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Company's Current Brand,*

*Just One in Three (32%) 'Strongly Agree' They're Confident In
Making the Right Marketing and Branding Decisions*

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Toronto, ON – A new Ipsos Reid poll conducted on behalf of Hewlett Packard finds that no matter the size of their small or medium-sized business, a majority (59%) of SMB owners say that branding their business is a 'priority' (28% very high/31% somewhat high). In fact, just two in ten (18%) say it's 'not a priority at all', while one quarter (23%) would say it's 'not much of a priority'. Furthermore, two thirds (66%) agree (27% strongly/39% somewhat) that developing and then marketing that brand is a priority for their business.

- Interestingly, younger entrepreneurs, aged 18 to 34, are more likely (67%) than middle-aged, aged 35 to 54 (57%), and older entrepreneurs, aged 55 and older (53%) to say that branding their business is a priority.
- Regionally, those in Quebec (66%) and Atlantic Canada (64%) are more likely than those living in Ontario (56%), Saskatchewan and Manitoba (56%), Alberta (54%) and British Columbia (53%) to indicate that branding is a priority for their business.
- Across all business sizes, from solopreneurs to those managing 100 employees, a majority of owners indicate that branding is a priority for them.

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Branding appears to mean different things to different SMB owners. When asked to think about what the term 'brand' means to them, for many small-business owners the term appears to mean a wide variety of things. For example, 55% think about their company or product name when they hear the term brand, while others think of their company logo (29%), products (28%), their image (21%), marketing materials (9%), website (5%) or mission statement (3%).

There exist large differences among SMB owners when it comes to what they believe brand is. For example:

- Those involved in the personal services sector disproportionately link their product/company name to the term brand, while retailers are more likely than others to mention that their logo (39%) is what they think of. Those SMB owners involved in professional services are more likely (35%) than others to think of their own image as it relates to their brand, while those involved in the technology sector are more likely to suggest (15%) that their website is integrated with their brand.
- Company size also has a lot to do with what SMB owners believe relates to the term brand. Solopreneurs (58%) and those with 2-10 employees (56%) working in their business are more likely than those with 11-20 employees (47%), for example, to suggest that their product/company name is what they think about when they hear the term brand. Those with 21-50 employees (33%) or 11-20 employees (29%) are more likely than solopreneurs (18%) or those managing 2-10 employees (21%) to say that their image is what they think of. As well, SMB owners with at least 11 employees are much more likely (19%) to think of their marketing materials as part of their brand than are solopreneurs (9%) or those with 2-10 employees (6%).

Thinking about their own company's current brand, while most (92%) are at least 'somewhat' satisfied, fewer than one half (45%) indicate that they are 'very satisfied' with their current brand. One in ten are either 'not very' (7%) or 'not at all satisfied' (1%) with where their brand is at.

- Female entrepreneurs (51%) are more likely than their male counterparts (39%) to say that they are 'very satisfied' with their current brand.
- Albertans (59%) are much more likely than small-business owners living in Saskatchewan and Manitoba (49%), British Columbia (48%), Atlantic Canada (44%), Ontario (43%), and Quebec (39%) to say that they are 'very satisfied' with their current brand.

Perhaps the lack of complete satisfaction with their brand among a majority of SMB owners stems from the fact that just 5% say that when they first started their business or took it over from someone else marketing and branding were their top priorities. Most SMB owners say that they were focused on developing their client base (42%), their finances (24%), location (7%), technology (7%) and product development and manufacturing (6%). However, one third (33%) of SMB owners say that marketing and branding was among their top-three priorities.

- A higher proportion of younger entrepreneurs (38%) than middle-aged (31%) or older (30%) entrepreneurs indicate that marketing and branding was among their top-three priorities when they started up or inherited their business.

Another explanation is that just one in four (26%) strongly agree that they are able to devote as much time as they think they should on marketing their business. However, four in ten

(44%) somewhat agree that this is the case, while three in ten disagree (6% strongly/23% somewhat) that they are able to spend as much time as they think they should on marketing efforts.

Furthermore, only three in ten (27%) 'strongly' agree that their marketing efforts are effective, while a majority (52%) 'somewhat' agrees that they are effective. In fact, just one third (32%) strongly agrees that they are confident that they are making the right decisions with regards to marketing and branding their business, while 55% say they're 'somewhat confident' when it comes to making marketing and branding decisions.

- Women (31%) are more likely than men (22%) to 'strongly agree' that their marketing efforts are effective.
- Regionally, while no particular province or reason is more likely to 'strongly' agree that their marketing efforts are effective, Quebecers (88%) are most likely to at least 'somewhat' agree that their marketing efforts are.
- Those whose business is related to personal services (85%) or retail (80%) are more likely than those involved in consulting (75%) or manufacturing/construction (76%) or technology (72%) to at least 'somewhat' agree that their marketing efforts are effective.

On the other hand, two in ten (21%) disagree (18% somewhat/3% strongly) that their marketing is effective, while just 13% disagree (12% somewhat/1% strongly) that they are confident they're making the right marketing and branding decisions for their own business.

In terms of what those decisions are, examining what SMBs have done in the last six months in order to help build a strong brand and to differentiate themselves from the competition, the largest proportions have placed ads (33%), designed marketing collateral (30%), engaged

in direct marketing campaigns (27%), and launched a new website (22%). Other activities include new signage (17%), setting up trade show booths (10%), and creating TV or radio commercials (7%). Four in ten (36%), however, have not done any of the above.

Thinking about various elements of their brand, four in ten (38%) have never significantly updated their company logo. However, 30% have done so within the past year, while three in ten (28%) updated it a few years ago.

- Entrepreneurs living in Saskatchewan and Manitoba (46%) are the most likely to say that they have never updated their company logo.

Interestingly, nearly three in ten (26%) SMB owners indicate that they have never updated their company's marketing materials, but a majority (54%) has done so in the past year, and 14% did so a few years ago.

- Solopreneurs and consultants (34%) are most likely to indicate that they have never updated their marketing materials.

Looking ahead, four in ten (41%) SMB owners claim to be searching for new and potentially more effective ways to market their business. Among those that aren't, six in ten (59%) say they're satisfied with how they market their business, while three in ten (29%) believe it's not a priority for them. For others, a lack of resources (6%) and time (6%) is the reason behind this decision.

- Men (45%) are more likely than women (37%) to suggest that they are looking for new ways to market to their potential clients.

- Younger entrepreneurs (45%) are more likely than middle-aged (42%) or older entrepreneurs (36%) to indicate that they're looking for new ways to market.
- Ontarians are the most likely small-business owners (45%) to agree that they're looking for new and potentially more effective ways to market their business. Those living in Saskatchewan and Manitoba (43%), Alberta (41%), British Columbia (37%), Atlantic Canada (37%), and Quebec (37%) are less likely.
- Small businesses that have 11-20 employees are most likely (66%) to say that they are looking for new methods of marketing. This is likely because they have reached the stage where they have solid foundations and are perhaps entering a stage of profound growth opportunity.

But for those that are looking for new ways to market, six in ten (62%) want to reach new customers, while two in ten (18%) indicate that a lack of resources and time is the primary motivating factor driving them to search for new and potentially more effective ways to market their business. For others, slow and stagnant growth (16%) is the reason.

When it comes to their website, a majority (54%) have never given it significant updates, while just one third (35%) have done so within the past year. One in ten (8%) haven't updated their website for a few years.

Majority of SMB Owners Keep Marketing Production Activities In-House...

Turning now to how SMB owners put their marketing plans into action, nearly one half (46%) do their creation activities entirely in-house, while 23% use a combination of in-house and outsourcing. Just 6% outsource the entirety of their marketing creation activities. One

quarter (25%) of SMBs don't engage in marketing creation activities at all, with smaller companies being more likely to cite this is the case than larger companies.

- Interestingly, the smaller the company, the more likely they are to keep their marketing creation activities in-house.

When it comes to production and printing those marketing materials, one quarter (23%) say they outsource all of that work. However, three in ten (27%) say they do it all in-house, while one quarter (26%) use a combination of both methods. One quarter (25%) of SMBs don't engage in printing marketing materials at all.

- As SMB's grow towards 50 employees total, so too does their propensity to shift the focus of their production and printing to outside vendors. In other words, smaller businesses are more likely to keep their production and printing of marketing materials in-house.

Among those people who don't create and print their marketing materials in house, the leading reason they don't do this is because they believe it is too expensive to print these items in house (20%), or claim to not have the time (18%) or the knowledge (13%) to do these activities themselves. Others (6%) have never thought about it.

For those who do at least some of their activities in-house, the top reasons for this decision include costs (47%), and that it's easier (26%) and faster (11%) to do their branding and marketing activities in-house.

It appears that while overall satisfaction between in-house marketing and branding imaging activities and those materials that are outsourced are comparable (91% satisfaction for in-house activities vs. 90% for out-sourced activities), a higher proportion of SMB owners say

they are 'very satisfied' (39%) with their in-house activities than are 'very satisfied' (34%) with their outsourced activities.

- Women (43%) are more likely than men (35%) to be very satisfied with their company's in-house marketing and branding activities. The same can be said about women (36%) and men (31%) when it comes to their outsourced marketing activities.
- Albertans (52%) are the most likely to be very satisfied with their company's in-house marketing and brand imaging activities than are those living in Atlantic Canada (45%), British Columbia (38%), Ontario (38%), Saskatchewan and Manitoba (38%), or Quebec (35%).
- British Columbians (41%) are the most likely to be very satisfied with their company's outsourced marketing and branding activities, followed by those living in Alberta (37%), Saskatchewan and Manitoba (35%), Atlantic Canada (35%), Ontario (34%) and finally Quebec (26%).

Another way to brand and market is to use the internet, and to this effect, four in ten (43%) SMB owners say that they are involved in this activity. Of these individuals, chief among the various things they are accessing online for branding and marketing purposes are information and research (48%), online marketing sites (39%), social networking sites (31%), design templates (24%), blogs (17%) and newspapers (17%). Two in ten (21%) who are using the internet for this purpose are not accessing any of the above types of sites to help them with branding and marketing.

These are the findings of an Ipsos Reid poll conducted on behalf of HP from January 29 to February 14, 2008. For the survey, a representative randomly selected sample of 1225 small-business owners was



interviewed via the Ipsos I-Say Online Panel. With a sample of this size, the results are considered accurate to within ± 2.9 percentage points, 19 times out of 20, of what they would have been had the entire adult population of Canadian small-business owners been polled. The margin of error will be larger within regions and for other sub-groupings of the survey population. These data were weighted to ensure that the sample's regional composition reflects that of the actual Canadian population according to Census data.

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