



# Quarterly Report

Q3 2023

Marketing & Advertising  
Planning

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# Summary

## Overview

The marketing and advertising landscape for small and medium-sized enterprises (SMEs) is marked by its dynamic nature, presenting a tapestry of trends, challenges, and strategic opportunities. This comprehensive report delves into the intricacies of marketing within the SME sphere, shedding light on key channels, customer engagement strategies, and the evolving preferences of businesses with constrained budgets.

Through a meticulous analysis of data and insights, this report aims to provide SMEs with a clear understanding of prevailing trends and effective strategies, enabling them to navigate the complex marketing terrain with confidence. From the dominance of social media and email marketing to the exploration of diverse avenues, this report offers a nuanced perspective that equips SMEs to make informed decisions, optimise their efforts, and foster sustainable growth.

Capify Business Participants  
**120**  
Australia

# Data Profile Participants

The report provided are from insights from real businesses across Australia from start ups to established companies in various industry sectors and business milestones.



## Top Industry Sectors

- Hotel & Hospitality 11.46%
- Trade Service 9.38%
- Prof & Bus Services 8.33%
- Retail 6.26%
- Wholesale 6.26%



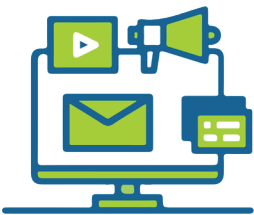
82.29% of Business have Employees **UP TO 5**

53.13% of SME average revenue This quarter: Less than

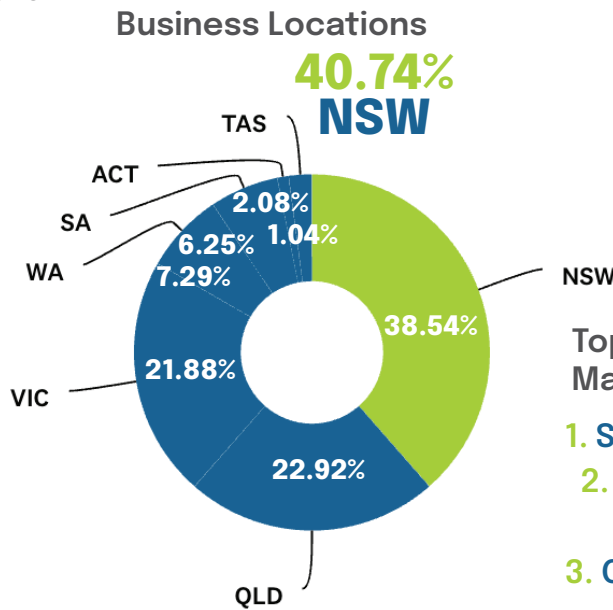
**\$60k**



Most Popular Paid Digital Advertising  
**TikTok**  
50%



Top marketing channels used by SMEs



Top 3 ways of measuring Marketing Success

1. Sales & Revenue
2. Website traffic & enegement metrix
3. Conversion Rates

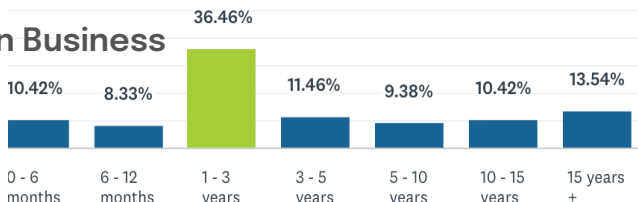


Social Media	75.79%
Email Marketing	36.84%
Print Media	23.16%
Outdoor Advertising ...	20.00%
SEO	15.79%

**60.49%**

Of SMEs face the challenge of limited marketing spend

## Time in Business



YEAR 2023 **43.75%** SPENT LESS THAN **\$5K** MARKETING



# Business Breakdown Overview

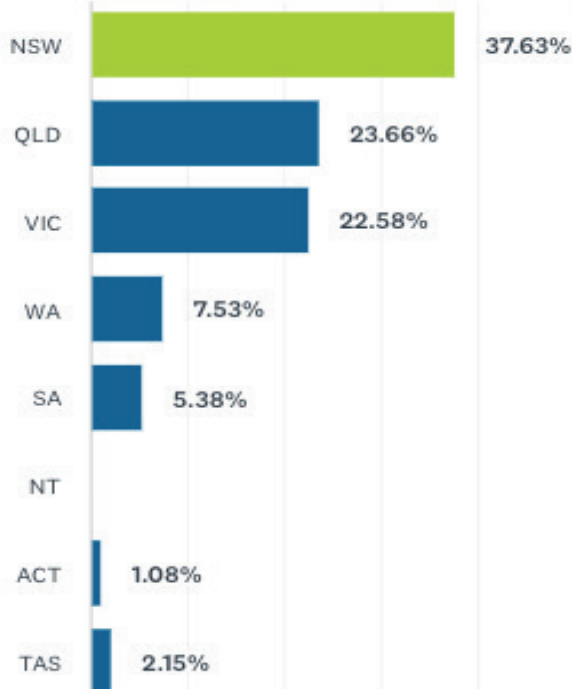
## How many Years in Business



## Business Industry

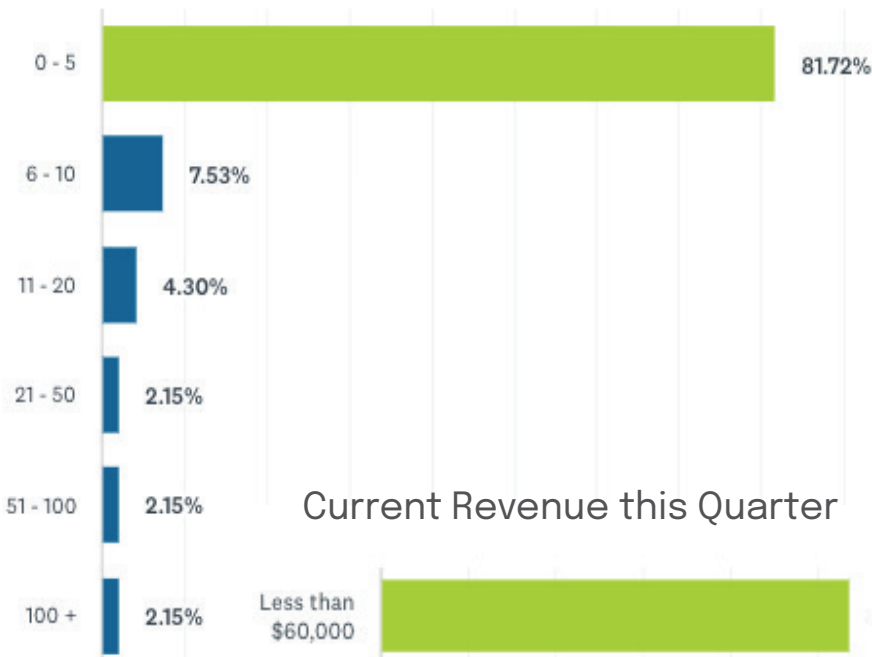
Agriculture	4.30%
Construction	5.38%
Contractor / Trade Services	8.60%
Consumer Services	1.08%
Health	2.15%
Hotel / Hospitality	11.83%
IT Services	3.23%
Manufacturing	3.23%
Education	1.08%
Automotive	5.38%
Online / E-Commerce	5.38%
Professional and Business Services	8.60%
Restaurant / Pub / Café / Bar	3.23%
Real Estate	0.00%
Retail	5.38%
Hair & Beauty	4.30%
Telecommunications	1.08%
Transport and Storage	2.15%
Wholesale	6.45%
Other	0.00%

## Business Located

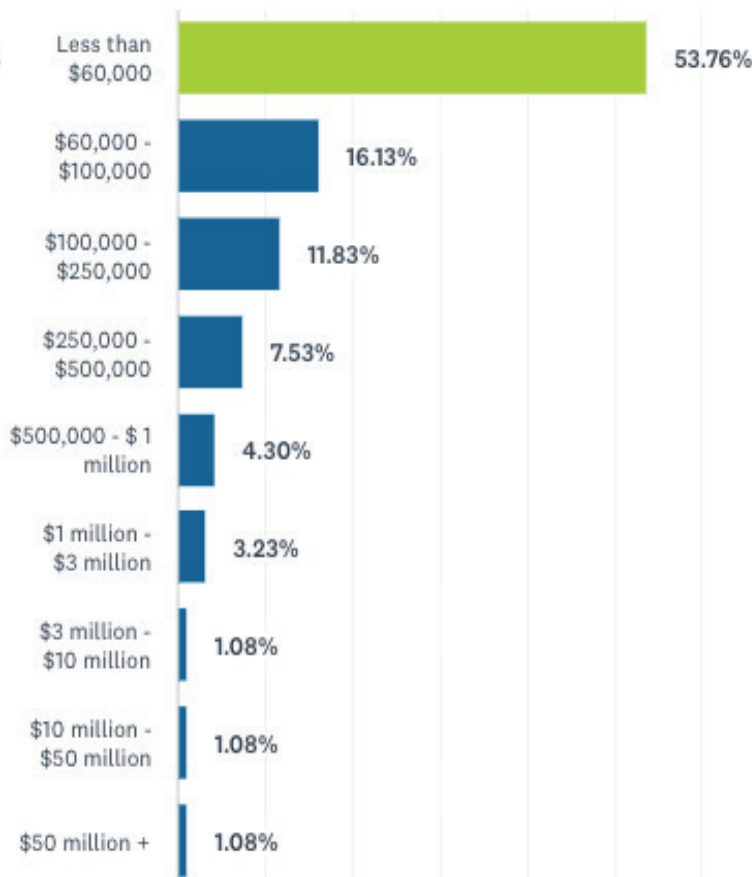


# Business Breakdown Overview

# Of Employees for SMEs



Current Revenue this Quarter



The survey report presents a well-distributed depiction of SMEs in various industries, revealing that 34% of these businesses have been operational for 1-3 years, while the remaining distribution is fairly consistent at around 10% across the board.

Geographically, the distribution of businesses is notable, with 37.63% located in New South Wales, 23.66% in Queensland, and 22.58% in Victoria.

The financial aspect is also highlighted, indicating that 53.76% of the surveyed SMEs generated less than \$60,000 in revenue during this quarter.

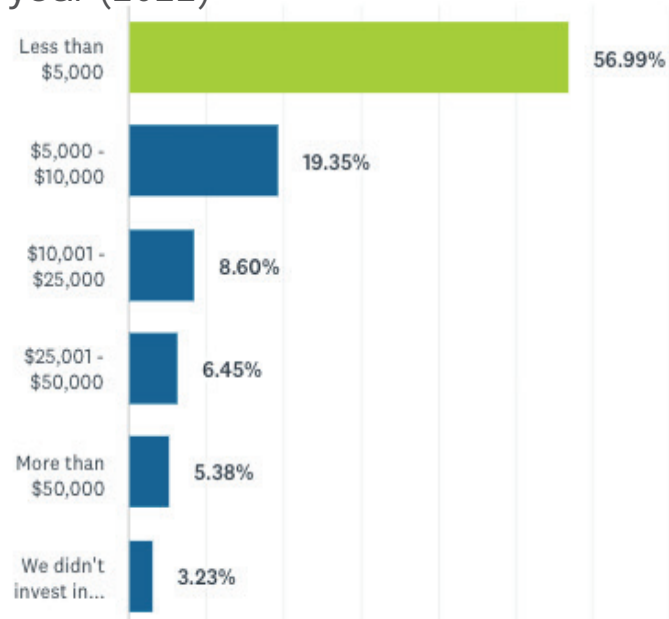
**SMEs are strategically leveraging particular marketing channels to maximise their limited budget constraints and achieve impactful results.**

# Marketing & Advertising Spending for 2022 & 2023

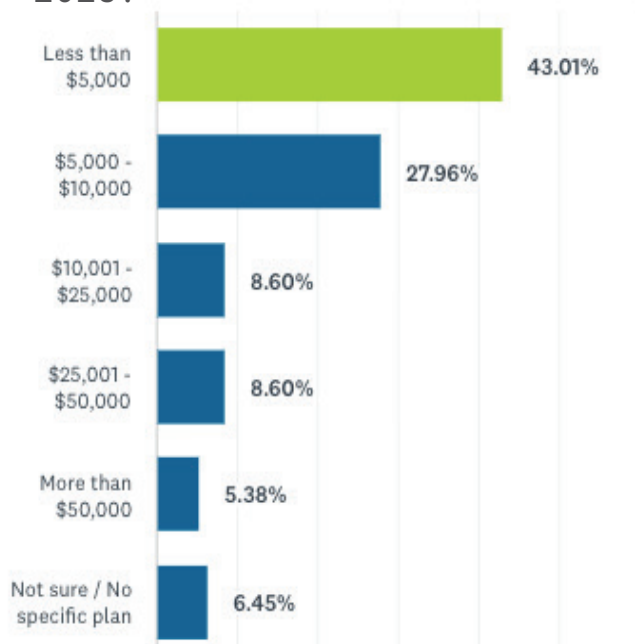
The survey results offer valuable insights into the marketing expenditure patterns of SMEs. Notably, a significant 56.99% of SME businesses allocate budgets of less than \$5,000 in 2022 for their marketing endeavours. However, a marked shift is observed in 2023, with 27.96% of SMEs falling within the \$5,000-\$10,000 spending range, indicating a growing willingness to invest more in marketing efforts. This contrasts with the previous year when only 19.35% were spending within this range. This evolving trend underscores the changing dynamics of SME marketing budgets and a potential shift towards recognising the importance of increased investment.

The study further reveals that a majority of SMEs continue to rely on organic social media and email marketing strategies to engage their target audiences. Interestingly, despite the prevalent budget constraints mentioned by many SMEs, a notable subset persists in utilising traditional, relatively costlier marketing channels such as print, direct mail, outdoor, and radio. This highlights a discrepancy between the perceived budget limitations and the chosen marketing channels. For SMEs operating with tighter budgets, a shift towards digital marketing executions is suggested. Leveraging PPC advertising through platforms like Facebook Ads, Google, and TikTok, as well as exploring paid social media marketing, could be instrumental in driving lead volume and reaching a wider audience without overwhelming budget constraints.

How much did your SME business spend on marketing in the previous year (2022)



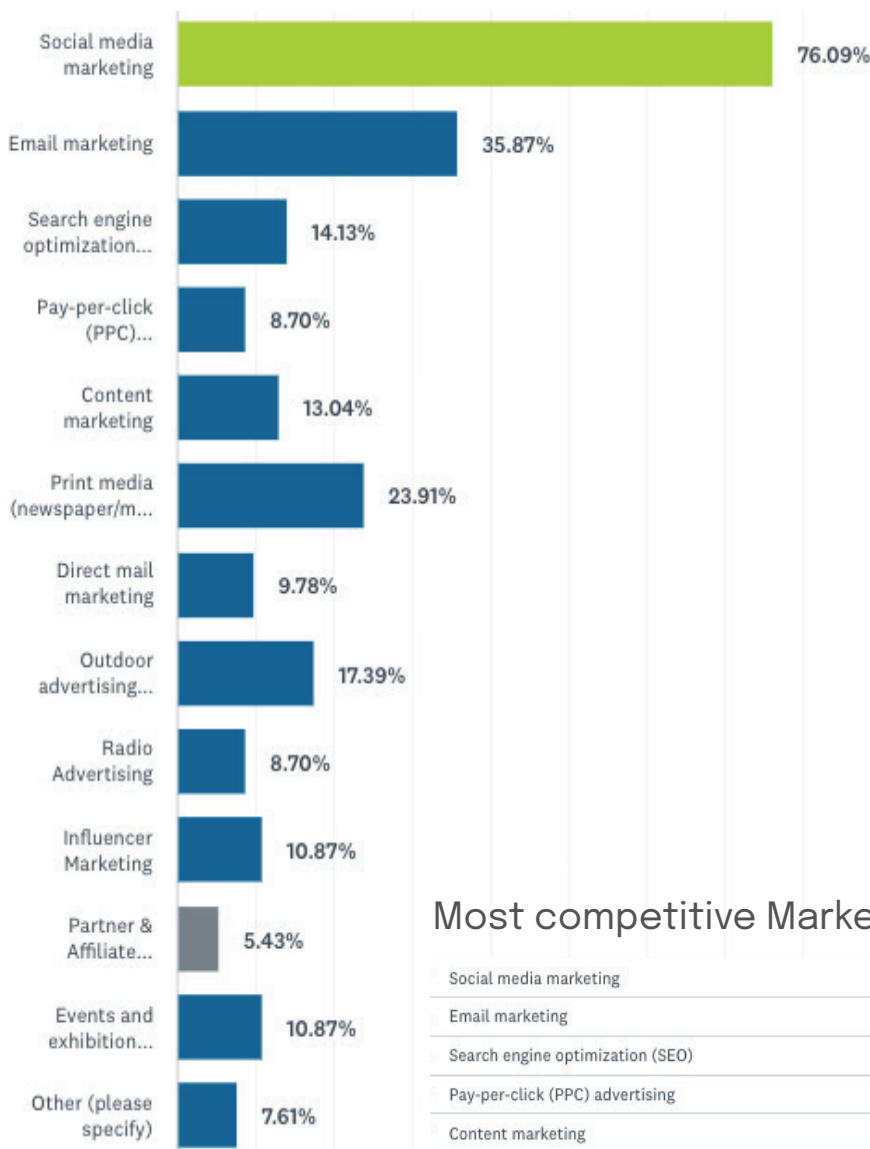
How much do you plan to allocate for marketing and advertising in 2023?



# Marketing & Advertising

## Marketing Channels

Which marketing channels does your SME business currently utilise?



Based on survey results, social media and email marketing emerge as the prevailing options for marketing among SMEs. Notably, only a limited 7.95% of these businesses employed paid social media marketing strategies, while TikTok gained traction as a prominent choice for PPC campaigns.

A significant number of SMEs encountered budget constraints, with the majority allocating less than \$5,000 towards marketing efforts, highlighting a notable untapped potential for growth and expansion. Google stood out as the secondary most prominent marketing channel, underlining its importance in the SME marketing landscape.

### Most competitive Marketing Channel space

Social media marketing	50.62%
Email marketing	4.94%
Search engine optimization (SEO)	4.94%
Pay-per-click (PPC) advertising	4.94%
Content marketing	11.11%
Print media (newspaper/magazines)	7.41%
Direct mail marketing	3.70%
Outdoor advertising (billboards, banners, etc.)	2.47%
Radio Advertising	0.00%
Influencer Marketing	2.47%
Partner & Affiliate Marketing	2.47%
Events and exhibition Marketing	2.47%
Other (please specify)	Responses 2.47%

# Marketing & Advertising

## Successful Channels

The prevailing marketing channels that SMEs currently find most successful are social media, with a notable 75.31%, and email marketing, which is expected given since 76.09% of SMEs predominately use social media marketing. However, the majority of SMEs express a desire to explore a diverse range of alternative marketing channels, reflecting a balanced interest across various strategies. This diversity in interest is unsurprising considering that each marketing avenue holds unique potential, often dependent on the nature of the business.

**Influencer Marketing:** Driven by the power of partnerships and authentic connections, influencer marketing is gaining traction among SMEs. Collaborating with influencers who align with their brand values can help SMEs tap into new audiences and build credibility.

**Video Content:** Video content continues to dominate online platforms, offering engaging visual storytelling. SMEs can utilise video for product demonstrations, behind-the-scenes glimpses, and compelling narratives that resonate with their target audience.

**Podcasts:** The podcast medium provides a unique opportunity for SMEs to reach audiences through audio narratives. By creating valuable, informative, or entertaining content, SMEs can establish themselves as industry thought leaders.

**Affiliate Partnerships:** Affiliate partnerships offer a cost-effective way to expand reach. By teaming up with affiliates who promote their products or services, SMEs can leverage their partners' networks for increased visibility.

**Events:** In-person & online events provide a platform for SMEs to foster direct engagement with their audience. Whether it's workshops, seminars, or conferences, events allow SMEs to showcase their expertise and establish meaningful connections.

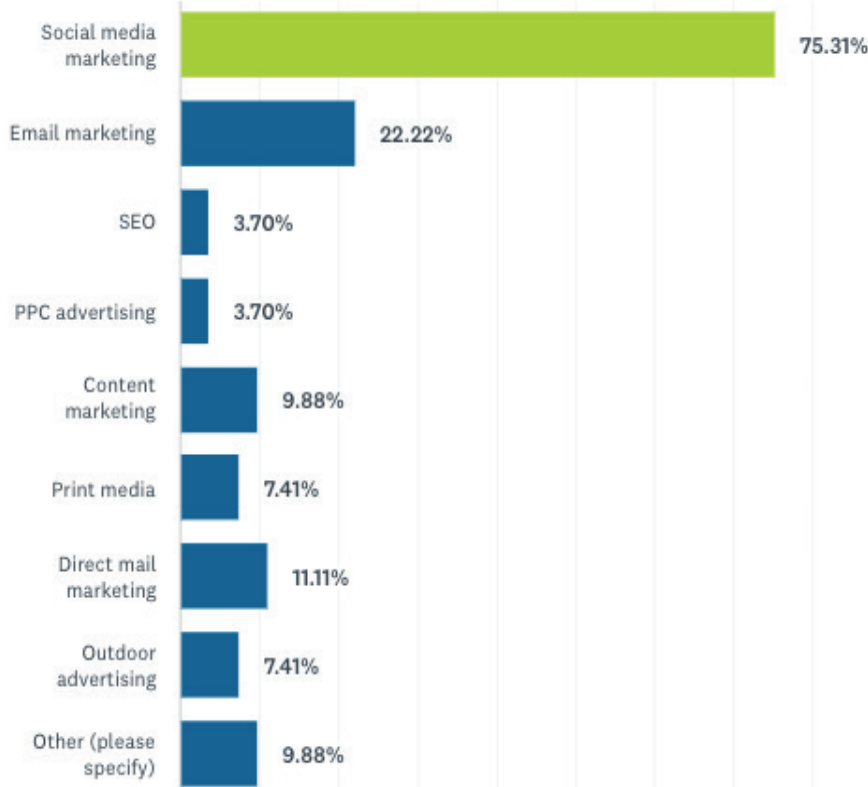
**Referrals:** Leveraging the trust of existing customers through referral programs can be a powerful marketing channel. Encouraging satisfied customers to refer their contacts can lead to organic growth and new leads.



# Tax Laws & Regulations

## New Opportunities

The most successful marketing channels for your SME



Marketing channels SMEs would you like to explore but haven't tried yet



**SMS Campaigns:** SMS campaigns offer a direct and concise way to reach customers. SMEs can use this channel for time-sensitive promotions, order updates, or personalised offers.

**Social Media Campaigns:** Harnessing the power of social media platforms, SMEs can create targeted campaigns to engage their audience. From interactive content to storytelling, social media offers versatile avenues for brand communication.

**PPC Advertising:** PPC advertising allows SMEs to precisely target their audience based on demographics, interests, and online behaviour. This channel offers measurable results and the potential for immediate impact.

Interestingly, 21.25% of SMEs express a lack of interest in venturing into new marketing channels, underscoring the diverse perspectives and preferences within the SME landscape.

# Marketing Campaigns

## Measure of Success

Assessing the success of marketing campaigns is a crucial task for SMEs, enabling them to gauge the effectiveness of their strategies and make informed decisions for future endeavors. Within this intricate landscape of evaluation, various key performance indicators (KPIs) hold significance. This overview delves into the primary metrics SMEs utilise to evaluate campaign success, highlighting the pivotal role each plays in shaping their marketing strategies.

### **Campaign Success Matrix: Navigating Key Performance Indicators for SMEs:**

#### **Sales and Revenue Generated:**

The ultimate gauge of a marketing campaign's success lies in its impact on sales and revenue. SMEs closely monitor the uptick in sales figures and overall revenue generated during and after a campaign. These tangible results provide a direct correlation between the marketing efforts and the financial growth of the business.

#### **Website Traffic and Engagement Metrics:**

Website traffic serves as a vital indicator of campaign effectiveness, with SMEs tracking the influx of visitors, page views, and the duration of time spent on their websites. Coupled with engagement metrics like bounce rates, click-through rates, and session durations, this data offers insights into how effectively the campaign is capturing and retaining the interest of the target audience.

#### **Conversion Rates:**

Conversion rates act as a bridge between website traffic and actual customer action. Whether it's a purchase, sign-up, or other desired action, SMEs analyse the conversion rates to assess how well the campaign is moving potential customers along the desired journey, highlighting the effectiveness of the call-to-actions and user experience.

#### **Return on Investment (ROI):**

Calculating the ROI of a marketing campaign is a pivotal step in determining its success. By weighing the cost of the campaign against the revenue it generated, SMEs ascertain whether the campaign's monetary inputs yielded profitable returns, guiding decisions on future budget allocation.

# Marketing Campaigns

## Measure of Success

### Social Media Metrics (Likes, Shares, etc.):

In the era of social media, metrics such as likes, shares, comments, and follower growth play a significant role in measuring campaign reach and engagement. SMEs analyse these metrics to understand the resonance of their campaigns with their online audience, indicating the effectiveness of their content and brand messaging.

### Customer Feedback and Surveys:

Direct insights from customers through feedback and surveys provide qualitative data on how a campaign was perceived and whether it resonated with the target audience. These insights help SMEs fine-tune their strategies, addressing pain points and capitalising on successful aspects for future campaigns.

While each of these measurement criteria offers valuable insights, a comprehensive understanding of campaign success is achieved by analysing all touch points collectively. By combining data from sales, website engagement, conversions, ROI, social media, and customer feedback, SMEs can refine their strategies and leverage their findings to enhance the impact of their subsequent campaigns.

### Measure of Success

Sales and revenue generated	47.44%	33.33%	8.97%	8.97%	1.28%	0.00%	5.17
Website traffic and engagement metrics	23.08%	26.92%	20.51%	10.26%	12.82%	6.41%	4.18
Conversion rates	11.54%	15.38%	30.77%	19.23%	16.67%	6.41%	3.67
Return on Investment (ROI)	3.85%	11.54%	12.82%	42.31%	20.51%	8.97%	3.09
Social media metrics (likes, shares, etc.)	8.97%	6.41%	14.10%	10.26%	41.03%	19.23%	2.74
Customer feedback and surveys	5.13%	6.41%	12.82%	8.97%	7.69%	58.97%	2.15

# Marketing Challenges

## Overcoming Adversity

Overcoming the marketing challenges that SMEs currently face requires a strategic approach that addresses their unique constraints. This summary explores the most pressing issues and presents solutions for each hurdle, enabling SMEs to navigate the marketing landscape more effectively.

### **Limited Budget for Marketing Spend:**

A paramount concern for SMEs, the challenge of a restricted marketing budget can be tackled through targeted allocation. Focusing on high-impact, cost-efficient strategies such as content marketing and social media engagement can maximise exposure without over-extending resources. Low-cost marketing channels like email marketing and partnership collaborations are also excellent options.

### **Lack of Skills to Execute Marketing:**

To bridge the skills gap, SMEs can invest in employee training or collaborate with freelancers or agencies. Outsourcing tasks like graphic design, copywriting, or SEO can leverage specialised expertise without the need for full-time hires. Alternatively, a cost-effective approach would be to keep it in-house and utilise automated marketing platforms and available online how-to guides.

### **Difficulty in Reaching the Target Audience:**

Precise audience targeting can be achieved through in-depth market research. Utilising data analytics and customer segmentation allows SMEs to tailor their campaigns to the preferences and behaviours of their ideal customers.

### **Keeping Up with Marketing Trends and Technology:**

Staying current requires consistent learning. Attending webinars, reading industry blogs, and participating in online forums can help SMEs stay abreast of the latest trends and adopt new technologies as they emerge.

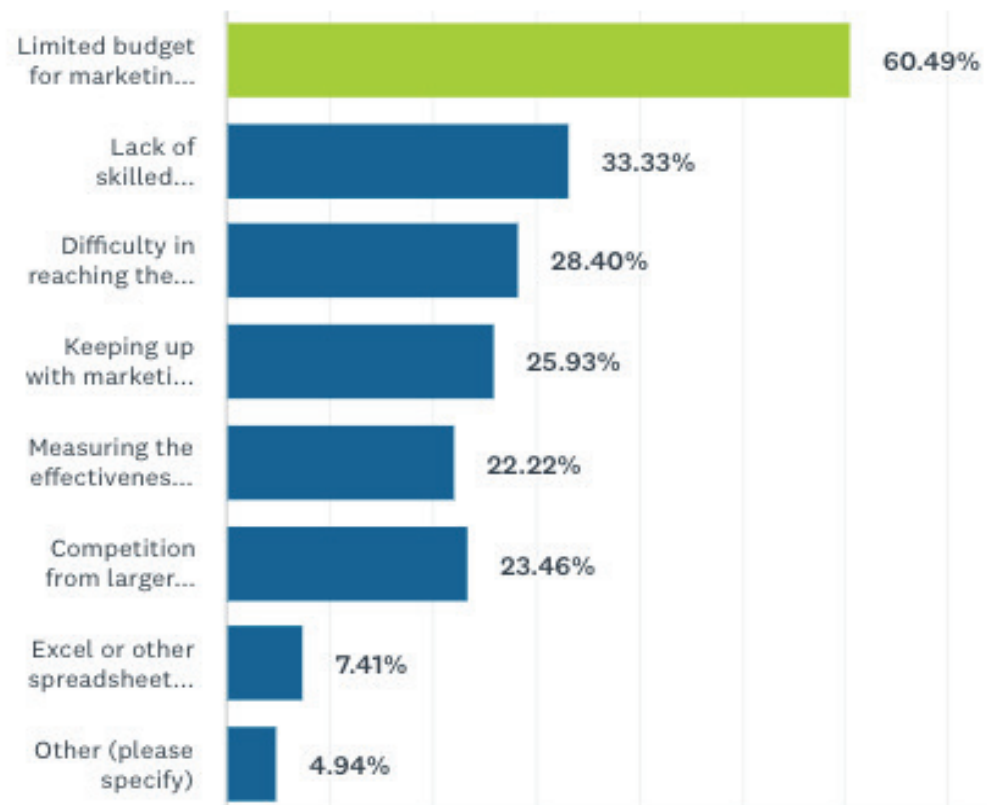
### **Measuring the Effectiveness of Marketing Campaigns:**

Implementing robust analytics tools enables SMEs to track and measure the performance of their campaigns. From website traffic to conversion rates, these insights inform adjustments for enhanced results.

# Marketing Challenges

## Overcoming Adversity

Biggest marketing challenges your SME business currently faces



### Competition from Larger Businesses:

SMEs can differentiate themselves by emphasising their unique value propositions, fostering personal connections with customers, and highlighting their agility and personalised services that larger competitors might lack. Building trust through user-generated content (UGC) and customer reviews can also be effective.

By addressing these challenges head-on and adopting tailored solutions, SMEs can fortify their marketing strategies, position themselves for growth, and better connect with their target audiences, ultimately ensuring long-term success in a competitive market.

**Tips to maximise marketing:** Explore our valuable [marketing tips](#) that can significantly enhance your marketing efforts and help you achieve maximum results.

# Marketing Expertise

## Experience in Marketing

Navigating the realm of social media marketing and branding can be a transformative journey for SMEs seeking to amplify their presence. Remarkably, 88.89% of SMEs find themselves in the realm of low to mid-level knowledge and experience with marketing.

Recognising this appetite for growth, it's crucial to provide accessible avenues for SMEs to acquire expertise in these critical domains. Addressing the fact that 24.69% of SMEs have yet to venture into the world of marketing and advertising, it becomes evident that there's an untapped reservoir of potential. Sourcing tailored resources, workshops, and online courses can empower SMEs to bridge this gap and unlock the immense potential of social media marketing and branding. Through targeted learning, SMEs can harness the power of these tools to create impactful brand narratives, cultivate engaged communities, and secure a competitive edge in today's dynamic business landscape.

### SME's Experience in Marketing

Novice - I have little to no experience	24.69%
Beginner - I have basic knowledge but need guidance	29.63%
Intermediate - I can handle some marketing tasks	34.57%
Advanced - I have a good understanding and experience	8.64%
Other (please specify)	Responses 2.47%

### Skills & Experience SMEs want to learn more about for the future

Social media marketing	22.22%
Email marketing	6.17%
SEO and content optimisation	4.94%
PPC advertising and Google Ads	13.58%
Analytics and data-driven marketing	8.64%
Branding and positioning	22.22%
Customer segmentation and targeting	4.94%
Marketing automation tools	11.11%

# Marketing Expertise

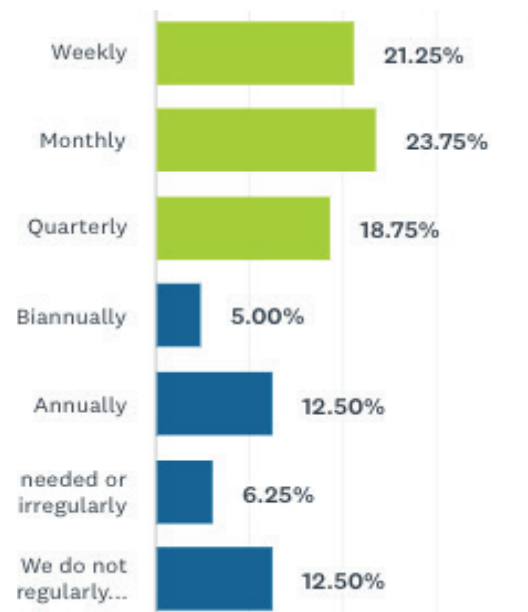
## Performance & staying up to date

SMEs exhibit a strong commitment to staying ahead in the dynamic marketing landscape, employing a diverse range of strategies to ensure their agility and success. Frequent reviews of company results and strategies, conducted weekly, monthly, and quarterly, allow for swift adjustments and refinement.

Notably, 38.10% of SMEs rely on industry blogs and publications to remain informed about emerging trends, while 17.86% prioritize attending marketing conferences and events for firsthand insights. Embracing online courses and webinars as a means of convenient skill enhancement, 34.52% of SMEs keep pace with evolving practices. A substantial 44.05% engage in networking with fellow business owners, fostering the exchange of invaluable perspectives. Additionally, 10.71% seek guidance from marketing agencies or consultants, recognizing the value of expert input. This comprehensive approach empowers SMEs to navigate the marketing landscape with confidence, fostering innovation and adaptability.

**Useful Tip:** Blogs and marketing sources worth checking out to [keep up to date](#).

How often SMEs review Marketing strategies and performance



### How SMEs stay up to date with the latest marketing trends and Industry developments

Industry blogs and publications	38.27%
Attending marketing conferences and events	18.52%
Online courses and webinars	33.33%
Networking with other business owners	43.21%
Marketing agencies or consultants	9.88%
Other (please specify)	Responses 6.17%



# Marketing Expertise

## Areas of Improvement

With budget constraints posing a significant challenge, many SMEs are strategically honing their marketing efforts on social media. This choice is driven by the cost-effectiveness and broad reach that platforms offer. To make the most of their social media endeavors, businesses can optimise their content strategy, engage with their audience consistently, and leverage user-generated content to foster authenticity.

However, while social media holds immense potential, diversification is equally crucial. By exploring avenues like email marketing for personalised outreach, influencer partnerships to tap into existing audiences, and content marketing to establish authority, SMEs can create a well-rounded marketing approach that maximises their impact and engages audiences across multiple touch-points. This approach ensures that while social media remains a cornerstone, SMEs are better positioned to harness the full spectrum of marketing benefits.

**Learn more:** The importance of integrated marketing and how multi-touch marketing can help convert your leads and improve conversions. [Ways to improve your marketing.](#)

### What mosts SMEs think they should improve in

Social media marketing	30.86%
Email marketing	8.64%
Search engine optimization (SEO)	9.88%
Pay-per-click (PPC) advertising	7.41%
Content marketing	14.81%
Print media (newspaper/magazines)	11.11%
Direct mail marketing	1.23%
Outdoor advertising (billboards, banners, etc.)	6.17%
Radio Advertising	1.23%
Influencer Marketing	2.47%
Partner & Affiliate Marketing	0.00%
Events and exhibition Marketing	1.23%
Other (please specify)	Responses 4.94%



# Marketing Expertise

## Customer Loyalty Program

### Approach to customer loyalty programs

We have a structured loyalty program with rewards and incentives	23.46%
We occasionally offer promotions for repeat customers	37.04%
We don't have a specific retention strategy	35.80%
Other (please specify)	3.70%

Responses

### How much Customer feedback influence in Advertising Decisions

Extremely important - We actively use customer feedback to refine strategies	57.50%
Somewhat important - We consider customer feedback, but it's not the primary factor	26.25%
Neutral - Customer feedback is not a major consideration	15.00%
Not important - Customer feedback does not influence our decisions	1.25%

In the realm of customer feedback's impact on marketing decisions, a significant 83.75% of businesses acknowledge its importance, recognizing that insights from their clientele can be invaluable in shaping effective strategies. Impressively, 57.50% of SMEs go beyond acknowledgment and actively refine their marketing approaches based on this feedback, displaying a proactive approach to optimization. However, there remains a notable gap, with 35.80% of SMEs lacking a clear retention or renewal strategy to foster customer loyalty, potentially missing out on long-term relationships.

On a brighter note, 37.04% of businesses embrace the power of occasional marketing promotions and activities, capitalizing on opportunities to engage their audience and enhance their brand presence.

**Useful Tip:** An insightful tip to consider is to not only listen to customer feedback but also implement a comprehensive retention strategy that demonstrates appreciation for their loyalty, which can be an integral component in sustaining business growth. [Learn more.](#)

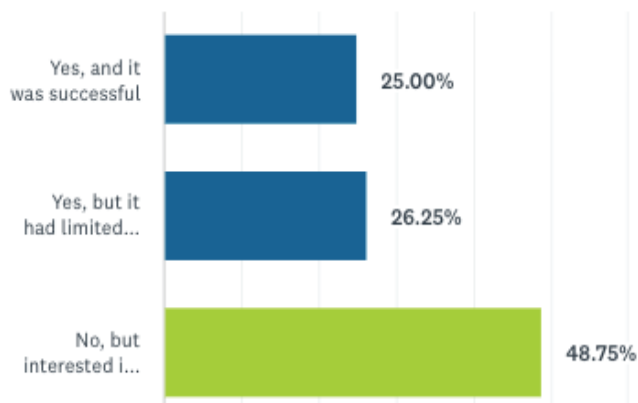
# Collaboration

## UGC Marketing Content

How open SMEs are to Collaboration projects and opportunities

Very open - We actively seek collaborative opportunities	29.76%
Somewhat open - We consider collaborations on a case-by-case basis	30.95%
Neutral - We are open to collaborations but haven't explored it yet	23.81%
Not open - We prefer independent marketing efforts	13.10%
Other (please specify)	<a href="#">Responses</a> 2.38%

SMEs who have utilises UGC content for testimonials, reviews, social media content and other business related purposes



A significant portion of SMEs, approximately 50%, demonstrate openness to collaborations and partnerships as part of their marketing strategy, recognising the potential benefits of shared resources and expanded reach.

Conversely, 13.10% express a preference for independent marketing efforts, emphasising self-reliance in their promotional endeavors. Interestingly, a substantial 48.75% of SMEs have yet to explore the potential of user-generated content (UGC), testimonials, reviews, and other social media techniques, which hold immense potential in reinforcing brand trust and increasing exposure.

To tap into these opportunities, SMEs can leverage various marketing media platforms that are readily available, facilitating the incorporation of authentic user experiences into their brand narrative and forging stronger connections with their audience.

# Marketing & Advertising Summary

The marketing and advertising report for SMEs offers a comprehensive analysis of the current landscape, revealing notable trends, challenges, and strategic considerations within the realm of small and medium-sized enterprises. The report underscores the dominance of social media and email marketing as primary channels, with an impressive 75.31% and 57.50% engagement, respectively, attributed to their cost-effective nature. Interestingly, despite budgetary constraints, a noteworthy 48.75% of SMEs express an eagerness to explore alternative marketing avenues such as influencer marketing, video content, event, referral, and podcasting, indicating a proactive approach to diversification.

Within this context, the report highlights the significance of customer feedback in shaping marketing strategies, with 83.75% of businesses acknowledging its impact. Among these, 57.50% of SMEs actively refine their marketing approaches based on feedback, demonstrating a commendable commitment to optimisation. Furthermore, the report uncovers an area of opportunity: 35.80% of businesses currently lack a retention or renewal strategy for nurturing customer loyalty, while 37.04% embrace occasional marketing promotions and activities.

The report, rich in insights and statistics, serves as an invaluable guide for SMEs seeking to navigate the multifaceted marketing landscape. By presenting both challenges and avenues for growth, it equips businesses with the knowledge needed to make informed decisions, fostering strategic adaptation and sustainable progress.

**Get in touch our team at Capify via email at [info@capify.com.au](mailto:info@capify.com.au), and we can assist you by providing access to business advisors, funding for Marketing, and various business-related solutions, along with financial consultants to guide you in the right direction.**



## Capify Quarterly Report

For more details contact [info@capify.com.au](mailto:info@capify.com.au)