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## **MRS Awards 2021**

Business-to-Business Research

**Winner:**

**IAB UK & MTM**

**Powering Up:**

Helping UK SMEs unlock  
the value of digital advertising

## SUMMARY

Digital advertising and the SME market have a symbiotic relationship, with the low cost and ease of digital channels helping small businesses to flourish and vice versa. However, research from the Advertising Association indicates that small businesses could get so much more out of advertising. At IAB UK, we wanted to understand how SMEs were using digital advertising, where they felt more support was needed and what we could do to help them maximise their investment.

Working with research agency MTM, our study 'Powering Up: Helping UK SMEs unlock the value of digital advertising' showed that while 60% of SMEs were investing in digital advertising, 40% weren't using it at all and one in seven described their ability to use digital as "not good". Crucially, small businesses told us they wanted tailored, accessible and interactive advice to help them utilise digital advertising at a time of crucial economic recovery during the pandemic. To deliver this, we used the research findings to inform the creation of an online, free-to-use, interactive tool for SMEs – whatever their campaign objective. We then utilised our member-base, policy outreach and a partnership with the Federation of Small Businesses to get small businesses using the tool.

## SYNOPSIS

SMEs make up a huge 99.9% of private-sector business and the market has grown by 63% in the past two decades. This period of exponential growth has run parallel to that of digital advertising, with the relatively low cost and ease of digital channels helping smaller businesses to flourish. It's a symbiotic relationship that has helped to establish the UK's digital ad market as a world leader and given rise to a diverse and dynamic SME economy.

However, industry research shows that SMEs are behind in their use of advertising. The Advertising Association's Ad Pays 2 report showed only 18% of ad spend came from SMEs, despite the fact that they contributed 40% to UK turnover at the time of the research. At IAB UK, we also knew from our 'Born Online' research – conducted in 2019 – that digital-native SMEs are utilising digital channels highly effectively and achieving significant cut-through – with 97% of the UK population aware of at least one of the top 50 DTC brands.

This insight begged the questions – what about non-digitally native SMEs? How are they currently using digital advertising? And what support do they need to get the most out of it? We conducted a study with MTM to answer these questions, with the ultimate aim of using what we found to help SMEs across the country start using digital advertising more effectively. This goal took on an added poignancy when it came to conducting our research in Spring 2020. With the COVID-19 outbreak disproportionately impacting small businesses and many having to pivot online to survive, digital skills became all the more important.

Our research findings made clear that there was a huge opportunity to support small businesses in their use of digital advertising and that they overwhelmingly wanted practical, tailored advice on how to use digital channels better. As a result, we then created an interactive online tool to give SMEs the support they needed in the form they wanted it.

We took a multi-pronged approach to promoting the tool in order to ensure that small businesses were aware and using it. We engaged MPs to help spread the word among small businesses in their constituencies, as well as partnering with the Federation of Small Businesses (FSB) to reach their membership. We also worked with our own members in the digital advertising industry to raise awareness of the role that they could play in supporting the development of digital skills for SMEs and to ensure their smaller clients knew about the tool.

## THE RESEARCH

Conducted with MTM, our study – ‘Powering Up: Helping UK SMEs unlock the value of digital advertising’ – draws on evidence from 1,199 UK SMEs to understand small businesses’ use of digital advertising and where they need support to utilise it most effectively. The research included a quantitative survey of SME decision makers (representative of UK online SMEs, with the results weighted towards ONS data in terms of company size and region). We also conducted 11 qualitative interviews with SMEs, covering a range of sectors and business types, with a particular focus outside of London. This dual approach ensured that we had an understanding of the breadth of views and experiences within this hugely varied market, as well as having a deep-dive via qualitative to thoroughly unpick the level of support that SMEs needed and the form it should take.

We found that 60% of SMEs across the UK are currently investing in digital advertising and, of them, 63% believe it delivers a good return on investment. However, this leaves 40% of SMEs that are not using any form of digital advertising and, amongst those that do, they’re not taking full advantage of what it has to offer – often only using one or two channels.

Most crucially, SMEs wanted help to use digital advertising more effectively, particularly while navigating the challenges of the COVID-19 pandemic. Nearly two-thirds (64%) of UK SMEs were concerned about the future of their businesses as a result of the pandemic, and 70% felt it was more important than ever to communicate with customers about their services. One in seven SMEs described their knowledge and ability to use digital as “not good” and, while social media is the most used paid-for digital channel, it also has the highest demand for more support on how to run a campaign effectively.

These results showed that while many SMEs value digital advertising, there was a huge opportunity to help them develop and diversify their use of digital channels, while also providing accessible guidance for those that are currently not investing in digital at all.

### Putting insight into practice

We launched the research at a virtual event in June 2020, held in conjunction with Facebook, that saw over 170 people from across the digital advertising industry attend. Crucially, the results of the study showed that SMEs wanted accessible digital guidance from an objective source, so we also used this event to announce that we would be creating an interactive, online tool to help small businesses use digital effectively. We supported this announcement with a thought-piece in Mediatel to call on the industry to cut the jargon and help us simplify digital advertising for SMEs.

In November 2020, we launched the tool. It draws directly on key insights from our research to inform the areas that the tool covers, as well as the way it functions – with a big emphasis on interactivity and tailored advice. To develop the tool, we worked with over 30 of our members from across the digital advertising industry to pull together jargon-free advice, guides and case studies – catering for a range of campaign objectives and budget levels between £500 to £5 million.

By answering six questions on their campaign objectives, SMEs can access guidance on what digital campaign strategy would work best for them. Results draw on channel-specific guides on how to get started in everything from social media advertising to digital out-of-home, breaking down key considerations and what to expect at each stage of the process. It also pulls together advice on digital measurement, understanding programmatic advertising, and what makes for an effective campaign.

Throughout, there are case studies to illustrate how different channels can deliver for small businesses, as well as links to useful resources from our members.

The fact that the tool tailors advice to specific campaign objectives is a key part of its appeal – particularly as small businesses have such varied aims, identities and resources. We knew that, for the tool to be of most use, it would need to cater to individual business needs.

### Spreading the word

Creating the tool was one thing, ensuring it reached SMEs was quite another. To ensure we were speaking to SMEs across the country, we took a multi-pronged approach. Firstly, we contacted 650 MPs directly to encourage them to share the tool with small businesses in their constituencies – some even took to social media to spread the word! We also contacted senior officials at No. 10 and senior civil servants and ran a feature in ‘The House of Commons’ magazine headlined ‘SME SOS: Helping small businesses use digital advertising is key to recovery’.

Secondly, we collaborated with the Federation of Small Businesses (FSB) to reach their nationwide network of SME members. This included the IAB speaking at a series of webinars with the FSB, attended by 600 small businesses. It’s significant to note that the online tool saw a noticeable peak in use around these events. In addition to the events, the FSB took to Twitter to promote the tool to their 70,000 strong following.

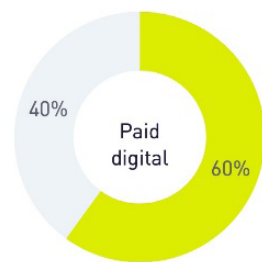
We targeted prominent SME trade titles with press outreach and advertising – such as SME Magazine – as well as advertising trade press. We also worked with our members to encourage them to share it with their smaller clients, most notably Mail Metro Media, Facebook and Bauer Media. We have given one-to-one presentations of the research and demonstrated the tool to over 80 of our members, including Microsoft, News UK, Pinterest and TikTok.

To quote Ryan Uhl, Brand Strategy Director, Mail Metro Media: “The tool provides really helpful and objective advice to small businesses, and, as part of our support to these advertisers, we have been promoting it regularly to our 3,000+ strong database of clients who use our self-service ad platform. We believe that improving the understanding of digital media will help everyone in the ecosystem, especially those looking to grow their businesses online.”

As a result of our multi-pronged approach, we succeeded in reaching a broad, UK-wide audience of SMEs. The tool is in the top 20 most visited pages on the IAB’s website, with 62% of new users to the tool coming from outside of London. Among these users, the most-downloaded guides so far are for

social media, measurement, and mobile and in-app advertising – all areas that the research identified as being where SMEs needed more support. Significantly, the tool is also continuing to reach new people, with 32% of those visiting it in April 2021 new users.

### SMEs use and see the value of digital advertising but 4 in 10 are missing from the market



● Use  
● Do not use



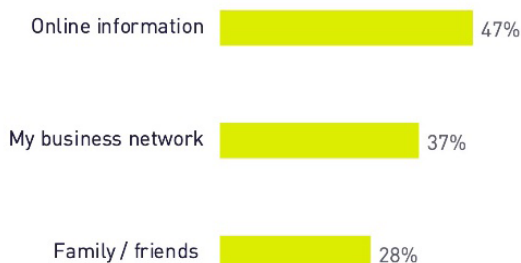
agree paid digital is important to their business success

Source: Q.A6: Which of the following forms of paid-for advertising or marketing have you used in the last 12 months? and Q. C7 - How important is digital advertising to the success of your business? Base: Digital advertisers (680).

“ [Paid digital advertising] has a very good ROI. I play around a lot with the different ads that we run. It is **definitely value for money and we get good paying leads** that come through it.  
– Photography (Micro)

### SMEs rely on online information and a trusted network

Top sources of advice, support and information used on digital advertising:



Source: Q.D2 - Where did you receive advice, support or information to improve your business' digital advertising capabilities from? Base: SMEs who received help on digital advertising – total (308)

### And want support in an interactive, online format

Format SMEs would prefer to receive help in:



Notes: [1] Online support (e.g. chat function to ask questions); [2] An event on getting started in digital; [3] Bespoke / 1 on 1 consultancy with marketing experts from brands agencies  
Source: Q.D5 - How would you prefer to receive advice, support or information about digital advertising? Base: SMEs who want help on digital advertising (583)

## 2. What's your main reason for using this tool today?

Select as many options as apply, as this will help us show you relevant resources

A I want to know where to start

B I'm looking to broaden the advertising I do and use more ways to reach my audience

C I want to know how to measure my advertising and find out if it is working

D I'm looking to improve my digital advertising and make it more effective

E I want to understand programmatic advertising

F I want to know more about building a social media strategy

G I want to know about working with a media agency