

5 Predictions for Small Business in 2011

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Over the course of 2010, *Mashable* has offered quite a few [small business resources](#), ranging from tips on social media and marketing to resources for web design and development.

As this year wraps up, we'd like to look back at the technological advancements that small businesses have benefited from and predict how those technologies will affect entrepreneurs in 2011.

Here are my five predictions about how small businesses will continue to adapt to changing technologies as we move into the new year.

Read on and let us know what you'd add to the list in the comments below.

1. Increased Spending on Websites



Small businesses are predicted to increase online marketing spending, with websites taking the front seat, according to a [recent survey](#). The survey found that 54% of respondents indicated that their businesses currently have websites. Unfortunately, most of those websites contain nothing more than general information, and less than half of them incorporate customer service features.

The importance of being easily findable on the Internet(=D) has still not been fully recognized by small businesses, but increasingly, smart entrepreneurs are taking notice. Next year will be marked with increased spending on website development, lifting small business sites from their current iterations as online brochures to more prominent positions as useful resources for customers.

Those making valuable upgrades to their online presences will increase functionalities revolving around e-commerce, reservation systems, [corporate blogs](#) and social media integration. Furthermore, we may see increased attention on better [web design](#).

2. Smartphone Revolution



A whopping 49% of small business owners use smartphones, outpacing the rest of America in [smartphone adoption](#), according to a [recent Forrester study](#).

As more small business owners are exposed to smartphones on a daily basis, it's inevitable that they will begin to innovate with mobile technologies. In 2010, business owners were [tweeting on the go](#), using [location-based services](#) and investing in [mobile advertising](#).

In 2011, the smartphone revolution will continue to ensue, with ever increasing smartphone adoption. Mobile devices will continue to change the way that companies of all sizes do business. With most business needs at the tips of their fingers, small business owners will experience more flexibility than ever before.

3. Social Shopping and E-Commerce Advancements



While a number of small businesses [benefited](#) from social shopping in 2010, others were left wondering if group buying was really [worth the risk](#).

Regardless, it's evident that e-commerce is a huge advantage for small businesses taking part in it. Offering their products online, businesses have widened their customer bases beyond their local markets.

While [only 30%](#) of small business websites currently incorporate e-commerce abilities, the increased buzz around online and social shopping will probably push more small business owners to experiment with the medium in 2011.

4. More Focused Social Media Efforts



This year was a time of social media experimentation for many small business owners. Testing many [social media services](#) in the past year, small businesses are becoming more knowledgeable about which platforms their customers use most and how their companies can benefit from staying connected on each platform.

It isn't uncommon to visit a small business's website to find a mass of social icons pointing to less-than-utilized profiles all across the web. It seems that anxious entrepreneurs have spread themselves thin in the social media realm this year, trying out every platform that got buzzed up.

The simple truth is that not every platform is right for every business — it's all about where your customers are.

Having answered quite a few [social media questions](#) from small business owners this year, I have a feeling that next year is really going to be about paring down to the essentials based on [proven successes](#) and strong metrics.

5. Increased Adoption of Cloud Computing



Earlier this year, a group of Internet and tech experts and social analysts [predicted](#) that Internet users will “live mostly in the cloud” by 2020. While I don’t have the expertise to analyze that prediction, I can point to the fact that I and many of my friends and co-workers already do live and work mostly from web-based and mobile apps, relying less on software installed on our desktops.

Cloud services have already simplified many processes for businesses. Google Apps and Google Docs([G](#)), for example, make hosting and collaborating on spreadsheets, presentations, forms and word processors much simpler. [Box.net](#)([?](#)) and [Dropbox](#)([D](#)) have also made online file sharing and collaboration much easier. Meanwhile, [37signals](#) supports a full line of business tools for project management, CRM, internal communications and group chat.

In 2011, businesses will be increasingly exposed to cloud services as tech companies introduce more and more products geared toward moving our digital lives into the cloud.
