

# eBay Canada Retail SMB Optimism and Exporting Report

As a technology company whose success depends on the success of millions of small and medium-sized businesses (SMBs), eBay has a vested interest in understanding how SMBs perceive the opportunities and challenges facing them. With that, eBay Canada surveyed retail SMBs from across the country to get pulse on their overall optimism.

The following are key findings from the survey.\*

## Optimism trending upward among retail SMBs

The 2018 eBay SMB Optimism Index score is 76, a one-point increase for the second consecutive year. The Index uses survey responses to create an overall optimism score out of 100, plotting on a scale from very pessimistic (0-15) to very optimistic (91-100), and based on four key statements:



1 **“Overall, I am optimistic about my business prospects for 2018”**

**80% agree**

Those 34 years-old or younger or have been in business for under five years are among the most likely to agree

2 **“I believe there are new market opportunities for my business, either domestic or international”**

**66% agree**

Women and those who sell online are among the most likely to agree

3 **“Canada is a good country in which to run a small or medium-sized business”**

**77% agree**

Those based in rural areas or who’s business generated less than \$100,000 CAD last fiscal year are the most likely to agree

4 **“I am encouraged by new technologies and innovations that will have a positive impact on my business”**

**75% agree**

Those from B.C. or who export are among the most likely to agree

## SMBs who export are the most optimistic

Certain factors correlate with higher optimism scores. Some of the highest optimism scores among SMB groups come from:



**78**  
women  
vs. 75 men



**78**  
SMBs with an online presence  
vs. 73 offline SMBs



**79**  
SMBs who export  
vs. 73 who don’t (+1 point from 2017)



**80**  
those in British Columbia  
vs. 68 for Alberta

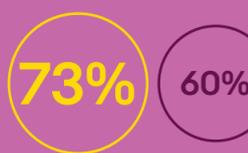
## Exporters are significantly more likely than non-exporters to:



believe that there are new market opportunities for their business, either domestic or international



believe in the importance of growing or expanding to new sales channels online



incorporate new technologies

## The number of SMB exporting has increased by 50%



**57%** of retail SMBs currently export, compared to 38% in 2017

**47%** of exporting retailers project their export sales will increase over the next 5 years

**13%** anticipating significant increase  
Only 8% expect export sales to decrease



**54% see increasing export sales as important for continued business growth, yet 93% cite barriers to selling internationally**

Top barriers to exporting:



**52%**  
cite shipping costs



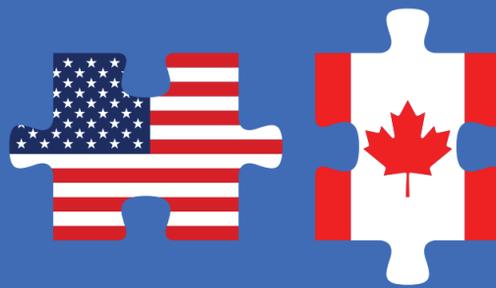
**34%**  
cite lack of efficient shipping options



**30%**  
cite international trade policies and tariffs; the same proportion cite for Canada’s cross-border trade relationship with the U.S.

SMBs have many challenges in terms of growing their business in general, but the only one that increased in probability since last year was exporting barriers and border policies

## U.S. exports are important to Canadian retail SMBs



**25%**

who currently export to the U.S. see the majority of their overall revenue come from this market – with SMBs anticipating similar rates for 2019

**46%**

currently export to the U.S., up from 31% last year; this year’s exporting rate is expected to maintain into 2019

**74%**

believe that a trade deal with the U.S. is at least of some importance to the success of their business; this increases to 87% among exporting SMBs

Those from Ontario, of those 18-34, and new-Canadian business owners are the most likely to believe this

## eBay sellers are highly optimistic and highly likely to export



**80** index score  
vs. 75 non-eBay users



**64%**  
indicated international sales are performing well for their business, versus 26% of non-eBay sellers



**60%**  
believe their export sales will increase over the next 5 years  
vs. 40% non-eBay users



**99.9%**  
eBay sellers export\*\*



More than **2X** as likely to indicate international sales are performing well for their businesses  
vs. non-eBay sellers (64% vs. 26%)



**70%**  
currently export to the U.S.  
vs 39% of non-eBay sellers

\*Leger conducted a survey of 304 Canadian small retailers with <\$13,000 in 2017 sales and a maximum of 99 employees online between August 10-22, 2018 using Leger’s online panel.  
\*\*Industry Canada, Small Business Branch, Key Small Business Statistics (June 2016)