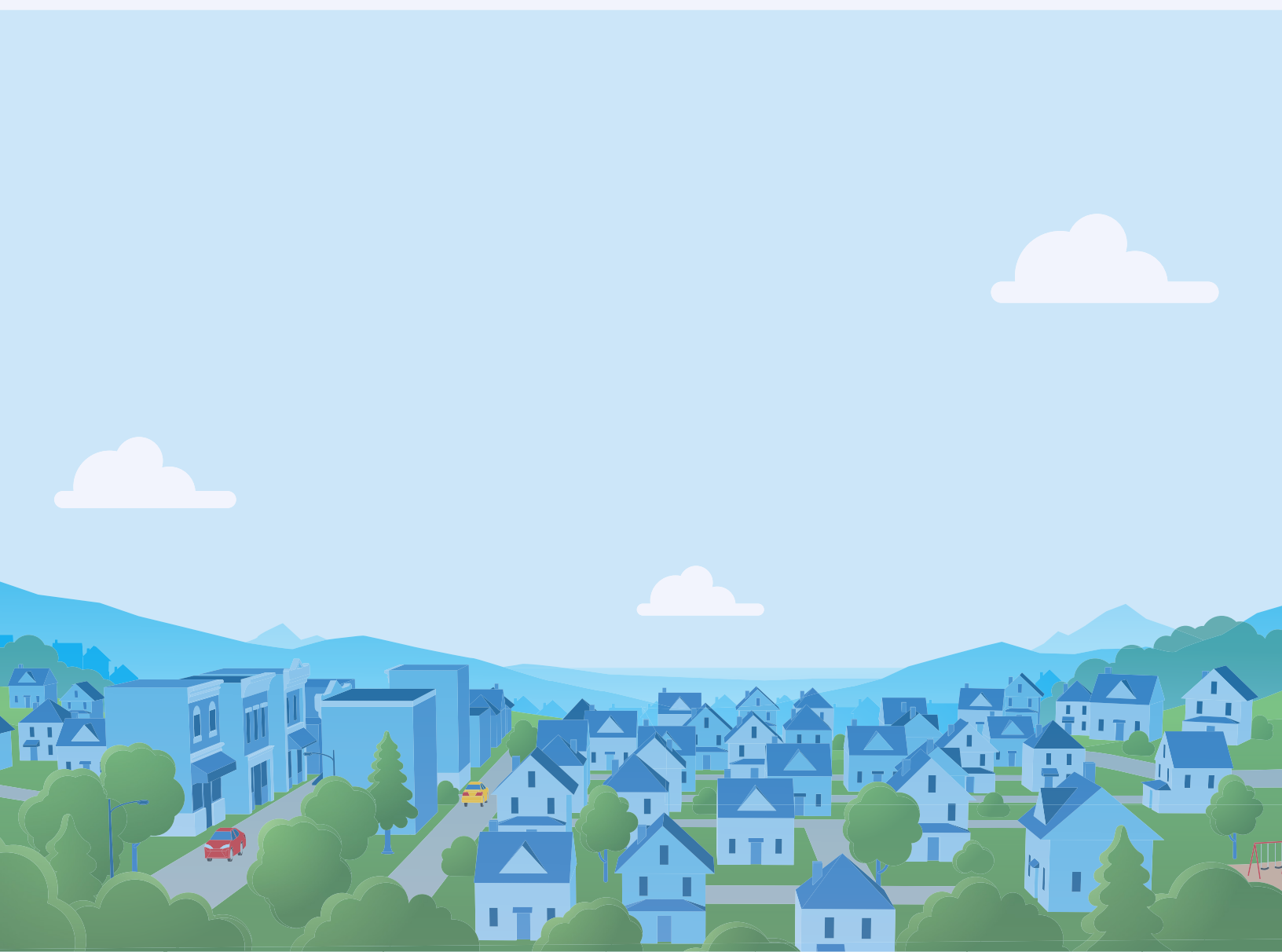


2019 SMALL BUSINESS MARKETING SURVEY



Executive Summary

Methodology

In April 2019, Taradel surveyed a panel of 231 business professionals through an online SurveyMonkey questionnaire. We asked thirteen questions related to small business marketing practices, channel efficacy, and campaign management.

Notably, 66% of all respondents self-identified as business owners with an additional 22% holding management or senior level roles. A minority of respondents served in junior level or other positions.

Throughout this report, we outline their responses with charts, graphics, and data visualizations. While not all respondents answered all questions, we received at least 226 responses for each question.

Executive Summary



70% of direct mail users receive excellent, good, or break-even results



58% of businesses use 3 or more marketing channels



53% say driving sales is their top marketing priority for 2019



80% say they use Facebook's platform regularly for business purposes

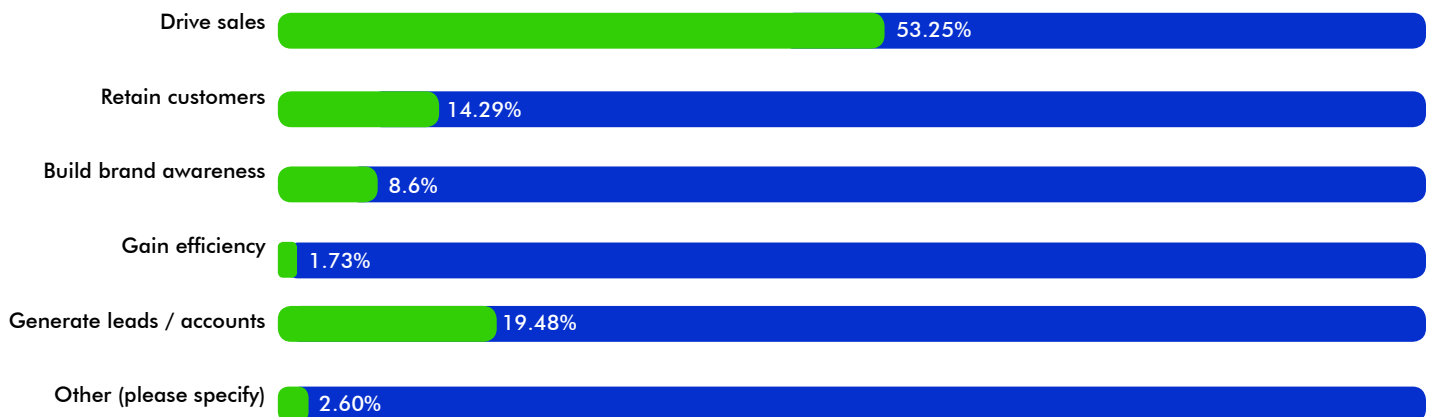


61% prefer self-service marketing platforms to human consultation

Survey Results

Goals

Driving sales is by far the top marketing priority for most businesses in 2019 with 53.25% of all respondents focused on generating revenue. While lead-generation (19.48%) and customer retention (14.29%) also play substantial roles, most marketing dollars will be spent on direct-to-cash ads and channels. Trailing all other options, advertisers do not view cost reduction measures or efficiency gains (1.73%) as a primary goal.



In a similar survey conducted by Infusionsoft, a leading provider of small business CRM software, driving sales was confirmed as the leading goal for small business owners.

• Challenges

Survey results were indicative of the broad challenges facing modern advertisers, especially small business owners who often wear multiple hats. Finding the time and resources for marketing represented the top challenge (22.17%), closely followed by converting leads into customers (21.74%). Learning how to use digital marketing (14.78%), improving customer retention (13.48%), and lead capture (13.04%) were also cited as substantial challenges among respondents.

WHAT IS YOUR BIGGEST MARKETING CHALLENGE IN 2019	RESPONSES	
FIGURING OUT HOW TO USE DIGITAL MARKETING	14.78%	34
FINDING TIME AND RESOURCES FOR MARKETING	21.74%	50
CONVERTING LEADS INTO CUSTOMERS	22.17%	51
RETAINING AND RE-ENGAGING CUSTOMERS	13.48%	31
GENERATING WEBSITE TRAFFIC	6.96%	16
CAPTURING LEADS	13.04%	30
UNDERSTANDING MARKETING TRENDS	7.83%	18
TOTAL RESPONDENTS		230

Budget

Small businesses typically operate with small marketing budgets. Better than two-thirds (68%) spend less than \$1,000 per month on marketing. In contrast, only 6.8% spend \$10,000 or more per month. The Small Business Administration (SBA) recommends spending 7% to 8% of gross revenue on marketing (for businesses doing less than \$5 million per year in sales).

According to Abrigo, a market-leading compliance, credit risk, and lending solutions provider, data shows that the average small business only invests about 1% of its revenue into advertising. It is worth noting that this number masks the substantial differentiation on what small businesses spend on advertising. For example, retail furniture and jewelry stores invest more than 4% of revenue back into advertising while insurance agencies invest just 1.85% on average.

WHAT IS YOUR AVERAGE MONTHLY MARKETING BUDGET?	RESPONSES	
\$0 TO \$499 / MONTH	51.30%	118
\$500 TO \$999 / MONTH	17.39%	40
\$1000 TO \$2,499 / MONTH	15.22%	35
\$1000 TO \$2,499 / MONTH	0.00%	0
\$2,500 TO \$4,999 / MONTH	5.22%	12
\$5,000 TO \$9,999 / MONTH	4.78%	11
\$10,000 TO \$24,999 / MONTH	2.61%	6
\$25,000 TO \$49,000 / MONTH	1.74%	4
\$50,000 TO \$99,000 / MONTH	0.87%	2
\$100,000 OR MORE / MONTH	0.87%	2
TOTAL RESPONDENTS		230

● Single Vs. Multichannel

Advertisers with limited budgets continue to diversify their marketing strategy by embracing multichannel tactics. In 2019, only 18% of SMB advertisers will rely on a single channel, with the majority (82%) using two or more.

Changes in consumer activity and media consumption are the driving force behind most advertisers' push to embrace multichannel marketing. With the global domination of email and mobile-first social platforms, such as Facebook, advertisers are investing into ads that can reach target audiences anywhere at any time. Additionally, real-time user feedback, social engagement, shareability, and deep analytics, make digital campaigns attractive to advertisers.

In "Media Usage Survey," a recent study by Target Marketing, integrated campaigns simply produce better results. In a controlled study, a print-only campaign produced a 6% response rate, while the same campaign, distributed through both print and email, saw a lift in response rate to 7.6%, which translates to a 26.6% increase.

HOW MANY MARKETING CHANNELS DOES YOUR BUSINESS ACTIVELY USE?	RESPONSES	
1	18.26%	42
2	23.48%	54
3	24.35%	56
4	16.52%	38
5 or more	17.39%	40
TOTAL RESPONDENTS		230

Return On Investment (ROI)

Return on investment is the measure of success for most businesses. To this effect the survey results are clear. Social media (23.14%) and direct mail (22.71%) outperform all other channels, including Google Ads, television and radio, and local community events. The two channels combined received more than half of all responses, while no other channel reached double-digit percentages.

WHICH MARKETING CHANNEL DELIVERS THE HIGHEST ROI FOR YOUR BUSINESS?	RESPONSES	
Direct Mail	22.71%	52
Paid Search / Google Ads	9.61%	22
Organic Search / SEO	8.30%	19
Social Media	23.14%	53
Outdoor / Signage	6.11%	14
Shared Mail / Coupon Packs	1.75%	4
Local TV / Radio	3.49%	8
Local Community Events	6.55%	15
Other (please specify)	18.34%	42
TOTAL RESPONDENTS	229	

In addition to the results of this survey, return on investment from direct mail is well-documented by many case studies and leading marketing organizations, such as the Association of National Advertisers (formerly known as the Direct Marketing Association / DMA).

According to the ANA's 2018 Response Rate Report, direct mail response rates, which range from 5% to 9% depending on whether the campaign targets an in-house or prospect list, outperforms every digital channel — combined. For contrast, both email and social media have an average 1% response rate.

There are also numerous published case studies that demonstrate the connection between direct mail and return on investment. A McDonald's franchisee increased sales by up to 7%, a car wash owner scored 150 customers in 14 days, and a pest control business netted hundreds of new customers using a combination of direct mail and digital ads.

On the digital side, Facebook's high user engagement and relatively low costs help advertisers convert massive awareness into return on investment. Kleiner Perkins, a venture capital firm located in Silicon Valley, reports that 78% of American consumers have discovered retail products to buy on Facebook. The social giant's value as a discovery platform, where users can research — and decide to purchase products and services — is critical to consumers and the advertisers who wish to sell to them.



2019 Marketing Tactics

Marketers will deploy a wide range of tactics in 2019. Social media (77%), direct mail (70%), and email marketing (54%) lead the way, with local event marketing (50%) receiving attention by an even majority. The results show that advertisers continue to invest more heavily into channels associated with direct return on investment.

WHAT MARKETING TACTICS DO YOU PLAN TO USE IN 2019?	RESPONSES	
Direct mail	70.00%	161
Social Media	77.39%	178
YouTube	20.87%	48
Email	54.78%	126
Digital Banner Ads	20.43%	47
Local / Event	50.00%	115
Paid Search / Google Ads	35.65%	82
Organic Search / SEO	31.30%	72
Content Marketing	20.87%	4
TV / Radio	16.09%	37
Newspaper / Local Publications	30.00%	6
TOTAL RESPONDENTS		230

Social Media for Business

When we asked business owners and advertisers which social media platform they used most regularly, 80% responded with Facebook. Instagram, which Facebook acquired in 2012, still trails far behind at 33%.

Nearly 70% of Americans spend an hour per day on Facebook, with 88% of all access occurring through mobile devices.

For advertisers, these numbers translate into the ability to reach billions of people, no matter where they are – at home, at work, or on the move. And with so much data, and the bleeding-edge tech to capitalize on it, it’s no surprise that Facebook ads are a winner.

Marketing virtuoso, Gary Vaynerchuck, says, “...the most under-priced ad product right now is Facebook Advertising. If you had to sell to feed your children, you would put your money there.”

WHICH SOCIAL MEDIA PLATFORMS DOES YOUR BUSINESS USE REGULARLY?	RESPONSES	
Facebook	80.43%	185
Instagram	32.61%	75
Twitter	16.52%	38
LinkedIn	22.17%	51
YouTube	10.87%	25
Pinterest	5.22%	12
None of the above	14.35%	33
TOTAL RESPONDENTS		230

● Direct Mail Efficacy & Usage

Except for social media, direct mail drives higher ROI than all other marketing channels. Physical media, postcards and catalogs for example, create deep impressions on consumers that produce higher brand recall and stronger response motivation results. In other words, direct mail is more memorable and more likely to drive sales. A full 70% of respondents plan to use direct mail marketing in 2019.

Even tech startups and millennial-focused brands are shifting away from all-digital strategies. Household names such as Casper, Harry's, and Wayfair are betting big on direct mail as part of their marketing strategy.

At 53%, more than half of all direct mail users report "good" or "excellent" performance. An additional 16% report "break-even" results. Only 30% of all direct mail users report negative results.

HOW WILL YOUR DIRECT MAIL USAGE CHANGE IN 2019?	RESPONSES	
We plan to increase direct mail usage	43.36%	98
It will remain steady	38.50%	87
We plan to reduce direct mail usage	18.14%	41
TOTAL RESPONDENTS		226

With the broad success of direct mail campaigns, 82% of advertisers plan to increase or maintain their mail usage in 2019. By contrast, just 18% plan to decrease volume.

Direct mail boasts another key benefit, too. Unlike with social media, CPMs (cost per thousand impressions) and CPCs (cost per click) do not rise or fall based on outside factors. In other words, your postage rate isn't subject to the whims of algorithm updates, competitors, or inventory. As any investor will tell you, uncertainty can make or break profitability. In this regard, direct mail is one of the safest marketing investments.

● Campaign Management Preference

Advertisers continue to adopt marketing platforms and online tools to create, deploy, and manage campaigns. From media to MarTech, companies like Google, Facebook, Salesforce, and Hubspot continue to build and iterate upon world-class self-service marketing tools that empower users and deeply embed their services into the organizations that use them.

60% of advertisers surveyed prefer to use a self-service platform to build, launch, and track their marketing campaigns. However, a substantial subset of advertisers still prefer a one-on-one process with human consultation and support.

As online tools, platforms, and media buying processes continue to evolve and integrate, it is likely that we will see the trend in favor of self-service marketing.

WHICH MARKETING CAMPAIGN MANAGEMENT OPTION DO YOU PREFER	RESPONSES	
I prefer one vendor / platform that can do everything I need	47.83%	110
I prefer to manage each marketing channel separately	52.17%	120
TOTAL RESPONDENTS		230

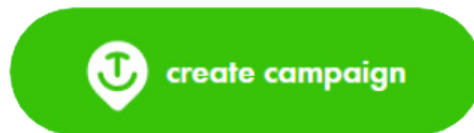




About Taradel

Founded in 2003 by serial entrepreneur Jim Fitzgerald, Taradel is a perennial Inc. 5000 company with thousands of small business, agency, franchise, and government clients. Taradel's proprietary marketing solutions give advertisers the tools and services to easily execute multichannel marketing campaigns quickly and affordably.

Create your own marketing campaign in minutes.



Learn more at <https://www.taradel.com/>

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