



The 2020 SMB Video Report

The Obstacle and Opportunity
of Video for SMBs

*vimeo*create

Introduction

Internet culture and advancements in technology have fundamentally changed our expectations of brands. That means any business, no matter the size, has to rethink the way they market online. The rise of social media platforms, the power of their algorithms, and changing consumer demand has made video **the** most powerful medium for communicating at scale. This is especially true for marketers and businesses, who are increasingly using video to capture customer attention and grow their brands.

But making videos today is hard and costly. Without resources and expertise, creating lots of video is daunting, if not impossible. For the 30M+ small businesses in the US—the majority of which are operating with 5 employees or less—the world’s most powerful medium is currently out of reach.

Vimeo surveyed over 1,000 SMB owners and marketers to explore their challenges with video marketing, understand the impact of video on their overall business success, and their plans for adopting video in 2020. With the results gleaned from this study, we will share the state of video for small businesses, along with insights into how the video market should evolve to fit the needs of these types of organizations.

Key Findings:

78% of SMBs are not creating video or wish they created more

Of those using video, time (**64%**) and cost (**26%**) are the biggest challenges

If these barriers were removed, virtually all (**98%**) of these businesses would create more video

96% of those creating video said if they distributed more video content, their business would (**48%**) or would possibly (**48%**) be more successful

77% of the smallest segment of businesses (1-10 employees) who created video last year did so in-house, compared to **53%** of larger businesses

51% of the smallest segment of businesses who created video last year said their annual budget was \$500 or less, compared to just **12%** of larger businesses who cited the same budget



Section 1: The State of SMB Video

To get a sense of how SMBs want to leverage video going forward, we looked at their current usage, which uncovered some harsh truths about the SMB video landscape — especially the belief that they must find a way to create more video, but do so with limited resources.

2019 Video Creation: By the Numbers

57% of SMBs created video last year

Of those:

29% create video only a few times per year

another 26% are only able to do so once per month

65% are creating video in-house

49% have an annual video budget of \$1,000 or less

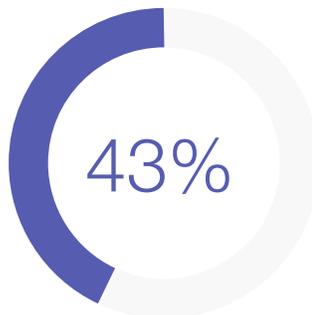
with 31% saying it's less than \$500

SMBs Know They Need More Video and Better Video

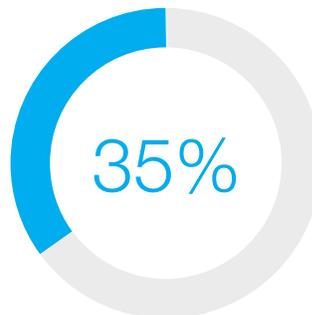
46% of SMBs describe
their video production
as unsophisticated



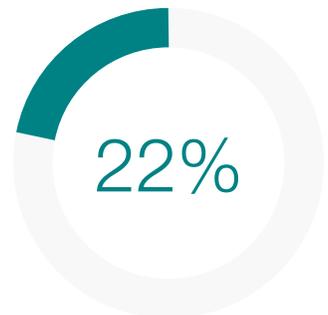
43% have not
created video



35% wish they
created more video

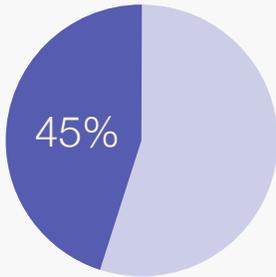


Only 22% of SMBs
feel they're creating
enough video

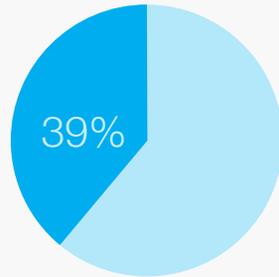


Top Uses for Video

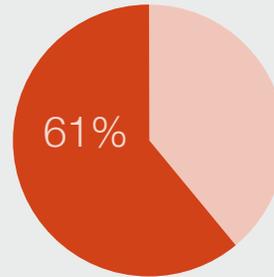
45% create product videos



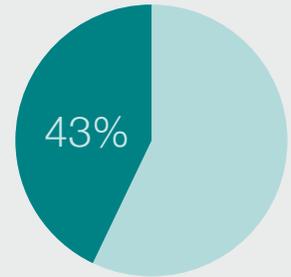
39% create company or brand story videos



61% depend on video for marketing and advertising



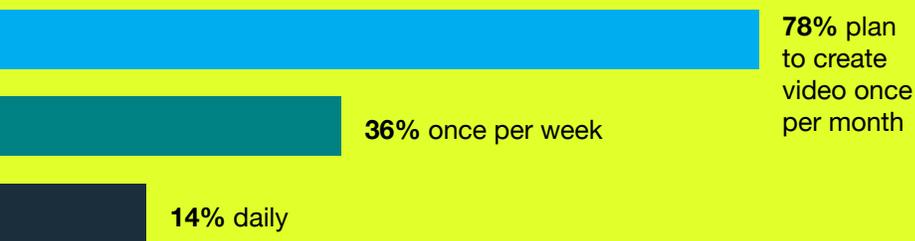
43% use video for sales and business development



2020 Video Creation: By the Numbers

60% of SMBs are likely to create video in the next year

Of that 60%:



Nearly half (47%) said their annual budget for video will be \$1,000 or less

60% will create video in-house

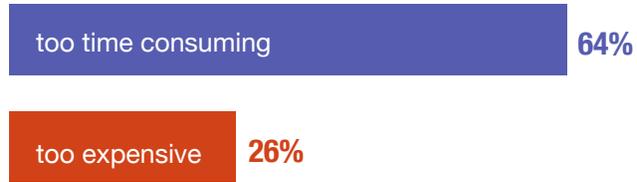


Section 2: The Challenges Holding SMBs Back From Video

SMBs looking to leverage the engagement power and growth potential of video are unfortunately finding that the playing field is far from level. Without the budget or production resources of larger businesses, most are creating video in-house and finding that their resources are simply too limited to effectively implement a successful video strategy.

Video Creation Proves Too Time Consuming and Costly

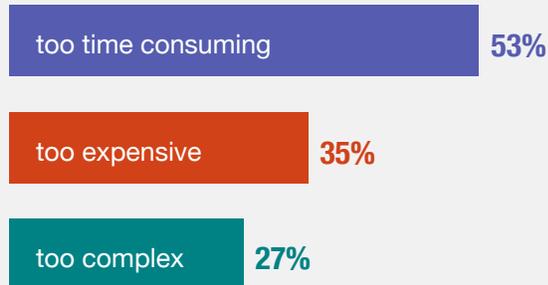
Those who created video over the past year said the biggest challenges were:



96% would or would possibly create more video if the barriers of budget, time, and complexity were solved



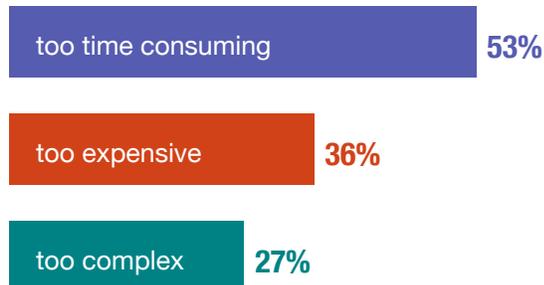
Those who did NOT create video over the past year said the biggest barriers were:



63% said if these barriers were removed, they would or would possibly create more video



Those who said they're unlikely to create video in the next year said it's because:



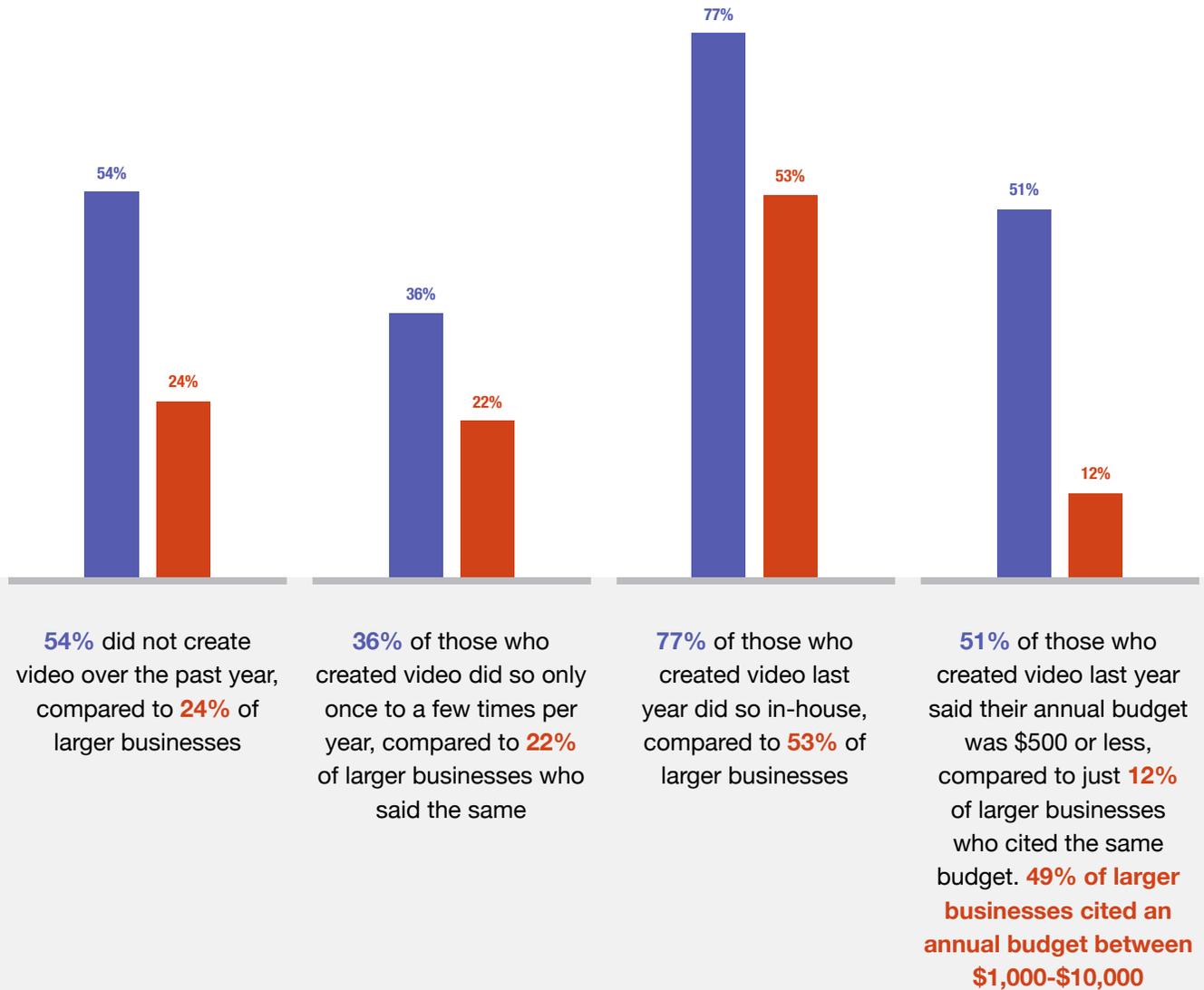


Section 3: The Smallest Businesses Face the Biggest Challenge

The challenge to leverage video becomes an even starker picture when we zoom in to focus on the smallest segment of SMBs, those with 10 or fewer employees. These businesses are trying to create brand recognition and engagement with limited resources, and need the ability to create content that will drive meaningful growth.

For Smaller Businesses, Video Seems Out Of Reach

■ small business ■ larger business





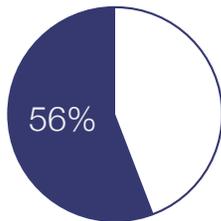
Section 4: The Opportunity Ahead

It's clear that SMBs see the value, effectiveness, and potential of video to not only resonate with audiences and drive key messaging, but also to drive their business growth. From brand recognition to sales and more, video holds a wide range of opportunity for SMBs, making it an increasingly critical component of marketing strategies.

SMBs Look to Video For Authenticity and Engagement

Of those who created video over the past year:

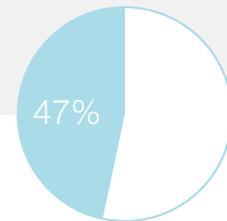
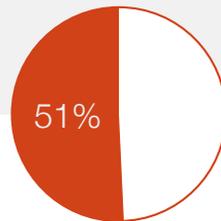
56% say video helps people understand their messaging or product



Of those who said they should be creating more video in the next year:

51% believe video would drive better product sales

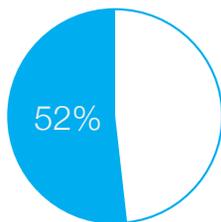
47% believe video would make it easier for people to understand their message and/or product



Video: A Driver of Growth

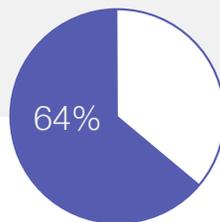
Of those who created video over the past year:

52% believe video has helped grow their business



Of those who said they should be creating more video in the next year:

64% believe video would help grow their business

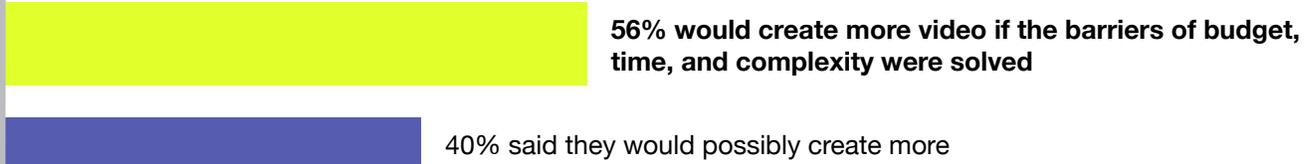


More Video, More Growth

Virtually all SMBs who used video last year would create more video content if they could overcome the barriers caused by limited time and money. And nearly half are 100 percent confident that more video would mean more success for their business.

More Video Equals More Success

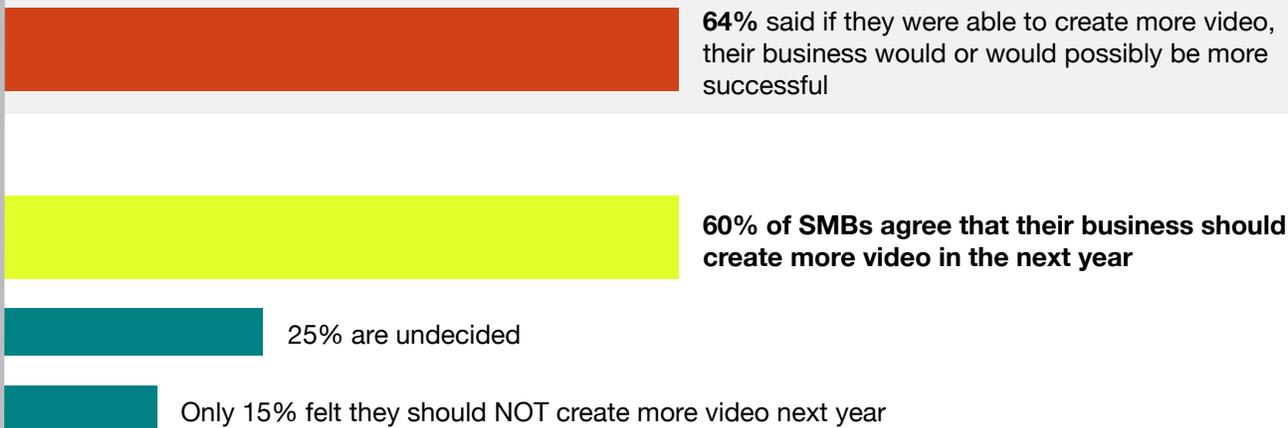
Of those who created video over the past year:



96% believe if they created more video, their business would or would possibly be more successful



Of those who did NOT create video over the past year:



Social Video Holds the Keys

SMBs are finding that video is the key to capturing attention and connecting with audiences on busy, overcrowded platforms such as social media. With numerous and varying benefits, social video is quickly becoming the go-to medium for small businesses trying to create brand recognition in crowded markets.

The Appeal of Social Video

Of those who created video over the past year:

80% are using social media to distribute video



91% of those who are likely to create video in the coming year said they're likely to create video for social media



Social Video Holds Big Benefits for SMBs

Of the 91% likely to create video for social, the biggest benefits cited were:

49% Appeal to mobile users



48% Shorter, easier to create

48% Shows brand personality, humanizes their brand



47% Improves engagement

47% Inexpensive distribution

47% Greater potential to be shared



42% Allows the creation of new content on a regular schedule



A New Generation of Video Marketers Recognizes the Potential of Video

Our data shows that **millennials** and **Gen Z** see greater value in video and utilize it more than older marketers.

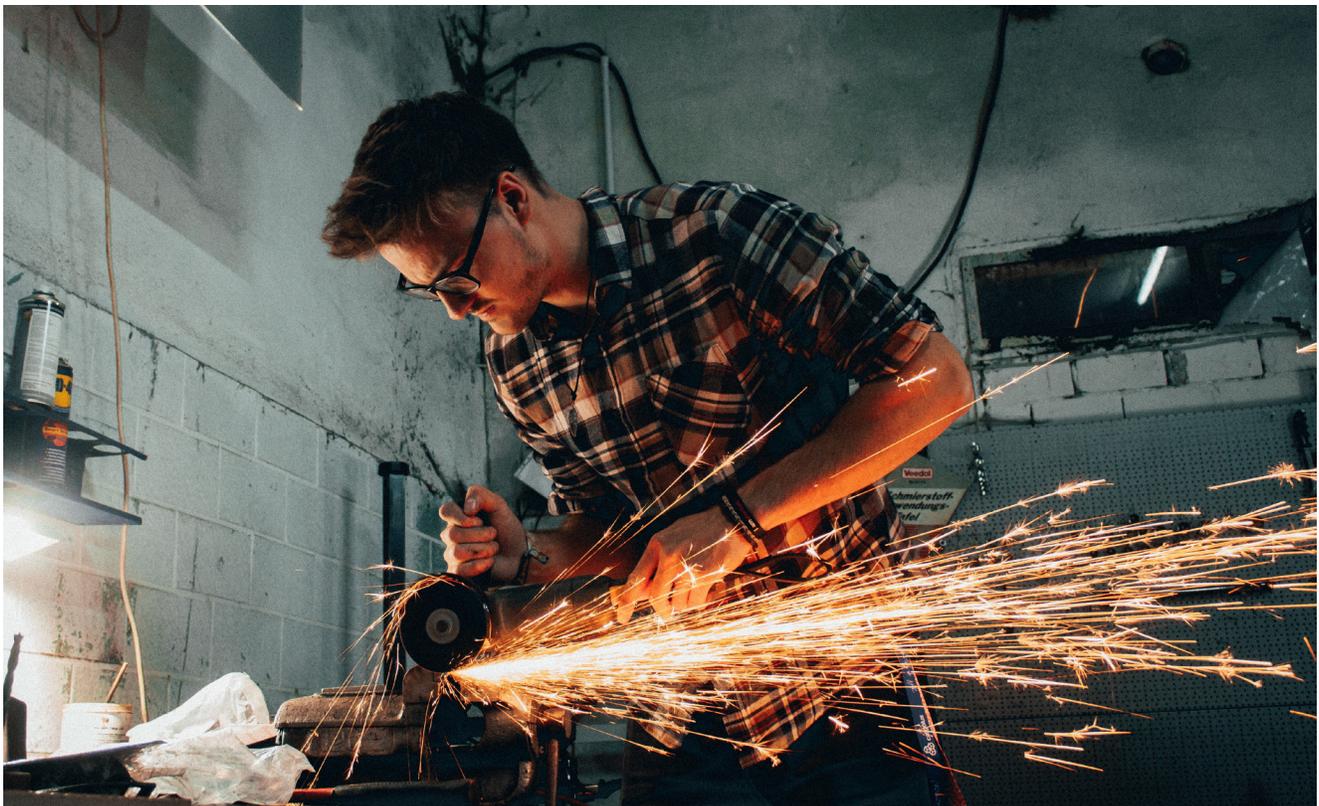
Only **16%** of SMB marketers aged **18-29** did not create video over the past year; compared to **50%** of those aged **45-60**.

Of those who created video in 2019, **71%** of those aged **18-29** said they'd create more video if they could do it more efficiently; less than half (**46%**) of those aged **45-60** would do the same.

Younger generations are twice as likely to create video daily next year when compared to those aged **45-60**.

Conclusion: Where SMB Video Goes From Here

Video is a critical component of every marketing strategy today, and will only continue to increase in importance. The findings demonstrate that small businesses recognize the power and influence of video, but that the majority of these still struggle to unlock the value of this medium because of lack of time and resources. To be successful, these businesses must have tools that enable them to do more with less; small businesses need a streamlined solution for creating and marketing video at scale.



Methodology

Vimeo surveyed 1,000 SMB owners and marketers in the U.S. in December 2019. The survey was completed online and responses were random, voluntary, and anonymous.

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