

magisto

UNLOCKING THE
MOST POWERFUL SHIFT
IN SMB MARKETING



OVERVIEW

One of the greatest struggles for small and medium-sized businesses is determining how and where to spend their precious marketing dollars. There are so many emerging content formats and channels to consider and with limited time and resources available to most SMBs, every minute wasted and every penny counts.

Magisto surveyed an audience of more than 550 SMBs in the United States to understand how they are currently approaching marketing. Findings revealed a fascinating tectonic shift in the ways SMBs are marketing themselves, mostly driven by millennials use of social media and video.

The survey found that 85 percent of SMBs are currently using video or intend to use video in the near future. We are at an inflection point in the adoption of video marketing driven by an understanding of the power of video - especially among the younger generation, who are leveraging different marketing tools and strategies than their older counterparts.

Millennials, the survey found, are 136 percent more likely than baby boomers to create videos for social media. As social media continues to capture ever-increasing share of mind and dominance in digital communications, the power of video lies with the younger generation's innate understanding of audience targeting and creating platform appropriate content for their audience.

Even in light of these shifts and transformations, the goals for SMB marketing remain the same: reaching target audiences with the right message, in the right medium, at the right time. How this is accomplished, however, is an entirely new ballgame that is being accelerated at an astounding speed by quality, affordable video marketing.

The objective of our research was to understand how SMBs leverage today's marketing trends and tools, and how millennials are driving those trends with a focus on social media and the use of video. We hope that you'll find the research informative and fascinating as we did. Tweet us your feedback at @magisto.



Best regards,

A handwritten signature in black ink, appearing to read 'Reid Genauer'.

Reid Genauer, Chief Marketing Officer for Magisto

@rgenauer

▶ MASSIVE SHIFT IN MEDIA MIX: DRIVEN BY GENERATIONAL DIFFERENCES

Millennials' Use of Social Media Has Eclipsed Traditional Marketing

- Millennials use social media nearly **40%** more than word of mouth marketing, which has long been the SMB's primary mode of communication
- Baby boomers are **112%** more likely to invest in radio advertising than millennials
- **1 in 3** baby boomers invest in TV advertising, compared to **0%** of millennials

▶ THE POWER OF VIDEO

Millennials' Use of Video is Driving SMB Marketing on Social Media



2 out of 3 SMBs create marketing videos at least 4x a year

Millennials are **136%** more likely than baby boomers to create videos for social media

▶ THE MOST POPULAR CASES FOR SMB VIDEOS: SHOW NOT TELL



50%
how-to / educational



22%
virtual tours



43%
product service / overview



21%
customer testimonials



39%
brand storytelling



19%
event promotion / recap

TAKEAWAY: SMB CORE MARKETING GOALS HAVE NOT CHANGED, BUT THE MEDIA MIX AND TARGETS HAVE

Marketing goals haven't changed. Three out of four SMBs want to generate new customers and over half want to build customer loyalty and grow brand awareness. What has changed is that millennials understand how to reach those goals using a new media mix, new tools and a nuanced culture of authenticity. Baby boomers are struggling to figure it out.

There is an evolution happening around word of mouth marketing with video and social media at the center of the trend. For the younger generation, **social media has surpassed word of mouth marketing and completely replaced TV advertising in one fell swoop.**

SECTION 02

SOCIAL MEDIA IS THE NEW WORD OF MOUTH FOR SMB MARKETING

YOUNGER GENERATION SHAKES UP TRADITIONAL MARKETING
SOCIAL MEDIA IS AS IMPORTANT AS WORD OF MOUTH MARKETING



92%

of millennials at SMBs lead with
social media in their marketing strategy



79%

of baby boomers lead with traditional
word of mouth in their marketing strategy

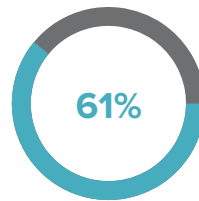
▶ SELLING STORIES VS. PRODUCTS

YOUNGER GENERATION EMBRACES AUTHENTICITY OVER TRADITIONAL SALES



MILLENNIALS

of millennials lead with branded lifestyle video stories



BOOMERS

of baby boomers lead with traditional product overview videos

▶ VIDEO DISTRIBUTION: PUSH VS. PRAY

MILLENNIALS **KNOW** HOW TO FIND AUDIENCES FOR THEIR STORY

BABY BOOMERS **HOPE** TO FIND AN AUDIENCE FOR THEIR MESSAGE

- SMBs are **64%** more likely to post on Facebook than YouTube
- Millennials are **183%** more likely to post a video on Instagram than baby boomers
- **1 in 4** millennials post video to company blogs and mobile apps, 0% of baby boomers do
- Baby boomers are **164%** more likely than millennials to include a video in email communications

▶ SMB VIDEO CREATION: MILLENNIALS VS. BABY BOOMERS

Millennials see video creation as something they do themselves, whereas baby boomers still outsource it.



46% of millennials say the **TIME** it takes to edit raw footage is their biggest video challenge



37% of baby boomers say the **COST** of editing raw footage is their biggest video challenge

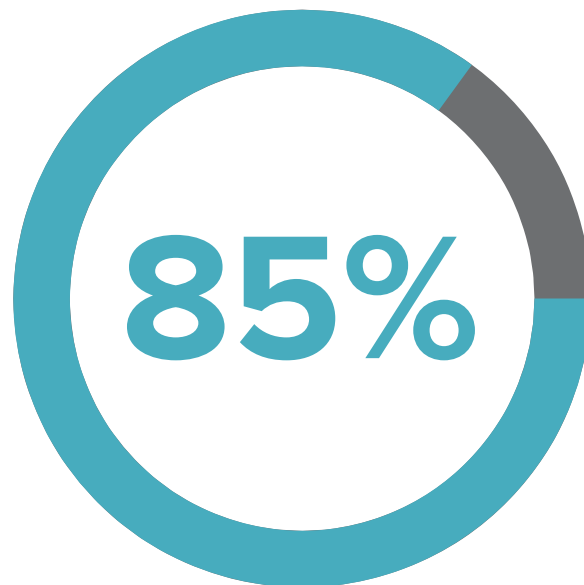
TAKEAWAY: SOCIAL MEDIA IS THE NEW WORD OF MOUTH

While baby boomer marketers rely upon traditional organic “word of mouth”, millennial marketers are **DRIVING** “word of mouth” conversations via social media, allowing them to have greater reach and target markets beyond their immediate sphere of influence.

The younger generation understands that social media has a culture that requires storytelling, where baby boomers assume that traditional marketing content pushed through social channels will have the same effect.

SECTION 03

CONCLUSION: VIDEO IS THE FUTURE OF SMB MARKETING



of SMBs are **currently** using video or **intend** to use video in the near future

▶ SMBs WHO DON'T USE VIDEO ARE INVISIBLE

SMB marketing goals haven't changed, they continue to focus on building brand awareness, generating new customers and maintaining loyalty with existing customers. As millennials take the helm of marketing budgets, the media mix, tools and tactics of how they are accomplishing those goals is radically changing. Their use of social media is eclipsing, and in many places completely replacing traditional marketing. Within social media marketing, native social sophistication and the understanding of powerful nuances drive millennials' success.

- 1. Social is the new mass media.** Nine out of ten millennials at SMBs lead with social media in their marketing strategy.
- 2. The culture of authenticity.** In order to make a sale within social media, millennial marketers understand the need to speak with the authenticity that the channel requires. Over half of millennials at SMBs lead with branded lifestyle video stories versus traditional product overviews that their older colleagues continue to create.
- 3. Targeting audience.** Millennials inherently understand how to push the right content to the right audience at the right time versus posting media and hoping that an audience finds it. Millennials are 183% more likely to post a video to Instagram than baby boomers.
- 4. Understanding the power of video.** Millennials are using video marketing as a pillar of their marketing tactics. They are 136% more likely than baby boomers to create videos for social media.

Facebook reported eight billion views of video a day and recently announced that two million SMBs posted videos in the month of March 2016 alone. Millennials at SMBs are driving the next wave of marketing, and they are doing it with a massive amount of video narratives. SMBs that don't embrace video are simply invisible.

METHODOLOGY

Magisto surveyed 565 U.S. small and medium businesses on whether or not video creation is part of their current marketing strategy as well as how videos are being used and distributed. This survey was completed online and responses were random, voluntary and completely anonymous.

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