SMEs keep heading online
Kate Mackenzie
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SMALL and medium-sized businesses are increasing using the internet for procurement and for selling their own services, according to a new survey. The Sensis survey of 1,800 metropolitan and regional businesses found that internet utilisation grew, with internet connections in 86 per cent of small and 99 per cent of medium businesses. The retail trade sector was the least-connected, with only 77 per cent.

The number of small businesses - those with less than 20 staff - using the internet for procurement grew from 45 to 55 per cent, and amongst medium businesses, with 20 to 199 staff, it grew from 64 to 74 per cent.

Fifty-five per cent of small businesses and 74 per cent of medium businesses placed orders over the internet in the past year. Software and airlines tickets were the most popular types of online purchases, followed by stock, equipment, stationary and office supplies.

"It's becoming a normal way of doing business," said report co-author Christena Singh. "We're seeing stock and supplies as the third and forth items, we're even seeing a couple of SMEs saying they bought cattle online."

Small businesses receiving payments online grew from 32 last year to 44 this year, however only 39 per cent received orders online. For medium businesses the proportion was 60 per cent receiving payments compared with 50 per cent receiving orders.

"In terms of making payments, it's not really necessary to have that linked directly to the orders," Ms Singh said. "For a lot the actual payment, financial staff might be making the payment but somebody else might be making the order, especially in bigger businesses."

The survey also asked businesses about their e-commerce investment, and 59 per cent said they had already recovered this cost. Seventeen per cent expected to recover the investment within the next 12 months but 8 per cent never expected to recover it.

The number of small businesses with websites grew sharply from 36 per cent last year to 45 per cent, and a further 13 per cent said they intended to have a website within the next 12 months.

However for medium businesses surveyed - those with 20 to 199 staff - the number with websites actually declined from 82 to 80 per cent.

"Certainly websites aren't the only way for people to conduct e-commerce," Ms Singh said. "While that is important for some businesses, there's certainly other e-business strategies.

"Some, especially larger ones, are getting more involved with more direct e-commerce solutions."

Email remained by far the most popular reason for internet access, cited by 94 per cent of online respondents, followed by research at 90 per cent.

Eighty-two per cent of businesses surveyed said they received spam, but of those, 13 per cent did not rate it as a concern. However 34 per cent said it was a "major problem". Of those, three-quarters said this was because of the time spent deleting spam, 39 per cent were concerned about receiving viruses and 49 per cent cited "general irritation and annoyance".

Respondents were not asked about the actual time spent deleting spam but Ms Singh said it could be a burden on a very small small business.

"Some were saying (they received) a couple of hundred message a day. For a small business that doesn't have any resources, making sure they don't miss any of the important emails between that, takes up a large amount of time."

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