



U.S. Small Business Social Media Marketing Research Study Results - Q2 2017

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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 is growing every day. Here at Ripl, we refer to these as “micro-businesses” and “solopreneurs”.

These terms understate the importance of these small businesses in the United States and around the world. Micro-business entrepreneurship is one of the most powerful forces driving economic innovation and financial empowerment worldwide. Until recently, however, the shift from traditional local and advertising media to online marketing channels has not been leveraged by small businesses, as it has been by their larger counterparts. However the growth in adoption of Internet-connected mobile devices, and the attendant social media revolution, has changed that in dramatic ways. Several years ago, small businesses ready to begin digital marketing needed a website on a branded domain to serve as the ‘hub’ or ‘anchor-point’ central to their online marketing. Today small businesses may instead choose to anchor their online brand on a Facebook Page, Etsy or Amazon store page, or even Pinterest. These types of Pages can be managed by a smartphone from any location at any time, and can be managed and posted to by small business owners without needing technical skills.

Social media networks provide an efficient new opportunity for small business owner-operators and their marketing colleagues to build stronger relationships with their existing customers. In addition, social media enable any business with a unique creative point of view to reach and

acquire new customers by publishing unique and engaging content posts -- as long as their content is good enough to attract a growing follower base and generate post Engagements and downstream sharing.

Small business owners and marketers around the world have increasingly started to incorporate videos into their social media and digital 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. [Yes, it's true - Facebook, Instagram, Twitter and others use special logic to determine how many of your account's followers actually end up seeing your posts. Incorporating video is thus increasingly important, to ensure a social media account owner reaches as many followers as possible.]

Given these larger digital marketing and small business trends, Ripl is committed to directly engage and learn 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.

RESULTS SUMMARY: Q2 2017 U.S. SMALL BUSINESS SOCIAL MEDIA MARKETING RESEARCH SURVEY

Ripl received more than 370 responses on the Q2 2017 Small Business Social Media Marketing Research Survey from small business owners and marketers based in the United States. More than 85% of these small businesses respondents operate or perform marketing duties for businesses with 10 employees or less. In this quarter's Survey responses, we saw representation by a healthy mix of different small business types represented, including Local Businesses (31%), Professional Services (24%), Online Businesses (13%), and Non-Profits (7%), among others.

Each quarter we elect to focus on a set of Insights and Key Takeaways related to small business marketing trends which emerge from the research. This quarter we noticed 2 distinct trends from U.S. small business marketers:

- U.S. small businesses overwhelmingly view the large social media networks as their more important business awareness and customer engagement channel; and,
- Small business marketing budgets - although modest - have consolidated around digital marketing software tools and online ads.

Overall, the results of our most recent research survey point to U.S. small businesses investing more of their discretionary time and money on marketing activities that are online and under their own direct control.

KEY FINDINGS

1) Finding new customers is the most important element of U.S. small businesses' marketing strategy

We asked respondents to rank four different core marketing strategies in order of importance. Here was the breakdown of the response rankings for the "Most Important" answers

Q: "Please rank the following in terms of their importance to your marketing strategy."
(N=371)

39%	Build new customer awareness
32%	Drive customer traffic to site, store or blog
18%	Stay top-of-mind existing custs
11%	Connect individually w customers via email, chat, msg

2) Social media, graphic design and email management software rank highest as marketing tools currently in use by U.S. small businesses

Overwhelmingly, the most prominent un-aided replies mentioned the largest social media networks by name. This implies that either U.S. small businesses view the social networks as both a platform and a toolset, or that they make liberal use of the native social network mobile apps and browser-based software as components of their marketing toolset. Either way, it is interesting to note how prominently the social networks figure in responses to a question specifically about marketing software and tools.

Q: "Please list the most important apps or software tools you use to attract NEW customers and/or connect with EXISTING customers." (N=338)

55%	"Facebook"
43%	"Instagram"
19%	"Twitter"
41%	Creative and Graphic Design Tools
17%	Email Management Tools

3) Small businesses looking to attract NEW CUSTOMERS to their business or organization overwhelmingly prefer social media as their key communications channel

When presented with a variety of choices ranging from organic (i.e. self-posted) social media posts, social media ads, search ads, their own branded website, and other options, small businesses indicated that social media was their most important channel for marketing communications.

Q: “What is the importance of the following channels for ATTRACTING NEW CUSTOMERS to your business?” (N=371)

[1.0 = Most Important; Answers are weighted ranking in all responses.]

0.69	Social media posts (not ads)
0.55	Your website/blog
0.29	Email
0.28	Paid advertisements on social media
0.23	Texts, messenger apps
0.09	Paid advertisements on Google
0.09	Print, radio, TV advertisements
0.05	Coupons, mailings, etc.

4) Small businesses strongly favor social media in comparison to other key online and offline channels for communicating WITH EXISTING CUSTOMERS

Somewhat surprisingly, when presented with the same options U.S.-based small businesses also rank their branded social media posts and accounts as the most important for driving loyalty and repeat business from known customers.

Q: “What is the importance of the following channels for CONNECTING WITH EXISTING CUSTOMERS to your business?” (N=371)

[1.0= Most Important; Answers are weighted ranking in all responses.]

0.71	Social media posts (not ads)
0.49	Your website/blog
0.39	Email
0.27	Texts, messenger apps
0.19	Paid advertisements on social media
0.07	Print, radio, TV advertisements
0.06	Coupons, mailings
0.05	Paid advertisements on Google

5) Custom-designed and branded digital content - where published

In recent years, U.S. small businesses have seized upon the opportunity to gain visibility, reach and search engine ranking by self-publishing animated and video content on top social media platforms. They still view hosting custom digital content on other channels such as their website and in their emails as important to maintaining their reputation, but the top social media sites prove to be the most efficient and effective for helping them achieve their visibility goals.

Q: "Where have you shared a Ripl creation?" (N=361)*

89%	Facebook Business / Organization Page
73%	Personal Facebook, Instagram, Twitter account(s)
69%	Instagram account for my business
46%	Twitter account for my business
19%	Website/blog for my business
15%	Email
3%	Other (e.g., texts, YouTube, FB Group, LinkedIn, Tumblr)

**[Note: Ripl mobile apps enable direct posting to Facebook accounts / Pages / Groups, Instagram accounts, and Twitter accounts. Additional online locations may be posted to using 'Save to Photos' functionality and onward manual posting. As one of the leading mobile apps for designed and animated video post content, Ripl recognizes that these results may be skewed towards social media accounts by virtue of the Ripl app functionality and may not be indicative of branded content sharing preferences of other small businesses not using the Ripl app.]*

6) Small businesses are frugal but savvy when it comes to how they spend their monthly marketing budgets

For the first time in our quarterly Small Business Social Media Marketing Survey Research, we asked how much respondents spend each month on their various tools, channels and tactics to drive their marketing goals. The answers surprised us in that they indicated how dramatically micro-businesses and solopreneurs of all types have shifted their modest monthly budgets to 'Do-it-Yourself' software tools and digital advertising options. While monthly expenditure responses are indeed modest by larger company standards, the allocation of these funds indicates that measurability and management options are moving investments towards online channels and platforms and away from spend-and-hope offline options.

Q: "What is your average monthly expense in US dollars for each of the following categories? (N=371)"

61% spend \$1-\$100/mo 19% spend \$101-\$500/mo	Marketing tools (Apps, Software)
47% spend \$1-\$100/mo 23% spend \$101-\$500/mo	Online advertising (Facebook, Google, etc)
65% spend \$0/mo 19% spend \$1-\$100/mo	Print, radio, TV advertisements
63% spend \$0/mo 25% spend \$1-\$100/mo	Coupons, mailings, etc.
51% spend \$0/mo 25% spend \$1-\$100/mo	Trade shows, events
38% spend \$1-\$100/mo 36% spend \$0/mo	Organization memberships

QUARTERLY SURVEY METHODOLOGY

Ripl, Inc. received more than 610 responses from U.S. and Global small business owners and marketers in its Q2 2017 Small Business Social Media Marketing Survey. The Survey was distributed in May 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 respondent answers were solicited and gathered on the Internet.

For the June 2017 Q2 Survey Research Report, we elected to focus on the Key Findings from more than 370 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 1,350,000 mobile devices to date. For more information about Ripl or this Research Survey, please visit www.Ripl.com or contact the Ripl Customer Success team via email at feedback@ripl.com.