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NAWBO
National Association of Women Business Owners

2014 STATE OF WOMEN-OWNED BUSINESSES REPORT

PUBLISHED MARCH 2014

Partnering again with the National Association of Women Business Owners (NAWBO), Web.com commissioned a national survey of NAWBO members to gather insights about business challenges women-owned businesses are facing in 2014 and understand their perceptions about the future of small business marketing.

The online survey, fielded by GolinHarris from January 22 – February 11, 2014, had 606 total respondents. The survey has a +/- 4.00% – 4.25% margin of error at 95% confidence.

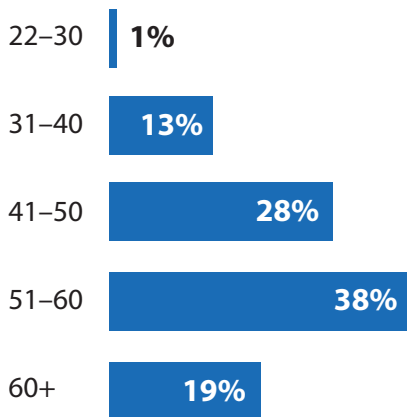
Some of the prominent themes emerged from the survey which are explored in this summary, including:

Optimism for Small Business in 2014	Concerns and Priorities	Online Marketing is the Future
<p>The report, shows that while the state of the economy is the top concern, the majority of women business owners are also optimistic about their overall business performance this year. This includes optimism for their businesses' economic growth, overall performance and increase in other women venturing to start new businesses in 2014.</p>	<p>Apart from macro challenges including taxes, access to affordable health insurance and energy costs, the largest concern for the next six months is customer-related—gaining new ones and keeping the ones they already have. Their investment plans clearly demonstrate how they plan to tackle both worries, with marketing and customer service at the top of the list.</p>	<p>With significant jumps from 2013 to 2014 in importance of various channels to online marketing—social media presence, mobile presence, eCommerce and websites—it is clear to women business owners that the future of small business marketing lies online. However, a significant gap has formed on many levels when comparing the importance they place on online marketing, their current activity levels with online marketing and their confidence in their own skills to build online marketing capabilities.</p>

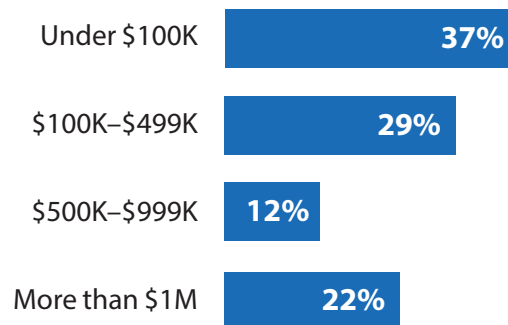
WHO WE LOOKED AT

The 2014 State of Women-Owned Businesses Survey was issued to NAWBO's 5,000+ members and includes responses from 606 respondents. All respondents are women that own, operate or are engaged in the operations of small businesses.

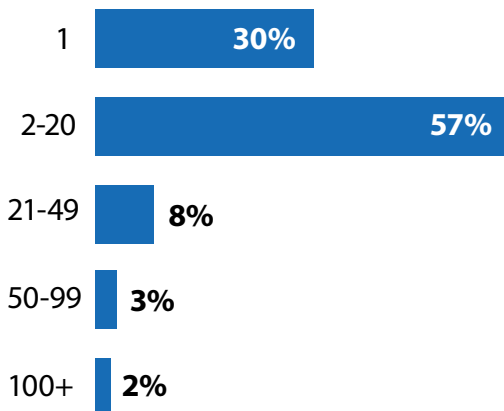
AGE



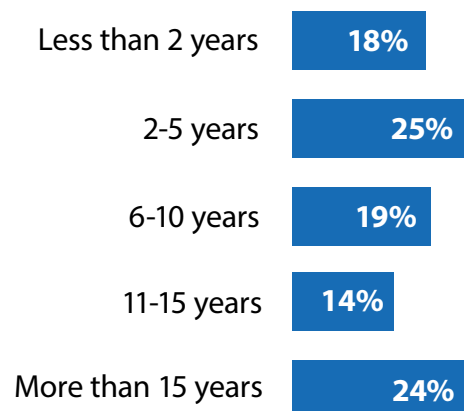
GROSS ANNUAL SALES



NUMBER OF EMPLOYEES



LENGTH OF BUSINESS OWNERSHIP

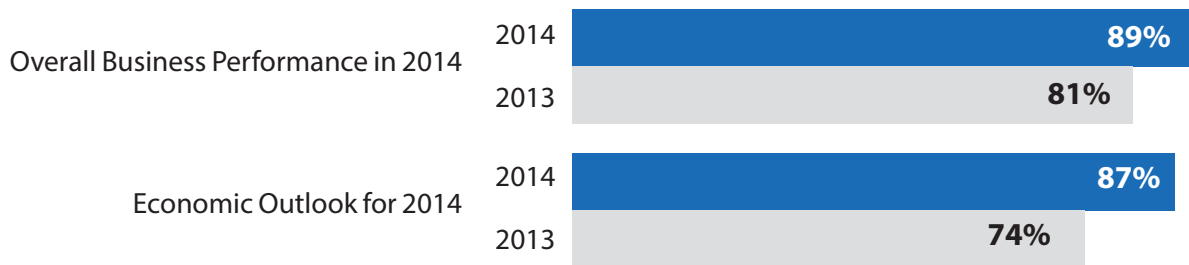


INDUSTRY

Arts/Design	4%	Marketing/Advertising/Public Relations	9%
Business Services	22%	Retail/Goods/Producing	5%
Event/Entertainment	1%	Technology	5%
Finance/Insurance	10%	Wholesale Retail Trade	2%
Food/Beverage	2%	Other	40%

With strong optimism numbers in 2013, women business owners believe that things are looking even better in 2014. Nearly 9 out of 10 (89%) respondents are optimistic about their business' overall performance in 2014, while almost the same amount (87%) about their business' economic outlook. This jump of 8 and 12 percentage points, respectively, is indicative of women business owners' positive view that 2014 is the year to move from shaky to solid ground.

RESPONDENTS VERY OR SOMEWHAT OPTIMISTIC



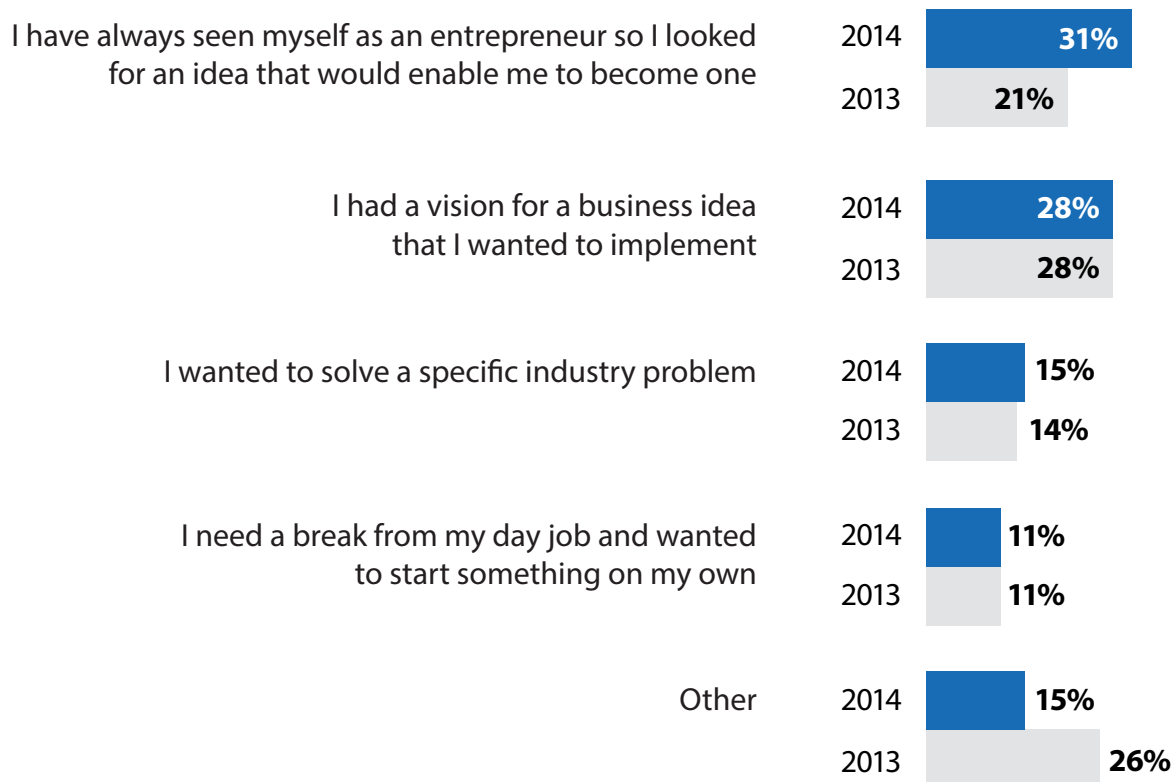
Another indication that 2014 is trending up for women business owners is optimism about others venturing to start their own business. No one wants to jump onto a sinking ship, but with more than 9 out of 10 (92%) respondents predicting that more women will start their own business, it looks like 2014 will be a year of rising tides.

DO YOU PREDICT THAT IN 2014, MORE WOMEN WILL VENTURE TO START THEIR OWN BUSINESSES?



As with optimism, the entrepreneurial spirit is growing as well. Instead of small business growth only coming from women who had a vision for a specific business idea, more women business owners identify themselves as born-entrepreneurs who are in search of the right idea to build a business around. While the percentage of women with a specific business vision remained flat, there was a 10 percentage point increase in respondents who see themselves as generally entrepreneurial. This increase bodes well for an economy and small business ecosystem that needs fresh thinkers to build strong businesses out of innovative ideas.

WHAT WAS YOUR BIGGEST MOTIVATION TO START YOUR OWN BUSINESS?



Looking at the most important big-picture issues in 2014 that women business owners are thinking about, it's no surprise that many lie outside of their control. The state of the economy (90%), business tax issues (80%) and cost/accessibility to healthcare (71%) are the top three macro issues women business owners are most concerned about in 2014.

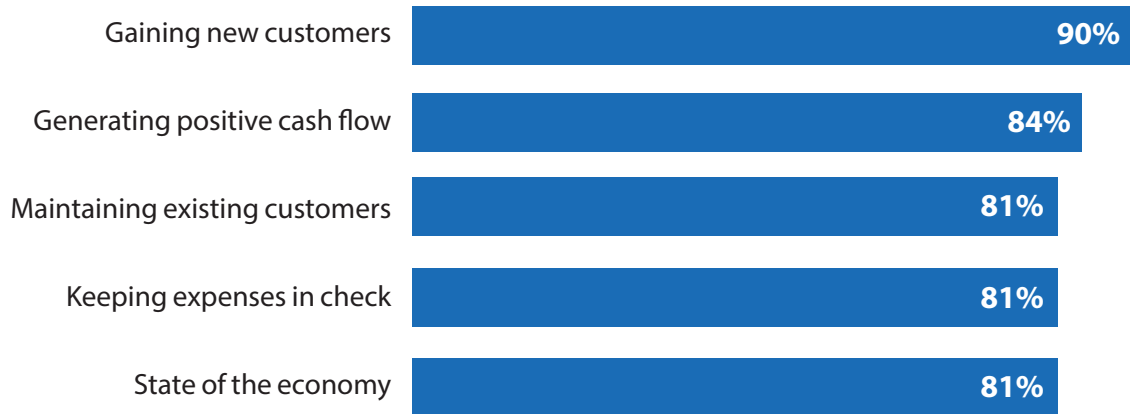
FACTORS CONSIDERED VERY OR SOMEWHAT IMPORTANT IN 2014

The state of the economy	90%	Fuel and other energy costs	51%
Business tax issues	80%	Education policies	51%
Health Insurance	71%	National security issues	44%
Access to capital	61%	Gaining access to federal contract opps	38%
Regulatory burdens	53%	Immigration reform	23%

The only two areas to see double digit increases compared to 2013 were business tax issues (12 percentage point increase) and fuel/other energy costs (10 percentage point increase). The state of the economy (90%) and cost/accessibility to healthcare (71%) are also top of mind for women business owners.

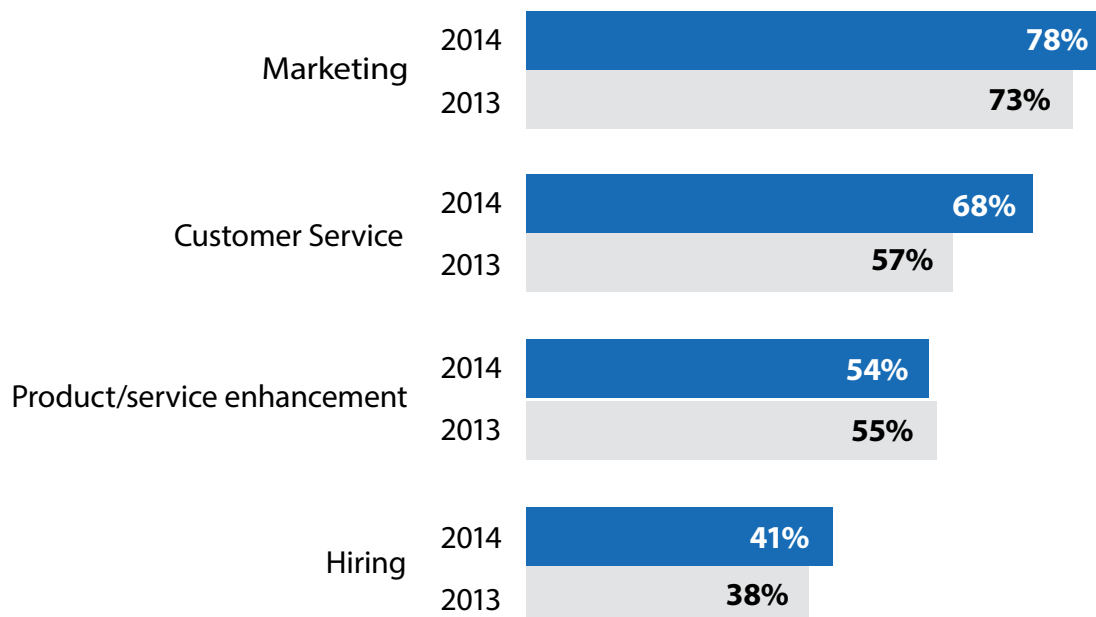
The near-term challenges most concerning to women business owners aren't necessarily macro-economic in nature—they primarily hit much closer to home. Gaining new customers (90%) and maintaining existing customers (81%) were two of the top priority areas for small businesses during the next six months.

ISSUES RESPONDENTS FOUND VERY OR SOMEWHAT CONCERNING FOR NEXT SIX MONTHS



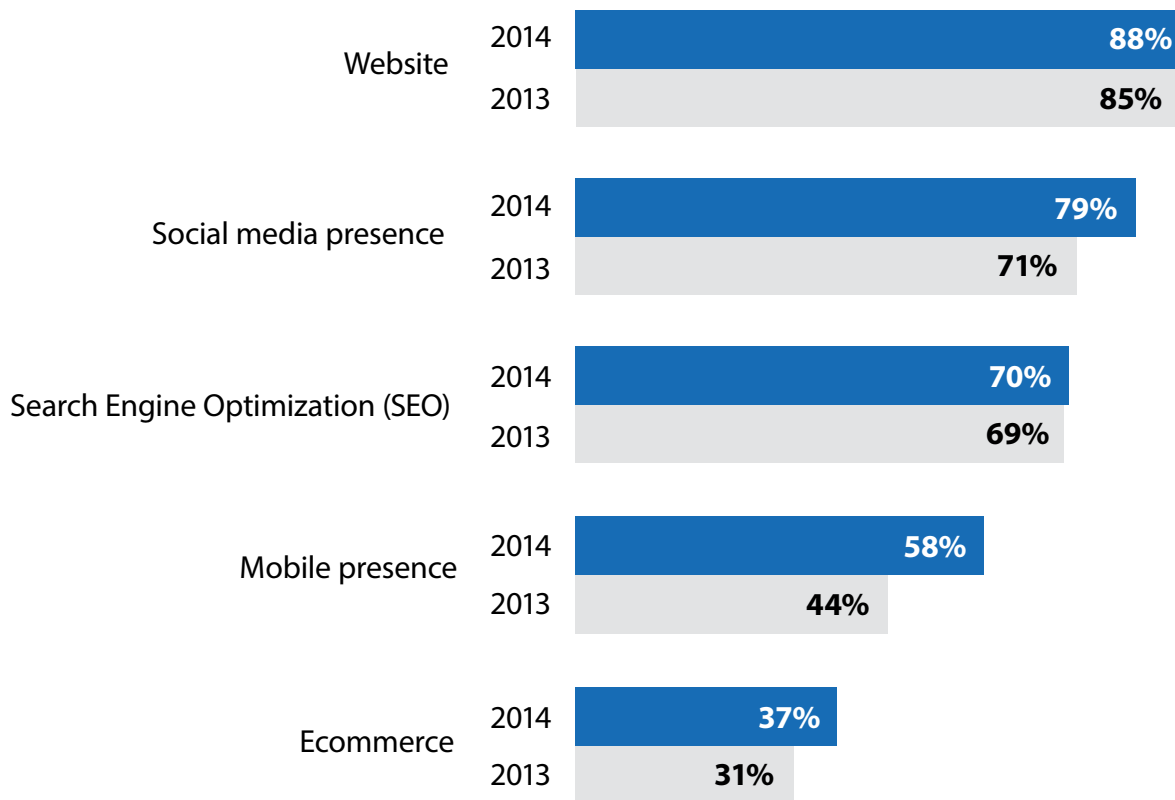
To address these immediate challenges, women business owners put less emphasis on product enhancements or hiring. Instead, marketing (78%) and customer service (68%) are emphasized as key investment areas in 2014. Both categories saw gains in 2014 level of importance compared to 2013, with customer service jumping significantly by 11 percentage points.

MOST REPRESENTATIVE OF 2014 INVESTMENT PLANS



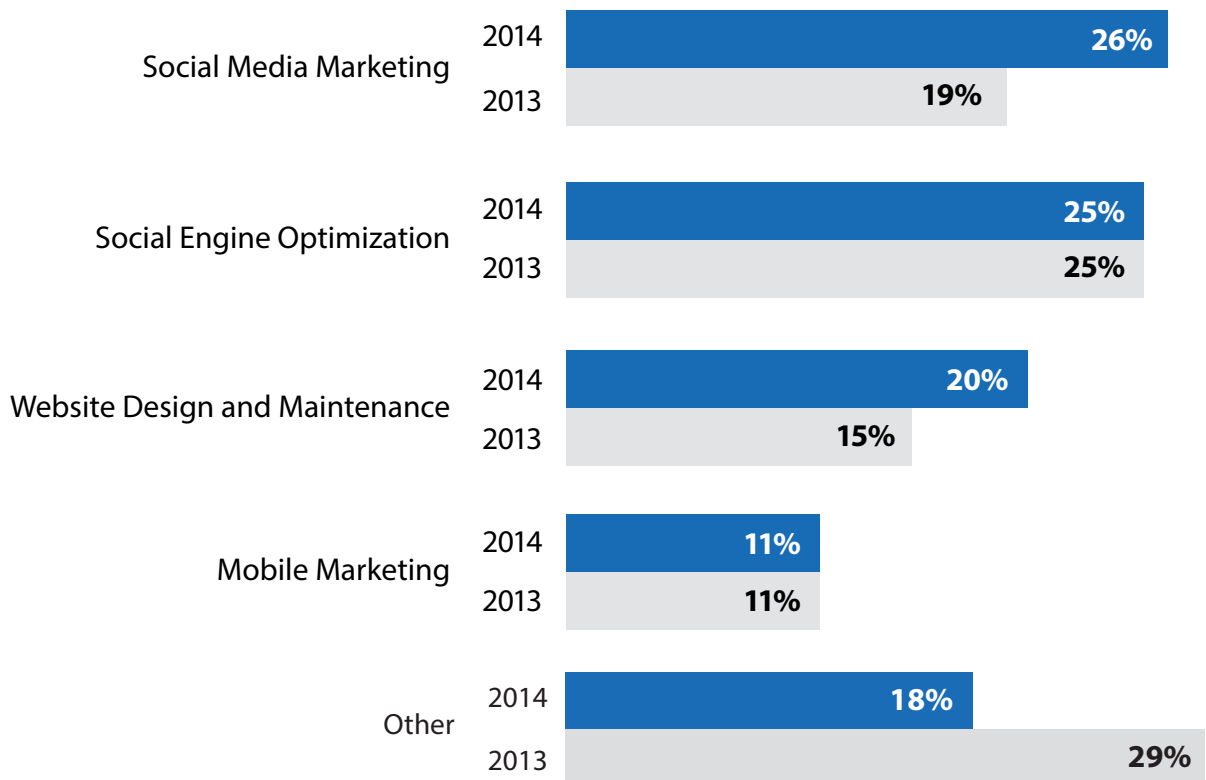
Today's entrepreneurial women are looking at all online channels to make the most of their marketing efforts. Nearly 9 out of 10 respondents felt that a website was important to marketing investment plans, nearly 8 out of 10 felt social media presence was important and 7 out of 10 felt search engine optimization was important for investment plans. All three areas saw increases of anywhere from one to eight percentage points from the previous year. Perhaps most interesting was the heightened importance of mobile presence, which increased by 13 percentage points compared to 2013. With a smartphone-centric world, interest and the need for mobile optimization is going to continued to grow.

ONLINE MARKETING TOOLS IMPORTANT TO 2014 INVESTMENT PLANS



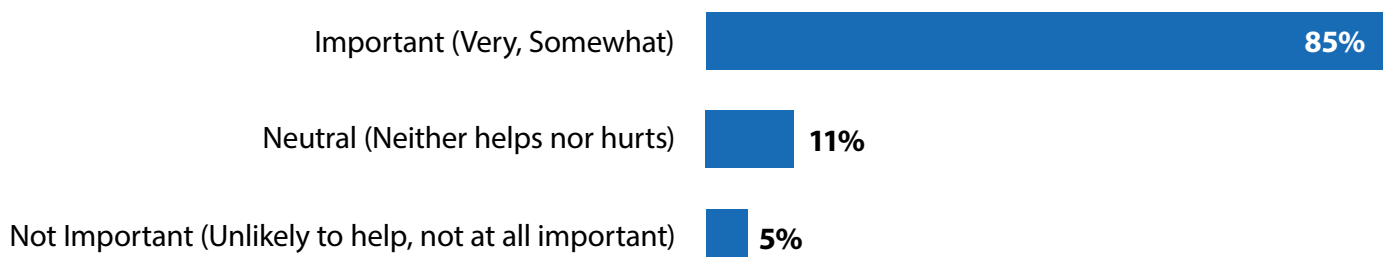
When asked what they considered as the future of small business marketing, women business owners pointed at two areas—all others were flat or decreased from the previous year. Those two areas are social media marketing (7 percentage point increase) and website design and maintenance (5 percentage point increase).

WHICH OF THE FOLLOWING DO YOU CONSIDER TO BE THE FUTURE OF SMALL BUSINESS MARKETING FOR YOUR BUSINESS?



With 79% of respondents planning to invest in boosting their social media presence and 26% deeming it the future of small business marketing, WBOs recognize the importance social media plays in addressing their largest near-term challenges: gaining new customers and maintaining existing ones. In fact, 85% of respondents feel social media platforms are very or somewhat important to building and maintaining customer relationships.

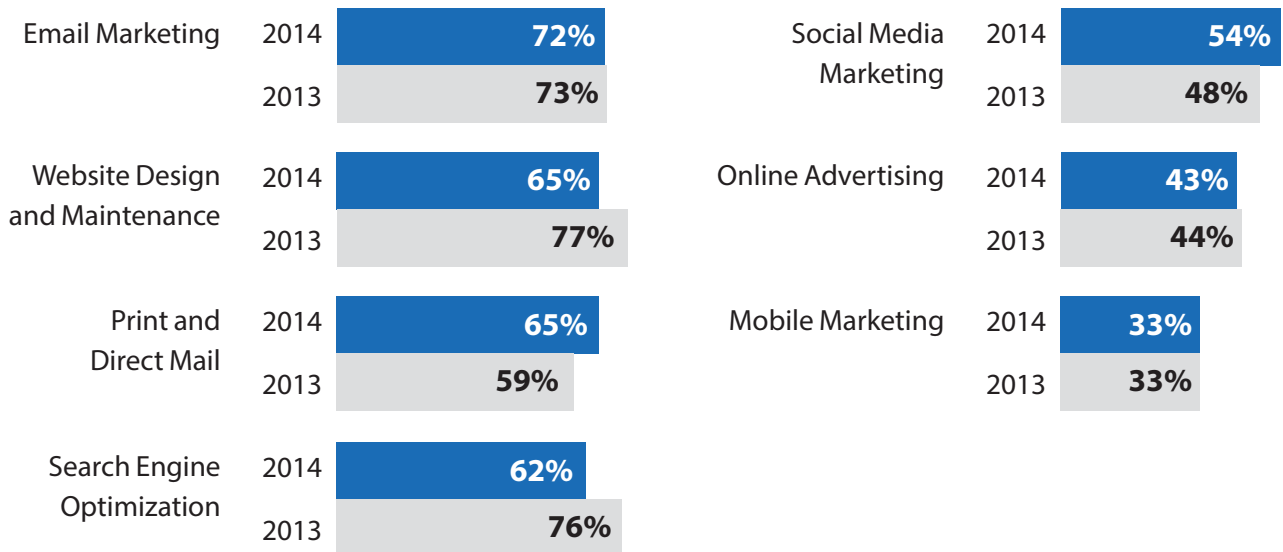
IMPORTANCE OF SOCIAL MEDIA PLATFORMS FOR CREATING AND MAINTAINING CUSTOMER RELATIONSHIPS



While 85% of respondents say social media is important for building customer relationships, there remains a significant gap between importance and putting it into practice. **Only 67% of respondents are currently using social media** channels to interact with customers or connect with potential customers. With a significant gap of 18 percentage points, there is a clear disconnect between the recognized importance and the actual use of social media to create new and engage existing customers.

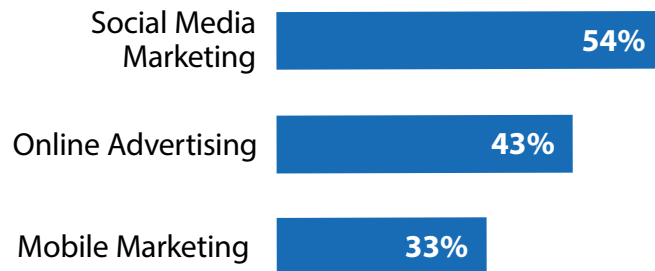
Perhaps even more concerning is the decrease in confidence in their skills to build online marketing capabilities that will help address near-term challenges. Just more than half (54 percent) of respondents are confident in their ability to build a social media presence for their business, representing a gap of **more than 30 percentage points** between importance and confidence. On the bright side, social media marketing was one of only two areas that increased in confidence, with a 6 percentage point increase compared to 2013.

LEVEL OF CONFIDENCE IN OWN ABILITY TO BUILD THE FOLLOWING CAPABILITIES FOR BUSINESS



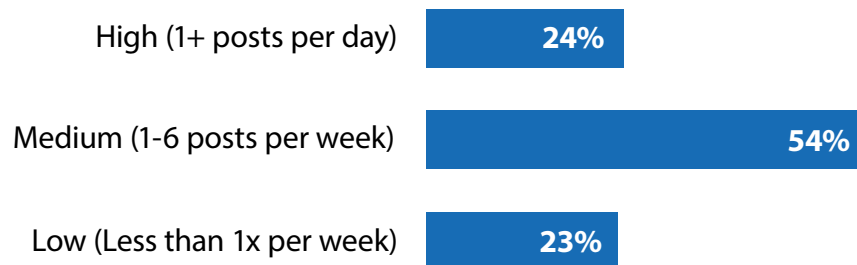
The lack of confidence in social media marketing exists despite a concerted effort by many women business owners to invest time trying to implement these capabilities, with many dedicating more than three hours per week toward website design and maintenance, email marketing and social media marketing.

THREE OR MORE HOURS PER WEEK SPENT ON ACTIVITY



Despite the time spent online, only a quarter of them are posting on social media at least once a day. Most women business owners (54 percent) are posting one to six times per week, and 23 percent rarely post at all. When they do use social media, the preferred platforms are LinkedIn (25 percent), Facebook (21 percent) and YouTube (20 percent).

HOW OFTEN DO YOU POST ON THESE CHANNELS?



Given the insights gathered from women-owned business decision makers with this survey, the NAWBO and the Web.com team urges women—regardless of where they might be in their lives—to think about these points of advice as they asses their own plans for starting or growing a small business in 2014.

It's time to get in the game.	Take customer's online experience to the next level.	Don't go it alone.
The Internet and improving US economy has made it easier than ever to start a small business.	Personal interaction and customer care sets small businesses apart from larger competitors. Social media must engage customers as individuals to build and grow a customer base.	If you don't have the know-how, find an expert to guide you through starting or growing your small business. Whether you look for help from a business organization or services provider, evaluate the relationship from the perspective of a partner who can help meet and exceed your business goals.