



## Importance of Targeted Digital Ads To EU Small Businesses Now and During 2022

### Summary

In a survey of 1,380 European small business owners and senior decision makers (“SME leaders”), an overwhelming 93% of respondents said that targeted digital advertising is useful for their business right now. 76% said targeted digital ads are valuable and important, and 34% said they are critical to their business. Perhaps reflecting continuing uncertainty about COVID-19 and in-person business, SME leaders project even higher adoption and value of digital targeted ads in 2022, with 94% projecting they will be useful, 79% valuable and important, and 35% critical.

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The Connected Commerce Council (3C) is a non-profit membership organization that promotes access to essential digital technologies and tools for SMEs. Our *Digitally Driven* research reports document how affordable and accessible digital tools have enabled millions of SMEs to survive and recover from the operational and financial challenges of COVID-19, both in [Europe](#) and the [U.S.](#)

Our prior *Digitally Driven* work found that most EU SME leaders feel that digital tools are valuable and important to running their business, particularly during COVID-19. Moreover, we found that digitally advanced SMEs (i.e., that use and value digital tools more) generate more revenue, attract and retain more customers, and hire more employees.

In this survey, we extend our research by asking EU SME leaders about one tool: digital advertising, and specifically data-driven targeted ads run through platforms such as Facebook, Google, Instagram, and YouTube. Data changes everything, and the data that these platforms incorporate into small business targeted advertisements enables SMEs to deliver their ads to specific kinds of customers, focus certain product advertisements on certain types of customers, and, ultimately, drive more sales, increase revenue, and build sustainable businesses. Targeted advertising helps keep tens of millions of people employed by EU-based SMEs.

**SMEs: Value of Targeted Digital Ads Right Now**

**93%**

**Useful**

**76%**

**Valuable and Important**

**34%**

**Critical**

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# Key Research Results

## A Large Majority of SME Leaders Say Targeted Digital Ads Are Important; More than One-Third Say They Are Critical

- 93% of EU SME leaders report that data-driven targeted ads are useful to running their business right now, with 76% saying they are valuable and important, and 34% reporting they are absolutely critical.
- 94% of EU SME leaders project that data-driven targeted ads will be useful to running their business this upcoming year, with 79% saying they will be valuable and important, and 35% reporting they will be absolutely critical.

## EU SMEs Target Digital Advertising At Relevant Customer Segments. Their Effectiveness Leads to Increased Sales, Revenue and Growth.

- One-in-four (24%) EU SME leaders say that data-driven targeted ads are among the most important digital tools helping their business grow and succeed.
- EU SME leaders report that targeted ads are helpful to their business for several reasons.
  - 40% - They are a cost-effective way to make people aware of my business
  - 39% - They allow my business to target customers in very specific ways
  - 39% - They allow my business to reach new customer segments
  - 39% - They allow my business to reach customers in new locations
  - 37% - They allow my business to scale up its growth
  - 36% - They allow my business to target some products to some customers and different products to different customers
  - 30% - They drive cost-efficient sales
  - 26% - They allow my business to recruit new employees or contractors

***The full results of our survey can be found [here](#).***

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# Definitions

**Digital tools:** Digital software, tools, and platforms that businesses use for any purpose

- An expanding small enterprise in France uses LinkedIn to find new employees in Switzerland
- A small enterprise uses Zoom to connect with clients and potential clients around the world through video conferencing

**Data-driven targeted ads:** Digital advertisements that reach audiences based on consumers' expressed preferences

- A financial planner advertises on Instagram to people who have previously clicked on retirement-related ads
  - A makeup company advertises to people who read about cosmetics and fashion
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