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1. What’s Keeping Small Businesses Up At Night?
Attracting new customers, engaging existing customers, and getting referrals are the top concerns for small businesses surveyed.

When you think about how to run your organization most effectively, which of the following “keeps you up at night”?

[Bar chart showing percentages of concerns for different categories: Total, B2C, B2B]
Attracting new customers is the #1 challenge facing SMBs; getting funding is also a large challenge.

Of the items that keep you up at night, which do you rank #1?

- How to attract new customers: 69%
- Getting funding: 45%
- How to connect and better engage with existing customers: 41%
- Having a more integrated communication strategy: 26%
- How to get referrals from current customers: 24%
- How to stay on top of the latest in online marketing trends: 18%
- How to identify and select the best marketing tools: 14%
- How to measure the impact of my marketing campaigns: 15%
- How to make my marketing dollars go further: 13%

By category:

- B2C: 52%
- B2B: 11%

Additional notes:

- Total: 69% B2C: 52% B2B: 11%
Attracting new customers, engaging existing customers, and getting referrals are the top issues for small businesses.

When you think about how to run your organization most effectively, which of the following “keeps you up at night”?

- How to attract new customers
- How to connect and better engage with existing customers
- How to make my marketing dollars go further
- How to identify and select the best marketing
- How to measure the impact of my marketing
- How to stay on top of the latest in online
- Having a more integrated communication
- Getting funding
- Other

<table>
<thead>
<tr>
<th>Issue</th>
<th>Total</th>
<th>B2C</th>
<th>B2B</th>
</tr>
</thead>
<tbody>
<tr>
<td>How to attract new customers</td>
<td>79%</td>
<td>76%</td>
<td>81%</td>
</tr>
<tr>
<td>How to connect and better engage with</td>
<td>71%</td>
<td>69%</td>
<td>74%</td>
</tr>
<tr>
<td>existing customers</td>
<td>52%</td>
<td>49%</td>
<td>55%</td>
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<tr>
<td>How to make my marketing dollars go</td>
<td>38%</td>
<td>37%</td>
<td>40%</td>
</tr>
<tr>
<td>further</td>
<td>43%</td>
<td>41%</td>
<td>45%</td>
</tr>
<tr>
<td>How to identify and select the best</td>
<td>38%</td>
<td>37%</td>
<td>40%</td>
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<tr>
<td>marketing</td>
<td>41%</td>
<td>39%</td>
<td>43%</td>
</tr>
<tr>
<td>How to measure the impact of my marketing</td>
<td>28%</td>
<td>26%</td>
<td>30%</td>
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<tr>
<td>Having a more integrated communication</td>
<td>24%</td>
<td>23%</td>
<td>25%</td>
</tr>
<tr>
<td>Getting funding</td>
<td>15%</td>
<td>14%</td>
<td>16%</td>
</tr>
<tr>
<td>Other</td>
<td>8%</td>
<td>5%</td>
<td>4%</td>
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</tbody>
</table>
2. The Health of Small Businesses
The majority of small businesses surveyed are stable or growing compared to 2011.
Many SMBs are expecting significant revenue growth this year, few are expecting a major decrease

- 79% of small businesses expect 2012 revenues to increase over their 2011 revenues with 52% expecting revenues to increase more than 10%.
Cash flow is affecting growth for over 40% of small businesses

- Despite operating costs having increased for 45% of small businesses, 57% of small businesses have adequate cash flow to run their business effectively.

- 19% of small businesses have sought funding this year, of which 16% got some or all of the funding they needed.

Is your cash flow sufficient to run your organization effectively?

- Yes, I have adequate cash flow: 57%
- No, my cash flow is inadequate and is preventing me from growing: 30%
- No, my cash flow is inadequate and is barely enough to maintain current operations: 11%

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Over half of small businesses are not planning to hire more FTEs in the next 6 months

- So far this year 63% of small businesses have kept the number of employees the same. 27% of small businesses have increased the number of employees.

- 50% have kept payroll the same, while 38% have increased payroll.
3. Small Business Marketing
Marketing spend has stayed steady for most small businesses surveyed

So far this year, the marketing budget has...

Increased
- Total: 29%
- B2C: 29%
- B2B: 28%

Decreased
- Total: 12%
- B2C: 12%
- B2B: 11%

Stayed the same
- Total: 60%
- B2C: 59%
- B2B: 61%
Email marketing, websites, and in person interactions are most often effective for small businesses.

Which marketing activities do you find to be effective for your organization today?
Small businesses are still most driven by in person interactions

Of the items you find to be effective, which do you rank as the #1 most effective?

B2Bs are even more in person focused
Of those using social media, Facebook is far and away the most effective, even for B2Bs.

If social media is ranked in the top 3, which tool do you find the most effective?
Still, SMBs need more help with social media marketing

53% of Small Business ranked social media as the marketing channel they need the most help with.
About this study

- This is the first wave of an ongoing study about the state of small businesses and the ways they connect with and grow their audiences.

- We surveyed over 1000 participants in the Constant Contact Small Biz Council – a research panel of US small businesses and nonprofits recruited from the Constant Contact customer base – between April 24 and May 8, 2012.

- This preliminary report includes responses from 728 participants including 448 business-to-consumer organizations and 280 business-to-business organizations.

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Number of employees for businesses included in this study
- 74%
- 14%
- 6%
- 6%
- 0-10
- 11-25
- 26-50
- 51+