

# Business Survey 2018

## Digitalisation is gaining momentum

### Summary

The digital transformation of business and society has shifted into the public spotlight in the past years. It offers the opportunity to increase growth and productivity and helps to ensure Germany's competitiveness going into the future. So it is encouraging that businesses have embraced this topic and increasingly more of them are investing in digitalisation. Large enterprises, manufacturers and companies of wholesale and foreign trade are at the forefront of digitalisation. The individual survey results:

1. More than half of businesses (53%) have firm plans to implement digitalisation projects in the next two years. A further 23% have not yet made a final decision. Only one quarter of them rule out the implementation of digitalisation projects during this period.
2. The share of businesses that have firm plans for digitalisation projects has grown by 11 percentage points compared with the previous year's survey. At the same time, the share of businesses that have no plans to go digital has fallen by nine percentage points.
3. Digitalisation is being driven by large enterprises (with more than EUR 50 million turnover), of which 87% have firm plans for digitalisation projects, and by manufacturing firms and businesses that are active in wholesale and foreign trade (69 and 68% with plans in place).
4. Most businesses with firm plans for digitalisation projects (56%) are driven by the motivation to improve efficiencies by linking IT between business units. Improving production efficiency is almost as important for them (55%). At some distance in third place (43%) is the desire to connect to the corporate environment, followed by the hope for improving the chances of developing new markets through new digital products, services and business models (34%).

5. By contrast, significantly fewer businesses see a demand for corresponding products and services from end consumers (31%) or (distinct) competitive pressure in the market to embrace digital change (22%). Even fewer (11%) mentioned feeling pressure to go digital because of their integration into value chains.

6. Loans to finance digitalisation projects are still rarely sought after. With a share of 9%, loans for digitalisation are the fifth priority for those enterprises that conducted loan negotiations.

7. Enterprises rate access to credit for digitalisation projects significantly more poorly than for investments in fixed assets or real estate. The likelihood that a business rated credit access as 'difficult' or 'very difficult' is around two thirds higher for digitalisation projects than for investments in fixed assets and nearly 50% higher than for real estate loans.

8. Small enterprises in particular have difficulty in accessing loans for digitalisation. Businesses with less than EUR 10 million annual turnover are twice as likely to rate access to loans for digitalisation as 'difficult' or 'very difficult' than access to loans for fixed asset investments.

The survey was conducted for the 17th time among enterprises of all size classes, sectors, legal forms and regions. Nearly 2,200 businesses from 20 umbrella organisations, trade and regional associations took part in the survey. It was conducted between mid-December 2017 and mid-March 2018. The present report presents the findings relating to the topic of digital transformation.

The findings on the topic of financing climate have already been published separately. ■