

Statistical bulletin

E-commerce and ICT activity, UK: 2017

Use of information and communication technology (ICT) and the value of e-commerce activity by UK businesses.



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1 . Main points

- E-commerce sales by businesses in the UK non-financial sector with 10 employees or more were £560 billion in 2017, rising sharply from £484 billion in 2016; this year-on-year increase of 16% was the largest since 2011.
- Growth in total e-commerce sales by businesses with 10 employees or more has been driven by an increase in website sales of £131 billion since 2011, while electronic data interchange (EDI) sales have declined by £61 billion.
- Including businesses with fewer than 10 employees, e-commerce sales were made up of £300 billion website sales and £286 billion EDI sales.
- In 2017, of businesses with 10 employees or more, 82% had a website, almost double the proportion of businesses with fewer than 10 employees, at 42%.
- Fast broadband speed of 100 Mbps or more was used by 16% of businesses with 10 employees or more in 2017, up from 4.6% in 2010.

2 . Things you need to know about this release

The [Organisation for Economic Co-operation and Development \(OECD\)](#) definition of e-commerce is used in this statistical bulletin. An e-commerce transaction is defined as “the sale or purchase of goods or services, conducted over computer networks by methods specifically designed for the purpose of receiving or placing of orders.” It is important to note, under this definition, that “the goods or services are ordered by those methods, but the payment and the ultimate delivery of the goods or services do not have to be conducted online.”

These estimates are sourced primarily from the E-commerce Survey of UK Businesses, which covers the manufacturing, production, construction, distribution and parts of the service sectors. Information from the [Annual Business Survey \(ABS\)](#) is also used in the preparation of e-commerce estimates.

Further information on e-commerce and information and communication technologies (ICT) activity is available in the [E-commerce and ICT Quality and Methodology Information](#) report.

The estimates back to 2010 have been revised where necessary to take account of updated information from businesses.

From 2014, the E-commerce Survey of UK Businesses introduced coverage of micro-enterprises, that is, businesses with fewer than 10 employees. Up until this time, the survey covered just businesses employing 10 or more people. This means that longer-term comparisons over time can only be made for businesses with 10 employees or more.

All estimates in this release are in current prices.

3 . E-commerce sales continue to grow

There has been a sharp rise in e-commerce sales by businesses with 10 employees or more, from £484 billion in 2016 to £560 billion in 2017 (Figure 1). This rise of 16% is the largest since 2011.

Figure 1: UK e-commerce sales

2009 to 2017 (including micro-enterprises from 2014)

Figure 1: UK e-commerce sales

2009 to 2017 (including micro-enterprises from 2014)



Source: Office for National Statistics

Notes:

1. Coverage of micro-enterprises (those with less than 10 employees) is only available from 2014.

E-commerce sales are classed as either electronic data interchange (EDI) sales or website sales. EDI can be explained as an automated transaction between businesses and therefore EDI sales are classed as business-to-business sales. Website sales are divided into sales to private customers and sales to businesses or public authorities. When looking solely at website sales for 2017, the majority, £160 billion, were to private customers.

Micro-enterprises have minimal impact on the value of e-commerce sales. The number of micro-enterprises far outweighs the number of larger businesses with 1,000 employees or more. For this reason, micro-enterprises have a larger impact on the proportion of businesses making e-commerce sales.

The proportion of businesses making website sales was 9.8% in 2017, while 1.6% of businesses made EDI sales. It is clear that the larger the business, the more likely it is to make e-commerce sales, with 46% of businesses with 1,000 employees or more making website sales in 2017, compared with 8.8% of micro-enterprises. A similar pattern can be seen with EDI sales, with 28% of businesses with 1,000 employees or more making EDI sales, compared with 1.2% of micro-enterprises.

In 2017, total e-commerce sales were £586 billion, up from £506 billion in 2016. Website sales grew by £52 billion since 2016 (21%), to £300 billion in 2017. However, EDI sales grew by only £28 billion (11%) to £286 billion, returning to the level recorded in 2014 after two successive falls.

4 . EDI sales dominated by manufacturing and wholesale sectors

In this release, revisions have been made to the estimates for website and electronic data interchange (EDI) sales in the manufacturing sector, from 2010 onwards. This is due to receiving updated survey data.

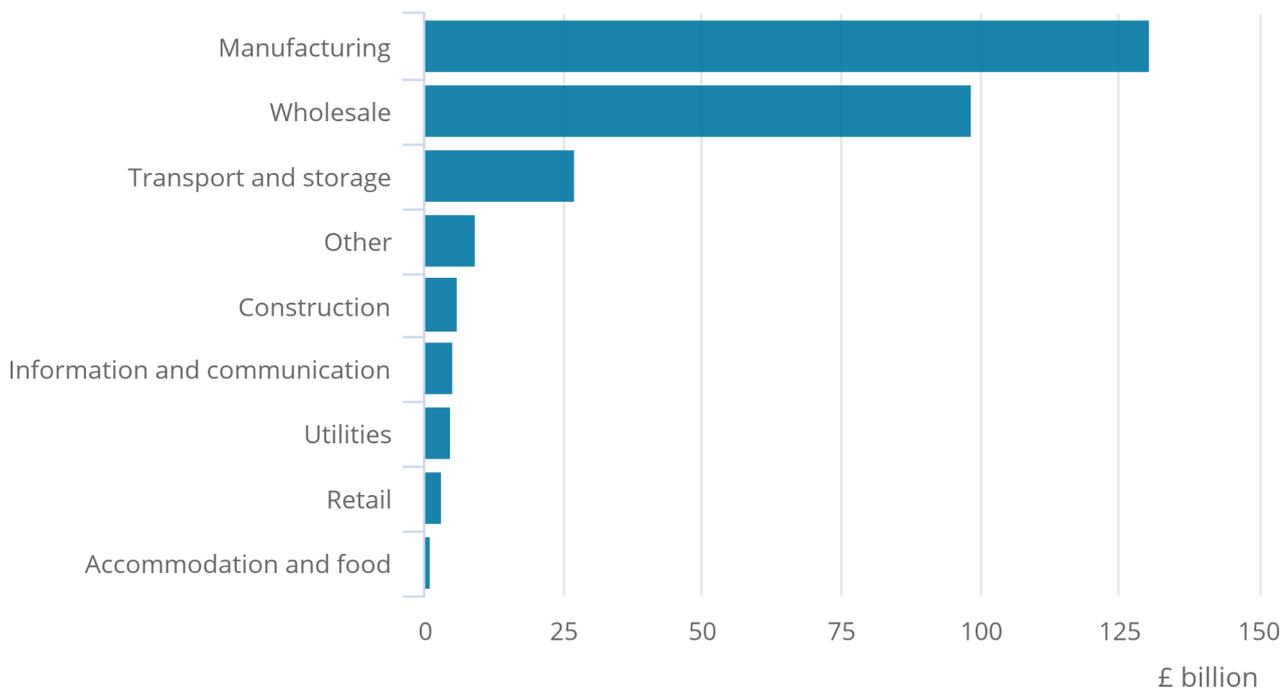
In 2017, the sectors showing the highest values of EDI sales were the manufacturing sector at £130 billion, followed by the wholesale sector at £99 billion. These sectors combined accounted for more than three-quarters of the EDI sales in the UK (Figure 2).

Figure 2: UK e-commerce sales via electronic data interchange (EDI), by industry sector

2017 (including micro-enterprises)

Figure 2: UK e-commerce sales via electronic data interchange (EDI), by industry sector

2017 (including micro-enterprises)



Source: Office for National Statistics

Notes:

1. Differences may occur between totals and the sum of their independently rounded components.

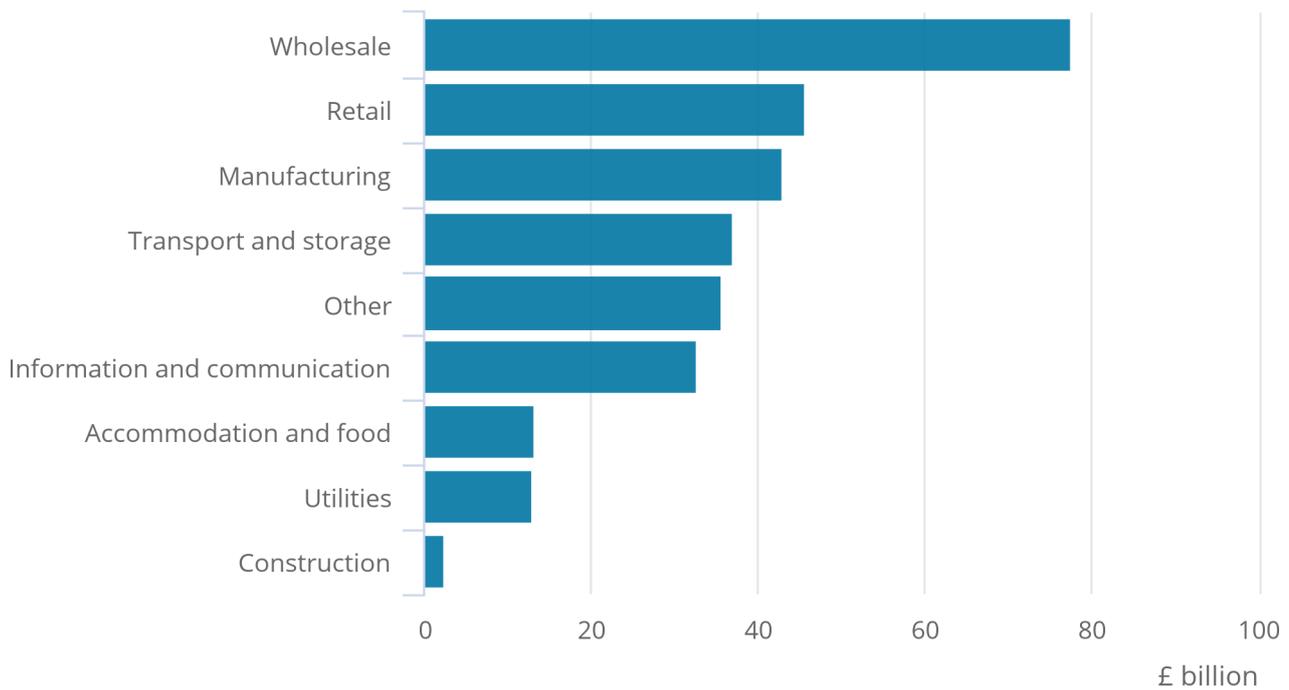
Comparatively, website sales are more evenly split between sectors when compared with EDI sales (Figure 3). The wholesale sector had the largest website sales at £77 billion in 2017. The retail sector at £46 billion, manufacturing at £43 billion and transport at £37 billion, all recorded similar levels of sales, highlighting that website sales are strong across different sectors.

Figure 3: UK e-commerce sales over a website, by industry sector

2017 (including micro-enterprises)

Figure 3: UK e-commerce sales over a website, by industry sector

2017 (including micro-enterprises)



Source: Office for National Statistics

Notes:

1. Differences may occur between totals and the sum of their independently rounded components.

5 . Website sales continue to grow across all sizes of UK businesses

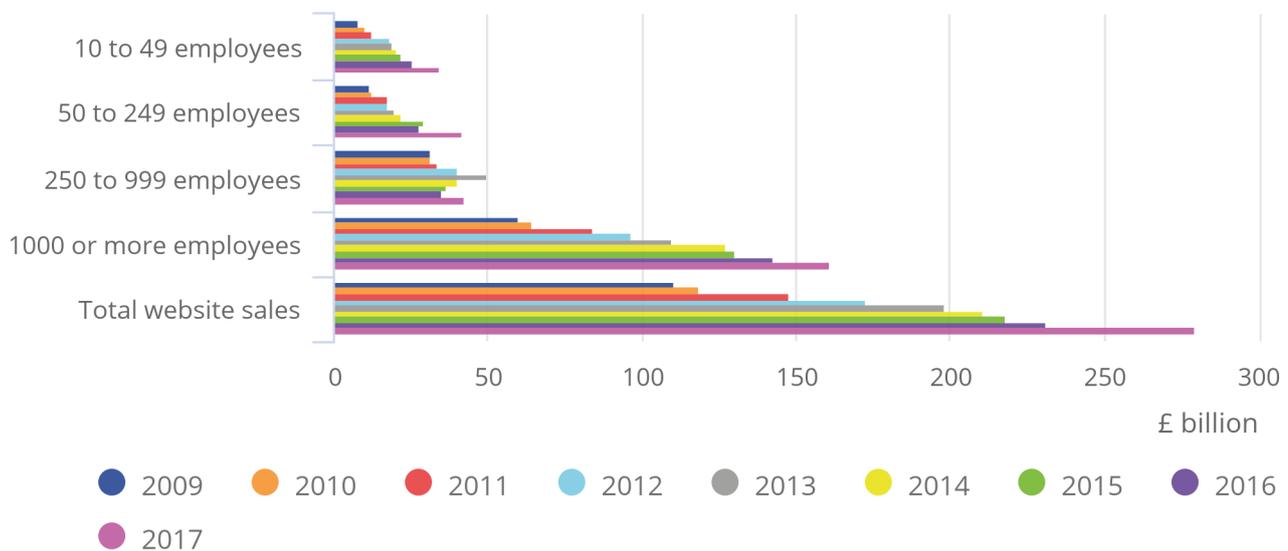
Of all UK businesses, the largest rise of website sales has been in businesses with 1,000 employees or more, where sales grew by £101 billion, from £60 billion in 2009 to £161 billion in 2017. This was a growth of 169%. Although website sales by smaller businesses with 10 to 49 employees rose by £26 billion, from £7.8 billion to £34 billion over the same period, this was a larger increase in percentage terms of 337% (Figure 4).

Figure 4: UK e-commerce sales over a website, by size of business

2009 to 2017 (excluding micro-enterprises)

Figure 4: UK e-commerce sales over a website, by size of business

2009 to 2017 (excluding micro-enterprises)



Source: Office for National Statistics

Notes:

1. Differences may occur between totals and the sum of their independently rounded components.
2. Coverage of micro-enterprises is only available from 2014 and they are therefore not included in Figure 4.

For businesses with 10 employees or more, the growth of EDI sales has been comparatively slower than website sales, with the 2009 value of £264 billion rising to £281 billion in 2017, a rise of 6.1%. This contrasts with the more rapid growth of website sales, rising from £111 billion to £279 billion (152%), over the same period.

Electronic data interchange (EDI) and website sales together represented 16.5% of business turnover in 2017. The value of website sales, by businesses with 10 employees or more, as a proportion of business turnover was 9.3%, up from 4.9% in 2009. In contrast, the value of EDI sales was 9.3% of business turnover in 2017, down from 11.6% in 2009. This shows that website sales have become an increasingly important part of the economy over this period.

The proportion of businesses making website sales has continued to grow steadily, with 19% of businesses with 10 employees or more making these sales in 2017, rising from 14% in 2009. In contrast, the proportion making EDI sales has declined from 6.5% in 2009 to 5.1% in 2017.

6 . Business broadband speeds increasing

The proportion of all businesses with internet access in 2017 remains unchanged from 2016 at 84%. However, larger businesses are more likely to have internet access, with over 99% of all businesses with 50 employees or more having access in 2017. This compares with only 82% of micro-enterprises.

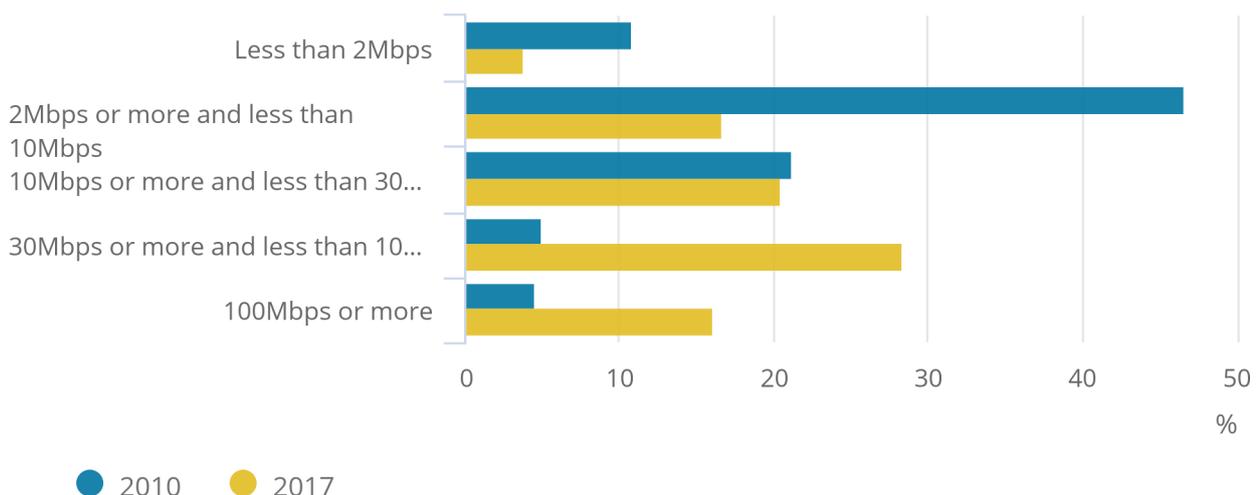
There has been growth over time in the proportion of businesses using faster internet speeds of 30 megabits per second (Mbps) or more (Figure 5). Since 2010, when only 5% of businesses with 10 employees or more had an internet speed of 30 to 99 Mbps, growth in subscriptions to this connection speed has been rapid, with 28% of businesses with 10 employees or more using this speed in 2017.

Figure 5: Proportion of UK businesses by maximum contracted internet connection speed

2010 and 2017 (excluding micro-enterprises)

Figure 5: Proportion of UK businesses by maximum contracted internet connection speed

2010 and 2017 (excluding micro-enterprises)



Source: Office for National Statistics

Only 3.8% of businesses with 10 employees or more had internet speeds less than 2 Mbps in 2017, down from 11% in 2010. In contrast, broadband speeds of more than 100 Mbps were used by 16% of businesses with 10 employees or more in 2017, up from 4.6% in 2010.

Larger businesses are more likely to subscribe to faster connection speeds. While 65% of businesses with 1,000 employees or more subscribed to speeds of 100 Mbps or more in 2017, only 6.5% of micro-enterprises subscribed.

7 . Website use dominated by larger businesses

In 2017, of all businesses, 46% had a website and there appears to be a clear difference in the use of websites by micro-enterprises, compared with larger businesses. Only 42% of micro-enterprises had a website, compared with 82% of businesses with 10 employees or more.

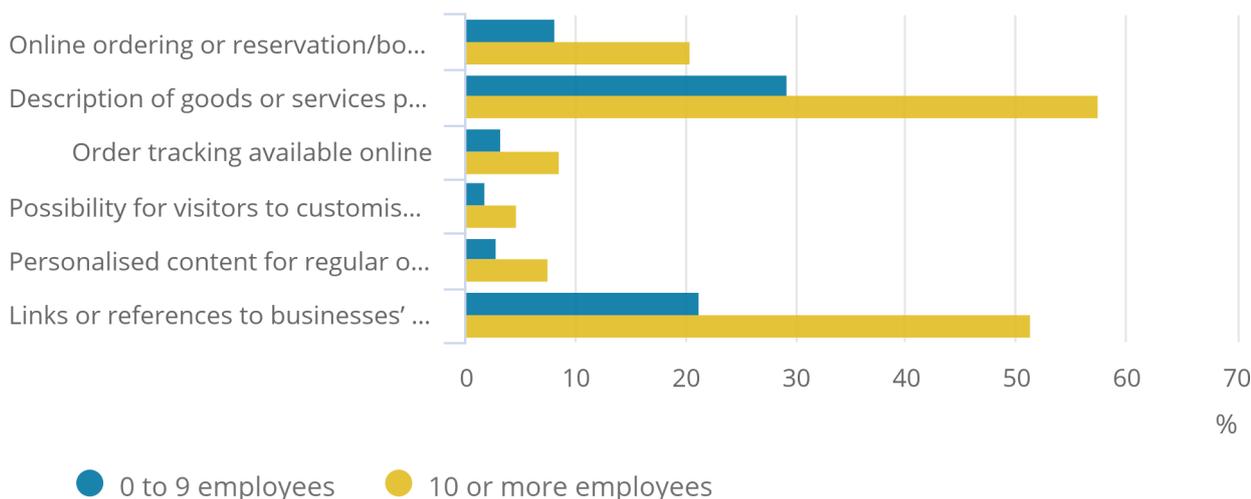
Businesses use their websites to offer various products and services. Far higher proportions of larger businesses have website facilities than smaller businesses. For instance, links or references to their social media sites were offered by 24% of all businesses, with 85% of businesses with 1,000 employees or more offering these. This compares with 21% of micro-enterprises.

Figure 6: Proportion of UK businesses with website facilities, by size of business

2017

Figure 6: Proportion of UK businesses with website facilities, by size of business

2017



Source: Office for National Statistics

Online ordering or reservation and booking was offered by 9.4% of all businesses, with 50% of businesses with 1,000 employees or more using their website in this way, compared with only 8.2% of micro-enterprises. This pattern can be seen across all website facilities (Figure 6), with larger businesses maximising the use of their websites to accommodate the needs of customers.

Between 2016 and 2017, there was almost no change in the proportion of all businesses receiving orders via their own website or “app”; 8% in 2016 and 8.1% in 2017. There was, however, a slight increase in these businesses receiving orders via e-commerce market place websites or “apps”, such as Booking, eBay and Amazon, from 3.2% in 2016 to 4% in 2017.

8 . Targeted advertising popular among larger businesses

In 2017, more than half (54%) of the larger businesses with 1,000 employees or more, paid to advertise on the internet, compared with only 14% of micro-enterprises. Targeted advertising also proved to be more popular among the largest businesses, with 45% using methods based on web pages' content or keywords searched by users. This contrasts with just 10% of micro-enterprises using this same advertising method.

9 . Online file storage proves popular among all businesses

In 2013, 17% of businesses with 10 employees or more purchased online storage of files. This has consistently been the most popular type of cloud computing service.

The highest-purchasing industrial sector of cloud computing services in businesses with 10 employees or more since 2013 has been the information and communication sector, with 80% of these businesses purchasing cloud services in 2017. Storage of files also proved to be the most popular cloud computing service purchased in this sector, with 73% of the information and communication sector purchasing this service in 2017.

10 . Planned future changes

For the collection of the 2018 survey data, we are planning to run our online business survey as part of our Electronic Data Collection programme. We intend to publish estimated analysis on any impact this change in collection mode may have on results at the time of publishing.

11 . Links to related statistics

Statistics on adults who are recent and lapsed internet users and who have never used the internet are available in the [Internet users statistical bulletin](#).

Statistics on household internet access and how adults use the internet are available in the [Internet access – households and individuals statistical bulletin](#).

12 . Quality and methodology

The E-commerce [Quality and Methodology Information](#) report contains important information on:

- the strengths and limitations of the data and how they compare with related data
- uses and users of the data
- how the output was created
- the quality of the output including the accuracy of the data