



# MYOB Business Monitor

Special summary - Australian businesses online

> February 2011

[myob.com.au](http://myob.com.au)

## Executive summary

The internet offers a world of opportunity for Aussie businesses, but only 35% have a business website.

The internet is crucial for doing business today. In fact we've found that businesses that have a website have more success - 30% of businesses with a website report a revenue increase in the past year, compared to 23% of those without a website.

Over half of business owners believe the Internet is critical for marketing and promotion. However it would appear that businesses are missing out on a number of opportunities online. In addition to the low penetration levels of businesses with websites and e-commerce facilities, there's also a low adoption of social media by SMEs. Only 18% of businesses use social media (such as Facebook, Twitter) to promote their business.

Social media tools, like Facebook and Twitter, present a huge opportunity for businesses to reach a new audience, and also interact and engage with existing clients online.

When it comes to e-newsletters and blogs, only a few (13%) businesses write online newsletters and blogs to promote their business. Social media usage by businesses is only just emerging in Australia, however we expect that will change rapidly.

The intelligent use of social media may make business life easier for business owners looking to raise the profile of their business online. For example, sharing content is a great way to engage with current and potential customers online, add value to customer relationships and also demonstrate thought leadership and expertise.

However when it comes to the web, while only 35% have a business website, businesses are increasingly going online for key business activities:

- 62% use internet banking for their business
- 37% pay their bills on suppliers' websites
- 24% monitor competitive activity on the Internet
- 19% use Skype or VOIP to make free phone calls over the internet

And while 44% of businesses agree that they would sell more and get more work if they used the internet better for marketing, we notice that there are some who are yet to put this into action:

- Just over a quarter (27%) use email marketing
- Only 19% use search engines (like Google) to market their business

From having a website to using social media and online marketing, many businesses are yet to take advantage of the key opportunities the internet has to offer.

\*Source – MYOB Business Monitor August 2010 and November 2010

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## Use of the web for business purposes

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### Only 35% of businesses have a website

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Base: Business owners and directors (n = 1,000)

Q. Which of the following activities are currently undertaken in this business for business purposes?

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Only 35% of businesses surveyed have a website for their business.

Businesses in the Manufacturing and Wholesale industry lead when it comes to having a business website (49%), followed closely by businesses in the Finance and Insurance industry and the Retail and Hospitality industry (both 45%). The least likely to have a business website are businesses in the Agriculture, Forestry and Fishing industry (19%), followed by businesses in Construction and Trades (23%).

Businesses that have a website are actually performing better than those without a website. When asked if their revenue is up or down compared with 12 months ago, 30% of businesses with a website report a revenue increase in the past year, compared to 23% of those without a website.

Email marketing is used by 27% of businesses surveyed and female business owners are more likely to use this form of marketing than male business owners (31% vs 23%).

Female business owners are a little more online savvy than male business owners. Overall 18% of business owners use networking forums such as LinkedIn, MySpace or Facebook, etc. However when it comes to gender, 21% of female business owners use online networking forums and 16% of male business owners do.

City based businesses are also more likely to use online networking forums (23%) compared to regional (17%) and rural (11%) based businesses.

Other business activities completed online include paying bills on supplier websites (37%), buying products/services online (e.g. eBay, Trade Me, etc) (27%), using VOIP to make free phone calls over the internet (19%) and backing up business information online (16%).

The breakdown by area – city/metro, regional, rural – shows some interesting points:

- City/metro based businesses are more likely to have a website (38%), compared to regional (36%) and rural (26%) based businesses.
- Rural based businesses are more likely to pay bills on suppliers websites (42%) followed by regional (38%) and then city/metro based businesses (25%).
- More rural businesses buy online (37%) than city/metro (26%) and regional (24%) based businesses.
- When it comes to using networking forums like LinkedIn, MySpace or Facebook, city/metro business owners are the most likely to use such networking forums (23%), compared to regional (17%) and rural (11%) based businesses.
- City/metro businesses are also more likely (21%) to back up business information online when compared to regional (13%) and rural (11%) based businesses.

Figure 1: Activities currently undertaken in business for **business purposes**: by Total Sample (% of n = 1,000)

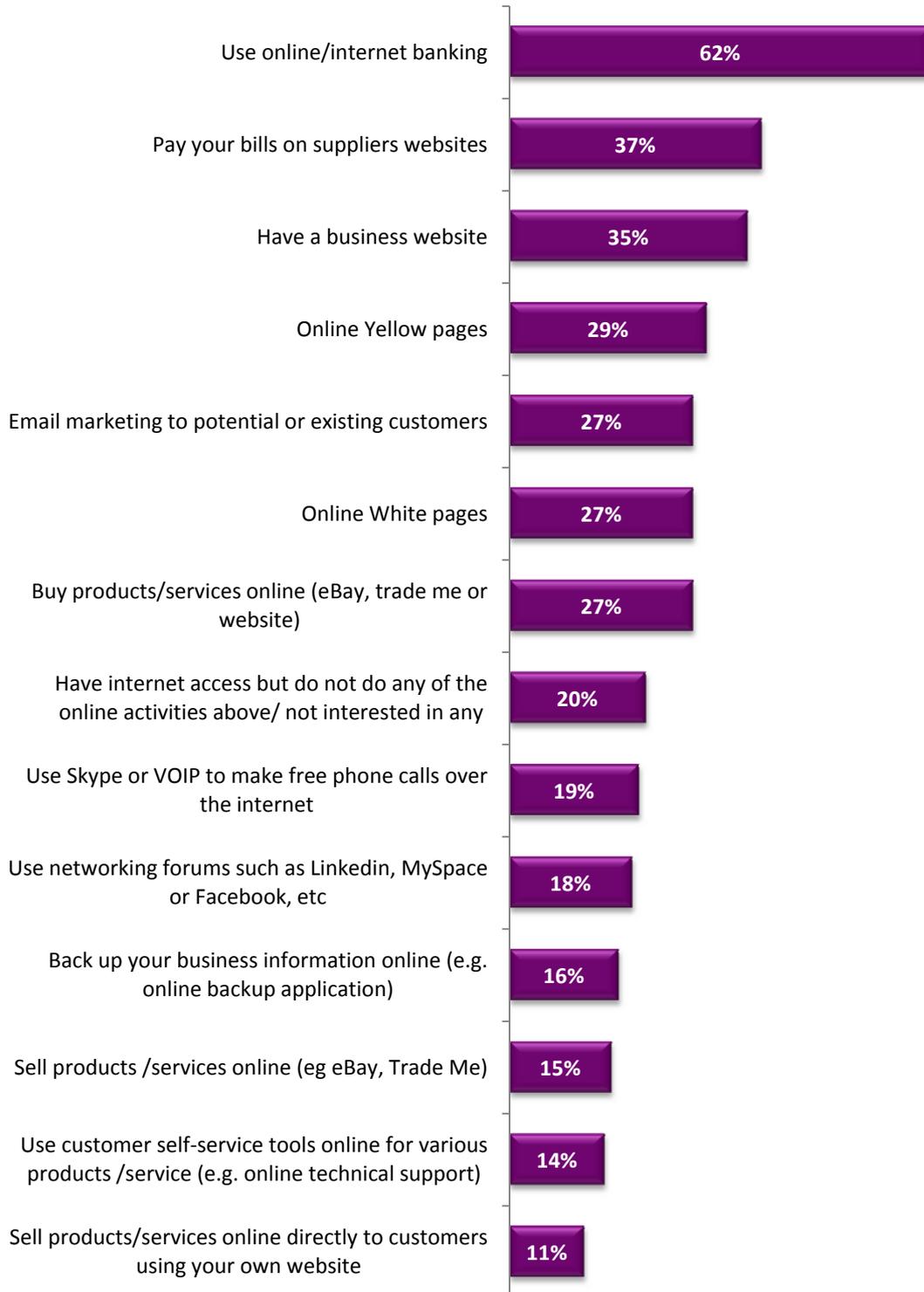


Figure 2: Activities currently undertaken in business for business purpose - **Have a business website: by Industry** (% of n = 1,000)

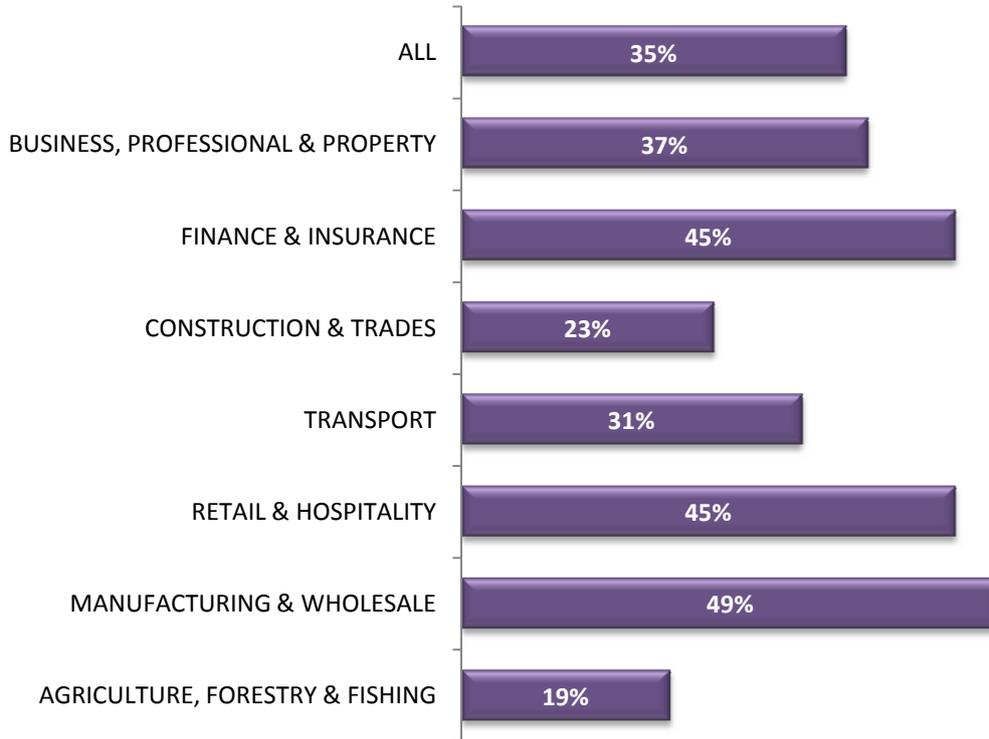


Figure 3: Activities currently undertaken in business for business purpose - **Have a business website: by time in business** (% of n = 1,000)

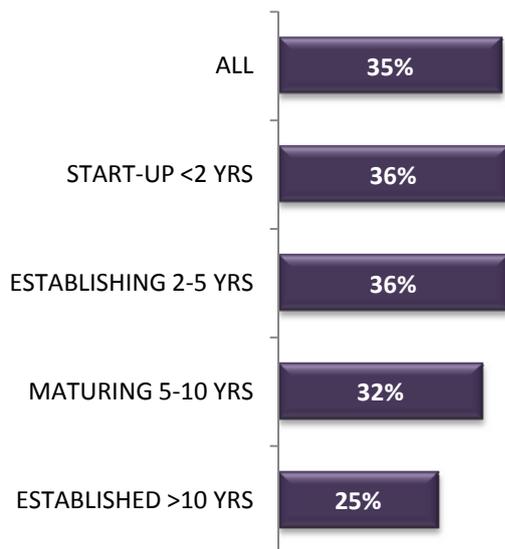
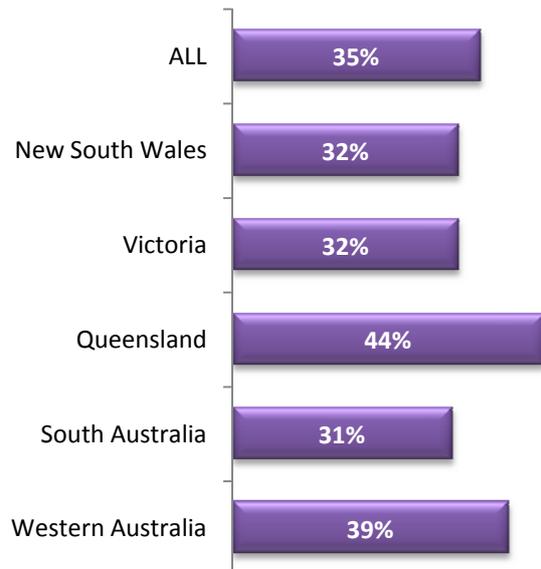


Figure 4: Activities currently undertaken in business for business purpose - **Have a business website: by State** (% of n = 1,000)



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## Ways in which the Internet is used for better business

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### **A quarter of business owners use the Internet to monitor competitive activity**

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Base: Business owners and directors (n = 1,000)

Q. In which of these ways do you use the Internet/Web to help you do better business?

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### **Many business owners don't use social media, online newsletters or blogs to promote their business**

While this is expected to change over time, presently only 18% of business owners surveyed use social media (e.g. Facebook, YouTube, MySpace or Twitter) to promote their business. And fewer (13%) write online newsletters or blogs to promote their business. (See Figure 5) Businesses most likely to use social media are in South Australia (27%), business owners who are 18-39 years of age (24%), and business owners in Retail & Hospitality (22%).

### **A quarter of business owners use the Internet to monitor competitive activity**

Only a quarter (24%) of business owners surveyed monitor the Internet for competitive activity. (See Figure 6) Small business owners (34%) are the most likely and sole traders (22%) are the least likely to monitor competitive activity on the Internet.

### **More than a quarter of business owners use the Internet to search for own category updates and information**

More than one quarter (28%) of business owners surveyed search the Internet for information and updates on their own industry or business category. (See Figure 5) Owners of Rural businesses (37%), start-up businesses (35%), and businesses in Agriculture, Forestry & Fishing (35%), Professional & Business Services (35%), Manufacturing & Wholesale (33%) and Retail & Hospitality (31%) are the most likely to do this.

### **One fifth of business owners advertise products or services on other websites (other than their own)**

One fifth (20%) of business owners advertise their products or services on other websites. (Figure 6) The business owners leading this own businesses with an annual revenue of \$5m+ (42%), medium businesses (31%), and Retail & Hospitality businesses. Those least likely to advertise their services or products on other websites are in Agriculture, Forestry & Fishing (8%), and in mature (>10 years) businesses (9%).

Figure 5: The way business owners use Internet/Web to help them do better business: by Total Sample (% of n = 1,000)

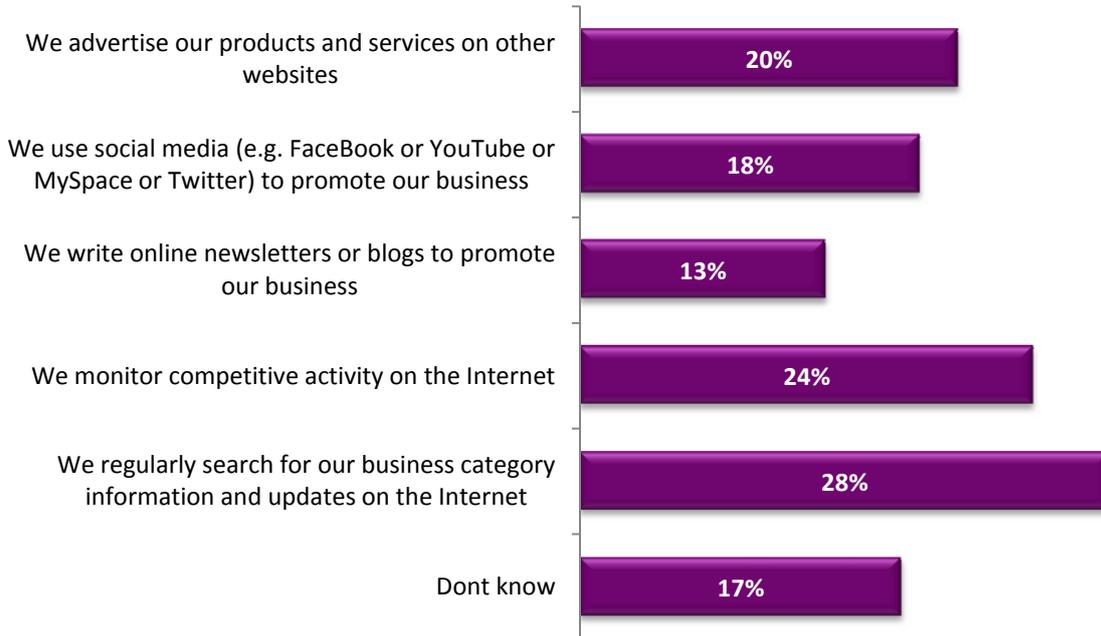


Figure 6: The way business owners use Internet/Web to help them do better business – **we use social media to promote our business: by State** (% of n = 1,000)

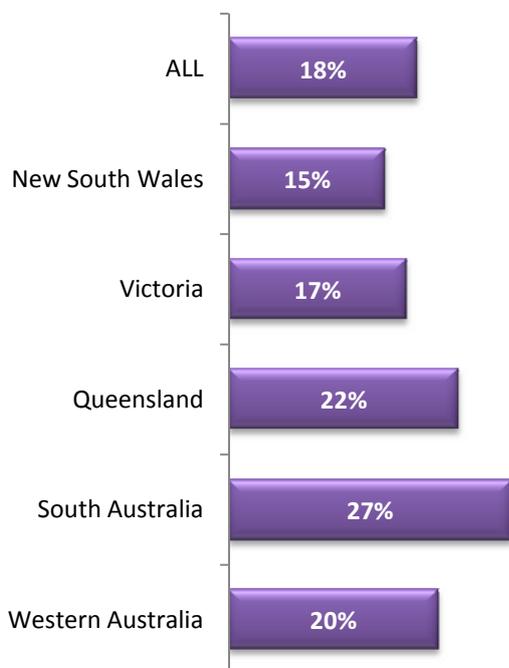


Figure 7: The way business owners use Internet/Web to help them do better business – **we use social media to promote our business: by Industry** (% of n = 1,000)

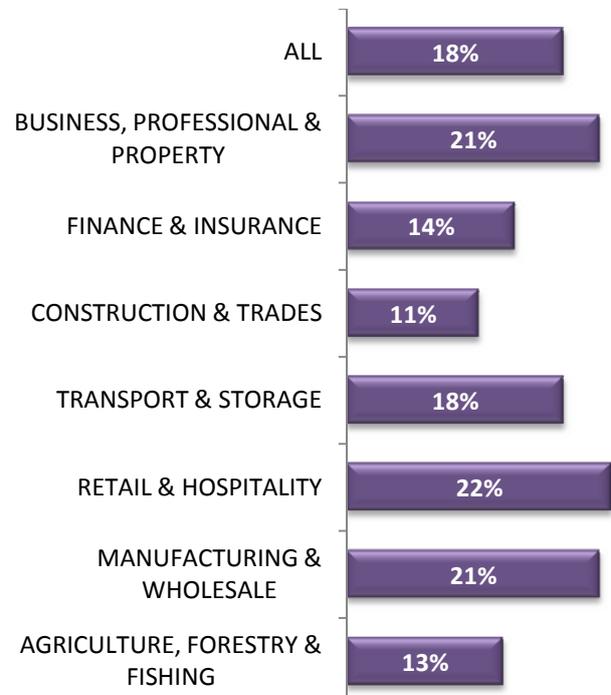


Figure 8: The way business owners use Internet/Web to help them do better business – **we write online newsletters or blogs to promote our business: by State** (% of n = 1,000)

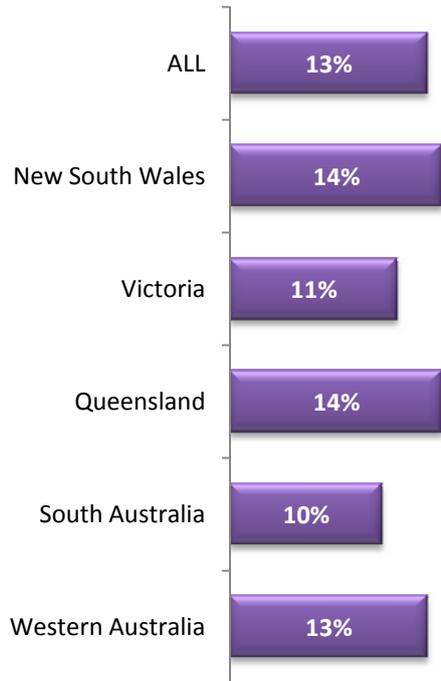
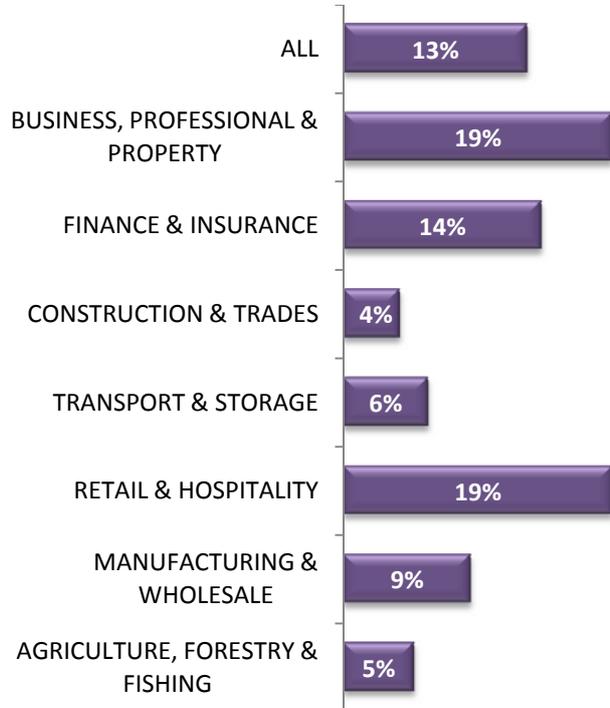


Figure 9: The way business owners use Internet/Web to help them do better business – **we write online newsletters or blogs to promote our business: by Industry** (% of n = 1,000)



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## Main marketing and advertising channels used for business

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### Internet search engines and newspapers most popular channels for marketing and advertising

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Base: Business owners and directors (n = 1,000)

Q. Thinking about marketing, advertising and promoting your business... which of the following main marketing and advertising channels do you presently use to market or advertise your business?

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Despite the growth in the use of internet search engines to market and advertise, businesses are still using traditional channels for marketing and advertising, such as newspapers.

### Newspapers and letterbox leaflet drops are not forgotten channels

Around one sixth of business owners use newspapers (16%) or letterbox leaflet drops (15%) to market their business. (See Figure 10) Newspapers are slightly more likely to be used by Retail & Hospitality (22%) and Construction and Trades (21%) business owners. Letterbox leaflet drops are more likely to be used by Retail and Hospitality business owners (22%) and owners of start-up (<2 years) and establishing (2-5 years) businesses (also each 22%).

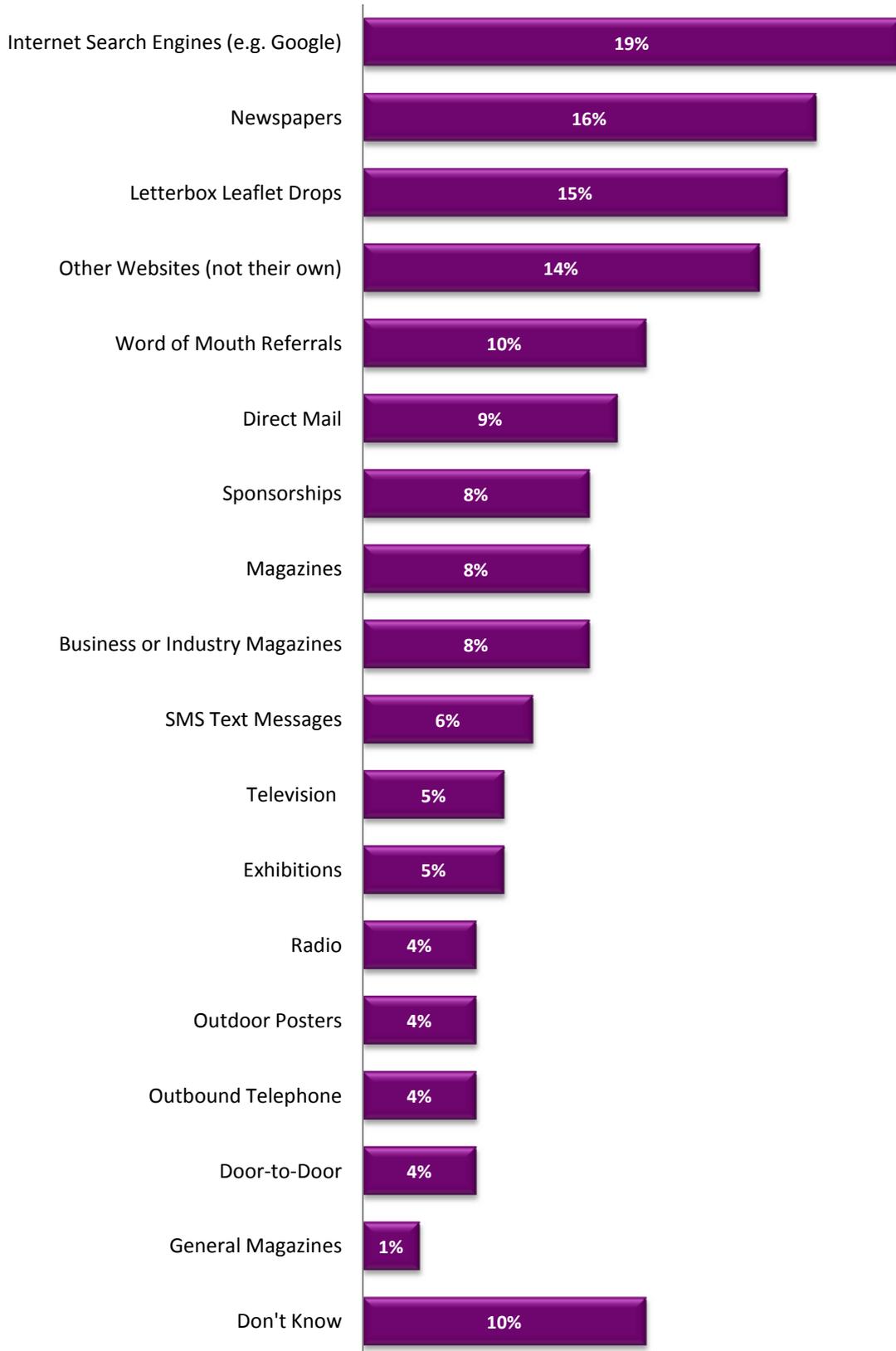
### Internet search engines used for advertising by a fifth of businesses

Just under a fifth (19%) of business owners surveyed use Internet search engines (e.g. Google) to promote their business. (See Figure 10) Those business owners most likely to do this are owners of small businesses (30%), located in Queensland (25%), and have a Retail or Hospitality businesses (25%).

As to be expected, business owners who identify with being an 'early adopter' of technology lead with using online channels, 27% use internet search engines to promote their business, compared to 16% of 'mid adopters' and 16% of 'late adopters'.

When looking at the demographical breakdown of gender and age, female business owners are more likely (22%) to use internet search engines to promote their business ahead of male business owners (17%). Younger (18-39 years) business owners are also more likely to use this form of marketing, with 22% using internet search engines compared with 17% of business owners aged 40+ years.

Figure 10: Channels used to market, advertise and promote their business: by Total Sample (% of n = 1,000)



## How well the Internet is used to market, advertise and promote business

**The Internet is recognised as a critical channel for marketing and promoting business (but only 35% have a website for their business)**

Base: Business owners & directors (n = 490)

Q. Thinking about marketing, advertising and promoting your business, how strongly do you agree or disagree with each of these statements?

**While the Internet is recognised as a critical channel for marketing their business, many also feel that they could sell more or get more work if they used the Internet better for marketing**

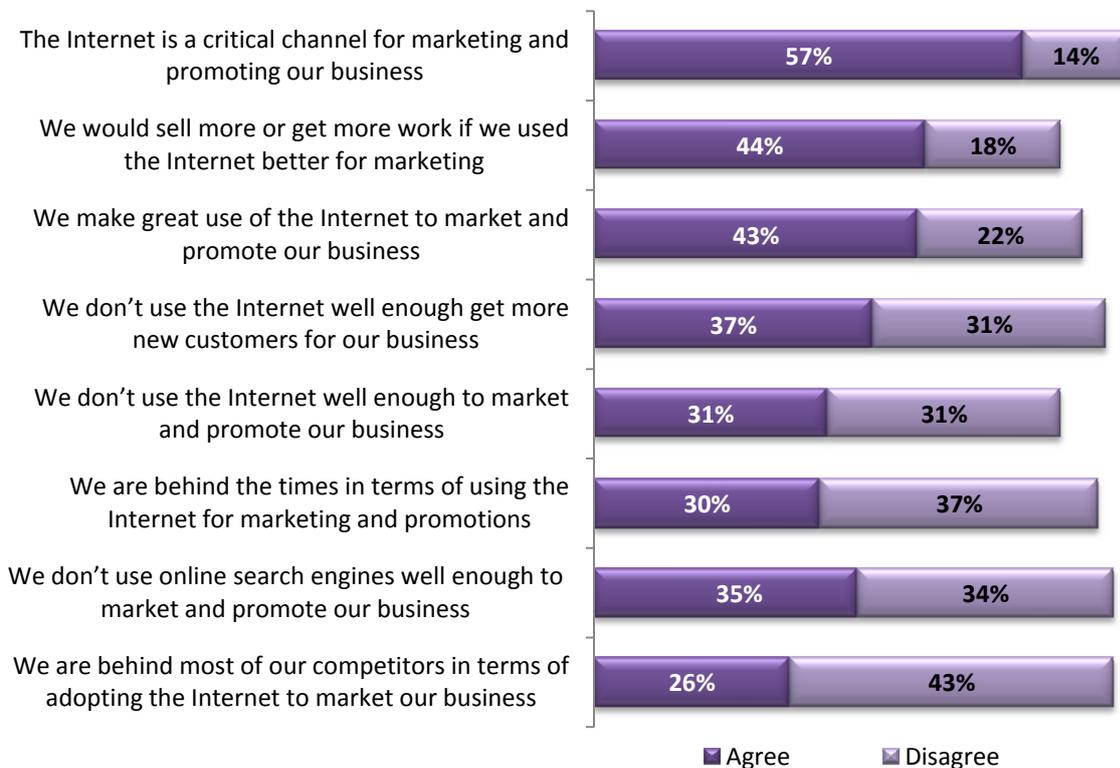
Of the eight statements evaluated (See Figure 11), the statement that meets with most agreement, from 57% of business owners, is:

- ***'The Internet is a critical channel for marketing and promoting our business'***
- The business owners who most agree with this statement are medium sized business owners (72%), in Professional and Business Services business (62%), and start-up businesses (56%).

The level of agreement with the above statement is well ahead of the 44% of business owners surveyed who agree that:

- ***'We would sell more or get more work if we used the Internet better for marketing'***
- The business owners who most agree with this statement, at 49%, are in the Manufacturing and Wholesale sector.

Figure 11: Agreement or disagreement with statements on how well Internet used to market and promote business (% of n = 490)



## Appendix

### About the MYOB Business Monitor

The MYOB Business Monitor is a national sample of 1,000 business owners and decision makers. The summary presented in this document is based on research conducted in July/August and October/November 2010. The businesses participating in the online survey are defined as those with 0 employees ('sole traders'), 1-4 employees ('micro businesses'), 5-19 employees ('small businesses') and 20-199 employees ('medium businesses'). Results have been weighted to reflect the business population distribution according to the Australian Bureau of Statistics (ABS) for company size, length of time operating, region, and selected ANZSIC Industry divisions (refer to ABS publication *COUNTS OF AUSTRALIAN BUSINESSES, INCLUDING ENTRIES & EXITS, JUNE 2007 TO JUNE 2009 - 8165.0*). Some Industry segments have been grouped for the purposes of providing sample segments of reasonable size, and lower margin of error.

Fieldwork was conducted by *Colmar Brunton NZ* (a Millward Brown Company). The research was designed for and reported to MYOB by *The Financial Research Company* in Sydney.