



**Written Testimony of Erica Swanson
Head of Community Engagement for Grow with Google Initiative**

**United States House of Representatives
Small Business Committee Hearing
“A Fair Playing Field? Investigating Big Tech's Impact on Small Business”**

November 14, 2019

Chairwoman Velazquez, Ranking Member Chabot, and distinguished members of the Committee: Thank you for the opportunity to appear before you today. I appreciate your leadership in making sure small businesses in the United States have every advantage to grow and thrive, and I look forward to sharing with you all the ways that Google is committed to supporting that goal.

My name is Erica Swanson, and I am the Head of Community Engagement for Grow with Google, which is Google’s initiative to help create economic opportunities for all Americans. Grow with Google’s free products and programming are aimed at helping teachers, students, jobseekers, veterans, developers, startups, and small businesses across the United States be better prepared to succeed in the changing economy. In this role, I have the privilege of traveling the country to work with and to hear from small businesses that benefit from the use of technology. As the granddaughter of the owners of a bakery in a small town in Iowa, this work is personally very important to me. Google’s positive impact on the lives of small business owners like my family is what keeps me motivated.

Today, Google is a successful company with many different lines of products and services. But back in 1998, Google was a startup founded in a garage in Palo Alto,

California, by two Stanford graduate students who aspired to organize the world's information and make it accessible and useful to everyone. From those small beginnings came a company that builds products that billions of people use every day to find their way around a new city, learn something new, and — most relevant for today's hearing — connect with businesses when they are looking for a product or service.

At Google, we are deeply proud of the ways in which we support the success of the small business community in the United States and globally. American small businesses are creating and building amazing things even as they face new challenges. And we believe larger companies like Google should play a role in helping them succeed. Some people assume that big companies can succeed only at the expense of small ones, but our experience is the opposite. For us, the years since Google's founding in 1998 have demonstrated that big businesses and small businesses can grow together in the digital economy.

Businesses use Google products because they help them grow. Today I will discuss Google's positive economic impact on American businesses, the products and tools we provide small businesses to help them succeed, and Grow with Google's free trainings and programs for American small business owners and employees, which help them reach new customers across the web to drive revenue, grow their businesses, and become American success stories.

Economic Impact

Google tools help American businesses find and connect with customers. In 2018, Google's search and advertising tools helped provide \$335 billion of economic activity nationwide. More than 1.3 million businesses, website publishers, and nonprofits benefited from using Google's advertising solutions.

One example of a small business using Google products to succeed is Propel Electric Bikes, a company in Brooklyn, New York, with eight employees. Its founder, Chris Nolte, who is a U.S. Army combat veteran with a disability, was determined to return to his active lifestyle despite his injury. In 2011, he took out a small business loan, bought some inventory, and launched his business. When Chris was looking for efficient ways to connect with new customers, he turned to Google My Business and Google Ads to boost visibility on Google Search and Maps, and used Google Analytics to better understand how his marketing dollars generate sales. Chris's website typically attracts about 11,000 users from organic search and 2,500 users from paid search (Google Search Ads) per month. With a limited marketing budget, it's essential that Chris ensures his advertising is as efficient and accountable as possible, which is why he uses Google Ads. Chris holds his advertising spend accountable using Google Analytics, our free web analytics platform. "Through Google Analytics, we're able to track our ads, and I can feel more confident in spending more money because I know that we're going to get it back," Chris said.¹

Another example is the Nehemiah Manufacturing Company in Cincinnati, Ohio. Nehemiah specializes in manufacturing consumer packaged goods, including their own products as well as brands licensed from other companies. When hiring they particularly focus on hard-to-hire candidates that most companies wouldn't consider. They may have no work history, or a blemished record due to a criminal record, but part of the Nehemiah mission is to give a second chance to people who just need the opportunity to prove themselves. Google Ads allows them to share their message with consumers nationwide. YouTube's TrueView video ads have been instrumental in reaching and educating their target audience. Running TrueView ads to support their "Boogie Wipes" product resulted in 10% sales growth, while many competitors saw a 10-20% decrease in sales during that same period due to a mild cold and flu season.

¹ [Google Economic Impact Report, New York, 2018](#)

Google Analytics helps them fine-tune their strategy. From five employees at the start, Nehemiah has grown to a staff of 110.

These are just two of many success stories. Over 1.3 million U.S. businesses, website publishers, and non profits use our search and advertising tools annually to grow their customer base, drive revenue, and positively impact their local economy.

Products and Tools That Help Small Businesses Grow

The growth of the digital economy is providing enormous opportunities for small businesses to reach new customers. Google helps with this through our free products and services as well as our paid advertising services. I'd like to highlight three main ways our products support the success of small businesses: by providing discoverability on Google Search and Maps, by helping them to reach new customers through our advertising products, and by enabling them to run their businesses more effectively with productivity tools.

Connecting with new customers is the number one need for small businesses. Every online interaction is an opportunity to find new customers and win their loyalty. Being discoverable online is critical -- 83% of U.S. shoppers who visited a store in the last week said they searched online first. Each one of these searches is an opportunity for a small business to reach a new customer or re-engage an existing one.

People frequently search on Google or other providers when they're ready to act — to buy something, choose a service, or book an appointment. More than half of smartphone users say they have discovered a new company or product when conducting a search on their smartphones. In fact, 3 in 4 people who conduct a local search on their smartphones visit a related business in person within 24 hours.²

² <https://smallbusiness.withgoogle.com/get-more-customers/>

Businesses are discoverable on Google not only in “organic” Search — the standard, non-advertising search results — but also through free Business Profiles on Google, where businesses can list their websites, add photos, update hours, and more. These free tools help small businesses gain exposure online. When people see a complete Business Profile on Google Search and Maps, they are 50% more likely to buy something.³ Business Profiles also allow business owners to respond to user reviews, to build customer loyalty, post updates such as a discount or a promotion, and to generate excitement and drive sales.

We understand that the magnitude of tools and resources available can be daunting for a small business owner who must choose what’s best for their business. That’s why we’ve launched an easy way to find the right solutions: Google for Small Business, a new website that in just a few steps curates our resources into a personalized plan, creating recommendations for identifying what could be most useful for each individual business.⁴ Small business owners get a step-by-step guide to address their goals, whether they’re seeking to stand out on Google, reach more customers, or work more efficiently. We also understand that finding new employees for a small business can be a challenge. Google Job Search helps local talent to discover jobs in local businesses.⁵

In addition to free services, we have a robust suite of advertising products to help small businesses reach the right customer at the right time. Through Google Ads, Google connects many potential customers to small businesses via the clearly-labeled sponsored ad placements above and below the search results on Google.com, as well as across our other properties, partner sites, and apps. To use Google Search ads, small businesses create short text ads and bid in an online auction for the keywords they want their ads associated with. A coffee shop, for instance, might bid on the

³ <https://smallbusiness.withgoogle.com/get-your-business-on-google/>

⁴ <https://smallbusiness.withgoogle.com/>

⁵ <https://jobs.google.com/>

phrase “cafe in Nashville.” When someone searches for this or a related phrase on Google, they may see the coffee shop’s ad above or below the search results. The business only pays when someone clicks the ad to visit their website. For every \$1 invested in Google Ads, our estimates suggest that businesses make an average of \$2 in revenue.⁶ For service businesses — such as plumbing and housekeeping companies — we offer Local Services ads, which are designed specifically to help them connect with local customers looking for such services. And with Google Analytics on a business’s website, the owner can better understand her customers to make her online marketing efforts even more effective.

Additionally, Google’s suite of workplace productivity tools, G Suite, helps small businesses work more efficiently so that they can scale and succeed. From organizing to planning, many small businesses spend a significant portion of their time managing back-office tasks. 77% of small businesses say they are looking for ways to save time at work.⁷ G Suite does exactly that by giving small business owners a custom, professional-looking email address (like joe@yourcompany.com), an easily shareable calendar, and secure cloud storage so users can create and access documents and spreadsheets from anywhere. And if a business has an online store, it can add Google Pay to simplify checkout. Google Pay gives customers a faster, safer way to pay that’s free to both the business owner and customers.

Google also plays a part in helping small businesses reach new customers outside the U.S. Small business exports contribute significantly to the U.S. economy; according to the “Growing Small Business Exports” report, exports generated \$541 billion in output in 2017 and supported more than 6 million jobs.⁸ Small businesses say that if they had better access to overseas markets, their export sales would increase by over 14% during the next three years, which would increase economic output by \$81 billion and

⁶ Varian, Hal R. 2009. “Online Ad Auctions.” *American Economic Review*, 99 (2): 430-34.

⁷ <https://smallbusiness.withgoogle.com/work-productively/>

⁸ https://americaninnovators.com/wp-content/uploads/2019/10/CTEC_GoogleReport_v7-DIGITAL-opt.pdf

add 900,000 U.S. jobs. Over 60% of small business owners report that technology can help them overcome the top three barriers to exporting, including tools to help with finance and payment collection, communications challenges, and tariffs and customs issues. To help get these tools into the hands of more small businesses and enable them to overcome barriers to exporting, Google offers Market Finder.⁹

Market Finder is a free tool that enables any small business to identify the best expansion markets for their business, find shipping and logistics partners, adapt to local markets, and start exporting to customers around the world. Market Finder helps American businesses by providing tailored export recommendations based on global data and consumer insights. Through this free tool, small businesses get access to logistics planning tools and supply chain strategies, market adaptation tools like translation and currency conversion, and marketing recommendations. With tools like Market Finder, we're helping small businesses leverage the growing demand from other countries for American-made goods and services. In 2018 more than 35% of clicks for U.S. businesses advertising on Google came from outside the country — and we want to do all we can to help businesses tap that exporting potential.

Trainings and Programs

At Google we are deeply committed to building great products that support small business growth. We are equally committed to helping small business owners and their employees use those products to succeed in today's increasingly digital workplace and economy. Small businesses that use digital tools are nearly three times as likely to have created new jobs in the last year, and they see four times higher revenue growth.¹⁰ But to get the most of digital tools and to grow, small businesses need digital skills.

⁹ https://marketfinder.thinkwithgoogle.com/intl/en_us/

¹⁰ [Google/Deloitte, Connected Small Businesses \(2017\)](#)

Through our Grow with Google program, we are seeking to ensure that more Americans seize the opportunities created by technology. Since 2017, Grow with Google has trained more than 3 million Americans.¹¹ We do this through free online tools and resources, partnerships with local organizations, in-person trainings we conduct in every state throughout the country, and philanthropy to organizations that help small businesses learn new digital skills. These resources help small business owners build their online presence, reach new customers, and run their business smoothly.

We also know how important it is to support small businesses that are just starting out. Last month, as part of our \$1 billion global commitment to create more opportunity for everyone, we announced a \$10 million U.S. commitment by Google.org -- Google's philanthropic arm -- to help low-income, under-represented people start their businesses through access to training, mentoring, and capital. Over the next three years, Google.org will allocate grants based on this need. Our first grant went to the American Library Association (ALA) to further develop libraries' Entrepreneurship Centers that provide support for people trying to start new businesses. The ALA network of libraries serves 96%¹² of the U.S. population, and almost 1 in 2 libraries provide access and assistance to entrepreneurs¹³ looking to start a business of their own.

Our Grow with Google programs continue to evolve to meet the needs of our users. For example, just last week, to support National Veterans Small Business Week, Grow with Google launched new resources to support the 2.5 million veteran-led businesses in the U.S. This includes a centralized online hub where veterans and military spouses can access free tools and resources to grow or start their businesses, a livestream

¹¹ <https://grow.google/>

¹² <https://www.ims.gov/research-evaluation/data-collection/public-libraries-survey>

¹³ <https://digitalinclusion.umd.edu/sites/default/files/EmploymentBrief2015.pdf>

workshop focused on growing a veteran-led business with the Small Business Administration's Northern California Veteran Business Outreach Center, custom business and marketing mini-courses tailored to veterans and military spouses on the free Primer app, and free one-on-one support for veteran and military spouses through Google's Small Business Pros program.¹⁴ We're proud to put on programs like this and others to help communities gain the skills they need to successfully run small businesses.

Conclusion

In conclusion, the future of small businesses online is bright with the help of platforms that connect small businesses to existing and new customers, aid them in exporting globally, and provide them with productivity tools to better leverage their small but mighty workforces. We appreciate the opportunity to highlight Google's contributions to helping the small business community succeed. Thank you, and I look forward to your questions.

¹⁴ <https://thesmallbusinesspros.com/>