Small Businesses Change Social Media Expectations

Contributed by eMarketer
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About a quarter of small businesses now marketing via social media

After climbing steeply, according to research from Network Solutions and the Center for Excellence in Service at the University of Marylandâ€™s Robert H. Smith School of Business, small-business adoption of social media marketing has plateaued at 24%.

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The study of US small business found that those that do market via social media primarily use Facebook (82%), and that the most common activities are maintaining a company page on a social network and posting status updates or links to interesting content.Â

About half of businesses that used social media also monitored brand chatter on social networks.

As small businesses have gained experience with social media, some have realized their expectations for the channel did not line up with the reality of the social web.

As the wider marketing world begins to look at social as more of a loyalty channel than one for acquisition, small businesses are also finding that their hopes for spreading brand awareness and attracting new customers have not been fully met.

By contrast, somewhat fewer small businesses had expected to use social media as an engagement channel, but nearly two-thirds have had success in that area.

The most common business objectives small businesses have achieved through social media marketing tell a similar story: Customers are connecting with companies through sites like Facebook and LinkedIn, but relatively few sales leads have been received through the sites.

Small businesses have found other frustrations as well. Many say their efforts take up more time than they had expected, although that percentage dropped from 50% to 43% between December 2009 and June 2010, suggesting companies are being more realistic about whatâ€™s involved in social campaigns.

At the same time, however, the percentage saying their business had been criticized online nearly doubled, reaching 29%.

Still, just a tiny 1% of small businesses said their image was hurt more than it was helped by social mediaâ€”a number thatâ€™s also down, from 6% in December.

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