



# FedEx Small Business Trade Index

## Canada

Conducted and Prepared by Morning Consult

June 2022

# Introduction



## About us

Morning Consult is a global data intelligence company delivering insights on what people think in real time.

By surveying tens of thousands across the globe every day, Morning Consult is unmatched in scale and speed: It determines the true measure of what people think and how their decisions impact business, politics and the economy.

Industry leaders rely on Morning Consult's proprietary technology and analysis for real-time intelligence to transform information into a competitive advantage.

# Methodology

- This poll was conducted between **May 24 and May 29, 2022.**
- The poll was conducted among small business decision makers, which are defined as those who work for companies with less than 500 employees and hold a position of manager or higher. **500 small business decision makers were interviewed in Canada.**
- Interviews were conducted **online** using a panel of respondents.
- These data are **not weighted**, though basic stratification parameters for gender and region were in place during the sampling process.
- Results from the full survey have a margin of error of plus or minus **4 percentage points.**

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# Key Findings

- 1 Small business decision makers in Canada continue to have an optimistic outlook when it comes to current revenue: over one third (39%) report current revenues have increased. The future looks even more optimistic, as most **small businesses are confident their revenues will increase in a year from now (54%)**.
- 2 Effects of the pandemic are still felt by small businesses but showing signs of improvement. **4-in-10 small businesses are finding it hard to acquire new domestic customers, but 89% are confident in keeping existing customers.**
- 3 CUSMA continues to be strongly supported among small businesses in Canada. Surprisingly, Canadian SMBs **view the United States and Mexico as important trade partners despite lower favorability ratings.**
- 4 **Cost in general is starting to emerge as a top challenge and barrier among SMBs.** Given current economic conditions external forces like foreign exchange rate fluctuations, variations in fees and tariffs, and import/export fees are increasingly becoming more challenging and should be watched.

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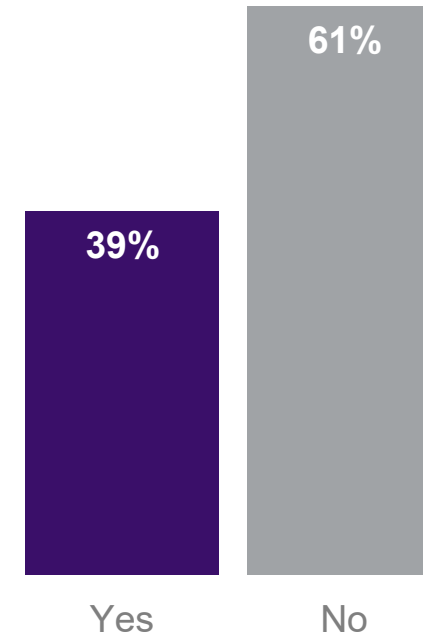
Barriers to Trade

# Small Business Decision Makers

Roughly four-in-ten small businesses import or export goods from another country. Among those who import or export, under half both import and export.

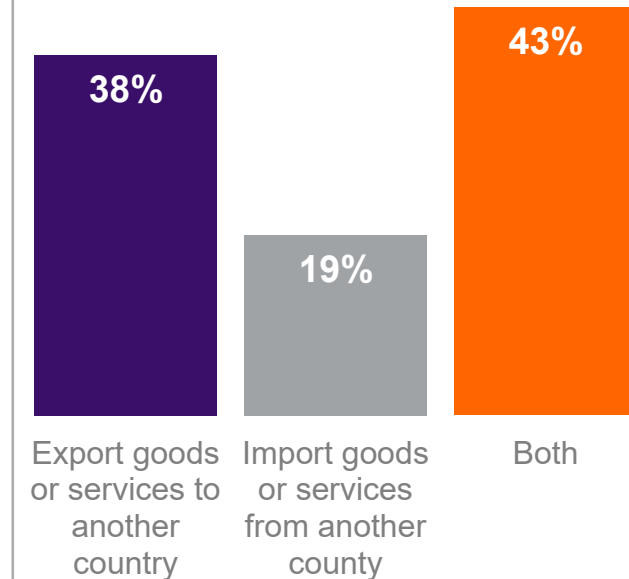
Does your business export goods or services to another country or import goods or services from another country?

SMBs in Canada



Does your business...

SMBs in Canada who import or export



# Small Business Decision Makers

Among small businesses in Canada who import or export, about one-in-two import finished goods and also goods to create a product domestically.

## Does your company...

*SMBs in Canada who import or export*

■ Yes ■ No ■ Don't know/No opinion



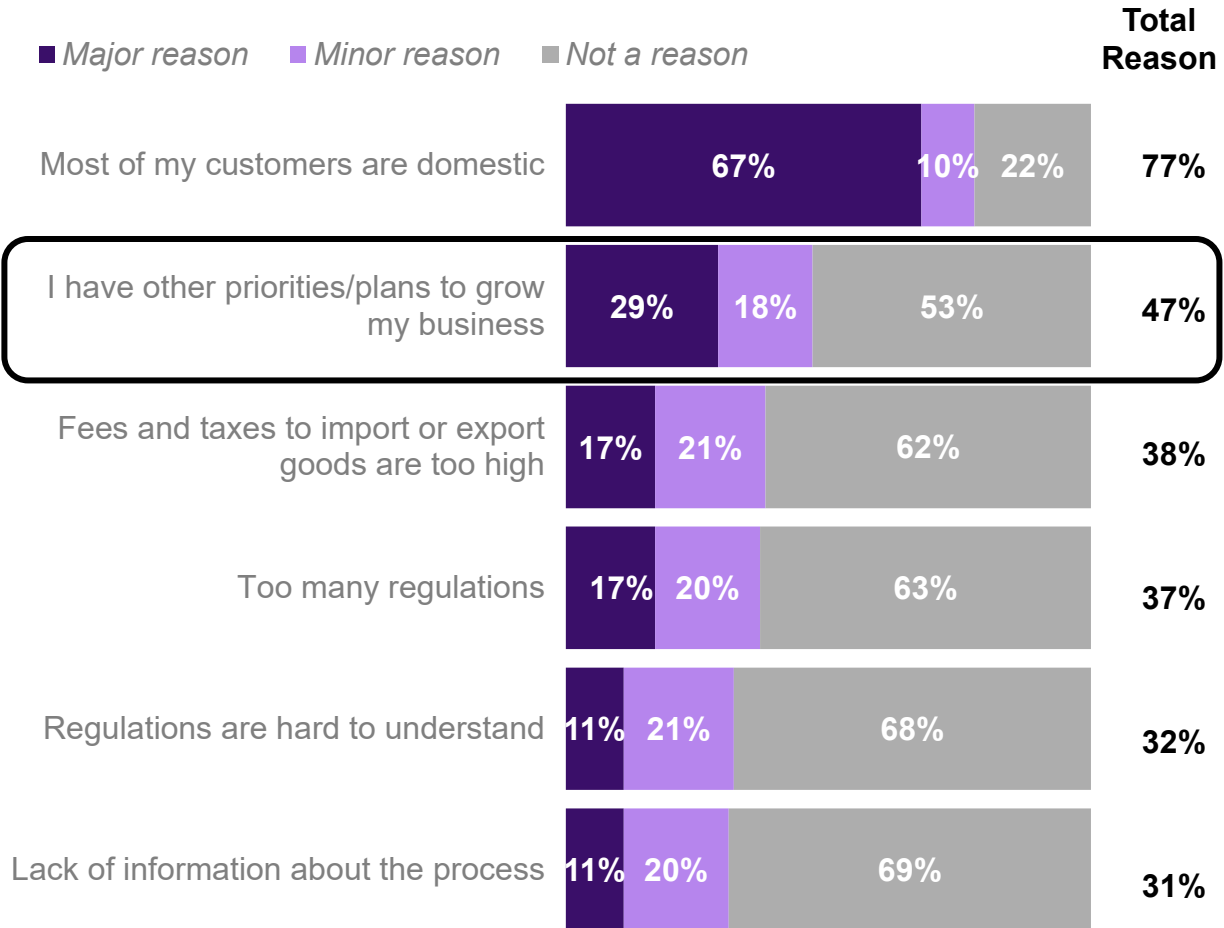


# Small Business Decision Makers

Other than having too many domestic customers for importing/exporting goods, small businesses cite other priorities/plans for business growth as the biggest reason for not doing this (47%).

Please indicate if this is a reason or is not a reason why your business does not export goods or services to another country or import goods or services from another country.

SMBs in Canada who do not import or export

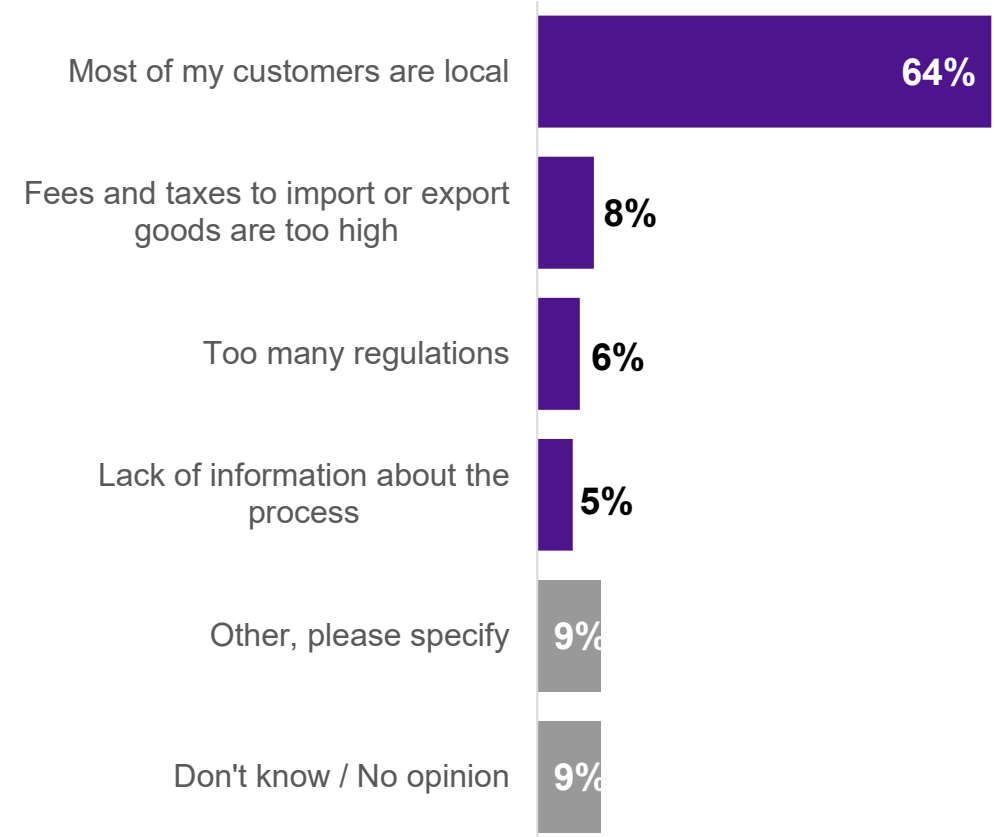


# Small Business Decision Makers

Roughly two-in-three SMBs who do not import or export attribute it towards most of their customers being local.

What is the main reason why your business does not export goods or services to another country or import goods or services from another country?

*SMBs in Canada who do not import or export*

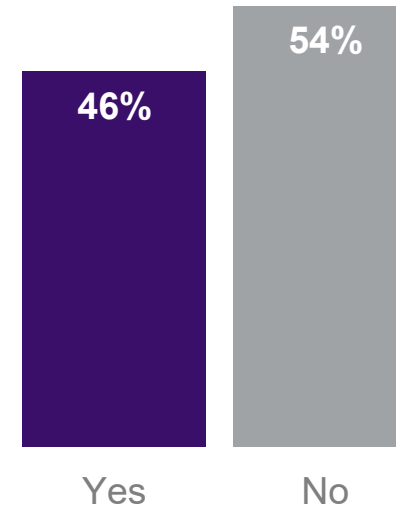


# Small Business Decision Makers

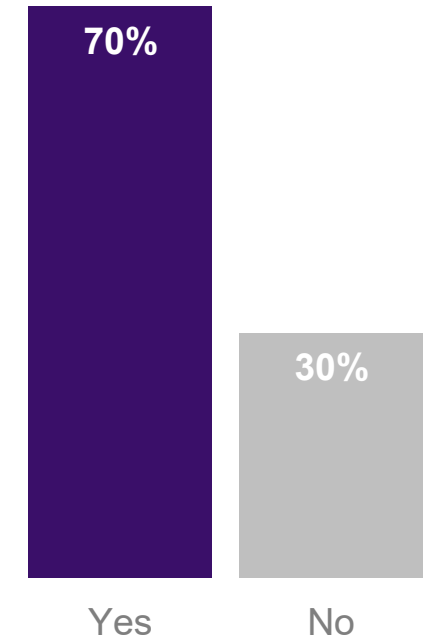
Close to half of SMBs sell goods online (46%). However, among those who import or export, the portion goes up by about a fourth (70%).

Does your business sell goods online?

*SMBs in Canada*



*SMBs in Canada who import or export*

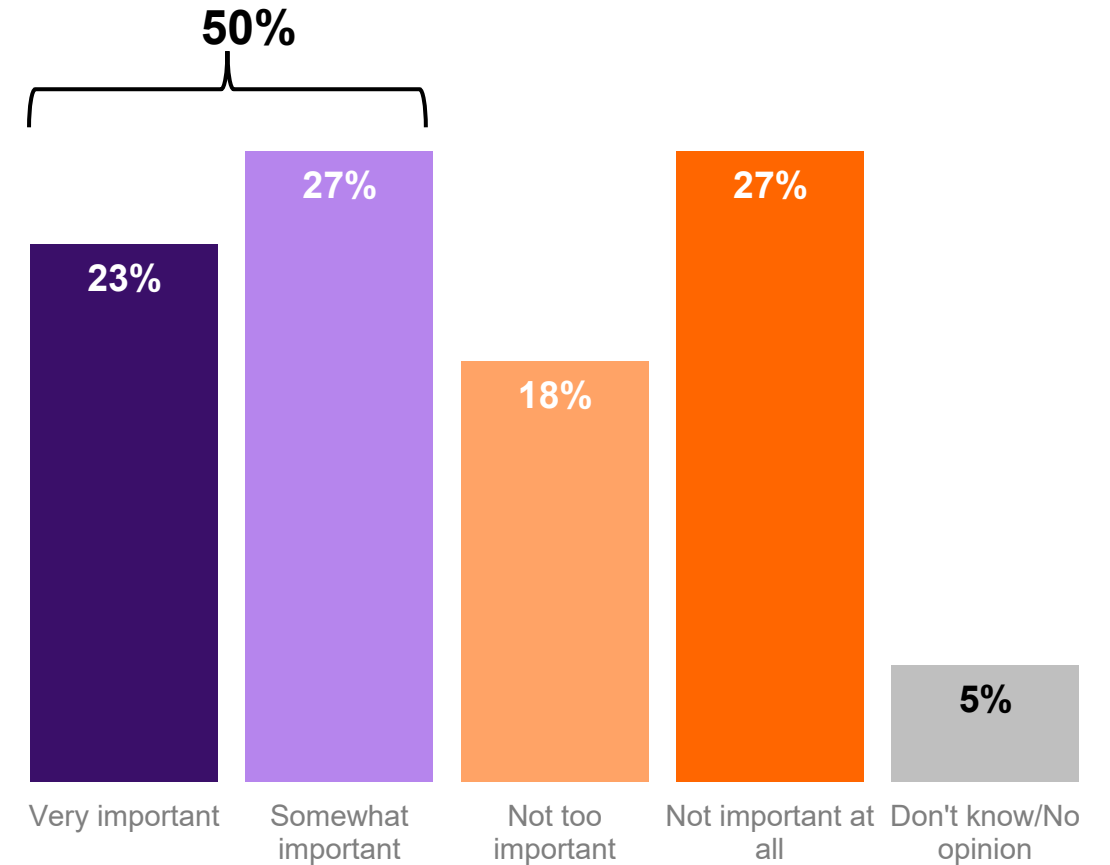


# Small Business Decision Makers

Half of small businesses see selling goods online as important to their businesses, but a quarter find it not important at all.

How important, if at all, would you say selling goods online is to your business?

SMBs in Canada

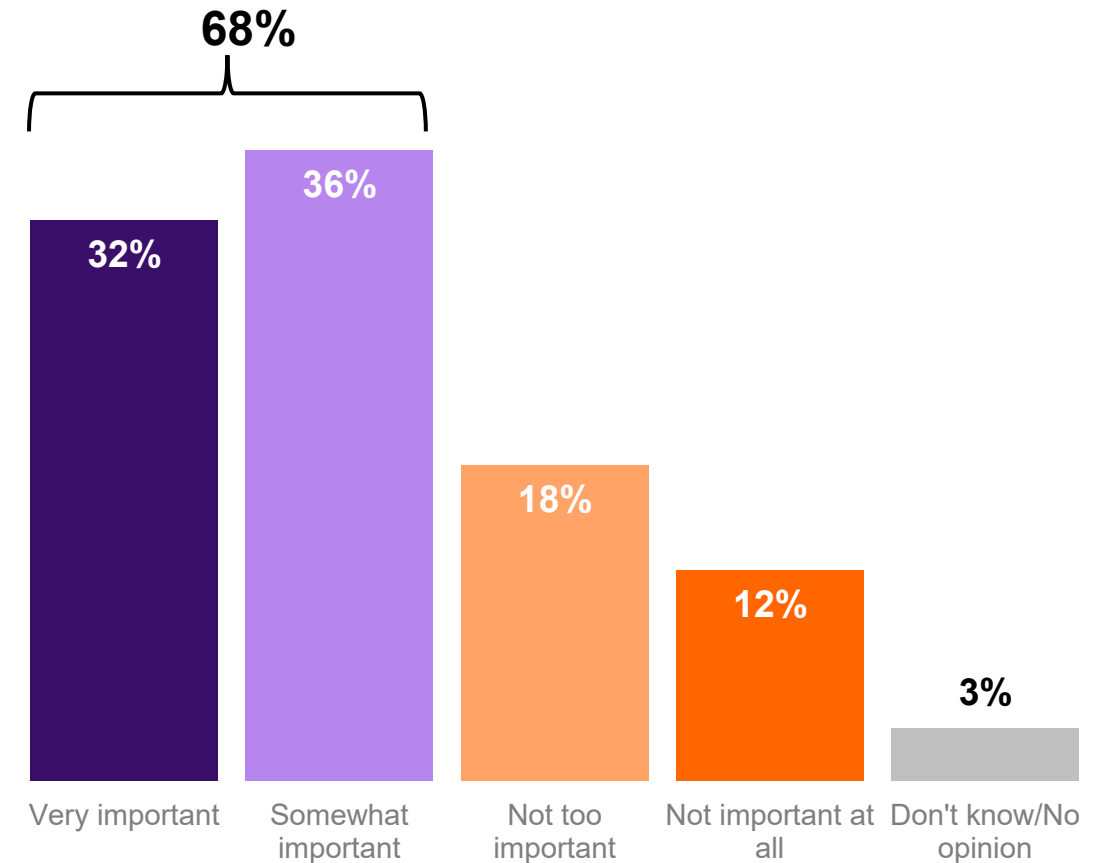


# Small Business Decision Makers

Nearly seven-in-ten SMBs who import or export believe it is important to sell goods online internationally for growing their businesses.

How important, if at all, would you say selling goods online internationally is to the growth of your business?

*SMBs in Canada who import or export*

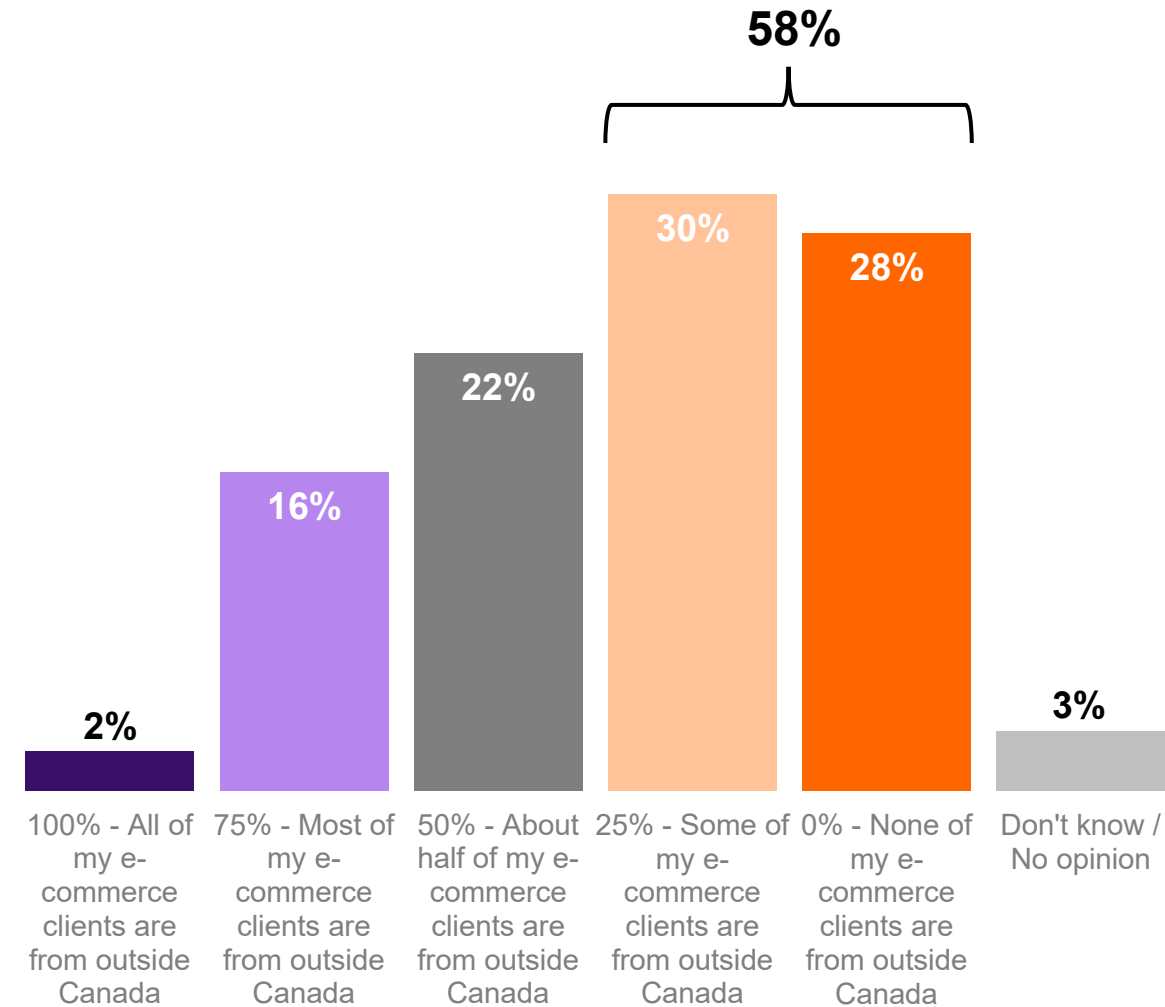


# Small Business Decision Makers

E-commerce clients for small businesses in Canada are mostly domestic, but there is opportunity to grow internationally.

Approximately what percentage of your e-commerce clients are from outside Canada?

SMBs in Canada that sell goods online



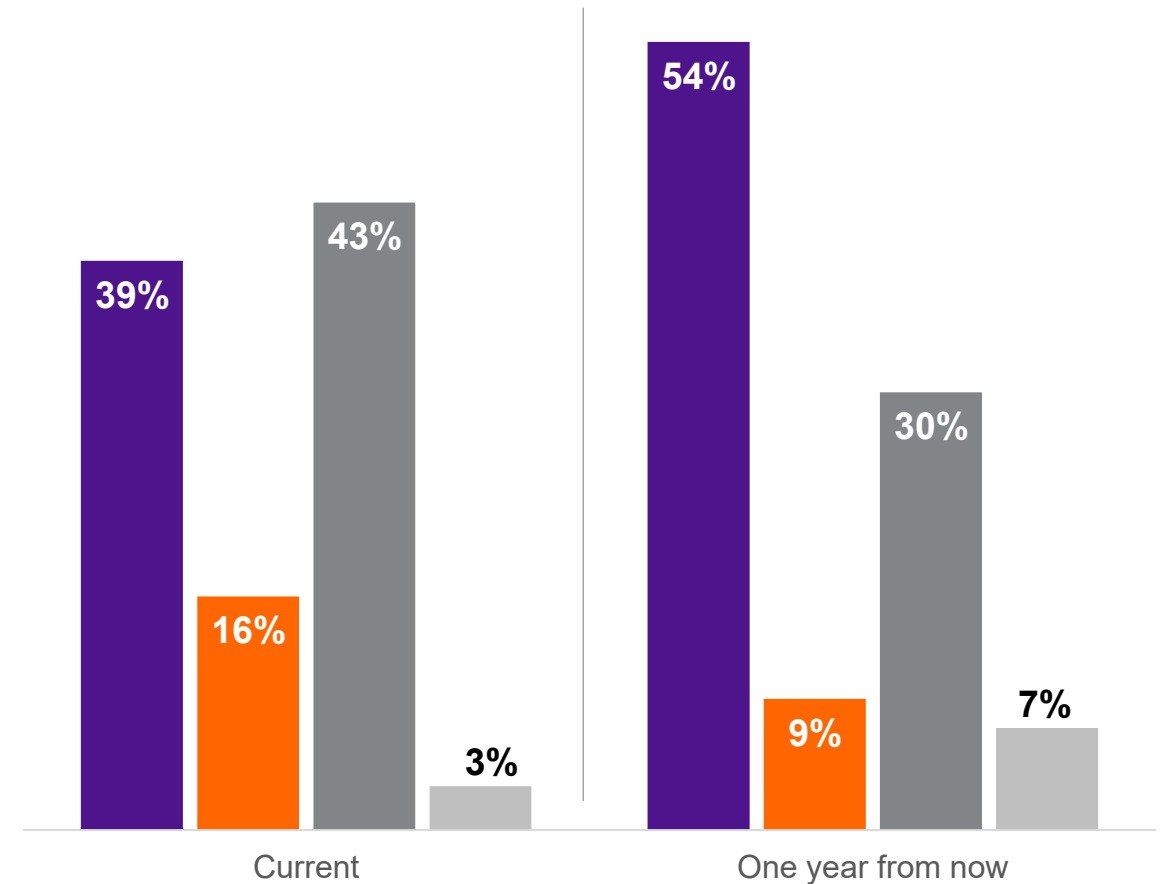
# Small Business Decision Makers

Roughly four-in-ten SMBs have seen their revenues increase, but there is increased optimism one year from now with revenues.

Thinking about your business or company's financial situation currently, would you say your revenues are generally... and one year from now...

*SMBs in Canada*

■ Increase ■ Decrease ■ Stay about the same ■ Don't know / No opinion



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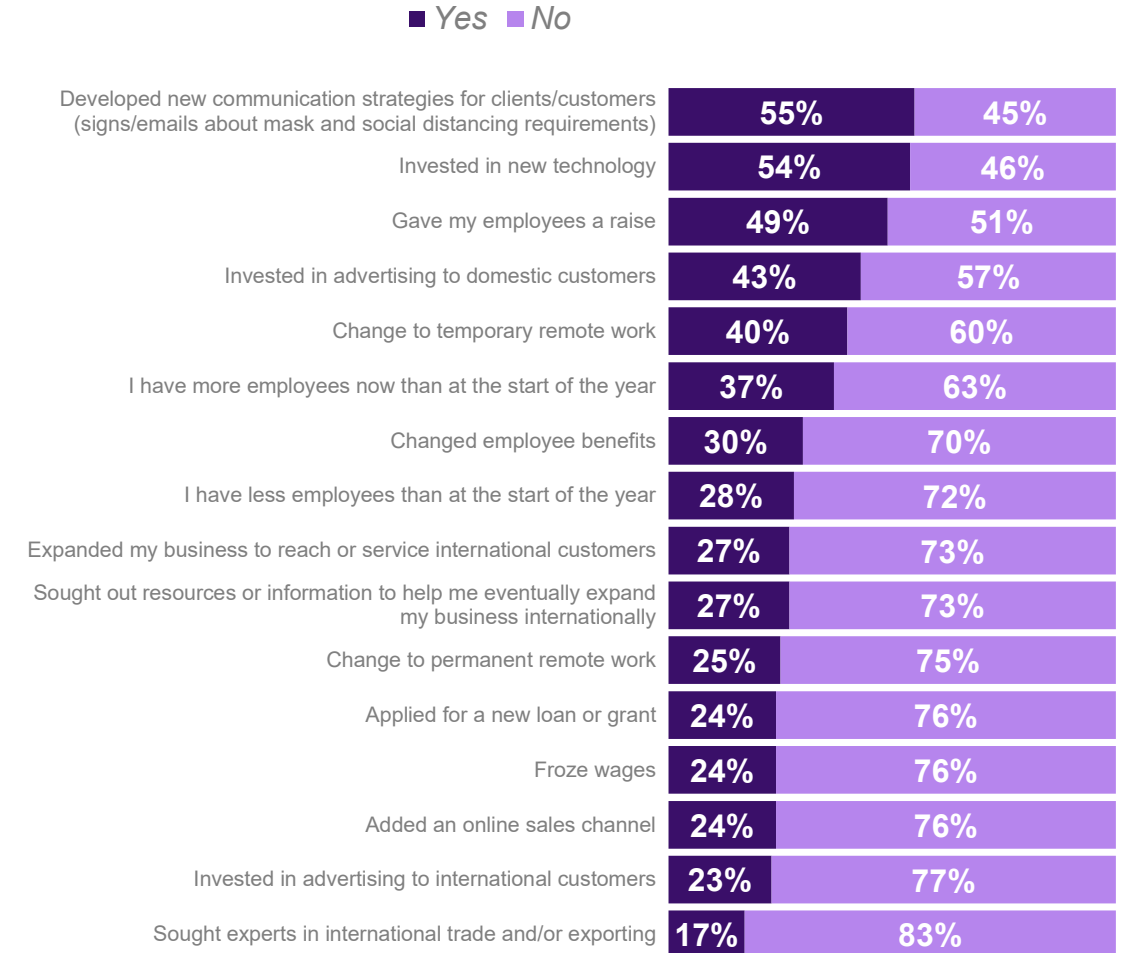


# Small Businesses During Covid-19

Developing new communication strategies and investing in new technology have most helped SMBs change in the past year.

## In what ways has your business had to change in the past year?

### SMBs in Canada



# Small Businesses During Covid-19

Acquiring new customers or business continues to be a challenge for SMBs.

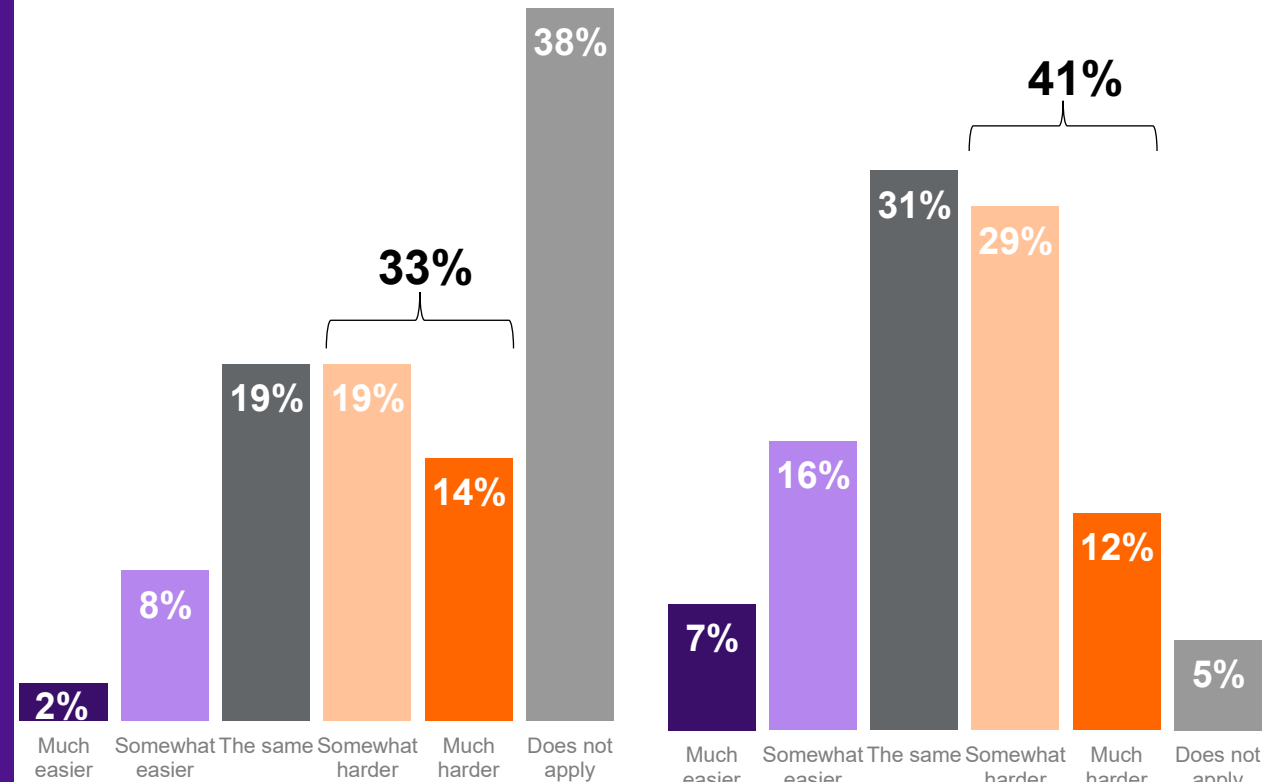


How much easier or harder has it been to acquire new customers/business since the start of the COVID-19 pandemic for each of the following?

*SMBs in Canada*

## International Business

## Domestic Business



# Small Businesses During Covid-19

One in three SMBs who say it's been harder to acquire new customers say limited product offerings due to the global supply chain issues.

Please indicate how much of a barrier each of the following have been to acquiring new customers/business since the start of the year when thinking about your domestic business. (Showing % Major Barrier)

*SMBs in Canada who say it's been harder to acquire new customers/business*



# Small Businesses During Covid-19

Customers having less money to spend, and the pandemic restrictions have been barriers for SMBs in Canada struggling to acquire new customers.

Please indicate how much of a barrier each of the following have been to acquiring new customers/business since the start of the COVID-19 pandemic when thinking about your international business. (Showing % Major Barrier)

*SMBs in Canada who import or export and say it's been harder to acquire new customers/business*



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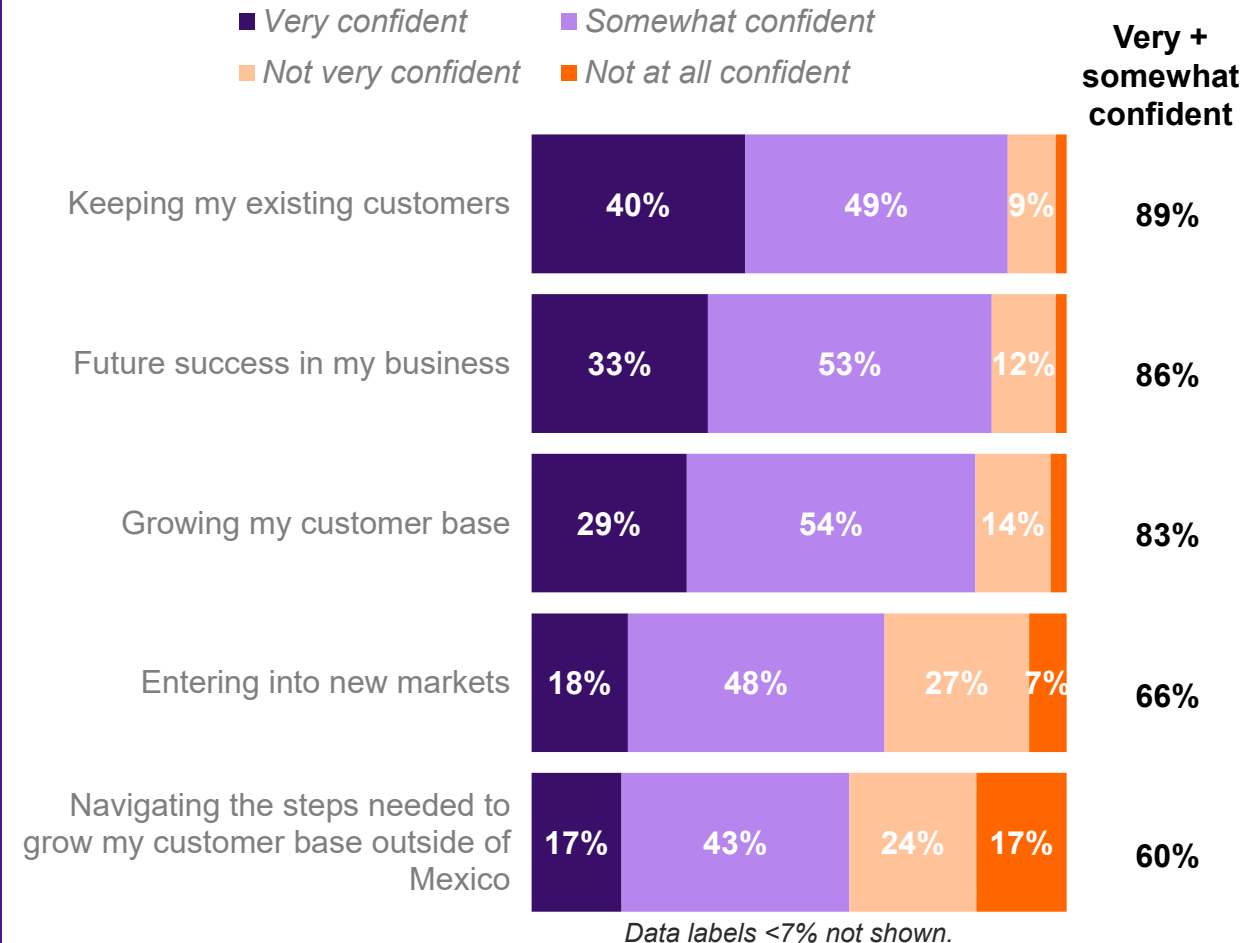
Barriers to Trade

# Small Business Growth

Small businesses in Canada are confident that they will keep their customers and will have future success in their businesses.

## How confident are you in the following?

SMBs in Canada

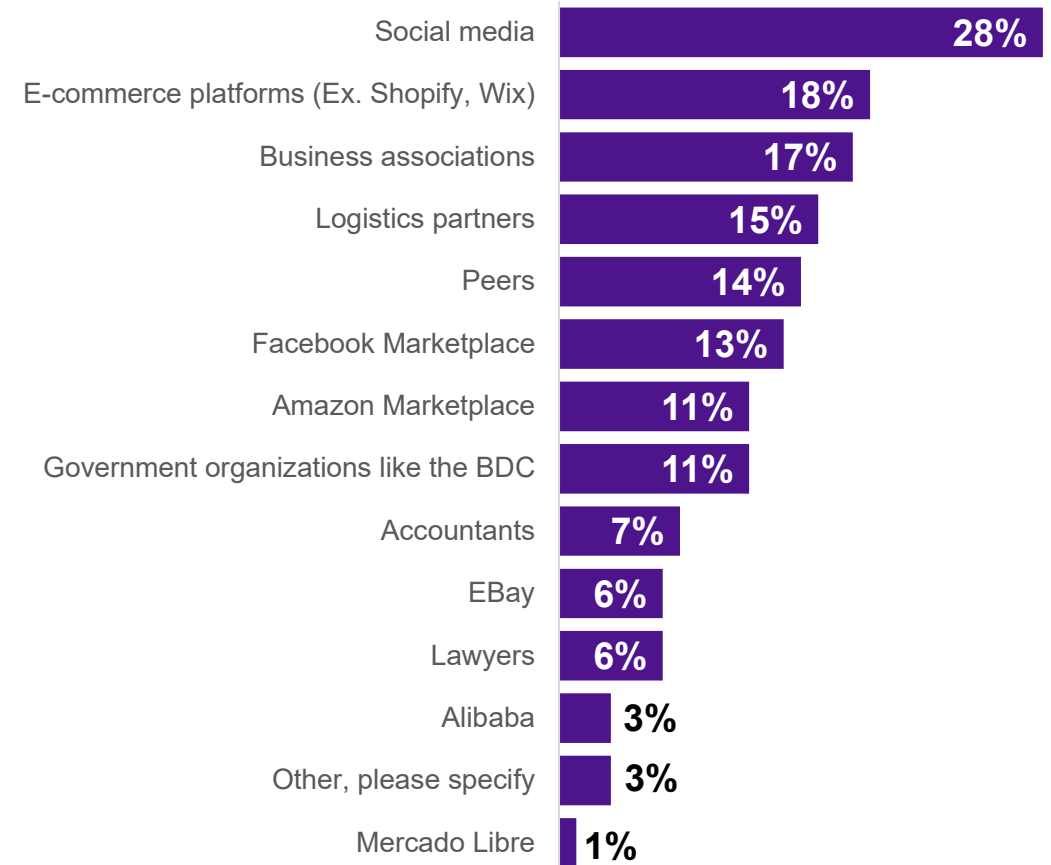


# Small Business Growth

A plurality of SMBs lean towards social media for growing their businesses internationally (28%).

Which of the following do you lean on to grow your business internationally? Please select all that apply.

SMBs in Canada



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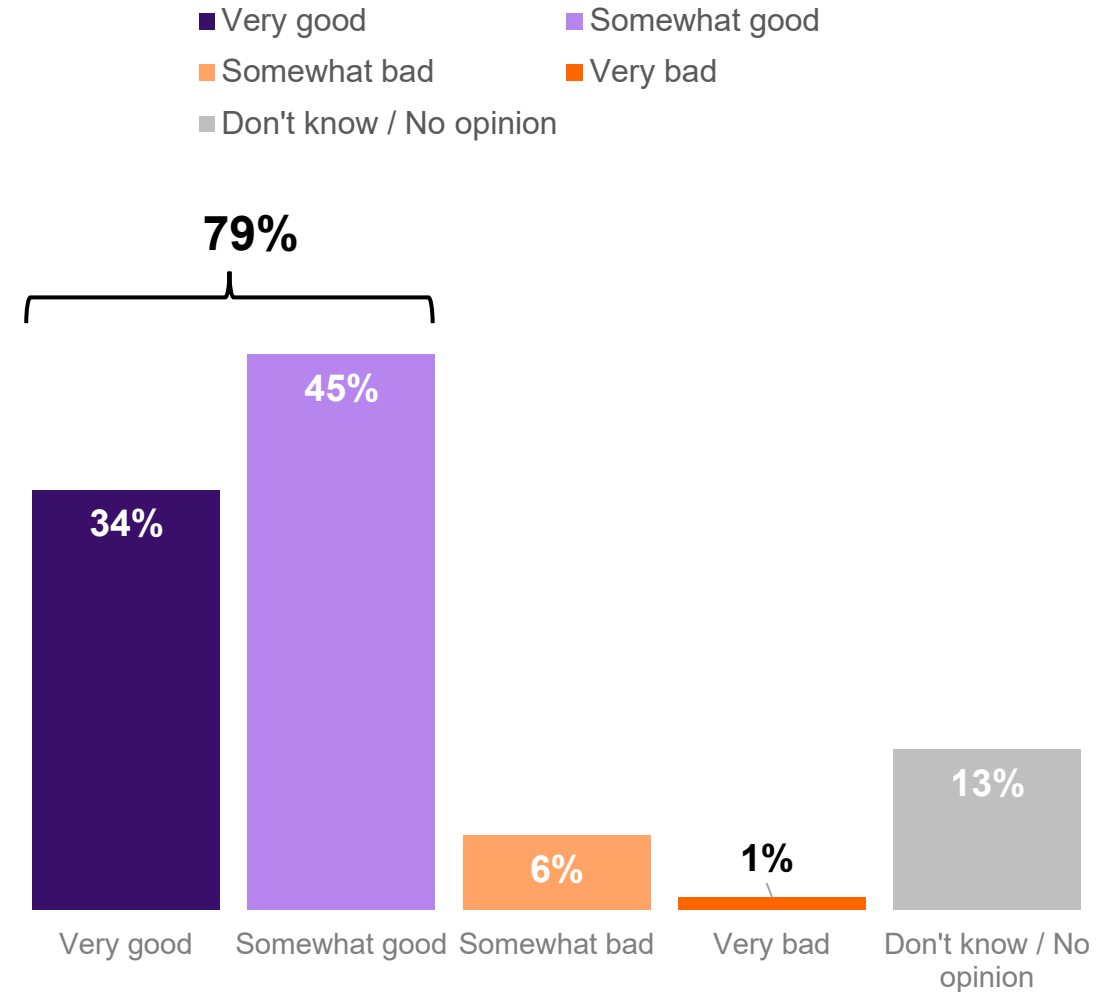


# Economic and Trade Policy

A vast majority of SMBs think that expanding trade and business opportunities between Canada and customers in other countries is a good thing (79%).

In general, do you think expanding trade and business opportunities between Canada and customers in other countries is a good or bad thing?

*SMBs in Canada*



# Economic and Trade Policy

Canadian SMBs are very pro trade, with about three-in-four agreeing that increasing trade will create jobs and grow the economy.

Please indicate if you agree or disagree with the following statements:

## SMBs in Canada

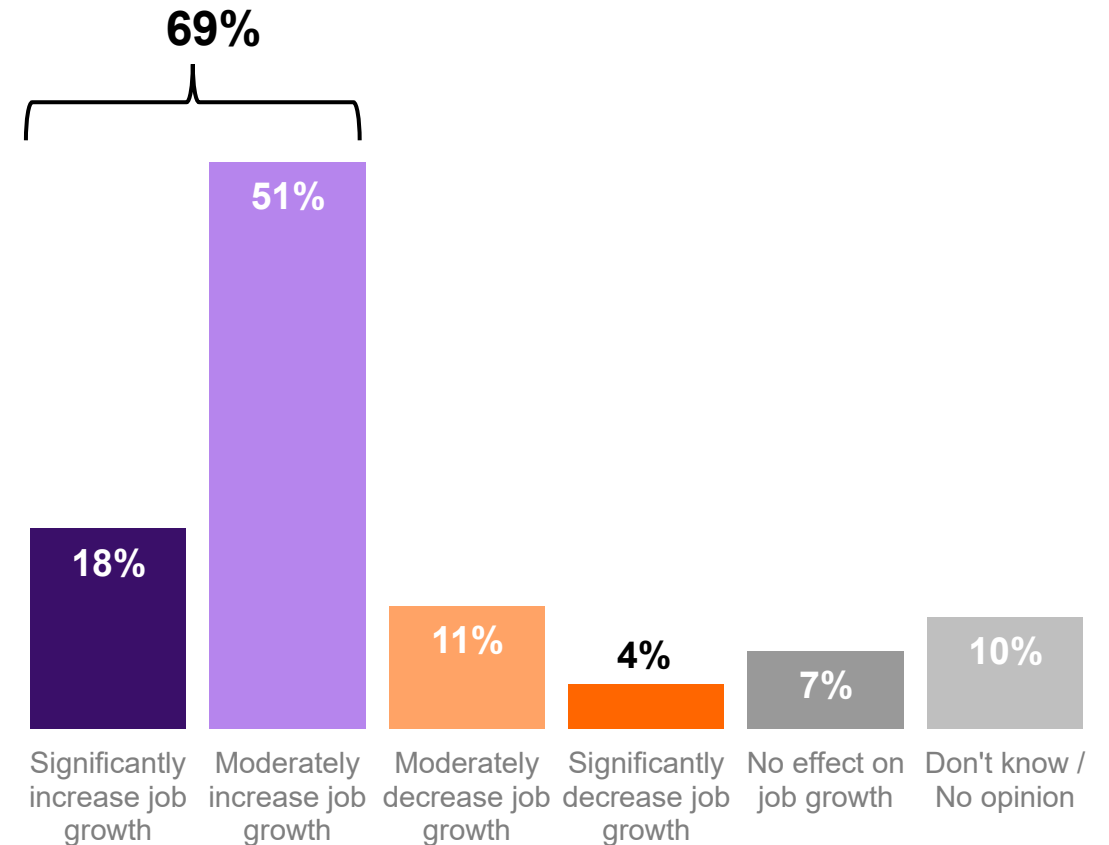


# Economic and Trade Policy

Almost 7-in-10 small businesses believe that expanding trade and business opportunities with customers in other countries will increase job growth in Canada.

In general, how do you think expanding trade and business opportunities between Canada and customers in other countries will impact Canada's job growth?

*SMBs in Canada*

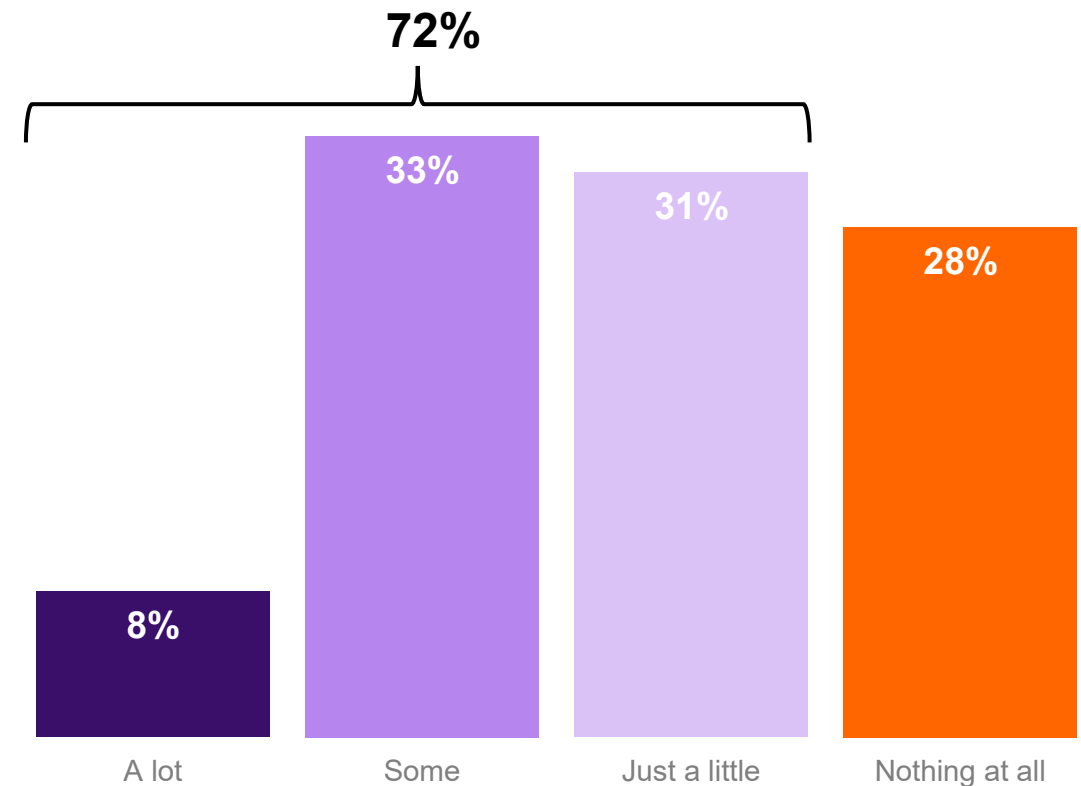


# Economic and Trade Policy

72% of SMBs have seen, read, or heard something about CUMSA, while a quarter have not heard anything at all.

How much have you seen, read, or heard about the Canada–United States–Mexico Agreement, also known as CUMSA?

*SMBs in Canada*

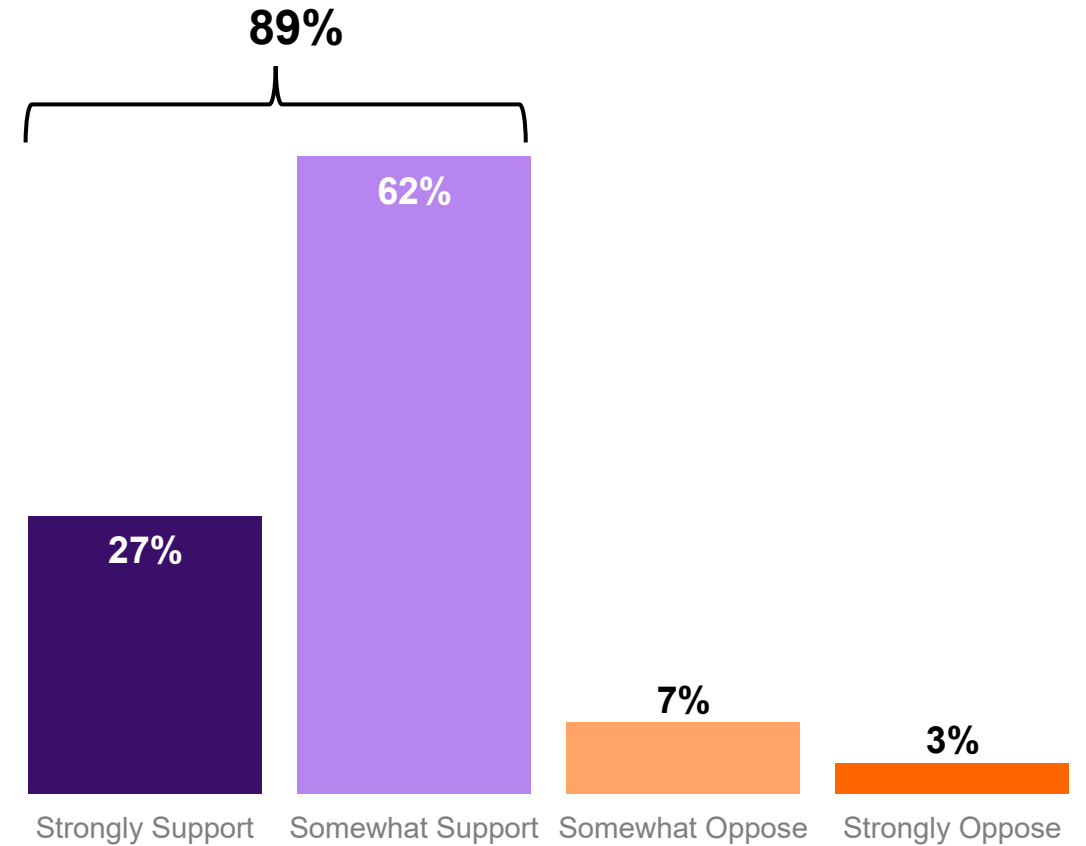


# Economic and Trade Policy

Nine in ten SMBs support CUSMA, consistent with the previous waves.

## Do you support or oppose the Canada–United States–Mexico Agreement, also known as CUSMA?

*SMBs in Canada*

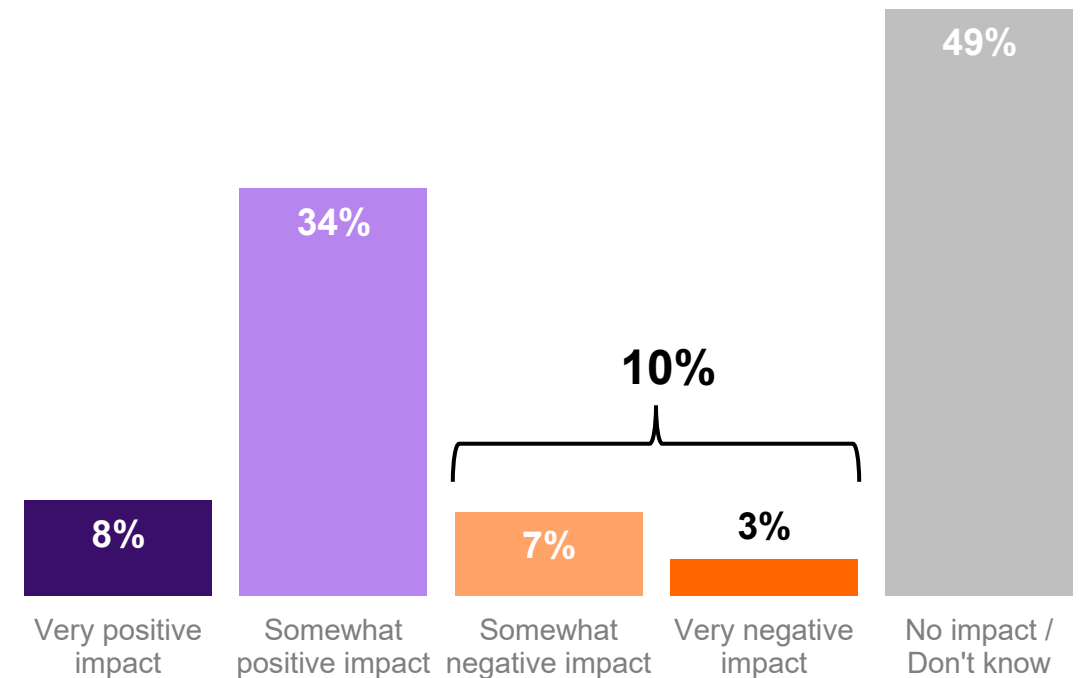


# Economic and Trade Policy

Roughly half of small businesses say that CUMSA has had no impact on their businesses, while just 10% claim it has had a negative impact.

And, how much of an impact has the Canada–United States–Mexico Agreement, also known as CUMSA, had on your business?

*SMBs in Canada*

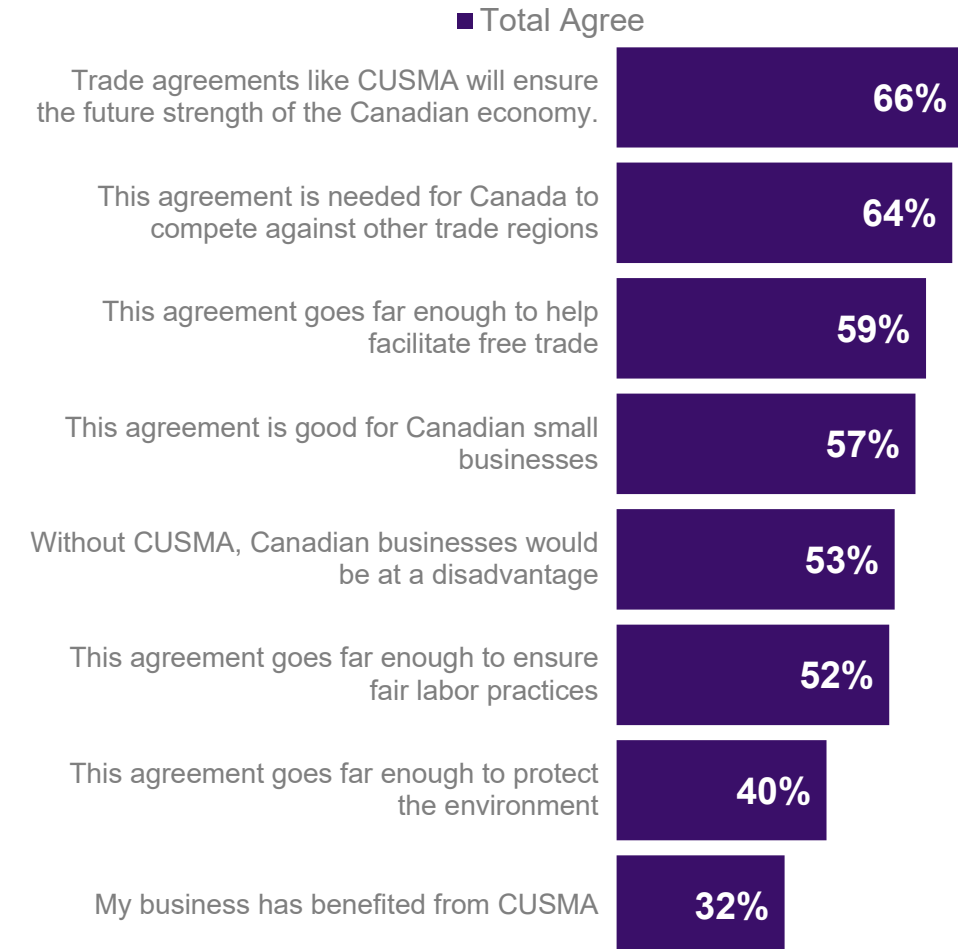


# Economic and Trade Policy

Small businesses most agree that CUMSA is needed for Canada to compete against other regions and for facilitating free trade which can strengthen Canada's economy.

Based on what you know about the Canada-United States-Mexico Agreement (also known as CUMSA, USMCA, or T-MEC), do you agree or disagree with the following statements?

## SMBs in Canada

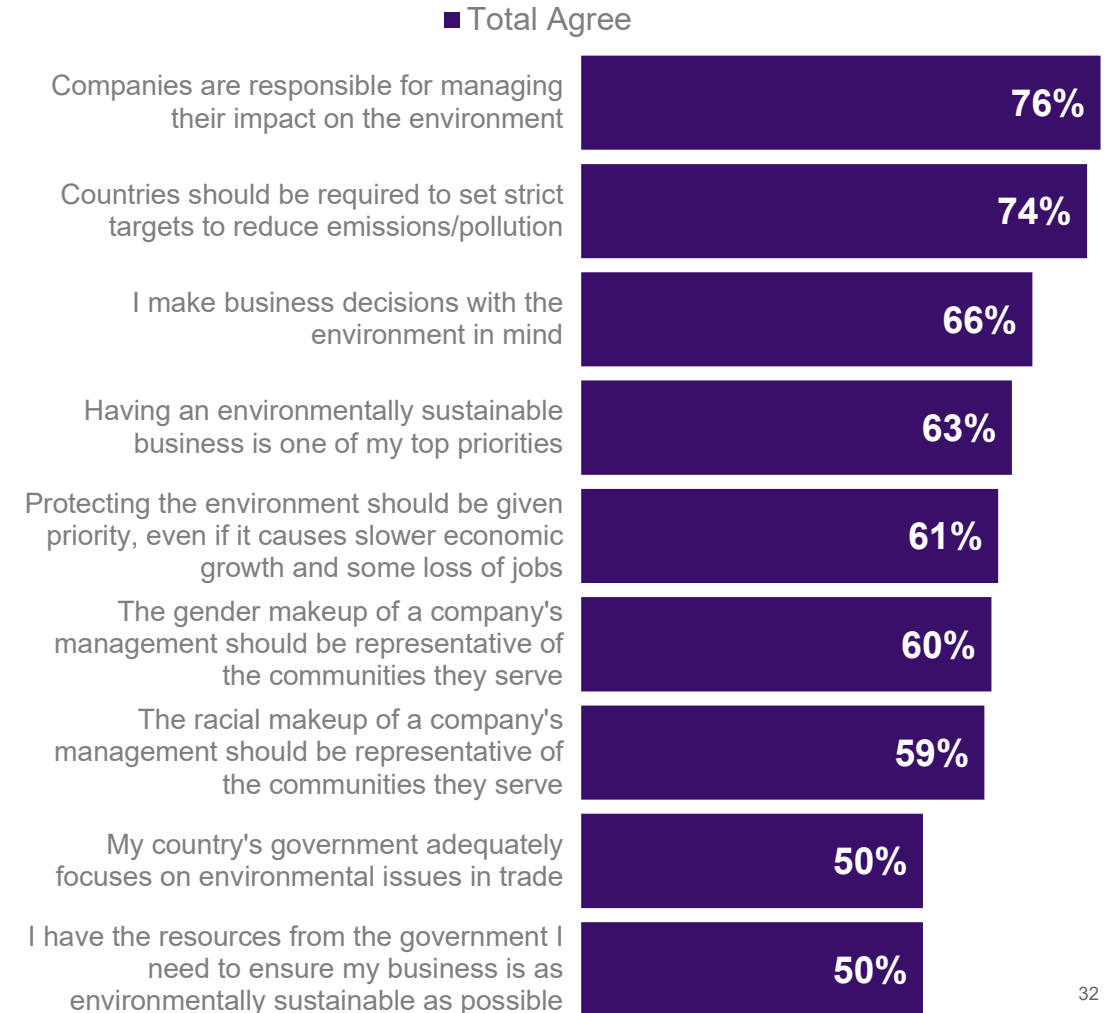


# Economic and Trade Policy

Approximately three-in-four small businesses agree that companies should be responsible for their impact on the environment as well as setting strict targets to reduce pollution.

## Do you agree or disagree with the following statements?

### SMBs in Canada





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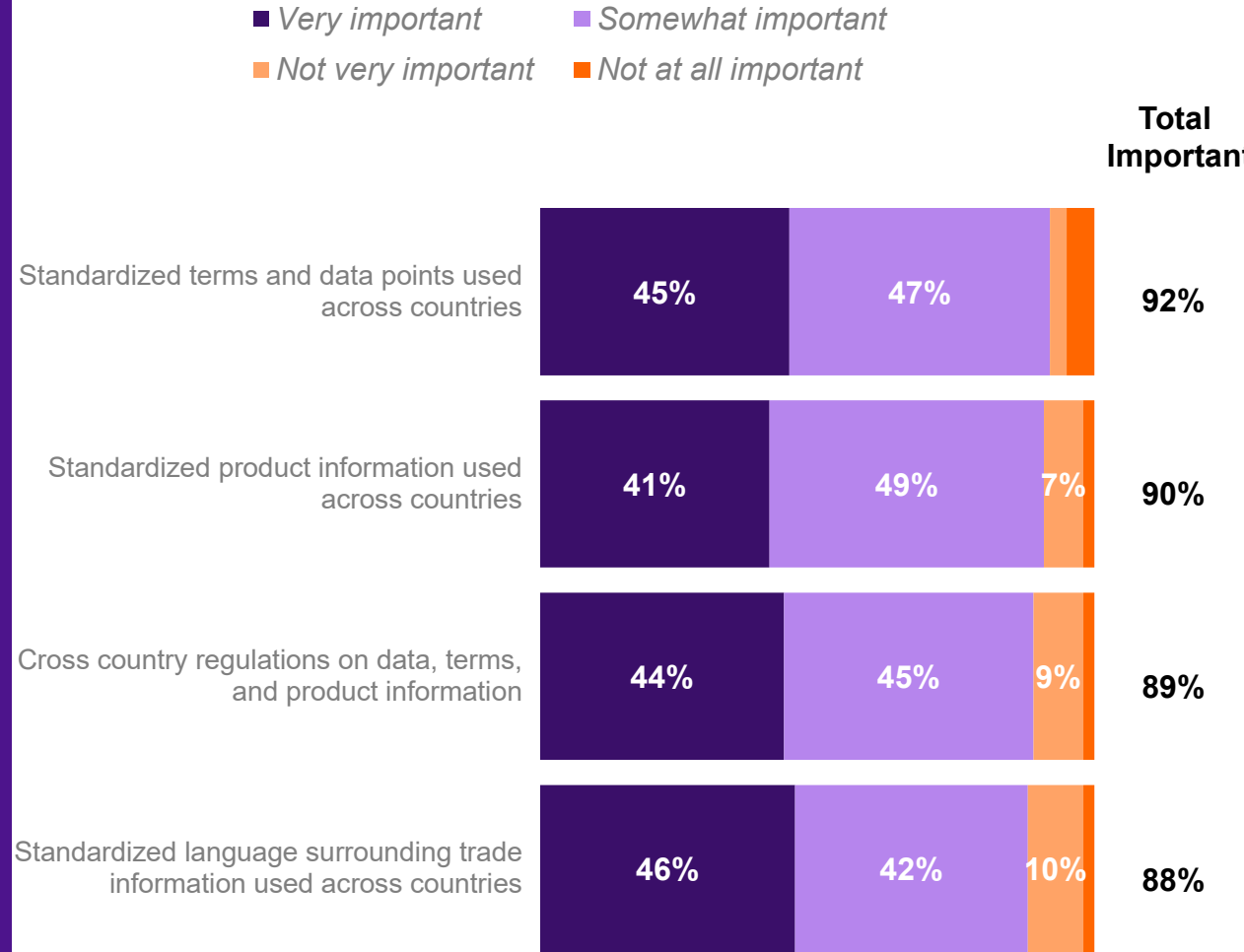
Barriers to Trade

# Barriers to Trade

High importance across all responses when ordering products internationally for SMBs such as cross-country regulations and standardizing language.

How important is each of the following when ordering products from other countries?

SMBs in Canada who import or export

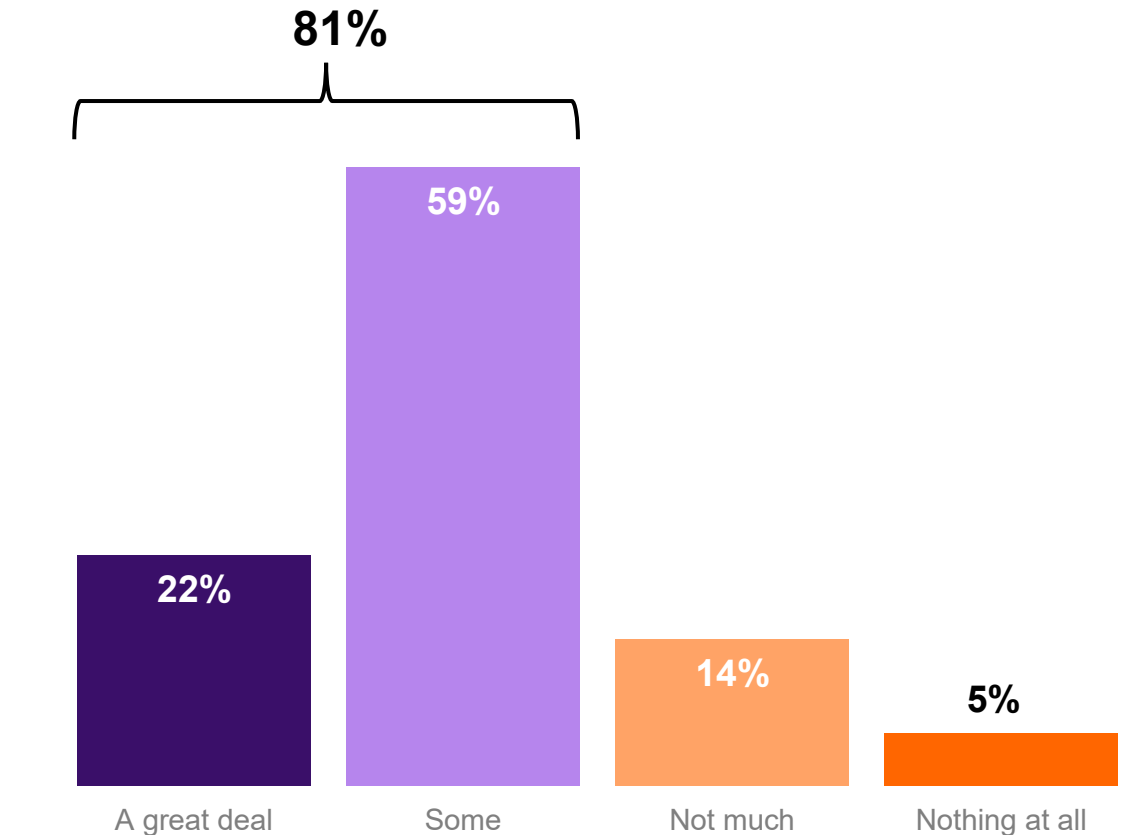


# Barriers to Trade

Approximately eight-in-ten SMBs who import or export believe that fees and tariffs have had at least some impact on the growth of their businesses.

## How much of an impact have fees and tariffs had on the growth of your business?

*SMBs in Canada who import or export*

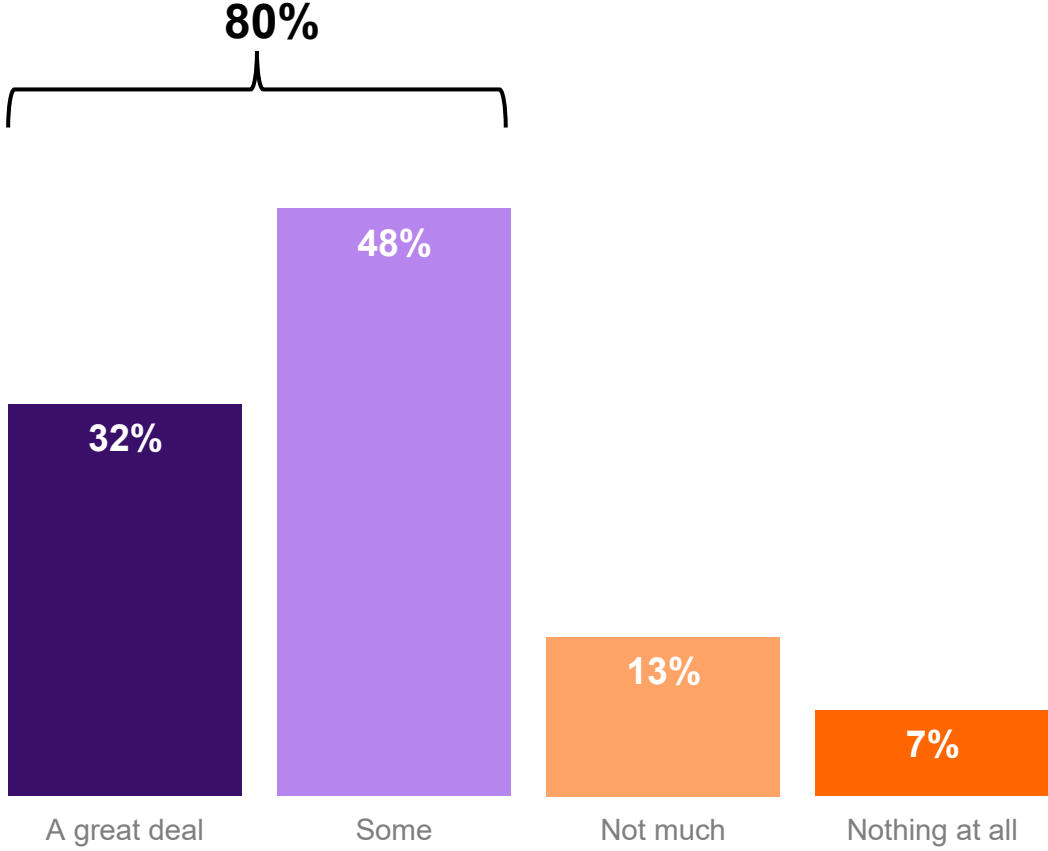


# Barriers to Trade

Eight-in-ten SMBs who import or export think that fees and tariffs have impacted their businesses, a significant increase from earlier this year (66%).

How much of an impact have fees and tariffs had on your company when buying products or parts internationally?

SMBs in Canada who import or export

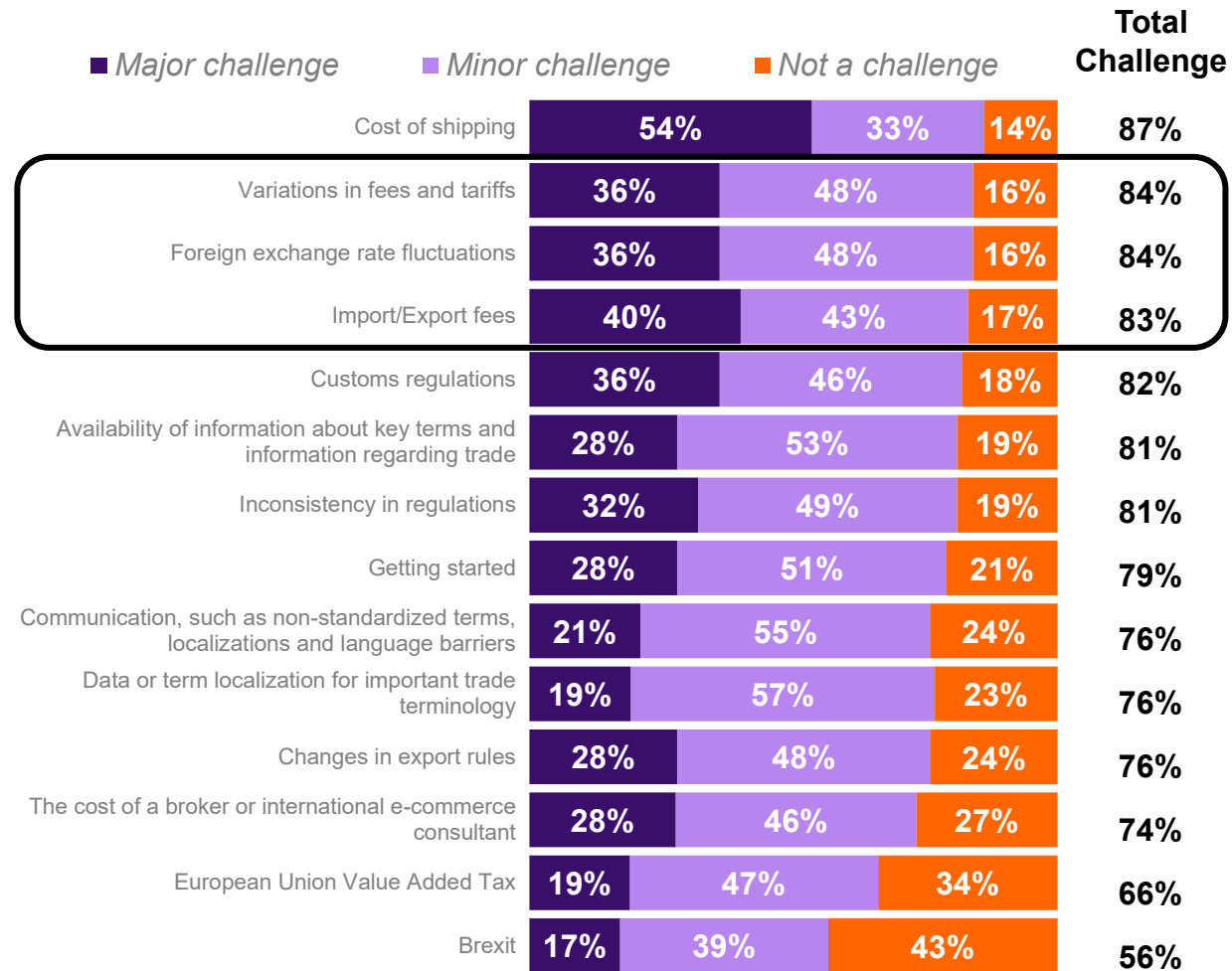


# Barriers to Trade

In addition to fees and tariffs having more of an impact on SMBs, they are also creating more of a challenge along with foreign exchange rate fluctuations and import/export fees.

Thinking about importing or exporting goods to and from different countries, how much of a challenge, if at all, have each of the following been to your business?

SMBs in Canada who import or export



# Barriers to Trade

The cost and fees are the biggest barriers towards e-commerce business internationally for small businesses.

Please indicate how much each of the following has been a barrier to your e-commerce business internationally.

SMBs in Canada who import or export

