Fifty-percent of small businesses' annual sales happen during the holidays, new Constant Contact SMB report finds

Social media marketing is perceived as the most impactful channel for holiday success

WALTHAM, Mass., Oct. 30, 2025 /PRNewswire/ -- Constant Contact, a leading provider of digital marketing tools for small businesses and nonprofits, today released its latest report on this year's Small Business Holiday Outlook. Constant Contact's survey included over 1,800 small business owners and over 2,400 consumers in the United States, United Kingdom, Australia and New Zealand.

The report reveals that while optimism remains high, businesses are strategically adapting to economic pressures and evolving consumer behaviors to maximize holiday sales.

The study highlights the immense importance of the holiday season, with a striking 60% of SMBs attributing up to half of their yearly sales to this crucial period. Q4 has long been known as a high stakes quarter. This year, Constant Contact found that 1 in 3 owners feel the highest revenue pressure of the year during Q4. This sentiment is particularly strong within the retail sector (47%), but despite these intense pressures, a resilient majority (77%) of SMB owners express confidence in meeting their revenue targets for the year.

"The holiday season is the most critical time of the year for small businesses, accounting for up to half of annual sales for 60 percent of owners," said Smita Wadhawan, Chief Marketing Officer at Constant Contact. "Our report shows that SMBs are responding to this make-or-break pressure with unprecedented strategic adaptation, evidenced by the quadrupling of new campaign launches in the U.S. this year."

Marketing efforts have intensified, with 60% of owners planning to increase their marketing communication frequency during this period. Notably, the U.S. saw a significant shift in strategic planning, with the number of businesses launching entirely new marketing campaigns quadrupling from 7% in 2024 to 33% in 2025, according to Constant Contact's new report.

"Delivering the efficient, simplified marketing solutions that SMBs need to successfully execute these new strategies is core to our mission at Constant Contact," Wadhawan said. "Whether that's SMS, social media or email marketing, we know the importance of driving both immediate sales and fostering customer loyalty that ensures long-term success."

Social media marketing is perceived as the most impactful channel for holiday success by 40% of SMBs, significantly outpacing email marketing at 18%. Furthermore, discounts and sales remain the most effective promotional strategy, utilized by more than half (51%) of businesses offering promotions.

Last year's holiday marketing efforts proved successful for 81% of participating SMBs, primarily leading to increased sales and new customers.

However, SMBs are grappling with significant internal and external challenges:

- Economic Headwinds: Primary external concerns are inflation/rising costs (32%) and weak customer spending (22%).
- Operational Strain: Key internal challenges include customer engagement (39%), budget limitations (36%), and generating new ideas or content (34%).
- Tariff Impact: 46% of businesses report being negatively impacted by recent tariff policies, leading many to cut expenses (46%) or raise prices (43%).

Consumers, too, are navigating economic concerns, which has led 70% of shoppers to actively seek deals and promotions. Despite these challenges, consumer loyalty to small businesses remains exceptionally strong, with 72% returning to the same ones each holiday season, and 88% likely to become repeat customers after a holiday purchase.

About Constant Contact

Constant Contact makes digital marketing easy and effective for small businesses and nonprofits across the globe. Whether just starting or managing complex multi-channel campaigns, SMBs benefit from our powerful SaaS platform that delivers a simplified marketing experience in less time and with better results. With cutting-edge technology, best-in-class deliverability, and award-winning customer support, we help the small stand tall. Learn more at constantcontact.com.

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