

PRESS RELEASE

CANADIAN SMALL BUSINESS E-COMMERCE MARKET WORTH \$670M IN 1999

*Survey predicts Canadian market could grow
to \$1 billion by end of 2000.*

Toronto, March 8, 2000 -- Canadian small businesses bought and sold approximately \$670 million in goods and services over the Internet in 1999 and will do significantly more in 2000, according to one of Canada's largest surveys on small business and e-commerce.

Conducted by SES Canada Research, the SES Web Entrepreneurship Survey of 1,000 Canadian small businesses found that:

- ✍ Canadian entrepreneurs made purchases worth \$430 million over the Internet in 1999;
- ✍ Canadian entrepreneurs sold \$230 million worth of goods and services over the Internet in 1999;
- ✍ 44% of small businesses plan to engage in electronic commerce by the end of 2000, compared to 27% that had engaged in e-commerce as of Spring 1999.

"In the grand scheme of things, the small business e-commerce market remains a small but dynamic component of the Canadian economy," said Nik Nanos, Managing Director of SES. "Most small business decision-makers have not used the Internet to buy or sell anything and among those who have engaged in e-commerce, the dollar value of the transactions remains relatively low. However, we are seeing more and more small businesses getting into e-commerce and the size of the transactions is growing."

The survey found that:

- ✍ The average amount purchased by Canadian small businesses over the Internet in 1999 was \$1,900; and
- ✍ The average amount sold by Canadian small businesses over the Internet in 1999 was \$3,700.

"While the amounts are relatively small -- both in total sales and purchases, and the numbers of businesses involved -- they represent a significant and growing market," said Mr. Nanos. "As both the number of e-commerce companies and the size of their transactions grow, the importance of this market to Canada's economy will quickly increase. For example, if those with plans to engage in e-commerce over the next year do so, and there is a commensurate increase in the average size of transactions, the market could approach one billion dollars by the end of 2000."

Six-Month Trends

The survey also found that:

- ✍ There has been a 13% increase in the number of Canadian small businesses using the Internet since Spring 1999, bringing the total to 74%;
- ✍ The number of Canadian small business people who have bought or sold goods or services over the Internet has increased 8% to 35% since Spring 1999; and
- ✍ Canadian small businesses still use the Internet primarily as a communications and research tool:
 - ✍ 66% of all small businesses say they currently use e-mail (up from 57% in Spring 1999);
 - ✍ 50% of all small businesses have used the Web for business research (up from 38%

- since Spring 1999); and
- ✍ 41% of all small businesses maintain a website for external communications (up from 37% since Spring 1999).

The SES Web Entrepreneurship Survey is a syndicated survey on electronic commerce, focusing specifically on businesses with fewer than fifty employees. Conducted every six months, the Web Entrepreneurship Survey identifies opportunities and assists subscribers in understanding the perceptions of small businesses as they relate to commercialization of the Internet.

SES surveyed by telephone 1000 randomly selected Canadian small businesses between October 26th and November 12th 1999. The survey results are accurate to within 3.1 percentage points, plus or minus, 19 times out of 20.

Established in 1987, SES provides strategic research, executive counsel and innovative solutions to Canada's leading decision-makers. SES is one of Canada's leading research and management consulting companies.

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For more information on the methodology of the SES Web Entrepreneurship Survey visit:
[Survey Methodology](#)

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