GoDaddy Venture Forward Report
UK Edition
2023

This report is powered by Venture Forward, an international research initiative by GoDaddy that analyses data from more than 20 million UK and US microbusinesses - those with an active website and the majority with fewer than 10 employees. Our goal is to empower anyone who advocates for entrepreneurs with robust data and insights that can’t be found elsewhere.
In this Venture Forward UK 2023 Report, you’ll find:

- The latest quarterly data on microbusinesses and year-over-year e-commerce trends
- New economic impact findings on jobs, incomes and GDP from Frontier Economics
- August 2023 UK entrepreneur survey results, including trends over time, financial needs, and rise of women-owned businesses
- A glimpse into how Venture Forward is being applied in support of entrepreneurs and resources available for their advocates
I’m delighted to welcome you to the first edition of GoDaddy’s UK Venture Forward Report.

While there is little doubt that entrepreneurship is powerful, there are very few studies that can quantify it.

Our mission is to empower entrepreneurs everywhere, making opportunity more inclusive for all. Five years ago, GoDaddy launched the Venture Forward initiative, believing that to truly advocate for entrepreneurs, one must first understand them. So that’s exactly what we did.

Venture Forward spotlights digital entrepreneurs, with the majority of them having fewer than 10 employees, classifying them as microbusinesses. This group is often under-researched, misunderstood, and underserved.

Despite their small size, microbusinesses are growing. According to our data, in the UK alone, there are about 618,000 of these ventures with a unique domain and an active website, up over 15% since March 2020.

Over the last two years, GoDaddy has surveyed over 7,500 entrepreneurs. During this time, microbusiness owners have faced challenging market conditions amidst rising costs and falling consumer spending. Despite such macroeconomic headwinds, microbusinesses consistently show resilience and a positive outlook for their own business and financial turnover.

Microbusinesses matter, and their impact is felt. Their enormous economic contribution drives job creation, annual median pay, and local GDP at the constituency level.

In this report, you’ll get a glimpse of the unique research on trends we’re seeing. I hope you share this with anyone who advocates for entrepreneurs and those who could use these insights to better support entrepreneurs turning ideas into success.

Microbusinesses are the engine of the UK economy. When they thrive, we all do.

A Gradon
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The State of Microbusinesses

A deep dive into the latest numbers and trends of online microbusinesses, their economic impact, and hotspots of growth by UK Parliamentary constituencies.
Venture Forward quantifies the presence and impact of over 20 million online microbusinesses on their local economies, and provides a unique view into the attitudes, demographics, and needs of the entrepreneurs who start them.

In 2018, we began to study millions of US microbusinesses, defined as an entity with a discrete domain name and an active website, and the majority of whom have fewer than 10 employees. We focused on two things: where they are and how they impact the economy. Together with academics and economists, we established that they had an outsized effect on economic health indicators, like job creation and household incomes.

In 2019, we began surveying the entrepreneurs who own these ventures in the United States, nationally and across cities, at least once a year. These surveys help us better understand their mindsets and circumstances.

In 2020, we built a proprietary Microbusiness Activity Index with economists at UCLA Anderson Forecast and created a data hub to update and share our data publicly, including measurements of microbusiness density by geography. We update this data on a quarterly basis.

In 2021, we expanded Venture Forward research to the United Kingdom to highlight the areas seeing the greatest growth of digital entrepreneurship and to learn more about these microbusiness owners.

This year, we hit a new milestone when we partnered with UK-based economics consultancy, Frontier Economics, on a study to quantify how microbusiness effect job creation, median annual pay, and even local GDP (findings ahead on page 12).

As we continue working now to broaden our coverage elsewhere around the world, we continue to publish all of our data, aggregated and anonymized on our website to help empower other advocates.

For more details on our research methodology and other findings, please read About Us on the Venture Forward website or see our answer to Frequently Asked Questions.

"Microbusinesses have the power to add billions to the economy, while providing jobs and opportunity in their local communities."

— The Independent
May 2023, covering Venture Forward
UK Microbusiness Concentration

Recent Snapshot: Microbusiness Density by UK Constituency (Q3 2023)

<table>
<thead>
<tr>
<th>Category</th>
<th>% All Constituencies</th>
<th>Microbusinesses per 1,000 people (Q3 2023)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rural</td>
<td>20%</td>
<td>7</td>
</tr>
<tr>
<td>Suburban</td>
<td>27%</td>
<td>7.7</td>
</tr>
<tr>
<td>Urban</td>
<td>53%</td>
<td>11.3</td>
</tr>
</tbody>
</table>

Microbusiness Density (microbusinesses/1,000 people)

- Low
- High
Which UK Constituencies Rank Highest in Microbusinesses?

### Top 10 UK Constituencies (by Count)

<table>
<thead>
<tr>
<th>UK Constituencies</th>
<th>Microbusiness Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cities of London and Westminster</td>
<td>18,767</td>
</tr>
<tr>
<td>Stoke-on-Trent South</td>
<td>11,707</td>
</tr>
<tr>
<td>Holborn and St Pancras</td>
<td>8,474</td>
</tr>
<tr>
<td>Hackney South and Shoreditch</td>
<td>7,122</td>
</tr>
<tr>
<td>St Albans</td>
<td>7,068</td>
</tr>
<tr>
<td>Islington South and Finsbury</td>
<td>5,648</td>
</tr>
<tr>
<td>Kensington</td>
<td>4,352</td>
</tr>
<tr>
<td>Bermondsey and Old Southwark</td>
<td>3,805</td>
</tr>
<tr>
<td>Chelsea and Fulham</td>
<td>3,791</td>
</tr>
<tr>
<td>Slough</td>
<td>3,673</td>
</tr>
</tbody>
</table>

### Top 10 UK Constituencies (by Density)

<table>
<thead>
<tr>
<th>UK Constituencies</th>
<th>Density (Microbusinesses/1,000 people)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cities of London and Westminster</td>
<td>171</td>
</tr>
<tr>
<td>Stoke-on-Trent South</td>
<td>131</td>
</tr>
<tr>
<td>St Albans</td>
<td>72</td>
</tr>
<tr>
<td>Holborn and St Pancras</td>
<td>62</td>
</tr>
<tr>
<td>Hackney South and Shoreditch</td>
<td>60</td>
</tr>
<tr>
<td>Islington South and Finsbury</td>
<td>55</td>
</tr>
<tr>
<td>Kensington</td>
<td>37</td>
</tr>
<tr>
<td>Chelsea and Fulham</td>
<td>35</td>
</tr>
<tr>
<td>Bermondsey and Old Southwark</td>
<td>30</td>
</tr>
<tr>
<td>Poplar and Limehouse</td>
<td>27</td>
</tr>
</tbody>
</table>

*Constituencies with population over 250K*
A Deeper Dive

Year-over-year trends offer insight into which industries gain and lose popularity for e-commerce, measured here by the change in online sales.

When comparing the period from July to September 2023 with the same period in 2022, there was a decrease in spending within the Financial and Personal categories. On the positive side, Personal Services emerged as a leader, experiencing more than 5x growth. Additionally, sales in the Consulting and Charitable or Political categories more than doubled during this timeframe.

### Year-Over-Year Average Revenue Change by Industry (Q3 2022 - Q3 2023)

<table>
<thead>
<tr>
<th>Top 5 Industries (by % Increase)</th>
<th>Bottom 5 Industries (by % Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Industry</strong></td>
<td><strong>Y/Y Change</strong></td>
</tr>
<tr>
<td>Personal Services</td>
<td>522%</td>
</tr>
<tr>
<td>Charitable / Political</td>
<td>156%</td>
</tr>
<tr>
<td>Consulting</td>
<td>147%</td>
</tr>
<tr>
<td>Writing</td>
<td>137%</td>
</tr>
<tr>
<td>Transportation</td>
<td>136%</td>
</tr>
</tbody>
</table>

### Industry Glossary as Self-Reported by Website Owner

- **Writing**: Freelance writing, business writing, publishing company, authors/creative writers
- **Financial**: Brokers, bankers, accountants, insurance agents
- **Events**: Conferences, seminars and parties
- **Personal Services**: Hair/nail salons, laundry/dry-cleaning, home cleaning services
- **Personal**: Sites for an individual, celebrity figure, bloggers
- **Consulting Services**: Microbusiness consultants of any industry
- **Transportation**: Logistics, trucking, couriers, chauffeurs, auto rental
- **Wedding**: Wedding planners, bridal boutiques, wedding photographers
- **Religion**: Religious institutions and their peripheries
Microbusinesses Have Major Impact

£1,400

About £1,400 in median annual pay is gained for full-time workers in 2021 for every 10 new microbusiness per 1,000 people on a constituency-level.

Source: Frontier Economics analysis of GoDaddy proprietary dataset and UK public data

~7

About seven jobs are created for every 10 new microbusiness per 1,000 people on a constituency-level.

Source: Frontier Economics analysis of GoDaddy proprietary dataset and UK public data
New Economic Outcomes Report

Brand new research findings undertaken in partnership with consultancy Frontier Economics on the outsized economic impact by UK microbusinesses.
INTRODUCTION

GoDaddy Venture Forward partnered with economics consultancy Frontier Economics on a landmark study. The goal was to uncover the economic impact microbusinesses are making in the UK.

The findings were significant: Digital microbusinesses are associated with a higher number of jobs available for each resident, higher annual pay for residents, and an increase in general economic activity, as measured by GDP.

What follows are key excerpts.

FOR THE FULL REPORT, PLEASE DOWNLOAD HERE.
The microbusiness sector in the UK has experienced significant growth over the last two decades. The number of microbusinesses which employ 0-9 people – excluding the owner – has increased from 3.5 million in 2000 to 5.2 million today*. As a result, microbusinesses now contribute to 32% (8.7 million employees) of private sector employment and 19% of total economic output (£808 billion)**.

Data on microbusinesses is generally scarce because these businesses often have limited resources and may not prioritise data collection and reporting. As a result, microbusinesses, especially digital ones, are often overlooked in the public debate and the crucial role that they play in the economy is rarely acknowledged by policymakers and researchers.

“This study contributes to closing the knowledge gap on the importance of digital microbusinesses to local economies.”

— Frontier Economics

** https://researchbriefings.files.parliament.uk/documents/SN06152/SN06152.pdf
The Strong Growth of UK Microbusinesses

Microbusinesses constitute 90% of all businesses in England.

Among these microbusinesses, 79% have workforces ranging from 0 to 4 individuals, excluding the owner. This sector contributes substantially to the UK economy, accounting for 33% of total employment, which corresponds to approximately nine million workers, and collectively generating 21% of the country’s economic turnover*.

In the last ten years, microbusinesses have exhibited a more rapid growth rate compared to other types of enterprises.

London also stands out for the most substantial increase in the number of microbusinesses between 2010 and 2020, with a remarkable 62% growth rate.

* [https://www.local.gov.uk/publications/how-well-do-you-know-your-microbusinesses#introduction](https://www.local.gov.uk/publications/how-well-do-you-know-your-microbusinesses#introduction)
### Jobs, Pay and GDP

#### Jobs Density

A change of 10 additional digital microbusinesses per 1,000 residents between 2020 and 2021 is associated with an increase of approximately 7 jobs per resident population in 2021, holding all other factors constant.

This result evidences that the creation of a new microbusiness has larger implications than the pure direct employment within the business.

#### Median Annual Pay

Ten additional digital microbusinesses per 1,000 residents in 2020 is linked to an approximately £1,400 increase in median annual pay for full-time workers in 2021, everything else being equal.

This represents a 4.4% increase over the sample’s median annual pay of approximately £31,500.

#### GDP

Ten additional digital microbusinesses per 1,000 residents is associated with an approximate increase of £37,000 in GDP for 2021, all other factors remaining constant.

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### The Impact of Digital Microbusinesses on Local Economic Outcomes in the UK

<table>
<thead>
<tr>
<th>Outcome variable</th>
<th>Measure of microbusiness density</th>
<th>Coefficient</th>
<th>Model</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job density</td>
<td>Change in the share of microbusinesses per resident between 2020 and 2021</td>
<td>+6.5***</td>
<td>Baseline model</td>
</tr>
<tr>
<td>Job density</td>
<td>Change in the share of microbusinesses per resident between 2020 and 2021</td>
<td>+5.7***</td>
<td>Excluding the City of London and Westminster</td>
</tr>
<tr>
<td>Median annual pay</td>
<td>Log of the absolute number of microbusinesses per resident</td>
<td>+£1,386***</td>
<td>Baseline model</td>
</tr>
<tr>
<td>GDP</td>
<td>Share of microbusinesses per 100 residents</td>
<td>+£36,731***</td>
<td>Baseline model</td>
</tr>
<tr>
<td>GDP</td>
<td>Share of microbusinesses per 100 residents</td>
<td>+17,720***</td>
<td>Excluding the City of London and Westminster</td>
</tr>
</tbody>
</table>

Source: Frontier Economics analysis of GoDaddy proprietary dataset and UK public data (see Annex)

Note: ***denotes statistical significance at 1% level
National Microbusiness Survey Results

Ahead are highlights from the third survey of UK microbusinesses, conducted in August 2023, of over 2,500 online entrepreneurs.
Microbusinesses At-A-Glance

Microbusinesses are small

97% of microbusinesses have fewer than 10 employees

In total, how many employees are working in your organization?

- 1 (solo-entrepreneur): 80%
- 2 to 10: 17%

Microbusinesses generate income

- 36% Primary
- 36% Supplemental
- 28% No Income

39% of respondents in the UK turned their supplemental income into their main source of income

1 in 4 currently own more than one business

Source: GoDaddy Venture Forward UK National Survey. August 2023 (N-UK = 2,651)
What Does It Take To Get A Microbusiness Started?

73%

REQUIRED LESS THAN £5,000 TO START

"What was the total amount of capital needed to start your business or organisation?"

82%

Used Personal Savings

6%

Bank Loan

7%

Family/Friend Loan

"What was the source of the capital you needed to start?"

"How were the first and most recent pounds invested into the business?"

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>FIRST</th>
<th>RECENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equipment</td>
<td>27%</td>
<td>22%</td>
</tr>
<tr>
<td>Marketing Online</td>
<td>11%</td>
<td>20%</td>
</tr>
<tr>
<td>Website</td>
<td>30%</td>
<td>14%</td>
</tr>
<tr>
<td>New Product</td>
<td>9%</td>
<td>13%</td>
</tr>
<tr>
<td>Inventory</td>
<td>8%</td>
<td>11%</td>
</tr>
</tbody>
</table>

Source: GoDaddy Venture Forward UK National Survey. August 2023 (N-UK = 2,651)
Insight Into Microbusiness Owners

Microbusinesses are closing the gender gap.

- **42%** women-owned
- **+11%**

**DEC 2021** 31% → **AUG 2023** 42%

5% of UK microbusinesses are owned by a Black entrepreneur, and of those, 60% are owned by a Black woman.

How old are most entrepreneurs?

- **45%** Millennials
  - Age (25-39)

**AGE BREAKDOWN**
- 6% Gen Z (18-24)
- 45% Millennials (25-39)
- 37% Gen X (40-54)
- 12% Baby Boomers (55+)

Source: GoDaddy Venture Forward UK National Survey. August 2023 (N-UK = 2,651)
Can Microbusinesses Support a Household?

1 in 3 are "breadwinners" contributing 51% or more to household income

Annual income of breadwinners

<table>
<thead>
<tr>
<th>START TIMEFRAME</th>
<th>% of Household Income</th>
<th>Entire Sample</th>
<th>Pre-Pandemic</th>
<th>Post-Pandemic</th>
</tr>
</thead>
<tbody>
<tr>
<td>0% - 25%</td>
<td>50%</td>
<td>38%</td>
<td>59%</td>
<td></td>
</tr>
<tr>
<td>26% - 50%</td>
<td>19%</td>
<td>22%</td>
<td>16%</td>
<td></td>
</tr>
<tr>
<td>51% - 75%</td>
<td>11%</td>
<td>14%</td>
<td>9%</td>
<td></td>
</tr>
<tr>
<td>76% - 100%</td>
<td>20%</td>
<td>27%</td>
<td>16%</td>
<td></td>
</tr>
</tbody>
</table>

Energy | Raw Materials | Transportation
62% | 36% | 34%

Source: GoDaddy Venture Forward UK National Survey. August 2023 (N-UK = 2,651)
Microbusiness owners in both the UK and the US consistently express a more positive outlook for their businesses than that for the greater economy.

Confidence in their business growth vs. the UK economy in the next 3 months

- Business: 51%, 55%, 55%
- Economy: 46%, 18%, 17%

Positive expectations for their business vs. the US economy in the next 6 months

- Business: 78%, 60%, 73%, 72%
- Economy: 57%, 37%, 32%, 34%

Source: GoDaddy Venture Forward UK National Survey. August 2023 (N-UK = 2,651)
### Key Challenges and Stressors for Microbusinesses

#### Top Challenges:

<table>
<thead>
<tr>
<th>Challenge</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing my business online (social media, ads, promotions, etc.)</td>
<td>50%</td>
</tr>
<tr>
<td>Getting my business website online effectively</td>
<td>25%</td>
</tr>
<tr>
<td>Access to financial capital</td>
<td>22%</td>
</tr>
<tr>
<td>Marketing my business using traditional media (print, radio, TV, etc.)</td>
<td>18%</td>
</tr>
<tr>
<td>Rising costs on wages and materials</td>
<td>15%</td>
</tr>
<tr>
<td>Affordable space</td>
<td>15%</td>
</tr>
<tr>
<td>Networking with other business owners</td>
<td>14%</td>
</tr>
<tr>
<td>Taxes</td>
<td>14%</td>
</tr>
<tr>
<td>Finding employees, independent contractors or consultants with necessary skills</td>
<td>11%</td>
</tr>
<tr>
<td>Licensing/permits</td>
<td>5%</td>
</tr>
</tbody>
</table>

#### Primary Stressor

<table>
<thead>
<tr>
<th>Stressor</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial</td>
<td>61%</td>
</tr>
<tr>
<td>Work-life balance</td>
<td>56%</td>
</tr>
<tr>
<td>Customers</td>
<td>28%</td>
</tr>
</tbody>
</table>

44% of entrepreneurs report high stress/anxiety/burnout, or feel neutral, owning and operating a microbusiness.

Source: GoDaddy Venture Forward UK National Survey. August 2023 (N-UK = 2,651)
Press and Resources

Recent coverage and key resources.
Spreading The Word

We share our research to empower the people and organisations supporting entrepreneurial growth in communities, starting with economic and community stories.

Here are a few examples of Venture Forward mentioned in the UK media. More are available on the [Venture Forward](#) website.

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**PRESS**

Countryside business boom as almost 100,000 new rural firms launched

The countryside economy was in ‘good health, generating billions for the economy and supporting millions of jobs’, experts said.

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**PRESS**

Hundreds of thousands of small businesses may fold this year – wiping £12bn from economy, report says

Microbusinesses have a major impact on local economies, creating significantly more value than the income they generate for their owners.

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**PRESS**

It really is a Happy Valley: A closer look at why Calder Valley is booming for business

People have turned to local businesses during the cost of living crisis

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**PRESS**

A diverse nation: unlocking support for minority ethnic microbusiness owners

Despite the challenges of the cost-of-living crisis, GoDaddy data shows that the UK’s microbusinesses are becoming more diverse.
United Kingdom Research
A unique view into the attitudes, demographics, and needs of microbusiness entrepreneurs, as well as their presence, growth and impact since 2021.

Data Hub
Download the data available on digital microbusinesses.

Reports
Download economic and research reports.

Use Cases
Customer stories, deeper dives into data and more.

FAQ
How to use this data to advocate for microbusinesses.
We believe in the power of data to help advocate for entrepreneurs.

For data or media inquiries contact Venture Forward at VentureForward@GoDaddy.com.