



## MRS Policy Unit

### Submission to the House of Lords Select Committee on SME Exports

#### Introduction

1. The Market Research Society (MRS) is the world's largest research association. It's for everyone with professional equity in market, social and opinion research and in business intelligence, market analysis, customer insight and consultancy. In consultation with its individual members and Company Partners, MRS supports best practice by setting and enforcing industry standards. The commitment to uphold the MRS Code of Conduct is supported by the Codeline service and a wide range of specialist guidelines.

#### Response to Call for Evidence questions

##### **Q1. What contribution do SMEs currently make to the export market and in which countries and sectors (both directly though the supply chain to larger companies)**

2. Research is an intellectual capital intensive business and contributes to all sectors that use it. 70% of UK market social and opinion research companies are small or medium sized companies.
3. According to the results of the MRS *Annual Survey of the UK Market Research Industry 2011*, 33% of the turnover of UK research companies came from international research projects, that is a project which involves collecting data in one or more overseas countries, a proportion that has increased from 26% since 2007,

##### **Q10. What more should Government be doing to assist or promote the export of products and services by SMEs through different departments and agencies? Are the Government able to provide adequate local intelligence to assist SME in understanding foreign markets?**

4. Market research plays a key role in identifying, defining, measuring and assessing markets. This knowledge is essential to identify sales and investment opportunities, by providing insight and quantifying risk.



5. It is unlikely that any government service can or could provide adequate local intelligence to assist SME in understanding foreign markets. Investors and businesses need highly specific market and sector information, which mean that tailored market research and market measurement is required.
6. The UKTI's Export Marketing Research Scheme<sup>1</sup> offers part funding for export marketing research on topics such as:
  - Market size and segmentation
  - Regulations and legislation
  - Customer needs, usage and attitudes
  - Distribution channels
  - Trends
  - Competitor activity, strategy and performance

Companies with fewer than 250 employees may be eligible for a grant of up to 50 percent of the agreed cost of market research projects.

7. Although this scheme has limited funding and relatively low grants, it demonstrates the significant difference market research can make to successful SME exports. MRS recommends that the funding of this scheme is expanded and that the maximum levels of grants are raised.
8. Further, Research & Development Relief for Corporation Tax does not extend to market research. In light of the Government's strategy of promoting SME exports but its inability to provide appropriate information services, the government should also consider corporation tax relief for investments made by SMEs in market research in regard to overseas markets.
9. Such reliefs do need to be closely and carefully defined to prevent abuse. MRS would be willing to provide advice to the Government and to HMRC on the appropriate scope of an export market research relief.
10. For further information or clarification on this submission please contact Barry Ryan, Director of the MRS Policy Unit, ([barry.ryan@mrs.org.uk](mailto:barry.ryan@mrs.org.uk) – 020-7566-1882)

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<sup>1</sup> <http://www.ukti.gov.uk/export/howwehelp/exportmarketingresearchscheme.html>



11. This submission is made by Barry Ryan, Director of the MRS Policy Unit on behalf of the Market Research Society.

14 September 2012