10 or more
<i>Per cent</i>								
With PCs, workstations, terminals etc	2002	63	87	97 <sup>r</sup>	99 <sup>r</sup>	99 <sup>r</sup>	66	89
	2003	67	91	99	99	100	70	92
With website, own or third party	2002	25	54 <sup>r</sup>	77	88	95	29	58 <sup>r</sup>
	2003	27	59	83	90	97	31	63
With external e-mail	2002	47	71	92	97	99	50 <sup>r</sup>	75
	2003	49	76	95	97	99	52	80
With intranet	2002	7	20 <sup>r</sup>	44 <sup>r</sup>	65 <sup>r</sup>	82 <sup>r</sup>	9	25 <sup>r</sup>
	2003	7	24	50	69	85	9	30
With EDI	2002	4	11 <sup>r</sup>	24	46 <sup>r</sup>	62 <sup>r</sup>	5	14 <sup>r</sup>
	2003	3	12	27	48	66	5	16
With extranet	2002	2	4	10	23 <sup>r</sup>	36 <sup>r</sup>	2 <sup>r</sup>	5 <sup>r</sup>
	2003	2	6	12	25	42	3	7
With automated telephone entry	2002	1	1 <sup>r</sup>	6 <sup>r</sup>	13	22 <sup>r</sup>	1	2 <sup>r</sup>
	2003	1	4	9	15	26	2	5
With mobile computer technology	2002	12	18 <sup>r</sup>	35	61 <sup>r</sup>	76 <sup>r</sup>	13	22 <sup>r</sup>
	2003	15	21	42	69	84	16	26
With WAN/LAN	2002	14	45 <sup>r</sup>	72 <sup>r</sup>	91 <sup>r</sup>	97 <sup>r</sup>	18	50 <sup>r</sup>
	2003	16	50	76	91	98	21	55

*Base: All UK businesses*

**Table 5: Percentage of businesses trading via different electronic means, by size of business, 2002 and 2003**

Employment size		0-9	10 - 49	50 - 249	250 - 999	1000+	All sizebands	10 or more
<i>Per cent</i>								
Received orders over the Internet	2002	4	6	8	14	22	4	7
	2003	5	10	11	18	29	5	10
Placed orders over the Internet	2002	12	16	24	31	38	13	17
	2003	28	38	51	57	59	29	40
Received orders over other ICTs (exc Internet)	2002	4	9	20	34	31	5	12
	2003	9	14	25	36	35	10	16
Placed orders over other ICTs (exc Internet)	2002	4	10	19	34	48	5	12
	2003	9	16	24	44	59	10	18
Received payments over any ICTs (inc Internet)	2002	5	19	36	48	57	7	23
	2003	11	24	34	46	62	13	26
Made payments over any ICTs (inc Internet)	2002	10	24	43	59	68	12	28
	2003	19	37	53	72	81	22	40

*Base: All UK non-financial sector businesses*

**Table 6: Percentage of businesses with electronic integration of different types of business processes, by size of business, 2002 and 2003**

Employment size		0-9	10 - 49	50 - 249	250 - 999	1000+	All sizebands	10 or more
<i>Per cent</i>								
With integrated electronic processes <sup>1</sup>	2002	2	8	19	38	51	3	10
With integrated internal electronic processes <sup>1</sup>	2003	2	8	18	38	57	3	10
With integrated external electronic processes <sup>1</sup>	2003	2	6	12	26	39	3	8
<i>Type of integrated business process</i>								
With integrated production or service operating systems	2002	1	2	10	24	31	1	4
	2003	1	4	11	26	38	1	6
With integrated logistics or delivery systems	2002	1	1	8	24	34	1	3
	2003	1	3	10	26	40	1	5
With integrated invoicing and payment systems	2002	1	5	13	30	43	2	7
	2003	1	5	14	32	49	2	7
With integrated marketing or customer relationship management systems	2002	1	2	5	10	16	1	2
	2003	1	2	6	13	19	1	3
With other internal integrated operating systems	2002	1	3	8	21	31	1	4
	2003	2	3	10	22	34	2	5
Integrated with suppliers' ordering or business systems	2002	1	3	4	15	23	1	4
	2003	1	5	7	17	30	2	6
Integrated with customers' ordering or business systems	2002	-	1	5	16	19	1	2
	2003	-	2	6	17	21	1	3
With other links to external businesses' systems	2002	-	1	3	8	13	-	2
	2003	1	1	3	9	15	1	2

Base: All UK non-financial sector businesses

<sup>1</sup> New definitions were used for the 2003 survey making comparisons with 2002 inappropriate.  
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**Table 7: Percentage of businesses using the Internet for different purposes for interaction with public authorities, by size of business, 2002 and 2003**

Employment size		0-9	10 - 49	50 - 249	250 - 999	1000+	All sizebands	10 or more
<i>Per cent</i>								
Using Internet to interact with public authorities	2002	16	28	40 <sup>r</sup>	52	54 <sup>r</sup>	18	31 <sup>r</sup>
	2003	17	32	46	56	62	19	35
<i>Purpose of Internet interaction with public authorities</i>								
Using Internet to obtain information	2002	15	26	38 <sup>r</sup>	50	50 <sup>r</sup>	16	29 <sup>r</sup>
	2003	17	31	45	55	60	19	33
Using Internet to obtain forms	2002	8	20 <sup>r</sup>	31 <sup>r</sup>	38 <sup>r</sup>	37 <sup>r</sup>	10	22 <sup>r</sup>
	2003	13	26	40	47	50	15	29
Using Internet to return completed forms	2002	4	8	15 <sup>r</sup>	20 <sup>r</sup>	22	5	10 <sup>r</sup>
	2003	6	12	22	29	30	7	14
Using Internet for full electronic case handling	2002	1	1	1	2	3	1	1
	2003	1	1	3	4	6	1	2
Using Internet for other purpose	2002	2	2	4 <sup>r</sup>	6	8 <sup>r</sup>	2	2
	2003	3	4	6	7	10	3	5

Base: All UK businesses

**Table 8: Percentage of businesses with Internet access (employment weighted), by size of business, 2002 and 2003**

Employment size		0-9	10-49	50-249	250-999	1000+	All sizebands	10 or more
<i>Per cent</i>								
With Internet access	2002	54 <sup>r</sup>	78	94	99	100	85	94
	2003	59	86	97	98	100	89	96
Without Internet access	2002	46 <sup>r</sup>	22	6	1	-	15	6
	2003	41	14	3	2	-	11	4
Total	2002	100	100	100	100	100	100	100
	2003	100	100	100	100	100	100	100

Base: All UK businesses

**Table 9: Percentage of businesses with different primary Internet connection types (employment weighted), by size of business, 2002 and 2003**

Employment size		0-9	10-49	50-249	250-999	1000+	All sizebands	10 or more
<i>Per cent</i>								
With Internet access:								
With broadband as primary connection	2002	11	27	44 <sup>r</sup>	65 <sup>r</sup>	86 <sup>r</sup>	51 <sup>r</sup>	61 <sup>r</sup>
	2003	22	41	63	75	87	61	70
With narrowband as primary connection	2002	32	36 <sup>r</sup>	34 <sup>r</sup>	25	9 <sup>r</sup>	24 <sup>r</sup>	22 <sup>r</sup>
	2003	27	30	26	14	7	19	17
Do not know primary connection type	2002	12	15 <sup>r</sup>	16	9	5 <sup>r</sup>	10 <sup>r</sup>	10 <sup>r</sup>
	2003	9	15	9	9	6	9	9
Without Internet access	2002	46 <sup>r</sup>	22	6	1	-	15	6
	2003	41	14	3	2	-	11	4
Total	2002	100	100	100	100	100	100	100
	2003	100	100	100	100	100	100	100

Base: All UK businesses

- Too small to display

Note: Discrepancies may occur between totals and the sum of their independently rounded components

r - revised

**Table 10: Percentage of businesses with different primary broadband connection types (employment weighted), by size of business, 2002 and 2003**

Employment size		0-9	10-49	50-249	250-999	1000+	All sizebands	10 or more
<i>Per cent</i>								
With broadband as primary connection:								
Cable/DSL as primary connection	2002	10	24	28r	25r	22r	21r	24r
	2003	20	36	46	39	35	35	38
Other fixed broadband as primary connection	2002	1	3	16r	39r	64r	29r	37r
	2003	2	5	15	35	52	26	32
Satellite/wireless broadband as primary connection	2002	-	-	1	1	-	-	-
	2003	-	1	1	1	-	1	1
With narrowband as primary connection	2002	32	36r	34r	25	9r	24r	22r
	2003	27	30	26	14	7	19	17
Do not know primary connection type	2002	12	15r	16	9	5r	10r	10r
	2003	9	15	9	9	6	9	9
Without Internet access	2002	46r	22	6	1	-	15	6
	2003	41	14	3	2	-	11	4
Total	2002	100	100	100	100	100	100	100
	2003	100	100	100	100	100	100	100

Base: All UK businesses

- Too small to display

Note: Discrepancies may occur between totals and the sum of their independently rounded components

r - revised

**Table 11: Percentage of businesses using different types of information and communication technologies (ICTs) (employment weighted), by size of business, 2002 and 2003**

Employment size		0-9	10-49	50-249	250-999	1000+	All sizebands	10 or more
<i>Per cent</i>								
With PCs, workstations, terminals etc	2002	62	91	96 <sup>r</sup>	99 <sup>r</sup>	100	90	97
	2003	67	93	99	99	100	92	98
With website, own or third party	2002	28	58 <sup>r</sup>	78	89	98	72	83 <sup>r</sup>
	2003	29	62	84	91	99	75	86
With external e-mail	2002	47	74	92	98	99 <sup>r</sup>	83	92
	2003	49	80	96	98	100	85	94
With intranet	2002	9	23 <sup>r</sup>	47 <sup>r</sup>	66 <sup>r</sup>	90	51 <sup>r</sup>	62 <sup>r</sup>
	2003	7	27	53	71	91	55	66
With EDI	2002	5	12	28	48 <sup>r</sup>	76	39	47 <sup>r</sup>
	2003	4	13	31	51	77	41	50
With extranet	2002	1	4	11	24 <sup>r</sup>	50 <sup>r</sup>	22 <sup>r</sup>	27
	2003	2	6	13	26	55	26	31
With automated telephone entry	2002	1	2	6 <sup>r</sup>	14	34 <sup>r</sup>	14	18
	2003	1	4	10	16	39	18	22
With mobile computer technology	2002	12	19 <sup>r</sup>	39 <sup>r</sup>	63 <sup>r</sup>	85 <sup>r</sup>	48 <sup>r</sup>	57 <sup>r</sup>
	2003	14	23	45	71	88	53	63
With WAN/LAN	2002	14	50 <sup>r</sup>	74 <sup>r</sup>	92 <sup>r</sup>	98	67	82 <sup>r</sup>
	2003	18	55	77	93	99	71	84

*Base: All UK businesses*



**Table 12: Percentage of businesses trading via different electronic means (employment weighted), by size of business, 2002 and 2003**

Employment size		0-9	10-49	50-249	250-999	1000+	All sizebands	10 or more
<i>Per cent</i>								
Received orders over the Internet	2002	5	7	8	15	37	17	20
	2003	5	10	12	19	43	21	25
Placed orders over the Internet	2002	12	17	24	30	50	28	33
	2003	26	39	51	58	63	48	54
Received orders over other ICTs (exc Internet)	2002	3	10	22	35	30	20	24
	2003	9	15	26	37	28	22	26
Placed orders over other ICTs (exc Internet)	2002	5	12	20	36	63	30	37
	2003	10	17	27	46	68	37	44
Received payments over any ICTs (inc Internet)	2002	8	21	38	49	65	38	46
	2003	12	26	36	49	71	42	50
Made payments over any ICTs (inc Internet)	2002	11	26	44	60	72	44	53
	2003	20	40	58	75	83	57	66

*Base: All UK non-financial sector businesses*

**Table 13: Percentage of businesses with electronic integration of different types of business processes (employment weighted), by size of business, 2002 and 2003**

Employment size		0-9	10-49	50-249	250-999	1000+	All sizebands	10 or more
<i>Per cent</i>								
With integrated electronic processes <sup>1</sup>	2002	1	7	20	39	66	30	38
	2003	3	8	21	41	67	32	39
With integrated internal electronic processes <sup>1</sup>	2002	2	6	14	27	54	25	30
	2003	2	6	14	27	54	25	30
<i>Type of integrated business process</i>								
With integrated production or service operating systems	2002	-	2	11	25	46	20	25
	2003	1	4	13	29	49	22	28
With integrated logistics or delivery systems	2002	-	1	9	26	50	20	26
	2003	1	3	12	28	54	24	29
With integrated invoicing and payment systems	2002	1	5	14	32	60	26	33
	2003	1	5	17	35	62	28	35
With integrated marketing or customer relationship management systems	2002	-	2	5	10	26	10	13
	2003	1	2	7	14	28	13	16
With other internal integrated operating systems	2002	1	3	10	22	47	19	25
	2003	2	3	11	24	46	20	25
Integrated with suppliers' ordering or business systems	2002	1	3	5	15	45	17	22
	2003	2	5	8	19	48	20	25
Integrated with customers' ordering or business systems	2002	-	1	6	17	28	12	15
	2003	-	2	7	19	21	11	13
With other links to external businesses' systems	2002	-	1	4	8	29	11	14
	2003	1	1	4	10	28	11	14

Base: All UK non-financial sector businesses

<sup>1</sup> New definitions were used for the 2003 survey making comparisons with 2002 inappropriate.  
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**Table 14: Percentage of businesses using the Internet for different purposes for interaction with public authorities (employment weighted), by size of business, 2002 and 2003**

Employment size		0-9	10-49	50-249	250-999	1000+	All sizebands	10 or more
<i>Per cent</i>								
Using Internet to interact with public authorities	2002	18	31 <sup>r</sup>	40 <sup>r</sup>	53 <sup>r</sup>	52 <sup>r</sup>	39	45 <sup>r</sup>
	2003	18	34	47	57	62	45	52
<i>Purpose of Internet interaction with public authorities</i>								
Using Internet to obtain information	2002	16	28	38 <sup>r</sup>	51 <sup>r</sup>	48	37 <sup>r</sup>	42
	2003	17	33	46	55	59	44	50
Using Internet to obtain forms	2002	9 <sup>r</sup>	20	31 <sup>r</sup>	37 <sup>r</sup>	33	26	31
	2003	13	27	41	48	46	36	41
Using Internet to return completed forms	2002	5	9	15 <sup>r</sup>	20	22 <sup>r</sup>	15	17 <sup>r</sup>
	2003	6	12	24	31	30	21	25
Using Internet for full electronic case handling	2002	1	1	1	2	6 <sup>r</sup>	3	3 <sup>r</sup>
	2003	1	2	3	4	6	4	4
Using Internet for other purpose	2002	3	2	4 <sup>r</sup>	6	14	7	8
	2003	3	5	7	7	12	7	8

*Base: All UK businesses*

**Table 15: Percentage of businesses with Internet access, by broad industrial sector, 2002 and 2003**

Broad Industrial Sector		Manufacturing/ EGW/ Construction	W'sale/ Retail/ Catering/ Travel	Telecommunications	Banking/ Financial/ Insurance Services	Computing/ Other business services	Other Services	Total
<i>Per cent</i>								
With Internet access	2002	59	40	54	62	76	63	59
	2003	60	48	63	71	77	63	62
Without Internet access	2002	41	60	46	38	24	37	41
	2003	40	52	37	29	23	37	38
Total	2002	100	100	100	100	100	100	100
	2003	100	100	100	100	100	100	100

*Base: All UK businesses*

**Table 16: Percentage of businesses with different primary broadband connection types, by broad industrial sector, 2002 and 2003**

Broad Industrial Sector		Manufacturing/ EGW/ Construction	W'sale/ Retail/ Catering/ Travel	Telecommunications	Banking/ Financial/ Insurance Services	Computing/ Other business services	Other Services	Total
<i>Per cent</i>								
With broadband as primary connection:								
Cable/DSL as primary connection	2002	8	6	2	18	23	11	13
	2003	15	16	22	34	34	21	22
Other fixed broadband as primary connection	2002	2	1	3	7	2	-	2
	2003	3	1	7	9	3	3	3
Satellite/wireless broadband as primary connection	2002	-	-	-	-	-	-	-
	2003	1	-	-	1	-	1	1
With narrowband as primary connection	2002	30	23	38	28	42	37	32
	2003	31	21	29	22	34	29	28
Do not know primary connection type	2002	19	9	11	10	9	15	12
	2003	11	10	5	5	6	11	9
Without Internet access	2002	41	60	46	38	24	37	41
	2003	40	52	37	29	23	37	38
Total	2002	100	100	100	100	100	100	100
	2003	100	100	100	100	100	100	100

*Base: All UK businesses*

Note: Discrepancies may occur between totals and the sum of their independently rounded components  
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**Table 17: Percentage of businesses with different types of information and communication technologies (ICTs), by broad industrial sector, 2002 and 2003**

Broad Industrial Sector		Manufacturing/ EGW/ Construction	W'sale/ Retail/ Catering/ Travel	Telecommunications	Banking/ Financial/ Insurance Services	Computing/ Other business services	Other Services	Total
<i>Per cent</i>								
With PCs, workstations, terminal etc.	2002	71	49	59	67	81	67	66
	2003	72	58	67	73	80	69	70
With website, own or third party	2002	27	26	28	34	34	31	29
	2003	26	27	28	46	37	31	31

*Base: All UK businesses*

**Table 18: Percentage of businesses trading via different electronic means, by broad industrial sector, 2002 and 2003**

Broad Industrial Sector		Manufacturing/ EGW/ Construction	W'sale/ Retail/ Catering/ Travel	Telecommunications	Computing/ Other business services	Other Services	Total
<i>Per cent</i>							
Received orders over the Internet	2002	4	6	1	3	2	4
	2003	4	7	2	5	6	5
Placed orders over the Internet	2002	8	7	9	20	20	13
	2003	21	21	25	43	29	29
Received orders over other ICTs (exc Internet)	2002	6	4	1	4	5	5
	2003	11	8	9	12	6	10
Placed orders over other ICTs (exc Internet)	2002	4	5	2	6	5	5
	2003	8	9	13	13	6	10

*Base: All UK non-financial sector businesses*