

The Increased Business Risks Posed by Social Media as COVID-19 Forces Remote Working.

AGN Global Business Voice.
The AGN Global Survey of issues that impact national business and the SME.



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As COVID-19 drives businesses to embrace remote working, the use of social media is expanding. However, many SMEs across the world are unaware of the associated business risks.

In this edition of the AGN Global Business Voice, we take a look at how SMEs deal with their social media activities – through the lens of our panel of 46 business advisers/firms across the world.

Last year it was estimated that 3.4 billion people were social media users – that’s 9% up on 2018 and a staggering 45% of the world’s population. In March this year, ie peak pandemic, Facebook announced a 50% increase in messaging on its platform in the countries most effected by COVID-19. Between February and March, Instagram recorded 4.4m new users. For some time, people have become concerned about whether the benefits of the social media phenomenon outweigh the social problems it creates.

The hype aside how much do SMEs really focus on social media?

The biggest group of responses in our panel suggest that SMEs see social media as ‘significant’ but not a dominant part of their marketing – something like a quarter of activity. Only 20% would say that social media equates to half of their client’s marketing activity.

The biggest headline here is that, according to our panel of advisors, nearly 40% of SMEs dedicate less than 10% of their marketing through channels that we know reach 45% of the world’s people.

But, whatever you feel about social media, if you run a business, the statistics tell you it shouldn’t be ignored.

There is increasing scepticism about the commercial uses of social media with some suggesting that the ‘must have’ digital targeting platforms are less of a laudable gift to SME business than was once thought. There is even the suggestion that Facebook has created a whole generation of ‘bad customers’ – lazy, disloyal, expensive, elusive...and fickle.

“It’s clear SMEs do not see this as a priority. Either they have tried social media strategies and failed, or they could be missing the advantages that highly targeted social media could deliver”. – Malcolm Ward CEO AGN International.

Q1: How much do the SME clients you know rely on social media platforms as a part of their marketing strategy?



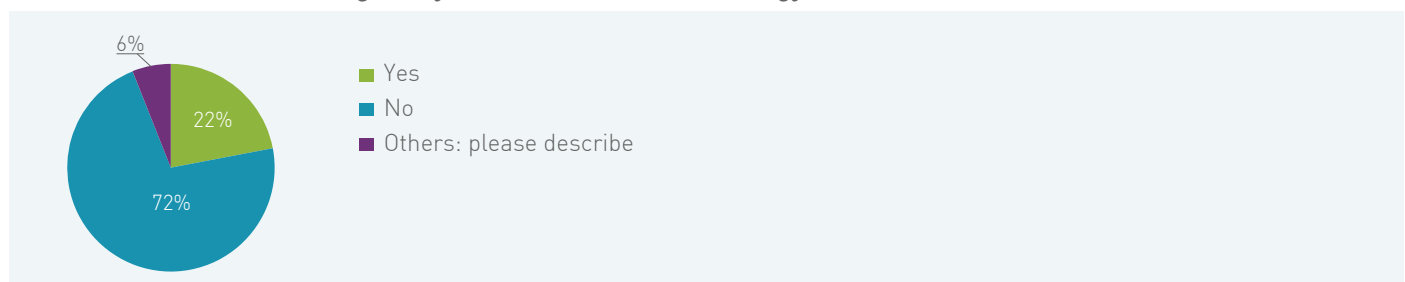
Isn’t the beauty of social media marketing the fact that it’s inherently measurable? Isn’t data king in this space?

Our global panel of business advisors are not seeing this. They think that a big 72% of SME clients do not accurately measure any return on investment.

Malcolm Ward: *“SMEs are surely missing the point. Digital marketing*

tactics, including the use of social media, are hallmarked by their ability to produce quantities of valuable market and user data which lends itself to pinpoint their effectiveness. This might suggest poor practice, a lack of discipline or perhaps most likely a lack of taking good professional advice on how best to run these sorts of campaigns”.

Q2: Do you think SME Clients actively measure social media marketing performance and report an accurate ‘return in investment’ or the time and budget they commit to social media strategy?

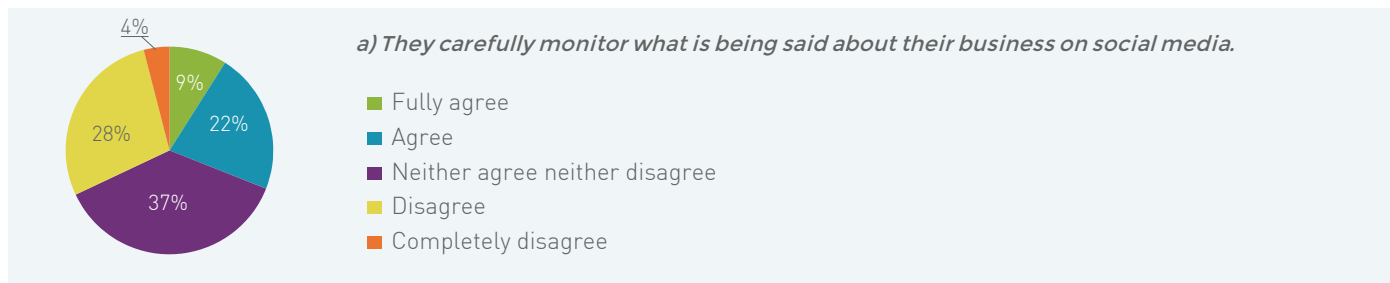


Risky business?

Nearly a third of the AGN global panel think that SME businesses are not monitoring what is being said about their business on social media platforms. "Taken at face value, this could leave SMEs open to fraudulent or abusive feedback and product reviews, and brand or

reputational damage. As a minimum, they are failing to harvest valuable market feedback about their product or service".

Q3: Do you think your SME clients are sufficiently aware of the risks associated with a social media marketing strategy?



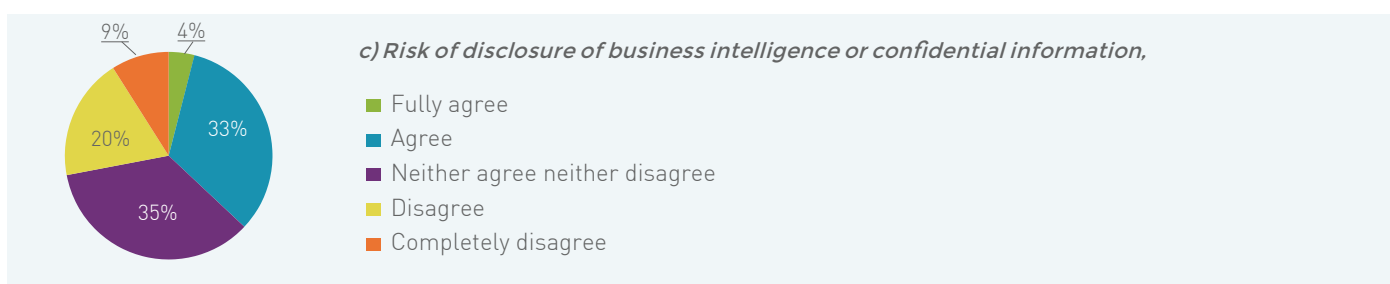
Worryingly, 48% believe that SMEs **do not** understand their in-house responsibilities to prevent 'at work' or 'work associated' online bullying.

Only 26% are well informed about this and seem unsure how social media platforms could be impacting on their staff.



Social media platforms are famously places where, either inadvertently or by design, employees have leaked sensitive, confidential or damaging

information. But once again, around two-thirds of our panel believe SMEs are ill-prepared for this risk.



Our global panel of business advisers suggests that around a quarter to a third of SMEs operate in the social media sphere without key risk management procedures being put in place. This includes no formal social media policy as it applies to their staff and the workplace (28%), and a complete lack of policy, 'terms' and disclaimers exhibited on their own social media sites (32%).

In addition, our panel suggested that;

- 23% don't ensure that they and their staff understand and comply with the terms of use of Facebook, LinkedIn, Instagram and Twitter

- 32% don't monitor third-party content on their social media sites – that could contravene copyright laws.
- 32% don't comply with all relevant data privacy regulations when it comes to the use of 'third party' data on their social media sites.

A further question asked whether SMEs employ dedicated social media or digital marketing managers. Typically, the panel thought that only some 15% of SMEs had resources of this sort, which is probably not surprising given the earlier results highlighting the relatively low proportion of social media activity being pursued by most SMEs.

Conclusion

In conclusion, our global panel report that fewer SMEs than one might expect are actually pursuing a commercial social media strategy to support their business (20%). **AGN CEO Malcolm Ward:** "Surely many SMEs are missing a trick here. The reach and penetration of channels such as Instagram, Facebook and Twitter, and their potent influence on consumer trends, means that there is likely a competitive advantage for those few who are truly focused in the space. In the meantime, not only is an opportunity being missed, but our panel believes SME's are either vulnerable or oblivious to the hazards and risks that are attendant with social media".

Further observations from the Global Business Voice panel:

"The SME sector in our country is not organised and developed. Social media is used simply to maintain awareness of their brand".

"Most SMEs are not willing to devote serious resource to this area, and risk being a little amateurish and not covering off the business risks".

"Business owners like to use social media because it is free, but few understand all of the possible ramifications".

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