

## PRESS RELEASE

### ELECTRONIC COMMERCE STILL IN ITS INFANCY BUT GROWING FAST: SURVEY

*Only 27% of small business owners bought or sold something on-line in the past twelve months, but 41% plan to do so this year.*

**Toronto, May 4, 1999** -- The Internet and electronic commerce are still in their infancy but are rapidly becoming mainstream business tools, 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:

- ✍ 61% of Canadian small businesses are currently using the Internet;
- ✍ 78% believe the impact of the Internet will be positive;
- ✍ 72% believe the Internet opens new business opportunities for them.

These positive feelings about the Internet are causing electronic commerce to grow rapidly:

- ✍ 27% of Canadian small business owners have conducted financial transactions on-line in the past year;
- ✍ 41% are planning to do so in the coming year.

"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," said Nik Nanos, Managing Director of SES. "This is changing, however. Canada's entrepreneurs are being very strategic in how they make use of the Internet and that increasingly means getting involved in electronic commerce. E-commerce in Canada is quickly growing from infancy to young adulthood."

When those respondents not using the Internet were asked to identify the main reason for not doing so, most indicated it was simply not yet relevant to their business. Almost half (47%) stated that there were no barriers to their using the Internet. Among those who did identify a barrier, the most commonly cited problems were a lack of security (11%) and concern that the Internet would require a lot of training (10%).

"The key stumbling block that prevents adoption of the Internet is a lack of perceived need," said Mr. Nanos. "Small business owners don't think there are insurmountable barriers to making use of the Internet and e-commerce. Many simply don't see the technology as being relevant to them yet."

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 1,000 randomly selected Canadian small businesses between March 2-12, 1999 by telephone. 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.

## PRESS RELEASE DATA TABLES

Does your business currently use the Internet?		
	Number	%
Yes	610	61.0
No	390	39.0
Total	1,000	100.0

Based on your current business plans, do you believe the impact of the Internet will be positive, negative or neutral?		
	Number	%
Positive Impact	648	77.8
Negative Impact	16	1.9
Neutral Impact	121	14.5
Unsure	48	5.8
Total	833	100.0

Statement Evaluation: The Internet opens new business opportunities for us.		
	Number	%
Strongly Agree	209	20.9
Agree	513	51.3
Disagree	209	20.9
Strongly Disagree	30	3.0
Unsure	39	3.9
Total	1,000	100.0

Have you bought or sold anything using the Internet for either personal or business use in the past twelve months?		
	Number	%
No	718	71.8
Yes, business only	114	11.4
Yes, both business and personal	101	10.1
Yes, personal only	59	5.9
Unsure	8	0.8
Total	1,000	100.0

Do you plan to buy or sell anything using the Internet for either personal or business use in the next twelve months?		
	Number	%
No	520	52.0
Yes, business only	170	17.0
Yes, both business and personal	169	16.9
Yes, personal only	66	6.6
Unsure	75	7.5
Total	1,000	100.0