



An Taoiseach Enda Kenny with Justin Dixon of men's retailer Kingsize, which used 30% of its Trading Online Voucher for online advertising. This has increased its online traffic, footfall in the shops and phone communications

A flexible incentive

The Department of Communications, Energy and Natural Resources explains why trading online is important and outlines how its €2,500 grant (Trading Online Voucher Scheme) can help small businesses

Why is the Government involved in boosting e-commerce among small businesses?

Irish consumers spend around €7bn annually online or roughly €850,000 per hour, 24 hours a day. With up to 70% of Ireland's annual online spend currently going overseas, targeting Irish businesses for online trading is a key jobs and economic imperative.

The Department of Communications, Energy and Natural Resources recognises the importance of enabling all citizens and businesses to realise the full social and economic potential of the digital world. Ireland's digital economy is driving sweeping change in business, education, public services and utilities, home life and recreation.

A key element of the National Digital Strategy is focused on helping enterprises to move online. It recognises the significant potential for growth that comes from online trade, from finding new customers in new markets, to engaging and retaining current customers and adapting to their needs.

The Department's Trading Online Voucher Scheme is specifically designed to help small and micro businesses to access the benefits of internet-based commerce. European Commission research suggests that companies which develop a meaningful online trading presence grow twice as fast, export twice as much and employ twice as many people.

Why is it so important that small businesses start trading online now?

The revolution in business brought about by digital technology and content has grown over the past decade to the extent that it is now being widely referred to as the fourth industrial revolution.

The digital world is becoming more and more part of the fabric of business at home and abroad. Some changes are more obvious than others, but scratch below the surface and an astonishing array of business activities are supported digitally.

Whether a business is proactive and has invested time and money in the latest digital tools or is reactive and has remained focused on its traditional business, digital is influencing business activities at every juncture.

Customers and suppliers are increasingly driven by digital technology, from research and buying, to product innovation and the logistics and fulfilment value chain.

All Irish businesses are affected by the

changes occurring in consumption patterns. How customers find your business and how they evaluate what you have to offer has changed dramatically.

The customer journey is impacted by two things: the always-in-your-pocket-or-bag digital device and the array of digital connections from social media, forums discussions etc. These devices, and the people they connect, determine more and more the amount of business you do.

Why have so many small businesses not yet started trading online?

We estimate that although most small businesses have a web presence less than one in four actually trade online. Trading online can appear to be a complex challenge with so many technologies available, so many experts to talk to and investment needed to make it happen. Help is now available through your Local Enterprise Office (LEO). Despite the temptation to 'kick the can down the road', the reality is that nearly 90% of Irish consumers use the internet to research and buy products and services.

Irish small businesses need to be part of the online conversation. Customers are looking for brands they trust and products and services of quality and value. If you still think that your customers are not online looking at your competitors' offers, you're mistaken.

What is the Trading Online Voucher scheme?

The Trading Online Voucher Scheme is a Government initiative to assist small businesses to trade online. It is targeted at micro businesses with 10 or fewer employees and less than €2m in annual turnover. It provides a flexible incentive for small business owners/managers to address the barriers for their business to trading online.

Operated through the national network of 31 LEOs, the scheme offers a financial incentive of up to €2,500 to develop their trading online capacity along with training, mentoring and networking support.

What types of businesses have availed of the scheme so far?

Over 2,000 vouchers have been awarded to businesses so far under the scheme while double that number benefitted from expert advice and peer-to-peer support by participating in the LEO information seminars. Businesses from every county have been involved.

To date the scheme is attracting small businesses, including sole traders, ranging from book, clothing, gift and shoe shops to



food suppliers, gardeners, online trainers, farm producers, florists, pharmacists, craftspeople and yoga instructors.

Among the sectors availing of the scheme are retail (24%), professional services (14%), manufacturing (9%), arts, crafts and design (8%) and food (6%).

What has been the impact of the Trading Online Voucher Scheme?

Our research on businesses which have participated in the scheme shows that on average sales grow by over 20%, leads by over 80%, three out of five businesses start exporting and job numbers grow by 35%. In addition, 80% of respondents to our survey said the application process helped them in business strategy planning.

The results demonstrate that those small businesses that have a trading online strategy, seek expert help and invest time in engaging with customers online succeed in effectively and sustainably growing their business.

For many businesses, the question is not 'should I be trading online?'. The question is 'how do I start trading online?'. At least 2,000 small businesses have found answers to that question and a helping hand to take that step through the Trading Online Voucher Scheme. Some of them are your competitors.

The first port of call for any small business thinking of developing their trading online capacity is to contact their LEO. Contact details and more information can be found at www.localenterprise.ie or page 8 of this supplement.

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