SBE COUNCIL
Small Business & Entrepreneurship Council

Small Business Technology Use Survey
March 2026

TechnoMetrica Market Intelligence

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Introduction

Background & Objectives

The SBE Council commissioned the study to gain insights from small business owners on their use of new, innovative, and emerging technologies, marketing strategies, and sales platforms.

Survey Sample

- ✓ Online Survey Methodology
- ✓ Sample size - 517 completes
  - TechnoMetrica used its network of panel partners for the sample
- ✓ Credibility interval - +/-4.4 percentage points

Methodology

- ✓ Survey Conducted
  - February 17 to 23, 2026
- ✓ **Median Length of Interview**
  - 13 minutes

- ✓ **Qualification Criteria**
  - Small business owners
  - Employee size = 2 to 99

Overview – AI

AI Confidence & Outlook

- Confidence in AI adoption is strong. 90% are confident in their ability to adopt AI and digital tools, including 52% who are very confident. Only 8% report low confidence.
- Sentiment skews positive. 51% are “gung-ho” or optimistic, and another 26% are cautiously optimistic. Just 9% express negative sentiment.
- Expectations are high. 53% anticipate AI will have a major or transformative impact on their industry, while 28% expect a moderate impact.

AI Adoption & Operational Integration

- 82% report using at least one AI tool; the median number of tools used is five.
- Primary applications include general business research (37%) and content creation (30%), with operational uses such as marketing automation, project management, and social media management each at 25%.
- Integration is progressing beyond experimentation. 32% report AI involvement in more than one-quarter of operations, including 8% with AI in more than half of workflows.
- AI is viewed as a growth driver. 81% of users mention AI is important to competitiveness and growth.

Overview - AI

Financial & Productivity Impact

- Revenue impact is meaningful. Two-thirds report revenue gains attributed to AI, including 22% reporting gains exceeding 10%. Only minimal revenue declines are reported.
- Productivity gains are tangible. Business owners report a median of five hours saved per week personally, and a median of 11.5 employee hours saved per week across the organization.
- Efficiency gains are being reinvested. 44% report improved innovation or customer engagement, 35% invested in technology or competitiveness initiatives, and 34% pursued additional growth opportunities.

Workforce Effects

- Employment impact remains limited. 48% report no overall change in employment levels.
- 19% report net job creation, while 9% report net reductions. 21% report internal restructuring.
- Hiring outlook remains stable. 93% plan to maintain or increase staffing levels.
- AI is viewed primarily as augmentative. 52% see AI as complementary to workers; only 8% view it primarily as a substitute.

Overview - AI

Investment Trends

- Median annual AI expenditure is $2,200.
- 42% spend $1,000 or less annually, while nearly half invest between $1,000 and $25,000. 8% spend more than $25,000.
- Investment momentum is building. 62% expect to increase AI spending over the next year; only 3% expect to reduce it.

Governance, Concerns & Barriers

- Businesses rely on peer networks (45%), internal technical staff (38%), and professional associations (37%) for AI guidance.
- Most have implemented oversight practices. 43% review AI-generated content internally, and 42% have trained employees on standards. However, 25% lack formal review procedures.
- Top concerns include reliability and accuracy (45%) and data security/privacy risks (42%). Nearly half (47%) report increased cybersecurity concerns.
- The leading barriers to further adoption are limited knowledge or training (23%), data privacy concerns (17%), cybersecurity risks (13%), and cost (12%).

Overview – Advertising/Marketing

Core Advertising Channels

- Social media and word-of-mouth dominate small business marketing strategies. 64% use social media marketing. 58% rely on word-of-mouth referrals.
- Secondary digital channels include e-mail marketing (42%) and paid online advertising (35%).
- Content marketing (27%), direct mail (22%), text marketing (20%), and outdoor advertising (20%) serve as complementary tools.
- Traditional media plays a smaller role: television (15%), print newspapers (15%), and radio (11%).
- Only 4% report not advertising at all.

Highest Return on Investment

- Social media delivers the strongest reported ROI (34%).
- Word-of-mouth ranks second (24%).
- Paid online advertising (10%), e-mail marketing (8%), and content marketing (5%) trail significantly.
- All other channels register 4% or less.

Overview – Online Marketing & Sales

Platform Importance for Revenue & Branding

- Facebook leads platform importance for income generation and branding (62%).
- Instagram (43%) and YouTube (36%) follow.
- LinkedIn (29%) and TikTok (26%) remain meaningful channels.
- Amazon (24%) and X (22%) also contribute to income generation.
- 11% report that none of the listed platforms are important.

Digital Sales Contribution

- The median share of sales from digital and e-commerce platforms is 20%.
- Sales distribution is evenly split: 48% derive 20% or less from digital channels while 48% derive 21% or more.
- At the extremes, 9% report under 5%, while 2% report 91% or more.

Overview – Online Marketing & Sales

Competitive Impact of Digital Platforms

- Digital platforms are widely viewed as leveling the playing field. 74% state they make it easier to compete with larger firms (32% much easier, 42% somewhat easier).
- 13% see no difference.
- 10% think platforms make competition harder.

Multi-channel Sales Strategies

- Websites (53%) and social media platforms (51%) anchor most sales strategies.
- Brick-and-mortar storefronts remain important (37%).
- In-person events (23%) provide supplemental revenue streams.
- 17% use mobile apps, Amazon, or buy-online-pickup-in-store (BOPIS).
- 15% use Etsy, Shopify, eBay, or instant messaging.
- The median number of sales channels used is three. 60% use two to four channels, while 28% use five or more channels.

Overview –Marketing & Sales

Channel Expansion Trends

- 37% added new sales channels in the past year.
- Forward-looking plans remain expansionary: 47% plan to add channels next year. 39% plan to maintain current levels. Only 3% plan to reduce channels.

Primary Revenue Sources

- Business websites are the largest revenue source (30%).
- Social media selling accounts for 23%.
- Physical storefronts (14%) and online marketplaces (13%) follow.
- In-person events account for 11%.

Offline Revenue Remains Significant

- 31% derive a majority (51% or more) of revenue from offline channels. 36% generate 26%–50% offline.
- 28% generate 1%–25% offline. Only 3% report no offline revenue.

Overview – Digital Marketing & Sales

Satisfaction With Channel Mix

- Satisfaction levels are high. 82% are satisfied (44% *very satisfied*). 12% are neutral. 4% report dissatisfaction.

Digital Advertising Investment

- 34% allocate more than 25% of marketing budgets to digital advertising. 47% allocate 1%–25%. 17% allocate none. The median annual digital advertising spend is $3,290.
- Spending is concentrated under $10,000 annually, though 22% spend more than $10,000.

Future Digital Advertising Plans

- 43% plan to increase digital advertising spending in the next 12 months. 41% plan to maintain spending. Only 4% plan to reduce spending.

TikTok's Role

- Among users, TikTok is considered important to business viability. 91% of TikTok users rate it important (51% very important). Only 9% consider it not important.

Overview – Amazon Impact

Amazon Adoption

- Three in ten small businesses (30%) use Amazon as a sales channel, while 70% do not currently sell on the platform.

Sales Contribution

- Among Amazon sellers, the median share of total sales generated through Amazon is approximately 20%.
- One-third (33%) generate between 11% and 20% of total sales from Amazon, while 28% derive between 21% and 40%.
- Nearly one in five (18%) generate less than 11% of sales from Amazon.
- Twelve percent derive more than half of their total sales from the platform, indicating meaningful concentration for a subset of sellers.

Overview – Amazon Impact

Multi-channel Strategy

- Amazon sellers are highly diversified, with 61% using social media platforms and 58% operating their own business website.
- More than one-third use Walmart (37%), Etsy/Shopify/eBay (36%), or retail/wholesale partners (36%), and 33% offer buy-online-pickup-in-store.
- Twenty-eight percent operate brick-and-mortar storefronts and 28% sell at in-person events, demonstrating continued offline integration.
- Only 2% report relying exclusively on Amazon without additional sales channels.

Profitability

- The median reported profit margin per product sold on Amazon is 20%.
- Nearly half (48%) report margins between 11% and 30%, while 33% report margins above 30%. Sixteen percent report margins of 10% or less, indicating variability but overall sustainable economics for most sellers.

Overview – Amazon Impact

Margin Comparison

- Two-thirds report Amazon margins are higher or about the same as other sales channels.
- Twenty-two percent report margins are much higher, while 23% mention that they are about the same.
- Only 13% report lower margins compared to other channels.

Pricing Structure & Platform Support

- Agreement is nearly universal that Amazon's pricing structure enables competitive participation, with 98% expressing agreement.
- Ninety-four percent agree that Amazon provides significant platform support to small business sellers.
- Disagreement levels are minimal, underscoring broad seller satisfaction with the platform's economics and infrastructure.

Overview - Pricing Tools

Algorithmic Pricing Tools Adoption & Implementation

- Six in ten small businesses either use or plan to implement algorithmic or automated pricing tools, with 35% currently using them and another 23% planning adoption. Among current users, 12% use pricing tools extensively and 23% use them for some products or services. 39% have no current plans to adopt.

Access & Deployment Models

- Nearly half (48%) access pricing tools through direct software purchase or subscription, while 44% use tools embedded within e-commerce marketplaces. Over one-third rely on third-party vendors (37%) or build tools internally (34%), reflecting multiple pathways to implementation.

Primary Use Cases

- Promotional optimization (48%), inventory-based pricing (45%), competitor monitoring (44%), and demand-based dynamic pricing (43%) lead usage. Customer segment pricing (39%) also plays a meaningful role, indicating increasing sophistication in pricing strategy.

Overview - Pricing Tools

Duration of Use

- Pricing tools are not experimental for most users, with 62% having used them for more than one year. Twenty-seven percent adopted within the past year, and only 10% implemented within the last six months.

Revenue Impact

- Revenue impact is overwhelmingly positive, with 97% reporting gains. Thirty-one percent report significant gains exceeding 10%, while 52% report moderate gains of 5–10%. Only 3% report no noticeable impact.

Competitive Impact

- Ninety-four percent report improved competitive positioning from pricing tools, including 44% citing strong improvement. No respondents report competitive deterioration.

Overview - Pricing Tools

Forward Investment & Expansion

- Ninety percent of users plan to expand pricing tool usage in the next 12 months, including 50% who are *very likely* to increase usage.
- Pricing automation is expected to expand materially, with 73% anticipating that 21–60% of pricing decisions will be algorithm-assisted within two years, and 17% expecting more than 60%.

Desired Capabilities

- Market trend analysis (43%), real-time competitor monitoring (42%), demand forecasting (41%), and promotional optimization (40%) are the most valued features.
- Customer segmentation, inventory integration, and automated price adjustments each remain meaningful priorities.

Overview – Business Environment

Current Business Environment

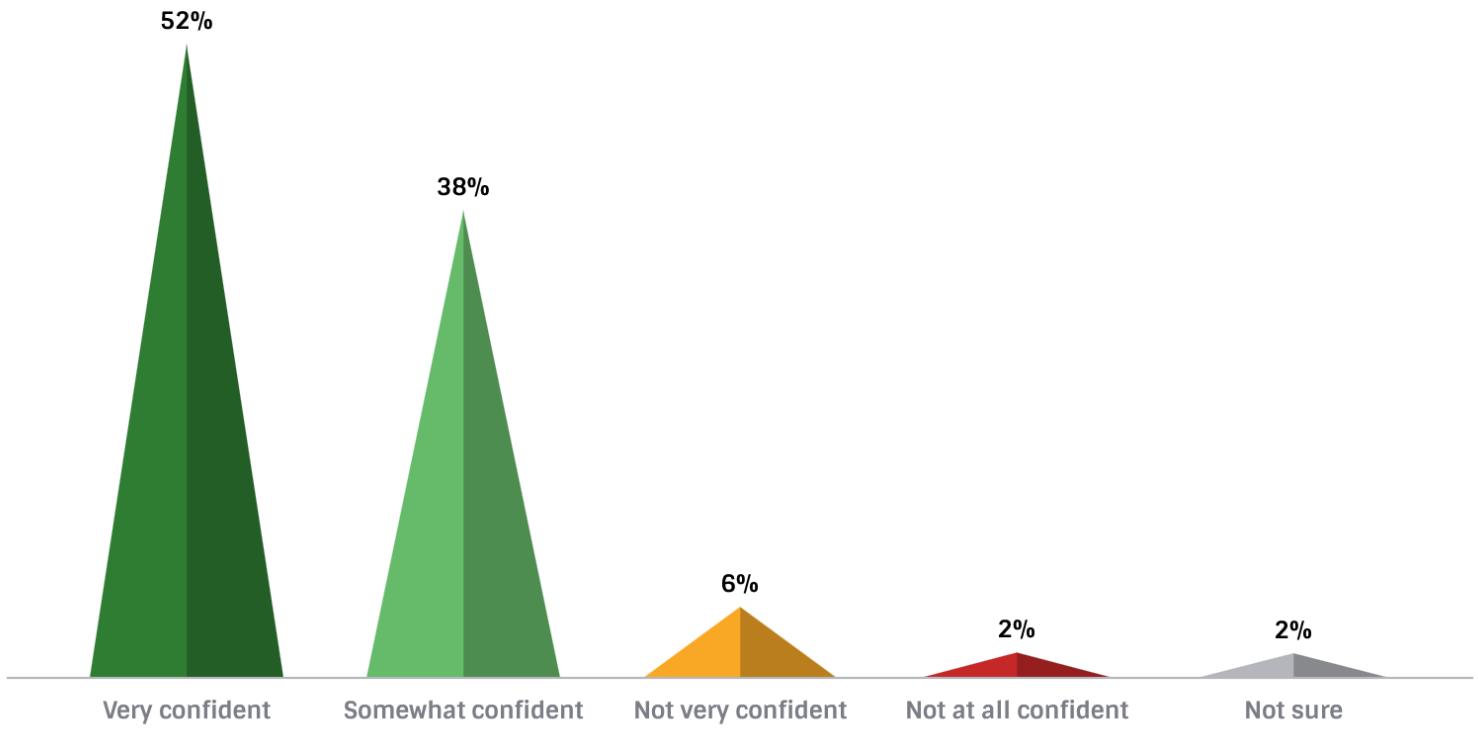
- Two-thirds (66%) describe the current U.S. business environment as good or excellent, including 24% who rate it excellent.
- Twenty-three percent describe conditions as average, while only 11% rate conditions negatively.

2026 Financial Confidence

- Confidence in 2026 performance is strong, with 86% expressing confidence that it will be a positive financial year.
- Forty-one percent are very confident, and 45% are somewhat confident.
- Only 12% express lack of confidence.

Detailed Findings/Analysis

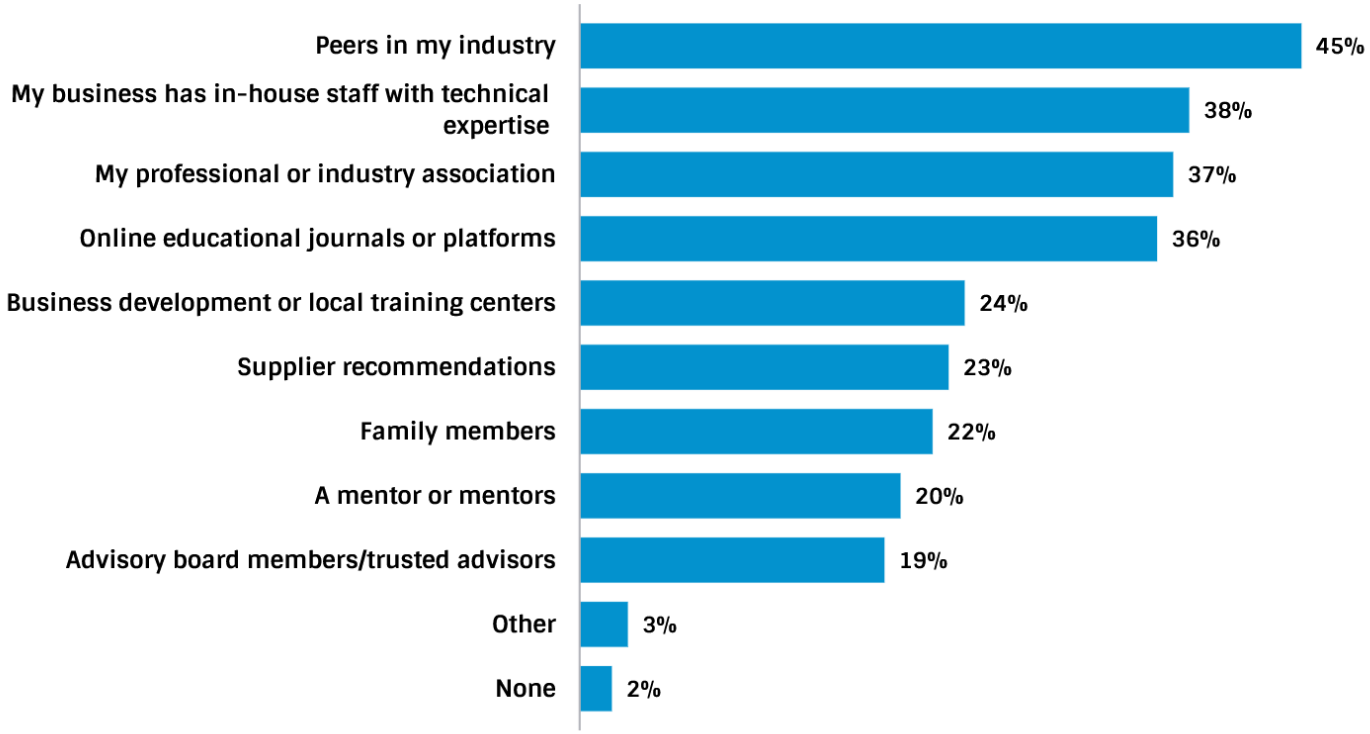
Most Small Businesses Feel Confident About Adopting New Technologies



Q1. How confident are you that your small business can pivot knowledgeably and promptly in its adoption of new technologies – such as AI and other digital tools – that are designed to help the business operate more productively, efficiently, and competitively?

- Overall, nine in ten, 90%, are confident in their ability to pivot and adopt AI and digital tools; 52% are *very confident*, and 38% are *somewhat confident*.
- Only 8% express low confidence, and 2% are unsure.
- Confidence levels suggest strong perceived readiness for digital transformation.

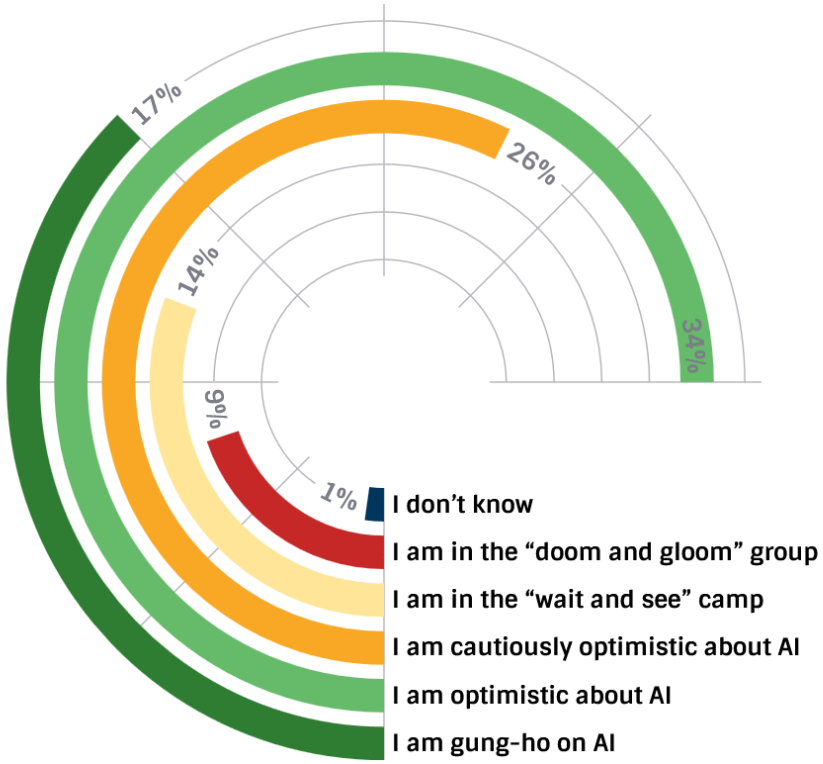
Small Businesses Rely Primarily On Industry Networks And Internal Expertise



Q2. Who or what are your top "go to" sources to help you understand the use and benefits of new and emerging technologies to ultimately help you determine whether investment in these new technologies or digital tools makes sense for your small business? (Please select all that apply)

- Nearly half (45%) rely on peers in their industry, making peer networks the most influential source of guidance.
- Internal technical staff (38%), professional or industry associations (37%), and online educational platforms (36%) form a strong second tier of trusted information.
- About one in four turn to business development or training centers (24%) or supplier recommendations (23%), while others seek advice from family members (22%), mentors (20%), and advisory boards (19%).
- Very few lack guidance entirely — only 2% report having no go-to source.

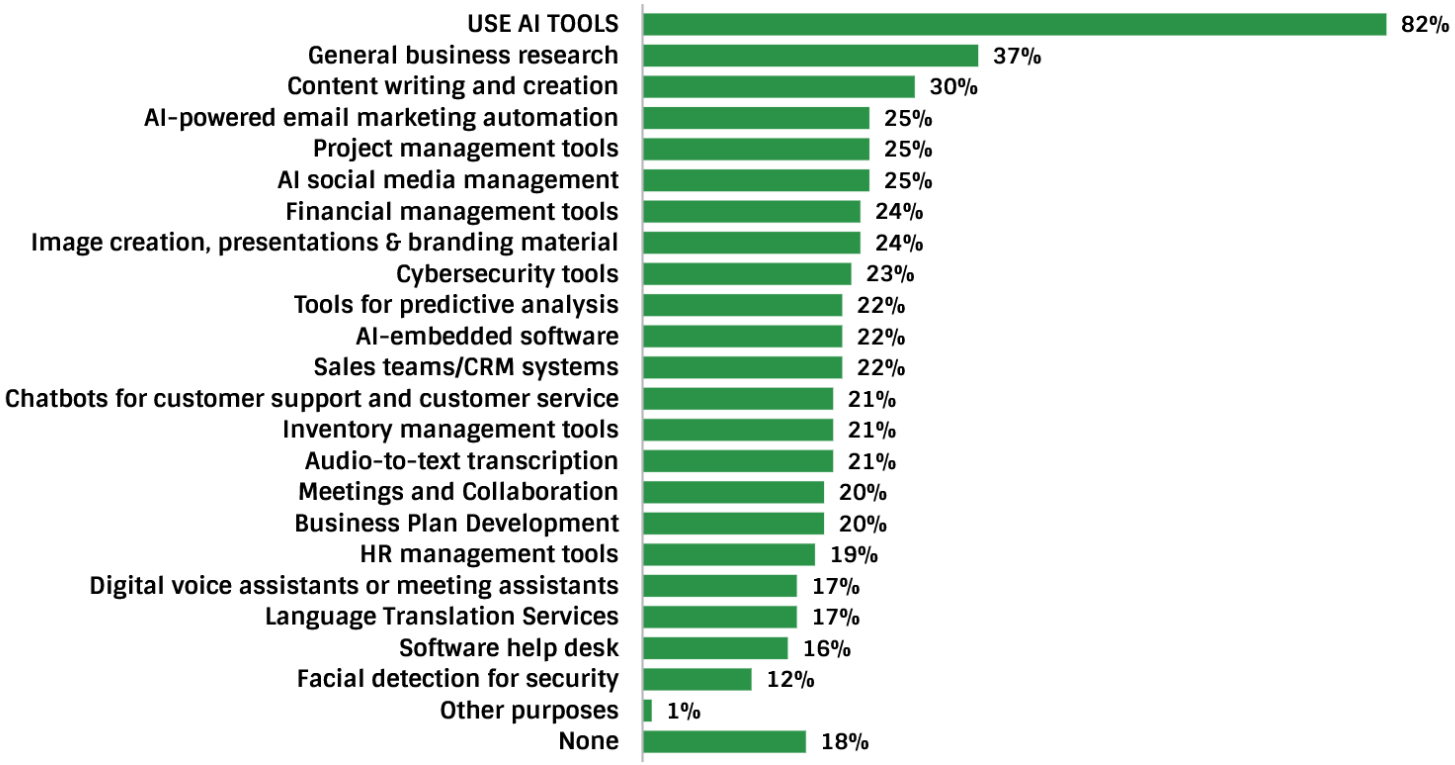
Majority Express Optimism About AI's Impact On Business And The Economy



Q03. What is your general outlook or assessment about the use and adoption of Artificial Intelligence (AI) and its impact on U.S. businesses and the economy?

- 17% are "gung-ho" on AI and 34% are optimistic.
- 26% describe themselves as cautiously optimistic.
- 14% are in a "wait and see" posture.
- Just 9% fall into the "doom and gloom" category.
- Overall sentiment favors AI adoption, though a meaningful minority remains cautious.

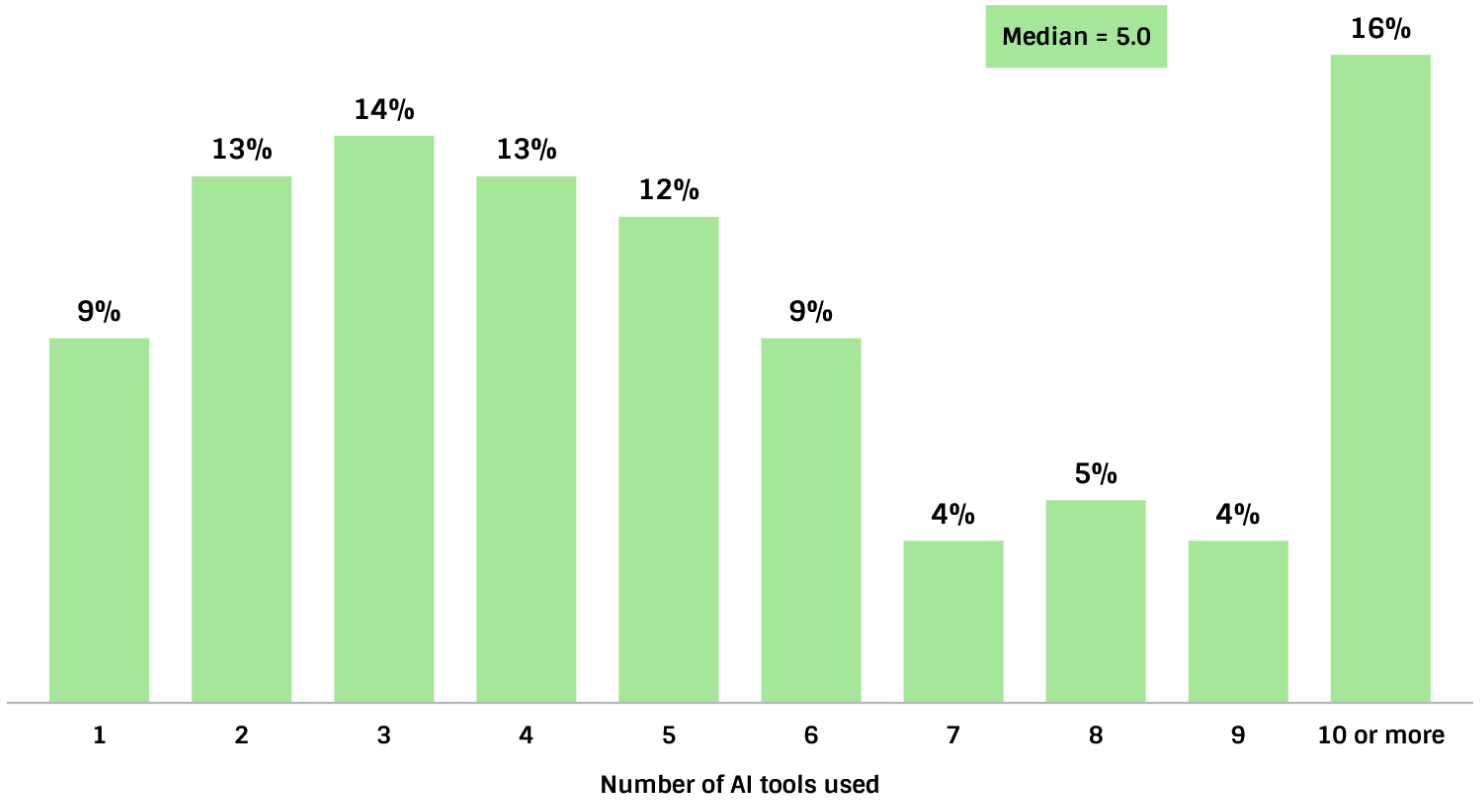
AI Tools Are Widely Used, Led By Research And Content Applications



Q6. Which of the following artificial intelligence tools does your small business currently utilize for business purposes? (Please select all that apply)

- 82% report using at least one AI tool.
- Top uses include general business research (37%) and content creation (30%).
- Operational uses such as marketing automation, project management, and social media management each reach 25%.
- 18% are not currently using any AI tools.
- AI is already embedded in day-to-day operations, particularly for information gathering and communication tasks

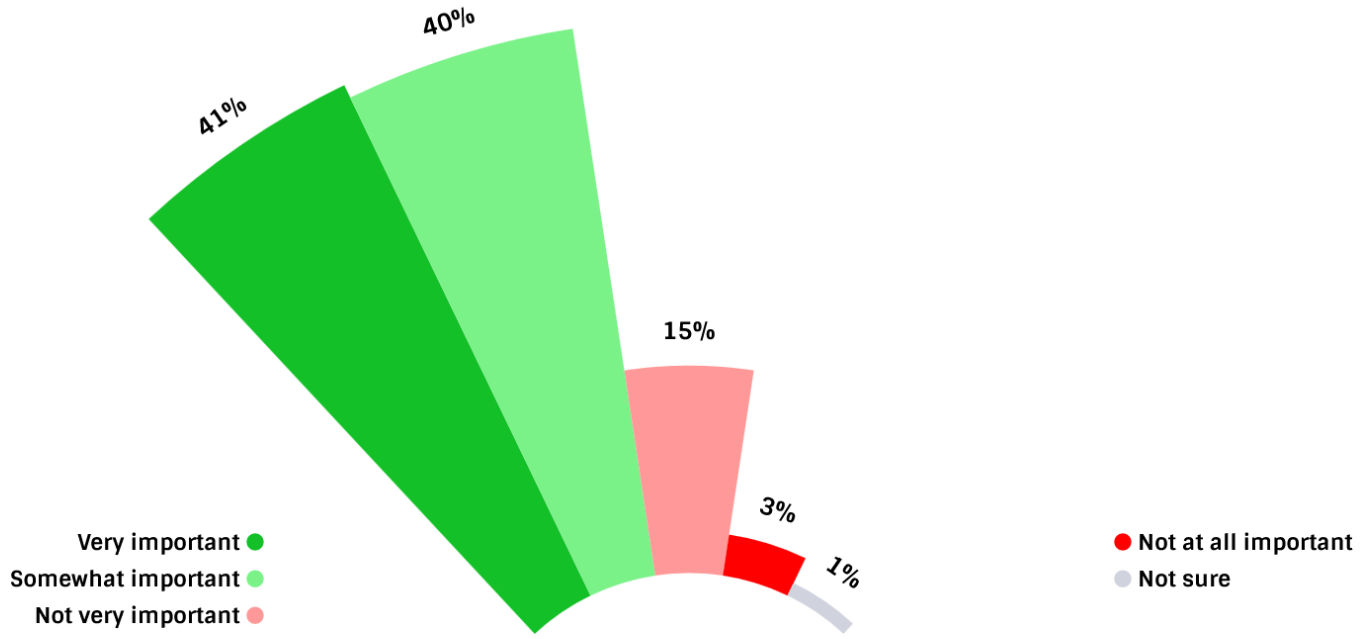
Small Businesses Use A Median Of Five AI Tools



Q6X. Number of AI tools used - Computed

- The median number of AI tools used by small businesses is five, indicating that AI adoption typically involves multiple tools rather than a single application.
- One-fifth (22%) use one to two AI tools, reflecting early-stage adoption among a segment of businesses.
- Over a third (39%) use three to five AI tools, the largest share, suggesting moderate integration across operations.
- Another fifth (18%) use six to seven tools, indicating expanding adoption across multiple functions.
- 9% use 8 to 9 tools, while 16% report using 10 or more, highlighting a meaningful group of highly advanced AI adopters.

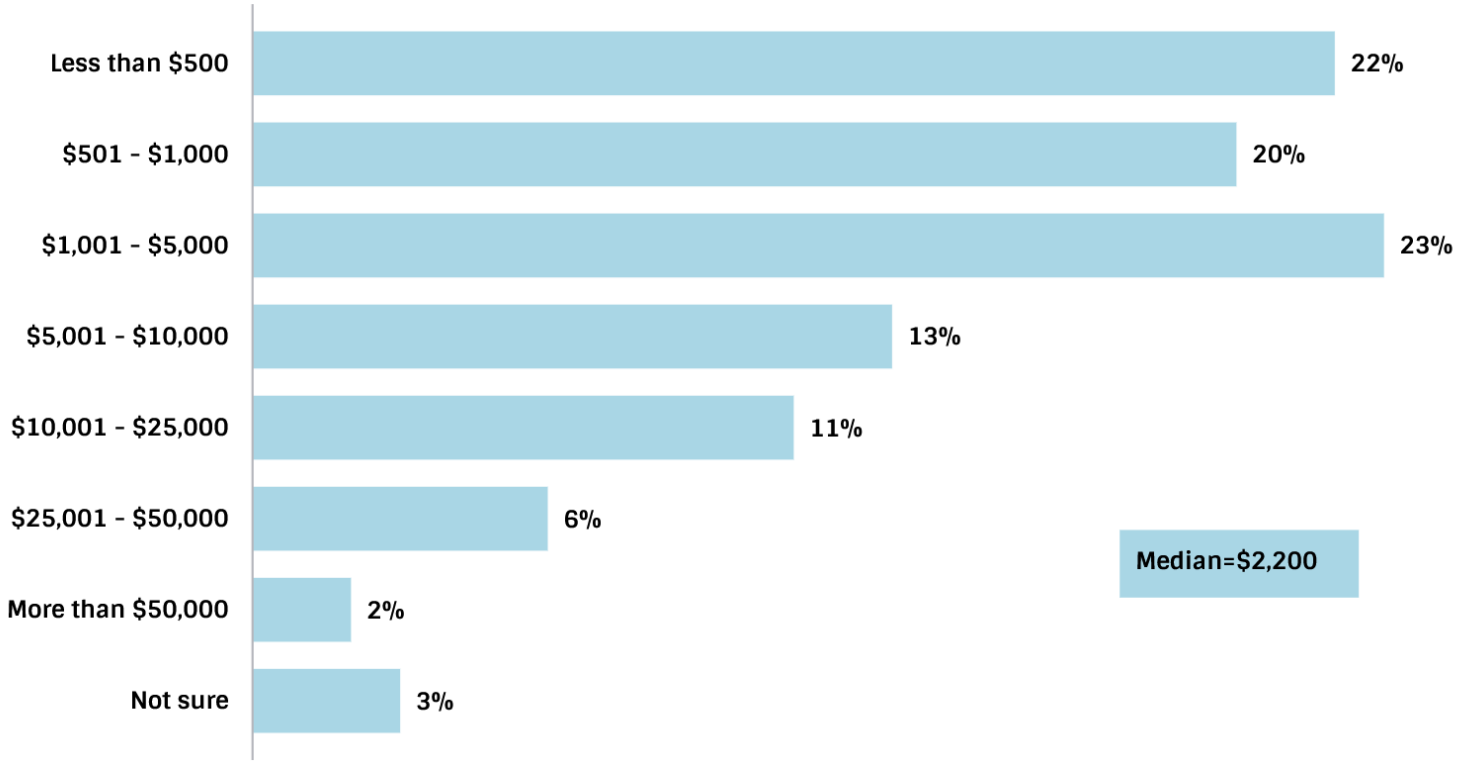
Four In Five AI Users Report That The Tools Are Important To Their Growth



Q7. How important have AI tools and technology platforms been to your business's competitiveness and growth over the past year? Base=425 Users of AI tools, +/-5.0 PTS

- 41% report AI has been *very important* to their competitiveness and growth.
- 40% indicate it has been *somewhat important*.
- 18% characterize AI as having limited importance: 15% *not* very important, and 3% *not at all important*.

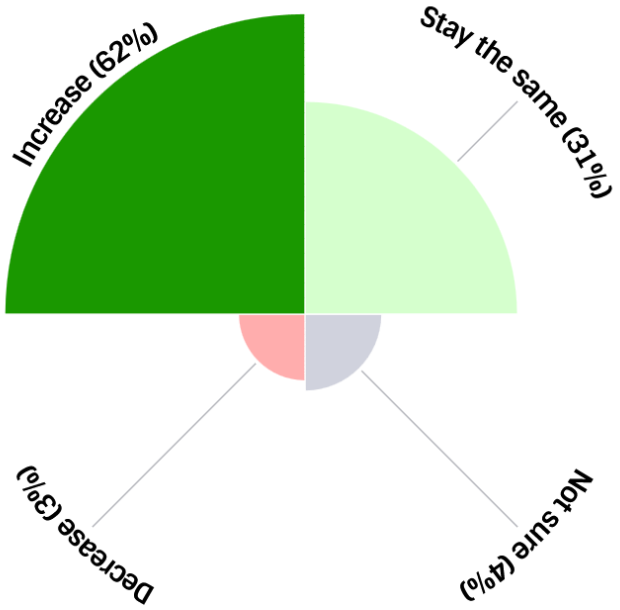
Median Annual AI Spending Is $2,200



Q8. On average, how much does your business spend annually on the artificial intelligence tools it currently uses? Base=425 Users of AI tools, +/-5.0 PTS

- The **median** annual investment in AI tools is **$2,200**.
- More than four in ten businesses (42%) invest $1,000 or less per year, including 22% spending under $500 and 20% between $500 and $1,000.
- Nearly one-quarter (23%) allocate between $1,000 and $5,000 annually, while another 24% invest between $5,000 and $25,000.
- A smaller segment (8%) has scaled investment beyond $25,000, and 3% are unsure of their spending.

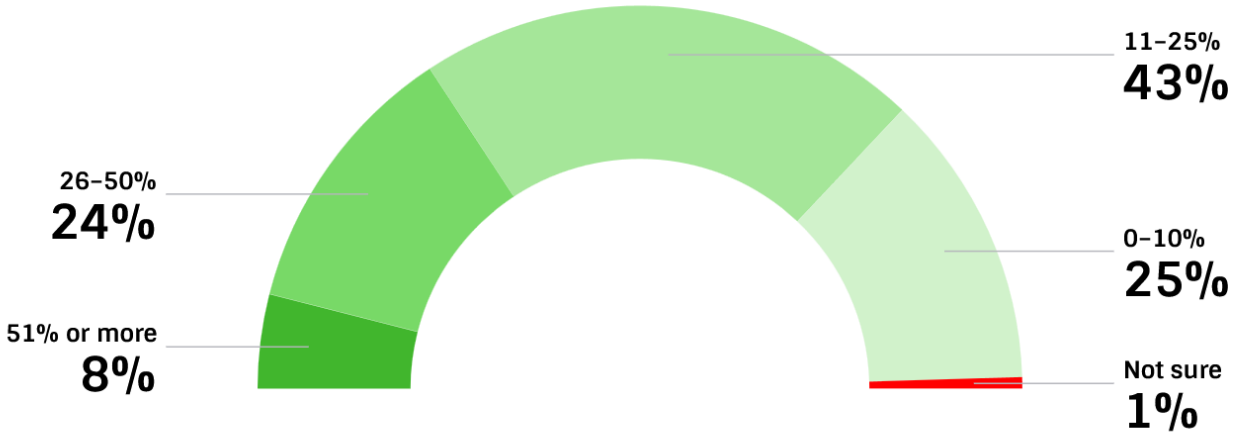
Six In Ten Expect To Increase AI Investment Over The Next Year



- 62% anticipate increasing AI-related spending.
- 31% expect investment levels to remain stable.
- 3% plan to reduce spending.
- 4% are uncertain.

Q9. Thinking of the next 12 months, do you expect your investments and expenses related to artificial intelligence tools to increase, decrease, or stay the same? Base=425 Users of AI tools, +/-5.0 PTS

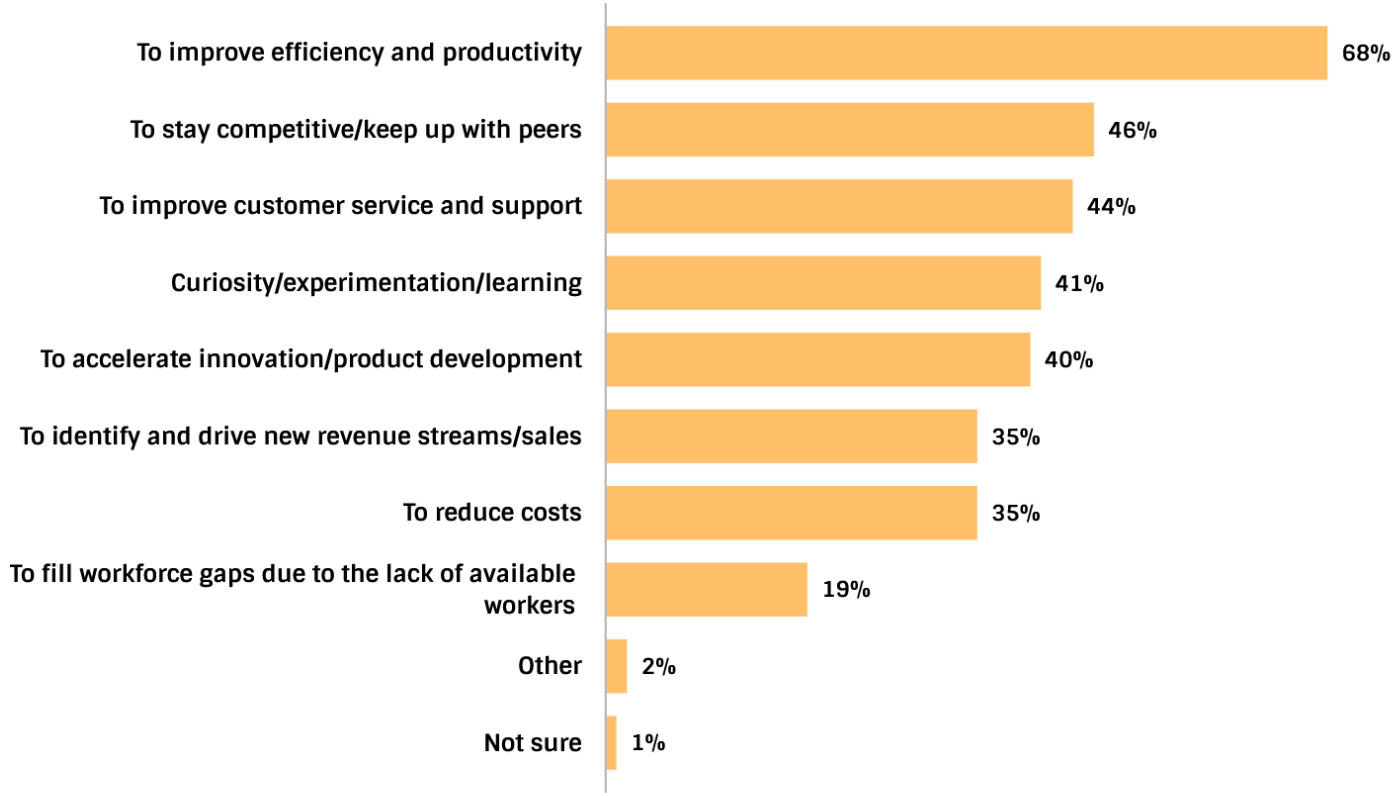
AI Is Now Embedded Across Meaningful Portions Of Business Operations



- 8% report AI involvement in more than half of operations.
- 24% indicate integration across 26–50% of operations.
- 43% report AI is involved in 11–25% of their operations.
- 25% report limited integration (10% or less).
- AI usage has progressed beyond experimentation for many businesses.

Q10. Approximately what percentage of your business operations now involve AI tools? Base=425 Users of AI tools, +/-5.0 PTS

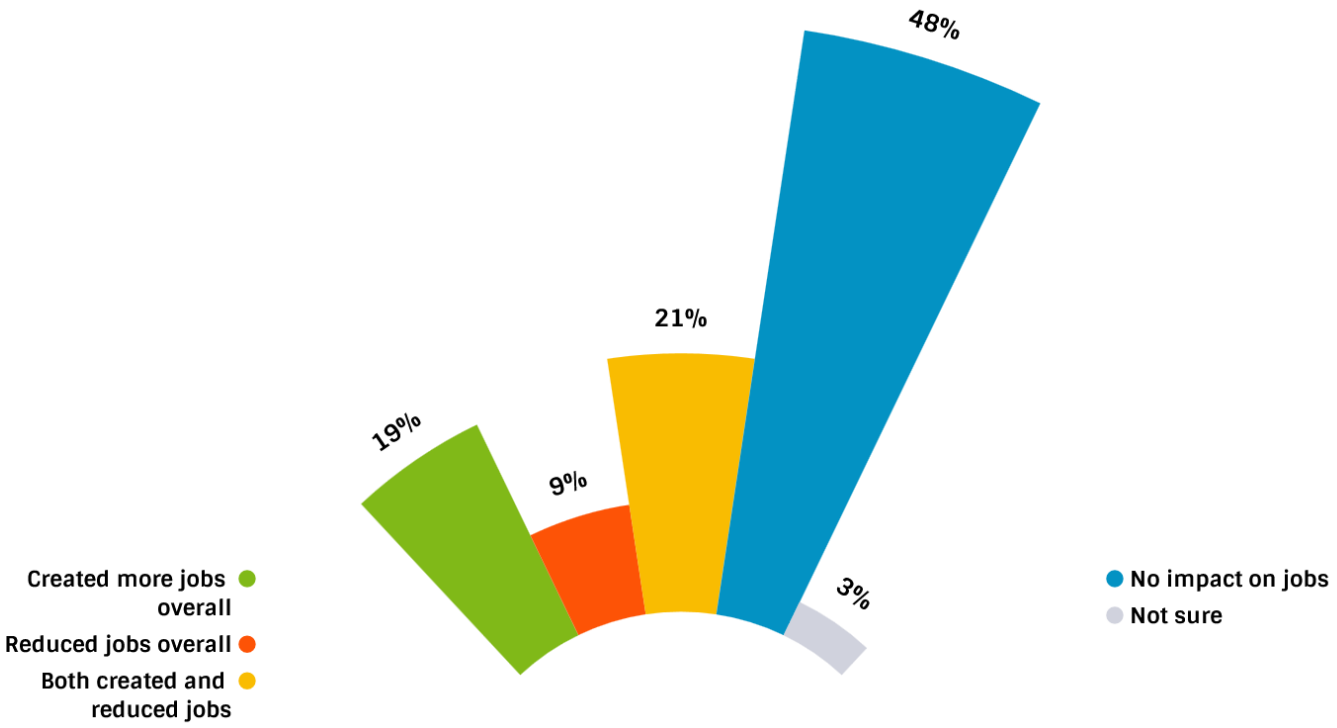
Efficiency, Competitiveness, And Innovation Are Key Drivers Of AI Adoption



Q11. What are the reasons your company started using AI? (Please select all that apply)

- 68% identify improving efficiency and productivity as a primary motivation.
- 46% cite staying competitive.
- 44% identify enhancing customer service and support as the major reason.
- 35% seek new revenue opportunities, and another 35% focus on cost reduction.

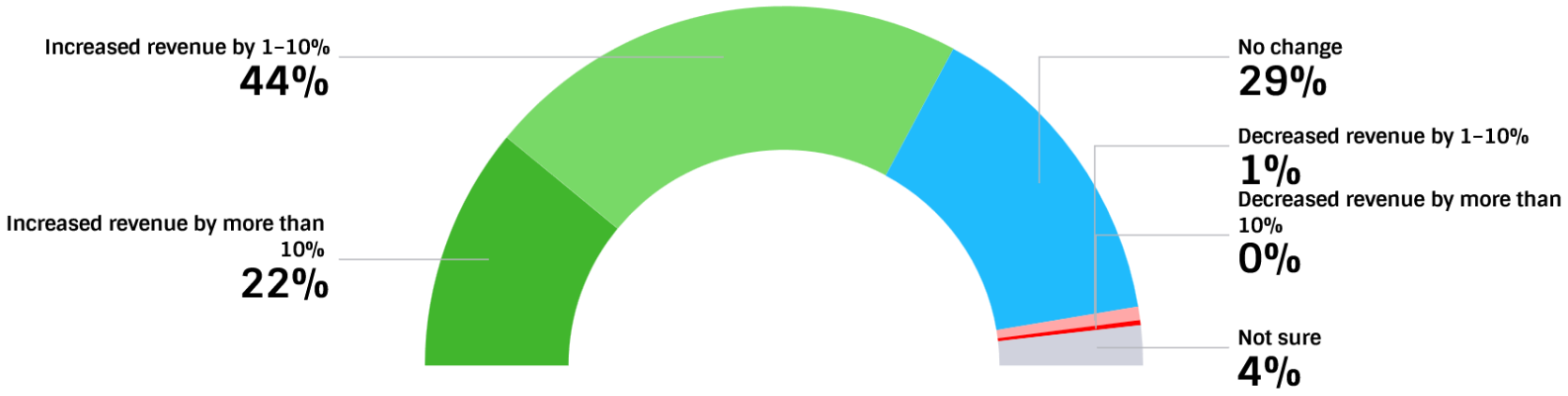
Nearly Half Report No Overall Change In Employment Levels



Q12. In terms of AI's impact on jobs in your company, what has been the overall effect? Base=425 Users of AI tools, +/-5.0 PTS

- 19% indicate AI has created more jobs overall.
- 9% report a net reduction in jobs.
- 21% indicate AI has both created and reduced roles within the organization.
- 48% report that AI has had no overall impact on jobs within their company.
- 3% are unsure.
- Most businesses report stability in employment levels, though some organizations are restructuring their workforce.

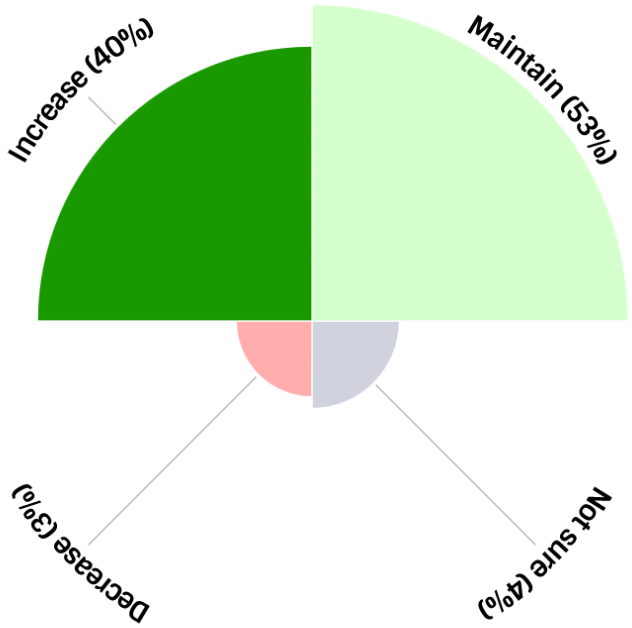
Two-Thirds Report Revenue Gains Attributed To AI



Q14. Over the past 12 months, estimate how AI has affected your business revenue? Base=425 Users of AI tools, +/-5.0 PTS

- 22% indicate revenue gains exceeding 10%.
- 44% report revenue increases of 1–10%.
- 29% report no change in revenue.
- 1% report revenue declines of 1–10%, and less than 1% report revenue declines exceeding 10%.
- 4% are unsure.

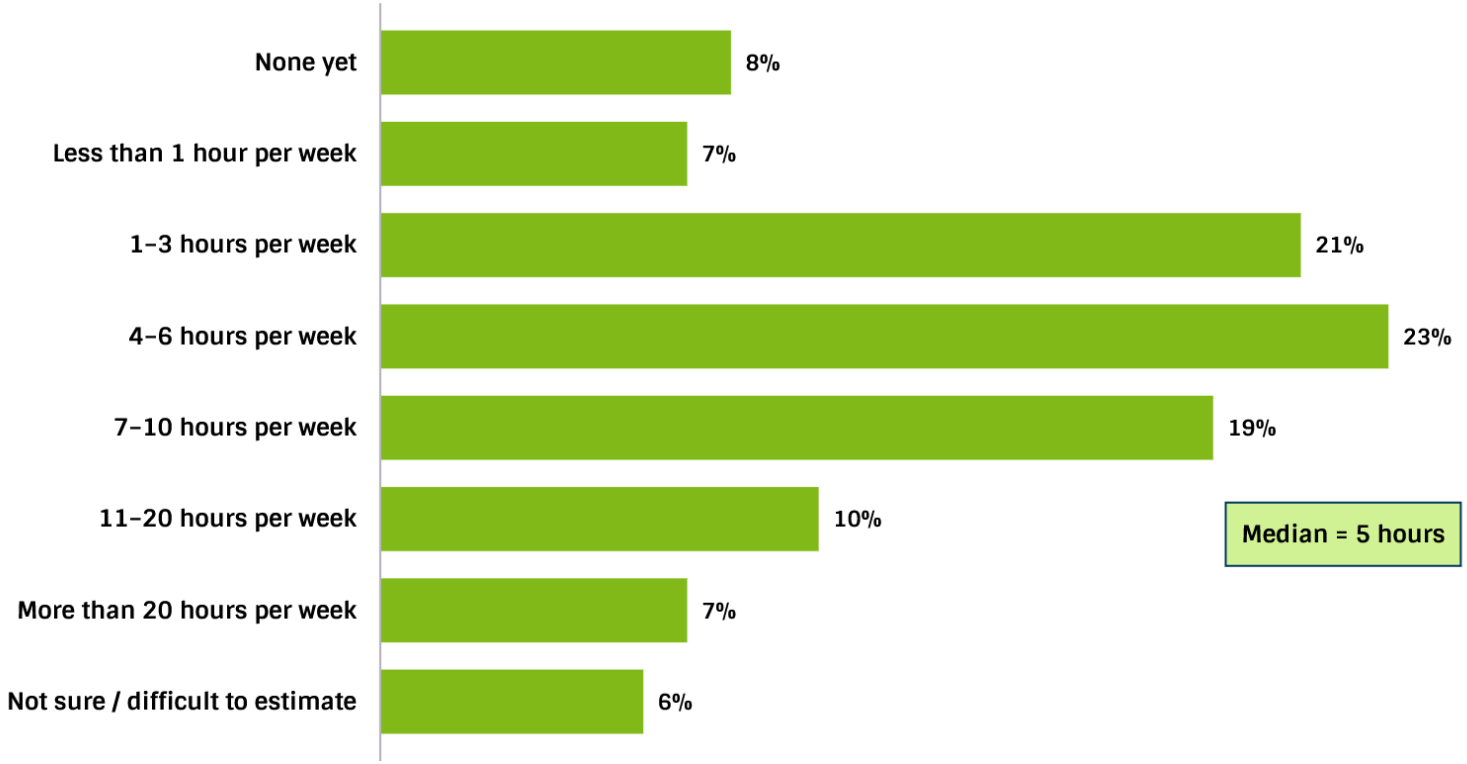
Majority Plan To Maintain Or Increase Hiring



- 40% plan to increase hiring.
- 53% anticipate maintaining current staffing levels.
- 3% expect to reduce hiring.
- 4% are unsure.

Q13. What are your company's hiring plans over the next 6 months?? Base=425 Users of AI tools, +/-5.0 PTS

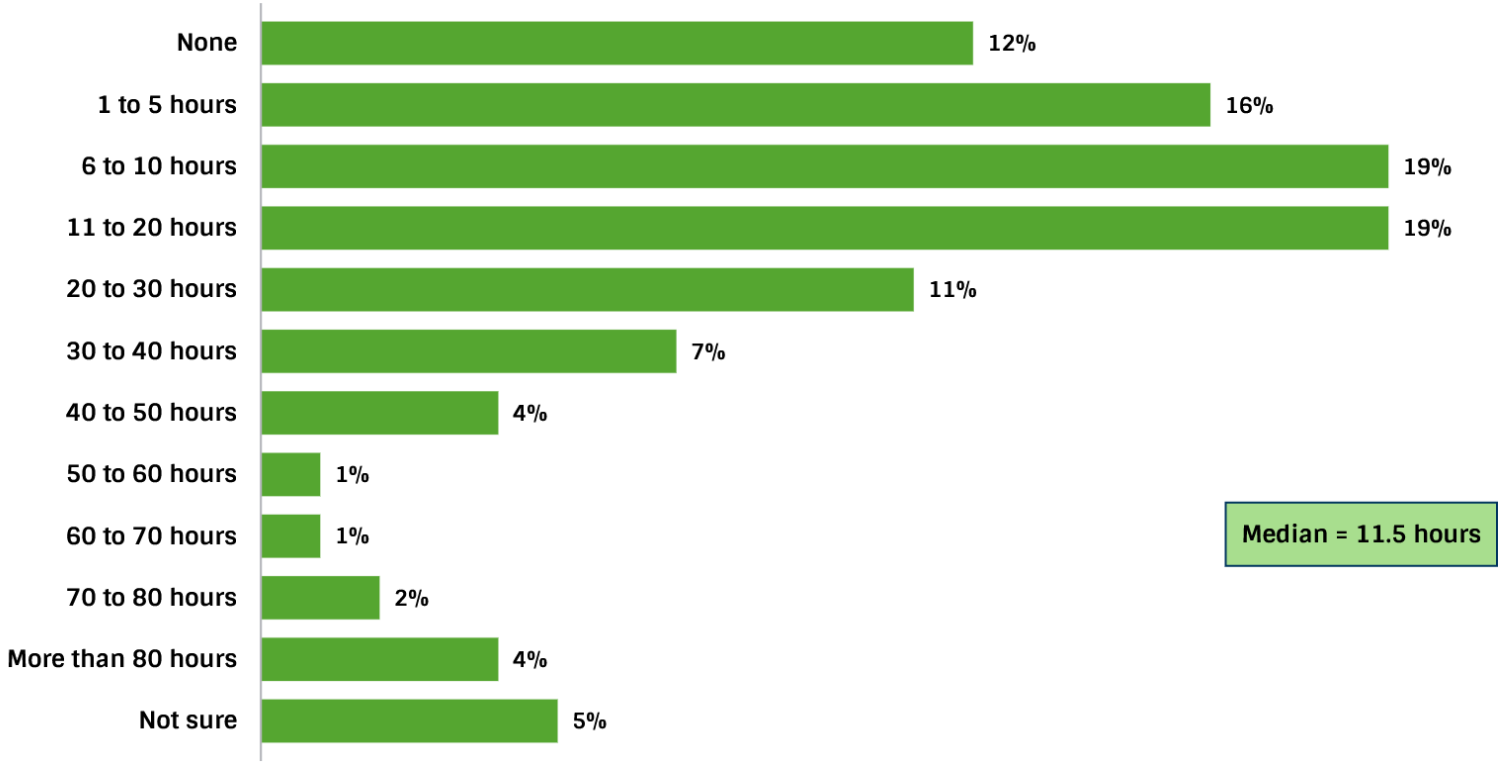
Small Business Owners Save A Median Of Five Hours Of Their Own Time Each Week Through AI Use



Q15. Approximately how many hours per week of your time (as the business owner) does AI save?, Base=425 Users of AI tools, +/-5.0 PTS

- The **median** time saved **is 5 hours per week**.
- 21% report saving 1–3 hours weekly.
- 23% report saving 4–6 hours.
- 19% save 7–10 hours.
- 17% report saving more than 10 hours per week.
- 8% report no time savings; 6% are unsure.

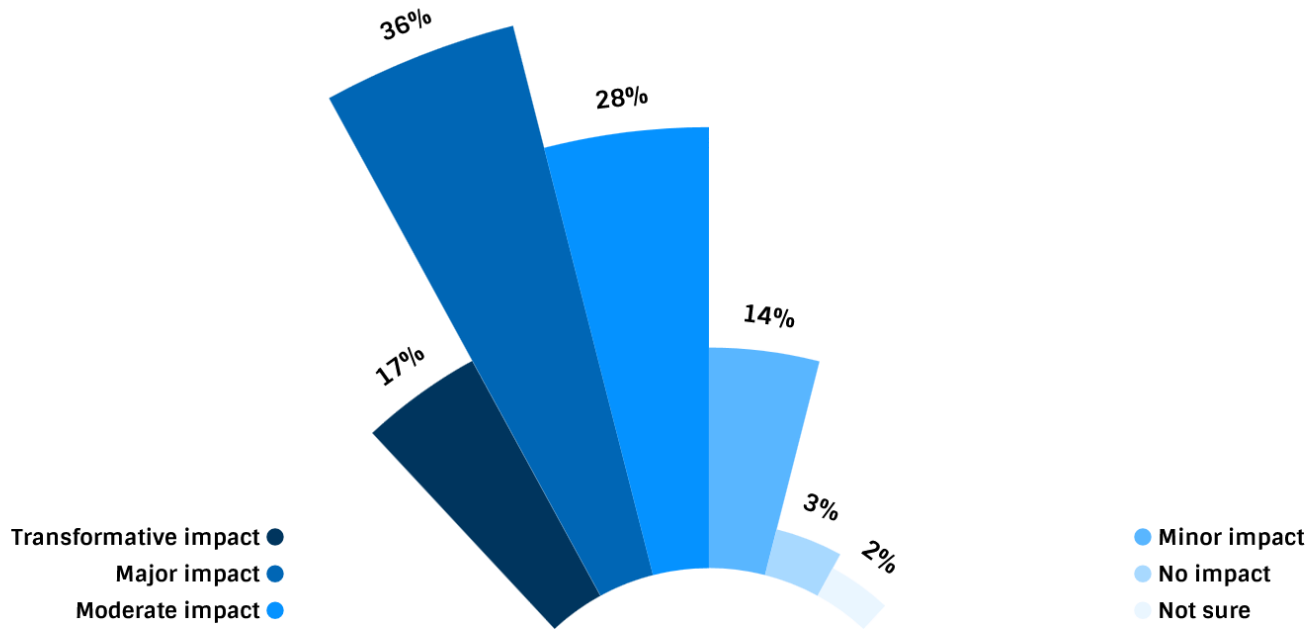
Small Business Owners Report Saving A Median Of 11.5 Employee Hours Per Week



Q16. Approximately how many total employee hours per week, excluding your own hours, does AI save your business?, Base=425 Users of AI tools, +/-5.0 PTS

- The median reported savings is 11.5 employee hours per week.
- 16% report savings of 1–5 hours.
- 19% report savings of 6–10 hours, and another 19% report 11–20 hours.
- 30% report savings exceeding 20 hours per week.
- 12% report no employee time savings; 5% are unsure.

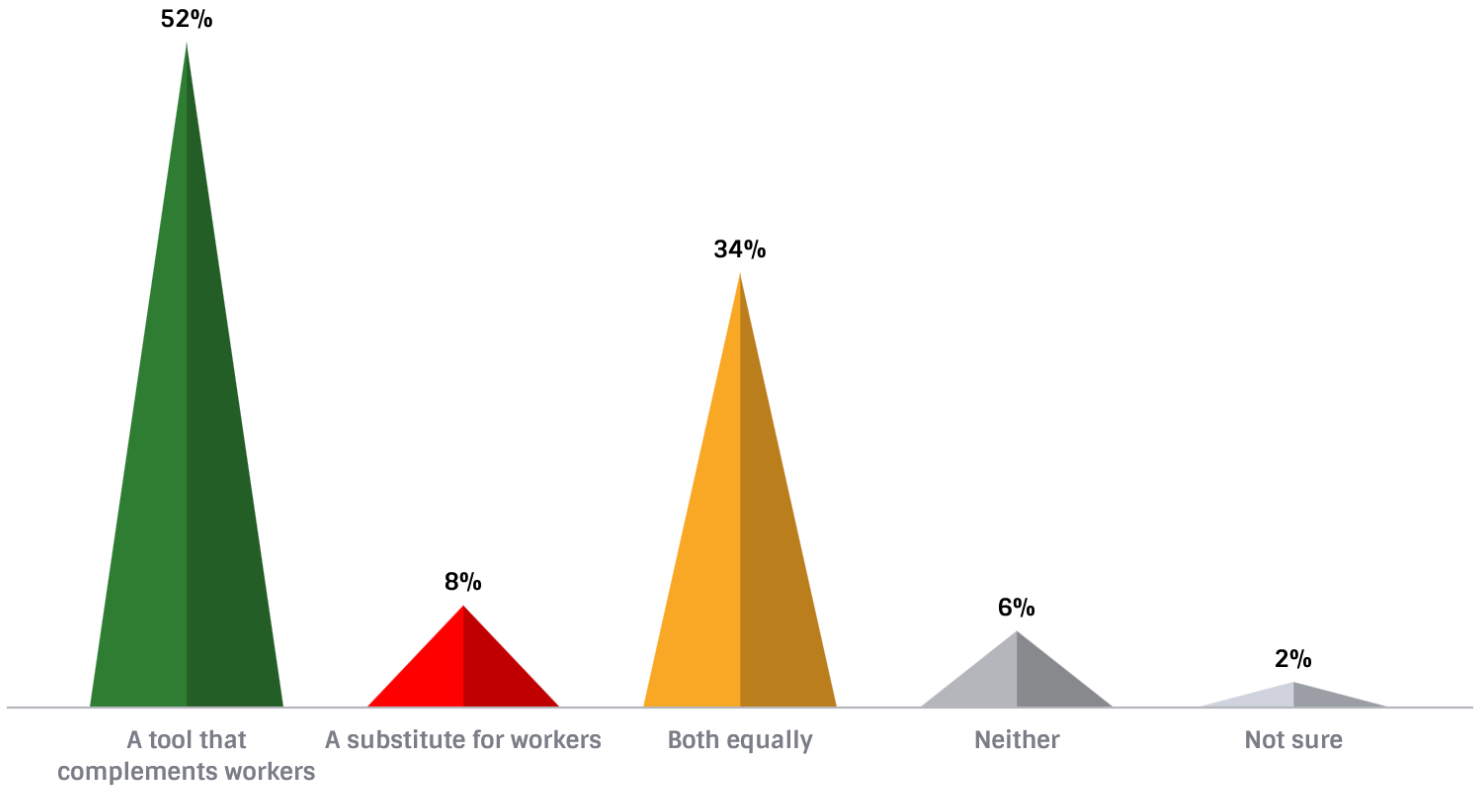
Majority Anticipate Major To Transformative Industry Impact



Q17. Over the next 3–5 years, what impact do you expect AI to have on your industry overall? Base=425 Users of AI tools, +/-5.0 PTS

- 17% anticipate a *transformative* impact.
- 36% expect AI to have a *major* impact on their industry.
- 28% expect a *moderate* impact.
- 14% foresee only a *minor* impact.
- 3% expect no impact; 2% are unsure.

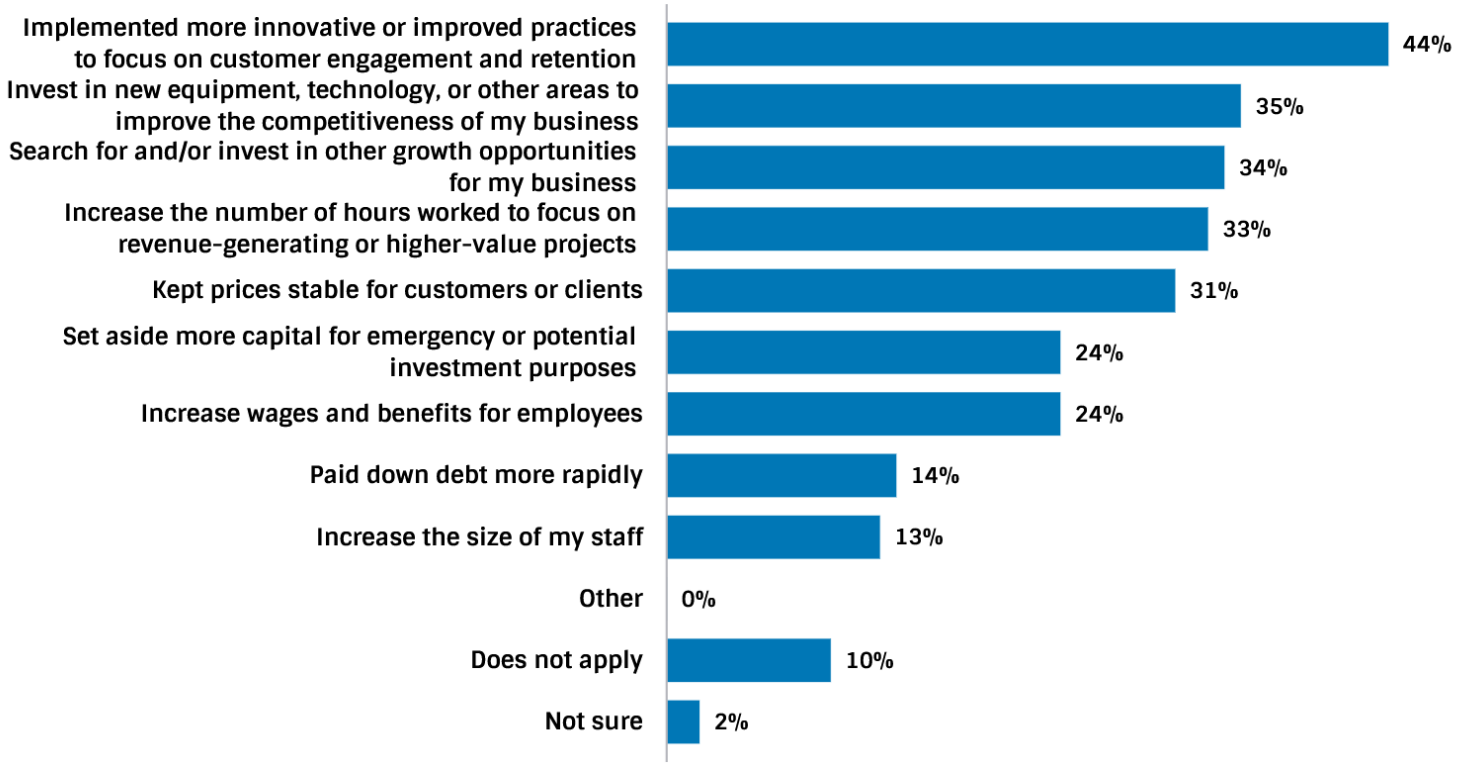
Most Small Businesses View AI Primarily As Complementary To Workers



Q18. Overall, do you see AI as primarily:, Base=425 Users of AI tools, +/-5.0 PTS

- 52% view AI primarily as a tool that *complements* workers.
- Only 8% view AI as a *substitute* for workers.
- 34% view it as *both* complementary and substitutive.
- 6% view it as neither; 2% are unsure.
- Perceptions skew toward augmentation rather than displacement.

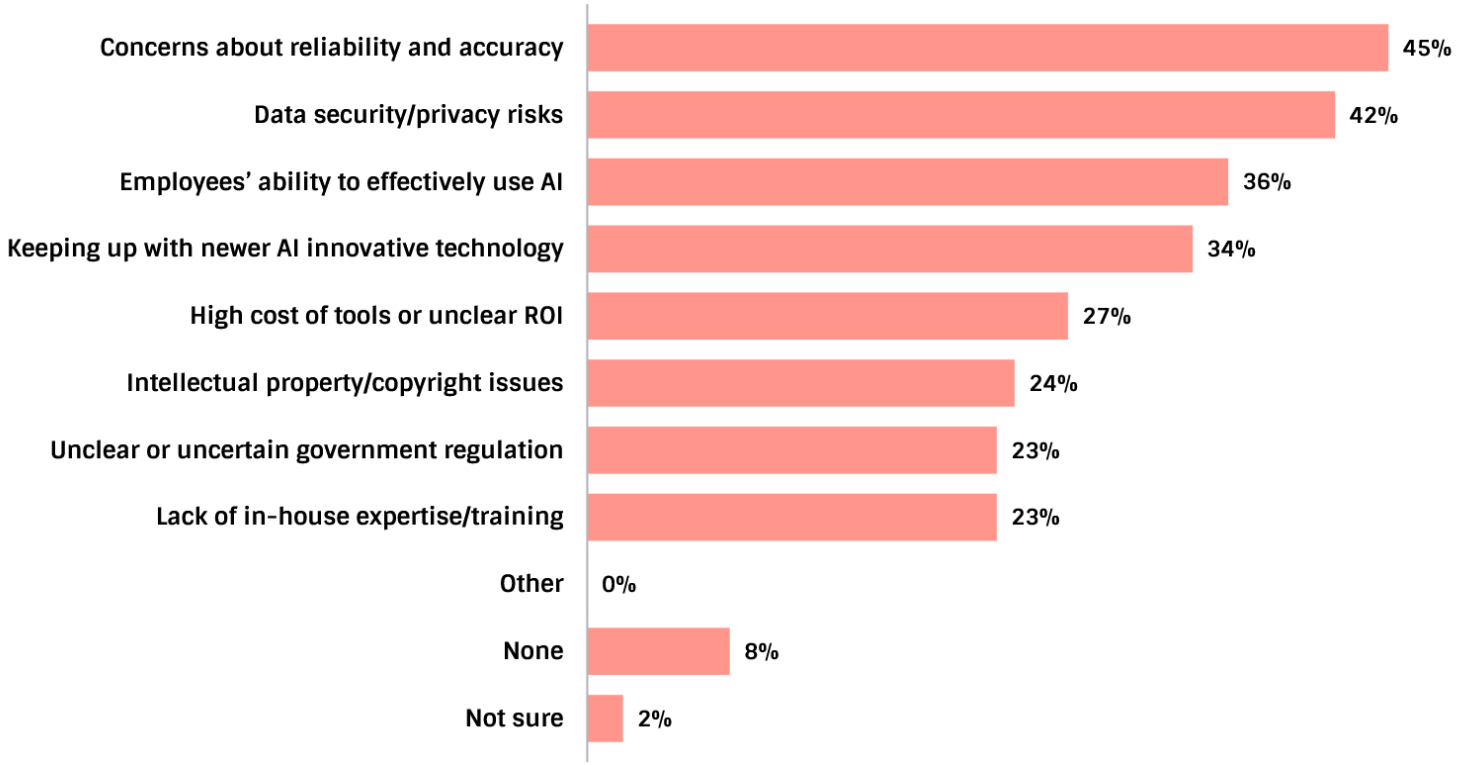
Small Businesses Reinvest AI-Driven Savings Into Innovation And Competitiveness



Q19. Which of the following actions in your business have resulted from saving time and money that can be attributed to artificial intelligence solutions? (Please select all that apply), Base=425 Users of AI tools, +/-5.0 PTS

- 44% implemented more innovative or improved customer engagement practices.
- 35% invested in new equipment, technology, or competitiveness initiatives.
- 34% pursued additional growth opportunities.
- 33% redirected hours toward higher-value or revenue-generating work.
- 31% maintained stable pricing for customers.
- 24% set aside additional capital; an equal share increased wages or benefits.
- 14% paid down debt more rapidly; 13% increased staff size.
- 10% report none of these actions; 2% are unsure.

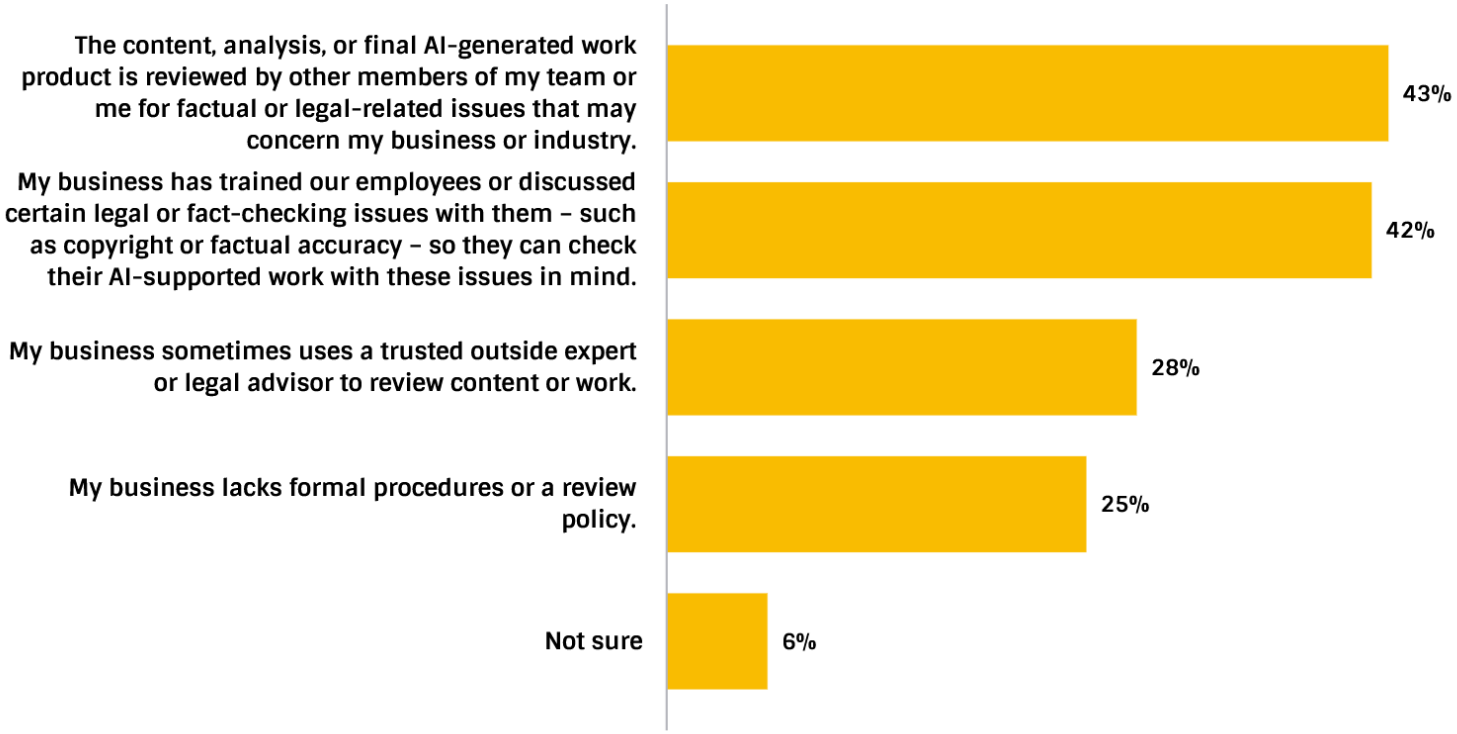
Reliability And Data Security Top AI-related Concerns



Q20. What are your company's main concerns about using AI? (Please select all that apply), Base=425 Users of AI tools, +/-5.0 PTS

- 45% cite concerns about reliability and accuracy. A similar share, 42%, identify data security and privacy risks.
- 36% express concern about employees' ability to use AI effectively. Another third, 34%, cite keeping pace with rapid technological change.
- About one-fourth, 27%, identify high cost or unclear return on investment, and 24% point to intellectual property issues.
- 23% identify regulatory uncertainty; 23% mention lack of in-house expertise.
- 8% report no concerns; 2% are unsure.

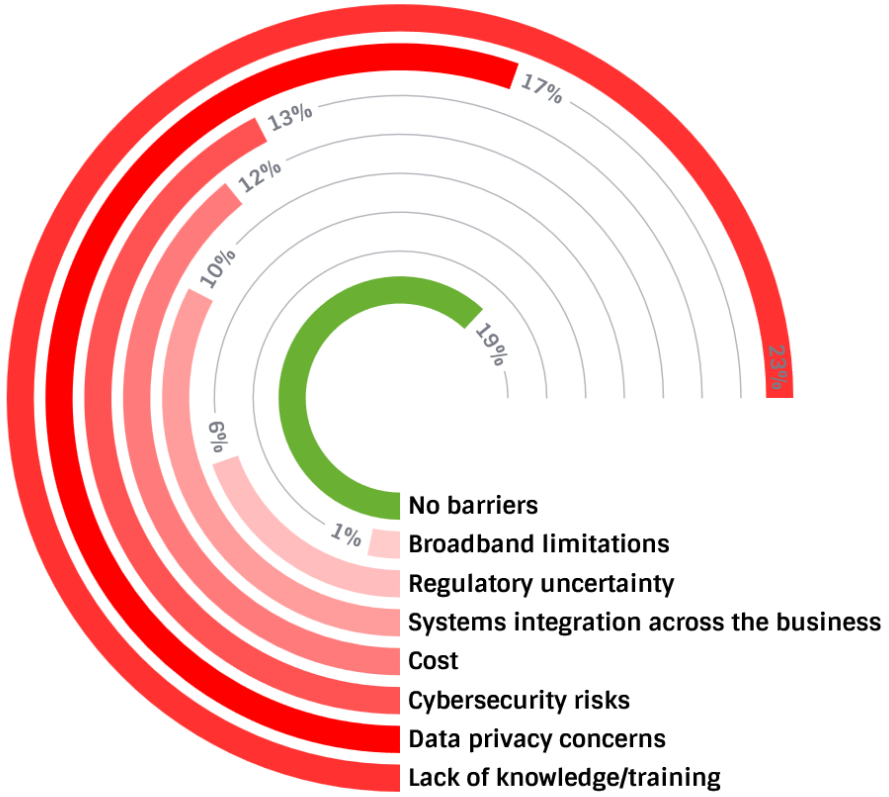
Most Small Businesses Have Established AI Review Or Oversight Practices



Q21. With regard to procedures or policies within your business for reviewing or checking AI-generated content, analysis, or work, what statements align with how you or your employees perform this function? Please select all that apply, Base=425 Users of AI tools, +/-5.0 PTS

- Four in ten, 43%, review AI-generated content internally for factual or legal risks. 42% have trained employees or discussed legal and accuracy standards.
- 28% sometimes engage an outside expert or legal advisor.
- 25% lack formal review procedures.
- 6% are unsure.
- While most businesses have implemented oversight mechanisms, a meaningful minority lack formal review practices.

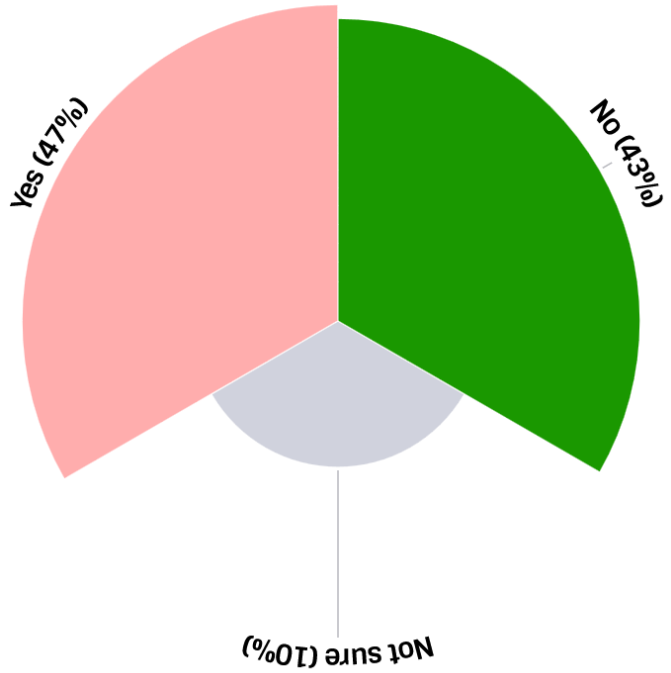
Lack Of Knowledge And Data Privacy Concerns Are Leading AI Adoption Barriers



Q23. What is the biggest barrier preventing greater AI adoption in your business? Base=425 Users of AI tools, +/-5.0 PTS

- 23% identify *limited knowledge or training* as the single biggest barrier.
- 17% cite *data privacy concerns*, followed by 13% pointing to *cybersecurity risks*.
- 12% report *cost* is the primary constraint.
- 10% point out *systems integration challenges across the business*.
- 6% indicate *regulatory uncertainty*; 1% mention *broadband limitations*.
- 19% report no barriers to further AI adoption.

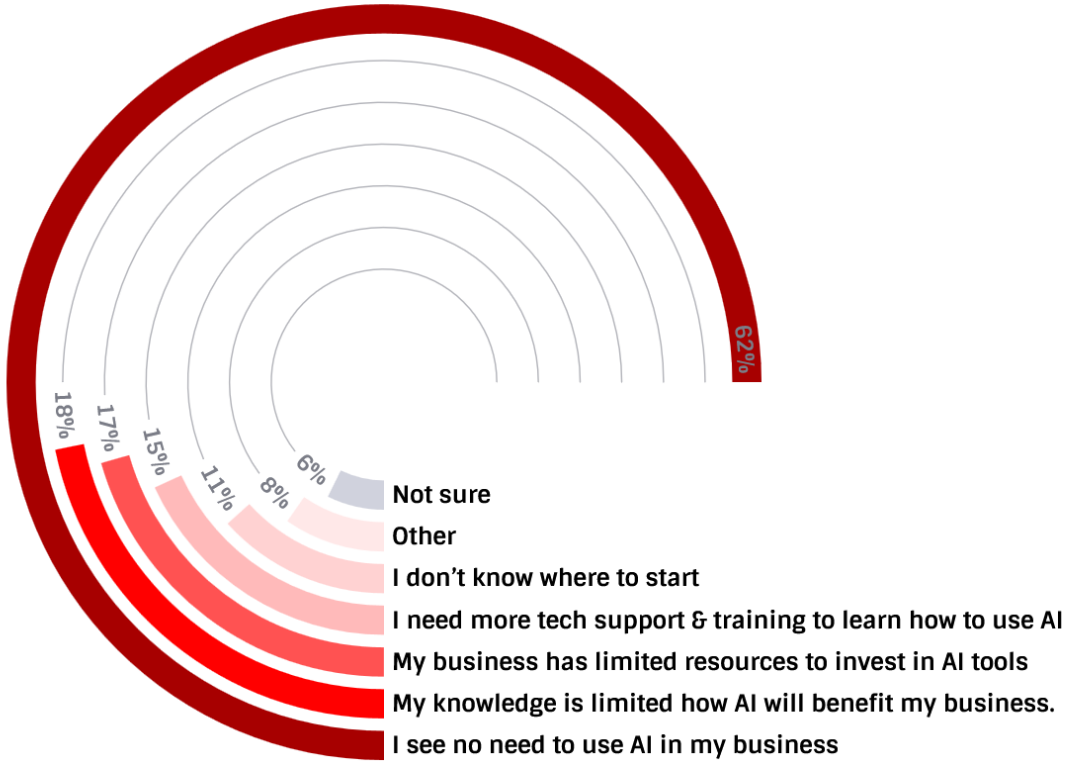
Nearly Half Of Small Businesses Report Increased Cybersecurity Concerns Due To AI



- 47% report that AI has increased their concerns about cybersecurity risks.
- 43% indicate AI has not done so.
- 10% are unsure.

Q24. Has AI increased your concern about cybersecurity risks to your business? Base=425 Users of AI tools, +/-5.0 PTS

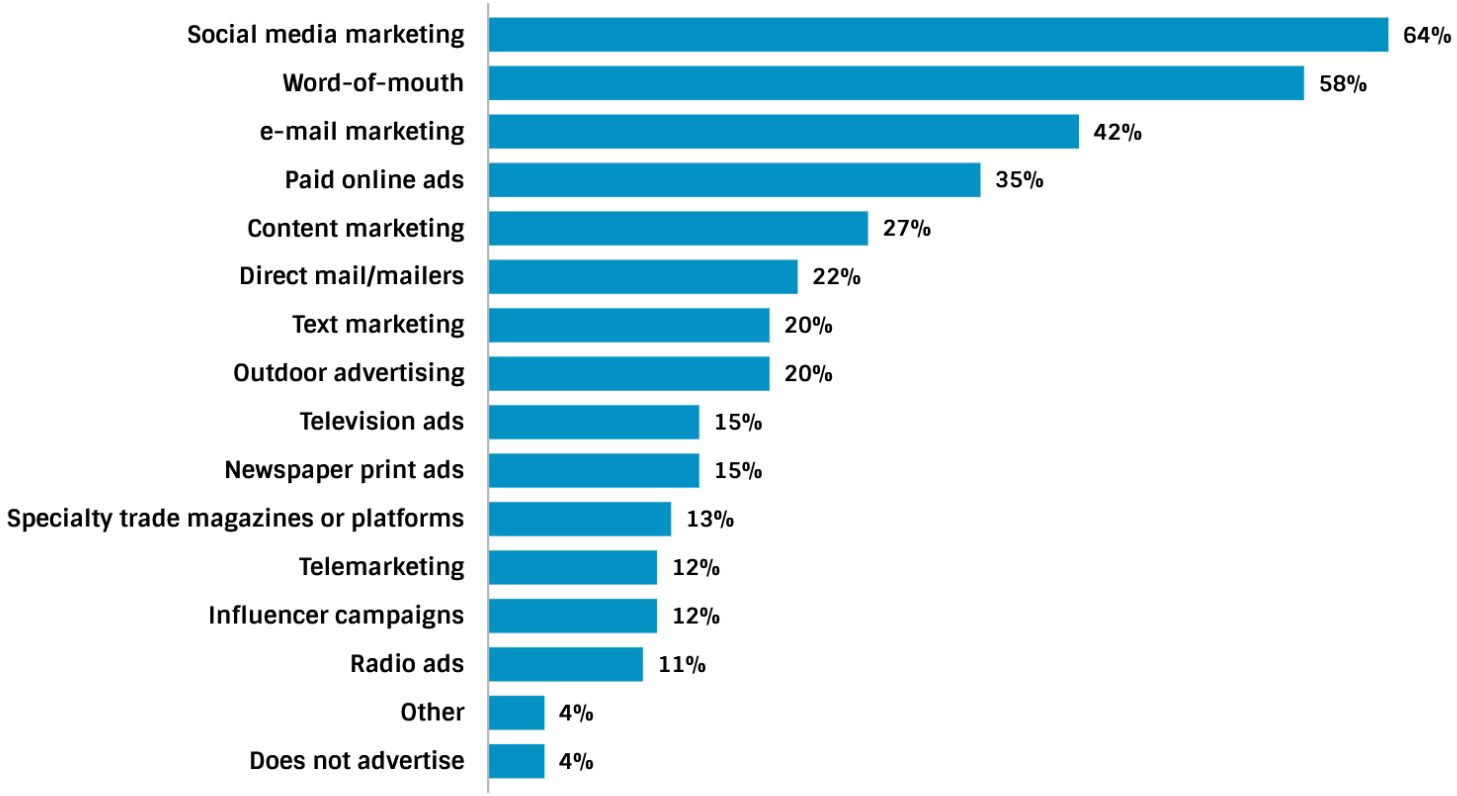
NON-AI USERS: Perceived Lack Of Need And Knowledge Are Top Barriers To Adoption



Q25. You responded that you are not deploying AI tools in your business. Please indicate the reasons why you are not using AI (Please select all that apply) Base=92 Non users of AI tools, +/-10.0 PTS

- 62% see no need to use AI in their business.
- 18% cite limited understanding of how AI would benefit their operations.
- 17% indicate limited resources to invest in AI tools.
- 15% need more technical support or training.
- 11% are uncertain about where to begin.
- 8% select other reasons; 6% are unsure.
- Non-adoption appears driven more by perceived irrelevance and knowledge gaps than by infrastructure barriers.

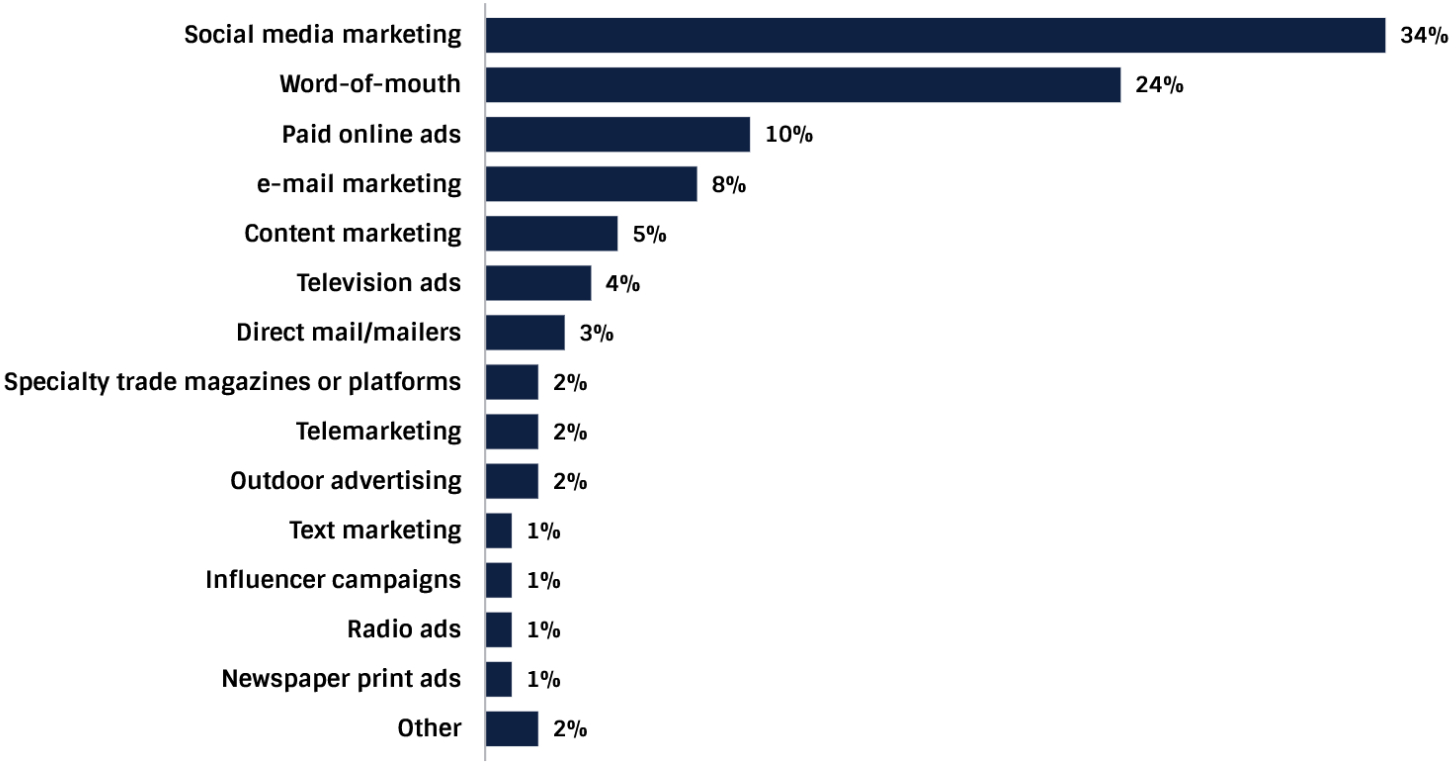
Small Businesses Primarily Rely On Social Media And Word-of-Mouth For Advertising



Q26. How does your business advertise its products or services? (Please select all that apply)

- 64% use social media marketing, and 58% rely on word-of-mouth.
- 42% use email marketing; 35% pay for online advertising.
- 27% use content marketing; 22% use direct mail.
- 20% report text marketing and 20% opt for outdoor advertising.
- Traditional channels such as television (15%), print newspapers (15%), and radio (11%) are used by smaller shares.
- 4% report not advertising at all.

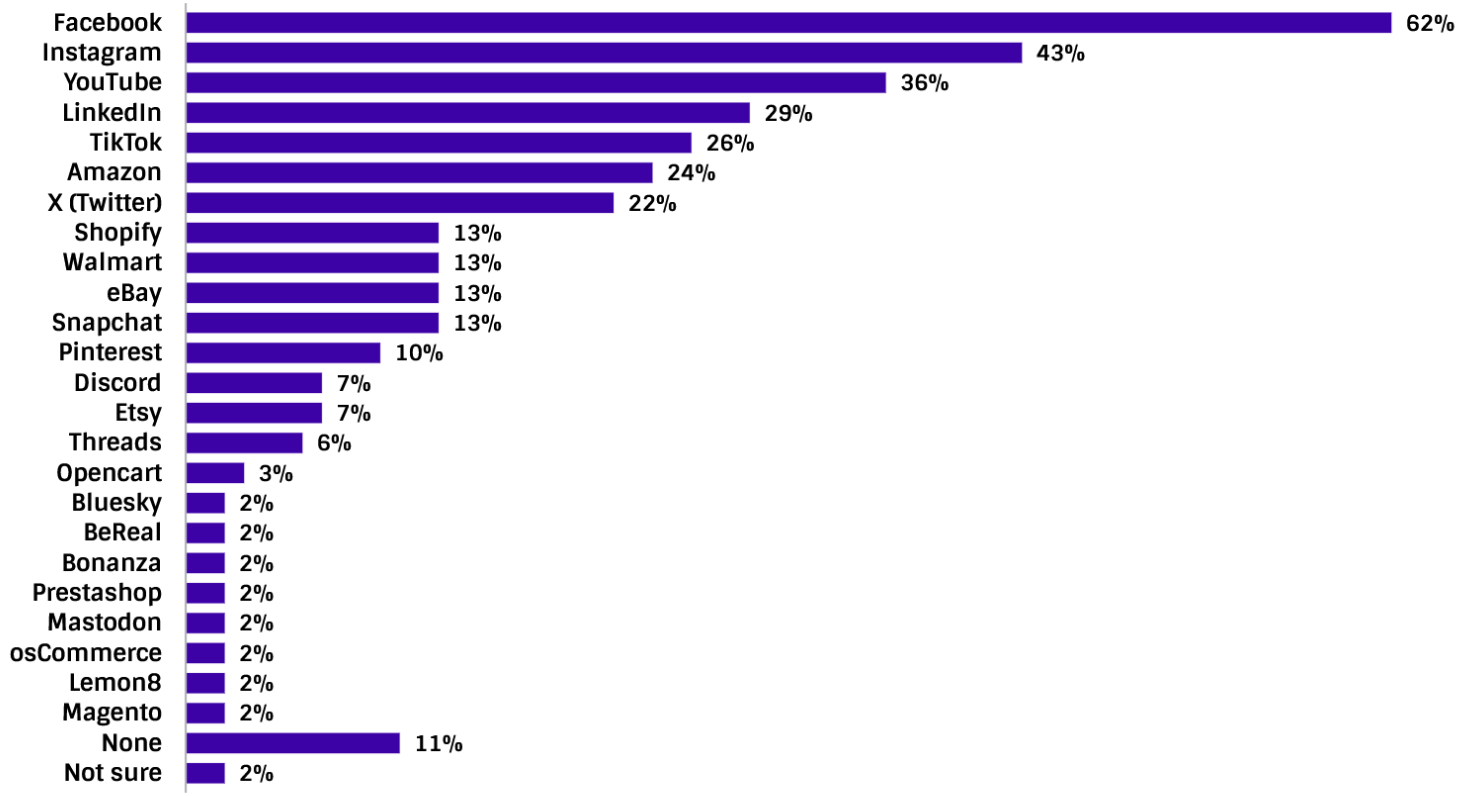
Social Media And Word-of-Mouth Deliver The Highest ROI For Small Businesses



Q27. Of the various advertising techniques and strategies used by your business, which has the highest return on investment for sales and sales leads? Base: 497 advertisers, +/- 4.5 PTS

- 34% identify social media marketing as delivering the highest return.
- 24% cite word-of-mouth.
- 10% report that paid online ads as highest ROI.
- 8% cite email marketing; 5% content marketing.
- All other channels register 4% or less.

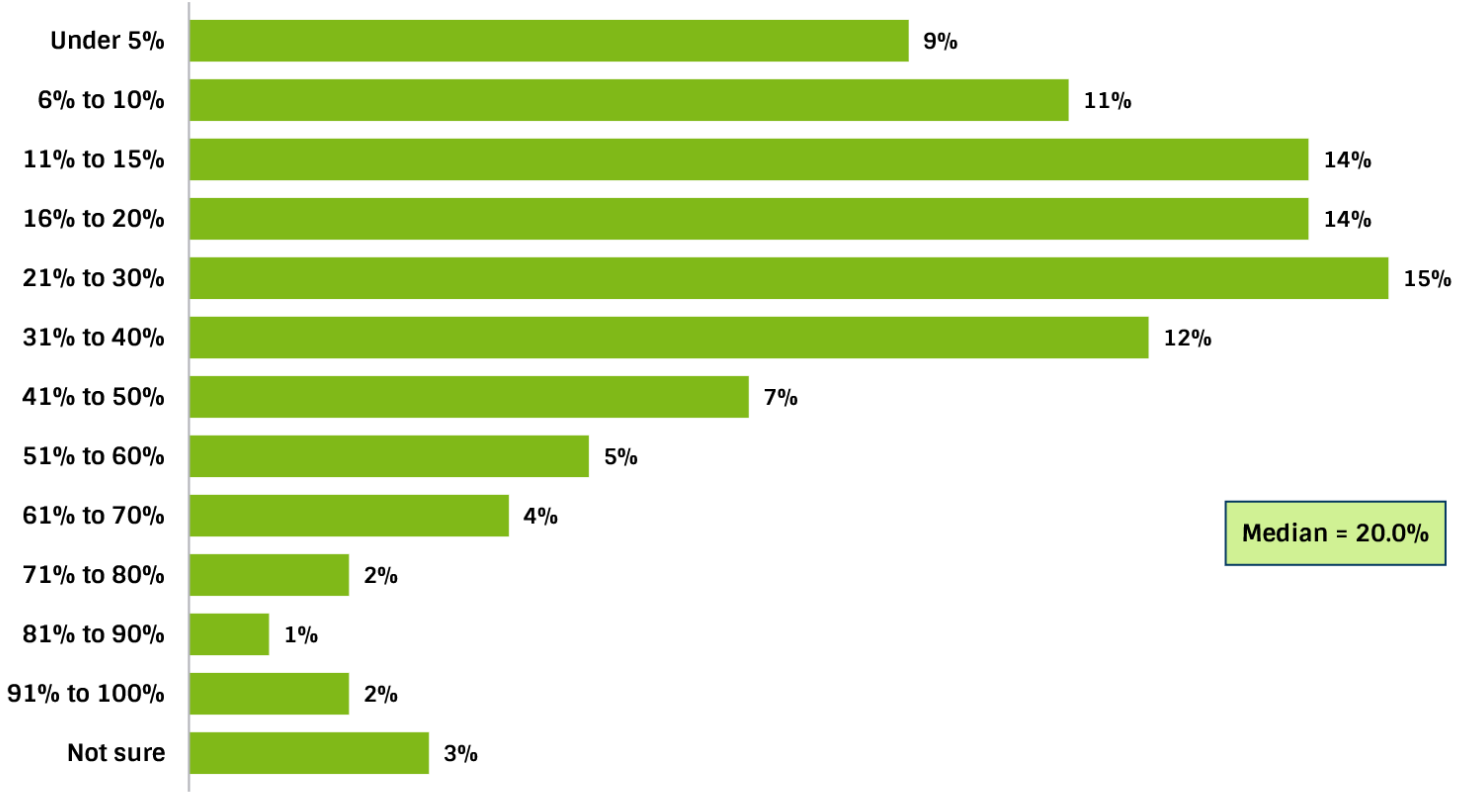
Facebook, Instagram, And YouTube Top In Income Generation And Branding For Small Businesses



Q28. Which social media and technology platforms are most important to your company's income generation and branding?

- 62% identify Facebook as the most important platform for income generation and branding.
- 43% cite Instagram, followed by YouTube at 36%.
- LinkedIn (29%) and TikTok (26%) are also key players.
- Marketplace and commerce platforms such as Amazon (24%) and X (22%) register meaningful importance.
- 11% report that none of the listed platforms are important.

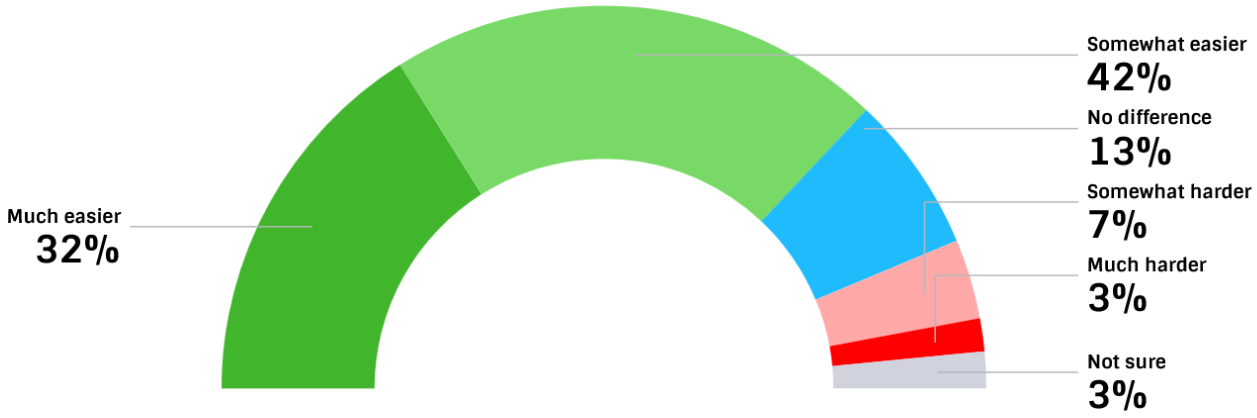
20% Of Small Businesses' Sales Is From Social Media And E-commerce Platforms



Q29. What percentage of your sales is derived from social media and technology/e-commerce platforms? Base=450, +/-4.7%

- The reported median share of sales from digital and e-commerce platforms is 20%.
- 48% derive 20% or less of sales from these channels.
- A similar share, 48% report that 21% or more of sales originate from digital platforms.
- At the extremes, 9% report under 5%, while 2% indicate 91% or more.
- 3% are unsure.

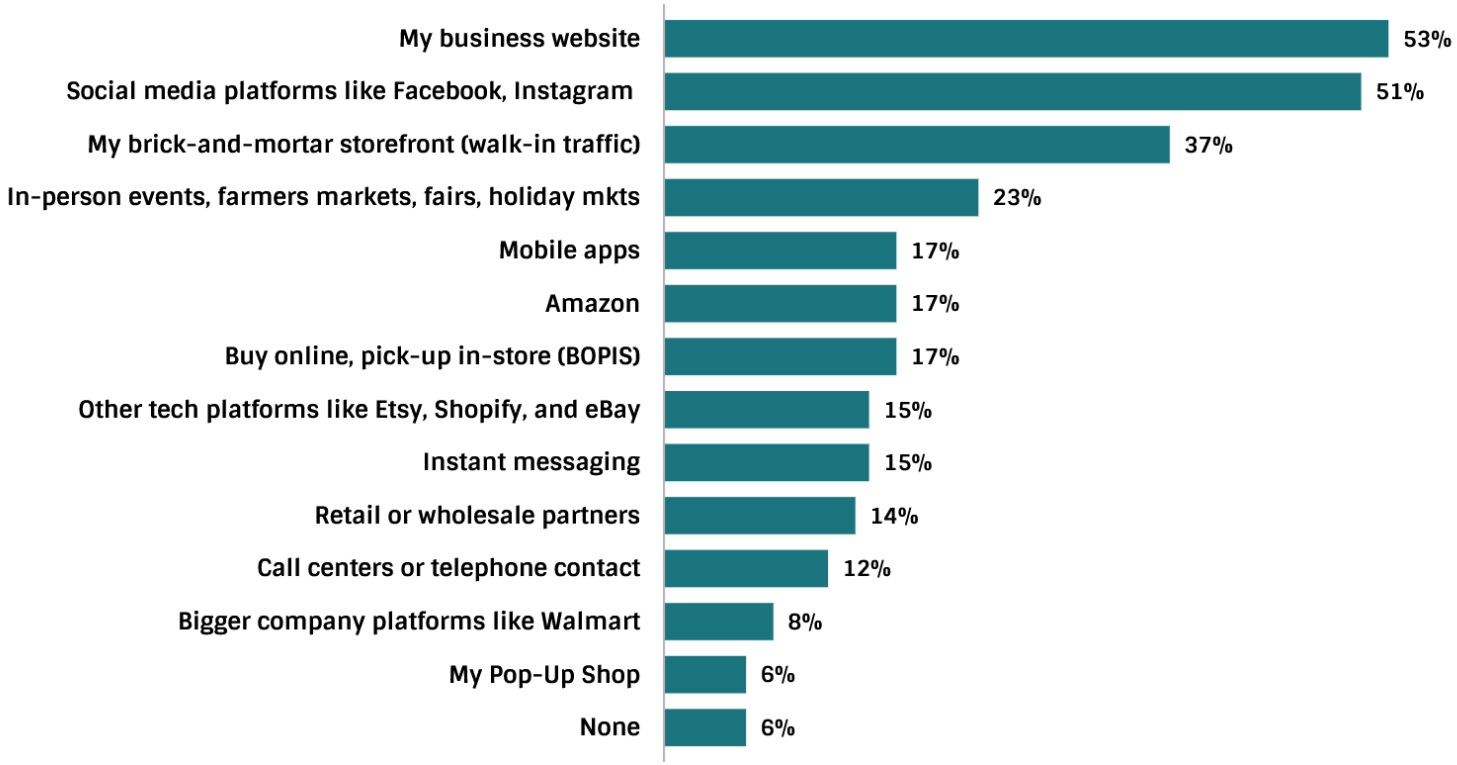
Digital Platforms Make Most Small Businesses More Competitive



Q30. Do digital platforms make it easier or harder for small businesses to compete with larger companies?

- 74% report that digital platforms make it easier to compete (32% *much easier*, 42% *somewhat easier*).
- 13% report no difference.
- 10% indicate that platforms make it harder to compete with larger companies.
- 3% are unsure.

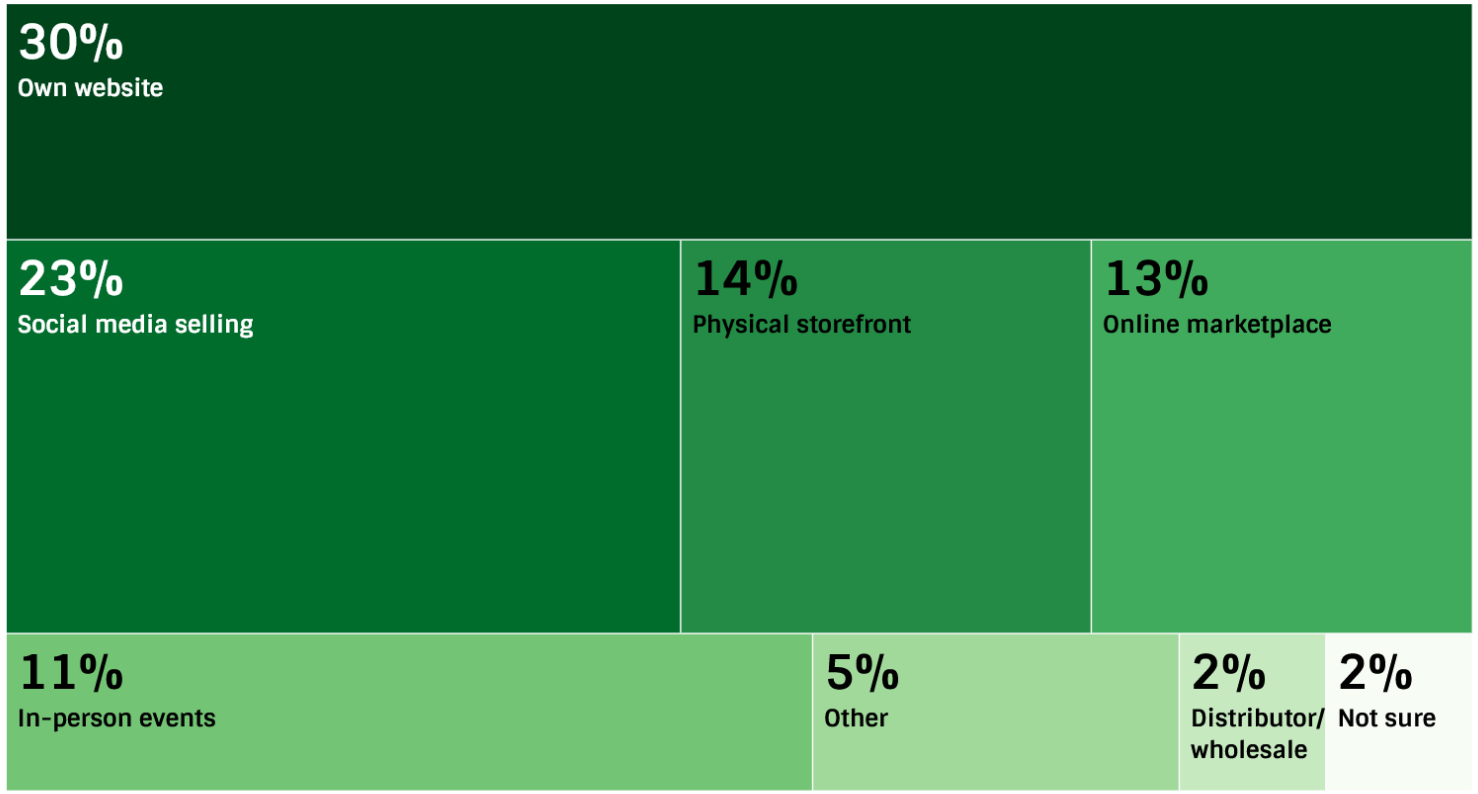
Websites And Social Media Platforms Lead Multi-channel Sales Strategies Among Small Businesses



Q31. To "meet customers where they are" many small businesses use multiple sales channels to reach new and existing customers. Please indicate which of the following channels your business uses.

- 53% use their business website; 51% use social media platforms.
- 37% rely on brick-and-mortar storefronts.
- 23% use in-person events such as markets and fairs.
- 17% each use mobile apps, Amazon, or buy-online-pickup-in-store (BOPIS).
- 15% use Etsy, Shopify, eBay, or instant messaging.

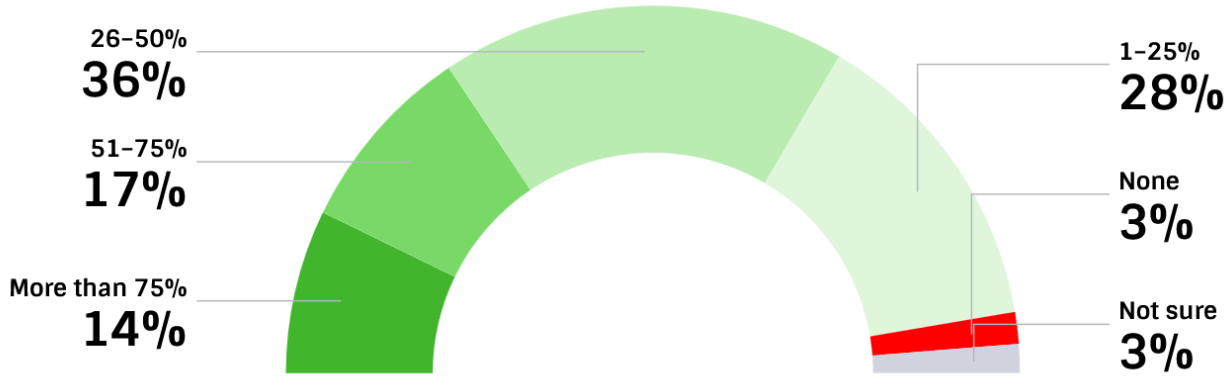
Business Websites Lead As Primary Revenue Channel



Q35. Which single channel generates the largest share of your revenue? Base=487 Users of sales channels, +/-4.5 PTS

- 30% identify their own website as the largest revenue source.
- 23% cite social media selling.
- 14% report physical storefronts.
- 13% identify online marketplaces.
- 11% cite in-person events.
- 5% report other channels; 2% distributor/wholesale.
- 2% are unsure.

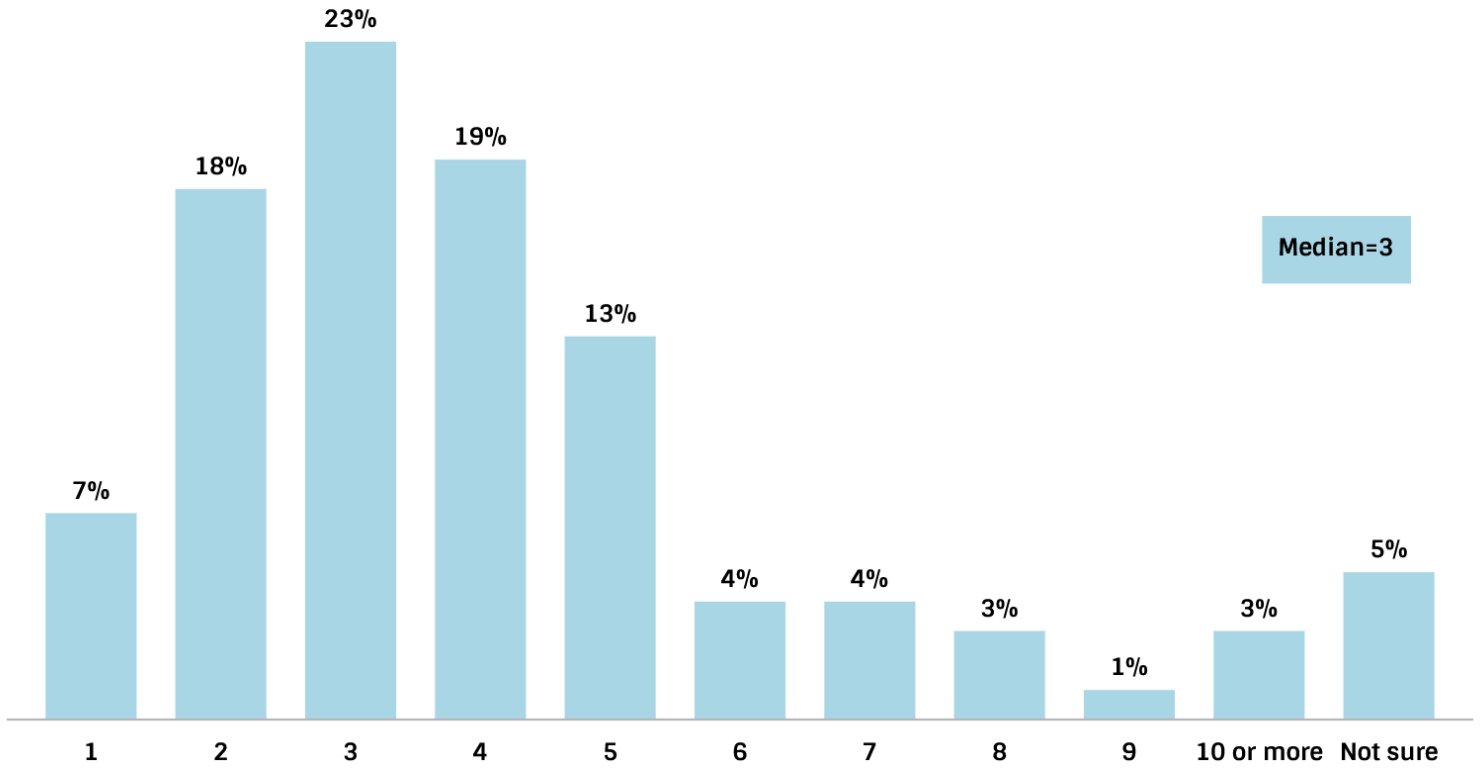
Offline Channels Remain A Significant Component Of Revenue For Many Small Businesses



Q36. Approximately what percentage of your revenue comes from in-person/offline channels? Base=487 Users of sales channels, +/-4.5 PTS

- Nearly one-third, 31%, derive a majority of their revenue (51% or more) from offline channels, including 17% reporting 51%–75% and 14% reporting more than 75%.
- Another 36% indicate that 26%–50% of revenue comes from in-person channels.
- Meanwhile, 28% derive 1%–25% of revenue from offline sources.
- 3% report no offline revenue, and 3% are unsure.

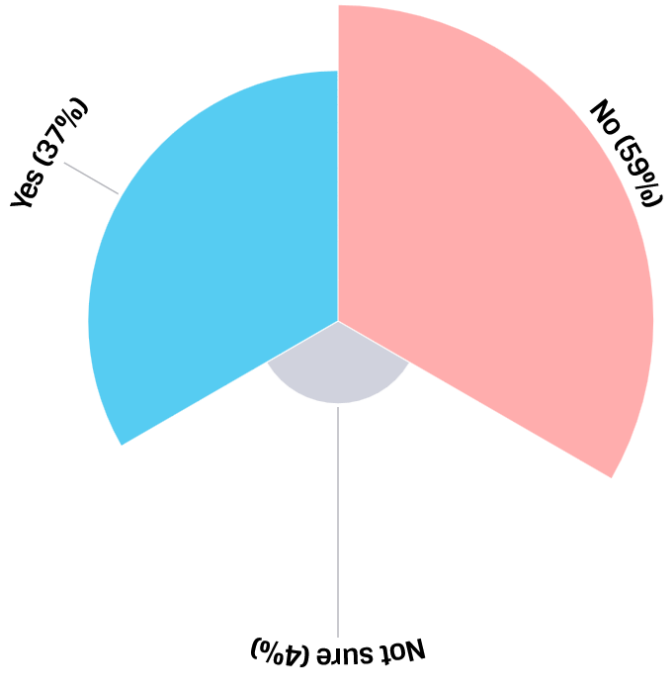
Multi-channel Engagement Is Common Among Small Businesses



Q32. How many different sales channels – both digital (online) and in-person - does your business currently use? Base=487 Users of sales channels, +/-4.5 PTS

- The **median** number of sales channels used is **three**.
- 7% rely on a single channel.
- 60% use between two and four channels.
- 28% use five or more channels.
- 5% are unsure.

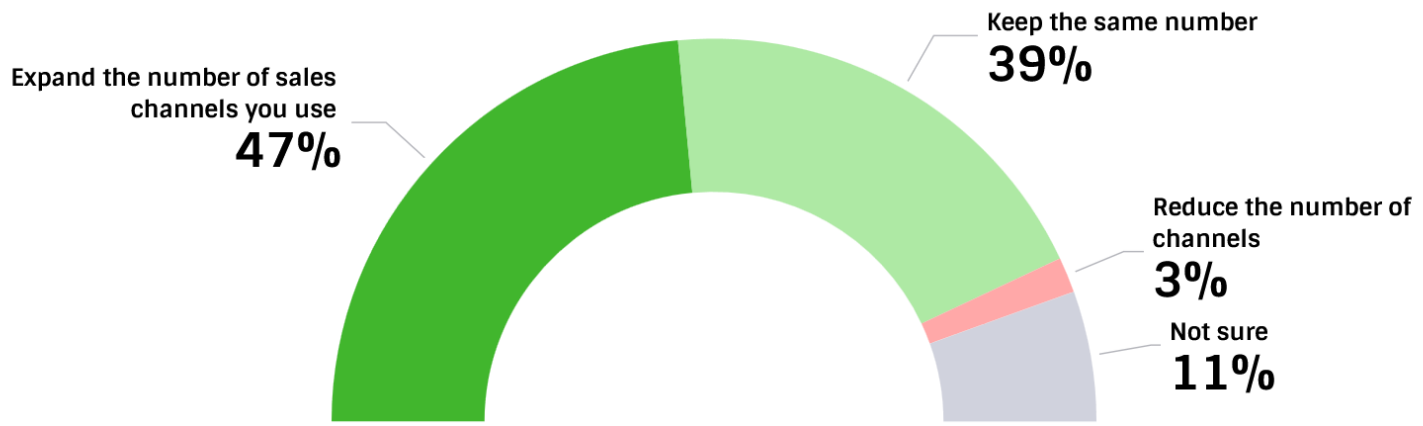
Four In Ten Added New Sales Channels In The Past Year



Q33. Has your business added new sales channels in the past year? Base=487 Users of sales channels, +/-4.5 PTS

- 37% report adding new sales channels.
- 59% indicate they did not add new channels in the past year.
- 4% are unsure.
- Channel expansion is ongoing but not universal among small businesses.

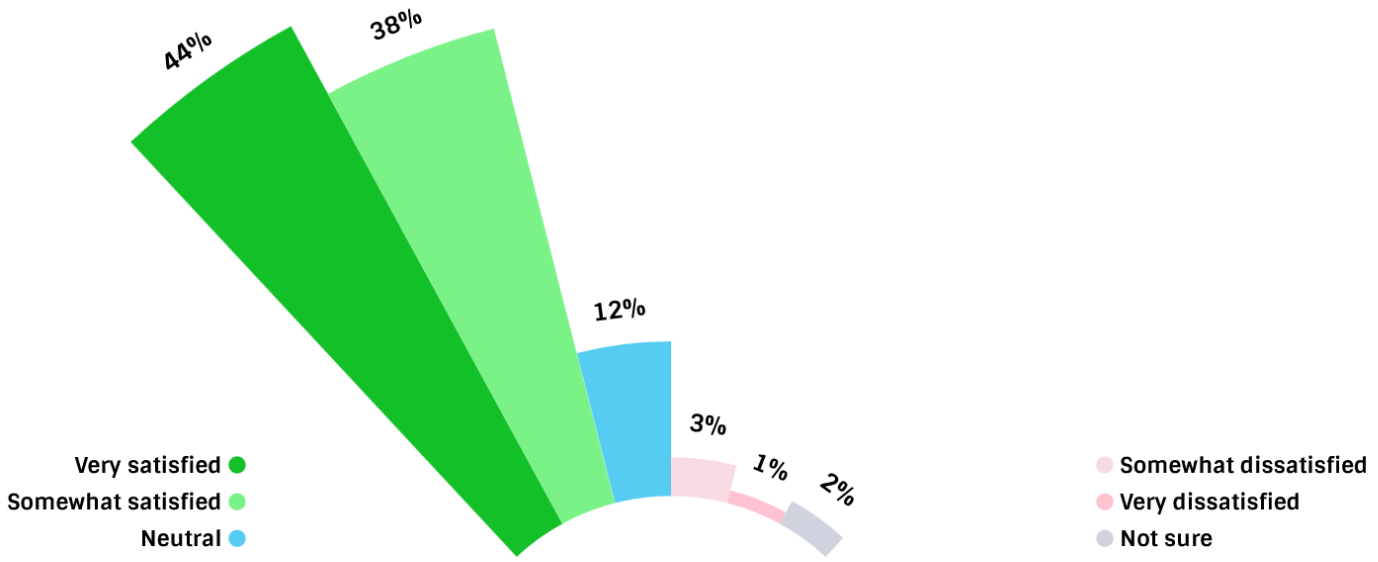
Nearly Half Plan To Expand Sales Channels In The Next Year



Q34. Over the next 12 months, do you plan to:? Base=487 Users of sales channels, +/-4.5 PTS

- Nearly half, 47%, plan to expand the number of sales channels they use.
- 39% plan to maintain the current number.
- 3% plan to reduce channels.
- 11% are unsure.
- Forward-looking plans lean toward continued channel expansion.

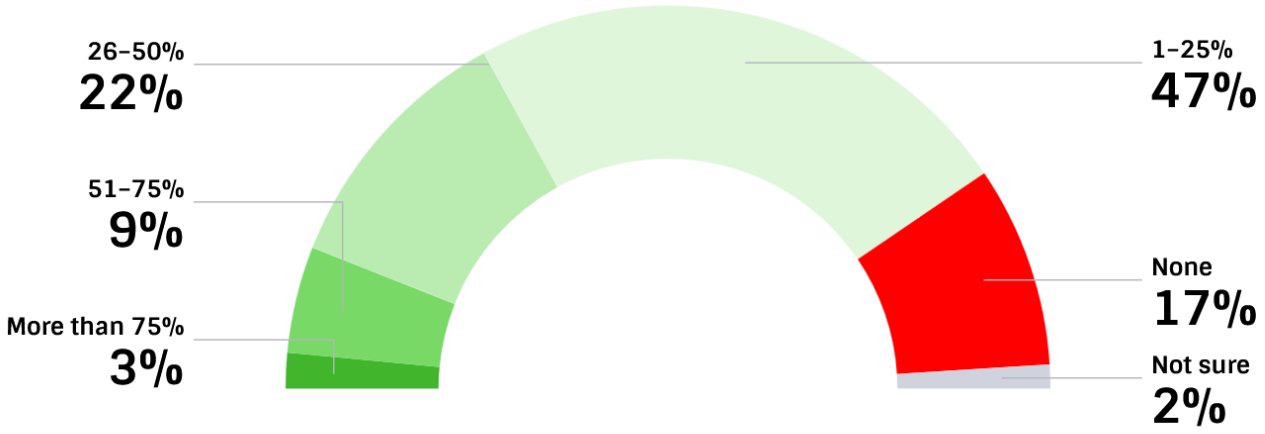
Overall Satisfaction Levels Are High Across The Current Online/Offline Mix



Q37. Overall, are you satisfied with your current mix of online and offline sales channels? Base=487 Users of sales channels, +/-4.5 PTS

- Eight in ten, 82%, report satisfaction with current channel mix. 44% report being *very satisfied*; another 38% report being *somewhat satisfied*.
- 12% indicate *neutrality*.
- 4% report dissatisfaction (3% *somewhat dissatisfied*, 1% *very dissatisfied*).
- 2% are unsure.

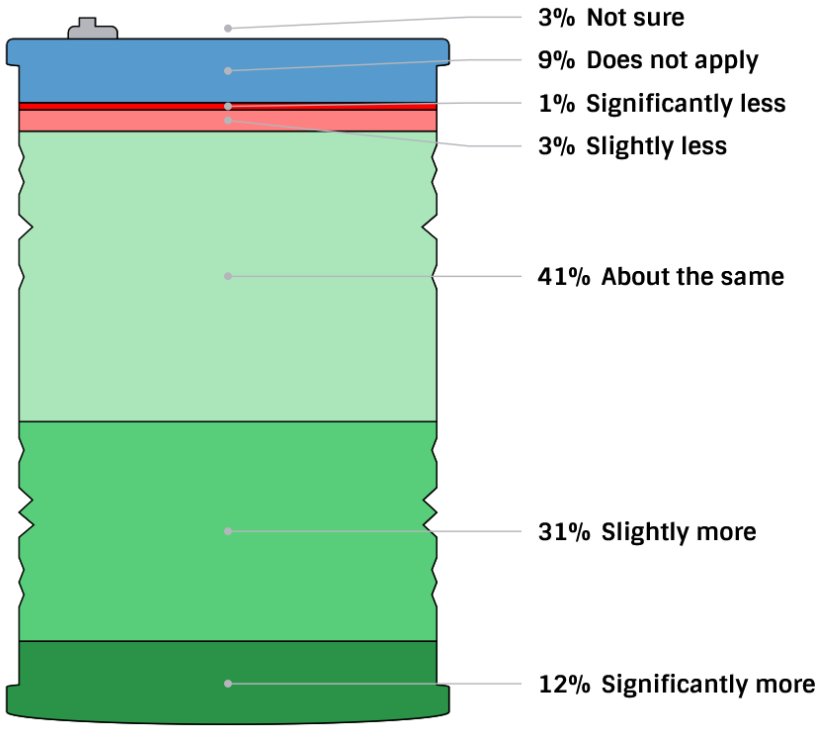
One-Third Allocate Over 25% Of Marketing Budgets To Digital Advertising



Q39. What percentage of your marketing budget is spent on digital advertising?

- Just over one-third (34%) allocate more than 25% of their marketing budgets to digital advertising: 22% allocating 26%–50%, 9% allocating 51%–75%, and 3% allocating more than 75%.
- Nearly half (47%) assign 1%–25% of their budgets to digital advertising.
- Meanwhile, 17% report allocating none, and 2% are unsure.

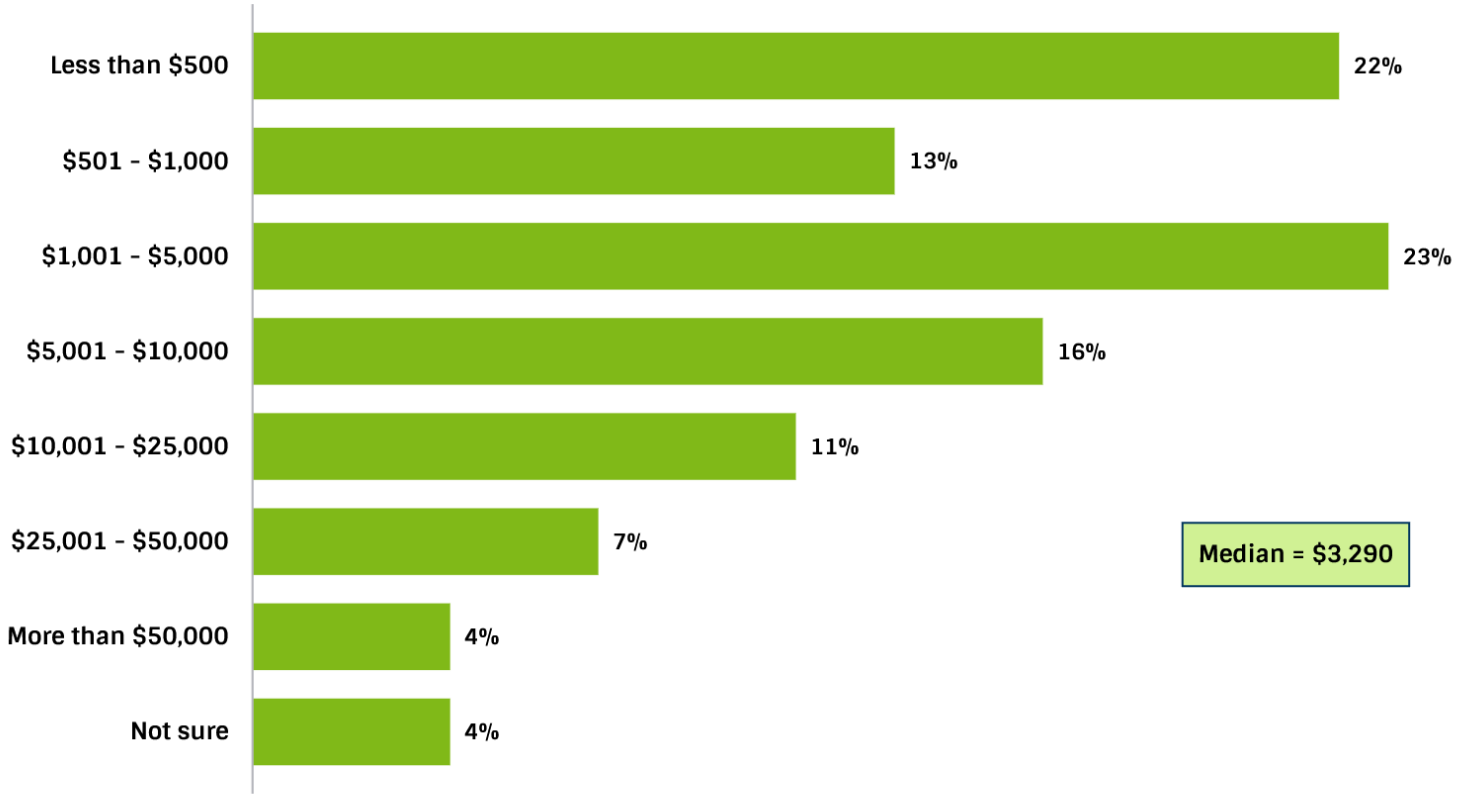
Four In Ten Small Businesses Plan To Increase Digital Advertising Spending



Q40. Over the next 12 months, does your business plan to spend less or more on digital advertising?

- 43% plan to increase digital advertising spending in the next 12 months with 12% planning to spend *significantly more* and another 31% *slightly more*.
- 41% plan to keep spending *about the same*.
- 4% plan to reduce spending (3% *slightly less*; 1% *significantly less*).
- 9% indicate it does not apply; 3% are unsure.

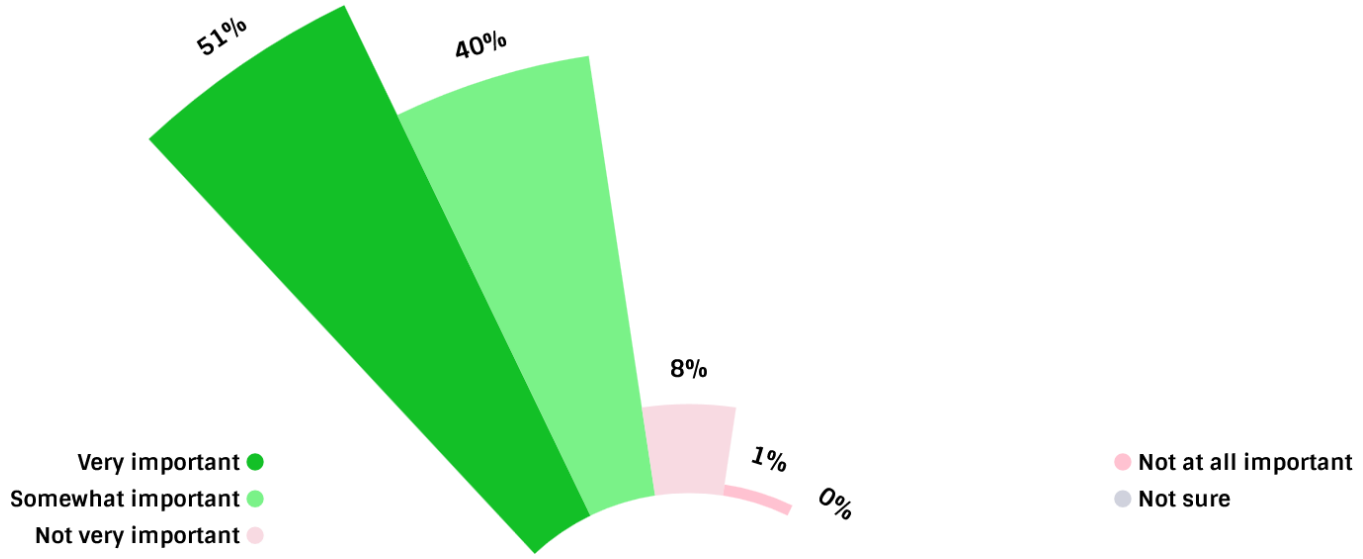
Median Annual Digital Advertising Spend Is $3,290



Q41. On average, how much does your business spend annually on digital advertising?

- Spending levels vary widely, with most concentrated under $10,000 annually.
- 22% spend less than $500 annually.
- 13% spend $501–$1,000.
- 23% spend $1,001–$5,000.
- 16% spend $5,001–$10,000.
- 11% spend $10,001–$25,000.
- 7% spend $25,001–$50,000; 4% spend more than $50,000.
- 4% are unsure.

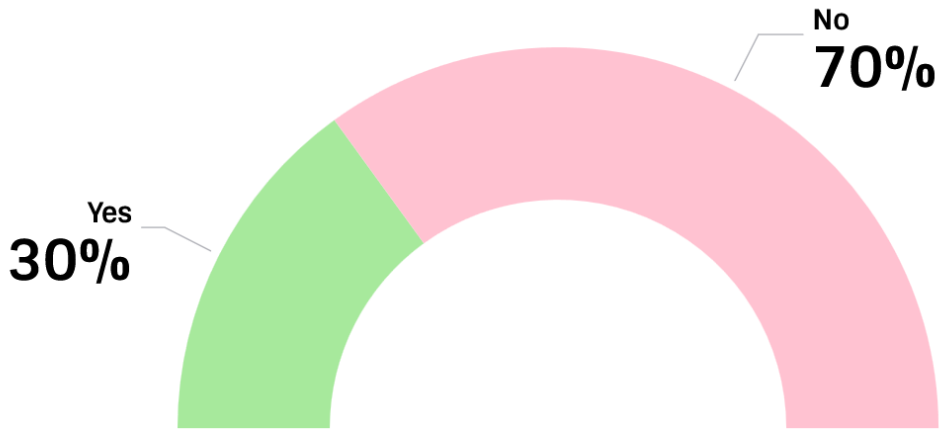
Nine In Ten TikTok Users Consider The Platform Important To Business Viability



Q42. You indicated that your business uses TikTok for branding, marketing, and sales generation. How important is the platform to the viability of your business? Base=133 TikTok users, +/-8.7 PTS

- A combined 91% consider the platform important, including 51% who view it as *very important* and 40% who view it as *somewhat important*.
- By contrast, 9% consider it not important (8% *not very important* and 1% *not at all important)*
- Among users, TikTok is widely regarded as important to business viability.

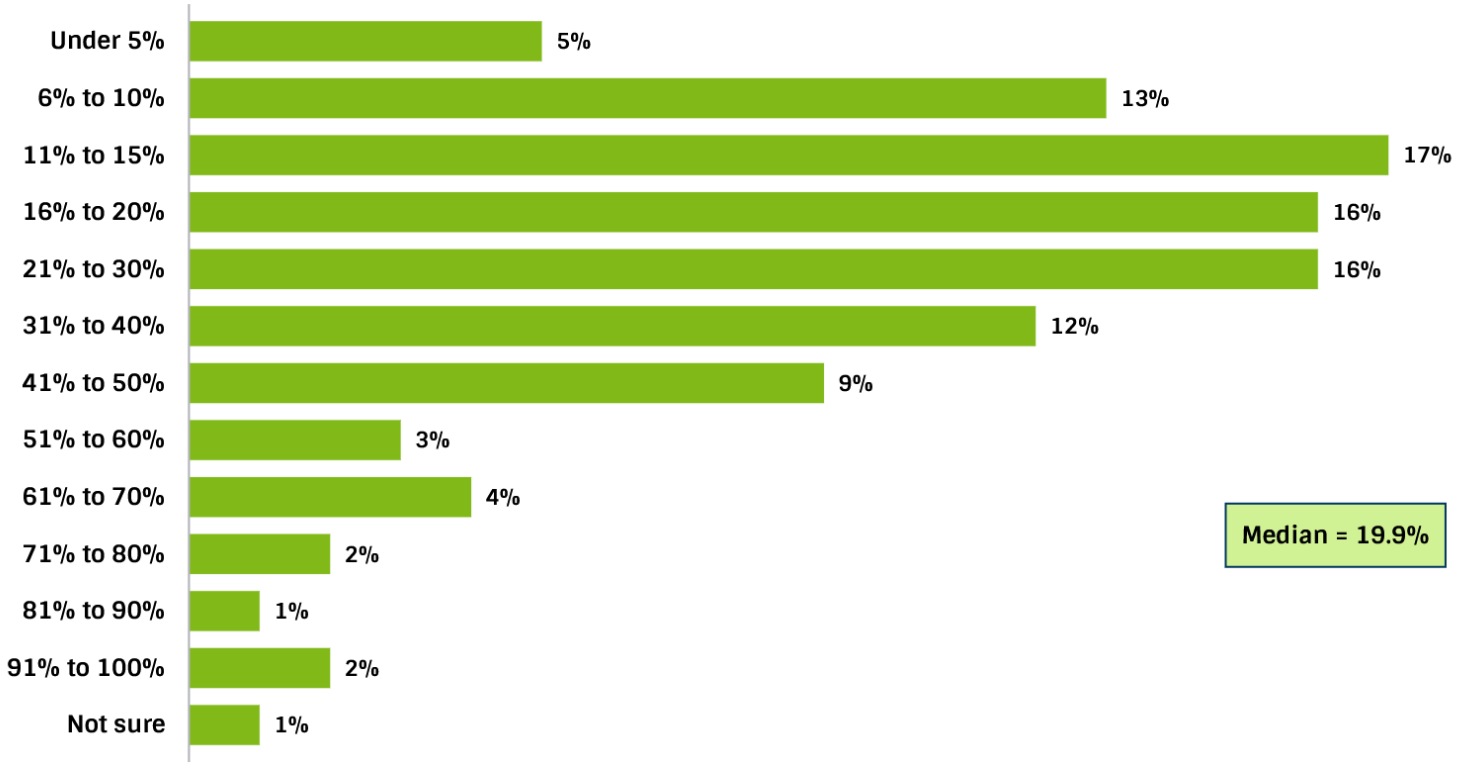
Three In Ten Small Businesses Use Amazon As A Sales Channel



- 30% report using Amazon to sell products or goods.
- 70% report not using Amazon.

Q43. Does your company use Amazon to sell products or goods?

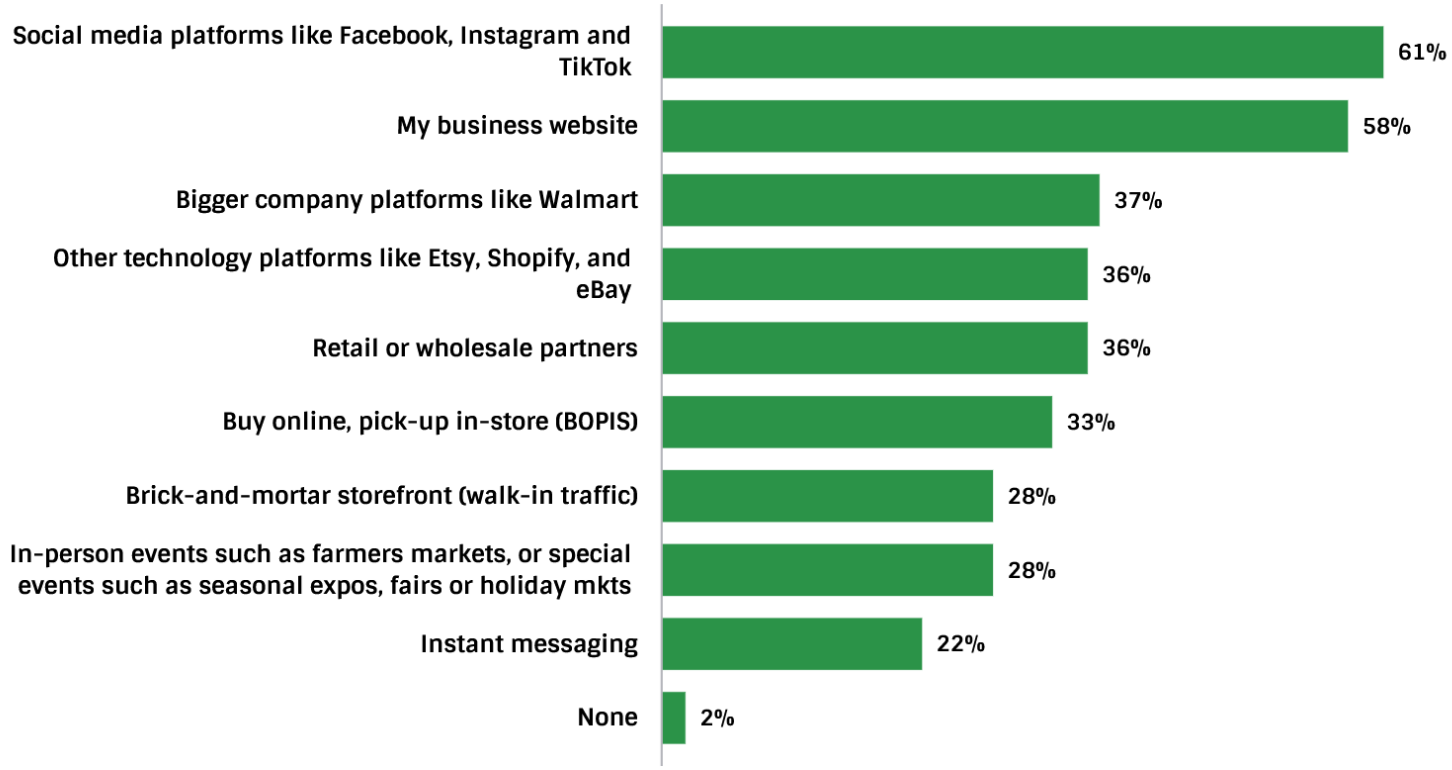
Amazon Accounts For A Median Of 20% Of Total Sales Among Sellers



Q44. What percentage of your sales is generated via the Amazon website?, Base=136 businesses who sell on Amazon, +/- 8.6 PTS

- **Median** of **19.9%** of sales generated through Amazon.
- Nearly one in five (18%) derive less than 11% of their sales from Amazon.
- One-third (33%) report that 11%–20% of sales come from Amazon, including 17% in the 11%–15% range and 16% in the 16%–20% range.
- Another 16% derive 21%–30%, and 12% derive 31%–40%.
- Nine percent report that 41%–50% of sales come from Amazon, while 12% indicate that more than half of their sales originate from the platform.

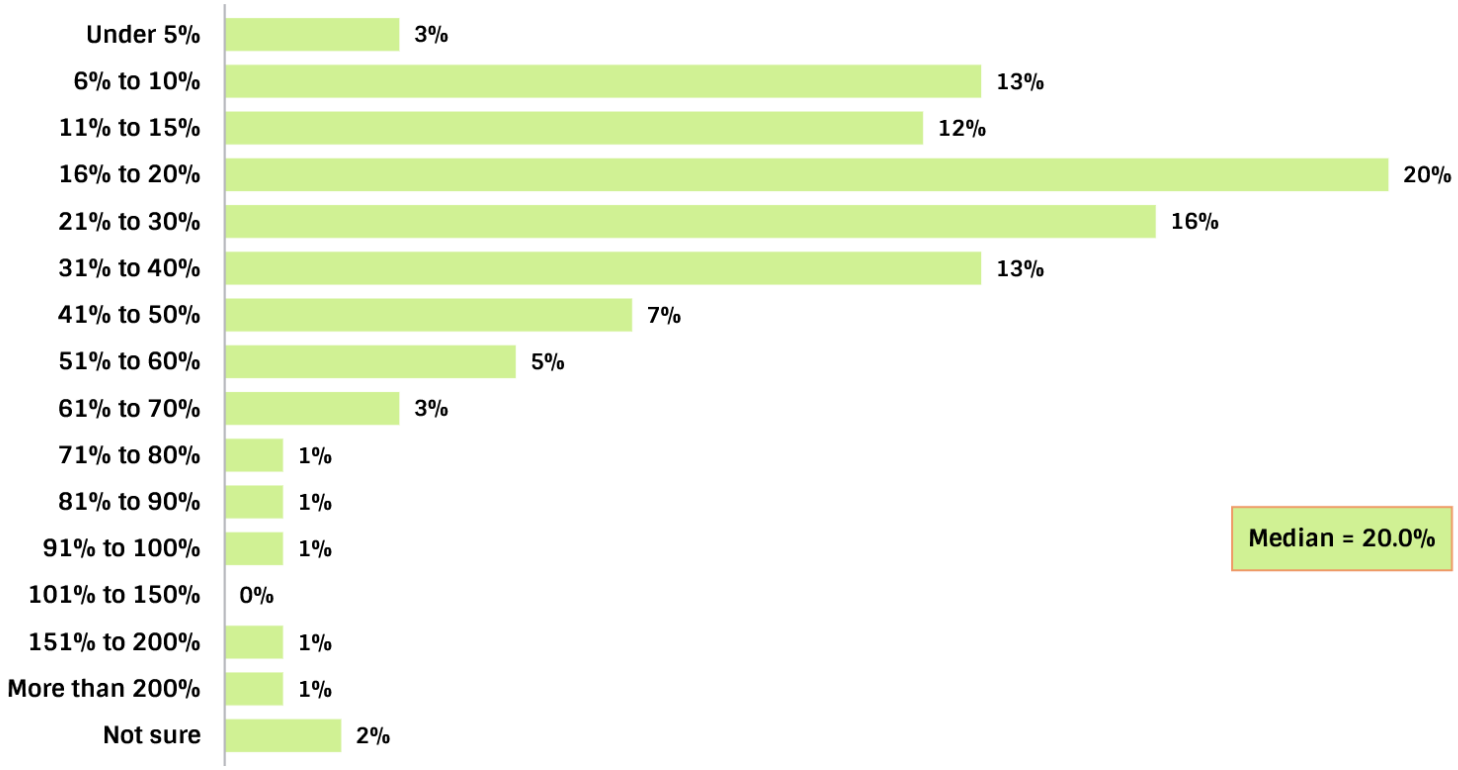
Amazon Sellers Rely On Multiple Additional Sales Channels



Q45. What other methods does your business use besides Amazon to generate sales? (Please select all that apply), Base=155 businesses who sell on Amazon, +/- 8.0 PTS

- 61% use social media platforms such as Facebook, Instagram, and TikTok, while a similar share (58%) use their own business website.
- More than one-third (37%) use larger platforms such as Walmart, and 36% use other technology platforms, including Etsy, Shopify, and eBay. An equal share (36%) work with retail or wholesale partners, and 33% offer buy-online, pick-up-in-store (BOPIS).
- 28% operate brick-and-mortar storefronts and 28% sell at in-person events.
- Nearly one-quarter (22%) use instant messaging, while just 2% report using none of these channels.

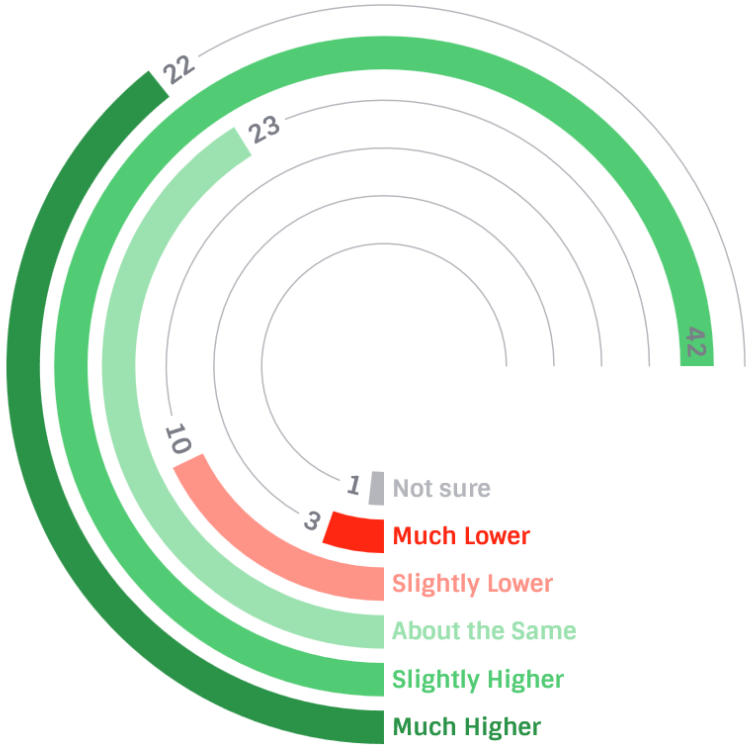
Median Amazon Profit Margin Is 20%



Q46. Approximately, what is the profit margin of your per-product or per-good sale on Amazon?, Base=155 businesses who sell on Amazon, +/- 8.0 PTS

- The **median** reported profit margin per product sold on Amazon is **20%**.
- 16% report margins of 10% or less.
- Nearly half (48%) report margins between 11% and 30%, the most common range.
- 20% report margins between 31% and 50%.
- 13% report margins above 50%.
- 2% are unsure.

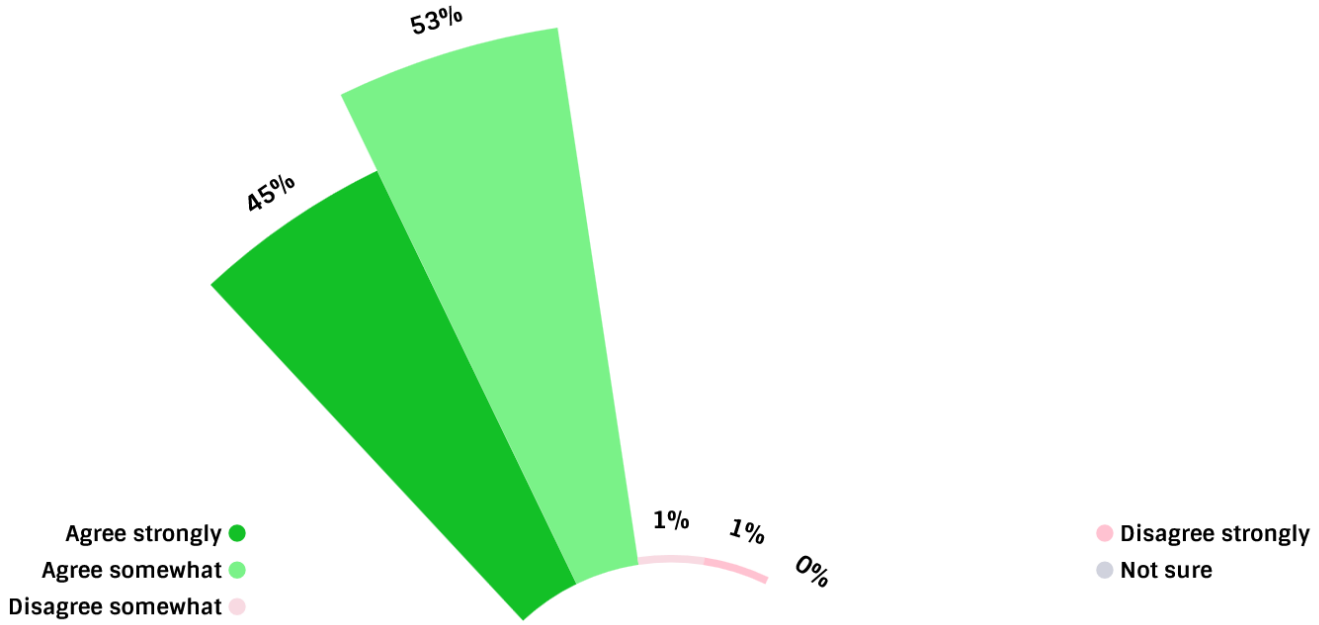
Most Sellers View Amazon Margins As Comparable To Or Stronger Than Other Channels



Q47. In general terms, how does the Amazon profit margin compare to your per-product or per-good sale made though other sales channels? Base=155 businesses who sell on Amazon, +/- 8.0 PTS

- Two-thirds report Amazon margins are higher or about the same as other channels.
- 22% report margins are *much higher*. 42% report *slightly higher*.
- 23% report *about the same*.
- 10% report *slightly lower*; 3% report much lower.
- 1% are unsure.

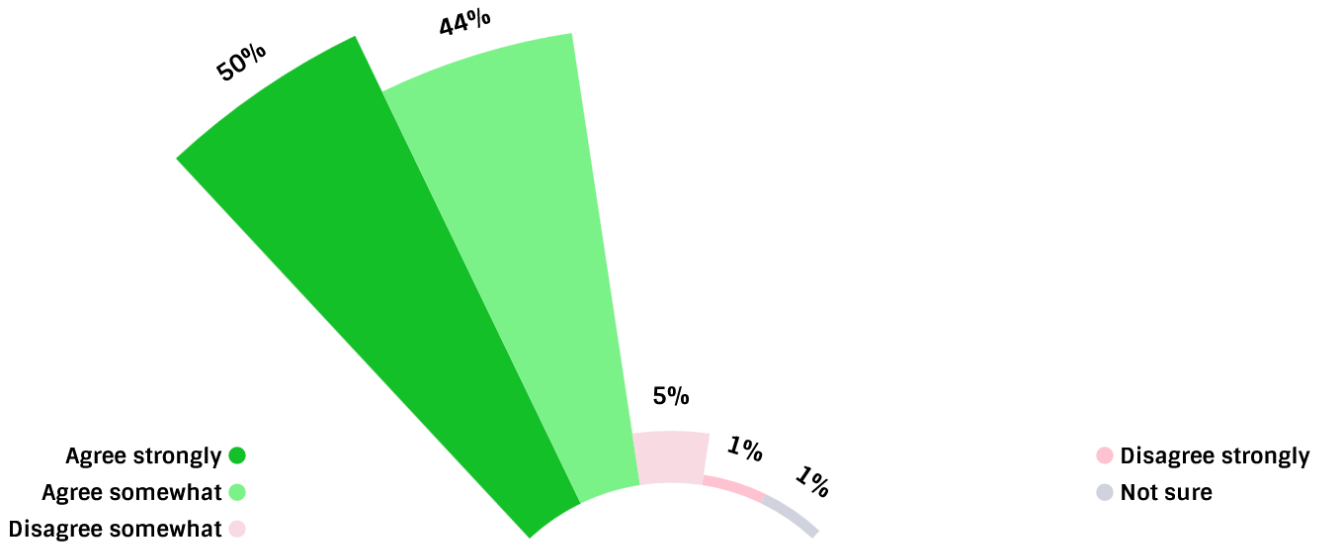
Agreement Is Nearly Universal That Amazon's Pricing Structure Supports Competitiveness



- 98% agree Amazon pricing enables competitive participation: 45% *strongly agree;* 53% *somewhat agree*.
- 1% *somewhat disagree*; 1% *strongly disagree*. Consider deleting

Q48. To what extent do you agree or disagree with the statement: Based on the various services I use or subscribe to on Amazon to market and sell my goods, my business pays a fair price that enables it to remain competitive in the broader marketplace and economy. Base=155 businesses who sell on Amazon, +/- 8.0 PTS

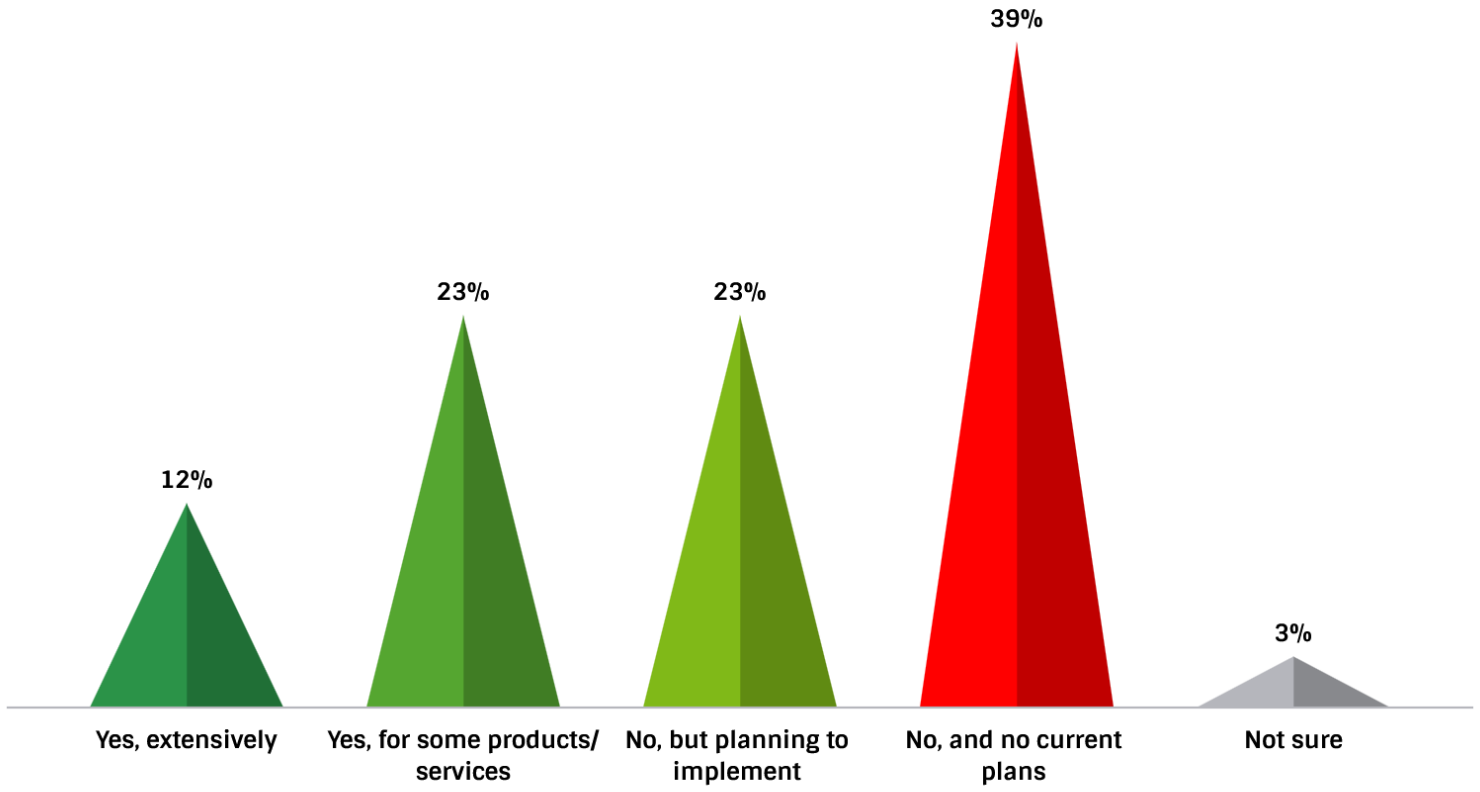
Nine In Ten Amazon Sellers Agree It Provides Significant Platform Support



Q49. To what extent do you agree or disagree with the statement: Amazon provides significant support for small business sellers through platform services, including marketing and branding tools, and promotional initiatives (such as the Small Business Badge) that help identify small business sellers to customers seeking small sellers. Base=155 businesses who sell on Amazon, +/- 8.0 PTS

- A combined 94% agree that Amazon provides significant support to small business sellers. While 50% *agree strongly*, 44% *agree somewhat.*
- 6% disagree (5% *somewhat*, 1% *strongly*).
- 1% are unsure.

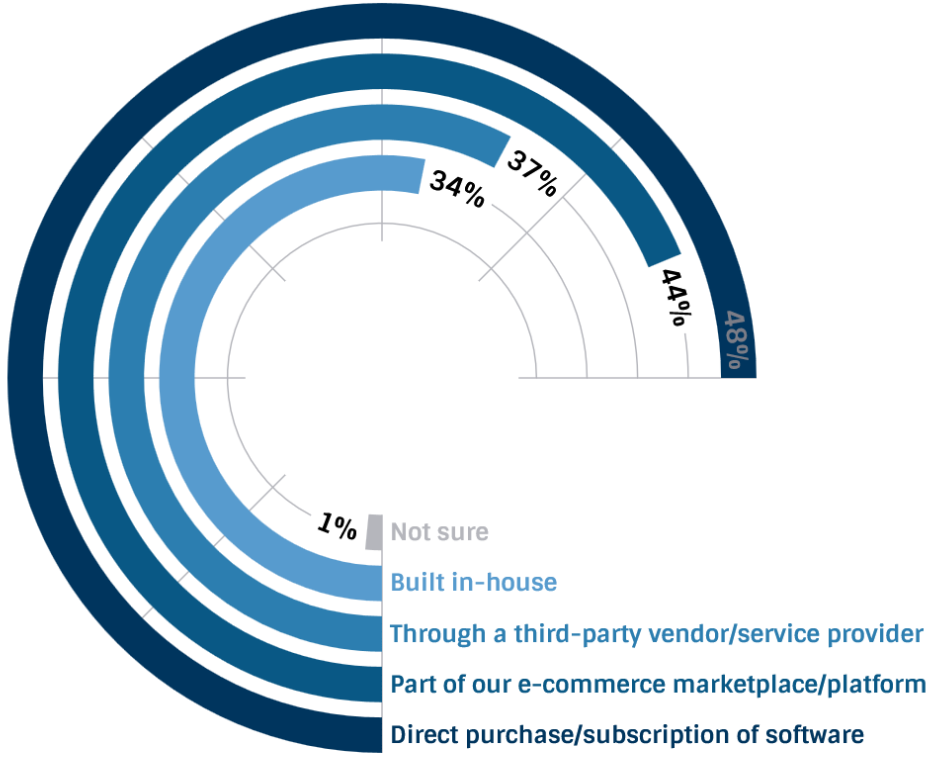
More Than One-third Of Small Businesses Use Algorithmic Pricing Tools, 23% Plan To Use Them



Q50. Does your business currently use any form of algorithmic or automated pricing tools?

- One-third, 35%, currently use automated pricing tools (12% extensively; 23% for some products/services).
- An additional 23% plan to implement such tools.
- 39% have no current plans to use automated pricing tools.
- 3% are unsure.

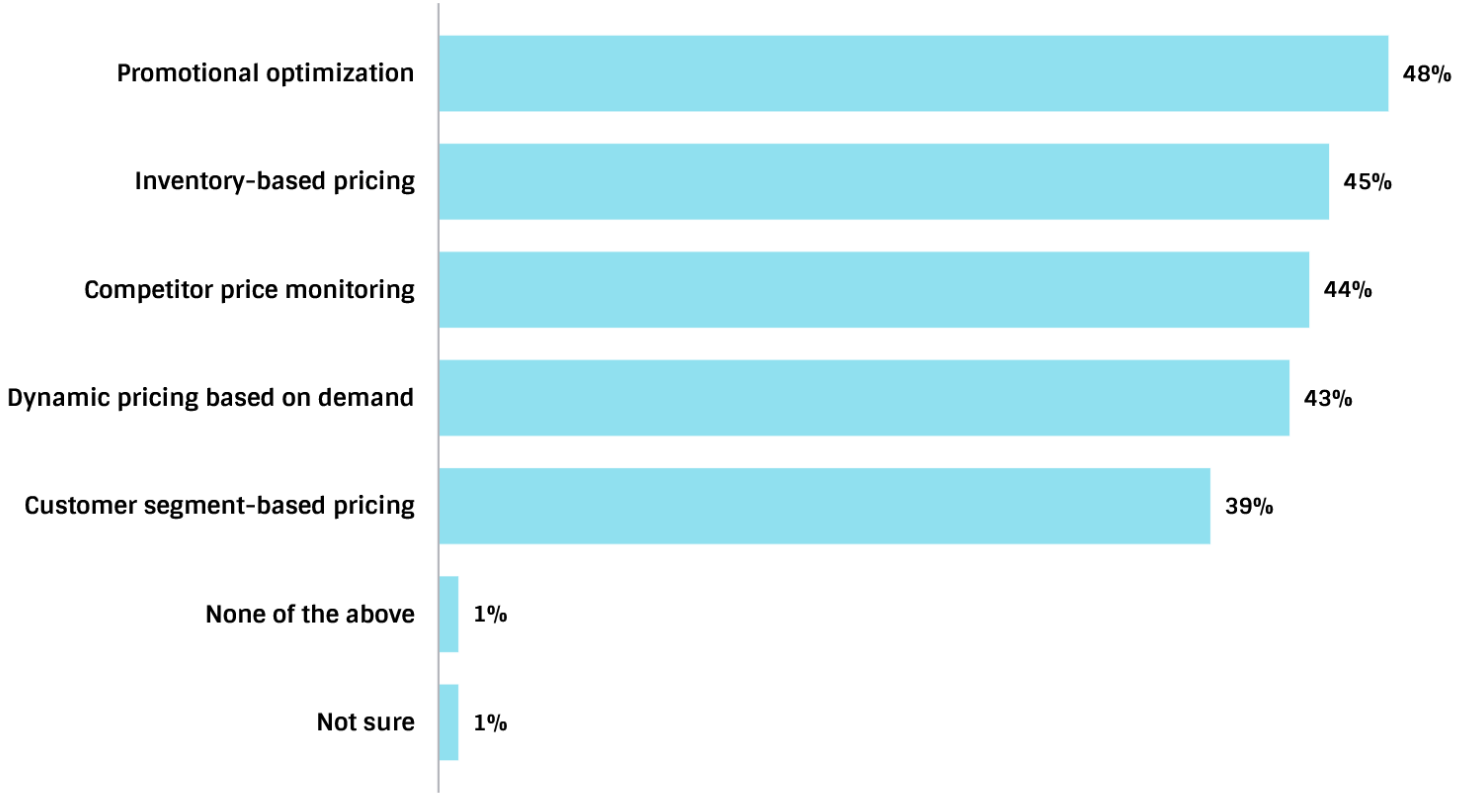
Small Businesses Access Pricing Tools Through Multiple Channels



Q51. How does your business access pricing tools? (Please select all that apply). Base=183 users of pricing tools, +/- 7.4 PTS

- Nearly half (48%) access tools through direct purchase or subscription of software.
- 44% use tools that are part of an e-commerce marketplace or platform.
- 37% access tools through a third-party vendor or service provider.
- 34% report building tools in-house.
- 1% are unsure.

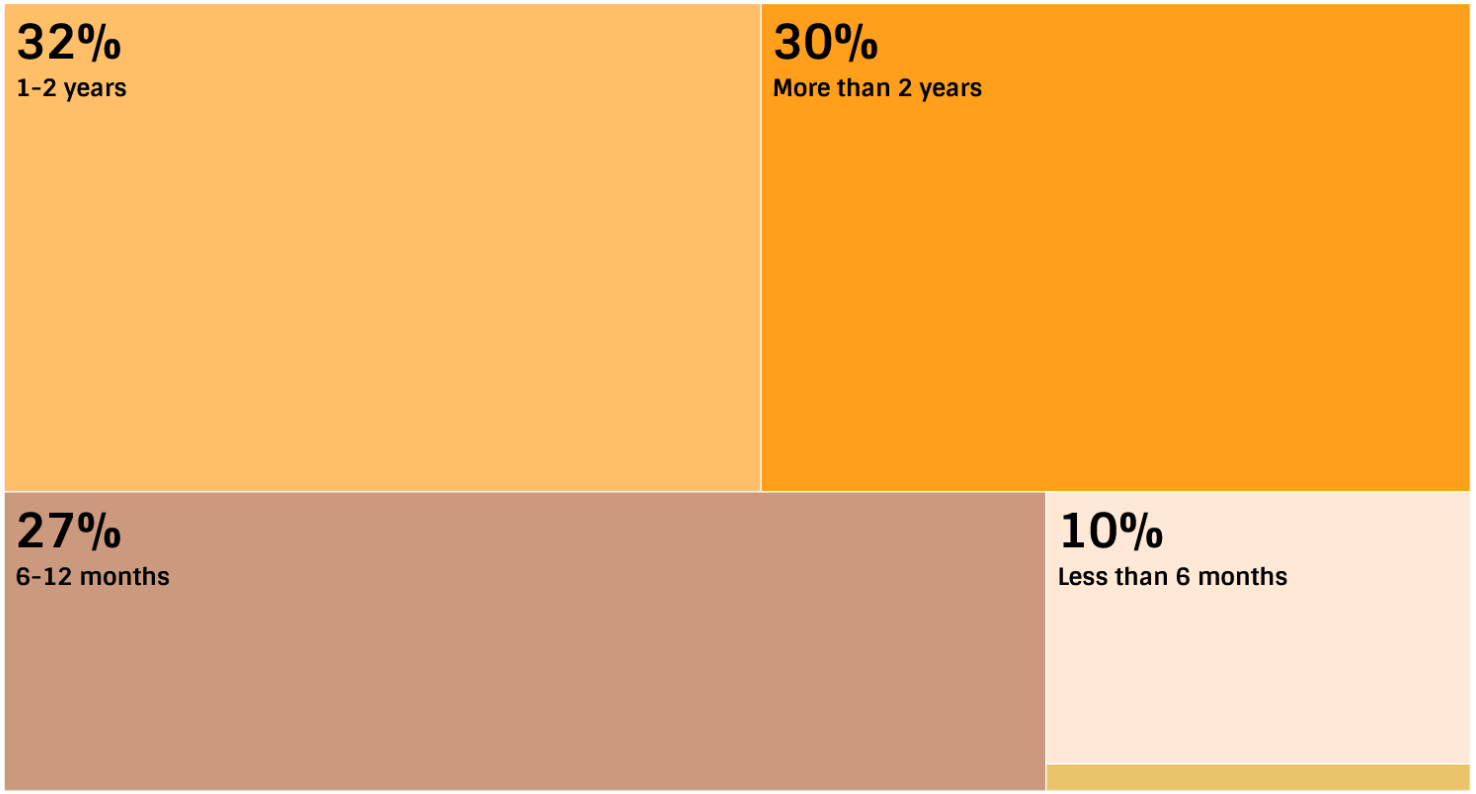
Promotional Optimization And Inventory-Based Pricing Lead Tool Usage



Q52. Which types of pricing tools do you currently use in your business?, Base=183 users of pricing tools, +/- 7.4 PTS

- 48% use tools for promotional optimization.
- 45% use inventory-based pricing tools.
- 44% conduct competitor price monitoring.
- 43% use dynamic pricing based on demand.
- 39% use customer segment-based pricing.

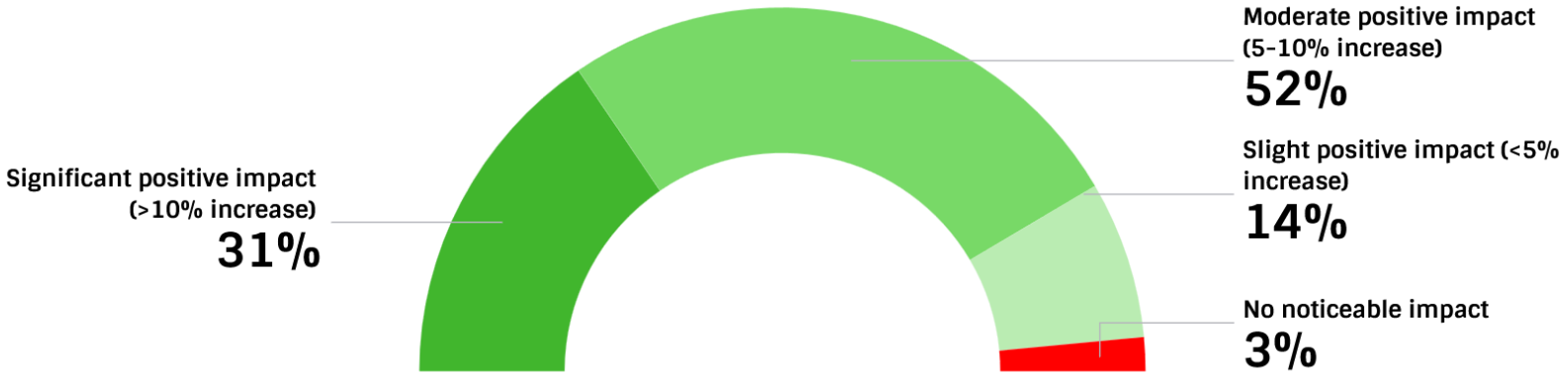
Most Users Of Pricing Tools Have Used Them For More Than One Year



Q53. How long has your business been using pricing optimization tools? Base=183 users of pricing tools, +/- 7.4 PTS

- 62% have used pricing tools for more than one year. 32% for 1–2 years; 30% for more than 2 years.
- 27% have used them for 6–12 months.
- 10% adopted them within the past 6 months.

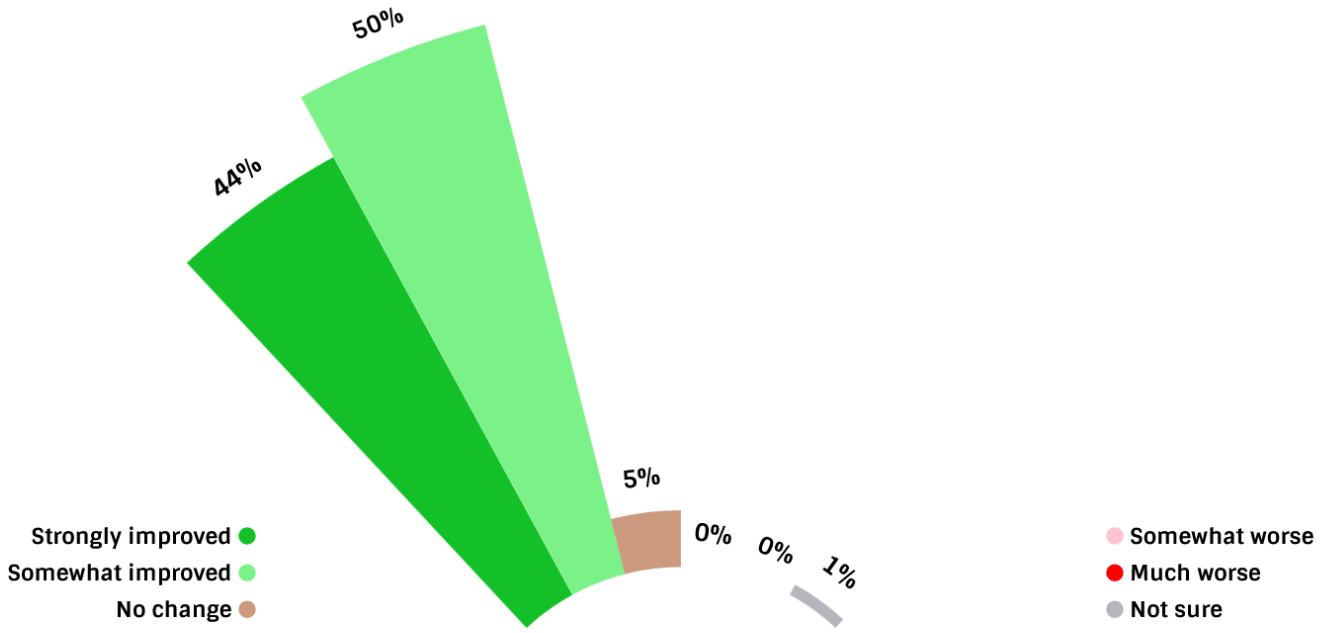
Pricing Tools Deliver Measurable Revenue Gains For Most Users



Q54. Impact Assessment: What impact have pricing tools had on your business revenue? Base=183 users of pricing tools, +/- 7.4 PTS

- A combined 97% report positive revenue impact from pricing tools.
- 31% report significant gains (>10% increase).
- 52% report moderate gains (5–10% increase).
- 14% report slight gains (<5% increase).
- 3% report no noticeable impact.

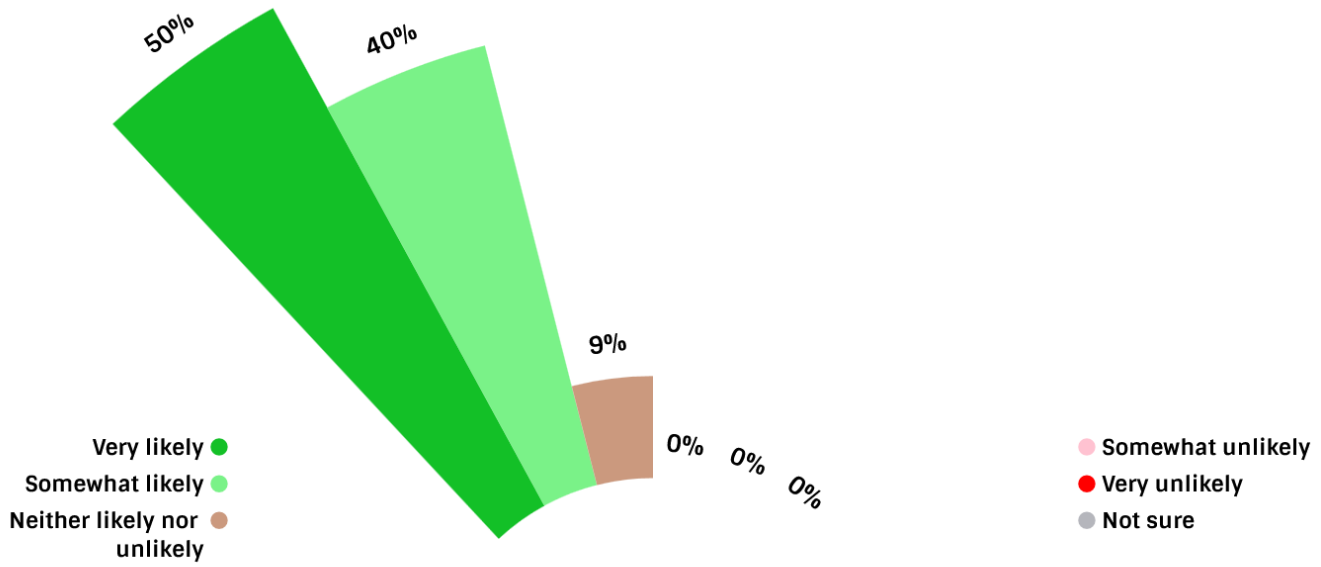
Pricing Tools Strengthen Competitive Position



Q55. How has the use of pricing tools affected the competitive position of your business? Base=183 users of pricing tools, +/- 7.4 PTS

- 94% report that pricing tools have made them more competitive. 44% report *strong improvement*. Another 50% report *some improvement*.
- 5% report *no change*.
- 1% are unsure.
- No respondents report deterioration in competitiveness.

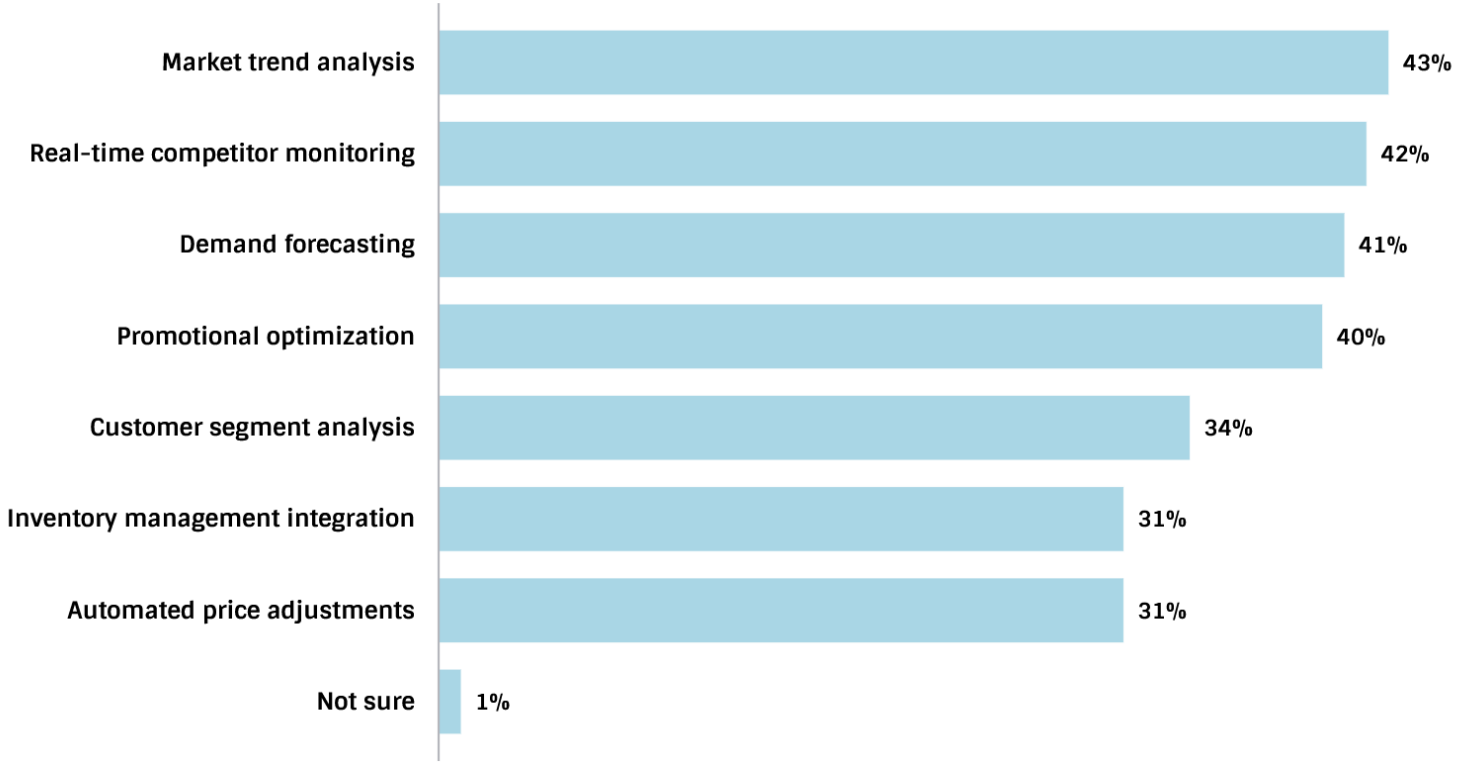
Nine In Ten Users Plan To Expand Pricing Tool Usage



Q56. How likely are you to increase your use of pricing tools in the next 12 months? Base=183 users of pricing tools, +/- 7.4 PTS

- 90% indicate they are likely to increase usage in the next 12 months with 50% *very likely* and another 40% *somewhat likely.*
- 9% are neither likely nor unlikely.

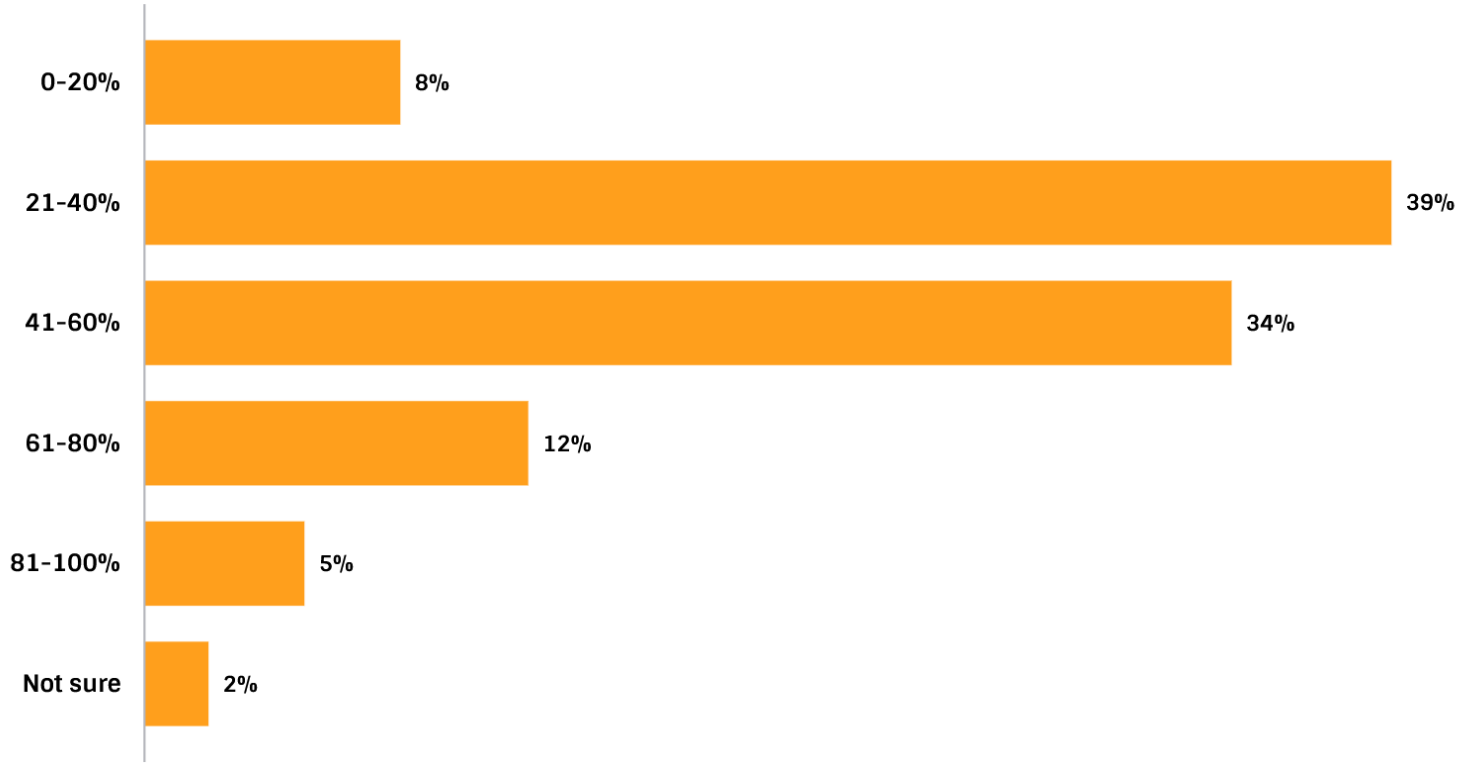
Market Intelligence And Real-time Monitoring Lead Desired Features



Q57. Which pricing tool features would be or are most valuable to your business? (Select top 3). Base=183 users of pricing tools, +/- 7.4 PTS

- 43% cite market trend analysis as most valuable.
- 42% prioritize real-time competitor monitoring.
- 41% value demand forecasting.
- 40% select promotional optimization.
- Roughly one-third cite customer segment analysis (34%), inventory integration (31%), and automated price adjustments (31%).

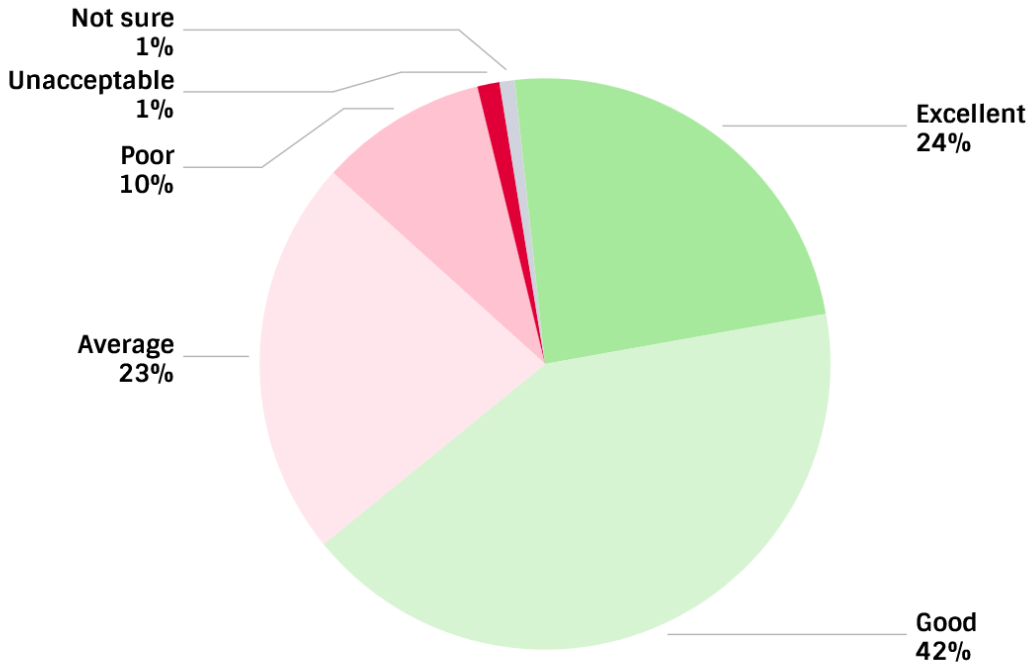
Algorithm-Assisted Pricing Expected To Expand Significantly



Q58. What percentage of pricing decisions within your business do you expect to be algorithm-assisted within the next 2 years? Base=183 users of pricing tools, +/- 7.4 PTS

- 73% expect 21-60% of pricing decisions to be algorithm-assisted within two years: 39% expect 21–40%; another 34% expect 41–60%.
- 17% expect more than 60% of pricing decisions to be algorithm-assisted.
- 8% expect 20% or less.
- 2% are unsure.

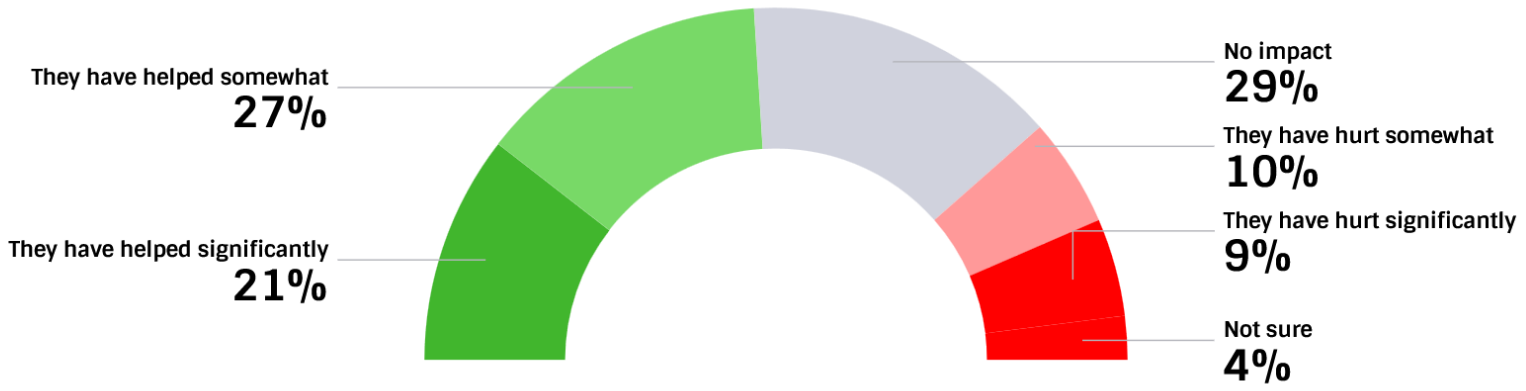
Majority Describe Current U.S. Business Environment As Good Or Excellent



Q61. Generally speaking, how would you describe the current business environment in the United States?

- 66% rate the environment positively, including 42% as *good* and 24% as *excellent.*
- 23% describe conditions as *average*.
- 11% rate conditions negatively (10% *poor*, 1% *unacceptable*).
- 1% are unsure.

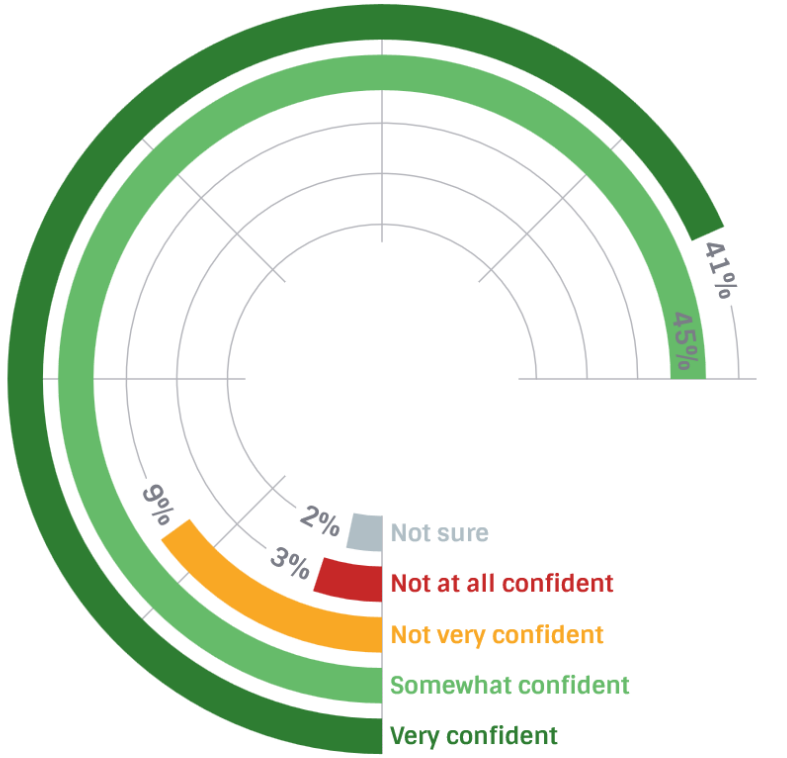
Nearly Half The Small Businesses Report Benefits From Recent Tax And Investment Policies



- 48% report that policies have helped their business (21% *significantly*, 27% *somewhat*).
- 29% report no impact.
- 19% are of the view that they have had a negative effect.
- 4% are unsure.

Q4. To what extent have the Trump administration's policies, tax relief and investment incentives provided by the One Big Beautiful Bill (Working Families Tax Cuts Act of 2025) influenced your business's plans and ability to innovate and invest in or adopt new technologies?

Most Small Businesses Express Confidence In 2026 Financial Performance

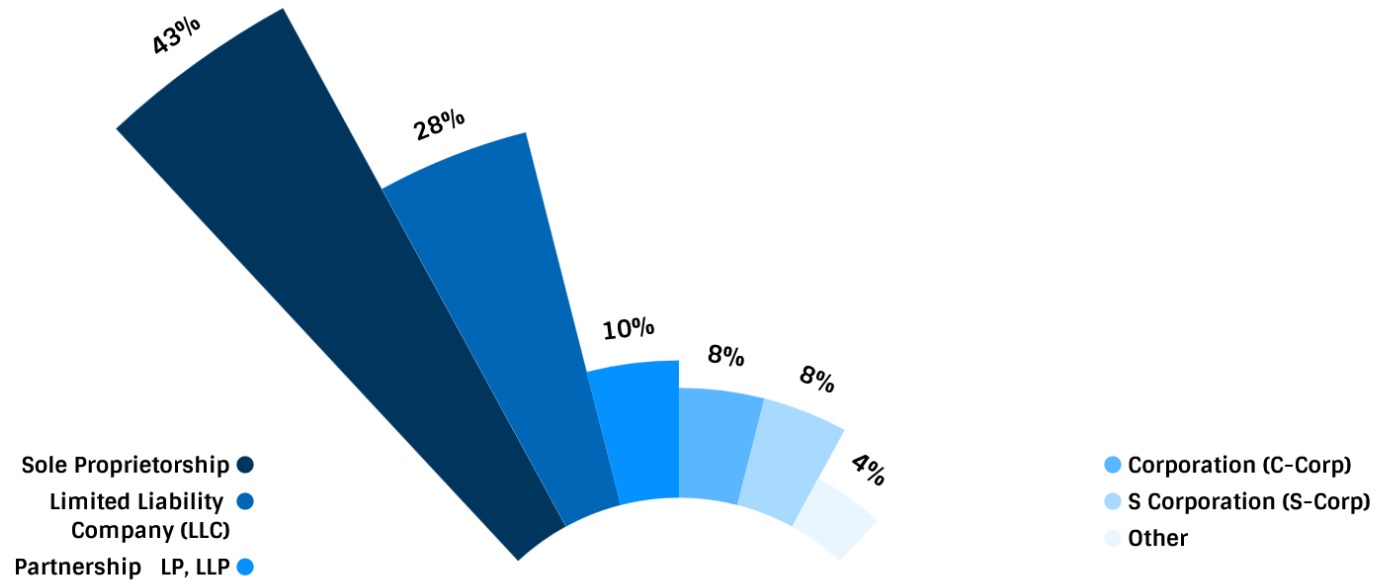


Q62. How confident are you that 2026 will be a positive year for your business in terms of financial performance?

- 86% express confidence that 2026 will be a positive financial year. 41% are *very confident* and another 45% are *somewhat confident*.
- 12% lack confidence (9% *not very confident*, 3% *not at all confident*).
- 2% are unsure.

Firmographics

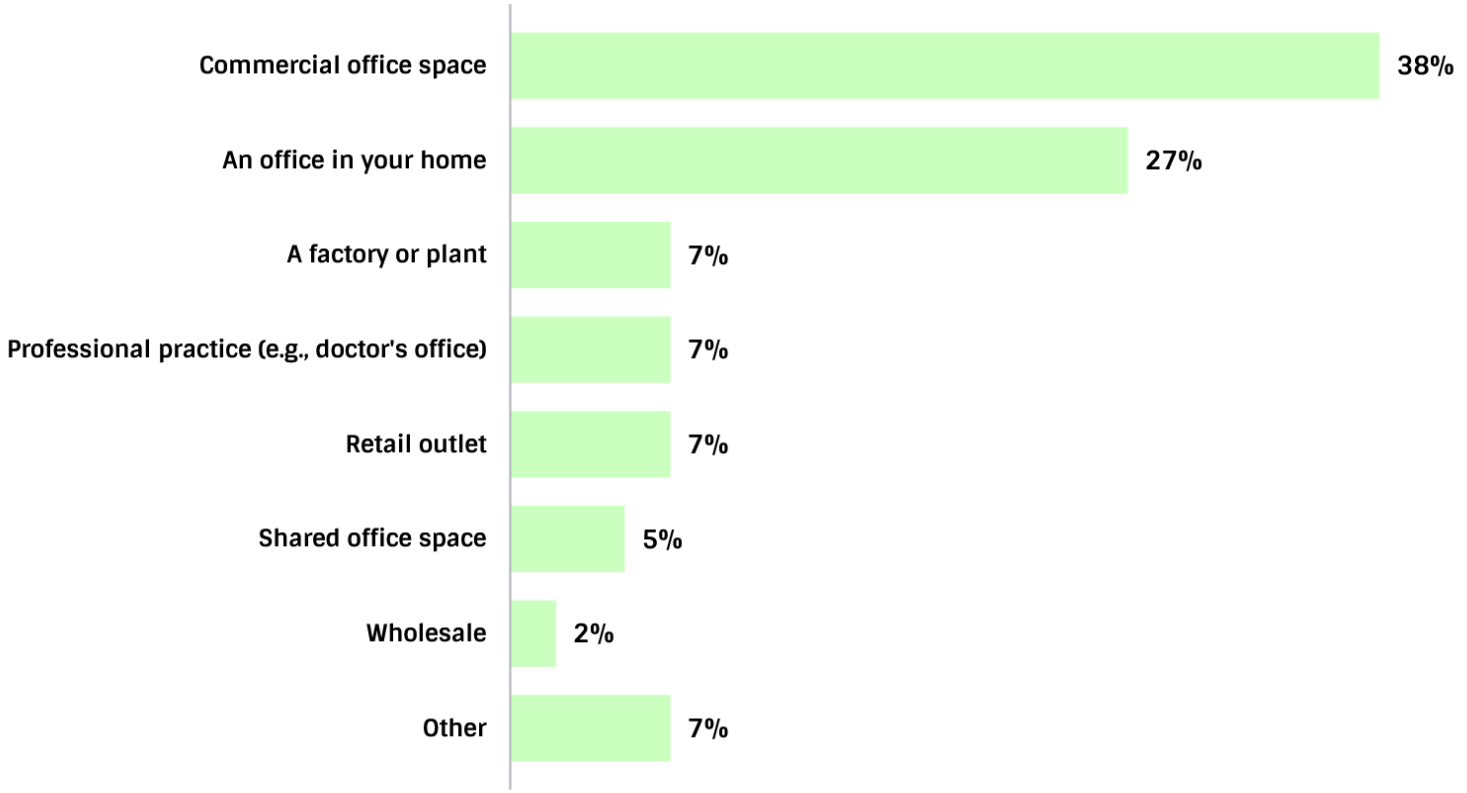
Business Structure



S2. How is your small business legally structured?

- 43% of respondents are structured as *sole proprietorships*.
- 28% operate as *Limited Liability Companies* (LLCs).
- 10% are *partnerships* (LP, LLP).
- 16% operate as corporations (*C-Corp* or *S-Corp* combined).
- 4% fall under other legal structures.

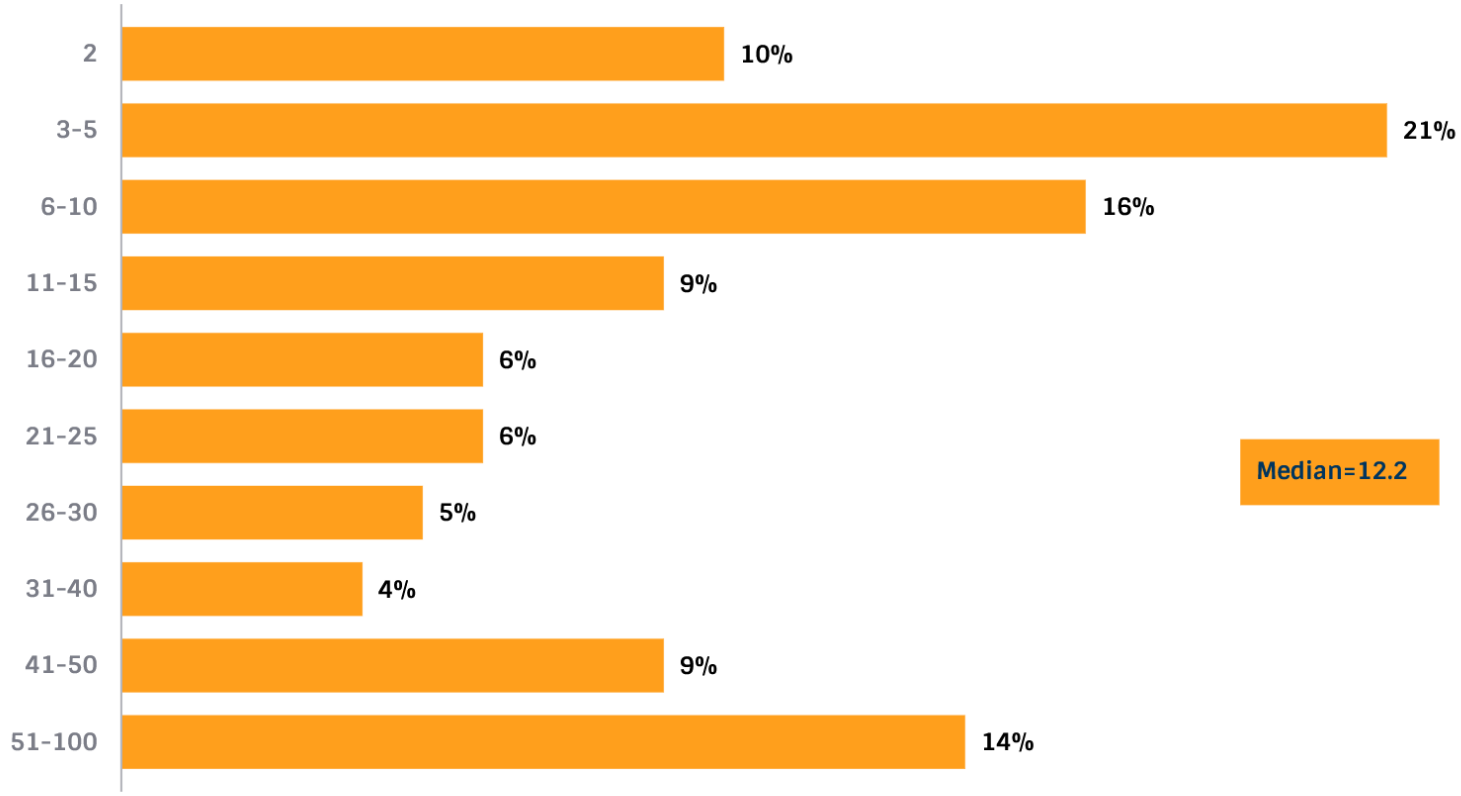
Business Location



F5. Which of the following best describes your business location?

- Four out of ten, 38%, operated from a *commercial office space*.
- More than a quarter, 27%, had a *home office*.
- *Retail outlets (7%), factory or plant (7%), and professional practice (7%)* had similar shares.
- 5% had a *shared office space.*
- Only a handful (2%) were *wholesale* businesses.

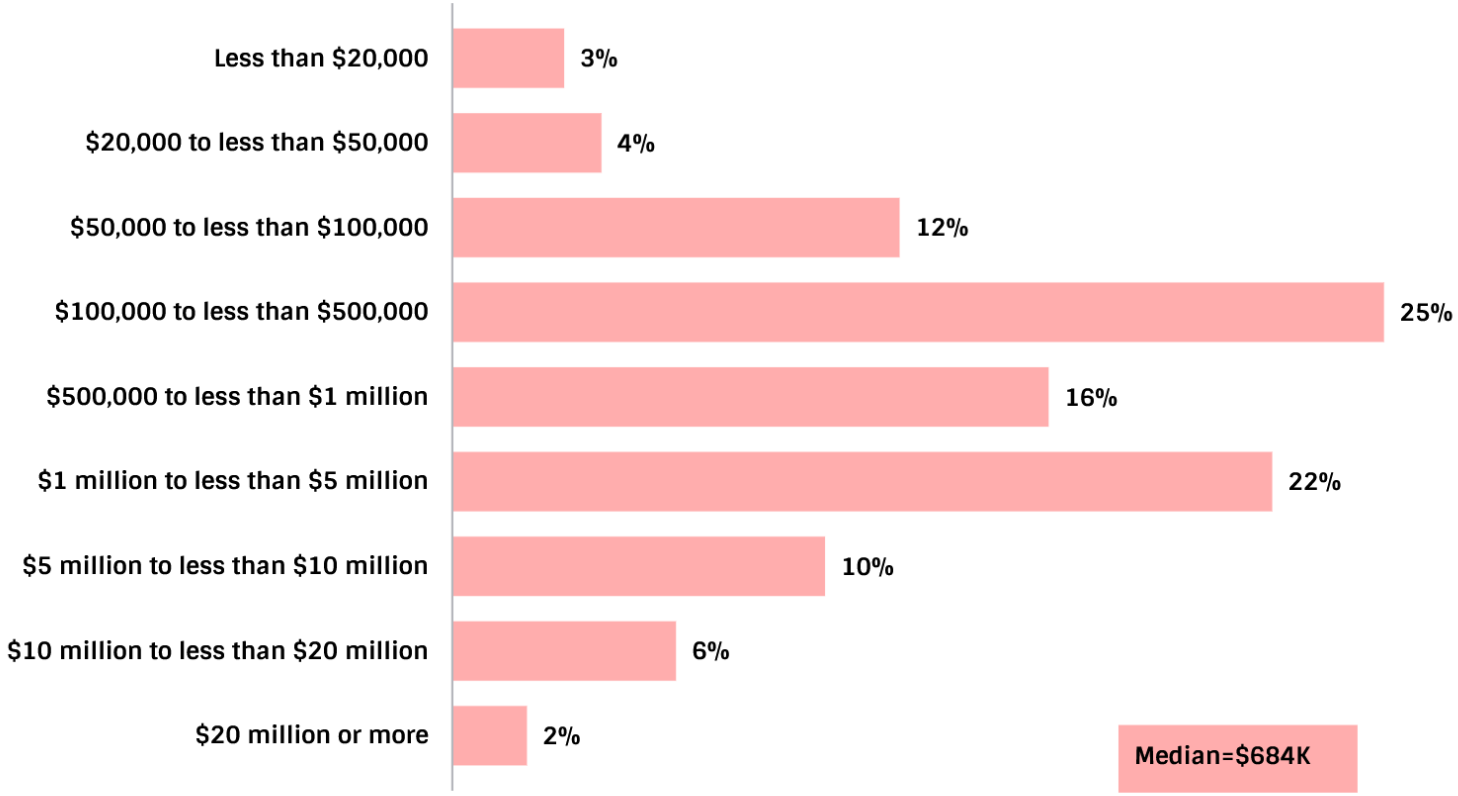
Employee Size



S1. Including yourself how many people are currently employed by your business?

- The **median** number of employees on the payroll in the small businesses surveyed is **12.2**.
- 62% surveyed had 20 or fewer employees.
- 31% of the establishments surveyed had five or fewer employees.
- Another 16% had 6-10 employees.
- About a sixth, 15%, had 11-20 persons on the payroll.
- One in 10, 11%, employed 21 to 30 people.
- A quarter, 27%, had more than 30 employees.

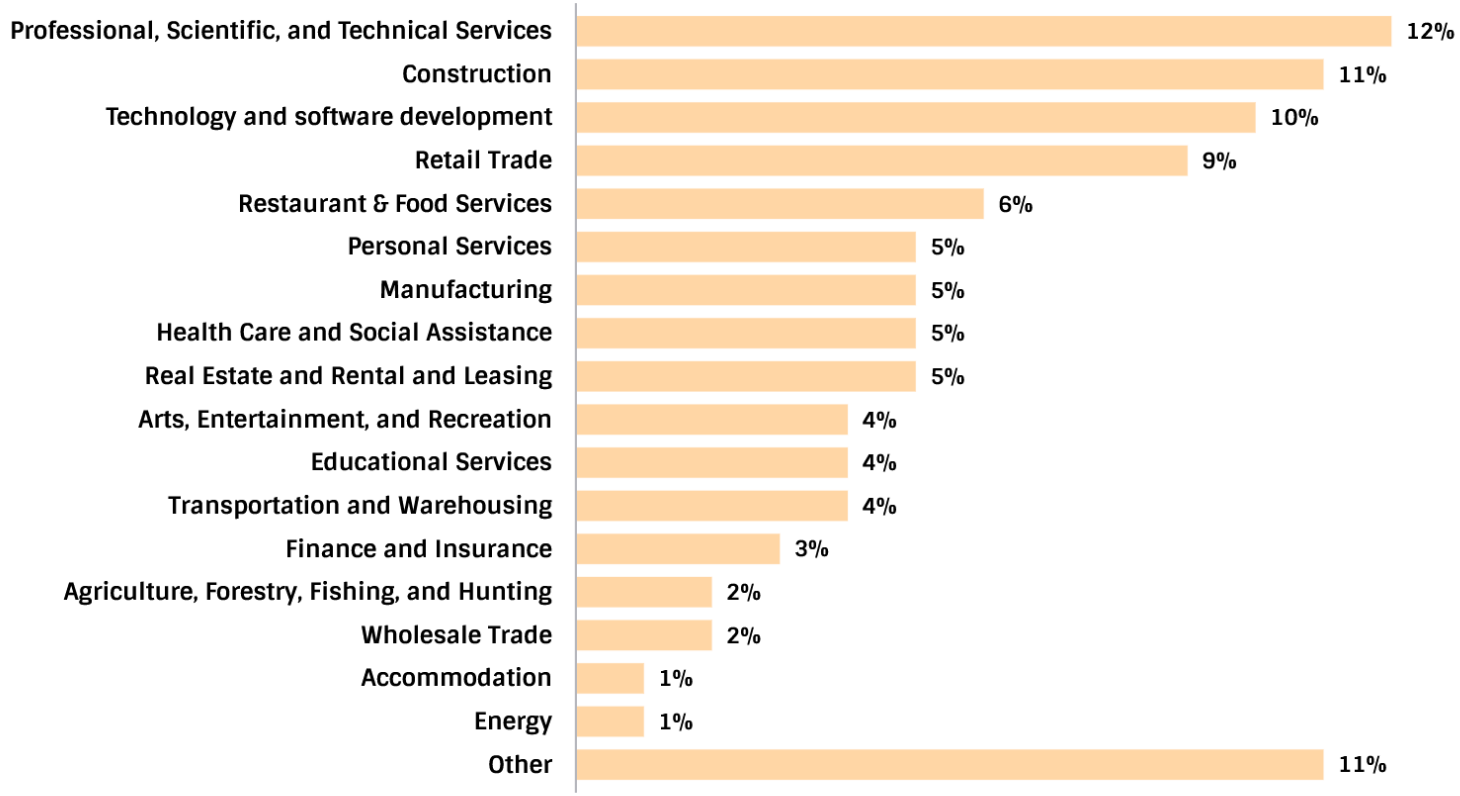
Business Revenue 2025



F2. What was your company's approximate revenue for 2025?

- In 2025, the ***median*** *earnings* of the small businesses surveyed stood at **$684K**.
- 7% earned less than $50K.
- Another 12% earned between $50K and $100K, and a quarter (25%) earned between $100K and $500K.
- 16% generated revenue between $500K and $1 million.
- Four in ten, 40%, earned $1 million or more last year.

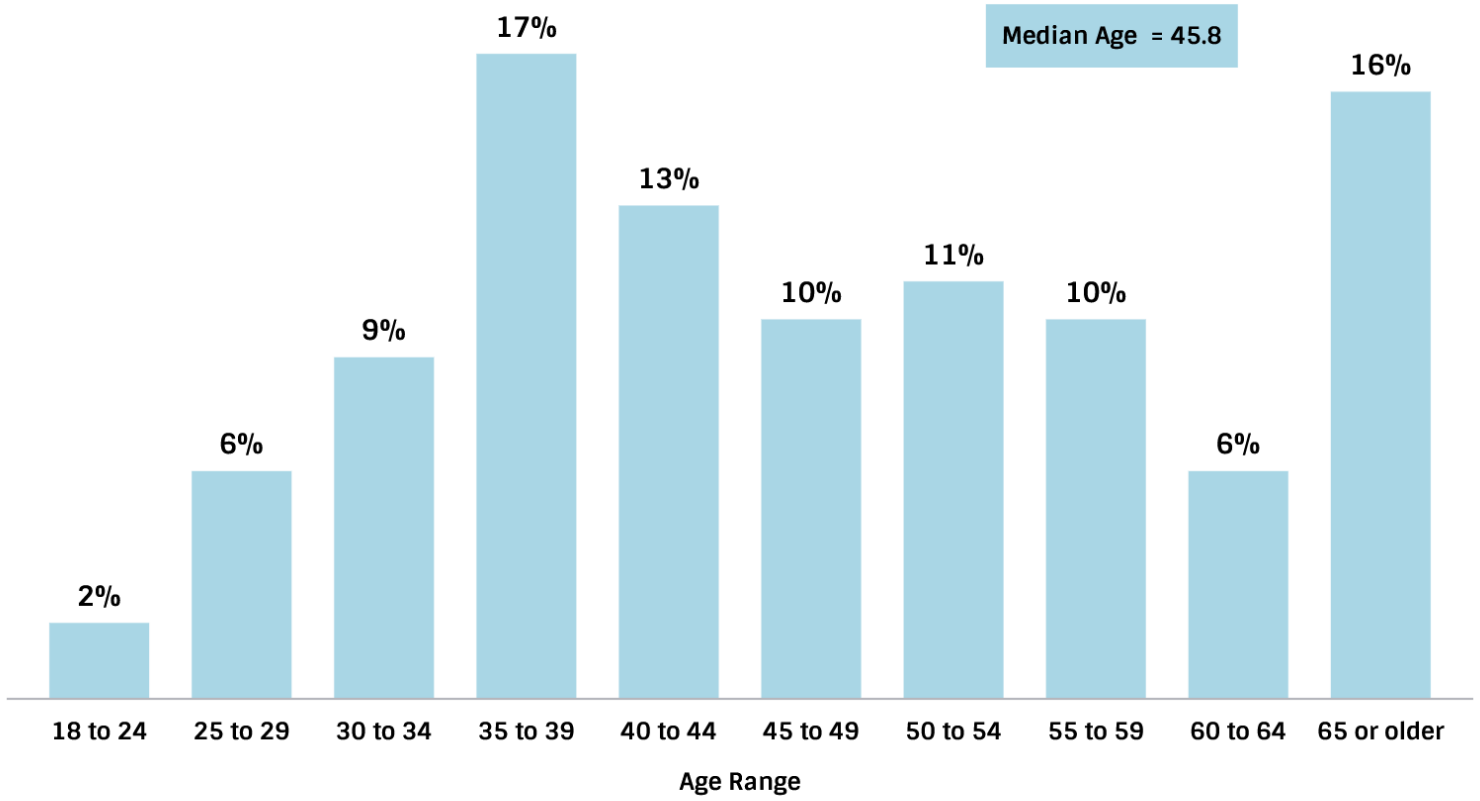
Primary Business



F3. Which of the following best describes the primary business of your company?

- *Professional, Scientific, and Technical Services* (12%) and *Construction* (11%) were the sectors with the most representation.
- *Technology and Software Development* (10%) and *Retail Trade* (9%) follow.
- Several industries cluster in the 4%–6% range, reflecting broad sector diversity.
- 11% report *"Other"* industries.

Age Of Small Business Owners



D2. What is your age?

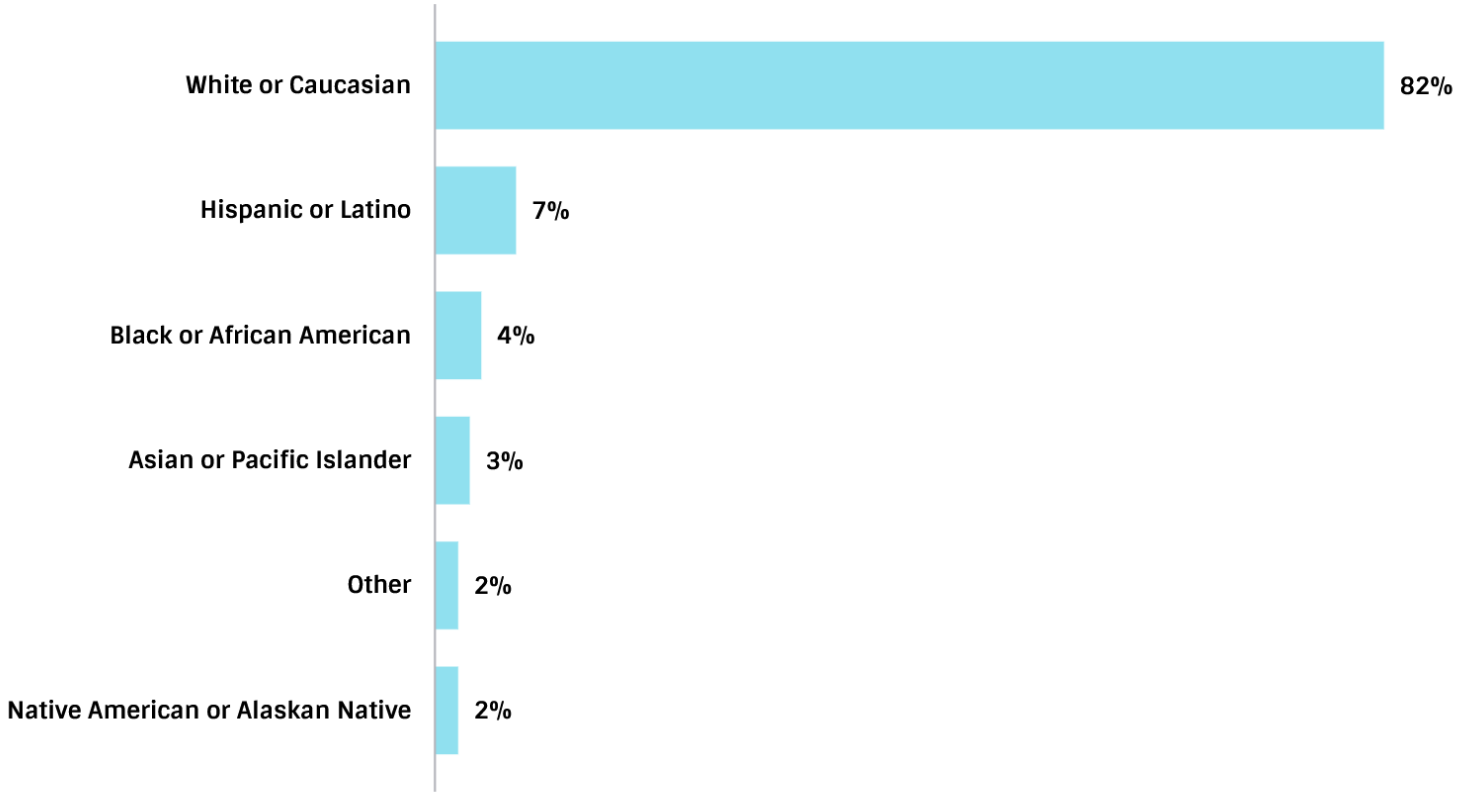
- The **median** age of the entrepreneurs was found to be **45.8 years**.
- 8% belonged to the under-30 age bracket.
- One-fourth, 26%, were in their 30s, and a similar share 23%, were in their 40s.
- One-fifth, 21%, were in their 50s.
- Another fifth, 22%, were 60 or older.

Gender

- By gender, the survey consisted of 63% male and 37% female small business owners.

D1. Your Gender

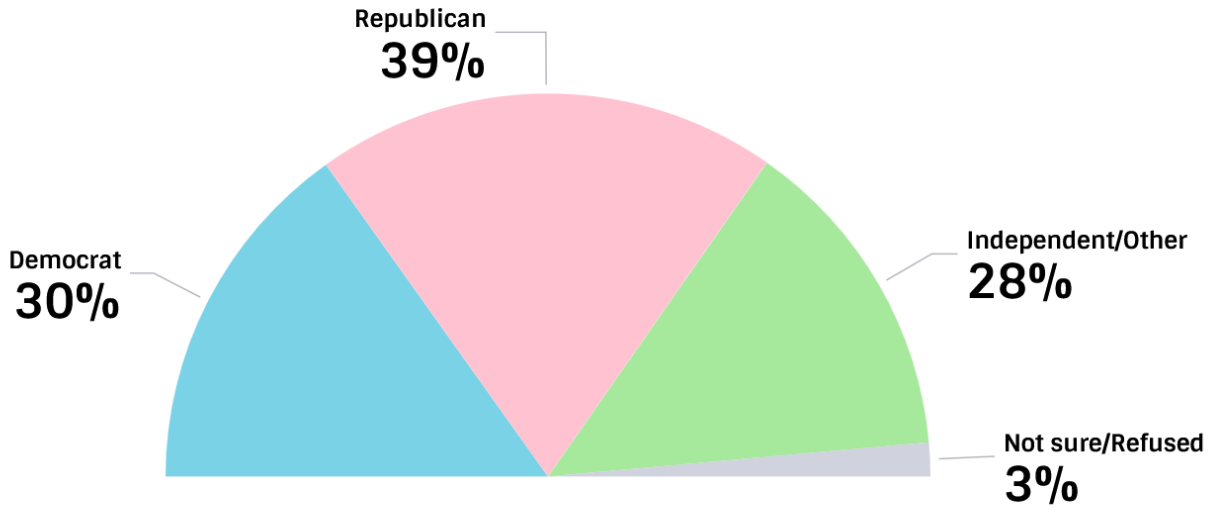
Race/Ethnicity



D3. Which of the following best describes you?

- A majority, 82%, of small business owners were White or Caucasian.
- 7% identified as Hispanic/Latino.
- 4% were African American or of Black ethnicity.
- 3% belonged to an Asian or Pacific Islander community.
- Another 2% came from Native American or Alaskan backgrounds.
- 2% identified as other.

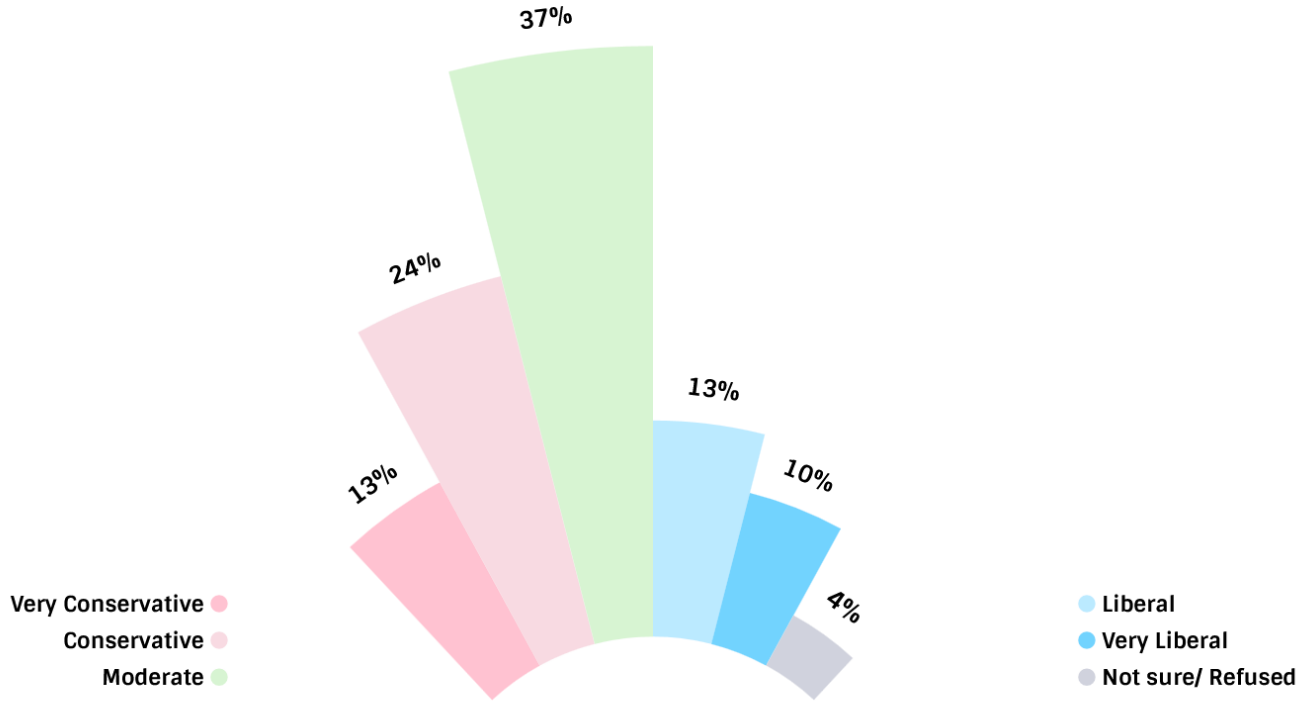
Party Affiliation



- Nearly four in ten identified as Republican (39%).
- 30% identified as Democrats.
- 28% of respondents were Independents/Other.
- 3% did not disclose their party affiliation.

D9. In politics, do you consider yourself to be a Democrat, a Republican, an Independent, or something else?

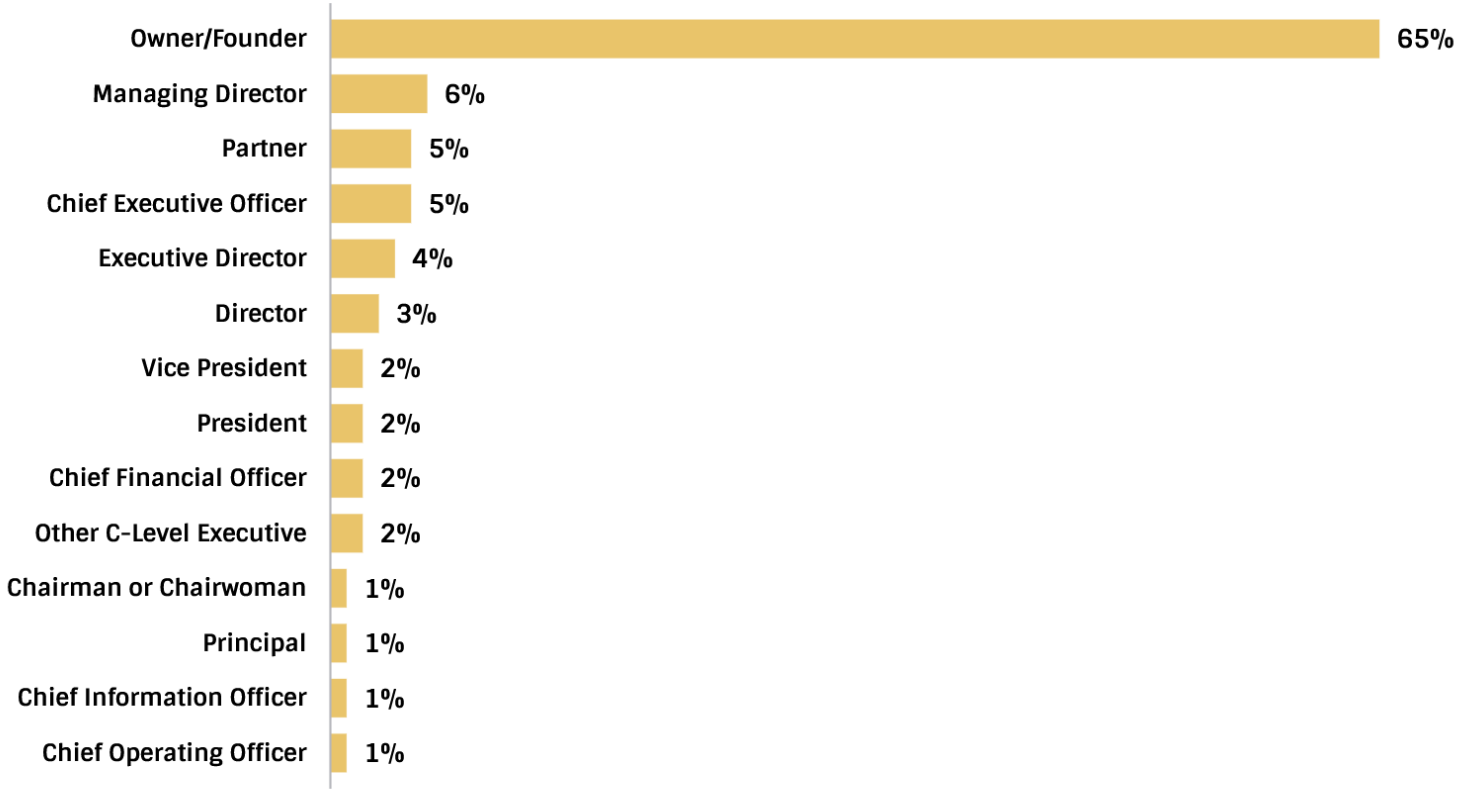
Ideology



AD1. Ideology

- 37% identified as *Moderate*.
- Another 37% said they were Conservative; 13% identified as v*ery Conservative,* and another 24% as *Conservative*.
- 23% considered themselves Liberal. 13% identified as *Liberal*, and another 10% as *very Liberal*.

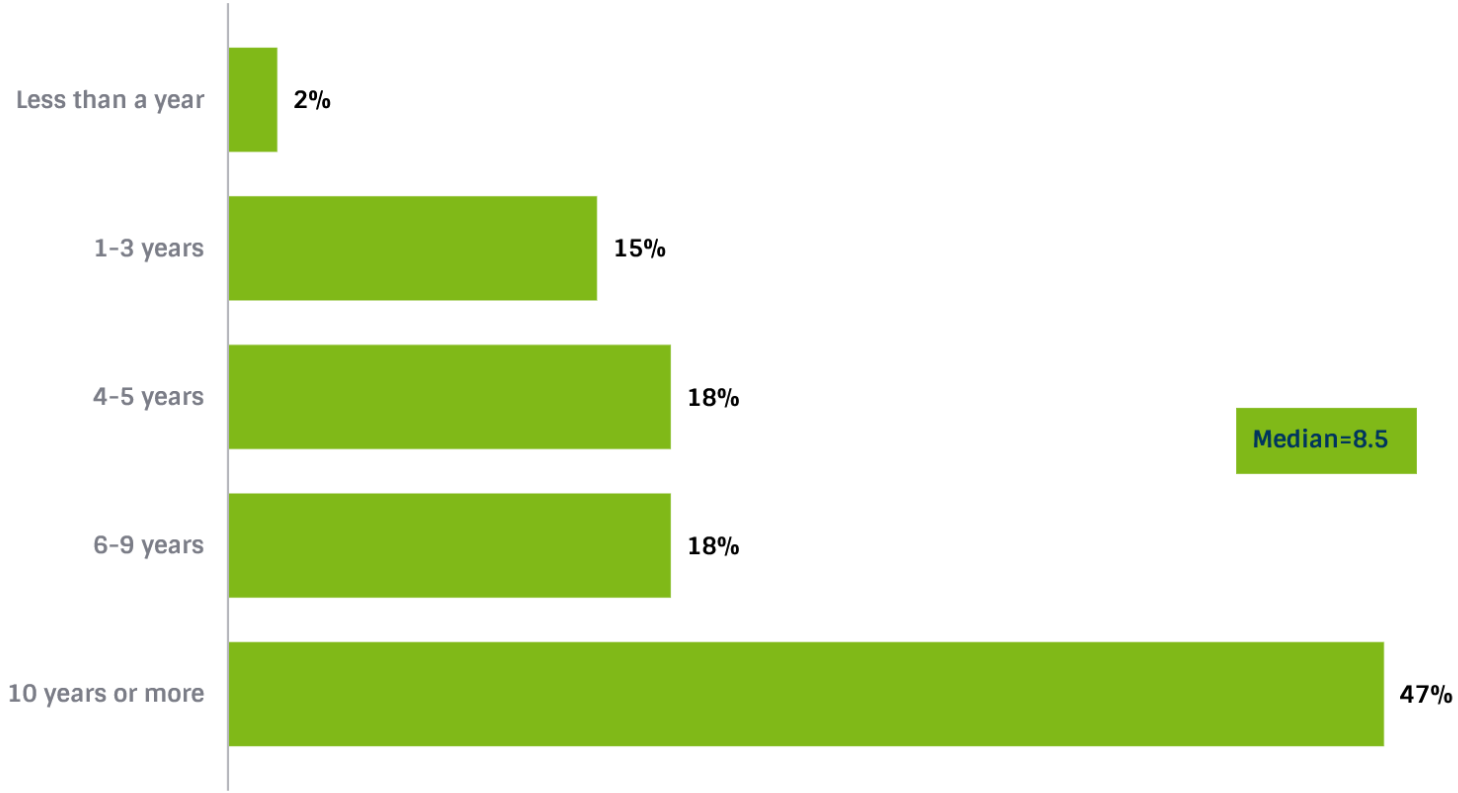
Job Title



F4. What is your job title?

- 65% identify as *Owner/Founder*.
- 16% hold senior executive titles (*CEO, Managing Director, Executive Director, Partner*).
- 10% report partnership or director-level roles.
- Remaining respondents represent other C-suite or leadership positions.

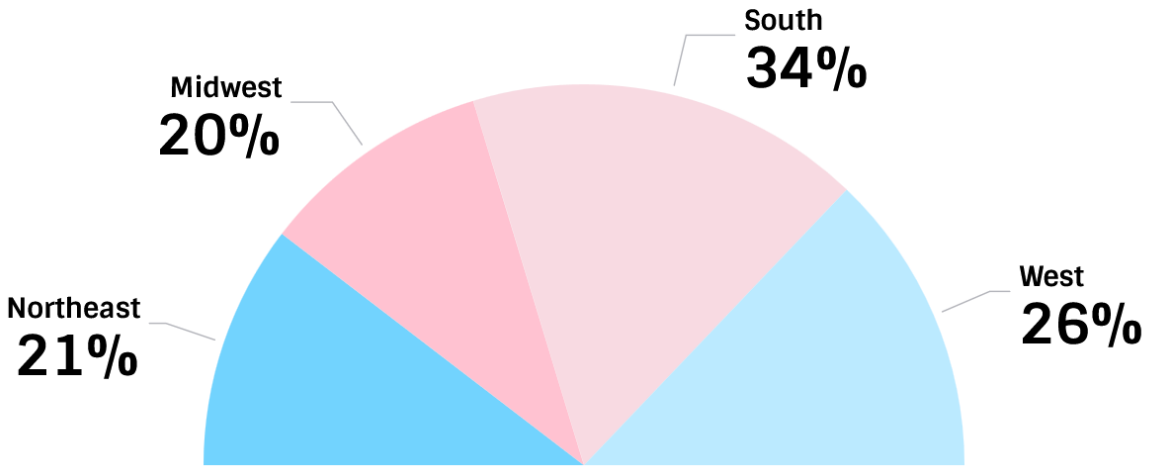
Years In Business



F1. How many years has your company been in business?

- The **median** age of the small businesses surveyed is **8.5 years**.
- 47% of the small businesses have been in operation for ten years or more.
- 18% have been in operation for 4-5 years and a similar share for 6-9 years.
- Nearly one-sixth (15%) were started in the past three years.
- 2% had not yet completed one year of operations.

Region



- About one-fifth operated in the Northeast (21%) and another fifth in the Midwest (20%).
- One-third, 34%, of the small businesses surveyed were based in the South.
- A quarter were based in the West (26%).

Reg: Region