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Constant Contact Survey: Nearly Three-Quarters of Small Businesses Are Doing Social Media Marketing

Findings indicate social media marketing not a “silver bullet,” complements other marketing tools

WALTHAM, MA – May 16, 2011 – A new survey from [Constant Contact[®], Inc.](#) (NASDAQ: CTCT) finds that social media marketing has surged to be a top contender in small businesses' marketing tool kit; 73% of small businesses report using social media to market their business, and this appears to be a growing trend. Of those who are not currently using social media marketing, 62% expect to begin using social media marketing in the coming year. Further, 81% of those currently using social media marketing expect to increase their efforts this year.

The [survey](#) also reports that small businesses still rely heavily on email, website, and event marketing, as well as advertising, to drive business. Despite feeling generally positive about 2011 revenues, small businesses reported business and financial challenges, including attracting new customers, getting current customers to refer business, and having the cash flow to run their business effectively.

Facebook Clear Winner for Small Businesses

Of those doing social media marketing, 80% reported increasing their use in the past year. Among social media tools, Facebook[®] is the tool of choice for small businesses: 95% of those using social media marketing reported using the tool and 82% of those found it to be effective. Of note, in Constant Contact's October 2010 survey, only 63% reported that Facebook was an important tool for marketing their business, and in April 2010, only 51% reported the same thing.

Small businesses found varying degrees of success with other social media marketing tools. Forty-seven percent of those using Twitter[®] found it effective, 47% of those using LinkedIn[®] found it effective, and 73% of those using video sharing tools, like YouTube[®] or Vimeo[®], found them effective.

“The value proposition that social media marketing offers to small business makes it a no brainer for time- and resource-starved small businesses. They simply need coaching and know-how to use those tools in the best way possible,” said Gail Goodman, CEO of Constant Contact. “Our assessment of this data is that more education will only improve small businesses' results with social media marketing.”

Social Media Marketing Complements, Rather Than Replaces, Other Marketing Activities

With social media efforts growing, there has been no decline in the use of other marketing tools. The survey found that 91% of small businesses use email marketing, 95% use website marketing, 77% use print advertising, 69% use online advertising, and 53% use event

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marketing. These findings suggest that social media marketing is complementary and additive, rather than a replacement to more “traditional” marketing methods.

Respondents also reported that email is the first – and most frequent – tool that small businesses turn to when trying to connect with current and prospective customers. Eighty-three percent report that email is the first tool they check when going online for their business each day and 72% check their email six or more times a day. In comparison, 13% check Facebook, 6% check news sites, and 4% check Twitter more than six times per day.

“We’ve seen our small business customers improve their results by integrating tools, such as email marketing with social media marketing,” said Goodman. “Email is still the most obvious choice to make sure your message gets out, and social media puts that message in front of a wider audience. We like to say that email lights the fire, while social media fans the flames.”

Economic Outlook Positive, but Challenges Persist

Survey respondents also weighed in on their economic outlook. 2010 was a positive story, with 53% reporting an increase in revenues and another 24% reporting that revenues remained flat for the year. Further, small businesses appear confident that an economic recovery is here, with more than 80% reporting expectations that revenues will increase in 2011.

Economic challenges continue to come in the form of rising costs. Sixty-seven percent report that cost of goods has increased, while 58% cite overhead, 55% cite insurance, and 53% cite payroll as costs that have increased. Further, only 52% of small businesses say they have adequate cash flow to run their business effectively.

Small businesses also have business challenges. Eighty percent of small businesses reported that attracting new customers “kept them up at night.” Respondents also cited getting current customers to refer new business (52%) and making marketing dollars go further (41%) as top challenges.

“Small businesses are a true indicator of the health of our economy. Their perception that revenues will rise this year is a great sign for economic recovery,” said Goodman. “That said, they do have some challenges ahead of them. Our mission is to help small businesses overcome those challenges. Our interactions with more than 10,000 small businesses each and every day have allowed us to design our proven tools and unique education and personalized coaching to do just that.”

For more details on the survey, including infographics, please visit:

<http://www.constantcontact.com/small-business-week/survey.jsp>

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About the Survey

This Constant Contact-sponsored survey was administered during March and April 2011 to small business owners and employees. Results include responses from 1,572 organizations across a range of business-to-business and business-to-consumer industries. Of note, 87% of these organizations have 25 or less employees. For more details, go to <http://www.constantcontact.com/small-business-week/survey.jsp>

About Constant Contact, Inc.

[Constant Contact](#) is revolutionizing the success formula for small organizations through affordable, easy-to-use Engagement Marketing™ tools that help create and grow customer relationships. More than 450,000 small businesses, nonprofits, and associations worldwide rely on Constant Contact to drive ongoing customer dialogs through email marketing, social media marketing, event marketing, and online surveys. All Constant Contact products come with unrivaled KnowHow, education, and free coaching with a personal touch, including award-winning customer support.

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