

Telstra Business 2020



Meeting your customers' expectations.

# Insights and advice to help you be 'that' business in 2020.

Welcome to Telstra Business Intelligence 2020 – a series of insight reports exploring how digital technology is changing the way Australians engage with small and medium-sized businesses (SMBs), and how those businesses can take advantage of the opportunities this is creating.

At the end of 2019, we conducted a survey with 1,000 consumers and with 1,000 SMBs (businesses with <100 employees) to understand where customer expectations and SMB attitudes and behaviours were aligned and where they weren't.

The survey statistics and results – which are set out in this report – uncovered areas where SMBs can use digital platforms more effectively to optimise their efforts to find new customers, which is the focus of this first report in the series.

COVID-19 has pushed many people and businesses to try new things and take advantage of how digital platforms can help them connect. To help you consider the future opportunities for your business, we've balanced eye-opening statistics with insights and advice from industry experts, plus case studies from SMBs who've been there and done it.

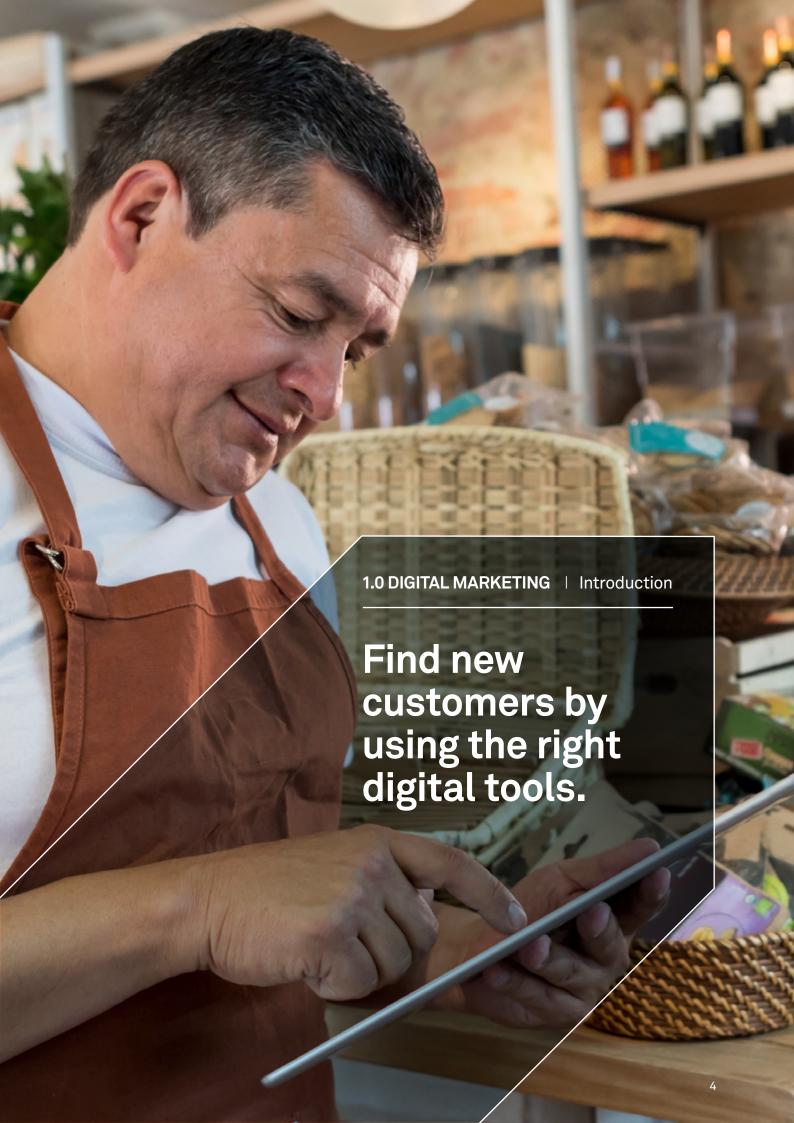
We hope that by providing these clear insights and practical advice, we can empower Australia's small and medium businesses — like you — to meet the challenges of today and tomorrow with confidence.

Anne Da Cunha, Small Business Executive, Telstra



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# Your customers' expectations are always changing.

Consumers use a wide range of digital tools and platforms when they're looking to buy products and services — even if they're looking for businesses to deal with offline, such as professional and personal services, trades and traditional retail.

A significant proportion (25%) of consumers in our survey stated they would stop considering a small business they haven't dealt with before if they can't find information about it online. So, consider where and how your business shows up – and keep an eye on what your competitors are doing.

Search engines, online reviews and websites top the list of digital platforms consumers use to find and choose businesses. Social media pages and online marketplaces are also widely used.

Top digital platforms consumers use to find and choose businesses.

- 1 Search engines (e.g. Google, Bing)
- 2 Online reviews (e.g. Google reviews)
- 3 The business's website
- 4 Recommendations via social media or online forums
- 5 The business's Facebook page
- 6 Online marketplaces (e.g. eBay, Catch.com.au, Amazon, Alibaba)
- 7 Online forums (including Facebook groups)
- 8 The business's Instagram page

Survey question (consumer): Thinking about interactions with small businesses, which of these do you use to help find and choose businesses to deal with? Please choose your top five.

Despite how widely consumers use digital platforms, we found that many SMBs are not actively responding to this behaviour. To give yourself the best chance of reaching new customers, you need a strong, multi-platform digital presence.

1/4

of consumers would stop considering a small business they haven't dealt with before if they can't find information about it online.



Over

1/3

of SMBs in our survey are not using common digital platforms like search, a website and social media to attract new customers.

#### Digital platforms SMBs use to attract new customers.

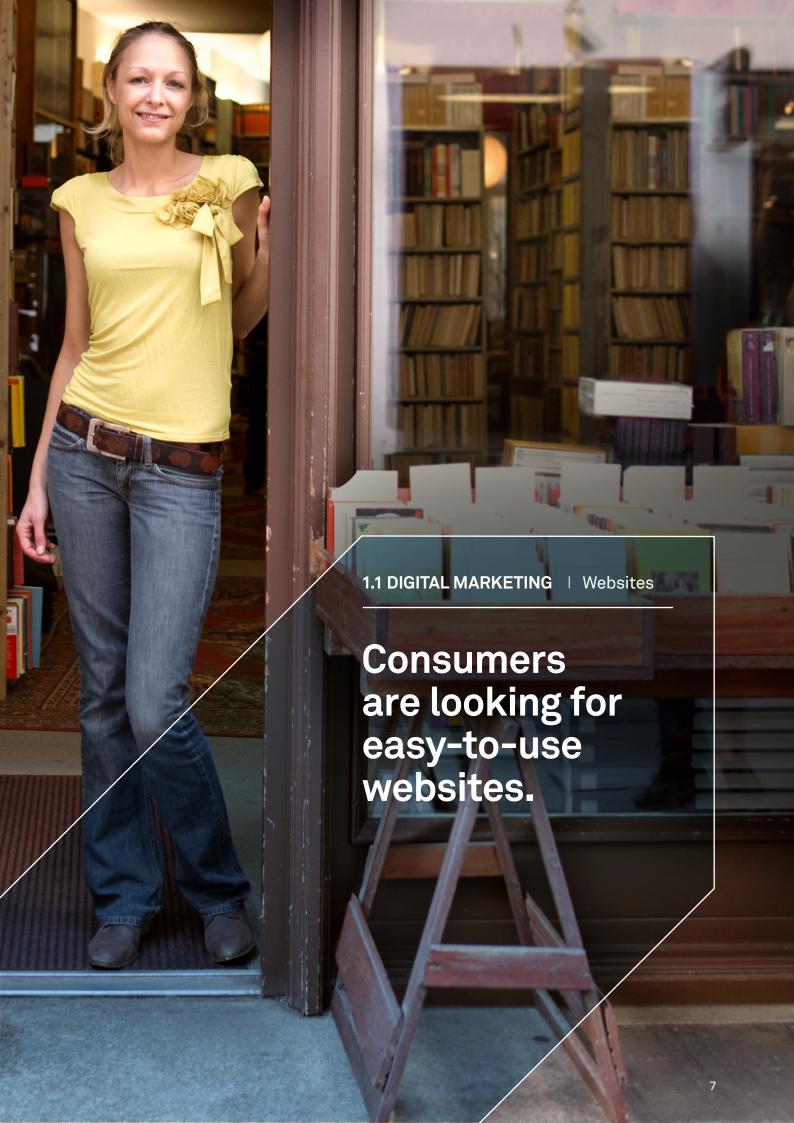
- 1 Maintain own website
- 2 Maintain social media account/page
- 3 Search engine optimisation
- 4 Online reviews (e.g. Google reviews)
- 5 Online listing(s) (e.g. industry directories, online Yellow Pages)
- 6 Monitor and respond in online forums and Facebook groups
- 7 Online paid advertising (outside of social media)
- 8 Online marketplaces (e.g. eBay, Catch.com.au, Amazon, Alibaba)
- 9 Paid social media activity
- 10 Paid search

Survey question (SMB): Thinking about how you attract new customers, which of these online activities are you using to attract customers to your business? Please select any that you use.

When we dig into how business size affects the use of digital platforms, we see many smaller businesses (those with fewer than 20 employees) are not taking advantage of the key platforms they could be using to attract new customers. And while SMBs with 20–99 employees are more likely to be using a wider range of platforms in their digital marketing strategies, there are still gaps. Even if you are already using digital tools, it's important to ensure you're getting the best results from the time and effort you're investing.

No matter the size of your business, it's likely you've already got an online presence – even if you haven't created it yourself. There could be a listing, a comment or a review about your business out there on the internet, telling customers your business story without your input.

Is it time to rethink your approach to digital marketing? Read on to explore how presence and proficiency on the right digital platforms helps customers find and choose you.



# Your website helps customers choose you. Make sure it works for them.

Your business's website is key to customers finding you. In fact, after search, a website is the next key digital tool consumers use to find and choose a business.

A fifth of consumers in our survey won't consider a business if they can't find its website. And for consumers under 40, it's even higher: around a quarter of them will turn around and walk the other way. Even if your product or service is largely offline, managing a website is a powerful tool for communicating what you offer.

#### Is your business meeting consumer expectations?

A website plays a fundamental role in attracting customers, but 41% of Australian SMBs in our survey don't have one. Smaller SMBs are particularly likely to overlook the importance of having a website – only around half of them have one.

An online presence becomes increasingly vital as your business grows. The likelihood of having a website rises for SMBs with 20 or more employees, so if you fall into this category, it's probable your competition already has one. Even if growth is not your aim, a website is still a critical way you can control how you are showing up online to find new customers.

1 in 5

consumers will stop considering a small business they haven't used before if it doesn't have a website.



40.5

of SMBs don't have a website.

#### SMBs with and without a website.



Survey question (SMB): Does your business currently have a website? Yes or No.



"If you don't have a website today, you don't look like a legitimate business."

Anna Ross, Founder, Kester Black

# When customers find you, they want specific features.

It's important to consider the content on your website and your site's features so you can make sure you're giving consumers what they want in a way they expect.

In our survey, we found a gap between the website features that consumers value when they interact with SMBs online, and what business owners think their customers want to see.



- 1 A quick response to their queries.
- 2 Easy website navigation.
- 3 A returns policy.
- 4 A trustworthy site (with an SSL certificate).
- 5 Regular website updates.

Businesses have a much lower perception of how valuable these features are.

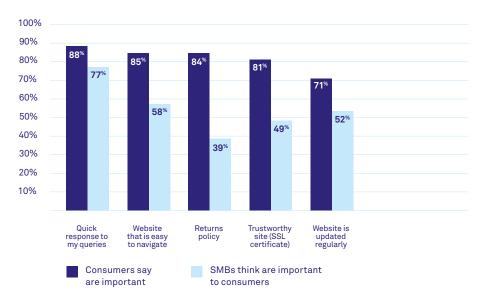


"A good website is fast, responsive, very clear, easy to use and timely.

I'm looking for a seamless experience, or I may not ever visit it again."

Ruth, consumer

#### Consumer vs SMB view of importance of key online features.



Survey question (consumer): When you interact online with a small business, how important are the following factors? (SMB): Which of these features do you believe are important to your customers when they interact with your business online?

A website with features like these can help customers choose you.



**EXPERT ADVICE** 

# How to make sure your website gives customers what they want.

Paul Liascos is Managing Director (APAC) at Spotzer, a leading global company that provides digital marketing services to businesses of all sizes. He has some key considerations for SMBs who want to make their website more effective.

Firstly, make it local. There is a misconception that having a .com domain is superior, but this isn't always true. "For Australian businesses, a top-level domain with .com.au performs better because it tells the search engine your business is relevant to Australian consumers," says Paul.

Once you've registered your domain, focus your efforts on making sure the content is up to scratch. "Get the basics right. Tell your visitors who you are, what you do and what you don't do in a really clear and concise way."

Next, consider the user experience and make sure your site is working at its optimal level. "Many users will leave a website if it takes more than a few seconds to load, so make sure your site speed isn't slowing down business," he says. "Check your image files aren't too large, as this can lengthen load times."

Images also play a crucial yet undervalued role in helping search engines find you. "Make sure your image tagging is up to scratch," Paul notes. "Add descriptive alt text to each image describing what it represents."

Finally, site security is critical. "Make sure your website has a security certificate that shows a user their data is secure," says Paul. "Being transparent in this area helps you gain and maintain a customer's trust."

"If you really want to maximise your digital presence, ensure your website is optimised.

Make sure it looks, feels and performs consistently on all devices."

Paul Liascos, Managing Director (APAC), Spotzer

## How they do it: Shine Drink.

Shine Drink produces nootropic drinks. They retail online and sell wholesale.

31

Founded: 2015



Number of employees: 5



Shine Drink has grown quickly by using social media ads to drive consumers to its website. Steve Chapman, CEO and co-founder, shares the journey his business took to develop a compelling website and tells us how his team makes sure visitors get what they're looking for when they land on it.

Shine's first website was made with a popular site-building platform known for its DIY simplicity and beautiful designs. But after selling a lot of product quickly, the Shine team transitioned to a higher e-commerce functionality to accommodate the business's growth.

"We're on website version seven in three years. I make content changes weekly. We're constantly updating it," says Steve. What's the benefit to refreshing so often? "You learn more through customers," he says. By making updates, you can test and learn what works and adapt quickly with timely content.

It's all about offering the right product information in the right way. "Tell them what it is in three seconds, please. They need to know if the product is for them or not," says Steve, before adding: "And limit the number of clicks between finding out about the product and buying."

Steve shares that the essential characteristics of a mobile-optimised, easy-to-navigate website include legible font, minimal contrast and a clear flow of where you want people to go next. It comes down to customer service, too. "Live chat helps a lot," says Steve. He and his team have made an effort to link live chat with Facebook Messenger and add FAQs and contact forms, so a customer can contact them easily.

"Tell them what it is in three seconds, please.

They need to know if the product is for them or not."

Steve Chapman, CEO and co-founder, Shine Drink

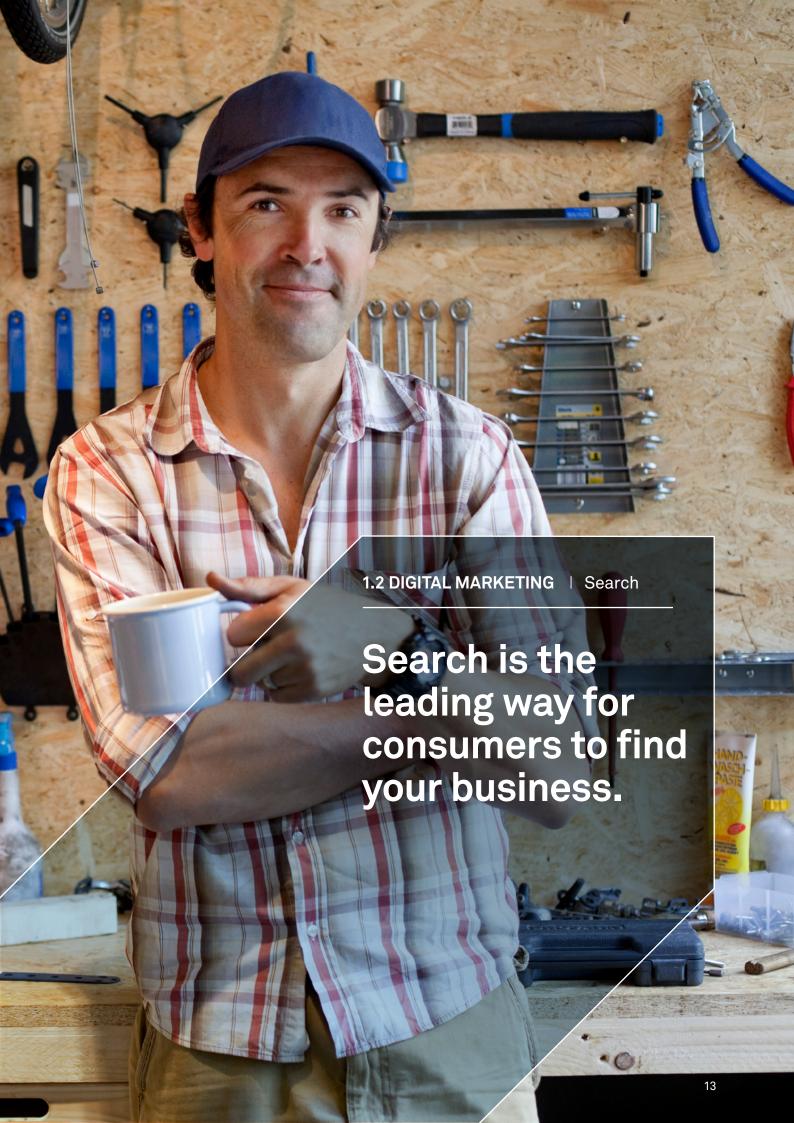
## Your checklist: For your website.

ovide relevant content.
Keep it original by telling your own story, but make sure it's in the context of what the products or services mean for your customers.
Write clear, concise, easy-to-read copy – and proofread it.
Use brand-aligned images, video and audio to differentiate your business.
Keep your site up to date, as consumers and search engines favour content that is regularly updated.
Create structure with headings and keywords that make things clear for customers and search engines alike.
sure a professional look-and-feel.
Check site performance to ensure your pages load quickly and correctly across a variety of mobile and desktop browsers and devices.
Ensure consistency across all elements, from font to animations, so nothing feels out of place.
Keep your site secure with up-to-date tech, encrypted data and visibility of website security for customers.
Be respectful about compliancy through the appropriate and transparent use of cookies and user data.
ake it engaging for visitors.
Make your site informative by covering all the bases, including the products or services you offer, pricing (if possible), business hours and contact details.
Encourage customers by having a clear call-to-action in the top half of each page, like 'Call now for a free quote'.
Give visitors a clear idea of the points of difference that make your business stand out.
Increase your credibility by including achievements, testimonials and partnerships, as well as integrating online reviews where appropriate.
Support your customers by using tools like FAQs and live chat to offer immediate responses.

# Does your website have what your customers are looking for?

Your Telstra Business Digital Marketing Services team can help you optimise your website.

Get tailored support.



# Make it easier for customers to search for you.

We all know about search engines – because we use them all the time. They're often the first place we go to start discovering new products, restaurants and services.

But we found that a quarter of consumers would stop considering a small business they haven't used before if they can't find any information about it online.

#### Think about it like this:

If a consumer sees a business they like on the street.

**And** the consumer uses search to get more information.

**But** the consumer can't find any information in the results.

**Then** there's a 25% chance that the consumer won't consider that business.

It's clear that search engines – whether Google, Bing, Yahoo! or another – are the most popular way consumers find information about a business like yours. And even if you do all your business offline, doing the right things online and on search is essential to helping potential customers find you.

The data that searchers share when they look for you is valuable, too. You can find out more about what consumers are searching for, and how, through each search engine's reporting tools – like Google Trends and Bing's Keyword Research Tool. By knowing what customers are searching for, you can tailor your online presence to match, and get found more easily.

Search is the

#1

digital tool consumers in our survey use to help them find and choose businesses.

 $\times$ 

2/3

of SMBs in our survey are not using common search strategies that could make it easier for new customers to find them.

#### **EXPERT ADVICE**

# Start with simple search strategies.

There are straightforward ways to make it easier for consumers to find your business through search. Beyond listing your business in an online directory, using search engine optimisation (SEO) and search engine marketing (SEM) can help your business feature strongly in results pages when consumers use search engines. Ultimately, showing up on results pages makes it easier for customers to find you online. And the closer to the top, the better.

John Ball, SMB Director at Google Australia, has some tips on how businesses can use Google's tools to meet customer expectations. "There are some simple steps Aussie businesses can take on Google to boost their online presence," he says. "These include verifying their website and profile on Search and Maps, making their website mobile-responsive, reaching more customers with Google Ads, and making sure they're brushing up on digital skills with online training programs like Grow with Google."

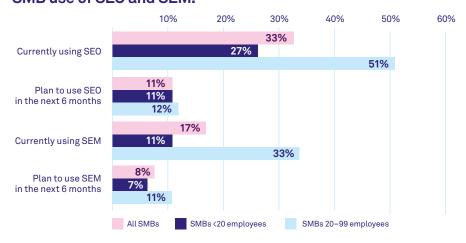


**Think again.** Our survey found search is the leading digital tool for customers trying to find you. Make a start by taking it one search step at a time, and you'll begin to see the benefits.

When it comes to making search work to its maximum potential, the majority of SMBs could be doing more – and may reap the rewards, like increased customer awareness, website traffic and sales.

Only 33% of SMBs are using SEO, and just 17% are using SEM.

#### SMB use of SEO and SEM.



 $Survey\ question\ (SMB):\ Which\ of\ these\ online\ activities\ are\ you\ using\ to\ attract\ customers\ to\ your\ business?$ 

There's a significant upside for businesses that get smart with search. If you're not sure where to start, or if you're unsure about the ins and outs of SEO and SEM, here is some practical advice about what to consider.



"Your customers are searching online, so it's important you can be found easily."

John Ball, SMB Director, Google Australia

# Get started with search engine optimisation (SEO), or 'unpaid search'.

SEO means making sure the content and structure of your website are as tailored as they can be to help search engines find you. It's also about ensuring search engines return results that promote your business effectively. Not only does good SEO make your website show up, it also helps your website rank higher in search results. So it's important to make sure the content that consumers see in those search results entices them to click through and find out more about your business.

Search engines are designed to do the work for you. Essentially, they crawl the internet, index it and use what they find to return results to consumers searching in different ways. SEO can be considered 'unpaid search' because you don't pay for placement in search results. Keep in mind that your business may still show up in search results even if you don't have your own website. This is because you might be listed in an online directory or mentioned by someone else somewhere on the internet. But an effective website can help you take greater advantage of SEO and give you a stronger search placement. Plus, more than enabling better SEO, we now know that a website is a key tool for providing potential customers with more information and ways to engage with your business.



"If I'm looking for a business online, I'll go to Google. I'll probably only look at the first five links on my search."

Albert, consumer

#### Check your website is listed.

If you have a website, you can find out whether it's in a search engine's index by doing a site search for your home URL. Here's how:

- 1. Head to your search engine of choice.
- 2. Enter "site:YOURURL.com.au"
- 3. If your search returns results for your site, you're listed.

#### 回

#### Is your website not showing up? Here are a few reasons why that could be.

- > It isn't well connected to other sites online, meaning it doesn't link to other sites and other sites don't link to it.
- > The keywords and content need to be more relevant to what people are searching for (e.g. 'restaurants in Bondi').
- > It's new, the design isn't working for you or there are errors.
- > There is a technical issue that is blocking search engine software from discovering (or 'crawling', in Google speak) your site.

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#### Your website is showing up. Now what? Boost its performance.

- > Take advantage of each leading search engine's DIY tools.
- > Head to Google Search Console or Bing's SEO Analyzer and follow the steps to measure your site's search traffic and performance.
- > These tools will also help you identify any issues and suggest ways to improve your website's search results.

#### **EXPERT ADVICE**

# Go further with search engine marketing (SEM), or 'paid search'.

SEM is pay-to-play. With SEM, you can buy and bid on certain words that customers use in their searches. A search engine can then serve an ad for your business to a potential customer.

Paul Korber, Partner Development Director (Australia & New Zealand) at Microsoft Advertising, suggests: "Depending on business objectives at the time, small and medium businesses should aim for a clear strategy across both paid and organic search.

"The power of SEO is that it helps 'bump up' your website's rank in unpaid search results, helping drive traffic through to your business. This is important, but it may take time to improve your ranking."

Paul continues: "With paid search, you create advertisements to display within search results and you pay only when someone clicks. This puts your message in front of the consumer based on the consumer's intent and the position you're willing to pay for."

For Paul, it's not a choice of SEM over SEO. The two strategies are complementary – but SEM can take you further. "While businesses that are on top of their SEO game may be top-notch, there are several reasons why SEM can help businesses be even more successful. At Microsoft Advertising, we aim to help businesses grow their brands and their businesses together with us."



"Ensure you have the right keyword coverage for your brand, products and services, while also tailoring your ad copy to capture customers' attention."

Paul Korber, Partner Development Director (Australia & New Zealand), Microsoft Advertising



#### Paul recommends paid search to:

- Target specific audiences
  based on their location, the device they're using and
  whether they've searched for your site in the past.
- 2 Include product and service information as well as clickable links to phone numbers and directions to your location.
- Feature customer reviews
  to help potential customers see how great your
  business is.

## How they do it: The Digital Picnic.

The Digital Picnic is a Melbourne-based digital marketing agency.

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Founded: 2014



Number of employees: 12



The Digital Picnic offers digital-marketing training and marketing solutions to clients. Plus, it uses both SEO and SEM to find its own customers. Director Cherie Clonan tells us how SEO and SEM are equally important in a digital marketing strategy.

"People hear 'SEO' and get scared by it. But it's as simple as thinking about the content your audience wants from you right now, then designing everything around that thinking in your content marketing."

SEO insights can help guide your future content too, because you can test and learn what works for your audience. "The beautiful thing is you can check your Google Analytics at the end of each month and see how it's working for you. It's really exciting – it's addictive," says Cherie. "Your content marketing will tell you what your audience actually wants from you and what they're into. The results you uncover can help guide a successful strategy."

Cherie cautions against getting distracted from doing what you do best – running your business. "It's important to know when you're at your limits and when you need to outsource," says Cherie. If you find yourself stretched, consider this advice: "We talk a lot about social SEO. If you have no other time, focus on getting your social media content firing so that Google reads these great signals."

If you're thinking of building a complete strategy, Cherie shares how SEO and SEM work together to great effect.

"SEO is definitely about reaching more eyeballs – it's brand awareness. We want website hits from SEO because then we can retarget them with SEM, with paid advertising. You can't have one without the other. That would be our strategy: eyeballs thanks to SEO, and sales thanks to SEM."

Cherie has learnt that SEO and SEM work hand in hand with a business's website. Her advice for a first step? "Invest in a really great website from the beginning. Make sure you're working with the right people to develop that."

"You can't have one without the other.

That would be our strategy: eyeballs thanks to SEO, and sales thanks to SEM."

Cherie Clonan, Director, The Digital Picnic

### Your checklist: Search.

SEO or 'unpaid search'.
Use the right keywords.
☐ Weave the words and phrases your potential customers are searching with into your website copy, title and headings.
Use local, specific keywords (e.g. 'electrician in Wagga Wagga')
Optimise your site using Google Search Console or Bing's SEO Analyzer.
Use content best practice.
☐ Ensure website content is easy to read and not too verbose nor light on.
Images, video and audio will enrich the customer experience and help to differentiate your site.
Search engines favour sites that refresh content and replace old content.
Ensure website responsiveness.
Search engines prefer mobile-first websites with quick loading times.
SEM or 'paid search'.
Clarify your goals, audience, budget and channels.
☐ Do you want the phone to ring? Products sold? Appointments made? This will influence your campaign messaging and budget.
Target your audience by the region you want to advertise in, when you want to advertise and the keywords you use.
☐ Include keywords that are effective in your SEO.
☐ Work with a capped budget to avoid overspending.
Google Ads, Microsoft Advertising and social advertising like Facebook Ads are all effective channels to consider.
Create a compelling ad.
Craft a persuasive ad with a clear action to stand out from the crowd.
Test, learn and optimise.
Once your ad is running, review the cost to generate each phone call, email or webform you receive. Ensure your ad is driving the right customers and leading to sales.
Continue to modify the content of your ad, change your keywords where necessary and rethink your budget.

## Looking to improve your search ranking?

Telstra Business Digital Marketing Services offers online search ranking, which can help you reach more customers and drive more leads to your website.

Outsource your online search advertising with our expert team.



# Manage your online reviews to engage more customers.

Word of mouth. It's a form of informal advertising that small businesses have long relied on to attract new customers. These days, though, many consumers are turning to online reviews for help finding the right product or service for them.

Reviews are one of the most important things for customers looking for businesses online. So it's vital to understand how the concept of 'word of mouth' is changing in the 21st century – and how you can use this change to your advantage. For your business, reviews can be a unique point of difference to help customers choose you.

We found that reviews are even more important for some types of consumers. While 81% of consumers in our survey use reviews to choose a business, for consumers under 40 this jumps to 91%, and for this group, reviews are more important than details of products and services when considering online information to find and choose a business.



"People once bought from stores their family or friends recommended.

More and more, they now use people's online commentary to guide them."

Celeste Faltyn, Founder, Apiary Made

Whether it's the feedback section of a website or the star ratings that pop up in a Google search, online reviews give consumers the chance to quickly and easily find out whether your business has the goods. Reviews can build a customer's confidence that they're going to be dealing with a reliable business that will deliver what they expect.

81%

of all consumers in our survey use reviews to help them choose a business.



Only

45%

of SMBs in our survey respond to online reviews about their business.



"I go to Google reviews straight away when looking at choosing one business over another."

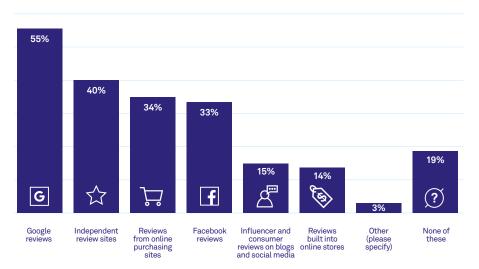
Tom, consumer

# Know which review platforms consumers are using.

Perhaps unsurprisingly, Google reviews top the list -55% of consumers use this platform. And it's used more commonly by consumers under 40:66% of Gen Z and 68% of Millennials say it's their platform of choice.

#### Review platforms consumers use.

The top review platforms customers use to help them decide on a business.



Survey question (consumer): Do you use any of these types of reviews to help choose a business?

Depending on their age, consumers have differing preferences when it comes to review platforms, so it's useful to consider these differences if you're targeting particular customers for your business.



#### Consumers 40 and under.

**Google reviews**, the most popular review platform, is preferred by consumers 40 and under.

**Facebook reviews** and reviews from influencers or consumers on blogs are also more popular with consumers 40 and under.

**Reviews built into online stores** are more popular for younger consumers – so take note if you sell online.



#### Consumers over 40.

**Independent review sites** like ProductReview.com.au, Canstar and Choice are more important for consumers over 40.

55% of consumers in our survey are using Google reviews.



30%

of SMBs in our survey regularly monitor this platform.

# Consider what managing (or mismanaging) reviews says about you.

While most consumers say they consult online reviews, only around half of SMBs actively monitor their reviews on major platforms. There are a whole range of ways you might choose to engage with reviews, from responding every time to reaching out when a customer shares a bad experience. Your strategy might depend on how much time you can dedicate to response. But ultimately, investing effort in managing reviews is an opportunity to find and connect with more customers.

Despite reviews being so popular, smaller businesses are less likely to be actively managing them: 61% in our survey say they have never used and have no intention of using them.

But bigger businesses are doing better here. Almost 50% of SMBs with 20–99 employees are using reviews. So if you're a smaller business not yet using reviews but bigger businesses in your industry are, take on reviews so you look just as credible in your customers' eyes.

1in5

consumers in our survey would bypass a small business they haven't used before if no customer reviews are available.

#### How SMBs approach reviews.



 $Survey \, question \, (SMB): \, Which \, of the \, following \, best \, describe \, how \, your \, business \, monitors \, and \, manages \, online \, reviews \, by \, customers?$ 

"Managing reviews will take up all my time."

**Think again.** While it is best practice to reply to all reviews, we know that's not always possible. Find a response strategy that works for your business, and you'll find that doing something is better than doing nothing at all. The upside is more customers.

## Turn negative reviews into a positive impact.

Positive reviews show a potential customer that they're going to get what they pay for, while all reviews - both good and bad - act as a source of genuine feedback for you and provide the opportunity to find more customers.

It's easy enough to come up with a strategy to respond to glowing reviews you might find that a short-and-sweet "Thank you!" or a blushing emoji can do the trick. It's harder to know how to react when a customer's feedback isn't complimentary.

#### We found:

38% of consumers would stop considering a small business they haven't used before on the basis of unfavourable reviews.

40% of consumers feel confident to buy from a business that has responded appropriately to unfavourable reviews.

Actively managing negative reviews can have a positive effect on a consumer's consideration of your business. It's worth investing the time and effort.

#### **EXPERT ADVICE**

### Get talking with a strategy for reviews.

How do you handle this new wave of dynamic feedback? Rachel Martin, Senior Vice President, International Partner at Yext, the Search Experience Cloud company that aims to help businesses around the world "deliver official answers everywhere people search", shares her tips for taking on this new type of word of mouth.

"Think about reviews like a credit score for your business," says Rachel. "Use reviews as an opportunity to fire up your fans and hug your haters." Reviews offer you the chance to connect to customers on a one-to-one level. "Your goal for managing reviews should be for it to be clear that a human is interacting with reviewers, not an automated bot," Rachel notes. "Aim to respond to or acknowledge at least 50% of reviews to overall engagement."

If you're not able to respond to every piece of feedback, Rachel's suggestion is to make sure you're addressing reviews at the far ends of the spectrum - the negative ones and the glowing ones. "Respond to any review that's three-star or below, as well as any detailed comments that are four-star or above. If negative reviews keep cropping up, consider if there's something deeper at play that needs addressing."

Google Australia's SMB Director John Ball also offers some best-practice tips for managing reviews online. "Thank your reviewers and show them how much you appreciate their honest feedback," he advises. "Address negative reviews professionally and use these interactions as an opportunity to ask for constructive recommendations so you can understand how you can do better."



"When anyone offers feedback, we engage with them. We might even ask them to expand so we can get that little bit more detail. If people have made the effort to leave a less-than-positive review, see this as an opportunity to improve. It's about how you fix it."

Celeste Faltyn, Founder, **Apiary Made** 



"The best - and most honest way to stimulate customer reviews is to ask for them.

Our research shows that 70% of consumers will leave a review if you ask."

Rachel Martin, Senior Vice President. International Partner.

## How they do it: Active Truth.

Active Truth is a Brisbane-based activewear company.

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Founded: 2016



Number of employees: 6



Active Truth launched in 2016 and started hearing from happy customers almost immediately. Co-founder Stevie Angel tells us that they didn't have online reviews set up on their website at that point, so the bulk of this feedback came via email.

"We quickly realised we needed to find a way to share these comments," says Stevie. "People trust the opinion of a stranger on the internet more than a brand telling them how great its product is, so it's really useful to leverage reviews across your marketing."

Stevie explains how reviews also offer an easy way for Active Truth to conduct market research on the cheap. "Our range has grown into the product it is today through the continual conversation reviews let us have with our customers."

While you probably know why you designed a product, Stevie says your customers might appreciate the story in ways you haven't thought about before. She points to Active Truth's compression tights as an example: the garments were originally designed for the general population, but their reviews showed they were also being used by women suffering from certain medical conditions.

"As a result, we were able to reach out to charities and work with them to raise awareness about a solution that's worked for others."

As for whether you should moderate your reviews, Stevie cautions against censorship. "We publish everything, whether it's positive or negative." That might sound risky, but Stevie's experience has taught her there are benefits to being open to criticism.

"We'd rather receive a negative review than have an unhappy customer and not know why," Stevie says. She also makes the case that publishing bad reviews can lead to greater customer trust.

"Customers are savvy. If you've only got five-star reviews, people are going to think the reviews are made up, or that you're deleting the bad ones."

"People trust
the opinion of a
stranger on the
internet more than
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its product is, so
it's really useful to
leverage reviews
across your
marketing."

Stevie Angel, Co-founder, Active Truth

### Your checklist: Reviews.

	Add a 'reviews' or 'testimonials' section to your website.
	Build your presence on review platforms.
	Stimulate reviews by incentivising them. Explicitly ask for feedback and thank customers for leaving it.
Kn	ow your customers.
	Check reviews regularly.
	Focus on the platforms your customers frequent most.
	Look beyond search engines to platforms like Tripadvisor, Uber Eats and Instagram.
Es	tablish credibility.
	Strive for consistent reviews across different platforms.
	Always respond to negative reviews, and do so in an appropriate manner.
	Explore reputation management tools to save time and implement more advanced strategies.

## Need help navigating your online presence?

Save time and get help generating valuable business leads with our Telstra Business Digital Marketing Services. Our team of experts can guide your approach.

Find out how.



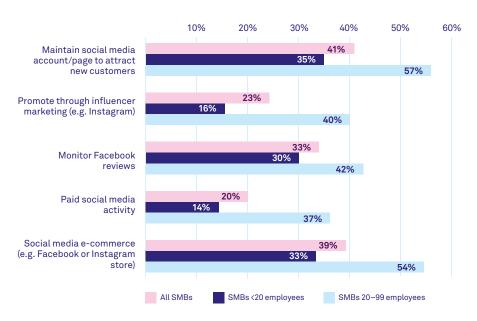
# Social media meets your customers where they already live.

From Facebook to Instagram, LinkedIn and more, consumers are using social media platforms to help themselves find and choose businesses. And it might come as no surprise that social media is more popular for consumers under 40.

Our survey found that around 1 in 3 consumers under 40 say that recommendations via social media or online forums are among their top five ways of finding a business. And when it comes to Facebook, more Millennials (those aged 25 to 39) prefer to get business recommendations on this platform, compared with all generations.

It's a similar story on Instagram: consumers under 40 say a business's Instagram page is in their top five ways to find a business – in fact, it's almost twice as important to them than all generations.

#### How SMBs use social media.



Survey question (SMB): Which of these online activities are you using to attract customers to your business?

While all generations use social media to find businesses, the frequency of use varies depending on age. If people under 40 are your customers, it's time to get social. Beyond just finding businesses, consumers are engaging with them via social media too. This is why it's essential you embrace social as a multi-purpose space.

48%

of consumers in our survey put social media in their top 5 ways to find a business.



**59**%

of SMBs in our survey aren't maintaining a social media account or page.

## How to think about social media in 2020.

- $\otimes$  As a promotional tool.
- As a review and customer service platform.

#### It pays to use paid.

"Social media isn't useful for my business."

**Think again.** Social media is important for online and offline businesses alike. For example, a quarter of consumers rank social media in their top five ways of looking for a tradie. So, if your business is offline, it could be time to reconsider social media as part of your digital marketing strategy.

In addition to organic social (the kind that costs you nothing to post), paid social is a way to share ads or display sponsored marketing to a targeted audience. Used effectively, it can be a great promotional tool.

Paid social media plays an important part in an overall marketing strategy and helps you reach more people. But 62% of all SMBs in our survey have never used – and have no intention of using – paid social.

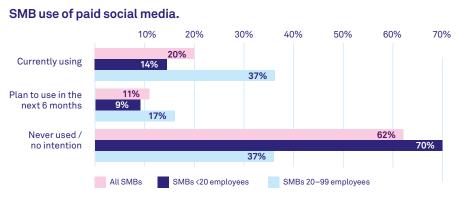


"When I'm looking for a business online, I search on social media, like Instagram, Facebook and LinkedIn.

It depends on what I'm after."

Natasha, consumer

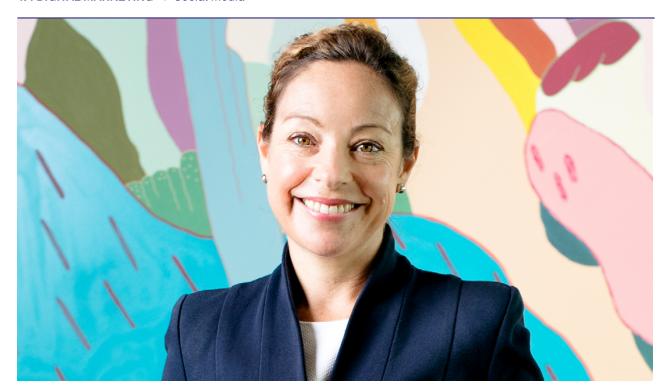
#### Compare your business. Who is using paid social media?



 $Survey\ question\ (SMB): Which\ of\ these\ online\ activities\ are\ you\ using\ to\ attract\ customers\ to\ your\ business?$ 

We found that 20% of SMBs are making the most of paid social media opportunities such as Facebook Ads. And larger businesses are significantly more likely to be already using paid (37%) and planning to use it (17%) in the next six months.

So, if you're looking to grow and find new customers, or you're eager to keep up with the bigger players in your industry, paid social is an important part of your digital marketing strategy.



**EXPERT ADVICE** 

# Make social media marketing work for you.

Melinda Petrunoff, Director of Small and Medium Business, Facebook Australia / New Zealand, lays out her best tips to make the most of social media.

"You want to be where the people are. That's why you should develop a social media presence," says Melinda.

When it comes to developing a strategy, use your business goals to lead the brainstorm of your social media strategy. "Think about the goals of your social media activity and what budget you're willing to commit to it, then think about the channels that would be best for your business," she says.

And keep your most important messaging front and centre. "Pin the most important information about your business to the top of your Facebook page."

Once your campaign is in place, avoid a set-and-forget mentality. "Constant tweaking and pivoting to the things that work can drive more engagement," Melinda notes.

"Assess what's working and what's not working by using social media platform insights and tools to measure the success of campaigns. If you're using Facebook Ads Manager, use advanced tools like 'lookalike audiences' to identify new customers that 'look like' your existing customers."

"Whether it's a website, a social media presence or, even better, both, a great online presence is an enormous asset right now to quickly pivot to being able to find a new way to connect."

Melinda Petrunoff, Director of Small and Medium Business, Facebook Australia / New Zealand

# The new way to shop: Half of all consumers are buying on social.

Beyond getting your business's name out there, directing customers to your website or providing contact details, social media is now a place to sell directly. And with the recent launch of Facebook Shops – a mobile-first shopping experience that lets businesses create an online store in Facebook or Instagram – social media is becoming increasingly integral in the ecosystem of your online presence.

Around half of consumers already use social media e-commerce platforms such as Facebook or Instagram stores, and around a quarter of consumers say they use them often or very often.

Consumer use of social media e-commerce.

23% of Gen Z 22% of Millennials

vs

16% for all consumers

regard having the ability to purchase directly from social media as important or very important.

28% of Gen Z 34% of Millennials



24% for all consumers

say they use social media e-commerce platform like Facebook or Instagram stores at least sometimes.

33% of Gen Z 34% of Millennials



24% for all consumers

use social media e-commerce platforms often or very often.

Survey questions (consumer): When you interact online with a small business, how important are the following factors? How often do you use the following: social media e-commerce platforms like Facebook or Instagram store?

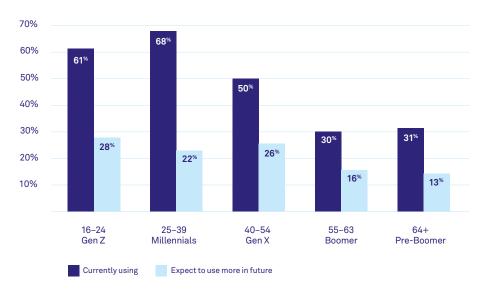
Of all consumers, a higher proportion of Gen Z and Millennials think purchasing directly from social media is important, and do so from time to time or regularly.

## It's only up from here: Consumer trends in social media e-commerce.

We asked consumers if they're likely to use social media e-commerce platforms more often in the future, and 22% said yes. The consumers more likely to say yes were those under 54: Gen Z, Millennials and Gen X.

But across generations, a substantial proportion of each generation who are currently using social media e-commerce expect to use it more.

## Consumers' current vs future use of social media e-commerce.



Survey questions (consumer): How often do you use the following? In the year ahead do you see yourself using these platforms (social media e-commerce platform like Facebook or Instagram store) more, less or about the same?

It doesn't matter which generation your customers belong to. There are opportunities to connect with more of them on social.

So, think about your customers, their current behaviours and their future plans. Is it time to focus part of your social activity on e-commerce?



"Sometimes targeted ads on Instagram are helpful. I've bought things online that way."

Taela, consumer

# Keeping up with your customers' conversations.

Social media is also an effective tool to help you manage consumer reviews and converse one-on-one with your customers. We found that Facebook reviews and influencer reviews are two of the top six review platforms consumers turn to when they're deciding on a business. From a time-efficiency perspective, by focusing on social media – alongside optimising your website and search presence – you can better leverage the power of reviews to pull new customers into considering your business.

From a customer service perspective, most social platforms have in-built functions to help you monitor and swiftly respond to questions and comments. Consider turning on notifications for posts and messages to get instant, direct visibility of what customers are saying to you – and to one another about you.

Consumers are turning to social media to find visible reviews that build their confidence that your business is reliable. They're also looking at how you've responded to feedback, both positive and negative, so it's worth exploring how your reviews strategy can make the most of social. For more information on reviews and the role social media plays in them, refer to section three of this report.



"Think about reviews like a credit score for your business."

Rachel Martin, Senior Vice President, International Partner, Yext

# Social media is more than Instagram and Facebook.

LinkedIn brings businesses together. Today, the professional networking service is the #1 platform for business-to-business lead generation. This means that if you're a business that sells to other businesses, LinkedIn could be the social platform for you.

Prue Cox, Director of Marketing Solutions at LinkedIn, tells us that LinkedIn has become a daily destination for businesses. "LinkedIn gives you an opportunity to understand what's going on within your category and see what's going on with your competitors. Importantly, LinkedIn enables you to connect and engage with your customers, existing and new.

"It's really about having a plan at the start and being active. Is it to expand your customer base? Is it to solidify your position within a category? What do you want to be known for? Understand what your objectives are and what you really want to achieve by being there. By having that plan, then you can start to be active in a consistent and meaningful way."



"Most of our online customers find out about us through Instagram."

Anna Ross, Founder, Kester Black

### How they do it: Kester Black.

Kester Black is a cosmetics brand from Melbourne.

31

Founded: 2012



Number of employees: 4



For Melbourne cosmetics brand Kester Black, social media is anything but a distraction. Nine years and 57,000-plus Instagram followers after its launch, the once-tiny start-up now supplies hundreds of stockists around the world and generates over \$1 million in annual revenue.

Founder Anna Ross says that Instagram – the photo- and video-sharing social networking service – is best at growing brand awareness. That said, its Shopping feature is worth considering, as it lets you turn your business's feed into an in-app shoppable storefront.

Anna herself is a fan: "I've used it as a customer a lot." (And as our research shows, just under half of consumers have used social media e-commerce platforms like Facebook or Instagram.)

As for what you choose to put online, Anna believes your social media posts should reflect your – and your business's – true personality. "People can see straight through a persona," she says. Anna says the more candid your social media presence, the better.

"It's really important to look organic. You want to give people a look behind the scenes. People want a story they can relate to."

While social media has played a big part in Kester Black's success, Anna says the most important thing when starting out is setting up a website. "If you don't have a website, you don't look like a legitimate business."

And just like your Instagram photos, your website doesn't have to be super-slick to get results. "It really doesn't have to look great at first," Anna says – but make sure it's easy to use. "Get that going first, then work on your social media."

"Give people a look behind the scenes.

People want a story they can relate to."

Anna Ross, Founder, Kester Black

### Your checklist: Social media.

П	Determine what you want to get out of your social media presence.
	Review the outcomes and re-evaluate your goals and tactics on a regular basis.
Kn	ow your customers.
	Work out which social media platforms your target customers spend their time on, and focus your efforts there.
	Figure out the best day and time to post according to the content type, geolocation and customer preferences.
Us	e social at different stages of the funnel.
	For brand awareness and customer engagement, be consistent with language and visuals to reflect your brand.
	Social can also facilitate direct sales, which is particularly popular for younger generations.
Ge	t involved.
	Don't just post – start a conversation.
	Ask questions and engage your audience. Your post is more likely to draw traffic and responses this way.
En	nbrace social advertisements.
	Try running a paid campaign on Facebook to acquire customers. Remember to regularly review and optimise the ad to get the most out of your budget.
	Use LinkedIn if you are selling to other businesses.

## Want help to get found on social?

Telstra Business Digital Marketing Services can help you build and manage your social media presence.

<u>Get expert help.</u>



# Embrace third-party platforms to connect with more customers.

Whether it's online marketplaces or food delivery apps, these new go-betweens are linking businesses to customers like never before. Third-party apps and platforms play a big part in how consumer habits are changing. They offer consumers convenience, good deals and a positive customer experience. For businesses, they bring opportunity to reach new customers in untraditional ways. And just like social media, third-party platforms combine promotion, reviews and selling in one hit.

# Marketplace platforms lead the way.

Online marketplaces such as Amazon and eBay are household names for good reason. They're well established and widely used by consumers. Around 76% of consumers told us that they use online marketplaces – from Etsy to Amazon, eBay to Carousell – at least sometimes, and around 31% of all consumers say they use them often or very often.

Younger consumers are more likely to be using these marketplaces, especially those under 40, but they aren't having all the fun. A majority of Gen X, Boomers and Pre-Boomers are also using them.

**76**%

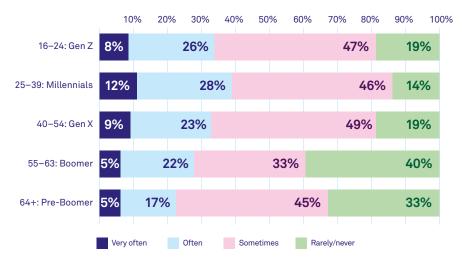
of consumers in our survey are using third-party platforms to buy online.



31%

of all consumers in our survey say they use them often or very often.

## Consumer use of online marketplaces (like Etsy, Amazon, eBay and Carousell) to buy products.



Survey question (consumer): How often do you use the following (purchasing products via marketplaces like Etsy, Amazon, eBay and Carousell)? Very often, often, sometimes, rarely/never.

# Third-party platforms are now part of customers' daily lives.

Consumers are using a diverse range of third-party apps and platforms – such as Uber Eats, Airbnb, Airtasker and Catch.com.au – to find products and services. And this use is set to grow.

When it comes to getting things done, ordering food, booking accommodation and finding deals, we found that expected future use of third-party platforms by consumers is ahead of what SMBs are currently doing. As more and more consumers use these platforms to find businesses like yours, it's worth considering how you'll meet them there.

Consumers of all age groups expect to use third-party platforms more, but particularly Gen X, Gen Z and Millennials.

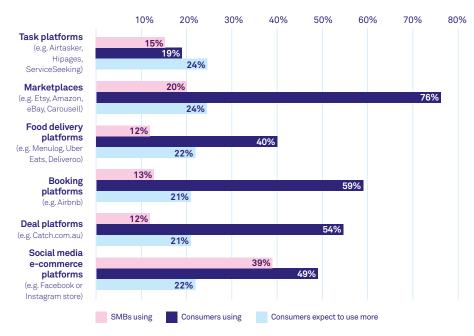
of consumers say they are using platforms like Catch.com.au to find deals.

over
of consumers are using Airbnb or similar platforms for booking accommodation.

are using Menulog, Uber Eats, Deliveroo or similar apps for ordering food.

are using task-oriented platforms to 'get things done' such as Airtasker, Hipages, ServiceSeeking or similar.

#### SMB vs consumer use of third-party platforms.

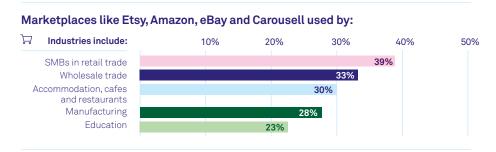


Survey questions (consumer): How often do you use the following? In the year ahead do you see yourself using these platforms more, less or about the same? (SMB): Does your business use the following platforms or features to reach / connect with prospective customers?

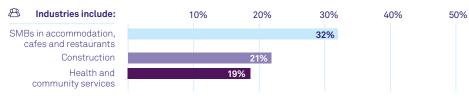
### Think beyond the transaction.

Some third-party apps and platforms are made for certain industries, so how relevant they each are to you depends on the business you're in. Take the time to consider what other businesses like yours are doing. Many SMBs were already using these platforms to find prospective customers at the end of 2019.

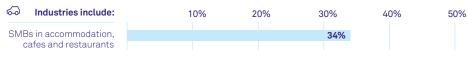
#### Directional trend of SMB use of third-party platforms, by industry.



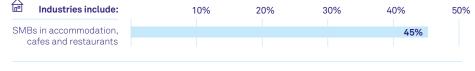
#### Task platforms with Airtasker, Hipages, ServiceSeeking or similar used by these industries:



#### Food delivery platforms like Menulog, Uber Eats, Deliveroo or similar used by these industries:



#### Booking platforms like Airbnb or similar used by these industries:



#### Deal platforms using Catch.com.au or similar used by these industries:



Survey question (SMB): Does your business use the following platforms or features to reach / connect with prospective customers? Note: While the usage of these platforms has changed due to COVID-19, this data represents a useful baseline to consider. Total study sample n=1,000 representative of the market in terms of industry split. Sample for this question n=43-123 per industry Insights should be taken as a directional trend.

#### Exploring new markets.

Third-party platforms don't have to be the only channel you use to get to market, but they offer another place to promote your business, access new customers and be where your customers are in one convenient location. Consumers are drawn to them for the great digital customer experience they deliver (usually with best-in-class apps), but it's worth thinking about the expense involved versus the opportunity in the context of your broader digital marketing strategy.



Health and

community services

# How they do it: Freddy's.

Freddy's is a neighbourhood pizza restaurant in Melbourne offering dine-in and delivery.

31

Founded: 2019



Number of employees: 5



Before taking on third-party platforms, Freddy's built a strong foundation for its business by focusing on in-store customers first.

Co-founder Daniel Leuzzi tells us that running a bricks-and-mortar restaurant while using digital platforms is intricate, and it's about managing expectations.

Shortly after opening in April 2019, Freddy's integrated third-party delivery apps as part of their service. But before diving in, they made sure the business was on a solid footing. "Our business doesn't rely on Uber Eats," says Daniel. "Our belief was to look after the customers in the shop first. With a new business, we didn't want to take on too much while figuring out our systems."

The easiest part was downloading the app and getting signed up, but there were some challenges. "One of the difficult parts is being reassured that your product will be looked after," says Daniel.

But by setting up the business properly first, Daniel and co-founder Thomas Giurioli have found third-party platform revenue to be, as Daniel says, "a little cream on top".

Third-party apps offer opportunity for marketing your business through other channels, Daniel tells us. "It's a competitive way to broaden your marketing and broaden your customer base."

While Freddy's has found third-party apps useful, Daniel suggests curbing your enthusiasm. "Don't expect it to be a bank breaker. The percentage the platforms take is high, but it allows you to be seen online and have that platform visibility, so it's good for business."

Freddy's story is about getting the basics right: setting your business up to manage its expenses and stand on its own two feet. Alongside its delivery apps, Freddy's still runs an in-house delivery to connect with community. They believe a familiar face is at the heart of good hospitality.

"Don't expect it to be a bank breaker.

The percentage the platforms take is high, but it allows you to be seen online and have that platform visibility, so it's good for business."

Daniel Leuzzi, Co-founder, Freddy's

## Your checklist: Third-party platforms.

	Consumer usage of these platforms is growing, so consider if – and how – you can leverage them.
	The relevance of third-party platforms depends on the product or service you are offering. Many of these platforms are investing to build their own brand and grow their customer base.
Со	nsider the logistics.
	Weigh up the associated costs and see if the platform is relevant as a channel to create an income stream for your business.
	Consider if your existing operations (like back-of-house or delivery processes) can manage demand created from the new channel.
En	tice new customers.
	What can you offer on third-party platforms to make them an effective tool to introduce new customers to your business? For example, introductory or promotional special offers.
	Consider strategies to create repeat business with new customers.
Pla	an your customer experience.
	Plan for how you will monitor customer experience if elements are managed by a third party.
	Create a strategy for times when the customer experience is not optimal or generates a negative review.
	Once you're set up on a platform, learn from the customer experience they offer to assess if you should be investing in new online features or capabilities to support how you directly engage with customers.

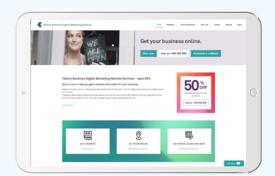
## Digital marketing resources.

## Need help getting online?

From building your website to boosting your online presence, discover new ways to help new customers find you with a tailored digital marketing solution.

Speak to our Telstra Business Digital Marketing
Services team today.

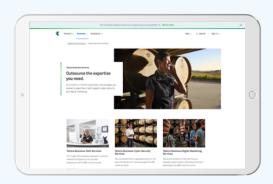
Need help getting online?



## Outsource the expertise you need.

Our month-to-month subscription services give you access to expertise in tech support, cyber security and digital marketing. Let our technology experts help you with the stuff you worry about so you can get back to being 'that' business.

Outsource the expertise you need.



### Appendix.

#### Who is this report series for?

Telstra Business Intelligence 2020 is for all businesses with under 100 employees – from qualified tradies and entrepreneurial sole traders to businesses with multiple staff.

It's even for larger SMBs that operate from multiple premises, manage remote employees or have teams of people out on the road.

While businesses differ, their customers have more in common – particularly when it comes to how technology is changing their behaviours and expectations.

This report series is especially for businesses that may be holding back on investing in technology due to limited resources or because they're not aware of what their customers want. It's also for those businesses that want to make the most of the opportunities that technology presents to increase productivity or grow their business.

#### Methodology.

Telstra Business Intelligence 2020 draws on both quantitative and qualitative research.

- The core quantitative research Telstra Business Intelligence Study was commissioned by Telstra and undertaken by independent research agency Picnic Customer Intelligence via online surveys in November 2019 with a sample of 1,000 consumers (aged 18 years and over) and 1,000 businesses with <100 employees. Quotas were used to ensure the sample was representative of the market. Fieldwork was conducted from 27 November 2019 to 11 December 2019.
- **Qualitative research** took place with a range of small business owners, industry experts and consumers from January 2020 to May 2020.

#### Definitions.

In the context of our research and this report:

- A 'small business' is defined as having 1–19 employees. A 'medium business' is defined as having 20–99 employees. 'SMB' groups together small and medium businesses per the above definitions.
- Technology encompasses everything from the internet and telephone, to hardware devices (including mobiles and desktops) and software. In the context of the Telstra Business Intelligence 2020 report series, we place emphasis on technology that is used to connect people be it businesses, customers or employees.
- 'Consumer' or 'customer' is used to describe both existing and potential customers as well as consumers in general.

#### Acknowledgements.

We would like to acknowledge the tremendous contribution made to Telstra Business Intelligence 2020 by a number of organisations and individuals.

#### Telstra Business Awards and Telstra Women's Business Awards alumni:

- Celeste Faltyn is the founder of Apiary Made and a 2019 Telstra Victorian Social Change Maker Award finalist.
- Stevie Angel is a co-founder of Active Truth and a 2018 Telstra Queensland Emerging and Energised Award winner.
- Anna Ross is the founder and creative director of Kester Black and a 2016 Telstra Australian Young Business Women's Award winner.
- Steve Chapman is CEO and co-founder of Shine Drink and a 2019 Telstra New South Wales Small and Succeeding Award winner.

#### **Business owners:**

- Cherie Clonan is the director of The Digital Picnic, a digital marketing agency based in Melbourne.
- Daniel Leuzzi is a co-owner of Freddy's, a Melbourne pizza bar.

#### Subject matter experts:

- Melinda Petrunoff is Director of Small and Medium Business (Australia & New Zealand) at Facebook.
- John Ball is SMB Director at Google Australia.
- Prue Cox is Director of Marketing Solutions at LinkedIn.
- Paul Korber is Partner Development Director (Australia & New Zealand) at Microsoft Advertising.
- Paul Liascos is Managing Director (APAC) at Spotzer.
- Rachel Martin is Senior Vice President, International Partner at Yext (NYSE: YEXT)

Telstra's Customer Research & Insights team – SMB Insights lead, Nikki Murrell.

Matt Howley and Raymond Lo from Picnic Customer Intelligence, a research consultancy dedicated to helping businesses make the smartest, 'most right' decisions. Picnic was the research partner engaged in helping design and develop the study that supported this report.

Michelle Dekkers, Katherine Kennedy, Hayley Spring and Paul Mather, Telstra Marketing and Product Leads.

All of the wonderful consumers and small and medium business owners who contributed their time so generously to be interviewed or participate in our surveys.