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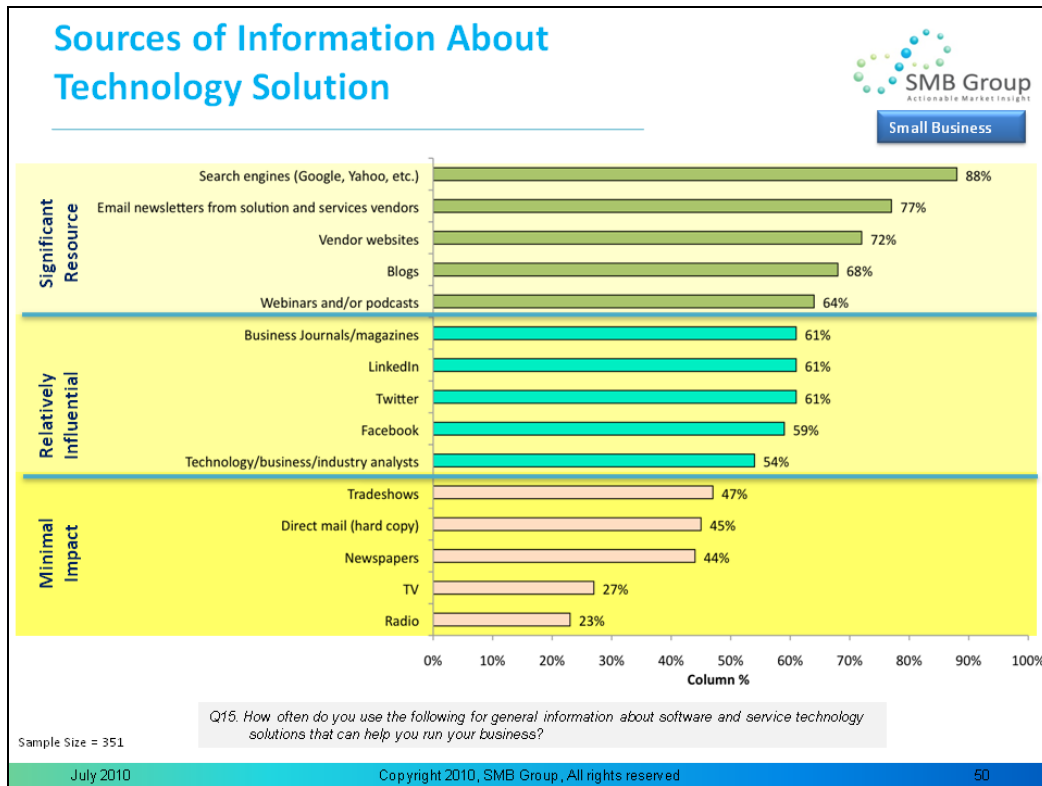


## SOCIAL MEDIA: SHAKING UP THE WAY SMALL BUSINESSES EVALUATE AND PURCHASE TECHNOLOGY SOLUTIONS AND SERVICES

It's always been challenging for technology vendors to determine how to reach the very diverse and complex small business market to educate customers and generate awareness and demand for their solutions and services.

Results from the SMB Group's [2010 Small and Medium Business Routes to Market Study](#) (fielded in June 2010) reveals that digital media--including social media and online media--have become the most influential information source for prospective small business technology solutions customers, as indicated in **Figure 1**.

**Figure 1:** Information Sources for Technology Solutions (Small Businesses with 1-99 employees)



### Search Engines, Email Marketing and Vendor Web Sites

More specifically, small businesses rank search engines, email marketing and vendor websites as their top three information sources for technology solution and service information:

- 88% of small businesses are using search engines, such as Google, Bing and Yahoo on a daily basis to search for information.
- 77% of respondents indicated that e-mail newsletters are their next most important source of information. Not surprisingly, however, small businesses typically use these sources on a weekly or monthly basis.
- 72% cite vendor websites as their next top source. Small businesses often visit vendor websites after getting preliminary information from the first 2 sources.

These findings underscore how important of taking an integrated, 360-degree online marketing approach in the small business market. Too often, technology vendors develop campaigns that successfully drive traffic to their sites, but, once the customer lands, the site fails to offer targeted guidance and information geared to specific small business concerns. Small business-specific information is often difficult to find and understand. Vendors need to focus and customize web site content for small business requirements throughout the purchase process,

with educational context, a clear story about how the solution fits the business need, straightforward pricing information, convincing evidence of return-on-investment, and guidance for evaluation options and purchase channels.

## Social Media

As shown on **Figure 1**, social media sources are also quickly gaining ground as prime information sources for small businesses. Since small firms usually lack dedicated IT staff, or have just one or two dedicated personnel tasked with IT duties, they miss out on the opportunity for internal peer networking, communication and knowledge sharing that occurs in larger companies. Consequently, small business owners and decision makers don't have a strong internal source to help them align IT investments with business requirements.

As a result, these decision makers are using social networking to fill that void and supplement information and guidance:

- 68% of small businesses use blogs, consulting with this source on a weekly basis.
- 64% view webinars and podcasts as important information sources, typically using them on a monthly basis.
- LinkedIn, Twitter and Facebook are influential as well, with roughly 60% of respondents indicating these as top sources. Almost one-fifth of respondents that use Twitter and Facebook use them on a daily basis.

Newer channels, such as application marketplaces and social media are taking off as key sources for information and guidance as SMBs try to get better insights before they purchase. 23% of small businesses use and 29% plan to use marketplaces, such as Google Apps Marketplace, Getapp.com and Intuit Workplace,

## Traditional Information Sources

Whether online or in print format, business journals and magazines continue to be influential sources of information, as small businesses continue to seek out more expert and unbiased information to aid in the decision making process. For the same reasons, more than 50% of small businesses also turn to external business, technology industry analysis for information.

Small businesses don't use TV and radio to proactively seek information to guide them in the technology decision making process, and these sources have minimal direct impact. Of course, TV and radio advertising can continue provide top of mind air cover and stimulate interest that leads to a more active information search, as evidenced by [Intuit's 'Small Business Websites'](#) and [Citrix 'Go-To-Meeting'](#) TV campaigns, and Constant Contact's NPR radio sponsorship.

## Summary

More structured digital marketing, including search engines, e-mail newsletters and Web sites are still the top sources for small businesses seeking information about technology solutions and services. Meanwhile, however, social media and application marketplaces are transforming the marketing landscape. Many vendors have been somewhat uncertain about how small businesses are using social media, and the return-on-investment in social media campaigns. While developing direct metrics to measure social media impact on sales may still be a tricky proposition, vendors need to keep investing and innovating in this area, as small business use of social media as a key information source is booming.

Vendors need to invest in develop integrated campaigns that include structured online marketing techniques, social media and app stores to boost awareness, relevance and purchase consideration for their solutions among small businesses throughout the decision-making process.

### **Background**

The insights included in the blog are from a comprehensive SMB study on “[SMB Routes to Market for Technology Solutions](#)”. The SMB Group’s 2010 Routes to SMB Market Study helps Technology software solutions vendors and services providers identify routes (channels) to the SMB market for their products and services based on how they go about making purchase decisions. Study results and analysis will help them make well-informed marketing, product development, media and channel decisions to successfully reach, influence and market to North American SMBs with one to 1,000 employees.



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