

Executive Summary

The aims of this project were: to identify the types of internet resource that are found useful by Small and Medium sized Enterprises (SMEs); to compare use of internet resources with use of other types of external information; to gather information on resource implications and feasibility of creating a 'virtual SME library'; to investigate the barriers to use of the internet by SMEs; and to try to identify levels, and indicators, of internet engagement.

A indepth study was made of a sample of 29 companies in Glasgow and London. The companies all had between two and 100 employees and already had an internet connection. Case studies are given in Appendix 1. Questionnaires (sections 9-12), interviews (section 7.2, Appendix 1), and focus groups (section 13) were used to gather data, and use of the project website was analysed (section 5). An 'internet business club' (sections 2.4, 7.1) was provided for participants .

We found increased diversity of use of internet resources amongst the participants by the close of the project, and substitution seemed to be between processes of information-seeking rather than necessarily between media. Findings as regards most used and most valued sources of information agreed broadly with other studies of business information use (section 15). Email was the most frequently used and most valued internet service. However, not all participants had their own personal email addresses, and the discussion list was not used by them as a means of exchanging experience.

The feasibility of a virtual library for small and medium-sized enterprises is also discussed, in the light of experience with the internet business club. Alternative models are considered (namely that of consumer agent or producer agent). Whilst a virtual SME library seems to offer opportunities, a purely reactive service is unlikely to be successful, and an element of human contact is valued by the companies.

The study identified a number of barriers to use of the internet: namely technical barriers, search problems, physical problems, Internet Service Provider problems, site design, cost, lack of training, and lack of trust in staff (section 14). As had emerged in the literature review, lack of time was also an issue. The research, including comparison of data gathered through questionnaires and through observation, seemed to support the view that some studies have overestimated the 'internet connectedness' of SMEs.

Based on our research, we propose a model for a Staircase of Internet Engagement (section 18). The model highlights the fact that companies can move both up and down the 'staircase' , and we identify triggers for upward and downward movement. Companies seem most open to advice from information professionals if they have not yet reached our Advanced stage of internet engagement. Although the companies were from two different cities and a very wide range of business sectors, they showed many similarities in perception of problems and information preferences.

The majority of participants felt that the project had had a positive impact on them. The report identifies the impact of the research, and reports on dissemination (section 19). Recommendations for further research (e.g. testing the models for internet engagement and the virtual SME library) are made (section 20).

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