

# HOW SMALL BUSINESSES ARE ENGAGING IN E-COMMERCE

Currently, e-commerce has brought in close to \$42 Billion in retail sales and will only steadily increase as more and more consumers turn to the Internet for their purchasing needs. However, the integration between e-commerce and small businesses seems to be slow coming.

E-COMMERCE RETAIL SALES IN BILLIONS

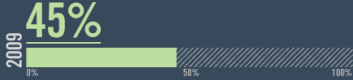
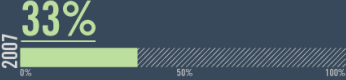
3Q 2009 **36.5**  
4.0%

3Q 2010 **41.5**  
4.2%

## SMALL BUSINESS AND INTERNET INTEGRATION

A recent survey from Discover Credit Cards found that although small businesses are beginning to embrace e-commerce, less than half of small businesses surveyed have a website.

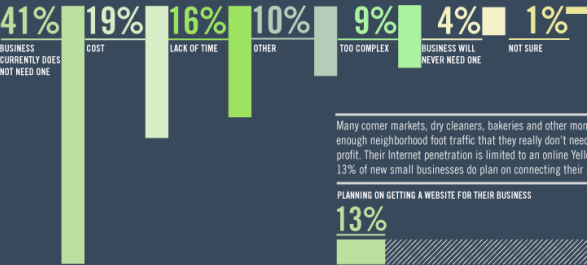
SMALL BUSINESSES WITH WEBSITES



## SMALL BUSINESSES AND THEIR WEBSITES

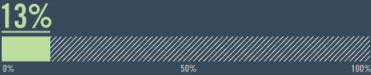
A major reason why small business owners don't have a website or participate in e-commerce is simply because they feel they do not need one.

REASONS FOR NOT HAVING A WEBSITE



Many corner markets, dry cleaners, bakeries and other mom-and-pop operations have enough neighborhood foot traffic that they really don't need the Internet to turn a profit. Their Internet penetration is limited to an online Yellow Pages listing. However, 13% of new small businesses do plan on connecting their business to the Internet.

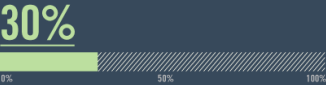
PLANNING ON GETTING A WEBSITE FOR THEIR BUSINESS



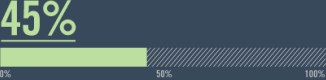
## SMALL BUSINESS WEBSITE FUNCTIONS

How small businesses use their websites could also explain their lack of penetration in e-commerce.

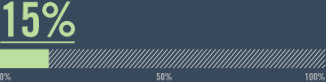
E-COMMERCE



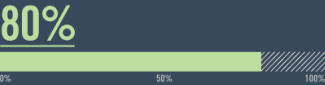
CUSTOMER SERVICE



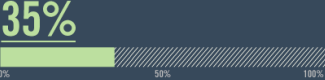
RESERVATIONS/APPOINTMENTS



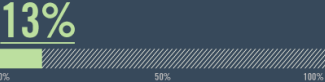
GENERAL INFORMATION



CAPTURE LEADS



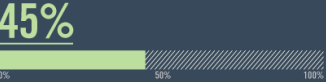
POSTING A BLOG



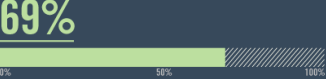
## SMALL BUSINESS AND ANNUAL SALES SIZE

Barlow Research found that the average number of small businesses that have a website is around 45%. However, this same study also found that the larger the annual revenue for a small business, the more likely that business was to participate in e-commerce.

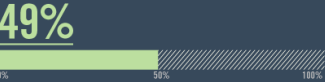
\$100,000 - \$499,000



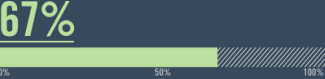
\$1,000,000 - \$2,490,000



\$500,000 - \$999,000



\$2,500,000 - \$4,900,000



## SMALL BUSINESS AND E-COMMERCE INVESTMENTS

Only a small number of respondents planned on increasing their budgets to make their small business web-enabled or e-commerce ready.

PUT MONEY TOWARDS THEIR WEBSITE



PUT MONEY TOWARDS EMAIL MARKETING



PUT MONEY TOWARDS SOCIAL MEDIA MARKETING

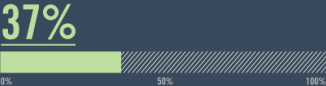


Small businesses seem more apt to partake in social media marketing than to invest money into creating a website for e-commerce or marketing. While many feel that the next wave of commerce will come in the form of mobile commerce or "m-commerce," it is still too soon to tell if small businesses will embrace this new form of commerce.

## MOBILE COMMERCE

Currently only a small percentage of online retailers participate in mobile commerce.

SMART PHONE USERS WHO HAVE PURCHASED AN ITEM VIA M-COMMERCE



PERCENTAGE OF RETAILERS USING M-COMMERCE

