



Yellow Social Media Report 2018.

Part Two - Businesses.



Table of Contents.

Executive Summary	03
Methodology	05
Australian businesses and social media	06
Use of social media – summary.....	08
Use of social media by industry sector (small & medium businesses).....	10
Use of social media by location (small & medium businesses).....	11
Main reason for using social media.....	12
Most frustrating aspect of using social media.....	13
Social media uses.....	14
Advertising on social media.....	16
Who is responsible for a business’ social media presence?.....	17
How often do businesses update their social media?.....	18
How is traffic driven to a business’ social media presence?.....	19
Business investment in social media.....	20
Percentage of marketing budget allocated to social media.....	21
How businesses measure success of their social media investment?.....	22
Do businesses have a strategic plan for social media?.....	26
Expectations for the next 12 months.....	27
About Yellow	29



Executive summary.

About this Yellow Social Media Report – Business Survey.

The Yellow Social Media Report contains the results of research which commenced in 2011 surveying Australian consumers and businesses on how social media channels are being used.

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 and we have changed the name of the report in recognition of their expertise.

This year, the report has been released in two parts, with this edition focusing on the results of the business survey. Part One features the consumer survey results.

The business survey involves 1,100 telephone interviews with small, medium and large businesses across the nation. More details on the methodology are provided further on in this report.

For the purposes of this report, the term social media refers to:

- Social networking websites such as Facebook, Google+, LinkedIn, Twitter, Instagram
- Online blogs and online rating and review mechanisms

The findings detailed in this report aim to help Australian businesses to make more informed decisions about how to use these channels to engage with consumers.

Australian businesses and social media.

Sales and marketing purposes remain the key catalysts behind using social media for both SMBs and large businesses. Providing a line of contact is also influential.

The proportion of businesses with a social media presence has reached the highest level recorded. More than half the small (51%) and medium businesses (58%) have a social media presence, while for large businesses the incidence is 85%.

Among SMBs without a social media presence, 12% of the small businesses and 5% of the medium businesses intend to obtain one in the next year. For those businesses reluctant to be on social media, the dominant barrier is a perceived lack of benefit.



Businesses with a social media presence has hit an **all-time high**



1,100 Australian businesses surveyed

Just over six in ten SMBs and large firms believe that social media will contribute to increased sales in the next year. The average expected sales increase is 11% for small firms, 15% for medium and 16% for large firms.

As discovered last year, around nine in ten small (90%), medium (88%) and large businesses (92%) using social media have a Facebook profile. Instagram has become the second most popular platform for small businesses (up eight points to 27%), but that mantle remains with LinkedIn for medium (up seven points to 48%) and large businesses (down nine points to 73%). LinkedIn is the third most popular platform for small businesses (down one point to 23%).

Twitter has much stronger appeal to large businesses (up five points to 60%) and medium businesses (up nine points to 45%) than small businesses (down 10 points to 14%). Instagram's penetration is also correlated with business size – 27% for small businesses, 39% for medium businesses and 46% for large businesses. Platforms other than those mentioned still struggle to gain traction in the business sector.

Consistent with prior results among businesses using social media, written content, videos and images feature commonly on their social media platforms.

Internal management of social media profiles continues to be favoured. In small businesses, the owner remains much more likely to manage the social media accounts, but within medium and large businesses the marketing department takes that responsibility more than others.

The frequency of social media updates has decreased for small and large businesses and increased for medium businesses. In 19% of small businesses, 41% of medium and 68% of large businesses, daily updates occur.

Last year, 95% of large businesses were using social media platforms as a two-way communication channel but that has fallen to 76%. This compares with 51% of small firms (previously 58%) and 48% of medium firms (previously 41%).

Not as many small and large businesses are inviting online comments, ratings and reviews on their social media pages as in 2017. Inviting feedback decreased from 60% to 57% among small firms and from 92% to 76% for large firms. In medium firms, this incidence was up one point to 53%.



Executive summary.

Engaging with those providing feedback was at the same level as in 2017 among small businesses (61%), grew for medium businesses (from 51% to 56%) and declined within the large business sector (from 93% to 84%).

Since 2013, a quarter or slightly more small businesses using social media have offered incentives on that platform and the latest incidence is 27%. There has been greater variation among medium and large businesses. Now, 27% of the medium businesses offer such incentives but this has been as high as 43% in 2014 while 31% of large businesses do so. This is up from 17% last survey but well below the high of 41% observed in 2014. Popular incentives are discounts and give-aways.

Having a strategic plan for social media and the annual expenditure allocated to it remain correlated with business size. Strategic plan incidences are 30% for small businesses, 45% for medium and 80% for large businesses. An annual expenditure exceeding \$10,000 was discovered in 7% of small businesses, 21% of medium businesses and 43% of large businesses. As part of their marketing budget, a greater proportion is allocated to social media by SMBs (around 20% on average) than large businesses (10%).

Almost half of the spend on social media is allocated to advertising, around a third to content services and the balance to strategic management services across all businesses.

Links on the company's website continue to be the most popular method for generating social media traffic for both SMBs and large businesses.

Small (34%) and medium businesses (49%) are advertising on social media to a greater degree than we have previously seen while for large businesses there was a 10-point increase to 52% this year, but this is nine points lower than in 2016.

Facebook is again the preferred channel for SMBs and large businesses advertising on social media. Around nine in ten have advertised on Facebook. The next most popular platform used for advertising has been Instagram – by 10% of small businesses, 22% of medium businesses and 30% of large businesses. Most businesses believe their social media advertising has been effective across all platforms used.

In line with prior findings, only a minority of small (21%), medium (32%) and large businesses (35%) measure their return on investment (ROI) on social media. Response numbers, asking customers and new sales are the main ways in which businesses of all sizes measure their social media ROI. The average estimates for ROI on social media are 24% for small and large firms and 19% for medium-size firms. Across the board, the key measures of their social media success continue to be the number of likes, followers and subscribers and the sales, revenue and profits.

Very few businesses expect to reduce their social media expenditure in the coming 12 months. Among those who foresee a change in their social media spend, it is much more likely to be an increase than a decrease. SMBs expecting to spend more on social media in the coming year appear less likely to fund it by decreasing their expenditure in other marketing or advertising activities, in contrast to the large businesses. Where increased social media expenditure is likely to be funded by sacrificing spend elsewhere.



Facebook is
businesses leading
social media platform



Methodology.

This report contains the results of research with Australian-based businesses conducted by Di Marzio Research and TKW from March 1 to April 11, 2018.

Business survey.

The findings are based on telephone interviews with 1,002 SMB and 100 large business proprietors/managers across Australia. The data for the SMB sample has been weighted*, as for the SBI, based on business size, industry and location to ensure the sample is reflective of the actual small and medium size business population across Australia.

The sample distribution is shown in the table below:

Number of employees	Sample #
1 to 2 employees	356
3 to 4 employees	146
5 to 9 employees	217
10 to 19 employees	183
Total small businesses	902
20 to 99 employees	81
100 to 199 employees	19
Total medium businesses	100
200 to 999 employees	82
1000+ employees	18
Total large business	100
GRAND TOTAL	1102

Industry – small and medium businesses	Sample #
Manufacturing	110
Building/construction	148
Wholesale trade	64
Retail trade	149
Transport and storage	54
Communication, property & business services	184
Finance and insurance	75
Health and community services	80
Cultural, recreational and personal services	85
Accommodation, cafes and restaurants	53
GRAND TOTAL (not including large business)	1,002



***Please note:** Only the data relating to the SMBs surveyed has been weighted. Prior to 2015 the weighting was by selected ANZSIC (industry sector) divisions within the metropolitan and non-metropolitan region of each state and territory as per the Australian Bureau of Statistics (ABS) Business Register of June 1998. Since 2015, the weighting has also been by industry, location and business size but based on the most current ABS data contained in the publication 8165.0 - Counts of Australian Businesses, including Entries and Exits, Jun 2009 to Jun 2013. Some adjustments to this weighting data were also made (by Sensis) to exclude firms with a turnover of under \$50,000 per annum (non-operating and/or non-employed firms).



Australian businesses and social media.

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Consistent with prior results among businesses using social media, written content, videos and images feature commonly on their social media platforms.

Internal management of social media profiles continues to be strongly favoured over outsourcing of this function across all businesses. In small businesses, the owner remains much more likely to manage the social media accounts, but within medium and large businesses the marketing department takes that responsibility more than others.



Nine in ten businesses have a Facebook profile



Almost half of spend on social media is allocated to advertising

The frequency of social media updates has decreased for small and large businesses and increased for medium businesses. In 19% of small businesses, 41% of medium and 68% of large businesses, daily updates occur.

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Not as many small and large businesses are inviting online comments, ratings and reviews on their social media pages as in 2017. Inviting feedback decreased from 60% to 57% among small firms and from 92% to 76% for large firms. In medium firms, this incidence was up one point to 53%.

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Since 2013, a quarter or slightly more small businesses using social media have offered incentives on that platform and the latest incidence is 27%. There has been greater variation among medium and large businesses. Now, 27% of the medium businesses offer such incentives but this has been as high as 43% in 2014 while 31% of large businesses do so. This is up from 17% last survey but well below the high of 41% observed in 2014. Popular incentives are discounts and give-aways.

Having a strategic plan for social media and the annual expenditure allocated to it remain correlated with business size. Strategic plan incidences are 30% for small businesses, 45% for medium and 80% for large businesses. An annual expenditure exceeding \$10,000 was discovered in 7% of small businesses, 21% of medium businesses and 43% of large businesses. As part of their marketing budget, a greater proportion is allocated to social media by SMBs (around 20% on average) than large businesses (10%).

Almost half of the spend on social media is allocated to advertising, around a third to content services and the balance to strategic management services across all businesses.



Australian businesses and social media.



More than half of small (51%) and medium (58%) businesses have a social media presence

Links on the company's website continue to be the most popular method for generating social media traffic for both SMBs and large businesses.

Small (34%) and medium businesses (49%) are advertising on social media to a greater degree than we have previously seen while for large businesses there was a 10-point increase to 52% this year, but this is nine points lower than in 2016.

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Very few businesses expect to reduce their social media expenditure in the coming 12 months. Among those who foresee a change in their social media spend, it is much more likely to be an increase than a decrease. SMBs expecting to spend more on social media in the coming year appear less likely to fund it by decreasing their expenditure in other marketing or advertising activities, in contrast to the large businesses. Where increased social media expenditure is likely to be funded by sacrificing spend elsewhere, print advertising was nominated most of all.





Use of social media – summary.

Social media presence in the business sector has reached the highest level recorded. More than half the small and medium

businesses have a presence, while among large businesses the incidence is 85%.

Proportion of businesses with social media presence	Total sample							
	2011 %	2012 %	2013 %	2014 %	2015 %	2016 %	2017 %	2018 %
Small (902)	14	27	30	36	30	48	47	51
Medium (100)	25	34	47	48	32	54	49	58
Large (100)	50	79	79	77	56	79	60	85

QB1a. Does your business have a social media presence? This might include having a Facebook page, Google Plus+, YouTube, Pinterest, Vine, Instagram being active on Twitter or LinkedIn, having a blog, hosting forums or having a social media-based rating system. **Notes:** 1. Asked of all businesses. 2. **Latest sample size shown in brackets.**

Facebook is used by around nine in ten SMBs and large businesses, which is consistent with the 2017 results. LinkedIn remains the second most popular platform for medium (up seven points to 48%) and large businesses (down nine points to 73%), but was overtaken by Instagram (up eight points to 27%) in the small business sector. In 2017, 35% of small businesses had a LinkedIn presence. Twitter increases in popularity with business size, from 14% of small businesses (24% in 2017) to 45% of medium size businesses (36% in 2017) and 60% of large businesses (55% in 2017). This is also true for YouTube which is less prevalent in small (5%) than medium (11%) or large (34%) businesses. Platforms other than those mentioned have minimal presence in small, medium or large businesses. Written content, photos and videos are used by most of the businesses with any social media presence. This was true in 2017 too.

Having a business social media presence has reached the highest level recorded

Social media presence includes	Use social media		
	Small (478) %	Medium (60) %	Large (85) %
Facebook	90	88	92
Instagram	27	39	46
LinkedIn	23	48	73
Twitter	14	45	60
Google Plus (Google+)	5	11	9
YouTube	5	11	34
Pinterest	2	1	2
Blog	2	6	4
Two-way online communication forum	1	1	2
Snapchat	1	1	1
Vine	0	1	0
Rating system	1	1	0
Social media content includes			
Photos or images	41	47	0
Written content	36	35	5
Video	4	3	5
All the above	52	52	93

QB2a. What does your social media presence include? **QB2d.** Which of these types of content does your social media presence include? **Note:** Asked only of businesses who use social media.



Use of social media – summary.

Among businesses not using social media. 3% of small businesses and 7% of medium businesses had a presence before. Among the small number able to answer this question, the key reason for removal is that social media took too much time to manage. Only three businesses were found to have any social media pages that are no longer updated.

Twelve percent of small businesses, 5% of medium businesses and 27% of the few large businesses not currently using social media expect to adopt it in the next year. Those without plans to take up social media do not see a benefit for their individual business.



Proportion of businesses that...	Don't use social media		
	Small (424) %	Medium (40) %	Large (15*) %
Have had a social media presence in the past	3	7	0
Intend to get a social media presence in the next year	12	5	27

QB1b. Has your business had a social media presence in the past? **QB1d.** Are you planning on getting a social media presence in the next 12 months?

Notes: 1. Asked only of businesses who don't use Social media. 2. *Caution – small sub-sample size.

Reasons not planning to have social media presence in next year	Don't intend to use social media in next year		
	Small (381) %	Medium (38) %	Large (11*) %
Don't see any benefit	59	39	73
Takes too much time	15	10	45
Don't understand social media	5	6	9
Too expensive	1	0	0
Too risky	2	9	0
Other	27	45	9

QB1e. Why not? **Notes:** 1. Asked only of businesses who don't intend to have a social media presence in the next year. 2. *Caution – small sub-sample size.



Use of social media by industry sector (small & medium businesses).

By industry, businesses in the Cultural, Recreational and Personal Services have become the most likely to have a social media presence, followed by those in Retail Trade then Hospitality. Previously, the Hospitality sector recorded the most widespread social media presence. Also above average are Health and Community Services and the Communication, Property and

Business Services sectors with Wholesale Trade's social media presence at the national average for SMBs. The Transport and Storage, Finance and Insurance, Building and Construction, and Manufacturing sectors again take up the bottom four positions on this measure, although their social media presence has increased relative to last year.

Proportion of SMBs with social media presence	All SMBs							
	2011 %	2012 %	2013 %	2014 %	2015 %	2016 %	2017 %	2018 %
Total SMBs	15	27	31	37	31	48	47	51
Cultural, recreational and personal services	41	58	60	59	49	77	66	79
Retail trade	14	30	32	50	41	61	58	67
Accommodation, cafes and restaurants	33	47	54	59	45	60	70	60
Health and community services	4	23	23	26	42	49	47	58
Communication, property and business services	14	30	27	44	24	60	58	56
Wholesale trade	13	27	44	21	32	45	53	51
Manufacturing	9	16	18	26	19	35	40	44
Building and construction	5	10	25	19	19	32	34	39
Finance and insurance	10	13	18	26	29	41	32	38
Transport and storage	18	23	17	13	32	38	27	29

QB1a. Does your business have a social media presence? This might include having a Facebook page, Google Plus+, YouTube, Pinterest, Vine, Instagram being active on Twitter or LinkedIn, having a blog, hosting forums or having a social media-based rating system. **Note:** 1. Asked of all SMBs – Small: 902. Medium: 100.



Use of social media by location (small & medium businesses).

A social media presence is highest among SMBs in WA (up nine points to 56%), but no location differs markedly from the national incidence of 51%. Growth in social media use has been greater among SMBs in SA than elsewhere rising 10 points to 46%,

although this is the lowest incidence together with Victoria's. Metropolitan SMBs are using social media to a slightly greater degree than regional SMBs.

Proportion of SMBs with social media presence	All SMBs							
	2011 %	2012 %	2013 %	2014 %	2015 %	2016 %	2017 %	2018 %
Total SMBs	15	27	31	37	31	48	47	51
State								
New South Wales	14	30	32	36	38	50	51	53
Victoria	14	23	27	31	25	45	42	46
Queensland	20	28	31	48	32	54	50	53
South Australia	11	25	32	35	24	51	36	46
Western Australia	14	30	34	35	27	39	47	56
Tasmania	12	28	33	41	25	45	45	48
Northern Territory	15	30	23	35	24	45	55	50
Australian Capital Territory	20	34	31	43	27	39	39	47

QB1a. Does your business have a social media presence? This might include having a Facebook page, Google Plus+, YouTube, Pinterest, Vine, Instagram being active on Twitter or LinkedIn, having a blog, hosting forums or having a social media-based rating system. **Note:** 1. Asked of all SMBs – Small: 902. Medium: 100.



Main reason for using social media.



Sales and marketing are the primary drivers of social media use for all businesses. This is apparent in most of the responses below and consistent with prior findings.

Main reason business uses social media	Use social media		
	Small (478) %	Medium (60) %	Large (85) %
Advertise / promote the business	41	42	58
Avenue for contact / interaction	22	28	34
Create new business / increase customer base	11	11	5
Keep up with the times	7	4	2
Create awareness	6	6	12
Have a presence / local presence	6	3	5
Promote sales / special deals	6	6	2
Keep up with competitors	6	2	4
Increase sales	3	5	5
Post new products	2	2	4
Advice from others	2	1	0
Post photos / videos	0	0	6

QB2b. What is the main reason your business uses social media?

Notes: 1. Asked only of businesses with a social media presence. 2. Open ended question. Above responses coded.



Most frustrating aspect of using social media.

Among frustrations identified, the only double figure mentions among small, medium and large businesses are thinking of new content and constant changes. Thinking of new content was also the leading mention last year by small and medium size businesses (17% and 10% respectively in 2017 compared with 2% for large businesses).



Most frustrating aspect of using social media	Use social media		
	Small (478) %	Medium (60) %	Large (85) %
Nothing	11	8	13
Don't know	32	29	39
Thinking of new ads / content	19	26	14
Constant changes	14	15	15
Not utilizing it to full capacity	5	0	0
Slow internet speed	4	0	1
Lack of leads / sales generated	3	2	1
Time wasters	3	0	7
Trying to reach the right people	2	1	1
Negative comments posted by others	1	9	5
Don't understand it / how to use it	1	0	0

QB2c. And what is the most frustrating aspect of social media for your business?

Notes: 1. Asked only of businesses with a social media presence. 2. Open ended question. Multiple responses allowed. Some very minor responses not shown.



Social media uses.

Two of the main uses of social media for businesses are to provide a two-way communication system with clients or contacts, and a customer feedback mechanism social media inviting comments, ratings and reviews. Around half or slightly more SMBs use social media in these ways. The two uses were almost universal among

large businesses last year, but a drop-off is indicated for both. That is also the case for small businesses but not medium size businesses, which appear to be using social media more for two-way communication this year and inviting feedback on this forum to a similar degree as in 2017.

Use social media for two-way communication with clients & contacts	Use social media						
	2012 %	2013 %	2014 %	2015 %	2016 %	2017 %	2018 %
Small (478)	50	54	45	64	46	58	51
Medium (60)	55	62	55	69	45	41	48
Large (85)	74	75	65	84	76	95	75

QB6a. Do you use your social media channels to engage in two-way communication with your customers and contacts (e.g. to solve customer service enquiries)?

Invite online comments, ratings and reviews on social media sites	Use social media						
	2012 %	2013 %	2014 %	2015 %	2016 %	2017 %	2018 %
Small (478)	55	56	46	43	51	60	57
Medium (60)	56	58	59	45	57	52	53
Large (85)	86	73	53	68	66	92	76

QB17. Do you invite online comments, ratings or reviews on your business or products? **Notes:** 1. Questions above asked of all businesses who use social media. 2. **Latest sample size shown in brackets.**



Social media uses.

Most SMBs and large businesses are still unlikely to offer incentives such as discounts and coupons via social media, despite their appeal to consumers. Among businesses offering such incentives, discounts are the most common offer by small businesses (75%) and large businesses (73%). Among medium

size firms it is give-aways (75%) with discounts (66%) not far behind. In 2017, discounts were also the most popular incentive among small firms (84%) and large businesses (80%) and give-aways among medium size businesses (70%).

Offer incentives to consumers via social media	Use social media						
	2012 %	2013 %	2014 %	2015 %	2016 %	2017 %	2018 %
Small (478)	34	28	28	25	25	29	27
Medium (60)	27	33	43	25	19	25	22
Large (85)	35	38	41	30	37	17	31

QB15. Do you offer incentives to consumers via your social media presence?

Types of incentives offered	Use social media		
	Small (149) %	Medium (15*) %	Large (26*) %
Discounts	75	66	73
Give-aways	34	75	46
Coupons	14	23	42
Service	10	18	19
Invitations to events	10	23	19
Other	15	8	12

Around six in ten SMBs and over eight in ten large businesses engage with people who provide feedback via social media. Compared to 2017, this is unchanged for small businesses, higher for medium size businesses and lower for large businesses.

QB16. What sort of incentives do you offer? **Notes:** 1. QB15 asked of all businesses who use social media. 2. **Latest sample size shown in brackets.** 3. QB16 asked of those who offer incentives to consumers via social media. 4. *Caution: Small sample size for medium and large business in Q16.

Engage with people who provide feedback about your business on ratings & reviews on social media	Use social media			
	2015 %	2016 %	2017 %	2018 %
Small (478)	44	53	61	61
Medium (60)	46	55	51	56
Large (85)	74	71	93	84

QB18. Do you engage with people who provide feedback about your business on ratings and reviews on social media sites? **Notes:** 1. Asked only of businesses with a social media presence. **Brackets show latest survey sub-sample sizes.** 2. QB18 not reported on in previous years hence no comparison available before 2015.



Advertising on social media.

Paying for advertising on social media sites has become more popular with small, medium and large businesses over the last 12 months. Around one in three small businesses are now advertising while among medium and large businesses it is about half.

Facebook is by far the most common social media advertising channel for all businesses, as in 2017. Snapchat appears

to have garnered hardly any advertising revenue from any business. Twitter is used by very few SMBs for advertising but by almost one in five large businesses. LinkedIn has appealed more to medium size businesses than small or large firms, while Instagram’s appeal as a promotional vehicle is highest for large businesses.

Proportion of businesses that have paid to advertise on a social media channel	Use social media					
	2013 %	2014 %	2015 %	2016 %	2017 %	2018 %
Small (478)	11	15	17	20	26	34
Medium (60)	17	24	32	27	35	49
Large (85)	36	43	46	61	42	52

QB4b. Have you paid to advertise on a social media channel? **Notes:** 1. Asked only of businesses with a social media presence. 2. No comparison available before 2013.

Channel paid to advertise on	Advertise on social media		
	Small (138) %	Medium (31) %	Large (44) %
Facebook	86	88	93
Instagram	10	22	30
LinkedIn	8	21	14
Twitter	2	4	18
Snapchat	0	2	2
Other/s	14	16	2

QB4c. What channel did you pay to advertise on? **Note:** 1. Asked only of businesses that advertise on social media.

Notwithstanding small sample sizes, it appears that businesses paying to advertise on these platforms are more likely to believe it has been effective than otherwise.

Social media channel paid to advertise on was effective	Advertise on social media		
	Small	Medium	Large
Facebook*	64	80	95
LinkedIn**	81	40	83
Twitter***	81	10	100
Instagram†	78	72	85
Snapchat‡	100	100	100

QB4d. Was that effective for your business? **Notes:** 1. Asked only of businesses that advertise on social media. 2. *Facebook results based on 134 small, 28 medium and 41 large businesses who advertised on Facebook. 3. **LinkedIn results are based on 11 small, 5 medium and 6 large businesses who advertised on LinkedIn. 4. ***Twitter results are based on 3 small, 3 medium and 8 large businesses who advertised on Twitter. 5. †Instagram results are based on 18 small, 6 medium and 13 large business who advertised on Instagram. 6. ‡Snapchat results are based on 1 small, 1 medium and 1 large business who advertised on Snapchat.





Who is responsible for a business' social media presence?

More than 90% of SMBs and large businesses manage their social media internally, which was also the case last year. Outsourcing is used by 16% of small businesses, 9% of medium size businesses

and 11% of large firms. Where outsourcing of social media management occurs, businesses are most likely to engage specialists in the digital, social media or communications space.

Is your social media	Use social media		
	Small (478) %	Medium (60) %	Large (85) %
Managed internally	84	91	89
Outsourced	9	2	1
A combination of internal and outsourced	7	7	10

QB7a. Is your social media managed internally or outsourced? **Notes:** 1. Asked only of businesses with a social media presence.

Is your social media outsourced to	Outsource social media		
	Small (67) %	Medium (5*) %	Large (9*) %
Digital or web or internet agency	34	18	44
Specialist social media agency	31	0	22
PR or communications or media agency	11	60	22
Other	28	22	12

QB8. What type of external firm is it outsourced to? **Notes:** 1. Asked only of businesses who outsource their social media. 2. *Caution: Small sub-sample size.

In small businesses, the owner or manager remains far more likely to take responsibility for social media accounts than others. In medium and large businesses, the marketing department

continues to perform this role more than other units. However, in more than one third of medium size businesses the business owner or manager has responsibility for social media.

Responsible in small business	Use social media							
	2011 %	2012 %	2013 %	2014 %	2015 %	2016 %	2017 %	2018 %
Owner or manager	82	79	72	76	78	66	70	72
Marketing department	10	10	11	12	15	22	17	19
Communications dept.	2	3	4	4	2	5	3	4
IT department	2	5	10	6	3	5	7	3
External firm	4	3	3	2	2	3	2	1
Responsible in medium business								
Marketing department	52	44	43	56	63	58	51	47
Owner or manager	36	36	40	25	23	18	24	38
Communications dept.	0	8	8	9	1	13	15	12
IT department	6	13	7	8	9	11	6	3
External firm	6	0	3	2	3	0	3	0
Responsible in large business								
Marketing department	74	64	66	77	61	53	85	73
Owner or manager	17	10	8	4	7	8	10	16
Communications dept.	0	17	10	13	30	33	2	7
IT department	0	5	3	4	2	6	3	4
External firm	1	0	3	2	0	0	0	0

QB8. Which area of your business has overall responsibility for your social media presence? **Notes:** 1. Asked only of businesses with a social media presence.



How often do businesses update their social media?

Updating social media status daily is less common in small and large firms than in 2017, but more common in medium businesses. Nevertheless, most large firms conduct daily updates while a majority of SMBs spread this task out over a week



Daily status updating is **less common** for small and large businesses this year

SMALL BUSINESS	Use social media						
	2012 %	2013 %	2014 %	2015 %	2016 %	2017 %	2018 %
Every day (once a day or more)	22	18	20	20	23	36	19
A few times a week	15	17	13	21	22	17	28
Once a week	28	24	22	29	24	22	24
A few times a month	9	11	13	8	10	6	8
Once a month	9	13	18	11	10	7	14
A few times a year	9	14	11	6	6	8	6
Never	8	4	3	5	5	3	3
MEDIUM BUSINESS							
Every day (once a day or more)	39	36	42	34	33	34	41
A few times a week	12	15	21	27	27	27	19
Once a week	19	24	16	12	23	16	19
A few times a month	7	4	7	10	4	6	8
Once a month	12	6	6	9	12	11	7
A few times a year	5	10	6	4	1	3	5
Never	6	6	3	4	0	4	1
LARGE BUSINESS							
Every day (once a day or more)	60	65	65	56	65	88	68
A few times a week	18	11	25	25	20	7	24
Once a week	10	10	8	13	4	3	6
A few times a month	2	5	0	0	4	0	1
Once a month	7	4	0	5	6	0	0
A few times a year	3	1	2	0	1	2	0
Never	2	4	0	2	0	0	1

QB5. How often do you monitor or update your social media presence? **Notes:** 1. Asked only of businesses with a social media presence.



How is traffic driven to a business' social media presence?

The larger the business, the greater the incidence of businesses with a social media presence having a strategy to drive people to their sites – 70% for small, 88% for medium and 94% for large size businesses.

Links to their social media sites from their website is the leading tactic used regardless of business size and this aligns with last year's findings. This is followed by liking, following or subscribing to other users and businesses on social media and then advertising their social media presence in traditional media.

Means of driving traffic to social media presence SMALL BUSINESS	Use social media		
	2016 %	2017 %	2018 %
Have links on our website to our social media site	39	56	37
Like (Facebook), follow (Twitter) or subscribe (YouTube) to others on social media sites	25	35	20
Advertise our social media presence on other websites	12	23	10
Advertise our social media presence in traditional media	15	16	11
Include links in directories	6	14	8
Competitions	4	5	5
Events	4	7	4
Pay social influencers to promote our business	1	2	4
Don't have a strategy to drive traffic to our social media presence	34	18	30

Means of driving traffic to social media presence MEDIUM BUSINESS	Use social media		
	2016 %	2017 %	2018 %
Have links on our website to our social media site	44	57	60
Like (Facebook), follow (Twitter) or subscribe (YouTube) to others on social media sites	22	30	44
Advertise our social media presence on other websites	27	10	21
Include links in directories	12	15	18
Advertise our social media presence in traditional media	23	11	15
Competitions	6	4	6
Events	6	6	5
Pay social influencers to promote our business	6	2	0
Don't have a strategy to drive traffic to our social media presence	26	5	12

Means of driving traffic to social media presence LARGE BUSINESS	Use social media		
	2016 %	2017 %	2018 %
Have links on our website to our social media site	70	95	86
Like (Facebook), follow (Twitter) or subscribe (YouTube) to others on social media sites	58	63	56
Advertise our social media presence in traditional media	46	67	35
Include links in directories	23	47	22
Advertise our social media presence on other websites	33	53	14
Events	20	3	12
Competitions	19	3	7
Pay social influencers to promote our business	1	0	1
Don't have a strategy to drive traffic to our social media presence	6	3	6

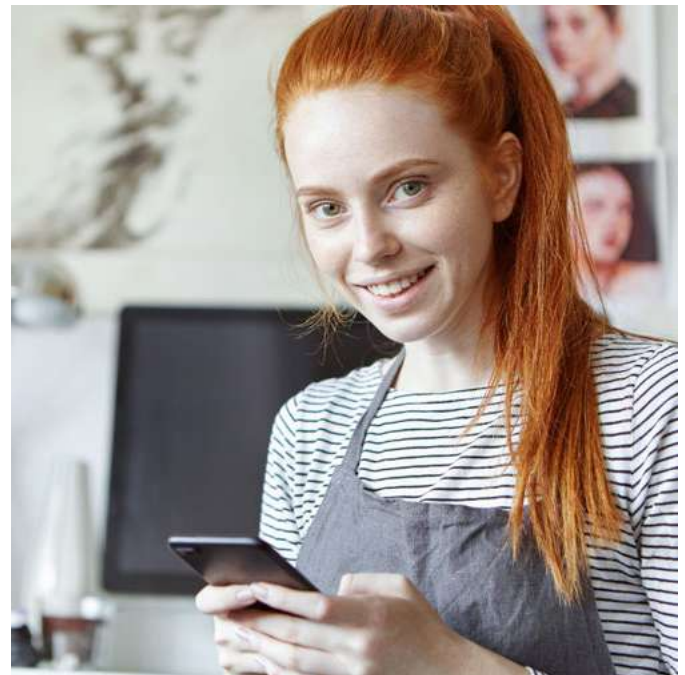
QB9. How do you drive traffic to your social media presence? **Notes:** 1. Asked only of businesses who outsource their social media. 2. Response set to this question expanded in 2015 so no prior comparison available.



Business investment in social media.

Around one in five SMBs with a social media presence have no budget for this activity. The larger the business, the more they spend on social media. We also see that among both SMBs and large businesses with a budget for social media, the average amount spent was higher this year. However, we are reluctant to draw firm conclusions about changes in mean expenditure because this has been a volatile measure due to the sub-sample sizes and pronounced don't know responses.

Annual budget on social media	Use social media		
	Small (478) %	Medium (60) %	Large (85) %
Nothing	21	19	1
Up to \$500	10	4	1
\$501 to \$1,000	5	3	0
\$1,001 to \$5,000	17	5	5
\$5,001 to \$10,000	7	16	17
\$10,001 to \$50,000	6	18	38
Over \$50,000	1	3	5
Don't know / refused	33	32	33



Average budget	Use social media							
	2011	2012	2013	2014	2015	2016	2017	2018
Small	\$2,050	\$3,410	\$1,970	\$4,560	\$5,869	\$3,595	\$2,839	\$4,879
Medium	\$6,500	\$16,920	\$11,780	\$38,800	\$18,098	\$10,084	\$7,728	\$14,387
Large	\$78,750	\$100,480	\$79,710	\$33,050	\$10,088	\$8,692	\$5,180	\$24,538

QB3b. Approximately, what is your current investment in social media? What do you spend per year? **Notes:** 1. Asked only of businesses with a social media presence. 2. **Latest sample size shown in brackets.**

Across the businesses, almost half their social media spend is allocated to advertising, around one third to content services and the balance to strategic management services. For SMBs this situation has not really changed since 2017, while for large businesses very small sub-samples preclude us from commenting on any variation.

Average % of annual social media spend allocated to	Use social media		
	Small (147) %	Medium (20*) %	Large (29*) %
Content services	35	31	34
Advertising	49	48	47
Strategic management services	16	21	19

QB3a. Could you estimate what percentage of your annual social media expenditure would be allocated to these three services? **Notes:** 1. Asked only of businesses with a social media presence who knew how much was allocated to these 3 services. 2. *Caution: Small sub-sample size for medium and large businesses.



Percentage of marketing budget allocated to social media.

Over half the small businesses and around a third of the medium and large businesses do not have marketing budget allocation for social media or were unable to answer this question. The mean average proportion of marketing budgets allocated to social media increased across SMBs, but fell in the large businesses.

Annual budget on social media	Use social media		
	Small (478) %	Medium (60) %	Large (85) %
None	22	9	1
Up to 10%	21	44	51
11% to 20%	5	2	6
21% to 50%	11	12	7
Over 50%	9	9	0
Don't know / refused	32	24	35



Average proportion of marketing budget	Use social media							
	2011	2012	2013	2014	2015	2016	2017	2018
Small	8.3	15.3	13.7	16.0	18.7	12.4	19.1	21.3
Medium	5.5	9.2	9.5	11.9	14.2	9.0	11.8	20.6
Large	4.7	4.5	4.9	5.6	9.2	22.2	51.5	10.2

QB4a. Approximately, what percentage of your marketing budget is allocated to social media? **Notes:** 1. Asked only of businesses with a social media presence. 2. Rounding occurs.



How businesses measure success of their social media investment.

Twenty-one percent of small businesses measure their return on investment (ROI) on social media which is consistent with the result observed over the last two years. Around one in three medium and large businesses do so, which represents an increase for the former and a marginal rise for the latter relative to 2017.

Response numbers, asking customers and new sales are the main ways in which businesses of all sizes measure their social media ROI. Among medium and large businesses, use of analytical tools like Hootsuite, Mention or Keyhole is also relatively popular.

Proportion of businesses that measure ROI for social media	Use social media						
	2012 %	2013 %	2014 %	2015 %	2016 %	2017 %	2018 %
Small (478)	28	25	17	17	21	23	21
Medium (60)	24	28	28	27	27	20	32
Large (85)	39	51	38	29	61	33	35

QB10. Do you measure your return on investment into social media? **Notes:** 1. Asked only of businesses with a social media presence. 2. Latest sample size shown in brackets.





How businesses measure success of their social media investment.

How SMALL businesses measure social media ROI	Use social media		
	2016 %	2017 %	2018 %
Monitor number of responses on social media	43	51	43
Asking customers how they found you	44	53	39
New sales	32	27	25
Online/automated/analytical tools such as Hootsuite, Mention or Keyhole	18	10	12
Third party statistics provider	10	14	9
Saving a customer	0	6	5
Specific offers for social media take-ups	9	18	3
Through the platform's own insights	NA	8	3
(Base)	(95)	(99)	(94)

How MEDIUM businesses measure social media ROI	Use social media		
	2016 %	2017 %	2018 %
Monitor number of responses on social media	68	60	48
New sales	24	8	42
Asking customers how they found you	19	45	40
Online/automated/analytical tools such as Hootsuite, Mention or Keyhole	51	0	26
Through the platform's own insights	NA	32	16
Specific offers for social media take-ups	11	<1	14
Saving a customer	7	0	10
Third party statistics provider	9	8	0
(Base)	(16*)	(10*)	(18*)

How LARGE businesses measure social media ROI	Use social media		
	2016 %	2017 %	2018 %
Monitor number of responses on social media	71	80	50
Online/automated/analytical tools such as Hootsuite, Mention or Keyhole	46	20	30
New sales	19	0	20
Through the platform's own insights	NA	5	17
Asking customers how they found you	25	30	13
Third party statistics provider	25	45	13
Specific offers for social media take-ups	27	75	7
Saving a customer	10	0	3
(Base)	(48)	(20*)	(30)

QB11a. How do you measure the return on investment into social media?

Notes: 1. Asked only of businesses with a social media presence and measure its return on investment. 2. Sample size shown in brackets. 3. Caution: *Small sub-sample size.



How businesses measure success of their social media investment.

The average estimates for the ROI on social media this year were 24% for small businesses, 19% for medium size businesses and 24% for large businesses.

Return on social media investment – SMALL business	Measure social media ROI		
	2016 %	2017 %	2018 %
Have not yet recovered investment	24	22	13
Under 5%	11	10	8
6% to 10%	8	8	10
11% to 20%	4	14	17
21% to 50%	9	6	16
Over 50%	14	13	7
Don't know	30	27	29
Mean	28	26	24
(Base)	(95)	(99)	(94)

Return on social media investment – LARGE business*	Measure social media ROI		
	2016 %	2017 %	2018 %
Have not yet recovered investment	0	0	7
Under 5%	4	0	0
6% to 10%	8	10	10
11% to 20%	6	15	0
21% to 50%	13	10	3
Over 50%	31	0	3
Don't know	38	65	77
Mean	40	19	24
(Base)	(48)	(20)*	(30)

Return on social media investment – MEDIUM business*	Measure social media ROI		
	2016 %	2017 %	2018 %
Have not yet recovered investment	13	16	1
Under 5%	24	25	11
6% to 10%	8	8	0
11% to 20%	0	0	30
21% to 50%	0	13	17
Over 50%	7	0	0
Don't know	48	38	41
Mean	13	13	19
(Base)	(16)*	(10)*	(18)*

QB11b. And what do you estimate the return on your investment in social media has been? **Notes:** 1. Asked only of businesses with a social media presence and measure its return on investment. 2. Rounding occurs. 3. *Caution – small sub-sample size.





How businesses measure success of their social media investment.

The number of likes, followers and subscribers and their sales, revenue and profits continue to be key measures of the success of a social media strategy for all businesses. Among medium

and large businesses, positive conversations on social media are prominent measures as well.

How SMALL businesses measure the success of their social media	Measure social media ROI		
	2016 %	2017 %	2018 %
Number of likes, followers and subscribers	61	52	53
Sales, revenue and profits	42	61	36
Positive conversations on social media	19	17	7
Usage	4	17	6
Take up of incentives and offers	15	12	3
(Base)	(95)	(99)	(94)

How MEDIUM business measure the success of their social media	Measure social media ROI		
	2016 %	2017 %	2018 %
Number of likes, followers and subscribers	52	43	45
Positive conversations on social media	2	0	40
Sales, revenue and profits	45	26	34
Usage	27	25	0
Take up of incentives and offers	20	3	0
(Base)	(16*)	(10*)	(18*)

How LARGE businesses measure the success of their social media	Measure social media ROI		
	2016 %	2017 %	2018 %
Number of likes, followers and subscribers	75	95	47
Positive conversations on social media	33	0	30
Sales, revenue and profits	29	65	27
Usage	19	65	13
Brand sentiment	4	5	7
Klout score	4	0	3
Take up of incentives and offers	21	35	0
(Base)	(48)	(20*)	(30)

QB11c. How do you measure the success of your social media?

Notes: 1. Asked only of businesses who measure social media ROI. 2. Rounding occurs. 3. *Caution - small sub-sample size.



Do businesses have a strategic plan for social media?

Having a social media strategy remains correlated with business size. We have observed over the past four years that a minority

of small businesses, a larger minority of medium businesses and most large firms have a social media strategy.

Developed strategic plan in your business for social media	Use social media			
	2015 %	2016 %	2017 %	2018 %
Small (521)	19	31	40	30
Medium (62)	39	36	43	45
Large (89)	63	76	90	80

QB19. And have you developed a strategic plan in your business for your social media? **Notes:** 1. Asked only of businesses with a social media presence or planning to get one in next year. 2. **Sample size for 2018 shown in brackets.**





Expectations for the next 12 months.

As in 2016 and 2017, few businesses intend to spend less on social media in the year ahead.

Expectations for social media expenditure	Use social media		
	Small (478) %	Medium (60) %	Large (85) %
Spend more than last 12 months	25	35	28
Spend the same	53	41	51
Spend less	7	5	5
Net Balance*	+18	+30	+23
Don't know / refused	15	19	16

*Net balance of expectations for social media expenditure	Use social media		
	2016	2017	2018
Small	+23	+18	+18
Medium	+27	+37	+30
Large	+48	+22	+23

QB12a. Thinking about your total planned investment in social media for the next 12 months, are you planning to...? **Notes:** 1. Asked only of businesses with a social media presence. 2. *Net balance = those expecting to spend more minus those expecting to spend less. 3. Question not reported on in previous years hence no comparison available prior to 2016.

Among SMBs expecting to spend more on social media in the coming year, most will not fund that by decreasing their expenditure in other marketing or advertising activities. Conversely, for those large businesses anticipating increased spend on social media, a majority stated that other forms of marketing and advertising would be sacrificed

Extra social media spending likely to be funded by reduced spending on other marketing or advertising	Expect to spend more on Social media in next year		
	Small (112) %	Medium (20*) %	Large (24*) %
Yes	35	13	63
No	54	66	6
Don't know	11	21	13

QB12B. We note the intention to spend more on social media over the next year. Is that extra spending on social media next year likely to be funded by reducing any spending on other forms of marketing or advertising? **Notes:** 1. Asked only of businesses with a social media presence expecting to spend more on it in the next year. 2. New question asked in 2018 hence no comparison available. 3. *Caution – small sub-sample size.





Expectations for the next 12 months.



A reduction in print advertising expenditure appears to be the most likely means of funding increased social media spend in the coming year.

Areas expect to reduce spending over next 12 months to allow for increased spending on social media	Expect to spend more on social media in next year and funds sourced from marketing /ad budgets		
	Small (38) %	Medium (4*) %	Large (15*) %
Print advertising	67	59	80
Digital display advertising	8	41	0
Google advertising	6	0	0
TV advertising	4	0	13
Radio advertising	3	0	20
SEO (Search Engine Optimisation)	0	0	7
Email marketing	0	0	0
Other areas	18	0	7
Don't know	9	0	0

QB12C. And in which area or areas do you expect to reduce spending over the next 12 months to allow for the increased spending on social media? Would you reduce spending on ...? **Notes:** 1. Asked only of businesses with a social media presence expecting to spend more on it in the next year and those funds are sourced from other forms of marketing / advertising. 2. New question asked in 2018 hence no comparison available. 3. *Caution – small sub-sample.

Just over six in ten SMBs and large businesses believe their social media investment will contribute to higher sales in the next year. The average expected increase is 11% for small businesses, 15% for medium businesses and 16% for large businesses. These expectations are lower for small and large businesses but higher for medium businesses relative to last year.

Yes, believe social media investment will contribute to increased sales?	Use social media	
	2017 %	2018 %
Small (521)	53	61
Medium (62)	73	64
Large (89)	40	61

Average expected % increase	Expect increased sales from social media						
	2012 %	2013 %	2014 %	2015 %	2016 %	2017 %	2018 %
Small (309)	17%	12%	18%	15%	16%	17%	11%
Medium (38)	6%	12%	6%	10%	9%	9%	15%
Large (54)	8%	9%	9%	9%	30%	30%	16%

QB13. Do you believe that your social media investment will contribute to an increase in sales in the next 12 months? **QB14.** By approximately how much? **Notes:** 1. Asked only of businesses with a social media presence or intending to get one in the next year. 2. Brackets show latest sub-sample sizes.



About Yellow.



Yellow is the champion of Australian small and medium businesses. Its brands include Yellow Pages, True Local, WhereIs, Found Digital, Bridge, 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, Sensis Data Solutions and Skip.

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

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