



***ViewPoints* online panel:
Ad hoc study among Canadian entrepreneurs**

September 2009





Highlights

Internet and online marketing

- > The vast majority of **entrepreneurs** in the *ViewPoints* panel **use Internet regularly** (95% every day or almost every day).
- > Entrepreneurs use Internet for **strategic** and **operational purposes**:

Strategic Purposes	Operational Purposes
Conducting various types of research (96%)	Banking (85%)
Research on direct competitors (77%)	Placing orders with suppliers (68%)
Participating in forums or associations of entrepreneurs (55%)	Online training (46%)

- > More than two-thirds of entrepreneurs surveyed (**68%**) perceive themselves to be **intermediates** or **beginners** in the field of **online marketing**.
- > Among the three-quarters of the entrepreneurs who indicated that their company has a website, **64%** of them indicated that the site gives **detailed information** about product and services, **but does not handle online transactions**.
- > Generally speaking, companies tend to **promote their website (78%)**.
 - Common means of promoting the website are:
 - To place the website address on bills, brochures or other promotional items (98% of those who promote their website)
 - Search engine optimization (64%)
 - Strategic alliances (52%)
 - e-Marketing (46%)
 - Media placement (banner, ads, etc.) (41%)
 - Less than half of those who promote their website **measure their online marketing efforts (46%)**.
 - Those who do tend to use a service offered by their **Internet service provider (53%)** or **Google Analytics (51%)**.



Highlights (cont.)

Business networks

- > A **majority** of entrepreneurs (59%) **belong** to a business **network** or an online network.
- > Their membership can be segmented in **three types of networks**:
 - > **Social** networks: LinkedIn (57%), Facebook (33%) and Twitter (25%)
 - > **Traditional** networks: Chamber of Commerce (48%), CFIB (28%) and CME (7%)
 - > **Affinity** networks: Network related to their business sector (36%), SME owners network (10%) and women entrepreneurs (5%)

Entrepreneurial stress

- > **LAST YEAR:** On a scale of 1 to 10, three out of five entrepreneurs (42%) claimed their level of stress as an entrepreneur was either **somewhat high** or **high** (score of 7+ out of 10). The average score for their perceived stress level last year is **5.9 out of 10**.
- > **THIS YEAR:** Entrepreneurs allocated an average score of **6.3 out of 10** for their stress level as an entrepreneur this year. Moreover, 61% of them rated their stress level this year a 7 or more. This proportion is **significantly higher** than that of last year.
- > Stress is **attributed to a multitude of factors**, notably:
 - Financial insecurity (71%)
 - Developing the business (52%)
 - Being the only person responsible for the business (51%)
 - Feeling responsible for employees' future (45%)
 - Spending a huge amount of time at work (38%)
- > **To manage their stress**, entrepreneurs indicated that:
 - They make sure they spend time with family and friends (64%)
 - They play a sport, practice a leisure or relaxing activity (52%)
 - They take vacation at least once a year (48%)
 - They confide in someone they trust (42%)
 - They insist on delegating tasks, so that everything does not fall on their shoulders (38%)



Highlights (cont.)

Vacation

- > As of mid-August 2009, roughly **70% of entrepreneurs** surveyed had taken **some vacation time**.
 - Most of these entrepreneurs had taken **between 5 and 10 working days (42%)** or between **11 and 15 working days (26%)** of vacation.
 - More than two-thirds (**68%**) of those who had taken some vacation time **plan on taking additional time-off** before the end of the year.
- > While on vacation, **most entrepreneurs were reachable (90%)**.
 - One-third of the entrepreneurs (33%) were reachable for emergencies and took their messages a few times, while 31% of them were always reachable and returned their calls / messages regularly.
- > More than half (**56%**) of those who **did not take** any vacation say they **will not take any vacation** this year.
 - Their main reasons for not taking time off are that they have too much work, they would have to close the business, they never take a vacation, and financial restrictions.

Concept of success

- > When asked about their own definition of “success”, the Top 3 **definitions** included the following:
 - A profitable, growing and healthy business (34%)
 - A balanced work and family life for both owners and employees (27%)
 - Financial independence (23%)
- > Entrepreneurs were then asked to rate their **own level of success** (based on their own definition). The **average score was 6.3** out of 10, which is clearly perfectible to their eyes.

Access to financing

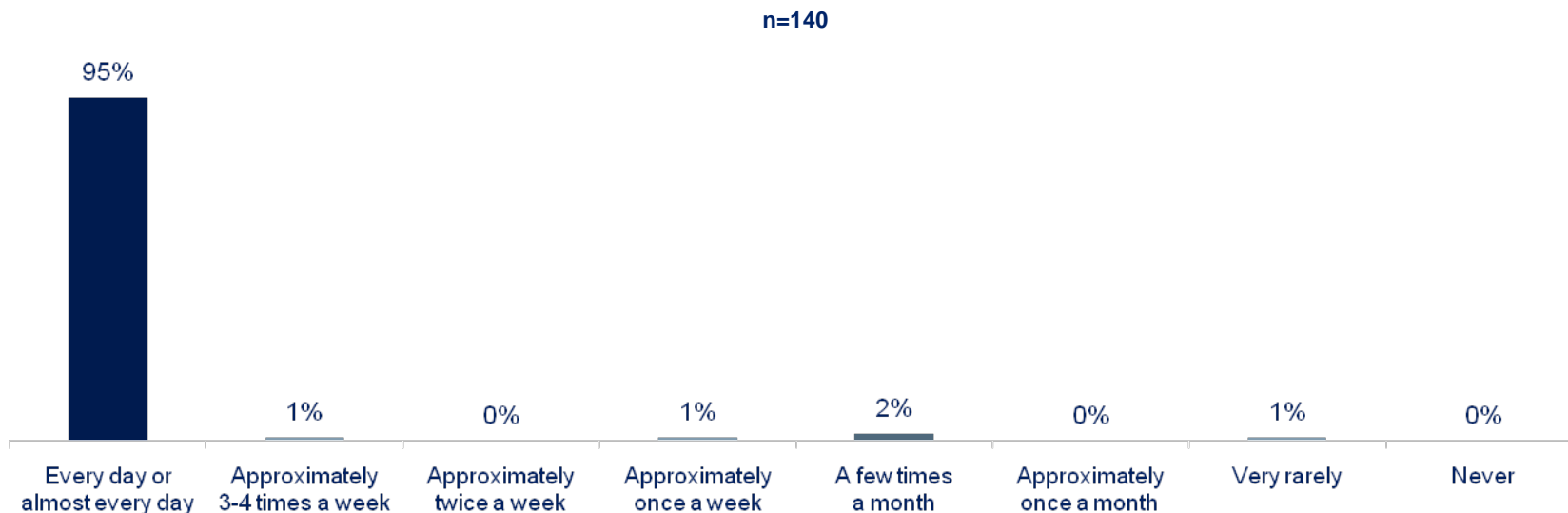
- > **Entrepreneurs still find it difficult to access adequate financing for their company**. On a scale of 1 to 10, where 1 means “very difficult”, the average score obtained when evaluating their current access to financing was 4.5 out of 10. Whereby, half of the entrepreneurs (52%) rated their company’s ability to access financing between 1 and 4.

Detailed results




Use of the Internet: Frequency

> How often do you use the Internet as an entrepreneur?



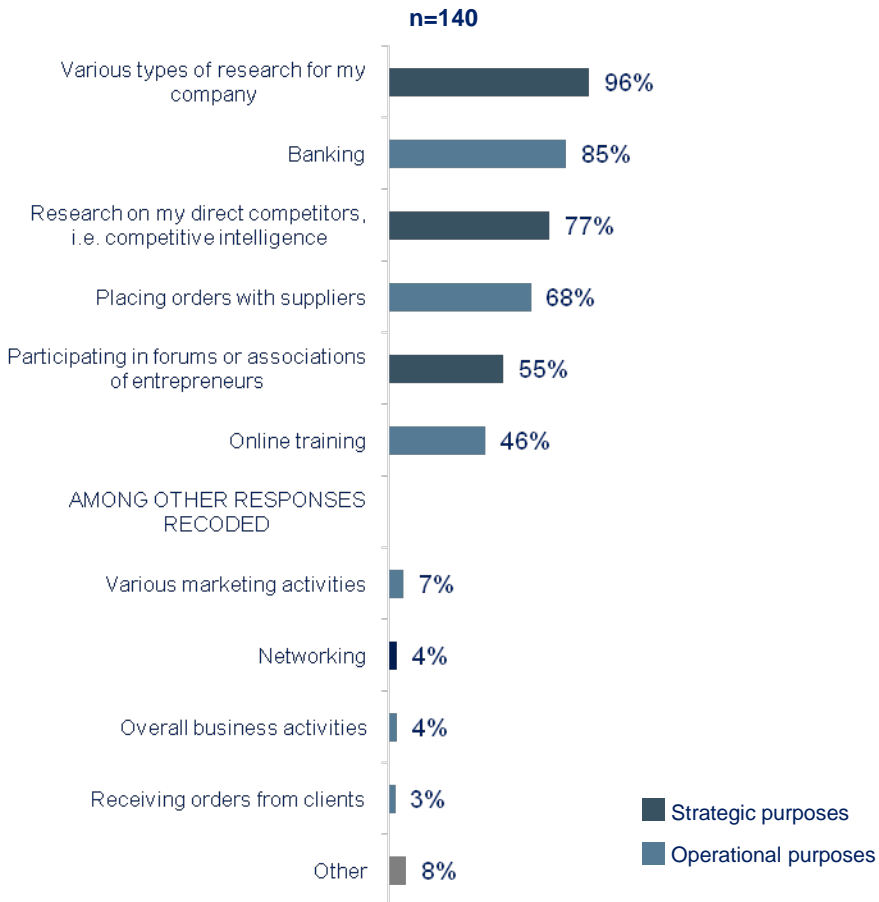
> The **vast majority** of entrepreneurs in the *ViewPoints* panel use the **Internet for business purposes every day or almost every day (95%)**.

 *It is important to remember that respondents are members of BDC's online panel; thus, they have a predisposition for using the Internet. If the survey had been conducted by telephone, the result would have been less skewed towards daily use of the Internet. According to the results obtained by CEFRIO, which conducted a telephone survey in 2009, 85% of SMEs in Québec use the Internet.*

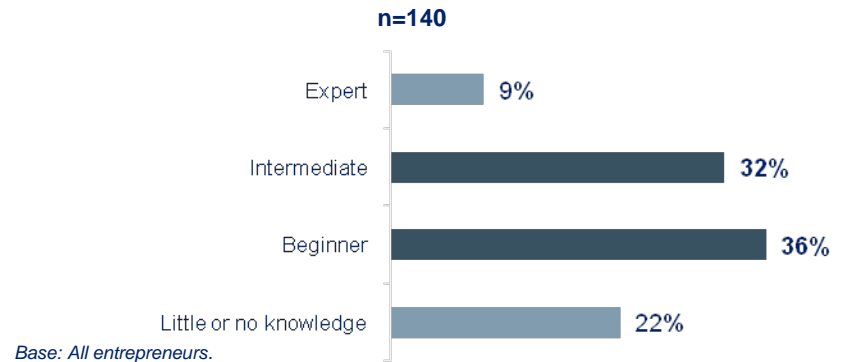


Uses of the Internet and knowledge of online marketing

> Apart from email, what do you use the Internet for?



> How do you rate your knowledge of online marketing?



> Respondents use the **Internet for strategic purposes**, their Top 3 activities are:

- Conducting various types of research for their company (96%)
- Conducting research on direct competitors (77%)
- Participating in forums or associations of entrepreneurs (55%)

> They also use the **Internet for operational purposes**:

- Banking (85%)
- Placing orders with suppliers (68%)
- Online training (46%)

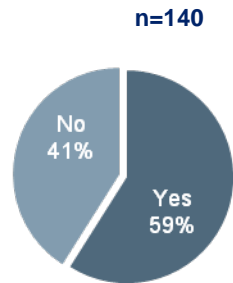
> Generally speaking, only one in ten respondents feel they are *experts* (9%) in the field of online marketing.

> Roughly two-thirds of them (68%) perceive themselves to be *intermediates* (32%) or *beginners* (36%), while one in five panellists (22%) have little or no knowledge of online marketing.



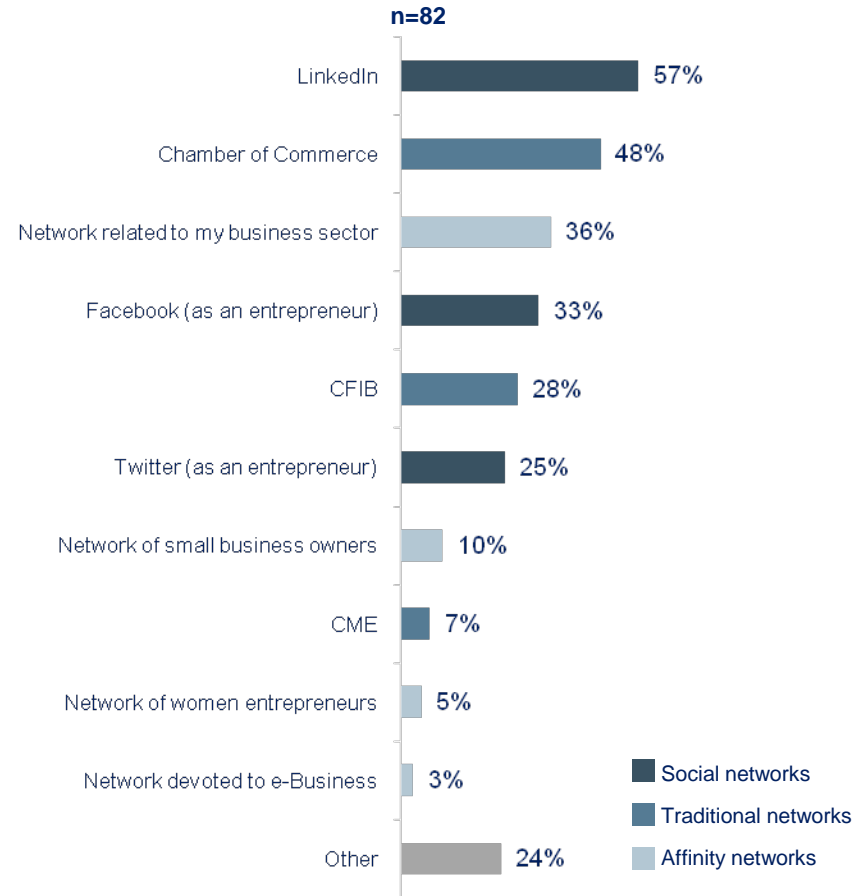
Business and online networking

> Do you belong to a business network or an online network?



Base: All entrepreneurs.

Which network(s) are you a member of?



Base: Entrepreneurs who are members of a network. Multiple mentions were allowed; therefore, total exceeds 100%.

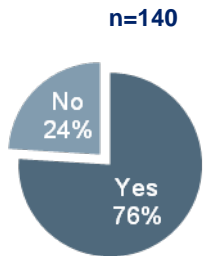
> Three out of five entrepreneurs belong to a business network or an online network (59%).

- **SOCIAL NETWORKS:** They have gained popularity in recent years and entrepreneurs have also embraced the phenomena. More than half of our panellists who belong to a network say they are members of **LinkedIn (57%)**; one-third of them are on **Facebook (33%)** as entrepreneurs and one-quarter are on **Twitter (25%)**.
- **TRADITIONAL NETWORKS:** More traditional networks, such as the **Chamber of Commerce (48%)**, and the Canadian Federation of Independent Business (**CFIB: 28%**) attract a significant number of entrepreneurs. To a much lesser extent, some panellists are members of the Canadian Manufacturers and Exporters (**CME: 7%**).
- **AFFINITY NETWORKS:** Just over one-third of network members indicated belonging to a network related to their **business sector (36%)**; **10%** joined a network of **SME owners**, **5%** are part of a network of **women entrepreneurs** and a small fraction (3%) participate in a network devoted to **e-business**.



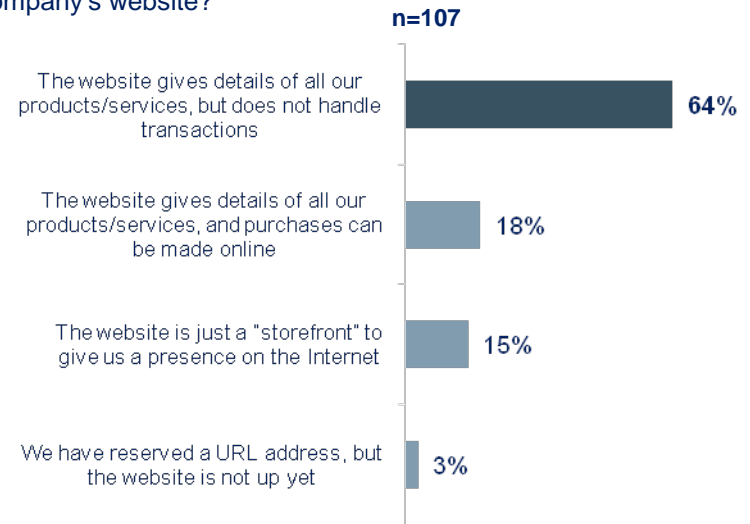
Having a website

> Does your company have its own website?



Base: All entrepreneurs.

Which of the following statements best describes your company's website?



Base: Entrepreneurs whose company has a website.

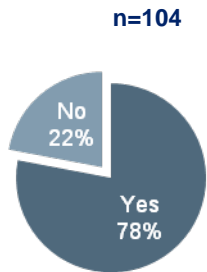
> Three-quarters of entrepreneurs on the panel (**76%**) indicated that their company **has a website**.

- Among entrepreneurs whose company has a website, for the majority (**64%**), **the company's website gives detailed information on their products and services**, but it does not handle transactions.
- One out of five respondents (**18%**) **have a transactional website**, while **15% of them have a website that serves as a "storefront"** to give them a presence on the Internet.
- All of the entrepreneurs who **reserved a URL address** (3% of entrepreneurs whose company has a website) plan on having their site online within the next year.

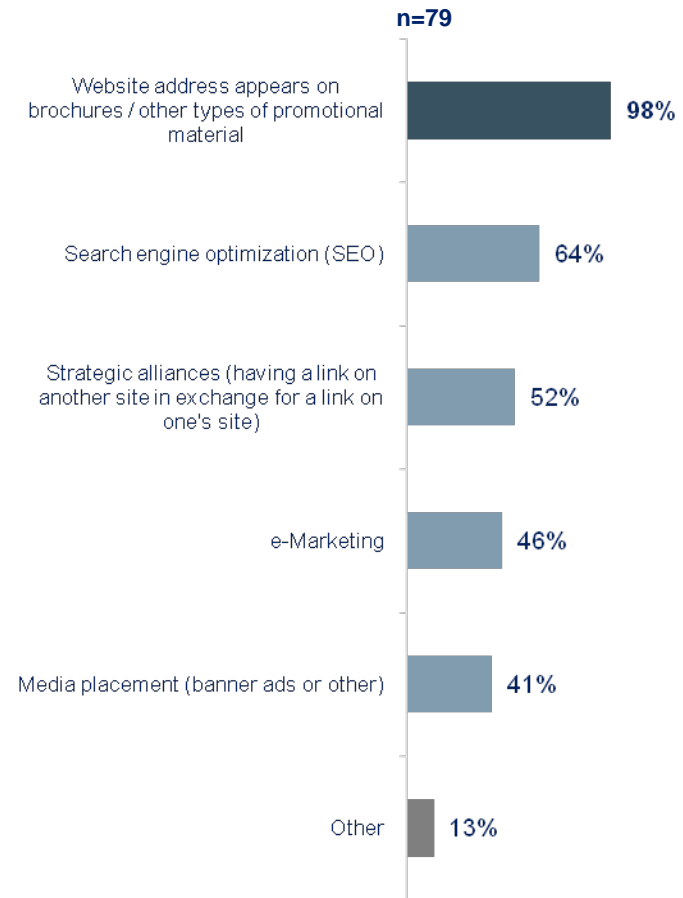


Promoting one's website

> Do you promote your website?



How do you promote your website?



Base: Entrepreneurs whose company has a website.

> Four out of five businesses (78%) promote their website.

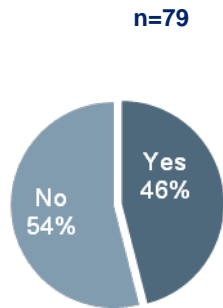
- Nearly all the entrepreneurs (98%) whose company has a website have the **address on brochures and other types of promotional items**
- Two-thirds of them (64%) make use of **search engine optimization (SEO)**
- Half of these entrepreneurs (52%) **have strategic alliances**
- Two out of five respondents promote their website through **e-Marketing (46%)** or **media placement (41%)**

Base: Entrepreneurs whose company has a website, and who promote their website. Note that multiple mentions were permitted; therefore, total exceeds 100%.



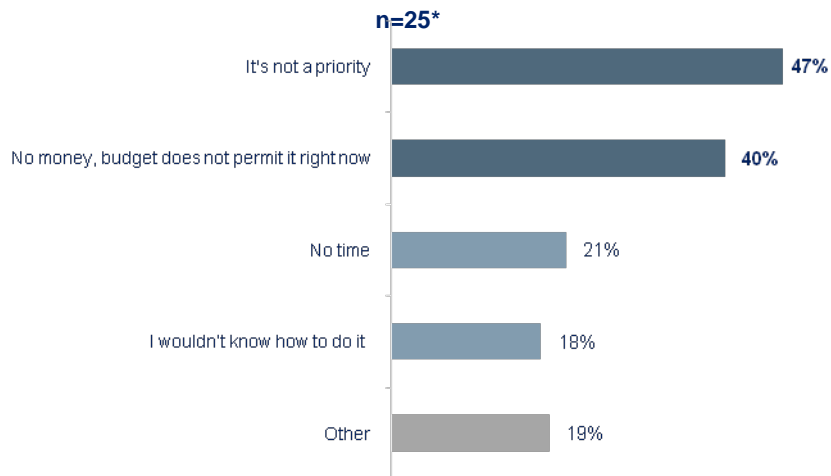
Measuring marketing efforts on the Web

> Do you measure the impact of your online marketing?



Base: Entrepreneurs whose company has a website, and who promote their website.

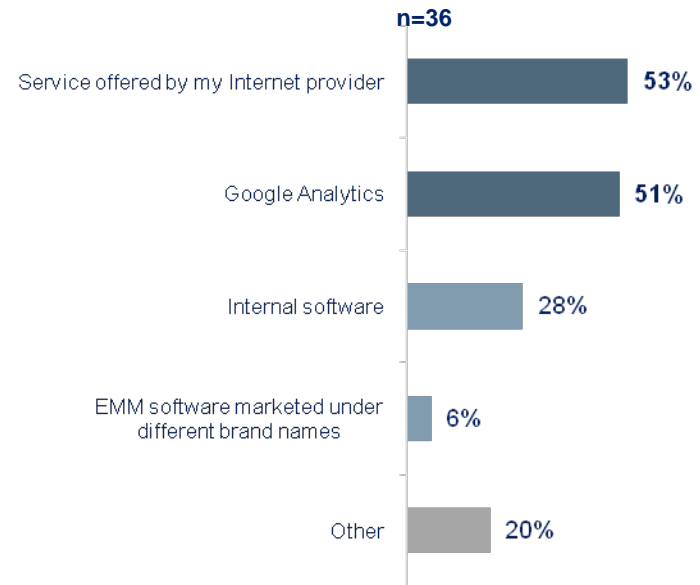
> Why don't you promote your website?



Base: Entrepreneurs who do not promote their website (c.f., graph on page 10).

* Results presented for informational purpose only. The data is not statistically significant due to the small sample size (n<30); results are to be interpreted with caution.

> What tool(s) do you use to measure the impact of your online marketing?



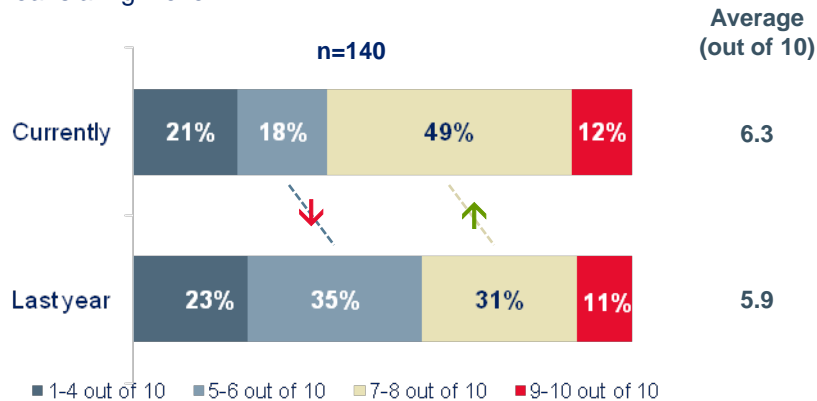
Base: Entrepreneurs who measure their marketing efforts.

- > Slightly less than half (**46%**) of entrepreneurs whose company promotes their website **measure the impact of their online marketing**.
- > The two **most popular tools** used by entrepreneurs to measure the impact of their online marketing are:
 - A service offered by their Internet provider (53%)
 - Google Analytics (51%)
- > The fact that it is **not a priority**, that their **current budget** does not permit it and a **lack of time** seems to be common reasons for not promoting their website.



Entrepreneurs' level of stress

> Please rate your own stress level as an entrepreneur on a scale of 1 to 10, where 1 means a low stress level at work and 10 means a high level:



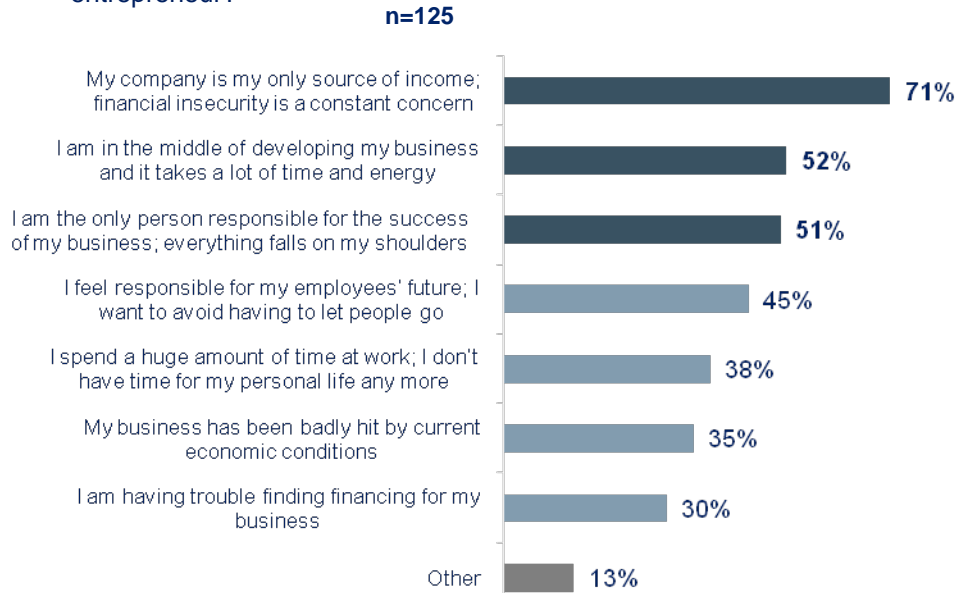
Base: All entrepreneurs.

- > On average, entrepreneurs gave a score of **6.3 on 10 for their stress level at work this year compared with 5.9 for last year.**
 - Although this increase in stress level is not statistically significant, the percentage of entrepreneurs who attributed a score of 5 or 6 last year has **decreased significantly** this year (Was 35%; Is 18%).
 - Conversely, the proportion of respondents who allocated a score of 7 and over (Was 42%; Is 61%) and a score of 7 or 8 for their stress level at work has **increased significantly** compared with last year (Was 31%; Is 49%).
 - The ratio of entrepreneurs at both ends of the spectrum has **remained the same** between 2008 and 2009.
 - Generally speaking, stress levels tend to be **higher** among respondents in **Ontario** and **Western Canada**.



What is stress attributed to and how entrepreneurs manage stress

> To what do you attribute the stress you are under as an entrepreneur?

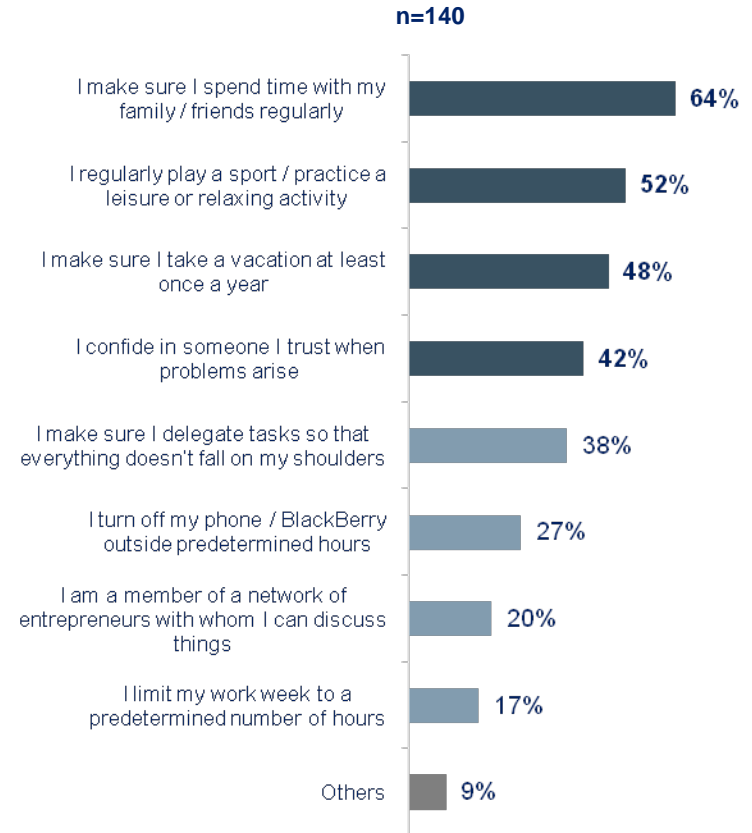


Base: Entrepreneurs who evaluate their level of stress at 3 out of 10 and above. Note that multiple mentions were permitted; therefore, total exceeds 100%.

> **Financial insecurity** (71%), the **time and energy** required to develop their business (52%) and the fact that entrepreneurs feel they are the **only person responsible for the success** of their business (51%) are the main **sources of stress** among entrepreneurs. Almost half (45%) also feel responsible for their employees' future.

> To **alleviate stress**, two-thirds of the entrepreneurs surveyed (64%) make sure they **spend time with family / friends** regularly. Physical activity (52%), taking a vacation (48%) and confiding in someone (42%) are also common methods taken by respondents to reduce stress.

> What stress management methods do you use as an entrepreneur?

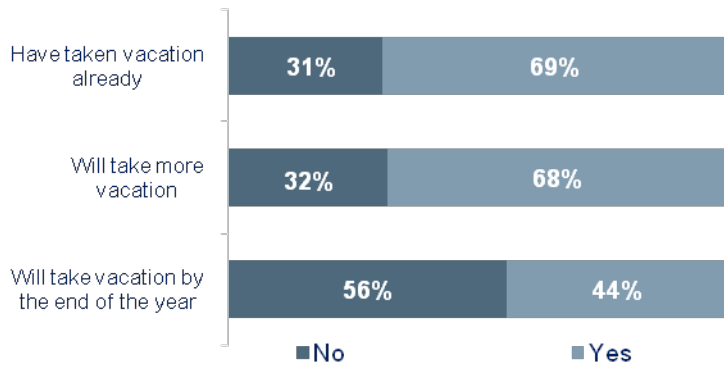


Base: All entrepreneurs. Note that multiple mentions were permitted; therefore, total exceeds 100%.



Entrepreneurs' vacation time

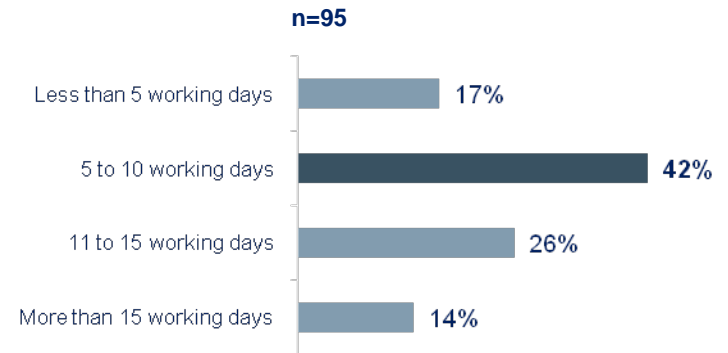
> Have you taken any vacation since the beginning of the year? Do you intend to take any / more vacation time this year?



Bases:
 Have taken some vacation since the beginning of the year: All entrepreneurs (n=140).
 Plan to take more vacation: Entrepreneurs who have already taken vacation (n=95).
 Plan to take vacation: Entrepreneurs who haven't taken vacation yet (n=45).

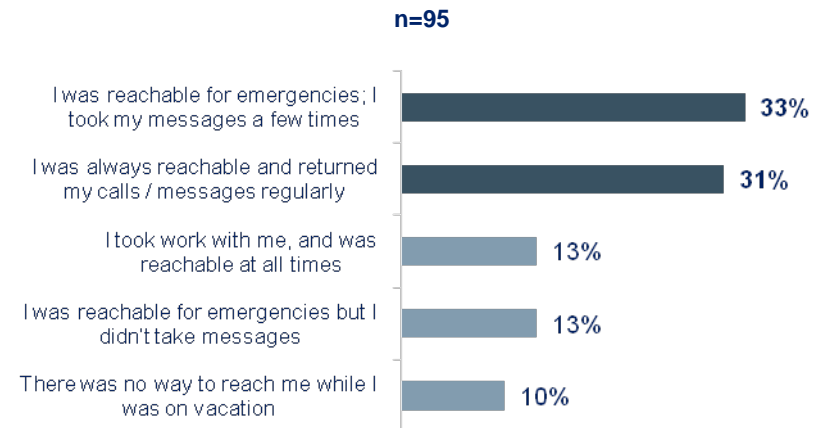
- > Up until mid-August, 69% of entrepreneurs surveyed had taken a vacation since the beginning of the year. The majority of them took **5 to 10 working days (42%)**, while another quarter of them took **11 to 15 working days (26%)**.
 - Nearly an identical proportion of respondents who had taken vacation time are planning on **taking additional vacation time later this year (68%)**.
 - For the most part, entrepreneurs on vacation were **reachable (90%)**. Some **took their messages a few times (33%)**, while others did so more **regularly (31%)**.
- > One-third of all entrepreneurs (31%) surveyed had **not taken any time off** as of mid-August 2009.
 - Among these entrepreneurs, more than half of them (56%) will **not take any vacation** before the end of the year.

> How many vacation days have you taken since the beginning of the year?



Base: Entrepreneurs who have already taken vacation this year.

> How much did you work during your vacation?



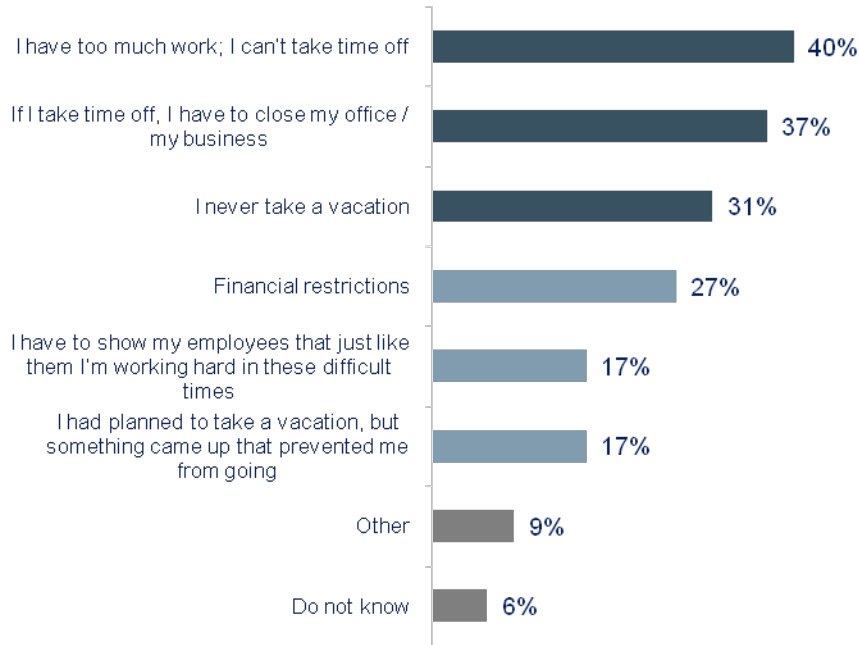
Base: Entrepreneurs who have already taken vacation this year.



Reasons not to take vacation time

> Why are you not taking any vacation this year?

n=24*



Base: Entrepreneurs who have not taken any vacation yet and who do not intend to take a vacation this year.

* Results presented for information purposes only. The data is not statistically significant due to the small sample size (n<30); results are to be interpreted with caution.

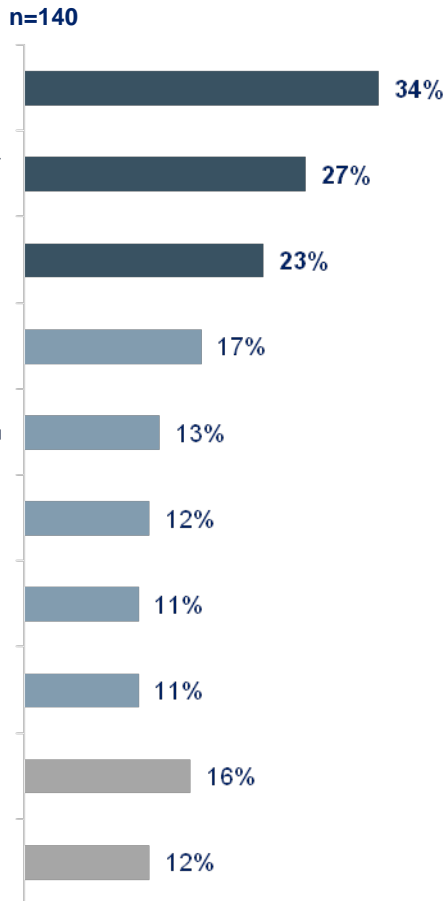
> Entrepreneurs who did not take any vacation up until mid-August 2009 and are not planning on taking any before the end of the year mentioned the following reasons most often to explain their behaviour:

- They have **too much work to go on vacation** (40%)
- If they take time off, **they will have to close the business during that period** (37%)
- They **just don't take any vacation** (31%)

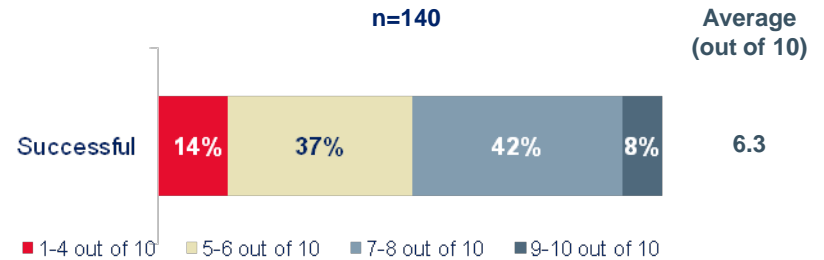


Entrepreneurs and success

> As an entrepreneur, how do you define “success”? What do you associate success with?



> According to your own definition of success, how much success do you think you are having as an entrepreneur?



> The most common definitions of success included the following elements:

- A **profitable, growing and healthy** business (34%)
- A **balanced work and family life** for both the owners and employees (27%)

- **Financial independence** (23%)

> Based on their definition of success, entrepreneurs gave themselves an overall average of **6.3 out of 10 for their own level of success**, which is clearly perfectible.

- Interestingly half of the entrepreneurs gave themselves a score of 7 or more, while the other half gave themselves a score of 6 or less.

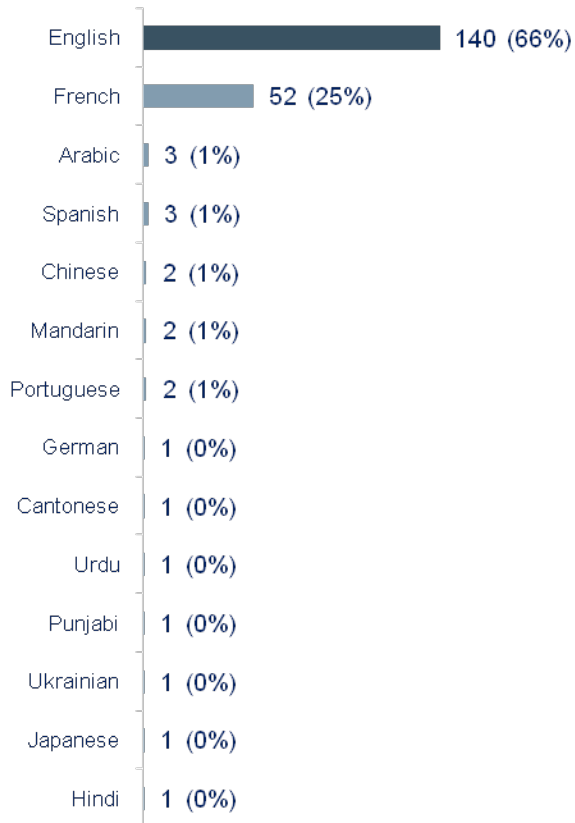
- Whether entrepreneurs view themselves as successful or not, the three main definitions of success were the same.



Business languages

> Which language do you feel most comfortable using when discussing your company's business? Are there any other languages you would like your financial institution to be able to serve you in?

Number of mentions = 211



- > A total of 211 mentions were evoked regarding the language of preference and additional languages in which panellists would like to be served by their financial institution.
- > The majority of panel members are **most comfortable using English** with their financial institution **followed by French**.
- > Other languages were mentioned by a few panellists:
 - > Spanish and Portuguese (5 mentions)
 - > Chinese, Mandarin and Cantonese (5 mentions)
 - > Arabic (3 mentions)
 - > South Asian : Urdu, Punjabi and Hindi (3 mentions)
 - > German (1 mention)
 - > Ukrainian (1 mention)
 - > Japanese (1 mention)



Canadian-born vs. immigrant entrepreneurs

> How long have you been living in Canada?



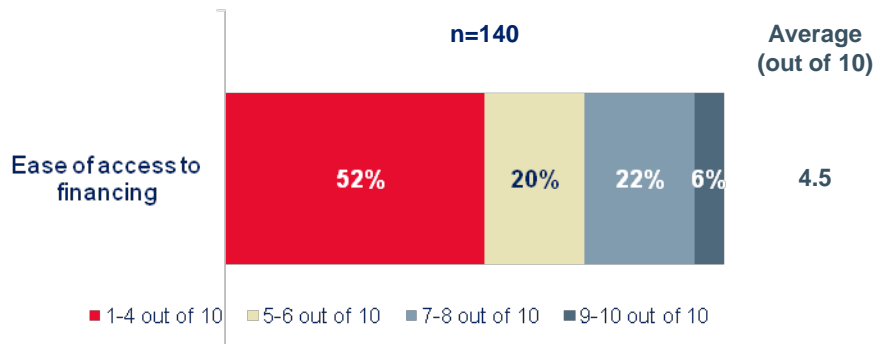
Base: All entrepreneurs, excluding "I prefer not to answer".

- > In total, **84%** of entrepreneurs who completed the survey were **born in Canada**.
- > One out of ten respondents came to Canada **more than 20 years ago (10%)**.
- > **Less than 10%** of survey respondents **came to Canada in the last 20 years**.



Access to financing

> Generally speaking, how would you rate your company's access to financing?



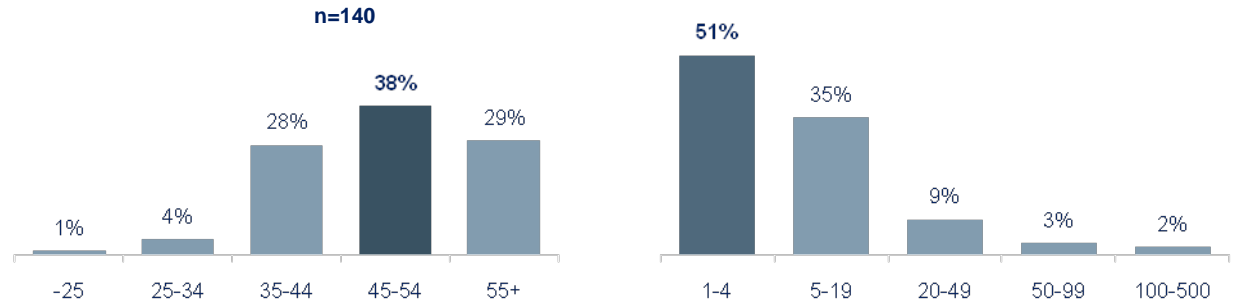
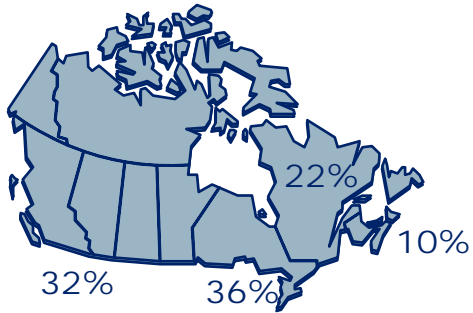
Base: All entrepreneurs.

- > On a scale of 1 to 10, where 1 means “very difficult” and 10 “very easy”, entrepreneurs gave an **average** score of **4.5 out of 10** regarding their company’s ability to **access financing**.
- > This issue remains an important problem for many entrepreneurs. In fact, half of them gave a **score between 1 and 4 for their company’s ability to access financing (52%)**.
- > Just over one-quarter of entrepreneurs surveyed (**28%**) **feel they can easily access financing for their company** (scores of 7+ out of 10).
- > Finally, one in five respondents (**20%**) **are relatively ambivalent** regarding their company’s access to financing (scores of 5 and 6 out of 10).

Respondent profile



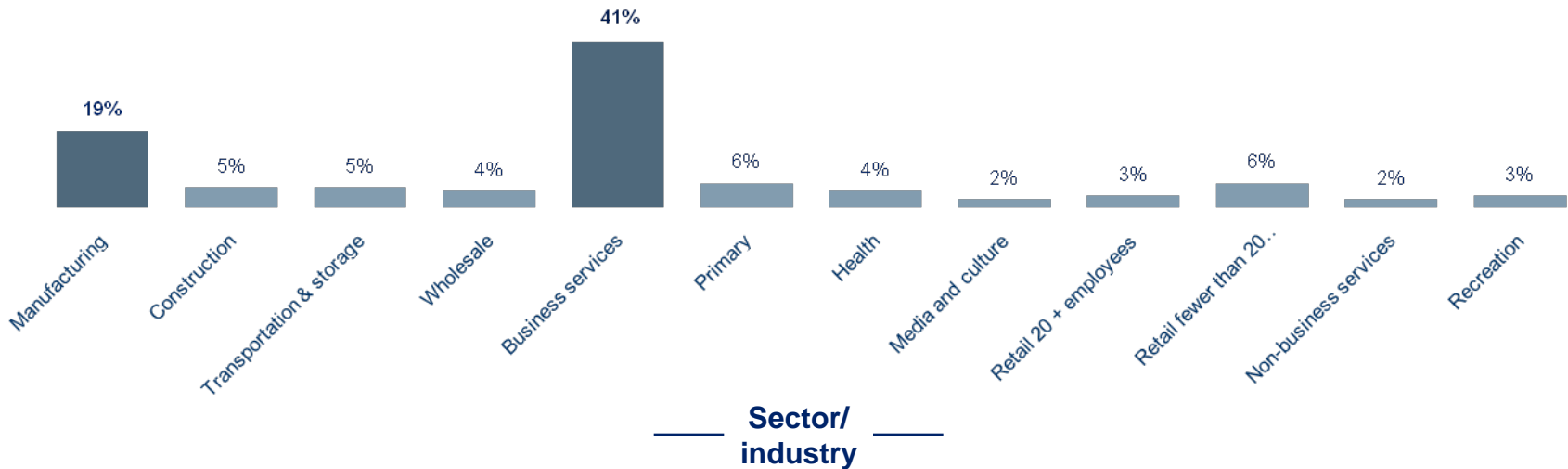
Respondent profile



Region

Age

Number of employees

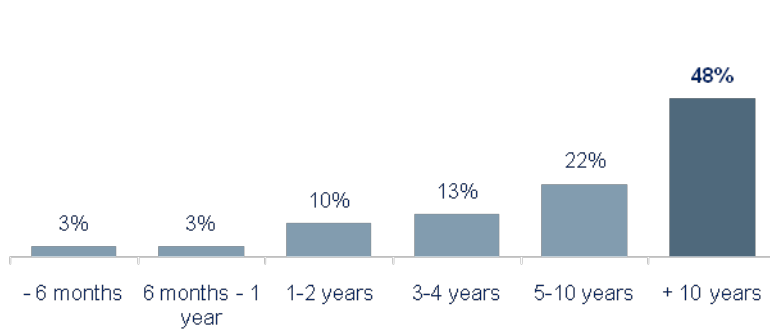


Sector/industry

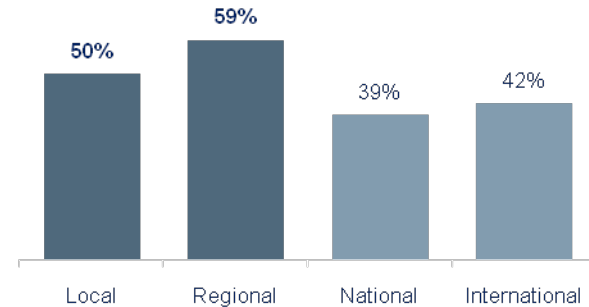
Base: All entrepreneurs. Note that results have been weighted by region and business size to be representative of the Canadian SME population.



Respondent profile (cont.)

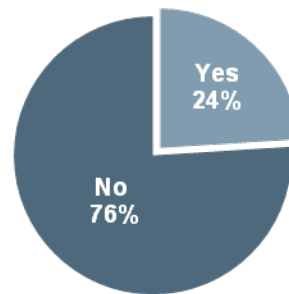


Number of years in business



Note: Multiple mentions were permitted. This question leaves room for interpretation, in that market could be perceived as existing or potential.

Company's market



BDC client

Survey methodology



Survey methodology

Survey methodology

- > We surveyed **entrepreneurs** who were members of the *ViewPoints* panel as of August 18, 2009. Panellists received an **email invitation** to participate in the study. This **online study** was conducted between **August 18 and 28, 2009**.
- > Results of the survey were **analyzed internally** by the BDC Marketing Research team.
- > A total of **140 entrepreneurs** completed the survey. Details pertaining to distribution are provided in the last section of this report.
- > Results were **weighted** according to the **size of the firm** and **region**. This was done in order to obtain results that are representative of the Canadian SME population.

Note: At the present time, the MRIA prevents its members from attributing a margin of error to surveys conducted online. In their opinion, online surveys are not a probabilistic sample. A probability sampling scheme is one in which every unit in the population has a chance (greater than zero) of being selected in the sample, and this probability can be accurately determined.

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