

Small Businesses Keen on Big Net

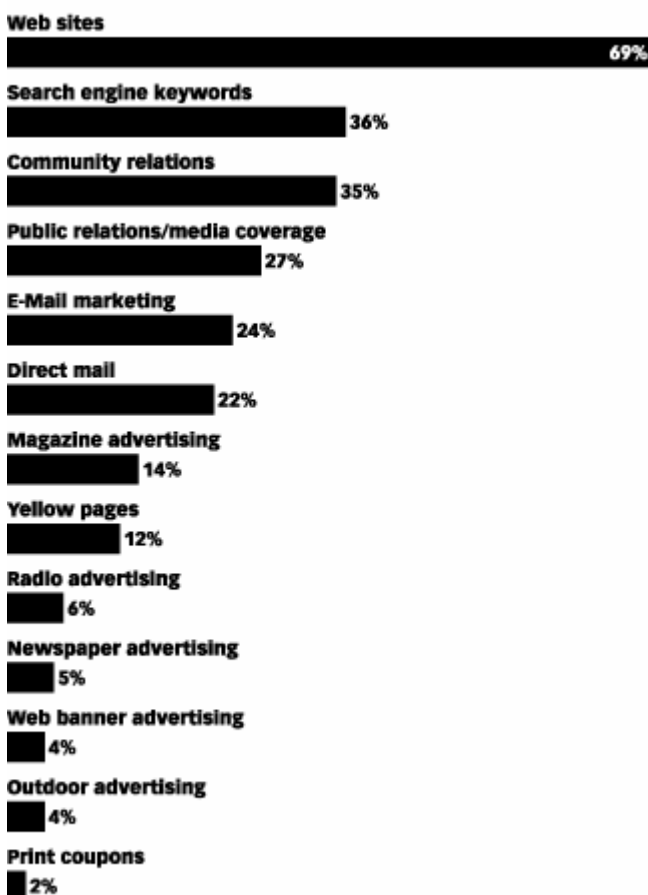
May 24, 2004

Small businesses in the US are embracing the Web as a marketing tool, using it to a greater degree than more traditional advertising methods.

Interland found that almost all the small businesses it surveyed felt having a Web site was "very" or "somewhat important" to their business, and 69% felt they were "critical in driving business." Interland conducted its invitation-only online survey among its small businesses customers making less than \$250,000 to more than \$5 million in annual revenue, with three-fourths reporting under \$1 million in annual sales. Fully 30% of the companies had a Web site for more than five years, and 31% had been online for two or fewer years. Over 60% of respondents employed five or fewer full-time staff members. Interland provides applications hosting, Web hosting, and consulting services to small and medium sized businesses.

Just about all small business owners surveyed rated an online identity (99.5%), such as a Web site and business e-mail, as very or somewhat important to their businesses. About two-thirds felt similarly about site interactivity – like blogs or e-newsletters – and online promotions, such as search engine optimization and e-mail marketing.

Marketing/Advertising Tools Used by US Small Businesses, 2004 (as a % of respondents)



Note: n=171
Source: Interland, May 2004

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Small business owners favored many online marketing methods over offline, with 69% denoting Web sites as essential to their marketing plans, 36% feeling the same way about search engine keywords and 24% e-mail marketing importance. Highest rated offline tactics included fostering good community relations at 35%, and public relations/media coverage at 27%. Certain offline marketing tools were rated critical by less than 15% of respondents, like magazine advertising, yellow pages and radio advertising. Web banner advertising, once a popular form of online ads, has fallen

out of favor, with only 4% finding it very useful.

Online Resources that US Small Business Owners Rate as "Very" or "Somewhat Important" for the Success of Their Business, 2004 (as a % of respondents)

Online identity (i.e., have a Web site, business e-mail)

99.5%

Site interactivity (i.e., Web-based business forms, blogs, interactive maps and e-newsletters)

67.0%

Online promotions (i.e., search engine optimization, keyword advertising and e-mail marketing)

62.0%

Online transactions (i.e., e-commerce, online catalogs and coupons and selling via a third-party site like Amazon or eBay)

55.0%

Note: n=171

Source: Interland, May 2004

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Clearly the Internet, as it has for larger businesses, has become one of the prime marketing tools for small businesses. The Web's popularity, wide reach and generally low costs make it a great resource for these companies.

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