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United Kingdom

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## Digital age takes hold but some still miss out

We live in an increasingly connected society, with the rapid advance of information and communication technology (ICT) in business and in the home. But by no means everyone has joined in the digital age, according to a new report by the Office for National Statistics.

*Focus on the Digital Age* brings together information about ownership and use of ICT. It illustrates how new technologies are transforming homes and businesses and highlights the 'digital divide' – the low take-up of ICT by some groups.

UK business adoption of ICT, Internet use and e-commerce is well established and growing fast. But there is a clear divide between small and large businesses. For example, 39 per cent of large businesses (with 1,000 or more employees) sold over the Internet in 2005. Among smaller businesses (10-49 employees) only 13 per cent did so.

In the home, almost half (45 per cent) of households in Great Britain had Internet access, a digital TV service and one or more mobile phones in 2006. But one in 12 households (8 per cent) did not have access to any of these.

*Focus on the Digital Age* also shows that:

- 18 per cent of adults in Great Britain sold goods over the Internet in 2006, more than double the level in 2003–04.
- Business investment in ICT more than doubled in the UK between 1992 and 2004, outpacing growth in total investment.
- The proportion of UK businesses selling over the Internet doubled between 2002 and 2005, from 7 to 15 per cent.
- Around one-third of UK business ICT systems were infected by a virus or other disruptive software in 2005.
- In July 2005, 58 per cent of adults in Great Britain who used the Internet had visited a government website in the previous 12 months, up from 46 per cent in July 2004.

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## Household and individual use of ICT

Household adoption of ICT has been rapid, particularly among the young and those in the labour market, but much slower among older people. In 2006, 55 per cent of people aged 50 or over in Great Britain had not used a computer in the previous three months. For those aged 16 to 30, the figure was 13 per cent.

ICT ownership and use is also closely linked to household income. While more than 90 per cent of households in the highest income group in the UK had Internet access in 2005–06, the figure for those on the lowest incomes was under 20 per cent.

Digital broadcasting has seen strong growth in recent years. The proportion of households in the UK receiving a digital TV service grew from 19 per cent in 1996–97 to 65 per cent in 2005–06.

This change gives households access to a range of new services – 33 per cent of households in Great Britain with a TV could take part in game shows and 28 per cent could buy products through shopping channels in July 2005. However, only 7 per cent and 5 per cent respectively had taken advantage of these services.

## ICT in business

Among businesses in the UK, the pattern in ICT use has changed in recent years. The fastest growth in ICT use has been among smaller businesses, as they have caught up with the progress made by larger companies in the 1990s, though a gap remains.

For example, 98 per cent of companies with 1,000 or more employees had a dedicated website in 2005, up from 95 per cent in 2002. Over the same period, the proportion among companies with 10–49 employees rose from 54 per cent to 66 per cent.

*Focus on the Digital Age* illustrates how the Internet has transformed the way many companies do business. Broadband use, held back until the late 1990s, has surged in recent years. The proportion of business with a broadband Internet connection rose by a quarter between 2004 and 2005, to 75 per cent.



Between 2002 and 2005, the proportion of non-financial businesses with ten or more employees selling goods and services over the Internet rose from 7 per cent to 15 per cent, while the proportion purchasing over the Internet rose from 18 per cent to 56 per cent.

Altogether, sales over the Internet rose from £66 billion in 2004 to £103 billion in 2005.

### **International comparisons**

ICT use in the UK has advanced to put the UK above the EU average in most areas. For example, 44 per cent of UK households had a broadband connection in 2006, well above the EU-25 average (32 per cent) but still only two-thirds of the rate in The Netherlands.

In 2006, the UK had the second highest proportion of businesses receiving orders through any form of ICT in the EU, at 30 per cent. Only Denmark (34 per cent) scored higher.

### **e-Government**

Internet users in Great Britain who visited a government website were more likely than other Internet users to be economically active and of working age. Online e-government use was low for those at risk of social exclusion, particularly working-age people without qualifications, those in social housing and the elderly. There was, however, a higher than average use of e-government sites by those seeking work.

People aged 25 to 44 were most likely to visit government websites, and usage declined with age.

Information gathering is the most popular activity. Over a quarter (28 per cent) of adults in Great Britain visited a government website to obtain information in 2004/05. Other activities included downloading forms (8 per cent), submitting online application forms (6 per cent), and making a payment online (3 per cent).

### **Training**

ICT users in the UK mainly obtain their skills informally. In 2006, 48 per cent of adults who used a computer said they had learned by doing, 45 per cent said they had been helped to learn by friends and family, 30 per cent had learned in a formal education institution and 24 per cent had been trained by, or on behalf of, their employer.



## e-security

More than half (52 per cent) of businesses in the UK had a malicious or premeditated security breach during 2005, down from 68 per cent in 2003. Large businesses with 250 or more employees were most likely to be affected, 84 per cent in 2005.

Six in ten UK businesses did not have a formal information security policy in place at the end of 2005, down from two-thirds in 2003. However, around six in ten businesses had a disaster recovery plan in place in 2005, and nearly all businesses backed up critical data, 78 per cent at least daily.

## BACKGROUND NOTES

1. *Focus on the Digital Age* can be downloaded free from the National Statistics website at [www.statistics.gov.uk/focuson/digitalage](http://www.statistics.gov.uk/focuson/digitalage). Copies of the book can be obtained from Palgrave Macmillan, order online at [www.palgrave.com/ons](http://www.palgrave.com/ons) or telephone 01256 302611. Price £40.00.
2. The highest income group is defined as households in the top 10 per cent of the total income distribution and the lowest income group is those in the bottom 10 per cent of the distribution.
3. Data for businesses relate to UK businesses with ten or more employees, including the owner, unless otherwise stated.
4. In international comparisons households that are occupied only by people aged 75 and over are excluded.
5. **National Statistics** are produced to high professional standards set out in the National Statistics Code of Practice. They undergo regular quality assurance reviews to ensure that they meet customer needs. They are produced free from any political interference. © Crown copyright 2007.