

Constant Contact Fall Small Business Attitudinal Survey

Key Findings:

- Small businesses report an increased use of social media tools, and they see these tools as additive and complementary to other marketing activities — not a replacement. Small businesses plan to dedicate more dollars to social media marketing activities in 2011.
 - **63% cite Facebook and 30.7% cite Twitter as important tools for marketing**, up from 50.5% and 25.6%, respectively, from Constant Contact's March 2010 survey. Further, the survey suggests that small businesses now see **Facebook as equally important as face-to-face interactions**; 62% cited face-to-face interactions as important.
 - Traditional marketing activities, including **websites, email marketing, event marketing, and online surveys**, all saw **modest increases** in importance this fall, compared to the spring survey results.
 - The three traditional marketing activities that saw modest **declines in importance** were **direct mail, telephone conversations, and in-person interactions**, perhaps due to the limited opportunity to easily “share” these offline experiences with a broader audience. Interactions facilitated online are more easily shareable.
- Small businesses report that their greatest challenges relate to generating new business through effective planning, sales, and marketing.
 - When looking for new customers, 91% cite the value and **importance of word of mouth**.
 - Other online tools rate as very important as tools for finding new customers; **68.8% rate a company's website and 58.6% rate email marketing as very important for finding new customers**.
 - Nearly **75% of respondents said they expect their businesses to grow** in the next year — roughly the same percentage answered the same way in March 2010.
- While the year has been tough for many small businesses, small organizations maintain positive expectations for growth coming out of the economic recession; this outlook has remained consistent throughout the year.
 - A small percentage of respondents, **18.5%, reported a negative outlook** on the economy in the next 12 months.
 - This positive outlook is countered by the fact that **51.3% believe the federal government is moderately or very unsupportive** of small businesses; this statistic is amplified (63%) among retailers.
 - In addition, **economic pressure continues to take its toll**; in the past year, 50.8% have reduced operating expenses, 39.7% have reduced travel and entertainment budgets, and 39.4% have reduced marketing expenditures due to the difficult economy.
 - More than one-third, **36%, of respondents reported changing their product or service offerings** due to economic pressures.

About the Survey

This survey was administered online in September and October 2010 to small business owners and employees, non-profit association, and member associations in the U.S. Results analysis considers only those who completed the full survey, including an N-size of 1,453 small business respondents across a range of industries. Notably, more than half of survey respondents identified themselves as working at a small organization with 10 or fewer employees.

- Responses by company size:
 - Sole proprietor: 28.7%
 - 1-4 employees: 33.8%
 - 5-9 employees: 17.2%
 - 10-19 employees: 8.4%
 - 20-25 employees: 4.3%
 - 26 or more employees: 7.6%

Additional Resources

- See how integrating social media into other online marketing efforts is working for small businesses: <http://conta.cc/bNjHkp>
- Learn more about Constant Contact's social media marketing tools and resources: <http://conta.cc/dkEX5r>
- Watch case studies of real companies using social media and email marketing together for impressive results:
 - <http://conta.cc/dxHUn5>
 - <http://conta.cc/c5FE9o>

About Constant Contact, Inc.

Constant Contact's (Nasdaq: CTCT) email marketing, event marketing, social media marketing, and online survey tools help small organizations grow their businesses by building stronger customer relationships. More than 400,000 small businesses, nonprofits, and member associations worldwide rely on Constant Contact's easy-to-use, affordable online tools to create and deliver personalized, professional communications that engage casual customers, members, prospects, and passionate customers wherever they congregate online — from their email inboxes to their social networks. All Constant Contact products come with unmatched education, training, and personal coaching services, and award-winning technical support. Founded in 1995, Constant Contact is a publicly traded company with offices in Waltham, Mass.; Loveland, Colo.; and Delray, Fla.; and a San Francisco office is scheduled to open this month. Learn more at www.ConstantContact.com.

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