STATISTICAL SERVICE OF CYPRUS

INFORMATION AND COMMUNICATION TECHNOLOGIES (ICT) USAGE AND E-COMMERCE SURVEY IN ENTERPRISES

2007

SUMMARY RESULTS

C O N T E N T S

INFORMATION AND COMMUNICATION TECHNOLOGIES (ICT) USAGE AND E-COMMERCE SURVEY IN ENTERPRISES 2007

This report presents the results of the survey on ICT Usage and e-Commerce in Enterprises 2007. The aim of the annual survey is to collect data on ICT usage, on Internet usage and on electronic commerce in enterprises. These data are necessary for the implementation of policy programmes of both the Government and the Private Sector.

The survey, which is cofunded by the European Community, conforms to the regulation (EC) No. 808/2004 of the European Parliament and of the Council of 21 April 2004 concerning Community statistics on the information society. The objective of this Regulation is to establish a common framework for the systematic production of Community statistics on the information society.

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A. SURVEY METHODOLOGY

The survey covers enterprises with 10 or more employees in the following statistical codes of economic activities (Detailed description in annex):

|	
D	Manufacturing
F	Construction
G	Wholesale and Retail Trade. Repair of motor vehicles, motorcycles and personal and household goods
H55.1-2	Hotels
I	Transport, Storage and Communication
K	Real Estate, Renting and Business activities
O92.1-2	Recreational, Cultural and Sporting activities

The sampling method used was stratified random sampling. Two variables were used for stratification, nace group and size of the enterprise. There were 14 nace groups and 3 size groups.

The 14 nace groups (of economic activities) were the following: 15-21, 23-25, 26-28, 29-37, 45, 50, 51, 52, 55.1+55.2, 60-63, 64, 70+71+73+74, 72, 92.1+92.2. The 3 size groups were: Small enterprises (10-49 employees), Medium enterprises (50-249 employees) and Large enterprises (250+ employees).

B. MAIN FINDINGS

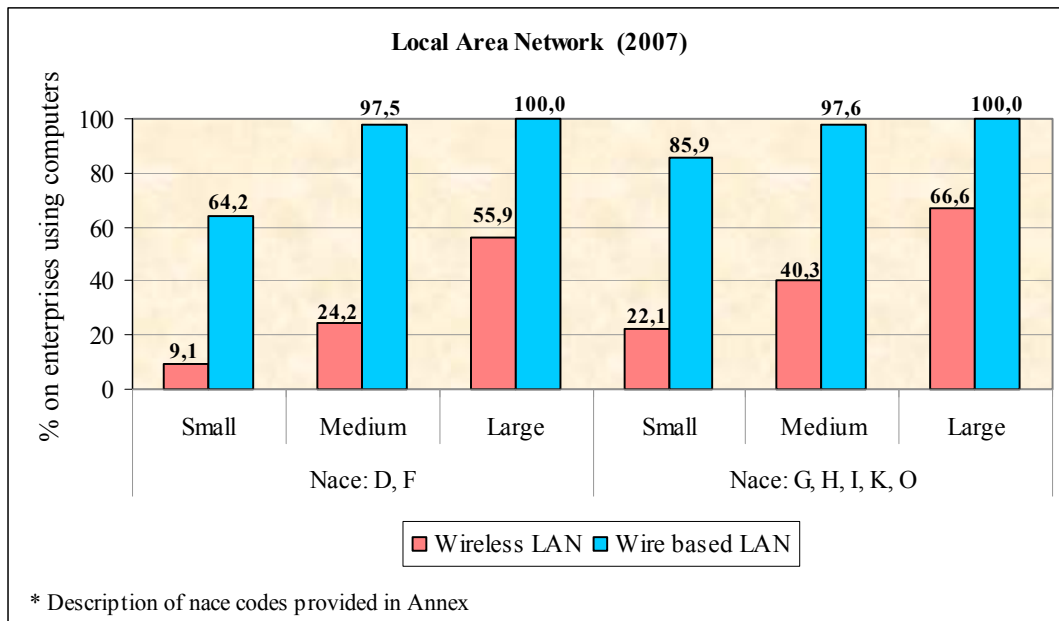### General Information about Information and Communication Technologies (ICT) Systems

All enterprises in Cyprus with 50 or more employees (i.e. medium and large enterprises) have used computers during January 2007. The percentage of small enterprises (10 – 49 employees) using computers is 93,5%.
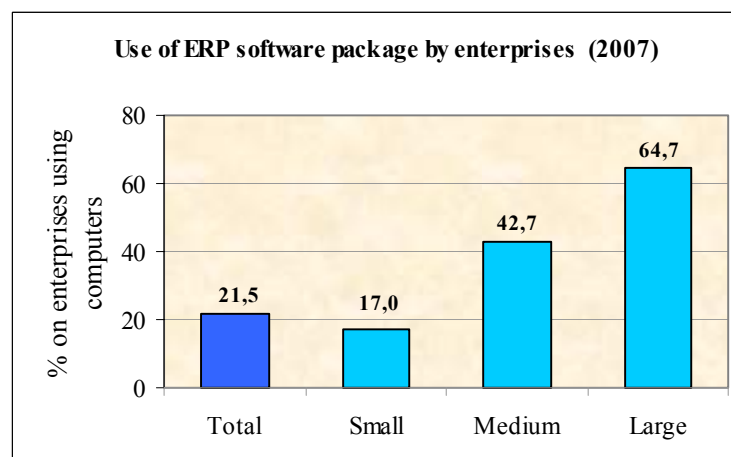
Computer Usage
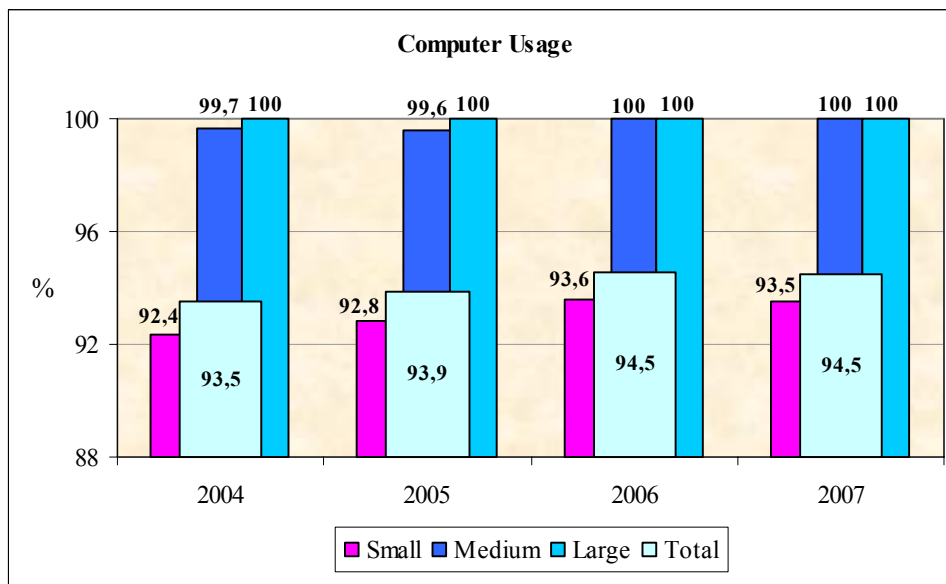
The majority of enterprises with 10 or more employees have local area networks (LAN) for communication between computers. More specifically, 83,4% of the enterprises using computers during January 2007 had a LAN. This percentage remained stable over the last three years.
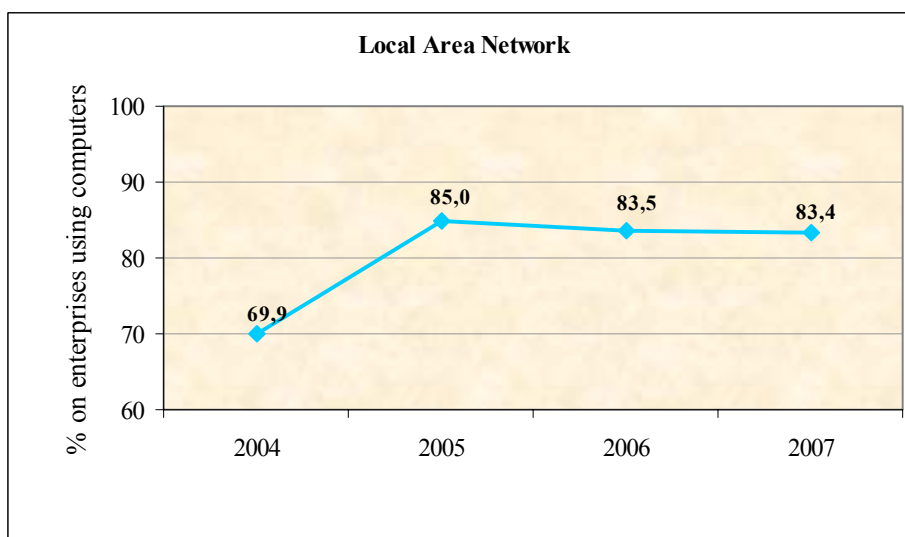
Local Area Network

The probability of an enterprise having a local area network is highly depended on the enterprise's size. All large and almost all medium enterprises have a wire based LAN. In small enterprises the percentage of enterprises having a wire based LAN (% on enterprises using computers) is 64,2% for enterprises with nace D and F (Manufacturing and Construction), and 85,9% for enterprises with nace G, H, I, K and O (Trade, Transportation and Services). The percentage of having a wireless LAN is highly correlated with the size and type of economic activity. It is increasing as size increases and as economic activity changes from 'Manufacturing and Construction' to 'Trade, Transportation and Services'.

Local Area Network (2007)

	Small	Medium	Large	Small	Medium	Large
Wireless LAN	9,1	24,2	55,9	22,1	40,3	66,6
Wire based LAN	64,2	97,5	100,0	85,9	97,6	100,0
	Nace: D, F			Nace: G, H, I, K, O		

% on enterprises using computers

□ Wireless LAN □ Wire based LAN

* Description of nace codes provided in Annex

An Enterprise Resource Planning (ERP) software package is a set of applications that integrate information and processes across the several business functions of the enterprise, like planning, procurement, sales, marketing, customer relationship, finance and human resources. 21,5% of enterprises that use computers said that they had an ERP software package to share information on sales and purchases with other internal functional areas of the enterprise, during January 2007. More than half (64,7%) of the large enterprises had an ERP during January 2007.

Use of ERP software package by enterprises (2007)

|	Total	Small	Medium	Large
% on enterprises using computers	21,5	17,0	42,7	64,7

Among enterprises using computers 19,4% had a CRM (Customer Relationship Management) software application for managing information about clients, either to capture, store and make available to other business functions the information about clients, or to make analysis of the information about clients for marketing purposes. Hotels and Real Estate, Renting and Business Activities enterprises have the highest percentage of having a CRM (29,9% and 27,7% respectively). The CRM software application is not very common in Manufacturing and Construction enterprises (12,2% and 10,7% respectively).

Customer Relationship Management - CRM (2007)

* Description of nace codes provided in Annex
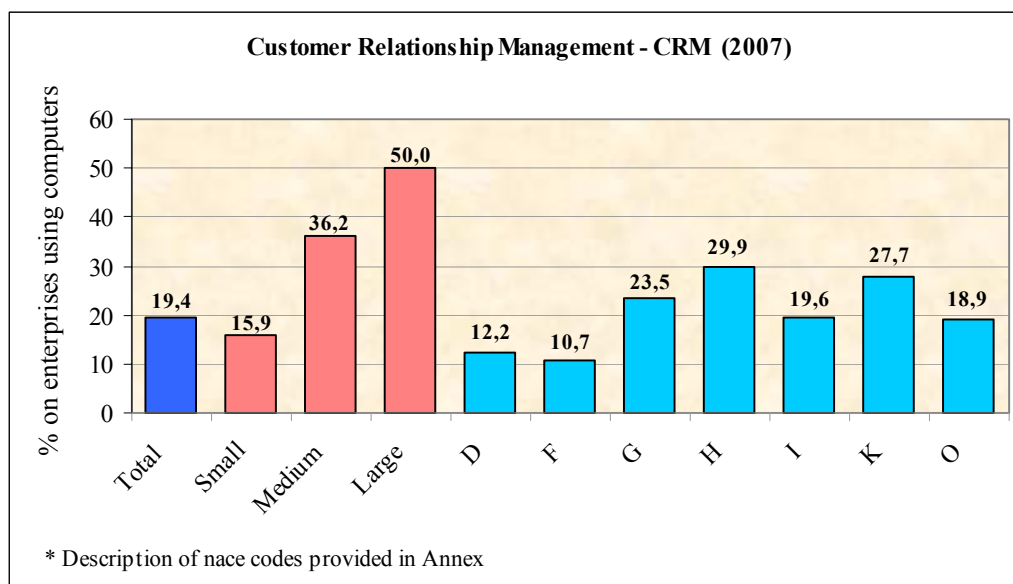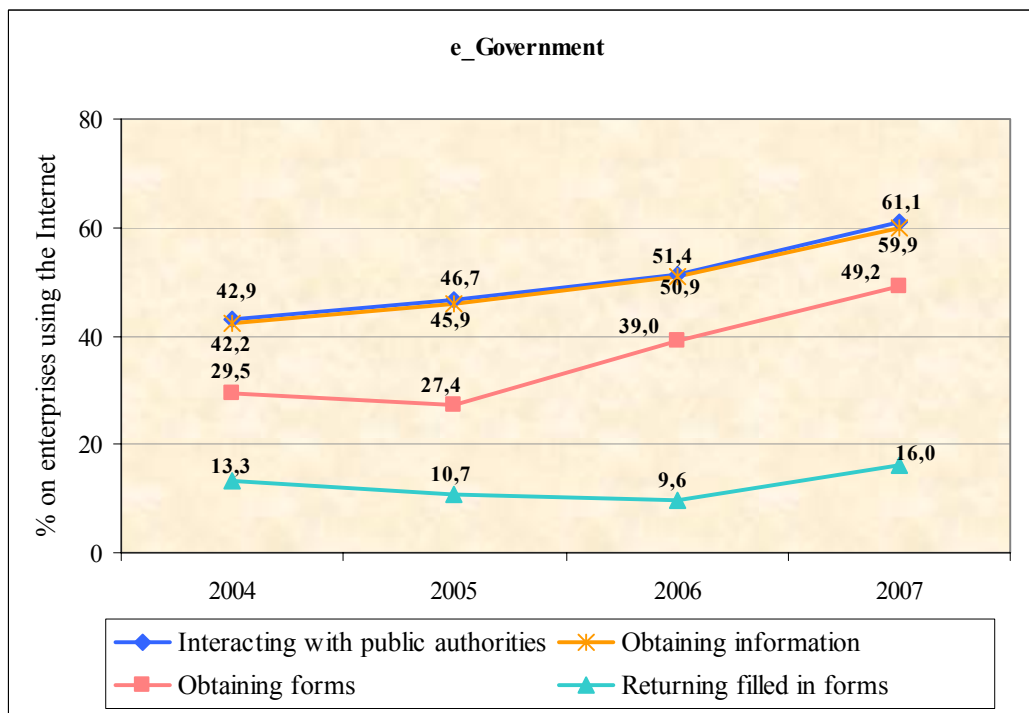
Use of the Internet

Unlike computer usage, that has remained stable over the last years, Internet usage in enterprises is steadily increasing. 87,9% of enterprises (employing 10 or more persons) had access to the Internet in 2007. The same percentage was 82,3% in 2004. The Internet is in use from all large and almost all medium enterprises. Internet usage in small enterprises is below 90%, but keeps increasing (79,4% in 2004, 82,1% in 2005, 83,7% in 2006 and 85,9% in 2007).

Interent Usage
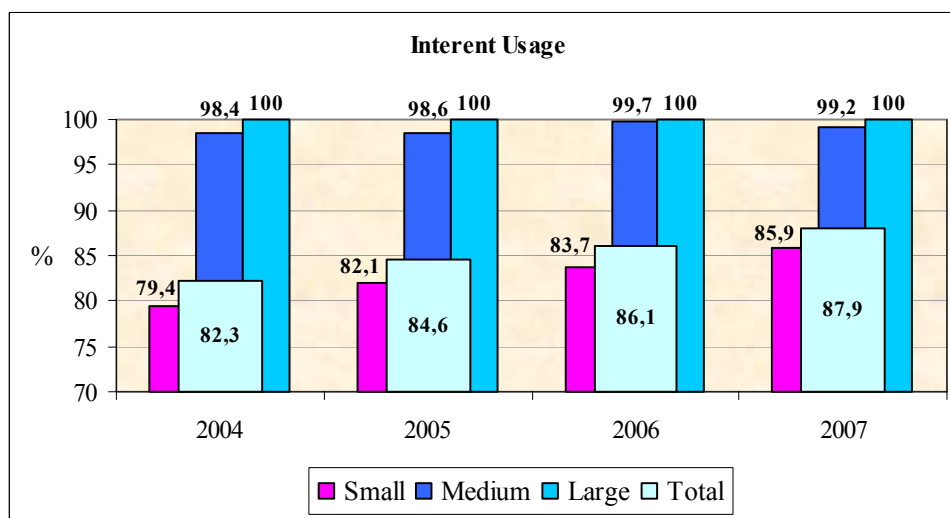
In the last four years there has been a significant increase in broadband connections to the Internet. The modem used to be the most popular type of access to the Internet by enterprises in 2004. Over the years the use of a modem to connect to the Internet have decreased (in 2007 the percentage of enterprises connecting to the Internet with Dial-up is less than half from what it was in 2004), giving rise to broadband connections, and thus making DSL the most popular type of Internet access. In 2007, 74,5% of the enterprises with access to the Internet have a DSL connection.
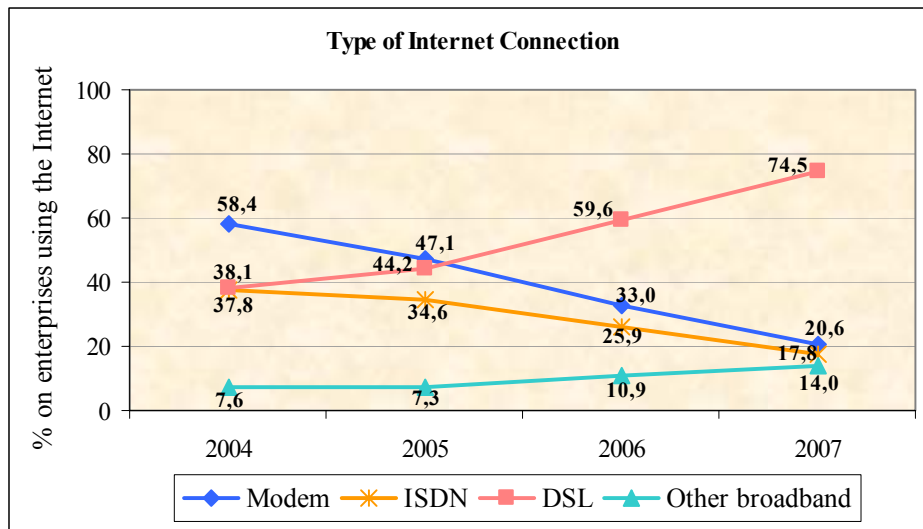
Enterprises use the Internet more and more to interact with public authorities. They can obtain information, forms, or return filled in forms via the Internet. 61,1% of the enterprises (employing 10 or more persons) that had access to the Internet in 2007, had used the Internet to interact with public authorities during the previous year. Most of these enterprises used the Internet for obtaining information from public authorities' websites.

More than half of the enterprises that use computers connected to the Internet also have a website (53,0% in 2007).
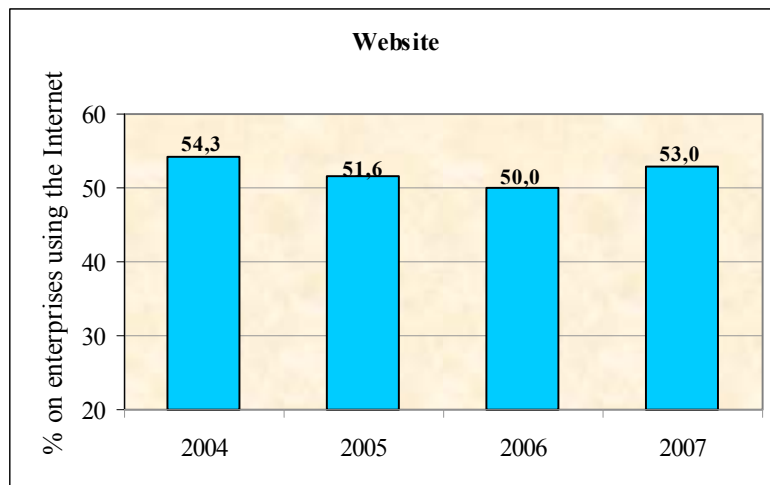
Website

The main reason enterprises have a website is for marketing their products. In particular, 96,9% use their website for marketing their products. Through their website enterprises can facilitate access to product catalogues and price lists, as well as provide after sales support to their customers. In Cyprus, 56,6% of the enterprises that own a website offer access to product catalogues and price lists through their website, while only 8,3% provide after sales support.

Website Facilities (2007)
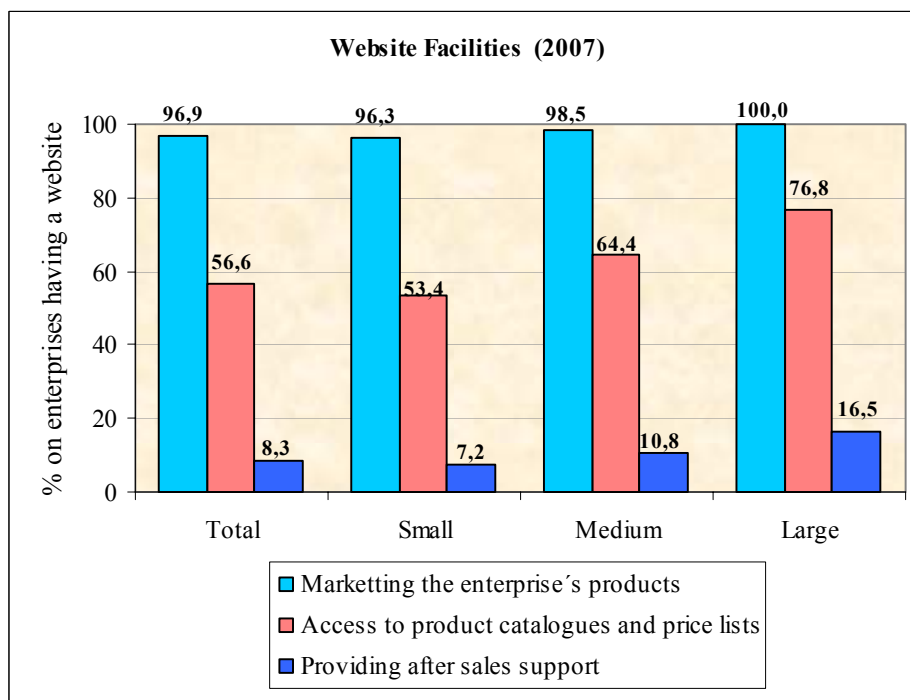
e-Commerce

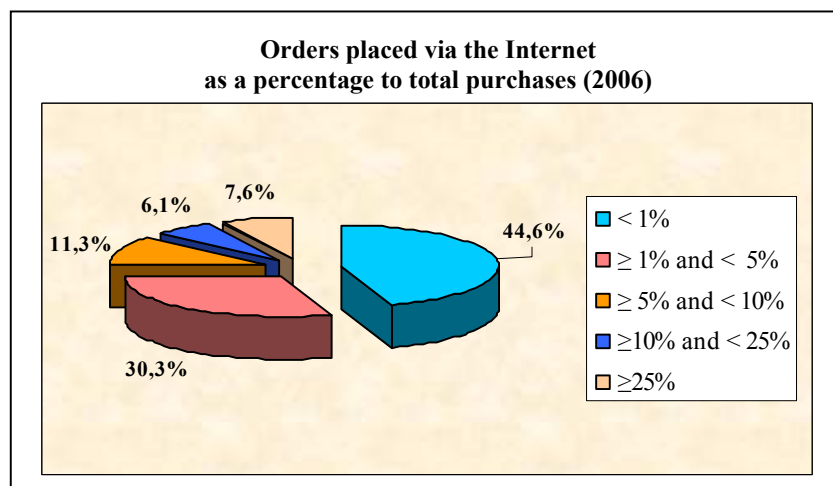E-Commerce is not very popular among enterprises in Cyprus. Only 24,5% of enterprises with 10 or more employees have made orders of products or services via the Internet during 2006. In large enterprises we have a percentage of 50,0% ordering online.

e-Commerce (2006)
Purchases via the Internet

	Total	Small	Medium	Large	D	F	G	H	I	K	O
%	24,5	21,0	40,7	50,0	25,6	15,1	22,3	19,1	28,8	37,9	47,1

% on enterprises using the Internet

* Description of nace codes provided in Annex
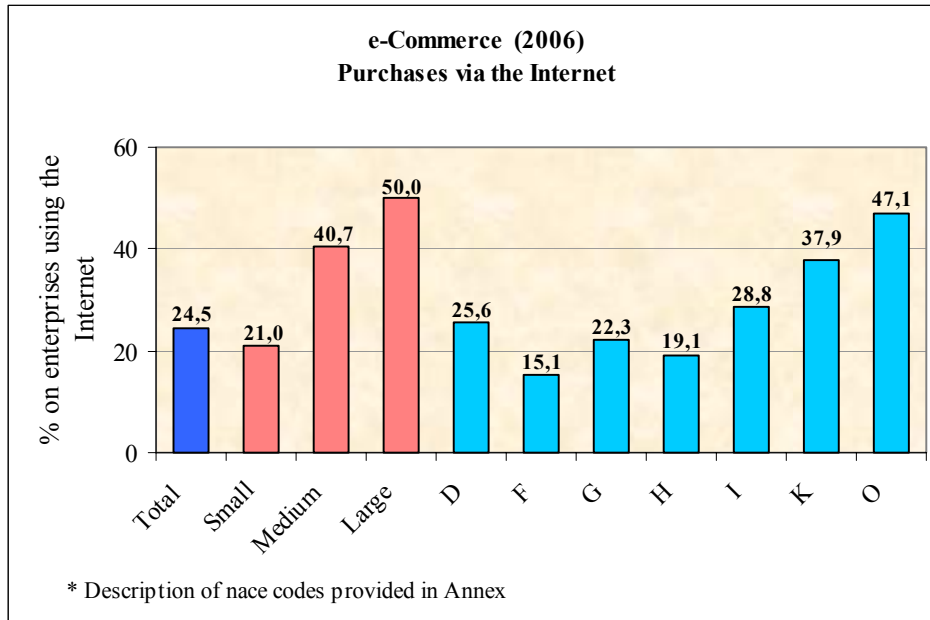
In relation to the total purchases, orders via the Internet (in monetary terms, excluding VAT) represented only a small percentage in most of the enterprises. In the majority of enterprises that have made orders online (74,9%) these orders represented less than 5% of the total value of orders of the enterprise. However, there were 7,6% of enterprises for which their online orders value was more than 25% of their total value of orders.

Orders placed via the Internet
as a percentage to total purchases (2006)

- 44,6%   < 1%
- 30,3%   ≥ 1% and < 5%
- 11,3%   ≥ 5% and < 10%
- 6,1%   ≥10% and < 25%
- 7,6%   ≥25%

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Only 7,3% of enterprises with Internet access have received orders via the Internet (excluding manually typed e-mails), during 2006. Enterprises receiving online orders in Cyprus seem to be mostly the ones that belong in Nace Rev1.1 category H (Hotels), with percentage 48,5% which is much higher than in any other economic activity. Second highest is the percentage of enterprises of nace I (Transportation, Storage and Communication), which is 11,4%. In all other nace groups this percentage is less than 5%.
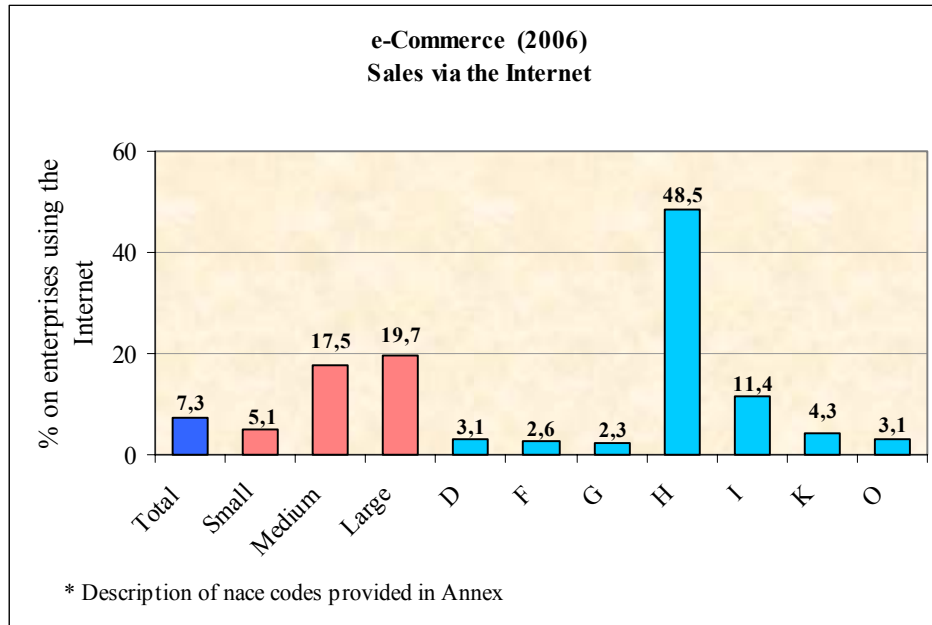
As with orders via the Internet, sales via the Internet in relation to the total sales (in monetary terms, excluding VAT) represented only a small percentage in many of the enterprises. Only in 7,2% of the enterprises that have received online orders, the value of the turnover resulted from orders received via Internet represented more than 25% of their total turnover.
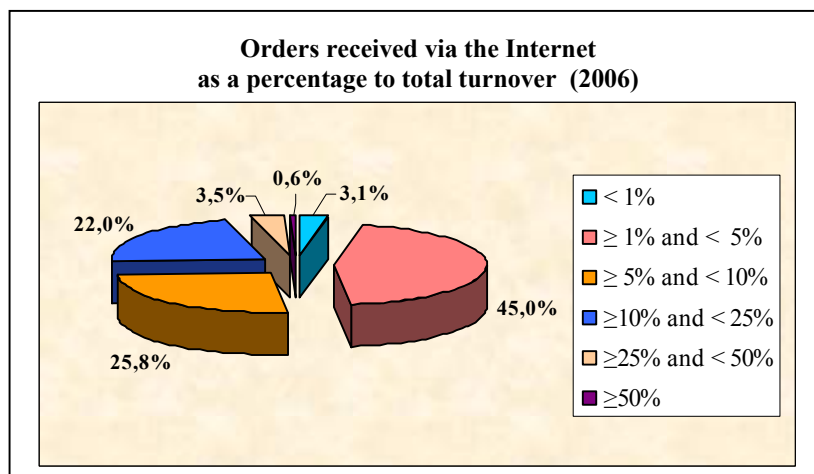
e-Skills

Most of the large enterprises (76,7%) in Cyprus employ ICT/IT specialists. Significantly smaller is the percentage of enterprises with ICT specialists in small enterprises, where only 12,8% of the enterprises that use computers employ ICT specialists.

e-Skills (2007)
Enterprise employs ICT/IT specialists

* Description of nace codes provided in Annex
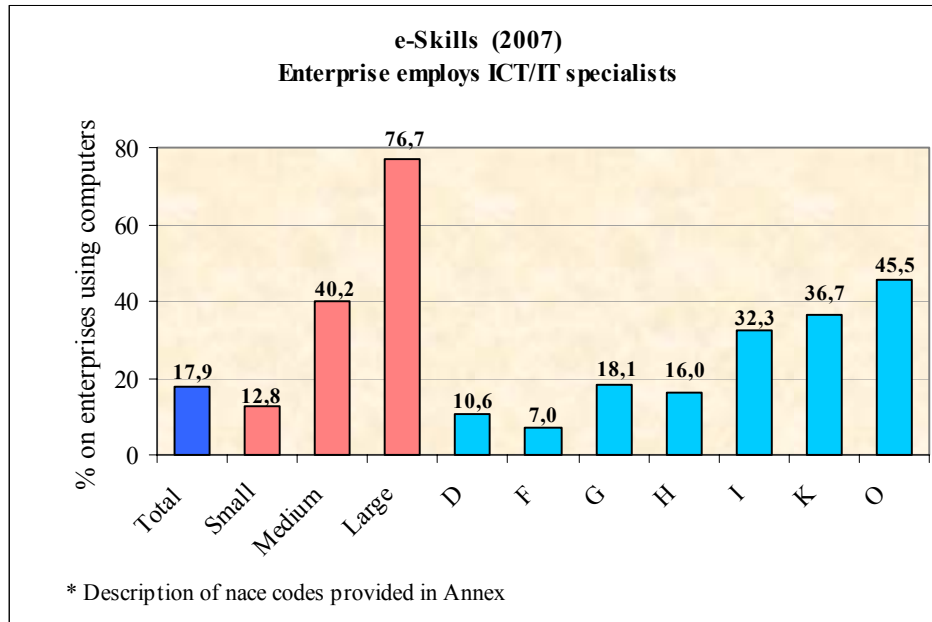
Most of the enterprises had external suppliers performing the enterprise's functions requiring ICT specialists.

Enterprises that had ICT functions requiring ICT/IT specialists
performed by external suppliers (2007)

* Description of nace codes provided in Annex
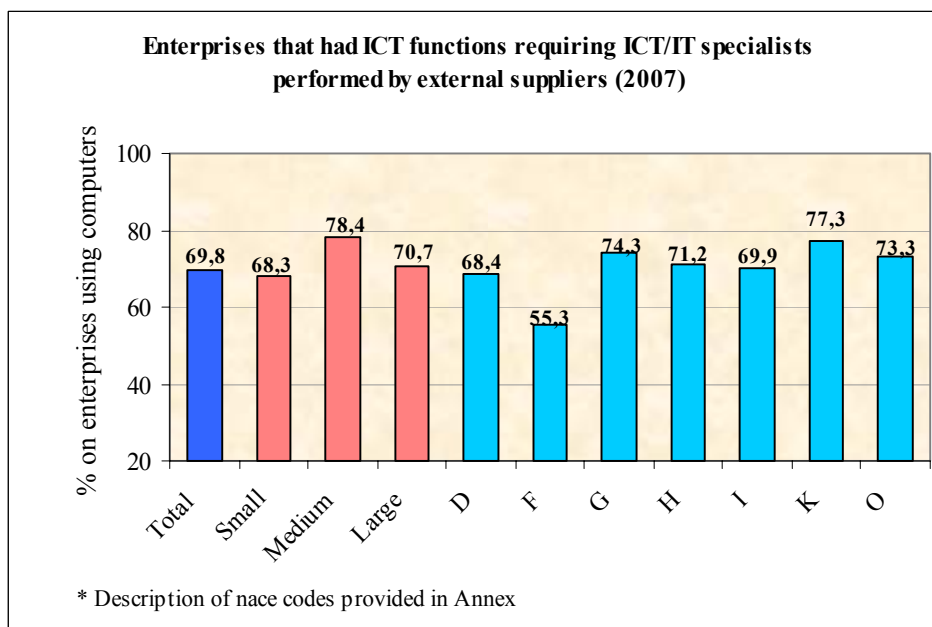
Around half of the enterprises that employ ICT specialists (8,3% of enterprises using computers) provide training to develop or upgrade their ICT related skills. Half of the medium enterprises and 71,1% of large enterprises provide their employees with training that will help them develop and upgrade their ICT related skills.

Enterprises providing training to develop or upgrade ICT related skills of their personnel (2007)

Category	Training for ICT/IT specialists	Training for users of ICT
Total	8,3	32,5
Small	5,2	28,3
Medium	22,4	52,3
Large	43,1	71,1

% on enterprises using computers
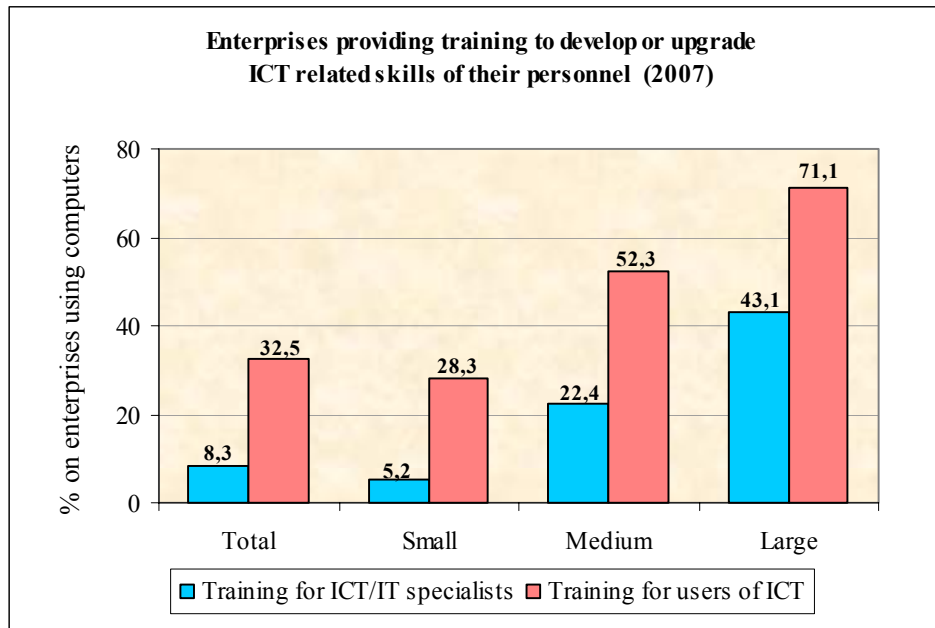
Annex
Description of nace codes included in the survey
Nace Rev1.1

D   **MANUFACTURING**
D15   MANUFACTURE OF FOOD PRODUCTS AND BEVERAGES
D16   MANUFACTURE OF TOBACCO PRODUCTS
D17   MANUFACTURE OF TEXTILES
D18   MANUFACTURE OF WEARING APPAREL; DRESSING AND DYEING OF FUR
D19   TANNING AND DRESSING OF LEATHER; MANUFACTURE OF LUGGAGE, HANDBAGS, SADDLERY, HARNESS AND FOOTWEAR
D20   MANUFACTURE OF WOOD AND OF PRODUCTS OF WOOD AND CORK, EXCEPT FURNITURE; MANUFACTURE OF ARTICLES OFSTRAW AND PLAITING MATERIALS
D21   MANUFACTURE OF PULP, PAPER AND PAPER PRODUCTS
D22   PUBLISHING, PRINTING AND REPRODUCTION OF RECORDED MEDIA
D23   MANUFACTURE OF COKE, REFINED PETROLEUM PRODUCTS AND NUCLEAR FUEL
D24   MANUFACTURE OF CHEMICALS AND CHEMICAL PRODUCTS
D25   MANUFACTURE OF RUBBER AND PLASTIC PRODUCTS
D26   MANUFACTURE OF OTHER NON- METALLIC MINERAL PRODUCTS
D27   MANUFACTURE OF BASIC METALS
D28   MANUFACTURE OF FABRICATED METAL PRODUCTS, EXCEPT MACHINERY AND EQUIPMENT
D29   MANUFACTURE OF MACHINERY AND EQUIPMENT N.E.C.
D30   MANUFACTURE OF OFFICE MACHINERY AND COMPUTERS
D31   MANUFACTURE OF ELECTRICAL MACHINERY AND APPARATUS N.E.C.
D32   MANUFACTURE OF RADIO, TELEVISION AND COMMUNICATION EQUIPMENT AND APPARATUS
D33   MANUFACTURE OF MEDICAL, PRECISION AND OPTICAL INSTRUMENTS, WATCHES AND CLOCKS
D34   MANUFACTURE OF MOTOR VEHICLES, TRAILERS AND SEMI-TRAILERS
D35   MANUFACTURE OF OTHER TRANSPORT EQUIPMENT
D36   MANUFACTURE OF FURNITURE; MANUFACTURING N.E.C.
D37   RECYCLING

F   **CONSTRUCTION**

G   **WHOLESALE AND RETAIL TRADE; REPAIR OF MOTOR VEHICLES, MOTORCYCLES AND PERSONAL AND HOUSEHOLD GOODS**
G50   SALE, MAINTENANCE AND REPAIR OF MOTOR VEHICLES AND MOTORCYCLES; RETAIL SALE OF AUTOMOTIVE FUEL
G51   WHOLESALE AND COMMISSION TRADE, EXCEPT OF MOTOR VEHICLES AND MOTORCYCLES
G52   RETAIL TRADE, EXCEPT OF MOTOR VEHICLES AND MOTORCYCLES; REPAIR OF PERSONAL AND HOUSEHOLD GOODS

H   **HOTELS AND RESTAURANTS**

H551   HOTELS

H552   CAMPING SITES AND OTHER PROVISION OF SHORT-STAY ACCOMMODATION

I   **TRANSPORT, STORAGE AND COMMUNICATION**

I60   LAND TRANSPORT; TRANSPORT VIA PIPELINES

I61   WATER TRANSPORT

I62   AIR TRANSPORT

I63   SUPPORTING AND AUXILIARY TRANSPORT ACTIVITIES; ACTIVITIES OF TRAVEL AGENCIES

I64   POST AND TELECOMMUNICATIONS

K   **REAL ESTATE, RENTING AND BUSINESS ACTIVITIES**

K70   REAL ESTATE ACTIVITIES

K71   RENTING OF MACHINERY AND EQUIPMENT WITHOUT OPERATOR AND OF PERSONAL AND HOUSEHOLD GOODS

K72   COMPUTER AND RELATED ACTIVITIES

K73   RESEARCH AND DEVELOPMENT

K74   OTHER BUSINESS ACTIVITIES

O   **OTHER COMMUNITY, SOCIAL AND PERSONAL SERVICE ACTIVITIES**

O921   MOTION PICTURE AND VIDEO ACTIVITIES

O922   RADIO AND TELEVISION ACTIVITIES