

Press release

For business desks
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New Commerzbank Mittelstand study: Mittelstand failing to tap potential of big data

- **Two thirds of companies expect a massive shift within their respective sectors within five years**
- **Only 8 per cent already use big data to improve their business position**
- **One in five companies from the Mittelstand fear Facebook, Google et al – but 34 per cent regard tech giants as trendsetters**
- **IT security: around 20 per cent of companies already victims of cybercrime, nearly 78 per cent see themselves threatened by hackers**

Big data will have far-reaching repercussions for German companies, especially small- and medium-sized enterprises (SMEs). 97 per cent of SMEs polled have recognised this and believe that big data is relevant. Yet in the latest study by Commerzbank, only 8 per cent of the 2,000 surveyed companies (with sales of 2.5 million euros upwards) stated that they systematically record and analyse data to benefit their companies.

The results of the 18th survey; “Raw Material of the 21st century: Big Data, Smart Data – Lost Data?” which was presented on 17 April 2018 in Frankfurt, provides several reasons for the cautious stance on big data. Companies are hindered above all by data protection problems (30 per cent), a shortage of specialist personnel (40 per cent) and a lack of readiness on the part of senior managers (31 per cent). “One of the key results from our study is that it is not that many Mittelstand companies have failed to identify the significance of big data, but that they are not yet ready to for gigantic potential of big data. This is largely due to internal structures and processes, and also as a consequence of their management culture. A wake-up call is necessary if Germany’s small- and medium-sized enterprises do not want to be left behind their international peers,” said Michael Reuther, the member of the board of managing directors of Commerzbank responsible for the Corporate Clients segment, on the latest study.

Cautious use of key technologies and big data in industry, the service sector and retail business

An analysis of the sectors shows the attitude of companies to digital trends and big data, for example a mere 32 per cent of industrial companies use new technologies for individual manufacturing and only 23 per cent use network machinery. In the service sector, only 8 per cent of companies are planning to replace human workers with digital and autonomous processes. Artificial intelligence is one of the key-words here, yet it has made few inroads into the day-to-day working world. While in a sector comparison retail business creates a larger number of individual offerings with big data, a majority of 60 per cent, do not yet generate any data which delivers knowledge of individual customers together with their consumption and purchase decisions.

“Customer Journey” is currently a specialist topic

Only 12 per cent of the surveyed entrepreneurs and first-level managers currently conduct extensive data analysis on customers, users and markets. This limits the findings of the ‘customer journey’ (i.e. a comprehensive data basis on customer and market conduct). Despite the major significance attributed to digital data, the recording of all company- and customer-relevant data is not yet standard practice. At present data covering finance, warehouse stocks and key sales areas are recorded.

Analytical view of tech giants

The public perception of “tech giants” such as Facebook, Alibaba and Google also impacts on decision-makers in SMEs, 68 per cent of the surveyed companies view the monopoly of tech giants with concern, while one in five companies fears them as competitors. A positive finding is that for 34 per cent of companies, tech giants provide them with an opportunity to reconsider their processes. “It is not just the major companies which successfully work with big data which function as important role models. Innovative SMEs can serve as an example to other companies, providing inspiration and encouragement. In the Mittelstand we need a technology-friendly and courageous attitude to keep pace with the rapid digital developments of big data worldwide.” said Dr. Holger Bingmann, President of the German Wholesale and Foreign Trade Federation (BGA) and the patron for the latest Commerzbank study. He also added: “The second important factor is know-how. Just like the well-known large technology companies we need data analysts who can turn this data gold into entrepreneurial success. In this respect we do not have sufficient experts or the corresponding training courses and university courses in Germany.”

Major damage and threats from viruses and hackers – sabotage, if anything, is only a side issue

17 per cent of those surveyed have already experienced damage to their own IT through viruses and Trojans. 8 per cent report hacker attacks, 6 per cent have been damaged by digital fraudsters, and a similar percentage has been a victim of computer espionage. The greatest concern is posed by hacker attacks, stated 78 per cent of the respondents. Above all the so-called ‘smart data users’ have taken precautionary measure in the form of extensive security concepts. Companies which have already been affected by cyber-crime are more likely to have hired security specialists and to have contingency plans in the event of an emergency.

Mittelstand sees banks as playing a supporting role

In the opinion of 56 per cent of companies polled, banks should assist in the treatment and timely provision of financial data. “We already offer convenient solutions, for example a digital treasury management system for liquidity management as well as mobile apps for banking in the Mittelstand to help our clients with their financial decision-making. However, in the future it will also be a question of, how the bank can support and assist clients in the use of their own data. In this respect the issue of security is, of course, of major importance. It will not, however, deter us in the development of disruptive business flows and models,” said Corporate Client board member Reuther explaining the role of Commerzbank.

The “Entrepreneur Perspectives” initiative and its studies

Since 2006 the Mittelstand initiative “Entrepreneur Perspectives” has formed a public forum for entrepreneurial topics. Once a year it surveys 2,000 company owners and first-level executives from companies of every size and from every sector. The representative surveys are conducted by Kantar TNS. The study results are discussed by representatives from the business world and industry federations, and by politicians and academics at public events.

Further information under www.unternehmerperspektiven.de.

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About Commerzbank

Commerzbank is a leading international commercial bank with branches and offices in almost 50 countries. In the two business segments Private and Small Business Customers, as well as Corporate Clients, the Bank offers a comprehensive portfolio of financial services which is precisely aligned to the clients' needs. Commerzbank finances approximately 30% of Germany's foreign trade and is leading in financing for corporate clients in Germany. Due to its in-depth sector know-how in the German economy, the Bank is a leading provider of capital market products. Its subsidiaries Comdirect in Germany and mBank in Poland are two of the world's most innovative online banks. With approximately 1,000 branches, Commerzbank has one of the densest branch networks among German private banks. In total, Commerzbank serves more than 18 million private and small business customers, as well as more than 60,000 corporate clients, multinationals, financial service providers, and institutional clients. The Bank, which was founded in 1870, is represented at all the world's major stock exchanges. In 2017, it generated gross revenues of €9.2 billion with approximately 49,300 employees.