BUSINESS OF CHANGE

PAYPAL CANADA SMALL BUSINESS STUDY

November 2020

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CANADA'S SMALL BUSINESSES: FINDING POST-PANDEMIC SUCCESS

The impact of COVID-19 on the Canadian business landscape has been an important catalyst in changing how small businesses operate. And as the lifeblood of Canada's businesses and at the heart of our economy – it's critical to understand what small businesses are facing in the wake of the pandemic.

Having studied the Canadian small business landscape in 2015, and as a longstanding growth partner for Canadian small businesses, PayPal determined a need to understand how the landscape has changed in recent years, challenges and opportunities for Canadian SMBs and the impacts of the pandemic.

While the pandemic fast-tracked digital transformation and e-commerce adoption for Canadian small businesses, there are significant concerns about subsequent virus waves, future-proofing and business survival.

With the right tools and strategies in place, there's potential for Canadian small businesses to grow, even while facing the challenges ahead.

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WHO WE PROFILED

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CANADIAN SMALL BUSINESS OWNERS: **DEMOGRAPHICS**

Gender

Male 50%

Female 50%

Age

Millennials 36%

Gen X 45%

Boomers 19%

Ethnicity

White 60%

BIPOC 37%

Urbanity

Urban 60%

Suburban 28%

Rural 12%

Region

BC 16%

AB 14%

SK/MB 6%

ON 36%

QC 22%

Atlantic 6%

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CANADIAN SMALL BUSINESS OWNERS: **BUSINESS DETAILS**

Employment

Sole Proprietors **60%**

Have Employees **40%**

Under 10 employees	10-49 employees	50-99 employees
22%	14%	4%

Offering and Audience

My business sells...	Products	Services	Both
	61%	59%	20%
To...	**B2C**	**B2B**	**Non-Profit**
	82%	38%	2%

Top Industries

Professional Services	Retail or wholesale
12%	12%
Construction/ manufacturing	**E-commerce**
8%	7%

Time in Business

1 year or less	1-2 years	2-5 years	6 or more years
39%	11%	22%	28%

Started in COVID-19 **18%**

Started in 2020 **32%**

Revenue

2019 **$241,300**

2020 YTD **$168,365**

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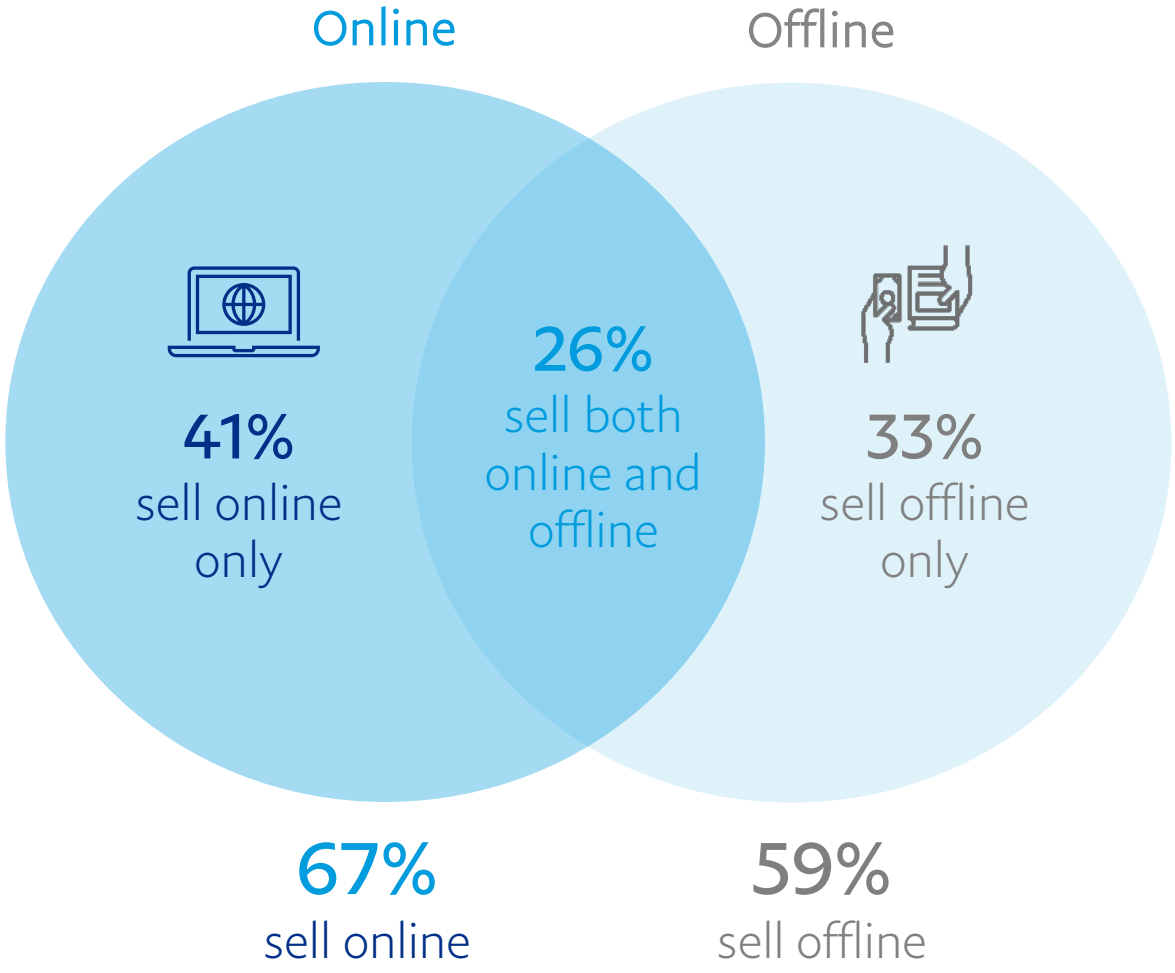
Base: Total (n=1,001) / Q4, Q5, Q8, Q9, Q10, Q11, Q15, Q16

CANADIAN SMALL BUSINESS OWNERS: **ONLINE AND OFFLINE SALES**



Revenue by Channel

2019	Online	Offline
$241,300	75%	25%
2020 YTD	**Online**	**Offline**
$168,365	**55%**	**45%**

Online Revenue by Region

2019	Canada	US	Rest of World
$180,975	70%	14%	16%
2020 YTD	**Canada**	**US**	**Rest of World**
$92,601	**68%**	**14%**	**19%**

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Base: Total (n=1,001) / Q12, Q15, Q16

DETAILED FINDINGS

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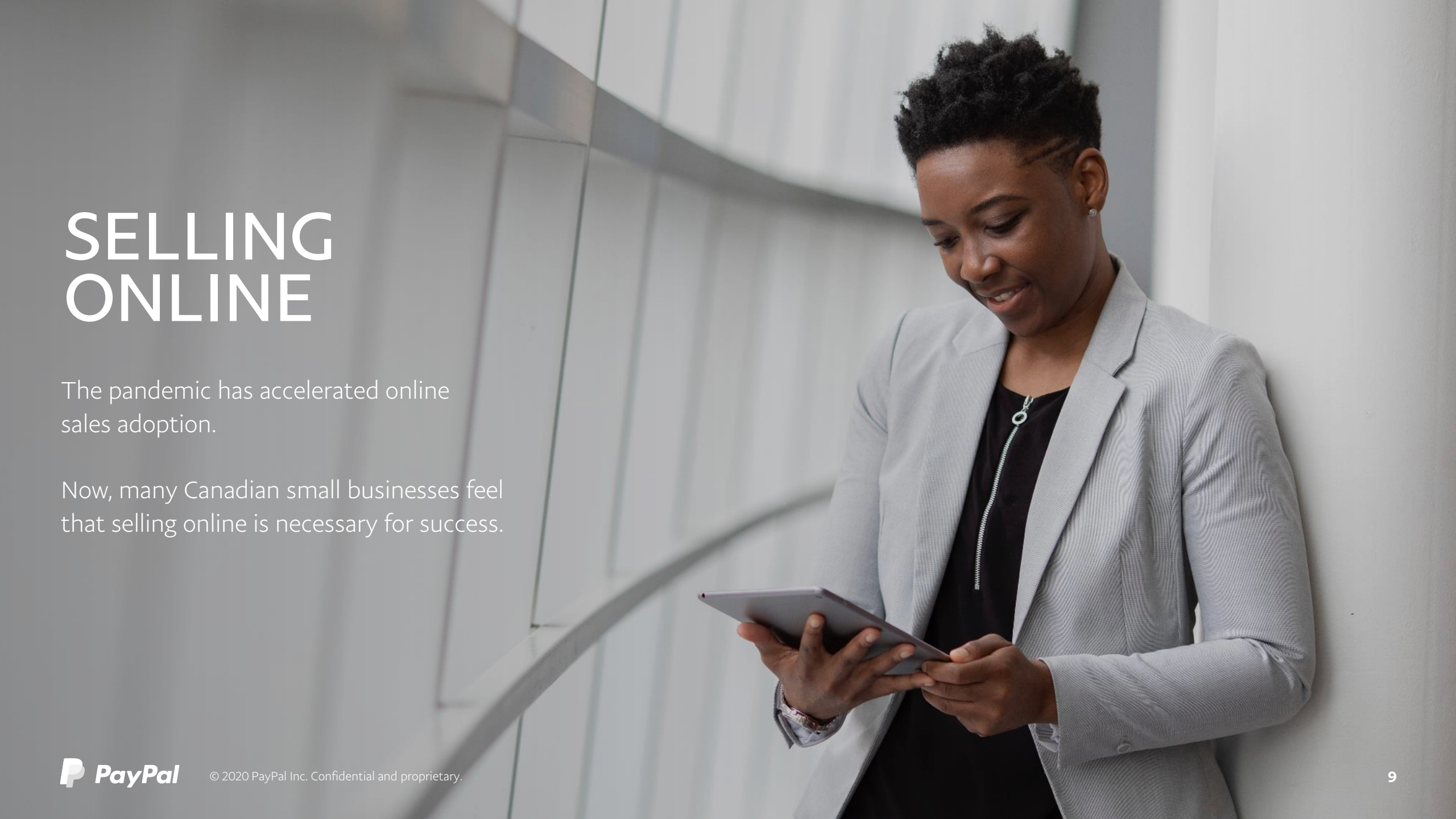
SELLING ONLINE

The pandemic has accelerated online sales adoption.

Now, many Canadian small businesses feel that selling online is necessary for success.



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2 IN 3 CANADIAN SMALL BUSINESSES ARE SELLING ONLINE, AND HALF OF THOSE SELLING ONLINE ONLY STARTED TO DO SO IN 2020.

67%
are selling online

26%
are selling both online and offline

41%
are selling online only

This is **4 times** higher than in 2015 (17% in 2015)

Of those currently selling online, **almost half** started to do so in 2020 (47%).

1 in 3 started after COVID-19 was declared a pandemic in March of 2020 (34%).

Base: Total (n=1,001), Online small business (n=666)
Q12. In which of the following ways does your business sell products or services? Please select all that apply.
Q13. How many years has your company sold products or services online? If it has been less than a year, please provide your best estimate as a proportion of a year rounding to the closest 3 month period.

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SELLING ONLINE IS SEEN AS NECESSARY FOR MANY SMALL BUSINESS OWNERS. IT CAN ALSO DRIVE IN-PERSON TRAFFIC FOR THOSE WHO SELL OFFLINE.

72%

of online small businesses say selling online is necessary to have a successful business these days

and

70%

say their business needs to have an online presence to stand up against competition

69%

of online small businesses also say selling online has made their business more successful

Small businesses also see selling online as an opportunity to enhance their in-person business.

Half of small businesses who sell offline see their online presence as a way to drive traffic to their physical location (49%)

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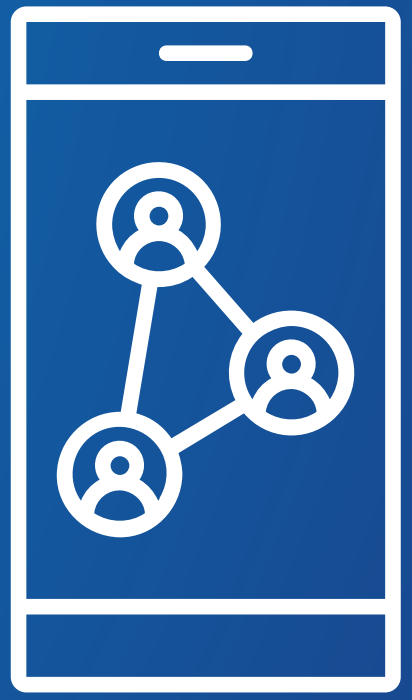
Base: Total (n=1,001), Online small business (n=666), Offline small businesses (n=593)
Q26. Please indicate how much you agree or disagree with each of the following statements.

"COVID-19 has shown me that it's necessary to have a very positive presence online and it might be advisable to get a professional to help make it happen."

– FEMALE, 66 YEARS OLD, ALBERTA



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Q27. Please think about the impact that the COVID-19 pandemic has had on your business overall. What, if any, positive results come to mind when you think about the impact that COVID-19 has had on your business?

SMALL BUSINESSES SAY THE BENEFITS OF SELLING ONLINE OUTWEIGH THE CHALLENGES, HOWEVER THEY NEED HELP TO GET SET UP FOR ONLINE SALES.

58% of small businesses say the benefits of selling online far outweigh the challenges

% who say each of the following are helpful when setting up a business to sell online:

79% details about various types of online payment solutions

78% tax requirements for online businesses

78% information on how to market and advertise a business online

76% government guidelines for online businesses

42% of Canadian small businesses feel it takes too long to set up a new payment method for online sales

76% details about various types of domestic shipping methods

69% details about various types of international shipping methods

63% cross-border shipping guidelines

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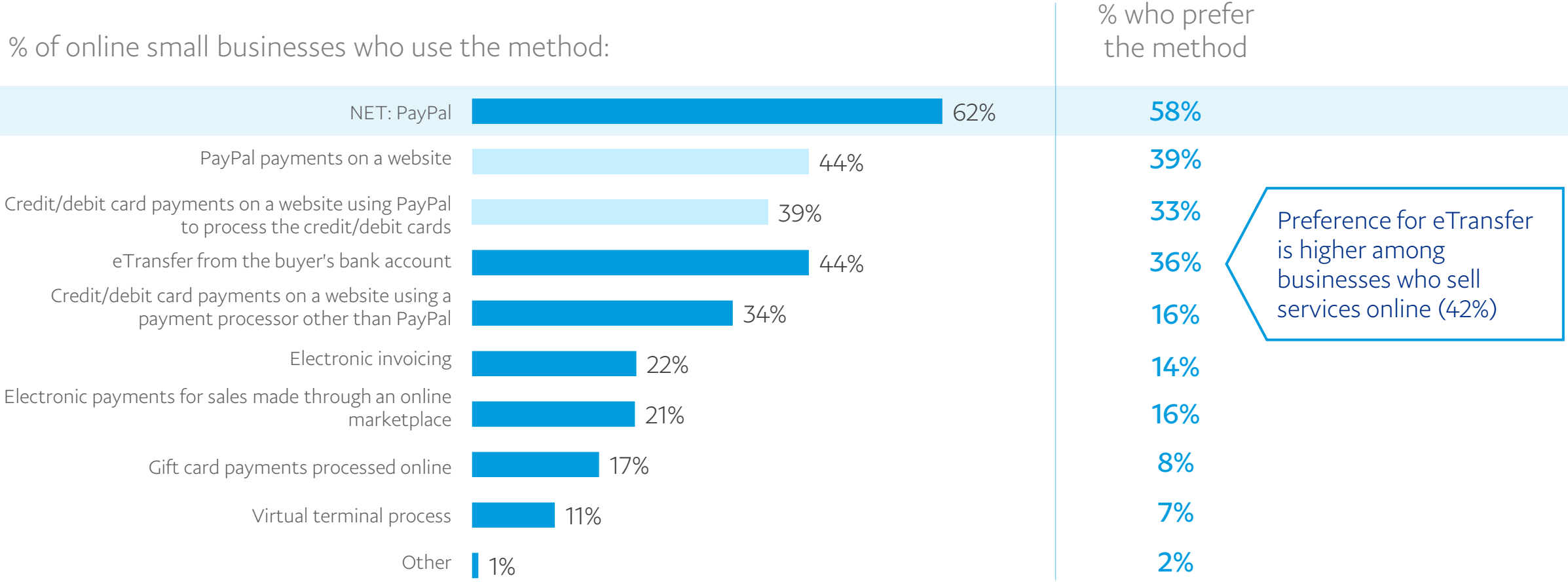
Base: Total (n=1,001) / Q25. When it comes to setting up a business to sell products or services online, how helpful do you believe each of the following is? / Q26. Please indicate how much you agree or disagree with each of the following statements.

PAYPAL IS THE MOST COMMONLY USED AND THE MOST PREFERRED ONLINE PAYMENT METHOD, FOLLOWED BY ETRANSFER AND CREDIT/DEBIT CARD PAYMENTS.



Base: Online small business (n=666), Service small businesses (n=348)

Q18. Among all the methods of payment that your business accepts, which are your top 3 preferred methods of payment? Please rank your top 3 in order of preference.

Q19. You said your business accepts PayPal as an online method of payment. Please indicate how much you agree or disagree with each of the following statements based on your personal experience with using PayPal in your business.

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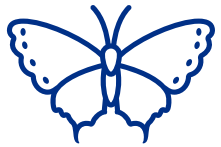
BEYOND THE FUNCTIONAL BENEFITS, PAYPAL IS A PARTNER THAT HELPS MOTIVATE SMALL BUSINESSES TO ASPIRE FOR MORE.

Of those who use PayPal to process payments on their website:

81%

say PayPal is a partner that will help their business succeed into the future

and



78%

say PayPal has helped them to evolve their business

"Through PayPal, I've maintained good relations with customers [during COVID-19]."

– FEMALE, 35 YEARS OLD, ONTARIO

Base: Small businesses who use PayPal to process payments (n=297)
Q19. You said your business accepts PayPal as an online method of payment. Please indicate how much you agree or disagree with each of the following statements based on your personal experience with using PayPal in your business.
Q27. Please think about the impact that the COVID-19 pandemic has had on your business overall. What, if any, positive results come to mind when you think about the impact that COVID-19 has had on your business?

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WHAT ABOUT OFFLINE SELLERS? WHILE 3 IN 5 CANADIAN SMALL BUSINESSES SELL OFFLINE, ONLY 1 IN 3 ARE EXCLUSIVELY OFFLINE.

59%
are selling online

This has decreased **29%** since 2015 (17% in 2015)

26%
are selling both online and offline

33%
are selling offline only

Service providers are more likely to conduct business exclusively offline.

40% of small businesses that only sell services (and don't sell products) are offline only.

Base: Total (n=1,001), Offline small business (n=593), Service only small businesses (n=591)
Q12. In which of the following ways does your business sell products or services? Please select all that apply.

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DIGITIZING SMALL BUSINESS

Most who currently leverage online tactics to elevate their business have begun doing so during the COVID-19 period.

However, there is a lack of confidence and many face challenges despite their efforts.

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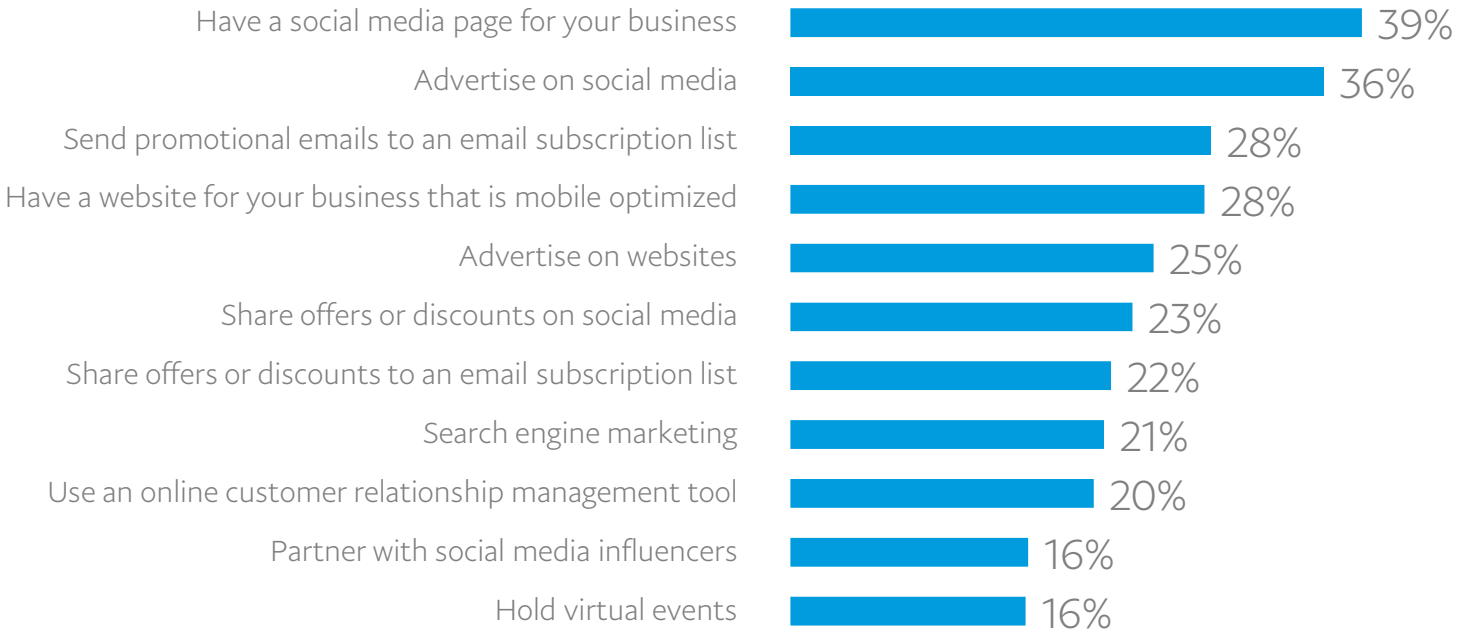
CANADIAN SMALL BUSINESSES SEE THE VALUE IN DIGITIZATION, WITH MANY SUPPORTING THEIR BUSINESS THROUGH ONLINE TACTICS.

81% of small businesses currently engage in some type of online activity outside of online sales.
Online activities include:



However,

almost 3 in 5

say their business is not particularly sophisticated when it comes to online marketing (57%)

Base: Total (n=1,001)

Q20. Thinking about things that businesses do online beyond selling products or services, which of the following does your business currently do and which of the following are you planning to do in the future? If you're currently doing one of these things and plan to continue, please select both columns. Q26. Please indicate how much you agree or disagree with each of the following statements.

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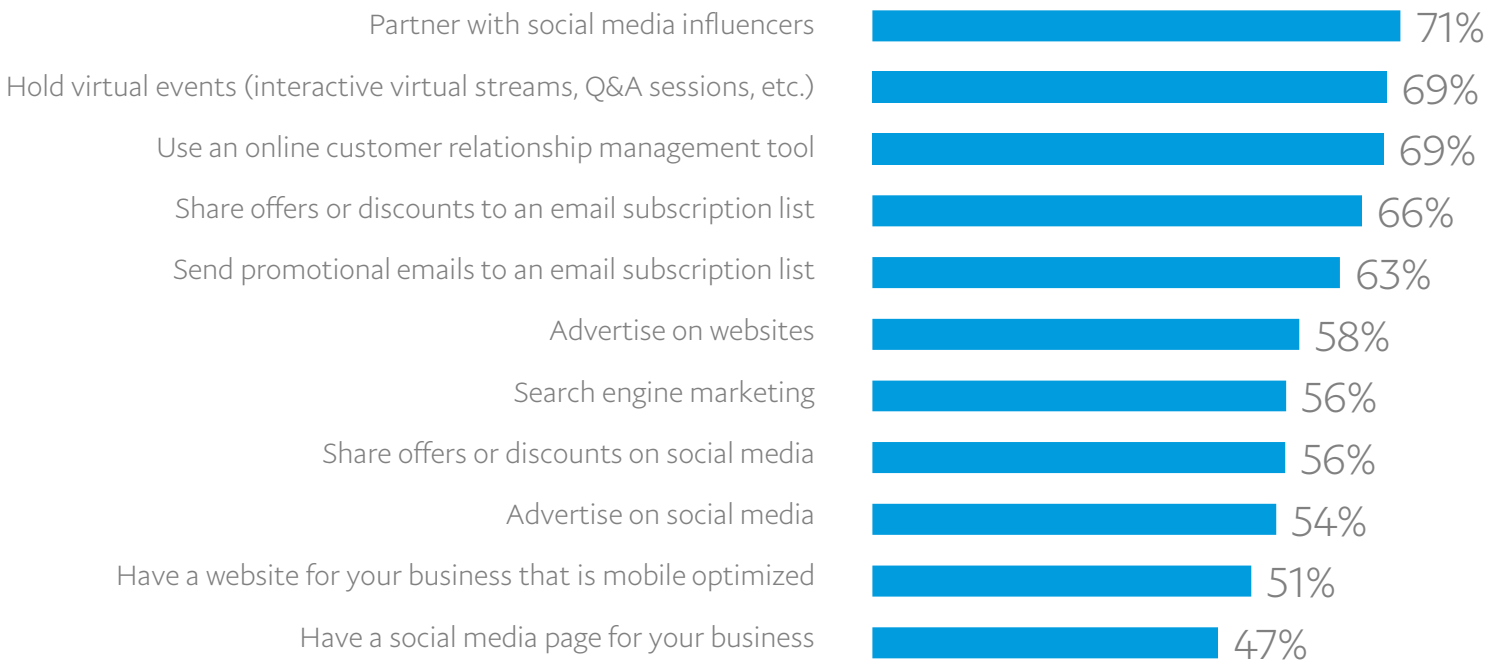
THE COVID-19 PANDEMIC HAS BEEN A KEY PERIOD OF DIGITIZATION BEYOND SIMPLY SELLING ONLINE.

Among those who conduct each activity,
% who started to do so during the COVID-19 pandemic:



Many small businesses who engage in online activities beyond sales have **only started leveraging online tactics since the pandemic began in March of 2020.**

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Base: The base for each activity is those who conduct the activity, base size varies (range n=159 to n=386)
Q21. You said your business currently does the following types of online activities. When did your business start doing each of these online activities?

CANADIAN SMALL BUSINESSES RECOGNIZE THAT DIGITIZATION HAS BENEFITS, PRIMARILY INCREASING THE SIZE OF THE CUSTOMER BASE, INCREASING REVENUE AND DEEPENING CUSTOMER RELATIONSHIPS.

Seen or expected benefits of online activities outside of sales:

62% a larger customer base within Canada

53% an overall increase in revenue

51% closer relationships with customers

45% expanding to offer a wider range of products/services

39% a larger customer base within the US

36% Increased redemption of offers or discounts

36% simplified bookkeeping

36% easier time completing taxes

34% larger customer base in other parts of the world

32% more engaged staff

Base: Does online activities or plans to do online activities (n=807)

Q22. Thinking about the various types of online activities your business does or plans to do, what benefits have you already experienced or do you anticipate experiencing as a result of these online activities?

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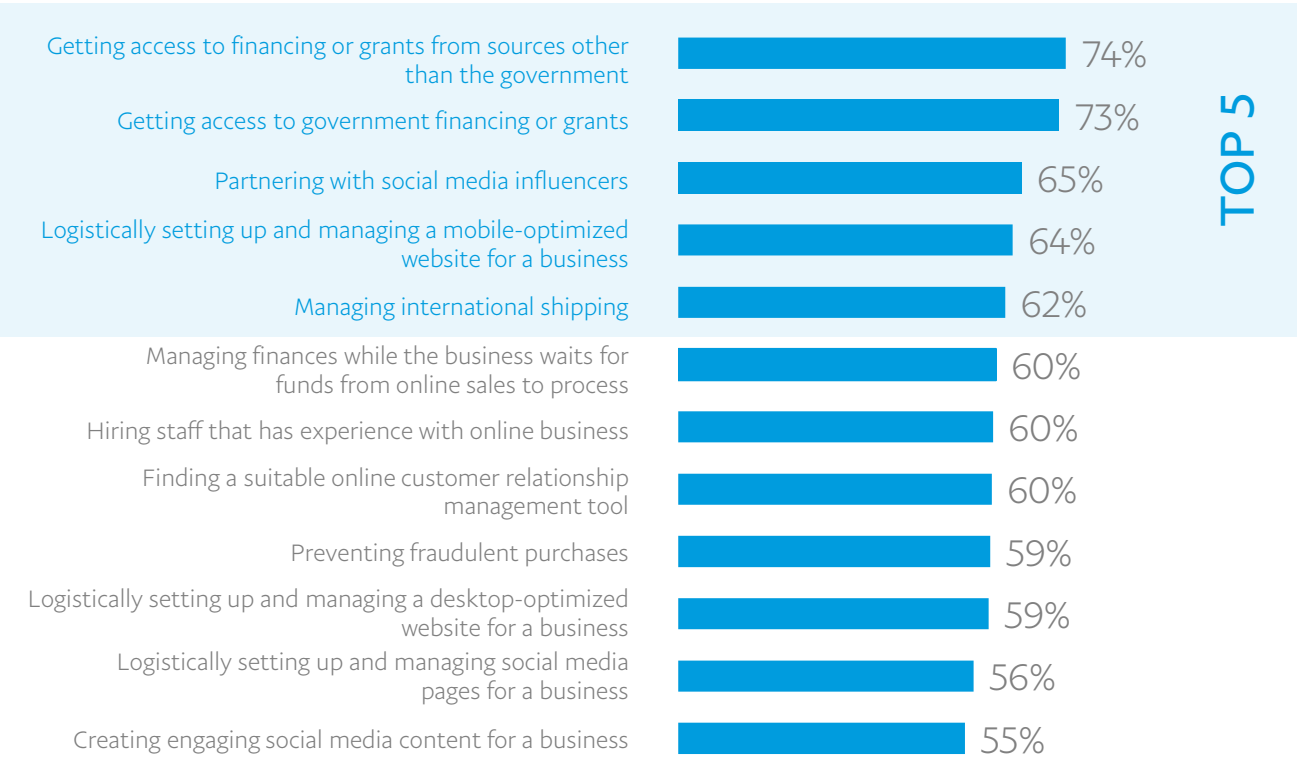
THERE ARE MANY ELEMENTS OF DIGITIZATION THAT SMALL BUSINESSES FIND DIFFICULT, INCLUDING GETTING ACCESS TO FINANCIAL SUPPORT, EITHER FROM THE GOVERNMENT OR OTHER SOURCES.

Complete list of challenges of online sales and other online activities:



Base: Total (n=1,001)

Q24. Now thinking more broadly about the various things that businesses can do online, this time including selling products or services, how challenging or easy do you believe each of the elements below is?

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WHILE DIGITIZATION IS A KEY ENABLER TO GOING INTERNATIONAL, SMALL BUSINESSES COULD USE SOME HELP TO CONFIDENTLY MAKE THE LEAP.

Small businesses say that a growing customer base in the U.S. is one of the

top five

benefits of online activities, and

70%

of small business who have sales in the U.S. say that selling internationally has made their business more successful.

However,

62%

of small businesses describe managing international shipping as challenging, and

55%

say that selling products or services outside of Canada is too complicated.

Base: Total (n=1,001), Does online activities or plans to do online activities (n=807), Small businesses with US sales (n=328)
Q22. Thinking about the various types of online activities your business does or plans to do, what benefits have you already experienced or do you anticipate experiencing as a result of these online activities? / Q24. Now thinking more broadly about the various things that businesses can do online, this time including selling products or services, how challenging or easy do you believe each of the elements below is? / Q26. Please indicate how much you agree or disagree with each of the following statements.

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COVID-19 IMPACT

COVID-19 has pushed small businesses online, but there continue to be significant concerns about new waves and future proofing is top of mind.

Despite this, the pandemic has also brought some silver linings to small businesses.

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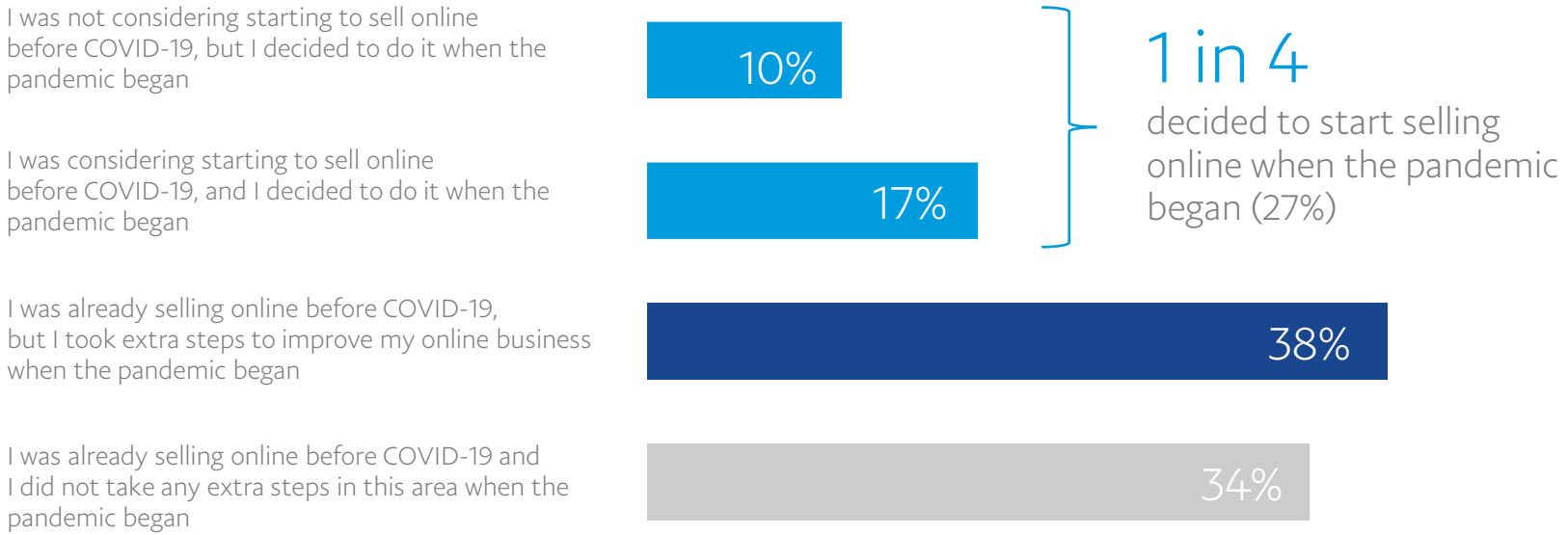
MANY NEWER SMALL BUSINESSES (THOSE WHO STARTED SELLING ONLINE WITHIN THE PAST YEAR) QUICKLY REALIZED THEY NEEDED TO TAKE ACTION TO IMPROVE THEIR ONLINE OFFERING AT THE START OF THE COVID-19 PANDEMIC.



Without online sales,

58%

of small businesses don't think their business could survive through COVID-19

Base: Total (n=1,001), Started selling online within the past year (n=363)

Q29. You told us earlier that your business has been selling products or services online for less than a year. Which of the below is most true for you in terms of how the COVID-19 pandemic impacted your decision to sell online?

Q33. Please indicate how much you agree or disagree with each of the following statements.

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2 IN 3 SMALL BUSINESSES SAY IT HAS BEEN A CHALLENGE TO BE A SMALL BUSINESS OWNER DURING COVID-19. OVER HALF OF SMALL BUSINESSES HAVE BEEN NEGATIVELY IMPACTED BY THE PANDEMIC.

68% of small businesses say it has been challenging to be a small business owner during COVID-19

58% say it is difficult to stay on top of changing government regulations around COVID-19

As a result of COVID-19,

55% of small businesses have experienced a downturn or have had to temporarily stop work

26% are not confident in their business sustaining itself over the next 6 months

This is higher among offline only small businesses (30%)

Base: Total (n=1,001)

Q28. Which of the options below best describes how the COVID-19 pandemic has impacted your business over the past 6 months?
Q33. Please indicate how much you agree or disagree with each of the following statements.
Q31. Overall, how confident do you feel about your business being able to sustain itself in the future?

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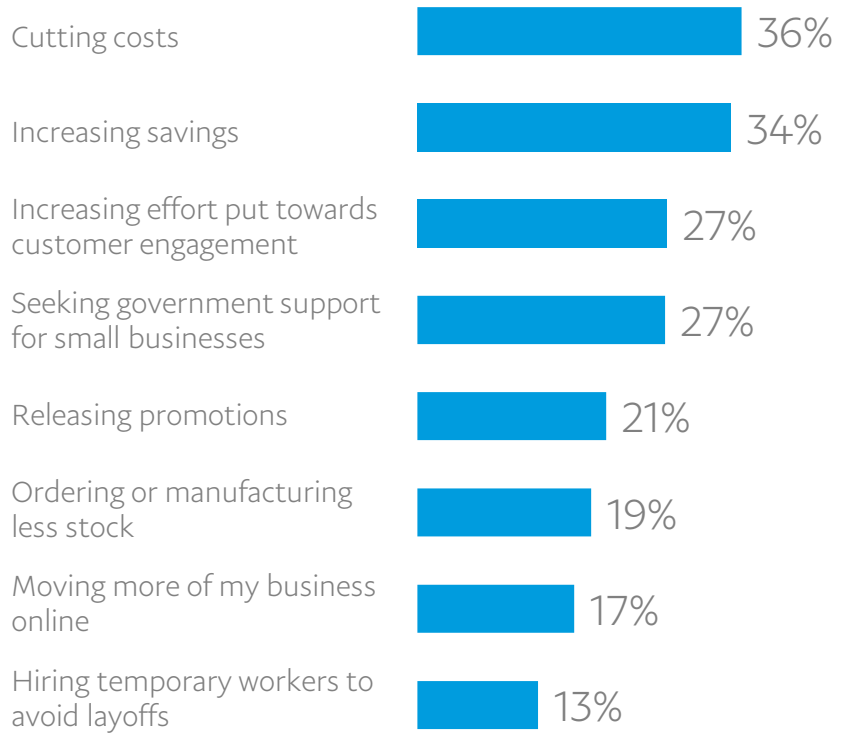
PREPARING FOR NEW WAVES OF COVID-19 IS A VERY IMPORTANT ASPECT OF FUTURE-PROOFING FOR CANADIAN SMALL BUSINESSES.

In September,

84%

of small businesses were already doing some type of preparation for future waves of COVID-19

Preparations include:



3 in 5

small businesses are concerned about remaining sustainable through new waves of COVID-19 (60%)

Base: Total (n=1,001)

Q32. There is uncertainty about whether there may be future "waves" of COVID-19 as the winter and flu season approach. This is the idea that COVID-19 cases may grow significantly, which may cause social distancing restrictions to become stricter and may require non-essential businesses to shut down for a period of time. How, if at all, is your business preparing for potential future waves of COVID-19? Please select all that apply.

Q33. Please indicate how much you agree or disagree with each of the following statements.

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FOR OFFLINE SMALL BUSINESSES, THERE'S A MIX OF EMOTIONS WHEN IT COMES TO THE IDEA OF REOPENING.

52% have positive feelings about reopening:

Worthwhile	25%
Straightforward	21%
Rewarding	19%
Relieving	16%
Exciting	16%
Profitable	14%

Despite a mix of positive and negative emotions,

38%

of offline small businesses see reopening as necessary.

46% have negative feelings around reopening:

Stressful	29%
Risky	20%
Worried	19%
Complicated	16%
Overwhelming	13%
Expensive	10%

Base: Offline small businesses (n=593)

Q30. Please think about the idea of reopening your offline business during or after COVID-19. Whether your offline business is currently open or not, which, if any, of the words below describe your thoughts and feelings about the idea of reopening? Please select all that apply. The idea of reopening my offline business is...

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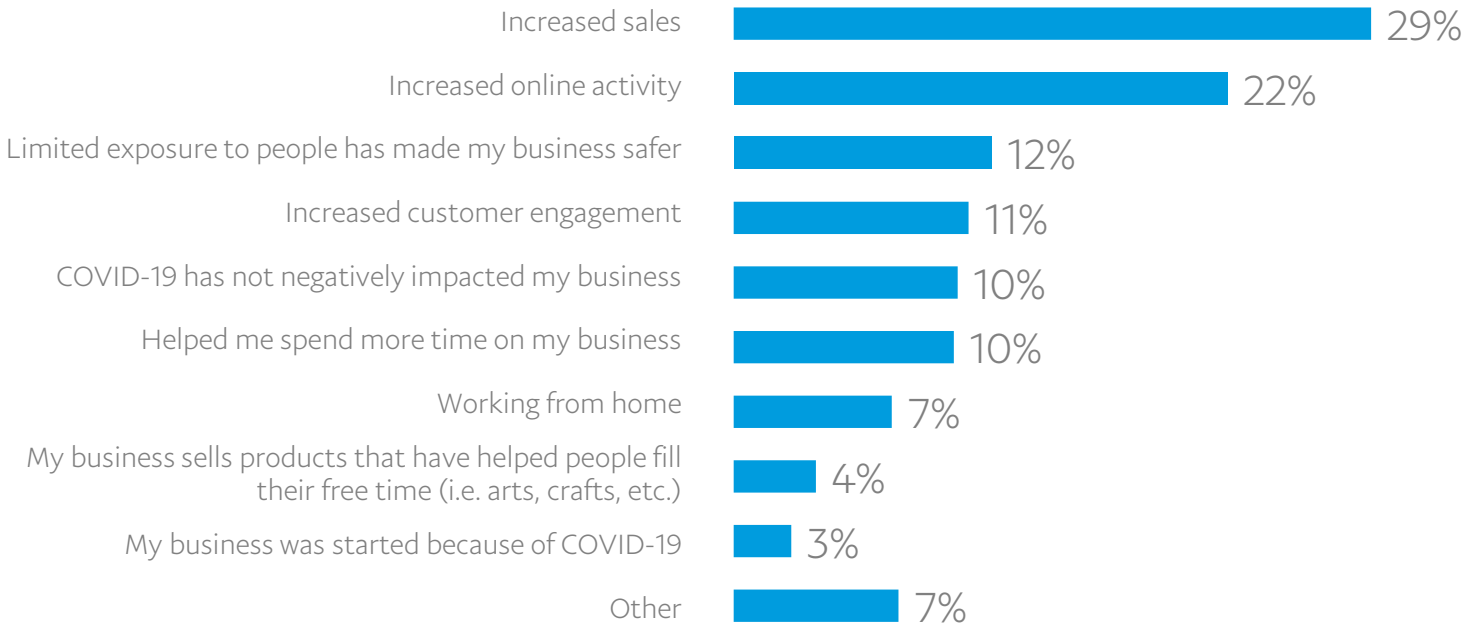
THE PANDEMIC HAS BEEN A MOTIVATOR FOR MANY SMALL BUSINESSES, AND THERE ARE SILVER LININGS.

64%

say COVID-19 has motivated them to consider new ways to grow their business

Among those who saw a positive impact from COVID-19, the silver linings include:



Base: Total (n=1,001) Small businesses who experienced positives as a result of COVID-19 (n=365)
Q33. Please indicate how much you agree or disagree with each of the following statements.
Q27. Please think about the impact that the COVID-19 pandemic has had on your business overall. What, if any, positive results come to mind when you think about the impact that COVID-19 has had on your business?

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CANADIAN SMALL BUSINESSES ARE RESILIENT, AND MANY HAVE FOUND THERE HAVE BEEN POSITIVE IMPACTS ON THEIR BUSINESS AS A RESULT OF THE PANDEMIC.

Unaided positive impacts of COVID-19:

"I learned a lot more about how to properly manage my business financials"
– Male, 24, Ontario

"I have learned to trust myself and my clients. I refined my work to be able to sell myself more easily" [FR: J'ai appris à me faire confiance et à faire confiance à mes clients. J'ai affiné mon travail pour pouvoir me vendre plus facilement.]
– Female, 76 years old, Quebec

"My business was born out of the pandemic. If it wasn't for COVID I would still just be an employee at another business"
– Male, 31, New Brunswick

"We are now working from home and I have seen an increase in productivity and stability"
– Female, 64, Ontario

"My business has embraced online operations more quickly and is selling more and building a larger customer base more quickly than expected"
– Male, 78, British Columbia

"People are having an increased desire to shop local and support us."
– Female, 37, Ontario

"Having reduced customers at physical locations has increased our online presence through social media, and constantly reaching out to different businesses that offer different ways of online selling."
– Male, 20, Alberta

"It has enhanced the relationship with my clients since the solutions my firm offers is more important during the pandemic."
– Male, 70, Ontario

"I learned that the innovation is necessary to keep the attention of new and existing customers."
– Female, 42 years old, Alberta

"I have had time to reevaluate the business plan, initiate online payments, and work with employees to generate ideas to help the business be more successful"
– Female, 40, Nova Scotia

Base: Small businesses who experienced positives as a result of COVID-19 (n=365)
Q27. Please think about the impact that the COVID-19 pandemic has had on your business overall. What, if any, positive results come to mind when you think about the impact that COVID-19 has had on your business?

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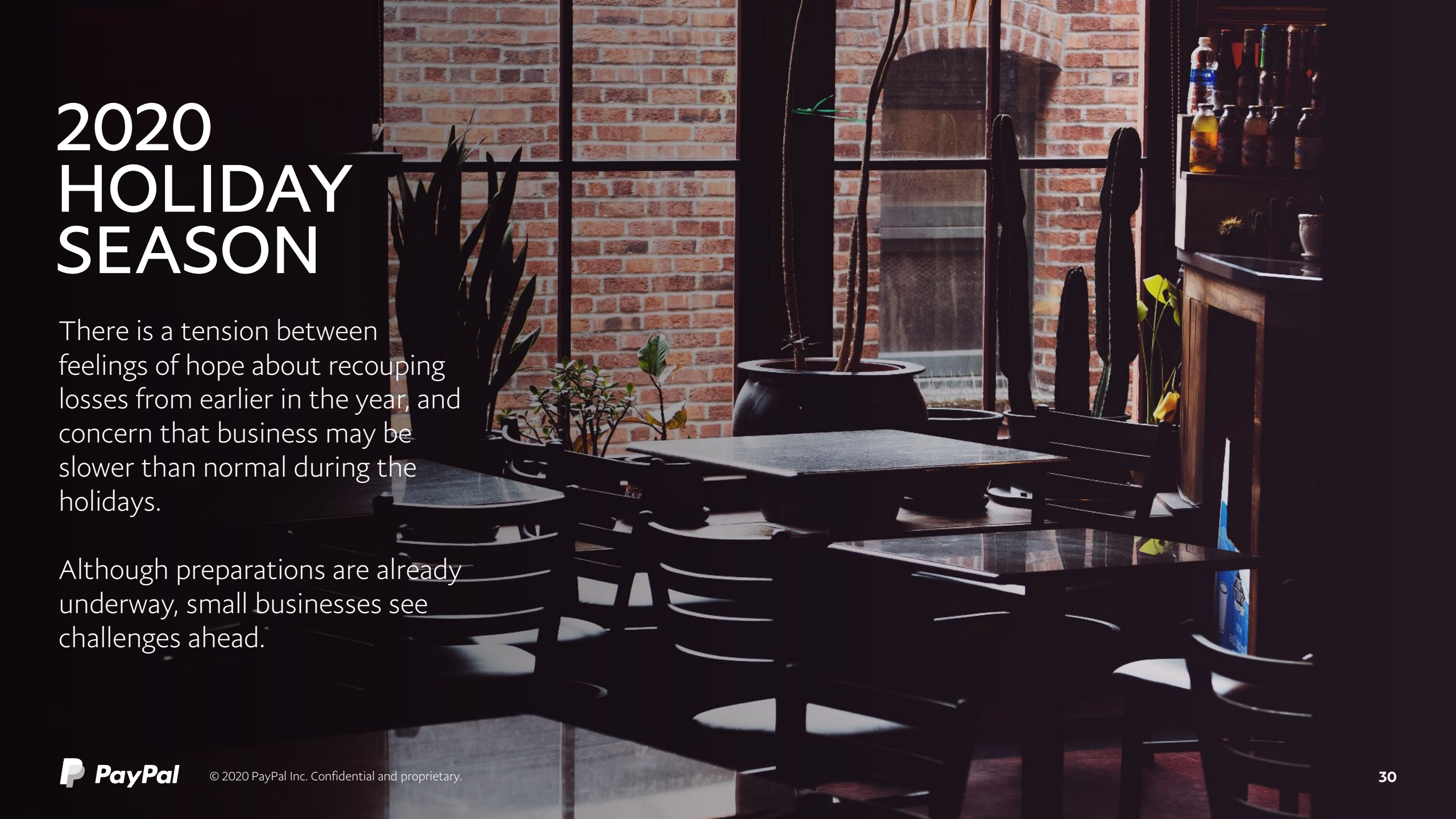
2020 HOLIDAY SEASON



There is a tension between feelings of hope about recouping losses from earlier in the year, and concern that business may be slower than normal during the holidays.

Although preparations are already underway, small businesses see challenges ahead.

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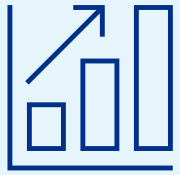
OVERALL, SMALL BUSINESSES ARE HOPEFUL. HALF ARE EXCITED TO SEE HOW THEIR BUSINESS CAN GROW THIS HOLIDAY SEASON AND ARE HOPING THEY CAN MAKE UP FOR SOME OF THE LOSSES THEY EXPERIENCED EARLIER IN 2020.



48%

are excited about how their business may grow this holiday season

49%

expect their business' sales to increase as the holidays approach

53%

say they are hopeful that the holiday season will make up for some of the losses their business has faced earlier this year

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Base: Total (n=1,001)

Q38. Please indicate how much you agree or disagree with each of the following statements.

HOWEVER, THOSE WHO HAVE BEEN THROUGH PREVIOUS HOLIDAY SEASONS ARE GENERALLY CONCERNED ABOUT THE 2020 HOLIDAYS BEING SLOWER THAN USUAL.

53%

of those who were in business for at least a year are worried business will be slower than usual this holiday season

Only 37%

are expecting the 2020 holiday season to be busier than previous holiday seasons

Expectations of a busier season are higher among online small businesses (45%), businesses who use PayPal (50%), and Millennial small business owners (50%)

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Base: Small businesses who have been in business at least a year (n=673)
Q38. Please indicate how much you agree or disagree with each of the following statements.

SMALL BUSINESS OWNERS ARE EXPECTING SOME CHANGES IN CONSUMER BEHAVIOUR THIS HOLIDAY SEASON.

Expected changes in Canadians' shopping habits:

54% people will be shopping online more than before

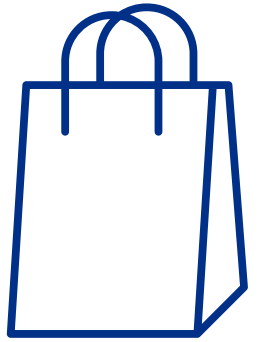
50% people will be spending less money on holiday shopping than they had in the past

43% people will be shopping online earlier in the season to ensure products will be delivered in time

37% people will start their holiday shopping earlier than usual

36% more people will be doing all of their shopping online

35% people will be purchasing more practical and less indulgent gifts than in the past



77%

say they expect shopping habits to be different this holiday season

Base: Total (n=1,001)

Q34. Compared to previous holiday seasons (2019 and earlier), in which, if any, of the following ways do you expect people's shopping habits to be different heading into the 2020 holiday season? Please select all that apply.

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WHILE MANY CANADIAN SMALL BUSINESSES FEEL PREPARED FOR THE 2020 HOLIDAY SEASON, BUSINESSES THAT HAVE BEEN THROUGH PREVIOUS HOLIDAY SEASONS ARE PREPARING DIFFERENTLY THIS YEAR.

82%

of small businesses feel prepared for the 2020 holiday season

More experienced businesses, those who were in business during the last holiday season, are making some adjustments:

Half say they are preparing differently for this holiday season than previous years (50%)

Base: Total (n=1,001)

Q36. Overall, how prepared do you feel your business is for the 2020 holiday season?
Q38. Please indicate how much you agree or disagree with each of the following statements.

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2 IN 3 SMALL BUSINESSES HAD ALREADY BEGUN PREPARATIONS FOR THIS HOLIDAY SEASON IN SEPTEMBER.

67%

of small businesses had already started preparing for the holiday season in September

	Already started in September	Plan to do before the holidays
Development of holiday-related marketing content	30%	17%
Preparations of additional stock	29%	21%
Planning holiday discounts and special offers	27%	22%
Looking into new shipping, delivery, or pick-up options	20%	19%
Purchasing additional shipping materials	18%	21%
Hiring additional staff	13%	21%
Planning holiday decor for your business's physical location	9%	12%

Base: Total (n=1,001)

Q37. Which, if any, of the following preparations has your business already started making, or does your business plan to make, for the 2020 holiday season?

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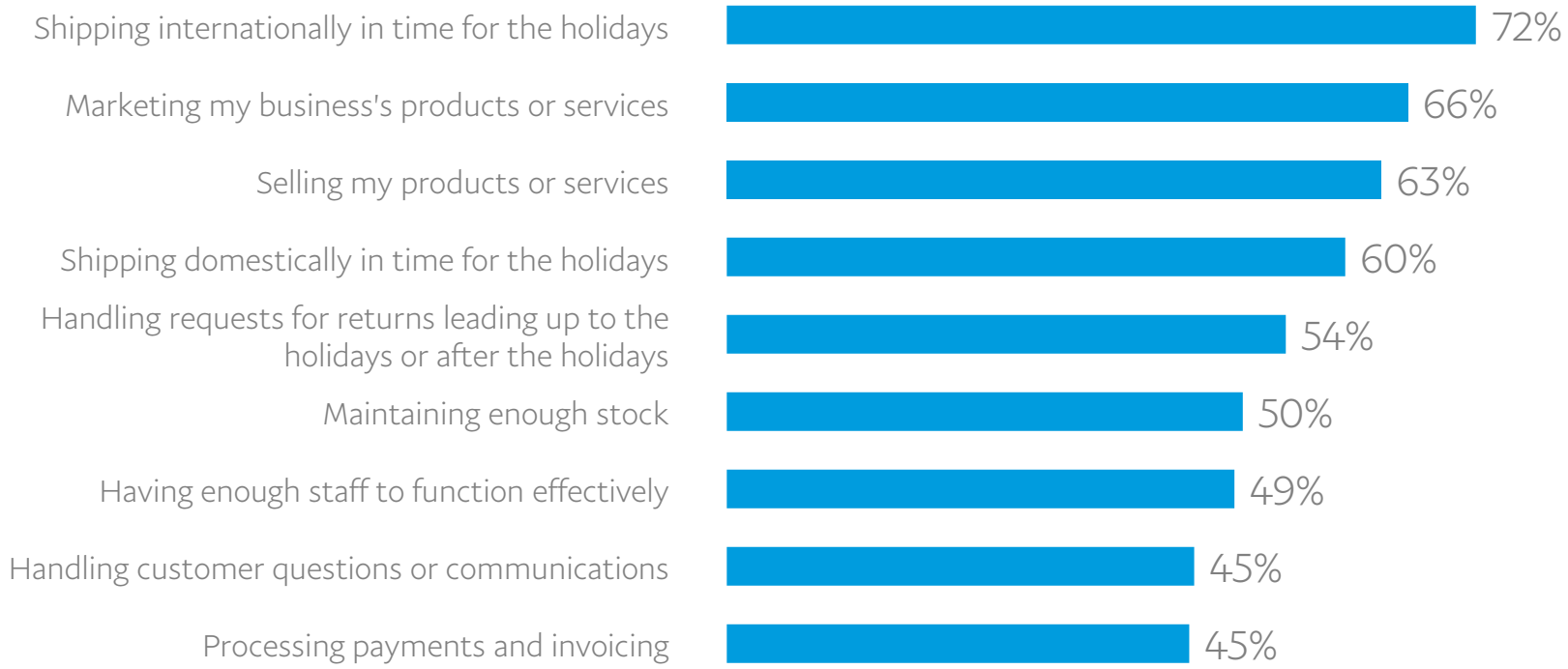
THERE ARE MANY CHALLENGES THAT SMALL BUSINESSES ARE ANTICIPATING THIS HOLIDAY SEASON, AND SOME ARE WORRIED ABOUT MEETING BUSINESS DEMAND.

Challenges anticipated for the 2020 holiday season:



39%

are worried about being able to meet business demand this holiday season

Base: Total (n=1,001)

Q35. How challenging or easy do you expect the following aspects of the 2020 holiday season to be for your business?
Q38. Please indicate how much you agree or disagree with each of the following statements.

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SURVEY METHODOLOGY

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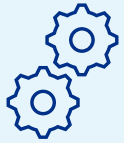
METHODOLOGY



Method

20-minute online survey administered through The Logit Group

Audience

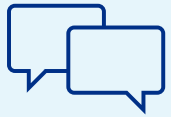
n=1,001 Canadian small business owners with less than 100 employees

Fieldwork Dates

September 23 – October 6, 2020

Margin of Error

+/- 3% at a 95% confidence level



Languages

English and French

MEDIA METHODOLOGY

This survey was conducted by Edelman in partnership with Logit Group on behalf of PayPal between September 23 and October 6, 2020 among a sample of 1,001 small business owners with less than 100 employees. The interviews were conducted online in English and French, and respondents were sourced using Logit Group's online panel.

REPORTING NOTES:

- Not all percentages sum to 100% due to rounding.
- Please note that research is not necessarily predictive of future outcomes and captures opinions for a point in time. All sample surveys and polls may be subject to other sources of error, including, but not limited to coverage error and measurement error. Statistical margins of error are not applicable to online nonprobability sampling polls.
- Statistical significance testing is conducted only on mutually exclusive data.

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SMALL BUSINESS PROFILE SUMMARY

Total sample of small business owners

Gender, age and region were controlled in the sample to ensure national representation of the Canadian small business audience. Other profiling metrics fell out naturally.

Of note:

- The majority of small business owners are white (60%)
- Small business owners skew urban (60%)
- The majority are sole proprietors (60%)
- There is an even split of small businesses providing products and services (61% vs. 59%).
- The majority are B2C businesses (82%)
- The top industries include professional services (12%), retail or wholesale (12%), construction or manufacturing (8%), and e-commerce (7%)
- 2 in 5 small businesses have started within the past year (39%)
- The average 2019 revenue for Canadian small businesses was $241,300

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SMALL BUSINESS PROFILE SUMMARY

Differences by type of business

Online
Compared to all Canadian small businesses, online businesses:

- Skew Millennial (45%)
- Have a higher proportion of BIPOC small business owners (41%)

Offline
Compared to all Canadian small businesses, offline businesses:

- Have a greater proportion of Boomers (26%)
- Have a lower representation of BIPOC ownership (31%)
- Over index on having employees (46%)
- Over index on businesses who provide services (67%)

Online & Offline
Compared to all Canadian small businesses, businesses who sell both on and offline:

- Skew male (55%) and urban (70%)
- Have higher representation in Quebec (27%)
- Have a greater proportion of businesses with 50-99 employees (10%)

Online Only
Compared to all Canadian small businesses, online only businesses:

- Skew female (53%) and Millennial (47%)
- Have a higher proportion in Ontario (41%)
- Have the highest representation of BIPOC ownership (45%)
- Skew towards sole proprietors (70%)
- Over index on being in business for 1 year or less (56%)

Offline Only
Compared to all Canadian small businesses, offline only businesses:

- Have the highest proportion of Boomers (36%)
- Over index on businesses that are 6 years or older (46%)
- Have the greatest likelihood of selling services (70%)

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APPENDIX

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PROFILING: **ONLINE SMALL BUSINESSES**

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ONLINE CANADIAN SMALL BUSINESS OWNER SNAPSHOT: **DEMOGRAPHICS**

Gender

Male 50%

Female 50%

Age

Millennials 45%

Gen X 44%

Boomers 11%

Ethnicity

White 55%

BIPOC 41%

Urbanity

Urban 62%

Suburban 28%

Rural 10%

Region

BC 15%

AB 14%

SK/MB 6%

ON 36%

QC 22%

Atlantic 6%

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Base: Online small businesses (n=666)
Q1, Q2, Q3, Q6, Q7

ONLINE CANADIAN SMALL BUSINESS OWNER SNAPSHOT: **BUSINESS DETAILS**

Employment

Sole Proprietors **64%**

Have Employees **36%**

Under 10 employees	10-49 employees	50-99 employees
18%	14%	6%

Offering and Audience

My business sells...	Products	Services	Both
	72%	54%	25%
To...	**B2C**	**B2B**	**Non-Profit**
	84%	41%	4%

Top Industries

Retail or wholesale **12%**

Professional Services **9%**

E-commerce **10%**

Education **6%**

Time in Business

1 year or less	1-2 years	2-5 years	6 or more years
47%	11%	23%	19%

Started in COVID-19 **22%**

Started in 2020 **39%**

Total Revenue & Online Revenue by Region*

2019	2019 Online	Canada	US	Rest of World
$244,572	$183,429	70%	14%	16%

2020 YTD	2020 YTD Online	Canada	US	Rest of World
$179,518	$147,205	68%	14%	19%

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**Please note revenue by region was asked for online sales only*

Base: Online small businesses (n=666)
Q4, Q5, Q8, Q9, Q10, Q11, Q15, Q16

PROFILING: SMALL BUSINESSES THAT SELL ONLINE ONLY

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ONLINE ONLY CANADIAN SMALL BUSINESS OWNER SNAPSHOT: DEMOGRAPHICS

Gender

Male 47%

Female 53%

Age

Millennials 47%

Gen X 44%

Boomers 9%

Ethnicity

White 50%

BIPOC 45%

Urbanity

Urban 58%

Suburban 31%

Rural 11%

Region

BC 15%

AB 12%

SK/MB 5%

ON 41%

QC 21%

Atlantic 5%

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Base: Online only small businesses (n=408)
Q1, Q2, Q3, Q6, Q7

ONLINE ONLY CANADIAN SMALL BUSINESS OWNER SNAPSHOT: BUSINESS DETAILS

Employment

Sole Proprietors **70%**

Have Employees **30%**

Under 10 employees	10-49 employees	50-99 employees
13%	13%	4%

Offering and Audience

My business sells...	Products	Services	Both
	73%	47%	20%
To...	**B2C**	**B2B**	**Non-Profit**
	82%	37%	1%

Top Industries

Retail or wholesale **13%**

Professional Services **7%**

E-commerce **12%**

Education **7%**

Time in Business

1 year or less	1-2 years	2-5 years	6 or more years
56%	10%	19%	15%

Started in COVID-19 **28%**

Started in 2020 **47%**

Total Revenue & Online Revenue by Region

2019	Canada	US	Rest of World
$216,319	65%	16%	19%

2020 YTD	Canada	US	Rest of World
$169,365	64%	15%	21%

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Base: Online only small businesses (n=408)
Q4, Q5, Q8, Q9, Q10, Q11, Q15, Q16

PROFILING: OFFLINE SMALL BUSINESSES

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OFFLINE CANADIAN SMALL BUSINESS OWNER SNAPSHOT: **DEMOGRAPHICS**

Gender

Male **52%**

Female **48%**

Age

Millennials **29%**

Gen X **45%**

Boomers **26%**

Ethnicity

White **66%**

BIPOC **31%**

Urbanity

Urban **62%**

Suburban **25%**

Rural **13%**

Region

BC **16%**

AB **15%**

SK/MB **7%**

ON **32%**

QC **23%**

Atlantic **7%**

Base: Offline small businesses (n=593)
Q1, Q2, Q3, Q6, Q7

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OFFLINE CANADIAN SMALL BUSINESS OWNER SNAPSHOT: **BUSINESS DETAILS**

Employment

Sole Proprietors **54%**

Have Employees **46%**

Under 10 employees	10-49 employees	50-99 employees
27%	14%	5%

Offering and Audience

My business sells...	Products	Services	Both
	52%	67%	20%
To...	**B2C**	**B2B**	**Non-Profit**
	81%	39%	3%

Top Industries

- Professional Services **15%**
- Retail or Wholesale **12%**
- Construction/ Manufacturing **10%**
- Healthcare/ Pharmaceutical **6%**

Time in Business

1 year or less	1-2 years	2-5 years	6 or more years
28%	11%	24%	37%

Started in COVID-19 **11%**

Started in 2020 **21%**

Total Revenue & Online Revenue by Region*

2019	2019 Online	Canada	US	Rest of World
$254,982	$107,092	76%	11%	13%

2020 YTD	2020 YTD Online	Canada	US	Rest of World
$167,257	$40,142	74%	11%	15%

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**Please note revenue by region was asked for online sales only*

Base: Online small businesses (n=593)
Q4, Q5, Q8, Q9, Q10, Q11, Q15, Q16

PROFILING: SMALL BUSINESSES THAT SELL OFFLINE ONLY

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OFFLINE ONLY CANADIAN SMALL BUSINESS OWNER SNAPSHOT: DEMOGRAPHICS

Gender

Male 49%

Female 51%

Age

Millennials 18%

Gen X 46%

Boomers 36%

Ethnicity

White 69%

BIPOC 28%

Urbanity

Urban 56%

Suburban 27%

Rural 17%

Region

BC 17%

AB 15%

SK/MB 5%

ON 37%

QC 19%

Atlantic 6%

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Base: Offline only small businesses (n=335)
Q1, Q2, Q3, Q6, Q7

OFFLINE ONLY CANADIAN SMALL BUSINESS OWNERS: **BUSINESS DETAILS**

Employment

Sole Proprietors **54%**

Have Employees **46%**

Under 10 employees	10-49 employees	50-99 employees
32%	13%	1%

Offering and Audience

My business sells...	Products	Services	Both
	39%	70%	10%
To...	**B2C**	**B2B**	**Non-Profit**
	77%	49%	–

Top Industries

Professional Services **18%**

Retail or wholesale **12%**

Construction/ manufacturing **12%**

Healthcare/ Pharmaceutical **8%**

Time in Business

1 year or less	1-2 years	2-5 years	6 or more years
23%	11%	20%	46%

Started in COVID-19 **9%**

Started in 2020 **17%**

Revenue

2019 **$235,754**

2020 YTD **$146,147**

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Base: Offline only small businesses (n=335) / Q4, Q5, Q8, Q9, Q10, Q11, Q15, Q16

PROFILING: SMALL BUSINESSES THAT SELL BOTH ON & OFFLINE

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ONLINE & OFFLINE CANADIAN SMALL BUSINESS OWNER SNAPSHOT: DEMOGRAPHICS

Gender

Male 55%

Female 45%

Age

Millennials 43%

Gen X 45%

Boomers 13%

Ethnicity

White 63%

BIPOC 34%

Urbanity

Urban 70%

Suburban 23%

Rural 8%

Region

BC 15%

AB 15%

SK/MB 8%

ON 27%

QC 27%

Atlantic 8%

Base: Offline small businesses (n=258)
Q1, Q2, Q3, Q6, Q7

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ONLINE & OFFLINE CANADIAN SMALL BUSINESS OWNER SNAPSHOT: BUSINESS DETAILS

Employment

Sole Proprietors **53%**

Have Employees **47%**

- Under 10 employees **20%**
- 10-49 employees **17%**
- 50-99 employees **10%**

Offering and Audience

My business sells...	Products	Services	Both
	69%	64%	33%
To...	**B2C**	**B2B**	**Non-Profit**
	88%	46%	7%

Top Industries

- Retail or Wholesale **12%**
- Professional Services **11%**
- Construction/ Manufacturing **7%**
- E-commerce **6%**

Time in Business

1 year or less	1-2 years	2-5 years	6 or more years
34%	12%	29%	25%

Started in COVID-19 **13%**

Started in 2020 **27%**

Total Revenue & Online Revenue by Region*

2019	2019 Online	Canada	US	Rest of World
$280,934	$117,992	76%	11%	13%

2020 YTD	2020 YTD Online	Canada	US	Rest of World
$194,604	$105,086	74%	11%	15%

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**Please note revenue by region was asked for online sales only*

Base: Online small businesses (n=258)
Q4, Q5, Q8, Q9, Q10, Q11, Q15, Q16