

## MYOB Business Monitor Online Special Report – Highlights

### Businesses with a website are performing better

Businesses with a website have consistently higher revenue performance, more work in their sales pipeline and are more optimistic about future prospects:

- Revenue performance over last 12 months: 32% of businesses with a website have experienced a growth in revenue over the past 12 months, compared to 22% of businesses without a website experiencing a growth in revenue.
- Q2 sales pipeline performance: 40% of businesses with a website have more work on, while 28% of businesses without a website have more work on.
- Revenue expectations for next 12 months: 48% of business with a website expect revenue growth in the next 12 months, while only 36% of businesses without a website expect revenue growth.

### More businesses are now online

Two fifths (39%) of businesses surveyed now have their own business website, up 4% since November 2010. Medium businesses (63%), Manufacturing & Wholesale businesses (61%) and small businesses (58%) are the most likely to have a website for their business.

Of the 39% of businesses with a business website, 32% (12% of the total sample) sell products or services via their business website (e.g. with a shopping cart). Those most likely to sell products and services online are in Retail, Hospitality, Manufacturing or Wholesale. The surprise, however, is that they are far more likely to be sole traders (41%) than to own a micro (24%), a small (25%) or a medium (13%) business. Therefore there appears to be a growth of a new type of business owner, the e-commerce sole trader.

### Almost half of the businesses without a website don't intend to get one in the future

Of the 61% of businesses that report not having business website, 45% (27% of the total sample) report that they don't intend to create a website for their business in future, and a further 11% don't know or are not sure about what they will do. The business owners more likely to get a business website in future are those who own a start-up (<2 years) business, who are 18-39 years of age, who own a business in the Retail and Hospitality sector, and who have a business in Queensland.

### A quarter don't think a website would benefit their business

When asked to agree or disagree with a range of statements, four statements received a much higher level of agreement than disagreement:

1. The Government should support the roll out of the National Broadband Network (NBN) with an education program for those who don't know how the Internet can help their business: (51%/18% Agree/Disagree)

2. The Internet is a critical channel for marketing and promoting our business: (47%/18% Agree/Disagree)
3. We would sell more or get more work if we used the Internet better for marketing: (41%/21% Agree/Disagree)
4. I would attend a free education session on how to compete in the global digital economy if the Federal Government ran such a session within 20kms of my business location: (40%/24% Agree/ Disagree)

For some businesses, education may be a key. With 21% of businesses agreeing that they don't know how to even start the process of getting a website for their business, and 26% agreeing that they don't think a website would benefit their business.

### **Use of social media by Australian businesses is growing**

More businesses are now using social media, with social media usage (Facebook, Twitter, LinkedIn, etc) up from 18% in August 2010 to 22% now.

Victorian businesses lead the way when it comes to using social media (25%), and are ahead of the national average of 22%, while South Australian businesses have been a little slower to use social media (20%).

### **The Internet is now the major channel for business banking, bill payment, contact information and marketing**

Almost as many business owners (62%) conduct business banking online on the Internet as have a dedicated business bank account (64%). And more than one third (36%) of business owners now pay bills on suppliers' websites.

More business owners now use Yellow Pages for business purposes online (30%) than use Yellow Pages for business purposes offline (21%). Similarly, more businesses use White Pages for business purposes online (30%) than use White Pages for business purposes offline (20%).

Just under one-third (29%) of businesses are using Internet search engines to promote their business, compared with 20% who use newspaper advertising to promote their business, and less than 10% who use magazines, radio or television to promote their business. Nearly a quarter (23%) of businesses use email marketing, compared with only 15% who use traditional direct mail (offline).

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## About the study

This report presents the summary findings for the key online indicators from the MYOB Business Monitor, comprising a national sample of **1,000** business owners and decision makers, conducted in April 2011. The businesses participating in the online survey are defined as those with 0 employees ('sole traders'), 1-4 employees ('micro businesses'), 5-19 employees ('small businesses') and 20-199 employees ('medium businesses'). Results have been weighted to reflect the business population distribution according to the Australian Bureau of Statistics (ABS) for company size, length of time operating, region, and selected ANZSIC Industry divisions (refer to ABS publication *COUNTS OF AUSTRALIAN BUSINESSES, INCLUDING ENTRIES & EXITS, JUNE 2007 TO JUNE 2009 - 8165.0*). Some Industry segments have been grouped (see next page) for the purposes of providing sample segments of reasonable size, and with a lower margin of error.

This research report was prepared by *The Financial Research Company* and fieldwork was conducted by *Colmar Brunton* (a Millward Brown Company) for:

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The findings in this study are reported here under the following main headings:

- Profiles of businesses with their own business website
- Intentions of those with no business website
- Attitudes around marketing, advertising, promoting business online on Internet
- Business activities conducted online compared with business activities conducted offline

## Reporting by Industry, State and Business Size

The findings of this research are reported by industry type, each industry weighted to its proportion of all GST registered businesses in Australia as provided by the Australian Bureau of Statistics:

Note: Industries have been grouped as follows for the purposes of providing meaningful results based upon sample segments of reasonable size, and with a lower margin of error. Occasionally in this report, industries have been de-grouped where there are very different results between those in an industry grouping.

Industry	Weighting	Apr 11	Nov 10
Agriculture, Manufacturing and Wholesale	18%	129	116
Construction and Trades	17%	159	148
Transport & Warehousing	7%	45	55
Finance and Insurance	7%	43	56
Professional and Business Services	26%	281	256
Retail and Hospitality	11%	132	141
Other Industries* (included in total results)	15%	211	228
<b>Total</b>	<b>100%</b>	<b>1,000</b>	<b>1,000</b>

\*Other Industries, combined because their sample segment numbers on their own have too high a margin of error, include these sectors: Communication Services; Cultural & Recreational Services; Education; Electricity, Gas & Water Supply Services; Health & Community Services; Mining; and Personal & Other Services.

The findings are also reported by State for some questions, and the sample size (and weighting to population representation) in each State is as follows:

State	Weighting	Apr 11	Nov 10
New South Wales (NSW)	33%	347	329
Victoria (VIC)	25%	255	266
Queensland (QLD)	20%	215	201
South Australia (SA)	7%	71	86
Western Australia (WA)	10%	84	77
Other States and Territories	5%	28	41
<b>Total</b>	<b>100%</b>	<b>1,000</b>	<b>1,000</b>

The findings are also reported by the number of employees in each of the businesses surveyed and was capped for companies with less than 200 employees. The proportions of sole, micro, small and medium businesses are weighted in line with their proportions of all businesses in Australia.

Number of Employees/Business Type	Weighting	Apr 11	Nov 10
0 Employees/Sole Traders	60%	533	575
1-4 Employees/Micro Business	24%	280	260
5-19 Employees/Small Business	11%	138	110
20-199 Employees/Medium Business	4%	49	55
<b>0-199 Employees/ Sole, Micro, Small, Medium Businesses</b>	<b>99%</b>	<b>1,000</b>	<b>1,000</b>

## Profiles of businesses with their own business website

### Two fifths of business owners now have own business website, and a third of those sell products and services/conduct e-commerce on that website

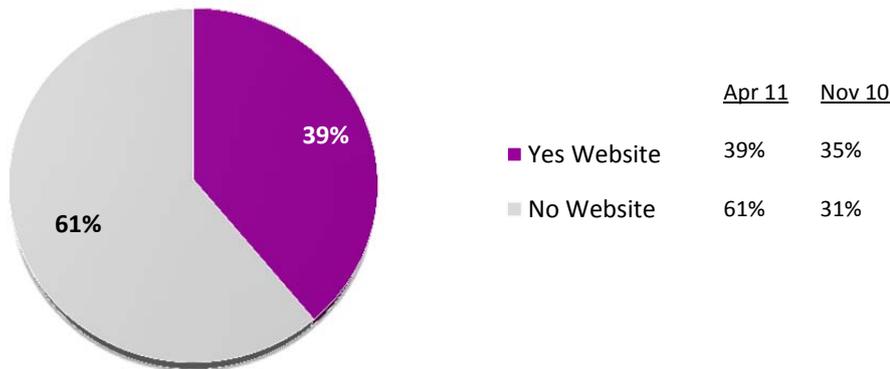
Base: Business owners & directors (n = 1,000)

Q. Do you use your own business website (under your business name and your own domain name) to promote and/or sell your products or services?

Q. You've said you have a website for your business. Do you sell your products or services via your website (e.g. with a shopping cart)?

The number of businesses with a website has increased, 39% of all businesses with less than 200 employees now have their own business website, an increase of 4% on those business owners reporting having their own business website in November 2010. (See Figure 10)

Figure 1: Have own business website (under own business name and own domain name): by Total Sample (% of n = 1,000)



Businesses with a website have consistently higher revenue performance, more work in their sales pipeline and are more optimistic about future prospects:

- Revenue performance over last 12 months: 32% of businesses with a website have experienced a growth in revenue over the past 12 months, compared to 22% of businesses without a website experiencing a growth in revenue.
- Q2 sales pipeline performance: 40% of businesses with a website have more work on, while 28% of businesses without a website have more work on.
- Revenue expectations for next 12 months: 48% of business with a website expect revenue growth in the next 12 months, while only 36% of businesses without a website expect revenue growth.
- Running a growth strategy as main objective over next 12 months: 58% of business with a website vs 49% of businesses without a website.

#### % of businesses reporting revenue growth in the previous 12 months

	Apr-11	Nov-10	Aug-10	Apr-10
Website	32%	30%	39%	29%
No Website	22%	23%	32%	20%

#### % of businesses reporting more work in sales pipeline

	Apr-11	Nov-10	Aug-10	Apr-10
Website	40%	33%	52%	43%
No Website	28%	26%	47%	35%

Medium businesses (63%), Manufacturing & Wholesale businesses (61%) and small businesses (58%) are the most likely to report having their own business website. Those least likely to have their own business website are business owners in Agriculture, Forestry and Fishing (25%), Construction & Trades (25%) and Transport & Warehousing (32%). (See Figure 10.1)

Figure 1.1: Have own business website: by State (% of n = 1,000)

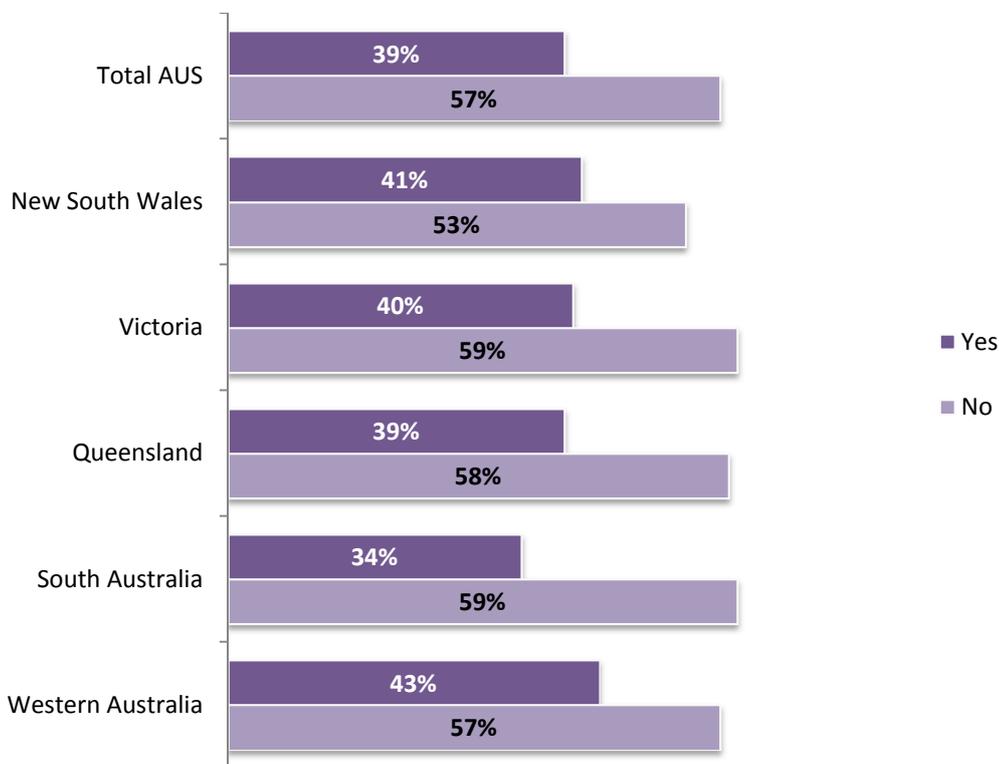


Figure 1.2: Have own business website: by area (% of n = 1,000)

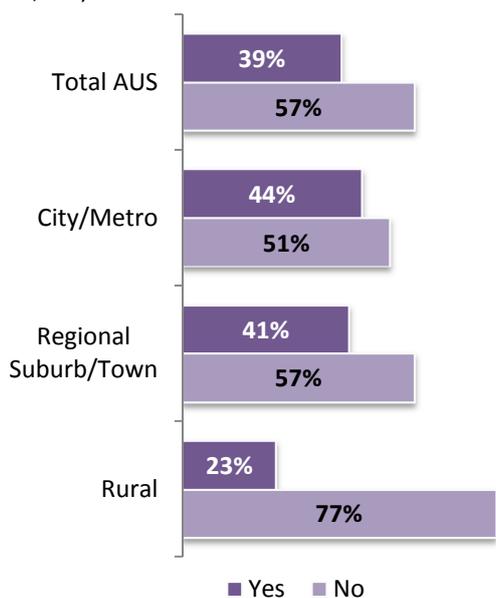


Figure 1.3: Have own business website: by length of time in business (% of n = 1,000)

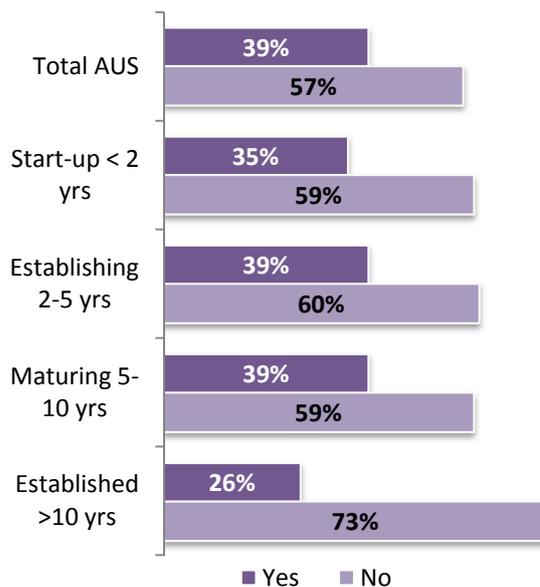


Figure 1.4: Have own business website: by Business Size (% of n = various within 1,000 sample)

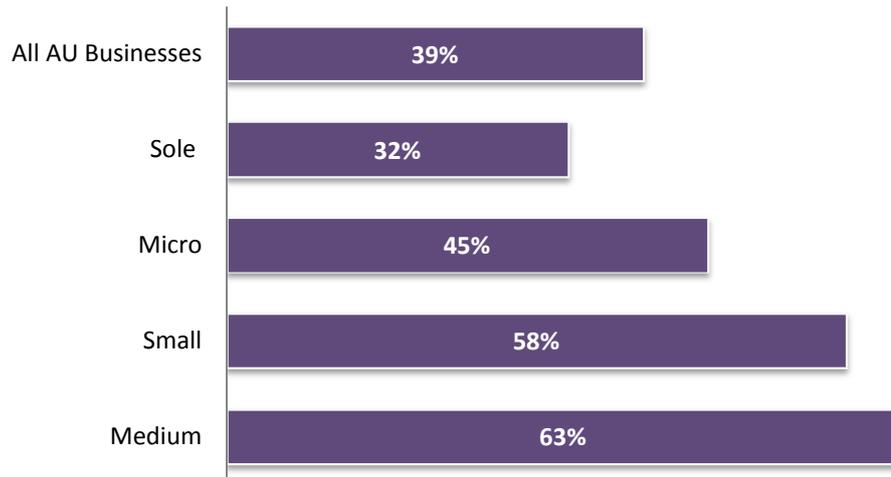
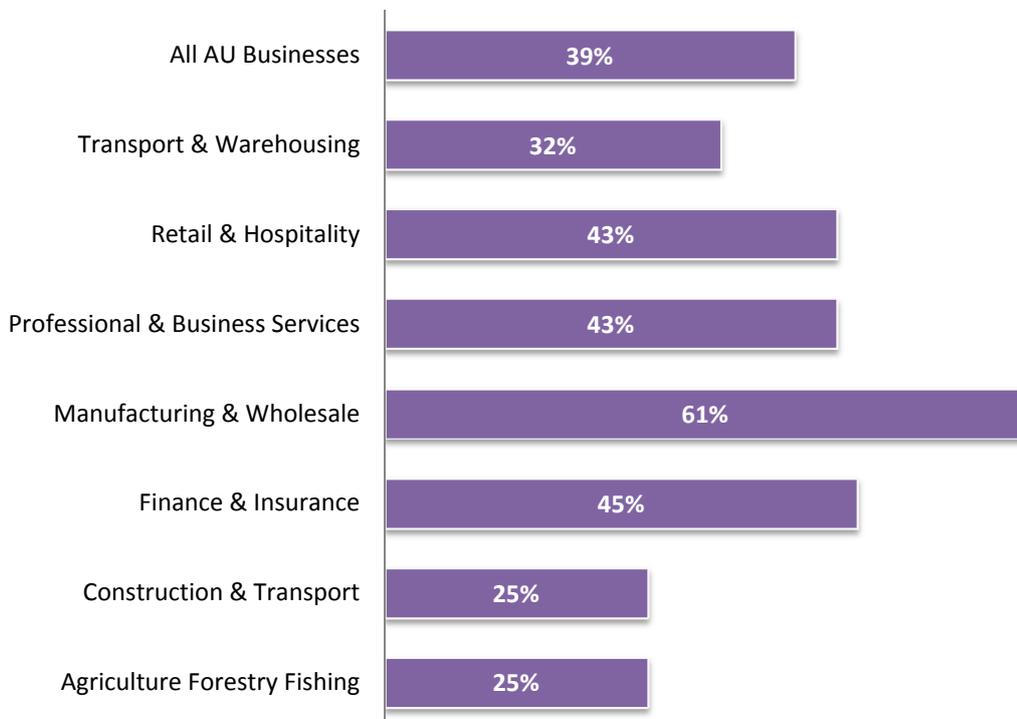


Figure 1.5: Have own business website: by Industry Category (% of n = various within 1,000 sample)



Of the 39% of business owners who have a business website, 32% (12% of the total of 1,000) sell products or services via their business website (e.g. with a shopping cart). (See Figure 10.2)

It is interesting to note that of the 39% of business owners who have a business website...

- Younger business owners are more likely to sell their products/services via their own website (41% 18-39 years old compared to 24% 40+ years).
- Male business owners are more likely to sell via their own website – 36% male vs 27% female.
- Establishing businesses (2-5 yrs) are more likely to sell via their own website (44%), compared to start-ups (<2 yrs) at 39%, maturing businesses (5-10 yrs) at 26% and established businesses (>10 yrs) at 23%.

Looking industry insights, businesses most likely to sell products and services via their website are Retail (or Hospitality or Manufacturing) or Wholesale business. The surprise, however, is that they are more likely to be sole traders (41%) than to own a micro (24%), small (25%) or medium (13%) business. (See Figure 10.3)

There appears to be a growth of a new type of business owner, the e-commerce sole trader.

Figure 1.6: Sell products/services via their own business website (e.g. with shopping cart): by with a business website (% of n = 393)

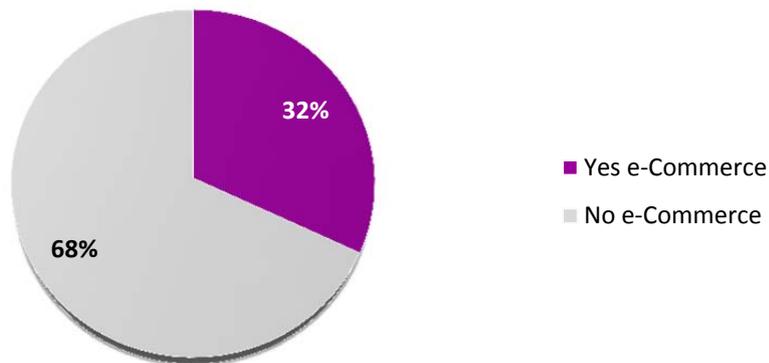


Figure 1.7: Sell products/ services via own business website: by Business Size (% of n = various within 393 sub-sample)

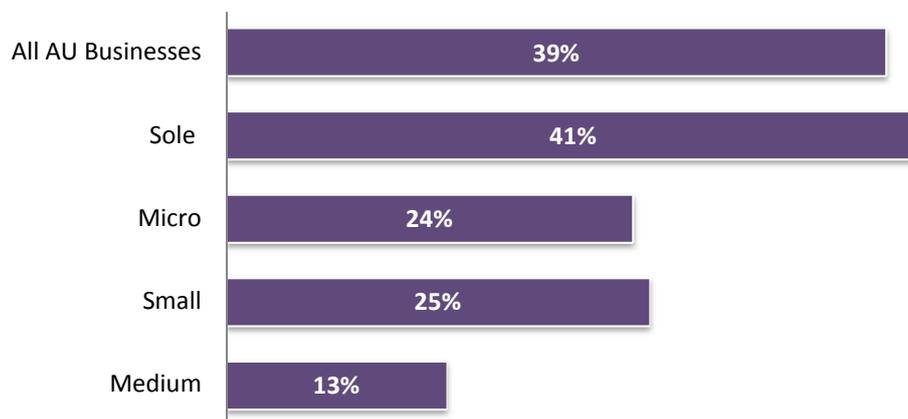
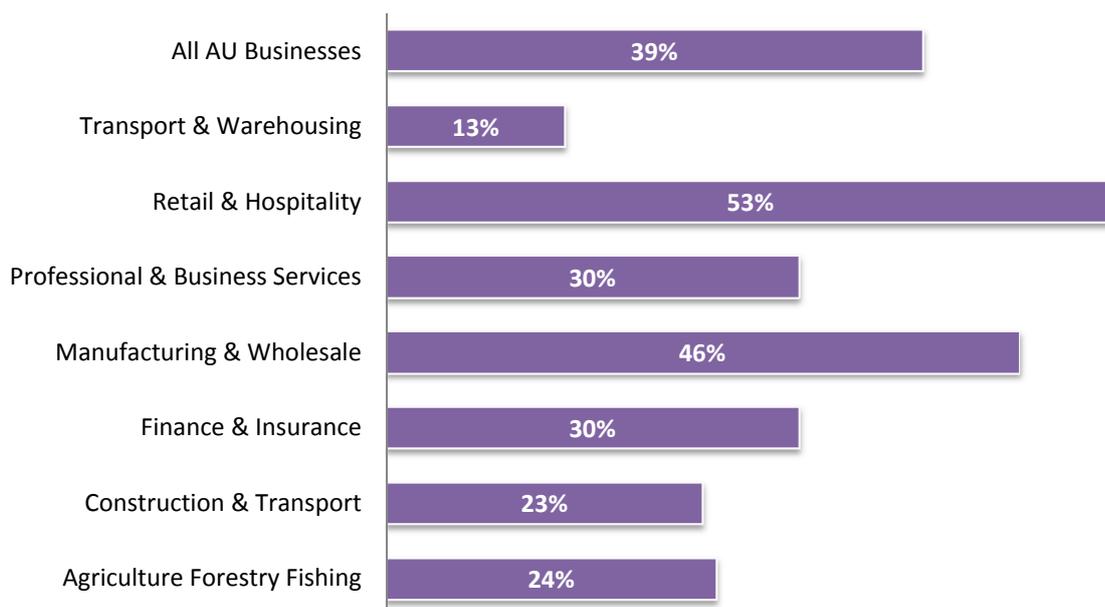


Figure 1.8: Sell products/services via own business website: by Industry (% of n = various within 393 sub-sample)



## Intentions of business owners that have no business website

### Almost half of businesses without a website don't intend to get one in the future

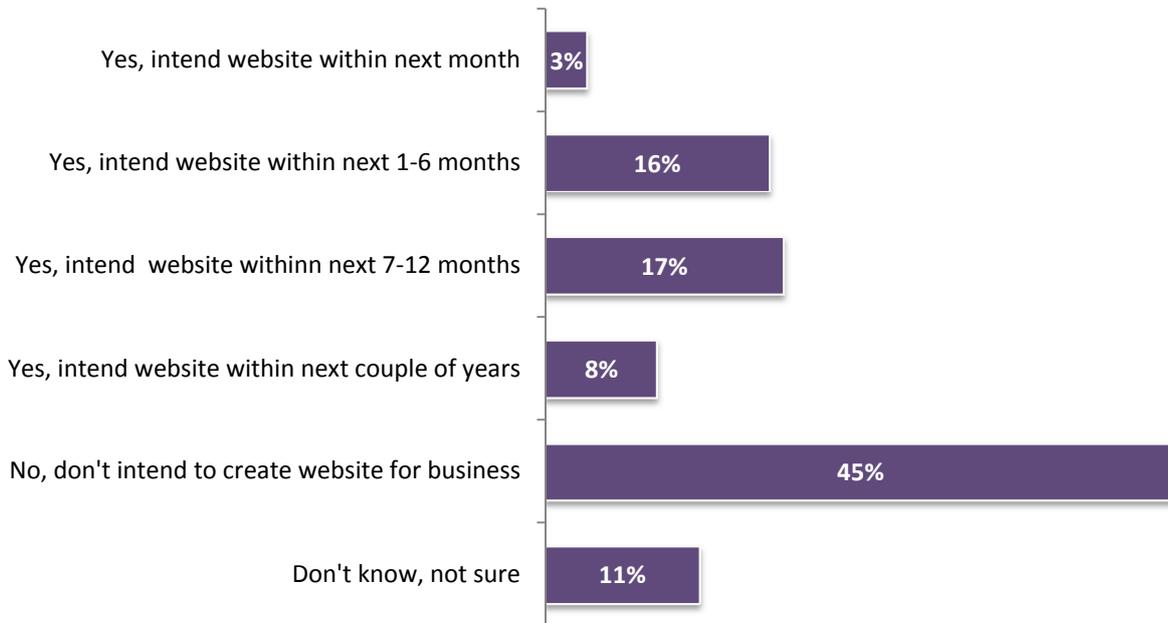
Base: Business owners & directors who do not have own business website: (n = 607)

Q. You've said you don't have a website specifically for your business. Do you plan to create one in the future, and within what timeframe?

Of the 61% of businesses that report not having a business website, 45% (27% of the total sample of 1,000) indicate that they don't intend to create a website for their business in future, and a further 11% of these (a further 7% of the total sample) report that they don't know or aren't sure. (See Figure 11)

However, 44% of this 61% (27% of the total sample) report that they do plan to create (or have created) a website for their business within the next 12 months. (See Figure 11) The business owners more likely to get a website in future own a start-up (<2 years) business (56%), are 18-39 years of age (53%), own a business in the Retail and Hospitality sector (51%), and have a business in Queensland (50%).

Figure 2: Future intentions on business website: by those who do not have a business website (% of n = 607)



Base: Business owners & directors who do not have own business website: (n = 536)

State	Yes, within the next 12 months	Yes, within the next couple of years	No, we don't intend to create a website for our business
Western Australia	26%	2%	65%
South Australia	30%	4%	62%
Queensland	37%	12%	39%
Victoria	39%	7%	39%
New South Wales	39%	10%	39%

## Attitudes around marketing, advertising and promoting business online on the Internet

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### Very few now underestimate business benefits of online marketing, advertising and promotion; many also want education on how NBN could benefit their business

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Base: Business owners & directors (n = 1,000)

Q. Thinking about marketing, advertising and promoting your business online on the Internet, either now or in the future, how strongly do you agree or disagree with each of these statements below?

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Most business owners no longer underestimate the benefits that online marketing, advertising and promotion can bring to their business.

Many business owners would like education on how the NBN (National Broadband Network) could benefit their business online, and many would attend seminars on 'Competing in the Global Digital Economy', if such seminars were held within 20km of their business location.

Businesses were asked if they agree or disagree with various statements. Four statements evoked a much higher level of agreement than disagreement: (See Figure 12)

- 1. The Government should support the roll out of the National Broadband Network (NBN) with an education program for those who don't know how the Internet can help their business:** (51% Agree / 18% Disagree)
  - Business owners most likely to agree with this statement buy business goods and services online (60%), report an increased revenue in the last year (60%), have a business website (58%), and own a business in the Agriculture, Forestry and Fishing sector (56%).
- 2. The Internet is a critical channel for marketing and promoting our business:** (47% Agree / 18% Disagree)
  - Business owners most likely to agree with this statement have a business website (68%), own a business in the Manufacturing and Wholesale sector (63%), and own a medium business (60%) or a small business (59%).
- 3. We would sell more or get more work if we used the Internet better for marketing:** (41% Agree / 21% Disagree)
  - Business owners most likely to agree with this statement have a business website (57%, compared with 30% of those without a website). Those least likely to agree with this own a business in the Transport and Warehousing sector (28%) or the Agriculture, Forestry and Fishing sector (32%).
- 4. I would attend a free education session on how to compete in the global digital economy if the Federal Government ran such a session within 20kms of my business location:** (40% Agree / 24% Disagree)
  - Business owners most likely to agree with this statement are in the Finance and Insurance sector (50%), pay their suppliers direct online (50%), have a business website (49%), and report increased business revenue in the last year (48%).

Three statements received a much higher level of disagreement than agreement: (See Figure 12)

1. **I don't understand the benefits that the Internet offers our business:** (53% Disagree / 16% Agree)
  - The business owners most likely to disagree with this statement have a business website (67%), have an annual business revenue over \$1m (63%), are Female (61%) and are in maturing (5-10 years) businesses (61%).
2. **I don't know how to even start the process of getting a website for my business:** (48% Disagree / 21% Agree)
  - The business owners most likely to disagree with this statement have a business website (67%), own a medium business (59%). While those least likely to disagree with this statement are business owners in the Transport and Warehousing sector (32%).
3. **I don't think a website would benefit our business:** (45% Disagree / 26% Agree)
  - The business owners most likely to disagree with this statement have a business website (68%, compared with only 29% of those without a business website) and have a small (59%) or medium (58%) business. At the other end of the scale only one quarter (25%) of business owners in the Agriculture, Forestry and Fishing sector disagree with this statement.

Figure 3: Level of agreement and disagreement with statements about marketing , advertising or promoting their business online on the Internet: By Total Sample (% of n = 1,000)

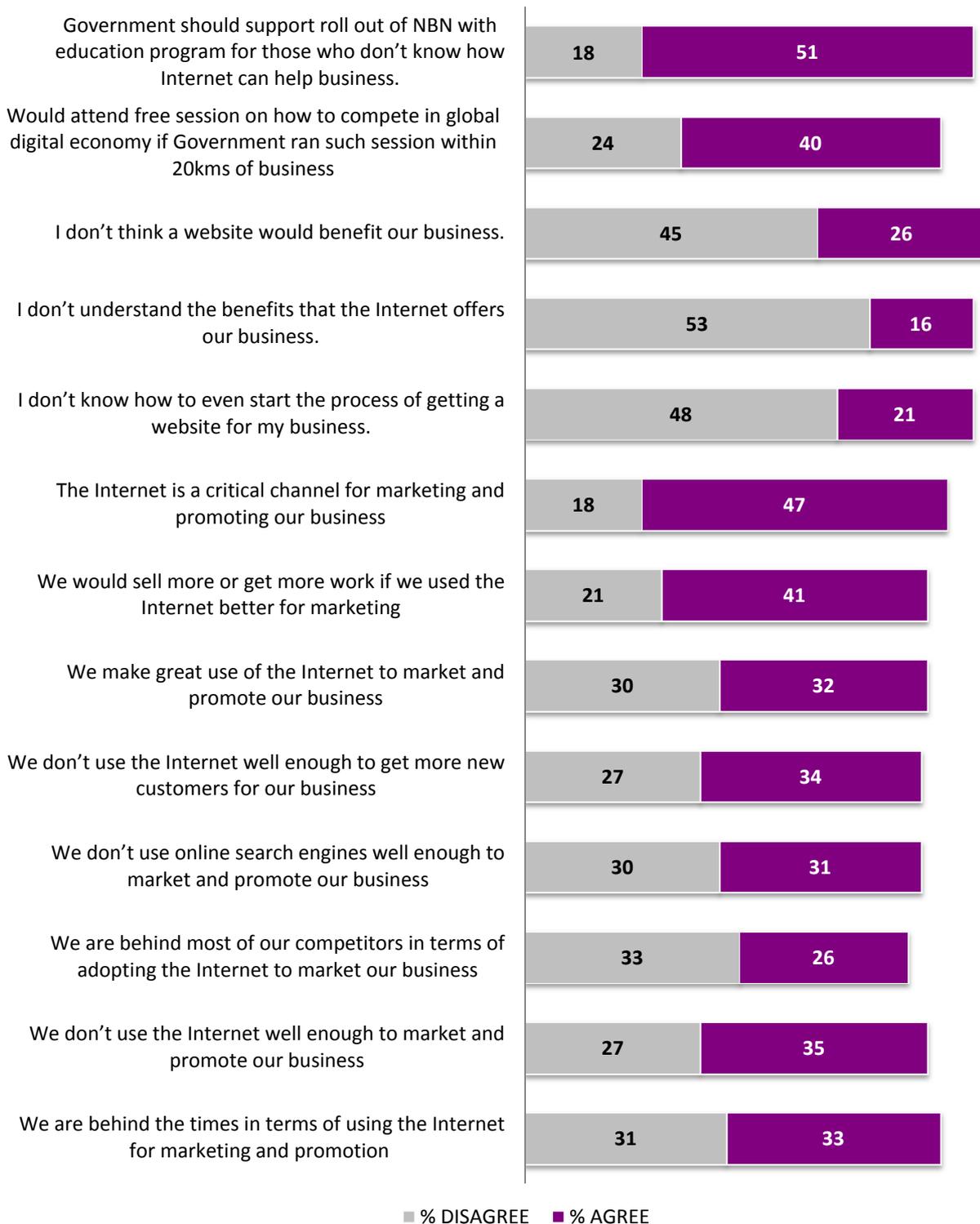
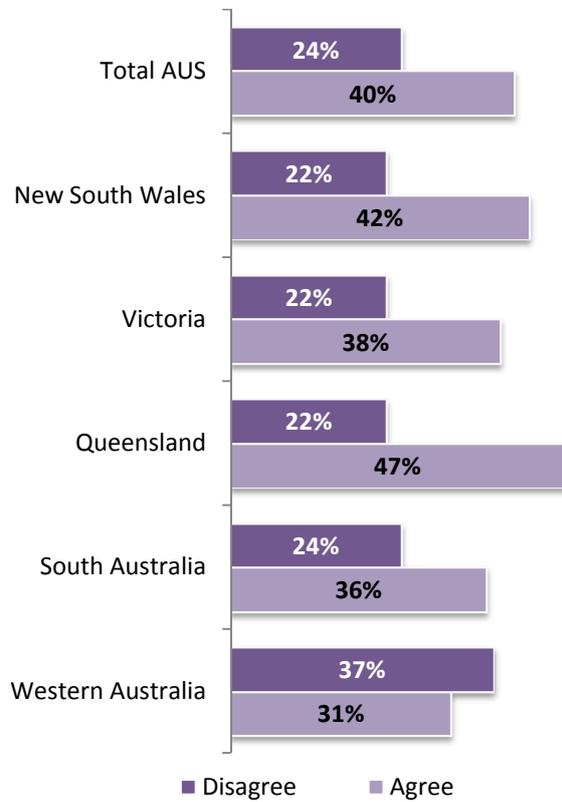


Figure 3.1: Level of agreement and disagreement with the statement: **I think the Government should support the roll out of the National Broadband Network (NBN) with an education program for those who dont know how the Internet can help their business:** by State (% of n = 1,000)



Figure 3.2: Level of agreement and disagreement with the statement: **I would attend a free education session on how to compete in the global digital economy if the Government ran such a session within 20kms of my business location:** by State (% of n = 1,000)



## Business activities conducted online compared with business activities conducted offline

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**The Internet is now the major channel for business banking, bill payment, contact information and marketing – social media use in business has increased.**

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Base: Business owners & directors (n = 1,000)

Q. Which of the following activities are currently undertaken in this business, for business purposes rather than personal purposes?

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### SOCIAL MEDIA USE HAS INCREASED

More businesses are now using social media, with social media usage (Facebook, Twitter, LinkedIn, etc) up from 18% in August 2010 to 22% now.

Victorian businesses lead the way when it comes to using social media (25%), and are ahead of the national average of 22%, while South Australian businesses have been a little slower to use social media (20%).

Other key insights into social media use by businesses:

- Female business owners are more likely to use social media (28%) than male business owners (18%).
- City/Metro based businesses more likely to use social media (25%) than businesses in regional suburbs/towns (22%) and rural based businesses (18%).
- Businesses in the retail and hospitality industry (32%) are the leading industry when it comes to social media, followed by businesses in Finance and Insurance (29%). On the other end of the scale are businesses in Transport (8%) and Construction and Trades (14%).

### BANKING & BILL PAYMENT

Almost as many business owners (62%) conduct business banking online as have a dedicated business bank account (64%). (See Figures 13 and 13.1)

More than one third (36%) of business owners now pay bills on suppliers' websites online. (See Figure 13)

### CONTACT INFORMATION

More businesses now use the Yellow Pages for business purposes online (30%) than use Yellow Pages for business purposes offline (21%).  
(See Figures 13 and 13.1)

Similarly, more businesses now use the White Pages for business purposes online (30%) than use White Pages for business purposes offline (20%).  
(See Figures 13 and 13.1)

### MARKETING

Over a quarter of business owners (29%) are using Internet search engines to promote their business, compared with 20% who use newspaper advertising to promote their business, and less than 10% who use magazines, radio or television to promote their business.  
(See Figures 13 and 13.1)

Almost one quarter of business owners (23%) now use email marketing, compared with only 15% who now use Direct Mail Marketing offline. (See Figures 13 and 13.1)

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Figure 4: Business activities conducted **online** on the Internet: by Total Sample (% of n = 1,000)

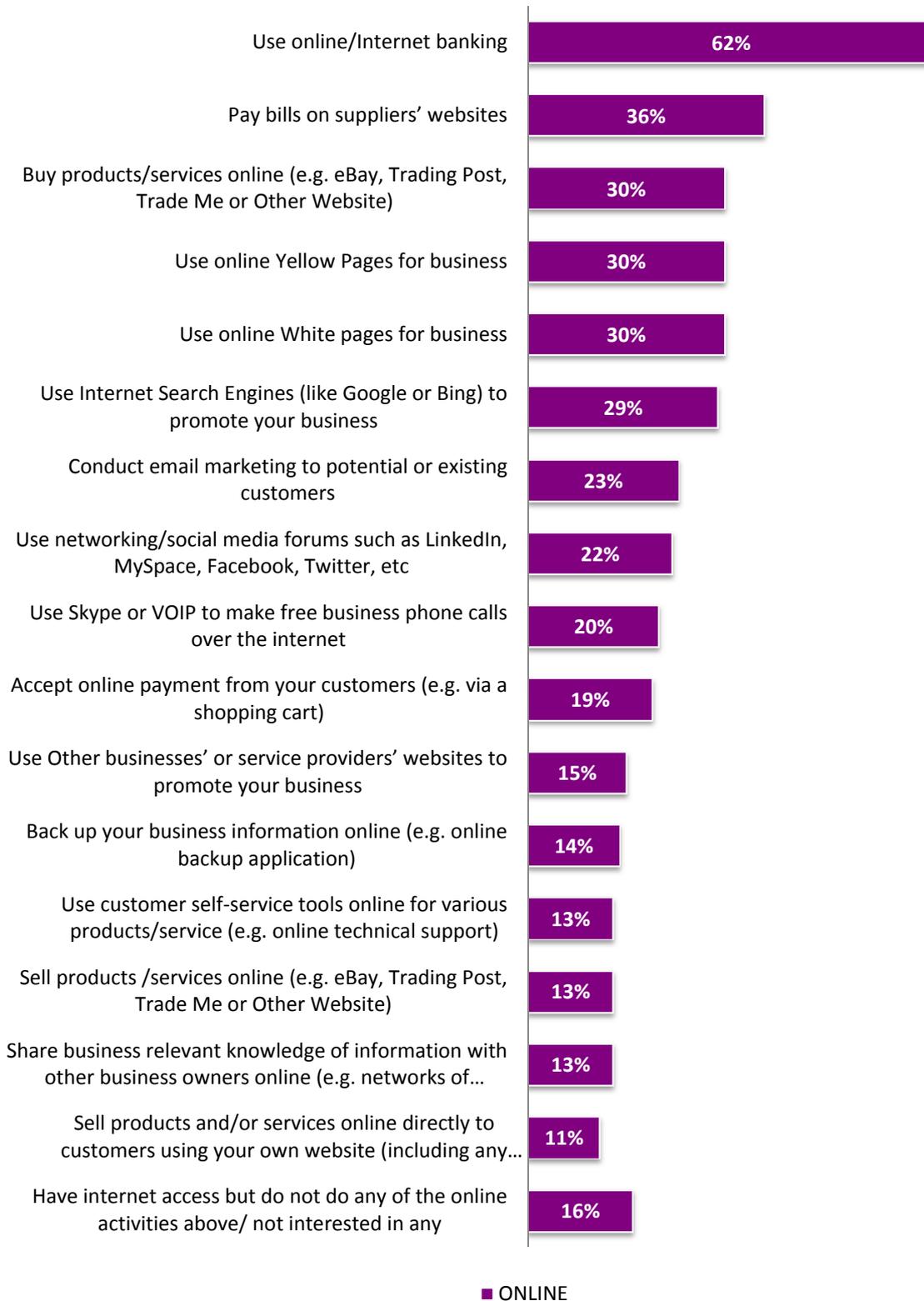


Figure 4.1: Use of networking/social media forums such as LinkedIn, MySpace, Facebook, Twitter, etc: by State (% of n = 1,000)

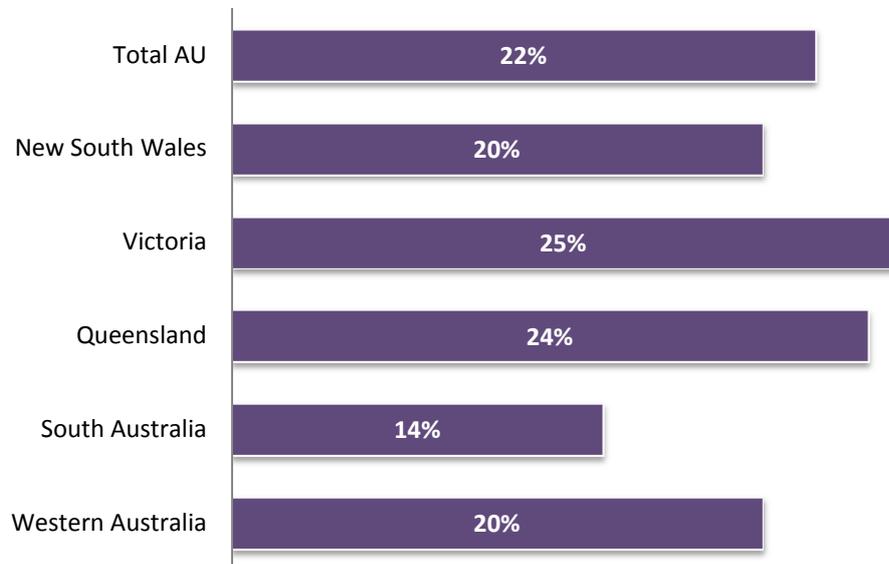


Figure 4.2: Use of networking/social media forums such as LinkedIn, MySpace, Facebook, Twitter, etc: by Industry Category (% of n = 1,000)

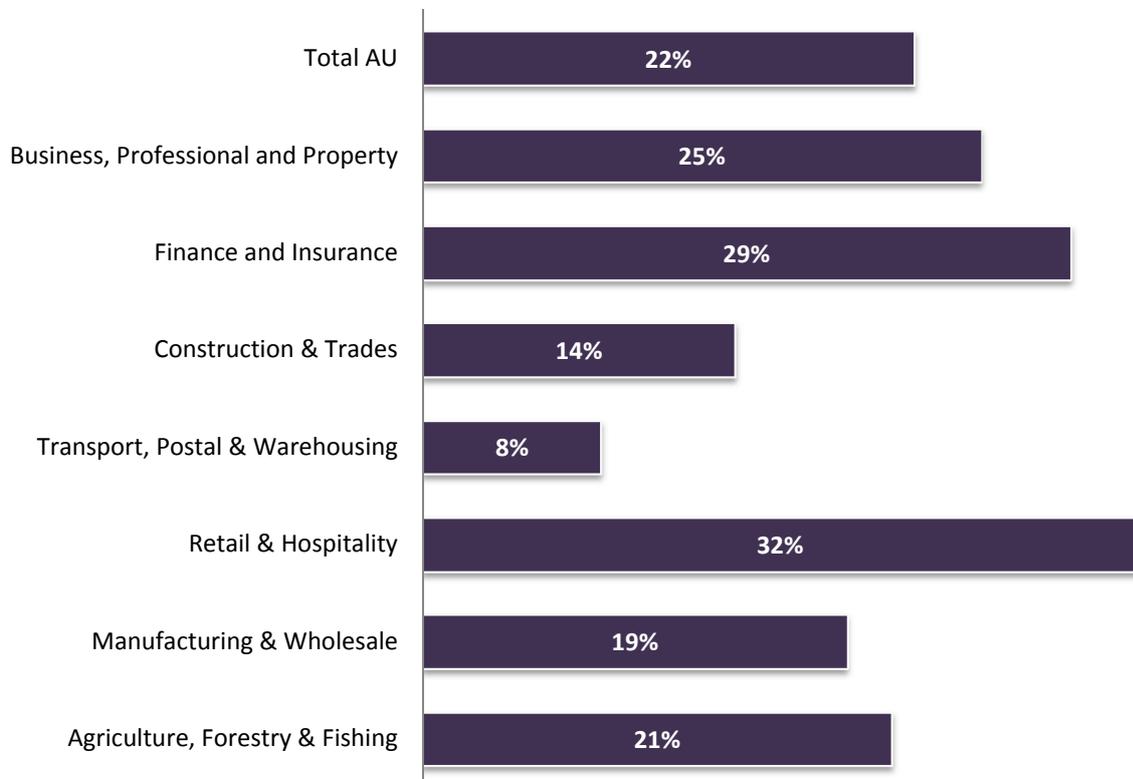


Figure 4.3: Business activities conducted **offline**: by Total Sample (% of n = 1,000)

