



Digital Transformation for SMB's: Trends and Changes to prepare for moving forward

What is Digital Main Street?

- Program created by the Toronto Association of Business Improvement Areas (TABIA) in 2014
- Exists to help small businesses grow through the adoption and implementation of digital tools/technologies
- Several streams of programming including but not limited to: Digital Service Squad, ShopHERE powered by Google, Digital Transformation Grants and more
- Supported by partners: Google, Mastercard, Shopify, Facebook, Square, Intuit QuickBooks, Lightspeed, and Microsoft
- Over 50,000 businesses to date have been supported

In this presentation we will cover:

- **Why Digital Transformation is table stakes for Small Businesses, and how to ensure you are at the forefront**
- **Small Business Trends in 2022/2023 including:**
 - How eCommerce has been redefined
 - Personalization and the impact on customer experience
 - Cybersecurity
 - Leveraging data for decision making
 - Shopping Local and what it **really** means
- **How the Canada Digital Adoption Program is helping businesses across B.C. prepare**

How has Digital Transformation been accelerated?

The need to digitize as small business owners has never been stronger. We have seen online sales increase at a rapid rate, customer expectations grow and become more demanding, and the need for personalization to stand out amongst competition at the forefront of challenges businesses are facing.



01

Business owners are paying attention

“Growing businesses are 65% more likely to have accelerated their pace of tech investment [over the last year] – Forbes, 2021

02

Increased reliance on Digital

- 93% of businesses identified their company is more reliant on tech
- 1/3 small businesses expect 30-50% of their business to be digital

(Source: Small Business Digitalization and COVID-19 Survey, June 2020)

03

Customers are changing, so we have to

- New buying patterns have emerged. According to McKinsey & Co, 75% of consumers tried a new shopping behavior because of economic pressures, store closings, and changing priorities

Digital is now table stakes for SMBs

Small Businesses rose to the challenge this year and adopted the “digital first” approach. It is not if, but when (the answer is now!) and how much.

- Response to changing consumer behaviour
- Leveraging data to drive performance and decision making



2022

- eCommerce represents about 6.5% of total sales in Canada as of the last 12 months

2023

- Continued eCommerce growth
- More importance on tech like AI, Data Analysis and more

Digital is now table stakes for SMBs



**“Before you take me away, I just want
to update my profile picture.”**

2022/2023 Trends: what, why, and how important?

Here are the trends that are here to stay and how businesses can ensure they are prepared

A deep dive look at some of the most prevalent trends including what they are, why they are trending, how important they are, and how you can implement for your business.

What can we do as BIAs, Economic Development Professionals and more...

- **Ensure we are staying up to date on trends, changes, and everything that is going on**
- **Look to engage partners and collaborators for content, live training sessions and more**
- **Implement programming that is touching the hot topics, and ensure we are constantly soliciting feedback from our businesses**



eCommerce redefined

What?

01

eCommerce used to be preserved for retail. Not anymore. Everything is eCommerce now. Many small businesses have had to get themselves online in the last 12 months, redefining eCommerce to include the selling and booking of group classes and 1:1 sessions of services, health, wellness, education, and more. Sales have increased almost 100% YoY.

Why?

02

eCommerce growth continues at a rapid pace that is not slowing down.

How important is it?

03

75% of consumers according to McKinsey are implementing new buying habits to fit their lifestyles and convenience.

Personalization: the customer is always right

01

What?

- Customers want what they want, when they want, how they want it.

02

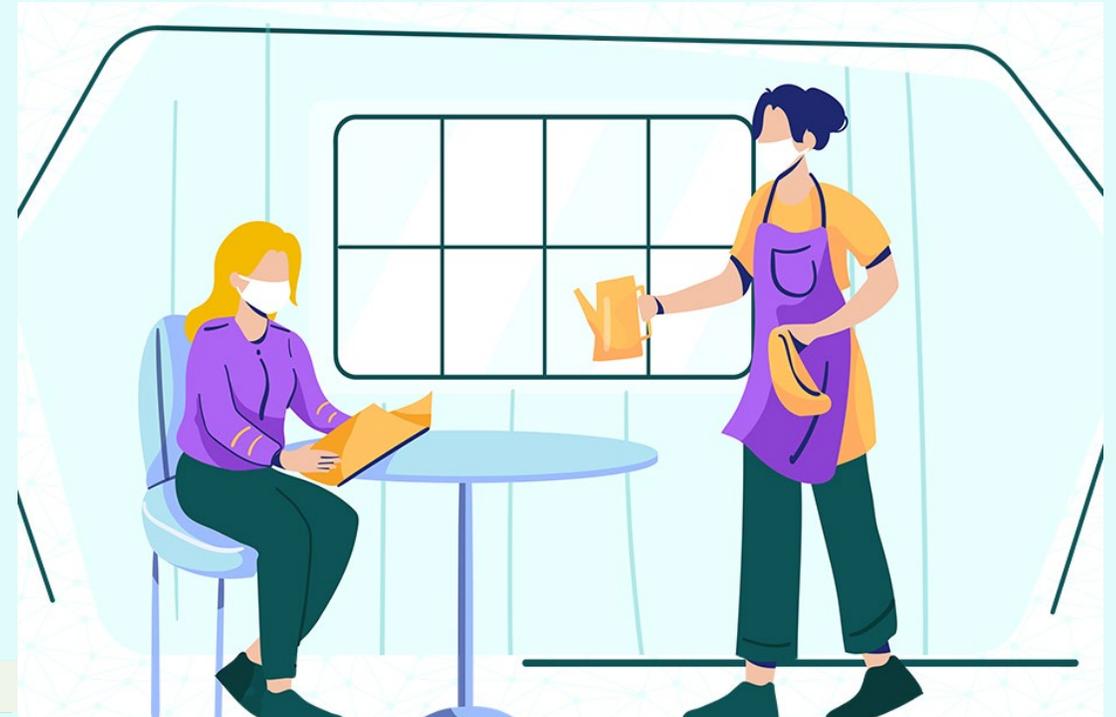
Why?

- 63% of people say they prefer messaging with a chatbot then through phone or email

03

How important is it?

- 74% of consumers are frustrated when they receive irrelevant or non personal emails
- 48% of consumers statistically spend more when they experience is personalized



Leveraging data for decision making



01

What?

Business owners have access to more data nowadays than ever. This data can be used for a variety of purposes, but it can help SMBs become better, more efficient, and provide a better customer experience.

02

Why?

Digital transformation and data allows companies to understand customer buying habits, boost customer acquisition and retention, drive product and service innovations and automate business processes.

03

How important is it?

Businesses can no longer overlook the importance of data. According to McKinsey, data, combined with analytics, can yield 15% to 20% growth in revenue.

Heightened Cybersecurity

01

What?

- As more and more business functions move online and into the cloud, cybersecurity becomes increasingly important. Not only do employees risk a personal data breach, but proprietary company information is also more vulnerable.

02

Why?

- Puts businesses at risk of incurring financial losses and reputational damage when personal/financial information is exposed.

03

How important is it?

According to Mastercard Canada:

- 50% of small businesses have experienced a cyber attack
- 70% of cyber attack victims are small business
- 80% of data breaches included customer personal identifiable information





Adapting as social media changes

01

What?

It is important that SMBs pay attention when the platforms undergo change, or new features are added etc. A great example of this is Shopify x TikTok partnering to offer commerce through the social media platform.

02

Why?

41% of Facebook's users are now over the age of 65. This fact, combined with Facebook's notorious data breach, has created a direct correlation to the younger the age range, the less likely they are to even use Facebook.

03

How important is it?

It's a new twist on Social Networking, making them not only a place to find leads but to convert them as well.

Grow Local

Why?

- 68% of money stays in the economy when you shop local (vs. 35% when you shop at a chain/corporate)
- Better for the environment (Shipping produces 1 billion metric tons of CO2 a year)
- Local business generates 70% more local economic activity per square foot than big box retail
- Less logistics are needed
- Higher emphasis on customer service and specialized products
- Small businesses donate 250% more than large businesses to community causes



The Campaign Quagmire



01

Global Market ☺

Global Competition ☹

02

Increased Expectations

03

Who is Responsible?

Grow Local

The Good News

- 70% of consumers go to amazon as a search engine for product purchases
- 75% of Canadians have increased their efforts to shop locally during the pandemic
- 55% of boomers used online shopping before the pandemic vs. 83% of boomers now
- 89% of Gen Z want to shop locally and will go out of their way to do so
- 60% of shoppers will google a business before shopping in person





The Canada Digital Adoption program will help address these issues and futureproof businesses

The Canada Digital Adoption Program #CDAP offers grants to help #SMEs get their businesses online and improve their e-commerce presence.

More info can be found at:

<https://smallbusinessbc.ca/canada-digital-adoption-program/>





Eligible businesses will receive a micro-grant of up to \$2,400 to help with costs of adopting e-commerce and be supported by a network of e-commerce advisors

- Over 7,000 micro-grants
- Over 800 student/recent graduate work placements
- Strong commitment to equity-deserving groups, including rural/regional businesses

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SBBC 

Thank you