

Rise of eCommerce Report

Times have been tough for small businesses lately, but Main Street is nothing if not resilient. In the wake of shelter-in-place orders, eCommerce is more important than ever. At Square, we saw sellers move online in a matter of weeks, and sometimes days -- accelerating existing plans, or discovering the opportunity for the first time. Sellers in cities large and small are embracing eCommerce as omnichannel selling becomes a necessity for long-term success.

These 50 cities saw the largest increase in eCommerce adoption after the outbreak of COVID-19 in March and April when compared to the first two months of the year.

Resilience on Main Street

We're inspired every day by the ingenuity of small businesses in the face of a rapidly evolving environment - they're pivoting business models, building online operations in days, and even selling completely new products to stay ahead.



Prairie
San Francisco, CA

Anthony Strong, the Chef/Owner of Prairie in San Francisco, knew he'd have to adapt his strategy to keep serving his customers.

Inspired by his great-grandparents, who opened a general store in Iowa after the Great Depression, Anthony quickly pivoted and launched a general store online. Anthony's great-grandparents sold items the community needed like flour, bread, eggs, lard, and toilet paper. Anthony and Prairie followed suit.

“As soon as I heard about people starting to stockpile supplies, I knew what the community needed would be changing quite a bit. I never stop searching, [...] I find new products constantly which gives me the perfect opportunity to continue the dialogue with my customers.”

- Anthony Strong, Owner/Chef, Prairie

The Russell

Kansas City, MO

The Russell is a fast-casual restaurant in Kansas City, Missouri. Lunchtime orders used to provide the bulk of its business. But in Mid-March, when the city issued a stay-at-home ruling, the owners faced a tough choice—furlough staff and close for the foreseeable future, or adapt.

Opting to stay open, they used Square Online Store to quickly create a marketplace that offered ready-made meals, baked goods, wine, beer, and pantry staples. Menu items may rotate but all orders are available for curbside pickup or delivery to better meet the needs of their community.



The Top 50

Small businesses across the country, are changing the way they do business. These 50 cities saw the biggest percent increase in new sellers move online in response to COVID-19.

1. Albuquerque, NM 8x
2. Durham, NC 6x
3. Portland, OR 6x
4. Minneapolis, MN 6x
5. Richmond, VA 6x
6. Philadelphia, PA 6x
7. San Francisco, CA 6x
8. Denver, CO 6x
9. San Jose, CA 5x
10. Kansas City, MO 5x
11. Reno, NV 5x
12. Brooklyn, NY 5x
13. Chicago, IL 5x
14. Rochester, NY 5x
15. Asheville, NC 5x
16. Dayton, OH 4x
17. Orlando, FL 4x
18. Seattle, WA 4x
19. Spokane, WA 4x
20. Wichita, KS 4x
21. Bend, OR 4x
22. Alexandria, VA 4x
23. Long Beach, CA 4x
24. Saint Louis, MO 4x
25. Madison, WI 4x
26. Tallahassee, FL 4x
27. Greensboro, NC 4x
28. Charlottesville, VA 4x
29. Lincoln, NE 4x
30. Miami, FL 4x
31. Vancouver, WA 4x
32. Louisville, KY 4x
33. Sacramento, CA 4x
34. Indianapolis, IN 4x
35. Salt Lake City, UT 4x
36. Buffalo, NY 4x
37. Marietta, GA 4x
38. Los Angeles, CA 4x
39. Saint Paul, MN 4x
40. Boston, MA 4x
41. Colorado Springs, CO 4x
42. Columbia, SC 4x
43. Columbus, OH 4x
44. Washington, DC 4x
45. Oakland, CA 4x
46. Boise, ID 4x
47. Tulsa, OK 4x
48. New Orleans, LA 4x
49. Anchorage, AK 4x
50. New York, NY 3x

● = Growth Multiple



The Road Ahead

According to David Rusenko, Square's head of eCommerce, the shift to online selling is only just beginning. In fact, **eCommerce is here to stay.** To get ahead of the curve, small businesses should keep a few things in mind.

Selling in more than one channel is necessary, and hard

As consumer expectations shift, sellers need to respond by being present wherever their customers expect them. With sellers embracing omnichannel for the first time, they face new logistical challenges like keeping inventory in sync or tracking orders. Sellers need to digitize their operations, using tools like loyalty points for purchases made both in-store and online and sending reminder emails for items left in the cart, to truly compete with big box retailers.

The lines between business types are blurring

Traditional distinctions separating food, retail, services, and nonprofits are disappearing. As businesses adapt, many have invented new ways of doing business in industries that haven't seen significant change in decades. Consider a restaurant that now sells groceries and merchandise (retail), hosts a live video cooking class (service), and offers meal donations to front line workers (nonprofit). A robust eCommerce platform will help businesses manage across all of the various ways that they do business, rather than just one.

Consumer behavior may change forever.

Buyers will expect more options in how they shop. Even when cities reopen, consumer sentiment and behavior will vary, with many still preferring curbside pickup and delivery. Businesses must continue catering to these expectations. As they do, they may find their business not only recovers but grows.

Methodology

Increase in adoption is defined by the percent increase in sellers who took their first payment using Square Online Store during the given time period (January / February vs. March / April)