

2010 UPS Business Monitor United States

Full survey findings

May 2010



Background Information

- The UPS Business Monitor began in Europe in 1992 as an important information resource to help UPS customers stay ahead of ever-changing business trends. Since its inception, UPS has created regional Business Monitors in Asia-Pacific, Latin America, Canada and the United States.
- Each UPS Business Monitor offers a glimpse into the perceptions of those who are shaping the world of global commerce every day. The Business Monitor was launched in the U.S. in 2007 to keep a pulse on the issues facing America's SMBs – the backbone of the U.S. economy.
- Currently ,the Business Monitor targets small- and medium-sized enterprises in United States, Latin America, and Asia-Pacific. Respondents who participate in this survey are usually a decision-maker or a subject matter expert.

Research Objectives

Survey a cross-section of decision-makers in small- and medium-sized business exporters in the United States to:

- Better understand the global mindset of small- and medium-sized businesses (SMBs) and uncover the challenges and issues impacting global trade.

Data available:

- The overall business confidence of U.S. SMBs
- U.S. SMBs' top business issues
- U.S. SMBs' top benefits or concerns for using social media
- Challenges and issues impacting U.S. SMBs when exporting
- U.S. SMBs' top issues with supply chain efficiency
- Overall economic position of U.S. SMBs

Methodology

- 600 phone interviews with small businesses in the United States
 - 379 telephone interviews with companies that have 2-49 employees
 - 221 interviews with companies that have 50-250 employees.
 - Interviewees work in the following sectors: automotive/industrial, high-tech, healthcare, professional services and retail
 - Sample was supplied by UPS, part from their customer database, and part from Dun & Bradstreet's database. All sample records were determined by their sources to be businesses that export or ship internationally, and 67 percent of all completed surveys were from companies that export.

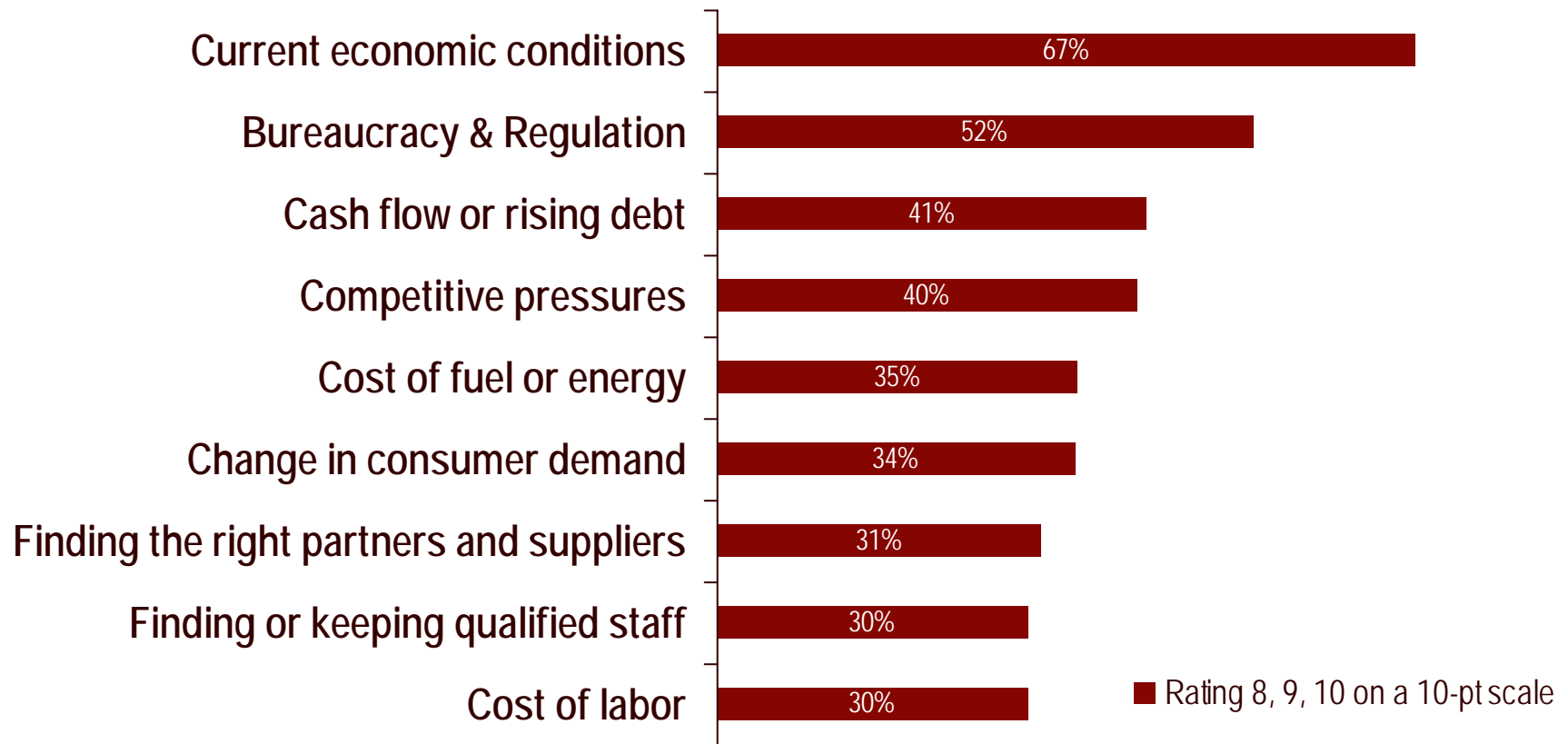
Criteria

- Respondents must have been extremely or very knowledgeable about their company's overall economic position
- Respondents must have been participants in the decision-making process for the company
- UPS was not identified as the sponsor of the survey
- The survey length was about 13-14 minutes
- Interviews were conducted between February 24, 2010 and March 25, 2010

Business Confidence/Economic Issues

Current economic conditions are the biggest concern currently for small- and medium-sized businesses. Two-thirds of all companies rate it a major concern.

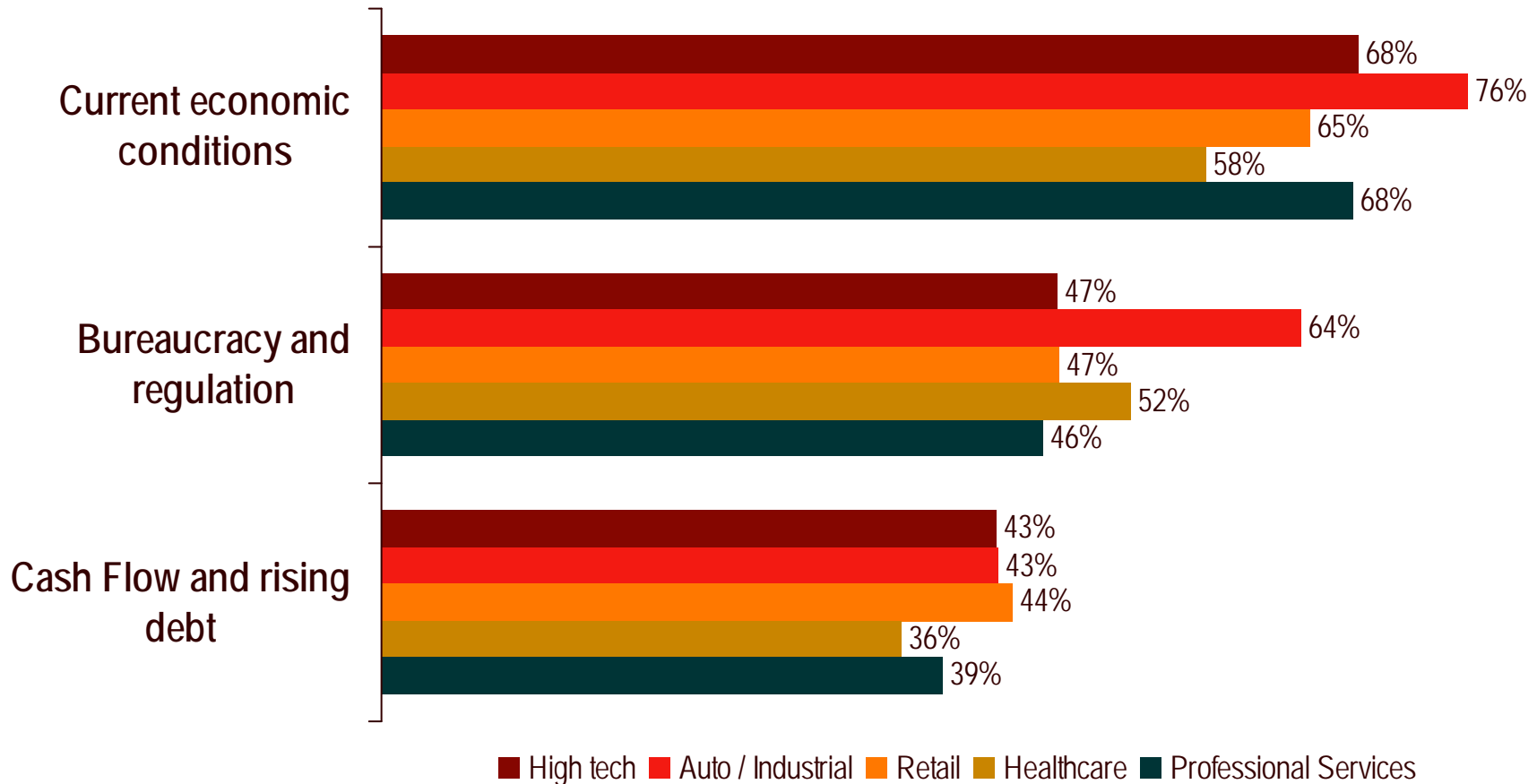
General Business Issues That Cause Concern (n=600)



Q4_01. Now I'll read some general business issues that impact some businesses. For each, please rate how concerned you are on a scale from 1 to 10 where 1 means \not at all concerned\ and 10 means \extremely concerned.\

Automotive and industrial companies are feeling the most pressure from the economy.

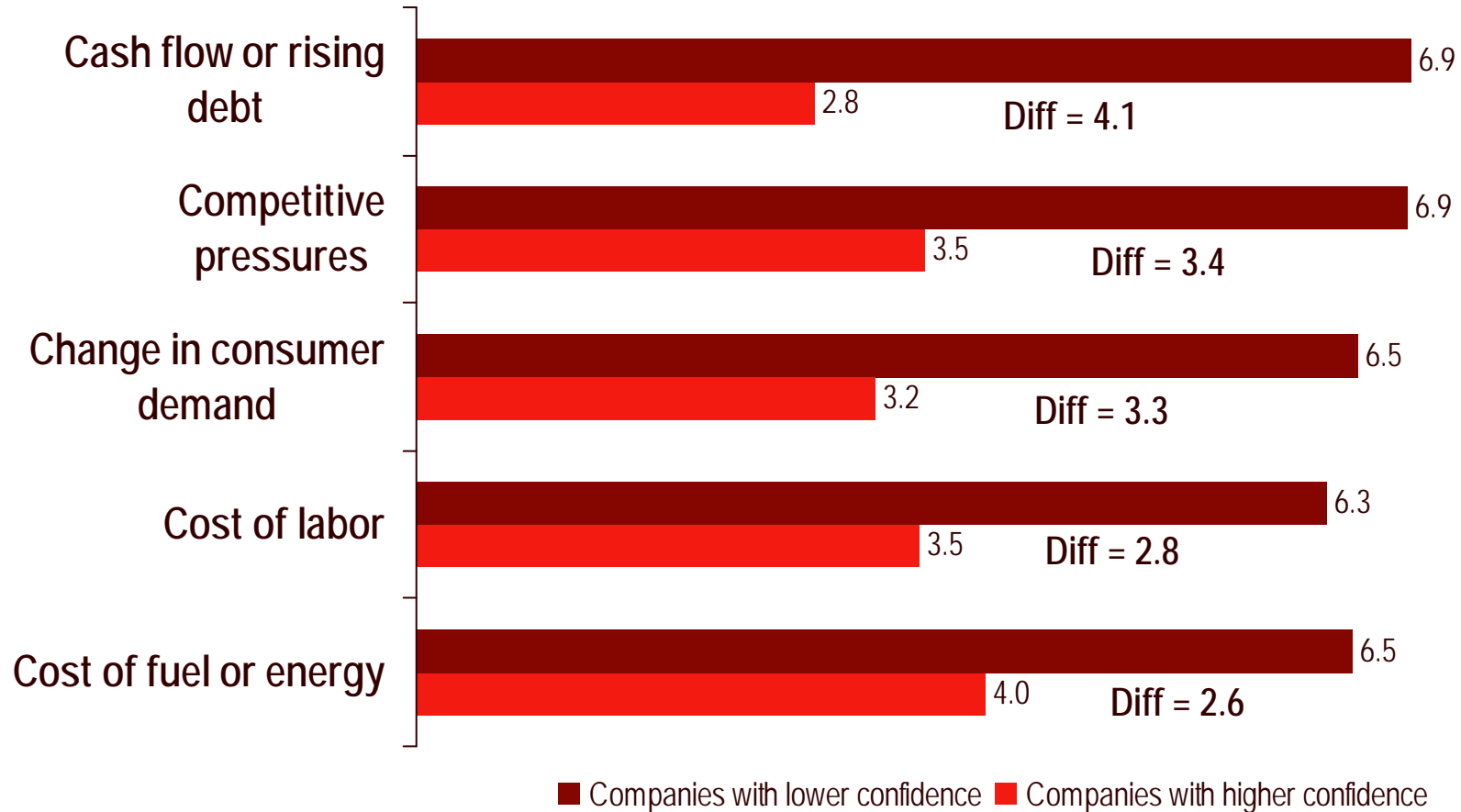
General Business Issues That Cause Concern by Industry (n~120 per industry)



Top 3 box summary – Ratings of 8, 9, 10 on a 10 point scale.
Q4_01. Now I'll read some general business issues that impact some businesses. For each, please rate how concerned you are on a scale from 1 to 10 where 1 means not at all concerned and 10 means extremely concerned.

Business confidence appears to be tied to cash flow. Debt levels and managing cash flow is the biggest concern for those feeling the economic pressures right now.

General Business Issues That Cause Concern – Means



Mean ratings

Q4_01. Now I'll read some general business issues that impact some businesses. For each, please rate how concerned you are on a scale from 1 to 10 where 1 means not at all concerned and 10 means extremely concerned.

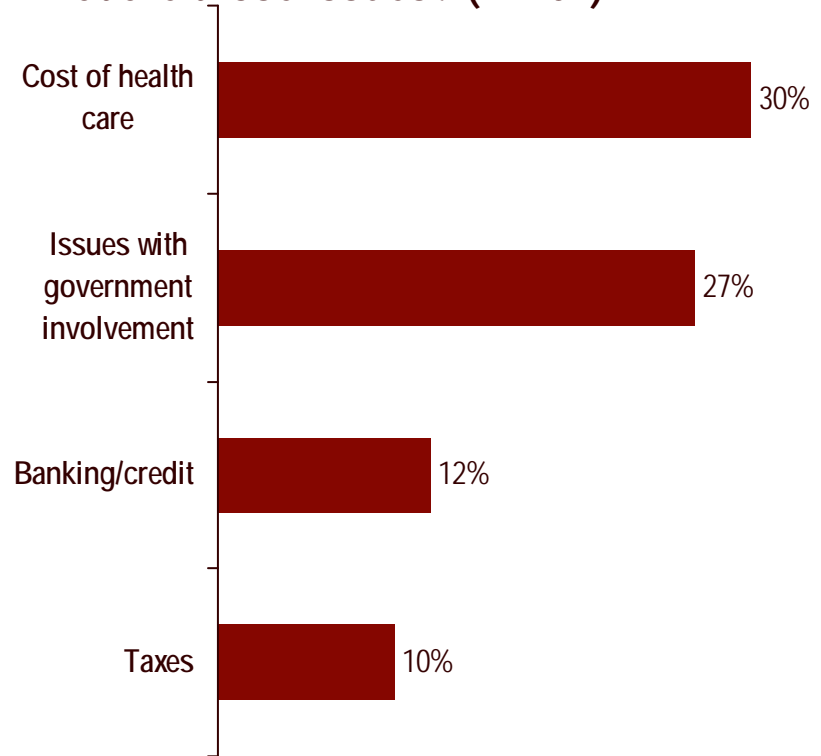
Two other significant concerns were offered up by the businesses – healthcare costs and other issues with government involvement.

Any other business issues? (n=600)



■ Yes ■ No

What are those issues? (n=207)



■ Yes, have an issue

Q4a. Are there any other business issues that you are concerned about impacting your business?
Q4b. And what is that business issue?

In their own words, the cost of healthcare is often volunteered as a concern. Comments are split between the cost of healthcare/insurance in general and the new healthcare program and President Obama. Some also mention the banking crisis and its effect on small business.

What are those issues? In their own words...

Banking/Credit

"Stability of the banking industry. The financial markets."

"Access to capital for a small business."

"Banks cutting off credit."

Healthcare

"Proposed Healthcare program."

"The passing of the Healthcare bill is going to be a huge detriment to our business."

"President's policies."

Taxation

"Government policy, tax businesses."

"Retirement plans, taxes, long term capital gains."

"Increases in tax. That is my number one concern."

China

"Unfair competition from China."

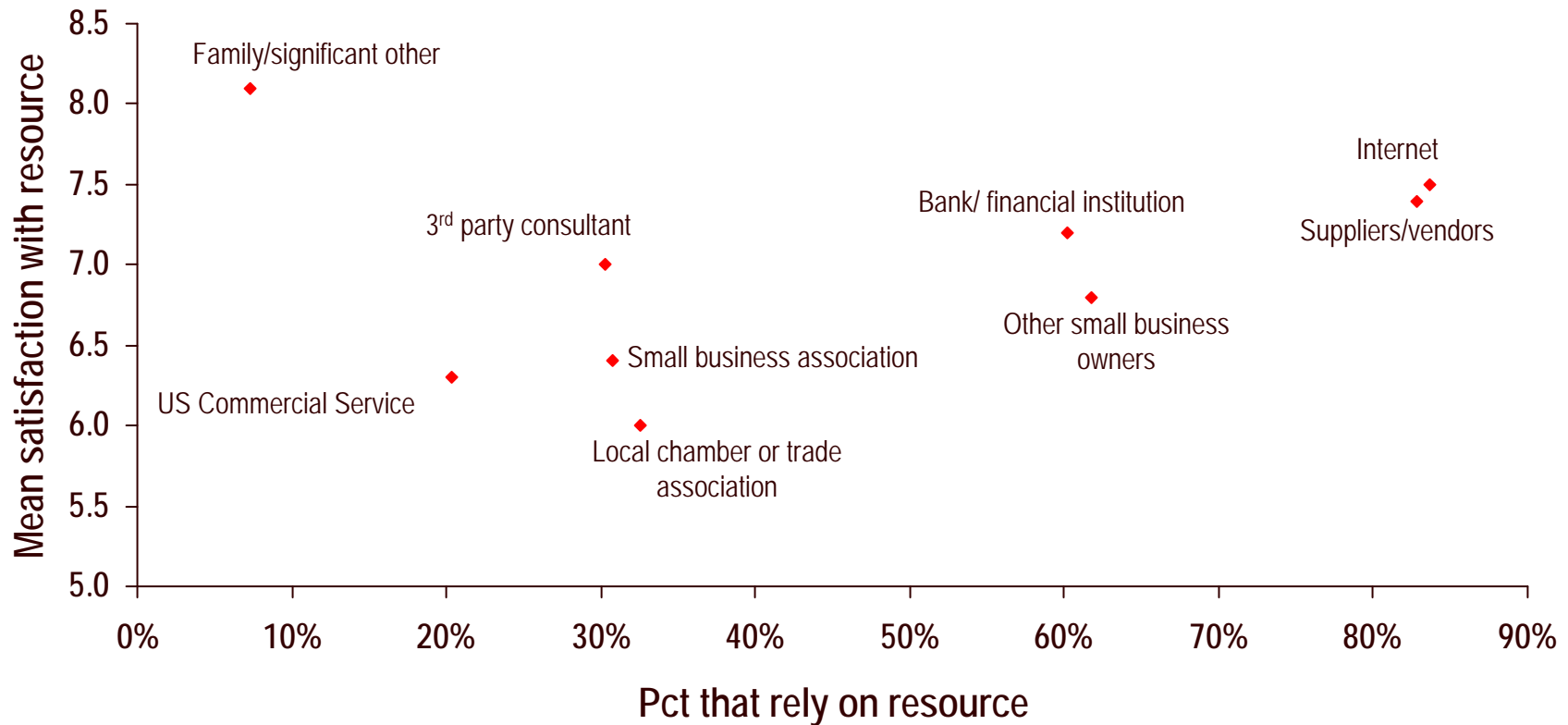
"Chinese imports. That's the worst of it. They can do things so cheaply, so things in America become too expensive."

"Healthcare cost. Cheap labor in China and India."

Q4b. And what is that business issue?

Internet and suppliers/vendors are the most used resources in business decision making. Decision-makers also tend to be more satisfied with them.

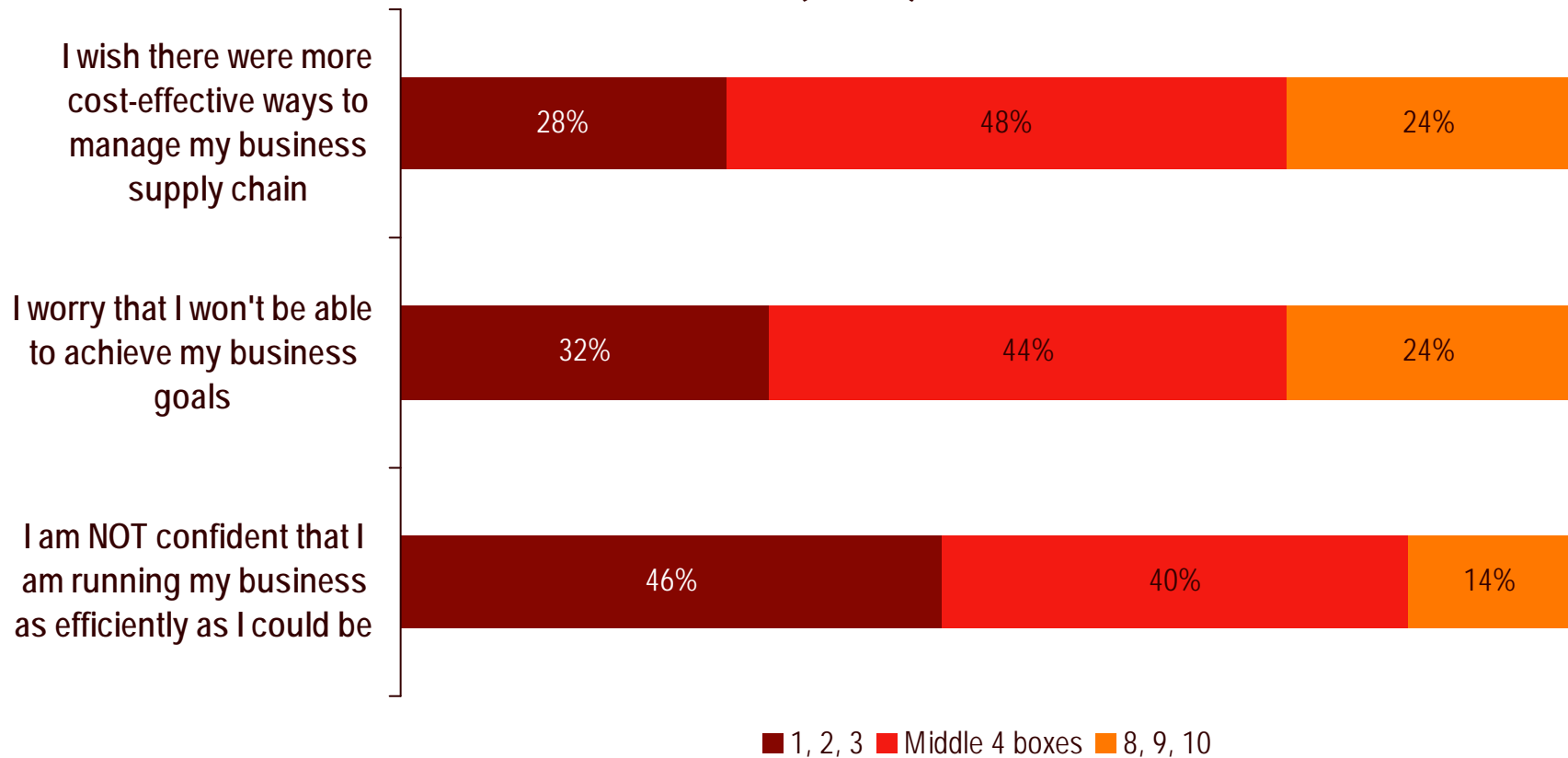
Resource Usage/Satisfaction plot



Q5. Please tell me whether or not you rely on the following resources for input to your business decisions by answering yes or no. Do you rely on...
 Q5c. Thinking about those resources currently at your disposal, please rate them by using a scale from 1 to 10 where 1 means \not at all satisfied\ and 10 means \extremely satisfied.\

One out of four business worry that they will not meet their business goals. Businesses generally feel they are running their businesses efficiently.

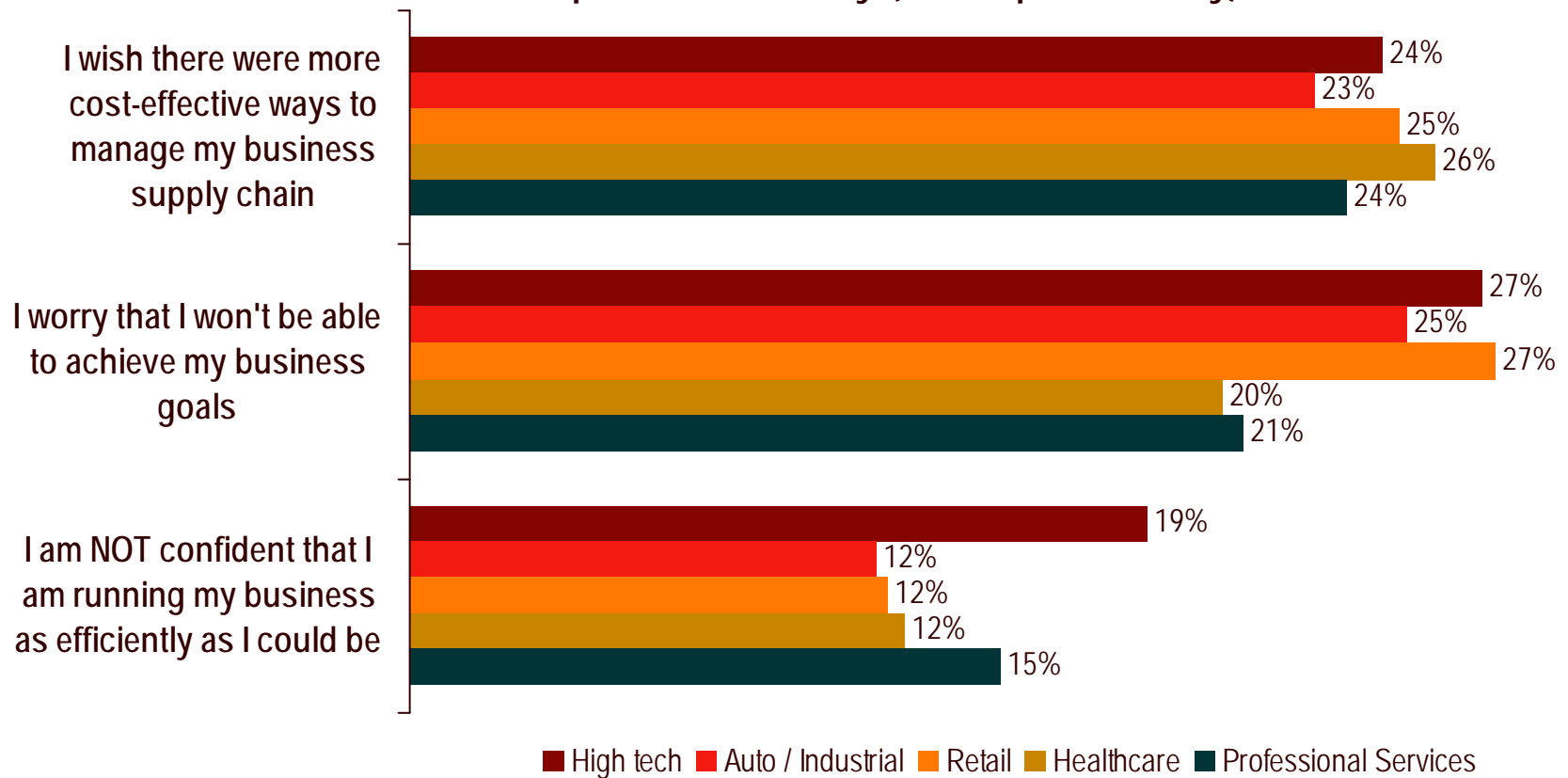
Efficiency and goal related business attributes (n=600)



Q6_01. For each of the following statements I read, please tell me how much you agree or disagree by using a scale from 1 to 10 where 1 means strongly disagree and 10 means strongly agree.

High tech companies feel they have the most to improve in terms of managerial efficiency, and the economy is affecting the high tech, auto/industrial, and retail industries most in terms of meeting business goals.

Efficiency and goal related business attributes by industry –
top 3 box summary (n~120 per industry)

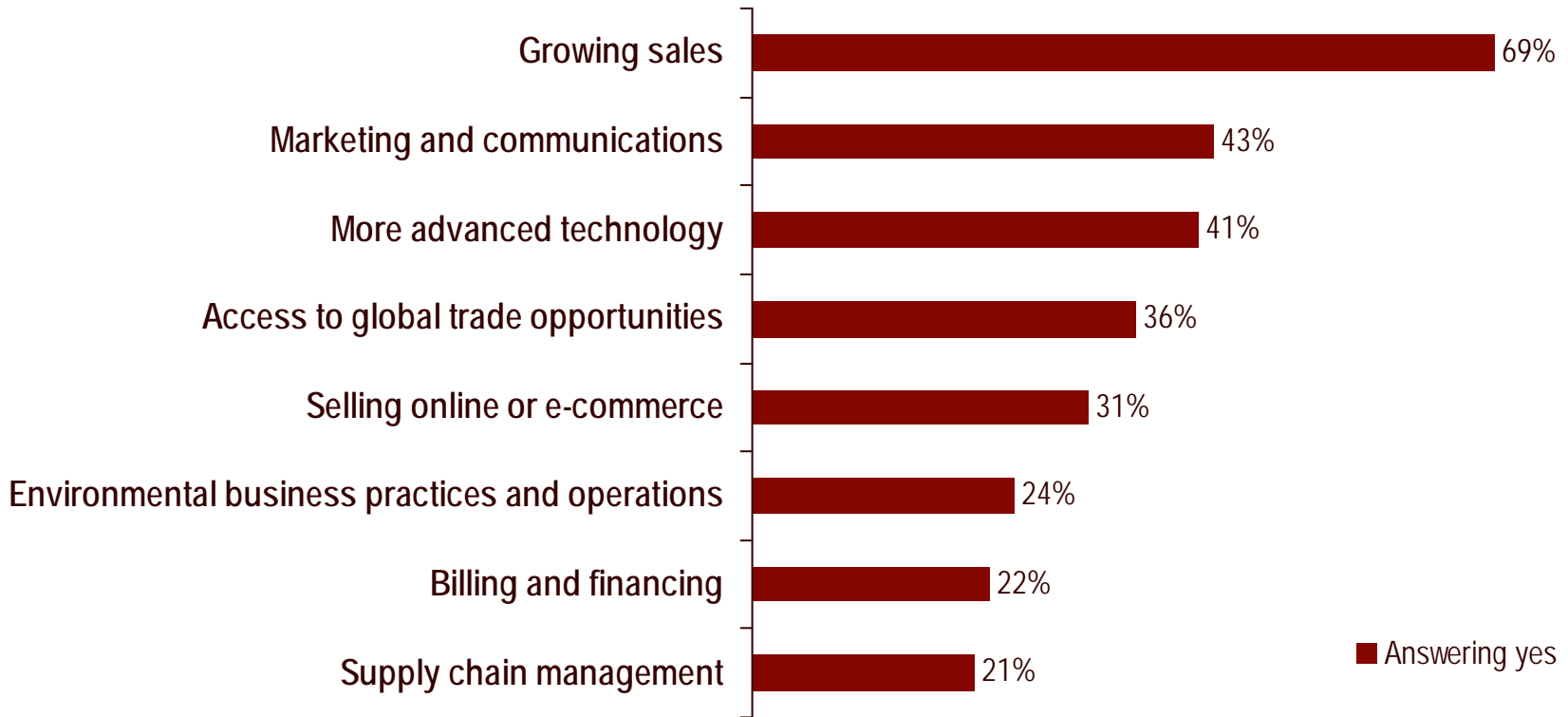


Top 3 box summary.

Q6_01. For each of the following statements I read, please tell me how much you agree or disagree by using a scale from 1 to 10 where 1 means strongly disagree and 10 means strongly agree.

Finding assistance in growing sales is important for the majority of businesses, though they seem to have different approaches.

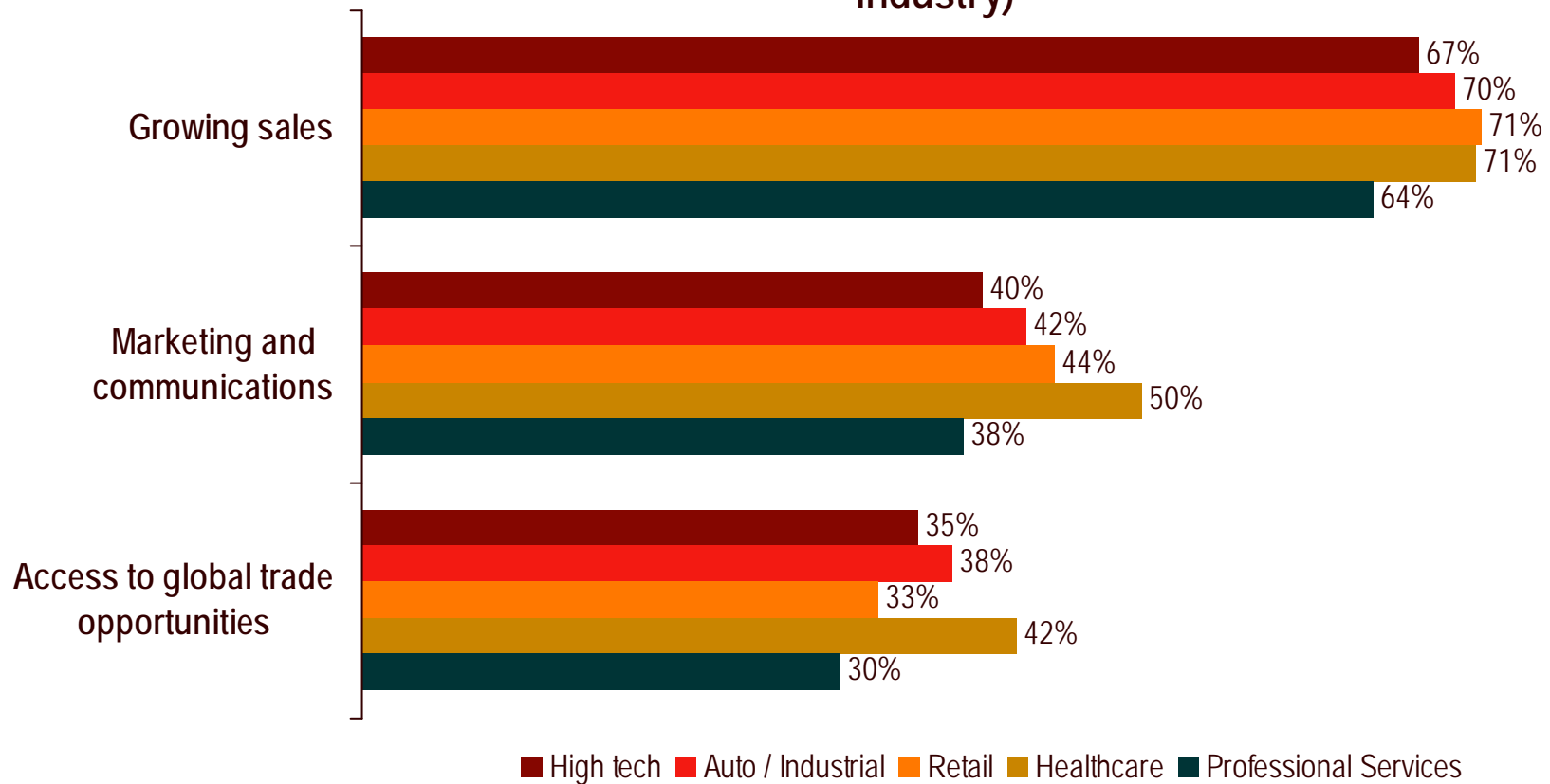
Areas looking for assistance (n=600)



Q7_01. Please tell me if your business is currently looking for assistance with each of the following by answering yes or no.

All industries are looking to grow sales, though healthcare stands out as needing the most help in marketing and communications and exporting.

Areas looking for assistance by industry (n~120 per industry)

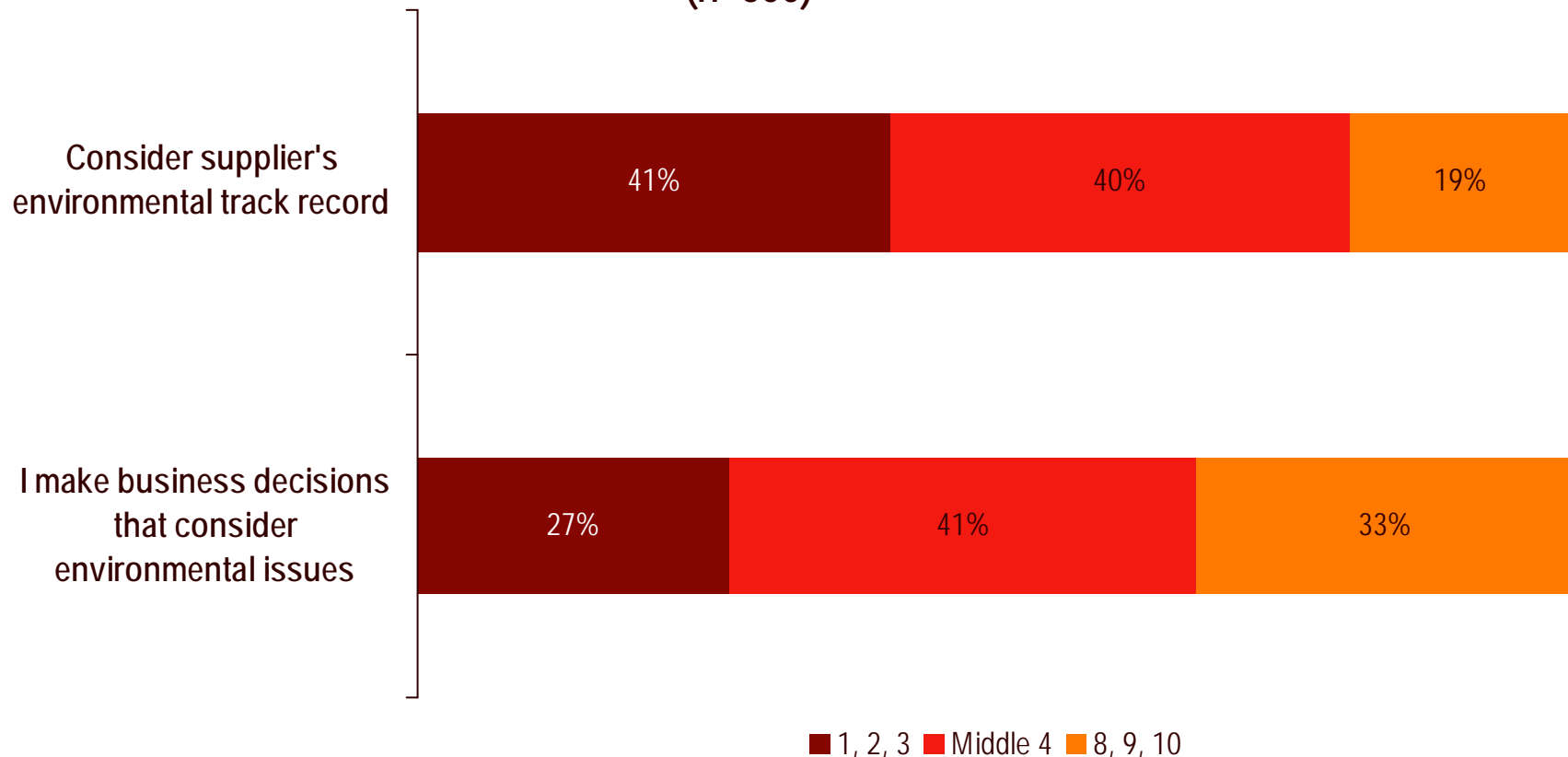


Q7_01. Please tell me if your business is currently looking for assistance with each of the following by answering yes or no.

Environment

Consideration of the environment is polarizing among businesses. There are some businesses that say it is important, but there are more that say it is not a priority.

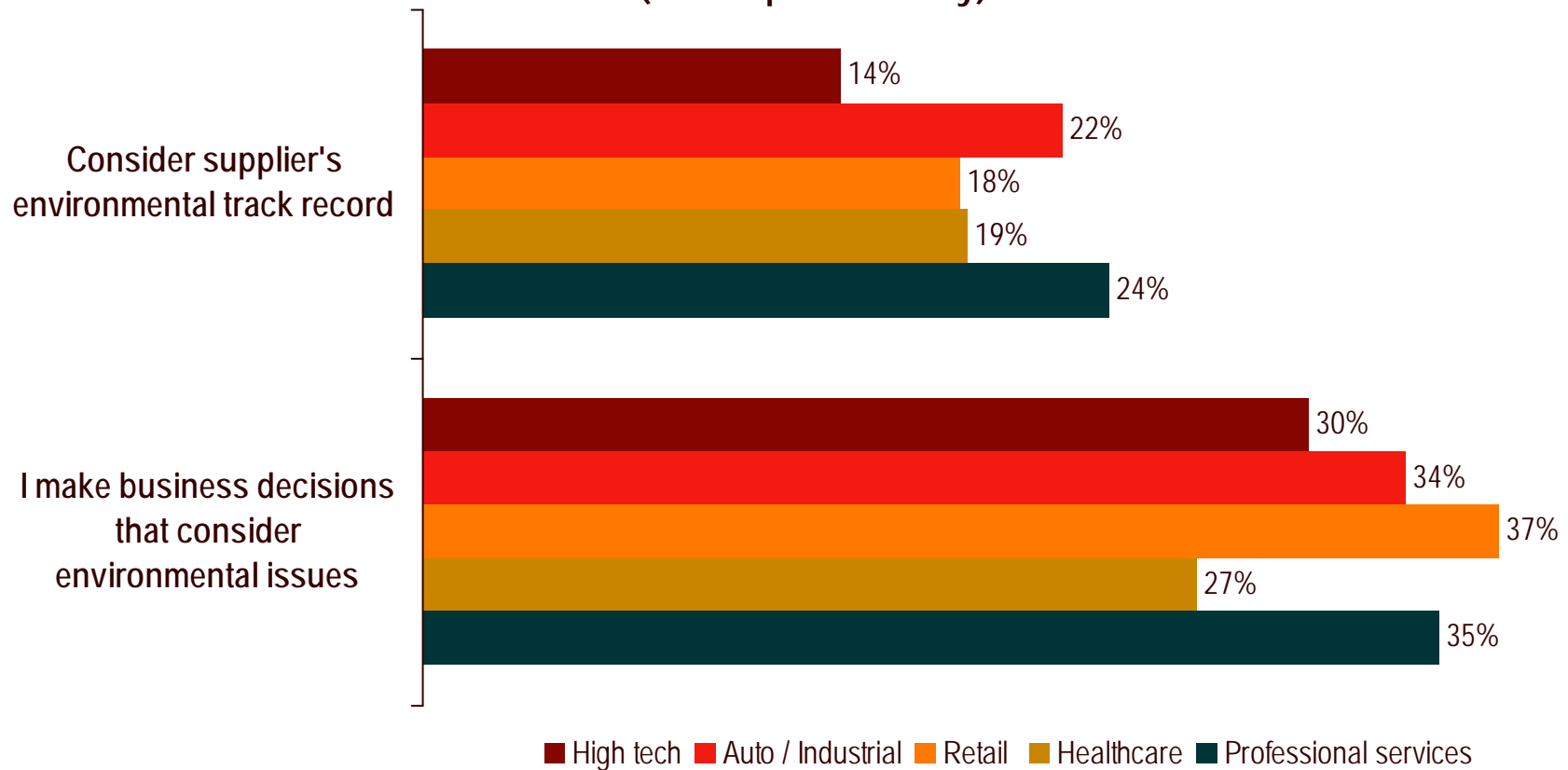
Environmental related decision making (n=600)



Q6_01. For each of the following statements I read, please tell me how much you agree or disagree by using a scale from 1 to 10 where 1 means \strongly disagree\ and 10 means \strongly agree.\

Retailers say they consider the environment in their decision-making process more than other industries, and healthcare lags a bit in this area.

Environmental related decision making by industry
(n~120 per industry)

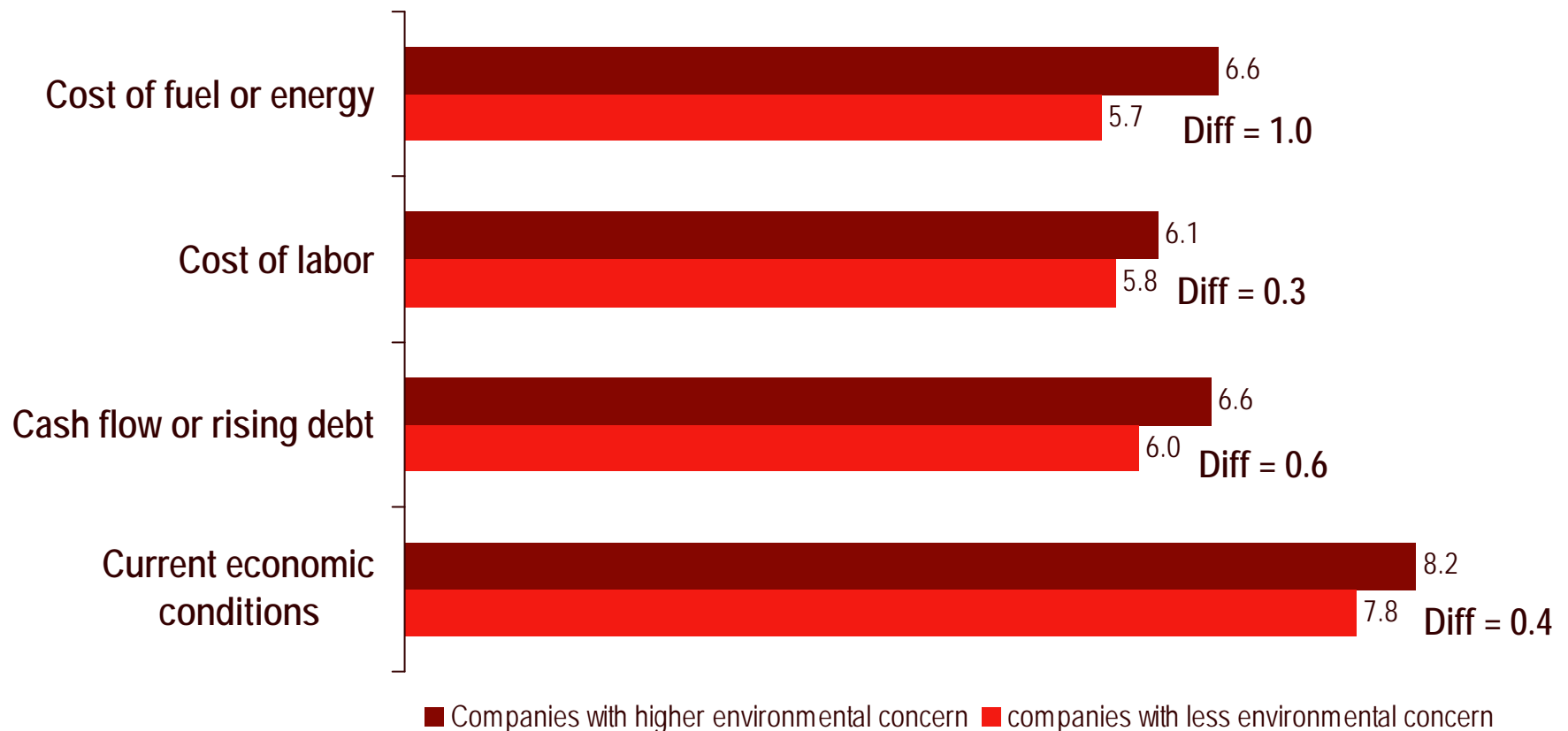


Top 3 box summary.

Q6_01. For each of the following statements I read, please tell me how much you agree or disagree by using a scale from 1 to 10 where 1 means \strongly disagree\ and 10 means \strongly agree.\

Companies with higher environmental concern may feel that way due to energy costs, where they show the biggest differential in concern compared to other companies.

Concerns among companies with high and low concern for the environment (n=295, 304)

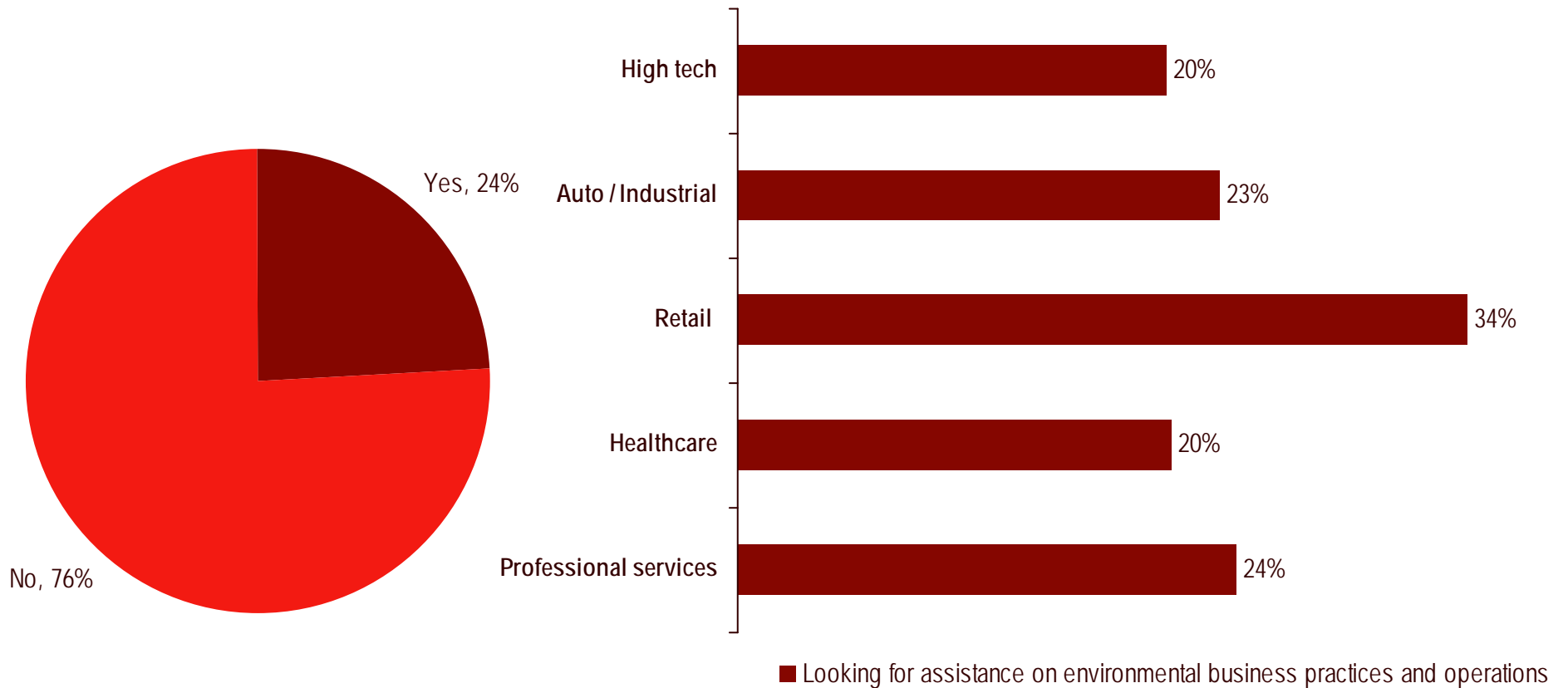


Mean summary.

Q4_01. Now I'll read some general business issues that impact some businesses. For each, please rate how concerned you are on a scale from 1 to 10 where 1 means not at all concerned and 10 means extremely concerned.

About one-quarter of companies are looking for assistance in environmental business practices.

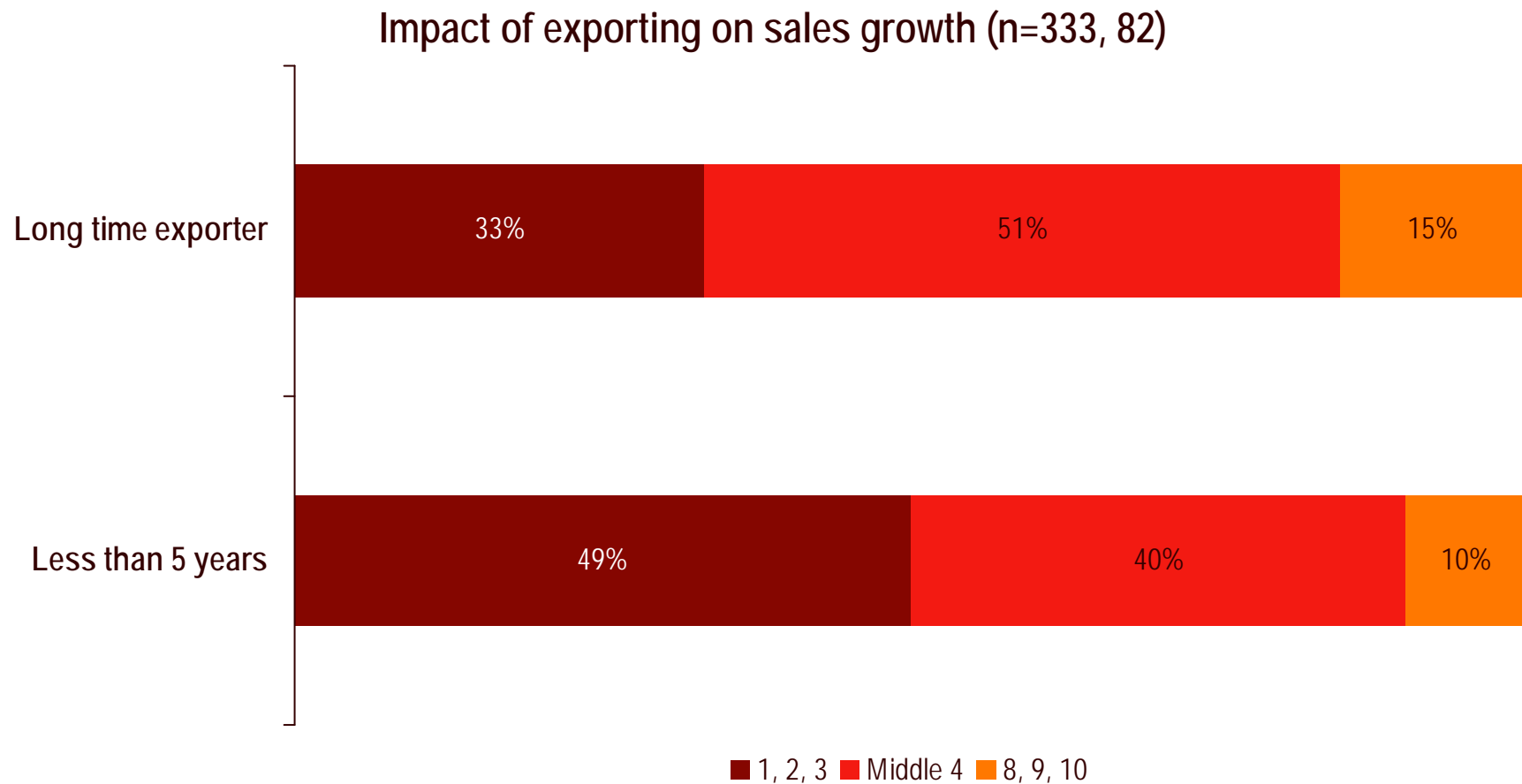
Looking for assistance on environmental business practices? (n=600)



Q7_01. Please tell me if your business is currently looking for assistance with each of the following by answering yes or no.

Exporting Issues/Barriers

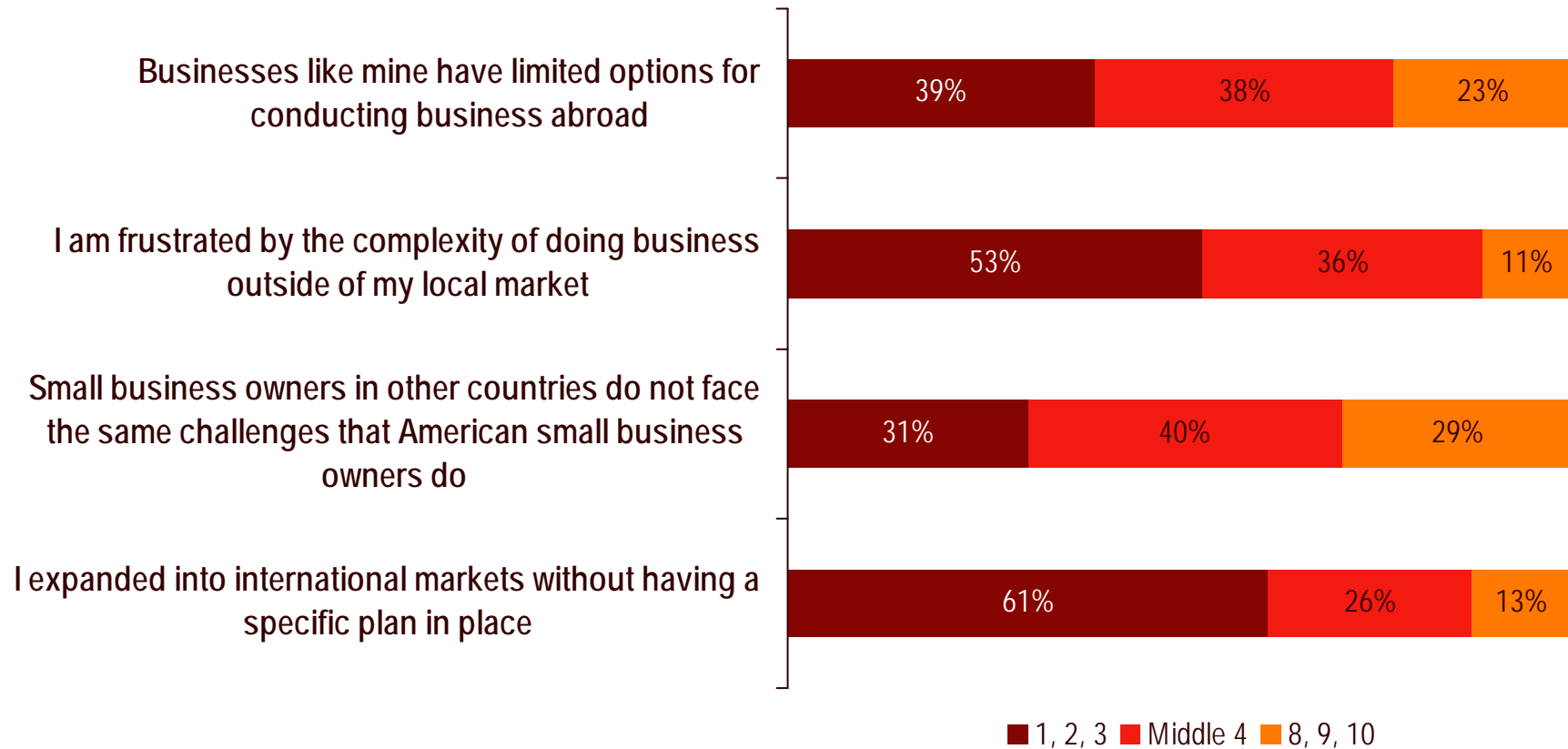
Companies newer to exporting say it has had less of an effect on sales growth than those that have been doing it longer.



Q8. Using a scale from 1 to 10 where 1 means \no growth at all\ and 10 means \extreme growth\, how would you rate the impact of your business outside the United States on your company's overall sales?

Most businesses had a specific plan when they expanded outside of the U.S., and show little frustration with the process of doing business abroad.

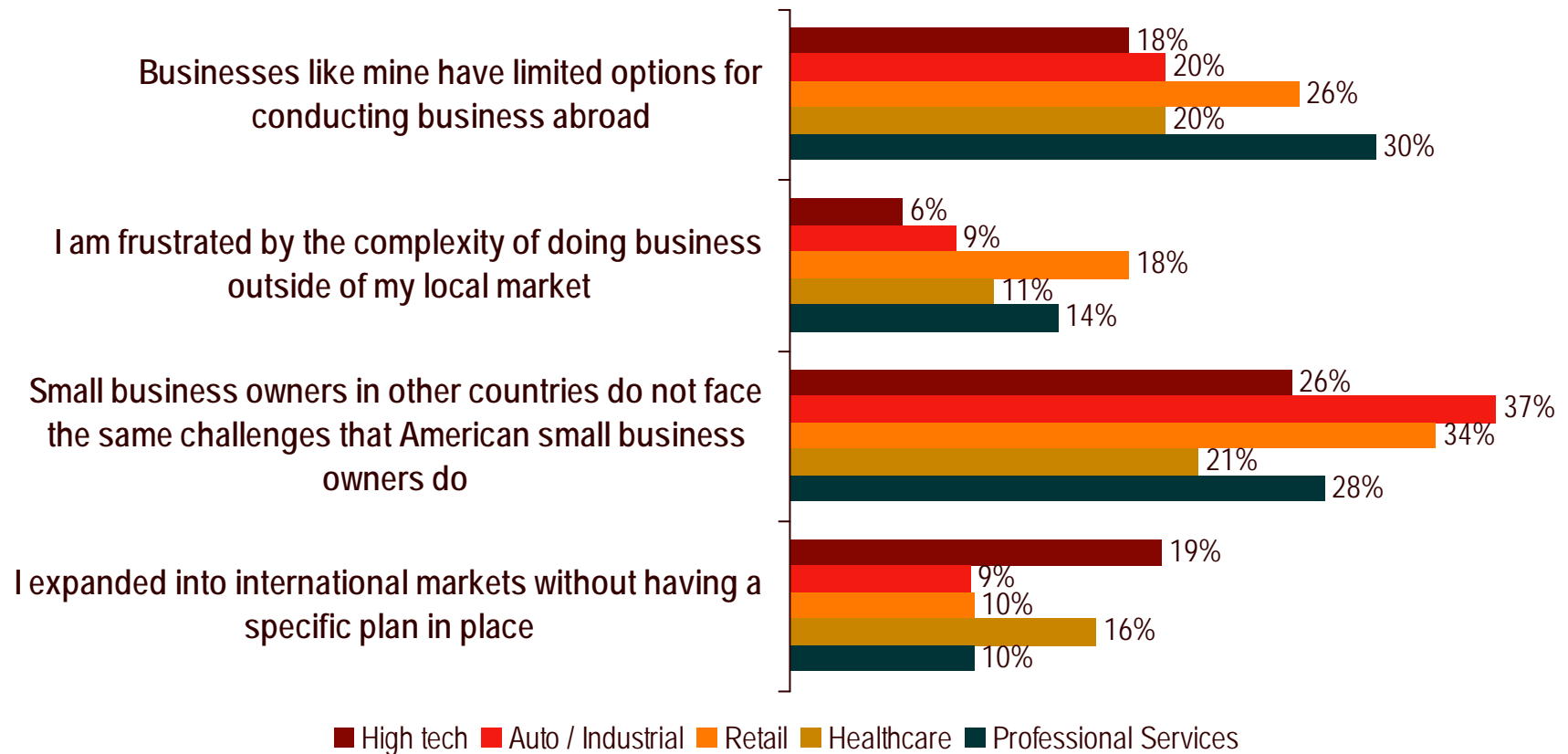
Challenges related to exporting (n=600)



Q6_01. For each of the following statements I read, please tell me how much you agree or disagree by using a scale from 1 to 10 where 1 means strongly disagree and 10 means strongly agree.

Retail and professional services are more likely to feel they have limited options and are more frustrated by the complexity of doing business abroad. High tech and healthcare companies were more likely to expand without a plan.

Challenges related to exporting by industry (n~120 per industry)

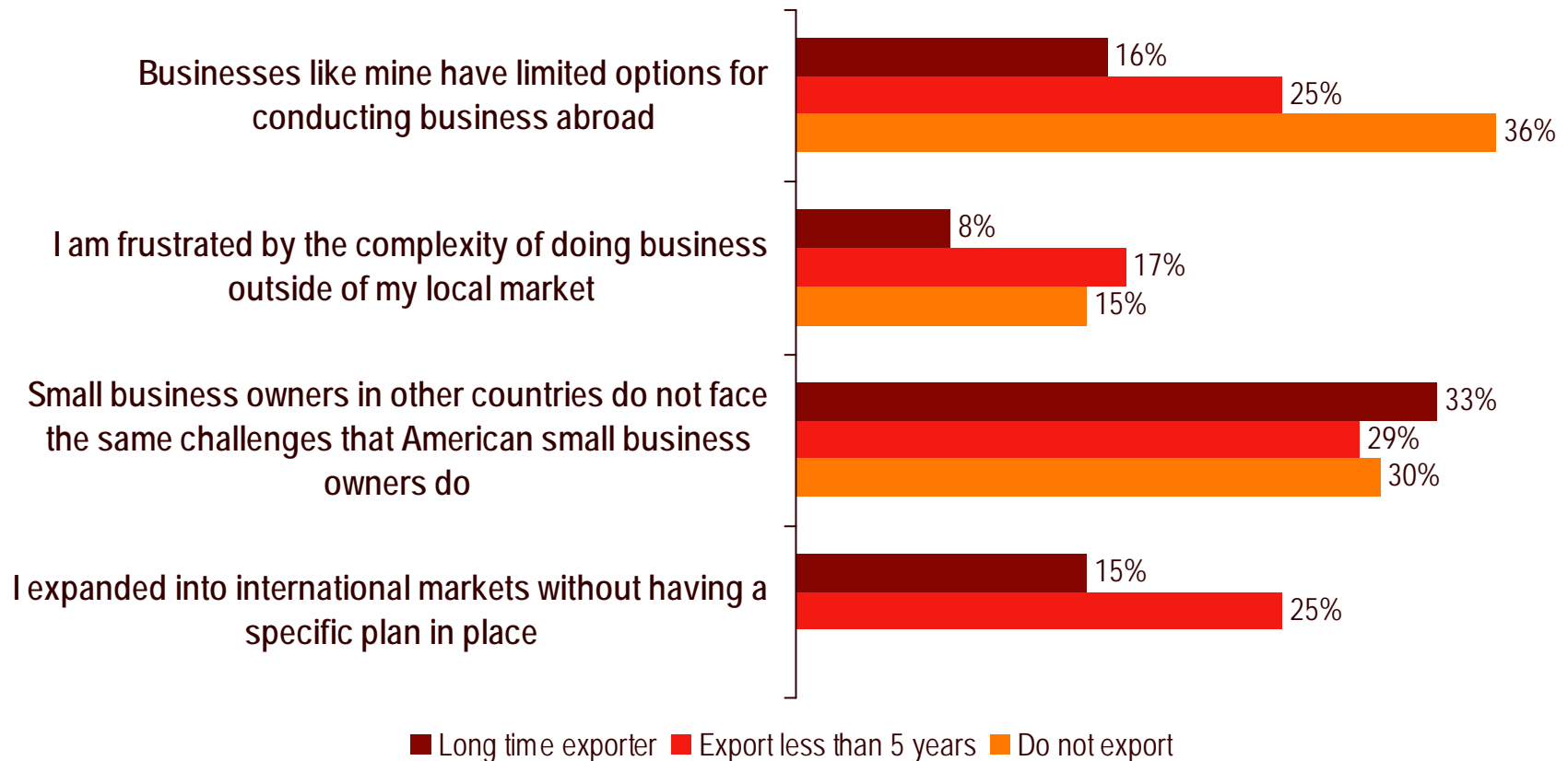


Top 3 box summary

Q6_01. For each of the following statements I read, please tell me how much you agree or disagree by using a scale from 1 to 10 where 1 means strongly disagree and 10 means strongly agree.

Companies that do not export are much more likely to think their options are limited. Those newer to exporting are twice as likely to feel frustrated.

Challenges related to exporting by years exporting(n~335, 83, 181)

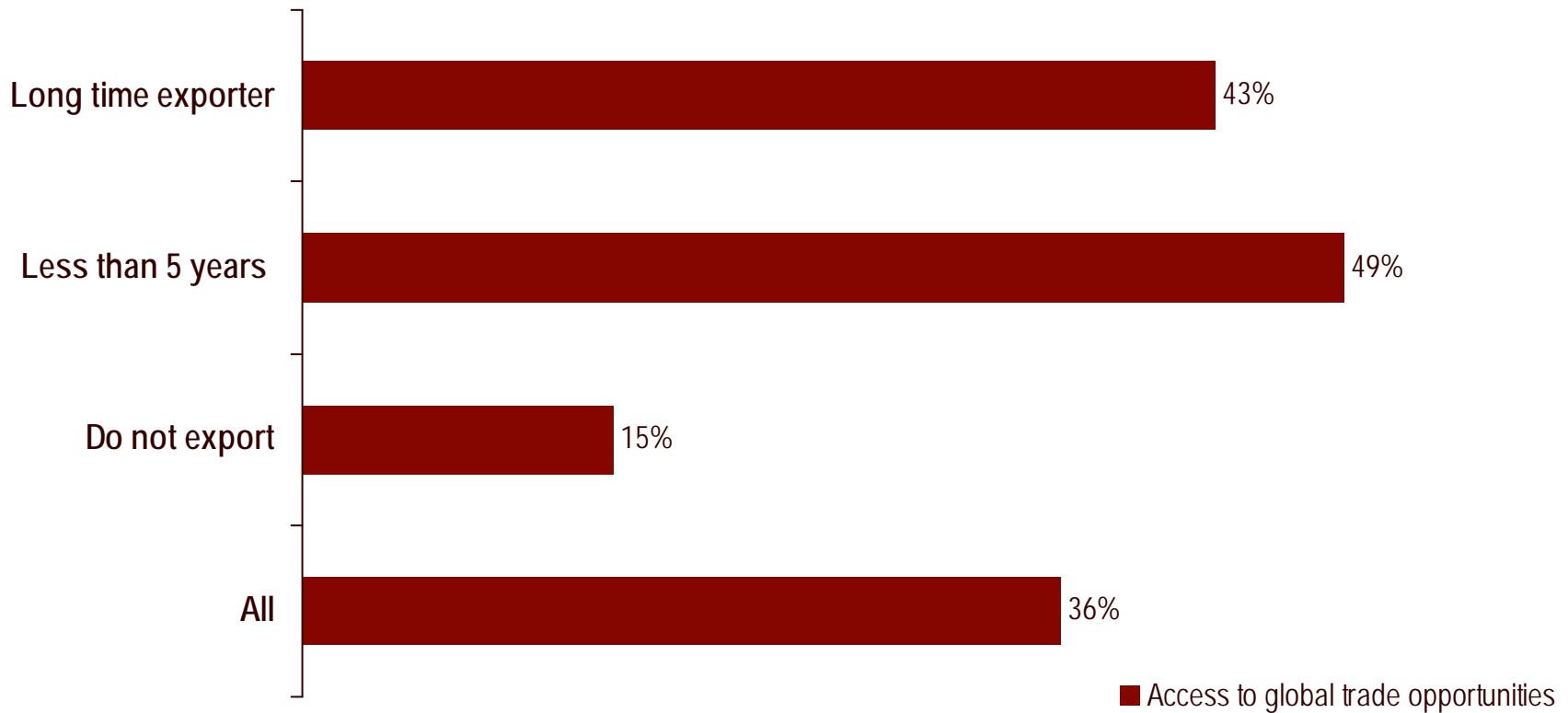


Top 3 box summary

Q6_01. For each of the following statements I read, please tell me how much you agree or disagree by using a scale from 1 to 10 where 1 means strongly disagree and 10 means strongly agree.

Expanding overseas is not on the radar for most non-exporting companies. Those that do not currently export are not looking for assistance in accessing global trade opportunities.

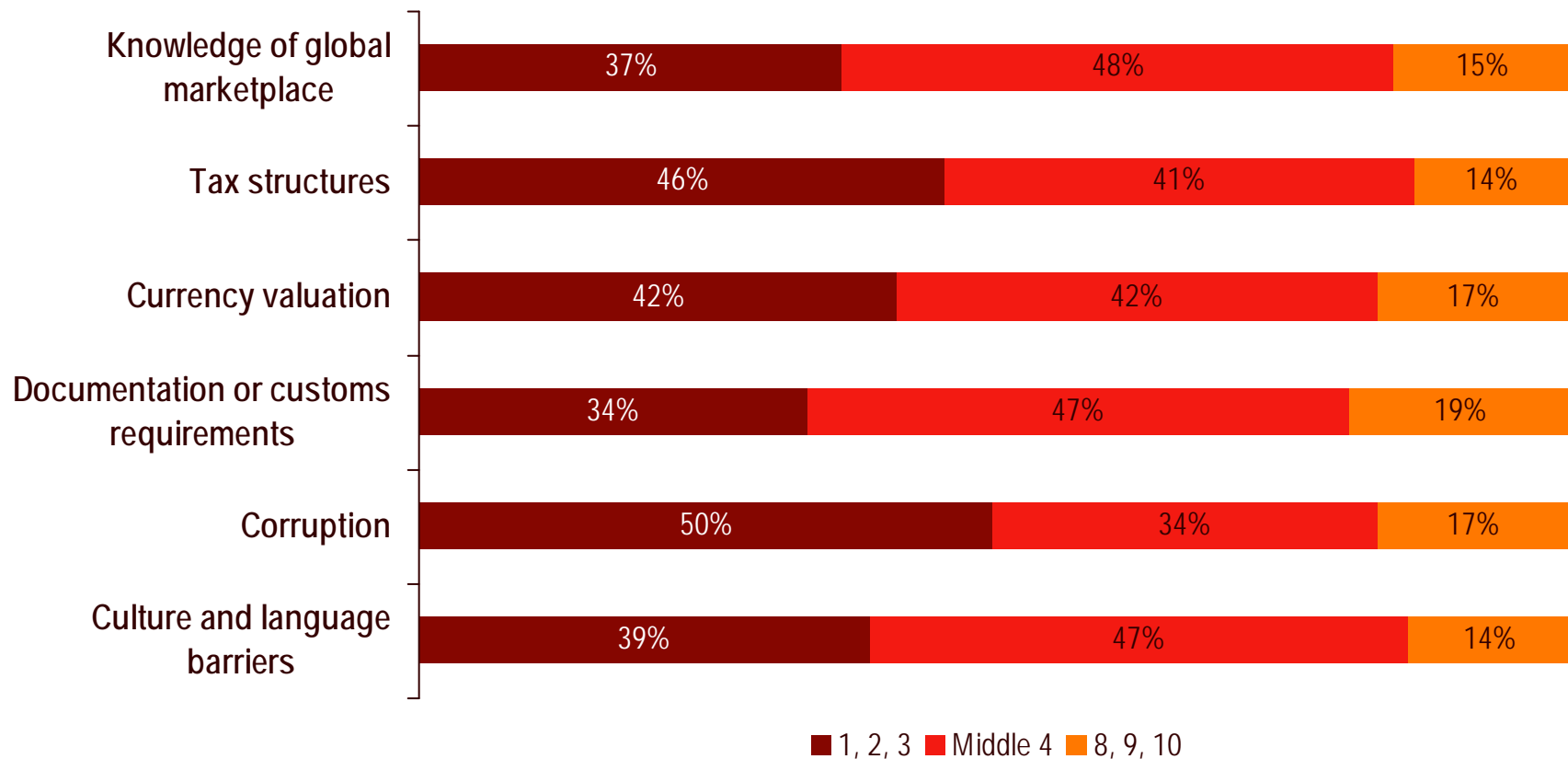
Looking for assistance in global trade (n=404, 195)



Q7_01. Please tell me if your business is currently looking for assistance with each of the following by answering yes or no.

Overall, there are few major barriers to expanding internationally. Customs and government issues are no more significant than economic or cultural ones.

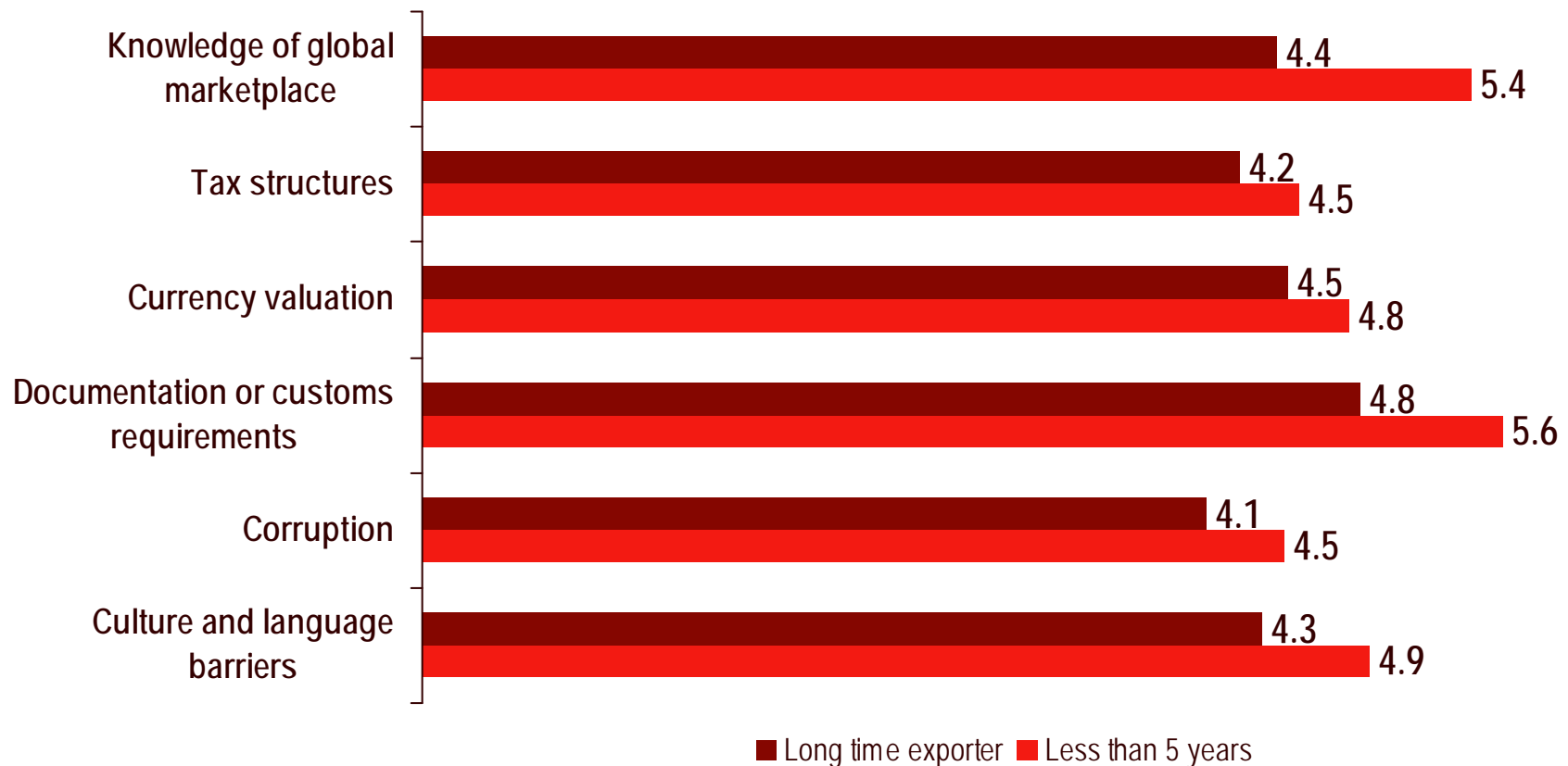
Barriers to Expanding Internationally (n=418)



Q9. Please indicate the extent to which the following is a barrier to expanding your business outside of the U.S. by using a scale from 1 to 10, where 1 means \no barrier at all\ and 10 means \extreme barrier.\

Knowledge of global marketplace and customs are the most significant barriers for companies new to exporting.

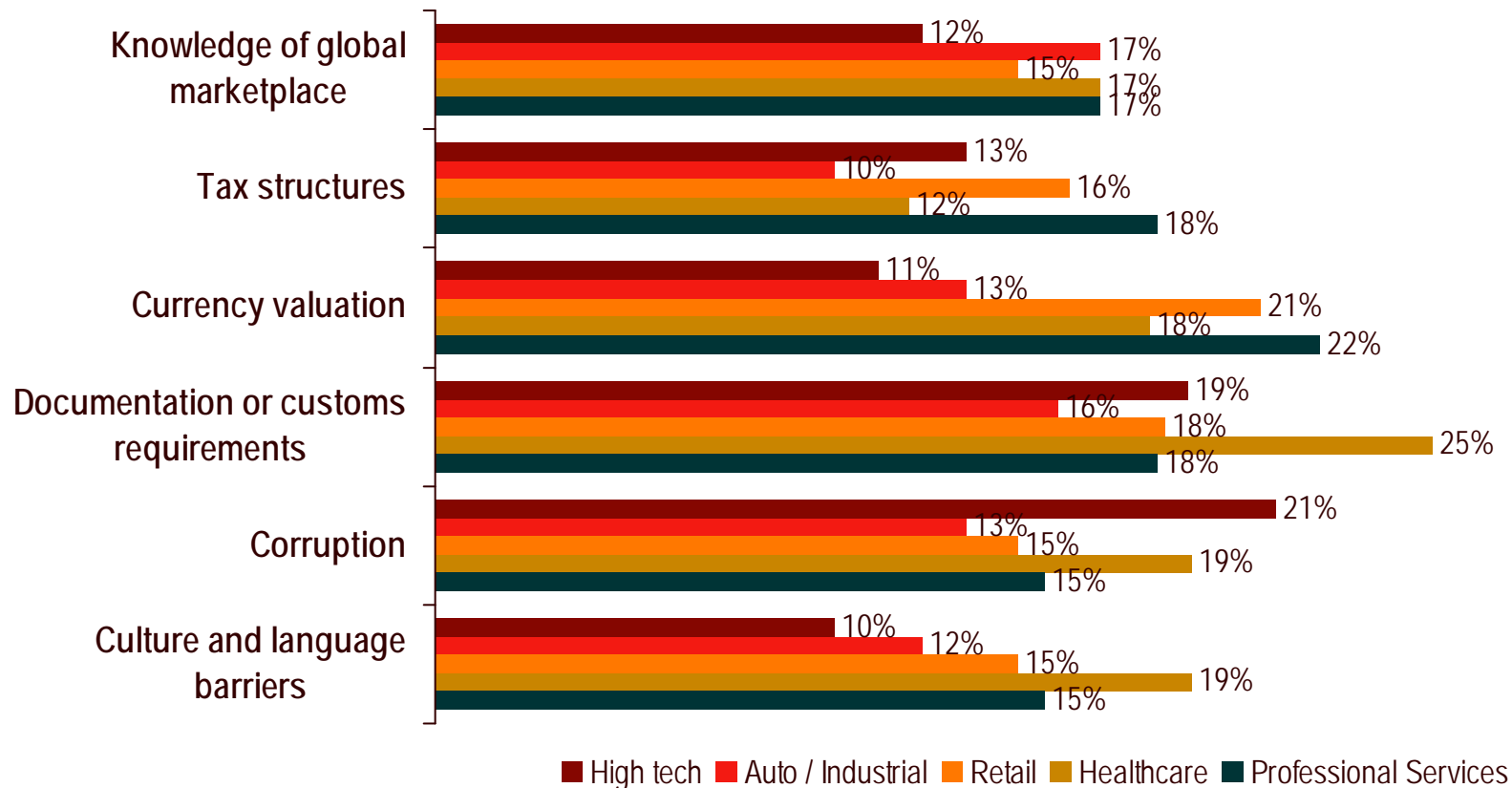
Barriers to Expanding Internationally (n=333, 82)



Q9. Please indicate the extent to which the following is a barrier to expanding your business outside of the U.S. by using a scale from 1 to 10, where 1 means \no barrier at all\ and 10 means \extreme barrier.\

When expanding internationally, healthcare has more issues with customs and cultural barriers, while high tech sees corruption as an issue.

Barriers to Expanding Internationally by Industry (n~80 per industry)

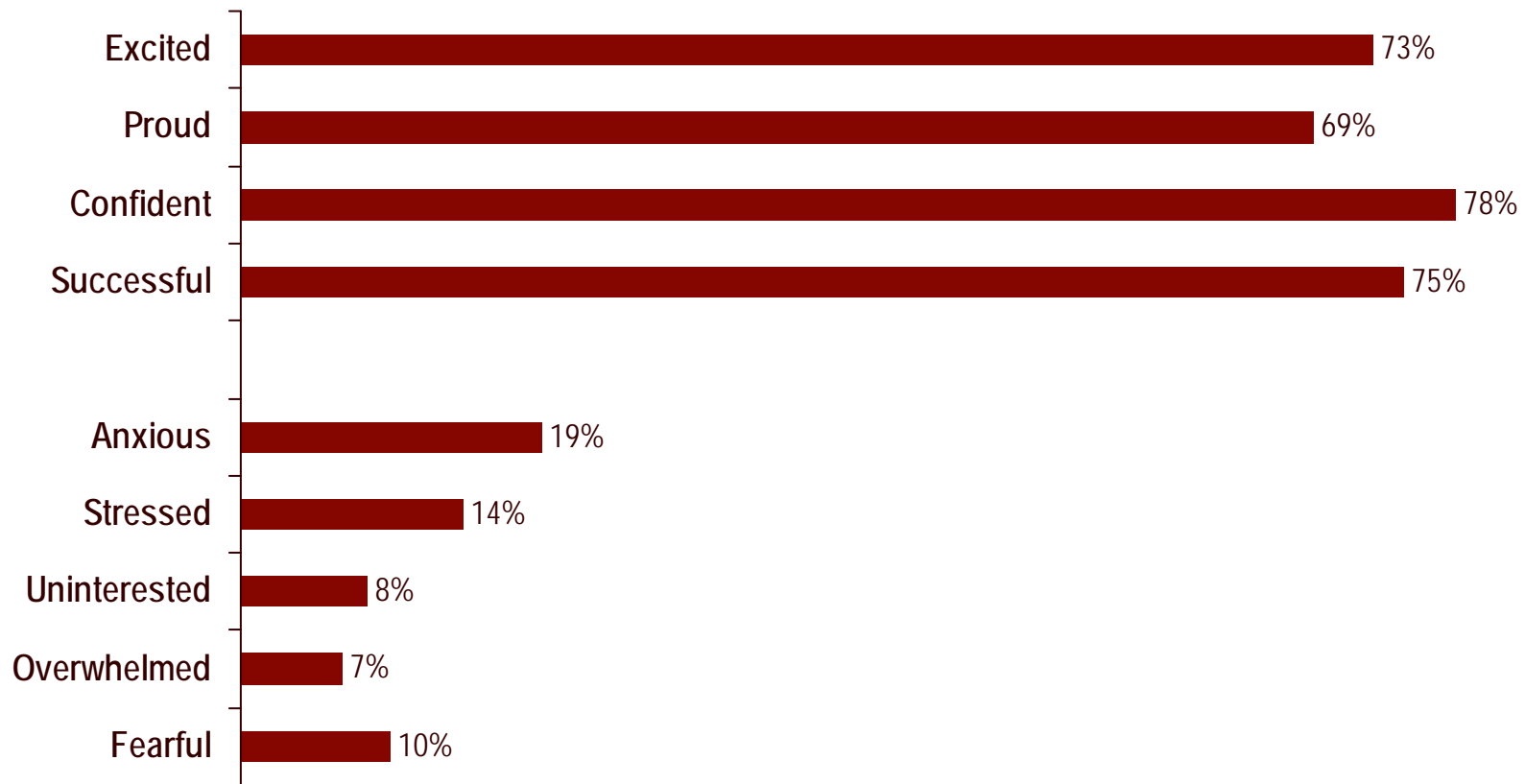


Top 3 box summary

Q9. Please indicate the extent to which the following is a barrier to expanding your business outside of the U.S. by using a scale from 1 to 10, where 1 means \no barrier at all\ and 10 means \extreme barrier.\

International sales leads are mostly viewed positively by most small- and medium-sized businesses.

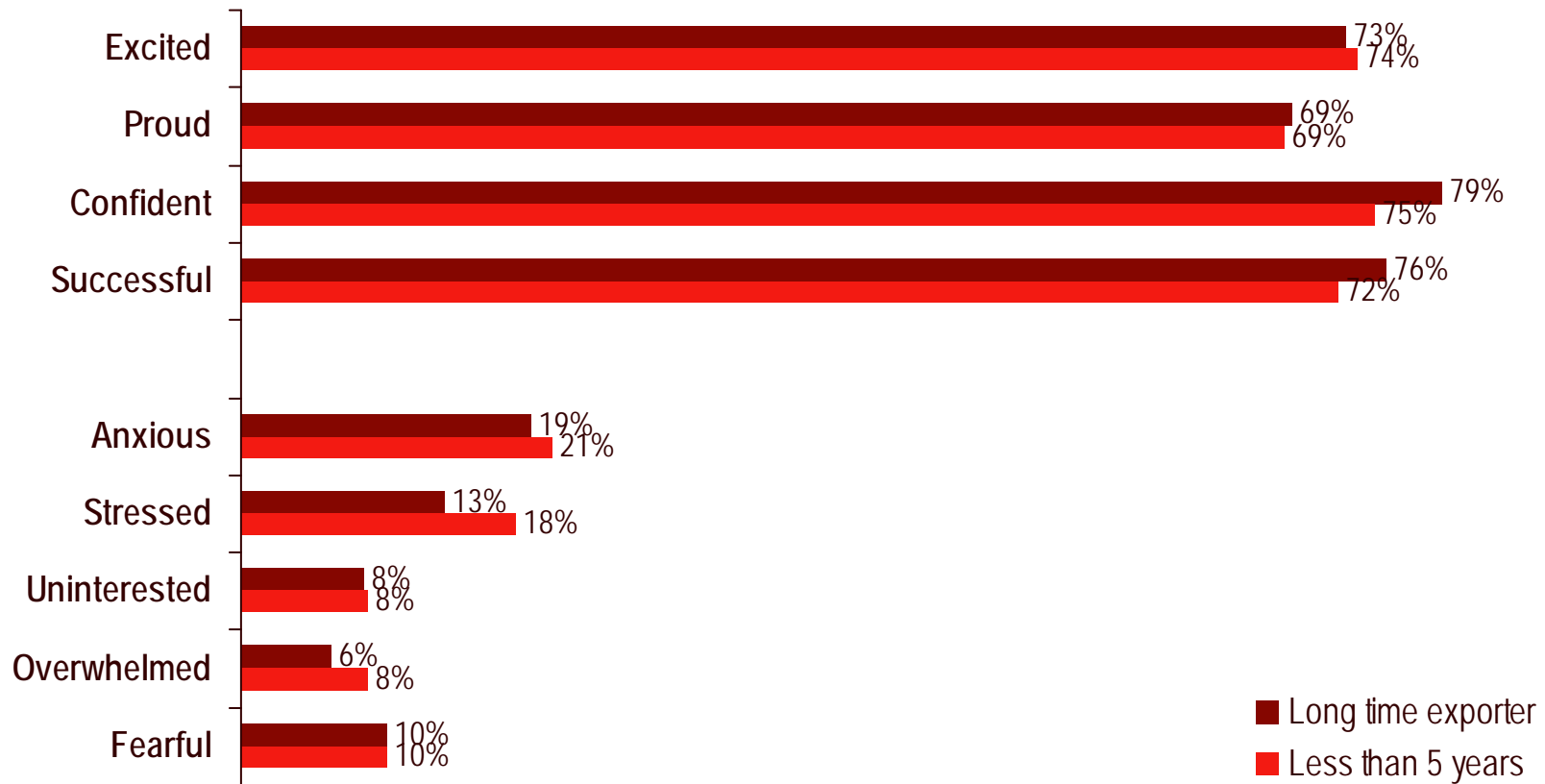
Feelings about International sales leads (n= 418)



Q10. Using a yes or no response, please tell me if a sales lead from outside of the U.S. makes you feel...

Both long-time exporters and those new to exporting feel confident and position toward international sales leads.

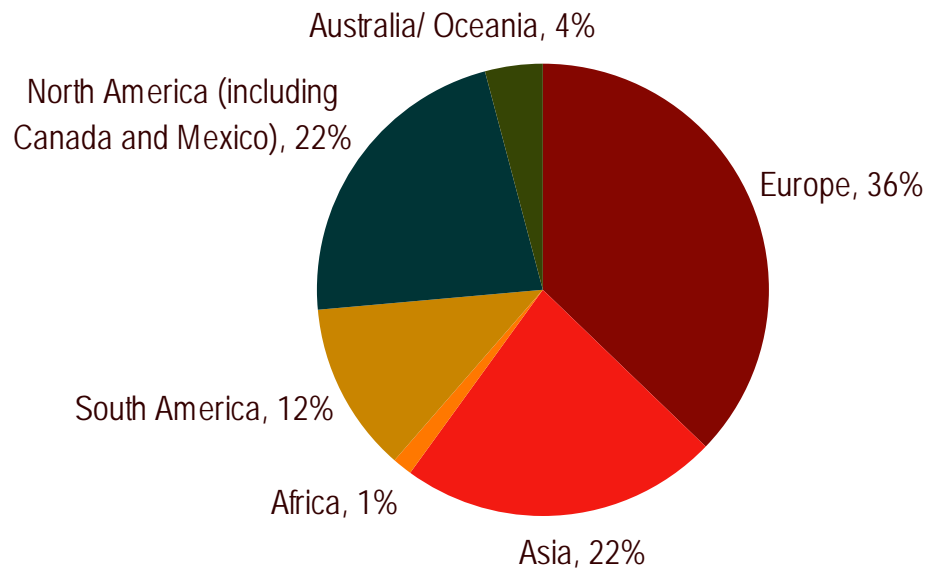
Feelings about International sales leads (n= 333, 82)



Q10. Using a yes or no response, please tell me if a sales lead from outside of the U.S. makes you feel...

Europe is the most appealing continent for expansion while China is most appealing country.

Preferred continent/country for expansion (n=418)



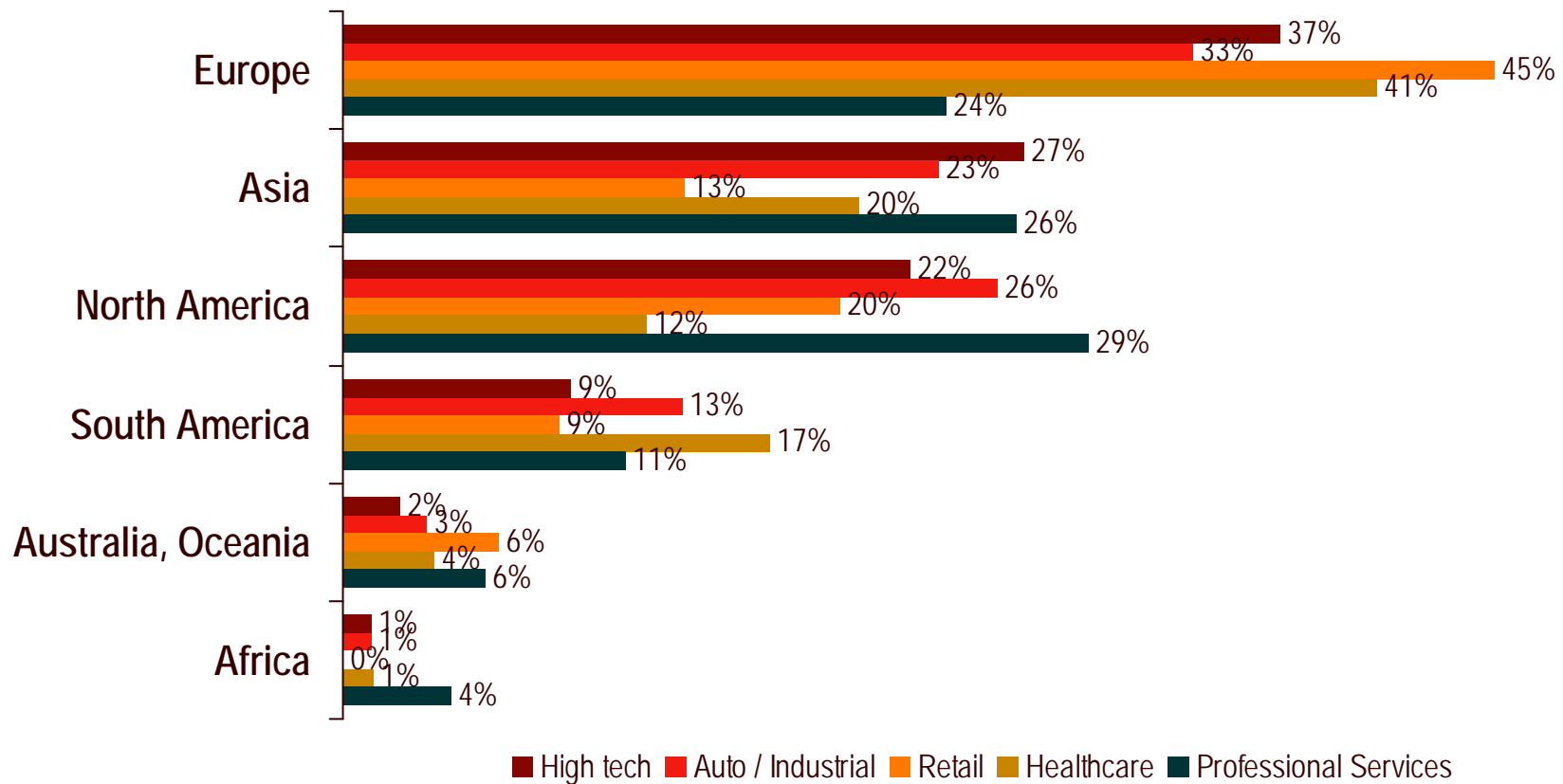
Most Preferred Countries

- China 14%
- UK 12%
- Canada 11%
- Germany 9%
- Brazil 7%
- Mexico 5%
- Australia 4%
- Japan 3%

Q11. Ideally, on which continent would you MOST PREFER to expand your business in the future?
Q12. In which country in ... would you prefer to do business?

Professional services and auto/industrial prefer expand closer to home (Canada, Mexico), while Europe is most appealing to retail and healthcare.

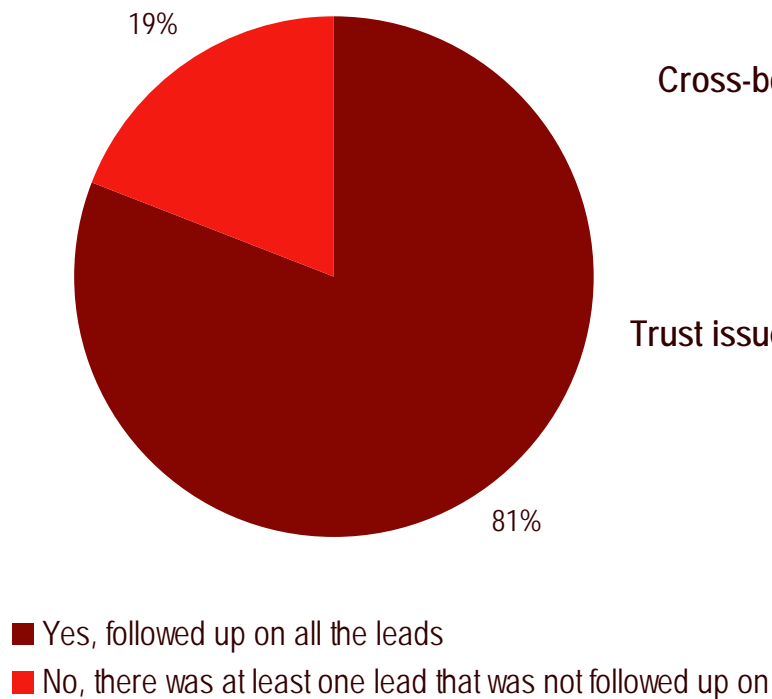
Preferred Continent for expansion by industry (n~80 per industry)



Q11. Ideally, on which continent would you MOST PREFER to expand your business in the future?

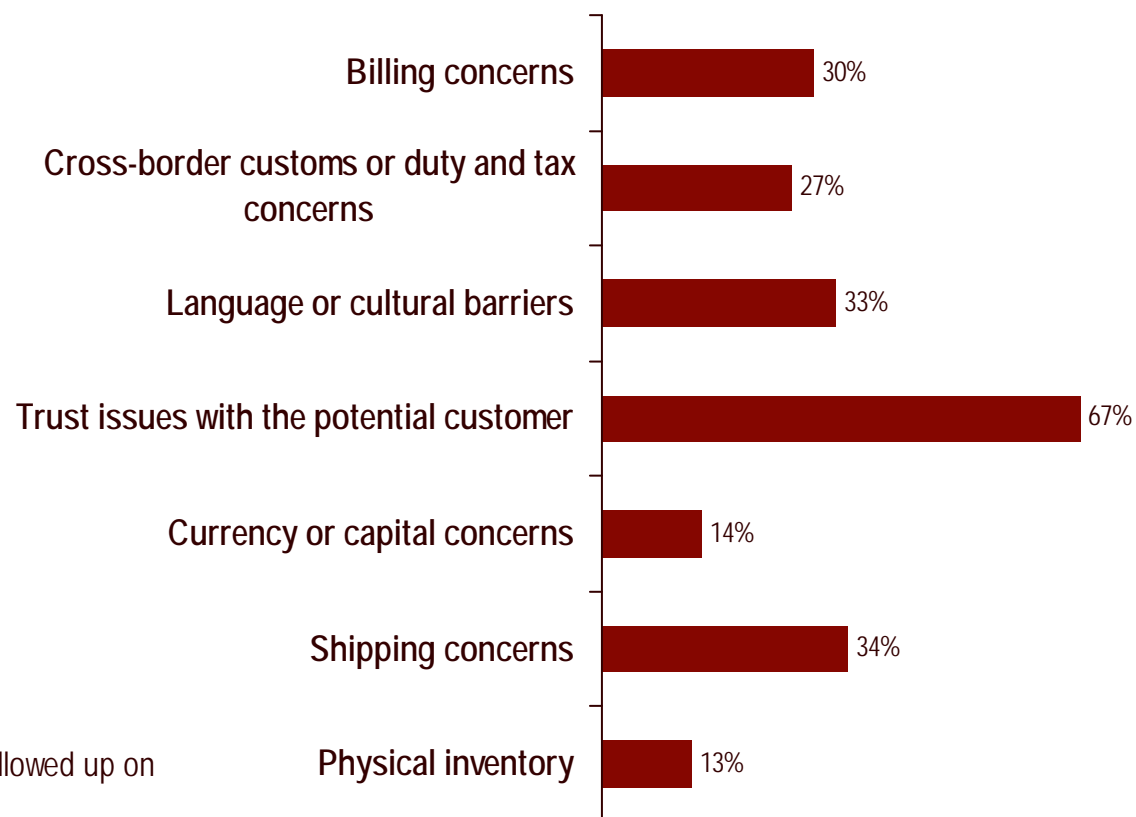
One in five businesses that export chose not to follow up on at least one lead from outside of the U.S. The reasons for this revolve mostly around trust issues, though shipping concerns are also a barrier about a third of the time.

Follow up on all int'l sales leads?
(n=333)



Q13. Within the past 3 months, did your company receive any potential sales leads from outside of the U.S.?

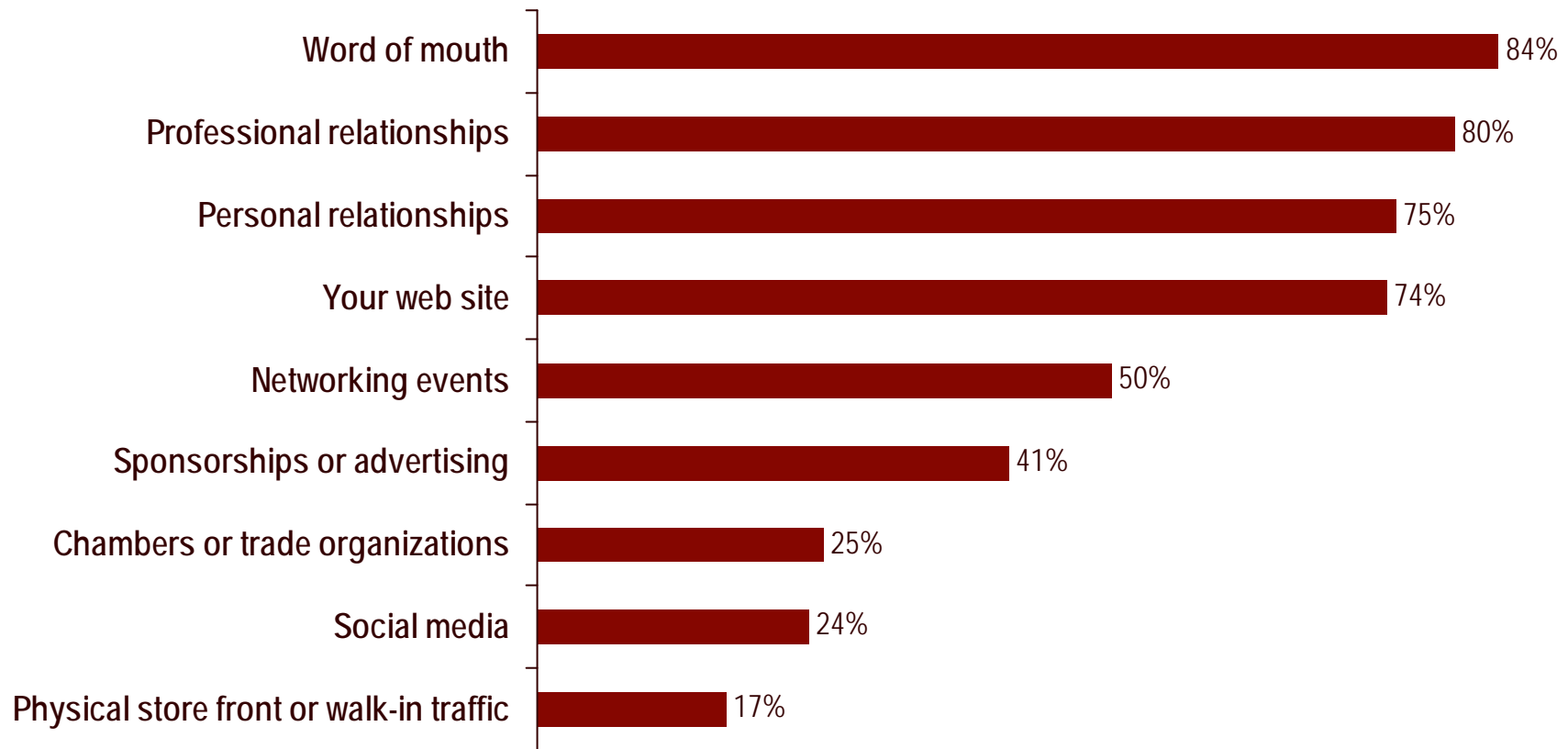
Why did you not follow up?
(n=64)



Marketing Communications/Social Media

Social media is a channel that only generated sales leads for a quarter of all companies.

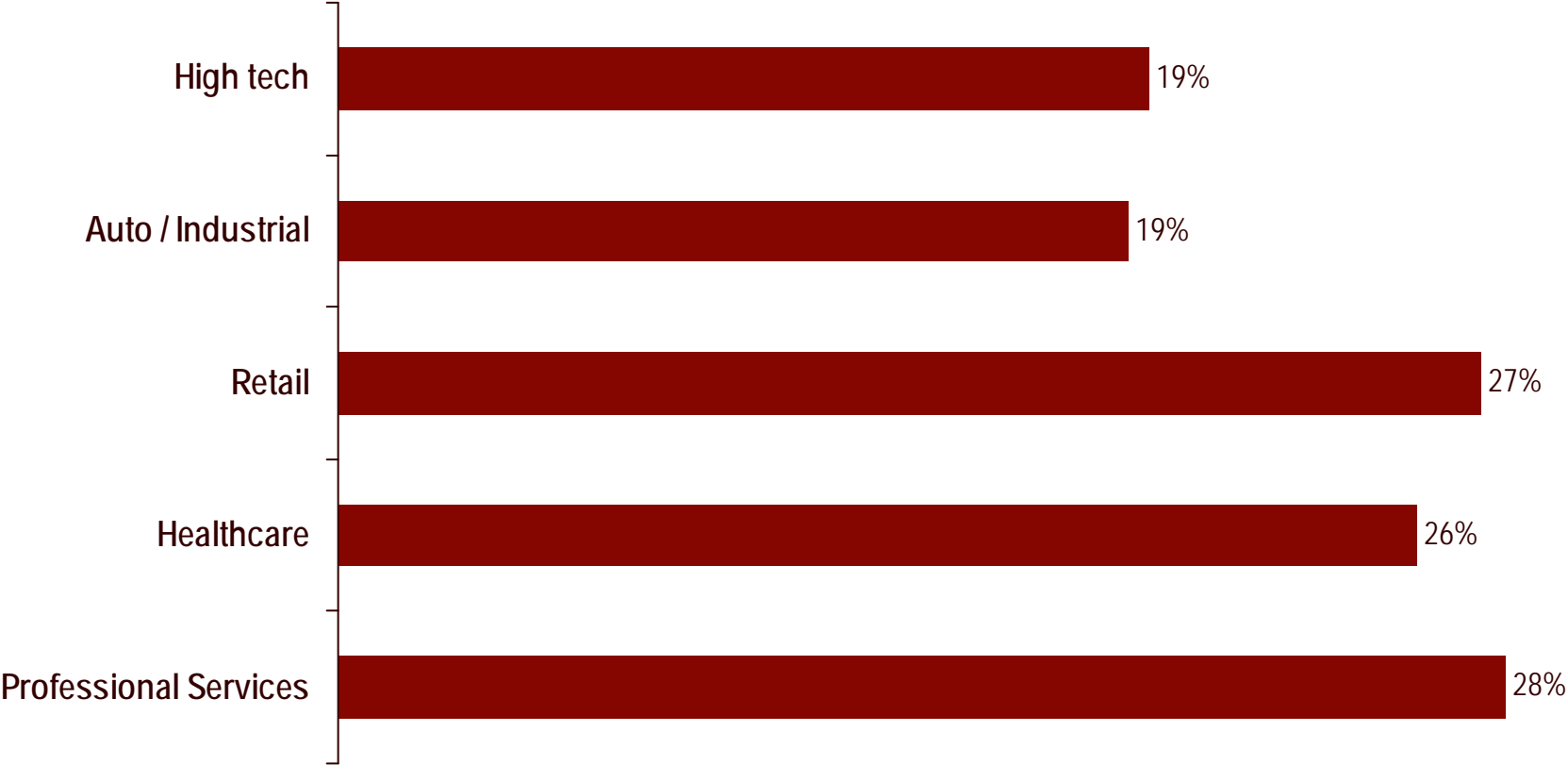
Channels that have generated sales leads (n=600)



Q15_01. In the last 12 months, please tell me if any of the following communication channels have provided a successful domestic or international business lead by answering yes or no for each.

High tech is the least effective industry when using social media.

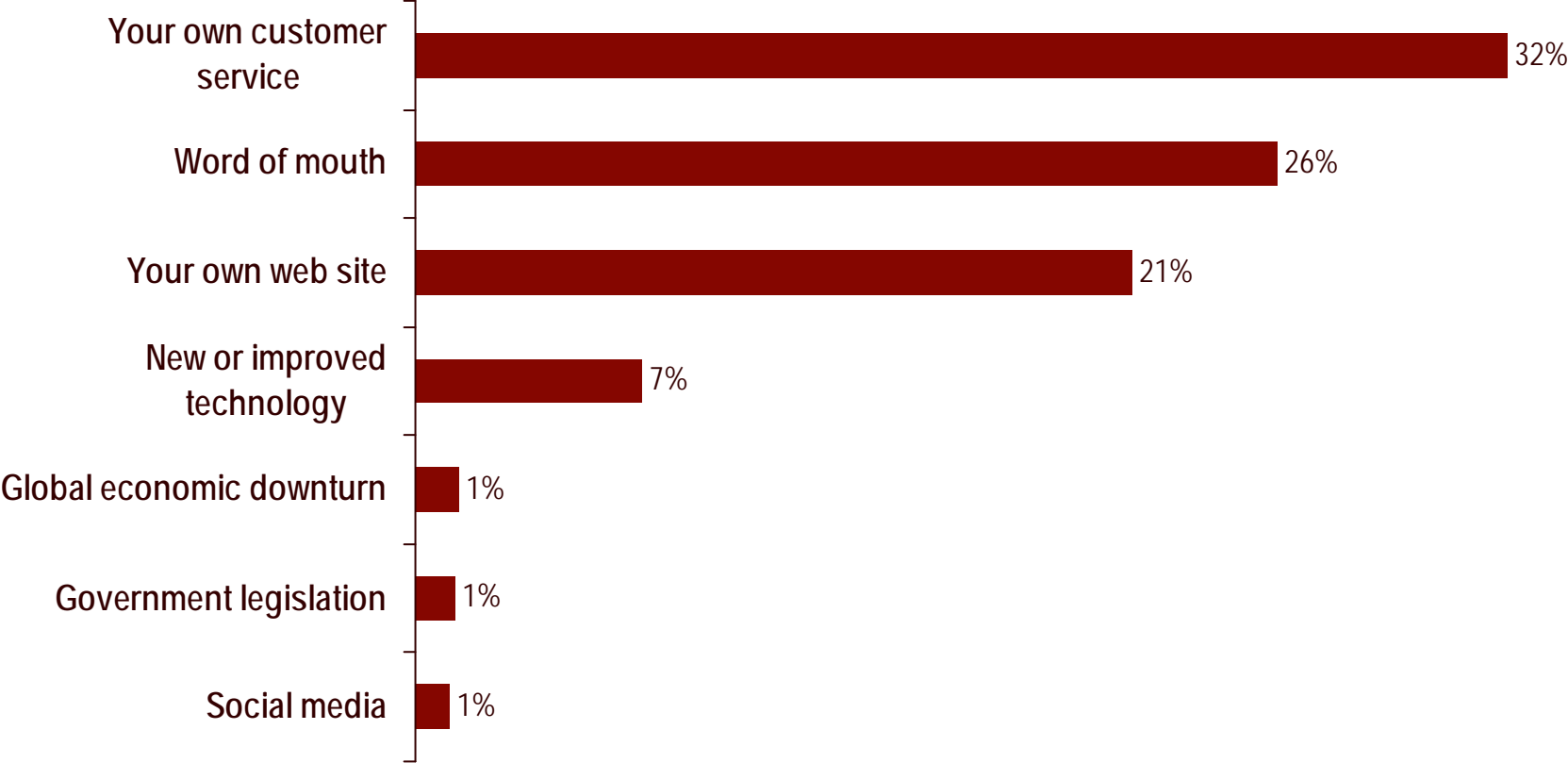
Social media effectiveness by industry (n~120 per industry)



Q15_01. In the last 12 months, please tell me if any of the following communication channels have provided a successful domestic or international business lead by answering yes or no for each.

Only 1 percent of small- and medium-sized businesses choose social media as an effective means of growing a company.

What has helped your company grow the most (n=600)

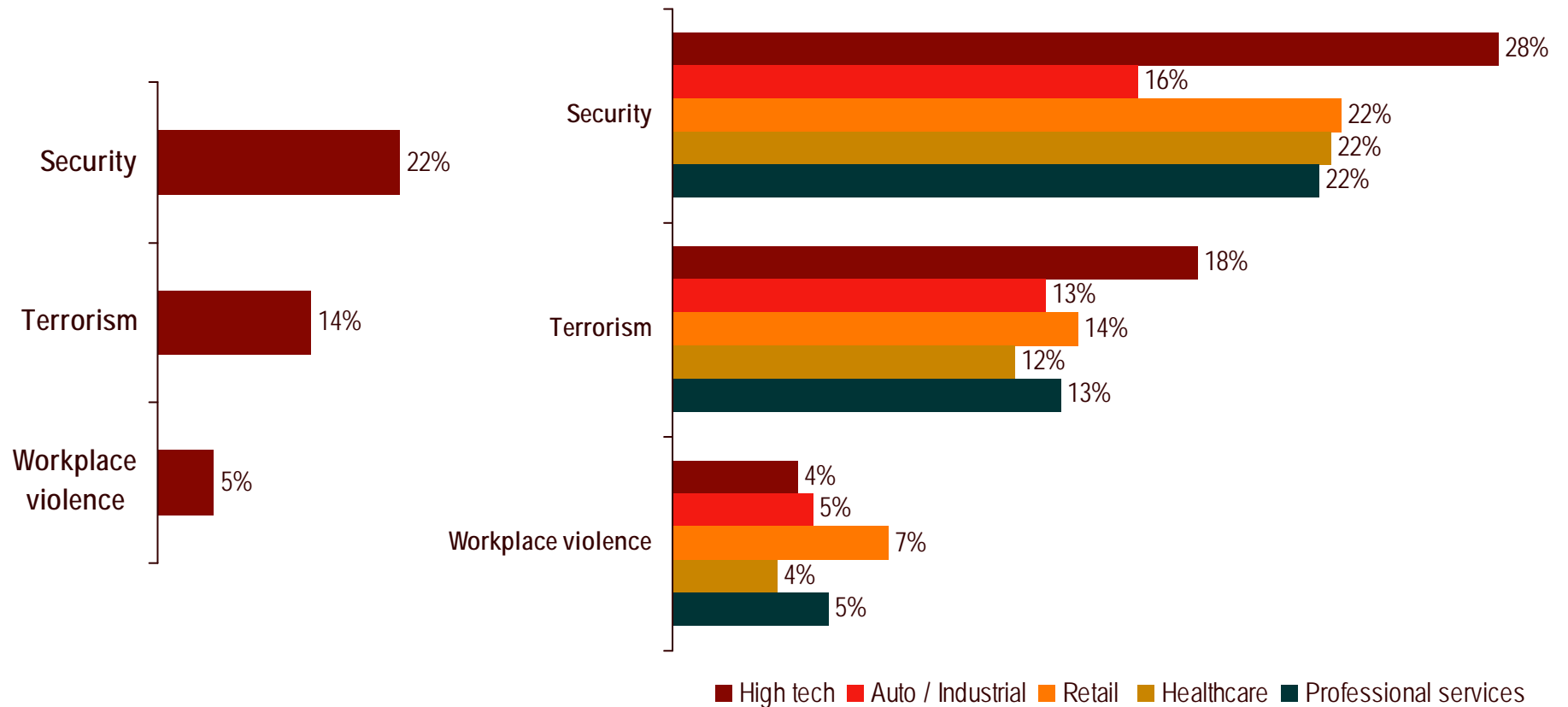


Q16. In addition to marketing communications, which ONE of the following factors has helped your business grow the MOST?

Security

General day-to-day security for their business is a concern for most businesses, especially high tech.

Concern with security-related issues (n=600, n~120 by industry)

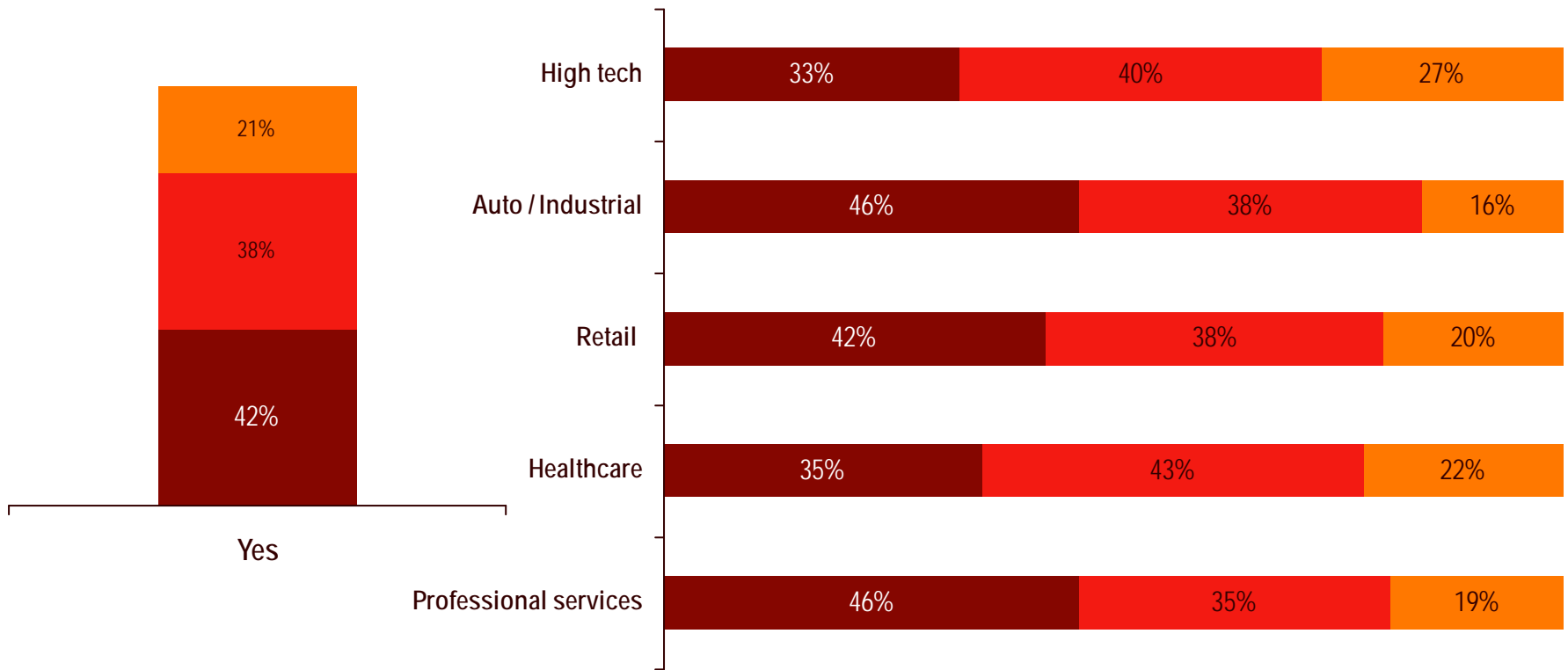


Top 3 box summary - Ratings of 8, 9, 10 on a 10 point scale.

Q4_01. Now I'll read some general business issues that impact some businesses. For each, please rate how concerned you are on a scale from 1 to 10 where 1 means not at all concerned and 10 means extremely concerned.

Intellectual property issues is a concern for all industries.

Concern with copyright/IP issues (n=600, n~120 by industry)



■ 1, 2, 3 ■ Middle 4 ■ 8, 9, 10

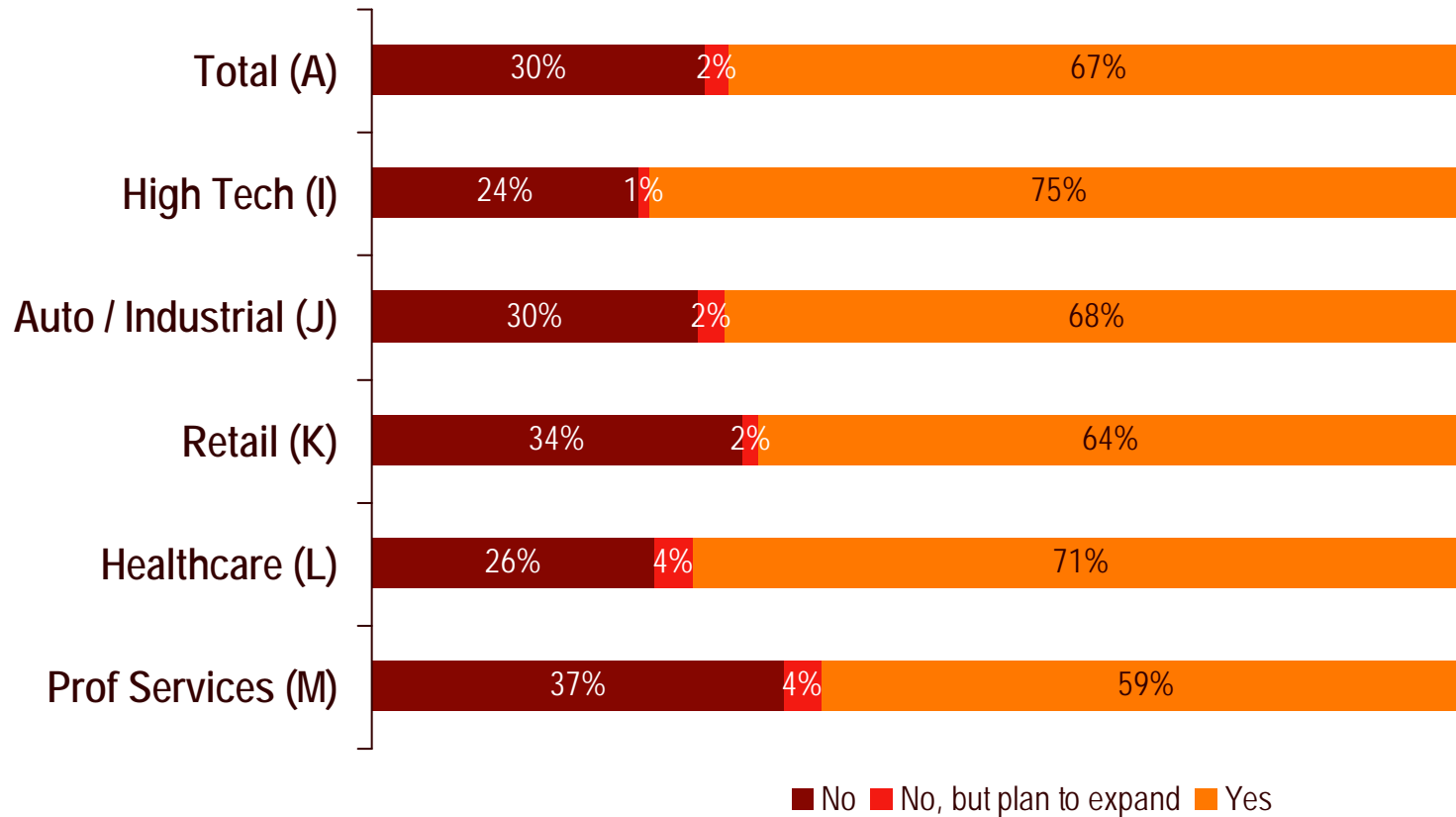
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Q4_01. Now I'll read some general business issues that impact some businesses. For each, please rate how concerned you are on a scale from 1 to 10 where 1 means not at all concerned and 10 means extremely concerned.

Industries

Sixty-seven percent of all companies surveyed have customers outside of the U.S. Only a small number of companies that do not export are currently planning on expanding.

Have customers outside of the U.S.? (n~120 per industry)

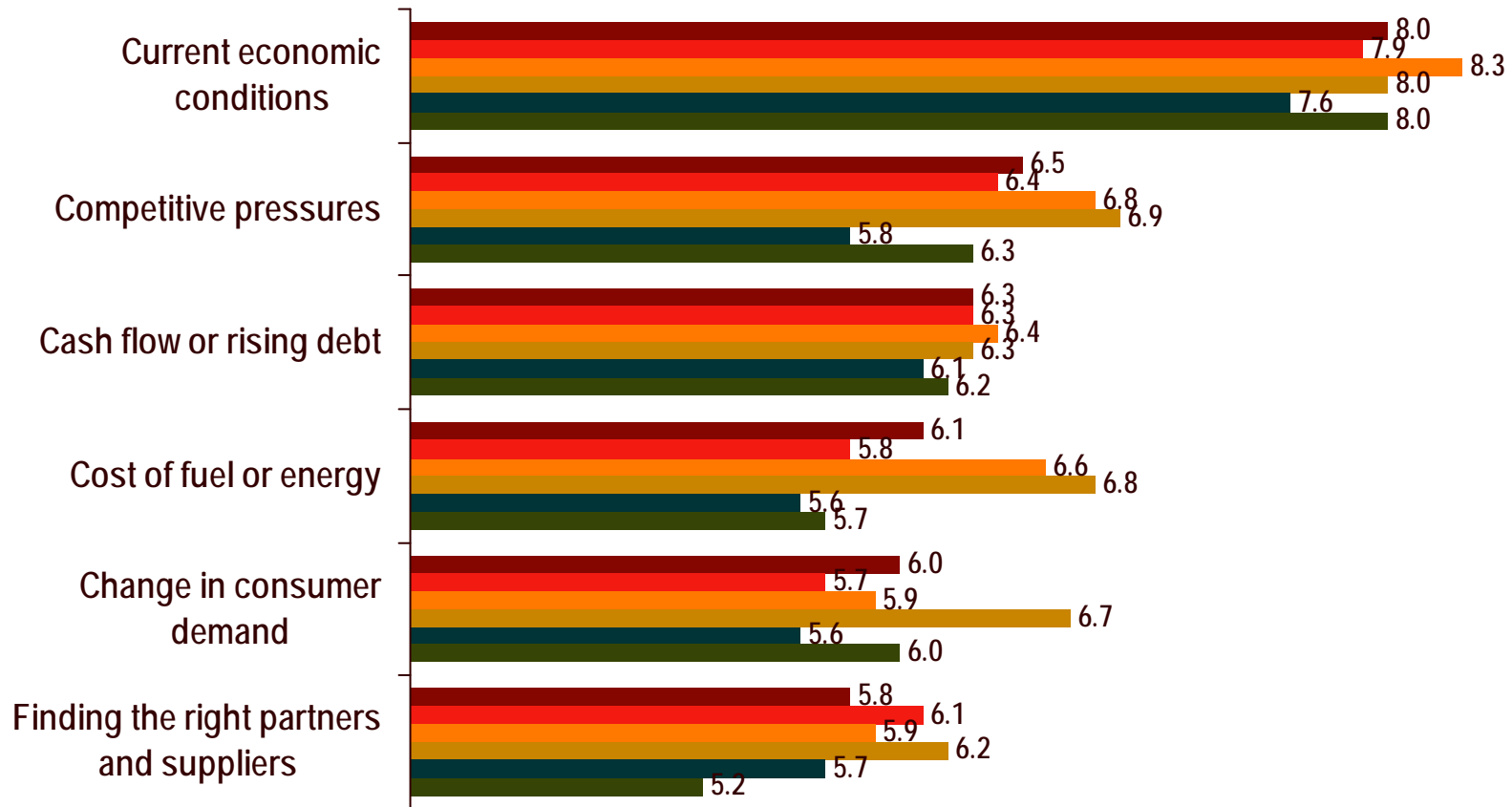


Q1. Does your company have customers outside of the U.S.?

Q3. In the next 18 months, does your company intend to expand to international markets? That is, to attract customers from outside of the U.S.?

Current economic conditions are the biggest concern for all industries.

General business issues by industry (n~120 per industry)



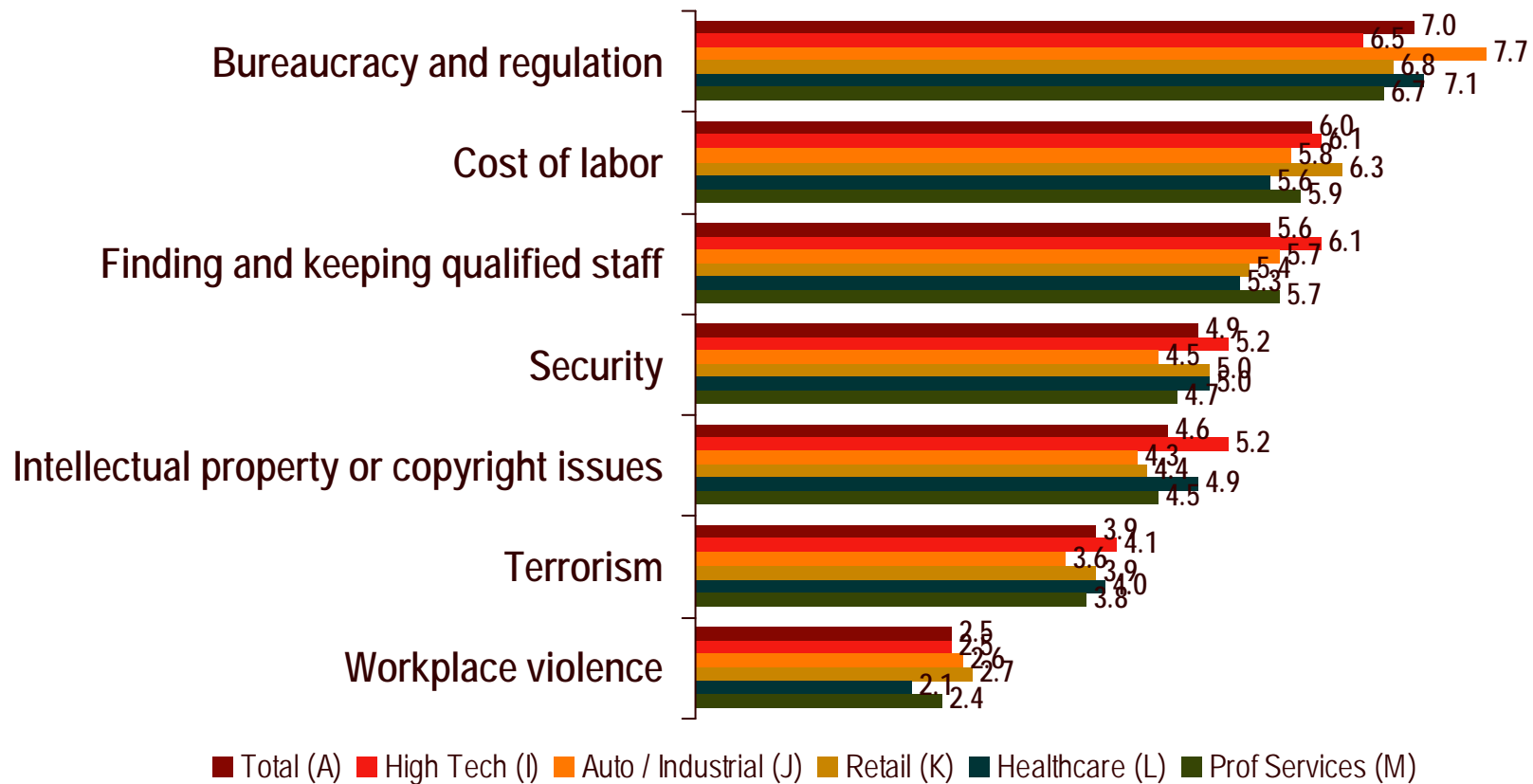
■ Total (A) ■ High Tech (I) ■ Auto / Industrial (J) ■ Retail (K) ■ Healthcare (L) ■ Prof Services (M)

Mean summary.

Q4. Now I'll read some general business issues that impact some businesses. For each, please rate how concerned you are on a scale from 1 to 10 where 1 means \not at all concerned\ and 10 means \extremely concerned.\

Bureaucracy is a concern across all industries. Security related concerns are consistently among the lowest.

Other business issues by industry (n~120 per industry)

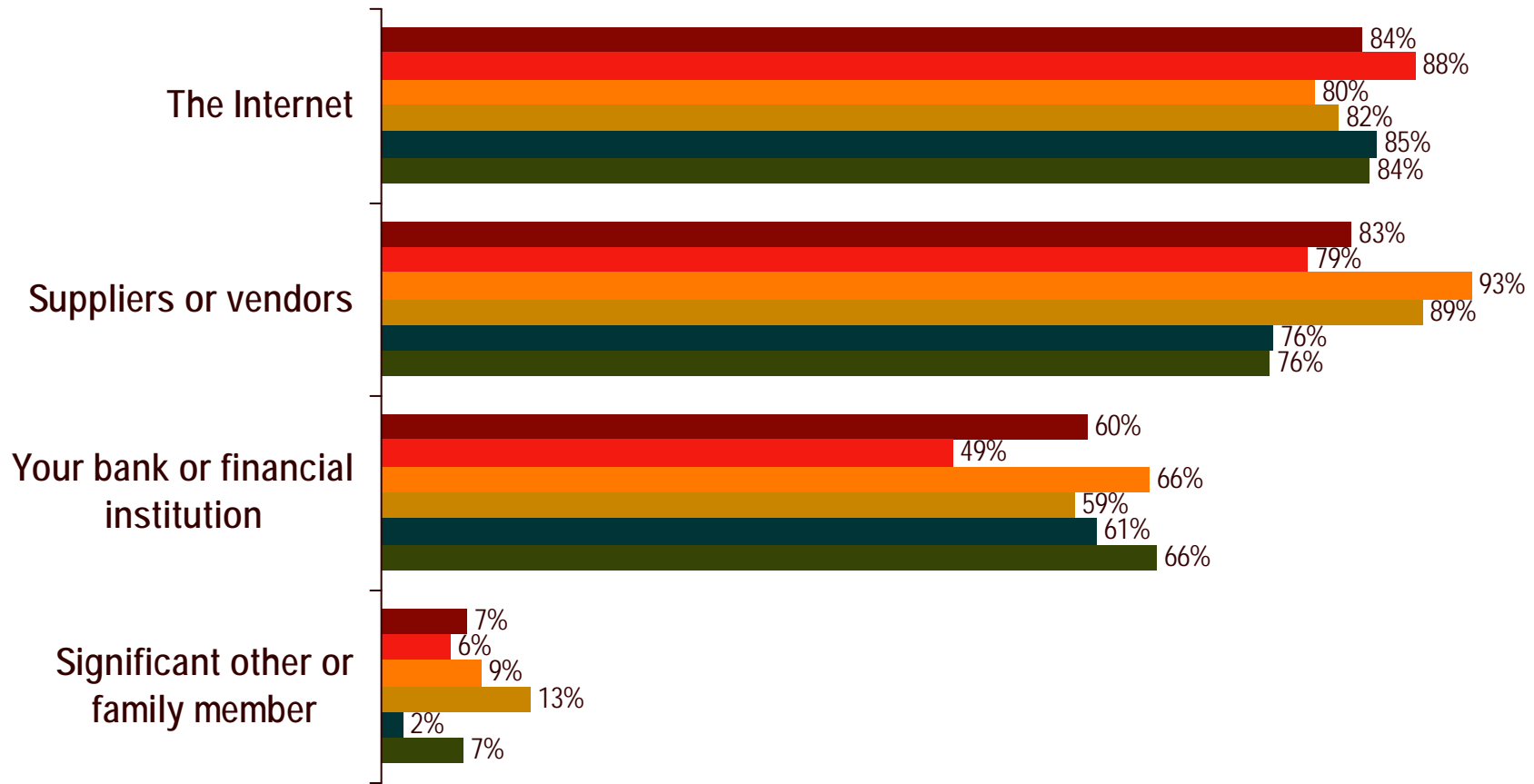


Mean summary.

Q4. Now I'll read some general business issues that impact some businesses. For each, please rate how concerned you are on a scale from 1 to 10 where 1 means \not at all concerned\ and 10 means \extremely concerned.\

Internet ranks as the most widely used resource overall.

Resources that businesses rely on (n~120 per industry)



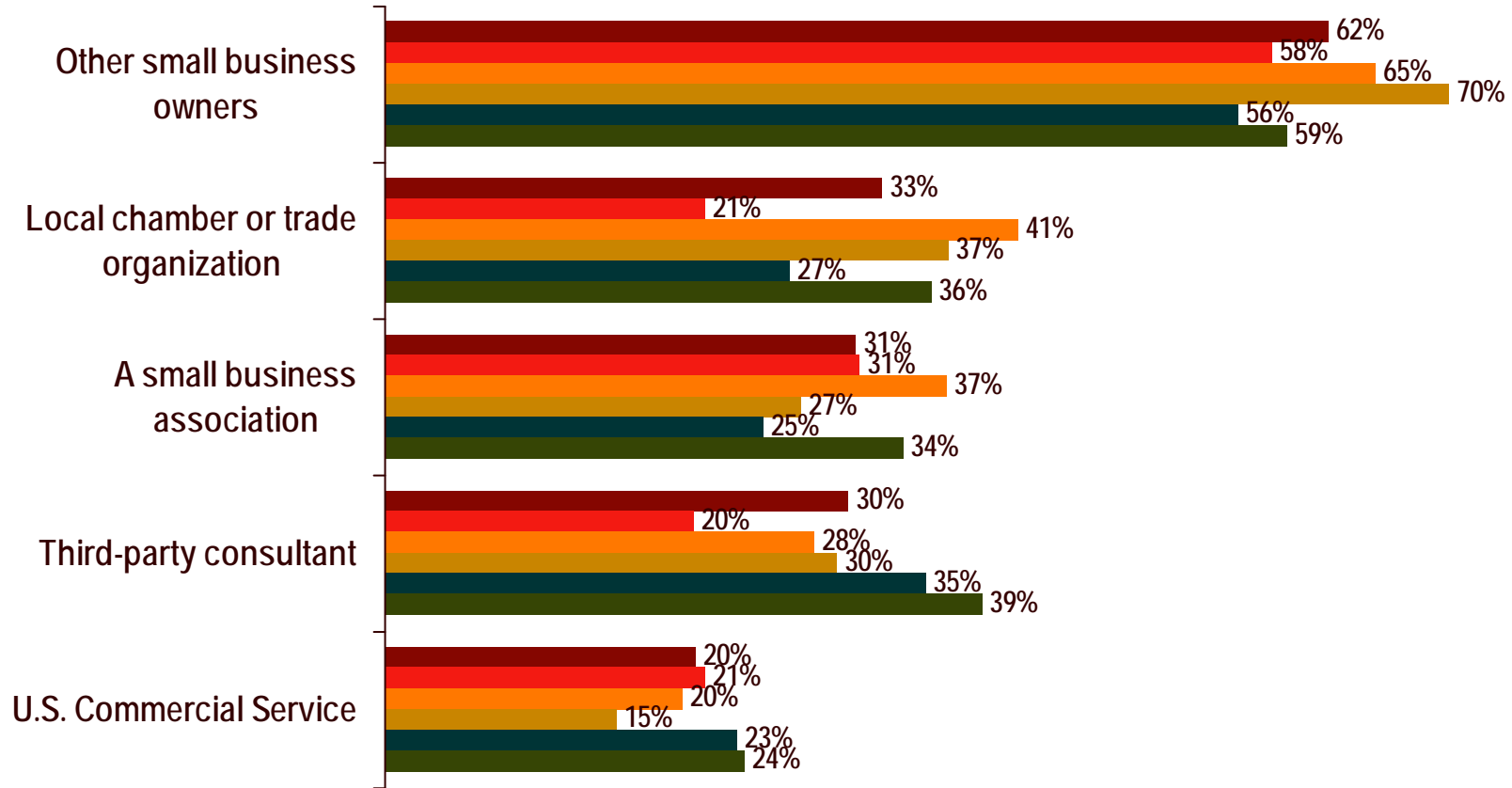
■ Total (A) ■ High Tech (I) ■ Auto / Industrial (J) ■ Retail (K) ■ Healthcare (L) ■ Prof Services (M)

** Yes Summary **

Q5. Please tell me whether or not you rely on the following resources for input to your business decisions by answering yes or no. Do you rely on...

Networking with other small business owners is very important and effective for decision-making. Other small business owners are heavily relied on, much more so than business associations and organizations.

Resources that businesses rely on (n~120 per industry)

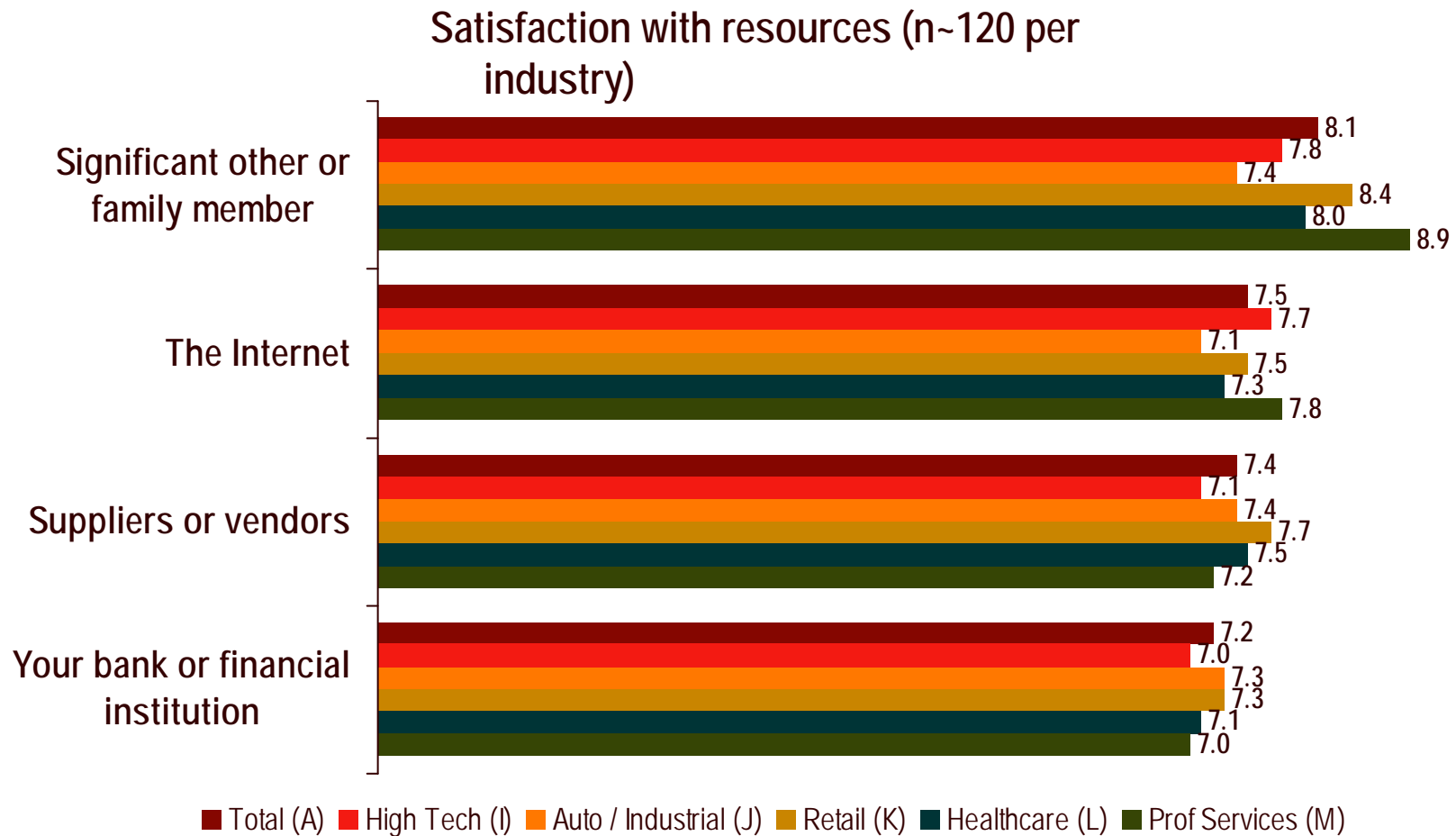


■ Total (A) ■ High Tech (I) ■ Auto / Industrial (J) ■ Retail (K) ■ Healthcare (L) ■ Prof Services (M)

** Yes Summary **

Q5. Please tell me whether or not you rely on the following resources for input to your business decisions by answering yes or no. Do you rely on...

Though family is actually not heavily relied on, they get the highest satisfaction ratings among those that do. Internet, banks, and vendors all achieve similar satisfaction ratings.

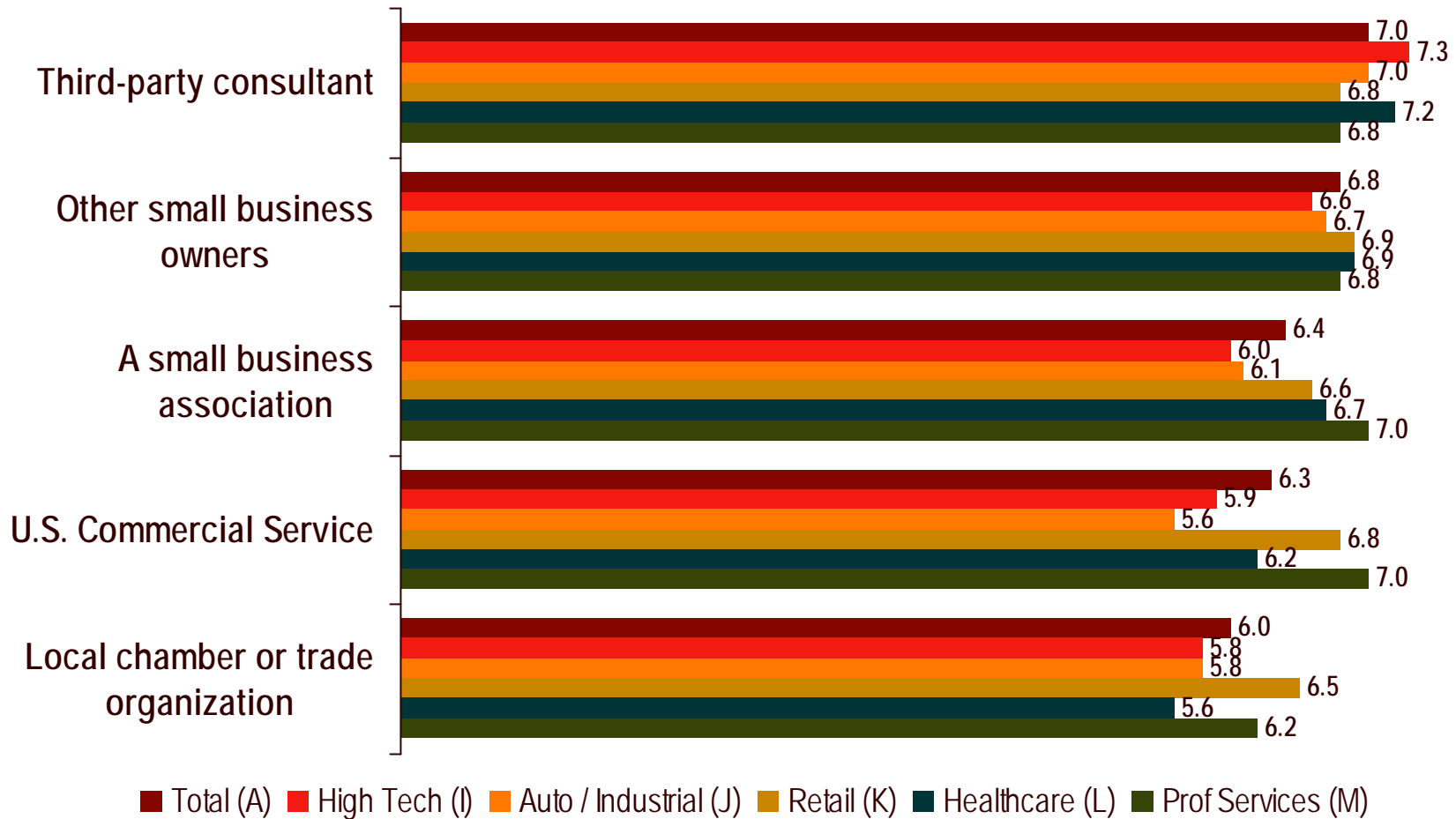


Mean summary.

Q5c. Thinking about those resources currently at your disposal, please rate them by using a scale from 1 to 10 where 1 means \not at all satisfied\ and 10 means \extremely satisfied.\

Business associations and organizations typically fall on the lower end of the scale when it comes to satisfaction. They also have a much lower percentage of businesses that rely on them.

Satisfaction with resources (n~120 per industry)



Mean summary.

Q5c. Thinking about those resources currently at your disposal, please rate them by using a scale from 1 to 10 where 1 means \not at all satisfied\ and 10 means \extremely satisfied.\

Most businesses in all industries expanded into international markets with a plan in place, and have little frustration in doing business abroad.

Attitudes towards doing business abroad (n~120 per industry)



Mean summary

Q6. For each of the following statements I read, please tell me how much you agree or disagree by using a scale from 1 to 10 where 1 means \strongly disagree\ and 10 means \strongly agree.\

Healthcare worries less than other industries that it won't be able to achieve its business goals.

Attitudes on efficiency and business goals (n~120 per industry)



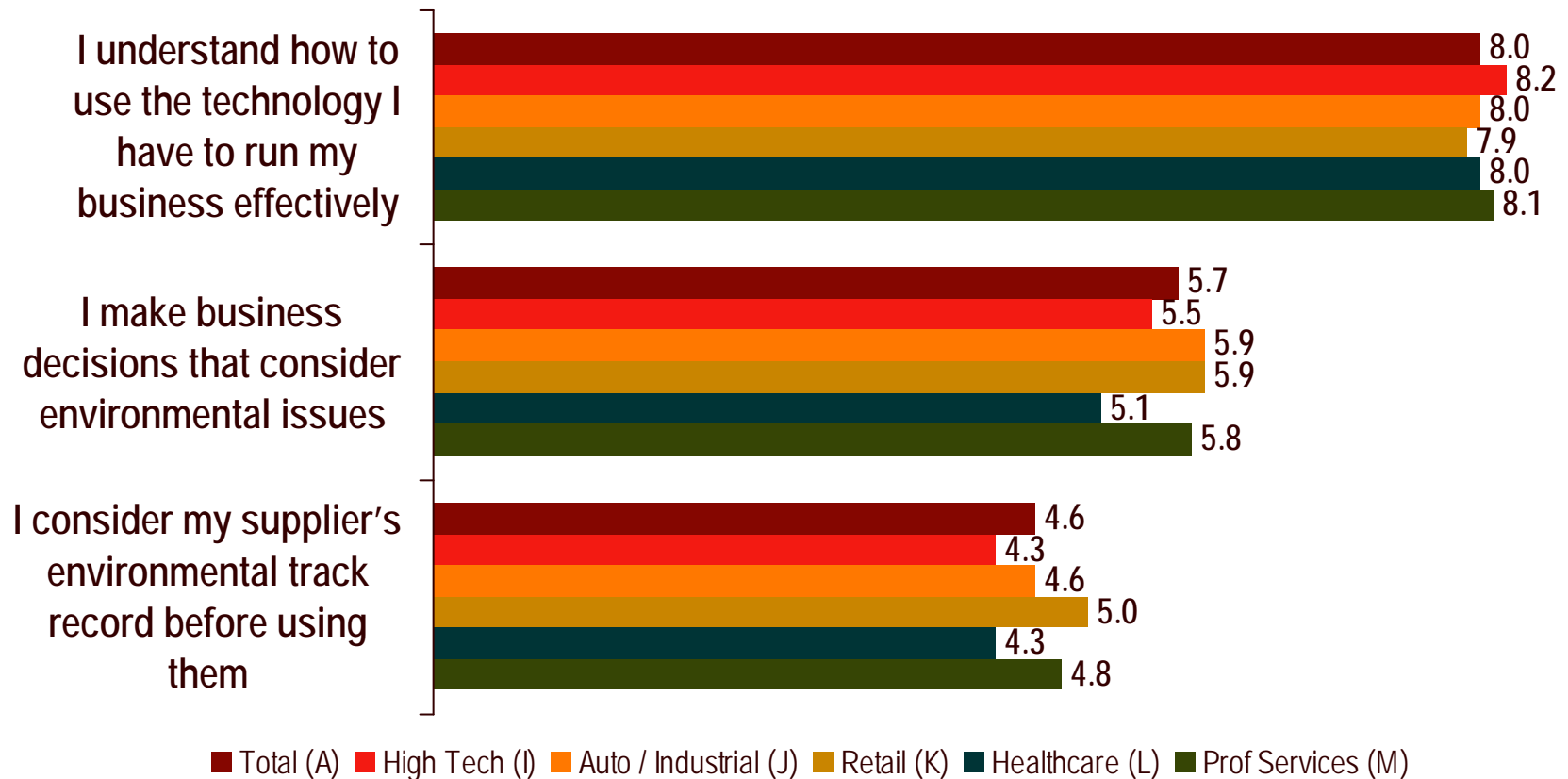
■ Total (A) ■ High Tech (I) ■ Auto / Industrial (J) ■ Retail (K) ■ Healthcare (L) ■ Prof Services (M)

Mean summary

Q6. For each of the following statements I read, please tell me how much you agree or disagree by using a scale from 1 to 10 where 1 means \strongly disagree\ and 10 means \strongly agree.\

Overall, most businesses do not show a strong commitment to environmental issues.

Attitudes on environment and technology (n~120 per industry)

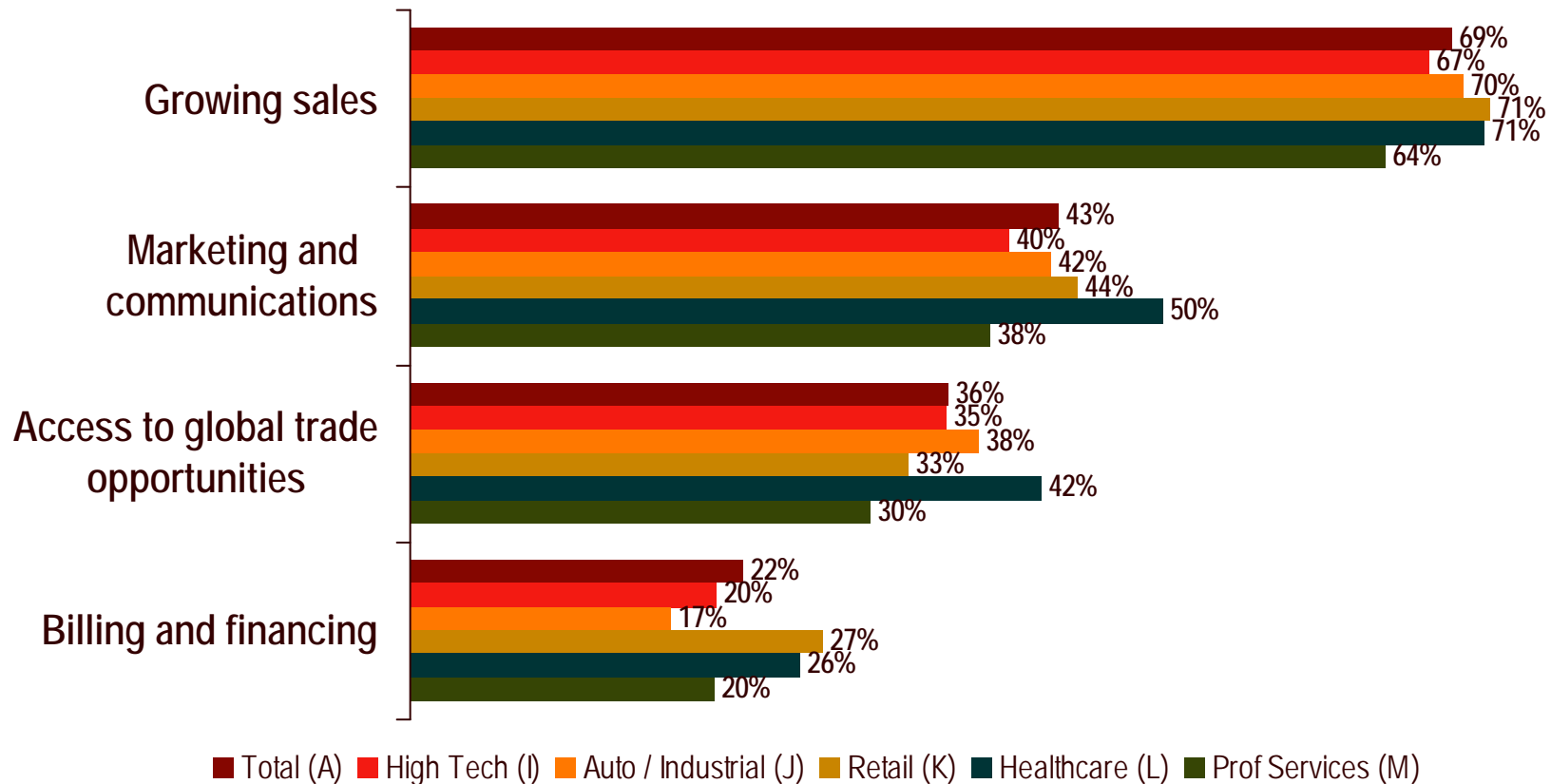


Mean summary.

Q6. For each of the following statements I read, please tell me how much you agree or disagree by using a scale from 1 to 10 where 1 means \strongly disagree\ and 10 means \strongly agree.\

Companies across all industries are looking for assistance in growing sales.

Looking for assistance – Sales (n~120 per industry)

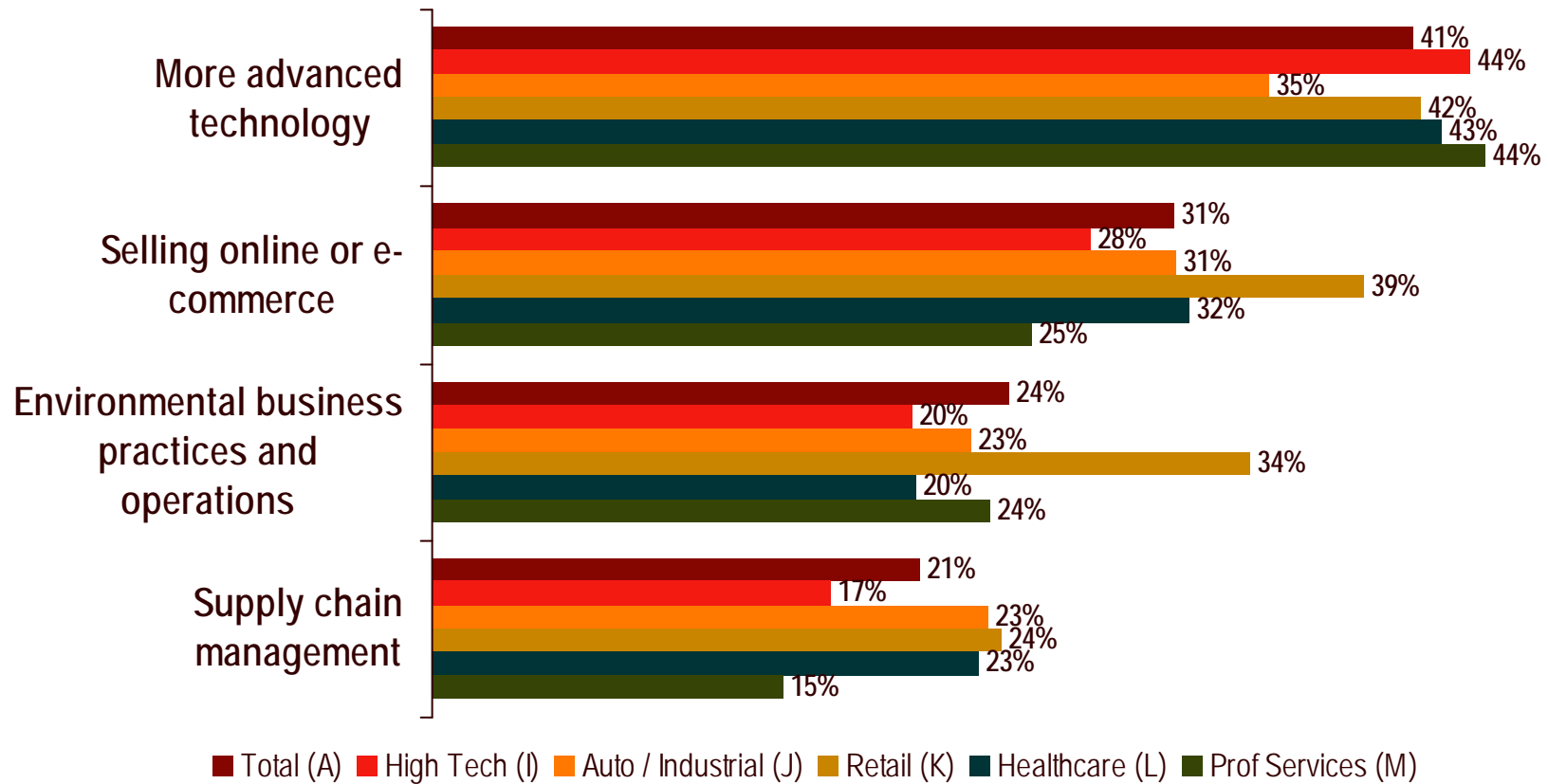


** Yes Summary **

Q7. Please tell me if your business is currently looking for assistance with each of the following by answering yes or no.

Retailers are more likely to seek assistance in environmental business practices and are most likely to position themselves as eco-friendly to their consumers.

Looking for assistance – technology and environment (n~120 per industry)

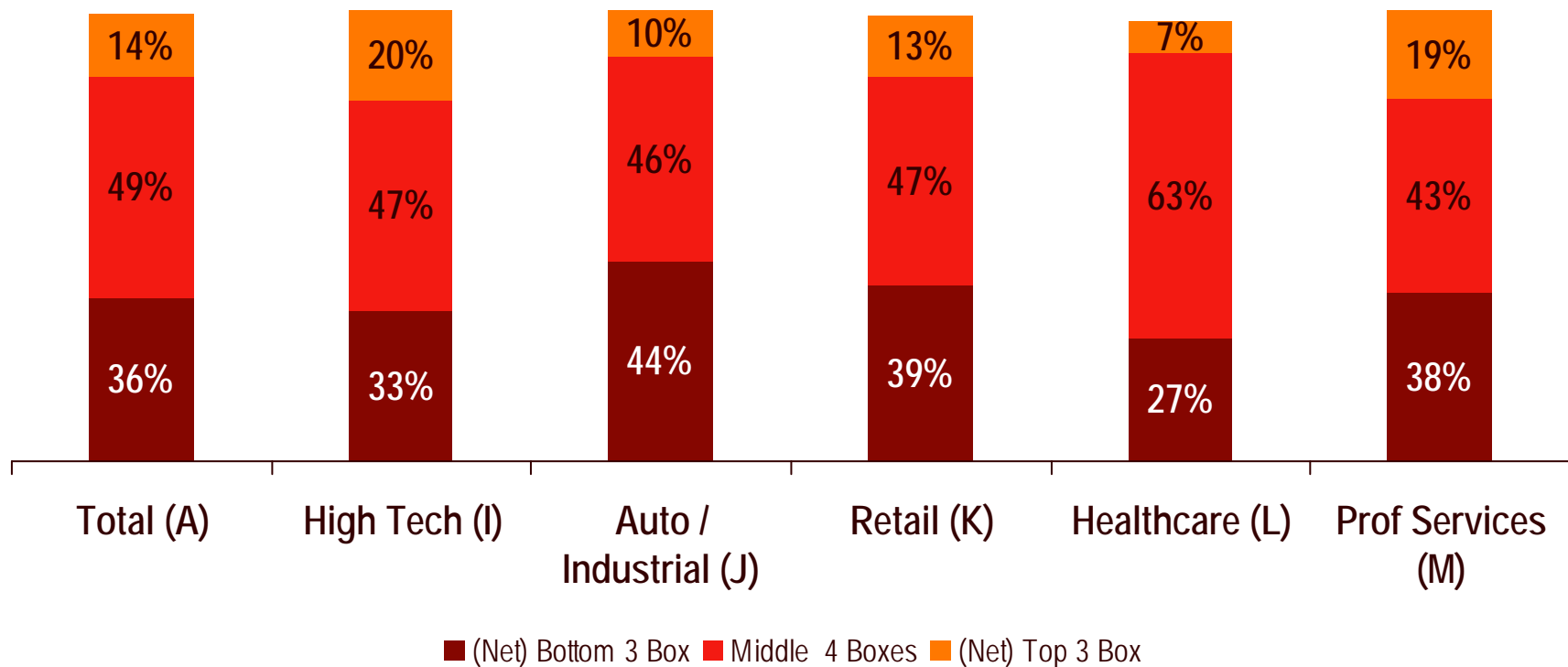


** Yes Summary **

Q7. Please tell me if your business is currently looking for assistance with each of the following by answering yes or no.

Overall, exporting has had a limited impact on overall sales for most companies. Only 14 percent of respondents rate exporting as impacting their overall sales.

Impact of exporting on sales growth (n~120 per industry)



Q8. Using a scale from 1 to 10 where 1 means \no growth at all\ and 10 means \extreme growth\, how would you rate the impact of your business outside the United States on your company's overall sales?

Customs appears to be a bigger barrier to international expansion for healthcare companies, while professional services finds tax structures more of a barrier.

Barriers to expanding abroad (n~80 per industry)

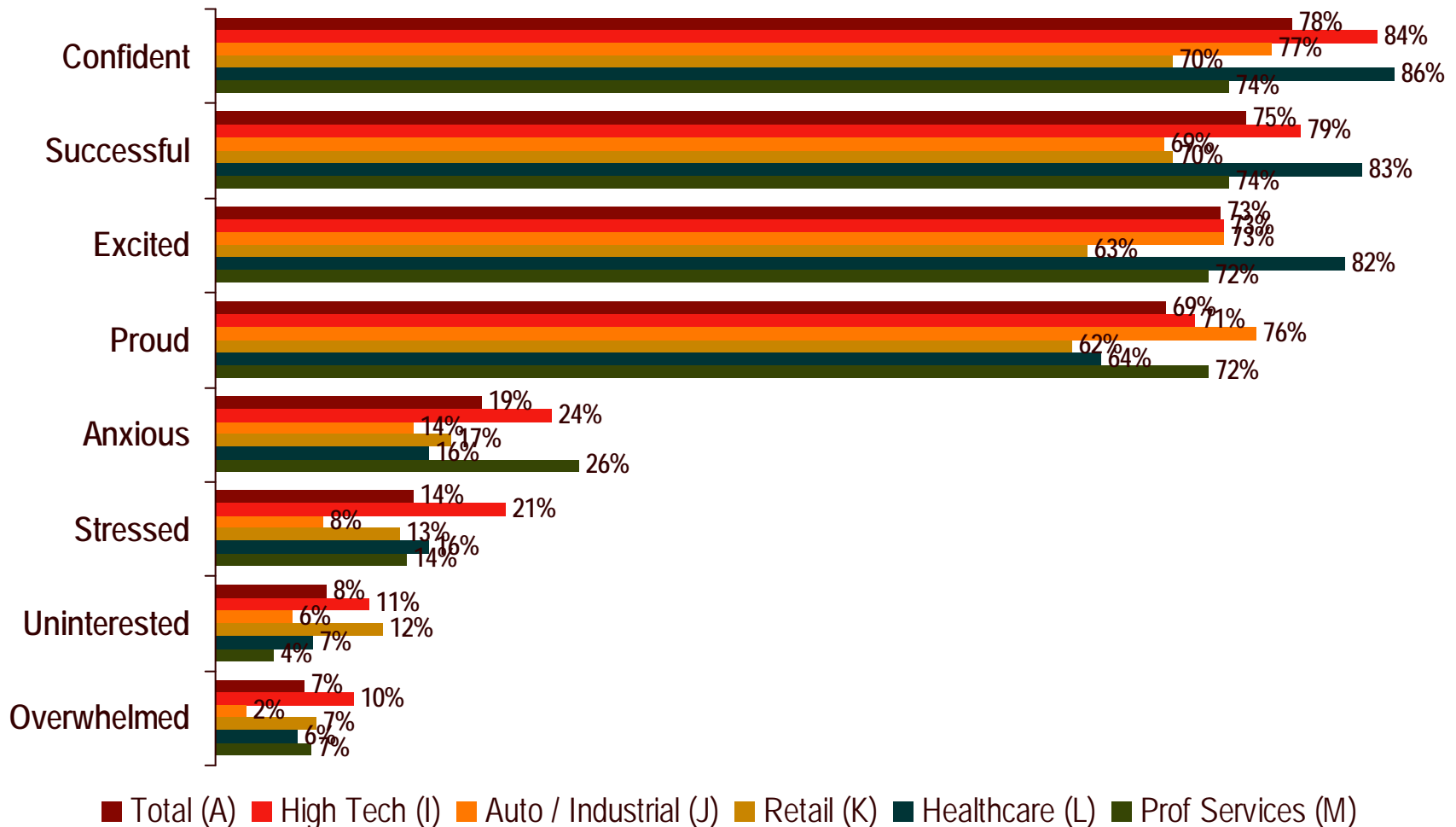


■ Total (A) ■ High Tech (I) ■ Auto / Industrial (J) ■ Retail (K) ■ Healthcare (L) ■ Prof Services (M)

Q9. Please indicate the extent to which the following is a barrier to expanding your business outside of the U.S. by using a scale from 1 to 10, where 1 means \no barrier at all\ and 10 means \extreme barrier.\

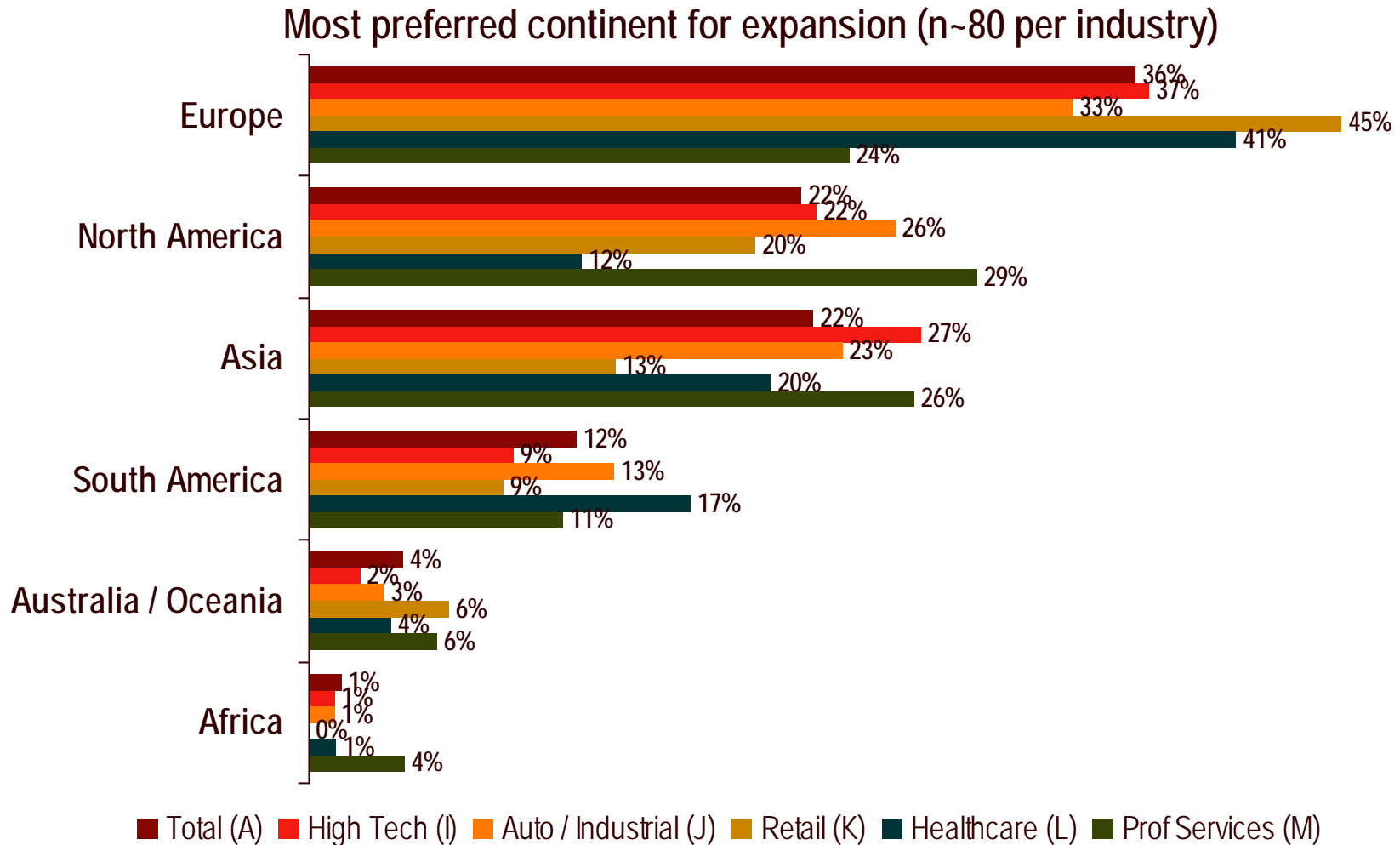
Businesses feel overwhelmingly positive towards receiving sales leads from outside of the U.S. However, it can make some feel anxious or stressed.

Emotions related to an international sales lead (n~80 per industry)



Q10. Using a yes or no response, please tell me if a sales lead from outside of the U.S. makes you feel... ** Yes Summary **

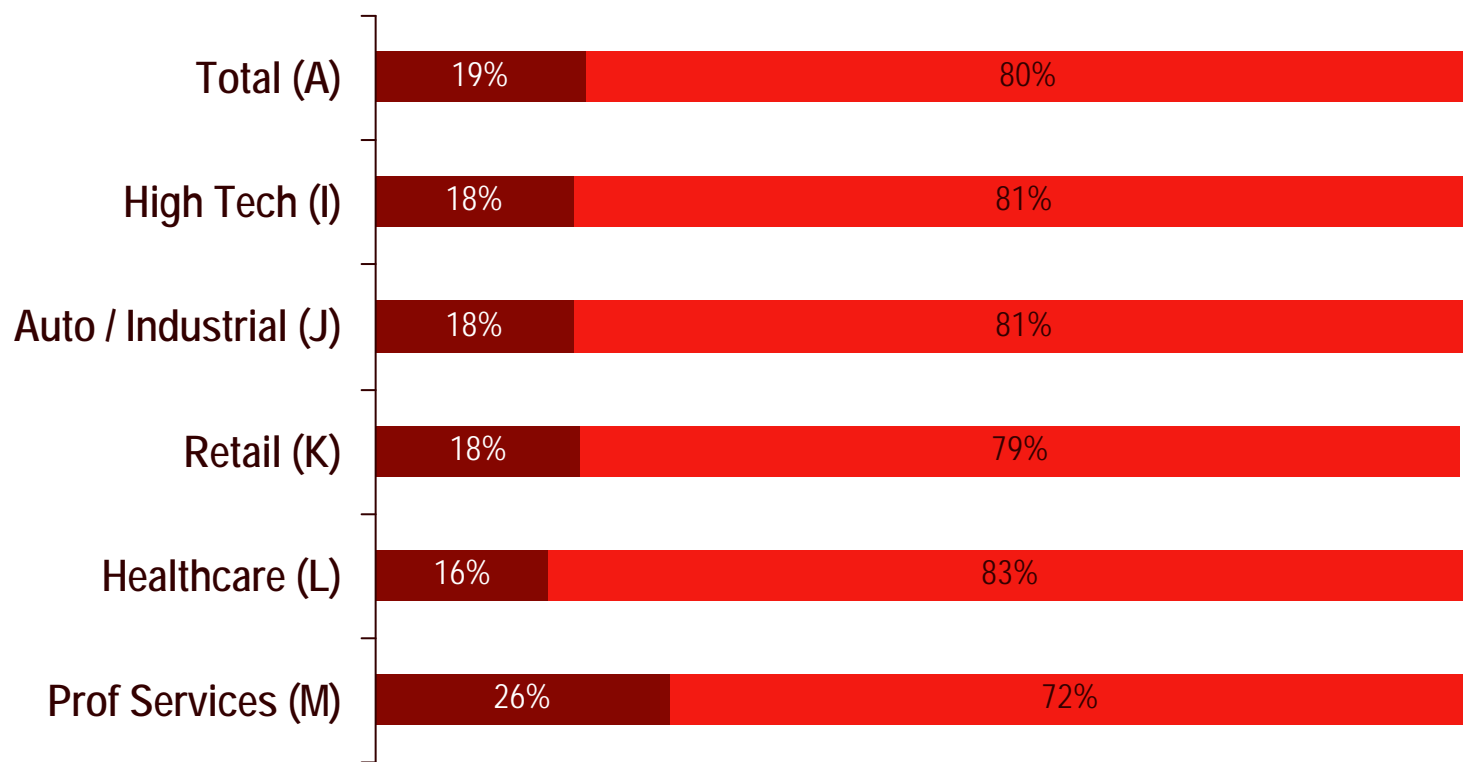
Europe is the most preferred continent for expansion. North America (Canada, Mexico) and Asia (mostly China) have similar interest overall.



Q11. Ideally, on which continent would you MOST PREFER to expand your business in the future?
 Base: Have or will have international customers

Four out of five companies that export received sales leads from outside of the U.S. in the past three months.

Received sales leads from outside of the U.S. (n~80 per industry)

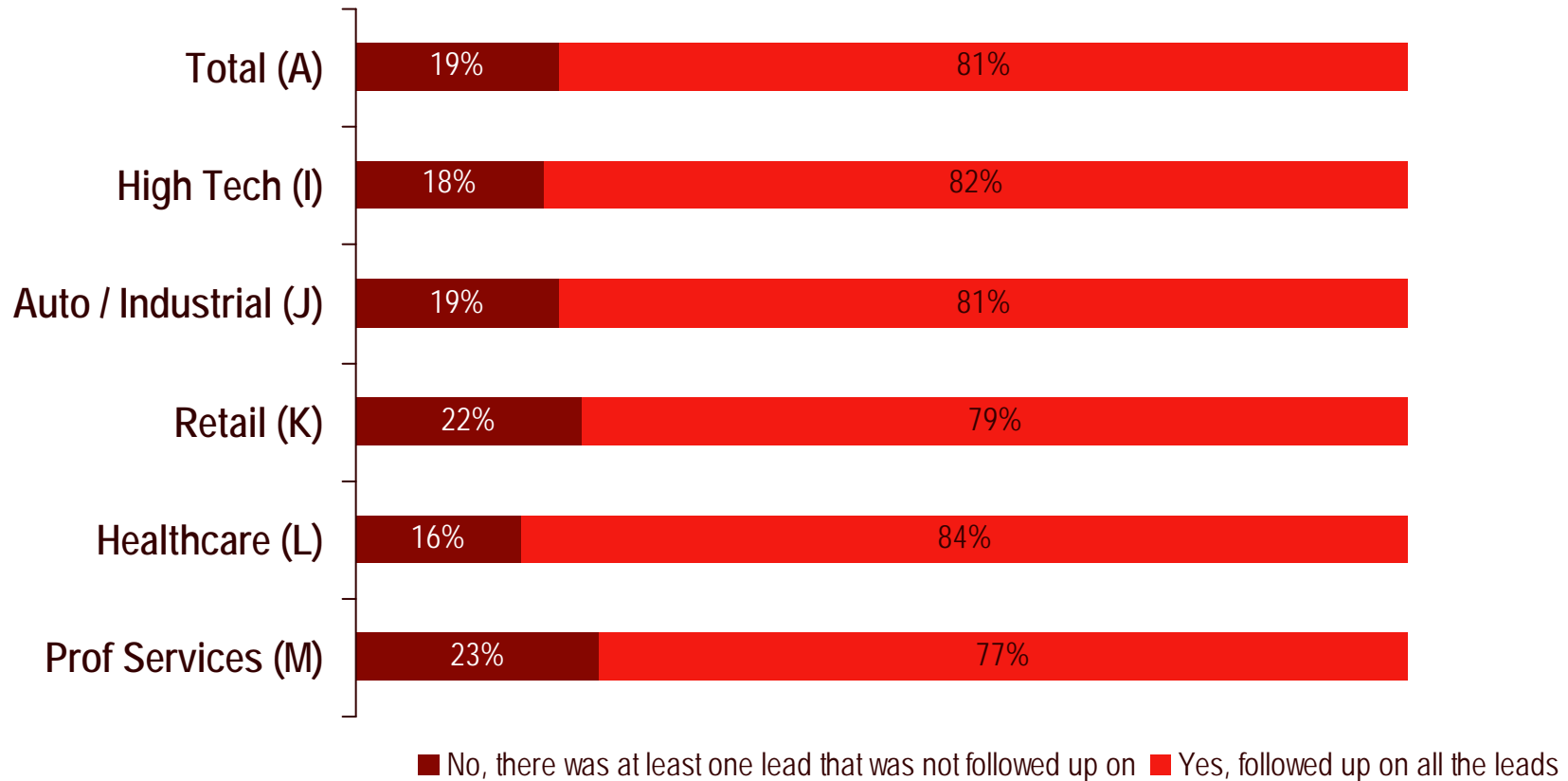


■ No ■ Yes

Q13. Within the past 3 months, did your company receive any potential sales leads from outside of the U.S.? Base: Have or will have international customers

Nineteen percent of all companies chose not to follow up on at least one sales lead.

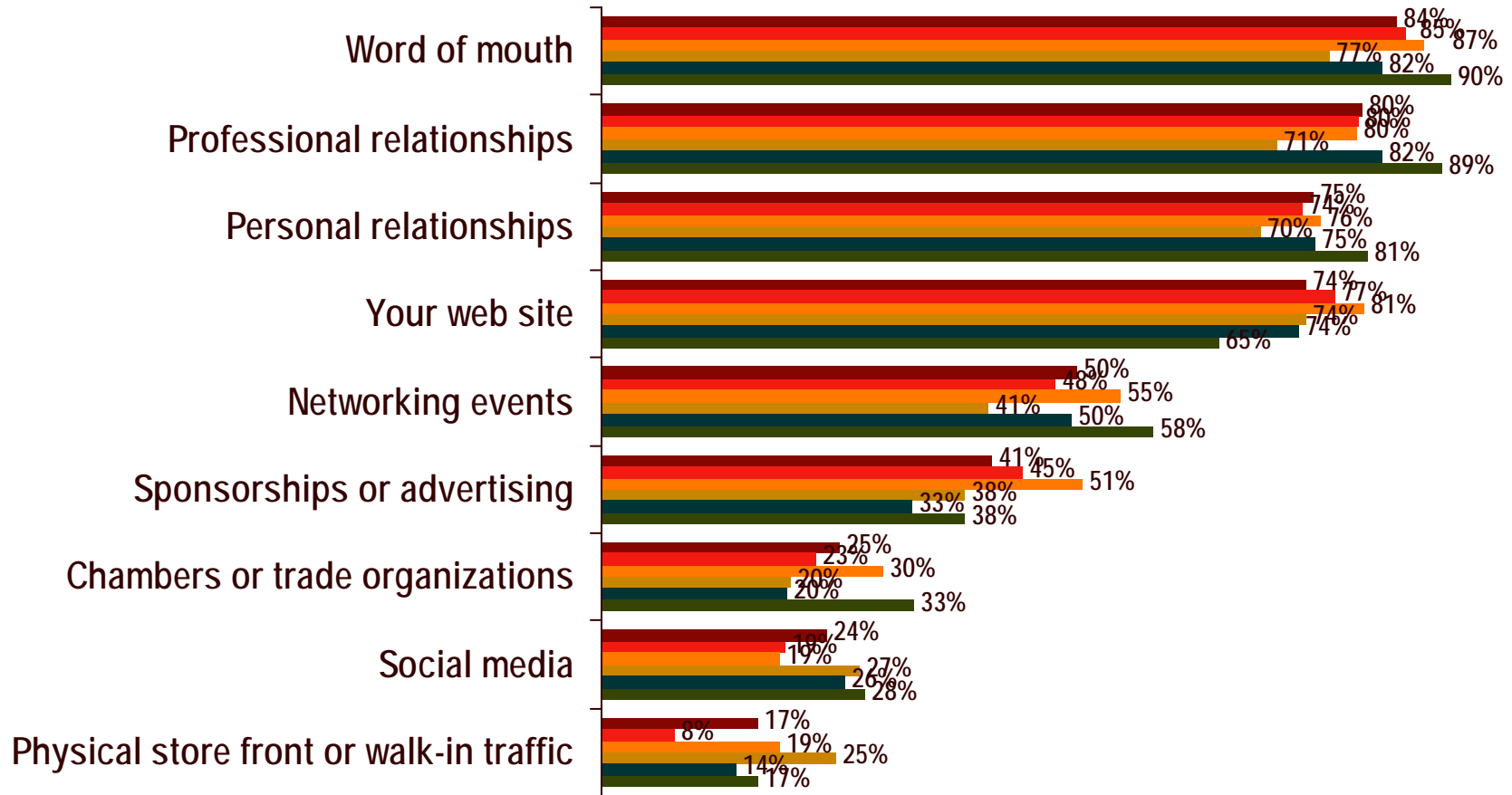
Follow up on all sales leads? (n~65 per industry)



Q13b. Did you follow up on all of those leads, or were there some that your company chose NOT to follow up on? Base: Received international sales lead

Word of mouth, relationships, web sites, and networking are consistently the most effective communications channels.

Communications channel that provided successful lead (n~120 per industry)



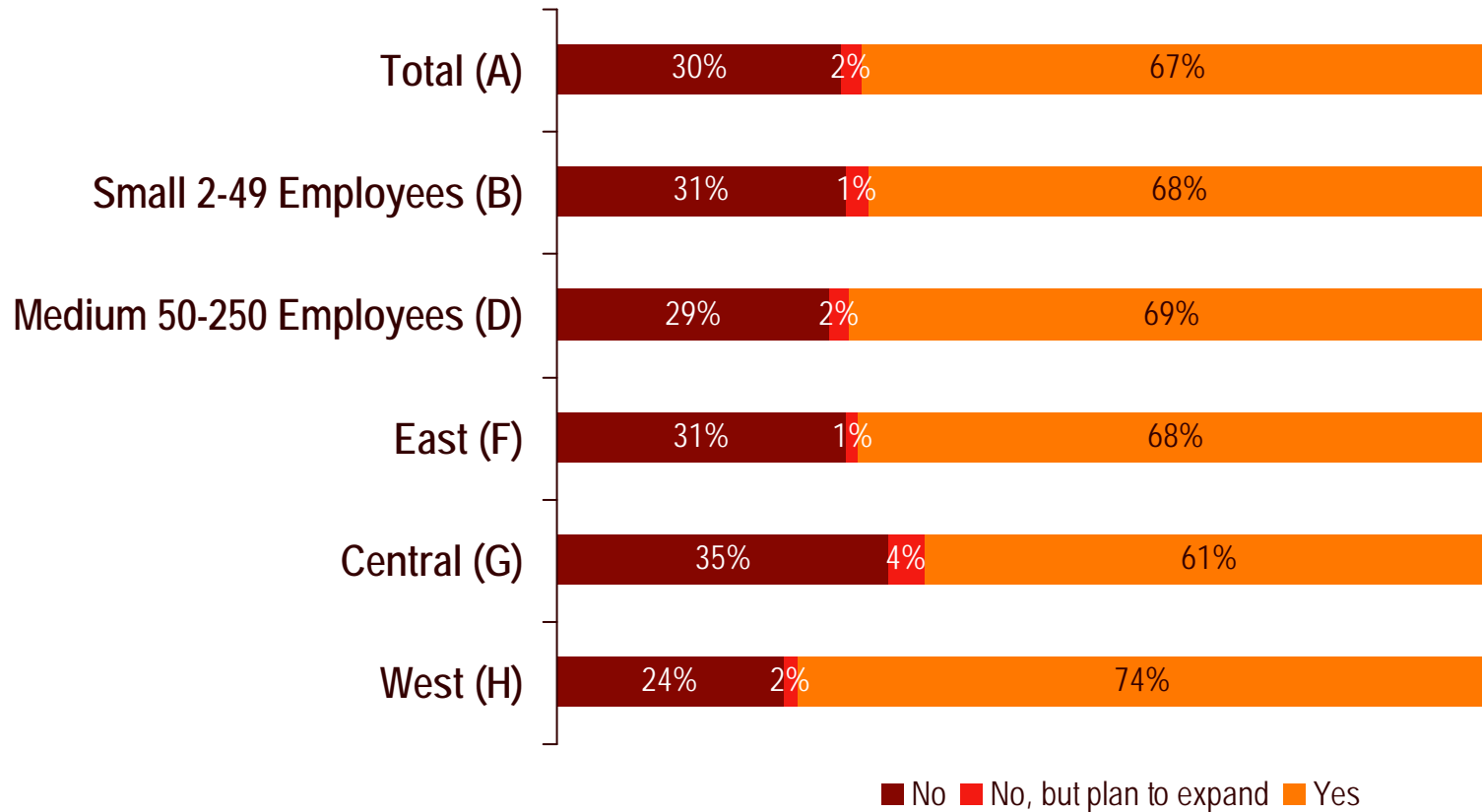
■ Total (A) ■ High Tech (I) ■ Auto / Industrial (J) ■ Retail (K) ■ Healthcare (L) ■ Prof Services (M)

Q15. In the last 12 months, please tell me if any of the following communication channels have provided a successful domestic or international business lead by answering yes or no for each.

Regions and size of businesses

Sixty-seven percent of all companies surveyed have customers outside of the U.S. The central region has slightly fewer companies that currently export.

Have customers outside of the U.S.? By size and region

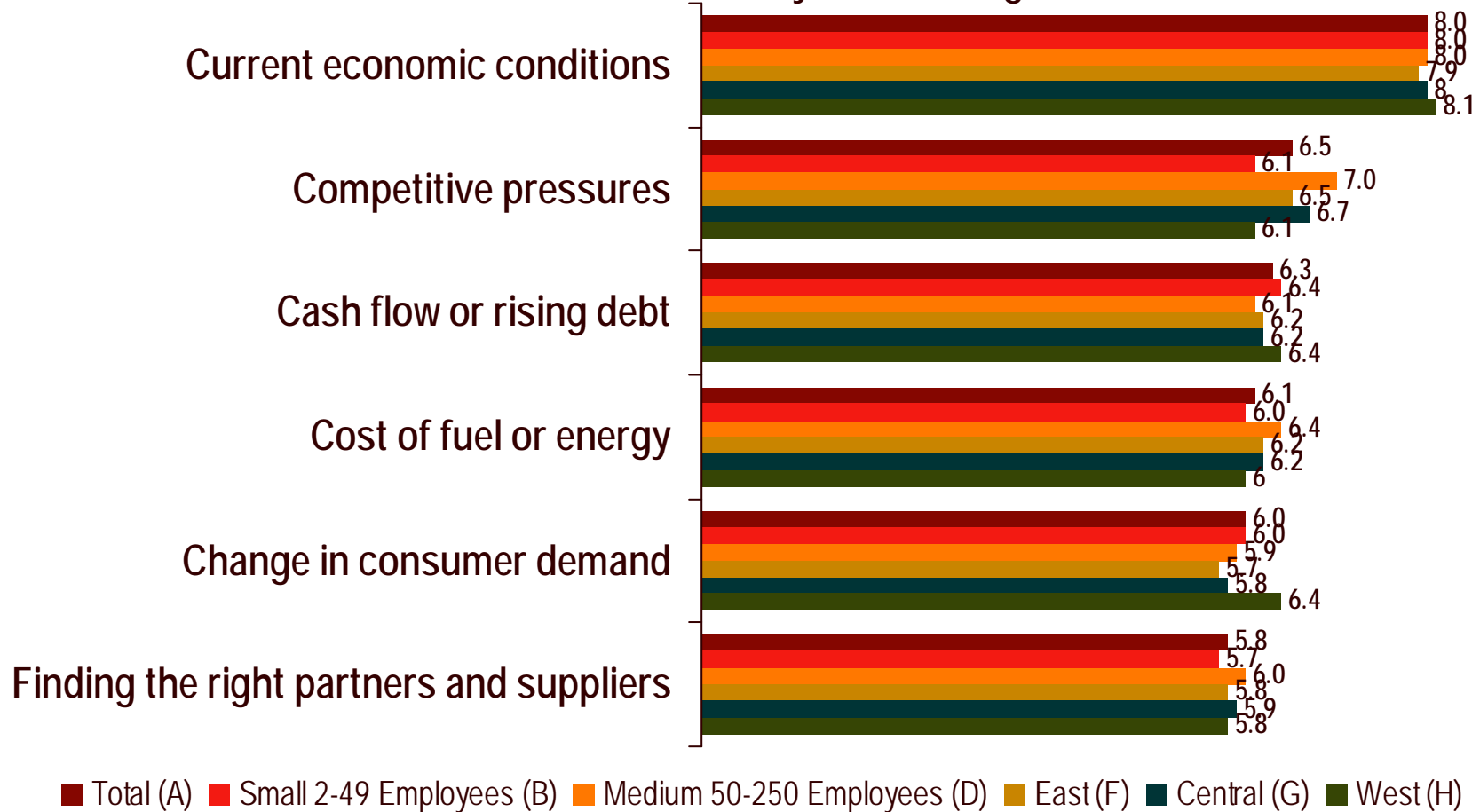


Q1. Does your company have customers outside of the U.S.?

Q3. In the next 18 months, does your company intend to expand to international markets? That is, to attract customers from outside of the U.S.?

All regions across the U.S. have similar concerns, most revolving around the current recession.

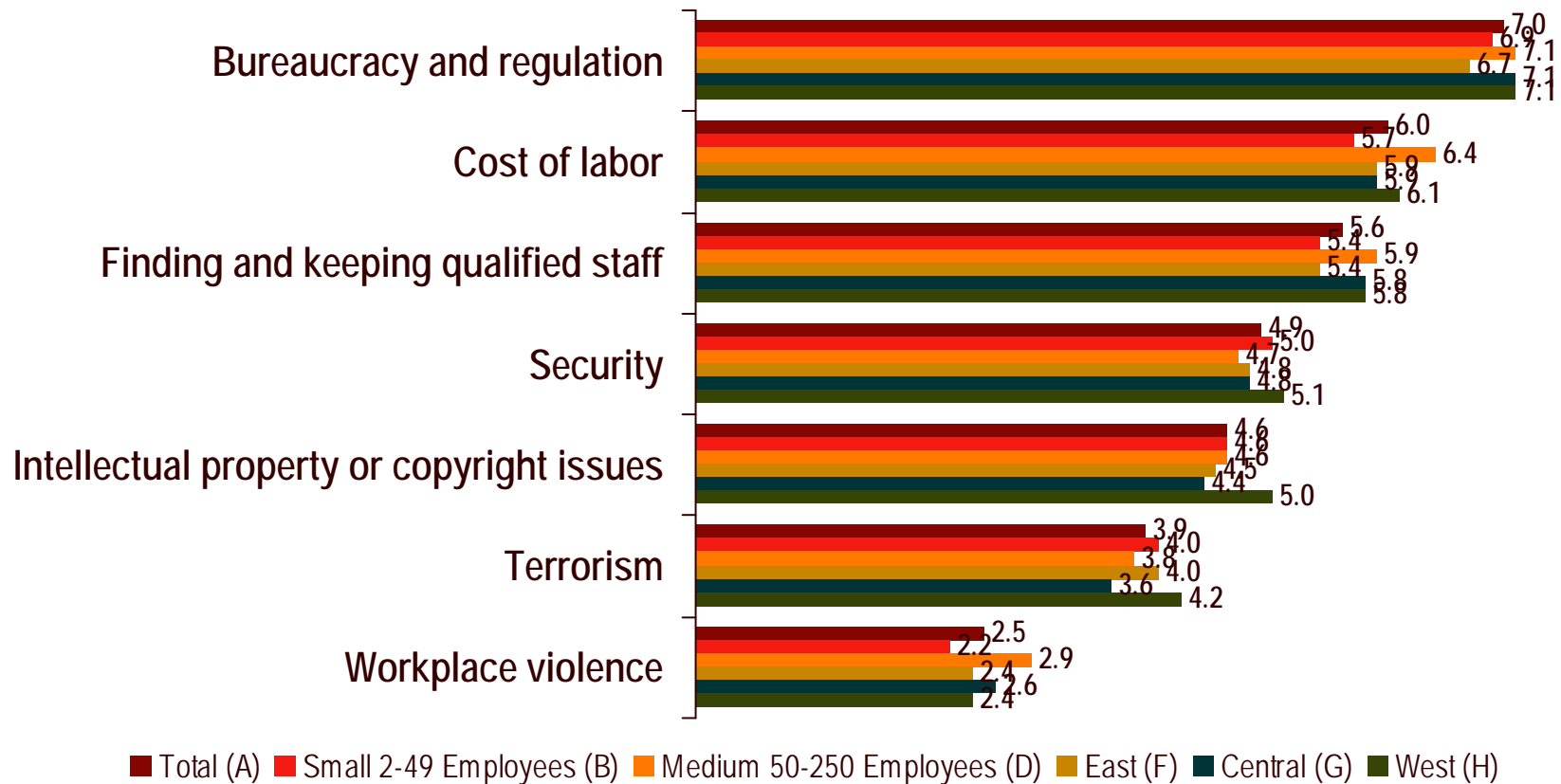
General business issues by size and region



Q4. Now I'll read some general business issues that impact some businesses. For each, please rate how concerned you are on a scale from 1 to 10 where 1 means \not at all concerned\ and 10 means \extremely concerned.\

Regions also show few differences among concern for bureaucracy, labor issues, and security related issues.

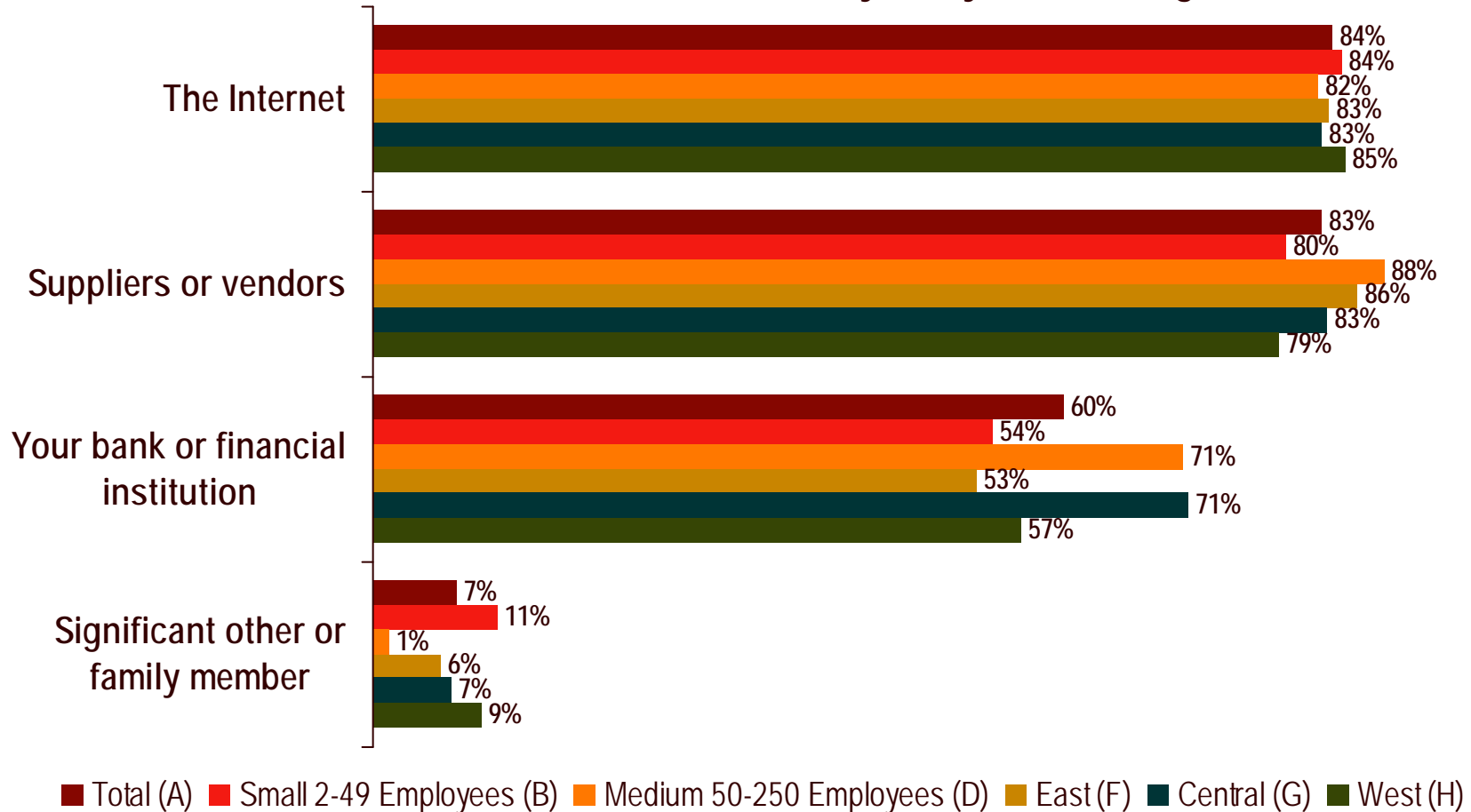
General business issues by size and region



Q4. Now I'll read some general business issues that impact some businesses. For each, please rate how concerned you are on a scale from 1 to 10 where 1 means \not at all concerned\ and 10 means \extremely concerned.\

Medium-sized businesses and those in the central region show more reliance on their financial institutions.

Resources that businesses rely on by size and region

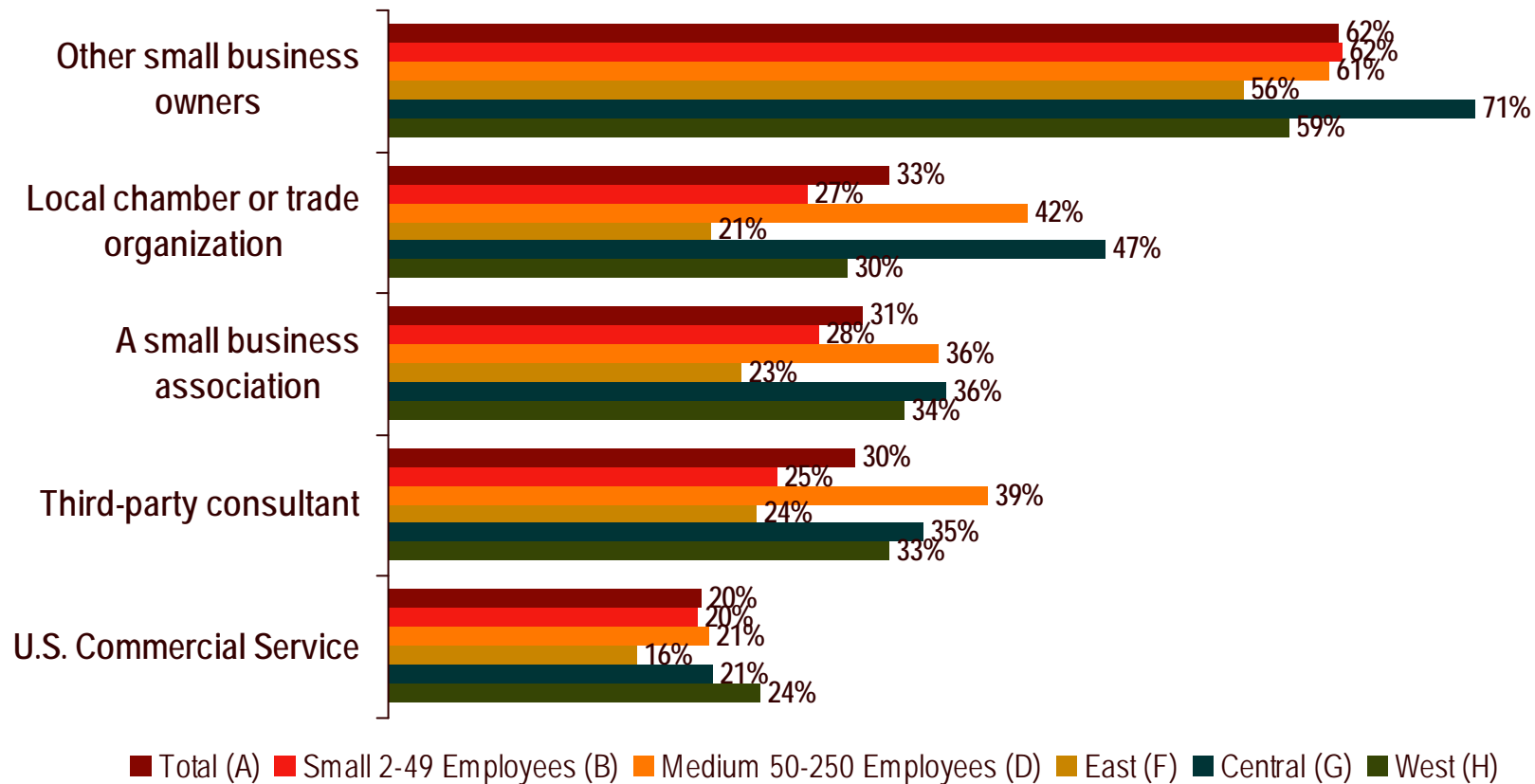


** Yes Summary **

Q5. Please tell me whether or not you rely on the following resources for input to your business decisions by answering yes or no. Do you rely on...

Businesses in the central U.S. also show more reliance on other owners and their local Chamber of Commerce than in other regions.

Resources that businesses rely on by size and region



** Yes Summary **

Q5. Please tell me whether or not you rely on the following resources for input to your business decisions by answering yes or no. Do you rely on...

Regions show little difference in satisfaction in their banks, suppliers, and the internet.

Satisfaction with resources by size and region



Q5c. Thinking about those resources currently at your disposal, please rate them by using a scale from 1 to 10 where 1 means \not at all satisfied\ and 10 means \extremely satisfied.\

Eastern region businesses show higher satisfaction with their consultants, and the regions show similar satisfaction with trade organizations and associations.

Satisfaction with resources by size and region



■ Total (A) ■ Small 2-49 Employees (B) ■ Medium 50-250 Employees (D) ■ East (F) ■ Central (G) ■ West (H)

Q5c. Thinking about those resources currently at your disposal, please rate them by using a scale from 1 to 10 where 1 means \not at all satisfied\ and 10 means \extremely satisfied.\

Businesses in the Eastern region are less likely to feel they have limited options abroad.

Attitudes towards doing business abroad by size and region



Q6. For each of the following statements I read, please tell me how much you agree or disagree by using a scale from 1 to 10 where 1 means \strongly disagree\ and 10 means \strongly agree.\

Medium-sized businesses are more likely to worry about being able to meet their goals and have more focus on supply chain management issues.

Attitudes towards efficiency and goals by size and region



■ Total (A) ■ Small 2-49 Employees (B) ■ Medium 50-250 Employees (D) ■ East (F) ■ Central (G) ■ West (H)

Q6. For each of the following statements I read, please tell me how much you agree or disagree by using a scale from 1 to 10 where 1 means \strongly disagree\ and 10 means \strongly agree.\

Medium-sized businesses have a bigger focus on environmental issues.

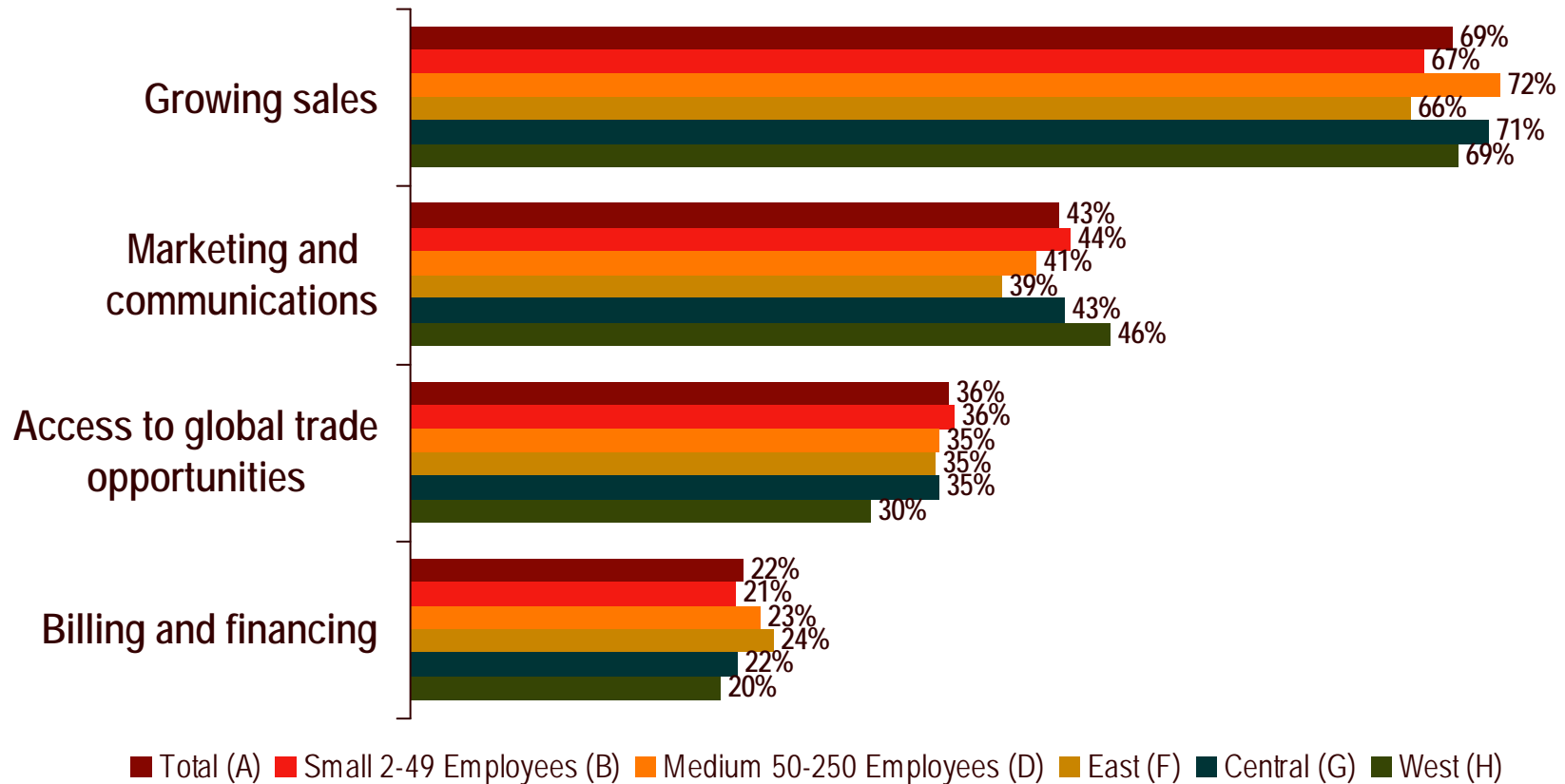
Attitudes towards environment and technology by size and region



Q6. For each of the following statements I read, please tell me how much you agree or disagree by using a scale from 1 to 10 where 1 means \strongly disagree\ and 10 means \strongly agree.\

All regions are looking for assistance to grow sales.

Looking for assistance – Sales, by size and region

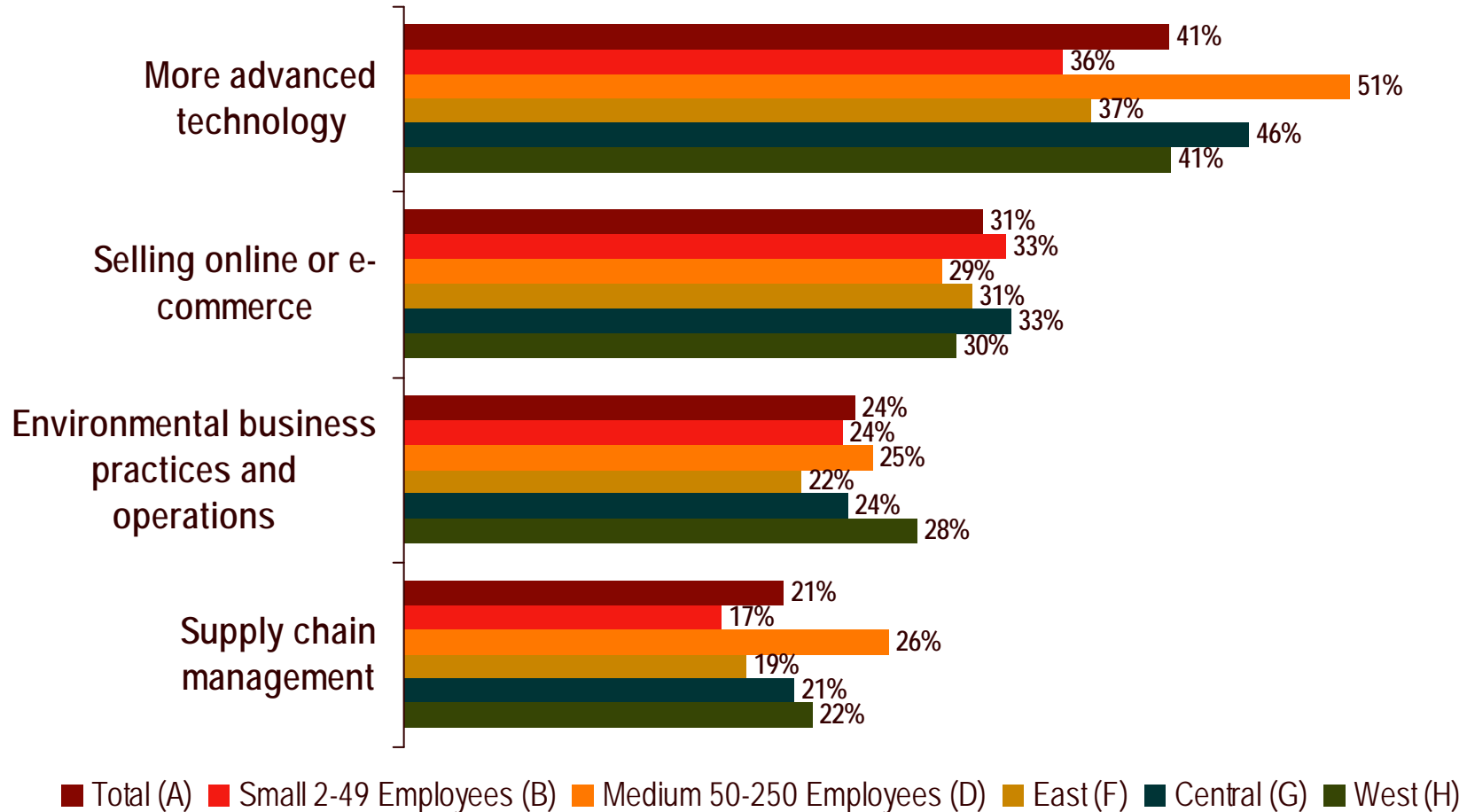


** Yes Summary **

Q7. Please tell me if your business is currently looking for assistance with each of the following by answering yes or no.

Medium-sized businesses are looking for more advanced technology and supply chain management needs.

Looking for assistance – environment and technology, by size and region

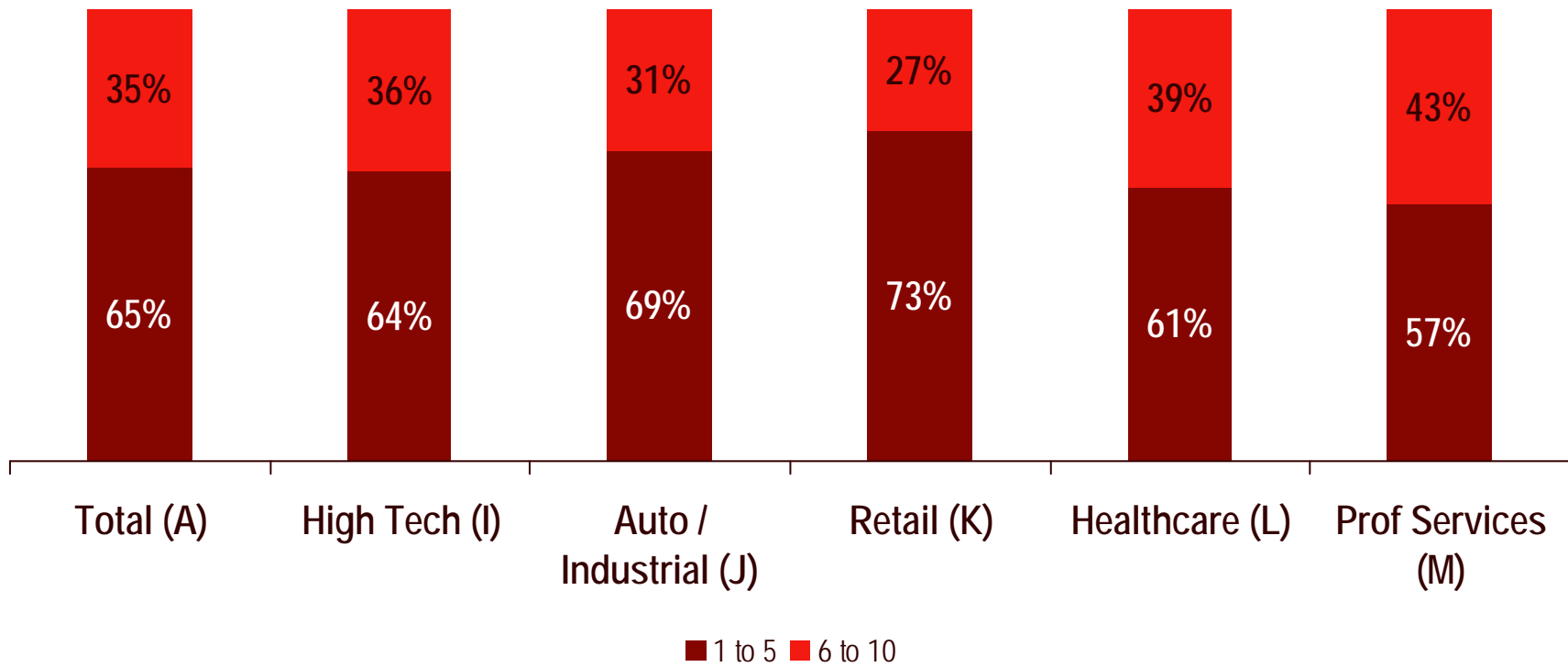


** Yes Summary **

Q7. Please tell me if your business is currently looking for assistance with each of the following by answering yes or no.

Overall, exporting has had a limited impact on overall sales for most companies. Only 35% rate exporting as an 6 or higher on a 10 point scale in impacting their overall sales.

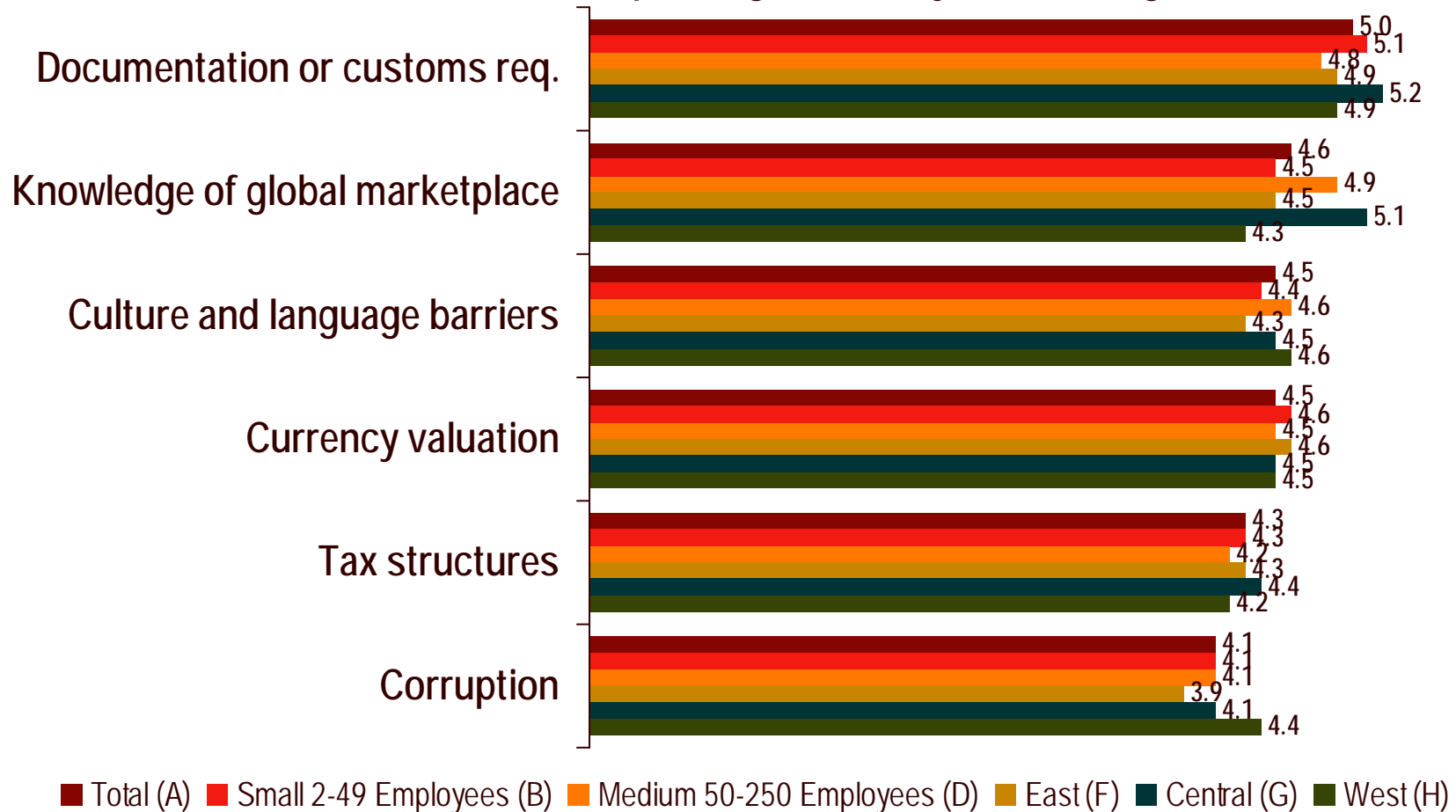
Impact of exporting on sales growth (n~120 per industry)



Q8. Using a scale from 1 to 10 where 1 means \no growth at all\ and 10 means \extreme growth\, how would you rate the impact of your business outside the United States on your company's overall sales?

Regions also show similar feelings on barriers to expanding abroad.

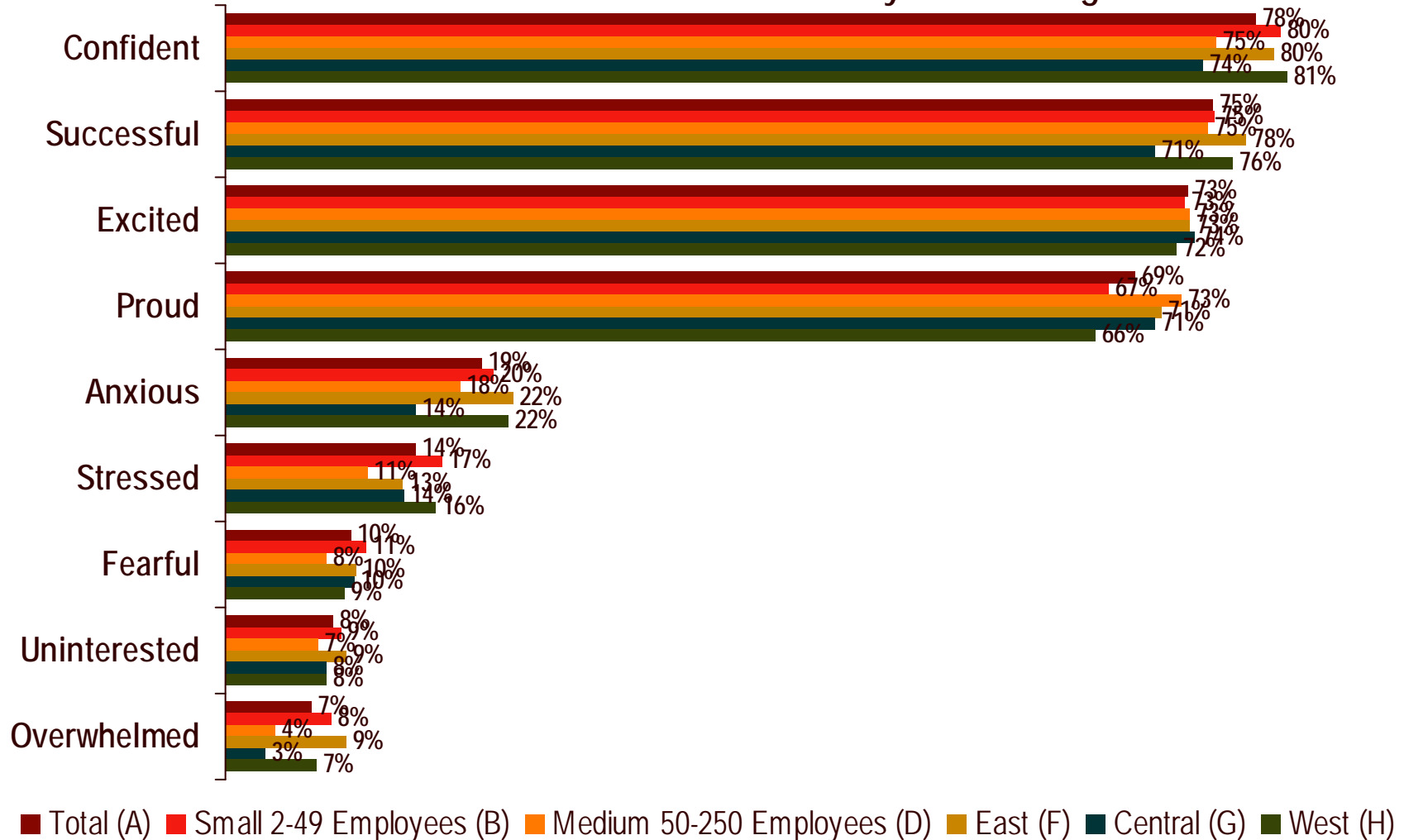
Barriers to expanding abroad by size and region



Q9. Please indicate the extent to which the following is a barrier to expanding your business outside of the U.S. by using a scale from 1 to 10, where 1 means \no barrier at all\ and 10 means \extreme barrier.\

All regions feel equally positive towards international sales leads.

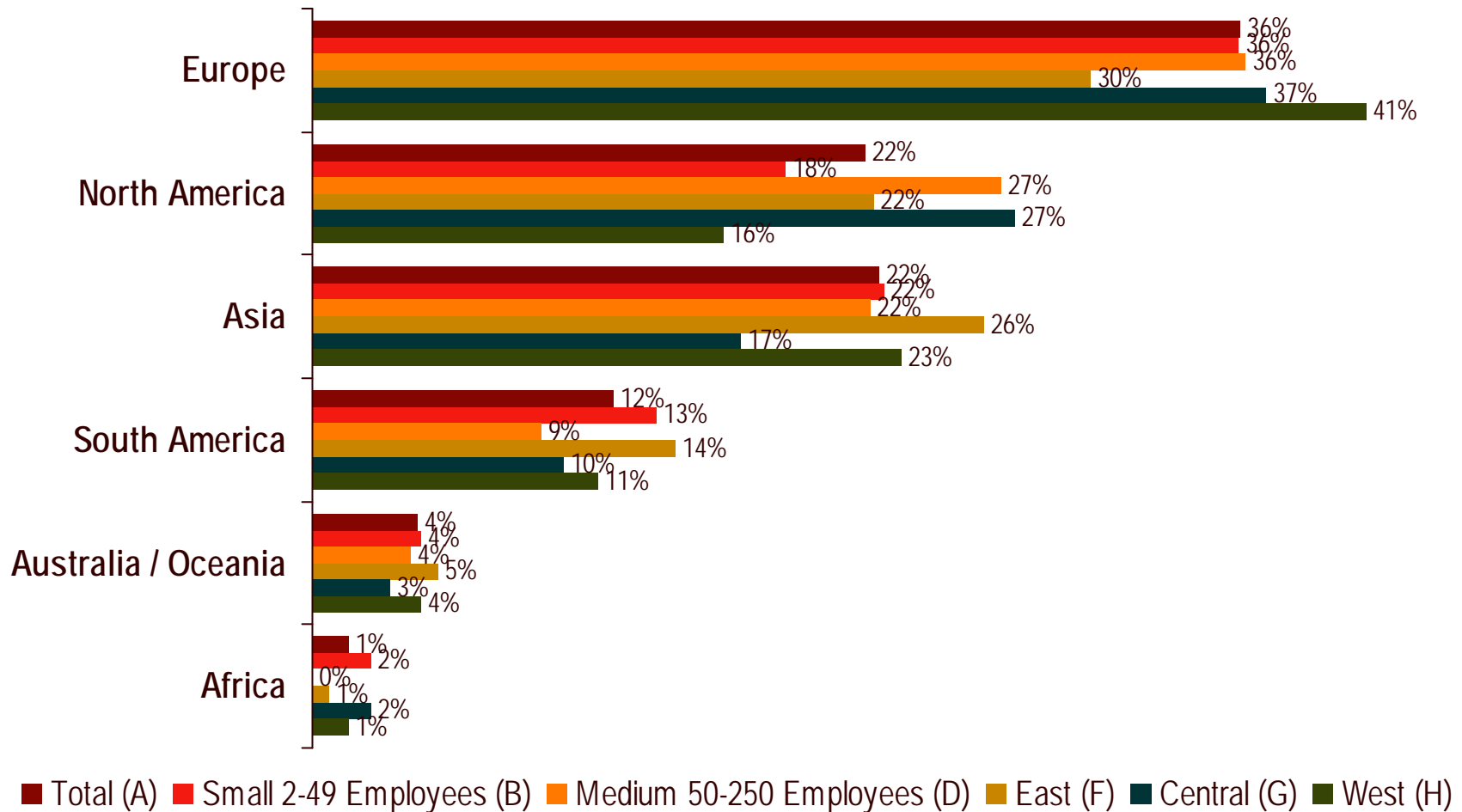
Emotions related to an international sales lead by size and region



Q10. Using a yes or no response, please tell me if a sales lead from outside of the U.S. makes you feel...
 ** Yes Summary **

Western region businesses show a higher preference for Europe than the other regions, while the Eastern region shows a higher preference for Asia.

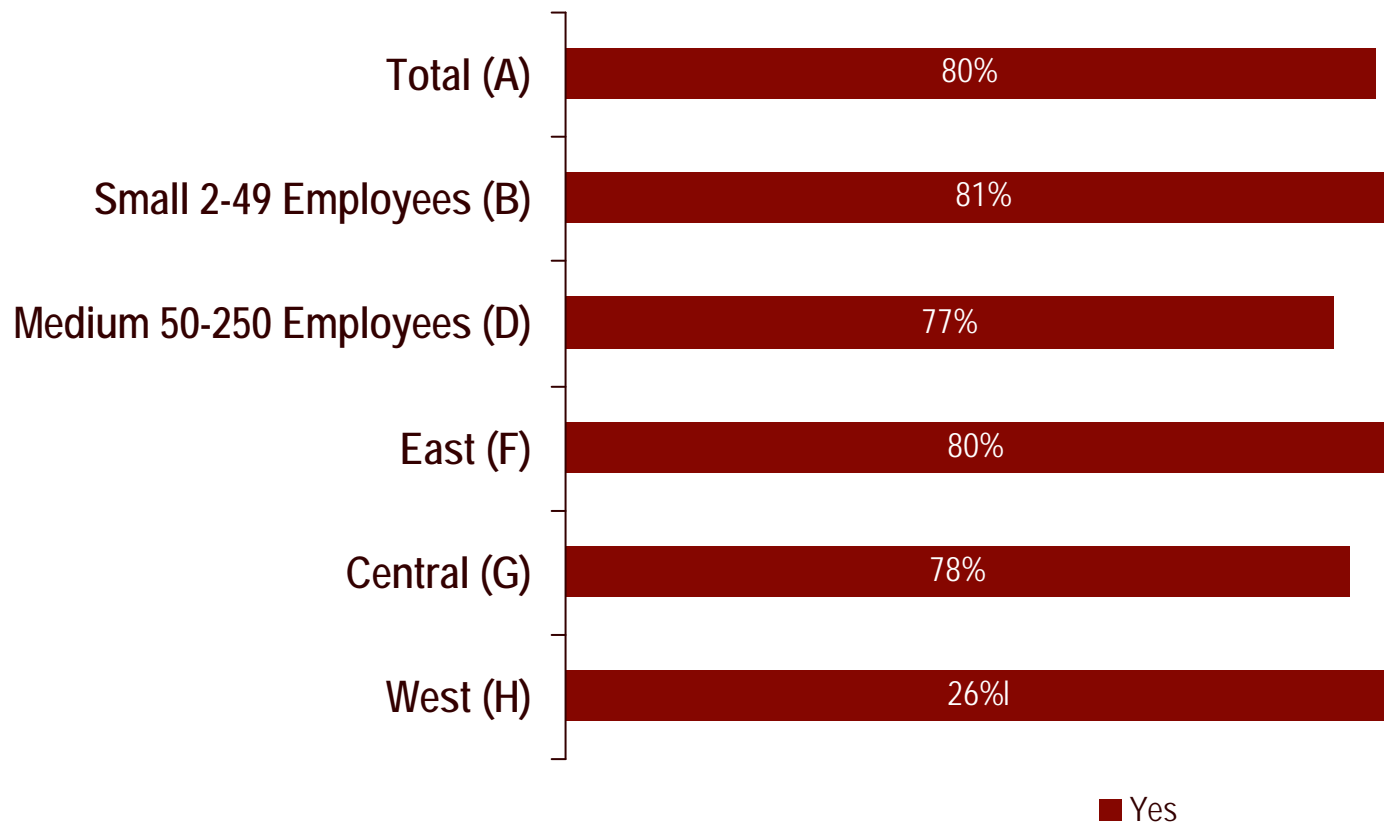
Most preferred continent for expansion (n~80 per industry)



Q11. Ideally, on which continent would you MOST PREFER to expand your business in the future?
 Base: Have or will have international customers

There is little difference across regions in the past three months of sales leads from outside of the U.S.

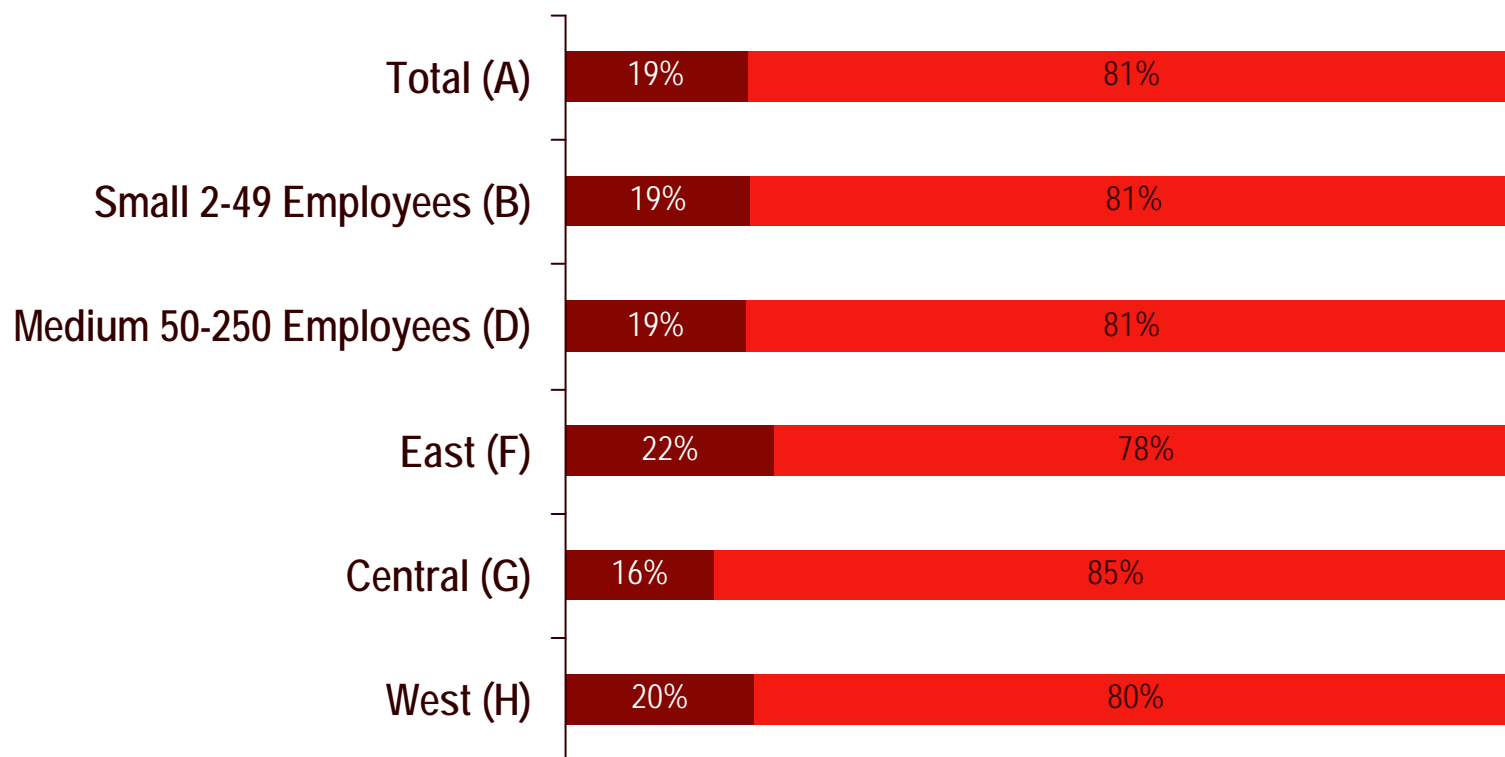
Received sales leads from outside of the U.S. by size and region



Q13. Within the past 3 months, did your company receive any potential sales leads from outside of the U.S.? Base: Have or will have international customers

Additionally, there is also little difference in follow-up rates across regions.

Follow up on all sales leads? (n~65 per industry)

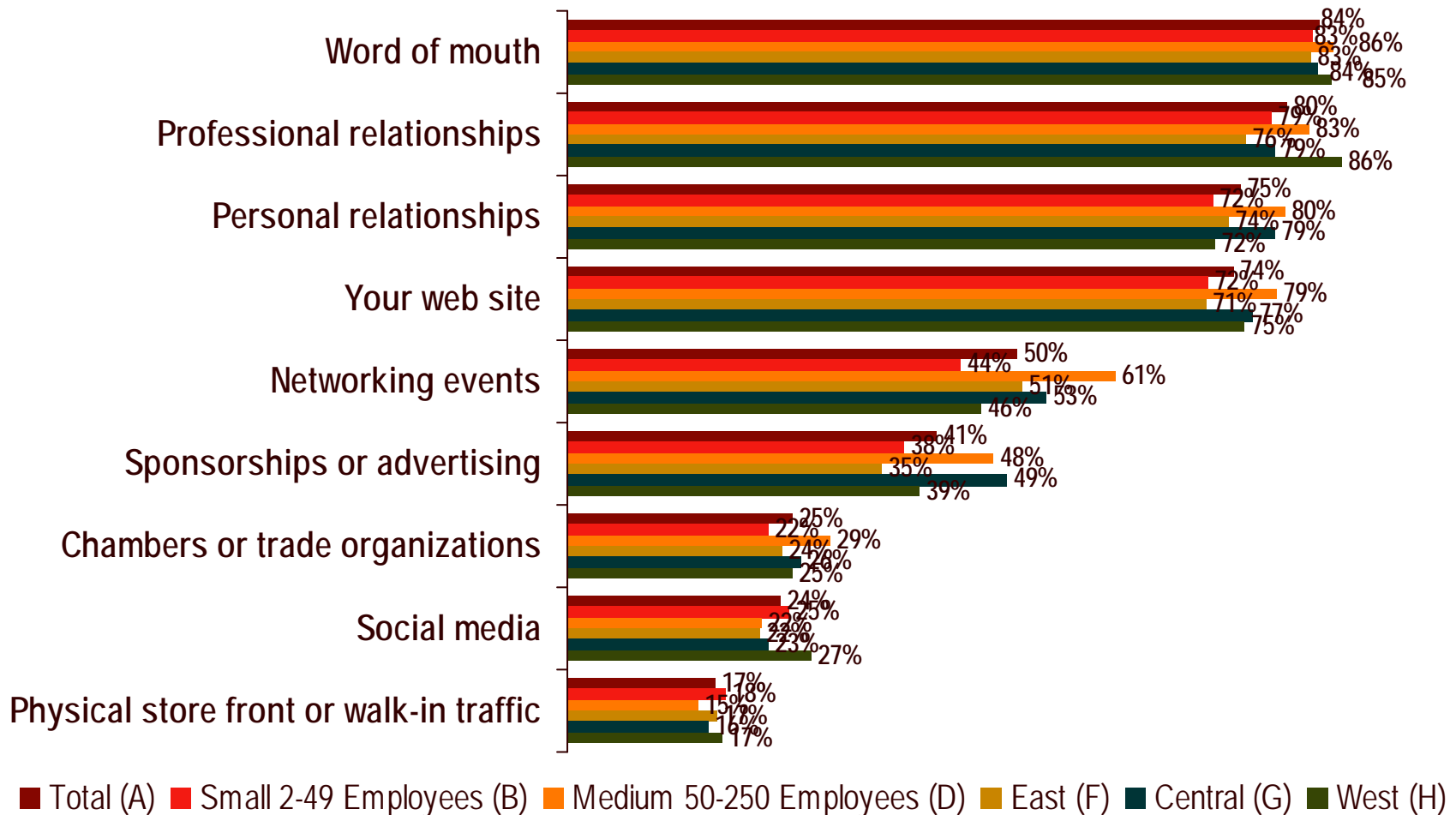


■ No, there was at least one lead that was not followed up on ■ Yes, followed up on all the leads

Q13b. Did you follow up on all of those leads, or were there some that your company chose NOT to follow up on? Base: Received international sales lead

Medium-sized businesses benefit more from networking events and their advertising appears more effective than smaller businesses.

Communications channel that provided successful lead by size and region



Q15. In the last 12 months, please tell me if any of the following communication channels have provided a successful domestic or international business lead by answering yes or no for each.