



# **Yellow Social Media Report 2020.**

**Part Two - Businesses.**



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# Executive summary.

by Hayley Jovanovic | Chief Marketing Officer, Sensis

Welcome to the new edition of the Yellow Social Media Report – our deep dive into the social media habits of Australian consumers and small businesses.

We released the first Yellow Social Media Report in 2011, and have been surveying Australian consumers and businesses on how social media channels are being used ever since. These findings help Australian businesses stay connected with consumer social media trends. Yellow, as a market leader in providing social media services to Australian businesses large and small, is a part of the Sensis family.



## The commercial and marketing aspects of social media.

SMBs of all types use social media for reasons that are primarily marketing related. Although only a minority of SMBs advertise on social media, most of those who do, see it as effective. Consumers tend to be dismissive of social media advertising, however, solid minorities are receptive and influenced.

Leading reasons why SMBs use social media are to promote the business (33%), create awareness and exposure (28%) and generate sales (17%).

Sixty-three per cent of SMBs use social media channels to engage in two-way communication with customers and contacts. This incidence is at a majority level across the SMB base.

Thirty-seven per cent of SMBs have paid to advertise on a social media channel. This is higher for medium than small businesses (44% vs 34%) and in metro areas (41% vs 31%).

The average estimated annual expenditure by SMBs on social media advertising is just over \$3,000. Together with their average estimated expenditure on content and strategic management services (almost \$2,300 on each), SMBs spend a total of almost \$7,600 on their social media each year. As a percentage of their marketing budget (where one exists) this amount represents 12% on average.

Among the SMBs who have advertised on social media, Facebook (83%) has been used much more than others such as Instagram (22%), LinkedIn (16%) or Twitter (12%).

Regardless of the social media channel used for advertising, around 80% of SMBs say it was effective.





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## Following and trusting brands and businesses on social media.

**There is fertile ground for SMBs to build their brand on social media if they take steps to build trust and by offering incentives.**

One third of consumers agree that they will inspect a brand's social media presence before making an online purchase if they have not purchased from their website before.

Among consumers using Facebook and Instagram, 84% and 48% respectively claim to be following brands or businesses on those platforms. Females and those aged between 18 and 39 are above average in this behaviour.

Eighty-two per cent of consumers following brands or businesses on social media are keen on accessing benefits like discounts (62%) and give-aways (47%) from them. SMBs who offer incentives (39%) are in tune with this, being most likely to offer discounts (67%) and giveaways (45%).

Over half the consumers said they are more likely to trust brands if they interact positively with customers on social media (51%), make their content engaging and relevant (54%), and keep it regularly updated (53%). Among females and those aged 18-29 and 30-39 we find 60% or even more displayed such trust.

There is a polarisation of views about trusting brands because they have a large number of followers across sites like Facebook, Instagram or Twitter. However, females and those aged 18-29 and 30-39 are over-represented in those who are more likely to trust brands with many followers.

Twenty-three per cent of consumers like sponsored posts from businesses they follow on social media. However, 53% agree that they ignore sponsored posts from businesses they don't follow, with only 15% disagreeing.

Twenty-five per cent of consumers share brand content they have noticed on social media. This is done by around one third of those aged 18-39.

Thirty-seven per cent feel comfortable about having any of their content being posted on a brand channel. The older the person, the less likely they are to feel comfortable about this.

## Use and effect of social influencers and celebrities in social media marketing.

**The impact of social influencers may be having a greater effect on consumers than SMBs realise, although a majority of consumers claim to be negatively impacted by their brand posts.**

Only 5% of SMBs pay social influencers to promote their business, with most saying it has been effective rather than ineffective (61% to 27% with 12% unable to say).

Around one in four consumers agreed with the statements "I notice or follow any social influencer or celebrities when they post about a brand on social media" and "I am likely to trust posts by a social influencer or a celebrity if their post has been sponsored by a brand."

Sixty-three per cent of consumers say they are less likely to purchase from a brand if they notice any social influencers or celebrities posting something about that brand on social media; 15% are more likely to do so.

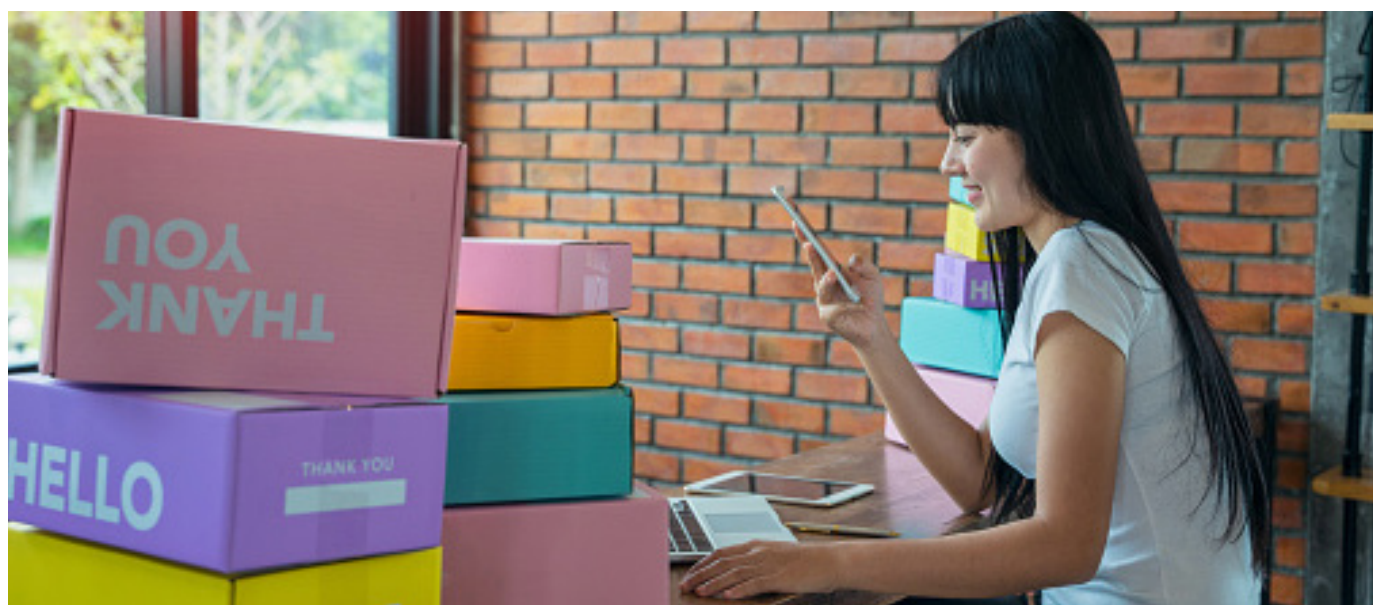
Females and the 18-29s are the most positively influenced by social influencers.





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## Online comments, ratings and reviews.

**These are proving to be a good engagement tool, as they are quite popular with consumers and most SMBs welcome and respond to them.**

Sixty-five per cent of SMBs invite online comments, ratings or reviews and 62% engage with people who provide feedback about their business via ratings and reviews on social media.

Forty-three per cent of consumers provide online ratings for a wide range of products or services, averaging seven in the last year. This incidence is higher for females and those aged 18-39.

Over two thirds of consumers (68%) read online reviews or blogs to find out what others think about products or services of interest. They average seven reviews before making a purchase decision.

Forty-two per cent have posted online reviews or blogs on products and services or entertainment, averaging six in the last year.

If a business gets back to the consumer after they posted a bad review, 26% said it would change their opinion of that business. Those aged 18-29 were above average in giving this response (39%).

## Measuring social media ROI and success.

**Several methods are used for these purposes by SMBs.**

Thirty-one per cent of SMBs measure their return on investment (ROI) from social media by monitoring response numbers on social media (60%), asking customers (58%) and new sales (32%).

The average estimated ROI from social media is 13%.

Social media success is measured through sales/revenue/profits (62%), number of followers/subscribers (51%), engagement with posts (35%) and take-up of incentives or offers (32%).

I hope you find the survey interesting, and if you would like to get access to the raw data, please email [will.clarke@sensis.com.au](mailto:will.clarke@sensis.com.au)



**Hayley Jovanovic**  
Chief Marketing Officer



# Methodology.

This report is based on research conducted with the public by Di Marzio Research and Glow from December 2019 to January 2020.

The research included 1,020 online interviews. Glow is responsible for the field work and Dynata for the sampling. Di Marzio Research analysed the research and compiled the report.

Data were weighted by location and industry, so the sample is reflective of the Australian small and medium business population. Sample sizes by size of organisation and industry are shown below.



Number of employees	Total
1 to 2 employees	295
3 to 4 employees	91
5 to 9 employees	126
10 to 19 employees	146
<b>Total small businesses</b>	<b>658</b>
20 to 99 employees	276
100 to 199 employees	86
<b>Total medium businesses</b>	<b>362</b>
<b>TOTAL</b>	<b>362</b>

Industry	Total
Manufacturing	109
Building / construction	140
Wholesale trade	70
Retail trade	191
Transport and storage	51
Communication, property and business services	106
Finance and insurance	83
Health and community services	110
Cultural, recreational and personal services	85
Accommodation, cafes and restaurants	75
<b>TOTAL</b>	<b>1,020</b>





# Australian SMBs on social media.



Facebook continues to be the most used social media platform by businesses regardless of industry, size (small or medium) and location. For a number of years, Facebook has been consistently used by 90% of SMBs ... that's a lot of likes!

Around one in three SMBs have branched out to other social platforms like LinkedIn (33%) and Instagram (32%), with YouTube (25%) and Twitter (22%) trailing just behind. There is no other social media platform that is used by more than 8% of SMBs.

## Q: What does your social media presence include?

	Total Sample
Facebook	90%
LinkedIn	33%
Instagram	32%
YouTube	25%
Twitter	22%
Snapchat	8%
Pinterest	7%
Blog	6%
Rating system	4%
Two-way online communication forum	4%
WeChat	4%
Tik Tok	2%
Weibo	1%
Other	3%
<b>Sample size</b>	<b>1020</b>

## Q: Which of these types of content does your social media presence include?

	Total
Written content	52%
Video	15%
Photos or images	54%
All of these	36%
<b>Sample size</b>	<b>1020</b>

For the majority of SMBs, their social media presence is made up of written content, photos, images and videos. This remains consistent across small to medium businesses and industries and locations.

Almost two thirds of SMBs (63%) use social media channels to engage in a two-way conversation with customers and contacts. SMBs who don't use it say it's because they don't see any need or benefit.



# Why are SMBs using social media?



Marketing continues to top the list of reasons given by SMBs to use social media. The marketing-related reasons given by SMBs included promoting the business (33%), creating awareness and exposure (28%), and generating sales (17%). Social media is also used by SMBs as a way to connect and interact with their customer and consumer base (19%).

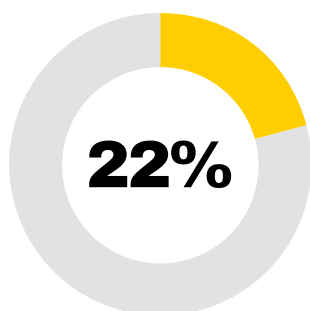
## Q: What is the main reason your business uses social media?

	Total Sample
Advertise / promote the business	33%
Create awareness / presence / grow brand / increase exposure / reach	28%
Avenue for contact / interaction / engagement / information	19%
Create new business / increase customer base / increase sales	17%
Keep up with the times / a good / effective tool	7%
Promote sales / special deals / products	3%
Other	11%
<b>Sample size</b>	<b>1020</b>





# What SMBs find frustrating about social media.



Not all publicity is good publicity. Twenty-two per cent of SMBs say they're concerned about receiving negative reviews or ratings online. Other frustrations related to social media use include dealing with technology and related issues (11%), the time and resources required to manage it (11%), and effective customer targeting (9%). Despite this, almost one in five SMBs (19%) said nothing about social media getting under their skin.

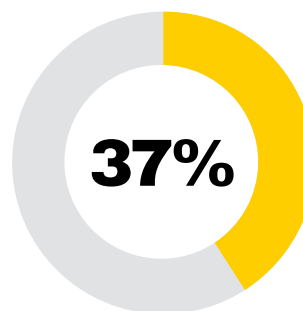
## Q: And what is the most frustrating aspect of social media for your business?

	Total Sample
Negative comments or reviews / difficulties with clients / trolls	22%
Problems / fake issues / data loss / technology / not working right	11%
Time required / time wasters / rubbish to sort through	11%
Trying to reach right people / build clients / targeting	9%
Constant changes / updating / upkeep / maintenance	8%
Lack of leads / generating sales or interest	8%
Thinking of new ads / content / how to stand out	5%
Costs / cost of advertising	2%
Not utilising it to full capacity	1%
Don't know	7%
Other	6%
Nothing	19%
Sample size	1020





# Advertising on social media.



Businesses continue to advertise on social media with 37% of the surveyed SMBs saying that they have paid for advertising. Advertising on social media is more common among medium-sized businesses than in small businesses (44% vs 34%) and in metro areas as opposed to rural (41% vs 31%).

The wholesale industry leads the pack as being most likely to advertise on social media (54%), meanwhile cultural and recreational services are the least likely to (26%).

Among the SMBs who have paid to advertise on social media platforms, Facebook (83%) is the platform of choice, with Instagram (22%), LinkedIn (16%) and Twitter (12%) trailing behind. Regardless of the channel SMBs have used for advertising, around 80% say their advertising was effective.

**Q: Have you paid to advertise on a social media channel? If yes: What channel did you pay to advertise on?**

Paid to advertise on social media	Total Sample (1020)	Business size		Location	
		Small (658)	Medium (362)	Metro (609)	R/R (411)
Yes	37%	34%	44%	41%	31%
No	63%	66%	56%	59%	69%

Channel	Total Sample (380)	Small (221)	Medium (159)	Metro (251)	R/R (129)
Facebook	83%	87%	78%	80%	90%
Instagram	22%	16%	30%	24%	19%
LinkedIn	16%	11%	22%	21%	6%
Twitter	12%	8%	18%	15%	7%
Snapchat	4%	3%	5%	4%	4%
Other	6%	6%	6%	4%	9%



# SMBs and social media strategy.



One in five SMBs (21%) do not have a strategy to drive traffic to their social media channels. Small businesses are less likely than medium businesses to have a social media strategy (26% vs 13%). Similarly, businesses in regional areas are less likely to have a strategy in place than businesses in metro areas (28% vs 17%). Thirty-four per cent of businesses in the cultural and recreational industry do not have a social media strategy.

The most prominent way for SMBs to drive traffic to their social media channels is through links on their business website (50%). Liking, following or subscribing to other businesses or users on social media is another relatively popular method (26%). Medium businesses are more likely to advertise on traditional media (21%) or on other websites (19%) than small businesses.

Only 5% of SMBs admit to paying social influencers to promote their business. Of those who did pay to use social influencers, 61% say the tactic was successful.

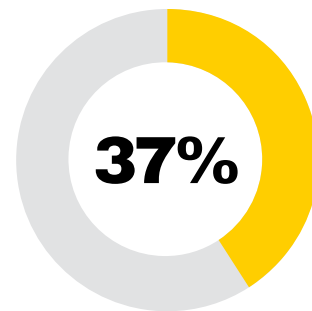
## Q: How do you drive traffic to your social media presence?

	Total Sample	Business size		Location	
		Small	Medium	Metro	R/R
Have links on our website to our social media sites	50%	48%	54%	52%	46%
I Like (Facebook) / Follow (Twitter) or subscribe (YouTube) to others on social media platforms	26%	25%	27%	27%	24%
Advertise our social media presence in traditional media	21%	17%	28%	23%	18%
Advertise on other websites	19%	15%	26%	22%	16%
Include links in directories	15%	14%	16%	16%	13%
Events	13%	11%	18%	14%	12%
Competitions	11%	9%	14%	10%	12%
Pay social influencers to promote our business	5%	3%	7%	6%	2%
Other	3%	3%	3%	3%	4%
We don't have a strategy to drive traffic to our social media presence	21%	26%	13%	17%	28%
<b>Sample size</b>	<b>1020</b>	<b>658</b>	<b>362</b>	<b>609</b>	<b>411</b>





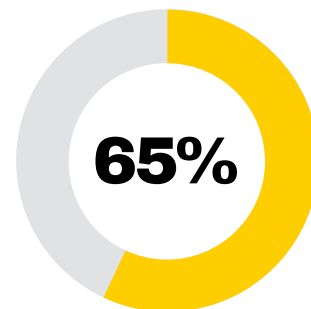
## Offering incentives via social media.



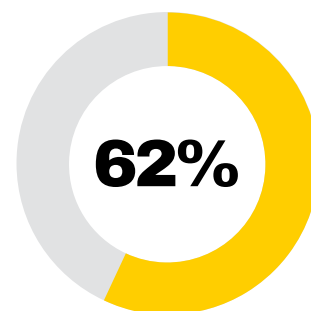
Aussie SMBs are a generous bunch, with 37% saying they offer incentives to current and potential customers via social media. This practice is most common in the wholesale (56%), hospitality (55%) and retail (54%) industries. Among the incentives offered, the most popular types are discounts (67%) and giveaways (45%).



## Online comments, ratings and reviews.



Feedback is the breakfast of champions. Sixty-five per cent of surveyed SMBs actively invite customers to leave online comments, ratings or reviews about their business, products or services. A large number of SMBs keep track of comments, ratings or reviews manually (46%) or via statistics or analytical tools (26%). Among medium-sized businesses, 27% have a dedicated department or staff member (27%) responsible for tracking feedback.



Sixty-two per cent of SMBs engage with those who provide feedback, ratings and reviews on social media. A majority of small and medium businesses across all locations and industries respond to feedback, except for the transport industry.





## Business investment in social media.



We asked SMBs about their annual social media spend across three categories: content writing, design and creation; advertising costs; and strategic management.

Shown is the average spend for each category, as well as the average total amount businesses spend annually on social media services.

As you can see, medium businesses spent almost three times as much as small businesses during the previous year. Of the three categories, advertising costs are allocated the majority share of the social media budget.

Estimated annual spend on social media	Total SMBs	Small businesses	Medium businesses
Content services	\$2,256	\$1,404	\$3,791
Advertising	\$3,044	\$2,141	\$4,697
Strategic management	\$2,286	\$1,258	\$4,165
<i>Total spend on above social media services</i>	<i>\$7,586</i>	<i>\$4,803</i>	<i>\$12,653</i>





# Marketing budgets and social media.



One in four SMBs (25%) do not allocate any of their marketing budget to social media costs. Compared to medium businesses (10%), small businesses (33%) are less likely to allocate marketing spend on social media.

For businesses that do allocate marketing budget to social media costs, the average across the board is 12% of the total marketing budget. The percentage of budget spent on social is higher in medium-sized businesses opposed to small business (16% to 11%), and slightly higher in metro areas compared to regional areas (13% vs 11%).

By industry, the average budget allocation for social spend ranges from 10% in building and construction to 15% in retail, finance and insurance.

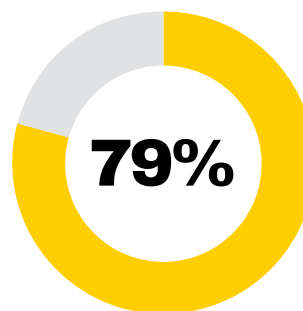
**Q: Approximately what percentage of your marketing budget is allocated to social media?**

	Total Sample	Business size		Location	
		Small	Medium	Metro	R/R
None	25%	33%	10%	20%	33%
Up to 10%	30%	31%	28%	33%	25%
11% - 20%	17%	12%	25%	20%	12%
21% - 50%	8%	7%	9%	10%	5%
Over 50%	5%	5%	5%	5%	5%
Don't know / Prefer not to say	15%	11%	22%	12%	19%
<b>Sample size</b>	<b>864</b>	<b>580</b>	<b>284</b>	<b>531</b>	<b>333</b>

Notes: R/R = Regional / Rural.



## Social media management.



Seventy-nine per cent of SMBs manage their social accounts internally, rather than asking someone else to do it. Despite the strong preference, partial outsourcing has been adopted by 14% of SMBs, while 8% of SMBs have chosen to fully outsource this task to external agencies. Outsourcing social media work is more common among medium-sized businesses than smaller ones (26% to 18%).

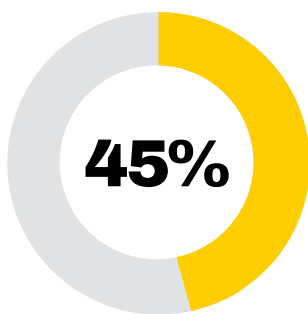
Within small businesses, the business owner or manager is most likely to be responsible for the social media management (71%). Whereas, in medium businesses the percentage of owners taking responsibility drops to 25%. In businesses of this size, one particular department — often marketing (36%), IT (21%) or communications (15%) — is responsible for managing the social media channels. Interestingly, this is more prevalent in metro areas compared to regional areas.

When SMBs seek social media support it's most likely to come from digital agencies (32%), freelancers (26%) or specialist social media agencies (19%).

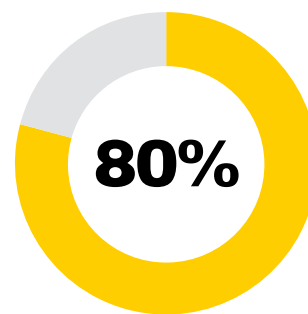




# How often do businesses update their social media?



Almost half the SMBs (45%) monitor or update their social media accounts at least once a day ... that's dedication!



Meanwhile, 80% do so at least one a week.





# Measuring social media ROI.



Less than one in three (31%) SMBs measure their return on investment (ROI) in social media. Measuring ROI is more common in medium businesses than small (40% vs 26%) and more common in metro areas compared to regional (36% vs 24%).

Businesses in the wholesale industry (54%) are the most likely to measure social media ROI.

For those SMBs who do measure ROI on social spend, the most common methods used include monitoring response and engagement statistics through social platforms (60%), asking customers in person or via email (58%), and through an increase in sales (32%).

Among the surveyed businesses, the average expected ROI on social media spending is 13% (11% among small businesses, and 15% among medium-sized businesses).

## Q: Do you measure your return on investment (ROI) into social media?

Measure ROI into social media	Total Sample	Business size		Location	
		Small	Medium	Metro	R/R
Yes	31%	26%	40%	36%	24%
No	69%	74%	60%	64%	76%
<i>Sample size</i>	<i>1020</i>	<i>658</i>	<i>362</i>	<i>609</i>	<i>411</i>
How ROI is measured (main reasons)					
Monitoring numbers of responses on social media	60%	55%	66%	60%	61%
Asking your customers how they found you	58%	63%	52%	57%	61%
New sales	32%	35%	28%	28%	40%
A third-party statistics provider	21%	18%	26%	22%	21%
Specific offers for social media take-ups	19%	18%	21%	20%	18%
Saving a customer	15%	14%	16%	17%	10%
Through the platform's own insights	15%	15%	14%	14%	16%
Online / automated / analytical tools such as Hootsuite, Mention or Keyhole	11%	10%	13%	12%	9%
Other	2%	2%	1%	2%	2%
<i>Sample size</i>	<i>318</i>	<i>173</i>	<i>145</i>	<i>218</i>	<i>100</i>

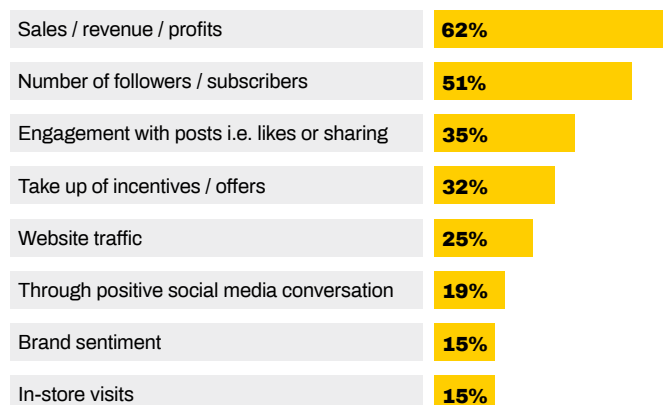


# How SMBs measure social media success.



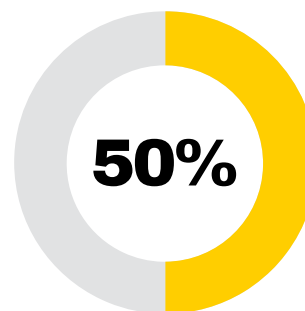
The majority of SMBs surveyed link the successful use of social media with a rise in sales, revenue and profits (62%). Other successful measures include the number of followers or subscribers (51%), the amount of user engagement with posts and content (35%), the take-up of incentives or offers advertised on social media (32%) and website traffic (25%).

## Q: How do you estimate the success of your social media?



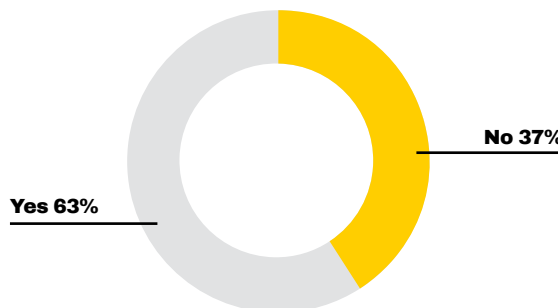


# What do the next 12 months look like for SMBs?



Half the SMBs surveyed (50%) expect to spend the same amount on social media over the next year. Sixteen per cent indicate that they will spend more, while 9% believe they will spend less. Meanwhile, more than one in five were unsure. Just over two-thirds of SMBs (63%) have high hopes in their social media investment and believe it will contribute to increased sales in the next year. On average, SMBs expect their social media spend will increase sales by 12%.

**Q. Do you believe that your social media investment will contribute to an increase in sales in the next 12 months?**







## Case study.

### Austrack Campers.



### How a Yellow Social Ads campaign led this Aussie SMB down a new customer track.

Operating for 14 years, Austrack Campers is a trailer and hybrid camper manufacturer with showrooms in Queensland and Melbourne. The business focuses on delivering top quality products at reasonable prices.

Partnering with Yellow since 2017, Austrack were already using Yellow SEM, SEO and Yellow Online. Wanting to expand the audience base even further, it was decided to trial a Yellow Social Ads campaign.

### More than likes.

While Austrack already had a social account, Austrack director Linden Lawson understood the need to get a professional in to help turn the platform into a valuable sales tool for the business.

“Yellow has an expert understanding on targeting areas for more results. Plus their approach on content and post timing is all strategically based. There’s no guess work.”

### What does social success look like?

“Our Yellow Social Ads campaigns delivers a bit of everything,” says Linden.

“Form fills on Facebook for product enquiries, which we receive via a list from Yellow every day. Plus we also get lots of straight requests and website clicks.”

In terms of content success, Linden lists videos as their preferred post style, “Pictures say a thousand words but video takes it a step further.”

After nearly a year running the campaign, Linden says social ads now play a “massive” role in marketing his business, “and it’s growing day by day.”

**Since the campaign started in March 2020, Facebook leads have increased by 265%.**

In addition to a lead generation campaign, Yellow also designed a social content marketing campaign which has seen Austrack’s Facebook followers increase by 51%.

### 2020 and beyond.

When asked for his tip on emerging social trends, Linden says, “I’ve noticed businesses are starting to post more fun, light-hearted content, which is gaining traction. Social media is also becoming more interactive, therefore engagement with potential customers is more important than ever.”

“Fundamentally, social media is super important to any business – it’s targeted and engaging, and it gives you more bang for your buck.”

 [@austrack](https://www.instagram.com/austrack)

 [facebook.com/austrack/](https://www.facebook.com/austrack/)



## Case study.

### Grand Auto Wreckers.



### How Yellow helped an unlikely social butterfly build their business on social.

Grand Auto Wreckers, in Lonsdale, SA, are Datsun parts specialists and the number one source of Nissan 4x4 parts in Australia, delivering to customers right across the country.

Partnering with Yellow for over 20 years, Grand Auto Wreckers have historically relied on fairly traditional marketing products, with an ad in the print books and more recently expanding to online with a paid listing on Yellow Online.

Three years ago, however, Director Anthony Norris started talking to Yellow about social media as a lead generating tool for the business.

### Why social media ads?

Like many proactive businesspeople, Anthony was keen to take advantage of the explosion in social media in Australia and reach a younger audience.

“We wanted to target the right audience - people looking for the products and services we offer to help them get their car back on the road,” says Anthony.

“I knew social was going to be a big marketing platform, so I wanted to be on top of things,” he says.

And he was right.

As Anthony tells us, “Over the past 3 years our targeted Yellow Social Ads have produced a load of networking opportunities and lots of people ring us specifically from seeing the ads.”

**Yellow Social Ads delivered a 186% increase in clicks to Grand Auto Wreckers' website from January to February.**

### The impact of coronavirus.

In the past few months Anthony has seen an increase in leads coming from both his social media platforms and via eBay. While not surprising given how much time Aussies have been spending online recently, this highlights how important it is to maintain a consistent social media presence.

### Where to now?

Given that Anthony thinks social generates about 20-30% of his business, he's sticking with the plan.

“We notice that as soon as a new Yellow Social Ad goes out, we get a spike in calls,” he says.

 [facebook.com/grandautowreckers/](https://facebook.com/grandautowreckers/)



## About Yellow.



Yellow is the champion of Australian small and medium businesses. Its brands include Yellow Pages, True Local, Where's, Found Digital, and Pocket Office. Yellow also provides an extensive range of digital marketing services including search engine marketing, search engine optimisation, digital display, websites and social media services for all business types. Yellow is a division of Sensis – Australia's leading marketing services company. Other Sensis brands include White Pages, Connect, Connect Plus and Sensis Data Solutions.

This year, the Yellow Social Media Report has been released in two parts, with this edition focusing on the results of the consumer survey. A second report features the business survey results.

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