

VERIZON BUSINESS: LATINO SMALL BUSINESS OWNER REPORT

Results

APRIL 2024

Background

Wave Two

METHODOLOGY

This poll was conducted by Morning Consult on behalf of Verizon Business between March 20 – April 2, 2024 among a sample of 500 Latino small business owners and 500 non-Latino small business owners across the US. The interviews were conducted online, and respondents were able to choose to complete the survey in English or Spanish. Results from the full survey among each audience have a margin of error of +/- 4 percentage points.

TARGET AUDIENCE – LATINO SBO

- Owns a business with 2 to 100 employees in the US
- Self-identifies as Hispanic/Latino(a)

TARGET AUDIENCE – NON-LATINO SBO

- Owns a business with 2 to 100 employees in the US
- Does not self identify as Hispanic/Latino(a)

Wave One

METHODOLOGY

This poll was conducted by Morning Consult on behalf of Verizon Business between March 21 – March 29, 2023 among a sample of 500 Latino small business owners across the US. The interviews were conducted online, and respondents were able to choose to complete the survey in English or Spanish. Results from the full survey have a margin of error of +/- 4 percentage points.

TARGET AUDIENCE – LATINO SBO

- Owns a business with 2 to 100 employees in the US
- Self-identifies as Hispanic/Latino(a)

Key Findings

- 1. Latino small business owners are prioritizing investments in technology this year.** They most commonly say their business is prioritizing technology (41%) and improvements to existing products/services (41%) in 2024, and most commonly report that their IT functions are most in need of a technology upgrade.
- 2. To help their businesses adapt to the changing digital landscape, Latino small business owners are eager for external support.** More than 4 in 5 say they're interested in programs offering the ability to speak with IT experts about new technologies (88%) and eCommerce experts about their business's digital presence (87%). In an open-ended environment, Latino small business owners commonly cite digital/social media marketing strategy and implementation of AI as important for their business to be able to succeed in today's environment.
- 3. Concern about the economy remains high among Latino small business owners, but they also remain optimistic about the future.** More than 3 in 4 say they're concerned about the U.S. economy and the possibility of an economic recession (79% each), consistent with 2023. Concern around personal job security (74%) saw an uptick compared to last year. However, 65% say they expect economic conditions to improve over the next few months, and 85% expect their business to be better off a year from now.

CONTENTS

TECHNOLOGY & DIGITAL TRANSFORMATION

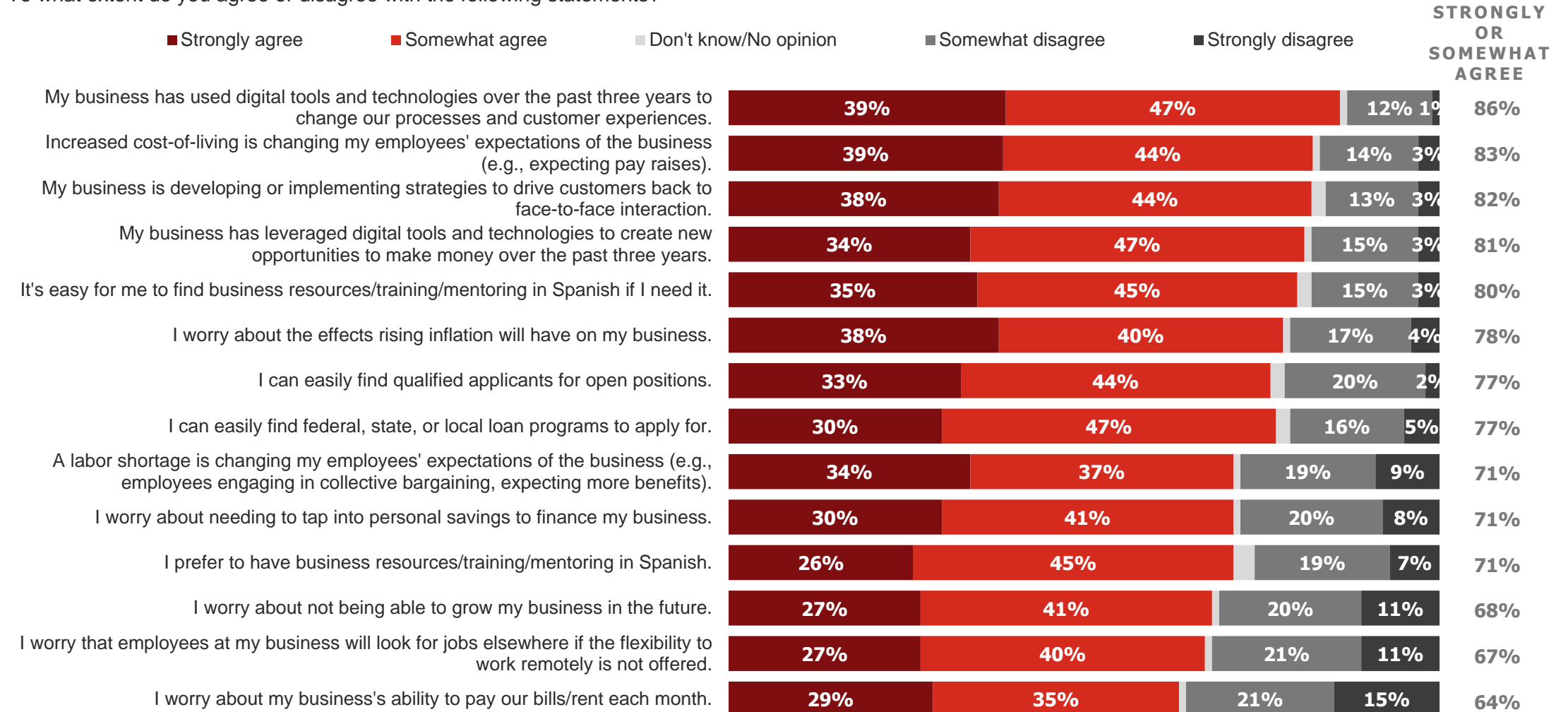
EXTERNAL SUPPORT

ECONOMY & CULTURE

TECHNOLOGY & DIGITAL TRANSFORMATION

Over 4 in 5 Latino SBOs say their business has leveraged digital tools and technologies to change their processes and customer experiences (86%) or create new opportunities to make money (81%) over the past three years.

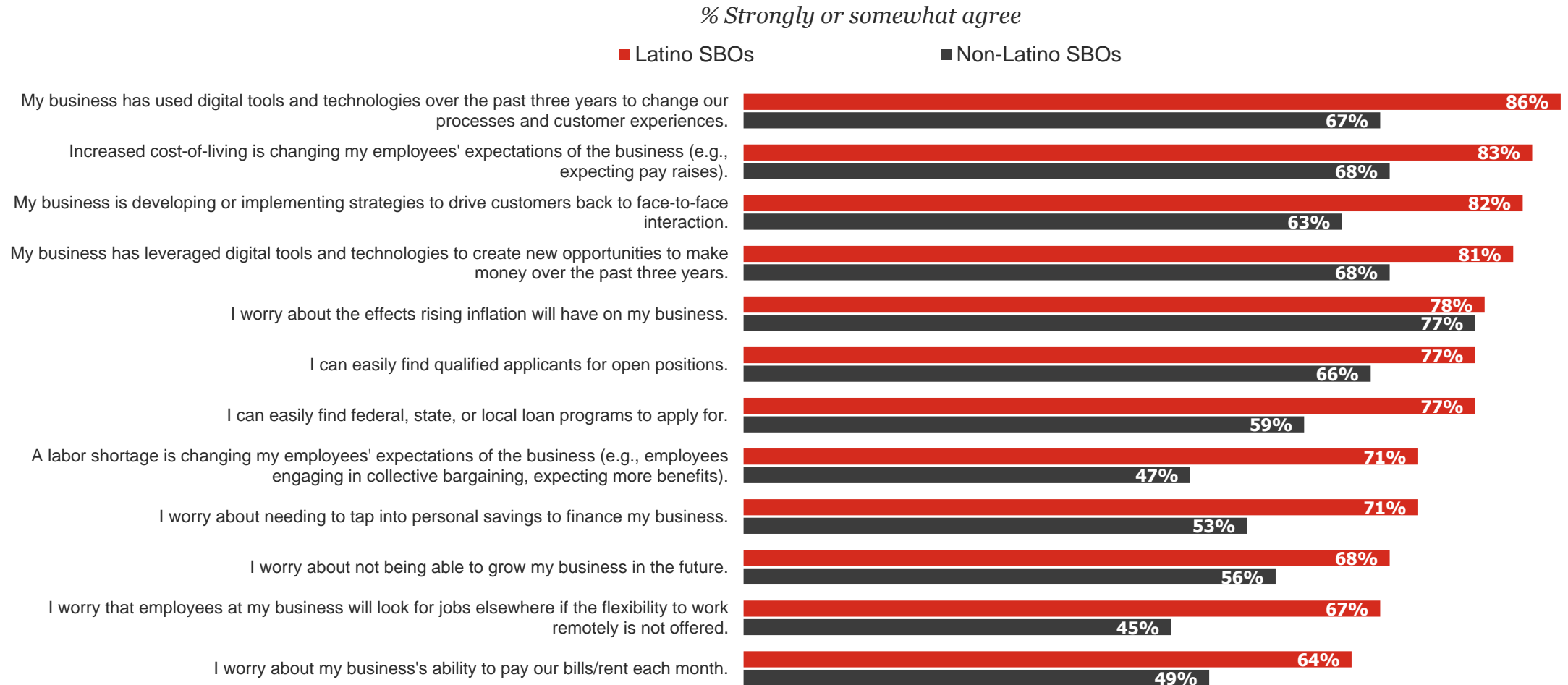
To what extent do you agree or disagree with the following statements?



TECHNOLOGY & DIGITAL TRANSFORMATION

Latino and non-Latino SBOs report similar levels of concern around inflation, while the largest gaps emerge when it comes to perceptions of a labor shortage changing employees' expectation and concerns around losing talent if they don't offer remote work.

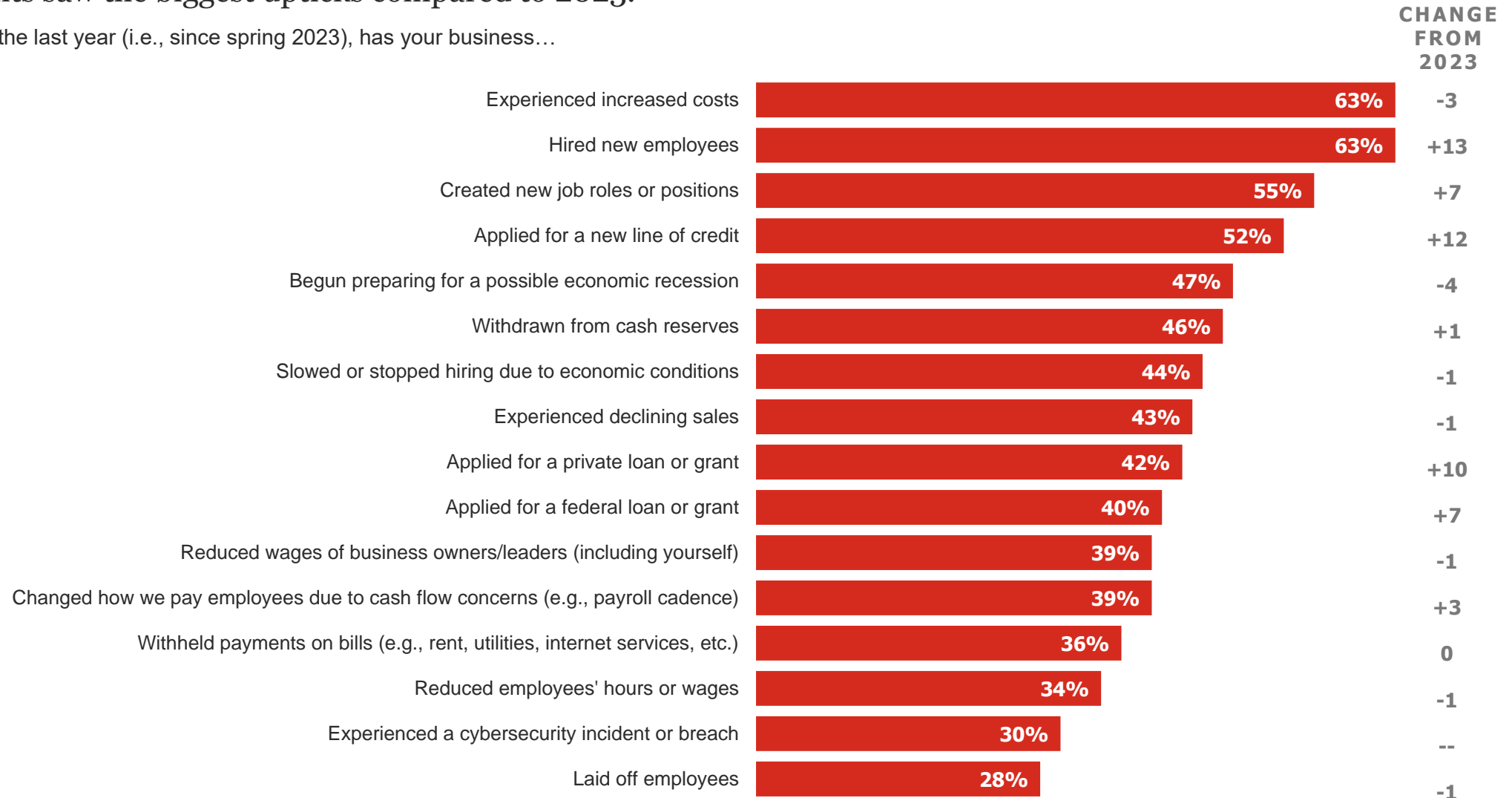
To what extent do you agree or disagree with the following statements?



TECHNOLOGY & DIGITAL TRANSFORMATION

Just under 2 in 3 Latino SBOs report having experienced increased costs and hiring new employees in the past year. Shares of Latino SBOs who reported hiring new employees, applying for a new line of credit, and applying for private grants saw the biggest upticks compared to 2023.

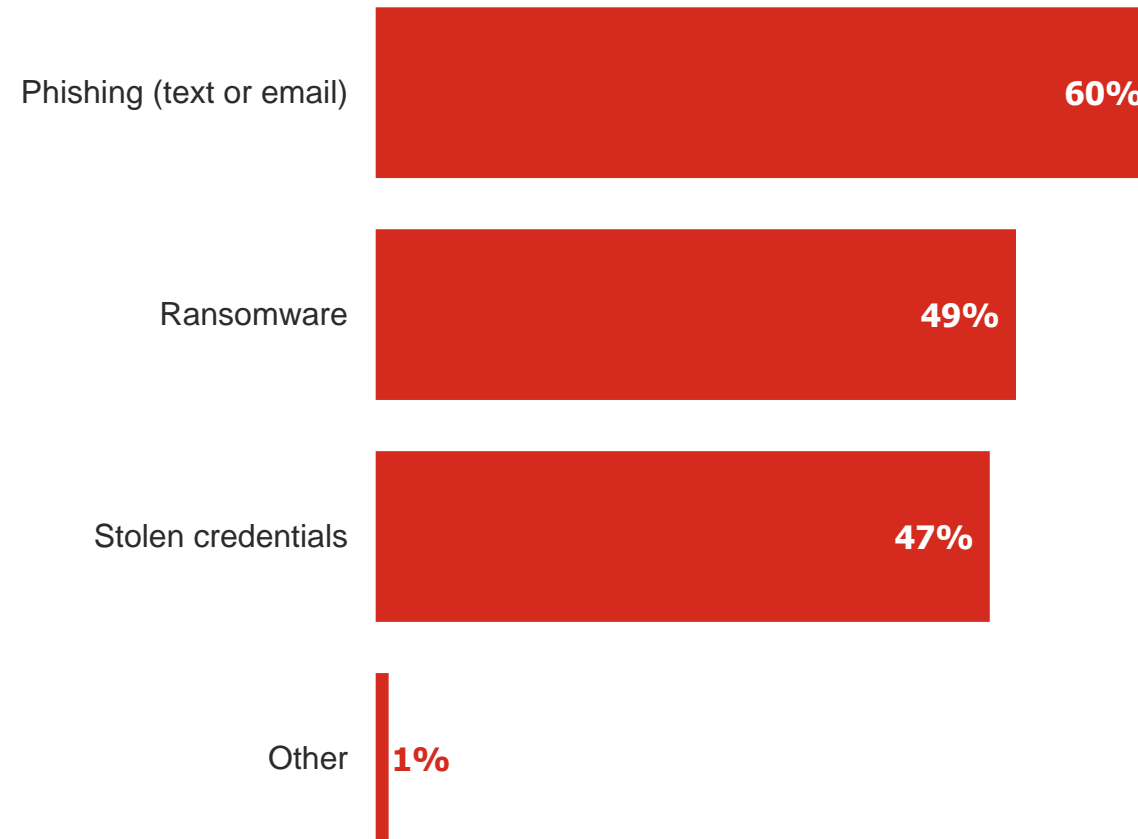
Over the last year (i.e., since spring 2023), has your business...



TECHNOLOGY & DIGITAL TRANSFORMATION

Among Latino SBOs who experienced a cybersecurity incident or breach at their business in the past year, phishing was the most commonly cited issue.

You mentioned your business experienced a cybersecurity incident or breach. Which of the following describes the issues your business experienced? Select all that apply.



TECHNOLOGY & DIGITAL TRANSFORMATION

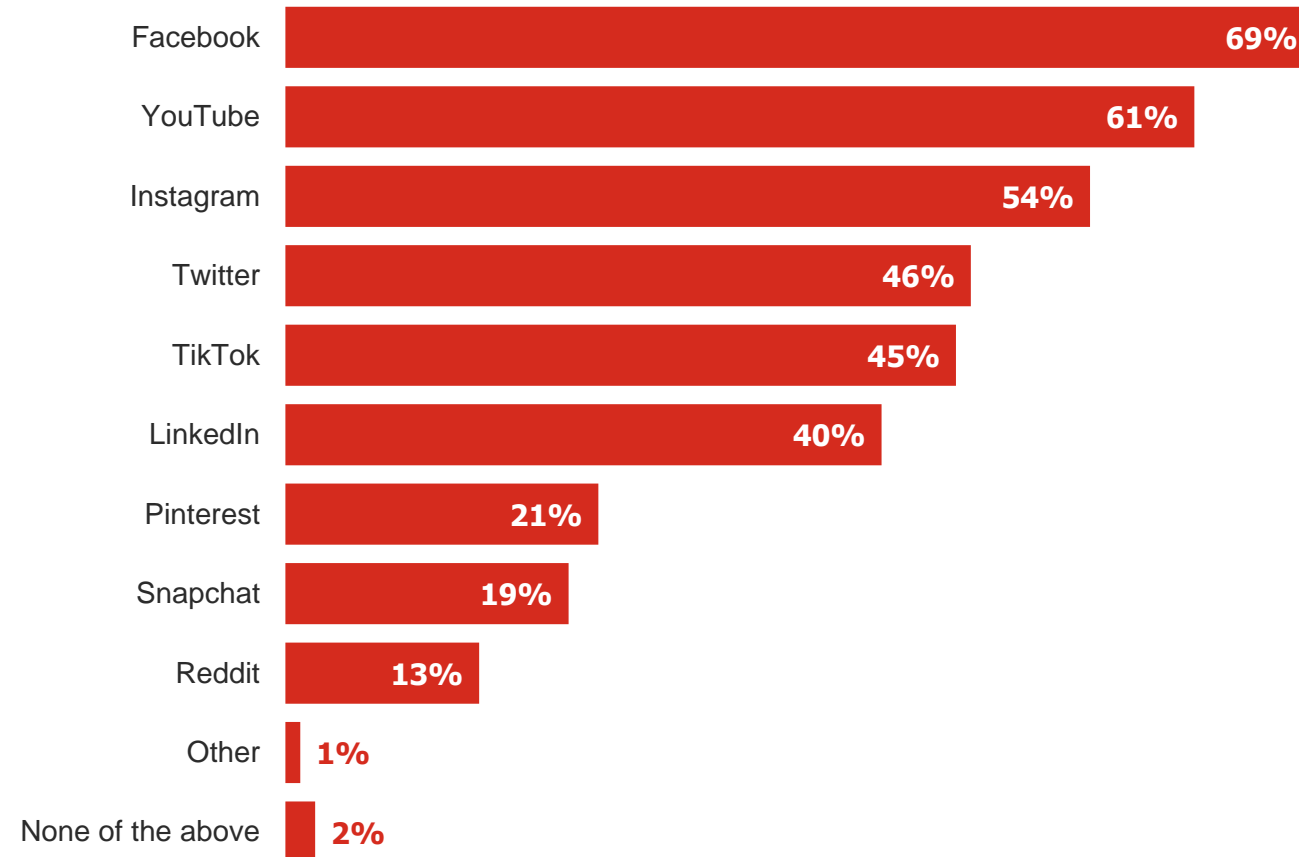
Over half (58%) of Latino SBOs say their business has implemented new systems or technology to compensate for a labor shortage, up 17-points from last year. Shares of Latino SBOs who report implementing new security systems or technology and providing new devices or technology to attract or retain talent also saw an uptick from 2023.

And over the last year (i.e., since spring 2023), has your business...



Latino SBOs are most likely to report that their business maintains a presence on Facebook or YouTube compared to other social media platforms.

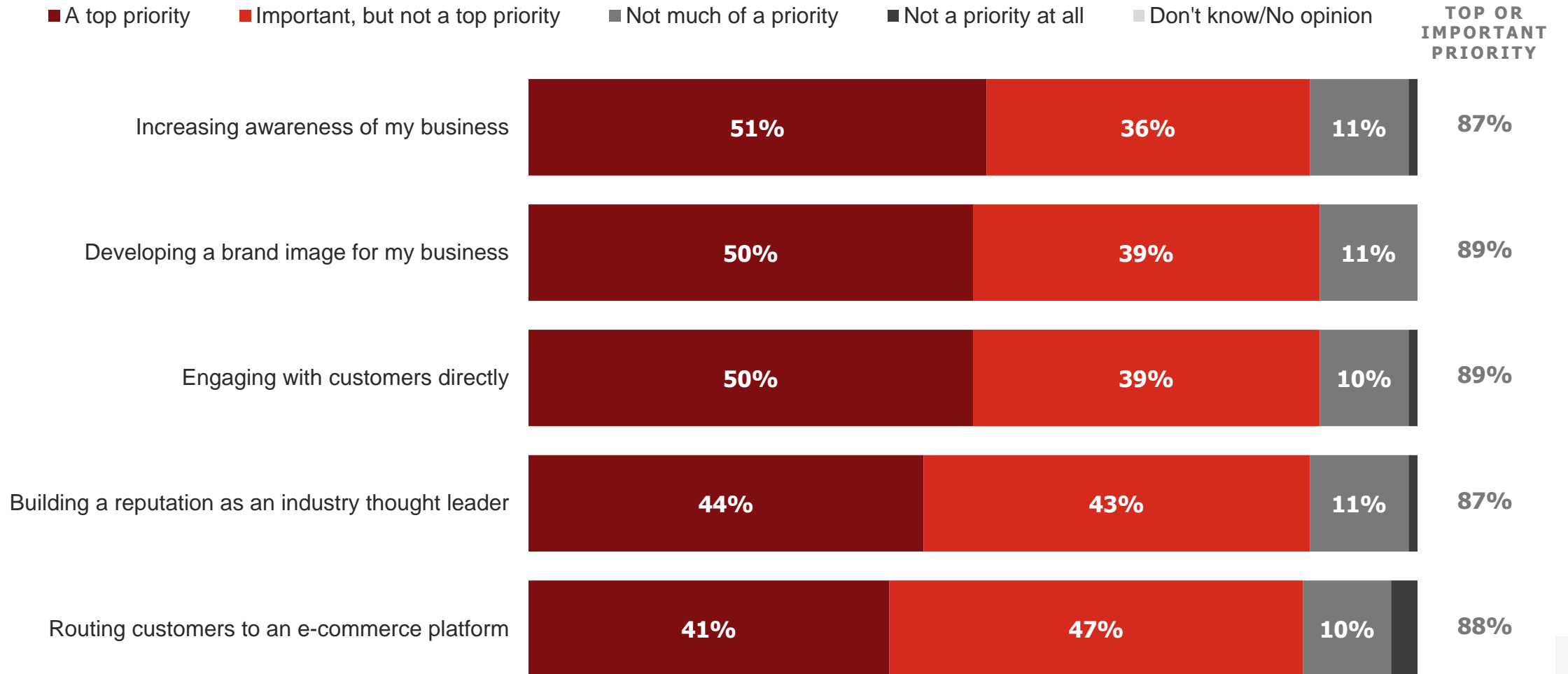
Does your business maintain a presence on any of the following social media platforms? Select all that apply.



TECHNOLOGY & DIGITAL TRANSFORMATION

Among Latino SBOs whose businesses use social media, increasing awareness, developing a brand image, and engaging with customers are top strategic priorities.

How much of a priority are each of the following in your strategy for using social media platforms?

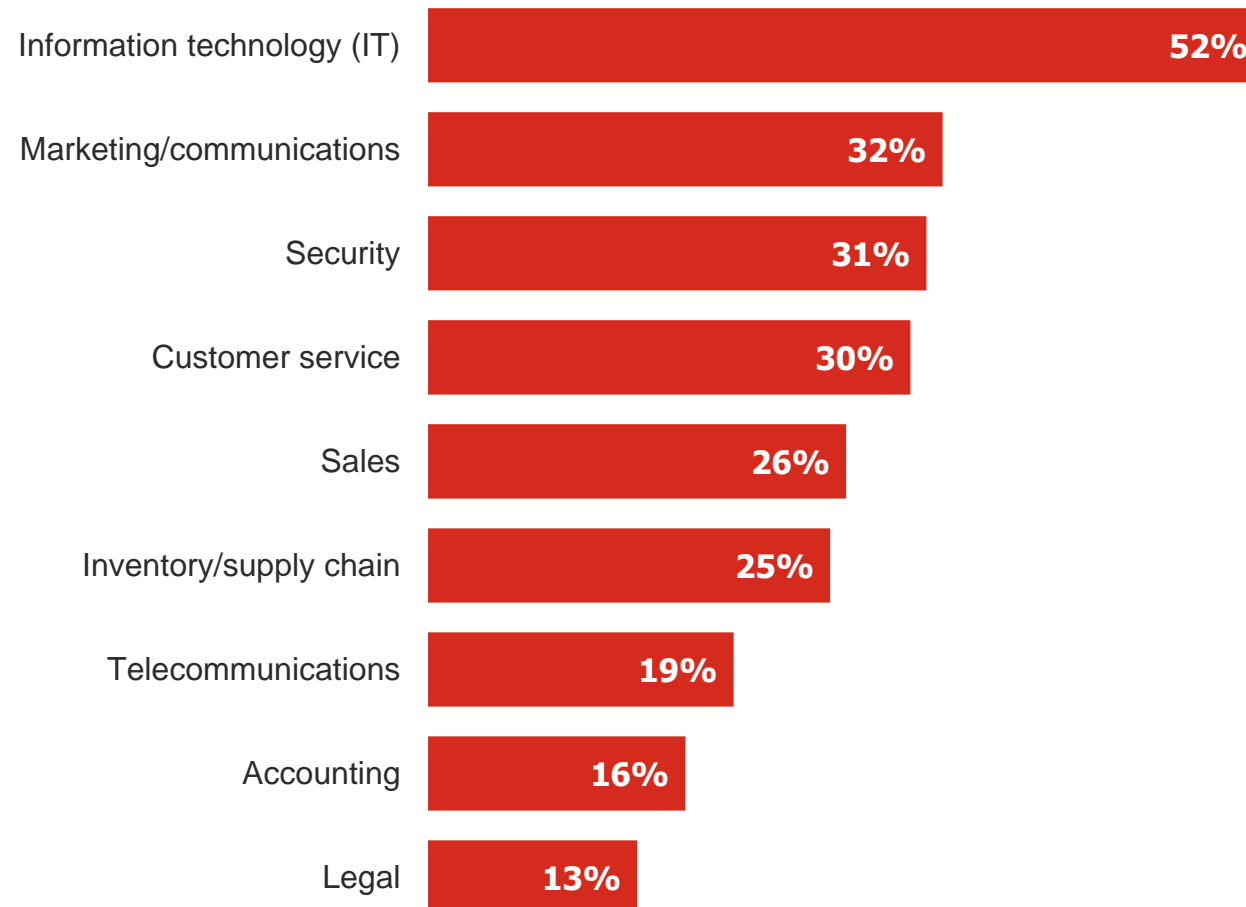


Base: Latino SBOs whose businesses use social media

TECHNOLOGY & DIGITAL TRANSFORMATION

Latino SBOs are most likely to say their IT departments are most in need of technology upgrades by a wide margin, followed by marketing, security, and customer service on a second tier.

Which departments or functions within your business do you think are most in need of upgrades when it comes to how they use technology? Select up to three.



TECHNOLOGY & DIGITAL TRANSFORMATION

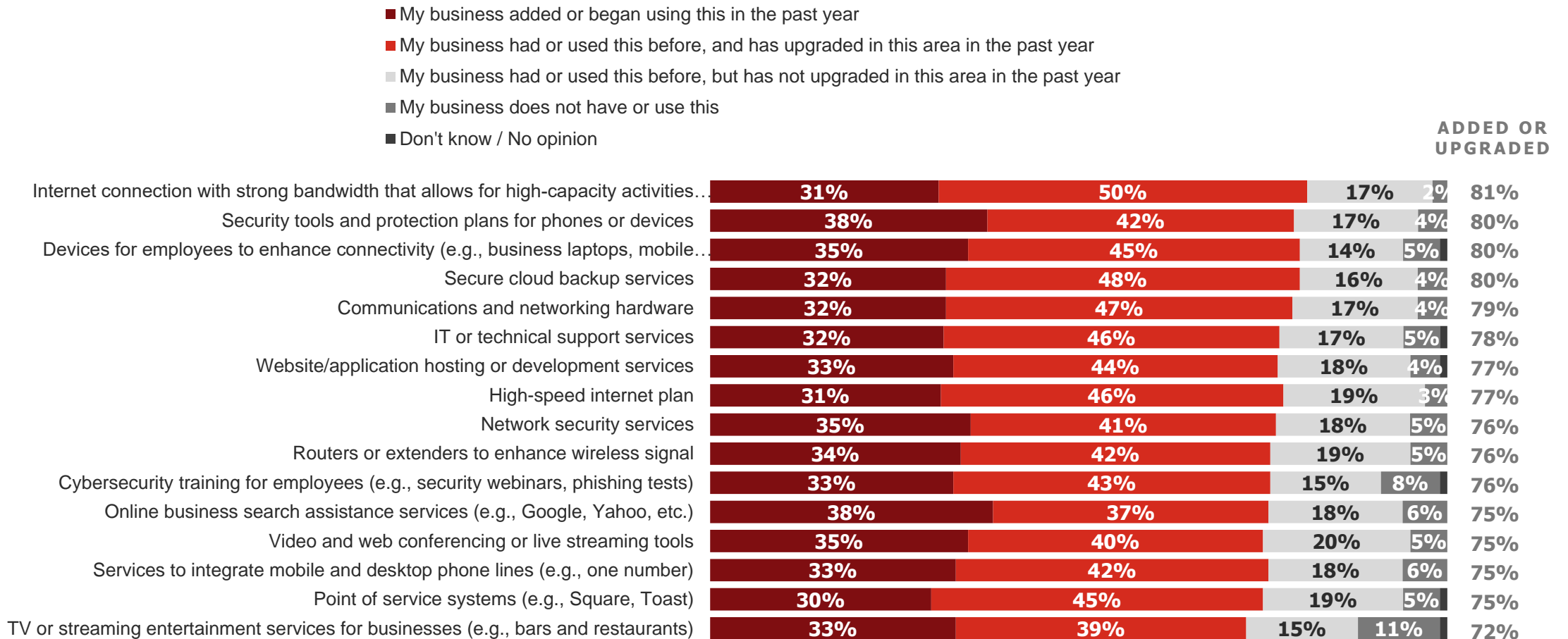
Latino SBOs with businesses in the tech, finance, or insurance industries, those who interact with customers mostly in Spanish, and companies with 51-100 employees are more likely to say their IT department is most in need of upgrades.

Which departments or functions within your business do you think are most in need of upgrades when it comes to how they use technology? Select up to three.

	Latino SBOs	Industry: Retail, Restaurant, Bar, Food, Beverage & Recreation	Industry: Tech, Finance, Insurance	Customer Language: Mostly English	Customer Language: Split English/ Spanish	Customer Language: Mostly Spanish	Co. Size: 2-10	Co. Size: 11-50	Co. Size: 51-100
Information technology (IT)	52%	45%	74%	42%	50%	61%	50%	49%	61%
Marketing/communications	32%	35%	22%	40%	32%	27%	29%	39%	29%
Security	31%	34%	28%	35%	30%	29%	29%	32%	32%
Customer service	30%	30%	26%	31%	29%	32%	34%	29%	25%
Sales	26%	33%	16%	32%	29%	19%	28%	27%	21%
Inventory/supply chain	25%	26%	23%	25%	26%	23%	26%	22%	26%
Telecommunications	19%	16%	21%	10%	19%	25%	18%	20%	17%
Accounting	16%	17%	12%	14%	16%	16%	15%	18%	15%
Legal	13%	13%	11%	10%	14%	15%	15%	12%	13%

Around 4 in 5 Latino respondents say their business added or upgraded high-capacity (81%) and high-speed (77%) internet services in the past year.

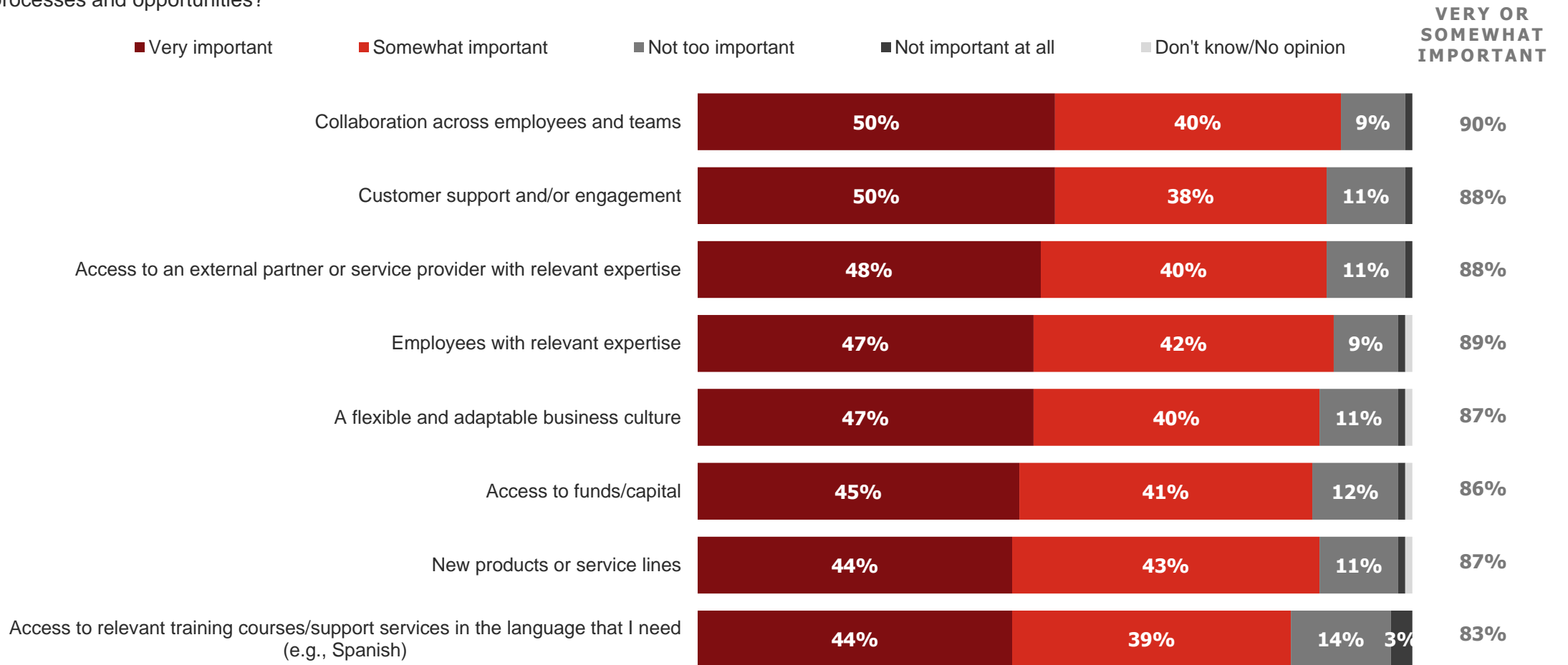
In the past year (i.e., since spring 2023), has your business added or upgraded the following services or technologies?



TECHNOLOGY & DIGITAL TRANSFORMATION

Half of Latino SBOs say collaboration across employees and support and/or engagement from customers are *very* important for helping their business with digital transformation.

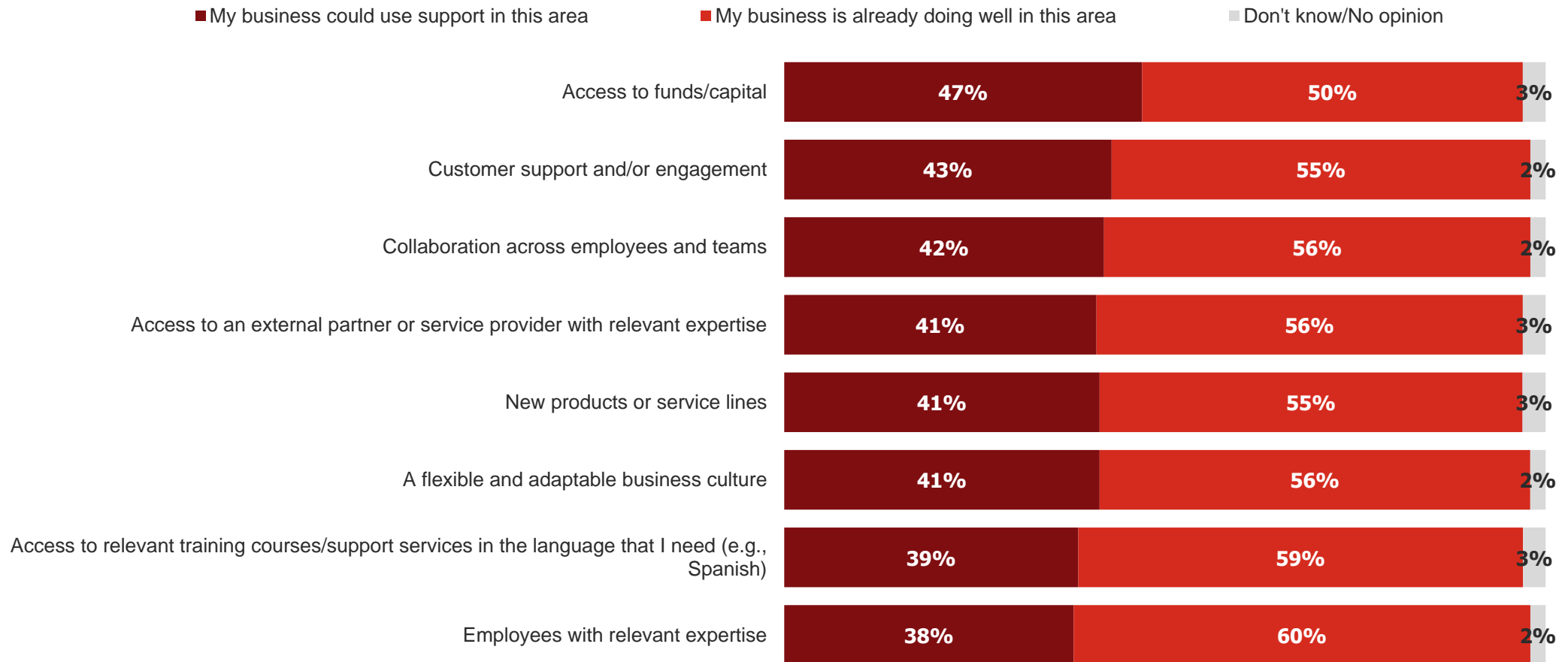
How important do you consider the following for helping your business with digital transformation, or the use of digital tools and technologies to create new processes and opportunities?



TECHNOLOGY & DIGITAL TRANSFORMATION

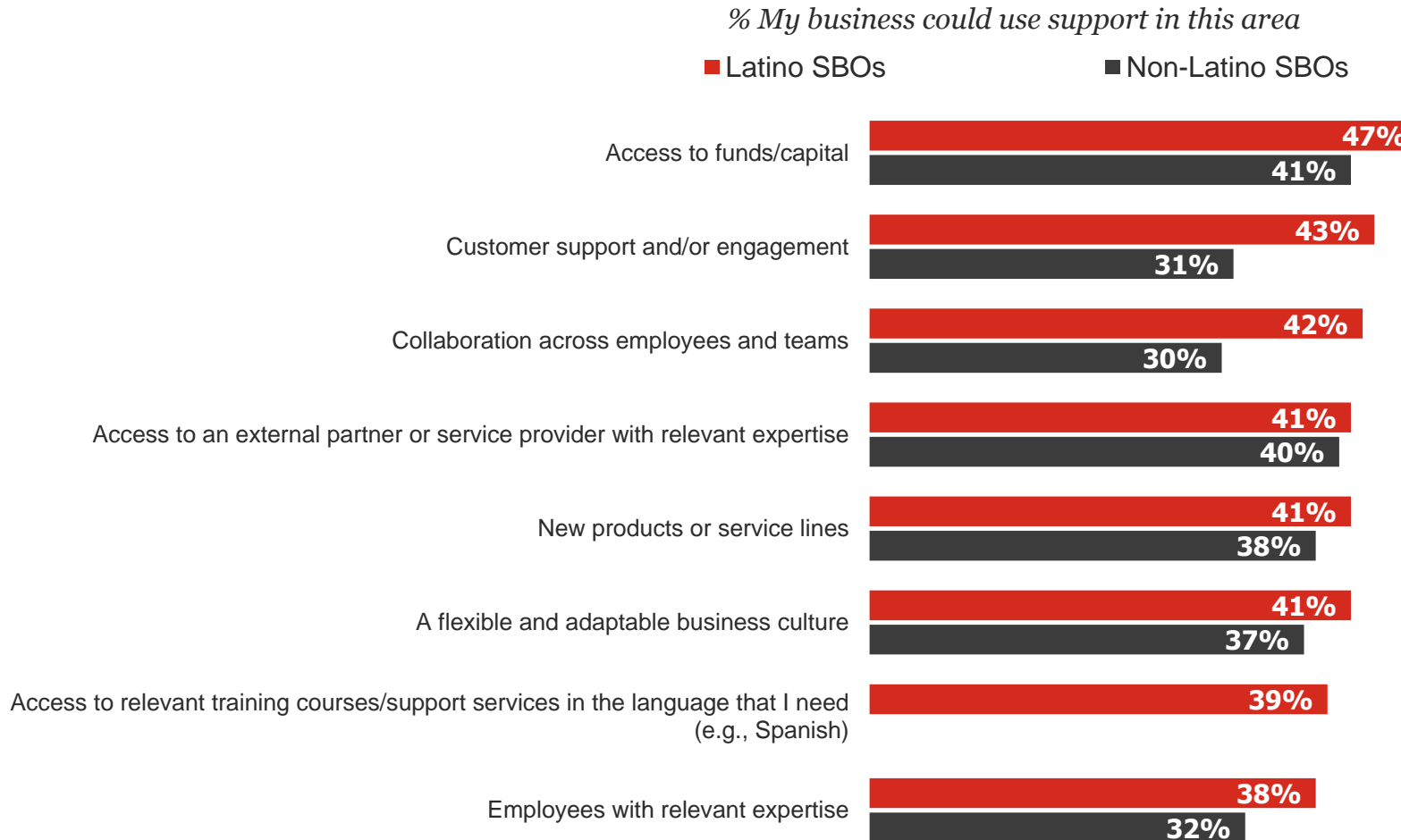
Just under half (47%) of Latino SBOs say their business could use support in accessing funds or capital to enable digital transformation.

And, when it comes to digital transformation, would you say your business already is doing well in each of these areas, or that it could use support?



Latino SBOs are more likely to say they could use support with customer engagement and employee collaboration when it comes to digital transformation compared to their non-Latino counterparts.

And, when it comes to digital transformation, would you say your business already is doing well in each of these areas, or that it could use support?





CONTENTS

TECHNOLOGY & DIGITAL TRANSFORMATION

EXTERNAL SUPPORT

ECONOMY & CULTURE

EXTERNAL SUPPORT

Latino respondents say their business needs digital / social media marketing strategies, as well as AI and software in order to succeed in today's economic environment.

In your own words, what would you say is the number one resource, program, or tool that your business needs to succeed in today's economic environment?

MARKETING STRATEGY

“Effective digital marketing strategies” - Construction & Contracting

“Develop effective marketing plans, understand target markets and customer needs, and carry out targeted implementation plans” - Retail

“Advance marketing strategy to reach more audience and attract more clients towards our business” - Hospitality

“Personalized market insights and mentorship about whether I am using my marketing budget effectively” - Manufacturing

“An advanced marketing plan to reach a larger audience and get more customers to our establishment” - Restaurant & Bar

AI IMPLEMENTATION

“A strong understanding and implementation of AI into our everyday operations and the training needed to use this emerging technology adequately” - Financial Services

“AI implementation can help us to automate repeating task that will save our resources and time” - Retail

“We will need to tap into the power of AI to become even more successful in the future” - Professional, Scientific & Technical Services

“Training in implementing the use of AI tools. This is the way companies are going to do business in the future and so to succeed you need to use it” - Construction & Contracting

“AI based tools to increase productivity overall and streamline how we operate our business” - Technology

SOCIAL MEDIA

“Promote on social media to hire experienced employees for better customer satisfaction” - Entertainment & Recreation

“Learning how to grow my business through social media” - Restaurant & Bar

“A well maintained and informative website and social media pages.” - Other

“Definitely social media like Instagram, Facebook, TikTok so that you can promote on there” - Manufacturing

“Social media access” - Transportation & Warehousing

SOFTWARE

“Accounting software: Facilitates financial management, budgeting, invoicing and tracking expenses” - Technology

“We need to implement effective inventory management software to accurately track inventory levels and demand forecasting is crucial to optimize stock levels” - Retail

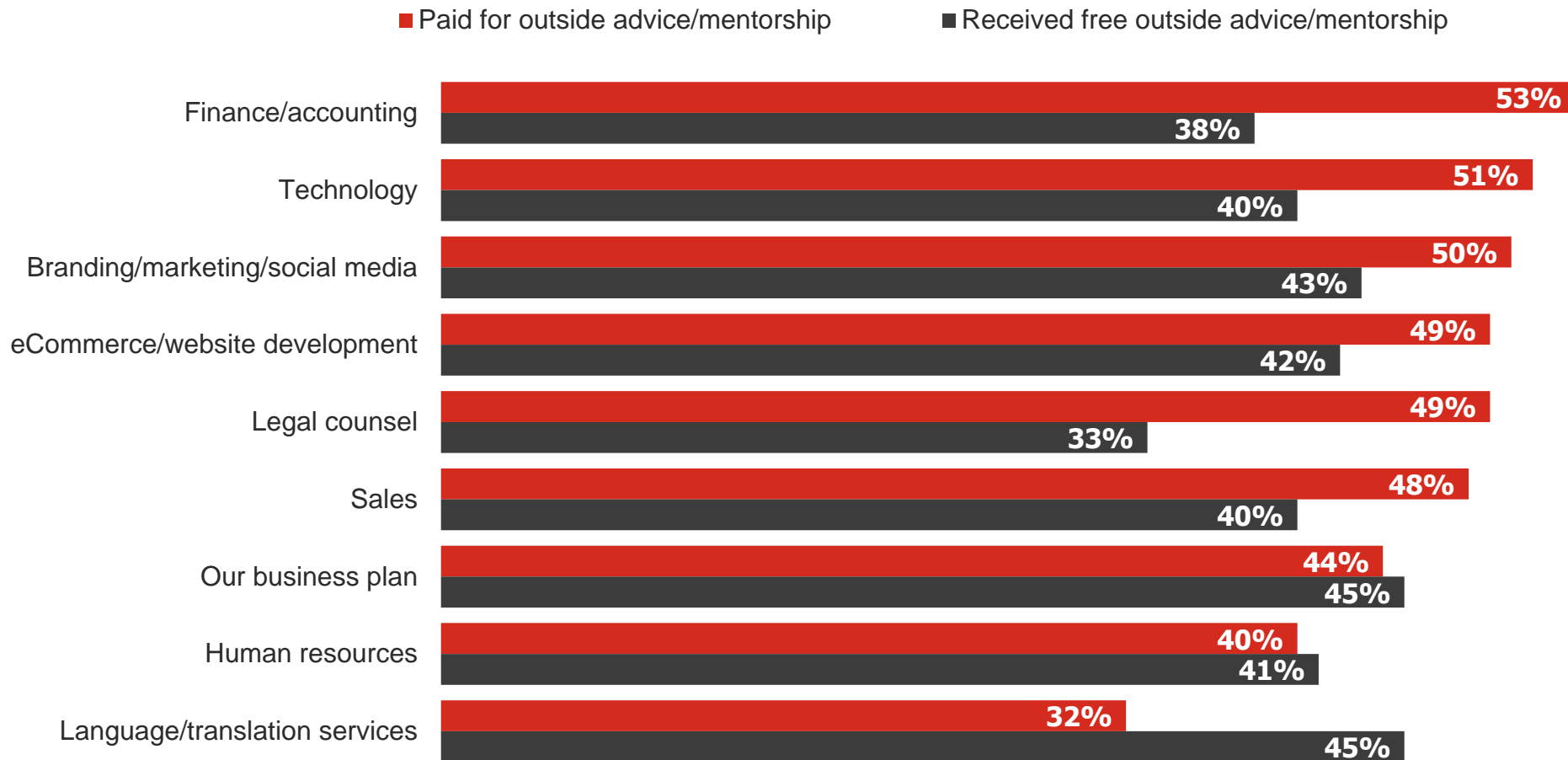
“Online sales software can make it easier for customers to choose products” - Entertainment & Recreation

“Establish a humanized customer relationship management system to provide quality customer service to establish a good corporate image” - Financial Services

“The most important technologies are the payment processing technology and financial software that we use” - Restaurant & Bar

Latino SBOs are most likely to report having paid for outside help around finance/accounting, technology, and branding/marketing.

Has your business received outside advice or mentorship in any of the following areas? Select all that apply.



Respondents with businesses in the tech, finance, or insurance sectors are more likely to report having paid for outside mentorship for website development and sales.

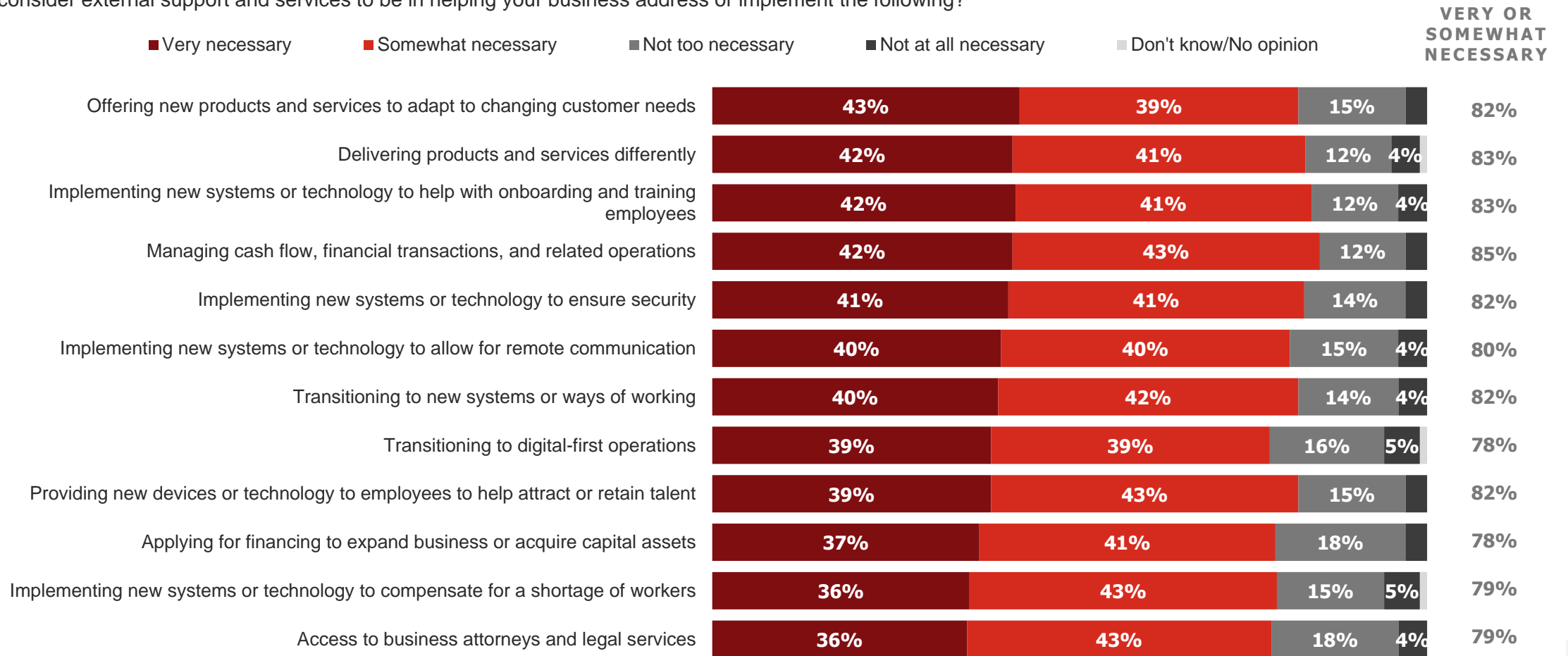
Has your business received outside advice or mentorship in any of the following areas? Select all that apply.

% Received paid mentorship	Latino SBOs	Industry: Retail, Restaurant, Bar, Food, Beverage & Recreation	Industry: Tech, Finance, Insurance	Customer Language: Mostly English	Customer Language: Split English/Spanish	Customer Language: Mostly Spanish	Co. Size: 2-10	Co. Size: 11-50	Co. Size: 51-100
Finance/accounting	53%	50%	56%	53%	57%	49%	50%	59%	51%
Technology	51%	51%	50%	50%	58%	45%	46%	58%	51%
Branding/marketing/social media	50%	52%	49%	50%	50%	49%	45%	54%	54%
eCommerce/website development	49%	44%	55%	44%	59%	42%	44%	53%	53%
Legal counsel	49%	52%	42%	53%	51%	45%	45%	55%	48%
Sales	48%	44%	56%	34%	53%	54%	44%	51%	53%
Our business plan	44%	45%	48%	44%	39%	50%	41%	45%	47%
Human resources	40%	43%	40%	37%	40%	43%	38%	44%	39%
Language/translation services	32%	32%	36%	23%	30%	41%	29%	35%	35%

EXTERNAL SUPPORT

Respondents are most likely to say external support for their business is necessary when it comes to managing cash flow (85%), delivering products & services differently (83%), and implementing new onboarding systems (83%).

Next, please think about the areas where your business has vs. does not have in-house expertise and infrastructure. With those in mind, how necessary do you consider external support and services to be in helping your business address or implement the following?

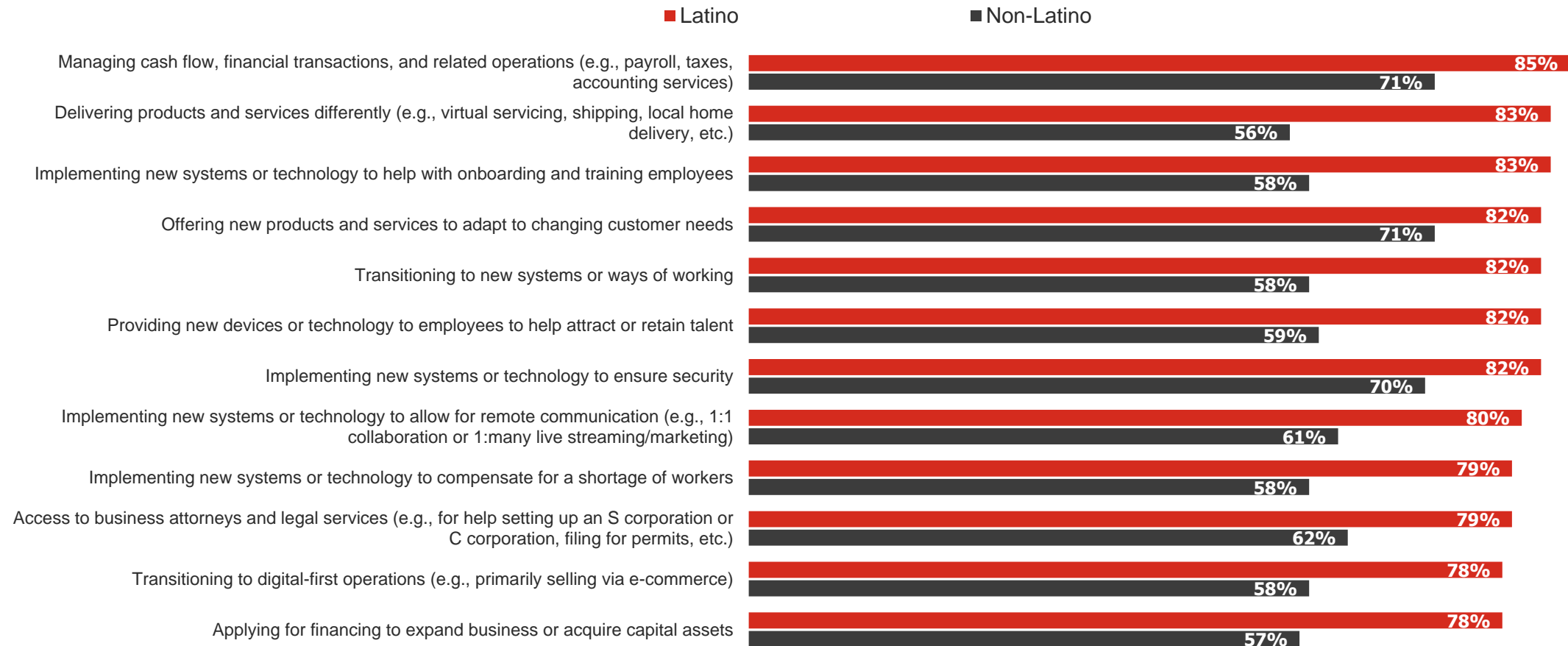


EXTERNAL SUPPORT

The largest gaps between Latino and non-Latino SBOs emerge when it comes to needing external support for delivering products and services differently, implementing new technology for onboarding, and transitioning to new ways of working.

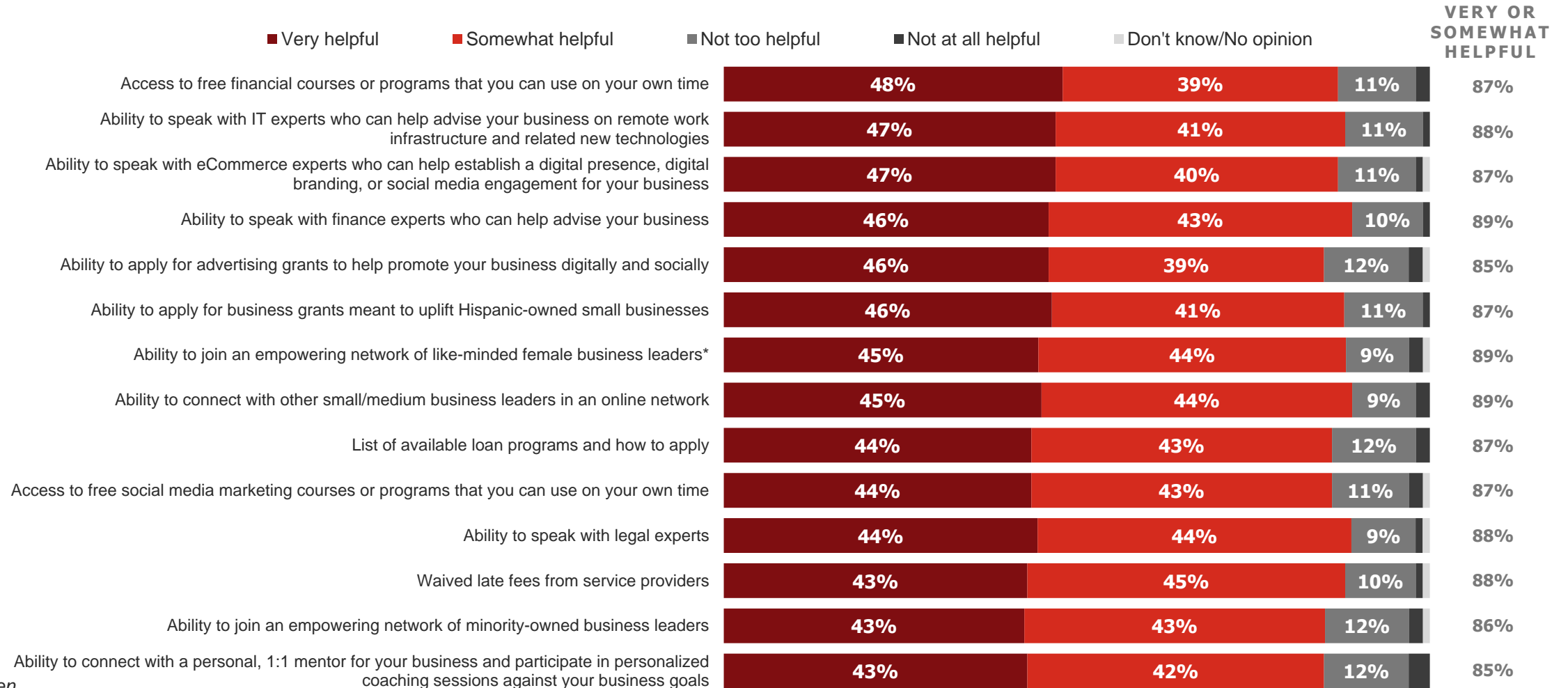
Next, please think about the areas where your business has vs. does not have in-house expertise and infrastructure. With those in mind, how necessary do you consider external support and services to be in helping your business address or implement the following?

% Very or somewhat necessary



Just under half of Latino respondents say that access to free financial courses and the ability to speak with IT and eCommerce experts would be *very* helpful to their business.

How helpful would the following resources or programs be to your business?

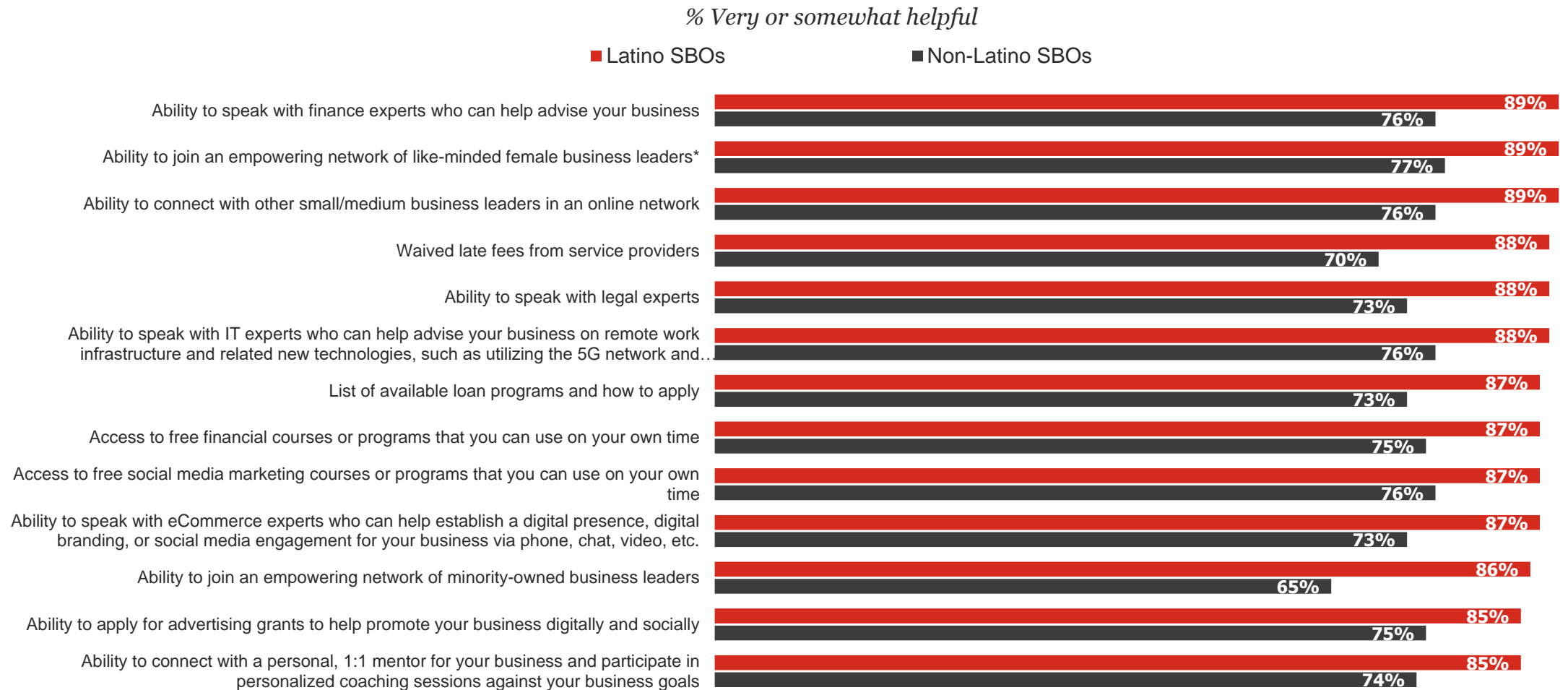


*Base: Women
Base: Latino SBOs

EXTERNAL SUPPORT

Though majorities of all respondents find each listed resource to be helpful, the largest gaps between Latino and non-Latino SBOs emerge when it comes to ability to join a network of minority-owned businesses and waived late fees.

How helpful would the following resources or programs be to your business?



*Base: Women



CONTENTS

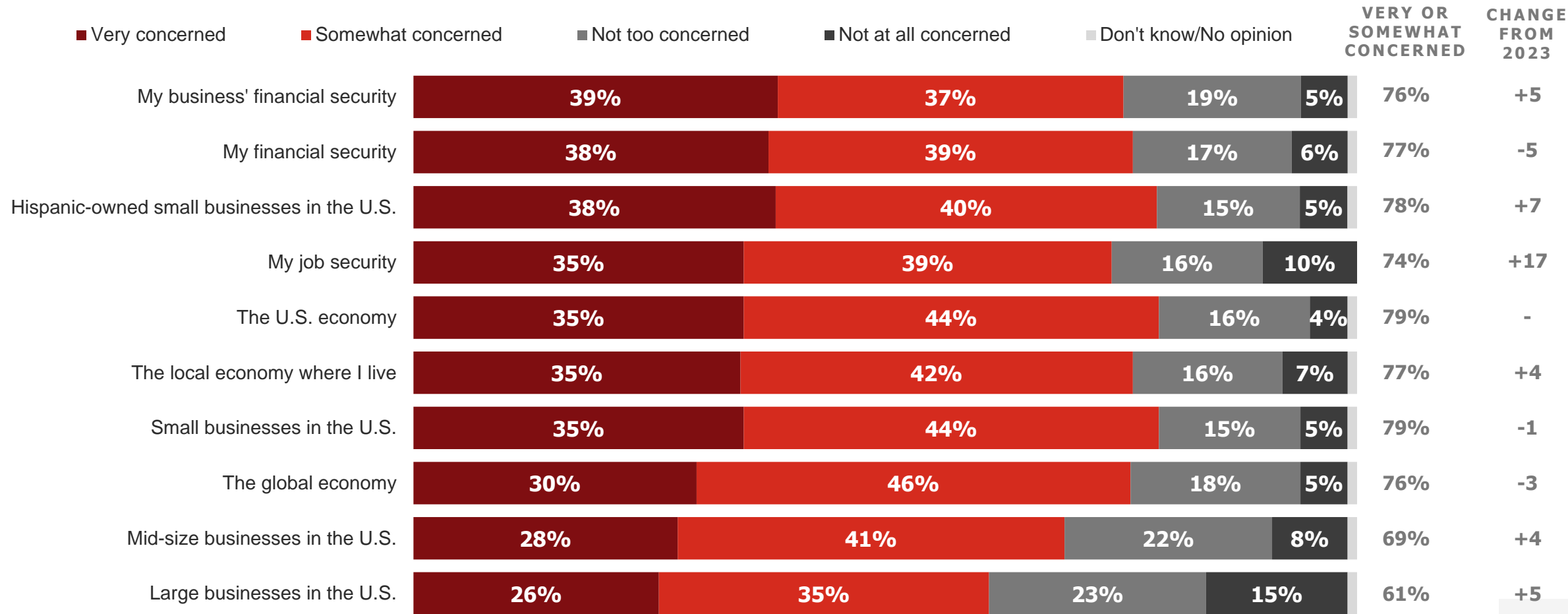
TECHNOLOGY & DIGITAL TRANSFORMATION

EXTERNAL SUPPORT

ECONOMY & CULTURE

Levels of concern around the U.S. economy and small businesses top the list and remain consistent with 2023, while concern around respondents' job security saw the biggest uptick compared to last year.

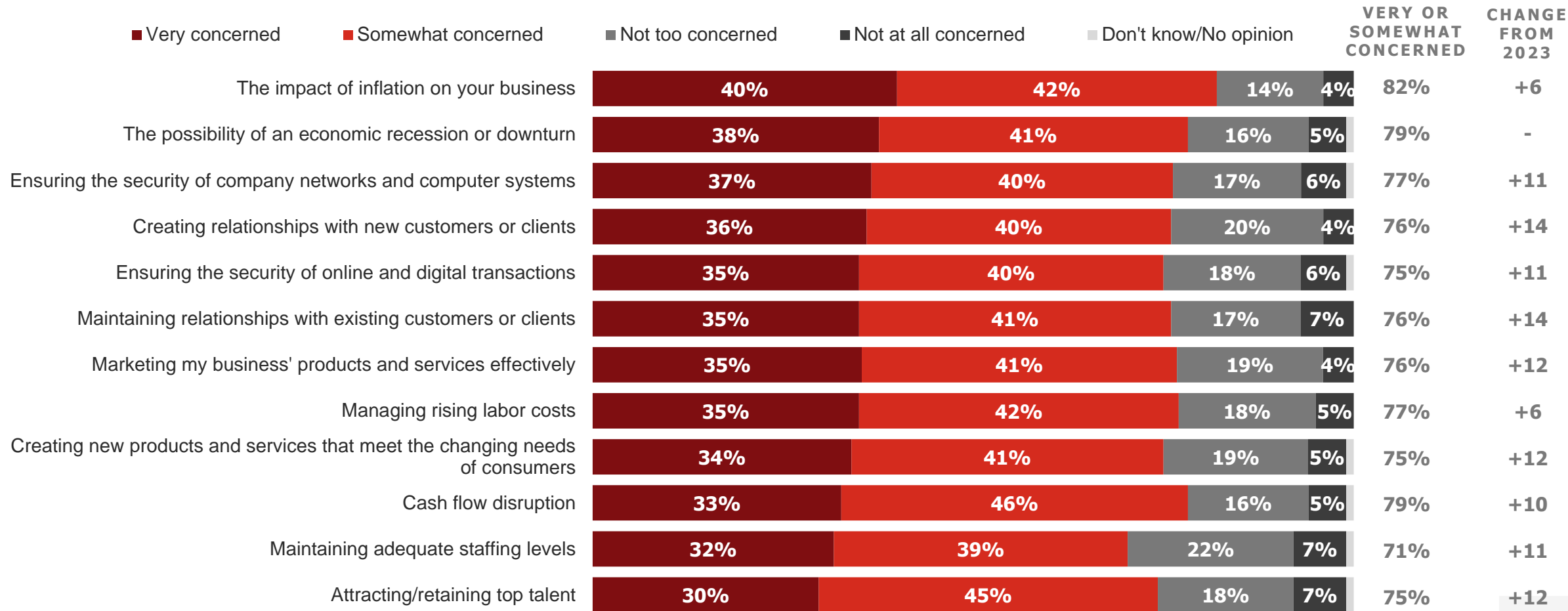
In general, how concerned are you about current conditions for each of the following?



ECONOMY & CULTURE

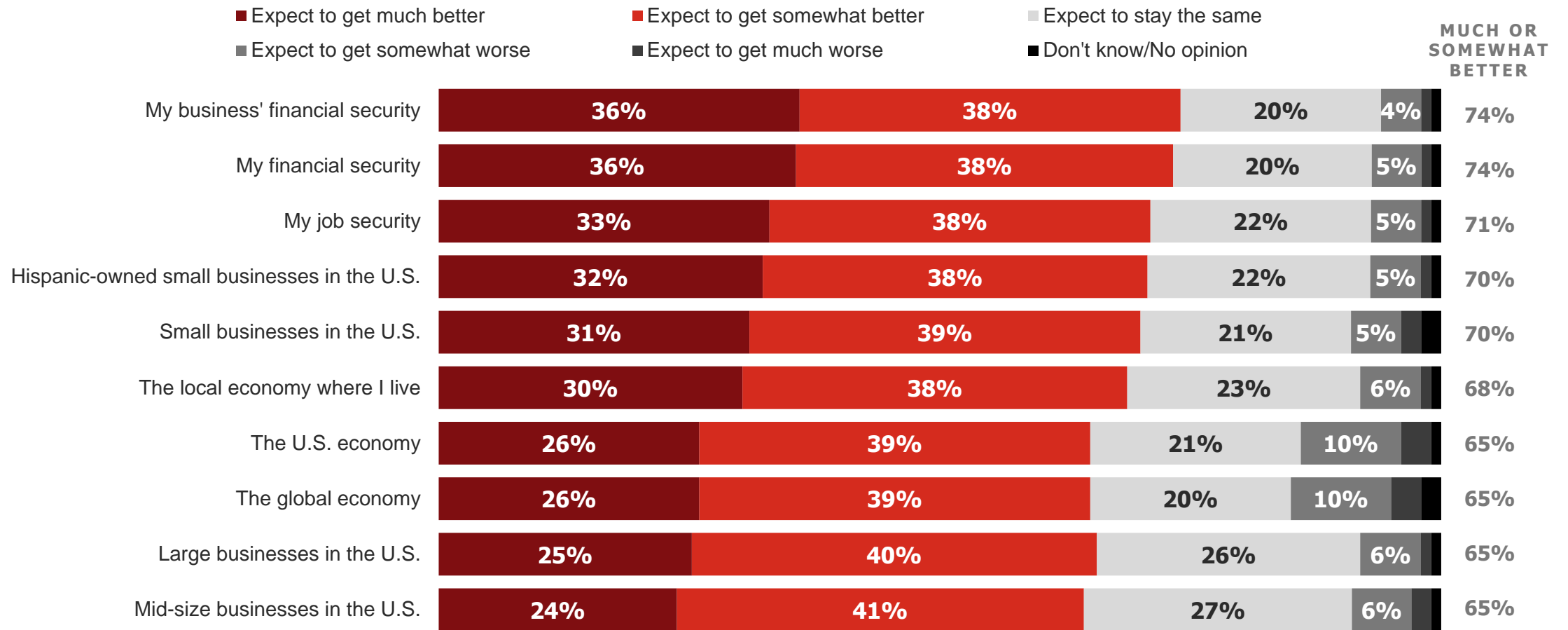
Latino SBOs are most concerned about the impact of inflation and the possibility of an economic recession compared to other issues. Concerns around creating and maintaining customer relationships saw the biggest uptick compared to 2023.

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



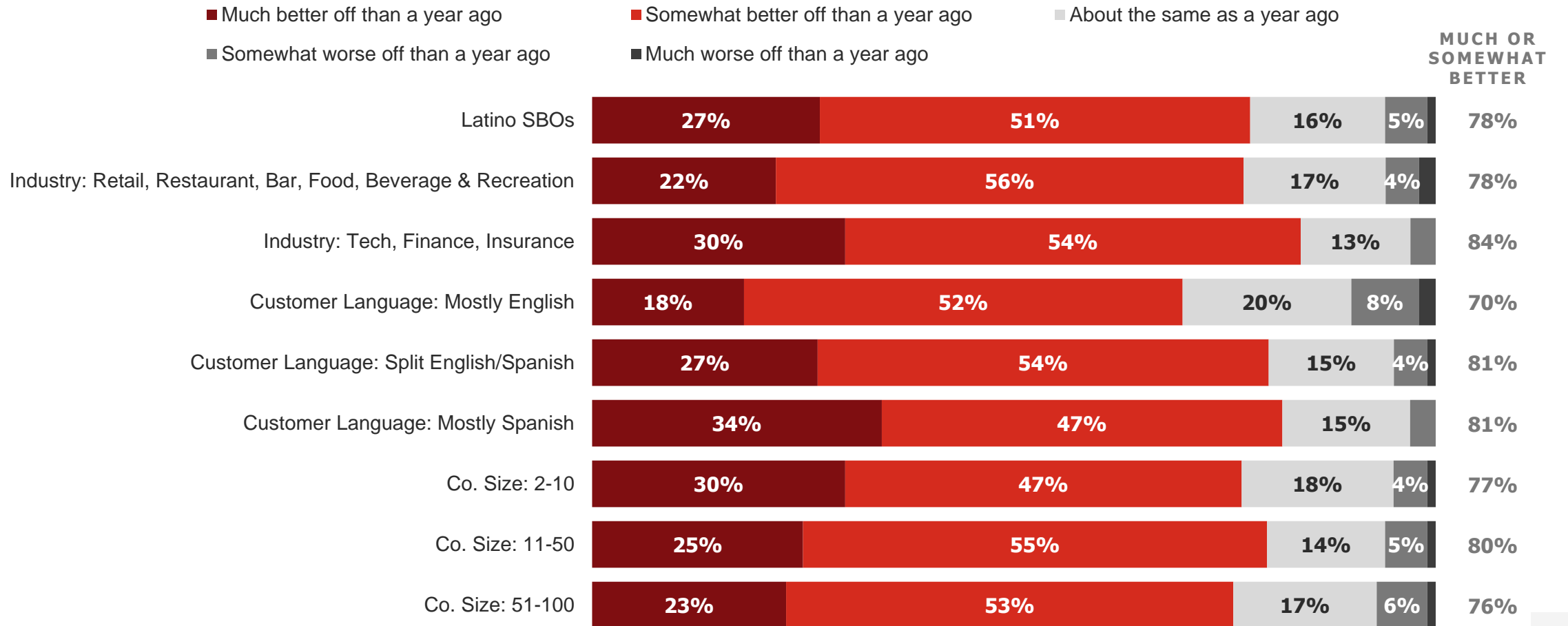
Despite higher levels of concern in some areas, Latino SBOs remain optimistic on future conditions, with majorities of respondents reporting they expect conditions to get better over the next few months across the board.

And, over the next few months, do you expect conditions for each of the following to get better or get worse, or to stay about the same compared to today?



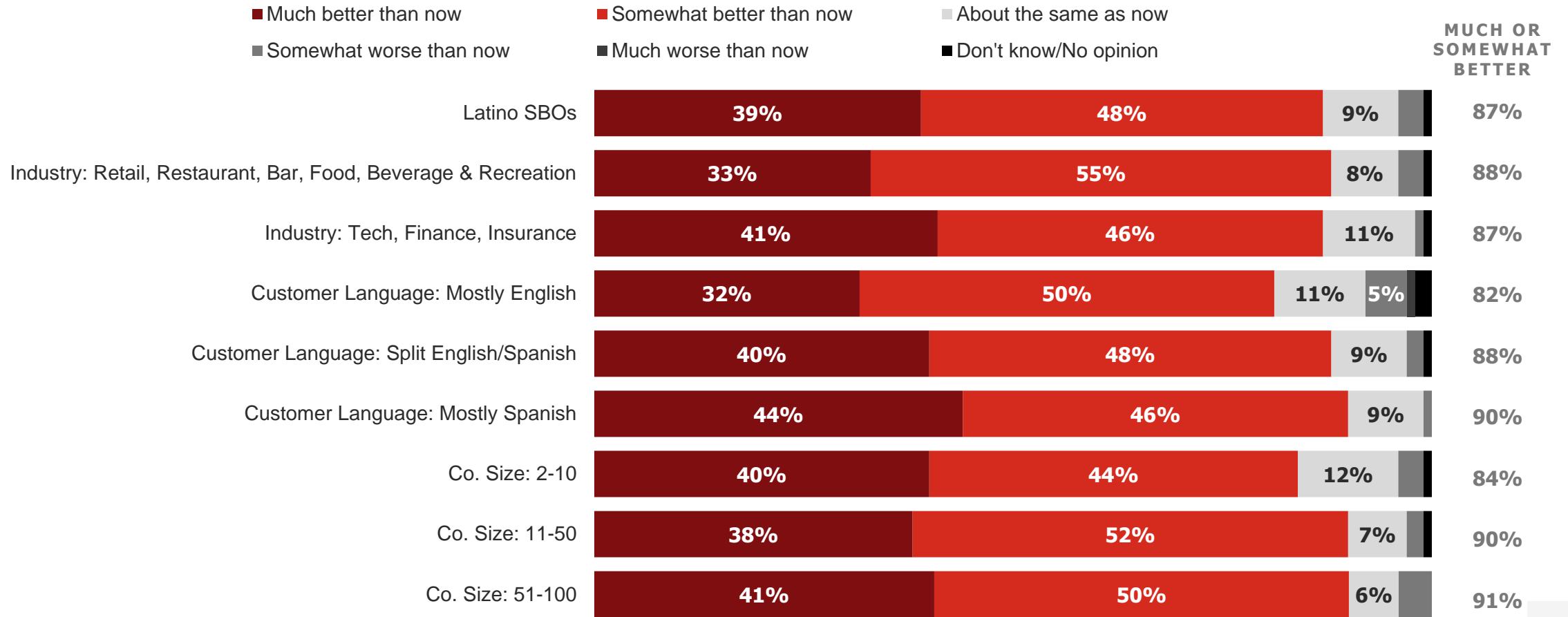
Broad majorities of Latino SBOs say their business is better off now than it was a year ago, with respondents in the tech, finance, or insurance industries more likely to say so.

And, thinking about the overall state of your business now compared to a year ago (i.e., spring 2023), would you say your business now is...



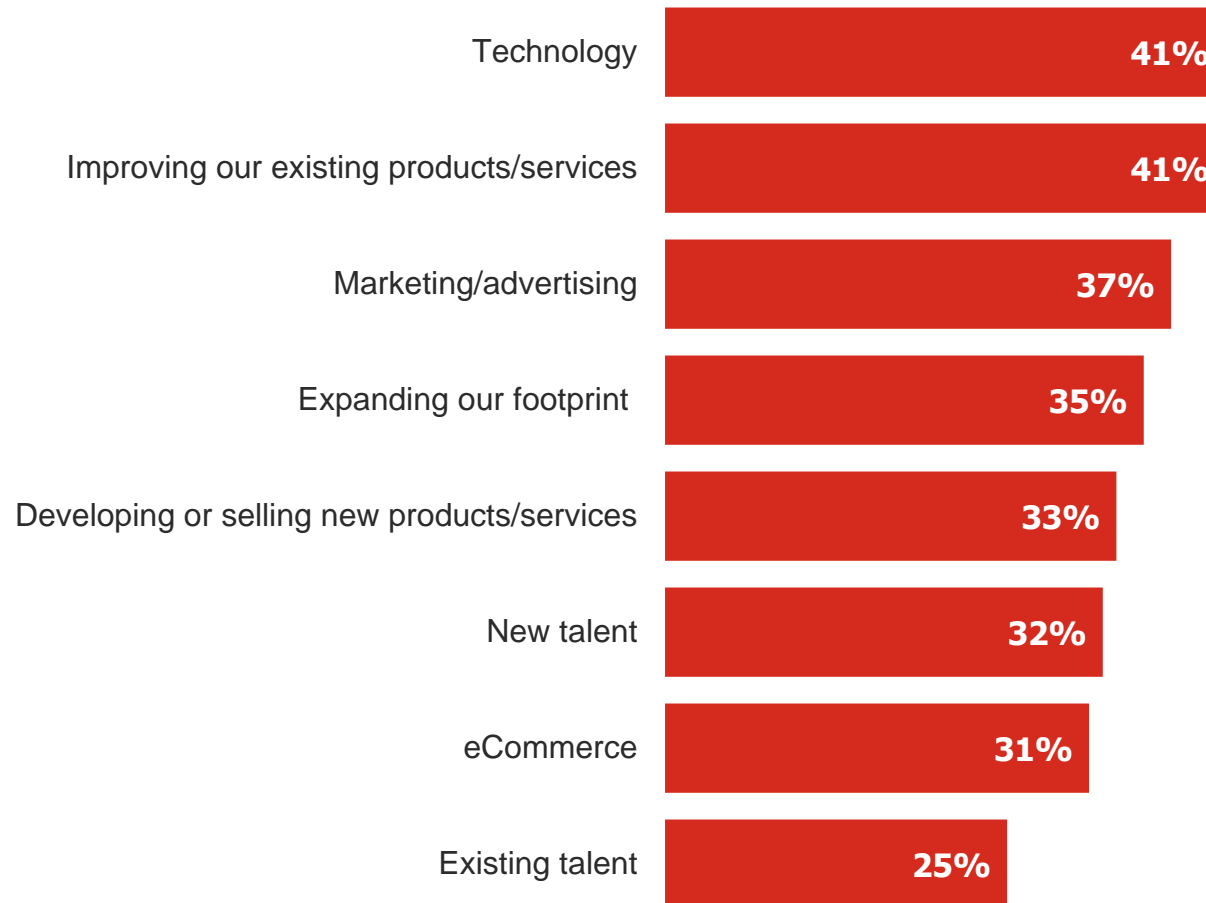
Similarly, broad majorities of respondents anticipate that their business will be better off a year from now.

Finally, one year from now (i.e., spring 2025), do you anticipate that the overall state of your business will be...



Latino SBOs are most likely to cite technology and improving products/services as their top investment priorities for 2024.

Which of the following, if any, are your business's top investment priorities in 2024? Select up to three.



Respondents with businesses in the tech, finance, or insurance industries and companies with 51 – 100 employees are most likely to say their business is prioritizing investments in technology this year.

Which of the following, if any, are your business's top investment priorities in 2024? Select up to three.

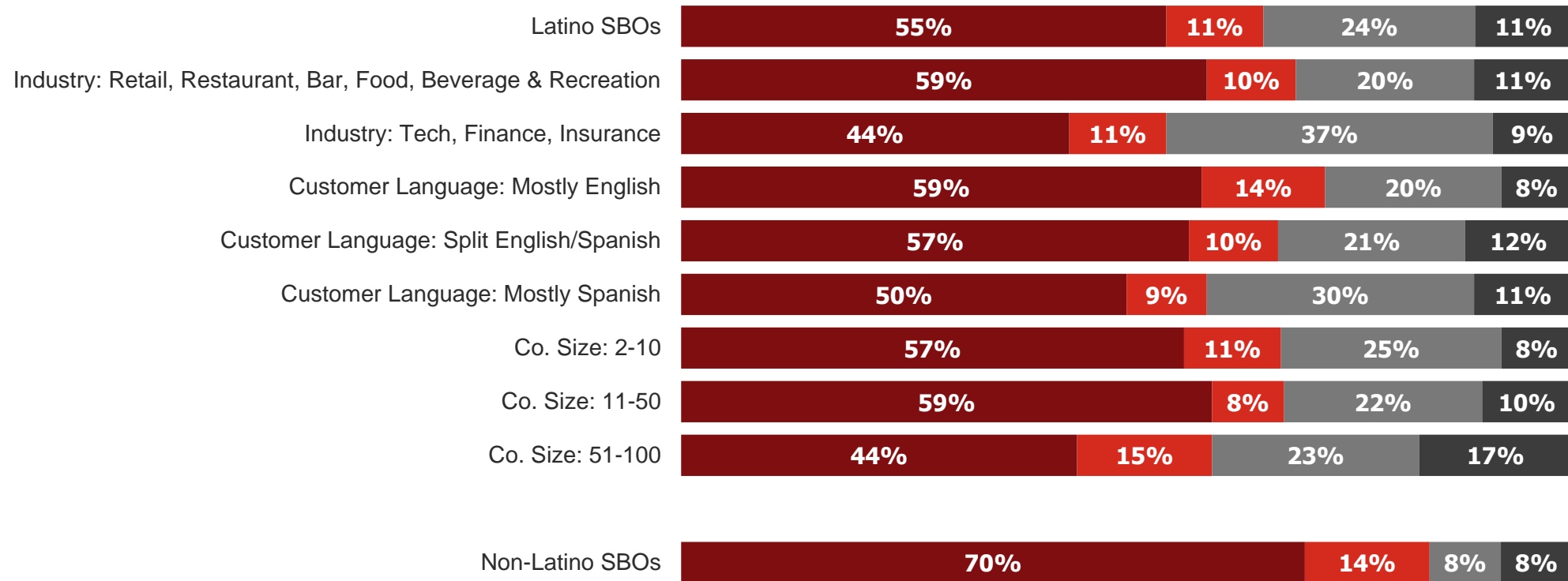
	Latino SBOs	Industry: Retail, Restaurant, Bar, Food, Beverage & Recreation	Industry: Tech, Finance, Insurance	Customer Language: Mostly English	Customer Language: Split English/ Spanish	Customer Language: Mostly Spanish	Co. Size: 2-10	Co. Size: 11-50	Co. Size: 51-100
Improving our existing products/services	41%	41%	33%	43%	41%	39%	41%	42%	40%
Technology	41%	35%	50%	38%	44%	40%	39%	38%	50%
Marketing/advertising	37%	40%	27%	40%	38%	34%	38%	39%	32%
Expanding our footprint	35%	33%	36%	31%	35%	37%	36%	32%	36%
Developing or selling new products/services	33%	39%	30%	40%	31%	30%	29%	39%	32%
New talent	32%	29%	33%	28%	31%	34%	31%	36%	25%
eCommerce	31%	38%	27%	28%	32%	31%	30%	32%	29%
Existing talent	25%	20%	31%	18%	27%	27%	27%	19%	29%

ECONOMY & CULTURE

Over half (55%) of Latino respondents say their primary goal as a small business owner is to generate a steady income, compared to 70% of non-Latino respondents. Among Latino SBOs, those in the tech, finance, or insurance industries are more likely to report selling their business as a primary goal.

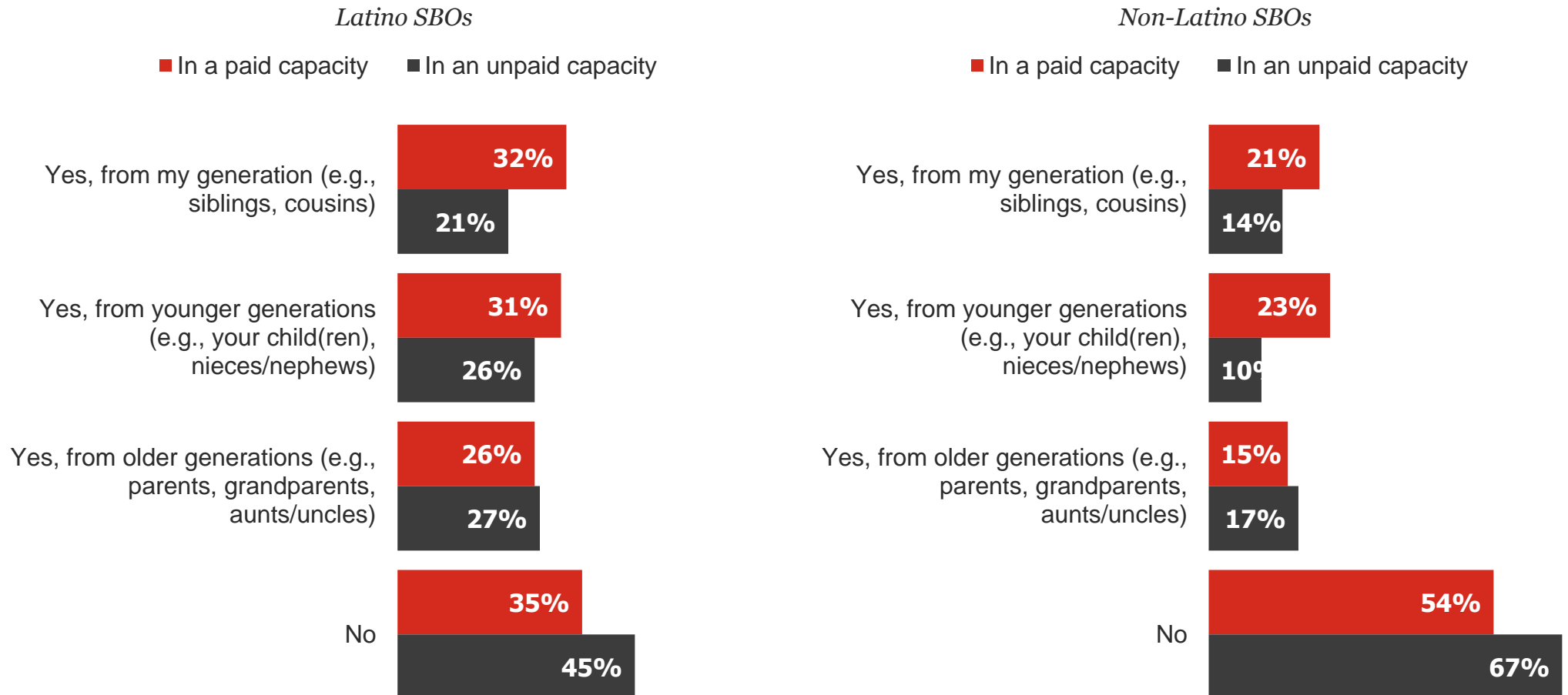
Which of the following best describes your primary goal as a small business owner? Please select one.

- Operate a business that generates a steady income
- Operate a business that can be inherited by my family
- Operate a business that can be sold to increase personal wealth
- Operate a business that serves my community



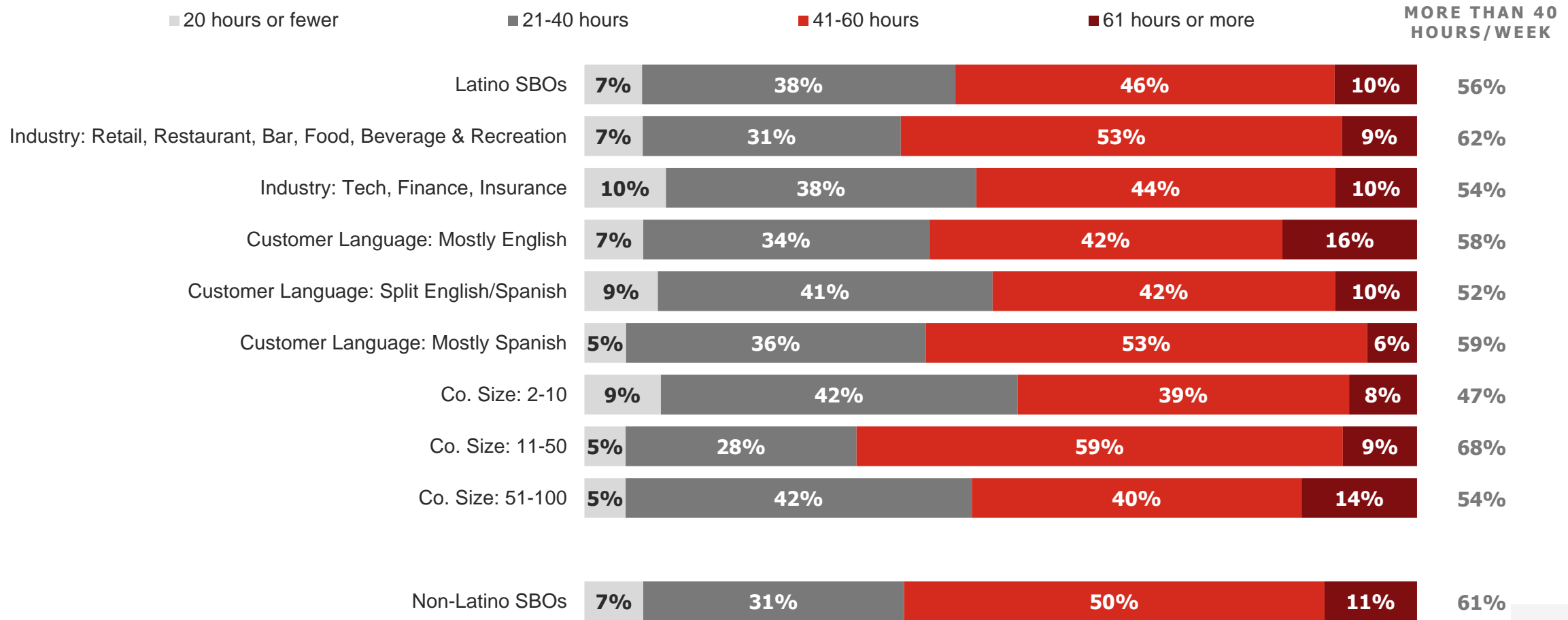
Latino SBOs are more likely to have relatives across generations working for their business in both a paid and unpaid capacity compared to their non-Latino counterparts.

Do any of your own relatives work for your business? Select all that apply.



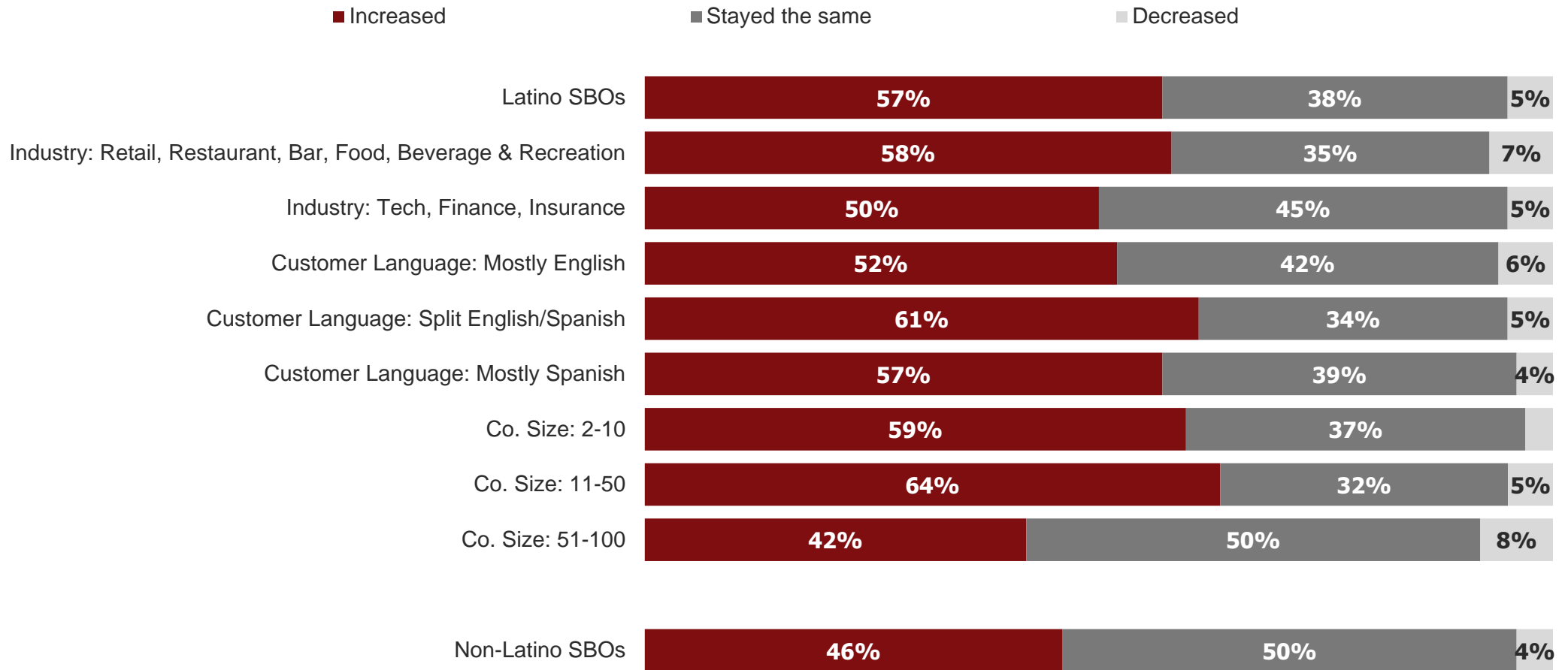
Majorities of Latino and non-Latino respondents report investing more than 40 hours of their own time into their business in an average week. Among Latino SBOs, those with businesses with 11-50 employees and in the retail, restaurant & bar, food & beverage, or recreation industries report working more hours per week.

In an average week, how many hours of your own time do you invest into your business?



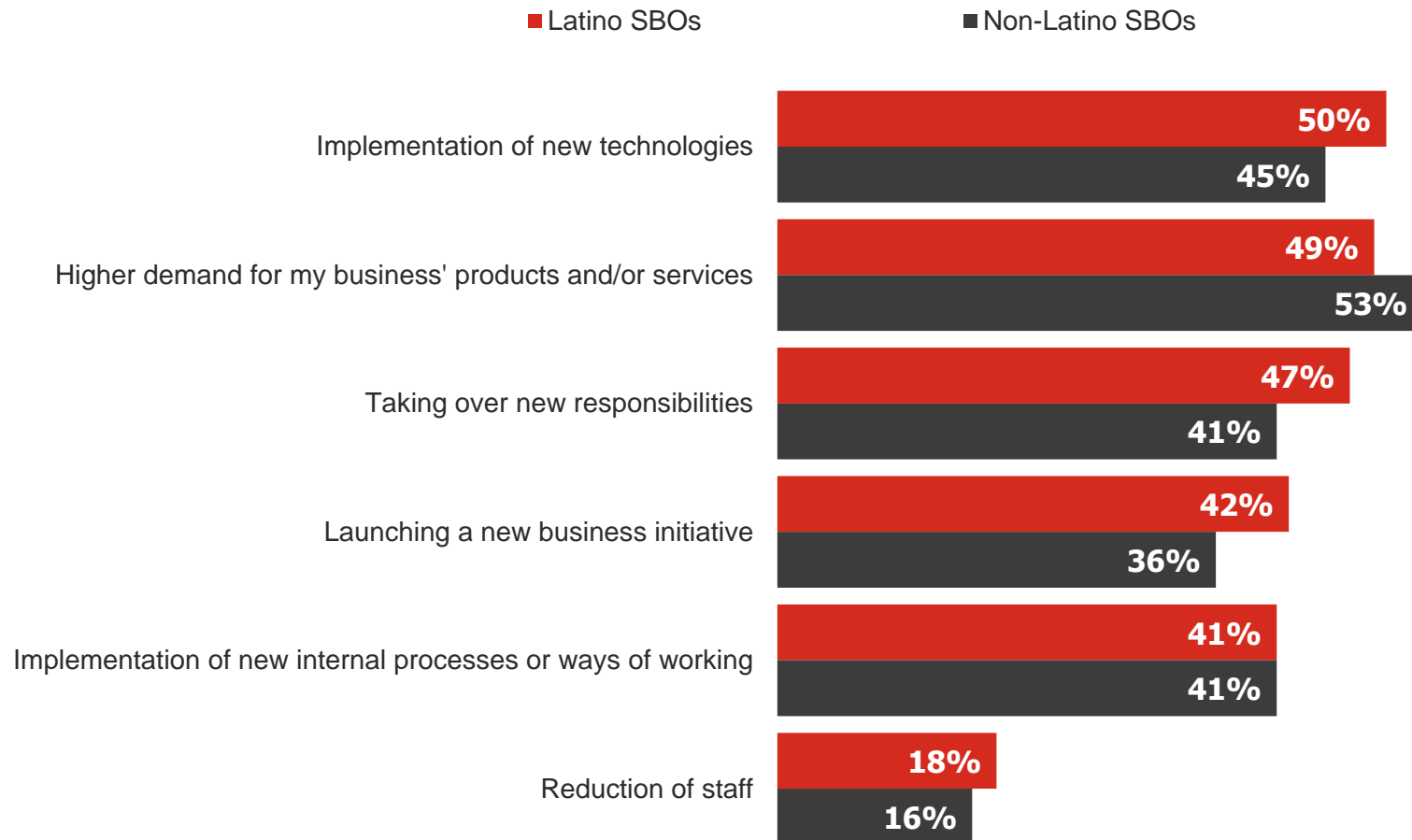
Over half of Latino SBOs say the number of hours they invest into their business per week has increased in the past year, while non-Latino SBOs are more split between saying their hours have increased or stayed the same.

Over the **past year (i.e., since spring 2023)**, how has the number of hours you invest into your business in an average week changed?



Respondents who say their hours worked have increased in the past year most commonly cite implementation of new technologies and higher demand as contributing factors.

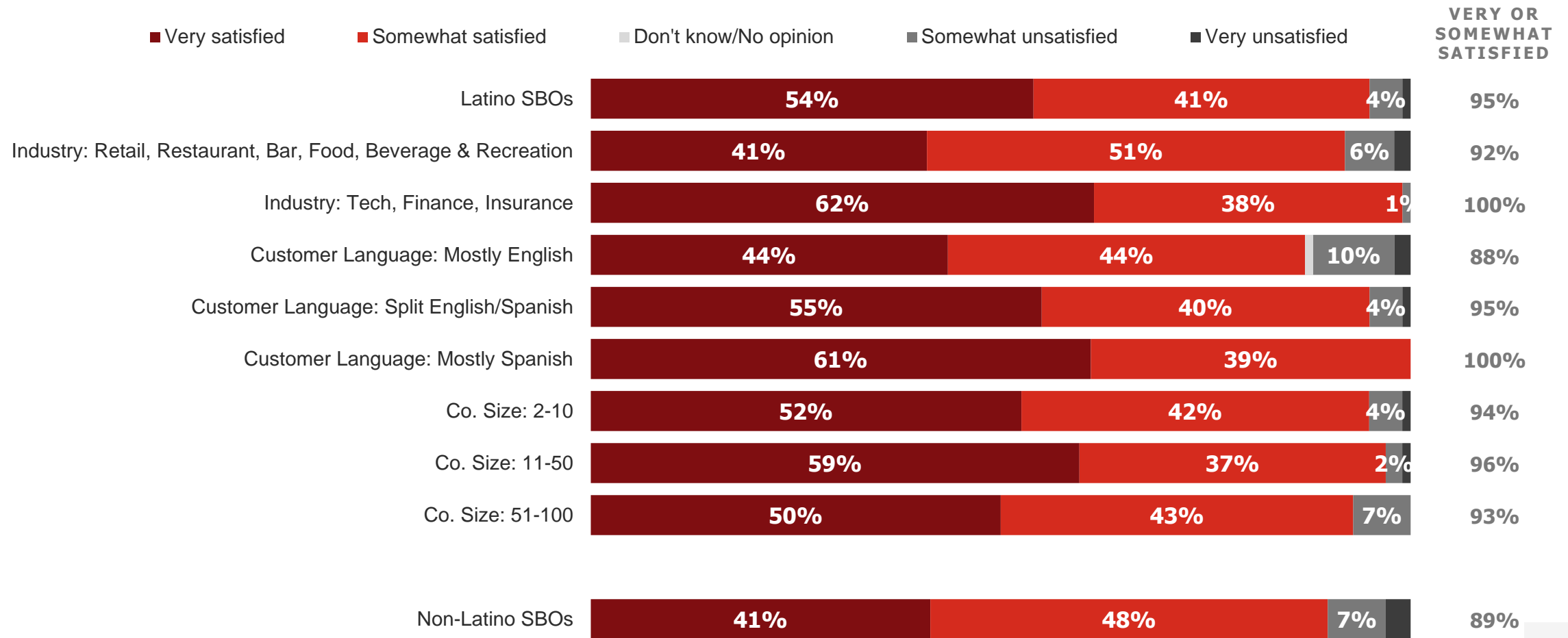
And which of following factors have contributed to the **increase** in your hours? Select all that apply.



ECONOMY & CULTURE

Across the board, SBOs almost universally report satisfaction with their work-life balance. Latino SBOs in the tech, finance, or insurance industries and those who communicate with customers mostly in Spanish are more likely to be *very* satisfied with their work-life balance.

And, how satisfied or unsatisfied are you with your work-life balance?



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