Customer Engagement a Major Focus of Small Business Technology According to Constant Contact Technology Pulse Survey

Daily deals viewed as top technology tool to attract new customers

WALTHAM, Mass.--(BUSINESS WIRE)--The importance of customer engagement to small businesses has grown as the economy continues to struggle to recover and, according to new survey data from Constant Contact®, Inc. (NASDAQ: CTCT), small business owners are evaluating their technology tools through an engagement lens. Sixty percent of respondents said online survey tools were the most effective at engaging existing customers, followed closely by digital loyalty/frequent shopper tracking systems (56 percent), with customer relationship management systems (46 percent), email marketing (45 percent), and contact management tools (38 percent) rounding out the top five responses.

“Eighty-two percent of small business owners have said their main source of new business is referrals, so it’s no surprise they’re taking a hard look at technologies that boost social visibility and feed the referral engine,” said Joel Hughes, senior vice president, strategy and corporate development, Constant Contact. “To succeed, small business owners have the difficult task of keeping pace with a rapidly evolving technology landscape. When you consider that they now see digital loyalty, which was not even on the horizon a few years ago, as the second most effective way to engage customers, I think they’re up to the challenge.”

The Art of Attraction

Another newcomer to the scene is the daily deal, which has already made a big impression on small business. Though sometimes viewed as controversial, when small business owners were asked which technology tools they see as most effective in attracting new customers:

- 53 percent said daily deals.
- 51 percent said Internet ads.
- 38 percent said web listing sites.
- 37 percent said social media ads.
- 29 percent said online coupons.

“Deals can be a powerful tool,” said Dave Gilbertson, vice president and general manager,SaveLocal™ from Constant Contact. “But perhaps more than any other tool, they need to be done right or they can be highly detrimental to a small business owner. That means giving small businesses greater control. SaveLocal from Constant Contact has found success by structuring deals so that the merchant controls the discount and volume, an important differentiator because of the tight margins small businesses operate on.”

Marketing Crossroads

The intersection of attracting new customers and engaging existing customers is the critical crossroads for small businesses. When asked which tools are effective at both attracting and engaging customers:

- 77 percent said websites.
- 69 percent said blogs.
- 60 percent said social media.
- 59 percent said video hosting sites, like YouTube.
- 52 percent said event management tools.
- 50 percent said email marketing.

This fairly even distribution of marketing tools indicates that a complement of in-person and online interactions, supported by the foundation of email, and amplified by social media, creates effective customer awareness and sustainable connections. “Email consistently ranks high as an effective marketing tool for small businesses,” said Hughes, “and it’s interesting to see how small businesses are now successfully integrating it with emerging social platforms to strengthen customer engagement.”

About the Survey

This Constant Contact-sponsored survey was administered to 1,305 participants in the Constant Contact Small Biz Council – a research panel of US small businesses and nonprofits recruited from the Constant Contact customer base. This is the second installment of an ongoing study about the state of small businesses and the ways they connect with, and grow, their audiences. Results include responses from respondents across a range of business-to-business and business-to-consumer industries.

About Constant Contact®, Inc.

Constant Contact wrote the book on Engagement Marketing™ – the new marketing success formula that helps small organizations create and grow customer relationships in today's socially connected world. More than half a million small businesses, nonprofits and associations worldwide use the company's online marketing tools to generate new customers, repeat business, and referrals through email marketing, social media marketing, event marketing, local deals, digital storefronts, and online surveys. Only Constant Contact offers the proven combination of affordable tools and free KnowHow®, including local seminars, personal coaching and award-winning product support. The company further supports small organizations through its extensive network of consultants/resellers, technology providers, franchises and national associations.

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