



Department for
International Trade

2018 International Traders and Investors Study

Research Findings Report

Contents

1 Executive Summary	3
1.1 About the 2018 International Traders and Investors Study	3
1.2 Survey findings	3
2 Background and objectives	5
2.1 Key objectives	5
3 Methodology and respondent profile	6
3.1 Methodology overview	6
3.2 Sample design	6
3.3 Weighting	7
3.4 Effective base sizes and margins of error	7
3.5 Respondent profile	8
4 Doing business with the UK: broader context	11
4.1 Intentions to trade and invest internationally	11
4.2 Stated impact of EU Exit on doing business with the UK	17
5 Key factors impacting on international trading decisions	19
5.1 Association of factors with the UK	19
5.2 Importance of different factors	21
5.3. Associations versus importance: Perception gaps	23
5.4. UK versus competitors	24
6 Key factors impacting on international investment decisions	27
6.1 Association of factors with the UK	27
6.2 Importance of different factors	29
6.3. Associations versus importance: Perception gaps	31
6.4. UK versus competitors	31
7 Engagement with DIT Communications	34
7.1 Recall of UK promotional activity	34
7.2 Response to GREAT Britain Campaign materials	39
8 Implications for DIT	43

1 Executive Summary

1.1 About the 2018 International Traders and Investors Study

This report covers the findings from Ipsos MORI research amongst international businesses regarding attitudes towards trading with and investing in the UK. It measures current attitudes and behaviours, identifying key enablers and barriers to business, UK positioning against competitors, as well as exposure and response to two international business to business (B2B) GREAT Britain campaigns.

Interviews took place between 2 May and 9 August 2018 across eight priority markets: France, Germany, United States of America (USA), Japan, China, Hong Kong (HK), India and United Arab Emirates (UAE). A total of 2,005 interviews were conducted with senior decision makers who were best qualified to talk about their organisation's international purchasing/investing decisions and plans. All participating businesses were either already trading or investing internationally, or were considering doing so.

1.2 Survey findings

The key findings are summarised below and explored in detail in subsequent chapters of this report.

Doing business with the UK

Intentions to trade and/or invest in the UK – as with other countries - are strongly associated with awareness of opportunities, which in turn are associated with recognition of the GREAT campaign (amongst other factors).

- Around one in five (18 per cent) businesses planned to trade and/or invest with the UK within the next three years.
- There was a strong association between stated likelihood to do future business with an international market and the current level of awareness of opportunities, as well as levels of current contact with that market.
- Those who recognised the GREAT Campaign were more aware of opportunities to do business with the UK and more likely to state future intention to do so, though this positive association could be due to factors beyond exposure and engagement with GREAT.
- Those who stated a higher likelihood to trade with the UK were also more likely to note a stronger likelihood to trade with other international markets (such as Germany or the USA), underlining the potential opportunities available and the importance of establishing competitive advantage wherever possible.
- For most respondents, EU Exit was not felt to be a major factor in determining their likelihood to do business with the UK. Around seven in ten said it had made no difference to their likelihood of trading with or investing in the UK. Those who expressed that EU Exit had made them less likely to trade with/invest in the UK were more likely to be respondents based in Germany and France.

Key factors impacting on international trading decisions

Despite some positive patterns, there are some perception gaps in terms of what factors are felt most important in determining where to trade, and the extent to which they are associated with companies in the UK (and elsewhere).

- High quality products and services (cited as very important by 78 per cent of respondents) and competitive pricing (76 per cent) were cited as key factors when deciding where to trade.
- Those currently trading with the UK were significantly more likely to strongly associate companies in the UK with a range of factors relating to trade decisions, reflecting the positive potential impact of familiarity and contact.
- Though there were some positive patterns, the perceived strengths of the UK were not fully aligned with the importance placed on different factors; the greatest gap in perceptions was around competitive pricing, though this was not unique to the UK (similar findings were found for perceptions of companies in Germany).
- The strength in associations of trade factors with companies in the UK were similar to those with companies in Germany, though Germany had the edge with regards to perceptions of technology and creativity.

Key factors impacting on international investment decisions

There were no significant perception gaps with regards to factors influencing international investment decisions, though there is a lack of differentiation between perceptions of the UK and Germany (suggesting no current competitive advantage with regards to key perceptions).

- Potential to make high returns (cited as very important by 70 per cent of respondents), a high-quality infrastructure (61 per cent) and an open and welcoming environment (60 per cent) were cited as key factors when deciding where to invest.
- Those currently investing in the UK were significantly more likely to strongly associate the UK with a range of factors relating to investment decisions, again reflecting the positive potential impact of familiarity and contact.
- The perceived strengths of the UK tended to align with the importance placed on different factors and there were no factors which feature as 'high importance; low association', though the potential to make high returns has such high relative importance attached that it merits prioritisation.
- Levels of association of investment factors with Germany were very similar to the UK, illustrating a lack of strong differentiation between the two markets as destinations for inward investment.

Engagement with communications

Those who recalled messaging around the UK identified themes consistent with B2B international GREAT Campaigns, and a proportion cited taking direct action as a result.

- One in ten survey respondents (10 per cent) spontaneously recalled seeing/hearing activity to promote doing business with/in the UK, rising to one in four (24 per cent) when prompted with a list of markets.
- Technology, innovation and openness were the themes most likely to be recalled in messaging about the UK, which align to some extent with GREAT Campaign messaging.
- One in seven (14 per cent) of those who recalled seeing promotional material said they took some action as a result, including making personal contacts and targeting procurement.
- Around one in seven recognised GREAT (13 per cent) and a significant proportion of these businesses (37 per cent; equating to 5 per cent of the overall sample) felt the campaign had made them feel more positive about doing business with the UK.

2 Background and objectives

This report covers the findings from Ipsos MORI research amongst international business decision makers regarding attitudes towards trading with and investing in the UK. It measures current attitudes and behaviours across eight priority markets, identifying key enablers and barriers to business, UK positioning against competitors and exposure and response to promotional material, including the international B2B GREAT Campaigns.

The approach to this study has been developed to provide robust findings across priority markets, using a methodology that can be readily replicated in the future.

2.1 Key objectives

One of the Department for International Trade's (DIT's) core responsibilities is to develop new trade and investment policies promoting UK businesses globally, and to provide support for UK businesses exporting, whilst facilitating inward and outward investment.

There are two international B2B GREAT campaigns specifically designed to help showcase some of these opportunities available to international buyers and investors, and which aim to make businesses more aware of these opportunities in the UK; The International Trade Campaign and the Invest in GREAT Britain Campaign. Examples of campaign material evaluated in this study are shown below in Figure 2.1.

Figure 2.1: Examples of campaign material evaluated in the study



The key **research objectives** of this study were to:

- Understand international perceptions of the UK as a place to trade with and/or invest in.
- Evaluate the UK's strengths and capabilities and provide benchmarking figures for selected competitors.
- Assess likelihood of international businesses to trade with or invest in the UK against other key competitors.
- Measure levels of awareness, exposure and subsequent impact of the international B2B GREAT campaigns, and assess the effectiveness of the different channels and messages.

3 Methodology and respondent profile

This chapter outlines the research design and approach adopted for the 2018 International Traders and Investors Study. It outlines the methodology, sample design, impact of external factors and weighting. A separate technical report for this study is also available¹.

3.1 Methodology overview

The study was conducted using a CATI (Computer Assisted Telephone Interviewing) methodology, which is significantly more robust than any potential online approach due to the greater inclusivity of the sampling population and superior response rates.

Fieldwork took place between 2 May and 9 August 2018 across eight key markets: France, Germany, United States of America (USA), Japan, China, Hong Kong (HK), India and United Arab Emirates (UAE). Markets were identified by DIT and were selected on the basis of campaign prioritisation and presence of relevant high-profile events.

A total of 2,005 interviews were conducted. The sampling approach and profile of respondents is discussed in detail in subsequent paragraphs.

Interviews were undertaken with senior decision makers who were best qualified to talk about their organisation's international purchasing/investing decisions and plans.

3.2 Sample design

3.2.1 Sample population

The sample was drawn from Dun and Bradstreet, a commercially available international database of businesses. This frame was chosen for several reasons; the ability to use a consistent sample frame and approach in each of the eight markets, its comprehensiveness in each of the markets, and the ability to replicate the same methodology in potential future studies.

The research focused on businesses that met all of the following criteria:

- Profit-making organisations
- Annual turnover of more than \$2 million
- Have at least ten employees employed across the whole organisation including in other markets
- State that they are likely to trade and/or invest internationally, or have done so previously

Businesses were screened against the above criteria at the start of the interview. Only eligible businesses that met all these criteria were allowed to proceed to the interview.

3.2.2 Sample design

This study was not intended to be a representative survey of all businesses within the target markets. It is designed to be representative of eligible businesses which reflect the international B2B GREAT campaigns' target audiences.

¹ <https://www.gov.uk/government/publications/2018-international-traders-and-investors-study-research-findings-report>

There are no known published profiles of businesses within each market that meet the criteria for this study, primarily due to the necessity to filter out those who do not currently trade/invest internationally and are not likely to do so in the future. It was therefore not possible to set accurate quotas at the start of the study. Instead, a dynamic approach to quota setting was applied, in which initial quotas were set on turnover (under and over \$50 mil.) and sector to reflect the overall population of businesses in each market. As fieldwork progressed, the rates of sample incidence (i.e. the proportions of different types of businesses who were found to be eligible to participate in the study) were used to adapt quotas so that more accurate targets could be set by size and sector.

This meant that quotas were set to ensure as representative a sample as possible of eligible businesses currently or considering trading or investing internationally.

3.3 Weighting

The screened sample was weighted to reflect the populations of eligible businesses in the Dun and Bradstreet business database. All screened-out businesses were removed, and the weights were rescaled for completed interviews only. Sector classifications were merged together under the following categories:

- Manufacturing
- Construction
- Wholesale, Retail, Motor Repair
- Professional services (i.e. Information and Communication; Finance, Insurance & Real Estate; Professional, Scientific and Technical; Admin & Support; Education, Health and Social Work)
- Other (i.e. Agriculture, Forestry, Fishing; Mining and Quarrying; Electricity, Gas, Steam and Aircon; Water, Sewerage and Waste; Transport and Storage; Accommodation and Food Service; Arts, Recreation and Other services)

Individual market level data was combined to provide an overall figure and each market was assigned an equal weight of 1.

3.4 Effective base sizes and margins of error

The impact of weighting for each market is shown in Table 3.1, along with associated confidence intervals at the 95 per cent confidence level (this means that if the survey were to be conducted 100 times, a finding of the same nature (e.g. sub-group A is more likely to respond in a certain way than sub-group B) would be found on at least 95 occasions².)

Table 3.1: Effective base sizes

	Total	China	Japan	HK	India	USA	France	Germany	UAE
TOTAL (unweighted)	2,005	251	250	250	250	251	250	253	250
Effective base size (post-weighting)	1,976	245	245	247	243	250	248	251	248

² Since the sampling does not follow a pure random approach (since this would not provide sufficient sample sizes for key sub-audiences of interest), statistical testing has been applied for illustrative purposes only.

Maximum confidence interval (±% pts)	±2.2	±6.3	±6.3	±6.2	±6.3	±6.2	±6.2	±6.2	±6.2
---	-------------	------	------	------	------	------	------	------	------

Unless specified otherwise, all commentary in this report focuses on differences (between sub-groups) that are statistically significant at a 95 per cent confidence level. More detail on the weighting scheme can be found in the accompanying technical report.

3.5 Respondent profile

When interpreting survey findings, it is important to consider the profile of those who have participated in the study.

3.5.1 ‘Traders’ and ‘Investors’

For the purposes of the survey, every eligible respondent was assigned to either a ‘trader’³ or ‘investor’⁴ sub-group depending on their current/potential international business activities. This was in order to keep the questionnaire length manageable; in particular sections of the survey each respondent would only be asked about either trade or invest factors and not both.

Whilst every respondent in the survey was assigned to either a ‘trader’ or ‘investor’, it is important to bear in mind that in reality, there is significant overlap between the two groups. As Figure 3.1 shows, the majority of respondents fall into both categories; they are currently considering both trading with international companies and investing internationally. This has important implications for potential future communications; most target businesses will likely be open to both trade and investment messaging.

Of the remainder, there were significantly more who fell into the trade only category (41 per cent), rather than the investment only category (8 per cent).

This means that when interpreting the views of ‘traders’ and ‘investors’ within this report, it should be borne in mind that the ‘traders’ will include a large proportion of businesses which are only currently/considering international trade and not international investment. In contrast, the ‘investors’ will be more likely to be currently considering both international trade and investment with a smaller proportion of them being in the investment only category. Within the overall sample, 1,079 respondents are classified as ‘traders’ and asked questions relating to trade, whilst 926 are classified as ‘investors’.

³ ‘Traders’ were all those who were buying or importing products or services from companies abroad at the time of the interview, had done so in the last five years or were considering doing so in the future.

⁴ ‘Investors’ were all those who were investing in other markets at the time of the interview, had done so in the last five years or were considering doing so in the future. ‘Invest’ was defined as expanding ongoing operations or making a capital investment in another market either directly through your own organisation, or by working in partnership with another.

Figure 3.1: Breakdown of respondents by international trading and investment activities.



In terms of the proportions of respondents who are currently **doing business with the UK**, this breaks down as follows:

- Currently **trading** with the UK but not investing = 389 respondents (19 per cent)
- Currently **trading** with **and investing** in the UK = 204 (10 per cent)
- Currently **investing** in the UK but not trading = 66 (3 per cent)

3.5.2 Sector and size

Figure 3.2 shows how the overall sample breaks down by company turnover and number of employees. This breakdown will be reflective of the target sample for this study; businesses who trade/invest internationally or are considering doing so, and who have a minimum annual turnover of \$2m and at least 10 employees.

Figure 3.2: Breakdown of respondents by size and turnover.

Turnover (\$)	No:	Number of employees	No:
2m 9.9m	1005	10 49	633
10m 49.9m	612	50 249	826
50 99.9m	174	250 499	239
100 499.9m	166	500 999	121
500 999.9m	27	1000 1999	75
1billion+	21	2000 4999	60
		5000+	51

Base: All respondents (2005), unweighted

A representative sample of businesses in each market was initially obtained from the sample supplier, Dun and Bradstreet. As interviews progressed and quotas were adapted according to the findings from the screening and eligibility checks, the profile by sector was made reflective of the target population.

In total, 522 of the respondents overall fall into the sectors targeted by the two international B2B GREAT campaigns. There were no significant differences between the overall findings amongst these sectors and others.

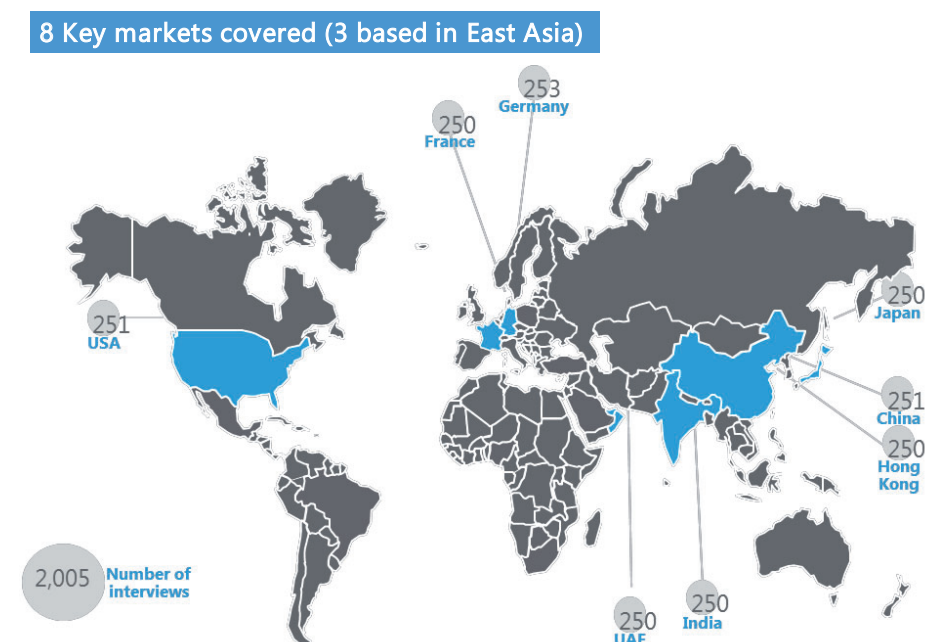
3.5.3 Markets covered

When interpreting overall findings, it is important to consider that the total findings presented are aggregated results from across the eight priority markets included in the survey. Almost equal numbers of interviews have been conducted in each market and each is given equal weight within the overall total. The 'total' therefore reflects views across these eight markets.

In most research studies, there will be an element of cultural bias⁵ which affects how people in different markets respond to survey questionnaires. This may affect responses to some extent, though in this study we believe that variations within the samples in terms of sector breakdowns and types of organisations, proximity to other markets and broader socio-political factors will have a greater effect on how respondents answer questions about doing business with other markets.

These variations, along with the differences in business profiles between markets, must be borne in mind when interpreting findings, i.e. differences in findings between markets may reflect variations in the businesses interviewed in terms of sector profiles, proximity to UK/other key markets, etc, rather than relating to campaign impact per se.

Figure 3.3: Breakdown of respondents by market.



⁵Ipsos MORI: When difference doesn't mean different: understanding cultural bias:
<https://www.ipsos.com/ipsos-mori/en-uk/when-difference-doesnt-mean-different-understanding-cultural-bias>

4 Doing business with the UK: broader context

This chapter provides an overview of the proportion and types of businesses currently trading and/or investing with the UK. It also looks at businesses' future intentions to trade or invest internationally and assesses the impact of EU Exit on stated likelihood to do future business with the UK.

Key Findings

- For most respondents, EU Exit was not felt to be a major factor in determining their likelihood to do business with the UK. Around seven in ten said it had made no difference to their likelihood of trading with or investing in the UK. Those who expressed that EU Exit had made them less likely to trade with/invest in the UK were more likely to be based in Germany and France, the only EU markets within the study.
- Around one in five (18 per cent) businesses planned to trade and/or invest with the UK within the next three years.
- There was a strong association between stated likelihood to do future business with an overseas market and the current level of awareness of opportunities, as well as levels of current contact with that market.
- Business with higher turnover (over \$100 million) and larger numbers of employees (250+) were more aware of opportunities and more likely to say they will do business with the UK in the future.
- Those who recognise the GREAT Campaign were more aware of opportunities to do business with the UK and more likely to state future intention to do so, though this positive association may be due to factors beyond exposure and engagement with GREAT.
- Those who stated a higher likelihood to trade with the UK were also more likely to note a higher likelihood to trade with other overseas markets (such as Germany or the USA), underlining the importance of establishing competitive advantage wherever possible.

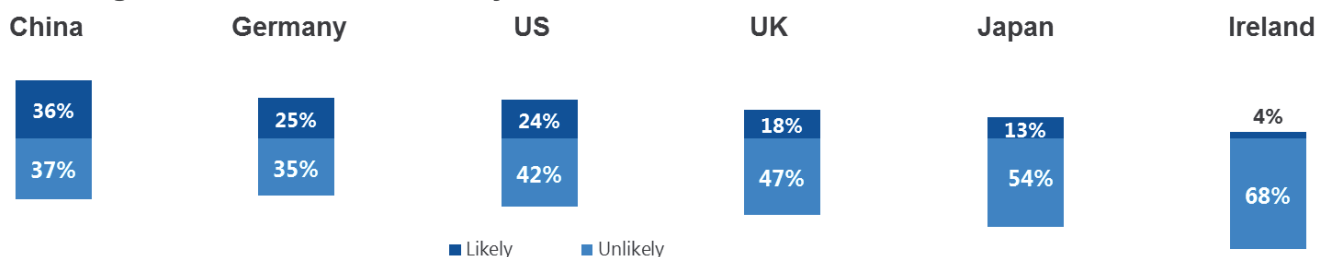
4.1 Intentions to trade and invest internationally

4.1.1 Traders

Nearly one in five (18 per cent) businesses surveyed said they planned to trade with the UK within the next three years.

In terms of stated future intentions to trade with a range of markets, the UK was rated slightly behind China, Germany and the USA, and ahead of both Japan and Ireland (as shown in Figure 4.1). The ranking of different markets will reflect the profile of the businesses surveyed to some extent, and it should be noted that three of the eight markets covered in the survey were located in East Asia.

Figure 4.1: Likelihood to buy or import products and services from companies based in the following markets in the next three years.



Source: B3. How likely is your organisation to buy or import products and services from companies based in the following countries in the next three years?

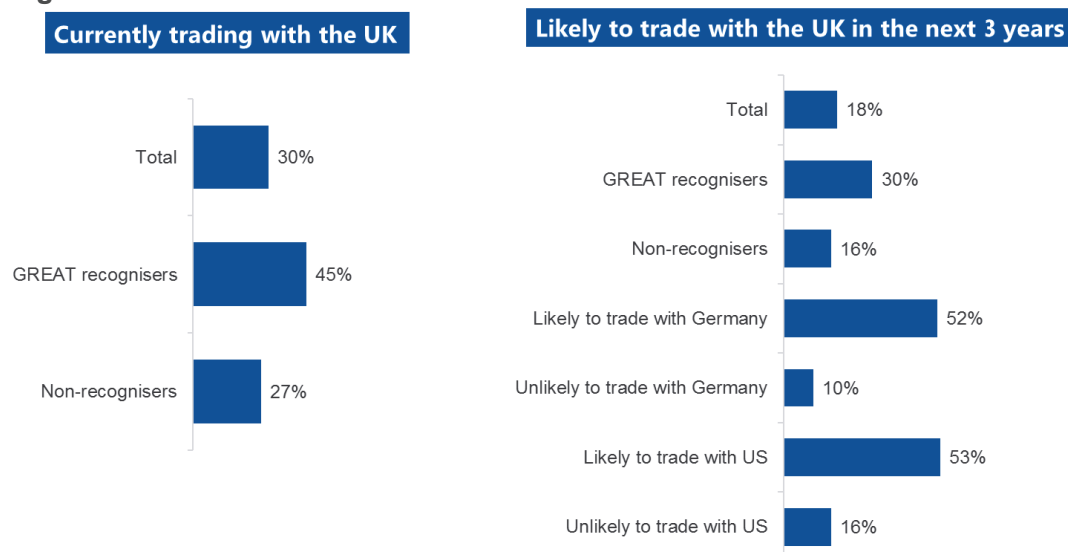
Note: Bars do not sum to 100% since some respondents were neutral/did not know

Base: All traders (1,079)

Both stated current trading activity and stated future intention to trade with the UK were strongly associated with recognition of the GREAT Campaign; those who recalled or recognised any of the campaign materials were significantly more likely to say that they were currently and/or planning to trade with the UK in the future (30 per cent of campaign recognisers said they were likely to trade with UK based companies in the future versus 16 per cent among non-recognisers). It is important to note that whilst this relationship is positive, it does not mean that a causal link can necessarily be derived from these findings; there may be other factors impacting on likelihood to trade with the UK in the future such as commercial priorities, currency movements, socio-political situation, international affairs and so on.

Those stating a greater intention to trade with the UK were also more likely to say they were likely to trade with a range of other markets. This includes Germany (52 per cent of those who said they were likely to trade with Germany also said they were likely to trade with the UK, versus only 10 per cent of those unlikely to trade with Germany) and the USA (53 per cent of those who said they were likely to trade with the USA also said they were likely to trade with the UK, versus only 16 per cent of those unlikely to trade with the USA). This pattern is shown in Figure 4.2 below. This demonstrates how the majority of businesses trading internationally appear open to trading with different markets, which underlines the importance of establishing competitive advantage wherever possible.

Figure 4.2: Current and future trade intentions with the UK.



Source: S1a. Does your organisation currently buy or import products or services from companies based abroad? B3. How likely is your organisation to buy or import products and services from companies based in the UK in the next three years?

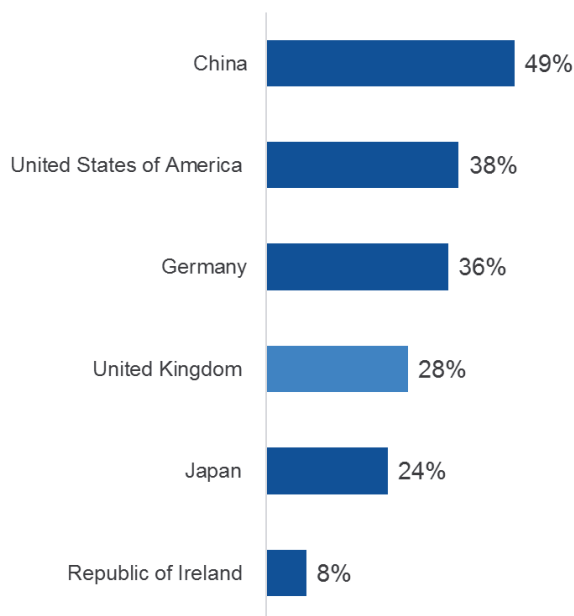
Base: All respondents (2,005), All traders (1,079)

Just under three in ten (28 per cent) businesses surveyed said they were aware of opportunities to trade with businesses in the UK. As shown in figure 4.3, this overall level of awareness was lower than the equivalent figures for opportunities in China (49 per cent), the USA (38 per cent) and Germany (36 per cent). That said, awareness of UK trade opportunities was higher than the figures for Japan (24 per cent) and Ireland (8 per cent).

Larger businesses in the survey - those with over 250 employees and those with a turnover over \$100 million - were more likely to cite awareness of opportunities to trade with UK businesses (37 per cent and 44 per cent respectively vs 28 per cent overall), as well as to state future intentions to do so (29 per cent and 32 per cent respectively vs 18 per cent overall).

Respondents in India (31 per cent) and the UAE (29 per cent) were most likely of all the markets covered to say they plan to trade with the UK in the next three years. It is also worth noting that India had higher proportions of larger businesses (in terms of number of employees and turnover) which may explain some of the variations.

Figure 4.3: Those aware of opportunities to buy products and services from the following markets...



Source: B1. How much, if anything, do you know about opportunities to buy products and services from the following countries? (%s represent the proportions who are aware of opportunities to trade with the outlined markets)

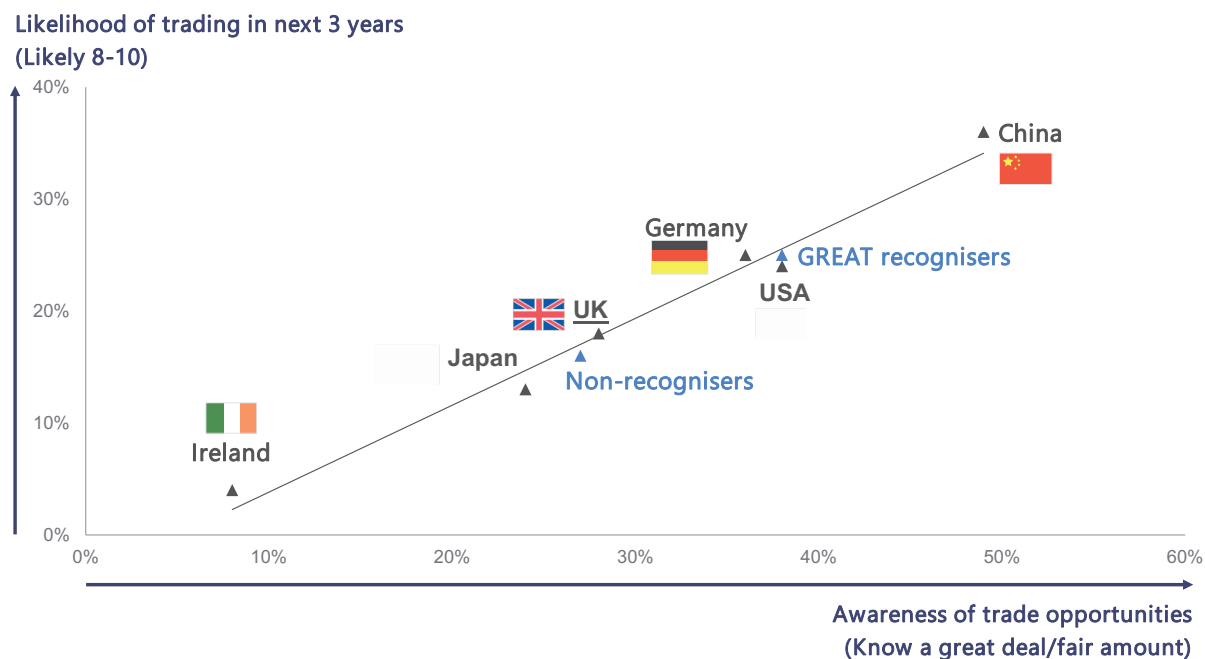
Base: All traders (1,079)

There was a very strong association between awareness of opportunities to trade with businesses in particular markets and the stated likelihood to trade with those markets. Figure 4.4 shows that at the overall level, the markets which people knew more about in terms of opportunities to trade were the ones which were ranked highest in terms of future intention to trade, and vice versa.

Figure 4.4 also plots the overall average levels of awareness about opportunities in the UK and future trade intentions with the UK amongst those who recognised the GREAT Campaign and, separately, those who did not recognise it. It shows that GREAT recognisers were more likely to say they were aware of opportunities in the UK and to say they were likely to trade with the UK in the future (following the overall line of best fit within the chart). Again, this cannot be interpreted as the GREAT Campaign having caused these increases as there were likely other factors (such as variations in levels of existing contact with the UK and/or UK businesses and associated predisposition towards campaign materials – i.e. those who already have contact/engagement may

be more likely to take notice and remember seeing GREAT materials) which will affect campaign recogniser versus non-recogniser variations.

Figure 4.4: Association between likelihood to trade and awareness of trading opportunities.



Source: B1. How much, if anything, do you know about opportunities to buy products and services from organisations based in the following countries? B3. How likely is your organisation to buy or import products and services from companies based in the following countries in the next three years?

Base: All traders (1,079)

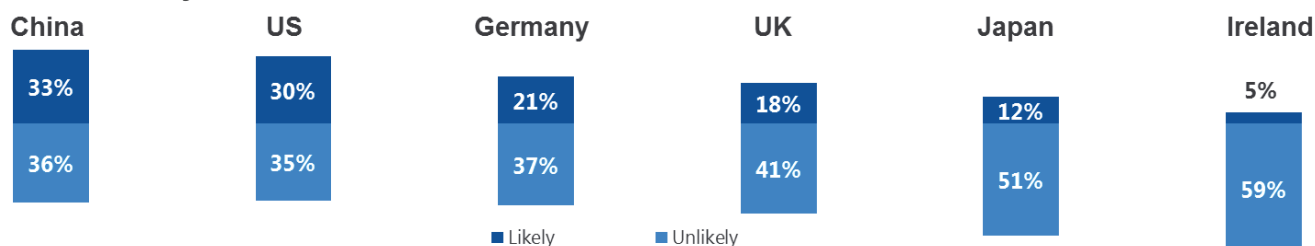
4.1.2 Investors

Findings amongst investors with regards to future business activity tend to mirror those outlined in the previous section for traders. This likely reflects the overlap between ‘traders’ and ‘investors’ as highlighted in Chapter three.

Around one in five (18 per cent) stated that they planned to expand operations or invest in the UK in the next three years.

In terms of stated future investment intentions across a range of markets, at the overall level the UK was rated slightly behind China, Germany and the USA, and ahead of both Japan and Ireland, as shown in Figure 4.5. This is a similar pattern to that seen with traders (again, potentially reflecting the overlap between these two audiences). The ranking of different markets will reflect the profile of the businesses surveyed to some extent.

Figure 4.5: Likelihood to start or continue to expand or invest in the following markets in the next three years.



Source: B6. How likely, if at all, is it that your organisation will start or continue to expand or invest in the following countries in the next three years?

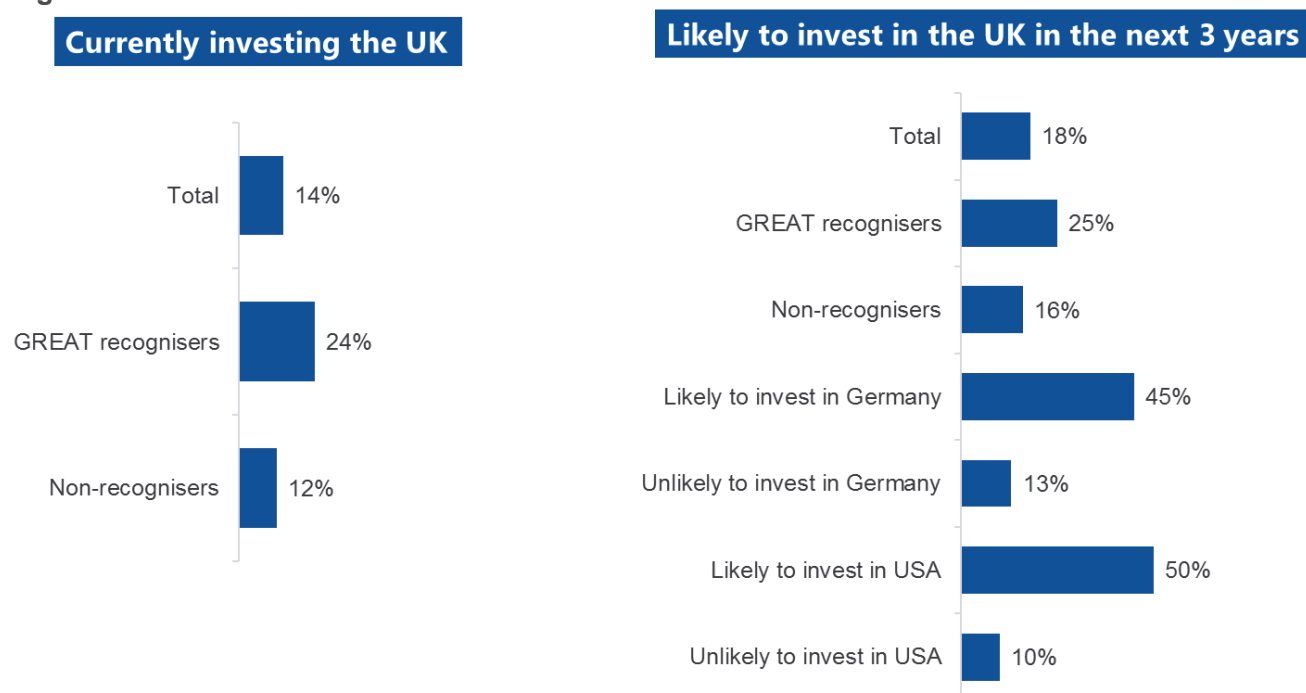
Base: All investors (926)

As with the trade findings, both current stated activity and stated future intention to invest in the UK were strongly associated with recognition of the GREAT Campaign. Those who recalled or recognised any of the campaign materials were significantly more likely to say that they currently and/or planned to invest in the UK in the future (25 per cent of campaign recognisers said they will invest in the future versus 16 per cent among non-recognisers). As with the trade findings, it is important to note that whilst this relationship is positive, it does not mean that a causal link can be derived from these findings as there may be other factors playing a part.

Overall, larger businesses with a higher turnover (over \$100 million) and more than 1,000 employees were more likely to say they would invest in the UK. Across the markets covered, the highest levels of stated likelihood were recorded in India, the UAE and Hong Kong.

Like traders, those stating a greater propensity to invest in the UK were also more likely to consider investing in a range of other markets such as Germany and the USA (45 per cent of those who said they were likely to invest in Germany also said they were likely to invest in the UK), as shown in Figure 4.6.

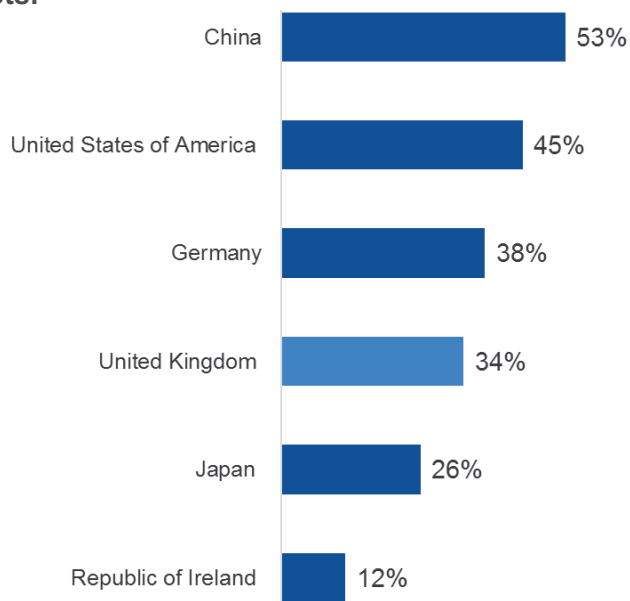
Figure 4.6: Current and future investment intentions in the UK.



Source: S2a. Does your organisation currently invest in the United Kingdom? IF NO: Have you previously done so within the last five years? B6. How likely, if at all, is it that your organisation will start or continue to expand or invest in the following countries in the next three years? Base: All respondents (2,005), All investors (926)

Around a third (34 per cent) of investors surveyed said they were aware of opportunities to invest in the UK. As with traders, this overall level of awareness was lower than that expressed for investment opportunities in China (53 per cent), the USA (45 per cent) and Germany (38 per cent) as shown in Figure 4.7. Though, as seen with traders, this was higher than awareness of opportunities in both Japan (26 per cent) and Ireland (12 per cent). As with traders, awareness was higher amongst those with higher turnover and larger numbers of employees.

Figure 4.7: Those aware of opportunities to expand operations or invest in the following markets.

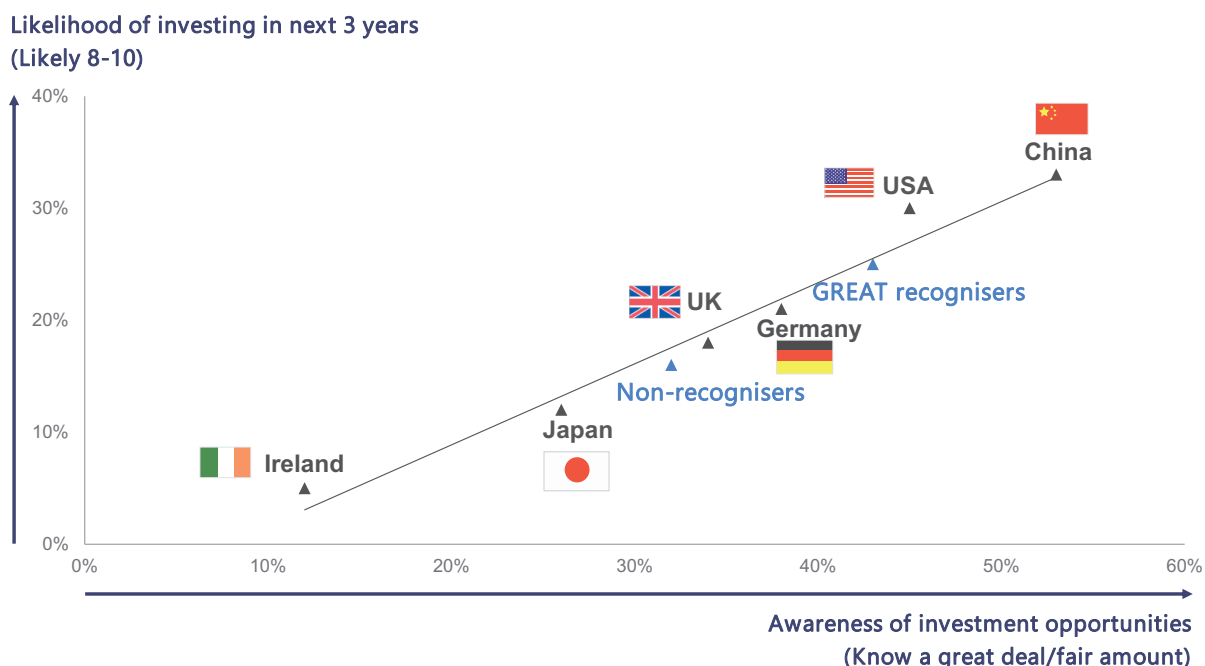


Source: B1a. How much, if anything, do you know about opportunities to expand operations or invest in the following countries?

Base: All investors (926)

There was a strong association between awareness of opportunities to invest in particular markets and the stated likelihood to invest in those markets. Figure 4.8 shows that at the overall level, the markets that people said they were more aware of the opportunities to invest in were also the markets which ranked highest in terms of future intention to invest (and vice versa).

Figure 4.8: Association between likelihood to invest and awareness of investment opportunities.



Source: B1a. How much, if anything, do you know about opportunities to expand operations or invest in the following countries? B6. How likely, if at all, is it that your organisation will start or continue to expand or invest in the following countries in the next three years?

Base: All investors (926)

4.2 Stated impact of EU Exit on doing business with the UK

The survey included questions to assess top-of-mind views amongst international traders and investors regarding how the UK leaving the EU has affected their likelihood of doing business with the UK.

Overall, the majority said that EU Exit has made no difference to their decisions to trade (71 per cent) or invest (69 per cent) in the UK. This illustrates that, for most businesses trading and investing internationally, there are likely to be other, more pertinent factors influencing their decisions regarding the UK and other competitor markets. This applied to both those currently trading or investing with/in the UK (71 per cent of whom noted it made no difference to their decision to buy products or services from companies in the UK and 68 per cent who said it made no difference to their decision to expand or invest in the UK) as well as those considering trading/investing overseas in the future (75 per cent and 72 per cent respectively).

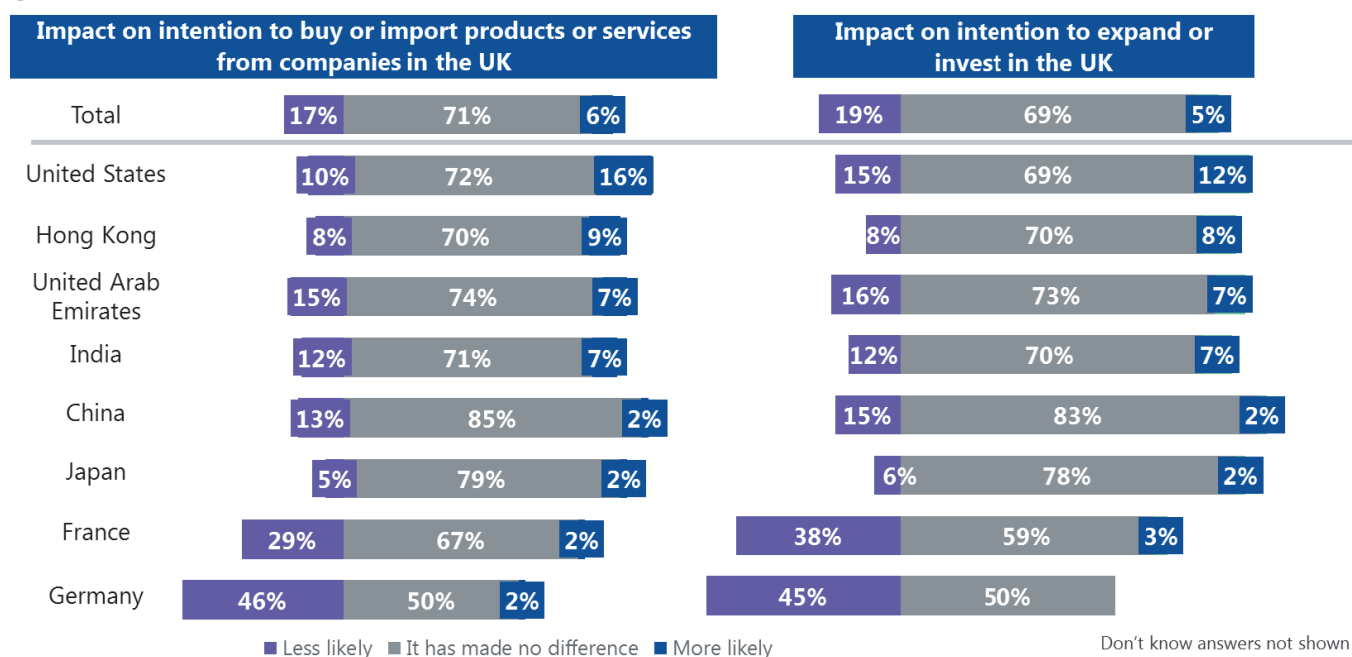
There were no significant differences by business size, sector or turnover; the majority across all groups noted it made no difference.

Around one in four stated that EU Exit had affected their likelihood to do business with the UK; i.e. they felt it had made them either less or more likely to trade/invest with the UK (when interviewed between May and August 2018). Just under a quarter (23 per cent) said that EU Exit had changed their likelihood to trade with the UK in some way and a similar proportion (24 per cent) said the same about their propensity to invest in the UK. Amongst these respondents who indicated EU Exit had affected likelihood to do business with the UK, a greater proportion noted it had made them *less* likely to do business with the UK than *more* likely. This was consistent for both trade and investment (17 per cent said they were less likely to trade with the UK as a result of EU Exit,

versus 6 per cent who said they were more likely; 19 per cent said they were less likely to invest in the UK, versus 5 per cent who said they were more likely).

It is important to note the market-level variations within these overall findings. The inclusion of France and Germany within the sample had a significant impact in influencing the balance of positive and negative views at the overall level. Survey respondents in France and Germany were far more likely to express negative views than respondents in other markets. However, half of respondents in both markets said that EU Exit has not made a difference to their likelihood to do business with the UK. Figure 4.9 shows the overall aggregated findings, along with market-level results.

Figure 4.9: Perceived impact of EU Exit on current intentions to trade with and invest in the UK.



Source: G3a. Would you say that the UK's vote to leave the European Union ("Brexit") has made you more or less likely to do any of the following, or has it made no difference?

Base: All respondents (2,005)

As outlined in this chapter, likelihood of trading and/or investing with a market increases with greater awareness of relevant opportunities. Other key factors impacting on international trade and investment decisions are covered in the following chapters five and six.

5 Key factors impacting on international trading decisions

This chapter assesses the importance of different factors in businesses' decisions regarding where to procure products and services from internationally. It examines the strength with which businesses associate these different factors with the UK and competitor markets, as well as where key perception gaps occur.

Key Findings

- High quality products and services (cited as very important⁵ by 78 per cent of respondents) and competitive pricing (76 per cent) were mentioned as key factors when deciding where to trade.
- Those currently trading with the UK were significantly more likely to strongly associate companies in the UK with a range of factors relating to trade decisions, again reflecting the positive potential impact of familiarity and contact.
- Though there were some positive patterns, the perceived strengths of the UK were not fully aligned with the importance placed on different factors; the greatest gap in perceptions was around competitive pricing, though this was not unique to the UK (similar findings were found for perceptions of companies in Germany).
- The strength in associations of Trade factors with companies in the UK were similar to those with companies in Germany, though Germany had the edge with regards to perceptions of technology and creativity.

5.1 Association of factors with the UK

Survey respondents were asked to what extent they associated different factors with companies in the UK (as well as with Germany – see next section for further details). The list of factors was developed from previous survey findings and insight from DIT/Ipsos MORI.

Businesses were most likely to strongly associate UK companies with an **ability to speak the same language** (52 per cent scoring the UK at least 8 on a 1-10 scale), **high quality products and services** (49 per cent) and **working within a high quality, reliable infrastructure** (46 per cent). Figure 5.1 shows the overall strength of the UK associations for each of the factors.

⁶ 'Very important' is defined here as a respondent scoring it as at least 8 on a scale of 1-10.

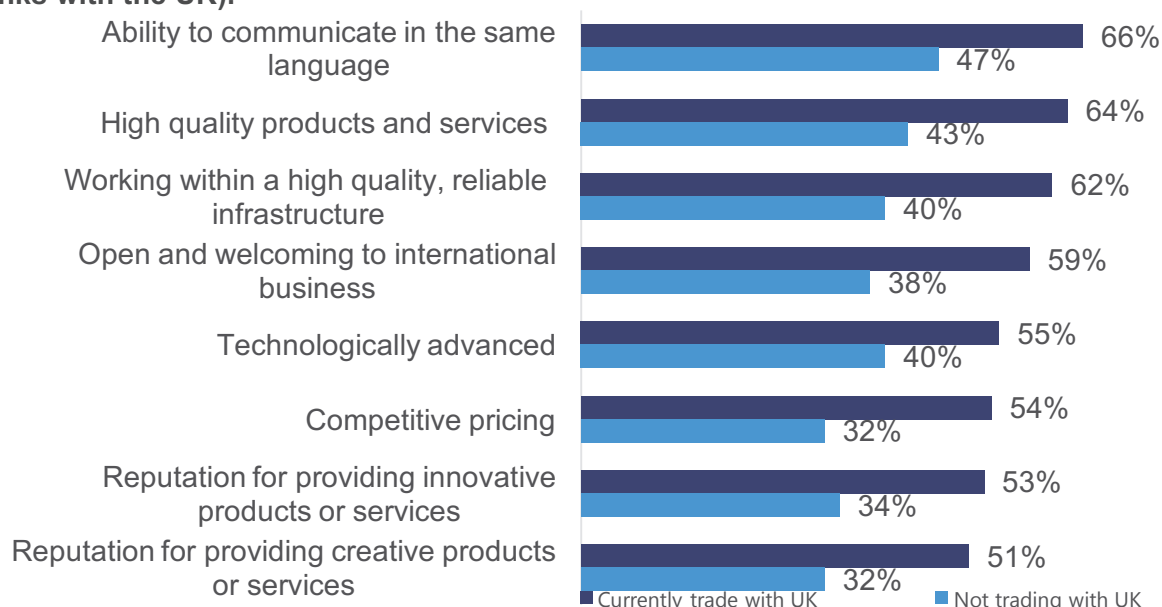
Figure 5.1: Associations of trade factors with companies in the UK.



Source: C2A2ac. Thinking about the same factors, how much do you associate each one with companies in the United Kingdom? (all who scored 8-10)
Base: All traders (1,079)

Those currently trading with the UK were far more likely to strongly associate UK companies with all of the listed factors, as shown in Figure 5.2. This is in line with findings discussed in the previous chapter which showed the positive relationship of familiarity and existing contact with the UK with likelihood to trade.

Figure 5.2: Associations with the UK (% associating with UK strongly - by current trading links with the UK).











Source: C2A2ac. Thinking about the same factors, how much do you associate each one with companies in the United Kingdom? (all who scored 8-10). All differences are significantly higher at 95% confidence.
Base: All traders (1,079)

The strength of association with UK-based companies also varied significantly by geographical location. For instance, those in the UAE and India were significantly more likely to associate companies in the UK strongly with all factors, and in contrast, those in Japan and France were least likely to do so. This may reflect a range of factors including cultural bias to survey response,

current levels of business with the UK, other relationships with the UK and broader socio-political factors, but is worth noting for implications for regional communications. Figure 5.3 outlines these differences; the colour coding (with green as most positive and red as least positive) is based at a market level and should be interpreted within the context of the market-level findings rather than comparing across them.

Figure 5.3: Associations with the UK (by market).

								
Reputation for providing innovative products or services	56%	19%	22%	37%	12%	33%	69%	65%
High quality products and services	66%	28%	34%	46%	27%	44%	81%	68%
Competitive pricing	44%	24%	17%	41%	15%	33%	68%	65%
Working within a high quality, reliable infrastructure	65%	33%	27%	35%	24%	43%	76%	66%
Reputation for providing creative products or services	51%	17%	22%	33%	14%	35%	66%	62%
Open and welcoming to international business	60%	30%	27%	35%	17%	43%	77%	64%
Ability to communicate in the same language	78%	30%	51%	46%	36%	35%	80%	63%
Technologically advanced	56%	19%	36%	39%	19%	37%	80%	66%

Source: C2A2ac. Thinking about the same factors, how much do you associate each one with companies in the United Kingdom? (all who scored 8-10)

Base: All traders (1,079)

Overall, those with existing links with the UK and businesses with higher turnover (over \$100 million) were more likely to associate the UK with most of the factors.

5.2 Importance of different factors

Survey respondents were also asked to rate how important the same list of factors were when making decisions about where to buy or import products and services.

When prompted with these factors, again, **high quality products and services** (cited by 78 per cent of respondents as being a very important factor⁷) and **competitive pricing** (76 per cent) were the most likely to be selected as very important when it came to making decisions about where to buy or import products and services. Figure 5.4 shows the full set of factors and proportions identifying each as very important.

⁷ 'Very important' is defined here as a respondent scoring it as at least 8 on a scale of 1-10.

Figure 5.4: Importance attached to different factors when making decisions about where to buy or import products and services.



Source: C2a. Please tell me how important you would rate each of the following when it comes to making decisions about where to buy or import products and services (all who scored 8-10)

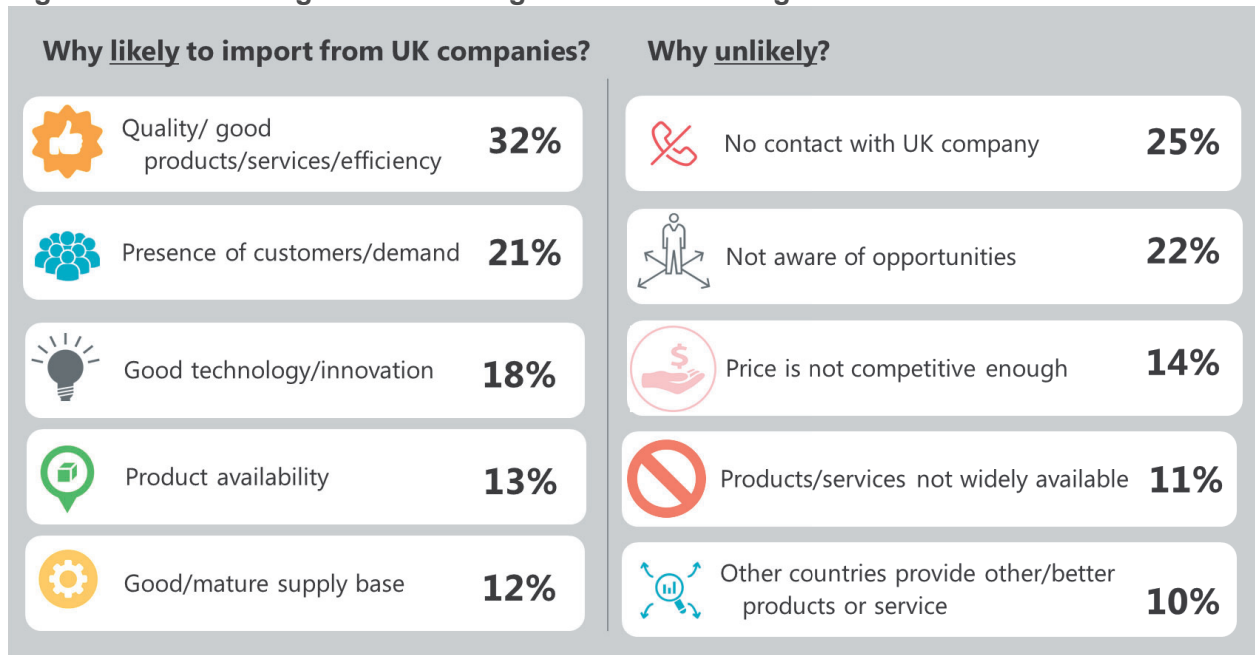
Base: All traders (1,079)

As discussed in chapter four, just under two in ten businesses surveyed (18 per cent) said they were planning to trade with the UK within the next three years. The three main reasons spontaneously mentioned by these businesses were **quality of products and services** (32 per cent), **customer demand** (21 per cent) and **good technology and innovation** (18 per cent), indicating that high quality and innovation are on top of the mind when deciding whether to trade with the UK.

Perceived lack of contacts (25 per cent), **lack of awareness of suitable opportunities** (22 per cent) and **non-competitive pricing** (14 per cent), on the other hand, were the most commonly cited reasons amongst those saying they were not planning to trade with the UK in the next three years. As per the findings in the previous chapter, these responses highlight the importance of awareness of opportunities and contacts.

These unprompted responses are shown in Figure 5.5.

Figure 5.5: Reasons given for trading versus not trading with the UK.



Source: B4a. What are the main reasons why you would be unlikely to buy or import products and services from UK companies? ... and any others? B4b. What are the main reasons why you would be likely to buy or import products and services from UK companies? ... and any others?

Base: All likely to trade with UK (341), All unlikely to trade with UK (701)

5.3. Associations versus importance: Perception gaps

By comparing relative levels of importance with relative levels of association, we can identify factors which may be seen as particular strengths, as well any 'perception gaps', i.e. where improving levels of association would be a benefit.

For instance, whilst companies in the UK were strongly associated with an ability to communicate in the same language, this was not perceived as a comparatively important factor when deciding where to procure products/services from. The largest difference between the proportion citing it as important and the proportion associating it strongly with companies in the UK occurred for **competitive pricing**. This suggests that this was a factor where improved perception would bring benefits to future trade with the UK, though as the next section shows, this gap was present for companies in Germany too, so should not be seen as an issue unique to UK businesses.

Figure 5.6: Importance of factors when making trading decisions versus associations with the UK.

	Gap between level of importance and association with the UK (% points)	% who identify as important	% who associate with the UK
Competitive pricing	-32	76%	44%
High quality products and services	-22	78%	56%
Working within a high quality, reliable infrastructure	-14	66%	52%
Reputation for providing innovative products or services	-14	59%	45%
Technologically advanced	-12	62%	50%
Reputation for providing creative products or services	-11	55%	44%
Open and welcoming to international business	-9	59%	50%
Ability to communicate in the same language	+1	56%	57%

Source: C2a. Please tell me how important you would rate each of the following when it comes to making decisions about where to buy or import products and services. C2A2a. Thinking about the same factors, how much do you associate each one with companies in the United Kingdom? (all who scored 8-10)

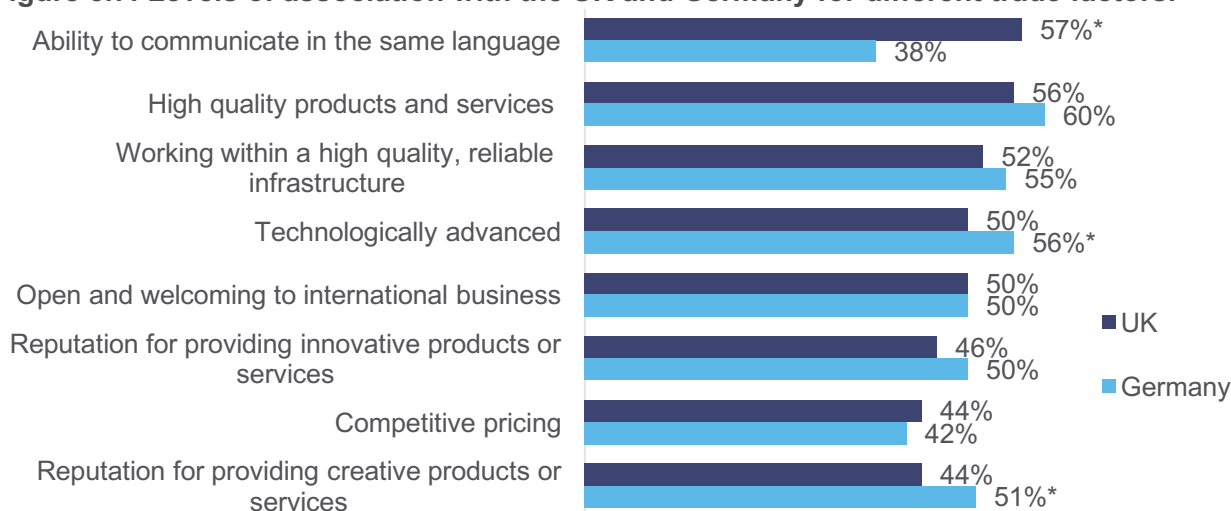
Base: All traders who are not from Germany or France (778) 778)

5.4. UK versus competitors

Respondents were also asked about the extent to which they associated the same list of factors with companies based in another market. Respondents in all markets except Germany and France were asked how strongly they associated each of the factors with companies in Germany.

Strength of association of factors with companies in Germany showed a similar pattern to that of companies in the UK. The only major variation was the use of a common language where association with the UK was far stronger (57 per cent versus 38 per cent for companies in Germany). Companies in Germany were more likely than those in the UK to be strongly associated with being technologically advanced (56 per cent versus 50 per cent) and as having a reputation for providing creative products and services (51 per cent versus 44 per cent). Figure 5.7 shows the proportions strongly associating each factor with companies in the UK and Germany.

Figure 5.7: Levels of association with the UK and Germany for different trade factors.

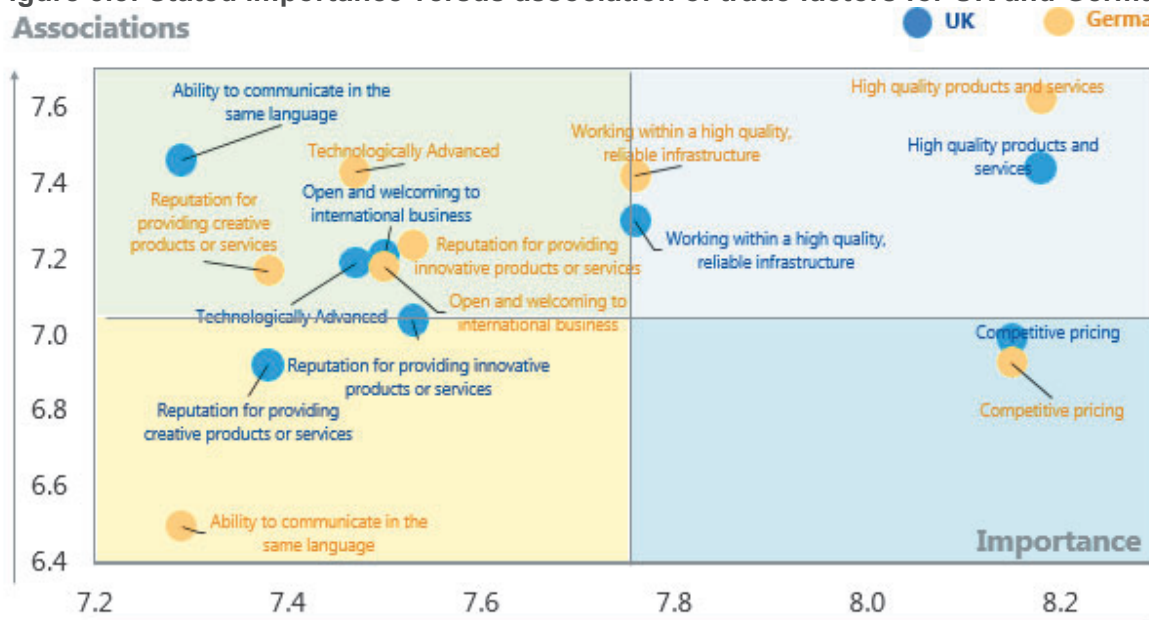


Source: C2A2a/b. Thinking about the same factors, how much do you associate each one with companies in the United Kingdom/Germany? *Significantly higher at 95% confidence. Base: All traders who are not from Germany or France (778)

When the levels of association were plotted against the relative stated importance of each factor – see Figure 5.8 – it showed a similar pattern for companies in both the UK and Germany; the biggest gaps between importance and associations for both were seen for **competitive pricing**, **high quality of products and services** and **working with a high quality, reliable infrastructure** (and for German companies, the ability to speak in the same language).

The competitive pricing factor features in the bottom-right quadrant for both businesses in the UK and Germany; that is ‘high priority; low association’. This is where there is the most potential to boost the UK’s ‘association’ score in order to increase competitiveness.

Figure 5.8: Stated importance versus association of trade factors for UK and Germany.



Source: C2a. Please tell me how important you would rate each of the following when it comes to making decisions about where to buy or import products and services. C2A2a/c. Thinking about the same factors, how much do you associate each one with companies in the United Kingdom? (all who scored 8-10). Base: All traders excluding Germany and France and those who said DK (619-685)

Findings in this chapter provide clear steer as to the key factors influencing decisions around international trade. Survey findings and considerations for international investment decisions are covered in the next chapter.

6 Key factors impacting on international investment decisions

This chapter assesses the importance of different factors in businesses' decisions regarding where to invest abroad. It examines the strength with which businesses associate these factors with the UK and competitor markets, as well as where key perception gaps occur.

Key Findings

- Potential to make high returns (cited as very important⁷ by 70 per cent of respondents), a high-quality infrastructure (61 per cent) and an open and welcoming environment (60 per cent) were cited as key factors when deciding where to invest.
- Those currently investing in the UK were significantly more likely to strongly associate the UK with a range of factors relating to investment decisions, again reflecting the positive potential impact of familiarity and contact.
- The perceived strengths of the UK tended to align with the importance placed on different factors and there are no factors which feature as 'high importance; low association', though the potential to make high returns has such high relative importance attached that it merits prioritisation.
- Levels of association of investment factors with Germany were very similar to the UK, illustrating a lack of strong differentiation between the two markets as destinations for inward investment.

6.1 Association of factors with the UK

Respondents were asked to what extent they associated a range of factors with the UK. As per the trade factors, the list of factors for investment was developed from previous survey findings and insight from DIT and Ipsos MORI.

Businesses were most likely to strongly associate the UK with **ability to communicate in the same language** (51 per cent scoring the UK at least 8 on a 1-10 scale), **high quality, reliable infrastructure** (48 per cent), and **being open and welcoming to international businesses** (45 per cent). Figure 6.1 shows the overall strength of association of each factor with the UK.

⁸ 'Very important' is defined here as a respondent scoring it as at least 8 on a scale of 1-10.

Figure 6.1: Association of investment factors with the UK.

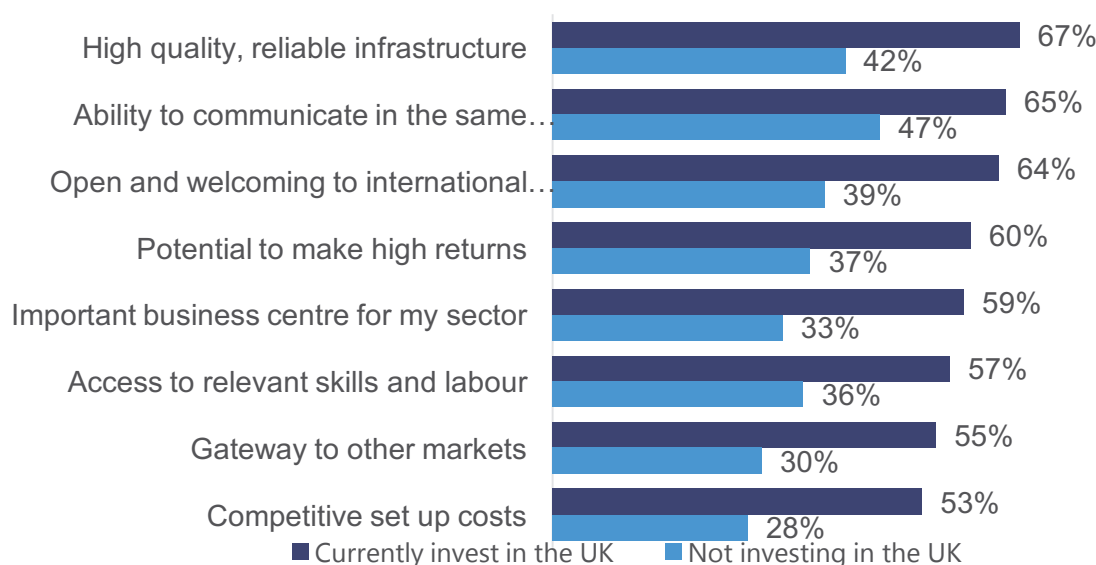


Source: C2B2ac. Now thinking about the same factors, how much do you associate each one with companies in the United Kingdom? (all who scored 8-10)

Base: All investors (926)

In line with findings in previous chapters which showed the positive relationship of familiarity and existing contact and likelihood to invest, those currently investing in the UK were far more likely to strongly associate the UK with all of the listed investment factors, as shown in Figure 6.2.

Figure 6.2: Associations with the UK (% associating with UK strongly - by current investment versus not).











Source: C2B2ac. Now thinking about the same factors, how much do you associate each one with companies in the United Kingdom? (all who scored 8-10). All differences are significantly higher at 95% confidence.

Base: All investors (926)

The strength of association of investment factors with the UK also varied significantly by market. For instance, those in the UAE and India were significantly more likely to associate the UK strongly with all factors, whilst those in Japan, Germany and France were the least likely. As mentioned in chapter five, this will likely reflect a range of factors including cultural bias to survey response, current levels of business with UK, other relationships with UK and broader socio-political factors. Figure 6.3 outlines these differences; as with the previous market variations on trade factors, the colour coding (with green as most positive and red as least positive) is based at a market level and should be interpreted within the context of the market-level findings rather than comparing across them.

Figure 6.3: Associations with the UK (by market)

								
Access to relevant skills and labour	50%	34%	25%	36%	9%	49%	66%	53%
Competitive set up costs	29%	14%	10%	31%	9%	49%	65%	51%
High quality, reliable infrastructure	57%	42%	28%	39%	21%	57%	79%	57%
Important business centre for my sector	44%	33%	20%	32%	8%	53%	71%	49%
Open and welcoming to international business	59%	31%	26%	40%	18%	56%	73%	50%
Gateway to other markets	40%	23%	16%	29%	4%	52%	64%	51%
Ability to communicate in the same language	70%	44%	43%	50%	26%	48%	77%	53%
Potential to make high returns	47%	26%	22%	48%	10%	56%	68%	52%

Source: C2B2ac. Now thinking about the same factors, how much do you associate each one with companies in the United Kingdom? (all who scored 8-10)

Base: All investors (926)

Those currently trading with the UK were more likely to associate it with most of the listed factors. Those businesses with higher turnover (over \$100 million) and those with 50-499 employees were most likely to see UK as a place with potential to make high returns (53 per cent and 48 per cent respectively).

6.2 Importance of different factors

Survey respondents were also asked to rate **how important** these same factors were in them making decisions about where to expand or invest.

When prompted with these factors, **potential to make high returns** (cited by 70 per cent of respondents as being a very important factor⁹), a **high quality and reliable infrastructure** (61 per cent), and an **open and welcoming environment** (60 per cent) were the most likely to be selected as very important when it comes to making decisions about where to expand and invest. Figure 6.4 shows the full set of factors and the proportions identifying each as very important.

⁹ 'Very important' is defined here as a respondent scoring it as at least 8 on a scale of 1-10.

Figure 6.4: Importance attached to different factors impacting on investment decisions.



Source: C2b. Please tell me how important you would rate each of the following when it comes to making these decisions (all who scored 8-10)

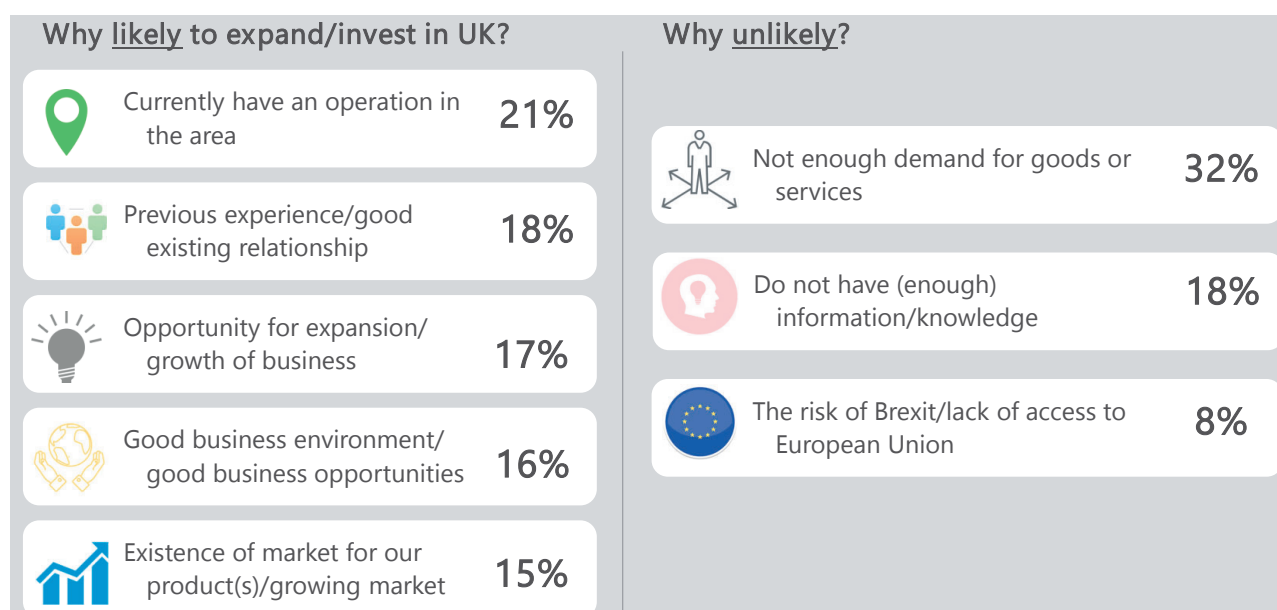
Base: All investors (926)

As noted in chapter four, around one in five businesses surveyed (18 per cent) said they were planning to invest in the UK within the next three years. The three main spontaneously mentioned reasons were **existing presence in the area** (21 per cent), **previous experience and relationships** (18 per cent) and perceived **opportunities for growth** (17 per cent).

In contrast, perceived **lack of demand for their products/services** (32 per cent), **lack of knowledge about the UK** (18 per cent) and **risk of EU Exit** (8 per cent) were the most frequently cited reasons amongst those saying they were not planning to invest in the UK in the next three years. It is worth noting, however, that the 'risk of EU Exit' response came primarily from respondents in France and Germany (in line with findings on EU Exit in chapter four).

These unprompted responses are shown in Figure 6.5.

Figure 6.5: Reasons given for investing versus not investing in the UK.



Source: B6a. What are the main reasons why you would be unlikely to expand or invest in the UK? and any others?
B6b. What are the main reasons why you are likely to expand or invest in the UK? and any others?

Base: All likely to invest in the UK (345), All unlikely to invest in UK (554)

6.3. Associations versus importance: Perception gaps

The largest difference between the proportion citing a factor as important and the proportion associating it strongly with companies in the UK occurred for **potential to make high returns (23 per cent point difference)**. Improved perceptions of the UK as a market that could offer high returns on investment would bring benefits to future investment patterns, though as the next section shows, this gap in perceptions was similar for companies in Germany, illustrating that it was not a unique finding to the UK.

Figure 6.6: Importance of factors versus associations with the UK.

	Gap between level of importance and association with the UK (% points)	% who identify as important	% who associate with the UK
Potential to make high returns	-23	70%	47%
Competitive set up costs	-16	55%	39%
Access to relevant skills and labour	-13	57%	44%
Important business centre for my sector	-11	54%	43%
Open and welcoming to international business	-11	60%	49%
High quality, reliable infrastructure	-9	61%	52%
Gateway to other markets	-9	49%	40%
Ability to communicate in the same language	+2	52%	54%

Source: C2b. Please tell me how important you would rate each of the following when it comes to making decisions about where invest in or expand to. C2b2a. Now thinking about the same factors, how much do you associate each one with companies in the United Kingdom? (all who scored 8-10).

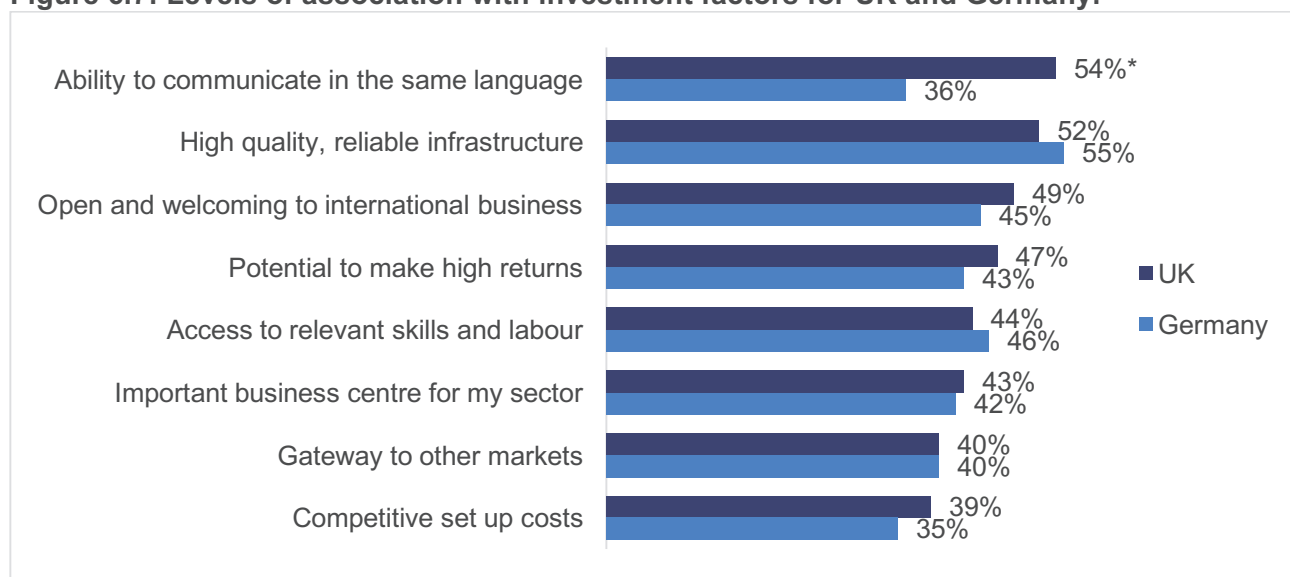
Base: All investors who are not from Germany or France (724)

6.4. UK versus competitors

Respondents were also asked the extent to which they associated the same list of investment factors with another market. Respondents in all markets except Germany and France were asked how strongly they associated each of the factors with Germany.

Strength of association of factors with Germany showed a similar pattern to that of the UK. The only major variation was with regards to using a common language where association with the UK was far stronger (54 per cent versus 36 per cent for Germany). No other differences were large enough to be statistically significant. Figure 6.7 shows the proportions strongly associating each factor with companies in the UK and Germany.

Figure 6.7: Levels of association with investment factors for UK and Germany.

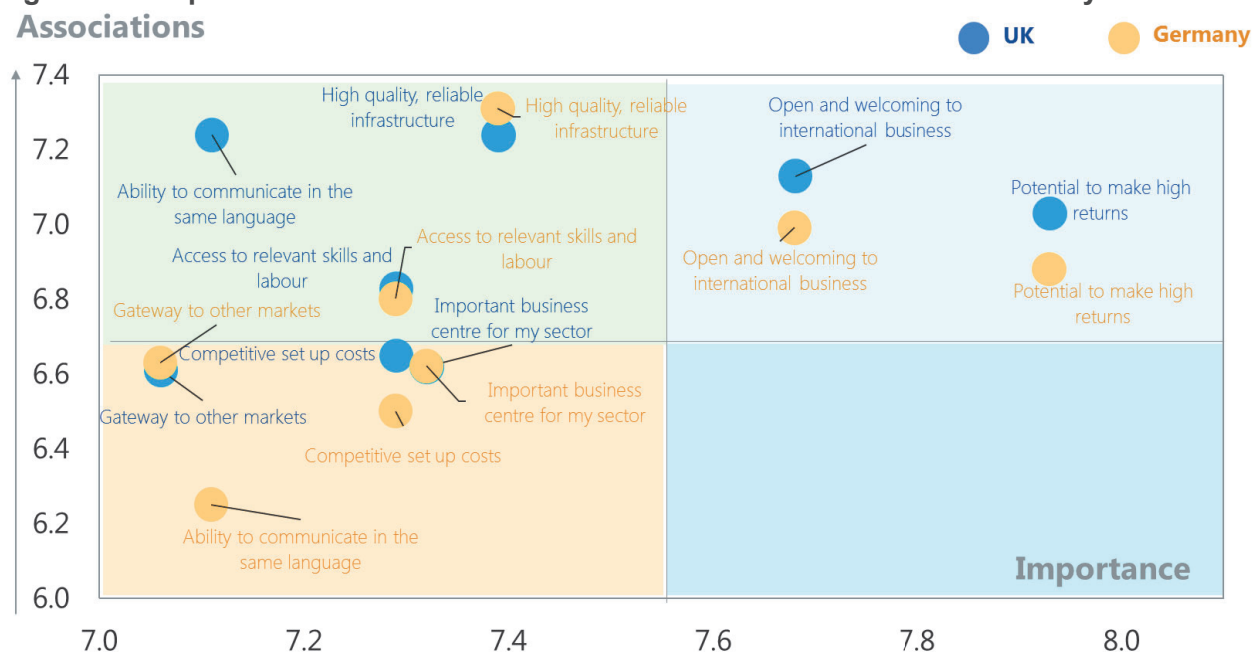


Source: C2B2a/b. Thinking about the same factors, how much do you associate each one with companies in the United Kingdom/Germany? *Significantly higher at 95% confidence

Base: All investors who are not from Germany or France (724)

When these levels of association were plotted against the relative stated importance of each factor (see Figure 6.8), it showed a similar pattern for companies in the UK and Germany; the biggest gaps between importance and associations for both were in the potential to make high returns (and for German companies, the ability to speak the same language), though there were **no factors for either market which featured in the bottom right quadrant – i.e. relative high importance and low association**. This is a positive finding in that it illustrates there are no major perception gaps when compared to a key competitor. Further competitor markets (beyond the scope of what is possible within this questionnaire) would be required to identify whether both the UK and Germany are outperforming others in this respect.

Figure 6.8: Importance versus association of trade factors for UK and Germany.



Source: C2b. Please tell me how important you would rate each of the following when it comes to making decisions about where invest in or expand to. C2B2ac. Now thinking about the same factors, how much do you associate each one with companies in the United Kingdom? (all who scored 8-10). Base: All investors (926)

The key factors influencing international trade and investment decisions that have been covered in these two chapters provide important context and steer for campaign planning. The next chapter covers perceptions and impact of ongoing campaign activity.

7 Engagement with DIT Communications

This chapter covers engagement with communications and activity to promote the UK as a place to do business with, focusing on the B2B international GREAT Campaigns. It also covers broader awareness of international business communications and engagement with different channels and messages.

Key Findings

- One in ten survey respondents (10 per cent) spontaneously recalled seeing/hearing activity to promote doing business with/in the UK, rising to one in four (24 per cent) when prompted with a list of markets.
- Technology, innovation and openness were the themes most likely to be recalled in messaging about the UK, which several of the GREAT Campaigns' messages contained.
- One in seven (14 per cent) of those who recalled seeing promotional material said they took some action as a result, including making personal contacts and targeting procurement.
- Around one in seven recognised GREAT (13 per cent) and a significant proportion of these businesses (37 per cent; equating to 5 per cent of the overall sample) felt the campaign had made them more positive towards doing business with the UK.

7.1 Recall of UK promotional activity

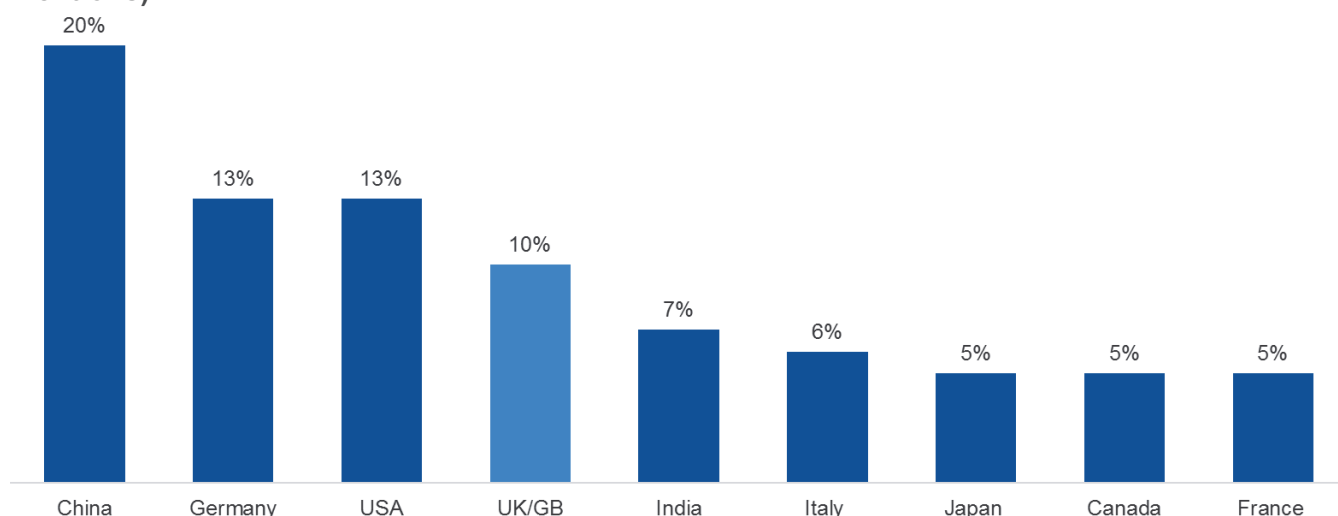
7.1.1 Unprompted recall

Respondents were asked to think about anything they may have seen, read or heard in the last few months which was promoting foreign business opportunities in another market (such as foreign investments or opportunities to buy products and services from organisations in that market). They were told this may include advertising they had seen online, on posters, or newspapers/ magazines, articles in newspapers/ magazines, received via email or events they planned to attend or had attended.

One in ten (10 per cent) businesses spontaneously mentioned seeing/hearing promotional activity from the UK. The most likely market that respondents recalled seeing material about was China (cited by 20 per cent), though as with other findings, it should be borne in mind that other East Asian markets - Hong Kong and Japan - were included in the sample. Germany and the USA were the only two other markets to be cited more often than the UK each by 13 per cent of respondents, though this difference is not statistically significant, and so in effect the UK is positioned in line with these two markets. Figure 7.1 shows the markets most often cited by respondents.

Respondents from the USA (16 per cent) and the UAE (22 per cent), and those currently trading or investing in the UK (20 per cent) were more likely than others to recall seeing/hearing any UK promotional activity.

Figure 7.1: Unprompted recall of promotional material from different markets (top mentions).



Source: UR1. From which countries, if any, can you recall seeing promotion of business opportunities through posters or newspapers / magazines, articles in newspapers / magazines, or events you have attended recently? (% saying they have seen something unprompted)

Base: All respondents (2,005)

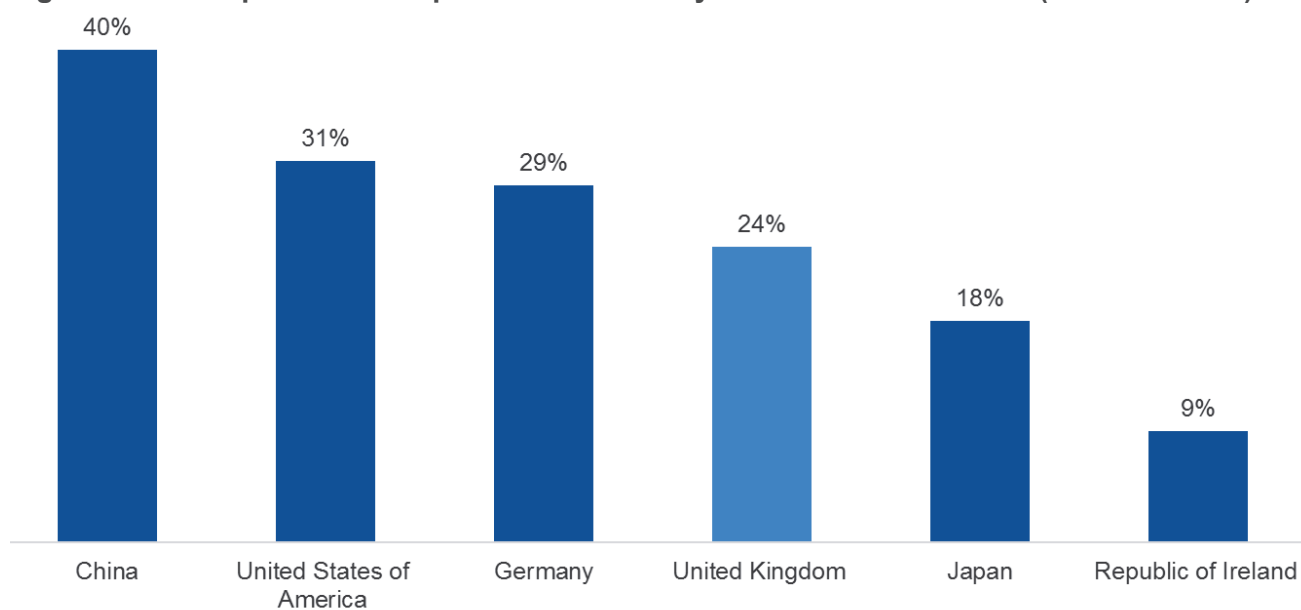
Due to margins of error on the survey findings, UK was positioned in line with other competitors.

7.1.2 Prompted recall

Respondents were also asked whether they recalled seeing or hearing any activity promoting foreign business opportunities (such as foreign investments or opportunities to buy products and services from organisations in that market) from a list of specified markets.

When asked directly about the UK, one in four (24 per cent) businesses said they remembered seeing/ hearing promotional activity. As with unprompted recall, materials relating to China were again most likely to be recalled (40 per cent), followed by the USA and Germany (31 per cent and 29 per cent respectively). The full list of markets asked about is shown in Figure 7.2.

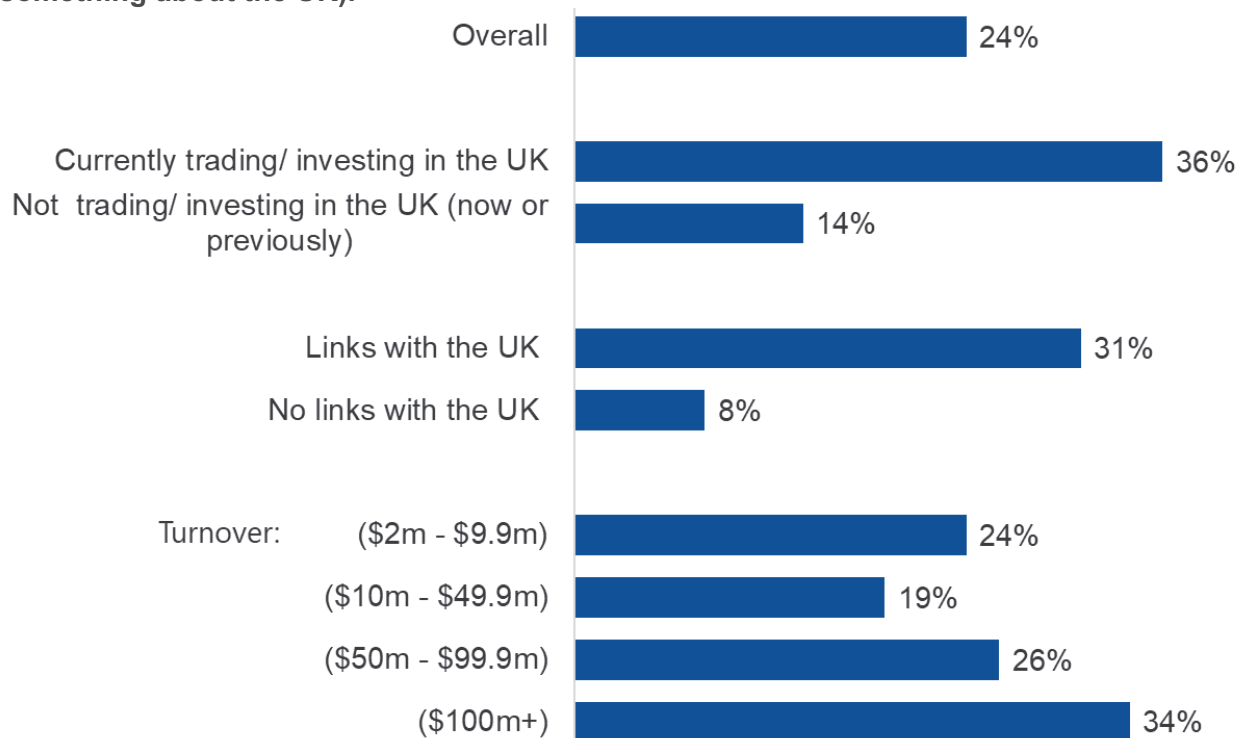
Figure 7.2: Prompted recall of promotional activity from different markets (full list shown).



Source: D1. Have you seen or heard about any promotional activity from... (% saying they have seen something, prompted). Base: All respondents (2,005)

Companies already investing in and/or trading with the UK were significantly more likely to recall any promotional activity relating to the UK (36 per cent), as were those with existing links¹⁰ to the UK – either business or personal ones (31 per cent), those with a turnover over \$100 million (34 per cent). These variations are shown in Figure 7.3.

Figure 7.3: Prompted recall of promotional activity from the UK (% saying they have seen something about the UK).



Source: D1. Have you seen or heard about any promotional activity from... (% saying they have seen something, prompted)

Base: All respondents (2,005)

7.1.3 Recall of messages about the UK

Amongst those who recalled hearing or seeing promotional activity about the UK, a quarter (25 per cent) reported that they remembered messaging in relation to the UK having 'good technology', making it the most-mentioned theme. This was followed by messages around innovation (cited by 17 per cent) and the UK being advertised as an 'open place to do business' (15 per cent). These key themes were in line with some of the straplines from the GREAT campaigns as well as the GREAT Festival of Innovation¹¹ that took place in Hong Kong earlier in the year and targeted businesses in China and Japan. Those who later went on to recognise GREAT materials within the survey were more likely than average to cite 'innovation' (21 per cent) or 'GREAT' (13 per cent) when asked to recall messaging.

Amongst those who recalled UK promotional material, investors were more likely to remember themes around innovation and entrepreneurialism. One in five (21 per cent) investors noted that

¹⁰ Existing links asked about included: visiting UK on vacation or business, having lived in the UK, having studied in the UK, family or friends in the UK, business contacts in the UK

¹¹ The GREAT Festival of Innovation (GFEST) took place between 21-24 March 2018 in Hong Kong. It aimed to showcase the best of British and Asian innovators and to promote trade links between businesses in East Asia and the UK.

they had seen promotional activity about the UK in relation to innovation (compared to 12 per cent of traders in the sample), whilst double the proportion of investors recalled messaging around entrepreneurialism (12 per cent versus 6 per cent among traders).

Figure 7.4: Recall of UK specific messaging in promotional materials.



Source: D3. What do you remember was being said or heard about the United Kingdom? (Unprompted)

Base: All who say they were aware of UK promotional activity (521)

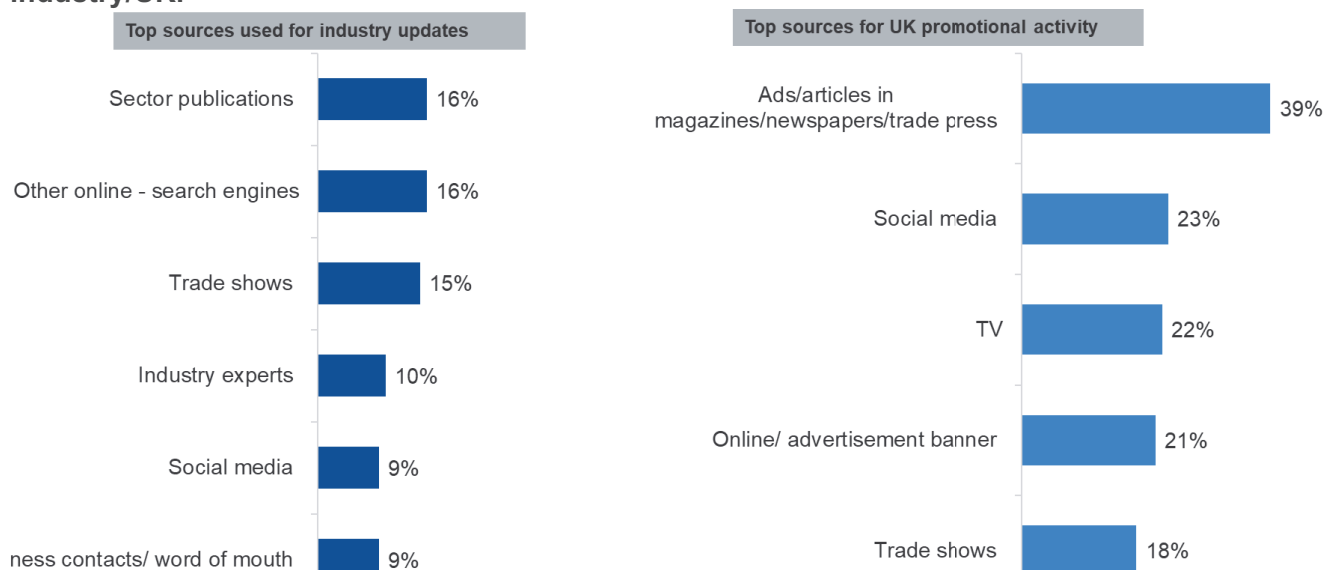
Those working for larger businesses with higher turnover were more likely to recall messages relating to 'good technology' (52 per cent for turnover of \$100-499.9 mil), 'open place to do business' (40 per cent) and/or 'innovation' (28 per cent amongst the same group). As with all variations by size of organisation, these may reflect differences in sector profiles (i.e. larger business being more likely to fall within certain sectors such as manufacturing or wholesale, retail and motor repair).

7.1.4 Sources of information

Those who recalled promotional activity about the UK were asked where they remembered seeing/hearing it. Ads and articles in trade press were most likely to be cited as a source of UK promotional activity (by 39 per cent), followed by social media (23 per cent), TV (22 per cent) and online advertising (21 per cent).

Respondents were also asked which sources they used to stay informed about their industry. Encouragingly, there is consistency across sources, with the most likely cited being: sector publications (16 per cent), online search engines (16 per cent) and trade shows (15 per cent). These are followed by industry experts (10 per cent) and social media (9 per cent). Sector publications, trade shows and social media all appear as key channels for targeting, whilst the importance of online search engines cannot be overlooked.

Figure 7.5: Sources of information most commonly used to stay informed about industry/UK.



Source: E3. Which source do you use most often to stay informed about your industry? D2. Can you recall where you saw/heard the United Kingdom being promoted?

Base: All respondents (2,005); All who say they were aware of UK promotional activity (521)

Business with higher turnovers (\$100–499.9 million) were more likely to have seen/heard promotional activity relating to the UK through a range of sources such as adverts (45 per cent), articles in magazines (40 per cent), TV advertisements (34 per cent) and/or posters/outdoor advertising (24 per cent).

Similarly, sources varied by market; for example, businesses in China cited press adverts (59 per cent), advice from friends and colleagues (51 per cent) and/or TV (48 per cent) as their top three sources. In contrast, the top three cited by those in the UAE were LinkedIn (49 per cent), other social media sites (44 per cent), and advertisements in magazines, newspapers or trade press (41 per cent).

There were also variations in the sources that businesses said they used most often for their industry updates. Smaller businesses with less than 49 employees were comparatively more likely to cite sector publications (23 per cent), whilst larger businesses were more likely than smaller organisations to identify industry experts (17 per cent for 250-499 employees) and/or business contacts (11 per cent for 500-999 employees).

Again, there were variations by market; whilst for respondents in the USA and France the most popular source was industry updates, businesses in Germany and Japan most frequently cited online search engines. Those in China and Hong Kong were most likely to cite industry experts, whilst businesses in India and the UAE preferred trade shows and events.

These variations and lack of dominant channels at the overall level show the importance of utilising a strong channel mix, whilst being aware of the benefits of tailoring to local market needs/preferences.

7.1.5 Actions taken in response to UK promotional activity

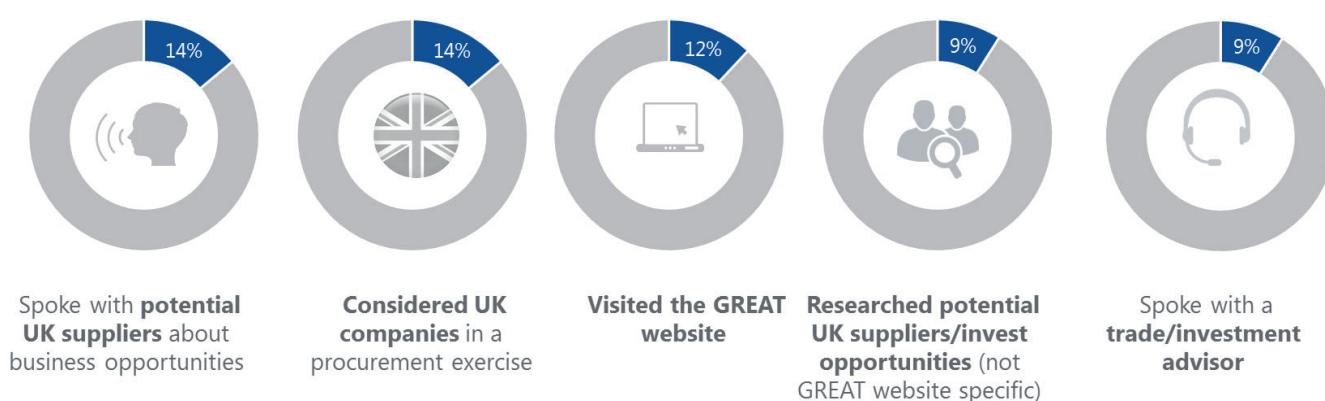
Those who recalled seeing any activity promoting business opportunities in/with the UK (including those who later in the questionnaire recognised GREAT campaign material) were asked if they took any action as a result of seeing this activity, and if so, what action they took.

One in seven (14 per cent) of those who recalled any UK promotional activity stated that they took some action as a result of seeing it (this equates to 4 per cent of all respondents in the survey).

The most likely actions that these businesses said they had taken as a result of seeing the material were **speaking to a potential UK supplier about business opportunities** (14 per cent of these respondents, which represents 1 per cent of the total sample), **considering UK companies in a procurement exercise** (14 per cent; 1 per cent of total sample) and/or **visiting the GREAT website** (12 per cent; 1 per cent of the total sample). Figure 7.6 shows the proportions who said they took different actions (amongst those who said they took some action).

Whilst these findings are not able to prove that the specified actions were indeed taken as a direct result of exposure to materials, they do illustrate positive engagement with them.

Figure 7.6: Stated actions taken in response to seeing promotional material.



Source: D6C. What did you do? (unprompted)

Base: All who took action after seeing any adverting/promotion of the UK (90)

7.2 Response to GREAT Britain Campaign materials

7.2.1 Campaign recognition

As well as questions relating to UK business promotional activity more broadly, respondents were asked specifically about the international B2B GREAT campaign material. Those who could access the internet at the point of interview (c. 20 per cent of all respondents) were prompted with a selection of images taken from either the Invest in GREAT Britain or International Trade Campaigns (shown to traders/investors accordingly) in local languages, as well as the over-arching campaign logo. Those without internet access were given a detailed description¹² of the promotional activity.

Whilst the images used and description given were tailored to the Invest in GREAT Britain and International Trade Campaign, it is possible that respondents may also be referring to other (GREAT Britain) campaigns using similar imagery/messaging.

¹² Campaign description read to those who could not access web page at time of interview: *Can you recall having seen, read or heard any advertising, events or promotion which includes phrases using the word GREAT to promote 'Great Britain' as a place to do business with? This might have included the phrases 'Innovation is GREAT', 'Creativity is GREAT' or 'Invest in GREAT'. These advertisements, events or promotional items include the words Britain and Northern Ireland and part of the red, white and blue union flag. They may also have included images relating to UK business.*

Figure 7.7: Some of the images shown to survey respondents who could access web page.

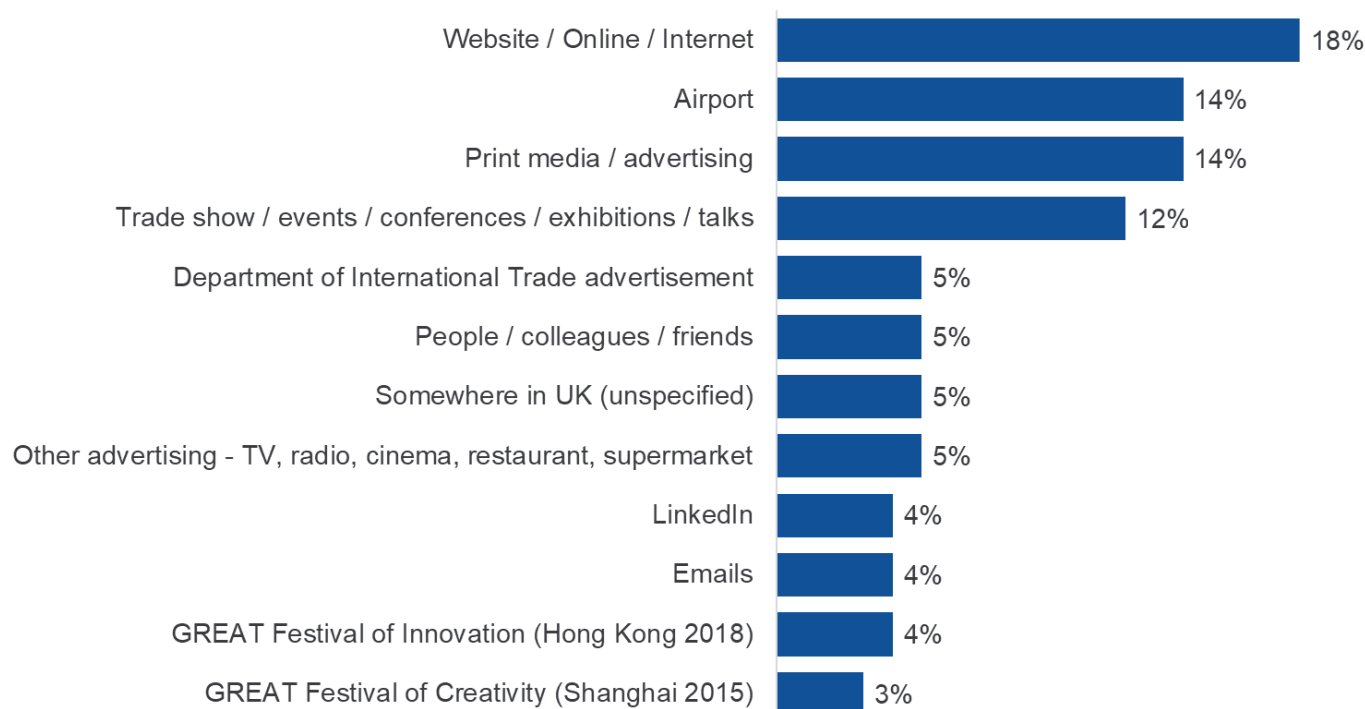


The full range of images shown to participants are available in the accompanying technical report.

Overall, around one in eight (13 per cent) respondents recalled having seen/heard at least one aspect of the GREAT Britain campaigns. Investors were more likely than traders to recognise at least some aspect of GREAT Britain (16 per cent and 11 per cent respectively).

A range of sources were cited by those who recognised the GREAT Britain campaigns specifically, with the internet (18 per cent), airports (14 per cent), print media (14 per cent) and trade shows/events (12 per cent) most likely (Figure 7.8). These sources vary from those outlined previously at figure 7.5 as this question focusses specifically on GREAT (whereas previously it was asking about broader recognition of the UK). It is worth noting that respondents were asked about the GREAT branding overall as well as the two international B2B GREAT campaigns and so in their responses they may have considered other strands of the GREAT branding in their response (e.g. tourism focussed campaigns).

Figure 7.8: Where campaign recognisers recall seeing or hearing about GREAT Britain.



Source: D4C. Where do you remember seeing or hearing about GREAT?

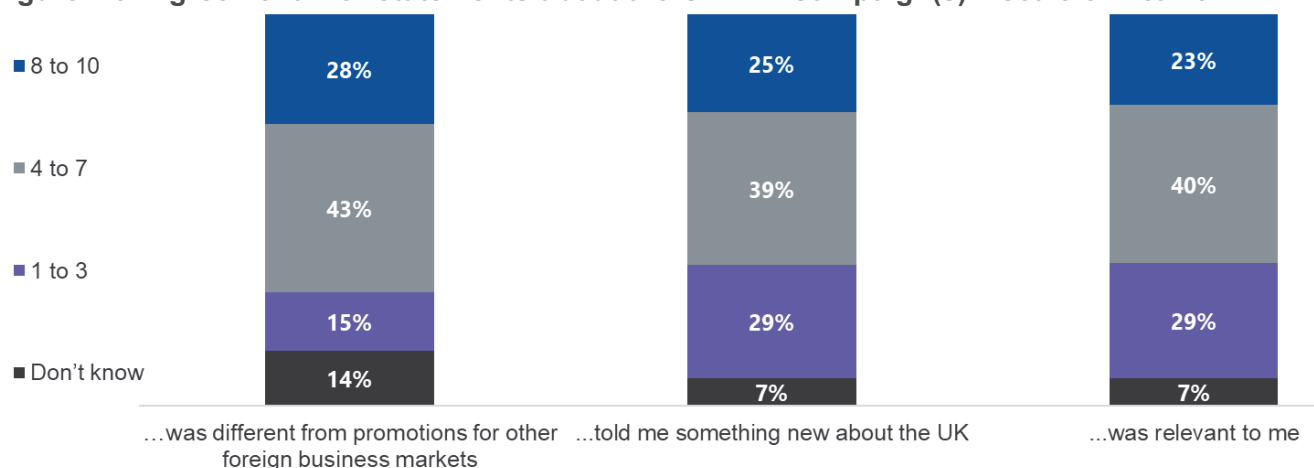
Base: All GREAT recognisers (265)

7.2.2 Reactions to the campaigns

Those respondents who recognised the GREAT Campaign images/description were asked to what extent they agreed or disagreed with a set of statements about the campaign(s).

Around a quarter (28 per cent) strongly agreed¹³ that it was different from other promotions and/or told them something new about the UK (25 per cent). A similar proportion (23 per cent) of those who recognised the campaign strongly agreed that it was relevant to them.

Figure 7.9: Agreement with statements about the GREAT Campaign(s) – scale of 1 to 10.



Source: D6. And from what you can remember about the GREAT Britain promotion, how much do you agree or disagree with the following statements

Base: All GREAT recognisers (265)

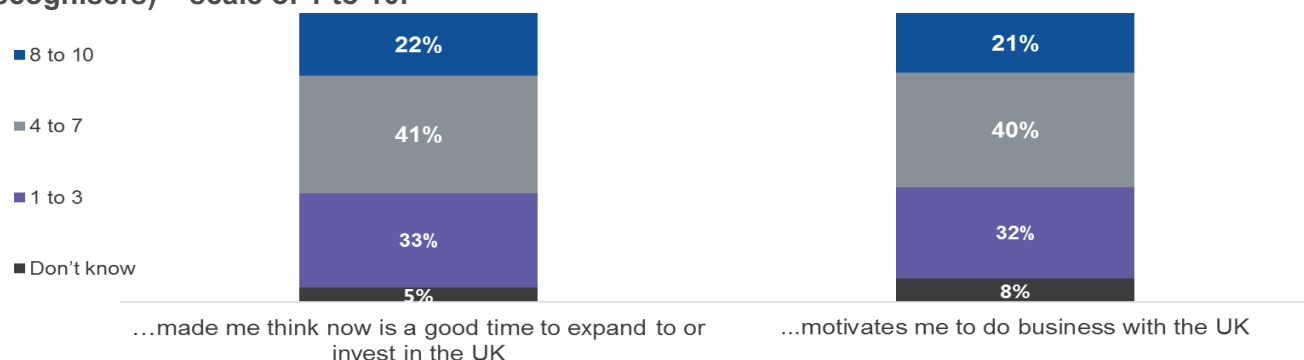
7.2.3 Stated impact of the GREAT Campaign

Nearly two in five (37 per cent) of those who recognised GREAT Campaign material stated that it made them feel more positive towards investing in or trading with the UK. This compares to 57 per cent who said the campaign did not make any difference to their views and a very small proportion (2 per cent) who said it made them feel more negatively about doing business with the UK.

Over a fifth (22 per cent) of those who recognised the campaign strongly agreed (scoring at least 8 on a 1-10 scale) that it motivated them to do business with the UK and a similar proportion of investors strongly agreed that it made them think that now is a good time to expand to or invest in the UK (Figure 7.10).

¹³ Scoring at least 8 on a 1-10 scale.

Figure 7.10: Agreement with statements about the GREAT Campaign(s) (among campaign recognisers) – scale of 1 to 10.



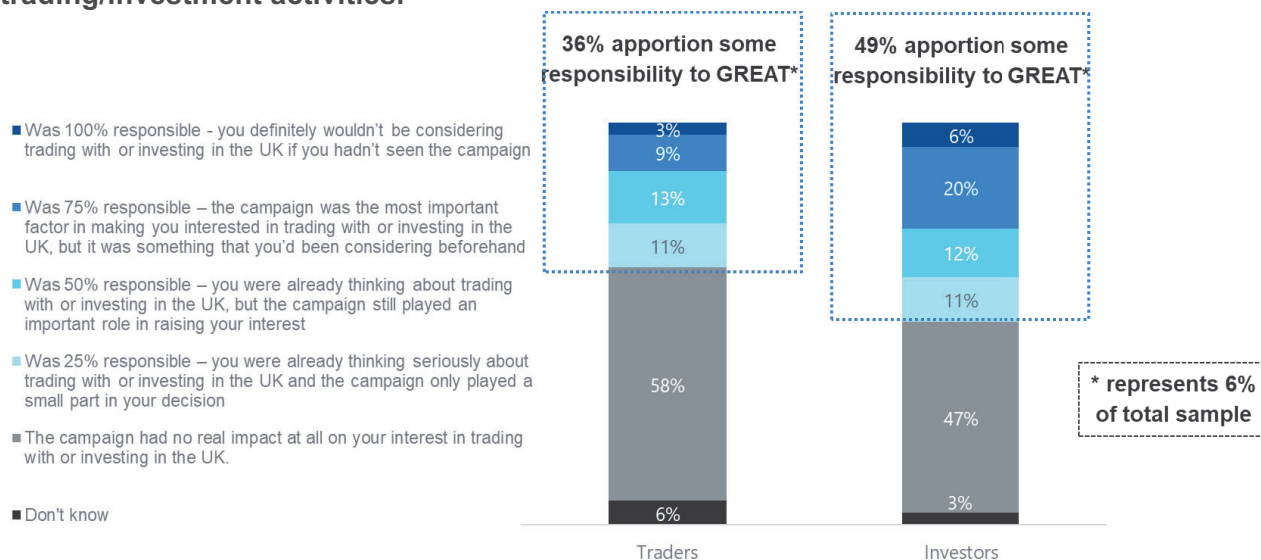
Source: D6. And from what you can remember about the GREAT Britain promotion, how much do you agree or disagree with the following statements. Base: All GREAT recognisers (265); All investors who recognise GREAT (150)

Those who recognised the campaign and also noted that they either already trade with/invest in the UK or were considering doing so, were asked to what extent their interest in trading with or investing in the UK was a direct result of the GREAT Campaign activity.

Over a third (36 per cent of current/potential traders who recognised the campaign stated that it was at least partly responsible for their decision to trade (or consider trading) with the UK. This increases to 49 per cent among investors/potential investors who recognised any of the GREAT Campaign material.

It is important to note that when based on the overall sample population this represents lower proportions overall; it equates to around 6 per cent of the overall sample of businesses interviewed.

Figure 7.11: Extent to which GREAT was stated as responsible for (potential) trading/investment activities.



Source: D6D. You mentioned earlier that you already trade with or invest in the UK or are considering doing so. To what extent would you say that your interest in trading or investing in the UK was a direct result of the GREAT Britain campaign activity that you saw before today. Would you say the advertising campaign ...? Base: All GREAT recognisers who already trade/invest with UK or are considering doing so (249)

There were no significant variations in campaign recall or follow up actions by size of organisation or any other key characteristics.

8 Implications for DIT

The two international business to business GREAT Campaigns are an important element of the Government's strategy to promote the UK as a place to do business with. They aim to help showcase some of these opportunities available to international buyers and investors as well as raise awareness of the support they could receive in reaching out to the UK market.

The 2018 International Traders and Investors Study provides robust measures of awareness, exposure and subsequent impact of the international B2B GREAT Campaigns. It also provides an evidence-based assessment of the UK's perceived strengths and capabilities compared to some of its key competitors. The key implications from this research are summarised below.

Familiarity breeds favourability

The research provides consistent evidence of the benefits of increased awareness and familiarity on trade and investment perceptions (and likely future business activity). The more a business knows about the opportunities within a market and/or the greater their links with the market, then the more likely they are to associate it with a full range of positive trade/ investment attributes and to be positive towards future likely business with the market. This emphasises the critical role of awareness-raising activities and efforts to encourage engagement and relationship building. Strong management and monitoring of levels of contact/familiarity is essential in order to focus efforts; aspirational targets (tailored to take into account market variability) with regular monitoring of consistent and meaningful metrics should be used to drive organisational focus and impact. These might relate to measures of awareness across key sectors/geographies and/or levels of engagement activity, with a focus on trends over time and potential comparisons against competitor markets.

Ensure fluidity across 'Trade' and 'Investment' communications

There is significant overlap between international 'Traders' and 'Investors', with most businesses engaging in both international trade *and* investment, rather than focussing on one only. 86 per cent of the 'investors' in this survey were also already trading internationally, or considering it. Engagement and communication activities must be alive to the potential for businesses to both trade with and invest in the UK and avoid any siloed approaches. Approaches should reflect and amplify positive messaging around factors which are identified as key to trade and/or investment decisions, primarily around high-quality products/services, competitive prices and potential for strong returns. These factors are not unique to the UK and there is competitive advantage to be gained by focussing efforts and improving perceptions of the UK versus competitors.

EU Exit should be considered in context

Evidence from this research shows that EU Exit is not perceived by the majority of respondents to have a significant impact on their likely trade or inward investment activity with the UK. The concept of EU Exit itself therefore looks unlikely to have huge leverage (or risk) potential outside Europe given this low engagement. Actions and priorities should be aligned appropriately, with the focus on the potential impact that EU Exit might have on the factors which matter most (see below). However, communications with markets in the EU need to be mindful of far higher levels of awareness and engagement and must be tailored accordingly.

Utilise GREAT to drive competitive advantage where possible

The research demonstrates that there is comparatively little variation between perceptions of the UK and Germany on a range of factors which help to drive trade and investment decisions. It also illustrates positivity towards the international B2B GREAT Campaigns and receptiveness to key messages. Future campaign activity should consider how to amplify messages around identified key factors in order to drive competitive advantage; competitive pricing, high quality products and the potential for strong return on investment. Messaging should also reflect regional variations in perceptions of the UK and the most relevant competitor markets (both of which can be assessed through the market-level findings in this study).

A flexible channel mix is key

Businesses use a wide range of sources to stay informed about their industry and to find out about opportunities in/with the UK and elsewhere. With no dominant channel(s) it is essential to continue to utilise a variety of sources, tailoring where appropriate to meet local needs/preferences. Key sources vary by market, business type/size, and sector; findings from this survey and other sources should be used to inform priorities in key markets.

The UK's Department for International Trade (DIT) has overall responsibility for promoting UK trade across the world and attracting foreign investment to our economy. We are a specialized government department with responsibility for negotiating international trade policy, supporting business, as well as delivering an outward-looking trade diplomacy strategy.

Legal disclaimer

Whereas every effort has been made to ensure that the information in this document is accurate the Department for International Trade does not accept liability for any errors, omissions or misleading statements, and no warranty is given or responsibility accepted as to the standing of any individual, firm, company or other organisation mentioned.

Published in May 2019 by the Department for International Trade.

Copyright

© Crown Copyright 2019

You may re-use this publication (not including logos) free of charge in any format or medium, under the terms of the Open Government License.

To view this license visit:

www.nationalarchives.gov.uk/doc/open-government-licence or email: psi@nationalarchives.gsi.gov.uk.

Where we have identified any third party copyright information in the material that you wish to use, you will need to obtain permission from the copyright holder(s) concerned.

This document is also available on our website at gov.uk/dit

Any enquiries regarding this publication should be sent to us at

enquiries@trade.gov.uk.