

Social Media Increases Small-Business Exposure

Contributed by eMarketer
Monday, 08 November 2010

Many small firms still hold back from social media marketing efforts

According to the American Express OPEN fall 2010 "Small Business Monitor," small-business owners have dramatically upped their usage of social media for marketing in the past year.

While just one in 10 business owners reported using social networking for marketing last year, 39% indicated they did in September 2010. The impetus is driving sales by connecting with consumers.

Facebook was the clear leader among small-business owners, with 27% using the site to attract new customers, vs. 9% using LinkedIn, 8% using Twitter and 5% maintaining a blog.

American Express found that among businesses that use social media marketing, 39% said it increased the exposure of their business. But the second most common response, selected by 17%, was that social media tools had not helped them.

"For business owners, social media ultimately should be a two-way street. It's about business owners connecting with customers and customers connecting with businesses," said Susan Sobbott, president of American Express OPEN, in a statement.

"More than 10% of consumers we surveyed reported posting a review of a small business through social media channels such as Facebook, Twitter or LinkedIn, and of these posts, two-thirds say the reviews have been positive."

But many small businesses still feel social media marketing has nothing to offer them. More than three in five reported not using social media at all, and the biggest reason they gave was that it did not apply to their industry.

A September survey of small businesses that have advertising relationships with local newspapers by ITZ Belden and the American Press Institute (API) similarly found that 40% of respondents used social media marketing.

Just 20% said it was a leading source of new business, compared with 77% who cited referrals from customers and 65% who selected referrals from friends and family.

29 October 2010