Small Business Revenue on the Rise According to New Constant Contact Survey

Despite economic pressures to reduce costs, small business commitment to marketing remains high

WALTHAM, Mass.--(BUSINESS WIRE)--“Doing more with less” has become a common refrain in America over the last few years and new survey data from Constant Contact®, Inc. (NASDAQ: CTCT), released in conjunction with Small Business Week, indicates that small businesses are getting quite good at doing just that. Small businesses surveyed reported a strong 2013, with almost 40 percent saying their revenues increased 10 percent or more over 2012, despite the fact that 65 percent have had to make concessions to economic pressures, from reducing operating costs and marketing budgets, to changing their offerings, and more. The 2013 revenue upswing has small business owners feeling optimistic about what lies ahead, with an overwhelming majority (81 percent) expecting revenues to continue to rise in 2014.

Cautiously Optimistic
When asked what their revenue expectations are for the next 12 months:

- 13 percent expect their revenues to increase more than 25 percent
- 38 percent expect to their revenues to increase 10 to 25 percent
- 30 percent expect their revenues to increase less than 10 percent

Fifteen percent expect their revenue to remain flat, while only four percent expect revenue to decrease.

“It’s encouraging to see that small businesses expect their revenue growth to extend into 2014,” said Gail Goodman, CEO of Constant Contact. “This optimistic outlook is not translating into larger staffs, however. Almost half (49 percent) tell us they will not be hiring over the next 12 months, with 27 percent saying they plan to hire, and the balance telling us they’re not sure what they will do. On the plus side, only eight percent report having to lay off employees in the last 12 months, which could be viewed as a positive outcome of their conservative hiring approach.”

Committed Marketers
Marketing is a top priority of small businesses. On average respondents reported having two employees (including themselves) spend 20 hours per week focusing on marketing activities. Additionally, almost half (49 percent) work with three to four marketing vendors, representing a significant investment of time and money to manage and coordinate campaigns.

Small businesses are taking advantage of the many opportunities presented by multiple marketing channels, with 82 percent of those surveyed saying they have adopted multi-channel marketing programs, meaning they are using a combination of channels like email, mobile, and social media to reach their customers. The fact that 73 percent of them say their efforts have been successful may be a reason why the adoption is so high, as could the availability of emerging technologies like the Constant Contact Toolkit™, which brings together in one place all of the online marketing tools needed to drive new and repeat customers across key channels.

When asked how their multi-channel marketing has been successful, respondents cited:

- More customer engagement (73 percent)
- More new customers (57 percent)
- More website traffic (54 percent)
- Increased event attendance (42 percent)
- More revenue (40 percent)
- More referrals (39 percent)

Challenges of Multi-Channel Marketing
However, for the 27 percent who have not achieved success with their multi-channel marketing efforts, their most-cited reasons are:

- Don’t know if their customers are using all the channels (59 percent)
- Don’t know how to measure success across all the channels (35 percent)
- Find it too time-consuming to get everything done across all the platforms (32 percent)

Survey respondents also pointed out the hassles of learning how to use different interfaces (48 percent) and keeping a consistent look and feel (46 percent) across channels.

“With the greater opportunities presented by multi-channel marketing come some challenges,” said Goodman. “Most small business owners are not marketing professionals and many tell us that the flood of new marketing tools, along with the need to be everywhere their customers are, from search engines, to mobile devices, to friends’ newsfeeds, can really be overwhelming. This is why we recently launched Toolkit, an all-in-one online marketing platform that offers small businesses a new way to connect with their customers and reach new ones in the places that matter, like email, social, mobile and the web. For the first time, small businesses can run multiple online marketing campaigns from one place, affordably and easily, and without multiple marketing vendors. Toolkit is a real game changer, especially when you consider how small businesses are being tasked to do more with less.”

About the Data
This Constant Contact data was compiled from a survey administered in March 2014 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. The survey is part of an ongoing series about the state of small businesses and the ways they connect with, and grow, their audiences.

About Constant Contact®, Inc.
Constant Contact helps small businesses do more business. We have been revolutionizing the success formula for small businesses, nonprofits, and associations since 1998, and today work with more than 600,000 customers worldwide. The company offers the only all-in-one online marketing platform that helps small businesses drive repeat business and find new customers. It features multi-channel marketing campaigns (newsletters/announcements, offers/promotions, online listings, events/registration, and feedback) combined with shared content, contacts, and reporting; free award-winning coaching and product support; and integrations with critical business tools – all from a single login. The company’s extensive network of educators, consultants/resellers, technology providers, franchises, and national associations offer further support to help small organizations succeed and grow. Through its Innovation Loft, Constant Contact is fueling the next generation of small business technology.

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