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NAWBO
National Association of Women Business Owners

2015 STATE OF WOMEN-OWNED BUSINESSES REPORT

#WBOReport

For the third consecutive year, Web.com partnered with the National Association of Women Business Owners (NAWBO) to commission a national survey of NAWBO members. The survey gathered insights about the business challenges women-owned businesses face in 2015. It also gauged their perceptions about the business climate for entrepreneurs, investment priorities and motivational drivers as well as examined aptitudes and interests toward online marketing products and services for 2015.

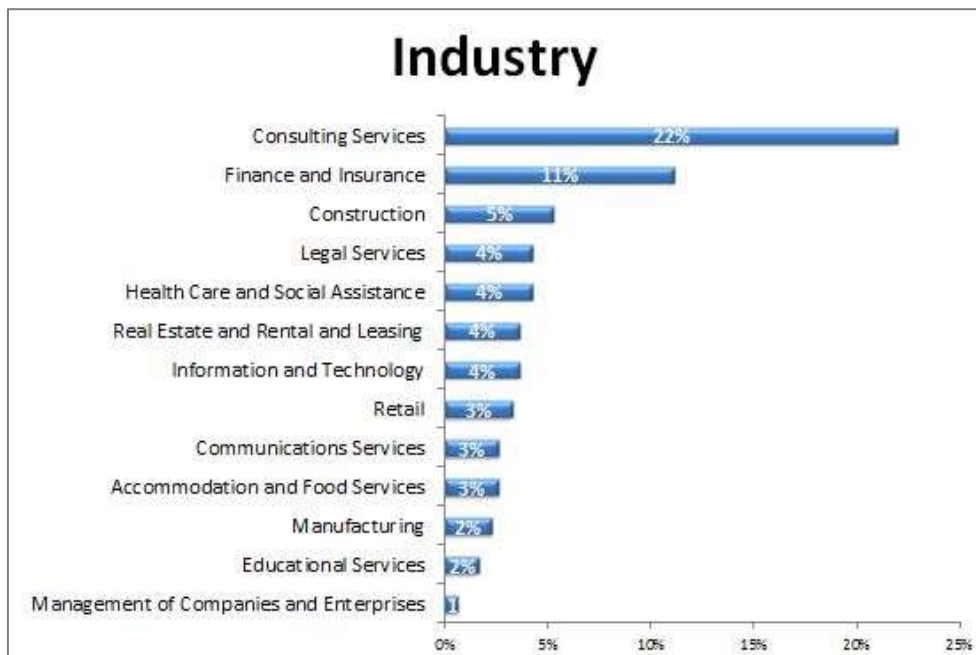
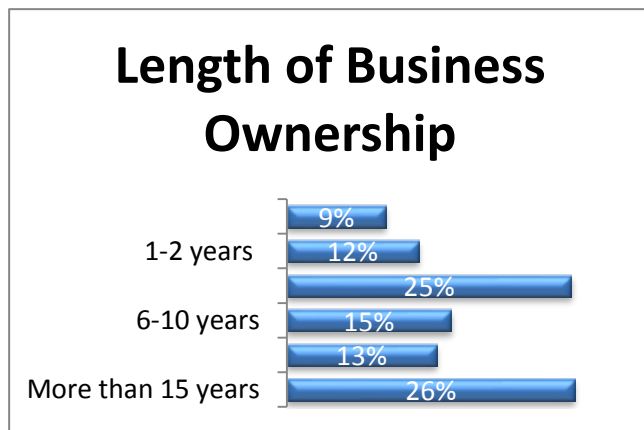
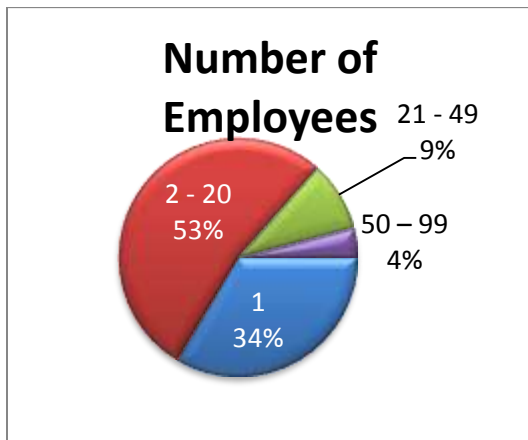
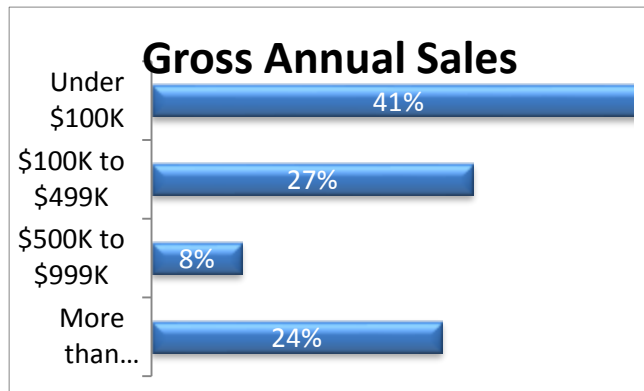
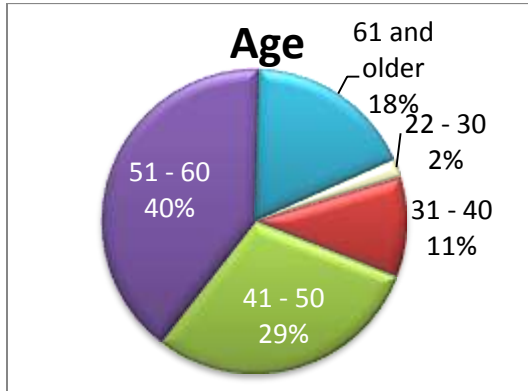
The online survey of 306 respondents was fielded by Golin between March 19 and April 4, 2015. The survey has a $\pm 3.0\%$ to 3.5% margin of error at a 95% confidence level.

Some prominent insights that emerged from the survey include:

Optimism for Small Business Performance in 2015	Perceived Attributes Needed to Start and Successfully Run a Business	Online Marketing is No Longer a “Nice to Have”
<p>This year’s report shows both economic outlook and optimism for business performance at a three-year high, with the large majority of women business owners expressing optimism that their business performance will improve this year compared with 2014 and 2013. Optimism for improved economic outlook this year soared from 2013 to 2015, yet the percentage of women who predict that more women will venture to start their own businesses in 2015 decreased from 2014. The ability to gain new customers remains the top concern of women business owners this year.</p>	<p>Vision, passion and control outweigh earning power or even family flexibility as factors most likely to influence a woman’s decision to start her own business. The majority of respondents cited vision for a business idea they wanted to implement as the single biggest motivator for starting a business, with the ability to pursue a specific passion ranking as the most important factor, indicating that women showcase entrepreneurial spirit through translating vision and passion for a specific idea into an operating business.</p>	<p>In order to convert their vision for long-term success into a successful customer acquisition and retention strategy, women business owners plan to invest more in marketing this year. And while an overwhelming majority of women believe social media platforms are important for creating and maintaining customer relationships, increasing technological advancements in online marketing have made women business owners less confident in their ability to use tools like email marketing, website design and maintenance, online advertising and mobile marketing.</p>

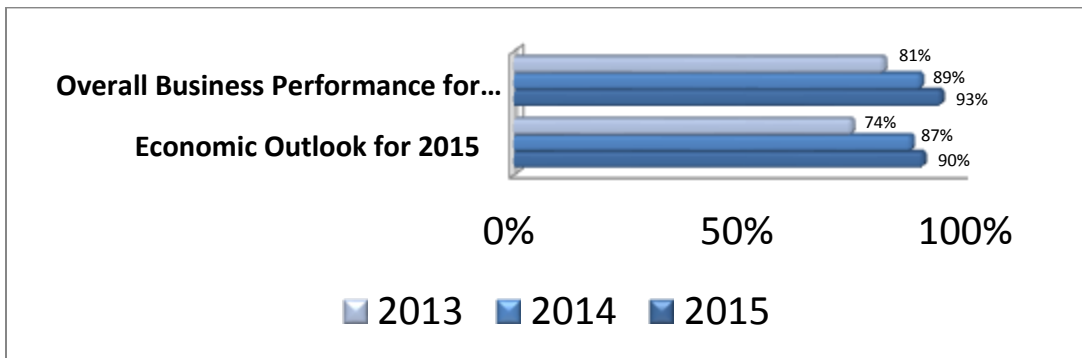
WHO WE LOOKED AT

The 2015 State of Women-Owned Businesses Survey was issued to NAWBO's 5,000+ members and reflects the behaviors and perceptions of 306 respondents. All respondents are women who own, operate or are engaged in the operations of small businesses.



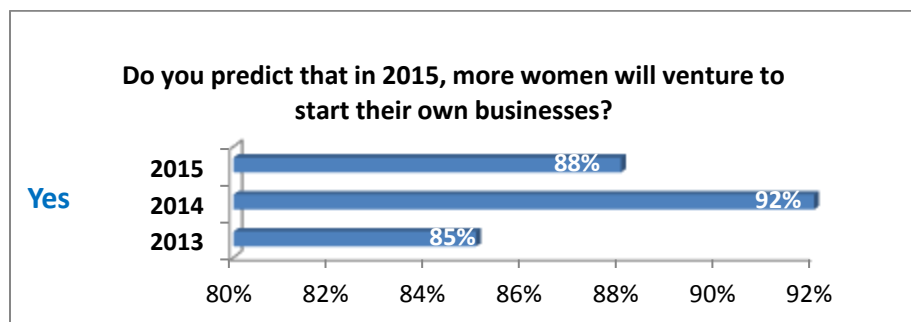
RESPONDENTS EXTREMELY OPTIMISTIC

Survey respondents in 2015 expressed a significant increase in optimism for improved business performance this year over 2014, marking a three-year upward trend, with 93% of women optimistic about their business' overall performance. Positive outlook on business performance in 2015 indicates that small businesses continue to have significant potential to succeed in the current economic climate.



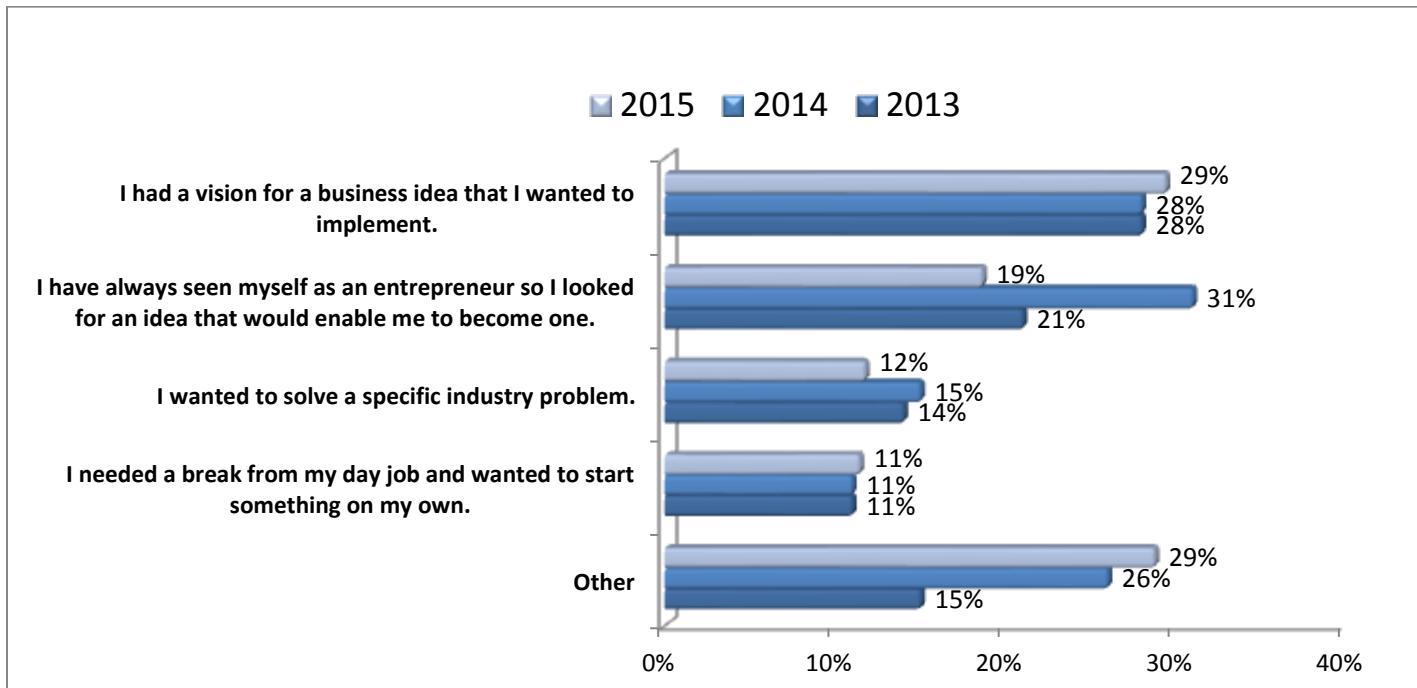
MOST PREDICT THAT IN 2015, MORE WOMEN WILL VENTURE TO START THEIR OWN BUSINESSES

Optimism for new women-owned business start-ups dropped from last year, though a clear majority of respondents (88%) still predict more women will start a business this year. Despite the decrease, a number of respondents comment that “the time has never been better” for women to start their own businesses, with technology and social media making it easier than ever to coordinate work and reach large audiences. Many also note a trend for younger women to do something they love, rather than focusing on income potential. Others believe that fatigue with corporate jobs will lead many women to venture out on their own as the economy improves.



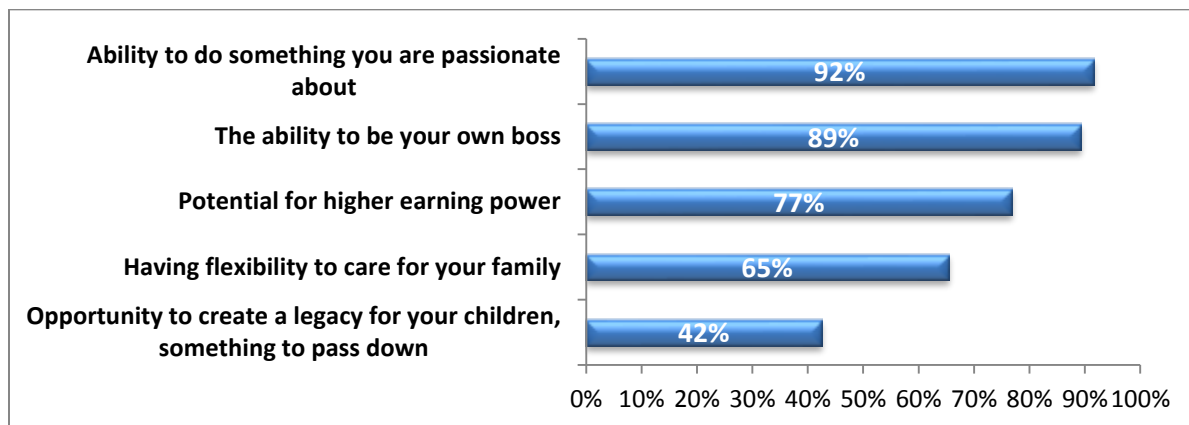
BIGGEST MOTIVATION TO START YOUR OWN BUSINESS

This year, the vision for a specific business idea topped the list factors influencing the start of a business, trumping last year's top motivational factor of having always seen oneself as an entrepreneur, though across the top two majority responses, the opportunity to start a business as a means of enabling a woman to execute a big idea shines through.

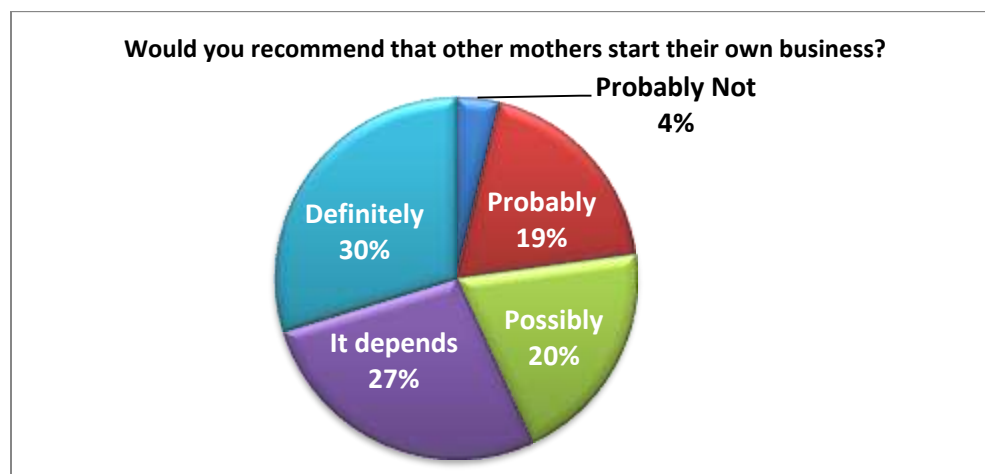


PERSONAL PASSION TRUMPS FLEXIBILITY FOR FAMILY

When weighing factors of the most influential to the decision to start a business, the ability to do something you are passionate about (92%) carries more weight than having flexibility to care for family, which ranked next to last (65%). The data speaks to core tenets of entrepreneurialism. While the ability to be your own boss, earn more money and have more flexibility to care for family are all determining factors for wanting to start a business, the data reveals that women are entrepreneurial at heart and have a vision for a business they want to create, based on a passionate idea. In that regard, they are like all new entrepreneurs: they are driven and work hard.



Women generally recommend entrepreneurship to other mothers, though they readily admit that the type of business as well as children's ages and personalities should inform that decision. Most respondents admit it's more difficult than they had imagined.



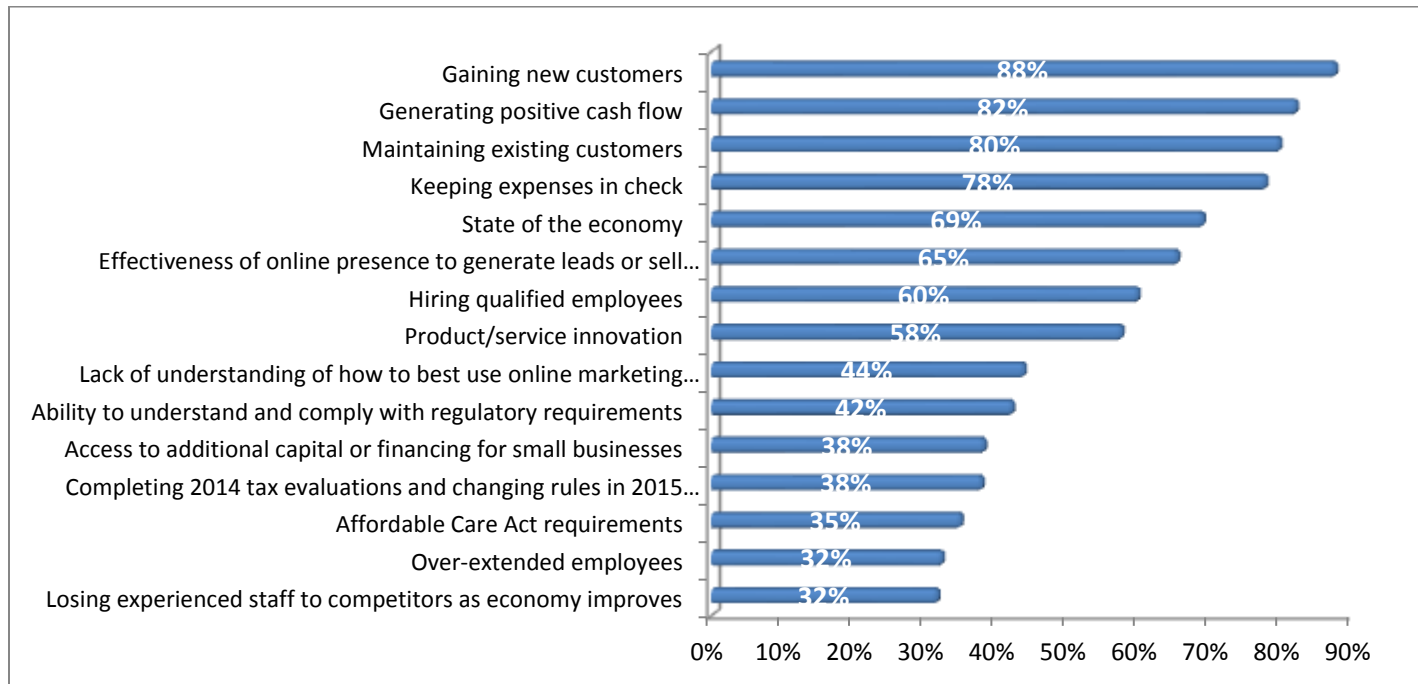
FACTORS CONSIDERED VERY OR SOMEWHAT IMPORTANT IN 2015

In considering respondents' views of macro factors in 2015, the state of the economy, business tax issues and access to health insurance again top the list of concerns, with respondents being slightly less concerned with the state of the economy now (88%) than they were in 2014 (90%). The data shows a decrease in the importance of access to capital, with a slight majority (53%) seeing access to capital as important compared with last year (61%). Women view education policies (59%) and regulatory burdens (55%) as increasingly important compared with last year (51% and 53%, respectively).

The state of the economy	88%	Regulatory burdens	55%
Business tax issues	77%	Access to capital	53%
Health insurance	69%	Fuel and other energy costs	45%
Labor cost, availability of skilled workers, immigration reform, etc.	66%	National security issues	42%
Education policies	59%	Gaining access to federal contract opps	33%

PRIORITY ISSUES AND CONCERNS WITHIN THE NEXT SIX MONTHS

The ability to attract and keep new customers again tops the list of near-term challenges most concerning to women business owners this year.



MARKETING IS TOP INVESTMENT PRIORITY FOR 2015

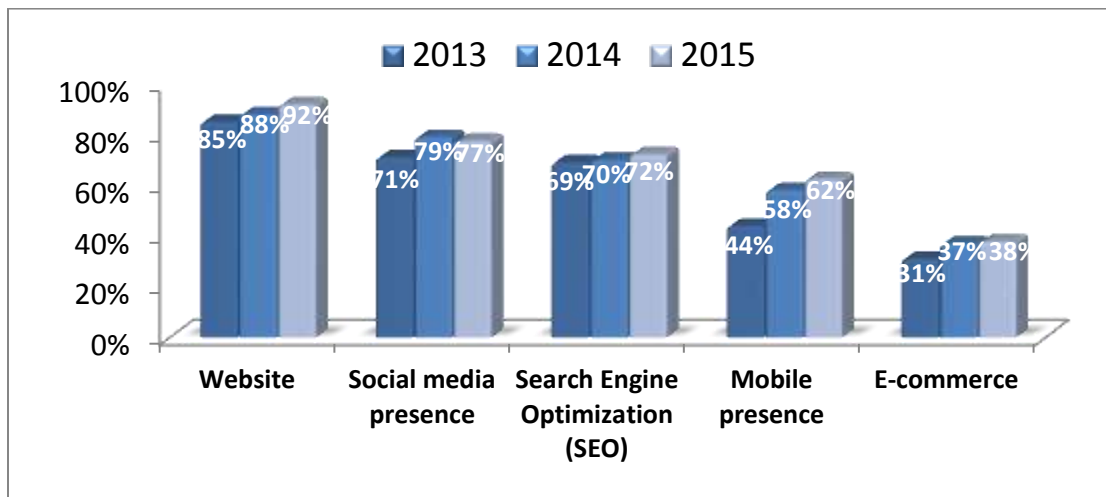
To address immediate challenges to attracting new customers and building relationships and loyalty with existing customers, women business owners plan to invest more in marketing this year (35%) than in product/service enhancement, customer service and hiring.



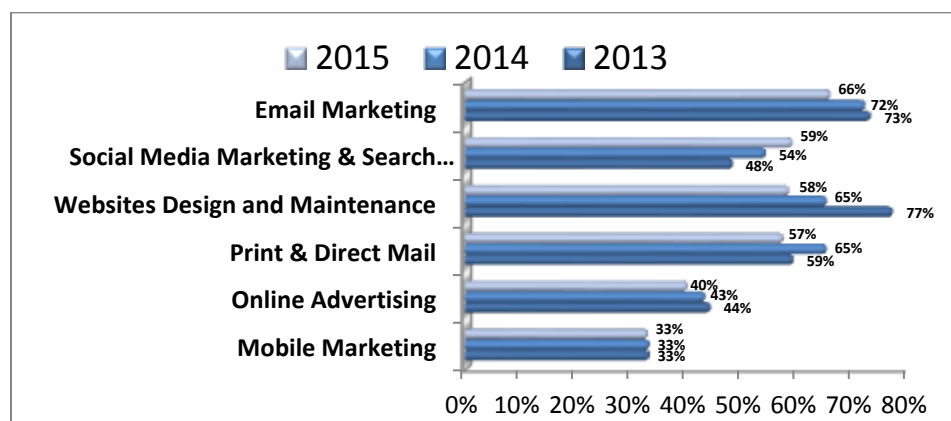
NEEDS VERSUS CAPABILITIES

ONLINE MARKETING TOOLS IMPORTANT TO 2015 INVESTMENT PLANS YET MANY WBO'S DOUBT THEIR OWN ABILITY TO UTILIZE SOME OF THESE CAPABILITIES

Women business owners in today's competitive marketplace of more than one billion websites are evaluating multiple online channels and tools in order to maximize their marketing dollars, with a website topping the list of critical investment needs at 92%. There is also a significantly higher interest this year in mobile-specific optimization, which is just in time for the rollout of Google's new search algorithm favoring "mobile-friendly" websites.

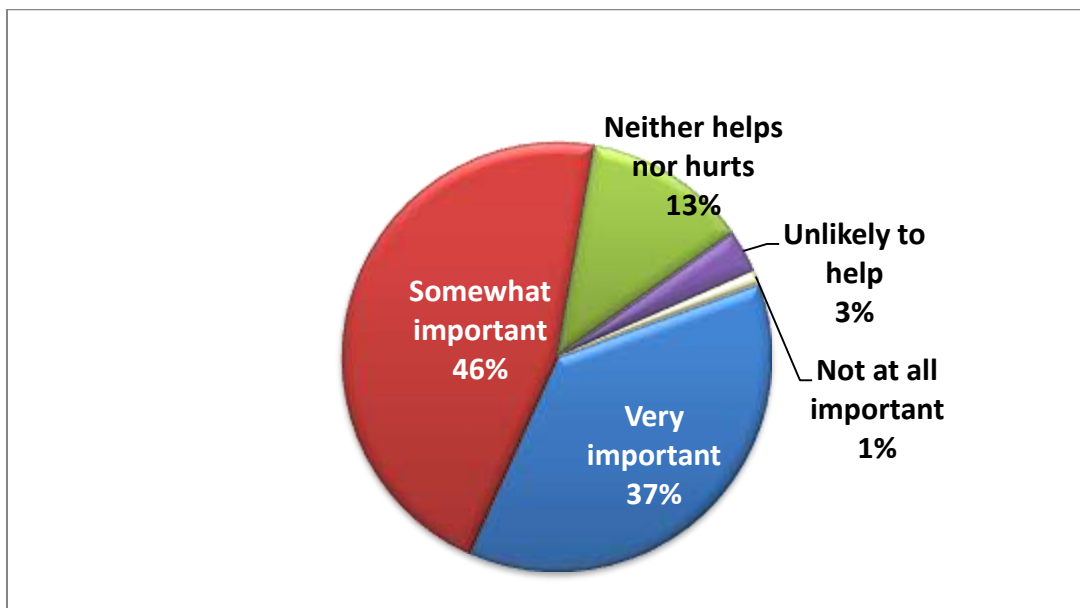


In many respects, advances in technology have made women business owners less confident in their ability to utilize online marketing tools. Only social media marketing has noted an increase in level of confidence in one's own ability to build the capability.

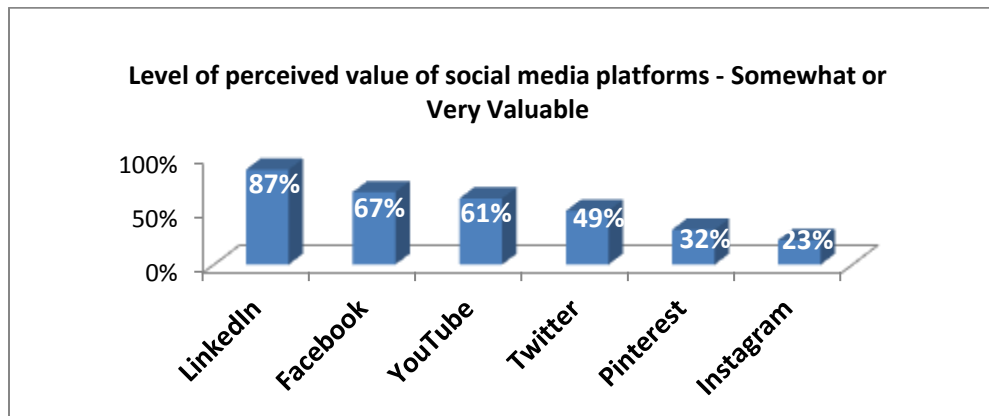


IMPORTANCE OF SOCIAL MEDIA PLATFORMS FOR CREATING AND MAINTAINING CUSTOMER RELATIONSHIPS

Eighty-three percent of women business owners say social media platforms are important for creating or maintaining customer relationships, with few respondents in disagreement. In cases where a small business websites are purely informational, showcasing products, providing contact info and hours, or existing for discoverability via an online search, social media is a critical tool for connecting and engaging with potentially new and also existing customers.



When it comes to using social media as a business marketing tool, women perceive LinkedIn to be the most valuable social platform.



Given the perspectives and insights gathered from women-owned business decision makers, both NAWBO and Web.com urge women at every stage of business operations – whether starting a business, struggling to succeed, managing through growth pains or expanding to new markets and/or product lines – to consider the following advice. Not only will these points help WBOs improve their business’ bottom line this year, but they will lay the groundwork for long-term success.

Build your online presence.	Connect and engage with customers on their terms.	Take advantage of all the new resources now available to small business owners.
<p>With more than one billion websites now in existence, having a website has not only become table stakes but adequately promoting its existence and value has become critical to your ability to gain new customers. If you don’t have a website (particularly one optimized for the mobile experience), you can either build one yourself or have one built for you by working with one of the many website hosting/development companies available today. Then learn and apply SEO, email marketing, online advertising and other online marketing services that will lead new customers to discover your business online.</p>	<p>The personal touch and excellent customer service that encourage people to patronize small businesses can extend to social media platforms, where small business owners can connect and engage directly with both potential new and existing customers. Set up a LinkedIn page, or other appropriate social media site, for your business to serve as a networking channel; build a customer fan base on Facebook through promoting specific products, promotions and services and engaging directly with the customer.</p>	<p>If you’re overwhelmed with the everyday demands that starting and running a business requires and/or don’t feel you have the know-how to build, optimize and promote your business online, find an expert to guide you through the process or even manage all these details on your behalf. Whether you seek assistance from a business organization or online services provider who can do it all – from design, building and hosting your website to promoting it via SEO, email marketing and social media management, consider the arrangement as a partnership that’s critical to your ability to meet or exceed your business goals.</p>