

Understanding Micro Business, 2008

Australia's Largest Solo & Micro Business Survey

- SOLO COMMUNITY EDITION -

For a range of press releases and more comprehensive data,
visit www.flyingsolo.com.au/survey2008

Conducted by Flying Solo, Australia's online
community for solo & micro business

Acknowledgements

Tribe Research thanks the Flying Solo community who participated in the survey.

Disclaimer

The comments and recommendations contained in this report represent the views of the authors and do not necessarily express the views of Flying Solo. This survey had an approximate response rate of 12.6% and therefore only represents the opinions of this group. It was developed with the aim of gaining a better understanding about the Flying Solo community now and their response to various business planning ideas and should be considered with only this context in mind. It is not intended, nor necessarily suitable, for any other purpose. No other use or distribution of this report is permitted without our prior written consent. This document can be relied on by Flying Solo only, and then only for the purposes set out above.

Methods

Survey Distribution

The survey was developed online and a link was supplied to Flying Solo to attach to their website and ezine.

Response Rate

There were 1770 participants from the approximately 14,000 invited to participate. This represents an approximate response rate of 12.6%. This is above the expected 8-10% response rate for a population such as this and an online methodology.

Data Entry

Data entry was undertaken by participants as the methodology was an online survey. The responses were downloaded and imported into SPSS for analysis.

Missing Responses

The responses for those who participated in the question is reported above the results for each question.

Survey Interpretation

The survey appeared to be well understood by participants.

Basic Data Analysis

For categorical questions, the number and percent responding for each category have been reported for each question. Where the categories indicate a scale [eg: age] they are in increasing order in the report. Where the categories do not indicate a scale [eg: gender] they are in order from the highest proportion to the lowest proportion of participants. In both cases the highest proportion is highlighted.

For rating scale questions, the mean and median have been reported. Where comparisons have been presented in a table the colour coding of high [green] and low [red] have been used, unless otherwise specified.

Group Analysis

Due to the majority of participants being Flying Solo subscribers and readers, not people who comment on articles or are contributors, undertaking a detailed comparison of these two groups was not undertaken.

Therefore, instead of traditional group analysis, a focus on geographical areas was undertaken in addition to the overall analysis. The focus is on Sydney, Melbourne, Brisbane and Adelaide as defined by postcode concordance to Australian Bureau of Statistics Statistical Divisions. Statistical Divisions are broad areas, for example, in New South Wales: Sydney, Hunter, and Illawarra are all Statistical Divisions.

Gender

Over half [58%] of the participants were females. It is generally the case that females are more likely to participate in surveys than males, so this is representative of participation, not necessarily the Flying Solo community. The number of people who completed this question was 1517 [86%].

Female	885	58.3%
Male	632	41.7%

Age

Close to half [47%] of the participants were aged 40-54 years old. The number of people who completed this question was 1521 [86%].

Under 18	0	0%
18 - 24	33	2.2%
25 - 39	553	36.4%
40 - 54	712	46.8%
55 - 64	198	13.0%
65 years+	25	1.6%

Results for the Australian population¹ show that of those employed 16.8% were 15-24 years old; 23.5% were 25-34; 25.4% were 35-44; 22.5% were 45-54; 9.8% were 55-64; and 2.0% were 65 or older.

Figure 1: Gender

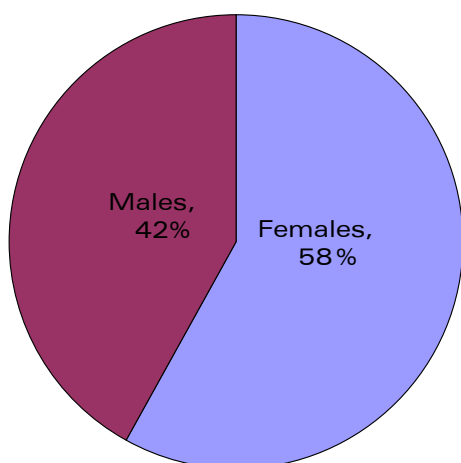
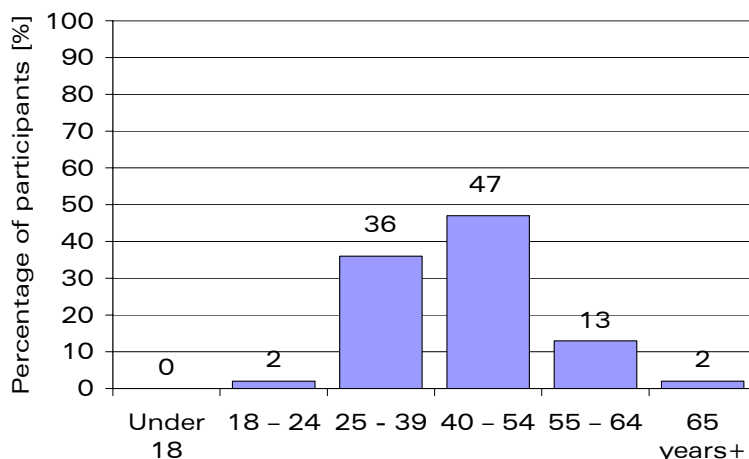


Figure 2: Age Distribution



¹ Australian Bureau of Statistics 2001 Census of Population and Housing, Community Profile Series, Basic Community Profile Catalogue Number 2001.0

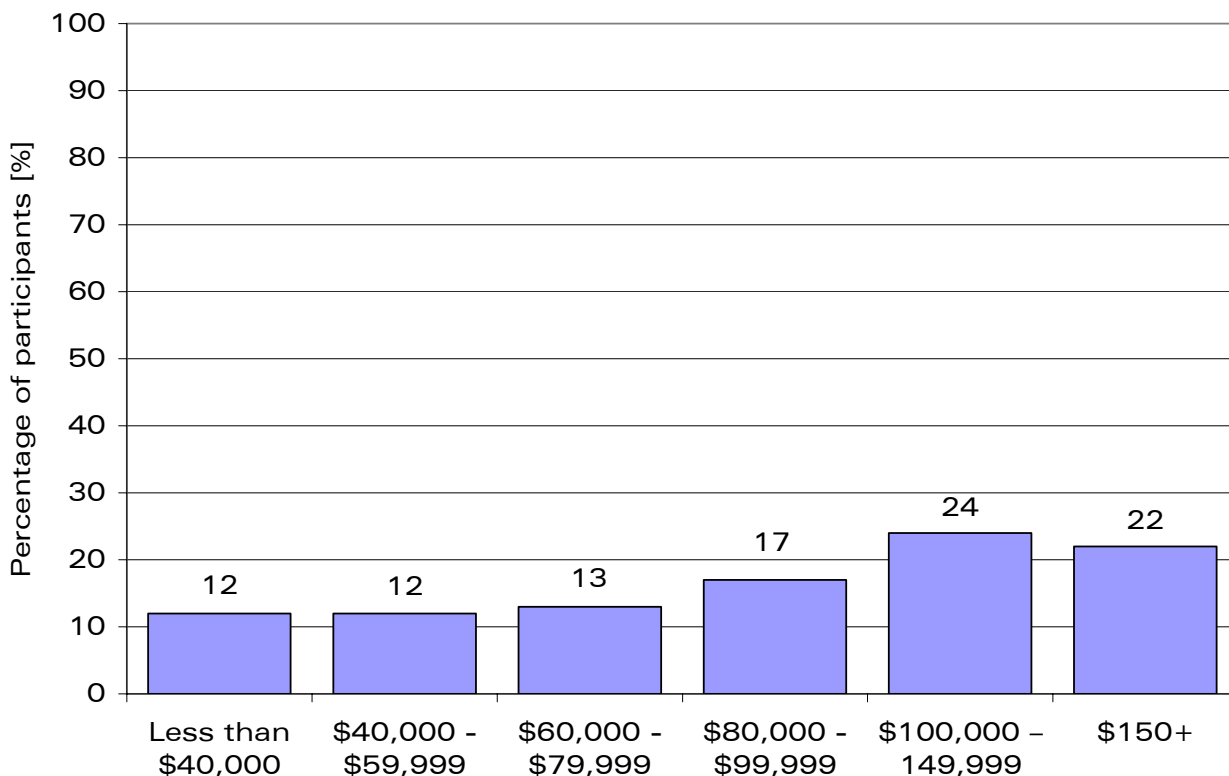
Income

Household income

A quarter [24%] of the participants reported a total household income of the \$100,000-\$149,999 bracket and a further 22% reported a household income of \$150,000 or more. The number of people who completed this question was 1413 [80%].

Less than \$40,000	169	12.0%
\$40,000 - \$59,999	165	11.7%
\$60,000 - \$79,999	186	13.2%
\$80,000 - \$99,999	243	17.2%
\$100,000 - \$149,999	334	23.6%
\$150+	316	22.4%

Figure 3: Household income distribution



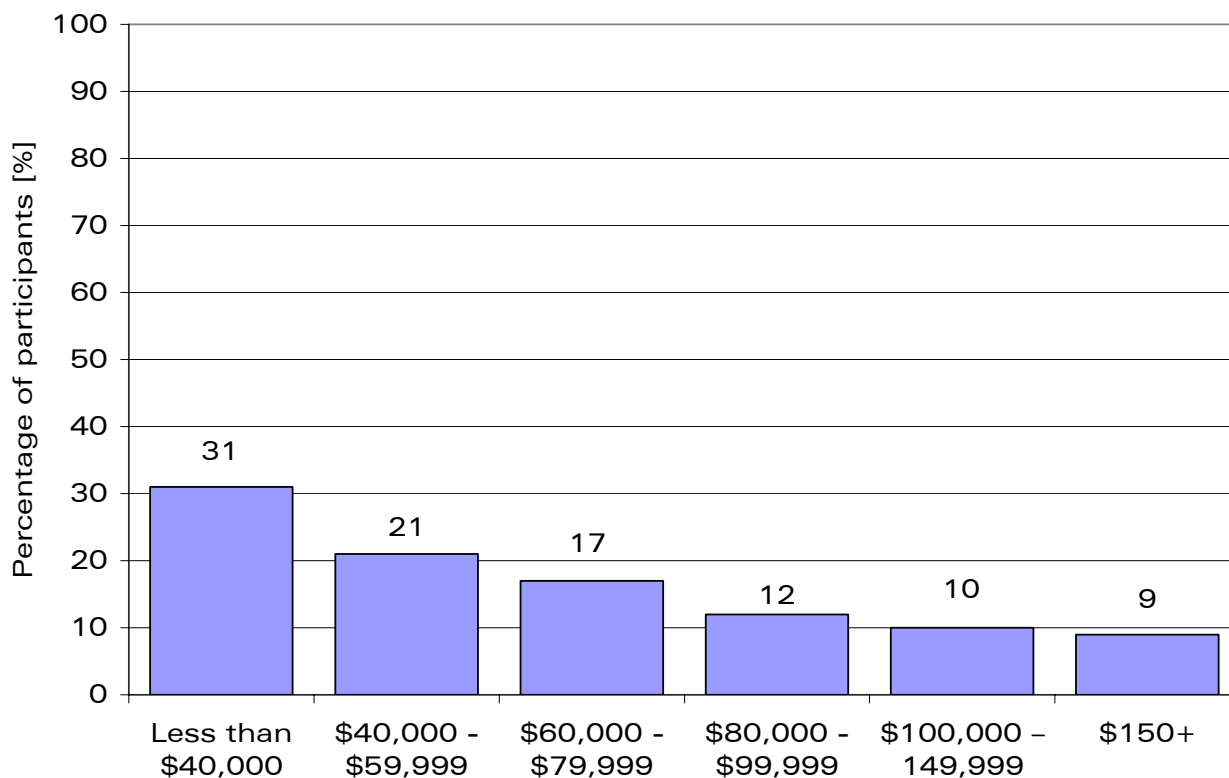
Income

Personal income

Close to a third [31%] of the participants reported a personal income of less than \$40,000 and a further 21% reported an income of \$40,000-\$59,999. The number of people who completed this question was 1392 [79%].

Less than \$40,000	434	31.2%
\$40,000 - \$59,999	294	21.1%
\$60,000 - \$79,999	242	17.4%
\$80,000 - \$99,999	170	12.2%
\$100,000 - 149,999	133	9.6%
\$150+	119	8.5%

Figure 4: Personal income distribution



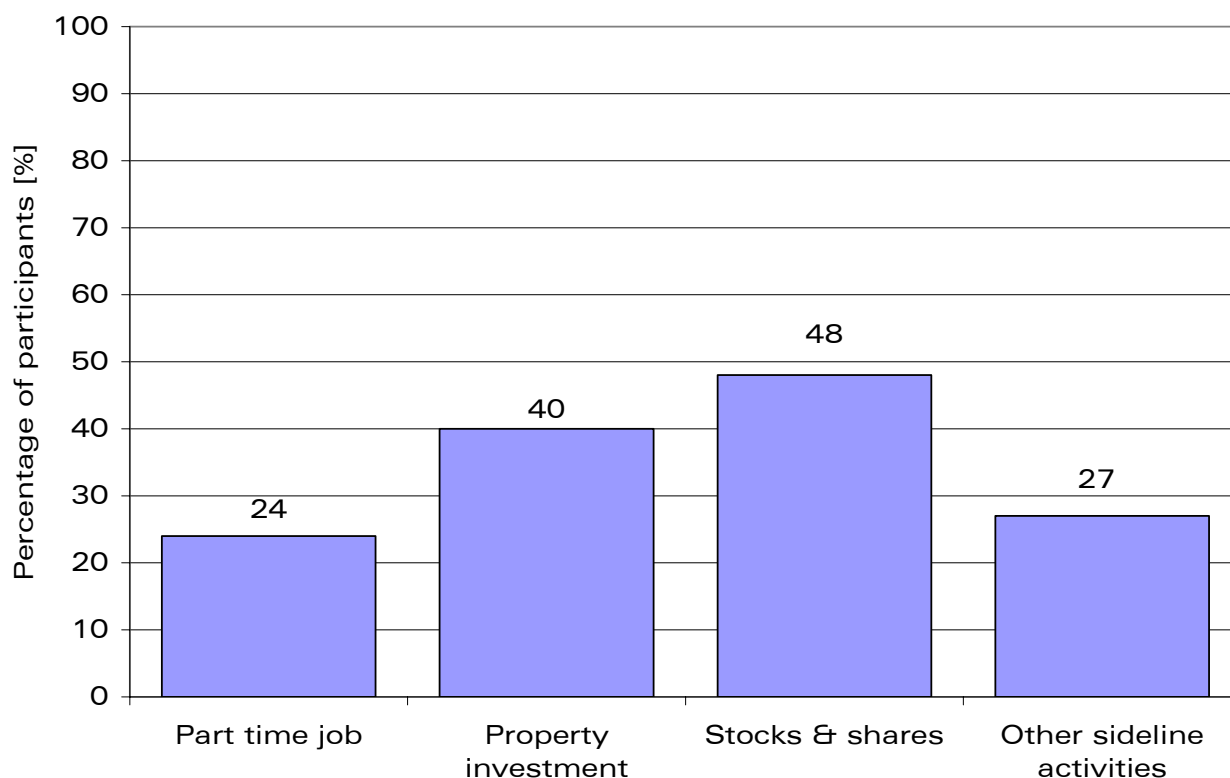
Income

Additional sources of income

There were 804 participants [45%] who reported an external source of income; 649 [37%] who didn't report an external source of income but answered the income related questions; and 317 [18%] who didn't answer the question. Therefore, of those who answered the question 55% reported external sources of income and 45% didn't report external sources of income. Close to half [48%] of the participants reported an additional income from stocks and shares.

Stocks and shares	385	47.8%
Property investment	323	40.2%
Other sideline activities	214	26.6%
Part time job	194	24.1%

Figure 5: Additional sources of income distribution



Industry

There were 1530 people who provided the industry they worked in [86.4% of participants]. As soloists define their industry at a very detailed level the following is a broad coding.

Figure 6: Word Cloud of Industry reported

administration advertising architecture art_craft beauty brand
 branding building business **business_consulting**
 business_services child_care cleaning
coaching_training_mentoring
 communications construction **consulting**
 copywriting counselling **design** development digital_media
 education engineering entertainment **entertainment_events**
 fashion **financial_services** fitness
 food gifts government **graphic_design** healthcare
 hospitality human_resources import_export industrial
information_technology innovation
 insurance interior_design internet journalism landscape
 learning_development legal management **manufacturing**
marketing market_research massage media mining
 mortgage_broker ohs **online** online_marketing pets
 photographer printing professional_organising
 professional_services property public_relations publishing **real_**
estate recruitment **retail** sales service services small_
 business_advisory software sport telecommunications **tourism** training
 travel **virtual_assistant** web_design
 web_development **wellness_health**
 wholesale writing

Business

Where it's mostly run from...

Over two thirds [69%] of the participants run their business mostly from home. The number of people who completed this question was 1533 [87%].

Home	1058	69.0%
I have my own office space	351	22.9%
I share an office	124	8.1%

Size of business

Close to two thirds [66%] of the participants said that they were they only one in the business. The number of people who completed this question was 1531 [87%].

Just little ol' me	1006	65.7%
Me and employees	525	34.3%

Figure 7: Business Location

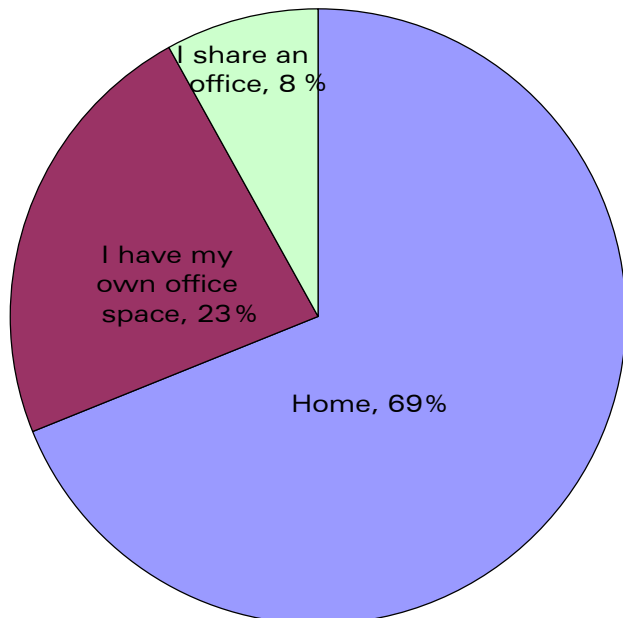
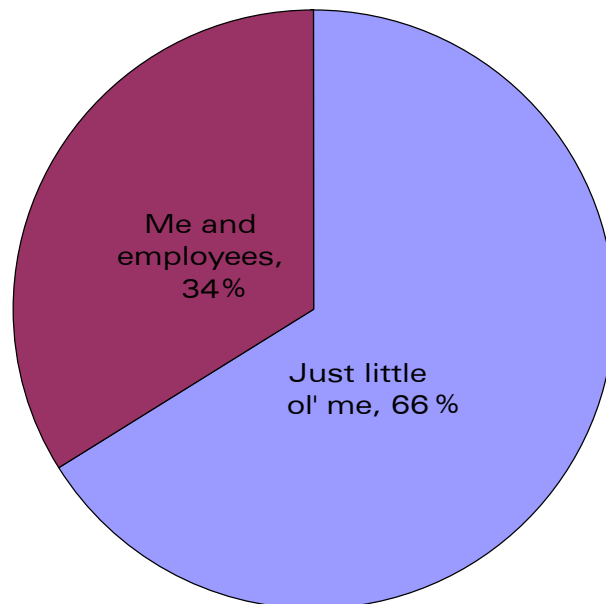


Figure 8: Size of business



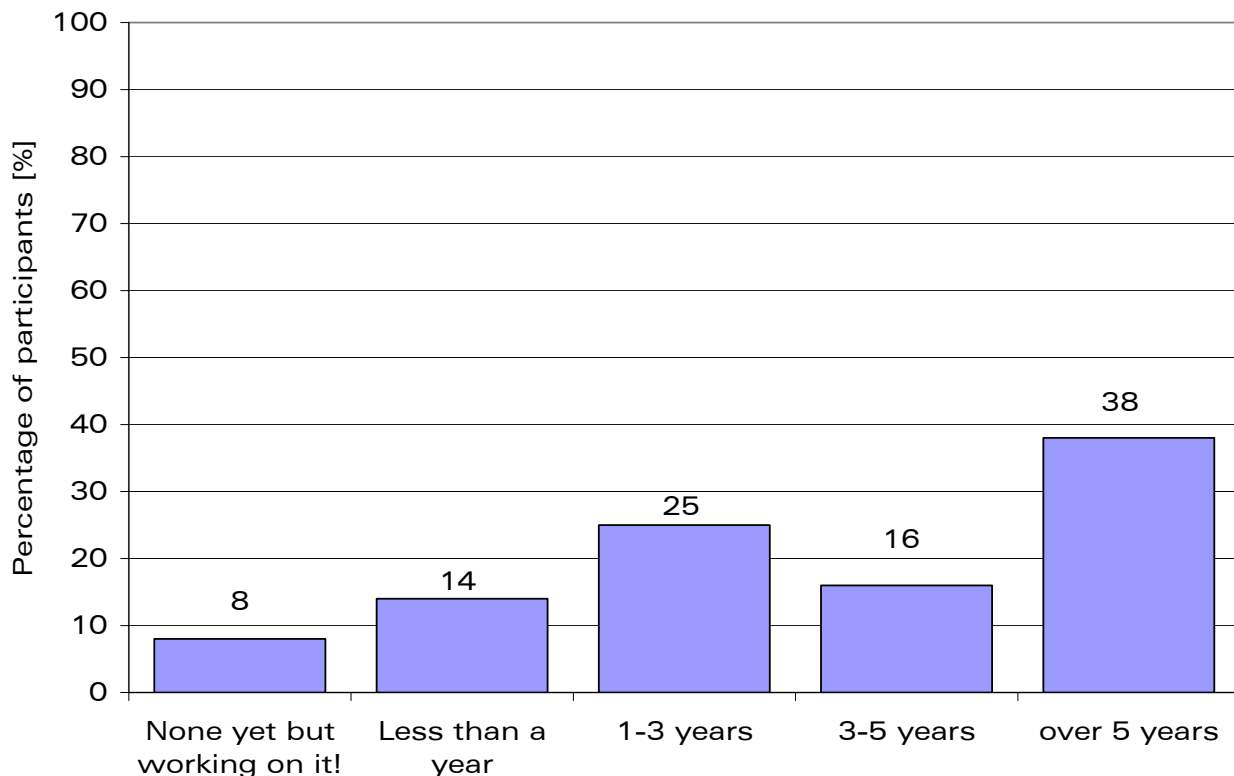
Business

Years of ownership

More than half [54%] have been in business for more than 3 years. The number of people who completed this question was 1540 [87%].

None yet but working on it!	118	7.7%
Less than a year	209	13.6%
1-3 years	381	24.7%
3-5 years	245	15.9%
Over 5 years	587	38.1%

Figure 9: Years of owning the business



Soloist feelings

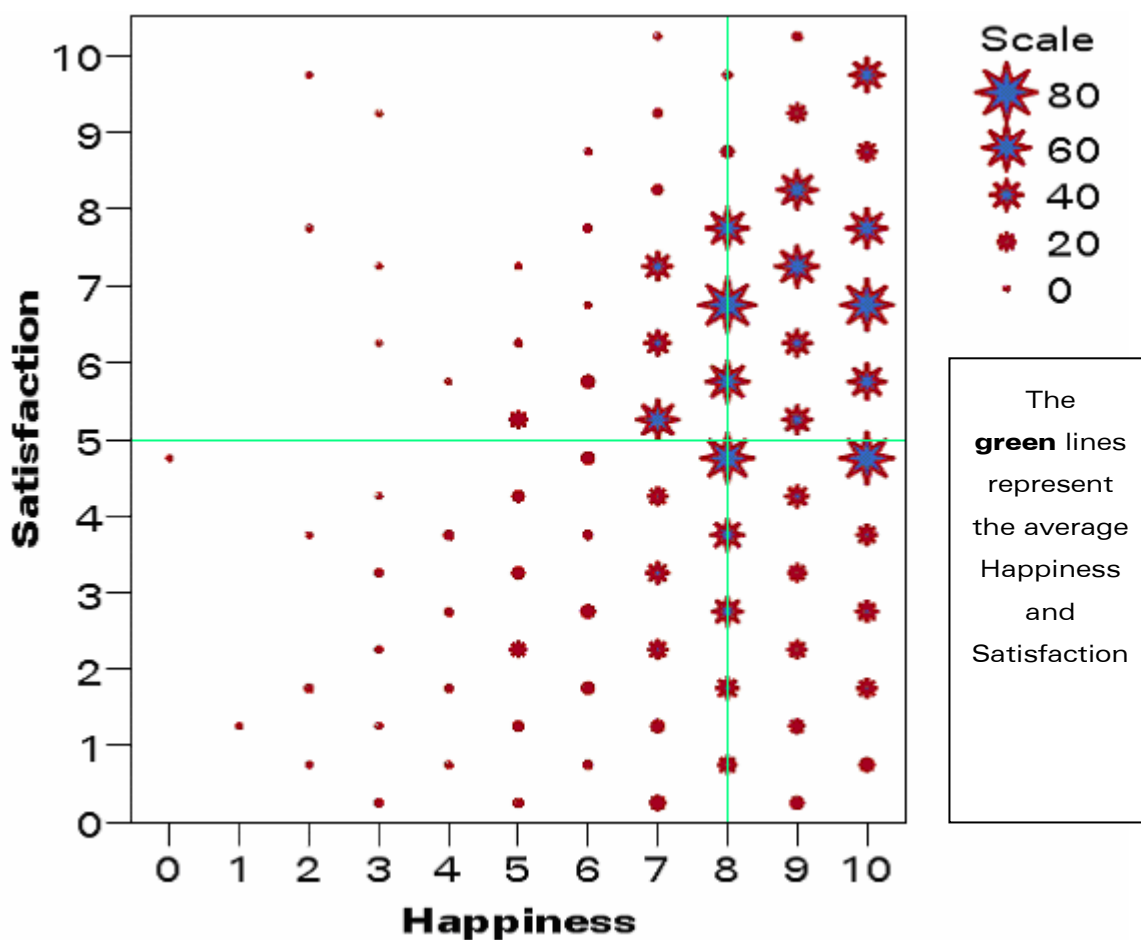
Happiness in work

Over a quarter [27%] of the participants said they love their work. The average level of happiness is 8/10. The distribution is in Table 1 on page 10. The number of people who completed this question was 1550 [88%].

Satisfaction with the income their business generates

The average satisfaction with income is 5/10. The distribution is in Table 2 on page 10 and shows that 62% of participants reported income satisfaction of 5 or more. The number of people who completed this question 1539 [87%].

Figure 10: The relationship between Happiness and Income Satisfaction



Soloist feelings

Table 1: Distribution of scale measuring work happiness

		Total participants	Percentage [%]
I hate it !	0	4	0.3
	1	2	0.1
	2	14	0.9
	3	19	1.2
	4	22	1.4
	5	76	4.9
	6	82	5.3
	7	228	14.7
	8	399	25.7
	9	294	19.0
I love it !	10	410	26.5

Table 2: Distribution of scale measuring income satisfaction

		Total participants	Percentage [%]
Very Unsatisfied	0	101	6.6
	1	84	5.5
	2	126	8.2
	3	138	9.0
	4	133	8.6
	5	254	16.5
	6	182	11.8
	7	232	15.1
	8	168	10.9
	9	63	4.1
Very Satisfied	10	58	3.8

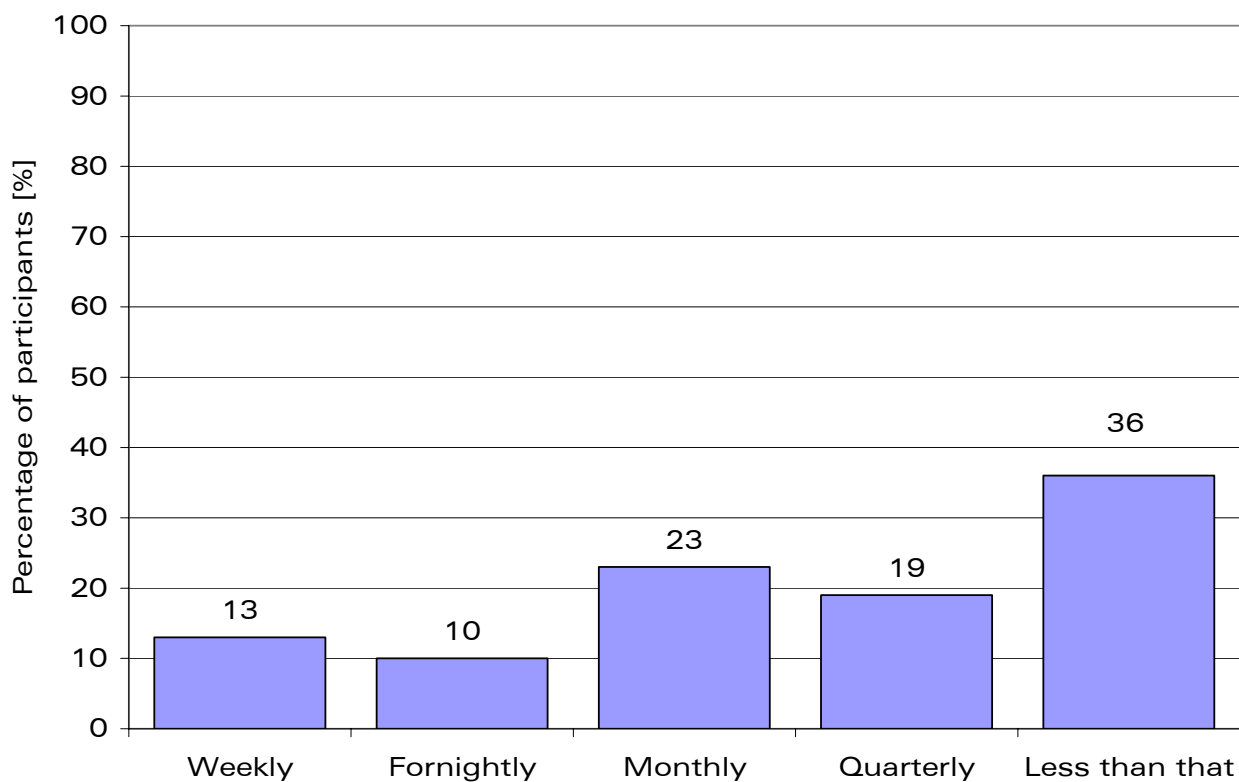
Outside help

Use of outside help

Over a third [36%] of the participants reported they use outside help less than four times a year. The number of people who completed this question was 1511 [85%].

Weekly	198	13.1%
Fornightly	152	10.1%
Monthly	345	22.8%
Quarterly	280	18.5%
Less than that	536	35.5%

Figure 11: Frequency of service usage



Business growth

Three biggest challenges in the last 12 months

Over two fifths [44%] of the participants felt that the biggest challenge they had faced in the last 12 months was finding clients/customers. The number of people who completed this question was 1517 [86%].

Finding clients/customers	666	43.9%
Wearing too many hats	620	40.9%
Not enough hours in the day	579	38.2%
Getting the business model right	517	34.1%
Getting paid/cashflow	451	29.7%
Too many distractions	445	29.3%
Lack of connection with others	252	16.6%
Lack of guidance	231	15.2%
Retaining staff	90	5.9%
Non supportive family or friends	83	5.5%
Nope you missed it, it's... ²	216	14.2%

Top ways of finding work

When it came to finding work for their business, 85% of the participants relied on word of mouth. Also see Figure 12 on the following page. The number of people who completed this question was 1509 [85%].

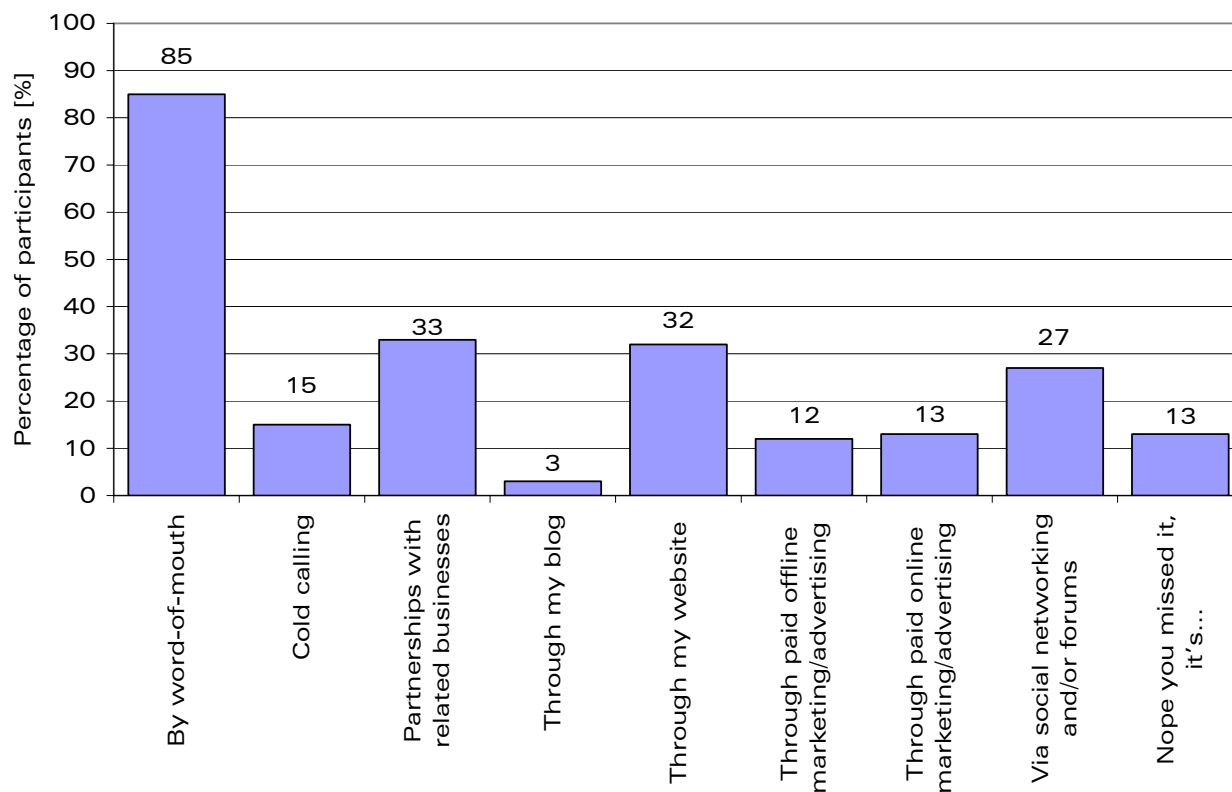
By word-of-mouth	1282	85.0%
Partnerships with related businesses	495	32.8%
Through my website	482	31.9%
Via social networking and/or forums	414	27.4%
Cold calling	221	14.6%
Through paid online marketing/advertising	192	12.7%
Through paid offline marketing/advertising	182	12.1%
Through my blog	37	2.5%
Nope you missed it, it's... ³	194	12.9%

² While the open responses here generally reflected what we had already learned in the above answers, a stand out additional challenge was 'work/life balance'.

³ Open responses here added nothing new other than 'repeat business' as a reasonably popular topic.

Business growth

Figure 12: Top ways of finding work



Business growth plans

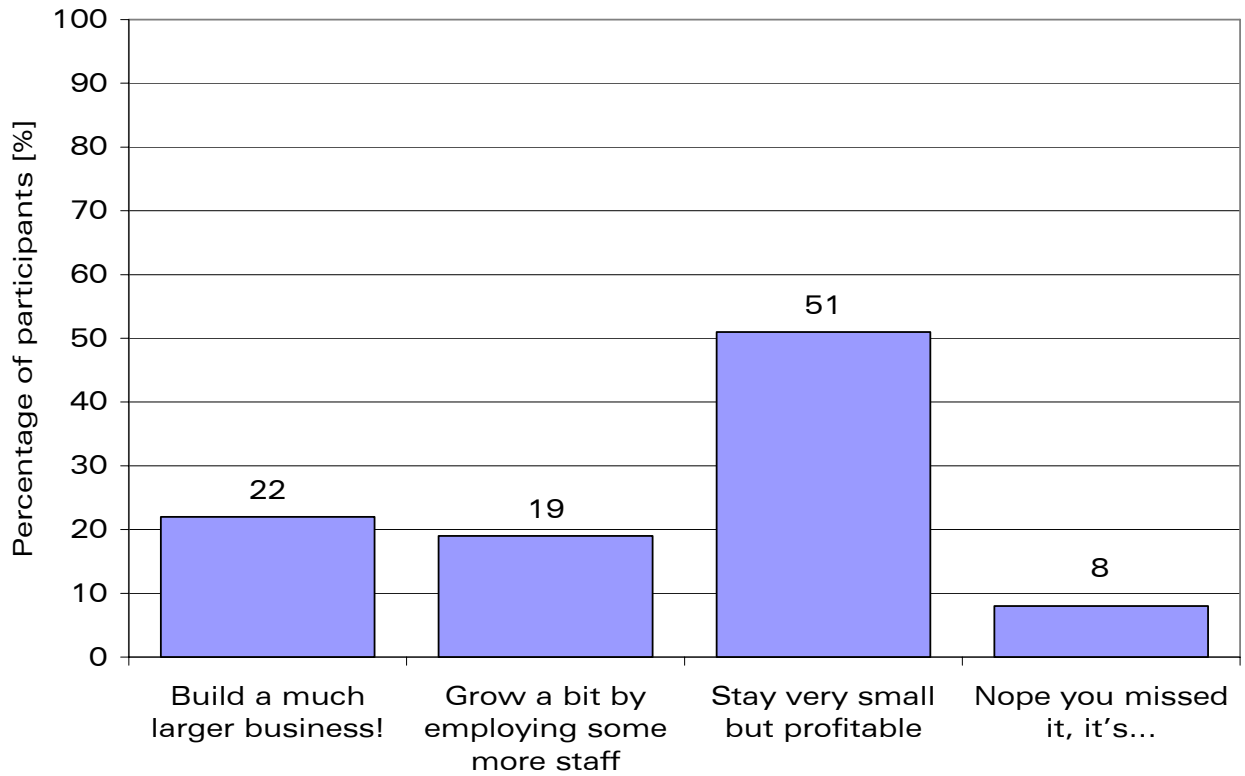
Over half [51%] of the participants wanted to maintain their business as small but profitable. Also see Figure 13 on the following page. The number of people who completed this question was 1520 [86%].

Stay very small but profitable	767	50.5%
Build a much larger business!	340	22.4%
Grow a bit by employing some more staff	287	18.9%
Nope you missed it, it's... ⁴	126	8.3%

⁴ Open responses here showed a handful of people looking to franchise their business and a general theme of diversification.

Business growth

Figure 13: Business growth plans



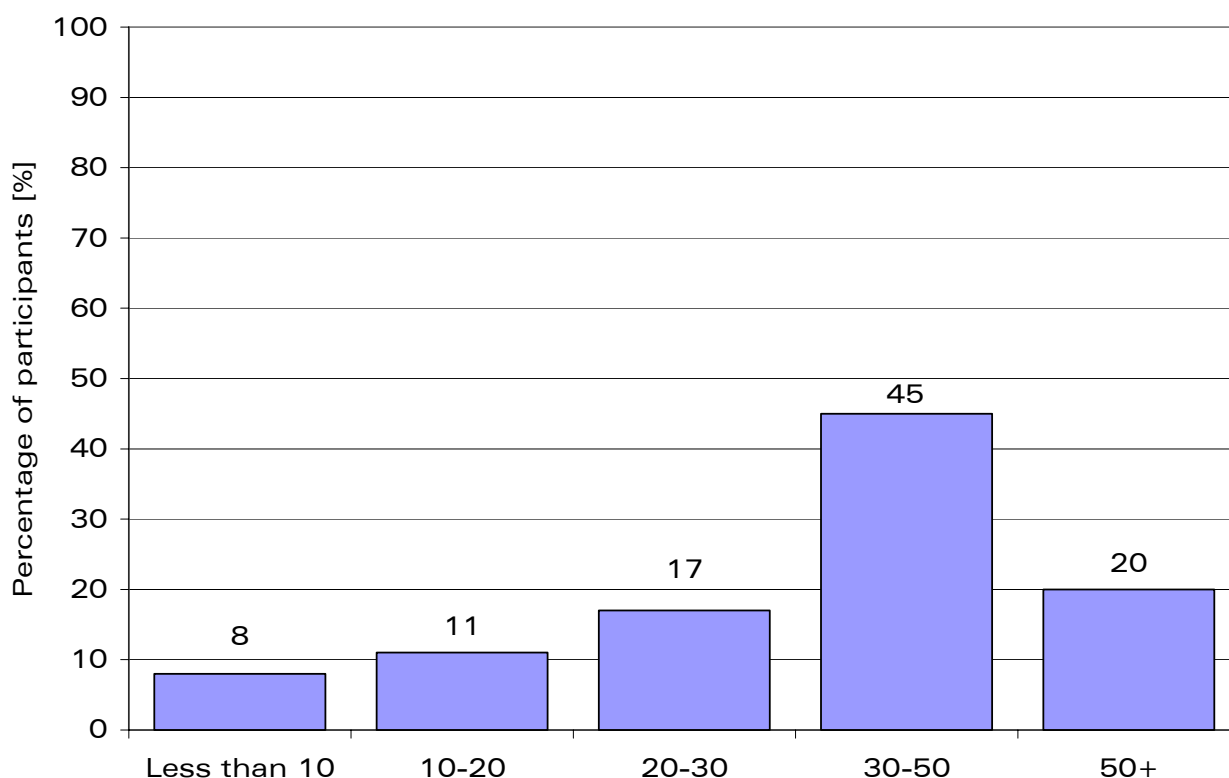
Work style

Hours worked each week

Close to half [45%] of the participants work 30 to 50 hours each week. The number of people who completed this question was 1714 [97%].

Less than 10	136	7.9%
10-20	185	10.8%
20-30	289	16.9%
30-50	764	44.6%
50+	340	19.8%

Figure 14: Hours worked each week



Hours worked in business	Happiness*	Satisfaction*
<10	7.16	3.40
10-20	7.95	4.13
20-30	8.22	4.86
30-50	8.19	5.34
50+	8.30	6.62

* the figures are an average from a rating from 0-10 where 0 is low and 10 is high

Work style

Table 3 shows the average happiness for each income and weekly hours worked category. The group of people who rated the highest level of happiness with their work was those working 20-30 hours per week and earning annually \$150,000 or more.

Table 3: Average Happiness for hours worked and income

Happiness	<10	10-20	20-30	30-50	50+
<\$40,000	6.10 [36]	8.00 [72]	8.17 [124]	8.01 [148]	8.20 [49]
\$40,000-\$59,999	7.36 [25]	8.26 [31]	8.04 [50]	8.24 [142]	8.05 [44]
\$60,000-\$79,999	6.88 [25]	7.62 [13]	8.34 [29]	8.24 [119]	8.28 [53]
\$80,000-\$99,999	7.13 [8]	8.12 [17]	8.37 [19]	8.32 [78]	8.62 [47]
\$100,000-\$149,999	7.00 [4]	8.25 [4]	7.73 [15]	8.13 [69]	8.46 [41]
\$150,000+	7.25 [4]	8.13 [8]	8.88 [8]	8.29 [55]	8.23 [43]

Table 4 shows the average income satisfaction for each income and weekly hours worked category. Income satisfaction was highest for those who work 50 or more hours per week and earning annually \$150,000 or more.

Table 4: Average Income Satisfaction for hours worked and income

Income Satisfaction	<10	10-20	20-30	30-50	50+
<\$40,000	2.51 [35]	3.62 [71]	3.86 [124]	3.91 [147]	4.04 [49]
\$40,000-\$59,999	3.40 [25]	4.25 [31]	5.28 [50]	5.00 [141]	5.02 [44]
\$60,000-\$79,999	3.22 [25]	4.23 [13]	5.68 [28]	5.59 [119]	5.52 [54]
\$80,000-\$99,999	4.88 [8]	4.24 [17]	6.74 [19]	6.22 [77]	6.15 [47]
\$100,000-\$149,999	5.25 [4]	5.25 [4]	6.27 [15]	6.51 [69]	6.63 [41]
\$150,000+	6.50 [4]	5.25 [8]	5.75 [8]	6.80 [54]	7.00 [43]

Key for Table 3 and Table 4

	Highest in column [highest feeling rating for hours worked]
	Highest in row [highest feeling rating for income bracket]
	Highest in both column and row [highest feeling for hours worked and income bracket]

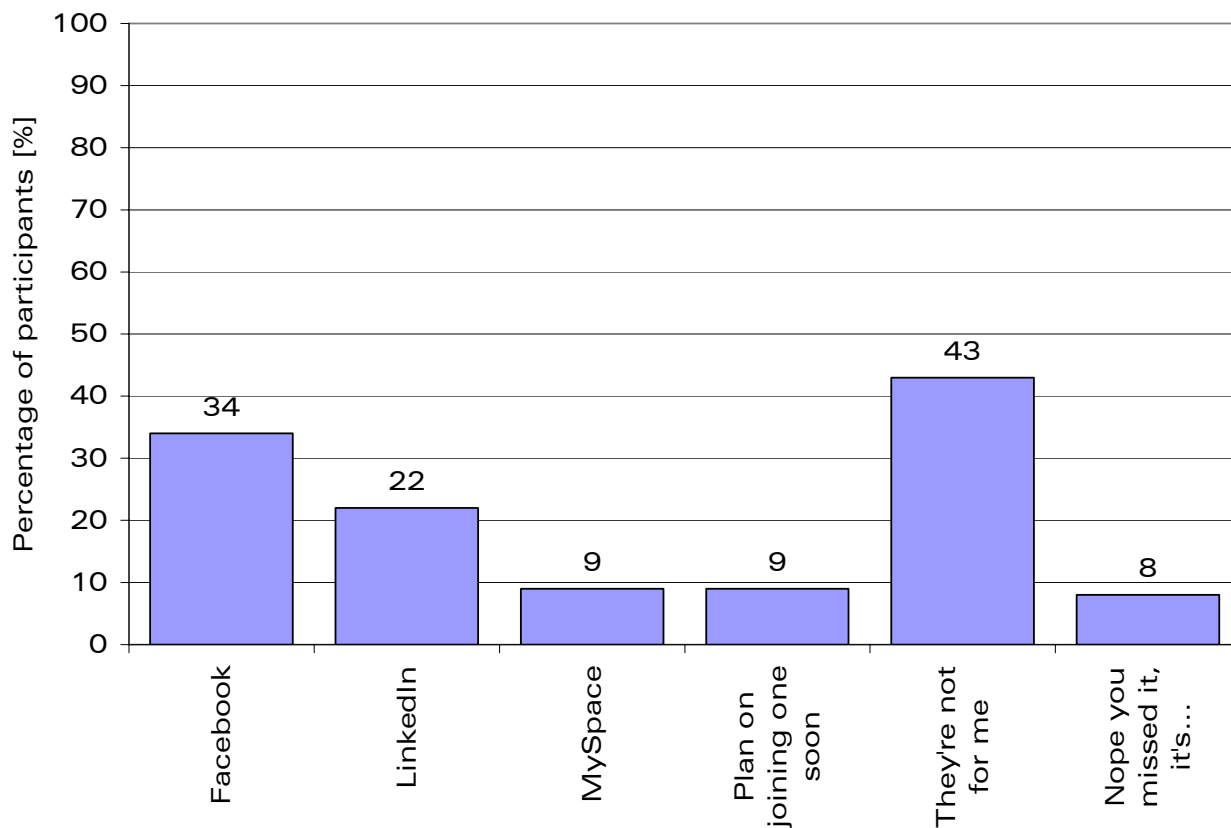
Networking style

Participation in online communities

Almost half of the participants [45.7%] reported that they use Facebook, LinkedIn, and/or MySpace. Fewer than half [43%] of participants said that online communities were not for them. The number of people who completed this question was 1574 [89%].

Member of most popular online communities	719	45.7%
Facebook	533	33.9%
LinkedIn	351	22.3%
MySpace	142	9.0%
They're not for me	677	43.0%
Plan on joining one soon	139	8.8%
Nope you missed it, it's... ⁵	133	8.4%

Figure 15: Participation in online communities



⁵ Open responses here showed a high incidence of industry-specific forums and other groups like Bebo and YouTube.

Website

Has a website for their business

Over two thirds [69%] of the participants have a website for their business. The number of people who completed this question was 1528 [86%].

Has a website for their business	1059	69.3%
Doesn't have a website for their business	469	30.7%

We asked those who didn't have a website, 'Why not?' The main reasons given were a fairly equal mix of time and financial constraint.

Happy with website

Over half [53%] of the participants were happy with their websites. The number of people who completed this question was 1079 [61%].

Yes	575	53.3%
No, it needs redesigning	217	20.1%
No, it needs a total overhaul	185	17.1%
No, it needs rewriting	102	9.5%

Figure 16: Website for business

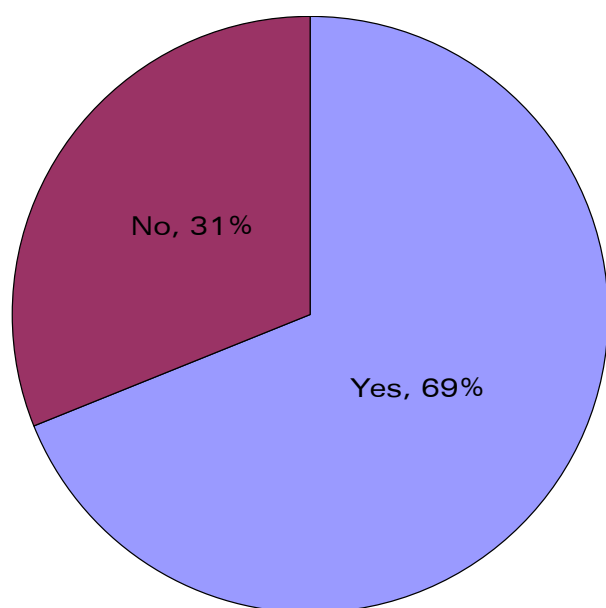
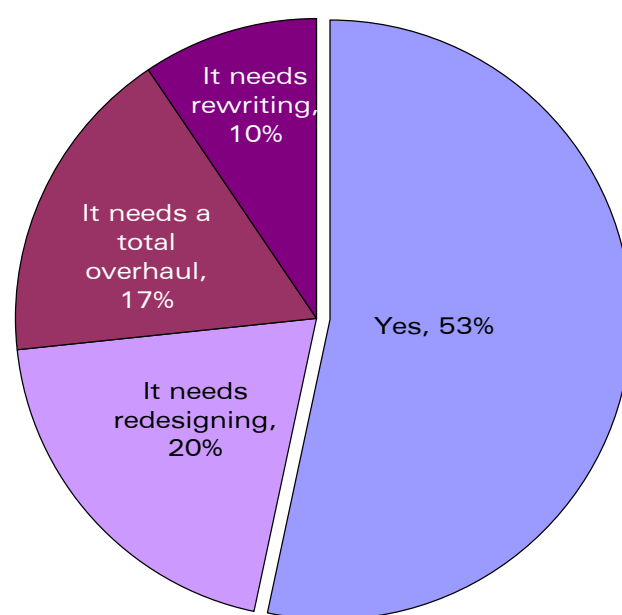


Figure 17: Happiness with website



Reported website and/or blog is one of the best ways to find work and happiness with their website. There were 1068 [60.3%] people who answered both questions.

Best way to find work is website and/or blog	472	44.2%
And, happy with website	295	62.5%
And, not happy with website, it needs redesigning	95	20.1%
And, not happy with website, it needs rewriting	30	6.4%
And, not happy with website, it needs a total overhaul	52	11.0%

Website

Search engine optimisation [SEO]

Close to two thirds [60%] of the participants did not have SEO for their website. The number of people who completed this question was 1108 [63%].

Website not search engine optimised	668	60.3%
Website has been search engine optimised	440	39.7%

SEO working

In response to this question, 18% of the participants said that SEO was working for their website. The number of people who completed this question was 1179 [67%].

Yes	209	17.7%
Don't know	182	15.4%
Could be better	167	14.2%
No	31	2.6%

Figure 18: Search Engine Optimisation

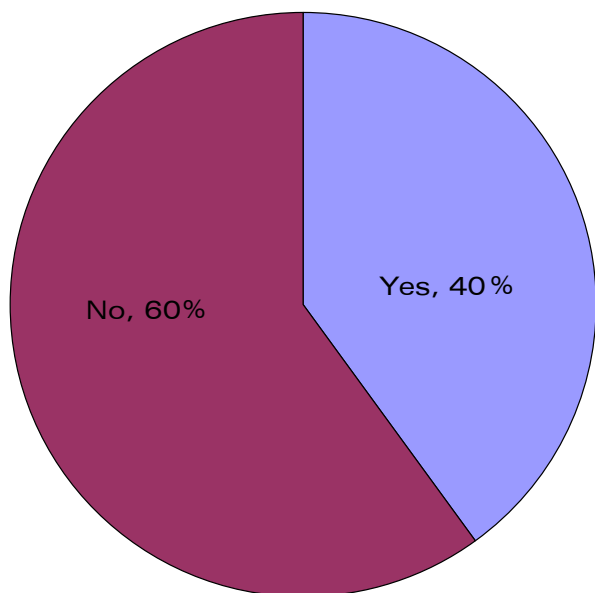
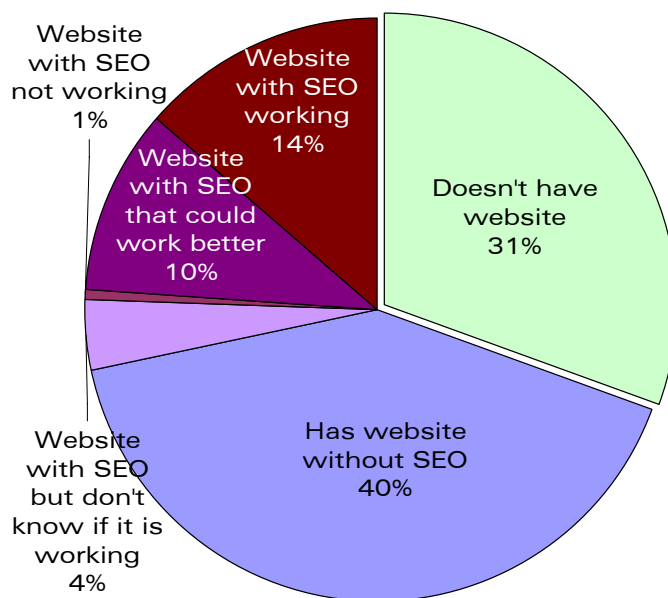


Figure 19: Effectiveness of Website SEO

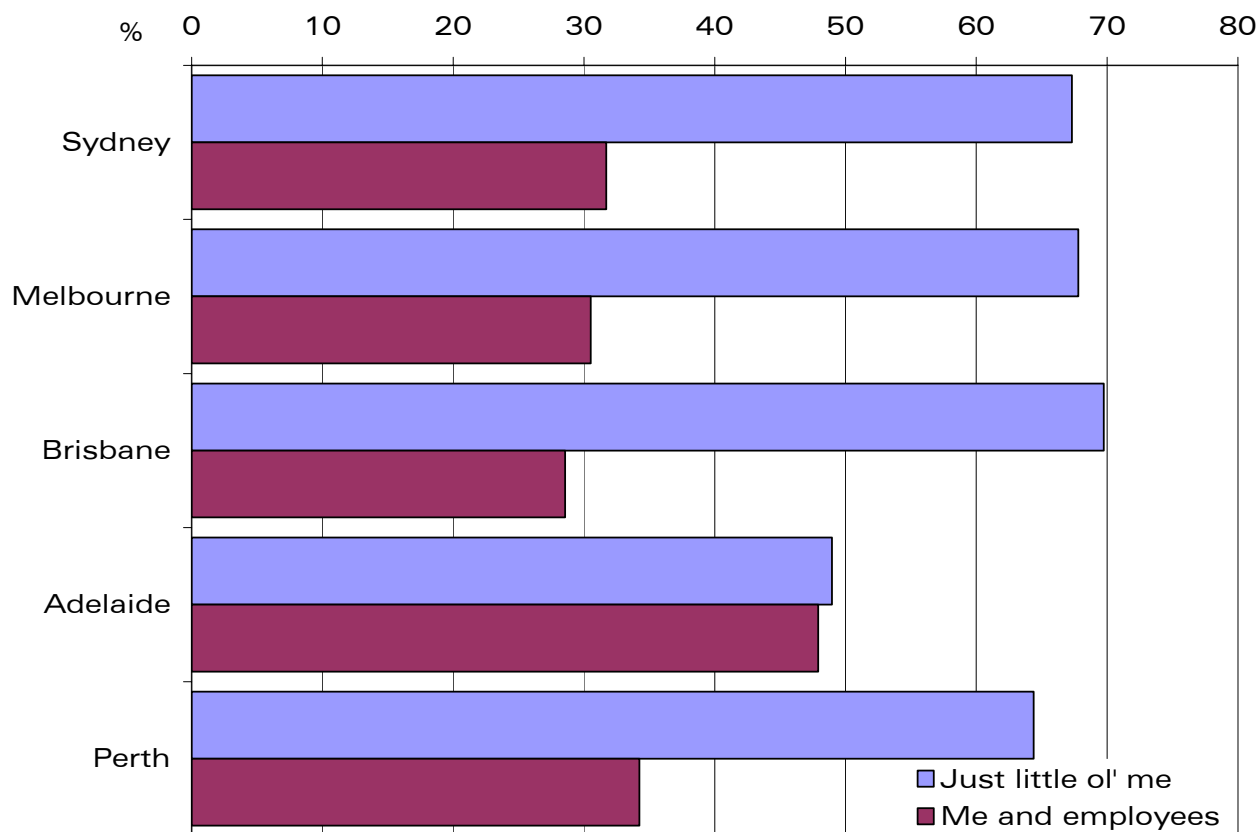


The pie graph in Figure 19 reports those who said they don't have a website and Search Engine Optimisation of those who have a website. Details of the responses to these questions and the categories they are in are in the Endnotes.ⁱ

Business information

In Adelaide there are similar proportions of participants who work alone and work with others; whereas in Sydney, Melbourne, Brisbane, and Perth there are a higher proportion of Soloists than those who work in businesses with others.

Figure 20: Size of business



In Table 5 below, the green boxes indicate the highest percentage per row and the red boxes indicate the lowest percentage **per row**.

The table shows that the happiest participants were from Brisbane, and those most satisfied with their income are from Perth. Participants living in Sydney had the lowest level of happiness with their work, and those from Brisbane were the least satisfied with their income.

Table 5: Feelings

Mean response [0=low; 10=high]	Sydney	Melbourne	Brisbane	Adelaide	Perth
Happiness	7.92	8.09	8.59	8.13	8.47
Income satisfaction	5.01	5.07	4.72	4.93	5.78

Endnotes

ⁱ Websites and search engine optimisation

SEO Effectiveness	Does or doesn't have a website	Didn't answer	Has SEO	Doesn't have SEO
Didn't answer	Didn't answer	240	0	1
	Has website	11	3	494
	Doesn't have website	393	1	38
SEO working	Has website		206	2
	Doesn't have website		1	0
SEO not working	Has website	1	11	12
	Doesn't have website	3	1	3
SEO could be better	Has website	2	153	8
	Doesn't have website	0	3	1
Don't know if SEO working	Didn't answer	1	0	0
	Has website	6	59	91
	Doesn't have website	5	2	18

Categories in pie	Didn't answer questions	262		
	Doesn't have website	461		
	Has website without SEO	618		
	Website with SEO but don't know if it is working	59		
	Website with SEO not working	11		
	Website with SEO that could work better	153		
	Website with SEO working	206		