



Web-Based Companies Significant Part of U.S. Small Business

A new study shows the new generation of Web entrepreneurs makes up 25% of all U.S. small businesses.

By: Stacy Zhao

June 7, 2005--A new generation of American businesses, so-called "Web-Driven Entrepreneurs," now make up 25% of all U.S. small businesses, a recent study found.

According to the survey of 400 small businesses, conducted by MasterCard International and Warrillow & Co., a small-business consulting firm, Web-Driven Entrepreneurs are 25% more likely to be women and 25% more likely to be university educated. They are more than twice as likely to report a customer base that is national (32% versus 14%), and twice as likely to read or publish a blog (21% versus 10%).

Web-savvy companies are also more focused on expansion than their traditional counterparts, the study said.

Over the next five years, 54% of Web-Driven Entrepreneurs versus 36% of traditional small businesses plan to access new domestic markets, 52% versus 38% plan to introduce new products or services, and 18% versus 8% plan to access international markets.

"Web-Driven Entrepreneurs are more growth-focused because of their companies' faster growth and younger age," said Yoela Harris, director of the Small Business Advisors System at Warrillow & Co. Internet-based small businesses have a 14% growth rate and are 10 years old on average. Traditional small businesses have a 7% rate and are 14 years old on average.

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