

Constant Contact Survey: B2C Small Businesses Cite Customer Loyalty as Top Growth Driver

Heading into the holidays, over half say new shoppers become repeat, loyal customers

WALTHAM, Mass.--([BUSINESS WIRE](#))--Customer loyalty pays, according to new survey data from [Constant Contact® Inc.](#) (NASDAQ: CTCT). Of those business-to-consumer (B2C) small businesses surveyed in October 2013, a resounding 82 percent said loyal customers are the number one way that they grow their business, followed by online marketing tools (66 percent), a stronger economy (50 percent), and skilled employees (47 percent). As for how they earn that loyalty: 90 percent said by offering a great product or service; 60 percent cited sustained customer communications through email, and 49 percent through social media channels.

So loyal customers are a top driver of business growth—but what exactly does “growth” mean to small businesses? Turns out, not every small business has grand plans to expand beyond their flagship location. Fifty-seven percent of respondents defined business growth as more revenue. More customers (40 percent) came in as the second most-cited definition of growth, and expanded inventory placed a distant third at 1.5 percent. Other definitions included more employees, expanded space in current location, and more locations.

Roadblocks to growth

Growth is the goal, but it is not easy to achieve. Almost 30 percent of respondents said finding new customers is the biggest hurdle to achieving growth, with lack of time (23 percent), the lagging economy (16 percent), and a lack of funds to invest in growth (10 percent) also causing headaches.

“Eighty-two percent of small businesses reported new customers find them through referrals, meaning satisfied customers are one of the most important drivers of new customer acquisition,” said Gail Goodman, CEO of Constant Contact. “Creating meaningful customer engagement, from attracting new customers to keeping loyal ones happy, remains a top priority.”

The survey also found the second half of the year to be particularly critical for revenue growth, with 31 percent citing fall and 31 percent citing winter as their busiest season. How critical? Fifty-nine percent of the B2C businesses surveyed said between a quarter and a half of their overall annual profits come during their single busiest season.

Holiday payoffs

For small businesses, the holiday season is a hectic but rewarding time. Fifty-two percent of survey respondents said that new customers attained during the holidays become repeat, loyal customers. While 31 percent of those surveyed start planning for the holidays between two and three months in advance, it is surprising to find that, with all that’s at stake, 28 percent do no advanced planning for the holidays.

In-house marketing is the primary focus for small business holiday preparations, with 41 percent of respondents increasing such activities. Thirty-five percent increase online and in-store promotions and 21 percent order advance inventory.

Small Business Saturday

Is Small Business Saturday gaining traction? Thirty-four percent of those surveyed said they participated in Small Business Saturday in the past and three-quarters (77 percent) plan to do so again this year, citing the increased awareness (79 percent), delivery of new customers (45 percent), and quick boost in sales it can provide (43 percent) as benefits. However, of the 66 percent who have not participated in previous years, more than half will again choose to pass, with 36 percent saying they don’t think they will get more business from it.

“B2C small business owners are optimistic, with 65 percent expecting their 2013 revenues to exceed those of 2012, but it’s clear the holiday push is critical,” said Goodman. “Those small businesses that take the time to prepare and participate in holiday promotions end up coming away with a new set of loyal customers. So, if small businesses take a long view of the

holidays, they'll see their efforts as an investment in customer growth and retention, and they'll reap the rewards of their efforts.”

For a full report, please visit:<http://conta.cc/l1MabN>

About the survey

This Constant Contact-sponsored survey was administered in October of 2013 to 854 business-to-consumer small business participants in the Constant Contact Small Biz Council – a research panel of US small businesses recruited from the Constant Contact customer base. This survey is part of an ongoing series about the state of small businesses and the ways they connect with, and grow, their audiences.

About Constant Contact[®], Inc.

[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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Contact:

Constant Contact
Erika Tower, 781-482-7039
pr@constantcontact.com
or
Jeremiah Sisitsky, 339-222-5740
ir@constantcontact.com

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