

# 2018 Predictions

A look ahead for small to mid-size businesses



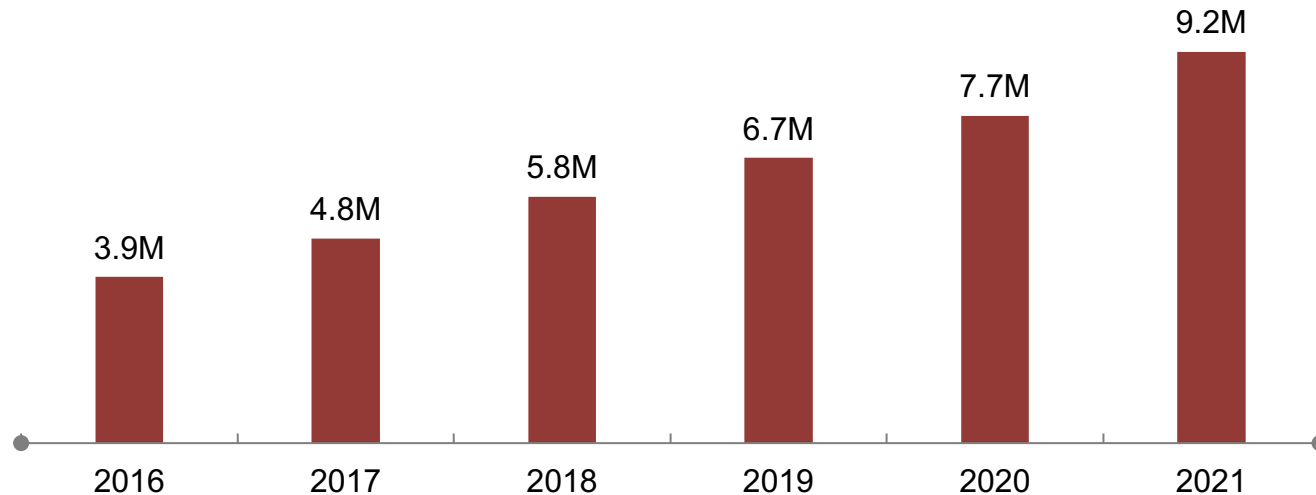
2018 **SMB**  
**INSIGHTS**

**THE BUSINESS  
JOURNALS**  
A DIVISION OF ACBJ

# SMB owners will turn to gig-economy workers to boost their workforce

The continued growth of the gig-economy has strong potential to change the way SMB owners think about hiring. With 64% stating their top business concern is the cost of health insurance for employees<sup>1</sup>, many SMB owners will utilize gig-economy workers to circumvent having to pay high health insurance costs since gig-economy workers are contracted and not full-time employees.

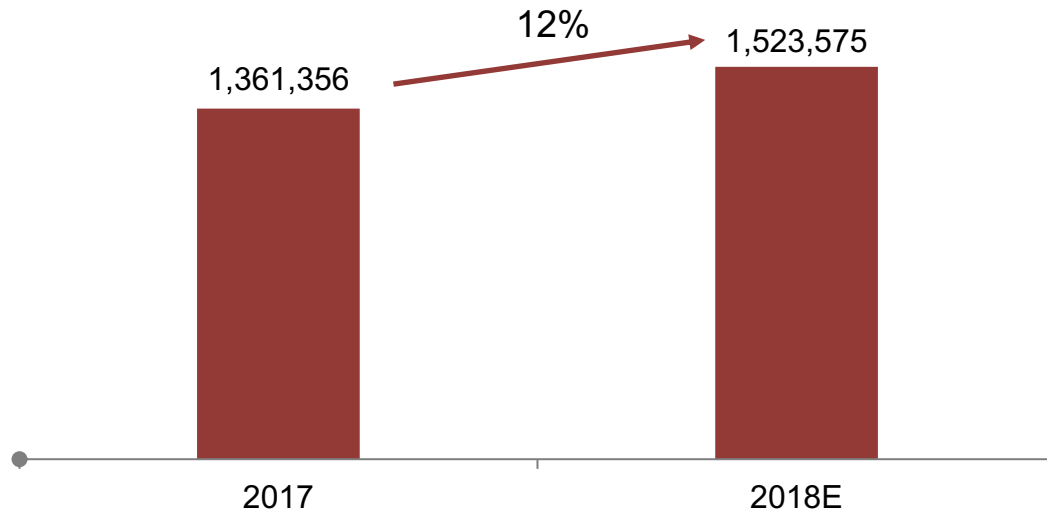
## Number of U.S. Workers in Gig-Economy Will Double By 2021 <sup>2</sup>



# SMB owners will increasingly reach outside their local markets for sales

SMB owners aren't solely relying anymore on sales coming from their local area. In the coming year, many are planning to increase the share of their sales that come from the rest of the United States. Over half (56%) of these SMB owners<sup>E</sup> say their national expansion has been facilitated by their website or some other facet of the Internet.

## # of Businesses with 5-499 Employees Expected to Increase Sales Nationally (Sales Made in U.S. That Were Not Local)



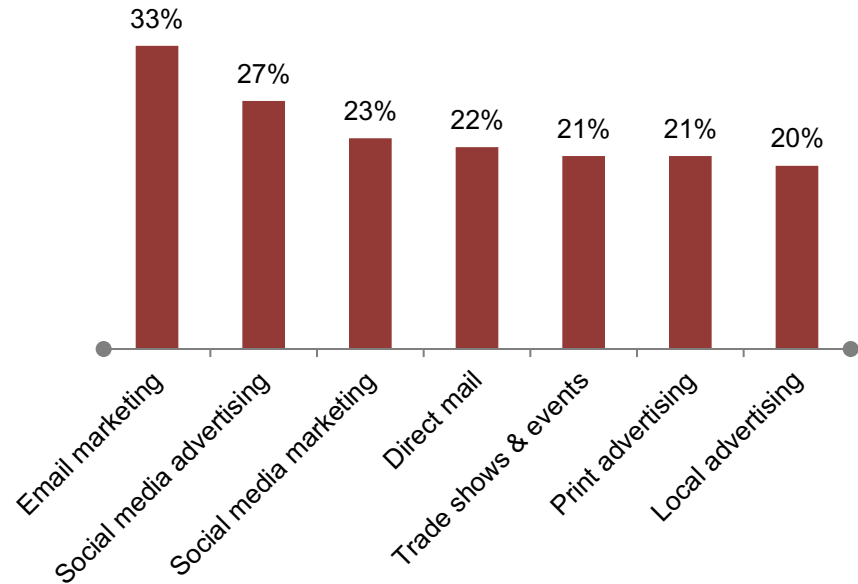
# Economic confidence will drive SMB owners to invest more in their advertising budgets

As SMB owner's confidence in the success of their business reaches all time highs, they are investing more money into their advertising budgets for 2018. Increasing their advertising budget will help SMB owners use more advertising vehicles such as email marketing, social media marketing/advertising, and direct mail in the next 1-2 years.

13%

SMB Owners Increasing Advertising Budget in 2018<sup>E</sup>

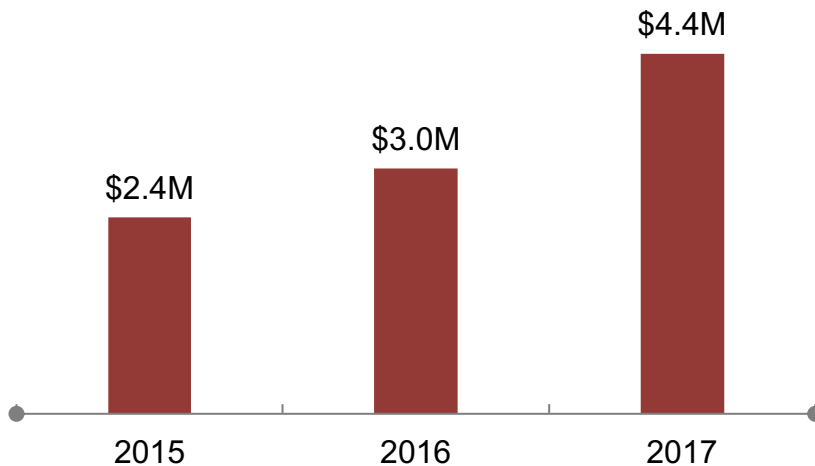
**Advertising Vehicle Plan to Use**  
(In Next 1-2 Years) <sup>E</sup>



# SMB owners will ramp up spending on digital video advertising based on consumer behavior

For SMB owners the importance of video as a form of marketing their content continues to grow. Since 2015, the annual average spend by businesses for producing original digital videos increased 80%.

## Annual Average Spend on Original Digital Video Advertising<sup>1</sup>



Online video will account for

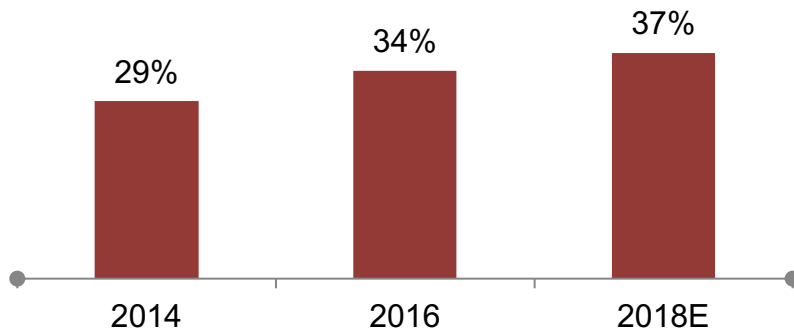
**74%**

of all online traffic<sup>2</sup>

# Fast-growing SMBs will lead the adoption of mobile payment devices for business

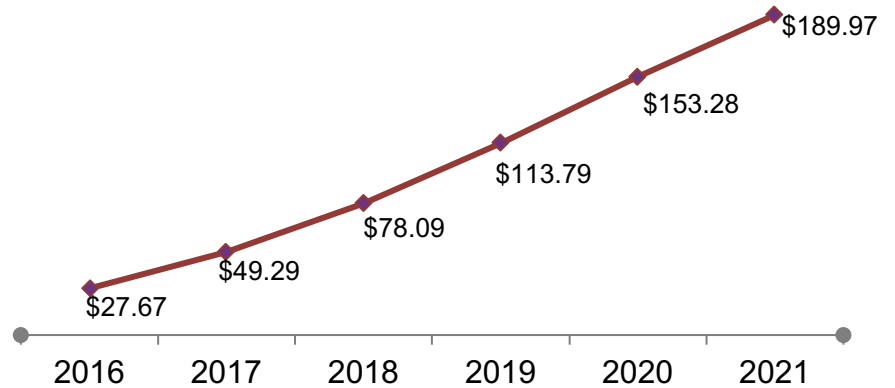
## Adoption of Mobile or Internet Payment Devices for Your Company By Fast-Growing SMBs

(11% or higher sales growth per year) <sup>1</sup>



## Forecast of Mobile Payment Transaction Value

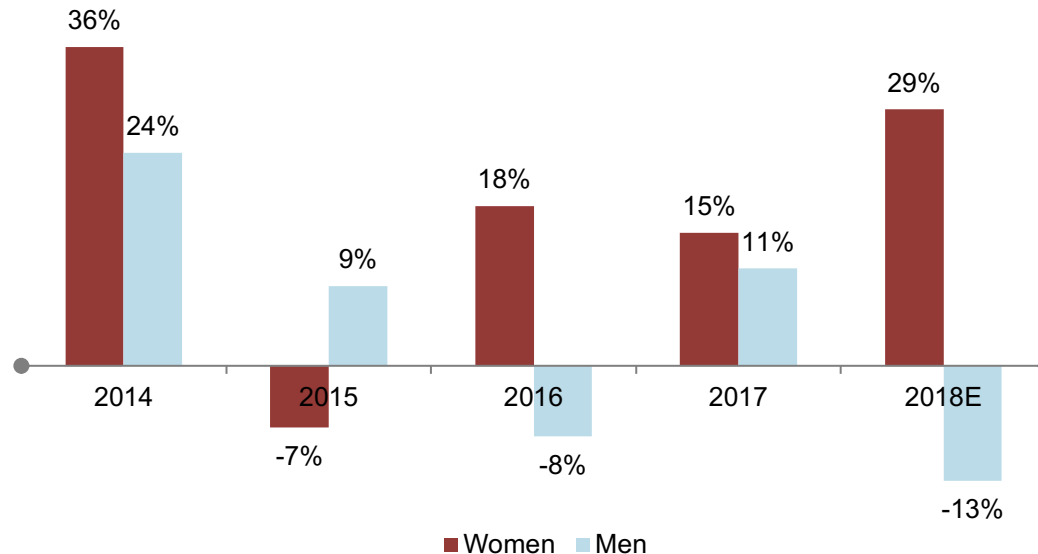
(\$ Billions) <sup>2</sup>



Source: 1: The Business Journals SMB Insights; 2: eMarketer, July 2017: Point of Sale (POS) transactions made by using a mobile device as a payment method; includes scanning, tapping, swiping or checking in with a mobile device at the POS to complete transaction  
E=predicted estimate/preliminary data from SMB Insights 2018

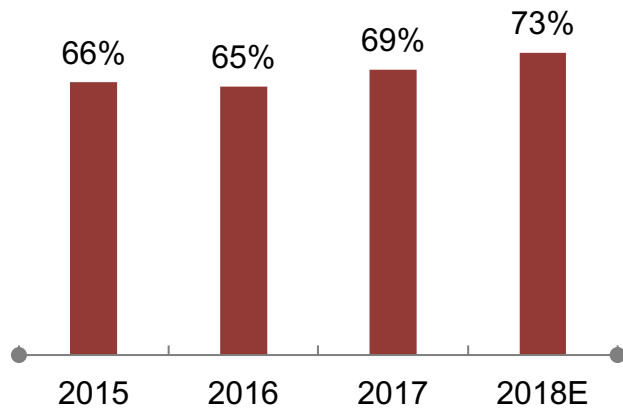
# Women SMB owners will increase their personal investments at a higher rate than their male counterparts

% Change In Personal Investments From Prior Year

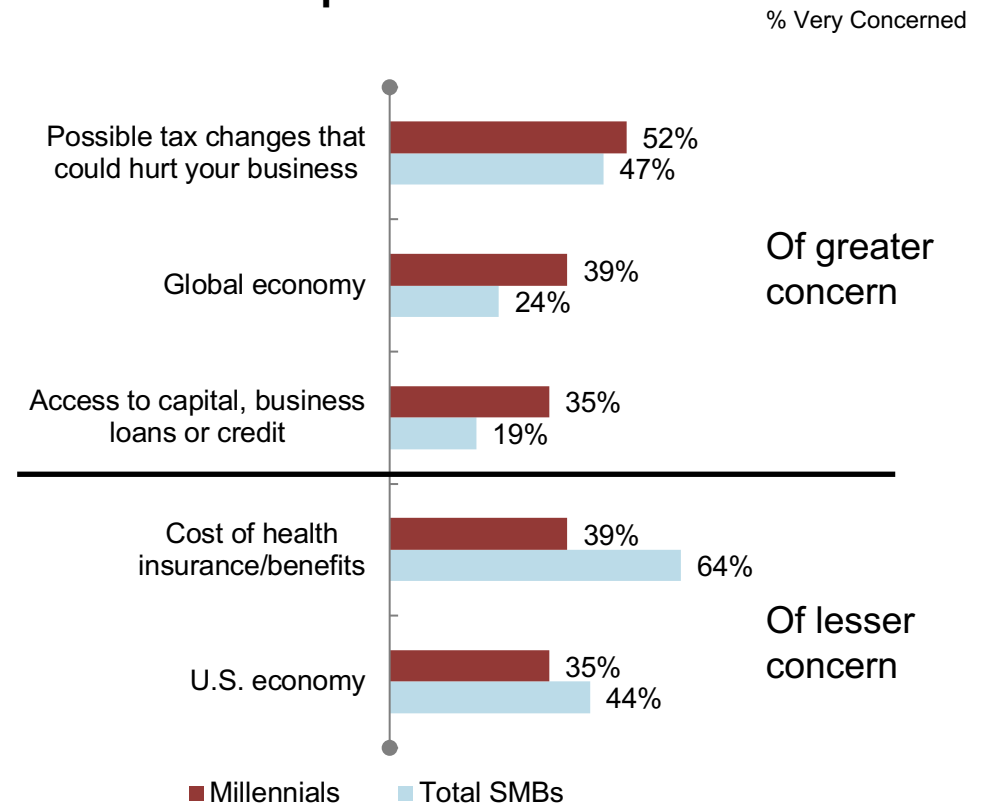


# With more Millennials in top management positions, their perspectives on business concerns must be taken into account

## Millennials in Top Management



## Top Business Concerns

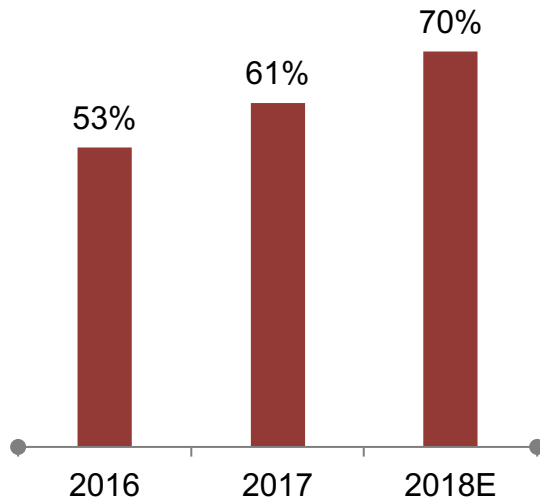


Sources: The Business Journals SMB Insights (Base: Businesses with 5-499 Employees); E=predicted estimate/preliminary data from SMB Insights 2018

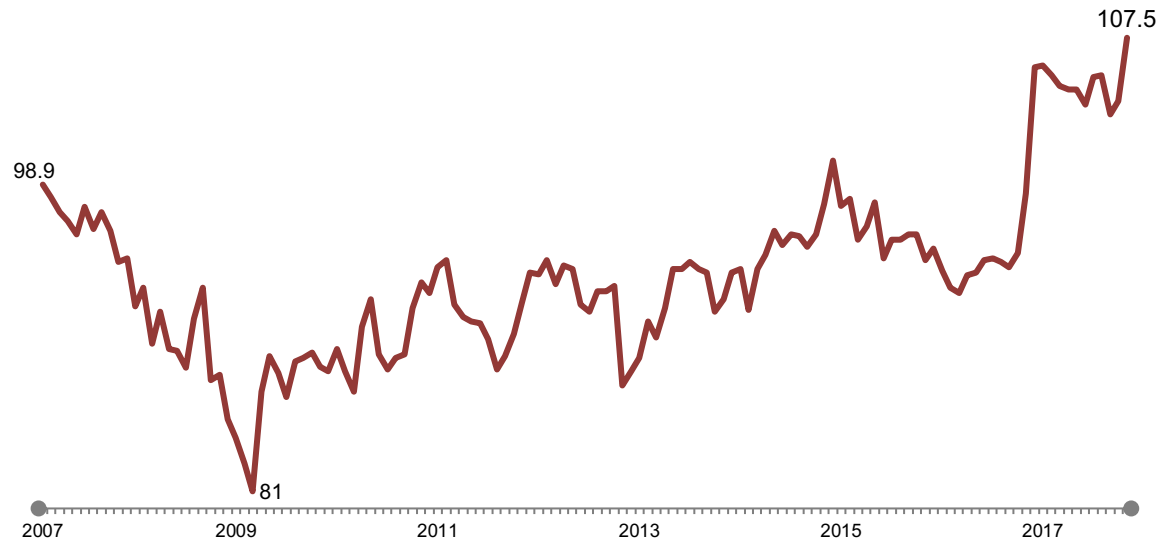


# SMB owners are the most optimistic they've ever been

## Confidence U.S. Economy Will Improve Next 24 Months

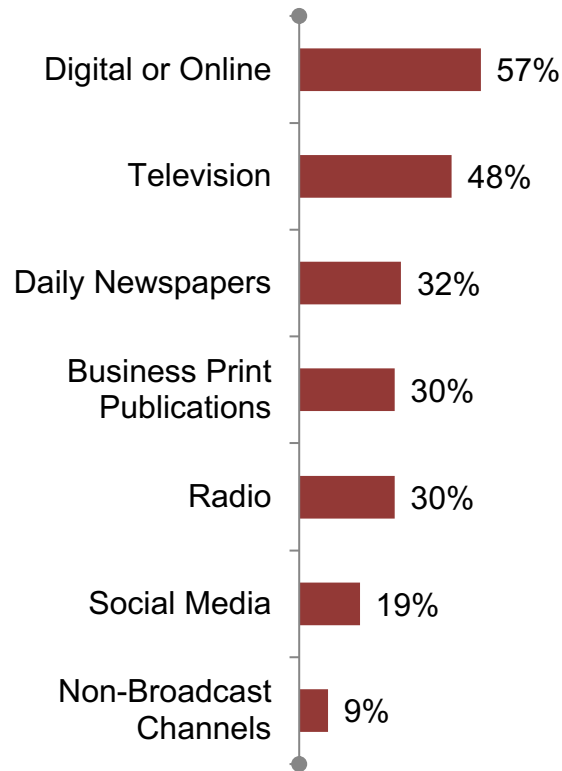


## SMB Optimism Index (Based on 10 Survey Indicators)



# SMB owners will consume business news and information based on the user experience they desire

**Media Channels Most Important For Consuming Business News And Information (E)**



# ► Contact

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