



Connected Commerce
Council

New 3C Report Highlights Connecticut Small Businesses' Concerns with Overregulating Data

A new report from the Connected Commerce Council (3C) highlights Connecticut small and medium-sized businesses' (SMBs') concerns that state or federal laws overregulating online data use and collection will make online advertising more expensive and less effective. The report found that a majority (77 percent) of Connecticut SMBs use data-driven online ads, and they're extremely important in helping SMBs know and communicate with existing customers, find new customers, and grow their business.

In Connecticut and across the country, data privacy legislation must strike a balance between promoting SMB success and protecting consumer privacy.

Key findings from the report show:

Connecticut small-business advertisers use data to make smart business decisions:

- 89% use nonsensitive data to enhance marketing efforts.
- 72% use data to remarket to customers and drive sales.
- 82% use general, anonymous customer location data to inform business decisions such as where to advertise, find growth opportunities, or open new locations.

Connecticut small-business advertisers use data-powered ads to compete, grow, and succeed:

- 87% say digital ads are important to their company's success.
- 83% say digital ads help their company compete with larger competitors.
- 83% say digital ads help them reach new customers, and 86% use them to reach local customers.
- 84% say digital ads deliver a better return on investment compared to traditional, offline ads (e.g. TV, radio, newspaper).

Restrictions on data-collection and -processing would hurt Connecticut small-business advertisers:

- 73% say their digital ads would be less effective if their advertising partners couldn't collect or process data.
- 76% of all Connecticut SMBs say that without access to personalized ads and analytics, they wouldn't be able to reach new customers efficiently.
- 55% say their businesses would be negatively impacted if data collection was restricted.

Methodology:

The Connected Commerce Council (3C) conducted an online survey of 4000 U.S.-based small- and mid-sized business (SMB; <500 FT employees) leaders, including 200 from Connecticut, who sell products or services to businesses and/or consumers. 3C also conducted “oversamples” in all 50 states to ensure they had a minimum number of interviews for separate standalone data state-by-state as needed.

The main survey was conducted between November 6-25, 2024, and the state oversamples were collected between November 17 and December 10. The main sample (N = 4,000) has a margin of error of +/-1.5%; the margin of error for the state oversample (N = 200) is +/-6.9% and higher for subgroups. Every person surveyed is an SMB leader who is involved in making decisions that affect their entire business.