

Social is Here to Stay

How do SMBs really
feel about social
media marketing?

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Introduction: Alternate Reality

On October 4th, Facebook experienced a global outage. It lasted for almost six hours due to a DNS-related issue, causing a financial impact that approached \$100 million according to the Verge. Beyond the actual damage was the Schadenfreude media reaction that's common for Facebook coverage.

But the question is how much this outage will impact Facebook's long-term demand among advertisers. Broadening the question, will Facebook's overall PR challenges of the past few years – due mostly to privacy reform – have a material impact on advertiser demand, particularly among SMBs.

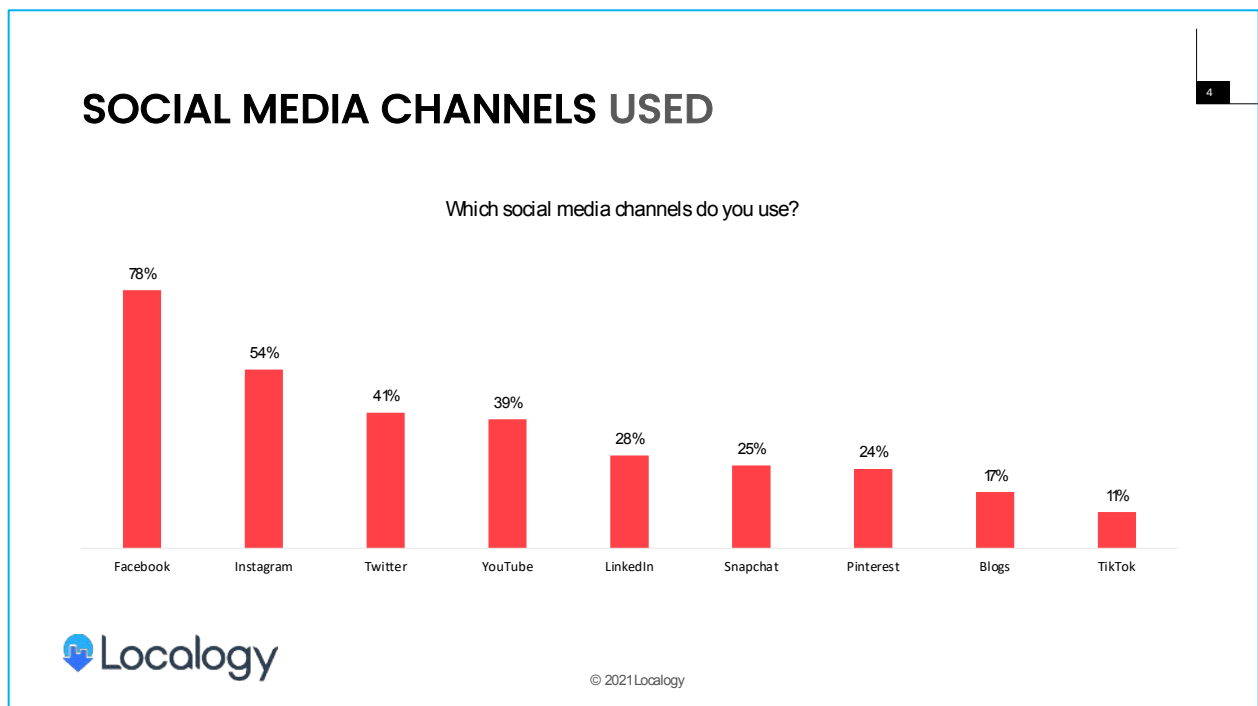
Put another way, have the media and analyst corps created an insular view of Facebook's misdeeds and exaggerated its demise? And does that reflect how “regular folks” feel. It's those individuals and businesses that make up the bulk of Facebook's users and advertisers: their opinions matter most.

So we went in search of answers. Our hypothesis was that negative feelings towards Facebook are much smaller among SMB advertisers than within tech & media circles. Spoiler alert: that hypothesis was validated to a degree, but still requires some in-depth analysis. So let's jump in to the survey results...

Level-Setting

First, to level set, how many businesses are using social media marketing? **80 percent** of SMBs we surveyed reported using social media for marketing. This includes paid and unpaid campaigns (which we'll break down in the next section).

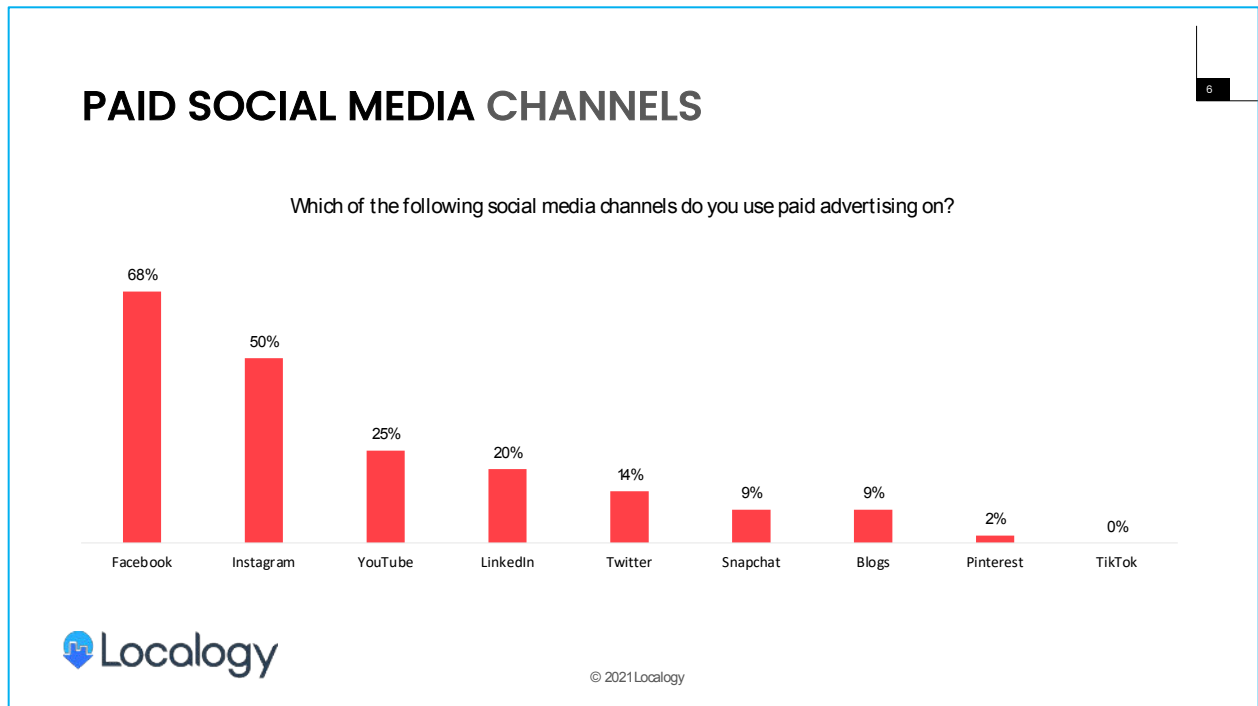
Among those, **38 percent** use outside agencies, while the rest manage it themselves. But more notable is the breakdown of channels. There, Facebook dominates with **78 percent** of SMB responses, followed by Facebook-owned Instagram at **54 percent**.



Follow the Money

Among those who engage in social media marketing, how many opt for paid advertising? Our survey indicates that number stands at **33 percent**. And if we perform the above channel segmentation, we see similar breakdowns.

Specifically, Facebook leads paid social advertising at **68 percent**, followed by Instagram at **50 percent**. Then there's a drop-off of competitive channels including YouTube (**25 percent**), LinkedIn (**20 percent**) and Twitter (**14 percent**).



Favorable Association

Drilling down into social media marketing sentiments, **63 percent** are satisfied or very satisfied versus **15 percent** who are unsatisfied or very unsatisfied. These figures bode well for Facebook given its dominance of social media activity specified above.

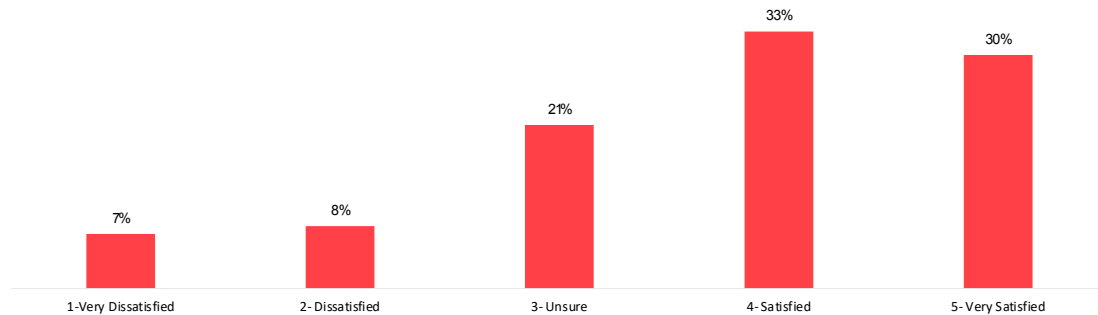
When evaluating the ROI on social media marketing, SMBs report that they prioritize sales/revenue (**61 percent**), followed by follower counts (**54 percent**), engagement with posts (**34 percent**), and take-up of incentives/offers (**33 percent**).

Altogether, when analyzing these SMB sentiments and reported usage, Facebook has a favorable association. Now, what about the impact of the 10/04 outage...

SOCIAL MEDIA MARKETING SATISFACTION LEVELS

8

How satisfied are you with your social media program?



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Damage Control

Back to the question posed in this report's introduction, to what degree did Facebook's 10/04 outage impact SMB marketers? Posing this question directly to them, **11 percent** say they were impacted, **77 percent** were not, and **13 percent** were unsure.

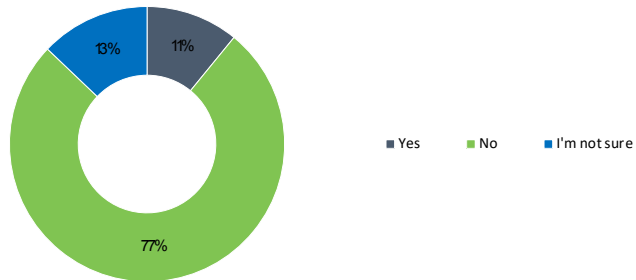
This is certainly alarming, as any SMB impact isn't ideal. But the question is if **11 percent** is disproportionality smaller than the media reaction to this event. Moreover, will that **11 percent** have a lasting impact on these SMBs and their future spend?

To answer that question, we asked those impacted if Facebook's outage will cause them to think differently about their advertising strategies going forward. 80 percent said "no," further diminishing the potential impact within the above 11 percent figure.

SOCIAL MEDIA OUTAGE

11

Recently, Facebook had a service outage. Did this materially impact your business?

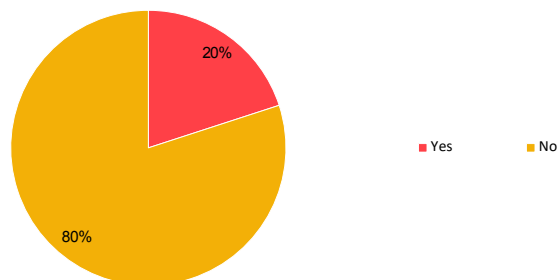


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SOCIAL MEDIA STRATEGY CHANGES

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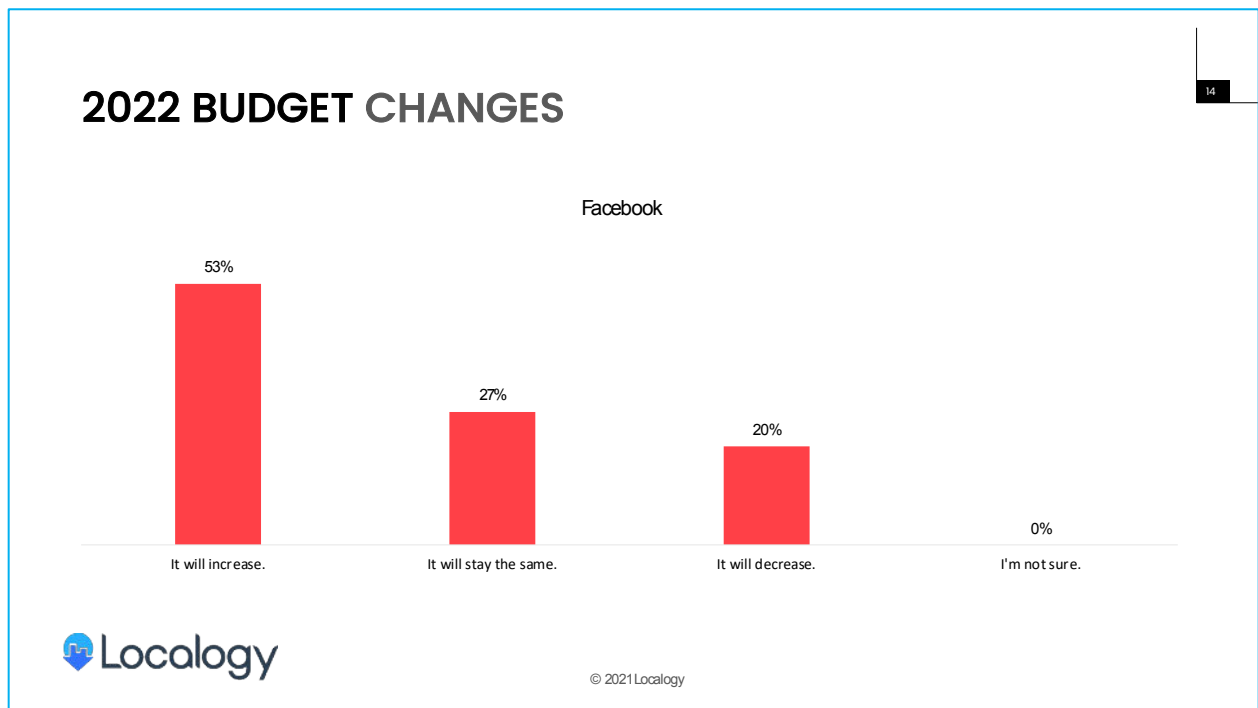
Has this service outage caused you to think differently about your advertising strategy?



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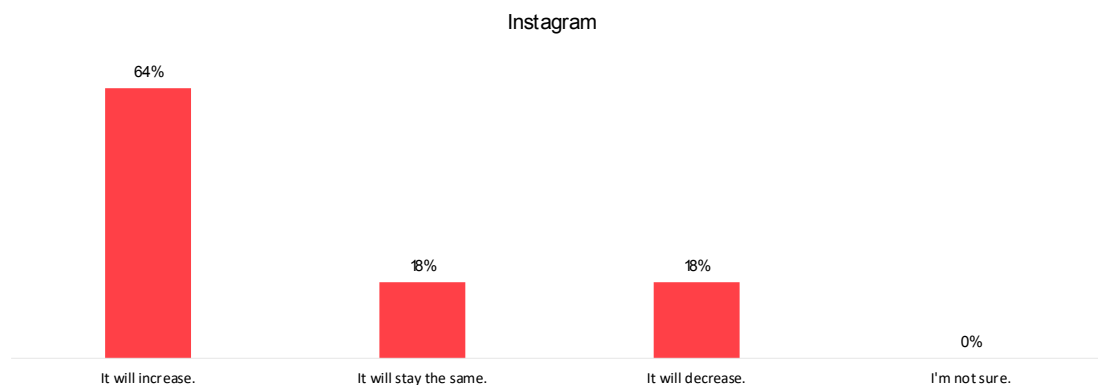
Hopes & Dreams

Further supporting Facebook's position of strength, SMBs report that they'll largely increase spend levels on Facebook-proper (**53 percent**) and Instagram (**64 percent**). The latter signals Instagram's momentum and positive association among SMBs.



2022 BUDGET CHANGES

15



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New Flavors

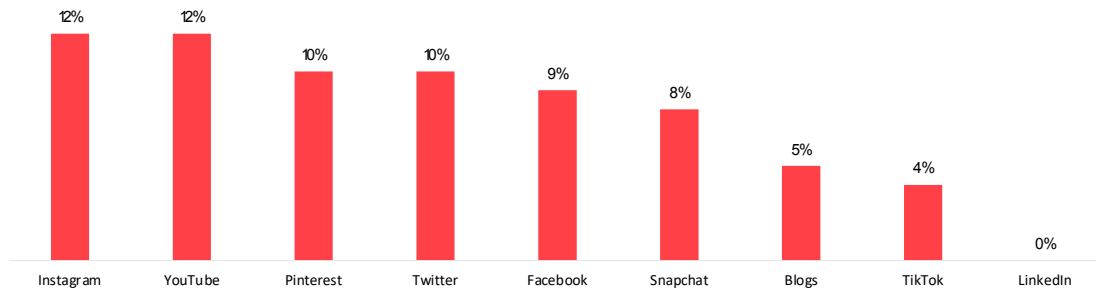
To further support Instagram's growing affinity among SMBs, it has the leading spot among new social channels they'd like to try. In other words, it has the greatest growth potential for *new advertisers* in addition to the ARPU growth noted above.

Breaking that down, **54 percent** of SMBs want to try a new social channel in 2022. Among those, Instagram ties for the lead – along with YouTube – with **12 percent** of responses. They're followed by Pinterest, Twitter and Facebook as shown below.

NEW SOCIAL MEDIA CHANNELS

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New Social Media Channels SMBs Plan to Try in 2022



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Final Thoughts: Telling Signals

So there you have it... Facebook continues to hold a strong position among SMBs. And their sentiments don't mirror the Facebook fear, uncertainty, and doubt (FUD) that's so prevalent in tech and media circles today. There's a clear disconnect there.

But Facebook shouldn't be without concern. It's 10/04 outage – not to mention its larger data-misuse missteps – appear to have some negative impact on SMB ad spend. Though that impact is less than expected and reported, it should be noted.

Moreover, SMBs' reported interest in raising their spend levels – **53 percent** for Facebook and **64 percent** for Instagram – is probably the biggest takeaway from this data set. We'll continue watching closely for telling signals for Facebook's Future.



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