

ATB BUSINESS BEAT:

The pulse on business in Alberta

ATB Business™

Volume 17, April 2017

How are small and mid-sized businesses in Alberta using social media?

Social media has revolutionized the way that we interact, socialize, keep in touch with old friends and share information about business. In this ATB Business Beat we looked at how many Alberta small and mid-sized businesses (SMEs) are on social media, who they are and what they use it for. Looking forward, we asked if they think their business will use social media more, less or about the same amount in the coming year.

We also asked our regular questions on whether or not Alberta SMEs believe the Alberta economy, and their business, will be better off, the same or worse off six months from now.



BUSINESSES ON SOCIAL MEDIA

53%

OF ALBERTA BUSINESSES
DO NOT USE SOCIAL MEDIA

We asked whether Alberta SMEs use social media or make social media postings and 47% said yes, up 12% from December 2013 when we asked this same question. Perhaps what is surprising is that slightly more than half (53%) still do not use social media for business purposes, with the main reasons being that they feel they don't need to use it or it's not relevant to their business.



// WE HAVEN'T HAD THE NEED TO [USE SOCIAL MEDIA]. WE TYPICALLY RELY ON WORD OF MOUTH. WE CONSIDER OURSELVES AN ESTABLISHED BUSINESS. WE ARE AS BUSY AS WE WANT TO BE. //

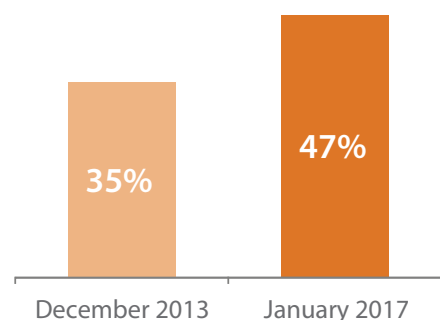
– Owner/Operator,
Health Care and Social Assistance
6 years in business, 1–4 employees,
\$500,000 to less than \$1 million
in revenues



// WE DEAL WITH A LOT OF YOUNGER PEOPLE, AND PEOPLE ARE MOVING MORE AND MORE TO A SOCIAL MEDIA PLATFORM TO INVESTIGATE AND MAKE DECISIONS. //

– Chief Executive Officer, Aviation
Service & Aviation Education
35 years in business, 5–19 employees,
\$3 million to less than \$5 million
in revenues

Social media usage increasing



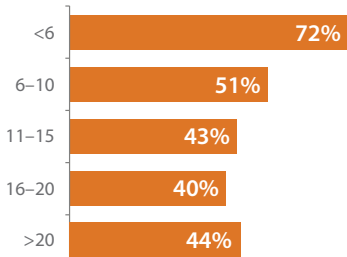
WHO IS USING SOCIAL MEDIA?

Who makes up the 47% of Alberta businesses using social media? In the retail industry, seven out of 10 (71%) of SMEs use social media compared to just over 33% in the energy/oil & gas industry, 29% in the construction industry and 25% in manufacturing. It appears the use of social media is the norm for the majority of companies who have been in business less than six years, with 72% reporting social media use. Consistent with this, more businesses with younger financial decision makers engage in social media and the proportion of users steadily declines with age. Social media use is slightly higher among female respondents than male respondents. We also found that social media use tends to increase with organization size.

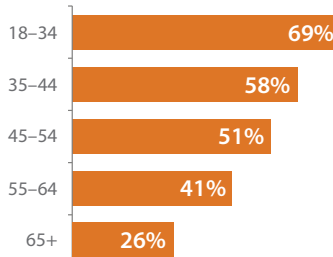
Our survey revealed that businesses are most likely to use social media during the initial growth, start-up, and expansion life stages. This supports the reasons why businesses are using social media: using advertising and promotions as a catalyst for growth. Mature and winding-down life stage businesses are least likely to use social media.

Social media usage highest among growth stage SMEs

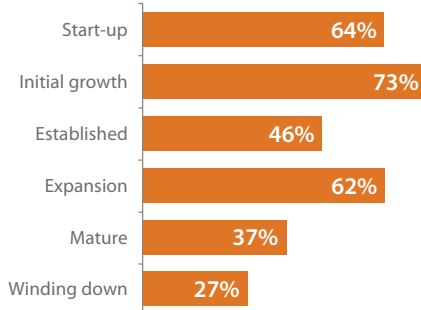
Years in business



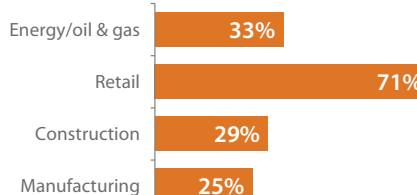
Respondent age



Business life stage



Industry



// I AM JUST WORRIED ABOUT THE REVIEW SO I WOULD RATHER NOT USE IT AND DON'T HAVE THE RIGHT PERSON TO ADVISE ME. //

– Managing Director,
Health Care and Social Assistance
6 years in business, 1-4 employees,
Less than \$250,000 in revenues



// IT'S NOT BENEFICIAL TO MY BUSINESS SO I DON'T BOTHER. I JUST CAN'T SEE ANY BENEFITS TO THE WAY I DO BUSINESS. //

– President, Energy or Oil & Gas
13 years in business, 1-4 employees,
\$250,000 to less than \$500,000 in revenues



// SEEMS TO BE THE NEWEST WAY OF MARKETING NOW INSTEAD OF PRINT. //

– Owner/Operator, Retail
70 years in business, 5-19 employees,
\$1 million to less than \$3 million in revenues



// I'M AN OLD DOG AND WE'RE SMALL. WE DON'T HAVE THE TIME OR EXPERTISE TO DO IT. THAT'S FOR CENOVUS AND IMPERIAL OIL THAT HAVE THREE PEOPLE RUNNING IT. WE JUST DON'T HAVE THE RESOURCES FOR IT. //

– Chief Executive Officer,
Energy or Oil & Gas
10 years in business, 1-4 employees,
\$500,000 to less than \$1 million
in revenues



// TO GET OUR NAME OUT THERE AND APPEAL TO THE YOUNGER GENERATION. THEY ARE MORE APT TO GO ON SOCIAL MEDIA TO DO BUSINESS RATHER THAN FACE-TO-FACE. //

– General Manager, Insurance
15 years in business, 50-99 employees,
\$500,000 to less than \$1 million
in revenues



// THE TREND, THAT'S WHY WE USE IT. EVERYBODY'S GOING ON SOCIAL MEDIA. I BELIEVE IN WORD OF MOUTH, THAT'S HOW I'VE RUN THE BUSINESS FOR THE LAST 17 YEARS. //

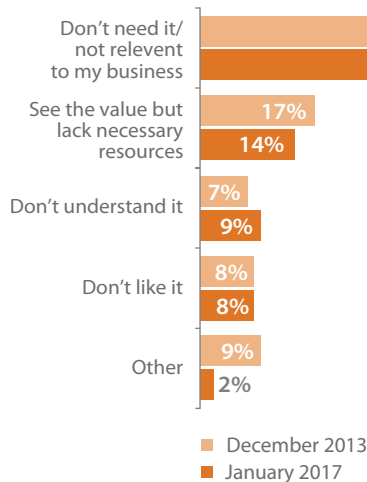
– Owner/Operator, Automotive
17 years in business, 5-19 employees,
\$1 million to less than \$3 million
in revenues

WHY SOCIAL MEDIA?

The main reasons for using social media



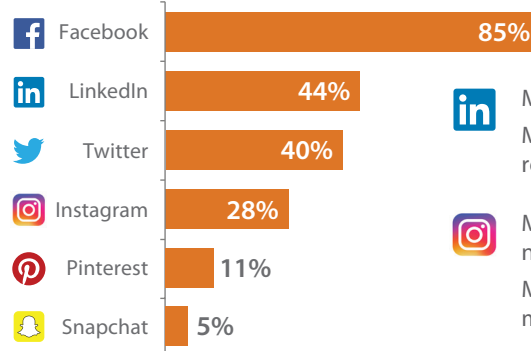
The main reasons for not using social media



It's interesting to see how the use of social media has changed since we last polled SMEs. It appears more Alberta SMEs are using social media for advertising and promotion which might explain the high number of retail businesses who choose it as a method for engagement. For those that don't use it, almost seven in 10 (68%) simply don't see the need for it or its relevance/value to their business.

WHICH SOCIAL MEDIA?

Although its use has fallen by 11% since 2013, Facebook is still the reigning monarch of social media with 85% of SMEs saying they use it for their business. Other popular platforms include LinkedIn with 44% of SMEs being active users (unchanged since 2013) and 40% on Twitter which saw the biggest decline in use (down 15% from 2013). Instagram had the biggest jump with 28% of SMEs surveyed being users (up 14% since 2013).



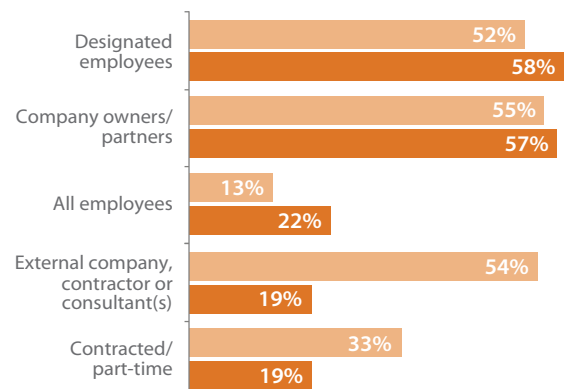
- Facebook** More popular among women than men
- LinkedIn** More popular among men than women
More popular among energy industry respondents (versus other industries)
- Instagram** More popular among entrepreneurs versus non-entrepreneurs
Most popular construction industry social media service
- Snapchat** More popular among respondents 18-34 versus older respondents

WHO HANDLES IT?

The playing field has changed a little since 2013 in terms of who runs the social media for businesses in Alberta. External companies, contractors and consultants took a major hit as businesses are more likely to handle their social media internally. A majority of SMEs with financial decision makers 65 years of age or older use external contractors, suggesting that the older generation may lack the in-house expertise to manage their business' social media presence.

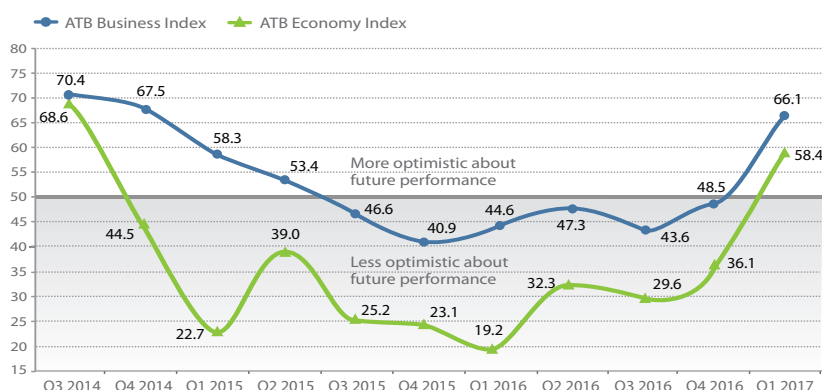
Who manages your social media?

December 2013
January 2017

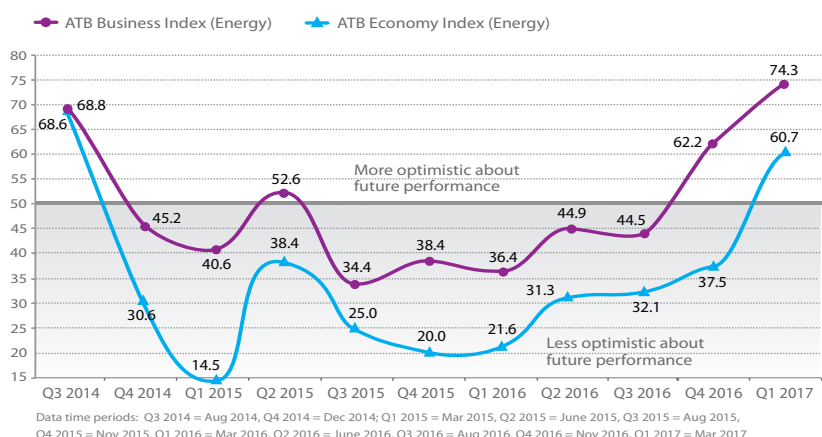


ATB BUSINESS BEAT INDEXES

Business Beat Index



Energy Index



To determine the indexes, we remove the neutral numbers, take the % better (somewhat/much better) and subtract the % worse (somewhat/much worse) and rescale the number to range between 0 to 100.

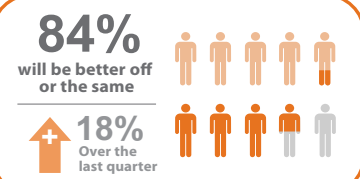
We are seeing a huge shift towards the positive and optimistic with this Business Beat. The ATB Business Index, which measures Alberta business owners' confidence in the future of their own operations, measured 66.1 for the first quarter of 2017. That's the highest ATB Business Index score since the fourth quarter of 2014 when energy prices started to decline. It's also a jump of 17.6 points compared to the previous quarter and the largest quarterly increase in the ATB Business Index since its inception in 2013. The ATB Economy Index, which measures Alberta business owners' confidence in the provincial economy, measured 58.4 in the same quarter. This is also the highest score since 2014 and a jump of 22.3 points since last quarter. More than seven in 10 (72%) of Alberta business owners (an increase of

22 percentage points from last quarter) believe the province's economy will be better off or the same six months from now, while 84% of business owners (up 18 points from last quarter) believe their company will be better off or the same six months from now.

Alberta Economy



Your Company



ABOUT THIS REPORT

For more information on this report or the next ATB Business Beat, please email businessbeat@atb.com or visit atb.com/businessbeat to be put on the mailing list.

About ATB Financial

ATB Financial (atb.com) is the largest Alberta-based financial institution, with assets of \$46.8 billion. ATB offers retail financial services, business and agriculture financial services, corporate financial services and investor services to more than 730,000 Albertans and Alberta-based businesses in 244 communities in our province. ATB Business and Agriculture provides services to Alberta's small and mid-sized businesses, farmers and other agriculture customers.



To find out how ATB Financial can help your business grow, please contact:

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About NRG Research Group

NRG Research Group (nrgresearchgroup.com) is a leading Canadian public affairs and market research company with offices in Calgary, Vancouver and Winnipeg.

Who did we talk to?

These findings are from a study that was conducted as part of the Alberta Business Survey, gathering input from 550 respondents from January 18 to February 17, 2017. The purpose of the study is to gain an understanding of the challenges faced by small to mid-sized businesses in Alberta, and to track confidence in the business climate in Alberta.

Study exclusions: agriculture (farms or ranches), government, financial institutions, and large businesses (500+ employees).

Business size definitions: small (0-49 full-time employees) and mid-sized (50-499 full-time employees)