

GODADDY & REDSHIFT RESEARCH --- **SMALL BUSINESS SURVEY 2015**

**HOW VERY SMALL BUSINESSES ARE UTILIZING THE
INTERNET TODAY—AND FUTURE EXPECTATIONS**

It's Go Time™



GODADDY & REDSHIFT RESEARCH SMALL BUSINESS SURVEY 2015

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Redshift Research was commissioned by GoDaddy to conduct a global survey of very small businesses – defined as five workers or less – in Australia, Brazil, Canada, India, Turkey, United Kingdom and United States. A total of 4,009 very small business owners/operators participated (~500 in each country).

The interviews were conducted online by Redshift Research in June and July 2015 using an email invitation and an online survey via its Crowdology panel.

Results of any sample are subject to sampling variation. The magnitude of the variation is measurable and is affected by the number of interviews and the level of the percentages expressing the results. In this particular study, the chances are 95 in 100 that a survey result does not vary, plus or minus, by more than 1.5 percentage points from the result that would be obtained if interviews had been conducted with all persons in the universe represented by the sample.

Learn more about Redshift Research on their website: <http://redshiftresearch.co.uk>

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IN 2015, GODADDY PARTNERED WITH REDSHIFT RESEARCH AND CONDUCTED A GLOBAL SURVEY OF 4,009 VERY SMALL BUSINESSES — DEFINED AS FIVE WORKERS OR LESS — IN AUSTRALIA, BRAZIL, CANADA, INDIA, TURKEY, UNITED KINGDOM AND UNITED STATES TO EXAMINE HOW THEY'RE UTILIZING THE INTERNET.

THESE ARE THE FINDINGS.

EXECUTIVE SUMMARY

WHAT DID WE LEARN?

MOST VERY SMALL BUSINESSES AREN'T FULLY UTILIZING THE INTERNET

Two decades into the Internet becoming mainstream, you would think that nearly every business has planted their flag online. But in actuality the majority of the smallest of businesses aren't fully plugged into the Internet, according to a landmark global survey commissioned by GoDaddy from Redshift Research.

59% of them don't have a website – and, thus, full control of their online presence – according to the survey of 4,000 global very small businesses (defined as five workers or less) in Australia, Brazil, Canada, India, Mexico, Turkey, United Kingdom and United States.

Who are these small businesses? 41% are run by women. And they are generally not only small in employees but customer base, with 64% having 100 or fewer customers. And many are new: 39% have been in business for three years or less.

While many of these very small businesses do have some form of Internet presence through social media platforms, they reported feeling that their operation was simply too small to warrant a website (35% of respondents). Others cited a lack of technical expertise (21%) or the costs of starting a website (20%).

Val
Business Owner & GoDaddy Customer
motorgrrl.com

WHO ARE THESE VERY SMALL BUSINESSES?

41% ARE RUN BY WOMEN

64% HAVE FEWER THAN 100 CUSTOMERS

39% HAVE BEEN IN BUSINESS FOR THREE YEARS OR LESS



WHY DON'T VERY SMALL BUSINESSES HAVE A DEDICATED WEBSITE?

35% SAID THEY ARE SIMPLY TOO SMALL

24% SAID THEY DIDN'T THINK IT WOULD HELP THEIR BUSINESS

21% SAID THEY LACKED THE TECHNICAL EXPERTISE

20% SAID IT'S TOO EXPENSIVE

INVISIBLE NO MORE: VERY SMALL BUSINESSES POISED TO GO ONLINE IN NEAR FUTURE

Although many of the world's smallest businesses have yet to create a website, over half of them (55%) intend to create a website within the next two years, and 1 in 5 respondents have already taken the first step by registering a domain name. Given that there are roughly 200 million very small businesses globally, the shift to their own online presence could have a major impact on small business growth, operations and their ability to reach beyond their local customer base.

That growth is exactly what these companies are expecting and a huge reason why they're choosing to take the leap now, with 48% of respondents who plan to create a website anticipating that it will help their business grow 25% or more within the next 3-5 years, over half of all respondents anticipating growth locally, nationally, or internationally due to creating a website. Furthermore, those coming online expect that websites will enable them to sell goods online (48%) and a huge number of respondents (84%) wanting their websites to be mobile-friendly.

Perhaps most telling is the comparison of growth expectations with those with no plans to build a website. According to RedShift, those with no plans to build a website in the next two years have lower expectations for their business with just 19% saying they expect 25-50% growth in the next 3-5 years.

In addition to growth, competition is a key motivator in creating a website: 83% of small business owners who already own a website feel they have a competitive advantage over those without.



**55% OF VERY
SMALL BUSINESSES
INTEND TO CREATE
A WEBSITE
WITHIN THE
NEXT TWO YEARS**

Sam, Danni & Frank
Business Owners & GoDaddy Customers
brooklyndenimco.com

BIG GROWTH EXPECTATIONS FOR THOSE GOING ONLINE

**48% OF VERY SMALL BUSINESSES WHO PLAN TO
CREATE A WEBSITE EXPECT THEIR BUSINESS
TO GROW 25% OR MORE WITHIN THE NEXT 3-5 YEARS**

**THIS IS NOT AN
UNREALISTIC EXPECTATION...**

**OF THOSE RESPONDENTS WHO ALREADY HAVE A
WEBSITE, 59% SAY THEIR BUSINESS GREW ONCE
THEY HAD BUILT THEIR WEBSITE**

SLOW GROWTH EXPECTATIONS FOR THOSE NOT GOING ONLINE

**ONLY 19% OF VERY SMALL BUSINESS WITH NO PLANS TO
BUILD A WEBSITE EXPECT THEIR BUSINESS TO GROW 25%
OR MORE WITHIN THE NEXT 3-5 YEARS**

A COMPETITIVE ADVANTAGE

83% OF SMALL BUSINESS OWNERS WHO ALREADY OWN A WEBSITE FEEL THEY HAVE A COMPETITIVE ADVANTAGE OVER THOSE WITHOUT

Rodolfo & Patricia
Business Owners & GoDaddy Customers
sweetcorner.com



SWEET-CORNER-BAKESHOP						
	HOT		COLD		MILKS	
	S	L	S	L		
REGULAR	1.75	2.50	3.25	4.25	SOY	.50
ESPRESSO	2.00	3.00	3.00	4.00	ALMOND	.75
LATTE	3.75	4.50	4.75	5.50	FLAVORS	
CAPPUCCINO	3.75	4.50	4.75	5.50		
MACCHIATO	2.75		3.50		VANILLA	.50
MOCHA	3.75	4.50	4.75	5.50	CARAMEL	.50
RED EYE	3.75	4.50	4.75	5.50	HAZELNUT	
HOT CHOC	3.50	4.50			CHOCOLATE	
CHAI LATTE	3.75	4.50			GINGERBR	
AMERICANO	2.75	3.50			PUMPKIN	
TEA	1.75	2.50				
EXTRA SHOT	1.75					

FOCUS ON eCOMMERCE AND MOBILE

48% PLAN TO SELL GOODS ONLINE WITHIN THE FIRST YEAR OF HAVING A WEBSITE
84% SAY THAT THEIR WEBSITE MUST BE MOBILE FRIENDLY

BUILDING IT & COMMUNICATION CHANGES

Responses indicate that the number of businesses planning to come online within the next 2 years could greatly affect demand for resources. Almost 80% of small business owners have yet to register a domain name and will be looking for alternate domains and extensions to find the perfect fit. These businesses will also be looking for help getting online, from Internet companies/IT pros (30%) and/or web designers (24%).

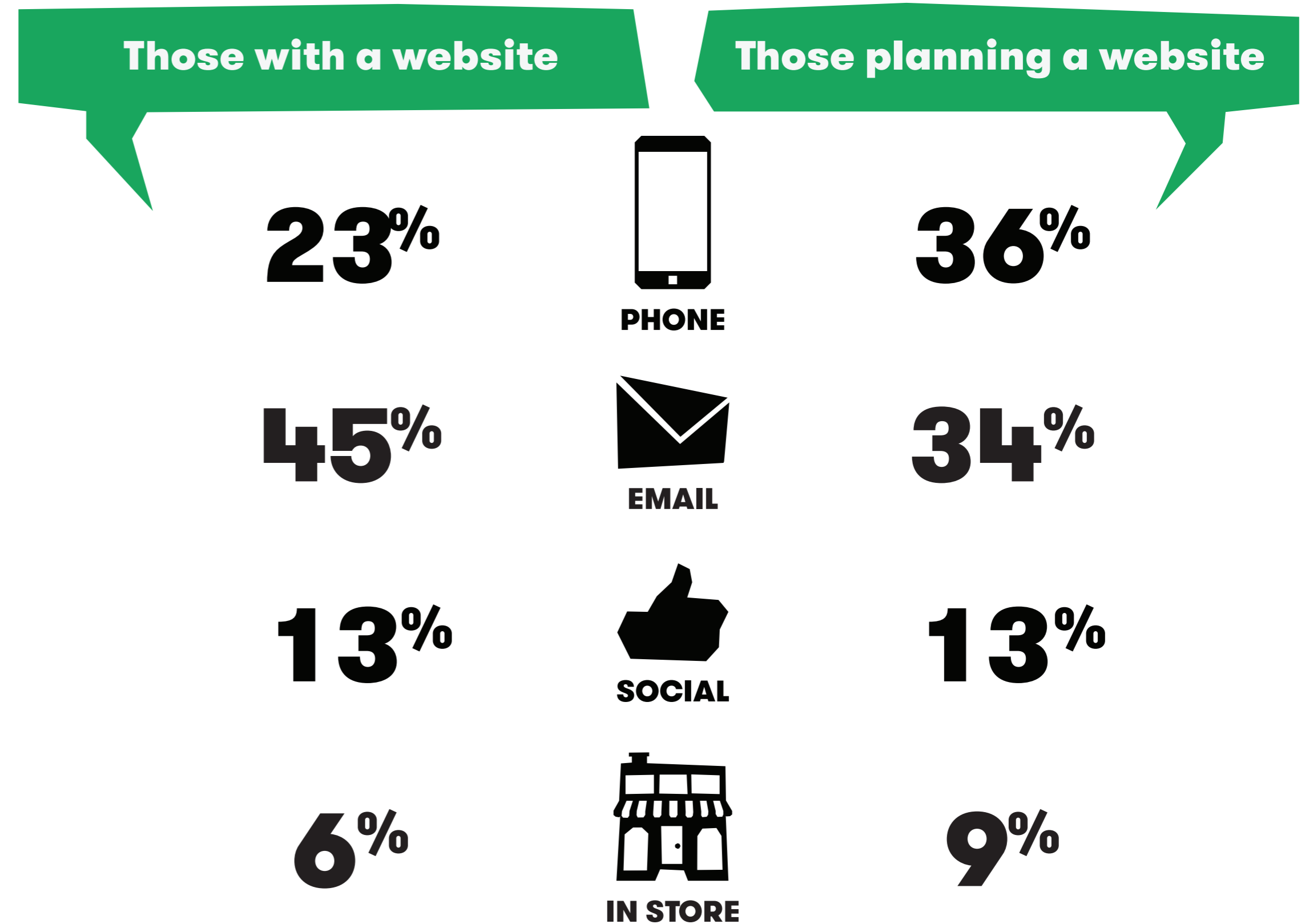
For very small businesses, creating their own website will also impact how they communicate with customers. While those planning to build a website are as likely to telephone a customer as they are to email them, the survey found that those with websites were twice as likely to communicate via email as to phone. That suggests that as these very small businesses get their own online presence, their communication practices will change, perhaps as they become more digitally sophisticated and their customer base grows.

80% **OF VERY SMALL BUSINESS OWNERS HAVE YET TO REGISTER A DOMAIN NAME**

30% **WILL HAVE INTERNET COMPANIES HELP BUILD THEIR WEBSITE**

24% **WILL HAVE PROFESSIONAL WEB DESIGNERS HELP BUILD THEIR WEBSITE**

HOW DO VERY SMALL BUSINESS OWNERS COMMUNICATE WITH CUSTOMERS?



SUMMARY

What the research shows is that while the Internet has upended business models and industries over the last two decades, the smallest of businesses have struggled at times to find their place. Some of that comes down to cost and time – precious commodities for a small business. But according to the research, we appear at a tipping point where for competitive reasons and accessibility of tools, the idea of having its own online presence is now attainable for very small businesses. And just like we saw with larger companies, that leap is likely to change how these businesses grow, communicate and ultimately sell their services.

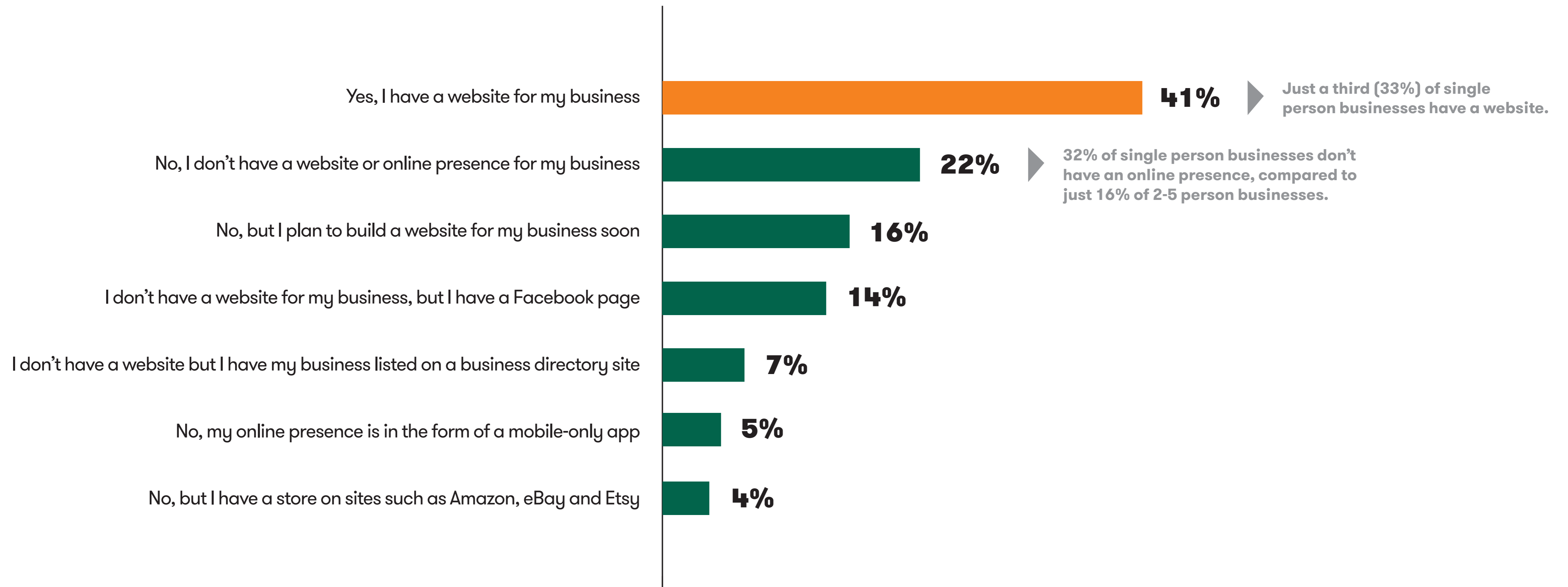
APPENDIX

ATTITUDES VARY BY COUNTRY

Question	US	UK	BRAZIL	INDIA	CANADA	MEXICO	TURKEY	AUSTRALIA
% With No Website	60%	60%	62%	63%	59%	62%	47%	61%
% Who Plan to Build	41%	33%	71%	76%	33%	76%	70%	35%
% Who Have Domain	28%	29%	21%	15%	19%	11%	21%	29%
% That Plan to Sell Within 1 yr	49%	36%	51%	51%	40%	45%	63%	39%
% Say 25-50% Growth from Website	60%	31%	45%	54%	38%	62%	39%	33%

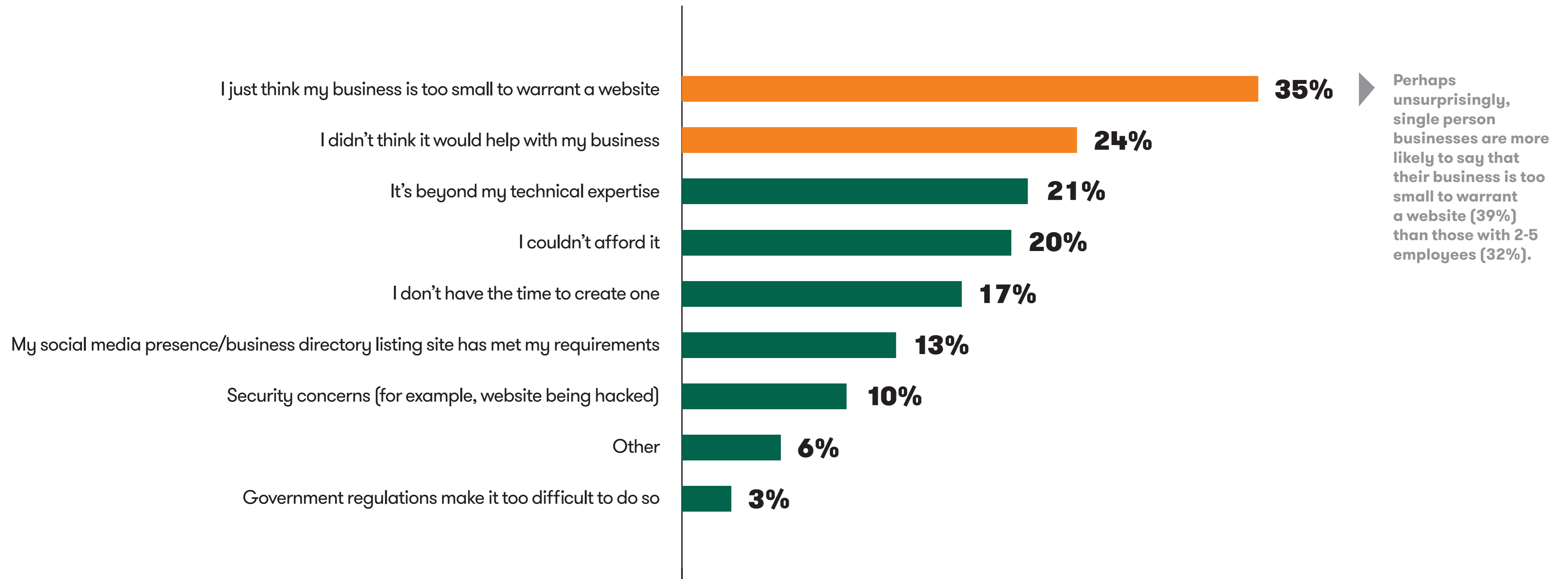
ONLINE PRESENCE

59% DON'T HAVE A WEBSITE FOR THEIR BUSINESS. 22% HAVE NO ONLINE PRESENCE AT ALL. 16% DON'T HAVE ONE AT THE MOMENT BUT ARE PLANNING TO BUILD ONE SOON.



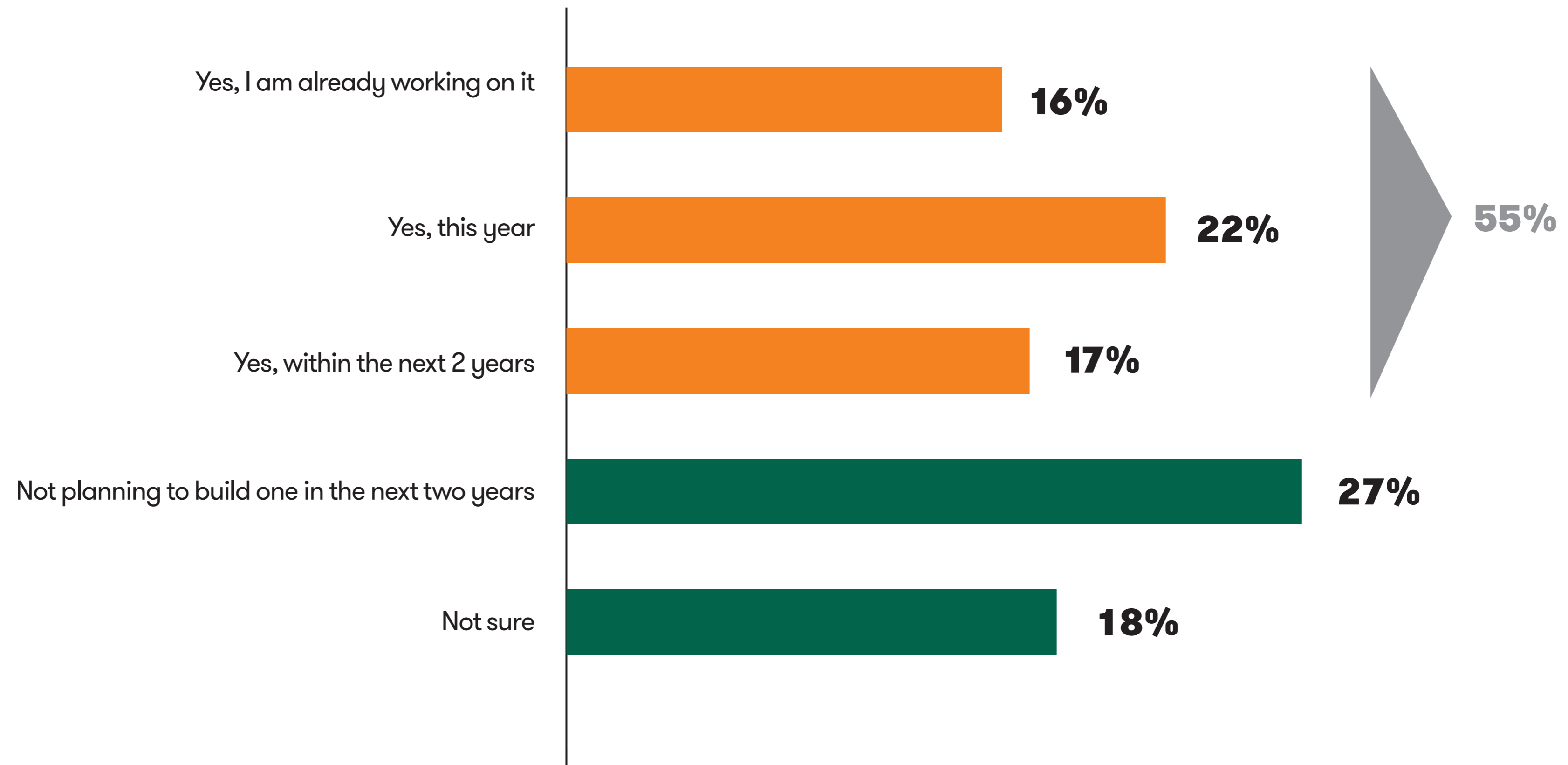
REASONS FOR NOT CREATING A WEBSITE

35% OF COMPANIES THINK THEIR BUSINESS IS TOO SMALL. 24% DIDN'T THINK IT WOULD HELP. AROUND 1 IN 5 SAY THAT TECHNICAL EXPERTISE OR PRICE IS THE PREVENTING FACTOR.



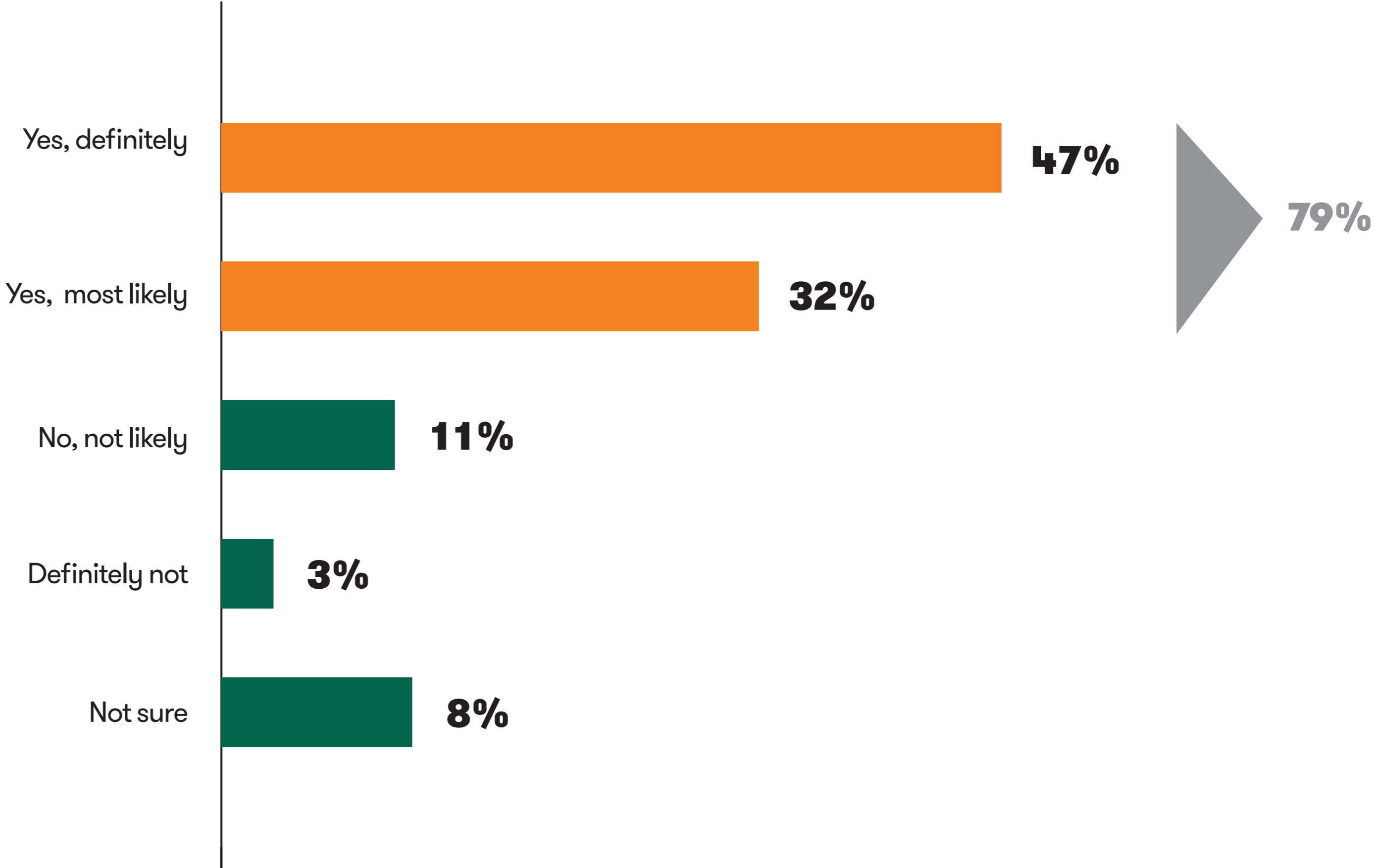
PLANS TO GET A WEBSITE IN THE FUTURE

OVER 50% PLAN TO GET A WEBSITE IN THE NEXT TWO YEARS. 27% ARE NOT PLANNING TO BUILD A SITE IN THE NEXT TWO YEARS. 38% OF SINGLE-PERSON BUSINESSES SAY THEY ARE NOT PLANNING TO DO SO IN THE NEXT TWO YEARS, COMPARED TO THOSE WITH 2-5 EMPLOYEES (19%).



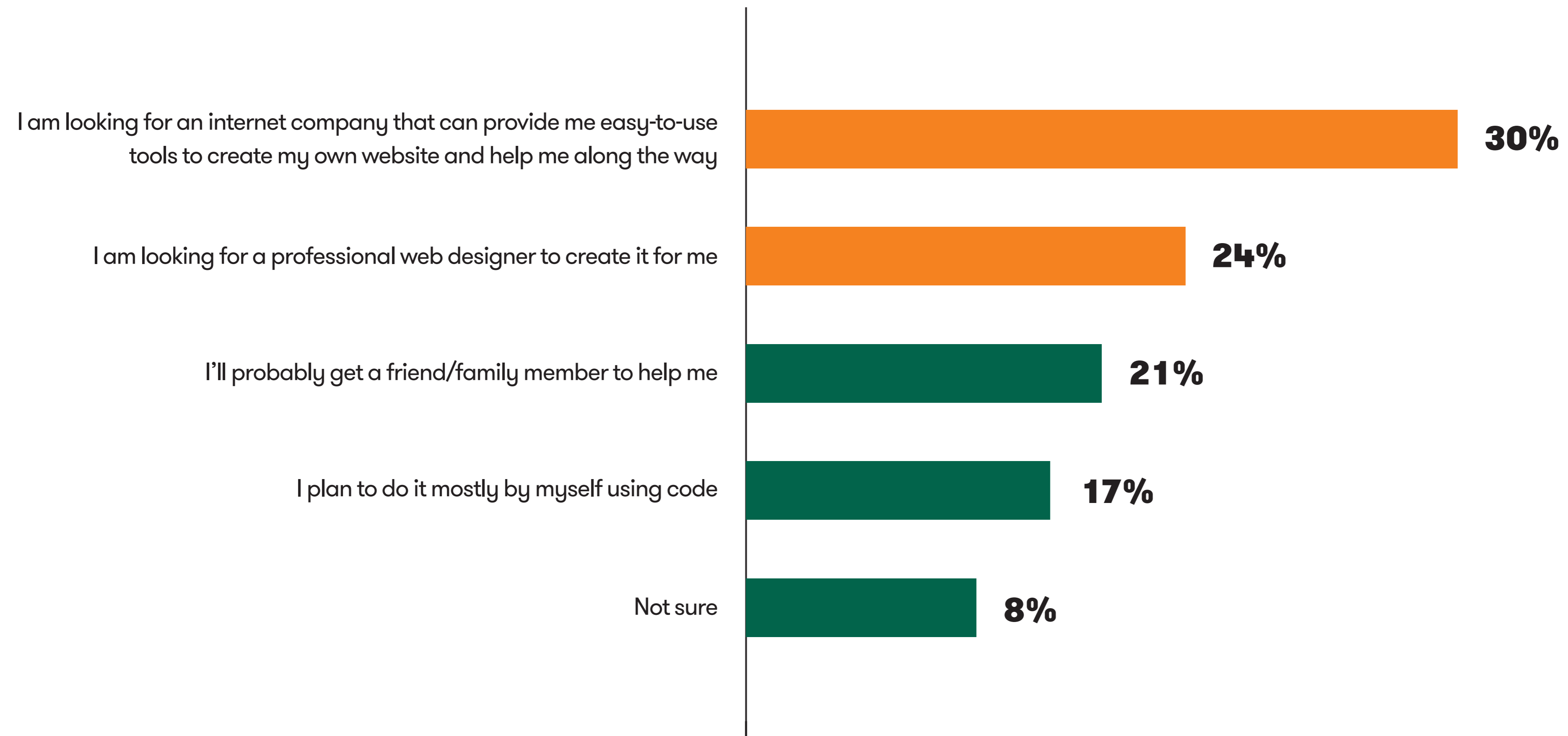
WEBSITE IN THE FUTURE

79% FEEL COMPANIES LIKE THEIR OWN WILL BE MORE LIKELY TO HAVE A WEBSITE IN THE FUTURE



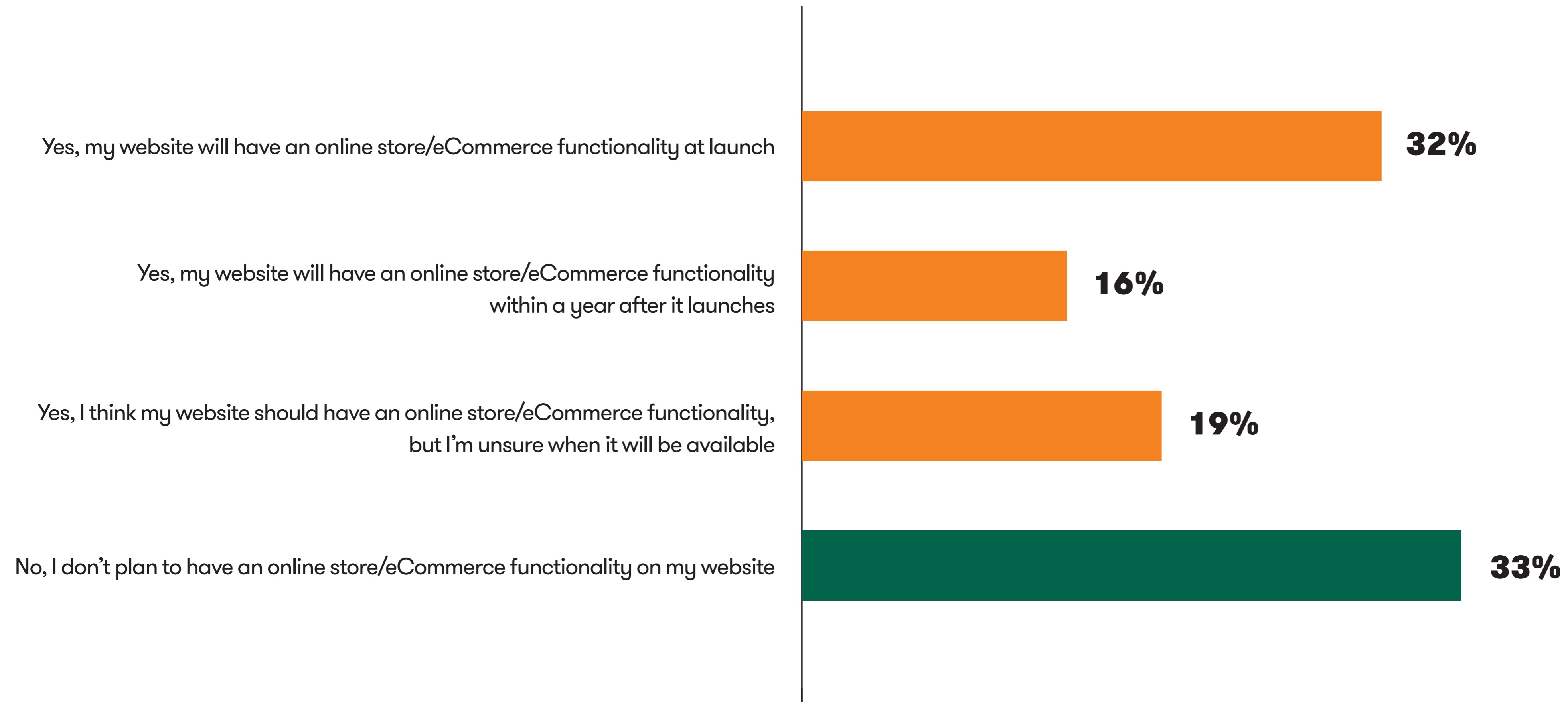
PLANS TO BUILD A WEBSITE

30% PLANNING TO BUILD A WEBSITE IN THE NEXT TWO YEARS ARE LOOKING FOR AN INTERNET COMPANY THAT CAN PROVIDE THEM WITH THE TOOLS AND HELP THEM ON THEIR WAY.



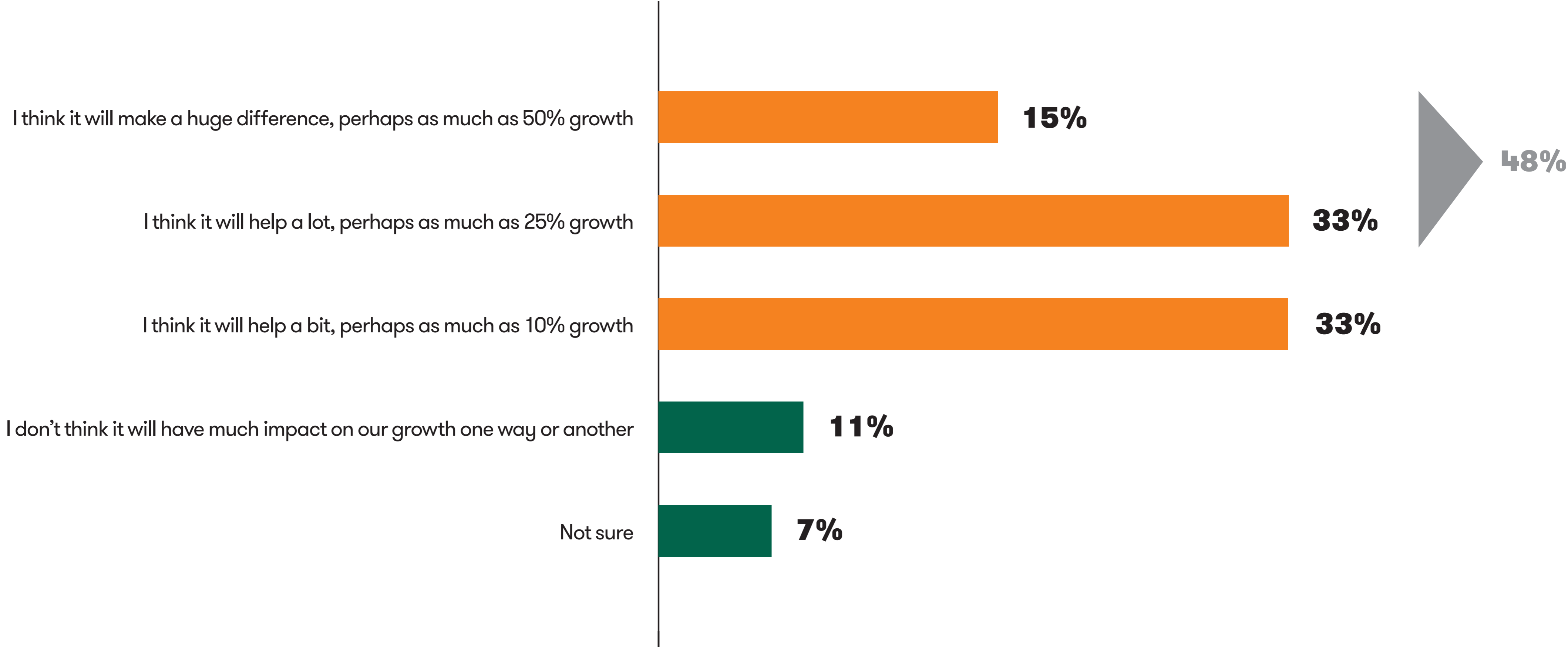
ONLINE STORE / eCOMMERCE FUNCTIONALITY

32% PLAN TO HAVE eCOMMERCE FUNCTIONALITY AT LAUNCH. 39% OF SINGLE BUSINESS OWNERS DON'T PLAN TO OFFER THIS, COMPARED TO 29% OF 2-5 PERSON BUSINESSES.



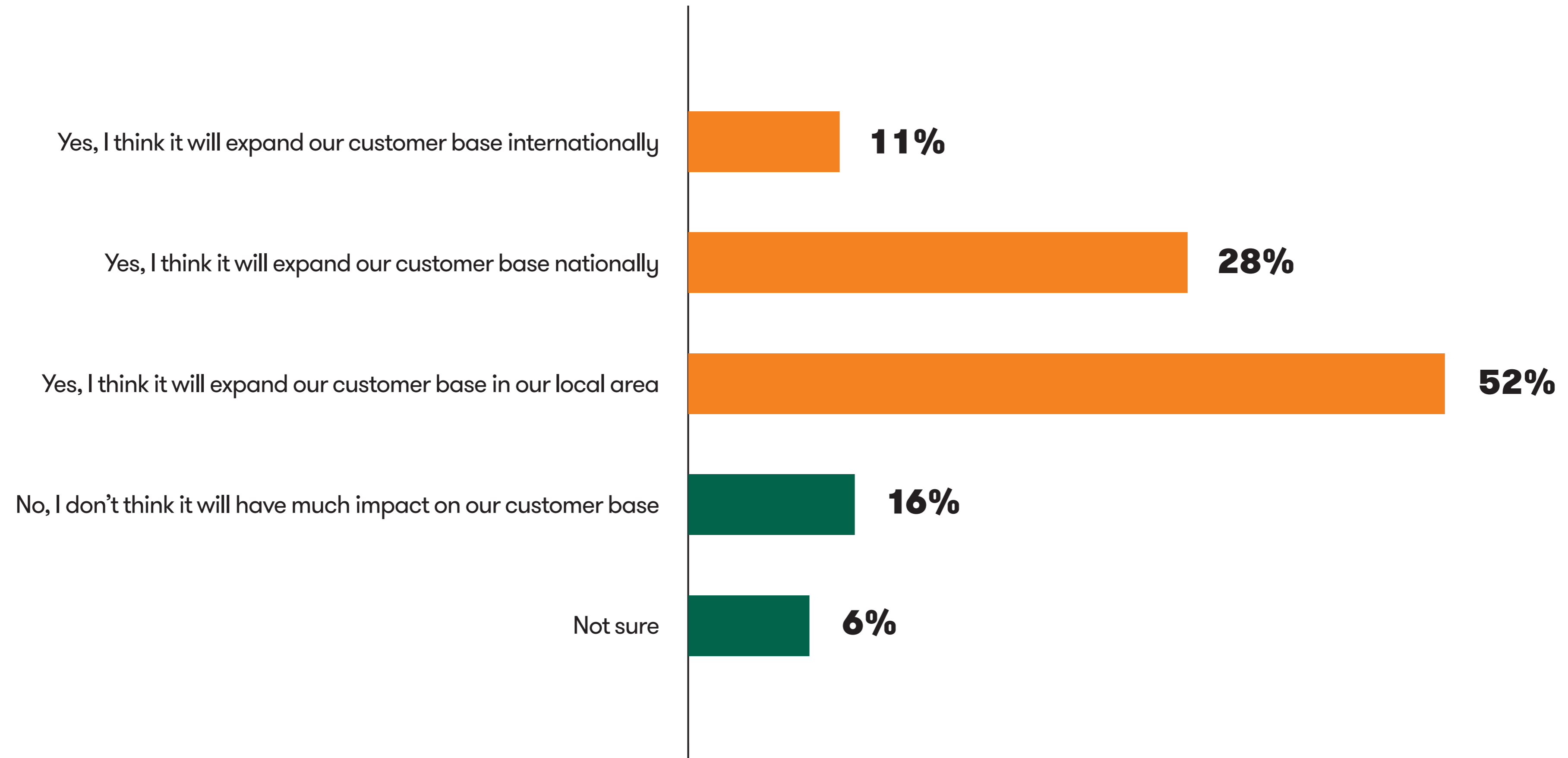
EXPECTED IMPACT OF WEBSITE ON BUSINESS

RESPONDENTS ARE POSITIVE ABOUT THE IMPACT A WEBSITE WOULD HAVE, WITH 48% THINKING IT WILL HELP AND PROVIDE MORE THAN 10% GROWTH TO THE BUSINESS.



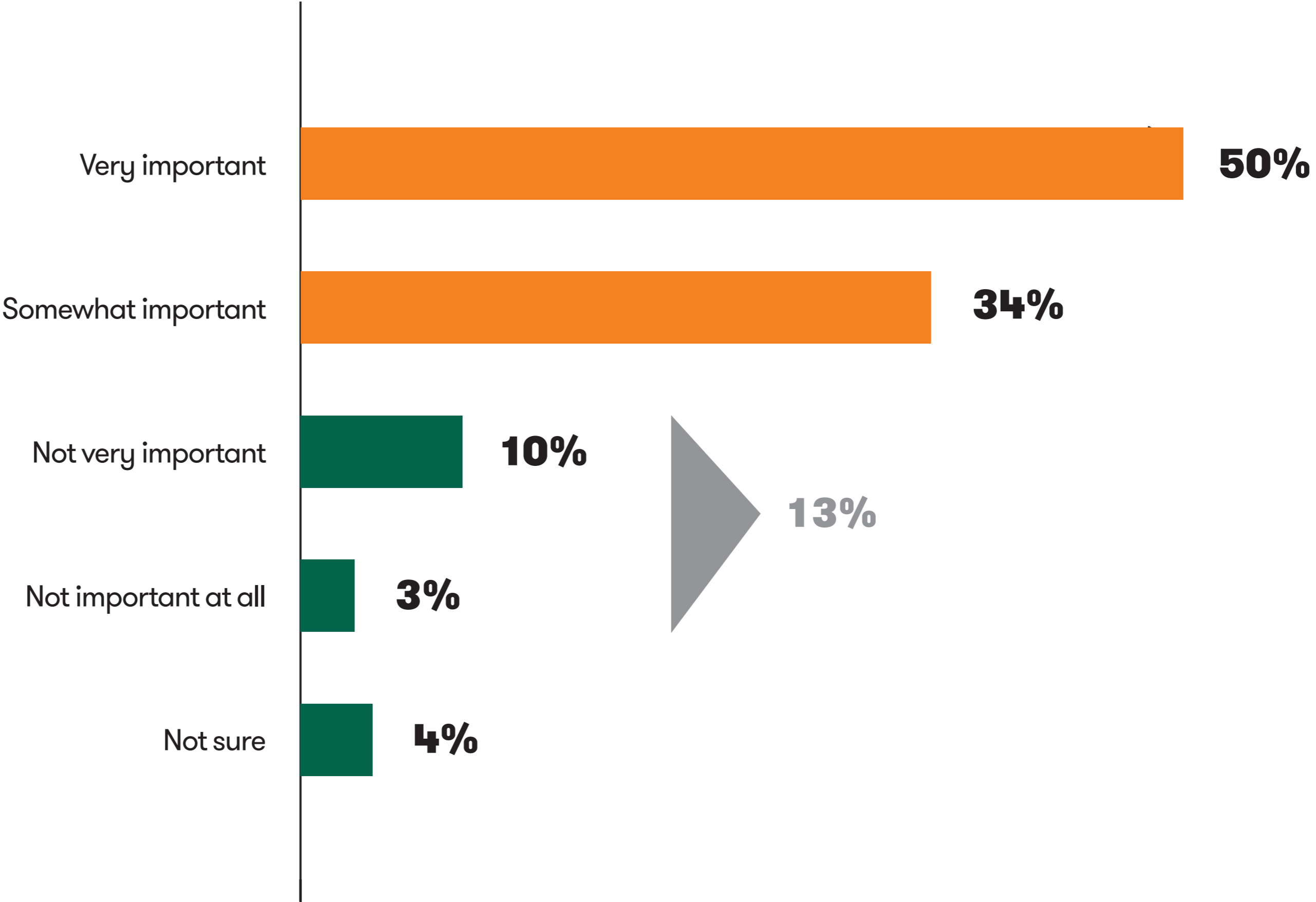
EFFECT OF WEBSITE ON CUSTOMER TYPES

78% OF THOSE PLANNING A WEBSITE THINK IT WILL EXPAND THEIR CUSTOMER BASE, EITHER LOCALLY, NATIONALLY OR INTERNATIONALLY.



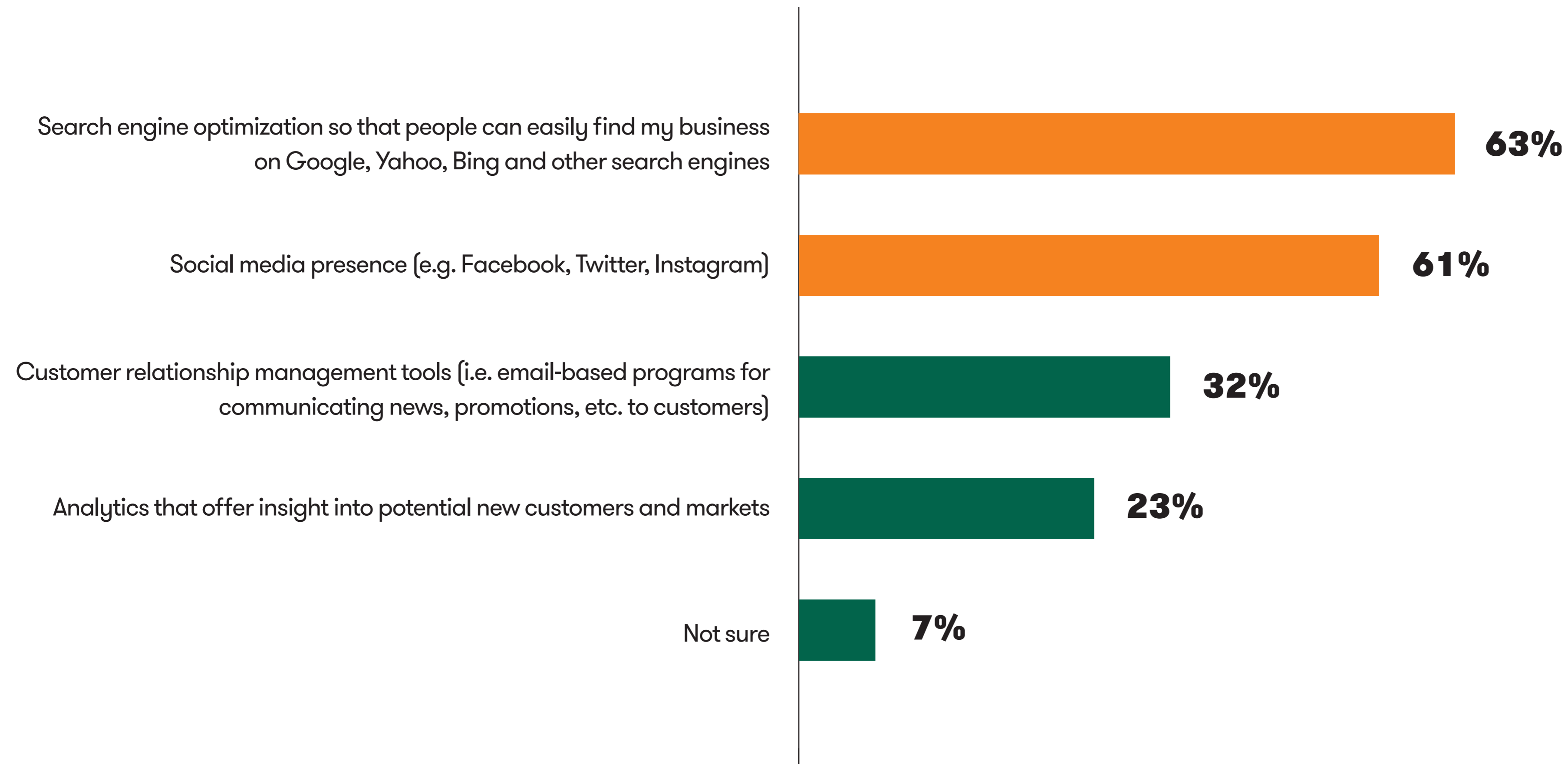
IMPORTANCE OF MOBILE-FRIENDLY WEBSITES

JUST 13% SAY THEY DON'T THINK IT IS IMPORTANT.



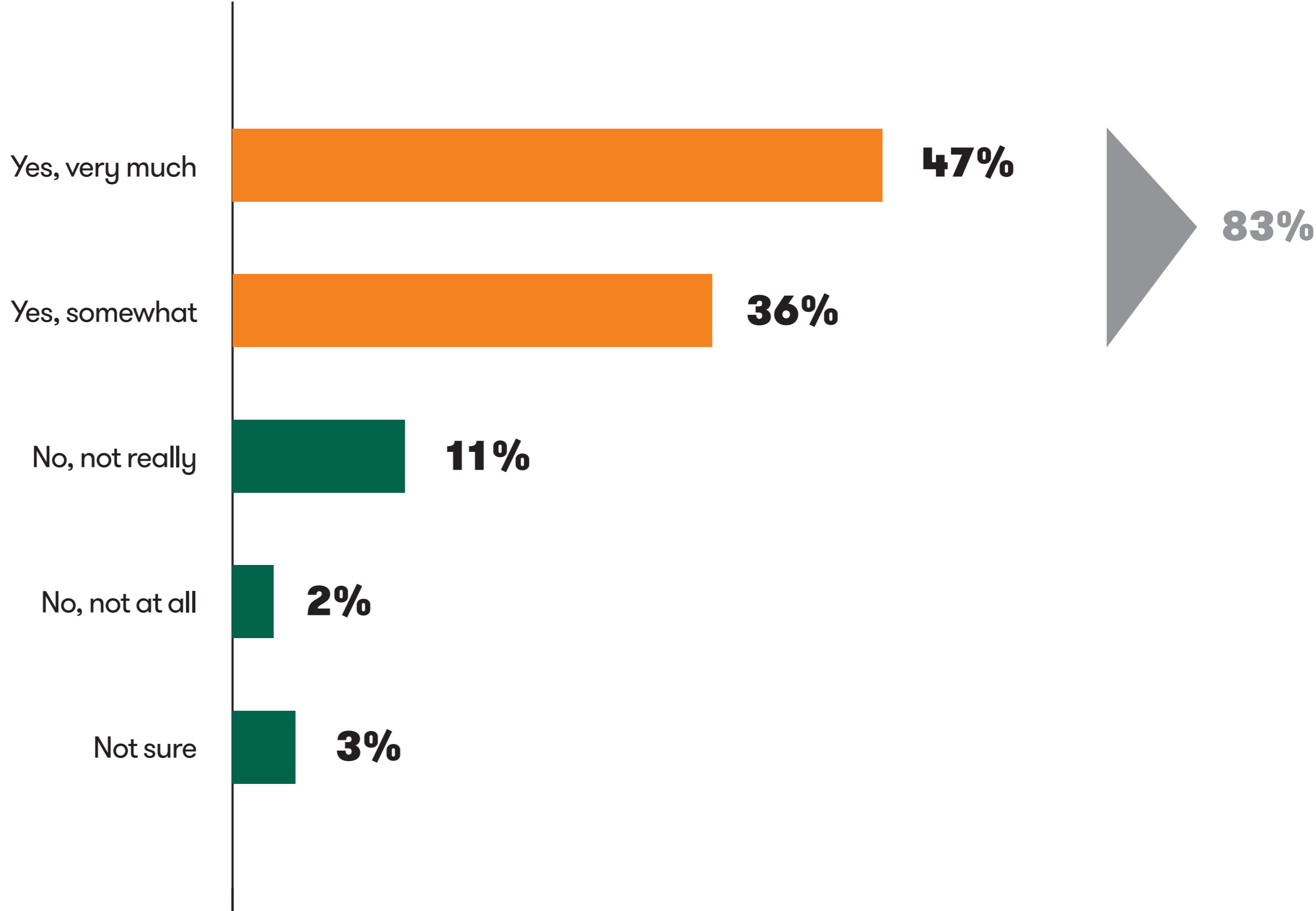
MOST HELPFUL TOOLS

SEARCH ENGINE OPTIMIZATION AND SOCIAL MEDIA PRESENCE ARE SEEN AS THE MOST USEFUL TOOLS FROM A MARKETING AND SALES STANDPOINT, AFTER BUILDING A WEBSITE.



EFFECT OF WEBSITE ON COMPETITION

83% WHO ALREADY HAVE THEIR OWN WEBSITE FEEL THAT IT GAVE THEM A COMPETITIVE ADVANTAGE OVER COMPETITORS WHO DIDN'T HAVE A WEBSITE.



GROWTH EXPECTATIONS FOR THE NEXT 3-5 YEARS

29% OF THOSE WITH NO PLANS TO BUILD A WEBSITE ARE NOT EXPECTING ANY GROWTH COMPARED TO JUST 13% WITH A WEBSITE. CONVERSELY, 43% OF THOSE WITH A WEBSITE ARE EXPECTING 10-50% GROWTH, COMPARED TO JUST 19% OF THOSE WITH NO PLANS.

