



# SMALL BUSINESS RECOVERY SURVEY

Wave Three Results

AUGUST 2021

## Background

### Wave Three

#### METHODOLOGY

This poll was conducted by Morning Consult on behalf of Verizon between August 5 – August 16, 2021 among a national sample of 608 small to midsize business owners and decision makers. The interviews were conducted online. Results from the full survey have a margin of error of +/- 4 percentage points.

#### TARGET AUDIENCE

- Works at a business with 1 (sole proprietor) to 500 employees
- Has decision-making power
- Business has not permanently closed without plans to re-open
- Works in one of the following industries:
  - Construction & Contracting
  - Entertainment & Recreation
  - Food & Beverage
  - Hospitality & Accommodation
  - Retail
  - Restaurant & Bar

### Wave Two

#### METHODOLOGY

This poll was conducted by Morning Consult on behalf of Verizon between August 26 – September 4, 2020 among a national sample of 600 small to midsize business owners and decision makers. The interviews were conducted online. Results from the full survey have a margin of error of +/- 4 percentage points.

#### TARGET AUDIENCE

- Works at a business with 1 (sole proprietor) to 500 employees
- Has decision-making power
- Business has not permanently closed without plans to re-open
- Works in one of the following industries:
  - Construction & Contracting
  - Entertainment & Recreation
  - Food & Beverage
  - Health Care & Medical Care \*
  - Hospitality & Accommodation
  - Professional, Scientific & Technical Services \*
  - Property & Real Estate \*
  - Retail
  - Restaurant & Bar

\* Wave two data throughout the report that is trended against wave three data has been filtered to exclude the industries that were not included in wave three.

## Key Points

- 1. Small business owners and decision makers are optimistic for the future.** More than 2 in 3 decision makers anticipate that the overall state of their business will be better off a year from now than it is today (68%). Most SMBs (53%) say their business is much (17%) or somewhat better off (36%) now compared to August of 2020, while 27% say it's about the same.
- 2. Business are scaling technology to enhance customer experiences and compensate for labor shortages.** Nearly 2 in 3 decision makers (63%) say they are using digital tools and technologies to enhance customer experiences and create new business opportunities, compared to just over half who were doing so this time last year (53%). In the past year, 1 in 5 decision makers have hired employees who do not live locally for roles in which they can work remotely (20%), and 30% have implemented new systems or technology to compensate for a shortage of workers.
- 3. Business decision makers view flexibility as one of the most important benefits for attracting and retaining talent.** About 3 in 4 decision makers say the ability to work flexible schedules and hours is important for attracting and retaining talent at their business (74%), the same share who view health insurance as important (74%).
- 4. Technology adoption grew rapidly compared to August 2020 as small businesses transitioned to digital operations and enhanced their cybersecurity.** Most decision makers said their business has added or upgraded its connectivity solutions with strong bandwidth in August 2021 (52%), compared to 27% who said they had done so in August 2020. Adding or upgrading security tools for phones and devices (48% vs. 23%), secure cloud backup (46% vs. 26%), and devices to support employee connectivity (45% vs. 28%) followed suit.

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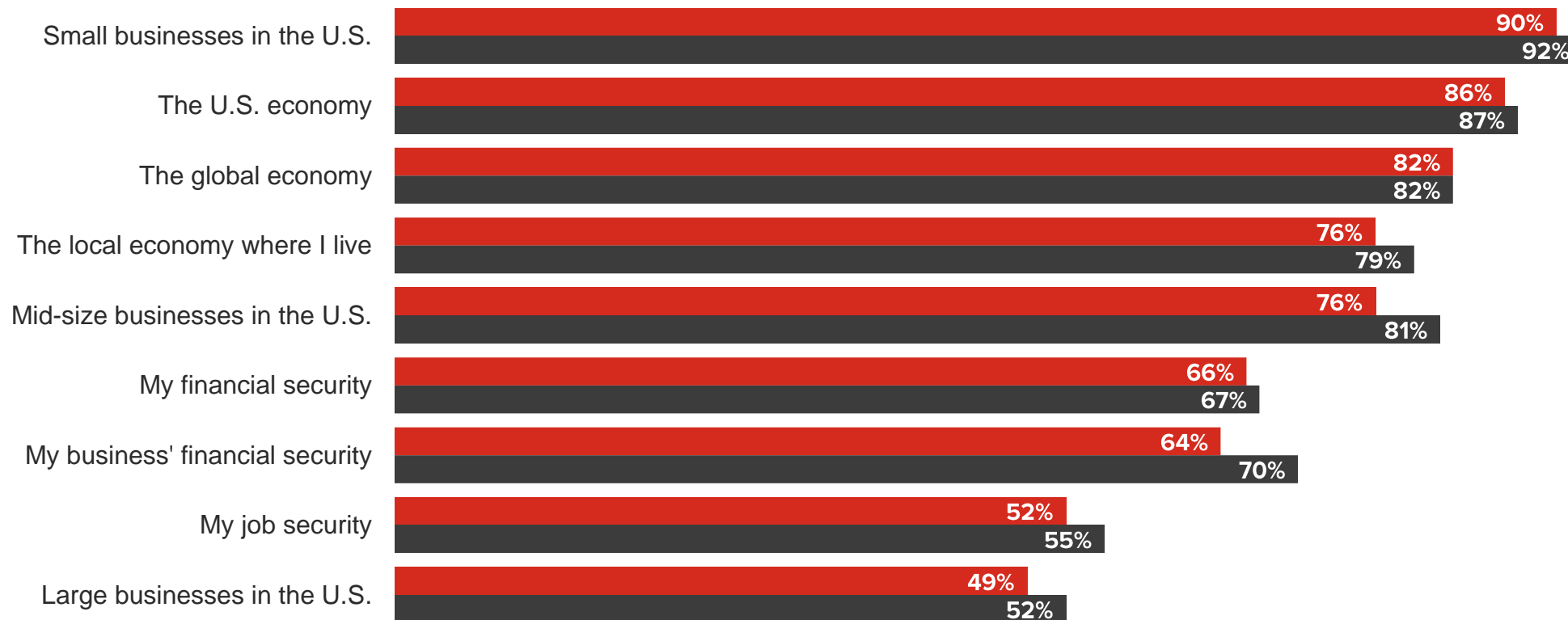
OUTLOOK & BUSINESS IMPACTS

Business owners and decision makers express strong concern about the impact of the coronavirus pandemic on small businesses and the U.S. economy, though are nearly split when it comes to their concern about their own job security. Levels of concern remain strong but have declined slightly across areas compared to a year ago.

In general, how concerned are you about the impact of the coronavirus (COVID-19) pandemic on the following?

% VERY OR SOMEWHAT CONCERNED

■ Aug-21 ■ Aug-20



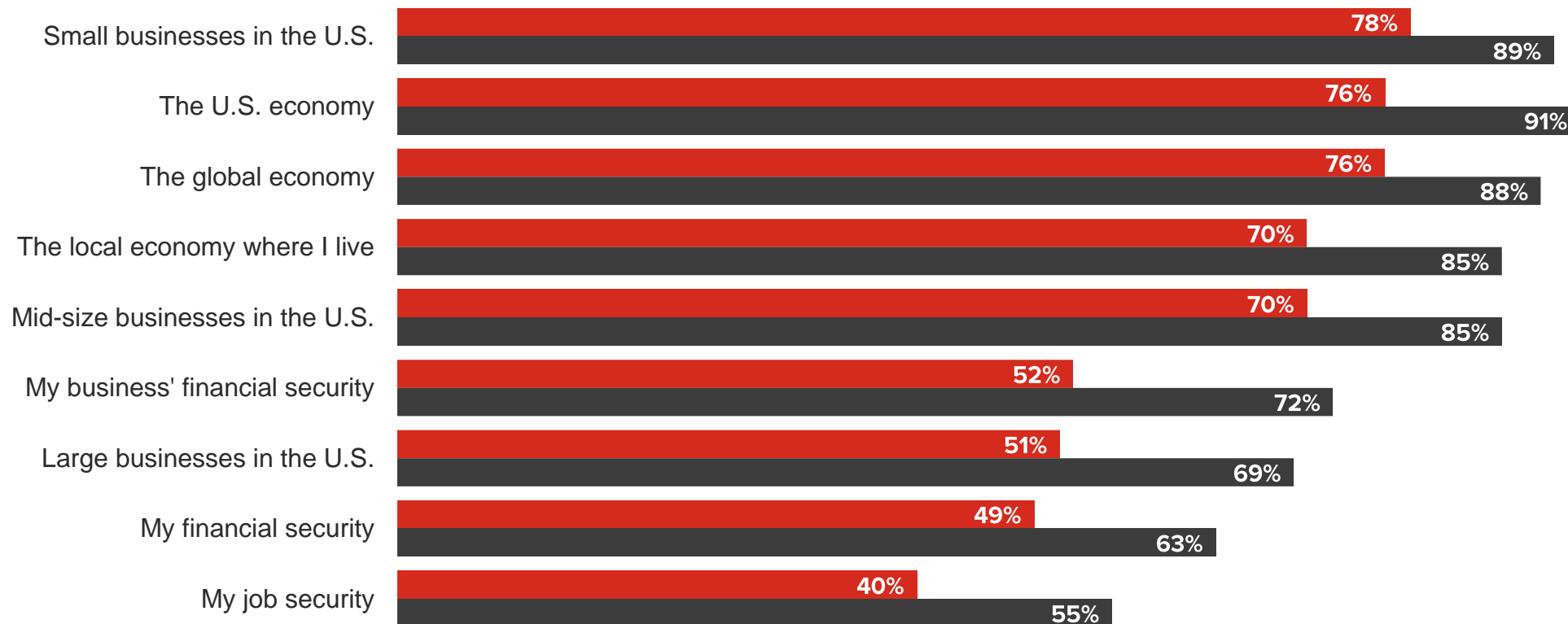
OUTLOOK & BUSINESS IMPACTS

More than 3 in 4 decision makers say the pandemic has had a negative impact on small businesses, the global economy, and the U.S. economy over the past few months, although the intensity of the negative impacts that business decision makers feel from the pandemic has weakened notably compared to a year ago.

And, over the past few months, how do you believe the coronavirus (COVID-19) pandemic has impacted the following, if at all?

% VERY OR SOMEWHAT NEGATIVE IMPACT

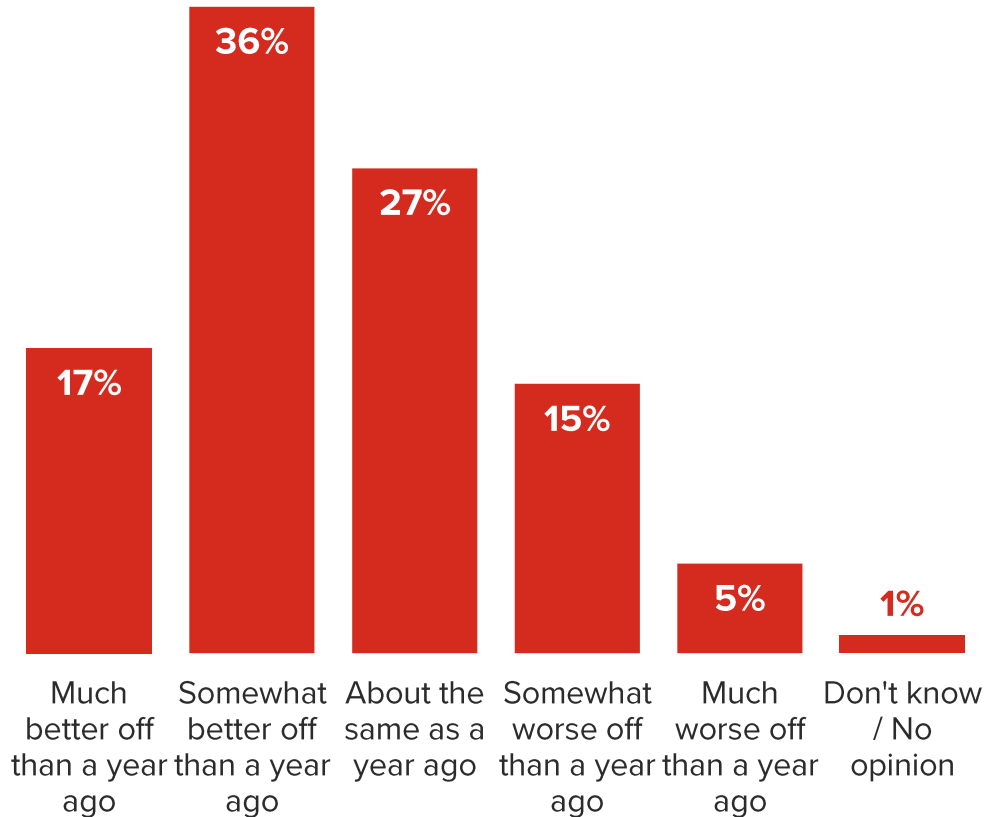
■ Aug-21 ■ Aug-20



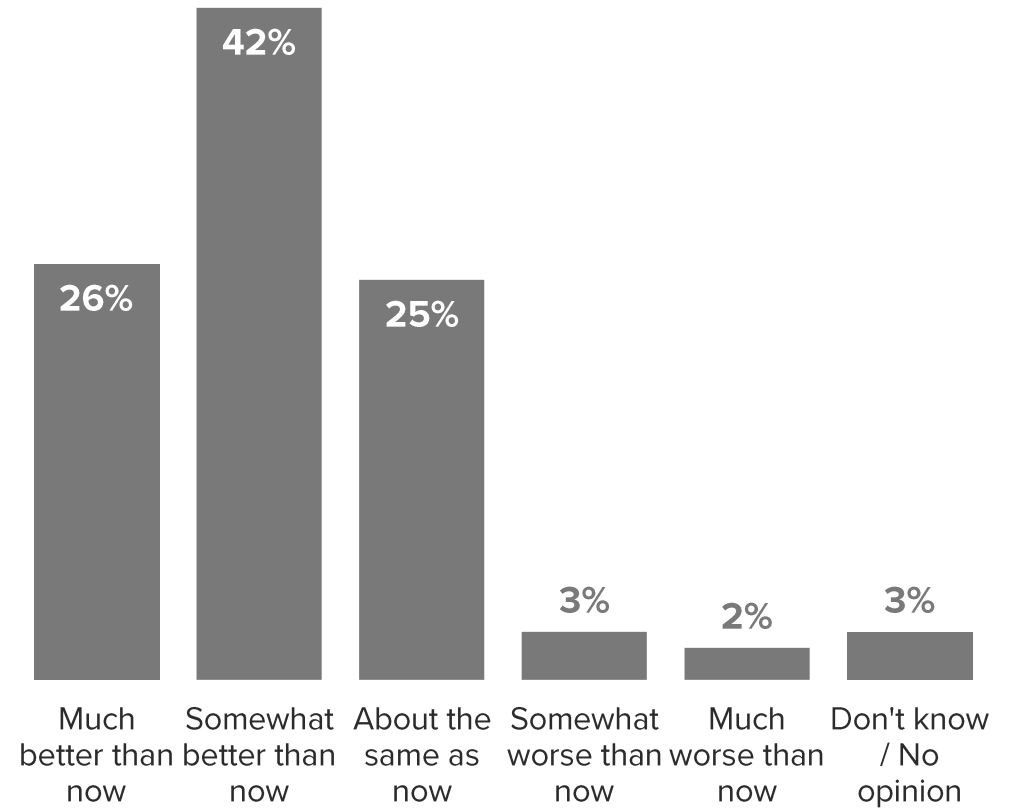
OUTLOOK & BUSINESS IMPACTS

Most decision makers (53%) say their business is better off now compared to last summer. Looking ahead, business decision makers have high hopes for the future, with 68% saying they anticipate their business will be better off a year from now than it is today.

Thinking about the overall state of your business now **compared to a year ago (e.g., August 2020)**, would you say your business now is...



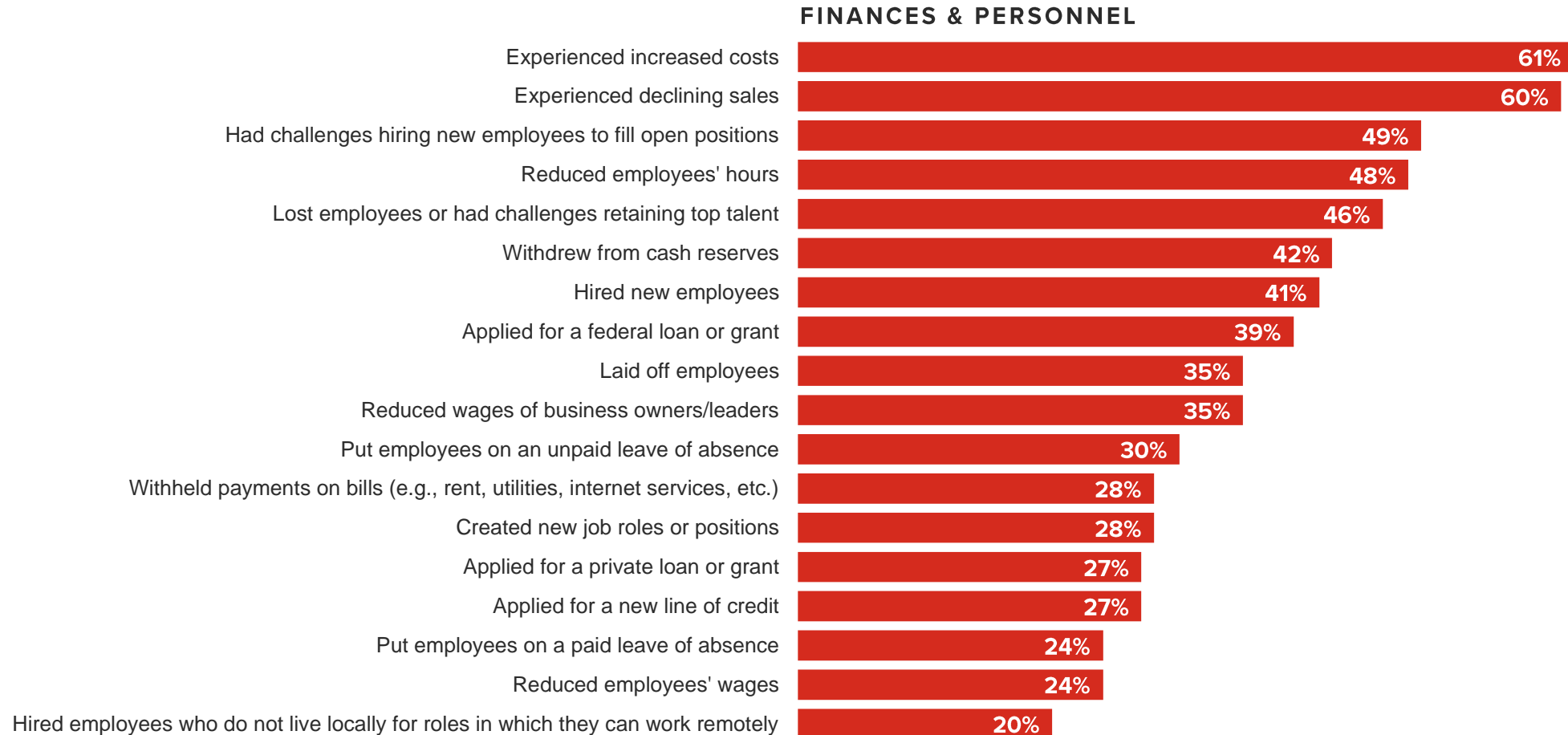
Finally, **one year from now (e.g., August 2022)**, do you anticipate that the overall state of your business will be...



OUTLOOK & BUSINESS IMPACTS

Most decision makers say their business has experienced increased costs and supply chain disruptions over the last year. Respondents also cite struggling to fill positions and retain talent, with 1 in 5 reporting they have hired employees who do not live locally for remote roles (20%).

Thinking about the impacts of the coronavirus (COVID-19) pandemic, **over the last year** (e.g., since August 2020), has your business...





More than a third of decision makers say they've implemented new systems or technology to help with onboarding and training staff (37%), and 30% say they've implemented new technology to compensate for a shortage of workers.

Thinking about the impacts of the coronavirus (COVID-19) pandemic, **over the last year** (e.g., since August 2020), has your business...

OPERATIONS



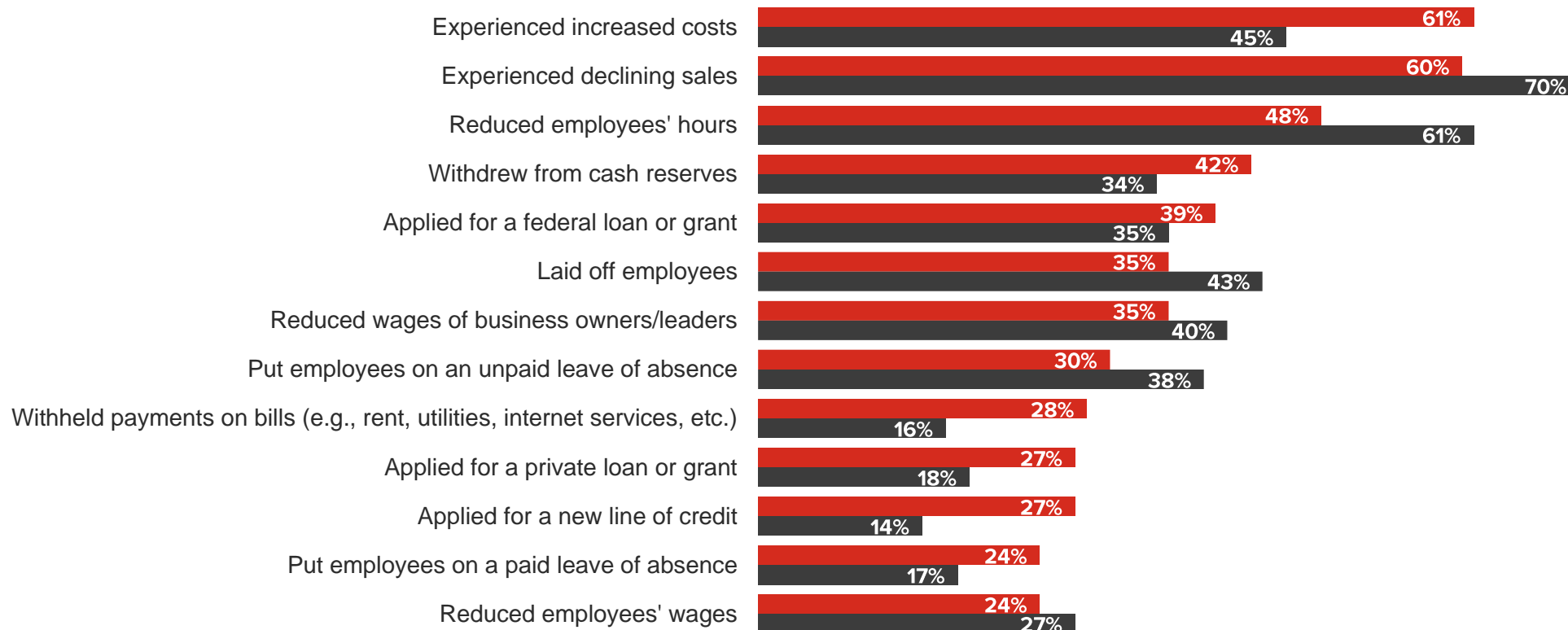
OUTLOOK & BUSINESS IMPACTS

While business decision makers are less likely to say they've experienced declining sales in the last year than they were in August 2020, they are more likely than they were last year to say they've experienced increased costs.

Thinking about the impacts of the coronavirus (COVID-19) pandemic, has your business...

FINANCES & PERSONNEL

■ Aug-21; Business has done in the last year      ■ Aug-20; Business has done since the start of the pandemic



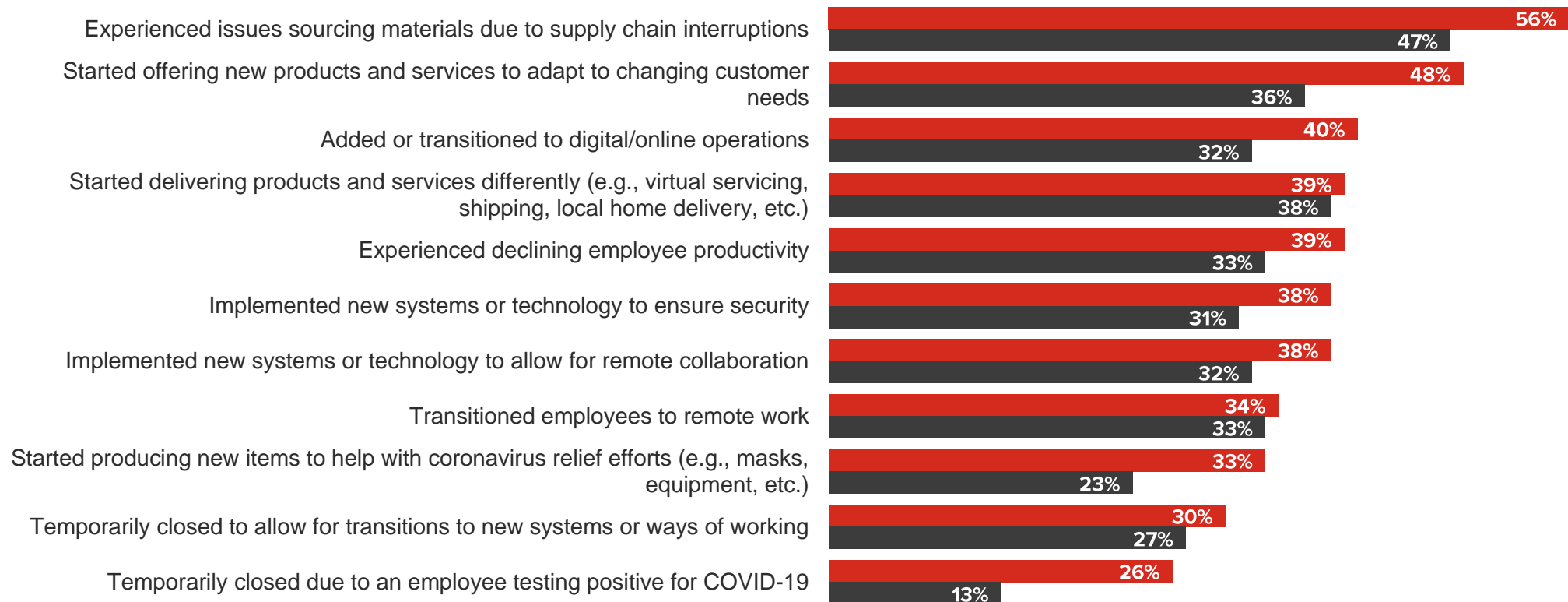
OUTLOOK & BUSINESS IMPACTS

Business decision makers are more likely now than they were in August of 2020 to say they've experienced supply chain disruptions in the last year. However, they're also more likely to say they've adapted by offering new products and services (48%) and adding or transitioning to online operations (40%).

Thinking about the impacts of the coronavirus (COVID-19) pandemic, has your business...

OPERATIONS

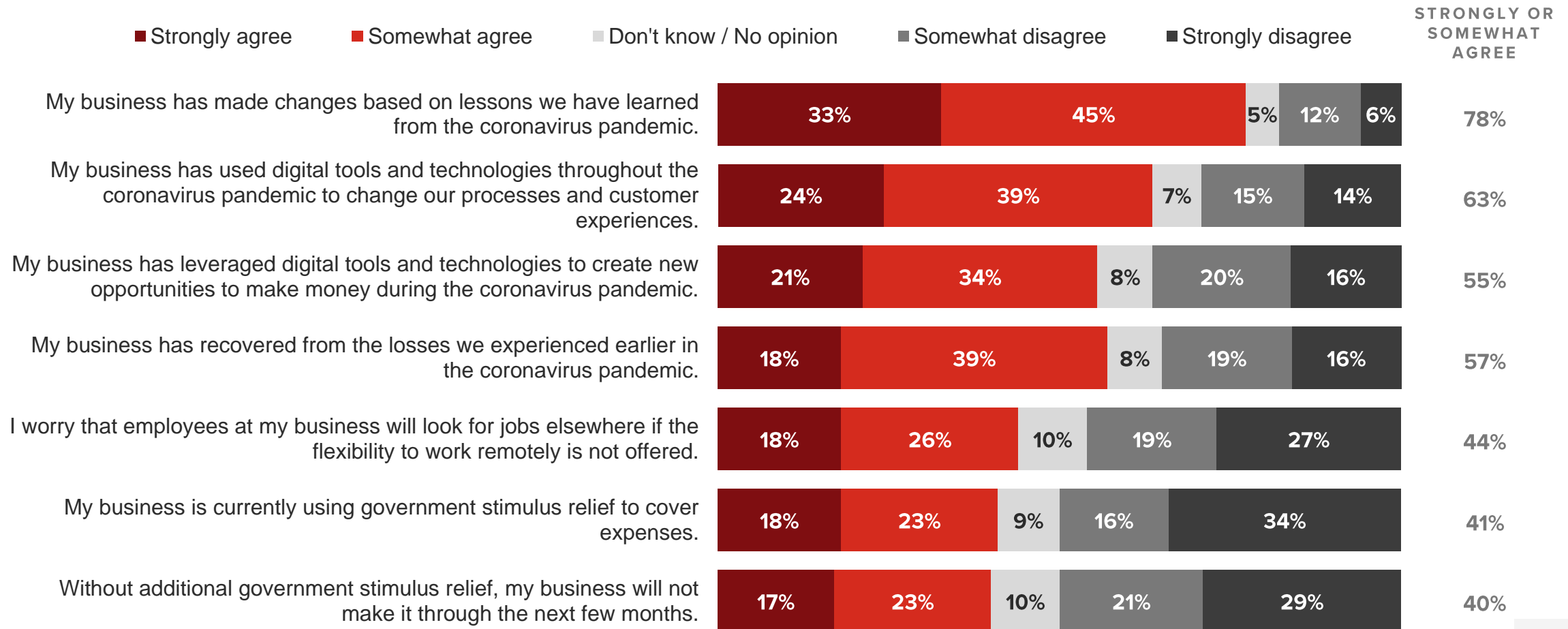
■ Aug-21; Business has done in the last year      ■ Aug-20; Business has done since the start of the pandemic



OUTLOOK & BUSINESS IMPACTS

Decision makers largely say their business has made changes based on lessons learned from the pandemic and that they've leveraged digital tools to enhance customer experiences. Half *disagree* that they will not make it through the next few months without additional government relief, while 2 in 5 agree.

To what extent do you agree or disagree with the following statements?



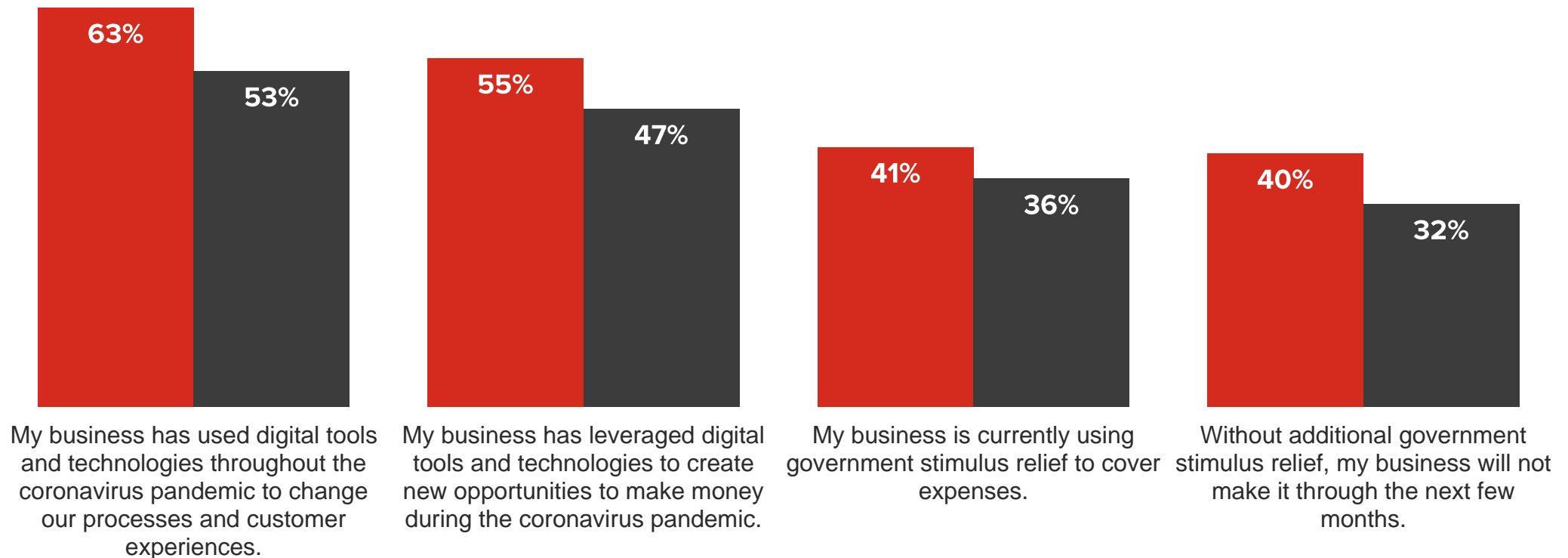
OUTLOOK & BUSINESS IMPACTS

Business decision makers are more likely now compared to this time last year to say they've used digital tools and technologies to enhance customer experiences and create new business opportunities as well as to report that their business is currently using government stimulus relief to cover expenses.

To what extent do you agree or disagree with the following statements?

% STRONGLY OR SOMEWHAT AGREE

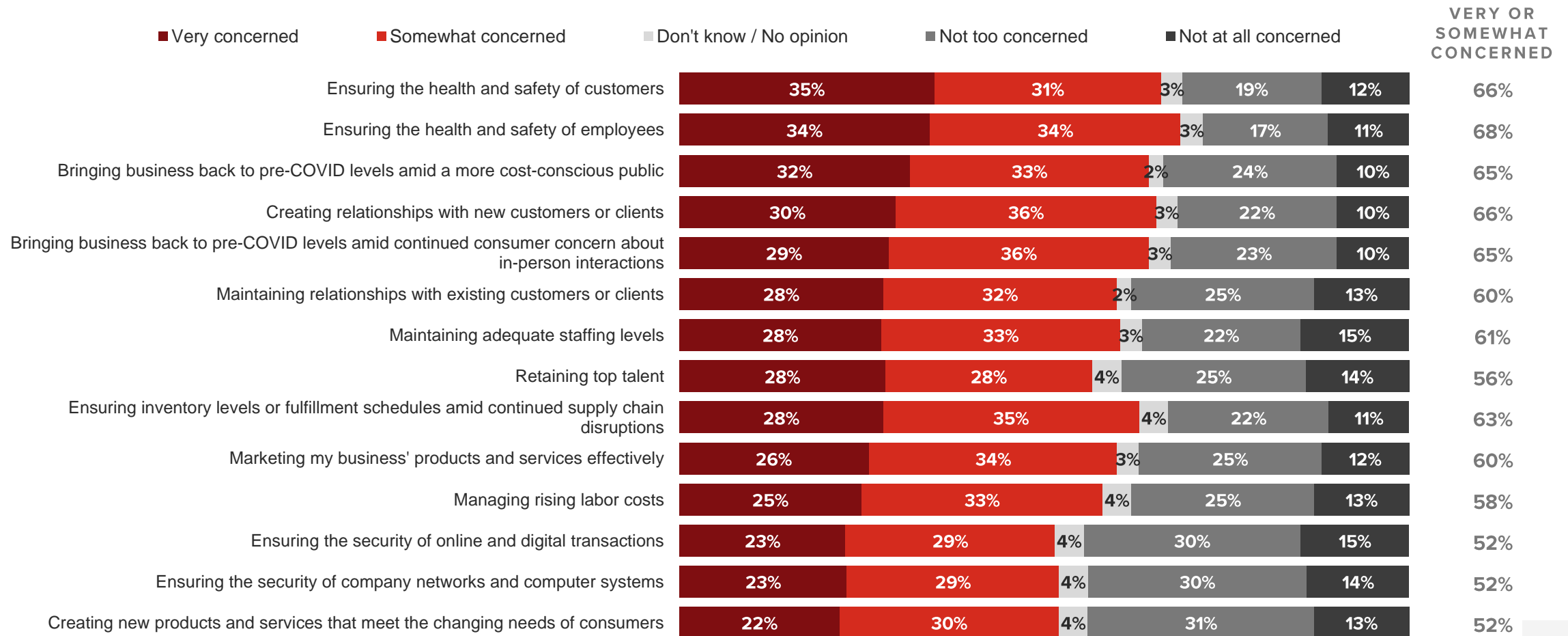
■ Aug-21 ■ Aug-20



OUTLOOK & BUSINESS IMPACTS

Ensuring the health and safety of customers and employees as well as creating relationships with new customers emerge as leading concerns for the next few months. Nearly 2 in 3 are concerned about bringing business back to pre-COVID levels amid a public that is more cost-conscious and concerned about in-person interaction.

Thinking about how your business plans to move forward over the next few months, how concerned are you about the following, if at all?

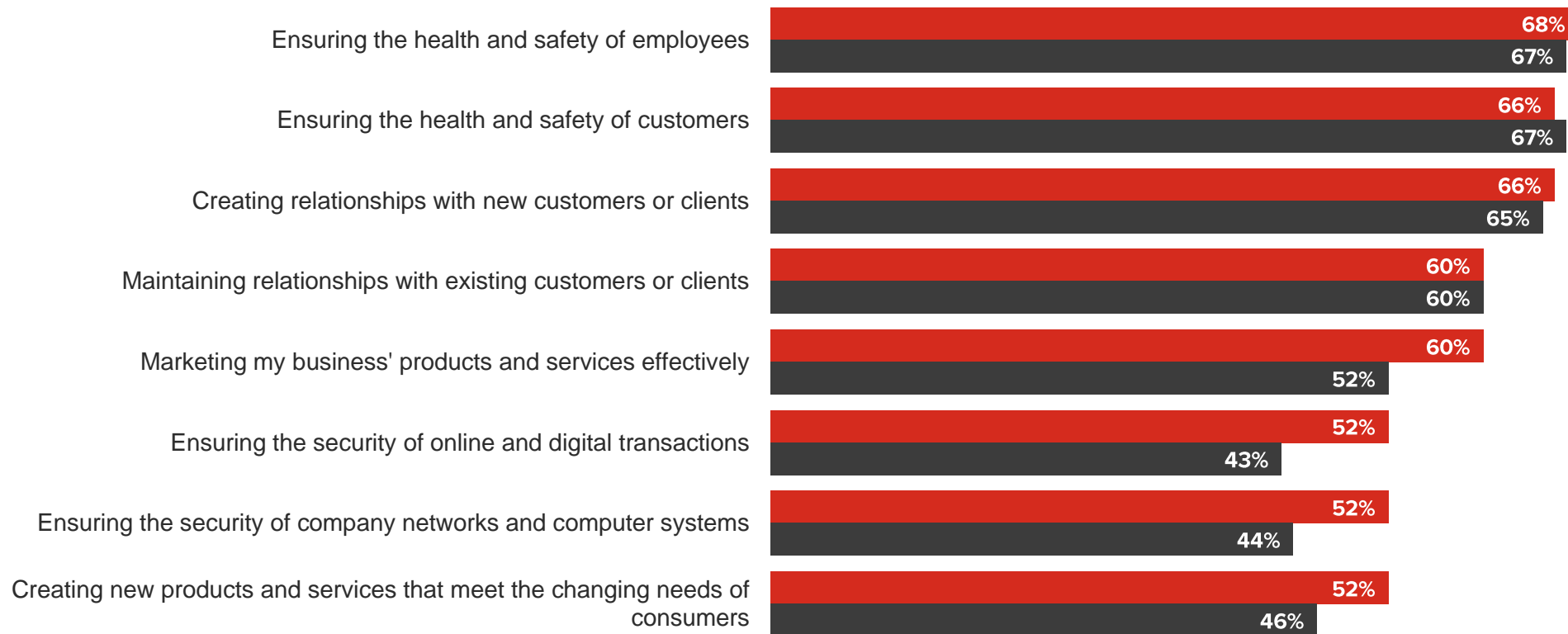


These concerns are largely consistent with leading concerns last year. Decision makers now are more likely than they were in August 2020 to express concern surrounding security of transactions and company networks.

Thinking about how your business plans to move forward over the next few months, how concerned are you about the following, if at all?

% VERY OR SOMEWHAT CONCERNED

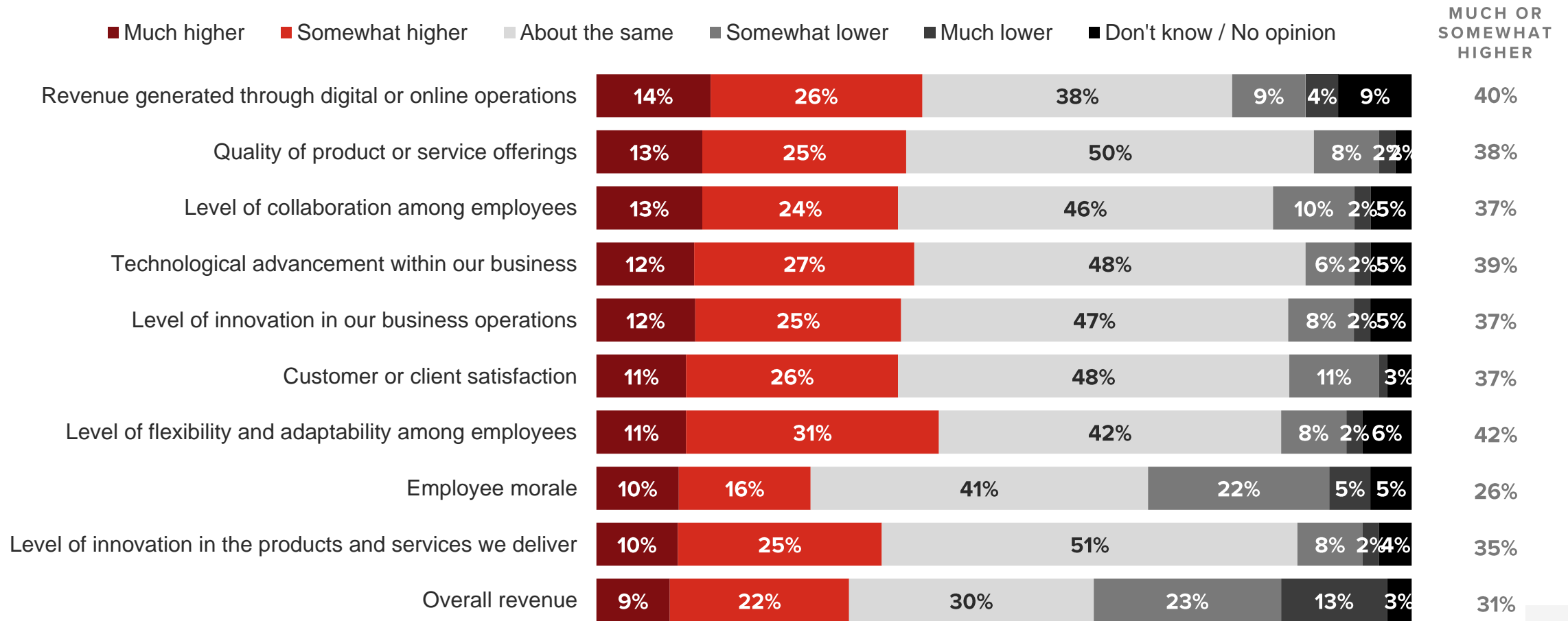
■ Aug-21 ■ Aug-20



OUTLOOK & BUSINESS IMPACTS

About 2 in 5 respondents say their business' revenue generated through online operations is higher now compared to before the pandemic, and a slightly larger share (42%) say the level of flexibility and adaptability among their staff has increased.

Compared to before the coronavirus (COVID-19) pandemic began, would you say the following are higher, lower, or about the same for your business now?





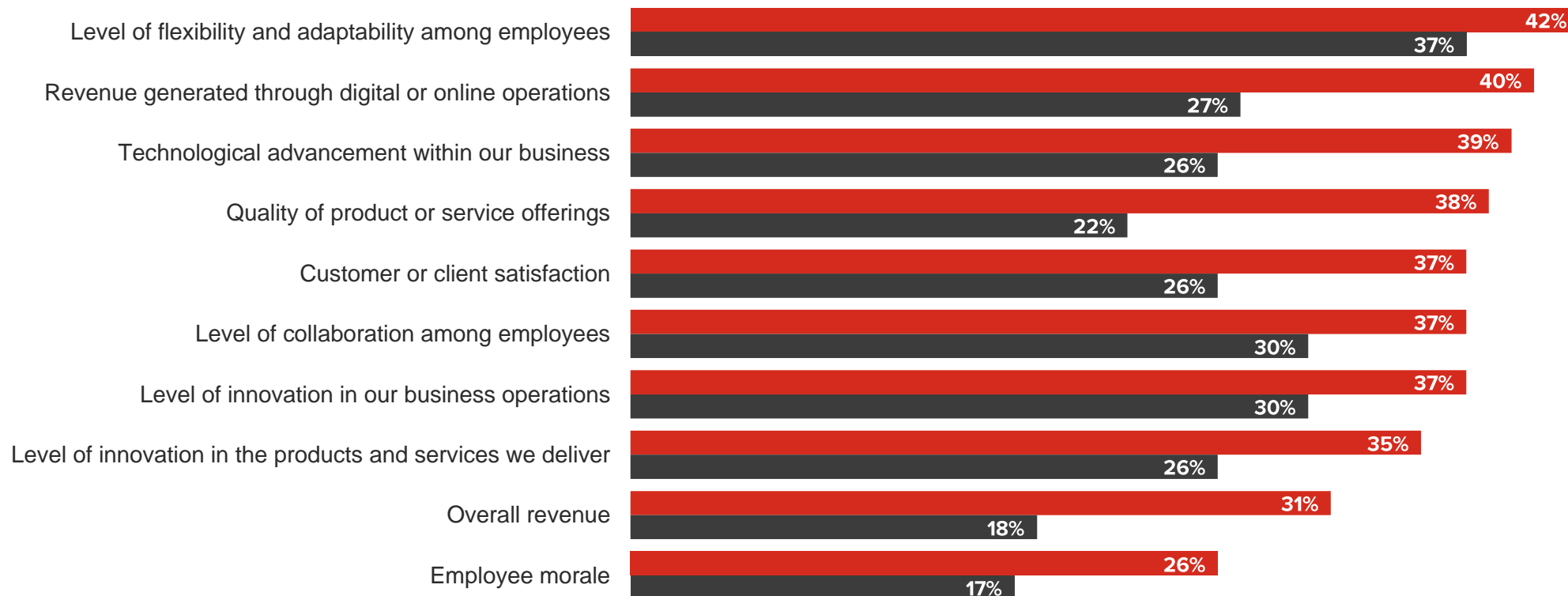
OUTLOOK & BUSINESS IMPACTS

Consistent with more decision makers reporting new offerings and transitions to digital operations compared to August 2020, decision makers now are also more likely than they were last year to say their business' technological advancement and innovation has improved since the start of the pandemic.

Compared to before the coronavirus (COVID-19) pandemic began, would you say the following are higher, lower, or about the same for your business now?

% MUCH OR SOMEWHAT HIGHER

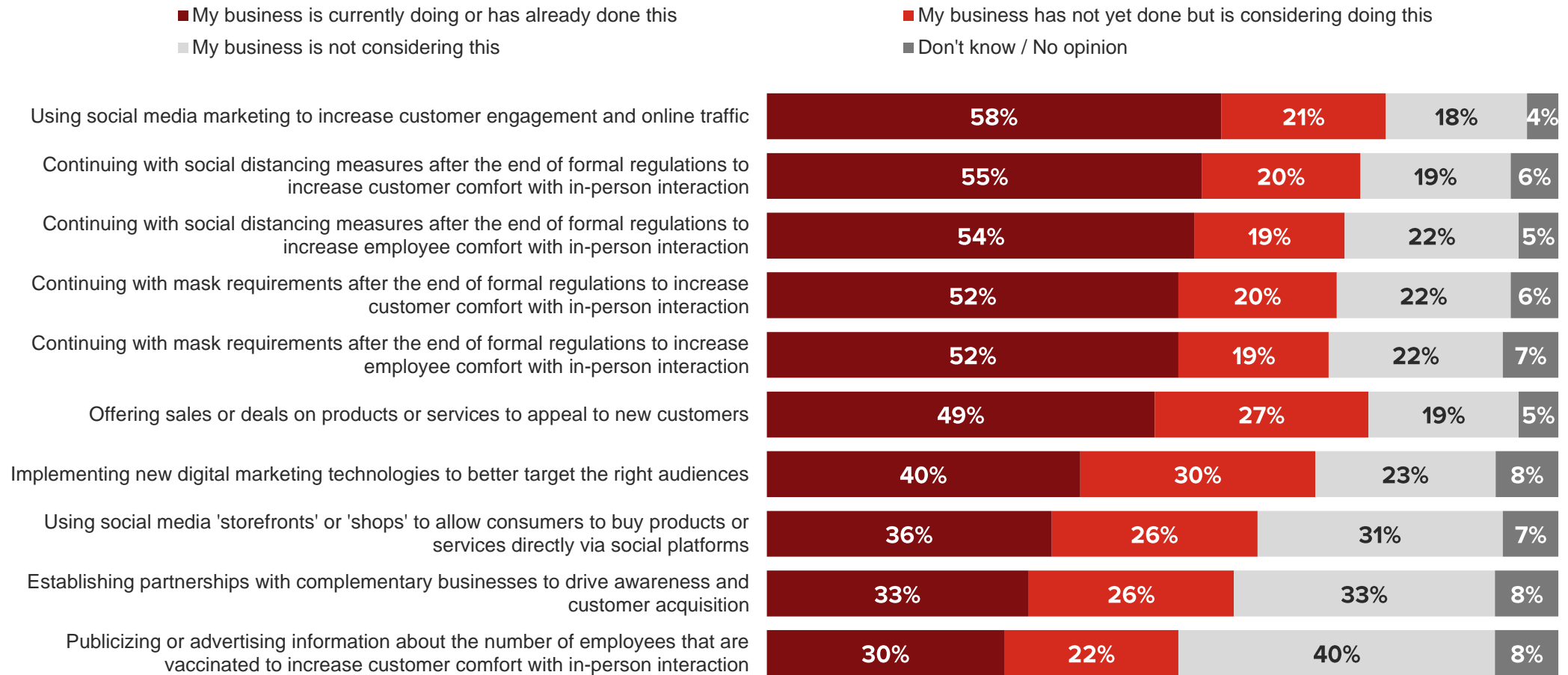
■ Aug-21 ■ Aug-20



OUTLOOK & BUSINESS IMPACTS

Most decision makers say their business is continuing with social distancing measures and mask requirements to increase both customer and employee comfort with in-person interaction. Two in 5 say their business has implemented new digital marketing technologies to better target the right audiences.

In the last year, has your business done or considered doing the following?

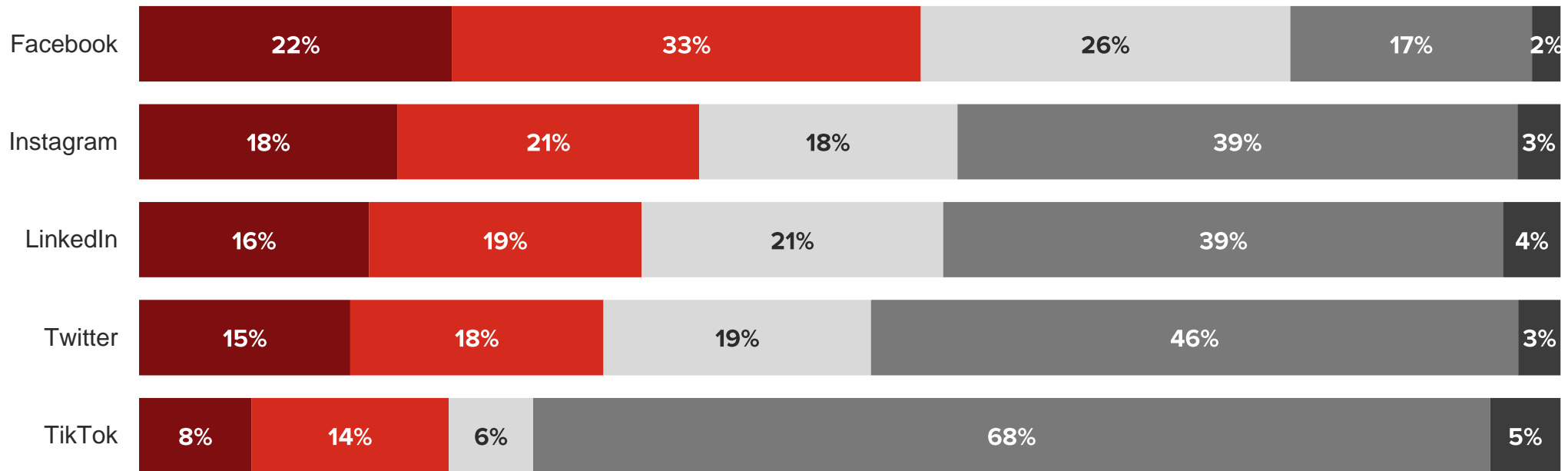


OUTLOOK & BUSINESS IMPACTS

Relatedly, most decision makers say their business either began using or increased its usage of Facebook (55%) since the start of the pandemic, and more than a third say the same about Instagram (39%) and LinkedIn (35%). About 1 in 4 respondents say their business began using or increased its usage of TikTok during the pandemic.

Thinking about how your business promotes its products and services and connects with customers, which statement below best describes your business' use of the following platforms?

- My business began using this during the coronavirus pandemic
- My business used this before, and has expanded or increased our usage since the start of the pandemic
- My business used this before, and is using the same way now as we were before the coronavirus pandemic
- My business does not use this
- Don't know / No opinion





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OUTLOOK & BUSINESS IMPACTS

TECHNOLOGY & CYBERSECURITY

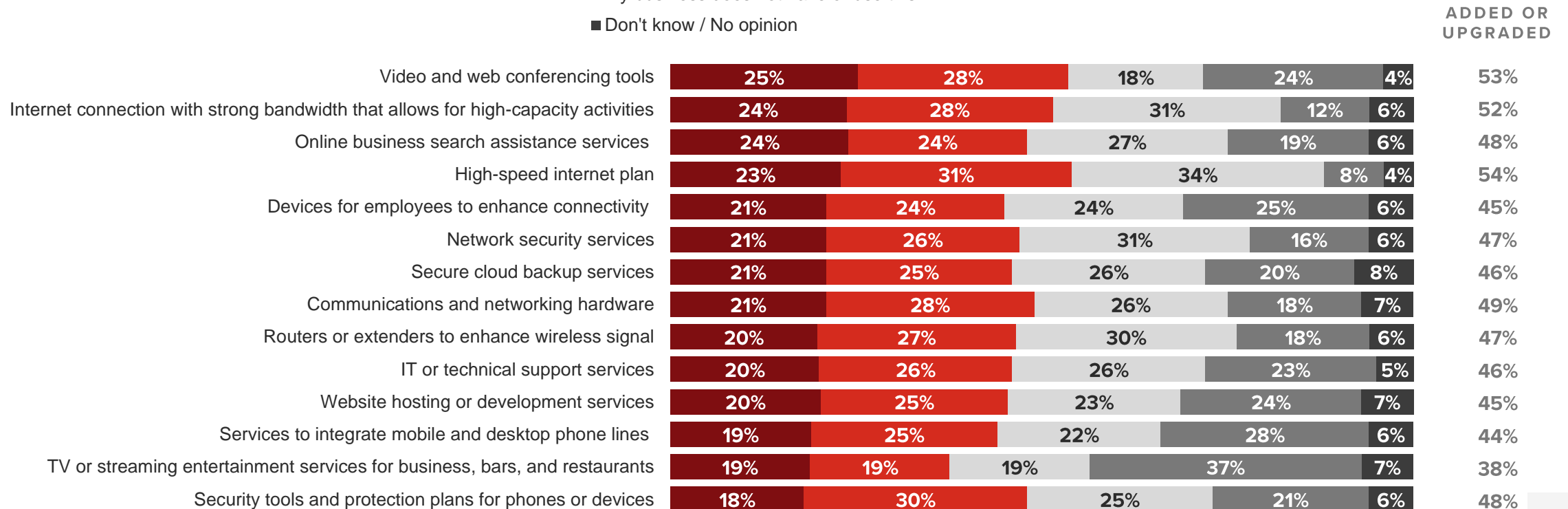
FUTURE OF WORK

REGIONAL & INDUSTRY IMPACTS

The majority of business decision makers say their business has either added or upgraded its web conferencing tools, internet bandwidth, and internet speed since the start of the pandemic.

Since the start of the coronavirus (COVID-19) pandemic, has your business added or upgraded the following services or technologies?

- My business added or began using this during the coronavirus pandemic
- My business had or used this before, and has upgraded in this area since the start of the pandemic
- My business had or used this before, but has not upgraded in this area since the start of the pandemic
- My business does not have or use this
- Don't know / No opinion



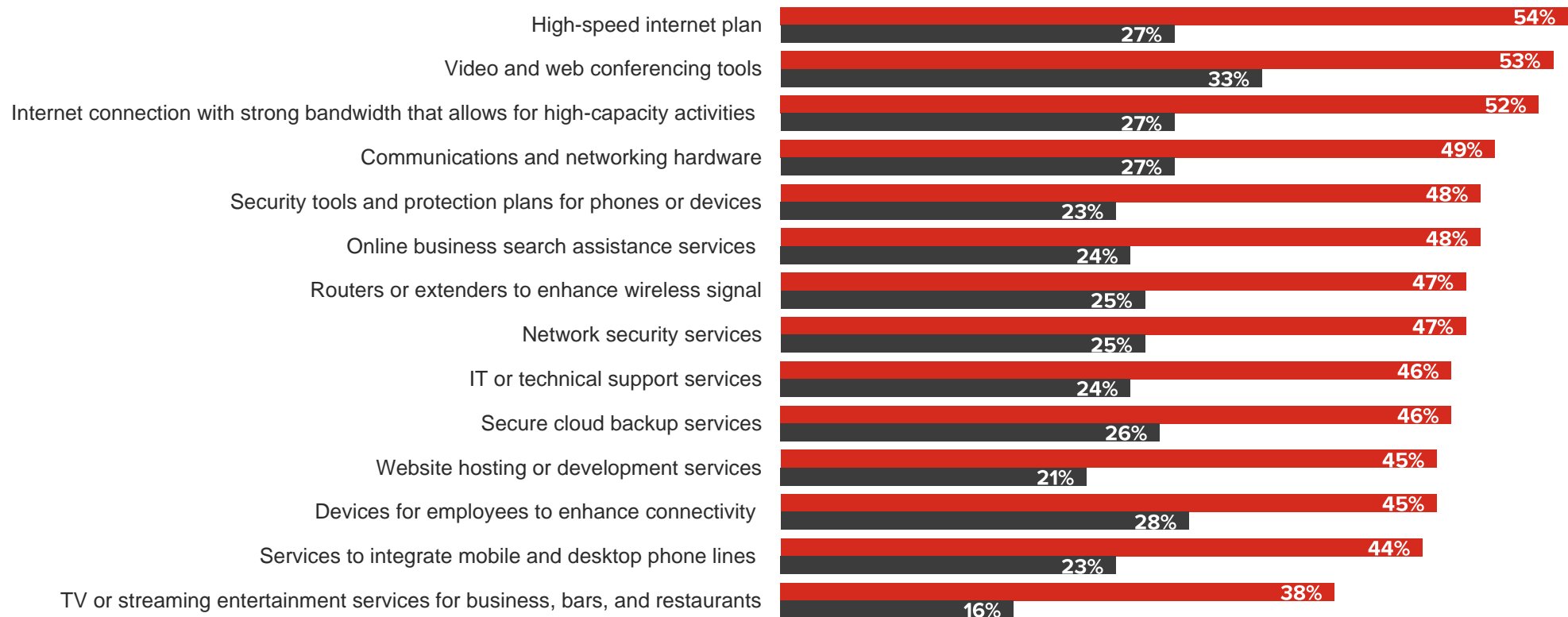
TECHNOLOGY & CYBERSECURITY

Business decision makers are much more likely to say their business has added or upgraded across areas in August of 2021 compared to August of 2020, speaking to the technology investments businesses have made to adapt over the last year.

Since the start of the coronavirus (COVID-19) pandemic, has your business added or upgraded the following services or technologies?

% ADDED OR UPGRADED SINCE THE START OF THE PANDEMIC

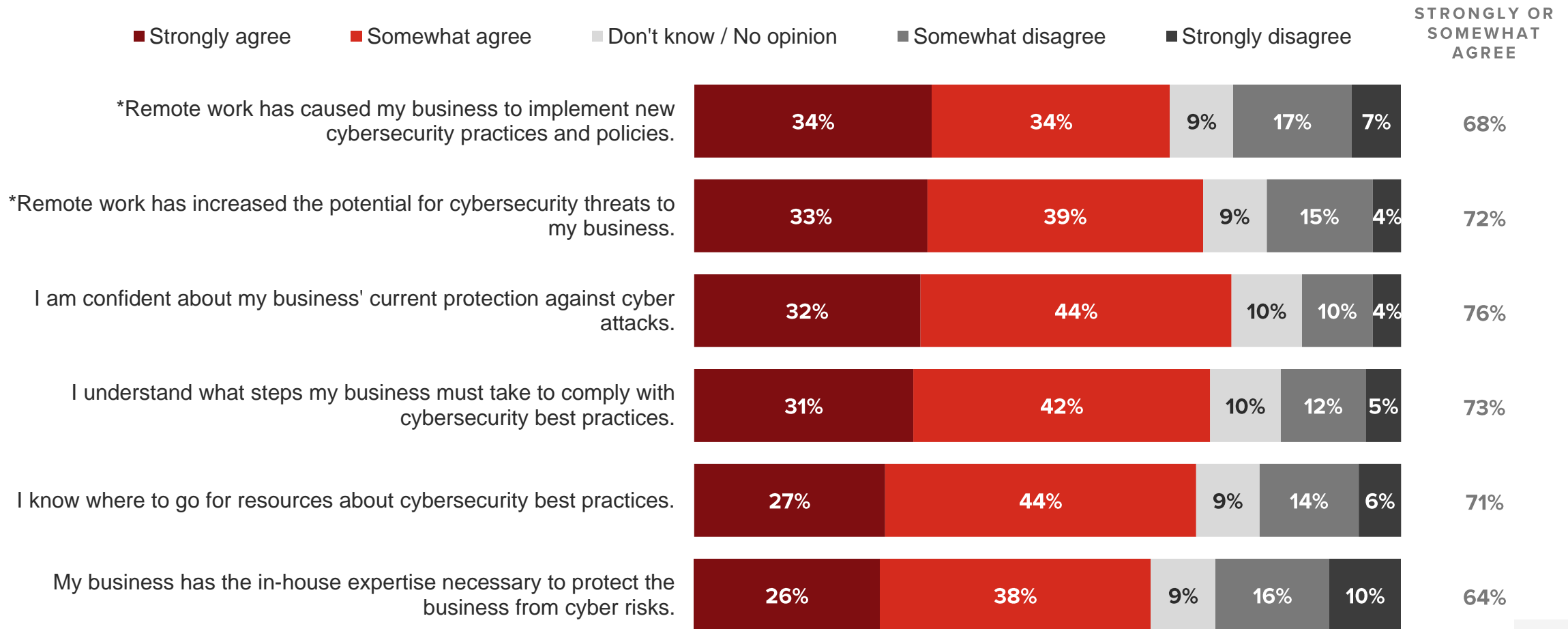
■ Aug-21 ■ Aug-20



TECHNOLOGY & CYBERSECURITY

Nearly 3 in 4 decision makers at businesses with remote employees say that remote work has increased the potential for cybersecurity threats to their business. However, most feel confident about their business' current protection and feel informed about where to go for resources.

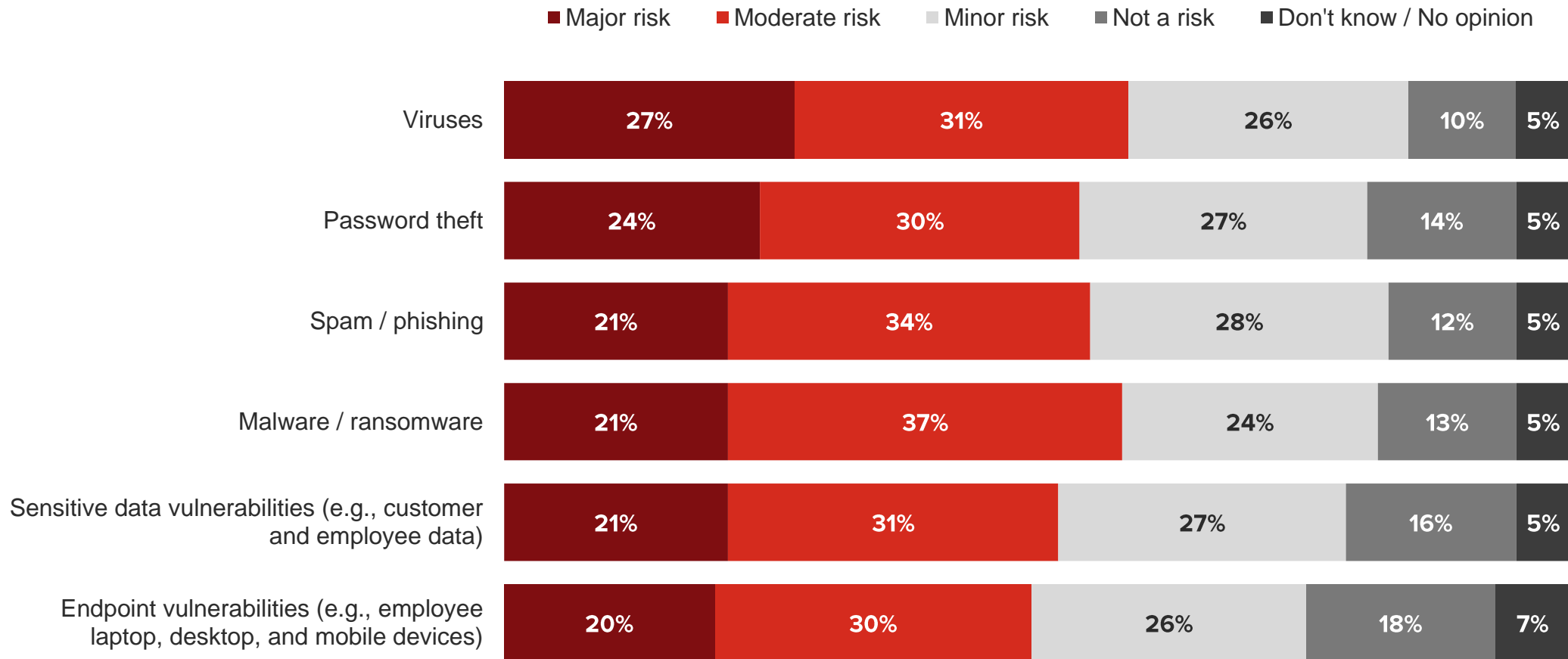
To what extent do you agree or disagree with the following statements?



\*Among decision makers whose businesses have remote employees.

Respondents are most likely to view viruses and password theft as “major risks” to their business, and few decision makers believe the items tested do not present any risk to their business.

To what extent do you consider each of the following a cyber risk to your business?





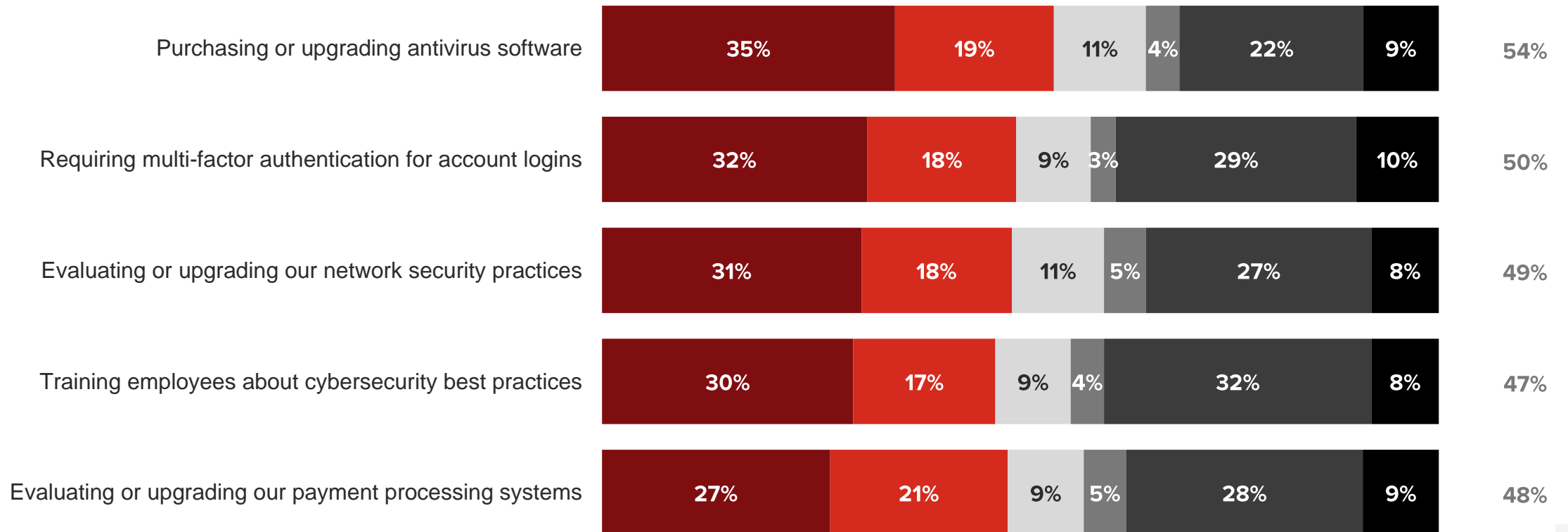
TECHNOLOGY & CYBERSECURITY

Decision makers report that their business is taking steps to protect itself from cyber risks. About a third say their business has purchased or upgraded its antivirus software, implemented multi-factor authentication for accounts, and upgraded its network security practices, while about 1 in 5 say they plan to do these things in the next six months.

And, which of the following best describes your business' plans when it comes to the following?

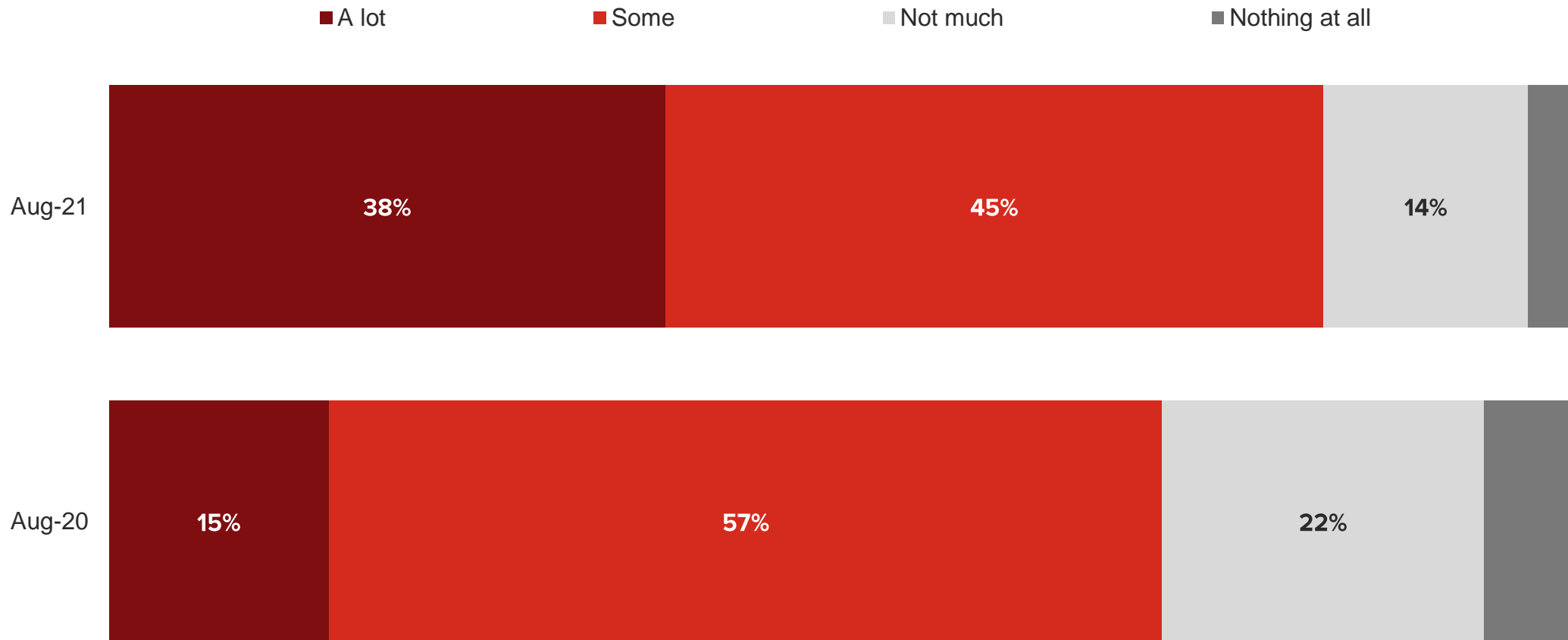
- Already done / currently doing this
- Planning to do in the next 6 months
- Planning to do in the next 7 – 12 months
- Planning to do in the next 13 – 24 months
- No current plans to do this
- Don't know / No opinion

ALREADY DONE,  
CURRENTLY  
DOING, OR  
PLANNING IN  
THE NEXT 6  
MONTHS



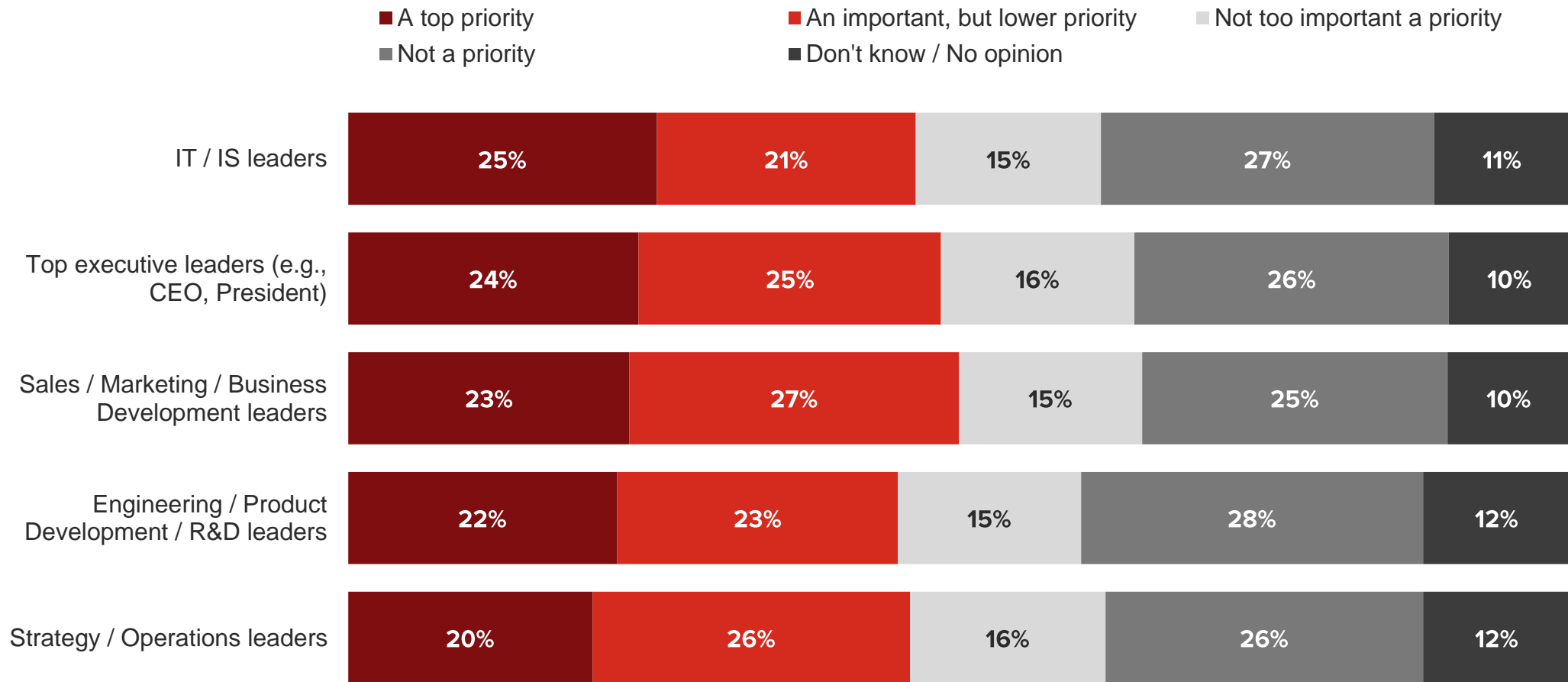
Respondents are more than twice as likely to say they've heard "a lot" about 5G in August 2021 compared to last summer.

How much have you seen, read, or heard about 5G?



Nearly half of decision makers say that 5G planning and adoption is a “top” or “important” priority for IT/IS leaders (46%) and top executive leaders (49%) at their business.

In general, how much of a priority is 5G planning and adoption for the following stakeholders at your company?



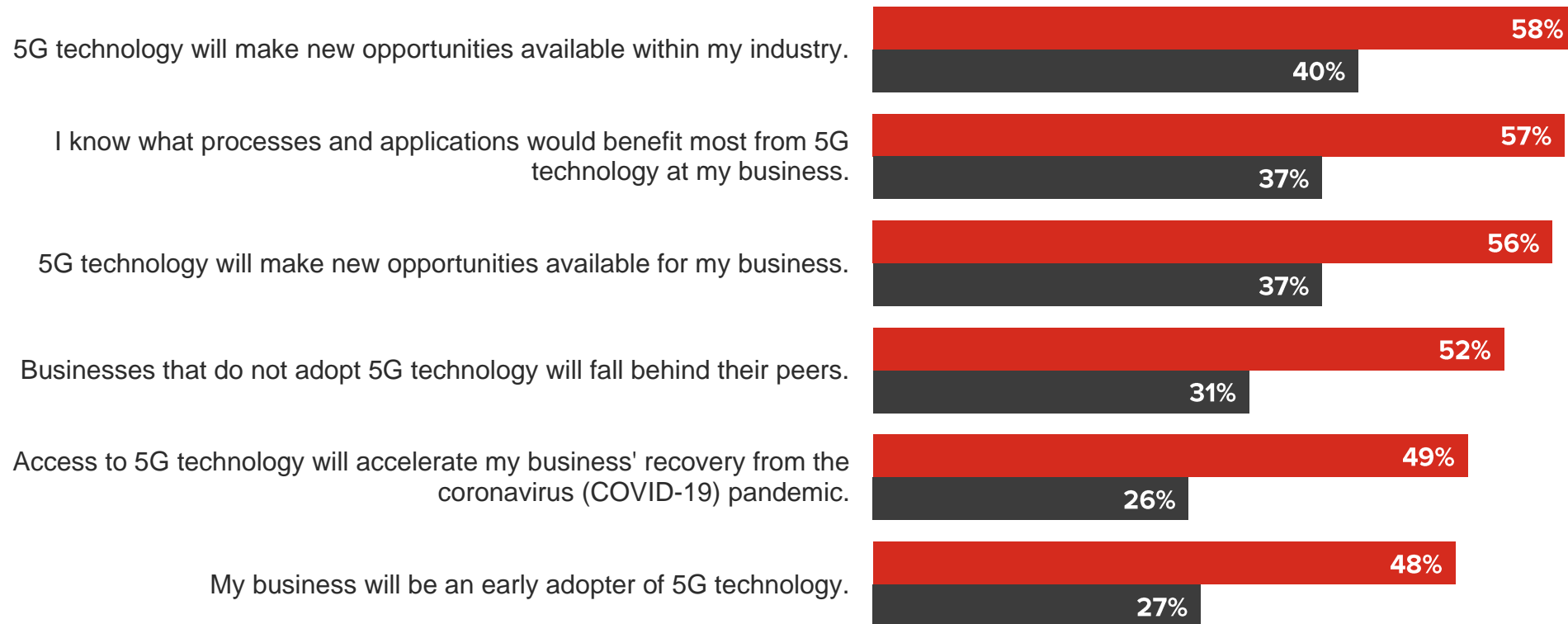
TECHNOLOGY & CYBERSECURITY

Consistent with an increase in buzz surrounding 5G compared to last year, business decision makers are more likely now than they were last year to feel informed about how 5G will benefit their business and acknowledge its potential to create opportunities for their business and industry.

To what extent do you agree or disagree with the following statements?

% STRONGLY OR SOMEWHAT AGREE

■ Aug-21 ■ Aug-20



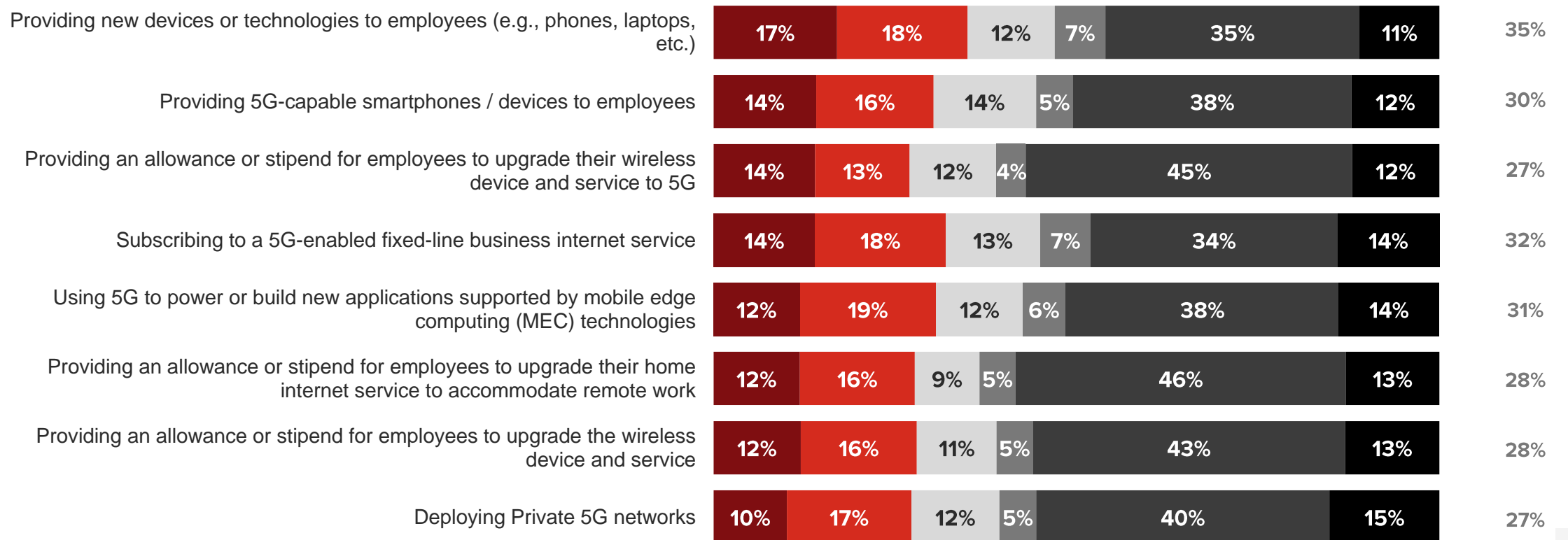
TECHNOLOGY & CYBERSECURITY

More than 1 in 3 decision makers say their business either already has or is planning to provide new devices to employees in the next six months (35%), and nearly a third say the same about subscribing to a 5G-enabled fixed-line business internet service.

Since the start of the coronavirus (COVID-19) pandemic, has your business added or upgraded the following services or technologies?

ALREADY DONE, CURRENTLY DOING, OR PLANNING IN THE NEXT 6 MONTHS

- Already done / currently doing this
- Planning to do in the next 6 months
- Planning to do in the next 7 – 12 months
- Planning to do in the next 13 – 24 months
- No current plans to do this
- Don't know / No opinion





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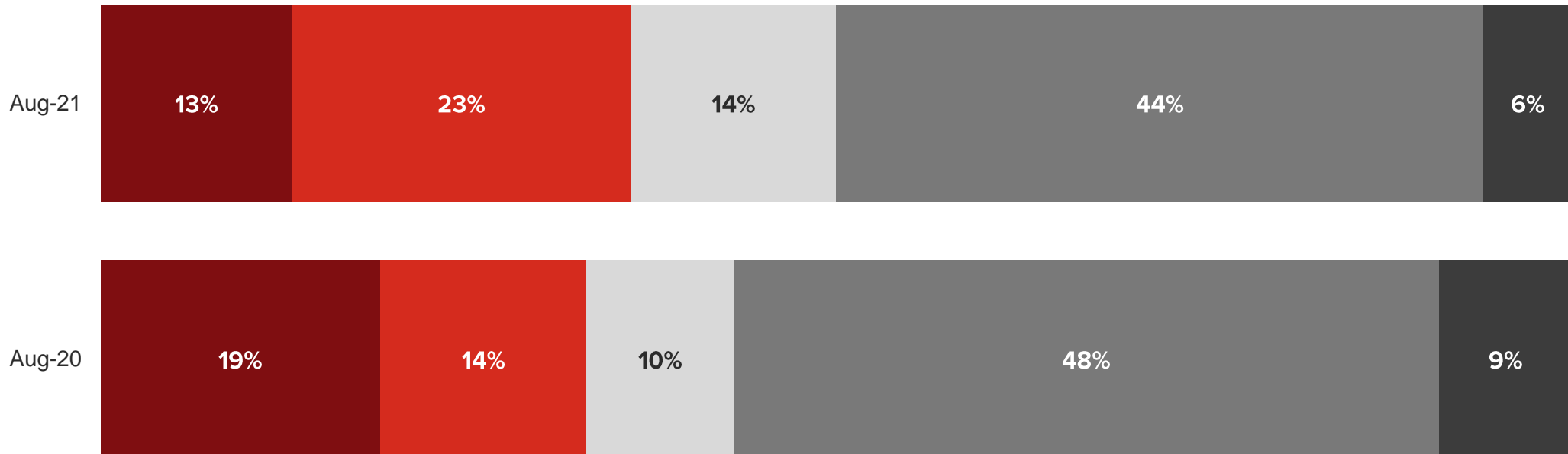
FUTURE OF WORK

REGIONAL & INDUSTRY IMPACTS

Since August 2020, the share of business decision makers who report their business is working in a hybrid model has increased.

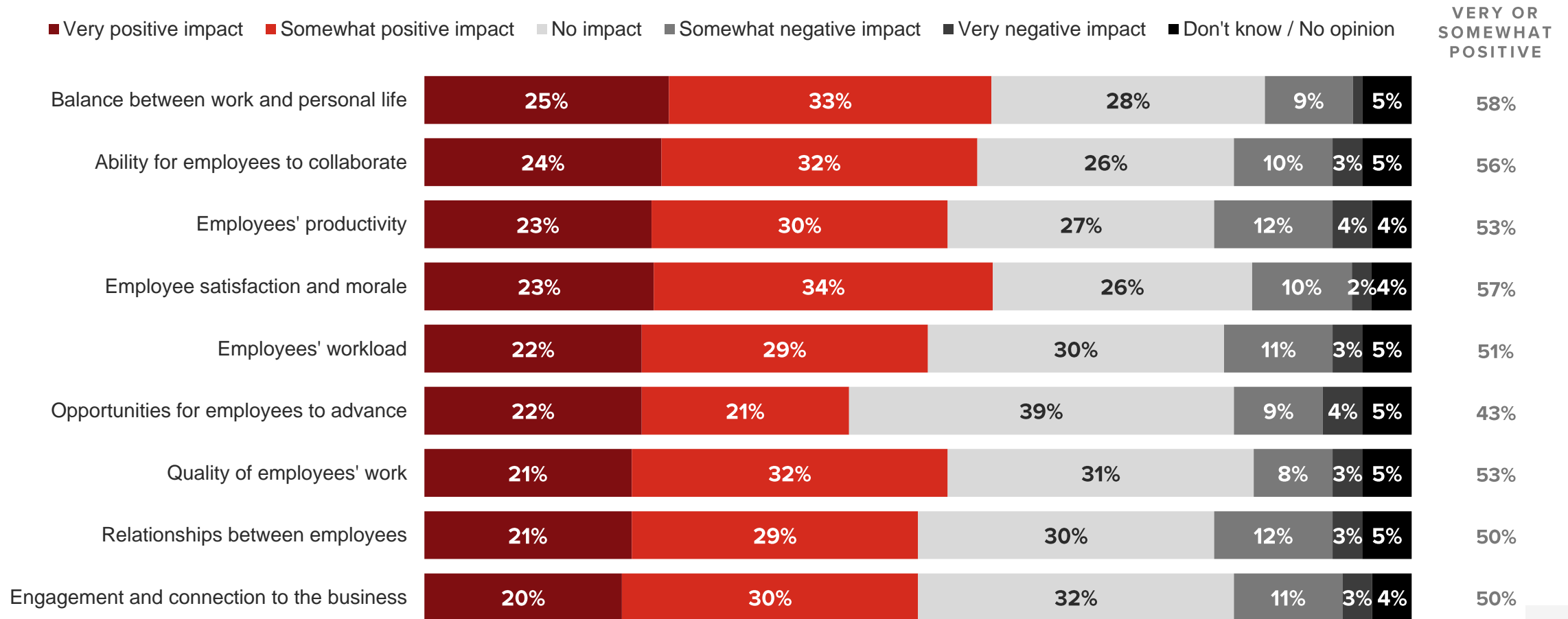
Which of the following best describes the current remote work policy at your business?

- Most or all employees are required to work remotely
- Most or all employees are free to choose whether to work remotely or from an office/workplace
- Most or all employees are required to work from an office/workplace a designated number of days per week and work remotely on other days
- Most or all employees are required to work from an office/workplace
- Other



Among decision makers at businesses with remote staff, respondents largely report positive impacts of remote work, including better work-life balance, employee morale, and collaboration.

Would you say that remote work at your business has had a positive or negative impact on the following?



Among decision makers whose businesses have remote employees.

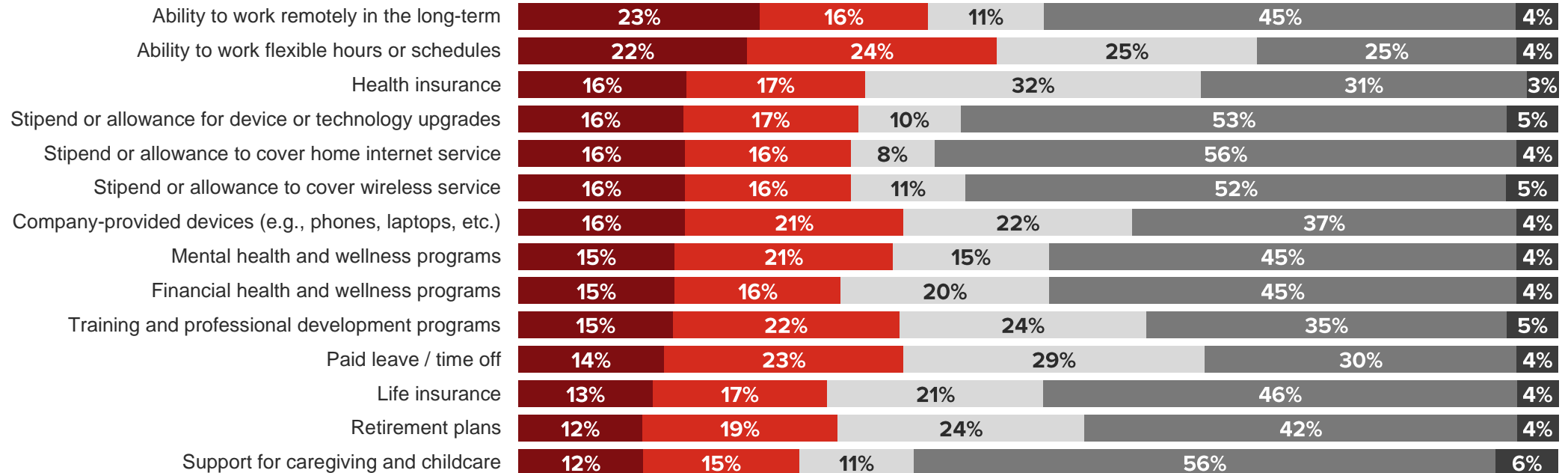


FUTURE OF WORK

More than a third of decision makers say their company either began offering or has improved its company-provided devices since the start of the pandemic and nearly half say their company either began offering or expanded its offerings surrounding schedule flexibility.

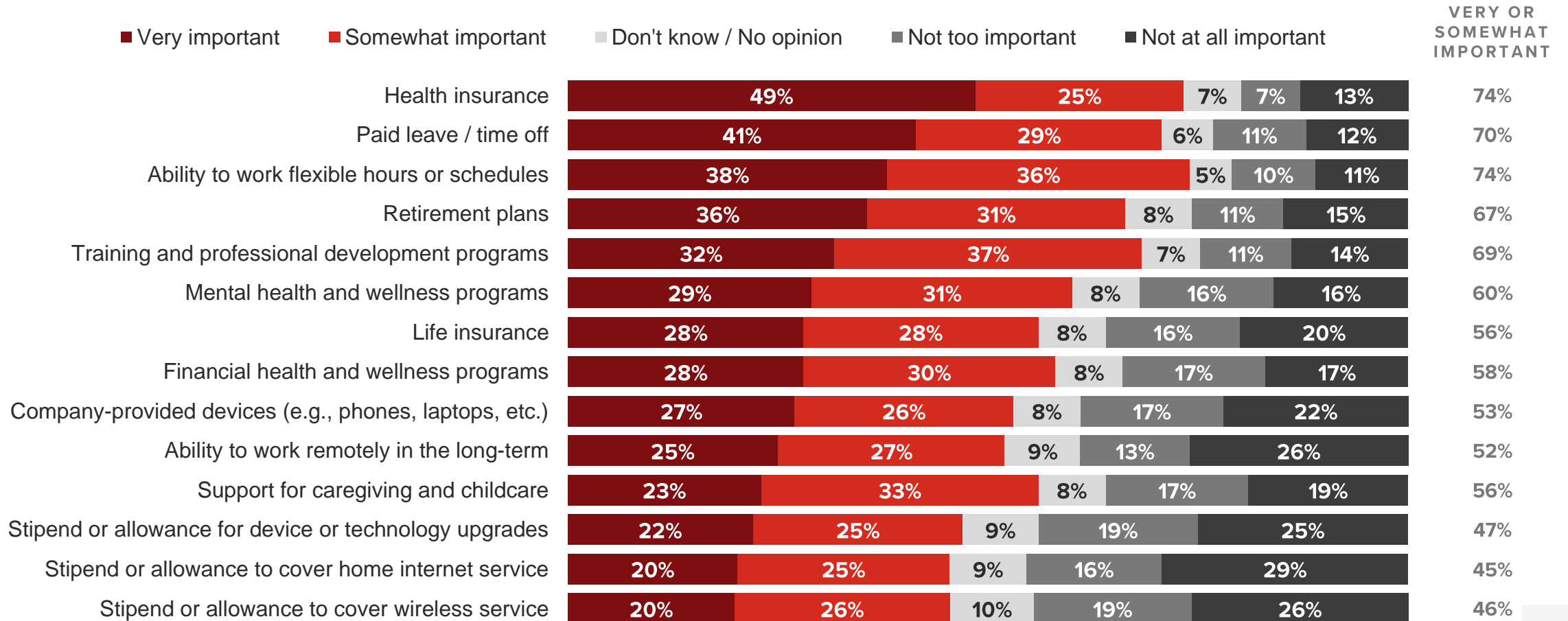
Thinking about the benefits that your company provides to its employees, which of the following statements best describes your company's benefit offerings when it comes to...

- My company began offering this during the coronavirus pandemic
- My company offered this before the pandemic, and has improved or expanded benefits in this area since the start of the pandemic
- My company offered this before the pandemic, and nothing has changed in this area since the start of the pandemic
- My company does not offer this
- Don't know / No opinion



Business decision makers view health insurance, paid leave, and flexibility as most important for attracting and retaining talent at their company relative to other areas tested.

And, thinking about the benefits that job seekers will be looking for in the future, how important do you consider the following for attracting and retaining talent at your company?





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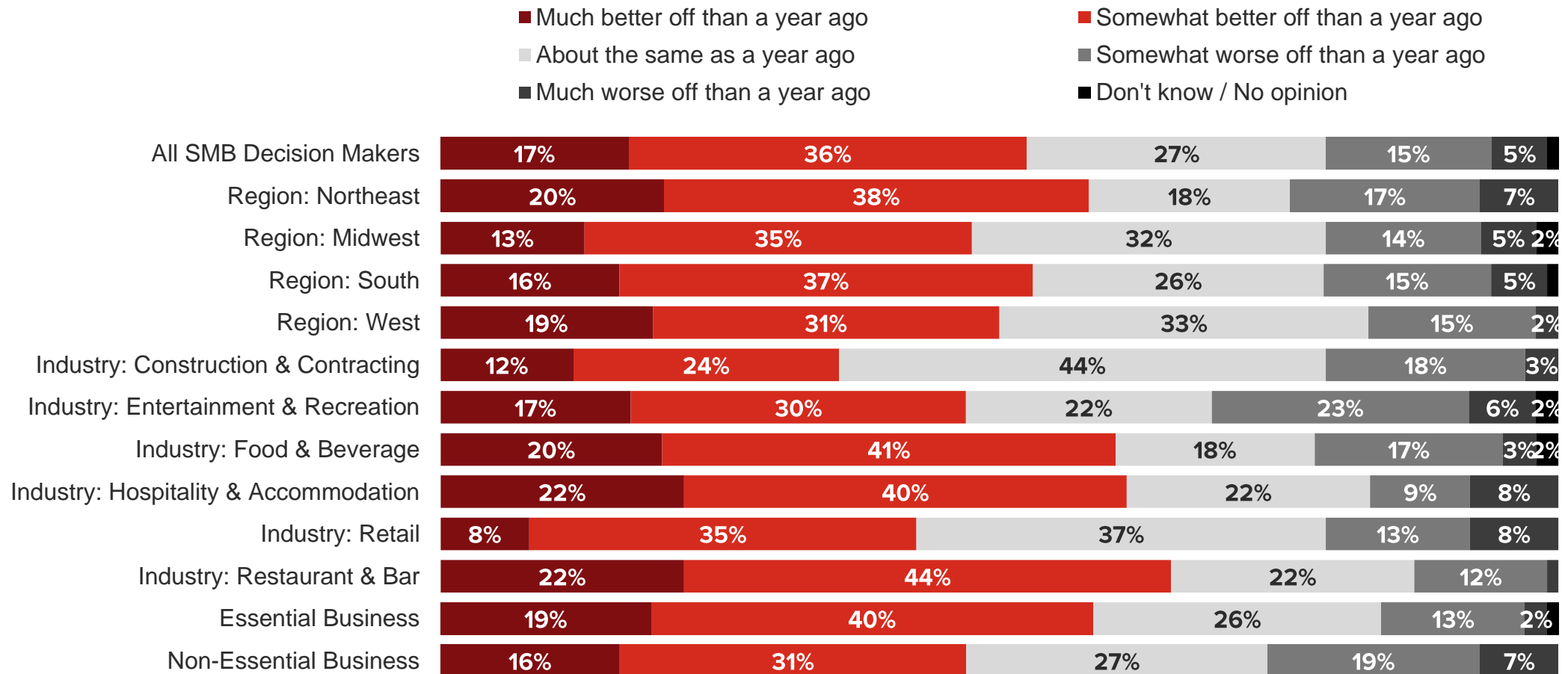
FUTURE OF WORK

REGIONAL & INDUSTRY IMPACTS

REGIONAL & INDUSTRY IMPACTS

Decision makers in the restaurant, food and beverage, and hospitality industries are more likely to say their business is better off now compared to last summer compared to those in construction, entertainment, and retail.

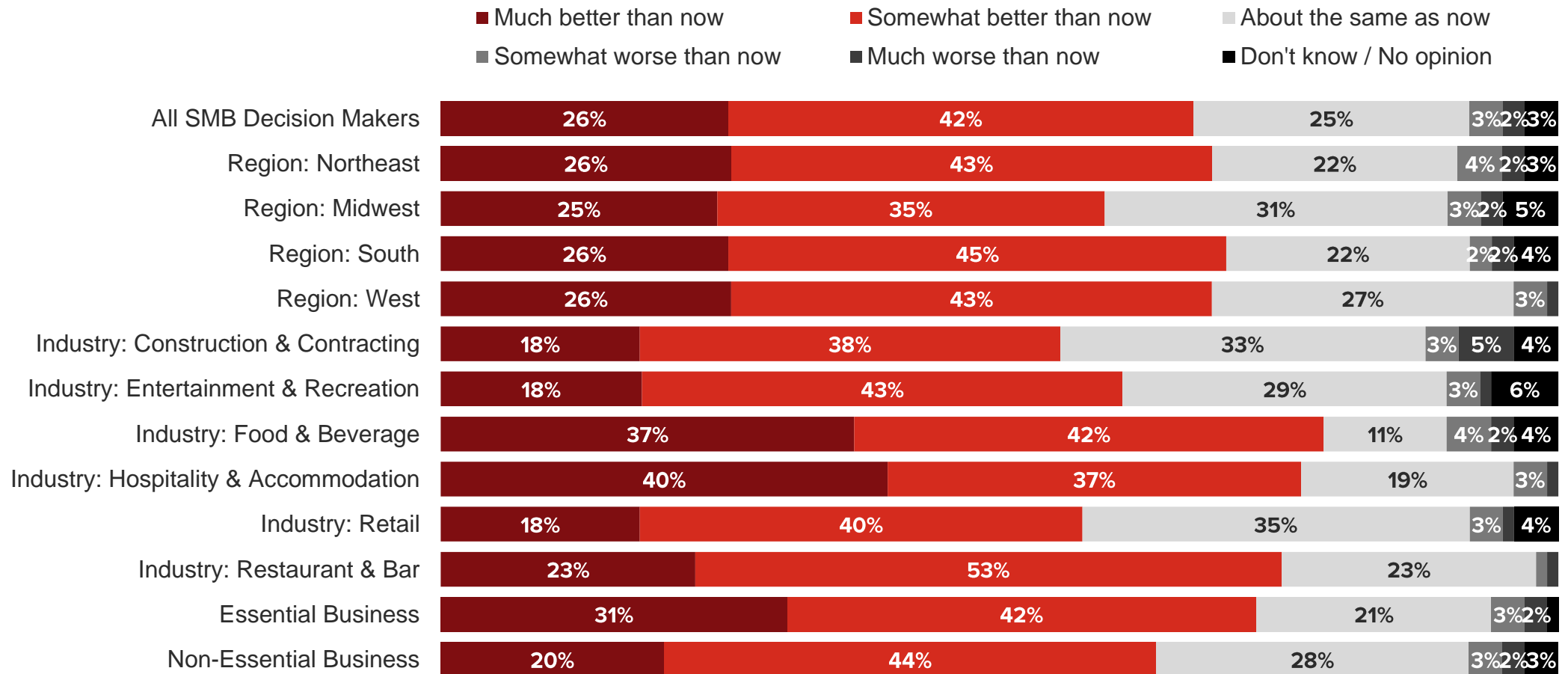
Thinking about the overall state of your business now **compared to a year ago (e.g., August 2020)**, would you say your business now is...



REGIONAL & INDUSTRY IMPACTS

Similarly, decision makers in the construction, entertainment, and retail industries are more likely than those in the restaurant, food and beverage, and hospitality industries to anticipate the state of their business will be “about the same as now” in a year.

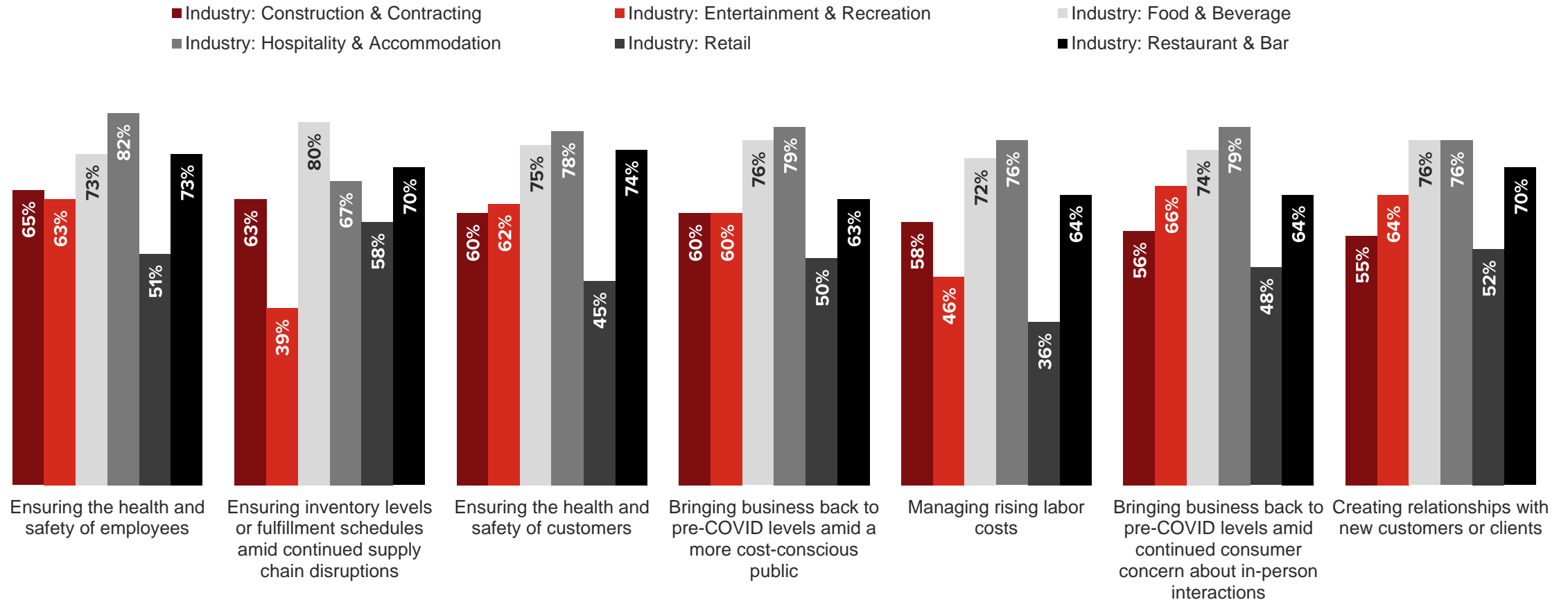
Finally, **one year from now (e.g., August 2022)**, do you anticipate that the overall state of your business will be...



Business decision makers in the food and beverage, hospitality, and restaurant industries express stronger concern than those in other industries across areas tested.

Thinking about how your business plans to move forward over the next few months, how concerned are you about the following, if at all?

% VERY OR SOMEWHAT CONCERNED

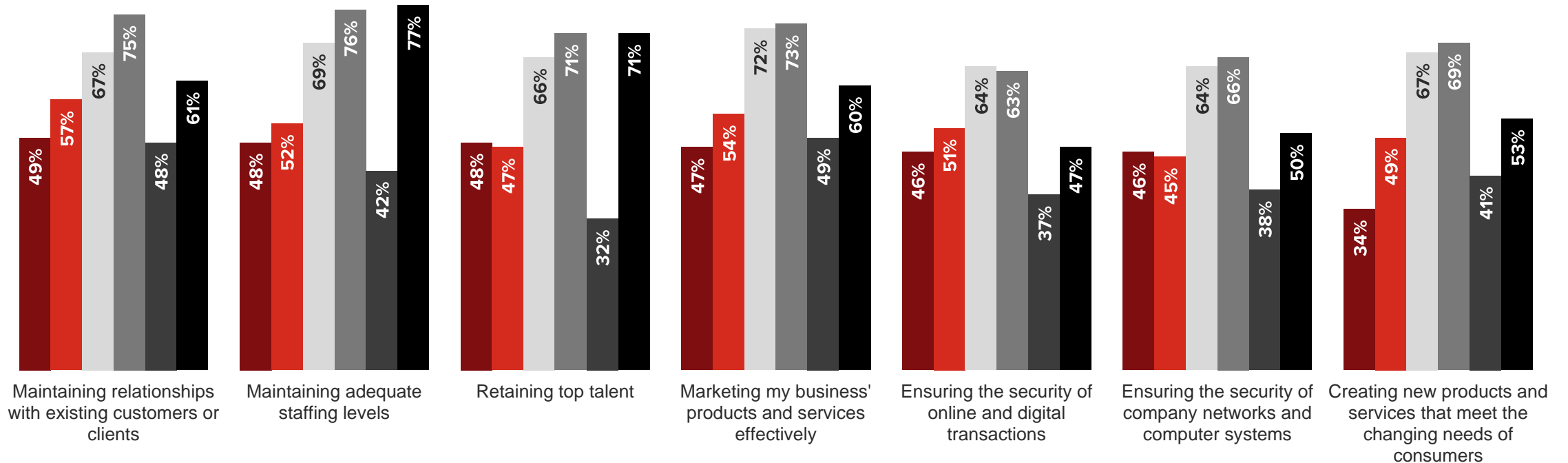


Maintaining adequate staffing levels emerges as the top concern among decision makers in the restaurant industry.

Thinking about how your business plans to move forward over the next few months, how concerned are you about the following, if at all?

% VERY OR SOMEWHAT CONCERNED

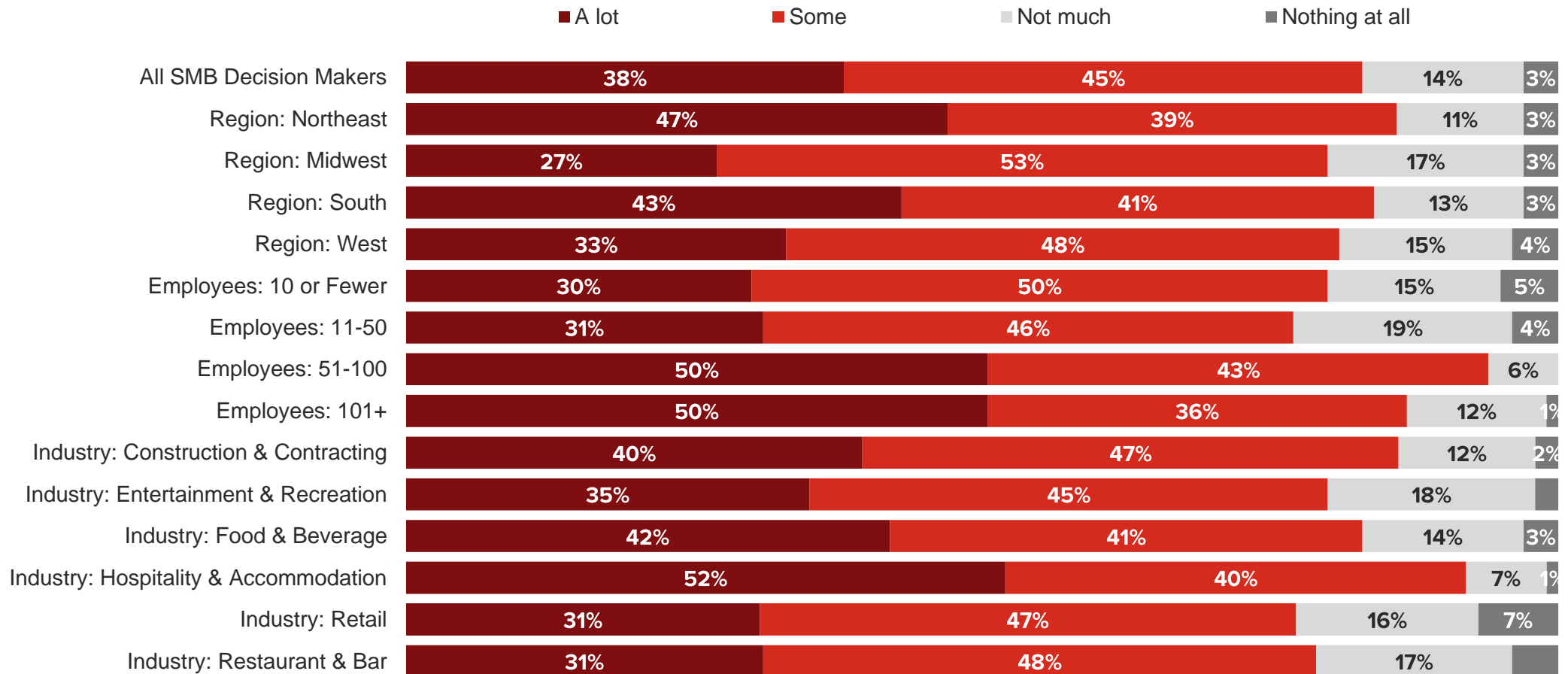
- Industry: Construction & Contracting
- Industry: Entertainment & Recreation
- Industry: Food & Beverage
- Industry: Hospitality & Accommodation
- Industry: Retail
- Industry: Restaurant & Bar



REGIONAL & INDUSTRY IMPACTS

Respondents at larger businesses (more than 50 employees) are more likely to say they’ve seen, read, or heard “a lot” about 5G compared to those at smaller businesses. Decision makers in the hospitality are most likely to say they’ve seen, read, or heard “a lot” compared to those in other industries.

How much have you seen, read, or heard about 5G?



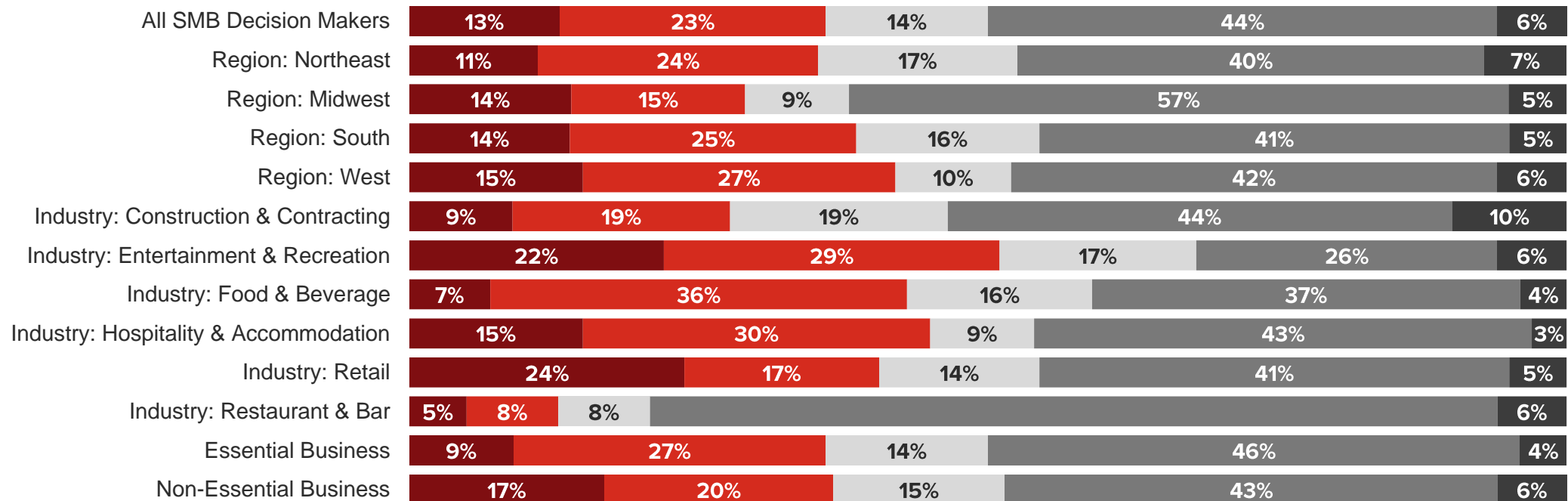


REGIONAL & INDUSTRY IMPACTS

Not surprisingly, respondents who work in the restaurant industry are most likely to say all employees are working in person compared to other groups. Those in the entertainment and food and beverage industries are more likely to report working in a hybrid environment compared to other industries.

Which of the following best describes the current remote work policy at your business?

- Most or all employees are required to work remotely
- Most or all employees are free to choose whether to work remotely or from an office/workplace
- Most or all employees are required to work from an office/workplace a designated number of days per week and work remotely on other days
- Most or all employees are required to work from an office/workplace
- Other





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