

Digital Technology and Internet Use, 2012

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Canadian enterprises sold almost \$122 billion of goods and services over the Internet in 2012. This total was just over double the value of online sales in 2007, the last time a similar survey was conducted. Three sectors, manufacturing, wholesale trade and retail trade, accounted for more than 61% of the total value of sales.

Overall, 11% of Canadian enterprises made sales of goods or services online in 2012, up from 8% in 2007. The value of online sales was highest in the wholesale trade sector at \$44.6 billion, while the percentage of firms selling online was highest in the information and cultural industries sector, at 35%.

Canada's largest firms, as defined in the Note to readers, dominated the online selling market, accounting for about \$71.9 billion or 59% of the value of total online sales. Almost one-third (31%) of large enterprises sold online in 2012.

Overall, e-commerce sales accounted for 4% of total sales of goods and services by Canadian enterprises.

Almost half of Canadian enterprises made purchases of goods or services online in 2012.

Note to readers

The content for the Survey of Digital Technology and Internet Use is similar to the previous Survey of Electronic Commerce and Technology last conducted in 2007. The survey was redesigned to reflect current technology and meet the new data needs of users. The method of collection was changed to include electronic questionnaires and the use of telephone pre-contact to identify Internet users.

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 zero 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 size manufacturing enterprises in North American Industry Classification System (NAICS) 31-33 that have 20 to 499 full-time employees.

Large enterprises have 100 or more full-time employees except for large size manufacturing enterprises in NAICS 31-33 that have 500 or more full-time employees.

Definition of e-commerce

Respondents were asked to include 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 in web pages, through an Extranet or by Electronic Data Interchange over the Internet.

Website features and traffic strategy

Overall, 45% of Canadian enterprises had a website in 2012. However, among enterprises with 10 or more employees, 80% had a web presence.

Certain industries were more likely to make use of a website, particularly those that market goods or services directly to consumers. For example, 74% of enterprises in the arts and entertainment sector and 54% of enterprises in the retail trade sector had websites in 2012. A quarter of enterprises with a website used online forms to collect customer information.

In order to increase awareness and direct traffic to their website, 22% of enterprises used paid search methods such as pay-per-click, while 35% used more traditional print advertising methods to advertise and direct people to their website.



Social media can be used by enterprises as a complementary tool both as a feature of, and as a way to drive traffic to their website. In 2012, 33% of enterprises had integrated social media tools with their website, and 34% were using social media as a method to promote and direct traffic to their website. Examples of social media integration include allowing website users to export photos or share information from the website through a "one-click" solution to post it on external social media sites.

Internet use remains high

Almost 9 out of 10 (87%) Canadian enterprises reported using the Internet in 2012. Among enterprises with 10 or more employees, Internet use was almost universal, at 96%. Small enterprises, including those with no employees, were least likely to use the Internet for business. In 2012, 76% of enterprises that did not use the Internet stated that they did not need it for their business.

Almost all Canadian enterprises that used the Internet did so through a high-speed connection and 39% of enterprises in Canada used multiple connection types to access the Internet. Dial-up Internet was used by less than 4% of enterprises.

In contrast, over half (54%) of large enterprises had a fibre optic connection to the Internet.

Use of digital technologies

More than half of Canadian enterprises (53%) used Internet-enabled mobile devices such as smartphones or tablets in 2012 and 31% had a company-wide computer network in place. The use of Internet-enabled mobile devices was highest in the information and cultural industries sector (77%) and the professional, scientific and technical services sector (70%).

Software packages including Customer/Supplier Relationship Management (CRM) tools and Enterprise Resource Planning (ERP) systems are used by enterprises to communicate and organize, both internally and externally. A relatively small percentage of enterprises used these information and communications technologies (ICTs) compared with other technologies, 5% of enterprises in Canada used ERP software and 12% used a CRM in 2012. However, large enterprises were more likely to adopt them. In 2012, 41% of large enterprises used CRM software and 35% used ERP software.

Digital technology acquisition, benefits and business changes

Of those enterprises that used selected ICTs in 2012, 86% indicated that they acquired ICTs by purchasing off-the-shelf technology, 10% modified or customized off-the-shelf technology, and 21% programmed or built their own custom solutions. Nearly half (48%) of enterprises in the information and cultural industries sector programmed or built their own custom ICT solutions.

In 2012, 56% of Canadian enterprises that used ICTs identified an increased ability to respond to customer or supplier requirements as a main benefit. The introduction of ICTs into an enterprise can often result in changes to the way the enterprise operates. Just over half (52%) of enterprises identified greater information sharing and changes to data collection, storage and maintenance as changes that had resulted from the introduction of an ICT.

The main benefits and business changes resulting from the introduction of ICTs varied across sizes of firms. Small firms, those with less than 20 employees, were less likely than their large counterparts to have reported benefits to their enterprise as a result of using ICTs.

Spending on information and communications technologies goods and services

From 2010 to 2012, 51% of Canadian enterprises made capital expenditures on ICTs. During that period, 47% of Canadian enterprises made capital expenditures on computer hardware, while 16% bought customized computer software, and 18% had expenditures on network operating systems or equipment.

During the past three years, 52% of Canadian enterprises made expenditures on ICT services, including 31% that made expenditures on website design or hosting services.

Table 1
Percentage of enterprises selling online by North American Classification System

	Enterprises selling online
	%
Private sector	11.3
Agriculture, forestry, fishing and hunting ¹	3.5
Mining, quarrying, and oil and gas extraction	F
Utilities	F
Construction	4.8
Manufacturing	13.6
Wholesale trade	21.3
Retail trade	17.0
Transportation and warehousing	8.2
Information and cultural industries	35.4
Finance and insurance	10.4
Real estate and rental and leasing	8.6
Professional, scientific and technical services	7.8
Management of companies and enterprises	10.3
Administrative and support, waste management and remediation services	11.0
Educational services	30.2
Health care and social assistance	3.7
Arts, entertainment and recreation	25.5
Accommodation and food services	17.2
Other services (except public administration)	15.0

F too unreliable to be published

1. This sector only includes: sub-sector 113 – Forestry and logging and sub-sector 11531 – Support activities for forestry. Sub-sectors 111 – Crop production, 112 – Animal production and aquaculture, and 114 – Fishing, hunting and trapping industries are excluded.

Table 2
Enterprises selling online by size

	Enterprises selling online	Share of the overall value of gross sales made online
	%	
Small ¹	10.1	17.3
Medium ²	19.6	23.6
Large ³	30.5	59.1

1. Small size enterprises have 0 to 19 full-time employees.

2. Medium size businesses have 20 to 99 full-time employees, except for medium size manufacturing enterprises in North American Industry Classification System (NAICS) 31-33 that have 20 to 499 full-time employees.

3. Large size enterprises have 100 or more full-time employees, except for large size manufacturing enterprises in NAICS 31-33 that have 500 or more full-time employees.

Available in CANSIM: tables 358-0190 to 358-0202.

Definitions, data sources and methods: survey number 4225.

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

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