

Small Businesses Double Down for 2026: Majority Plan to Increase Marketing Budgets to Combat Inflation

New Constant Contact Small Business report finds 68 percent of SMBs expect to increase marketing spend despite economic uncertainty

WALTHAM, Mass., Feb. 11, 2026 /PRNewswire/ -- [Constant Contact](#), a leading provider of digital marketing tools for small businesses and nonprofits, today released findings from its [Q1 2026 Small Business Now report](#). The report includes a survey of over 1,500 small business owners across the United States, Canada, United Kingdom, Australia and New Zealand.

The data indicates that small business owners are meeting economic uncertainty with aggression rather than retraction. While inflation and rising costs remain the top business concern for 41 percent of owners, the vast majority are planning to invest significantly more resources into their marketing efforts to grow their business.

"Small business owners are entering 2026 with a clear directive: do more, but do it smarter," said Smita Wadhawan, Chief Marketing Officer at Constant Contact. "Our latest data shows a fascinating tension—inflation is the number one worry, yet businesses are choosing to increase their marketing budgets rather than cut them. This signals that entrepreneurs view marketing not as a discretionary expense, but as the essential lever for survival and growth. By leaning into efficiency and AI tools, they are finding ways to maintain this increased pace without burning out."

The report paints a picture of a sector striving for "newer and more efficient" operations. With 74 percent of small business owners expecting to spend more time on marketing and 68 percent expecting to increase their marketing budgets, the focus for 2026 has shifted to maximizing the impact of every dollar and hour spent.

Key findings from the Q1 2026 *Small Business Now* report include:

- **Investment Increases Despite Economic Worry:** Small businesses are refusing to let economic pressure dictate their visibility. While 41 percent of SMB owners cite inflation as their top concern—outpacing weak customer spending (19%)—74 percent expect to spend more time on marketing, and 68 percent plan to increase marketing budgets. Only 14 percent expect their budgets to decrease.
- **The Search for Engagement and Efficiency:** As businesses ramp up spending, they face a significant hurdle: connecting with their audience. The top anticipated barrier to marketing in 2026 is customer engagement (44%). In an effort to solve for this, 50 percent of SMB owners are prioritizing efficiency strategies, while 33 percent are testing new tools and technology.
- **AI: The Analyst and The Author:** Artificial Intelligence (AI) is becoming the tool of choice for bridging the gap between high effort and high efficiency. More than half (54%) of SMB owners are already using AI marketing tools, and usage is becoming more sophisticated: 45 percent use AI to analyze trend data, and 44 percent use it to compose content.
- **Social and Email Lead the Channel Mix:** When asked which channels will drive the most business in 2026, SMB owners are betting on digital over traditional. Social media (68%) and email marketing (41%) lead the pack, while traditional advertising (26%) and in-person events (29%) ranked significantly lower.

About Constant Contact: Constant Contact is an all-in-one digital marketing platform that helps small businesses, franchises, and nonprofits connect with customers and grow their brand. For more than 30 years, the company has supported organizations of all sizes with easy-to-use tools for email, social media, events, and more. By combining easy-to-use technology with built-in guidance and automation, Constant Contact helps organizations market more effectively and build lasting customer relationships. Learn more at constantcontact.com.

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