Smallbiz warms to e-commerce

John McLeod, Money Editor, The Halifax Daily News
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E-COMMERCE IS catching on quite nicely among Canada's small businesses, according to a survey being released this morning.

In fact, the managing partner of **SES Canada Research**, which does semi-annual surveys on small business and e-commerce, says the Internet in general, and e-commerce in particular, are "rapidly becoming mainstream business tools."

The numbers are pretty solid, with 61 per cent of smallbiz respondents using the Internet, 72 per cent believing the Internet opens new business opportunities for them, and 78 per cent sure its impact will be positive for their business.

SES's Nik Nanos notes, however, it's taking some time for those positive feelings to translate into actually doing business on the Internet.

In the past year, 27 per cent of respondents have conducted financial transactions online, and 41 per cent are planning to do so in the coming year.

'Sold on the sizzle'

"Up to now, small-business owners have seen the Internet largely as a communications and research tool, not as a medium for buying and selling," Nanos explains. "They're sold on the sizzle of the Internet, but not the steak yet."

SES, which provides research and consulting services to governments and private-sector companies, ranging from large retailers to telecommunication and Internet firms, sees e-commerce use in the small-business sector growing rapidly as these smaller firms learn its applications are relevant to them.

That issue of relevance, Nanos points out, is the key to increasing the amount of business done online.

Among survey respondents not using the Internet, most indicated they thought it was not relevant to their business.

Almost half (47 per cent) didn't see any barriers to using the Internet. Among those who did see barriers, the most common cited problems were lack of security (11 per cent) and concern the Internet would require alot of training (10 per cent) for themselves and their small staffs.

"The key stumbling block that prevents adoption of the Internet is a lack of perceived need," Nanos says.

"Many simply don't see the technology as being relevant to them."

What that says to SES clients who provide these kinds of services in the small-business sector, he explains, is their emphasis will have to be getting information to business owners showing how and why the Internet is relevant to their operations.

"There simply needs to be more education toshow them what the benefits are for them," he said. "With the right information, more of them will move to e-commerce over time."