The Use of Digital Tools by Black and Latino Businesses

By: Ron Busby, Jr., Morgan Butler, and Mia L. Woodard
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Introduction

Successful businesses must constantly innovate and reinvent themselves. Many businesses today use a mobile-friendly website, social media, data processing software, apps, and other tools to increase visibility, revenues, and efficiency.

Unfortunately, there is little research on the use of digital tools by Black and Latino businesses. This data brief helps to address this void by aggregating the most significant findings from a recent Joint Center survey conducted with Black and Latino business owners in 2017.

Summary of Results

- **Digital Visibility**: Black and Latino businesses are online. An overwhelming majority of survey respondents (90% of Black businesses and 95% of Latino businesses) stated that they have websites for their businesses. 73% of Black and 78% of Latino business websites are mobile-friendly. Over a quarter of Latino business owners have a Spanish-language version of their websites. A majority of Black and Latino businesses also engage social media platforms. Percentages decrease for Black and Latino businesses that use digital tools to track customer interactions with their websites.

- **Digital Marketplace Presence**: 38% of Black and Latino businesses surveyed have websites that accept online payments. Approximately 20% of Black and Latino businesses surveyed have online sales or transactions that make up over 50% of their revenues. Of those that do accept online payments, PayPal is the leading platform. Less than half of Black businesses and approximately half of Latino businesses report tracking their online ratings.

- **Apps**: 17% of Black and 25% of Latino businesses surveyed currently have their own apps. Of those businesses that reported not having an app, over a quarter indicated that they were unfamiliar with the process, and nearly a quarter stated that they lacked the technical support to develop an app. Of the businesses that do have an app, Android is the leading platform.
- **Digital Business Tools:** 76% of Black and 78% of Latino businesses surveyed bank online. A majority of Black and Latino business owners also report using digital tools for accounting. Less than half of Black and Latino business owners reported using digital tools for invoicing, payment processing, or data analytics.

- **Cybersecurity:** 57% of Black and 29% of Latino business owners surveyed who suffered cyberattacks reported that they experienced a loss of data resulting from the attack(s).

### Results

#### Digital Visibility

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On What Social Media Platforms Does Your Business Have Its Own Account?

- Facebook: 77%
- Twitter: 66%
- LinkedIn: 59%
- Instagram: 42%
- Google+: 20%
- Do Not Use: 12%
- Snapchat: 2%

PERCENTAGE OF BUSINESSES WITH WEBSITES IN LANGUAGE OTHER THAN ENGLISH

**BLACK BUSINESSES**
- Yes: 4.8%
- No: 95.2%

**LATINO BUSINESSES**
- Yes: 27%
- No: 73%
What Features Does the Website Have?

- Educate About Products/Services: 78%
- Accept Online Payments: 38%
- Track Customer Interactions (cookies): 34%
- Schedule Appointments: 24%

Reasons Why Businesses Don't Have Websites

- Use Social Media as a Substitute: 33%
- Cost: 17% (Latinos) 42% (Blacks)
- Don't Think It's Relevant to Business: 8% (Latinos) 50% (Blacks)
Digital Marketplace Presence

PERCENTAGE OF REVENUE FROM ONLINE SALES

BLACK BUSINESSES

LATINO BUSINESSES

PERCENTAGE OF BUSINESSES THAT TRACK ONLINE RATINGS

BLACK BUSINESSES

LATINO BUSINESSES
What Online Payment Platforms Does Your Business Use?

- Paypal: 42%
- Credit Card: 30%
- Square: 9%
- Authorize.net: 4%
- Stripe: 3%
- Apple Pay: 3%

Mobile Apps

Percentage of Businesses That Have Developed Their Own App

**Black Businesses**
- Yes: 17%
- No: 83%

**Latino Businesses**
- Yes: 25%
- No: 75%
**What Platforms Does Your Business App Use?**

- **Do Not Have An App**: 47%
- **Android**: 29%
- **iOS**: 19%
- **Windows**: 18%
- **Web-based App**: 13%
- **Not Sure**: 9%
- **Other**: 1%

**What Are The Reasons Your Business Does Not Have an App?**

- **Not Relevant to Business**: 35%
- **Unfamiliar With App Development Process**: 29%
- **No Technical Support**: 24%
- **Too Financially Difficult**: 15%
- **Current Apps Provide Services Needed**: 12%
Digital Business Tools

PERCENTAGE OF BUSINESSES THAT USE ONLINE BANKING

BLACK BUSINESSES

- Yes: 76%
- No: 24%

LATINO BUSINESSES

- Yes: 78%
- No: 22%

What Types of Digital Tools Are You Using to Manage the Business?

- Bookkeeping/Accounting: 58%
- Word Processing: 44%
- Online Invoicing: 38%
- Payment Processing: 37%
- Advertising: 30%
- Data Analysis: 28%
- Customer Research: 23%
Methodology

The Joint Center for Political and Economic Studies commissioned and analyzed the results of this survey conducted in partnership with the United States Black Chambers Inc. and the United States Hispanic Chamber of Commerce. This survey results from a national sample of 150 registered business owners from both chambers’ databases.

Using survey questions developed by the Joint Center, and distributed by the United States Black Chambers Inc. and the United States Hispanic Chamber of Commerce, email campaigns were conducted from August 29 to October 4, 2017.

Under ideal circumstances in which resources are abundant, businesses would be individually identified beyond the representational population of business owners who are affiliated with chambers and registered with the respective email listservs. The Joint Center acknowledges that data collection from this sample population results in an under-representation of businesses that operate without email or internet access and may tailor survey results to organizations with basic technical resources or digital connection.

Due to the rounding of responses to the nearest percentage point, not all the data in tables and graphs add up to 100 with variations including 99 or 101.

Respondents were asked to self-report race and whether they were Latino or of Hispanic origin (which the Joint Center uses interchangeably in this report to be more inclusive of those who identify as being of South or Latin American descent). For breakdowns of Black respondents, we include only non-Hispanic Blacks.

These results express general perspective on the status and needs for Black and Latino businesses in the evolving digital economy. We hope they serve as a tool to probe the unique issues of Black and Latino businesses and local economies.
**Contributors**

Ron Busby, Jr. is a 2017 Joint Center Google Fellow and former Center for American Progress and White House intern. Before coming to work with the Joint Center, Ron spent the 2016 election cycle working for Google’s Elections Team, where he helped manage digital marketing strategies for multiple campaigns. He is currently in his senior year at Columbia University studying Human Rights. Morgan Butler is the Communications Coordinator at the Joint Center for Political and Economic Studies. Morgan graduated *magna cum laude* from Grambling State University with a B.A. in mass communications. Mia L. Woodard, Esq. is the Managing Editor for the Joint Center for Political and Economic Studies and Founder of The WordPlay Project, LLC, a content-focused strategic communications firm. Our survey, data analysis, and data brief were developed in consultation with Dr. Ismail White, Director of Survey Research for the Joint Center for Political and Economic Studies.

This project arises out of conversations between the Joint Center, the United States Black Chambers Inc., the United States Hispanic Chamber of Commerce, and Google (which is a financial supporter of the Joint Center). This data brief was updated on December 7, 2017.
The Joint Center was founded in 1970 as the Black think tank (history here). Today, the Joint Center remains anchored in the Black community and collaborates closely with organizations from other communities. We focus on the future of work, the future of entrepreneurship, and the use of technology to improve quality of life in communities with significant African American populations. We also work to increase diversity among staff in Congress.

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Media Contact
MORGAN BUTLER | morgan@jointcenter.org | 202.789.3500 EXT 105

Authors
RON BUSBY, JR. | ron@jointcenter.org
MORGAN BUTLER | morgan@jointcenter.org
MIA L. WOODARD | mia@miawoodard.com

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Joint Center for Political and Economic Studies
633 Pennsylvania Ave., NW
Washington, DC 20004
info@jointcenter.org
www.jointcenter.org
@JointCenter