



STATISTICAL SERVICE OF CYPRUS

**INFORMATION AND COMMUNICATION
TECHNOLOGIES (ICT) USAGE AND E-COMMERCE
SURVEY IN ENTERPRISES
2013**

SUMMARY RESULTS

December 2013

C O N T E N T S

INFORMATION AND COMMUNICATION TECHNOLOGIES (ICT) USAGE AND E-COMMERCE SURVEY IN ENTERPRISES 2013

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PREFACE

This report presents the results of the survey on ICT Usage and e-Commerce in Enterprises 2013. 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 programs of both the Government and the Private Sector.

The survey, which is cofounded 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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December 2013

A. SURVEY METHODOLOGY

The survey covers enterprises with 10 or more employees in the following statistical codes of economic activities NACE Rev.2 (Detailed description in annex):

C	Manufacturing
D	Electricity, Gas, Steam and Air Conditioning Supply
E	Water Supply; Sewerage, Waste Management and Remediation Activities
F	Construction
G	Wholesale and Retail Trade. Repair of Motor Vehicles, Motorcycles
H	Transport and Storage
I	Accommodation and Food Service Activities
J	Information and Communication
L	Real Estate Activities
M	Professional, Scientific and Technical Activities
N	Administrative and Support Service Activities
S	Other Service Activities

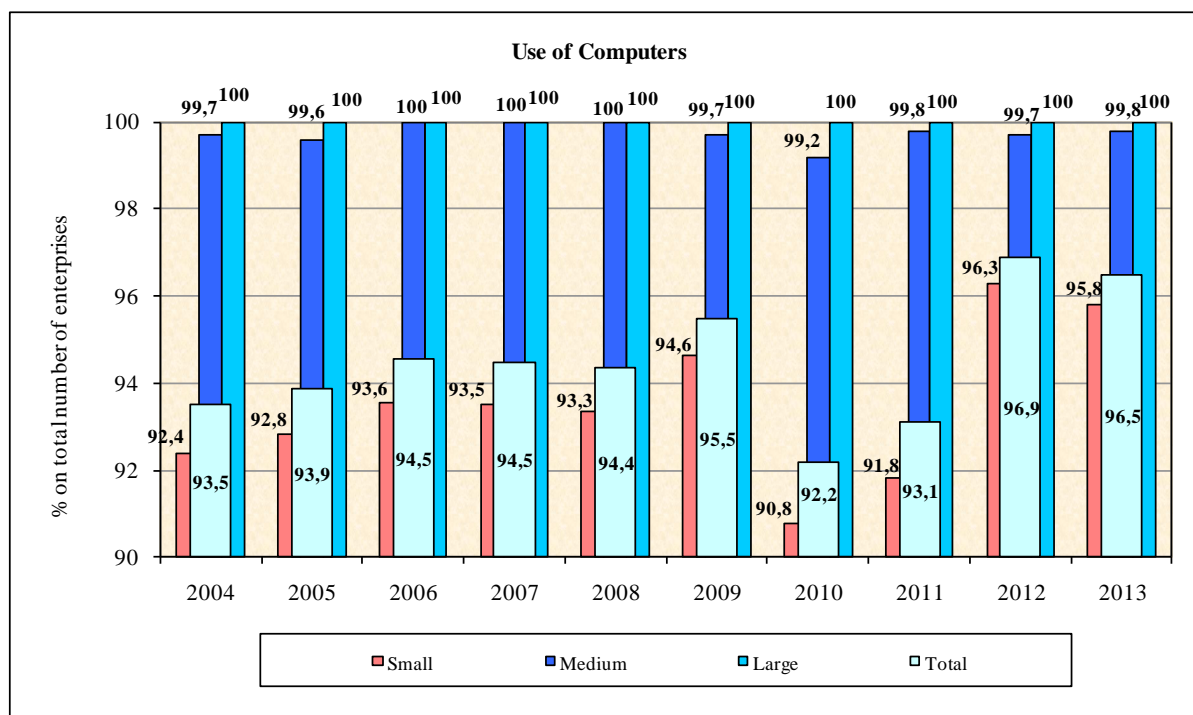
The sampling method used was stratified random sampling. Two variables were used for stratification, NACE group and size of the enterprise. There were 14 NACE groups and 3 size groups.

The 14 NACE groups (of economic activities) were the following: 10-18, 19-23, 24-25, 26-33, 35-39, 41- 43, 45-47, 49-53, 55, 58- 63, 68, 69- 74, 77-82 and 95.1. The 3 size groups were: Small enterprises (10-49 employees), Medium enterprises (50-249 employees) and Large enterprises (250+ employees).

B. MAIN FINDINGS

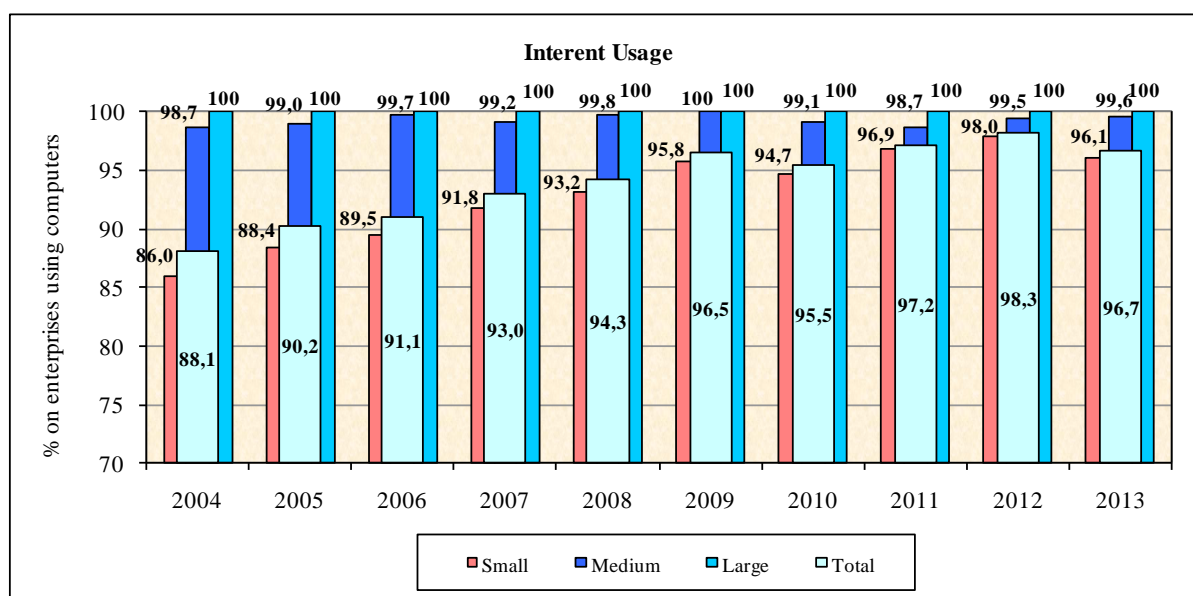
Use of Computers and Computer Networks

In January 2013, computers were used in almost all enterprises in Cyprus with 50 or more employees (i.e. medium and large enterprises). The percentage of small enterprises (10 – 49 employees) using computers decreased to 95,8% compared to 96,3% in 2012. The percentage of enterprises with 10 or more employees using computer remained at the same level as in 2012.

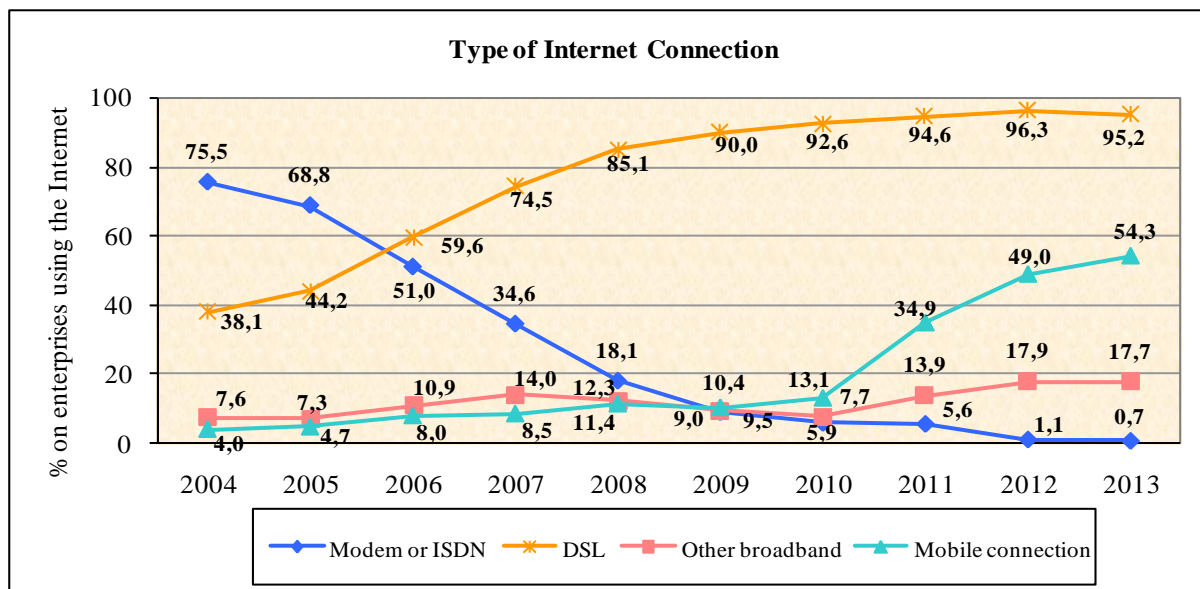


Access and Use to the Internet

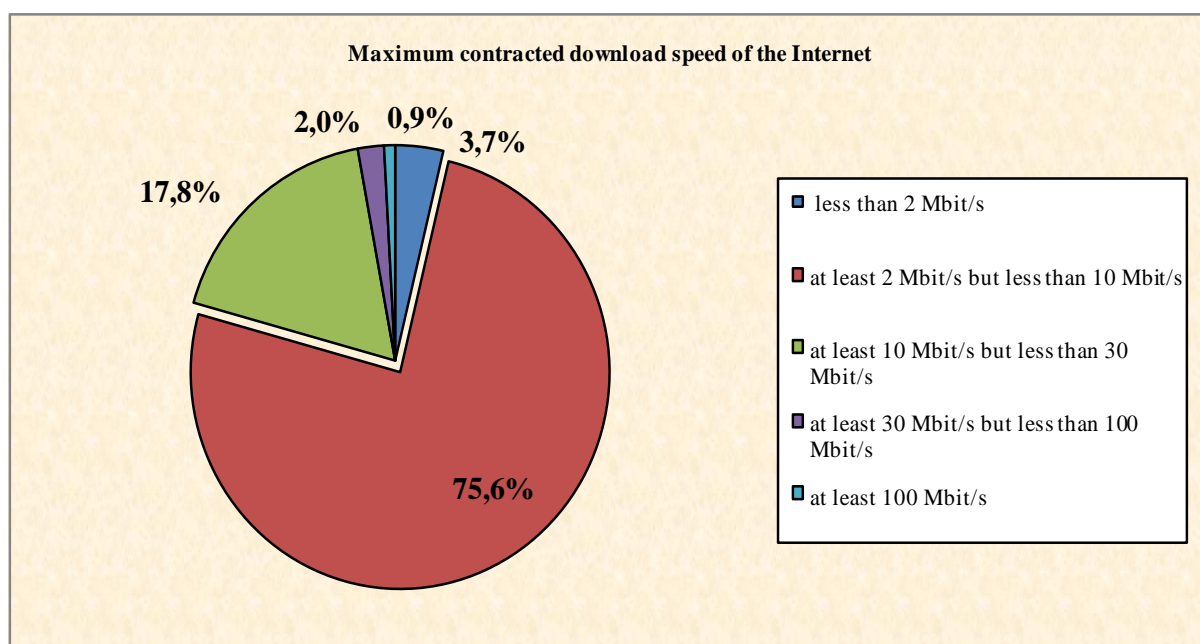
Over the last five years, Internet usage in enterprises remains stable over 95%. 96,7% of enterprises using computers had access to the Internet in 2013. The percentage was 88,1% in 2004. The Internet was used in all large and almost all medium enterprises.



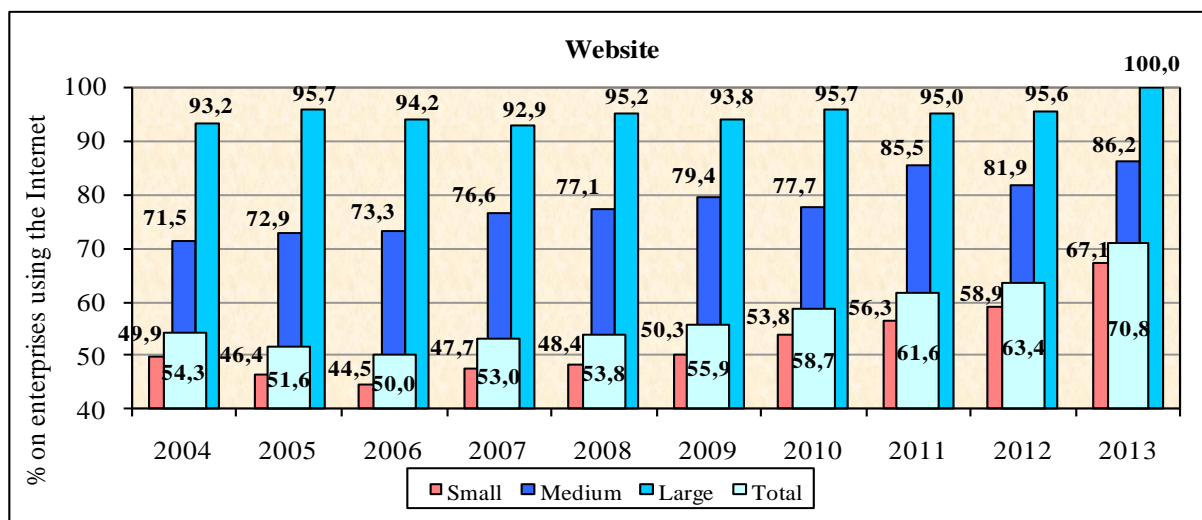
In the last years there was a significant increase in broadband connections to the Internet. The modem used to be the most popular type of access to the Internet by enterprises in 2004. Over the years the use of a modem to connect to the Internet is decreased (0,7% in 2013), giving rise to broadband connections, and thus making DSL the most popular type of Internet access from 2006 onwards. In 2013, 95,2% of the enterprises with access to the Internet have a DSL connection. A significant increase is observed in mobile connection in 2013, reached 54,3%.



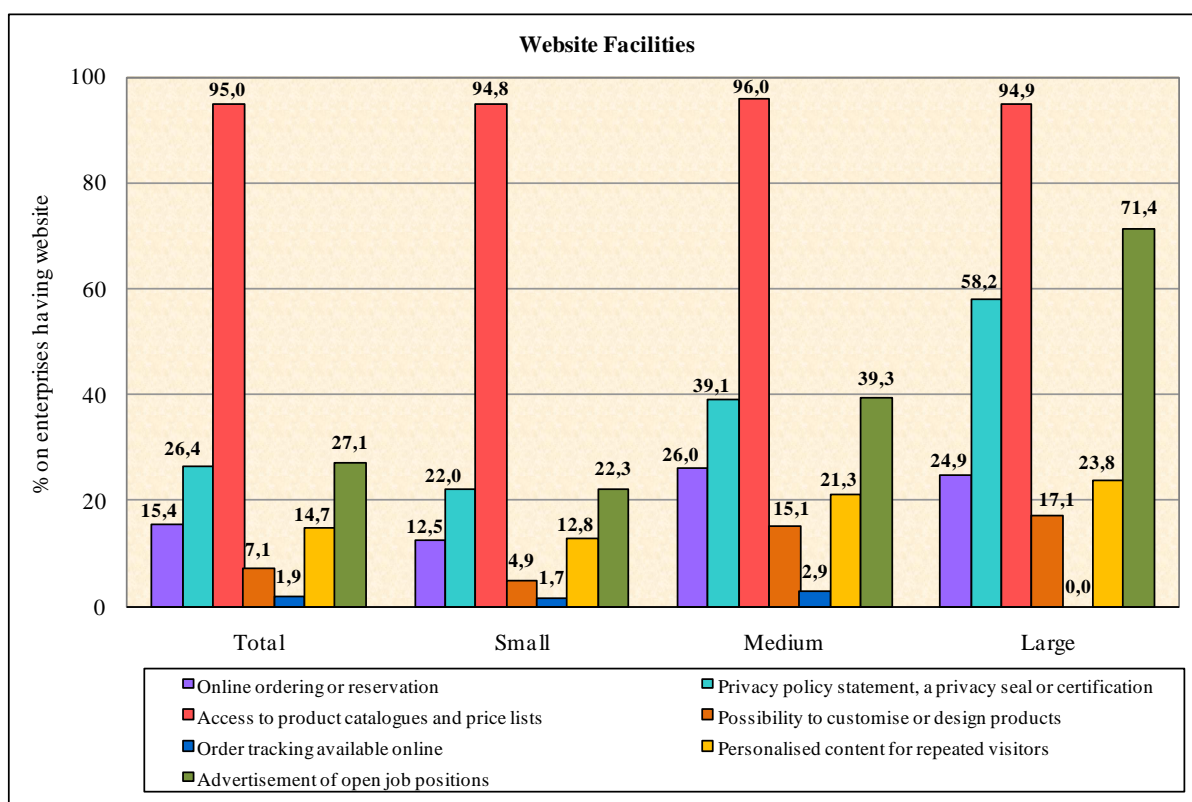
The vast majority of the enterprises (75,6%) in Cyprus has maximum contracted downloaded speed at least 2Mbit/s but less than 10Mbit/s. 17,8% of the Internet using the Internet has maximum contracted downloaded speed between 10Mbit/s and 30Mbit/s. By maximum contracted speed it means the maximum theoretical speed according to the contractual obligations of the Internet provider at which data can be downloaded.



Compared to 2012, a significant increase is observed on the percentage of enterprises that have a website (70,8% in 2013 from 63,4% in 2012). It is worth mentioning that all large enterprises had a website and a significant increase is observed in small enterprises compared to previous years, reaching the percentage of 70%.



Among the facilities provided by enterprises through their website, the most predominant is the access to product catalogues and price lists (provided by 95,0% of enterprises having a website). 15,4% of the enterprises with a website, provide the possibility of online ordering or reservation to their customers, and 14,7% the possibility of personalized content for repeated visitors. 26,4% of the enterprises with a website, have a privacy policy statement, a privacy seal or certification. This percentage is much higher for large enterprises (58,2% of the large enterprises that had a website). Advertisement of open job positions on a website was a common facility among enterprises that have a website with a significant percentage in large enterprises (71,4%).

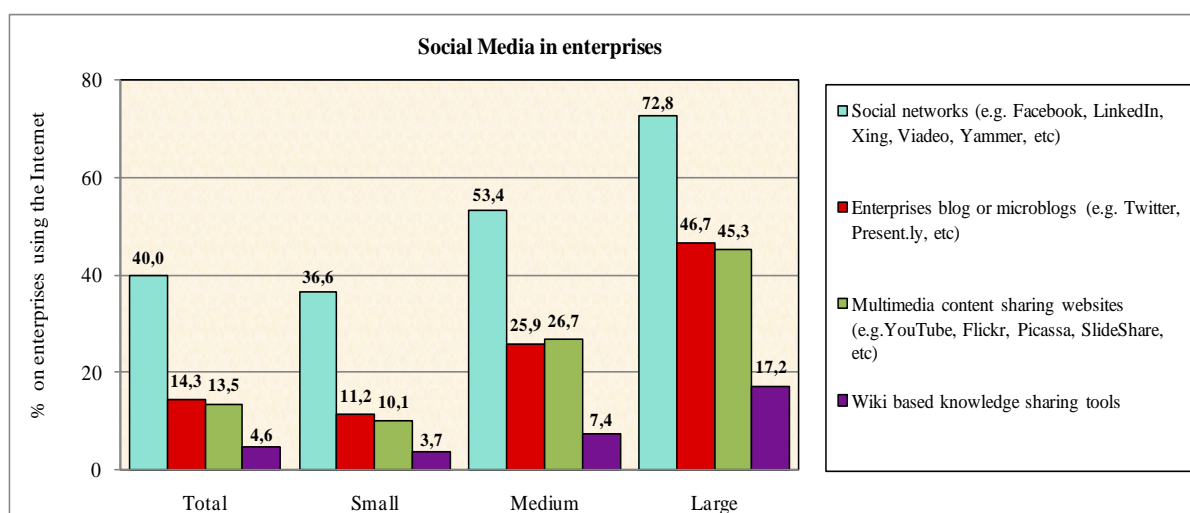


Use of Social Media

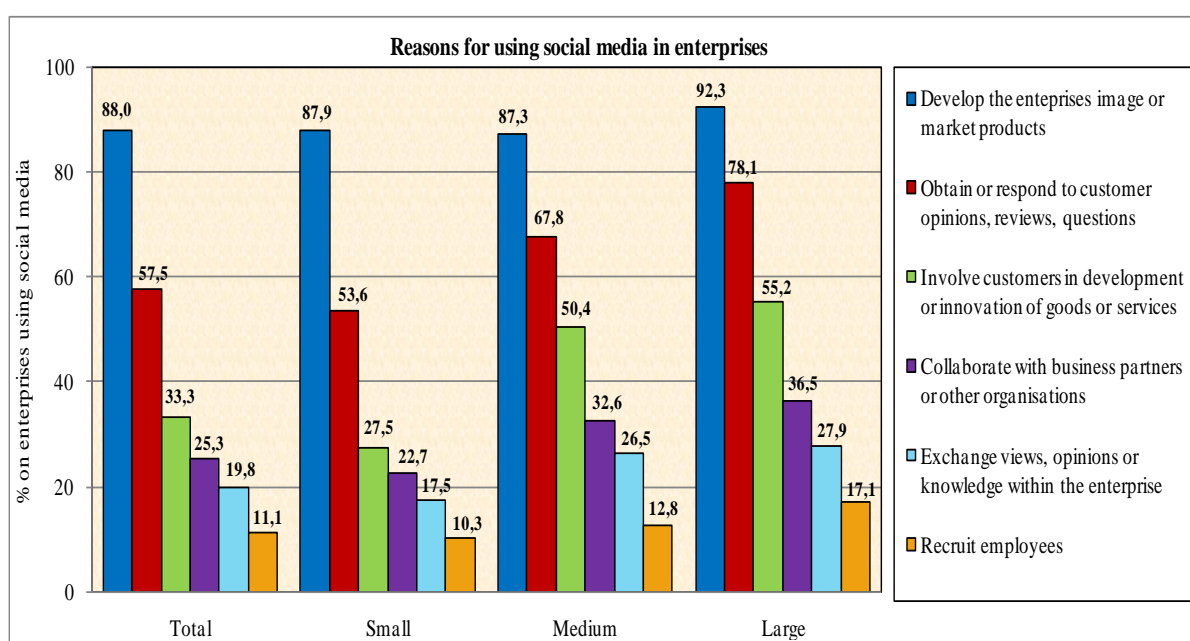
Use of Social Media refers to the usage of applications based on Internet technology or communication platforms for connecting, creating and exchanging content online, with customers, suppliers, or partners, or within the enterprise.

Enterprises using social media are considered those that have a user profile, an account or a user license depending on the requirements and the type of the social media.

Social networks (e.g. Facebook, LinkedIn etc.) are the most popular in enterprises and especially in large enterprises since 72, 8% of large enterprises using the Internet use social networks. Enterprises' blog or microblogs like Twitter and multimedia content sharing websites such as YouTube, are the second in enterprises' preferences.

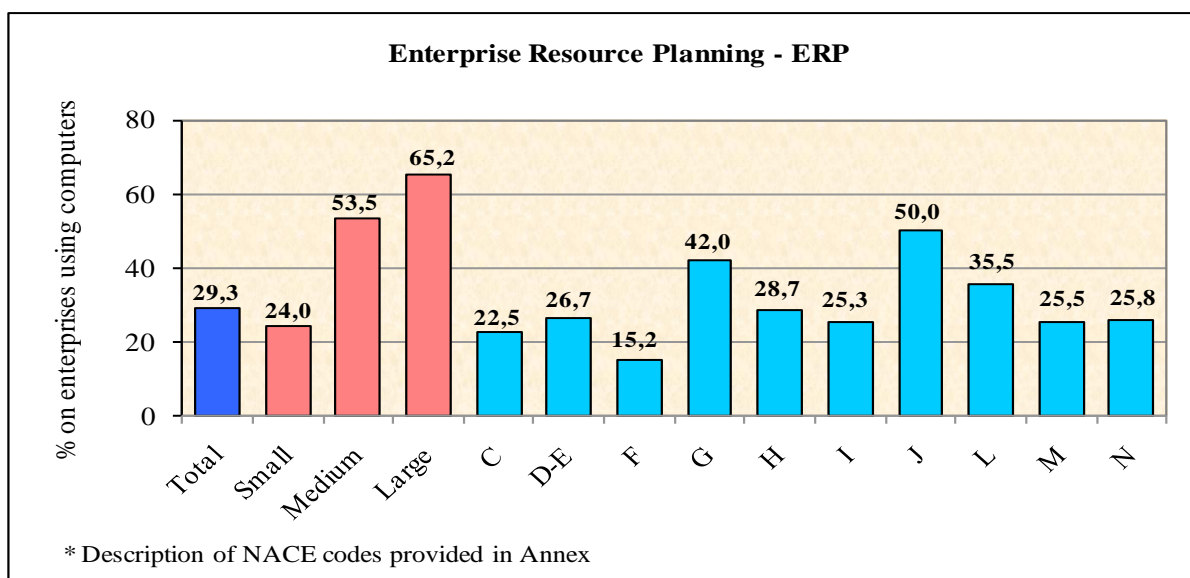


The main reason that enterprises use social media is the development of the enterprise image or market products (88,0% of the enterprises using social media) as can be seen from the graph below. More than half of the enterprises (57,5%) using social media to obtain or respond to customer opinions or questions while one out of three enterprises use social media to involve customers in development or innovation of goods or services.

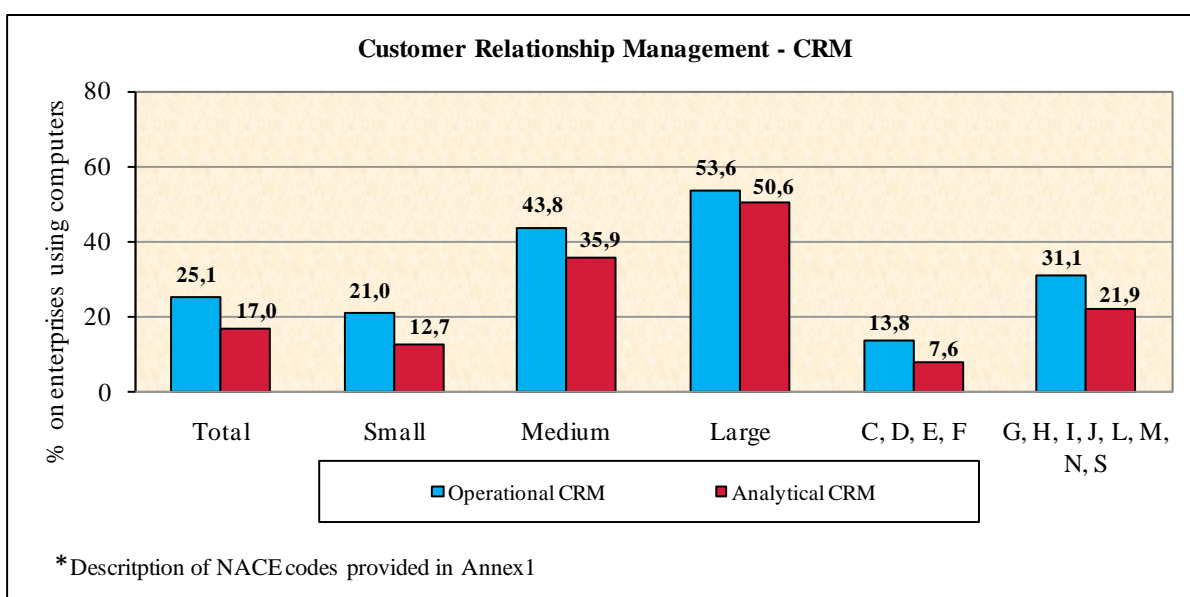


Automatic Share of Information within the Enterprise

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. 29,3% of enterprises that used 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 2013. ERP software package is most common in large enterprises that used computers, with percentage 65,2%. Regarding NACE Rev.2, group J: Information and Communication has the highest percentage of enterprises having ERP is 50,0%.



Among enterprises using computers 25,1% have Operational 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, and 17,0% have Analytical CRM to make analysis of the information about clients for marketing purposes. Both Operational and Analytical CRM are most common in large enterprises (53,6% and 50,6% respectively).

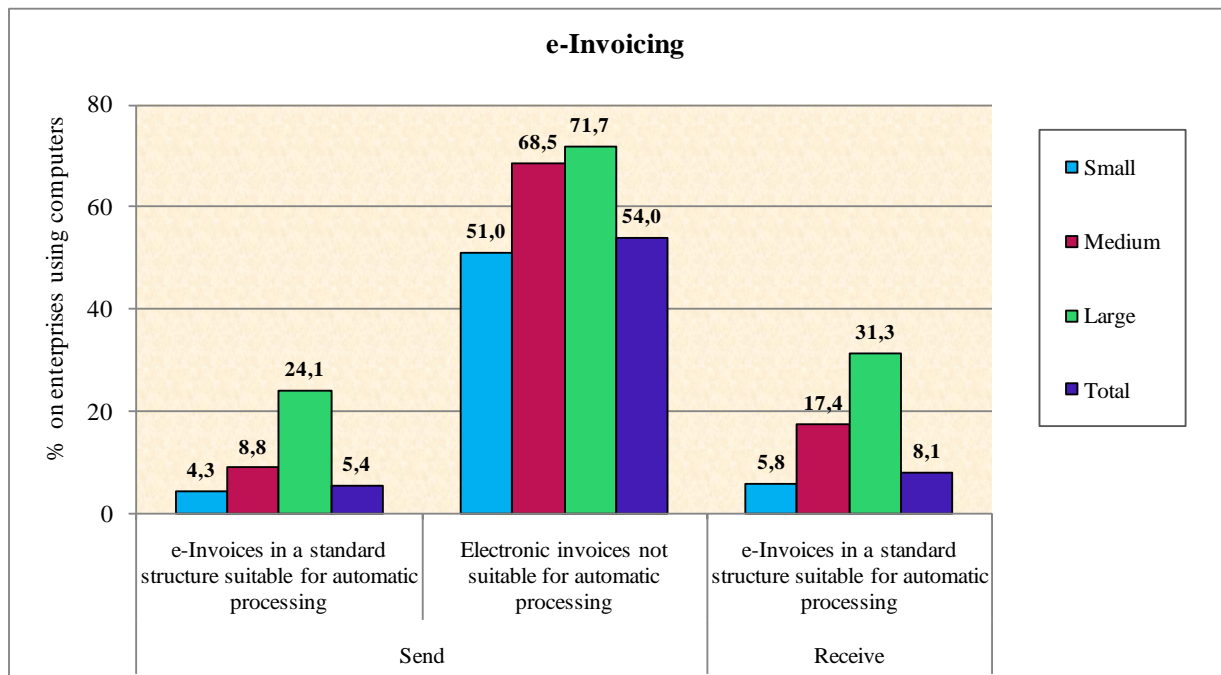


e-Invoicing

An electronic invoice is an electronic transaction document that contains billing information. There are two different types of electronic invoices:

(a) e-invoices are electronic invoices in a standard structure (suitable for automatic processing) that may be processed automatically. They may be directly exchanged between suppliers and customers, via service operators or via an electronic banking system.

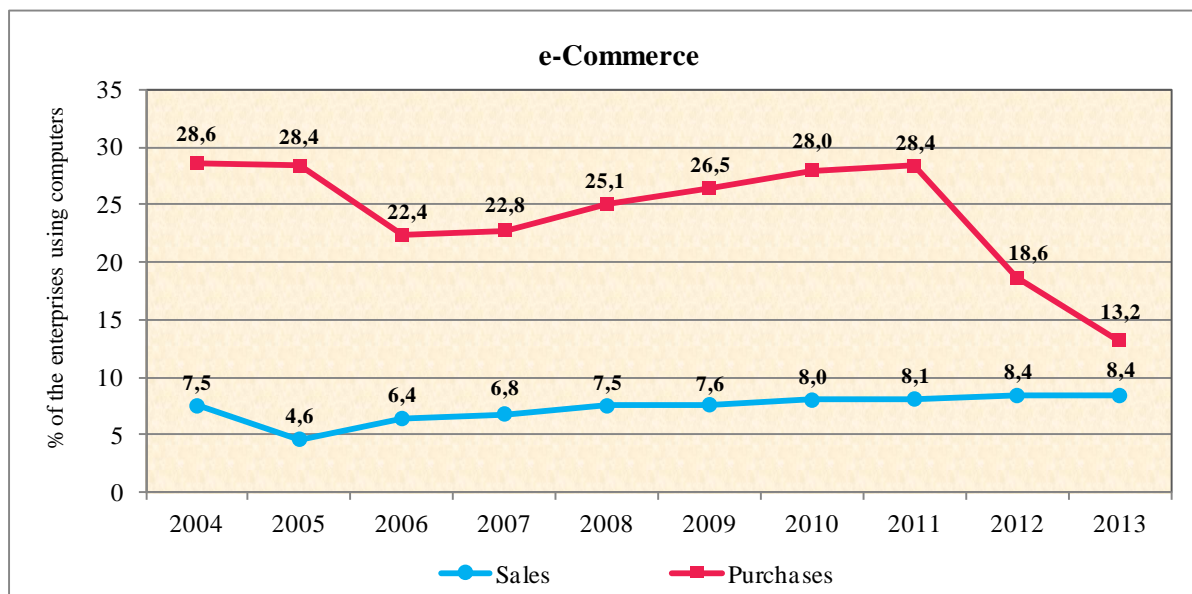
(b) Invoices in electronic format **not** suitable for automatic processing.



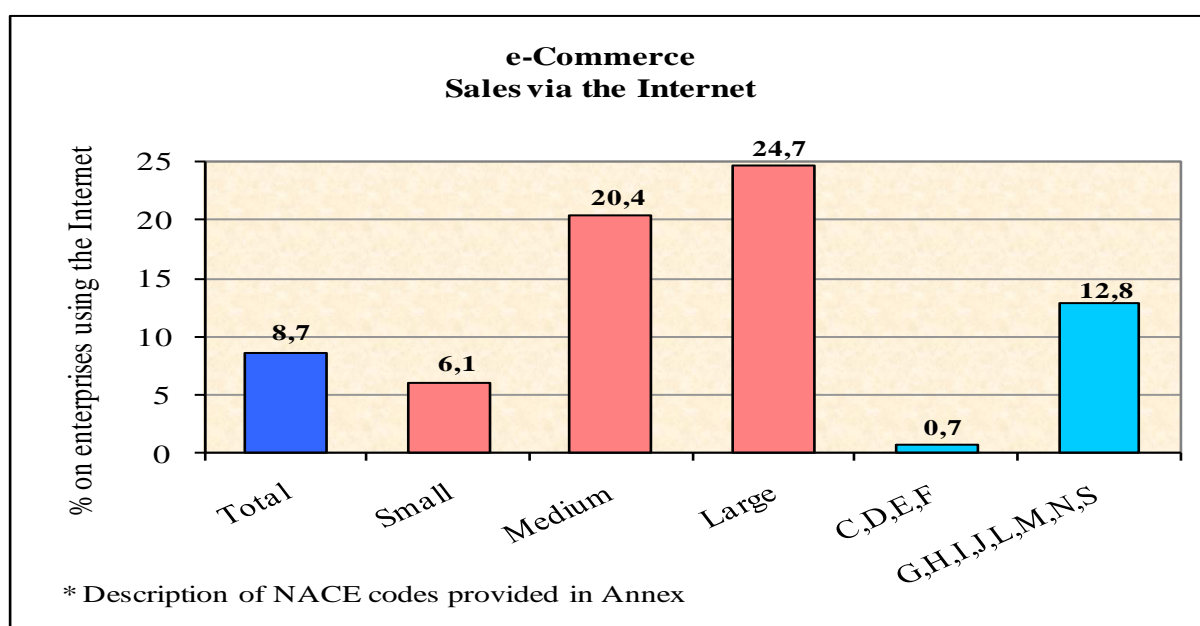
In Cyprus, e-invoices in a standard structure suitable for automatic processing (5,4% on enterprises using the Internet) is not as common as invoices in electronic format not suitable for automatic processing (via e-mail as an attachment) (54,0% of the enterprises using the Internet). However, 24,1% of large enterprises using the Internet sent e-invoices in a standard structure suitable for automatic processing and 31,3% received an e-invoice in a standard structure suitable for automatic processing, in January 2013.

e-Commerce

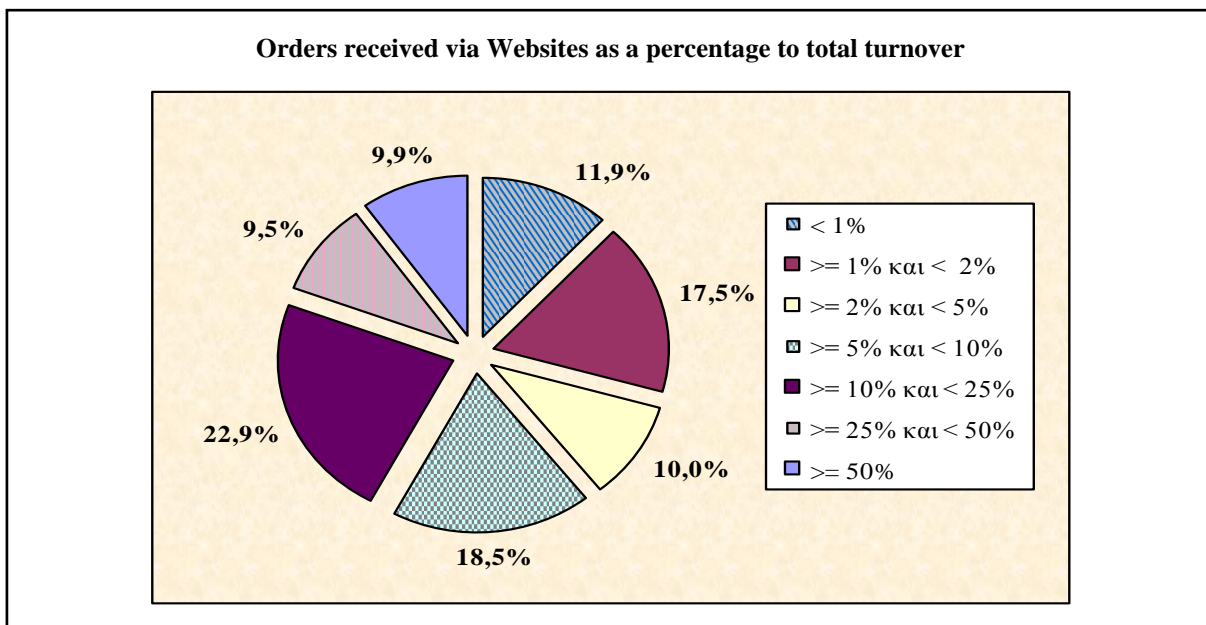
e-Commerce is not very popular among enterprises in Cyprus. The percentage of enterprises using the Internet that have received orders via computer networks remains stable at 8,4% while the percentage of enterprises that make orders of products or services via computer networks decreases in the last three years (13,2% in 2013).



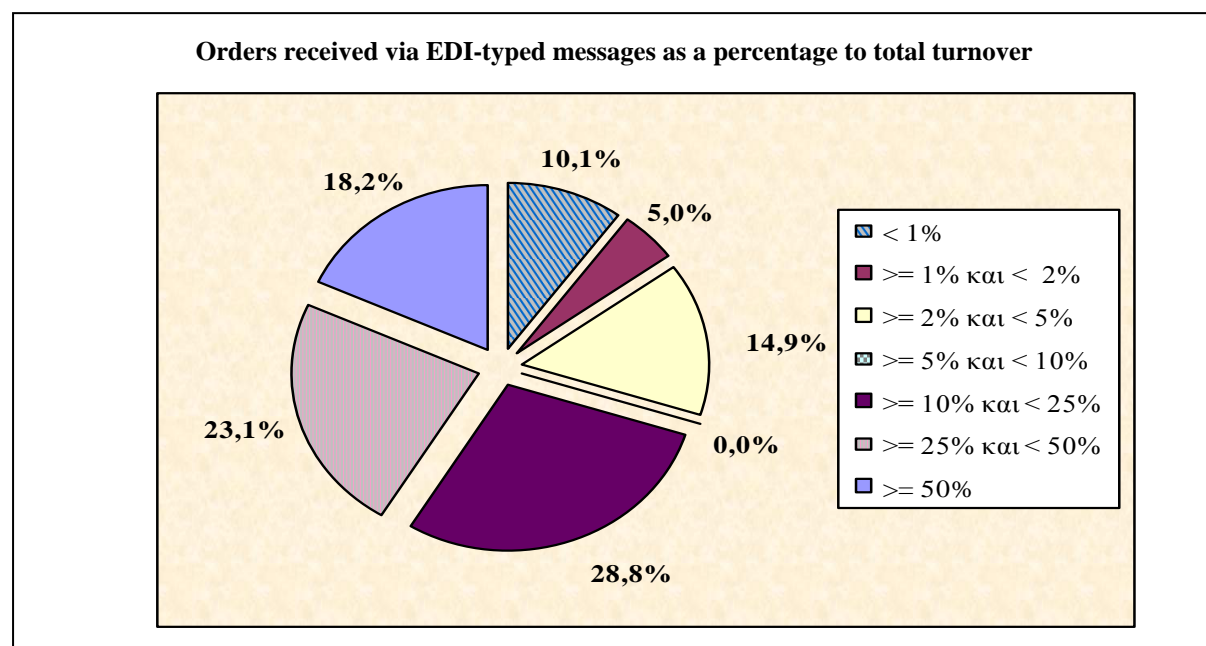
Only 8,7% of enterprises using the Internet had received orders via computer networks (excluding manually typed e-mails), during 2012. Enterprises receiving online orders in Cyprus seemed to be mostly the ones that belong in NACE Rev.2 group G, H, I, J, L, M, N, S (Trade, Transport, Services) with percentage 12,8% which is much higher than in other economic group of activities C, D, E, F (0,7%). It is worth mentioning that large enterprises received more orders via computer networks.



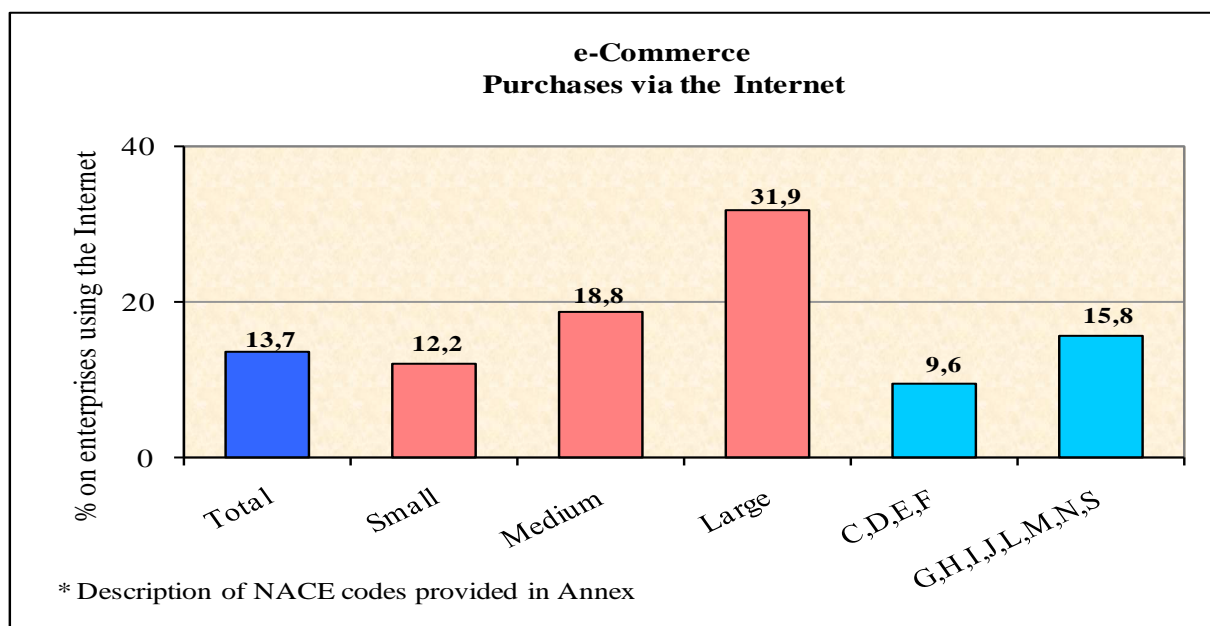
In relation to the total sales (in monetary terms, excluding VAT) sales via websites represented only a small percentage in many of the enterprises. Only in 9,9% of the enterprises that received electronic orders, the value of the turnover resulted from those orders represented more than 50% of their total turnover and in 39,4% of the enterprises that received electronics orders, the value of the turnover resulted from those orders represented less than 5% of their total turnover.



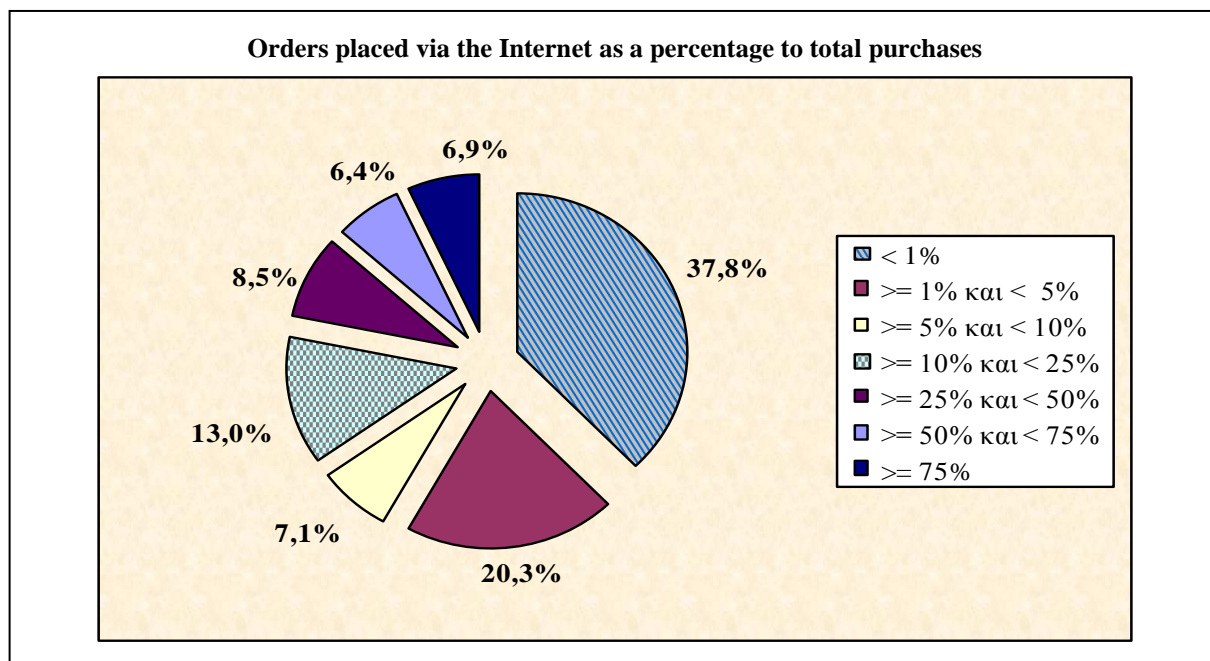
On the other hand, 18,2% of the enterprises that received electronic orders via EDI-typed messages, the value of the turnover resulted from those orders represented more than 50% of their total turnover. The majority of the enterprises that received electronic orders via EDI-typed messages (51,9%), the value of the turnover resulted from those orders represented more than 10% but less than 50% of their total turnover.



Only 13,7% of enterprises with 10 or more employees using the Internet made orders of products or services via computer networks during 2012. In large enterprises the percentage of ordering via computer networks was 31,9%.



As with sales via computer networks, purchases via computer networks (in monetary terms, excluding VAT) represented only a small percentage in most of the enterprises. In the majority of enterprises that made electronic orders (58,1%) these orders represented less than 5% of the total value of orders of the enterprise. However, there were 21,8% of enterprises for which their online orders value was more than 25% of their total value of orders.



Annex
Description of NACE Codes included in the Survey
NACE Rev.2

C	MANUFACTURING
C10	MANUFACTURE OF FOOD PRODUCTS
C11	MANUFACTURE OF BEVERAGES
C12	MANUFACTURE OF TOBACCO PRODUCTS
C13	MANUFACTURE OF TEXTILES
C14	MANUFACTURE OF WEARING APPAREL
C15	MANUFACTURE OF LEATHER AND RELATED PRODUCTS
C16	MANUFACTURE OF WOOD AND OF PRODUCTS OF WOOD AND CORK, EXCEPT FURNITURE; MANUFACTURE OF ARTICLES OF STRAW AND PLAITING MATERIALS
C17	MANUFACTURE OF PAPER AND PAPER PRODUCTS
C18	PRINTING AND REPRODUCTION OF RECORDED MEDIA
C19	MANUFACTURE OF COKE AND REFINED PETROLEUM PRODUCTS
C20	MANUFACTURE OF CHEMICALS AND CHEMICAL PRODUCTS
C21	MANUFACTURE OF BASIC PHARMACEUTICAL PRODUCTS AND PHARMACEUTICAL PREPARATIONS
C22	MANUFACTURE OF RUBBER AND PLASTIC PRODUCTS
C23	MANUFACTURE OF OTHER NON- METALLIC MINERAL PRODUCTS
C24	MANUFACTURE OF BASIC METALS
C25	MANUFACTURE OF FABRICATED METAL PRODUCTS, EXCEPT MACHINERY AND EQUIPMENT
C26	MANUFACTURE OF COMPUTER, ELECTRONIC AND OPTICAL PRODUCTS
C27	MANUFACTURE OF ELECTRICAL EQUIPMENT
C28	MANUFACTURE OF MACHINERY AND EQUIPMENT N.E.C.
C29	MANUFACTURE OF MOTOR VEHICLES, TRAILERS AND SEMI-TRAILERS
C30	MANUFACTURE OF OTHER TRANSPORT EQUIPMENT
C31	MANUFACTURE OF FURNITURE
C32	OTHER MANUFACTURING
C33	REPAIR AND INSTALLATION OF MACHINERY AND EQUIPMENT
D	ELECTRICITY, GAS, STEAM AND AIR CONDITIONING SUPPLY
E	WATER SUPPLY; SEWERAGE, WASTE MANAGEMENT AND REMEDIATION ACTIVITIES
E36	WATER COLLECTION, TREATMENT AND SUPPLY
E37	SEWERAGE
E38	WASTE COLLECTION, TREATMENT AND DISPOSAL ACTIVITIES; MATERIALS RECOVERY
E39	REMEDIATION ACTIVITIES AND OTHER WASTE MANAGEMENT SERVICES
F	CONSTRUCTION
F41	CONSTRUCTION OF BUILDINGS
F42	CIVIL ENGINEERING
F43	SPECIALIZED CONSTRUCTION ACTIVITIES
G	WHOLESALE AND RETAIL TRADE; REPAIR OF MOTOR VEHICLES AND MOTORCYCLES
G45	WHOLESALE AND RETAIL TRADE AND REPAIR OF MOTOR VEHICLES AND MOTORCYCLES
G46	WHOLESALE TRADE, EXCEPT OF MOTOR VEHICLES AND MOTORCYCLES
G47	RETAIL TRADE, EXCEPT OF MOTOR VEHICLES AND MOTORCYCLES

H	TRANSPORT, STORAGE AND COMMUNICATION
H49	LAND TRANSPORT AND TRANSPORT VIA PIPELINES
H50	WATER TRANSPORT
H51	AIR TRANSPORT
H52	WAREHOUSING AND SUPPORT ACTIVITIES FOR TRANSPORTATION
H53	POSTAL AND COURIER ACTIVITIES
I	ACCOMODATION AND FOOD SERVICE ACTIVITIES
I55	ACCOMODATION
I56	FOOD AND BEVERAGE SERVICE ACTIVITIES
J	INFORMATION AND COMMUNICATION
J58	PUBLISHING ACTIVITIES
J59	MOTION PICTURE, VIDEO AND TELEVISION PROGRAMME PRODUCTION, SOUND RECORDING AND MUSIC PUBLISHING
J60	PROGRAMMING AND BROADCASTING ACTIVITIES
J61	TELECOMMUNICATIONS
J62	COMPUTER PROGRAMMING, CONSULTANCY AND RELATED ACTIVITIES
J63	INFORMATION SERVICE ACTIVITIES
L	REAL ESTATE ACTIVITIES
M	PROFESSIONAL, SCIENTIFIC AND TECHNICAL ACTIVITIES
M69	LEGAL AND ACCOUNTING ACTIVITIES
M70	ACTIVITIES OF HEAD OFFICES; MANAGEMENT CONSULTANCY ACTIVITIES
M71	ARCHITECTURAL AND ENGINEERING ACTIVITIES; TECHNICAL TESTING AND ANALYSIS
M72	SCIENTIFIC RESEARCH AND DEVELOPMENT
M73	ADVERTISING AND MARKET RESEARCH
M74	OTHER PROFESSIONAL, SCIENTIFIC AND TECHNICAL ACTIVITIES
N	ADMINISTRATIVE AND SUPPORT SERVICE ACTIVITIES
N77	RENTAL AND LEASING ACTIVITIES
N78	EMPLOYMENT ACTIVITIES
N79	TRAVEL AGENCY, TOUR OPERATOR RESERVATION SERVICE AND RELATED ACTIVITIES
N80	SECURITY AND INVESTIGATION ACTIVITIES
N81	SERVICES TO BUILDINGS AND LANDSCAPE ACTIVITIES
N82	OFFICE ADMINISTRATIVE, OFFICE SUPPORT AND OTHER BUSINESS SUPPORT ACTIVITIES
S	OTHER SERVICE ACTIVITIES
S951	REPAIR OF COMPUTERS AND PERSONAL AND HOUSEHOLD GOODS