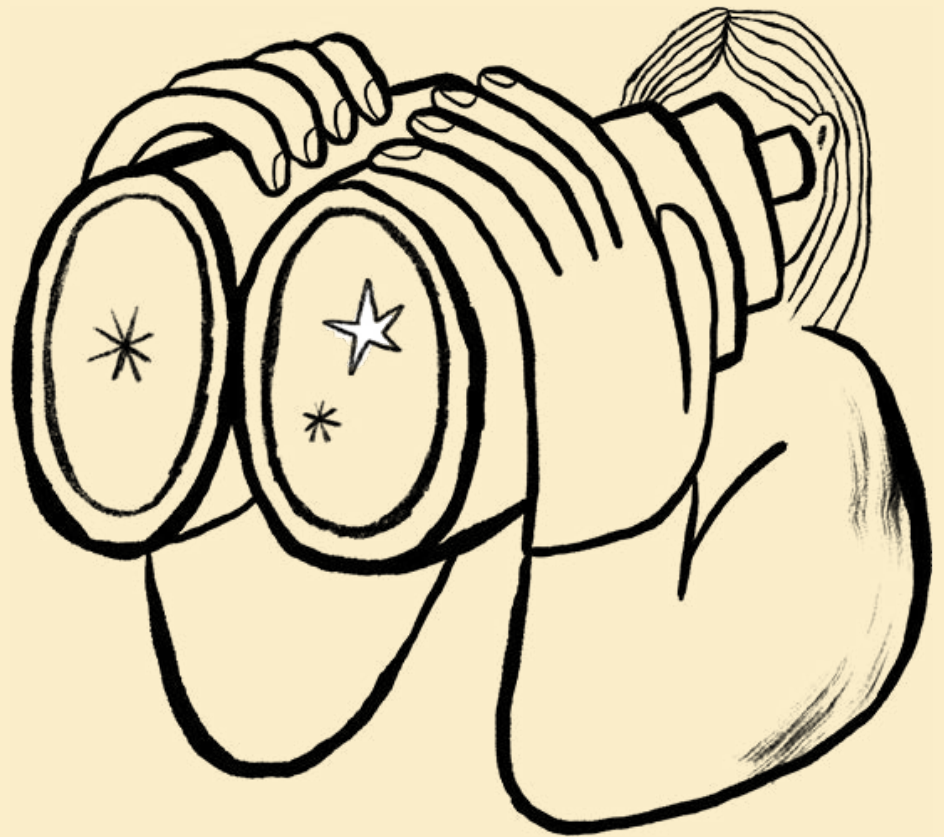








A Look Back at 2019's Small Business Marketing Trends

And tips to find
success in 2020



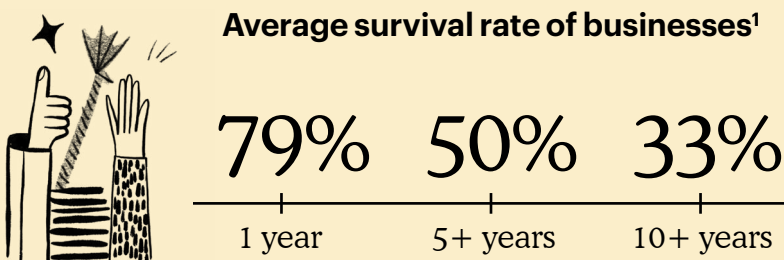
	Introduction	3
	Insight 1 How the marketing landscape has expanded (again)	4
	Insight 2	7
	Email and social media are crucial channels for small business	
	Insight 3	10
	Building awareness is the first step of an effective growth plan	
	Insight 4	13
	Why technology should be your first marketing hire in 2020	
	Insight 5	16
	Why finding your peers is vital to success	
	Insight 6	19
	How funding and finances for small business are changing	
	Methodology and sources	23

Small businesses are the backbone of our communities. From the corner bakery to the latest digital app startup to the aspiring entrepreneurs dreaming of building their commerce empire, small businesses inspire us with their creativity every day. With over 12M active users, Mailchimp has a front row seat to how small businesses go to market with their ideas, products, and innovation.

The state of small business in the U.S.

The U.S. Small Business Administration defines a small business as an independent business having fewer than 500 employees. But despite the moniker, the impact these businesses have is anything but small. In the U.S. alone, there are 30.2 million small businesses. They account for 99.9% of all businesses in the country and employ 58.9 million people.¹

While the narrative around small businesses is often rife with risk, the data suggests a very different story. A favorable outcome as an entrepreneur is never a guarantee, but the success rates in the U.S. for those willing to take the leap is reassuring.



Curious about the best place to launch your idea? WalletHub looked at a number of key indicators—like business costs and access to resources—and ranked these as the top 10 states for starting a business in the U.S.²

Top states to launch your idea

- | | |
|-----------------|---------------|
| 1. Texas | 6. Florida |
| 2. Utah | 7. Arizona |
| 3. Georgia | 8. California |
| 4. North Dakota | 9. Montana |
| 5. Oklahoma | 10. Colorado |

What does this mean for your business in 2020?

At Mailchimp, we know firsthand that starting and sustaining a small business is no easy feat. So as 2019 draws to a close, we're looking back at what we've learned from our customers, reviewing market trends, and looking ahead to next year.

We'll explore the ever-changing marketing landscape, dive into the trends for most-used channels, and discuss how you can make technology do your busy work. We hope these insights and tips will help you position yourself for growth and success so that you can make 2020 your best year yet.

INSIGHT 1

Staying ahead is a struggle:

How the marketing landscape has expanded (again)



INSIGHT 1

The marketing landscape has expanded

The average small business uses more than 8 tools and features to communicate with their customers.³ As of 2019, however, there are more than 7,040 different marketing technology solutions available.⁴ For small business owners who are already short on time, keeping up with all of these marketing tools and digital channels can be an overwhelming task.

8

the number of tools used by the average small business

7,040+

the number of solutions available in 2019

According to our survey, 62% of marketing decision-makers agreed that they want to try new things and adhere to current best practices, but they simply don't have time to figure out what those best practices are or how to implement them.⁵ Given that data, it's no surprise that 31% of small business owners cite marketing as their number 1 challenge.⁶



31%

of small business owners cite marketing as their number 1 challenge⁶

That's not to say that small businesses don't make an effort to learn about the latest tools.

Newer businesses often use resources like social media, podcasts, and blogs to keep track of the most recent innovations, and older businesses tend to rely on email from marketing companies to be their go-to resource for staying up-to-date.³

5 most important features⁵

With all of these tools to consider, marketing decision makers said the 5 most important features for them when choosing a marketing platform were:

- SEO
- Digital or social ads
- 24/7 service and support
- Insights and analytics
- A customer relationship management (CRM) tool

INSIGHT 1

The marketing landscape has expanded

Tips for staying ahead of the curve



Start with the platforms that matter to your audience

Multichannel campaigns tend to outperform single-channel campaigns, so try to find the right mix of channels that will resonate with your audience. You can find the best mix by testing and using the data to determine what's performing best. Aim for quality over quantity to communicate more effectively.

Plan ahead

Content creation can be daunting when approached without a clear strategy, so start planning your [2020 content calendar now](#). Think about the themes you'd like to focus on and the promotions or events you'll be running in the coming year. Once you map out the most important milestones, you'll be able to develop the narrative you want to communicate.

Test and iterate

Do you need to scale up on social media? Should you send emails once a week instead of once a month? Test your content, cadence, and channels to see what's performing and improve what's not. Let the data lead the way.

Audit your tools

Efficiency is a key tenet of sustainable growth. Assess the tools you're using and see if there's a way to streamline and consolidate all of your data. Look for ways to make optimal use of your time and budget. Your day should be spent building relationships with your audience and growing your business, not managing your marketing data across multiple tools.

Find trusted partners

The [small business journey](#) doesn't have to be a solo venture. Find folks who are plugged into your industry and seek out their wisdom. Subscribe to newsletters that spark your inspiration. Use any resources that will help you stay informed about changes in the marketplace, so that you can make the best decisions for your business.

INSIGHT 2

The tried-and-true methods still work:

Email and social media are crucial channels for a small business



INSIGHT 2

Email and social media are crucial channels

Although the marketing landscape has become more saturated in recent years, don't overlook the tried-and-true channels of email and social media. Based on the data, these two channels are still the most important tools for small businesses.

Need proof? In our research, 79% of small businesses (SMBs) surveyed said they use email as a key channel to communicate with their audience.³ And according to eMarketer, 26% of adults surveyed in the U.S. said they've visited a brand's store or website or purchased a product or service after receiving a promotional email.⁷



281B+

emails sent daily
by people around
the world in 2018

1B

emails sent daily
by Mailchimp

In a separate report, eMarketer also noted that adults in the U.S. spent 38 minutes per day on Facebook and 26 minutes per day on Instagram in 2018.⁸

Average amount of time on social media¹²

38

minutes per day
on Facebook

26

minutes per day
on Instagram



Another channel has grown in prominence in recent years: the podcast.

According to Edison Research's Infinite Dial report, more than half of Americans have now listened to a podcast, and an estimated 32% listen monthly (up from 26% last year in 2018—the largest yearly increase in a decade).⁹

Podcast creation also continues to grow, too, with more than 700,000 podcasts and 29 million podcast episodes, up 27% from last year. All of this growth is making even the biggest names in the tech industry take notice—as of 2019, Google has added playable podcasts to its search results.

So, how can you break through the noise across these channels?

Just let the data guide you. According to our survey, 39% of SMBs are currently using analytics to inform their communications.³ However, almost half (46%) of SMBs are not currently using a data-informed strategy but would like to do so in the future.³

INSIGHT 2

Email and social media are crucial channels

Tips for sending, snapping, and hashtagging your way to success



Always be testing

Learn something from every marketing dollar you spend. Unsuccessful campaigns aren't failures; they're valuable insights into the ways you can improve in the future. Discover new approaches and repeat the process until you find success. Test, learn, iterate, repeat.

Focus on optimization

Using data to determine your next best step will be pivotal in 2020. Focus your strategy with data-driven decisions. Target specific audiences on Instagram. Set up automated emails to shoppers who abandon their cart on your website. Use the data at your disposal to make smarter choices with every campaign.

Personalize and scale your marketing

Personalization plays a vital role in optimization, but you'll need the right systems in place to scale effectively. Be sure your marketing tools allow you to break your audience into segments and target them with personalized, relevant content across different channels.

Aggregate your data from day one

Optimization and personalization aren't sustainable or scalable in a spreadsheet, so use a marketing platform that crunches the numbers for you. Plus, storing all of your data in one place is a must-have in order to get a holistic view of what's working and what's not. And don't just wait until you've launched your business—invest in quality tools early that will support your growth over time.

INSIGHT 3

Start marketing sooner:

Building awareness is the first step of an effective growth plan



INSIGHT 3

Building awareness early helps you grow

Our data shows that both new and established businesses are interested in growing their business, but growing awareness isn't always a top priority. For businesses to be successful, this formula needs to be inverted, which means it's time to start thinking about marketing differently.

According to the research we've conducted with small business marketers who were involved in accelerators and incubators, the definitions of marketing differ widely. While 100% agree that determining product-market fit and customer research are the most important milestones along the business journey, only 22% of respondents considered marketing during their product-market fit phase.¹⁰

Important goals for new and established businesses³

Growing the business

78% | 58%
New | Established

Growing awareness

60% | 44%
New | Established

Build customer relationships

68% | 57%
New | Established

Building a brand

61% | 40%
New | Established

But marketing isn't just a single campaign or something that only happens after launching your business.

It's the landing page you build to collect email addresses. It's the emails you send to users while you're beta testing your new product. It's the messaging you create for your crowdfunding campaign.

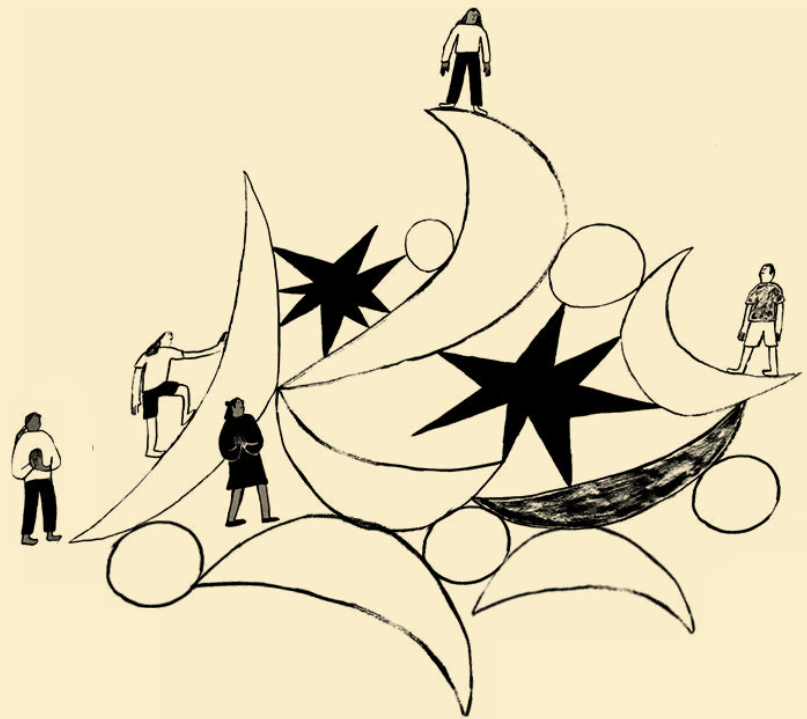
Each of these are opportunities to increase awareness, build your brand, and establish stronger relationships with your audience. And when you combine all of these efforts, it'll result in growth. You don't acquire growth. Growth is an output of your efforts.



INSIGHT 3

Building awareness early helps you grow

Tips for welcoming people to your brand



Broadcast your beta

Start growing awareness of your product, business, and brand while you're still in the research and development phase. Invite members of your intended audience to participate in a beta test so they can try out your product or service before you launch it to the general public. The feedback you receive will help push your ideas forward, and you'll learn valuable lessons that will be beneficial as you scale up to a larger audience and budget.

Build anticipation

Create brand enthusiasm and loyalty by allowing folks to take a peek behind the curtain as you prepare for launch. Whether you offer an early glimpse of your promotional materials or a look at how you build a physical product, your fans will reward you with invaluable word-of-mouth advertising.

Evolve your brand as you grow

Branding is not something that's ever finished. It can (and should) grow and evolve alongside your business. Some of the most recognizable brands in the world tweak and update their branding frequently. What works when you're first getting started may not be as effective later on, and that's OK. Don't avoid marketing because you're waiting for a moment of polished perfection. Instead, use each new campaign or product launch as an opportunity to make refinements until things feel just right.

Consider the entire customer journey

Every interaction between your audience and your brand matters, so give careful consideration to the ways you communicate with people over time. As you're broadcasting your beta, think about the steps you need to take to turn the earliest of adopters into lifelong customers. Make sure that every touchpoint is part of a larger conversation and aligns with your key business goals.

INSIGHT 4
24/7/365:

Why technology should be your first marketing hire in 2020



INSIGHT 4

Technology should be your first marketing hire

According to the Rule of 7, your prospects need to see your message at least 7 times before they start to take action. When you combine the necessary redundancy with all the other media vying for consumers' attention, the need for technology and automation in the coming year becomes clear.

According to the 2018 Connecting Small Businesses in the U.S. report from Deloitte, 80% of U.S. small businesses aren't taking full advantage of digital tools such as data analytics and more sophisticated online tools.¹¹ Despite this gap, many small business marketers are actively looking for technology to help them stay ahead of the curve.



80%
of U.S. small
businesses aren't
taking full advantage
of digital tools¹¹

In our research, 58% of small business marketers told us they'd get the most value out of a marketing platform that provides the best return on marketing spending or has the latest best practices.⁵ But many marketers still aren't implementing those types of systems into their workflows. So how can technology help your bottom line?

With over 13M automations created,¹² these stats are proof from our customers for how automating your marketing can boost your business:

Businesses who use automated welcome emails to connect with new contacts saw an order per recipient rate 9 times higher than the regular bulk email.¹³



9x
higher order per
recipient rate

Businesses with connected stores processed more than \$115M total sales from abandoned cart automations.¹⁴



\$115M
total sales from
abandoned cart
automations

On average, businesses see a 2.5X increase in sales per open by using product recommendations in their campaigns.¹⁵



2.5x
increase in sales
per open

INSIGHT 4

Technology should be your first marketing hire

Tips for making automation work for you

Automate everything you can

Audit your workflows to find opportunities where technology and automation can save you time and increase your return on investment (ROI). Even if it's as simple as using an integration with your software or moving your data out of spreadsheets, don't waste your time on busy work. Make your tools work for you.

Create systems that are working even when you're not

No one can work 24/7, but technology can. Whether you want to automatically say hello to your newest customers or bring back your most loyal ones without lifting a finger, automation will help you scale your business and create repeat engagement for your brand.



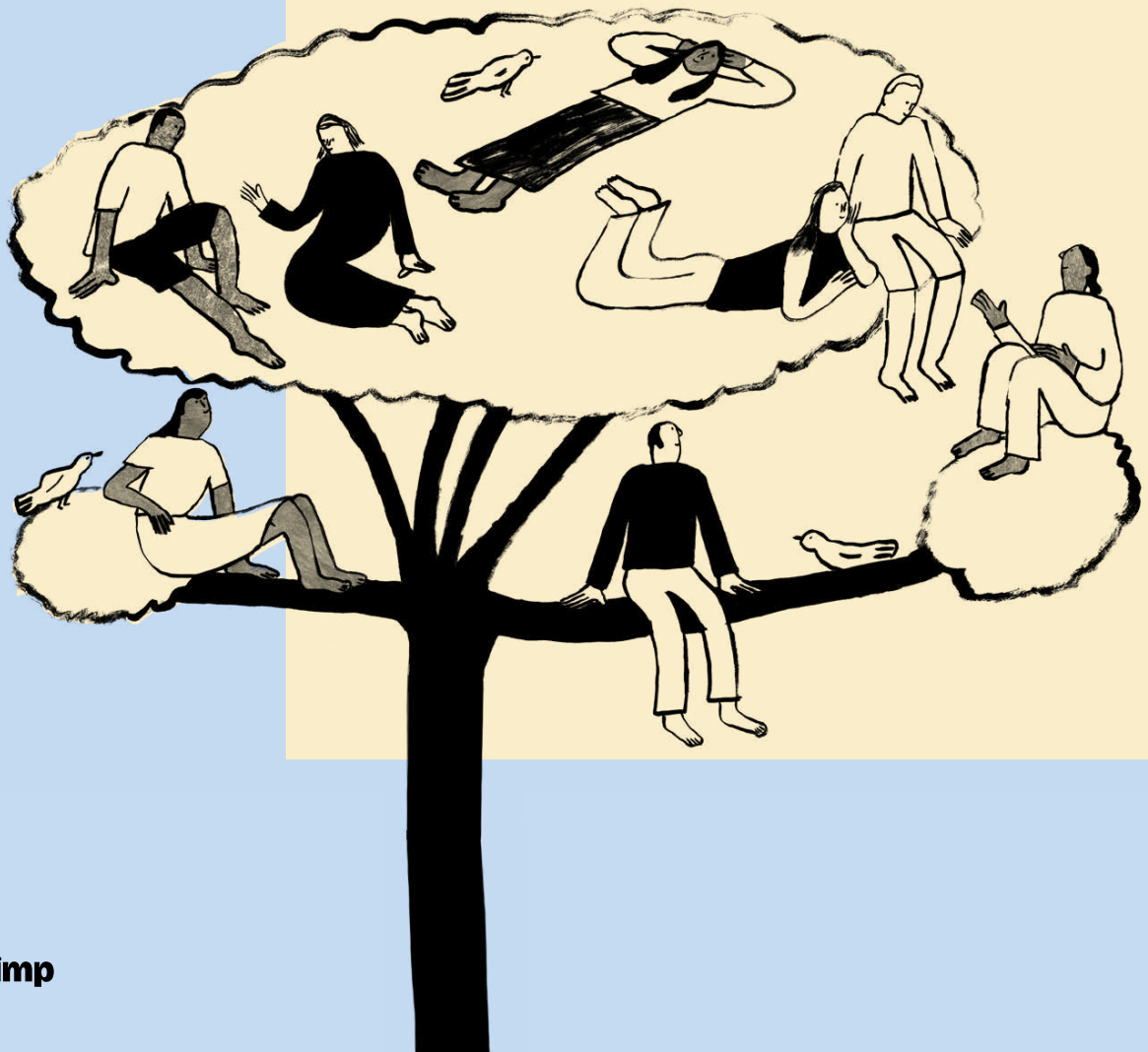
Seamlessly market across channels

Don't waste your time copying and pasting the same message across a bunch of different channels. Use a tool that allows you to create a consistent brand across all of your channels with the click of a button.

INSIGHT 5

Build your community:

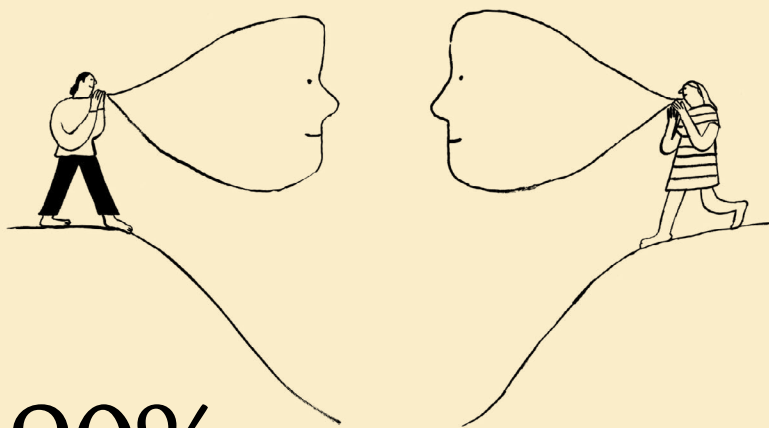
Why finding your peers is vital to success



INSIGHT 5

Finding your peers is vital to success

The entrepreneur's journey doesn't (and shouldn't) have to be a lonely grind. Data shows that the peers you surround yourself with can be a key component in your knowledge and success. 90% of small businesses say they learn about marketing tools via word of mouth,³ and startup founders have told us that advice from within their network is trusted more than other sources.¹⁰

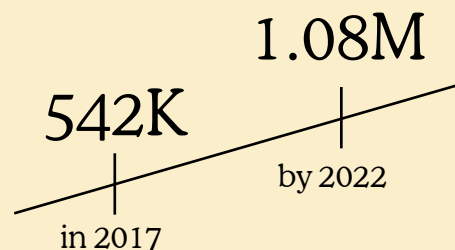


90%

of small businesses say they learn about marketing tools via word of mouth³

In recent years, the rise of coworking and collaborative spaces has helped create more opportunities for facetime between fellow entrepreneurs. According to Statista: In 2017, 542,000 people were using coworking spaces in the U.S. By 2022, that number is expected to climb to about 1.08 million.¹⁶

People using coworking spaces¹⁶



The top 5 states in terms of yearly openings for coworking spaces¹⁷

1. California
2. Texas
3. New York
4. Colorado
5. Florida

There's also a rise in the number of workspaces dedicated to a particular focus. For example, The Lola in Atlanta is "A Members Club, Workspace and Community Designed for Women by Women." Two Birds in Washington, D.C., is "Coworking + licensed child care." And there are numerous accelerator and incubator programs like Y Combinator that provide built-in peer groups.

Regardless of your industry, the goal is to find like-minded entrepreneurs with whom you can share your vision and passion.

INSIGHT 5

Finding your peers is vital to success

Tips for building your small business community



Find your people

Whether it's a coworking space, monthly coffee chats with a mentor, or a quarterly digital meetup, seek out folks who are pursuing the small business dream. You can share your successes and struggles while gaining the wisdom that comes from talking with other like-minded entrepreneurs.

Establish a cadence of communication

Intentional communities aren't created by accident. Regardless of how you and your community are engaging, it's important to be specific with your goals. How often will you meet? What's the purpose of each event? How will you welcome new people to the group? Setting clear expectations and boundaries will help ensure that everyone's time is valued, and everyone gains something for their involvement.

Be a student and a teacher

It's easy to be a sponge as a new business owner, but absorbing knowledge is only half of the equation. Dedicate time to mentoring others in your circle and teaching them the lessons you wish you'd learned earlier. Even if you feel like a novice, your experience is valuable to folks who aren't as far along in their journey.

INSIGHT 6

Budgets, banks, and bootstrapping:

How funding and finances for small business are changing



INSIGHT 6

Funding and financing options are changing

Every entrepreneur goes through the arduous process of determining how to fund their business. Should you pull from your life savings? Get another credit card? Apply for a loan? When it comes to financing your idea in 2020, there are more options available today than ever before.

According to the U.S. Small Business Administration, 21.9% of small firms pull from their personal and family savings, making it the most common source of capital to finance business expansion. That's followed by business profits and assets (5.7%), business loans from financial institutions (4.5%), and business credit cards from banks (3.3%). Most of these are traditional sources, but some small businesses are getting creative in their journey to funding.¹⁸

Top ways entrepreneurs are funding their businesses¹⁸



While Series A funding scenarios—in which startups receive their first round of financial support from an investor—get a lot of press, crowdfunding campaigns have become the launchpad for many successful ventures.

A rundown from Kickstarter¹⁹

4.6B total dollars pledged to
17M total backers
173K+ successfully funded projects

Even successful startups are beginning to choose crowdfunding over traditional fundraising methods. According to ModernRetail, Winc (a direct-to-consumer subscription wine seller) just launched its equity crowdfunding campaign on the SeedInvest platform.²⁰ The wine company has grown steadily over the last year. It saw sales in 2018 increase to \$40.6 million, up from \$36.8 million the year before. They hope to raise a Series D fund with the help of their fanbase.

Funding an idea is very specific to each situation, but once businesses launch, they're finding success. 78% of small businesses reported profits in 2019, and current business owners rated their level of happiness as an average of 8 on a scale of 1–10 (with 10 being the happiest).²¹ The process of securing funding has long been a point of frustration for new businesses, but you can rest a little easier knowing that there are so many options for making your business a successful reality in 2020.

INSIGHT 6

Funding and financing options are changing

Tips for funding your idea

Explore your options

Don't lock yourself into just one path for funding. You could, for example, start by bootstrapping with savings. Then, you could have a small investment round just for friends and family, followed by a crowdfunding campaign. Regardless of the path you choose, remember to keep talking to your audience the entire time. The journey of entrepreneurship is a compelling narrative for your marketing, and it gives your early adopters a chance to invest (maybe even literally) in your story and vision.



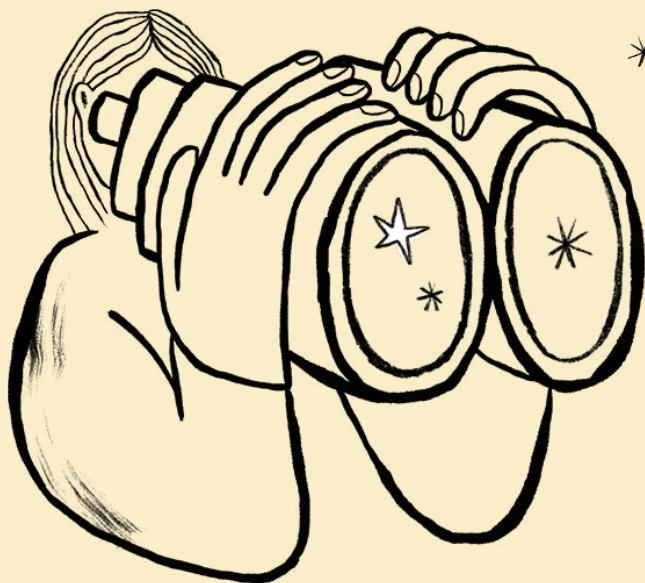
Consult an expert

Whether you hire a financial consultant or just get some free advice over coffee, be sure to run your idea by someone who can help you cross all the legal and financial hurdles you encounter. If you've found your small business community, there's a good chance that one of your peers will be able to point you in the direction of an expert who can give you advice.

Take a leap

Some of the best ideas-turned-businesses were built with more sweat equity than monetary investment. Be scrappy and innovative, and don't worry if you're not fully-funded just yet. It doesn't cost 6 figures to get your business—or your marketing—up and running. So whether it's using a free tool to build a website or reaching out to find a business mentor, take the leap in 2020.

How to set yourself up for success in 2020



1. Stay ahead of the curve

The channels to reach your audience and the tools to manage your marketing are changing every day. Despite the expanding landscape, consistency, repetition, and efficient workflows remain the keys to growth.

2. Use email and social media

Building your audience and keeping them at the heart of your marketing messages will prove to be the most successful approach, regardless of which new channels might launch next.

3. Start building awareness from day one

Remember that growth is a metric, not an action plan. When you cultivate relationships with your audience, growth will follow.

4. Take advantage of automations

Free up your time to focus on what matters most to your business. Use technology to automate your marketing and stay connected with your audience 24/7/365.

5. Find your peers

Find a business community early in your journey and take advantage of knowledge-sharing and collaboration that'll boost your morale and bottom line.

6. Explore new ways to fund your idea

Consider all of your potential options, find a trusted expert, and don't be afraid to take the leap.

Methodology and sources

In “A Look Back at 2019’s Small Business Marketing Trends and Tips to Find Success in 2020” we’ve compiled information from Mailchimp’s proprietary data, Mailchimp’s primary research with small business marketers, and data from the following sources: [Chiefmartec.com](https://www.chiefmartec.com); [CoworkingResources.org](https://www.coworkingresources.org); [Deloitte](https://www.deloitte.com); [EdisonResearch.com](https://www.edisonresearch.com); [eMarketer.com](https://www.emarketer.com); [Guidant Financial](https://www.guidantfinancial.com); [Kickstarter.com](https://www.kickstarter.com); [ModernRetail.com](https://www.modernretail.com); [SBA.gov](https://www.sba.gov); [Statista.com](https://www.statista.com); and [WalletHub’s Best States to Start a Business](https://www.wallethub.com).

Why Small Businesses Should Start Marketing on Day One: A Mailchimp Report:

This research was commissioned by Mailchimp and administered by Hall & Partners—a third-party, independent research firm—between June 28–July 9, 2019.

They conducted surveys with an independent sample of 505 small business owners in the U.S. All were either developing a business or had launched within the last 2 years.

The survey, which took about 15 minutes to complete, explored the milestones that these small business owners experienced while developing and launching their business. They were asked to indicate which actions they had taken and rate the most significant milestones in their business creation process.

The Mailchimp research team collaborated with Hall & Partners to analyze the survey results. The analysis focused on identifying statistically significant differences in stated behaviors and attitudes between pre-launch and post-launch businesses.

Segmentation Study:

This research was commissioned by Mailchimp’s research team and administered by Hall & Partners—a third-party, independent research firm—between July 10, 2019–August 14, 2019.

They conducted online surveys with over 4,100 small business representatives in the U.S., UK, France, Germany, and Brazil. The survey was administered among two groups: an independent sample (n=2001) of representatives and a sample of Mailchimp customers (n=2139). In both samples, respondents were screened to ensure they all met specific criteria, including employment status, business development stage, company size, marketing responsibility, and use of marketing channels. The data from the independent sample was used to build the segmentation solutions, while the Mailchimp customer sample was used to classify our customers into segments.

METHODOLOGY

The survey, which took about 20 minutes to complete, was designed to collect information on the business' company profiles, marketing behavior, and attitudes toward marketing and technology. The information was used to differentiate them into distinct, homogeneous segments. Examples of these include but are not limited to, company size, industry, marketing spend, marketing goals, and jobs to be done.

Analysis was a collaborative effort between Hall & Partners and representatives from various Mailchimp insights and analytics teams. The analysis was focused on creating different segmentation solutions, evaluating them, and identifying final options.

Product Tracker:

This is a recurring study commissioned by Mailchimp's research team. The most recent survey (Wave 3) was administered between May 2019–June 2019, by Kelton, a third-party, independent research firm.

They conducted online surveys with an independent sample of over 400 small business representatives in the U.S. All representatives either own or are employed at a company with under 100 employees.

The survey, which took about 15 minutes to complete, was designed to measure the small business representatives' awareness, consideration, and usage of marketing technology tools. The study also explored the ways small businesses learn about new marketing tools and the factors that guide the decision-making process around selecting tools.

The Mailchimp research team collaborated with Kelton to analyze the survey results. The analysis was focused on comparing the results to the Wave 2 survey which was conducted with a similar small business audience between January 2019–February 2019.

Platform Messaging Research:

This research was commissioned by Mailchimp's research team and administered by The Link Group—a third-party, independent research firm—between January 2019–February 2019.

They conducted online surveys with an independent sample of over 1100 small business representatives in the U.S., UK, France, and Germany. All representatives are the primary handlers of the marketing for their company of 250 people or less.

The survey, which took about 25 minutes to complete, was designed to identify the most compelling positioning statement; specifically, which insights, benefits, and pillars, delivered the most compelling messages to the target audience. The study also explored marketers' needs and preferences of marketing features.

The Mailchimp research team collaborated with The Link Group to analyze the survey results.

SOURCES

¹[U.S. Small Business Administration FAQ \(2018\)](#)

²[WalletHub.com: Best & Worst States to Start a Business](#)

³Mailchimp's Product Tracker

⁴[chiefmartec.com](#)

⁵Mailchimp's Platform Positioning and Messaging Research

⁶[Mailchimp Report: Why Small Businesses Should Start Marketing on Day One](#)

⁷[eMarketer.com: Email Marketing StatPack 2018](#)

⁸[eMarketer.com: Time Spent With Media 2019 - U.S. Social](#)

⁹[Edison Research's Infinite Dial report](#)

¹⁰Mailchimp's Research with Accelerators

¹¹[Deloitte: "Connecting Small Businesses in the U.S."](#)

¹²Mailchimp user data: Aggregate total since January of 2018

¹³Mailchimp user data: Sourced July 2019

¹⁴Mailchimp user data: Aggregate total since April 2017

¹⁵Mailchimp user data: Sourced April 2018

¹⁶[Statista.com: Number of people working in coworking spaces in U.S. 2015-2022](#)

¹⁷[Coworkingresources.org: Global Coworking Growth Study 2019](#)

¹⁸[U.S. Small Business Administration FAQ \(2016\)](#)

¹⁹[Kickstarter.com: Stats](#)

²⁰[ModernRetail.com](#)

²¹[Guidantfinancial.com: Small Business Trends](#)

Stats are up to date as of Nov 15. 2019

About Mailchimp

Mailchimp's all-in-one Marketing Platform helps small businesses market smarter so they can grow faster. Mailchimp puts your audience at the heart of your marketing so you can promote your business across email, social media, landing pages, ads, postcards, and more—all from one place. Millions of businesses and individuals—from community organizations to Fortune 100 companies—trust Mailchimp to help them connect with their audience with the right message, at the right time, in the right place. Founded in 2001 and based in Atlanta, Mailchimp has 1,000+ employees and is privately held.



mailchimp.com/why-mailchimp