



## **U.S. Small Business Social Media Marketing Research Study Results - Q3 2017**

Conducted and Published by Ripl, Inc.

Research study September 2017; Results published November 2017

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### **SUMMARY: Q3 2017 U.S. SMALL BUSINESS SOCIAL MEDIA MARKETING RESEARCH RESULTS**

Ripl received more than 345 responses on the Q3 2017 Small Business Social Media Marketing Research Survey from small business owners and marketers based in the United States. More than 86% of these small businesses respondents do marketing for businesses with 10 employees or less. In this quarter's Survey responses, a healthy mix of different small business types was represented, including Local Businesses (29%), Professional Services (24%), Online Businesses (18%), and Non-Profits (5%), among others.

Each quarter we identify a set of Insights and Key Takeaways related to small business marketing trends from our research. This quarter we noticed 3 distinct trends from U.S. small business marketers:

- Small businesses in our survey overwhelmingly prioritize new customer acquisition over existing customer retention.
- Small businesses today primarily use social media, email and text messaging to communicate with their customers.
- Small businesses in our survey spend their modest monthly marketing budgets primarily on digital marketing channels and techniques.

Overall, our most recent research survey shows that U.S. small businesses invest more of their discretionary time and money on marketing activities that are online and under their own direct control. This trend has been in place for quite some time, but our most recent Q3 2017 survey shows how much more efficient many small businesses believe digital strategies to be for generating new customer awareness and acquisition.

**KEY FINDINGS**

**Finding #1: U.S. small business marketers overwhelmingly prioritize attracting new customers over keeping existing ones**

We asked respondents to prioritize their marketing goals between the acquisition of new customers and the retention of existing customers. Both are obviously important, but we asked them to choose just one. Respondents overwhelmingly prioritized acquiring new customers.

Interestingly, this finding contradicts the generally-accepted need to focus on customer retention. Most experts agree that the cost of landing new customers is far greater than the cost of keeping them. Additionally, the ROI on new customers is limited, while the ROI for long-term customers is limitless.

Perhaps this disparity is the result of small business owners not really (a) understanding the importance of retention or loyalty programs, and (b) feeling that if they just had more customers, life would be great. So when faced with that choice, they say that getting new customers is the priority.

Q: “Which is usually the most important goal for you overall?”

92%	Get new customers
8%	Keep the customers I already have

**Finding #2: Social media, email and text messaging are the preferred customer communication tools for U.S. small businesses**

We asked respondents to select their preferred means of customer communication. Options ranged from popular social platforms to traditional marketing channels and even device-based methods. This was an open format question. For small businesses in the U.S., the results strongly favored social media, email and text messaging.

As expected, small businesses rank social media (Facebook, Instagram and Twitter) as their top choice for customer communications. Social media is the easiest venue for new businesses to establish themselves. Once there, connecting with customers, promoting a business and seeking feedback are all built-in features to the platform. The next most popular response, email, is also unsurprising given its universal adoption amongst the customer base.

However, text messaging and phone ranked higher than expected with over 40% of respondents indicating that they use it regularly. This is most likely due to both the effectiveness of the channels (98% of text messages are read within 3 minutes) and the more intimate and personal nature of small business “owner & customer” relationships.

Q: “What do you use for your regular customer communications?”

98%	"Facebook"
82%	"Instagram"
48%	"Twitter"
48%	Facebook Group or Community
65%	Email
39%	Facebook Messenger
41%	Text Messages
40%	Phone

**Finding #3: Small businesses are spending more on digital advertising and less on offline advertising**

For the second quarter in a row, we asked how much respondents spend each month on various tools, channels and tactics to drive their marketing goals. In Q2, the answers indicated a shift of modest monthly budgets to self-operated software tools and digital advertising options.

Reinforcing this trend, Q3 respondents reported increased spend in digital marketing, but reduced spend in analog marketing categories. The shift to digital advertising and content marketing for small businesses is obvious in the fact that almost 70% are using some form of online advertising and over 75% are spending part of their budget on marketing software tools and apps. This is well ahead of marketing spend on offline and other analog options.

Q: "What is your average monthly expense in US dollars for each of the following categories?"

56% spend \$1-\$100/mo 22% spend \$101-\$500/mo	Marketing tools (Apps, Software)
45% spend \$1-\$100/mo 24% spend \$101-\$500/mo	Online advertising (Facebook, Google, etc)
59% spend \$0/mo 23% spend \$1-\$100/mo	Print, radio, TV advertisements
64% spend \$0/mo 23% spend \$1-\$100/mo	Coupons, mailings, etc.
58% spend \$0/mo 22% spend \$1-\$100/mo	Trade shows, events
46% spend \$0/mo 34% spend \$1-\$100/mo	Organization memberships

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## **RESEARCH STUDY CONTEXT: THE SOCIAL MEDIA MARKETING OPPORTUNITY FOR MICRO-BUSINESSES**

According to 2015 U.S. Census research, there are more than 30 million small businesses operating in the United States. Over 23 million are owned and operated by a single employee; more than 27.5 million are comprised of less than ten employees. Globally the number of these businesses balloons to well over 100 million—and the number grows every day.

Small business entrepreneurship is one of the most powerful forces driving economic innovation worldwide. Furthermore, the adoption of smart devices and the social media revolution has amplified a business owner's ability to market themselves from any location at any time. Social media networks provide an efficient new opportunity for small businesses to build stronger relationships with their existing customers and attract an ever-growing network of new ones.

Small business owners and marketers in the digital and social media space have increasingly started to incorporate videos into their marketing efforts. Facebook, Instagram, Twitter, and other prominent social networks are updating their feed content distribution algorithms to reward accounts that publish compelling videos with greater views and reach.

Given these larger digital marketing and small business trends, Ripl is committed to directly engaging with and learning from our global base of hundreds of thousands of small business and nonprofit customers. As part of this commitment, we conduct a quarterly broad-based study of current small business marketing habits and social media usage in order to inform our product and business strategy decisions. In the interest of advancing the marketplace's knowledge about small businesses' marketing priorities, we publish this quarterly research survey white paper to summarize insights and provide key takeaways for others.

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## **QUARTERLY SURVEY METHODOLOGY**

Ripl, Inc. received more than 345 responses from U.S. small business owners and marketers in its Q3 2017 Small Business Social Media Marketing Survey. The Survey was distributed in September 2017 to more than 30,000 free and paid users of the Ripl mobile applications via email with a link to an online Survey. The Survey was distributed using the English language only and a random drawing was conducted to reward a small number of respondents with a gift certificate stipend (subject to our published eligibility rules). Personally identifiable responses and information are never released or revealed in this process. The Ripl Small Business Social Media Marketing Survey is conducted approximately quarterly. We strive to structure

generalized small business marketing questions and answer response options within our Surveys in such a way to reduce the likelihood of question and/or sample bias, to the best of our abilities. Nonetheless, please consider in interpreting these findings that all respondents either currently use the Ripl digital marketing content creation mobile app, or have in the past, and that all responses were solicited and gathered on the Internet.

For the September 2017 Q3 Survey Research Report, we elected to focus on the Key Findings from more than 345 Survey respondents who are both U.S.-based and who work for businesses with 100 or fewer employees. While our Survey panel included both U.S. and Global respondents, we chose to focus only on U.S. small business marketing trends and current practices for this Report. More information about Ripl's Quarterly Small Business Social Media Marketing Research Survey and results may always be found on the Ripl.com website blog at <http://blog.ripl.com>.

## **ABOUT RIPL, INC.**

Ripl provides mobile application software which boosts small business social media marketing effectiveness by enabling small businesses to quickly create and share eye-catching animated posts online. The Ripl app is currently available for download on [iOS](#) and [Android](#) devices and has been installed on more than 2,000,000 mobile devices to date. For more information about Ripl or this Research Survey, please visit [www.Ripl.com](http://www.Ripl.com) or contact the Ripl Customer Success team via email at [feedback@ripl.com](mailto:feedback@ripl.com).