

Constant Contact's Small Business Now Report Reveals Trends Impacting Small Businesses Ahead Of The 2022 Holiday Season

Study delivers learnings for small businesses on how to navigate shifting consumer preferences

WALTHAM, Mass., Oct. 20, 2022 /PRNewswire/ -- Today, [Constant Contact](#), a digital marketing platform trusted by millions of small businesses and nonprofits, released its second annual Small Business Now Report, which explores the challenges impacting American small businesses through the lens of today's consumer. Conducted by third-party research firm [YouGov](#), this report features insights from over 1,000 consumers and 500 small businesses. The findings reveal that despite rising inflation and fears of a recession, enthusiasm for supporting small businesses remains strong heading into the 2022 holiday season.

"Our report offers a sense of optimism to small businesses who may be feeling concerned about how the current economic climate will impact their business," said Laura Goldberg, CMO of Constant Contact. "While inflation is certainly forcing consumers to be selective about where they spend, our findings indicate that supporting small businesses is still a priority for them — particularly during the busy holiday season. Now in its second year, our Small Business Now Report delivers insights on how small businesses can tweak their digital marketing strategies to get closer to their customers, finish 2022 on a positive note and prime themselves for a successful year in 2023."

The Fledgling Signs of a Recession

Small businesses are facing a challenging future as they navigate a potential recession, labor shortages and historic inflation. Data from the Small Business Now report suggests they have already begun to feel the impact, but most don't expect a recession will put them out of business.

- Currently, 40 percent of SMB decision makers are struggling to attract new employees, and as the country heads towards a potential recession, 21 percent are concerned they won't be able to hire/retain staff
- Despite those fears, 84 percent of SMB decision makers did not express concerns about their company's ability to survive a potential recession
- When asked what would make them feel more confident in their businesses' ability to survive a recession, 23 percent responded hiring more staff, 22 percent said having a bigger advertising, marketing or promotional budget and 20 percent would like more support from their communities

Consumers are also feeling the squeeze of inflation, and many are starting to reprioritize their budgets. However, results indicate small businesses would remain a priority during a recession.

- 85 percent anticipate they would cut back on spending during a recession
- 58 percent anticipate the first categories they would pull back on during a recession are convenience, lifestyle or entertainment spending
- However, more than 1 in 3 (36 percent) would look for opportunities to support small and medium sized businesses more often during a recession, and 29 percent noted they're always willing to pay more to support a small business
- Price sensitivity is still a top concern, though, as 33 percent feel they want to support small and medium sized businesses, but it isn't cost-effective to do so during a recession compared to buying from big box retailers

A Preview of Holiday Spending

Constant Contact's report shows that shoppers are getting an early jump on holiday gifting this year. In fact, 36 percent of consumers began their holiday shopping prior to October. Conversely, 51 percent of small business decision makers report they don't begin prep for the holiday season before October. This leaves a short window to properly market their businesses and connect with customers.

Even so, while 40 percent of consumers plan to spend less this holiday season compared to 2021, data also shows significant enthusiasm for community-based engagement.

- Of those who plan to holiday shop, 35 percent feel it's important to purchase locally and support their communities, and another 44 percent plan to donate or volunteer their time to nonprofits
- Nearly half (48 percent) of those who plan to avoid big box stores and major online retailers choose to do so because it's important to them to support small businesses
- Similarly, 34 percent of those who plan to avoid big box stores and major online retailers feel small businesses offer a more enjoyable shopping experience, and 25 percent think small businesses are better equipped to help with customer service or returns if there is an issue

A Change in Communication Preferences

Findings from Constant Contact's report indicate that email is still the best way to communicate with customers. More than half (55 percent) of consumers that prefer a business use a digital channel to contact them agree email is their preferred way to be contacted by small businesses, and that is immediately followed by SMS/text (17 percent). This illustrates a new opportunity for small businesses to activate their customers and drive more business.

- 83 percent of consumers read texts sent to them by businesses in the last 12 months, and 74 percent found SMS content helpful, interesting, or useful in that timeframe
- 39 percent of consumers who signed up for SMS/text messages from a business were motivated to do so because of a deal the business was offering
- Of those who received SMS/text messages from a business within the last year, 20 percent made at least one purchase

Learn more about the findings from Constant Contact's 2022 Small Business Now Report, including further analysis and recommendations for small businesses, [here](#).

Report Methodology

These results are comprised of two separate surveys targeting small-medium business decision makers and consumers. All figures, unless otherwise stated, are from YouGov Plc. The total sample size for small-medium business decision makers (head of a team, group, or small organization and above - aged 18+) was 507. Fieldwork was undertaken between the 9th - 14th of September 2022 and all figures are weighted and are representative of small-medium business decision makers of businesses with 500 or fewer employees. For consumers, total sample size was 1112 adults and fieldwork was undertaken between 16th - 20th of September 2022. The figures are weighted and are representative of all U.S. adults (aged 18+).

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