

Canada's Small Businesses Bracing For Challenging Holiday Season Amid Inflation Concerns, New Study Shows

Constant Contact's Small Business Now report reveals 9 in 10 Canadian small businesses have felt the impacts of inflation this year as they prepare to enter their most critical sales period

TORONTO, Sept. 17, 2024 /PRNewswire/ -- [Constant Contact](#), a digital marketing and automation platform that has helped millions of small businesses and nonprofits globally, today announced its latest [Small Business Now report](#). Featuring insights from small businesses (SMBs) and consumers across Canada, the findings indicate that an uncertain economy and shifting consumer behaviours are putting pressure on SMBs as they strive to make the most of the year's final quarter.



While inflation has cooled from record highs, its longtail impact is still being felt by both SMBs and their customers. Constant Contact's Small Business Now report reveals that 90 per cent of Canadian SMBs surveyed have been impacted by inflation, and over half (56 per cent) of Canadian consumers have decreased their spending at small businesses this year due to inflationary pressures. With 32 per cent of SMBs citing they feel the most pressure to drive revenue for their businesses in Q4, improving their marketing strategies to account for these challenges will be essential to their success this holiday season.

"Small businesses are incredibly resilient, but as they head into a holiday season filled with uncertainty, they must get proactive in their marketing to ensure success," said Sarah Jordan, chief marketing officer at Constant Contact. "Our study shows that despite inflation, shoppers still want to support small businesses, so the SMBs who thrive will be the ones who start their holiday marketing early, streamline their work with automations, and engage customers consistently throughout the season."

Despite the criticality of the season, SMBs are falling short in their marketing efforts

Despite the heightened focus on hitting sales and revenue targets during the holiday season, findings of the Small Business Now report suggest that SMBs are struggling to overcome barriers in marketing their businesses effectively during the fourth quarter. Furthermore, SMBs who are investing time and resources into marketing are finding themselves unable to confidently assess the effectiveness of their strategies.

- 72 per cent of SMBs cite budget and/or time limitations as the biggest barriers to marketing their businesses during the holiday season.
- 59 per cent of SMBs who measure their marketing effectiveness feel uncertain that their holiday strategy was effective in 2023.
- Nearly one-third (31 per cent) of SMBs did not launch any promotions during the end-of-year/holiday season in 2023.
- Close to 1 in 4 (24 per cent) SMBs did not do any holiday marketing whatsoever in 2023.

Small marketing tweaks can help SMBs attract shoppers and overcome economic headwinds

Fortunately, small businesses aiming to capitalize on shopper intent and insulate themselves from economic uncertainty this holiday season can take small but effective measures to end the year on a high note. Practical tips and advice for SMBs include:

- **Start early** – October is considered the unofficial start to the holiday season and according to the latest Small Business Now report, it's also when the largest percentage of Canadian SMBs (18 per cent) begin their holiday preparations.

Switching into holiday mode earlier in the year can help SMBs get ahead of the rush and stand out from the competition, especially considering that 56 per cent of consumers' interest in interacting with small businesses increases during the holiday season.

- **Incorporate holiday themes into existing campaigns** – 43 per cent of SMBs are in the habit of tweaking existing campaigns and/or messages to incorporate end-of-year/holiday themes instead of performing complete and costly overhauls of their marketing campaigns.
- **Consider promotions** – Discounts and sales offers are the types of promotions 36 per cent of Canadian SMBs find most effective for driving revenue. This is further validated by the 61 per cent of consumers who are encouraged to buy from a small business during the holidays by competitive pricing and sales.
- **Focus your efforts** – In 2023, SMBs cited trying to do too many things at once as the biggest mistake in their end-of-year/holiday season marketing. This year, more than half (51 per cent) of SMBs plan to prioritize email marketing and social media marketing as the top areas believed to have the biggest impact on reaching their end-of-year/holiday season goals.

Renowned Canadian technology expert and entrepreneur Marc Saltzman underscores the importance of getting customers through the door at small businesses - especially during the busiest quarter of the year. "Canadians have an affinity for small businesses – it's the backbone of our economy, in fact - and naturally we want to rally around them during the holiday season as we're checking items off our gift lists," said Saltzman. "My advice to small businesses heading into this period is to focus on making small adjustments that will help drive more traffic to their businesses. I often see the biggest impact come from the smallest tweaks, whether it's trying out a new technology tool or service, leveraging data to make customer-focused decisions, or refining last year's marketing strategy based on what worked well."

To learn more about the findings from Constant Contact's Small Business Now, [download the report](#).

Study Methodology:

[Constant Contact](#)'s Small Business Now report analyzes insights from over 300 small business decision-makers in Canada employed at companies with 250 employees or less. All stats are representative of their associated demographics. It also combines data from over 500 consumers aged 18+ in Canada. The survey was conducted by [Ascend2 Research](#) in August 2024.

About Constant Contact

[Constant Contact](#) makes digital marketing easy and effective for small businesses and nonprofits around the world. Whether just starting out, or managing complex multi-channel campaigns, SMBs benefit from our powerful SaaS platform that delivers a simplified marketing experience with less time spent and better results. With cutting-edge technology, best-in-class deliverability and award-winning customer support, we help the small stand tall.

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