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Dynamic Markets Report: Australia

Unlocking small business innovation and
growth through the personalised economy

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Executive Summary

Dynamic Markets

Unlocking small business innovation and growth through the rise of the personalised economy —Australia snapshot.

In May 2021, Deloitte published a global study on how digital technologies enable small businesses to enhance the personalisation of their products, services and interactions with customers, helping them launch their businesses, innovate and grow.

Australia's small and medium sized businesses (SMBs) face a number of challenges when launching their business and competing in the market, ranging from their limited scale and financial resources, to a lack of brand recognition. Many of them overcome these challenges by offering a more personalised customer experience. Personalisation can take place right across the business, from customising products and services, to building a unique brand image, tailoring marketing to a specific audience and developing a strong one-to-one connection with a community of customers. In short, personalisation allows SMBs to differentiate themselves and compete for customers.

Digital technologies and social media are, in turn, helping SMBs to deepen this personalisation at every stage, from business ideation and product development, to marketing and long-term business operations.

This report is an Australian snapshot of a global report,¹ drawing on existing literature and an online survey of 1,000 SMB founders, owners and senior managers across Australia. The results highlight the role social media and

other digital technologies play in boosting the personalisation of products, services and customer experiences. In so doing, they enable SMBs to launch their businesses, grow, create jobs and become more resilient to changing market conditions.

Moreover, digital technologies help unlock the growing demand for personalisation by allowing SMBs to find, and be found by, the right customers not just locally in Australia, but also allowing them access to a global marketplace and the potential to grow beyond local borders.

By connecting aspiring entrepreneurs with potential customers and investors, SMBs can build the necessary confidence in their ideas to launch a business. Social media, e-commerce sites such as Shopify and crowdfunding platforms such as Kickstarter reduce the costs and perceived risk of starting a business, enabling more SMBs to enter the market. **53% of SMBs using Facebook apps reported that they were important in giving them the confidence to start their businesses.**

Digital technologies help unlock the growing demand for personalisation

In the early stages of business development, interactions on social media and online forums are a catalyst for product ideation and allow SMBs to tailor their products to the needs

¹ Dynamic Markets Unlocking small business innovation and growth through the rise of the personalised economy Deloitte LLP | May 2021

and tastes of their customers. In our online survey, **53% of respondents reported testing their ideas with or getting ideas from an online community as part of developing new products and services.** This includes both informal interactions on social media platforms, such as Twitter or Facebook, and formal information exchanges on dedicated platforms, such as OpenIDEO. The Facebook apps (including Facebook, Instagram, WhatsApp and Messenger) were recognised as particularly important to SMBs in their early stages, with **64% of SMBs using the Facebook apps reported that they were important for obtaining feedback,** which in turn helped improve their product or service.

By connecting aspiring entrepreneurs with potential customers and investors, SMBs can build the necessary confidence in their ideas to launch a business. Social media, e-commerce sites such as Shopify and crowdfunding platforms such as Kickstarter reduce the costs and perceived risk of starting a business, enabling more SMBs to enter the market and be market-ready within a short period of time. **In fact, 82% of SMB owners reported using Facebook apps to help them start their businesses.**

Once the business is established, a digital presence enables SMBs to develop a curated brand image and establish a strong community of global followers, through personalised online interactions. Social media pages, websites, hashtags and personalised advertising campaigns allow SMBs to find and connect with their target audience in a way which resonates with individual consumers. This helps them stand out from their competitors, expand their customer base geographically and increase their sales in the long term. We find that **of those that reported overseas sales, 56% of SMBs reported that more than half of their sales were from international customers.**

Personalised advertisements, in particular, help SMBs tailor their marketing, connect with the right customer segment and therefore increase sales. In our survey, **71% of SMBs using personalised ads reported that these advertisements were important to the success of their businesses.**

64%

of SMBs using the Facebook apps reported that they were important for obtaining feedback, which in turn helped improve their product or service.

A majority of SMBs also reported they were effective in finding customers and important in reducing advertising costs.

Digital technologies also help SMBs tailor their working processes, develop their employees, keep up with trends in the industry and find the right people for their business. For example, in our online survey, **90% of SMBs reported using digital platforms for e-learning and 62% of SMBs reporting using Facebook apps as part of their hiring process.**

These findings are indicative that greater access to digital technologies through social media can help aspiring entrepreneurs and SMBs all across Australia succeed by **fostering personalisation across different aspects of their businesses.** Economic and social benefits naturally follow through **increased innovation and competition and a wider choice of prices, products and quality.**

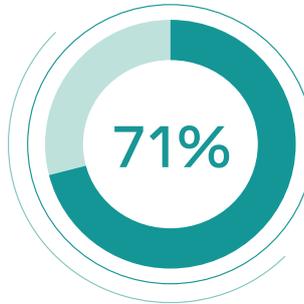
The remainder of this report expands on these themes and showcases further how digital technologies are allowing SMBs to integrate personalisation into their businesses in order to set up faster, be more resilient in the face of the COVID-19 pandemic, grow beyond just the local market, and also more efficiently create job and hire from their local communities.

¹ Dynamic Markets Unlocking small business innovation and growth through the rise of the personalised economy Deloitte LLP | May 2021



Dynamic Markets Report: Australia—At A Glance

Social media and digital technologies are enabling small and medium-sized businesses (SMBs) to enhance the personalisation of their products, services and customer experiences. These tools are helping SMBs to launch their businesses, grow, reach people in other countries and become more resilient to changing market conditions.



of SMBs in Australia that use personalised advertising reported that it is **important for the success** of their businesses.

Facebook apps are supporting new SMBs in Australia to be market-ready faster and helping them upskill:



of SMBs in Australia reported using **Facebook apps to help them start their businesses.**



of SMBs in Australia using Facebook apps reported that they were **important in giving them the confidence to start their businesses.**



of SMBs in Australia using Facebook apps reported that they were **important for reducing the time** required to launch their product or service.



of SMBs in Australia reported using Facebook tools **to keep up to date** with new skills and industry information.

Facebook apps are helping SMBs in Australia to build resilience during the pandemic:



of SMBs in Australia that use Facebook apps reported that they were important to adapt to the **changing business environment** during the pandemic.



of SMBs in Australia that use Facebook apps reported that they were important for **attracting new customers** during the pandemic.

Many SMBs in Australia harnessed the power of Facebook and personalised advertising to grow their businesses:



of SMBs that use personalised advertising reported that it is important to effectively finding **new customers** for their businesses.



of SMBs that use personalised advertising on Facebook or Instagram reported that it is important to **successfully growing** their businesses.

Results are from Deloitte analysis of an online survey of 30,500 SMB owners or senior managers across 18 countries conducted by Ipsos Public Affairs. A targeted sampling approach was used for the study, focusing on business owners and senior managers across 14 industries that represent businesses with under 250 employees. Ipsos used Dun & Bradstreet industry statistics to balance the sample in each country. The survey was fielded between February 11 and March 8, 2021, and included 1,000 respondents in Australia. Regression results from the full 18 country sample reported in this study are based on an odds ratio specification. These results represent observed, not causal relationships. For more details on the methodology, see [here](#). For more on the survey see [here](#).

📍 Erina, New South Wales

Survival Emergency Solutions



A personal tragedy inspired twin brothers, Jerry and Tim Tyrell, to launch Survival Emergency Solutions in 1988. Beginning with an award-winning handbook, the business has since developed a full range of pioneering first aid products, including the iFirstAid app, educational videos and the SMART bandage. Survival now uses Facebook and Instagram to reach and educate potential customers, and continues to thrive even during the pandemic.

As Australians have begun to embrace regional and interstate travel post COVID-19 lockdowns, Survival is responding to this opportunity by using Facebook apps to deliver first aid videos to empower the audience with knowledge on how to respond to emergency situations. Paired together with a continuous testing of personalised advertising strategies across Facebook apps, this two-pronged strategy is helping spread Survival's safety message and promote their life-saving products—from their worst month of April 2020, they have since turned it around into hiring 5 additional staff via local Facebook Groups just to keep up with demand.

Survival's strategy of combining their educational content, structured ad campaigns and personalised advertising has enabled them to reach the widest possible audience, from Australian farmers to people on remote properties. On an international level, while they have no physical presence overseas, they are generating international sales and raising awareness in these new markets purely by using Facebook apps.

A recent sales campaign shows that over half of the sales generated are attributed to Facebook sales campaigns, with over \$77,000 (out of \$144,000) coming from Facebook and Instagram. Additionally, their Instagram campaign achieved an impressive 7.6x return on advertising spends (ROAS).

Survival are now turning their sights to the US market and will be relying on Facebook apps to educate and empower the US audience.

“Because of the instructional videos we have created on Facebook, we receive many phone calls each week from locals in the area wanting to pop in and pick up some of our life saving first aid products.”

—Jordan Green, Online Lead

 facebook.com/survivalfirstaid

 instagram.com/survivalfirstaid

 survivalfirstaidkits.net.au

5 New Hires

Hired from the local Erina community in 2020 through promoting on local Facebook Groups

7.6x ROAS

Achieved on a recent Instagram advertising campaign

>50%

Sales attributed to Facebook apps

Information provided by Survival Emergency Solutions

Torquay, Victoria

Boardsox



A surf accessory business that started life in 2019, Boardsox is on a mission to offer outstanding products, sustainably-made to help protect two of the things surfers love most - their boards, and the ocean.

Traditional surfboard covers, or 'board socks' as they're known, don't have a long life, ripping easily, sticking to surf wax, and having a poor environmental footprint. By investing in longer lasting canvas bags, and partnering with a diverse range of artists to design prints on them, the team created a product that's durable, practical, desirable, and most importantly, more sustainable. Now all they had to do was get it in front of the right people.

Like any new brand starting out, budgets were small, and the task seemed huge. But the founders turned to Facebook to establish a customer base, build a community, and support retailers with locally targeted ads that drove people in-store.

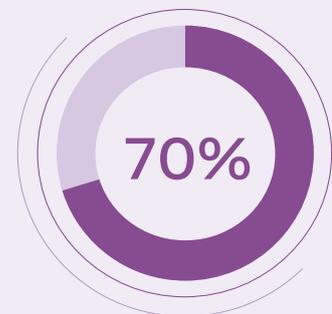
Carefully choosing creative partners helped too. By working with Indigenous artists, community-based charities and organisations like JURAKI and One Wave is All it Takes, the team were able to cross-promote on social channels and access new audiences, while doing good (10% of profits from selected designs are donated to charity).

Designed by an Indigenous artist, Zachary Bennett-Brook, their recent Bombara Boardsox collection has funded surf lessons for over 100 young Aboriginal and Torres Strait Islander people.

With sales up 413% between 2019 and 2020, the Boardsox team are keeping the momentum going with the introduction of exciting new product lines, and international export, using the same online targeting of surfer communities that has proven such a success in Australia. Just like Boardsox, 82% of small business owners say Facebook apps helped them get up and running.

 **413%**
sales increase

 **5X**
return on ad spend



revenue from
Facebook ads

Information provided by Boardsox

 facebook.com/boardsox

 instagram.com/boardsox

 boardsox.com.au

SUPPORTING AUSTRALIAN SMALL BUSINESS

Small businesses worldwide have been hard hit during the COVID-19 pandemic. During this challenging time, Facebook continues to offer direct support to small businesses across Australia. To date we have reached more than 25,000 small businesses in direct education through our Boost with Facebook program and provided over \$5m in grants to small business and community groups. Learn more at australia.fb.com.