

New Study from Constant Contact Shows How Heavily Small Businesses Rely on Holiday Sales to Meet Yearly Revenue Goals

Findings also indicate most shoppers do not realize the impact of holiday spending at SMBs

WALTHAM, Mass., Nov. 1, 2023 /PRNewswire/ -- Today, [Constant Contact](#), a digital marketing and automation platform that has helped millions of small businesses and nonprofits globally, issued a special holiday edition of its [Small Business Now](#) report. The study evaluates how critical the final three months of the year are to the financial success of small businesses (SMBs), as well as the value of consumer holiday spending and the tactics small businesses are using to drive sales.

Constant Contact's study indicates that the holiday season is more vital to small businesses than most shoppers realize. Half of SMBs say holiday sales account for at least 25 percent of their annual revenue, but only one-third of consumers realize the substantial impact their seasonal spending has on these businesses. The stakes are even higher for SMBs in the retail industry, as they are twice as likely to rely on the holiday period for at least 50 percent of their annual revenue. This disconnect underscores the importance of forging strong customer relationships, and it presents an opportunity for SMBs to better communicate the importance of shopping small during the holiday season.

"The holiday period is a crucial time of year for small businesses as they work overtime to attract new customers, hit revenue goals and plan for the year ahead," said Laura Goldberg, chief marketing officer at Constant Contact. "Our latest Small Business Now report quantifies the impact holiday shopping has on small businesses, and it also reveals opportunities where they can tweak their marketing strategies to activate Q4 customers in the new year. Constant Contact is a trusted partner to small businesses around the world, and we will continue to fuel their success with powerful marketing tools to help them deliver more engaging content, meet year-end objectives, and turn holiday shoppers into repeat customers."

The pressure is on for small businesses during the holiday season:

Small businesses rely heavily on fourth quarter sales to meet revenue goals for the year, especially those in the retail sector.

- Half (50 percent) of all small businesses get more than 25 percent of their annual sales in the holiday season.
- 75 percent of retail SMBs say they rely heavily on holiday customers, and 73 percent attribute more than one quarter of their annual sales to the holiday period.
- 58 percent of retail SMBs say that holiday customers are "extremely important" to the overall success of their business.

Most consumers do not realize the impact their holiday spending has on SMBs:

Small businesses say customer support plays a vital role in their success, yet consumers may be undervaluing the impact of their holiday shopping.

- Supporting small businesses and their communities is the number one reason why consumers choose to visit or buy from an SMB.
- However, only one-third (33 percent) of consumers feel that visiting or purchasing during the holidays makes a significant impact on an SMB's livelihood.
- The top emotions felt by small businesses after a customer visits or buys during the holiday season are thankful (78%), happy (69%), and hopeful (37%).

The holiday season is a time for growth:

Attracting new customers is the single biggest goal for most small businesses as they enter the final months of the year, and shoppers are open to being courted.

- The top goals for SMBs heading into the holiday season are finding new customers (63 percent), retaining current

customers (52 percent), and planning for next year (45 percent).

- 84 percent of consumers surveyed are likely to visit a small business they've never purchased from this holiday season.
- 87 percent of consumers say they are more likely to return to a small business in the future after visiting/buying during the holidays.
- Personalized emails and texts (52 percent), social media ads (42 percent), and sales or discounts (40 percent) are the most popular marketing tactics SMBs use to grow their customer base during the holiday season.

New Year, new opportunities:

Most small businesses do not have an effective marketing strategy to nurture, retain and convert their holiday customers in the new year, and it could be holding back their growth.

- 93 percent of SMBs agree that retaining new holiday customers into the following year is important, but just 18 percent feel their strategy is highly effective, and 14 percent have no retention strategy at all.
- 81 percent of consumers are more open to receiving emails or texts from a small business after visiting or buying from them during the holidays, but less than half (49 percent) receive an email after making a purchase.
- 27 percent of consumers say that after they visit or buy from a small business for the first time, they never hear from the business again.

Learn more about the findings from the holiday edition of Constant Contact's Small Business Now report [here](#).

Study Methodology:

Constant Contact's study analyzes insights from 500 small business decision-makers in the United States at the Director+ level, and 500 U.S. consumers aged 18+. For the purposes of this study, "the holiday season" is defined as falling within the standard Q4 period of October-December. All statistics are representative of their associated demographics. The survey was conducted by [Ascend2](#) in September 2023.

About Constant Contact

[Constant Contact](#) delivers everything small businesses and nonprofits need to build, grow and succeed. With powerful online marketing tools, contact management and sales features, and innovative AI capabilities, Constant Contact makes it easy to attract the right people, engage more customers, close more deals and grow.

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