



Social Media Business Benchmarking Study 2011

Wave 2: 2011



The Australian **ONLINE CONSUMER** Report



- **Three in four online Australians call on consumer opinion about brands, products and organisations, found in social media**
- **63% have a Facebook profile**
- **46% have clicked the Facebook 'Like' button for a brand, product, org.**
- **43% share their opinions about brands and products through social media**
- **Among social networking participants:**
 - **53% have engaged with a brand or company on a social networking site**
 - **36% have engaged with government or politicians on a social networking site**

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“Getting support from my managers and Ministers to venture into social media has been a bit like taking my Dad to the Big Day Out. We all felt a little awkward about it at first, but we talked about the risks and how to behave (both to 'fit in' and to 'stay safe'), and now that we've stepped into the gates, we've found people wearing the t-shirts for our band! We're all having a great time and don't want to go home.”

Respondent comment, Nielsen Social Media Study, July 2010, public sector survey.

1. Australian business' investment in social media



The budget allocated to social media activity increased in 2010

During 2009

57%

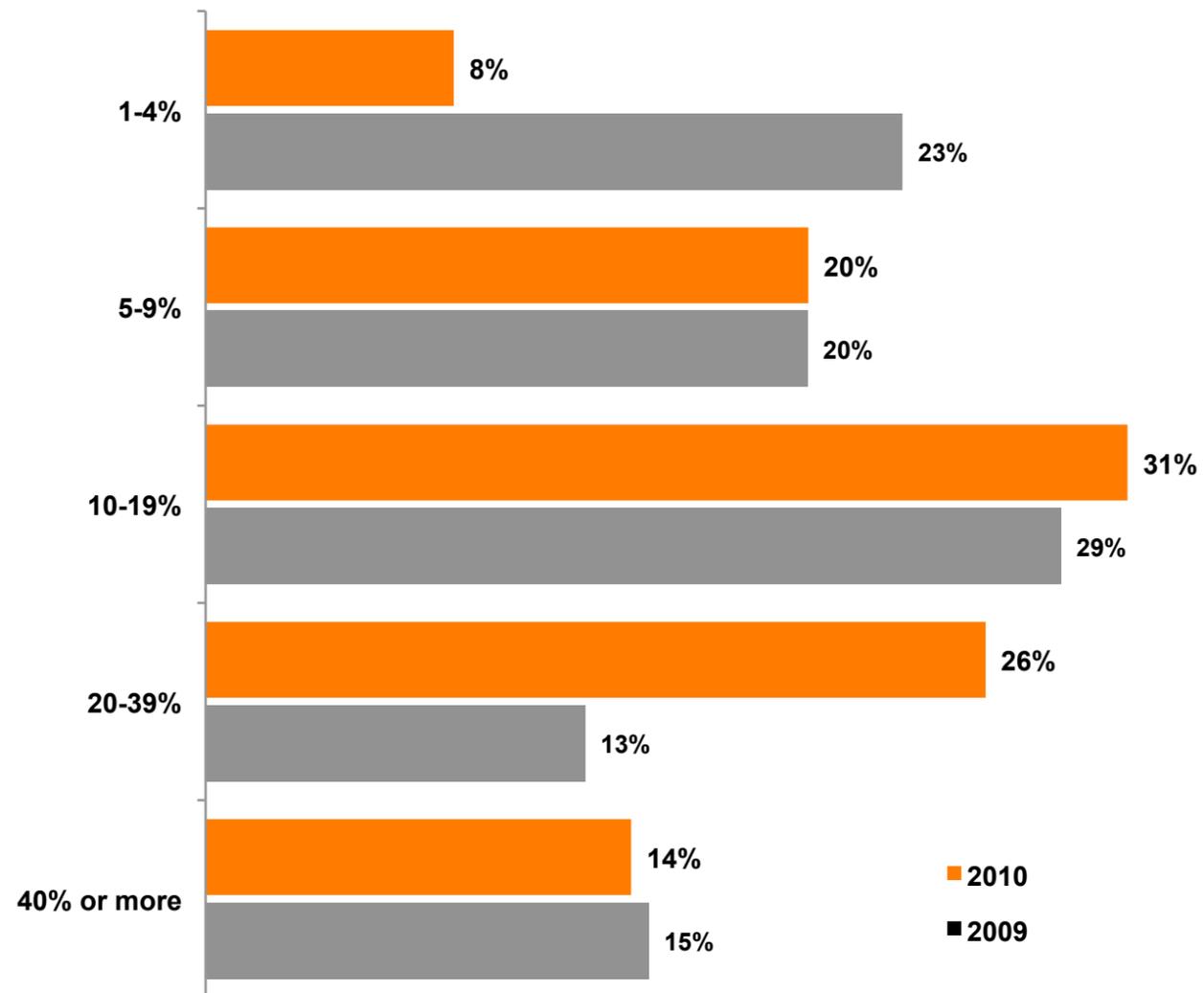
of participating business' allocated 10% or more of their marketing budget to social media activity.

During 2010

72%

of participating business' allocated 10% or more of their marketing budget to social media activity.

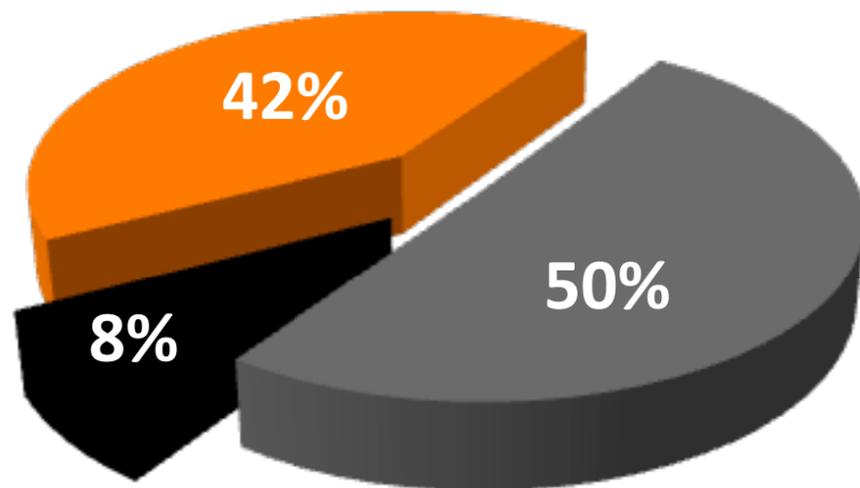
Among business' conducting social media activities in 2010, what proportion of the marketing budget was allocated?



Those allocating one fifth or more of their marketing budget to social media increased from **28%** to **40%** last year.

42% of business says a greater proportion will be invested in social media this year

- A greater proportion of the marketing budget to social media
- About the same proportion of the marketing budget to social media
- A lower proportion of the marketing budget to social media



What is driving the increase?

66% It's a marketing channel we know we need to be in

50% The reach of social media

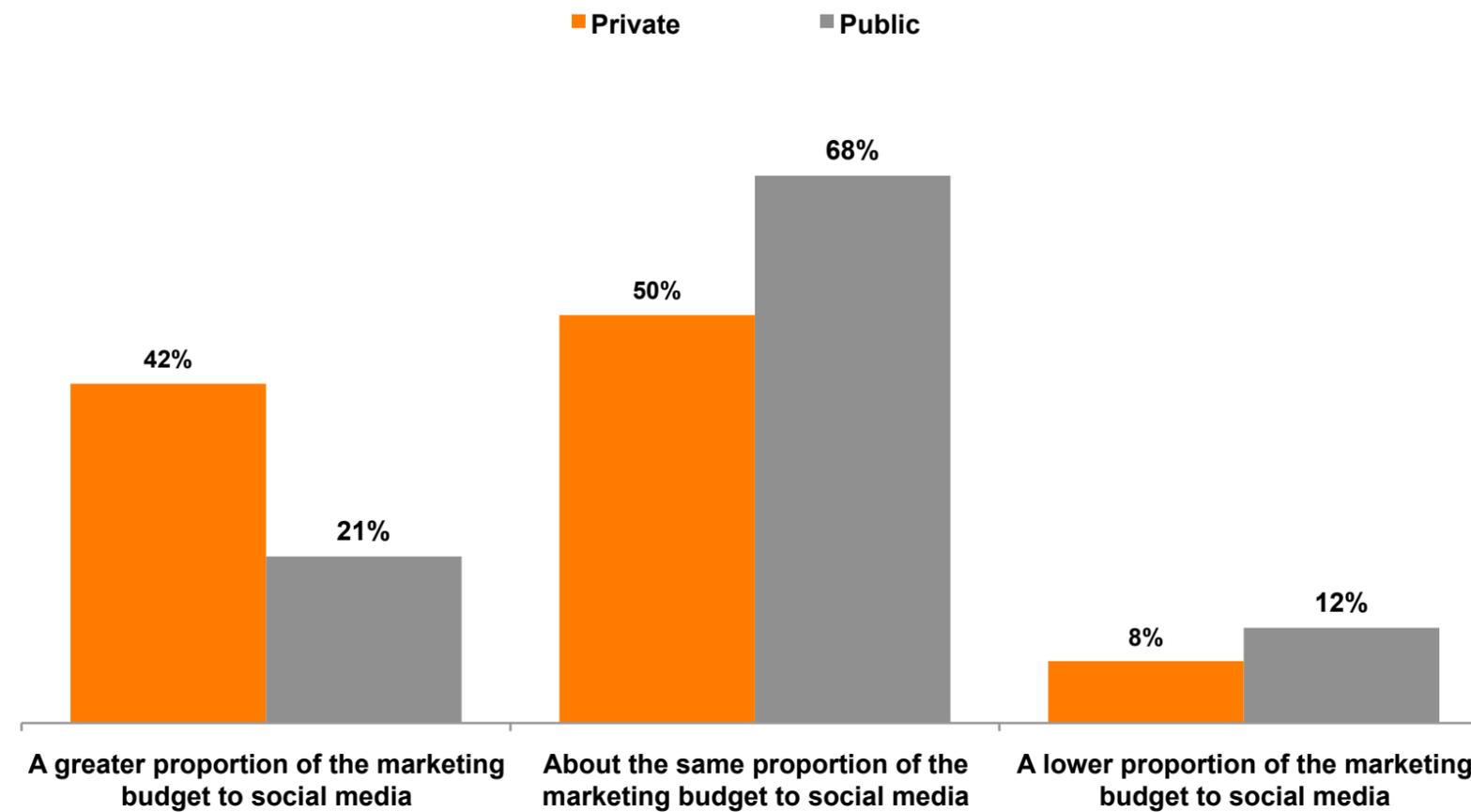
42% The targetability of social media

42% It drives insight and action across a lot of areas of the business

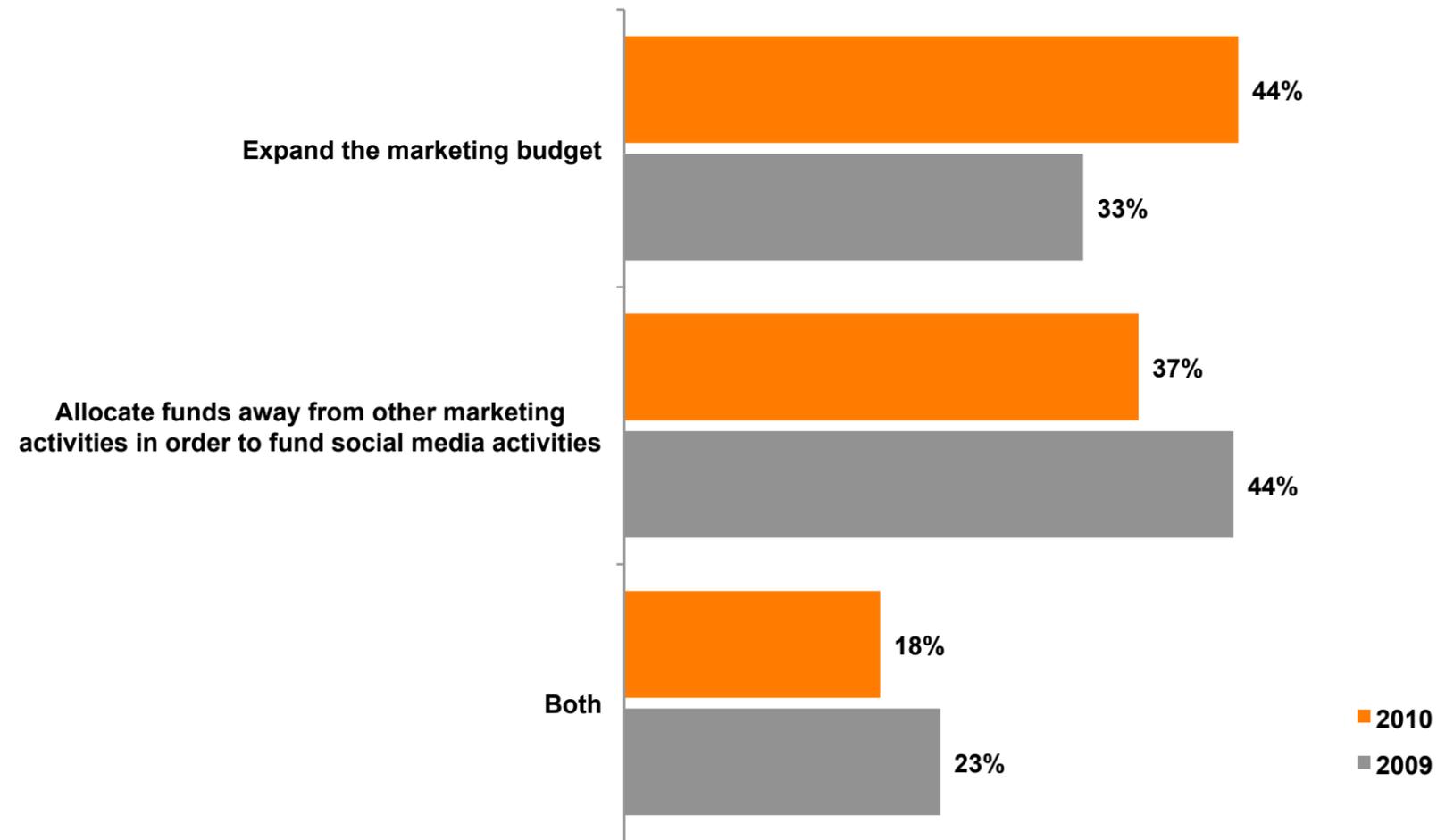
31% Proving ROI on activities

27% Senior management buy-in

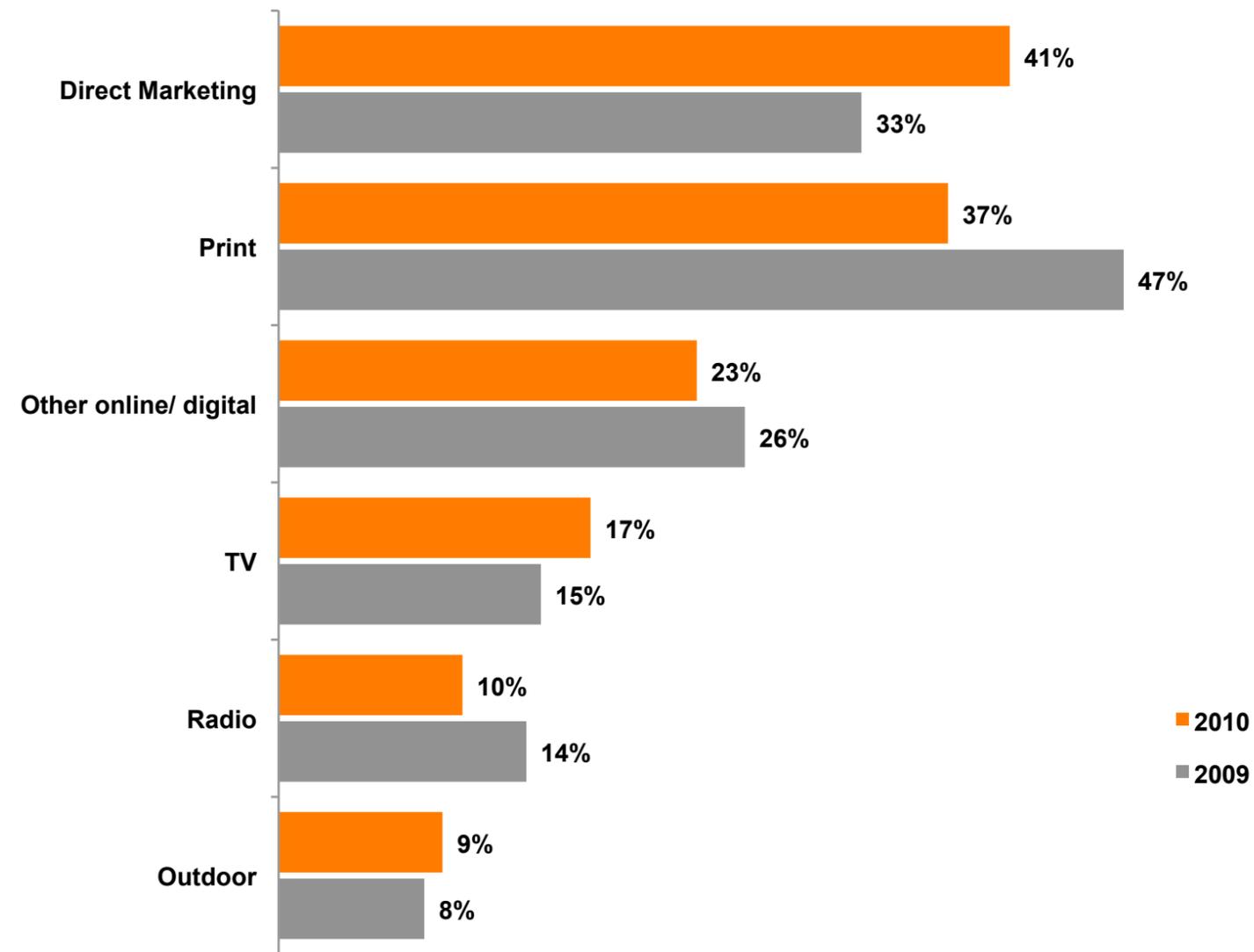
Public sector is far more likely to maintain, rather than grow, their level of investment this year



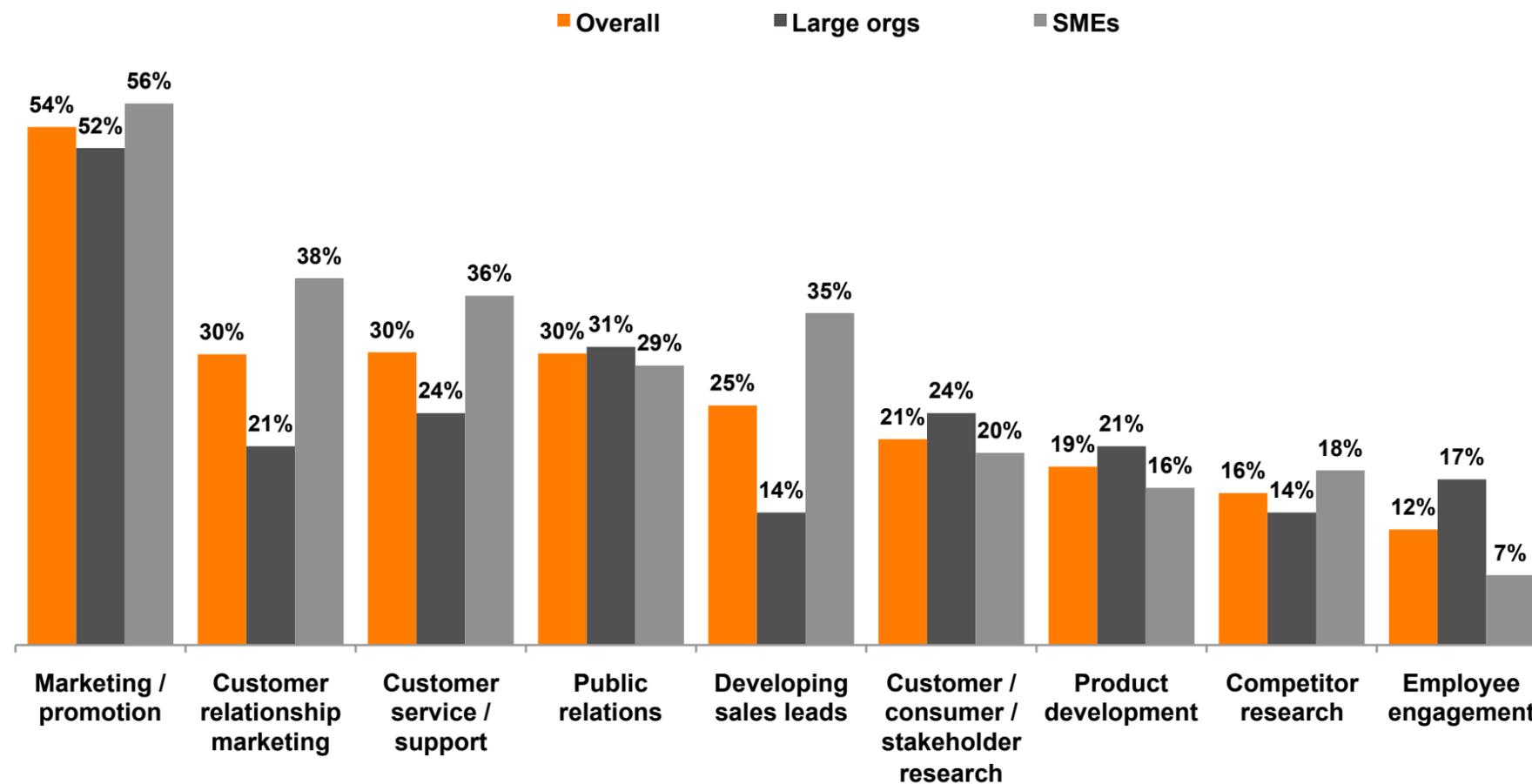
More marketing budgets were expanded to fund social media activities during 2010...



Direct marketing is now the strongest target for budget redeployment

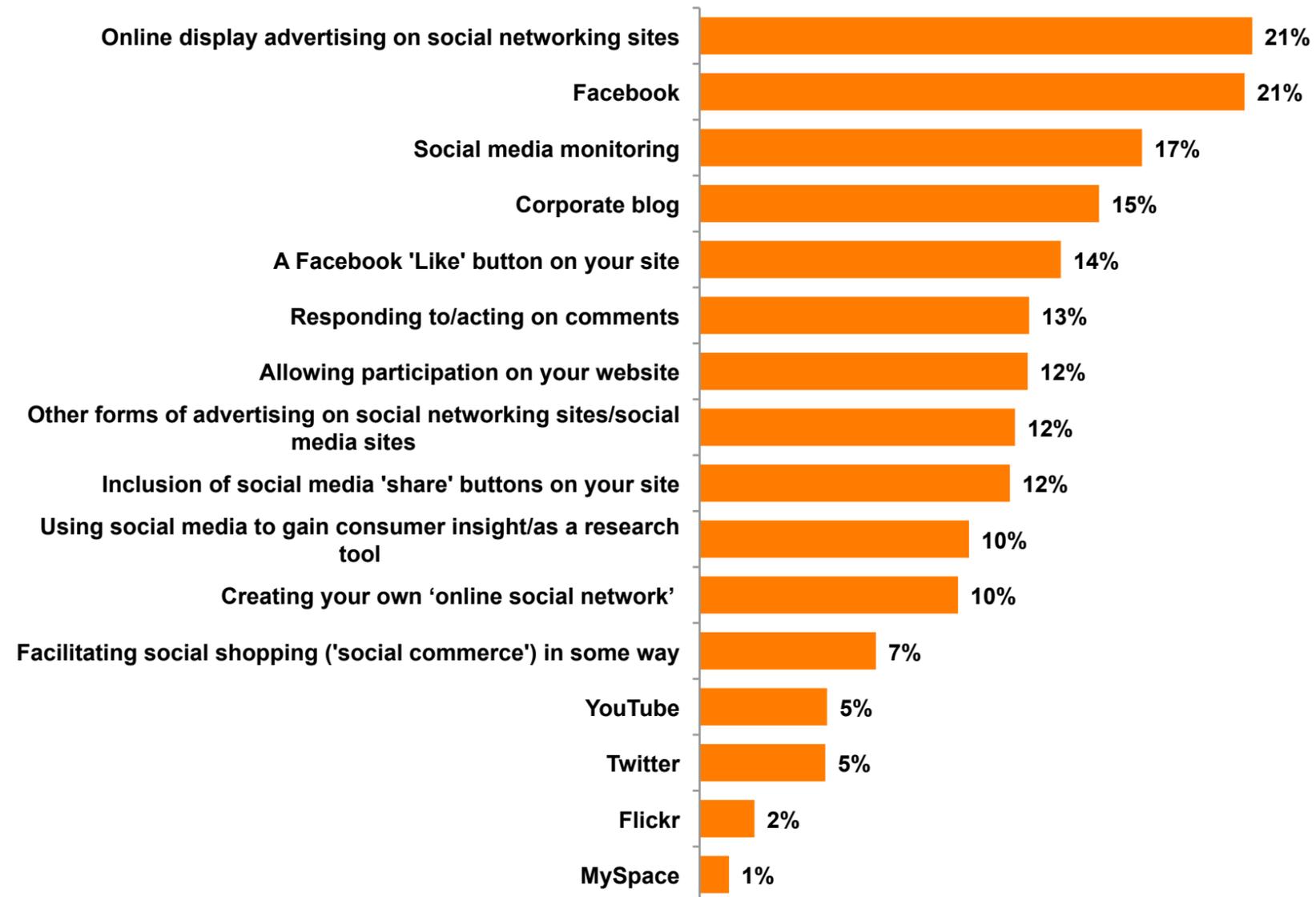


More than half use their social media investment for marketing, but other business activities are also prominent



SMEs also investing in social media for customer service, relationships and sales activity.

The most social media budget is commonly allocated to display advertising or maintaining a presence on Facebook



Australian business' are more likely to have policies to protect their brand...

17%

Have a formal social media strategy

- 27% of large organisations
- 11% of SMEs
- 8% of public sector

24%

Have a social media policy or guidelines

- 42% of large organisations
- 12% of SMEs
- 23% of public sector

Of this group...

- 84% have policies/guidelines for their own staff
- Higher among public sector at 90%
- 46% have policies/guidelines for their agencies
- 21% for outsourced bloggers etc.

2. The social media activities conducted by business' in 2010



The 5 most popular social media activities conducted by Australian business' in 2010

28% Presence in social media

26% Social media monitoring

25% Respond to/act on comments made via social media

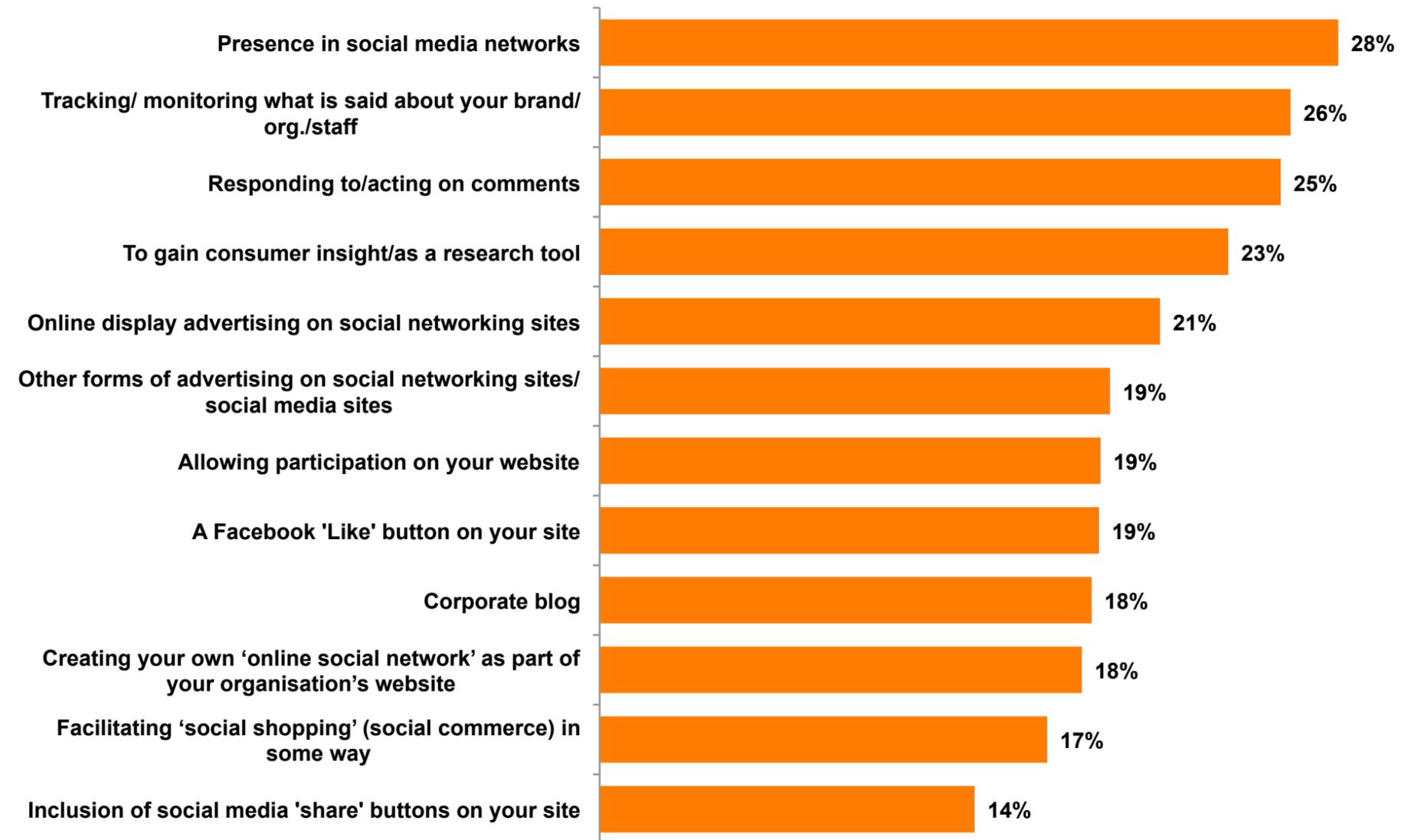
23% Gain consumer insight/use social media as a research tool

21% Advertise on social networking sites

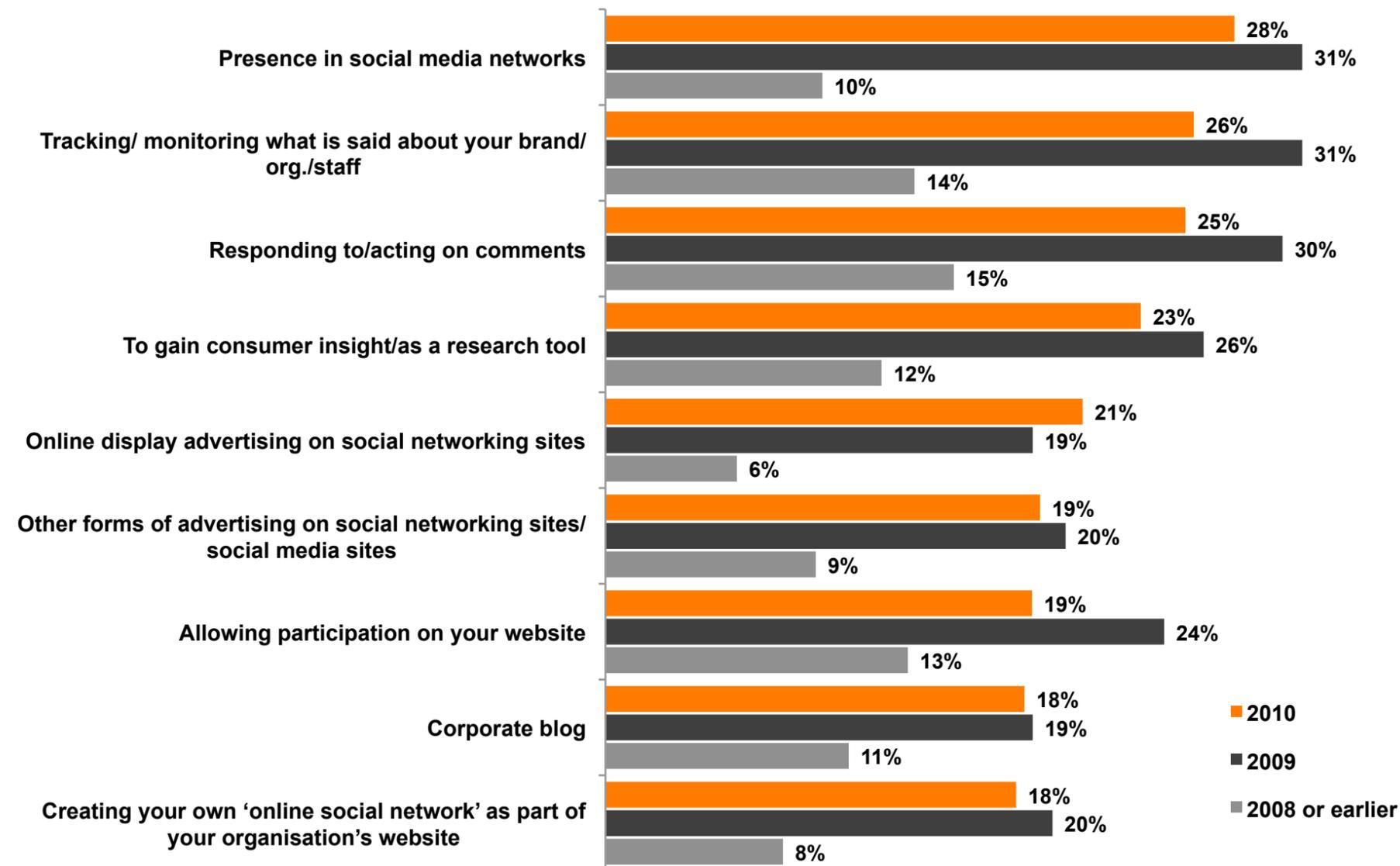
“There are many fans sites out there but when fans make comments or complaints or provide feedback, and companies don’t bother to respond, that is a big fail.”

Director, Large business, Engineering

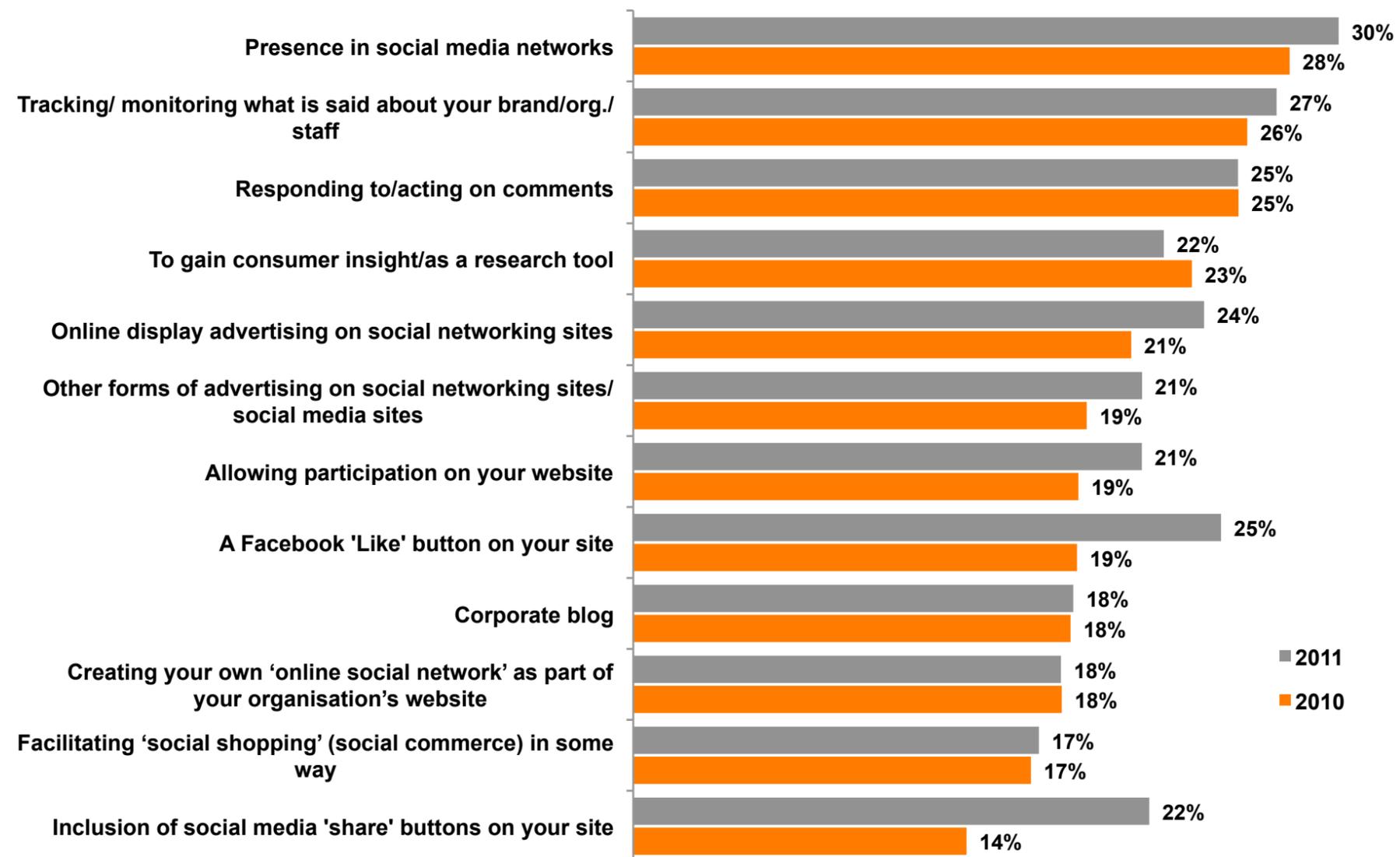
The social media activities business' are engaging in



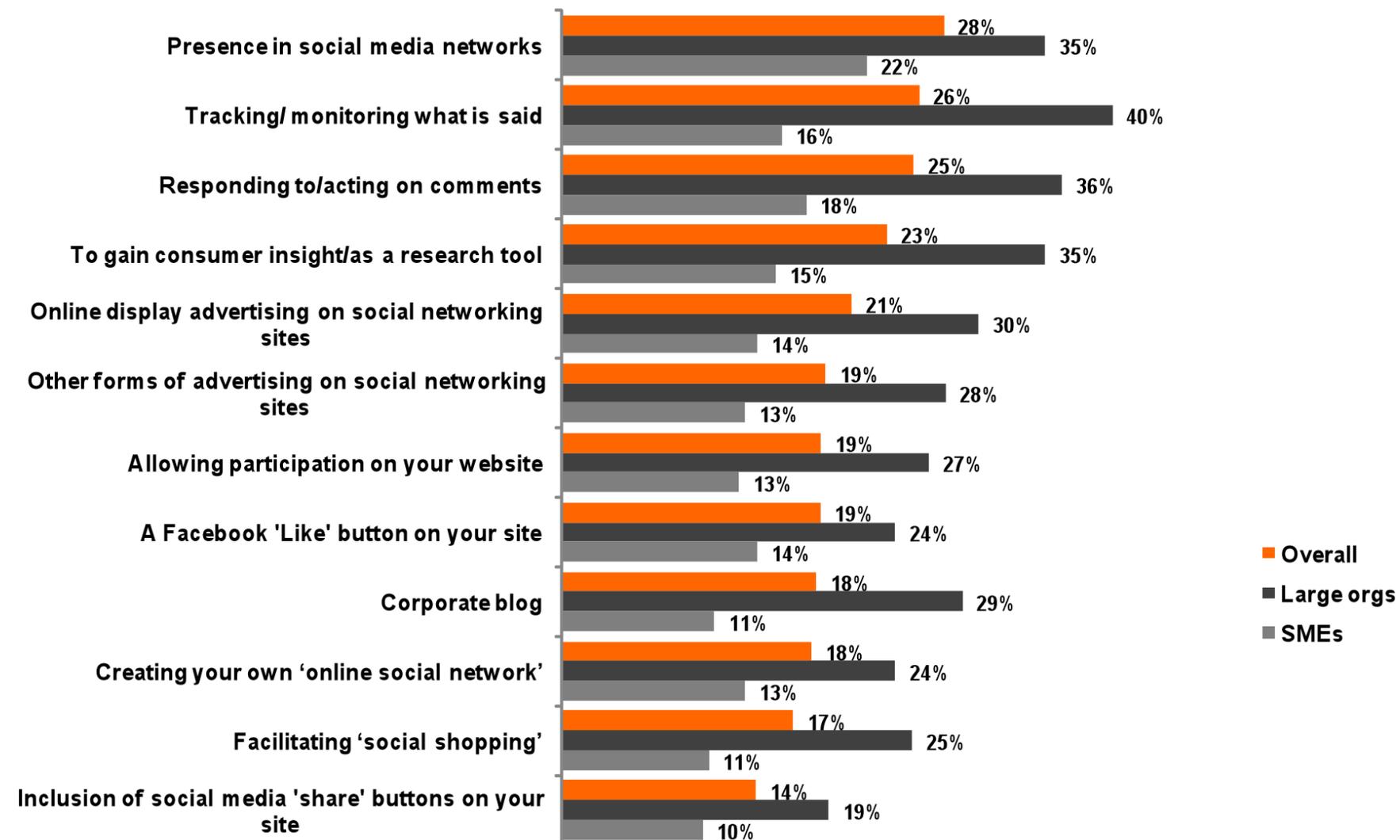
Business uptake of social media was strong during 2009 while some pared back their activities in 2010



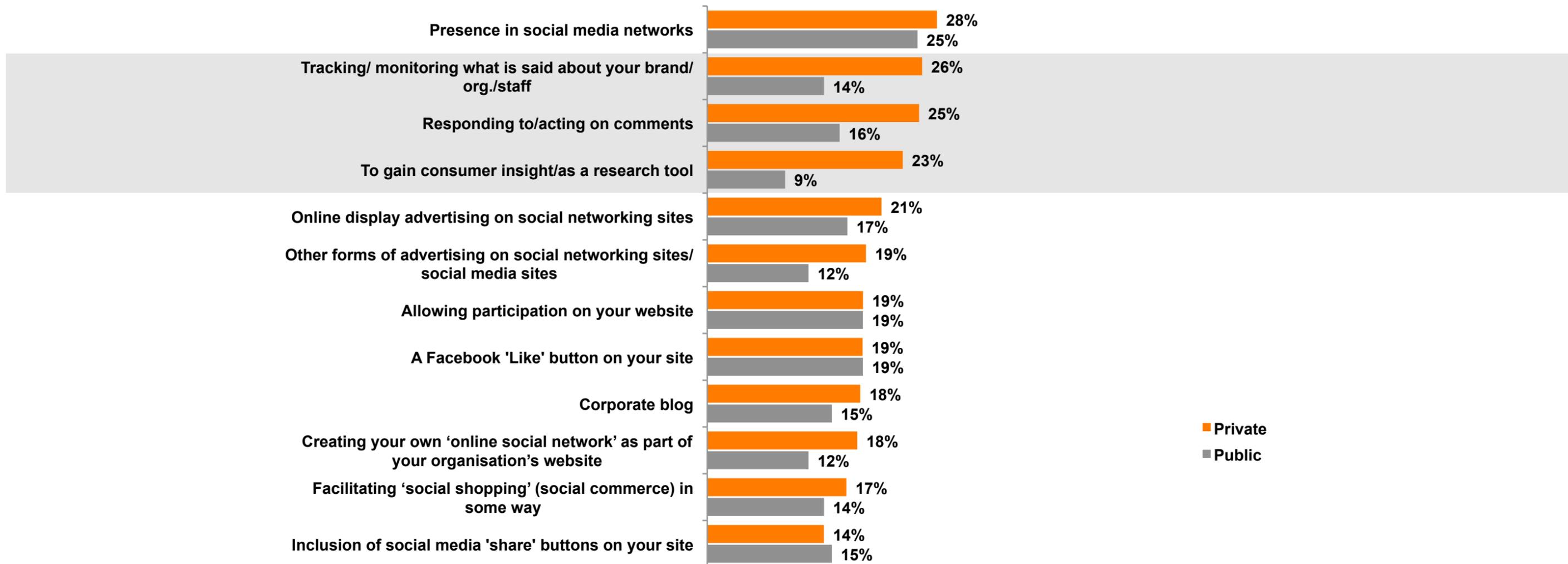
Plans for 2011: Social media further integrated with owned media



Large business is participating to a considerably greater extent than SMEs



Private and public sector on par across many areas but public sector has been slower to uptake some activities



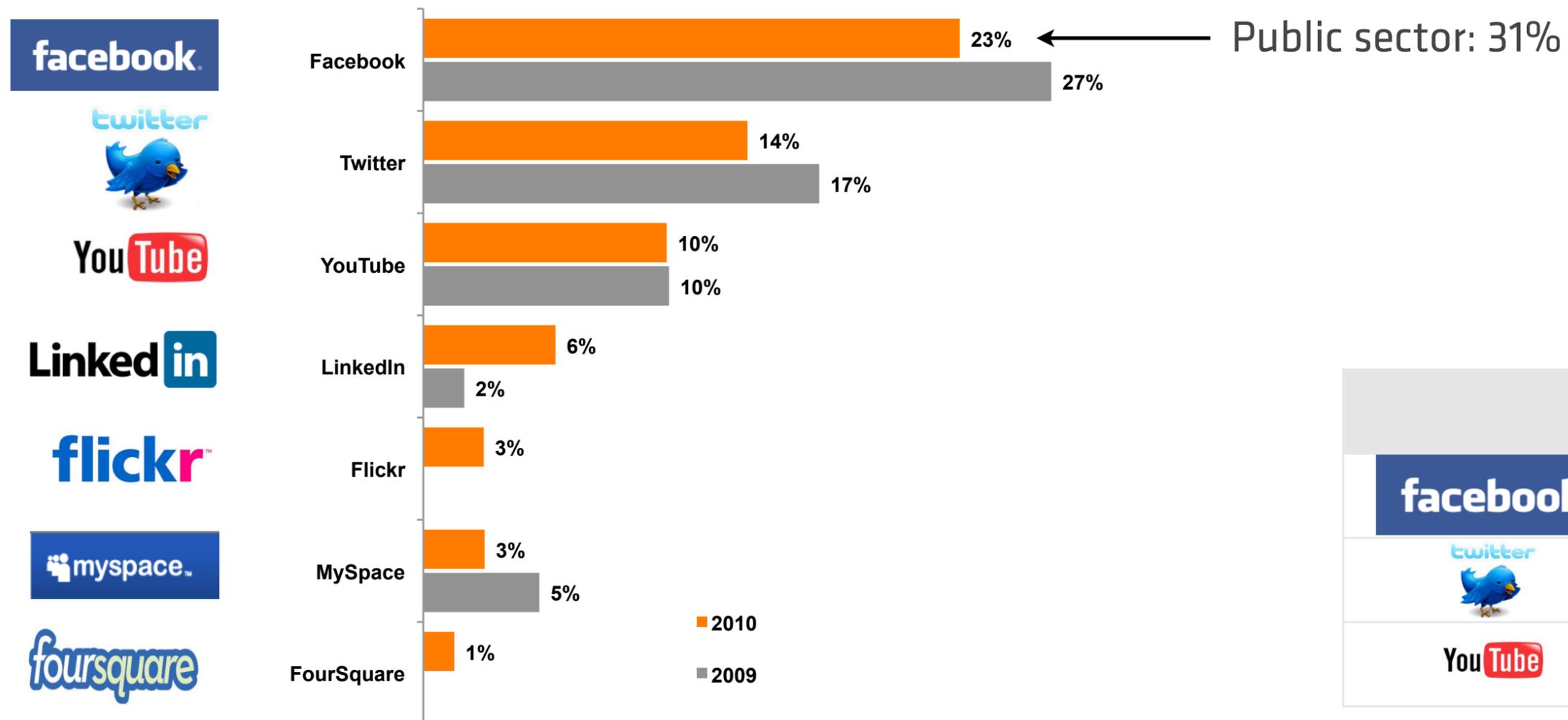
54%

of Australian business' agree that they should be asking "how" to do social media, rather than "if" they should do it vs. 63% in 2009.

42%

agree that they risk losing touch with their customers if they don't employ social media activities vs. 50% in 2009.

One in four Australian business' have a presence on Facebook



	Large orgs	SMEs
facebook	29%	21%
	17%	13%
You Tube	16%	8%

of fans ranged from 1-20,000...

Average: 2,252 fans

Median: 300 fans

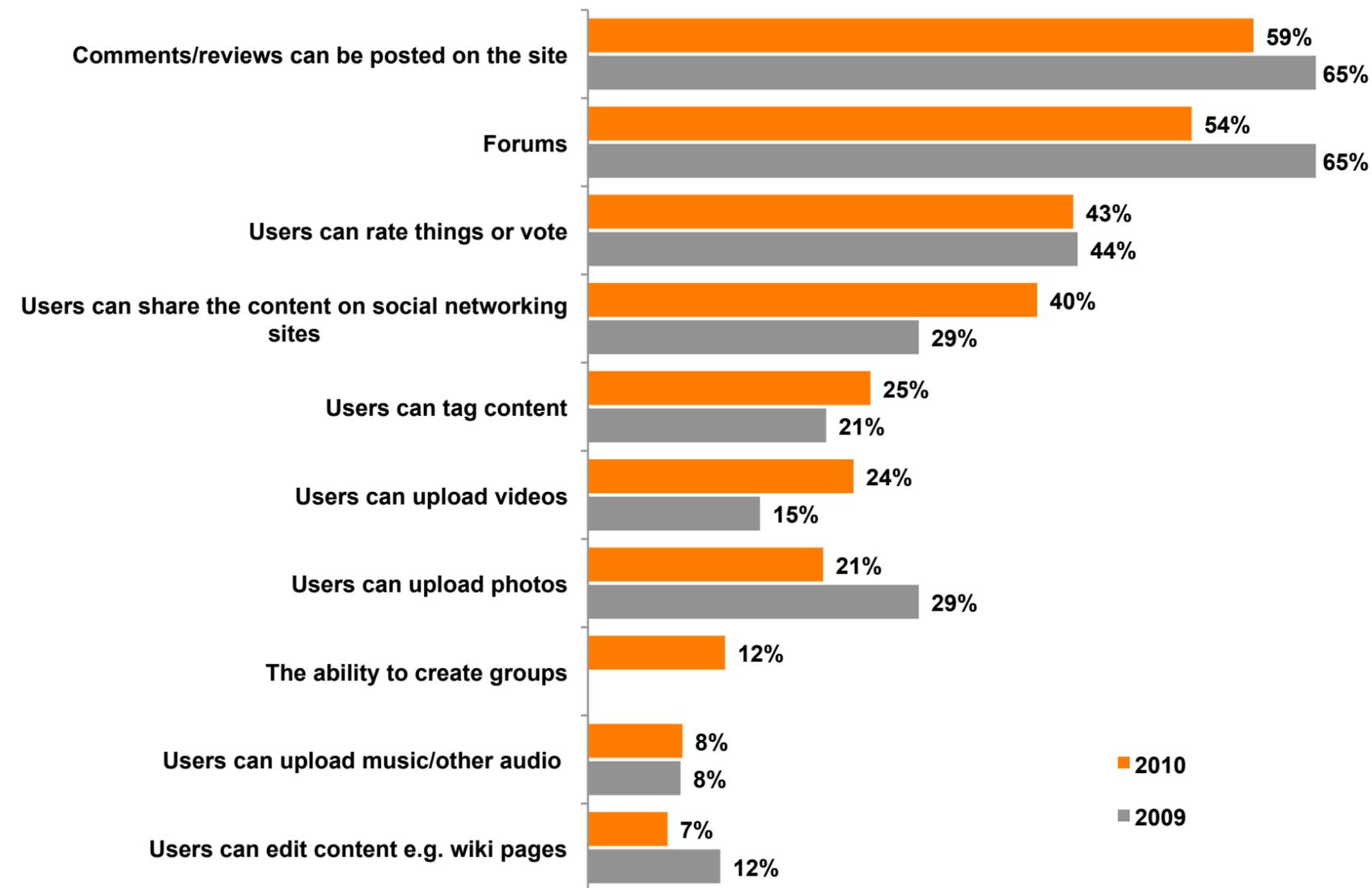


Around one in five business' with a Facebook presence have:

- 1-49 fans
- 50-199 fans
- 200-999 fans
- 3000+ fans

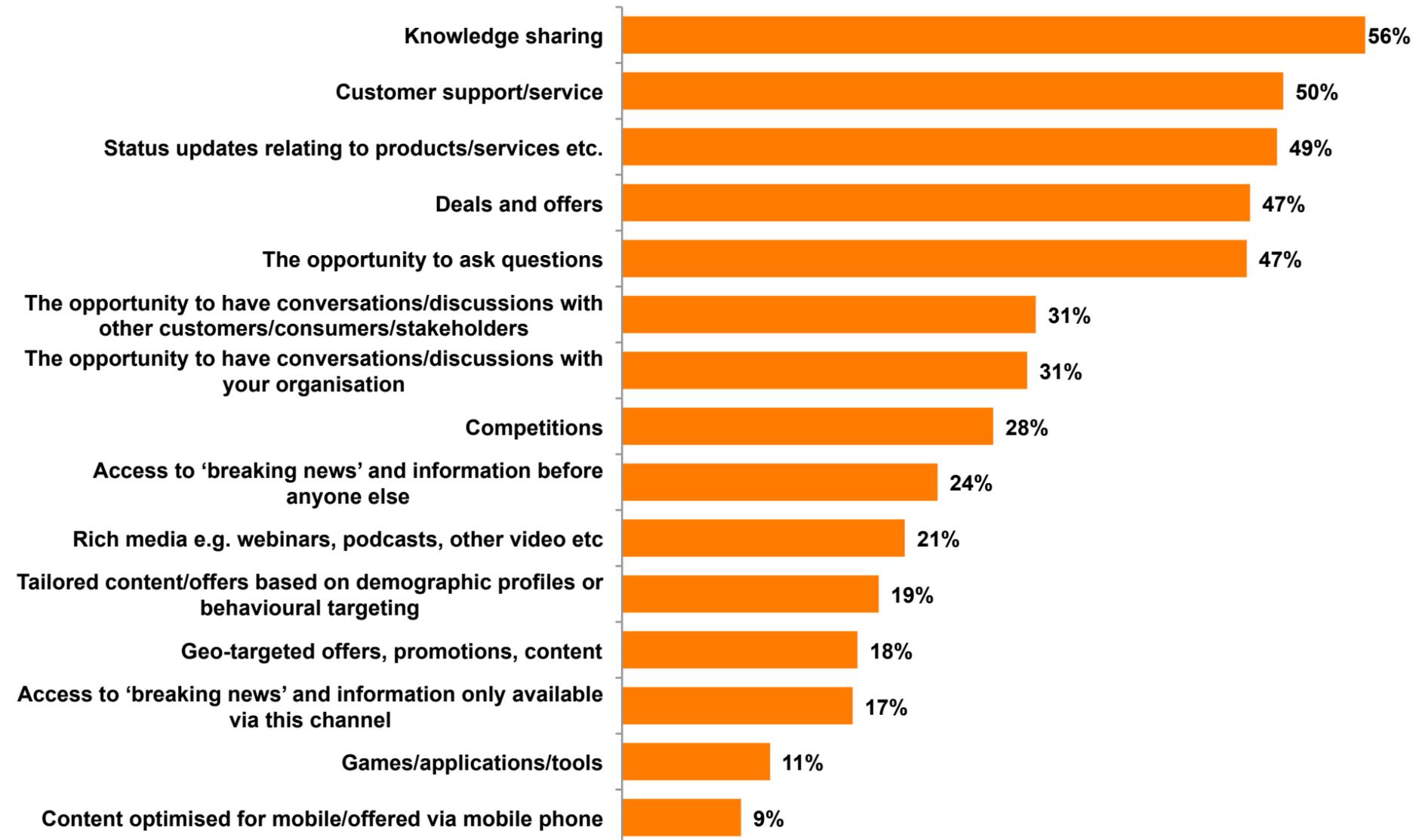
i.e. 60% have up to 1000 fans.

Among the 19% allowing participation on their own website in 2010...



Social media 'share' buttons and facilitating video upload is now more widespread.

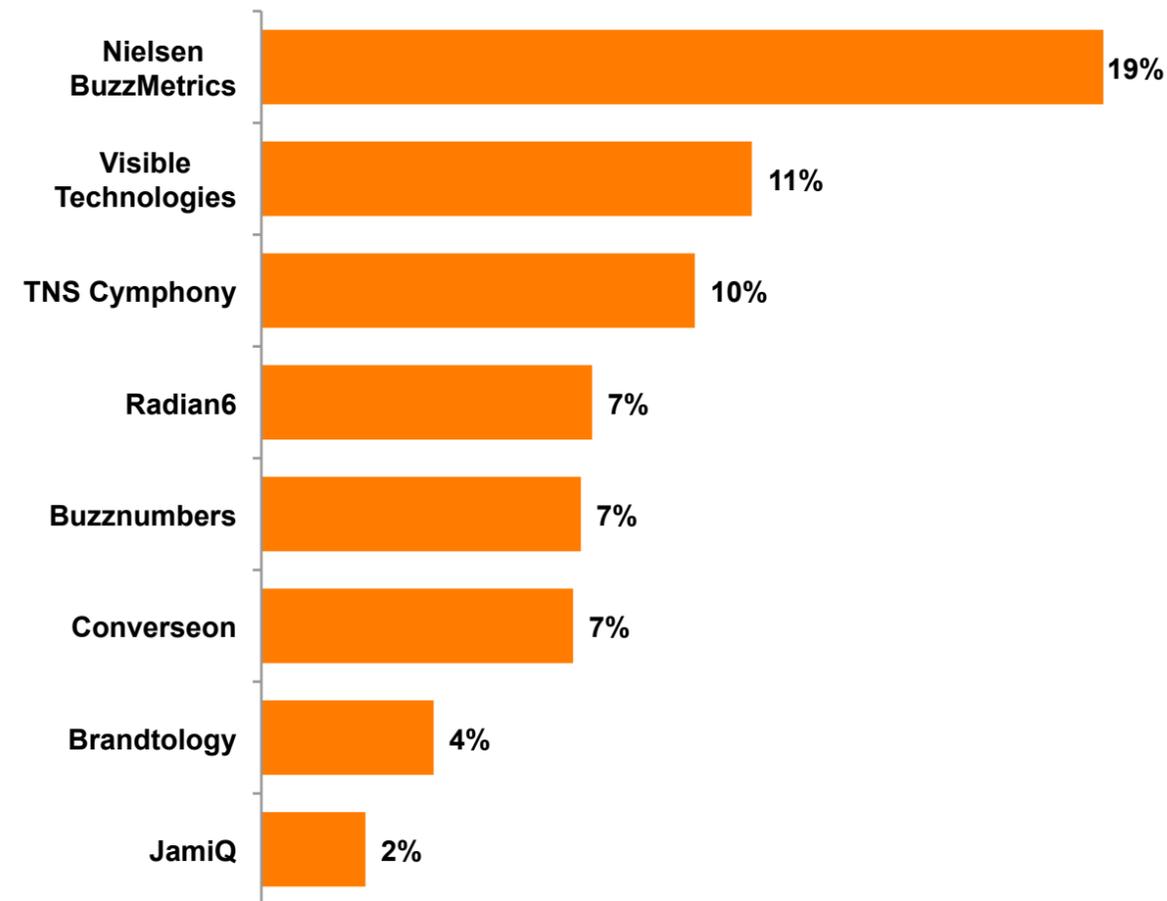
Content offered via social media



Public sector is active in facilitating discussion and interaction, among other content areas



Among the 33% conducting social media monitoring and/or using social media for research or insight...

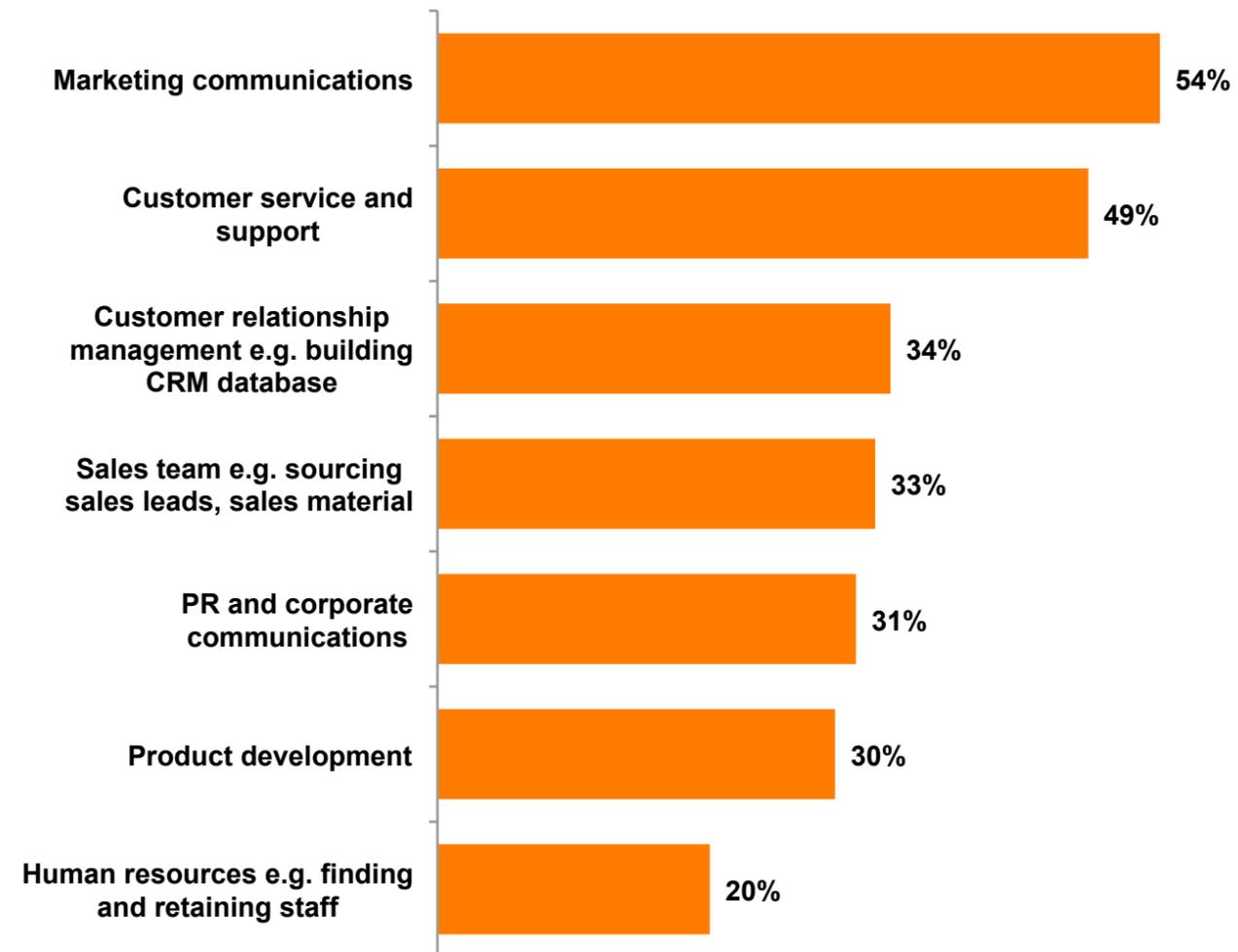


72% use a specific monitoring tool/solution – 76% of large organisations vs. 65% of SMEs

“It’s important to respond to social media, it shows the company is engaged with clients.”

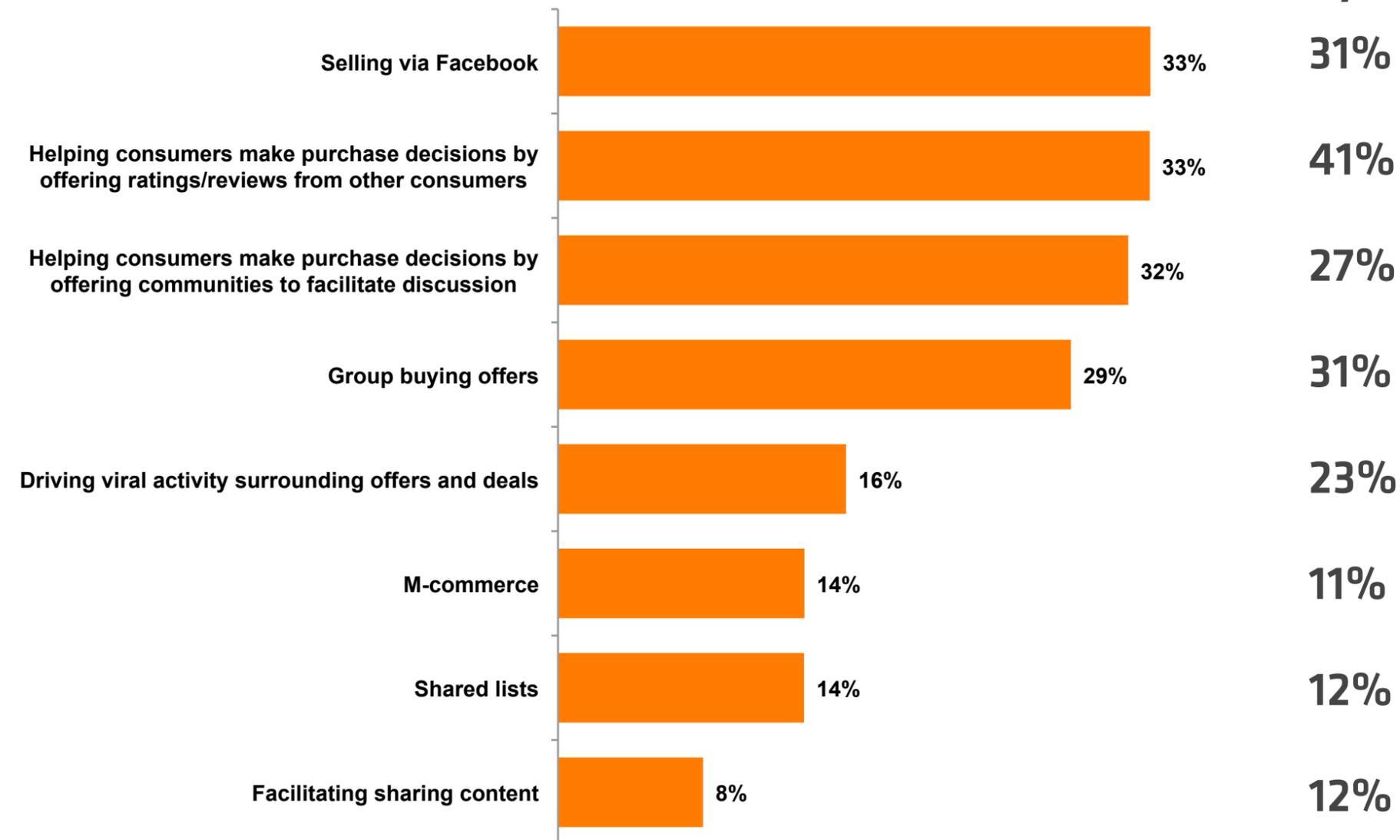
Public sector, 20-49 employees, Sport and Rec.

Social media monitoring is being used to support a wide range of business functions



Among the 17% facilitating social shopping / social commerce...

Based on intention,
by 2012 we expect:

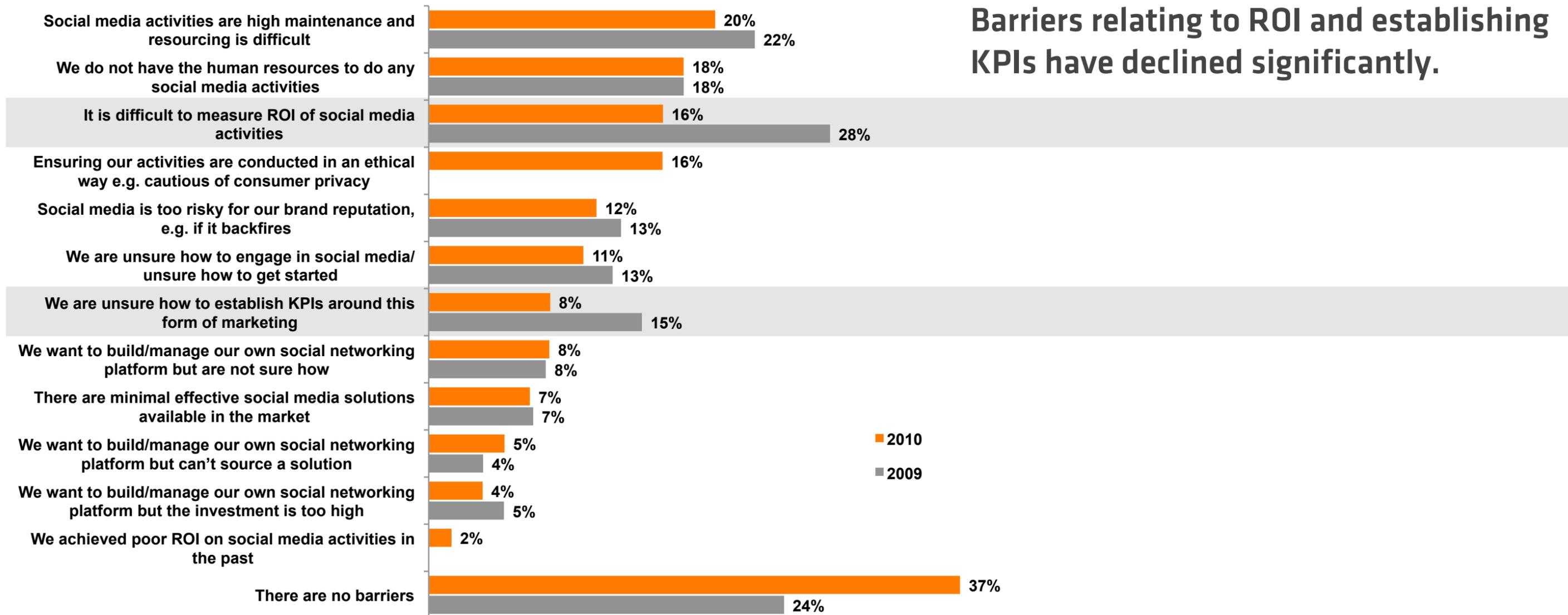


3. The barriers to business investment in social media

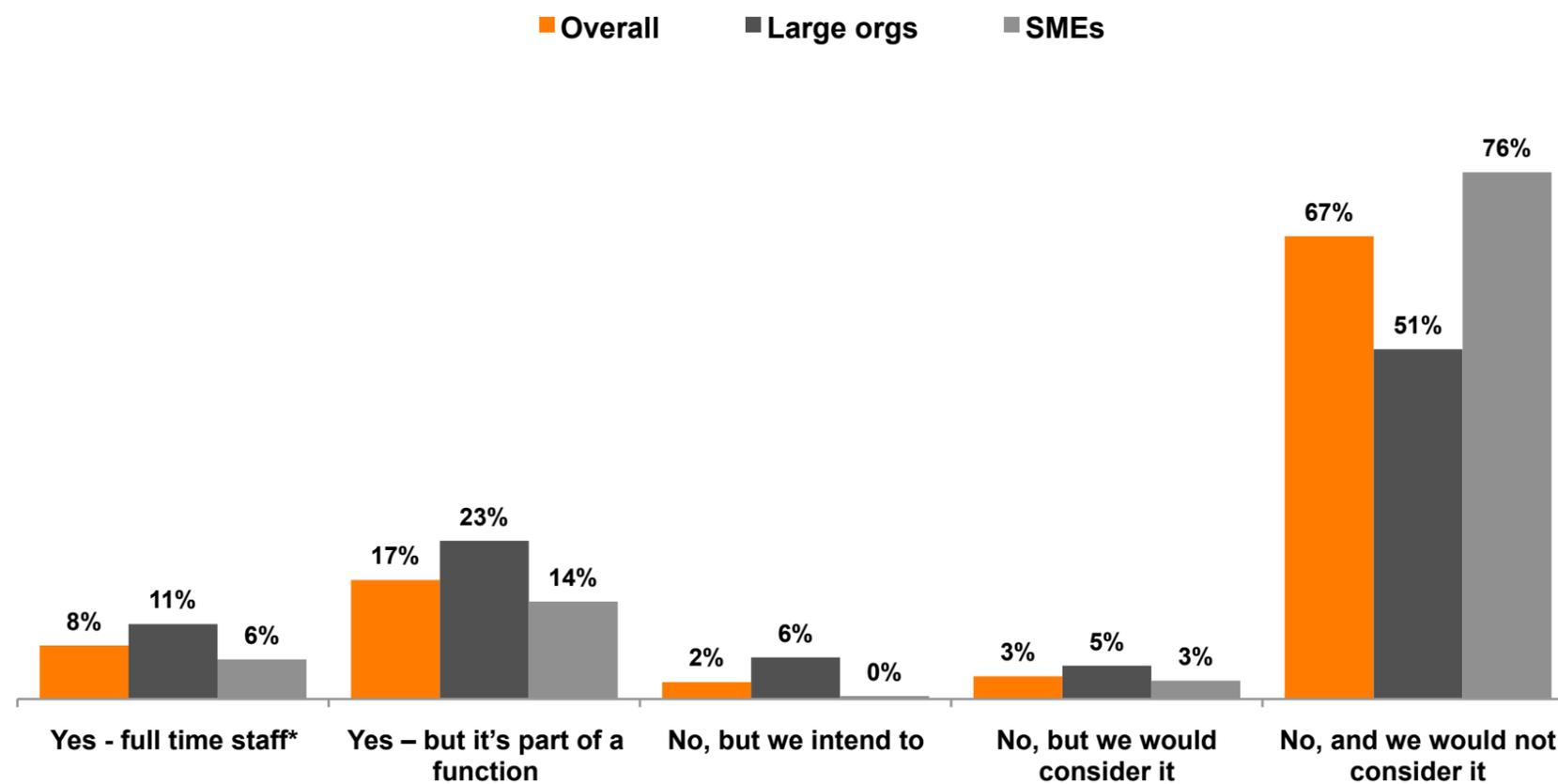


The barriers to investing in social media activities are declining, but resourcing remains a issue

Barriers relating to ROI and establishing KPIs have declined significantly.

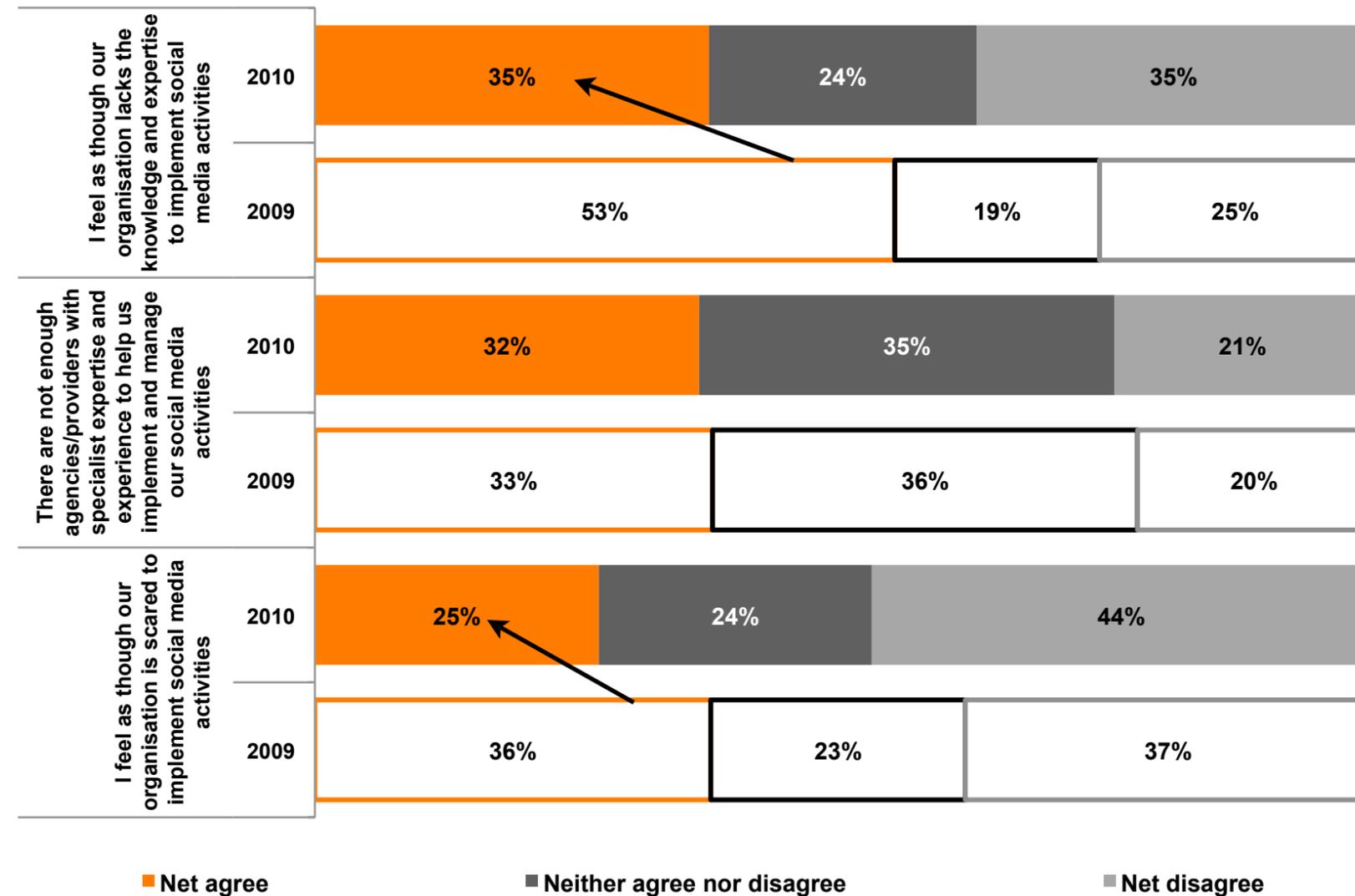


Resourcing: Very few businesses have staff dedicated to social media activities and not anticipating such investment

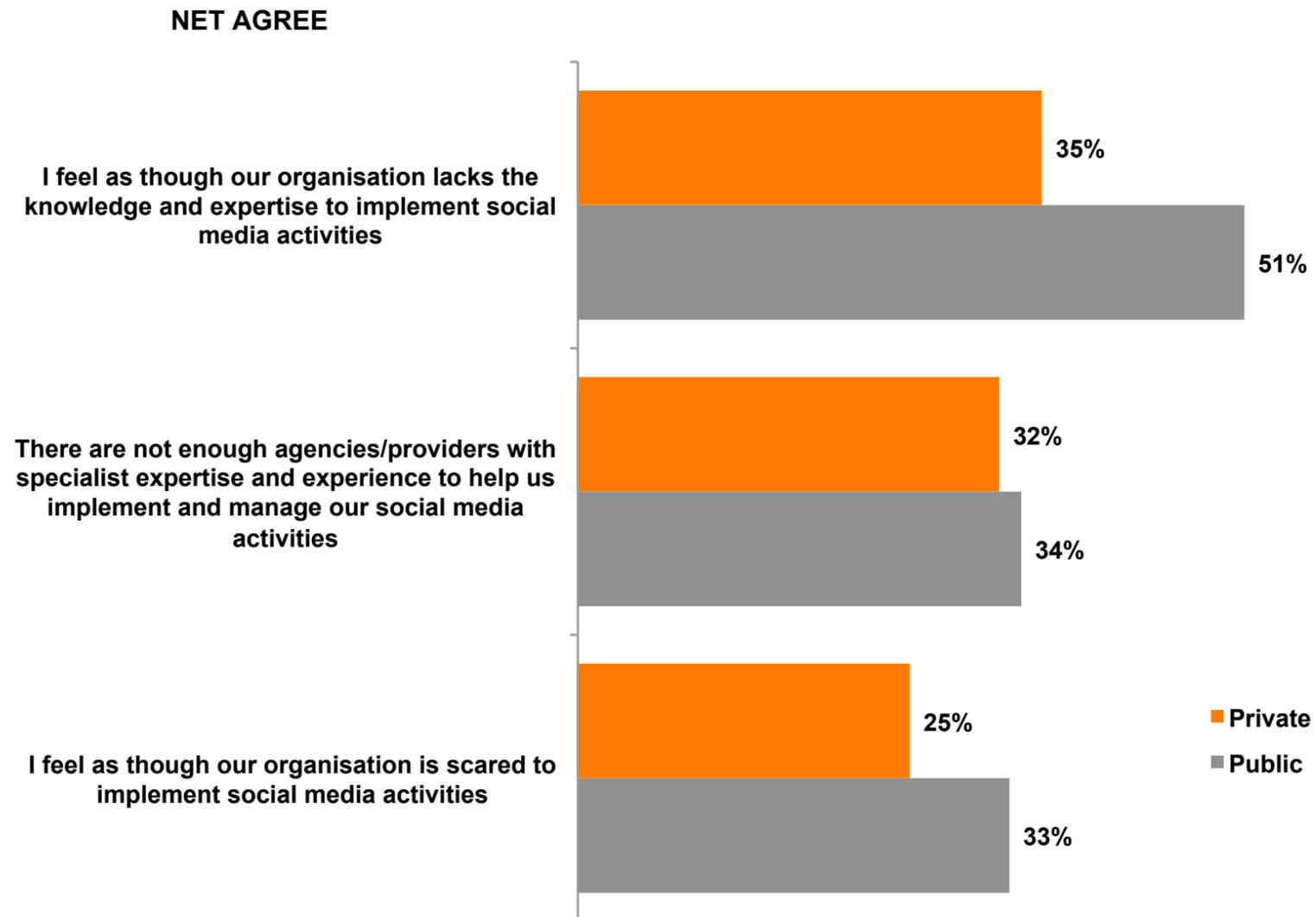


Wave 1: 9% had “staff dedicated to social media”

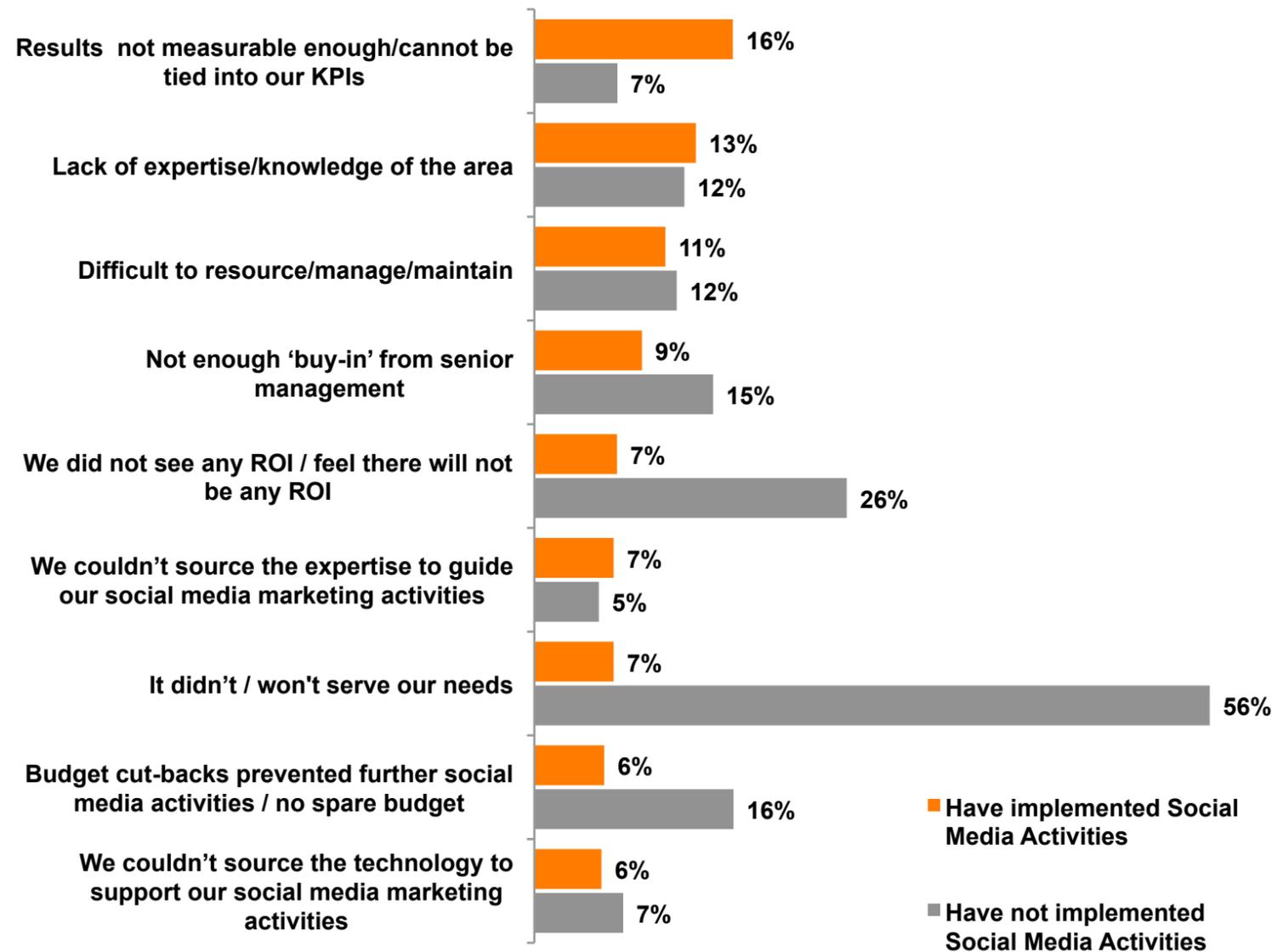
Business' are less 'scared' of social media and feel more confident in their knowledge and expertise in the space



Public sector, however, lags private sector in their confidence and 'courage'



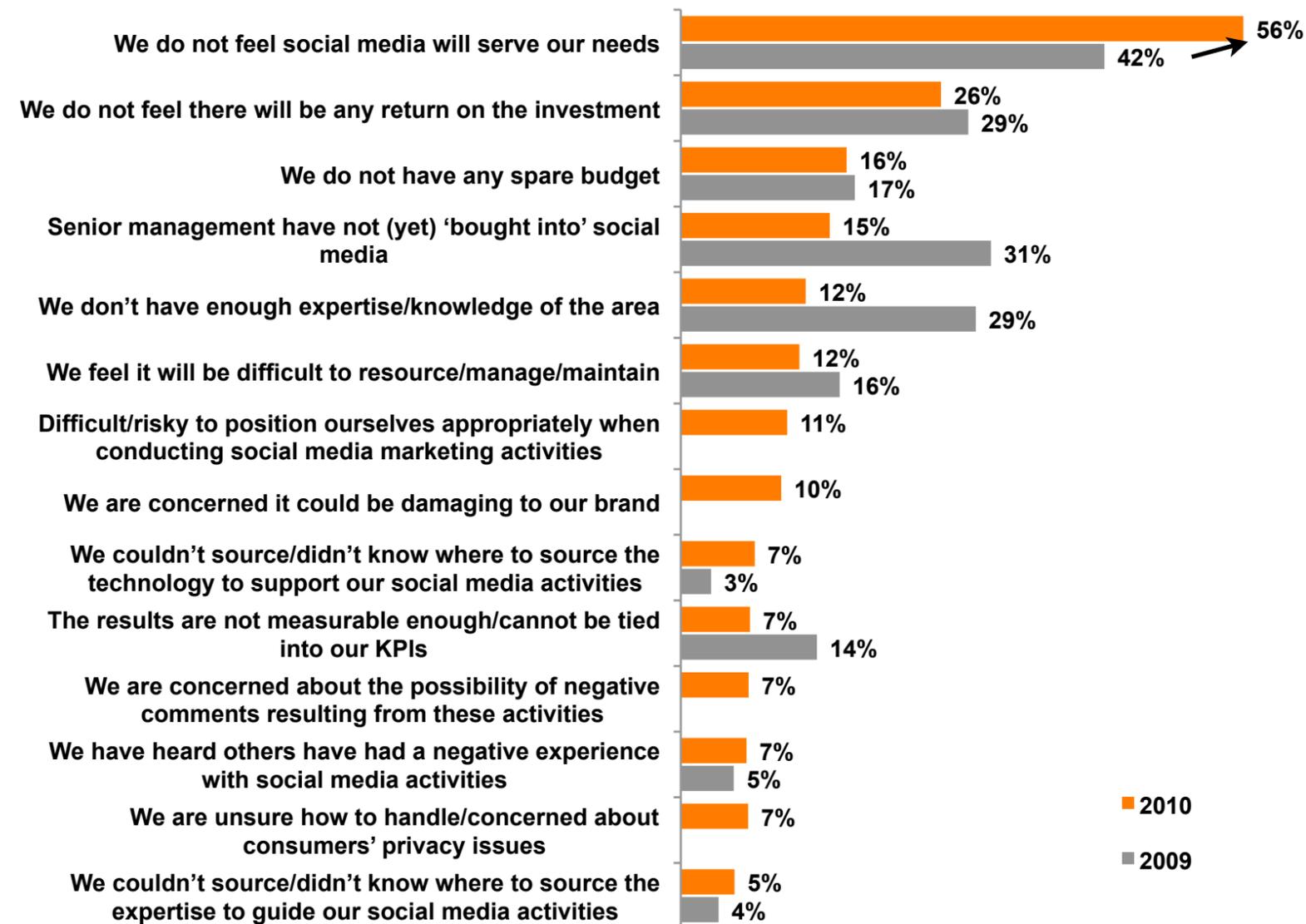
More than half of those who are yet to implement social media activities feel it won't serve their needs



"I run a business, not a chat show. Accounting and tax could never be classified as chatty professions."

SME, 2-5 employees, Accounting

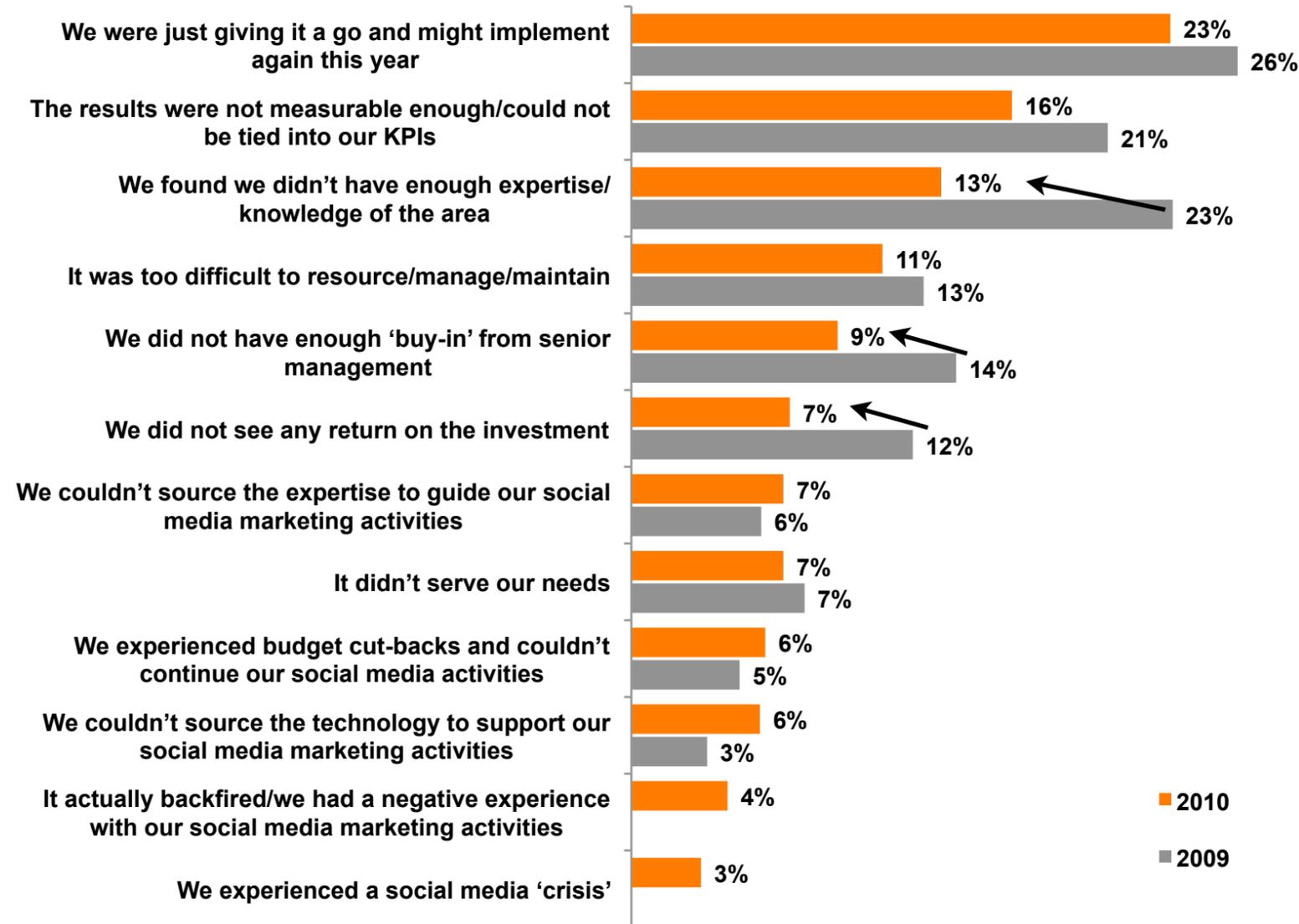
And this perception has become more widespread while most others have declined



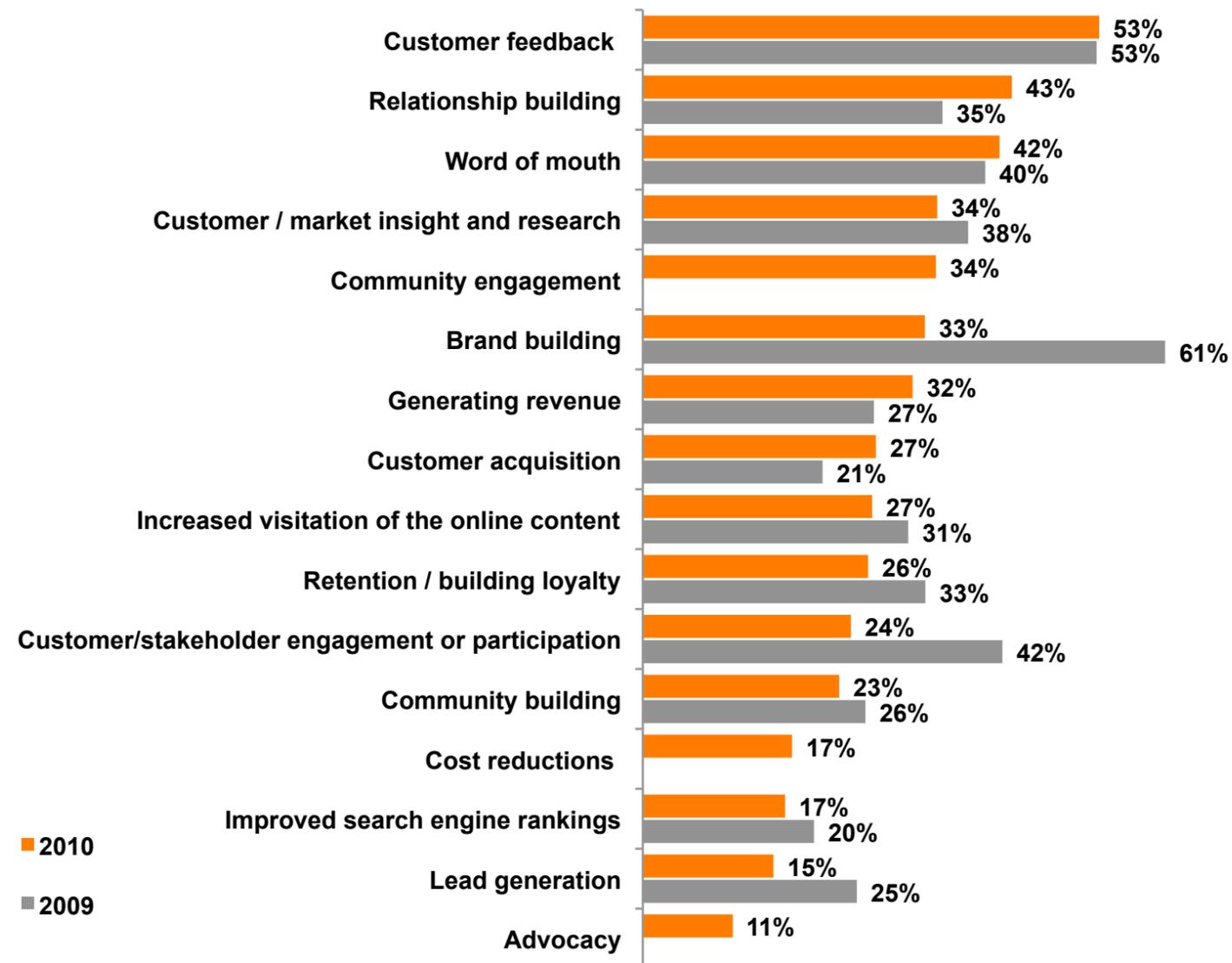
4. Experiences and outcomes to date



Experiences with social media activities



The marketing objectives achieved through social media activity



Single most important objective of Social Media:

- Word of mouth 14%
- Customer feedback 12%
- Generating revenue 11%
- Brand building 10%

Degree to which ROI has been achieved on social media activities

37%

Saw strong or reasonable
ROI from their Social Media
Activities

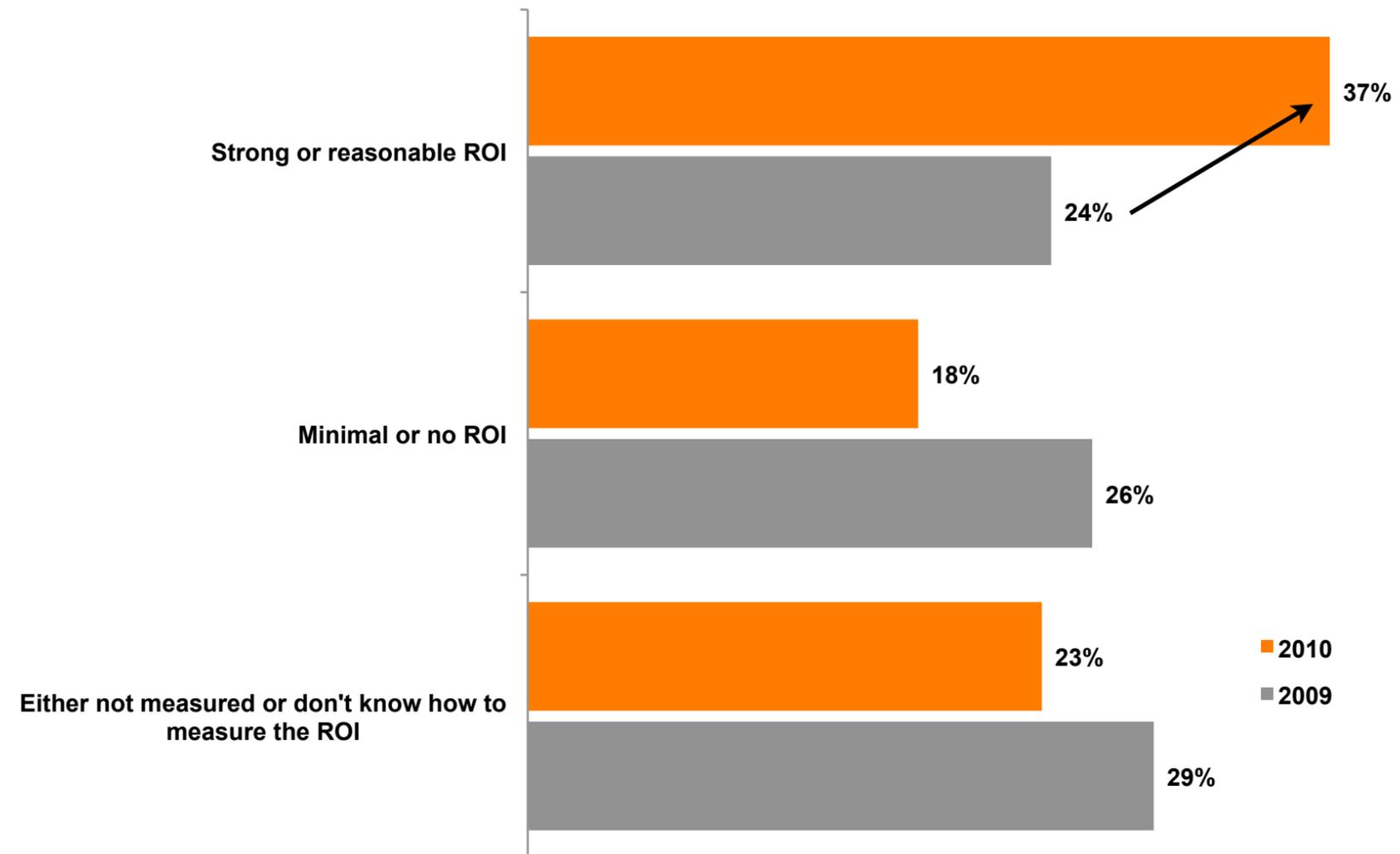
18%

Saw minimal or no ROI

23%

Have either not measured,
or don't know how to
measure the ROI

A greater proportion now achieve strong or reasonable return on their social media investment



How businesses quantify the ROI of their social media activities

67%

Improved engagement
with customers

41%

Sales / revenue
directly attributed to
the activity

39%

Social media
engagement metrics

23%

Insights generated from
social media monitoring

22%

Brand movements
directly attributed to
the activity

13%

Reduced costs

5. Concluding remarks



Business' social media conduct – what happened in 2010?

- Efforts have been consolidated and appear more focused and planned – including budget allocation
- Intentions are strongest in the integration of social media and owned media
- Social media activity is penetrating many areas of the business
- Perceptions of social media still limit some business adoption, while resourcing remains a challenge for many
- Confidence grew, investment grew, barriers have started to break down



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