## Survey toplines

Digital transformation: Survey finds lack of digital fluency in key areas, need for additional support

Released: February 21, 2023

Download the full report from our website: https://smallbusinessmajority.org/our-research/digital-transformation

## Methodology

The survey reflects the opinions of 835 small business owners and decision-makers from Small Business Majority's network and SurveyMonkey respondents between October 24, 2022, through December 26, 2022. The margin of error is +/- 3%.

## Toplines

1. **Are you the owner of a small business, or do you manage the business' operations?**

   Yes, owner ............................................................................................................87%

   Yes, manage operations ......................................................................................17%

2. **Please select your business industry.**

   Agriculture and Mining.......................................................................................2%

   Consulting and Business Services ...................................................................10%

   Education and Youth Services ............................................................................7%

   Energy and Utilities ............................................................................................2%

   Engineering..........................................................................................................4%

   Food and Beverage.............................................................................................12%

   Health, Beauty, and Fitness...............................................................................6%

   Healthcare, Pharmaceuticals and Biotech ......................................................4%

   Insurance and Financial Services .....................................................................2%

   Manufacturing .....................................................................................................3%

   Media and Entertainment..................................................................................3%

   Nonprofit ..............................................................................................................1%

   Other.....................................................................................................................2%

   Real Estate and Construction ...........................................................................6%

   Retail...................................................................................................................11%

   Service and Consumer Services ......................................................................13%

   Software and Internet ........................................................................................2%

   Technology, Computers and Electronics .........................................................3%

   Telecommunications...........................................................................................0%

Transportation and Storage ...................................................................................................2%

Travel, Recreation and Leisure ............................................................................................2%

Wholesale and Distributors ..................................................................................................2%

3. **What year was the business started?**

Two years of fewer ................................................................................................................ 15%

3-5 years................................................................................................................................27%

6-10 years..............................................................................................................................20%

More than 10 years ..............................................................................................................37%

4. **How many people does your company/organization employ, including yourself?** Please include full-time and part-time employees, but do not include independent contractors.

Self-employed ......................................................................................................................25%

1-5 employees.......................................................................................................................35%

6-10 employees ......................................................................................................................8%

11-25 employees ...................................................................................................................12%

26-50 employees ...................................................................................................................11%

50-100 employees ..................................................................................................................9%

5. **What is your business' annual revenue?**

Less than $25,000 ................................................................................................................24%

$25,000 - $49,999.................................................................................................................16%

$50,000 - $99,999 ................................................................................................................15%

$100,000 - $249,999.............................................................................................................12%

$250,000 - $499,999..............................................................................................................9%

$500,000 - $999,999 ............................................................................................................11%

Over $1 million .....................................................................................................................11%

Prefer not to say/don't know .................................................................................................3%

6. **How optimistic or pessimistic are you about your business prospects over the next 6 months?**

Very optimistic......................................................................................................................46%

Somewhat optimistic ............................................................................................................31%

Neither optimistic nor pessimistic.......................................................................................12%

Somewhat pessimistic.............................................................................................................9%

Very pessimistic ......................................................................................................................3%

7. **In the past three months, have your revenues, expenses and headcount increased, decreased, or stayed the same?**

Revenue increased ................................................................................................................45%

Revenue decreased................................................................................................................29%

Revenue stayed the same ......................................................................................................26%

Expenses increased ...............................................................................................................56%

Expenses decreased ........................................................................................................ 17%

Expenses stayed the same................................................................................................ 27%

Headcount increased ...................................................................................................... 31%

Headcount decreased ..................................................................................................... 19%

Headcount stayed the same ............................................................................................ 51%

8. **Overall, how would you rate your digital literacy, or your ability to understand and implement new technologies for your business?**

I am not comfortable using technology, and need assistance ................................................. 11%

I am somewhat comfortable using technology, and need some assistance ............................. 42%

I am comfortable using technology, and do not need assistance ........................................... 46%

I do not use technology for my business.................................................................................. 2%

9. **Please indicate the ways in which you communicate with your customers (select all that apply)?**

My company's website ....................................................................................................... 54%

Chat tool on website.......................................................................................................... 24%

Social media (ie. Facebook, Instagram, Twitter, TikTok, LinkedIn) ..................................... 59%

Text message...................................................................................................................... 58%

Phone calls ........................................................................................................................ 68%

In-person ........................................................................................................................... 60%

Email.................................................................................................................................. 63%

Newsletter .......................................................................................................................... 14%

Don't know/none of the above............................................................................................. 0%

Other ................................................................................................................................... 5%

10. **If you use any of the following communication methods, which ones have you automated in some way?**

Chat tool on website.......................................................................................................... 22%

Social media (ie. Facebook, Instagram, Twitter, TikTok, LinkedIn) ..................................... 40%

Text message...................................................................................................................... 39%

Phone calls ........................................................................................................................ 36%

Email.................................................................................................................................. 40%

None of the above ............................................................................................................... 20%

11. **Would you call the area where your business is located urban, suburban or rural?**

Urban ................................................................................................................................ 52%

Suburban............................................................................................................................ 36%

Rural ................................................................................................................................. 12%

12. **Do you have one or more physical locations for your business, or is your business solely home-based/fully remote?**

Physical location(s)............................................................................................................ 53%

Solely home-based / fully remote ....................................................................................... 47%

**13. Do you conduct business via your cellphone?**

Always ...............................................................................................................45%

Sometimes .........................................................................................................45%

Rarely ................................................................................................................8%

Never .................................................................................................................2%

**14. Do you have access to broadband internet at your business?**

Yes ....................................................................................................................90%

No......................................................................................................................10%

**15. Why don't you have broadband access at your business? (N=82; asked those who do not have access to broadband internet from Q14)**

I don't need it ...................................................................................................29%

It's too expensive and I cannot afford it...........................................................29%

There is no reliable broadband provider in my community ...............................16%

Don't know.........................................................................................................18%

Other .................................................................................................................7%

**16. Roughly how much do you spend each month for broadband access for your business in whole dollars?**

Under $50 ..........................................................................................................12%

$50-99 ...............................................................................................................28%

$100-149 ...........................................................................................................24%

$150-199 ...........................................................................................................13%

$200-299 ...........................................................................................................12%

$300-399 ...........................................................................................................6%

Over $400 ..........................................................................................................5%

**17. How fast is your broadband access, meaning the speed at which you are able upload and download data?**

Very fast, ie., greater than 100 megabits per second (MBPS)..........................44%

Somewhat fast, ie., 20-100 MBPS.....................................................................40%

Somewhat slow, ie., 5-20 MBPS .......................................................................9%

Very slow, ie., less than 5 MBPS .......................................................................1%

Don't know.........................................................................................................6%

**18. In the past year, how often have you been unable to access the internet via your business broadband?**

Never..................................................................................................................30%

Once or twice .....................................................................................................29%

A handful of times..............................................................................................24%

At least once a month.........................................................................................7%

At least once a week ..........................................................................................8%

Don't know.........................................................................................................3%

**19. Which of the following do you currently have or use in your business?**

A company website ...............................................................................................................60%

Digital advertising.................................................................................................................35%

Selling my products/services through my own website.......................................................39%

Selling on third-party platforms - i.e. Etsy, Amazon ..........................................................25%

Point of sale technology .......................................................................................................26%

Dedicated IT staff/contractor(s)..........................................................................................17%

Financial accounting technology/platforms ........................................................................25%

One or more customer relationship management software tools..........................................23%

One or more human resource technology tools ....................................................................18%

One or more cybersecurity tools or procedures ...................................................................20%

A social media presence ........................................................................................................48%

Don't know/None of the above ...............................................................................................8%

**20. Overall, how would you rate your confidence in using the following technologies and digital tools (regardless of whether you have them): Very confident, somewhat confident, not very confident, or not confident at all?**

| | Very confident | Somewhat confident | Not very confident | Not at all confident |
|---|---|---|---|---|
| A company website | 52% | 33% | 11% | 4% |
| Digital advertising | 35% | 39% | 19% | 7% |
| Social media | 46% | 34% | 14% | 5% |
| Third-party selling platforms | 28% | 36% | 22% | 14% |
| Point of sale technology | 36% | 36% | 16% | 12% |
| Accounting software | 34% | 37% | 19% | 10% |
| Customer relationship management software or platforms | 35% | 34% | 20% | 11% |
| Payroll software | 37% | 31% | 19% | 13% |
| Human resources software | 33% | 33% | 18% | 15% |
| Cybersecurity technologies and/or procedures | 30% | 36% | 20% | 14% |

**21. Do you have dedicated IT staff and/or contractors?**

Yes.........................................................................................................................................36%

No, I don't need any...............................................................................................................46%

No, but I'm looking ................................................................................................................18%

**22. What are some reasons why your small business does not have a website? (select all that apply) (N=334; asked of those who do not have a website from Q19)**

I don't need one ....................................................................................................................26%

It's too difficult.....................................................................................................................20%

It's too costly to create one....................................................................................................33%

I don't know how to create one .............................................................................................22%

I don't know how to manage one ................................................................................19%

I have one but don't know how to manage it long term ....................................13%

**23. What type of digital training programs would help your business? (select all that apply)**

Creating a company's website .......................................................................39%

Learning about digital advertising ..............................................................47%

How to use social media (Tiktok, Instagram, FB, twitter) .........................40%

Selling my products or services online using third-party
selling platforms (Etsy, Amazon).................................................................33%

Using Point-of-sale technology.....................................................................24%

Hiring IT staff/contractor(s).........................................................................23%

Using accounting software.............................................................................27%

Customer relationship management (CRM) tools ......................................31%

Accounting and financial tool training ........................................................29%

Implementing human resources software (if applicable) ...........................23%

Implementing cybersecurity training
(such as detecting and avoiding fraudulent activities) ..............................28%

Don't know/not interested in training..........................................................10%

**24. How likely are you to take digital literacy training for your business?**

Very likely .....................................................................................................39%

Likely .............................................................................................................32%

Neither likely nor unlikely ...........................................................................20%

Unlikely...........................................................................................................5%

Very unlikely ..................................................................................................4%

**25. What would most influence your decision to take digital literacy training for your business? (Choose the top reason)**

Relevant subject matter ................................................................................24%

Low cost or free..............................................................................................36%

Quality of training.........................................................................................22%

Time required to complete.............................................................................9%

Flexible scheduling options ..........................................................................7%

Other ..............................................................................................................2%

**26. How likely are you to seek outside help for implementing new technologies or software for your business?**

Somewhat likely ............................................................................................36%

Very likely .....................................................................................................32%

Neither likely nor unlikely ...........................................................................21%

Somewhat unlikely.........................................................................................6%

Very unlikely ..................................................................................................5%

27. **When seeking help implementing new technologies or software for your business, where are you most likely to turn? (select at least one)**

Self-guided independent learning.................................................................................46%

Support from technology/software provider .................................................................47%

Support from nonprofit business support organization ................................................34%

Friends and/or family...................................................................................................30%

Paid IT staff or contractor............................................................................................19%

28. **Do you identify with any of the following groups? (Select all that apply)**

Asian, Asian American, East Asian, South Asian, and/or Southeast Asian .............9%

Black, African or African American ............................................................................33%

Hispanic, Latino/a or Spanish Origin.........................................................................24%

Middle Eastern or North African .................................................................................1%

Native American or Alaska Native ...............................................................................6%

Native Hawaiian or Other Pacific Islander ..................................................................1%

White or Caucasian.....................................................................................................27%

Another option not listed here (please specify): .........................................................0%

Prefer not to answer.....................................................................................................2%

29. **When it comes to gender, how do you identify? (Multi-select)**

Woman........................................................................................................................49%

Man.............................................................................................................................38%

Transgender ..................................................................................................................1%

Gender non-conforming and/or non-binary .................................................................1%

Prefer not to disclose ....................................................................................................1%

Not Answered .............................................................................................................10%