

New Wave of SMBs is Social-First, Technology Driven, and Highly Adaptable

Constant Contact's Small Business Now report reveals how early-stage SMBs are leveraging new marketing strategies to enhance customer relationships, drive efficiency, and navigate unexpected challenges

WALTHAM, Mass., March 4, 2025 /PRNewswire/ -- [Constant Contact](#), a digital marketing platform that has helped millions of small businesses and nonprofits globally, today released findings from its latest [Small Business Now report](#). Featuring insights from 1,600 small businesses across the United States, United Kingdom, Australia, and Canada — in operation for five years or less — the findings reveal that new entrepreneurs overwhelmingly prefer social media to market themselves and engage with customers, and they leverage technology to stay resilient in the face of change.

Constant Contact's latest Small Business Now report indicates that social media is now the dominant marketing channel for early-stage entrepreneurs. In fact, these businesses are more than twice as likely to use social media than other proven tactics like email marketing or SMS, and 73 percent say paid and unpaid social media posts are their biggest revenue drivers.

However, the study also revealed a strong interest in diversifying the ways they go to market, rethinking the ways they connect with customers, and adopting advanced technologies like artificial intelligence (AI) to help uncover gaps and turn unforeseen roadblocks into opportunities. While one-third of study participants expressed concerns about the global economy impacting their growth in 2025, 91 percent agreed that technology is essential to their business growth — and 72 percent plan to integrate AI into their marketing strategies this year.

"It's difficult to be a small business right now, but what's clear from our study is that the spirit, passion, and resilience of the SMB is still quite strong," said Frank Vella, CEO at Constant Contact. "The newest entrepreneurs are digitally savvy, and they understand that adaptability isn't just a survival tactic, it's a growth strategy. By harnessing social media to enhance customer relationships and embracing advanced technologies like AI to maintain stability and work smarter, they're turning challenges into opportunities and redefining what it means to thrive in any economic landscape. Constant Contact will continue to support small businesses around the world and provide the tools and guidance they need to be successful."

New SMBs feel optimistic about 2025, but they are also realistic about challenges outside their control

Small businesses founded in the last five years are accustomed to handling rocky economic conditions, and as a result, they are adept at handling change. Constant Contact's study found that many new and early-stage SMBs feel cautiously optimistic as they enter 2025, with many acknowledging that challenges like customer acquisition, rising costs, unpredictable market conditions, and shifting consumer habits could influence their growth this year.

- Nearly half (45 percent) of new SMB owners feel very confident their business will grow in 2025, but 55 percent express hesitation due to external pressures.
- 35 percent of new SMB owners believe economic factors will significantly impact their business success in the year ahead.
- 52 percent of early-stage entrepreneurs noted customer acquisition as their top marketing challenge, followed by customer retention (28%) and learning to use new marketing technologies (27%).
- Despite their challenges, 95 percent of entrepreneurs said they would choose to jump into small business ownership again if given the opportunity – 71 percent felt excited and 57 percent felt proud to be an SMB.

Next generation of entrepreneurs is social-first, but looking to diversify their marketing

New SMBs prefer to go to market and engage their customers on social media. However, as economic conditions tighten, more SMBs are expanding their marketing efforts to include underutilized channels like email and SMS to turn social media followers into customers as they scale.

- 63 percent of new SMBs rely on social media as their primary marketing channel, and 54 percent plan to continue using it as their top channel in 2025.
- 33 percent of new entrepreneurs see email marketing as an underutilized tool for converting leads and building long-term customer loyalty.

- Only 15 percent of new SMBs leverage SMS marketing despite its proven high engagement rates.

Technology and AI are key growth drivers for new SMBs

New SMBs are increasingly recognizing the role technology plays in driving growth, with 91 percent of new business owners agreeing that technology has been essential to their success. Many are now turning to AI-driven solutions to automate tasks, analyze customer data, and create more personalized marketing experiences.

- 72 percent of new SMBs plan to use AI for marketing in 2025, and 28 percent believe AI can help them overcome their biggest marketing obstacles.
- The most popular marketing use cases for AI include content creation and brainstorming (37 percent), customer data analysis (32 percent), and personalized messages (31 percent).
- 38 percent of new SMB owners plan to learn new marketing strategies and tools and 28 percent will use AI/automation to help them overcome expected challenges like customer acquisition, increasing sales, and working more efficiently.
- 41 percent of highly confident SMB owners are using AI to analyze customer data.

For more findings from Constant Contact's Small Business Now report, please visit our website and [download the full report](#).

Research Methodology

[Constant Contact](#)'s Small Business Now report surveyed 1,600+ small business owners with less than 100 employees in Australia, New Zealand, Canada, the United Kingdom, and the United States. Individuals surveyed represent small businesses that have been in operation for eight years or less, with a 97 percent majority for five years or less. Statistics from each region were aggregated to determine global trends. All stats are representative of their associated demographics. The survey was conducted by [Ascend2 Research](#) in late November and December 2024.

About Constant Contact

[Constant Contact](#) makes digital marketing easy and effective for small businesses and nonprofits around the world. Whether just starting or managing complex multi-channel campaigns, SMBs benefit from our powerful SaaS platform that delivers a simplified marketing experience with less time spent and better results. With cutting-edge technology, best-in-class deliverability, and award-winning customer support, we help the small stand tall.

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