MORNING CONSULT® +

verizon business

VERIZON BUSINESS' 6TH ANNUAL STATE OF SMALL BUSINESS SURVEY

Year Six Results

APRIL 2025

Background

METHODOLOGY

This survey was conducted by Morning Consult on behalf of Verizon Business between March 7 – 22, 2025 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
- Works in one of the following industries (~100N per industry): Construction & Contracting, Entertainment & Recreation, Food & Beverage, Hospitality & Accommodation, Retail, Restaurant & Bar

TRENDING

Data has been trended against previous years where applicable.

- Year 5 field dates: August 11 – September 2, 2024
- Year 4 field dates: August 10 – August 23, 2023
- Year 3 field dates: August 12 – August 19, 2022
- Year 2 field dates: August 5 – August 16, 2021
- Year 1* field dates: August 26 – September 4, 2020

**The year 1 survey targeted a broader set of eight industries; year one data throughout the report has been filtered to exclude the industries that were not included in years 2, 3, and 4.*

Key Points

1. **Implementation of new technologies & AI has plateaued, though AI continues to see increases in familiarity & knowledge.**
    - Shares of small to mid-sized business owners & decision makers who report adding or upgrading internet services & security tools for their business in the past year remained consistent after seeing upticks across the board in August 2024.
    - Usage of AI remains consistent with the previous wave at 38%, while shares who do not currently use AI but are aware of how it could support their business saw a 4-pt increase from August. Concerns around AI integration and associated cybersecurity risks have also lessened compared to the previous wave.
    - However, among those who do not currently use AI at their business, lack of familiarity and understanding of how it could be useful to their business, as well as security concerns, are the most common barriers.

2. **Businesses are benefitting from social media and dedicating more resources to increase their engagement with it.**
    - Around 3 in 4 decision makers agree that social media has made a positive impact on their business and are looking to expand their business' presence to additional channels and platforms.
    - Facebook, Instagram, and YouTube are the most commonly used platforms, with YouTube seeing the largest growth since August 2024.
    - Among those who use social media, more than 3 in 5 say their business began creating content or increased their investment in content creation in the past year, but over half agree that they struggle to produce enough content and to keep content fresh.

3. **Looking to balance employee needs and productivity, decision makers anticipate a voluntary shift toward in-person work.**
    - Over 2 in 3 decision-makers overall are currently working fully in-person, up 8 pts from August. Company policy varies by industry, with those in the Restaurant & Bar industry least likely to give employees the option to work remotely.
    - Over half say their businesses plan to rebalance remote and in-person work this year by encouraging, but not requiring, employees to spend more time in office, while just over 1 in 10 will make returns to office mandatory.
    - Maximizing productivity, along with improving employee morale and retention and enhancing company culture, are the top considerations being weighed in decisions about work location policies.

CONTENTS

Upgrades to enhance internet bandwidth and internet speeds are again the most common upgrades that respondents say their business has made in the last year. Shares who report adding or upgrading technologies remained consistent after seeing upticks across the board in August 2024.

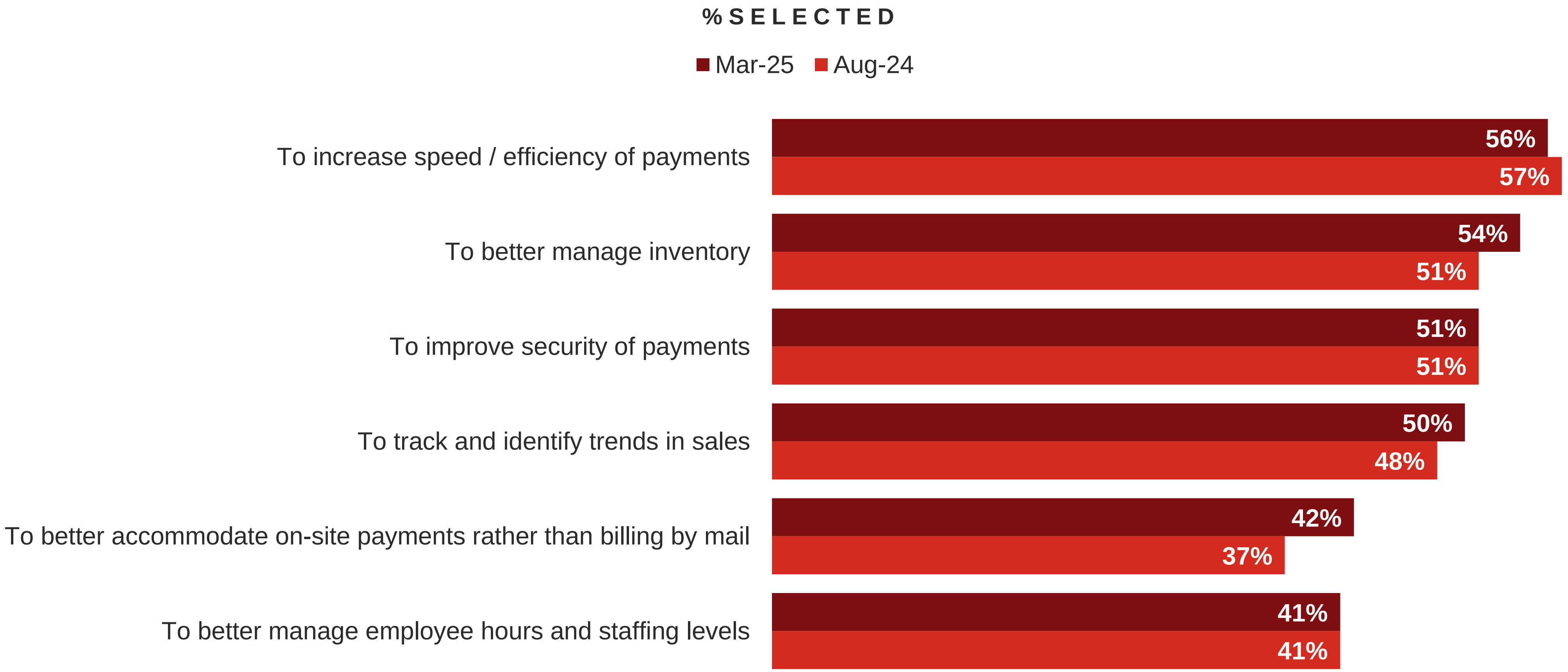
In the **past year (i.e., since March 2024)**, has your business added or upgraded the following services or technologies?

% Added or upgraded in the past year	Mar-25	Aug-24	Aug-23	Aug-22	Aug-21*	Aug-20*
Internet connection with strong bandwidth that allows for high-capacity activities	65%	66%	53%	51%	52%	27%
High-speed internet plan	63%	67%	51%	51%	54%	27%
Online business search assistance services	60%	60%	42%	43%	48%	24%
Secure cloud backup services	58%	60%	41%	43%	46%	26%
Point of service systems	57%	56%	NA	NA	NA	NA
Security tools and protection plans for phones or devices	55%	59%	38%	39%	48%	23%
Network security services	56%	57%	42%	44%	47%	25%
Devices for employees to enhance connectivity	55%	55%	42%	37%	45%	28%
Video and web conferencing tools	54%	53%	40%	41%	53%	33%
Routers or extenders to enhance wireless signal	54%	61%	47%	44%	47%	25%
Communications and networking hardware	55%	59%	41%	41%	49%	27%
IT or technical support services	54%	54%	40%	38%	46%	24%
Services to integrate mobile and desktop phone lines	52%	54%	34%	34%	44%	23%
Website hosting or development services	50%	52%	38%	37%	45%	21%
Application development services	48%	51%	30%	30%	NA	NA
TV or streaming entertainment services for business, bars, and restaurants	49%	47%	32%	31%	38%	16%
Cybersecurity training for employees	48%	52%	31%	29%	NA	NA

Data not shown for years in which specific attributes were not asked

Among decision makers whose businesses added or upgraded point of service systems in the past year, increasing the speed and efficiency of payments, managing inventory, and improving payment security are still their top reasons for doing so. The share of respondents who added or upgraded to better accommodate on-site payments saw an uptick from last August.

You indicated that your business has added or upgraded its **point of service systems** in the past year. Was the decision to add or upgrade your business's point of service systems motivated by any of the following?

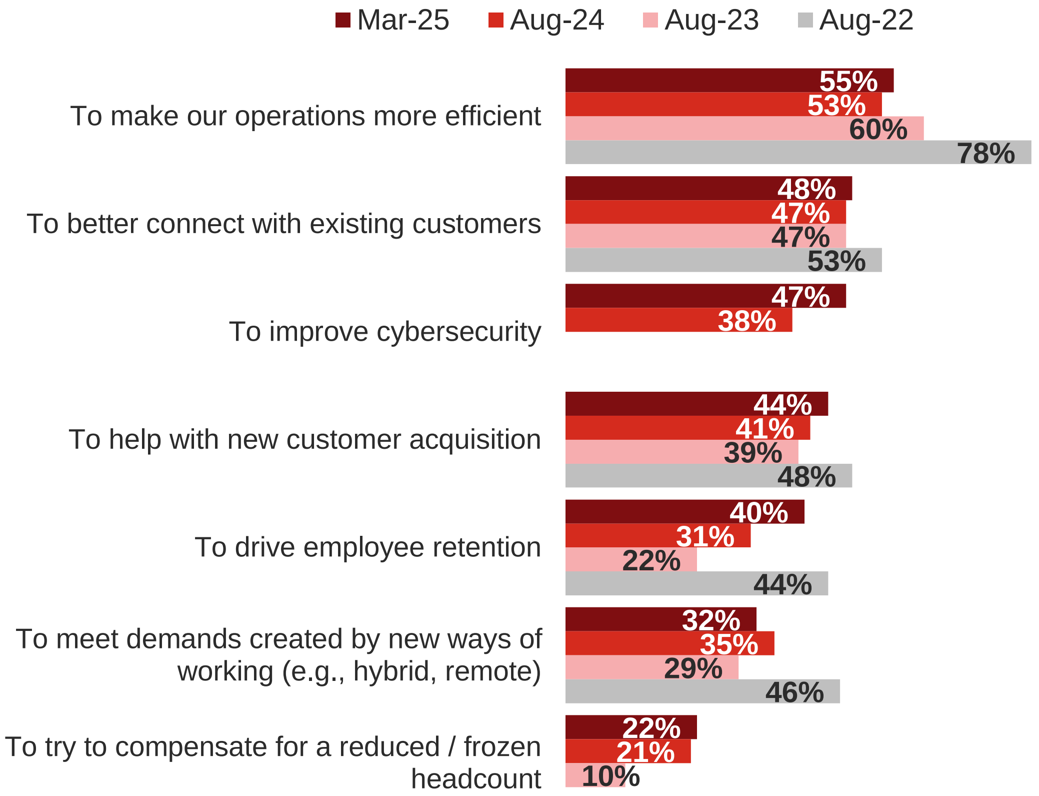


Base: Respondents whose business added or upgraded point of service systems in past year

Consistent with previous waves, decision makers say that the top two motivations for technology additions and upgrades have been efficiency gains and to better connect with new & existing customers. Respondents were more likely to say they made additions to improve cybersecurity and drive employee retention compared to August 2024.

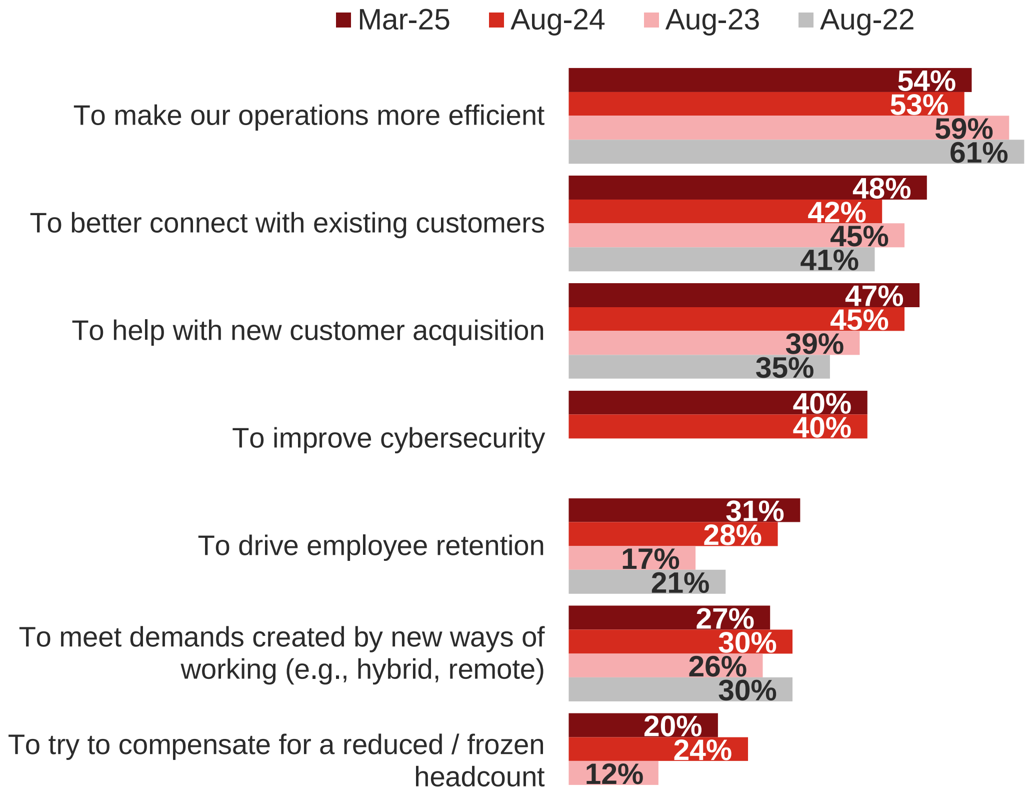
You indicated that your business has **added** to its tech stack in the past year. Was the decision to add to your business's tech stack motivated by any of the following? Select all that apply. / You indicated that your business has **upgraded** part(s) of its tech stack in the past year. Was the decision to upgrade part(s) of your business's tech stack motivated by any of the following? Select all that apply.

ADDITIONS



Base: Respondents whose business added new technologies in past year

UPGRADES

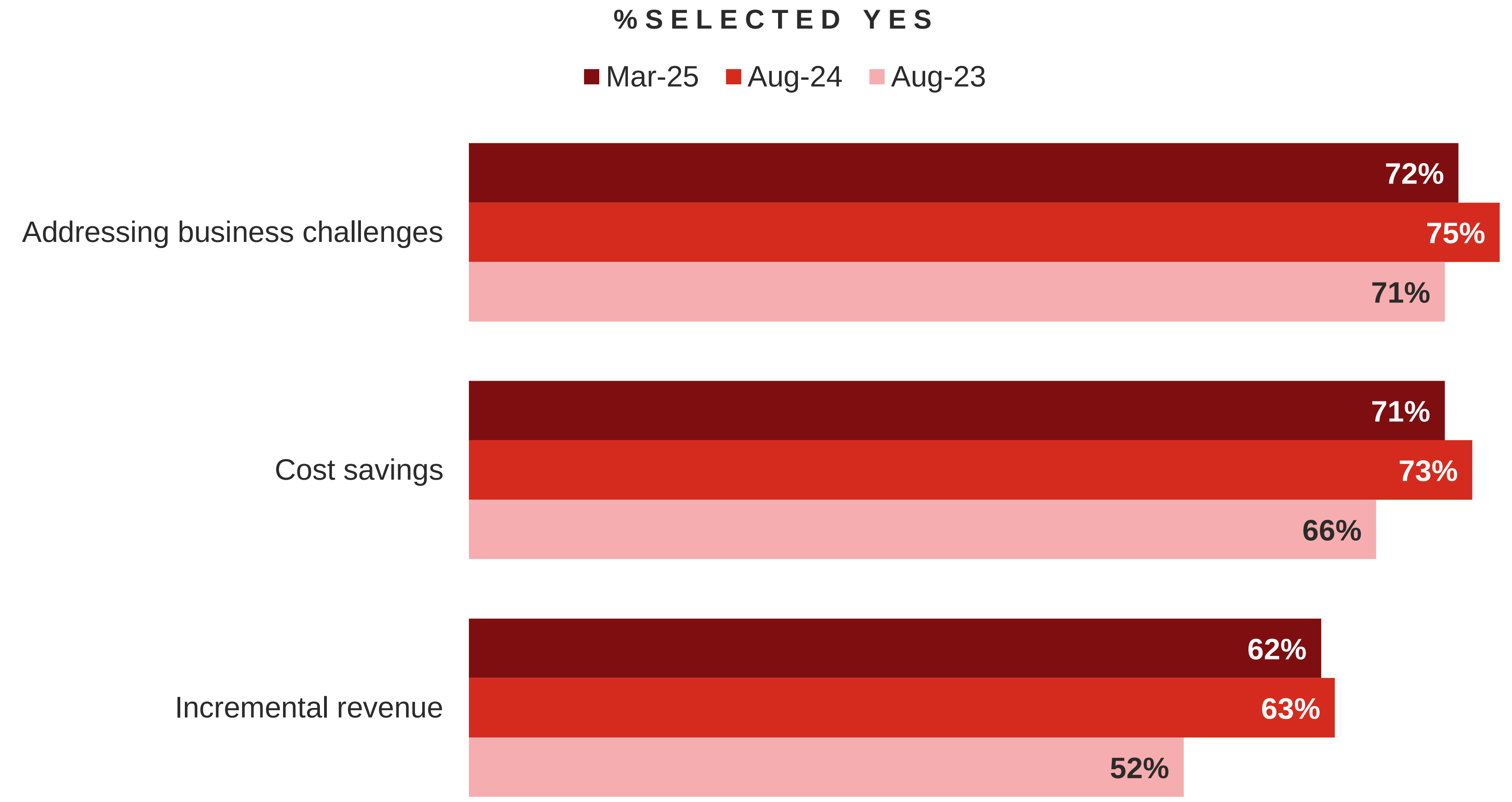


Base: Respondents whose business upgraded technologies in past year

MORNING CONSULT® + verizon business

Most decision makers whose businesses have made upgrades to their tech stacks in the past year say these upgrades have addressed challenges, and the share that say they led to positive business outcomes, such as cost savings and incremental revenue, held steady after large increases in 2024.

You indicated that your business has **upgraded** part(s) of its tech stack in the past year. Would you say that this upgrade(s) has led to…?



Base: Respondents whose business upgraded technologies in past year

Shares of decision makers in the retail, restaurant, and food & beverage industries who report that their business is using 5G networks to support contactless payments continues to rise after a large uptick in August 2024.

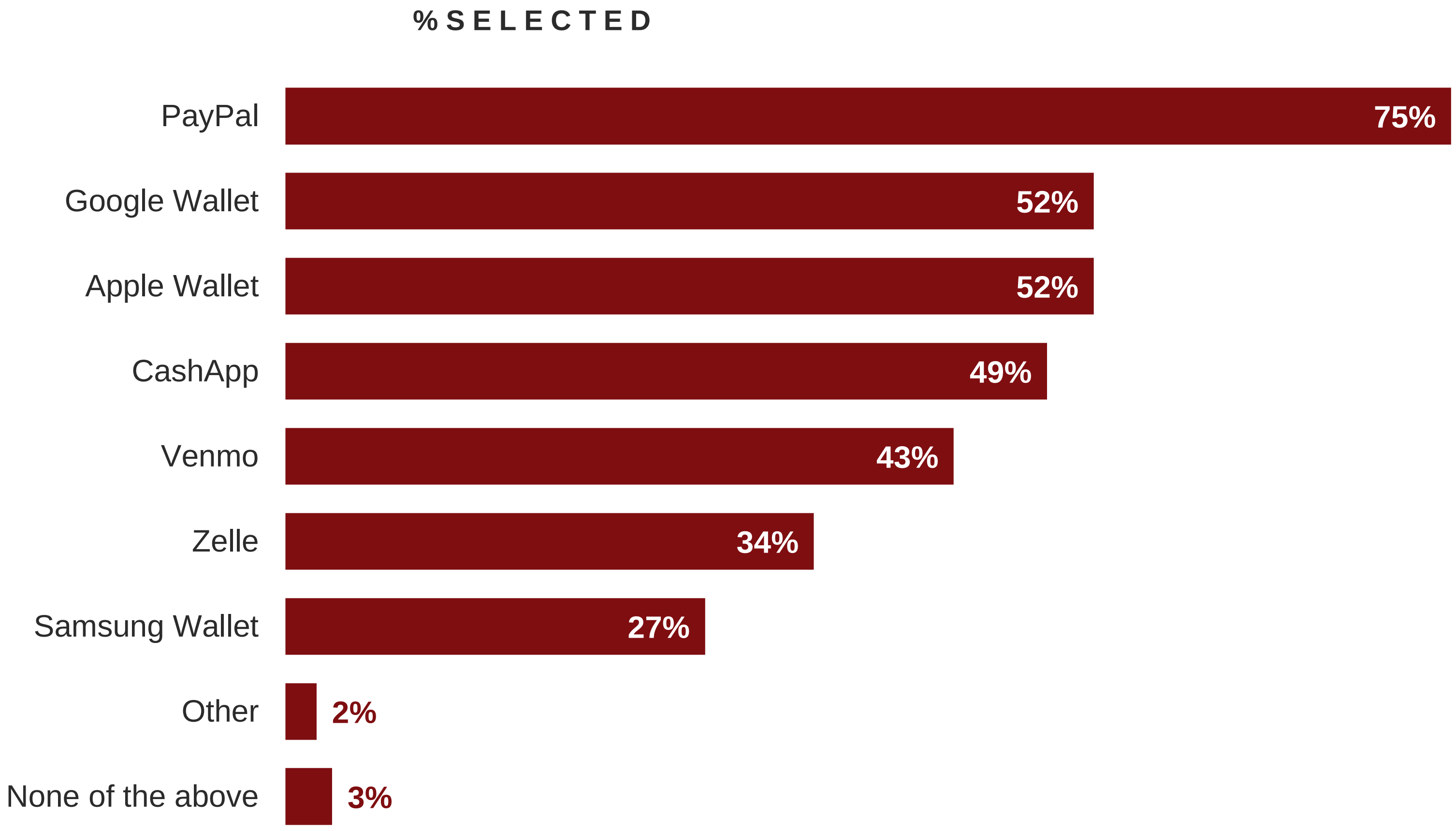
Which of the following best describes your business' plans when it comes to the following?

% Already done / Currently doing this	Mar-25	Aug-24	Aug-23	Aug-22	Aug-21
Using 5G networks to support contactless payments at retail locations*	40%	34%	24%	NA	NA
Subscribing to a 5G-enabled fixed-line business internet service	34%	37%	22%	21%	14%
Providing hot spots to employees	33%	32%	NA	NA	NA
Using 5G networks to power sensors or computer vision to process and track inventory*	30%	31%	17%	NA	NA
Providing 5G-capable smartphones / devices to employees	27%	28%	19%	17%	14%
Providing connected laptops (5G-enabled laptops that connect to the internet over a cellular network rather than Wi-Fi) to employees	26%	27%	NA	NA	NA
Using 5G to power or build new applications supported by mobile edge computing (MEC) technologies	25%	27%	13%	15%	12%
Providing new devices to employees (e.g., phones, laptops, tablets)	23%	28%	NA	NA	NA
Deploying Private 5G networks	21%	22%	14%	12%	10%
Providing an allowance or stipend for employees to upgrade their wireless device and service to 5G	20%	20%	13%	12%	14%
Providing an allowance or stipend for employees to upgrade their home internet service to accommodate remote work	14%	18%	10%	12%	12%

Data not shown for years in which specific attributes were not asked

PayPal is the most widely used form of digital payment, accepted by 3 in 4 decision makers' businesses. Just over half of respondents say their business accepts payment from Google Wallet and Apple Wallet.

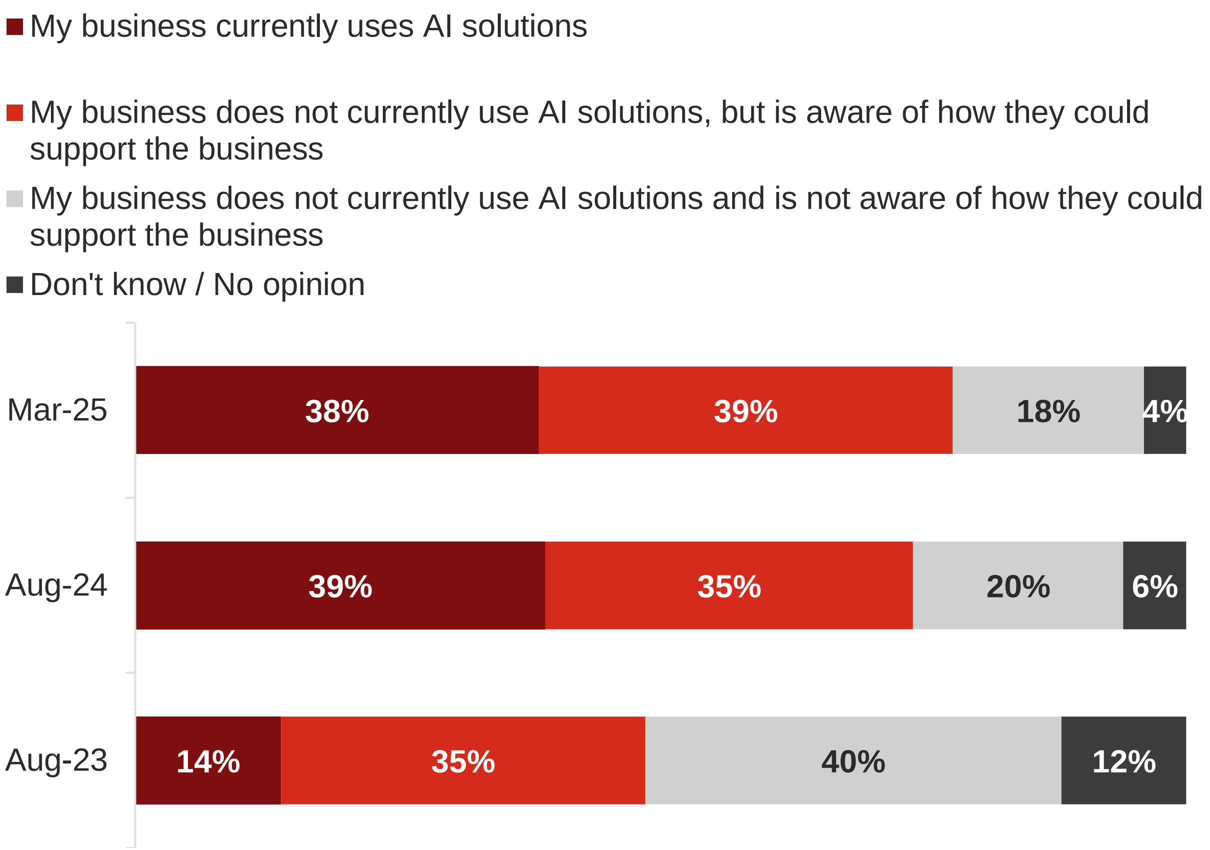
Which of the following digital payment methods does your business accept? Select all that apply.



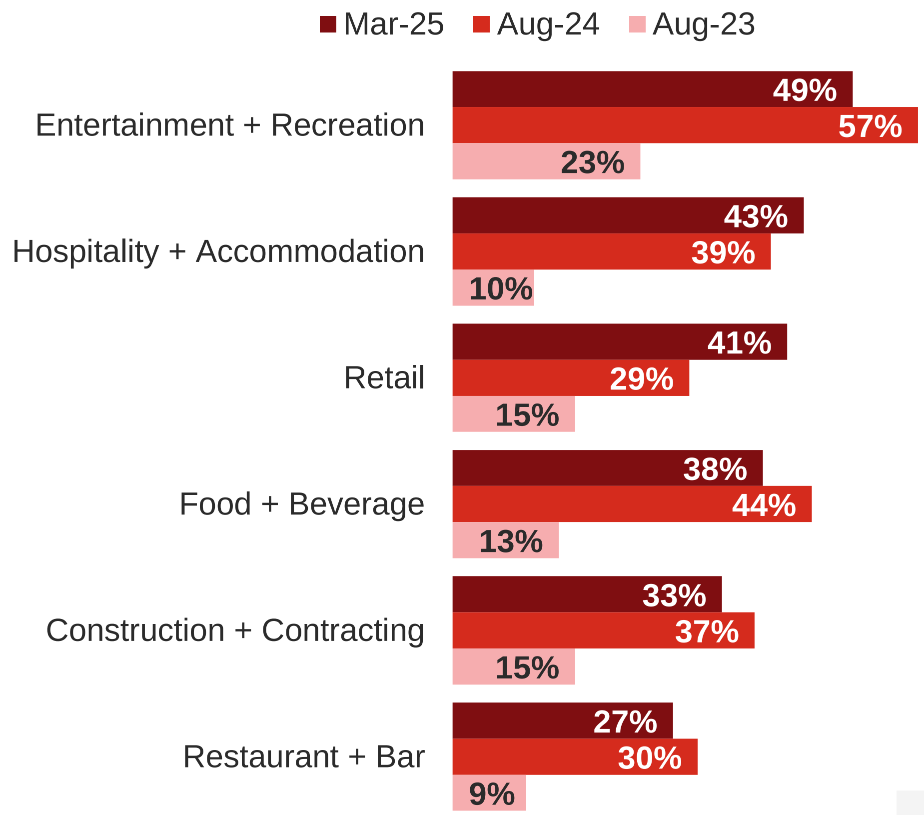
After a spike between August 2023 and 2024, the share of decision makers reporting that their business currently uses AI has remained stable, while the share of non-users aware of how AI could support their business saw a slight increase. The entertainment industry maintains its lead in AI usage, but the retail industry registered the largest growth compared to August.

Which of the following statements most accurately describes your business' current engagement with Artificial Intelligence (AI) solutions?

USAGE OF AI

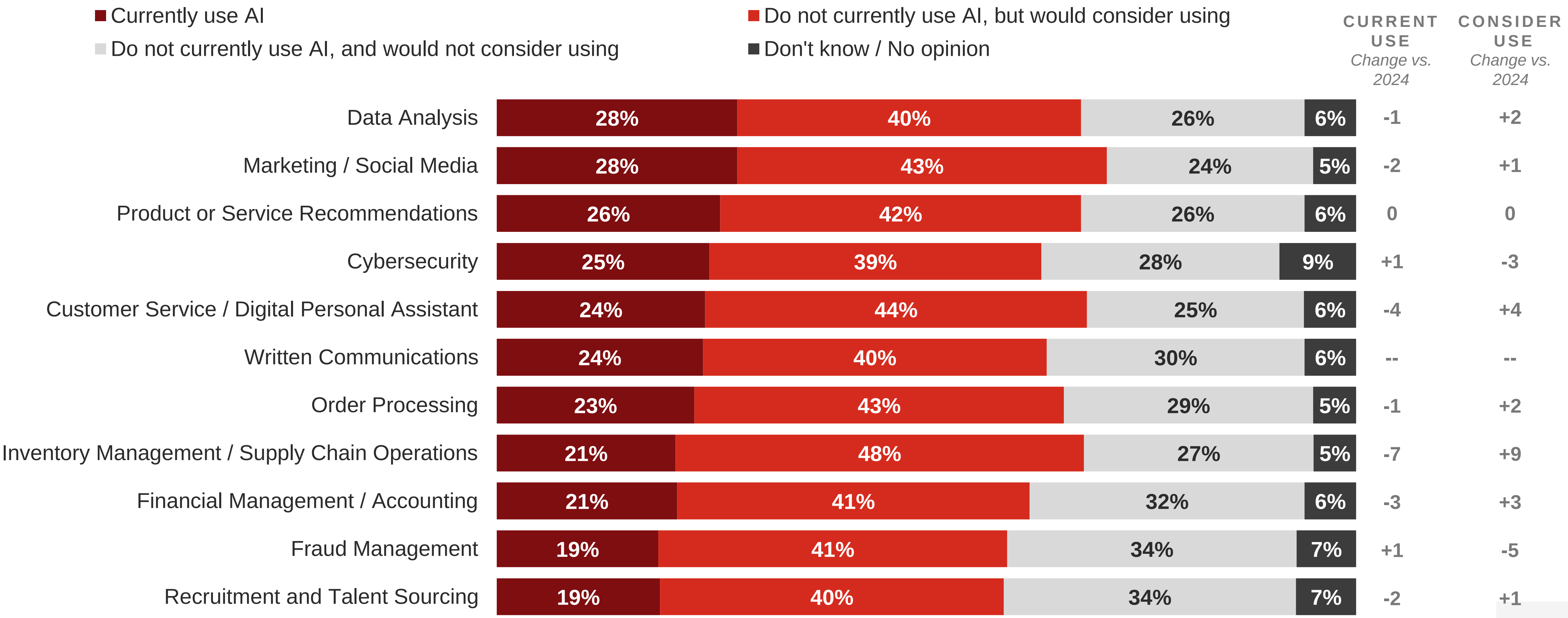


% CURRENTLY USE AI BY INDUSTRY



AI adoption remains on par with August 2024 across most business functions. *Current* usage of AI for customer service and inventory management saw downticks compared to the previous wave, though *consideration* of use for these functions saw upticks.

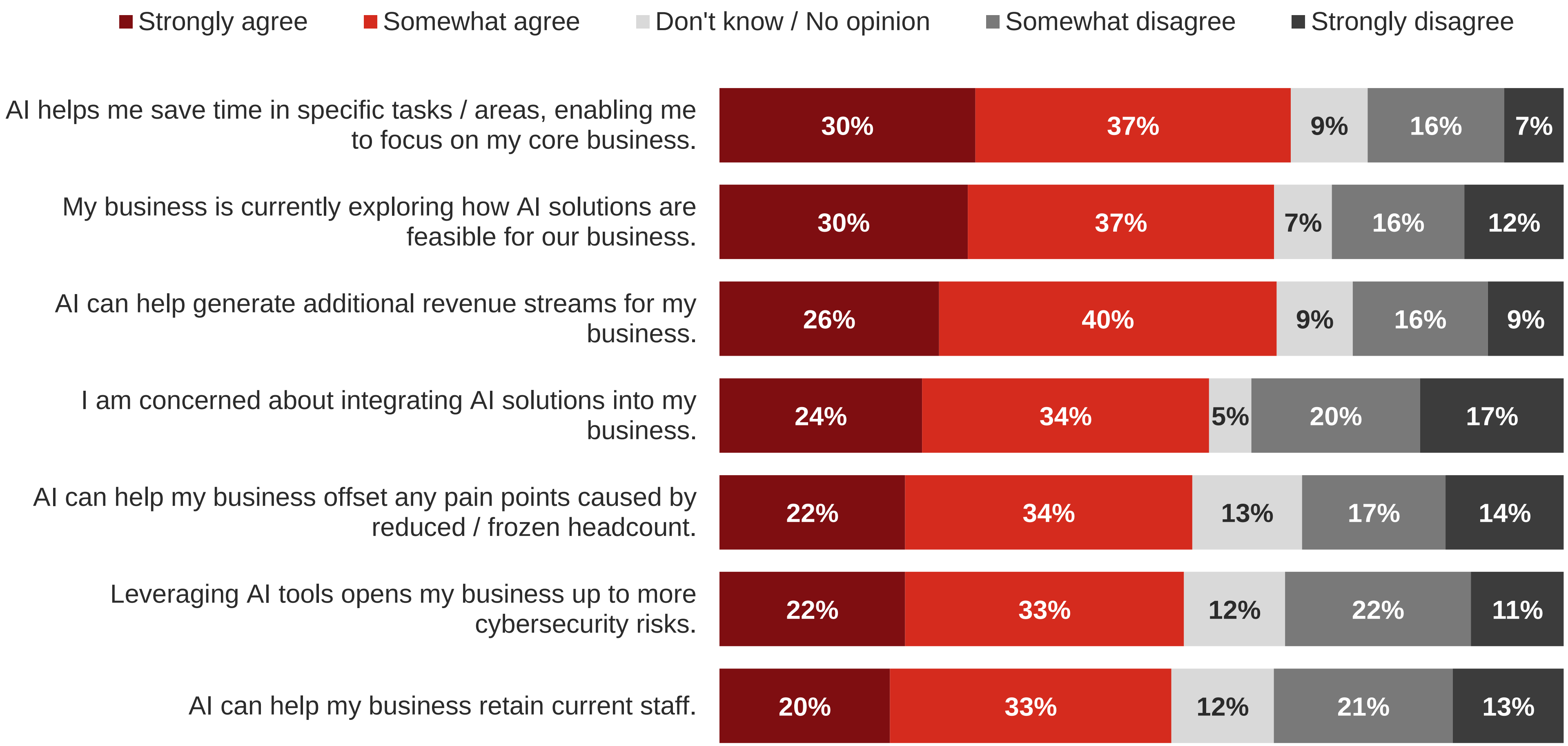
For what specific business functions do you currently use and/or would you consider using Artificial Intelligence (AI) solutions?



MORNING CONSULT + verizon business

Decision makers' perceptions of AI's benefits remain consistent, while reservations about the technology have declined since last August; fewer say they're concerned about integrating AI into their business and believe that leveraging AI opens them up to cybersecurity risks this wave.

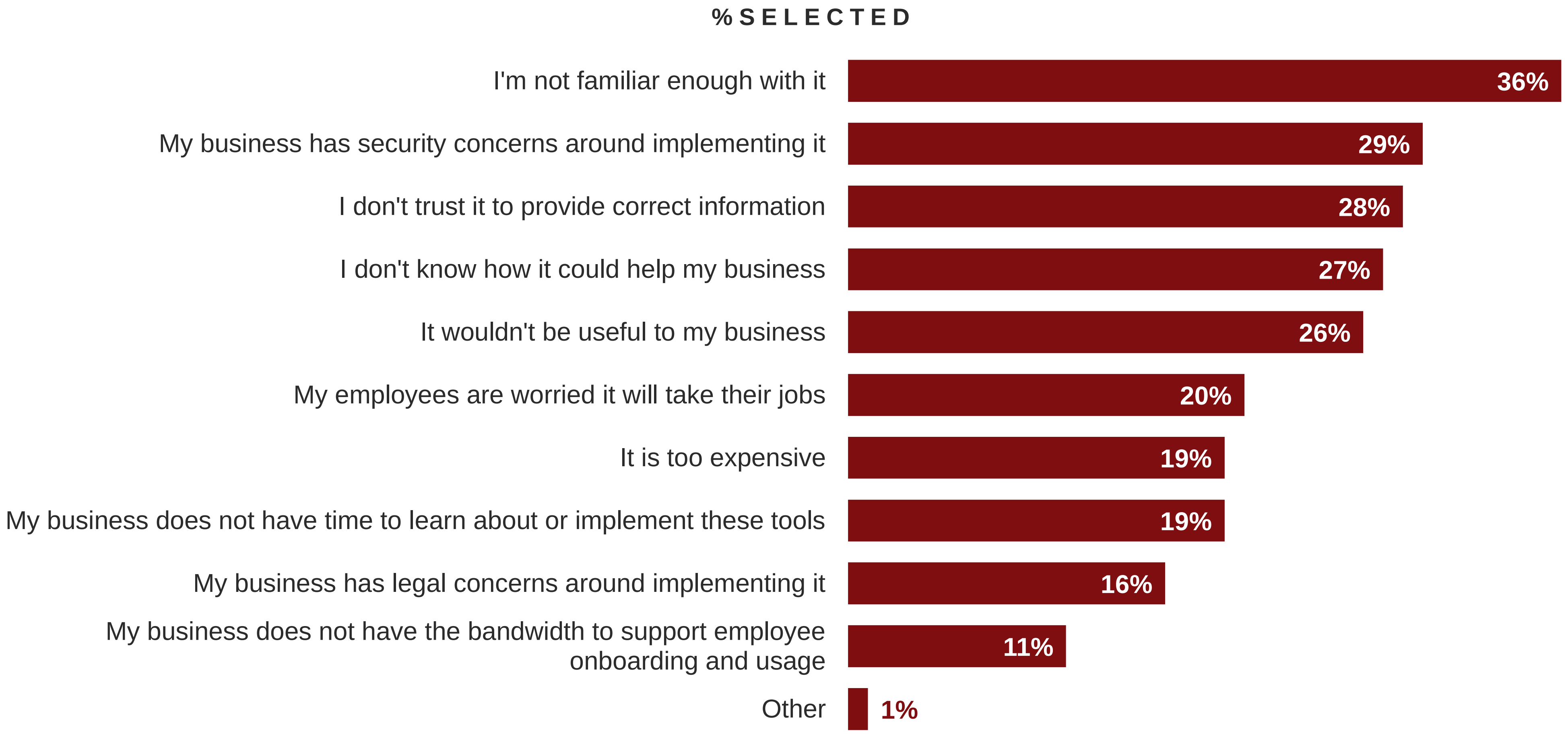
To what extent do you agree or disagree with the following statements?



Statement	STRONGLY OR SOMEWHAT AGREE 2025	WOW CHANGE
AI helps me save time in specific tasks / areas, enabling me to focus on my core business.	67%	0
My business is currently exploring how AI solutions are feasible for our business.	67%	+1
AI can help generate additional revenue streams for my business.	66%	+1
I am concerned about integrating AI solutions into my business.	58%	-5
AI can help my business offset any pain points caused by reduced / frozen headcount.	56%	-1
Leveraging AI tools opens my business up to more cybersecurity risks.	55%	-7
AI can help my business retain current staff.	53%	-4

Among decision makers who do not use AI in their business, the leading barrier is a lack of familiarity – cited by almost 2 in 5. Concerns about security and accuracy, as well as lack of understanding of how it could help also rise to the top of reasons cited.

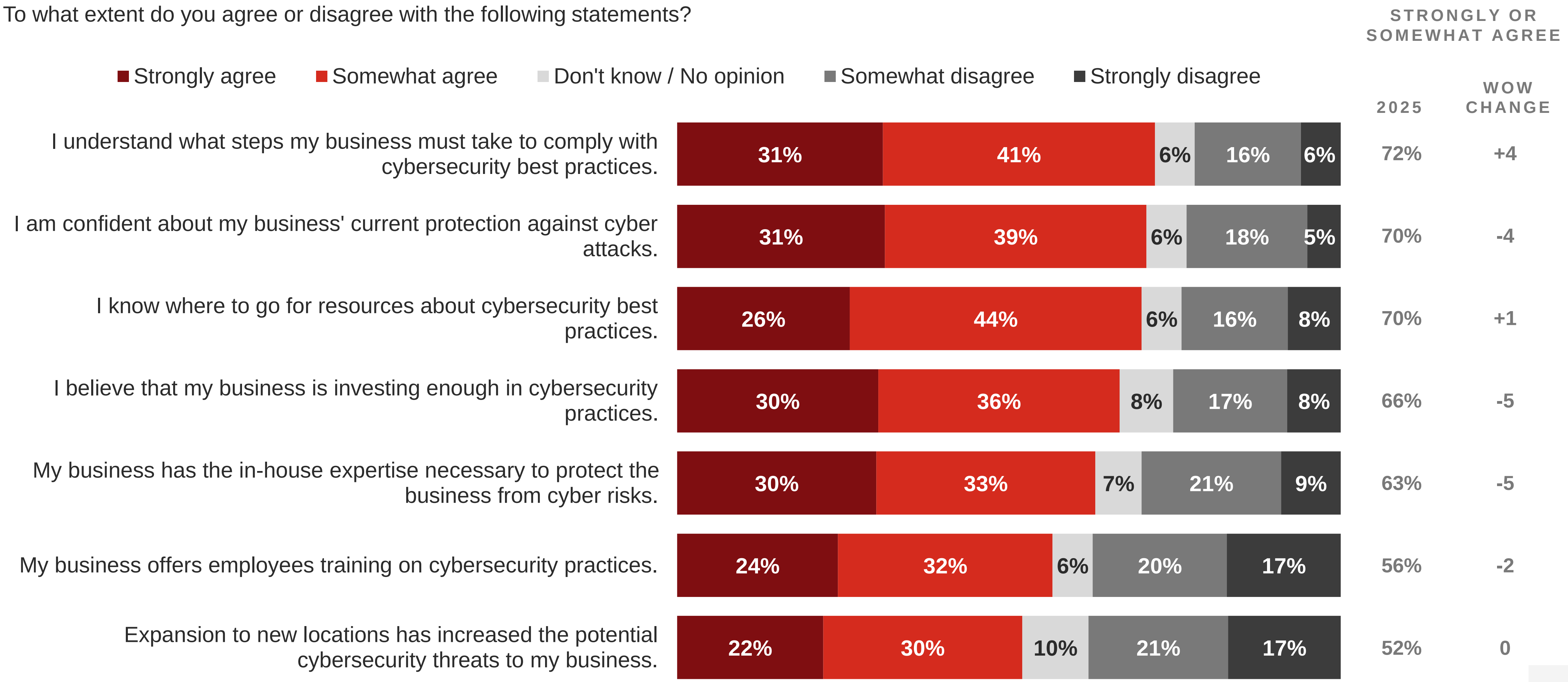
You mentioned your business does not currently use AI – why is that? Select all that apply.



Base: Respondents whose business does not currently use AI

Decision makers have a greater awareness of what steps their businesses must take to comply with cybersecurity best practices than last wave, but are less confident in their business' current protection against attacks. Respondents' belief that their business is investing enough in cybersecurity and has enough expertise to defend against cyber risks both declined since last summer.

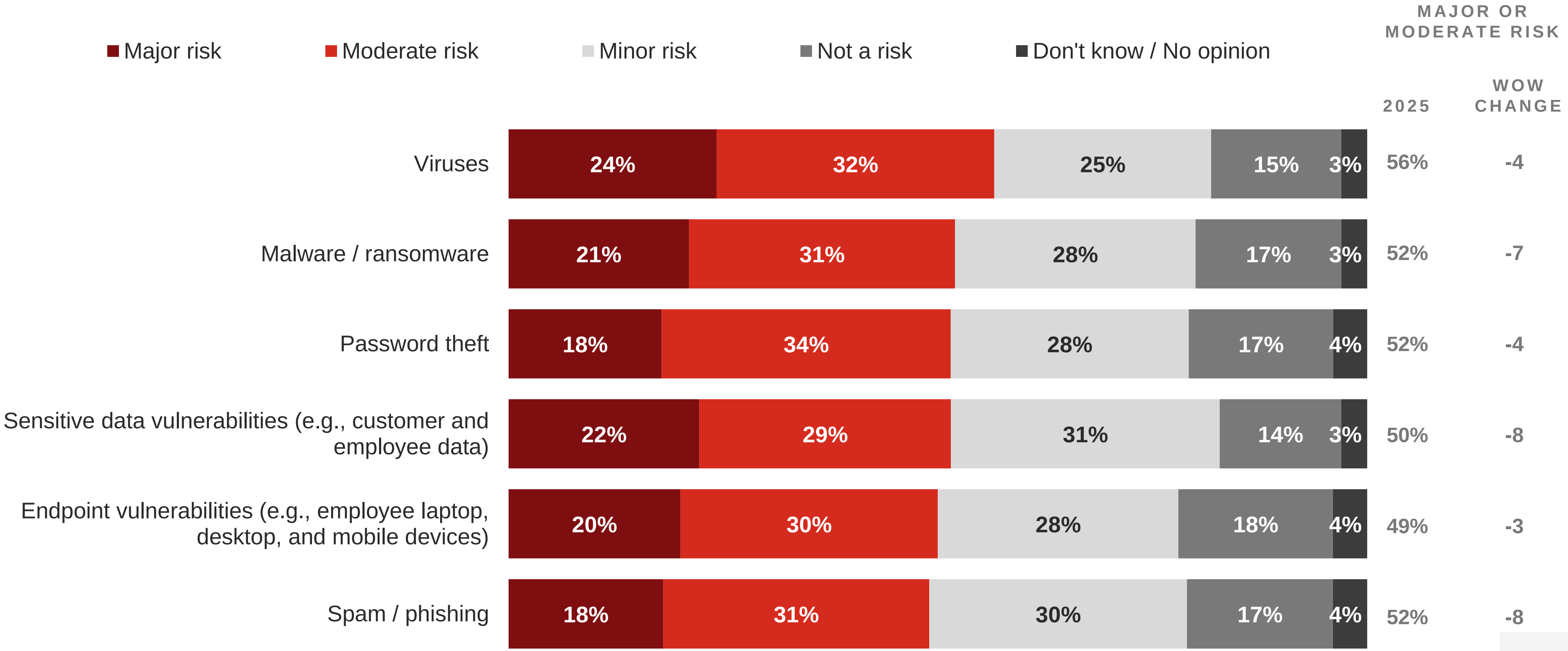
To what extent do you agree or disagree with the following statements?



MORNING CONSULT + verizon business

Majorities of decision makers continue to view each type of cyber attack as a risk to their business, though intensity of concern has declined; respondents are less likely to consider each type of cyber attack as a *major* risk to their business compared to August 2024.

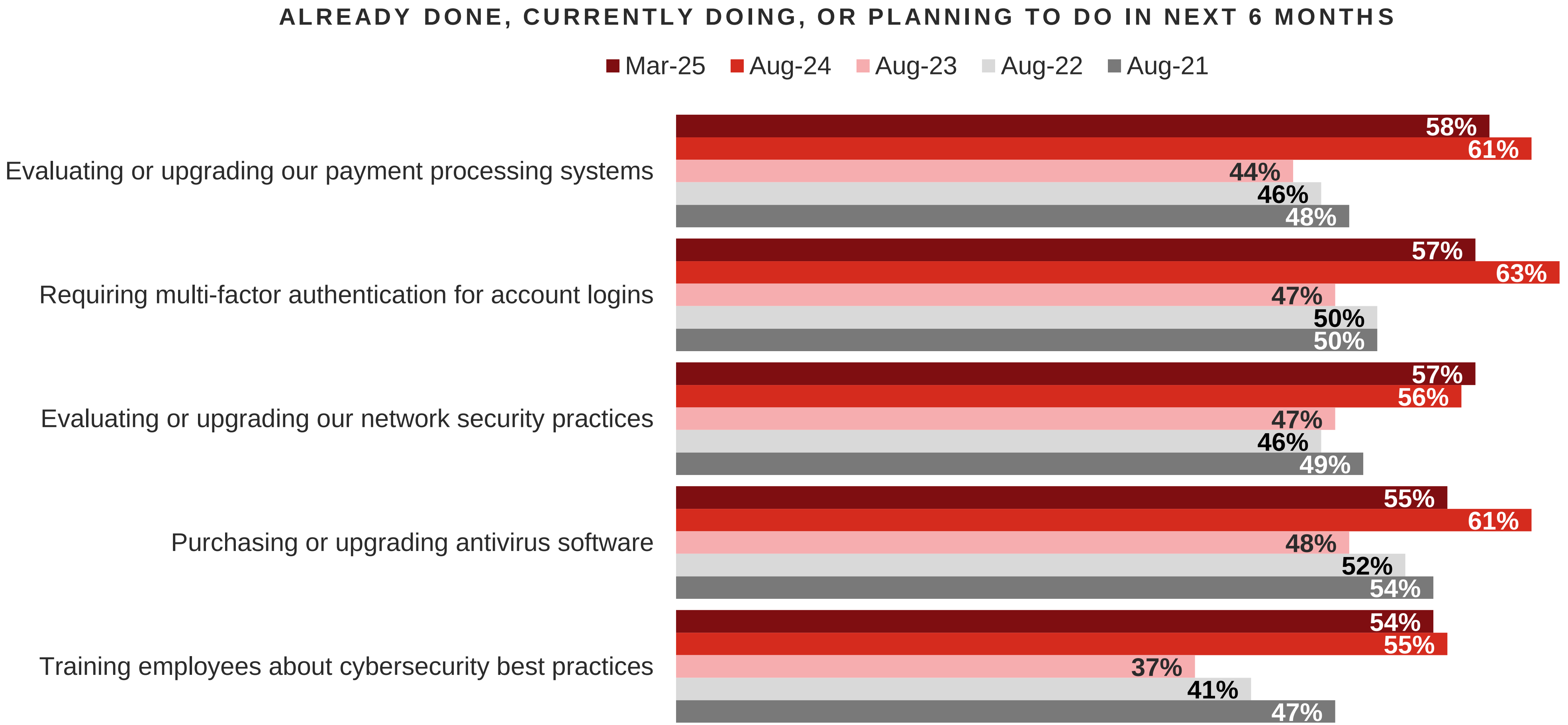
To what extent do you consider each of the following a cyber risk to your business?



MORNING CONSULT + verizon business

Fewer respondents report that they already have or are planning to require multi-factor authentication or purchase antivirus software, after a spike in 2024 across the board, while the share of decision makers training employees on cybersecurity best practices remains consistent.

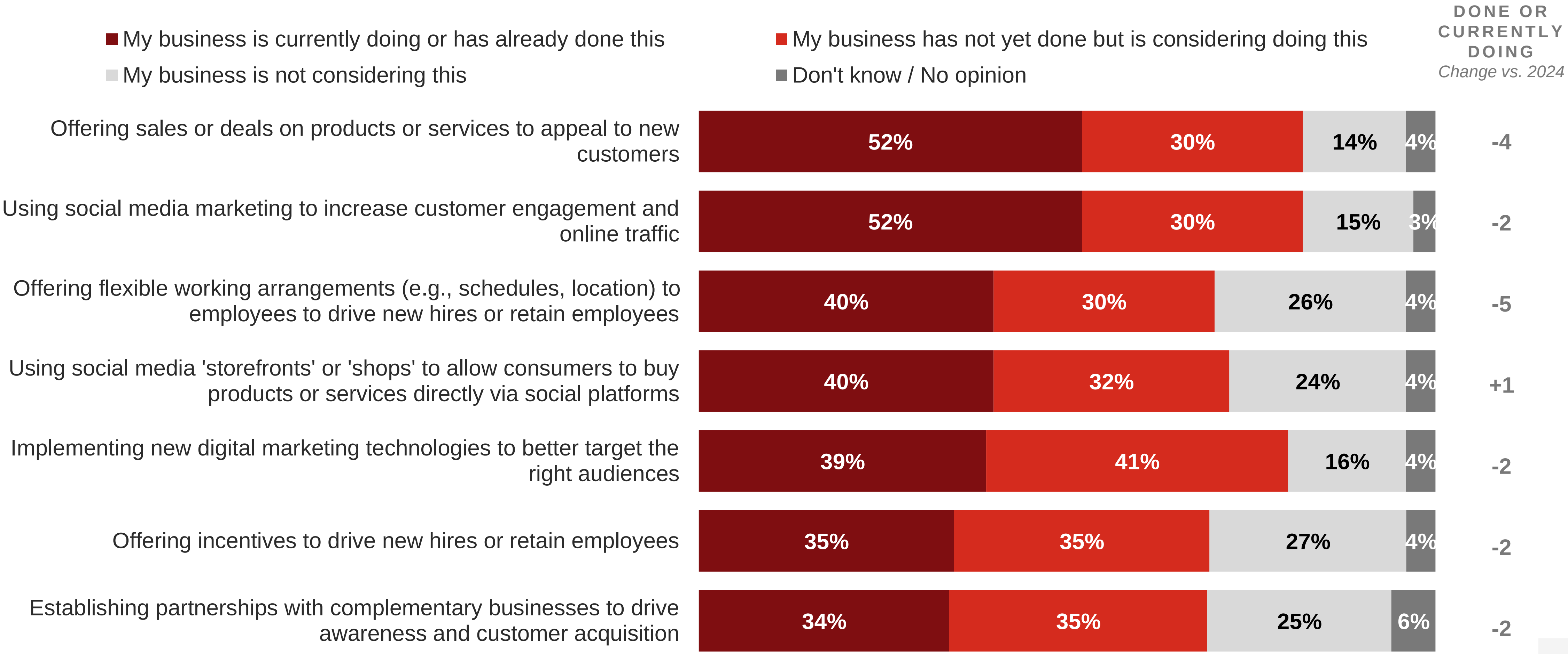
And, which of the following best describes your business' plans when it comes to the following?



CONTENTS

Consistent with the last wave, sales (52%) and social media marketing (52%) are the leading customer outreach tactics that decision makers have used over the past year. Flexible working arrangements have declined, with fewer decision makers saying they are currently or considering offering them to employees.

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

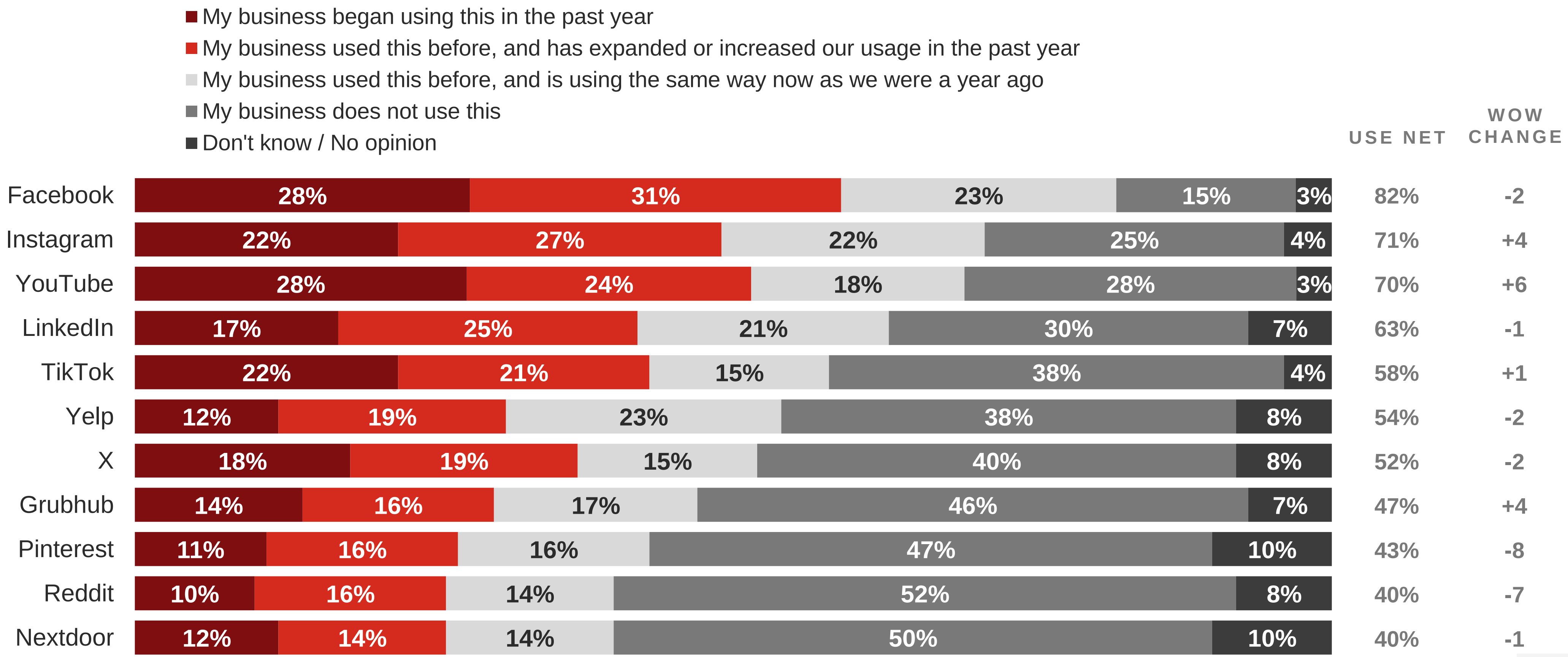


* Added in 2024 study

MORNING CONSULT + verizon business

Facebook remains the leading platform for promoting products and connecting with customers, used by more than 4 in 5 decision makers. YouTube saw substantial growth compared to last August, particularly among respondents who reported they began using it in the past year, bypassing LinkedIn as the third most used platform.

Similarly, 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?

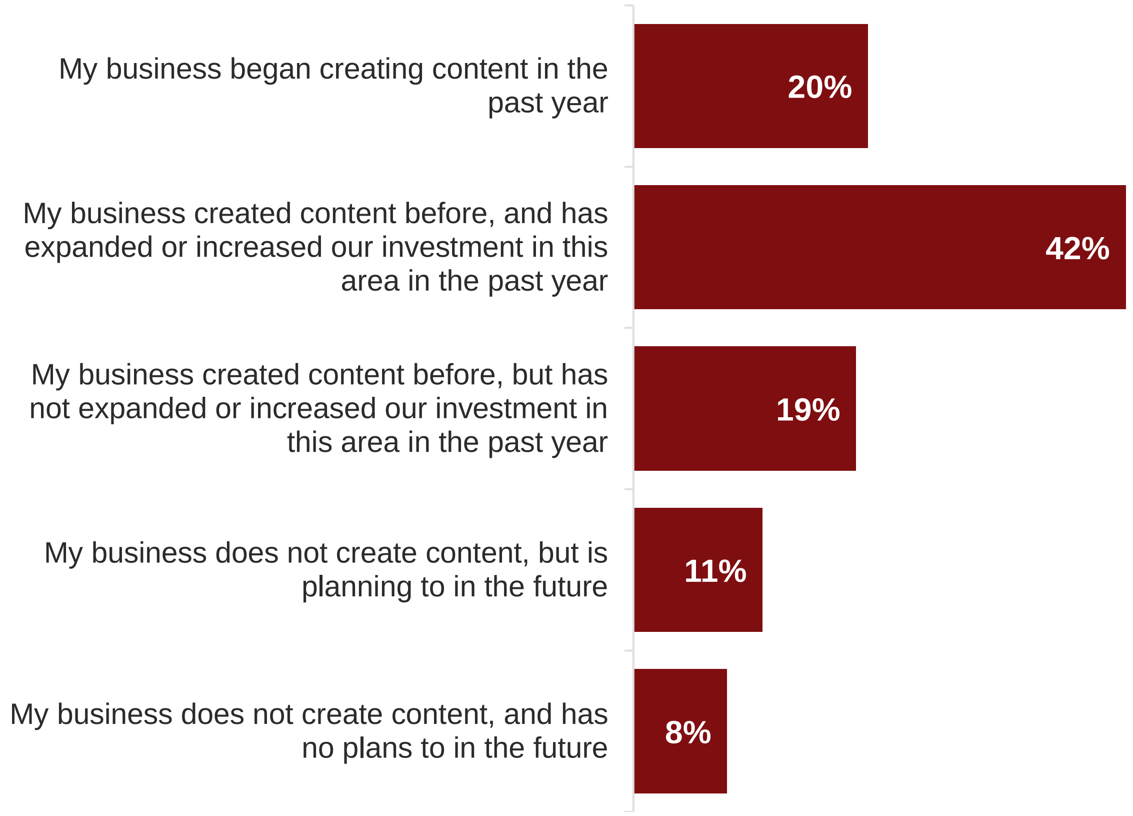


MORNING CONSULT + verizon business

More than three in five decision makers began creating content or increased their investment in content creation in the past year. Over two thirds of respondents say their content is created by a formal in-house department or full-time dedicated staff.

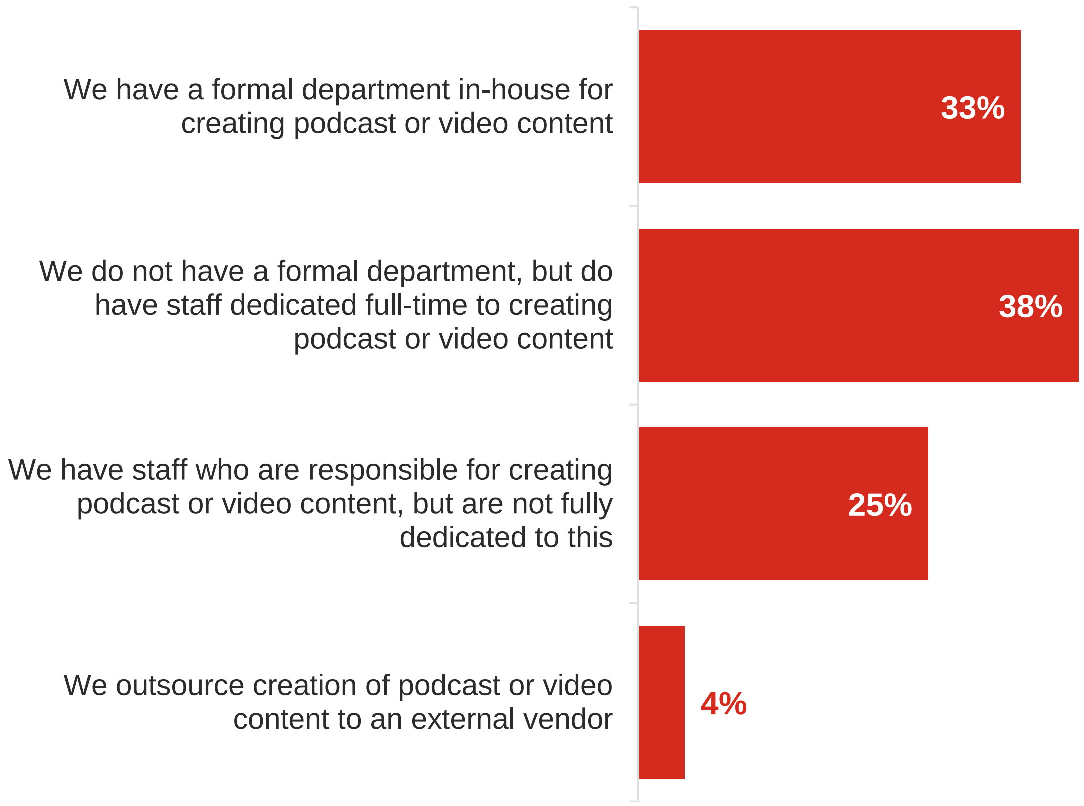
Which statement below best describes your business' experience with creating original online content (e.g., podcasts or videos on YouTube, Instagram Reels, TikTok, etc.)? / And who at your company is responsible for creating that content? Select one.

CONTENT CREATION



Base: Respondents whose business uses social media platforms

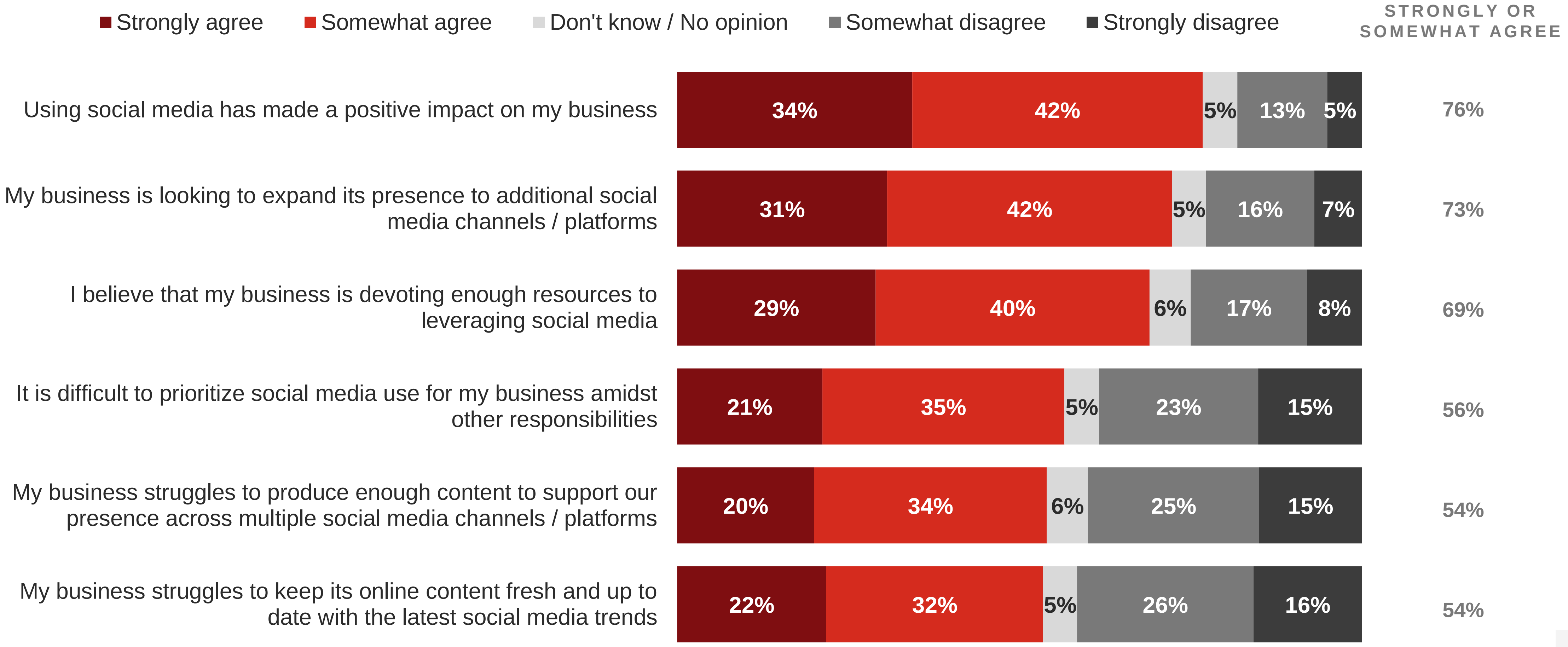
RESPONSIBLE FOR CONTENT CREATION



Base: Respondents whose business creates content

Most decision makers agree that social media has had a positive impact on their business and are looking to expand onto additional channels and platforms. Still, half of respondents cite struggling to produce enough content and to keep their content up to date with trends.

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



Base: Respondents whose business uses social media platforms

CONTENTS

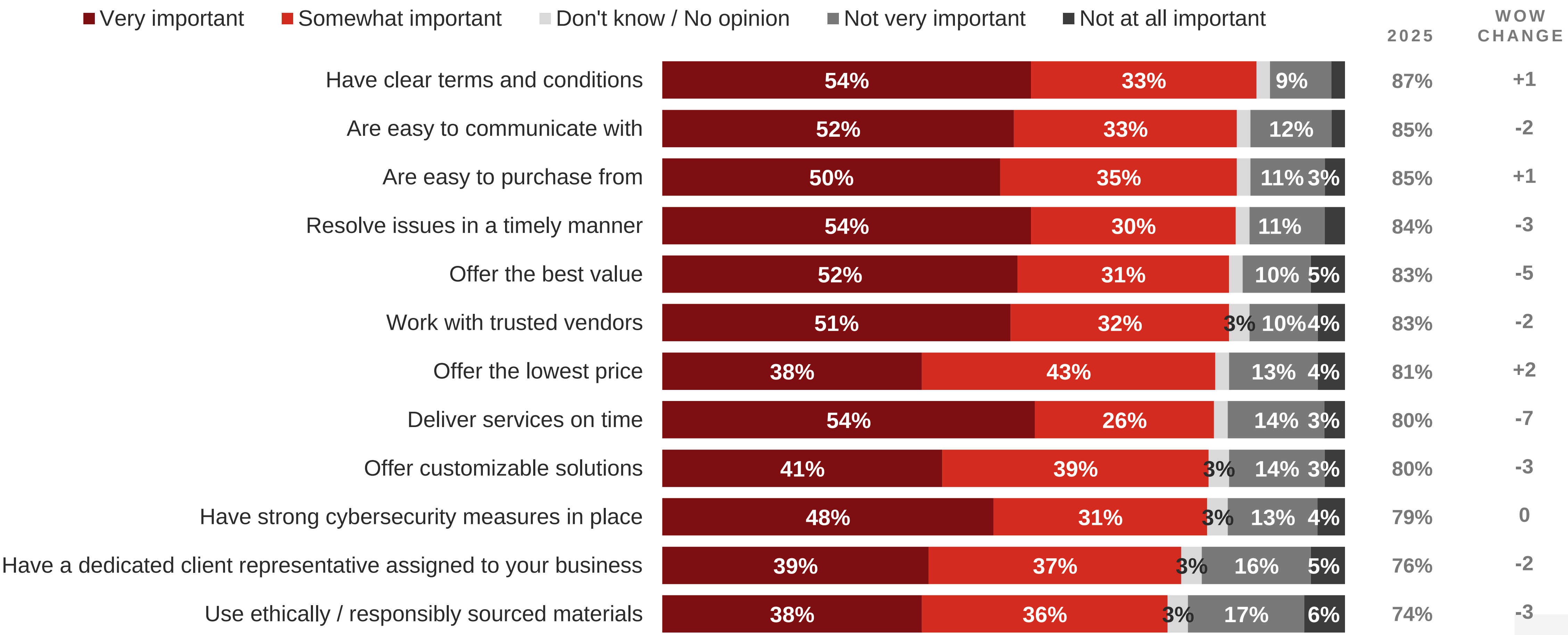
MORNING CONSULT® + verizon business

MORNING CONSULT + verizon business

Offering clear terms and conditions, as well as ease and timeliness of service are the most important criteria in how businesses decide which companies to partner with. Value and on time deliveries saw declines in perceived importance this wave, though over half still view these factors as *very* important.

When your business is deciding which companies to work with or purchase services from, how important is it that those companies…

VERY OR SOMEWHAT IMPORTANT



Clear terms and ease of purchasing rise to the top of considerations across most industries. Offering customizable solutions is uniquely important to the entertainment industry, and working with trusted vendors emerges as a top factor for the retail industry.

When your business is deciding which companies to work with or purchase services from, how important is it that those companies…

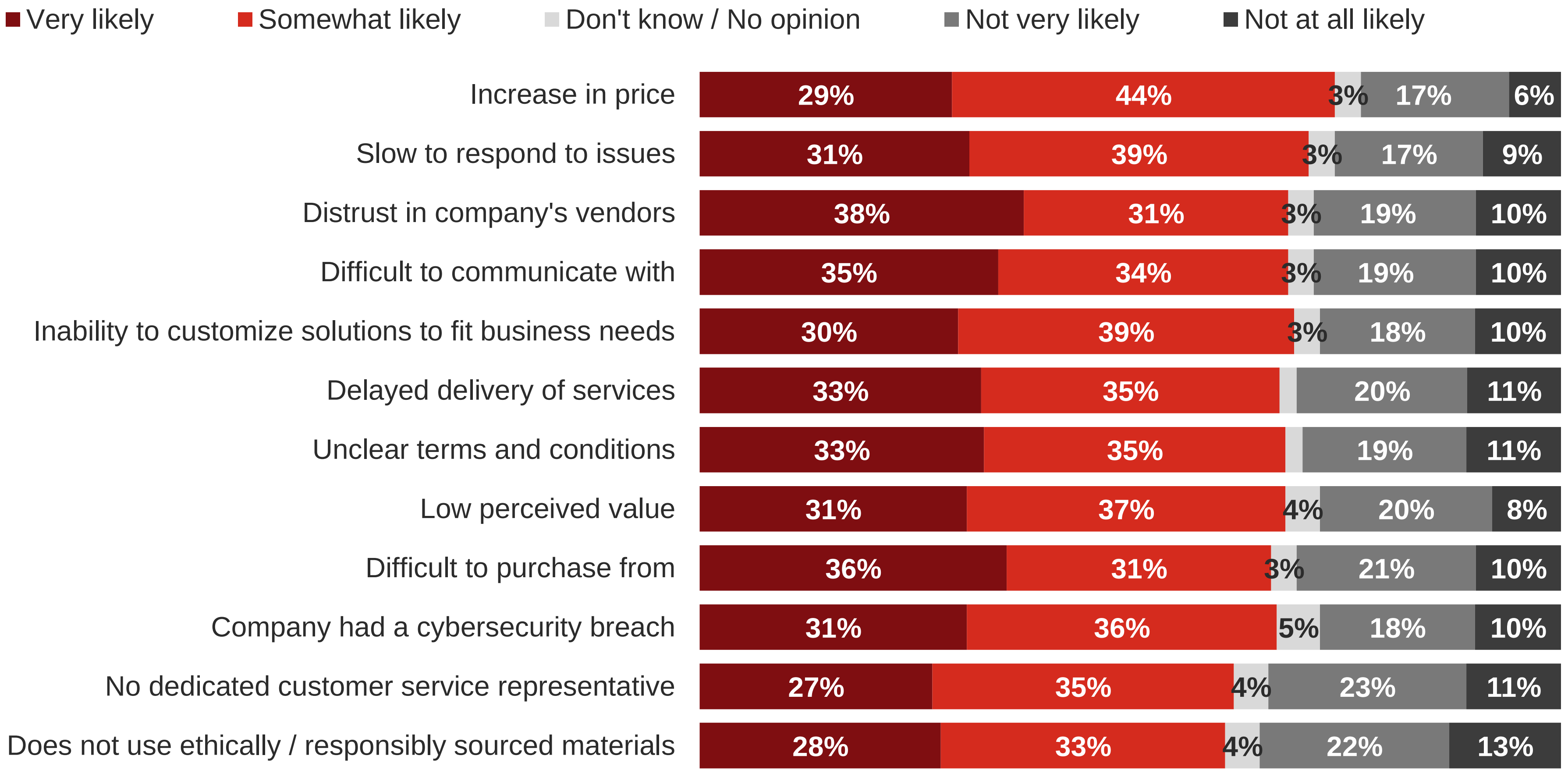
TOP CONSIDERATIONS FOR CHOOSING PARTNER – % VERY OR SOMEWHAT IMPORTANT

Industry: Construction + Contracting	Industry: Entertainment + Recreation	Industry: Food + Beverage	Industry: Hospitality + Accommodation	Industry: Retail	Industry: Restaurant + Bar
Offer the best value: 89%	**Offer customizable solutions:** 82%	**Are easy to communicate with:** 88%	**Have clear terms and conditions:** 90%	**Work with trusted vendors:** 93%	**Have clear terms and conditions:** 91%
Have clear terms and conditions: 88%	**Are easy to purchase from:** 82%	**Are easy to purchase from:** 84%	**Offer the best value:** 84%	**Deliver services on time:** 91%	**Deliver services on time:** 90%
Are easy to purchase from: 87%	**Resolve issues in a timely manner:** 82%	**Have clear terms and conditions:** 84%	**Offer the lowest price:** 82%	**Are easy to communicate with:** 90%	**Are easy to purchase from:** 88%

MORNING CONSULT + verizon business

Consistent with August 2024, respondents report that price increases and slow response times would be most likely to lead them to switch partners.

If you experienced each of the following with a company your business works with or purchases services from, how likely would you be to switch to a different partner for that service?



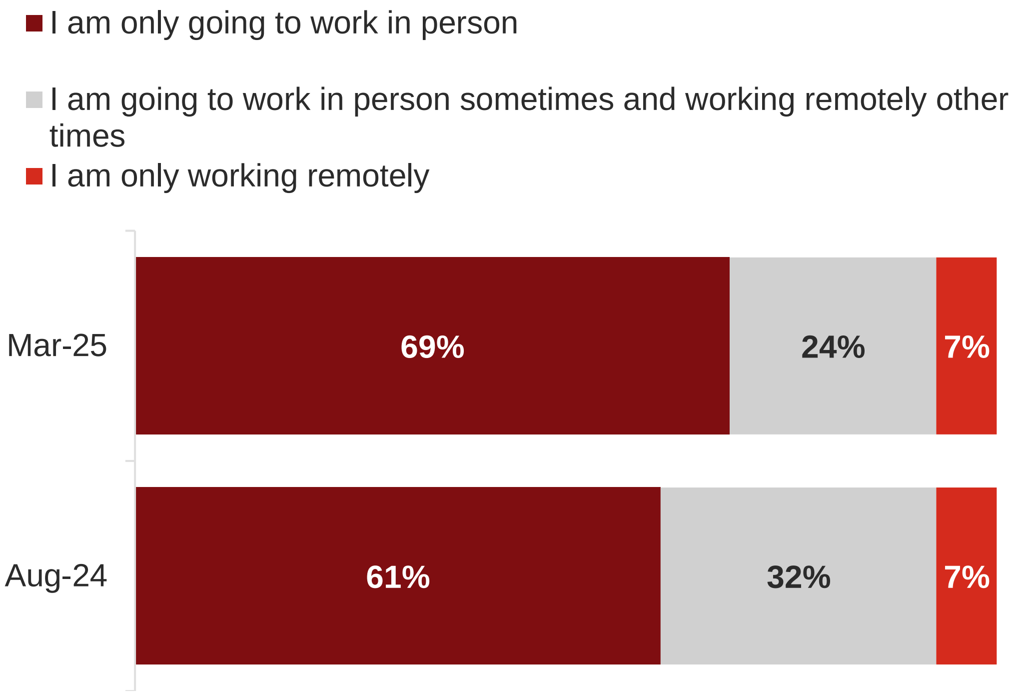
	VERY OR SOMEWHAT IMPORTANT	
	2025	WOW CHANGE
Increase in price	73%	0
Slow to respond to issues	70%	-1
Distrust in company's vendors	69%	-3
Difficult to communicate with	69%	0
Inability to customize solutions to fit business needs	69%	+3
Delayed delivery of services	68%	-1
Unclear terms and conditions	68%	-1
Low perceived value	68%	-3
Difficult to purchase from	67%	-3
Company had a cybersecurity breach	67%	+2
No dedicated customer service representative	62%	-4
Does not use ethically / responsibly sourced materials	61%	-2

CONTENTS

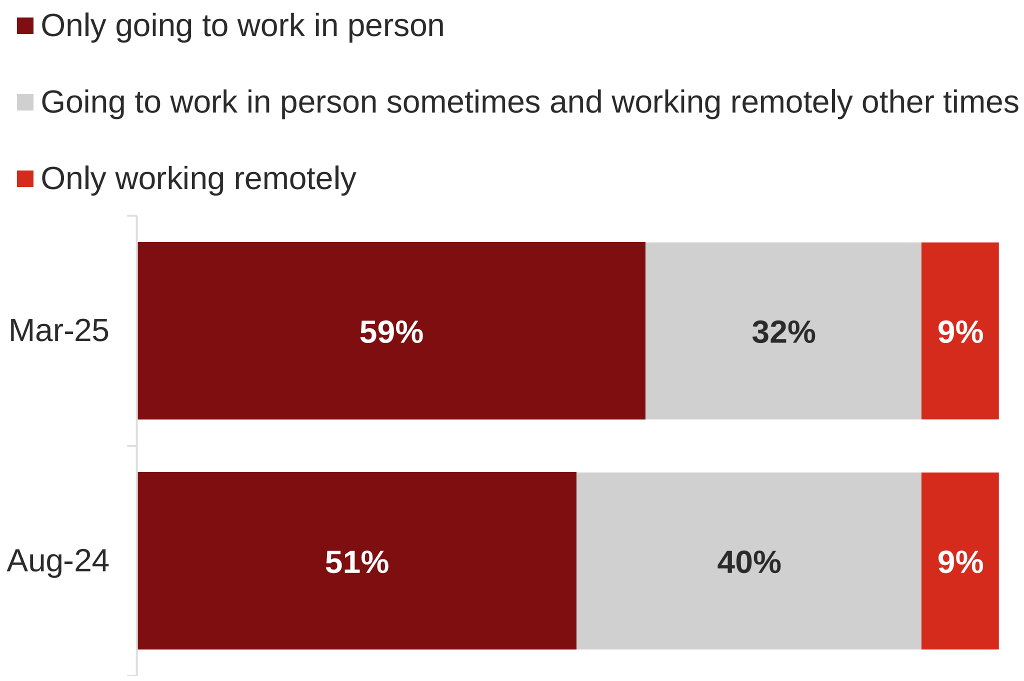
More decision makers are working fully in person compared to August 2024, with the shift driven by a shrinking share working hybrid. Respondents' expectations of working fully in-person one year from now saw a parallel increase since last summer, while the share expecting to be working hybrid next year also declined.

Which of the following best describes your personal situation currently? // And, what do you anticipate your personal situation will be one year from now?

CURRENT WORKING LOCATION



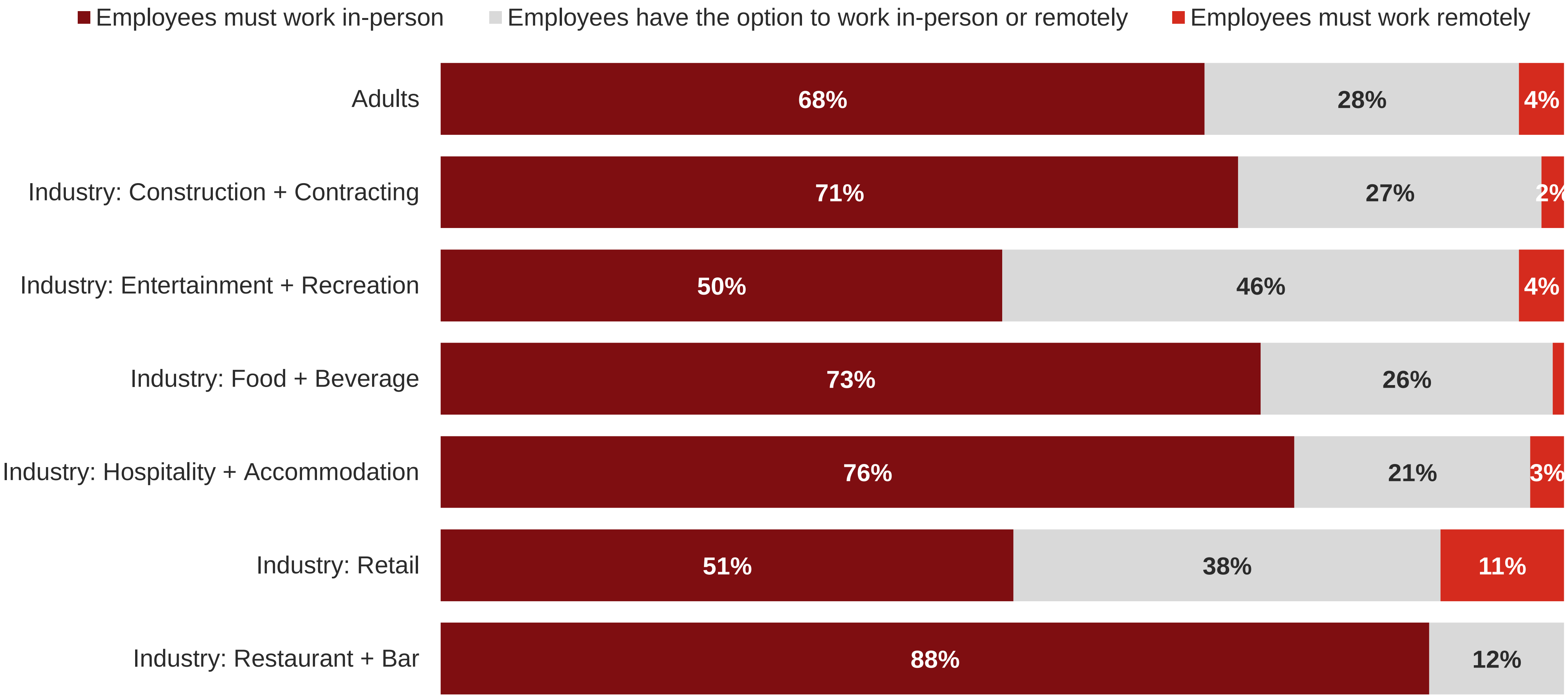
EXPECTED WORKING LOCATION



MORNING CONSULT® + verizon business

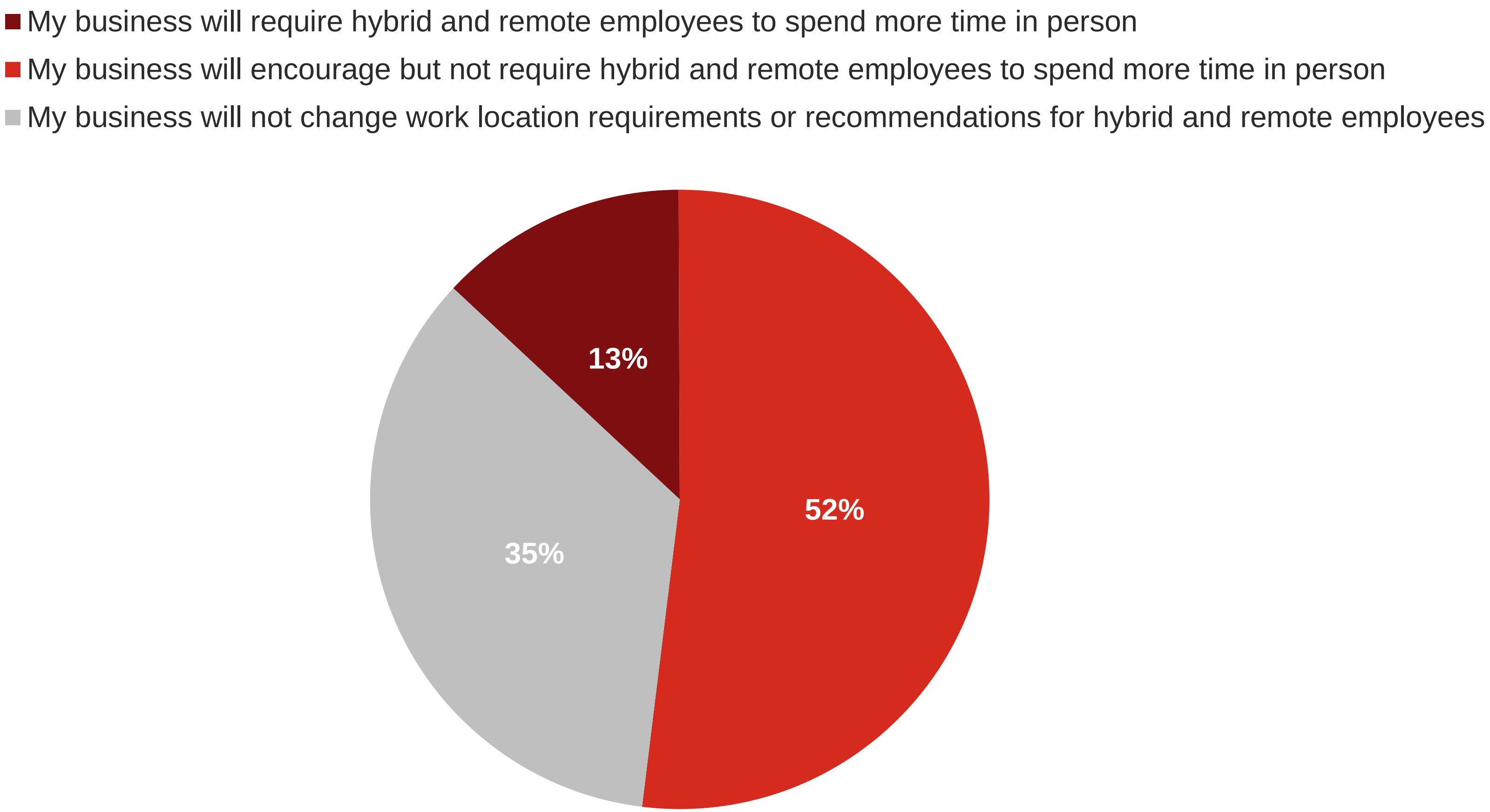
More than two thirds of decision makers say that their business requires employees to work fully in-person. Only half of respondents in the entertainment and recreation and retail industries require in-person work, while those in the restaurant and bar industry are least likely to report allowing an option for hybrid working location.

Which of the following best describes your business' policy toward remote and in-person work?



More than 3 in 5 decision makers report that their business will be changing the balance of remote and in-person work in the upcoming year, with a majority of respondents saying they will encourage employees to voluntarily spend more time in person and just over 1 in 10 making a mandatory return to office requirement.

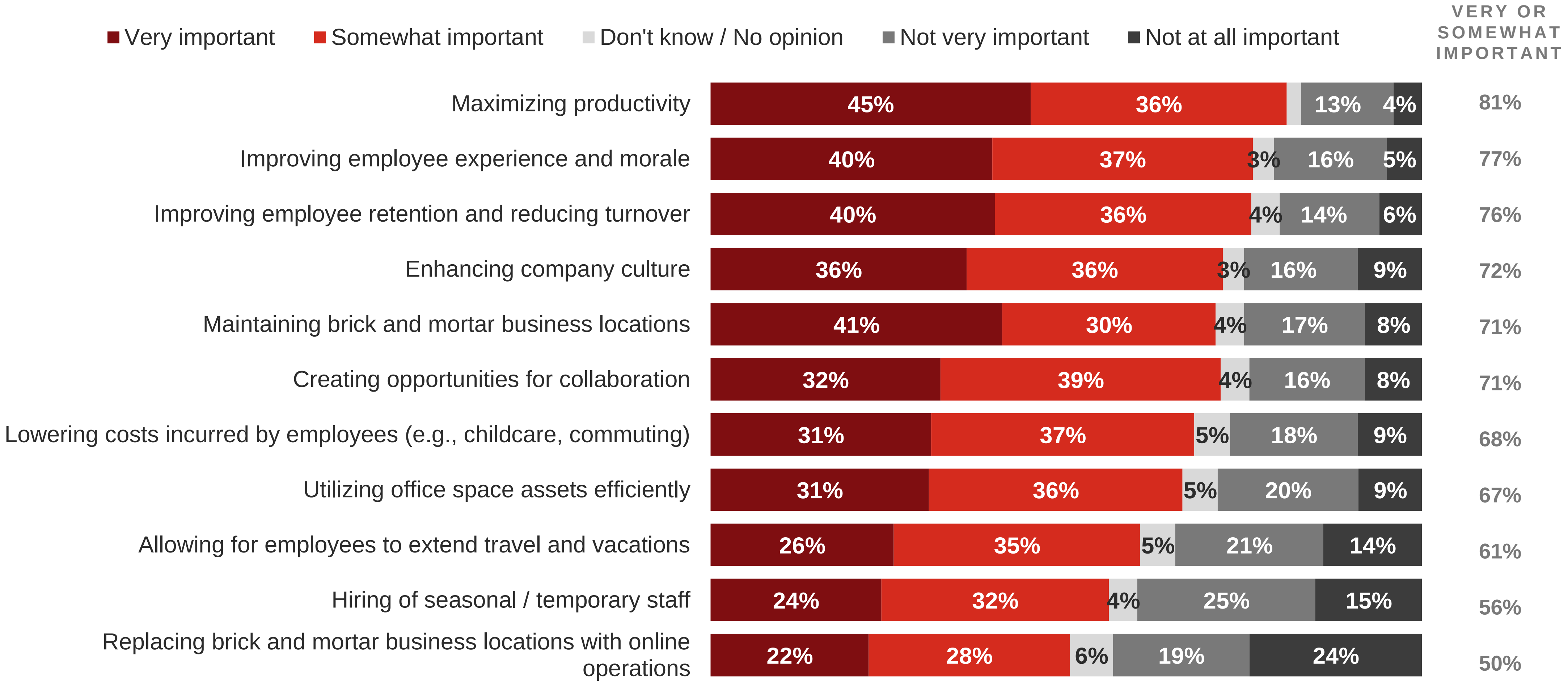
Thinking about the upcoming year, which of the following best describes how your business plans to balance remote and in-person work? Select one.



Base: Respondents whose business allows remote work

Maximizing productivity rises to the top of decision makers' considerations about their business' working location policy, while improving retention of employees as well as their experience and morale form a close second tier.

How important are the following considerations to your decision-making about your business' policy toward remote and in-person work?



Respondents cite similar thinking about work location policy across industries, though allowing employees to extend travel and vacations uniquely emerges as a top three consideration for entertainment industry decision makers and efficiently utilizing office space rises to the second most important consideration for those in the retail industry.

How important are the following considerations to your decision-making about your business' policy toward remote and in-person work?

TOP CONSIDERATIONS FOR POLICY TOWARD REMOTE AND IN-PERSON WORK– % VERY OR SOMEWHAT IMPORTANT

Industry: Construction + Contracting	Industry: Entertainment + Recreation	Industry: Food + Beverage	Industry: Hospitality + Accommodation	Industry: Retail	Industry: Restaurant + Bar
Maximizing productivity: 87%	**Improving employee retention and reducing turnover:** 77%	**Maximizing productivity:** 81%	**Improving employee experience and morale:** 76%	**Maximizing productivity:** 80%	**Improving employee retention and reducing turnover:** 86%
Improving employee retention and reducing turnover: 82%	**Maximizing productivity:** 75%	**Improving employee experience and morale:** 79%	**Maximizing productivity:** 76%	**Utilizing office space assets efficiently:** 74%	**Improving employee experience and morale:** 85%
Improving employee experience and morale: 78%	**Allowing for employees to extend travel and vacations:** 75%	**Improving employee retention and reducing turnover:** 74%	**Enhancing company culture:** 73%	**Improving employee experience and morale:** 73%	**Maximizing productivity:** 85%

MORNING CONSULT®

verizon business