

Global survey reveals micro-businesses remain optimistic

GoDaddy, the company that empowers everyday entrepreneurs, has released the GoDaddy Global Entrepreneurship Survey which looks at how the Covid-19 pandemic has impacted the world's smallest businesses.



Image by Gerd Altmann from Pixabay

The research shows the pandemic has severely affected small enterprises, with 75% reporting a fall in revenues. Yet, the findings also reveal a resolve among those entrepreneurs to not only survive the economic crisis but thrive.

The GoDaddy Global Entrepreneurship Survey takes a deep look into the pandemic's effect on the world's micro-businesses. Of the 5,265 businesses surveyed throughout ten countries, over 90% have ten employees or less, and half are solo-preneurs. Globally, two in five businesses had to close at least temporarily, either for safety reasons or because they were unable to get the products and materials needed to stay open.

But within that economic hardship, there is a clear message: small business owners are determined to survive. Seven in 10 entrepreneurs said they expect to recover within a year and 63% reported they expect to grow at least 25% in the next three to five years, a figure similar to pre-crisis expectations.

Resilient and determined

"This global research confirms what we have seen among our community of entrepreneurs in South Africa," says Selina Bieber, regional director, GoDaddy. "We have heard inspiring stories from South African freelancers and small business

owners who are determined to work their way back to success. These resilient, determined entrepreneurs play an instrumental role in contributing to their local economy recovering from the Covid-19 pandemic.”

As in previous downturns, the current crisis is sparking entrepreneurial spirit: 30% of those in the global survey said they either had or intended to start a business, non-profit, or side hustle as a result of losing their job because of the pandemic. Age also played a big role in those willing to take that leap: millennials were three times more likely (40%) than baby boomers (12%) to pursue a side hustle.

The global results paint a picture of small businesses grappling with the new chaotic economic environment. Yet, in spite of the crisis, most small business owners remain determined. Only 6% of those surveyed said that it was no longer sustainable to operate a business. Over half (52%) expressed confidence that although Covid-19 had a negative impact on their business, they could continue to operate. And one in three (35%) reported that their business is in a position to thrive.

Going digital

Having a website affected both entrepreneurs' prospects and expectations for the future. Those who had a website, versus those who did not have a website, were less likely to have shut down their businesses, even temporarily (41% to 36%). In addition, those with a website were more bullish about their future growth expectations, with 31% reporting projected growth of at least 50% versus only 23% of those without a website. More than half of businesses with a website reacted by bolstering their online presence by adding more content, increasing their digital marketing, or adding an online store.

These findings have strong resonance for South African side hustlers and small business owners. Marissa Vogel from Konfetti Love says the lockdown restrictions made it hard to operate as they did not have an actual product to sell online. “This forced us, like so many others, to start thinking out of the box and out of our comfort zone. Our constant attention to an online presence most definitely paid off as it kept us relevant and remained as our first contact for existing and new clients.”

The GoDaddy Global Entrepreneurship Survey was conducted in June as some countries started to emerge from lockdown, and some countries such as the US braced for a renewed surge in the virus' impact. The ten countries surveyed were Australia, Canada, Germany, India, Mexico, Philippines, Spain, Turkey, United Kingdom, and the United States.

This survey was conducted in conjunction with Savanta, a global data, research, and advisory firm. The research was conducted from 1-29 June 2020. Find out more at <https://www.openwestand.org/2020-godaddy-entrepreneurship-survey/>.

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