# VERIZON BUSINESS' 3RD ANNUAL STATE OF SMALL BUSINESS SURVEY

Year Three Results

AUGUST 2022

#### VERIZON BUSINESS' 3RD ANNUAL STATE OF SMALL BUSINESS SURVEY

# 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
  - Professional, Scientific & Technical Services\*
  - Property & Real Estate\*
  - o Retail
  - o 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:
  - Construction & Contracting
  - Entertainment & Recreation
  - Food & Beverage
  - 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
  - o Entertainment & Recreation
  - Food & Beverage
  - Hospitality & Accommodation
  - o Retail
  - o Restaurant & Bar

# **MENTORSHIP & ASSISTANCE**

# HOLIDAY SEASON

# **TECHNOLOGY & CYBERSECURITY**

# OUTLOOK & BUSINESS IMPACTS

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## OUTLOOK & BUSINESS IMPACTS

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?



### OUTLOOK & BUSINESS IMPACTS

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?



% VERY OR SOMEWHAT CONCERNED

■ Aug-22 ■ Aug-21\* ■ Aug-20\*

\*Prior to August 2022, this question was asked as: "In general, how concerned are you about the impact of the coronavirus (COVID-19) pandemic on the following?"

## OUTLOOK & BUSINESS IMPACTS

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?



## OUTLOOK & BUSINESS IMPACTS

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



## OUTLOOK & BUSINESS IMPACTS

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...



### OUTLOOK & BUSINESS IMPACTS

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... / 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



### OUTLOOK & BUSINESS IMPACTS

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...

#### Experienced increased costs 78% Hired new employees 53% Started offering new products and services to adapt to changing customer needs 48% Experienced declining sales 46% Begun preparing for a possible economic recession 44% Had challenges hiring new employees to fill open positions 43% Lost employees or had challenges retaining top talent 40% Slowed or stopped hiring due to economic conditions 31% Started delivering products and services differently 30% Experienced declining employee productivity 30% Reduced employees' hours 29% Added or transitioned to digital/online operations 29% Created new job roles or positions 28% Withdrew from cash reserves 27% Applied for a new line of credit 20% Reduced wages of business owners/leaders 19% Laid off employees 17% Applied for a federal loan or grant 16% Withheld payments on bills 16% Applied for a private loan or grant 14% Changed how we pay employees due to cash flow concerns 13% Put employees on an unpaid leave of absence 11% Put employees on a paid leave of absence 10% Reduced employees' wages 10%

#### **FINANCES & PERSONNEL**

#### OUTLOOK & BUSINESS IMPACTS

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



#### OUTLOOK & BUSINESS IMPACTS

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...

#### Experienced issues sourcing materials due to supply chain interruptions 53% Implemented new systems or technology to ensure security 32% Implemented new systems or technology to help with onboarding and training 28% employees Implemented new systems or technology to allow for remote collaboration 26% Provided new devices or technology to employees to help attract or retain talent 26% Transitioned employees from remote work back to on-site work 24% Temporarily closed due to an employee testing positive for COVID-19 21% Implemented new systems or technology to compensate for a shortage of workers 19% Transitioned employees from on-site work to remote work 16% Temporarily closed to allow for transitions to new systems or ways of working 16% Hired employees who do not live locally for roles in which they can work remotely 13%

#### **OPERATIONS**

# 13

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56%

#### **OUTLOOK & BUSINESS IMPACTS**

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**

■ 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



## OUTLOOK & BUSINESS IMPACTS

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?



## OUTLOOK & BUSINESS IMPACTS

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?



### OUTLOOK & BUSINESS IMPACTS

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**?

<ul> <li>Already done / currently doing this</li> <li>No current plans to do this</li> </ul>		anning to do in the next 6 months on't know / No opinion				Planning to do in the next 7 – 12 months					
Reduce spending on non-essential items and activities (e	e.g., team ents, etc.)		<b>49</b> %			10%	6%	29%	7%	59%	
Raise the prices of goods or services we offer to offset the ir	npacts of inflation		44%			18%	10%	23%	6%	<b>62</b> %	
Utilize more free resources or platforms to manage daily o (e.g	perations ., Canva)	30%		11%	9%		39%		11%	<b>41</b> %	
Cut back on planned operational inv	estments	28%		11%	8%		43%		11%	39%	
Stock additional product with low hold	ing costs	<b>27</b> %		<b>12</b> %	8%		<b>41</b> %		13%	39%	
Invest in employee retention to avoid costs and time associ hiring new		22%	15	%	8%		<b>42</b> %		13%	<b>37</b> %	
Scale back on programs or business offerings to co	ver costs	<b>21</b> %	<b>12</b> %	8%			<b>47</b> %		11%	33%	
Seek outside advice on financial	planning	20%	<b>12</b> %	<b>7</b> %			48%		13%	32%	
Cut back on planned technology invo	estments	19%	10%	9%			51%		11%	<b>29</b> %	
Seek outside advice on merchandising products or	services	19%	<b>12</b> %	6%			53%		11%	31%	
Scale back employee benefits to save	e money	<b>12</b> % <b>7</b> %	6%			63	%		11%	<b>19</b> %	

ALREADY DONE,

#### OUTLOOK & BUSINESS IMPACTS

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)?

	0	o do in the ne: w / No opinion	าร	■ Planni	nths	ALREADY DONE, CURRENTLY DOING, OR PLANNING IN THE NEXT 6 MONTHS			
Reduce spending on non-essential items and activities (e.g., to events, e			<b>47</b> %		9%	7%	31%	6%	56%
Raise the prices of goods or services we offer to offset the impact infle	ts of ation	4	2%		15%	11%	27%	5%	<b>57</b> %
Utilize more free resources or platforms to manage daily operat (e.g., Car		29%		14%	6%	39	%	11%	43%
Stock additional product with low holding c	osts	28%		11%	9%	419	%	11%	39%
Cut back on planned operational investme	ents	24%	14	<b>%</b> 7%	6	45%	i de la companya de l	11%	38%
Invest in employee retention to avoid costs and time associated hiring new work		23%	<b>12</b> 9	6%		46%		13%	35%
Scale back on programs or business offerings to cover c	osts	23%	139	% <b>7</b> %		48%	)	9%	36%
Cut back on planned technology investme	ents	21%	10%	7%		53%		10%	31%
Seek outside advice on merchandising products or serv	ices	19%	<b>12</b> %	7%		50%		11%	31%
Seek outside advice on financial plan	ning	19%	13%	7%		<b>49</b> %		<b>12</b> %	32%
Scale back employee benefits to save mo	oney 1	1% 10%	5%		(	52%		11%	21%

### OUTLOOK & BUSINESS IMPACTS

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

- 62% Raise the prices of goods or services we offer to offset the impacts of inflation **57**% **59%** Reduce spending on non-essential items and activities (e.g., team events, etc.) 56% Utilize more free resources or platforms to manage daily operations (e.g., 41% Canva) 43% 39% Cut back on planned operational investments 38% 39% Stock additional product with low holding costs 39% Invest in employee retention to avoid costs and time associated with hiring new 37% workers 35% 33% Scale back on programs or business offerings to cover costs 36% 32% Seek outside advice on financial planning 32% 31% Seek outside advice on merchandising products or services 31% 29% Cut back on planned technology investments 31% 19% Scale back employee benefits to save money 21%
- Inflation Potential for economic downturn in the near future

## OUTLOOK & BUSINESS IMPACTS

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?



#### OUTLOOK & BUSINESS IMPACTS

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

■ Aug-22 ■ Aug-21 ■ Aug-20

53%

27%

## **OUTLOOK & BUSINESS IMPACTS**

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

56%



48%



Attracting top talent



maintaining business to

pre-COVID levels amid a

more cost-conscious

public

Bringing business back to pre-COVID levels amid continued consumer concern about in-person interactions



services that meet the changing needs of consumers

m

new customers or clients

52%

47%

or fulfillment schedules amid continued supply chain disruptions

53%

#### OUTLOOK & BUSINESS IMPACTS

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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?

#### % VERY OR SOMEWHAT CONCERNED





Ensuring the health and safety Ensuring the health and safety of customers of employees



Ensuring the security of company networks and computer systems



Ensuring the security of online Maintaining adequate staffing and digital transactions levels

46%

43%

33%

49% 50% 48% 53% 54%

Maintaining relationships with existing customers or clients

#### OUTLOOK & BUSINESS IMPACTS

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?



# Managing rising labor costs Marketing products

Marketing my business' products and services effectively

recession or downturn

business

## OUTLOOK & BUSINESS IMPACTS

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?

Much higher Somewhat higher About the second sec	he same	■Somewhat lower	■ Much lower	∎Don't kno	w / No opinion	MUCH OR SOMEWHAT HIGHER
Cost of doing business	2	25%	<b>41</b> %		25% 4%	66%
Customer or client satisfaction	11%	26%		53%	5%	37%
Employee turnover	10%	20%	43%		9% 5% 12%	30%
Quality of product or service offerings	9%	24%	5	4%	9%	33%
Revenue generated through digital or online operations	9%	27%	42%	ó	10% 3% 10%	36%
Level of collaboration among employees	9%	20%	50%		7% 11%	<b>29</b> %
Level of innovation in our business operations	8%	25%	53	3%	6% 7%	33%
Level of innovation in the products and services we deliver	8%	27%		<b>52</b> %	6% 5	% 35%
Level of flexibility and adaptability among employees	8%	22%	<b>47</b> %		10% 4% 10%	30%
Technological advancement within our business	7%	22%	53%		9% 7%	<b>29</b> %
Overall revenue	6%	30%	33%		22% 7%	36%
Employee morale	5%	22%	42%		15% 7% 8%	27%

### OUTLOOK & BUSINESS IMPACTS

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



■ Aug-22 ■ Aug-21\* ■ Aug-20\*

\*Prior to August 2022, this question was asked as: "Compared to before the coronavirus (COVID-19) pandemic began, would you say the following are higher, lower, or about the same for your business now?"

#### OUTLOOK & BUSINESS IMPACTS

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?

My business is currently doing or has already done this
 My business is not considering this

My business has not yet done but is considering doing this
 Don't know / No opinion

Using social media marketing to increase customer engagement and online traffic	!	59%		19%	<b>17</b> %	5%
Offering sales or deals on products or services to appeal to new customers	48% 20%		20% 20		6%	
Implementing new digital marketing technologies to better target the right audiences	39%		28%	2	3%	9%
Offering flexible working arrangements (e.g., schedules, location) to employees to drive new hires or retain employees	36%	17%		36%		11%
Using social media 'storefronts' or 'shops' to allow consumers to buy products or services directly via social platforms	33%	21%		37%		9%
Offering incentives to drive new hires or retain employees	28%	22%		37%		13%
Establishing partnerships with complementary businesses to drive awareness and customer acquisition	26%	29%		36%		9%

# OUTLOOK & BUSINESS IMPACTS

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



# **MENTORSHIP & ASSISTANCE**

# HOLIDAY SEASON

# TECHNOLOGY & CYBERSECURITY

# OUTLOOK & BUSINESS IMPACTS

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## TECHNOLOGY & CYBERSECURITY

Most respondents say their business has added or upgraded its internet connection to a high-speed or highcapacity 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	24%		<b>27</b> %	28%	15%	5%	<b>51%</b>
High-speed internet plan	<b>21</b> %	3	<b>30</b> %	32%	11%	6%	<b>51%</b>
Routers or extenders to enhance wireless signal	<b>20</b> %	24%		<b>28</b> %	22%	6%	<b>44</b> %
Online business search assistance services	<b>19</b> %	24%		24%	24%	<b>9</b> %	<b>43</b> %
Secure cloud backup services	<b>18</b> %	25%		25%	23%	9%	<b>43</b> %
Video and web conferencing tools	<b>18</b> %	23%	2	1%	31%	8%	<b>41%</b>
Network security services	<b>17</b> %	<b>27</b> %		25%	24%	6%	<b>44</b> %
Website hosting or development services	<b>16</b> %	<b>21</b> %	27	1%	29%	<b>7</b> %	<b>37</b> %
Services to integrate mobile and desktop phone lines	<b>16</b> %	<b>18</b> %	20%		38%	8%	<b>34</b> %
Communications and networking hardware	<b>16</b> %	25%		25%	25%	9%	<b>41%</b>
Security tools and protection plans for phones or devices	<b>16</b> %	23%	24	4%	30%	<b>7</b> %	39%
IT or technical support services	15%	23%	2!	5%	29%	7%	38%
Devices for employees to enhance connectivity	14%	23%	20%		36%	7%	<b>37</b> %
TV or streaming entertainment services for business, bars, and restaurants	14%	17%	16%	45	%	8%	31%
Cybersecurity training for employees	13%	16%	17%	44%	, >	9%	<b>29</b> %
Application development services	13%	17%	18%	41%		11%	30%

### TECHNOLOGY & CYBERSECURITY

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?



#### % ADDED OR UPGRADED

■ Aug-22 ■ Aug-21\* ■ Aug-20\*

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\*Prior to August 2022, this question was asked as: "Since the start of the coronavirus (COVID-19) pandemic, has your business added or upgraded the following services or technologies?"

# TECHNOLOGY & CYBERSECURITY

# MORNING CONSULT<sup>°</sup> + verizon<sup>√</sup>

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.



## **TECHNOLOGY & CYBERSECURITY**

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.



### **TECHNOLOGY & CYBERSECURITY**

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?

	■ A lot	Some Not much	■ Nothing at all
Aug-22; All SMB Decision Makers	37%	48%	13% 2%
Aug-21; All SMB Decision Makers	38%	45%	14% 3%
Aug-20; All SMB Decision Makers	15%	57%	22% 6%
	AUG-22		
Region: Northeast	35%	50%	12% 3%
Region: Midwest	30%	53%	15% 2%
Region: South	40%	46	% <b>12%</b> 2%
Region: West	40%	43%	<b>16</b> % 1%
Industry: Construction & Contracting	42%	42	% <b>11% 5</b> %
Industry: Entertainment & Recreation	31%	49%	18% 2%
Industry: Food & Beverage	41%	459	% <b>12</b> % 3%
Industry: Hospitality & Accommodation	36%	51%	13%
Industry: Retail	35%	48%	<b>16</b> % 1%
Industry: Restaurant & Bar	36%	52%	<b>11%</b> 1%

### **TECHNOLOGY & CYBERSECURITY**

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?



### **TECHNOLOGY & CYBERSECURITY**

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?

Strongly agree Somewhat agree	Don't know / No opinion		■ Somewhat	disagree	■Strongly disa	STRONGLY OR SOMEWHAT AGREE	
5G technology has made/will make new opportunities available bus	for my siness.	8%	32%	23%	16%	12%	50%
Access to 5G technology has accelerated/will accelerate my bus recovery from the coronavirus (COVID-19) pane	1	8%	26%	23%	18%	15%	<b>44</b> %
5G technology has made/will make new opportunities available my inc	e within dustry.	7%	35%	22%	14%	12%	<b>52</b> %
I know what processes and applications would benefit most fro technology at my bus	16	5%	33%	22%	17%	<b>11</b> %	<b>49</b> %
Businesses that do not adopt 5G technology will fall behind their	peers. 16	5%	27%	21%	23%	12%	<b>43</b> %
My business was an early adopter of 5G techn	nology. <b>14</b>	%	24% 1	7% 21	% 2	3%	38%

### **TECHNOLOGY & CYBERSECURITY**

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?

, , ,	<ul> <li>Planning to do in a</li> <li>No current plans to</li> </ul>		nonths	<ul> <li>Planning to do in the next 7 – 12 months</li> <li>Don't know / No opinion</li> </ul>		onths	CURRENTLY DOING, OR PLANNING IN THE NEXT 6 MONTHS	
Subscribing to a 5G-enabled fixed-line busines	ss internet service	<b>21</b> %	11%	8% 5%	42%	<b>12</b> %	32%	
Providing 5G-capable smartphones / devi	ces to employees	<b>17</b> %	12% 69	% 6%	51%	9%	29%	
Providing new devices or technologies to employees (e.g., table	, phones, laptops, ets, hot spots etc.)	16%	14%	7% 6%	48%	9%	30%	
Using 5G to power or build new applications supporte computing (M	d by mobile edge IEC) technologies	15%	13% 6%	<mark>% 4</mark> %	48%	13%	28%	
Providing an allowance or stipend for employees to upgr device	ade their wireless and service to 5G	12%	<b>11% 7% 3</b> %	%	56%	10%	23%	
Deploying Pri	vate 5G networks	12%	11% 7% 4	%	54%	<b>12</b> %	23%	
Providing an allowance or stipend for employees to up internet service to accommo	•	12%	10% 7% 3%	6	58%	9%	22%	
Providing an allowance or stipend for employees to upgr d	ade their wireless evice and service	11%	<b>12% 6%</b> 3%	6	56%	10%	23%	

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?

■ Strongly agree ■ Somewhat agree ■ Don't kn	ow / No opinion	■ Somewh	hat disagree	■ Stro	ngly disagree	STRONGLY OR SOMEWHAT AGREE
I am confident about my business' current protection against cybe attacks			41%	1'	1% 13% 7%	69%
I understand what steps my business must take to comply with cybersecurity best practices			37%	12%	15% 9%	64%
I know where to go for resources about cybersecurity best practices	22%	3	8%	13%	16% 10%	60%
My business has the in-house expertise necessary to protect the business from cyber risks		35%	%	14%	17% 12%	56%
My business offers employees training on cybersecurity practices	18%	22%	15%	16%	29%	40%
Remote work has caused my business to implement new cybersecurity practices and policies	100/	23%	16%	16%	28%	<b>41</b> %
Remote work has increased the potential for cybersecurity threats to my business	1 / 4/-	26%	<b>17</b> %	16%	24%	43%

### **TECHNOLOGY & CYBERSECURITY**

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?



% MAJOR OR MODERATE RISK

■Aug-22 ■Aug-21

#### **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?

<ul> <li>Already done / currently doing this</li> <li>Planning to do in the next 13 – 24 months</li> </ul>	<ul><li>Planning to do in the next 6 months</li><li>No current plans to do this</li></ul>			<ul> <li>Planning to do in the next 7 – 12 months</li> <li>Don't know / No opinion</li> </ul>			
Purchasing or upgrading antivirus	software	39%	13%	10% 4%	27%	8%	<b>52</b> %
Requiring multi-factor authentication for accou	nt logins	38%	<b>12</b> %	7% 5%	29%	8%	50%
Evaluating or upgrading our payment processing	systems	33%	13% 10	0% 5%	31%	8%	<b>46</b> %
Evaluating or upgrading our network security	oractices	29%	17% 9%	6 5%	33%	8%	46%
Training employees about cybersecurity best p	oractices	26%	<b>15% 5%</b> 4%		41%	9%	<b>41</b> %

ALREADY DONE,

# **MENTORSHIP & ASSISTANCE**

# HOLIDAY SEASON

# **TECHNOLOGY & CYBERSECURITY**

# OUTLOOK & BUSINESS IMPACTS

CONTENTS

### HOLIDAY SEASON

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.



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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.



#### HOLIDAY SEASON

## HOLIDAY SEASON

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?



### HOLIDAY SEASON

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.



# MENTORSHIP & ASSISTANCE

# HOLIDAY SEASON

# TECHNOLOGY & CYBERSECURITY

# OUTLOOK & BUSINESS IMPACTS

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#### **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?

■Very helpful ■S	omewhat helpful	■Not too helpful ■Not at all helpful		Don't know / No opinion			VERY OR SOMEWHAT HELPFUL
Ability to join an empowering network of r	minority-owned business leaders*	35%	30%	14%	11%	9%	65%
Access to free social media marketing o you c	courses or programs that an use on your own time	30%	32%	15%	13%	10%	<b>62</b> %
Waived late fees from service providers (e.	g., internet, utilities, etc.)	30%	25%	19%	13%	12%	55%
Access to free financial courses or progra	ams that you can use on your own time	26%	34%	16%	15%	10%	60%
An online hub dedicated to supp businesses via free resources		26%	33%	16%	13%	<b>12</b> %	<b>59</b> %
Ability to apply for advertising grants to hel	p promote your business digitally and socially	26%	32%	<b>17</b> %	13%	<b>12</b> %	<b>58</b> %
Ability to join an empowering netwo	ork of like-minded female business leaders**	25%	31%	13% 1	5%	15%	56%
Ability to speak with e-commerce experts of digital presence, digital branding, or socia your business via		24%	32%	<b>17</b> %	13%	13%	56%

\*Base: Non-white respondents; \*\*Base: Female respondents

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?

■ Very helpful	Somewhat helpful	■Not too helpful	■Not at all helpful	Don't kn	Don't know / No opinion		VERY OR SOMEWHAT HELPFUL
Ability to connect with a personal, participate in personalized coaching		23%	31%	<b>18</b> %	14%	13%	54%
Ability to speak with finance e	experts who can help advise your business	23%	36%	15%	13%	12%	59%
Webinar series with advice for busines	ss leaders about how to navigate the post-pandemic economy		32%	17%	17%	12%	54%
List of available	loan programs and how to apply	22%	30%	<b>17</b> %	18%	13%	52%
Ability to speak with IT experts who o remote work infrastructure and re utilizing the 5G network and implanta	elated new technologies, such as	22%	28%	18%	18%	<b>14</b> %	50%
Ability to connect with other sma	ll/medium business leaders in an online network	21%	37%	20%	12%	11%	58%
Access to free talent/employee manag	gement courses that you can use on your own time	21%	34%	18%	16%	12%	55%
Ability to speak with HR (human	resources) experts who can help advise your business		28%	20%	18%	15%	47%

#### **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?





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



44%

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 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 HR

48%

28%



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

57

Industry: Construction & Contracting Industry: Hospitality & Accommodation Industry: Entertainment & Recreation ■ Industry: Restaurant & Bar

Industry: Food & Beverage

58%

200 5

Industry: Retail

55%

49%



use on your own time

time

200 44%

time

89

An online hub dedicated to supporting and reviving management courses that small businesses via free you can use on your own resources in the post-COVID world



apply

List of available loan Waived late fees from programs and how to service providers (e.g., internet, utilities, etc.)



63%

39%

64

55%

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