

2017 SMALL BUSINESS MARKETING TRENDS REPORT

AN INFUSIONSOFT RESEARCH PROJECT



Small business owners are the experts in their fields. They're risk-takers, multitaskers, creators, achievers, and leaders who work relentlessly to see their visions become reality.

But they're not necessarily marketers.

And most small business owners oversee so many aspects of their companies—from sales to finance to human resources to daily operations—that marketing unintentionally falls down the list of priorities.

At [Infusionsoft](#), we know that too many small businesses are struggling without the strategies and tools that can make their marketing efforts less time-consuming and more effective.

To find out where small businesses are succeeding in marketing—and where they're lagging behind—we surveyed 1,000 small business owners from across the United States about their goals, tactics, and challenges for 2017. In this report, we'll cover:

- **Goals and challenges:** What are small business owners hoping to achieve with their marketing in 2017? What are they struggling with?
- **Tactics and priorities:** Which tactics are small businesses using to meet their goals, and which do they see as most important to their business?
- **Trends and opportunities:** How can small businesses leverage digital marketing tactics and tools to stay ahead of the competition?



SUMMARY OF DATA

Methodology

In October 2016, **Infusionsoft** surveyed a panel of 1,009 self-identified small business owners from across the United States via an online questionnaire they accessed with a mobile device. Respondents were not necessarily customers of Infusionsoft, and the survey did not identify Infusionsoft as a sponsor.

We asked these small business owners a slate of 10 questions (shown with their answers in charts throughout this report). While not all respondents answered all questions, we received at least 1,000 responses for each question.

Executive Summary

- **Many small business owners aren't ready for a digital world.** Nearly one in five small business owners (17 percent) don't plan to use any digital marketing tactics in 2017.
- **In many small businesses, the CEO is also the CMO.** Almost half (49 percent) of small business owners handle marketing efforts themselves.
- **Marketing is a mystery to many small business owners.** Forty-seven percent of small business owners don't know if their marketing efforts are effective, while 10 percent know they aren't.
- **The average small business marketing strategy isn't diversified.** Fewer than half of respondents use digital marketing tactics including email marketing, content marketing, digital advertising, and SEO.
- **Small business owners say they don't have time for marketing.** Of the many challenges small business owners face in their marketing efforts, respondents said finding time and resources for marketing is the greatest.
- **Gaining and retaining customers are the top marketing goals.** Nearly 31 percent of small business owners identified driving sales as their No. 1 goal in 2017, while 23 percent said they need to keep the customers they already have.

- **Small businesses are getting more social (but mostly on Facebook).** Social media is a top digital marketing priority for small business owners, with 56 percent planning to invest more in 2017. For most, social media means Facebook: Nearly three-quarters of respondents regularly use Facebook, but less than half use any other social platform.
- **Small business owners haven't embraced tools that can aid their marketing efforts.** Nearly one-third of small business owners don't use any marketing tools, while less than half use apps that can help them with social media management, website analytics, customer relationship management, and more.

Digital marketing goals and priorities

GOALS

What small business owners want most is more business, both from new and existing customers. Driving sales is the top marketing goal for 2017, shared by 31 percent of respondents, followed by retaining and re-engaging customers at 23 percent.

Fewer small business owners are focused on driving and capturing leads at the top of the sales funnel, with 14 percent saying their main goal is building awareness or conveying information and only seven percent calling lead capture a top priority.

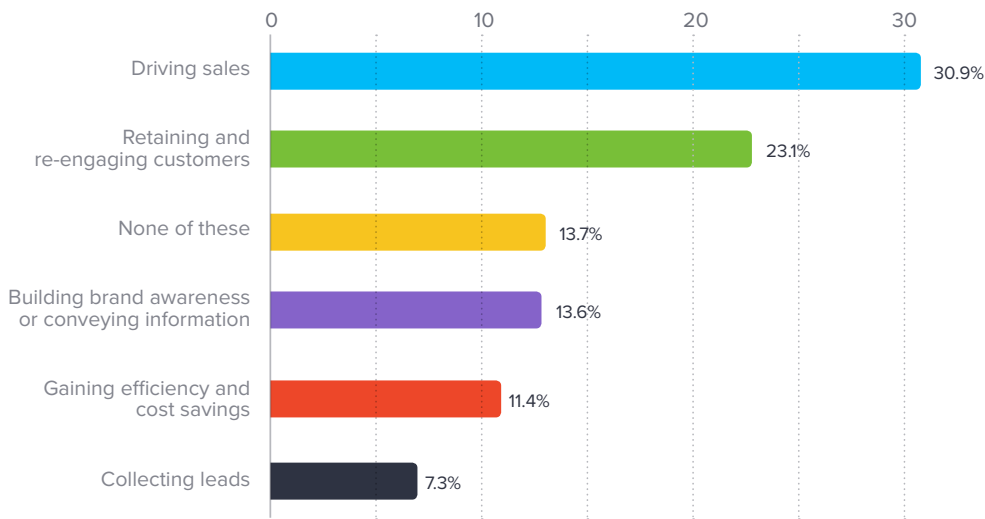


Fig. 1
 What is your top marketing goal for 2017?
 1,009 respondents

CHALLENGES

For small business owners, the most difficult aspect of digital marketing is simply getting the work done. Nineteen percent of respondents named finding time and resources for marketing as their top challenge for 2017.



Fig. 2
Of the following options, what is the biggest challenge you'll face in your digital marketing in 2017?

1,009 respondents

Perhaps that's because nearly half of small business owners handle marketing on their own—which likely means marketing isn't the only area of the business they oversee. Forty-nine percent of small business owners are the sole marketers at their companies, while only 22 percent have the help of staff members and 22 percent hire contractors for all or some of their marketing efforts.

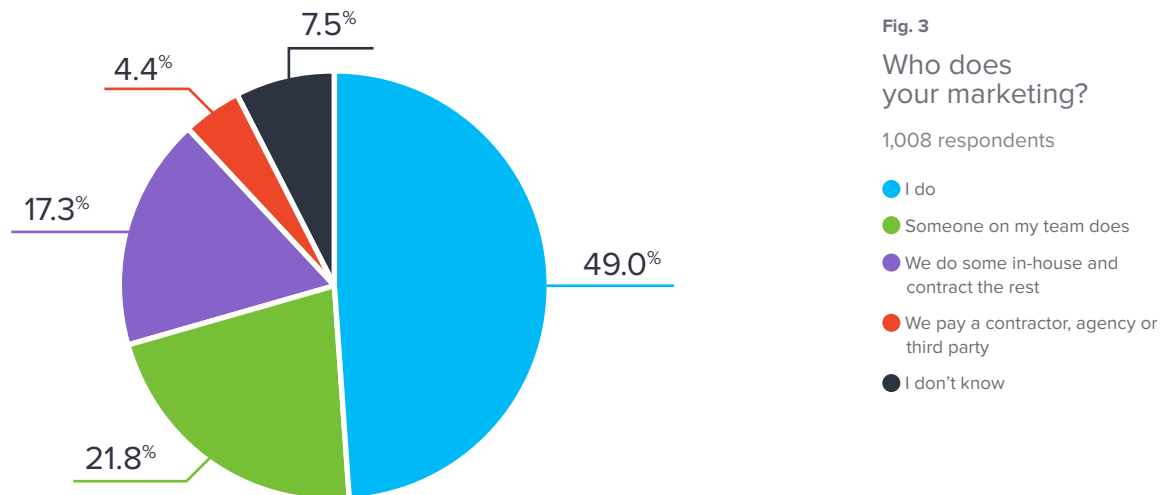


Fig. 3
Who does your marketing?

1,008 respondents

- I do
- Someone on my team does
- We do some in-house and contract the rest
- We pay a contractor, agency or third party
- I don't know

For 18 percent of respondents, the greatest marketing challenge is converting leads into customers, a problem that speaks to their top goal of driving sales. Small business owners identified conversion as a greater problem than attracting leads, with generating web traffic and capturing leads cited as the top challenge by 15 percent and eight percent of respondents, respectively.

But for many small business owners, the greatest challenge is digital marketing itself: 17 percent said they don't plan to do any digital marketing in 2017, while 10 percent said their challenge is understanding marketing tactics and trends.

Because small businesses struggle to use and understand digital marketing, it's no surprise that less than half of respondents find their marketing efforts effective. Forty-seven percent of small business owners don't know if their marketing strategy works, while 10 percent know that it doesn't.

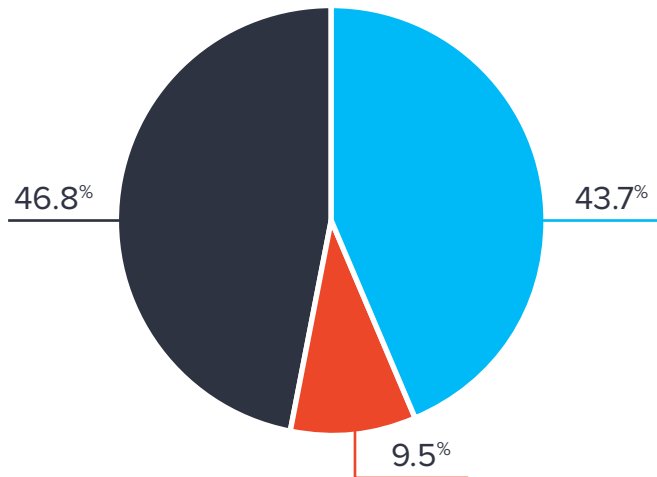


Fig. 4
Are your marketing efforts effective?

1,008 respondents

- Yes
- No
- I don't know

Marketing tools and tactics

TACTICS AND PRIORITIES

If there's one aspect of digital marketing that small business owners are getting the hang of, it's social media. For small businesses, social media is both the No. 1 digital marketing tactic and the No. 1 area for marketing investment in 2017, with 70 percent of respondents planning to use social media and 56 percent increasing their social media budget.

But most small businesses lack a digital marketing strategy that can help them nurture and connect with customers on multiple channels. Less than half of respondents use email marketing, content marketing, digital advertising, or search engine optimization (SEO). And less than one-third plan to spend more on those tactics in 2017.

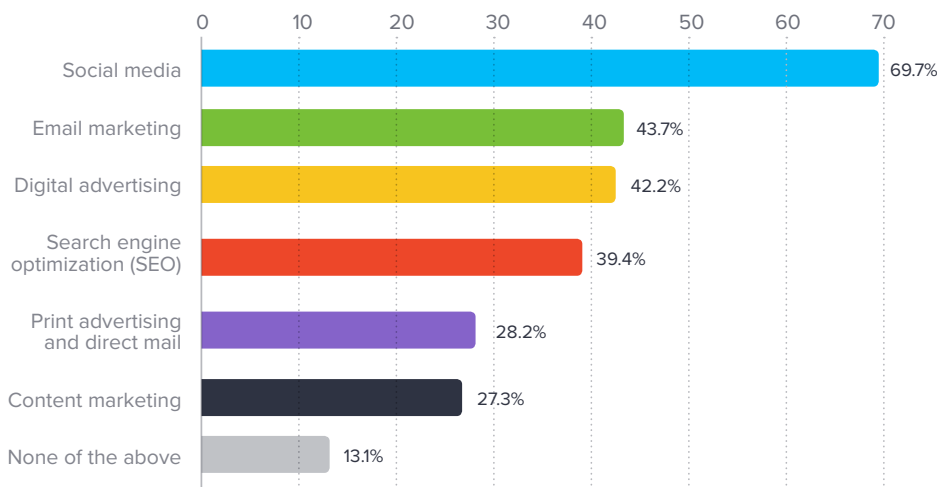


Fig. 5
What kind of marketing tactics do you plan to use in 2017?

2,643 answers from 1,003 respondents

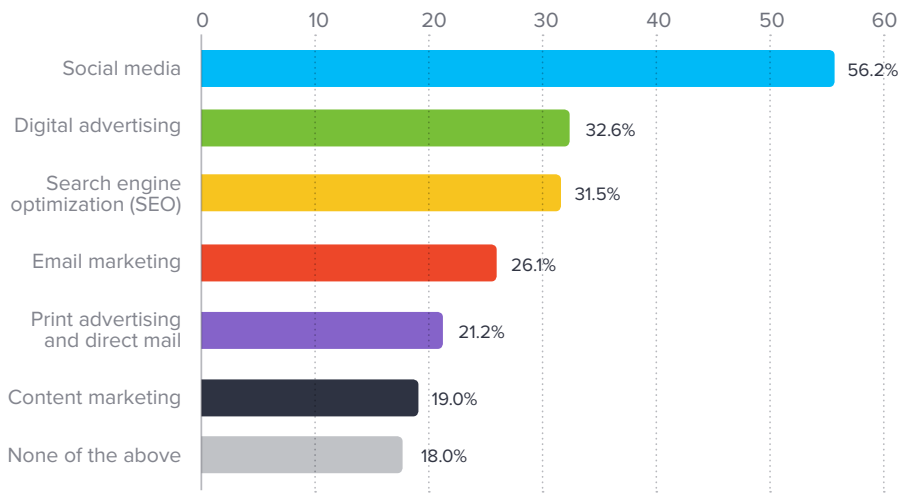


Fig. 6
Which marketing tactics (if any) do you plan to budget more for in 2017?

2,065 answers from 1,009 respondents

TOOLS AND STRATEGIES

The majority of respondents also haven't embraced tools that can help them manage and master digital marketing—software once reserved for enterprise companies that is now widely available for small businesses. While 42 percent use a social media management tool and 39 percent study their website analytics, less than a quarter use tools like customer relationship management (CRM) and marketing automation to connect with prospects and customers after first contact ([see the Trends & Opportunities section of this report](#)).

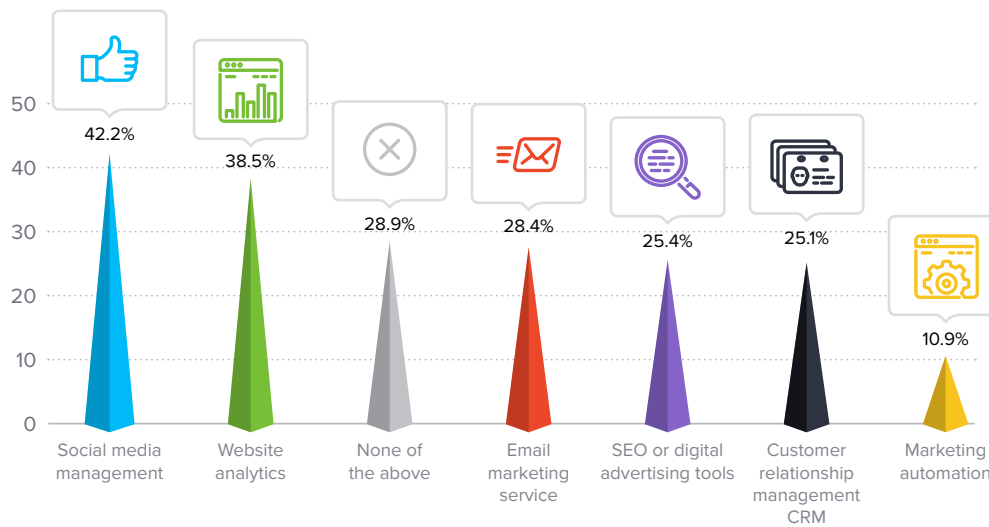


Fig. 7
Which types of tools do you use in your marketing?

1,998 answers from 1,002 respondents

Although small businesses are investing time and budget into social media, their use of social media is mostly limited to Facebook—a platform that has increasingly reduced the reach of organic content from businesses in favor of personal and paid posts. While 72 percent of small businesses regularly post on Facebook, less than half use Twitter, LinkedIn, YouTube, Instagram, or Pinterest.

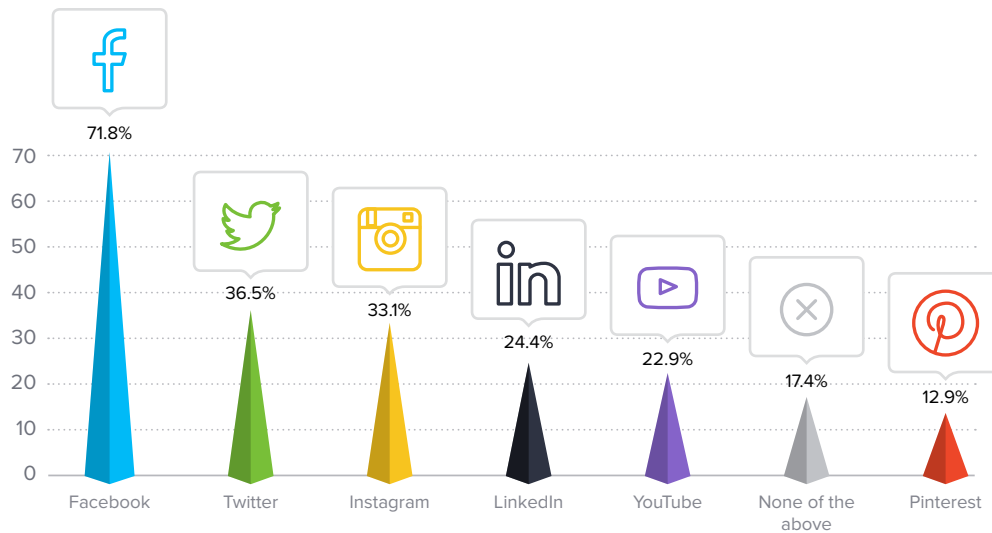


Fig. 8
Which social media platforms does your business regularly use?

2,196 answers from 1,003 respondents

Social media posts are by far the most popular type of content small businesses create. Otherwise, most small businesses don't produce digital content that could help them attract, educate, and retain customers. While 43 percent of businesses send emails, one-third or fewer of respondents publish blog posts or articles, create videos, or offer downloadable content like e-books. An old standby, direct mail, is more popular for small business owners than video marketing, widely considered to be a critical marketing strategy for 2017 and beyond ([see Trends & Opportunities](#)).

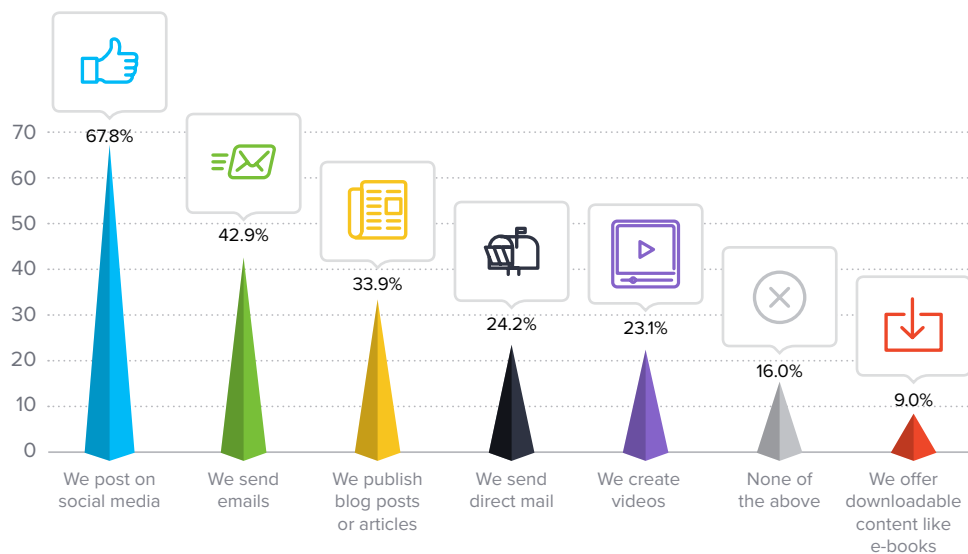


Fig. 9
What kind of content does your company create to help get customers?

2,181 answers from 1,006 respondents

The survey also shows that few small businesses rely on digital methods of collecting leads, a tactic that can help them organize contact information from customers and continue marketing to them via email and other channels. While 43 percent of small businesses capture information in person or on the phone, only one-third ask leads to opt in to an email list and 13 percent offer downloadable content.

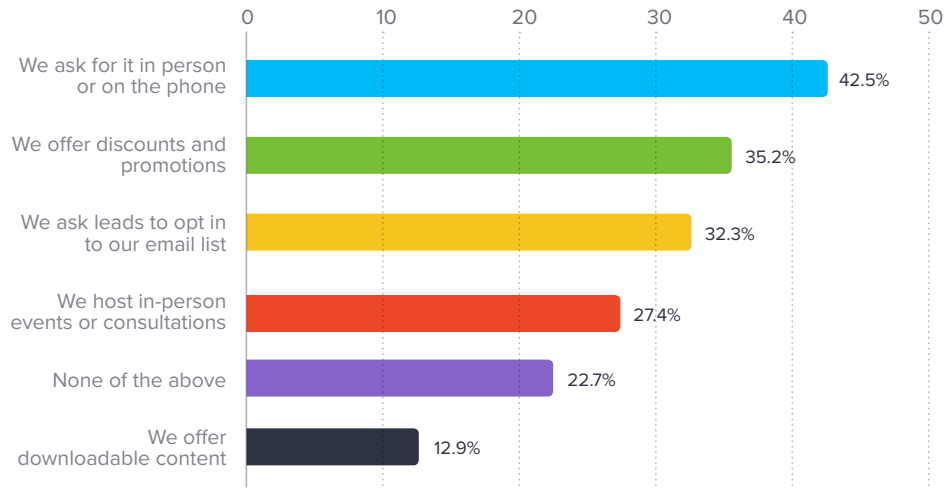


Fig. 10

What does your company do to collect contact information from leads?

1,735 answers from 1,003 respondents



TRENDS & OPPORTUNITIES

Overall, digital marketing tactics remain underutilized—and misunderstood—amongst many small business owners. Given the lack of attention to measurable marketing tactics, it's perhaps not surprising that nearly half of respondents said they don't know if their marketing efforts are effective.

In a world where commerce and conversation will only continue to move more online, small businesses have many opportunities to adopt digital marketing tactics like marketing automation, social media, content marketing, SEO, video marketing, and digital advertising.

We asked experts from six leading organizations representing those tactics—Infusionsoft, Buffer, Content Marketing Institute, Moz, Wistia, and Aimclear—to discuss how digital marketing will evolve in 2017 and what small businesses can do to compete and succeed.

Marketing automation: Create more connection in less time

Whether they realize it or not, all small business owners are probably familiar with marketing automation. When you receive an email confirmation immediately after registering for an event online or a personalized email suggesting products based on your last purchase, automation is behind the magic.

But many small business owners don't realize that the same technology used by large corporations is also available to them, said Doug Sechrist, vice president of demand generation at [Infusionsoft](#), which offers small business software that combines marketing automation, customer relationship management (CRM), and e-commerce tools into an all-in-one-platform.

Automation can optimize and streamline every stage of the sales funnel, from collecting contact information from leads to closing sales to asking for referrals and upsells. Software can automatically send relevant emails throughout the sales process until prospects are ready to buy, helping businesses with their top goal (driving sales) and one of their top challenges (converting leads into customers). When integrated with a CRM, automation allows you to personalize your communication with customers, sending emails based on actions they take and links they click.

Our survey suggested that small businesses are investing heavily in tactics that can help them create awareness at the top of the sales funnel, like Facebook, and not in tactics that can help them nurture leads and close sales. Only 11 percent of the small business owners we surveyed said they use automation in their marketing, and only one-quarter use a CRM tool.



To learn about the tasks and processes you could automate in your business, check out [25 Things Every Small Business Should Automate](#).

While the possibilities of automation are infinite, Sechrist said small businesses can start to see results simply by automating follow-up communication. Instead of having to remember to send check-in emails to a prospect who isn't ready to buy, the software can automatically do so for you over weeks and months, ensuring you stay in touch and don't lose track of the lead.

"You're creating a connection you didn't have before," Sechrist said. "You're showing them that you care, that you're thinking about them, that you're invested in them as a customer."

In 2017 and beyond, automation will only become more engrained in all areas of business. For small businesses bogged down by manual communication and processes, automation is essential to their growth, Sechrist said.





“Whether it’s automating social media, whether it’s email, whether it’s automating your phone system, automation creates efficiencies across businesses,” Sechrist said. “It allows you to do things you weren’t able to do with your current team.”

Email marketing: Make personalized messages the priority

More than 20 years after consumers started hearing “you’ve got mail,” email marketing remains the No. 1 way to reach customers. Marketers at companies of all sizes consider email marketing the most effective tactic for driving awareness, customer acquisition, conversion, and customer retention, according to [Gigaom Research](#). But the popularity of email marketing is also the problem.

“The challenge with email today is we get so much of it,” said Doug Sechrist, vice president of demand generation at Infusionsoft. “We don’t look at it; we don’t respond to it unless we know who it’s coming from and we trust the source, or there’s something extremely personal and catchy about the subject line.”

Only 44 percent of the small business owners we surveyed plan to use email marketing in 2017. But simply sending more email isn’t necessarily the goal, Sechrist said. Rather, small businesses should aim to tailor their email marketing to specific customers and their stages in the buying process. Customers are more likely to open, read, and click emails if the messages feel relevant to their needs and interests.



Check out [Email Marketing for the Rest of Us](#) to learn how small businesses can create better email marketing campaigns.

“If you’re sending a generic email to everyone and you’re not targeting different types of people, you’re probably not going to get the results you’re looking for,” Sechrist said.

With software like [Infusionsoft](#), you can send more targeted email by segmenting contacts based on criteria like demographics, interests, and purchase behavior. You can also set up automated sequences that trigger emails when customers take actions like clicking on a link, ensuring they get the right information at the right time.



Learn more about personalizing your emails by segmenting contacts in [Take Your CRM Contact List to the Next Level with Segmentation](#).

Social media: Fight the drop in organic reach

More than **1.8 billion people** worldwide are active on Facebook, and so are 72 percent of the small business owners we surveyed. But small business owners may not realize that simply posting on Facebook doesn’t work like it used to.



With Facebook growing more crowded and its algorithm favoring content from advertisers and friends, businesses have seen the organic reach of their posts drop dramatically in recent years. The average post reaches less than 10 percent of followers and engages only four percent of them, according to a study by [Locowise](#).

“If you’re not going to create enough content or curate enough content, you’re not going to see results from social media, unfortunately,” said Brian Peters, social media manager at [Buffer](#), a social media management platform.

“There’s just too much content on Facebook.”

To continue connecting with customers on social media, small business owners need to change their habits, Peters said. Business owners should make social media part of their daily routines, even if they dedicate only 20 minutes a day, and consider using a social media management tool to schedule content in advance.

Businesses can increase their Facebook content production (and therefore, their chances for visibility) by curating content from news outlets and organizations, Peters said. Sharing posts that are interesting to your audience, even if they don't directly relate to your offerings, helps your business stay top-of-mind.

Less than half of the small business owners we surveyed use social platforms other than Facebook. Whether that means they're missing opportunities depends on the business, Peters said: Snapchat might be essential if you market to 20-somethings, but not if your target customers are their parents.

"Only be on the platforms that your audience is on," Peters said. "Most of the time, that means Facebook, Instagram, and Twitter. For a small business owner who has limited resources, those are the platforms that can actually drive bottom-line results."

To grow leads and sales from social media, small businesses need to consider advertising. With advanced advertising options that allow businesses to target users based on specific interests, behaviors or even their email addresses, Facebook, Instagram, and Twitter are most likely to help small businesses find the right followers and, ultimately, customers.

In 2017 and beyond, small businesses will be able to experiment on a growing number of social platforms, like Facebook Live and Instagram Stories (which also now has a live video feature). Peters encourages small business owners to stake out a place on the platform that's best for their audience—while being aware that doing so may come at a price.

"Organic reach is going to continue to drop, which means we're going to see an increase in advertising," Peters said. "Small businesses need to get creative and find ways to reach audiences with less budget."

Content marketing: Help prospects learn before they buy

Before they buy, most consumers don't pick up the phone and call your company. First, they do research on their own: According to the technology company [CEB](#), B2B buyers are 57 percent through their decision-making process by the time they engage with a sales rep. That's why across industries, companies are shifting away from cold pitches and toward content marketing, producing blog posts, videos, and other content that helps prospects learn before they buy.

In a study by [Content Marketing Institute](#) and [MarketingProfs](#), 89 percent of business-to-business marketers and 86 percent of business-to-consumer marketers are using content marketing in 2017. For both groups, 70 percent or more said their content marketing is moderately, very, or extremely successful.

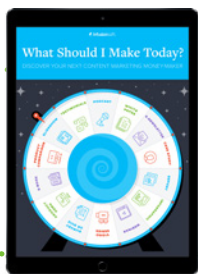
Small businesses are behind the curve, with just 27 percent of our survey respondents planning to use content marketing in 2017 (although, in a different response, 34 percent said they publish blog posts and articles).



Aside from finding time and resources for content marketing—a challenge at companies of all sizes—small business owners often struggle to develop a strategy behind their content, said Joe Pulizzi, founder of [Content Marketing Institute](#). He emphasizes that content marketing builds trust and loyalty over time, not necessarily as soon as your new blog post is published.

“For content marketing to work, you need an audience—even an audience of one—and you need to deliver a helpful message on a consistent basis. That’s it,” Pulizzi said. “The challenge is it usually takes over nine months to start seeing results. Most small businesses are not that patient.”

A small business with no marketing employees and a limited budget isn’t likely to start churning out daily blog posts, videos, and social posts for every platform. Pulizzi’s advice: Start small, identifying your target audience and how content can address their needs and questions. Then choose one content type, whether it’s an article, video, or podcast, and create it consistently.



Find out what kind of content is right for your business by downloading [What Should I Make Today? Discover Your Next Content Marketing Money Maker](#).

A key to success with content, Pulizzi said, is having a list of email subscribers to consume it. That's where other tools like marketing automation come into play, helping businesses collect leads through content and distributing content at relevant times in the buyer's journey. One of the best ways to build an email list is by collecting contact information in exchange for a piece of downloadable content—a strategy used by only nine percent of survey respondents.

“Those who dabble in content marketing don't understand the strategy and don't see how big an opportunity it really is,” Pulizzi said. “Now is the first time ever that small businesses can, through content, build an audience that knows, likes, and trusts them.”



Search engine optimization: Be found where prospects are searching

When a prospect is searching online for products or services like yours, it's imperative that your business pop up in the search results. That's what search engine optimization is all about.

Yet 60 percent of the small business owners we surveyed said they won't be using SEO tactics in 2017.

The study of SEO is never-ending, with **Google using more than 200 factors** to determine which content gets Page 1 real estate in search results. But there are also simple ways for small businesses to improve their search rankings, said Britney Muller, SEO and content architect at **Moz**, which offers SEO software and resources.



To get started, download [SEO Basics: A Guide to SEO Best Practices for Small Business](#).

Muller suggests small businesses start by focusing on online business directories and review sites, both of which provide valuable links to your site and tell search engines—and potential customers—that your business is legitimate.

Add your business to directories like [Google My Business](#) and [Bing Places for Business](#), ensuring information is consistent and adding photos where possible. Ask customers to review your business on sites like Google and [Yelp](#): Not only are reviews read by **92 percent** of consumers, they also boost the standing of your site in search rankings.

But perhaps the greatest key to SEO, Muller said, is content that creates entry points to your website through search results. When you identify keywords that prospects use to look for your business—ideally, those with a high number of searches and low amount of competition—you can create content that draws them in by answering their questions. If you don't know what kind of content to produce, start by doing some Googling yourself, Muller said.

“Take a look at what your competitors have produced that's ranking really well,” she said. “You just need to create something a little better. A lot of times, it's not that hard—it's taking the great content that's already there and making it your own.”

The world of SEO gets far more technical, with Muller naming [accelerated mobile pages](#) and [progressive web apps](#) as top advanced SEO trends for 2017. But small businesses can help more customers find them with even basic SEO, like using a good keyword in the title of each webpage.

“Understanding the market and how people are searching and what questions they have is so incredibly powerful,” Muller said. “You are the expert. To be able to provide that expertise (through content and SEO) while invoking trust and third-party credibility is a home run.”

Video marketing: Get started—no experience or budget necessary

Our survey revealed a sizeable rift between small business marketing tactics and a major digital marketing trend for the future: video.

According to [Cisco](#), 82 percent of internet traffic will stem from video by 2020. But most small businesses aren't part of the trend: Only 23 percent of small businesses we surveyed create video to attract customers, making video slightly less popular than direct mail (used by 24 percent of respondents).

Video marketing sounds intimidating, but it's achievable for small business owners with limited experience, time and budget, said Jordan Wellin, content creator at the video hosting and analytics platform [Wistia](#).

“You don’t need professional skills in video; you don’t need a huge budget,” he said. “Do you have an iPhone? Well, then you can do this. Honestly, you can.”



Video stands out as an engaging and authentic way to connect with customers. In fact, **four times** as many as consumers prefer video to reading about a product.

Small businesses can create videos that showcase products, share a tutorial or expertise, or simply offer a glimpse at you, your staff, and your office. Video can be integrated into the rest of your marketing strategy, from your social media posts to your blog to your emails. To get started, you don’t need much more than your phone, a tripod, a backdrop, and a lighting kit that costs less than \$100.



Learn tips about video equipment, production, and strategy in the [Infusionsoft + Wistia Small Business Video Marketing Guide](#).

Video can increase engagement on social media and drive more traffic to your website through SEO and YouTube. But small businesses don’t need to worry about reaching thousands of viewers with video, Wellin said.

Video can be just as effective if aimed at an audience of one. Wellin anticipates more businesses creating the video equivalent of voicemails, whether to answer a prospect's question in a more personal way or to thank a new customer by name.

"You're fighting against so many competitors that you can get lost in the noise. Video humanizes what it is you're doing," Wellin said. "It makes your story real and tangible."

To take video to the next level, Wellin said, use it to capture leads. Platforms like Wistia allow you to collect email addresses mid-video, allowing you to follow up with additional information. With less than 13 percent of survey respondents saying they use content to collect leads, small businesses stand out over the competition by creating video that results in not only views, but action.

Digital advertising: Start small, but be precise

Not long ago, advertising meant placing your company's message in print, in a TV commercial, or on a billboard and hoping it reached your target audience (along with everyone else). And that also meant it was largely unaffordable for small businesses.

Now that small businesses can target specific audiences and search queries online, advertising has become far more precise, cost-effective, and measurable. Instead of asking customers "How'd you hear about us?", businesses can determine which ads worked best by correlating clicks to leads and sales.

But the majority of small business owners we surveyed aren't using digital advertising tactics through search engines like [Google](#) and social networks like [Facebook](#). Forty-two percent plan to advertise online in 2017, while only one-third plan to invest more in digital ads.

Many small business owners assume that digital advertising is too complex or too costly. And it can be if you're spending ad dollars on the wrong keywords for Google AdWords or the wrong audience on Facebook, said Manny Rivas, chief marketing officer at [Aimclear](#), a digital marketing agency specializing in audience targeting and customer acquisition.

"On a small budget, you have to be extremely precise in where the investment goes," he said. "Before any dollar is spent, it's imperative to confirm that all the data can be tracked, attributed, and assigned a value against cost."

Any digital ad should connect to a business goal, whether it's capturing email addresses from leads or driving sales of a specific product. Without goals and the ability to track lead sources through tools like Google Analytics or a CRM like [Infusionsoft](#), business owners can't determine whether their marketing efforts are effective (a problem for nearly half of survey respondents).

Once you have metrics to compare, don't feel obligated to invest evenly across advertising tactics, Rivas said. If you find that a single Google keyword drives the majority of your leads, focus your budget there, rather than spreading it across several keywords.

Before starting with digital advertising, small business owners should understand the online habits of their audience, Rivas said. By studying the terms prospects use in search engine queries, you can create ads that answer those questions. By understanding the demographics, interests, and behaviors of your customers, you can create custom and lookalike audiences to target only people likely to be interested in your company—not everyone, like in the billboard days.

“[Digital advertising] doesn’t always need to be complex, but you do need a vision for what you’re trying to achieve,” Rivas said. “The mechanisms to drive business results can be straightforward if you understand where your audience is, who your audience is, and how they consume content and search for answers.”



Conclusion

Digital marketing is constantly changing. But with those changes come many opportunities for small businesses to connect with more customers—and get ahead of the competition.

Now more than ever, small businesses have access to the same digital marketing tactics used by the most successful corporations, including marketing automation, CRM, social media, SEO, content marketing, and digital advertising. By embracing these tools and tactics, small businesses can grow and thrive in an increasingly digital world.



Amy Saunders

Amy Saunders is a content creator at Infusionsoft, where she writes content that inspires and empowers small business owners. Writing about business brings Amy's work full circle: She began her career as a business reporter at The Columbus Dispatch in Ohio before becoming a features writer. After more than six years there, she moved to Phoenix, where she was an editor at a content marketing agency before joining Infusionsoft. As a lifelong Midwesterner, Amy promises to never take Arizona weather for granted and spends her free time riding horses, playing tennis and hiking in the sun.

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