

Digital technology and Internet use, 2013

Released at 8:30 a.m. Eastern time in *The Daily*, Wednesday, June 11, 2014

Canadian enterprises sold more than \$136 billion in goods and services over the Internet in 2013, up from \$122 billion a year earlier. As in 2012, wholesale trade, manufacturing and retail trade accounted for the majority (61%) of the value of e-commerce sales. About 13% of enterprises sold goods or services over the Internet in 2013, up from 11% in 2012.

Large enterprises, as defined in the note to readers, accounted for nearly all of the growth in the value of online sales in 2013. These enterprises were responsible for about \$87 billion, or 64%, of the value of total online sales.

Among those enterprises that sold online in 2013, almost a quarter (24%) of the value of their total sales came from online transactions. Overall, 80% of the value of online sales was attributable to customers in Canada, 15% to customers in the United States and the remaining to customers in other countries. The majority of the value of sales (64%) by Canadian enterprises was attributable to other businesses, not individual consumers.

Certain sectors of the economy saw higher adoption rates of e-commerce. In 2013, 22% of enterprises in the wholesale trade sector and 18% of enterprises in the retail trade sector sold online.

Just under half of Canadian enterprises (47%) purchased goods or services online in 2013.

Note to readers

This release features estimates of e-commerce and digital technology use based on a sample of approximately 17,000 private Canadian enterprises. Enterprises of all sizes, including enterprises with no employees, were included in the sample.

For the purposes of the Survey of Digital Technology and Internet Use, enterprise size is defined as follows:

Small enterprises have 0 to 19 full-time employees.

Medium enterprises have 20 to 99 full-time employees except for medium-sized manufacturing enterprises in the North American Industry Classification System (31-33), which have 20 to 499 full-time employees.

Large enterprises have 100 or more full-time employees except for large-sized manufacturing enterprises in the North American Industry Classification System (31-33), which have 500 or more full-time employees.

Definition of e-commerce

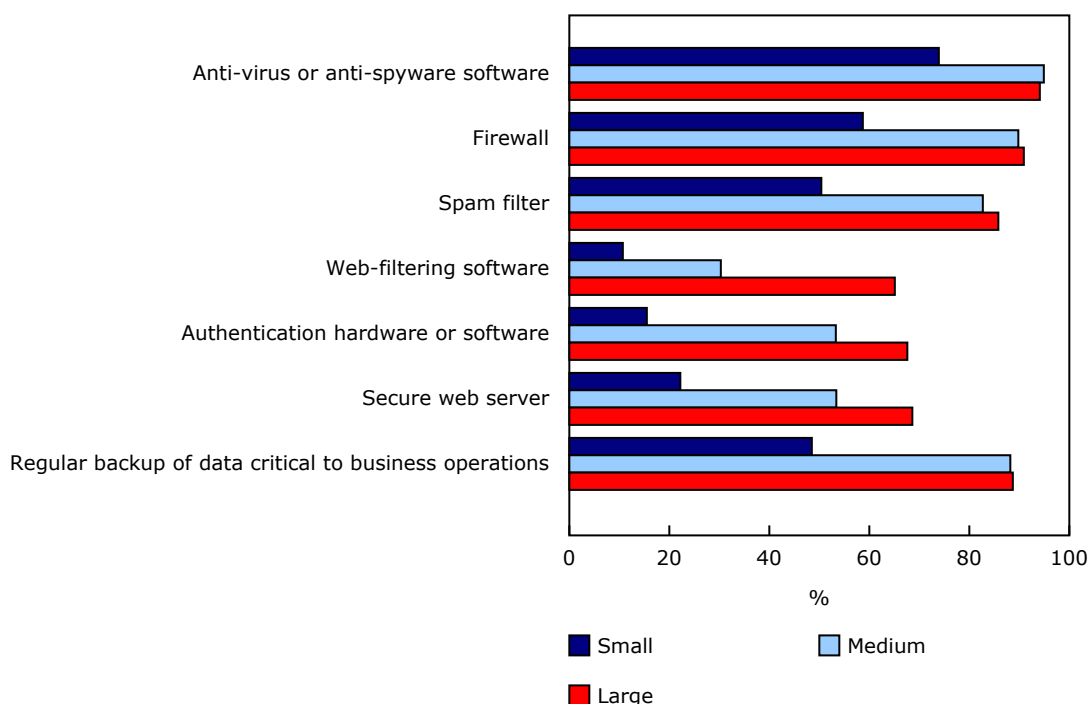
Respondents were asked to declare all sales of goods or services where the order is received and the commitment to purchase is made via the Internet, even if payment is made via other means. This includes orders made on web pages, through an extranet or by electronic data interchange over the Internet.

Security practices, incidents and effects

Enterprises used multiple tools to protect their data and digital technologies from unwanted access or attack in 2013. Just over three-quarters (76%) of enterprises used anti-virus or anti-spyware software, 62% used a firewall, and 53% used a spam filter to block unwanted e-mail. The percentage of enterprises using these technologies may be higher than reported, since enterprises are not always aware that these features may be embedded in other software packages.



Chart 1
Security measures used by size of enterprise



Just under half (49%) of small enterprises did regular backup of data critical to their business operations compared with 89% of large enterprises.

In 2013, 6% of enterprises experienced an Internet security breach. The most commonly cited effects of a breach were service downtime (51%) and loss of productivity (43%).

Among large enterprises, 14% reported an Internet security breach in 2013.

Website functionality increases

In 2013, 46% of enterprises had a website, virtually unchanged from 2012. Conversely, 91% of larger enterprises had a website.

Recognizing that Canadians no longer only access the Internet through a traditional computer, almost one in five (19%) enterprises with a website had it optimized for mobile users. A mobile-optimized website may take advantage of features such as touch interaction that may not be available on a traditional desktop and is formatted to be viewed on a handheld device.

In 2013, 38% of enterprises with a website had social media integration, compared with 33% in 2012. The use of social media to direct traffic to an enterprise's website (41%) was the most commonly cited strategy. Enterprises also used print advertising (37%) and paid search (23%) to direct people to their websites.

Use of digital technology

The use of Internet-enabled mobile devices such as smartphones and tablets rose from 53% in 2012 to 60% in 2013.

Among enterprises with 10 or more employees, 31% used customer/supplier relationship management (CRM) software and 21% used an enterprise resource planning (ERP) system. Enterprises in the manufacturing sector (35%) had the highest rate of use of ERPs, while enterprises in the information and cultural industries sector (62%) were most likely to have used a CRM.

Nearly every enterprise used some information and communications technology (ICT). However, the most common barriers to the further integration of ICTs were the lack of in-house technical expertise and skilled personnel (30%) and the high cost of technology and implementation (30%).

Medium- and large-sized enterprises were more likely than small enterprises to cite the cost of technology and implementation as being too high. They were also more likely to indicate that the lack of compatibility with existing systems was a barrier to the further integration of ICTs. This may reflect the relative size and complexity of the ICT systems of larger enterprises and the additional cost of making these changes.

As of December 2013, 13% of enterprises that used ICTs identified that they employed ICT specialists in their enterprise. Of those enterprises that had at least one ICT specialist, 35% provided training to develop their ICT-related skills. Almost half of enterprises that employed an ICT specialist provided training to other employees that use ICTs as part of their day-to-day tasks.

Internet use and connection type

In 2013, 89% of enterprises reported that they had used the Internet. Small enterprises were the least likely to use the Internet. The most commonly cited reason for not using the Internet was that there was no need to do so for their business.

Mobile wireless technology was used by 38% of enterprises in 2013, compared with 35% in 2012. The use of a cable modem to connect to the Internet remained the most commonly cited method at 42%. Dial-up Internet was still employed by 3% of enterprises, although this may be used as a secondary connection.

Interaction with governments online

In 2013, 46% of enterprises completed or returned tax forms online, 36% made an online payment to a government organization and 6% applied for grants or benefits online. Medium- and large-sized firms were more likely than their smaller counterparts to have done each of these activities.

Available in CANSIM: tables 358-0190 to 358-0197, 358-0200 and 358-0230 to 358-0235.

Definitions, data sources and methods: survey number 4225.

For more information, contact us (toll-free 1-800-263-1136; 514-283-8300; infostats@statcan.gc.ca).

To enquire about the concepts, methods or data quality of this release, contact Mark Uhrbach (613-951-9214), Investment, Science and Technology Division.