

FinServ Edition

LinkedIn Marketing Solutions

Inside Australia's resilient SMBs

Understanding our agile,
future-focused small business sector





Together, we'll explore:

■ The great SMB reset	03
■ The state of Australian SMBs	07
■ Understanding the new resilient SMB	15
■ FinServ is the next growth frontier for SMBs	21
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Chapter one

The great SMB reset

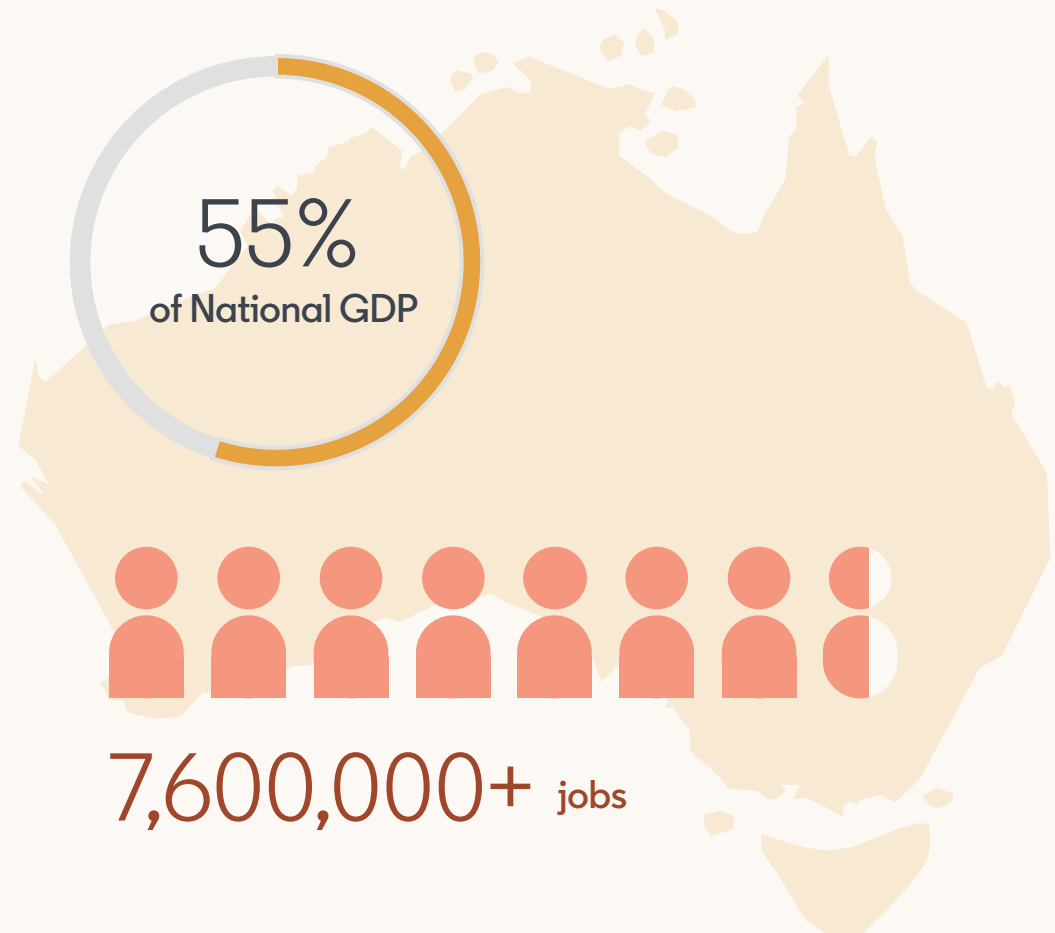


The resolute SMB: **the backbone of our economy**

The uncertainty of the pandemic has reshaped how SMBs operate their business. Despite hardship, Australian SMBs adapted, pivoted priorities, and found new ways to move forward. This research explores insights and showcases why the SMB market is a valuable audience for organisations to reach and how we can support them for long-term growth.

Source: ABSFEFO Small Business Counts, December 2020

*LinkedIn defines SMBs as companies with 1-200 employees



Research methodology

We partnered with Kantar to conduct an independent survey, supported by LinkedIn's first-party data in Australia, to provide a comprehensive and detailed understanding of this audience.



First-party data from members across Australia who own or are employed in an SMB

SMB is defined as a company with 1-200 employees. This report is based on third-party research, first-party data, and an internal global survey of 250 LinkedIn members conducted in July 2021 and behaviour of 2 million LinkedIn members across Australia studied in Sep 2021.

KANTAR

A survey of 250 LinkedIn members who own or are employed in an SMB. In the past 12 months, have:

- Invested or are considering to invest in new or the renewal of technology hardware, software, or services
- Invested or are considering to invest new banking, insurance services or other financial services
- Signed up or renewed government support services

The great **SMB** reset

We are in the middle of a major reset of Australia's SMB sector. For marketers, there has never been a better time and greater opportunity to reach and engage this audience.

- **Forged by adversity, a leaner, more resilient SMB is emerging.**
The challenges of the past year have made SMBs rationalise their business, streamline costs and focus on future opportunities.
- **The SMB sector is actively looking to invest in financial services solutions, with 60% planning to increase spend.**
Based on our research as well as observations of SMB activity on LinkedIn, it's clear that SMBs are emerging from the pandemic with a stronger understanding of financial services as a driver of business growth.



Chapter two

The state of Australian SMBs



It's been a surprisingly mixed time for Australian SMBs with **many faring better than expected**

While a vast majority of SMBs reported that they were impacted by slowdowns or closures due to the pandemic, some fared better than others. We found that larger SMBs (50-200 employees) were more likely to have had a positive view of the past year (48%) compared to those with less than 50 employees (38%) and those with up to 10 employees (28%).

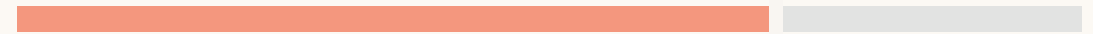
Q: Thinking in terms of the business you own/work for, how did you feel about 2020?

Q: What impact did the global pandemic have on your company's buying decisions in 2020?

Q: How would you rate your company's 2020 overall performance?

Q: Do you agree with the following: "we experienced slowdowns or closures of business due to the pandemic"?

71% impacted by the pandemic



SMBs impacted by slowdowns or closures

40% positive

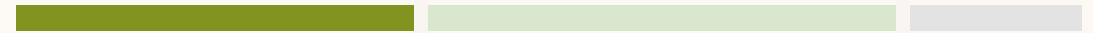
38% negative



SMB sentiment about the past year

38% better

45% poorer



Business performance vs an average year

Meet LinkedIn's **Australian SMB community**

Their growth rate on LinkedIn has outpaced pre-pandemic levels



2M

LinkedIn members
work in SMBs



85%

of newly-registered
businesses are on
LinkedIn



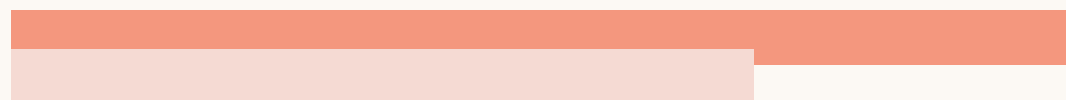
317K

Australian SMBs
present on LinkedIn

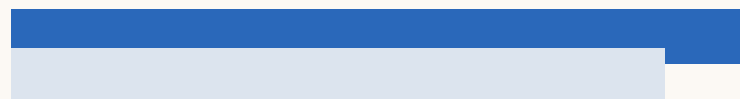
New businesses registered in Australia between June 2020 – June 2021, based on Australian Bureau of Statistics, vs net-new Company Pages created on LinkedIn during the same period

Comparing Jan to Jun 2021 to the same period in 2020:

44% increase in new SMB Company Pages created



250K new SMB members (12% of total SMB population)



15% increase in engagement levels



The fastest-growing SMB sectors represent a **broad spectrum of opportunities**

According to data from the Australian Bureau of Statistics and LinkedIn platform data, there is growth across many SMB sectors, and particularly in the education, financial services, communications and IT-related sectors.

Source: New businesses registered in Australia between June 2020 – June 2021, based on Australian Bureau of Statistics, vs net-new Company Pages created on LinkedIn during the same period



ABS growth rate of new businesses created
(top 12 excluding 'Other services')

Health Care and Social Assistance
Retail Trade
Education and Training
Arts and Recreation Services
Administrative and Support Services
Accommodation and Food Services
Electricity, Gas, Water and Waste Services
Financial and Insurance Services
Professional, Scientific and Technical Services
Information Media and Telecommunications
Construction
Manufacturing



SMB platform growth through
new pages created

Media & Communications
Design
Entertainment
Software & IT Services
Public Safety
Corporate Services
Education
Finance
Hardware & Networking
Agriculture
Consumer Goods
Arts

On LinkedIn, SMB members are **1.5X+ more engaged** with content vs Enterprise members

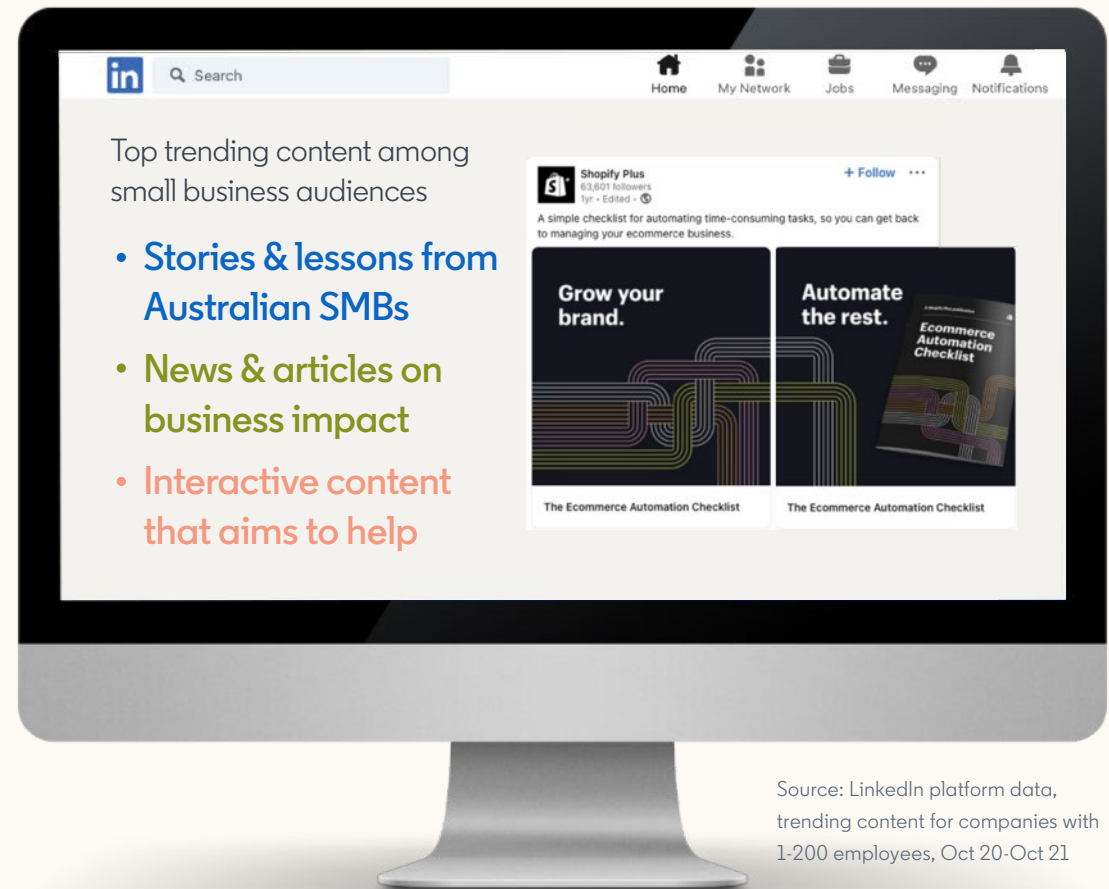
SMBs are using LinkedIn to source information on their business strategy and for support.

Topics that are engaging SMB members include:

- Regulatory Affairs
- Value Investing
- Business Ideas
- Business Coaching

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Source: LinkedIn Internal Data May 2021; Target Audience: Members employed in SMB Companies on LinkedIn (1-200)



Source: LinkedIn platform data, trending content for companies with 1-200 employees, Oct 20-Oct 21

Most engaging **financial services content** among SMB members

Popular financial services topics among SMB members now



Real Estate, Property Managers,
Commercial Mortgages,
Conveyancing & Rentals



Wills & Retirement Financial Planning

Evergreen financial services topics for SMB members



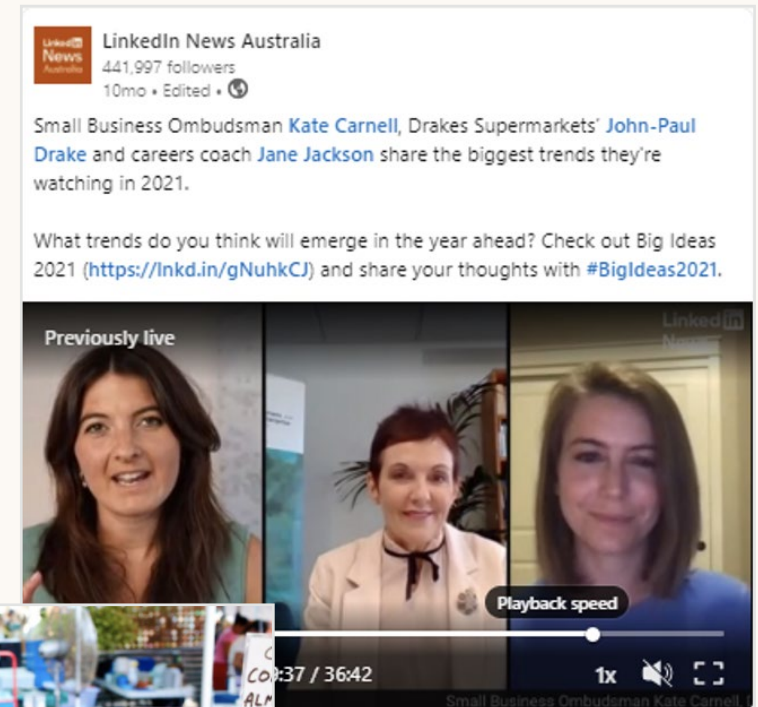
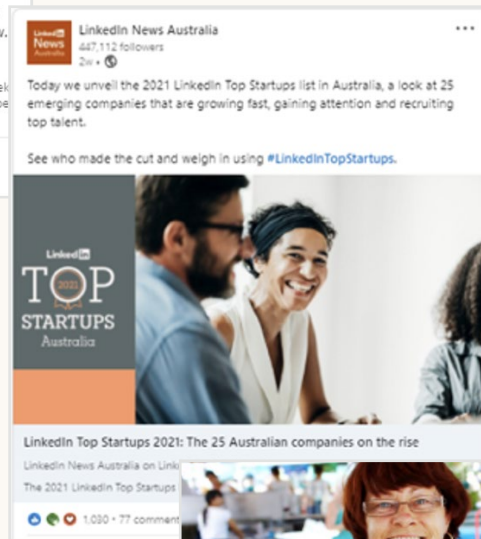
Capital Raising, Credit & Lending



Insurance, Superannuation,
Personal Finance

LinkedIn has become a destination of choice for SMBs

SMB newsletters, content and curated insights



“ [LinkedIn is] how you can keep a pulse on what's happening in the industry.

SMB survey participant,
Managed Services firm



Live news & interviews



“

[On LinkedIn] I follow companies.
We find interesting things that other people are
doing, follow them, and then there's plenty of
information flow the between the parties
— it's great.

SMB survey participant, Engineering firm

Chapter three

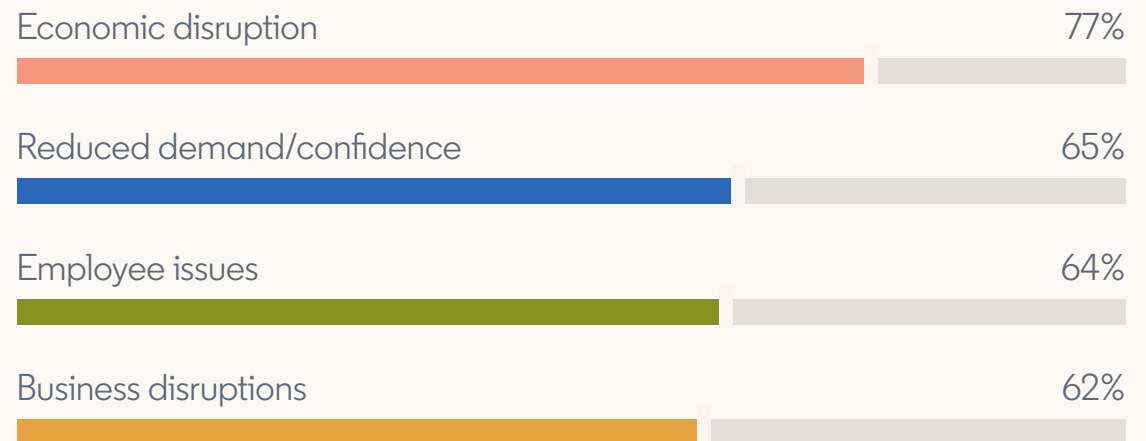
Getting to know the new resilient SMB



SMBs have had a **year like no other**

We have all had a year like no other, but small business have been hit especially hard. They have faced challenges across the board and we have seen these disruptions forcing massive shifts in their perspective as well as their operating priorities.

Key impacts:



Q: What impact did the global pandemic have on your company's buying decisions in 2020?

Q: Overall, what were the biggest challenges 2020 presented for your business?

Forged by uncertainty, over 53% of SMBs **optimised resources by lowering costs** in these top 3 areas

01 Operating costs

02 Resourcing costs

03 Rent

“ I've consolidated my costs. I got rid of one of the buildings; we went from five back to four. And I've done a lot of hard work in restructuring the business to make us lean.

SMB survey participant, Engineering firm

Q: Overall, what were the biggest opportunities 2020 created for your business? Answer “Reduce cost”

A new, **resilient** breed of SMBs are ready for the future

71%

Have a better understanding
of where to invest for growth

68%

Feel the pandemic has been an opportunity
to make their business more resilient

63%

Feel positive about the future, despite 81%
saying the outlook remains uncertain

Growth
Resilience
Positivity



Q: How are you feeling about your company's future?

Q: Do you agree with the statement : "The future for SMBs sector is uncertain..."

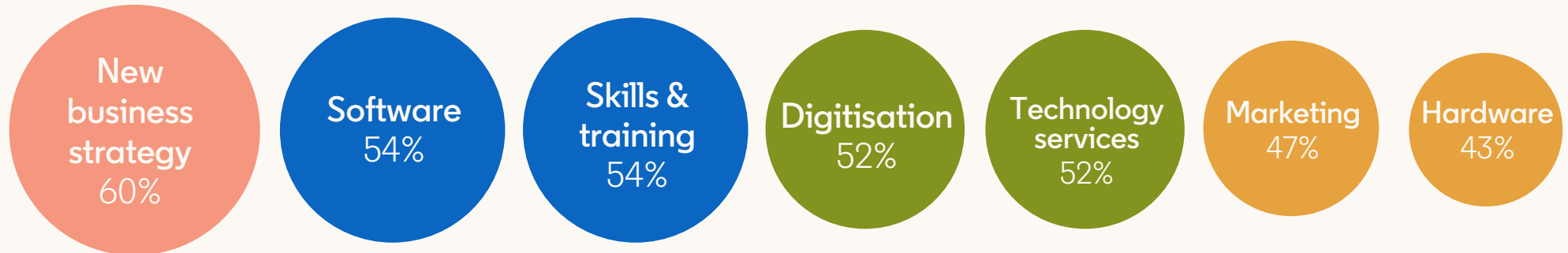
Q: Do you agree with the statement "The pandemic has given me the opportunity..."

Q: Do you agree with the statement "The pandemic has given me an opportunity to make my business more resilient"

SMBs now plan to **invest in 7 key areas** to unlock growth

It's a unique situation, and a unique time with many SMBs re-evaluating their business strategy and actively looking to invest in growth. This creates a compelling opportunity for businesses targeting the SMB market.

Key investment areas:



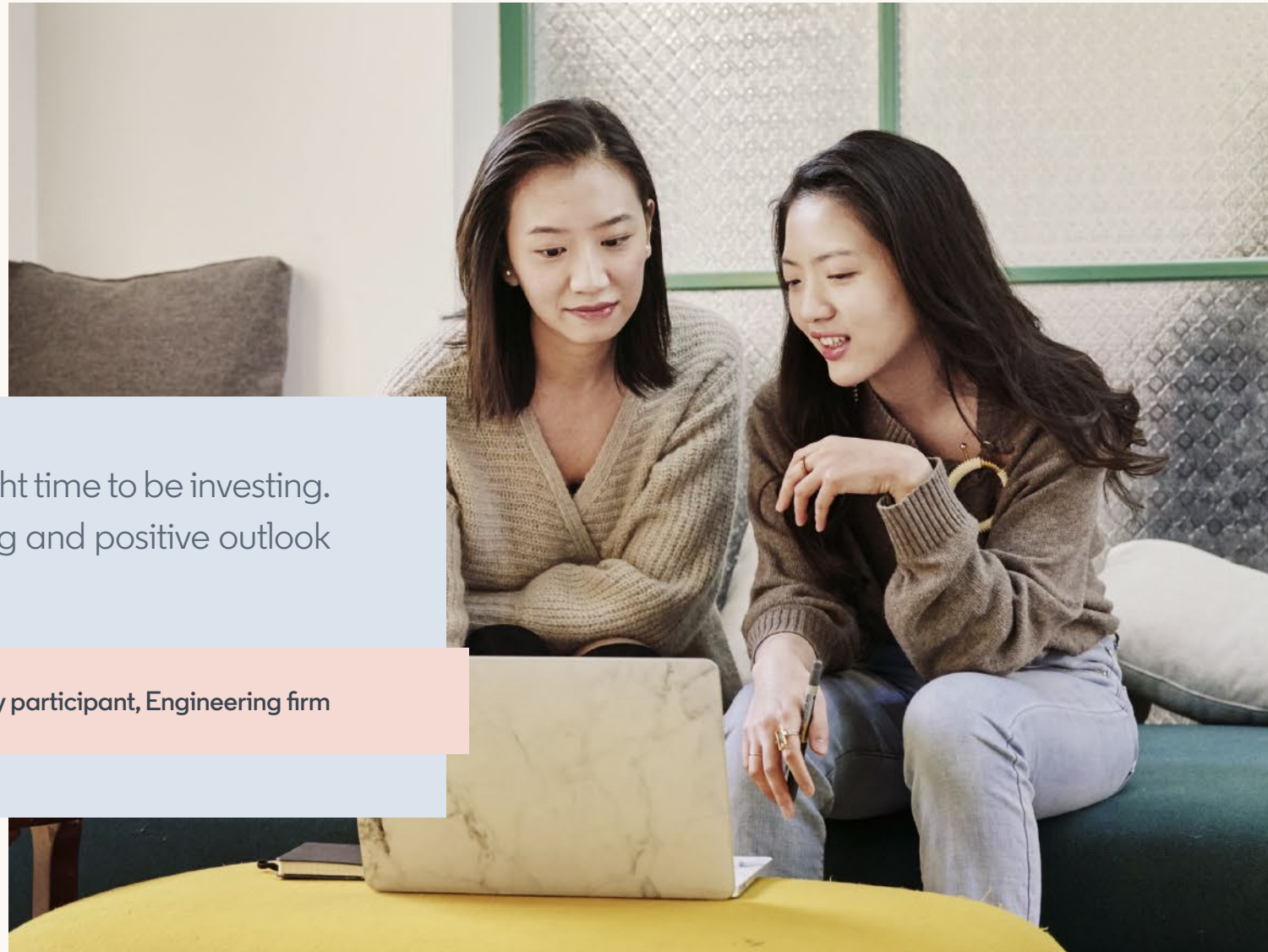
Q: Where will you be investing more or less time and money?

New reality, new priorities

“

I think that now is the right time to be investing.
I have a very, very strong and positive outlook
at the present time.

SMB survey participant, Engineering firm

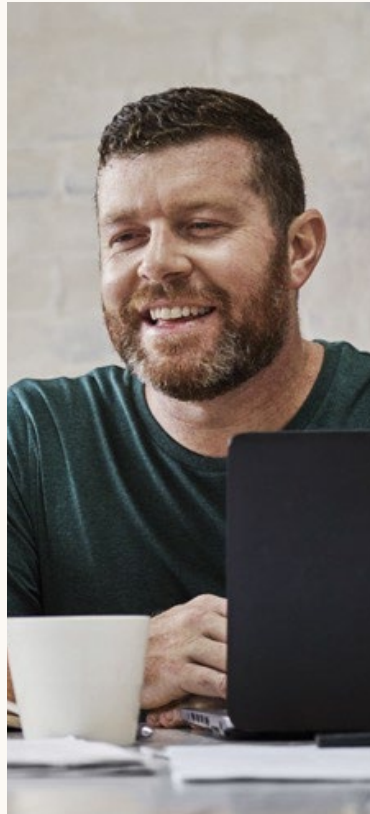


FinServ is the next growth frontier for SMBs



When it comes to financial services, SMBs are....

- Aware of its role as a growth enabler
- Actively seeking cost-effective, relevant and easy-to-implement solutions
- Prioritising brand and trust when choosing a partner



3 in 5 SMBs intend to **increase their engagement** with FinServ providers

Looking ahead, over half of SMBs (60%) say they intend to increase their financial services spend. Among them, close to one in five SMBs (17%) believe this will be a "significant" increase. This is an increase from the 49% of SMBs who grew their financial services spend in 2020.

Q: How was your use of banking, insurance or other financial services affected in 2020

Q: How do you expect your use of banking, insurance or other financial services to change in 2021?



60%

of SMBs plan to **increase** FinServ spend

Of these,



17%

plan to **significantly increase** FinServ spend

Only



49%

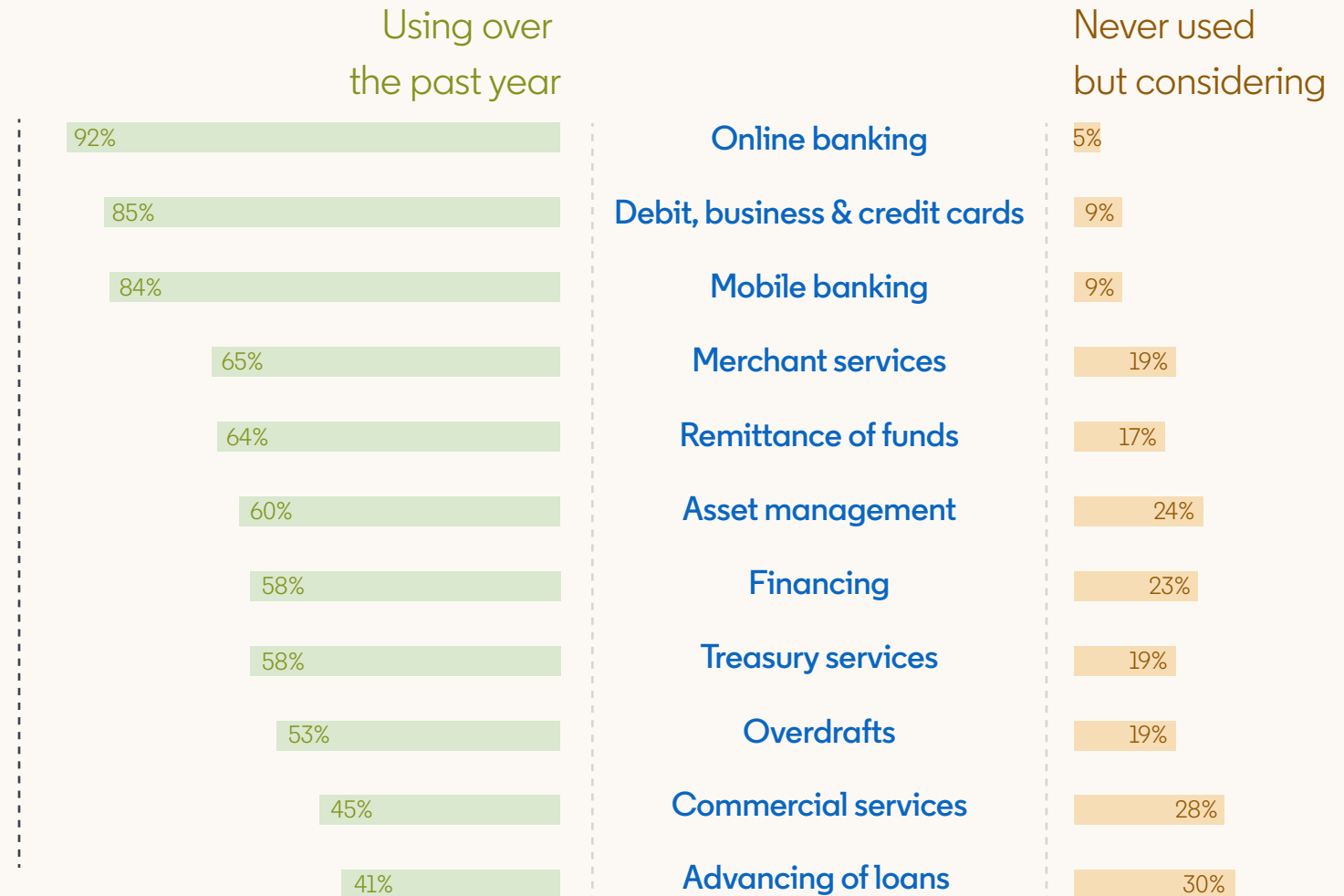
of SMBs increased FinServ spend in **2020**

SMB engagement with financial services is **evolving**

Comparing the financial services products that SMBs are already engaged with versus those that they have in their long-term sights, it's clear that their usage is evolving with growing interest in loans, commercial services and asset management services.

Q: Familiarity: How familiar are you with the following?

A: Used (past 12 months) / Never Used but considering

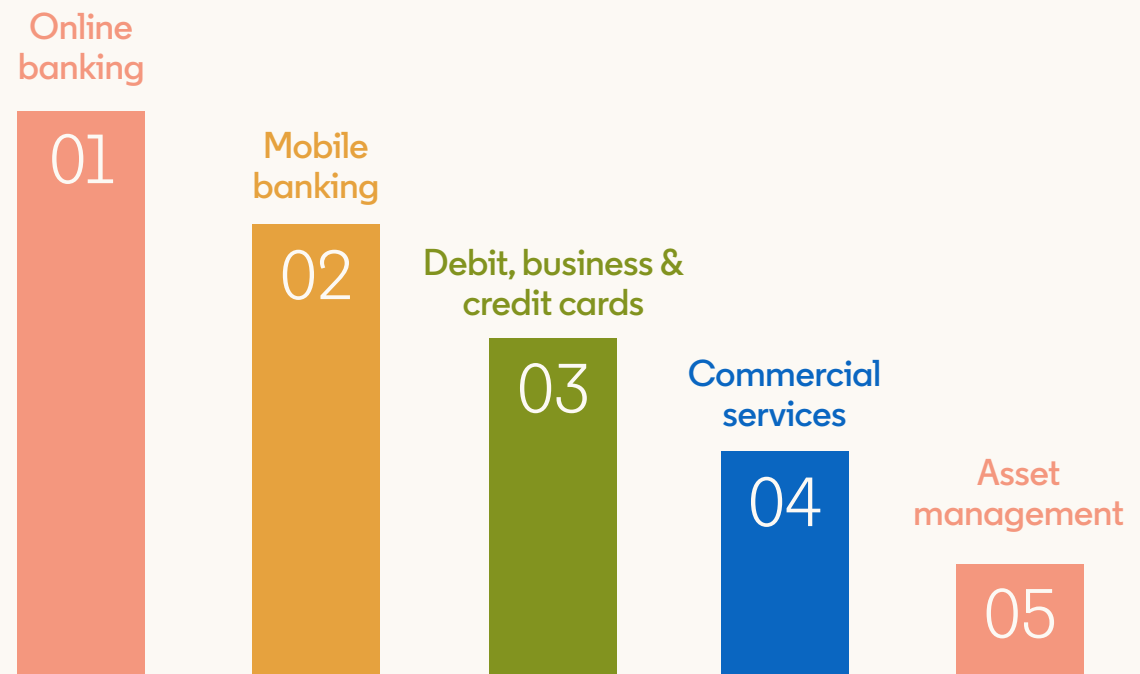


SMBs are prioritising 5 key FinServ areas for continued and new investment

At the present moment, we expect SMBs to invest strongly in online banking, mobile banking, debit, business and credit cards, commercial services as well as asset management services.

Q: Where will you invest/continue to invest in the future?

Key FinServ investment areas for SMBs

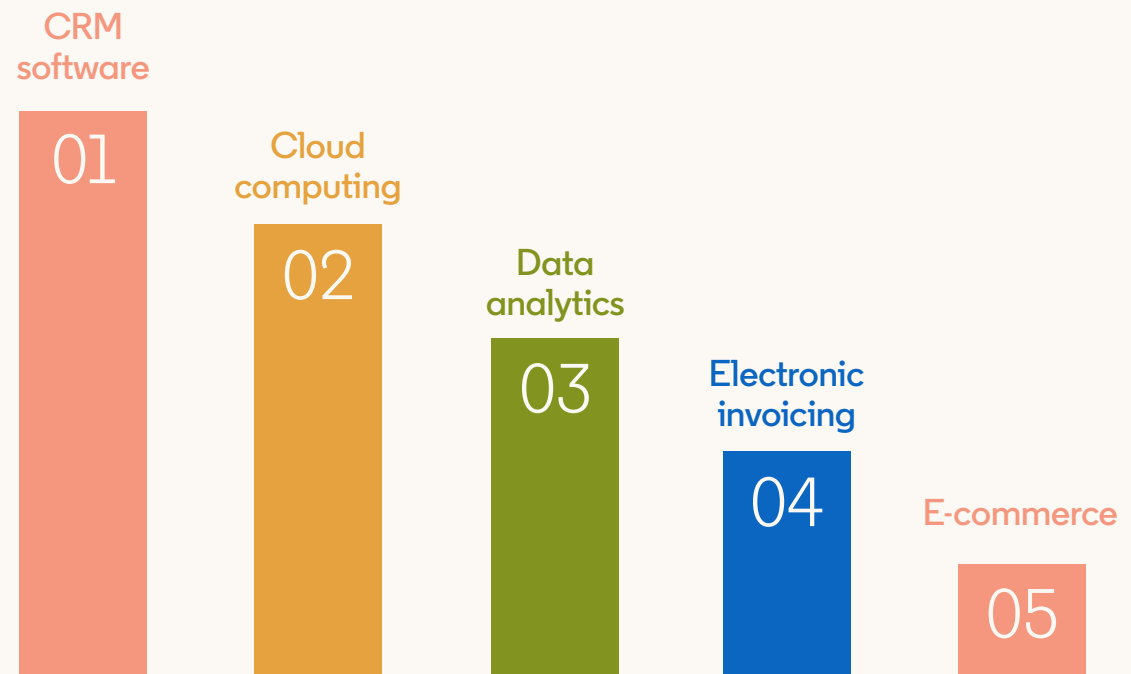


SMBs are seeking to **finance new technology** with 70% increasing their tech spend

One of the core drivers for SMBs' interest in financial services solutions may be to fuel their technology investment plans. SMBs are looking to invest in digital transformation that will help them improve their operations and support stronger customer relationships.

Q: Where will you invest/continue to invest in the future?

Key technology investment areas for SMBs



SMBs are turning to both **online and offline** sources to inform their FinServ purchase decisions



Beyond Search, **LinkedIn is the #1 digital destination** used for researching FinServ

- 01 Industry sources
- 02 Digital (Search, Social & News)
- 03 Peers (Industry peers, friends, family)

Q: Which information sources have you used to find out information on banking, insurance, or other financial services to help make decisions for your business?

Trust is a critical factor for SMBs seeking financial services partners

Trust also plays into their research process. SMBs need to know that the information they are getting is reliable. Australian SMBs believe LinkedIn is twice as trustworthy compared to other social networks.

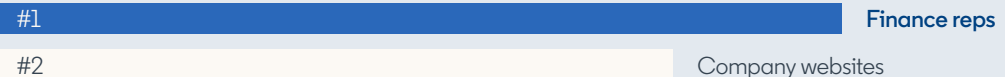


LinkedIn is **2x more** trusted than other social networks for financial services advice

Q: Which sources do you trust most as a support for information on financial services advice?

Trusted information sources

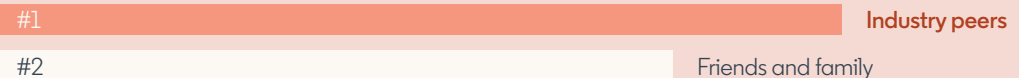
Industry sources



Digital (Search & Social)



Peers



3 deciding factors for SMBs in choosing a financial services partner

Key factors in choosing a financial services provider

Q: Which of the below do you consider when making decisions around your banking, insurance, or other financial services?

Implementation



Value



Brand



Implementation is the top consideration as SMBs weigh benefits against requirements

- 01 Fit to business needs
- 02 Ease of implementation
- 03 Integration with digital invoicing

“What’s important is ease of use. What are we going to get for it? What are the fees going to be? Do they have a facility that is going to allow us to trade in USD? Do they have a hedging facility?”

SMB survey participant, Professional Services firm

Q: Which of the below do you consider when making decisions around your banking, insurance, or other financial services?

Value is also a key consideration for SMBs

- 01 Ongoing/recurrent costs
- 02 Upfront costs
- 03 Long-term savings after implementation

“ Non-traditional banks have given us much more flexible terms. We've got access to debt financing, trade finance, multi-currency facilities and things which are on vastly, vastly better terms than we were ever getting from traditional banks.

SMB survey participant, Engineering firm

Q: Which of the below do you consider when making decisions around your banking, insurance, or other financial services?



Brand perception weighs into SMBs' decision-making process

01

Trust in the brand

02

Approach to innovation

03

Reviews and recommendations

Q: Which of the below do you consider when making decisions around your banking, insurance, or other financial services?

The great SMB reset in financial services

- SMBs are embracing digitisation as a growth enabler
- SMBs are becoming more sophisticated in the financial services that they use
- SMBs consider implementation, cost and brand perception when choosing a FinServ partner



Chapter five

From insights to action: The way forward

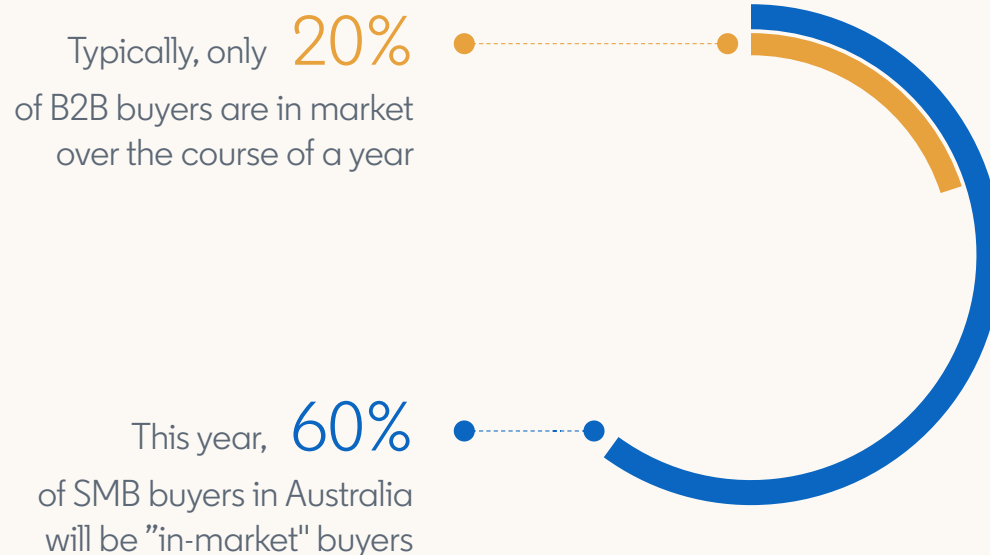


SMBs have changed. It's time to recalibrate our SMB strategy

 Seize this unique opportunity Rethink reach Make messaging relevant Build brand first

Now is the time to invest in the SMB segment

There is a sense of positivity and a real future focus among Australia SMBs. This presents a unique opportunity for technology providers.



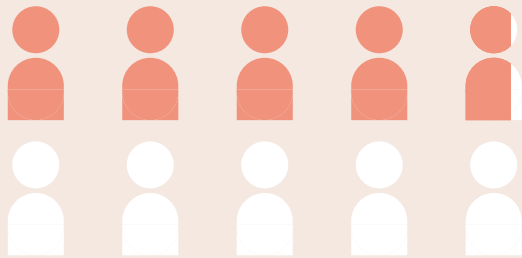
Shorter buying cycles mean it's critical to be **always on** in front of the SMB audience

90% of SMBs make purchase decisions within three months, compared to just 39% of their Enterprise counterparts. As SMBs speed through the research, evaluation and decision process, it's important for technology providers to maintain an active and engaged presence.

Source: Advertising effectiveness and the 95-5 rule: most B2B buyers are not in the market right now, B2B Institute

Rethink your reach to ensure that you reach everyone who matters

- ☐ New & existing small business
- ☐ All purchase decision makers
- ☐ In-market and out-of-market buyers



48%

of small business employees have a large degree of influence on the purchase decision



44%

Increase in SMBs from 2020 to 2021

Target broad using LinkedIn's first-party data to reach the SMB segment in Australia

Targeting businesses with 0-200 employees in Australia give you access to:

* New businesses registered in Australia between June 2020 – June 2021, based on Australian Bureau of Statistics, vs net-new Company Pages created on LinkedIn during the same period

317K

Australian SMB companies

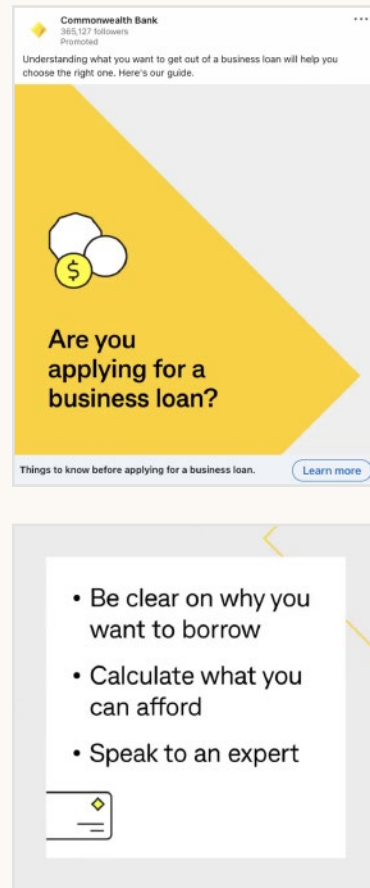
2M

Australian SMB members

Build your messages around **category entry points** to help SMBs overcome key implementation challenges

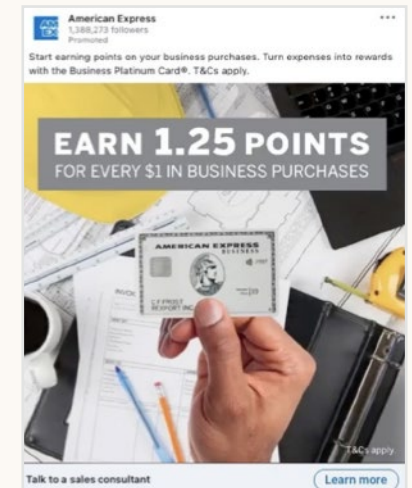
Address **implementation challenges**

CBA publish guides in video formats to simplify the loan application process. The short videos provide immediate value for the audience, and emphasize CBA's commitment to making business finance accessible



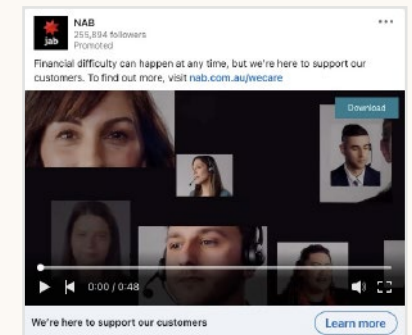
Address **cost concerns**

American Express highlights value in its bottom of the funnel campaigns. It uses short copy (under 150 characters), a direct CTA and a moving image (gif) — combining LinkedIn best practices for optimal results.



Build **brand perception**

NAB focuses on customer support through difficult times, emphasising the support in place for small business. They build trust through simple messaging, using short & long form videos.



Lead with brand

Not only does it influence the buying decision now, it's also the only way to sustain long-term growth in the SMB segment.

“ Brand building effects last longer and so accumulate over time. Brand building also reduces price sensitivity and increases margins. As a result, brand building is the main driver of long-term growth and profit.



Les Binet & Peter Field

Source: Peter Field & Les Binet, LinkedIn 2019 ROI Survey, LinkedIn 2019 Brand Advertising Principles Survey

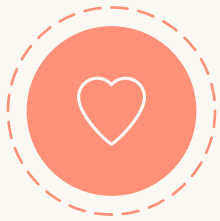
Brand improves short-term sales activation performance

Combine brand and demand for greater outcomes.



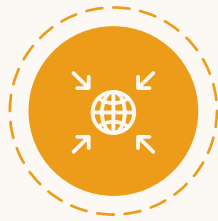


Follow the **3 rules** of effective brand marketing



Be emotional

You're not targeting companies, you are targeting people. Use emotional and rational content to be remembered.



Be distinctive

Look like yourself and no one else. Create and use distinctive brand assets to drive differentiation.



Build trust

Trust = Consistency over Time. In order to build trust with SMB audiences, you need to focus on being consistent. Think replicable campaigns in an always-on format.

Australian SMBs are ready to invest in financial services

60% of SMBs plan to increase or significantly increase spend on financial services products

Adapt to a changing SMB landscape by:

- ☐ Seizing this unique opportunity
- ☐ Rethinking reach
- ☐ Making messaging relevant
- ☐ Building brand first

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