

Business owners' adaptation to change

Research report
Research and Market Intelligence at BDC



November 2024

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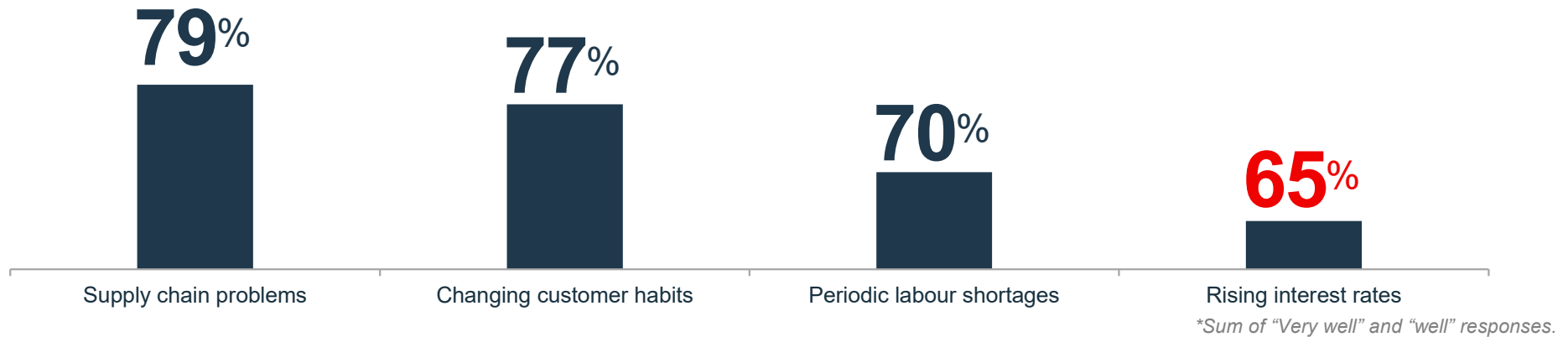
Survey highlights

Market changes

Rising interest rates and greater price sensitivity has led business owners to enhance customer service, diversify their marketing strategy and personalize their offering to adapt accordingly.



The majority of business owners report handling market changes of the last few years **fairly well***. They are more likely to report having less of a handle with **rising interest rates**.



Over 1 in 2 business owners are also noticing that customers are more **price sensitive** and are **looking for the cheapest price**



In response to these market changes, business owners...



Enhanced customer service and response times



Personalized products and services



Diversified marketing/advertising activities



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Methodology

Methodology



Survey methodology

Online survey.

Respondent profile

Business owners and business decision-makers members of BDC's ViewPoints online panel.

Survey dates

November 5th to 12th, 2024

Margin of error

For a probabilistic sample of 609 respondents, the maximum margin of error is ± 3.97 percentage points, 19 times out of 20. However, as this survey is based on a non-probabilistic sample, this information is provided for reference only.

Data processing and analysis

Were performed by the BDC Research and Market Intelligence team.

Weighting factors

Results were weighted by region and number of employees to be representative of the Canadian SME population.



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Detailed results

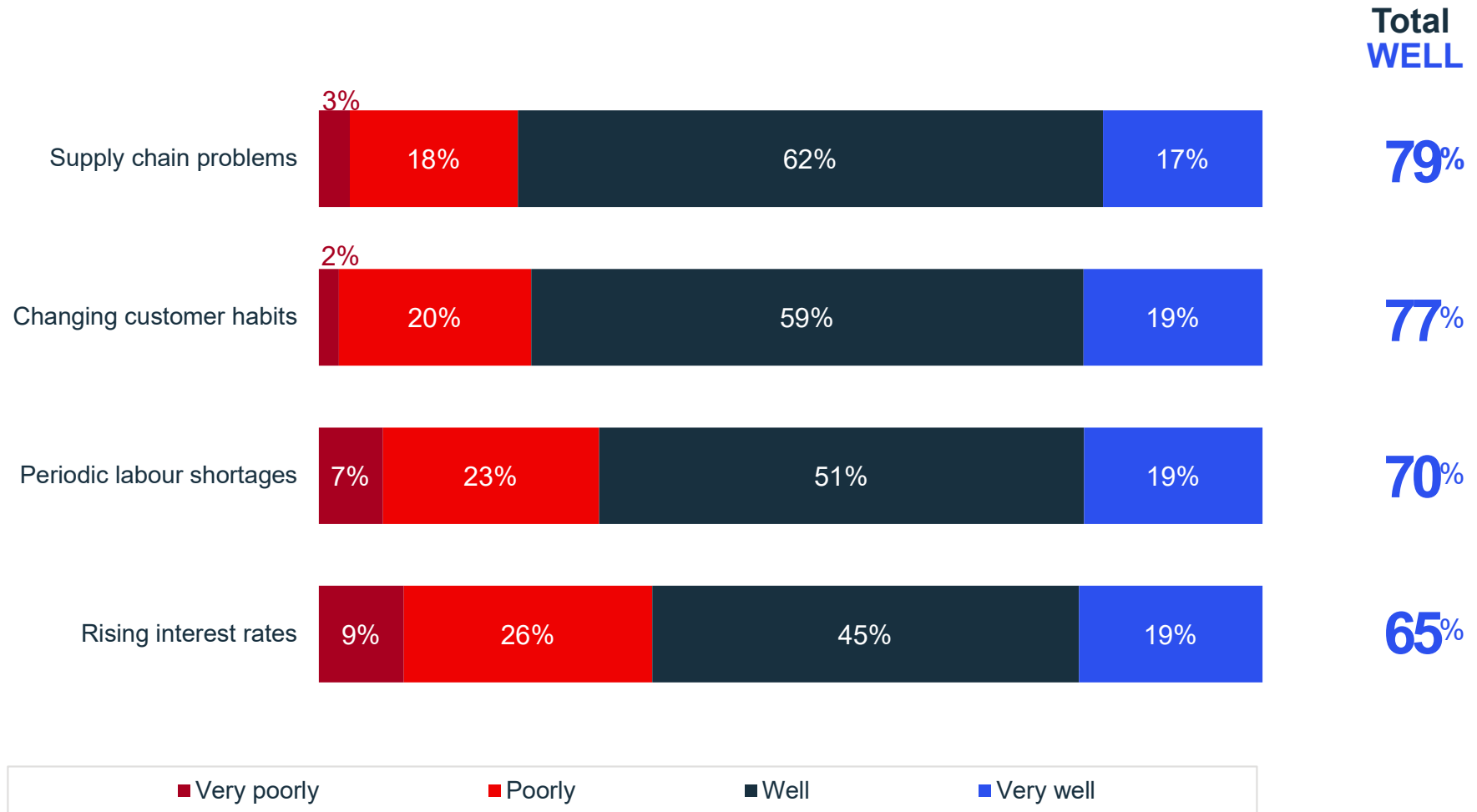
Adaptation to change in the
business environment

Handling change

Business owners handle change fairly well overall; however, they seem to have struggled more with rising interest rates over the past few years, which shows in our results.



S3aQ1. How well did your company **handle the following changes** over the last few years?

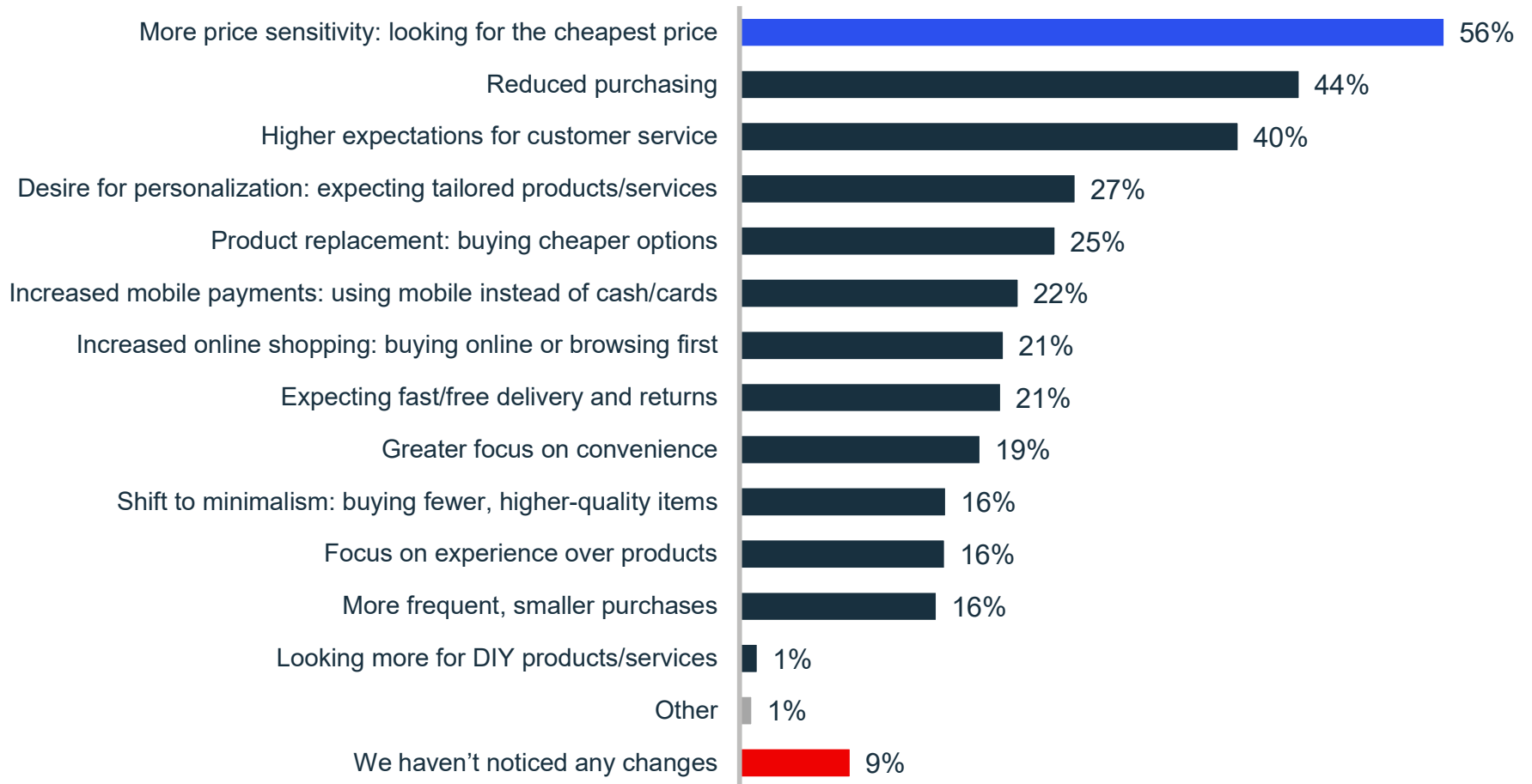


Changes in customers' buying habits

Business owners are noticing an increase in consumer price sensitivity, where many clients are looking for the cheapest price or reduced their purchases.



S3aQ2. Which changes have you noticed in your **customers' buying habits** over the past three years?



Product or service adaptations

Enhancing customer service, diversifying one's marketing strategy and personalizing the offering are the main ways business owners are adapting to market changes.



S3aQ3. How have you **adapted** or are you **planning to adapt** your products or services to meet changes in customer buying habits?



Doing things differently

Business owners mostly seem to regret not listening more to their clients, not raising their prices earlier, and wished they had automated more tasks or used AI more.



S3aQ4. When it comes to how your business faced the business environment changes of the past few years, if you could **do things differently**, what advice would you give to other business owners like you

Main themes that emerge from verbatim comments include:



Collect more
customer insights



Raise prices
earlier



Automate tasks or
use more **AI**

Keep your pulse on your customers' needs and change your offering as fast as you can to keep up with changes to customer buying criteria.

I would have done more price increases earlier; we were too far behind on price increasing and lost money.

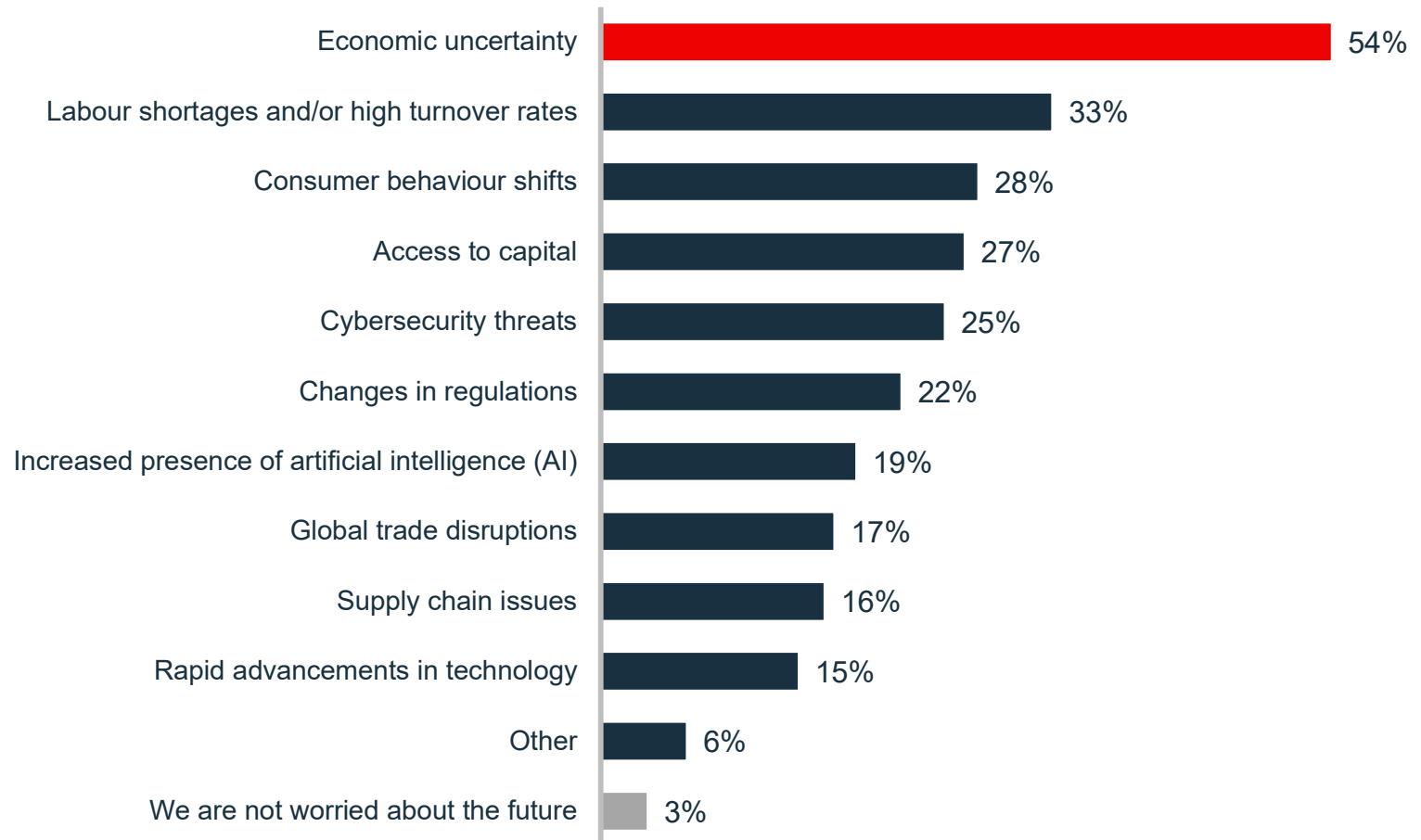
Augmenter l'investissement en automatisation pour réduire la main-d'œuvre.

Worries about the future

Economic uncertainty is the aspect that business owners worry about the most – and by far – for the coming years. Labour shortages and high turnover rates come second.



S3aQ5. It is likely that businesses will encounter at least some of the following situations in the coming years. Which ones **worry** you the most?





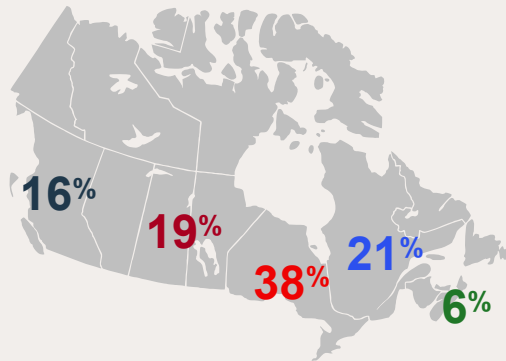
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Respondent
profile

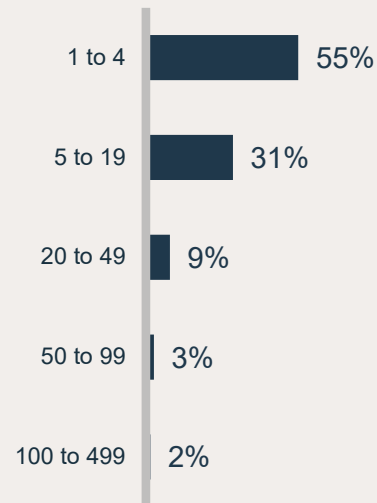
Respondent profile



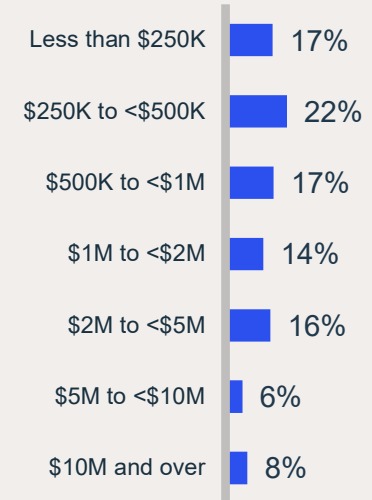
Region



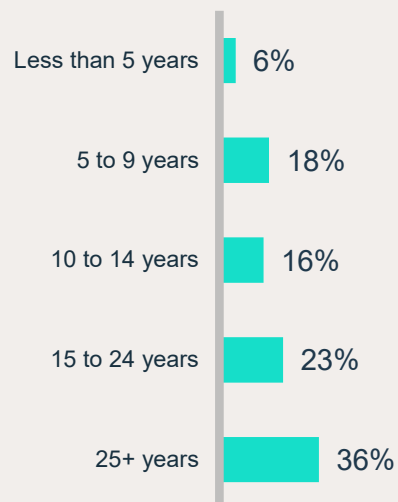
Number of employees



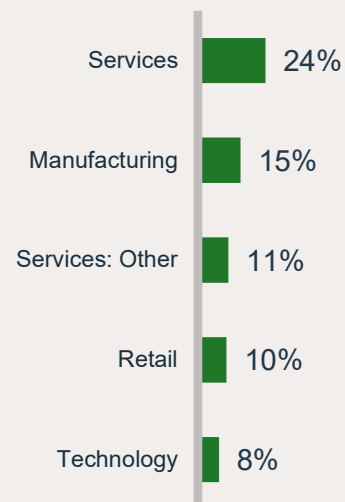
Annual sales



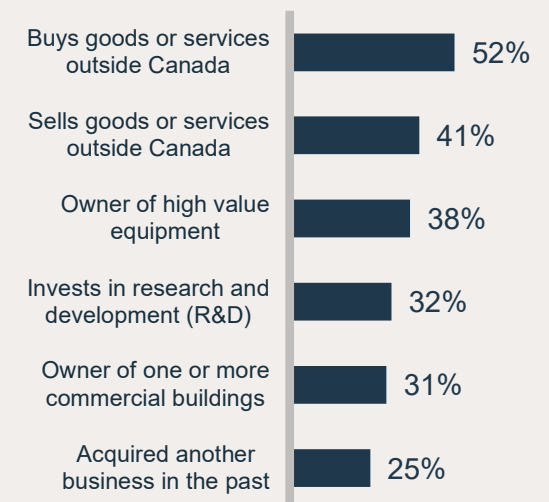
Years in business



Main sector of activity



Specific activities*

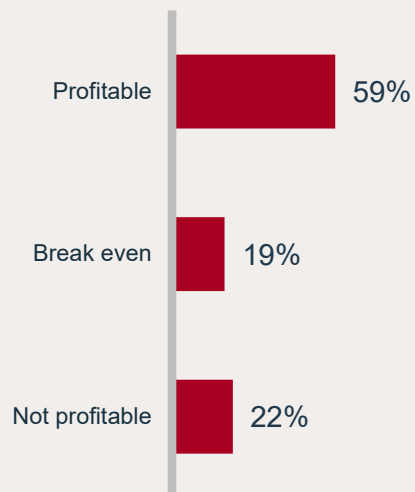


Base: All respondents (n=609). Those who did not know or preferred not to answer were excluded from the calculation base. For the sectors, only those with 8%+ respondents are presented. *Multiple mentions were allowed; therefore, total exceeds 100%.

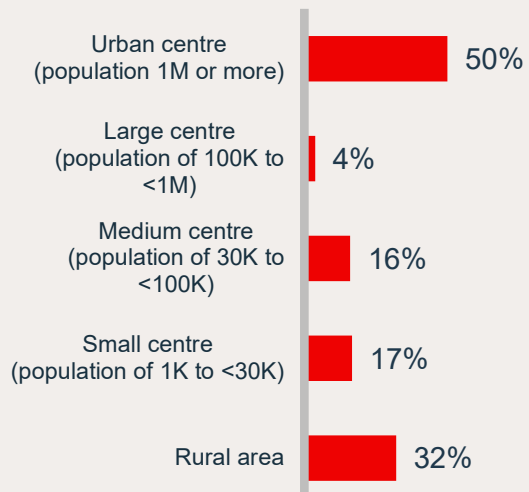
Respondent profile



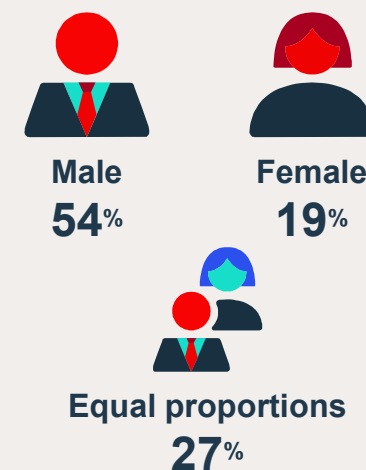
Business profitability



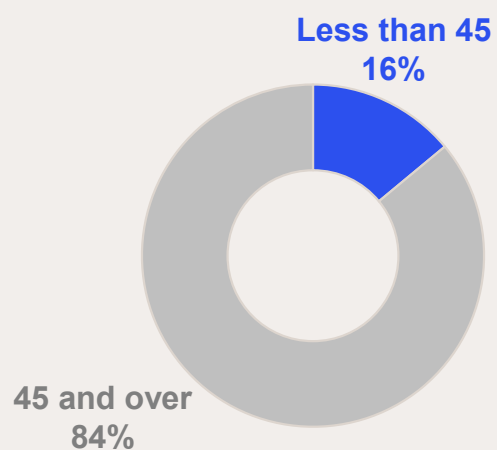
Business location



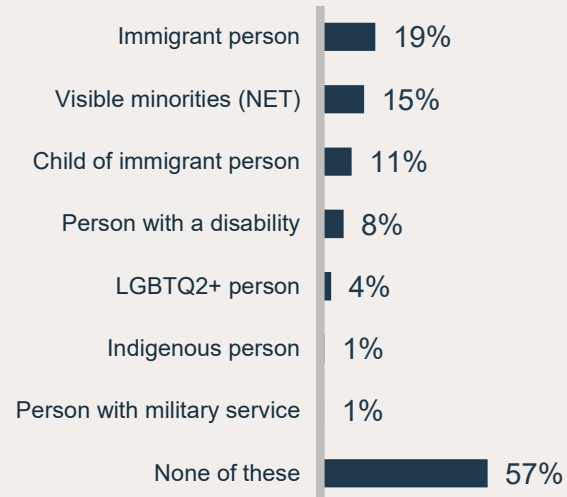
Gender ownership



Owners' age



Diversity*



Base: All respondents (n=573-609). Those who did not know or preferred not to answer were excluded from the calculation base. *Multiple mentions were allowed; therefore, total exceeds 100%.

Thank you.

Research and Market Intelligence team

