

# 2022 Act! CRM Survey Report

– The Role of CRM in Today's Small & Medium-Sized Businesses

## Introduction:

During the pandemic, resilience and adaptability became a necessity for small- and medium-sized businesses (SMBs) throughout the United States. Various shutdowns and working restrictions led companies of all sizes to quickly implement remote business structures, improve their online presence and accelerate the use of technology to support their business. SMBs that could persevere did so by remaining agile and aware of the market's rapidly shifting demands and consumers' needs.

As the country slowly transitions back to a state of normalcy, it is evident that certain pandemic-era trends are here to stay—such as remote business models and online shopping preferences.

As companies continue to adjust to the ongoing implications of a pandemic while facing emerging challenges, it is critical for SMBs to remain nimble in their go-to-market approach and up to speed on customer needs and industry trends.

In May 2022, Act!, a leading provider of CRM and marketing automation solutions for SMBs, conducted a survey of 1,146 SMB owners and decision-makers—ranging from sole proprietors to companies with up to 99 employees—to gain a better understanding of operational trends. Respondents and their businesses were located throughout the United States. Read on to learn more about the challenges SMBs face today, as well as software trends that are helping companies to improve their operations.

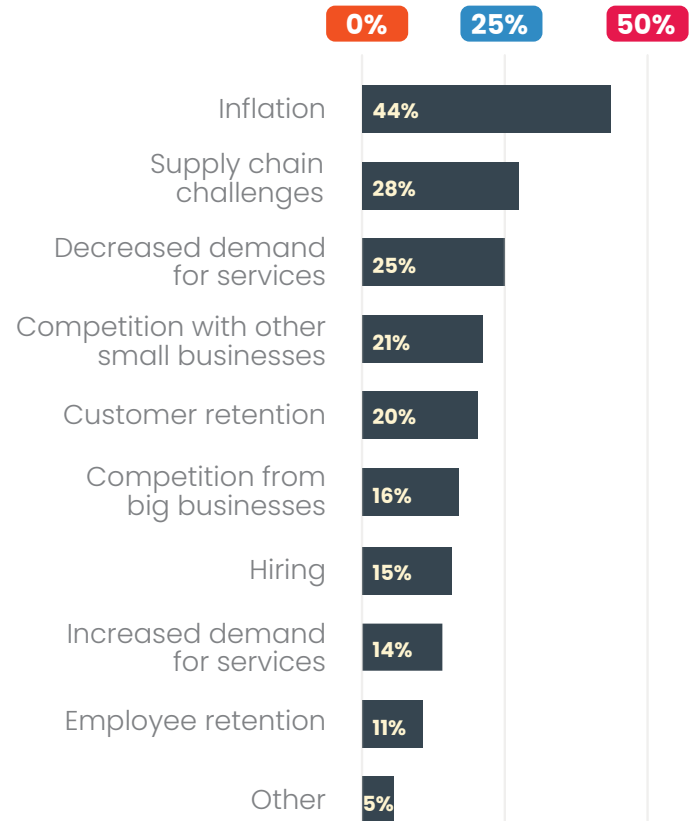
## The Challenges Facing SMBs Today

As the light at the end of the post-pandemic tunnel continues to shine brighter, businesses continue to encounter new obstacles to overcome.

Despite ongoing media reports of labor shortages negatively affecting small businesses, respondents did not see hiring (15%) or employee retention (11%) as overwhelming challenges; instead, inflation (44%) was seen as the greatest challenge companies faced over the last 12 months.

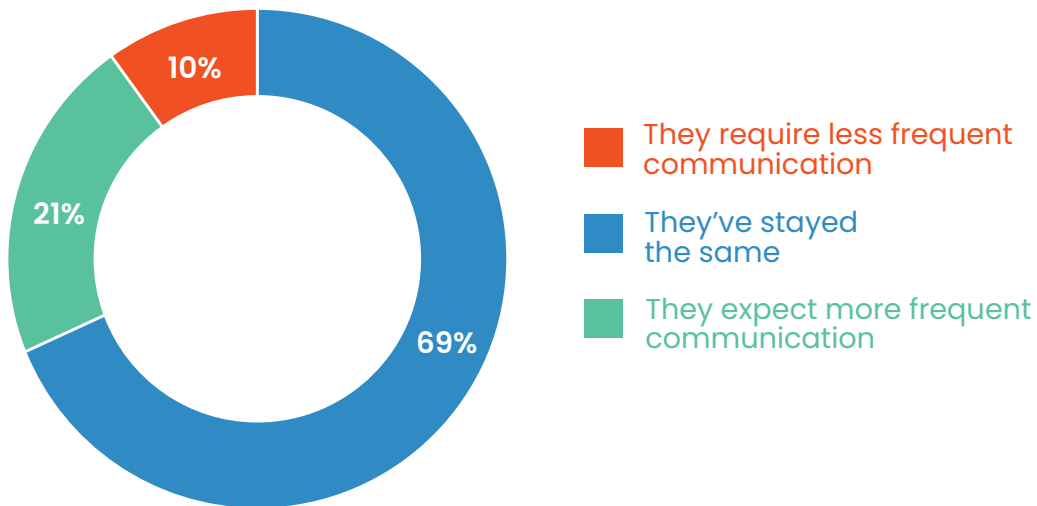
Many SMBs have also shouldered burdens created by debilitated supply chains (28%) and a decrease in the demand for services (25%)—which could be directly correlated to an increase in market share and competition from other small businesses (21%).

### What are the biggest challenges your business has faced over the past 12 months?



Over the last decade, advancements in communication platforms and tools have increased consumer demands for timely and accurate communications. Although, at large, respondents felt there had not been an uptick in customers' expectations of communication since the pandemic (69%), over a fifth of SMB decision-makers still feel the pressure to communicate more frequently with their customers (21%).

## How have your customers' expectations of communications changed since the pandemic?



## Current and Future Software Usage

Although larger businesses continue to integrate innovative software into business operations at an accelerated rate, many SMBs continue to leverage traditional systems to manage the company's contacts, business prospects/leads and communications.

Surprisingly, **45%** of the respondents' companies' operations still relied on paper records and another **11%** had no management system in place at all.

## What tools do you use to manage your contacts, leads and customer communications?

| OPTION  | RANK | RESPONSE % |
|---|------|------------|
| Paper records                                   | 1    | 45%        |
| Spreadsheets                                    | 2    | 39%        |
| Email Marketing system                          | 3    | 37%        |
| Financial / Accounting Software                 | 4    | 25%        |
| Customer relationship management (CRM) software | 5    | 22%        |
| Contact management software                     | 6    | 17%        |
| Marketing automation software                   | 7    | 12%        |
| None  | 8    | 11%        |
| Other   | 9    | 7%         |

Note: Respondents could select multiple options

Respondents working for medium-sized businesses (10-49 and 50-99 employees) were more likely to utilise a CRM or other marketing software tool.

■ 0 employees (just you the owner) 
 ■ 1-9 employees 
 ■ 10-49 employees 
 ■ 50-99 employees



Perhaps due to some of the current market challenges—like inflation and supply chain challenges—many respondents (30%) have no plans to invest further in these tools over the next year. However, those who are considering software investments are looking toward email marketing systems (29%) and CRMs (21%).

## Which, if any, of the following tools do you plan to spend more on in the next 12 months?

| OPTION  | RANK | RESPONSE % |
|---|------|------------|
| None  | 1    | 30%        |
| Email Marketing system                          | 2    | 29%        |
| Paper records                                   | 3    | 21%        |
| Customer relationship management (CRM) software | 3    | 21%        |
| Spreadsheets                                    | 5    | 19%        |
| Marketing automation software                   | 6    | 18%        |
| Contact management software                     | 7    | 15%        |
| Workflow or project management software         | 8    | 13%        |
| Internal messaging applications                 | 9    | 10%        |
| Other   | 10   | 3%         |

## The Lack of Software Integration Explained

Although there will always be Luddites who, no matter what, will continue to resist CRM and other digital solutions, there are other factors deterring SMBs from introducing CRM software into their operations.

Respondents' main reasons for not implementing CRM software are that they feel their business is too small (**47%**) or that CRM software isn't applicable to their business (**28%**). Another quarter (**25%**) of respondents believe CRM is cost prohibitive.

## What are your barriers to investing in these solutions?

| OPTION  | RANK | RESPONSE % |
|---|------|------------|
| My business is too small                      | 1    | 47%        |
| Not really applicable to my business          | 2    | 28%        |
| Cost of acquisition/ownership                 | 3    | 25%        |
| Don't have enough time                        | 4    | 17%        |
| Integration challenges with existing software | 5    | 14%        |
| Don't see the ROI                             | 6    | 12%        |
| Other   | 7    | 3%         |

Adding CRM technology does not mean you have to ditch your traditional filing systems. The CRM can be an extension of your operations rather than a wholesale digital replacement.

## Reaping the Benefits of CRM Integration

Businesses that do take advantage of CRM or marketing software overwhelmingly reported positive results. Respondents noted improvements from utilising CRM technology across the board for their business, with the top five improvements being sales productivity (42%), customer service (35%), business productivity (33%), marketing outreach (32%) and customer satisfaction (30%). There was also a significant improvement in customer retention (28%) among respondents—which was noted as a top challenge for these businesses. More than a quarter (27%) reported that their CRM system helped increase revenue.

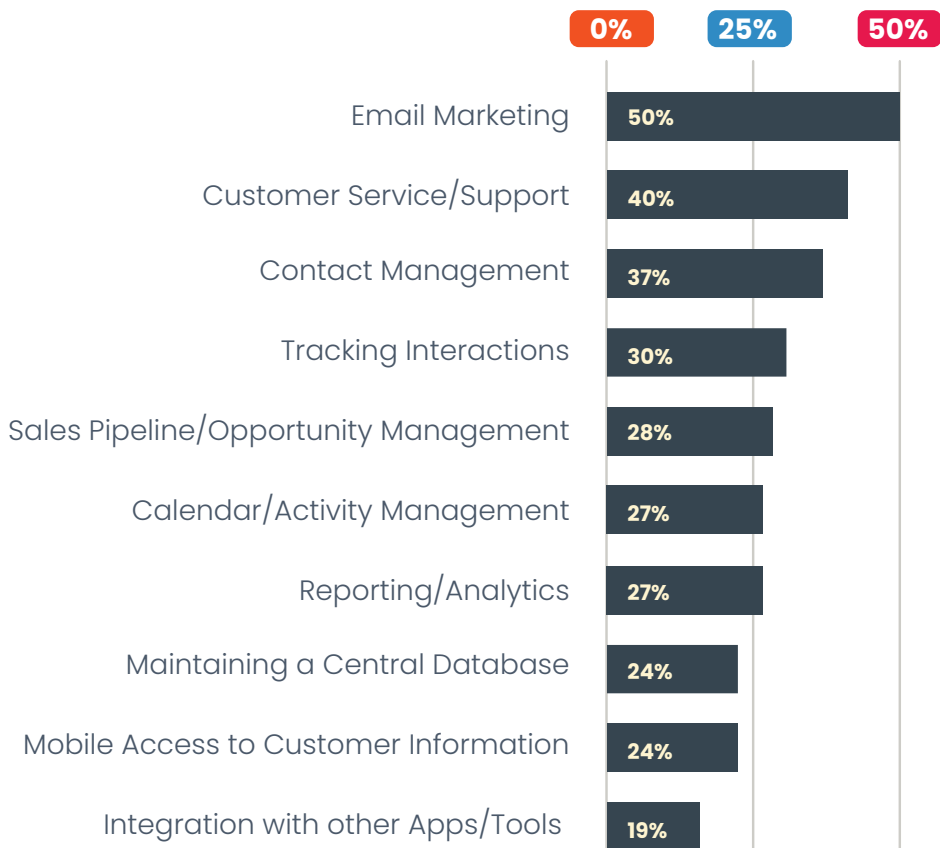
### Which aspect of your business has improved the most as a result of using this software?

| OPTION                                 | RANK | RESPONSE % |
|--|------|------------|
| Sales Productivity                     | 1    | 42%        |
| Customer Service                       | 2    | 35%        |
| Business Productivity                  | 3    | 33%        |
| Marketing Outreach                     | 4    | 32%        |
| Customer Satisfaction                  | 5    | 30%        |
| Customer Retention                     | 6    | 28%        |
| Knowledge & Understanding of Customers | 7    | 27%        |
| Revenue/Company Growth                 | 7    | 27%        |
| Employee Efficiency                    | 9    | 21%        |
| Information Sharing and Access         | 10   | 19%        |
| Operational & Strategic Insights       | 11   | 18%        |

42% of businesses stated their sales productivity had improved the most while leveraging CRM tools.

27% of respondents reported their CRM system helped increase revenue!

### What function do you most use your software for?



The majority of respondents that have introduced CRM or marketing solutions into their operations interact with CRM tools daily.

**Forty percent of respondents said they personally used the software every day—**

while 23% did every few days and 17% every week—most notably leveraging the technology to perform email marketing (50%), provide customer service and support (40%) and streamline contact management processes (37%).

## CRM Software Trends

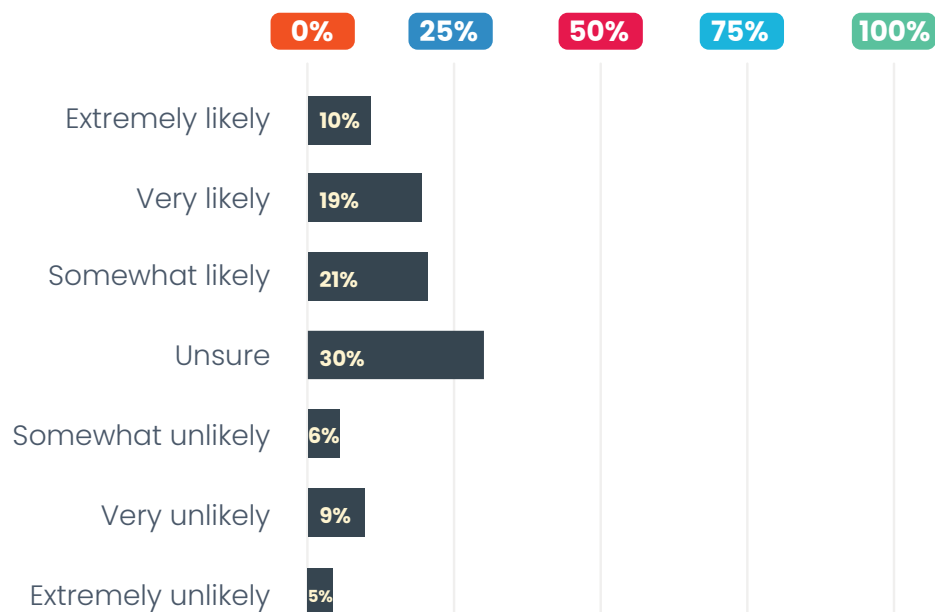
Overall, 22% of respondents are taking advantage of CRM solutions. More than a third of those respondents' (38%) companies use only cloud-based CRM solutions, while a quarter of respondents were using on-premise software (25%) and 30% used a hybrid of both.

**Is your CRM solution on-premise (installed on your computer or network), cloud-based (accessible only through a web browser or mobile app, installed on the vendor's servers), or both?**

| OPTION      | RANK | RESPONSE % |
|-------------|------|------------|
| Cloud-based | 1    | 38%        |
| Both        | 2    | 30%        |
| On-premises | 3    | 25%        |
| Unsure      | 4    | 7%         |

Fifty percent of the respondents working for companies using on-premise believed it was at least somewhat likely that the business would transition to cloud-based solutions. Based on the data gathered from these respondents, **the growing sentiment surrounding cloud-based solutions is that they are easier to use and provide better security, accessibility and efficiency.**

**If on-premise, how likely are you to move to a cloud-based solution?**





What are the drivers for your organization moving to a cloud-based solution?



## Thinking Strategically with Marketing Automation

Businesses leveraging CRM and marketing software are more likely to have integrated automation into their marketing operations. Forty-three percent of respondents that used some form of CRM or marketing tool had a "completely" or "very" automated marketing operation. Surprisingly, CRM users were more likely to have fully automated marketing operations (42%) than participants whose companies were only leveraging marketing automation software on its own (27%).

CRMs simplify marketing automation: Of the respondents whose businesses were using marketing automation software on its own, only 27% had completely automated marketing operations compared to 42% of CRM users.

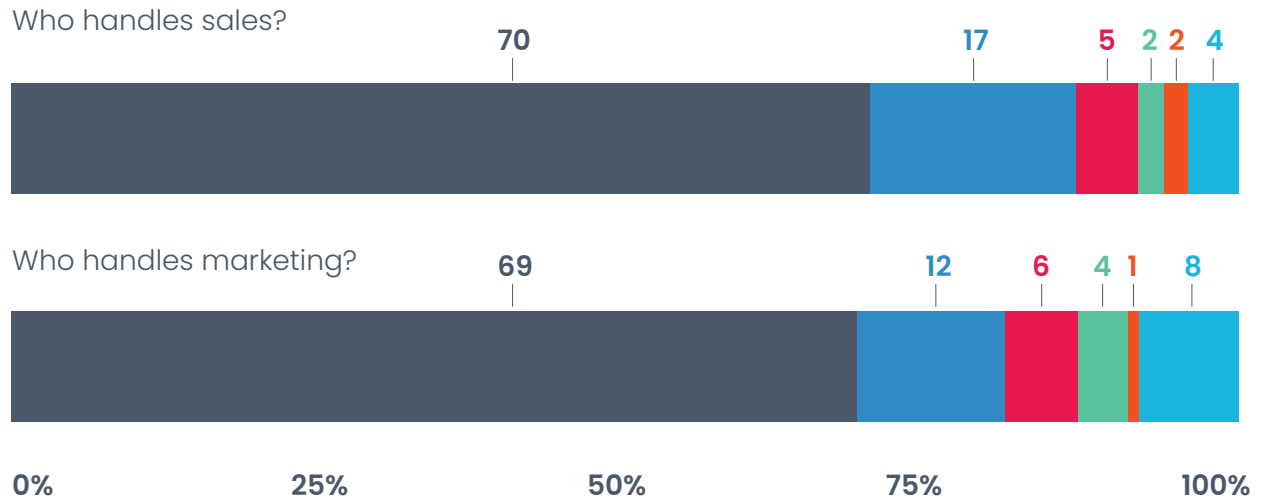
It is evident that businesses that utilize CRM software have an advantage when it comes to implementing automation in their marketing processes as well as other operations throughout the company.

Yet, as we learned prior, there is a common misconception among sole proprietors and other small business owners that their business is too small for such tools or that CRM software does not fit into their business operations.

However, it is the **SMB owners that perhaps can benefit the most from the tools CRM software provides.** When asked who in the business handles the sales, 70% of respondents said either themselves or the owner does it all on their own. Similarly, when asked about marketing responsibilities, 69% had the same answer.

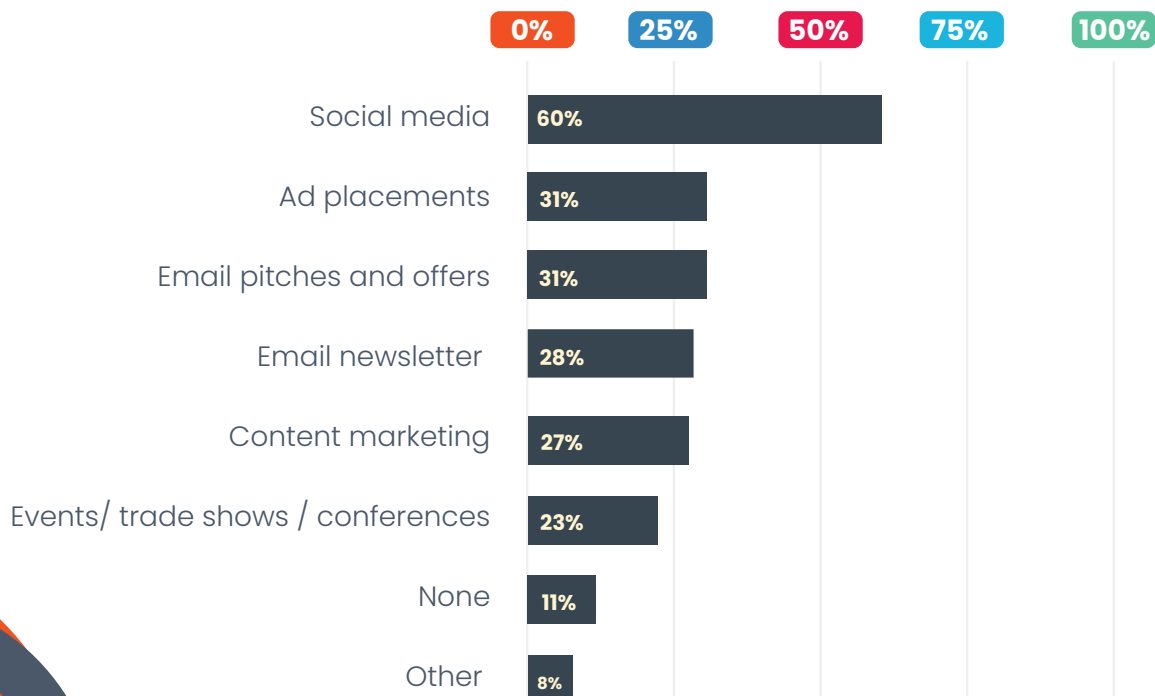
## Who handles sales/marketing?

- Do it all myself / Owner does it all
- Through an employee or employees
- Through a contractor or contractors
- Through an outside firm
- Other
- Don't do this at all



Respondents also provided their top marketing strategies and channels—most of which can be streamlined using CRM marketing automation tools. With SMB owners carrying so many responsibilities and wearing so many hats, **the introduction of automation into marketing and sales operations could be the leg-up organisations need over their competition.**

## What type of marketing do you do?

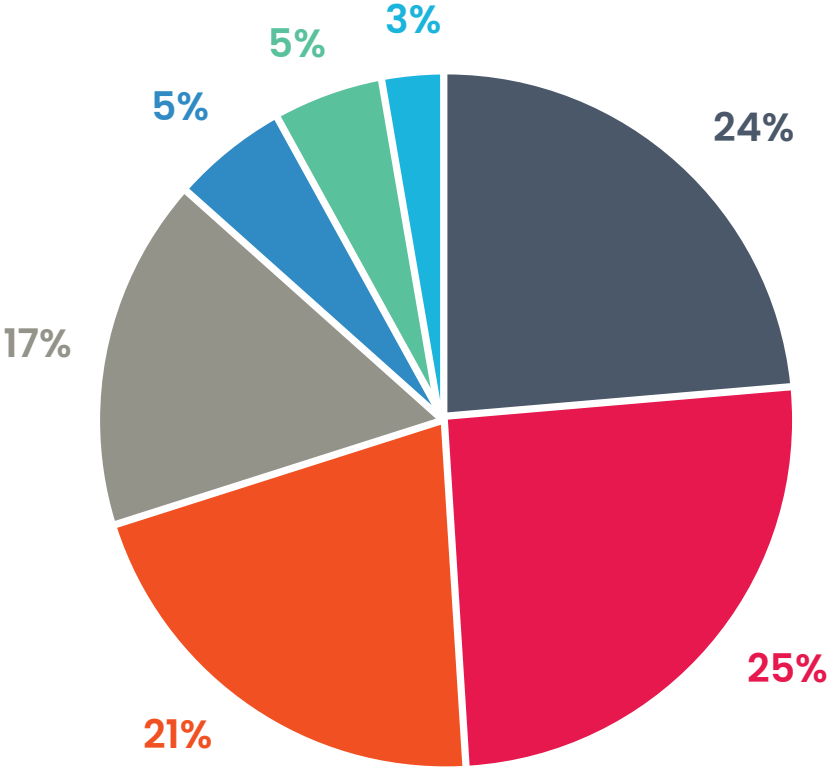


# An Optimistic Outlook for the Future

As we move into the second half of the year and businesses continue to feel the impacts of rising inflation, supply chain uncertainties and other unique challenges, respondents seem to be more optimistic about the second half of 2022—with 70% of respondents showing signs of optimism.

How optimistic or pessimistic are you about your business outlook for the second half of the year?

### Second Half Optimism/Pessimism



- Very Optimistic
- Slightly Pessimistic
- Somewhat Optimistic
- Somewhat Pessimistic
- Slightly Optimistic
- Very Pessimistic
- Unsure

Respondents that implemented CRM (80%) or email marketing software (79%) into their operations showed the greatest signs of optimism for the second half of the year, while participants leveraging paper records (69%) or no systems at all (52%) were less likely to be optimistic. Notably, although only 13% of participants admitted feeling pessimistic, 32% of that group had not implemented any type of CRM or marketing operations tool into their business operations.

32% of respondents that were pessimistic about the second half of 2022 had not implemented any type of CRM.

## Conclusion

SMBs continue to face new and evolving obstacles in today's post-pandemic-era market. A surprisingly large percentage of organisations continue to leverage paper records and spreadsheets to manage contacts, leads and customer relationships. Although many businesses have committed to investing in CRM and marketing operation tools over the next 12 months, many sole proprietors and small business owners feel that their business is either too small or its operations do not align with CRM tools.

Adopting a CRM can be a gradual process and does not mean a total upheaval of traditional operations. Businesses that have taken that step are realising dramatic benefits across the board. Respondents leveraging CRM software were quick to note the improvements the solutions created across the board for their companies. Moreso, with owners of small businesses performing most, if not all, of the responsibility when it comes to marketing and sales, the ability to automate marketing and sales operations through CRM software could significantly reduce workloads and improve productivity. As consumer needs and industry best practices continue to evolve, small- and medium-sized businesses that continue to adjust and implement innovative tools have an optimistic outlook for the future.

## Methodology

Act! partnered with Researchscape and V2 Communications to survey 1,146 U.S. small- and medium-sized business owners and managers in May 2022.

## About Act!

Act! is a leading provider of comprehensive CRM and marketing automation solutions that connect businesses with their customers. The company's offerings provide unrivaled value with more marketing capabilities than other similarly priced CRMs. With Act!, professionals build relationships, not just transactions. The company's all-in-one solution supports small and medium-sized professional businesses at any stage. For more information, visit <https://www.act.com/en-gb/> and connect with us on [LinkedIn](#), [Facebook](#) and [Twitter](#).