

SMALL BUSINESS MONITOR

EXECUTIVE SUMMARY

AMERICAN
EXPRESS

®

ABOUT THE SURVEY

Over the past five years, American Express Canada (Amex) has conducted quarterly research concentrated on small business owners (SBOs). The Quarterly Monitor is a two-tiered survey that focuses on an index report, used to measure SBOs' confidence of the business landscape, and the examination of a hot topic. The hot topic varies quarterly and evaluates different topics of interest to SBOs.

In the May 2014 study, commissioned by the Rogers Insights Custom Research Group, the hot topic examined was competition.

KEY FINDINGS



Seeing what the competition is doing motivates SBOs to constantly review their product and service offerings to ensure they stay competitive.

- 98% of business owners say competition is an integral part of any business
- 77% of business owners say competition keeps them on top of their game
- Over three quarters (79%) of SBOs say competition forces their business to be innovative
- Three quarters (75%) of business owners believe competition constantly makes them work hard for their customers



Business owners understand the importance of building and nurturing their customer relationships and continue to exceed customer expectations with great service.

- An overwhelming 97% of business owners say providing outstanding customer service is their number one priority
- Almost three quarters (71%) of SBOs state customer service is the best way to stay on top of the competition
- Almost all (97%) of SBOs agree that keeping clients happy is the best way to beat the competition
- 97% of SBOs state that excellent customer service is the best way to gain a competitive edge



In addition to their customer-centric approach, SBOs recognize the importance of employing other tactics to stay ahead of the competition

- Over half (58%) of all SBOs monitor competition on a monthly basis as a tactic to stay on top of what is happening in their industry
- Nearly two thirds of SBOs (61%) report using customer feedback to monitor competition. 56% use word of mouth and 42% monitor their competitors' advertising
- 35% of SBOs say competition with large businesses is the most significant barrier to gaining a competitive edge
- 37% of business owners say they want to increase promotion and advertising to stay competitive in the future

SBOs are positive in their business outlook. They continue to experience significantly higher optimism levels compared to this time last quarter and year.

- 45% of SBOs report their business' current financial position has decreased, down 1 point since last quarter (46%) and up 6 points since May 2013 (39%)
- More than half (58%) of SBOs remain hopeful about their future financial position, down 1 point since last quarter (59%) and up 3 points since May 2013 (55%)
- 89% of SBOs remain convinced that the advantages of running a business by far exceed the risks and challenges, up 3 points since last quarter (86%) and up 4 points since May 2013 (85%)
- More than one-fifth (23%) of SBOs are willing to take above average or significant risks for their business in the next 6 months, up 1 point since last quarter (22%) and up 1 point since May 2013 (22%)



CONVERSATION STARTERS

WHAT CAN RETAILERS DO TO INCREASE THEIR CUSTOMER SERVICE?

A: Great customer service relies on the philosophy that the customer comes first – customer service has to make the customer’s life easier or better. We strongly believe that giving customers the opportunity to pay with their method of choice shows a commitment to the customer’s needs. Also, at Amex, our customer service features programs like one-call resolution, 24/7 support, from anywhere in the world for our Cardmembers. When a merchant accepts Amex, they benefit from our strong customer-centric philosophy.

HOW CAN RETAILERS LEVERAGE AMERICAN EXPRESS CANADA TO GROW THEIR BUSINESS?

A: Retailers can benefit from the fact that American Express Canada doesn't work through a third-party supplier, which means we speak directly to our Cardmembers and our merchants. This allows us to do a better job connecting potential customers with businesses. Retailers can also leverage Amex to help them:

- Create customized and targeted marketing initiatives to encourage Cardmember spend
- Better determine how to acquire new customers, develop brand and business loyalty, and drive repeat sales
- Share consumer insights that are sector specific

HOW CAN AMERICAN EXPRESS CANADA HELP RETAILERS COMPETE IN AN INCREASINGLY COMPETITIVE MARKET?

A: Amex can help retailers compete by providing access to knowledge, connections to affluent Cardmembers, unique customer service and several channels of marketing. Our Cardmembers are loyal, and offering them the opportunity to use our product is an advantage to merchants.