Small Business Technology Use Survey 2025

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Table Of Contents

	Page
Introduction	3
Findings	4
Detailed Findings	9
Firmographics	39

Introduction

Background & Objectives

The SBE Council commissioned the study to gain insights from small business owners about their use of new technologies.

Survey Sample

- ✓ Online Survey Methodology
- ✓ Sample size - 532 completes
  - TechnoMetrica used its network of panel partners for the sample
- ✓ Credibility interval - +/-4.3 percentage points

Methodology

- ✓ Survey Conducted
  - March 12 – March 19, 2025
- ✓ **Median Length of Interview**
  - 7 minutes

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

Findings - Overview

Small Business Use of AI

- A vast majority of small business owners (82%) view winning the global AI race as critical to America's economic future.
- Most small businesses (62%) express confidence in President Trump's leadership on AI and tech innovation.
- Trump-era deregulation is widely viewed as pro-innovation, with many businesses claiming it helped them adopt new technologies.
- Extending the Trump tax cuts is considered essential to innovation and growth by 72% of small businesses.
- Over half (58%) of small businesses surveyed currently use AI tools or solutions, and nearly all users find them essential for competitiveness.

Findings - Overview

Small Business Use of AI (Continued)

- Most small businesses have begun using AI in the past two years, with the typical business reporting one year of experience.
- The average small business uses about two AI tools. Annual spending on AI tools averages around $1,000 per business, with most expecting to increase AI investment in 2025.
- The most common AI applications include content creation, marketing automation, customer support, and cybersecurity.
- Employee support for AI usage/integration is strong, with 81% describing workplace engagement with AI as positive.
- Businesses are reinvesting AI-driven savings into enhancing customer service, exploring new growth opportunities, improving their workforce, and upgrading their equipment.

Findings - Overview

Express Checkout Usage and Outlook

- A majority of small businesses (53%) now use express checkout to process online payments, while 44% do not, and a small share are unsure.
- Satisfaction is high among users, with 94% agreeing that express checkout helps their business succeed.
- For nearly half of the users, express checkout accounts for more than 30% of total sales, with a median sales share of 28.8%.
- Optimism is strong heading into 2025–77% of users expect express checkout sales to grow.

Findings - Overview

Small Business Advertising Trends

- Word-of-mouth and social media are the dominant advertising channels for small businesses, followed by email marketing, paid online ads, and content marketing.
- Offline methods, such as direct mail, text marketing, and outdoor ads, remain in use, while traditional media, including newspapers, TV, and radio, have limited traction.
- Social media marketing is rated as the most effective channel for return on investment, with word-of-mouth a close second.
- Facebook, Instagram, and YouTube are the top platforms for branding and revenue generation, with TikTok, LinkedIn, Amazon, and X (formerly Twitter) also playing notable roles.
- Social media and e-commerce platforms drive a significant portion of revenue, with a median of 23.5% of sales attributed to them, and one in five small businesses deriving over half of their sales from these channels.

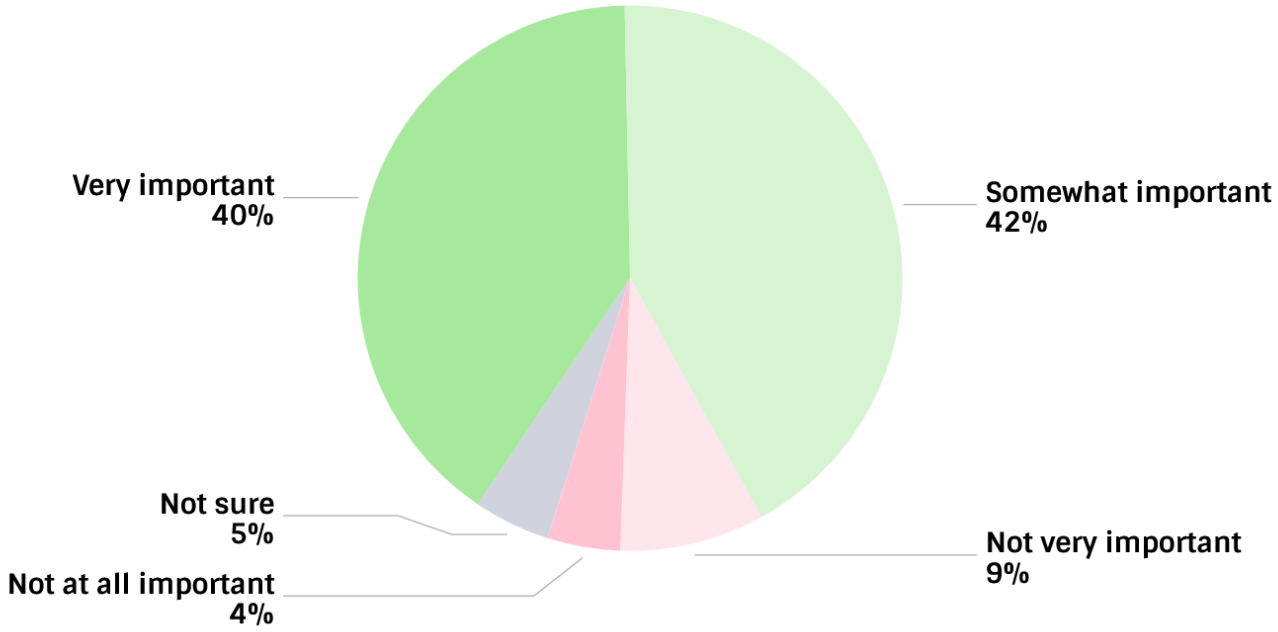
Findings - Overview

Small Business Engagement with Amazon

- 26% of small businesses currently sell on Amazon, while the majority do not. The median share of sales from Amazon for sellers is 23%. Most Amazon sellers diversify their sales channels by also utilizing social media platforms, company websites, other marketplaces such as Etsy and eBay, as well as in-person events or brick-and-mortar stores.
- The typical profit margin for Amazon sellers is around 28.5%, with most earning moderate returns and a minority reporting either very low or very high margins.
- Nearly half of the surveyed sellers report that their profit margins on Amazon are better than on other platforms, and 41% say they are about the same.
- An overwhelming 92% of sellers believe Amazon charges fair prices for its services, and 86% feel that the platform provides strong support for small sellers.

Detailed Findings

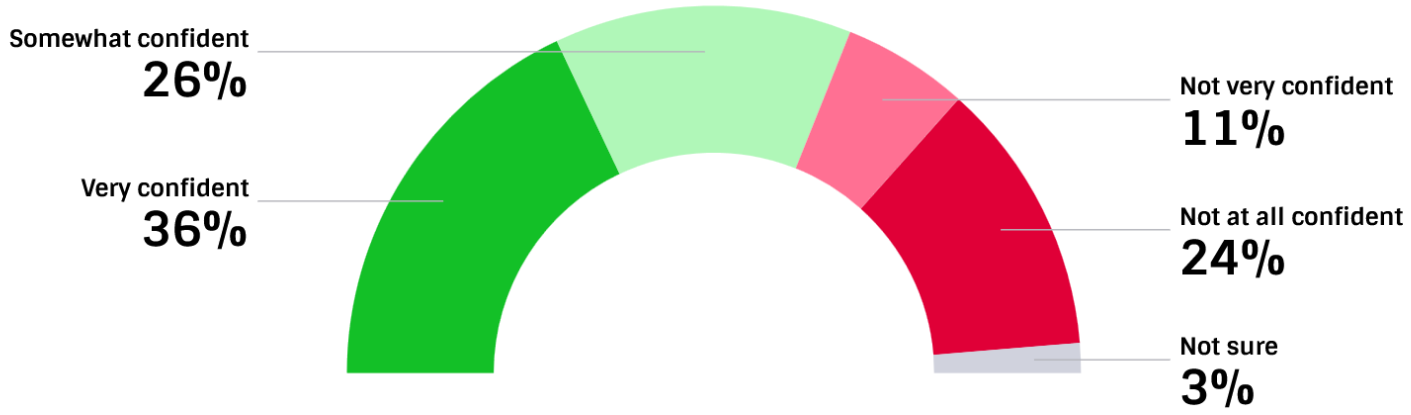
Small Businesses See AI Race As Crucial To U.S. Economic Future



A1. How important is winning "the AI race" and maintaining global leadership in innovation to the growth and success of the U.S. economy?

- 82% of business owners state that winning the AI race and maintaining global leadership in innovation is important.
- 40% believe it is *Very Important*, while 42% say *Somewhat Important*.
- Only 13% believe it is not necessary.

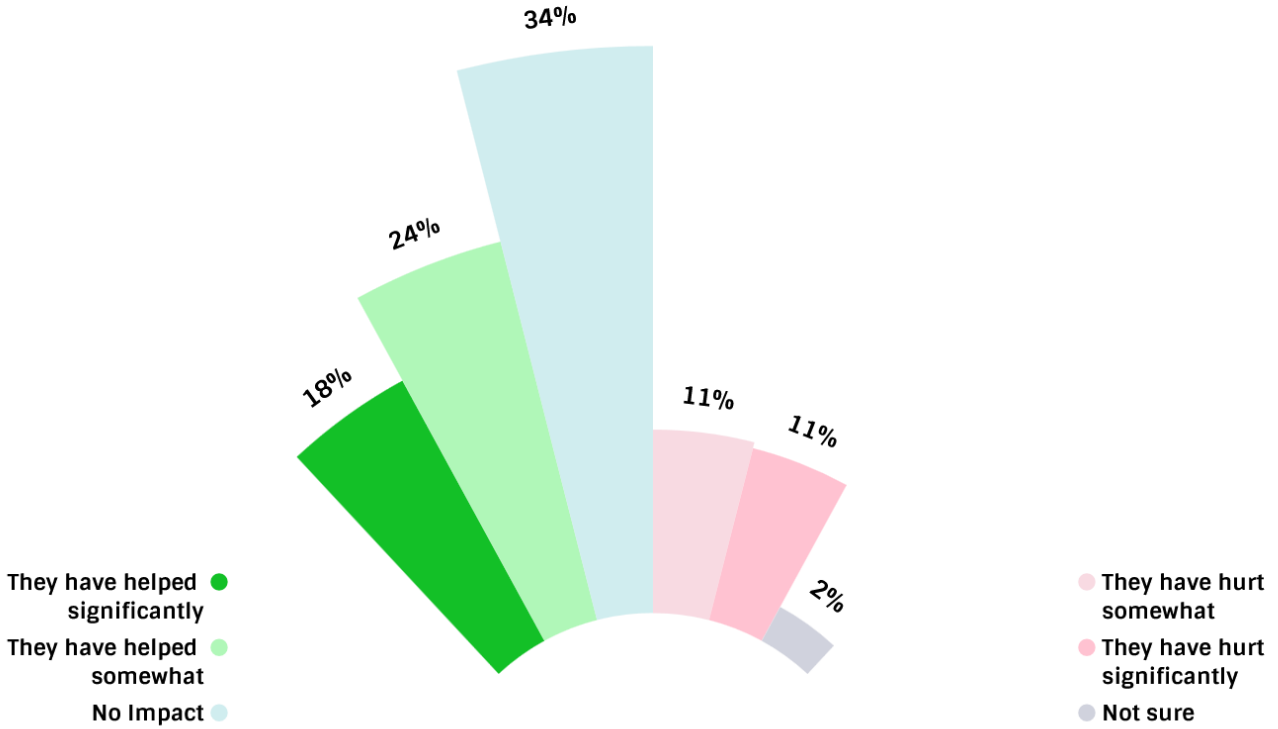
Most Small Businesses Express Confidence In President Trump's Tech Leadership



A2. How confident are you in President Trump's leadership in promoting and advancing policies that support U.S. technological leadership and innovation, including AI development?

- Nearly two-thirds, 62%, express confidence in Trump's leadership on AI and tech innovation.
- 36% are *Very Confident* and 26% are *Somewhat Confident*.
- 35% lack confidence, including 24% who are *Not At All Confident*.

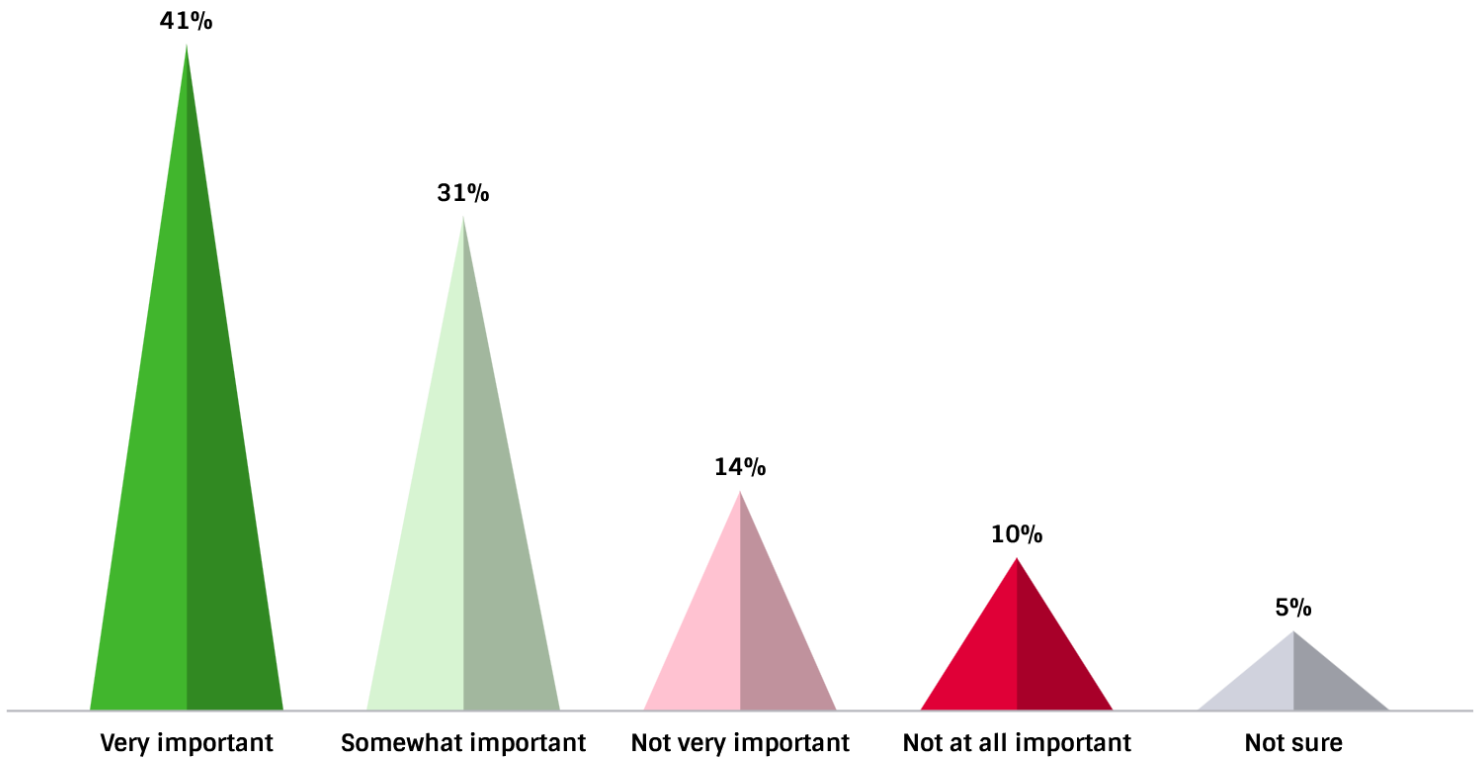
Trump Deregulation Seen As Innovation Booster By Solid Share Of Small Businesses



A3. To what extent have the Trump administration's deregulatory efforts influenced your business's plans and ability to innovate and adopt new technologies?

- 42% claim that Trump's deregulation has helped their businesses adopt new technologies.
- 18% state that it helped *significantly,* while 24% say *it helped somewhat*.
- Only 22% mention that it *hurt*, and 34% report *no impact*.

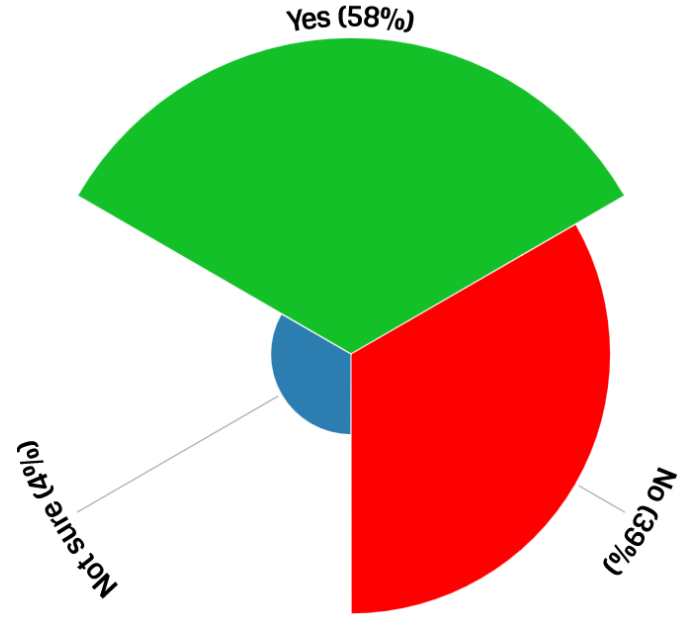
Extending Trump Tax Cuts Key To Business Innovation



A4. How important is extending the Trump Tax Cuts (which expire at the end of this year) to your business innovative growth and competitiveness in general?

- 72% cite extending Trump's tax cuts as essential for growth and competitiveness.
- 41% opine it *Very Important*, and 31% believe it is *Somewhat Important*.
- Just 24% state it's *Not Very Important* or *Not At All Important*.

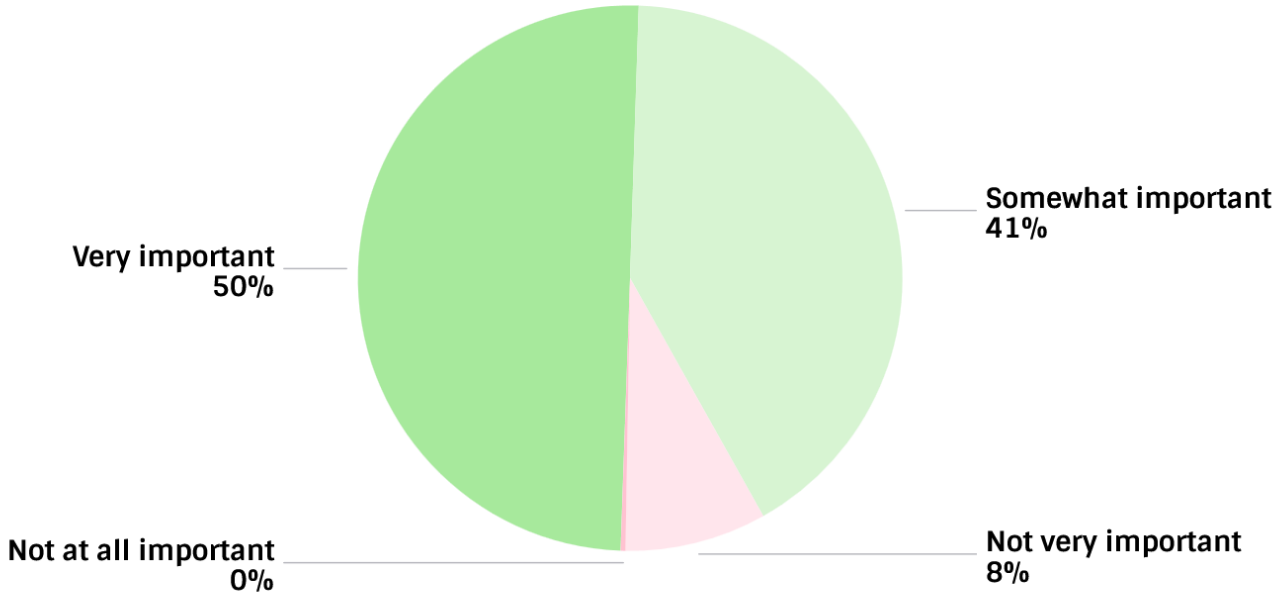
Most Small Businesses Use AI Tools Or Solutions



- 58% of businesses utilize AI tools or solutions.
- 39% do not use AI, while 4% are unsure.

Q1. Does your business use AI solutions/tools?

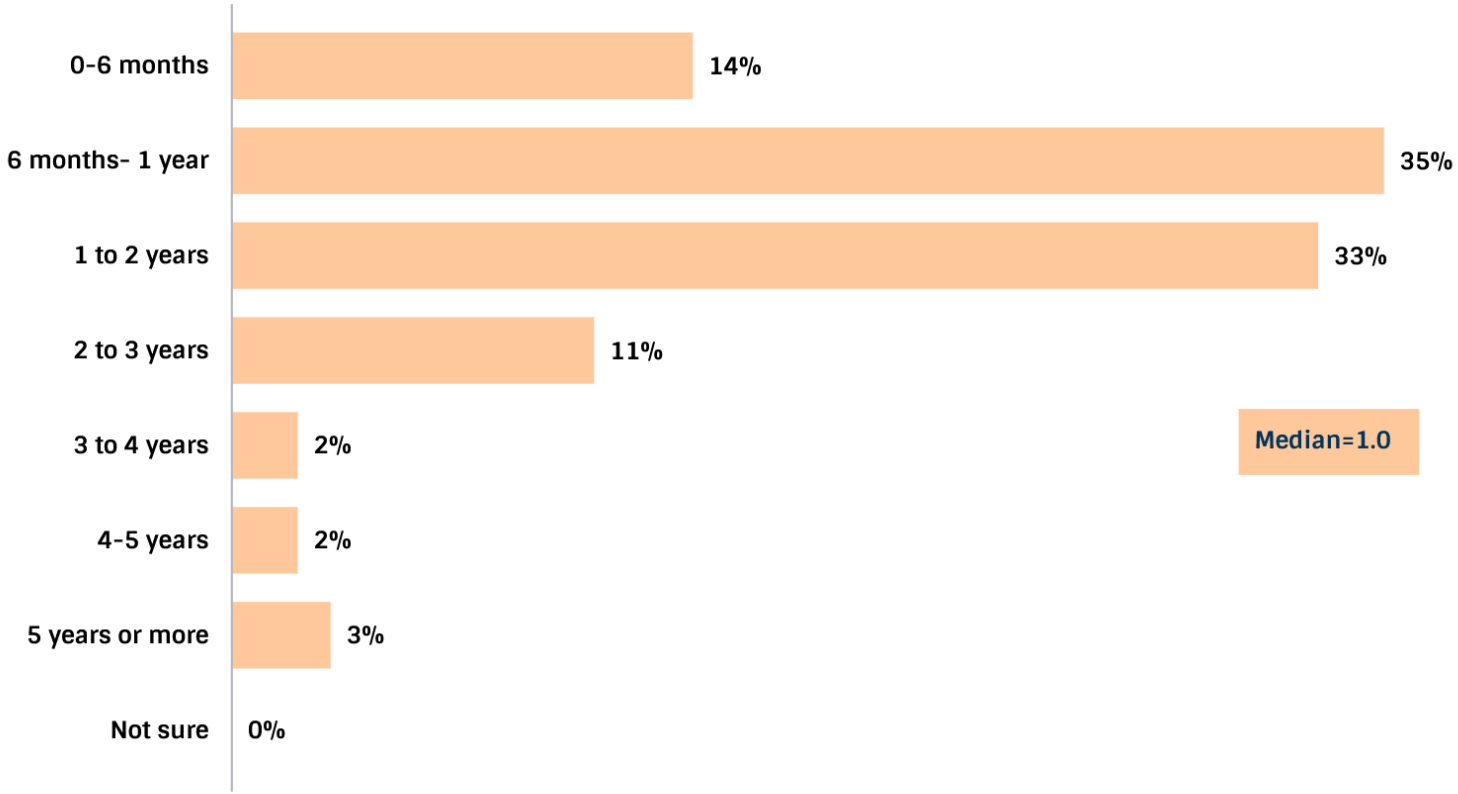
Nine-In-Ten Businesses State AI Tools Key to Business Growth



Q2. How important have AI tools and technology platforms been to your business's competitiveness and growth over the past year? Base: 303 AI Tools Users, +/-5.7 PTS

- Half of users (50%) state that AI tools are *Very Important* to their competitiveness.
- Another 41% mention that they are *Somewhat Important*.
- Only 8% consider them not important.

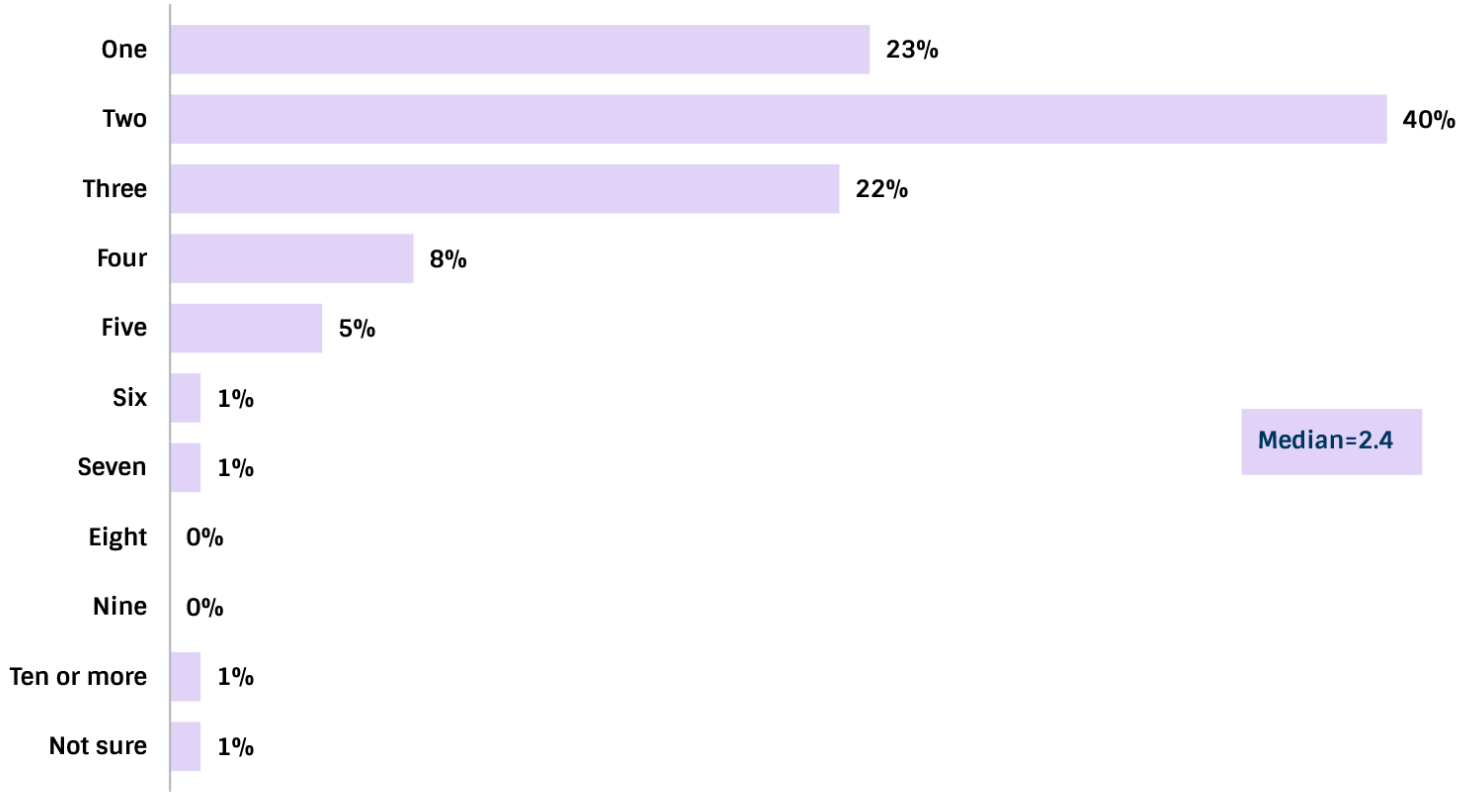
Most Small Businesses Began Using AI Within The Past Two Years



Q3. How long has your company been using or investing in AI tools? n=303 AI Tools Users, +/- 5.7 PTS

- Eighty-two percent have adopted AI tools within the past two years.
- 35% adopted AI between 6 and 12 months ago, while 33% have used it for 1–2 years.
- 15% have been using AI for two to five years.
- Only 3% report using it for 5 years or more.
- The median duration of AI usage is one year.

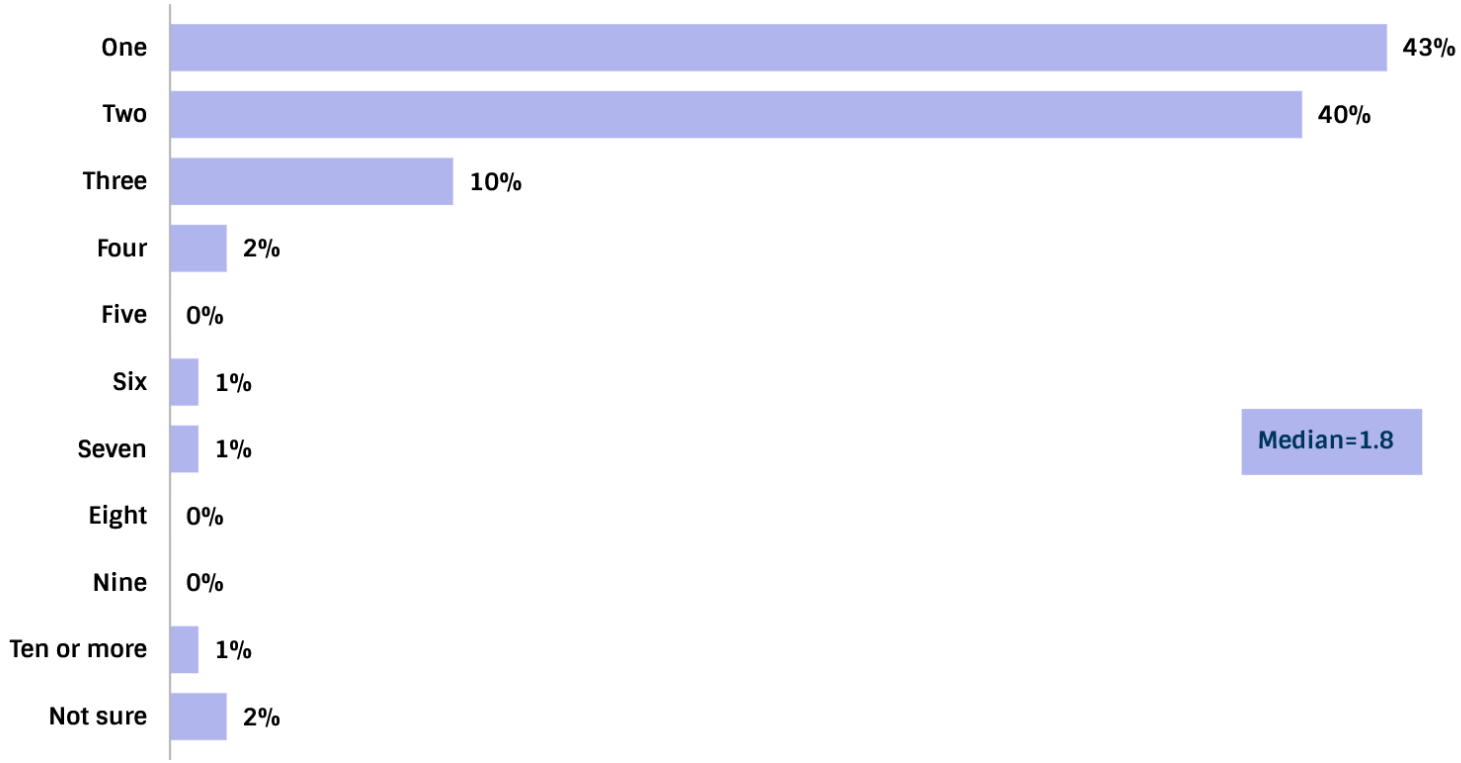
Small Businesses Typically Use Two AI Tools



Q4. Approximately how many AI solutions/tools does your business currently use? n=303 AI Tools Users, +/- 5.7 PTS

- 40% mention using two tools, while 23% use just one.
- One-fifth, 22%, use three tools, and another 8% use four tools.
- Meanwhile, 8% report using five or more AI solutions.
- The median number of tools currently used is 2.4.

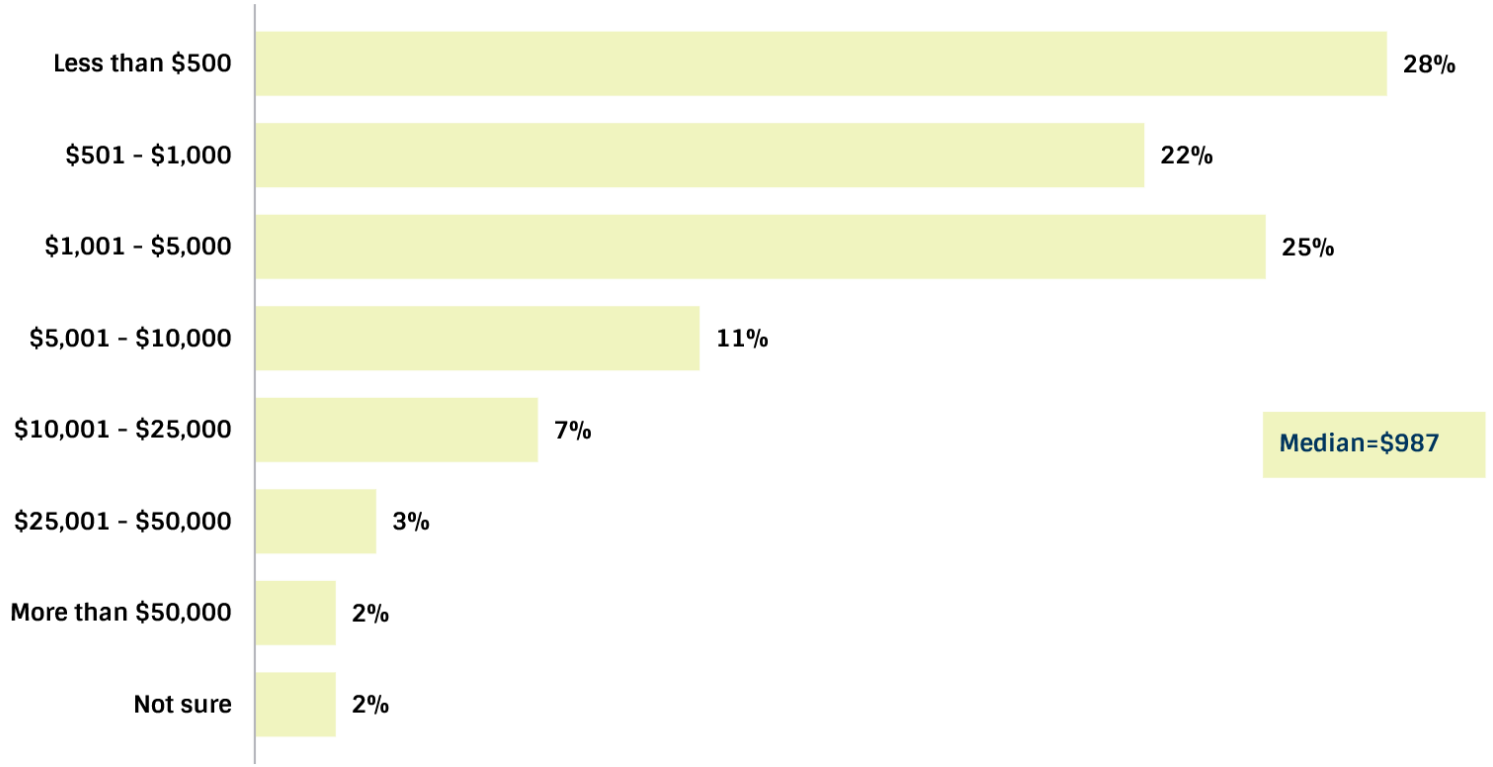
AI Adoption Accelerates: Nearly Two New Tools Adopted In The Past Year



Q5. Approximately how many new AI solutions/tools did your business adopt in the past year? n=303 AI Tools Users, +/- 5.7 PTS

- 43% mention adopting one, while 40% adopted two tools a year.
- 15% adopted more than two tools last year.
- The typical business adopted a median of 1.8 new AI tools in the past year.

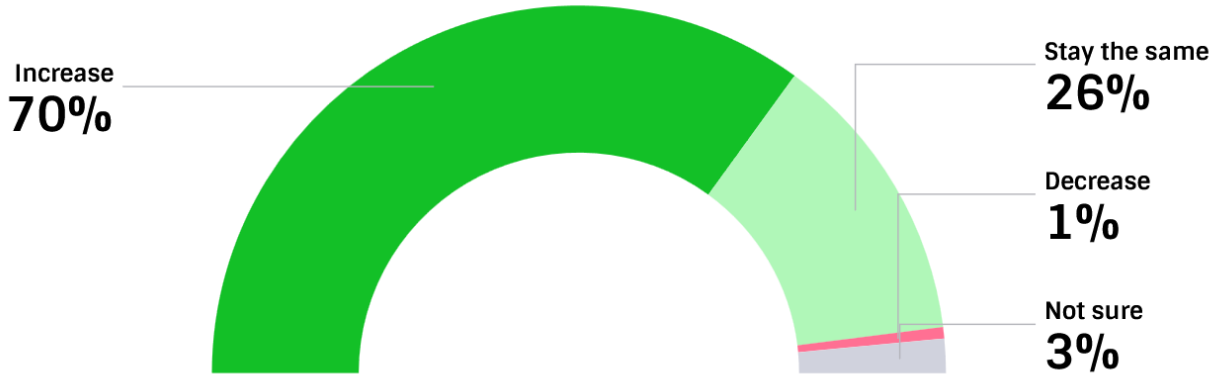
Median Spend On AI Tools Is $1000 Annually



Q6. On average, how much does your business spend annually on the artificial intelligence tools it currently uses? n=303 AI Users, +/- 5.7 PTS

- 28% report spending less than $500, while 22% spend between $501–$1,000.
- One-fourth spend $1,001-$5,000.
- One-tenth, 11%, spend $5,001-$10,000.
- A similar share, 10%, spends $10,001-$50,000.
- Only 2% spend more than $50,000.
- The median spend is $987 per year.

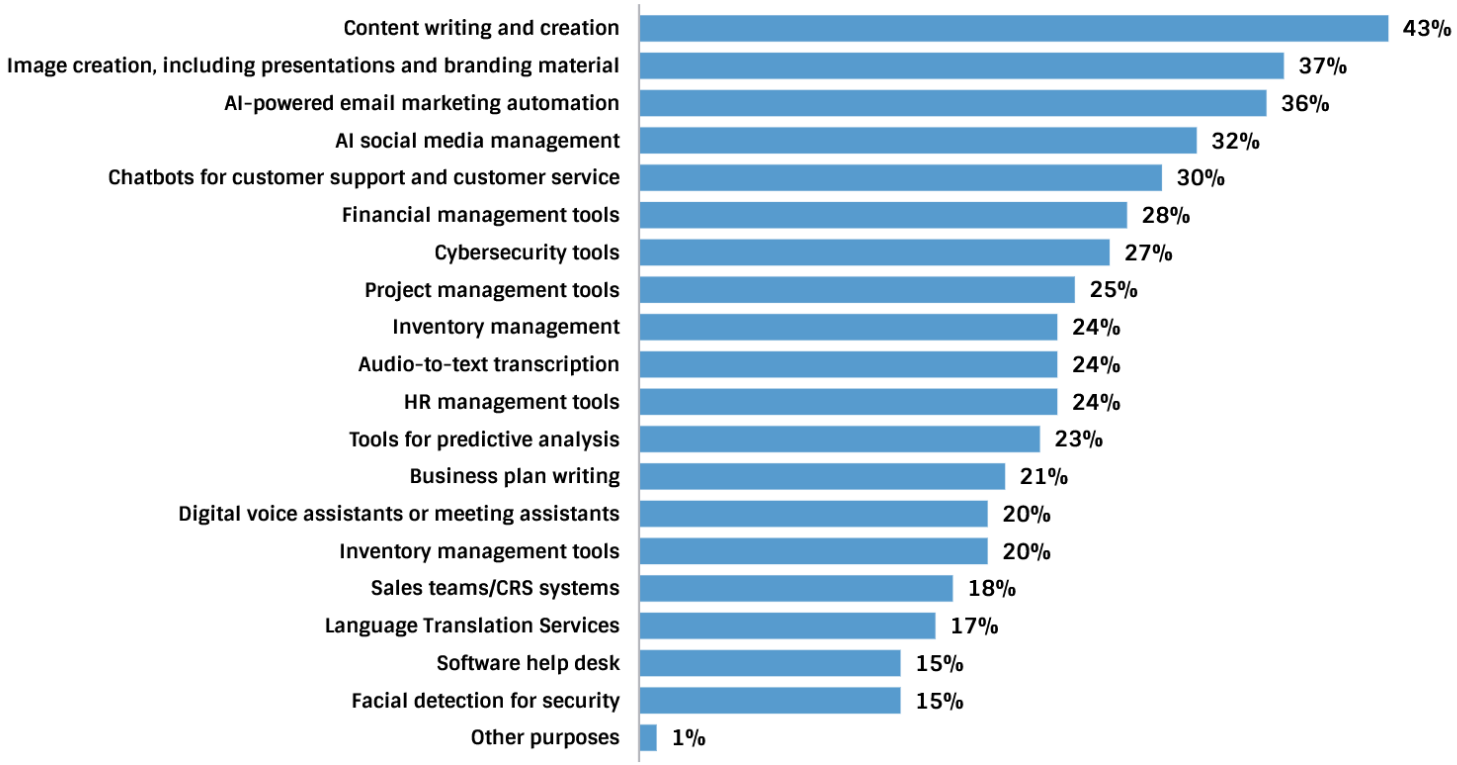
AI Budgets Expected To Grow Sharply In 2025



- 70% expect to *increase* AI-related spending over the next 12 months.
- 26% believe spending will *stay the same*, and only 1% foresee a decrease.

Q7. 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=303 Use AI tools

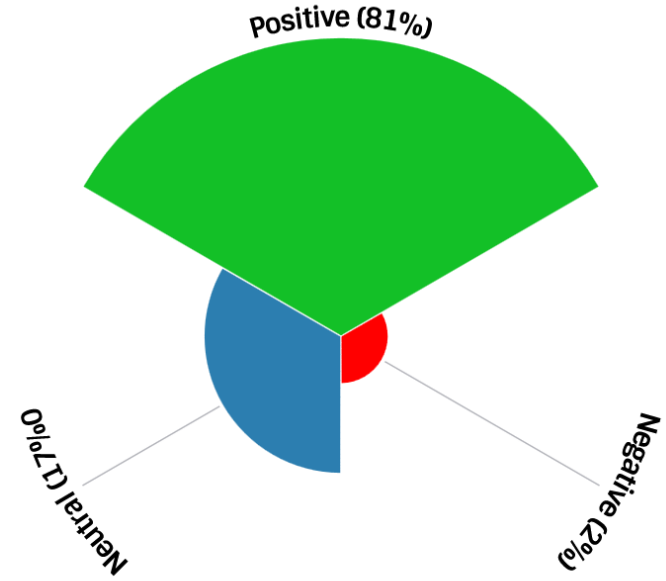
Popular AI Applications Among Small Businesses: Content Creation, Marketing, and Operations



Q8. Which of the following artificial intelligence tools does your small business currently utilize for business purposes? (Please select all that apply), n=303 AI Tools Users, +/- 5.7 PTS

- 43% mention using AI for content writing and creation, making it the top application.
- 37% rely on AI for image creation, including branding and presentations.
- 36% use AI for email marketing automation, while 32% apply it to social media management.
- 30% mention leveraging AI-powered chatbots for customer support.
- 28% utilize AI for financial management, and 27% for cybersecurity.
- Other use cases include project management (25%), inventory management (24%), and HR tools (24%).
- AI is also used for audio-to-text transcription (24%), predictive analytics (23%), and business plan writing (21%).
- Lesser-used applications include language translation (17%), software help desks (15%), and facial detection for security (15%)

Strong Employee Support For AI In The Workplace



- 81% describe employee engagement with AI as *positive*.
- 17% are neutral, and only 2% characterize it as *negative*.

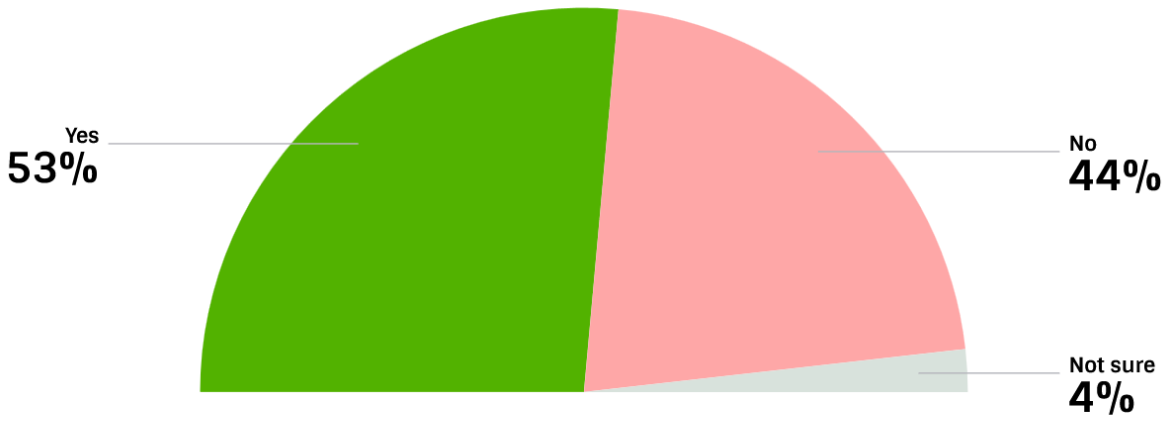
Q10. How would you describe your employees' response to and engagement with AI solutions implemented in your business?
Base: 303 AI Users, +/- 5.7 PTS

Small Businesses Invest AI-driven Savings Into Customer-Centered Innovation, Business Growth, Keeping Prices Stable

Q11. 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), n=303 AI Users, +/- 5.7 PTS

- 44% of small businesses mention using AI-driven time and cost savings to enhance customer engagement and retention.
- 37% reinvested savings to explore new growth opportunities.
- 36% state they were able to keep prices stable for customers/clients.
- 33% invested in new equipment, technology, or other tools to improve competitiveness.
- 29% increased time spent on higher-value or revenue-generating projects by owners or staff. 24% mention they were able to boost wages and benefits for employees thanks to AI efficiencies.
- 19% set aside more capital for emergency reserves or future investment opportunities. 17% used the savings to pay down debt more rapidly.
- 15% expanded their workforce.
- Only 7% indicate that none of the listed actions apply to their business.

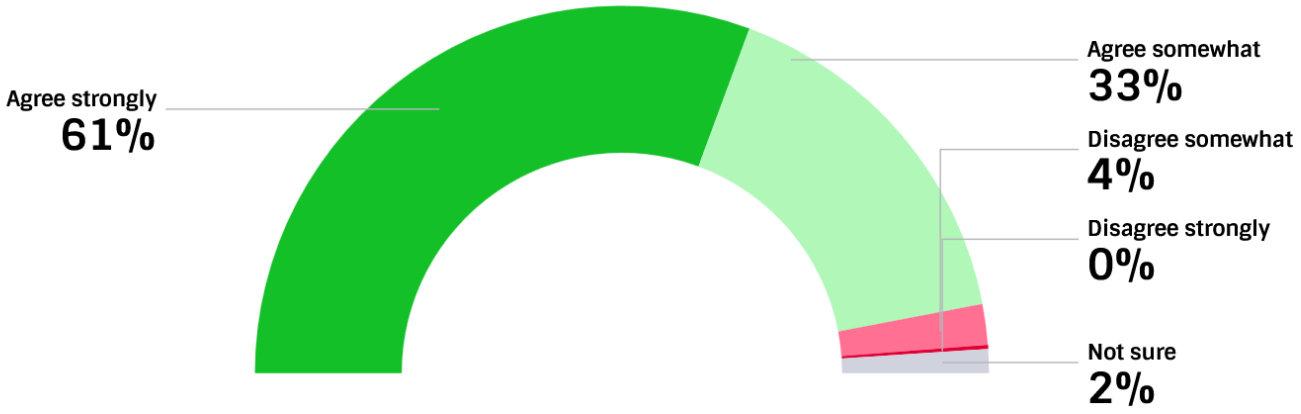
Majority Of Small Businesses Use Express Checkout Services



Q14. Does your business utilize express checkout services to process online payments?

- 53% of business owners mention they use express checkout to process online payments.
- 44% state they do not use express checkout services.
- 4% are unsure whether their business uses such services.

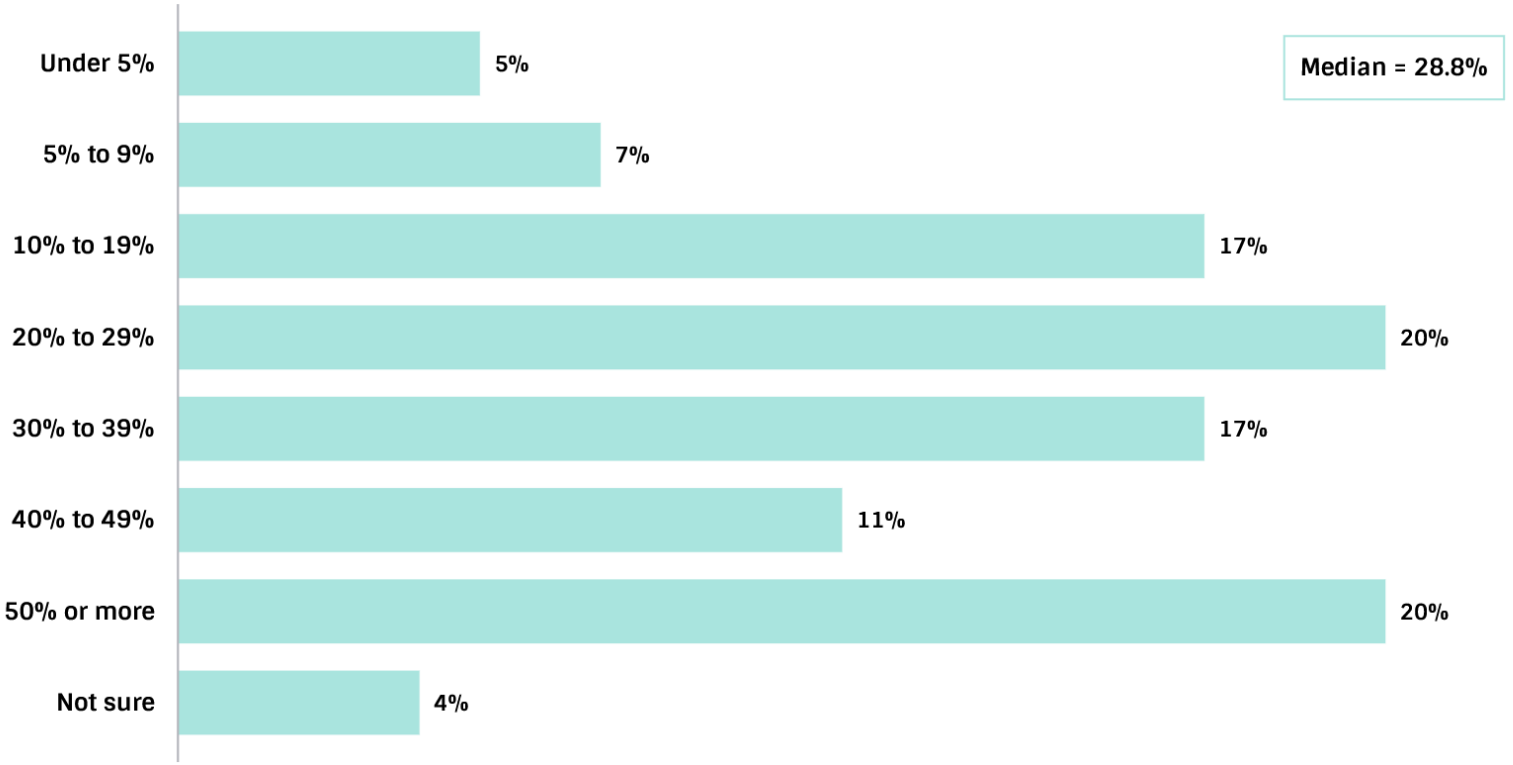
Small Business Owners Report Strong Satisfaction With Express Checkout



Q15. To what extent do you agree or disagree with the following statement: Express checkout services help my business succeed and operate more effectively? Base=280 Express Checkout Users

- 94% of users agree that express checkout helps their business succeed.
- 61% *Agree Strongly*, and 33% *Agree Somewhat*.
- Only 4% say they *Disagree Somewhat*, and none report strong disagreement.
- 2% are unsure about its impact.

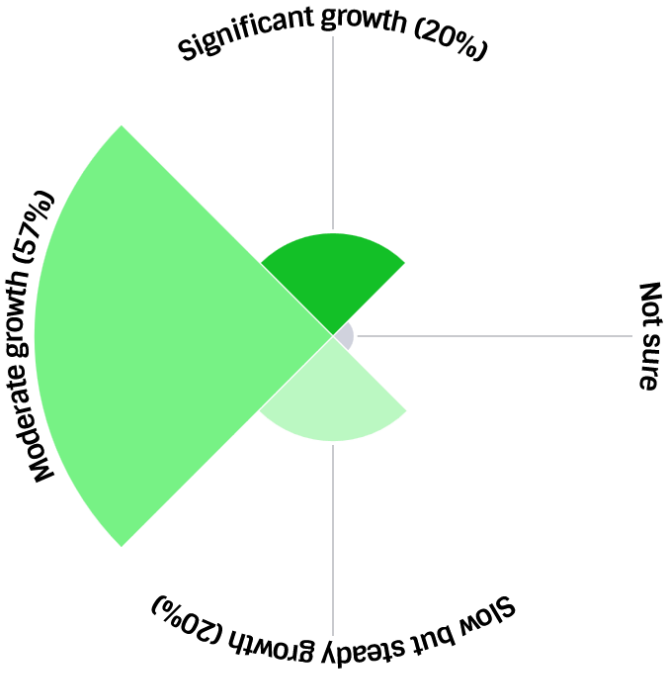
Express Checkout Drives Over 30% Of Sales For Nearly Half Of Its Users



Q17. Approximately what percentage of your sales can be attributed to express checkout?, Base=280 businesses who use Express Checkout, Base=280 Express Checkout Users

- 12% of users attribute less than 10% of their sales to Express Checkout.
- 17% mention Express Checkout accounts for 10–19% of their sales.
- 37% report that 20–39% of their sales are driven by Express Checkout.
- 11% fall in the 40–49% range.
- Another 20% state that 50% or more of their sales come through Express Checkout.
- 4% are not sure how much of their sales are attributed to it.
- The median share of sales attributed to Express Checkout is 28.8%.

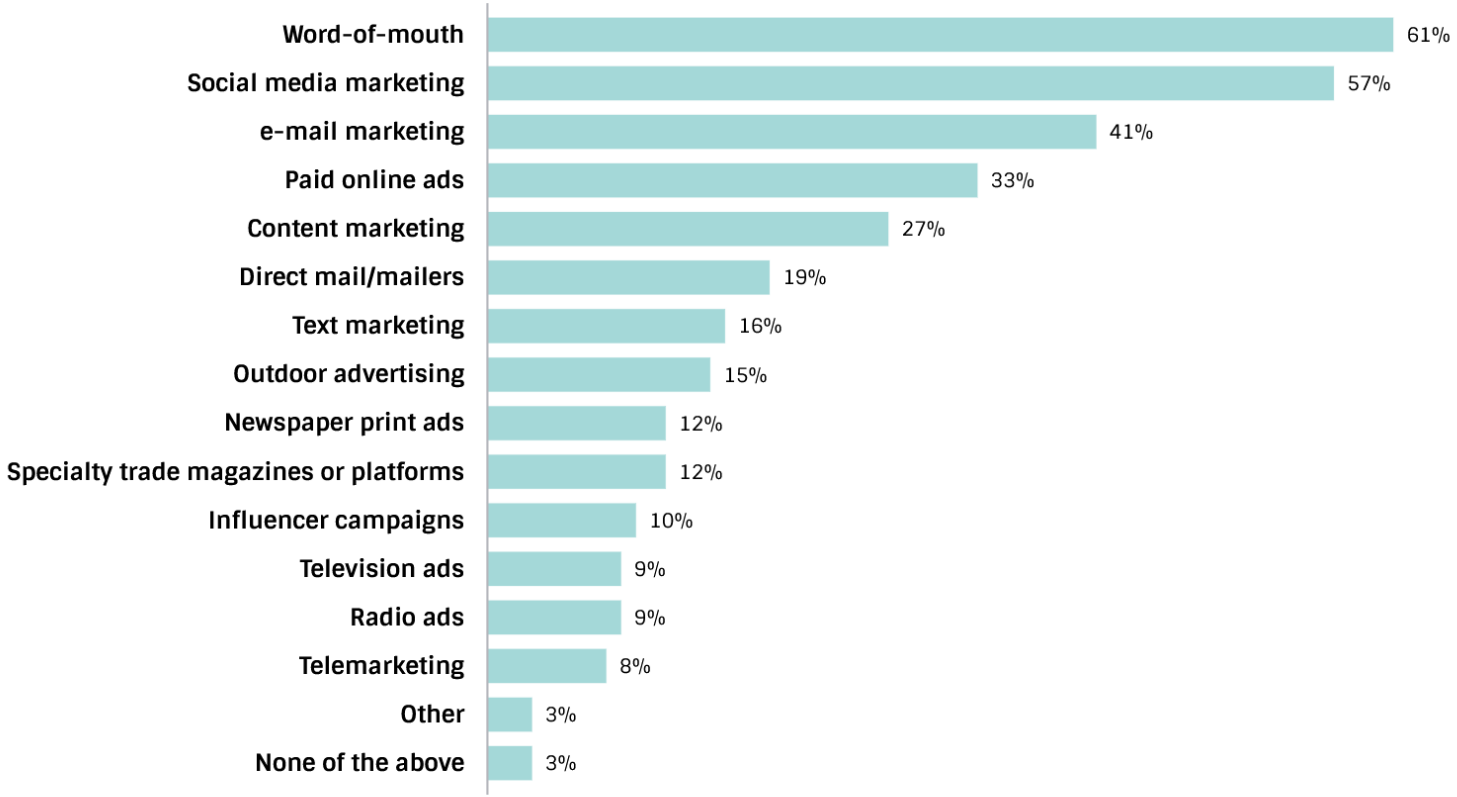
Optimism Runs High for Express Checkout Sales in 2025



Q18. Based on your current business experience, what is your outlook for sales generated through express checkout in the coming year? Base=280 Express Checkout Users

- Three-fourths (77%) of users anticipate growth in Express Checkout sales. While 57% expect *moderate growth*, 20% foresee *significant growth*.
- Another 20% expect *slow but steady growth*.
- Just 2% are unsure.

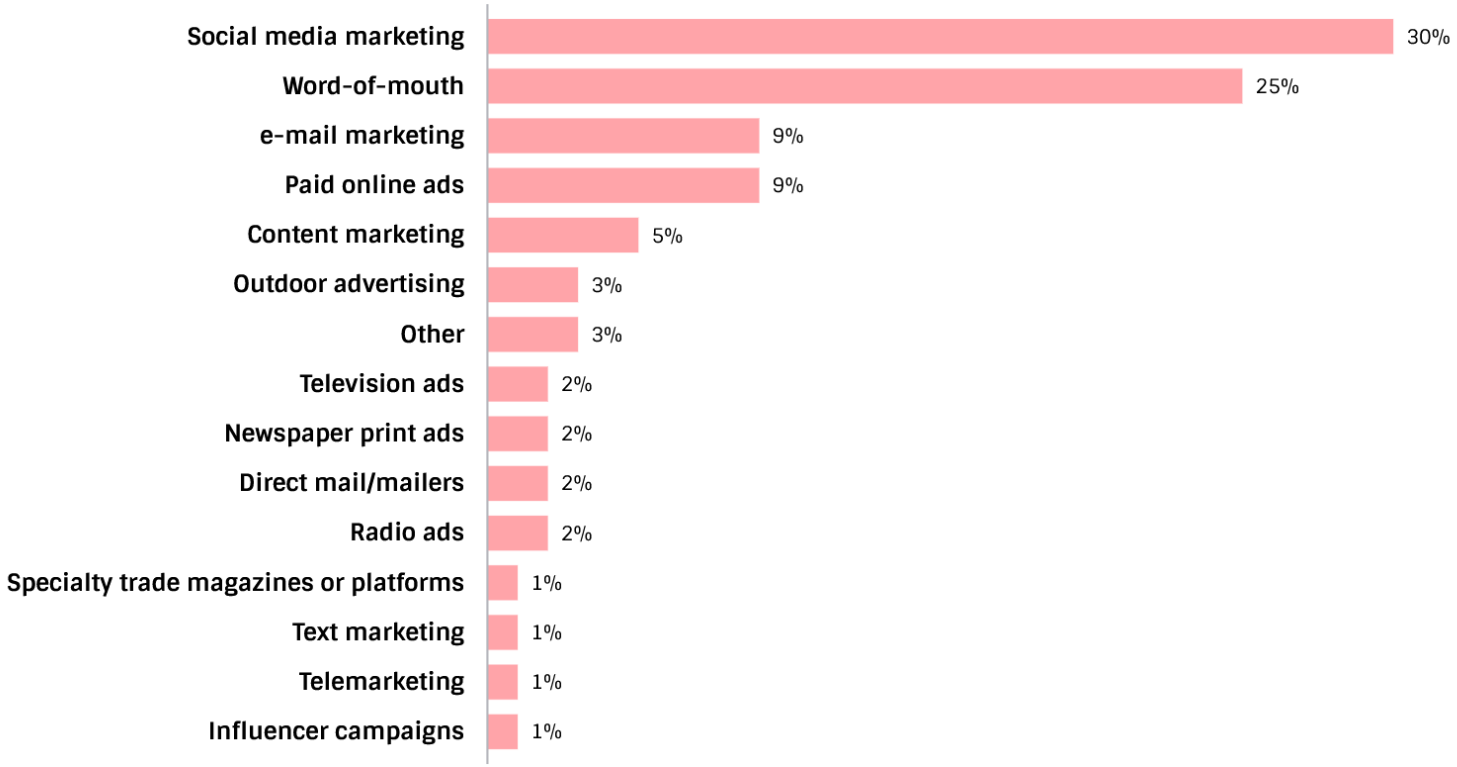
Word-of-Mouth and Social Media Dominate Small Business Advertising



Q19. How does your business advertise its products or services?

- 61% of small businesses rely on word-of-mouth for advertising.
- 57% employ social media marketing, followed by e-mail marketing at 41%.
- 33% use paid online ads, and 27% engage in content marketing.
- Offline methods like direct mail (19%), text marketing (16%), and outdoor advertising (15%) still have traction.
- Traditional media channels like newspapers (12%), TV (9%), and radio (9%) are less common.
- Only 3% say they use none of these channels, and another 3% choose *Other*.

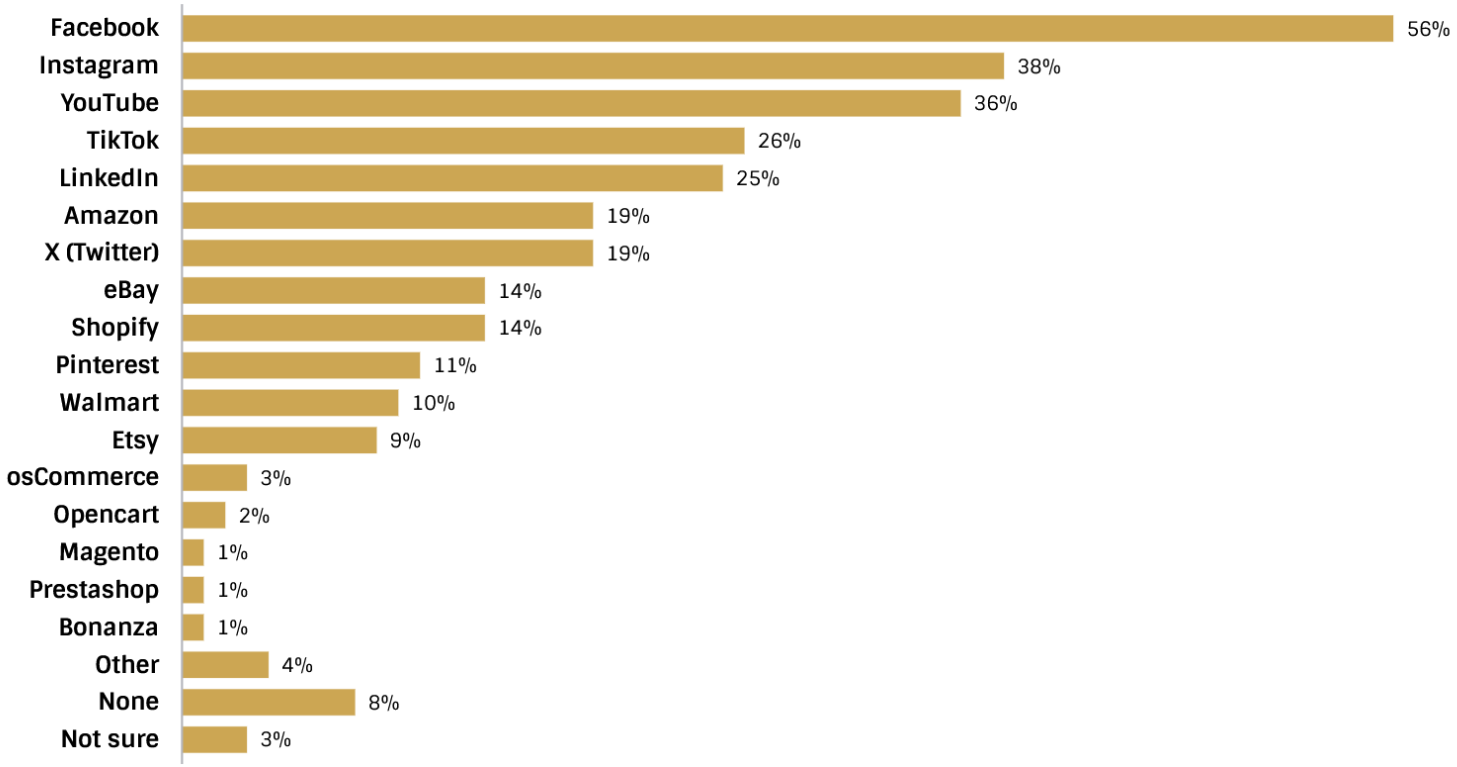
Social Media Marketing Delivers Highest ROI In Advertising



Q20. Of the various advertising techniques and strategies used by your business, which has the highest return on investment for sales and sales leads??

- 30% of small businesses identify social media marketing as delivering the highest return on investment.
- 25% state word-of-mouth is most effective.
- 9% each report strong ROI from e-mail marketing and paid online ads.
- Only 5% pick content marketing as the top performer.
- All other strategies—including TV, newspapers, direct mail, radio, influencer campaigns, and telemarketing—score 2% or less.

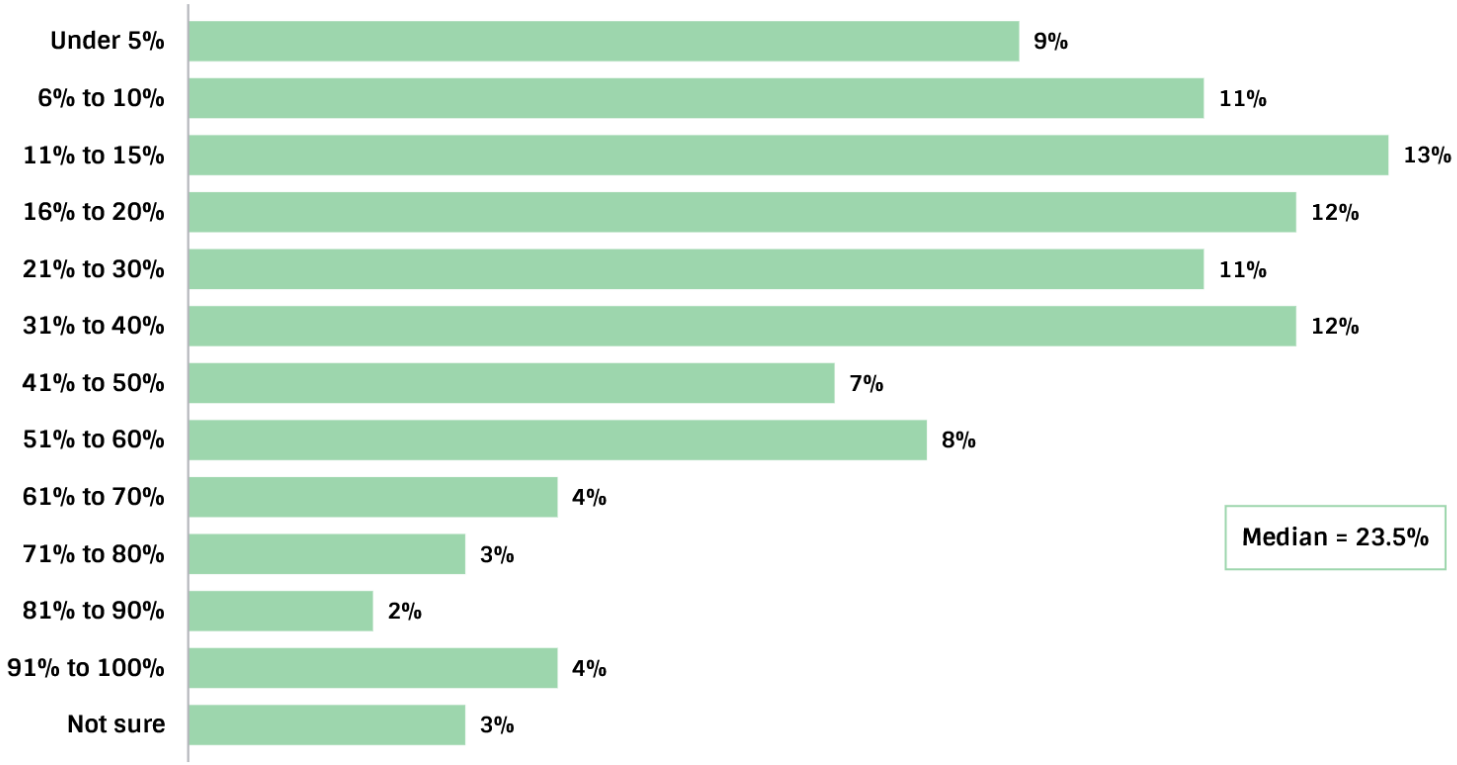
Top 5 Tech Platforms For Branding & Income Generation: Facebook, Instagram, YouTube, TikTok, LinkedIn



Q22. Which social media and technology platforms are most important to your company's branding and income generation?

- 56% of businesses rank Facebook as the most important platform for branding and revenue.
- Instagram (38%) and YouTube (36%) follow close behind.
- TikTok (26%) and LinkedIn (25%) are also widely used.
- Amazon and X (Twitter) each post 19%.
- E-commerce platforms like eBay and Shopify tie at 14%.
- Platforms like Pinterest, Walmart, Etsy, and smaller tech stacks like Magento and Prestashop have niche presence.

Social And E-Commerce Platforms Drive Nearly A Quarter of Sales



Q23. What percentage of your sales is derived from social media and technology/e-commerce platforms? Base: Use social media platforms, n=472

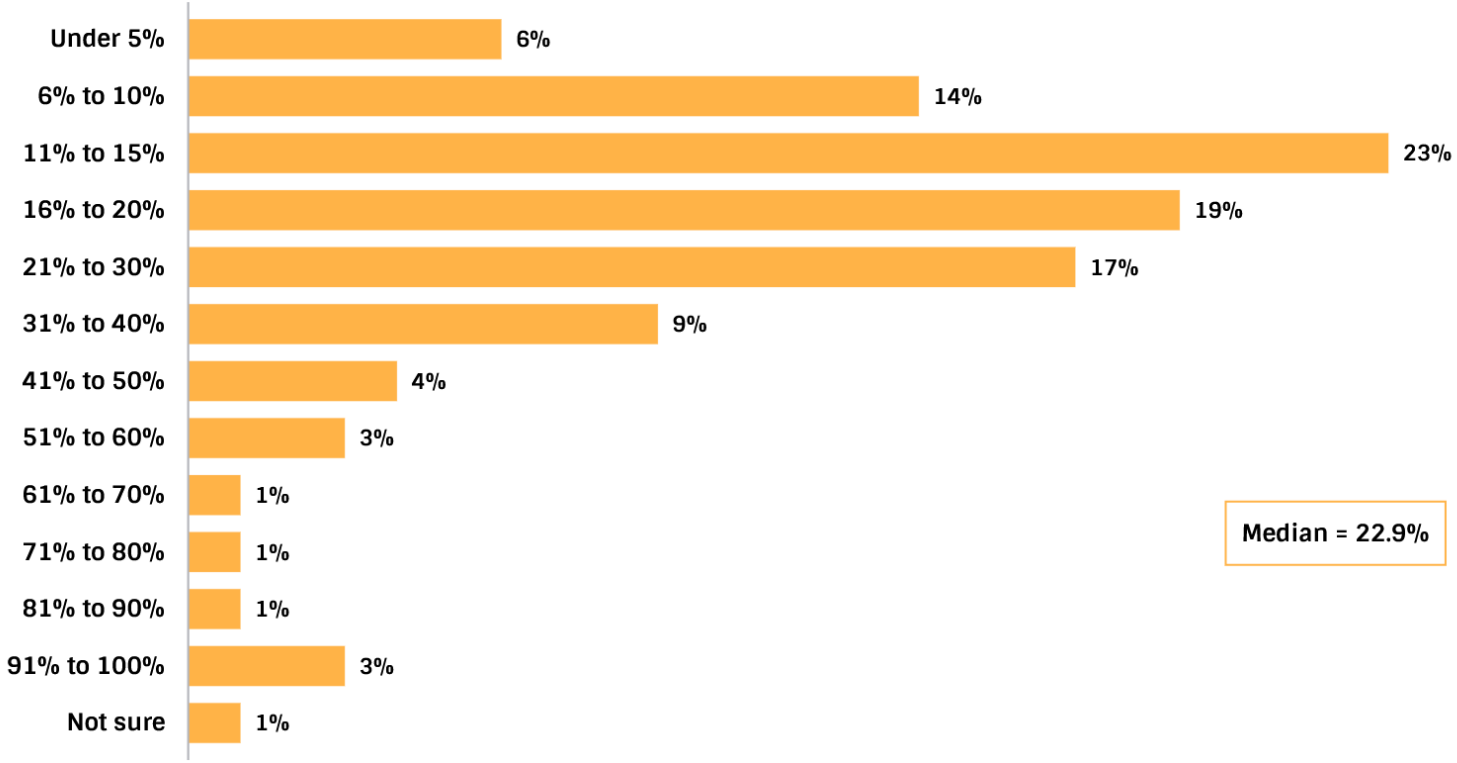
- The median percentage of sales from the social media and tech platforms is 23.5%.
- 9% derive under 5% of their sales from these platforms.
- 11% of small businesses fall within the 6%–10% range.
- Most responses (48%) cluster between 11% and 40%: 11%-15% (13%); 16%-20% (12%); 21%-30% (11%); and 31%-40% (12%)
- 7% report 41%-50% of their sales from these platforms.
- One-fifth (21%) state it accounts for more than 50%.
- 3% are unsure.

One In Four Small Businesses Sell On Amazon

- Only a quarter, 26%, of respondents sell goods on Amazon.
- 74% of businesses do not sell on Amazon.

Q24. Does your company use Amazon to sell products or goods?

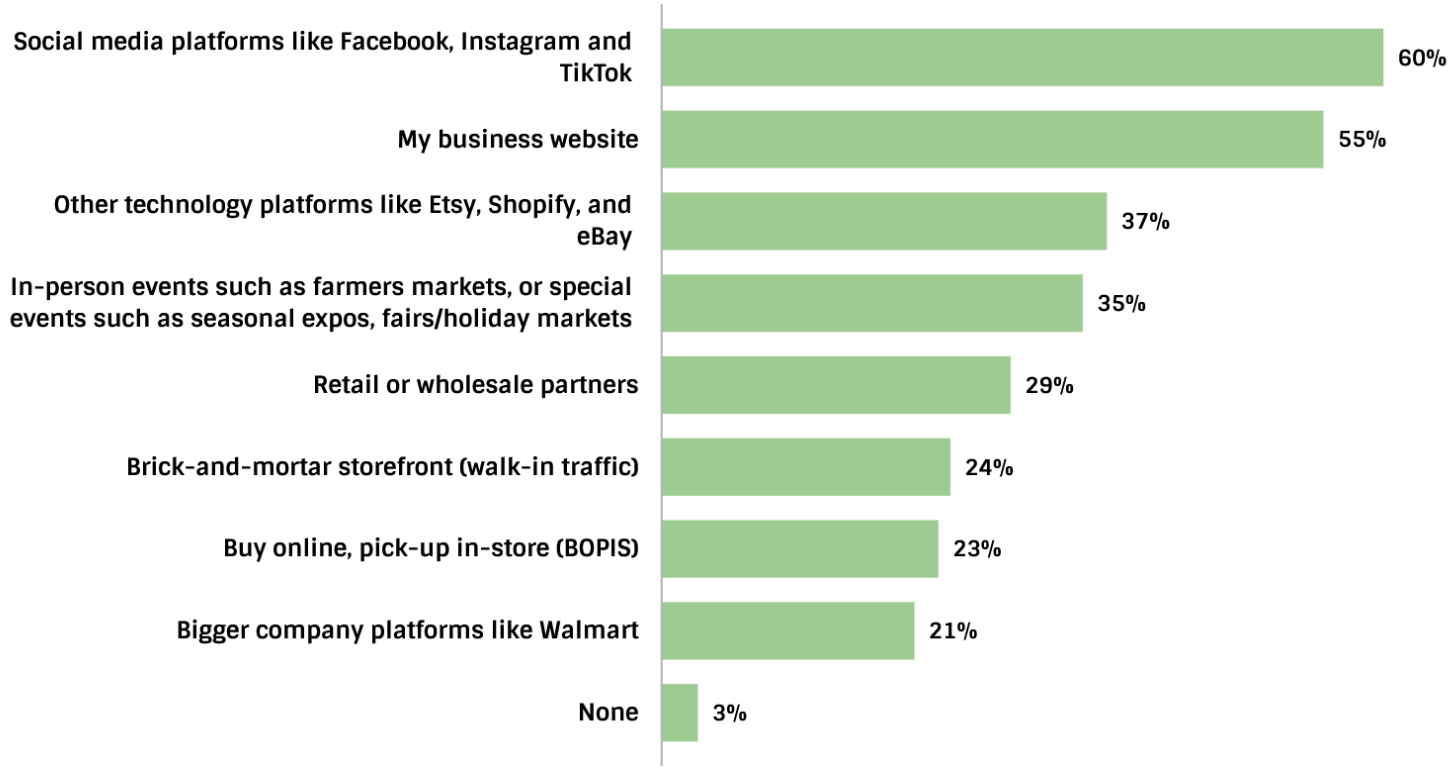
Most Amazon Sellers Generate Less Than 30% Of Sales On The Platform



Q25. What percentage of your sales is generated via the Amazon website?, Base=136 businesses who sell on Amazon, +/- 8.6 PTS

- Nearly three-quarters (73%) of Amazon sellers report that less than 30% of their total sales come from Amazon.
- Only 9% of sellers say more than 50% of their sales come from Amazon.
- The most common sales share range is 11% to 15%, reported by 23% of respondents.
- The median share of sales from Amazon is 22.9%.

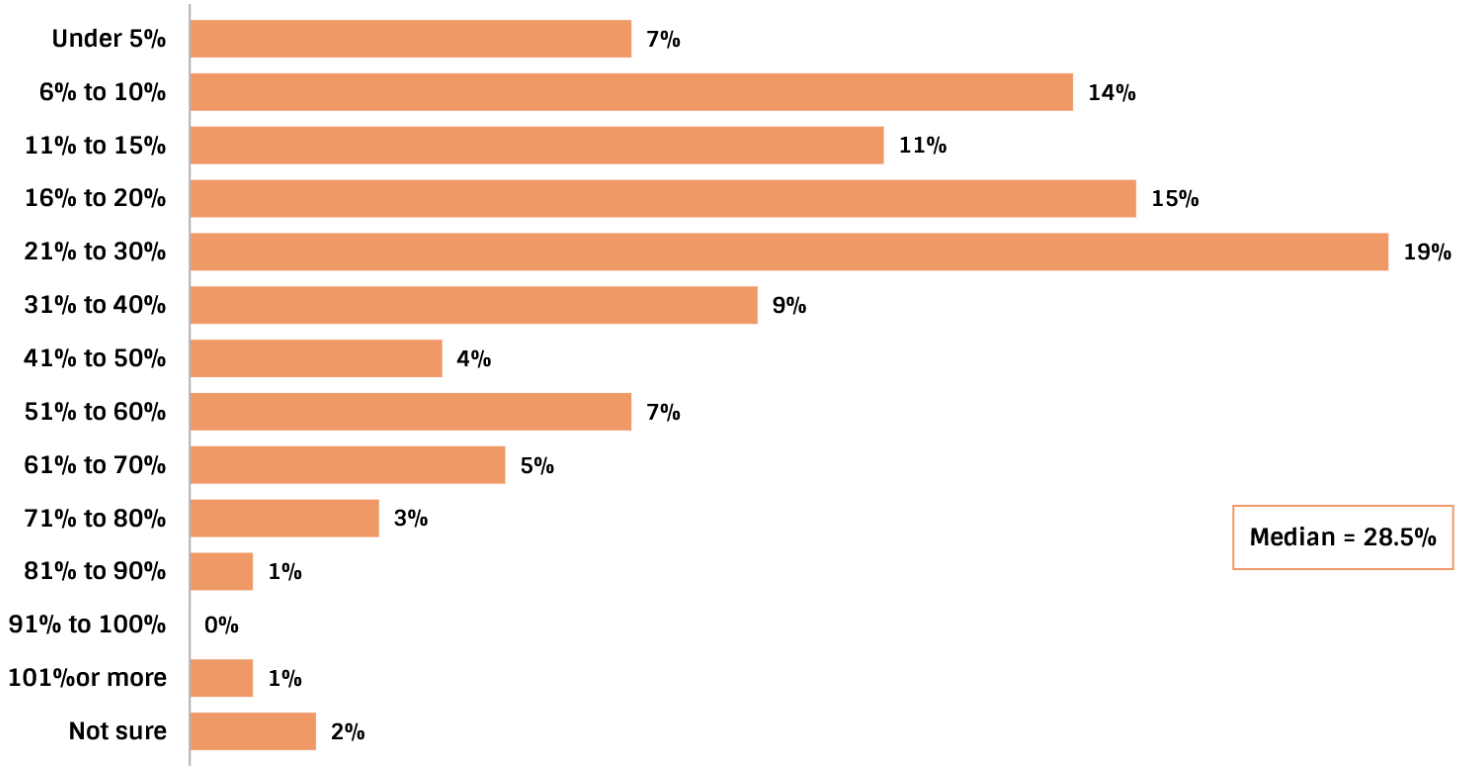
Amazon Sellers Are Multi-Channel Sellers: Social Media Platforms, Own Business Websites Also Big Sales Drivers



Q26. What other methods does your business use besides Amazon to generate sales? (Please select all that apply), Base=136 businesses who sell on Amazon, +/- 8.6 PTS

- Over half (60%) use social media platforms like Facebook, Instagram, and TikTok.
- Another half (55%) rely on their own websites to drive sales.
- 37% use platforms like Etsy, Shopify, and eBay. Another 35% attend in-person events, expos, and fairs.
- 29% partner with retailers or wholesalers.
- 24% use brick-and-mortar storefronts.
- 23% offer buy online, pick up in-store (BOPIS) facilities.
- 21% sell via platforms like Walmart.
- Just 3% don’t use any of these alternative channels.

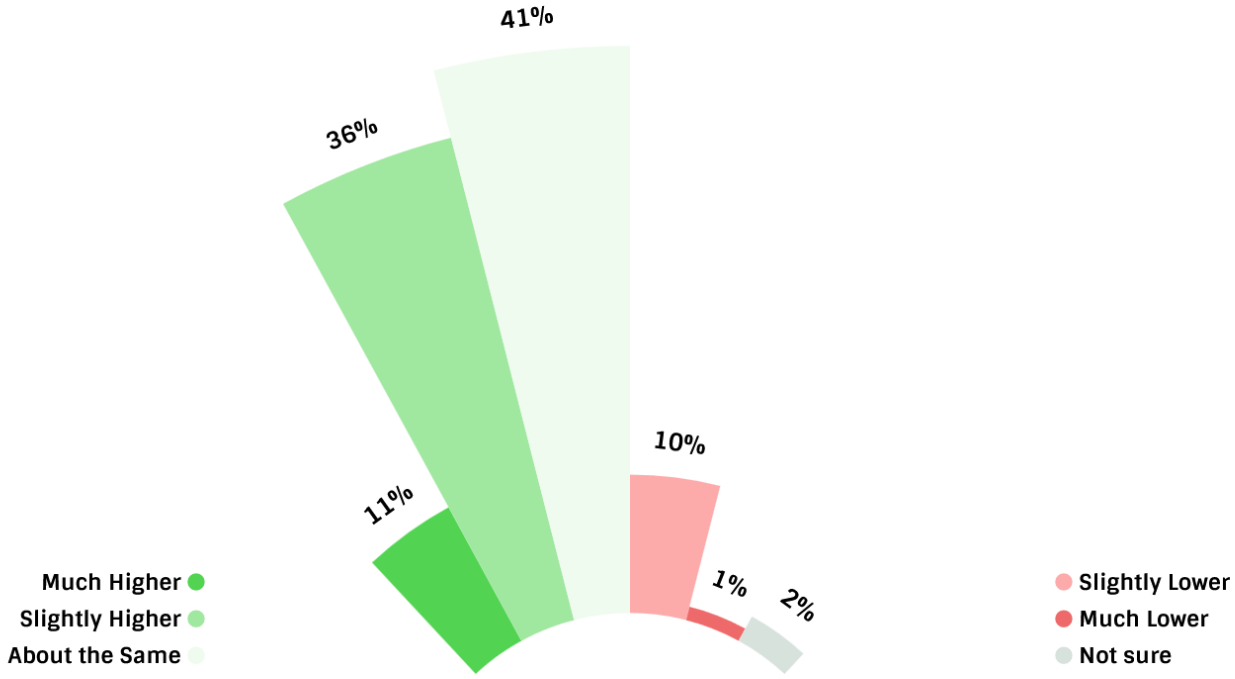
Typical Profit Margin on Amazon Hovers Near 30%



Q27. Approximately, what is the profit margin of your per-product or per-good sale on Amazon?, Base=136 businesses who sell on Amazon, +/- 8.6 PTS

- One-fifth, 21%, of Amazon sellers report profit margins below 11%.
- For another fourth, 26%, sales fall between 11% and 20%.
- The most common margin range is 21%–30%, reported by 19% of sellers.
- 13% report margins in the 31%-50% range. A similar share, 12%, reports a 51% to 70% bracket.
- Only 5% report very high margins above 70%.
- 2% say they are not sure of their margins.
- The median profit margin is 28.5%, indicating most sellers earn moderate returns on Amazon.

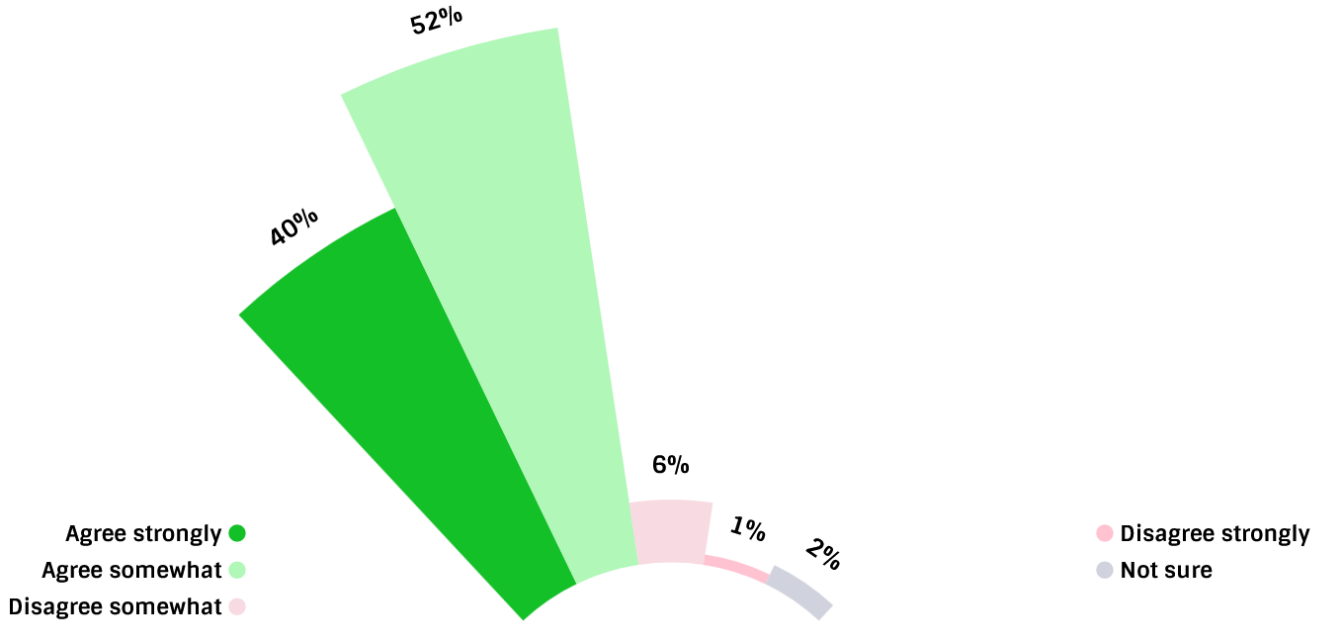
Sellers Say Amazon Profit Margins Are Better Or Comparable



Q28. In general terms, how does the Amazon profit margin compare to your per-product or per-good sale made though other sales channels? Base=136 businesses who sell on Amazon, +/- 8.6 PTS

- Nearly half (47%) state that their Amazon profit margins are *higher*. 36% find it *slightly higher*; 11% say it's *much higher*.
- 41% say their Amazon profit margin is about the *same* as other sales channels.
- 10% feel it's *slightly lower*.
- Only 1% say it's *much lower*.
- 2% are not sure.

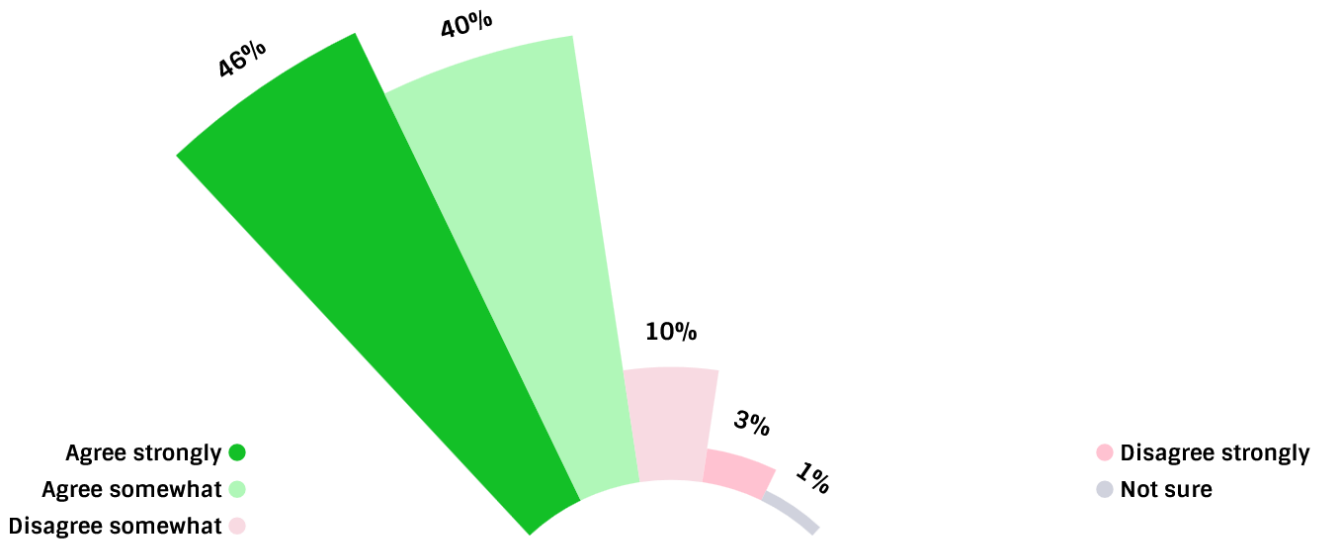
Nearly All Sellers Believe Amazon Pricing For Seller Services Is Fair



- Nine in ten, or 92%, *agree* that Amazon charges a fair price for its services.
- While 40% *Agree Strongly*, 52% *Agree Somewhat*.
- Only 6% *disagree*.
- 2% are unsure.

Q29. To what extent do you agree or disagree with the statement: As a result of the various services I use or subscribe to on Amazon to market and sell my goods or products, my business is paying a fair price that allows it to be competitive in the general consumer marketplace and economy. Base=136 businesses who sell on Amazon, +/- 8.6 PTS

Strong Majority Concur That Amazon Supports Small Sellers

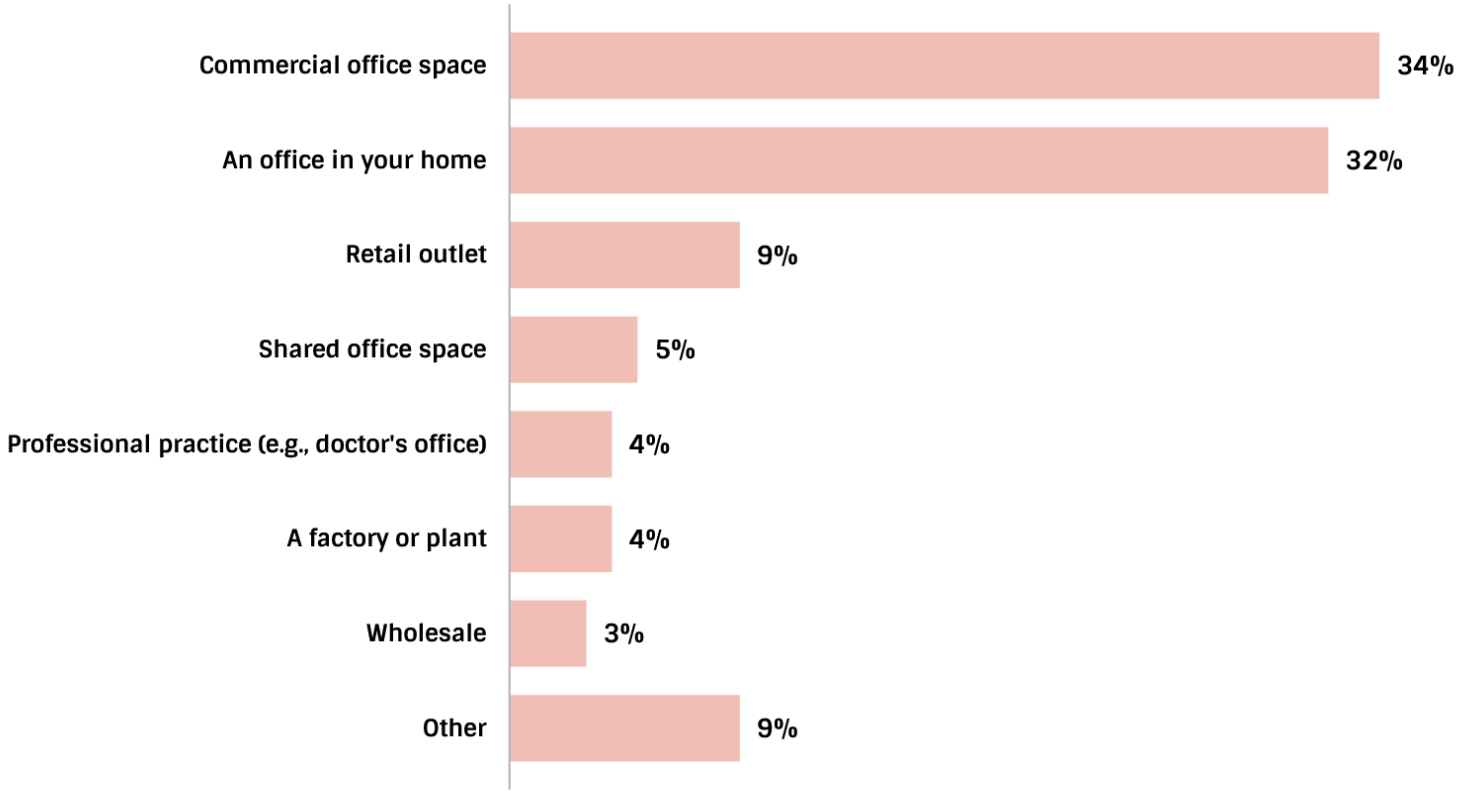


Q30. To what extent do you agree or disagree with the statement: Amazon provides significant support for small business sellers through the services provided by the platform such as marketing and branding tools, and promotional initiatives (such as the Small Business Badge) that help to identify small business sellers for customers that want to buy from small sellers. Base=136 businesses who sell on Amazon, +/- 8.6 PTS

- Over eight in ten, 86%, *agree* that Amazon provides significant support.
- While 46% *Agree Strongly*, another 40% *Agree Somewhat*.
- 13% *disagree* to some extent.
- 1% are not sure.

Firmographics

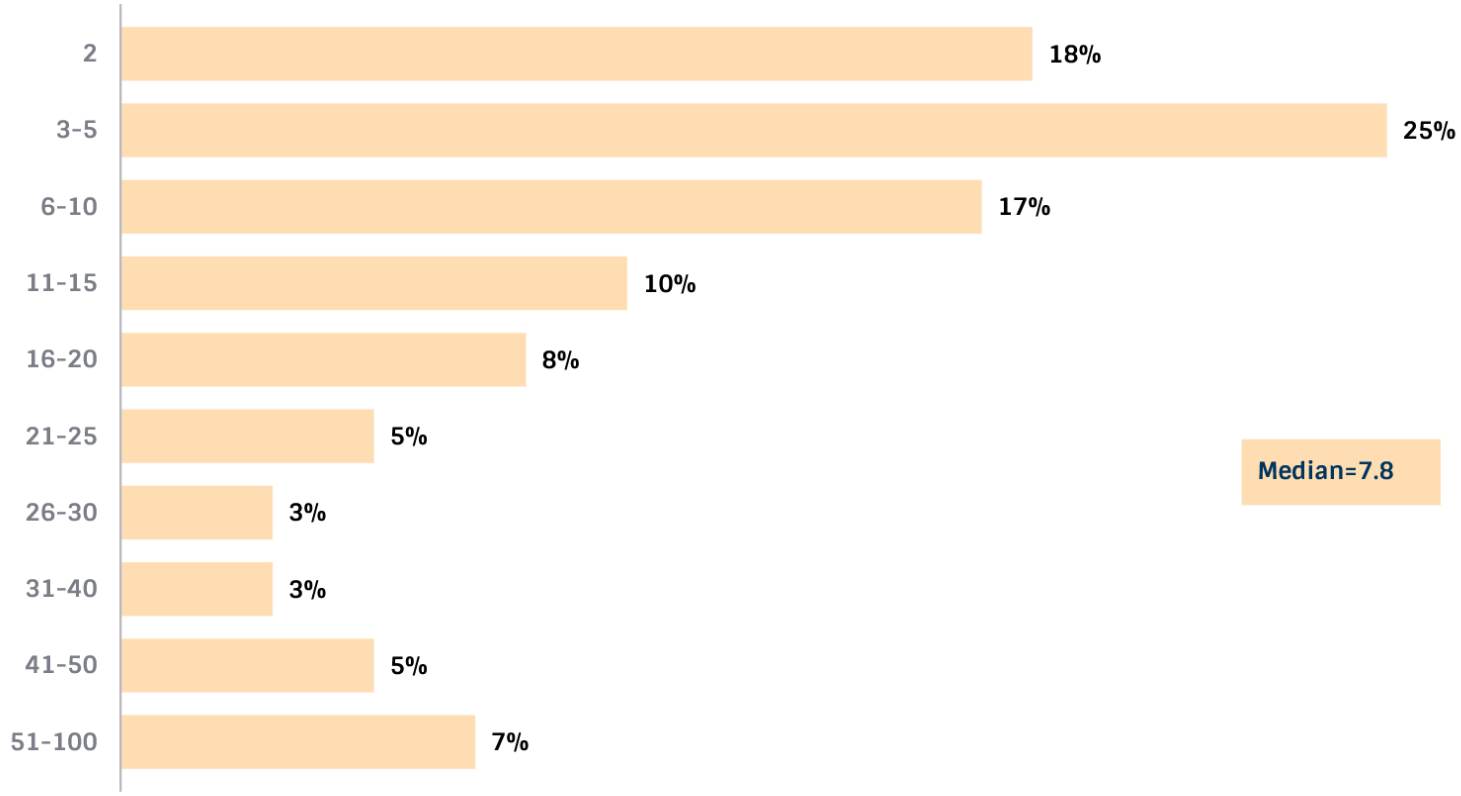
Business Location



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

- Over three out of ten, 34%, operated from a *commercial office space*.
- Another third, 32%, had a *home office*.
- 9% had *retail outlets*.
- 5% had a *shared office space.*
- 4% had a *factory, plant, or professional practice.*
- A handful (3%) are *wholesale* businesses.

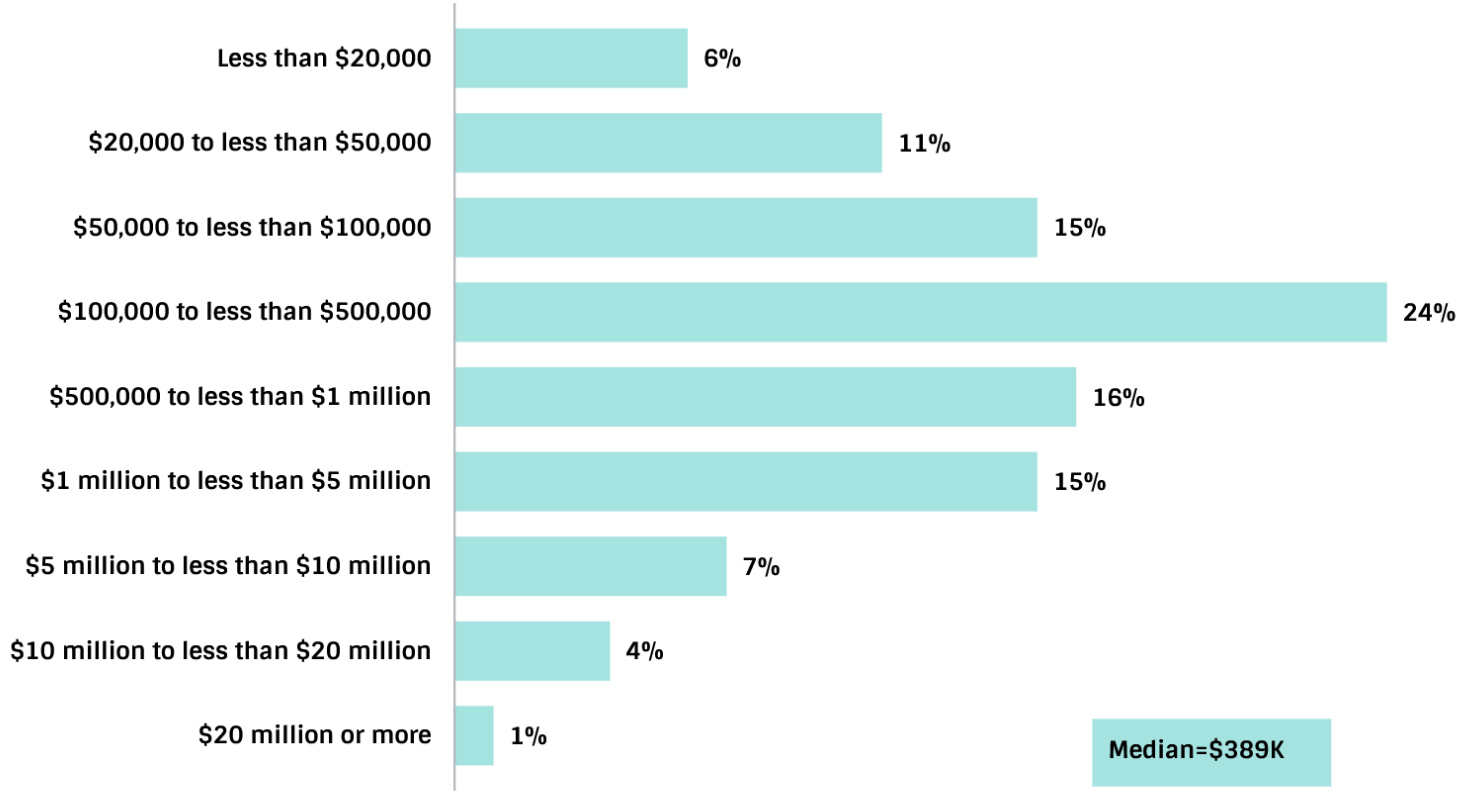
Employee Size



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

- The median number of employees on payroll in the small businesses surveyed is **7.8**.
- 43% of the establishments surveyed had five or fewer employees.
- About a sixth, 17%, had 6-10 persons on the payroll.
- Another fifth, 18%, had 11-20 employees.
- One in 10, 8%, employed 21 to 30 employees.
- One-sixth, 15%, had more than 30 employees.

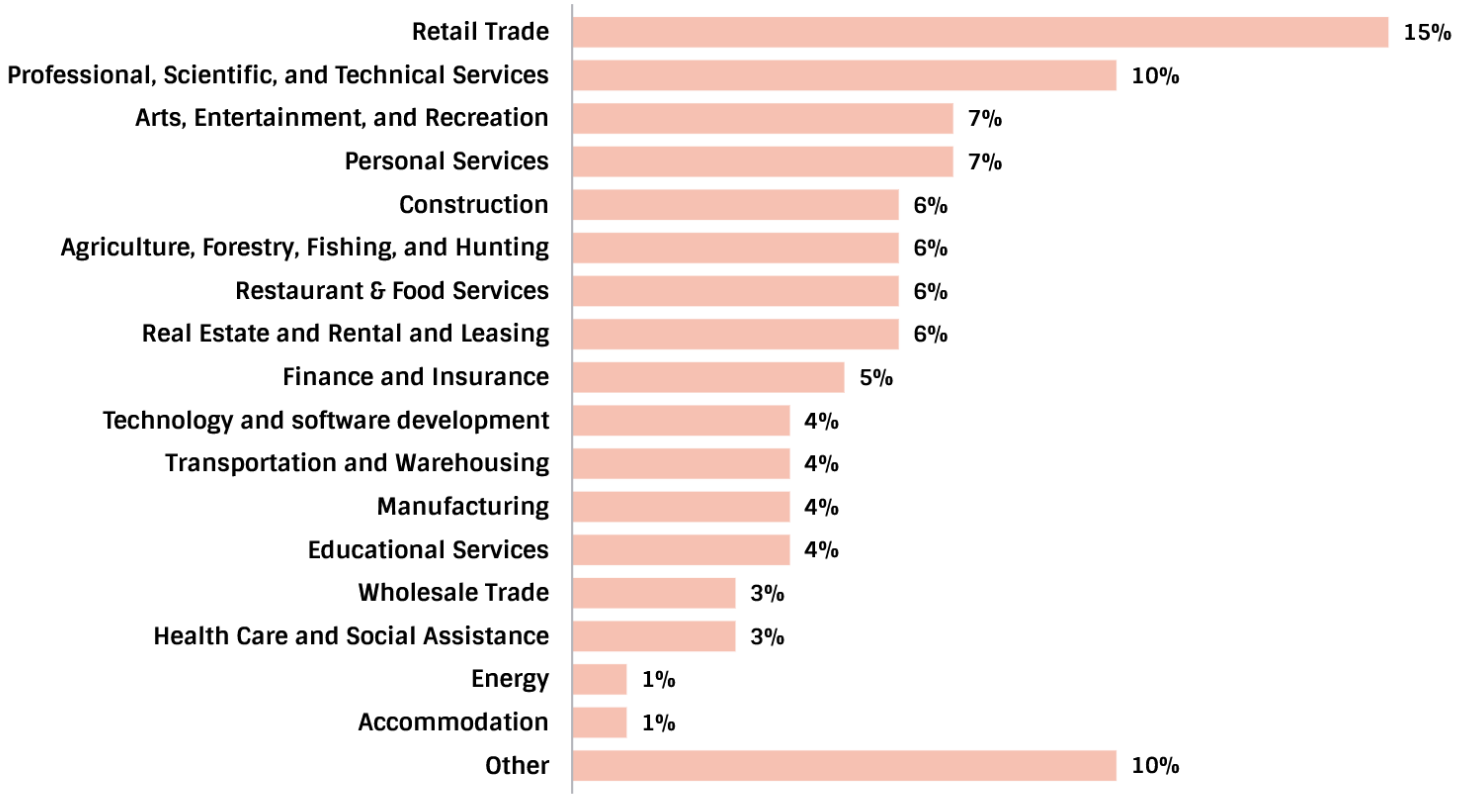
Business Revenue 2024



F2. What was your company's approximate revenue for 2024?

- The *median earnings* of surveyed small businesses in 2024 stood at **$389K**.
- One in six small businesses (17%) earned less than $50K.
- Another 15% made between $50K and $100K, and a quarter (24%) earned between $100K and $500K.
- 16% generated revenue between $500K and $1 million.
- Over one-fourth, 27%, earned more than $1 million last year.

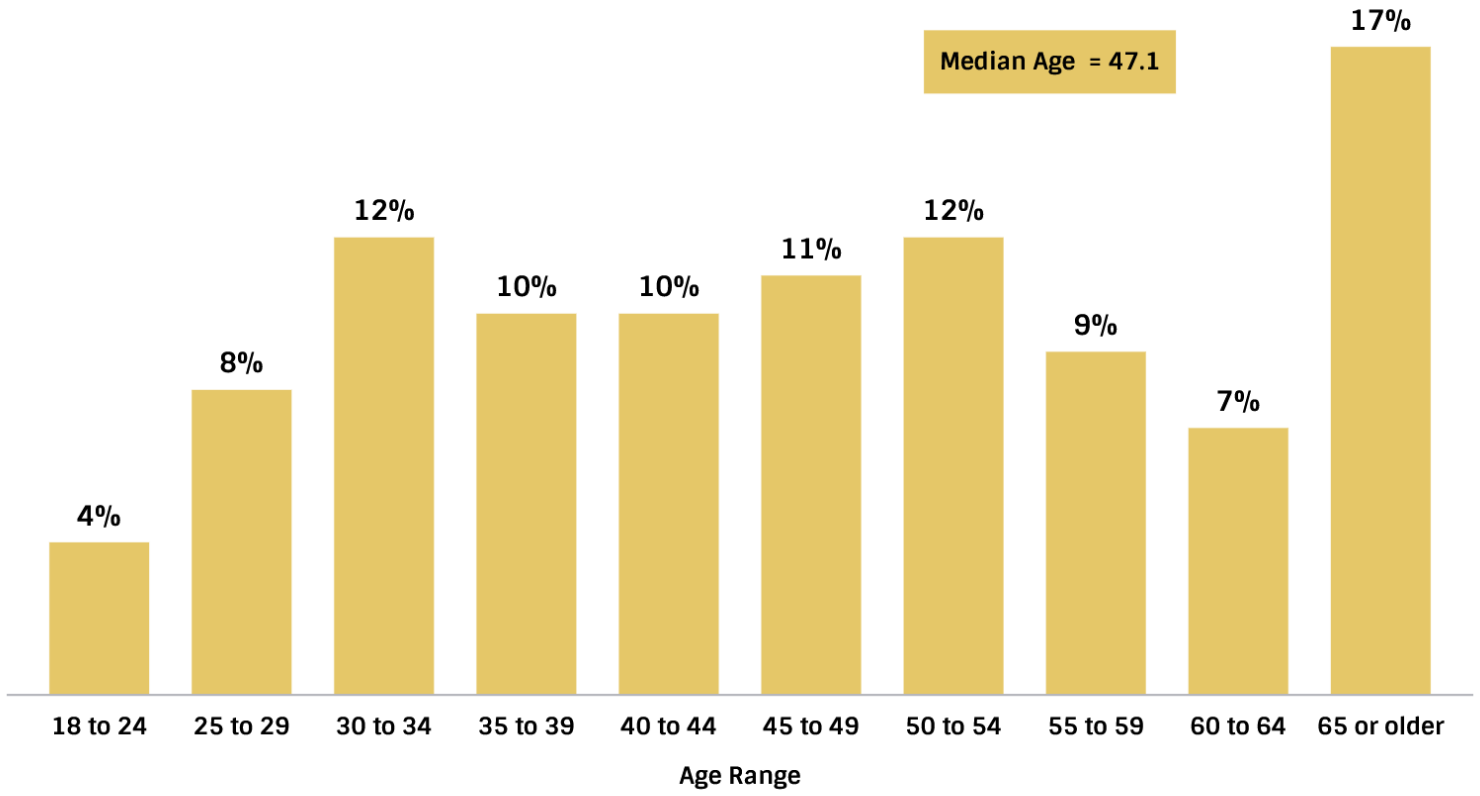
Primary Business



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

- The largest segment, 15%, of small businesses surveyed fell under *Retail Trade*.
- Professional, Scientific, and Technical Services accounted for 10%.
- *Arts, Entertainment, and Recreation* and *Personal Services* had 7% each.
- *Four categories: Construction, Agriculture, Forestry, Fishing, and Hunting, Restaurant & Food Services, and Real Estate and Rental and Leasing* had 6% each.
- Five percent of respondents were from *Finance and Insurance*.
- Eight other categories ranged from 1% to 4%.
- 10% of the establishments came under other sectors of business activity.

Age Of Business Owners



D2. What is your age?

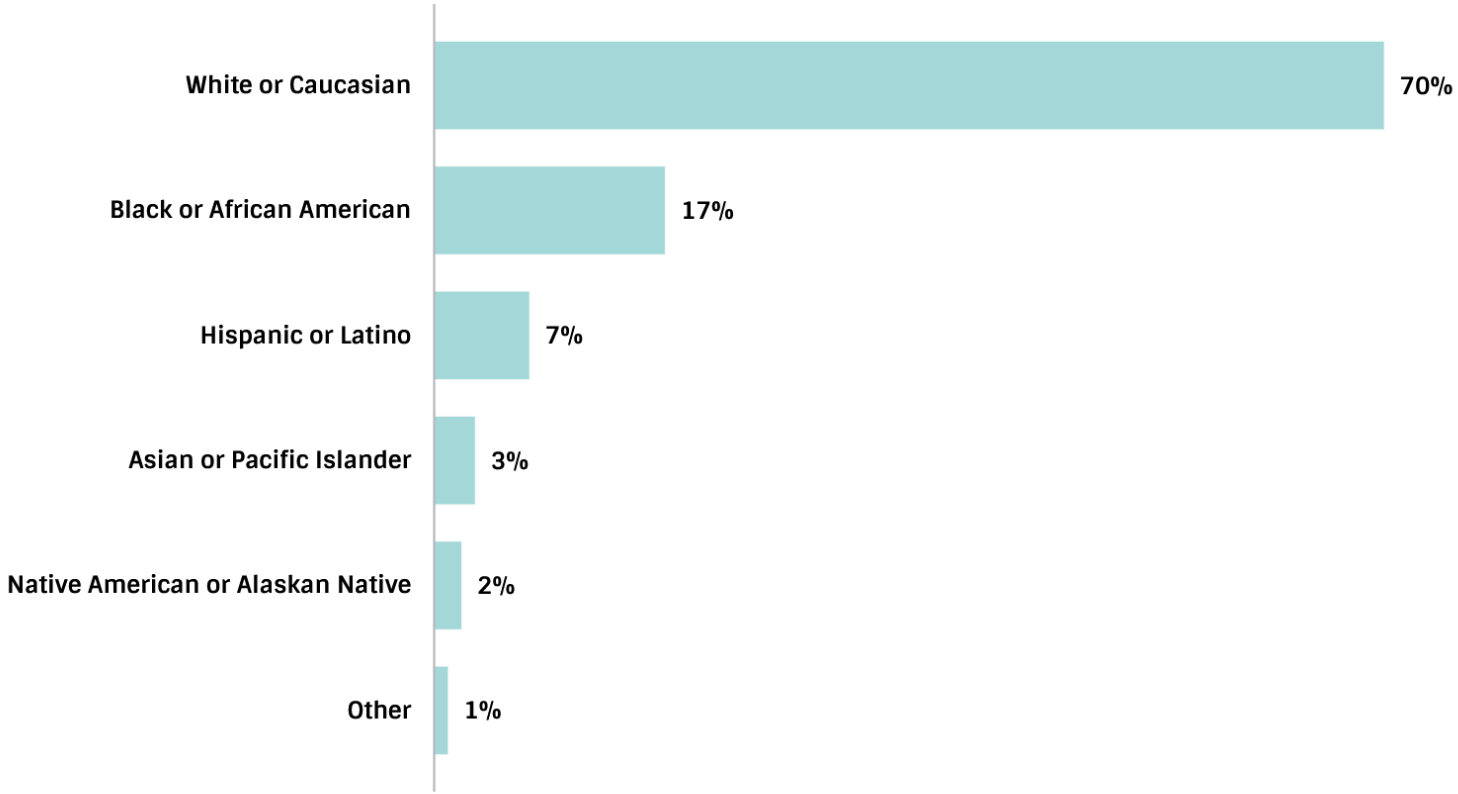
- The *median age* of the entrepreneur was found to be **47.1 years**.
- One-fifth, 22%, were in their 30s, similar share 21%, were in their 40s and 50s.
- One-fourth, or 24%, were 60 or older.
- One-tenth, 12%, belonged to the under-30 age bracket.

Gender

- By gender, the survey had 61% male and 39% female small business owners.

D1. Your Gender

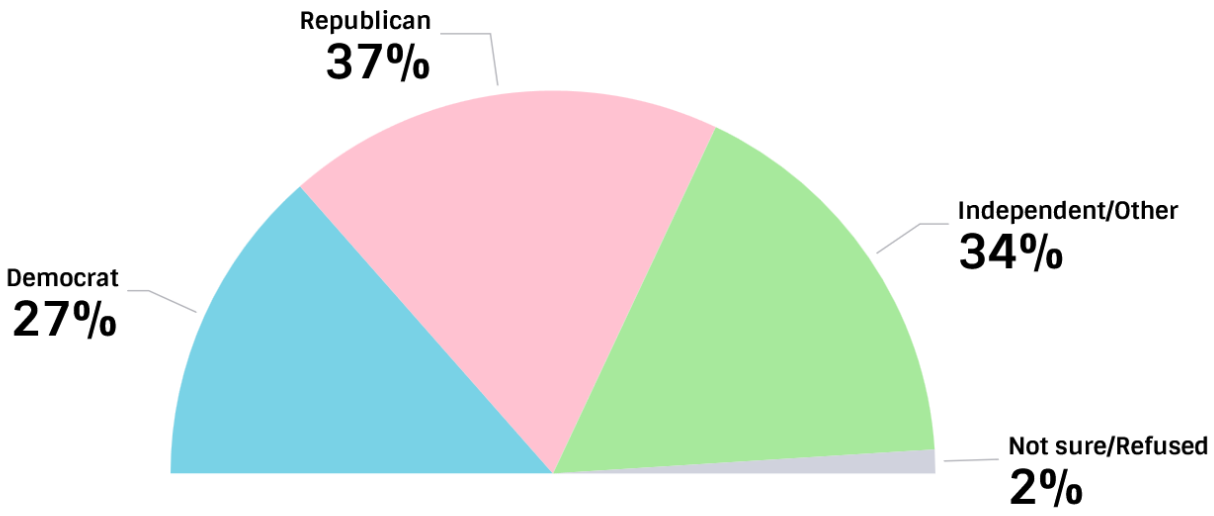
Race/Ethnicity



D3. Which of the following best describes you?

- A majority, 70%, of small business owners were White or Caucasian.
- 17% were African American or of Black ethnicity.
- 7% identified as Hispanic/Latino.
- 3% belonged to an Asian or Pacific Islander community.
- Only 2% came from Native American or Alaskan backgrounds.
- 1% did not disclose their race/ethnicity.

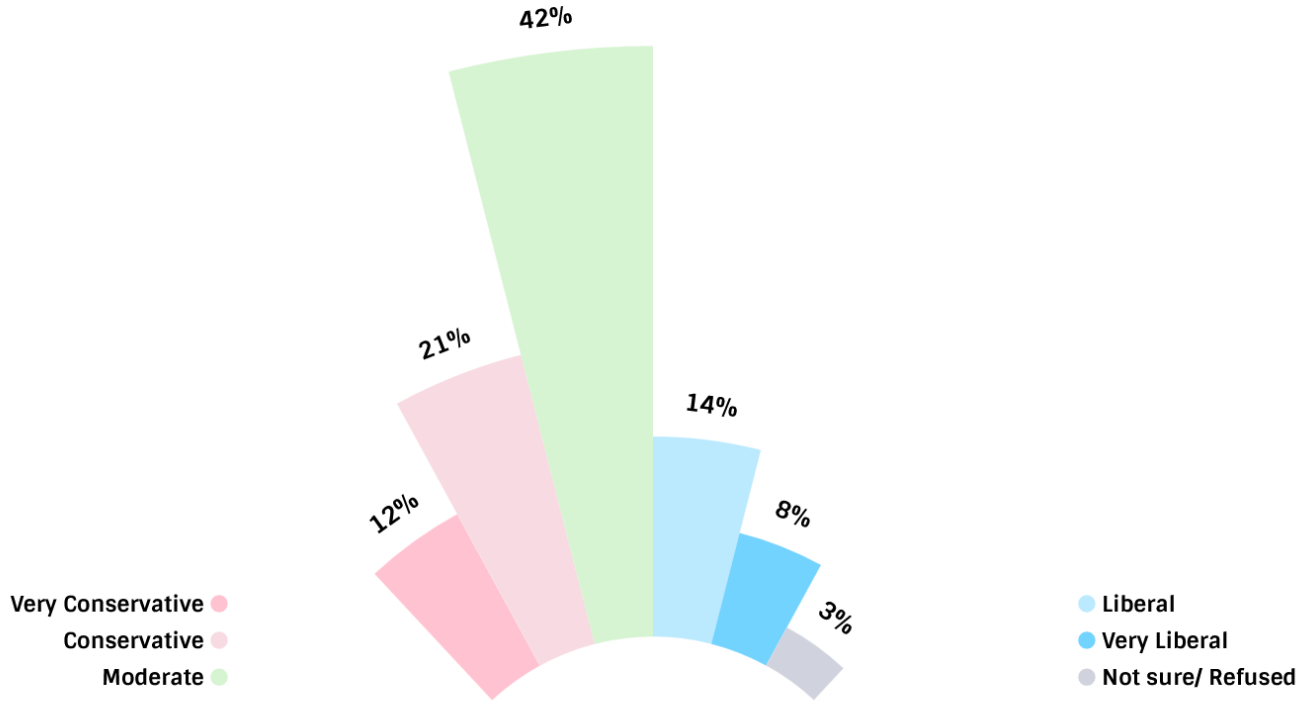
Party Affiliation



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

- Nearly four in ten survey respondents identified as Republican (37%).
- Another third, 27%, identified as Democrats.
- 34% of respondents were Independents/Other.
- 2% did not disclose their party affiliation.

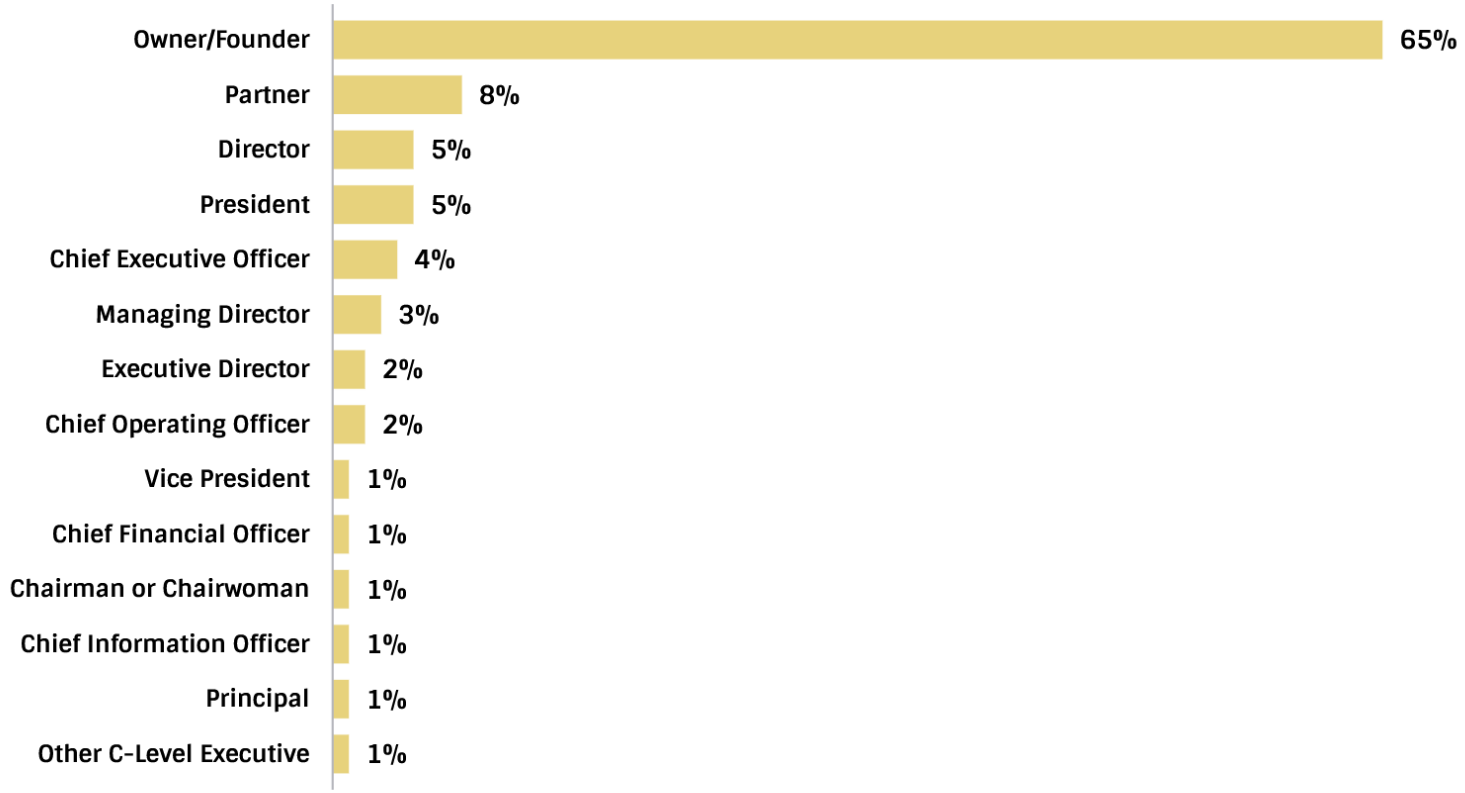
Ideology



AD1. Ideology

- 42%, identified as Moderate.
- Another 33% said they were Conservative; 12% identified as v*ery Conservative,* and another 21% as *Conservative*.
- 22% considered themselves Liberal. 14% identified as *Liberal*, and 8% as *very Liberal*.

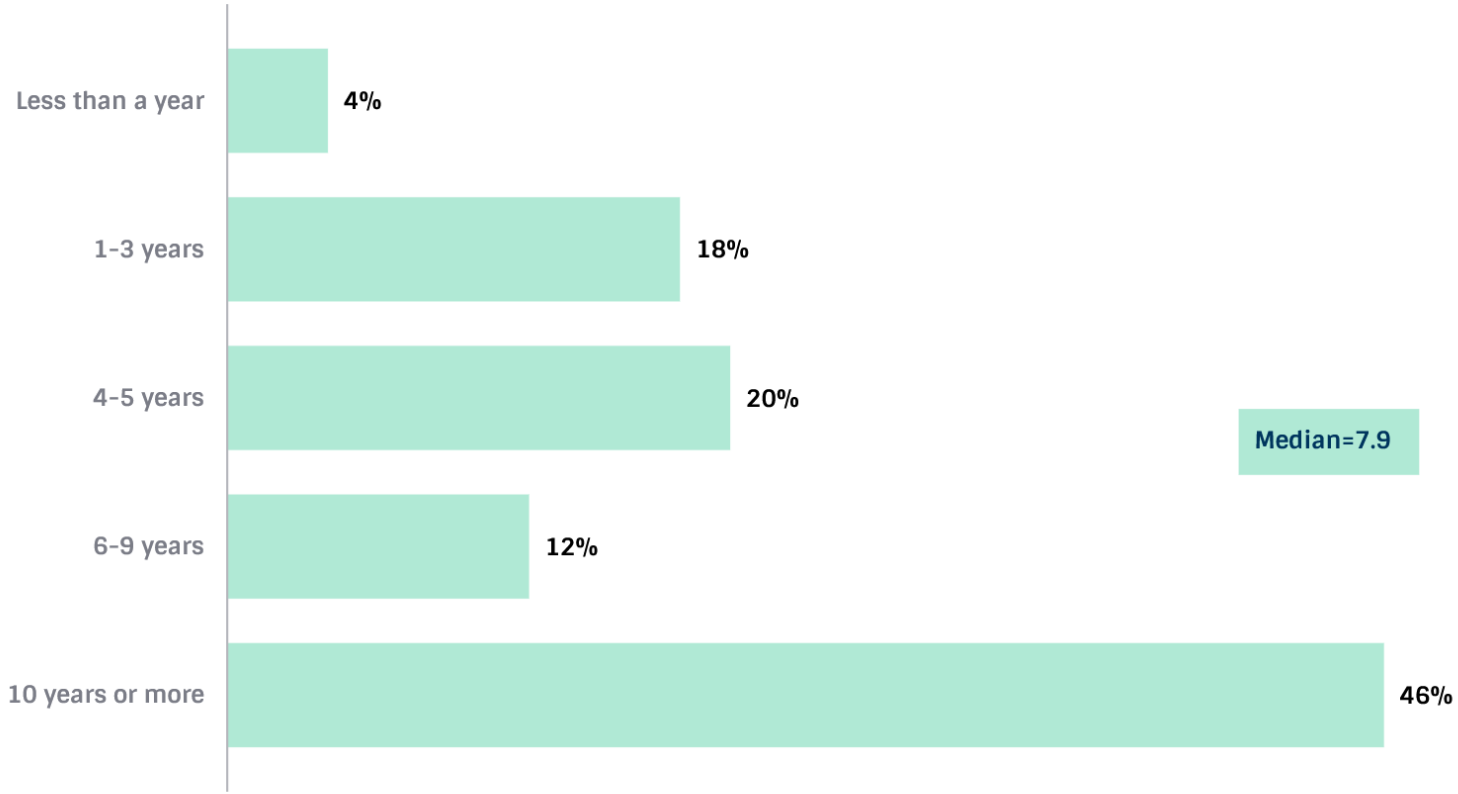
Job Title



F4. What is your job title?

- Nearly two-thirds, 65%, went by the title of *Owner/ Founder*.
- 8% identified as a *Partner*.
- 5% were *Directors or Presidents*.

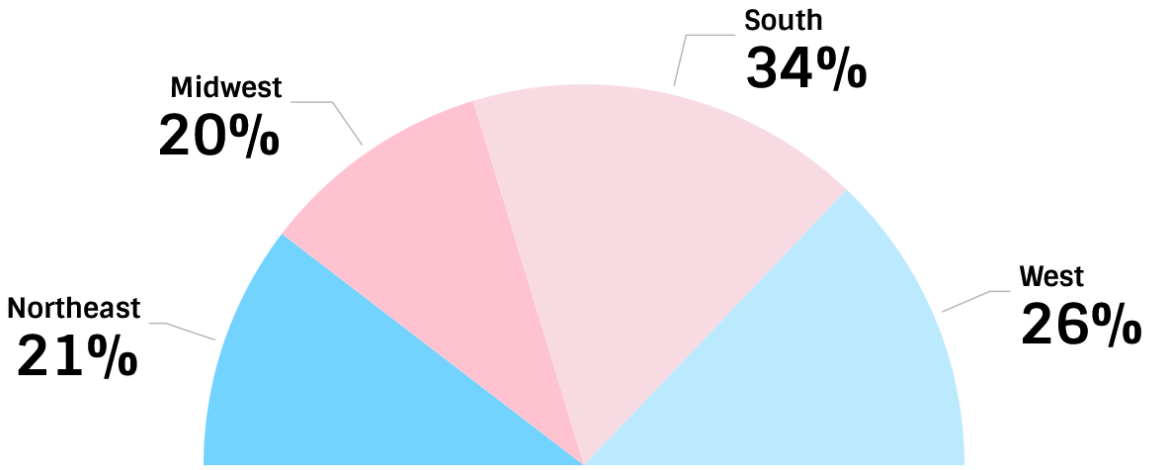
Year In Business



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

- The median age of the small businesses surveyed is **7.9 years**.
- 46% of the small businesses have been in operation for ten years or more.
- One-fifth (22%) were started in the past three years.
- 20% have been in operation for 4-5 years and 12% for 6-9 years.

Region



Reg: Region

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