



Digital Tools Continue To Unlock Opportunities For U.S. Small Businesses

Summary

In our survey of 2,000 U.S. small business owners and senior decision makers (“SMB leaders”), we learned that they use digital tools to increase their agility and resiliency, and support their ability to adapt to challenges. Digital tools have empowered SMB leaders to expand their business operations and drive growth in key ways: 92% to engage with customers, 87% to grow their customer base, and 84% to sell products and services. Additionally, SMB leaders who embrace digital tools have a more positive outlook, with 73% feeling optimistic and 34% very optimistic about the future of their business.

Digital tools also help “level the playing field” for all Americans, as they disproportionately help diverse SMB leaders work more efficiently, drive more revenue, and create more jobs. For example, 85% of Hispanic-led and 83% of Black-led SMBs (7% and 5% higher than the 78% average) recognize a noticeable impact when using digital tools to expand their business. And 85% of both Hispanic and Black SMB leaders (each 6% higher than the 79% average) said that digital tools increased their businesses’ ability to collaborate, work efficiently, be more agile and shift strategy in response to changed circumstances.

How U.S. SMBs Use Digital Tools

92%

Engage with
customers

87%

Grow their
customer base

84%

Sell products &
services

Key Research Results

Most American Small Businesses Find Digital Tools Valuable

SMB leaders recognize digital tools as a valuable and integral part of their businesses, enabling them to be more agile and capture more opportunities.

- 78% said that adopting digital tools during the last two years created new opportunities for their business.
- 82% view digital tools as important and valuable to their business.
- SMB leaders in highly data-driven industries view digital tools as an especially important and valuable part of their business operations: Technology: 99% (+17); Finance: 94% (+12); Real Estate: 87% (+5)
- SMB leaders in physical goods industries view digital tools as a very important and valuable part of their business operations: Wholesale: 89% (+7); Manufacturing: 87% (+5); Retail: 86% (+4)
- 92% of SMB leaders use digital tools to communicate with customers.
- 79% said that digital tools increased their businesses' ability to collaborate, work efficiently and shift strategy quickly.

Example: An online clothing retailer with 11 employees in Santa Monica, California creates YouTube videos that show the behind-the-scenes processing and packing of an order to generate new conversations and potential sales leads.

Small Business Digital Tool Use Drives Revenue and Optimism

Digital tools help small businesses sell products and services, attract new customers, hire staff, and expand operations.

- 84% of SMB leaders use digital tools to sell products and services.
- 73% use digital tools to drive revenue as an important part of their business.
- 87% use digital tools to find new customers as an important part of their business.
- 73% feel more optimistic about the future of their business because of digital tools, despite two-thirds (66%) feeling that the overall economy is struggling.
- 72% of Veteran SMB leaders feel optimistic about the state of their industry, 12% higher than average (60%).

Example: A 60-person real estate mapping company based in New York City uses data-driven targeted advertising to luxury goods customers on Instagram, allowing it to expand its customer base rapidly.

Digital Tools Help Level the Playing Field For All Americans

Free and low-cost digital tools help level the playing field for SMBs led by diverse leaders.

- 85% of Hispanic-led and 83% of Black-led SMBs (7% and 5% higher than the 78% avg.) saw a noticeable impact when using digital tools to expand their business.
- 80% of Black-led SMBs (7% higher than the 73% avg.) view using digital tools to drive revenue as an important part of their business.
- 85% of both Hispanic and Black SMB leaders (each 6% higher than the 79% avg.) stated that digital tools increased their businesses' ability to collaborate, work efficiently, be more agile, and shift strategy quickly.
- 82% of Black and 81% of Hispanic SMB leaders (9% and 8% higher than the 73% avg.) are more optimistic about the future of their business during the pandemic because of digital tools.
- 71% of Veteran-led SMB leaders (13% higher than the 58% avg.) feel optimistic that their business will grow and thrive in the next 3-5 years.
- 66% of Hispanic and 64% of Black SMB leaders (8% and 6% higher than the 58% avg.) feel optimistic that their business will grow and thrive in the next 3-5 years.

Example: Two Hispanic women in Chicago, Illinois transformed their handmade jewelry “side hustle” into a revenue-generating business through a Shopify web store, where they can now reach customers all over the world.

Methodology

The Data Catalyst Institute (DCI) conducted this online national survey of 2,000 owners and senior decision makers at U.S. small- and medium-sized businesses (SMBs), with additional oversamples of Black- and Hispanic-led SMBs, from Nov. 29, 2021 to Dec. 9, 2021. The survey has a margin of error of +/- 3.1% (MoE larger for subgroups).

The full results of our survey can be found [here](#).

About 3C

The Connected Commerce Council (3C) is a non-profit membership organization that promotes access to essential digital technologies and tools for SMBs. Our *Digitally Driven [research reports](#)* document how affordable and accessible digital tools (i.e., digital software, tools, and platforms that businesses use for any purpose) have enabled millions of American SMBs to continue to thrive and unlock opportunities as they navigate widespread economic and societal challenges (e.g., COVID-19, inflation, supply chain issues).