



DITCH DIGITAL DABBLING

**How Small Businesses
+ Nonprofits Can
Master Online Marketing**

A survey
conducted
by





VENTURENEER is a media, marketing, and research company that helps corporations build meaningful relationships with small businesses. Our strategies convert leads into loyal customers. We create content-marketing – research, social media, articles, in-person events, case studies, e-newsletters, webinars, microsites, white papers, etc. – for corporations. The content is value-added for small businesses and nonprofits and takes them from brand awareness to brand evangelists. Ventureneer founder, Geri Stengel, is a contributor to **Forbes**, **The Huffington Post**, American Express OPEN Forum, Women 2.0 among other sites. She also has her own blog, **Vistas**.



MESSAGE MEDIUM helps companies harness the power of the Internet and launch dynamic and profitable new brands online. Maisha Walker, President, has been building and marketing Web sites for more than 14 years, has taught more than 400 classes on Internet Marketing and Web site design, and is a **featured online columnist with Inc. Magazine**. Her column is consistently the most popular on Inc.com and has been featured by Guy Kawasaki, Rieva Lesonsky, Bnet, AllTop, The American Marketing Association and Perez Hilton among others.

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HIGHLIGHTS

The overarching message from the data in our survey is that small businesses and nonprofits dabble in online marketing but most aren't sure how to use it effectively. That's the bad news. The good news is that those who invest time in learning how to use online marketing soon realize a significant return on that investment.

If small businesses and nonprofits that already use online marketing aren't confident of their abilities in this arena and want better instruction, imagine how high the barriers must seem to those who have not yet tried to tap online marketing resources. Bounce rates, retweets, and character counts, oh, my!

This lack of confidence and knowledge has far-reaching implications for small businesses and nonprofits. The interviews done in conjunction with the survey show that, when done well, online marketing can save failing businesses, create opportunities, and find talent for both small businesses and nonprofits.

Small businesses and nonprofits need better, easily understood, less intimidating instruction.

Power-users – those who devote more than 25 hours per week to social media – are the exceptions. They have done their homework and are confident that their investment of time reaps benefits. They also grew into using social media 25 hours per week. As they built their competency and effectiveness, they added one social medium after another.

The big take-aways from the survey responses are the lack of confidence and the lack of know-how. Most of those who use online marketing are not confident that their efforts are effective. Lack of know-how in using online marketing is pervasive and contributes to reluctance to use it. Other oft-mentioned barriers are the cost – in time and money – and lack of perceived return on investment.

Much of the skepticism about online marketing seems to come from lack of training in using tactics effectively and from not understanding and using metrics in a way that guides good decision-making.

MAKING ONLINE MARKETING EFFECTIVE

Power-users do *not* begrudge the time spent. They have taken the time to learn how to use online marketing. In fact, they have taken advantage of almost every learning technique, from learning by doing to observing others, from taking classes to using online resources. They are more likely to talk with experts and to hire expert help. In other words, they seem to realize that this is an important investment in the growth of their organizations, not just a nice-to-have add-on.

VERY EFFECTIVE RATING						
	Small Businesses	Women- Owned Businesses	Minority- Owned Businesses	Socially Responsible Businesses	Nonprofits	Power- users
	%	%	%	%	%	%
SOCIAL MEDIA						
Facebook	28	23	32	33	22	47
Blog/guest blog	25	23	29	26	8	43
Forums/Discussion groups	23	20	24	31	15	41
Text messaging/SMS messaging	22	24	27	32	18	38
Groupon or similar service	21	13	20	20	14	31
Twitter	21	20	27	28	15	54
Commenting	19	14	23	28	10	35
Location-based services, such as Foursquare	19	27	29	36	3	44
Flickr	16	14	7	10	3	13
Mobile apps	14	14	17	20	9	28
YouTube or other video sharing service	16	11	21	16	12	34
LinkedIn	15	14	20	16	11	39
Podcasting	14	21	17	30	10	36
Google Places	10	10	11	12	11	21
RSS	10	11	8	14	7	24
Yelp	10	10	12	19	16	25
Bookmarking, including StumbleUpon, Digg, Reddit, etc.	5	2	3	8	3	0
Google+	3	7	5	0	0	12
EMAIL	30	28	20	33	34	NA
SEO	31	28	25	39	19	NA
ONLINE NEWS RELEASES	19	16	20	32	22	NA
SOCIAL MEDIA ADVERTISING	12	11	7	22	13	NA
SEARCH ENGINE ADVERTISING	13	14	9	18	13	NA

Small businesses and nonprofits must recognize that to compete in today's world their employees need to become "digital citizens." These organizations must provide the necessary training so their employees are confident, effective users of online marketing tools, from SEO to social media.

Small businesses and nonprofits also must be more accepting of failure. Not every online marketing initiative works, but it's important to try those most likely to meet your goals. Then give each initiative time to gain traction. Depending on the campaign, platform or tactic, the trial period can last a few weeks to a few months. When you try something, monitor its success and tweak it until it accomplishes what you want or until you drop it entirely because it doesn't measure up. By being willing to experiment, you will develop a far more effective marketing plan that takes your message right where you want it to go.

This is quite different from waiting days or weeks for the results of a traditional marketing campaign. It allows innovation, failure, and re-invention at a level new to most organizations.

Virtually all organizations surveyed use some form of online marketing, from email to social media, but many small businesses and nonprofits aren't sure how to use these tactics or if what they are doing is really working.

BARRIERS TO USE

For social media, email, and online news releases, the time required to maintain them and lack of know-how are the primary barriers to effective use. For Search Engine Optimization (SEO), cost and lack of know-how put people off. For social media ads and search engine ads, it's all of the above plus not being convinced of the return on investment. The clear message from the data is that small businesses and nonprofits are losing out due to lack of training in how to:

- choose which platform or medium is best suited to their goals and market
- use these tools efficiently to minimize time used and cost
- maximize the effectiveness of each medium
- measure the return on investment

BARRIERS TO USE						
	Small Businesses	Women- Owned Businesses	Minority- Owned Businesses	Socially Responsible Businesses	Nonprofits	Power-users
	%	%	%	%	%	%
SOCIAL MEDIA						
Amount of time it takes	36	37	29	41	44	17
Lack of clear guidance/procedures	19	23	22	23	25	4
EMAIL						
Amount of time it takes	28	28	28	35	23	NA
Lack of clear guidance/procedures	16	18	18	18	13	NA
SEO						
Lack of clear guidance/procedures	31	40	38	31	31	NA
Cost	28	31	27	27	33	NA
ONLINE NEWS RELEASES						
Amount of time it takes	29	28	30	26	20	NA
Lack of clear guidance/procedures	27	30	35	26	20	NA
SOCIAL MEDIA ADVERTISING						
Cost	43	49	47	42	47	NA
Not convinced of the value/return on investment	39	38	33	43	39	NA
Lack of clear guidance/procedures	23	29	29	26	26	NA
SEARCH ENGINE OPTIMIZATION						
Cost	46	50	44	41	52	NA
Not convinced of the value/return on investment	35	40	29	36	36	NA
Lack of clear guidance/procedures	26	31	33	29	27	NA

Small business owners and nonprofit leaders shy away from online marketing because it is time-consuming, their lack of know-how, and its cost. People have realized that while the Facebook page or Twitter feed is free, the staff time to update and monitor them are not.

But that realization has made both small businesses and nonprofits afraid to commit to online marketing, because it is perceived as too costly and as generating no measurable return on investment.

It's a sad fact that small businesses and nonprofits haven't invested in maximizing the use of online marketing. It's a sad commentary on those who provide online marketing products and services that many have not provided educational support in formats that customers can use and understand.

Power-users know that a commitment of more than 25 hours per week to social media is worth the cost in time and money. They are least likely to complain about the time because they recognize it as an investment in relationships that can yield benefits in awareness, community, and traffic to their websites, as well as sales for businesses, and advocacy and fundraising for nonprofits. Of course, the benefits don't stop there: customer satisfaction and client services can also benefit from online marketing. And, yes, the effects of online marketing can be measured.

NINE FUNDAMENTALS OF ONLINE MARKETING SUCCESS

1. If you regard social media as a time-sucking distraction, it will be just that. If you see the value and *invest* your time in learning, using, and measuring outcomes, you'll see a good return on the investment.
2. When choosing online marketing platforms – online press releases, blogging, Facebook, etc. – you need to align the medium with your goals and your target market. Ask yourself: Whom do you want to reach? What are your goals? Which platform has the features you need? The intersection of all three is your marketing sweet spot. One size does not fit all, not even within your organization. For the Human Resources Department, LinkedIn may be just the ticket to reach the people you want to hire, while Twitter or Facebook may be just what the Customer Service Department needs to provide answers to users.



3. Focus on your customer! Who are the people typing in those keywords or reading the posts? How computer savvy are they? What kind of phrases are they likely to use when searching? What kind of information do they need about your products or services? It's not about what you'd like to tell them; it's about what they want to know. More and more, what they want to know is what other people think about you, whether on Facebook or Yelp.
4. To make any marketing medium work, you must crystalize your position and your message. What do you want to say? Reiterate it consistently across all media.
5. With few exceptions, the hub of the online marketing wheel is a clean, regularly updated, informative website to which all other online marketing tactics lead. The first steps in any online program are to ensure that your website is inviting and easily updated with fresh content, such as new blog posts or videos; has prominent buttons leading to your social media sites; and has easily found "donate" or "buy" buttons.
6. Don't write for the search engine; write for the people using the search engine.
7. Online marketing tactics work together; they leverage each other. A keyword phrase in a blog improves your search engine rankings. Even using a key phrase in a tweet helps your rankings. So don't "silo" your efforts. Every department using social media and online marketing can bolster the efforts of other departments.
8. To be effective you need to integrate online marketing with offline efforts, especially conferences, in-person networking events, public relations and, yes, phone calls. People like to see a face, to hear a voice.
9. If your current staff doesn't have the bandwidth or aptitude to implement and maintain online marketing channels, hire someone – either as a staff member or as a consultant – to get you started. Make use of the many resources – online and off – to train yourself and your staff.
 - Take courses or seminars.
 - Check out online resources (the trick is finding the ones that provide the best insights for what you're doing).
 - Consult with experts.
 - Follow experts online.

It's okay to stick your toe in the water, but don't jump into the deep end before you know how to swim. And, remember, online marketing opportunities and features constantly evolve, which means continuous learning. Keep up to date so you don't miss a new feature that could be just what your organization is looking for.

MEASURING SUCCESS

Measurement is a tool for improvement, not a weapon for attack. By measuring online marketing, you very quickly find out what's working and what's not. That means you won't invest a lot of time and money in a campaign that isn't drawing responses. Instead, you tweak your marketing strategy so that it is effective. In some cases you may even drop a program completely – but you'll be able to recognize failure and cut it quickly.

Don't think of "metrics" and "analytics" as globs of data or scary mountains of numbers. Think of them instead as suggestions for new directions and better services. Measure what's most important to your organization.

Don't rely on your gut feel or past experience to deal with challenges. Markets change, customers change, products change. Now you can get real-time data that shows you where to put your money and what products or services to drop or redesign.

CONCLUSIONS AND RECOMMENDATIONS

Those who are confident that they are using online marketing effectively took the time to learn how to use it or to hire someone who knew how. As much as you hear about "user friendly" interfaces and easy how-tos, the fact is that online marketing is nuanced and ever-changing. Even those who use platforms such as Facebook or Twitter in their personal lives need training in using them as marketing tools.

Online marketing has become increasingly sophisticated and complex, with new options added at a dizzying pace. Just when you mastered email, along came search engine optimization, then social media, and now mobile apps.

But remember: This isn't about technology. This is about marketing and, like many other fields – medicine, law, accounting – marketing requires continuous education. No, you don't need to get a master's degree in social media or SEO. But you do need to keep up to date. Invest the time and resources you need to take advantage of these game-changing techniques.

By the end of the 20th century, you couldn't operate a business or nonprofit without a telephone. Now, no one questions the expense of this essential tool; it's a cost of doing business. Do without one and you'd save a few dollars each month but you'd lose countless sales. In the 21st century, you can't operate without an online presence. Your online marketing program is an investment in your business. That's where people are talking now, about your business, your service, your nonprofit, and your mission. You can't control the conversation but you'd better be part of it. And the sooner you start, the more time you spend, the sooner you'll see a return on your investment.

Doing business without an online presence is like winking in the dark: Nobody knows what you did.

SOCIAL MEDIA

The term “social media” covers a broad spectrum, from speaking out on a blog to hearing what your customers think on Yelp. No single combination of social media will be right for every business. Choosing the right combination means taking the time to understand each medium and, most importantly, to know where your target market is spending its time. That’s the bad news. The good news is that the rich variety of options lets you focus your marketing where it is most likely to bring the results you want, whether new customers or new donors.

EMAIL

The bedrock of online marketing, just about everyone uses email and is relatively comfortable with it. Email is used to announce special events and free offers; to keep people informed about issues of interest; and to respond to customer inquiries about products and services. Most importantly, however, it is used to encourage visits to all other online marketing channels, including your website, Facebook, Twitter, Groupon, YouTube, etc. Email is a gateway medium; it is the first step on the road to online marketing for both the organization and its customers.

SEO

Neither businesses nor nonprofits are clear about how to use Search Engine Optimization effectively. And with good reason: It requires a high degree of expertise. But as our examples show, it is well worth the effort. Consumers use search engines to find information about products, services, and causes. But most make their choice from the first page of listings that pop up on Google or Bing. If you want to be on that first page, then educate yourself in SEO or hire someone who can pick the right keyword phrases to put your organization at the top of the list.

SOCIAL MEDIA ADS

“Lack of guidance” and “not convinced of value” account for more than half the resistance to using social media ads. There just isn’t a lot of educational material available about how to craft these ads, which have very limited character counts and must be skillfully constructed. But well-done social media ads hit the bull’s eye of your target audience.

Most of the remaining reluctance to using social media ads is based on their cost. The cost of social media ads will not be a barrier if the ads deliver and if what they deliver is measured.

SEARCH ENGINE ADS

As with SEO and social media ads, the message about search engine ads is, “This isn’t a do-it-yourself project” unless you have done some serious homework. Search engine ads require specific skills. Your skill is running your business or nonprofit. Use your time to do that and hire someone, either a consultant or an employee, to focus on keyword phrases and character counts. Make sure that whomever you hire has a very clear understanding of what your business/nonprofit offers, what your values are, and how you want to be represented in the online world.

MEASUREMENT

Metrics are your friend, not like the statistics class you had to take in college. “Evaluation” and “measurement” bring shivers of apprehension to some, with visions of a mound of data collected for – who knows what purpose. Not so. The main purpose of metrics is to show you what is working well and what isn’t so you can improve your products, services, and programs. Very effective and easy-to-understand tools come with most platforms. Google Analytics is both comprehensive and free. And it isn’t all a bunch of numbers. You can view results in graphs and charts as well, so whatever your learning mode, you will be able to see where your customers come from, what they like, and where your message needs to be tweaked.

WOMEN-OWNED BUSINESSES

Women are communicators and collaborators, yet when it comes to online marketing, they lag behind other small businesses. They need catch-up, with courses that provide basic skills and handholding. More importantly, they need classes that show them the benefits of online marketing and that it is an investment in their business, not a frivolous add-on. They aren’t afraid to look at the numbers; they just haven’t been well informed about how to look at the numbers.

MINORITY-OWNED BUSINESSES

Minority business owners are eager to do more online marketing; they just want to understand it better and to be sure that the tools they choose will be cost-effective. In almost all areas of online marketing, minority-owned businesses want to increase their online marketing spending but are hesitant because they don’t see the connection between investment of time and sales.

What a waste of enthusiasm and opportunity! Educational resources aimed at the marketing needs of minority-owned businesses will find a ready, willing and able audience.

Business owners who target minority markets would do well to seek out the training they need and increase their use of online marketing. Multiple research reports show that minority consumers are heavy users of online marketing – particularly social. For products and services aimed at this market segment, social media can be a megaphone for word-of-mouth marketing.

SOCIALLY RESPONSIBLE BUSINESSES

Online marketing is a natural for businesses that pride themselves on ethical practices. It allows consumers to opt into receiving information; it provides transparency; it gives neighbors, customers and suppliers a way to comment on a company's effect on the communities it works with; and it gives companies the opportunity to provide personal and responsive customer service. All of these are goals that socially responsible companies should aspire to.

The survey results indicate that socially responsible companies are no more likely than other segments of the small business sector to use online marketing. However, although there is room for improvement, they rate themselves more effective than other small businesses at using Facebook, forums/discussion groups, texting/SMS messaging, commenting, location-based services and podcasting.

Socially responsible businesses have a lot to learn from those doing social media well. Again, education is needed, to show them how online marketing can help them achieve their goals and to show them how to measure the results of their efforts.

NONPROFITS

Nonprofits are underachieving in their use of social media. They start using social media sooner than their for-profit counterparts, but don't devote the attention necessary to becoming proficient. Even with the social media that nonprofits are more likely to use – Facebook and YouTube – they are less confident about their proficiency. The lack of proficiency is even worse for under-used and under-appreciated social media, such as LinkedIn. LinkedIn's value as a research database and as a way to connect with donors, board members, and staff makes this a serious lapse.

When trying something new, nonprofit staff need the freedom to make mistakes as well as access to experts, training, and online resources.

METHODOLOGY

This survey was conducted among small businesses and nonprofits that use or curious about online marketing. We solicited responses through email, LinkedIn, Facebook, Twitter, and bloggers.

Each online marketing category is evaluated in terms of five factors:

1. market penetration
2. number of relationships
3. self-assessment of effectiveness
4. barriers to use
5. expected increase in use for 2012

Stories about [small businesses + nonprofits ditching digital dabbling to master social media.](#)

SOCIAL MEDIA

WHAT POWERS SOCIAL MEDIA SUCCESS?

Social media are the most popular online marketing tactics. A higher percentage of small businesses and nonprofits use social media than use email, online news releases, social media advertising, and search engine advertising. Their popularity is due, in part, to the many subcategories (like commenting and mobile) and platforms (like Facebook and Yelp) that are part of social media.

While some businesses report excellent results from social media, others report very little success. The social media elite – power-users – have two characteristics in common: They spend more than 25 hours per week using social media and they are confident that their use of social media is effective.

Power-users have three times more Facebook fans and seven times more Twitter followers than small businesses in general. They have double the number of Facebook fans and five times the number of Twitter followers as nonprofits.

SOCIAL MEDIA USAGE AND RELATIONSHIPS							
	Small Businesses	Women- Owned Businesses	Minority- Owned Businesses	Socially Responsible Businesses	Nonprofits	Power- users	
NUMBER OF RELATIONSHIPS							
Facebook Fans	300	200	300	300	400	1,000	
LinkedIn Connections*	200	200	200	200	100	200	
Twitter Followers	200	200	200	200	300	1,500	
PERCENTAGE WHO USE SOCIAL MEDIA							
Use	89	91	90	87	91	100	

*LinkedIn connections are to the individual, not to the company.

WHY ARE SOCIAL MEDIA USED?

Small businesses and nonprofits are more likely to use social media for “soft” marketing goals – building awareness, community, and traffic – than they are for hard-core objectives, such as customer service and generating leads for their business or advocating and fundraising for nonprofits.

Power-users are more likely to use social media to accomplish more goals.

The # 1 reason power-users use social media is to build and maintain community. Managing their organization’s reputation has replaced selling as one of the top five goals. Interestingly, power-users are no more likely than small businesses to use social media for sales. But they are more likely to use social media to enhance customer service. From both the data and in-depth interviews with survey respondents, it seems that social media may become a game-changer for customer service.

TOP 5 REASONS SMALL BUSINESSES AND NONPROFITS USE SOCIAL MEDIA			
	Small Businesses	Nonprofits	Power-users
	%	%	%
To build and maintain awareness of the organization, its products or its cause	68	80	88
To build and maintain community	60	68	92
To increase traffic to website	59	52	78
To generate leads	52	30	64
To sell products/services	52	16	52

REASONS SMALL BUSINESSES AND NONPROFITS USE SOCIAL MEDIA

	Small Businesses	Women- Owned Businesses	Minority- Owned Businesses	Socially Responsible Businesses	Nonprofits	Power- users
	%	%	%	%	%	%
WHY USING						
To build and maintain awareness of the organization, its products or its cause	68	68	64	70	80	88
To build and maintain community	60	62	60	68	68	92
To increase traffic to website	59	60	54	59	52	78
To generate leads	52	49	52	55	30	64
To sell products/services	52	56	50	54	16	54
To get introductions to people you want to know	43	44	45	54	23	52
To manage the reputation of the organization	40	42	39	43	44	66
As a market research and product development tool	35	37	44	37	20	44
To enhance customer service	36	36	33	39	24	52
To increase search engine rankings	33	29	26	26	16	44
To advocate	25	23	26	30	51	56
To reduce spending on marketing	24	26	30	23	25	30
To test effectiveness of social media	24	23	24	21	18	36
As a research database	14	13	17	17	7	44
To mobilize and coordinate people	12	12	13	20	26	42
To recruit staff, volunteers, board, etc.	10	7	13	12	29	38
To deliver programs	9	7	9	12	17	26
To fundraise	6	4	11	7	49	36
As a crisis management tool	5	2	5	4	6	14

WHO DOES WHAT AND HOW DO THEY DO IT?

Your small business or nonprofit may not have all the departments listed in the chart on the next page, but the message is that the better you get at using social media, the more integrated its use will be throughout your organization. This integration is unique to social media. Other marketing tactics tend to be “siloed,” that is, confined within one department.

Power-users not only have more departments involved in social media; their organization’s management is also more involved.

Power-users are more likely to have a dedicated expert overseeing social media for the organization. That expert may be an outside consultant or an employee.

Power-users are twice as likely to have an employee code of social media conduct and even more likely to have policies and procedures for blogging and commenting. These help increase efficiency and minimize problems.

RESPONSIBILITY AND OVERSIGHT FOR SOCIAL MEDIA

	Small Businesses	Women- Owned Businesses	Minority- Owned Businesses	Socially Responsible Businesses	Nonprofits	Power- users
	%	%	%	%	%	%
DEPARTMENT USING						
Marketing	58	56	53	56	45	74
Communications	37	39	39	40	56	58
Sales	33	29	34	35	6	38
Customer service	25	24	25	24	11	38
Executive management	20	17	24	22	17	32
Marketing research	19	16	18	18	9	30
Community relations	17	17	21	21	27	34
Public/corporate relations	12	15	13	15	18	34
Development/fundraising	10	7	14	14	46	40
Human resources	8	7	5	10	7	16
Programs	5	6	7	6	37	30
USE OF SOCIAL MEDIA IS CENTRALIZED OR DECENTRALIZED						
Responsibility falls to dedicated experts	40	40	30	30	46	52
Responsibility is distributed throughout organization	60	60	71	71	54	48
ESTABLISHED GUIDELINES						
None	62	62	65	54	48	30
Employee code of conduct	18	17	10	23	32	36
Policies and procedures for blogging and commenting	18	17	19	22	24	48

HOW LONG HAVE THEY USED SOCIAL MEDIA, HOW OFTEN, AND HOW MUCH TIME DOES IT TAKE?

Power-users have been using social media longer – 2 ½ years – about double the amount of time other small businesses have done so and one and a half times as long as the average nonprofit.

Power-users spend six times more time using social media but are significantly **less** likely to complain about the time it takes. They are more likely to engage in social media activities frequently, including posting updates on Facebook, tweeting/retweeting, publishing blogs, commenting on other people’s blogs, and creating and uploading videos.

In most cases, when organizations spend 25 hours per week or more using social media, their confidence in their effectiveness nearly doubles.

LENGTH OF TIME USED AND FREQUENCY OF USE FOR SOCIAL MEDIA						
	Small Businesses	Women- Owned Businesses	Minority- Owned Businesses	Socially Responsible Businesses	Nonprofits	Power- users
MEDIAN NUMBER OF <u>MONTHS</u> USING SOCIAL MEDIA	15	13	14	17	19	30
MEDIAN NUMBER OF <u>HOURS</u> USED PER WEEK*	6	6	8	6	5	44
	%	%	%	%	%	%
SPEND 25+ HOURS PER WEEK USING SOCIAL MEDIA	13	8	18	13	6	100
FREQUENCY OF USE						
Update Facebook weekly or more often	78	75	79	74	75	96
Tweet/retweet weekly or more often	76	73	83	76	77	93
Publish blog content weekly or more often	51	50	48	43	42	69
Comment on other blogs weekly or more often	51	50	51	51	29	77
Post on other organizations' Facebook pages weekly or more often	46	43	52	48	32	74
Create/upload video to web: monthly or more often	42	39	46	42	37	71
*Includes more than one person using social media within the organization.						

RESISTANCES TO USE AND FUTURE USE

Among small businesses and nonprofits, time is the greatest barrier to using social media.

However, power-users understand that using social media well requires time. Even though they spend far more time using social media, they are significantly less likely to view the time required by social media as a barrier.

With the exception of nonprofits, about two-thirds of each market segment is likely to increase social media spending in 2012. Only one-third of nonprofits expect to increase their social media budgets.

BARRIERS TO USE OF SOCIAL MEDIA						
	Small Businesses	Women- Owned Businesses	Minority- Owned Businesses	Socially Responsible Businesses	Nonprofits	Power- users
	%	%	%	%	%	%
BARRIERS TO USE						
None, our organization fully embraced social media	40	35	52	38	31	70
Amount of time it takes	36	37	29	41	44	17
Lack of clear guidance/procedures	19	23	22	23	25	4
Lack of concrete measurement	16	19	13	19	13	2
Not convinced of the value/return on investment	13	14	10	12	15	6
Seems too complicated	7	8	5	10	8	2
Cost	6	7	6	7	7	2
Not appropriate for our organization	2	1	0	2	2	0
Resistance from management	2	1	2	0	11	2
EXPECT TO INCREASE SOCIAL MEDIA IN 2012	61	63	61	65	34	63

THE SIX DOMINANT SOCIAL MEDIA AND THEIR EFFECTIVENESS

Six social media dominate: Facebook, commenting, LinkedIn, Twitter, blogging, and YouTube or other video-sharing service. Their popularity dramatically varies by how proficient the social media user is.

By and large, small businesses and nonprofits aren't confident of their ability to use social media well. However, all groups improve dramatically as they devote more time to using social media. In most cases, when organizations spend 25 hours per week or more using social media, their confidence in their effectiveness nearly doubles.

Power-users are much more likely to use the six dominant social media and they are also much more likely to feel competent in using them. Power-users rate themselves most effective at using Twitter and Facebook.

USE							
	Small Businesses	Women- Owned Businesses	Minority- Owned Businesses	Socially Responsible Businesses	Nonprofits	Power- users	
	%	%	%	%	%	%	%
Facebook	81	83	85	79	89	96	
Commenting	72	71	71	75	52	96	
LinkedIn	70	65	67	67	51	80	
Twitter	68	64	66	65	63	90	
Blog/guest blog	61	61	60	63	44	82	
YouTube or other video sharing service	43	39	44	41	60	78	

VERY EFFECTIVE RATING							
	Small Businesses	Women- Owned Businesses	Minority- Owned Businesses	Socially Responsible Businesses	Nonprofits	Power- users	
	%	%	%	%	%	%	%
Facebook	28	23	32	33	22	47	
Commenting	19	14	23	28	10	35	
LinkedIn	15	14	20	16	11	39	
Twitter	21	20	27	28	15	54	
Blog/guest blog	25	23	29	26	8	43	
YouTube or other video sharing service	16	11	21	16	12	34	

SECOND-TIER SOCIAL MEDIA: ON THE RISE OR DISAPPEARING?

A number of second tier social media platforms may be worth considering as marketing vehicles even though their low usage and effectiveness rating among small businesses and nonprofits are under-whelming. Their effectiveness rating climbs among power-users because these social media are good for specific purposes.

For example, SMS may be on the upswing as mobile phones have become omnipresent. Forums and discussions groups are not for everyone but they are very effective in some situations.

- Of the 34% of power-users who use location-based services, 44% believe their efforts are “very effective.”
- Of the 64% of power-users who participate in forums/discussion groups, 41% rate this activity as very effective.
- Of the 44% of power-users who use text/SMS messaging, 38% rate it very effective.
- Of the 29% of power-users who use podcasting, 36% rate the results as very effective.
- Of the 28% of power-users who use Groupon or similar services, 31% rate the platform very effective.

USE						
	Small Businesses	Women- Owned Businesses	Minority- Owned Businesses	Socially Responsible Businesses	Nonprofits	Power- users
	%	%	%	%	%	%
Forums/Discussion groups	42	38	42	46	32	64
Bookmarking, e.g. StumbleUpon, Digg, Reddit	33	31	30	27	12	50
RSS	27	25	27	24	25	52
Google Places	26	21	19	19	17	30
Google+	23	20	22	12	9	36
Yelp	22	21	18	18	10	26
Text messaging/SMS messaging	20	17	35	21	13	44
Flickr	17	15	15	11	24	33
Location-based services, such as Foursquare	17	10	17	15	13	34
Mobile apps	17	10	12	14	13	38
Groupon or similar service	13	11	10	11	11	28
Podcasting	10	10	12	11	16	29

VERY EFFECTIVE RATING						
	Small Businesses	Women- Owned Businesses	Minority- Owned Businesses	Socially Responsible Businesses	Nonprofits	Power- users
	%	%	%	%	%	%
Forums/Discussion groups	23	20	24	31	15	41
Bookmarking, e.g. StumbleUpon, Digg, Reddit	5	2	3	8	3	0
RSS	10	11	8	14	7	24
Google Places	10	10	11	12	11	21
Google+	3	7	5	0	0	12
Yelp	10	10	12	19	16	25
Text messaging/SMS messaging	22	24	27	32	18	38
Flickr	16	14	7	10	3	13
Location-based services, such as Foursquare	19	27	29	36	3	44
Mobile apps	14	14	17	20	9	28
Groupon or similar service	21	13	20	30	14	31
Podcasting	14	21	17	30	10	36

WHICH SOCIAL MEDIA ARE BEST FOR ME?

Numbers don't always tell the whole story. You need context. Know what your goals are and match the social medium to them. The following table, brief descriptions of the social media, and case studies will help you choose what's right for you.

The six dominant social media do many things well, including building awareness and community, and driving traffic to your website, but don't forget to consider the second tier for what they do well. For example, forums/discussion groups are used by 64% of power-users and offer both detailed user reviews and unique, focused content to attract customers. As people turn more frequently to online shopping, these groups may increase in importance. Podcasting has been around for long time but still works for certain markets. Though their usage is not widespread, they can be very effective. Similarly, Yelp and Google Places are highly effective for customer-review-driven and SEO-driven purchases, especially for businesses that have a physical location. RSS has widespread usage among publishers and bloggers. For the very new Google+, the jury is still out.

BEST USES BY TOOL																		
	Facebook	Commenting	LinkedIn	Twitter	Blog/guest blog	YouTube or similar	Forums	Text/SMS	Mobile	Location based	Groupon or similar	Podcasting	Bookmarking	RSS	Google Places	Google+	Yelp	Flicker
Build and maintain awareness	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Build and maintain community	X	X	X	X	X	X	X	X		X		X			X	X	X	X
Increase traffic to website	X	X	X	X	X	X	X			X	X	X		X	X	X	X	X
Generate leads	X	X	X	X	X	X	X	X				X	X	X		X	X	X
Sell products/services	X	X	X	X	X	X	X	X		X	X				X			
Manage the reputation	X	X	X	X	X	X	X		X	X	X	X	X	X	X	X	X	X
Marketing research	X		X	X			X			X	X							X
Enhance customer service	X			X		X	X	X	X	X		X			X	X	X	
Increase search engine rankings	X	X		X	X	X	X			X		X	X	X	X	X	X	X
Advocate	X	X	X		X	X	X	X		X		X		X		X		X
Mobilize and coordinate people	X	X	X	X	X	X	X	X	X	X		X		X		X		
Recruit staff, volunteers, board, etc.	X		X	X	X	X										X	X	
Fundraise	X		X	X	X	X		X	X							X		X
Crisis management tool	X	X	X	X	X	X	X	X	X	X		X		X	X	X	X	X

Facebook is a great tool for building brand awareness and community. It requires staff time to respond to fan/friend posts and to develop and maintain ongoing content that will attract an audience relevant for your business.

[CharityBuzz](#) leverages the Facebook following of celebrities to raise money for nonprofits through online auctions. Since 2005, it has raised \$50 million. In January 2010, CharityBuzz hired a social media expert. In the six months that followed, total bids doubled. The company helps nonprofits use Facebook to promote the auctions, which are tied in to the Facebook postings and Tweets of celebrities.

Ann Cantrell and her staff at [Blue Ribbon General Store](#) update their Facebook page daily with descriptions of new products. The Facebook posts are tied to blogs that usually have a theme, such as “Making your routine less routine” as summer ended.

Commenting allows you to post content – your reaction or additional points – on the blogs of others. It creates visibility for you as an individual and, by association, for your business or nonprofit. Commenting also establishes new relationships with thought-leaders and possibly (although less likely) with their readers. It requires knowledge of the blog topic to create meaningful comments. That means taking the time to keep up with the latest developments.

LinkedIn is a research database that is especially good for finding, establishing, and maintaining the relationships your organization needs to grow. That includes potential employees for businesses and nonprofits as well as board members and volunteers for nonprofits. LinkedIn is also useful for getting introductions to people you want to meet. It can be used to create or participate in groups of people who share a similar interest. Participation in groups establishes your expertise. LinkedIn requires time to search for and interact with professionals relevant to your business as well as time to post useful content in your updates, and to upload work to your profile’s portfolio, if you have one.

According to Maceo Jourdan, co-founder of [Teran Dale Marketing](#), “The gem of LinkedIn is getting into the conversation.” A phenomenal amount of candid discussion takes place about particular businesses. He gives the example of an HVAC company in a discussion group lamenting the lack of skilled labor to hire. Teran Dale Marketing read the lament and knew of an organization that teaches trades to at-risk teen women. The marketing company passed the information through the discussion group. The HVAC company and the nonprofit were a match: the one has workers; the other has jobs for its graduates.

[Sterling Martin](#) is an executive search firm specializing in finding senior managers for nonprofits. It uses LinkedIn to find candidates, both active – those listing themselves as

looking for work – and passive – those who have the qualifications needed and an interest in the nonprofit's field but are not looking for a new job. Those qualifications and interests are found by astute searches on LinkedIn. Reaching out to the latter often gets a positive response, says Virginia Record, client partner at Sterling Martin.

[The National Association of Black Accountants](#) is an 8,000-member association that was in need of a board member with particular skills: an attorney with experience in revamping by-laws and revitalizing a nonprofit board. Board Chair Calvin Harris used LinkedIn to search for just such a person. Two names popped up, both already connected with him through other people. One is now on the board.

Twitter is a great marketing tool for brand building/awareness, audience creation, and audience engagement. It can also guide you to the topics of most interest to your target market. With it, you can manage customer support in real time. Use of Twitter requires staff to respond to followers and to find and create ongoing content that will attract an audience relevant for your business.

[FiPath](#) provides online resources to Gen Xers who are thinking about retirement and links them to unbiased educational resources and to service providers. FiPath follows Twitter to find out what its target market is concerned about. Are people asking about rolling over their IRAs? Then FiPath will write a blog about how to do it and link to useful resources.

Phyllis Cheung is the founder of [LuxeFinds](#), a website that curates luxury lifestyle items for women, from wedding goods to fine linen. She uses Twitter to follow a carefully selected set of blogs, vendors, and news sources to keep on top of trends so her site can feature the latest and the best.

Blogging establishes your expertise, knowledge or passion. Both require staff to respond to readers who comment on your posts and to create posts (with text and images) on a regular basis. For the effort to be worthwhile, blogs must be marketed consistently on other online media, such as Facebook and Twitter, to drive traffic to them.

In 2004, Nina Kaufman founded [AsktheBusinessLawyer.com](#). She wanted an income stream that “generated cash while I am sleeping” so she developed digital products to educate small business owners about legal issues, such as how to set up a partnership agreement. When she started blogging in 2007, the business took off. Her blog led to guest blogs, which led to greater visibility. When people choose a lawyer, they feel more comfortable with someone they “know,” and people know her through her blogs. They buy

the digital products for the same reason: They have read what she has to say and trust her to deliver good information when they consult her in person for legal advice.

Deborah Sweeney, CEO of [MyCorporation](#), blogs regularly both on her own website and as a guest blogger on Forbes, Inc.com, and American Express OPEN. Her blogs focus not on filing legal papers, which is the service her company offers. Instead the focus is general-interest office topics, the stuff people talk about around the water cooler, such as “Balancing Sleep and the Mid-afternoon Lull” and general business concerns, such as “Five Ways to Effectively Communicate with Your Boss.” The blog attracts followers, builds trusts, and brings people to her site for legal filings when the need arises.

YouTube lets you publish your own videos to demonstrate your product or service; tell a story; make an emotional appeal; or show your passion for a cause or product. It is also used to store videos you want to embed in other social media (Facebook, website, etc.). Of course, this requires the resources to both create and edit the videos. You will also need to market the videos in order to drive traffic to them.

[Little Spruce Organics](#) provides natural and organic baby products worldwide from a home-based business in Colorado. All marketing is online, a synergy of Facebook, blogging, mention in mommy forums, and, notably, YouTube. A picture is worth a thousand words when it comes to showing new moms how to diaper a baby or the differences between different brands of diapers. And there are differences! Snaps and ties and fabrics and nighttime vs daytime. “With cloth diapers, it is beneficial to see them on the baby, to demonstrate them because it is hard to understand when there are so many varieties,” says owner Bethany Grosser, who founded the business so she could stay at home with her baby and use only organic products for her own child. The [Little Spruce YouTube Channel](#) has had 18,000 views in about one year. Each video links back to the website where the diapers are sold. She ships worldwide, a much larger market than her Colorado location would give her in a brick-and-mortar store. Grosser and her husband make the videos themselves. The channel is linked to by forums/online community centers for parents as well as by Amazon.com.

Forums and Discussion Groups work much the same way as commenting. However, instead of building a relationship with a single knowledge expert, your comments build a relationship with an entire community. The comments of others also provide word-of-mouth marketing for you through anecdotes about their experiences with your products. To use forums successfully, you must have knowledge of the subject under discussion in order to create meaningful posts and your customer service must be top-notch.

Chevy, Ford, Saturn, Toyota: They all have forums where users who like to tinker, rebuild or do their own oil changes talk about gizmos and ask questions of their fellow tinkerers. These are the conversations that used to take place under a tree as a group of guys pondered a squeaky fan belt or a T-bird with no get up and go. These are pals who share a love of '72 Camrys or off-roading; they don't want advertisements. But they do want recommendations. For her client [Fumoto Qwik Valv](#), Lauren Fairbanks, partner in [Stunt & Gimmicks](#) marketing company, joined that conversation. Qwik Valves were sent to 50 forum moderators and 33 regular posters for honest feedback. The invitation to review the product made clear that good reviews, bad reviews, and suggestions for improvement were equally welcome. It's only been three months since the products went out and reviews are still rolling in but check out any auto forum and you're likely to find a thread about Qwik Valve. "It was great for the company because it makes it look very human and the fact that it is willing to put its reputation on the line made people realize the company is secure that the product is good and that the company is willing to take note of what customers have to say." Stunt & Gimmicks monitored reviews and comments, and added responses where appropriate. The next step is to become a preferred product on the forums, which will mean ongoing sales. With that proof of market, QwikValve can ask for placement in brick-and-mortar stores. A side benefit: link-backs from reviewers raised QwikValve's SEO ranking.

Text/SMS messaging allows you to send short text messages to mobile phones. For businesses, it's a form of direct marketing and can be used for sales promotions to people who opted into your list. For nonprofits, it can be used to coordinate and mobilize volunteers, and, as the American Red Cross proved, to raise money quickly.

[DoSomething.org](#) is the poster child for texting. The organization aims to make community service and social action the norm for teenagers. Recognizing that teenagers – the next generation of donors and doers – spend a lot of time texting, DoSomething.org now uses text messaging to bring in new members and to engage members in new projects. "The response rate [on cellphones] is consistently high," says Nancy Lublin, CEO, averaging 10-20% within two hours of sending the text about a project. Most projects deal with homelessness, animal rights, and hunger. A recent anti-bullying campaign mobilized 35,000 teens to take action.

Mobile no longer means text messaging only. This year, sales of smartphones and tablets have outpaced sales of computers. That trend is expected to continue. Mobile apps are becoming an exciting new option for many businesses to reach consumers who are looking for local products and services. Websites must be updated to work with these formats but it's a great opportunity to capture traffic that might otherwise walk on by. Mobile has another critical aspect: It allows and encourages instant reviews of your products and service, reviews that are broadcast widely and upon which

many consumers depend. Even if you don't develop a mobile app, be aware that the rise of smartphones can affect business.

Location-Based Services, such as Yelp and foursquare, help customers find you when they search for local businesses. They also encourage customers to provide testimonials for your business.

Groupon and Deal Sites are tools for bringing new customers into your business and for advertising to a wide (although potentially untargeted) audience. Deep discounts can attract both desirable and undesirable customers. To maximize return on deal sites, skill is required to structure a deal that maximizes desirable customers; minimizes disruption to your staff and existing customers; and turns deal-buyers into repeat customers. The discount itself is an expense.

Podcasts are an audio form of blog and are often done in the style of a radio show. Podcasts can be listened to live or provided on-demand or archived. They are great for building an audience but, like blogs, require the technical skills to make and edit the recording and to add the recording to a website. Also like blogs, podcasts must be marketed consistently in order to drive traffic to them.

Tony Martignetti advises nonprofits on Planned Giving programs and on charity registration. He also [podcasts weekly on Nonprofit Radio](#). The topics cover everything that concern nonprofits from fundraising to board development, from social media to volunteer management. The podcasts are not focused on either planned giving or charity registration. "My goal is to bring experts to small and mid-size nonprofits that they can't afford," he says. "The business goal is to enhance my credibility and name recognition in the nonprofit community." Podcasts are ideal for building awareness and a loyal following. Listeners opt in so you know they want to hear what you have to say. Nonprofits have a story to tell and podcasting is a great way to tell it, Martignetti says. But he cautions that podcasting isn't for every organization or for every person. The equipment and studio time cost money, money that you have to front until you have a following big enough to interest a sponsor. He also recommends hiring someone to set up an iTunes archive and to help buy the right equipment. Then, of course, you need a person comfortable with a mic to conduct the interviews and aware enough of the issues to ask good questions.

Bookmarking is interactive tool for saving and organizing one's favorite URLs. As a marketer, you can bookmark strategic URLs on your website, save and organize them, and vote and comment on other users' bookmarks. This builds links and traffic to your site. However, the quality of shared bookmarks isn't high and is probably not worth the time it takes to do.

RSS (“Really Simple Syndication”) automatically distributes content from an online publisher, such as a blog, to internet users via a browser, both web or mobile based. People use RSS feeds to keep up with news they just don't want to miss. Once you turned on the feature, you don't need to do anything else. Submitting your web content to a website that lists the feeds on its pages will help increase your ranking in search engines.

Flickr is a photo sharing services that can be used to market your business. It improves search engine rankings and drives traffic to your website.

Google Places is a must-have for brick-and-mortar businesses. First, it's free. Secondly, even consumers who want person-to-person service look for stores online, both on their computers and on their mobile phones when they happen to be in your neighborhood. With Google Places, they'll find your store listed, with critical information such as phone number and address. You can also upload links, photos, and videos. Those who visit can upload reviews. While the service is free, you must manage the information that pops up on the Google map of your neighborhood and respond to those reviews.

Google+ now offers “Pages” so businesses and nonprofits can promote themselves. These pages are integrated into Google's search engine. It's too soon to tell how valuable this will be but it is worth keeping an eye on.

Yelp is the megaphone for consumers who post reviews of everything from restaurants to spas, from moving companies to dry cleaners. All the consumer has to do is register, at no cost. Many consumers now search Yelp for, say, the dry cleaner in their neighborhood with the highest Yelp rating. Businesses large and small, as well as nonprofits, may find themselves reviewed here. Yelp reported 66 million monthly unique visitors in the fourth quarter of 2011. Businesses can set up free accounts to communicate with customers, offer deals, and otherwise participate in the conversation.

CONCLUSIONS AND RECOMMENDATIONS

The term “social media” covers a broad spectrum, from speaking out on a blog to hearing what your customers think on Yelp. No single combination of social media will be right for every business. Choosing the right combination means taking the time to understand each medium and, most importantly, to know where your target market is spending its time. That's the bad news. The good news is that the rich variety of options lets you focus your marketing where it is most likely to bring the results you want, whether new customers or new donors.

WHEN IT ALL COMES TOGETHER

Social media leverage each other. When multiple platforms are integrated, the whole is greater than the sum of its parts.

[MyCorporation](#) provides online legal filings for small businesses. For its “Free for a Day” campaign, it offered free incorporation documents for one day only. The opportunity was posted on Facebook, tweeted, and announced in an email newsletter. The give-away was also announced in paid search engine ads, radio promotions, and by affiliates. The message stressed that this was a way for MyCorporation to give back to the small business community and help entrepreneurs during a tough economy. Orders increased by 200% that one day, with additional interest and awareness still noticeable weeks later. Many who took advantage of the free offer also ordered other products and services – and they came back later when other services were needed.

Stories about [small businesses + nonprofits ditching digital dabbling to master social media.](#)

EMAIL

While social media are the top online marketing tools, email runs a close second.

Small businesses and nonprofits have been using email longer than they've been using all other online marketing categories and rate themselves more effective at using it.

A majority of small businesses and nonprofits send email on a monthly or more frequent basis.

Women-owned businesses are more likely to use email than other small businesses but nonprofits have embraced email to a far greater degree than they accept social media. The #1 complaint about email is the amount of time it takes; however, overall, complaints about email were few.

Minority-owned businesses are the least effective marketing segment at using email, but they are the most likely to want to increase their email budget in 2012.

USE, EFFECTIVENESS, AND BARRIERS TO USE OF EMAIL					
	Small Businesses	Women- Owned Businesses	Minority- Owned Businesses	Socially Responsible Businesses	Nonprofits
MEDIAN NUMBER OF MONTHS USING EMAIL	20	21	20	20	41
NUMBER OF SUBSCRIBERS	500	400	500	500	2,000
	%	%	%	%	%
USE	72	70	72	68	88
SEND EMAIL DISTRIBUTIONS MONTHLY OR MORE OFTEN	63	65	57	63	77
RATE "VERY EFFECTIVE"	30	28	20	33	34
BARRIERS TO USE					
None, our organization fully embraced email	43	44	45	37	55
Amount of time it takes	28	28	28	35	23
Lack of clear guidance/procedures	16	18	18	18	13
Not convinced of the value/return on investment	14	14	16	14	7
Cost	10	8	12	14	9
Lack of concrete measurement	10	12	12	11	7
Not appropriate for our organization	7	5	4	10	2
Resistance from management	3	2	4	3	3
Seems too complicated	5	7	5	4	6
EXPECT TO INCREASE EMAIL BUDGET IN 2012	54	51	67	60	26

Success with email newsletters requires two things: a plump address book and content that ensures the email will be opened. [Gail Patrick's Café](#) started with neither; within a year its email list numbered more than 800 and sales had increased 10%, attributable to the email newsletter. To build up the email list, the cafe held a weekly raffle; the prize was a free lunch for two. People entered the contest by filling out a slip of paper with their name and email address. To ensure content that would keep people opening their email from the cafe, newsletters have general interest articles as well as coupons for "buy one, get one free" for items such as ice cream cones at the cafe. The coupons keep people coming back and they bring their friends.

"The important part for businesses to realize is that getting an email address and keeping that subscriber engaged is worth a lot more than a free lunch," says David Fischer, founder of the marketing and consulting firm [Solutions for Growth](#), which helped the cafe develop the email program. "And getting more people into the store is worth more than a scoop of ice cream."

CONCLUSIONS AND RECOMMENDATIONS

Email is the bedrock of online marketing. Just about everyone uses it and is comfortable with it. Email is used to announce new products and services, changes within the organization, special events, and free offers; to keep people informed about issues of interest such as industry trends; and to respond to customer inquiries about products and services. Most importantly, however, it is used to encourage visits to all other online marketing channels including website, Facebook, Twitter, Groupon, YouTube, etc. Email is a gateway medium; it is the first step on the road to online marketing for both the organization and its customers.

Stories about [small businesses + nonprofits ditching digital dabbling to master social media](#).

SEARCH ENGINE OPTIMIZATION (SEO)

A significant minority of small businesses and nonprofits use SEO.

Small businesses have been using SEO for about a year and nonprofits have used it for about 2 years.

Small businesses and nonprofits don't rate themselves as very effective using SEO. Resistance to using SEO falls into two categories: not understanding how to use it and the cost of doing it well.

However, nearly two-thirds of all small businesses expect to increase their use of SEO in 2012. For nonprofits, the story is different. Only 19% of those who use SEO consider it effective and only 30% expect to increase their investment in this tactic.

USE, EFFECTIVENESS, AND BARRIERS TO USE OF SEO					
	Small Businesses	Women- Owned Businesses	Minority- Owned Businesses	Socially Responsible Businesses	Nonprofits
MEDIAN NUMBER OF MONTHS USING SEO	14	14	11	12	24
	%	%	%	%	%
USE	45	43	34	37	33
RATE AS "VERY EFFECTIVE"	31	28	25	39	19
BARRIERS TO USE					
None, our organization has fully embraced SEO	27	23	27	29	19
Lack of clear guidance/procedures	31	40	38	31	31
Cost	28	31	27	27	33
Amount of time it takes	21	23	21	14	22
Seems too complicated	17	22	21	13	22
Lack of concrete measurement	14	17	15	12	13
Not convinced of the value/return on investment	14	14	15	16	22
Not appropriate for our organization	6	4	3	8	7
Resistance from management	3	2	2	0	11
EXPECT TO INCREASE SEO BUDGET IN 2012	62	60	68	62	30

[Cauzoom](#) unites fundraisers for community causes with local businesses. It is a matchmaker for small, often one-time efforts to raise money. Cauzoom has to make itself known to two groups: community members who might join together to, say, clean up a park and to businesses that might be willing to partner in such a cause. Search Engine Optimization is integral to the design of its website. Specific types of causes that might use Cauzoom's

services – *Booster Clubs* or *community cleanup groups* – each have a page on the website. Every page is optimized for the keyword phrases that the targeted market might use when searching for fundraising ideas. For example, the page aimed at *Booster Clubs* for school sports is optimized for phrases having to do with schools, athletics, and sports.

[Teran Dale Marketing](#) partner Maceo Jourdan emphasizes the importance of putting yourself in the customer's place when deciding on keyword phrases. "Most of the time they are searching for the result they want: 'How do I get more customers?' These are very specific phrases."

[Simply Bags](#) monitors SEO very closely. Each product description page of its website is optimized for the phrases people use when searching – and tweaked as search terms change. Each term is highly specific: Not just "throw blankets" but "Ohio State throw blankets," not just "tote bag" but "zebra print tote bag." It's a system that has taken the company from going out of business as brick-and-mortar stores to a booming online business.

CONCLUSIONS AND RECOMMENDATIONS

Neither businesses nor nonprofits are clear about how to use SEO effectively. And they're right: it requires expertise to make it work. But, as our examples show, it is well worth the effort. Consumers use search engines to find information about products and services. But most make their choice from the first page of listings that pop up on Google or Bing. If you want to be on that first page, educate yourself or hire someone who can pick the right keyword phrases to put your organization at the top of the list.

Stories about [small businesses + nonprofits ditching digital dabbling to master social media.](#)

ONLINE NEWS RELEASES

Nonprofits (36%) are nearly 3 times as likely to use online news releases as small businesses (13%).

Nonprofits have been using online news releases for about 3 years, while small businesses report using this tactic for six months to a year.

Nonprofits and socially responsible businesses are dramatically more likely than other segments to send online news releases on a monthly or more frequent basis.

Socially responsible businesses are most likely (32%) to rate themselves very effective at using online news releases. Coming in a distant second are nonprofits (22%).

Resistance to using online news releases isn't high but includes the amount of time it takes; not knowing how to use online news; and lack of demonstrated value.

A majority of small businesses expect to increase their use of online news releases, especially minority-owned and socially responsible businesses. Nonprofits are far less likely to increase their use of online news releases.

USE, EFFECTIVENESS, AND BARRIERS TO USE OF ONLINE NEWS RELEASES

	Small Businesses	Women- Owned Businesses	Minority- Owned Businesses	Socially Responsible Businesses	Nonprofits
MEDIAN NUMBER OF MONTHS USING ONLINE NEWS RELEASES	13	13	7	12	36
	%	%	%	%	%
USE	32	29	26	30	66
FREQUENCY OF USE: MONTHLY OR MORE	38	28	25	53	52
RATE AS "VERY EFFECTIVE"	19	16	20	32	22
BARRIERS TO USE					
None, our organization has fully embraced online news releases	22	19	19	20	37
Amount of time it takes	29	28	30	26	20
Lack of clear guidance/procedures	27	30	35	26	20
Not convinced of the value/return on investment	24	26	28	25	13
Cost	17	18	22	17	12
Lack of concrete measurement	16	19	19	15	10
Not appropriate for our organization	6	3	3	5	3
Resistance from management	3	3	2	2	5
Seems too complicated	7	9	3	9	7
EXPECT TO INCREASE ONLINE RELEASES IN 2012	63	64	78	73	20

Online press releases are great for small businesses that don't have money for marketing, according to Kristin Marquet, president of [Marquet Communications](#). When Marquet launched a new division of her own business, she distributed five online press releases and offered articles to blogs and an industry journal. The entire campaign took about six weeks to develop, Marquet said, and another month to measure the results. For the \$500 she spent on press releases, she signed two new clients who brought \$3,500 to her business. She started her business in 2005 as a freelancer; the company now has a staff of eight.

Marquet recommends online releases to her clients because the releases get very wide distribution at little cost. The key, as with all marketing, is to write the release well and make sure it emphasizes a benefit for the reader.

Marquet recommends sending out a press release to announce any changes – new products, staff, or partners – in your business or your sector.

CONCLUSIONS AND RECOMMENDATIONS

Online press releases are a low-cost, powerful online marketing tool that both small businesses and nonprofits are neglecting. When you have news or want to announce something, online press releases which include links back to your website are a missed opportunity to drive traffic to your site and increase search engine ranking. Respondents cite cost and lack of clear guidelines as barriers to use. If there were more user-friendly instructions available, small businesses and nonprofits would be able to move past the perceived of high cost to effective usage.

According to MarketingSherpa, online news releases are even better than social media at driving traffic to your site and for achieving bottom-line goals, such as generating sales and leads. When you have an announcement about your company, cause, products, or services, using online news releases is a low-cost and effective way to increase visibility and drive traffic to your site. They distribute your news (and keyword phrases) to major search engines, news outlets, journalists, and bloggers.

Most business segments plan to increase spending for this channel – except the power-users who already use online press releases twice as much as the average small business or nonprofit.

Stories about [small businesses + nonprofits ditching digital dabbling to master social media](#).

SOCIAL MEDIA ADS

Social media advertising is the newest online marketing kid on the block; its use is low among all segments. Nonprofits have been using social media ads the longest – a year – and minority-owned businesses for the shortest time – only three months.

Confidence in using social media ads is low among all segments. In the most confident sector – socially responsible businesses – only 22% rate themselves “very effective” in using this marketing tactic.

The biggest barrier to using social media ads is the cost, followed by lack of perceived value.

Yet, there is significant interest in increasing use of social media ads. Even nonprofits that are not likely to increase their use of other online marketing categories are interested in trying social media advertising.

USE, EFFECTIVENESS, AND BARRIERS TO USE OF SOCIAL MEDIA ADS						
	Small Businesses	Women- Owned Businesses	Minority- Owned Businesses	Socially Responsible Businesses	Nonprofits	
MEDIAN NUMBER OF MONTHS USING SOCIAL MEDIA ADS	6	5	3	10	12	
	%	%	%	%	%	
USE	19	19	15	17	15	
RATING OF “VERY EFFECTIVE”	12	11	7	22	13	
BARRIERS TO USE						
None, our organization has fully embraced social media ads	11	8	9	12	8	
Cost	43	49	47	42	47	
Not convinced of the value/return on investment	39	38	33	43	39	
Lack of clear guidance/procedures	23	29	29	26	26	
Lack of concrete measurement	15	17	18	17	11	
Amount of time it takes	14	13	13	10	14	
Not appropriate for our organization	11	8	6	13	12	
Seems too complicated	10	11	7	12	11	
Resistance from management	4	4	2	2	15	
EXPECT TO INCREASE SOCIAL MEDIA ADS IN 2012	72	72	70	77	61	

[FiPath](#) aggregates retirement planning information and resources for 29- to 45-year-olds. It favors cost-per-action ads, the action being signing up for a free membership in FiPath. Rather than paying a low price to have many people look at the ad, FiPath pays a somewhat higher price for an actual addition to its membership rolls. Membership has been growing at the rate of 10,000 per month.

[Spill, Inc.](#) gives college students a place to vent anonymously about whatever is bothering them and, within 24 hours, receive supportive feedback from a trained peer. The service is paid for by the university. Students often ask the university to provide the service. It has, after all, intervened in 10 potential suicides and takes the pressure off in hundreds of other cases. Facebook ads have been “amazing,” according to Katie Kruger, vice president of business development. Spill, Inc. used Facebook ads to target students at 40 potential university clients. Three ads each ran for one week. From that campaign, Spill added seven chapters at a marketing cost of less than \$500.

CONCLUSIONS AND RECOMMENDATIONS

“Lack of guidance” and “not convinced of value” are the big resistances to using social media ads. And with good reason. There just isn’t a lot of educational material available about how to craft these ads that have very limited character count. Because you can target specific demographics, when done well they can hit your audience right on the bulls-eye.

Most of the remaining reluctance to use social media ads is based on their costs. The cost of social media ads will not be a barrier if the ads deliver.

Stories about [small businesses + nonprofits ditching digital dabbling to master social media.](#)

SEARCH ENGINE ADS

Search engine ads are the least used of all online marketing tools assessed in the survey. Nonprofits are the most likely to use them (19%) and women-owned businesses are least likely (11%). It is important to note that the Google Grants program provides free ad words to nonprofits, which may account for the higher usage of search engine ads by nonprofits but has done nothing to increase their confidence in the effectiveness of such ads.

On average, nonprofits have been using search engine ads for almost two years while minority-owned businesses have used them for less than six months.

No segment is confident that search engine ads are effective. Complaints about search engine advertising include cost; lack of demonstrated value; and simply not understanding how it works.

No surprise, there's not a lot of organizational buy in for using search engine ads. Yet, with the exception of nonprofits, a majority of each market segment wants to increase their use of this tactic.

USE, EFFECTIVENESS, AND BARRIERS TO USE OF SEARCH ENGINE ADS					
	Small Businesses	Women- Owned Businesses	Minority- Owned Businesses	Socially Responsible Businesses	Nonprofits
MEDIAN NUMBER OF MONTHS USING SEARCH ENGINE ADS	9	10	5	15	22
	%	%	%	%	%
USE	15	11	16	17	19
RATING OF "VERY EFFECTIVE"	13	14	9	18	13
BARRIERS TO USE					
None, our organization has fully embraced search engine ads	9	6	10	9	11
Cost	46	50	44	41	52
Not convinced of the value/return on investment	35	40	29	36	36
Lack of clear guidance/procedures	26	31	33	29	27
Amount of time it takes	15	13	12	10	13
Lack of concrete measurement	14	18	22	15	12
Not appropriate for our organization	11	9	8	15	15
Seems too complicated	10	10	9	10	15
Resistance from management	5	5	3	2	12
EXPECT TO INCREASE SEARCH ENGINE ADS IN 2012	65	64	68	65	40

[LapTopMD](#) repairs computers and cell phones. It isn't a business that attracts walk-in traffic. People only think about computer repair when their computer breaks down. LapTopMD doesn't need to be visible all the time but it must be easy to find. Pay-per-click ads have been most reliable in getting customers, according to Alex Mouravsky, online marketing associate. Using Google Analytics, he monitors keywords every day. In the first year of their adwords and SEO effort, business doubled every quarter. Despite the sluggish economy, LapTopMD hired three or four people; for a staff of 15, that's major growth. Mouravsky cautions, however, that adwords are tricky. You have to understand how they work. The owner of LapTopMD tried an adword campaign on his own and got no response. When he hired others familiar with the tools, business boomed.

CONCLUSIONS AND RECOMMENDATIONS

As with SEO and social media ads, the message here is, "This isn't a do-it-yourself project." Search engine and social media ad management, like SEO, requires specific skills. Your skill is running your business or nonprofit. Use your time to do that and hire someone, either a consultant or an employee, to focus on keyword phrases. Make sure that whomever you hire has a very clear understanding of what your business/nonprofit offers, what your values are, and how you want to be represented in the online world.

Small businesses and nonprofits need easy-to-use online marketing platforms and tactics that don't require outside help. There's a real opportunity for a company to provide a less costly simpler search engine ad service.

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MEASUREMENT

If you don't measure your online marketing, how will you know if it's effective? Most people measure some things but they may not be measuring the right things. Counting visitors to your site is important but it isn't enough if your goal is getting those visitors to take action, whether that action is making a purchase or signing a petition.

The majority of small businesses and nonprofits measure which online marketing efforts drive visitors, page views, and new visitors to their website.

When measuring email, small businesses and nonprofits are likely to monitor click-throughs and opens.

When measuring the effectiveness of search engine marketing, small businesses and nonprofits are most likely to monitor site traffic and the ranking of keywords.

When measuring user response to social media, small businesses and nonprofits are most likely to monitor the number of relationships (members, connections, fans, followers, etc.).

When measuring the effectiveness of online news releases, small businesses and nonprofits are most likely to monitor the number of media mentions.

Few small businesses and nonprofits measure influence and sentiment.

Those who understand metrics and are confident of their ability to use them check which keyword phrases, which blogs, and which Facebook promotions bring people to their websites. Bob Shirilla runs the technology side of a mom-and-pop online store, [Simply Bags](#). He takes measurement one step further and "follows" how people wander through the website, making note of which keyword phrases they type into the search box, where they go after looking at each item. If 90% of customers looking at "diaper bags" then go to "cosmetic bags," he tells his wife to buy more cosmetic bags.

Alex Mouravsky, online marketing associate of [LapTopMD](#), monitors his list of keywords weekly, noting his company's search engine ranking as well as that of his competitor's for each keyword phrase. He then checks out the competitor's site to see what the competitor is doing to bring its ranking up. Mouravsky then tweaks the content of his channels – Facebook, blog – to raise his ranking. Company sales have doubled every quarter since Mouravsky came on board.

CONCLUSIONS AND RECOMMENDATIONS

Metrics are your friend, not like the statistics class you had to take in college. “Evaluation” and “measurement” bring shivers of apprehension to some, with visions of a mound of data collected for – who knows what purpose. Not so. The main purpose of metrics is to show you what is working well and what isn’t so you can improve your products, services, and programs.

Very effective and easy-to-understand tools come with most platforms. Google Analytics is one that is both comprehensive and free. And it isn’t all a bunch of numbers. You can view results in graphs and charts as well, so whatever your learning mode, you will be able to see where your customers come from, what they like, and where you might want to tweak.

Not even power-users follow best practices when it comes to measurement. Fewer than half track the basics, such as bounce rates, email opens, number of email subscribers, ranking of keywords in the search engines, conversions (actions taken, such as purchases or donations) or the number and quality of back links.

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USE, EFFECTIVENESS, AND BARRIERS TO USE OF METRICS

	Small Businesses	Women- Owned Businesses	Minority- Owned Businesses	Socially Responsible Businesses	Nonprofits	Power- users
	%	%	%	%	%	%
WEBSITE METRICS USED TO MEASURE MARKETING EFFECTIVENESS						
Overall visitors	64	63	56	59	66	68
Page views	61	59	48	58	60	68
New visitors	51	48	38	54	50	68
Bounce rate	36	33	24	33	30	32
EMAIL METRICS USED TO MEASURE EFFECTIVENESS						
Click-throughs	50	48	46	52	58	62
Opens	46	44	44	47	59	52
Number of new subscribers	33	37	30	45	42	37
Number of subscribers	30	32	26	35	41	35
Number of unsubscribes	26	28	20	33	43	34
Forwards	22	24	22	30	30	26
SEARCH ENGINE MARKETING METRICS USED TO MEASURE EFFECTIVENESS						
Site traffic from search engines	49	43	41	46	39	55
Ranking for each keyword	31	26	14	32	23	41
Purchases and leads from each keyword	20	17	17	21	8	18
METRICS USED TO MEASURE EFFECTIVENESS OF YOUR ONLINE NEWS MARKETING						
Number of media mentions	26	21	19	27	33	57
Number of back links	19	18	15	18	16	31
Quality of back links	15	12	8	15	8	27
USER RESPONSE METRICS USED TO MEASURE MARKETING EFFECTIVENESS						
Number of community members, connections, fans, followers, friends, etc.	37	37	43	35	45	58
Number of comments	36	36	42	32	34	54
Number of leads	31	28	32	26	15	48
Number of retweets	25	21	32	23	26	54
Quality of response	25	22	27	20	23	46
Revenue/Amount of money raised	24	24	27	29	30	36
Number of people rating	11	9	8	9	12	20
Quality of rating	8	7	6	8	7	20
USE OF ONLINE INFLUENCE AND SENTIMENT (ATTITUDE, OPINION, EMOTIONAL STATE OR INTENDED EMOTIONAL COMMUNICATION)						
Social influence using tools such as Klout, PeerIndex)	10	8	8	10	9	20
Sentiment analysis using tools such as radian6, Social Mention, Sysomos)	4	4	3	4	5	25

LEARNING

Small businesses and nonprofits learn to use online marketing in many different ways. The order of preference is:

1. learning by doing
2. observing what others are doing
3. attending free classes
4. using free online resources
5. talking to colleagues

By and large, power-users rely on the same learning options to gain expertise in social media, with one major exception: They are far more likely to seek expert advice or hire a social media expert.

METHODS USED TO ACQUIRE EXPERTISE						
	Small Businesses	Women- Owned Businesses	Minority- Owned Businesses	Socially Responsible Businesses	Nonprofits	Power- users
	%	%	%	%	%	%
Learning by doing	81	83	83	86	80	86
Observing what others are doing	73	77	75	77	71	76
Attending free classes (in person and online)	63	69	73	70	74	66
Using free online resources (other than classes)	61	62	63	58	66	72
Talking to colleagues	59	61	58	64	67	66
Talking to experts	47	48	57	56	40	72
Reading books	43	44	51	39	34	38
Attending conferences	34	36	42	36	39	42
Attending paid classes (in person and online)	28	37	32	31	28	34
Hiring a consultant or firm; outsourcing some or all functions	12	14	6	15	21	16
Joining paid membership sites	8	9	4	10	3	2
Hiring an on-staff expert	6	2	1	5	14	20

CONCLUSIONS AND RECOMMENDATIONS

Those who are confident that they are using online marketing effectively took the time to learn how to use it or to hire someone who does. As much as you hear about “user friendly” interfaces and easy how-tos, the fact is that online marketing is nuanced and ever-changing. Even those who use platforms such as Facebook or Twitter in their personal lives need training in using them as marketing tools.

Online marketing has become increasingly sophisticated and complex, with new options added at a dizzying pace. Just when you have mastered email, along comes search engine optimization, then social media, and now mobile.

But remember: This isn't about technology. This is about marketing and, like many other fields – medicine, law, accounting – marketing requires continuous education. No, you don't need to get a Masters degree in social media or SEO. But you do need to keep up-to-date. Invest the time and resources you need to take advantage of these game-changing techniques.

At one time, people could run a business without a telephone. Now, no one questions the expense of this essential tool; it's a cost of doing business. Do without one and you'd save a few dollars each month but you'd lose countless sales. So, too, with online marketing. Keeping your marketing program up to date is an investment in your business.

Because customers now look for information about products and services in different ways and places, failure to invest in online marketing education for your staff means your customers, donors, and investors won't find you.

Doing business without an online presence is like winking in the dark; nobody knows what you did.

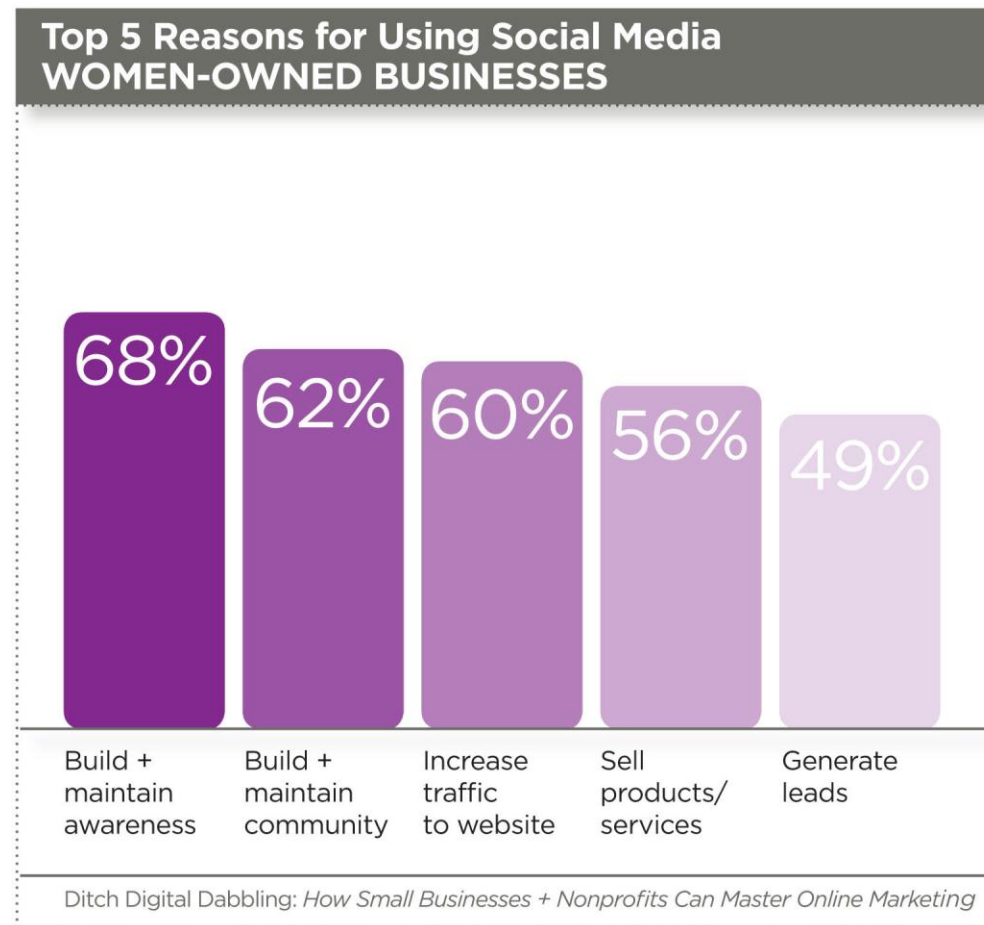
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WOMEN-OWNED BUSINESSES

SOCIAL MEDIA

Women-owned businesses have been slower to adopt social media than their male-owned counterparts and are less likely to judge themselves as effective when using social media. What's undermining them? Many cite "cost," but looking deeper into the numbers, you see that lack of guidance and training are the real barriers. "Not convinced of the value" of a platform is a way of saying, "I don't understand what it will do for me," as well as another way of saying it costs more than it delivers.

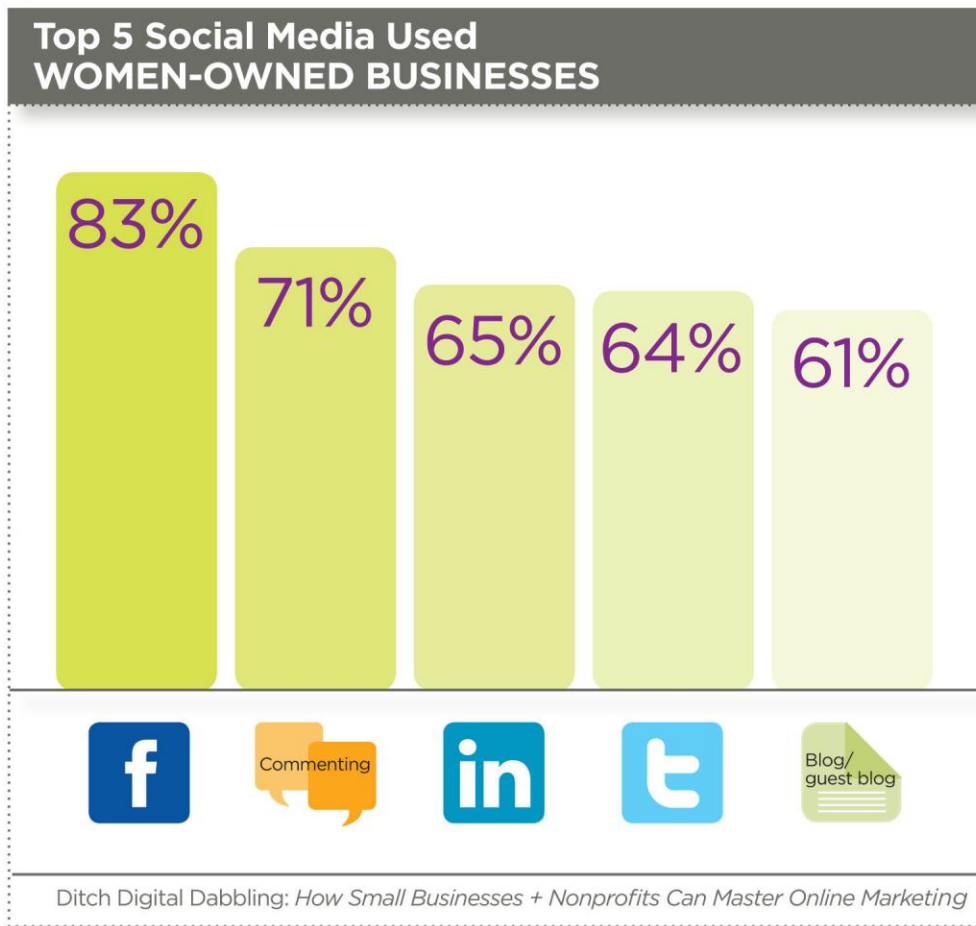
Women business owners need access to training that shows them both how to use social media and what social media can do for their businesses.



Perhaps to catch up, women-owned businesses are more likely to have a dedicated social media expert than are minority-owned and socially responsible businesses.

Women-owned businesses are also less likely to fully embrace social media, citing the amount of time it takes as the major obstacle.

The top 5 social media used by women-owned businesses are:



Of the six dominant social media, women business owners are least comfortable using YouTube and other video services.

By and large, women rate themselves less effective at specific social media than other segments of the business community. Though the number is not high, women-owned businesses rate themselves most effective at location-based services, followed by blogging and Facebook.

EMAIL

Women-owned businesses are just as likely as other small businesses to use email, feel equally effective using it, yet are less likely to increase its use in 2012.

SEARCH ENGINE OPTIMIZATION

Women-owned businesses are just as likely as other small businesses to use SEO. They have used it about the same amount of time, use it effectively and plan to increase their use of SEO in 2012.

ONLINE NEWS RELEASES

Women-owned businesses are just as likely as other small businesses to use online news releases. They have been using online press releases about the same amount of time; feel they are using them effectively; and a majority plan to use them more in 2012.

SOCIAL MEDIA ADVERTISING

Use of social media advertising and ratings of its effectiveness are low in all segments surveyed, including women-owned businesses.

SEARCH ENGINE ADVERTISING

Use of search engine advertising is low for all segments but especially for women-owned businesses. Confidence in their effectiveness in using search engine advertising is equally low for women business owners as for other small business owners.

MEASUREMENT

Contrary to the opinion that women don't like numbers, women business owners are just as likely as other business owners to measure the effectiveness of their online marketing efforts.

LEARNING

Women-owned businesses are more likely than other small businesses to learn by attending paid classes.

CONCLUSIONS AND RECOMMENDATIONS

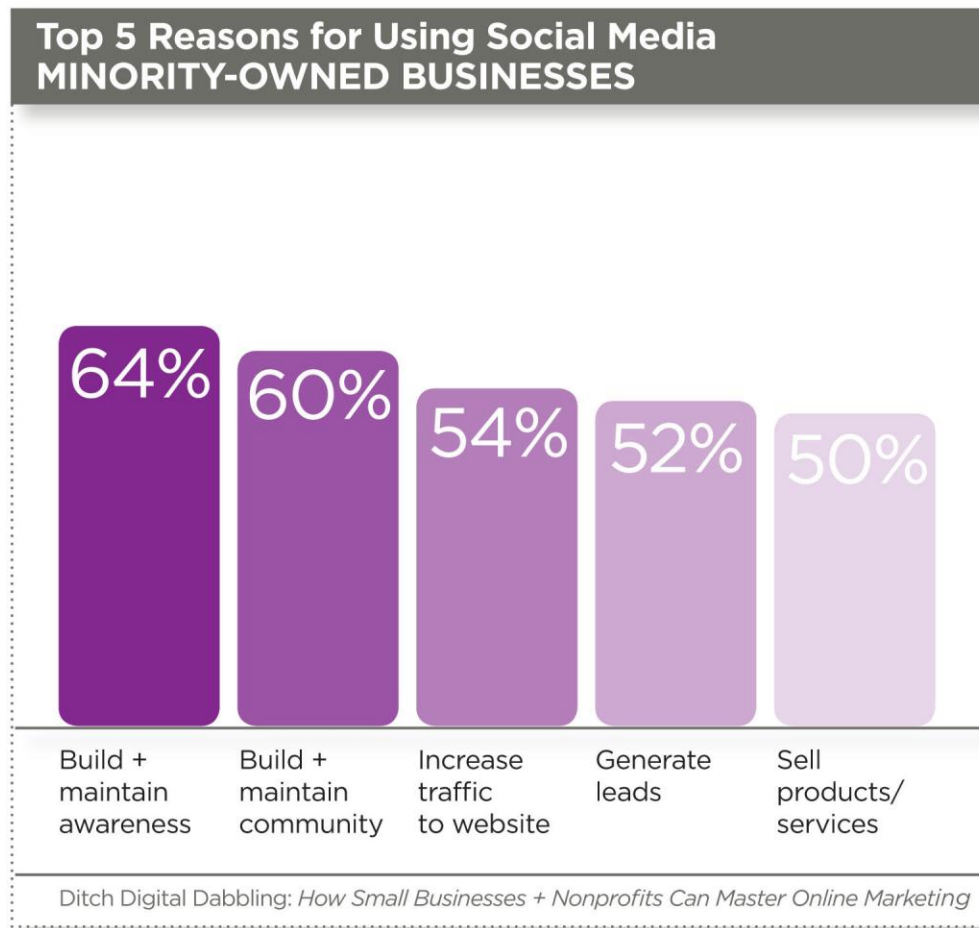
Women are communicators and collaborators, yet when it comes to online marketing, they lag behind other small businesses. They need catch-up, with courses that provide basic skills and handholding. More importantly, they need classes that show them the benefits of online marketing and that it is an investment in their business, not a frivolous add-on. They aren't afraid to look at the numbers; they just haven't been well informed about how to look at the numbers.

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MINORITY-OWNED BUSINESSES

SOCIAL MEDIA

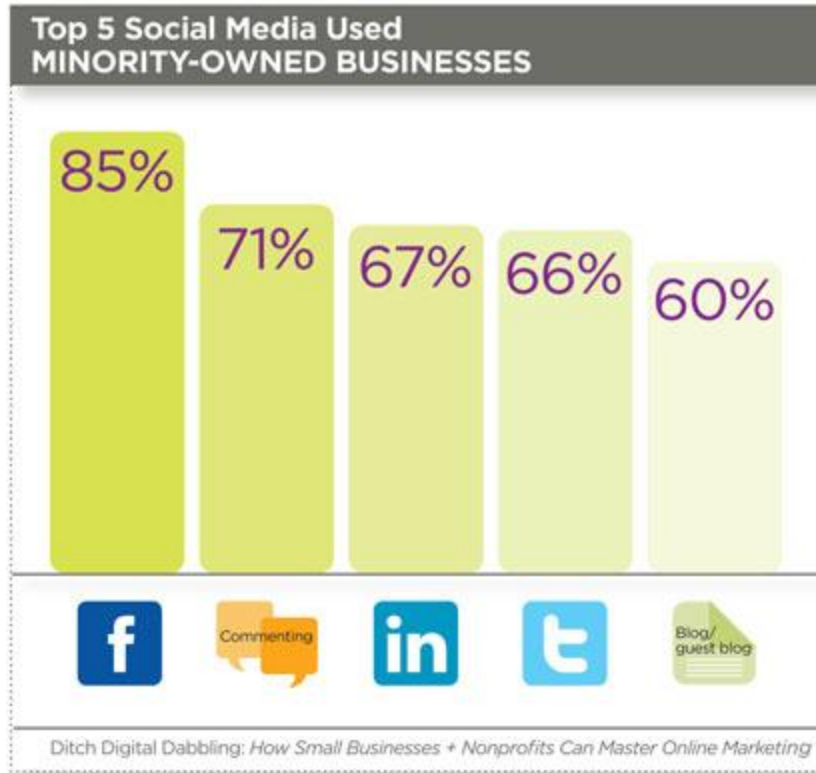
The top five reasons minority-owned businesses use social media are to:



Minority-owned businesses are less likely than other small businesses to use social media to build awareness and website traffic.

Minority-owned businesses are more likely to decentralize the use of social media and less likely to use dedicated social media experts. They are less likely to have an employee code of social media conduct, but equally as likely to have policies and procedures about how to use social media.

Minority-business owners are more frequent users of Facebook, Twitter and YouTube. These companies are much more likely to fully embrace social media. They have fewer resistances to using social media (including the amount of time it takes) than other small business segments. In other words, they're more social.



Minority-owned businesses are much more likely than other small businesses to embrace social media fully within the organization.

EMAIL

Minority-owned businesses are just as likely as other small businesses to use email and they have been using it the same amount of time as other businesses. However, they rate themselves less effective at using it. The biggest complaint against email is the time it takes. The minority-owned business segment is most likely to increase its use of email.

SEARCH ENGINE OPTIMIZATION

Minority-owned businesses are the least likely of all small business segments surveyed to use SEO; they are just beginning to try it. But this is the segment most likely to increase its use of SEO.

ONLINE NEWS RELEASES

Minority-owned businesses the least likely as other small businesses to use online news releases, and are newest to the game. They are the small business segment with the greatest interest in increasing its use of news releases, but these businesses want how-tos.

SOCIAL MEDIA ADVERTISING

Minority-owned businesses are the least likely small business segment to use social media advertising but, again, most are recent entrants in the field. About 70% are interested in increasing their use of social media advertising but cite cost as the greatest obstacle to doing so.

SEARCH ENGINE ADVERTISING

Minority-owned businesses are just as likely as other small businesses to use search engine advertising, but they started using it more recently. While 68% are interested in increasing their use of the medium, cost is blocking growth.

MEASUREMENT

For the most part, minority business owners are less likely than other small businesses owners to measure the effectiveness of their online marketing efforts. However, they are more likely to measure user response by counting the number of relationships, comments, leads, retweets, quality of response, and sales.

LEARNING

Minority-owned businesses are more likely to take advantage of free classes, talk to experts, read books, and attend conferences than are other small businesses.

CONCLUSIONS AND RECOMMENDATIONS

Minority business owners are eager to do more online marketing; they just want to understand it better and to be sure that the tools they choose will be cost-effective. They lead the pack in the use of social media, but want to catch up in their use of other online marketing categories. They are more likely to increase their spending email, SEO, online news releases and search engine advertising.

What a waste of enthusiasm and opportunity! Educational resources aimed at the marketing needs of minority-owned businesses will find a ready, willing, and able audience.

Multiple research reports show that minority *consumers* are heavy users of online marketing – particularly social. For products and services aimed at this market segment, social media can be a megaphone for word-of-mouth marketing.

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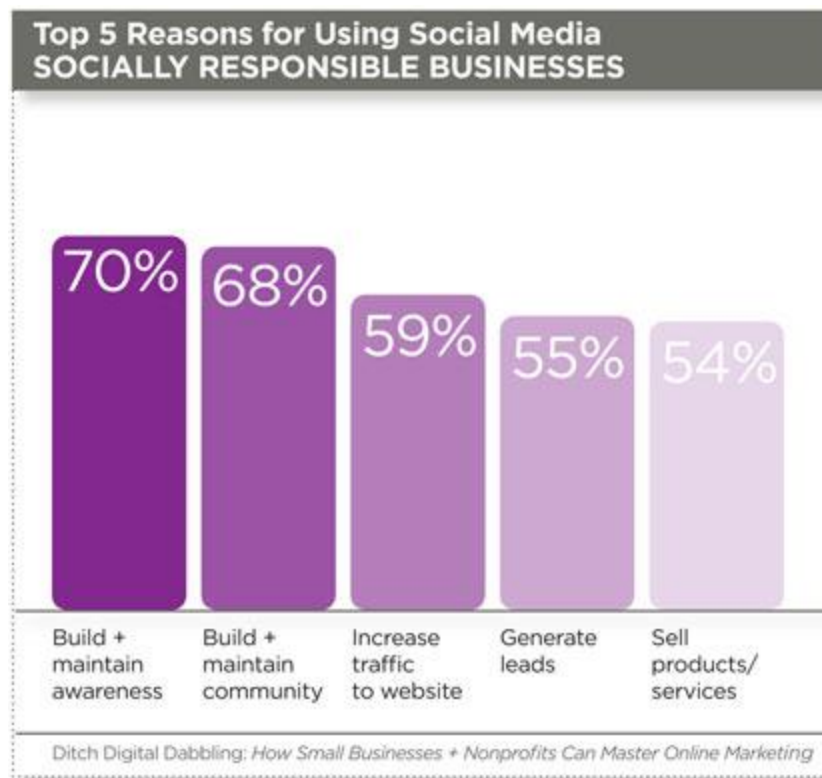
SOCIALLY RESPONSIBLE BUSINESSES

Socially responsible companies adhere to business practices that include valuing and treating employees well and fairly; sourcing ethical suppliers; minimizing harm to the environment; and being good neighbors. Three companies that personify social responsibility are Cliff Bar, Method, and Patagonia.

SOCIAL MEDIA

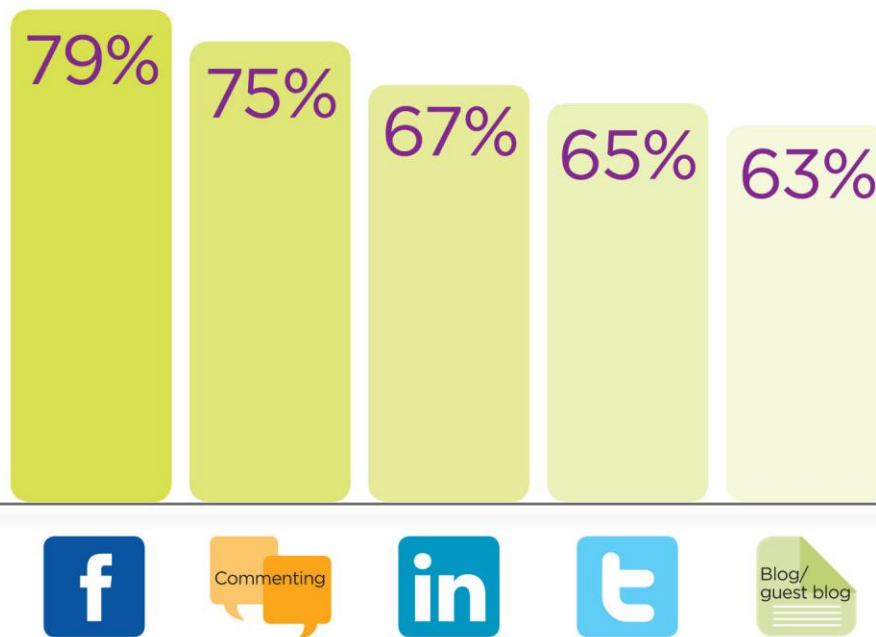
Socially responsible businesses are just as likely to use social media, and have been using them for the same length of time, as other small businesses.

Socially responsible businesses are more likely than other small businesses to use social media to build and maintain community.



Socially responsible businesses are more likely to decentralize responsibility for the use of social media and so they are also less likely to use dedicated social media experts. They are more likely than other small businesses to have an employee code of social media conduct, and policies and procedures on how to use social media.

Top 5 Social Media Used SOCIALLY RESPONSIBLE BUSINESSES



Ditch Digital Dabbling: *How Small Businesses + Nonprofits Can Master Online Marketing*

Socially responsible businesses are more likely than other small businesses to rate themselves effective at Facebook, forums/discussion groups, texting/SMS messaging, commenting, location-based services, and podcasting.

Socially responsible businesses are equally as likely to fully embrace social media as other small businesses. But they are most likely to complain about the amount of time social media takes.

EMAIL

Socially responsible businesses are as likely as other small businesses to use email and have been using it the same amount of time as other businesses. Even though they rate themselves more effective at using email than other social media, they rated themselves less likely to fully embrace email. The biggest complaint against email is the time it takes, which socially responsible businesses are more concerned about than the other business segments surveyed. Despite this concern, the majority of socially responsible businesses intend to increase their use of email.

SEARCH ENGINE OPTIMIZATION

Socially responsible businesses are less likely to use SEO than small businesses and women-owned businesses. Socially responsible businesses have been working with SEO for about the same amount of time as other segments – one year – and are much more likely to rate themselves very effective at using SEO. A healthy majority, 62%, is likely to increase the use of SEO in the coming year. The biggest impediment they cite is lack of clear guidelines.

ONLINE NEWS RELEASES

Socially responsible businesses are as likely as other small businesses to use online news releases and have been using them for the same length of time: about one year. They are much more likely to use news releases on a monthly or more frequent basis. They are much more likely than other segments surveyed to rate themselves very effective in using news releases. Three-quarters of socially responsible businesses want to increase their use of online news releases and they don't see obstacles to doing so.

SOCIAL MEDIA ADVERTISING

Socially responsible businesses were the first small business segment to use social media ads. They are more confident that their social media ads are effective than other small businesses and are most interested in increasing their use of social media ads, even though they're not convinced there is a return on their investment and they complain about the cost.

SEARCH ENGINE ADVERTISING

Socially responsible businesses are just as likely as other small businesses to use search engine advertising, but they have been using it longer than most. Socially responsible businesses do not think they're very effective at using search engine advertising and have little interest in increasing its use.

MEASUREMENT

For the most part, socially responsible businesses are as likely as other small businesses to measure the effectiveness of their online marketing efforts. The one difference is that they are more likely to measure email effectiveness and to incorporate more metrics, such as the number of overall and new subscribers, number of unsubscribes, and number of forwards.

LEARNING

Socially responsible businesses are more likely than other segments to rely on free classes, talking to colleagues, and talking to experts to learn about online marketing.

CONCLUSIONS AND RECOMMENDATIONS

Online marketing is a natural for businesses that pride themselves on ethical practices. It allows consumers to opt into receiving information; it provides transparency; it gives neighbors, customers, and suppliers a way to comment on the company's effect on the communities it works with; and it gives companies the opportunity to provide personal and responsive customer service. All of these are goals that socially responsible companies should aspire to.

The survey results indicate, socially responsible companies are no more likely than other segments of the small business sector to use online marketing. However, though there is plenty of room for improvement, they are more likely to rate themselves very effective at using Facebook, forums/discussion groups, texting/SMS messaging, commenting, location-based services, and podcasting. Those not using these social media should think seriously about adding them.

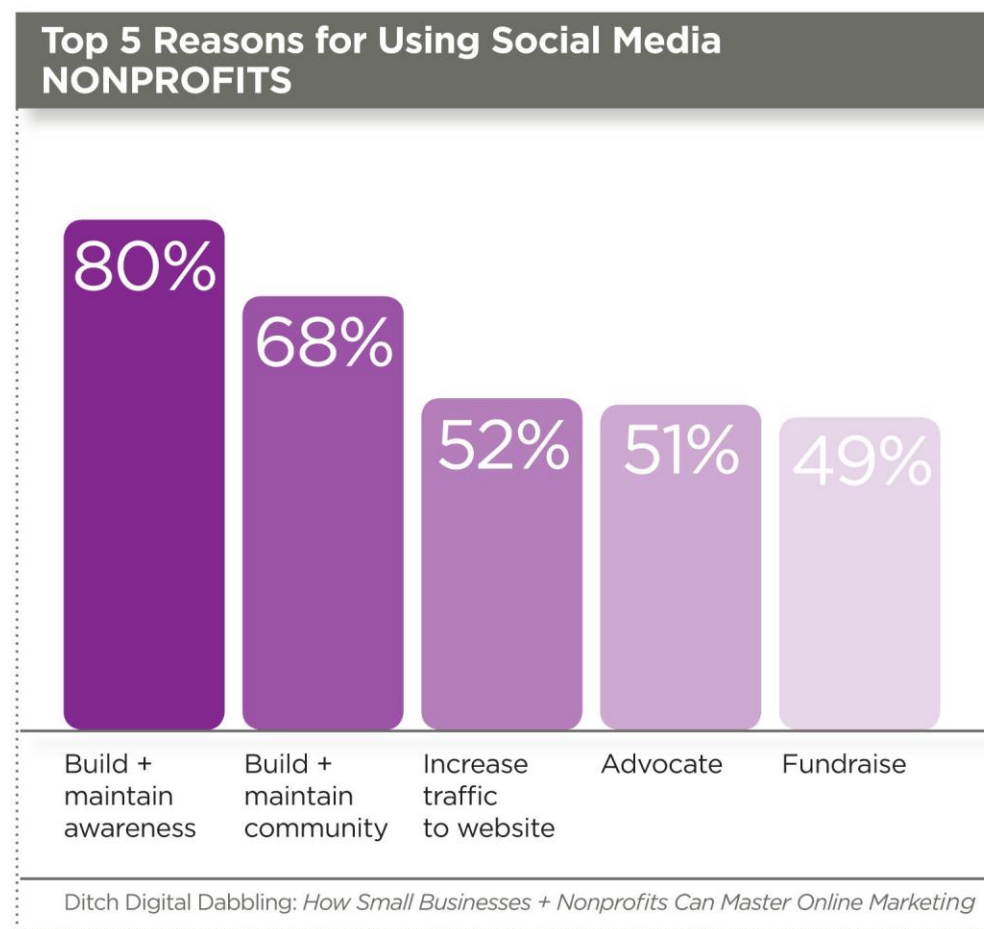
Again, education is needed to show socially responsible companies who are not using social media how online marketing can help them achieve their goals and to show them how to measure the results of their efforts.

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NONPROFITS

SOCIAL MEDIA

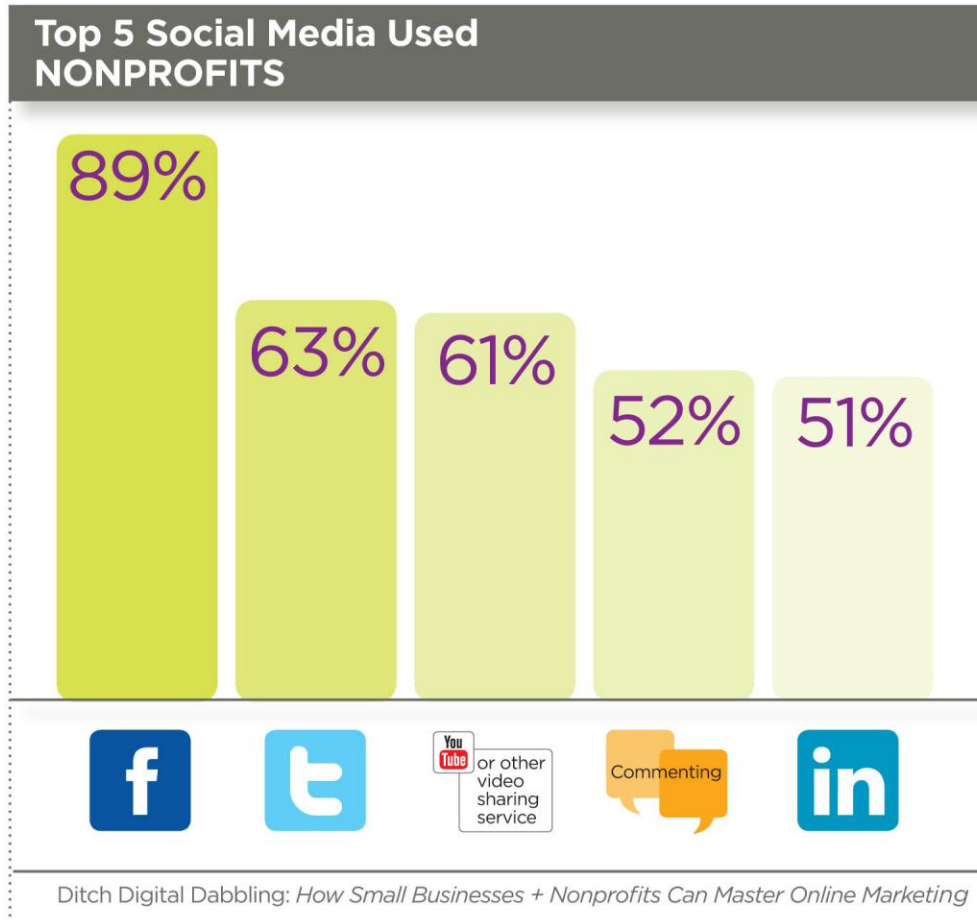
Nonprofits have been using social media longer than their for-profit counterparts and have more social media relationships (fans and followers), yet they do not rate themselves as very effective at using social media. They are also less likely to fully embrace social media throughout the organization.



Nonprofits are more likely than small businesses to use social media to build and maintain awareness and community. They also use social media to pursue their missions by advocating, fundraising, and mobilizing/coordinating people. Interestingly, nonprofits are more likely to use social media to recruit staff, volunteers, and board members, but far less likely to seek introductions or use other outreach methods to people they want to know through LinkedIn. Given how hard finding and building relationships with donors, this is a missed opportunity.

Not only do nonprofits involve their communications and marketing departments in using social media, a significant minority also get their development/fundraising and program departments

involved. Nonprofits are more likely than small businesses to have dedicated experts engaged in social media on behalf of the organization and to have policies and procedures in place for using social media. They are also much more likely to have a code of social media conduct.



Nonprofits are dramatically less likely than small businesses to comment on the blogs of others and, if they do comment, are less likely to do so regularly. Nonprofits are also dramatically less likely to use LinkedIn and to blog, but they are more likely to have Facebook pages. Where nonprofits take the lead is in video. They are dramatically more likely than for-profit businesses to use YouTube or other video sharing services. Video tugs at the heartstrings better than any other medium; it's a natural for nonprofits with moving stories of hardship and survival.

Nonprofits are the most time-challenged of all segments surveyed. They complain the most about the amount of time social media take and so spend less time than any other group using social media – a critical lack when it comes to getting results from social media. Nonprofits are less likely than other market segments to increase their social media budgets in 2012.

EMAIL

Nonprofits are more likely than for-profit businesses to use email, embrace it as an organization, use it frequently, have larger lists, and rate it very effective. They see fewer obstacles to the use of email than small businesses do.

Only one in four nonprofits predict increasing their use of social media in 2012.

SEARCH ENGINE OPTIMIZATION

While those nonprofits using SEO have been using it longer than their for-profit counterparts, they rate themselves far less effective at it. They are less likely to embrace SEO as an online marketing tactic and have more resistance to its use, including cost, lack of clear guidelines/procedures, and lack of financial resources. Nonprofits are about half as likely to increase their SEO budget in 2012.

ONLINE NEWS RELEASES

Nonprofits are far more likely to use this tactic and use it regularly. Nonprofits are more likely than for-profit businesses to embrace the use of online news releases and have lower resistance to their use, yet they are much less likely to anticipate increasing their use.

CONCLUSIONS AND RECOMMENDATIONS

Nonprofits are underachieving in their use of social media. They start using social media sooner than their for-profit counterparts, but don't devote the attention necessary to becoming proficient. Even with the social media that nonprofits are more likely to use – Facebook and YouTube – they are less confident about their proficiency. The deficiency is even worse for under-used and under-appreciated social media, such as LinkedIn. LinkedIn's value as a research database and as a way to connect with donors, board members, and staff makes this a serious lapse.

Nonprofits also are not taking advantage of the search engine visibility that their donors, volunteers, supporters, and board members could give them. Asking for links, Facebook posts, and tweets could boost their search engine rankings and bring in more supporters.

When trying something new, nonprofit staff need the freedom to make mistakes, access to experts, trainings, and online resources.

Stories about [small businesses + nonprofits ditching digital dabbling to master social media.](#)

DEMOGRAPHICS

PROFILE OF SURVEY RESPONDENTS						
	Small Businesses	Women- Owned Businesses	Minority- Owned Businesses	Socially Responsible Businesses	Nonprofits	Power Users
	%	%	%	%	%	%
TITLE						
Owner / Partner	76	86	86	76	4	44
President / Chief Executive Officer / Chief Operating Officer / Executive Director	9	8	10	12	27	10
VP / Senior VP / Executive VP / General Manager	4	1	0	1	13	17
Middle Manager (Director / Manager)	5	2	2	5	35	23
Staff	3	2	0	3	15	6
Clerical	0	0	0	0	0	0
Other	3	1	2	3	6	0
NUMBER OF EMPLOYEES						
1	40	49	50	36	6	36
2 to 4	34	35	38	42	14	21
5 to 9	11	6	9	11	17	4
10 to 24	9	9	3	6	23	4
25 to 49	3	1	0	2	11	19
50 to 99	1	0	0	1	9	19
100 to 249	2	1	0	1	9	2
250 to 499	0	0	0	0	5	11
500 to 999	0	0	0	1	3	2
1,000 or more	0	0	0	0	4	2
REVENUE						
Less than \$100,000	68	81	82	73	18	16
\$100,000 to \$249,999	12	9	12	13	8	29
\$250,000 to \$499,999	6	4	3	6	8	12
\$500,000 to \$999,999	3	1	2	1	10	31
\$1 million to \$4.9 million	8	5	1	7	30	8
\$5 MILLION +	4	1	0	1	26	8

SECTORS REPRESENTED BY SURVEY RESPONDENTS

	Small Businesses	Women- Owned Businesses	Minority- Owned Businesses	Socially Responsible Businesses	Nonprofits	Power Users
	%	%	%	%	%	%
FOR-PROFIT INDUSTRIES						
Accounting	1	1	0	0	NA	NA
Banking	0	0	0	0	NA	NA
Communications	1	1	1	3	NA	NA
Computer / Internet / Technology	8	4	6	7	NA	NA
Construction	2	1	2	1	NA	NA
Consulting Services	18	19	17	18	NA	NA
Education	5	5	9	5	NA	NA
Engineering	0	0	0	0	NA	NA
Financial Services / Securities	2	0	1	1	NA	NA
Government	0	0	0	0	NA	NA
Health Care / Medical / Hospital	2	3	2	2	NA	NA
Import / Export	0	0	1	1	NA	NA
Insurance	1	1	0	2	NA	NA
Legal	1	1	1	1	NA	NA
Manufacturing / Industrial	4	2	4	2	NA	NA
Marketing / Advertising / PR	9	9	10	11	NA	NA
Media / Publishing	4	4	6	1	NA	NA
Personal Services	3	5	5	3	NA	NA
Pharmaceutical	0	0	0	0	NA	NA
Real Estate / Property Management	2	3	2	1	NA	NA
Restaurant / Catering / Food Preparation	1	1	1	0	NA	NA
Retail Trade (including Restaurants)	18	23	20	21	NA	NA
Travel / Transportation	0	0	1	0	NA	NA
Wholesale Trade	1	1	0	0	NA	NA
Other (please specify)	17	15	13	18	NA	NA

OWNERSHIP AND SOCIAL RESPONSIBILITY PROFILE OF SURVEY RESPONDENTS

	SMALL BUSINESSES	WOMEN- OWNED BUSINESSES	MINORITY- OWNED BUSINESSES	SOCIALLY RESPONSIBLE BUSINESSES	NONPROFITS	POWER USERS
	%	%	%	%	%	%
BUSINESS OWNERSHIP						
Immigrants	7	3	5	7	NA	NA
MINORITIES	52	39	100	45	NA	NA
Minorities: African Americans	40	33	78	38	NA	NA
Minorities: Asian Pacific Americans	6	5	12	4	NA	NA
Minorities: Hispanic Americans	5	2	10	3	NA	NA
Minorities: Native Americans	1	1	2	0	NA	NA
Minorities: Subcontinent Asian Americans	0	0	0	0	NA	NA
Veterans	3	2	4	0	NA	NA
Women	72	100	56	77	NA	NA
SMALL BUSINESSES RATE THEIR SOCIAL RESPONSIBILITY ON A SCALE OF 1-5						
Socially responsible companies adhere to business practices that include valuing and treating employees well and fairly; using ethical suppliers; minimizing harm to the environment; and being good neighbors. Examples of are social responsibility are Cliff Bar, Method, and Patagonia.						
5-Excellent	41	44	37	100	47	NA
4-Good	24	23	23	0	26	NA
3-Neutral	21	16	26	0	16	NA
2-Fair	7	7	6	0	6	NA
1-Poor	7	9	8	0	4	NA

PROFILE OF NONPROFIT SURVEY RESPONDENTS

	Small Businesses	Women- Owned Businesses	Minority- Owned Businesses	Socially Responsible Businesses	Nonprofits	Power Users
	%	%	%	%	%	%
NONPROFIT SECTORS						
Arts and culture	NA	NA	NA	NA	12	NA
Association / Membership	NA	NA	NA	NA	10	NA
Civil / Human rights	NA	NA	NA	NA	3	NA
Economic development	NA	NA	NA	NA	4	NA
Education (K12) / Youth development	NA	NA	NA	NA	10	NA
Environment	NA	NA	NA	NA	4	NA
Faith-based	NA	NA	NA	NA	4	NA
Foundation	NA	NA	NA	NA	1	NA
Healthcare	NA	NA	NA	NA	10	NA
Higher Education	NA	NA	NA	NA	4	NA
Social / Human services	NA	NA	NA	NA	20	NA
Multi services	NA	NA	NA	NA	4	NA
Other (please specify)	NA	NA	NA	NA	14	NA

METHODOLOGY

Ventureneer and Message Medium collaborated to conduct an online survey among small businesses and nonprofits to determine their use of online marketing, including social media. In addition, researchers conducted in-depth telephone interviews to provide examples of best practices.

The survey was conducted from July 27, 2011, through September 23, 2011.

We used a variety of techniques to drive traffic to the survey including:

- Emailing to internal lists
- Promoting through partners
 - Allison Fine
 - Beth Kanter
 - Balle
 - GrowBiz Media
 - Katya Andresen Nonprofit Marketing Blog
 - SUNY Levin Institute – Kauffman FastTrac
 - Network for Good
 - NYC Small Business Solutions
 - SCORE NY
 - Springboard Enterprise
 - Ultra Light Startups
- Prominently featuring a link to the survey on our websites
- LinkedIn ads
- Promoting on Twitter, LinkedIn, and Facebook

We received 630 responses, which we then segmented into women-owned businesses, minority-owned businesses, socially responsible businesses, and nonprofits to provide insights into the differences among segments. The findings of this study are intended to give directional insight.

In addition, in-depth telephone interviews were conducted to provide specific examples of how small businesses and nonprofits actually use online marketing.

ABOUT VENTURENEER AND MESSAGE MEDIUM

Ventureneer is a media, marketing, and research company that helps corporations build meaningful relationships with small businesses. Our strategies convert leads into loyal customers. We create content-marketing -- research, social media, articles, in-person events, case studies, e-newsletters, webinars, microsites, white papers, etc. -- for corporations. The content is value-added for small businesses and nonprofits and takes them from brand awareness to brand evangelists.

Ventureneer's founder, Geri Stengel, is a contributor [Forbes](#), [The Huffington Post](#), *American Express OPEN Forum*, *Women 2.0* among other sites. She also has her own blog, [Vistas](#).

Message Medium helps companies harness the power of the Internet and launch dynamic and profitable new brands online. Maisha Walker, President, has been building and marketing Web sites for more than 14 years, has taught more than 400 classes on Internet Marketing and Web site design, and is a [featured online columnist with Inc. Magazine](#). Her column is consistently the most popular on Inc.com and has been featured by Guy Kawasaki, Rieva Lesonsky, Bnet, AllTop, The American Marketing Association and Perez Hilton among others.



Visit [Ventureneer](#).

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