

Gov 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** 14
- **Government is the cheerleader that SMBs need** 20
- **From insights to action: The way forward** 32

Chapter one

The great SMB reset

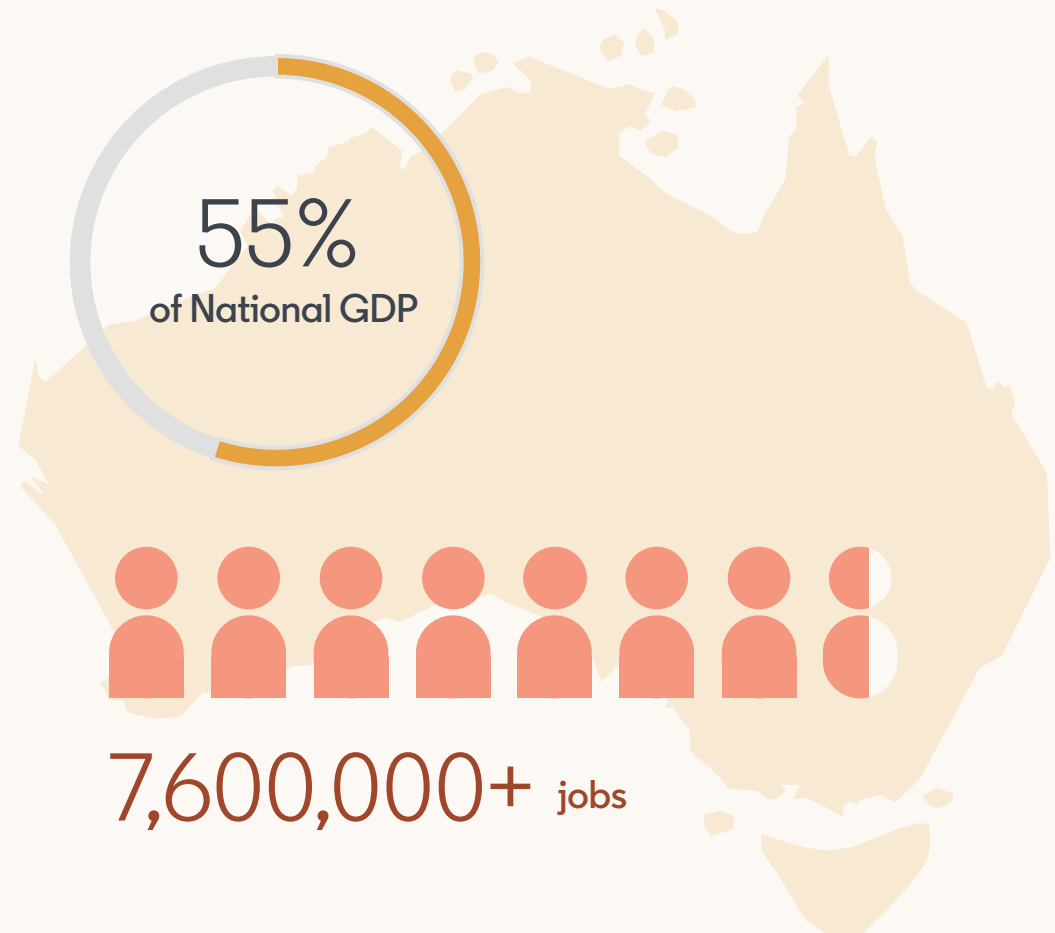


The resolute SMB: **the backbone of our economy**

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

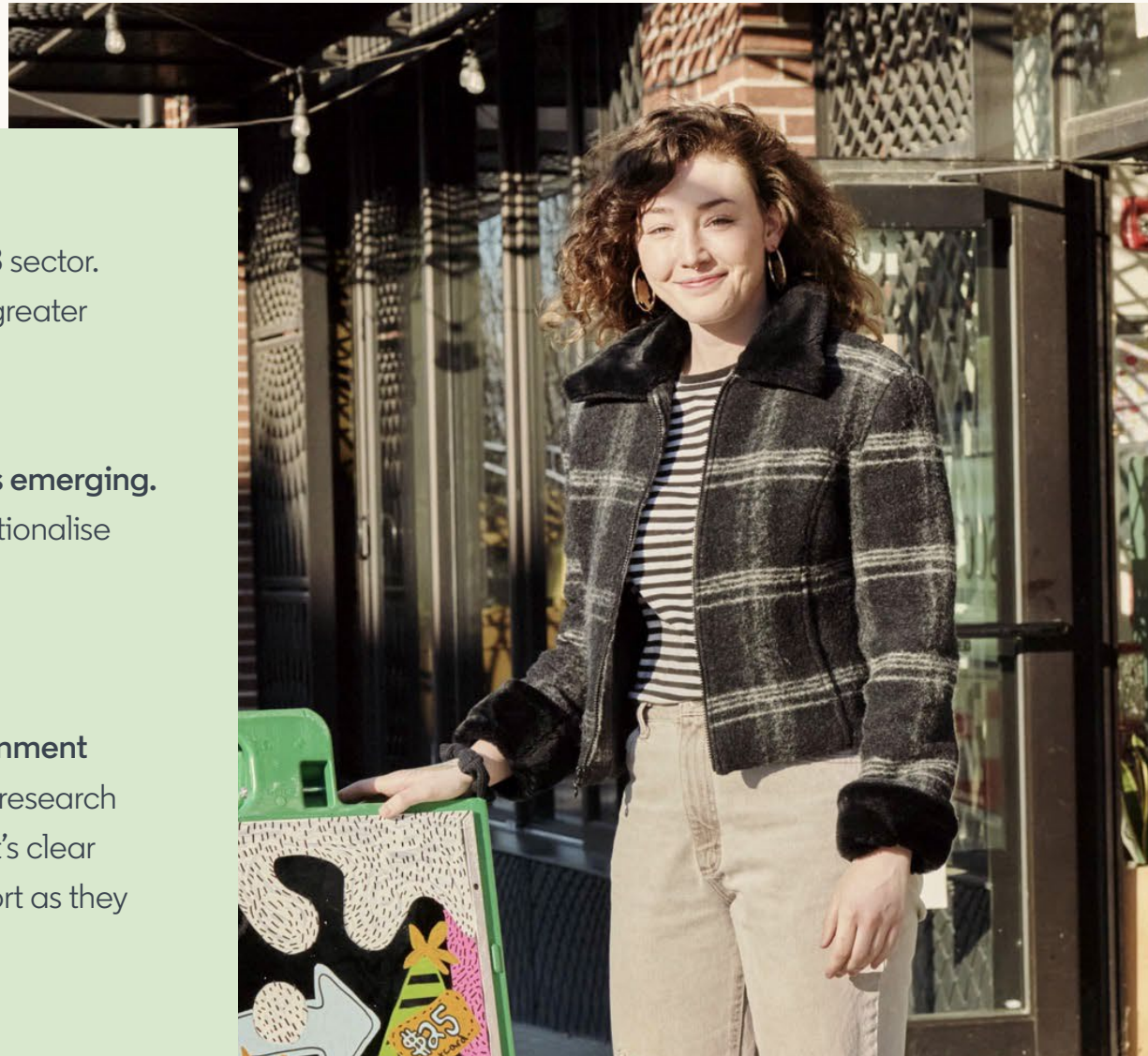
A survey of 250 LinkedIn members who own or are employed in an SMB. In the past 12 months, have:

- 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 access government services, with 54% planning to do so.** Based on our research as well as observations of SMB activity on LinkedIn, it's clear that SMBs will continue to require government support as they recover from the pandemic.



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%).

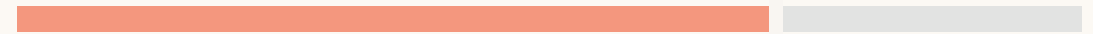
Q: Thinking in terms of the business you own/work for, how did you feel about 2020?

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

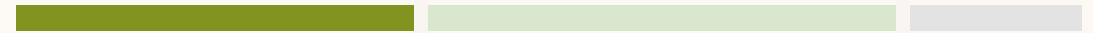
38% negative



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



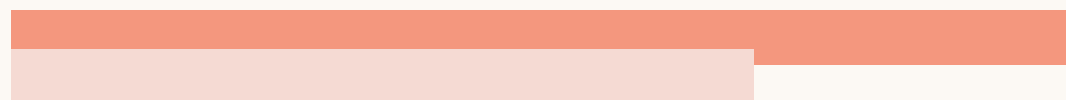
317K

Australian SMBs
present on LinkedIn

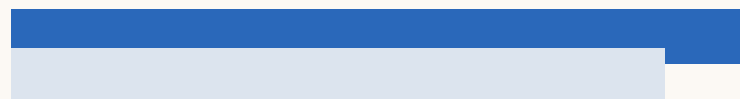
New businesses registered in Australia between June 2020 – June 2021, based on Australian Bureau of Statistics, vs net-new Company Pages created on LinkedIn during the same period

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, 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

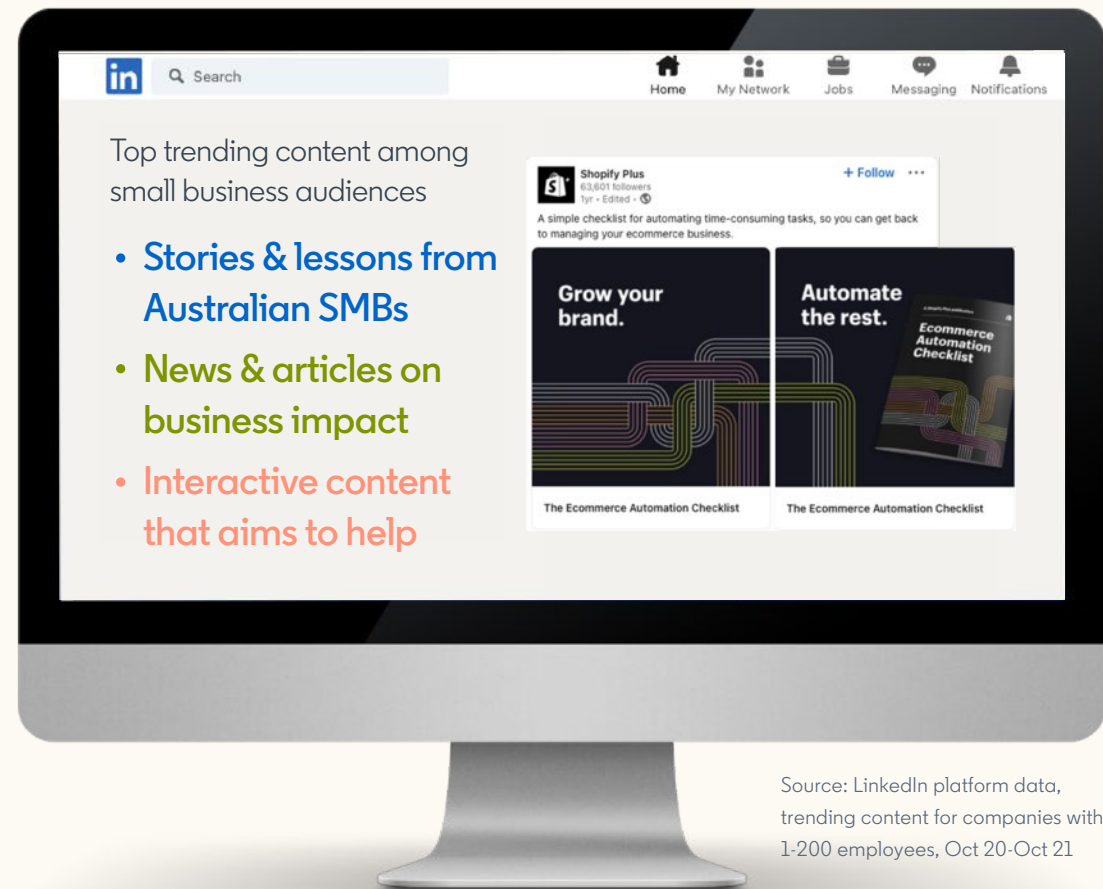
SMBs are using LinkedIn to source information on their business strategy and for support.

Topics that are engaging SMB members include:

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

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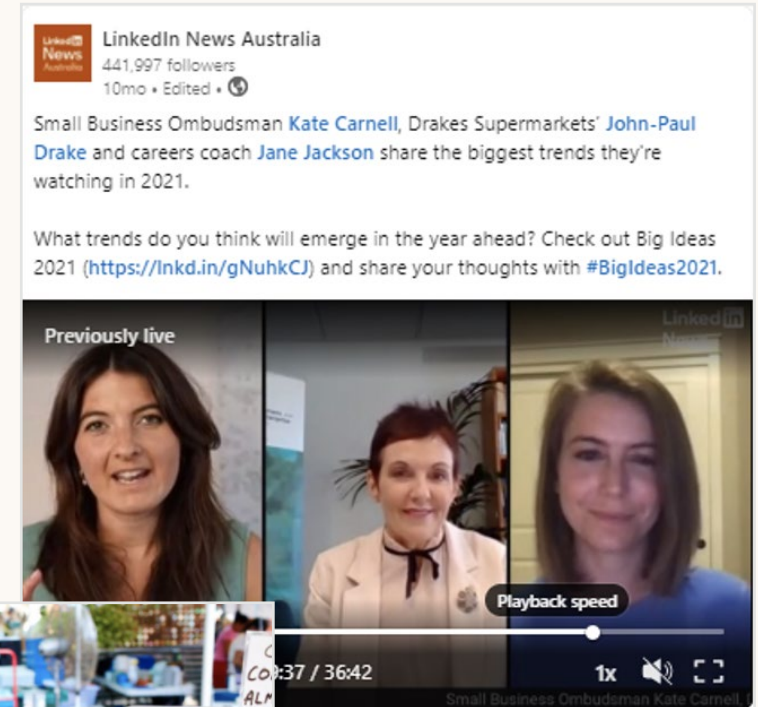
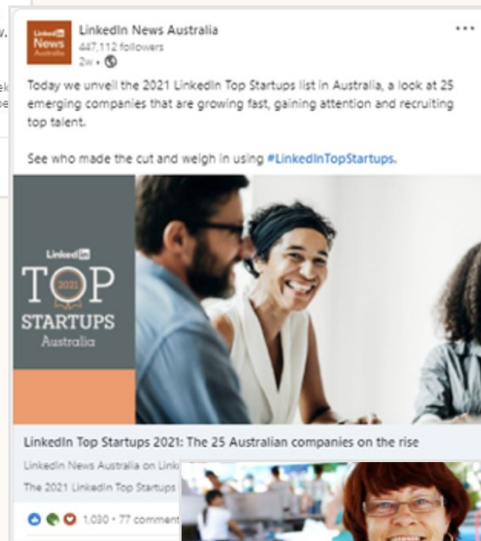
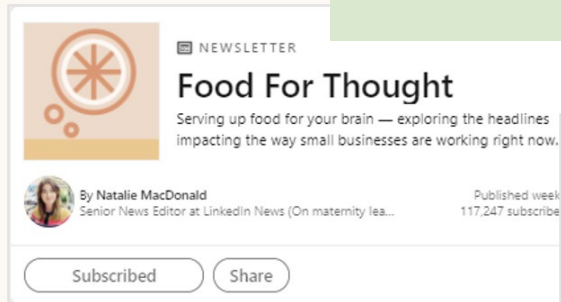
Source: LinkedIn Internal Data May 2021; Target Audience: Members employed in SMB Companies on LinkedIn (1-200)



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

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

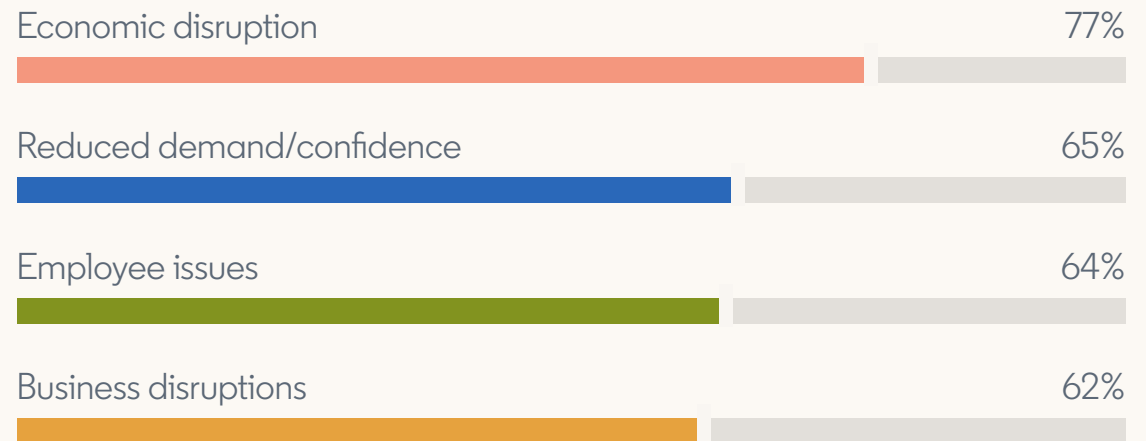
Getting to know the new resilient SMB



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..."

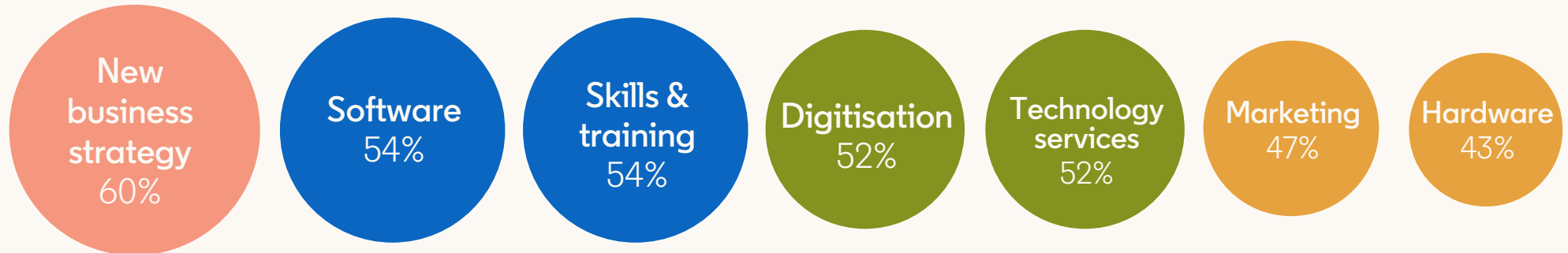
Q: Do you agree with the statement "The pandemic has given me the opportunity..."

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:



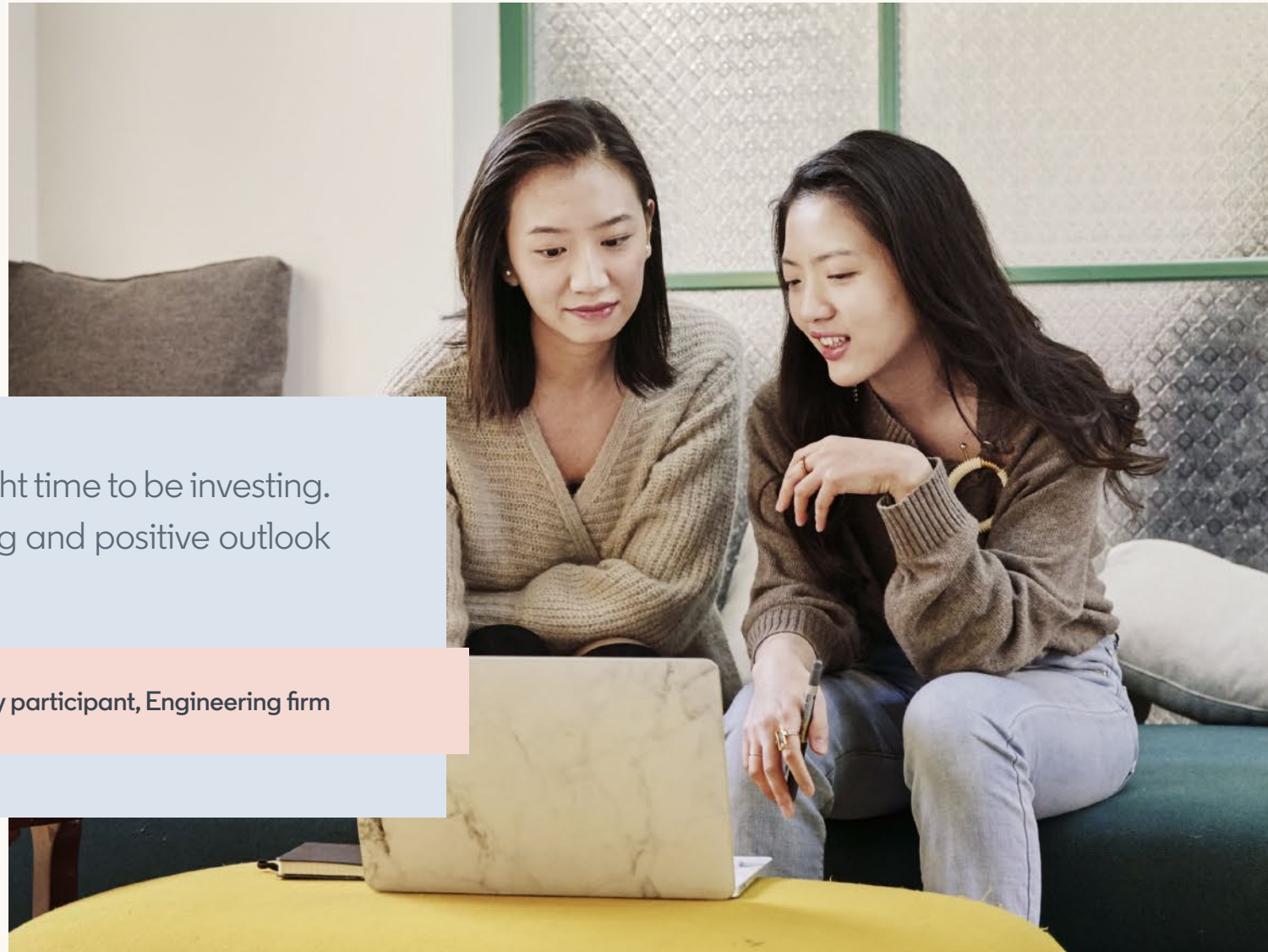
Q: Where will you be investing more or less time and money?

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



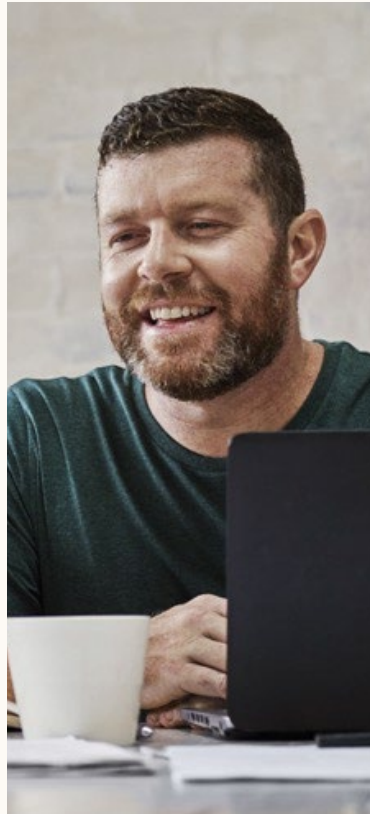
Chapter four

Government is the cheerleader that SMBs need



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

- Embracing the critical support on offer
- Prioritising government services that enable access to funding and grants
- Assessing services based on eligibility, benefits and trust

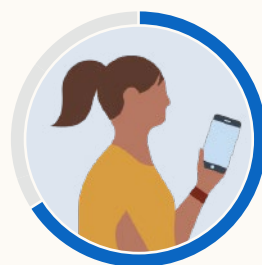


“ It was a huge relief; I think that's the best word I can come up with. It was just huge peace of mind to know that we're being supported by the federal government. And with real cash money coming into our business every month, we knew our wage commitments would be met and we could just concentrate on the client side of the business.

SMB survey participant, Professional Services firm



Over half of SMBs expect to **continue accessing** government support this year



66%

of SMBs **increased** their use of government services in 2020



54%

of SMBs **expect to increase** their use of government services

Q: How do you expect your use of government support services to change in 2021?

Government schemes have been a **vital source of support** for SMBs throughout the pandemic



Australian Government

Government schemes that SMBs have used in the past or started using in the last 12 months

■ AUS ■ NSW ■ VIC

Jobkeeper payment wage subsidy



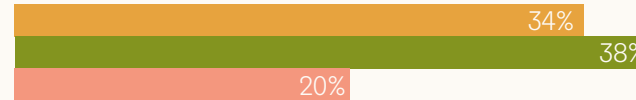
Small business fees and charges rebate



Temporary cash flow payments



Wage subsidy for apprentices and trainees



Coronavirus SME Guarantee Scheme



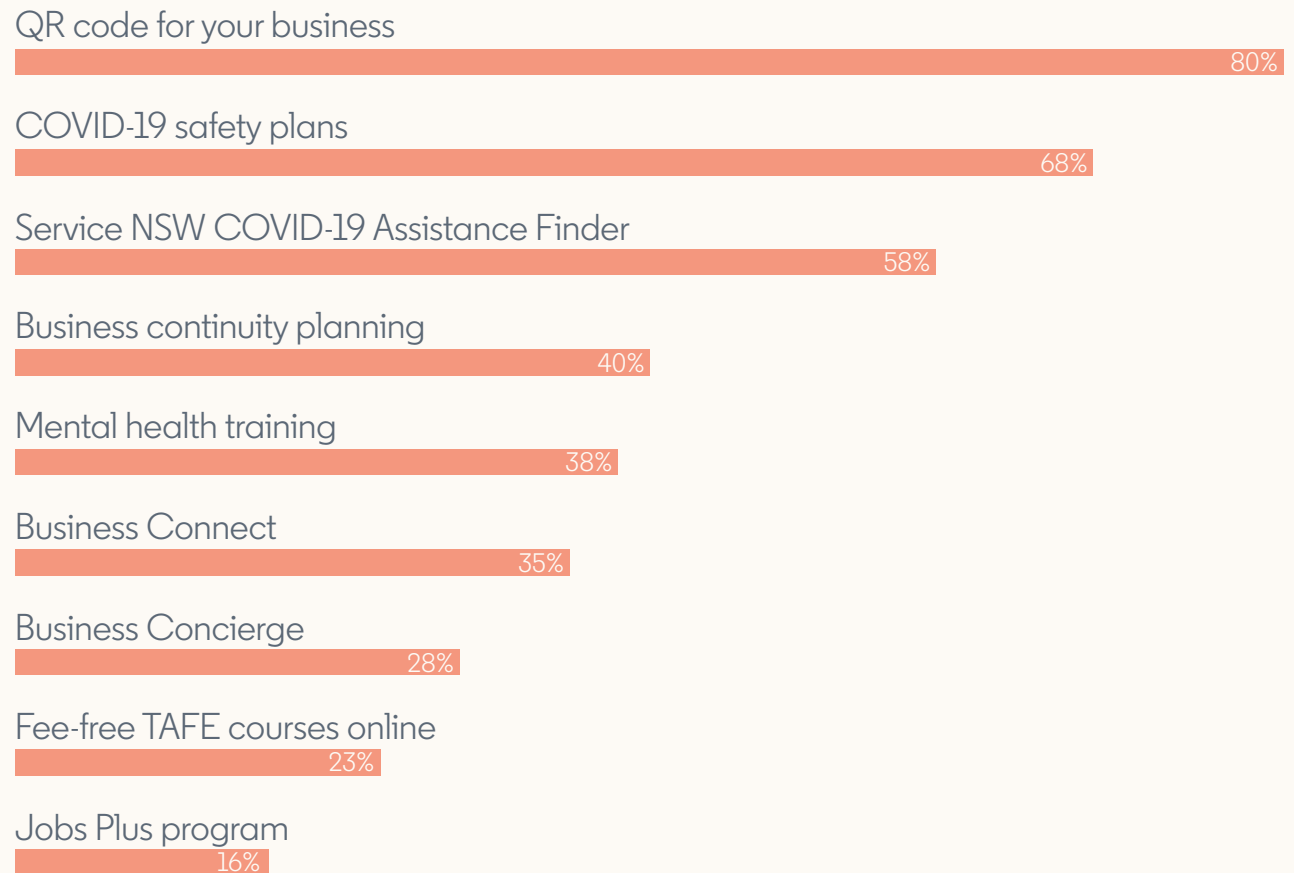
For state-specific initiatives, **SMBs in NSW** have had the highest use of government services compared to other states



Q: How familiar are you with the following?

NET Used (Used for over a year, Started using in the last 12 months)

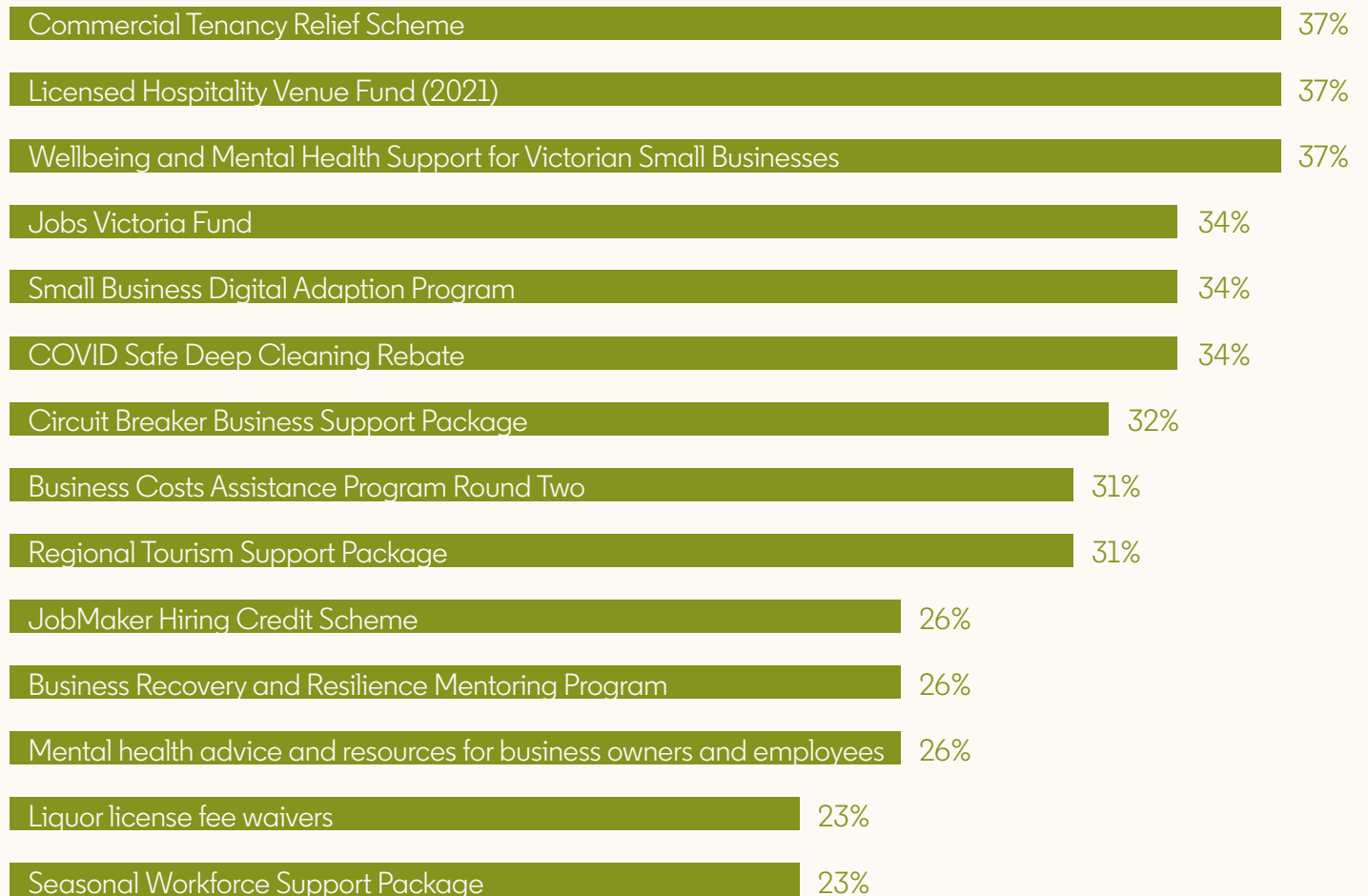
NET Considered (Never used, but considering, Heard of but never used or considered)



SMBs in VIC accessed a wide range of state government programs



Q: How familiar are you with the following?



SMBs consider **3 deciding factors** when choosing to access government services

Key factors in choosing to access government services

Q: Which of the below do you consider when making decisions around use of government support services?

Eligibility

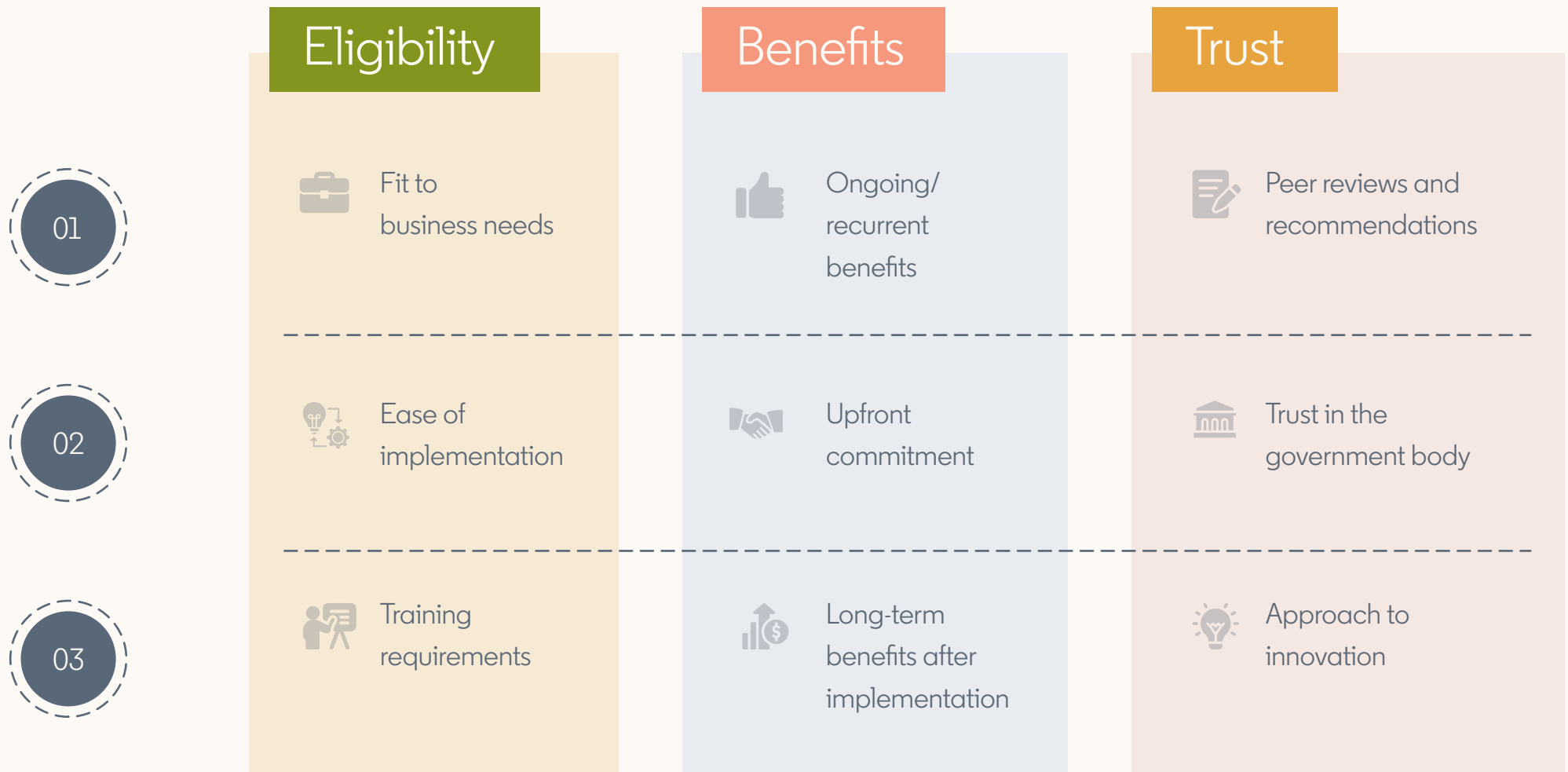


Benefits



Trust





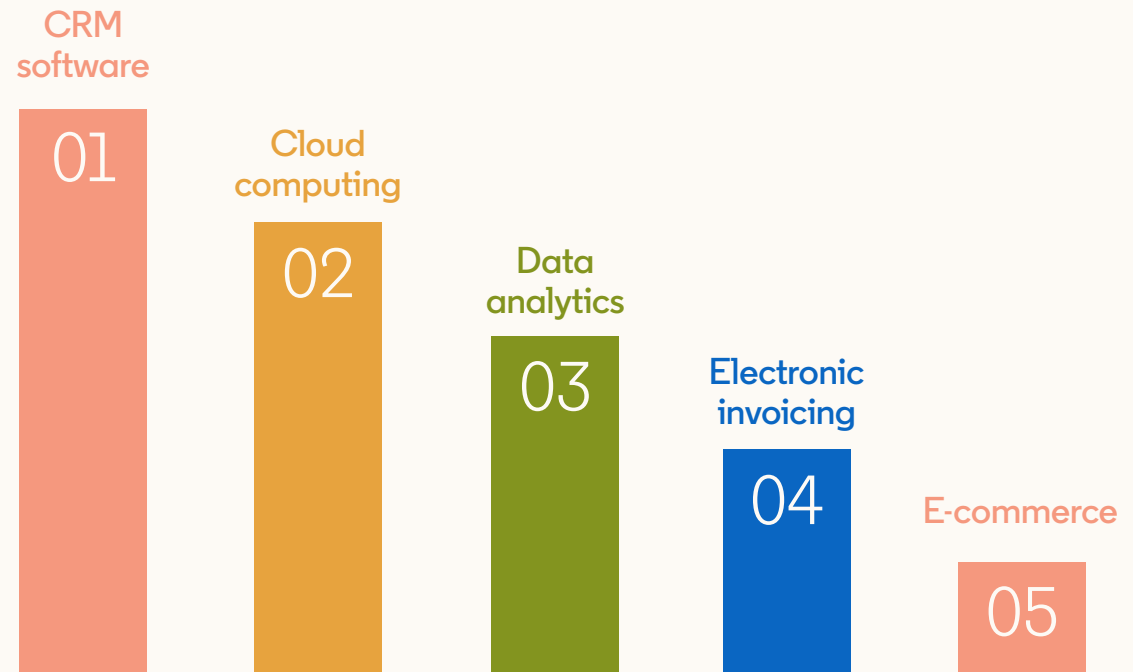
Q: Which of the below do you consider when making decisions around use of government support services?

70% of SMBs intend to increase their tech spend

Our research shows that SMBs are becoming more sophisticated and embracing digitisation as a growth enabler.

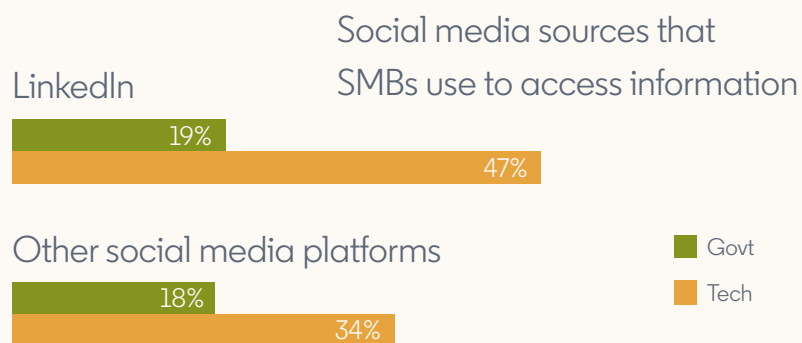
Q: Where will you invest/continue to invest in the future?

Priority technology investment areas for SMBs



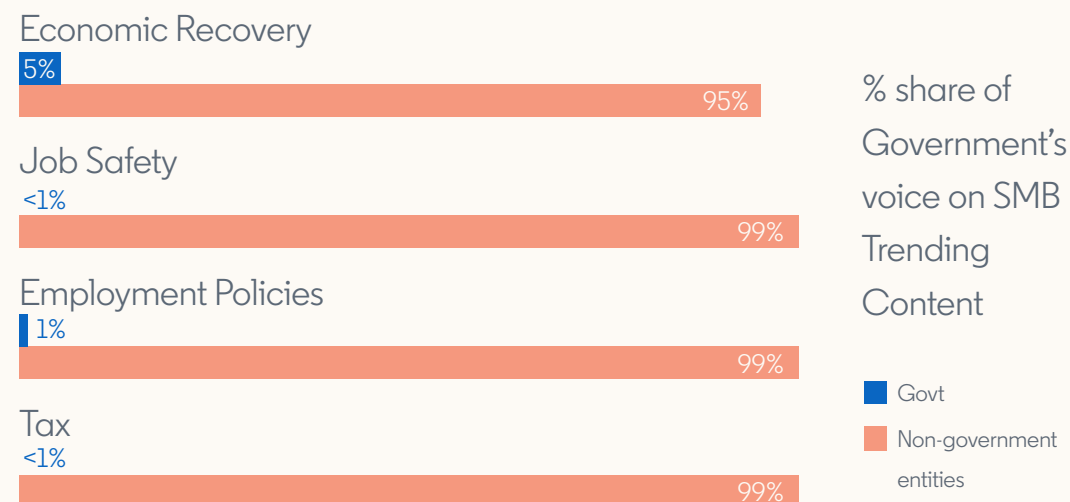
LinkedIn is a **trusted platform** where Government can join the SMB community and conversation

With so many SMBs actively looking for technology solutions, tech providers are actively engaging them across different platforms. In comparison, the Government under-indexes on digital platform engagement. This suggests an opportunity to join the conversation and increase share of voice.



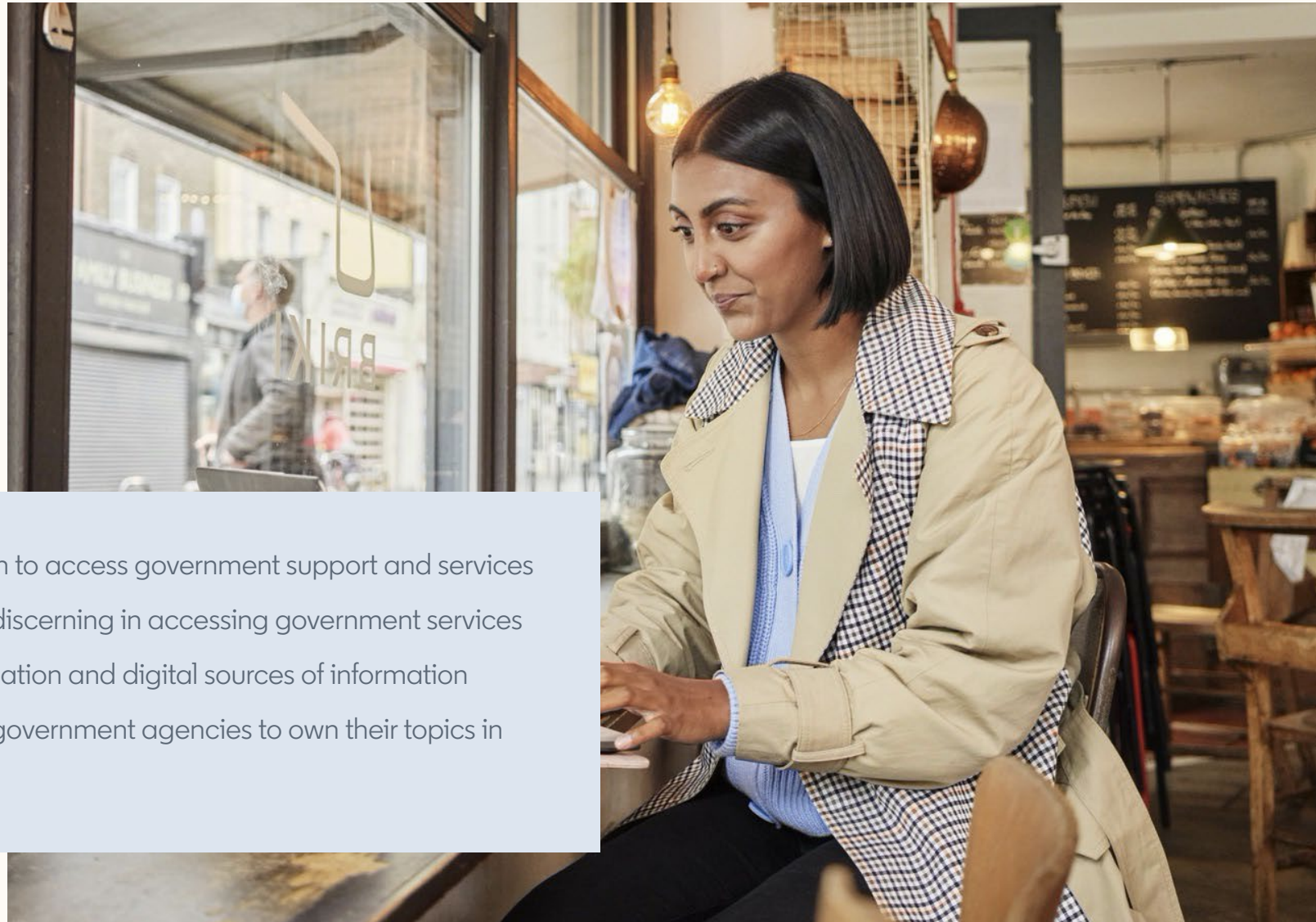
Q: Which information sources have you used to find out information on use of support/services to help make decisions for your business?

Without the Government's voice, **other entities are making headway** into the topics that matter.



The great SMB reset in **government services**

- Trust is key in SMBs' decision to access government support and services
- SMBs are becoming more discerning in accessing government services
- SMBs are embracing digitisation and digital sources of information
- There is an opportunity for government agencies to own their topics in the market



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 engage the SMB segment

There is a sense of positivity and a real future focus among Australian SMBs.



54%

of SMBs **expect to increase** their use of government services

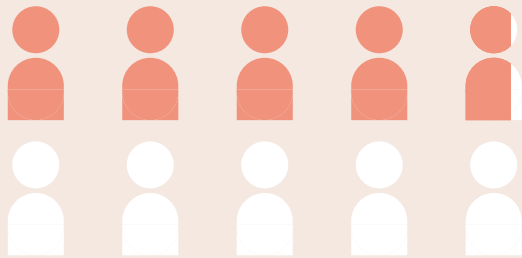
Shorter buying cycles mean it's critical to be **always on** in front of the SMB audience

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

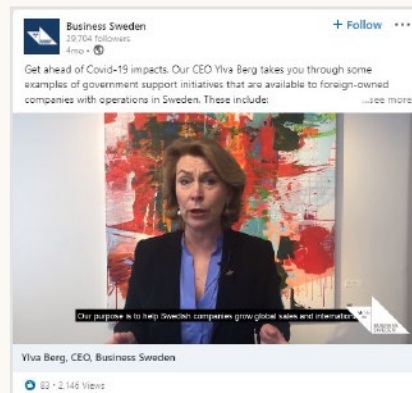
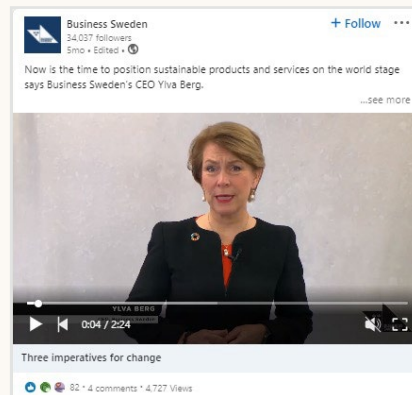
Australian SMB members

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

Build trust

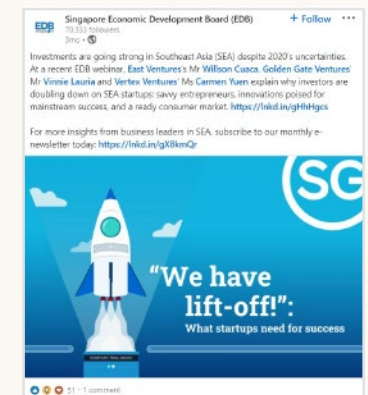
Business Sweden

- Review of major trends impacting business—analysis of how the world will change post-COVID-19
- Landing page & PDF – limited number of other formats
- Highlighting Sweden's strengths – not maximizing opportunity to link to specific proof points



Address **benefits challenges**

Singapore Economic Development Board focuses on answering questions along the consumer journey, relating to cost, implementation and other key category entry points



Address **accessibility challenges**

US Small Business Administration uses content to promote live events & office hours, focusing on helping some business' overcome implementation questions & challenges



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.

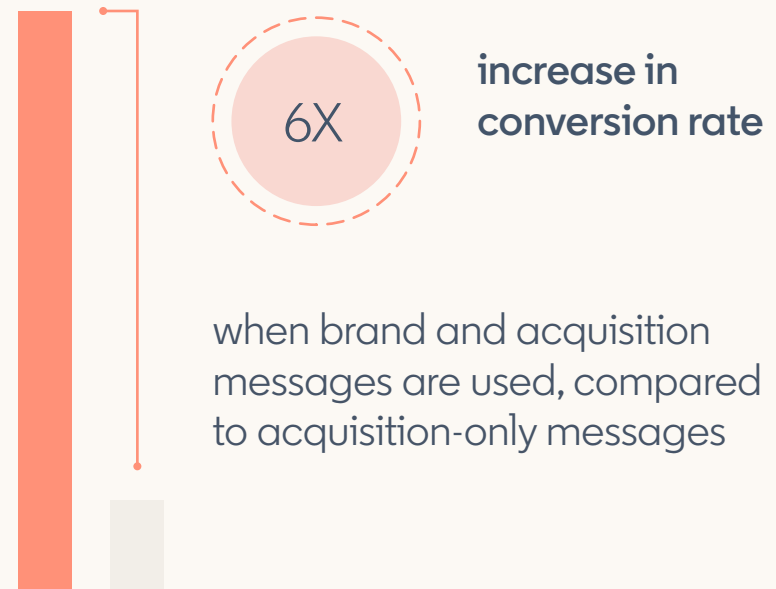


Les Binet & Peter Field

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

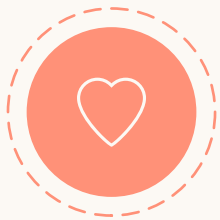
Brand improves short-term sales activation performance

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 tap on government services

54% of SMBs plan to increase their use of
government services

Adapt to a changing SMB landscape by:

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

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