

Constant Contact and Chadwick Martin Bailey Study Shows Word-of-Mouth Key to Success of Daily Deals

New Research Details How and Why Consumers Use Daily Deals

WALTHAM, Mass.--([BUSINESS WIRE](#))--Word-of-mouth is key to the success of daily deals for small businesses, according to the latest study from [Constant Contact@, Inc.](#) (NASDAQ: CTCT) and research firm [Chadwick Martin Bailey](#). The study, which details how and why consumers use daily deals, also found that over one third of consumers are more likely to buy a deal from a local small business than a national chain, and that consumers are willing to share deals that are great, regardless of whether they are a current customer.

“Two of the more important findings in this research were that word-of-mouth is key for the success of a deal and that personal endorsements drive deal purchases. This falls right in line with what we heard from merchants when we were developing [SaveLocal](#): they wanted a tool that brought in new customers through word-of-mouth,” said Dave Gilbertson, general manager, SaveLocal. “Half of the survey respondents said they are more likely to purchase a deal if it is recommended to them by friends or family – and that’s why merchants are more than happy to reward people who recommend them and share their deals on social networks or through email. In fact, with SaveLocal we’ve seen that merchants who include sharing incentives in their deals increase their audience reach by 138 percent over those that did not use the feature.”

The study analyzed the behavior of 1,433 consumers ages 18 and older in the United States and revealed 10 key findings:

- 1) Consumers who sign up to receive daily deals end up purchasing them ([tweet this](#))
- 2) Recommendations from friends make consumers more likely to purchase a deal from an unfamiliar small business([tweet this](#))
- 3) Personal endorsements drive deal purchases, especially for women ([tweet this](#))
- 4) People are willing to share a deal if it’s great, regardless of whether they are a customer ([tweet this](#))
- 5) More than 1/3 of consumers are more likely to buy a deal from a local small business([tweet this](#))
- 6) For nearly 60% of customers, even a good deal experience doesn’t automatically equal loyalty ([tweet this](#))
- 7) More than twice as many consumers share deals via email than on social networks([tweet this](#))
- 8) Deals for restaurants and entertainment are the most commonly shared ([tweet this](#))
- 9) 92% of consumers think local deals are here to stay ([tweet this](#))
- 10) Consumers think deals help attract new customers to local businesses ([tweet this](#))

“More than 50 percent of consumers said that they are willing to share a deal if it’s a great deal, regardless of whether they are current customers of the business – reinforcing how important it is for merchants to create compelling offers and then incentivize consumers to share them,” said Kristen Garvey, vice president of marketing, Chadwick Martin Bailey. “Our research also confirmed that email is still king when it comes to sharing deals. More than twice as many consumers share deals via email (55 percent) than on any social network. Additionally, we found that deals from restaurants and the entertainment industry are the most commonly shared deals.”

“It’s very clear that proximity matters, and that local merchants have an advantage over big brands. More than a third of consumers are more likely to buy deals from local businesses,” said Gilbertson. “However, for nearly 60 percent of deal buyers,

a good experience does not automatically translate into loyalty. It's absolutely critical that merchants stay in touch after the deal. Amazingly, many deal vendors sabotage this effort by refusing to give merchants the contact information of their buyers. The true value of running a deal for a small business is bringing in new, repeat customers, not one-time deal seekers. Without the tools to follow up, unfortunately, that's what many of them become."

Resources

- Read and download the full report at:<http://conta.cc/Mbmx9y>
- Read and download previous reports on consumer behavior from Constant Contact and Chadwick Martin Bailey:
 - [10 Facts About Consumer Behavior on Facebook](#)
 - [10 Facts About Consumers Behavior on Twitter](#)
 - [10 Facts About Why and How Consumers "Like" and Subscribe](#)

About Chadwick Martin Bailey

[Chadwick Martin Bailey](#) is a Honomichi 50 ranked custom market research firm who works with many of the most successful companies and best known brands in the world to help them acquire, maintain, and grow their customer base. Founded in 1984 by John Martin and Anne Bailey Berman, the company has corporate headquarters in Boston, Massachusetts, serving clients in more than 30 countries around the globe. Chadwick Martin Bailey focuses on using leading-edge research techniques to collect and translate the data into simple, business decision-focused deliverables.

About Constant Contact

[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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