Post-COVID technology adoption and use of online services

Survey results – BDC ViewPoints

December 2020
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01. Survey highlights
The pandemic has caused significant changes in the use of technology. The **increase in teleworking** is strong and in the coming months, SMEs are mainly planning to increase their **online marketing activities** and their **investments** in technology in general.

### Increased vs. pre-COVID period

- **Teleworking**: 62%
- **Investment in technology**: 57%
- **Online marketing activities**: 53%
- **Business’s online offering**: 46%
- **Automation of some activities**: 46%

### Will increase in the next 12 months

- **Online marketing activities**: 69%
- **Investment in technology**: 67%
- **Business’s online offering**: 62%
- **Automation of some activities**: 57%
- **Teleworking**: 41%
Most respondents said the pandemic accelerated their adoption of technology, which in turn helped them cope. Larger businesses noted this even more.

63% said that the pandemic accelerated their adoption of technology
decisively higher among...

- 100+ employees: 88%
- $10M+ sales: 81%

64% said that technology has made it easier to deal with the pandemic
decisively higher among...

- 50+ employees: 84%
- $10M+ sales: 81%
Applying for financing online is more common than ever before, but more work needs to be done to streamline the process and raise awareness of what is available for Canadian SMEs.

56% of SMEs have made an online request for financing

Small businesses and those in the private services and retail sectors are more likely to have made such a request.

Why they did not do it

38% Prefer to speak with an advisor
17% Have not consider this option
11% Are concerned that their request may be refused
35% Have not needed financing

Those who did it at least once...

80% Have made a request since the beginning of the COVID-19 crisis

Most recently applied via:

Bank 57%
BDC 37%
Credit union 11%
Most SME owners are **not quite familiar** with the concept of **open banking**. That being said, two in five would be open to the idea of having their financial data accessible and shared.

![Image](image-url)

- **27%** said they are **familiar** with the concept of **open banking**
- **42%** said they would be **open** to the idea of having their business’s financial data accessible and shared

**Significantly higher among…**

- **46%** Technology, information and cultural industries sector
- **30%** English-speakers

- **56%** Technology, information and cultural industries sector
- **50%** Those familiar with the concept of open banking
Familiarity with **marketplace platforms** is quite high but most SME owners do not trust them. **Online sales services platforms** are not as known; however, they are more trusted.

<table>
<thead>
<tr>
<th><strong>84%</strong></th>
<th>are familiar with marketplace platforms</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>64%</strong></td>
<td>are familiar with online sales services platforms</td>
</tr>
</tbody>
</table>

would trust them for...

- Financing their clients' purchases: 40%
- Hosting their data securely: 32%
- Offering financing for their business: 24%

- Financing their clients' purchases: 46%
- Hosting their data securely: 40%
- Offering financing for their business: 28%

SMEs in the **technology, information and cultural industries** sector, companies with **less than 5 employees** and **English-speakers** are more likely to be familiar with such platforms.
02. Methodology
Methodology

Survey methodology
Online survey.

Respondent profile
Business owners and business decision-makers from the BDC ViewPoints panel.

Survey dates
December 1-11, 2020

Margin of error
For a probability sample of 780 respondents, the maximum margin of error is ± 3.5 percentage points, 19 times out of 20. However, as this survey is based on a non-probability sample, this information is provided for reference only.

Data processing and analysis
Were performed by the BDC Research and Market Intelligence team.

Weighting factors
Results were weighted by region and number of employees to be representative of the Canadian SME population.

Note: Respondents who preferred not to answer were excluded from the calculation base. Other exclusions are detailed on the slide, when appropriate.
03. Detailed results
03.1 Technology adoption
Regarding technology, the area with the **greatest increase** compared to the pre-COVID period is **teleworking**. The larger the company, the more likely it is to have increased its use of technology.

S2Q1 When it comes to **technology**, how does the current situation **compare** to what it was before the COVID-19 crisis on each of the following aspects?

<table>
<thead>
<tr>
<th>Aspect</th>
<th>Decreased a lot</th>
<th>Decreased slightly</th>
<th>The same</th>
<th>Increased slightly</th>
<th>Increased a lot</th>
</tr>
</thead>
<tbody>
<tr>
<td>Teleworking in your company</td>
<td>2%</td>
<td>1%</td>
<td>35%</td>
<td>25%</td>
<td>36%</td>
</tr>
<tr>
<td>Your investments in technology</td>
<td>4%</td>
<td>3%</td>
<td>36%</td>
<td>39%</td>
<td>18%</td>
</tr>
<tr>
<td>Your online marketing activities</td>
<td>5%</td>
<td>3%</td>
<td>38%</td>
<td>27%</td>
<td>26%</td>
</tr>
<tr>
<td>Your business’s online offering</td>
<td>2%</td>
<td>2%</td>
<td>50%</td>
<td>24%</td>
<td>23%</td>
</tr>
<tr>
<td>Automation of some of your activities</td>
<td>1%</td>
<td>1%</td>
<td>52%</td>
<td>32%</td>
<td>14%</td>
</tr>
</tbody>
</table>

**Total Increased:**
- Teleworking in your company: **62%**
- Your investments in technology: **57%**
- Your online marketing activities: **53%**
- Your business’s online offering: **46%**
- Automation of some of your activities: **46%**

**Base:** All qualified respondents (n=654-744). Those who did not know or preferred not to answer were excluded from the calculation base.
In the next 12 months, entrepreneurs mainly plan to increase their **online marketing activities** and **investments in technology**. More than half plan to keep **teleworking** at the same level.

S2Q2 How do you see the situation **evolving in the next 12 months** on these aspects related to **technology**?

<table>
<thead>
<tr>
<th>Aspect</th>
<th>Total Will increase:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Your online marketing activities</td>
<td>69%</td>
</tr>
<tr>
<td>Your investments in technology</td>
<td>67%</td>
</tr>
<tr>
<td>Your business’s online offering</td>
<td>62%</td>
</tr>
<tr>
<td>Automation of some of your activities</td>
<td>57%</td>
</tr>
<tr>
<td>Teleworking in your company</td>
<td>41%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Will decrease a lot</th>
<th>Will decrease slightly</th>
<th>The same</th>
<th>Will increase slightly</th>
<th>Will increase a lot</th>
</tr>
</thead>
<tbody>
<tr>
<td>Will decrease a lot</td>
<td>Will decrease slightly</td>
<td>The same</td>
<td>Will increase slightly</td>
<td>Will increase a lot</td>
</tr>
<tr>
<td>3%</td>
<td>2%</td>
<td>26%</td>
<td>36%</td>
<td>34%</td>
</tr>
<tr>
<td>2%</td>
<td>2%</td>
<td>29%</td>
<td>48%</td>
<td>19%</td>
</tr>
<tr>
<td>2%</td>
<td>2%</td>
<td>35%</td>
<td>34%</td>
<td>28%</td>
</tr>
<tr>
<td>2%</td>
<td>1%</td>
<td>41%</td>
<td>38%</td>
<td>19%</td>
</tr>
<tr>
<td>2%</td>
<td>5%</td>
<td>52%</td>
<td>25%</td>
<td>16%</td>
</tr>
</tbody>
</table>

*Base: All qualified respondents (n=678-750). Those who did not know or preferred not to answer were excluded from the calculation base.*
Almost two thirds of respondents said the pandemic **accelerated** their adoption of technology. Only 5% said it slowed it down.

S2Q3 To what extent has the pandemic **impacted technology adoption** in your company? In general, would you say that the pandemic...

- **Greatly accelerated**: 24%
- **Somewhat accelerated**: 39%
- **Did not change**: 32%
- **Somewhat slowed**: 4%
- **Greatly slowed**: 1%

**Total “Accelerated”**: 63%

**Accelerated**
Significantly **higher** proportion among:
- SMEs with 100+ employees (88%)
- Those with $10M+ annual sales (81%)
- Services: Professional, scientific and technical finance and insurance sector (71%)

*Base: All qualified respondents (n=771). Those who did not know or preferred not to answer were excluded from the calculation base.*
While most respondents said that technology helped them deal with the impact of the pandemic, about one in six said that it has made things more complicated, especially for retail businesses.

S2Q4 And how has technology helped you deal with the impact of the pandemic on your business? Overall, would you say that technology has made things...

**Easier**
Significantly higher proportion among:
- Those with 50+ employees (84%+)
- Those with $10M+ annual sales (81%)
- Services: Professional sector SMEs (75%)
- Quebec businesses (73%)
- French-speakers (72%)

**More complicated**
Significantly higher proportion among:
- Those in the retail sector (25%)

<table>
<thead>
<tr>
<th></th>
<th>Easier</th>
<th>Total “Easy”</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>A lot easier</td>
<td>23%</td>
<td>64%</td>
<td></td>
</tr>
<tr>
<td>A little easier</td>
<td>42%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>No impact</td>
<td>22%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total “Complicated”</td>
<td></td>
<td>14%</td>
<td></td>
</tr>
</tbody>
</table>

**Graphical Representation**

- **Easier**
  - A lot easier: 23%
  - A little easier: 42%
  - No impact: 22%

- **More complicated**
  - A little more complicated: 11%
  - A lot more complicated: 3%

*Base: All qualified respondents (n=778). Those who did not know were excluded from the calculation base.*
03.2 Online financing services
Most respondents say they prefer the autonomy of online services, at least in part, for their financial affairs. Less than one in ten prefer to be systematically accompanied.

S3Q1 In the past few years, an increasingly wide range of services have been made available to businesses that wish to do business online for their financial needs, among other things. Generally speaking, what is your personal preference in this regard?

- **I prefer to be autonomous and do everything online on my own**
- **I prefer to have someone to accompany me in my transactions**
- **Sometimes I prefer to do things myself, sometimes I prefer to be accompanied**
- **No preference**

**Autonomous**

Significantly higher proportion among:
- Services: Professional sector SMEs (52%)
- Those with <5 employees (47%)
- Business with <$2M sales (45%)

**Base:** All qualified respondents (n=780).
More than half of respondents have requested financing online at least once for their business. From those, 80% did it since the beginning of the COVID-19 crisis, mostly through a bank or BDC.

S3Q2 Have you ever made an online request for financing for your business?

- 44% More than one
- 36% Once
- 20% Never

At least once

S3Q3 And have you made an online request for financing for your business since the beginning of the COVID-19 crisis?

- 80% Yes
- 20% No

S3Q4 Thinking about your most recent online request for financing for your business, where did you apply for this loan?

- 57% Bank
- 37% BDC
- 11% Credit union
- 10% Government
- 6% Lender that only offers online financing
- 5% Other

Base: S3Q2: All qualified respondents (n=761). S3Q3-S3Q4: Those who made a request for financing online (n=412-397). Those who did not know were excluded from the calculation base. Multiple mentions were allowed for S3Q4, therefore total exceeds 100%.
The main reason why some entrepreneurs have never made an online financing request yet is because they prefer to speak with an advisor.

S3Q5 Why have you never made an online financing request for your business?

- I prefer to speak with an advisor: 38%
- I have not considered this option: 17%
- I am concerned that my request may be refused: 11%
- I am concerned about the security of my personal information: 10%
- I don't trust online lenders: 9%
- I'm not comfortable enough with technology: 1%
- Other: 2%
- We have not needed financing: 35%
- No particular reason: 5%

Speak to an advisor

Significantly higher proportion among:
- SMEs in the accommodation and food services sector businesses (82%)
- Those in the construction sector (60%)
- Businesses in the Prairies (50%)
- Those with >$2M annual sales (49%+)

Base: Those who never made an online request for financing for their business (n=356). Multiple mentions were allowed, therefore total exceeds 100%.
Entrepreneurs said that simplifying the online application process, sending them more offers and reducing the time it takes to get the money would entice them to use online application services.

S3Q6 What could entice you to use online application services the next time you need money for your business?

- Simplifying the online application process: 45%
- Sending me more offers so that I am aware of what exists: 33%
- Reducing the time it takes for me to get the money: 31%
- Increasing the loan limit: 20%
- Reducing the number of questions asked: 19%
- Using information about my business held by another financial institution: 11%
- Online services already are the option I prefer: 16%
- Nothing would make me want to change my habits: 13%
- Other: 2%

**Base:** All qualified respondents (n=780). Only answers with 2%+ respondents are presented. Multiple mentions were allowed, therefore total exceeds 100%.
Only a quarter of the respondents are familiar with the concept of open banking. Even so, nearly two in five would be open to the idea of accessing and sharing their financial data.

<table>
<thead>
<tr>
<th>S3Q7 How familiar are you with the concept of open banking? Would you say that you are…?</th>
<th>S3Q8 How open would you be to the idea of having your business's financial data accessible and shared?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very familiar</td>
<td>8%</td>
</tr>
<tr>
<td>Somewhat familiar</td>
<td>20%</td>
</tr>
<tr>
<td>Heard the term without knowing what it means</td>
<td>25%</td>
</tr>
<tr>
<td>Never heard of this concept before</td>
<td>47%</td>
</tr>
<tr>
<td>Very open</td>
<td>8%</td>
</tr>
<tr>
<td>Somewhat open</td>
<td>34%</td>
</tr>
<tr>
<td>Not very open</td>
<td>29%</td>
</tr>
<tr>
<td>Not open at all</td>
<td>29%</td>
</tr>
</tbody>
</table>

**Familiar**

Significantly higher proportion among:
- SMEs in technology, information and cultural industries sector (46%)
- English-speakers (30%)

**Open**

Significantly higher proportion among:
- SMEs in technology, information and cultural industries sector (56%)
- Those familiar with the concept of open banking (50%)

**Total “Familiar”**

27%

**Total “Open”**

42%

*Base: All qualified respondents (n=780-743). Those who did not know were excluded from the calculation base.*
Most entrepreneurs are familiar with marketplace platforms such as Amazon or Walmart and almost a third are using or have used these services before.

S3Q9 How familiar are you with marketplace platforms such as Amazon or Walmart, for example, which allow companies to sell their products?

<table>
<thead>
<tr>
<th>Familiarity</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very familiar: We are using or have used these services before</td>
<td>30%</td>
</tr>
<tr>
<td>Very familiar without having used these services before</td>
<td>25%</td>
</tr>
<tr>
<td>Somewhat familiar</td>
<td>29%</td>
</tr>
<tr>
<td>Somewhat unfamiliar</td>
<td>8%</td>
</tr>
<tr>
<td>Not at all familiar</td>
<td>8%</td>
</tr>
</tbody>
</table>

**Total “Very familiar”**

55%

**Total “Unfamiliar”**

16%

Very familiar

Significantly higher proportion among:

- SMEs in the technology, information and cultural industries sector (76%)
- Respondents in Ontario (61%)
- English-speakers (59%)
- Those with <5 employees (59%)

Base: All qualified respondents (n=780).
Despite high awareness levels, SMEs’ trust with marketplace platforms is quite low, especially when it comes to offering them financing for their business.

S3Q10 To what extent would you trust a marketplace platform such as Amazon or Walmart for...?

<table>
<thead>
<tr>
<th>Service</th>
<th>Total “Trust” (score of 7-10)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financing your clients’ purchases</td>
<td>40%</td>
</tr>
<tr>
<td>Hosting your data securely</td>
<td>32%</td>
</tr>
<tr>
<td>Offering you financing for your business</td>
<td>24%</td>
</tr>
</tbody>
</table>

Base: Those who are at least somewhat familiar (n=547-575). Those who did not know were excluded from the calculation base.
Entrepreneurs are not quite familiar with online sales service platforms. Moreover, only 14% are using or have used these services before.

S3Q11 How familiar are you with online sales service platforms such as those offered by Shopify that allow businesses to centralize all their online sales activities on a single platform?

<table>
<thead>
<tr>
<th>Familiarity</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very familiar: We are using or have used these services before</td>
<td>14%</td>
</tr>
<tr>
<td>Very familiar without having used these services before</td>
<td>24%</td>
</tr>
<tr>
<td>Somewhat familiar</td>
<td>27%</td>
</tr>
<tr>
<td>Somewhat unfamiliar</td>
<td>15%</td>
</tr>
<tr>
<td>Not at all familiar</td>
<td>21%</td>
</tr>
</tbody>
</table>

**Total “Very familiar”**

37%

**Total “Unfamiliar”**

36%

Very familiar

Significantly higher proportion among:
- Private services sector (63%)
- Technology, information and cultural industries sector (63%)
- Retail businesses (49%)
- Those with <5 employees (42%)
- Those with <$2M annual sales (40%)
- English-speakers (40%)

*Base: All qualified respondents (n=780).*
Overall, **trust** with online sales service platforms is **quite low**, particularly for offering business financing. Trust levels are however higher than with marketplace platforms.

S3Q12 To what extent would you **trust** on online sales service platforms such as Shopify for...?

<table>
<thead>
<tr>
<th>Service</th>
<th>No or little trust (0-4)</th>
<th>Neutral (5-6)</th>
<th>Somewhat (7-8)</th>
<th>Complete trust (9-10)</th>
<th>Total “Trust” (score of 7-10)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financing your clients’ purchases</td>
<td>35%</td>
<td>20%</td>
<td>25%</td>
<td>21%</td>
<td>46%</td>
</tr>
<tr>
<td>Hosting your data securely</td>
<td>42%</td>
<td>18%</td>
<td>24%</td>
<td>16%</td>
<td>40%</td>
</tr>
<tr>
<td>Offering you financing for your business</td>
<td>50%</td>
<td>21%</td>
<td>20%</td>
<td>8%</td>
<td>28%</td>
</tr>
</tbody>
</table>

**Base:** Those who are at least somewhat familiar (n=411-432). Those who did not know were excluded from the calculation base.
While technology can definitely help business owners managing their company, respondents are concerned with the **risks** related to this: data breaches, ownership and security issues, etc.

S3Q13 Would you like to **share comments** with us regarding the use of technology and/or online services offered to businesses like yours?

<table>
<thead>
<tr>
<th>Reason</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Too risky / Ownership and security issues / Trust issues</td>
<td>28%</td>
</tr>
<tr>
<td>We embrace the use of technology in our business</td>
<td>24%</td>
</tr>
<tr>
<td>The nature of our business prevents us from using these services and/or selling online</td>
<td>21%</td>
</tr>
<tr>
<td>Lack of resources (money, time, etc.)</td>
<td>7%</td>
</tr>
<tr>
<td>Hard to get financing / not enough options on the market</td>
<td>5%</td>
</tr>
<tr>
<td>Prefer the human approach</td>
<td>4%</td>
</tr>
<tr>
<td>Other</td>
<td>14%</td>
</tr>
</tbody>
</table>

**In respondents’ words…**

“Accountability is lacking, financial service providers are not responsible for errors and keep pushing back on customers. Until this changes, [we] will avoid using these services.”

“Open platforms and market/vertical focus is too easily blurred. Shopify, Walmart, etc., are brands that are only tangentially related to lending. I don’t believe Walmart as a corporation has any meaningful business being a lender. Shopify is only slightly behind. To me, ‘open’ in open finance is only truly real if it’s 100% owned by me alone, probably in a blockchain-type of technology where I have total control over current and historical data and activities.”

**Base:** All qualified respondents (n=130). Those who preferred not to answer were excluded from the calculation base. These open-ended answers were grouped into categories, which are presented in this graph. Only comments mentioned by a minimum of 3% of respondents are presented.
04. Respondent profile
Region

Base: All qualified respondents (n=780).

<table>
<thead>
<tr>
<th>Region</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ontario</td>
<td>37%</td>
</tr>
<tr>
<td>Quebec</td>
<td>21%</td>
</tr>
<tr>
<td>Atlantic</td>
<td>7%</td>
</tr>
<tr>
<td>Prairies</td>
<td>20%</td>
</tr>
<tr>
<td>B.C. &amp; North</td>
<td>16%</td>
</tr>
<tr>
<td>Quebec</td>
<td>21%</td>
</tr>
<tr>
<td>Atlantic</td>
<td>7%</td>
</tr>
<tr>
<td>Prairies</td>
<td>20%</td>
</tr>
<tr>
<td>Ontario</td>
<td>37%</td>
</tr>
<tr>
<td>B.C. &amp; North</td>
<td>16%</td>
</tr>
</tbody>
</table>
### Number of employees, annual sales and revenue growth

#### Number of employees

<table>
<thead>
<tr>
<th>Employee Count</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 5 employees</td>
<td>57%</td>
</tr>
<tr>
<td>5 to 19 employees</td>
<td>30%</td>
</tr>
<tr>
<td>20 to 49 employees</td>
<td>8%</td>
</tr>
<tr>
<td>50 to 99 employees</td>
<td>2%</td>
</tr>
<tr>
<td>100 employees or more</td>
<td>2%</td>
</tr>
</tbody>
</table>

#### Annual sales

<table>
<thead>
<tr>
<th>Sales Range</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $250K</td>
<td>25%</td>
</tr>
<tr>
<td>$250K to &lt;$500K</td>
<td>17%</td>
</tr>
<tr>
<td>$500K to &lt;$1M</td>
<td>19%</td>
</tr>
<tr>
<td>$1M to &lt;$2M</td>
<td>15%</td>
</tr>
<tr>
<td>$2M to &lt;$5M</td>
<td>13%</td>
</tr>
<tr>
<td>$5M to &lt;$10M</td>
<td>6%</td>
</tr>
<tr>
<td>$10M and over</td>
<td>5%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Sales Range</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Negative growth</td>
<td>38%</td>
</tr>
<tr>
<td>&gt;0% to &lt;5%</td>
<td>10%</td>
</tr>
<tr>
<td>5% to &lt;10%</td>
<td>20%</td>
</tr>
<tr>
<td>10% to &lt;20%</td>
<td>10%</td>
</tr>
<tr>
<td>20% or more</td>
<td>11%</td>
</tr>
</tbody>
</table>

**Base:** All qualified respondents (n=780).
Sector of activity, gender ownership and diversity groups

Sector of activity

- Services: Professional, scientific & technical finance and insurance: 26%
- Manufacturing: 14%
- Retail: 11%
- Technology, information and cultural industries: 9%
- Construction: 7%
- Wholesale trade: 6%
- Services: Other (including but not limited to private education and health services): 4%
- Accommodation and food services: 4%
- Other: 7%

Gender ownership

- Mainly by men: 56%
- Men and women in equal proportions: 31%
- Mainly by women: 13%

Diversity groups

- Do not belong to any of these groups: 58%
- Person of immigrant origin: 24%
- Member of a visible minority group: 14%
- Child of a person of immigrant origin: 13%
- Aboriginal person: 3%

Base: All qualified respondents (n=780). Only sectors with 4%+ respondents are presented.
Thank you.

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