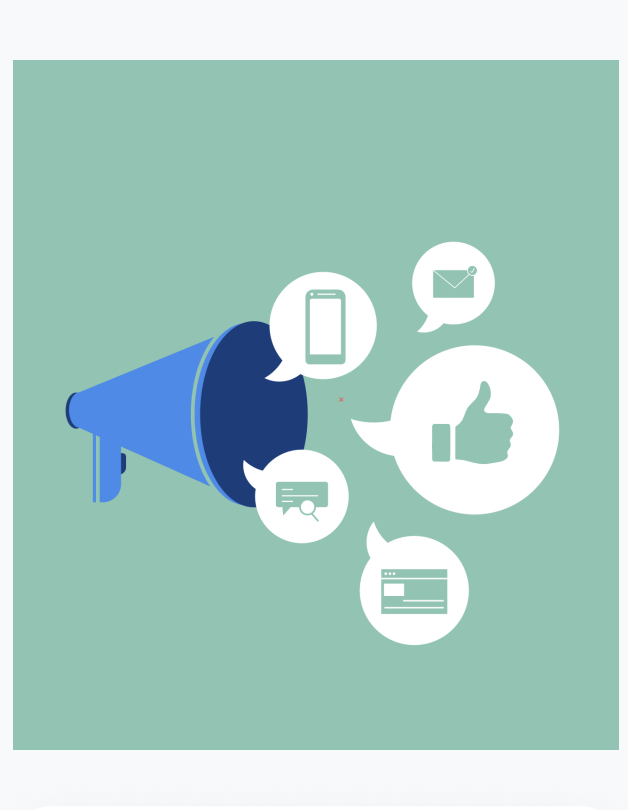
CallRail

Pros and cons of the top 9 marketing channels for small businesses



Small business owners today have good reason to connect with customers on more than one marketing channel. Why? Because consumers want to connect with brands on their favorite marketing channels. Zendesk reports that half of customers prefer to contact support on the channels they use personally. [1]

Meeting your target audience where they are, on their preferred channels, pays off. According to Omnisend, multi-channel marketing campaigns — those that include a mix of tactics like email, ads, and social media — drive a 287% higher purchase rate than single-channel campaigns.[2]

287%
the percentage amount higher companies see for purchase rate for multi-channel campaigns than single-channel campaigns.[3]

But as a small business, you likely have a small marketing budget that doesn't cover every communication channel out there. Make the most of your marketing efforts by closely evaluating the pros and cons of each channel so you know which ones are most effective for reaching your target audience.

1.“Zendesk Customer Experience Trends Report 2020,” Zendesk

2.“The 2020 Marketing Automation Statistics Report”, Omnisend

3.“The 2020 Marketing Automation Statistics Report”, Omnisend

1. Email marketing

Email is one of the most versatile channels available. Small and medium businesses can use this channel to distribute coupons or promotions, send surveys to collect feedback, ask for reviews, invite customers to join their referral program, and share educational content about your business that you've created.

$1 out = $36 in
For every $1 you spend on email marketing, you can expect $36 in return.[4]

4.“The ROI of Email Marketing,” Litmus

Pros

- You're engaging with warm leads by default as long as they've opted in (chosen to give you their contact info), and you can use the direct connection to their inbox for a more personal feel.
- You can split up (segment) your contact lists and send different emails to different audiences (new customers and long-term customers, for example). Segmented campaigns have a 14.31% higher open rate and 101% higher click rate.[5]
- Costs are low, and email marketing offers a high degree of agility. Writing emails isn't time-consuming or complex, and it's easy to pivot between campaigns or strategies based on what's working well.

5.“Effects of List Segmentation on Email Marketing Stats,” Mailchimp

Cons

- Marketers typically gauge email campaigns with vanity metrics — like opens and clicks — that don't always translate to leads and phone calls.
- There are privacy issues and laws, like GDPR[6] and CCPA[7], to contend with if users haven't opted in to receive your emails.
- Consumers receive so many emails per day — 306.4 billion emails were sent and received each day in 2020.[8] Your emails may get lost in the clutter or be seen as spam.

6.“What is GDPR?” GDPR.eu

7.“California Consumer Privacy Act (CCPA),” Office of the Attorney General of California

8.“Number of sent and received e-mails per day worldwide from 2017 to 2025,” Statista

If you're using ecommerce as a sales channel, consider sending reminder emails when someone abandons their cart. According to Klaviyo, the average abandoned cart email brings in $5.81 in revenue per recipient.[9]

9.“Ecommerce Industry Benchmark Report: Abandoned Carts,” Klaviyo

2. SMS/Text messaging

Through SMS marketing, you can send offers, promotions, coupons, and reminders directly through text message — and your customers are often eager to receive them.

66%
66% of consumers consider texting one of their top choices for communication with businesses.[10]

10.“2020 SMS Marketing Report,” SimpleTexting

Pros

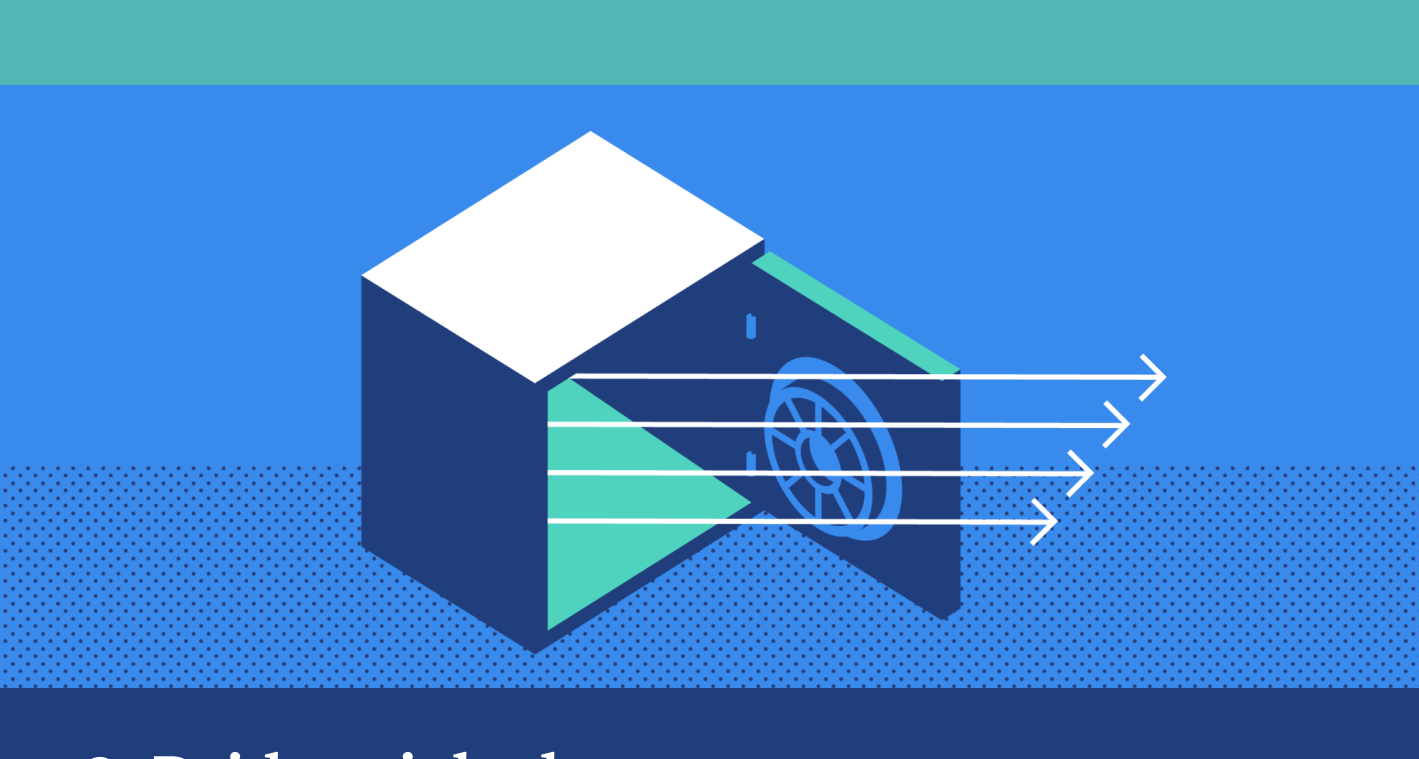
- People practically always have their phones on them, making open rates for SMS extremely high. One study found that 82% of U.S. smartphone owners open every text sent to them.[11]
- Texting makes it easier to stand out to customers since you're not competing against busy social feeds or email inboxes.
- There's a low barrier for entry — texting favors a more casual tone of communication over formal language, and there are no design elements needed.

11.“What is the open rate of SMS text messaging?” SHIFT Communications

Cons

- Texting customers directly can feel intrusive to some users, and messages that are irrelevant to them might seem like spam.
- You usually need to keep text messages short and sweet, so it's not a great channel for detailed, complex explanations or promotions.
- It can be difficult to track engagement and user activity from SMS marketing beyond open rates.

Include a link with every text to track conversions and drive customers to take a specific action. The link could go to a survey, a redeemable coupon, or a promotion page.



3. Paid social ads

Paid ads on social media platforms like Instagram, Facebook, LinkedIn, YouTube, and Twitter can help you boost your brand awareness and drive traffic to your website, content, or special offers.

145 minutes
The average amount of time an internet user spends per day on social media[12]

12.Source: “Daily social media usage worldwide,” Statista

Pros

- You can create hyper-segmented ads that target audiences based on factors like demographics, interests, and location.
- Paid ads boost your brand's visibility and engagement on those social channels.
- Social platforms offer detailed reporting and insights on ad performance so you'll know what's working.

Cons

- Newsfeed clutter can lead to low ad engagement. In Q2 2020, the clickthrough rate for social media ads was 1.3%.[13]
- Ad campaigns can be costly if they only bring you more social followers and not qualified leads.
- It takes time and resources to monitor ad performance and optimize campaigns to bring in leads.

13.“Social media advertising clickthrough rate,” Statista

Continuously monitor performance, test new ads and messages, and adjust audience filters and categories to find your sweet spot in a platform's complex algorithm and improve ad performance.

4. Google-based digital advertising

Place banner ads and pay-per-click (PPC) ads at the top of search engine results or on other websites to build brand awareness and retarget leads and customers.

Pros

- You can use digital ads to target customers based on a variety of factors — including keyword searches and the interactions with and actions they take on your website.
- Leads that click through PPC ads are typically closer to purchase since you're hooking them from intent-driven searches.
- You can get a lot of value for your investment. Google estimates $8 in profit for every $1 spent on Google Ads.[14]

14.“Google Economic Impact Report,” Google

Cons

- Some industries have a very high cost-per-click. CPC for the insurance industry was $20.12 in 2021, for example.[15]
- You may be competing with other ads or visual noise on the web page, making it hard to grab customers' attention.
- They often bring in higher quantities of low-quality traffic. Display ads see some of the highest bounce rates of any channel[16]

15.“Average cost-per-click in Google Ads in selected industries,” Statista

16.“2018 Google Benchmarks: Bounce Rate & Avg. Session Duration,” DigiShuffle

Be thoughtful about what happens when a customer clicks on a display ad. Create unique landing pages and optimize them for conversions (ideally with form submissions).

5. Organic search

The beauty of organic search? It costs nothing to rank on the first page of search results. And yet, organic search is still a high-value channel, consistently bringing in quality traffic and, most importantly, leads.

53.3%
of all website traffic comes from organic search[17]

17.“Channel Report 2019,” BrightEdge

Pros

- There are no costs for organic search from an advertising perspective. Reach the top of search rankings by building web pages and blog posts that comprehensively cover a topic (say, buying and selling homes).
- When you cover a topic and related subtopics well, it shows Google you're an authority on the subject, and you'll be rewarded with higher rankings that bring in more qualified leads.
- It's often easier to compete for branded, long-tail keywords that are specific to your business and that your target audience is searching for.

Cons

- SEO is a long game. You need to invest in a good strategy to create ranking content — meaning you may not see immediate results for new content, and you'll need to monitor and optimize performance to get there.
- Organic search results show up below paid search ads on search engine results pages (SERPs) and even Google Maps results, so customers may be less likely to see them.
- It's difficult to compete for broad, high-volume searches that speak to a wide audience. These keywords are targeted by competitors, making it harder to rank in organic search.

A simple step you can take is to search for a keyword or topic you want to rank for, and read a few of the top search results. Assess the competition so you can create something better than what's already published, in order to rank higher. And if you're out of your element here, reach out to an SEO agency or freelancer to get your business up to speed!

6. Google My Business

Google My Business (GMB) allows you to update all of your business information (location, hours, website, even photos) so potential customers can easily find it. When customers search your business name or click on it on Google Maps, they'll see a handy profile with all of that key info.

Pros

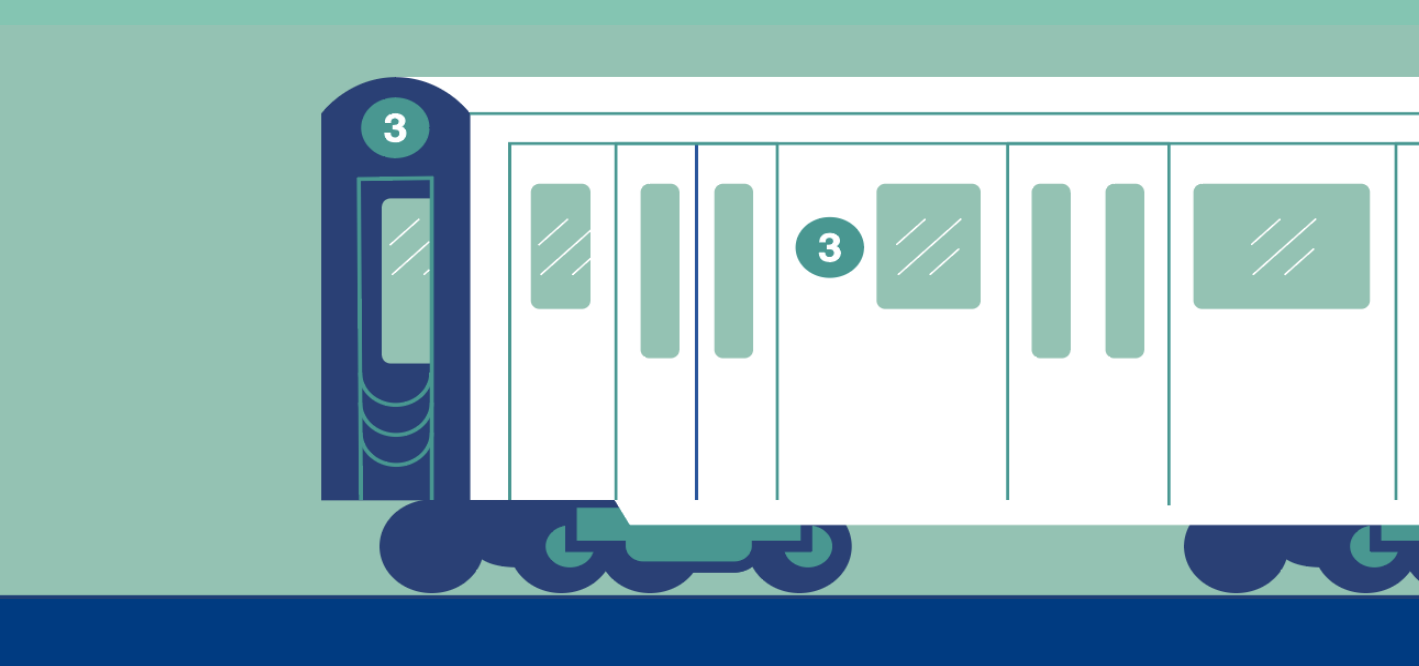
- Provide all the details your customers need to know about your business and how to contact you from a trustworthy source — yourself!
- GMB info is helpful for customers and offers the chance for you to interact with them through reviews and Q&As.
- A GMB entry increases the likelihood of your business appearing in search results when customers search for terms related to your industry.

Cons

- Although you can easily update or add new info,it might take time (up to 60 days) to completely delete info you previously added.[18]
- It can be time consuming to monitor and respond to questions and reviews.
- Negative reviews can hurt your reputation, especially if they aren't addressed carefully.

18.“Keep your business info up to date,” Google My Business Help

Always keep your business info up to date (make sure holiday hours are reflected, for instance) so it's easy for customers to contact you.



7. Out-of-Home advertising

Out-of-home (OOH) ads can be anything from billboards to bus stop benches. These ads are great for catching customers' attention when they're driving to the office or out and about in your community.

85%
of consumers believe OOH is useful, and 83% believe it is informative.[19]

19.“OOH Value Guide,” Outdoor Advertising Association of America

Pros

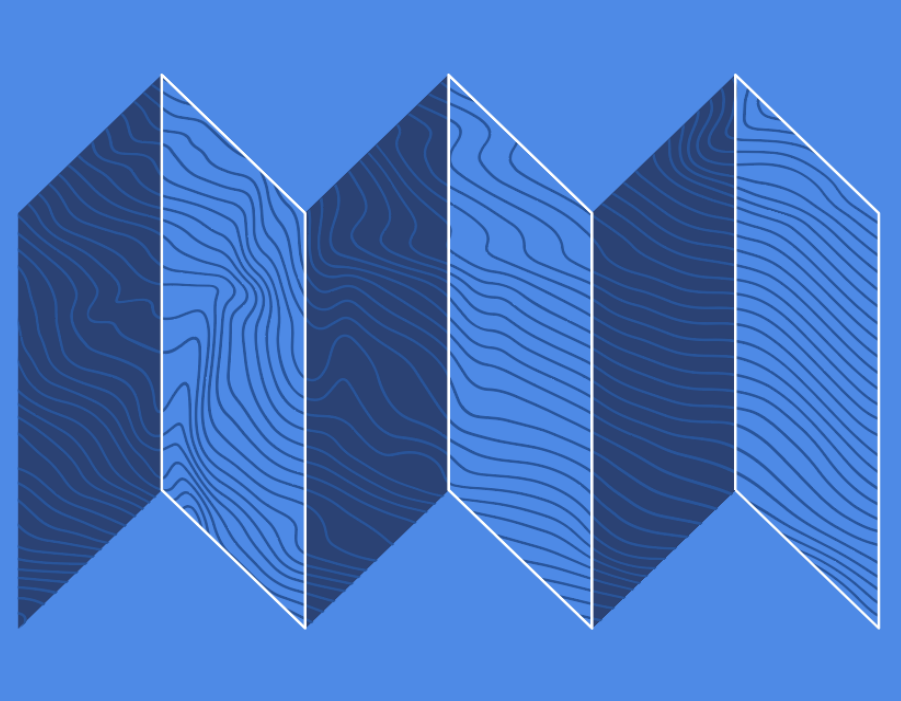
- OOH ads help you reach a large audience and build up great brand visibility in your community.
- ROI is high, with $2.80 in sales generated for every $1 spent on OOH ads.
- OOH ads are ideal for influencing purchase decisions when consumers are commuting home from work or out running errands.

Cons

- It's difficult to quantify performance and results for OOH ads, with no inherent tracking metrics available.[20]
- Ads like billboards can be expensive, and you may be locked in for a set period of time.
- You likely do not have a lot of time to communicate important contact info or calls-to-action.

20.“OOH Value Guide,” Outdoor Advertising Association of America

To help quantify performance for this medium, run split-tests using marketing attribution software like call tracking to see which OOH ad types and locations generate the most qualified leads.



8. Print marketing materials

Expand your brand's reach and entice customers to make purchases with printed materials. Brochures, flyers, coupon inserts, and local newspaper or magazine ads are all good ways to get your brand in front of more eyes.

Pros

- Consumers overwhelmingly view print ads as trustworthy. In one study, 82% of respondents said they trust print ads the most when making buying decisions[21]
- Printed materials like brochures and flyers help your business stay top of mind by giving leads and customers something tangible to hold on to and interact with.
- An ideal spot for print ads is a local publication. Market with them to show you're ingrained in your community and reach unique markets— for instance, placing an ad in a playbill for your local theater.

21.“Leading advertising channels trusted when making purchasing decisions in the United States as of October 2016,” Statista

Cons

- Like OOH, it can be hard to understand how ads are performing without clear metrics, as well as how many conversions and leads they're driving.
- Print ads can be expensive to place if you're targeting bigger publications, and printing costs can drive up expenses for creating collateral pieces like flyers and brochures.
- Some forms of print media are on the decline. In 2018, U.S. newspaper circulation reached its lowest point since 1940.[22] While people may be overwhelmed by digital media, the current audience for print is not as large.

22.“5 key takeaways about the state of the news media in 2018,” Pew Research Center

Use unique phone numbers and call tracking software for print ads to attribute leads to those materials and measure performance.

9. Radio/Podcast ads

Radio and podcasting remain two of the most effective channels for reaching a wide audience of potential customers. You can tell impactful stories about your business in a short time span and grab listeners' attention with captivating audio to create interest in promotions or events.

Pros

- Radio delivers a very high ROI. One study by Nielsen revealed a $17 return for every ad dollar spent for some industries.[23]
- There's a large listener base to reach: 92% of Americans still listen to radio.[24]
- Podcast listenership is exploding with a 16% increase year-over-year.[25] Chances are, there's a specialized podcast that aligns with your business or industry that you can sponsor with an ad buy.

23.“Radio Rediscovered: A Brand Manager's Guide to Radio,” Nielsen

24.“Audio Today 2019,” Nielsen

25.“US Digital Audio Ad Spending 2020,” eMarketer

Cons

- Cost can be a barrier for radio ads if you're located in a big metropolitan area or you're aiming for stations with large listener bases.
- Radio ad production can use up a lot of resources, requiring additional scripting and voice acting.
- The lack of visual elements can be limiting — something to keep in mind when scripting your ad.

Look for opportunities to sponsor a local or niche podcast to hit your target market. Use a tool like Podcorn to find podcasts to partner with that fit your brand profile.

Explore the channels that work for you

Weigh the benefits against the costs for each of these channels, and then start exploring the ones that work best for you based on your budget and goals.

While you definitely want to take into account the pros and cons of each channel, you also can't forget a critical component — uncovering which channels are most popular with your audience. To be successful in generating qualified leads, and increase the likelihood of conversion to customers, you have to strike a balance between picking popular channels and channels that best serve your target audience.

Are you already using a variety of marketing channels and want to find out if they're working for you? Download the definitive guide to discovering if and how your marketing strategy is working for your small business.

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