



MerchantCircle “Merchant Confidence
Index” Survey Results
February, 2011

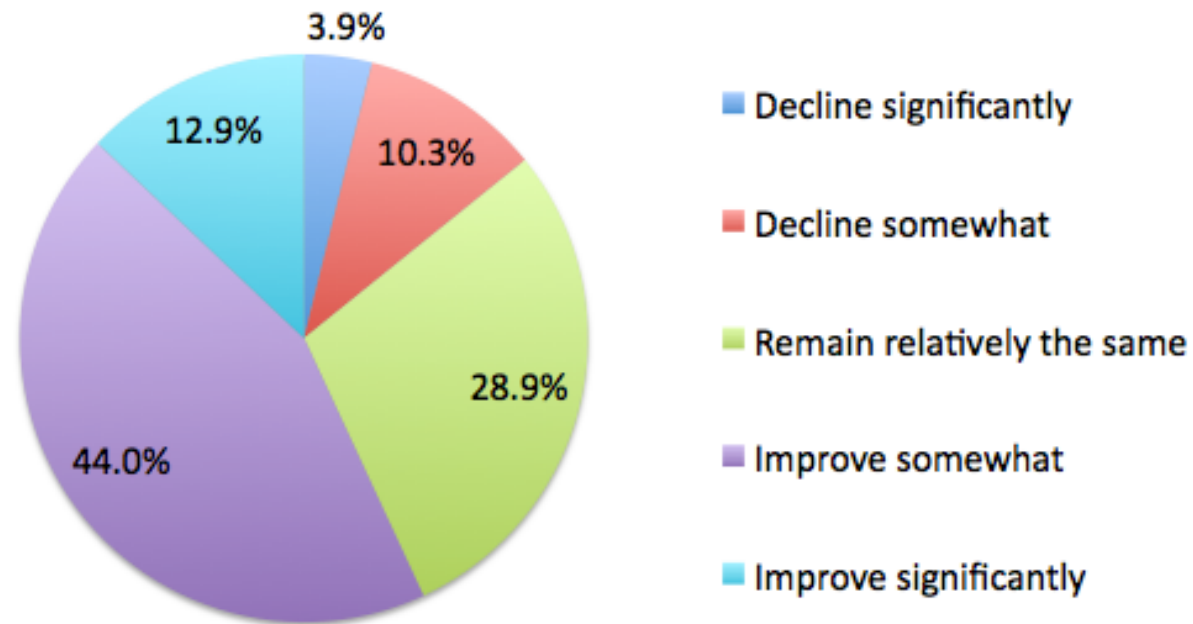
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Survey Methodology

- ✓ Fielded online January 22nd through February 3rd, 2011
- ✓ Invitation to participate sent via email to a random sample of 300,000 MerchantCircle members (out of a membership base of 1.6MM members)
- ✓ Total responses: 8,456
 - 75.3% of responses from merchants with 1-4 employees
 - 14.7% of responses from merchants with 5-9 employees
 - 8.4% of responses from merchants with 10-49 employees
 - 1.7% of responses from merchants with 50+ employees
- ✓ No incentive was offered to complete the survey
- ✓ By virtue of the survey methodology (delivered via email and fielded online), responses are expected to come from relatively more “internet-savvy” members
- ✓ Merchant Confidence Index tracks track four key questions designed to synopsize the prevailing trends among local business owners. The overall index score is based upon a standardized five-level Likert scale.

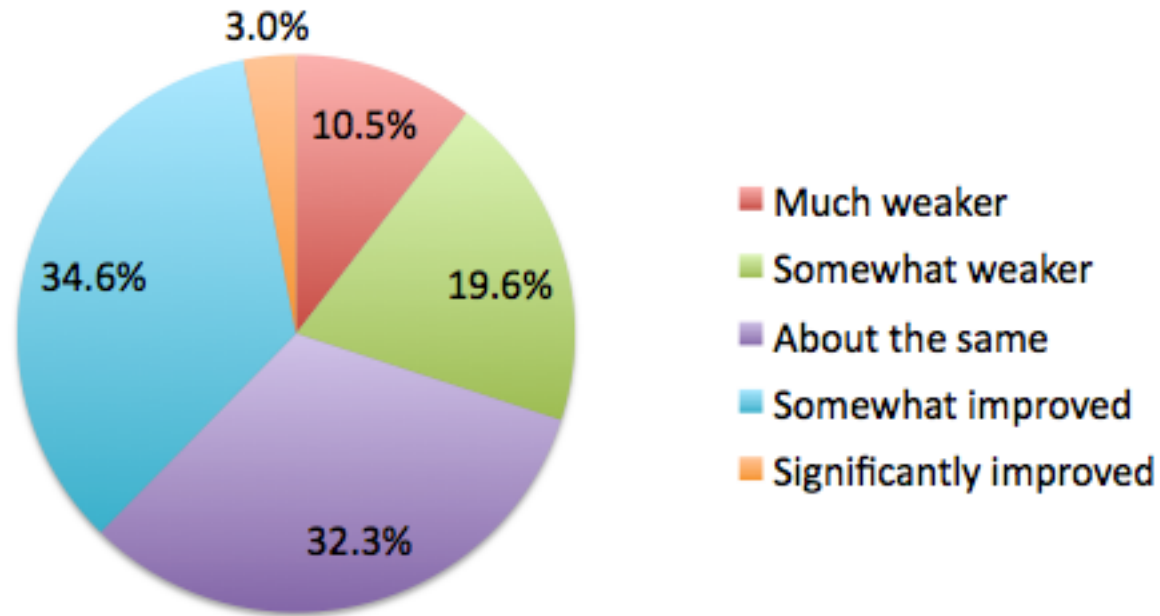
Expectations for the future

How do you expect your sales revenues to change over the next three months? (n=8,456)



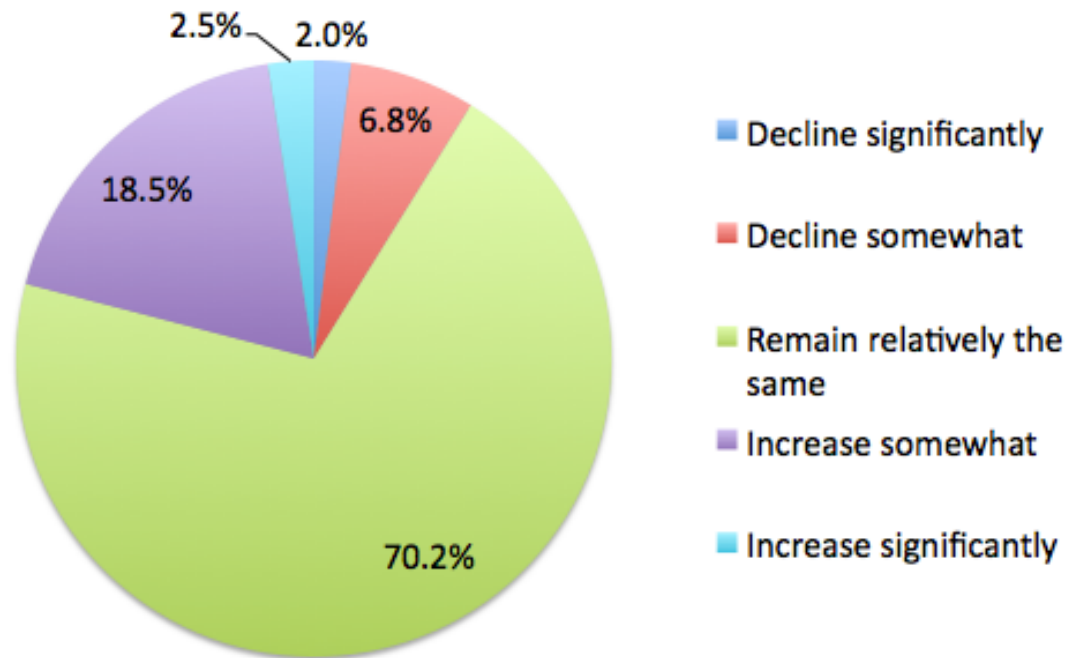
State of the U.S. economy

How would you rate today's economy compared to the past twelve months? (n=8,229)



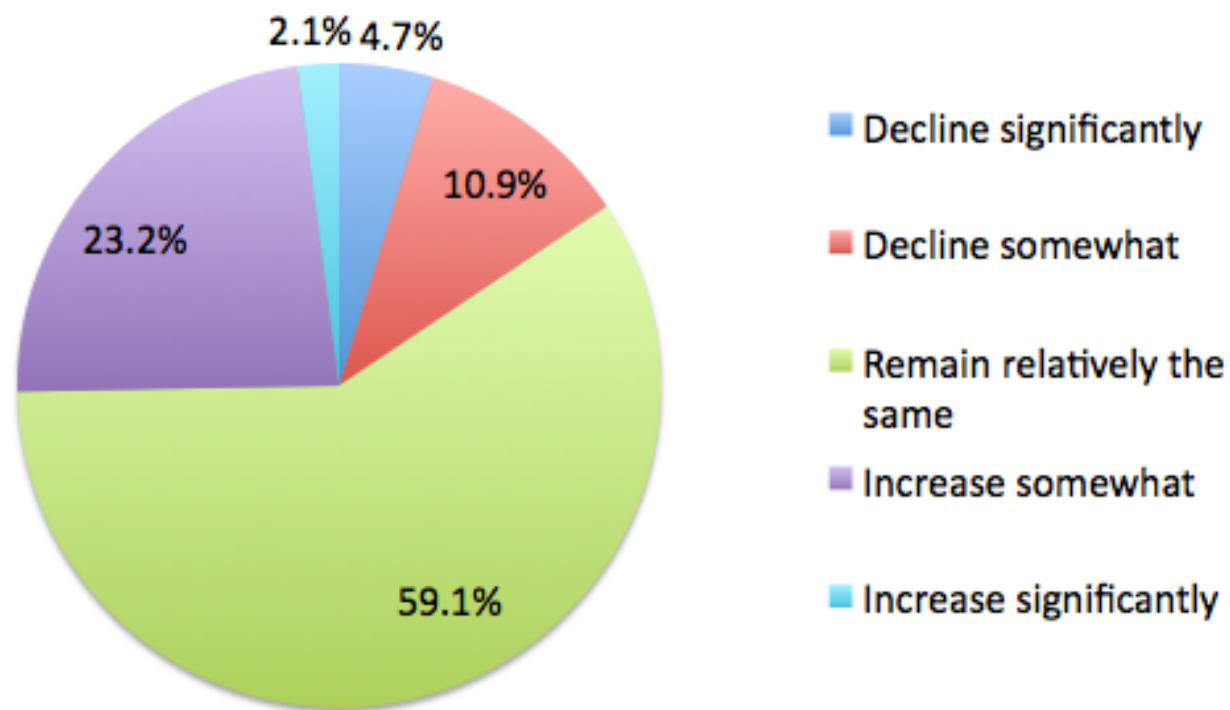
Hiring expectations

How do you expect your company's headcount to change over the next three months? (n=8,229)



Marketing expenditures

How do you expect your marketing/advertising expenditures to change over the next three months? (n=7,510)

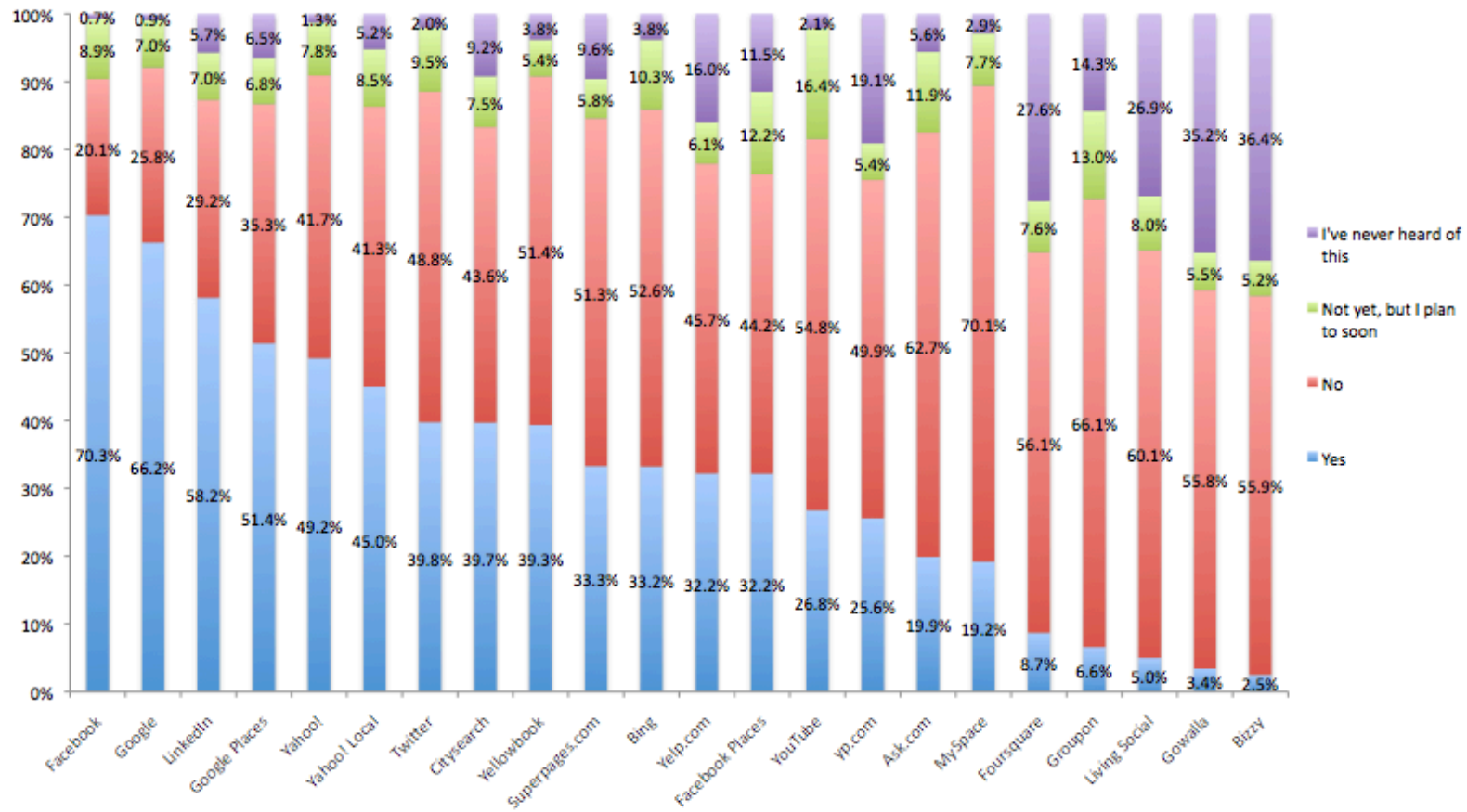


Merchant Confidence Index Calculation

Question	Average Response Score (on 1-5 Likert scale)	Normalized Score (on a 100-point scale)	Change vs. Feb 2010 Score
How would you rate today's economy compared to the past twelve months?	3.00	15	+11.5%
How do you expect your sales revenues to change over the next three months?	3.52	17.6	+4.8%
How do you expect your marketing/advertising expenditures to change over the next three months?	3.07	15.4	+2.3%
How do you expect your company's headcount to change over the next three months?	3.13	15.7	+2.6%
Merchant Confidence Index Score		63.6	+5.1%

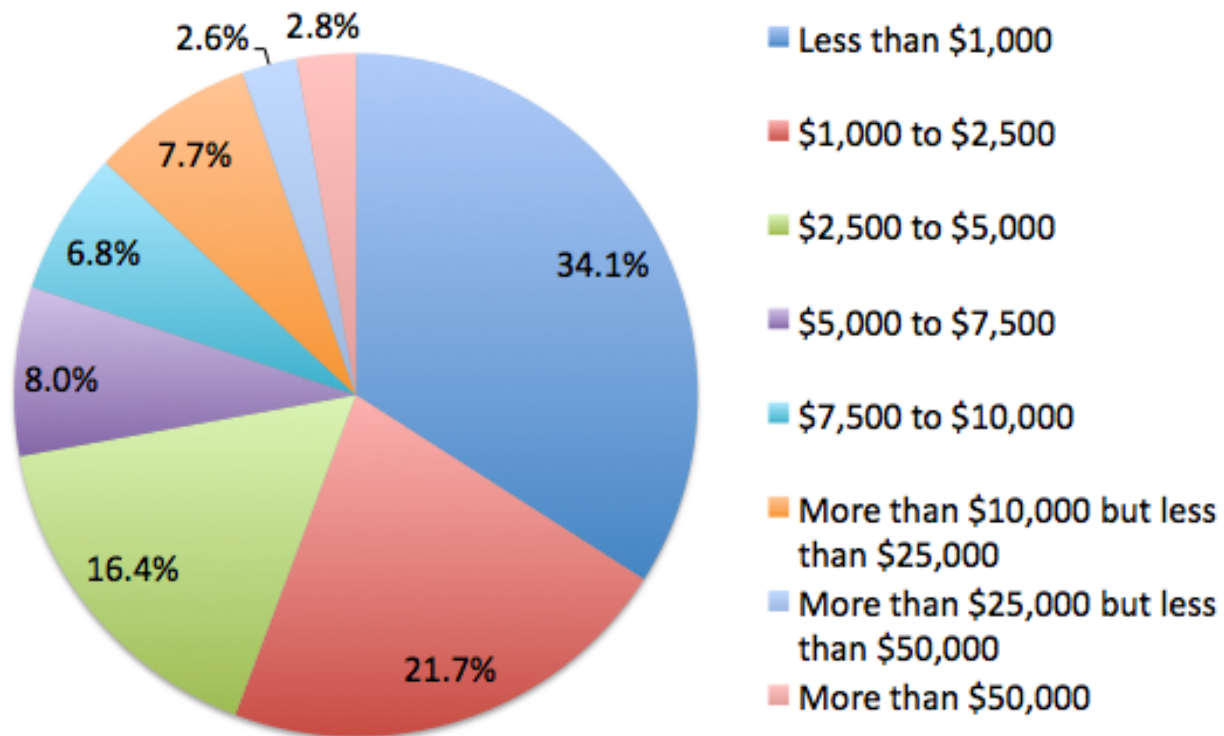
Adoption of specific online marketing services

Are you promoting your business with the following websites/ services? (n=7,139)



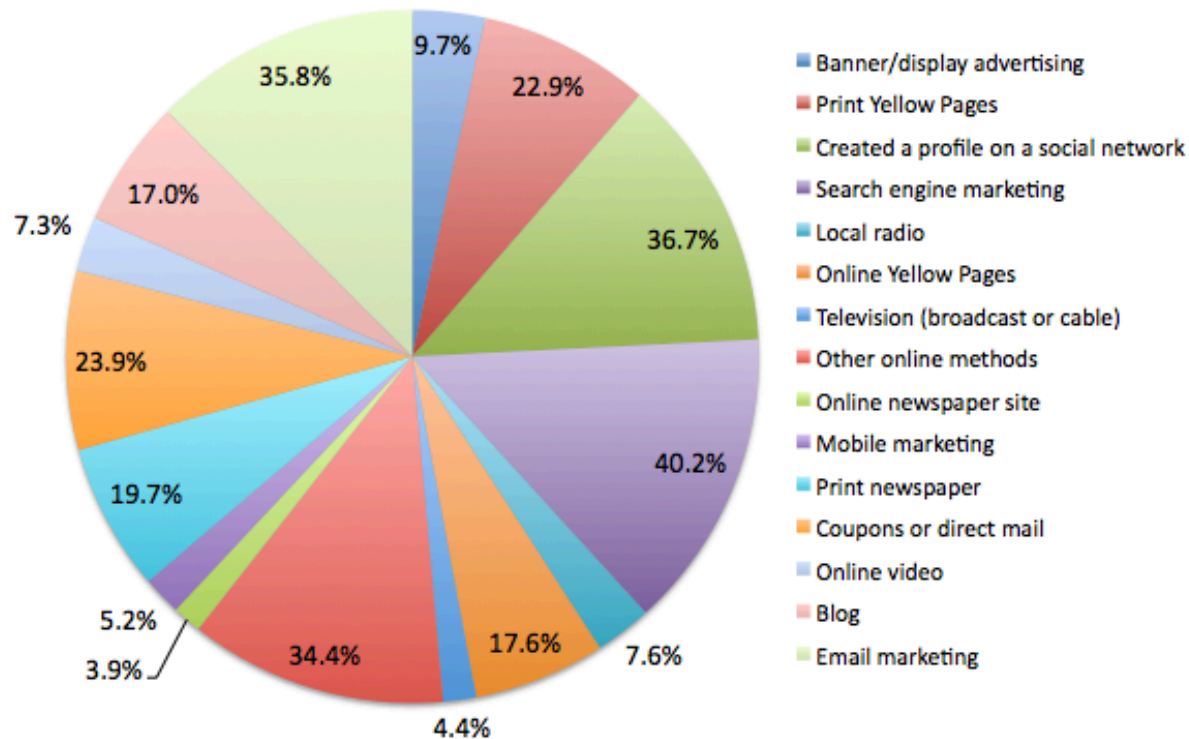
Marketing budget

What is your annual ad/marketing budget? (n=8,229)



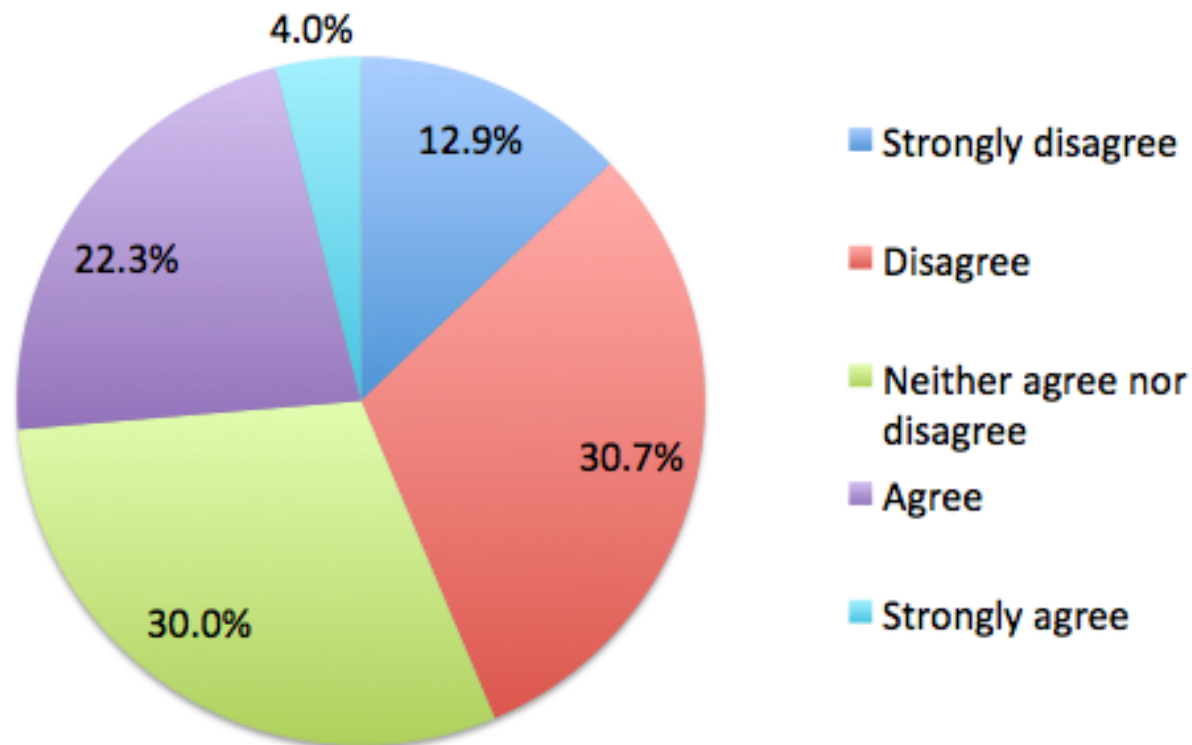
Most effective marketing channels

Select the top THREE most effective marketing or advertising methods your business uses or has used. (n=7,139)



Expectations for length of recession

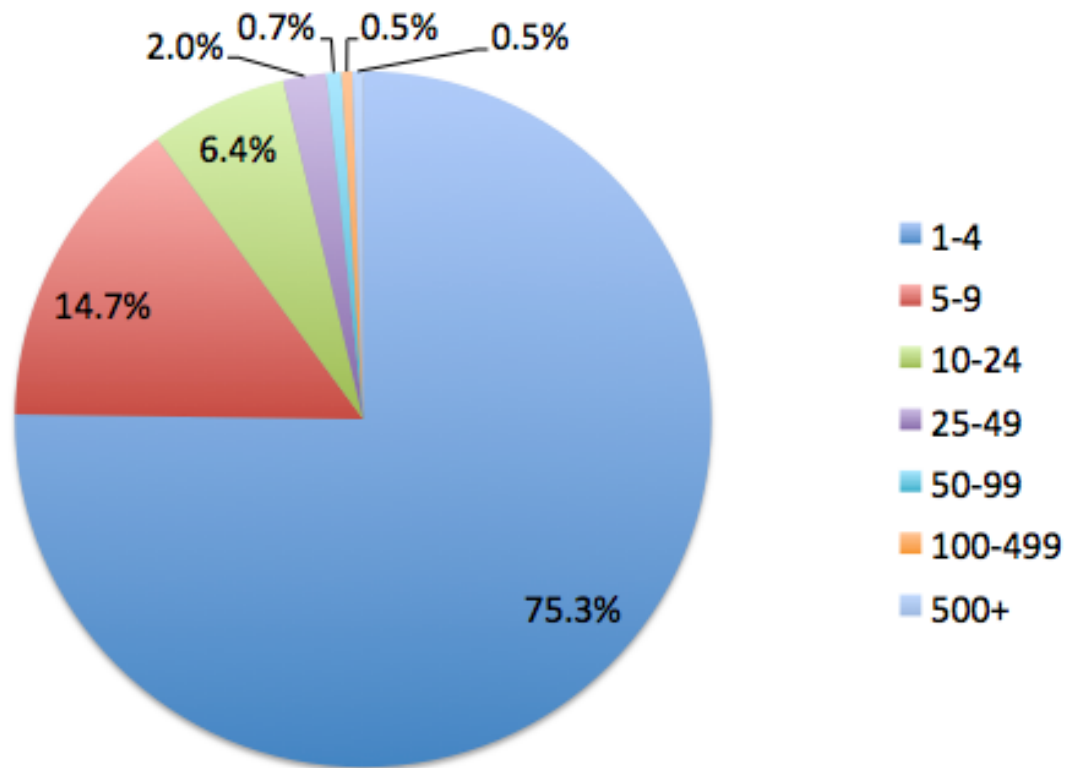
To what extent do you agree with the following statement?
“The worst effects of the recession are behind us?” (n=8,456)



Respondent Profiles

Size of business

How many people does your business employ?



Business categories

Which single business category best describes your business?

