The Missouri Economy Indicators brief published on Nov. 2, 2020, explored e-commerce and online sales platform usage. This brief expands on this past work by tracking how businesses’ online presence changed during the COVID-19 pandemic, and by exploring spatial patterns in businesses’ online presence.

Businesses’ online presence increased early in the pandemic but has since leveled off.

GoDaddy, a domain name (website) provider, has tracked a metric it calls “venture density” since 2018. Venture density measures the number of commercial GoDaddy domain names per 100 people. These data are available monthly and at the county level. Given that GoDaddy is one of the largest domain name registrars, analyzing these venture density data may give us insight into businesses’ online presence more broadly.

Between March and August 2020, U.S. venture density rose steadily by about 0.5% each month. The gain in this period totaled 3%. This contrasts with pre-pandemic venture density data, which had no increasing or decreasing pattern. After August 2020, U.S. venture density plateaued. This finding matches responses to the Small Business Pulse Survey. Throughout the survey period, from August 2020 through January 2021, the percentage of U.S. small businesses using an online platform held steady between 53% and 55%.

These trends largely hold at the state level. Missouri saw a 4% increase in venture density between March and May 2020, followed by a slight drop in June and plateau throughout the remainder of 2020. Business Pulse Survey results also confirm this state-level plateau. In summary, both nationally and for Missouri, business website prevalence increased near the start of the pandemic and leveled off in subsequent months. This suggests that businesses’ perceived value of a web presence has stopped growing — despite research showing that an online web presence can help businesses, especially rural businesses.
Venture density has been highest in metro counties and select rural counties.

Businesses’ use of online platforms varied by county and region in 2020. As seen at left, urban areas had high venture densities. Select rural counties also had high venture densities in 2020, especially rural counties in the western U.S.

After segmenting the venture density data into nine categories by rurality, urban counties clearly had the highest venture densities. Counties in the most urban category had an average venture density of 10.1. Venture density declined steadily for moderately rural counties; venture density averaged 3.2 for counties in the middle of the rurality spectrum. Remote rural counties had a strong venture density, which averaged 8.2 for the most rural group of U.S. counties. In summary, businesses’ use of websites has been highest in the most urban and the most rural counties. This suggests that a web presence may help businesses located in remote rural areas overcome barriers related to their remoteness. Thus, growing rural businesses’ online presence may help their bottom lines.

Additional Resources

- Forbes has published a list of tips for creating small business websites. Find it here: forbes.com/sites/allbusiness/2019/05/25/small-business-website-tips/?sh=73410a321adc
- The U.S. Small Business Administration covers the basics of what a small business website should contain: sba.gov/blog/5-essential-pages-your-small-business-website

Sources:


All Missouri Economy Indicators briefs in this series are available at tinyurl.com/ExceedEconomyIndicators

Author: Catherine Isley, Exceed Graduate Research Assistant, catherine.isley@mail.missouri.edu

The Missouri SBDC is funded in part through a Cooperative Agreement with the U.S. Small Business Administration and is a University of Missouri Extension partner. All opinions, conclusions, and/or recommendations expressed herein are those of the author(s) and do not necessarily reflect the views of the SBA.