

# 2015 Infusionsoft Small Business Market Research Sales & Marketing Report

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# Introduction

In August 2014, Infusionsoft published an in-depth report on the attitudes of small business owners based on custom research with over 800 entrepreneurs. The research was designed to explore the reasons small business owners started their businesses, how they feel about the experience and the challenges they face.

The research revealed four distinct groups among the respondents:



**Freedom Seekers** – These small business owners started their business because they want the ability to control their fate, decisions, work environment, schedule and revenue. They value their time and believe owning a small business allows them the freedom to live the lifestyle they've always wanted.



**Passionate Creators** – This group started their small business because they love what they do and the customers they serve. Running their business gives them a sense of accomplishment and pride. They value the impact they are able to make for their customers and the world at large.



**Struggling Survivors** – This profile resonates the cold, hard reality that sometimes running a small business is more risky than rewarding. The fear expressed within this group is rooted in the very real challenges small businesses face every day. Skeptics have significant concerns, misgivings and skepticism about the value of owning a small business.



**Legacy Builders** – Small business owners who fall into this profile see small business ownership as a practical economic choice. They believe small businesses are more ethical than larger corporations, and believe most people would start their own business if they could. They started their business to bring something new to the marketplace – something no one else offers. They take tremendous pride in the business they've created and plan to run it for the long haul.

To read more about each of the profiles, study methodology and respondents, read our first study report.\*

[Read the first report](#)

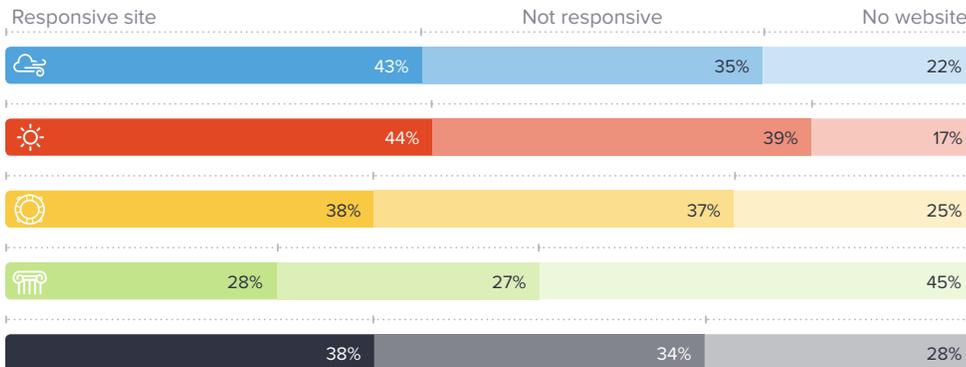
In this report we explore the attitudes, behaviors and challenges small businesses face related to sales and marketing.

# Marketing

## Website Presence

Any discussion of small business marketing activities should first consider the extent to which the businesses are web-based, as many modern marketing strategies are dependent upon having an online presence.

72% of our respondents say their business has a website. While this is fairly consistent between the Freedom Seekers, Passionate Creators and Struggling Survivors, the Legacy Builders report a significantly lower incidence — only 55% of these respondents say their business has a website. (Fig. 1)



**Fig. 1**  
Website Presence by Segment

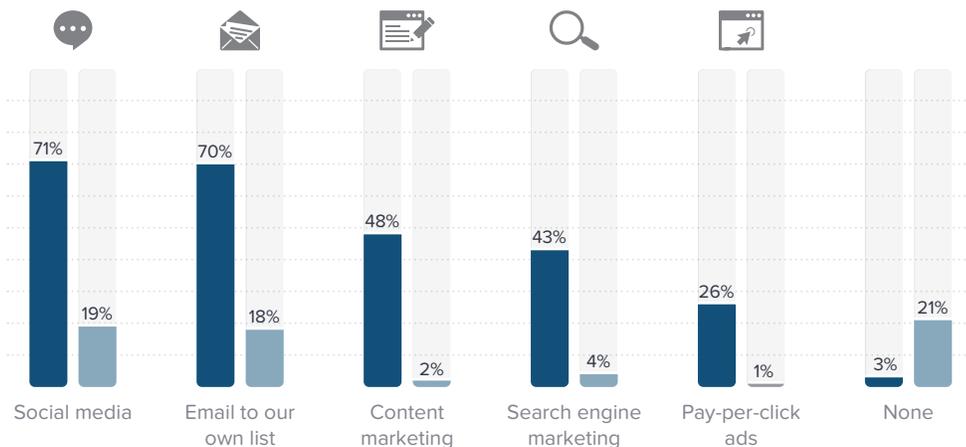
- Freedom Seekers
- Passionate Creators
- Struggling Survivors
- Legacy Builders
- All Group Average

Most of our respondents who have a website are fairly happy with it. 13% say their site is “just the way I want it,” with 60% saying they’re satisfied with it but it “could use some tweaks.” 20% of those with a site feel it “needs substantial work” and 8% say their site “needs to be totally rebuilt from the ground up.”

## Lead Generation Strategies

Lead generation is one of the biggest areas of focus for small business marketing. Though there are dozens of tactics that could be leveraged, most small businesses focus on tried-and-true methods including word of mouth, social media, email to their own lists and networking. This underlines the importance of effective customer service and relationship development for small business—both of which are resource-intensive endeavors.

It’s not surprising that online marketing strategies are more likely to be used by companies with a website. 71% are using social media and 70% use email. Many are also using content marketing (48%) and SEO (43%). On the other hand, 21% of the owners without a website say they aren’t engaging in any of the lead-generation tactics we listed. (Fig. 2)



**Fig. 2**  
Online Lead Generation Activities

- Website
- No Website

When it comes to offline lead generation activities, customer referrals are by far the most popular approach, cited by 72% of respondents. Networking is used by nearly half of respondents. Traditional media such as TV and radio ads, print and direct mail are cited by far fewer respondents. (Fig. 3)

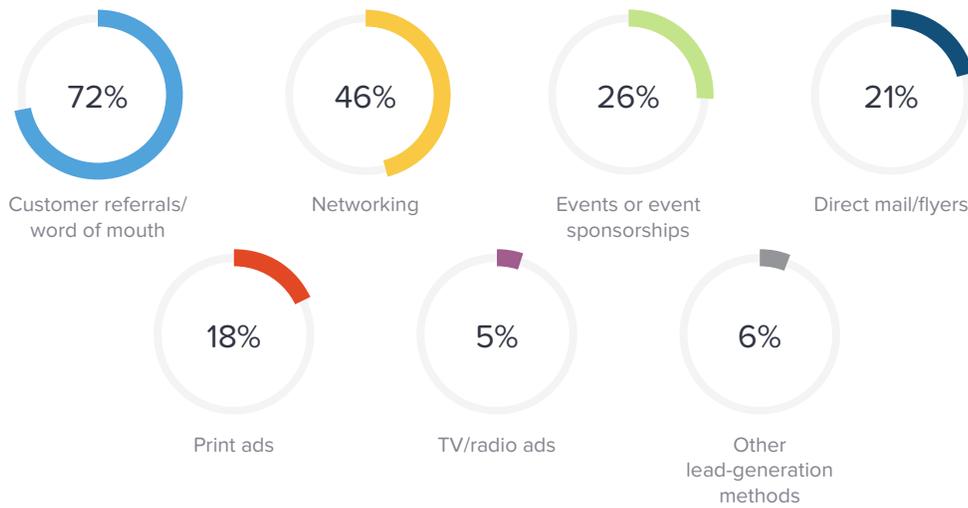


Fig. 3  
Most Popular Offline Lead Generation Activities

### Social Media Usage

Social media adoption is closely tied to the presence of a website. General usage supports what many might expect – Facebook leads the pack, with a 76% adoption rate for respondents that have a website. Twitter is the second most-used among this group, with LinkedIn in a close third. (Fig. 4)

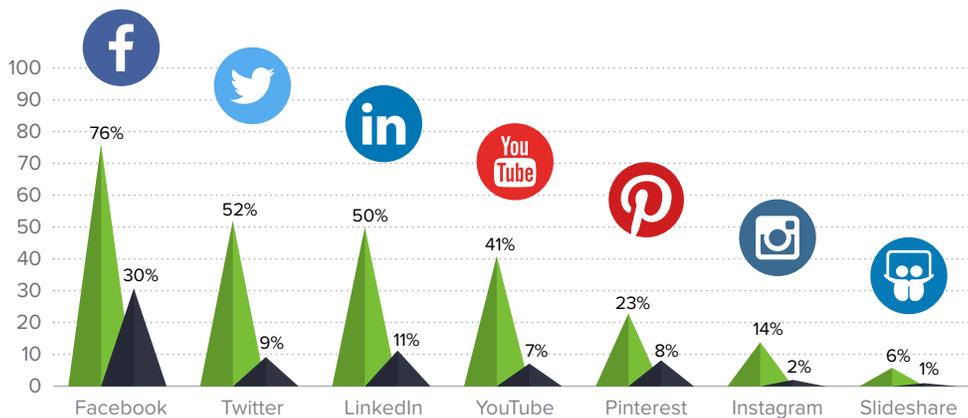


Fig. 4  
Social Media Usage

● With Website  
● Without Website

## Effective Marketing Strategies

Because small businesses generally have fewer resources to invest in marketing, they focus heavily on strategies that generate tangible results. Customer referrals and word of mouth were cited by 62% of respondents as one of the three most effective marketing strategies. The next most frequently cited tactic, email marketing to their own list, was selected by 34% of respondents. Social media outranked more traditional strategies including direct mail and print advertising. (Fig. 5)

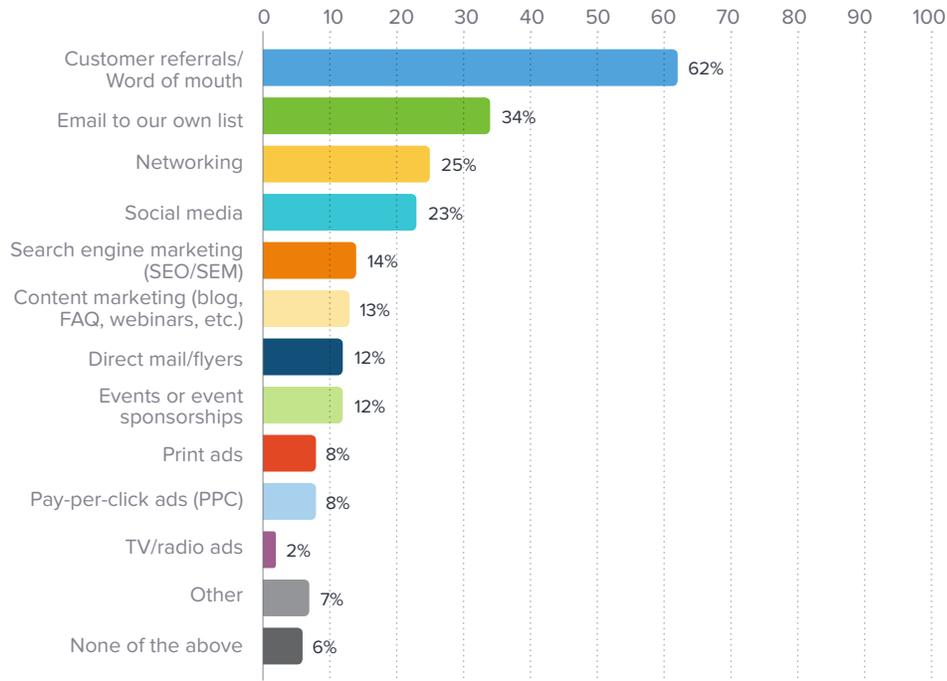


Fig. 5

Most Effective Sales & Marketing Overall

## Marketing Technology Usage

Software and tools are popular among those small business respondents with websites — 72% are using email marketing, 52% are using an email auto responder and 43% are using social media software and automated marketing. (These figures are much higher among Infusionsoft customers than among those respondents who have a website but have never used Infusionsoft.) Automated marketing is least frequently used by Legacy Builders, and email autoresponders are more often used by Passionate Creators. (Fig. 6)

The biggest barriers to marketing technology adoption are cost (63%), finding the time to learn the system (45%) and fear of investing in something that won't work for their business (42%).

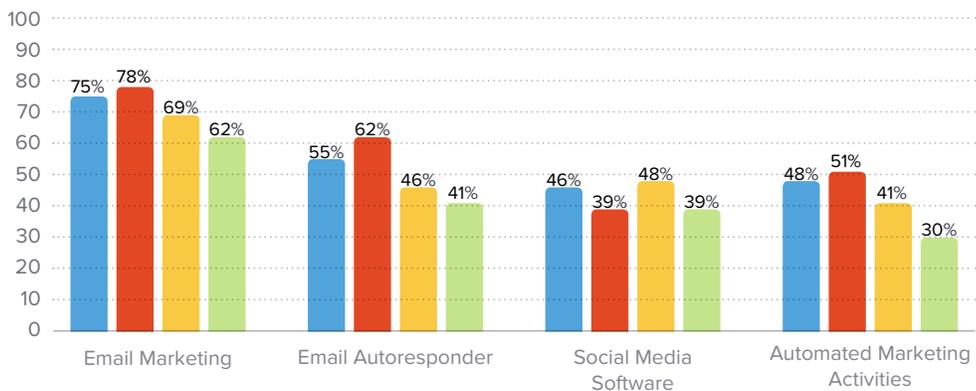


Fig. 6

Marketing Tools Used by Segment

- Freedom Seekers
- Passionate Creators
- Struggling Survivors
- Legacy Builders

## Marketing Budget

For many small business owners, marketing is more of a time investment than a financial one. Just over half of respondents with websites are spending \$500 or less per month on marketing activities. 25% spend less than \$200 per month, and 5% spend nothing at all. 78% of the solopreneurs in our study spend \$500 or less, and 40% are spending less than \$200 per month. Passionate Creators spend slightly more on marketing than other segments, regardless of company size. (Fig. 7)

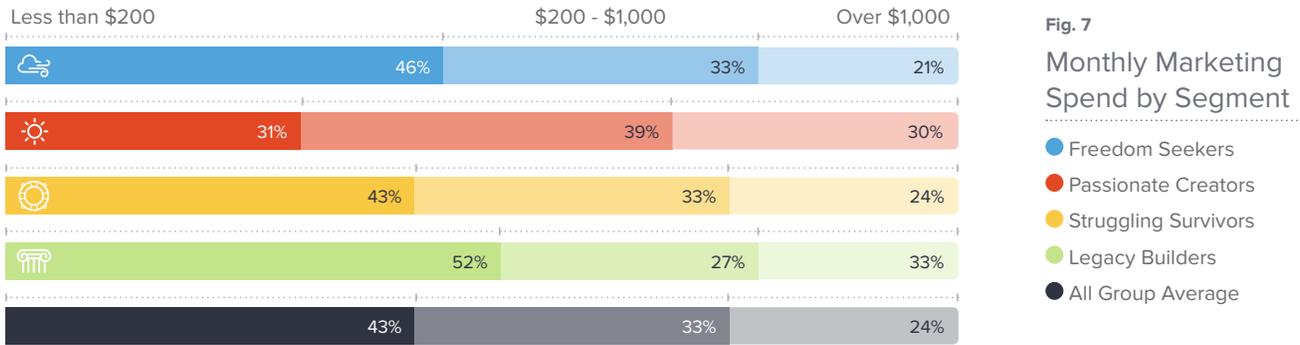


Fig. 7  
Monthly Marketing Spend by Segment

- Freedom Seekers
- Passionate Creators
- Struggling Survivors
- Legacy Builders
- All Group Average

## Marketing Responsibilities

Most respondents say they do marketing activities themselves (81%). 84% of solopreneurs say they do their company's marketing, while in larger companies the number drops slightly to 69% while 38% say employees do it as well. Slightly more respondents say they outsource marketing activities to vendors or software programs (12% for both) than say they outsource sales activities. Companies with five employees or more are the most likely to outsource marketing activities. (Fig. 8)

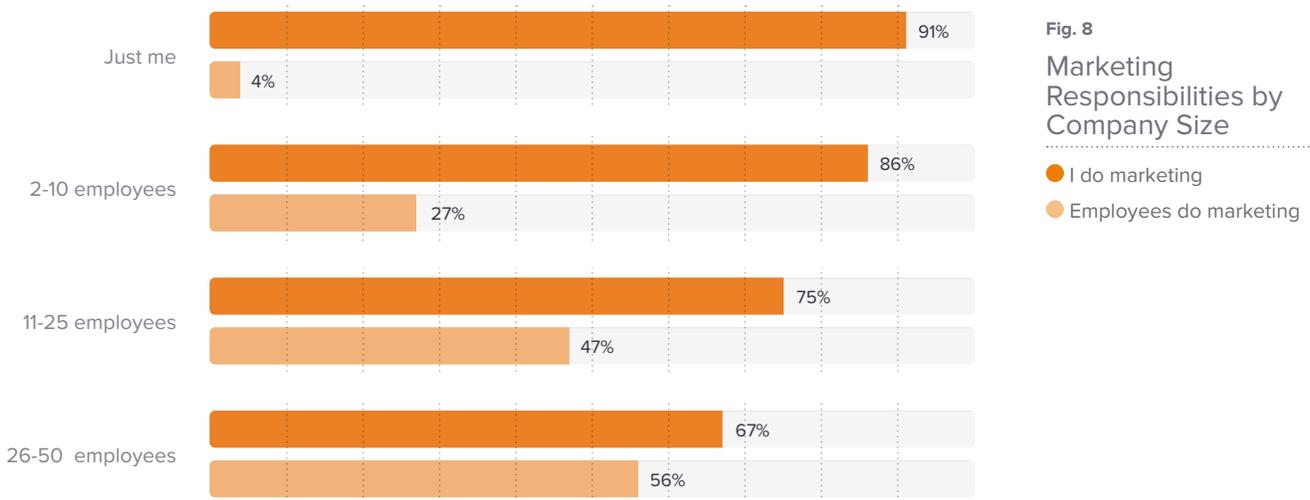


Fig. 8  
Marketing Responsibilities by Company Size

- I do marketing
- Employees do marketing

The majority of small business owners with a website say they manage the site and content themselves (66%). Unlike many activities, content and site management are outsourced fairly often - 35% of respondents with sites indicate they use vendors for this purpose. This figure is slightly higher among Passionate Creators, 40% of whom outsource this activity.

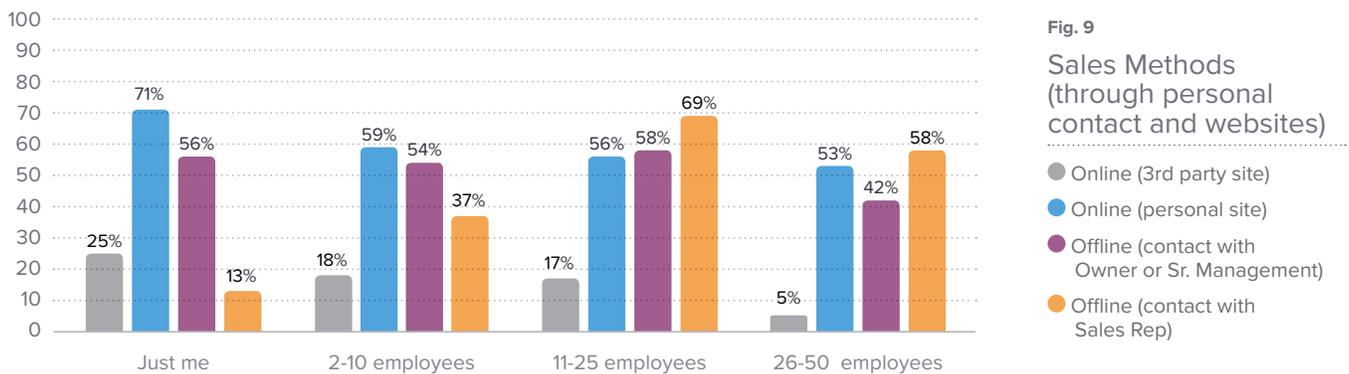
# SALES

## Sales Methods

There are a variety of ways for consumers to buy products and services from a small business, ranging from a quick purchase via an online shopping cart to a prolonged one-on-one sales cycle with a sales person.

Among the companies that have a website, 63% say they use it to sell products and services. This is fairly consistent between segments, but it is more prevalent among solopreneurs (71%) than among those with more employees.

Our research shows that over half of respondents sell to customers through a direct sales process managed by the company owner or senior management. Less than a third (29%) say that customers purchase through a company sales representative, although this number jumps significantly among companies with more employees. (Fig. 9)



## Length of Sales Cycle

For many respondents, customer engagement prior to purchase is a matter of days. 26% say their customers typically decide to make a purchase in a single interaction and 30% says the time between first contact and purchase is only a few days.

On the other end of the spectrum, 14% say their engagement lasts months, and for 3% it's often years. Legacy Builders are more likely to have shorter engagement timeframes than other profiles. Larger organizations are more likely to have longer engagement timeframes than smaller companies.

## Sales Responsibilities

The overwhelming majority (83%) of our survey respondents say they are responsible for conducting sales activities for their business. While this is to be expected in organizations with only one or two employees, it holds true to a great extent even in larger organizations — 69% of those in companies with five or more employees still do sales activities themselves, although 52% of them do say that employees conduct sales as well.

Passionate Creators are the most likely to say that employees join them in responsibility for selling efforts — while 80% say they sell, 34% say that employees sell as well.

## Payment Processing

The businesses in our survey accept a wide range of payment types from customers. 45% say they accept checks in person at the time of sale, 41% receive checks in response to invoices, and 41% receive cash. 52% of those with sites accept credit cards via a site at the time of sale. Only 20% of our respondents say they accept Square or similar mobile payment systems for customer payment. (Fig. 10)

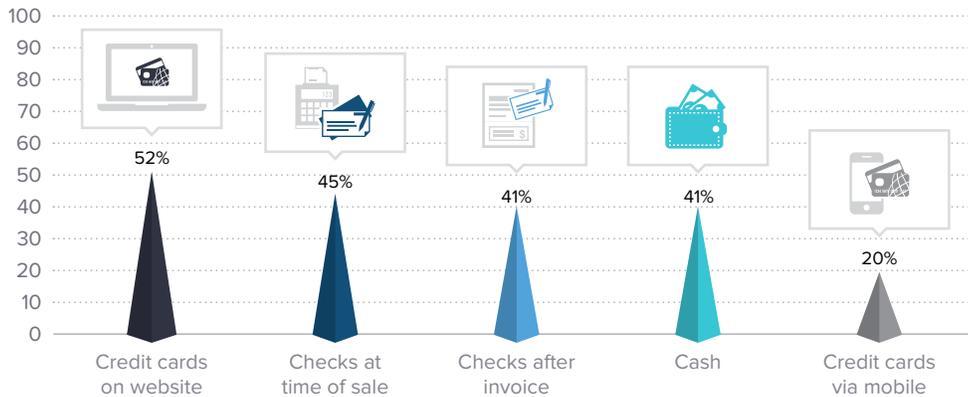


Fig. 10  
Payment Methods

## GENERAL ATTITUDES & BEHAVIORS

### Attitudes About Sales & Marketing

Marketing and advertising activities were voted some of the most enjoyed business activities in our study and consistent with the ratings for sales activities. 17% say they “love it” and 59% give it a better-than-neutral rating. Passionate Creators are most likely to say they “love” marketing and advertising activities.

While some entrepreneurs may grumble about having to engage in sales activities, most of the small business owners in our study seem to enjoy it. 16% say they “love it”, while 58% give it a score above neutral on the “love/hate” scale. Passionate Creators are fonder of sales activities than other profiles, likely because of their dedication to and passion for serving their chosen audiences.

By far, the most popular activities among business owners are related to customer service and product development. The least preferred activities are administrative, human resources and financial tasks for most respondents. (Fig. 11)

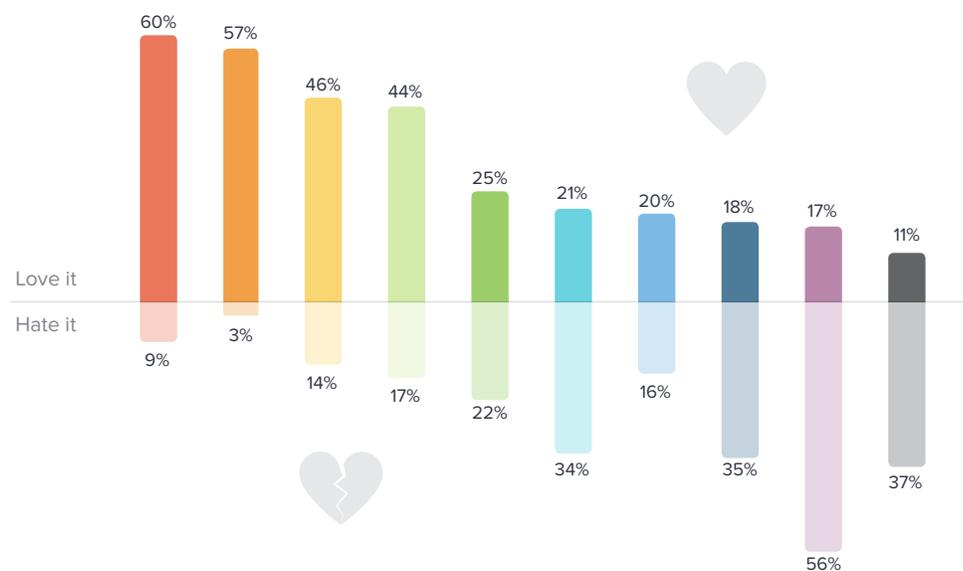


Fig. 11  
How They Feel About Working in Different Business Areas

- Customer service
- Product or service development
- Marketing & advertising activities
- Sales activities
- Managing a website and/or web content
- IT/Technology activities
- Managing vendors
- Administrative tasks
- Financial tasks
- Human resources

## Challenges

Time is a tremendous challenge for many of the small business owners in our survey. Regardless of industry, and in companies both large and small, the issue of having time to get everything done was identified as a “huge challenge” by over one third of respondents, and over half gave this the top two ratings available. (Fig. 12)



Fig. 12  
% Citing as “Huge Challenge”

But sales and marketing challenges were revealed as significant in their own right. Generating quality leads was rated the fourth most challenging item on the list, with converting leads into customers hot on its heels. Marketing expertise was seen as somewhat less challenging, although it was rated more challenging than qualifying employees, financial or legal expertise and government regulation. While all profiles struggle to some degree with sales and marketing, Legacy Builders cite marketing expertise as more difficult for them, while generating and converting leads appear to be less of a challenge.

The most helpful information cited by our respondents would be information on attracting more customers to their business (66%). 55% want information about how to get their customers to refer their friends, 44% want help getting repeat business, and 42% would like information about finding their ideal customer. Among respondents with a website, 55% would like information about using social media.

## Conclusion

Small business owners of all types face significant challenges running their businesses within the time they have available, and efforts associated with sales and marketing – generating quality leads, converting leads to customers and marketing expertise – are among the most challenging of all.

However, it’s also evident that sales and marketing are top priorities. Particularly in organizations with fewer than 25 employees, owners retain the primary responsibility for these activities. As a result, information and tools that can help these owners fulfill their sales and marketing goals more efficiently are in high demand.

Word of mouth remains a key lead generation effort for most businesses, whether they have a website or not. Systems that help owners manage and streamline their referral efforts would undoubtedly be welcome.

And while it’s not surprising that Infusionsoft customers are more likely to be using email marketing and automation than owners not working with us, it’s clear that email marketing remains a popular tool for those companies with websites.

At Infusionsoft, we strive to help web-enabled small businesses make the most of their time and support their goals for their business – whatever they may be. We are actively engaged in identifying and offering resources, information, tools and systems that can help small business owners make the time and effort they put into sales and marketing activities more productive, streamlined and enjoyable.