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SearchManager

American Express OPEN Small Business Search Marketing Survey

March 2011

The American Express OPEN Small Business Search Marketing Survey, a survey of small businesses currently utilizing some type of online marketing for their business, reports on trends in search and social media advertising. The overall results have a margin of error of +/- 4.9 percentage points at the 95% level of confidence.

KEY FINDINGS

- Among small businesses who conduct some form of online marketing, two-thirds (66%) say that new customers find them through search engines/Internet, compared to 82% who say word of mouth is still the main source where new customers find them.
- The most common online marketing techniques currently being utilized by small businesses are a company website (86%) followed by social media (44%). One-in-five (21%) small businesses report that they are utilizing search advertising.
- Small businesses currently conducting online marketing plan to spend an average of \$5,260 on search or social media advertising. Fewer than one-in-five (19%) said that they were not planning any spending in this area.
- Three quarters of small businesses plan to add some form of online marketing in 2011. Roughly three-in-ten will add a company website (36%) or social media (29%). About one-in-five plan to add search engine optimization (23%), mass email (22%) or search advertising (16%).
- Nearly 56% of small businesses who will spend on search or social media advertising in 2011 indicate they will need help with some aspect of their search engine marketing.
 - Despite their need for assistance, only 25% of these businesses are using SEM tools to manage their campaigns.
- Search engine campaign management is generally handled internally (73%), with almost half of respondents indicating that they do it themselves, personally (47%). One in five (22%) indicated that they have a staff member that handles SEM, in addition to their other responsibilities.
- When adding any new marketing channels, areas taken into consideration by small businesses most often are the channel's effectiveness (62%) and the cost to implement (60%) and manage (57%).

Q1: How do new customers find you?	
Word of mouth	82 %
Search engines/Internet	66 %
Advertising	37 %
Yellow pages	23 %
Newspapers/magazines	23 %
Store front	17 %
Other	21 %

Q2: Which of the following online marketing techniques does your business currently utilize?	
A company website	86 %
Social media (Twitter, Facebook, etc.)	44 %
Mass e-mail	35 %
Search engine optimization (for ranking in natural or unpaid search results)	28 %
Search advertising (Google AdWords, etc.)	21 %
Display advertising (such as banner ads)	18 %
Video (for example, a channel on YouTube)	13 %
Blog	12 %
Rich local listings such as Google Places	10 %
Rich profiles in consumer review sites (such as Yelp)	4 %
Podcasts	4 %
Other online marketing	17 %

Q3: Which of the following online marketing techniques does your business plan to add during 2011?	
A company website	36 %
Social media (Twitter, Facebook, etc.)	29 %
Mass e-mail	23 %
Search engine optimization (for ranking in natural or unpaid search results)	22 %
Search advertising (Google AdWords, etc.)	16 %
Display advertising (such as banner ads)	12 %
Video (for example, a channel on YouTube)	12 %
Blog	11 %
Rich local listings such as Google Places	6 %
Rich profiles in consumer review sites (such as Yelp)	4 %
Podcasts	4 %
Other online marketing	19 %
I don't intend to implement any online marketing efforts for my business during 2011	25%

Q4: In 2011, how much marketing money will you spend on search or social media advertising (e.g. Google AdWords, etc.)?

\$1 to \$999	38 %
\$1,000 to \$2,499	18 %
\$2,500 to \$9,999	17 %
\$10,000 to \$50,000	6 %
Higher than \$50,000	2 %
Nothing (zero \$)	19 %
Mean	\$5, 260

Q5: In which of the following areas do you need help with in your SEM (Search Engine Marketing)?	
Identifying the right keywords	30 %
Tracking campaign effectiveness	25 %
Selecting the right networks	24 %
Managing campaigns across multiple networks	16 %
Testing ad creative	15 %
Reporting	13 %
Landing page creation or conversion improvement	13 %
Advanced analytics	13 %
Other	1 %
None, I don't need help	44 %

Q6: How does your business currently manage search engine marketing campaigns?	
I handle it myself	47 %
I have a dedicated full-time marketing manager in charge of SEM	22 %
I have a staff member that handles SEM in addition to other responsibilities	7 %
I outsource SEM to an agency/consultant	19 %
Other	12 %

Q7: Do you use any SEM (Search Engine Marketing) tools to manage campaigns?	
Yes	25 %
No	75 %

Q8: Which of the following do you consider when adding any new marketing channel?	
Effectiveness	62 %
Cost to implement	60 %
Cost to manage	57 %
Ability to target audience	44 %
Ability to manage in-house	40 %
Time to implement	34 %
Cost per lead or acquisition	33 %

Proven marketing tactic	26 %
Ability to expand audience	26 %
Learning curve to manage	25 %
Ability to adjust message	24 %
Recommendations from colleagues	22 %
Ability to report	20 %
Alignment with overall marketing messages	16 %
None of these	9 %

Survey Methodology

American Express OPEN and SEMPO conducted a survey among a random sample of 400 U.S. small businesses that currently utilize some type of online marketing for their business. Interviewing was conducted by Echo Research between March 14 and 17, 2011. The overall results have a margin of error of +/- 4.9 percentage points at the 95% level of confidence.