

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

Constant Contact's Small Business Now report reveals 89 percent of small businesses have felt the impact of inflation as they prepare for the year's most critical sales period

WALTHAM, Mass., 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 over 1,600 small businesses (SMBs) and 3,000 consumers across the United States, Australia, Canada, and the United Kingdom, the findings indicate that an unstable global economy and shifting consumer behaviors are putting pressure on SMBs as they strive to make the most of the year's final quarter.

Many small businesses [rely on a strong holiday season](#) to make ends meet, and while inflation has cooled from previous highs, its longtail impact is being felt by both SMBs and their customers. Constant Contact's Small Business Now report reveals that 89 percent of SMBs globally have been impacted by inflation, and 52 percent of consumers have reduced their spending at SMBs due to inflationary pressures. With 33 percent of SMBs saying they feel the most pressure to drive revenue in the fourth quarter, adjusting their marketing 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."

Inflation is forcing SMBs and consumers to adapt their holiday approach

Almost every SMB polled is taking action to mitigate the impact of inflation on their business, and holiday shoppers are rethinking where they purchase gifts.

- 46 percent of SMBs have cut back on expenses to manage costs, and 39 percent have raised prices
- Canadian small businesses are the least likely to have raised their prices (35 percent)
- 52 percent of consumers globally have reduced their spending at small businesses this year, led by Australia (60 percent) and Canada (56 percent)
- The percentage of U.S. consumers planning to decrease their spending at small businesses (52 percent) has [almost doubled since 2022](#) (27 percent)
- 62 percent of consumers cite price as a key factor in their holiday shopping decisions

During their busy season, SMBs are not confident in their marketing

Small businesses plan on getting most of their annual revenue during the holiday season, and that urgency causes them to spend extra time on marketing during the fourth quarter. However, many SMBs spread themselves too thin and struggle to see a return on their efforts.

- The percent of SMBs that attribute at least 50 percent of annual sales to the holiday period has nearly doubled since 2023
- Canadian small businesses are the most reliant on holiday sales, with 21 percent stating at least half of their annual revenue is generated during the last quarter
- 65 percent of SMBs struggle with either budget constraints or time management during the last quarter
- 79 percent of SMBs who measure their marketing effectiveness feel uncertain that their holiday strategy was effective in 2023
- 20 percent of SMBs have no way to measure the impact of their holiday marketing

Waiting until October to plan is a missed opportunity for SMBs

October is considered the unofficial start to the holiday season, but there's reason to believe that SMBs shouldn't wait that long

to switch into holiday mode. Consumer desire to support small businesses remains constant throughout the year, so planning ahead can help SMBs beat the holiday rush.

- 99 percent of consumers revisit the same businesses each year to do their holiday shopping
- 92 percent of consumers who revisit businesses during the holidays plan to include SMBs in their shopping plans this year
- 58 percent of U.K. consumers start thinking about the holiday season before October, compared to 38 percent of consumers globally
- 42 percent of SMBs globally wait until at least October to start prepping for the holidays
- 30 percent of SMBs in Australia have not started their holiday marketing by November
- 57 percent of SMBs begin to increase the frequency of their marketing communications in the last three months of the year

Small marketing tweaks can help SMBs attract shoppers and avoid last season's mistakes

Small businesses stated that the biggest holiday mistake they made in 2023 was trying to do too many things at once with their marketing. This year, SMBs are aiming for improved efficiency and measurable results as they try to capitalize on shopper intent and insulate themselves from economic uncertainty.

- The top three things SMBs are doing to have a successful holiday season are improving their efficiency (35 percent), offering special promotions or discounts (28 percent) and creating an end-of-year marketing strategy (26 percent)
- Canadian small businesses are significantly more likely than other regions to test new marketing tools or technology in preparation for a successful end-of-year
- Small businesses in Australia are much more likely to start ordering inventory earlier than usual
- 78 percent of consumers plan to holiday shop at a small business they have never purchased from before
- 51 percent of SMBs believe social media marketing and email marketing have the biggest impact on their holiday goals

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 1,600 small business decision-makers employed at companies with 250 employees or less. The study was conducted in Australia, Canada, the United Kingdom and the United States, and results were aggregated to determine global trends. All stats are representative of their associated demographics. It also combines data from over 3,000 consumers aged 18+ in each of these regions. 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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