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## Small Businesses Believe They Will Lead the U.S. Out of Recession

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DALLAS, May 5, 2010—[FedEx Office](#) (formerly FedEx Kinko's), an operating company of [FedEx Corp.](#) (NYSE: FDX), today released the results of its third annual [Signs of the Times national small business survey](#), just ahead of National Small Business Week. The study found that small business owners are eager to lead the charge out of the country's protracted recession – with almost three-quarters (72 percent) saying they will be the driving force behind the U.S. economic recovery in 2010. In fact, 51 percent of the small business owners polled say their businesses have already or will fully recover by the end of this year.

This optimism is a marked improvement over the survey's findings [last year](#), when 54 percent of respondents indicated they were very concerned about the economy's impact on their business. Further evidence of this brighter outlook is that 18 percent of small businesses are considering an increased budget for staffing and HR activities in 2010, up from just 9 percent last year.

This year's study, conducted online during the first week of April, also found that small businesses are planning to put their trust in the power of marketing to help them restore business to pre-recession levels. About 42 percent of those polled are considering increasing spending on marketing and advertising initiatives in 2010, and 30 percent say they may increase spending on sales initiatives – both actions specifically aimed at boosting customer traffic and revenues.

"Small businesses are definitely getting it right when it comes to identifying and investing in the tools that will help them bounce back from a difficult period," said Randy Scarborough, vice president of marketing for FedEx Office. "From print ads and direct mail campaigns to online marketing programs and a social media presence, small business owners today are smart and savvy about how to maximize their budgets while connecting effectively with new and existing customers down the street and around the world."

These most recent Signs of the Times survey results further underscore small business owners' firm belief in the value of traditional and online marketing and advertising. In 2008, before the recession was fully felt throughout the marketplace, 41 percent of those polled were considering increasing spending on marketing and advertising initiatives. In 2009, with the recession in full-swing, even more small business owners (44 percent) reported considering a budget increase in that same area. This year's survey results show 34 percent made cuts to their marketing and advertising spend last year and 31 percent say that decision had a negative/extremely negative impact on their business results.

## Making Marketing Work for Small Business

With a wide spectrum of marketing and advertising tools available to small business owners, it can be a challenge to select those that are best suited to their audience and budget. But there is no confusion about what tools are proven effective in the marketplace.

An overwhelming majority (87 percent) of respondents report that printed marketing/advertising tools are somewhat to very effective at driving customers to businesses, and 61 percent believe traditional marketing/advertising methods are more effective than Web-based counterparts at bringing in customers.

To that end, 44 percent of small business owners plan to grow business in 2010 by increasing communication with existing and potential customers via printed materials like newsletters and direct mailings. These entrepreneurs are also actively leveraging other traditional marketing/advertising tools such as brochures (43 percent), Yellow Pages listings (39 percent), flyers and signs/banners/posters (37 percent each) and newspaper advertisements (32 percent).

Interestingly, the small business owners putting the most emphasis in this area may be older than most would expect. Despite their affinity toward the Web, 18-34 year-old small business owners are greater proponents of signs, banners and/or posters (51 percent for 18-34 vs. 36 percent for 55+) and flyers/brochures (57 percent for 18-34 vs. 47 percent for 55+) as cost effective marketing/advertising tools than older owners.

Yet the Web cannot be ignored as a valuable tool – and 46 percent have plans to grow business in 2010 by improving their company's online presence, while another 36 percent plan to utilize social media/networking websites to build business.

With many small businesses planning to enhance their marketing and advertising efforts across the board this year, a critical component many are forgetting is the development of a consistent brand design and message. In fact, 64 percent say their marketing and advertising materials are, at best, only somewhat consistent in terms of brand, messaging and overall design. However, nearly a quarter (23 percent) of small business owners can't invest in improving these materials due to budget restraints. Another 13 percent find that they spend more than they should because they don't have the time or resources to find cost-saving deals.

"At FedEx Office, we understand the challenge small business owners face with balancing their time and budgets to create professionally printed marketing materials that increase customer awareness and interest," said Scarborough. "That's why we offer a variety of affordable printing services and solutions in our centers nationwide and online, all designed to help customers of any size and budget look good on paper."

To learn more about some of the marketing solutions available from FedEx Office, visit <http://www.fedex.com/print>.

To hear Randy Scarborough discuss these results on the "Small Business Advocate" radio show, click [here](#).

### About this Survey

FedEx Office, in conjunction with the Ketchum Global Research Network, worked with Braun Research to conduct the third annual FedEx Office Signs of the Times Small

Business Survey. The survey polled small business owners who employ 5 to 100 employees and own firms that generate over \$100,000 in annual revenue. A total of 500 interviews were completed; the margin of error is +/-4.38 percent at the 95 percent confidence level. Online interviews were conducted April 5-10, 2010. For more detailed information on the survey results, visit [news.fedex.com](http://news.fedex.com).

### **About FedEx Office**

FedEx Office (formerly FedEx Kinko's) provides access points to printing and shipping expertise with reliable service when and where you need it. The Dallas-based company has a global network of more than 1,900 digitally-connected locations. FedEx Office services include copying and digital printing, professional finishing, document creation, direct mail, signs and graphics, Internet access, computer rental, FedEx Express and FedEx Ground shipping, and more. In addition, the company offers FedEx OfficeSM Print Online, an online printing solution for business and personal printing, at home, at the office or on the go. Products, services and hours vary by location. For more information, please visit <http://www.fedex.com/office>.

### **About FedEx**

FedEx Corp. (NYSE: FDX) provides customers and businesses worldwide with a broad portfolio of transportation, e-commerce and business services. With annual revenues of \$33 billion, the company offers integrated business applications through operating companies competing collectively and managed collaboratively, under the respected FedEx brand. Consistently ranked among the world's most admired and trusted employers, FedEx inspires its more than 280,000 team members to remain "absolutely, positively" focused on safety, the highest ethical and professional standards and the needs of their customers and communities.

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