



DIGITALLY DRIVEN

U.S. Small Businesses Find a Digital Safety Net
During COVID-19

Presented By



Connected Commerce
Council



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Foreword

Letter from the Connected Commerce Council

COVID-19 has done unprecedented harm to American small businesses, blunting a decade of economic growth and success. The speed and severity of the pandemic's impact is well documented, but historic unemployment numbers and dire revenue projections do not tell the whole story. Millions of small businesses have found stability amid the uncertainty, reached customers in new ways, and transitioned their businesses to be more resilient in this time of crisis. Following the lead of these stories of perseverance and ingenuity may be our first step on the road to recovery.

This report is the story of small business resilience, showing the path companies took before and during COVID-19. At the center of our findings is the clear presence and value of a 'Digital Safety Net,' built on a technological infrastructure and comprised of affordable and agile digital tools that have enabled small businesses to survive longer and recover faster. This Digital Safety Net empowered small businesses to shift resources, modify business plans, and evolve as the crisis grew.

For small business owners still struggling to find their footing, this study highlights how the Digital Safety Net can increase preparedness and, in the worst of times, improve business results and even survival rates. This is particularly true for some underserved small business owners, for whom digital tools helped fill a gap when resources such as government loan programs proved difficult to access.

The various digital tools that comprise this Digital Safety Net have gradually transformed the way small businesses operate for more than a decade. COVID-19 dramatically sped up that transformation and, in the process, digital tools saved millions of American businesses from closing their doors. However, the net could — and must — be bigger, more robust, and more inclusive.

This report reflects the realities and perspectives of more than 7,000 American small businesses and includes three primary findings: First, digital tools are critical for small business resilience. Second, digital tools provided momentum heading into the crisis and allowed companies to pivot quickly, providing momentum coming out of the crisis. And finally, there are still obstacles to the use of digital tools by small businesses that need to be addressed and overcome.

Access to affordable, scalable and secure digital tools is crucial. There is fierce competition among digital companies to provide such tools to small businesses. This report provides new insights into the challenges preventing small businesses' adoption of digital tools; and provides a playbook for tech platforms to support their ongoing efforts to innovate and improve services for small businesses when and where it can be most effective.

Recommendations are also offered for policymakers struggling to grasp the importance of how the digital economy is interconnected and interdependent. These include a fresh look at how new kinds of public-private partnerships can lower barriers to the adoption of digital tools for the most at-risk industries, communities, and businesses.

We appreciate and thank our members for their continued support; and American small businesses for their determination and ability to innovate and change when pushed to the edge; as well as their participation in this project. Finally, I'd like to thank our partners in the production of this report, Google and Greenberg.



Jake Ward, President,
Connected Commerce Council



Executive Summary

Executive Summary

Investigating the role of digital tools in making U.S. small business (SMBs) more resilient during COVID-19, and whether and to what degree there is a Digital Safety Net at work

COVID-19 has disrupted everyday life and caused a national economic crisis with an outsized effect on SMBs. This is particularly true for micro-businesses with less than 10 employees, which make up over 90% of all U.S. businesses.

The unprecedented scope and scale of COVID-19 is testing traditional rules of commerce and economies, and potentially setting new rules. The availability and utility of digital tools for small businesses is, to some degree, helping them navigate this turbulence.

Their embrace of the Digital Safety Net defined as the use of digital tools to adapt, survive, and recover from economic or societal shocks — appears to be a leading indicator of SMBs' broad ability to adapt, sustain, and recover from shocks, whereas more digitally vulnerable businesses may not.

Evaluating the size, strength, and potential shortcomings of a Digital Safety Net for SMBs will ultimately help them better prepare for crises in the future while recovering from this one today. To that end, our research focused on answering two major questions:

- What is the degree to which a Digital Safety Net is at work for SMBs during COVID-19?
- What are the underlying financial, temporal, and behavioral factors that influence the value of a Digital Safety Net for specific SMBs?

The research showed that digital tools have indeed been critical for SMB success during COVID-19, providing them with a Digital Safety Net. Of the 7,000+ operational

SMBs surveyed, those that utilized more digital tools did better during the pandemic, and those that used them early and used them more did even better. Even SMBs that have not fully embraced digital tools recognize their value.

Overall, we conclude that the Digital Safety Net is real, and it is likely to be a critical factor for SMBs not just during COVID-19, but for future challenges and shocks. A summary of our top findings and recommendations for small businesses, technology companies, and policymakers can be found on the following pages.

A Note About Our Research

The results presented here are based on a quantitative research survey of over 7,000 small- and medium- sized business (SMB) leaders conducted from May 28 to July 3, 2020, where SMBs are defined as businesses of 0–500 employees. We additionally conducted over 50 qualitative interviews with SMB leaders during April and May 2020. It is important to note that in order to be included in the study, SMBs had to be in business at the time of the research (i.e., operational); thus, businesses that closed during this time were not included in our work.

Top Findings: COVID-19, Small Businesses (SMBs), and Digital Tools

Broad Effects of COVID-19

93% of U.S. SMBs were disrupted by COVID-19. They experienced effects across the board: 43% reduced hours of operation, 30% saw reduced customer demand, 28% had disrupted supply chains, and 20% laid off employees.

Operating U.S. SMBs project an average 16% drop in annual revenue. Not surprisingly, the most heavily impacted industries such as travel, entertainment, and food services project above-average 2020 revenue decreases of 20–25%.

Black, Latinx, and American Indian-led businesses are roughly half as likely as white-run businesses (24–28% vs. 49%) to have received aid through public loans like PPP. Unfortunately, devastated sectors like travel and food services are also disproportionately managed by people of color.

Utilization of Digital Tools

68% of SMBs reported that digital tools were important to their business prior to COVID-19. Nevertheless, only 45% felt digitally prepared for the pandemic when it actually arrived.

85% of SMBs say COVID-19 made them rethink their approach to digital tools. For example, 54% of arts, education, and entertainment SMBs increased video conferencing to deliver what are traditionally in-person services.

SMBs in some industries, such as retail, showed relatively high digital preparedness for COVID-19. Retail SMBs typically used digital payments (76%), websites (71%), and social media (72%) pre-COVID-19 and a majority (64%) increased use of these during COVID-19.

COVID-19 expedited SMB digital momentum: nearly 3 in 4 increased their use of digital tools, particularly video conferencing (38% of all SMBs). This was despite a majority of SMBs already using at least basic digital tools prior to COVID-19.

A majority (53%) of SMBs found digital tools more helpful during COVID-19 than before it. Most SMBs (53%) also plan to continue to use more digital tools after the pandemic.

Three Digital Strategies

92% of SMBs are using one of three digital strategies. Drivers (35%) view digital tools as essential and already used many pre-COVID-19, while Maintainers (24%) have a limited view of digital tools and typically only use a few basic ones. Adopters (33%) see the value but haven't yet taken advantage.

The people leading Digital Drivers were on average younger, more racially diverse, and significantly male-biased (71%). Maintainers, on the other hand, had leaders who tended to be older, less racially diverse, and slightly male-biased (57%).

These three strategies were not highly associated with urban, suburban, or rural location. In other words, the micro-location of a business doesn't determine the level of comfort with digital tools or how they are used.

The Digital Safety Net

Digital Drivers anticipate 4X better revenue for 2020 compared to the less prepared Digital Maintainers. While virtually all SMBs were disrupted by the pandemic, Drivers anticipate only a 7% revenue drop vs. the 29% drop anticipated by Maintainers.

The Digital Safety Net is associated with better revenue outcomes during COVID-19. The stronger a given SMB's pre-COVID-19 digital preparation was, the more likely they were to lean into their tech infrastructure during the pandemic.

States with a high share of Digital Drivers show stronger overall SMB revenue vs. states with a high share of Digital Adopters or Maintainers. There was a strong correlation between statewide SMB digital sophistication and revenue projections.

Challenges to Digital Adoption

While COVID-19 created a greater urgency to adopt digital tools, there are two key barriers – information and cost. Among other factors, 49% cite information and skills gaps, while 45% report cost and return on investment as challenges.

A majority of SMBs (52%) have had trouble accessing working capital during COVID-19. Without capital, SMBs can't innovate. And those without business savings or incoming revenue were hit particularly hard, with many turning to loans.

On average, larger SMBs are faring about 8X better financially than smallest ones during COVID-19; that said, across all business sizes Digital Drivers anticipate better 2020 revenues. To some degree, it seems that use of digital tools can counterbalance disadvantages of an SMB being tiny.

Recommendations for SMB Digital Preparedness

For Small Businesses

Identify gaps and opportunities based on unique needs. Every SMB is unique and has different goals, so logically they need different solutions (including digital ones) to their challenges. Learn about digital tools from free resources, peers, and trial periods. Then, deploy them in a way that works for your business.

Invest time in digital tools before investing money. There are many free and inexpensive tools, trial periods, and training resources that can be used by both leaders and employees to learn more about digital tools before investing heavily in them for your business, reducing both cost and risk.

For Technology Companies

Help busy SMB leaders determine which digital tools they actually need. Even when an SMB understands its goals, it might not know which digital tools best match its needs. Helping them assess their needs in detail and matching those with free or trial solutions and training will be a huge service.

Reduce common barriers to accessing existing resources. Tech companies have education and training resources related to their products and services, but discovery, descriptions, registrations, may be complex for many SMBs. In addition, SMB leaders report that step-by-step video and written guides, and webinars, are their preferred self-guided learning formats.

For Policymakers

Scale public-private partnerships that address barriers to success. Policymakers should prioritize the creation of and incentivize SMB participation in a new era of national and local public-private partnerships focused on overcoming common access and education barriers that many SMBs face, particularly during challenging times.

Increase funding streams that empower SMBs to innovate. Without access to capital, SMBs cannot stay open, much less innovate. This is even more evident during a crisis. Many SMBs need access to new forms of capital and inexpensive services to bridge the gap in these situations. Policymakers should consider funding new forms of SMB grants or loans and expanding national support networks. They should also be mindful of SMBs led by members of underserved groups.



Name Glo | New York, NY

U.S. Small Businesses (SMBs) Find a Digital Safety Net During COVID-19

Digitally Driven During COVID-19

Understanding how digital tools have helped SMBs weather the storm

The broad impacts of COVID-19 are virtually unprecedented in scope and scale, presenting overwhelming challenges to small businesses. The proximate causes are easy to understand: closed storefronts, plummeting revenue, and tepid consumers are just a few of the reasons SMB leaders are rightfully concerned about weathering this storm.

This story has a second act, however. We know that when SMBs use digital tools, services, and platforms as an integral part of their operations, they are more likely to be profitable, sustainable, and efficient. We also know that the use of those tools enable preparedness for unexpected disruptions to what we call the Digital Safety Net.

Where the focus of this report lies is in understanding the degree to which this Digital Safety Net is helping SMBs during COVID-19, what factors contribute to its efficacy and how those factors apply to different populations, industries, and geographies.

While assessing the value of digital tools, we also developed a deeper understanding of the gateways to and barriers preventing SMBs from adopting digital tools and achieving resiliency. This, in turn, helped inform specific recommendations for SMBs themselves, for technology companies, and for policymakers.



The following report details:

- How U.S. SMBs are being affected by COVID-19
- How geography, industry, and other factors are relevant
- Whether and how subgroups of SMBs have been disproportionately affected
- The spectrum of attitudes, acumen, and preparedness among SMB owners
- Understanding and usage of digital tools during COVID-19
- To what degree there exists a Digital Safety Net, and whether it helped SMBs during COVID-19
- Recommendations for how digital tools can support SMB recovery and preparedness in the future



Section 1: Understanding SMB Digital Use Before and During COVID-19

Measuring the Effects of COVID-19 on U.S. SMBs

Measuring the Effects of COVID-19 on U.S. SMBs

Overview

In order to understand how and to what degree SMBs — those that have stayed operational during COVID-19 thus far — have leveraged digital tools to weather the storm, we must first understand exactly how their businesses were impacted, and how that impact has been distributed across industries and other groups.

Our research found that SMBs have been disrupted across all groups. Even among the better faring ones, there are still many core business challenges to be dealt with. There are also noteworthy differences across industries, with some like travel being hit particularly hard, and manufacturing doing relatively well. Our data also show disparities among racial groups, suggesting that some have been hurt more than others by COVID-19.

Importance

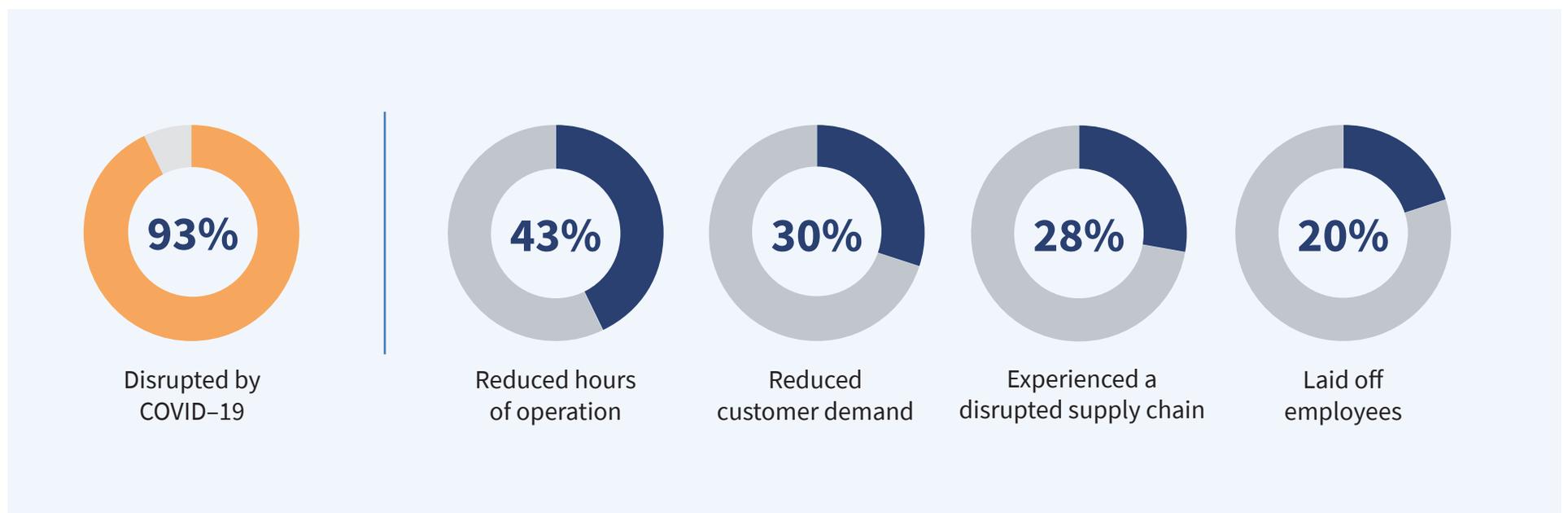
These data form the foundation for understanding not only the results throughout the remainder of this report, but also for informing the recommendations to follow.

Realizing that SMB leaders' top concerns are retaining current customers and attracting new ones is relevant to understanding what digital tools they should deploy.

Understanding that people of color are overrepresented in some of the hardest hit industries such as travel and food services provides directionality on where public resources might help the most.

COVID-19 Severely Disrupted U.S. SMBs *

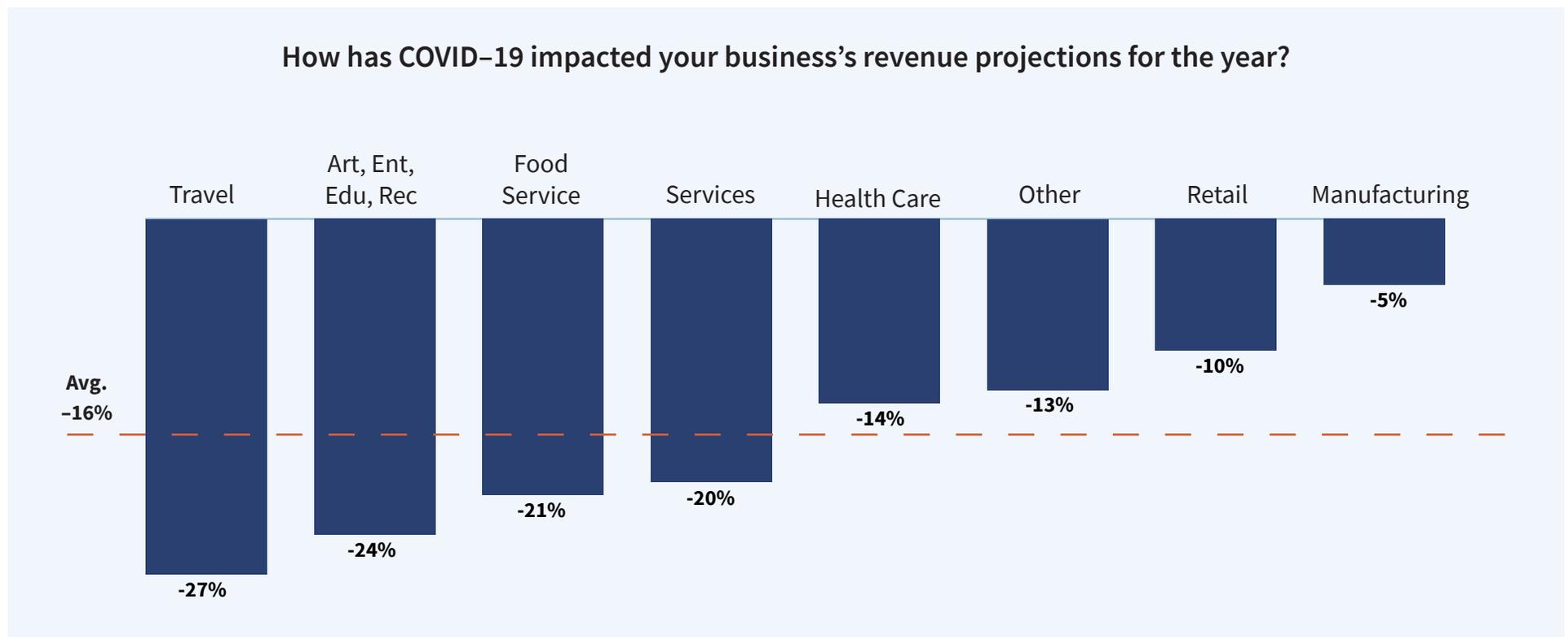
No major aspect of business operations was spared from the effects of the pandemic, with 93% of all SMBs reporting being disrupted in various ways, the largest being 43% experiencing reduced hours during COVID-19.



* An interpretive footnote for this and all other data presented in this report: To qualify for the survey, businesses needed to still be operational, so these statistics apply specifically to those businesses that stayed afloat despite the pandemic, at the time of data collection. In other words, we did not collect data on the hardest-hit businesses that closed prior to our survey.

COVID-19 Hurt SMB Revenue Across Industries

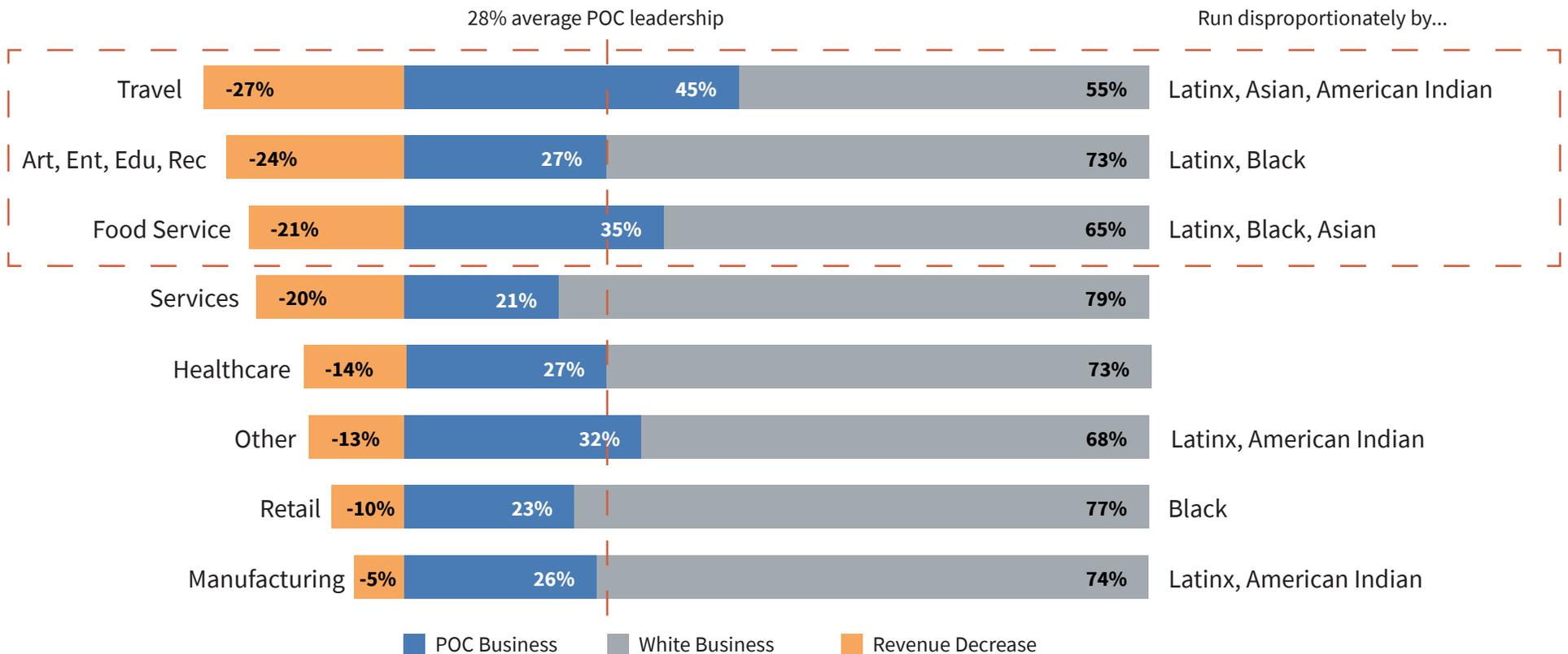
SMBs operational at the time of our survey predict an annual revenue reduction of 16% on average, but industry-specific effects vary 5X, with in-person and services related industries hit the hardest.



SMBs Run by People of Color (POC) Have Been Among the Hardest Hit

Business leaders of color running operational SMBs are overrepresented in several of the most impacted industries, including travel and food services.

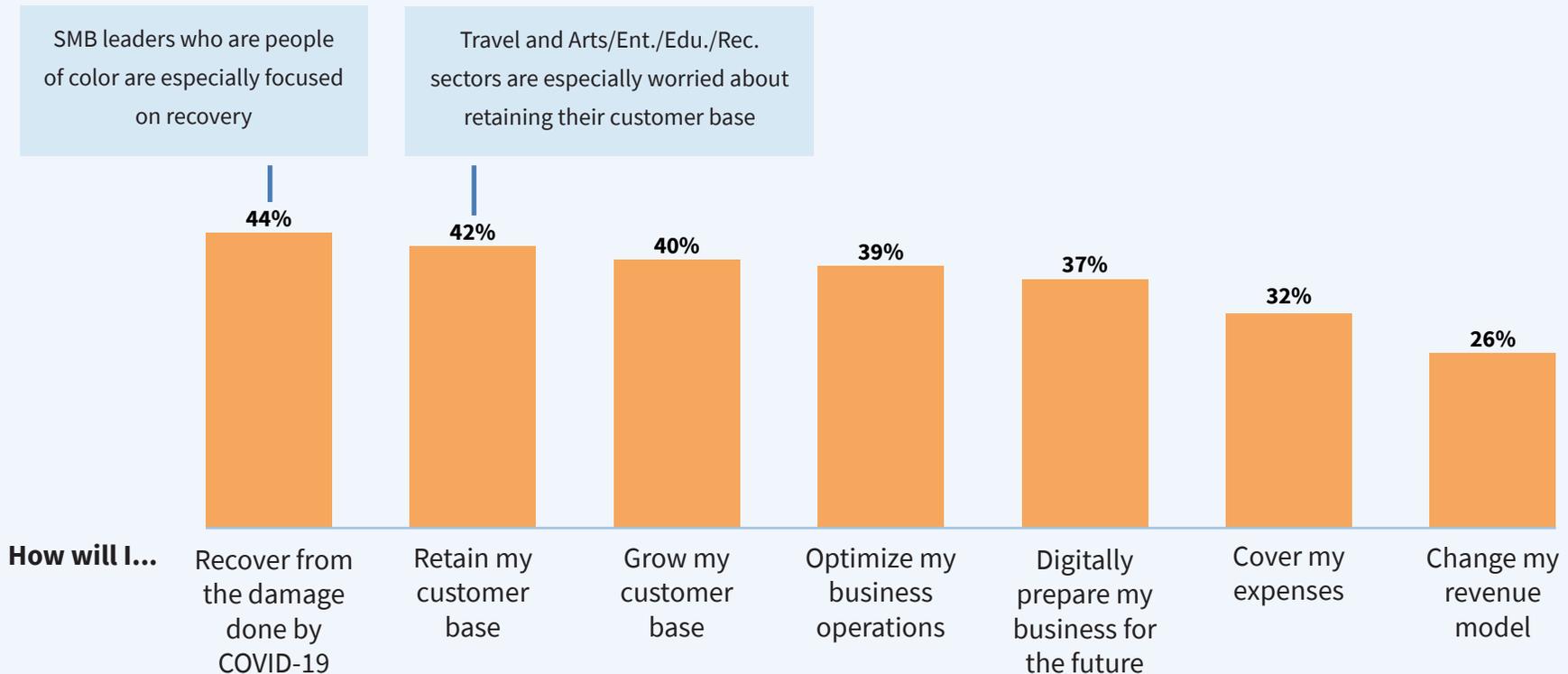
How has COVID-19 impacted your business's revenue projections for the year?



SMBs Still Have Major Concerns About a “New Normal”

From recovering from the damage already done to thinking about how to transform and innovate, SMBs need all the help they can get preparing for a “new normal” after COVID-19.

What are the biggest questions you have about the “new normal” after COVID-19?



Section 1: Understanding SMB Digital Use Before and During COVID-19

Use of Digital Tools Before and During COVID-19

Use of Digital Tools Before and During COVID-19

Overview

This section characterizes how SMB leaders have deployed digital tools during COVID-19, and how that may have differed from pre-COVID-19 attitudes and behaviors. After all, if digital tools weren't important for SMB survival and success during this complicated time, one would expect no change in digital tools usage before and during COVID-19.

We found quite the opposite: 85% of SMBs rethought their approach to digital tools, and 72% increased their use of them during COVID-19. They also reported that digital tools helped more during COVID-19 than before it. Among other business functions, digital tools were reported to be most successful with employee connection and collaboration, with employee training, and with customer retention and acquisition.

Importance

These data provide an important baseline for understanding how SMBs approached using digital tools prior to COVID-19 and how and to what degree that has changed in the midst of it.

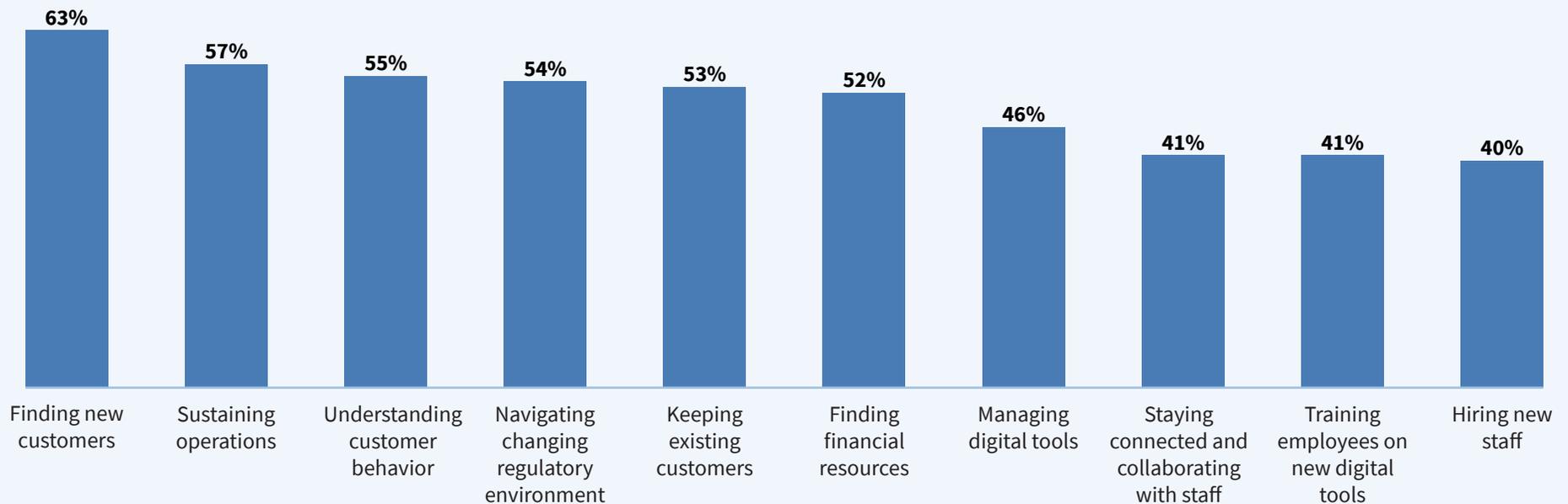
This section also sheds light on exactly how digital tools were used for specific business operations, merging what SMBs have identified as their biggest challenges with how digital tools have been deployed against them, and how SMB leaders judged how helpful they were.

This section provides a foundation for later sections of the report, which describe how different segments of SMBs used digital tools in very different ways, and to different degrees of success.

SMBs Faced Broad Challenges During COVID-19

Large proportions of SMBs declared all aspects of business operations to be a challenge, with finding, keeping, and understanding customers a particular concern.

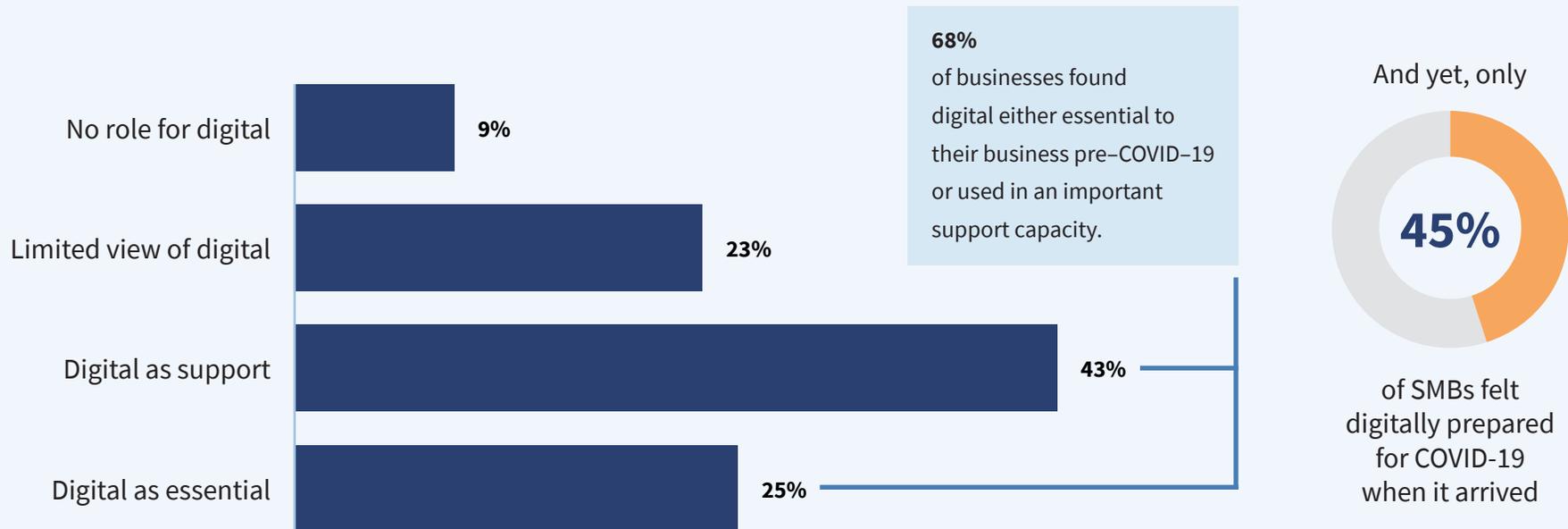
How challenging has each of the following been for your business during COVID-19?



Most SMBs Were Not Digitally Prepared for COVID-19

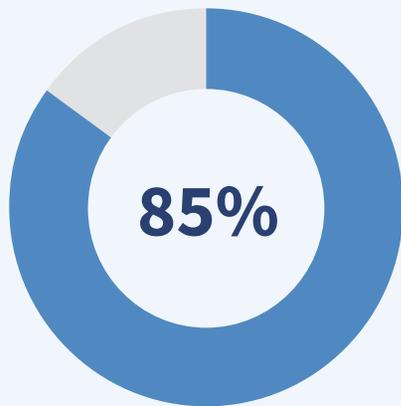
While a majority of SMBs recognized digital tools as important pre-COVID-19, less than half actually felt prepared when it began, leading to enhancements in their approach.

How would you describe the role of digital tools in running your business before the COVID-19 crisis?

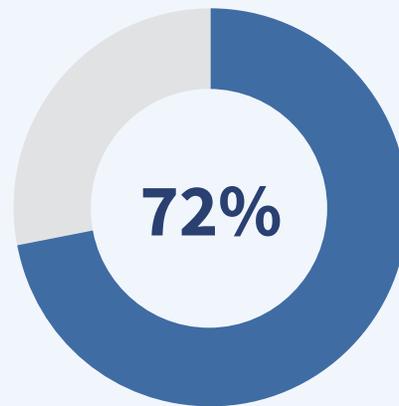


Digital Tools Became a Priority During COVID-19

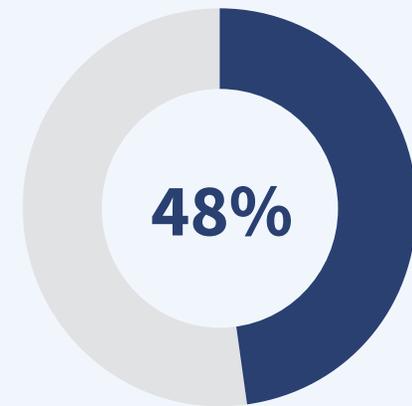
Most SMBs reexamined how they were using digital tools after COVID-19 hit, with three-quarters increasing use and about half using at least one new tool.



85% of SMBs say COVID-19 made them rethink their approach to digital tools



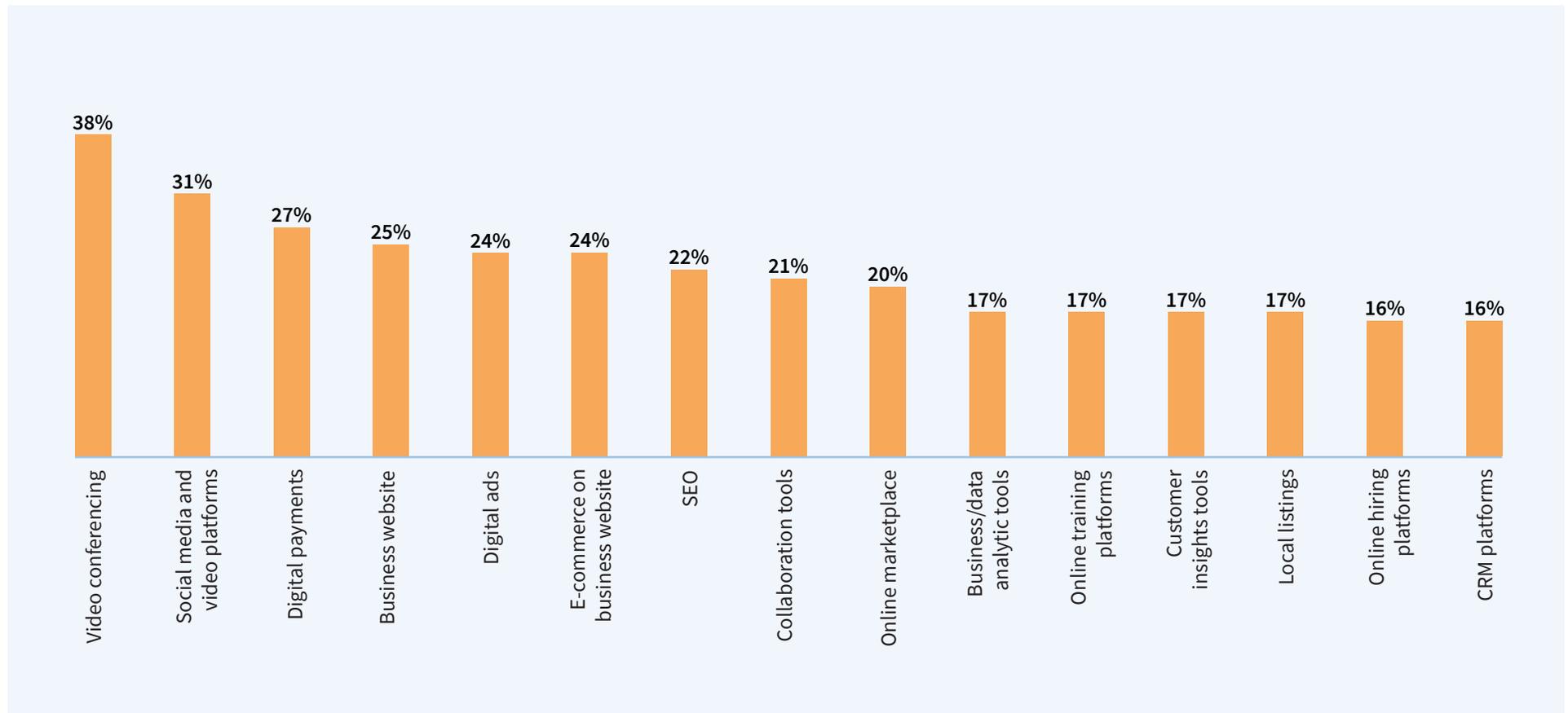
72% of SMBs increased use of digital tools during COVID-19



48% of SMBs deployed at least one new digital tool during COVID-19

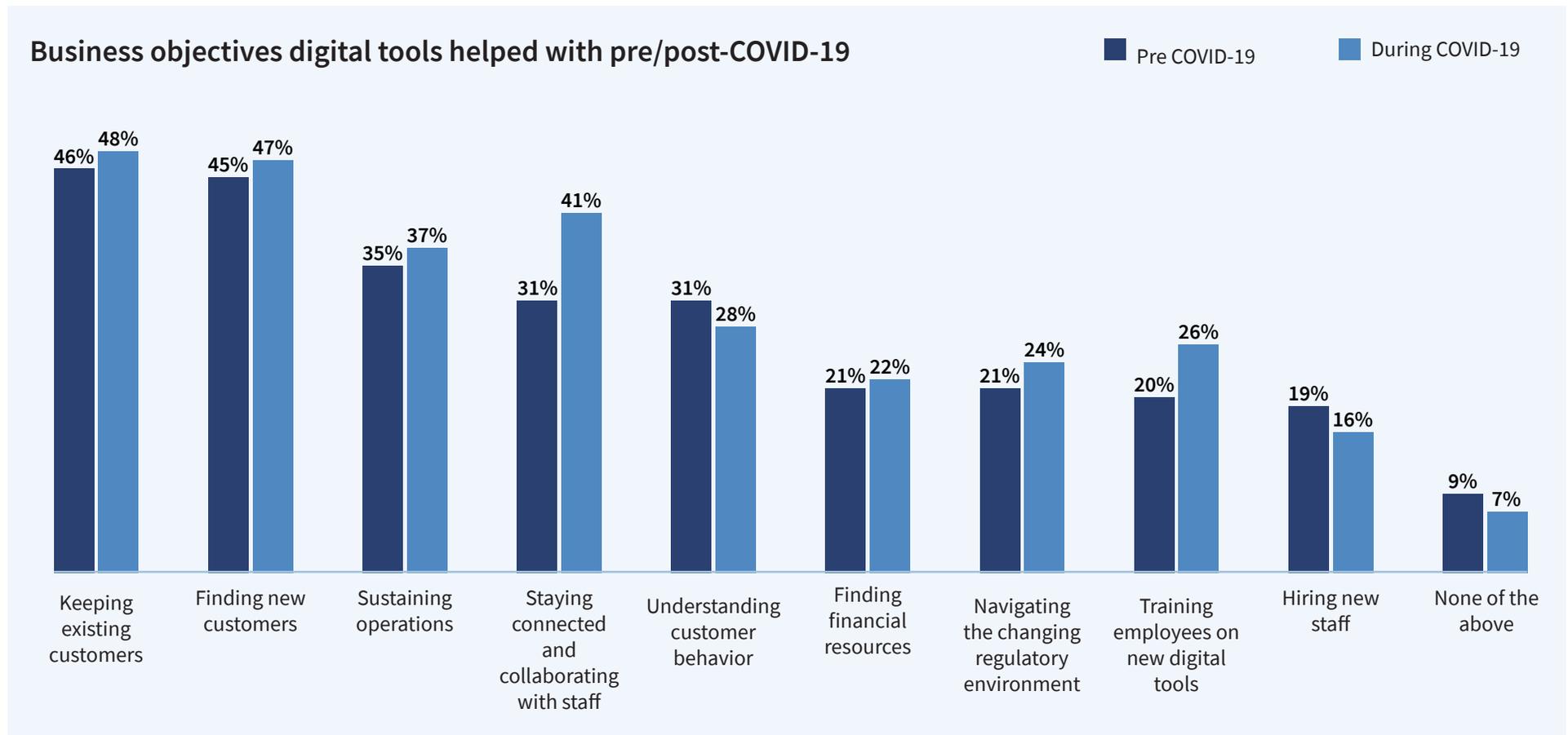
SMBs Increased Digital Tool Use During COVID-19

On average, SMB digital use increased across every kind of tool, with a 38% increase of video conferencing and 31% increase in social media at the top.



Using Digital Tools Helped SMBs Meet Objectives

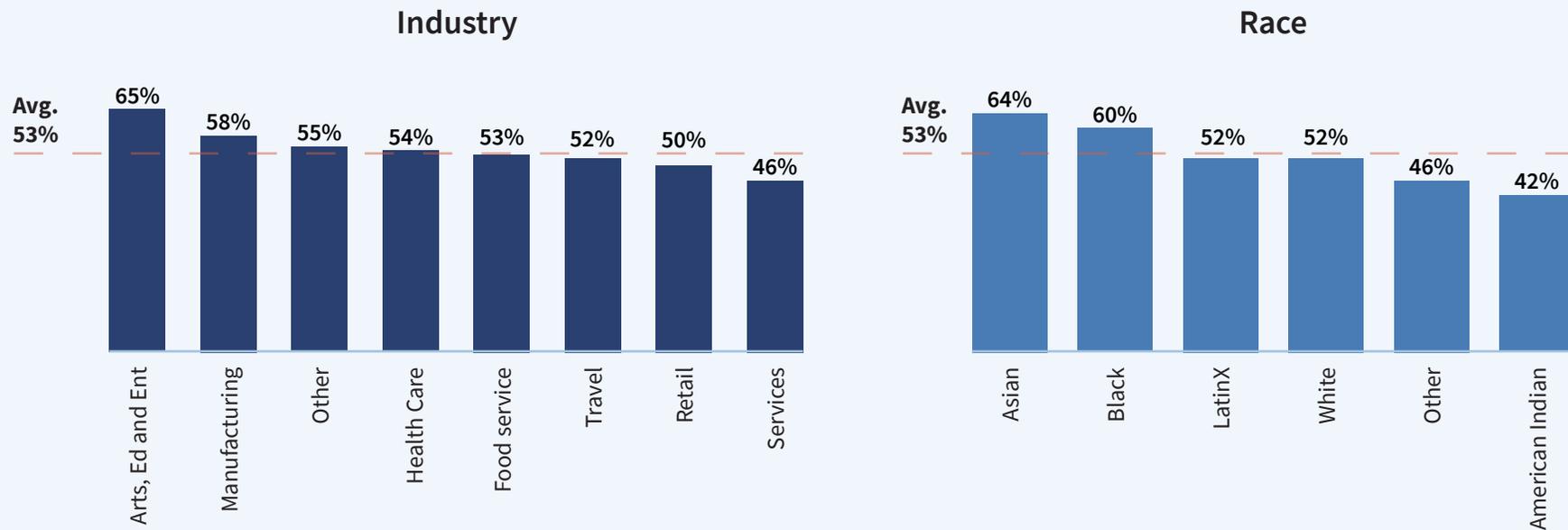
Generally, digital tools helped more during COVID-19 than before it, with two specific increases of note: a 10% increase in use for employee collaboration and a 6% increase for employee training.



Industry and Racial Viewpoints on Digital Tool Helpfulness

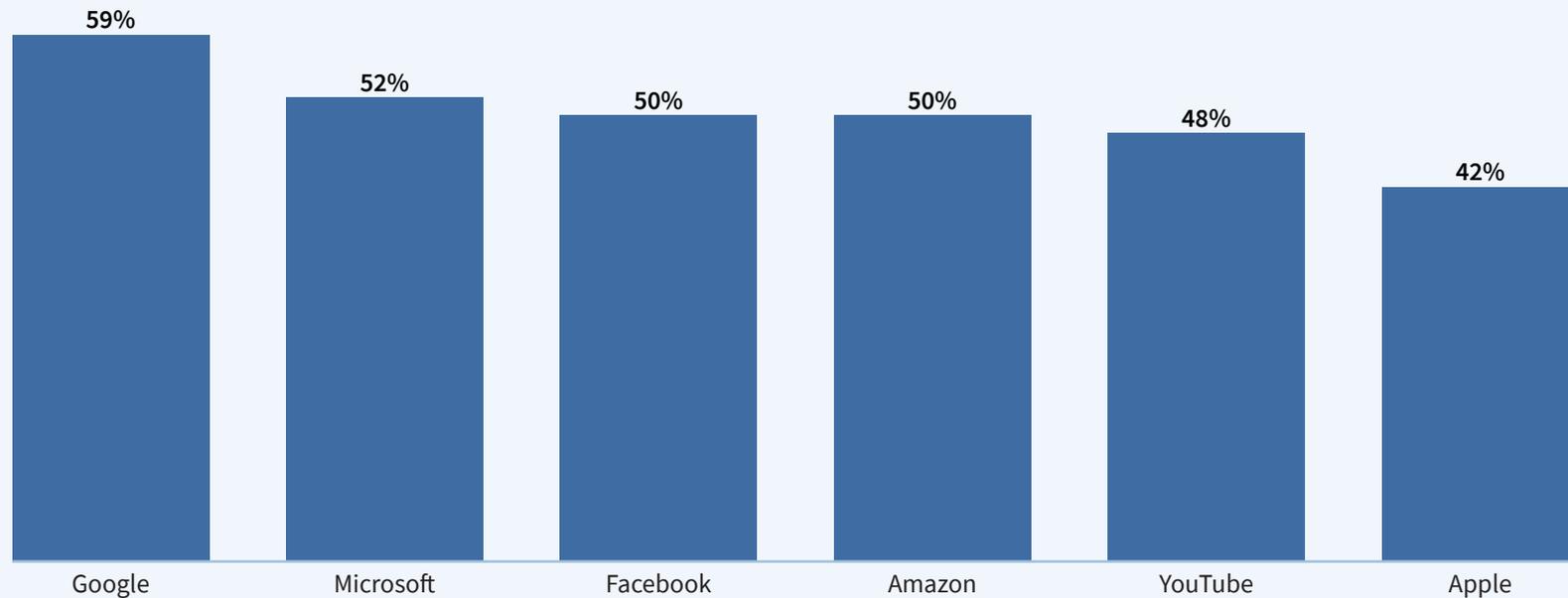
While SMBs in all industries and across underrepresented populations broadly saw digital tools as helpful during COVID-19, some groups used them more, including SMB leaders of Asian, Black, and Latinx backgrounds.

See digital tools as more helpful during COVID-19 than prior to the pandemic



Leading U.S. Technology Companies Support Small Business Growth During COVID-19

Did the following companies help small businesses grow during COVID-19?





MedHaul | Memphis, TN

Section 2: Small Businesses Find a Digital Safety Net During COVID-19

SMB Digital Strategies During COVID-19

SMB Digital Strategies During COVID-19

Overview

We found that 92% of surveyed SMBs fell into three groups (or segments) that exhibit distinct digital strategies.

Digital Drivers are the most digitally savvy, being early adopters and constantly deploying new technologies to drive their businesses forward.

Digital Adopters, while fully embracing digital tools as important, have not deployed them to nearly the degree that Drivers have.

Digital Maintainers are generally skeptical of digital transformation and use basic digital tools to maintain their current business.

This section of the report describes these three segments in detail, and additional information can be found in the Appendix.

Importance

These three segments provide a roadmap for SMBs that wish to become more digitally empowered.

Maintainers are beginners with regard to digital tools. They are more traditional, more in-person, and smaller, on average. They have a basic set of tools, such as a business website or social media. But they are not transforming.

Adopters are in the middle of their transformational journey. They know where they need to go, but they haven't overcome all of the obstacles to doing so, for a variety of reasons. In effect, these are SMBs in transition.

Drivers were using digital more pre-COVID-19, have invested more in digital during it, and currently use a more sophisticated array of tools to drive success.

SMB Digital Strategies Suggest a Pathway to a Digital Safety Net

Less Digitally Prepared/Less Resilient

Digital Maintainers

24%

of SMBs surveyed

Digital Maintainers are generally skeptical of digital transformation and use basic digital tools to maintain their current business.

Perception of Digital Tools:

Limited to no role in their business

Digital Tools Usage Pre-COVID-19: <10



I don't see a lot of opportunities right now. Surviving until we can open back up again is our opportunity. I wish we had e-commerce but that's not my skill set. Our business is very high-touch."

Digital Adopters

33%

of SMBs surveyed

Digital Adopters, while fully embracing digital tools as important, have not deployed them to nearly the degree that Drivers have.

View of Digital Tools:

Supports or is essential to aspects of their business

Digital Tools Usage Pre-COVID-19: <10



We are a business and an art form that is high-touch and in-person, so the huge question and conversation we're having is, 'How do we actually embrace technology? What can we do that we are excited about, that still feels true to who we are and what our mission is?'"

More Digitally Prepared/More Resilient

Digital Drivers

35%

of SMBs surveyed

Digital Drivers are the most digitally-savvy, being early adopters and constantly deploying new technologies to drive their businesses forward.

View of Digital Tools:

Tends to view as essential to their business

Digital Tools Usage Pre-COVID-19: >10



We saw this coming and know these things happen, so we were prepared. There's an expression, 'Never waste a good crisis.' We have a chance to look at what's important to us and we will be changing some things about the way we run our business."

8% Uncategorized

SMB Digital Strategies Suggest a Pathway to a Digital Safety Net

Segmenting SMBs by attitudes about and actual use of digital tools shows both how they navigated COVID-19 in different ways, and inform how SMBs might better prepare for the future.

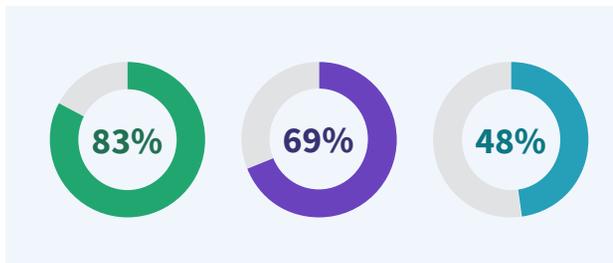
Age

<45	63%	49%	31%
45+	37%	51%	69%

Gender

Male	71%	58%	57%
Female	29%	42%	42%

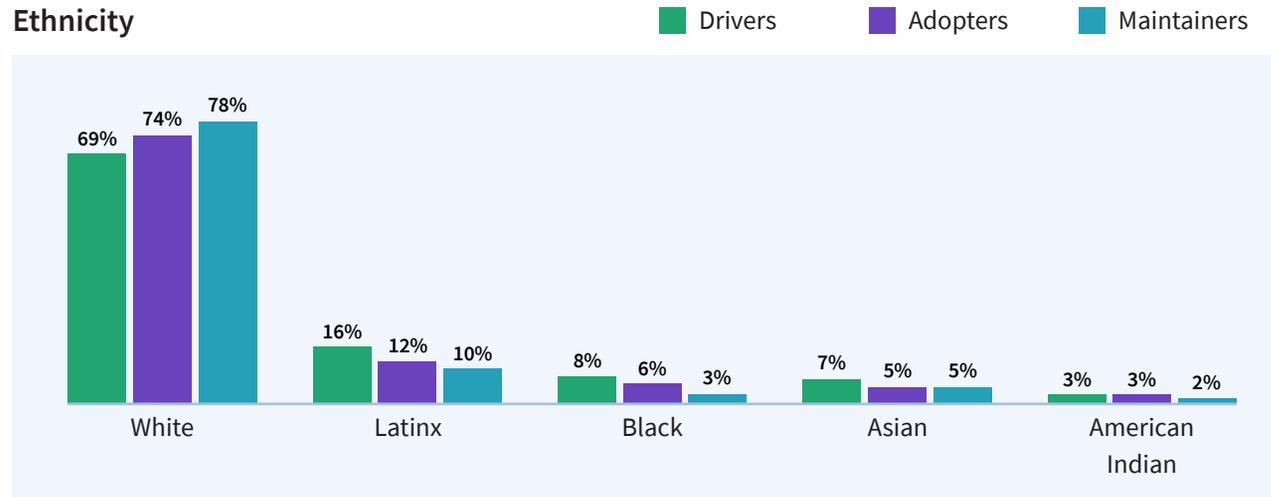
Comfort with digital tools



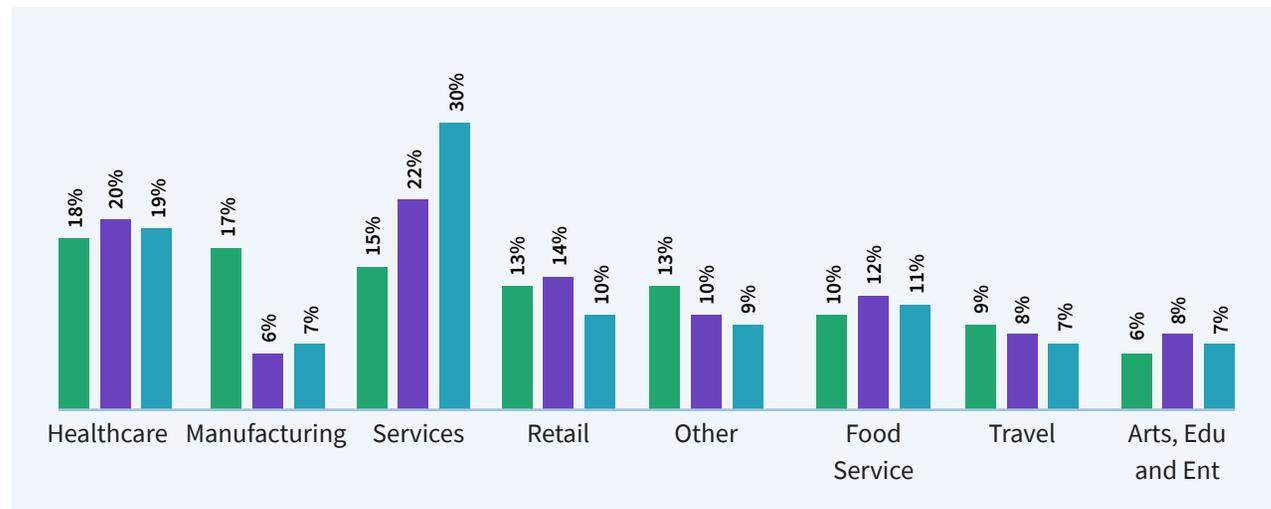
Avg. number of digital tools



Ethnicity

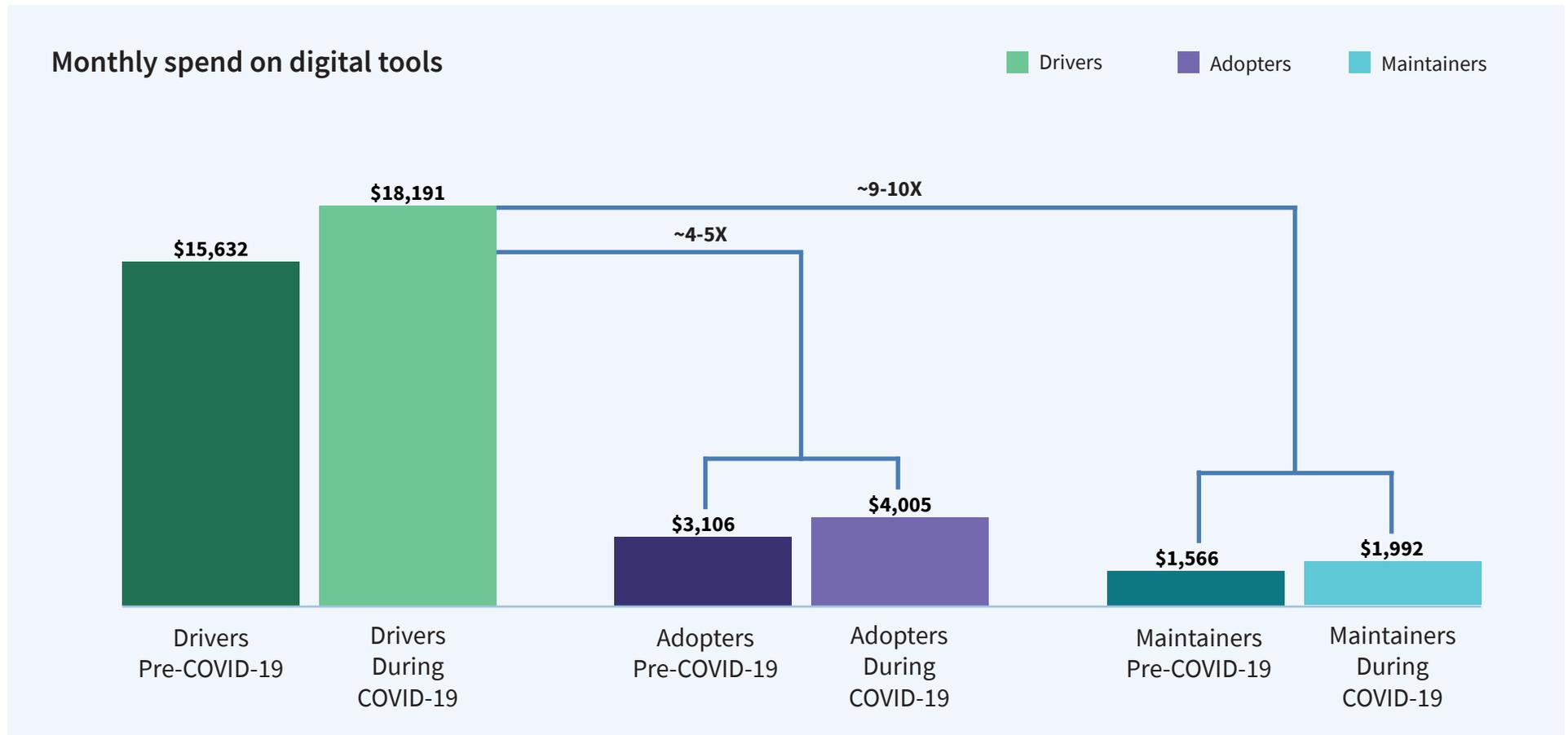


Industry



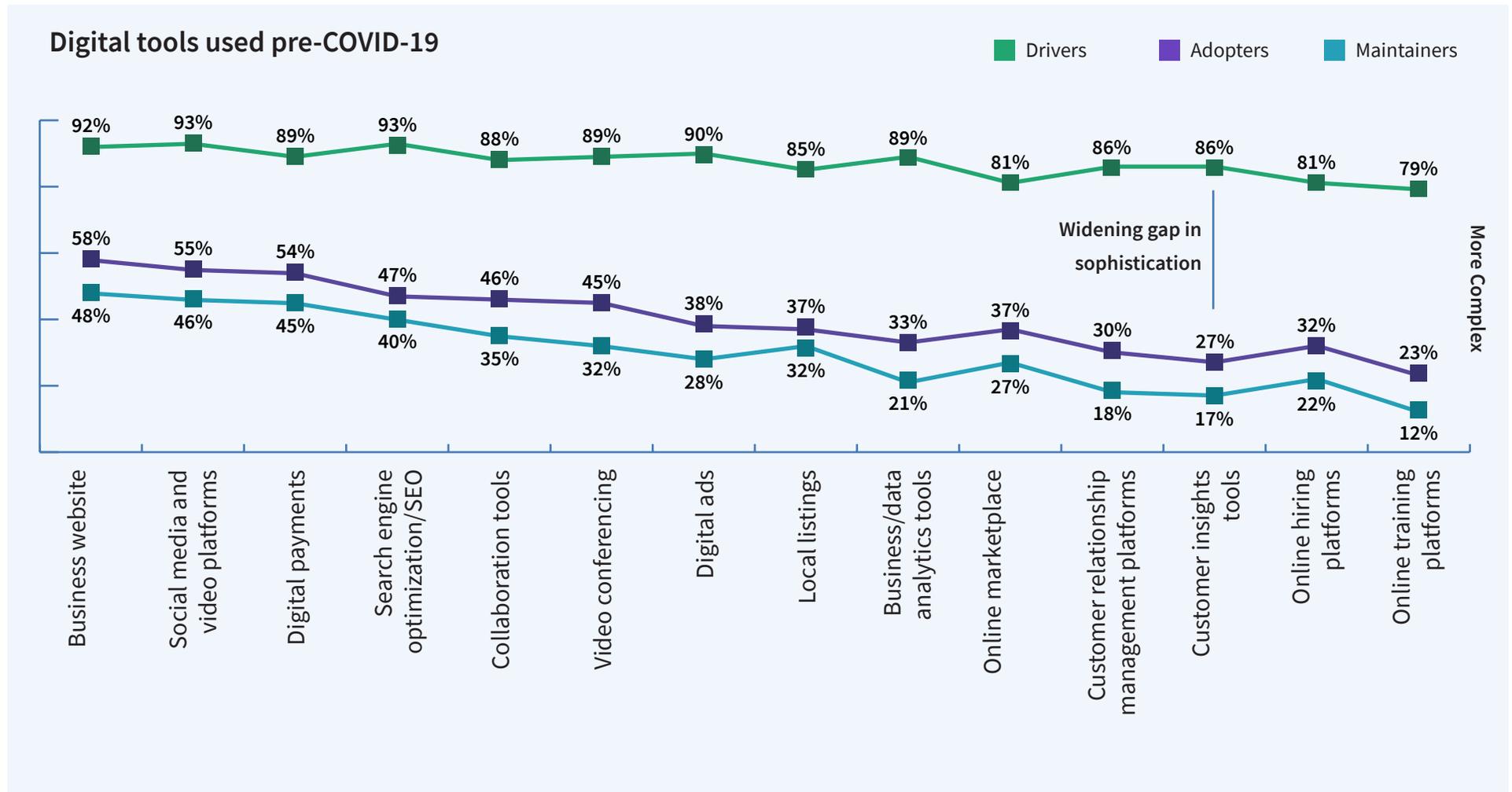
Digital Drivers Invest Significantly More In Digital Tools

Digital Drivers not only spend 4-10X more on digital tools than Adopters and Maintainers, they also increased their spending on digital tools about \$30,000/yr — far more than other segments.



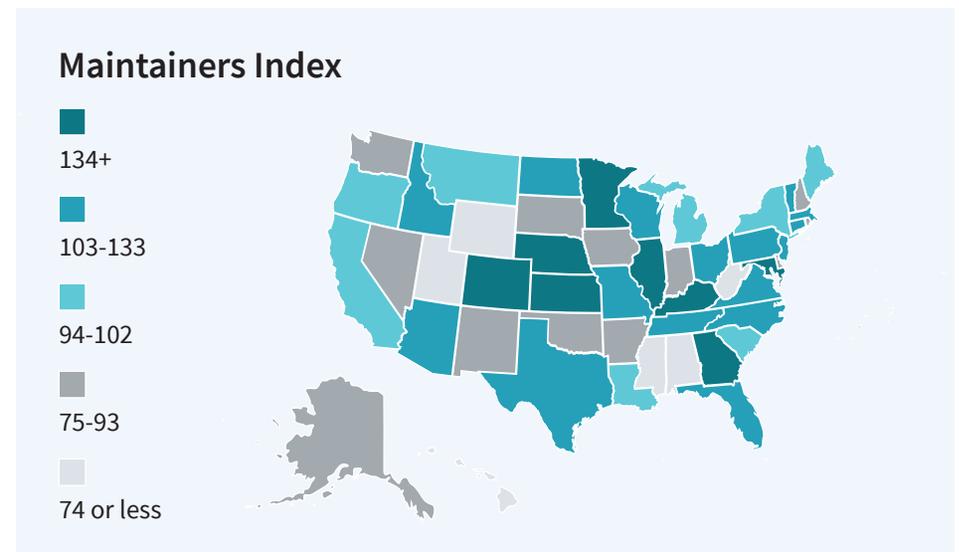
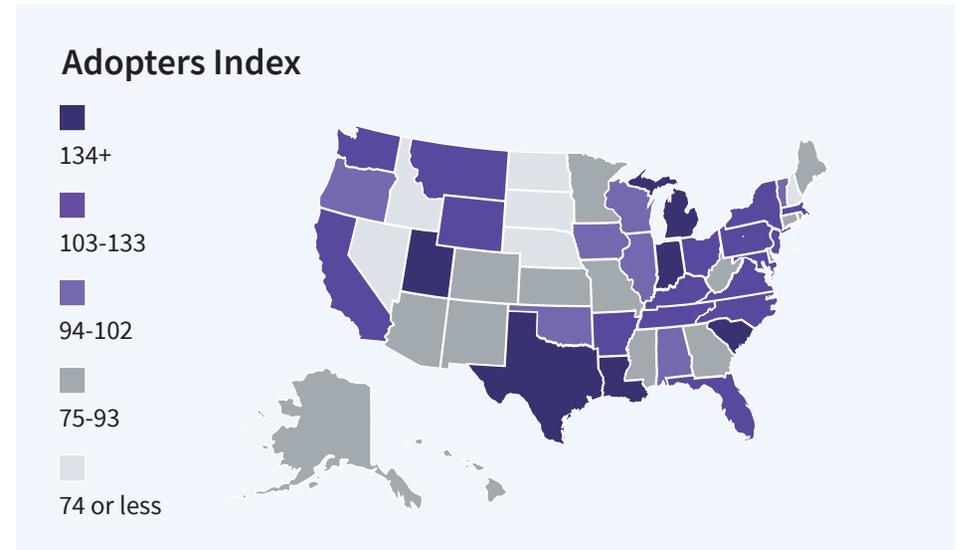
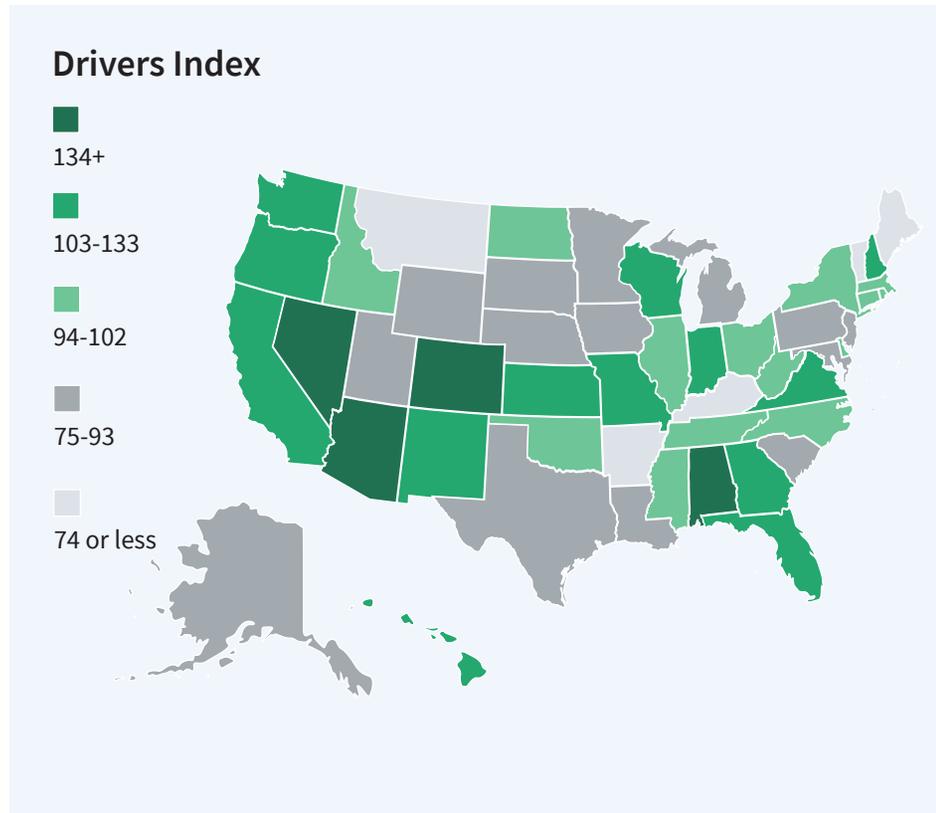
Digital Drivers Use More Sophisticated Digital Tools

Not only do Drivers use every kind of digital tool more than Adopters and Maintainers, but their increased use of more sophisticated digital tools widens that gap even further.



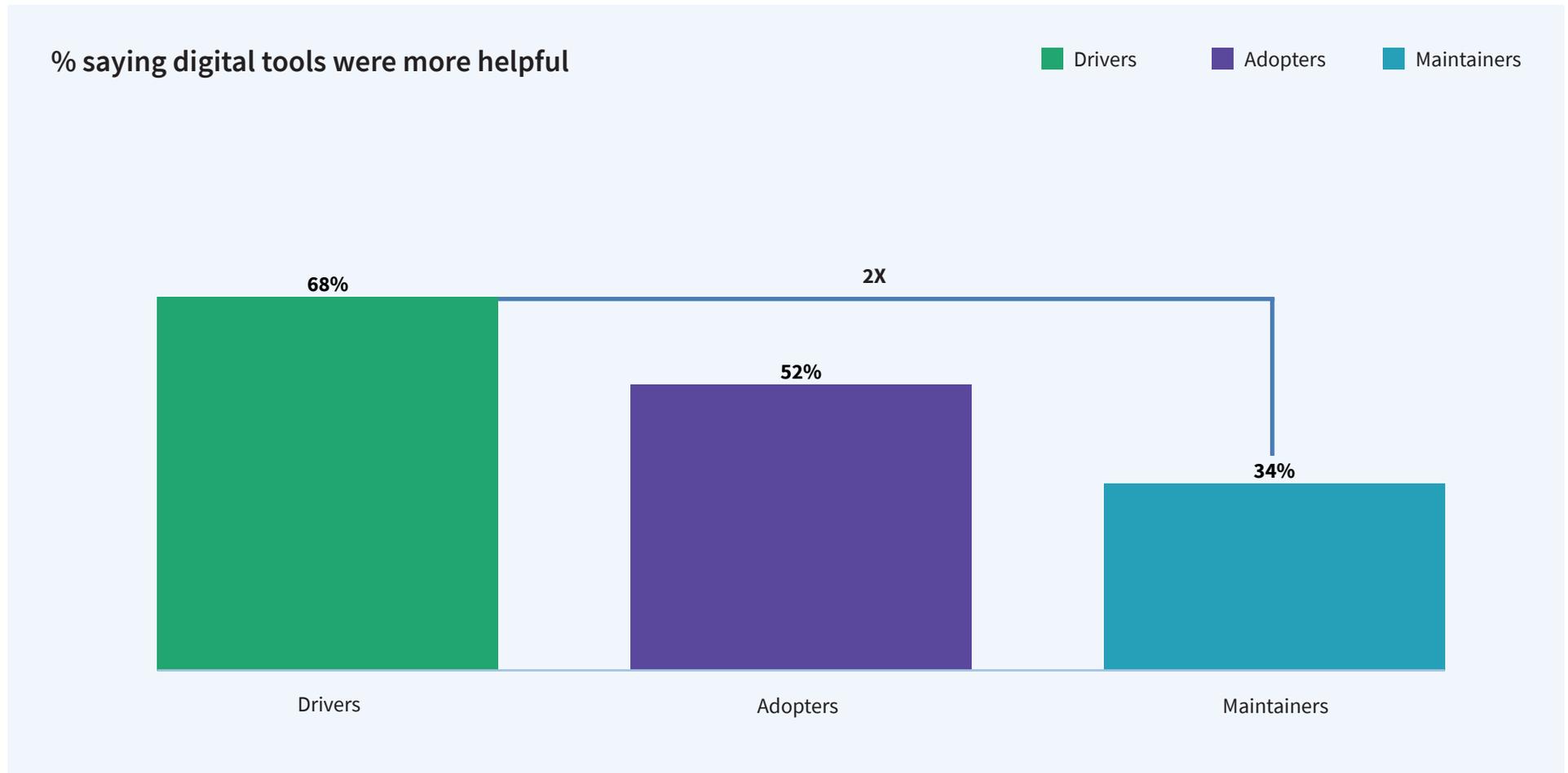
Geography of Drivers, Adopters, and Maintainers

We mapped where Drivers, Adopters, and Maintainers tend to be concentrated (or not), based on a “heat map” index. The most obvious pattern is that most types of SMBs can be found everywhere. In other words, geography is not determinative. That said, we note that states with the most digitally-driven SMBs (Drivers) were NV, AZ, CO, and AL. Those with the most Maintainers were GA, IL, MN, NE, and KS.



Drivers Find Digital Tools More Helpful During COVID-19

SMBs in the Drivers segment found digital tools twice as helpful for running their business during COVID-19 compared to Maintainers and 14% more than Adopters.



Section 2: Small Businesses Find a Digital Safety Net During COVID-19

How the Digital Safety Net Supports SMBs



Okabashi Brands | Buford, GA

How the Digital Safety Net Supports SMBs

Overview

Overview

We found a strong direct relationship between the level of SMB digital sophistication and the ability of SMBs to maintain “normal” levels of revenue during COVID-19 (measured as projected 2020 revenue reduction, as virtually all SMBs estimate losses relative to 2019). This is also closely related to the degree to which SMBs conduct business online, particularly using e-commerce tools and services.

We additionally found that the prevalence of Drivers in individual U.S. states was highly correlated with the economic success of those states this year — put simply, states with more Drivers have SMBs projecting they will perform better financially this year. This has implications for state economies and for federal efforts to empower SMBs nationwide.

Importance

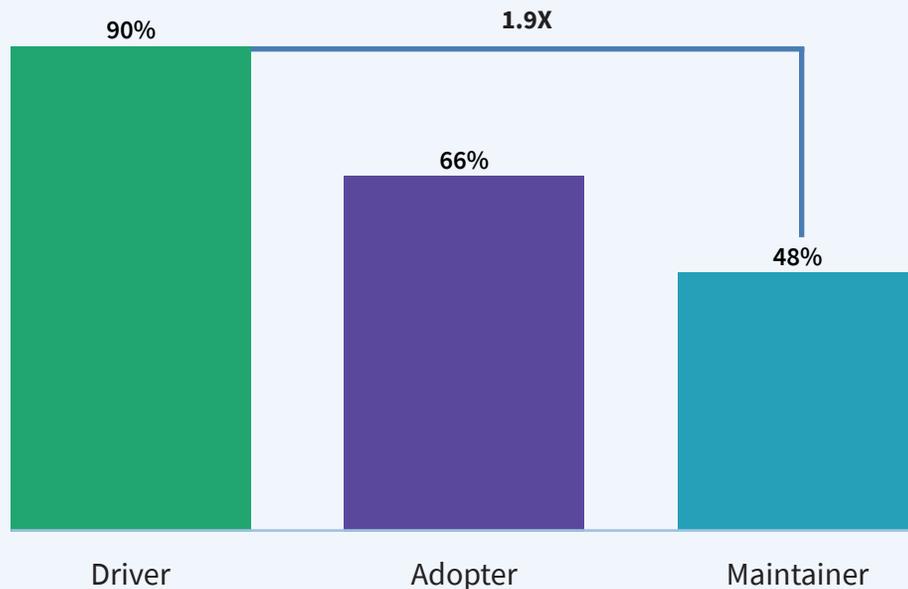
Digital tools can be used to help with the issues all small businesses face: driving sales and revenue, collaborating as a team, managing customer relationships, and other key metrics of traditional business success that any SMB leader can understand and use as part of a comprehensive business strategy and plan.

The data bears this out. Even though all SMBs have been hurt by COVID-19, Maintainers’ revenue has been hurt four times worse than that of Drivers. In addition, while larger SMBs do have some inherent resilience over smaller ones, at every SMB size Drivers have better revenue expectations than Adopters, that in turn have better expectations than Maintainers.

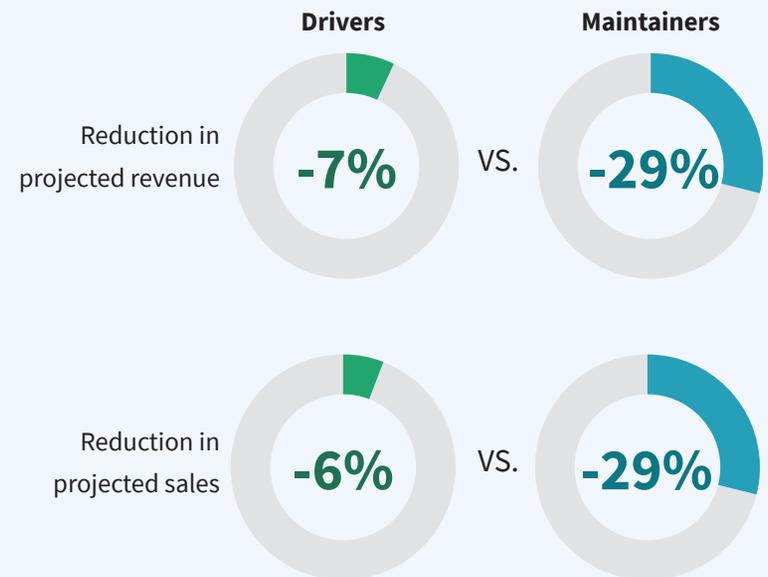
Digital Tools Drive SMB Financial Success

SMB digital strategy segments were directly correlated with increased sales and revenue, with Drivers faring 4X better than Maintainers, with the latter anticipating the worst — a 29% drop.

% Using at least one digital tool more since COVID-19

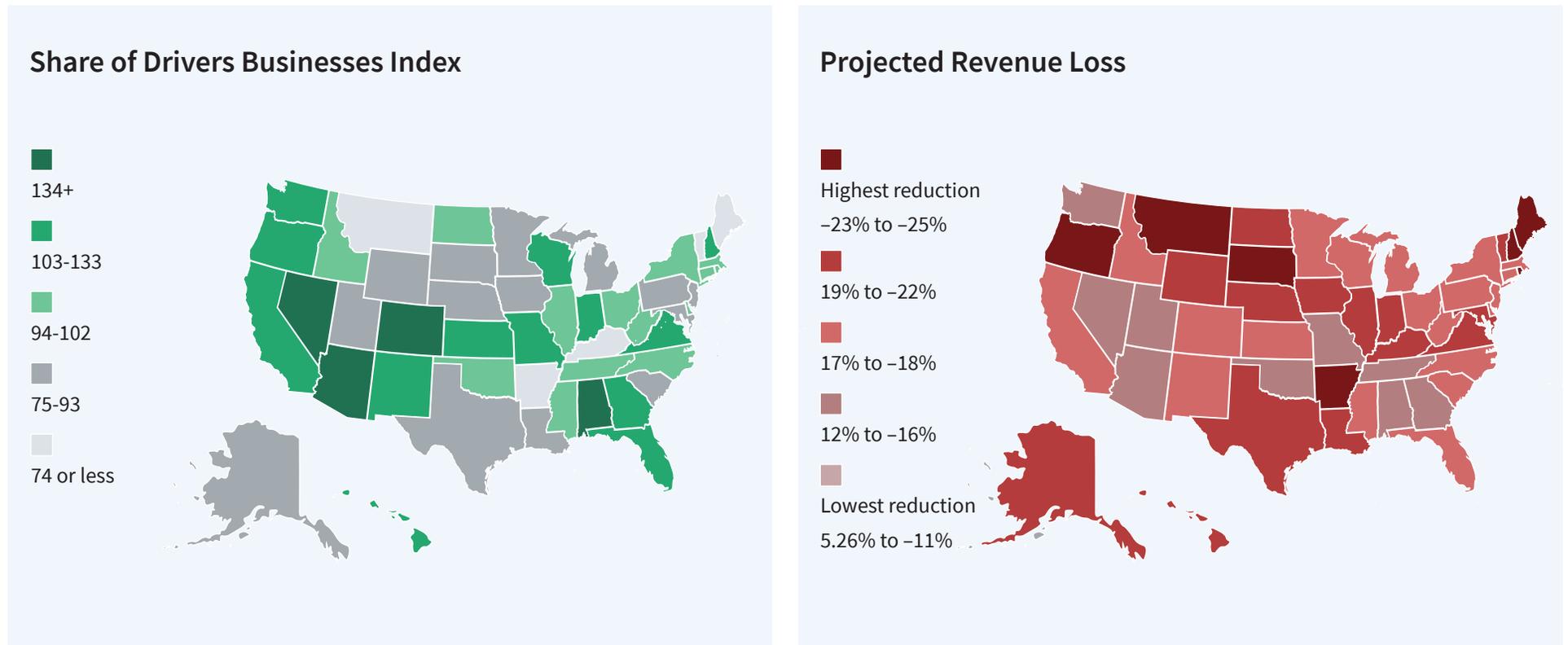


4X difference



Digitally-Driven States Fared Better Economically

With rare exceptions, states with a higher concentration of Driver SMBs also projected the lowest revenue loss numbers, showing a SMB digital preparedness effect on state economies.

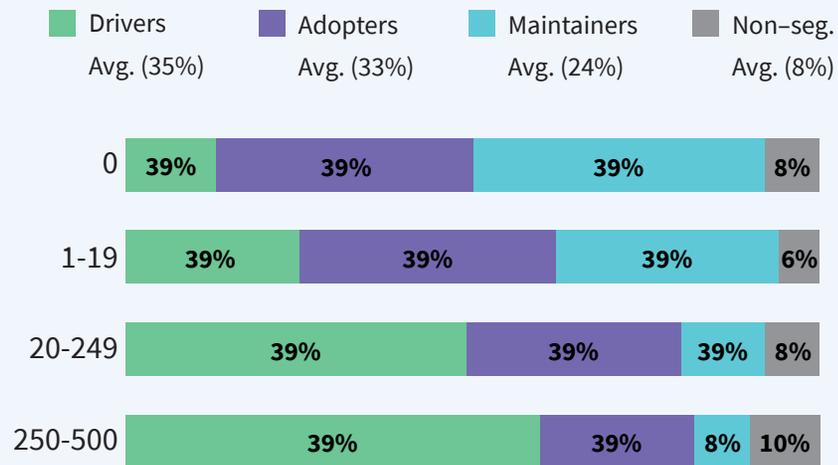


*The share of Drivers for total (all states) is set as the base equated to the starting index value of 100, and every state's share of Drivers is normalized against the total. To calculate the index value of states, the state's share of Drivers is divided by the base value (share for total) and multiplied by 100.

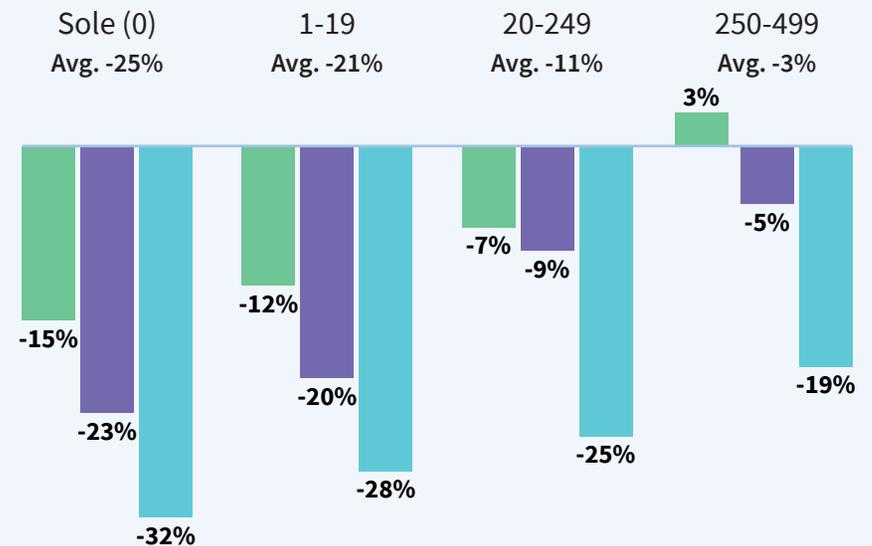
Relationship Between SMB Size and Digital Strategy

While Drivers are more common amongst SMBs with more employees, for any given SMB size, Drivers report the most optimistic projections, followed by Adopters and finally Maintainers.

Digital Strategy Distribution (by number of employees)



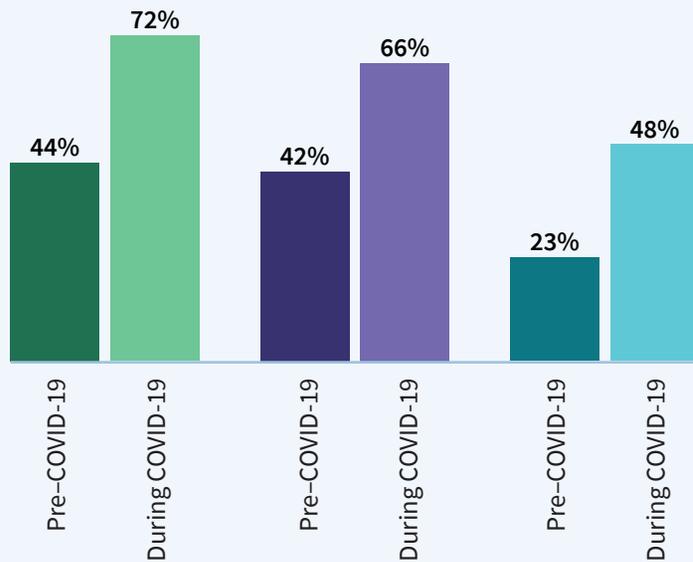
2020 Revenue Projections



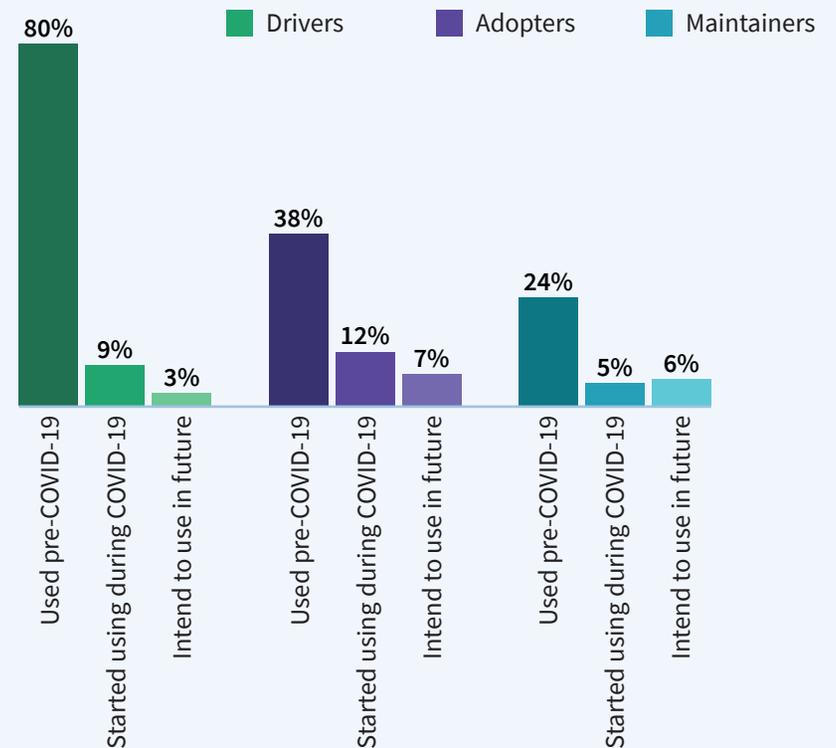
SMB Revenue Success Comes From Digital Tools

Revenue reduction of segments is highly correlated with online business, especially during COVID-19; much can be accounted for specifically by e-commerce use.

Share of Business Done Online

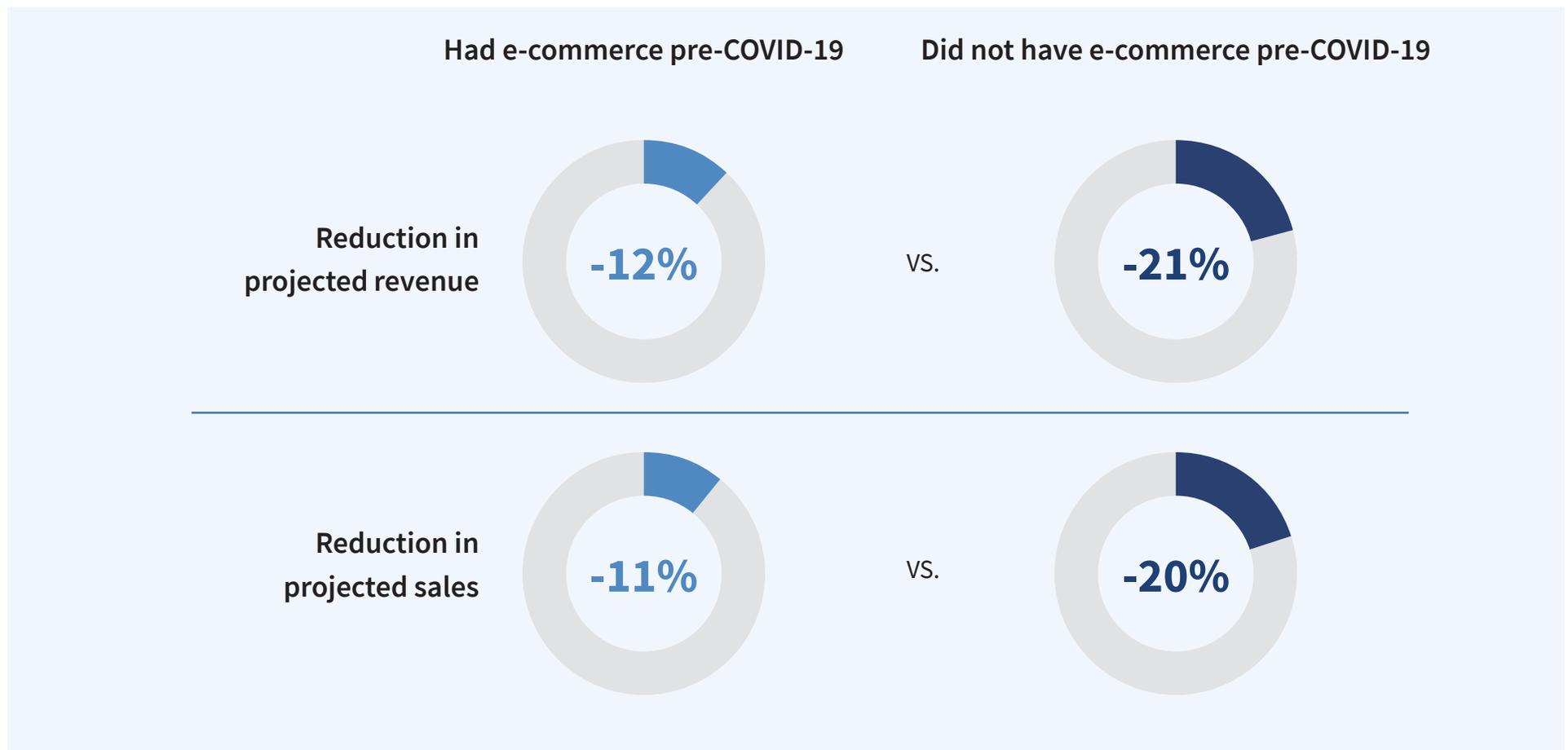


E-commerce Use By Segment



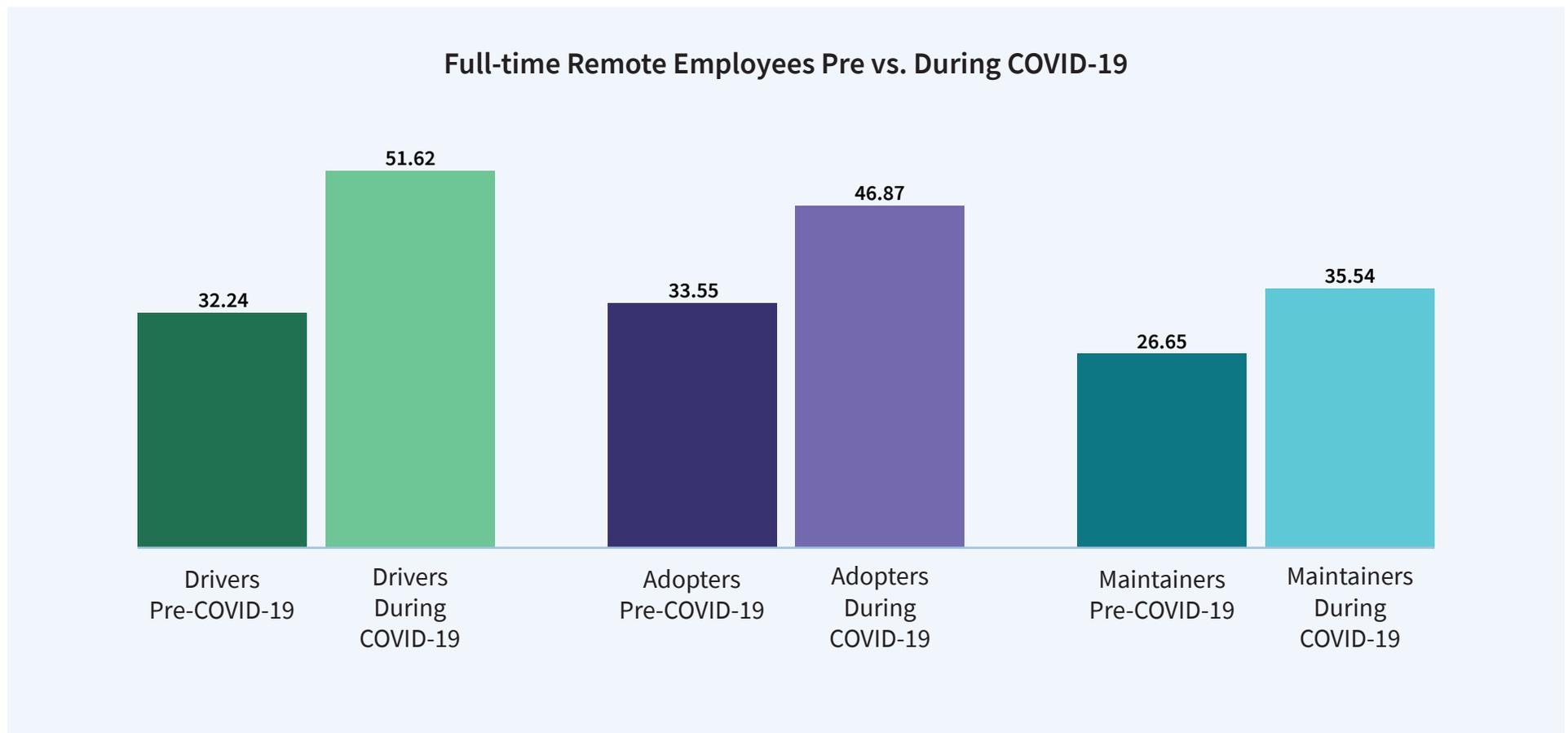
Using E-Commerce Boosted SMB Financial Outlooks

SMBs that were using e-commerce before COVID-19 estimate their revenue and sales for 2020 to be twice as good as SMBs that weren't using e-commerce.



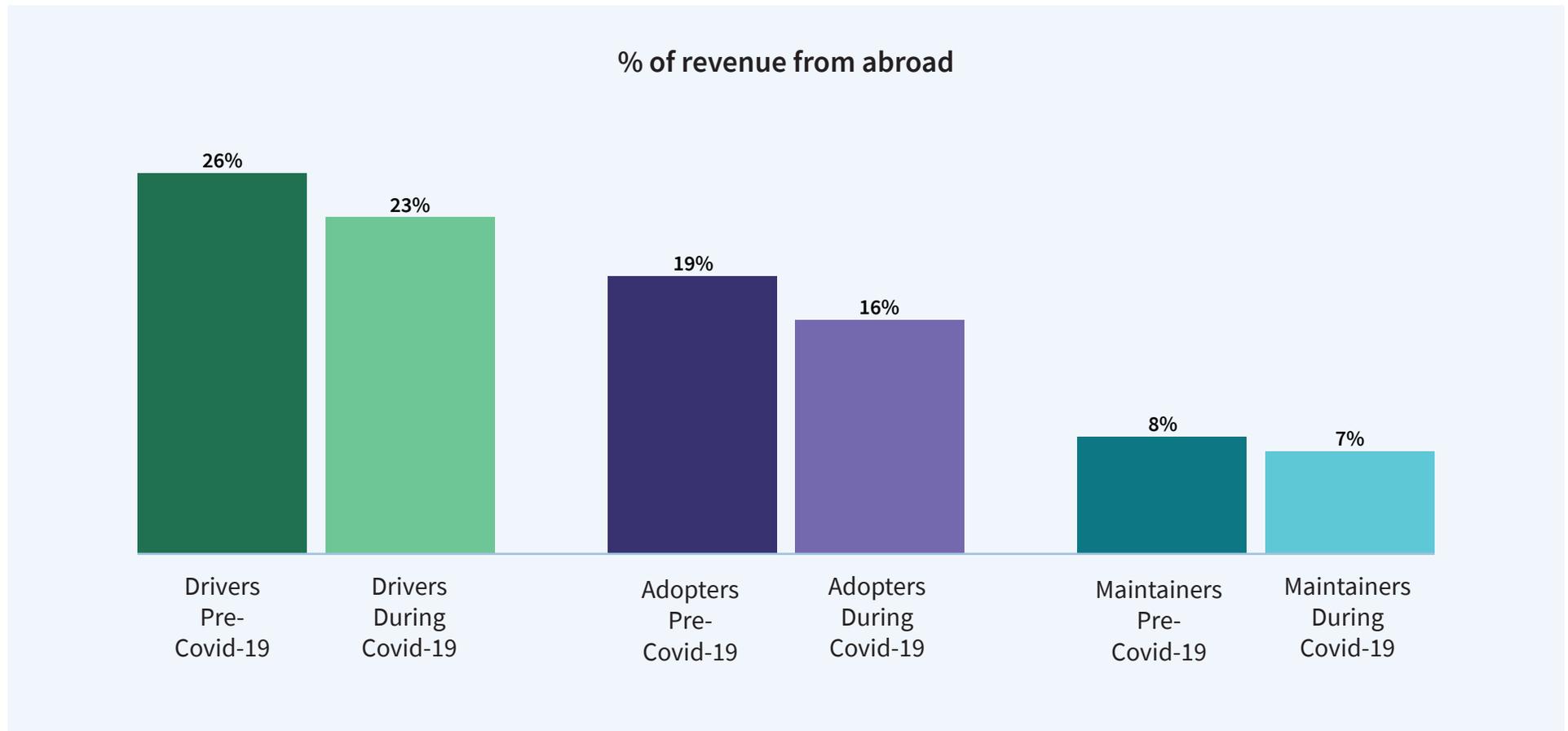
Digital Drivers Rapidly Shifted To Remote Work

SMBs in the Drivers segment shifted full-time employees (FTEs) to remote work roughly twice as much as SMBs in the Maintainer segment, likely stabilizing or increasing productivity.



Digital Drivers Conduct More Business Abroad

While Drivers, Adopters, and Maintainers that conduct international business all saw a small decrease, Drivers conduct substantially more of it even during COVID-19 (about 3X Maintainers)



Section 3: Paths to Recovery and Enhancing the Digital Safety Net

Barriers to Digital Tool Adoption



Sunrise Coffee | Las Vegas, NV

Barriers to Digital Tool Adoption

Overview

Despite virtually all SMBs using basic digital tools and some more advanced ones, there is still considerable discomfort with digital tools amongst SMBs in general. Across all SMB leaders, only 35% described themselves as “very comfortable” with digital tools, and this topped out at 49% with leaders of Driver businesses. At best, half of SMB leaders have some discomfort to overcome.

That said, a majority of SMB leaders want to learn more about digital tools for their businesses, and plan to use more in the future. However, they have a range of concerns, including cost, return on investment, and taking on new kinds of risks specifically associated with digital tools, such as data privacy concerns.

Importance

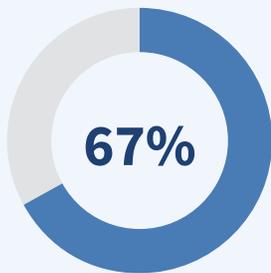
Digital transformation has been a relatively slow affair amongst SMBs during the last decade, but COVID-19 has made it more urgent, particularly for smaller, more vulnerable businesses. As the U.S. and its millions-strong small business community continues to navigate COVID-19 and eventually emerge from it, empowering them to be more digitally driven and successful will be incredibly important.

However, SMB leaders have real concerns about how to educate themselves and their employees about these new tools, how much they will cost, and how they will measure success. All of these are entry points for both the public and private sector to help SMBs in specific ways moving forward.

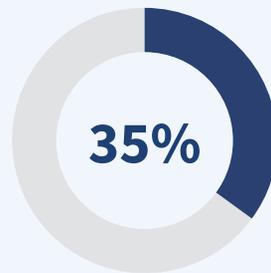
SMBs Report General Lack of Comfort With Digital Tools

Only 35% of all SMBs state that they are very comfortable with digital tools, and even among digitally-savvy Drivers, only half reported they were very comfortable with them.

Among all SMBs



67% of SMB leaders are in charge of digital tools for their own businesses



35% self-describe as "very comfortable" with digital tools

Self-describe as "very comfortable" with digital tools



49% Among Driver businesses



33% Among Adopter businesses

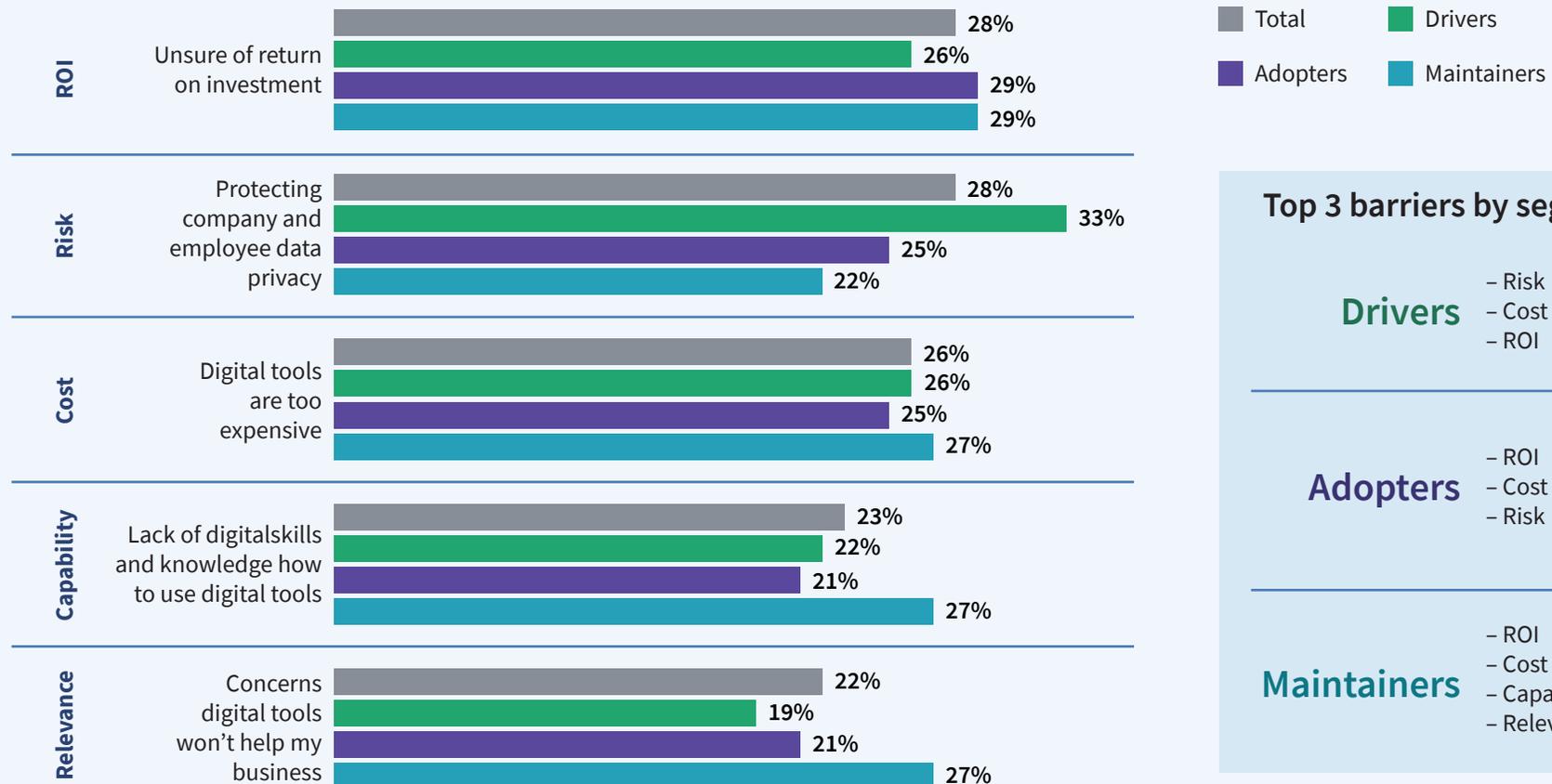


19% Among Maintainer businesses

Many Practical Barriers to Digital Tool Adoption Exist

Major barriers are cost of digital tools, assessments of return on investment in tools, and a lack of information about tools, with the last a particularly high barrier for Maintainer businesses.

Do any of the following prevent/discourage you from using new digital tools?



Top 3 barriers by segment

- Drivers**
 - Risk
 - Cost
 - ROI
- Adopters**
 - ROI
 - Cost
 - Risk
- Maintainers**
 - ROI
 - Cost
 - Capability
 - Relevance

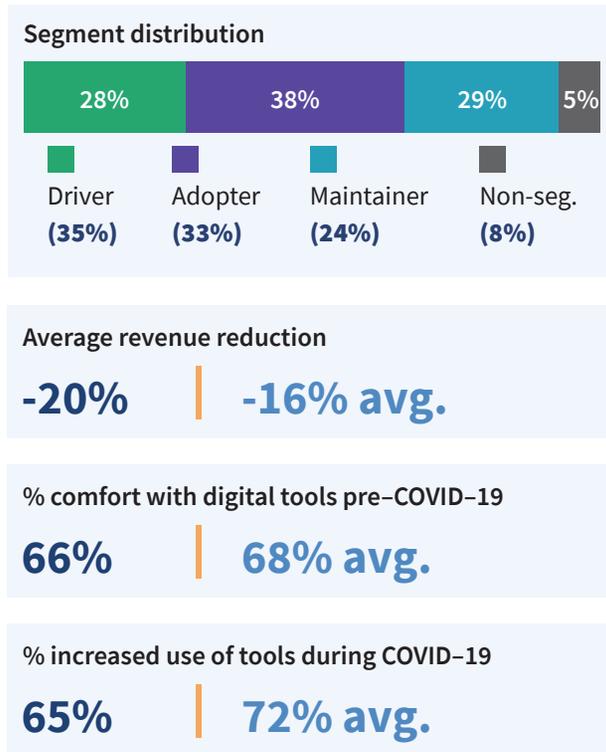
Women–Led SMBs Were Less Digitally Prepared For COVID-19

While almost 40% of SMBs led by men were Drivers, SMBs led by women were more frequently Adopters that recognize the value of digital tools but did not access their full benefit, which appears to have resulted in less revenue during COVID-19 and other negative business outcomes.

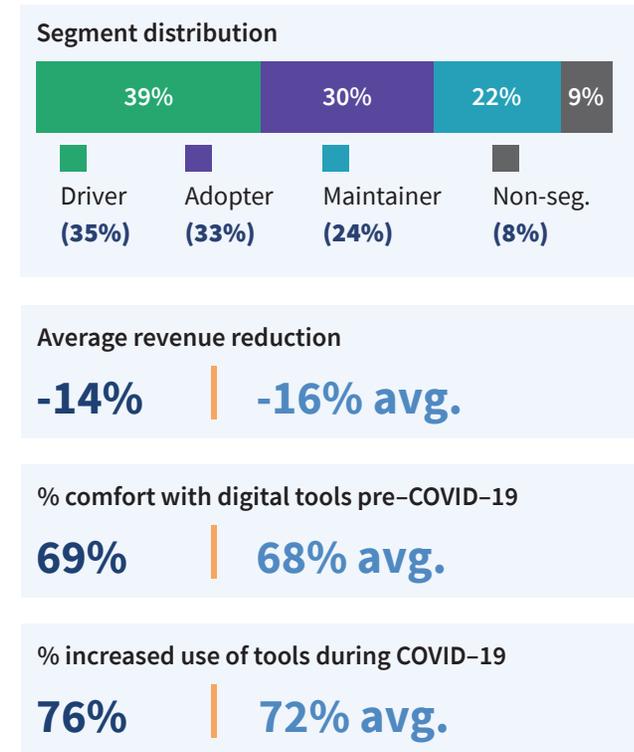
Women–Led SMBs vs. Men–Led SMBs:

- 10% less comfortable with digital before COVID-19
- Project 6% less revenue for 2020
- 15% more likely to be an Adopter or Maintainer
- 11% less increase in use of digital during COVID-19
- 8% more reported closing physical locations
- 9% more reported temporarily closing business
- 5% more reported reduced customer demand

Women–Led SMBs



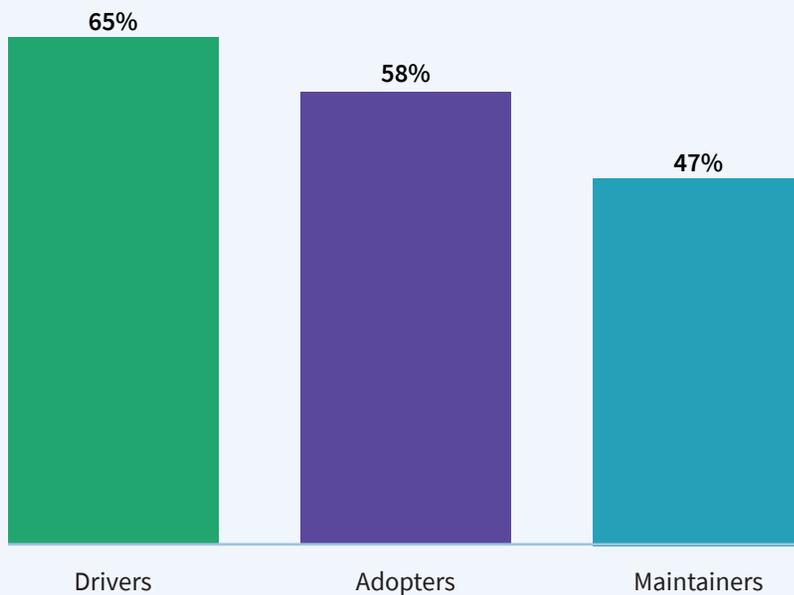
Men–Led SMBs



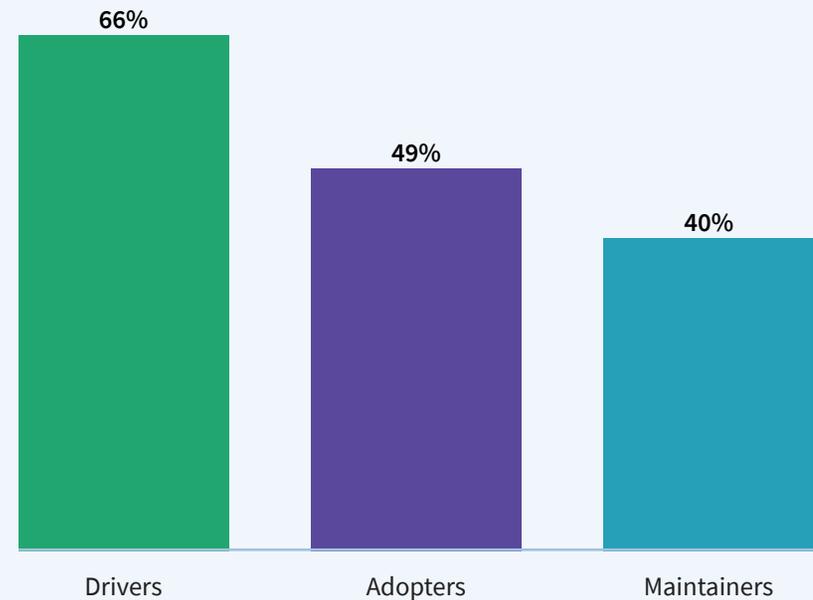
SMBs Plan to Use More Digital Tools in the Future

Although Driver SMBs lead the way, all SMB segments plan to learn more about digital tools for their businesses and to deploy more tools post-COVID-19.

Interested to learn more about digital tools for their business



% planning to use tools more after COVID-19



SMBs Prefer Self-Guided Learning About Digital Tools

Broadly, all SMBs and segments prefer self-learning over assisted or guided learning programs; however, access to some form of assisted support is important to roughly 25% of SMB owners.

Which learning formats appeal to you as ways to learn more about how to support your business?

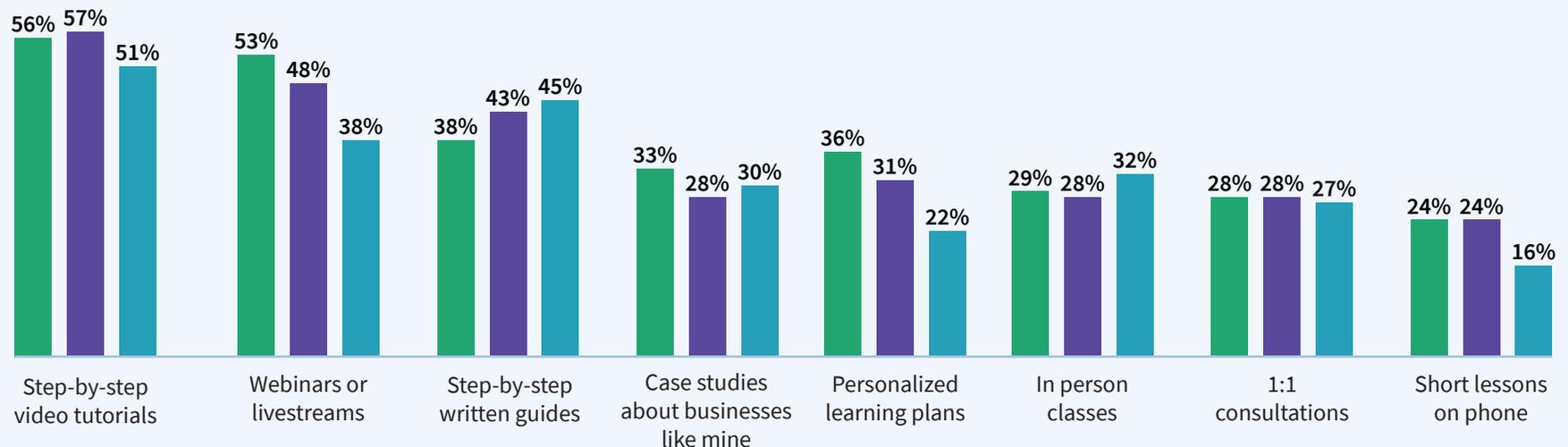
Drivers

Adopters

Maintainers

Drivers are ready for digitally-enabled training sources like webinars, live streams, and personalized plans.

Maintainers are more likely on average to prefer more traditional instruction (i.e. written, and, if guided, in-person).



Understanding Black- and Latinx-Led SMB Digital Preparedness and Access to Capital During COVID-19

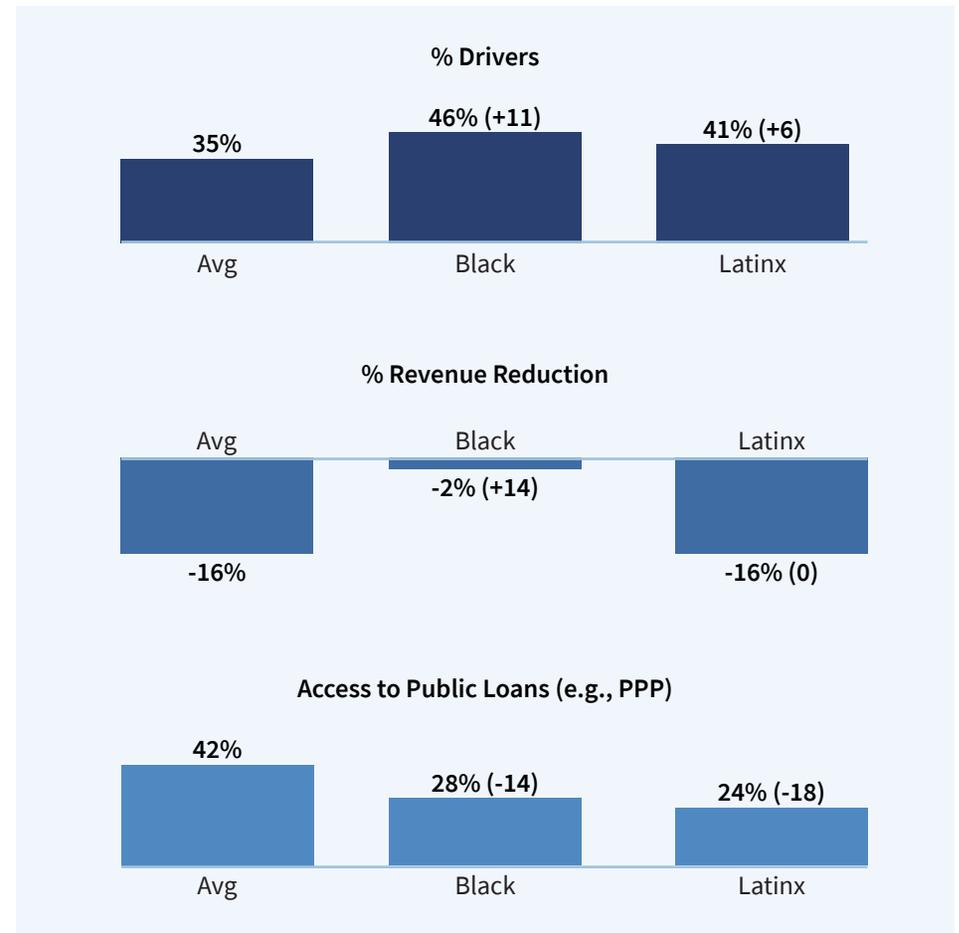
Analysis and Discussion

SMBs still operational during COVID-19 were hit hard, and many sought out public loans, including those designed for this emergency (e.g., the Paycheck Protection Program or PPP). Interestingly, while accessing less funding from this resource, Black-led SMBs maintained revenue far more than any other racial group. While understanding this observation requires more research, we hypothesize:

Black-led SMBs have been successful in maintaining more revenue in part because of the use of digital tools to be more agile during COVID-19. That revenue partly makes up for reduced access to public loan funds.

In line with this, we also observed that Black-led SMBs were somewhat more likely to have higher comfort level with digital tools, change business models to generate more revenue, change products/services during COVID-19, become more focused on long-term business goals as a result of COVID-19.

Latinx-led SMBs on the other hand, despite their higher than average digital preparedness, are disproportionately concentrated in industries where digital tools have been less applicable during COVID-19.





Goodr | Atlanta, GA

Section 3: Paths to Recovery and Enhancing the Digital Safety Net

Recommendations for Enhancing the Digital Safety Net

Recommendations for Enhancing the Digital Safety Net

Overview

The findings from this report suggest numerous recommendations, both broad and narrow. Here, we provide a number of broad recommendations for the three key stakeholders for this research: SMB leaders, technology companies, and policymakers. Generally, these focus on overcoming the barriers to digital adoption outlined above, which center on education and cost.

Because the technology companies that create digital tools are necessarily partners with SMBs that use them, we also provide a number of more specific recommendations for them. These focus on the differing needs of the three SMB segments we identified and described above, that are at different parts of their digitally driven journeys: Maintainers, Adopters, and Drivers.

Importance

Understanding the ways in which SMBs have been disrupted by COVID-19 and how digital tools have, in some cases, been a major help to them, is very important. More important, however, is beginning to transform these learnings into action in order to lower barriers to entry and empower SMBs to be more digitally driven and successful. That is the ultimate goal of this report.

The following recommendations are aimed at starting conversations in the public and private sectors about enhancing the Digital Safety Net for SMBs. From new kinds of content and educational programs directed at SMBs in different stages of digital tool use, to innovative approaches to closing funding gaps and creating better environments for individual and peer-to-peer learning, we believe this report is the start of a more resilient and digitally-driven future for America's SMBs.

Enhancing the Digital Safety Net: Six General Recommendations for Key Stakeholders

For Small Businesses

Identify gaps and opportunities based on your unique needs.

Every business has different needs, objectives, and long-term goals. Thus they need different solutions to problems, and that includes digital. Deploy digital tools to maximize efficiency and agility, while scaling in a way that works for you.

Calls to action:

- Learn more about digital tools
- Consider new business models
- Explore new markets/channels
- Automate repetitive tasks/jobs

For Technology Companies

Help busy SMB leaders assess the digital tools they actually need.

Even if an SMB understands its future goals, it might not know how to best deploy digital tools for that journey. Helping them assess their needs in detail and matching those with free tools, trial periods, and trainings will be a huge service.

Calls to action:

- Help empower SMB leaders
- Create online assessment tools
- Include SMBs in company planning
- Leverage key nonprofit partners

For Policymakers

Scale public-private partnerships that address barriers to success.

Policymakers should prioritize the creation of, and incentivize SMB participation in, a new era of public-private partnerships focused on scaling solutions to the digital access and education barriers that many SMBs face.

Calls to action:

- Fund research on Digital Safety Net
- Support for SMB “accelerators”
- Create new grants/awards
- Incentivize learning programs

Enhancing the Digital Safety Net: Six General Recommendations for Key Stakeholders

For Small Businesses

Invest time in digital tools before investing business savings.

There are many free and inexpensive education and training resources that can be used by both leaders and employees to learn more about digital tools before investing heavily in them for your business, reducing both cost and risk.

Calls to action:

- Explore available resources
- Choose learning format(s)
- Utilize learning platforms
- Test and iterate inexpensively

For Technology Companies

Reduce common impediments to accessing existing resources.

Tech companies have education and training resources related to their products and services, but discovery, descriptions and registrations may be hard to understand or otherwise complex for many SMB leaders, creating unnecessary friction.

Calls to action:

- Rethink the education journey
- Simplify discovery and access
- Emphasize free resources
- Tailor to SMB groups/segments

For Policymakers

Increase funding streams that empower SMBs to innovate.

Without access to capital, SMBs cannot stay open, much less innovate. This is even more evident during a crisis. Many SMBs need access to new forms of capital and inexpensive services to bridge the gap in these situations.

Calls to action:

- Fund new/existing grants/loans
- Fund SMB education programs
- Expand national support networks
- Protect SMB access to low cost and free services

Specific Calls To Action for Tech Companies Working With SMBs at Different Stages of Digital Preparedness

For Digital Maintainers

Share diverse case studies of digitally driven SMB success. Maintainers likely know about digital tools, but may not have the right role models or peer companies around them to learn from. Inspirational stories can help leaders of Maintainer SMBs to connect abstract tools to real applications and successes.

Make learning about digital tools more widely accessible. Technology has terminology, which is intimidating. Create a definitive glossary written in accessible language that assumes a low level of knowledge. In addition, offer more intimate help with digital tools, like live 1:1 support through chat or video.

For Digital Adopters

Educate them on the broad range of digital tools and how they help SMBs.

Provide content that makes the case of how new investment in digital tools can create returns for their SMB. In addition, this content should help overcome past negative experiences or misinformation that set them down the wrong path.

Provide more personalized advice along with digital trends. Adopters want to connect digital tools with business goals, so their questions will be tailored to industry, customer, or other data. In addition, they are most in need of content about how digital tools are evolving and how that helps them.

For Digital Drivers

Provide accelerated digital learning based on their high level of knowledge.

For the most part, Drivers don't need to learn what tools are available and what they mean for SMBs. However, what they can apply to their business are more advanced lessons on maximizing the value of their investments in such tools.

Introduce them to advanced digital tools that help them continue to drive.

Drivers are familiar with and use many of the digital tools discussed in this report. What they can still learn about and use, however, are more advanced tools like artificial intelligence (AI) and their specific and relevant business applications.



TomboyX | Seattle, WA

Conclusions

Defining Digital Success for SMBs

Digital Transformation Has Become Digital Urgency

This is the new normal. We are not going back to a less-digital world. Ten years' worth of digital transformation has been condensed into about six months. The urgency to transform and innovate is real. It is virtually required for success.

If SMB leaders haven't started to rethink everything, they need to begin now — how they hire and work with employees, find and connect with customers or clients, sell products and services, and even what those products and services are. A suite of digital tools and services can help with all of that.

The recipe for success for SMBs is agility + efficiency + digitally-driven revenue. In times of crisis, this formula enhances business resiliency. In good times or in highly competitive environments, these are the new best practices.

Millions of SMBs across the U.S. power roughly half of the country's economy. The digital transformation and success of SMBs is, ultimately, the success of local communities and the nation as a whole.



The Spice House | Evanston, IL

The Value of Digital Is Circumstantial

Digital Tools Serve Different Purposes in Different Situations

The business value of digital tools changes in different environments. During times of crisis, digital tools act as a Digital Safety Net for SMBs. They can keep employees in touch, help find new customers, sell products in different ways, and so on.

During normal business times, digital tools act as a bridge to fill gaps that SMBs may have. We know some SMBs struggle more than others to obtain working capital or to keep brick-and-mortar stores open with rising rent costs — digital tools can be a portal to fintech loans and support sales via e-commerce, for example.

Finally, in crowded industries or in the face of a new direct competitor, smarter deployment of digital tools can act as a force multiplier to make an SMB more efficient, more agile, and more able to compete to keep or obtain customers, sell more products, and so forth.



Sunrise Coffee | Las Vegas, NV

Final Takeaways From the Report

Moving Forward

COVID-19 has been an economic and societal shock to not only SMBs in the U.S. but to practically everyone around the world. Ultimately, the lessons learned from the research presented in this report at the intersection of digital tools and business will be useful for future shocks as well.

U.S. SMBs have been devastated by COVID-19. While this research was conducted only with SMBs who were operational at the time of our work (and who were willing and able to take time to participate), it is important not to forget how many have permanently and temporarily closed and those who are on their last dollar, customer, or employee and not sure what the future holds for them.

Still, many SMBs will bounce back from COVID-19, in one form or another, some by utilizing the Digital Safety Net we've explored in this report. And other entrepreneurs knocked down by COVID-19 will start a new business in the future. They can all take the findings and recommendations in this report and use them in practical ways. So too can technology companies, policymakers, investors, and other influencers and stakeholders who wish to empower these brave entrepreneurs in their journeys forward.





Studley's Flower Garden, Rochester, NH

Stories of Digitally-Driven Small Businesses

Akorbi

www.akorbi.com

Claudia Mirza (CEO/Cofounder) & Azam Mirza (President/Cofounder)

Plano, Texas



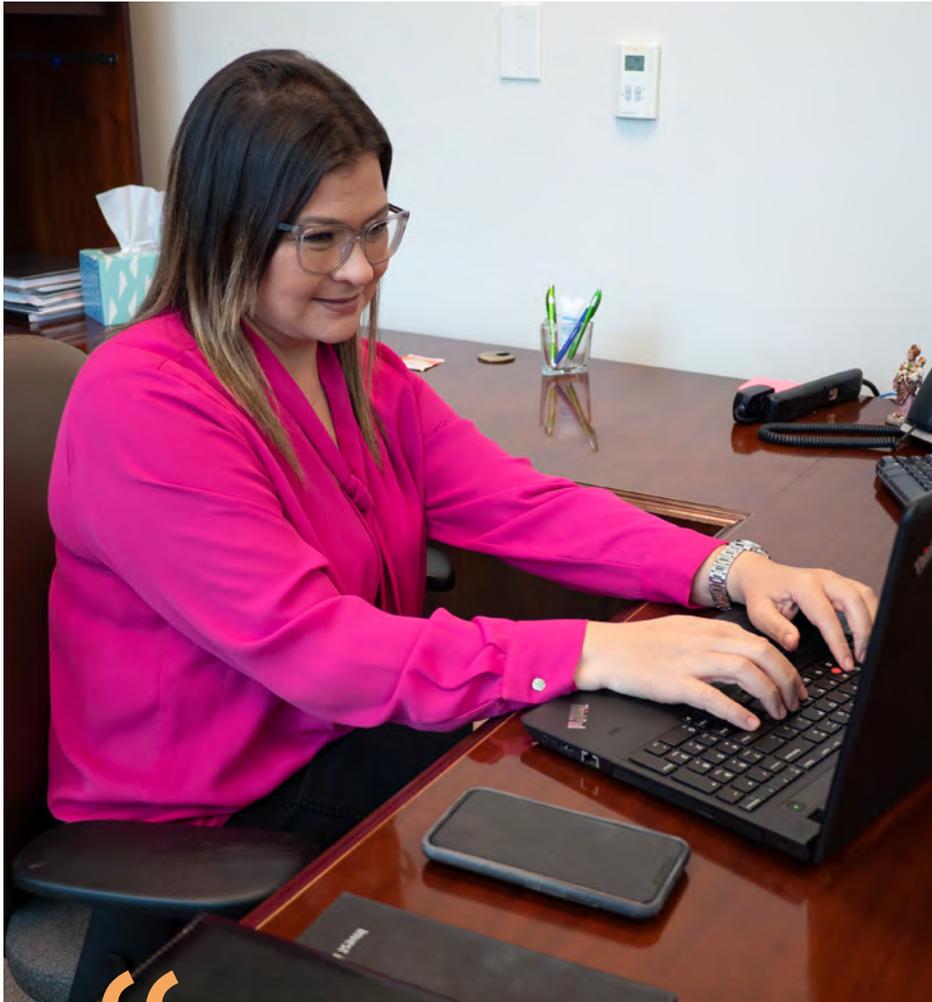
Columbian-born Claudia Mirza doesn't let much stand in her way. Overcoming a challenging upbringing in Medellin, today she's CEO of Akorbi, one of the fastest growing female-owned businesses in the world. Akorbi, cofounded by Claudia and her partner, Azam Mirza, helps organizations across many different industry verticals connect with employees, vendors, and customers in over 170 languages. Thanks to its longstanding embrace of digital tools, this translation, workforce solutions, and technology business has also proven incredibly adept at pivoting in challenging times — including the COVID-19 pandemic.

Digital tools have been critical to Akorbi's success over the years. "It's what allowed us to compete with the big boys," Claudia says. Akorbi turned to social platforms such as Facebook and Twitter and marketing services such as SharpSpring and Google Ads — paired with the capabilities of Google Analytics — to get the word out, and customer management tools to keep sales digitally integrated and operations digitally automated. Claudia and Azam also began a company-wide push,

beginning in 2006, to shift from in-person to remote video interpretation services. As Azam puts it, they wanted to focus less on transporting translators long distances and focus more on delivering content in a timely manner.

After Akorbi's marketing team implemented digital capabilities, the business was able to shift to the products and services that customers wanted most when COVID-19 hit. A quick review of the marketing team's Google Analytics data showed Claudia how to proceed. "We gave the order to our marketing team to increase the spend on Google Ads," Claudia recalls. "And we told them to focus the campaigns on our remote service offerings." Akorbi reoriented its ad spend to focus on social media platforms as well, including LinkedIn and Instagram, and shifted significant resources to the call center side of the business. The company also focused heavily on telehealth offerings. Even before the pandemic, Akorbi was helping facilitate hundreds of medical appointments every week in languages such as





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“The need for constant digital innovation was there before COVID-19, and today it’s even more critical.”

Claudia Mirza, Akorbi | Plano, Texas

Spanish, Swahili, and American Sign Language. The company’s ADAPT platform allowed the doctors, patients, and independent interpreters who used it to trust that the sensitive information they were discussing would be kept safe and secure. Today, this health-care-focused platform has become even more essential to saving lives.

The same digital infrastructure that enabled Akorbi’s quick pivots also allowed it to have a workforce that was highly global and largely remote before the pandemic. As a result, despite Claudia and Azam’s initial fears when COVID-19 hit, they have been able to pivot quickly and remain resilient. “It’s incredible when you think about it, but we hardly missed a beat,” Claudia says. “And that is only because of all the digital tools and connectivity that we had invested in previously.”

It isn’t just Akorbi that is benefiting from this digital resilience. So too are the many businesses and individuals that count on the services Akorbi provides to keep functioning every day — not to mention the patients and medical professionals who are able to stay safer and healthier thanks to the company’s telehealth offerings.

The many challenges brought about by COVID-19 are tough. But Claudia, Azam, and their digitally driven small business proved to be even tougher. “The need for constant digital innovation was there before COVID-19, and today it’s even more critical,” Azam says. Claudia agrees. “There is no right path, so be fearless, and if something doesn’t work, get up and try again,” she says. “And never forget to be compassionate and emphasize the importance of human connection.”



Beddy's

www.beddys.com

Betsy Mikesell (CEO/Cofounder) & Angie White (COO/Cofounder)

West Jordan, Utah

Betsy Mikesell's twin boys' bunk beds were a source of continued irritation. Making the beds was a chore. The boys didn't want to do it. She didn't either. What if there were a way for beds to simply make themselves? As a hairdresser at the time, Betsy joked with clients about starting a company that produced zippered "self-making" bed coverings. It sounded like something they'd actually want to buy, Betsy's clients told her. She shared this on one of her morning jogs with her neighbor Angie and asked if she would be interested in starting a business together, and before long, two friends found themselves leading one of Utah's fastest-growing small companies. They powered the business with a suite of digital tools while remaining as characteristically upbeat as ever during one of the most challenging moments in recent memory.

The two friends didn't have much experience starting a business, let alone running one. "Google was our best friend at the time," Angie recalls. "And I'm talking about the Google Search bar." Betsy and Angie quickly discovered that there was a market out there for their product, from parents tired of nagging kids to make the bed — and tired of lifting up heavy mattresses to make their own — to more specific audiences such as the RV community. Social media was key to reaching them all. "Educating people about the concept and function of zippered bedding was our primary challenge, so we had to be creative in our initial marketing approach," says Betsy, who as CEO also handles Beddy's marketing portfolio. "Our strategy was to turn to platforms like YouTube to share informative videos about our products and Facebook and Instagram to meet our audiences where they already were."





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“What we found is that digital tools are the key to any small business. I also know we’d be out of business right now without our digital tools — no question at all.”

Angie White, Beddy’s | West Jordan, Utah

Beddy’s also made use of other smart advertising opportunities, like maintaining a Business Profile on Google and using Google Ads to get in front of users who were searching for zippered bedding. Before long, customers started pouring on to their Shopify enabled e-commerce site. Betsy and Angie saw their business grow by triple digits and place in state and national rankings of fast-growing companies.

Then COVID-19 hit. For a moment, the world stood still — and Betsy and Angie wondered whether their business would survive. One look at Google Analytics for their digitally driven business was enough to put their minds at ease. “Our numbers started going crazy,” Betsy recalls. Angie adds, “All of our employees began working overtime.” The socially distant team kept in touch over Google Meet and Zoom, while digital tools like Gorgias — which integrates email, chat, and phone — ensured the company’s G Suite-enabled operations kept going. Other than halting a planned brick-and-mortar expansion, it was full steam ahead for Beddy’s, which began hiring more employees. The company also made sure to reach even more potential customers by targeting social media influencers in new and creative ways while simultaneously upping its spend on digital ads.

“We’re super grateful for these tools because they are what enabled us to build this business and employ other moms like us who often just want to work from home,” Angie adds. “I also know we’d be out of business right now without our digital tools — no question at all.”

“We didn’t learn how to run a business by going to business school — we learned how to do it by actually doing it,” Betsy says. “And what we found is that digital tools are the key to any small business. They’re easy, they’re cheap, and they’re scalable.”



CareAcademy

www.careacademy.com

Helen Adeosun (CEO/Cofounder)

Boston, Massachusetts



The U.S. has long suffered from a shortage of qualified direct care workers, a problem exacerbated by the country's aging population. Nigerian-immigrant Helen Adeosun, a former practicing caregiver, thought someone should do something about that. Her solution was to build CareAcademy, a digital-first business that would empower senior home care professionals to build businesses of their own in the home care industry, pairing online training with easy-to-use technology. Before the onset of COVID-19, Helen's education and upskilling platform had already emboldened many caregivers to both pursue continuous education for themselves and to improve the quality of care for their patients. After the pandemic struck, her business used a host of digital tools and created a range of in-demand digital content that helped CareAcademy become a rallying point for health-focused small businesses and workers across the country.

Helen and her team have long made use of the full range of G Suite tools. CareAcademy also uses Google Analytics and Google Search Console to track keywords that are driving web traffic and Google Ads to reach those who are using them. Her company uses HubSpot as a central marketing suite and feeds many other tools through it. For example, the paid search through Google Ads as well as website traffic mapping via Hotjar — along with digital tools like Drift, which allows the company to facilitate conversations with both existing and prospective customer bases — are integrated directly into CareAcademy's CRM.





“I’m proud of our role as a high-growth startup helping drive the creation and success of small businesses across the country overall, but I’m especially proud of how our digitally-driven company was able to step up and provide resources that help others save lives.”

Helen Adeosun, CareAcademy | Boston, Massachusetts

Because Helen’s team already functioned on a quasi-remote basis, CareAcademy was able to make a seamless shift when COVID-19 struck. The company leaned even harder into remote connectivity tools like Google Meet and Slack as Helen turned to her secret weapon: Google Calendar. “Since there were no water cooler conversations happening, you had to be much more intentional about facilitating the conversations you needed to have,” Helen recalls, “and the effective time management that my Google Calendar gave me was critical to that.”

Helen’s team started reaching out to customers to see what they needed in this moment of crisis. The company determined there was an opportunity to create new classes and content that could give both health-care workers and patients a greater sense of security. Within a week, her team began distributing free class content via its website for professionals as well as the general public about how to address the virus. The effort was a near-instant success and the site quickly began racking up tens of thousands of views.

CareAcademy also began posting a weekly webinar series aimed at small businesses. These “fireside chats,” as Helen calls them, featured digital roundtables and virtual interviews with legal, medical, and other experts on a range of issues. The data she was seeing from Google Analytics paired with survey information from tools such as Google Forms and Survey Monkey told her this was exactly what her customers wanted — and, as a result, CareAcademy found itself at the center of the direct health-care community.

The business is able to survive and thrive during the pandemic thanks to its strong focus on digital connectivity. But, from Helen’s perspective, what the company was able to do for small health-care businesses nationwide and the patients those companies serve is most important. “I’m proud of our role as a high-growth startup helping drive the creation and success of small businesses across the country overall,” Helen says, “but I’m especially proud of how our digitally-driven company was able to step up and provide resources that help others save lives.”



Goodr

www.goodr.co

Jasmine Crowe (CEO)

Atlanta, Georgia



Millions of Americans suffer from the effects of food scarcity and yet huge amounts of edible food are dumped in landfills. That situation made Jasmine Crowe angry. And so, while feeding people on the streets of Atlanta in 2013, she decided to do something about it. Today, she is CEO of Goodr, a digitally driven food-management company, launched in 2017, that has successfully diverted millions of pounds of excess food from landfills and toward those who need it most. Because her business is digital first, she has been able to continue and evolve Goodr's mission during a time of heightened food crisis.

In Jasmine's view, hunger is not so much an issue of scarcity as a problem of logistics, a view she shares with friend-turned-vice president of business development, Terrence Smalls. Goodr helps companies and organizations find ways to divert excess food to where it can be put to more positive and productive use. That usually means feeding the hungry, but in other cases it can mean creating green energy or providing feedstock for local farmers. To accomplish this, Goodr provides a secure ledger that tracks surplus food from pickup to donation. It also delivers real-time social and environmental impact reporting analytics.

Digital tools are critical for nearly every aspect of Jasmine's business, from using Google Analytics data to determine which communities to serve, to employing Google Maps technology to provide the most optimized routes for drivers picking up excess food. Her team adopted video chatting long ago, which has proven especially helpful during the recent pandemic. This is also true of the company's active online





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“We are a digital-first business, and that is what has allowed us to continue helping others.”

Jasmine Crowe, Goodr | Atlanta Georgia

presence. Terrence points to LinkedIn as an important platform that has helped establish Goodr as a credible thought leader in the industry. Jasmine uses Twitter to spark conversations and get buy-in for Goodr’s mission from key stakeholders and companies. In just a few short years, her small company has taken off, landing big clients such as the NFL.

The onset of the COVID-19 pandemic was an anxious and uncertain time for most Americans Jasmine, Terrence, and their team were no exception. Though anxious at first, Jasmine saw opportunity in the adversity: helping Americans gain access to good food during a time of heightened need. Thanks to Goodr’s digital connectivity, it was able to continue working with clients to divert food to the places it was most needed. And thanks to this connectivity, it was able to scale up from there. Jasmine reached out to businesses that suddenly found themselves shuttered and with excess food that would likely have gone to waste. Goodr decided to provide a new platform for those looking to donate groceries to families in need. “We were able to get that capability up and on our website in a matter of minutes,” she says, “and then we got the word out on Twitter.”

Goodr was founded to achieve what it calls a triple-win solution: help hungry communities in need, reduce greenhouse emissions from landfills, and find a way to help clients succeed financially — all at once. Jasmine, Terrence, and the rest of the team are proud to say they can achieve this every day, even during a time of crisis. There’s no doubt in Jasmine’s mind why that is: “We are a digital-first business, and that is what has allowed us to continue helping others.” Terrence agrees, adding that Goodr is looking to start a new campaign with Google Ads to spread some good news. “We’re now looking to the next step, which is expanding Goodr’s operations to other cities — so we can help even more communities in need.”



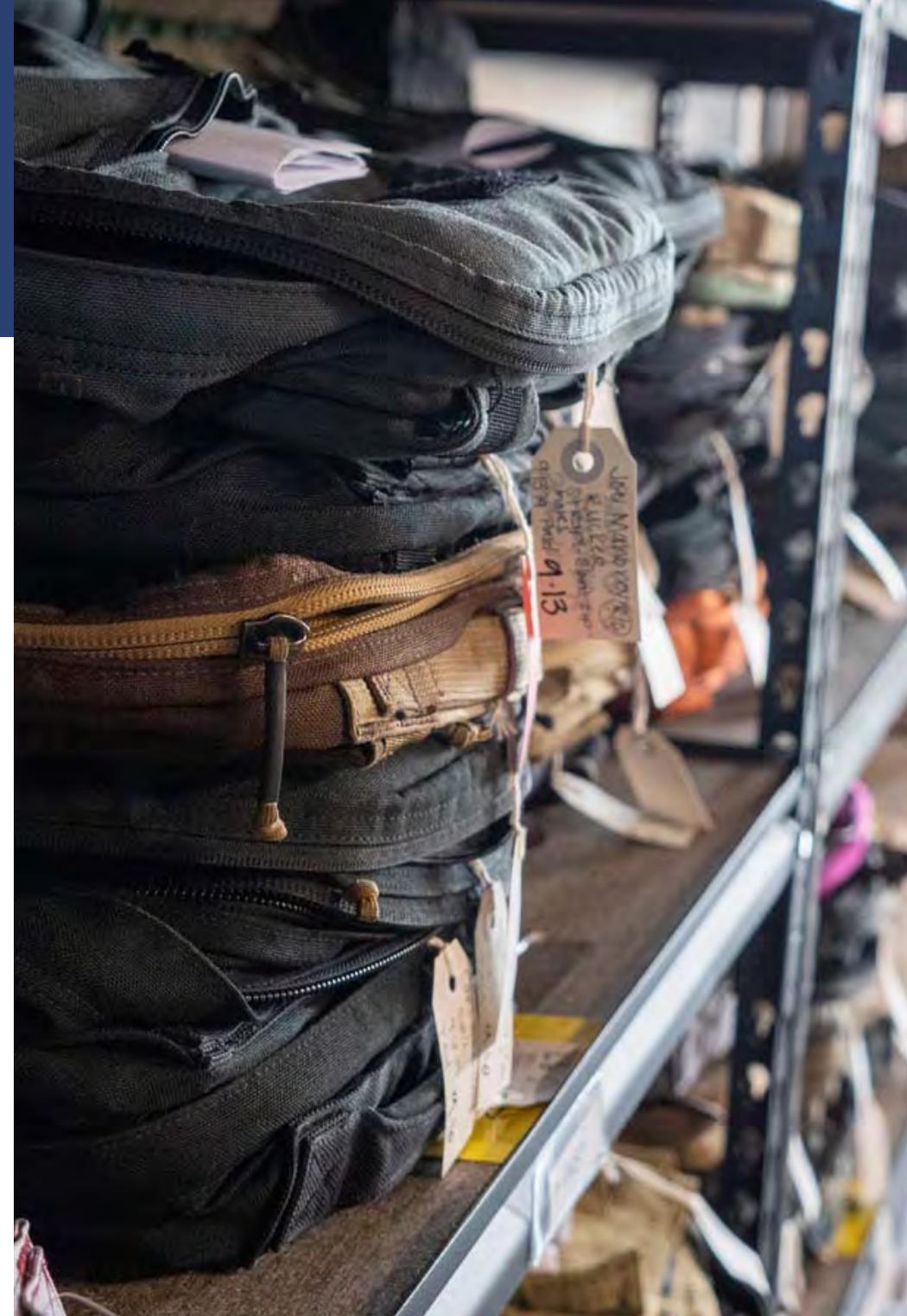
GORUCK

www.goruck.com

Jason McCarthy (CEO) & Emily McCarthy (Head of Community)
Jacksonville Beach, Florida

The rucksack is more than just a bag. It's a way of life. At least that's how one husband-and-wife team in Florida sees it. This military-style hiking backpack has also provided them with a great way to make a living, too. The GORUCK story began in 2007 when former Special Forces soldier Jason McCarthy found himself grappling with a rare commodity: free time. Never one to sit still, Jason used his skills from the Special Forces and applied them in a new way. He started by making a rucksack for his wife Emily, who was stationed as a diplomat in Côte d'Ivoire, and before long the couple found themselves with a small business. GORUCK, which Jason describes as a pre-digital company when it began, eventually transitioned into a digital-first business. As a result, Jason and Emily could do more than just save their business during COVID-19 — they were able to sustain and grow communities at a time when connectivity had suddenly become more difficult, and more important, than ever.

“At GORUCK, we principally do three things: We build stuff, we build communities, and we lead events,” Jason says. Jason initially thought traditional retail was the best way to get GORUCK's product to market. He remembers driving to 48 different states trying to find stores to carry the products he designed. It was frustrating. And above all, it was incredibly inefficient. That's why GORUCK transitioned to selling directly to customers over the web. The GORUCK team turned to G Suite to change the way it operated and relied on tools such as Google Docs to collaborate internally and Google Meet to stay connected with face-to-face communication. The company began using Google Ads and YouTube to speak directly to consumers.





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“We used digital tools to not only sustain but actually grow the GORUCK community at a time when it should have been impossible to do so. Digital tools are a force multiplier for just about anything you need to get done.”

Jason McCarthy, GORUCK | Jacksonville Beach, Florida

They also discovered the power of blogging as another way to communicate with and grow its customer base. “Community is everything for us,” Emily explains. “We have more than 350 ruck clubs across the country. These are autonomously led groups where members can get together and ruck together. (“Rucking” is the act of hiking or walking while wearing a weighted rucksack.) Social media has always been critical for the community and event sides of the business, and GORUCK has used many platforms over the years, including Instagram and Facebook, to get the word out, organize, and communicate.

But what happens to a community-focused business when human contact becomes difficult or impossible? “We used digital tools to not only sustain but actually grow the GORUCK community at a time when it should have been impossible to do so,” Jason says. GORUCK launched a podcast called “Glorious Professionals,” which featured everyone from epidemiologists to Green Berets discussing how to lead in difficult times. The company also began a new digital training program, which provided daily workouts for the rucking community.

Thanks to its digital connectivity, GORUCK was able to help more Americans connect and get out in nature and exercise — safely — in the middle of a difficult period. This digitally driven company was able to sustain itself as well by tending to its community and selling through an inventory of training tools on its e-commerce-enabled website. Sales of training items were up by as much as 300%.

When it comes to advice for other small businesses, the McCarthys believe it’s important for companies to take stock of what they have available to them and then swing into action. “Use what you have, and don’t wait for perfection,” Jason says. Emily adds, “And don’t forget that digital tools are a force multiplier for just about anything you need to get done.”



Kettlebell Kings

www.kettlebellkings.com

Chad Price (Founder & Managing Partner)

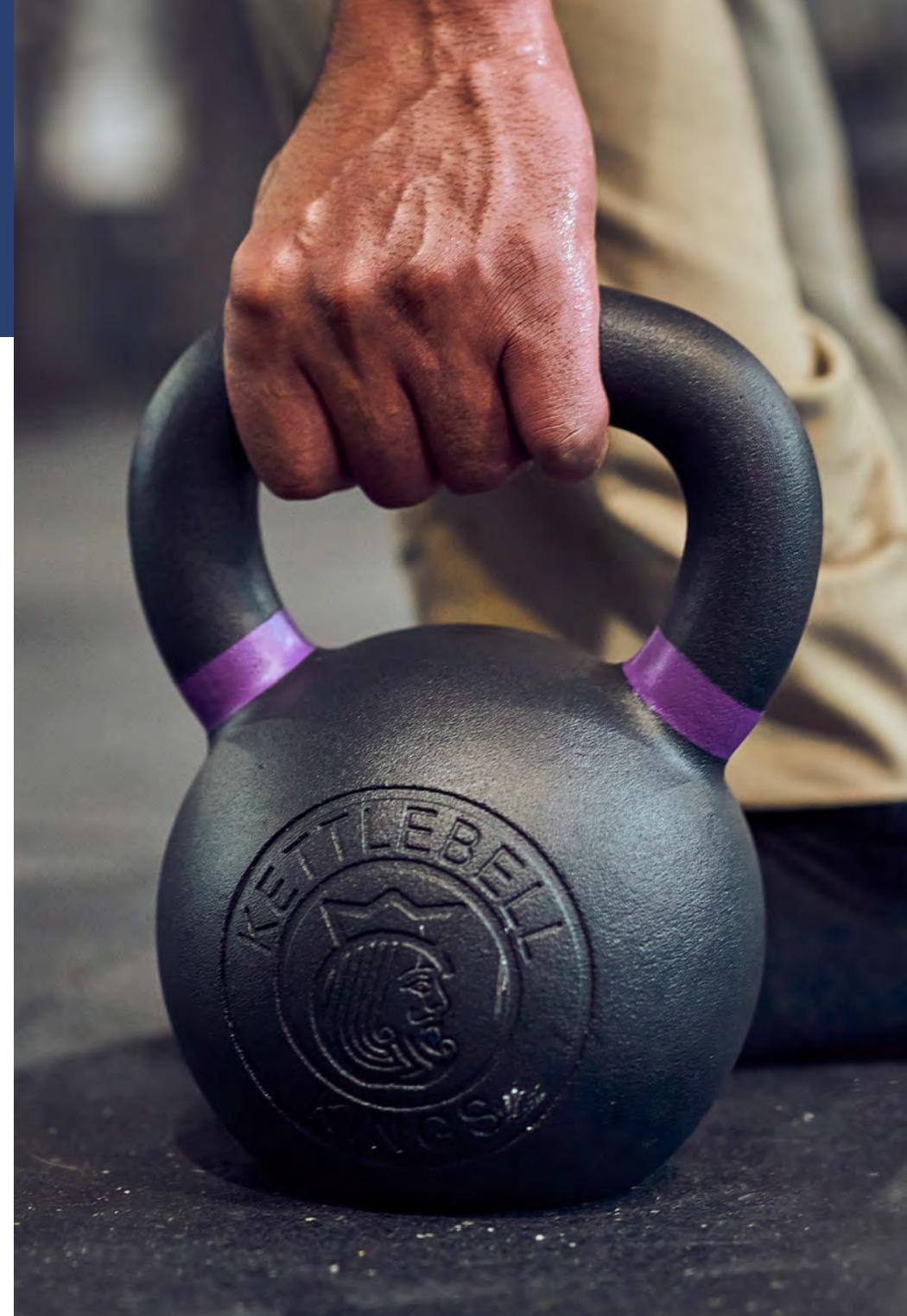
Austin, Texas



Kettlebell Kings is the brainchild of three friends — Jay Perkins, Nehemiah Heard, and Chad Price — who wanted to build a company that would bring people together and make them happier and healthier. Their company focuses primarily on selling kettlebells directly to customers over the web, but has turned toward the sale of digital products like at-home workout programs and online training sessions. Chad believes this shift helped Kettlebell Kings stand out before the COVID-19 crisis, and helped the company thrive throughout it. It has also been key to helping their customers stay healthy at home.

With a full suite of online marketing and logistics tools, including Google Ads and Google Analytics, and an active presence — and loyal customer base — in kettlebell-related forums on social platforms like Facebook, Twitter, and Reddit, Kettlebell Kings has focused from the start on using digital solutions to grow. It now has an infrastructure of tools that work together to handle everything from customer experience to inventory management.

Kettlebell Kings was initially hit by the COVID-19 crisis as the disease's global spread caused supply chain disruptions. Then, nearly overnight, everything changed. Domestic quarantine announcements led to a surge of interest in home fitness products, and Kettlebell Kings found itself facing a massive volume of sales. This would have overwhelmed many small businesses — but not this digitally connected company. Kettlebell Kings processed more sales in one day than it typically would





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“It is precisely because we had invested in Google Ads and Analytics ahead of time that we were able to do this,” Chad says. “If we didn’t have that data, we’d just be spending more money and getting less results.”

Chad Price, Kettlebell Kings | Austin, Texas

have done over the course of months. Nearly every piece of inventory sold out. “It was just one of the craziest spikes in velocity that we’ve ever seen,” Chad says. “But it was also surprisingly easy for us to go from, say, 10 orders a day up to 500, because it was just a matter of pushing another button on the computer, rather than having to implement an entire new process.”

This also freed up Kettlebell Kings’ leadership to focus on other challenges—and opportunities. The company had been moving into the live events space and planned to hold several events with major gyms across the country when the pandemic hit. With live in-person events on hold, the company decided to lean even more into its digital offerings by shifting dollars from an advertising budget that was clearly no longer needed. Thanks to analytics that helped the company understand what customers needed and how to improve its digital offerings accordingly, those decisions were made easier and more profitable. “It is precisely because we had invested in Google Ads and Analytics ahead of time that we were able to do this,” Chad says. “If we didn’t have that data, we’d just be spending more money and getting less results. We’d be throwing it into the abyss.”

These improved digital products are now helping advance an overall shift in fitness culture — one that Chad thinks is long overdue. “You don’t need a full gym for a full-body workout, you just need a kettlebell and a smartphone,” Chad argues. “More Americans are now embracing this, and I think that’s a good thing — for their wallets and for the health of our country in general.” As Kettlebell Kings looks to the future, the company plans to expand its digital offerings. It’s also set to expand the type of digital infrastructure that helped it weather the storm — and make its customers happier and healthier as a result.



MedHaul

www.gomedhaul.com

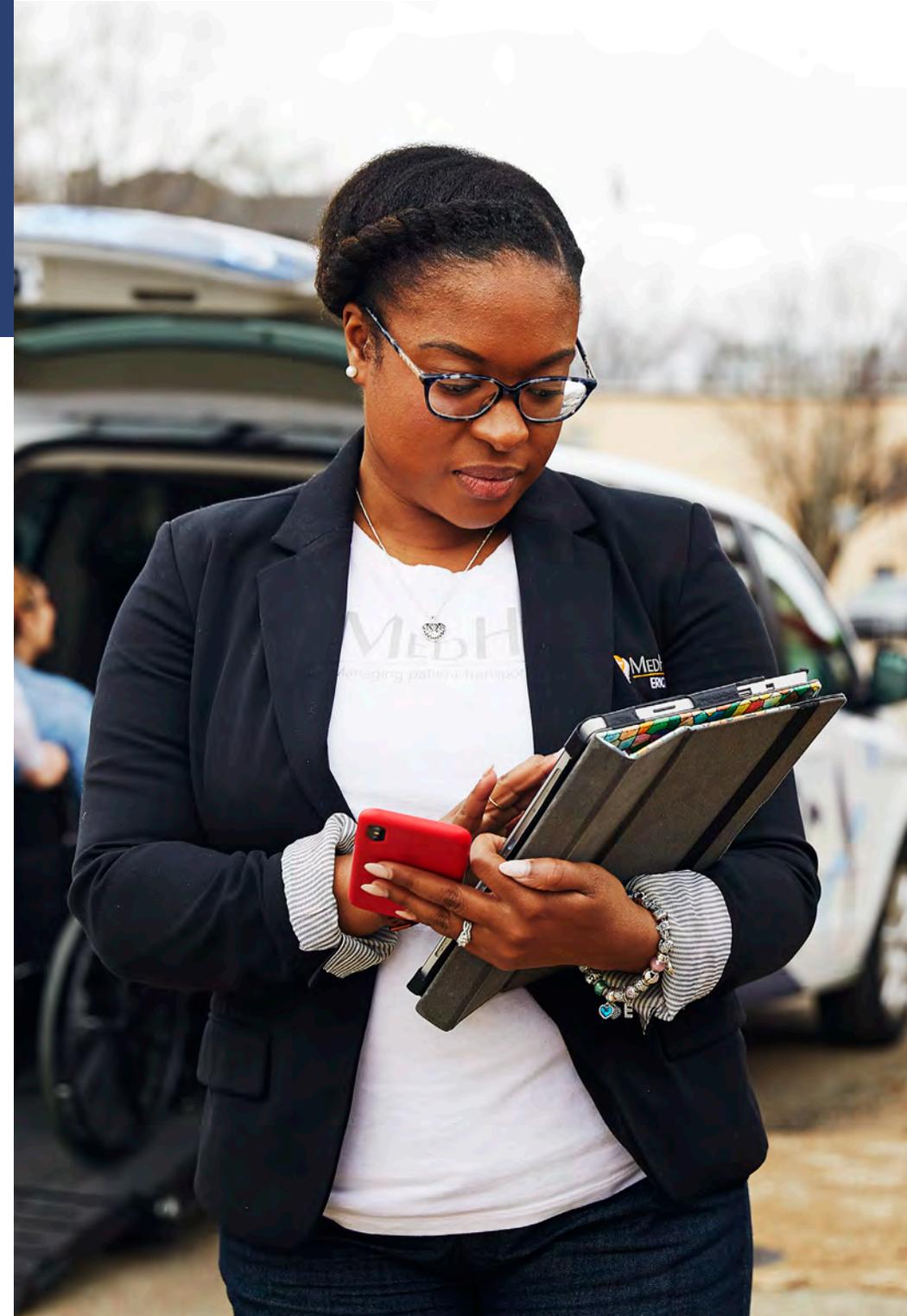
Erica Plybeah (CEO/Founder)

Memphis, Tennessee

Erica Plybeah will never forget the time she watched her mother struggle to lift her grandmother out of a wheelchair and into a car for a routine doctor's appointment. Erica, determined there was a better way to handle such situations, launched MedHaul, a digital-first company dedicated to streamlining transport for those with special needs, such as immuno-compromised patients. It does so by connecting health-care providers, such as doctors and hospitals, with non-emergency transportation options for their patients.

Erica was selected for a Google mentorship program focused on addressing the funding gap for startups led by Black founders. The program and its resources helped Erica get MedHaul going, and the company has since blossomed into a solution for thousands of patients across the country — especially those in underserved communities.

Erica's team, spread across multiple cities and time zones, has always relied on platforms such as Slack to communicate and software such as Asana and Upwork to manage projects. Her team turns to G Suite to get work done using “pretty much every Google product you can think of,” as Erica puts it, including Gmail, Calendar, Docs, Drive, Keep, and Analytics. MedHaul gets the word out on social media and via digital advertising through services like Google Ads. Erica says her business would not exist without digital tools.





“The demand [for our services] was so high, we weren’t sure how we’d be able to keep up with it. But thanks to tools like Google Analytics, we could learn a lot about what our customers were looking for and how we could best serve them and engage with them.”

Erica Plybeah, MedHaul | Memphis, Tennessee

Then, the pandemic struck, and the need for safe transportation options for patients with various needs became critical. Public transportation use is falling during COVID-19. Many public transport users are actively discouraged from using these services. Because of this, it’s clear that the model Erica’s company provides is going to become increasingly important for growing segments of the population.

The first impacts of COVID-19 were felt through the company’s Google Analytics. The MedHaul team saw a large and continuing spike in traffic to its website and Facebook page. “The demand was so high, we weren’t sure how we’d be able to keep up with it,” Erica recalls. “But thanks to tools like Google Analytics, we were able to learn a lot about what our customers were looking for and how we could best serve them and engage with them.”

Since Erica’s company was accessible to customers online, and because it had already implemented strict sanitation protocols long before the pandemic, MedHaul was able to continue functioning nearly the same as it always had. That’s why, for Erica, the lessons of COVID-19 are less about the changes it forced on the company and more about the confirmation it provided about just how critical her services were. Indeed, MedHaul continues to grow and expand. Erica was able to add employees during the pandemic and plans to hire more.

Erica is already gearing up for her next project: helping the rest of the medical transportation industry move into the digital age with her. This is an industry that has, as Erica tells it, historically been technology-averse. COVID-19 has transformed this industry’s outlook dramatically. MedHaul is now working with transportation providers to help them improve and advance their own businesses — and, in doing so, MedHaul’s capabilities — by implementing more of the ideas that have already made her company so resilient.



Morgan Miller Plumbing

www.morganmillerplumbing.com

Stella Crewse (CEO)

Grandview, Missouri



Morgan Miller Plumbing used to advertise the same way as other plumbing companies: in the Yellow Pages. Each year, the listing got a little less effective and a little more expensive. “At one point, it seemed like these Yellow Pages were going to bankrupt us,” recalls CEO Stella Crewse. “I still remember when we told the salesman we weren’t going to renew our ad. He laughed and told us we’d be boarded up by Monday.” That’s not quite how the Morgan Miller story unfolded. The company instead turned to digital marketing and increasingly found its voice — and more business — online. When the pandemic struck, social media platforms allowed Stella’s company to communicate with its customers and the adoption of digital tools and operations across the business allowed it to continue providing an essential service without disruption. Thanks to its early embrace of these tools, Morgan Miller was able to persevere through the crisis in a way that would not have been possible before.

Stella always wanted to run a business. She wasn’t passionate about a particular product or service, though — she just loved running a back office. She

was Morgan Miller’s operations manager when the company’s then-owner, Jeff Morgan, decided to go into retirement and Stella stepped up to lead the 23-year-old business. It’s one of the greatest decisions she’s made. Stella led her company to utilize the full menu of G Suite products to share documents and stay organized. Google Maps, for instance, became something her team would use in a particularly fascinating way. This tool allows an estimator to pull up aerial photos and move around a neighborhood without ever leaving the comfort of the home office. With a sewer line replacement, for instance, an estimator can pull up, see the home, and in most cases identify where the sewer line has to run to connect to the city sewer.

The company Stella leads also defies expectations about what a plumbing company should be. Its primary marketing is done online and over social media. Morgan Miller utilizes digital services like Google Ads and maintains pages with Instagram, Pinterest, and “the Book Face,” as Jeff calls it. The company’s Facebook



page, as well as its Google My Business profile (which has been important in leading customers to the business' website), is where the employees of Morgan Miller get to show their lighter sides. They might post pictures of office dogs, show off a plumbing truck with inflatable unicorns hanging off the side, or feature a technician shoveling a customer's driveway. "You can say anything you want in a print advertisement and people either believe it or they don't," Stella says. "But when you're online, people get to know who you really are. Social media allowed people to truly trust us and this helped us grow not just our business but also our community."



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“This [pandemic] experience has given us the confidence that we'll be able to continue operations seamlessly no matter what comes our way ... There is a digital tool for everything — don't be afraid of them!”

Stella Crewse, Morgan Miller Plumbing | Grandview, Missouri

All of this was important as a pandemic-hit nation moved into lockdown. Google Maps was particularly handy, saving estimators from having to physically drive to locations and be out in public. Many other digital tools were important as well. Stella's company had already moved just about all of its operations online well beforehand, from accounting to dispatching. "Everything was digital, even our phones, so we were able to maintain operations seamlessly," Stella says. "Of course there were still a host of things we had to learn how to do quickly, such as how to be our own IT people in our home offices, which is why plain old Google Search was so important too. I'm not sure how we would have survived without having Google there to answer our questions." Morgan Miller implemented new social distancing guidelines for its technicians and began conducting daily staff meetings remotely via Zoom and Facebook video chat. The team turned to social media to pivot its lighthearted marketing to better fit the times and, most importantly, maintain communication with its customers about how it could continue serving them safely. It also took the opportunity to integrate additional technology into its operations, such as an updated dispatch system that will make the company even more digitally driven moving forward.

Today, Morgan Miller is extremely busy, with a "Help Wanted" sign on its digital door, and Stella's team is using digital tools like Zoom to help bring even more employees on board. She is proud that her plumbing company was able to pull through COVID-19 with relative ease and she knows that this was thanks to its early adoption of digital tools and platforms. While the pandemic's onset was frightening at first, she says, it quickly evolved into an opportunity to make the business even better by forcing the adoption of greater efficiency and digital fluency throughout the company. "This experience has given us the confidence that we will be able to continue operations seamlessly no matter what comes our way," Stella says, with an added word of advice for other small business owners who might find themselves in a similar situation: "Embrace the digital tools that are out there. There are so many and they can help you market yourself, keep in touch with employees, and even manage the back office. There is a digital tool for everything — don't be afraid of them!"



Name Glo

www.name-glo.com

Sas Simon (Cofounder) & Lena Imamura (Cofounder)

New York, New York

Sas Simon, an actress, and Lena Imamura, a visual artist, have always been fans of light. In 2014, when Sas's nephew was born, she hoped he might grow up to be a fan of light as well. But when she tried to order a specialized neon light for him, she found the process surprisingly opaque and difficult. So, Sas teamed up with her artist friend Lena and opened a business that would allow them to produce their own custom-made neon pieces. NAME GLO quickly evolved from passion project to profitable venture. Yet, right when things seemed to be going well, along came COVID-19 with a host of unforeseen challenges. The pair turned to the digital tools that helped them build their business in the first place to effectively weather the storm and find unexpected opportunities to do good.

“When we first launched NAME GLO in 2016, digital tools were just about the only thing we had. Everything we did was online,” Lena recalls. “It’s less that we made a conscious decision to become a digital-first company and more that it was the only option we even considered.” For Sas, Lena, and the broader NAME GLO

team, that meant turning to Squarespace for a website and a range of operational tools. This began with Google’s G Suite tools, such as Gmail and Google Docs, and grew to include Streak (a Gmail-based CRM), Asana for project management, and Zapier for integration. Social media channels were key for advertising the company’s products because they didn’t have a budget for ads.

As 2020 dawned, NAME GLO realized a years-long goal of bringing production in-house and finished moving into a new flagship storefront location in New York City’s Lower East Side neighborhood. But soon COVID-19 hit. “We had made a lot of investments, and we were banking on those decisions paying off at the beginning of the year. Instead, we suddenly felt the floor drop beneath us. We were forced to close our doors, stop production, and toss our entire plan out the window.”

The initial blows were jarring, but Sas and Lena didn’t take long to figure out how to make the best of a



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“It’s less that we made a conscious decision to become a digital-first company and more that it was the only option we even considered.”

Lena Imamura, Name Glo | New York, New York





difficult situation. They relied on Google Meet for regular team meetings and Slack to stay constantly connected. They changed their social media messaging to better fit the national mood and their customers' needs. Additionally, the pair implemented more flexible digital payment options for buyers and started branching out to use other platforms they hadn't previously taken full advantage of. That included tending more to the company's Google My Business and Pinterest pages, adding products to Instagram Shopping, and investing in Google Ads to target new customers. Because they had just opened a new brick-and-mortar location with production capabilities, Sas and Lena figured they should put it to positive use. They started producing face shields to donate to health-care workers and ended up providing more than 2,500 units.

As businesses cautiously phase in reopening plans, Sas and Lena have a new project: producing posters and neon lights that help remind others to wear masks, wash hands, and keep the rest of the community safe. It advances a positive social goal and it also happens to be smart business. "More and more businesses are going to need products like these as we continue transitioning toward a new normal under COVID-19," Lena says. "We're glad to be able to do what we can to help out." Things are starting to look up again for this digitally driven business. They're planning a few new launches in the coming months. Sas and Lena know that digital tools helped sustain their company through an extremely difficult period. But they don't want to see brick-and-mortar stores and neighborhoods replaced with an all-digital approach. Rather, they believe the physical and digital sides of a business should support one another in an organic way. And, from the looks of it, that's exactly what they've achieved at NAME GLO.



Okabashi Brands

www.okabashi.com

Sara Irvani (CEO)

Buford, Georgia



Sara Irvani, the CEO of Okabashi, is a third-generation shoemaker. The company she leads has been manufacturing shoes in Georgia since her family founded it in 1984. When Okabashi first opened, about 60% of all shoes sold in the U.S. were made in the U.S., according to Sara. Today, she says that number is closer to 1% and she's proud of Okabashi's tradition of making shoes in the U.S. and in an environmentally sustainable and socially conscious way. Sara's also proud of the improvements the company has made to usher itself into the digital age. These tools, which include automating operations with G Suite to selling directly to customers with a Shopify-enhanced website, are what's helping it emerge from the COVID-19 pandemic in a strong economic position.

In the opening months of 2020, the business was in a solid position. "We were heading toward our best year ever," Sara recalls. "And then this pandemic just completely took everyone by surprise. It was scary." There were immediate impacts on the company's sales as well as on its supply chain. Sara decided to start sending workers home to learn how to work remotely as a team. The Okabashi team swapped daily stand-up meetings for daily cross-departmental calls where they focused on all initiatives, including the company's digital priorities.

Okabashi had been selling directly to customers online for years. The company's Shopify-enabled site was strengthened by a variety of additional tools ranging from CRM software to G Suite. Google tools have always been important for Okabashi,





“The digital side of the business was important for making sure sales could continue during quarantine and proved essential for communicating with our customers.”

Sara Irvan, Okabashi Brands | Buford, Georgia

thanks to Sara’s love of their ease of use and potential for scalability. Google Shopping campaigns have helped Okabashi sell its products to people searching for sandals or “made in USA” footwear. The team also uses Google Analytics to monitor web traffic. And it relies on Business Profile on Google to ask customers for reviews. Paired with Google Ads, these tools help inform product development and help Sara’s team to gain key insights into their customer’s needs. Okabashi also uses Facebook, Instagram, and Pinterest to advertise and interact with customers.

All this has proved critical during the pandemic. “The digital side of the business was important for making sure sales could continue during quarantine and proved essential for communicating with our customers,” Sara recalls. She describes the ability to connect with customers via social media as “invaluable.” Digital tools, she says, “allowed us to connect in a whole new, more intimate way, showing who we really are.” The family business is important to Sara. Okabashi was founded by her grandfather, an Iranian expatriate, and Sara grew up shadowing her father when he ran the factory. “I was determined to find a way to make sure that Okabashi could become a fourth-generation company,” Sara says. “That’s why I was particularly grateful to have digital tools that allowed us to not only survive a pandemic but also come out so well positioned afterwards.”

Although Okabashi was affected by the pandemic, Sara says that it’s nothing compared to what the company could have expected in the pre-digital age. Now, this digitally driven company is positioned for strong growth. For other business owners who might find themselves in Sara’s position, her advice is simple. “Positivity is critical in any situation, and effective communication is paramount — whether with your customers or your team,” Sara says. “And don’t forget about these great digital tools. The thing I like about them, especially the Google tools, is that they’re often simple enough for the average person to understand but powerful enough to drive scalable impact.”



Peacock Alley

www.peacockalley.com

Jason Needleman (CEO)

Dallas, Texas



The year was 1973 and Peacock Alley founder Mary Ella Gabler, a single mother who had long enjoyed making patchwork pillows for friends, was suddenly commissioned by Neiman Marcus to produce 250 of them in short order. “I guess it’s time to finally make a business out of this,” she thought. The result was Peacock Alley — a maker of luxury bed and bath linens for nearly 50 years now. Of course, a lot has changed over the last five decades. Mary Ella has since passed the company on to her sons and the company has since passed into the digital age—a good thing too because, as CEO Jason Needleman put it, “digital saved the business” during the COVID-19 outbreak.

Peacock Alley began as a wholesale-only company. That’s the way it stayed for several decades too. About 10 years ago, the company opened its first retail stores. Just over three years ago, it started selling online. There are the three sides of the business — wholesale, retail, and e-commerce — and, for a long time, the units were arranged in size and importance in the same order. COVID-19 changed all that. During the pandemic, the e-commerce segment became the highest-grossing by far and continues to far outpace the others today.

“Imagine if this pandemic had happened in 1973, 1983, or even 2013 — we might have been toast,” Jason says. “Instead, we just got back to work. We were able to keep selling the same as before and we were able to keep our customers updated as we went along. It’s incredible.” In fact, the company entered the year with extremely optimistic growth projections. Even after the pandemic, the targets did not change.





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“Because we were so digitally plugged in already, we were able to look at our analytics and quickly shift the tone of our marketing and social posts in a way that allowed us to really meet the moment of uncertainty.”

Jason Needleman , Peacock Alley | Dallas, Texas

That should give a good sense of how things went for Peacock Alley at a time of great crisis. It turns out that businesses focused on comfort can do well at a time like that — as long as they have the correct tools to seize the opportunity.

Peacock Alley had the digital tools it needed at a critical moment. “Just about everything we had was already in the cloud,” Jason recalls, thankfully. “Because we were so digitally plugged in already, we were able to look at our analytics and quickly shift the tone of our marketing copy and social posts in a way that allowed us to really meet the moment of uncertainty. We could communicate with our customers both in real-time and in just the right way.” The company’s web platform is powered by Shopify. More than 90% of its marketing is dedicated to digital, promoting products on Google Shopping while maintaining a presence on social media sites such as Instagram, Facebook, Pinterest, and Twitter. So, when it came to communicating with its customers during the pandemic, social media was obviously a direct and easy way to do so. For instance, these channels were helpful in getting the word out when the company started producing masks for donation to Mayo Clinic and local hospitals. In terms of communicating internally, that was just as easy. Peacock Alley’s digitally driven team simply hopped over to Google Meet or jumped on a Zoom call.

“Without digital, we would not be in business right now,” Jason says. “My advice to other small businesses is to be ambitious and take advantage of as many of these free tools as you can. Don’t be afraid to test them out and make changes either. The beauty of digital is that it enables you to adapt and change course quickly.” In other words, be bold and think ahead of the curve—just like Mary Ella Gabler, a woman who founded a start-up decades before the word even came into fashion.



Peeko Oysters

www.peekooysters.com

Peter Stein (Owner)

New Suffolk, New York



Peter Stein has always been interested in aquaculture. So when he found himself laid off from a job in the educational software industry, he decided to turn a difficult moment into an ecologically conscious and life-changing pivot — he started Peeko Oysters, an oyster farm. It foreshadowed a determined grit that would serve him well when the COVID-19 pandemic hit.

Oyster farming is a tough business. It carries hours of day-to-day farm responsibilities coupled with the complicated logistics of actually getting oysters to customers — largely restaurants. New to the industry and with little cash on hand, Peter leaned on a range of low-cost and free digital tools to get Peeko off the ground. He began using FarmersWeb to manage the day-to-day logistics of running a small farm and moving his product to market — everything from order fulfillment and invoicing to accounts receivable. He turned to Google Docs to help manage e-commerce as well as the significant amount of regulatory reporting that a farm requires; he developed a centralized,

customizable Google form that every employee could update in real time and send to respective agencies. Then, to market his new venture, he advertised on social media platforms such as Instagram and via digital newsletters.

“Like many small businesses, I had to do everything on a shoestring budget,” Peter recalls. He also wore all the hats, secretary, CFO, chief marketing officer, farmer and delivery guy. “I cannot envision a world in which I could have gotten my company up and running without these tools at hand,” he says. Before long, things were looking up for Peeko Oysters. Projections showed 2020 was likely to be a banner year for the company, with double the revenue of 2019.

And then, the COVID-19 crisis hit. Restaurants closed their doors, and Peter’s business skidded to an abrupt halt. “We went from doubling our sales to taking in nothing just like that,” Peter says. His solution? Switch to selling directly to customers and changing his





“When COVID first hit, it seemed like Armageddon for my business. In a previous age, it likely would have been. But digital tools allowed us to adapt and survive. Now, we have hope for the future again.”

Peter Stein, Peeko Oysters | New Suffolk, New York

business model on a dime. It sounds impossible, but digital saved the day. Peter says he, “basically got a door-to-door oyster business up and running overnight using a few free and low-cost digital tools.”

From the planning and routing of deliveries to customer service and order management, Peter was able to handle it all using smartphone apps like Venmo. He integrated Shopify into Peeko’s existing website to streamline payment processing and customer communications and, because he couldn’t afford an expensive CRM at the time, he simply created his own using Google Forms and a mail merge add-on that cost \$5 per month.

Then came the challenge of letting potential customers know what he was offering. Turning to his extensive network of contacts in the local community, as well as the then-shuttered restaurant industry, he asked them to consider mentioning his new venture online. Soon, organic posts on Facebook and other social networks confirmed Peter’s hunch that a large untapped market of hungry bivalve aficionados was locked in quarantine. Before long, interest — and orders — poured in.

When customers had questions, he turned to YouTube, creating a channel to answer those questions and post additional content to attract new ones — like the weekly inspiration videos he now produces, and guest content from chefs.

“When COVID first hit, it seemed like Armageddon for my business. In a previous age, it likely would have been,” Peter says. “While I never thought an oyster farm would need so much technology to stay afloat, digital tools are what allowed us to adapt and survive. Now, we have hope for the future again.”



Pietro NYC

www.pietro.nyc

Alex Dabagh (President)

New York, New York



Though Alex Dabagh and his father Pierre Dabagh are from different generations, they've learned a lot from one another through working together on the family business. Today, their manufacturing company, Pietro NYC, is the perfect mixture of tradition and progress — a marriage of last-of-its-kind artisanal craftsmanship with next-level digital technology and flexibility. It's a combination that allowed the business to grow in the modern era and helped it stay resilient during a time of severe economic crisis.

Pierre, a Lebanese immigrant, arrived in American with \$400 in his pocket. He taught himself English while working for a leather handbag manufacturer. When the owner retired, Pierre bought the factory. Alex grew up working in the factory, but his dad hoped he'd leave it all behind for a college education. Alex did a short stint at college but ultimately returned home to work beside his father in a business he enjoyed.

Early on, Alex identified the need to usher Pietro NYC into the digital age. It was a slow process. After moving the company from fax to email, then came a website. At the time it produced handbags and leather goods for some of the top fashion houses and its products were carried in many major retail locations. Eventually, Alex was able to convince his dad that the future lay with digital retail rather than physical department stores alone. Alex shifted the marketing budget from traditional ads to focus on the digital side of the business. "I decided that if we were going to do this e-commerce thing, we'd better do it right," Alex said. "That meant marketing our





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“Without [digital tools], you won’t survive in times of crisis. If you’re not able to access what’s in your office when you can’t be there, then you’re shut down completely.”

Alex Dabagh, Pietro NYC | New York, New York

products, putting ad money behind them, doing social media campaigns, and going after influencers.”

Google Ads and Google Analytics have been two of Alex’s best tools because they help him better understand who his potential customers are and what they want. Instagram and Facebook have also been huge for Pietro NYC. “Social media is like our TV commercial,” Alex explains. “It not only allows us to show off our products but also enables us to connect with customers in a more intimate way. They can get a good look into our brand DNA by seeing how and where our products are made.”

When COVID-19 hit, the company stopped production. Soon, however, Pietro NYC secured a contract to produce aprons and masks for first responders. The company pivoted from making luxury goods to producing personal protective equipment, and Alex and the team took to Pietro NYC’s social channels to explain the change. As the pandemic progressed, Alex wondered if customers might be ready to consider purchasing its flagship products again. The analytics told him they would, so he started spending more on online marketing through services like Google. And, when New York allowed manufacturing to resume, Alex was able to tell the team the exact styles that would appeal most to the customers he hoped to attract. The digitally driven company quickly ramped back up to a healthy sales pace.

“My advice is to be resilient, and use all the free digital tools that are available,” Alex says. “Without them, you won’t survive in times of crisis. If you’re not able to access what’s in your office when you can’t be there, then you’re shut down completely.” Alex points to G Suite, and Google Docs in particular, as tools that helped ensure seamless connectivity for Pietro NYC throughout the pandemic. If Pierre had some advice, it would probably be his favorite phrase — “tomorrow is never promised” — which sums up the small business resiliency mindset perfectly.



ShearShare, Inc

www.shearshare.com

Dr. Tye Caldwell (Cofounder/CEO)
& Courtney Caldwell (Cofounder/COO)
Dallas, Texas



Hair care professionals need available chairs to practice their craft, and hair care salons need staffed chairs to stay in business. The need to pair the two is obvious. When stylists began asking about renting chairs for short-term day leases at the hair salon owned by Dr. Tye Caldwell and his wife, Courtney Caldwell, the couple went with the idea. It worked so well that they soon developed ShearShare, an app meant to automate and scale the process. As a way to adapt to COVID-19, ShearShare has now helped stylists in several ways. They've promoted needed education around the Paycheck Protection Program (PPP) and the Economic Industry Disaster Loan (EIDL). In addition, they've launched digital platforms designed to facilitate new revenue streams for thousands of unemployed hair care professionals.

ShearShare was a digitally first company before COVID-19, owing to a three-month stint in a Google for Startups Accelerator for Black Founders, where the Caldwells began assembling their digital toolkit.

Gmail accounts came first. "Then after bringing on our fully remote team, we set up communications tools like Slack and Zoom to keep in touch," Courtney says. The company uses the Firebase platform to facilitate bookings and Google Maps to direct users to participating salons. The team also uses G Suite tools like Google Sheets and Google Docs for planning and collaboration. And, when it comes to marketing and networking, ShearShare turns to Google Ads, as well as platforms like YouTube, Instagram, LinkedIn, and Twitter.





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“COVID-19 certainly changed our business ... I never could have imagined that, when we launched ShearShare, we would end up helping to fuel the recovery of an industry we both care so much about. It's beyond gratifying.”

Dr. Tye Caldwell & Courtney Caldwell, Shear Share | Dallas, Texas

At the beginning of 2020, ShearShare was a company on the move. Bookings were up by nearly 150% compared to the year before, and the app had grown to cover about 600 cities across the country. Then COVID-19 hit. Revenue dropped to zero in March and stayed there for two months. But the Caldwelles didn't panic. “We decided not to obsess over the short-term pain and instead focus on how we could be most helpful to the community we were there to serve,” Tye explains.

Because of its digital infrastructure, ShearShare was able to adapt fast and offer alternative services to their customer base. To serve their community's needs, the ShearShare team created educational content to help stylists secure PPP loans, make sense of burdensome paperwork, and find local banks to work with. “The primary goal was always to help our fellow industry professionals find ways to put food on the table until the crisis passed,” Courtney says.

The ShearShare team also created a virtual beauty supply store that allowed salon and barbershop owners to sell their products on a central hub.

Supporting the hair care community paid off. According to data from Google Analytics, the ShearShare blog experienced a 295% rise in weekly traffic volume. And a glance at Hubspot revealed marketing email engagement was 75% higher than pre-COVID averages. By the time states began to allow phased reopenings of local businesses, many of the hair care establishments on the ShearShare platform were able to operate at regulated capacity thanks to the app. And, thanks to ShearShare's educational content, they were also able to do so with a fuller understanding of how to keep both workers and customers safe.

“COVID-19 certainly changed our business, but it was mostly for the better because it brought us closer to the community,” Tye says. Courtney agrees and is happy that their digitally-driven business — which is once again growing fast and going strong — was able to help other brick-and-mortar businesses survive and reopen safely. “I never could have imagined that, when we launched ShearShare, we would end up helping to fuel the recovery of an industry we both care so much about,” Courtney says. “It's beyond gratifying.”



Studley's Flower Garden

www.studleys.com

Molly Meulenbroek (Co-owner/Manager)

Rochester, New Hampshire



Spring is the busiest season for companies like Studley's Flower Garden in downtown Rochester, New Hampshire. For this second-generation family-owned company, the onset of COVID-19 seemed to happen at the worst possible time — given the short growing season in New England. But, thanks to taking proactive steps to digitize key operations of the business and build strong relationships with customers over online platforms, Studley's successfully took on this massive challenge.

Studley's has been co-owned and managed by Molly Meulenbroek since 2008. She bought it with two co-owners from the company's founders just as the Great Recession hit. That experience taught Molly plenty of lessons about resilience and perseverance that prepared her to better confront the pandemic with the right digital tools. Studley's began its digital journey with its first website in 2003. Most of the company's business is floral-related but it also has capabilities in other spaces, such as gardening and landscaping.

Six years ago, the company transitioned to a fully customizable site that allowed it to capture and sell across all sides of the business.

By the start of 2020, website product listings were supplemented with information provided by specialized digital tools, like an online plant database that provides customers with in-depth background research and care tips. The website proved crucial when COVID-19 hit and Studley's customers were quarantined at home. The company closed the store to foot traffic and, because of its existing e-commerce capabilities, was able to transition quickly to contactless pickup and delivery.

The company had already established a presence on sites like Instagram and Facebook, and these tools would be vital for staying connected with customers during the pandemic. Molly recalls, "We got on social media where our customers already knew to find us, and we were able to explain how we could continue to safely serve them."





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“We got on social media where our customers already knew to find us, and we were able to explain how we could continue to safely serve them.”

Molly Meulenbroek, Studley's Flower Garden | Rochester, New Hampshire

Studley's had engaged more directly in online marketing over the years too, advertising with both Google and Facebook. Molly is particularly thankful for the ability to bid on her company's name with Google, which has allowed her to compete more effectively with larger national brands. The digital shift for this nearly 100-year-old company was mirrored in its operations as well. Molly and her team used Google technology to promote collaboration and streamline operations even at times when face-to-face communication wasn't possible. The company maintained a series of procedures for staff in a Google Drive, along with sales sheets and other important team documents. When the pandemic struck, the Studley's team was able to get a sense of how to shift based on data from Google Analytics and Facebook Insights. After they decided to go the no-contact route, Molly says the move was “surprisingly easy.”

While initially a scary time for Molly and her team, over time the pandemic began to affect this digitally driven business less and less as it leaned more into its digital capabilities. The company really hit its stride by the time the traditional high-sales season for florists came around. “We had one of our busiest Easters in years, sales-wise,” Molly recalls, “and then came Mother's Day, and our online sales were nearly unprecedented.” In fact, digital sales had tripled over the previous year.

Moving forward, the future looks bright for Studley's. Molly and her team are now looking into increasing Studley's online offerings more broadly across the country. The team is also preparing to try out new digital marketing strategies, using lessons learned over the past few months. As for Molly herself, having now faced both a global financial crisis and a pandemic, she feels more prepared than ever for the next big challenge.



Sunrise Coffee

www.sunrisecoffeelv.com

Juanny Romero (Founder & CEO)

Las Vegas, Nevada

Coffee is all about community. That's how Juanny Romero sees it. Juanny, a former barista, opened her first coffee shop on the first day of the Great Recession of 2008. She now owns three cafes and couldn't think of anything she'd rather be doing more. "The community we have is so important to me," Juanny says. "These aren't just my customers and coworkers—they're my friends."

Digital tools didn't come naturally for Juanny. "My life is all about what I can see, touch, and smell, so I approached the digital world with a little hesitation," she says. Then she developed a healthy understanding of digital tools. It began with her Google Business Profile, almost by accident. "I guess I set it up and forgot," she says. "Then someone told me about these great reviews, and I was blown away." Since then, Juanny has been proactive in updating her company's profile and using Google Analytics to see what's working and what isn't. She also converted her back office into a digital office with G Suite apps like Docs, Calendar, and Drive. These tools help Juanny and her employees do everything from punching in to processing paperwork. She also began using Google Ads to bring in more customers.

"During the good times, it's great to be CEO because you get to drink coffee and talk," Juanny says. "But when a crisis hits, all eyes turn to you." And so, when the COVID-19 pandemic came to Las Vegas, it was initially terrifying. She asked herself: What would happen to her? Her employees? Her company? "I'd survived one recession already, but this was just a different beast altogether," she recalls, "The digital side of the





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“The digital side of the business is what really saved us. Moreover, it opened the door to a whole new online community that is going to continue positively impacting us into the future.”

Juanny Romero, Sunrise Coffee | Las Vegas, Nevada

business is what really saved us. Moreover, it opened the door to a whole new online community that is going to continue positively impacting us into the future.”

Juanny began with some peace of mind knowing that her back office could continue functioning because it had gone digital. And, thanks to the online ordering capabilities she implemented prior to the pandemic, her stores were able to continue doing business digitally. But she also needed to find a way to bring in additional revenue, so she turned to Google Trends to help her assess how best to move forward. She used this data to formulate a new social media and online advertising strategy on platforms like Facebook and Google Ads to drive customers to the part of her business that was almost entirely digital: the sustainably sourced coffee beans she sold online. She also added a web function that allowed visitors to donate coffee to first responders and health care workers. She was amazed at the response: Customers started flocking in droves and buying her coffee online. The media took notice as well.

“We became the coffee shop of Las Vegas because we were helping others,” Juanny says. “The sense of community I found online reminded me of why I started a coffee shop in the first place.” It also saved her company, which went from generating losses to posting a profit during the pandemic.

Juanny is eager to reconnect with her in-person community and has plans to open a new shop within the next month—and three shops within the next year. She also plans to deepen ties with the community she discovered online. She is working hard to produce new products for her customers and new ways for them to donate, too. “I feel like I discovered a superpower when I found these digital tools,” Juanny says. “And I’m excited to continue using them to enhance my company and community.”



The Spice House

www.thespicehouse.com

Charlie Meyer, CEO

Evanston, Illinois



Charlie Meyer loves to cook—always has. And so, when he had an opportunity to take over Spice House, a 60-year-old spice business, he couldn't say no. It was a tough challenge. He'd never run a company, didn't know anything about digital marketing or e-commerce. Plus, he lived in Washington, DC and the company was headquartered in Evanston, IL. However, Charlie's drive, and a passion for digital tools and cloud-based efficiency, turned out to be a great fit for The Spice House. The digital transformation he led enabled it to not only survive but also help others do so as well when crisis struck.

The Spice House prides itself as a purveyor of spices, herbs, blends, and extracts to everyone from Michelin-star chefs to home cooks. It began as a single store on Galena Street in Milwaukee in 1957, and first got on the internet in 2000. Charlie digitized the back office in 2018 and replatformed the website in 2019. He sees the company's future as digitally native and internet-first.

As a first step in early 2018, Charlie introduced Slack and Zoom, which were obvious and necessary tools given that he lived hundreds of miles away. "My remote leadership basically required the adoption of these tools early on," Charlie says, "which is why when COVID hit, communication really wasn't that big of a deal for us; it was just, 'See you on Slack, see you on Zoom.'" But the most important change for the company's operations overall—not to mention its ability to function effectively during a pandemic—was to optimize internet sales, in-store pickups, and customer service operations and communications via platforms like Shopify and Zoho and to digitize its day-to-day functions through G Suite. The company also focused heavily on digital advertising through Google and Facebook.

For Charlie, COVID-19 was a scary and uncertain time. He shut down the company's physical locations, except for online pickup orders. Then his e-commerce





“It is precisely because we have been able to do so well as a digitally connected business that we are able to help others collectively get through the challenging times with us.”

Charlie Meyer, The Spice House | Evanston, Illinois

exploded to record levels. Customers were ready to reconnect with their love of cooking in quarantine, and The Spice House had just what they needed.

“April and May are traditionally the worst months for spice-buying, and November and December, where holiday sales account for the majority of our profit each year, are always the best,” Charlie says. But April and May sales were bigger than the holidays. “The kind of sales we’ve seen are just orders of magnitude larger than anything we would have expected—and there is no way we could’ve done so well if the company were not as digitally connected as it is,” Charlie says.

The company rapidly expanded its workforce, bringing on many workers who had been laid off from local restaurants. Charlie says the ability to help out his colleagues in a struggling industry is one of the most rewarding aspects to come out of this situation. In addition to that is his ability to spotlight other food-related small businesses in his marketing communications and to invite Spice House customers to consider checking them out too. “We’re all in this together,” Charlie says, “and it is precisely because we have been able to do so well as a digitally connected business that we are able to help others collectively get through the challenging times with us.”

Now that many Americans are rediscovering cooking, Charlie can help thanks to his company’s strong digital backbone. “Our systems work the same today as they did three months ago, and it’s really amazing when you think about it,” Charlie says. “The world can go on pause for months at a time, and a cloud-connected business can just go right on.”



The Tiny Tassel

www.thetinytassel.com

Mimi Striplin (Founder/Owner)

Charleston, South Carolina



Mimi Striplin always seems happy, no matter the circumstance. It's a good thing she decided to start a company dedicated to bringing a similar sense of joy to others. Mimi's business, The Tiny Tassel, started as an Etsy shop, and has since grown a lot bigger. Today, The Tiny Tassel offers handmade tassel jewelry, clothing, and a full line of party decor. It has always been a highly digital company. During the pandemic, this connectivity has allowed The Tiny Tassel to be highly resilient. Now, the important lessons learned from that experience — along with the additional digital capability added during it — will allow Mimi's business to continue growing into the future.

Mimi was working in traditional retail when she decided to start that first Etsy shop. Before long, she found herself spending so much time on The Tiny Tassel that she decided to focus on it full time. The first thing Mimi did was create her own website with Squarespace. Next came the logistics of the company. Mimi says that Google products have been important to her from the start, and G Suite provided the best and easiest-to-use tools to get the company going. She still remembers that “official” feeling when she first set up her company's Gmail account. She uses G Suite tools, such as Google Docs and Google Sheets, to track inventory, note expenses, and share financial data with her accountant. For email marketing, Mimi has used both MailChimp and FloDesk. Her most important marketing tool, however, has always been social media. She started using both Facebook and Instagram for visibility and placing ads when her business first launched and eventually added other platforms like Pinterest and Twitter. She also made investments in Google Ads.





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“COVID-19 was a wake-up call to dig deeper and dive stronger into the digital tools we were already using — we needed to learn how to use them even better.”

Mimi Striplin, The Tiny Tassel | Charleston, South Carolina

When COVID-19 struck, Mimi described it as “a wake-up call to dig deeper and dive stronger into the digital tools we were already using — we needed to learn how to use them even better.” Mimi built comprehensive e-commerce capabilities into her website and started figuring out other ways to make her site more accessible and efficient. She picked up the pace on her email marketing and amped up her social media presence. She learned how to better read analytics and understand what her customers wanted more clearly. One product came up over and over again: masks. Mimi started producing a line of cloth masks. “We actually had to close the mask sales because demand just got too high,” Mimi recalls, “but sales across the rest of our website were going crazy, too.”

The company’s initial uncertainty gave way to huge growth. “April was one of the busiest months ever for us, and sales only increased further from there,” Mimi says. “We’re talking about bringing in five times more than in a typical month. And none of that would have been possible without digital tools.”

Mimi says that the lessons she’s learned during the pandemic will continue to benefit her business and her customers. “Being forced to pause through COVID-19 made us sit back and think about what we can do with our business and how we can work both better and smarter,” Mimi says. “It was the kick in the pants we needed to do more of the things we should’ve been doing anyway. These are lessons that we now apply to the business each and every day.” Her advice to other small businesses is to always work with determination and intention because it’s impossible to know what tomorrow might bring. “Don’t work in fear of a crisis, but also never forget that someone could come and pull the rug from under you at any time,” she says. And if that happens? “Double down on your digital tools!”



TomboyX

www.tomboyx.com

Fran Dunaway (CEO/Cofounder) and Naomi Gonzalez (COO/Cofounder)
Seattle, Washington

Fran Dunaway just wanted a button-up shirt that fit well. She never set out to found a business with her wife Naomi Gonzalez. But life sometimes leads us in unexpected directions. Fran's frustration led to a Kickstarter campaign for a shirt company that ultimately evolved into TomboyX, a fast-growing underwear company, with the aim of providing comfort to many who felt unserved by traditional clothing brands. The kind of comfort that Fran and Naomi hoped to provide was more than just in the fit of their clothes — they also set out to provide resources, empathy, and support to the communities that would eventually become their customer base. Fran and Naomi brought their shirt-turned-underwear concept to a Shopify platform in 2012 and started selling directly to customers and TomboyX was born. With the onset of COVID-19, digital tools and social media enabled TomboyX to deliver on its community goals. A grateful community used the company's e-commerce platform to keep a business they believed in going strong amid a global recession.

The company's success has a lot to do with its focus on comfort and quality, but they also believe it has everything to do with the company's core values. "As we always say, TomboyX has an agenda, and it's not simply a feminist agenda or a gay agenda but a human agenda that says we are all people," Fran says. "We see TomboyX as a rebel champion sticking up for what's right because that's what tomboys do."

The mechanics of the business rely heavily on digital tools. YouTube was particularly helpful during the Kickstarter campaign and is something the company has been refocusing on this year. Instagram and Facebook have been central to the business' strategy from the beginning. The company supplements its social media strategy with advertising on platforms such as Google Ads and Pinterest. G Suite and associated tools such as Gmail and Calendar are critical. Other tools that played a big part came from monday.com and Adobe Creative Suite to Klaviyo, Moz, AB Tasty, Canto, Attest, and a host of others. A





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“Without digital tools I don’t know how we would have been able to survive or be there for our community during the pandemic.”

Fran Dunaway, TomboyX | Seattle, Washington

TomboyX favorite is the marketing attribution platform Rockerbox, which integrates other important tools for the company such as Google Analytics.

When the COVID-19 pandemic hit, Fran and Naomi’s attention turned to their customers. They created a list of resources to help those in need — covering everything from mental health to homelessness — and the company used social media to communicate with and provide support to its community in a listening and empathetic capacity. At the same time, TomboyX gained a deeper understanding of marketing analytics and customer insights by investing more fully in Rockerbox and the analytics that fed into it, such as Google Analytics.

The company also turned to Google’s Find My Audience tool to help refine its targeting and track what was trending with the Google Trends feature. While TomboyX had initially braced for a steep decline in sales, something remarkable happened: products began selling out. The customers that made up TomboyX’s tight-knit digital community were looking for something familiar and comfortable at an unnerving time. And, as Fran and Naomi will tell you, there was no way TomboyX would have been able to provide any of it without the digital tools that fueled their business from the start.

“Without digital platforms, there would never have been a TomboyX to begin with,” notes Fran. “And without digital tools,” Naomi adds, “I don’t know how we would have been able to survive or be there for our community during the pandemic.”



Study Results by Key Segment

Study Results by Key Segment

Industries

Industries

Overview

This section of the report includes dashboards containing summary data for SMBs segmented by a number of industries, arranged from the financially most impacted industry to the least as measured by SMB owners' projected revenue declines for 2020.

COVID-19 had widely varying effects on these industries, with some that were affected by government restrictions (e.g., travel) or that are typically conducted in-person (e.g., arts) generally being hit the hardest. Others such as retail fared fairly well, in large part by using digital tools and shifting sales and marketing online. Our research in fact showed a large positive influence of using e-commerce tools on projected revenue for 2020 (see main report).



The Spice House | Evanston, IL

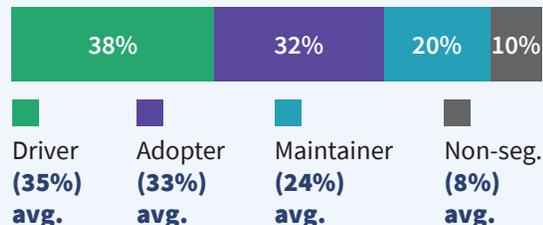
Industries

Travel

The most likely of any industry to have lost their existing customer base due to COVID-19 (44% vs. 33% avg.), travel SMBs faced hardships in the form of reduced demand that even their above-average use of digital tools such as SEO and social media presence were unable to counteract.

As such, travel businesses anticipate the steepest revenue reduction of any vertical and are overwhelmingly focused on how to recover from the damage that COVID-19 has wrought — including how to digitally prepare for the future. Given their current financial hardships, this group is especially deterred by the costs of digital tools, and ROI concerns.

Segment distribution



Average revenue reduction

-27% | **-16% avg.**

% increased use of tools during COVID-19

86% | **72% avg.**

% plan to use tools more post-COVID-19

57% | **53% avg.**

Top 3 tools used pre-COVID-19

- SEO (**79% vs. 64%**)
- Social media/video platforms (**76% vs. 69%**)
- Digital payments (**75% vs. 67%**)

Top barriers to digital tool adoption



% comfort with digital tools pre-COVID-19

63% | **68% avg.**

Top post-COVID-19 questions

How will I...

- Recover from the damages? (**62% vs. 44%**)
- Retain my customer base? (**51% vs. 42%**)
- Digitally prepare for future? (**47% vs. 37%**)

Top 3 tools interested in adopting

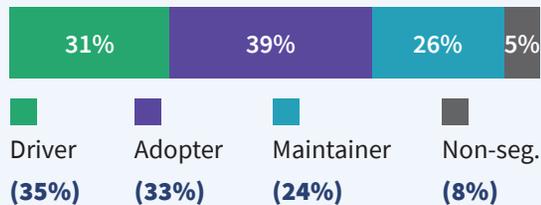
- Online hiring platforms (**14% vs. 8%**)
- CRM platforms (**12% vs. 11%**)
- Collaboration tools (**9% vs. 7%**)
- Online training platforms (**9% vs. 10%**)

Industries

Arts, Education and Entertainment

Like other industries, arts, education, and entertainment SMBs have been forced to think of creative ways to deliver their typical services in a socially distanced world. Challenging their typical in-person delivery of services, COVID-19 pushed these SMBs into greater use of digital tools, especially video conferencing (54% increase in use vs. 38% avg.), where they report the highest increase of any segment. Although these businesses were the most likely of any vertical to adapt or change their offering in response to COVID-19 (58% vs. 49% avg.), they are nonetheless facing among the steepest financial setbacks of any industry (-24% vs. -16% avg), as they continue seeking ways to deliver their services in innovative formats.

Segment distribution



Average revenue reduction

-24% | **-16% avg.**

% increased use of tools during COVID-19

75% | **72% avg.**

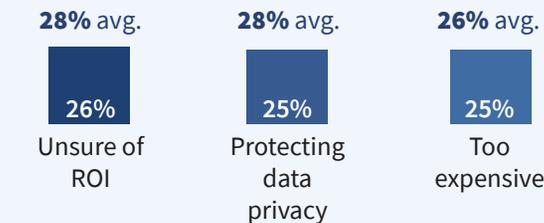
% plan to use tools more post-COVID-19

58% | **53% avg.**

Top 3 tools used pre-COVID-19

- Social media/video platforms (**74% vs. 69%**)
- Business websites (**69% vs. 69%**)
- Video conferencing (**68% vs. 60%**)

Top barriers to digital tool adoption



% comfort with digital tools pre-COVID-19

71% | **68% avg.**

Top post-COVID-19 questions

How will I...

- Recover from the damages? (**44% vs. 44%**)
- Retain my customer base? (**44% vs. 42%**)
- Grow my customer base? (**43% vs. 40%**)

Top 3 tools interested in adopting

- Customer insights tools (**14% vs. 11%**)
- CRM platforms (**14% vs. 11%**)
- Digital ads (**14% vs. 9%**)

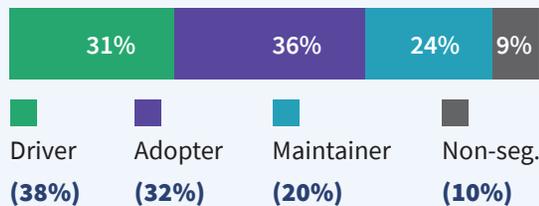
Industries

Food Services

The industry most likely to self describe as “basically non-digital” (32% vs. 26%), most food services SMBs that have survived COVID-19 still had to reduce their hours of operation (56%), and a third (34%) laid off employees. Although these businesses had some technological infrastructure in place prior to the pandemic (71% had a business website, 75% a social media presence), the in-person nature of the industry still resulted in among the heaviest financial losses of any vertical (-21% revenue).

As a result, food service SMBs are especially focused on recovering from the damages of COVID-19 (51%), and most (53%) plan to use digital tools more in the future to help with this effort.

Segment distribution



Average revenue reduction

-21% | **-16% avg.**

% increased use of tools during COVID-19

74% | **72% avg.**

% plan to use tools more post-COVID-19

53% | **53% avg.**

Top 3 tools used pre-COVID-19

- Social media/video platforms (**75% vs. 69%**)
- Business websites (**71% vs. 69%**)
- Digital payments (**68% vs. 67%**)

Top barriers to digital tool adoption



% comfort with digital tools pre-COVID-19

65% | **68% avg.**

Top post-COVID-19 questions

How will I...

- Recover from the damages? (**51% vs. 44%**)
- Retain my customer base? (**42% vs. 42%**)
- Optimize my business operations? (**39% vs. 39%**)

Top 3 tools interested in adopting

- Customer insights tools (**12% vs. 11%**)
- CRM platforms (**11% vs. 11%**)
- Online training platforms (**11% vs. 10%**)

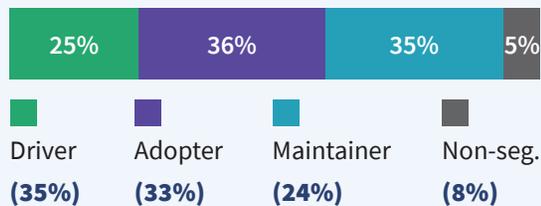
Industries

Services

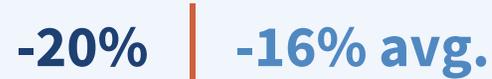
The most likely vertical to consist of non-employer businesses (44% vs. 27% avg.), service industry SMBs tend to be less tech advanced, with the highest proportion of Maintainer businesses (35% vs. 24% avg.). Like other industries, most service SMBs increased their use of digital tools during COVID-19; however, they adjusted at a lower than average rate (61% vs. 72%). These businesses are anticipating a higher than average revenue reduction for the year (-20%).

While approximately half (49%) of service SMBs intend to increase their use of digital tools post-COVID-19, ROI (29%) and costs (24%) remain key barriers.

Segment distribution



Average revenue reduction



% increased use of tools during COVID-19



% plan to use tools more post-COVID-19



Top 3 tools used pre-COVID-19

- Business websites (**58% vs. 69%**)
- Social media/video platforms (**58% vs. 69%**)
- Digital payments (**58% vs. 67%**)
- Collaboration tools (**58% vs. 60%**)

% comfort with digital tools pre-COVID-19



Top post-COVID-19 questions

How will I...

- Grow my customer base? (**43% vs. 40%**)
- Retain my customer base? (**42% vs. 42%**)
- Recover from the damages? (**37% vs. 44%**)

Top 3 tools interested in adopting

- Business websites (**12% vs. 9%**)
- CRM platforms (**11% vs. 11%**)
- Online training platforms (**11% vs. 10%**)
- Business/data analytics (**11% vs. 9%**)

Top barriers to digital tool adoption



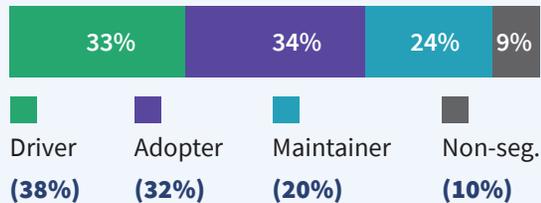
Industries

Health Care

Despite the traditionally in-person nature of health care services, health care SMBs are projecting below average revenue reduction for the year (-14% vs. -16%), perhaps thanks to their use of digital tools. By leaning into such tools as video conferencing (37% increased use during COVID-19, 17% started using for the first time), these health care SMBs were able to continue operating, despite challenges navigating the changing regulatory environment (60%) and sustaining operations (58%).

Post-COVID-19, most (54%) plan to carry on this increased reliance on digital tools, though they are especially concerned with data privacy issues (32%) when considering new tools.

Segment distribution



Average revenue reduction

-14% | **-16% avg.**

% increased use of tools during COVID-19

72% | **72% avg.**

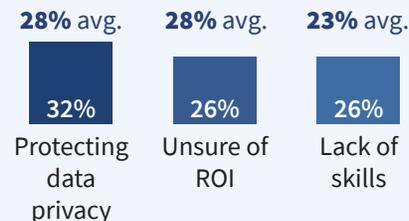
% plan to use tools more post-COVID-19

54% | **53% avg.**

Top 3 tools used pre-COVID-19

- Business websites (**69% vs. 69%**)
- Social media/video platforms (**67% vs. 69%**)
- Search engine optimization/SEO (**65% vs. 64%**)

Top barriers to digital tool adoption



% comfort with digital tools pre-COVID-19

63% | **68% avg.**

Top post-COVID-19 questions

- Recover from the damages? (**44% vs. 44%**)
- Optimize my business operations? (**44% vs. 39%**)
- Retain my customer base? (**39% vs. 42%**)

Top 3 tools interested in adopting

- Customer insights tools (**12% vs. 11%**)
- CRM platforms (**10% vs. 11%**)
- Online training platforms (**9% vs. 10%**)
- Business/data analytics tools (**9% vs. 9%**)
- Digital ads (**9% vs. 9%**)
- Online hiring platforms (**9% vs. 8%**)

Industries

Retail

Although retail SMBs were undoubtedly shaken by COVID-19, they also benefited from a stronger digital infrastructure entering COVID-19 than some of their counterparts in other industries. More likely than the average SMB to have a business website, social media presence, and digital payment structure in place pre-COVID-19, retail SMBs were able to successfully leverage this infrastructure to see them through COVID-19, pivoting from an even mix of on- and offline sales to predominantly online sales. Accordingly, despite disruptions to brick-and-mortar sales, retail SMBs are projecting below average revenue reduction for the year and thinking about not only retaining, but also growing their customer base.

Average revenue reduction

-10% | **-16% avg.**

% comfort with digital tools pre-COVID-19

68% | **68% avg.**

% increased use of tools during COVID-19

64% | **72% avg.**

% plan to use tools more post-COVID-19

49% | **53% avg.**

Top post-COVID-19 questions

How will I...

- Grow my customer base? **(46% vs. 40%)**
- Retain my customer base? **(43% vs. 42%)**
- Recover from the damages? **(38% vs. 44%)**
- Optimize my business operations? **(38% vs. 39%)**

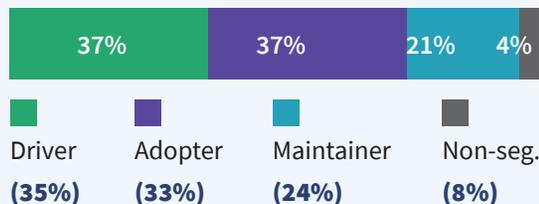
Top 3 tools interested in adopting

- CRM platforms **(14% vs. 11%)**
- Customer insights tools **(14% vs. 11%)**
- Business/data analytics tools **(13% vs. 9%)**

Top 3 tools used pre-COVID-19

- Digital payments **(76% vs. 67%)**
- Social media/video platforms **(72% vs. 69%)**
- Business website **(71% vs. 69%)**

Segment distribution



Top barriers to digital tool adoption

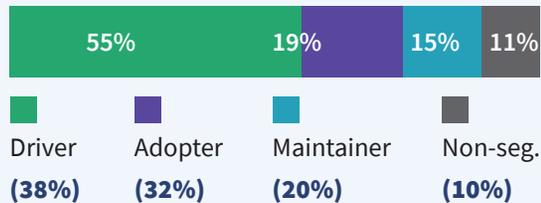


Industries

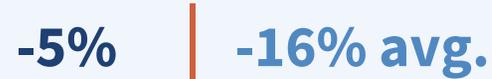
Manufacturing

With the heaviest share of medium rather than small businesses (82% sizes 20–499 vs. 50% avg.), manufacturing SMBs also tended to have a stronger than average technological infrastructure in place pre-COVID-19, making them the only majority–Driver vertical (55% vs. 35% avg.). Not only did these businesses have the highest level of technological comfort pre-COVID-19 (79% vs. 68% avg.); they were the most likely of any industry to increase their tech investments during the pandemic (50% vs. 40% avg.). With less direct reliance on consumers, manufacturing SMBs project much smaller revenue losses than other industries (–5% vs. –16% avg.) as well as above average optimism (43% vs. 37% avg.).

Segment distribution



Average revenue reduction



% comfort with digital tools pre-COVID-19



% increased use of tools during COVID-19



% plan to use tools more post-COVID-19



Top 3 tools used pre-COVID-19

- Business websites (**81% vs. 69%**)
- SEO (**79% vs. 64%**)
- Video conferencing (**78% vs. 60%**)

Top post-COVID-19 questions

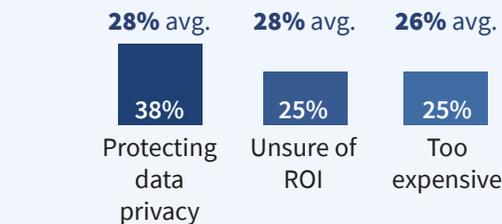
How will I...

- Recover from the damages? (**42% vs. 44%**)
- Grow my customer base? (**42% vs. 40%**)
- Optimize my business operations? (**42% vs. 39%**)
- Digitally prepare for future (**42% vs. 37%**)

Top 3 tools interested in adopting

- CRM platforms (**9% vs. 11%**)
- Online training platforms (**8% vs. 10%**)
- Customer insights tools (**7% vs. 11%**)
- Local listings (**7% vs. 9%**)

Top barriers to digital tool adoption





Studley's Flower Garden | Rochester, NH

Study Results by Key Segment

Communities (Gender, Military Status, Race/Ethnicity)

Category Dashboards: Communities

Overview

This section of the report includes dashboards containing summary data for SMB owners/leaders from a number of community segments of interest, as follows: women- and men-led SMBs, veteran-led SMBs, and SMBs led by people of color.

As described in the main report, we found that because women-led SMBs tend to over index as Adapters and Maintainers, they are somewhat less digitally prepared than those led by men who tend to over-index as Drivers, though not drastically. Veteran-led businesses fared very well in comparison to all SMBs and most segments of any kind; this is likely in part because they are almost three-quarters led by men, who tend to over-index as Drivers, combined with their leadership skills gained in the military. Finally, SMBs run by people from underrepresented groups have varying relationships with digital tools.



Goodr | Atlanta, GA

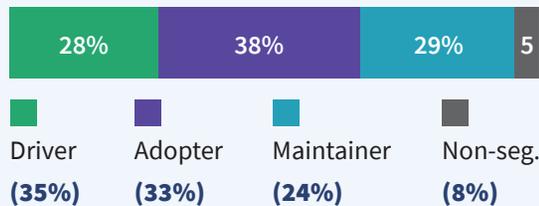
Communities

Women-Led SMBs

Somewhat less tech-advanced than male-led SMBs (disproportionately Adopters and Maintainers), women-led SMBs were also less able to capitalize on and lean into their digital infrastructure during COVID-19, leaned disproportionately on personal savings to see their businesses through COVID-19 (36% vs. 29% avg.), and saw worse than average business outcomes as a result of COVID-19.

Like other SMBs, however, most (58%) are eager to learn more about digital tools for their business, though ROI (26%) and costs (25%) are barriers.

Segment distribution



Driver (35%) Adopter (33%) Maintainer (24%) Non-seg. (8%)

Average revenue reduction

-20% | **-16% avg.**

% increased use of tools during COVID-19

65% | **72% avg.**

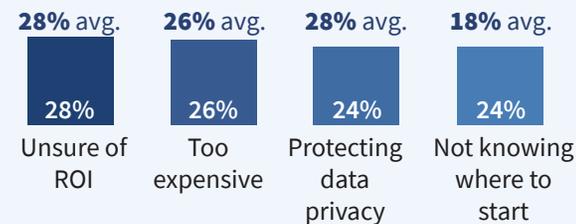
% plan to use tools more post-COVID-19

51% | **53% avg.**

Top 3 tools used pre-COVID-19

- Social media/video platforms (**66% vs. 69%**)
- Business websites (**64% vs. 69%**)
- Digital payments (**62% vs. 67%**)

Top barriers to digital tool adoption



% comfort with digital tools pre-COVID-19

66% | **68% avg.**

Top post-COVID-19 questions

How will I...

- Recover from the damages? (**43% vs. 44%**)
- Grow my customer base? (**42% vs. 40%**)
- Retain my customer base? (**41% vs. 42%**)

Top 3 tools interested in adopting

- Customer insights tools (**13% vs. 11%**)
- CRM platforms (**13% vs. 11%**)
- Business/data analytics tools (**12% vs. 9%**)
- Digital ads (**12% vs. 9%**)
- Business website (**12% vs. 9%**)

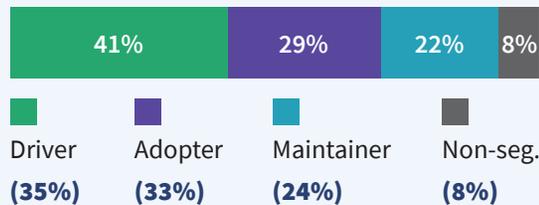
Communities

Veteran-Led SMBs

Veteran-led SMBs entered the pandemic with higher than average digital preparation (41% Drivers, 56% with e-commerce vs. 52% avg.) and were also above average in being able to access the loans their business needed (40% vs. 33% avg.); as such, they enjoyed significantly better business outcomes (-7% revenue reduction vs. -16% avg.) than other SMBs.

Like other SMBs, they increased their use of digital tools during COVID-19, and most intend to make heavier use of digital tools going forward, with the strongest interest in adopting CRM platforms, customer insights tools, and online training platforms.

Segment distribution



Average revenue reduction

-7% | **-16% avg.**

% increased use of tools during COVID-19

69% | **72% avg.**

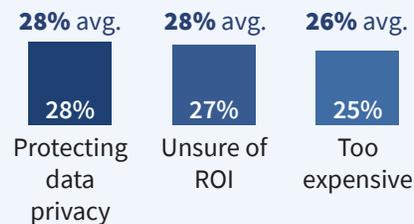
% plan to use tools more post-COVID-19

51% | **53% avg.**

Top 3 tools used pre-COVID-19

- Business websites (**70% vs. 69%**)
- Digital payments (**68% vs. 67%**)
- Social media/video platforms (**64% vs. 69%**)

Top barriers to digital tool adoption



% comfort with digital tools pre-COVID-19

71% | **68% avg.**

Top post-COVID-19 questions

How will I...

- Recover from the damages? (**43% vs. 44%**)
- Grow my customer base? (**39% vs. 40%**)
- Optimize my business operations? (**38% vs. 39%**)

Top 3 tools interested in adopting

- CRM platforms (**11% vs. 11%**)
- Customer insights tools (**9% vs. 11%**)
- Online training platforms (**8% vs. 10%**)
- Business/data analytics (**8% vs. 9%**)
- Local listings (**8% vs. 9%**)

Communities

Black-Led SMBs

Black-led SMBs are a case study in preparedness. With an overrepresentation of Drivers, Black-led businesses successfully leveraged the Digital Safety Net to offset the systemic challenges they faced (e.g., lower access to public loans) during COVID-19.

With above-average comfort with digital tools and a stronger technological infrastructure, those Black-led businesses that survived COVID-19 actually predict stronger revenue outcomes than the average SMB. Validated in their digital strategy, these businesses also plan to lean into tech more in the future.

Average revenue reduction

-27% | **-16% avg.**

% comfort with digital tools pre-COVID-19

71% | **68% avg.**

% increased use of tools during COVID-19

86% | **72% avg.**

Top post-COVID-19 questions

How will I...

- Recover from the damages? (**46% vs. 44%**)
- Digitally prepare for future? (**46% vs. 37%**)
- Optimize my business operations? (**45% vs. 39%**)

% plan to use tools more post-COVID-19

57% | **53% avg.**

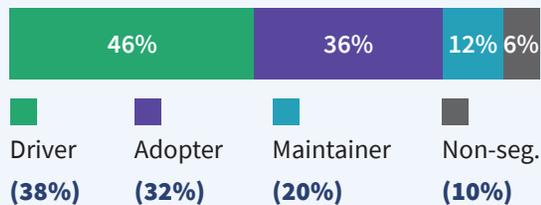
Top 3 tools interested in adopting

- Local listings (**11% vs. 9%**)
- Online training platforms (**11% vs. 10%**)
- Customer insights tools (**10% vs. 11%**)

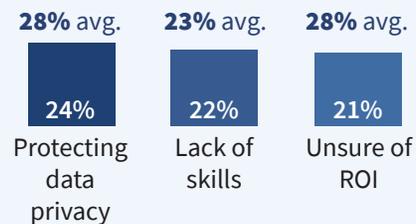
Top 3 tools used pre-COVID-19

- Business websites (**73% vs. 69%**)
- Digital payments (**73% vs. 67%**)
- Social media/video platforms (**72% vs. 69%**)

Segment distribution



Top barriers to digital tool adoption



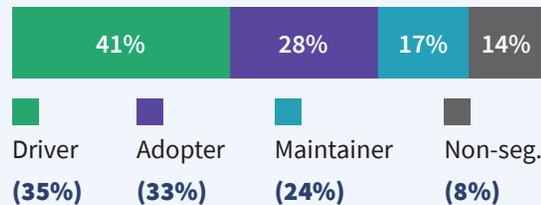
Communities

Latinx-Led SMBs

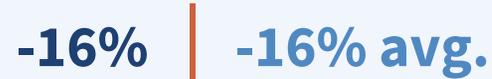
While Latinx-led SMBs tended to have higher than average levels of digital preparation pre-COVID-19, they work in disproportionately non-digital industries (30% vs. 26% avg.), making it harder for digital tools to offset COVID-19-associated hardships such as below-average access to public loans for this group. As such, they face average projected revenue reduction, despite their heavy use of digital tools both prior to and during COVID-19.

Although most plan to increase their use of digital tools post-COVID-19, Latinx-led SMBs are especially deterred by data privacy issues and the cost of additional tools.

Segment distribution



Average revenue reduction



% comfort with digital tools pre-COVID-19



% increased use of tools during COVID-19



Top post-COVID-19 questions

How will I...

- Recover from the damages? (**51% vs. 44%**)
- Digitally prepare for future? (**48% vs. 37%**)
- Optimize my business operations? (**46% vs. 39%**)

% plan to use tools more post-COVID-19



Top 3 tools interested in adopting

- Online training platforms (**12% vs. 10%**)
- Online hiring platforms (**12% vs. 8%**)
- CRM platforms (**11% vs. 11%**)

Top 3 tools used pre-COVID-19

- Digital payments (**78% vs. 67%**)
- Social media/video platforms (**77% vs. 69%**)
- SEO (**76% vs. 64%**)

Top barriers to digital tool adoption



Communities

Asian-Led SMBs

Despite relatively high technological preparation pre-COVID-19 (38% Drivers vs. 35% avg.) and a strong tendency to adapt their products and services to meet changing consumer demands (56% vs. 49% avg.), Asian-led SMBs nonetheless anticipate the steepest revenue reductions of any racial group and are the most likely to have temporarily closed business locations (28% vs. 23% avg.).

Ever-resilient, these businesses are the most inclined to increase their use of digital tools post-COVID-19 (66% vs. 53% avg.) and to learn more about how to use them to support their business (66% vs. 58% avg.).

Average revenue reduction

-19% | **-16% avg.**

% increased use of tools during COVID-19

78% | **72% avg.**

% plan to use tools more post-COVID-19

66% | **53% avg.**

% comfort with digital tools pre-COVID-19

68% | **68% avg.**

Top post-COVID-19 questions

How will I...

- Recover from the damages? **(50% vs. 44%)**
- Optimize my business operations? **(47% vs. 39%)**
- Retain my customer base? **(43% vs. 42%)**

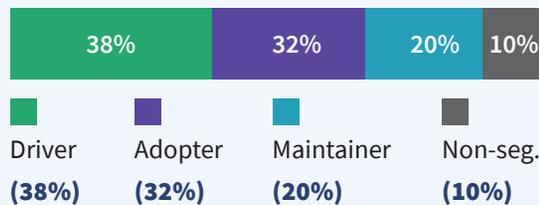
Top 3 tools interested in adopting

- Online hiring platforms **(18% vs. 8%)**
- Business/data analytics tools **(16% vs. 9%)**
- CRM platforms **(14% vs. 11%)**

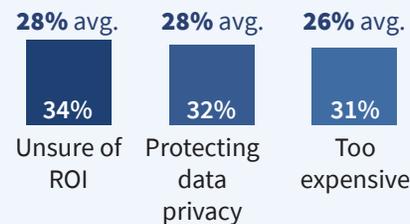
Top 3 tools used pre-COVID-19

- SEO **(73% vs. 64%)**
- Social media/video platforms **(72% vs. 69%)**
- Business websites **(70% vs. 69%)**
- Collaboration tools **(70% vs. 60%)**

Segment distribution



Top barriers to digital tool adoption





Kettlebell Kings | Austin, TX

Study Results by Key Segment

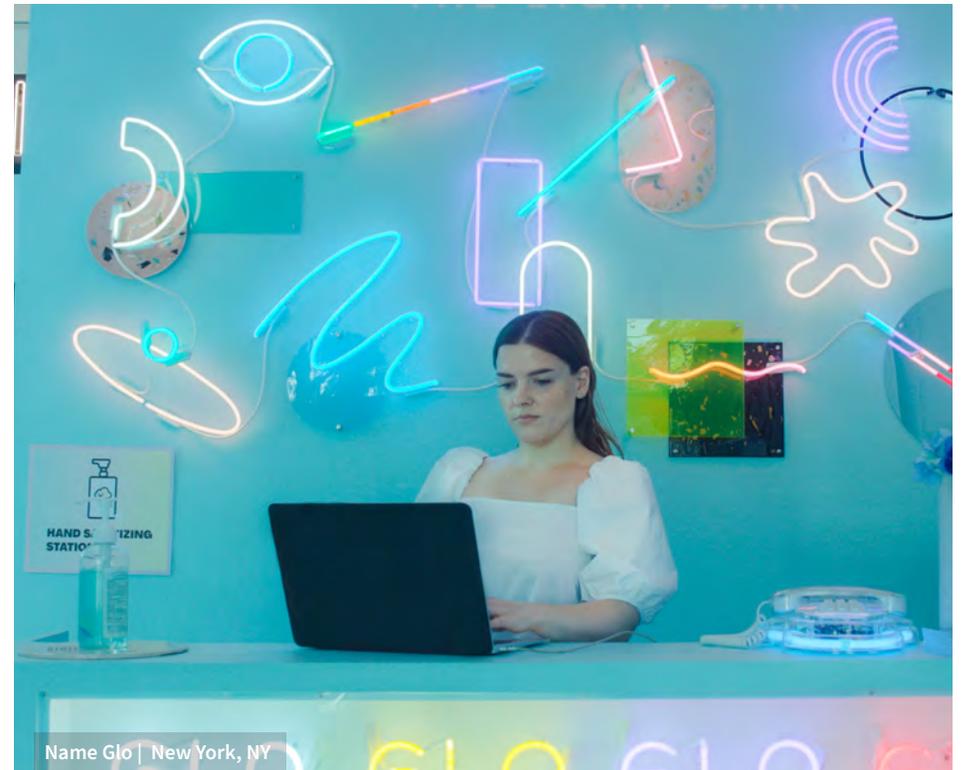
States

States

Overview

This section of the report contains “dashboards” with summary data for SMBs for all 50 U.S. states, detailing answers for key questions in our survey. They are arranged in alphabetical order, from Alabama to Wyoming.

States varied in their relationship to digital tools and their projected economic outcomes for the year about as much as individual businesses did — some like Nevada and Arizona had an overrepresentation of Driver SMBs and a corresponding relatively positive economic outlook (for SMBs) for 2020. Others were the exact opposite, with many in a spectrum between them. In rare cases such as Oregon and New Hampshire, the correlation did not fit (i.e., there were many Drivers but a poor economic outlook). We speculate this is due to local factors and possibly industry representation within these states.



Name Glo | New York, NY

States



Alabama

Alabama's high percentage of Drivers (51%) ranked in the top five among all states, and also ranked in the top five for revenue projections, doing substantially better than the national average (-7% vs -16% avg.). Alabama SMBs also had a high comfort level (77%) with digital tools heading into the crisis. In line with the national average, more than half of SMBs (53%) plan on using more digital tools post-COVID-19; however, most (52%) need more information about such tools and are concerned about cost (41%) and protecting privacy (27%).

Average revenue reduction

-7% | **-16% avg.**

% comfort with digital tools pre-COVID-19

77% | **68% avg.**

% increased use of tools during COVID-19

79% | **72% avg.**

Top post-COVID-19 questions

How will I...

- Recover from the damage done by COVID-19? **(50% vs. 44%)**
- Optimize my business operations? **(46% vs. 39%)**
- Digitally prepare my business for the future? **(42% vs. 37%)**

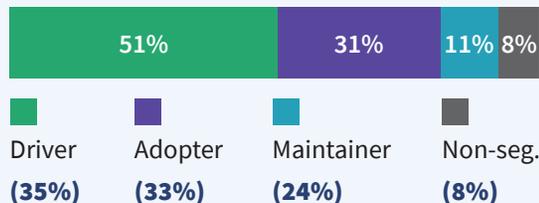
% plan to use tools more post-COVID-19

53% | **53% avg.**

Top 3 tools interested in adopting

- Digital ads **(12% vs. 9%)**
- Customer insights tools **(12% vs. 11%)**
- Online training platforms **(11% vs. 10%)**

Segment distribution



Top barriers to digital tool adoption



Top 3 learning formats of interest

- Step-by-step video tutorials **(57% vs. 56%)**
- Webinars or livestreams **(49% vs. 47%)**
- Step-by-step written guides **(39% vs. 42%)**



States

Alaska

Alaska SMBs were among the hardest hit (-20% revenue projections), despite nearly 7-in-10 (69%) feeling they were technologically prepared for the crisis. 64% of SMBs invested more in technology as a result of COVID-19 and 60% adapted or changed their product offerings in the process. Three-quarters of Alaska SMBs plan to beef up their technology infrastructure but are most concerned about their lack of knowledge (52%) and cost (47%).

Average revenue reduction

-20% | **-16% avg.**

% increased use of tools during COVID-19

97% | **72% avg.**

% plan to use tools more post-COVID-19

61% | **53% avg.**

Top 3 tools used pre-COVID-19

- Online marketplace (**93% vs. 53%**)
- Social media/video platforms (**90% vs. 69%**)
- Search engine optimization/SEO (**82% vs. 64%**)
- Digital ads (**82% vs. 58%**)
- Business/data analytics tools (**82% vs. 54%**)

% comfort with digital tools pre-COVID-19

62% | **68% avg.**

Top post-COVID-19 questions

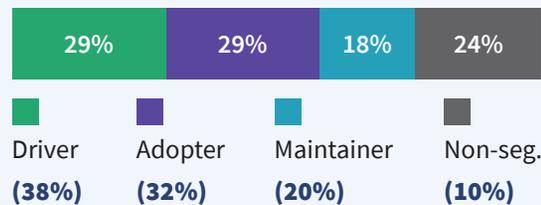
How will I...

- Digitally prepare for the future? (**75% vs. 37%**)
- Recover from the damage done by COVID-19? (**52% vs. 44%**)
- Optimize my business operations? (**51% vs. 39%**)

Top 3 tools interested in adopting

- Online hiring platforms (**22% vs. 8%**)
- Online training platforms (**10% vs. 10%**)
- Business website (**8% vs. 9%**)
- Collaboration tools (**8% vs. 7%**)

Segment distribution



Top barriers to digital tool adoption



Top 3 learning formats of interest

- Step-by-step written guides (**58% vs. 42%**)
- Step-by-step video tutorials (**48% vs. 56%**)
- Case studies about businesses like mine (**44% vs. 31%**)



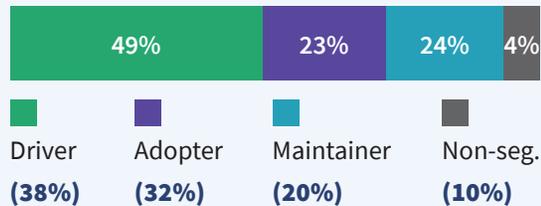
States



Arizona

Arizona ranked in the top five among states for the highest percentage (49%) of Drivers and subsequently in the top 10 for projected revenue (-8% vs. -16% avg.). 41% of Arizona SMBs successfully retained or even grew their customer base during the crisis. Arizona SMBs relied heavily on social media (74%), a business website (74%) and SEO (69%) to provide momentum heading into COVID-19, and they are now focused on growing (45%) and retaining (42%) their customer base and optimizing their business operations (41%). However, they are most concerned about information deficit (56%), cost (52%), and ROI (37%).

Segment distribution



Average revenue reduction

-8% | **-16% avg.**

% increased use of tools during COVID-19

71% | **72% avg.**

% plan to use tools more post-COVID-19

51% | **53% avg.**

Top 3 tools used pre-COVID-19

- Search engine optimization/SEO (**69% vs. 64%**)
- Business website (**74% vs. 69%**)
- Social media and video platforms (**74% vs. 69%**)

Top barriers to digital tool adoption



% comfort with digital tools pre-COVID-19

69% | **68% avg.**

Top post-COVID-19 questions

How will I...

- Optimize my business operations? (**41% vs. 39%**)
- Retain my customer base? (**42% vs. 42%**)
- Grow my customer base? (**45% vs. 40%**)

Top 3 tools interested in adopting

- Social media and video platforms (**8% vs. 6%**)
- Local listings (**8% vs. 9%**)
- Digital ads (**8% vs. 9%**)
- CRM platforms (**8% vs. 11%**)

Top 3 learning formats of interest

- Webinars or livestreams (**41% vs. 47%**)
- Step-by-step video tutorials (**53% vs. 56%**)
- 1:1 consultations (**41% vs. 27%**)

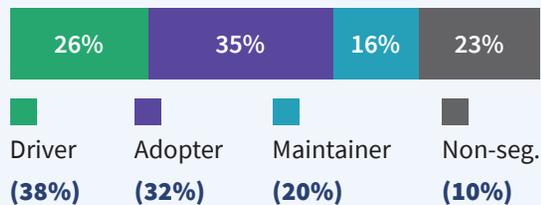


States

Arkansas

Arkansas ranked in the bottom 10 among states for projected revenue (-22% vs. -16% avg). COVID-19 made 46% of Arkansas SMBs reassess their approach to digital tools, and only about 4-in-10 felt technologically prepared for it. The state has a slightly higher than average percentage of Adopters (35%), which could account for a higher than average percentage (59%) planning to use more digital tools post-COVID-19. However, for Arkansas SMBs, the biggest barrier to adoption of digital tools is an information deficit (73%). As such, they are most interested in learning about new tools via step-by-step video tutorials (51%), webinars (49%) and step-by-step written guides (47%).

Segment distribution



Average revenue reduction

-22% | **-16% avg.**

% increased use of tools during COVID-19

87% | **72% avg.**

% plan to use tools more post-COVID-19

59% | **53% avg.**

Top 3 tools used pre-COVID-19

- Search engine optimization/SEO (**83% vs. 64%**)
- Social media/video platforms (**82% vs. 69%**)
- Digital payments (**84% vs. 67%**)

Top barriers to digital tool adoption



% comfort with digital tools pre-COVID-19

43% | **68% avg.**

Top post-COVID-19 questions

How will I...

- Retain my customer base? (**55% vs. 42%**)
- Recover from the damage done by? COVID-19 (**67% vs. 44%**)
- Digitally prepare for future? (**47% vs. 37%**)

Top 3 tools interested in adopting

- CRM platforms (**10% vs. 11%**)
- Collaboration tools (**18% vs. 7%**)
- Online training platforms (**11% vs. 10%**)

Top 3 learning formats of interest

- Webinars or livestreams (**49% vs. 47%**)
- Step-by-step video tutorials (**51% vs. 56%**)
- Step-by-step written guides (**47% vs. 42%**)



States

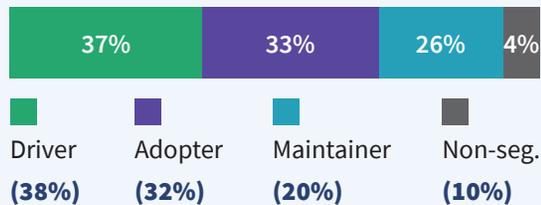


California

A state tracking closely with the trends and diversity of the nation as a whole, many California SMBs had a basic digital infrastructure including a web and social media presence prior to COVID-19, and they leaned more heavily on digital tools during COVID-19 than previously.

With an average -16% revenue reduction on the year, these businesses are heavily oriented towards recovery (40%) and growing their customer base (41%), and most (59%) intend to increase their use of digital tools in support of these aims, even while they worry about data privacy (28%), ROI (26%), and costs (43%).

Segment distribution



Average revenue reduction

-16% | **-16% avg.**

% increased use of tools during COVID-19

72% | **72% avg.**

% plan to use tools more post-COVID-19

59% | **53% avg.**

Top 3 tools used pre-COVID-19

- Business website (**72% vs. 69%**)
- Social media/video platforms (**66% vs. 69%**)
- Video Conferencing (**65% vs. 60%**)

Top barriers to digital tool adoption



% comfort with digital tools pre-COVID-19

71% | **68% avg.**

Top post-COVID-19 questions

How will I...

- Optimize my business operations? (**38% vs. 39%**)
- Grow my customer base? (**41% vs. 40%**)
- Recover from the damage done by COVID-19? (**40% vs. 44%**)

Top 3 tools interested in adopting

- Digital ads (**12% vs. 9%**)
- CRM platforms (**12% vs. 11%**)
- Customer insights tools (**12% vs. 11%**)

Top 3 learning formats of interest

- Webinars or livestreams (**49% vs. 47%**)
- Step-by-step video tutorials (**54% vs. 56%**)
- Step-by-step written guides (**43% vs. 42%**)



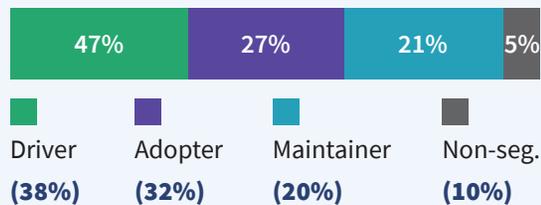
States

Colorado

With a high percentage of SMBs in the Driver segment, Colorado is a case study for when high adoption of digital tools is associated with better business outcomes during COVID-19.

Like Driver businesses overall, Colorado SMBs are especially likely to identify digital tools as more helpful to them during COVID-19 than previously, but are capped out at how many digital tools they can implement. For Colorado, technological infrastructure and investments ahead of COVID-19 led to better revenue outcomes, and greater technological momentum moving forward.

Segment distribution



Average revenue reduction

-12% | **-16% avg.**

% increased use of tools during COVID-19

71% | **72% avg.**

% plan to use tools more post-COVID-19

47% | **53% avg.**

Top 3 tools used pre-COVID-19

- Business website **(70% vs. 69%)**
- Social media and video platforms **(69% vs. 69%)**
- Digital payments **(71% vs. 67%)**

Top barriers to digital tool adoption



% comfort with digital tools pre-COVID-19

71% | **68% avg.**

Top post-COVID-19 questions

How will I...

- Optimize my business operations? **(45% vs. 39%)**
- Grow my customer base? **(51% vs. 40%)**
- Recover from the damage done by COVID-19? **(47% vs. 44%)**

Top 3 tools interested in adopting

- Search engine optimization / SEO **(7% vs. 8%)**
- Business website **(8% vs. 9%)**
- Digital ads **(7% vs. 9%)**
- Customer insights tools **(8% vs. 11%)**

Top 3 learning formats of interest

- Webinars or livestreams **(50% vs. 47%)**
- Step-by-step video tutorials **(56% vs. 56%)**
- Step-by-step written guides **(41% vs. 42%)**

States

Connecticut

Although Connecticut had a slightly lower than average percentage of Drivers (33%), it still ranked among the top 10 among states for revenue projections (-12% vs. -16% avg.). Connecticut SMBs leaned heavily into SEO (73%), social media (67%) and customer relationship management tools (66%), while almost half (48%) increased their investment in digital tools during COVID-19. They are now most interested in recovery (50%), retaining their customer base (41%) and optimizing business operations (40%). Their top barriers to digital tool adoption are an information deficit (59%), cost (42%) and lack of skills (37%).

Average revenue reduction

-12% | **-16% avg.**

% comfort with digital tools pre-COVID-19

65% | **68% avg.**

% increased use of tools during COVID-19

84% | **72% avg.**

Top post-COVID-19 questions

How will I...

- Optimize my business operations?

(40% vs. 39%)

- Retain my customer base? **(41% vs. 42%)**

- Recover from the damage done by COVID-19?

(50% vs. 44%)

% plan to use tools more post-COVID-19

52% | **53% avg.**

Top 3 tools interested in adopting

- Business website **(10% vs. 9%)**

- CRM platforms **(10% vs. 11%)**

- Online training platforms **(10% vs. 10%)**

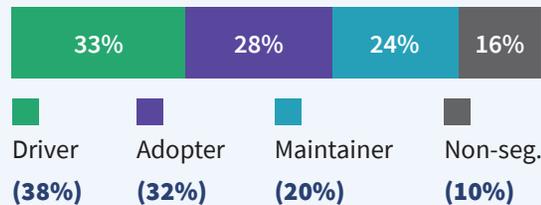
Top 3 tools used pre-COVID-19

- Search engine optimization/SEO **(73% vs. 64%)**

- Social media/video platforms **(67% vs. 69%)**

- Online marketplace **(66% vs. 53%)**

Segment distribution



Top barriers to digital tool adoption



Top 3 learning formats of interest

- Webinars or livestreams **(50% vs. 47%)**

- Step-by-step video tutorials **(62% vs. 56%)**

- In person classes **(41% vs. 30%)**



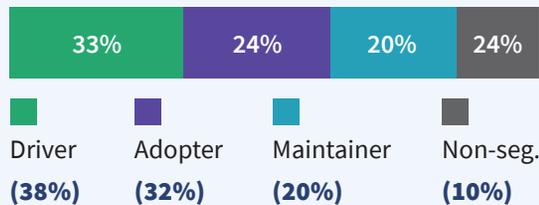
States



Delaware

Delaware had below average numbers of Drivers and Adopters, while its Maintainers hit the national average (20%). Despite this, just over half (51%) of Delaware SMBs felt technologically prepared for the COVID-19 crisis, although their projected revenue numbers (-19%) were below the national average. Delaware SMBs plan to use digital tools more (59%) post-COVID-19, concentrating on setting up a business website (15%), using online hiring platforms (14%) and video conferencing (12%). To do this Delaware SMBs will have to overcome a high information deficit (69%), cost concerns (49%) and worries about protecting privacy (57%).

Segment distribution



Average revenue reduction

-19% | **-16% avg.**

% increased use of tools during COVID-19

97% | **72% avg.**

% plan to use tools more post-COVID-19

59% | **53% avg.**

Top 3 tools used pre-COVID-19

- Search engine optimization/SEO (**86% vs. 64%**)
- Social media/video platforms (**84% vs. 69%**)
- Digital payments (**85% vs. 67%**)

Top barriers to digital tool adoption



% comfort with digital tools pre-COVID-19

41% | **68% avg.**

Top post-COVID-19 questions

How will I...

- Retain my customer base? (**54% vs. 42%**)
- Recover from the damage done by COVID-19? (**50% vs. 44%**)
- Digitally prepare for future? (**60% vs. 37%**)

Top 3 tools interested in adopting

- Business website (**15% vs. 9%**)
- Video Conferencing (**12% vs. 6%**)
- Online training platforms (**14% vs. 10%**)

Top 3 learning formats of interest

- Webinars or livestreams (**41% vs. 47%**)
- Step-by-step video tutorials (**40% vs. 56%**)
- Step-by-step written guides (**59% vs. 42%**)



States



Florida

Florida ranked in the top 10 among states in its percentage of Drivers (36%) and reported slightly better than average revenue projections (-15% vs. -16% avg.). They had a higher than average comfort level with technology (72%) and nearly half (48%) felt technologically prepared for COVID-19. Post-COVID-19, Florida SMBs will be focused on both growing (46%) and retaining (41%) their customer base. Now, Florida SMBs are most interested in adopting a business website (10%), customer relationship management tools (10%) and being involved in e-commerce (10%).

Average revenue reduction

-15% | **-16% avg.**

% comfort with digital tools pre-COVID-19

72% | **68% avg.**

% increased use of tools during COVID-19

68% | **72% avg.**

Top post-COVID-19 questions

How will I...

- Retain my customer base? **(41% vs. 42%)**
- Grow my customer base? **(46% vs. 40%)**
- Recover from the damage done by COVID-19? **(48% vs. 44%)**

% plan to use tools more post-COVID-19

51% | **53% avg.**

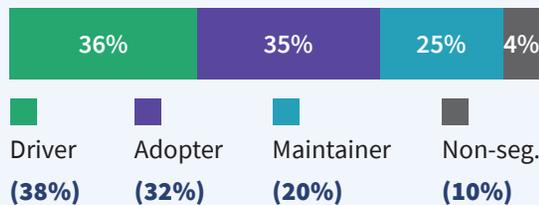
Top 3 tools interested in adopting

- Business website **(10% vs. 9%)**
- CRM platforms **(10% vs. 11%)**
- Online marketplace **(10% vs. 6%)**

Top 3 tools used pre-COVID-19

- Business website **(67% vs. 69%)**
- Digital payments **(69% vs. 67%)**
- Collaboration tools **(66% vs. 60%)**

Segment distribution



Top barriers to digital tool adoption



Top 3 learning formats of interest

- Webinars or livestreams **(52% vs. 47%)**
- Step-by-step video tutorials **(57% vs. 56%)**
- Step-by-step written guides **(40% vs. 42%)**



States

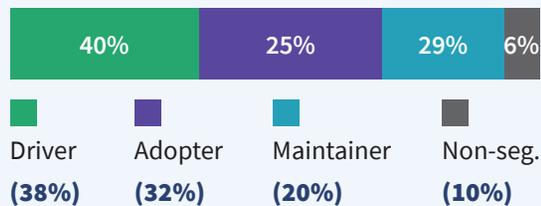


Georgia

With a high percentage of SMBs in the Driver segment, Georgia offers an example of high adoption of digital tools associated with better business outcomes during COVID-19.

Most Georgia SMBs had infrastructure like a business website, social media presence, and digital payments (71% for each) set up prior to COVID-19, and over two-thirds (68%) increased their use of these tools during COVID-19. Most (55%) plan to increase their use of digital tools in the future, but need to be convinced of ROI (29%) before adopting specific tools.

Segment distribution



Average revenue reduction

-11% | **-16% avg.**

% increased use of tools during COVID-19

68% | **72% avg.**

% plan to use tools more post-COVID-19

55% | **53% avg.**

Top 3 tools used pre-COVID-19

- Business website (**71% vs. 69%**)
- Social media/video platforms (**71% vs. 69%**)
- Digital payments (**71% vs. 67%**)

Top barriers to digital tool adoption



% comfort with digital tools pre-COVID-19

66% | **68% avg.**

Top post-COVID-19 questions

How will I...

- Optimize my business operations? (**43% vs. 39%**)
- Retain my customer base? (**42% vs. 42%**)
- Recover from the damage done by COVID-19? (**40% vs. 44%**)

Top 3 tools interested in adopting

- Business website (**13% vs. 9%**)
- Local listings (**10% vs. 9%**)
- CRM platforms (**10% vs. 11%**)

Top 3 learning formats of interest

- Webinars or livestreams (**46% vs. 47%**)
- Step-by-step video tutorials (**56% vs. 56%**)
- Step-by-step written guides (**40% vs. 42%**)



States



Hawaii

Despite ranking in the top 10 among states for its percentage of Drivers (42%), Hawaii's SMBs projected revenue was below the national average (-19% vs. -16% avg.). Hawaii SMB leaders had a significantly lower than average comfort level (47%) with digital tools than the national average (68%). Almost half (45%) of Hawaii SMBs reported they were able to sustain or even grow their customer base during the crisis and 58% are thinking more about how to grow their businesses. Moving forward, 56% of Hawaii SMBs are focused on digitally preparing their businesses for the future.

Average revenue reduction

-19% | **-16% avg.**

% comfort with digital tools pre-COVID-19

47% | **68% avg.**

% increased use of tools during COVID-19

81% | **72% avg.**

Top post-COVID-19 questions

How will I...

- Retain my customer base? (**50% vs. 42%**)
- Recover from the damage done by? COVID-19 (**48% vs. 44%**)
- Digitally prepare for future? (**56% vs. 37%**)

% plan to use tools more post-COVID-19

70% | **53% avg.**

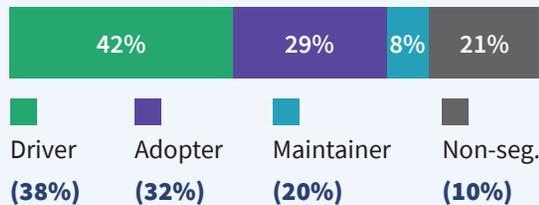
Top 3 tools interested in adopting

- Video Conferencing (**17% vs. 6%**)
- Collaboration tools (**14% vs. 7%**)
- Online hiring platforms (**15% vs. 8%**)

Top 3 tools used pre-COVID-19

- Search engine optimization/SEO (**84% vs. 69%**)
- Business website (**90% vs. 69%**)
- Business/data analytics tools (**82% vs. 54%**)

Segment distribution



Top barriers to digital tool adoption



Top 3 learning formats of interest

- Webinars or livestreams (**45% vs. 47%**)
- Case studies about businesses like mine (**42% vs. 31%**)
- Step-by-step video tutorials (**65% vs. 56%**)



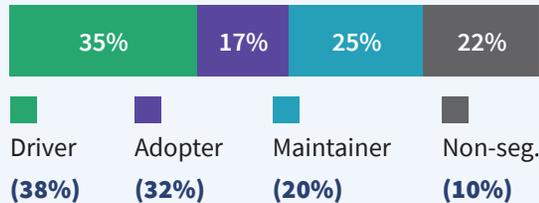
States



Idaho

Idaho reported a higher than average percentage of Drivers (35%) and slightly higher percentage (25%) of Maintainers; Idaho SMBs reported just slightly lower revenue projections (-17%) than average. SMB owners reported a significantly lower than average (56% vs. 68% avg.) comfort level with digital tools. Idaho SMBs are now concerned (62%) about how to better prepare their businesses for the future. They are especially interested in retaining their customer base (54%). To accomplish this, Idaho SMBs are most interested in adopting online training platforms (13%), customer management tools (12%) and customer insight tools (11%).

Segment distribution



Average revenue reduction

-17% | **-16% avg.**

% increased use of tools during COVID-19

90% | **72% avg.**

% plan to use tools more post-COVID-19

61% | **53% avg.**

Top 3 tools used pre-COVID-19

- Search engine optimization / SEO (**83% vs. 64%**)
- Digital ads (**84% vs. 58%**)
- Digital payments (**86% vs. 67%**)

Top barriers to digital tool adoption



% comfort with digital tools pre-COVID-19

56% | **68% avg.**

Top post-COVID-19 questions

How will I...

- Retain my customer base? (**54% vs. 42%**)
- Recover from the damage done by COVID-19? (**54% vs. 44%**)
- Digitally prepare for future? (**62% vs. 37%**)

Top 3 tools interested in adopting

- CRM platforms (**12% vs. 11%**)
- Customer insights tools (**11% vs. 11%**)
- Online training platforms (**13% vs. 10%**)

Top 3 learning formats of interest

- Case studies about businesses like mine (**54% vs. 31%**)
- Step-by-step video tutorials (**51% vs. 56%**)
- Step-by-step written guides (**45% vs. 42%**)



States



Illinois

Illinois SMBs had a basic digital infrastructure including a web and social media presence prior to COVID-19, but lagged behind in using more digital tools during the crisis than previously (64% vs 72% avg.) Among the hardest hit states, Illinois SMBs ranked in the bottom 10 states for projected revenue (-20% vs. -16% avg.). These businesses are heavily oriented towards recovery (47%) and retaining their customer base (41%). Most (55%) intend to increase their use of digital tools in support of these aims, even as they worry about cost (46%) and overcoming an information deficit (41%).

Average revenue reduction

-20% | **-16% avg.**

% increased use of tools during COVID-19

64% | **72% avg.**

% plan to use tools more post-COVID-19

55% | **53% avg.**

Top 3 tools used pre-COVID-19

- Search engine optimization / SEO (**62% vs. 64%**)
- Business website (**62% vs. 69%**)
- Social media and video platforms (**66% vs. 69%**)
- Digital payments (**65% vs. 67%**)

% comfort with digital tools pre-COVID-19

68% | **68% avg.**

Top post-COVID-19 questions

How will I...

- Optimize my business operations? (**34% vs. 39%**)
- Retain my customer base? (**41% vs. 42%**)
- Grow my customer base? (**34% vs. 40%**)
- Recover from the damage done by COVID-19? (**47% vs. 44%**)

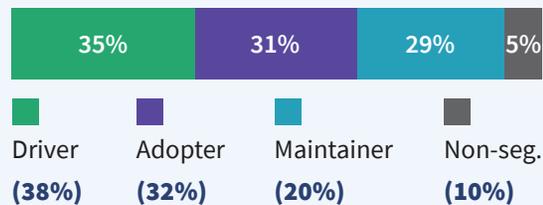
Top 3 tools interested in adopting

- Business website (**10% vs. 9%**)
- Online training platforms (**10% vs. 10%**)
- Online hiring platforms (**13% vs. 8%**)

Top 3 learning formats of interest

- Webinars or livestreams (**44% vs. 47%**)
- Step-by-step video tutorials (**53% vs. 56%**)
- Step-by-step written guides (**39% vs. 42%**)

Segment distribution



Top barriers to digital tool adoption



States



Indiana

Indiana ranked among the top 10 in states with a high percentage of Drivers (42%) and its SMB owners had a higher than average (71%) comfort level with digital tools. Yet their projected revenue (-19%) fell below the national average. Indiana SMBs leaned more heavily on digital tools during COVID-19 than they had previously (75% vs 72% avg.) and most (53%) intend to their use of digital tools post-COVID-19. The high percentage of Drivers contributed to Indiana SMBs feeling technologically prepared (42%) for COVID-19, and nearly half (49%) adapted or changed their product offerings during the crisis.

Average revenue reduction

-19% | **-16% avg.**

% comfort with digital tools pre-COVID-19

71% | **68% avg.**

% increased use of tools during COVID-19

75% | **72% avg.**

Top post-COVID-19 questions

How will I...

- Optimize my business operations? **(42% vs. 39%)**
- Retain my customer base? **(46% vs. 42%)**
- Grow my customer base? **(45% vs. 40%)**

% plan to use tools more post-COVID-19

53% | **53% avg.**

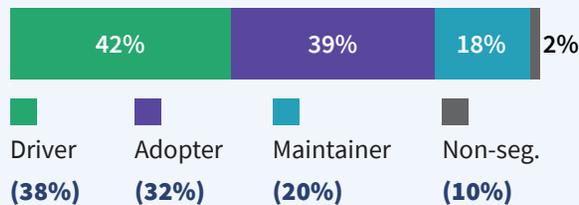
Top 3 tools used pre-COVID-19

- Search engine optimization / SEO **(68% vs. 64%)**
- Business website **(74% vs. 69%)**
- Social media and video platforms **(68% vs. 69%)**
- Digital payments **(75% vs. 67%)**

Top 3 tools interested in adopting

- CRM platforms **(12% vs. 11%)**
- Online training platforms **(14% vs. 10%)**
- Online hiring platforms **(13% vs. 8%)**

Segment distribution



Top barriers to digital tool adoption



Top 3 learning formats of interest

- Webinars or livestreams **(39% vs. 47%)**
- Step-by-step video tutorials **(51% vs. 56%)**
- Step-by-step written guides **(47% vs. 42%)**



States

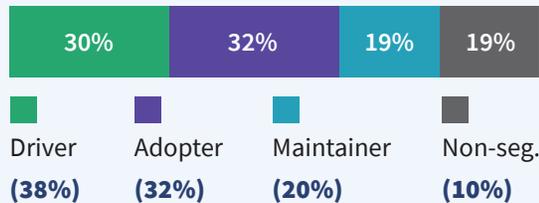


Iowa

Despite their above average use of digital tools such as social media and SEO, Iowa SMBs' disproportionate concentration in non-digital industries (37% vs. 26% avg) resulted in worse than average business outcomes in the state. As a result of COVID-19, most Iowa SMBs had to reduce their hours of operation (57% vs. 43% avg.), and they anticipate worse than average business outcomes as a result of COVID-19 (-21% vs. -16% avg.).

With below average comfort with digital tools (53% vs. 68% avg.), Iowa SMBs are especially focused on digitally preparing their business for future (46% vs. 37% avg).

Segment distribution



Average revenue reduction

-21% | **-16% avg.**

% increased use of tools during COVID-19

82% | **72% avg.**

% plan to use tools more post-COVID-19

52% | **53% avg.**

Top 3 tools used pre-COVID-19

- Search engine optimization / SEO (**74% vs. 64%**)
- Social media and video platforms (**74% vs. 69%**)
- Digital ads (**73% vs. 58%**)
- Digital payments (**73% vs. 67%**)

Top barriers to digital tool adoption



% comfort with digital tools pre-COVID-19

53% | **68% avg.**

Top post-COVID-19 questions

How will I...

- Optimize my business operations? (**44% vs. 39%**)
- Retain my customer base? (**45% vs. 42%**)
- Recover from the damage done by COVID-19? (**44% vs. 44%**)
- Digitally prepare my business for the future? (**46% vs. 37%**)

Top 3 tools interested in adopting

- Customer relationship management platforms (**12% vs. 11%**)
- Collaboration tools (**12% vs. 7%**)
- Online hiring platforms (**14% vs. 8%**)

Top 3 learning formats of interest

- Webinars or livestreams (**46% vs. 47%**)
- Step-by-step video tutorials (**49% vs. 56%**)
- In person classes (**49% vs. 30%**)



States

Kansas

With a higher than average number of Drivers being offset by a higher than average number of Maintainers, Kansas SMBs managed to report better than average business outcomes. Similar to the nation at large, Kansas SMBs leaned heavily on digital tools during COVID-19 than they had previously (83% vs. 72% avg.). They have a slightly higher than average interest in adopting online hiring platforms, collaboration tools and customer relationship management tools. But in order to do so they will have to overcome an information deficit (53%), cost concerns (45%), and be assured of privacy protections (40%) for company and employee data.

Average revenue reduction

-13% | **-16% avg.**

% comfort with digital tools pre-COVID-19

63% | **68% avg.**

% increased use of tools during COVID-19

83% | **72% avg.**

Top post-COVID-19 questions

How will I...

- Retain my customer base? **(46% vs. 42%)**
- Recover from the damage done by COVID-19? **(51% vs. 44%)**
- Digitally prepare for future? **(50% vs. 37%)**

% plan to use tools more post-COVID-19

46% | **53% avg.**

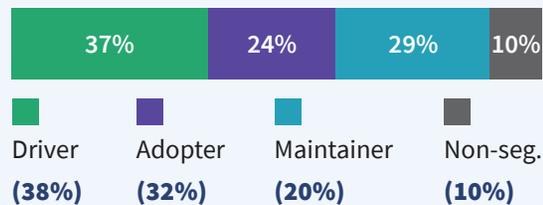
Top 3 tools used pre-COVID-19

- Search engine optimization / SEO **(71% vs. 64%)**
- Social media/video platforms **(71% vs. 69%)**
- Customer relationship management platforms **(72% vs. 50%)**

Top 3 tools interested in adopting

- Search engine optimization / SEO **(9% vs. 8%)**
- Local listings **(10% vs. 9%)**
- Online training platforms **(13% vs. 10%)**

Segment distribution



Top barriers to digital tool adoption



Top 3 learning formats of interest

- Webinars or livestreams **(42% vs. 47%)**
- Step-by-step video tutorials **(50% vs. 56%)**
- Step-by-step written guides **(45% vs. 42%)**

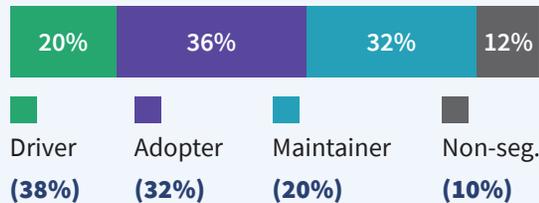
States



Kentucky

With its disproportionately higher percentage of Maintainer businesses (32% vs. 24% avg.), Kentucky SMBs struggled, reporting lower than average business outcomes. Although more than half (52%) of Kentucky SMBs adapted or changed their product offerings during COVID-19 to try and stave off the damage, 40% reported losses to their customer base. This led to 48% of Kentucky SMBs being focused on how to grow their business and thinking about short-term business goals (40%). Less than half (45%) plan to use digital tools more than before the crisis. Going forward, 51% of Kentucky SMBs want to optimize their business operations and 49% want to digitally prepare their businesses for the future.

Segment distribution



Average revenue reduction

-18% | **-16% avg.**

% increased use of tools during COVID-19

78% | **72% avg.**

% plan to use tools more post COVID-19

45% | **53% avg.**

Top 3 tools used pre-COVID-19

- Business website **(75% vs. 69%)**
- Social media/video platforms **(75% vs. 69%)**
- Digital payments **(70% vs. 67%)**

Top barriers to digital tool adoption



% comfort with digital tools pre-COVID-19

57% | **68% avg.**

Top post-COVID-19 questions

How will I...

- Optimize my business operations? **(51% vs. 39%)**
- Retain my customer base? **(48% vs. 42%)**
- Digitally prepare for future? **(49% vs. 37%)**

Top 3 tools interested in adopting

- Customer relationship management platforms **(26% vs. 11%)**
- Business/data analytics tools **(13% vs. 9%)**
- Collaboration tools **(17% vs. 7%)**

Top 3 learning formats of interest

- Webinars or livestreams **(44% vs. 47%)**
- Step-by-step video tutorials **(56% vs. 56%)**
- Step-by-step written guides **(42% vs. 42%)**



States



Louisiana

Louisiana ranked in the top five among all states for its number of Adopters (40%). 44% of Louisiana SMBs reassessed their approach to digital tools and they showed an increased use of digital tools during COVID-19 (81% vs. 72% avg.). They wish to digitally prepare their businesses for the future (46%), though SMB owners' comfort level with technology (63%) falls below the national average. To help with their comfort level, they are most interested in step-by-step video tutorials (55%), webinars (48%) and written guides (37%).

Average revenue reduction

-19% | **-16% avg.**

% comfort with digital tools pre-COVID-19

63% | **68% avg.**

% increased use of tools during COVID-19

81% | **72% avg.**

Top post COVID-19 questions

How will I...

- Retain my customer base? **(42% vs. 42%)**
- Recover from the damage done by COVID-19? **(48% vs. 44%)**
- Digitally prepare for future? **(46% vs. 37%)**

% plan to use tools more post COVID-19

45% | **53% avg.**

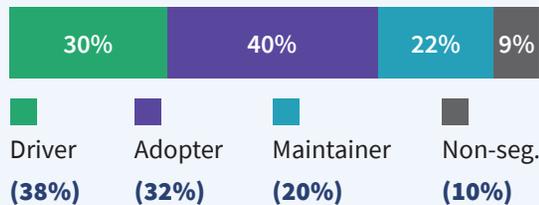
Top 3 tools interested in adopting

- Customer relationship management platforms **(13% vs. 11%)**
- Video Conferencing **(12% vs. 6%)**
- Online training platforms **(12% vs. 10%)**

Top 3 tools used pre-COVID-19

- Social media/video platforms **(81% vs. 69%)**
- Online marketplace **(74% vs. 53%)**
- Digital payments **(76% vs. 67%)**

Segment distribution



Top barriers to digital tool adoption



Top 3 learning formats of interest

- Webinars or livestreams **(48% vs. 47%)**
- Step-by-step video tutorials **(55% vs. 56%)**
- Step-by-step written guides **(37% vs. 42%)**



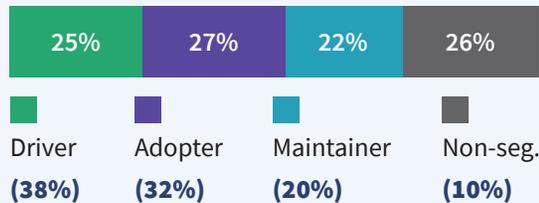
States



Maine

Falling well below the average number of Driver business (25% vs. 35% avg.), Maine SMBs were among the bottom five states for projected revenue (-23% vs. -16% avg.) SMB leaders also reported a lower than average (60%) comfort level with digital tools. Almost half (49%) of Maine SMBs reassessed their approach to digital tools during COVID-19, leading nearly half (48%) to increase their investment in digital tools. Heavily focused now on recovery (55%), more than half (53%) say they'll use digital tools more in a post-COVID-19 world. As such, they have a higher than average interest in sophisticated customer relationship management tools (15% vs. 11% avg.) and online hiring platforms (16% vs. 8% avg.).

Segment distribution



Average revenue reduction

-23% | **-16% avg.**

% increased use of tools during COVID-19

82% | **72% avg.**

% plan to use tools more post-COVID-19

53% | **53% avg.**

Top 3 tools used pre-COVID-19

- Social media/video platforms **(78% vs. 9%)**
- Digital ads **(77% vs. 58%)**
- Online marketplace **(80% vs. 53%)**

Top barriers to digital tool adoption



% comfort with digital tools pre-COVID-19

60% | **68% avg.**

Top post-COVID-19 questions

How will I...

- Retain my customer base? **(49% vs. 42%)**
- Recover from the damage done by COVID-19? **(55% vs. 44%)**
- Digitally prepare my business for the future? **(43% vs. 37%)**

Top 3 tools interested in adopting

- Customer relationship management platforms **(15% vs. 11%)**
- Video Conferencing **(10% vs. 6%)**
- Online hiring platforms **(16% vs. 8%)**

Top 3 learning formats of interest

- Case studies about businesses like mine **(45% vs. 31%)**
- Step-by-step video tutorials **(66% vs. 56%)**
- Step-by-step written guides **(47% vs. 42%)**



States

Maryland

Maryland ranked in the top five among states for its number of Adopters (37%) and entered the crisis with a slightly higher than average (71%) comfort level with digital tools. These Adopters were already using a basic infrastructure of website and social media, supported by collaboration tools and reported slightly less revenue than average. A majority (53%) adapted or changed their product or services offerings, which allowed half to retain or even grow their customer base. More than half (55%) of Maryland SMBs report they will use digital tools more post-COVID-19.

Average revenue reduction

-17% | **-16% avg.**

% comfort with digital tools pre-COVID-19

71% | **68% avg.**

% increased use of tools during COVID-19

75% | **72% avg.**

Top post-COVID-19 questions

How will I...

- Grow my customer base? (**46% vs. 40%**)
- Recover from the damage done by COVID-19? (**42% vs. 44%**)
- Digitally prepare for future? (**44% vs. 37%**)

% plan to use tools more post-COVID-19

55% | **53% avg.**

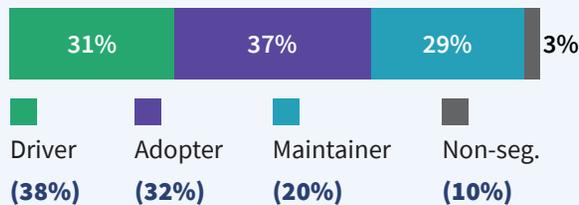
Top 3 tools interested in adopting

- Business website (**9% vs. 9%**)
- Digital ads (**10% vs. 9%**)
- Customer relationship management platforms (**11% vs. 11%**)

Top 3 tools used pre-COVID-19

- Business website (**67% vs. 69%**)
- Social media/video platforms (**63% vs. 69%**)
- Collaboration tools (**66% vs. 60%**)

Segment distribution



Top barriers to digital tool adoption



Top 3 learning formats of interest

- Webinars or livestreams (**44% vs. 47%**)
- Step-by-step video tutorials (**54% vs. 56%**)
- Step-by-step written guides (**41% vs. 42%**)



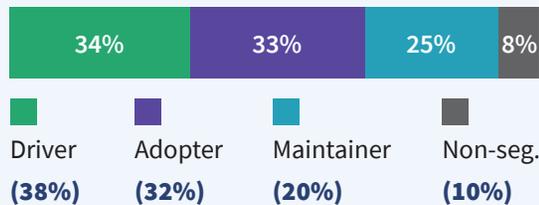
States

Massachusetts

Similar to the nation at large, Massachusetts SMBs leaned more heavily on digital tools during COVID-19 than they had previously (74% vs. 72% avg.) and generally found digital tools more helpful during COVID-19 (57% vs. 53%) than they had previously.

Looking to the future, most (54%) intend to make heavier use of digital tools in the future. Reflecting their focus on retaining (44%) and growing (42%) their customer base, these SMBs are especially interested in adopting digital advertising (14% vs. 9%) and customer insights tools (12% vs. 11%).

Segment distribution



■ Driver **(38%)**
 ■ Adopter **(32%)**
 ■ Maintainer **(20%)**
 ■ Non-seg. **(10%)**

Average revenue reduction

-16% | **-16% avg.**

% increased use of tools during COVID-19

74% | **72% avg.**

% plan to use tools more post-COVID-19

54% | **53% avg.**

Top 3 tools used pre-COVID-19

- Business website **(73% vs. 69%)**
- Social media/video platforms **(64% vs. 69%)**
- Digital payments **(64% vs. 67%)**

Top barriers to digital tool adoption



% comfort with digital tools pre-COVID-19

62% | **68% avg.**

Top post-COVID-19 questions

How will I...

- Optimize my business operations? **(36% vs. 39%)**
- Retain my customer base? **(44% vs. 42%)**
- Grow my customer base? **(42% vs. 40%)**
- Recover from the damage done by COVID-19? **(36% vs. 44%)**

Top 3 tools interested in adopting

- Local listings **(9% vs. 9%)**
- Digital ads **(14% vs. 9%)**
- Customer insights tools **(12% vs. 11%)**

Top 3 learning formats of interest

- Webinars or livestreams **(45% vs. 47%)**
- Step-by-step video tutorials **(54% vs. 56%)**
- Step-by-step written guides **(47% vs. 42%)**



States



Michigan ranked in the top five among states for its number of Adopter businesses (39%) and entered the pandemic with a less than average (64%) level of comfort with digital tools. These SMBs faced average projected revenue reduction. Though Michigan SMBs were more likely than average to say COVID-19 has not affected their approach to digital tools (35% vs. 30% avg.), they showed above average interest in customer relationship tools and online hiring platforms as they shift their focus to recovering from COVID-19 (46%).

Average revenue reduction

-16% | **-16% avg.**

% comfort with digital tools pre-COVID-19

64% | **68% avg.**

% increased use of tools during COVID-19

65% | **72% avg.**

Top post COVID-19 questions

How will I...

- Optimize my business operations? **(45% vs. 39%)**
- Retain my customer base? **(44% vs. 42%)**
- Recover from the damage done by COVID-19? **(46% vs. 44%)**

% plan to use tools more post-COVID-19

50% | **53% avg.**

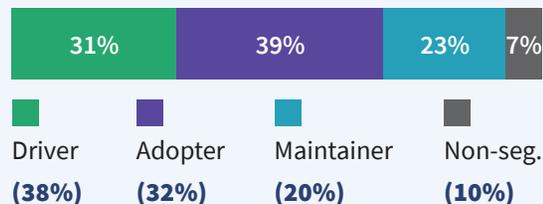
Top 3 tools interested in adopting

- Customer relationship management platforms **(14% vs. 11%)**
- Customer insights tools **(11% vs. 11%)**
- Online training platforms **(14% vs. 10%)**

Top 3 tools used pre-COVID-19

- Business website **(66% vs. 69%)**
- Social media/video platforms **(63% vs. 69%)**
- Collaboration tools **(61% vs. 60%)**

Segment distribution



Top barriers to digital tool adoption



Top 3 learning formats of interest

- Webinars or livestreams **(55% vs. 47%)**
- Step-by-step video tutorials **(50% vs. 56%)**
- Step-by-step written guides **(43% vs. 42%)**



States

Minnesota

Although Minnesota had a greater proportion of Maintainers (34%) than any other state, its SMBs projected only slightly less revenue loss than the national average. Its SMB owners entered the crisis with nearly an average level of comfort with digital tools. Minnesota SMBs used digital far less than average (62% vs. 72%) during COVID-19. Less than half (47%) of Minnesota SMBs plan on using digital tools more in a post-COVID-19 world. However, these SMBs showed a higher than average interest in adopting online training platforms and SEO as their focus shifts to recovery (42%) and retaining their customer base (41%).

Average revenue reduction

-18% | **-16% avg.**

% comfort with digital tools pre-COVID-19

67% | **68% avg.**

% increased use of tools during COVID-19

62% | **72% avg.**

Top post-COVID-19 questions

How will I...

- Retain my customer base? **(41% vs. 42%)**
- Recover from the damage done by COVID-19? **(42% vs. 44%)**
- Cover my expenses? **(36% vs. 32%)**

% plan to use tools more post-COVID-19

47% | **53% avg.**

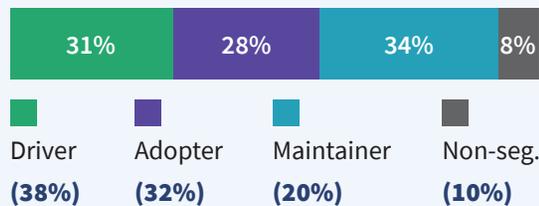
Top 3 tools interested in adopting

- Search engine optimization / SEO **(10% vs. 8%)**
- Local listings **(8% vs. 9%)**
- Customer relationship management platforms **(8% vs. 11%)**
- Online training platforms **(11% vs. 10%)**

Top 3 tools used pre-COVID-19

- Business website **(66% vs. 69%)**
- Social media/video platforms **(64% vs. 69%)**
- Digital payments **(62% vs. 67%)**

Segment distribution



Top barriers to digital tool adoption



Top 3 learning formats of interest

- Webinars or livestreams **(45% vs. 47%)**
- Step-by-step video tutorials **(53% vs. 56%)**
- Step-by-step written guides **(49% vs. 42%)**



States



Mississippi

Mississippi SMBs leaned heavily on digital tools (93%) during the pandemic at a significantly higher rate than the national average (72%). More than half (53%) of Mississippi SMBs report they will use digital tools more post-COVID-19. Moving forward, they are focused on recovery (60%), digitally preparing for the future (55%) and retaining their customer base (50%). They need to overcome a high information deficit (73%), concerns about protecting privacy (56%) and the learning curve for digital tools (46%).

Average revenue reduction

-17% | **-16% avg.**

% increased use of tools during COVID-19

93% | **72% avg.**

% plan to use tools more post-COVID-19

53% | **53% avg.**

Top 3 tools used pre-COVID-19

- Search engine optimization / SEO (**87% vs. 64%**)
- Social media and video platforms (**91% vs. 69%**)
- Digital payments (**80% vs. 67%**)
- Online marketplace (**80% vs. 53%**)

% comfort with digital tools pre-COVID-19

55% | **68% avg.**

Top post-COVID-19 questions

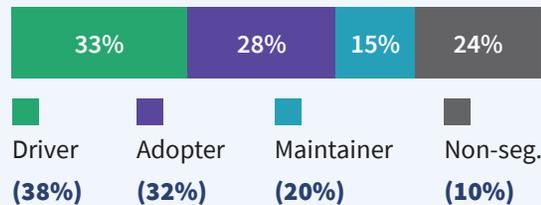
How will I...

- Retain my customer base? (**50% vs. 42%**)
- Recover from the damage done by COVID-19? (**60% vs. 44%**)
- Digitally prepare for future? (**55% vs. 37%**)

Top 3 tools interested in adopting

- Business website (**14% vs. 9%**)
- Online training platforms (**11% vs. 10%**)
- Online hiring platforms (**12% vs. 8%**)

Segment distribution



Top barriers to digital tool adoption



Top 3 learning formats of interest

- Case studies about businesses like mine (**45% vs. 31%**)
- Step-by-step video tutorials (**63% vs. 56%**)
- Step-by-step written guides (**52% vs. 42%**)

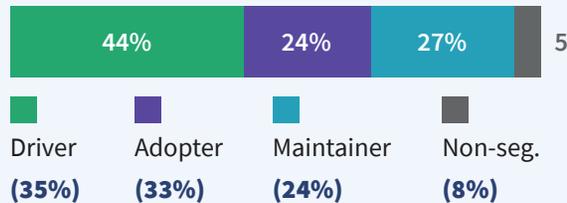


States

Missouri

Missouri ranked in the top 5 among states for its number of Drivers (44%) and as a result saw better business outcomes. Missouri SMB owners also had a higher comfort level (73%) with digital tools than the national average. Nearly half (49%) of Missouri SMBs are feeling optimistic about the future of their business and that has 53% of them thinking more about how to grow their businesses. COVID-19 had nearly half (48%) reassessing their approach to digital tools. Moving forward, Missouri SMBs are focused on retaining their customer base (46%), growing their customer base (39%) and optimizing their business operations (36%)

Segment distribution



Average revenue reduction

-14% | **-16% avg.**

% increased use of tools during COVID-19

77% | **72% avg.**

% plan to use tools more post-COVID-19

52% | **53% avg.**

Top 3 tools used pre-COVID-19

- Business website (**74% vs. 69%**)
- SEO (**71% vs. 64%**)
- Social media/video platforms (**70% vs. 69%**)

Top barriers to digital tool adoption



% comfort with digital tools pre-COVID-19

73% | **68% avg.**

Top post-COVID-19 questions

How will I...

- Retain my customer base? (**46% vs. 42%**)
- Grow my customer base? (**39% vs. 40%**)
- Optimize my business ops? (**36% vs. 39%**)

Top 3 tools interested in adopting

- Digital ads (**12% vs. 9%**)
- CRM platforms (**12% vs. 11%**)
- Customer insights (**11% vs. 11%**)

Top 3 learning formats of interest

- Step-by-step video tutorials (**53% vs. 56%**)
- Webinars or livestreams (**51% vs. 47%**)
- Case studies about businesses (**38% vs. 31%**)

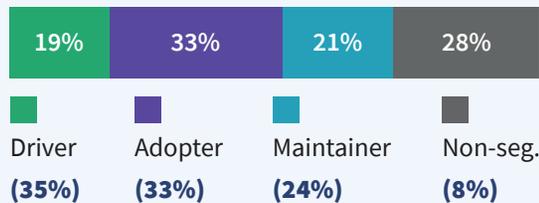


States

Montana

Montana SMBs were among the bottom five in projected revenue loss (-23% vs. -16% avg.). Montana SMB owners entered the pandemic with a significantly lower comfort level (55% vs. 68% avg.) with digital tools. The negative effects from COVID-19 led 62% of Montana SMBs to reassess their approach to digital tools; only 38% of Montana SMBs entered the crisis feeling technologically prepared. As a result, 67% of Montana SMBs plan on using more digital tools post-COVID-19. Montana SMBs showed a significantly higher than average interest in adopting customer relationship management tools, collaboration tools, and online hiring platforms.

Segment distribution



Average revenue reduction

-23% | **-16% avg.**

% comfort with digital tools pre-COVID-19

55% | **68% avg.**

% increased use of tools during COVID-19

90% | **72% avg.**

% plan to use tools more post-COVID-19

67% | **53% avg.**

Top post-COVID-19 questions

How will I...

- Optimize my business ops? (**58% vs. 39%**)
- Digitally prepare for future? (**51% vs. 37%**)
- Recover from the damages? (**42% vs. 44%**)
- Retain my customer base? (**42% vs. 42%**)

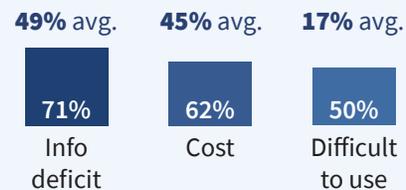
Top 3 tools interested in adopting

- CRM platforms (**20% vs. 11%**)
- Collaboration tools (**20% vs. 7%**)
- Online hiring platforms (**15% vs. 8%**)

Top 3 tools used pre-COVID-19

- Digital payments (**84% vs. 67%**)
- Digital ads (**76% vs. 58%**)
- Social media/video platforms (**75% vs. 69%**)

Top barriers to digital tool adoption



Top 3 learning formats of interest

- Step-by-step video tutorials (**66% vs. 56%**)
- Step-by-step written guides (**41% vs. 42%**)
- Webinars or livestreams (**38% vs. 47%**)

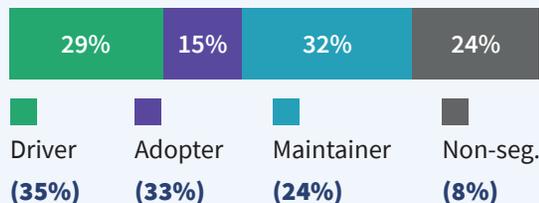


States

Nebraska

Nebraska ranked in the top five among states for its number of Maintainer businesses (32%). Nebraska SMBs reported negative revenue projections (-20%), well below the national average. Nebraska SMB business owners entered the pandemic with among the lowest comfort levels (54%) of all those reporting. Nebraska SMBs are now strongly focused on recovery (60%), digitally preparing their businesses for the future (51%) and retaining their customer base. To accomplish this, Nebraska SMBs are especially interested in customer relationship management tools (16% vs. 11%), business/data analytics (11% vs. 9%), and collaboration tools (9% vs. 7%).

Segment distribution



Average revenue reduction

-20% | **-16% avg.**

% increased use of tools during COVID-19

91% | **72% avg.**

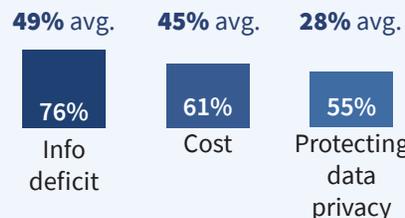
% plan to use tools more post-COVID-19

58% | **53% avg.**

Top 3 tools used pre-COVID-19

- Digital payments (**82% vs. 67%**)
- Social media/video platforms (**80% vs. 69%**)
- Digital ads (**80% vs. 58%**)

Top barriers to digital tool adoption



% comfort with digital tools pre-COVID-19

54% | **68% avg.**

Top post-COVID-19 questions

How will I...

- Recover from the damages? (**60% vs. 44%**)
- Digitally prepare for future? (**51% vs. 37%**)
- Retain my customer base? (**46% vs. 42%**)

Top 3 tools interested in adopting

- CRM platforms (**16% vs. 11%**)
- Business/data analytics (**11% vs. 9%**)
- Collaboration tools (**9% vs. 7%**)

Top 3 learning formats of interest

- Step-by-step video tutorials (**56% vs. 56%**)
- Case studies about businesses (**46% vs. 31%**)
- Webinars or livestreams (**44% vs. 47%**)



States



Nevada

Nevada ranked first among states with 63% of its SMBs being in the Driver segment. Not surprisingly, Nevada SMBs also reported significantly better revenue outcomes (+5% vs. -16% avg.). Nevada SMBs increased their use of digital tools in line with the national average (72%) during COVID-19, as a result of already having a robust digital infrastructure including SEO, websites and digital payments. This led to a substantial number of Nevada SMBs (60%) feeling technologically prepared entering the crisis.

Average revenue reduction

5% | **-16% avg.**

% comfort with digital tools pre-COVID-19

66% | **68% avg.**

% increased use of tools during COVID-19

72% | **72% avg.**

Top post-COVID-19 questions

How will I...

- Recover from the damages? (**50% vs. 44%**)
- Grow my customer base? (**50% vs. 40%**)
- Optimize my business ops? (**46% vs. 39%**)

% plan to use tools more post-COVID-19

51% | **53% avg.**

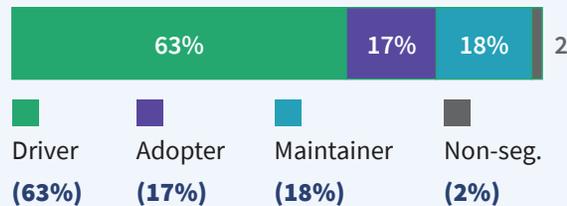
Top 3 tools interested in adopting

- Online hiring platforms (**7% vs. 8%**)
- CRM platforms (**7% vs. 11%**)
- Online training platforms (**6% vs. 10%**)

Top 3 tools used pre-COVID-19

- SEO (**78% vs. 64%**)
- Digital payments (**78% vs. 67%**)
- Business website (**76% vs. 69%**)

Segment distribution



Top barriers to digital tool adoption



Top 3 learning formats of interest

- Webinars or livestreams (**55% vs. 47%**)
- Step-by-step video tutorials (**54% vs. 56%**)
- Step-by-step written guides (**45% vs. 42%**)



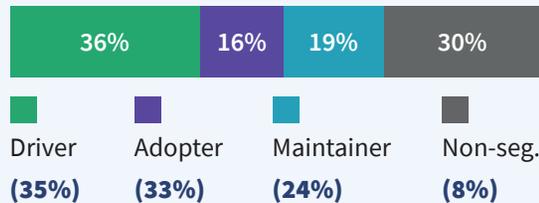
States



New Hampshire

Despite a Driver community (36%) in line with the national average, and smaller than average numbers of Adopters and Maintainers, New Hampshire tied for last place when reporting SMB revenue projections (-25% vs. -16% avg.). In the future, nearly half (48%) intend to use digital tools more. New Hampshire SMBs are directing their focus now on recovery (66%), how to digitally prepare their business for the future (63%) and optimizing business operations (59%). Their top barriers to adopting new digital tools are an information deficit (72%), privacy concerns (58%) and cost (49%).

Segment distribution



Average revenue reduction

-25% | **-16% avg.**

% increased use of tools during COVID-19

86% | **72% avg.**

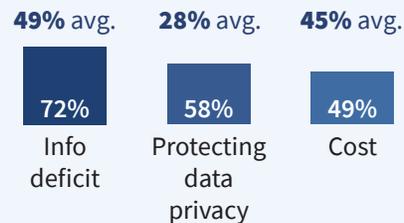
% plan to use tools more post-COVID-19

48% | **53% avg.**

Top 3 tools used pre-COVID-19

- Social media/video platforms (**88% vs. 69%**)
- Local listings (**79% vs. 56%**)
- Online marketplace (**78% vs. 53%**)
- Digital payments (**78% vs. 67%**)

Top barriers to digital tool adoption



% comfort with digital tools pre-COVID-19

59% | **68% avg.**

Top post-COVID-19 questions

How will I...

- Recover from the damages? (**66% vs. 44%**)
- Digitally prepare for future? (**63% vs. 37%**)
- Optimize my business ops? (**59% vs. 39%**)

Top 3 tools interested in adopting

- CRM platforms (**11% vs. 11%**)
- Online hiring platforms (**8% vs. 8%**)
- Collaboration tools (**8% vs. 7%**)

Top 3 learning formats of interest

- Step-by-step video tutorials (**66% vs. 56%**)
- Step-by-step written guides (**57% vs. 42%**)
- Case studies about businesses (**44% vs. 31%**)



States

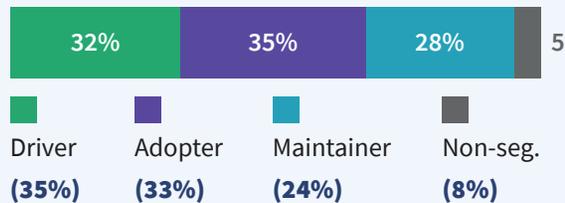


New Jersey

New Jersey SMBs entered the pandemic with a high level of comfort (75%) with digital tools and these companies projected business outcomes in line with the national average. Looking forward they are focused on recovery (46%), growing their customer base (47%), and optimizing their business (43%). Half of New Jersey SMBs intend to use digital tools more in post-COVID-19.

They have an interest in adopting customer relationship management tools, business/data analytics and customer insight tools, all at higher levels than national averages.

Segment distribution



Average revenue reduction

-16% | **-16% avg.**

% increased use of tools during COVID-19

65% | **72% avg.**

% plan to use tools more post-COVID-19

50% | **53% avg.**

Top 3 tools used pre-COVID-19

- SEO (**63% vs. 64%**)
- Business website (**68% vs. 69%**)
- Video conferencing (**66% vs. 60%**)

Top barriers to digital tool adoption



% comfort with digital tools pre-COVID-19

75% | **68% avg.**

Top post-COVID-19 questions

How will I...

- Grow my customer base? (**47% vs. 40%**)
- Recover from the damages? (**46% vs. 44%**)
- Optimize my business ops? (**43% vs. 39%**)

Top 3 tools interested in adopting

- CRM platforms (**17% vs. 11%**)
- Business/data analytics (**15% vs. 9%**)
- Customer insights (**13% vs. 11%**)

Top 3 learning formats of interest

- Step-by-step video tutorials (**57% vs. 56%**)
- Webinars or livestreams (**52% vs. 47%**)
- Step-by-step written guides (**48% vs. 42%**)



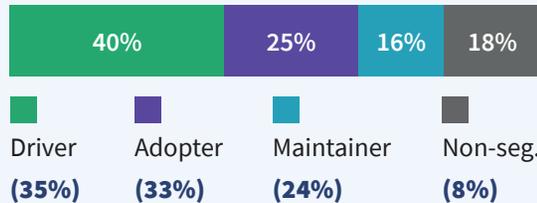
States



New Mexico

Despite New Mexico's high number of Driver businesses (40%), its SMB owners entered the COVID-19 crisis with a below average comfort level (64%) with digital tools. More than 9-in-10 of New Mexico's SMBs (92%) increased their use of digital tools during the crisis. More than half (54%) of New Mexico's SMBs plan on using digital tools more post-COVID-19. In doing so, they showed an interest in adopting SEO, customer relationship management tools, and video conferencing. Their top barriers to adopting digital tools are information deficit (65%), concerns about cost (40%) and protecting company and employee privacy (40%).

Segment distribution



Average revenue reduction

-16% | **-16% avg.**

% increased use of tools during COVID-19

92% | **72% avg.**

% plan to use tools more post-COVID-19

54% | **53% avg.**

Top 3 tools used pre-COVID-19

- Social media/video platforms (**84% vs. 69%**)
- Digital payments (**81% vs. 67%**)
- Online marketplace (**81% vs. 53%**)

Top barriers to digital tool adoption



% comfort with digital tools pre-COVID-19

64% | **68% avg.**

Top post-COVID-19 questions

How will I...

- Optimize my business ops? (**58% vs. 39%**)
- Recover from the damages? (**57% vs. 44%**)
- Digitally prepare for future? (**52% vs. 37%**)

Top 3 tools interested in adopting

- SEO (**10% vs. 8%**)
- CRM platforms (**9% vs. 11%**)
- Video conferencing (**9% vs. 6%**)

Top 3 learning formats of interest

- Step-by-step video tutorials (**58% vs. 56%**)
- Step-by-step written guides (**54% vs. 42%**)
- Case studies about businesses (**48% vs. 31%**)

States

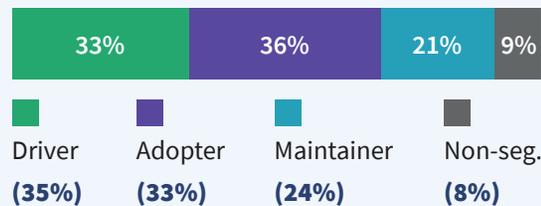


New York

The state hardest hit by the pandemic at the time this study fielded, New York SMBs were especially likely to have needed to temporarily close their physical locations (34% vs. 23% avg.) as a result of COVID-19 and report above average difficulty finding new customers (69% vs. 63% avg.) and sustaining their business operations (64% vs. 57% avg.). Hence, they are mostly focused on growing and retaining their customer base along with recovering from the damages done by the pandemic.

Nearly three-fourths of New York SMBs (71%) increased their use of digital tools during COVID-19, and most (54%) intend to increase their use of digital tools post-COVID-19.

Segment distribution



Average revenue reduction

-17% | **-16% avg.**

% increased use of tools during COVID-19

71% | **72% avg.**

% plan to use tools more pos- COVID-19

54% | **53% avg.**

Top 3 tools used pre-COVID-19

- Business website (**71% vs. 69%**)
- Social media/video platforms (**70% vs. 69%**)
- Digital payments (**65% vs. 67%**)

Top barriers to digital tool adoption



% comfort with digital tools pre-COVID-19

67% | **68% avg.**

Top post-COVID-19 questions

How will I...

- Recover from the damages? (**43% vs. 44%**)
- Grow my customer base? (**41% vs. 40%**)
- Retain my customer base? (**38% vs. 42%**)

Top 3 tools interested in adopting

- Customer insights (**16% vs. 11%**)
- CRM platforms (**11% vs. 11%**)
- Local listings (**11% vs. 9%**)
- Digital payments (**11% vs. 7%**)

Top 3 learning formats of interest

- Step-by-step video tutorials (**58% vs. 56%**)
- Webinars or livestreams (**45% vs. 47%**)
- Step-by-step written guides (**38% vs. 42%**)



States

North Carolina

With a level of technological preparation closely in line with the nation as a whole, North Carolina SMBs project average (-16%) revenue reduction, and about half (51% vs. 53% avg.) plan to increase their use of digital tools post-COVID-19.

Looking forward, they are most focused on maintaining customer relationships (42% retaining, 42% growing their customer base), driving their above average interest in customer insights tools (16% vs. 11% avg.).

Average revenue reduction

-16% | **-16% avg.**

% comfort with digital tools pre-COVID-19

69% | **68% avg.**

% increased use of tools during COVID-19

65% | **72% avg.**

Top post-COVID-19 questions

How will I...

- Retain my customer base? (**42% vs. 42%**)
- Grow my customer base? (**42% vs. 40%**)
- Recover from the damages? (**34% vs. 44%**)
- Optimize my business ops? (**34% vs. 39%**)

% plan to use tools more post-COVID-19

51% | **53% avg.**

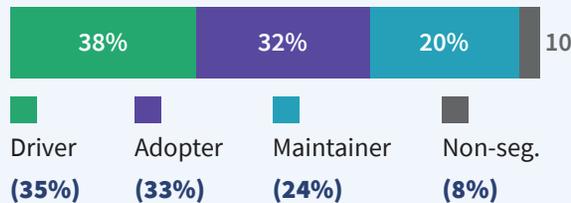
Top 3 tools interested in adopting

- Customer insights tools (**16% vs. 11%**)
- Business/data analytics (**9% vs. 9%**)
- Collaboration tools (**9% vs. 7%**)
- Online training platforms (**9% vs. 10%**)

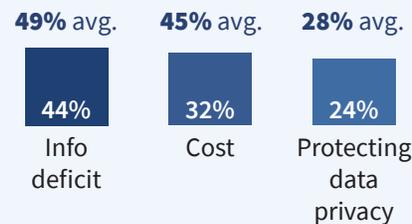
Top 3 tools used pre-COVID-19

- Business website (**69% vs. 69%**)
- Social media/video platforms (**67% vs. 69%**)
- Digital payments (**63% vs. 67%**)

Segment distribution



Top barriers to digital tool adoption



Top 3 learning formats of interest

- Step-by-step video tutorials (**57% vs. 56%**)
- Webinars or livestreams (**42% vs. 47%**)
- In person classes (**39% vs. 30%**)

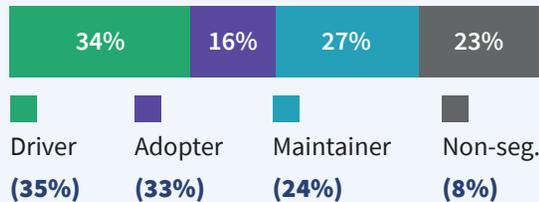


States

North Dakota

North Dakota has a Driver segment (34%) in line with the national average and a larger than average percentage (27%) of Maintainer businesses. Its SMBs reported business outcomes lower than the national average. Although 93% of North Dakota SMBs used digital tools more during COVID-19, its SMB owners had a significantly lower comfort level (53%) with digital tools entering the crisis. Still, nearly half (48%) of North Dakota SMBs reported feeling optimistic about the future of their businesses while 48% said they were thinking more about how to grow their business and more than half (51%) increased their investment in digital tools during COVID-19.

Segment distribution



Average revenue reduction

-18% | **-16% avg.**

% increased use of tools during COVID-19

93% | **72% avg.**

% plan to use tools more post-COVID-19

55% | **53% avg.**

Top 3 tools used pre-COVID-19

- Social media/video platforms (**85% vs. 69%**)
- Digital ads (**83% vs. 58%**)
- SEO (**81% vs. 64%**)

Top barriers to digital tool adoption



% comfort with digital tools pre-COVID-19

53% | **68% avg.**

Top post-COVID-19 questions

How will I...

- Digitally prepare for future? (**61% vs. 37%**)
- Recover from the damages? (**56% vs. 44%**)
- Optimize my business ops? (**45% vs. 39%**)

Top 3 tools interested in adopting

- Local listings (**14% vs. 9%**)
- CRM platforms (**13% vs. 11%**)
- Business website (**9% vs. 9%**)

Top 3 learning formats of interest

- Step-by-step video tutorials (**56% vs. 56%**)
- Webinars or livestreams (**48% vs. 47%**)
- Step-by-step written guides (**41% vs. 42%**)

States



Ohio's percentages of Drivers, Adopters and Maintainers fell in line with national averages. Its SMBs reported better than average revenue reductions. Ohio SMB owners entered the pandemic with a slightly better than average comfort level (69%) with digital tools. More than half (53%) of Ohio SMBs intend on using digital tools more post-COVID-19. They are especially interested in digital payments (16% vs. 7%), customer insight tools (13% vs. 11%), and online training platforms (13% vs. 10%). To do so, Ohio SMBs will have to be convinced the cost is worth the investment (48%) and that there is an adequate ROI when using them.

Average revenue reduction

-14% | **-16% avg.**

% comfort with digital tools pre-COVID-19

69% | **68% avg.**

% increased use of tools during COVID-19

66% | **72% avg.**

Top post-COVID-19 questions

How will I...

- Optimize my business ops? (**46% vs. 39%**)
- Recover from the damages? (**43% vs. 44%**)
- Retain my customer base? (**41% vs. 42%**)
- Grow my customer base? (**41% vs. 40%**)

% plan to use tools more post-COVID-19

53% | **53% avg.**

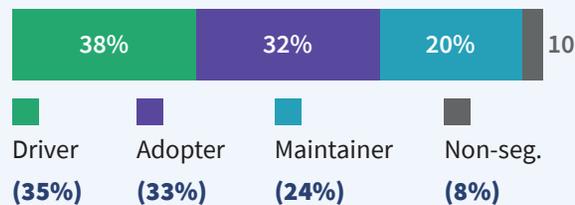
Top 3 tools interested in adopting

- Digital payments (**16% vs. 7%**)
- Customer insight tools (**13% vs. 11%**)
- Online training platforms (**13% vs. 10%**)

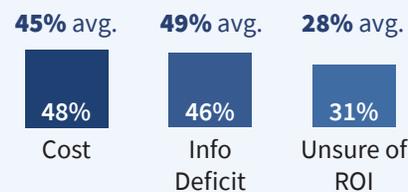
Top 3 tools used pre-COVID-19

- SEO (**65% vs. 64%**)
- Business website (**72% vs. 69%**)
- Social media/video platforms (**70% vs. 69%**)

Segment distribution



Top barriers to digital tool adoption



Top 3 learning formats of interest

- Step-by-step video tutorials (**62% vs. 56%**)
- Webinars or livestreams (**49% vs. 47%**)
- Step-by-step written guides (**48% vs. 42%**)



States

Oklahoma

Oklahoma SMB owners entered the pandemic with an extremely high (82%) comfort level with digital tools. They obviously knew how to deploy those tools as Oklahoma SMBs tied for first among all states when reporting revenue projections (-5% vs. -16 avg). Oklahoma SMBs deployed a technology infrastructure that depended on digital payments (77%), business websites (71%), social media (70%) and digital ads (70%). Despite solid existing digital infrastructure, Oklahoma SMBs showed an above average interest in business/data analytics (14% vs. 9%), customer insight tools (13% vs. 11%), and local listings (12% vs. 9%).

Average revenue reduction

-5% | **-16% avg.**

% comfort with digital tools pre-COVID-19

82% | **68% avg.**

% increased use of tools during COVID-19

70% | **72% avg.**

Top post-COVID-19 questions

How will I...

- Grow my customer base? (**51% vs. 40%**)
- Recover from the damages? (**51% vs. 44%**)
- Optimize my business ops? (**50% vs. 39%**)

% plan to use tools more post-COVID-19

57% | **53% avg.**

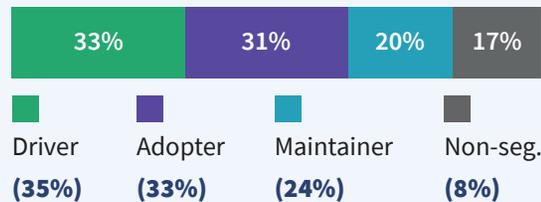
Top 3 tools interested in adopting

- Business/data analytics (**14% vs. 9%**)
- Customer insight (**13% vs. 11%**)
- Local listings (**12% vs. 9%**)
- Online hiring platforms (**12% vs. 8%**)

Top 3 tools used pre-COVID-19

- Digital payments (**77% vs. 67%**)
- Business website (**71% vs. 69%**)
- Social media/video platforms (**70% vs. 69%**)
- Digital ads (**70% vs. 58%**)

Segment distribution



Top barriers to digital tool adoption



Top 3 learning formats of interest

- Step-by-step video tutorials (**55% vs. 56%**)
- Webinars or livestreams (**50% vs. 47%**)
- Step-by-step written guides (**49% vs. 42%**)



States



Oregon

Oregon ranked worst among states for revenue projection (-25% vs. -16% avg) despite having a higher than average number of Driver businesses (37%), making the state an outlier of sorts, given the positive impact on business outcomes Drivers typically provide. Oregon's substantial negative economic impact is also odd considering its SMB owners entered the pandemic with a high level of comfort (76%) with digital tools. In addition, 81% of Oregon SMBs increased their use of digital tools during COVID-19. Some 47% of Oregon SMBs reassessed their approach to digital tools during the crisis. More than half (56%) of Oregon SMBs plan to use digital tools more post-COVID-19.

Average revenue reduction

-25% | **-16% avg.**

% increased use of tools during COVID-19

81% | **72% avg.**

% plan to use tools more post-COVID-19

56% | **53% avg.**

% comfort with digital tools pre-COVID-19

76% | **68% avg.**

Top post-COVID-19 questions

How will I...

- Optimize my business ops? (**48% vs. 39%**)
- Recover from the damages? (**45% vs. 44%**)
- Retain my customer base? (**42% vs. 42%**)

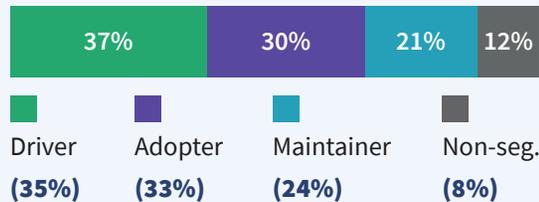
Top 3 tools used pre-COVID-19

- Social media/video platforms (**74% vs. 69%**)
- Business/data analytics tools (**73% vs. 54%**)
- Business website (**72% vs. 69%**)
- Digital payments (**72% vs. 67%**)

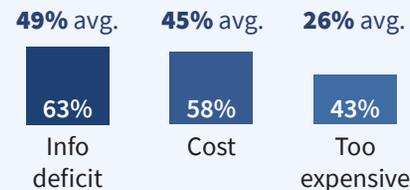
Top 3 tools interested in adopting

- Online training platforms (**17% vs. 10%**)
- CRM platforms (**14% vs. 11%**)
- Online hiring platforms (**9% vs. 8%**)
- Business website (**9% vs. 9%**)

Segment distribution



Top barriers to digital tool adoption



Top 3 learning formats of interest

- Step-by-step video tutorials (**52% vs. 56%**)
- Step-by-step written guides (**41% vs. 42%**)
- Webinars or livestreams (**41% vs. 47%**)



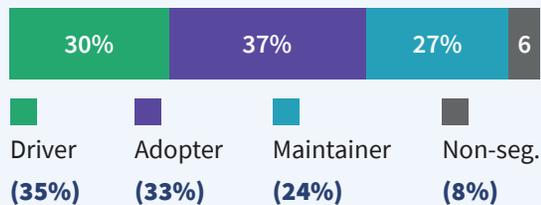
States

Pennsylvania

Disproportionately Adopter businesses, Pennsylvania SMBs entered into the pandemic with medium comfort with digital tools, and were already using business websites, social media/video platforms and collaborations tools. These SMBs faced average projected revenue reduction.

Though Pennsylvania SMBs are more likely than average to say COVID-19 has not affected their approach to digital tools (39% vs. 30% avg.), they still show more than average interest in adopting advanced tools such as business/data analytics tools and customer insights tools as they shift their focus on maintaining customer relations.

Segment distribution



Average revenue reduction

-15% | **-16% avg.**

% increased use of tools during COVID-19

67% | **72% avg.**

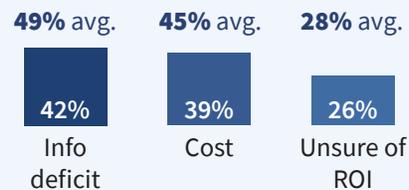
% plan to use tools more post-COVID-19

47% | **53% avg.**

Top 3 tools used pre-COVID-19

- Business website (**74% vs. 69%**)
- Social media/video platforms (**73% vs. 69%**)
- Collaboration tools (**65% vs. 60%**)

Top barriers to digital tool adoption



% comfort with digital tools pre-COVID-19

68% | **68% avg.**

Top post-COVID-19 questions

How will I...

- Retain my customer base? (**46% vs. 42%**)
- Grow my customer base? (**42% vs. 40%**)
- Recover from the damages? (**38% vs. 44%**)

Top 3 tools interested in adopting

- Business/data analytics tools (**14% vs. 9%**)
- Customer insights tools (**13% vs. 11%**)
- CRM platforms (**11% vs. 11%**)

Top 3 learning formats of interest

- Webinars or livestreams (**51% vs. 47%**)
- Step-by-step video tutorials (**50% vs. 56%**)
- Step-by-step written guides (**37% vs. 42%**)



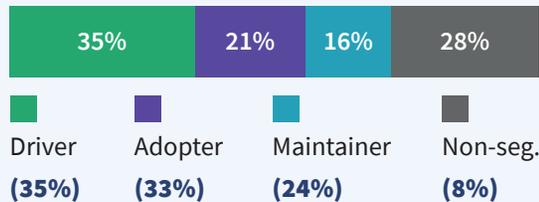
States



Rhode Island

Rhode Island SMBs reported slightly larger than average revenue declines (-19% vs. -16% avg.) despite having a Driver segment (35%) in line with the national average. Rhode Island SMB owners entered the crisis with a relatively low comfort level (52%) with digital tools. Nearly all (96%) of Rhode Island SMBs increased their use of digital tools during COVID-19. More than half (55%) of Rhode Island SMBs feel optimistic about the future of their business and are now thinking more about how to grow those businesses (55%). Meanwhile, 47% of them said they were able to retain or even grow their customer base

Segment distribution



Average revenue reduction

-19% | **-16% avg.**

% increased use of tools during COVID-19

96% | **72% avg.**

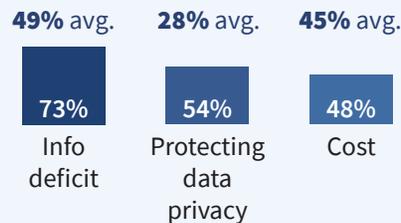
% plan to use tools more post-COVID-19

63% | **53% avg.**

Top 3 tools used pre-COVID-19

- Social media/video platforms (**92% vs. 69%**)
- Digital payments (**91% vs. 67%**)
- Digital ads (**89% vs. 58%**)

Top barriers to digital tool adoption



% comfort with digital tools pre-COVID-19

52% | **68% avg.**

Top post-COVID-19 questions

How will I...

- Recover from the damages? (**62% vs. 44%**)
- Digitally prepare for future? (**59% vs. 37%**)
- Cover my expenses? (**40% vs. 42%**)

Top 3 tools interested in adopting

- CRM platforms (**19% vs. 11%**)
- Online hiring platforms (**12% vs. 8%**)
- Video Conferencing (**11% vs. 6%**)

Top 3 learning formats of interest

- Step-by-step video tutorials (**55% vs. 56%**)
- Step-by-step written guides (**51% vs. 42%**)
- Webinars or livestreams (**51% vs. 47%**)



States

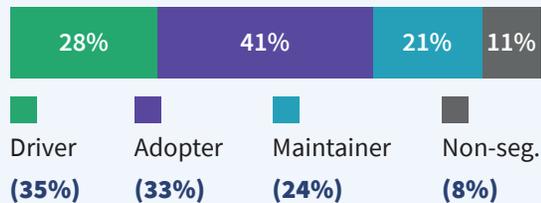


South Carolina

Disproportionately Adopter businesses (41% vs. 33% avg.), South Carolina SMBs leaned heavily into tech to get them through COVID-19, with four in five (80% vs. 72% avg.) increasing their use of digital tools during the pandemic and nearly half (47% vs. 42%) reassessing their approach to digital tools as a result of COVID-19.

Despite recognizing that digital tools helped them more during COVID-19 than previously (55% vs. 53% avg.), these SMBs' rapid adaptation also posed challenges in managing digital tools (59% vs. 46% avg) and training employees on them (52% vs. 41% avg.). As a result, these SMBs need assurance of the overall helpfulness of tools (40%) before adoption.

Segment distribution



Average revenue reduction

-12% | **-16% avg.**

% increased use of tools during COVID-19

80% | **72% avg.**

% plan to use tools more post-COVID-19

59% | **53% avg.**

Top 3 tools used pre-COVID-19

- Digital payments (**78% vs. 67%**)
- Social media/video platforms (**72% vs. 69%**)
- Business website (**67% vs. 69%**)

Top barriers to digital tool adoption



% comfort with digital tools pre-COVID-19

70% | **68% avg.**

Top post-COVID-19 questions

How will I...

- Recover from the damages? (**48% vs. 44%**)
- Retain my customer base? (**47% vs. 42%**)
- Optimize my business ops? (**43% vs. 39%**)

Top 3 tools interested in adopting

- SEO (**11% vs. 8%**)
- Local Listing (**11% vs. 9%**)
- Online hiring platforms (**10% vs. 8%**)

Top 3 learning formats of interest

- Step-by-step video tutorials (**60% vs. 56%**)
- Webinars or livestreams (**48% vs. 47%**)
- Step-by-step written guides (**47% vs. 42%**)

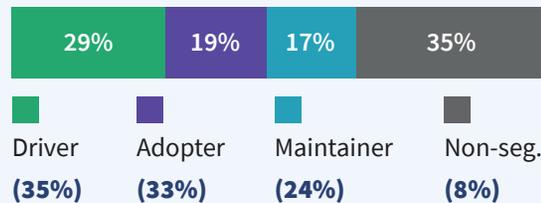


States

South Dakota

South Dakota SMBs were ranked in the bottom five among states for estimated revenue losses (-22% vs. -16% avg). Looking forward, South Dakota SMBs are now heavily focused on recovery (63%), digitally preparing their companies for the future (54%) and optimizing their business operations (48%). The vast majority of South Dakota SMBs entered the pandemic with a basic digital toolkit consisting of an online marketplace (84%), social media (87%) and SEO (80%). More than half (55%) of South Dakota SMBs plan to use digital tools more post-COVID-19.

Segment distribution



Average revenue reduction

-22% | **-16% avg.**

% increased use of tools during COVID-19

68% | **72% avg.**

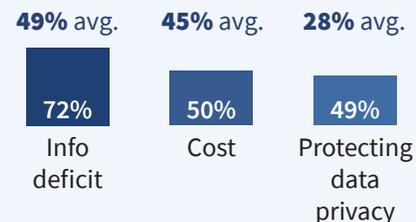
% plan to use tools more post-COVID-19

55% | **53% avg.**

Top 3 tools used pre-COVID-19

- SEO **(80% vs. 64%)**
- Social media/video platforms **(87% vs. 69%)**
- Online marketplace **(84% vs. 53%)**

Top barriers to digital tool adoption



% comfort with digital tools pre-COVID-19

55% | **68% avg.**

Top post-COVID-19 questions

How will I...

- Optimize my business ops? **(48% vs. 39%)**
- Recover from the damages? **(63% vs. 44%)**
- Digitally prepare for future? **(54% vs. 37%)**

Top 3 tools interested in adopting

- CRM platforms **(13% vs. 11%)**
- Online hiring platforms **(11% vs. 8%)**
- Business website **(10% vs. 9%)**

Top 3 learning formats of interest

- Step-by-step video tutorials **(65% vs. 56%)**
- Step-by-step written guides **(44% vs. 42%)**
- Webinars or livestreams **(43% vs. 47%)**



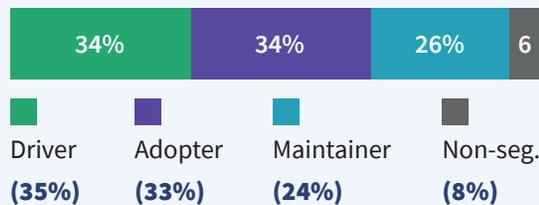
States



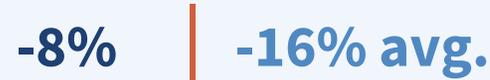
Tennessee

Tennessee's substantial business community of Drivers (34%) and Adopters (34%) helped place it in the top 5 of projected revenue estimates (-8%) compared to other states. Tennessee SMB owners entered the crisis with an average comfort level with digital tools and nearly half (49%) felt technologically prepared for COVID-19. These businesses are heavily oriented toward retaining (51%) and growing their customer base (49%), and most (52%) intend to increase their use of digital tools in support of these aims, even while they worry about technology costs (46%). Tennessee SMBs are most interested in adopting customer insight tools (14% vs 11% avg.).

Segment distribution



Average revenue reduction



% increased use of tools during COVID-19



% plan to use tools more post-COVID-19



Top 3 tools used pre-COVID-19

- Digital payments (**74% vs. 67%**)
- Social media/video platforms (**69% vs. 69%**)
- SEO (**63% vs. 64%**)
- Business website (**63% vs. 69%**)
- Collaboration tools (**63% vs. 60%**)

Top barriers to digital tool adoption



% comfort with digital tools pre-COVID-19



Top post-COVID-19 questions

How will I...

- Retain my customer base? (**51% vs. 42%**)
- Grow my customer base? (**49% vs. 40%**)
- Optimize my business ops? (**40% vs. 39%**)

Top 3 tools interested in adopting

- Customer insight tools (**14% vs. 11%**)
- Business website (**13% vs. 9%**)
- CRM platforms (**12% vs. 11%**)

Top 3 learning formats of interest

- Step-by-step video tutorials (**71% vs. 56%**)
- Webinars or livestreams (**46% vs. 47%**)
- Step-by-step written guides (**40% vs. 42%**)

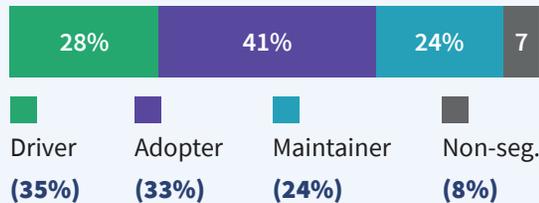


States



With a high percentage of SMBs in the Adopter segment (41% vs. 33% avg), Texas follows trends similar to Adopter businesses across the country. Texas SMBs are especially likely to say digital tools helped their business more during COVID-19 than previously (58% vs. 53% avg.), sparking greater interest in future digital tool use (57% vs. 53% avg.). Looking to the future, a majority of SMBs in Texas (56%) plan to start using a new digital tools, with especially strong interest in CRM platforms (20% vs. 11%). Like Adopter businesses across the country, for Texas COVID-19 expedited a shift towards greater tech use, increasing urgency and enthusiasm around adopting new tools.

Segment distribution



Average revenue reduction

-22% | **-16% avg.**

% increased use of tools during COVID-19

68% | **72% avg.**

% plan to use tools more post-COVID-19

57% | **53% avg.**

Top 3 tools used pre-COVID-19

- Digital payments (**68% vs. 67%**)
- Business website (**65% vs. 69%**)
- Social media/video platforms (**65% vs. 69%**)

Top barriers to digital tool adoption



% comfort with digital tools pre-COVID-19

70% | **68% avg.**

Top post-COVID-19 questions

How will I...

- Grow my customer base? (**44% vs. 40%**)
- Recover from the damages? (**44% vs. 44%**)
- Retain my customer base? (**42% vs. 42%**)

Top 3 tools interested in adopting

- CRM platforms (**20% vs. 11%**)
- Digital ads (**16% vs. 9%**)
- Customer insight tools (**16% vs. 11%**)
- Online training platforms (**16% vs. 10%**)

Top 3 learning formats of interest

- Step-by-step video tutorials (**55% vs. 56%**)
- Webinars or livestreams (**48% vs. 47%**)
- Step-by-step written guides (**44% vs. 42%**)



States



Utah

Utah SMBs reported the second-best revenue outcomes of any state (-5% vs. -16 avg.). Half of Utah's SMBs felt technologically prepared for the pandemic. Most Utah SMBs (52%) intend to use digital tools more post-COVID-19. Reflecting their focus on retaining their customer base (45%) and optimizing business operations (42%), these SMBs are especially interested in adopting customer relationship management tools (20%), online hiring platforms (16%) and digital ads (16% vs. 9%) at twice the rate of the national average.

Average revenue reduction

-5% | **-16% avg.**

% comfort with digital tools pre-COVID-19

71% | **68% avg.**

% increased use of tools during COVID-19

76% | **72% avg.**

Top post-COVID-19 questions

How will I...

- Retain my customer base? **(45% vs. 42%)**
- Recover from the damages? **(43% vs. 44%)**
- Optimize business operations? **(42% vs. 39%)**

% plan to use tools more post-COVID-19

52% | **53% avg.**

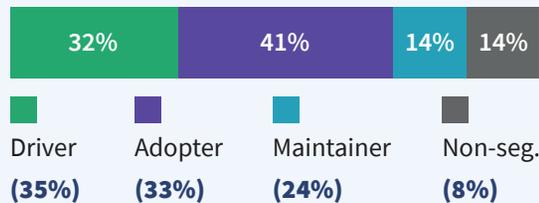
Top 3 tools interested in adopting

- CRM platforms **(20% vs. 11%)**
- Online hiring platforms **(16% vs. 8%)**
- Business website **(14% vs. 9%)**

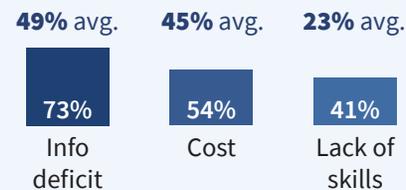
Top 3 tools used pre-COVID-19

- SEO **(75% vs. 64%)**
- Digital payments **(72% vs. 67%)**
- Business/data analytics tools **(70% vs. 54%)**

Segment distribution



Top barriers to digital tool adoption



Top 3 learning formats of interest

- Step-by-step video tutorials **(56% vs. 56%)**
- Step-by-step written guides **(44% vs. 42%)**
- Webinars or livestreams **(41% vs. 47%)**



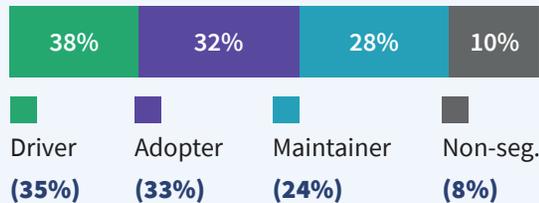
States



Vermont

Vermont SMBs had a higher than average percentage of Maintainers (28%) and reported projected revenue declines of -21%, worse than the national average. Vermont SMB owners were among the least comfortable (51%) with digital tools heading into COVID-19. While only 40% of Vermont SMBs were optimistic about the future of their businesses, they are still forward thinking in terms of growing the business (61%) and focusing on long-term goals (50%). They are heavily focused on recovery (50%), looking to change their revenue model (53%) and digitally preparing their businesses for the future (55%).

Segment distribution



Average revenue reduction

-21% | **-16% avg.**

% increased use of tools during COVID-19

99% | **72% avg.**

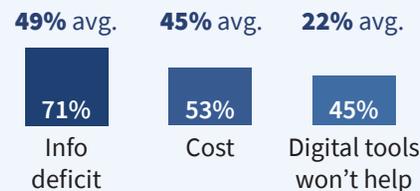
% plan to use tools more post COVID-19

43% | **53% avg.**

Top 3 tools used pre-COVID-19

- Social media/video platforms (**85% vs. 69%**)
- Online marketplace (**82% vs. 53%**)
- Digital ads (**78% vs. 58%**)

Top barriers to digital tool adoption



% comfort with digital tools pre-COVID-19

51% | **68% avg.**

Top post-COVID-19 questions

How will I...

- Digitally prepare for future? (**55% vs. 37%**)
- Change my revenue model? (**53% vs. 26%**)
- Recover from the damages? (**50% vs. 44%**)

Top 3 tools interested in adopting

- CRM platforms (**17% vs. 11%**)
- Collaboration tools (**15% vs. 7%**)
- Online training platforms (**15% vs. 10%**)

Top 3 learning formats of interest

- Step-by-step written guides (**59% vs. 42%**)
- Webinars or livestreams (**56% vs. 47%**)
- Step-by-step video tutorials (**44% vs. 56%**)

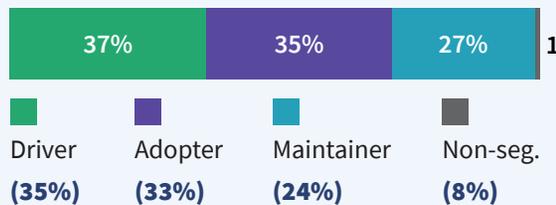


States

Virginia

Virginia's higher than average (37%) Driver segment appeared to be countered by its higher than average Adopter (35%) and Maintainer (27) segments because the state's SMBs reported revenue reductions (-20%) well below the national average. Virginia's SMB owners had a below average (65%) level of comfort with digital tools heading into the crisis. Virginia SMBs also relied slightly less on digital tools during COVID-19 than the national average (69% vs. 72% avg.). Only 45% of SMBs plan on using digital tools more post-COVID-19. They are heavily focused on recovery (43%), growing (50%) and retaining (48%) their customer base.

Segment distribution



Average revenue reduction

-20% | **-16% avg.**

% increased use of tools during COVID-19

69% | **72% avg.**

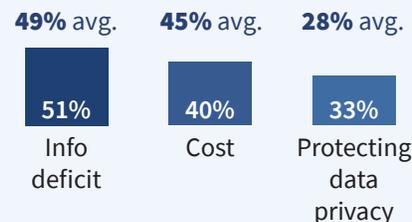
% plan to use tools more post-COVID-19

45% | **53% avg.**

Top 3 tools used pre-COVID-19

- Business website (**69% vs. 69%**)
- Social media/video platforms (**64% vs. 69%**)
- SEO (**57% vs. 64%**)

Top barriers to digital tool adoption



% comfort with digital tools pre-COVID-19

65% | **68% avg.**

Top post-COVID-19 questions

How will I...

- Grow my customer base? (**50% vs. 40%**)
- Retain my customer base? (**48% vs. 42%**)
- Recover from the damages? (**43% vs. 44%**)

Top 3 tools interested in adopting

- Customer insights tools (**11% vs. 11%**)
- SEO (**10% vs. 8%**)
- Local listing (**10% vs. 9%**)
- Collaboration tools (**10% vs. 7%**)

Top 3 learning formats of interest

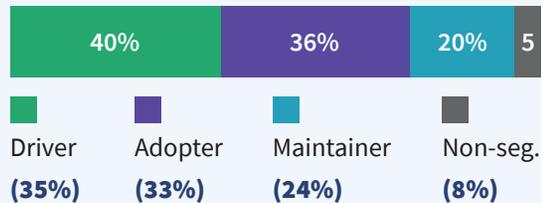
- Step-by-step video tutorials (**58% vs. 56%**)
- Webinars or livestreams (**52% vs. 47%**)
- Step-by-step written guides (**43% vs. 42%**)

States

Washington

Washington ranked in the top 10 among all states for its percentage of Drivers (40%); the state's SMBs reported revenue reductions slightly below the national average. A majority (55%) of Washington SMBs felt technologically prepared for the pandemic and 57% of them adapted or changed their product or service offerings during the crisis. They are heavily oriented toward recovery (43%) and are thinking about how to grow their businesses (53%) and focused on long-term goals (52%). Now, they are most interested in adopting online hiring platforms, a business website, and SEO.

Segment distribution



Average revenue reduction

-15% | **-16% avg.**

% increased use of tools during COVID-19

72% | **72% avg.**

% plan to use tools more post-COVID-19

53% | **53% avg.**

Top 3 tools used pre-COVID-19

- Social media/video platforms (**69% vs. 69%**)
- Business website (**68% vs. 69%**)
- Digital payments (**65% vs. 67%**)

Top barriers to digital tool adoption



% comfort with digital tools pre-COVID-19

72% | **68% avg.**

Top post-COVID-19 questions

How will I...

- Grow my customer base? (**47% vs. 40%**)
- Retain my customer base? (**44% vs. 42%**)
- Recover from the damages? (**43% vs. 44%**)

Top 3 tools interested in adopting

- Online hiring platforms (**14% vs. 8%**)
- Business website (**13% vs. 9%**)
- SEO (**11% vs. 8%**)

Top 3 learning formats of interest

- Step-by-step video tutorials (**52% vs. 56%**)
- Webinars or livestreams (**48% vs. 47%**)
- Step-by-step written guides (**38% vs. 42%**)



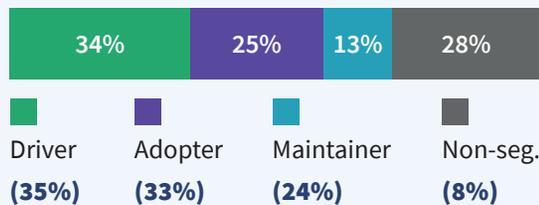
States



West Virginia

West Virginia's Driver segment (34%) helped its SMBs report better than average business outcomes. Nearly half (48%) of West Virginia SMBs felt technologically prepared for COVID-19 and 52% said they were able to retain or even grow their customer base during the crisis. West Virginia SMBs' heavy reliance in online marketplaces (91%) heading into the crisis was among the highest in the nation. They are now heavily focused on recovery (50%) and digitally preparing their companies for the future (50%). To do this they are most interested in adopting local listings (24%) and customer relationship management tools (16%).

Segment distribution



Average revenue reduction

-13% | **-16% avg.**

% increased use of tools during COVID-19

88% | **72% avg.**

% plan to use tools more post-COVID-19

58% | **53% avg.**

Top 3 tools used pre-COVID-19

- Online marketplace (**91% vs. 53%**)
- SEO (**89% vs. 64%**)
- Social media/video platforms (**85% vs. 69%**)

Top barriers to digital tool adoption



% comfort with digital tools pre-COVID-19

57% | **68% avg.**

Top post COVID-19 questions

How will I...

- Recover from the damages? (**50% vs. 44%**)
- Digitally prepare for future? (**50% vs. 37%**)
- Change my revenue model? (**42% vs. 26%**)

Top 3 tools interested in adopting

- Local listings (**24% vs. 9%**)
- CRM platforms (**16% vs. 11%**)
- Online training platforms (**15% vs. 10%**)

Top 3 learning formats of interest

- Step-by-step video tutorials (**67% vs. 56%**)
- Webinars or livestreams (**47% vs. 47%**)
- Step-by-step written guides (**38% vs. 42%**)



States



Wisconsin

Wisconsin SMBs largely entered COVID-19 with a basic digital infrastructure including a web and social media presence, and they relied a bit more on digital tools during COVID-19 than before it (75% vs. 72% avg.). Reporting slightly better than average revenue (-15%), most of these SMBs (62%) plan on using digital tools more post-COVID-19. They are now heavily focused on recovery (50%) and growing (48%) and retaining (40%) their customer base. They are now looking to adopt digital ads, an e-commerce presence, and social media.

Average revenue reduction

-15% | **-16% avg.**

% comfort with digital tools pre-COVID-19

73% | **68% avg.**

% increased use of tools during COVID-19

75% | **72% avg.**

Top post-COVID-19 questions

How will I...

- Recover from the damages? (**50% vs. 44%**)
- Grow my customer base? (**48% vs. 40%**)
- Retain my customer base? (**40% vs. 42%**)

% plan to use tools more post-COVID-19

62% | **53% avg.**

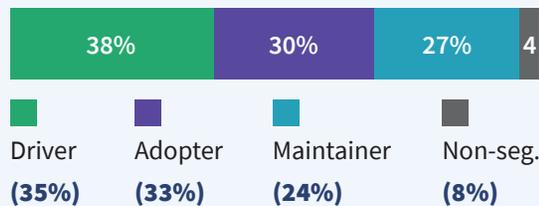
Top 3 tools interested in adopting

- Digital ads (**13% vs. 9%**)
- Online marketplace (**11% vs. 6%**)
- Social media/video platforms (**9% vs. 6%**)

Top 3 tools used pre-COVID-19

- Digital payments (**70% vs. 67%**)
- Business website (**69% vs. 69%**)
- Social media/video platforms (**67% vs. 69%**)

Segment distribution



Top barriers to digital tool adoption



Top 3 learning formats of interest

- Step-by-step video tutorials (**58% vs. 56%**)
- Webinars or livestreams (**57% vs. 47%**)
- Case studies about businesses (**33% vs. 31%**)
- Personalized learning plans (**33% vs. 30%**)



States

Wyoming

Although Wyoming SMB owners entered the pandemic with the lowest comfort level for digital tools (35%), their deployment of digital tools allowed them to retain or even grow their customer base (62%), among the highest reported percentages. Nearly all (98%) of Wyoming SMBs increased their use of digital tools during COVID-19. Looking forward, more than half (51%) of Wyoming SMBs plan to use digital tools more post-COVID-19. They are most interested in adopting customer relationship management tools (25% vs. 11%), local listings (18% vs. 9%), and video conferencing (6% vs. 6%). To do this Wyoming SMBs will have to be convinced new digital tools will work with their existing technology infrastructure (48%) and protect privacy (47%).

Average revenue reduction

-18% | **-16% avg.**

% comfort with digital tools pre-COVID-19

35% | **68% avg.**

% increased use of tools during COVID-19

98% | **72% avg.**

Top post-COVID-19 questions

How will I...

- Recover from the damages? (**68% vs. 44%**)
- Digitally prepare for future? (**55% vs. 37%**)
- Retain my customer base? (**51% vs. 42%**)

% plan to use tools more post-COVID-19

45% | **53% avg.**

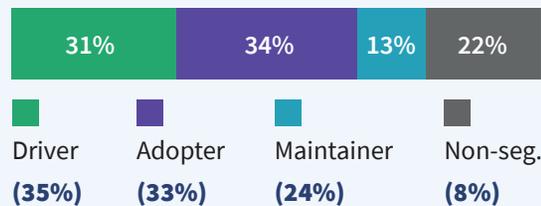
Top 3 tools interested in adopting

- CRM platforms (**25% vs. 11%**)
- Local Listings (**18% vs. 9%**)
- Video Conferencing (**6% vs. 6%**)

Top 3 tools used pre-COVID-19

- SEO (**96% vs. 64%**)
- Digital ads (**89% vs. 58%**)
- Online marketplace (**88% vs. 53%**)

Segment distribution



Top barriers to digital tool adoption



Top 3 learning formats of interest

- Step-by-step video tutorials (**62% vs. 56%**)
- Step-by-step written guides (**49% vs. 42%**)
- In person classes (**43% vs. 30%**)

Research Methodology and References

Research Methodology

This research sought to understand shifts in perception and use of digital tools among U.S. SMBs as a result of COVID-19. The research objectives included:

- Gauging the impact of COVID-19 on small businesses across industries, geographies, and vulnerable communities.
- Understanding the role of digital tools in helping small businesses run and grow their businesses.
- Uncovering shifts in the role of digital tools as a result of COVID-19.
- Identifying current and anticipated pain points and unmet needs around digital tools.
- Exploring attitudes and perceptions about the future and the role digital tools might play in a new normal.

This report is largely based on findings from a nationwide survey of 7,021 SMB leaders, with at least 100 SMBs from each state. Data were weighted by gender, ethnicity, region, business size, and vertical, for an accurate representation of SMBs nationally, as distributed by the number of people they employ. In other words, SMBs are representative of and distributed in accordance with their role as economic engines of the U.S. economy.

The survey was fielded online and by phone between May 28 and July 3, 2020, a period in which businesses were contending not only with COVID-19, but in many cases, increased levels of civil unrest. As such, it is important to acknowledge the findings for what they are and are not — this study specifically focused on the role of technology in helping businesses through the pandemic. The attitudes it captured, including technological attitudes prior to COVID-19 and outlook for the future, are likely enduring, but naturally they exist within a broader range of concerns and challenges with which SMBs must contend.

Part of this report is additionally based on insights derived from one-hour video interviews with 56 SMB leaders during April and May 2020. Based on a number of key questions about the use of digital tools, four mutually exclusive personas of SMBs were derived, as presented in the report. The same questions from the survey data then assigned the 7,021 SMBs into those personas.

It is also important to point out that this study focused only on those SMBs that were actively still in business at the time we contacted them, in the middle of COVID-19. Thus, this report tells a story of preparedness: what factors contributed to preparedness, how preparedness differs across different kinds of businesses, and how that affects the future of these SMBs.

Finally, we derived additional insights and context via third-party references and discussions with subject matter experts. These are listed on the following pages.



The Tiny Tassel | Charleston, SC

Research Methodology

Sample Weighted to Be Nationally Representative

The small businesses in this survey are weighted to reflect nationally representative ethnic, gender, and veteran status distribution, as well as business size, based on share of employment.

Business size	Sample Comp.	Industry	Sample Comp.	Gender, race, and ethnicity	Sample Comp.
Non-employee	27%	Services	21%	Men	64%
1-19	23%	Health Care	19%	Women	36%
20-249	40%	Retail	12%	White	72%
250-499	10%	Manufacturing	11%	Hispanic/Latino	14%
		Food Service	11%	Black	6%
		Other	11%	Asian	6%
		Travel	8%	Other	2%
		Arts, Ent., Education, Rec.	7%	Non-veteran	91%
				Veteran	9%

State	State Comp.
Weighted to share of employment by state	

Research Methodology

Weighting Based on Robust Sample

The sample was targeted to the census, based on small business share of employment statistics.

Business size	Sample	Industry	Sample Comp.	Gender, race, and ethnicity	Sample Comp.
Non-employee	n=1,891	Services	n=1,464	Men	n=4,488
1-19	n=1,628	Health Care	n=1,331	Women	n=2,524
20-249	n=2,801	Retail	n=843	White	n=5,061
250-499	n=702	Manufacturing	n=779	Hispanic/Latino	n=983
		Food Service	n=768	Black	n=422
		Other	n=774	Asian	n=422
		Travel	n=571	Other	n=381
		Arts, Ent., Education, Rec.	n=491	Non-veteran	n=6,389
				Veteran	n=632
State	State Comp.				
Minimum n=100 per state					

Research Methodology

Qualitative Research Approach: 1-on-1 Video Interviews

Methodology



56 one-hour video interviews with business leaders and decision makers

Mix of company sizes

1-20 employees

21-100 employees

101-500 employees

B2C sectors represented

Restaurants, Coffee Shops, and Delis

In- and Out-of-Home Services

Events and Entertainment

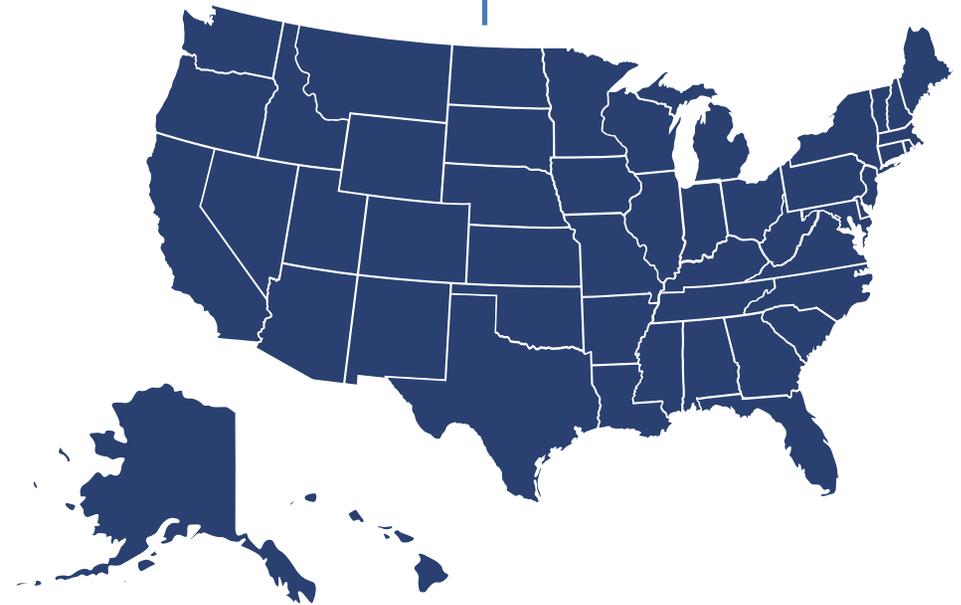
Retail

Health, Sports, and Fitness

Manufacturing/Supplies



Tier 1, 2, and 3 cities across the country



Research Methodology

Quantitative Research Approach

Survey Methodology



7,021 online and CATI surveys in the U.S. | 18 minutes
Fielded from May 28–July 3, 2020

Mix of company sizes

1–19 employees
20–249 employees
250–499 employees

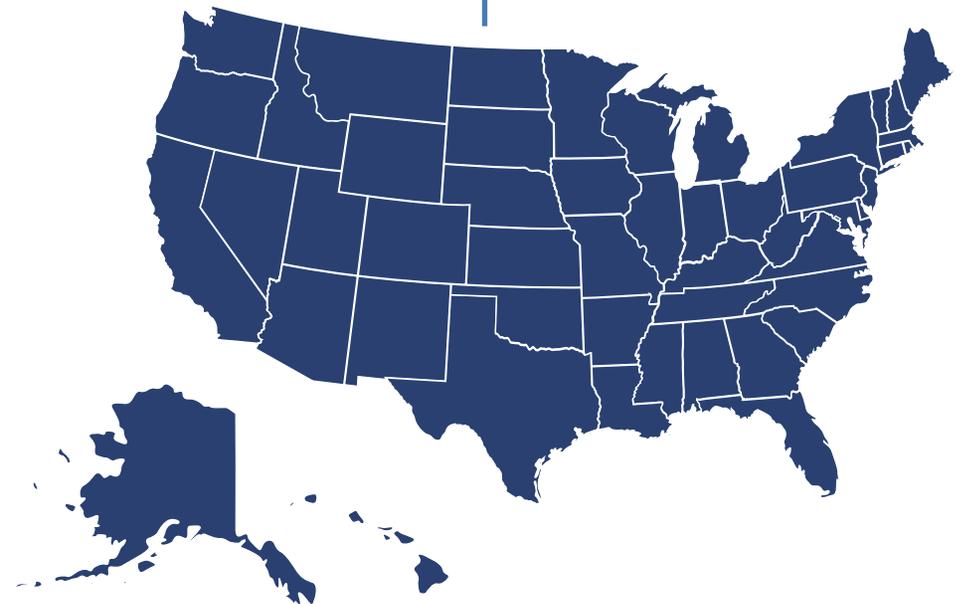
B2C sectors represented

Services
Health Care
Retail
Manufacturing
Food Services
Other
Travel
Arts, Entertainment, and Recreation



Representative of the distribution of small businesses, based on share of employment, per the census.

Data have been weighted to vertical, region, business size, gender, race, veteran status, and ethnicity.



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Learn more at www.connectedcouncil.org



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Aerica Shimizu Banks

Aerica Shimizu Banks is a tech policy expert, inclusion innovator, and champion of women of color entrepreneurs. She is the founder of Shiso LLC, a consultancy that centers racial equity in tech, policy, and business. She advocates for women of color entrepreneurs by building communities of support and empowerment. She was named a Tech Titan by Washingtonian Magazine and a Forbes 30 Under 30 list Social Entrepreneur. She founded Pinterest's DC office and led federal affairs; led diversity and equity initiatives on Google's legal team and served as the Black small business liaison for the DC area; co-founded BEACON: The DC Women Founders Initiative; was a political appointee in the Obama Administration; and advanced environmental justice policies in Washington state. She holds a MSc in Environmental Policy from Oxford University and a BA in Environmental Studies and Public Affairs from Seattle University. Learn more about her at aerica.co.

Prof. Christopher T. Stanton, PhD

Prof. Christopher T. Stanton is the Marvin Bower Associate Professor of Business Administration in the Entrepreneurial Management Unit, Harvard Business School. He is also affiliated with the HBS Digital Initiative and the Harvard Laboratory for Innovation Science. Overall, Stanton's research seeks to understand how technology is changing the management and nature of work, and he is co-author of the recent working paper *How Are Small Businesses Adjusting to COVID-19? Early Evidence From a Survey*. His recent work includes cases with Zoom and Freelancer. Stanton has a BA and MA in Political Science and a PhD in Business Administration.

Prof. David B. Audretsch, PhD

Prof. David B. Audretsch is the Distinguished Professor and Ameritech Chair of Economic Development, along with Director of the Institute of Development Strategies at the O'Neill School of Public Affairs, Indiana University. He previously served as the Director of the Division of Entrepreneurship, Growth and Public Policy at the Max Planck Institute of Economics in Germany. He is also the Co-founder and Editor-in-Chief of the peer-reviewed journal *Small Business Economics*. Author of a dozen books, Audretsch's research has focused on the links between entrepreneurship, government policy, innovation, economic development and global competitiveness. He has consulted for the World Bank and numerous private corporations, state governments, and a number of European governments. Audretsch has a BA, MS, and PhD in Economics.

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