



New study reveals big benefits for small businesses online
New research from Google shows that the web leads to higher revenues, growth for small business

HONG KONG, December 5, 2013 – Today, Google released new research providing insight into the link between the web and small and medium enterprises (SMEs) in Hong Kong, revealing significant benefits for SMEs who go online.

The study, conducted by IPSOS Hong Kong research company, found that “highly digitally engaged” SMEs—that is, SMEs that are making the most use of online tools like websites, online marketing, and social media—are 2.8 times more likely to enjoy revenue growth than those who did not use the Internet. Tech savvy SMEs are also more optimistic about their business’s outlook: highly engaged SMEs were three times more likely than their offline-only peers to forecast increases in revenue.

The findings showed that highly digitally engaged SMEs are 3.3 times more likely to hire and expand their workforce than those who did not use the web, creating new employment opportunities for workers in Hong Kong, where SMEs represent 98% of the city’s companies and contribute 50% of Hong Kong’s GDP.

“The Internet makes a big difference for small business, helping them grow faster and create more jobs,” said Google’s Asia Pacific Head of SME Kevin O’Kane said. “The web is like rocket fuel that helps SMEs power the engine of growth for Hong Kong’s economy.”

The study found that online SMEs were more likely to seek to broaden and diversify their sources of revenue by expanding to new local and international markets. Highly digitally engaged SMEs were 4.8 times more likely to plan to expand into new local markets, and more than five times as likely to plan to expand internationally than those who reported no online presence.

At the same time, it’s clear that businesses looking to get online still face obstacles. The study found that only 50% of SMEs in Hong Kong have a website, meaning one in two businesses are missing out on the opportunity to grow revenues and expand their workforce using web tools. 44% of businesses surveyed believed they lacked the time required to develop and maintain an online presence; a similar number (40%) worried that they lack the skills needed to take advantage of digital technology. However, with local and global consumers alike spending more and more time online, Hong Kong’s SMEs need to embrace the web or risk losing out.

According to O’Kane, there are many simple, low cost steps--such as creating a website or using online tools to engage with customers--that SMEs can take to get started. First, every SME should have a website and ensure that the site is accessible for the increasing number of people using smartphones to search and find businesses online. Once they have a site that people can access from mobile without pinching or zooming, SMEs can experiment use online advertising (such as search engine advertising) to tell potential customers about their strength. And finally, they

can take advantage of free tools such as online video platforms like YouTube, where they can drive sales and build customer loyalty with videos that help people learn more about their products and services.

About this study

Google, in partnership with Ipsos Hong Kong, conducted a study amongst Hong Kong SMEs. 311 Hong Kong SMEs were interviewed using CATI (computer aided telephone interviews). The interviewees work in a company with less than 50 employees and identify themselves as the main decision makers of marketing related issues or key influencers over the final marketing decision. The overall distribution is a natural fall-out, with quotas ensuring achievements for individual verticals. The interviews were conducted in Q4, 2013.

About Google Inc.

Google's innovative search technologies connect millions of people around the world with information every day. Founded in 1998 by Stanford Ph.D. students Larry Page and Sergey Brin, Google today is a top web property in all major global markets. Google's targeted advertising program provides businesses of all sizes with measurable results, while enhancing the overall web experience for users. Google is headquartered in Silicon Valley with offices throughout the Americas, Europe and Asia. For more information, visit www.google.com.

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