

Canadian Small Businesses Not CASL-Ready According to New Constant Contact Survey

Lack of time, understanding, and resources delay preparations for new legislation

TORONTO & VANCOUVER, British Columbia--([BUSINESS WIRE](#))--Canada's long-anticipated Anti-Spam Legislation (CASL) came into effect July 1, ushering in a new era for online marketing. However, [new survey data](#) from [Constant Contact® Inc.](#) (NASDAQ: CTCT) reveals that the majority of Canadian small businesses do not fully understand the law and how to be compliant and have taken limited action to date to adhere to the new regulations. Less than half of Canadian small businesses (42 percent) feel they understand how to be CASL compliant. Just 33 percent of Canadian small businesses are aware of the penalties associated with CASL non-compliance.

"Despite the fact that CASL came into force July 1, it's clear that small businesses are behind the curve when it comes to fully understanding the new legislation and what steps they need to take to be compliant," said Lisa Kember, regional director for Canada East at Constant Contact. "Getting educated is the first step to being CASL compliant, and ultimately, achieving marketing success. Constant Contact has free CASL resources available to help small businesses and organizations, both in terms of education and marketing tools, to enable them to become compliant marketers."

Delayed CASL Preparations

Despite the long ramp-up to CASL's enforcement, Canadian small businesses appear to be just starting to adapt their marketing to adhere to CASL regulations. Only 29 percent of Canadian small businesses surveyed began preparations for CASL before July 1. Another 21 percent of respondents reported that they would begin preparing soon, while the remaining half was evenly split by small businesses that were either uncertain about when they would begin preparing (25 percent) or were not planning to make any changes or preparations at all (25 percent). Time and resources are always an issue for small businesses and, not surprisingly, are playing a role in small businesses' lack of preparation. One-third of respondents expressed concern about finding the time and resources to ensure CASL compliance.

The small businesses taking steps to prepare for CASL are largely focused on:

- Educating themselves about regulations and how to be compliant (85 percent)
- Reviewing current email contact lists to ensure proper permissions were in place (59 percent)
- Keeping records of when, where, and how permission to email was obtained (51 percent)

Limited action is being taken when it comes to other aspects of CASL compliance:

- 35 percent of respondents are working to obtain express consent to continue emailing those contacts they had implied permission to contact
- 28 percent have deleted contacts from their lists if they did not have permission to email them
- 28 percent have included opt-in check boxes in online transactions allowing customers informed of CASL to join their email lists
- 15 percent have posted the necessary legal language on physical email list sign-up sheets (e.g., in a store)

CASL Concerns

When asked to share their biggest concerns about CASL, the following responses rose to the top:

- Feeling uncertain about what needs to be done to comply (44 percent)
- Collecting express consent for existing lists of email contacts (41 percent)
- Managing/ tracking email permissions from contacts (39 percent)

"The relative inaction on the part of small businesses, and their uncertainty about what needs to be done, underscores the need for CASL education," said Guy Steeves, regional director for Canada West at Constant Contact. "While there is a grace period for some aspects of CASL, all businesses need to be taking action at this point. By focusing on permission-based marketing the way CASL outlines, small businesses will avoid possible penalties and at the same time set themselves up for marketing success."

Mixed Expectations of CASL's Impact

Most Canadian small businesses surveyed think CASL will be good for consumers and businesses but are less certain of the direct impact on their own businesses. More than half (63 percent) think CASL will be good for consumers and 58 percent of businesses believe CASL will help mitigate spam. Another 44 percent think CASL is good for businesses in general but when asked if they thought CASL would have a positive impact on their business, only 23 percent agreed, while 47 percent were neutral/ had no opinion, 22 percent disagreed, and 8 percent did not know.

Sentiments of neutrality and uncertainty also rose to the top when participants were asked specifically about how they thought CASL would impact their business. The majority expect CASL will not impact their profitability, gross revenues, and number of customers.

Impact on Marketing

When asked how CASL will impact their marketing, 43 percent of respondents said that they do not think it will limit their reach. When asked specifically about CASL's impact on email marketing activity, most respondents reported that their efforts will remain largely unchanged:

- 45 percent said they would do the same amount of email marketing
- 20 percent said that they would do less email marketing
- 4 percent said that they would stop doing email marketing
- 3 percent said that they would do more email marketing

"At this point it just seems too soon to tell what the true impact of CASL will be," said Kember. "From what we have seen in our many years of helping small businesses, those that embrace a permission-based approach are able to achieve stronger results and greater success."

For more information on CASL, visit Constant Contact's CASL Resource Center: constantcontact.com/casl

About the Data

This data was compiled from a Constant Contact-sponsored survey, deployed to a Research Now panel of 500 Canadian small businesses in June 2014. The survey is the first of an ongoing series addressing the impact of CASL for small businesses across Canada.

About Constant Contact[®], Inc.

Constant Contact helps small businesses do more business. We have been revolutionizing the success formula for small businesses, nonprofits, and associations since 1998, and today work with more than 600,000 customers worldwide. The company offers the only all-in-one online marketing platform that helps small businesses drive repeat business and find new customers. It features multi-channel marketing campaigns (newsletters/announcements, offers/promotions, online listings, events/registration, and feedback) combined with shared content, contacts, and reporting; free award-winning coaching and product support; and integrations with critical business tools – all from a single login. The company's extensive network of educators, consultants/resellers, technology providers, franchises, and national associations offer further support to help small organizations succeed and grow. Through its Innovation Loft, Constant Contact is fueling the next generation of small business technology.

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