

Small Business Pulse



A summary of key findings from a comprehensive survey of Small Business owners and operators



H1 2022

About This Report

The BizPulse study is designed to gauge the ongoing sentiment, concerns, priorities, strategies, and business activities among Small Businesses in the United States. BizPulse is a quarterly study run by the Maru Group in partnership with Visa.

Data in this report is taken from 600 Small Business Leaders who were surveyed March and April, 2022 (“Small Business” is defined as those businesses with fewer than 100 employees). Respondents are described as “Business Leaders” – this means they are at least Senior Decision-Makers with the business, including roughly three-quarters who are the business’ Primary Owner. Responses come from across the United States, and represent a mix of revenue bands, business tenure, industry, etc.

About Visa Inc.: Visa (NYSE: V) is a world leader in digital payments, facilitating payments transactions between consumers, merchants, financial institutions and government entities across more than 200 countries and territories. Our mission is to connect the world through the most innovative, convenient, reliable and secure payments network, enabling individuals, businesses and economies to thrive. We believe that economies that include everyone everywhere, uplift everyone everywhere and see access as foundational to the future of money movement. Learn more at [Visa.com](https://www.visa.com).

About Maru: Maru is a world leading CX and Insights Software & Advisory Services company. Maru was founded to disrupt the data and insights deliver industry with a combination of Software & Advisory Services delivering data in real-time via a unique service model. Maru helps its clients make informed decisions in a near real-time by combining proprietary software, deep industry experience, and access to the best minds in research. Maru’s flexible service model means our clients can choose to self-serve our Software directly to create, launch, and analyze projects; or choose to utilize our Software with knowledgeable support from insights experts. Maru successfully delivers major national and international CX and CEM programs for Enterprise organizations.

Disclaimer: Case studies, comparisons, statistics, research and recommendations are provided “AS IS” and intended for informational purposes only and should not be relied upon for operational, marketing, legal, technical, tax, financial or other advice. Visa Inc. neither makes any warranty or representation as to the completeness or accuracy of the information within this document, nor assumes any liability or responsibility that may result from reliance on such information. The Information contained herein is not intended as investment or legal advice, and readers are encouraged to seek the advice of a competent professional where such advice is required. When implementing any new strategy or practice, you should consult with your legal counsel to determine what laws and regulations may apply to your specific circumstances. The actual costs, savings and benefits of any recommendations, programs or “best practices” may vary based upon your specific business needs and program requirements. By their nature, recommendations are not guarantees of future performance or results and are subject to risks, uncertainties and assumptions that are difficult to predict or quantify. All brand names, logos and/or trademarks are the property of their respective owners, are used for identification purposes only, and do not necessarily imply product endorsement or affiliation with Visa.

Small Businesses are navigating challenges with optimism and determination

Summary

Small Businesses have had a difficult few years. Even those that have come through the pandemic successfully have had to bob, weave, and react to completely unforeseen situations and challenges. These changes have been difficult in-the-moment, however Small Business Leaders are investing in technology, tools, and other elements that could set them up better for future success. While they share a wide variety of macroeconomic concerns, they continue to feel good about their business, and continue to feel optimistic and excited for the future.

- Small Business Leaders are concerned about inflation, economic uncertainty, taxes, supply chain/inventory challenges, and general market volatility.
- Despite these concerns, 69% of the emotions felt by Small Business Leaders are positive, led by *optimistic* (54%), *fortunate* (45%), and *excited* (32%). However some negative emotions are mixed in: *anxious* (39%), *frustrated* (29%), and *edgy* (17%).
- Even amidst difficult economic challenges, Small Business Leaders have kept looking forward; the leading strategic priorities are digital expansion, channel expansion, and hiring.
- 70% of Small Business Leaders describe their businesses as *profitable*, and the average Small Business is projecting 13% revenue growth vs. 2021.
- Small Business Leaders are open to disruption and innovation; 83% would at least maybe consider working with a disruptive supplier, while they are following or implementing an average of nine emerging trends into their business.
- While few Small Business Leaders say their financial situation is dire, also very few say they have no financial needs; in fact, more than one-half say they need additional financing to do what they want with their business, while more than four-in-ten have had to hold off on a desired purchase due to lack of funds.
- Many Small Businesses are open to using Buy Now, Pay Later (BNPL) to help them solve the financing challenges they are facing; they are interested in the approach, say it would increase their credit card spend, and say they would view a bank that offers them BNPL as *innovative*.

Small businesses identify a wide range of challenges as they navigate the evolving world

The past two years have presented unprecedented challenges to America's Small Businesses, as COVID-19 virtually shuttered many businesses for parts of 2020 and 2021. 2022 is presenting a new set of economic challenges for businesses to navigate, as the market struggles to deal with pandemic recovery, inflation, international political instability, and general economic uncertainty.

10 Most Common Macroeconomic Concerns



11

Small Business Leaders identify a wide range of stressors; on average, each business is concerned with 11 different macroeconomic trends and realities*.

The weight of these concerns becomes even more clear when we ask Small Business Leaders what is keeping them up at night; rather than discussing business-specific elements such as sales or marketing, many indeed identify macroeconomic concerns such as inflation, supply chain, and economic volatility – elements that are generally out of the control of individual businesses:

What Is MOST Keeping You up at Night?

“finding quality people that want to work”

“The biggest concern would have to be product availability! COVID has severely impacted the availability of products, and inflation is crazy”

“trying to get back the business we lost during COVID”

“Inflation and volatile world economics and wars disrupting the supply chain”

“volatility of the economy, rising interest rates, and inflation”



Q: How concerned are you about the impact the following are having, or may have on your business?
Q: What are you most concerned about for your business right now? What is keeping you up at night?
* Out of 17 potential concerns tested, the average Business Leader said they and their Small Business are concerned with 11.

©2022 Visa. All rights reserved. |

Despite headwinds, Small Business Leaders remain optimistic and are projecting growth

Emotions Felt by Small Business Leaders



69%

More than two-thirds of current emotions among Small Business leaders are positive



31%

Fewer than one-third of current emotions are negative

When asked how they are feeling about their business these days, Small Business Leaders were resoundingly positive, however with meaningful negative emotions mixed in:

TOP POSITIVE EMOTIONS:

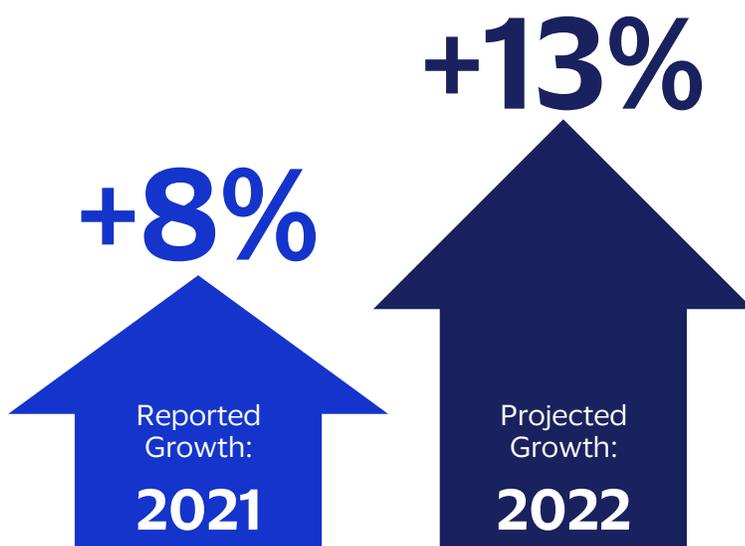
- Optimistic (54%)
- Fortunate (45%)
- Excited (32%)

TOP NEGATIVE EMOTIONS:

- Anxious (39%)
- Frustrated (29%)
- Edgy (17%)

Average Revenue Change

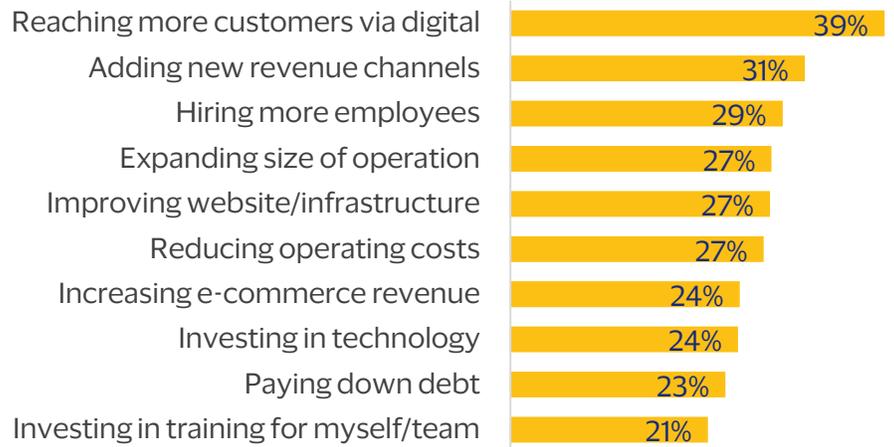
Much of the positivity and optimism stems from growth that many companies saw last year, and are once again projecting for 2022. In fact, 62% of companies are projecting growth for 2022, while 26% are projecting revenue decline. On average, companies project 13% growth, higher than growth levels seen in 2021.



While navigating the present, Small Business Leaders also have eyes on emerging and future trends

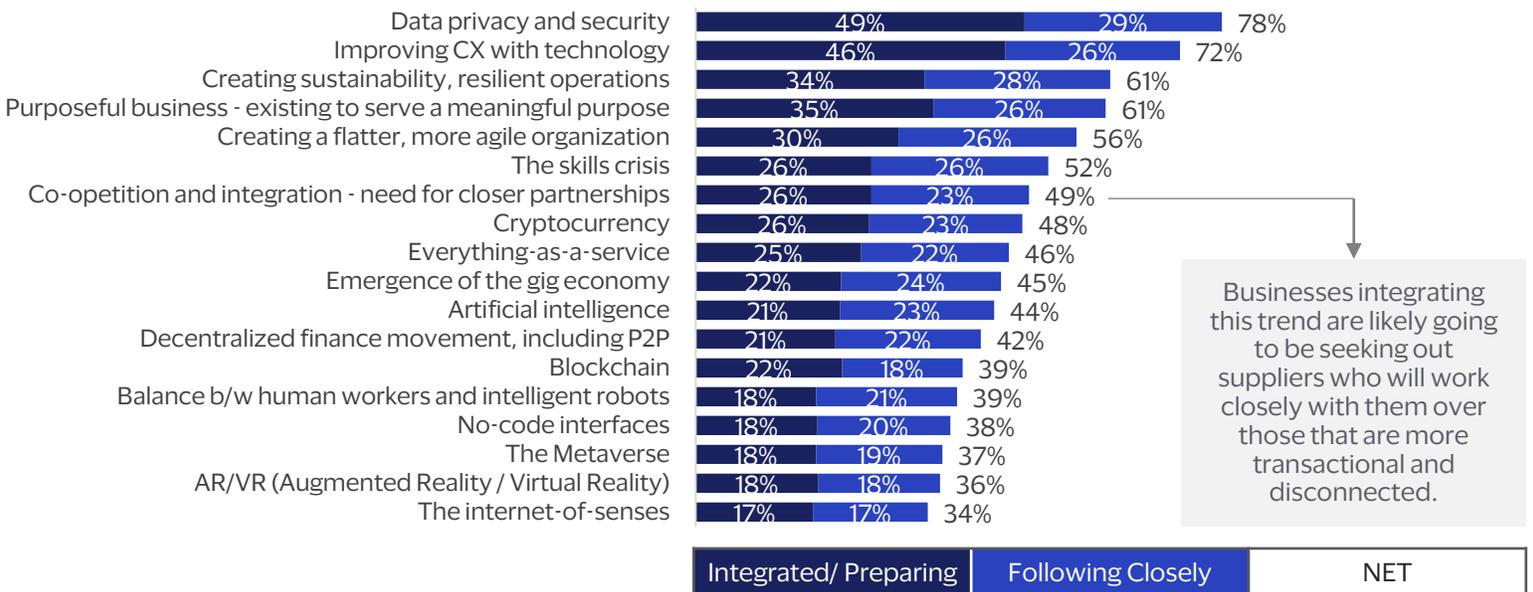
At the same time that Small Businesses are doing their best to deal with unexpected macroeconomic challenges, they remain committed to growth through execution of key strategic priorities. Small Business Leaders identified an average of 3.6 strategic priorities for 2022, showing that they are not content to simply react to market changes, but rather they continue to proactively push for improvement and growth.

Top Strategic Priorities for 2022



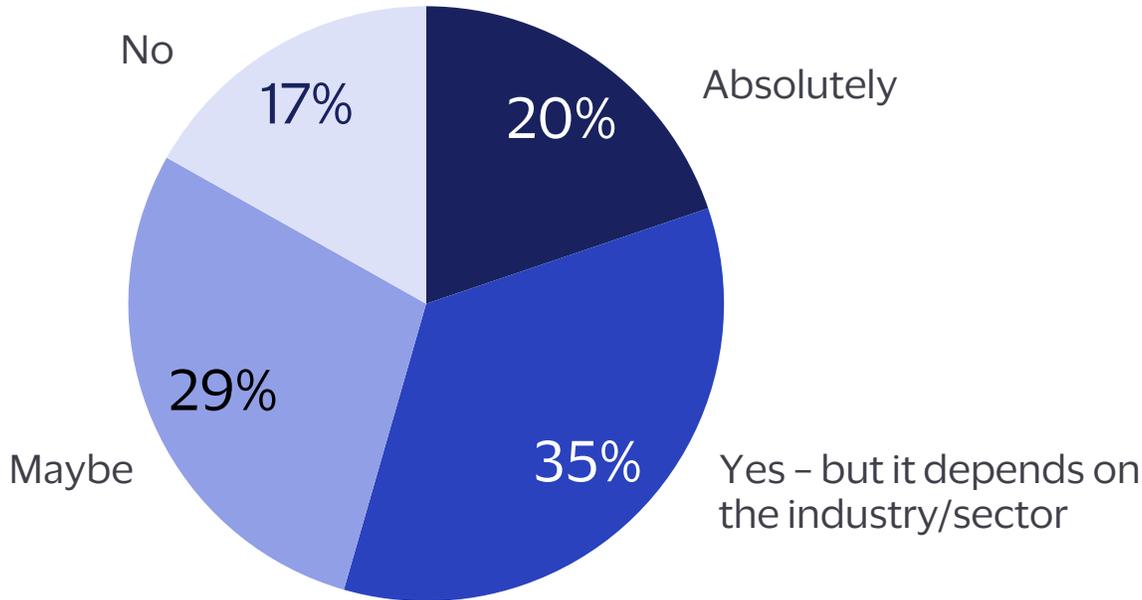
Small Business Leaders are not just thinking short-term, but are also monitoring trends for potential long-term evolution. From a list of 18 emerging trends, Small Business Leaders told us they are at least following an average of 9 – and going even further towards implementation with several, in order to adapt to ongoing trends.

Emerging Trends Businesses are Integrating or Following



Many Small Business Leaders view 'disruptive' suppliers with cautious intrigue

Openness to Disruptive Suppliers*



* Disruption is defined as "radical change to an existing industry or market, often due to technological innovation"

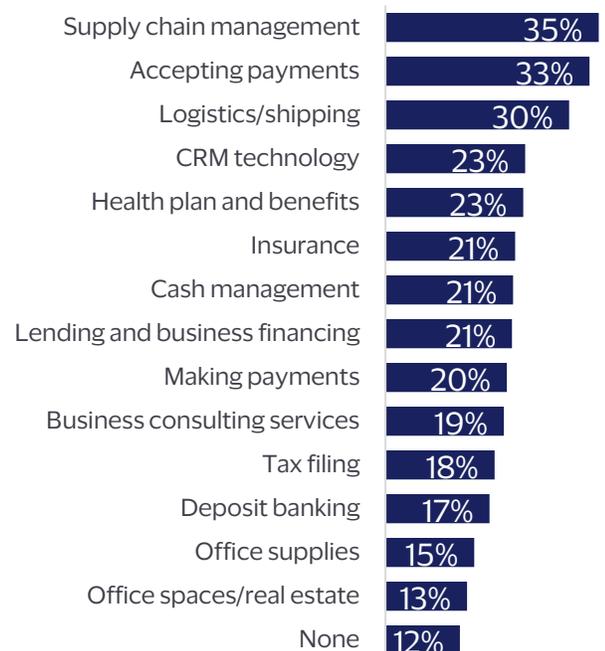
While many businesses do not appear to be demanding that their suppliers offer them disruptive technology and products, more than eight-in-ten Small Business Leaders say they at least might be open to working with disruptive suppliers, including one-in-five that say they *absolutely* are open to doing so.

Business leaders suggest the supply chain, payments, and logistics industries are most *ripe for disruption*.

Those MOST open to disruptive suppliers include:

- Business in operations for less than five years (27% are *definitely* open to working with disruptive suppliers)
- Those with leaders under 40 (26%)
- Those selling mostly online (29%)
- Those selling mostly B2B (25%)
- Those selling roughly equal proportion of products and services (27%)

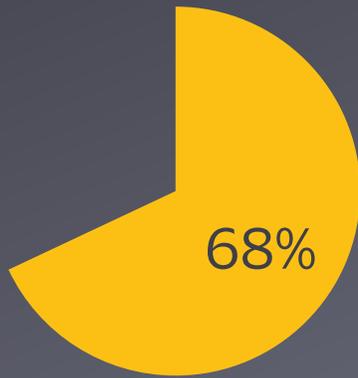
Business Leaders: Industries Ripe for Disruption



Businesses indicate comfort with their financial situation, despite being in need of additional funds

When asked to describe their business' finances, 85% of Small Business Leaders say their situation is at least *good*, however just 14% of say their financial situation is *excellent*. Perhaps one of the big reasons for this 'good-not-great' financial situation is the fact that many Small Businesses say they are in need of financing to do what they want with their business.

We use credit card to pay for things we don't have cash for



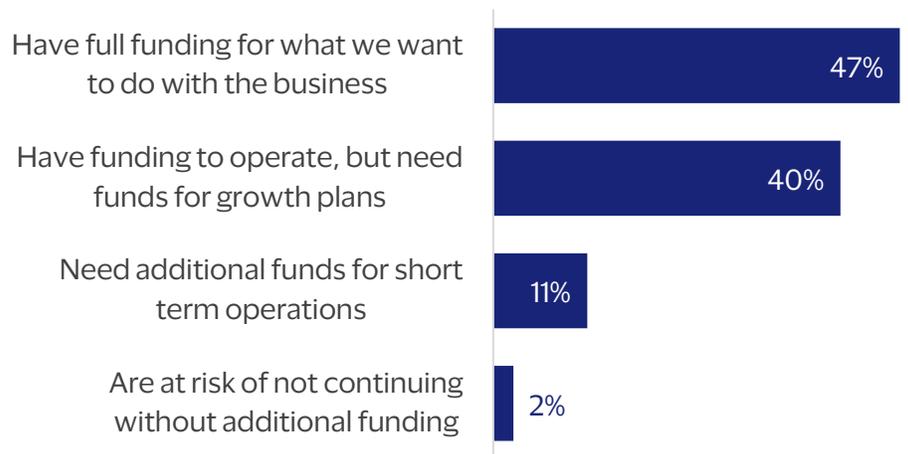
We have lacked funds in past year to make purchases



Rating of Business' Current Financial Condition



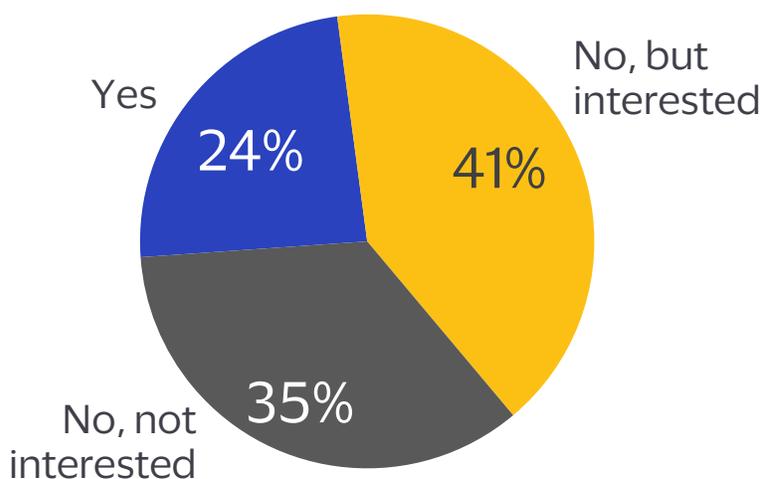
Current Financing Needs



Buy Now, Pay Later has strong growth potential

Small Business Leaders view *Buy Now, Pay Later* (BNPL) as a potential tool to help them address the financing challenges they are facing in the current environment. Results show substantial opportunity for growth. Among the 93% of Small Business Leaders who are familiar with BNPL...

Used BNPL for Business



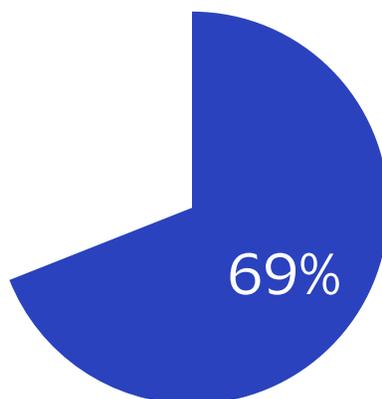
Reasons for BNPL Interest

(Among those using and interested)



69% of interested Small Businesses say *they would use their credit card more* if BNPL was offered.

Would use card with BNPL more



VISA

**Thank
you**

For help addressing any of the questions raised in this paper, please reach out to your Visa Account Executive or Visa Consulting & Analytics (VCA@Visa.com).

Explore the [Visa Business Solutions Knowledge Hub](#) to learn more about topics like this.

[Follow Visa on LinkedIn.](#)