

New Survey Finds Integrated Digital Tools Critical to California Small-Business Success

Findings highlight risks of proposed legislation that could break small business tools

A new survey of California small- and medium-sized businesses (SMBs) shows that integrated tools and services, especially digital advertising and AI-powered tools, are critical to small-business growth and success. The findings arrive as state lawmakers consider the COMPETE Act ([AB 1776](#)), legislation that would expand antitrust enforcement powers and potentially force the breakup of many of SMBs' most valuable integrated tools. Findings show:

Integrated digital tools help California SMBs operate efficiently and stay competitive.

- 81% say digital tools are important to how they run their business.
 - 38% say they are absolutely critical and could not operate without them.
- 70% say digital tools provide an integrated framework of support that helps their business at every stage of their business lifecycle, from marketing and advertising to delivering products and services.
- 82% say they use digital tools to find new customers.
- 81% say they use digital tools to retain customers.
- 81% say they help reduce costs.

Access to digital tools levels the playing field for SMBs competing with larger companies.

- 70% say digital tools will play a critical role in their company's success over the next two years.
- 66% say digital tools help them compete with larger companies.
- 70% say integrated platforms support their business across the full lifecycle (marketing, sales, delivery).
- 66% say integrated tools like Google Business Profile and Analytics save time and money.

California SMBs leverage digital ad platforms for advertising.

- 67% of small business advertisers rely on digital ad platforms to connect with publishers and place ads.
- 67% of small business advertisers rely on platforms to manage and negotiate ad placements.

Given the economic challenges California SMBs currently face, the last thing they need is the added burden of more expensive or less accessible digital tools.

- Over half (52%) rate the state's economy as "not good."
- 63% say inflation and economic uncertainty are making it harder to run their businesses successfully.
- 79% say digital tools are important to navigating inflation and economic uncertainty.

Methodology:

RXN conducted an online survey commissioned by the Silicon Valley Leadership Group of 484 California-based small- and mid-sized business (SMB; <500 FT employees) leaders who sell products or services to businesses and/or consumers. The survey was conducted from November 7-December 17, 2025, and has a margin of error of +/-4.5%. Every person we surveyed is an SMB leader involved in making decisions affecting their entire business.