

Canadian retail SMBs who export are most optimistic for 2017

eBay Canada releases SMB Optimism Index and announces 12th annual Entrepreneur of the Year Award winners

Toronto, October 19, 2016 – Canadian small and medium-sized business (SMBs) are optimistic about their future, according to eBay Canada’s first *SMB Optimism Index*. Scored out of 100 from very pessimistic to very optimistic, Canadian retail SMBs averaged a 74 on the Index. However, those who export indexed notably higher at 79 points, while non-exporting SMBs are significantly less optimistic at 72 points.

SMBs who export also reported an average of nearly 60 per cent more in sales than those who don’t. They are also more likely than non-exporters to believe there are new market opportunities for them (70% versus 36%) and that technologies and innovations will positively impact their business (56% versus 41%).

“Given the relatively small size of the Canadian market, it stands to reason that business optimism in our country would be linked to exporting,” says Andrea Stairs, managing director, eBay Canada. “A critical success factor to scaling a Canadian business is the ability to tap into international demand. E-commerce has helped democratize international trade, and global online marketplaces like eBay are enabling SMBs to reach buyers beyond their borders and fulfill their potential.”

Another contributing factor to SMB optimism is the variety of sales channels used by a business. Omni-channel businesses indexed at 77 compared to 72 for single-channel enterprises. Further, omni-channel SMBs who use digital channels scored higher on the Index (77) than those who don’t (73).

As for impediments to optimism, the top worries reported by Canadian SMBs include the value of the Canadian dollar for purchasing business inputs, low margins and tough domestic competition. And, though more than half of SMBs (56%) agreed that Canada is a good country in which to run a business, only 38 per cent believe the Canadian government makes decisions that help their business.

eBay Canada also surveyed its own commercial sellers, who indexed two points higher than the average retail SMB. With 98 per cent of eBay SMBs reporting that they export and nearly 7 out of 10 (68%) running omni-channel operations, it’s no surprise that they have a healthy outlook for 2017. These findings are exemplified by the winners of eBay Canada’s 12th annual Entrepreneur of the Year Awards – a program that recognizes e-commerce excellence in this country.

“This year’s winners demonstrate the thriving entrepreneurial spirit on eBay,” says Stairs. “All three are millennials who are building million-dollar businesses – a testament to the ability of tech-enabled entrepreneurs to drive success beyond a single channel or market.”

This year’s winners are:

Entrepreneur of the Year

Yossef Vidal (eBay ID: [watchvendor](#)) was determined to start his own business when he was moving back to Canada in 2008, so he convinced his employer (an online electronics business) to pay him in inventory for his final months of work. Based out of Montréal, Québec, he and his wife, Shoshana, started selling cell phones on eBay, but quickly added watches. Their watch sales took off instantly – particularly to international buyers – so they expanded their offerings to include name brand jewellery, sunglasses and handbags. A year ago, Yossef and Shoshana successfully reinvigorated their efforts to sell high-end electronics as a result of further research, specifically on the Canadian market, and they pride

themselves on giving Canadian customers the opportunity to buy from a domestic seller. To date, the 30-year-old and his wife have accumulated sales of more than \$10 million on eBay.

Omni-Channel Entrepreneur

A resident of Etobicoke, Ontario, Nadia Shuaib (eBay ID: [budget_electronics](#)) created a cell phone accessories wholesale business out of her apartment in 2014, primarily selling inventory to local retailers. Since she began selling on eBay, she has grown her product portfolio by more than ten times and has opened a 3,500 ft² warehouse that also functions as a bricks-and-mortar store. Nadia has mastered her multi-channel operations, using walk-in customers to keep her abreast of product trends, the eBay platform to gather customer service feedback, and a custom CRM tool to effectively service in-store and online buyers simultaneously. To-date, her online sales have grown more than 1,000 per cent and the 30-year-old is projecting sales of \$1 million in 2017.

Micro-Multinational of the Year

In 2011, Adrien Lavoie (eBay ID: [boardshopw](#)) started his business in the basement of his parents' house selling skateboard-related merchandise. The quick success he had on eBay allowed him to build a 2,100 ft² bricks-and-mortar store in Gatineau, Québec. Two years later, at 24 years old, he won eBay's Young-Preneur award. Since then, he has evolved his business to focus on sneakers, carrying styles from top brands like Reebok and Adidas that are less readily available in international markets. Selling globally through eBay is the key to Adrien's success: 90 per cent of his sales are from outside of Canada, including the U.S., France, Australia, Germany and Japan, and he regularly ships items to more than 45 countries. To-date, Adrian has sold more than \$1 million worth of shoes and apparel on eBay.

Further information about the Entrepreneur of the Year winners can be found at eBay.ca/eoy.

Additional key findings from the *eBay Canada SMB Optimism Index* include:

- More than half (54%) of SMBs surveyed felt optimistic about 2017, with one in five (19%) feeling very optimistic
- Quebec SMBs are overall the most optimistic scoring 79 on the Index; SMBs from the Atlantic are the least optimistic with a score of 72
- Two in three (66%) SMBs that have been in business for less than five years are optimistic about their business prospects for 2017, compared to 47 per cent of SMBs that have been operating for 20+ years
- One in four (28%) SMBs expect to increase their number of sales channels in 2017 – this number grows to 38 per cent for exporting SMBs and drops to 22 per cent for non-exporting SMBs
- 16 per cent of SMBs expect to increase their employee headcount in 2017 – 26 per cent of exporting SMBs expect an increase, compared to 11 per cent of non-exporting SMBs

Further findings can be found at eBay.ca/SMBOptimismIndex.

MARU Survey Methodology:

The online survey, facilitated by MARU/Vision Critical Research & Consulting, was conducted between August 3rd and August 30th. SMB sample respondents were sourced from The Angus Reid Forum panel, while eBay Canada retailers were sourced directly through the company. The sample consisted of 427

SMBs as well as 117 commercial eBay sellers from across Canada. The margin of error for the sample of SMB's is +/- 4.7%. The margin of error for the sample of eBay sellers is +/- 9.7%. To qualify for the survey, SMBs had to indicate a minimum revenue of \$13,000 CAD, and indicate that they don't have more than 99 employees. eBay sellers had to indicate a minimum revenue of \$13,000 CAD, but no parameters were set for number of employees.

About eBay Inc.

eBay (NASDAQ: [EBAY](#)) is the world's most vibrant marketplace for discovering great value and unique selection. eBay connects millions of buyers and sellers around the globe, empowering people and creating opportunity through Connected Commerce. Our vision for commerce is one that is enabled by people, powered by technology and open to everyone. eBay is visited by more than 8 million unique Canadians per month (comScore Media Metrix: August, 2016). For more information, visit [ebay.ca](#).