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## **Majority of Small Businesses Underestimate Consumers' Desire to Build Stronger Personal Relationships Through the Web and Social Media, Finds Web.com National Survey**

### **Small Businesses Will Drive More Revenue, Engagement and Loyalty by Building Deeper "e-Relationships" With Consumers**

JACKSONVILLE, Fla., Sept. 10, 2013 (GLOBE NEWSWIRE) -- Small businesses are missing out on revenue, loyalty and customer engagement opportunities by not extending face-to-face relationships with consumers into the web and social media, according to a national survey of 3,000 consumers and small business decision-makers commissioned in August by Web.com Group, Inc. (Nasdaq:WWWV).

Nearly 30 percent (850) of the respondents were small business decision-makers, allowing the survey to capture insights about the relationships between consumers and small businesses, as well as determine if small businesses are taking advantage of the web and social media to build connections with customers.

"Small businesses have historically relied on face-to-face relationships to grow and differentiate themselves, but today's consumers are demanding that these relationships extend into 'e-Main Street'," said David Brown, chairman and CEO of Web.com. "Our survey found a significant disconnect between how small businesses decision-makers think they are delivering on customers' expectations versus the reality of consumers' perceptions. The good news is small businesses are starting to realize the web's untapped potential to reach consumers who are eager for online engagement."

Following are the **top five survey findings** and implications for small businesses.

#### **1. Consumers prefer to work with small businesses because of strong personal relationships.**

- Personal involvement, engagement and connection are the most important reasons why consumers choose small businesses over larger brands.
- More than eight out of ten consumers say it's important that small businesses are "easy to do business with;" "personal, intimate, human, face-to-face;" "customer-focused;" "reliable, there when you need them most;" and "local, close-by, convenient."

#### **2. Consumers expect small businesses to build strong "e-relationships" through the web and social media. Currently, the majority of small businesses are not delivering on these expectations.**

- 83 percent of consumers say that having website and use of social media is important to their consideration and choice of a small business.
- In significant contrast to these expectations, only 34 percent of consumers say that small businesses they're familiar with have a business website.

#### **3. The majority of small business decision-makers overestimate their web and social media capabilities compared to what consumers expect.**

- For consumers, there is a 33 percent gap between the importance of small businesses having a web/social media presence versus how their expectations are being met (83 percent important to have; 50 percent meeting/exceeding expectations). In contrast, for small businesses, there is only a 10 percent gap (73 percent important to have; 63 percent meeting/exceeding expectations).
- 61 percent of small business decision-makers rate their websites positively in contrast to 46 percent of consumers who share this opinion — a very significant 15 percent difference in perception about how well small businesses are doing on the web.
- Ultimately, the survey revealed that these perception gaps may be a result of the two groups wanting different things. Consumers tend to seek empowerment, engagement and relationships via the web and social media, while small business decision-makers emphasize transactions, awareness and marketing.

**4. Small businesses that meet consumers' expectations for web, social media, and digital capabilities have a significant opportunity to improve their bottom line by driving sales, loyalty, and ongoing online and social engagement with their customers.**

- 58 percent of consumers would be influenced to take positive actions if a small business delivers on their web/social media expectations. Of these consumers:
  - Approximately 60 percent would likely: check out the business' website and social media to find out more about the business; recommend the business to family and friends; visit the physical store or office; and learn what other customers have to say about the business.
  - Approximately half of consumers would likely: seriously consider the small business over larger companies or internet-based businesses; put the small business on their "short list" of favorites; and make a purchase.

**5. While small businesses are starting to discover the untapped opportunity of expanding their web presence, there is more work to be done before these companies can realize the full potential of their online and social media capabilities.**

- 65 percent of small business decision-makers think they have "good to strong" knowledge of web and digital technologies and services;
- Yet less than half (41 percent) of small businesses that were surveyed have a business website today. Those that do not have a website say that they don't see the need for one, or that costs to design it and maintain it are a barrier.
- More than half (52 percent) of small businesses with a website have had it for three years or less, indicating that the web is a new area of opportunity for them.
- Today, just over half (57 percent) say that web-based capabilities, technologies and services are very important to their businesses overall. However, three out-of-four (73 percent) believe that the web, social media and wireless will be very important in the future (next four years) — a highly significant 16 percent increase.

"Small businesses may underestimate the importance of digital capabilities today, but are beginning to take advantage of available tools to close the gap," added Brown. "This survey underscores the significant opportunities to be gained by building a website and engaging with customers online."

*\*Online survey fielded by Toluna Research from August 9-15, 2013, with a  $\pm 2.25\%$  to  $2.74\%$  margin of error at 95% confidence at the 3,000 "all respondent level" and a  $\pm 3.00\%$  to  $3.49\%$  margin of error at 95% confidence for the 850 small business decision-makers.*

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CONTACT: Drew Crowell

GolinHarris for Web.com

972.341.2581

dcrowell@golinharris.com