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Research Backgrounder Small Businesses are Prioritizing Digital in 2021

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Research Objectives & Methodology

CFIB and **Google** collaborated to look at small business priorities and the role digital will play in their 2021 strategy.

Data Sources:

In January 2021, Maru/Matchbox surveyed 1,010 Canadian business owners and business decision makers on behalf of CFIB, from various sectors using the Maru Voice research panel. Fielding took place between January 20-29, 2021. The sample was balanced by region and business size (number of employees) to achieve a representative sample and the median LOI was 14 mins. For comparison purposes, a probability sample of this size has an estimated margin of error of ±3 per cent, 19 times out of 20.

Additional CFIB member comments are included in the report from CFIB's eCommerce and competition with big business survey, completed online between September 17 and October 7, 2020 by 3,607 CFIB members.

Digital marketing tops the list of small business owners' plans in 2021

Reach more customers through digital marketing (e.g., Downsize operation 6% 22% Google, Facebook, Instagram, YouTube ads, etc.) Pay down debt 21% Wind down or close my business 6% Add new revenue channels (e.g., add new products or 5% Continue or implement remote work for staff 20% services) Specialize operation (e.g., organic, 5% Improve website and website infrastructure 20% green/ecofriendly, etc.) Reduce operating costs (e.g., wages, energy, input Reduce/get rid of office/warehouse space 4% 17% costs) Bring employees working remotely back into 4% Invest in training for myself or my team 16% the business in-person Expand size of operation 11% Increase office/warehouse space 4% Take out a loan (e.g., to cover costs, new <mark>3%</mark> Increase revenue through eCommerce 11% investments) <mark>2%</mark> Reduce number of employees 10% provincial, international) Sell or transfer my business 2% 10% capital Related to online Hire more employees 9% = Other business presence 21% 6% None

Business plans in 2021





Question: Which of the following are part of your business plans in 2021? Source: Maru/Matchbox survey on behalf of CFIB and Google, January 20-29, 2021. n = 1,010 Canadian business owners & decision makers.

Small business owner advice on importance of prioritizing a digital strategy in 2021

Having an online presence is a *big deal* as COVID has driven people online for lack of other things to do. Being there, being responsive, and being current matters. We get very little from online sales (normal for our business), but lots of "we saw you on Google" or "we were searching for X and your store came up." **Recovery will not change this - people driven online tend to stay online.**

It's relatively inexpensive to do and maintain, so why not? Doing Facebook and Instagram cost next to nothing but a bit of time, and if you as an owner are involved, make business fun again as you share with your customers and potential customers. It will pay off.

– Grant Rogerson, One Spoiled Kitty, MB

Build on your online advertising (Google Ads) Focus on eCommerce

- Nguyet Bui Thi, Restaurant Saigon, QC

You can't go out to visit your customers, so make sure that when they are searching for your product on the internet, **they can find you quickly and easily. Have a good clean website** with clear pictures and descriptions. Quality over quantity. Make sure the products you sell online have good pictures, descriptions, and application information. Don't just upload a huge database.

– Don Byres, CPE Systems, BC



Make it easy for customers to connect with you virtually. Keep your website easy to navigate so the customer feels comfortable reaching out.

- Cheryl Bishop, Elite Dog Training, ON



Question: What lessons from 2020 would you like to share with other business owners to help them survive/thrive in 2021? CFIB Survey: E-commerce and competition with big business. Sept. 17 - Oct. 7, 2020.

Small business owner advice on importance of prioritizing a digital strategy in 2021, continued

I am very fortunate I invested in a complete overhaul and redesign of my fully functional eCommerce website a couple years ago (www.power123.com). When I closed my retail storefront very suddenly in March, there was no time to develop a new website. I only had enough time in a day to handle shipping/receiving and process email and website orders with the one staff I had left - all other staff went on CERB and never came back when we re-opened a month later in April.

My website has been a tremendous asset to my business and continues to attract more customers monthly with website revenue is on the rise for both B2B and B2C from across the Northwest Territories. I couldn't imagine my business without a website. Having an ecommerce platform is absolutely essential. Our industry was typically "behind the times" and was forced to adapt rather quickly to selling online during COVID times.

- Jennifer Weir, Can Pro Equestrian Supply, ON

- Brian Lefebvre, Power Surge Technologies, NWT

Take advantage of social media and a website. Update frequently and use social media to become an educational resource for customers rather than just using it to generate sales. The sales will come.

– Christine Simone, Simone Enterprises, ON



Question: What lessons from 2020 would you like to share with other business owners to help them survive/thrive in 2021? CFIB Survey: E-commerce and competition with big business. Sept. 17 - Oct. 7, 2020. A digital strategy is essential for half of business owners in 2021 because it will help small businesses survive the pandemic and also help them drive growth in the future

Importance of digital strategy during the pandemic (% agree with statements)

Importance of digital strategy to drive growth (% agree with statements)





My business needs to useSelling online is an importantdigital advertising (free or paid)part of driving future growth of
my business

CFIB & Google

Question: To what extent do you agree or disagree with each of the following statements? Source: Maru/Matchbox survey on behalf of CFIB and Google, January 20-29, 2021. n = 1,010 Canadian business owners & decision makers. The shift online is permanent for those who offer eCommerce: half of businesses say eCommerce will be a strategy for them even after the pandemic, the balance have no plans to sell online







Question: Which of the following statements best reflects your business's plans for selling online (eCommerce) after the pandemic is over? Source: Maru/Matchbox survey on behalf of CFIB and Google, January 20-29, 2021. n = 1,010 Canadian business owners & decision makers.

While only one-in-four small business owners say they are sticking with eCommerce because it has been a success for their business already, the top reasons to sell online post-pandemic are about potential - almost half say it will drive growth and revenue, and a third say it will enhance their competitiveness and ultimately be the future for their business

Drive growth and revenue44%It will enhance my business's competitiveness33%It will be the future for my business32%It is necessary with COVID-1927%It is what my customers want26%To allow me to expand to new markets (inter-provincial or international)26%It is already a success for my business25%Other2%

Reasons to sell online post-pandemic



Question: Among business owners who are increasing, maintaining or starting selling online after the pandemic ends: Which of the following best reflect why you say you plan to pursue eCommerce after the pandemic ends? Source: Maru/Matchbox survey on behalf of CFIB and Google, January 20-29, 2021. n = 1,010 Canadian business owners & decision makers. The top reason businesses not leveraging eCommerce say they won't sell online is that it simply was never part of their plans; while one-in-three say it is too difficult to sell their products online

Reasons not planning to sell online post-pandemic





Question: Among those not pursuing eCommerce further after the pandemic ends: Which of the following best reflect why you say you do not plan to pursue further eCommerce after the pandemic ends? Source: Maru/Matchbox survey on behalf of CFIB and Google, January 20-29, 2021. n = 1,010 Canadian business owners & decision makers.

Finding customers online is the top challenge small businesses face in the digital realm

Top digital challenges



Attracting customers online (getting traffic to your website/profile page) My business has no digital presence (website, Google My Business, Facebook, etc.) Lacking time to make our digital presence and selling online a priority Navigating all the digital tools, platforms, and eCommerce is overwhelming Not knowing how to use online platforms and tools to promote my business online Cost of shipping Converting digital impressions/visits into sales Not knowing how to sell my specific products/services online I am not confident investing in online presence or selling online is worth the effort Lacking current staff who are trained/specialized in digital marketing Finding support to answer my questions about digital presence and selling online Difficulty balancing online and offline operations Complexity of shipping and logistics

Cost of acceptance



Question: Which of the following challenges does your business face when it comes to enhancing your digital presence and selling online? Source: Maru/Matchbox survey on behalf of CFIB and Google, January 20-29, 2021. n = 1,010 Canadian business owners & decision makers. Business owners who plan to sell online post-pandemic are looking for more information to help their digital strategy succeed, including advanced tips to elevate their online presence and advice on social and digital marketing

Information small business owners selling online post-pandemic want to help them succeed online





Question: Among business owners who are increasing, maintaining or starting selling online after the pandemic ends: Which, if any, of the following topics to help businesses succeed online is your business looking for? Source: Maru/Matchbox survey on behalf of CFIB and Google, January 20-29, 2021. n = 1,010 Canadian business owners & decision makers.