

# Small Business Pulse



A summary of key findings from a comprehensive survey of Small Business owners and operators across Canada



August, 2023

# About This Report

---

The BizPulse study is designed to gauge the ongoing sentiment, concerns, priorities, strategies, and business activities among Small Businesses in Canada. BizPulse is a quarterly study run by the Maru Group in partnership with Visa.

Data in this report is taken from 780 Canadian Small Business Leaders who were surveyed in June and July, 2023 (“Small Business” is defined as those businesses with fewer than 100 employees and less than \$25 Million in Revenue). Respondents are described as “Business Leaders” – this means they are at least senior decision-makers with the business, including roughly eight-in-ten who are the business’ primary owner. Responses come from across Canada, and represent a mix of revenue bands, business tenure, industry, etc.

**About Visa Inc.:** Visa (NYSE: V) is a world leader in digital payments, facilitating payments transactions between consumers, merchants, financial institutions and government entities across more than 200 countries and territories. Our mission is to connect the world through the most innovative, convenient, reliable and secure payments network, enabling individuals, businesses and economies to thrive. We believe that economies that include everyone everywhere, uplift everyone everywhere and see access as foundational to the future of money movement. Learn more at [Visa.com](https://www.visa.com).

**About Maru:** Maru is a world leading CX and Insights Software & Advisory Services company. Maru was founded to disrupt the data and insights deliver industry with a combination of Software & Advisory Services delivering data in real-time via a unique service model. Maru helps its clients make informed decisions in a near real-time by combining proprietary software, deep industry experience, and access to the best minds in research. Maru’s flexible service model means our clients can choose to self-serve our Software directly to create, launch, and analyze projects; or choose to utilize our Software with knowledgeable support from insights experts. Maru successfully delivers major national and international CX and CEM programs for Enterprise organizations.

Disclaimer: Case studies, comparisons, statistics, research and recommendations are provided “AS IS” and intended for informational purposes only and should not be relied upon for operational, marketing, legal, technical, tax, financial or other advice. Visa Inc. neither makes any warranty or representation as to the completeness or accuracy of the information within this document, nor assumes any liability or responsibility that may result from reliance on such information. The Information contained herein is not intended as investment or legal advice, and readers are encouraged to seek the advice of a competent professional where such advice is required. When implementing any new strategy or practice, you should consult with your legal counsel to determine what laws and regulations may apply to your specific circumstances. The actual costs, savings and benefits of any recommendations, programs or “best practices” may vary based upon your specific business needs and program requirements. By their nature, recommendations are not guarantees of future performance or results and are subject to risks, uncertainties and assumptions that are difficult to predict or quantify. All brand names, logos and/or trademarks are the property of their respective owners, are used for identification purposes only, and do not necessarily imply product endorsement or affiliation with Visa.

# SMB leaders' confidence is high mid-2023; while still concerned about the potential impact of an economic downturn, they are bullish on 2023

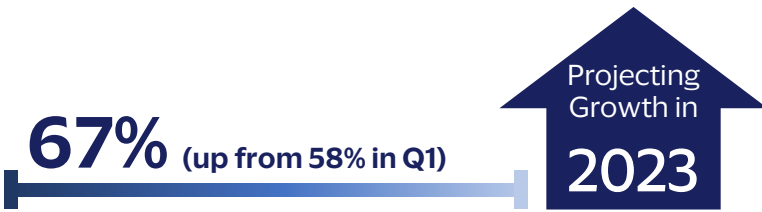
---

## Summary

SMB leaders are generally projecting strong revenue growth, midway through 2023. However nearly one-half don't have full funding to do what they want with the business, and many will be seeking new funding sources.

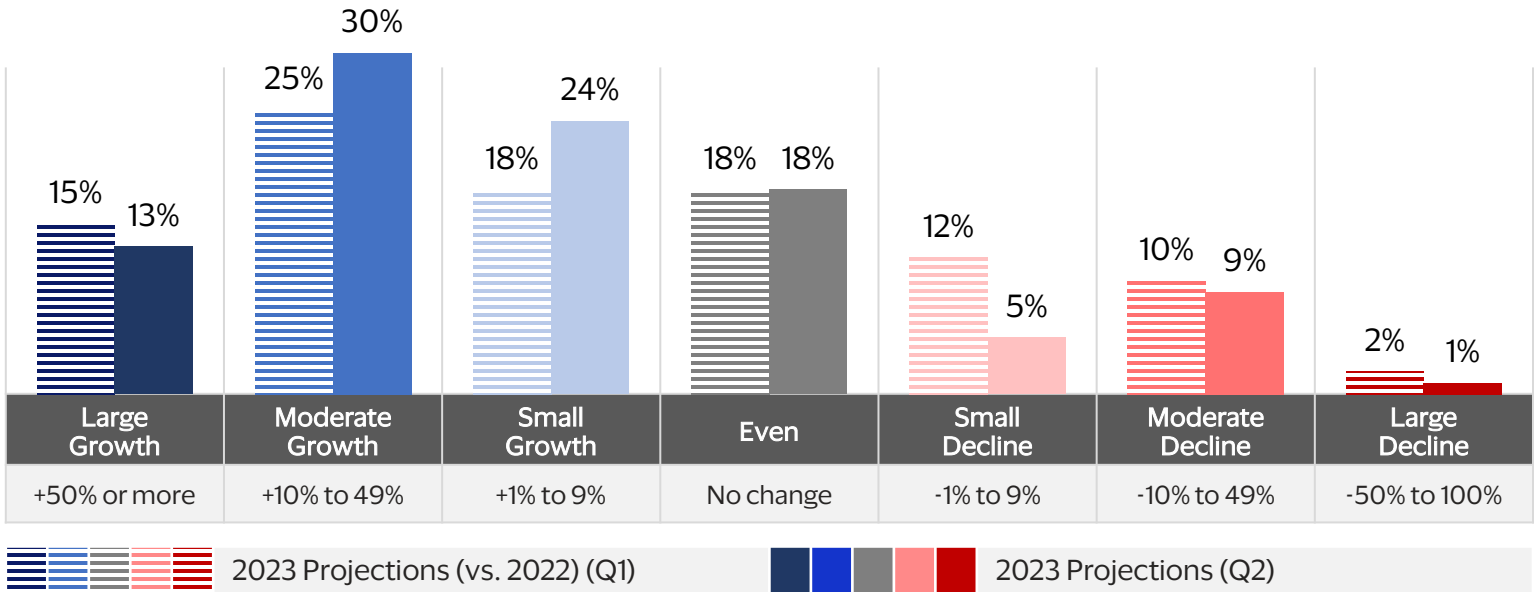
- 67% of SMBs project their 2023 revenue to grow in 2023, up from 58% who were projecting growth when surveyed in January. 18% project no change, while just 15% project decline in revenue for 2023 (vs. 2022).
  - Larger SMBs and those with flexible business models (e.g., sells both products and services, sells B2B and B2C, sells online and in-person) are most likely to be projecting growth.
- One-half of SMBs (47%) say they do not have full funding to do what they want with their business. Because of this, more than one-half anticipate seeking additional sources of funding in 2023.
  - Most common sources of new funding include *applying for a new credit card*, *applying for a government business grant*, and *applying to expand a line of credit*.
- Businesses identify a wide range of actions they have taken due to rising prices, rising interest rates, and other economic challenges. These include:
  - 76% have increased prices
  - 76% are trying to spend less
  - 64% are delaying spending until the outlook is more positive
  - 58% are evaluating or re-evaluating suppliers
  - 53% are delaying key investments
- Women business owners identify key ways they believe it is tougher to run businesses as a Female-leader. Most notably, *juggling running a business with other elements of your life* (41% say this is more difficult for women); *obtaining financing from traditional sources* (28%); and *obtaining financing from non-traditional sources* (24%).

# SMB revenue growth projections strengthened through the first half of 2023



## Revenue Growth Projections (2023)

**+23%**  
Average projected revenue growth



67% of SMBs are projecting revenue growth in 2023, with a little more than half the year in the books.

### Businesses MOST likely to be *growing* include:

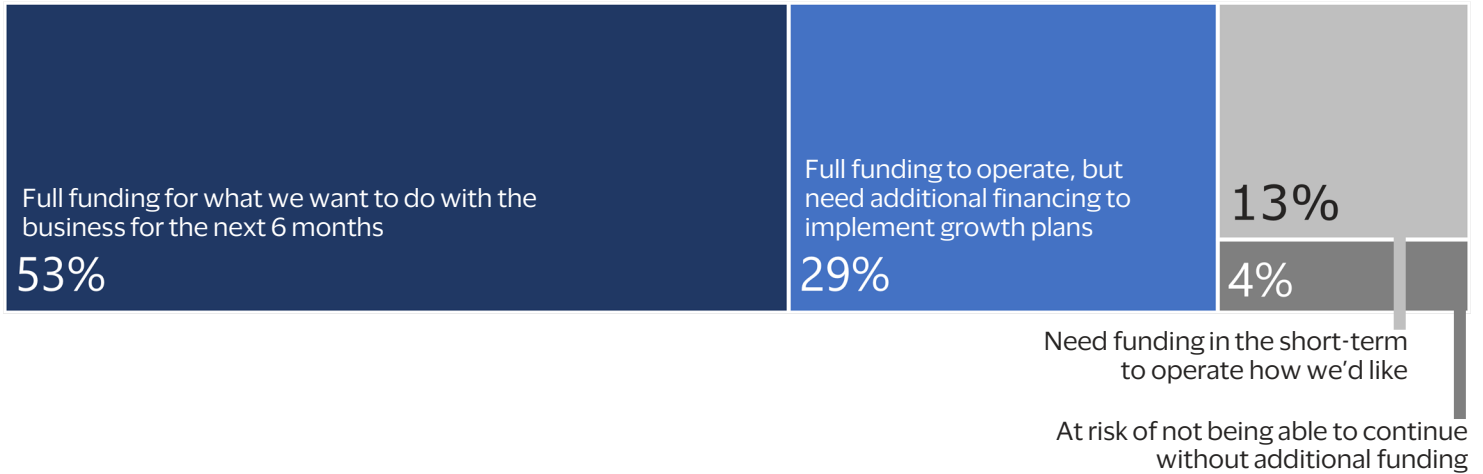
- \$5M+ revenue | 86% project growth
- 50-99 employees | 84%
- 10-49 employees | 83%
- Retail sector | 82%
- Sells online & in-person | 82%
- Sells both B2B & B2C | 81%
- Sells both products & services | 81%
- Manufacturing sector | 81%
- Finance & insurance sector | 81%
- 3-9 years in operation | 80%

### Businesses LEAST likely to be *growing* include:

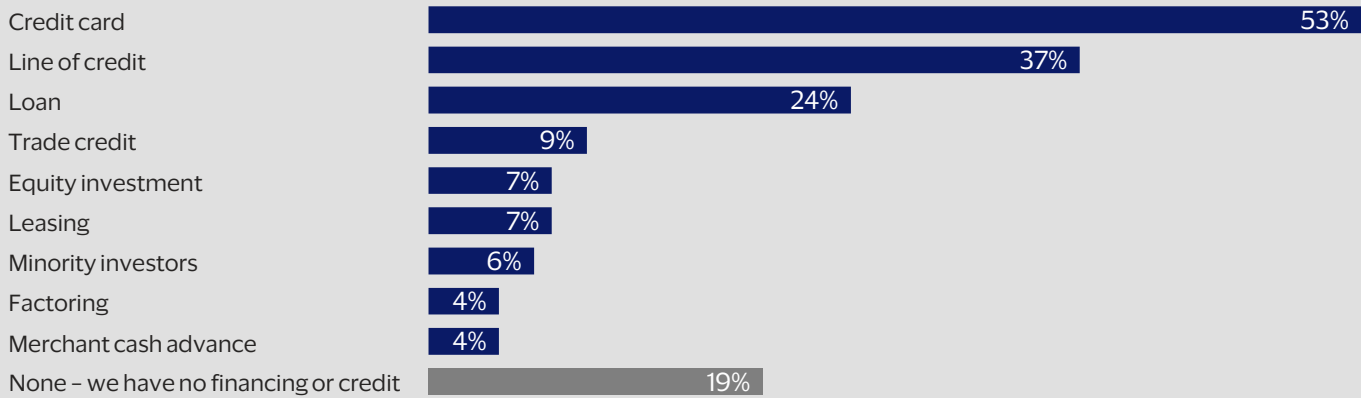
- Personal, miscellaneous services sector | 49%
- Real estate & leasing sector | 50%
- Healthcare/medical sector | 51%
- Under \$100k revenue | 51%
- Owner-only businesses | 51%
- Boomer+ leaders | 53%
- Construction/contracting/electrical sector | 54%
- 10+ years in operation | 55%
- Sells all/mostly in-person | 55%
- Sells all/mostly services | 57%

# Many SMBs are in need of additional financing and support to grow the way they'd like

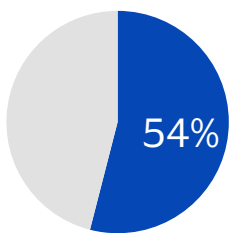
## Current Business Funding Status



## Current Funding Sources



## Seeking New Funding in 2023



More than one-half of Small Businesses have sought or intend to seek new form(s) of financing in 2023.

### Top New Financing Steps in 2023



**10%**  
Apply for an additional credit card



**10%**  
Apply for government business grants



**9%**  
Apply to expand our business line of credit

### MOST likely to apply for an additional credit card in 2023

- \$5M+ revenue | 32%
- 50-99 employees | 31%
- Sells both B2B & B2C | 30%
- Sells online & in-person | 27%
- Sells products & services | 25%

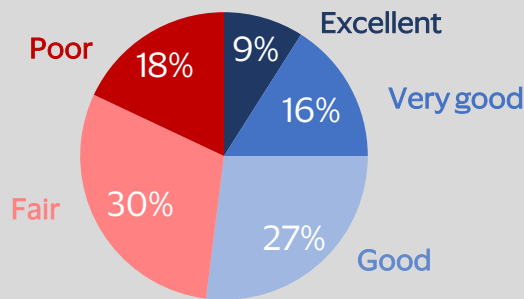
### LEAST likely to apply for an additional credit card in 2023

- Personal, misc. services | <1%
- Owner-only businesses | 1%
- Boomer+ leaders | 2%
- 10+ years in operation | 2%
- Sells all/mostly in-person | 3%

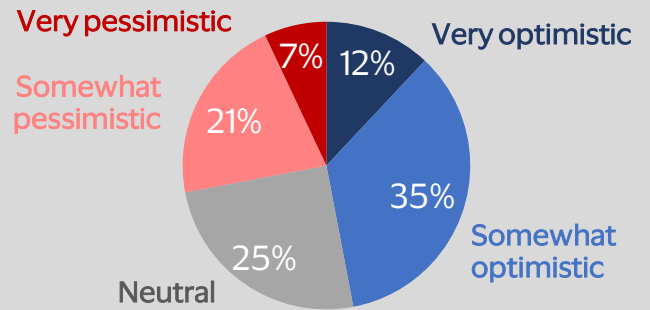
# Economic concerns remain forefront, however have eased over the past year

SMB leaders are beginning to feel better about the market and economy, however concerns remain. While just one-half (52%) believe the current economy is at least good, one-half (47%) are optimistic about the economy, while just one-quarter (28%) are pessimistic.

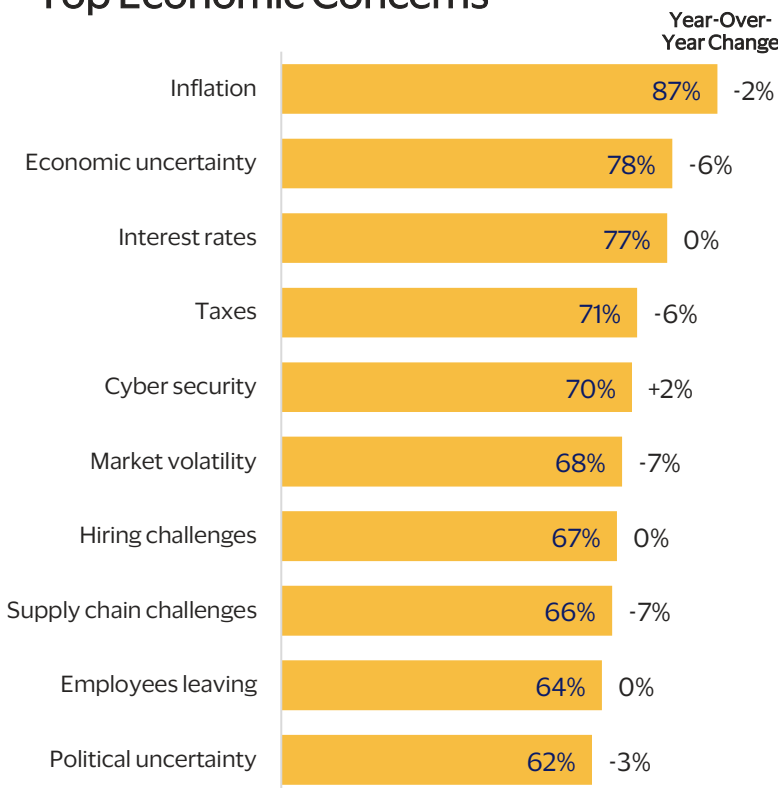
## CURRENT Economy is...



## Economic OUTLOOK is...



## Top Economic Concerns



## Steps Taken in 2023 in Response to Economy

**92%** have taken some business step in response to the economy in 2023.

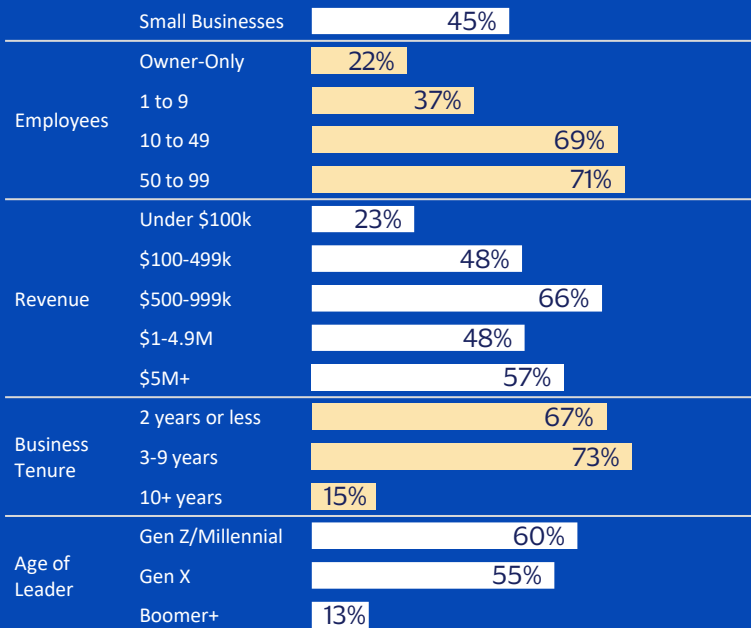
### TOP TEN steps taken:



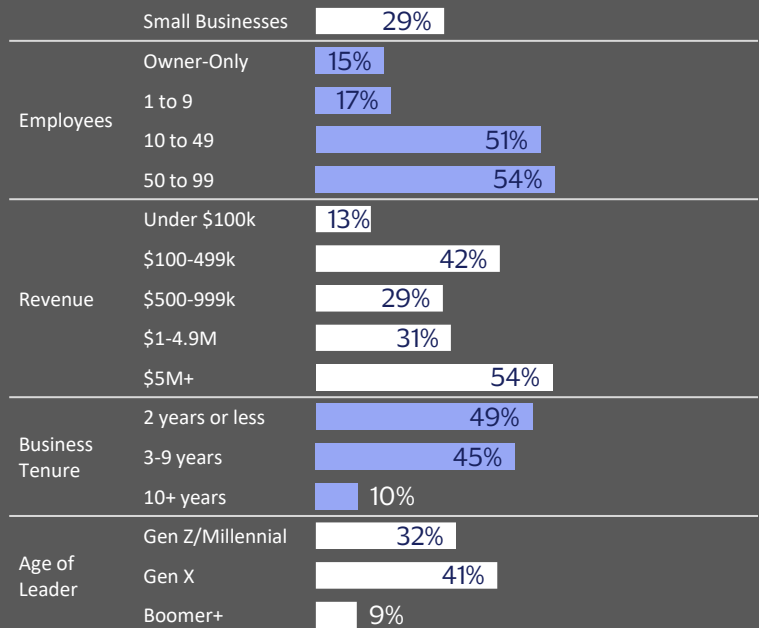
# AI is being used in several ways to help SMBs

Nearly one-half of SMBs (45%) are using AI for at least one purpose in their business, with the most common reasons being to *improve sales and marketing decisions* (18% of AI users) and to *help with bookkeeping and accounting* (18%). Nearly three-in-ten have used ChatGPT for business reasons. Larger SMBs, less-tenured businesses, and those with younger business leaders are MUCH more likely to be using AI, and ChatGPT specifically.

## Uses AI in Business



## Used ChatGPT for Business Purposes



## Top Five Uses of AI in Business

(% among those who are using AI)



**18%**

Improving sales and marketing decisions



**18%**

Helping with bookkeeping and accounting



**16%**

Making our backend organization more efficient



**16%**

Acquiring competitive intelligence



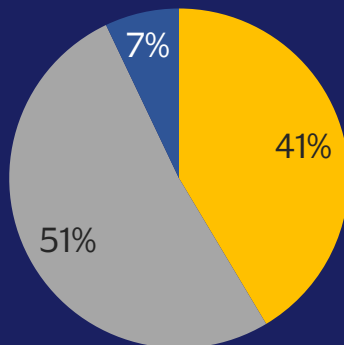
**15%**

Analyzing environmental variables likely to impact future sales

# Women business owners identify a variety of elements they believe are more difficult

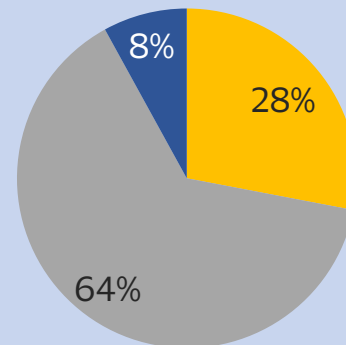
Women SMB owners identify a variety of elements they believe are more difficult for women business owners, vs. men. In particular, they say work-life balance and obtaining financing are more difficult for women business owners, vs. men, while attracting talent and customers are both relatively equally difficult for women.

“Juggling running a business with other elements of your life”



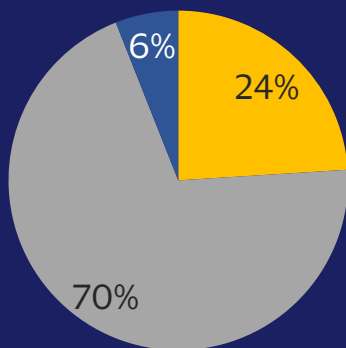
**+34%** (NET: MORE difficult for women business owners)

“Obtaining financing from traditional sources (e.g., banks, investors, etc.)”



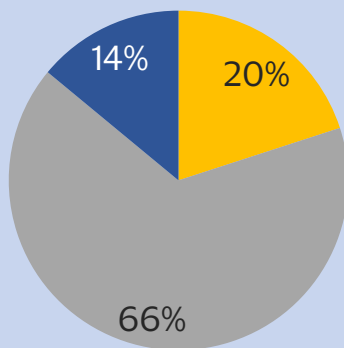
**+20%** (NET: MORE difficult for women business owners)

“Obtaining financing from non-traditional sources (e.g., crowdfunding)”



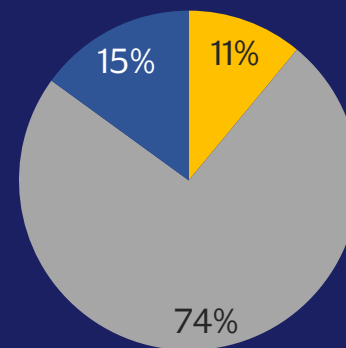
**+18%** (NET: MORE difficult for women business owners)

“Convincing great people to come work with me”



**+6%** (NET: MORE difficult for women business owners)

“Attracting new customers”



**-4%** (NET: LESS difficult for women business owners)

More difficult for women business owners

Same difficulty

Less difficult for women business owners

\* NET is the proportion who say it is MORE difficult, minus the proportion who say it is LESS difficult.





# Thank you

For help addressing any of the questions raised in this paper, please reach out to your Visa Account Executive or Visa Consulting & Analytics ([VCA@Visa.com](mailto:VCA@Visa.com)).

Explore the [Visa Business Solutions Knowledge Hub](#) to learn more about topics like this.

[Follow Visa on LinkedIn.](#)