INTRODUCTION

SOCi's Consumer Behavior Index (CBI) asks U.S. consumers to weigh in on their practices and preferences when interacting on and offline with local businesses. The survey asked 1,002 consumers across the U.S. about:

- The sites and apps they use to research and discover local businesses

- The peer feedback about businesses that consumers both use and provide

- The importance of open lines of communication between customers and local businesses

- Consumer feelings about AI in local marketing

As might be expected, the consumer input we've collected suggests some clear action items for local businesses and multi-location marketers who want to nurture positive relationships with their customers. And who doesn't? So let's review the top takeaways from the 2024 CBI.
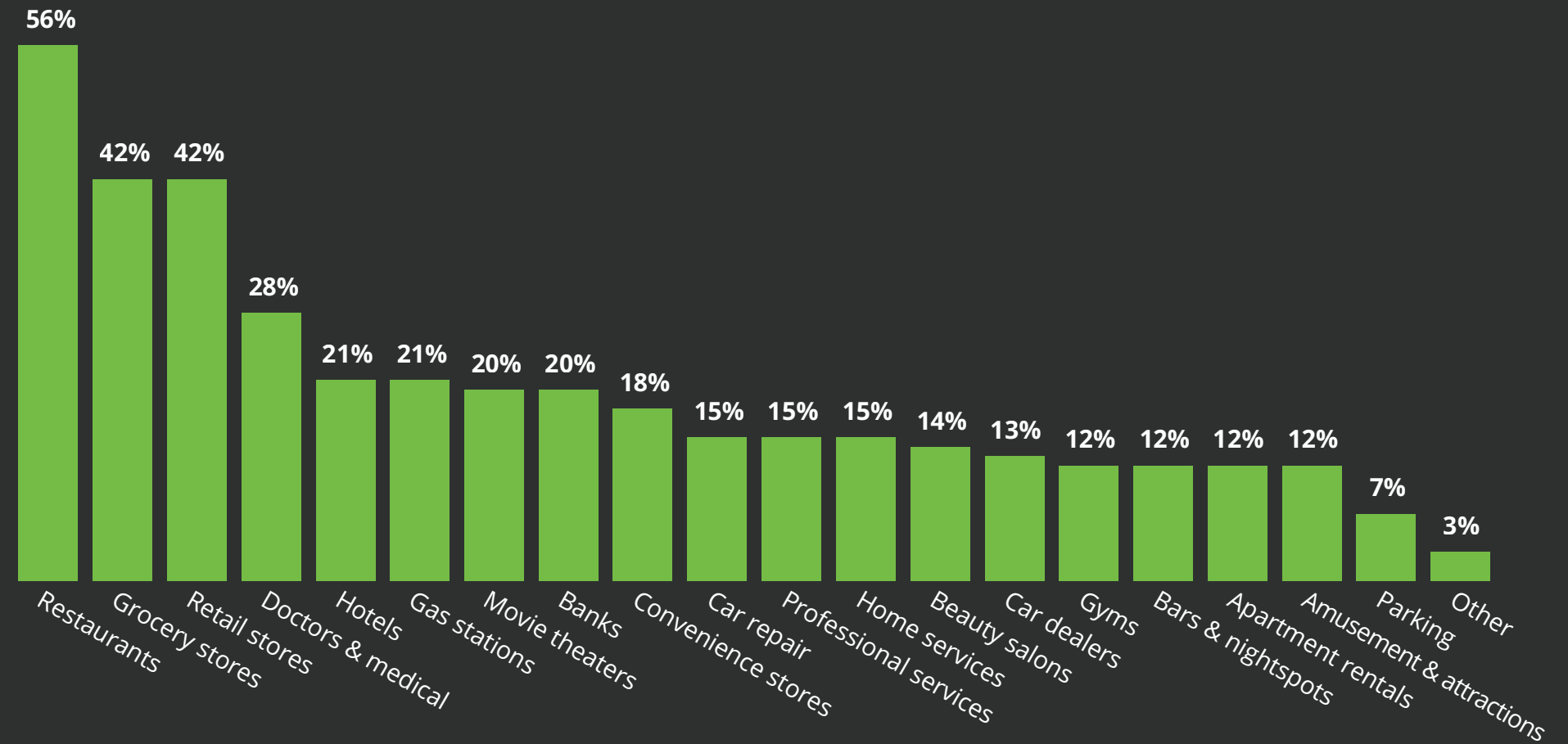
CUSTOMERS LOVE HELPFUL ONLINE PROFILES

The Findings

Our U.S. consumers told us that they search online for local businesses online quite a bit, with **80%** saying they do so at least once a week and **32%** searching every day or even multiple times a day. Though restaurants, grocery stores, and retail stores are the most popular categories for online search, shoppers look online for local businesses of all kinds.

Consumers mostly find online profiles on sites and apps like Google Maps and Facebook to be helpful and informative, with nearly 99% reporting that online tools for local search are either "moderately satisfactory" or "highly satisfactory."

What types of businesses have you looked up information about for the last 30 days?

Category	Percentage
Restaurants	56%
Grocery stores	42%
Retail stores	42%
Doctors & medical	28%
Hotels	21%
Gas stations	21%
Movie theaters	20%
Banks	20%
Convenience stores	18%
Car repair	15%
Professional services	15%
Home services	15%
Beauty salons	14%
Car dealers	13%
Gyms	12%
Bars & nightspots	12%
Apartment rentals	12%
Amusement & attractions	12%
Parking	7%
Other	3%

CUSTOMERS LOVE HELPFUL ONLINE PROFILES

Only 15% of consumers say they frequently encounter inaccurate information about local businesses online. However, the impact of bad information is stark.
When asked what they would do if they visited a store whose online profile says it's open, only to find that the business is closed, the largest block of consumers, 47%, said they would look for another business.

If you were to visit a business whose online profile states that it is open and find that the business is actually closed, what would be your most likely next?

7%
Give up and go home

9%
Leave an online comment or review complaining about the issue

14%
Contact the business when possible to let them know about the experience

47%
Look for a similar business nearby

23%
Visit business at another time

The Action Item

Our findings send a clear signal to local marketers — consumers want and need to find information about local businesses online, and they need that information to be complete, accurate, and up to date. This doesn't just apply to the obvious cases like restaurants and grocery stores. Consumers have been trained to expect that businesses of all kinds will be highly available online and will provide helpful, accurate information that helps consumers make informed decisions.

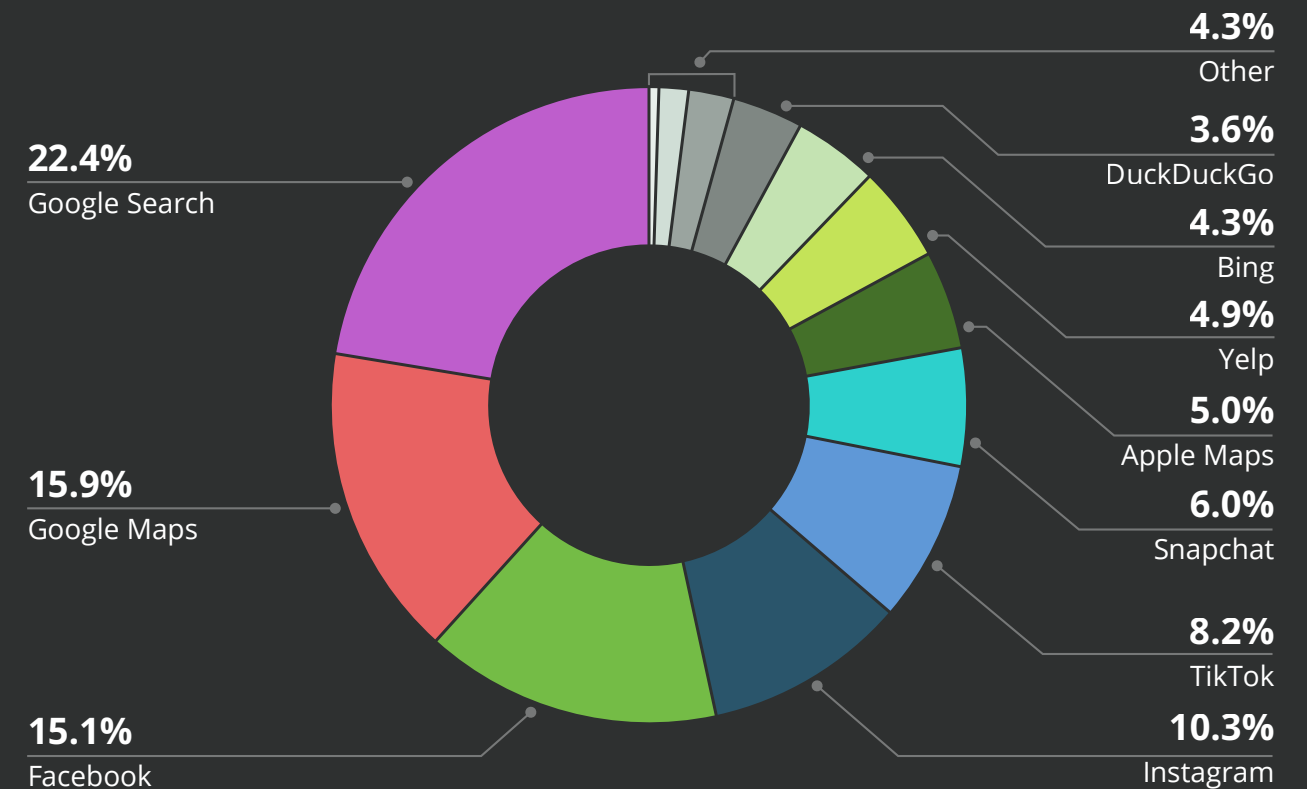# SEARCH OR SOCIAL? LEARNING YOUR CUSTOMERS' LOVE LANGUAGE

The Findings

Back in the summer of 2022, a Google executive **unveiled** the surprising finding, based on company research, that 40% of Gen Z consumers would rather use Instagram or TikTok than Google when looking for a place to have lunch. This marked a generational transformation in local. Our findings indicate that for the most part, consumers still think of search as the primary local channel, with 64% indicating they prefer search engines for looking up local businesses.

But when you look at the breakdown of sites and apps consumers say they've used for local research in the last month, a picture emerges that echoes the Google finding.

As we can see, the most frequently used tools are Google Search and Google Maps, but Facebook makes a strong third place showing, and the next three positions are occupied by social apps: Instagram, TikTok, and Snapchat. Significant minorities also say they've used Apple Maps, Yelp, Bing, and DuckDuckGo (which uses Apple for local data).

It's when we examine the demographic breakdown of the results that we begin to see a full picture of today's consumer preferences.
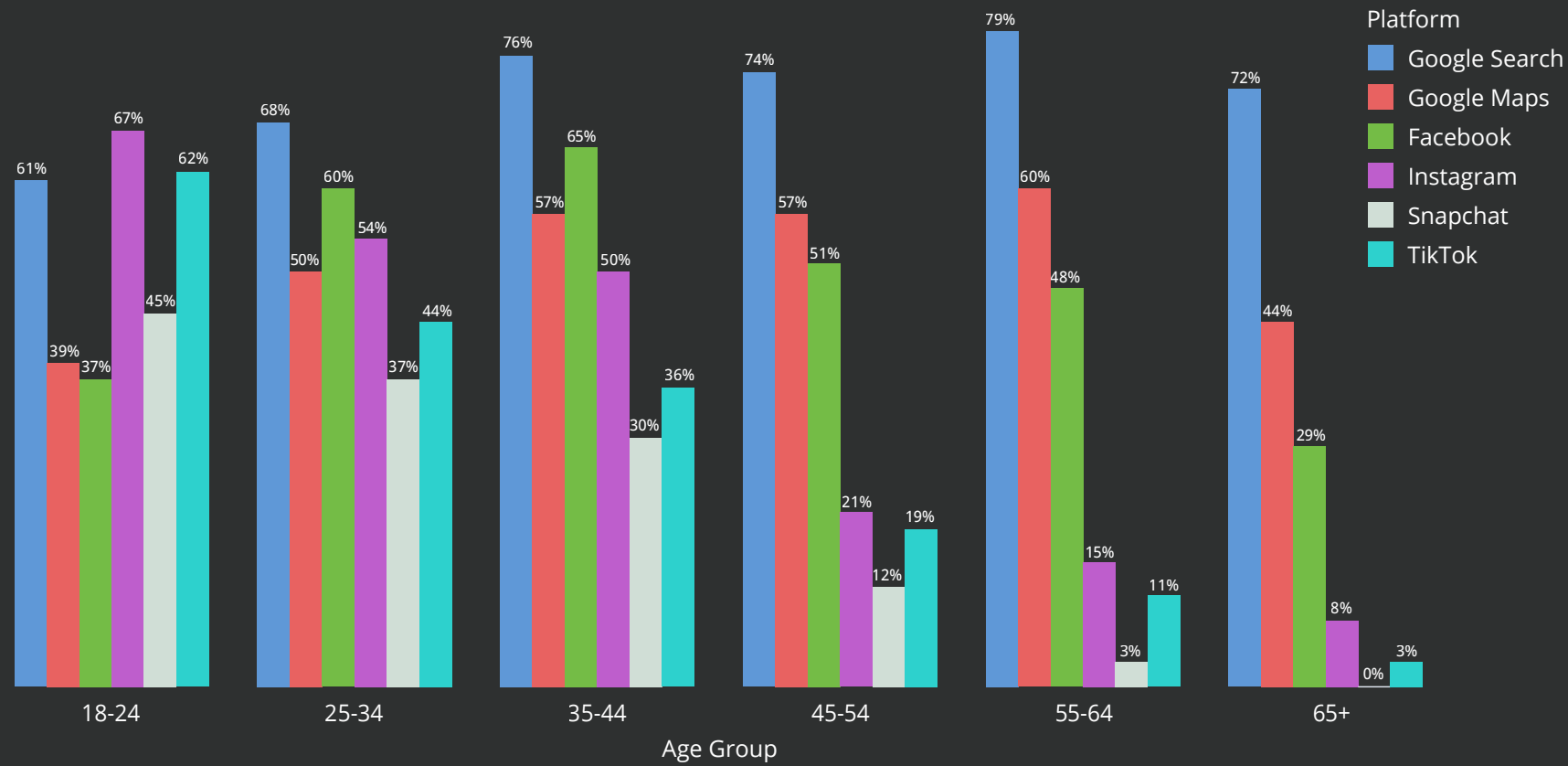
Which smartphone apps or websites have you used in the past month to look up information about local businesses?

- 22.4% Google Search
- 15.9% Google Maps
- 15.1% Facebook
- 10.3% Instagram
- 8.2% TikTok
- 6.0% Snapchat
- 5.0% Apple Maps
- 4.9% Yelp
- 4.3% Bing
- 3.6% DuckDuckGo
- 4.3% Other

SEARCH OR SOCIAL? LEARNING YOUR CUSTOMERS' LOVE LANGUAGE

Usage of Local Apps by Age Group

Platform
- Google Search
- Google Maps
- Facebook
- Instagram
- Snapchat
- TikTok

18-24: Google Search 61%, Google Maps 39%, Facebook 37%, Instagram 67%, Snapchat 45%, TikTok 62%

25-34: Google Search 68%, Google Maps 50%, Facebook 60%, Instagram 54%, Snapchat 37%, TikTok 44%

35-44: Google Search 76%, Google Maps 57%, Facebook 65%, Instagram 50%, Snapchat 30%, TikTok 36%

45-54: Google Search 74%, Google Maps 57%, Facebook 51%, Instagram 21%, Snapchat 12%, TikTok 19%

55-64: Google Search 79%, Google Maps 60%, Facebook 48%, Instagram 15%, Snapchat 3%, TikTok 11%

65+: Google Search 72%, Google Maps 44%, Facebook 29%, Instagram 8%, Snapchat 0%, TikTok 3%

Age Group

Remarkably, among consumers aged 18 to 24, the top local tool used by 67% of respondents is Instagram, followed by Tiktok at 62%, with Google Search coming in third at 61%. It seems that, according to our findings, Gen Z is even more likely to use social apps for local search and discovery than they were 18 months ago.

On the other hand, Google Search remains the dominant choice in every other age group, with usage of social apps declining dramatically for consumers older than 44.

The Action Item

Businesses need to be discoverable on a range of popular search and social platforms. The strategy that businesses should pursue will depend on their target audience, but it's safe to say that most businesses don't just want to appeal to one age group, and therefore will need to spread their efforts across both search and social appropriately. The big revelation here is that social is now the clear preference for the youngest consumers when it comes to local search and discovery.
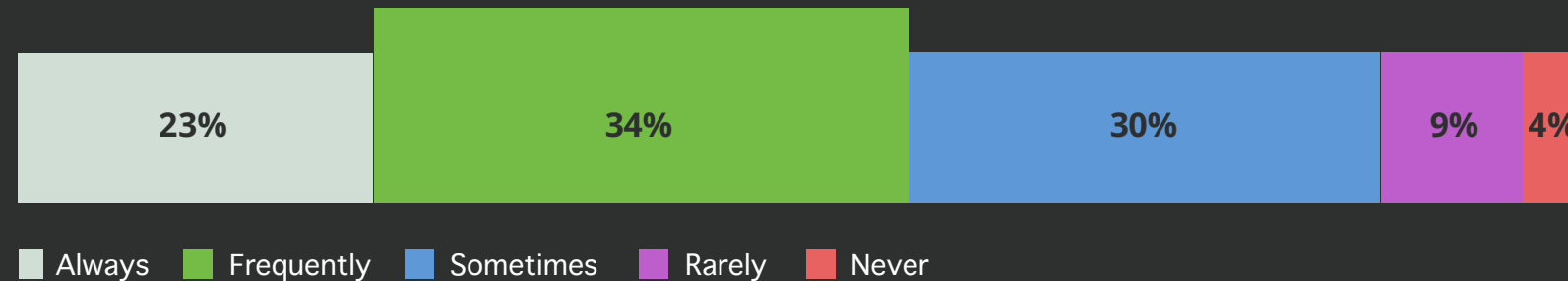
CONSUMERS LOVE RECOMMENDATIONS FROM PEERS
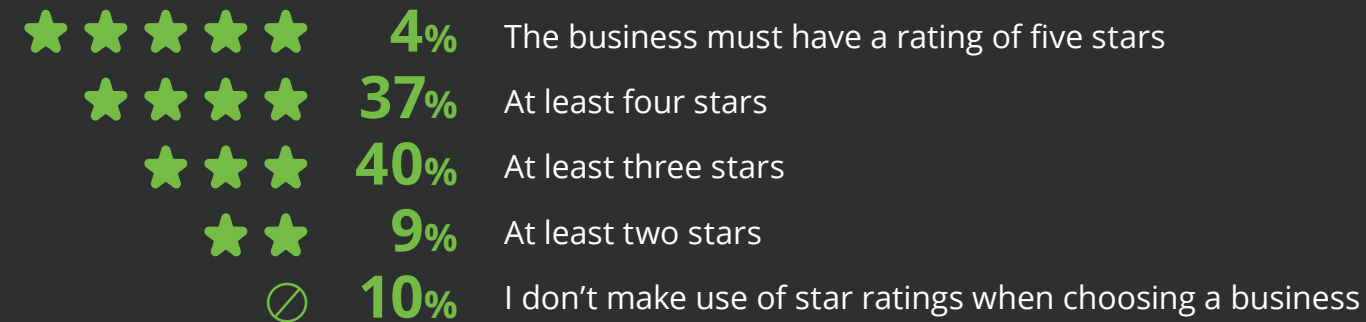
The Findings

We're all consumers ourselves, so we know that online reviews and social media content are an important part of the consideration phase in many purchases. We asked our consumers how often they read online reviews before making a purchase decision, and most (87%) said they do so regularly.

As for the star ratings that matter, consumers are choosy, with **77%** indicating that a business must have at least three if not four stars out of five in order to be considered.

How often do you read online reviews before choosing a local business?

23%	34%	30%	9%	4%

- ⬜ Always
- 🟩 Frequently
- 🟦 Sometimes
- 🟪 Rarely
- 🟥 Never

What is the minimum star rating the business must have (out of five) in order for you to visit or contact them?

★★★★★ **4%** The business must have a rating of five stars

★★★★ **37%** At least four stars

★★★ **40%** At least three stars

★★ **9%** At least two stars

⊘ **10%** I don't make use of star ratings when choosing a business

CONSUMERS LOVE RECOMMENDATIONS FROM PEERS

When the business responded to your review, how did you feel about the interaction?

50%
SATISFIED
The response met or exceeded my expectations; I found it helpful and appropriate

41%
SOMEWHAT SATISFIED
The response was adequate, but there was room for improvement

6%
UNSATISFIED
The response did not meet my expectations and was inadequate

2%
VERY UNSATISFIED
The response fell significantly below my expetations

Consumers also prize timely, meaningful feedback from businesses when they write reviews. Some 81% of consumers reported that they write reviews of local businesses at least occasionally, and 41% said they are more likely to choose a business that responds to its online reviews. Only 30% said that when they wrote their most recent review, the business responded within 1 to 2 days. More troubling, only half of consumers who received a response said that they felt fully satisfied by the interaction.

The Action Item

Clearly, businesses need to focus on creating great customer experiences so they'll receive a steady stream of positive reviews. Whether negative or positive, when they receive reviews, they must provide timely, relevant feedback by responding to each review. Businesses need a clear protocol for review response that addresses common concerns and doubles down on the types of feedback that builds loyalty and mitigates complaints.

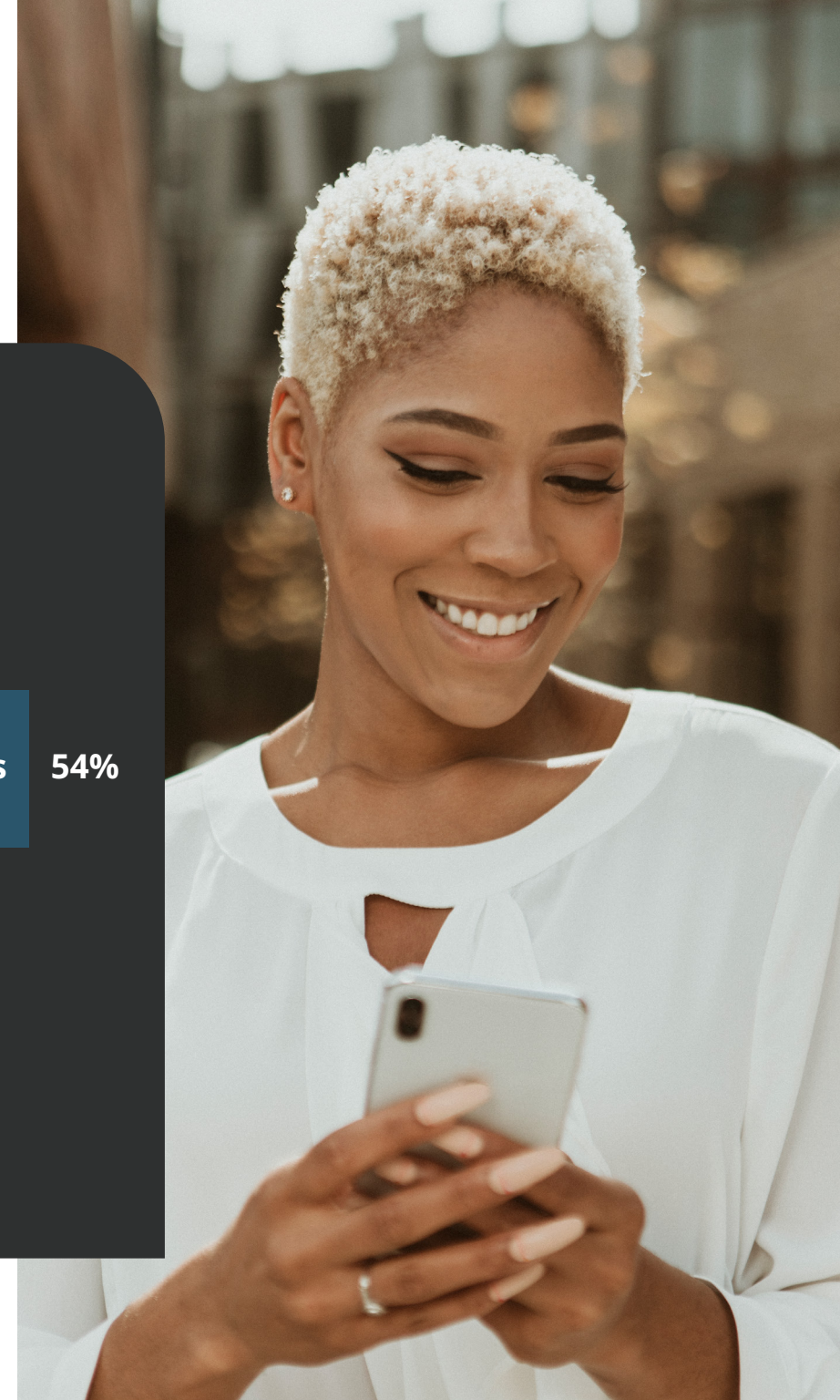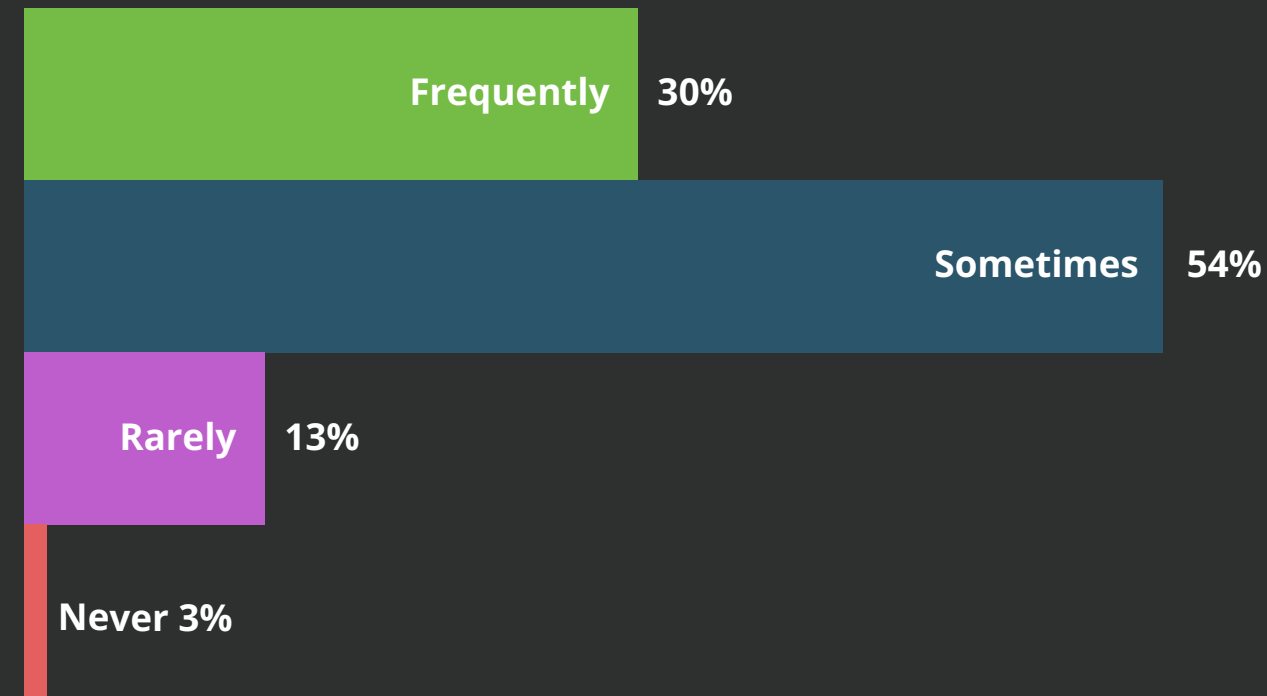# SOCIAL IS WHERE CONSUMER RELATIONSHIPS THRIVE ... OR FALTER

The Findings

If search is the channel for consumers seeking information and peer recommendations, social is the channel where they hang out, interact with friends and groups sharing their interests — and connect in meaningful ways with brands and businesses. We've already noted that, especially for Gen Z and millennials, social is increasingly the first place consumers turn when looking to fill local needs, perhaps especially so in cases where the immediacy and authenticity of video-based recommendations is especially useful.

A huge part of social media's appeal is its ability to showcase relevant content that will appear to the right consumers at the right time. This mode of discovery is one that our consumers say they experience frequently.

How often do you discover new products, services or businesses online?

- Frequently 30%
- Sometimes 54%
- Rarely 13%
- Never 3%

SOCIAL IS WHERE CONSUMER RELATIONSHIPS THRIVE ... OR FALTER

After you left your most recent comment or question for a local business, did the business write a response?

31%
YES
The business responded quickly (1-2 days)

26%
YES
The business responded, but not quickly (3+ days)

27%
NO
The business did not respond

16%
I'M NOT SURE

Of course, consumers are also used to treating social media as a communication tool, and they expect the same timely and meaningful interactions with businesses as they experience with friends and other users. Unfortunately, as with reviews, consumers say businesses aren't especially attuned to their needs in social channels today.

Some 82% of the consumers in our survey say they sometimes post comments and questions in online profiles for businesses, but only 31% say the business responded quickly to their last comment or question, and only 57% got any response at all.

As with reviews, only about half of the consumers surveyed (48%) said that the response they received from the business satisfied their expectations. A fuller picture is emerging: businesses need to do a better job of nurturing their relationships with customers in every channel they use for search and discovery.

The Action Item

Similar to responding to online reviews, businesses must engage with their audiences on social media. Any comment or question that your business receives on social platforms should be addressed in both a timely and personalized manner. Consumers want to feel seen and heard, and engaging with them on social platforms, where they already spend a lot of time, is key.
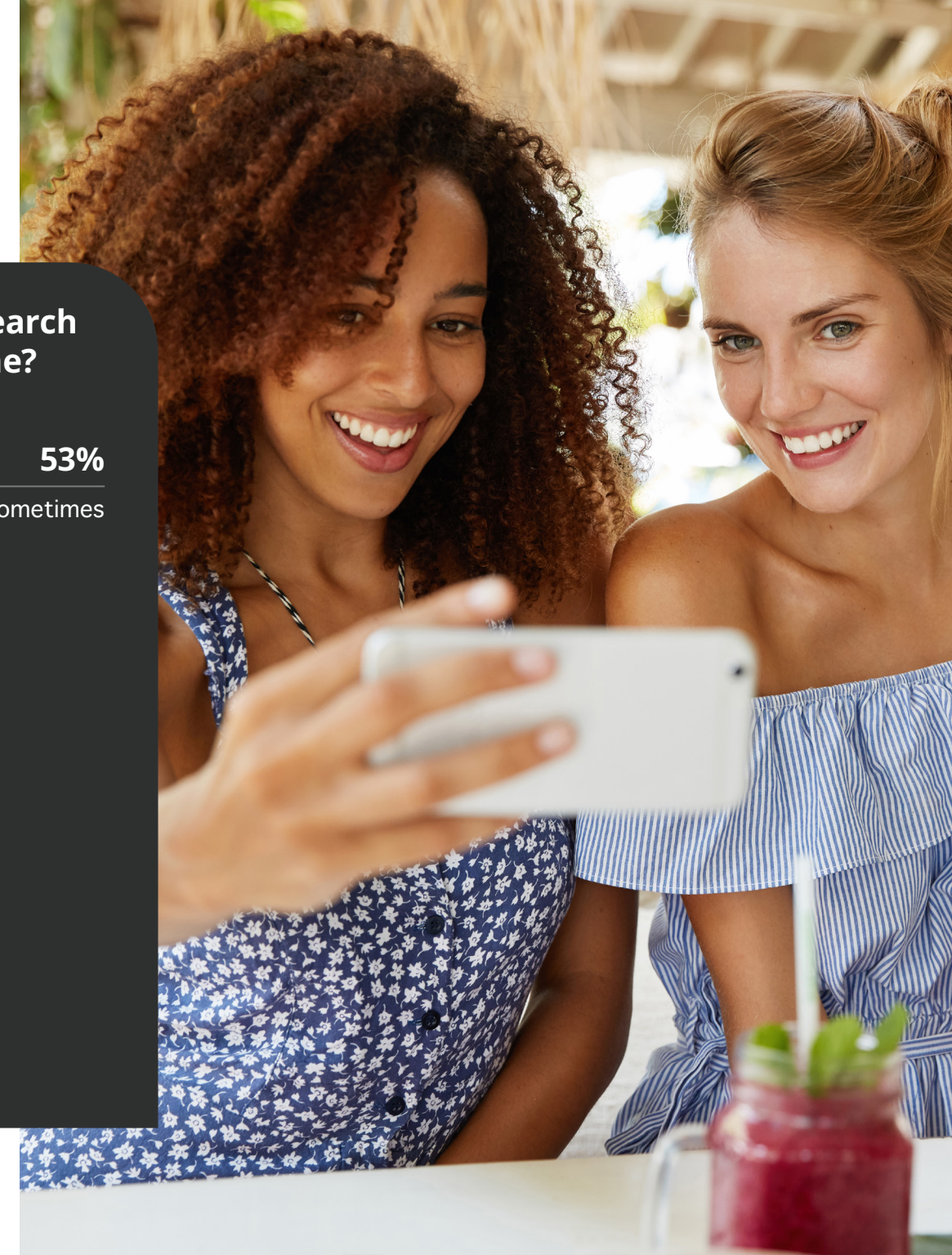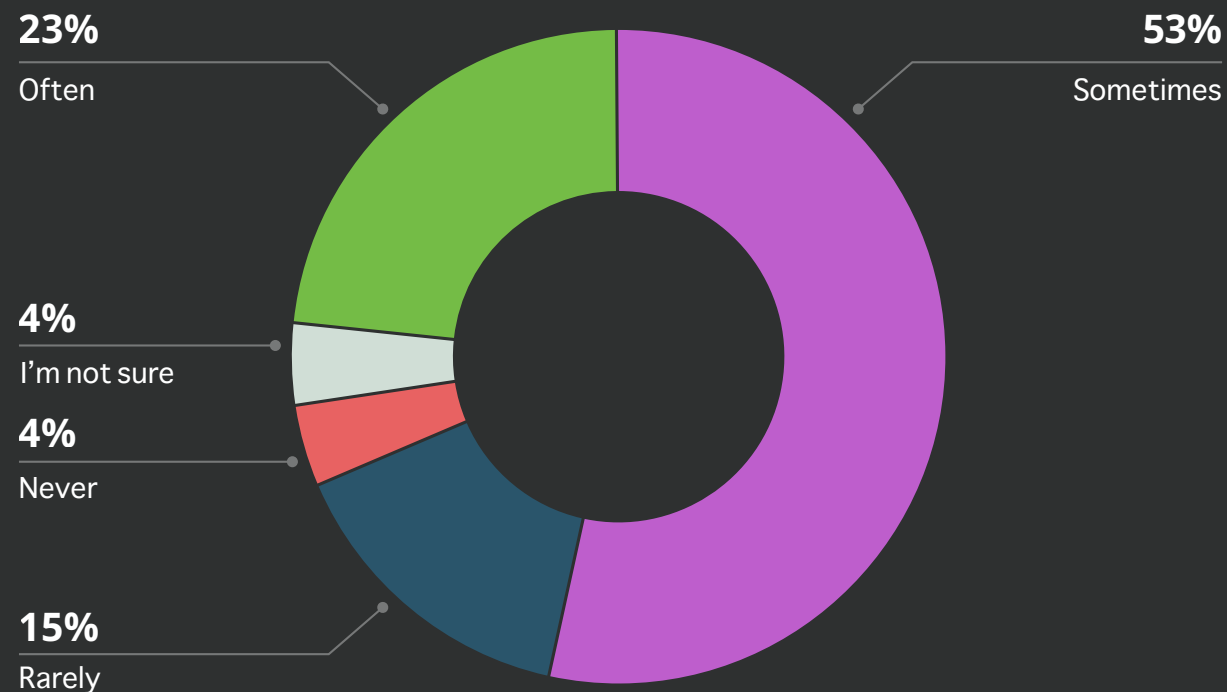
BONDING THROUGH DIGITAL COMMUNICATION

The Findings

The Covid pandemic (remember that?) only increased the amount of time consumers spend online, and helped to create high expectations for online availability for all kinds of businesses. In recent years the pace at which new features have become available for businesses to showcase themselves has also increased.

The result? Consumers expect to be able to research businesses, weigh alternatives, book appointments, and find exactly the store or service they need, all through online platforms. Some 91% of our respondents, in fact, reported that their offline purchase journey begins online, at varying degrees of frequency (see chart).

How often does your local purchase journey include search or discovery of information or recommendations online?
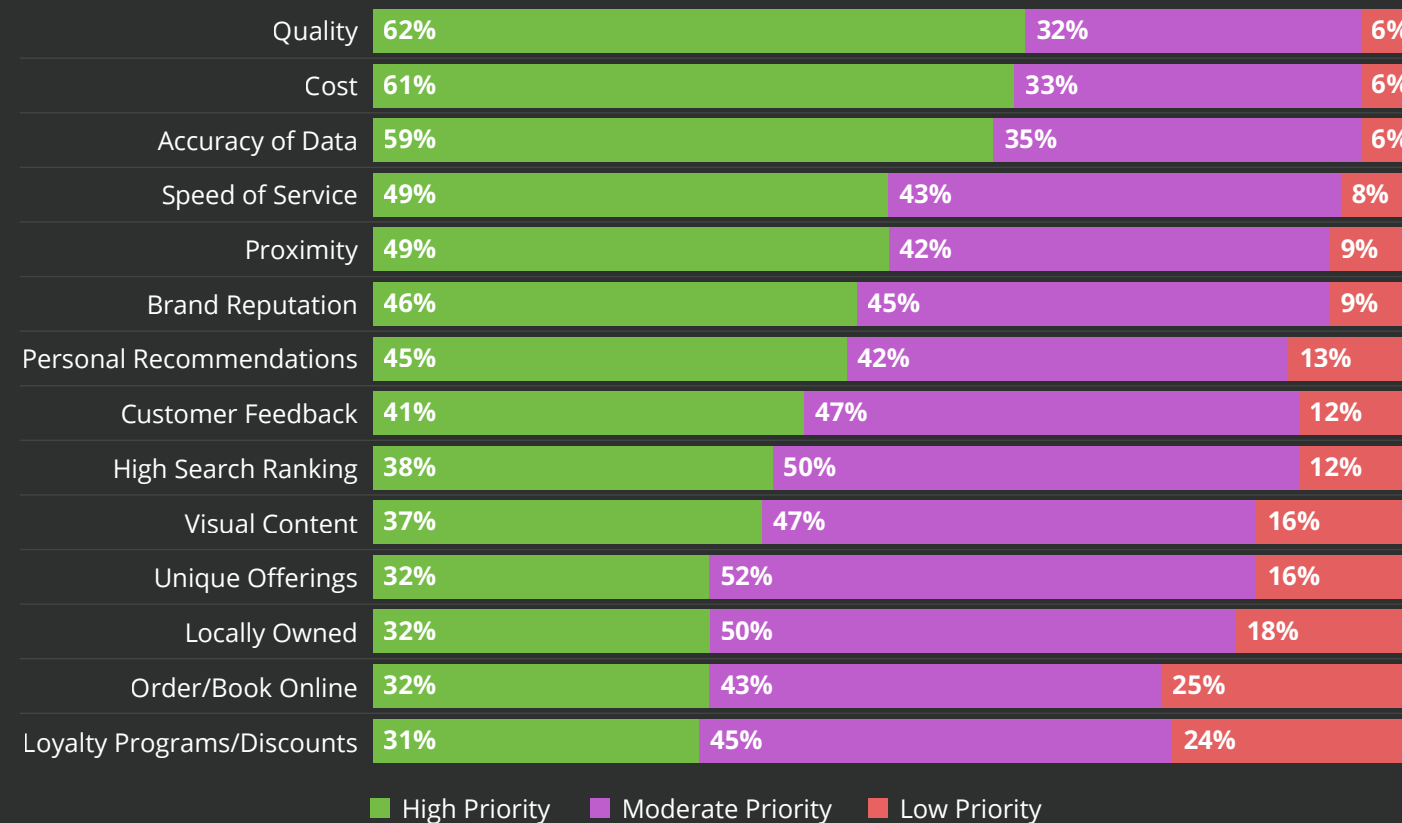
23%
Often

53%
Sometimes

4%
I'm not sure

4%
Never

15%
Rarely

BONDING THROUGH DIGITAL COMMUNICATION

When we asked consumers what factors matter when deciding whether to visit or contact a local business, they essentially answered "all of them." Quality, cost, and accuracy of data mattered to our consumers the most, followed by proximity, speed of service, and brand reputation. But all of our factors got significant attention, including personal recommendations, customer feedback, high search ranking, visual content, and many more.

Perhaps unsurprisingly, 63% of those surveyed said that many of these factors become more important when contemplating larger purchases — in particular quality, cost, brand reputation, and customer feedback.

Which factors matter to you when deciding whether to visit or contact a local business?

Factor	High Priority	Moderate Priority	Low Priority
Quality	62%	32%	6%
Cost	61%	33%	6%
Accuracy of Data	59%	35%	6%
Speed of Service	49%	43%	8%
Proximity	49%	42%	9%
Brand Reputation	46%	45%	9%
Personal Recommendations	45%	42%	13%
Customer Feedback	41%	47%	12%
High Search Ranking	38%	50%	12%
Visual Content	37%	47%	16%
Unique Offerings	32%	52%	16%
Locally Owned	32%	50%	18%
Order/Book Online	32%	43%	25%
Loyalty Programs/Discounts	31%	45%	24%

■ High Priority ■ Moderate Priority ■ Low Priority

The Action Item

We're all online, all the time, and this includes local businesses. In order to compete these days, businesses need to go way above and beyond merely listing their hours and phone number (though make sure these are correct!).

Every feature and detail that consumers might need to know or use, and that search and social platforms make available, should be utilized to the fullest extent.

Google and Facebook are the most feature-rich (and popular) platforms overall, so start with those, but don't neglect Instagram, TikTok, Apple Maps, Yelp, and Bing, each of which attracts significant segments of U.S. consumers and has its own bells and whistles that can help you stand out.
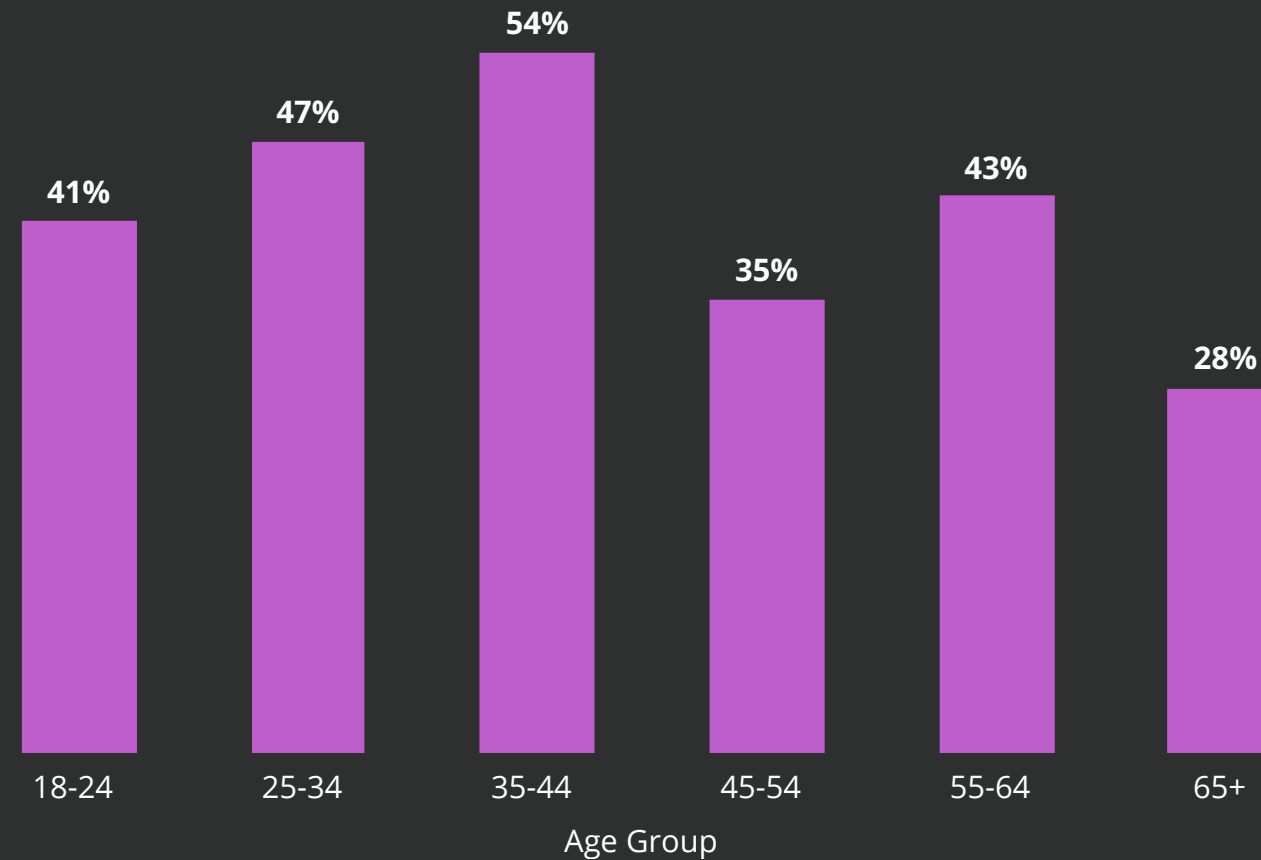
THE USE OF AI IS FINE, BUT TRANSPARENCY IS KEY

The Findings

We've entered the brave new world of AI. Most consumers are aware of tools like ChatGPT, with 61% saying they feel well informed about AI developments and 31% reporting that they've used AI tools.

As for the use of AI in local marketing, many consumers have a wait and see attitude. We asked, "How would you feel about a business that uses AI to assist in providing fast and accurate information to customer inquiries?" A plurality of 41% chose "I am ok with businesses using AI to inform and communicate as long as it improves my experience as a customer." This number went to 54%, its highest level, in the 35-44 age group.

Positivity Towards AI in Local Marketing by Age

Age Group	Positivity
18-24	41%
25-34	47%
35-44	54%
45-54	35%
55-64	43%
65+	28%

THE USE OF AI IS FINE, BUT TRANSPARENCY IS KEY

People are lukewarm on AI usage, and still don't fully understand how it's being used. What consumers are more confident in are their feelings about transparency, with 76% believing that businesses should clearly disclose the use of AI in customer service, advertising, and marketing.

It's worth noting that while transparency is key, it's also important to educate your audience on how AI is being used and highlight that human oversight still occurs in almost every situation.

Should local businesses clearly disclose the use of AI?

14%
I'm not sure

10%
No

76%
Yes
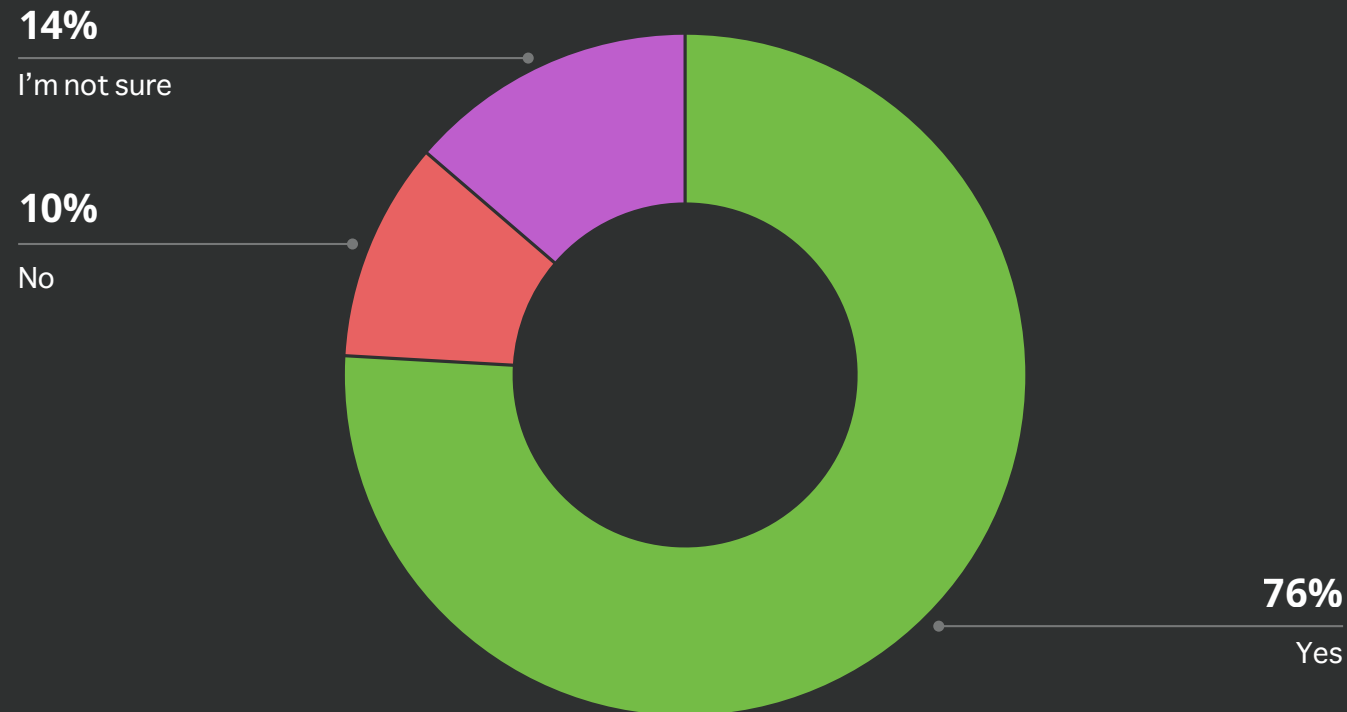
Download ou **CMO's Planning Guide to Navigating AI Transformation in 2024** to begin incorporating AI into your marketing strategy.

The Action Item

AI is here to stay, and is having a transformative impact on the lives of businesses, consumers, and the world. That said, it's still early in the adoption cycle, and there are pitfalls along the way. Savvy businesses will adopt AI strategies that provide helpful, useful information and meaningful feedback to consumers, and will ensure that careful planning and oversight keeps AI tools on the right path.

CONCLUSION

The CBI takes a deep dive into consumer sentiment around local search and discovery, and we've only presented some of the most significant findings here — those that lead to actions businesses can take now to improve their relationships with customers at the local level. Over the next few months, we'll be sharing additional insights from our research that you can use to level up your marketing efforts in specific areas. We trust you'll agree that understanding the voice of the consumer is critical to your success.

METHODOLOGY

We surveyed 1,002 consumers aged 18 and above in the week of December 18, 2023. Our respondents were equally distributed across the United States. The gender breakdown was 47% male, 51% female, 1% non-binary, and 1% who preferred not to state a gender.

ABOUT SOCi

SOCi is the leading CoMarketing Cloud Platform for multi-location enterprises. We empower businesses like Ace Hardware, Jersey Mike's, Kumon, and Ford to automate and scale their marketing efforts across all locations and digital channels in a way that is brand directed, locally perfected, and data connected.

Through the use of best-in-class generative AI and machine learning, the SOCi Genius platform provides multi-location enterprises actionable insights and recommendations while automating their most important workflows at scale.

With SOCi, businesses can strengthen their digital presence across local search and social pages while protecting their online reputation, driving improved customer engagement and market leading results. To learn more about how SOCi can help fuel your localized marketing success, please visit us at **www.meetsoci.com/genius** or message us at **hello@meetsoci.com**.
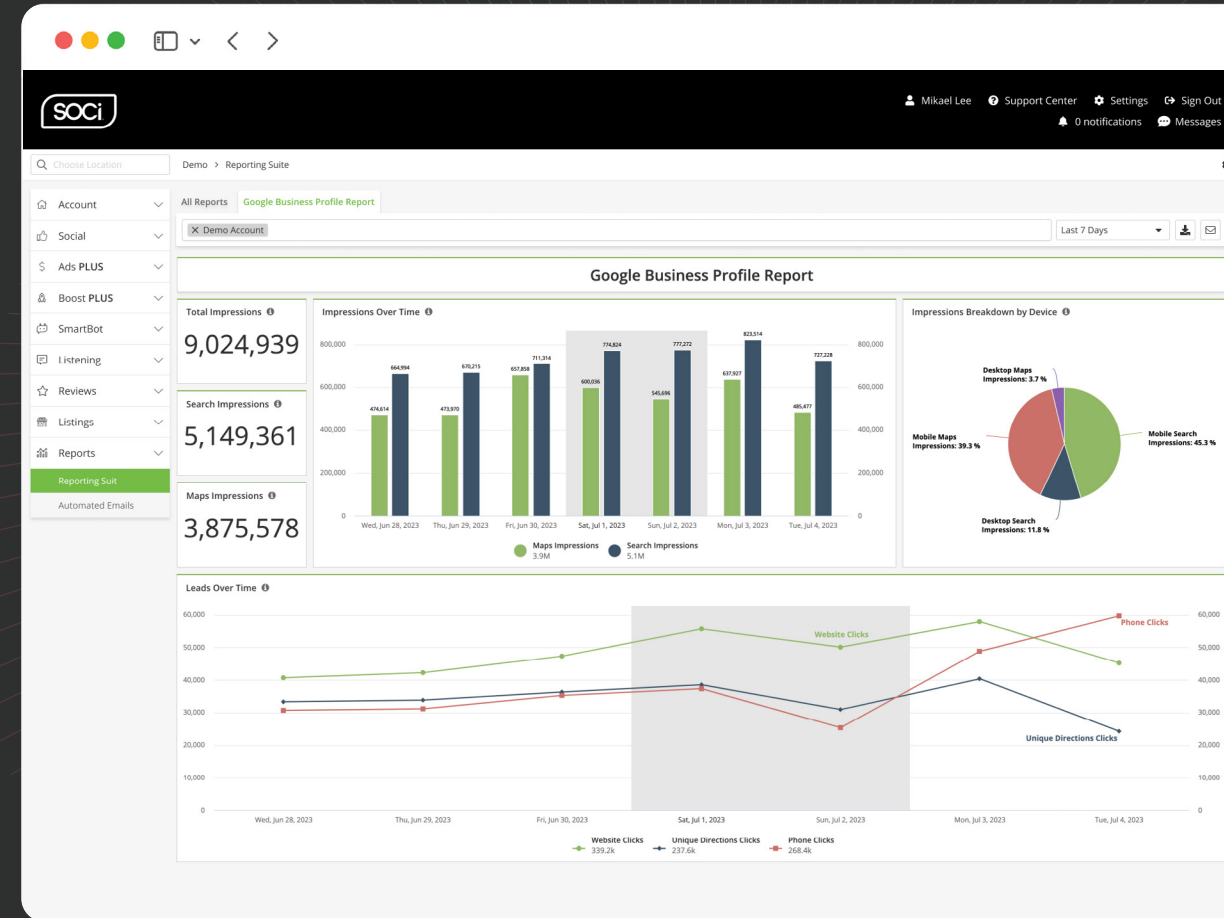
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