

# Background

# Year One

#### **METHODOLOGY**

This poll was conducted by Morning Consult on behalf of Verizon between August 26 – September 4, 2020 among a national sample of 600 small to midsize business owners and decision makers. The interviews were conducted online. Results from the full survey have a margin of error of +/- 4 percentage points.

#### TARGET AUDIENCE

- Works at a business with 1 (sole proprietor) to 500 employees
- Has decision-making power
- · Works in one of the following industries:
  - Construction & Contracting
  - o Entertainment & Recreation
  - o Food & Beverage
  - Health Care & Medical Care\*
  - Hospitality & Accommodation
  - o Professional, Scientific & Technical Services\*
  - Property & Real Estate\*
  - Retail
  - Restaurant & Bar

# Year Two

#### **METHODOLOGY**

This poll was conducted by Morning Consult on behalf of Verizon between August 5 – August 16, 2021 among a national sample of 608 small to midsize business owners and decision makers. The interviews were conducted online. Results from the full survey have a margin of error of +/- 4 percentage points.

#### TARGET AUDIENCE

- Works at a business with 1 (sole proprietor) to 500 employees
- · Has decision-making power
- · Works in one of the following industries:
  - o Construction & Contracting
  - o Entertainment & Recreation
  - Food & Beverage
  - o Hospitality & Accommodation
  - o Retail
  - o Restaurant & Bar

# **Year Three**

### **METHODOLOGY**

This poll was conducted by Morning Consult on behalf of Verizon between August 12 – August 19, 2022 among a national sample of 609 small to midsize business owners and decision makers. The interviews were conducted online. Results from the full survey have a margin of error of +/- 4 percentage points.

#### **TARGET AUDIENCE**

- Works at a business with 1 (sole proprietor) to 500 employees
- · Has decision-making power
- Works in one of the following industries:
  - Construction & Contracting
  - Entertainment & Recreation
  - Food & Beverage
  - o Hospitality & Accommodation
  - o Retail
  - o Restaurant & Bar

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# OUTLOOK & BUSINESS IMPACTS

# TECHNOLOGY & CYBERSECURITY

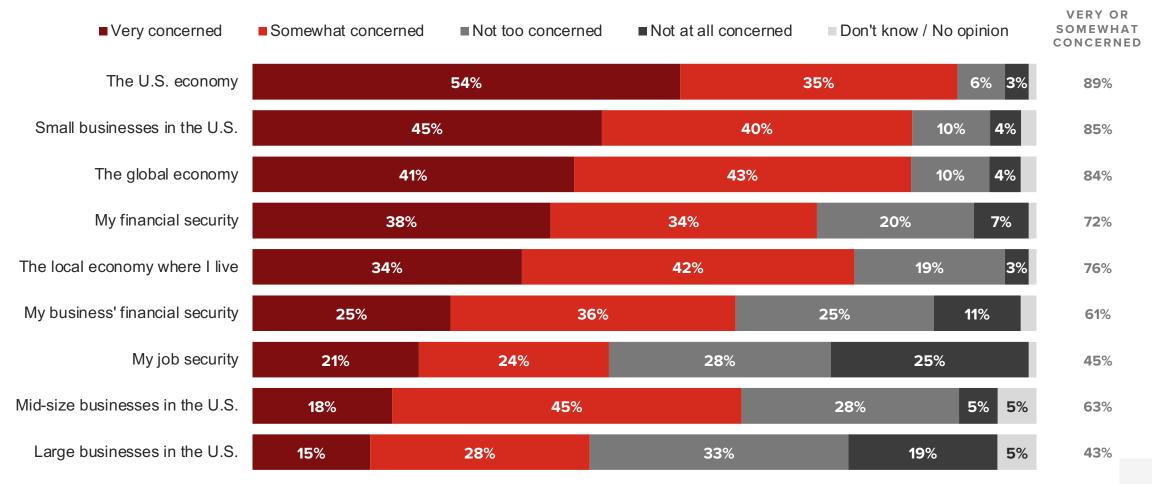
HOLIDAY SEASON

MENTORSHIP & ASSISTANCE

MORNING CONSULT + verizon√

Nearly 9 in 10 respondents (89%) say they're concerned about the state of the U.S. economy and more than 4 in 5 say they're concerned about small businesses in the U.S. and the global economy. Despite these larger economic concerns, only 45% are concerned about their job security.

In general, how concerned are you about each of the following?

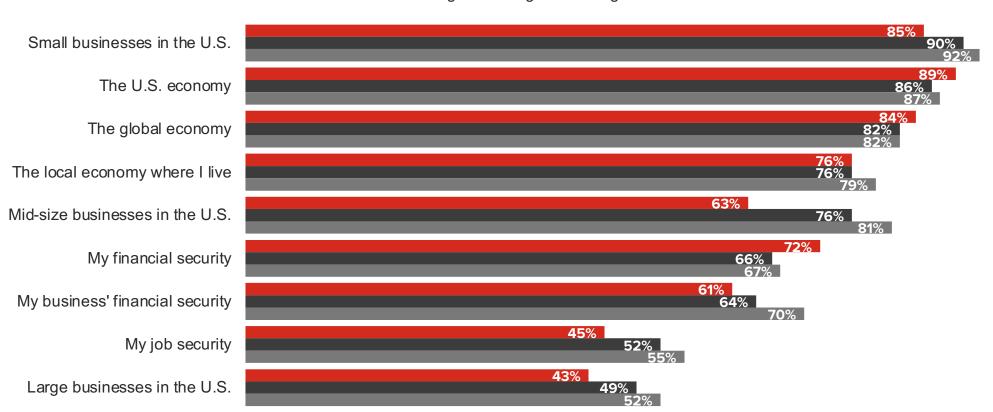


Compared to previous years, respondents in August 2022 are more likely to be concerned about their own financial security and slightly more likely to be concerned about the U.S. and global economies.

In general, how concerned are you about each of the following?

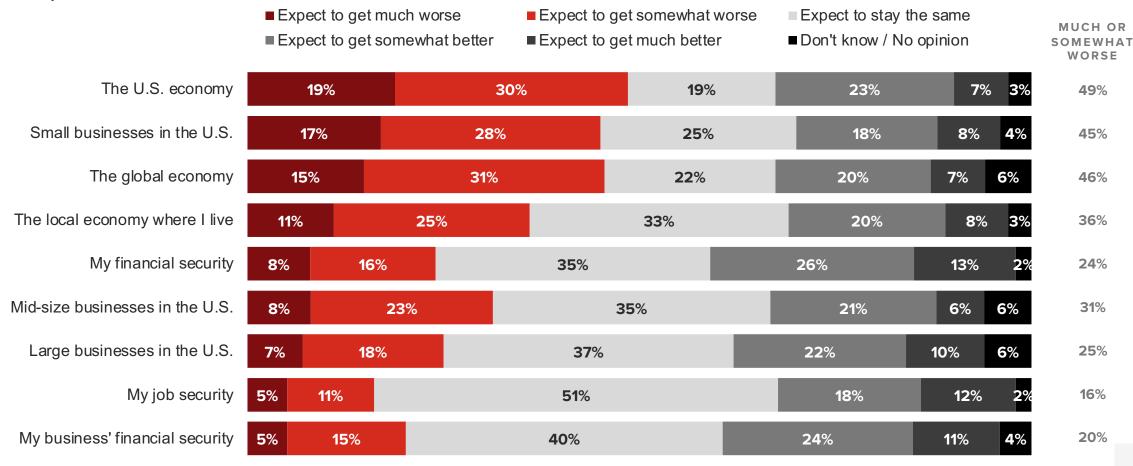


■Aug-22 ■Aug-21\* ■Aug-20\*



Nearly half (49%) of respondents say they expect the U.S. economy to get worse over the next few months, outweighing the 30% who expect it to get better. A similar share expects the global economy and conditions for small businesses to take a downturn.

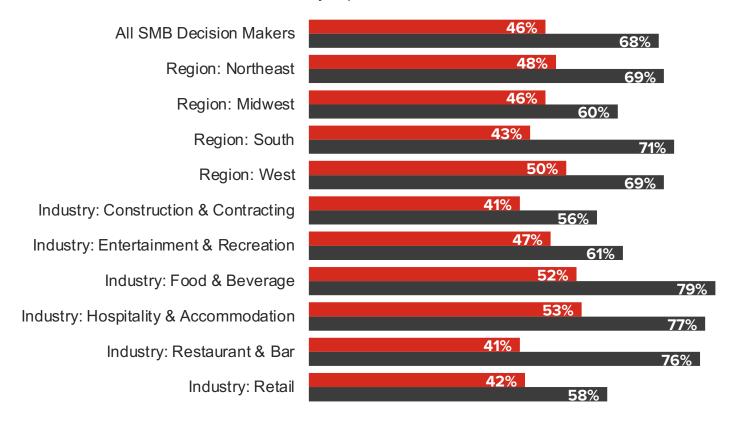
And, over the next few months, do you expect conditions for each of the following to **get better** or **get worse**, or to **stay about the same** compared to today?



Across industries and markets, the share of respondents who say their business is doing better now compared to a year ago is much lower than that of those in 2021 who said they expected to do better in 2022.

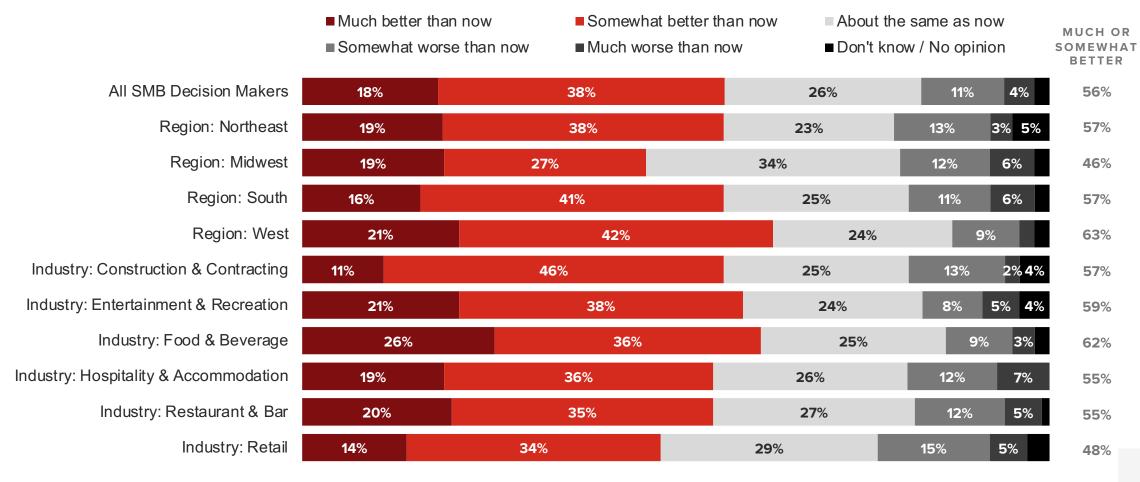
And, thinking about the overall state of your business **now** compared **to a year ago (e.g., August 2021)**, would you say your business **now** is... / Finally, **one year from now (e.g., August 2022)**, do you anticipate that the overall state of your business will be...

- Share of SMB DMs who say business is better now than in 2021
- Share of SMB DMs in 2021 who said they expected business to be better in 2022



Despite economic anxieties and 2022 falling short of expectations, most respondents expect their business to be doing better next year compared to now. Those in the western U.S. and in the food & beverage industry have the most confidence, while those in the Midwest and the restaurant & bar industries have the least.

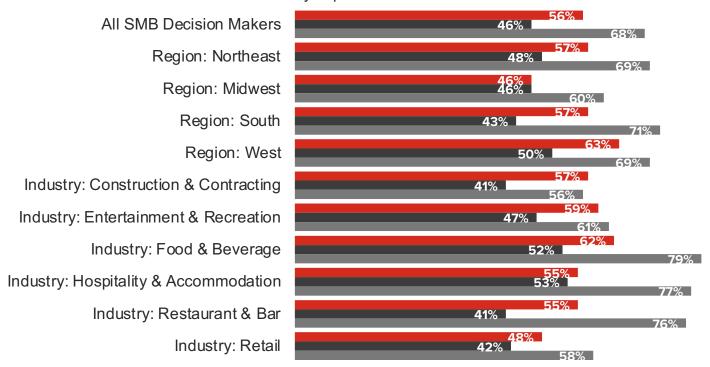
Finally, one year from now (e.g., August 2023), do you anticipate that the overall state of your business will be...



Despite their business' performance in 2022 falling short of their expectations in 2021, respondents are optimistic about what 2023 has in store for their businesses.

And, thinking about the overall state of your business **now** compared **to a year ago (e.g., August 2021)**, would you say your business **now** is... / Finally, **one year from now (e.g., August 2022)**, do you anticipate that the overall state of your business will be... / Finally, **one year from now** (e.g., August 2023), do you anticipate that the overall state of your business will be...

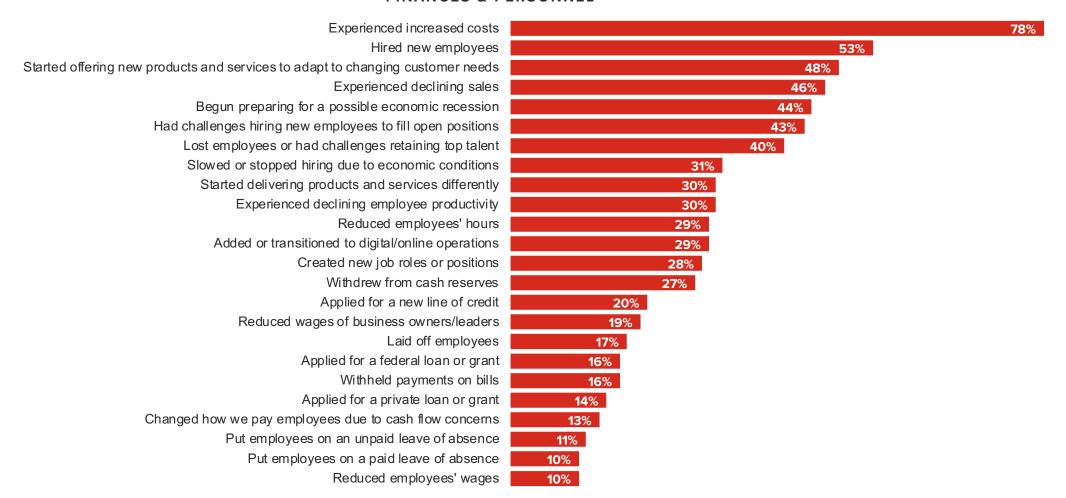
- Share of SMB DMs in 2022 who say they expect business to be better in 2023
- Share of SMB DMs who say business is better now than in 2021
- Share of SMB DMs in 2021 who said they expected business to be better in 2022



Nearly 4 in 5 respondents (78%) say their business has experienced increased costs in the past year, far exceeding other financial and personnel challenges. Along with increased costs, nearly half (46%) report declining sales and more than a quarter (27%) withdrew from cash reserves.

Over the last year (e.g., since August 2021), has your business...

#### **FINANCES & PERSONNEL**

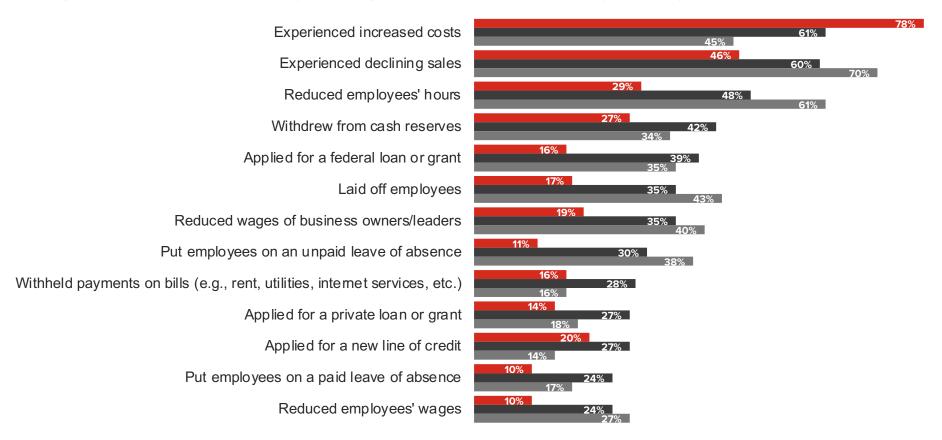


While respondents in August 2022 are much more likely to report increased costs, they are less likely to report other financial and personnel issues than in previous years.

Over the last year (e.g., since August 2021), has your business...

#### **FINANCES & PERSONNEL**

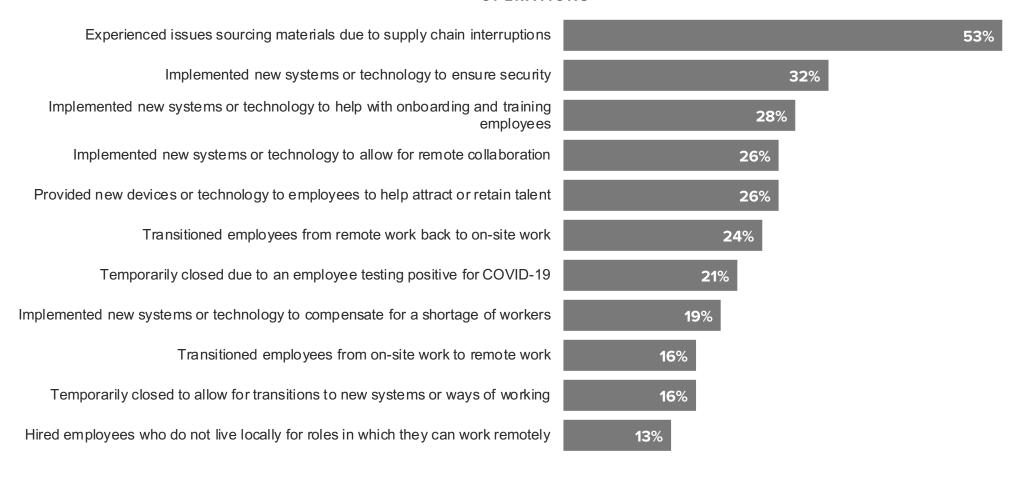
■Aug-22; Business has done in the last year ■Aug-21; Business has done in the last year ■Aug-20; Business has done since the start of the pandemic



And contributing to the economic challenges they report facing, more than half of respondents (53%) say their business has experienced operational issues sourcing materials due to supply chain disruptions in the past year.

Over the last year (e.g., since August 2021), has your business...

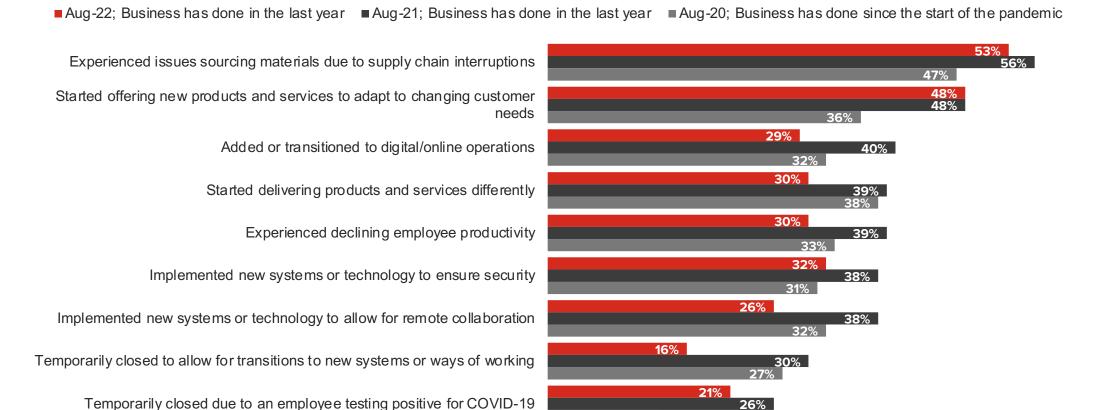
#### **OPERATIONS**



Compared to last year, respondents are generally less likely to report having experienced operational issues.

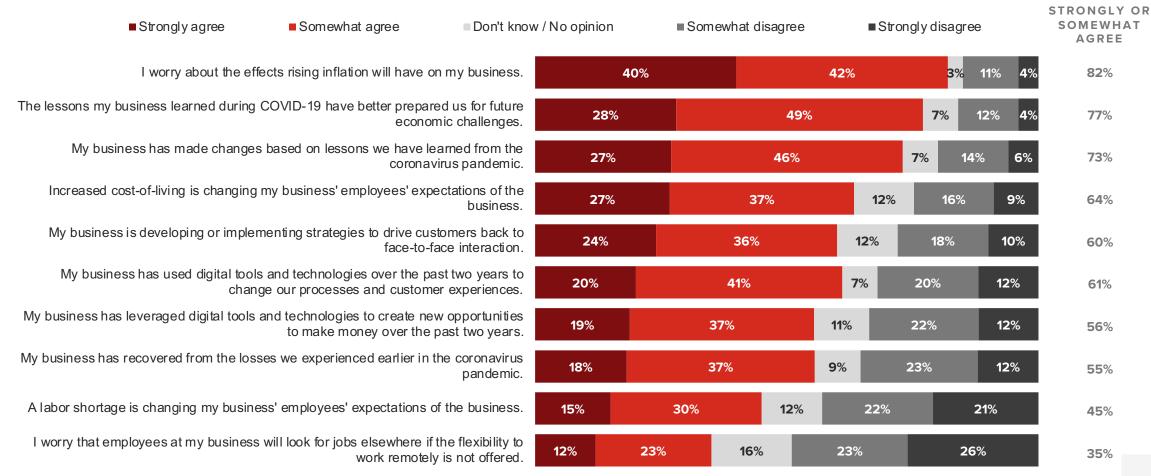
Over the last year (e.g., since August 2021), has your business...

#### **OPERATIONS**



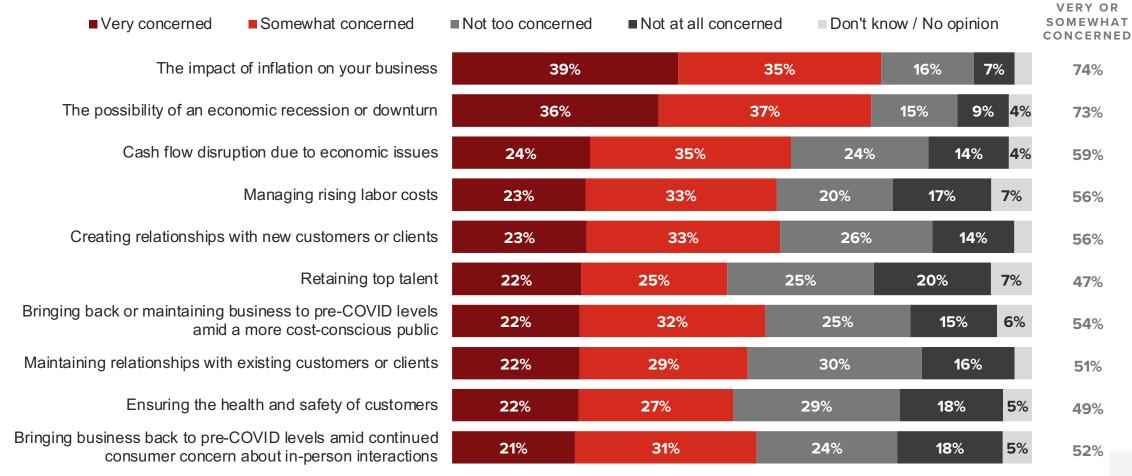
More than 4 in 5 respondents (82%) worry about the effects rising inflation will have on their business. As a silver lining to the pandemic, 77% say their business is more prepared to handle economic challenges (like rising inflation) because of the lessons they learned during COVID-19.

To what extent do you agree or disagree with the following statements?



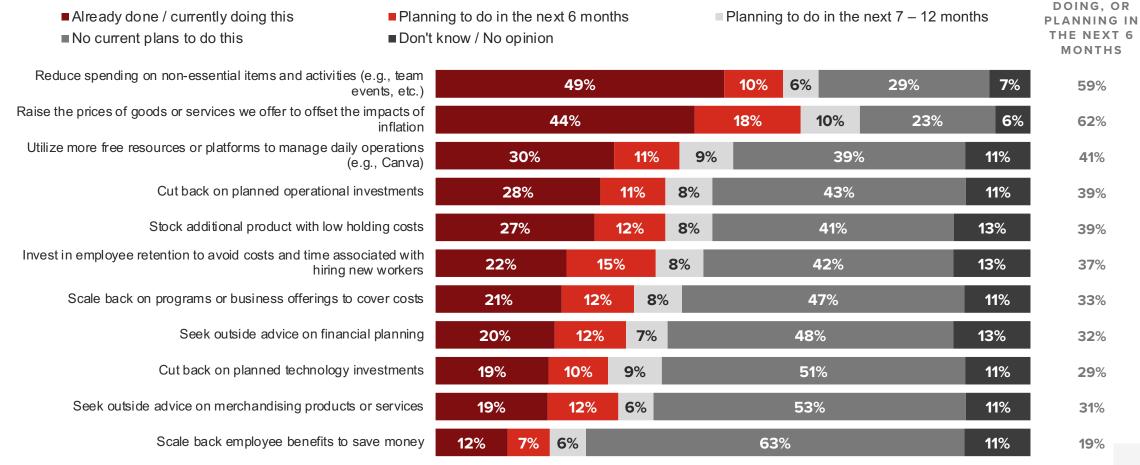
More macro-scale economic concerns have pulled ahead of micro-scale problems like talent retention and customer retention/acquisition. Nearly three-quarters of respondents say they are concerned about how inflation will impact their business (74%) or the possibility of an economic downturn (73%) in the next few months.

Thinking about how your business plans to move forward over the next few months, how concerned are you about the following, if at all?



The most common measures respondents say their business is taking or planning to take to address inflation are raising prices for their offerings (62%) and reducing non-essential spend (59%).

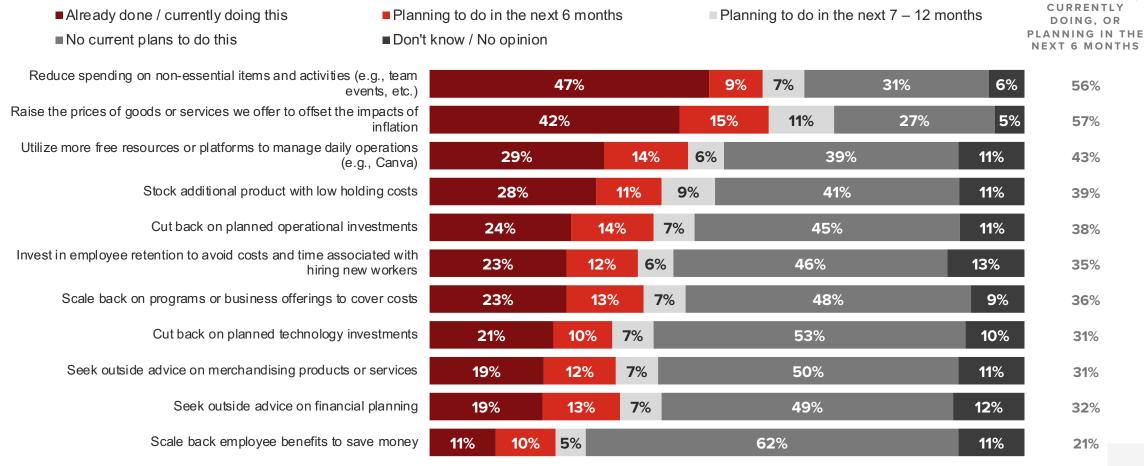
Has your business done, or does it have plans to do, any of the following due to inflation?



ALREADY DONE, CURRENTLY

Echoing their plans for addressing inflation, respondents are most commonly preparing for an upcoming economic downturn by raising the prices of their offerings (57%) and reducing non-essential spend (56%).

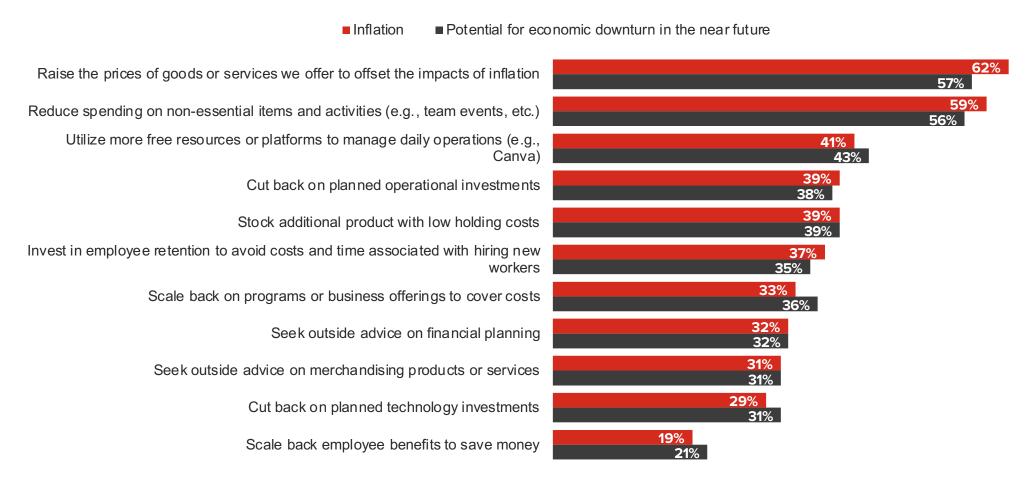
Has your business done, or does it have plans to do, any of the following due to the potential for an economic downturn in the near future (i.e., a recession)?



ALREADY DONE.

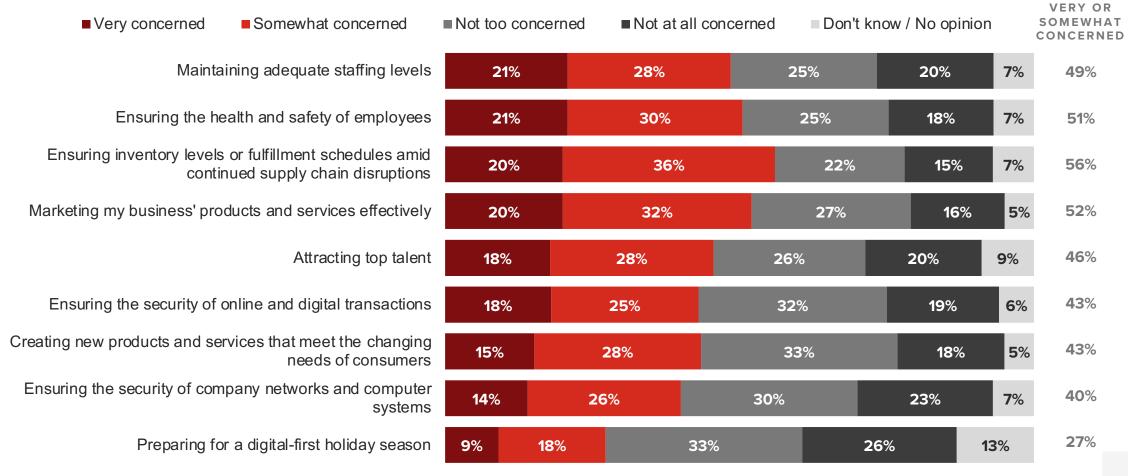
Compared to how they're addressing inflation, respondents are slightly more likely to say they're scaling back on programs and benefits, cutting back on planned tech investments, and using more free resources as measures to prepare for an economic downturn.

Has your business done, or does it have plans to do, any of the following due to... - Showing % currently doing or who plan to do in next 6 months



Majorities of respondents say they're concerned about keeping up with inventory or fulfillment schedules amid supply chain issues (56%), effectively marketing their business (52%), and ensuring employees' health and safety (51%) in the next few months.

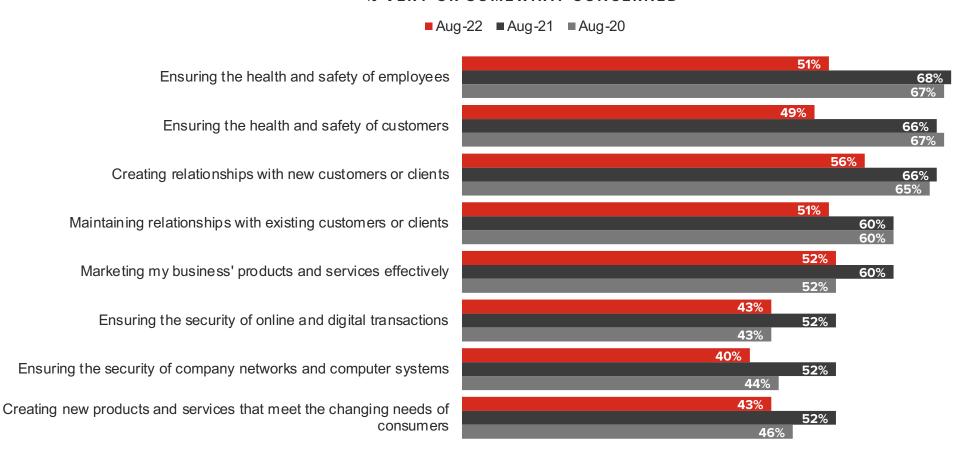
Thinking about how your business plans to move forward over the next few months, how concerned are you about the following, if at all?



Overall, respondents are less concerned about non-economic issues than in prior years.

Thinking about how your business plans to move forward over the next few months, how concerned are you about the following, if at all?

#### % VERY OR SOMEWHAT CONCERNED



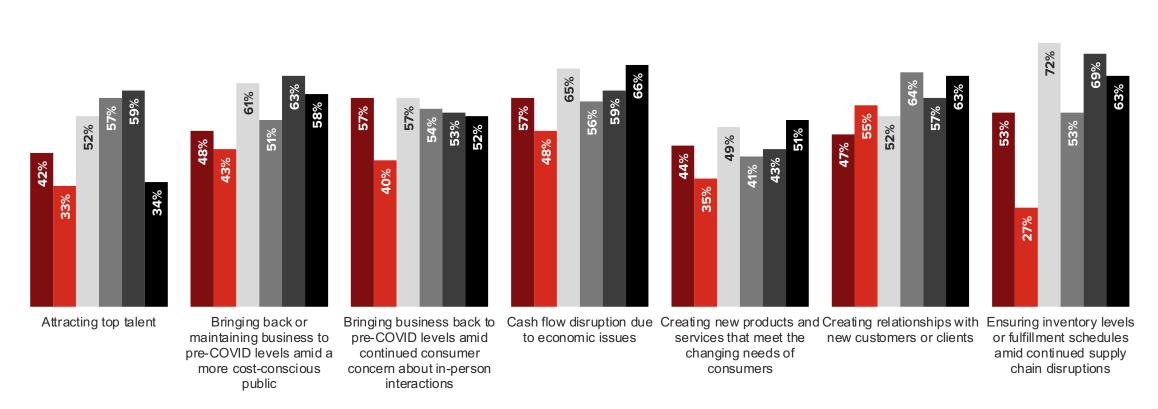
■ Industry: Construction & Contracting

■ Industry: Hospitality & Accommodation

Respondents in more traditional face-to-face industries like food & beverage, restaurant & bar, and retail are more worried than those in other industries about maintaining inventory/fulfillments, bouncing back to pre-COVID business levels with a more cost-conscious public, and cash flow disruptions.

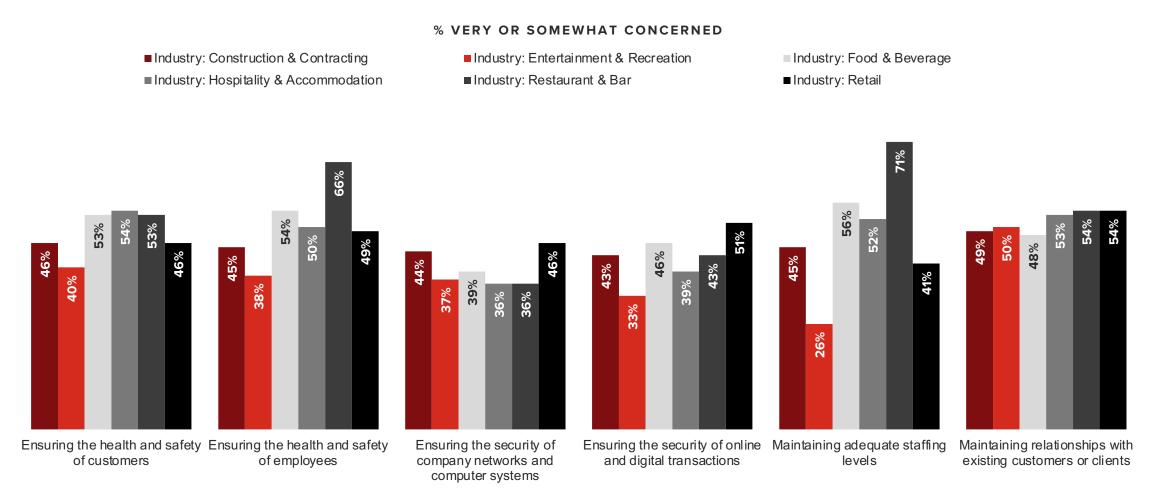
Thinking about how your business plans to move forward over the next few months, how concerned are you about the following, if at all?

# % VERY OR SOMEWHAT CONCERNED ■ Industry: Entertainment & Recreation ■ Industry: Food & Beverage ■ Industry: Restaurant & Bar ■ Industry: Retail



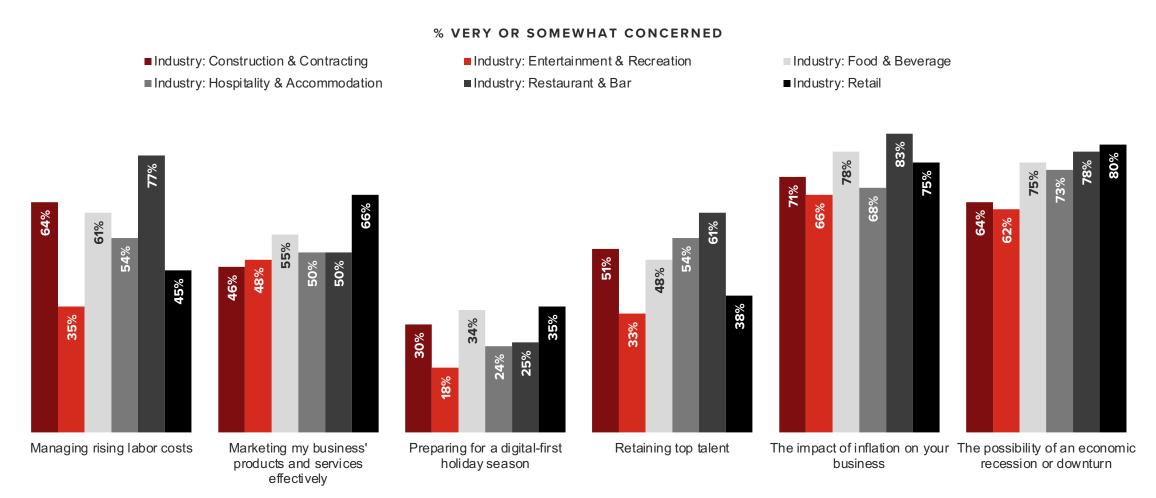
Respondents in the restaurant & bar industry are much more likely than those in others to say they're worried about maintaining adequate staffing (71%) and ensuring employee health and safety (66%).

Thinking about how your business plans to move forward over the next few months, how concerned are you about the following, if at all?



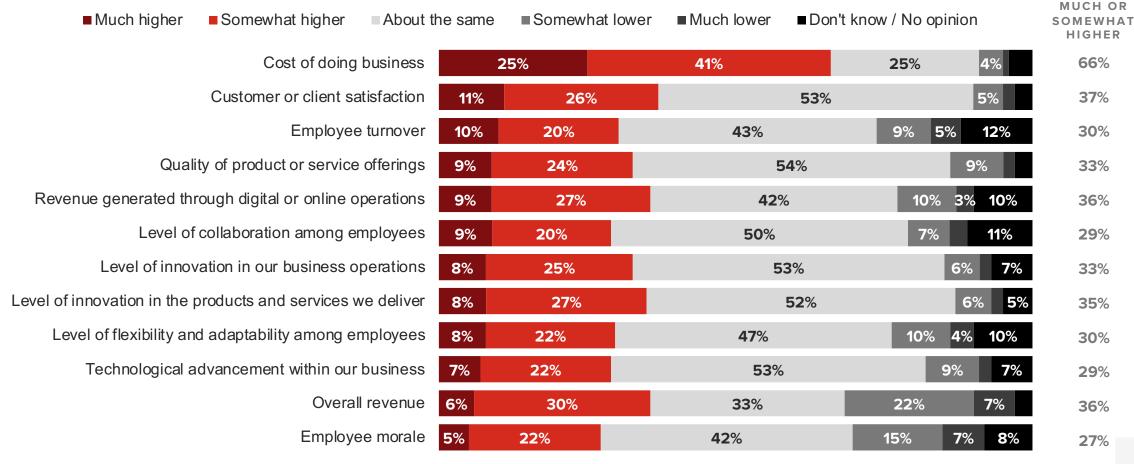
Respondents in the restaurant & bar industry are most likely to be worried about inflation's impact on their business (83%) relative to those in other industries. Perhaps relatedly, they are also most worried about managing rising labor costs (77%).

Thinking about how your business plans to move forward over the next few months, how concerned are you about the following, if at all?



Consistent with the economic challenges they've reported facing related to inflation, two-thirds of respondents say the cost of doing business is higher now than it was a year ago.

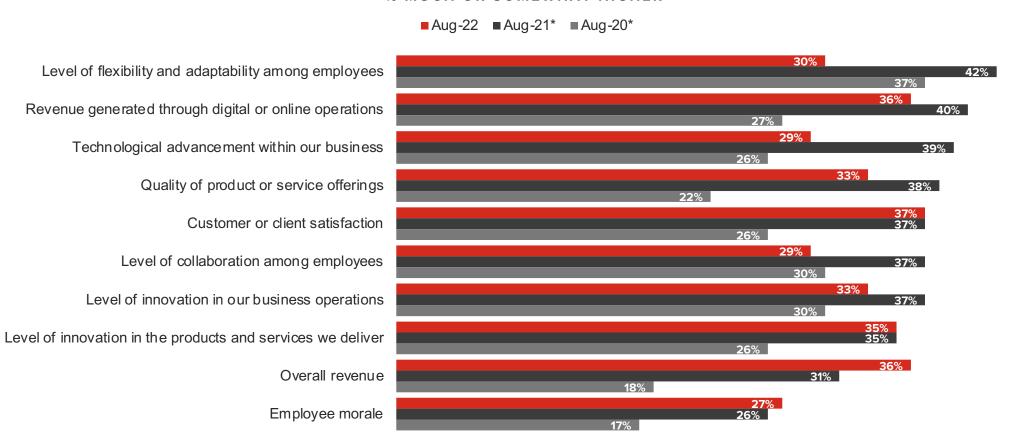
Compared to a year ago (i.e., August 2021) would you say the following are higher, lower, or about the same for your business now?



Respondents this year are less likely to report increases in flexibility and collaboration among employees than in previous years, but slightly more likely to report increased revenue compared to last year.

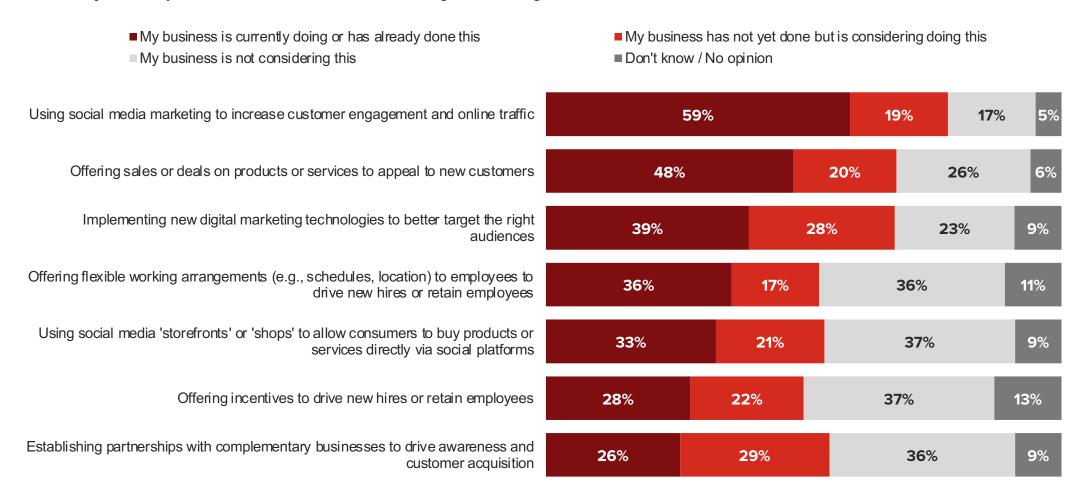
Compared to a year ago (i.e., August 2021), would you say the following are higher, lower, or about the same for your business now?

#### % MUCH OR SOMEWHAT HIGHER



Nearly 3 in 5 respondents (59%) say they've used social media marketing in the past year to increase customer engagement and online traffic, and an additional 19% are considering doing this.

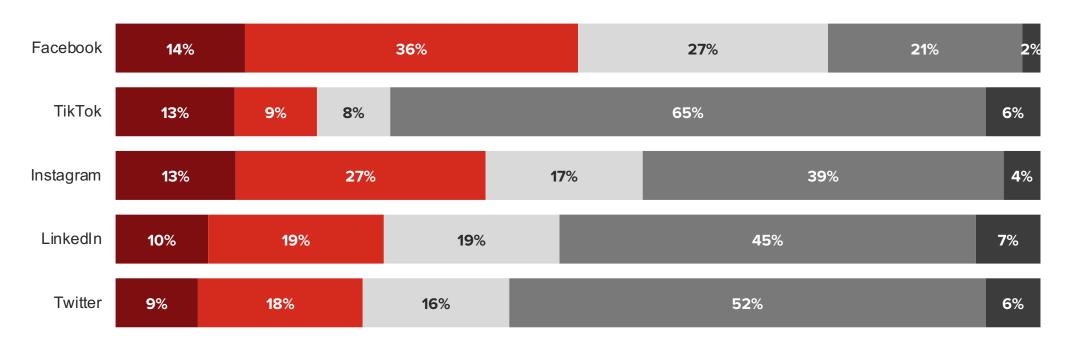
In the last year, has your business done or considered doing the following?



Respondents are most likely to say their business uses Facebook and Instagram to promote its products and services. Despite TikTok's popularity, only 30% say they're using it to connect with customers.

Similarly, thinking about how your business promotes its products and services and connects with customers, which statement below best describes your business's use of the following platforms?

- My business began using this in the past year
- My business used this before, and has expanded or increased our usage in the past year
- My business used this before, and is using the same way now as we were a year ago
- My business does not use this
- Don't know / No opinion



CONTENTS

# **OUTLOOK & BUSINESS IMPACTS**

# TECHNOLOGY & CYBERSECURITY

HOLIDAY SEASON

MENTORSHIP & ASSISTANCE

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Most respondents say their business has added or upgraded its internet connection to a high-speed or high-capacity plan in the past year. And with upgraded networks comes a need for upgraded security: 44% have added or upgraded network security services and 29% have invested in cybersecurity training for employees.

In the past year (i.e., since August 2021), has your business added or upgraded the following services or technologies?

- My business added or began using this in the past year
- My business had or used this before, and has upgraded in this area in the past year
- My business had or used this before, but has not upgraded in this area in the past year
- My business does not have or use this

■ Don't know / No opinion

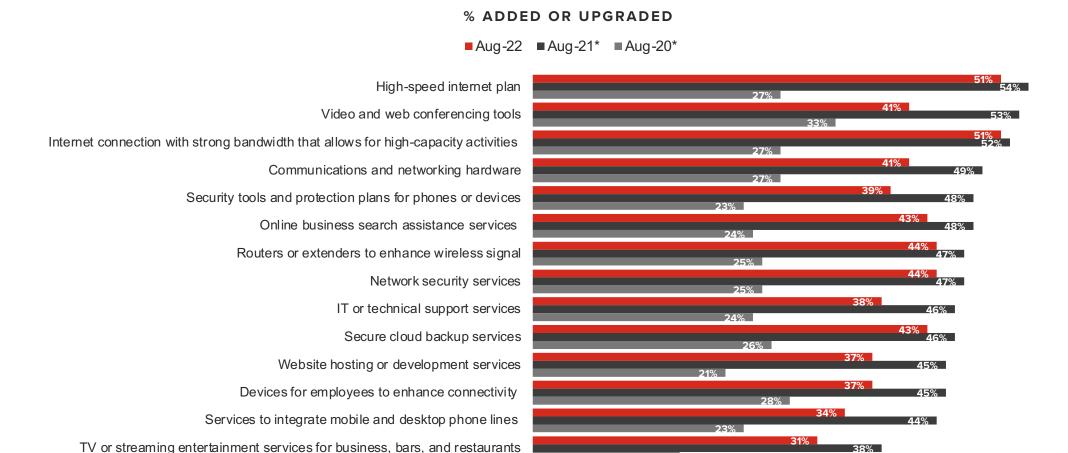
ADDED OR UPGRADED

Internet connection with strong bandwidth that allows for high-capacity activities High-speed internet plan Routers or extenders to enhance wireless signal Online business search assistance services Secure cloud backup services Video and web conferencing tools Network security services Website hosting or development services Services to integrate mobile and desktop phone lines Communications and networking hardware Security tools and protection plans for phones or devices IT or technical support services Devices for employees to enhance connectivity TV or streaming entertainment services for business, bars, and restaurants Cybersecurity training for employees Application development services

24%	24% 27%		28%		15	5% 5%	<b>51</b> 9
21%		30%		32%		1% 6%	<b>51</b> 9
20%	2	<b>4</b> %	28%		22%	6%	449
19%	24	<b>!</b> %	24%		24%	9%	439
18%	25	%	25%		23%	9%	439
18%	23%	/ 0	21%		31%	8%	419
17%	27	<b>'</b> %	25%		24%	6%	449
16%	21%		<b>27</b> %		29%	7%	379
16%	18%	20	0%	3	38%		349
16%	25%		25%		25%	9%	419
16%	23%		24%		30%	7%	399
15%	23%		25%		29%	7%	389
14%	23%		20%		36%	7%	379
14%	17%	16%		45%	, D	8%	319
13%	16%	17%		44%		9%	299
13%	<b>17</b> %	18%		41%		11%	309

While respondents this year are about as likely as those in previous years to say their business has added or upgraded high-speed/high-capacity internet, they are less likely to report investments in other connectivity technologies.

In the past year (i.e., since August 2021), has your business added or upgraded the following services or technologies?





Respondents most commonly say their business has added connectivity technology in the past year to streamline operations (78%). About half say they added technologies to connect with existing customers (53%) or acquire new ones (48%).

You indicated that your business has added to its tech stack in the past year. Was the decision to add to your business's tech stack motivated by any of the following? Select all that apply.





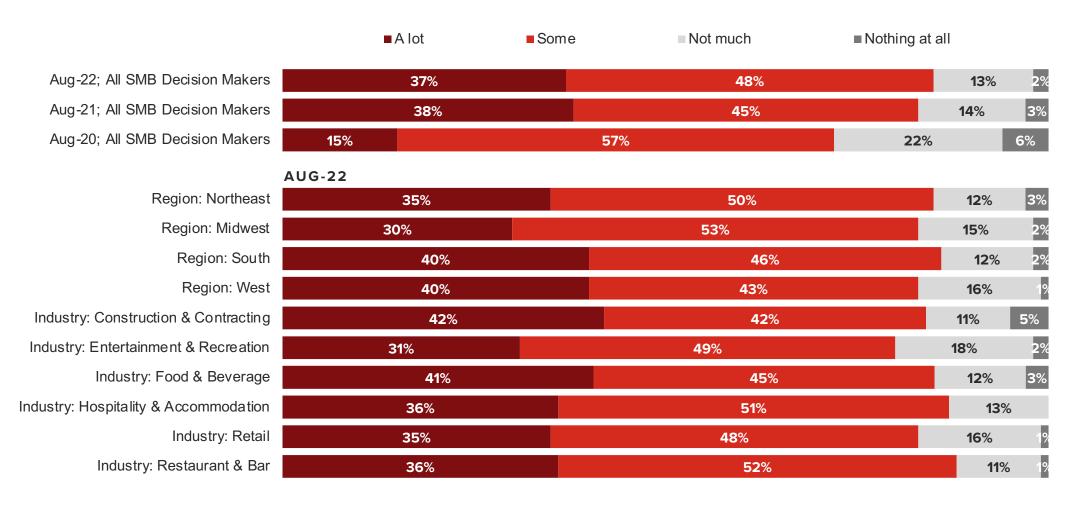
Consistent with those who added net-new technologies in the past year, respondents whose organization upgraded existing parts of its communication technology stack in the past year most commonly say upgrades were made to streamline operations. They are less likely to have upgraded technologies (versus adding them) to connect with or acquire customers.

You indicated that your business has upgraded part(s) of its tech stack in the past year. Was the decision to upgrade part(s) of your business's tech stack motivated by any of the following? Select all that apply.



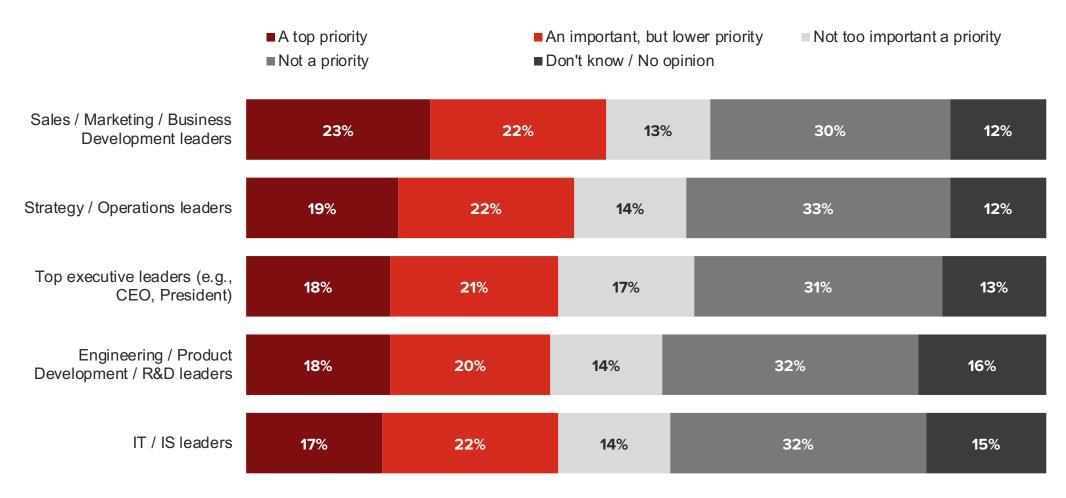
The share of respondents in 2022 who say they've heard about 5G is about the same as it was in 2021, suggesting that knowledge about 5G has reached a saturation point.

How much have you seen, read, or heard about 5G?



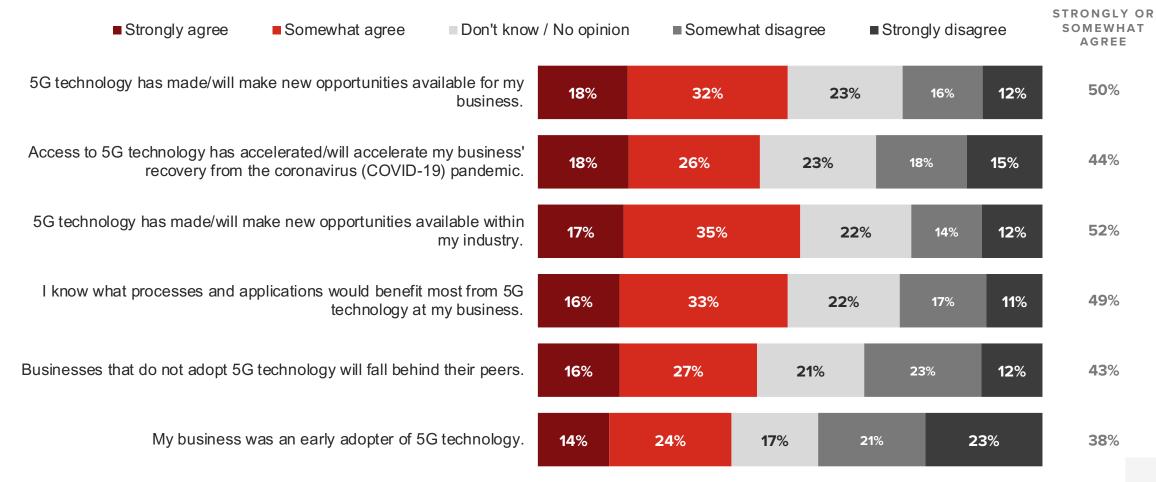
Respondents are most likely to say 5G planning and adoption are a priority for company leaders in sales, strategy, and IT at their company.

In general, how much of a priority is 5G planning and adoption for the following stakeholders at your company?



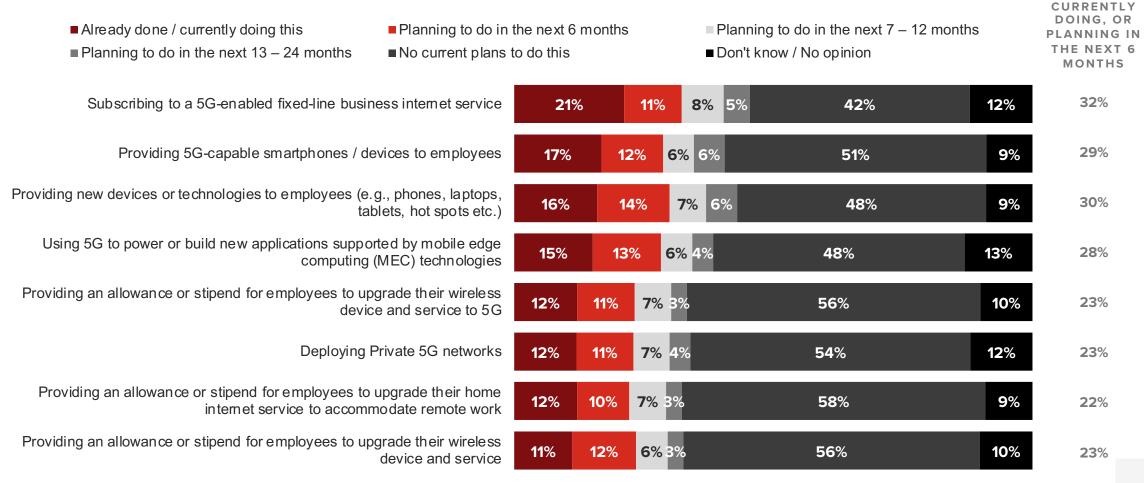
About half of respondents say 5G technology has made or will make new opportunities available within their industry (52%) or for their business (50%).

To what extent do you agree or disagree with the following statements?



About one-third of respondents (32%) say their business has subscribed to a 5G-enabled fixed-line business internet service or plans to in the next 6 months, while 29% say they have provided or plan in the next 6 months to provide 5G-capable devices to employees.

Which of the following best describes your business' plans when it comes to the following?

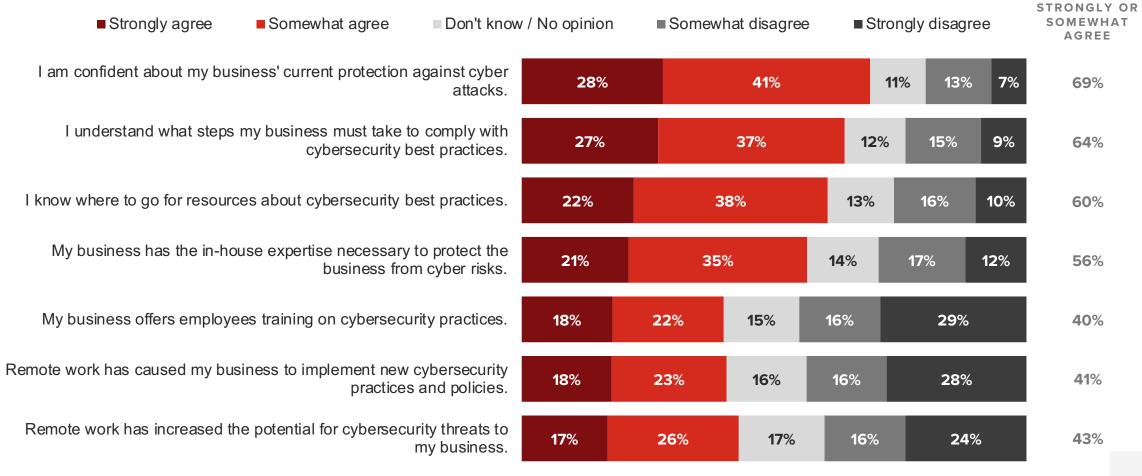


ALREADY DONE,

#### **TECHNOLOGY & CYBERSECURITY**

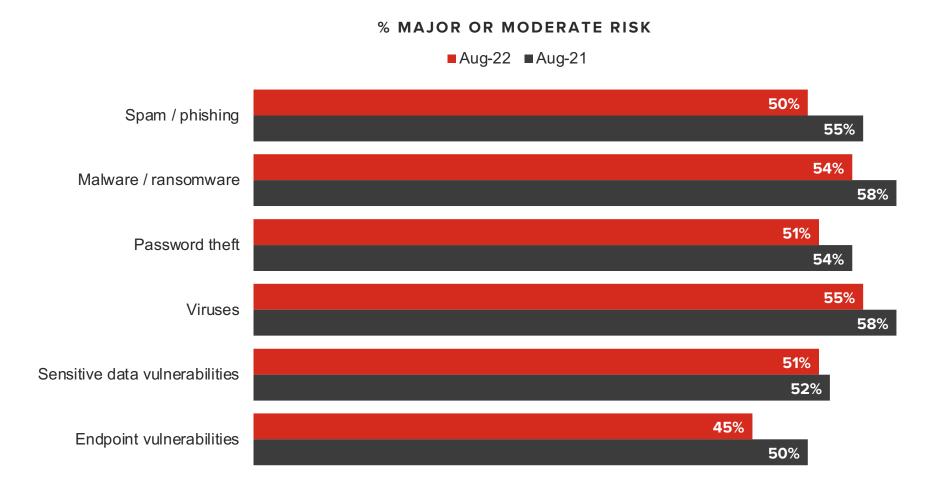
While nearly 7 in 10 respondents (69%) are confident in their business' current protection against cyber attacks, only 40% say their business offers employees cybersecurity training.

To what extent do you agree or disagree with the following statements?



Consistent with last year, a majority of respondents are concerned about spam and phishing, malware and ransomware, password theft, viruses, and sensitive data vulnerabilities as cyber risks to their businesses.

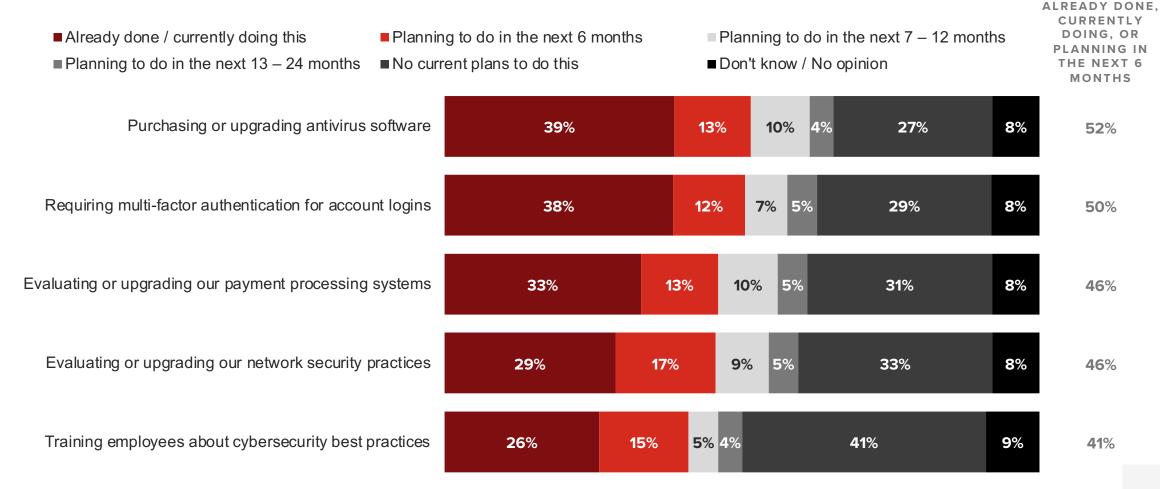
To what extent do you consider each of the following a cyber risk to your business?



### **TECHNOLOGY & CYBERSECURITY**

More than half of respondents (52%) say their business has purchased/upgraded antivirus software or plans to in the next 6 months, and half say they are currently requiring multi-factor authentication or plan to in the next 6 months.

And, which of the following best describes your business's plans when it comes to the following?



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# **OUTLOOK & BUSINESS IMPACTS**

## TECHNOLOGY & CYBERSECURITY

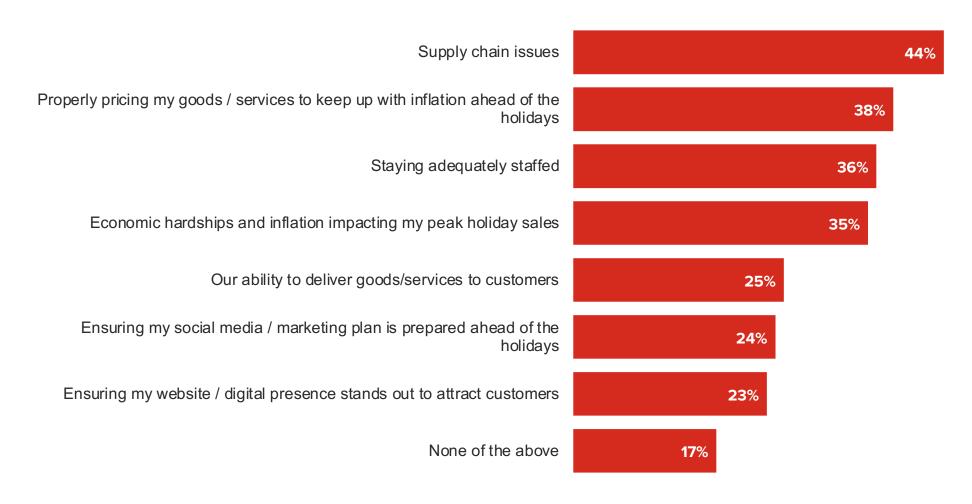
HOLIDAY SEASON

MENTORSHIP & ASSISTANCE

MORNING CONSULT + verizon√

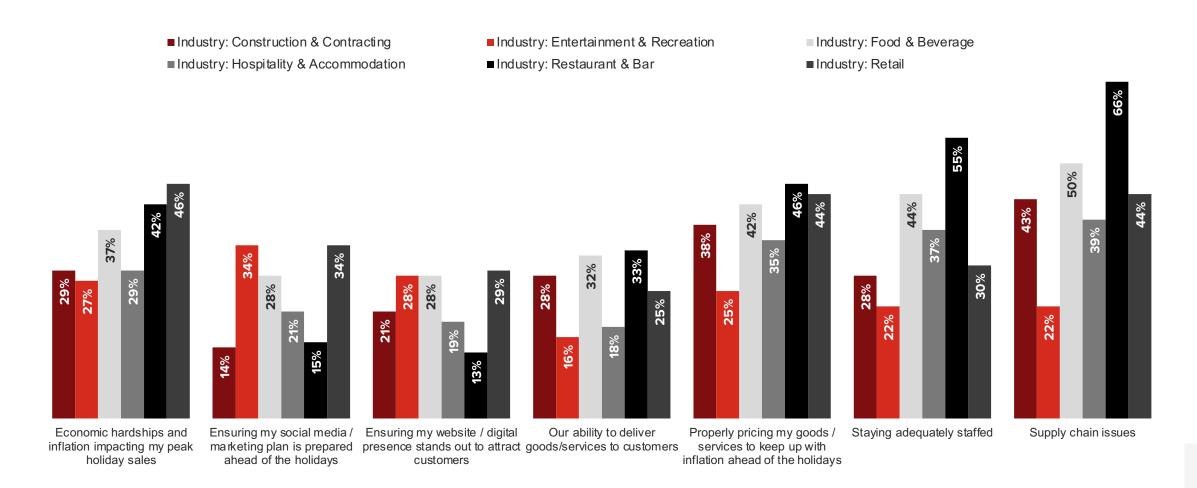
As businesses prepare for the 2022 holiday season, nearly 2 in 5 respondents (38%) are worried about properly pricing goods/services to keep up with inflation and 35% are worried about economic hardships impacting their holiday sales.

Thinking about the upcoming holiday season, do you have any of the following concerns as you begin to prepare your business? Select all that apply.



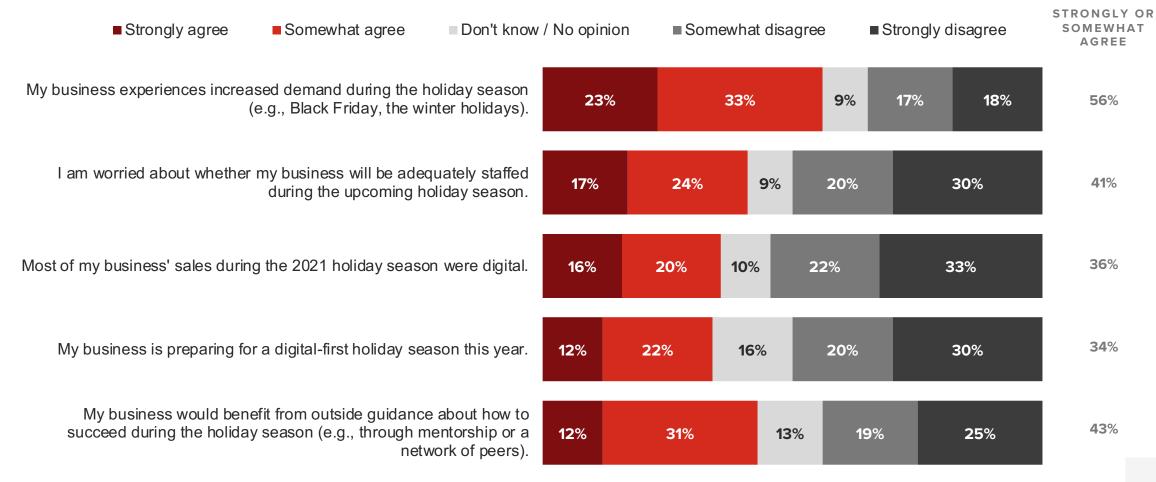
Respondents in the retail industry are the most worried about economic issues affecting their peak holiday sales. Those in the restaurant & bar industry are the most worried – by a wide margin – about supply chain issues.

Thinking about the upcoming holiday season, do you have any of the following concerns as you begin to prepare your business? Select all that apply.



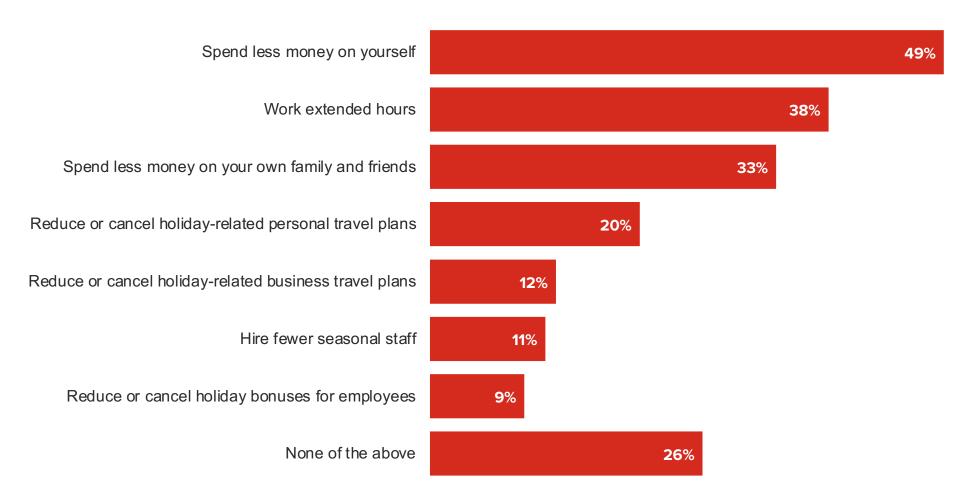
More than one-third of respondents (36%) say most of their sales during the 2021 holiday season were digital and a similar proportion (34%) say they're preparing for a digital-first holiday season this year. More than 2 in 5 say their business could benefit from outside guidance about how to succeed this holiday season (43%).

To what extent do you agree or disagree with the following statements?



Those surveyed are responsive to the effects of tougher economic conditions compared to last year, with 49% saying they expect to spend less on themselves and 33% saying they expect to spend less on friends and family this holiday season.

Are you personally expecting to do any of the following this holiday season due to current economic conditions? Select all that apply.



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# **OUTLOOK & BUSINESS IMPACTS**

## TECHNOLOGY & CYBERSECURITY

HOLIDAY SEASON

MENTORSHIP & ASSISTANCE

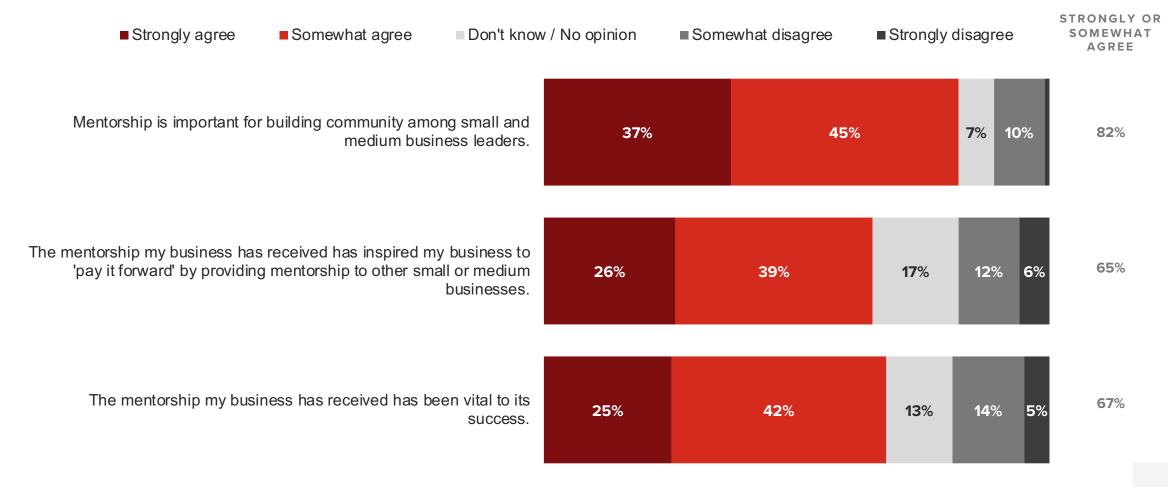
**⋈** MORNING CONSULT + verizon√



### **MENTORSHIP & ASSISTANCE**

About 4 in 5 respondents whose businesses have received outside mentorship say mentorship is important for building community among small/medium businesses. And about two-thirds say the mentorship they've received has been vital to their success and has inspired their business to pay it forward by mentoring other businesses.

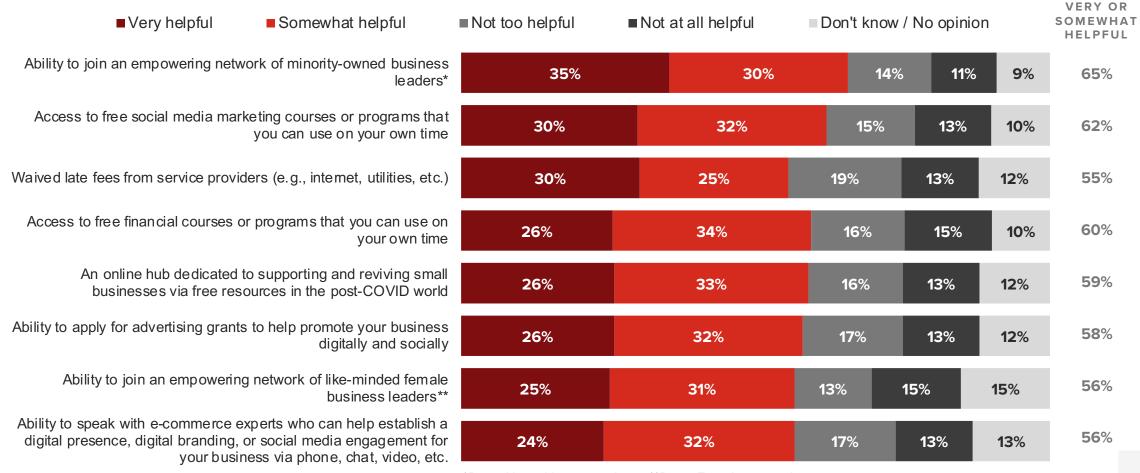
To what extent do you agree or disagree with the following statements?





Respondents are broadly interested in programs supporting small business, particularly free self-paced courses in social media marketing and finance.

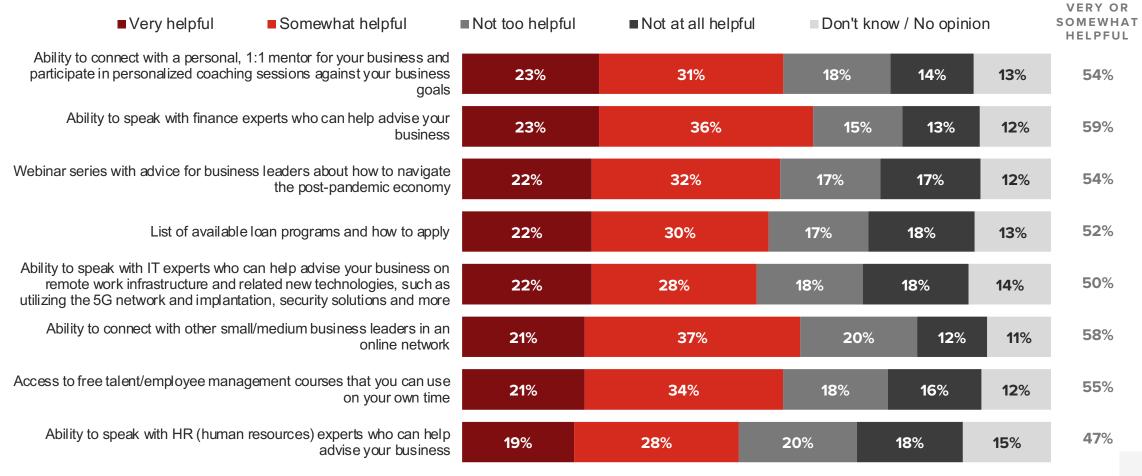
Which of the following resources, if any, would be the most helpful to you right now as you carry your business forward this year?





Nearly 3 in 5 respondents (58%) say they'd find an online network of small/medium business leaders helpful as they carry their business forward for the rest of the year.

Which of the following resources, if any, would be the most helpful to you right now as you carry your business forward this year?



### **MENTORSHIP & ASSISTANCE**

Interest in resources for small and medium businesses is generally highest among respondents in the construction & contracting and food & beverage industries and lowest among those in entertainment & recreation.

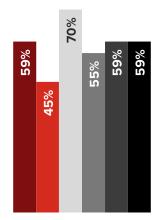
Which of the following resources, if any, would be the most helpful to you right now as you carry your business forward this year?

#### % VERY OR SOMEWHAT HELPFUL

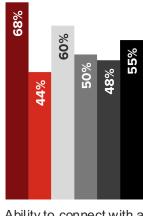
- Industry: Construction & Contracting
- Industry: Hospitality & Accommodation

- ■Industry: Entertainment & Recreation
- Industry: Restaurant & Bar

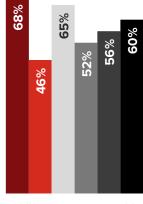
- Industry: Food & Beverage
- Industry: Retail



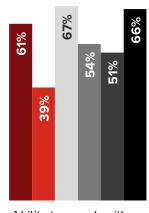
Ability to apply for advertising grants to help promote your business digitally and socially



Ability to connect with a personal, 1:1 mentor for your business and participate in personalized coaching sessions against your business goals

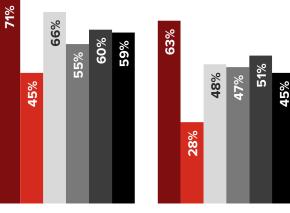


Ability to connect with other small/medium business leaders in an online network

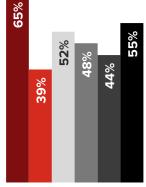


Ability to speak with ecommerce experts who presence, digital branding, or social media

engagement for your business via phone, chat, video, etc.



Ability to speak with Ability to speak with HR finance experts who can (human resources) experts can help establish a digital help advise your business who can help advise your business



Ability to speak with IT experts who can help advise your business on remote work infrastructure and related new technologies, such as utilizing the 5G network and implantation, security solutions and more

### Interest in free, self-paced social media marketing courses is generally high across industries.

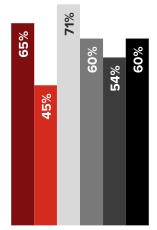
Which of the following resources, if any, would be the most helpful to you right now as you carry your business forward this year?

### % VERY OR SOMEWHAT HELPFUL

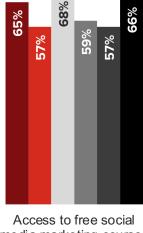
- Industry: Construction & Contracting
- Industry: Hospitality & Accommodation

- ■Industry: Entertainment & Recreation
- Industry: Restaurant & Bar
- Industry: Retail

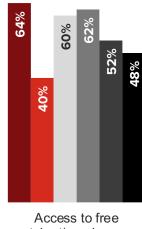
■ Industry: Food & Beverage



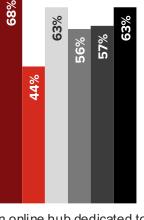
Access to free financial courses or programs that you can use on your own or programs that you can time



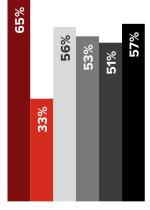
media marketing courses use on your own time



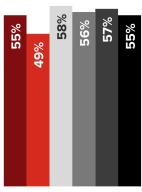
talent/employee you can use on your own time



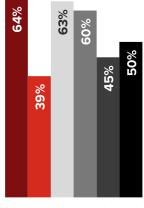
An online hub dedicated to supporting and reviving management courses that small businesses via free resources in the post-COVID world



List of available loan programs and how to apply



Waived late fees from service providers (e.g., internet, utilities, etc.)



Webinar series with advice for business leaders about how to navigate the postpandemic economy

