



IE Domain Registry

Ireland's domain registry calls for a national Digital Activation Campaign to help SMEs radically improve their digital skills, and maximise the benefits from e-commerce by 2023 - report

Ireland's SMEs rank 'fair to good' in communicating and transacting online, but vast majority rate poorly for online marketing, customer data analysis and software usage, according to IE Domain Registry report.

Access to workshops and online step-by-step guides are required to scale-up SMEs digital transformation.

- **IE Domain Registry recommends rollout of new national digital activation campaign, led by government, to help online SMEs maximise their digital presence, as well as government funding and support programmes, to be managed directly by sector bodies and representative organisations**
- **The majority of SMEs use online banking, order supplies and make payments online, so they are not technophobes, yet few offer the same level of digital service to their own customers**
- **72% of SMEs have websites, the highest-ever figure, and 73% are optimised for mobile devices**
- **However, as Ireland's e-commerce spend reaches €12.3 billion per annum, just 3 in 10 SMEs can take sales orders through their website, while almost two-thirds do not even promote their services online**
- **David Curtin, CEO: "We've gone far beyond the need to raise awareness of the benefits of an online presence. Now, we need to focus on developing programmes that upskill time-poor small businesses and help them to quickly implement digital sales tools and e-commerce features."**

IE Domain Registry, the company that manages and maintains Ireland's country domain, .ie, has called for a national Digital Activation Campaign in the latest edition of its SME Digital Health Index, an annual survey of 1,000 Irish SMEs that measures attitudes to and use of digital assets like websites, e-commerce and social media.*

According to the SME Digital Health Index's 'Digital Skills Assessment', which measures Irish SMEs' digital skills capabilities on an ABC grading system based on their response to survey questions, SMEs scored an average **B** grade in '**communicating**' and '**transacting**', indicating a fair to good use of digital assets to communicate online with customers, facilitate e-commerce and manage other business transactions online.

However, SMEs achieved an average **C** grade, the lowest grade, in the **'boosting'** category, indicating a 'poor use or understanding' of digital assets like business productivity software, online messaging platforms, online marketing and promotion tools or data analytics software. This indicates a widespread inability of SMEs to use software and digital skills to improve business productivity, analyse customer data and promote an online presence.

According to the SME Digital Health Index, two of the biggest barriers to SMEs doing more online are **a lack of time (24%)** and **a lack of the technical skills (11%)** perceived as necessary to build a website, integrate e-commerce, or make use of productivity or analytics software. A quarter **(25%) say that they are 'doing all they can' online**—even though only 3 in 10 SMEs can take sales orders through their website.

Offliner SMEs – those with no digital assets whatsoever - cite No time (43%), lack of digital skills (39%) and poor Internet connectivity (24%) as their barriers to going online.

IE Domain Registry says that there appears to be an undue level of fear, uncertainty and doubt among SMEs business owners. There are misconceptions about the cost and time required to establish and grow a digital presence. Today, using 'DIY' software like WordPress and Wix, SMEs can build or update a professional website in a short space of time with little to no technical experience. The cost and complexity of plug-in digital tools to enable the addition of a shopping cart or 'click and collect' facilities, has plummeted in recent years.

In response, IE Domain Registry has recommended to Government the **creation of a national 'Digital Activation Campaign'** that demonstrates the value of e-commerce and digital to Ireland's SMEs and micro-businesses. The campaign, led by government, would entail the provision of practical, hands-on workshops to teach SMEs how to install tangible digital tools on a website. The campaign would include the creation of a new online resource, akin to the Government's 'Citizens Information' website, with comprehensive how-to guides for website building, digital marketing, selling online, and data analytics.

IE Domain Registry has also recommended that **funding for SME digitisation and website development is routed through and overseen by trusted sector bodies and representative organisations**. This will reduce the levels of administration by Department officials, and also reduce the perceived bureaucratic burden on individual SMEs, symptomatic of initiatives such as the Trading Online Voucher Scheme.

Sectoral industry bodies and representative organisations are trusted by their members and are an ideal conduit for disseminating digital skills and knowledge to their members. They are ideally placed to identify the tools, applications and software products that are suitable to their individual sector, which in turn, will lead to increased revenue and digital sales.

As part of this new leadership role envisaged for sectoral and representative organisations, IE Domain Registry says that these sector bodies and

representative organisations bodies should be supported by a panel of service providers, who will deliver the workshops to SMEs.

Commenting on the Key Findings and Action Points, David Curtin, Chief Executive of IE Domain Registry, said:

“Ireland’s e-commerce economy is worth €12.3 billion. Online consumer spending is rising at a rate ten times faster than offline, face-to-face sales. However, the bulk of the e-commerce spend in Ireland is with foreign companies (Virgin Media Digital Insights Report 2016). Yet our research shows high and increasing levels of SME awareness of the benefits of an online presence: productivity, cost control and sales growth. Simply put, we’ve gone far beyond the need to ‘raise awareness’ of the benefits of an online presence. Now, we need to focus on developing programmes that upskill time-poor small businesses and help them to quickly implement digital sales options and e-commerce features.”

“On a macro level, industry and government need to build a new national Digital Activation Campaign that encourages online businesses to take the steps necessary to improve their communicating, transacting and boosting skills, and provide the inspiration to show them what’s possible. This campaign envisages practical interactive workshops for SMEs, hosted by LEOs and digital consultants, to teach SME staff how to build the online presence and manage the relevant digital tools. This could be incorporated into the proposed national Strategy for Small Business, recently put forward by the SFA.

“As part of this campaign, IE Domain Registry envisages the development of a ‘Citizens Information’-type website whereby SMEs have immediate access to comprehensive, step-by-step digital guides.

“The Department of Communications’ Trading Online Voucher Scheme, while useful, has had a low uptake, meaning it is not the vehicle to reduce the number of offline or digitally under-developed SMEs on any large scale. In contrast, representative bodies are trusted by their members, maintain regular contact with them, and have the sectoral insight required to build a funding or training programme that works within the parameters of their industry.”

Additional SME Digital Health Index 2018 key findings

- Almost three-quarters (72%) of SMEs now have a **website**.
- The number of SMEs with **no digital assets whatsoever** has dropped to its lowest ever level, 15%.
- 73% of SMEs with websites say theirs are **optimised for smartphones and tablets**.
- 53% have a **Facebook page**, down 2% on last year; 21% **use Twitter**, up 2% on last year.

- Most SMEs use their website as just a 'digital business card' with basic information— only 3 in 10 Irish SMEs can **take sales orders** through their website.
- 34% allow **customer reservations or bookings** through their website; 26% have **website payment processing facilities**.
- Just 6% of SMEs use **data analytics software**, a *decrease* of 6% on 2017.
- 89% of those with the website say it plays an important role in driving new business
- 77% say that being online and digitally savvy has raised awareness of their business
- 61% of SMEs **do not promote their services online**—the average monthly spend among those that do is €140, although 76% spend less than €100 a month.
- Fewer than 1 in 10 SMEs have availed of any **public or private digital funding or training programmes**. 44% of SMEs said they would prefer to have one-on-one mentoring in formal digital skills training.

ENDS

*For more information, [read the SME Digital Health Index in full](#). Regional factsheets and supplementary appendices can be downloaded separately.

- [SME Digital Health Index 2018 – Supplementary Appendices](#)
- [SME Digital Health Index 2018 – Dublin Factsheet](#)
- [SME Digital Health Index 2018 – Connacht Factsheet](#)
- [SME Digital Health Index 2018 – Leinster Factsheet](#)
- [SME Digital Health Index 2018 – Munster Factsheet](#)
- [SME Digital Health Index 2018 – Ulster \(ROI\) Factsheet](#)

Notes on methodology

The Digital Skills Assessment is part of the IE Domain Registry's annual SME Digital Health Index, which surveys 1,000 SMEs from across Ireland.

83% of the businesses surveyed in this SME Digital Health Index were micro-businesses, SMEs with fewer than 10 employees. According to the CSO, micro-businesses make up 92% of the total enterprise population.

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About IE Domain Registry

IE Domain Registry is the national registry for .ie domain names and is responsible for the management and administration of Ireland's official internet domain, .ie, in the interest of the Irish and global internet communities. It operates the domain name system (DNS) for the .ie namespace, facilitates an independent [dispute resolution service](#) with WIPO, and operates a public WHOIS lookup service for .ie domains.

IE Domain Registry's mission is to provide unique, identifiably Irish domain names, along with registry and related services to the local and international internet community. Currently, there are over 250,000 registered .ie domain names.

The company is committed to being a digital advocate for the SME community. Through the OPTIMISE Programme and stakeholder engagement initiatives, the company works with and supports SMEs to improve their online presence and e-commerce capabilities. IE Domain Registry produces fact-based research for the business community and policymakers, such as the SME Digital Health Index, which provides key insights into the digital health of SMEs.

The company is focused on providing excellence in customer service through its ongoing customer experience (CX) innovation and improvement programmes. Since March 2018, it is now easier and faster to register a .ie domain name.

Based in Dun Laoghaire, Co Dublin, IE Domain Registry employs 22 people.