

CANADIAN ENTREPRENEURS RACING TO ADOPT E-COMMERCE

Survey estimates small businesses bought and sold \$760 million on-line last year

Toronto, October 12, 2000 – Canadian small businesses are adopting electronic commerce at an increasingly fast rate, 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 small business decision-makers bought and sold approximately \$760 million on-line during the twelve month period ending in the Spring of 2000.
 - ✍ This represents a \$90 million growth in annualized e-commerce activities.
- ✍ 41% of all small business decision-makers bought or sold something over the Internet between Spring 1999 and Spring 2000.
 - ✍ This is a 14% increase over the previous year.
 - ✍ This growth exactly matches the Survey's projection made twelve months ago.
- ✍ 57% of small businesses plan to buy or sell over the Internet during the next year, an increase of 16% from the current level.
- ✍ 74% of all small businesses in Canada currently use the Internet.
 - ✍ This is the same level recorded by the Survey six months ago and an increase of 13% from twelve months ago.

"Canadian small business people are going faster, higher, stronger in their approach to the Internet," said Nik Nanos, Managing Director of SES. "More and more Canadian entrepreneurs are entering the e-commerce race and sprinting toward the finish line."

"While the number of small businesses using the Internet has remained flat over the past six months, those who are using the Internet are engaging in buying and selling on-line at a faster and faster rate," said Mr. Nanos. "They are increasingly using the Internet not just as a research and communications tool, but as a medium for conducting financial transactions. We expect the growth in e-commerce adoption to be even faster over the next year."

Canadian Entrepreneurs are "Buying Canadian"

The survey also found that as more Canadian small businesses engage in e-commerce, they are migrating from being predominantly an e-commerce market for foreign businesses to selling their own goods and services to other Canadians via the Internet. The survey found that 42% of Canadian SMEs conducted e-commerce transactions exclusively with another Canadian counter-party. This is an increase of 8% over six months. On average, 69% of the dollar value of each small business' e-commerce transactions were conducted with other Canadians. This is an increase of 17% over six months ago.

"The growth in domestic transactions likely results from the increased opportunities for Canadians to conduct e-commerce with other Canadians," said Mr. Nanos. "Canadian entrepreneurs are increasingly buying Canadian when given a choice."

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 May 8th and May 16th 2000. 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:

Nik Nanos, Managing Director
SES Canada Research
(416) 493-1965, ext. 222
nnanos@sesresearch.com

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