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## PRESS RELEASE

# Pandemic accelerated the shift to online – but only 1 in 10 small businesses made the move

- **Just 10% of small businesses launched a virtual shop window as a direct result of the pandemic**
- **Nearly half of small businesses are yet to make the move to online**
- **65% see lack of digital skills as main barrier to getting online**

The pandemic has had a lasting impact on how businesses operate and for many the move to digital was not only key to their survival but opened up new markets and opportunities for growth.

However new research from Lloyds Bank Business\* has found that just 1 in 10 (12%) small businesses went online as a direct result of the pandemic. This means that around half (49%) of smaller firms are still to make the move to digital and may be missing out on increasing customer reach.

Lack of skills and confidence are the biggest barriers to going digital, with 65% of businesses in the UK reporting a digital skills shortfall\*\* as their biggest challenge. Some business owners do not see the benefit of being online and the benefits can be dependent on the nature of the business.

Many entrepreneurs didn't anticipate the pandemic lasting for as long as it has, however there can be big benefits for companies that adopt an online presence.

The research found that more than three-quarters (82%) of those who have a digital offering say it has helped their business grow, with over half (55%) increasing their geographic reach and a similar number helping the business to appeal to a new customer demographic (47%). Around a third (32%) have used their online platform to diversify the services they offer.

More generally, businesses that launched an online shop say this was essential. According to the most recent Lloyds Bank Transformation and Tech report\*\*\*, 2.7 million businesses said they would have ceased trading during the pandemic, without digital technology.

### **CASE STUDY: growing a business online**

Cambridge-based ceramicist Paula Bond has seen a more than 20 per cent uplift in new customer orders since starting to sell her creations online. Paula wanted to grow her online presence to make it easier for potential customers to ask her about her workshops and her products. The business has since introduced a membership scheme for loyal customers to deliver a consistent



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income. Paula has also launched a YouTube channel to share mini projects, tips and best practice. She is also planning on writing a book for creatives on the process of bringing ceramic projects to life over a four-week period.

To continue to grow her business, Paula attended the Lloyds Bank Academy's free Small Business Britain training course, *How to get Money Savvy in 2021*.

**Paula Bond, Owner of Paula Armstrong Ceramics, said:** *"I've been making ceramic sculptures for over 20 years and love what I do, but the pandemic posed a real threat to my business.*

*I took the step of going online, with help from the Lloyds Bank Academy, to make sure my business could continue growing. The training was really helpful in showing me how to navigate the digital world as a business owner and helped me put structures in place to better manage my finances after making the shift."*

**Gareth Oakley, Managing Director of Business Banking at Lloyds Bank said:** *"If you're the owner of a coffee shop or a hairdresser's, having a digital presence might not be as important for your business, but other retail or service businesses could really expand their reach by moving online.*

*That can be a daunting prospect for those yet to make the move or those who might not feel they have the necessary skills or experience. But by making the most of the tools and services available at Lloyds Bank, business owners can ensure their business thrives online in a way that's both safe and productive."*

## Businesses

Lloyds Bank has a range of support for businesses to support their capability in digital. For businesses looking to learn new skills, whether that's designing a website, improving an existing one or masterclasses to build more digital presence; the Lloyds Bank Academy has plenty of free advice and support available. Our top tips for getting online:

1. Make your website accessible
2. Carefully consider your domain name
3. Speak in a way everyone will understand
4. Stay safe online
5. Understand your customers

**Ends**

## Notes to editors

\* This report presents findings from a survey conducted amongst small and medium sized enterprises (SMEs) defined as having less than 250 employees. The study was commissioned by Lloyds Bank with fieldwork conducted by YouGov. The survey was conducted online and completed by 'those who had some decision making involvement or influence in the SME'. Fieldwork was conducted 16<sup>th</sup> August – 12<sup>th</sup> September 2021 and 1,518 interviews were completed.

Lloyds Bank Academy: [Digital skills training courses | Lloyds Bank Academy](#)

Paula Armstrong success story can be found here: [https://www.lloydsbankacademy.co.uk/Static/pdfs/success-stories/paula\\_armstrong.pdf](https://www.lloydsbankacademy.co.uk/Static/pdfs/success-stories/paula_armstrong.pdf)



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**Sources:**

\*\*According to research from FDM Group [65% of UK companies see digital skills shortfall as biggest business challenge in 2021 - PA Life](#)

\*\*\*[Business Digital Index Report 2020 \(lloydsbank.com\)](#)

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