What You Need to Know About How SMBs are Using Social Media in Their Businesses New Study Reveals How Social Media is Reshaping SMB Businesses

April 7, 2001, Northborough, MA--The <u>SMB Group's</u> latest report, <u>2011 Small and Medium Business Impact of social business Study</u>, developed in partnership with <u>CRM Essentials</u>, provides an eye-opening look at how social media is changing the way U.S. small and medium businesses (SMBs) are engaging in marketing, sales, service and other business activities.

Fielded in February 2011, the study is based on the results of a 750-respondent Web based-survey of SMB social media decision makers and influencers. Survey analysis reveals that 44% of small businesses (1 to 99 employees) and 52% of medium businesses (100 to 999 employees) are using social media in their businesses.

However, the social media tools that they use, the business functions that they use social media for, how they measure results and their satisfaction with social media varies widely depending on business size, industry, and the primary type of customer they sell to (e.g. B2B, B2C, B2G, etc.), and whether they use social media in a "structured, strategic way" or in an "informal, ad hoc" way. For example:

- 26% of SMBs indicate they use social media in a "structured, strategic way" while 20% say they use in an ad hoc, informal way. Structured, strategic users are more than twice as likely as ad hoc users to be very satisfied or satisfied with the results of their social media efforts.
- In small business, retail, professional services, NGOs and personal services lead the social media adoption curve, while in medium business, education, professional services and retail are ahead of other industries in adopting social media.
- SMBs that sell to consumers (B2C) and to other SMBs use social media more than SMBs that sell to large businesses and government.

The study also reveals that SMB capabilities to monitor and measure social media results is still in its infancy. Smaller businesses especially tend to rely on softer metrics, such as "favorable anecdotal feedback" and "referrals, and only 12% of all SMBs use free or paid social media monitoring and measurement tools.

"The study results provide us with clear, actionable indicators of how SMBs are applying social media today, and where they're headed," according to Laurie McCabe, Partner. "Today, most SMBs focus social media efforts on revenue generating activities. But social media pacesetters are becoming more sophisticated, and are using social media for a broader range of activities including customer service, employee recruitment, product development and competitive intelligence."

These results highlight just a few of the detailed findings in the SMB Group <u>2011 Small and Medium Business Impact of Social Media Study</u>. The complete study provides comprehensive view of SMB social media adoption and plans, including:

- Perceptions and attitudes about social business.
- Key drivers and inhibitors for adopting social business solutions.
- Business activities and functions that SMBs use/plan to use social media for.
- Social media channel penetration, frequency of use, and satisfaction.
- How SMBs measure social media results.
- Integration requirements for linking social business with existing business applications.
- Who is involved in making social business decisions.
- Top sources for information and advice on social media.
- Social media budgets.
- Segmentation by company size, industry, primary type of customer SMBs sell to (e.g. B2B, B2C, etc.).

Study results are segmented into 1-4, 5-9, 10-19, 20-49, 50-99, 100-249, 250-499, 500-1000 employee segments and 18 vertical industries, as well as other segmentation criteria.

For more information and pricing, please visit the <u>SMB Group</u> web site at http://www.smb-gr.com, send an email to information@smb-gr.com or contact us at (508)410-3562.

About the <u>SMB Group</u>. The SMB Group focuses exclusively on researching and analyzing the highly fragmented "SMB market"—which is comprised of many smaller, more discrete markets. We take a custom approach to working with clients, assessing where you are in the market today, and the steps you need to take to get where you want to be tomorrow. Our collaborative and pragmatic, actionable research approach provides you with insights and recommendations you need to capitalize on shifting market requirements and trends, and create successful go-to-market outcomes. Our primary focus areas include: business solutions; digital marketing solutions; social media, collaboration and productivity applications; cloud computing, software-as-a service (SaaS) and managed services.