



Breaking Integrated Digital Tools and Services Hurts Small Businesses

Small Business Owners and Leaders Overwhelmingly Oppose Legislation That Limits Their Use of Digital Tools and Platforms and Their Integrated Capabilities

Summary

- Most small businesses use and value digitally integrated tools, and SMB leaders are concerned that misguided Congressional antitrust legislation would make integrated tools harder to use and more expensive.
- Integrated tools and services include, e.g., targeted digital ads with analytics and marketplaces with delivery and fulfillment services.
- S. 2992 and H.R. 3816 are aimed at large digital platforms, but several of their provisions would limit small businesses' ability to use, integrate, and optimize those platforms' high-value digital tools. That will harm millions of small businesses, and many will be devastated.

Background

Congress is considering “progressive antitrust” legislation that would severely disrupt both the providers of digital platforms and tools and the [75%](#) of small- and medium-sized businesses (SMBs) that consider these technologies valuable and important to their success. We already know that:

- Small businesses use digital tools and platforms to [increase sales, save money, and grow their businesses](#).
- [87%](#) of SMBs are concerned that Congressional proposals to regulate tech would make small business digital tools and services more expensive and less useful.
- Digital platform “progressive antitrust” legislation [is absolutely not a priority](#) for small business owners and leaders. They do not want platforms and tools to be regulated in ways that limit their utility, integrated capabilities and value.

Here, we take a deeper dive into the specific digital platforms and tools that SMBs value and don't wish to have disrupted by Congress. In particular, we look at how SMBs use different tools [together in combination](#) (“integrated tools” or “integrations”). These valuable integrations are specifically targeted by S. 2992 and H.R. 3816.

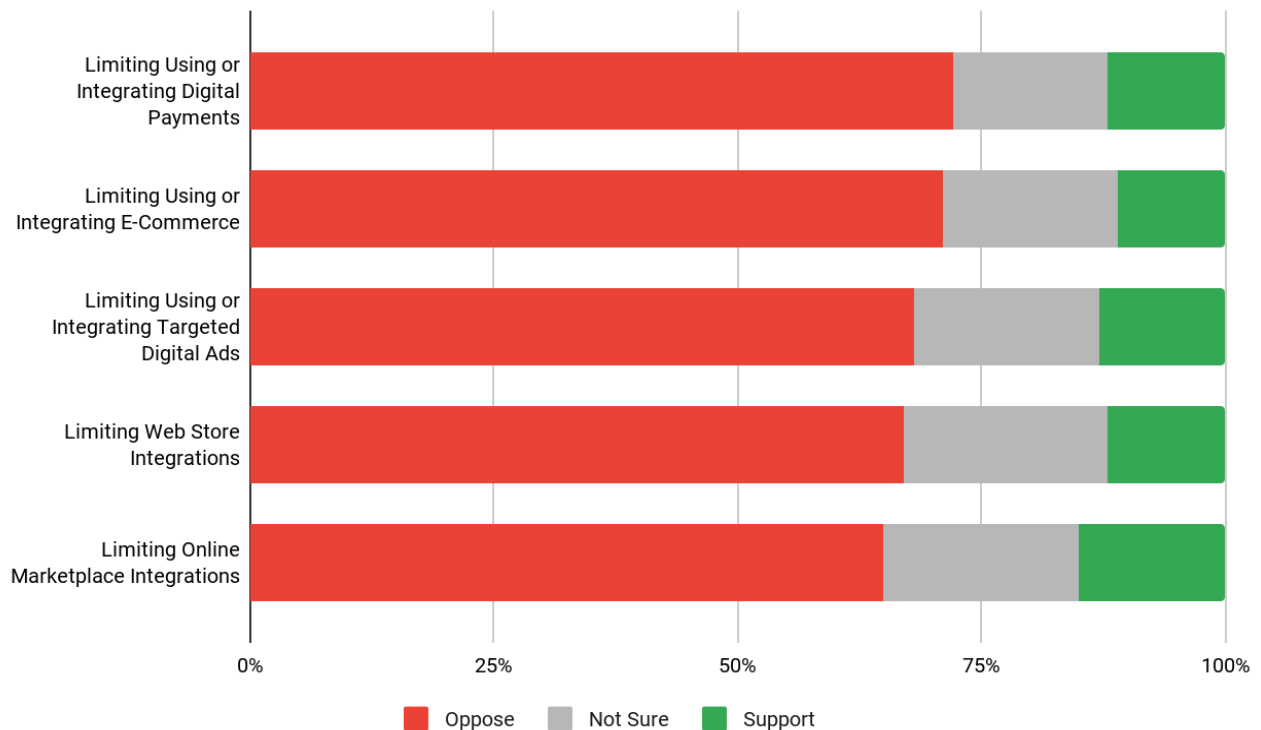
Top Findings

Most SMBs Use and Value Digitally Integrated Tools

SMBs save time and money when using smart combinations of digital tools and platforms to interact with potential customers and make sales. SMB leaders are concerned that misguided Congressional legislation may cut off access to these “integrations” or make them more expensive. The American Innovation and Choice Online Act (S. 2992) would force Amazon, Apple, and Google to break apart many of the integrated products that small businesses like and use to find customers. For example, someone searching for a restaurant using Google could no longer be assured to be connected to a Google Map and Google Business Profile, where the restaurant’s location, hours of operation, menus, and reviews are easy to find.

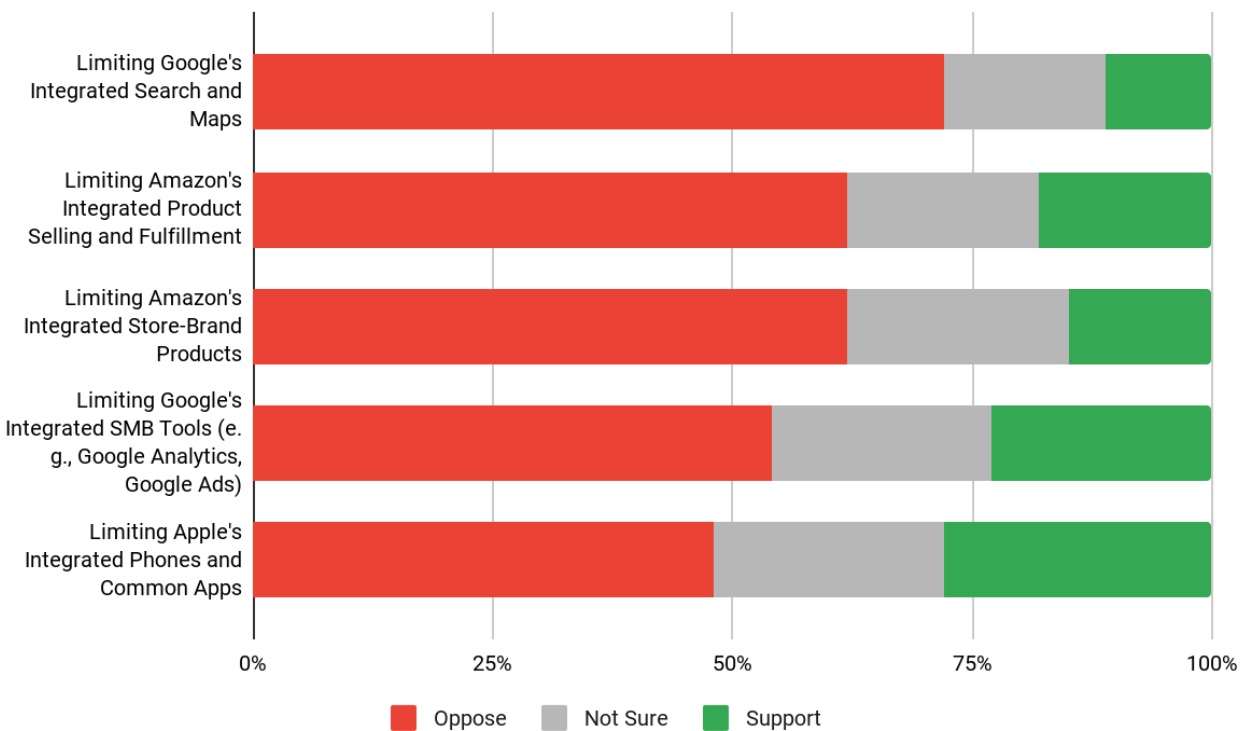
- 87% of SMB leaders are concerned that proposed digital platform laws would make high-value digital technologies more expensive to access or buy, with a majority (55%) having serious concerns.
- 92% of SMB leaders selling through their owned web store say integrated services are valuable and important (54%) or even critical (38%) to their business.
- 94% of SMB leaders selling through an online marketplace say integrated services are valuable and important (48%) or even critical (46%) to their business.

SMBs Oppose Legislation That Limits Use of Digital Tools and Platforms



- Digital payments: 72% oppose limiting the ability to use or integrate digital payments (only 12% support)
- E-commerce: 71% oppose limiting the ability to use or integrate e-commerce (only 11% support)
- Targeted digital ads: 68% oppose limiting the ability to use or integrate targeted digital advertising (only 13% support)
- Web store integrations: 67% oppose limiting the use of integrated services with their business' web store (only 12% support)
- Online marketplace integrations: 65% oppose limiting the use of integrated services with their business' sales on online marketplaces (only 15% support)

SMBs Oppose Legislation That Limits Capabilities Integrated Into Digital Platforms



- Integrated search and maps: 72% oppose a ban on Google Maps in Google search results (only 11% support)
- Integrated product selling and fulfillment: 62% oppose forcing Amazon to separate warehousing, shipping, product promotion and customer support services so that Amazon Prime becomes unworkable for marketplace sellers (only 18% support)
- Integrated store-brand products: 62% oppose a ban on AmazonBasics products in the Amazon.com marketplace (only 15% support)

- Integrated SMB tools: 54% oppose forcing Google to break apart products that help small businesses accurately measure the impact of their advertising campaigns (e.g., Google Analytics, Google Ads) (only 23% support)
- Integrated phones and common apps: 48% oppose a ban on Apple preloading iPhones with its own apps, such as Clock, Camera, Health, or iMessage (only 28% support)

The study results, conducted from March 29, 2022, to April 6, 2022, with a sample size of 1,000 and a margin of error in the total sample of +/- 3.1%, can be found [here](#).

What This Means

Amid inflationary, post-pandemic economic turmoil, Congress is pursuing legislation that small businesses do not want and think will hurt their bottom line. Sponsors and supporters of S. 2992 and H.R. 3816 claim this is necessary because digital platforms are too large and are abusing their market power to hurt small businesses. But small business owners disagree, and believe they will be hurt by new laws that limit their ability to use and optimize high-value digital tools that the platforms provide.

About 3C

The Connected Commerce Council is a non-profit organization with a single goal: to promote small businesses' access to digital technologies and tools. 3C provides small businesses with access to the market's most effective digital tools available, provides coaching to optimize growth and efficiency, and cultivates a policy environment that considers and respects the interests of today's small businesses.