The Yellow Social Media report is an annual survey of 2,012 Australian consumers and 1,020 small and medium-size businesses (SMBs) on how they use social networking sites such as Facebook, LinkedIn, Snapchat and Twitter.

At Yellow, we’re all about making it as easy as possible for consumers to connect with businesses, and businesses with consumers. Social media has changed the way those connections happen, and that’s why we’ve been researching and reporting on it for over eight years now - decoding the data to learn not just how we use social media, but why.

Of the 1,020 SMBs surveyed, 658 were small businesses (up to 19 employees), while 362 were medium-sized businesses (between 20 and 199 employees). Here are some of the key statistics from part two of the report, examining the way SMBs use social media to connect with and advertise to consumers.

**SMBs on social media and the internet.**

- Facebook is used by 90% of SMBs, which has remained consistent for a number of years now. This is by far the leading platform used regardless of business size or location.
- Around one in three use LinkedIn (33%) and Instagram (32%), with YouTube (25%) and Twitter (22%) next most popular.
- No other form of social media is used by more than 8% of SMBs.
- Only 36% of SMBs have a strategic plan for social media.
- Almost half the SMBs (45%) surveyed monitor or update their social media accounts at least once a day. 80% do so at least one a week.

**Reasons for using social media.**

- Almost two thirds of SMBs (63%) use social media channels to engage in two-way conversations with customers and contacts.
- Other reasons for using social media include promoting the business (33%), creating awareness and exposure (28%) and generating sales (17%).
What frustrates SMBs about social media.

- Negative comments or reviews cause the greatest concern to SMBs (22%).
- Other concerns and frustrations include dealing with technology-related issues (11%), the time and resources required to manage social media (11%), and how to effectively target customers (9%).
- 19% of SMBs say they find nothing frustrating about using social media.

Use of social media as an advertising tool.

- 37% of SMBs say they have paid to advertise on social media.
- This is more common among medium-sized businesses (44% vs 34%) and in metropolitan areas compared to rural areas (41% vs 31%).
- Facebook (83%) is the most popular platform to use for advertising, beating out Instagram (22%), LinkedIn (16%) and Twitter (12%).
- Around 80% of SMBs say social media is an effective advertising tool.
- 37% of SMBs say they offer incentives to current and potential customers via social media.
- Discounts (67%) and giveaways (45%) are the most common types of incentives offered.
- Only 5% of SMBs say they’ve paid social influencers to promote their business.
- However, 61% of those that have said the tactic was successful.

Business investment in social media advertising.

- The average annual SMB spend on social media advertising is $7,586.
- However medium-sized businesses spend almost three times as much as small businesses.
- The primary cost is for paid social ads, while other significant costs include content creation and social media strategy.
- One in four SMBs (25%) do not allocate any marketing budget to social media costs.
- For businesses that do, the average allocated is 12% of the total marketing budget.
Online comments, ratings and reviews.

- 65% of SMBs invite customers to leave online comments, ratings or reviews.
- 62% of SMBs engage with those who provide feedback, ratings and reviews.
- The most common ways to keep track of feedback is by manual process (46%) or through statistics and analytical tools (26%).
- 27% of medium-sized businesses have a dedicated department or member of staff responsible for tracking feedback.

Managing social media.

- 79% of SMBs manage their social media internally, while 14% outsource some social media work to external sources. Only 8% of SMBs fully outsource this task.
- Outsourcing social media work is more common among medium-sized businesses than small businesses (26% vs 18%).
- Social media support for SMBs is most likely to come from multi-skilled digital agencies (32%), freelancers (26%) or specialist social media agencies (19%).
- For small businesses, the owner or manager is most likely to be responsible for social media management (71%).
- For medium businesses, 25% of owners are the responsible. In businesses of this size, a marketing (36%), IT (21%) or communications (15%) department is often tasked with managing social media.

How SMBs measure social media ROI.

- 31% of SMBs measure their return on investment (ROI) for social media.
- It is more often the case in medium businesses (40%) than small (26%) and more common in metro areas (36%) compared to regional (24%).
- For those SMBs who do measure ROI on social spend, the most common methods are monitoring engagement stats through social platforms (60%), asking customers in person or via email (58%) or through an increase in sales (32%).
- The average expected ROI on social media spending by SMBs is 13%.

How SMBs measure social media success.

- 62% equate social media success with a rise in sales, revenue and profits.
- Other measures include the number of followers or subscribers (51%), the amount of user engagement (35%), the take-up of incentives or offers (32%) and website traffic (25%).

The next 12 months.

- 50% of SMBs expect to spend the same amount on social media next year as they did in the previous year.
- 16% indicate that they will be spending more, while 9% believe they will spend less.
- 63% believe investing in social media will lead to increased sales over the next 12 months.
- On average, SMBs expect their social media spend will increase sales by 12%.