

Consultation on Measuring the Digital Economy

07 August 2014

Summary

The Office for National Statistics (ONS) publishes a range of statistics on the digital economy. To ensure these statistics continue to meet user needs, ONS would like to hear from users on how the current data are used, preferences for future publication of the statistics, and what other statistics on the digital economy would be helpful.

Introduction

On 7 August 2014, ONS launched a public consultation on the future publication of statistics that measure the digital economy. ONS would like to hear:

1. Which ONS digital economy statistics are helpful to users?
2. How are ONS digital economy statistics used?
3. What would users prefer in terms of the timing and content of future publications of those statistics previously contained in the 'Internet Access Quarterly Update'?
4. Would an indicator set similar to that proposed in the '[Monitoring e-commerce](#)' article be of value to users?
5. Is there value for users in expanding the e-commerce survey to broaden the industry and/or business size coverage?
6. What other statistics on the digital economy would be helpful to users?
7. Whether users would like to be members of a new 'Measuring the digital economy' user group that is being considered?

Background

The Office for National Statistics publishes a range of statistics on the digital economy. These include the following:

1. [E-Commerce and ICT Activity](#):
 - provides detailed information about e-commerce and the adoption and use of Information and Communication Technologies by UK businesses;
 - provides answers to questions such as 'What proportion of businesses have a website?', 'What proportion of business turnover was generated from e-commerce?', and 'What proportion of businesses have broadband?';
 - data are collected with reference to the previous year on the E-commerce Survey and are published annually in December;
 - estimates cover businesses with 10 or more employees in the majority of industry sectors.¹
2. [Internet Access - Households and Individuals](#):

¹ The statistics do not cover businesses with the following industry classifications (Standard Industrial Classification 2007): Section A - Agriculture, Forestry and Fishing; Section B - Mining and Quarrying; Section K - Finance and Insurance Activities; Division 75 - Veterinary Activities; Section O - Public Administration and Defence, Social Security; Section P - Education; Section Q - Health and Social Work; Section R - Arts, Entertainment and Recreation; Section S - Other Service Activities except SIC 95.1 - Repair of computers.

- provides detailed information about individuals' use of the Internet and how households access the Internet;
- provides answers to questions such as 'What proportion of adults use social media?', 'What proportion of adults shop online?', and 'What proportion of households have a broadband connection?';
- data are collected in the first quarter of the year on the Opinions and Lifestyle Survey;
- estimates cover adults in Great Britain and are published annually in August;
- the survey collects a large range of information on Internet use but the modest sample size means that detailed breakdowns by socio-economic and demographic characteristics are not possible.

Recent developments

Discontinuation of the Internet Access Quarterly

Until recently, the ONS also published an Internet Access Quarterly Update. This publication has been discontinued as a result of the [ONS Consultation on Statistical Products, 2013](#) and an annual update will be published instead. The final edition of the 'Internet Access Quarterly Update' was published on 14 May 2014, for Q1 2014.

The Internet Access Update (Quarterly and Annual):

- provides information about the number of individuals who have used the Internet by various socio-economic and demographic characteristics, such as age, sex, disability, geographical location (including sub-region) and weekly earnings;
- provides answers to questions such as 'How many people have never used the Internet?', 'Are men more likely to have used the Internet than women?', and 'Are adults in London more likely to have used the Internet than those in other regions of England?';
- data are collected on the Labour Force Survey;
- estimates cover adults in the UK;
- the large sample size means that detailed breakdowns by socio-economic and demographic characteristics are possible, however, there is only one question related to Internet use.

Review of statistics measuring the digital economy and proposals for an indicator set

In 2014 ONS began a project to consider how it could contribute to the monitoring of e-commerce nationally. This was a consequence of a 2013 European Union e-commerce taskforce, chaired by Lord Young of Graffham.

The initial phase considered, but rejected, the idea of creating a national 'e-commerce index'. Instead a report '[Monitoring e-commerce](#)' article published on 7 August 2014 proposed the use of an indicator set, combining a [dashboard](#) approach alongside an [interactive graphic](#), to allow users to take an over-arching and flexible view of the topic.

The report also highlighted some future developments which could be carried out, depending on the views of stakeholders and subject to resource constraints. The two key recommendations were:

- Any indicator list should be flexible and reflect changes to the e-commerce landscape. ONS, with input from stakeholders, to keep the proposed list of indicators under review.

- ONS, with users, to look into expanding the e-commerce survey to broaden the industry and/or business size coverage, and whether the sample size of the survey could be increased.

Future developments

To ensure digital economy statistics continue to meet user needs, ONS are now taking the opportunity to consult with users to find out preferences for the future publication of Internet access statistics. In addition views on the proposed indicator set and future measurement of e-commerce are also sought.

A full list of questions can be found in our [online questionnaire](#), or in Annex A.

Discontinuation of the Internet Access Quarterly

There are two main options for the annual publication of the Internet Access Update (previously the Internet Access Quarterly Update):

- 1) statistics could be published in a separate publication in May each year, or
- 2) statistics could be combined into a joint publication with the 'Internet Access – Households and Individuals' release in August each year.

The benefit of Option 1 is that information on who has used the Internet is available sooner, with the detail of how individuals and households are using the Internet available slightly later. The drawback with this option is that users have to use two separate publications to find all of the published ONS statistics on Internet access for individuals.

However, while Option 2 means there is one release of ONS statistics on Internet access for individuals, users would have to wait longer for some of this information.

Regardless of which option is chosen, when the information from the 'Internet Access Quarterly Update' is published it could:

- a) include statistics for one quarter for each year, or
- b) include statistics for every quarter in the year since the last publication.

ONS would like to understand users' preferences for Options 1) and 2) **and** Options a) and b). User needs will then be assessed against costs and respondent burden.

Measuring the digital economy and proposals for an indicator set

ONS would like to understand whether the proposed indicator set would be of value to users, and what the value would be to users of expanding the e-commerce survey to broaden the coverage.

'Measuring the digital economy' user group

The digital economy is constantly evolving and it is important to make sure the ONS statistics collected and published in this area are regularly reviewed to ensure they remain relevant for users. As such, ONS are considering setting up a new 'Measuring the digital economy' user group to help inform future direction for the collection and publication of statistics in this area.

ONS would like to know if you, or someone in your organisation, would like to be a member of the new user group. ONS will select members from those interested to make sure the group reflects a range of users.

Consultation

Interested parties are invited to complete the [online questionnaire](#), or the questionnaire in Annex A. Responses will be used to inform the future collection and publication of statistics to measure the digital economy.

Confidentiality and data protection

The basics...

As someone who is interested in ONS statistics, we'd welcome your views. We may ask you to tell us who you are so that, where appropriate, we can follow up on the feedback you give. Your response might be made available if required under a Freedom of Information request, but we would only do so in a way that was within the law. All findings will be anonymised when we report the outcomes of this consultation.

The details...

The information you send us may be passed to colleagues within ONS and other parts of Government.

Information provided in response to this consultation, including personal information, may also be published in accordance with access to information legislation including the Freedom of Information Act 2000 (FOIA).

If you want the information that you provide to be treated as confidential, please be aware that, under the FOIA, there is a statutory Code of Practice with which public authorities must comply. This Code, amongst other things, deals with confidentiality. Because of this it would help if you gave us a short explanation of why you think confidentiality is necessary. If we receive a request for disclosure of the information we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances.

Please ensure that you email ons.communications@ons.gsi.gov.uk if you wish your response and your name to be kept confidential. Confidential responses will be included in any summary of numbers of comments received and views expressed.

Consultation timetable

This consultation will run from 7 August to 30 October 2014.

How to respond to the consultation

Responses to the consultation can be completed using our [online questionnaire](#).

Alternatively, responses can be submitted by sending the questionnaire in Annex A to: esociety@ons.gsi.gov.uk

Paper copies of the template can be sent to:

Heather Bovill,
Office for National Statistics,
Room 1.362,
Government Buildings,
Cardiff Road,
Newport,
NP10 8XG.

The Government's Code of Practice on Consultations

This consultation follows the Government's Code of Practice on Consultation. The full Code of Practice is available at:

After the consultation

We will publish a response to the consultation before the end of 2014. The response will include a summary of the comments made and the next steps for the publication of statistics to measure the digital economy.

Getting in Touch

If you have any queries or comments about the consultation process, please email Simeon Bowen at ons.communications@ons.gsi.gov.uk or call 0845 601 3034.

You can also write to us at the following address:

Customer Contact Centre,
Office for National Statistics,
Government Buildings,
Cardiff Road,
Newport,
South Wales,
NP10 8XG.

For further information on ONS consultations, please visit <http://www.ons.gov.uk/ons/about-ons/get-involved/consultations/index.html>

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Annex A: Consultation questions (a response template is available on ONS website)

1a) Which ONS digital economy statistics do you use?

[E-Commerce and ICT Activity](#)

Yes

[Internet Access Quarterly Update](#)

Yes

[Internet Access - Households and Individuals](#)

Yes

Please provide details of specific statistics used, for example, e-commerce statistics by business size or Internet usage figures by age.

As the trade body for games and interactive entertainment we make use of statistics allowing us to compare the performance of the games industry and games market compared to the wider digital economy. We also make use of statistics showing the broader context in which our companies operate, such as E-commerce dashboard statistics on internet connection speed or mobile internet access. Games on smartphones and tablets are an important and fast-growing part of our industry, making m-commerce figures also of significant interest.

1b) How useful do you find ONS digital economy statistics on a scale of 1 to 5, where 1 is **not at all useful** and 5 is **very useful**?

[E-Commerce and ICT Activity](#)

1	2	3	4	5	N/A
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[Internet Access Quarterly Update](#)

1	2	3	4	5	N/A
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[Internet Access - Households and Individuals](#)

1	2	3	4	5	N/A
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2) What do you use ONS digital economy statistics for?

We use these statistics to provide information and analysis to our members – UK games publishers, developers, and support companies – and to help inform and justify policy asks we make to government on behalf of the games and interactive entertainment industry.

Games are a hugely important part of the modern digital economy – representing a significant majority of revenue in the iOS App Store, for example – and statistics on this broader context in which our members work are extremely useful to us.

Overall, we find the provided statistics useful and interesting on the broader digital economy. An ongoing issue for us, however, is that government statistics do not provide enough detail on the games sector. For example, in the E-Commerce and ICT Activity report it would be useful to have industry sector drill-downs, for example through a display of SIC codes in table 11.

As a side note for video games the additional complexity we face is that the 2 SIC codes used are 58.21 and 62.01/1: the latter is a 5-digit level SIC code, making this more complicated to obtain for drill-down.

3a) What are your preferences for the timing of future annual 'Internet Access Update' publications?

No preference/Don't use

Published in a separate publication in May each year

Combined into a joint publication with the 'Internet Access – Households and Individuals' in August each year

<input type="checkbox"/>
<input type="checkbox"/>
<input checked="" type="checkbox"/>

3b) What are your preferences for the content of future annual 'Internet Access Update' publications?

No preference/ Don't use	<input type="checkbox"/>
Include statistics for one quarter for each year	<input checked="" type="checkbox"/>
Include statistics for every quarter in the year since the last publication	<input type="checkbox"/>

4) Would an indicator set similar to that proposed in the 'Monitoring e-commerce' article be useful?

Yes	<input checked="" type="checkbox"/>
No	<input type="checkbox"/>
Don't know	<input type="checkbox"/>

If yes, how would you use this information and what decisions would it inform?

The dashboard and interactive charts format is a good idea. It allows us to quickly see the key indicators, all publicly available in one place, allowing for a sense of how the digital economy is progressing. This type of information helps us develop policy proposals for the games industry as part of the broader digital economy.

5) Would the expansion of the e-commerce survey to broaden the coverage, for example, to include businesses with less than 10 employees and/ or a wider range of industry sectors, be beneficial?

Yes	<input checked="" type="checkbox"/>
No	<input type="checkbox"/>
Don't know	<input type="checkbox"/>

If yes, please explain which expansion you would be interested in, the benefits and the decisions the new information would inform.

Including businesses with less than 10 employees would be useful for the games industry. There are many such businesses in the games industry, many of which are very successful, and this group contribute a great deal to the UK economy as a

whole. Expanding the survey would give a more realistic picture of our industry, we believe.

6) What other statistics on the digital economy would be helpful for your work?

Please explain why these statistics are important and what decisions they would help to inform if they became available?

By report:

E-commerce and ICT activity: *more drill-down, for example by SIC codes, would be helpful. This would increase the relevance of the statistics for the video games sector.*

Internet Access – Households and individuals: *Table 1 – add main use of computer? What do the people use it for? Table 6 – add the main reason for having internet access (there is the reason why people don't have access, would be nice to know why they have access). Table 10 and 11 – we would like to see "games" on a separate line from "games, images, film or music". Here again, this would all be more useful to our activities as a trade body for video games.*

Internet access Quarterly update: *this is fine as it is; it would work well if tied in with "Internet Access – Households and Individuals"*

7) Would you, or someone in your organisation, be interested in becoming a member of a new 'Measuring the digital economy' user group?

Yes	<input checked="" type="checkbox"/>
No	<input type="checkbox"/>
Don't know	<input type="checkbox"/>

If yes, please provide relevant contact details:

Andrew Tomlinson, Policy and Public Affairs Officer, andrew@ukie.org.uk

Regis Renevey, Research analyst, regis@ukie.org.uk

8) Please provide any other comments you wish to make

Overall the statistics on digital economy and internet access, especially when collected with the reliable and careful methodology of ONS, can be very useful for determining the impact of digital on society and the economy. Internet usage figures and information on why people access the net can be valuable information for members, as it could support their business decisions.

For us specifically as a trade body, we would love to have more industry-specific information; more details on video games figures and statistics that we could quote and use in policy papers or analysis.

Name	
Organisation (if applicable)	

Telephone number	
Brief background on your (organisation) area of interest	
Email address	
Is this a personal response or on behalf of an organisation? Please enter ✓ in the box to indicate your response: <input type="checkbox"/> Personal response <input checked="" type="checkbox"/> On behalf of an organisation (please state which organisation above)	