



# Digital Tools: The Key to Small Business Resilience in Today's Economy

## Summary

In a new survey of 2,000 U.S. small business owners and senior decision-makers (“SMB leaders”), we learned that 75% of them are using digital tools to help their business navigate tough economic conditions heading into 2023. Not surprisingly, 66% of SMB leaders say inflation is seriously impacting their ability to run their business right now, but on a more positive note, 73% also report that digital tools play a critical role in helping them operate more efficiently and save money during such economic uncertainty. A full 65% said that digital tools specifically help them battle inflation through greater efficiency.

During the COVID-19 pandemic, we termed the use of software, platforms, apps, and marketplaces (i.e., digital tools) for resilience, efficiency, and sustainability the “Digital Safety Net.” Our new research confirms that the Digital Safety Net continues to be important for SMBs as they face new challenges in today's economy (something corroborated by independent research). An overwhelming 78% of SMB leaders say digital tools are critical for their success and growth in 2023, while 73% say digital tools give them a sense of confidence about their company, emphasizing the lasting impact of digital tools on small businesses.

## How U.S. SMB Leaders Use Digital Tools in a Challenging Economy

75%

To navigate tough economic conditions

73%

To operate efficiently and save money

65%

To battle inflation through efficiency

78%

For their success and growth

73%

To get confidence about the future

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## Key Research Results

### Digital Tools Have Helped Small Businesses Navigate Recent Challenges

*SMB leaders have faced multiple challenges in the past few years, from the COVID-19 pandemic and related lockdowns to supply chain issues, inflation, and the looming threat of a potential recession. Through it all, digital tools such as software, online platforms, apps, and marketplaces have provided a “Digital Safety Net” for small businesses, enabling them to increase their resilience, efficiency, and sustainability.*

- 75% of SMB leaders said that digital tools played a critical role in helping their business survive over the last two years.
- 85% of SMB leaders said that digital tools played a critical role in helping their business grow over the last two years.
- 66% of SMB leaders said inflation is seriously impacting their ability to run and operate their business.
- 85% of SMB leaders said digital tools are important to their business right now.
- 73% of SMB leaders said digital tools play a critical role in helping them run their business amid economic uncertainty by helping them operate more efficiently and save money.
- 65% of SMB leaders said that digital tools help their business battle inflation through greater efficiency.
- 73% of SMB leaders said that amid a challenging economy, they are confident that digital tools will help steer their business in the right direction.



## **Access to Digital Tools Will Be Important for Small Businesses Striving to Navigate the Challenges of Tomorrow**

*SMB leaders will continue to face headwinds in 2023 and most likely beyond, as economic conditions are choppy at best. Indeed, 66% of SMB leaders in our survey rated the U.S. economy as fair or poor. The “Digital Safety Net” will continue to be effective at providing a measure of resilience, efficiency, and sustainability.*

- 75% of SMB leaders agree that digital tools will help their business navigate tough economic conditions in 2023.
- 78% of SMB leaders agree that digital tools will play a critical role in their company's growth and success in 2023.
- 90% of SMB leaders said they use digital tools to find new customers, 77% to work productively with employees, and 69% to hire new employees.
- 73% of SMB leaders said digital tools give them a sense of confidence about the future of their company.

## **Cybersecurity Attacks are an Emerging SMB Challenge**

*As the number of digital tools grow, they also become “attack vectors” for criminals and other bad actors, presenting another challenge to already overwhelmed SMB leaders.*

- 65% of SMB leaders said that data security and customer privacy are concerns for their business right now.
- 85% of SMB leaders say that having a cyber security plan in place would make them feel more comfortable using digital tools for their business over the next two years.
- 52% of SMB leaders said they do not currently have a cybersecurity plan in place.



## Digital Tools Help American SMB Leaders From Diverse Backgrounds Build Resilient Businesses in Challenging Times

Digital tools are especially advantageous to Black, Hispanic, and military Veteran SMB leaders, helping to “level the playing field” for diverse American entrepreneurs. Across the board, they feel more strongly than average about the importance of digital tools for successfully running their businesses.

	% of All SMB Leaders Who Agree	% of Black SMB Leaders Who Agree	% of Hispanic SMB Leaders Who Agree	% of Veteran SMB Leaders Who Agree
Digital tools played a critical role in helping my business survive over the past 2 years.	75%	81% (+6)	81% (+6)	86% (+11)
Digital tools played a critical role in helping my business grow over the last two years.	75%	83% (+8)	83% (+8)	87% (+12)
Digital tools play a critical role in helping me run my business amid economic uncertainty by helping me operate more efficiently and save money.	73%	81% (+8)	80% (+7)	86% (+13)
Amid a challenging economy, I am confident that digital tools will help steer my business in the right direction.	73%	85% (+12)	82% (+9)	86% (+13)
Digital tools will play a critical role in my company's growth and success in 2023.	78%	86% (+8)	82% (+4)	87% (+9)
Digital tools give me a sense of confidence about the future of my company.	73%	81% (+8)	82% (+9)	86% (+13)



## Methodology

The RXN Group conducted an online survey of 2,000 SMB Leaders across the U.S. from November 28th to December 12th, 2022, which included oversamples of Hispanic, Black, and Veteran SMB leaders (250 per group). The overall survey has a margin of error of +/-2.2%; the margins of error are larger for subgroups. The final data were weighted to known variables, including Census data. The full results of our survey can be found [here](#).

## 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.