

THE WEB.COM SMALL BUSINESS DIGITAL TRENDS REPORT

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About the Authors



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David Brown serves as Chairman and CEO and has been a board member of Web.com since August 1999. He was named President of the Company in August 1999 and has served as Chief Executive Officer since August of 2000. Mr. Brown has held numerous senior management positions including posts at Carlyle International, Riggs National Bank, Florida National Bank and Barnett Bank. He holds a B.A. in General Studies from Harvard. Mr. Brown currently serves on the boards of the University of North Florida Foundation, and the Federal Reserve Bank of Atlanta's Jacksonville Branch.



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In the 20 years since the birth of the consumer web – when retail giants such as Amazon, eBay, and Google entered the scene – e-commerce has evolved from an experiment into a cornerstone of the U.S. economy. Today, nearly 8 in 10 Americans have made a purchase online, up from just 22 percent in June 2000 – and 15 percent now make an online purchase every week, according to a [new study by the Pew Research Center](#). In order for small business owners to compete for consumer’s attention, they’ve adopted some of the strategies and tactics used by big-name national retailers and other businesses, but scaling the consumer web down to small business-size presents a unique set of challenges for small business owners.

The Web.com Small Business Digital Trends Report reveals new online marketing trends, and explores how small business owners are using online channels to grow their reputation and their revenue. This survey of small businesses (1–500 employees) includes sellers with e-commerce sites as well as other small business owners like artists, welders, dentists, hair salon owners, dry cleaners, construction companies, and more. These small business owners shared their experiences of building and maintaining their online presence, including what’s working, what isn’t working, and their outlook for 2017.

SMALL BUSINESS OWNERS’ CONFIDENCE IN THEIR ONLINE PRESENCE

Despite the number of small business owners now embracing online marketing, only 54 percent of small business owners report they are very confident that their business’ online presence is doing the job it’s supposed to do. A deeper dive into the data shows small business owners have not yet tapped into the full suite of online tools that are needed today to attract their next customer:

- 42 percent of small business owners admit they don’t use both a robust website and social media channels to market their business.
- A report from online security company, Whitehat Security, finds that 86 percent of all websites have at least one vulnerability, yet an overwhelming majority of small business owners feel their webpages are secure or very secure (81 percent).
- Search engine optimization (SEO) is low in priority for small business owners, with only 17 percent planning to invest in it in 2017 – despite its importance in ensuring that a site can be found online.
- Finally, even though the web and social media are evolving at a lightning-fast pace, 43 percent of small business owners say they have no plans to change or improve their online presence in 2017.

SOCIAL MEDIA: USAGE, AS WELL AS FRUSTRATIONS, ARE HIGH

Eighty-eight percent of small business owners say they use social media, and 54 percent will invest in social media in 2017. However, 85 percent of respondents admit to experiencing some kind of challenge or roadblock when using social media to market their business. These include:

- Concern of reputational risks (15 percent)
- Being overwhelmed with the upkeep, including the need to constantly develop interesting content (14 percent)
- Lack of understanding of how social media will help their business (13 percent)
- Knowledge of how to set up social media channels so they integrate with their business (10 percent)

Additionally, 23 percent of respondents admit that they use their personal social media handles to market their business, and 16 percent say that they’re on social media, but they don’t have a business website.

When asked which social media platform was most effective for their business, Facebook emerged as the clear winner, ranking as the ‘most effective’ four times more than any other social media channel. Twitter was the next most effective platform, ranking ahead of channels like Pinterest, LinkedIn, Instagram, Google+ and Snapchat. However, each platform was seen as effective by a portion of respondents, and even non-traditional channels (such as Yelp, eBay, YouTube, and Tumblr) were mentioned as playing a role in small business success.

SEARCH ENGINE OPTIMIZATION IS UNDER-UTILIZED

Fewer than 6 percent of respondents say SEO is a challenge for their business, and only 17 percent say that adding SEO to their online marketing strategy is part of their plan for 2017. This low emphasis on SEO by respondents may mirror a trend of questioning or misunderstanding the role of SEO for today's online business. Supporters of SEO believe the tactic builds a distinct brand for companies and also drives content from a company to the consumer. This holds especially true for online reviews of products and services, which have become the de facto gold standard for millions of online buyers: according to the [Pew Research Center](#), 82 percent of U.S. adults say they check online reviews before making a first-time purchase.

The low number of respondents planning to invest in SEO in 2017 may indicate a lack of awareness of the changing but important role of SEO, and may also show that small business owners are just starting to explore its value for their business. Small businesses may not be investing in SEO be due to lack of expertise or resources to make it work for them, or a feeling that smaller companies can't compete on SEO against the larger online giants. It could also be that they don't understand or perceive its value, as the SEO landscape changes so quickly (i.e. search utilizing voice activation, local, maps, etc.).

THE BIGGEST CHALLENGE: MANAGING IT ALL

Small business owners are too often trying to juggle many roles, needing to be experts in everything from customer service to IT to serving as Chief Marketing Officer for their business. When asked about the biggest challenges they face with their online presence, the clear winner for small business owners was managing content. The weight of this burden makes sense when you consider that it is no longer acceptable just to be online: you must now be current or even ahead of your customers and market. Also, 68 percent of small business respondents are handling the building and maintenance of their online presence in-house, compared to only 22 percent who outsource to a firm and 9 percent who rely on family and friends to build their websites.

Other significant website challenges identified in the survey were functionality, design, and security. This is likely because of the level of expertise required: understanding how websites work, how people interact with them, and how to keep customers and their data safe. While these are all critical to running a small business website, they're often not areas of expertise for small business owners.

SECURITY IS A TOP PRIORITY, BUT ARE WE DOING ENOUGH?

Websites are no different from your email inbox or computer hard drive: hackers are often trying to pry into your data or take over your site. Small business owners, however, feel they are doing a good job of handling online security issues, with 81 percent rating their security as a 4 or a 5 (in a 5-point scale where 5 indicates the most secure). The question is – do they actually know if they are secure or not? Security breaches are often undetected, and small business owners may be unknowingly at risk. The respondents' sense of security is in contrast with the high percentage of website vulnerability cited by some experts.

When it comes to their specific security concerns, respondents cited their website crashing and theft of customer data at the top of their concerns. To mitigate this, companies are taking a number of basic measures, such as updating virus protection and passwords, but it is unclear if that is enough and if small business owners truly know how secure their website is.

SMALL BUSINESS OWNERS' #1 COMPETITIVE ADVANTAGE: YOU AND ME

According to the small business respondents, the biggest threat from large businesses is their ability to offer a better price, followed by their speed in responding to customers and their wider reach. This is not too surprising as we often attribute competitive price, speed and market share to economies of scale.

However, small businesses have a competitive edge, too. Almost half of respondents chose "I have a more personal connection with my customers" as their number one competitive advantage. When we consider that respondents identified the ability to reach more customers as the top purpose of social media and the ability to communicate with customers as one of its top advantages, it is clear that many small business owners are using this network to build upon this personal connection they have with their customers in order to stay competitive.

A BRIGHT FUTURE FOR 2017

Small business owners are bullish about the future: more than 86 percent of respondents believe that their business revenue will grow in 2017, and 62 percent believe the entire economy will improve (please note, the fielding of this study was conducted after the November election). That said, there is still work to be done. When asked what grade small business owners think their customers would give to their website, only one in four give it an “A.”

WHAT'S NEXT?

While most small business owners are finding it easier than ever to get online, several trends for online presence do appear. Management of content and generating new content are priorities for 2017 — something that every small business will need to address, either internally or with external partners. E-commerce is an ongoing goal of many small businesses as they continue to market and bring new customers into their business. Security is another focus point for 2017, as small business work to keep their company and customers safe. Finally, a goal for many of us: moving from a B to an A in our online presence.