

**The 2011 Inc. 500 Social Media Update:
Blogging Declines As Newer Tools Rule**

Conducted by:

Nora Ganim Barnes, Ph.D. (nbarnes@umassd.edu)

Ava M. Lescault, MBA (alesscault@umassd.edu)

The [Center for Marketing Research](#) at the University of Massachusetts Dartmouth recently conducted a new in-depth and statistically valid study on the usage of social media in fast-growing corporations. This new study revisits the Center's work on the Inc. 500 social media usage for the fifth consecutive year, making it a valuable and rare longitudinal study of corporate use of these new technologies. The Inc. 500 come from a list of the fastest-growing private U.S. companies compiled annually by Inc. Magazine. For details about the 2011 Inc. 500 and the complete directory of the included companies, please visit Inc. Magazine's website at www.Inc.com. The new study compares adoption of social media among the 2011 Inc. 500 with previous years.

In 2007, the Center's first study of this group and their use of social media was released and revealed that the Inc. 500 was outpacing the revenue based Fortune 500 in their use of social media. For example, at that time, [research](#) showed that 8% of the Fortune 500 companies were blogging compared to 19% of the Inc. 500. This difference continued in 2008 with 16% of the Fortune 500 blogging vs. 39% of the Inc. 500. This trend held in 2009 with the Inc. 500 blogging at a rate of 45%, while the Fortune 500 had 22% of its list with corporate blogs. The following year was no different with half of the Inc. 500 blogging and only 23% of the Fortune 500.

The fact that blogging had leveled off among the world's largest and most profitable companies raised questions about the use of this mature tool. This study indicates that there is now support for the proposition that the use of blogging may have peaked as a primary social media tool in the US business world. The new data shows adoption of blogging is declining for the first time since 2007 among the Inc. 500 companies.

As in the earlier studies, the 2011 study, under the direction of researchers [Nora Ganim Barnes](#), and [Ava Lescault](#) is the result of a nationwide telephone survey of those companies named by Inc. Magazine to the Inc. 500 list for 2011. All interviews took place from September to November of 2011. The list was released in the September 2011 issue of Inc. Magazine. In this fifth iteration, thirty-four percent (170) of the Inc. 500 participated, making this research statistically valid at +/- 6%.

This research proves once again that social media has penetrated parts of the business world at a tremendous speed. It also indicates that corporate usage of social media within the Inc. 500 has changed in the past 12 months. We are now seeing the incorporation of new platforms and tools including Facebook, LinkedIn, Twitter, YouTube, texting, downloadable mobile apps and Foursquare while we note the reduction in use of blogging, message boards, video blogging, podcasting and MySpace.

The respondents in this study, as in the previous studies, are diverse in industry (24 different industries), size and location. They include 7 of the top 25, and 28 of the top 100 companies from the 2011 Inc. 500 list. Those in our sample come from 36 different states, including the District of Columbia. They report annual revenues of \$1.2m to \$304.2m with 44% of them falling between \$3m-\$10m. Sixty-one percent of the sample was founded after 2005. Over two-thirds have 1-50 employees.

Changes in industry composition of the Inc. 500 over the past two years are reflected in our sample and have impacted our overall statistics in distinct ways. There has been an increase in companies providing Government Services (a result of some of the Obama initiatives). These companies increased their presence in the Inc. 500 in 2010 and again in 2011 and are less likely to use certain social media tools.

The 170 company executives who responded were asked the same detailed questions concerning their usage and measurement of social media that were asked of the Inc. 500 in earlier years with minor exceptions. The original 2007 questions probed the familiarity of respondents with six prominent social media tools (blogging, podcasting, online video, social networking, message boards and wikis). As familiarity became almost ubiquitous, studies began to focus more on adoption.

Changes over the years include dropping wikis (used more as a collaboration tool than a communications/engagement tool) and changing the social networking category into more specific platforms including Twitter, Facebook, MySpace, LinkedIn and Foursquare. In the 2011 survey, the use of LinkedIn, YouTube, corporate texting along with the use of discount sites like Groupon and downloadable mobile apps were all investigated.

In addition to questions about current usage, the responding marketing executives were asked about their intention to adopt the social media technologies they were not currently using and about their perceived level of success with tools they were using now. The research question concerning the importance of social media to each responding company's marketing strategy was changed this year in order to gain specific information about the ways in which social media tools were important.

The study also includes questions on the likely change in investment their company might be making in social media for the upcoming year. Additional questions about the benefits and drawbacks of using social media were included.

A few findings worth highlighting:

Blogging declines for the first time among the Inc. 500. Fifty percent of the 2010 Inc. 500 had a corporate blog, up from 45% in 2009 and 39% in 2008. In this new 2011 study, the use of blogging dropped to 37%. Companies in the Advertising/Marketing industry are most likely to blog while companies in Government Services and Construction make very little use of this tool. This decline mirrors a trend in other sectors

as this mature tool evolves into other forms or is replaced by communication through Facebook or Twitter.

New tools replace older ones. Facebook and LinkedIn lead the way. The platform most utilized by the 2011 Inc. 500 is Facebook with 74% of companies using it. Virtually tied at 73% is the adoption of the professional network, LinkedIn. Twenty-five and 24% respectively report that Facebook or LinkedIn is the single most effective social networking platform they use. Texting, downloadable mobile applications, and Foursquare are being utilized by 13%-15% of the 2011 Inc. 500.

Of those tools and platforms studied last year, there is clearly a shift in how these nimble companies are communicating. Fewer of them are using blogging, message/bulletin boards, online video, podcasting and MySpace. More companies are using Facebook, Twitter, LinkedIn, YouTube, downloadable mobile apps, texting and Foursquare.

Social media tools are seen as important for company goals. Ninety percent of responding executives report that social media tools are important for brand awareness and company reputation. Eighty-eight percent see these tools as important for generating web traffic while 81% find them important for lead generation. Seventy-three percent say that social media tools are important for customer support programs.

Monitoring the social media buzz levels off. The 2011 study shows 68% of companies do monitor, down from 70% in 2010, which was the highest percent of the past 5 years. The Inc. 500 appears to have plateaued on their monitoring activity. This will have important consequences should they increase their investment in the social media area. Regardless of how they choose to converse with their constituents online, they will need to be aware of conversation about their company, their products and their brands.

An executive summary of the data follows with more detailed information.

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Executive Summary

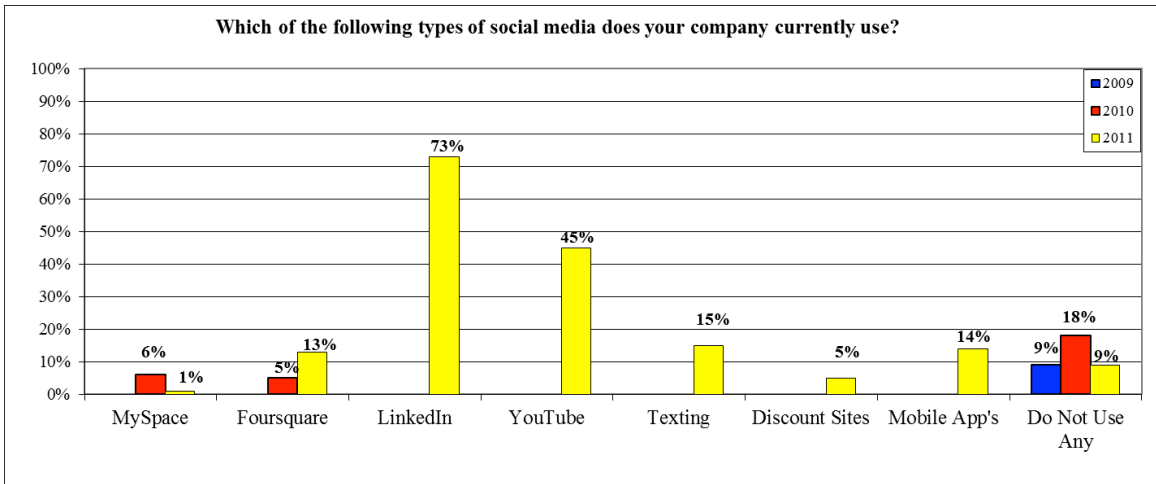
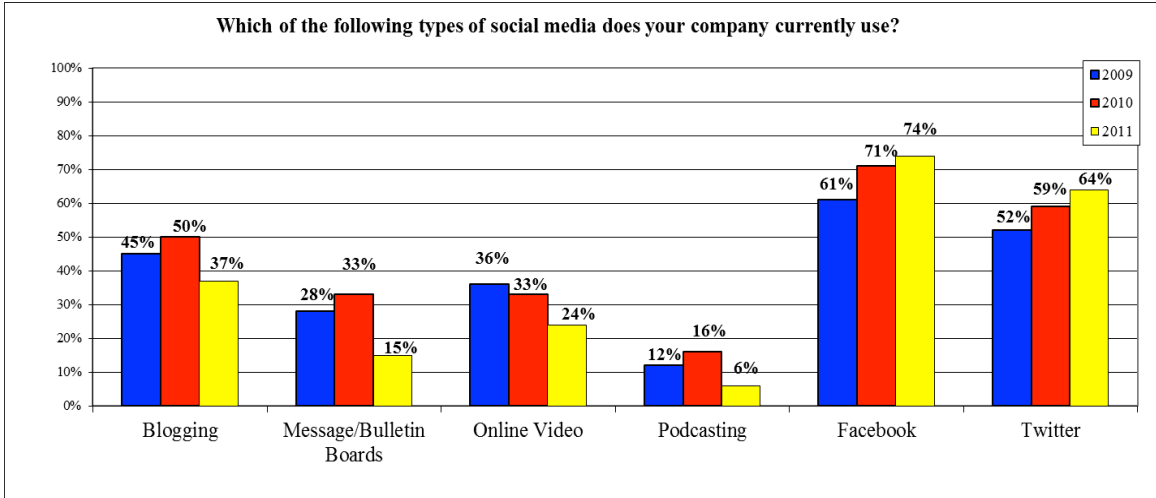
In 2007 the results of a groundbreaking study into the adoption of social media within the Inc. 500, an elite group of the fastest-growing companies in the United States, was released. As one of the first studies of corporate social media adoption with statistical validity, it proved conclusively that social media was coming to the business world and sooner than many anticipated. Since then, the Inc. 500 has been studied each year in an effort to look at longitudinal change in the adoption of these fascinating digital communication tools.

The companies who responded to the study presented here were asked many of the same detailed questions concerning their usage of and measurement of social media as in the original study. The survey used since 2007 asks a range of questions with regard to six prominent social media (blogging, podcasting, online video, social networking, message boards & wikis). Given the frequently uncertain definitions of these media at that time, common understanding of each form was achieved by providing definitions from Wikipedia.

In 2009 the survey was expanded to include new tools that have emerged as popular channels for many businesses. For example, the social networking category was examined more specifically and data was collected on use of Facebook, MySpace, Twitter and LinkedIn. Wikis were dropped as it became obvious they were being used more for internal collaboration than to communicate with consumers, partners or vendors. In this latest rendition newer tools including LinkedIn, Foursquare, downloadable mobile applications and the use of corporate texting were studied along with the use of discount sites like Groupon.

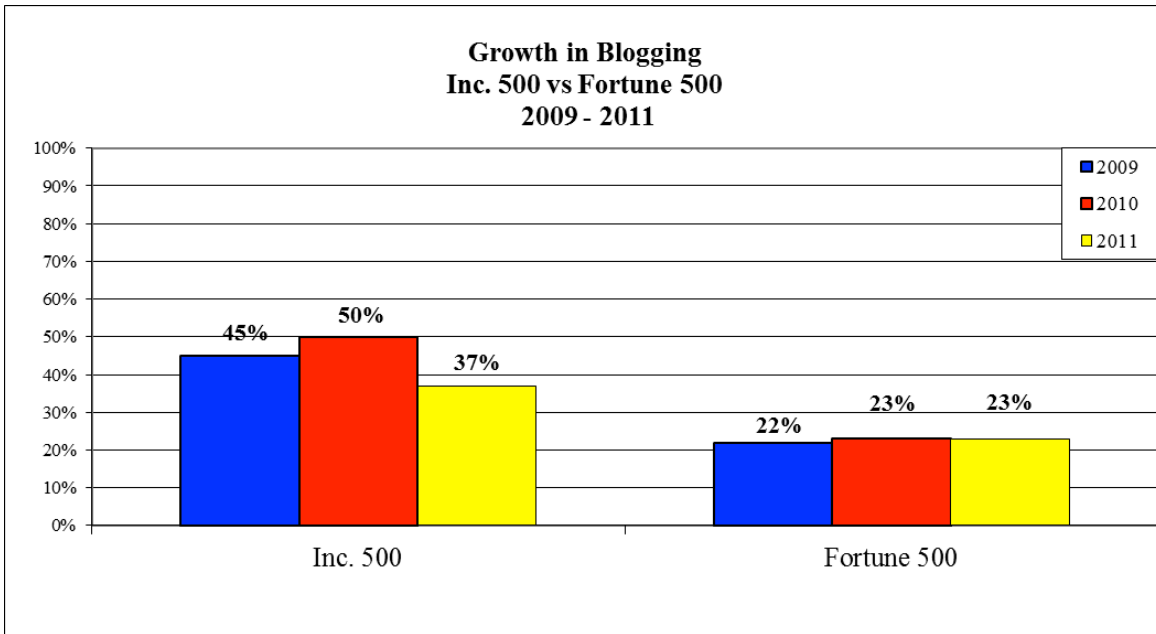
Thirty-four percent (170) of the Inc. 500 participated in the 2011 study, making this research statistically valid at +/- 6%. Interviews were conducted with the highest-ranking Marketing or Communications executive at each company. In many cases, the company CEO or CMO provided the information.

This study continues to track the actual usage of social media among the Inc. 500. Facebook is the most utilized platform of the 2011 Inc. 500 (74%), followed by LinkedIn (73%), Twitter (64%) and YouTube (45%). There has been an increase in adoption of both Facebook and Twitter continuing a long trend. This is the first year the study has included LinkedIn, which has debuted virtually equal to Facebook in its popularity among these companies. YouTube is currently being utilized by 45% of the 2011 Inc. 500. (See graphs below)

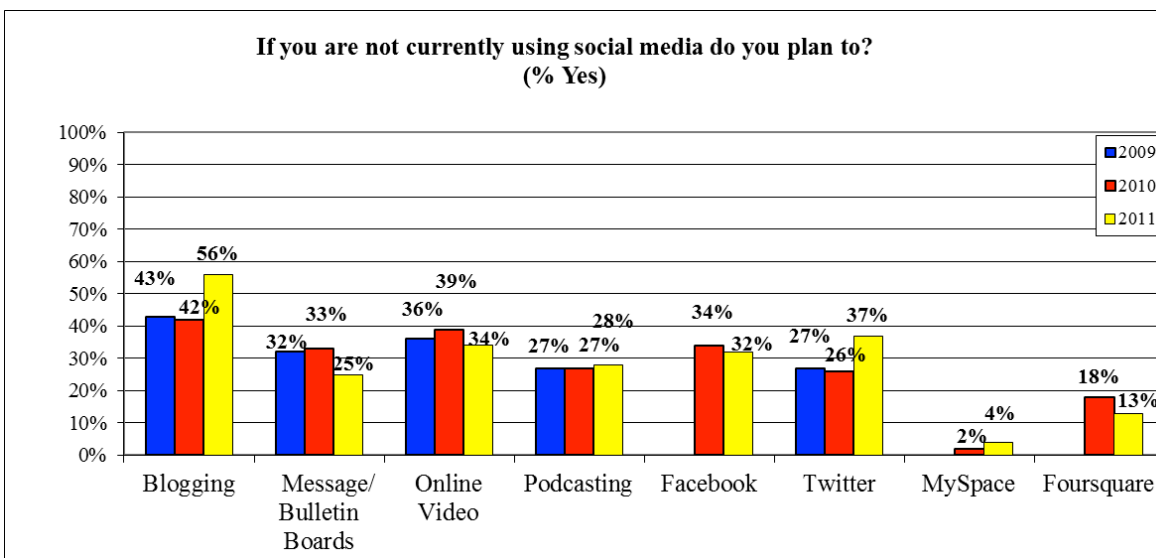


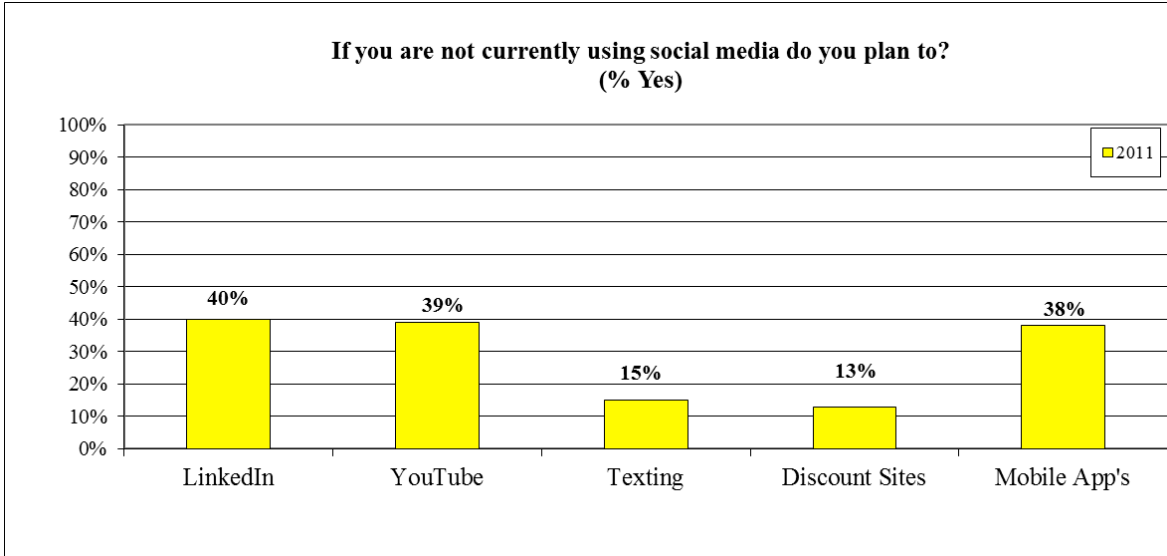
From 2009 to 2010 blogging increased 1% among the Fortune 500 with 23% of those companies adopting the tool. During the same period, the Inc. 500 increased their adoption of blogging by 5% (to 50%). Blogging is now considered a mature tool in the social media arena. For the first time we are seeing a decline in the adoption of blogging by the Inc. 500. The latest data shows a drop in the use of blogging from last year's 50% to this year's 37%.

Statistical tests run on adoption of blogging by industry showed significant differences. Those companies classified as Advertising/Marketing and Media were the most likely to blog (72%), and those in the categories of Government Services were least likely to use this tool (15%). The data indicates that blogging has peaked in the business sectors and is now being replaced by other tools. (See graph below)

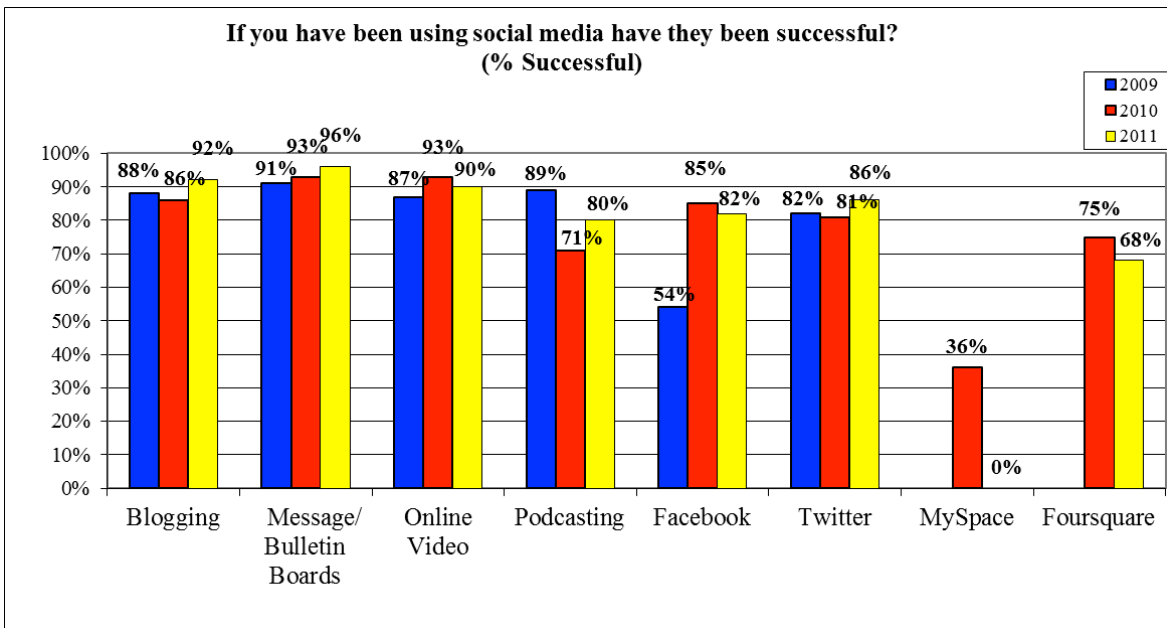


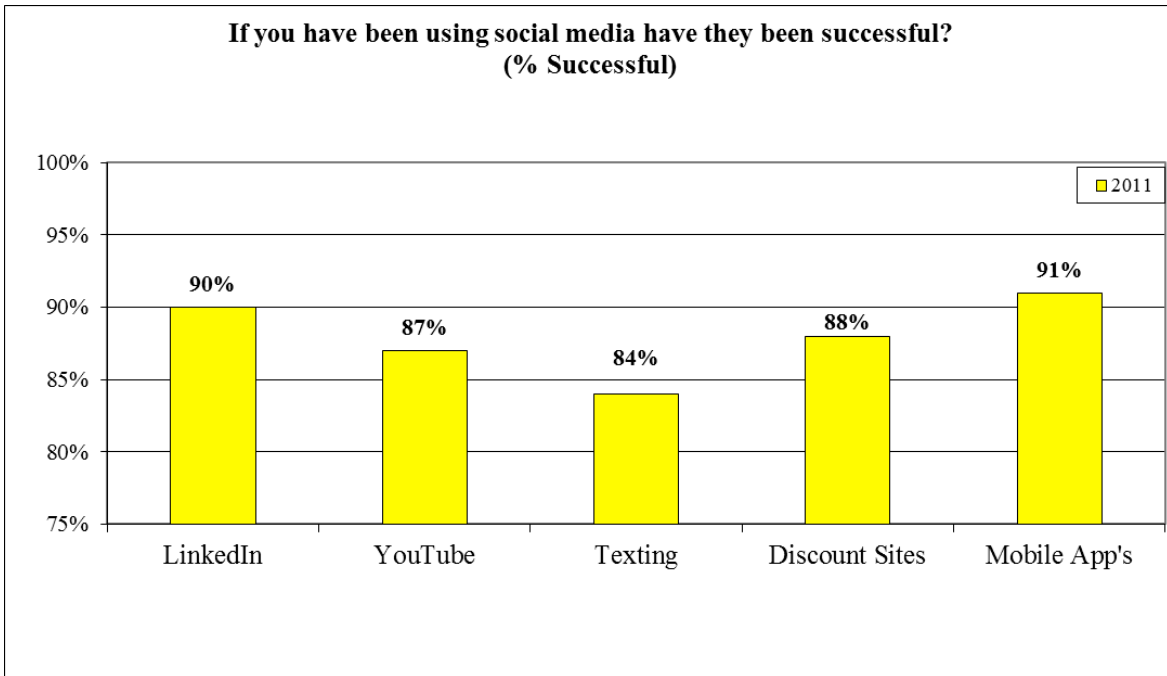
When asked if they plan to adopt any of the social media technologies that they are not currently using, the responses do not often translate into practice. For example, in our 2010 study, 50% were blogging. When the non-bloggers were asked if they intended to adopt blogging in 2011, most said they did. Clearly, that did not come to fruition, as we have noted a decline in blogging to 37% of the Inc. 2011 group. Thirty-four percent of last year's non-Facebook users reported they planned to adopt it, but the actual use of Facebook increased only 3% in the past 12 months. This trend holds for virtually every tool. Intention to adopt appears to have little relation to actual adoption of social media tools. (See graphs below)





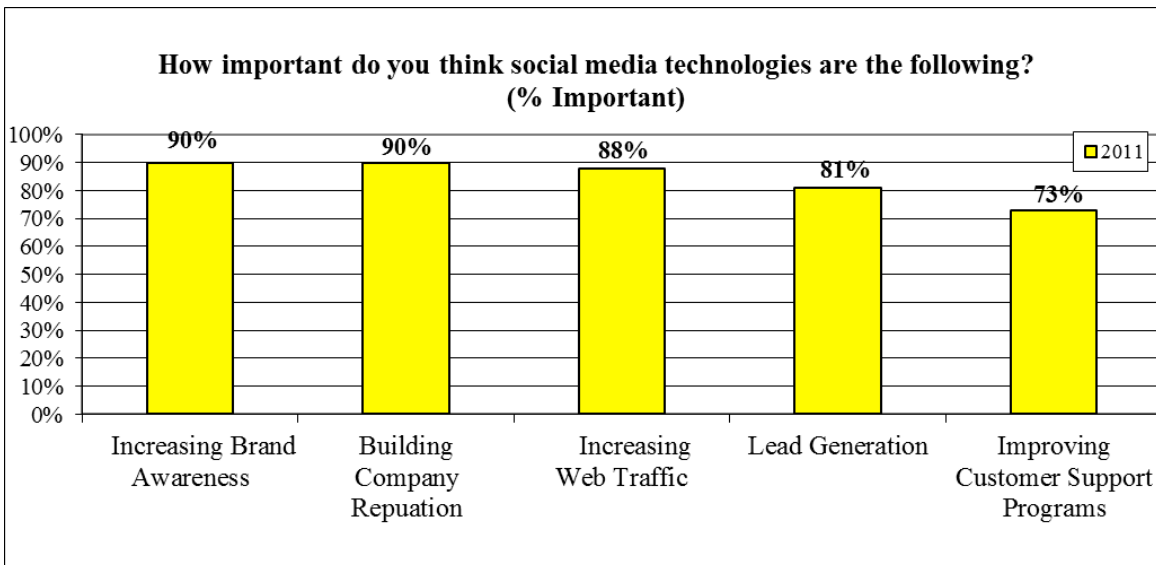
When asked if the use of social media has been successful for their business, the overwhelming response for almost every tool is that it has been. More than 80% of companies rated tools as successful with the exception of Foursquare (68%) and MySpace (0%). The tools rated most successful are message boards/bulletin boards. Ironically, blogging is rated as successful by 92% of those who utilize this tool at the same time we see a decline in the adoption of blogging by 13%. (See graphs below)





When queried on the importance of social media, 26% of respondents in 2007 felt that social media was "very important" to their business and marketing strategy. That figure rose to 44% in one year. It remained virtually the same in 2009, but jumped to 56% in 2010. It is clear that this group of fast-growing companies considered the use of social media as a central part of its strategic plan.

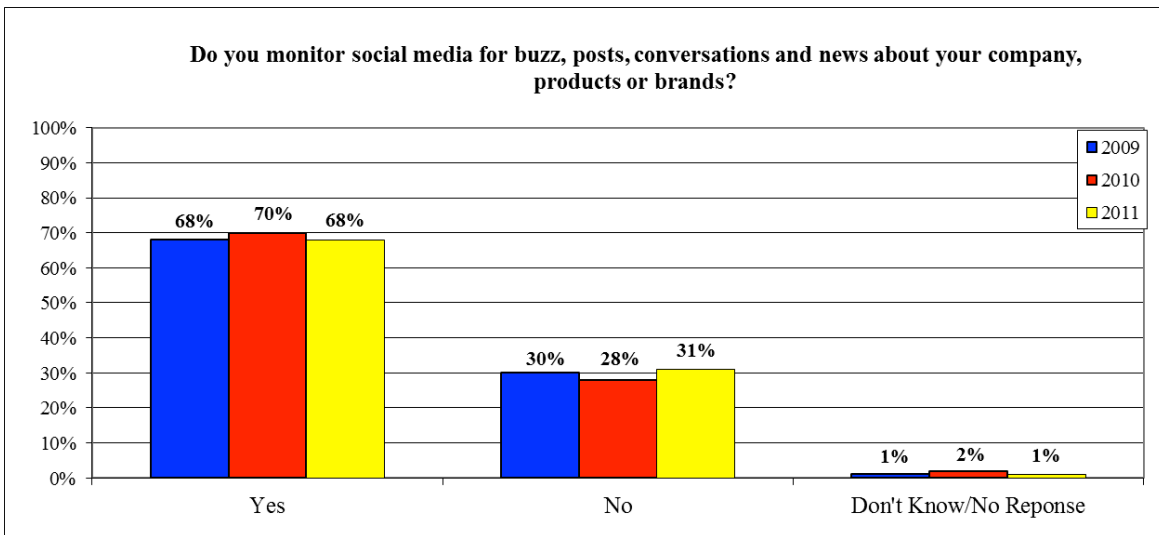
This year the question was changed to delve deeper into the importance of social media in furthering company goals. The results show that social media is most important in enhancing company reputation and brand awareness (both 90%), increasing web traffic (88%), lead generation (81%). Using social media to increase customer support is seen as important by 73% of those using new communications media. (See graph below)

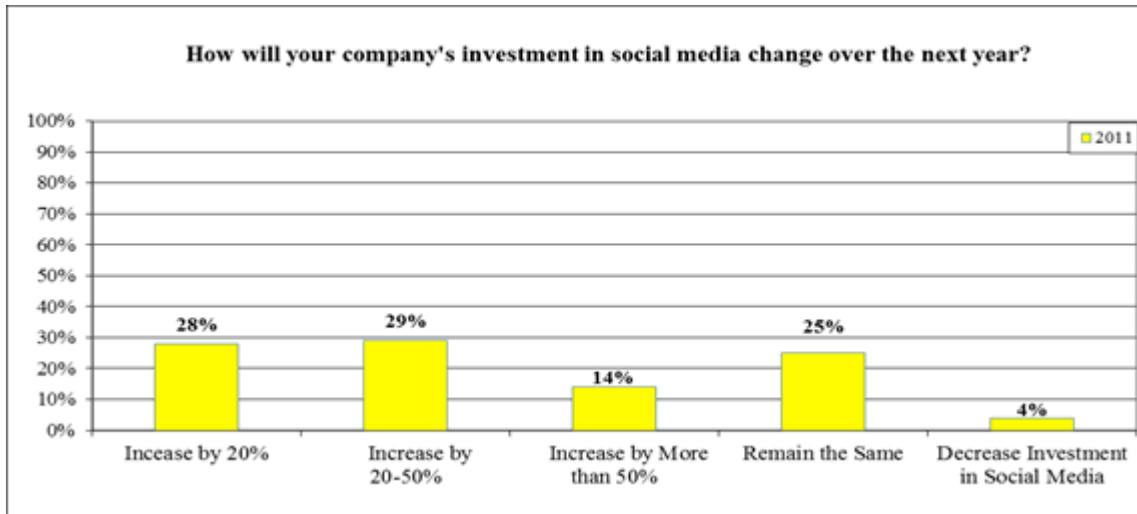


All executives were asked if their company monitors its brands or company name in the social media space. The 2011 study shows 68% of companies do monitor, down from 70% in 2010, which was the highest percent of the past 5 years. The Inc. 500 appear to have plateaued on their monitoring activity. This will have important consequences should they increase their investment in the social media area. Regardless of how they choose to converse with their constituents online, they will need to be aware of conversation about their company, their products and their brands.

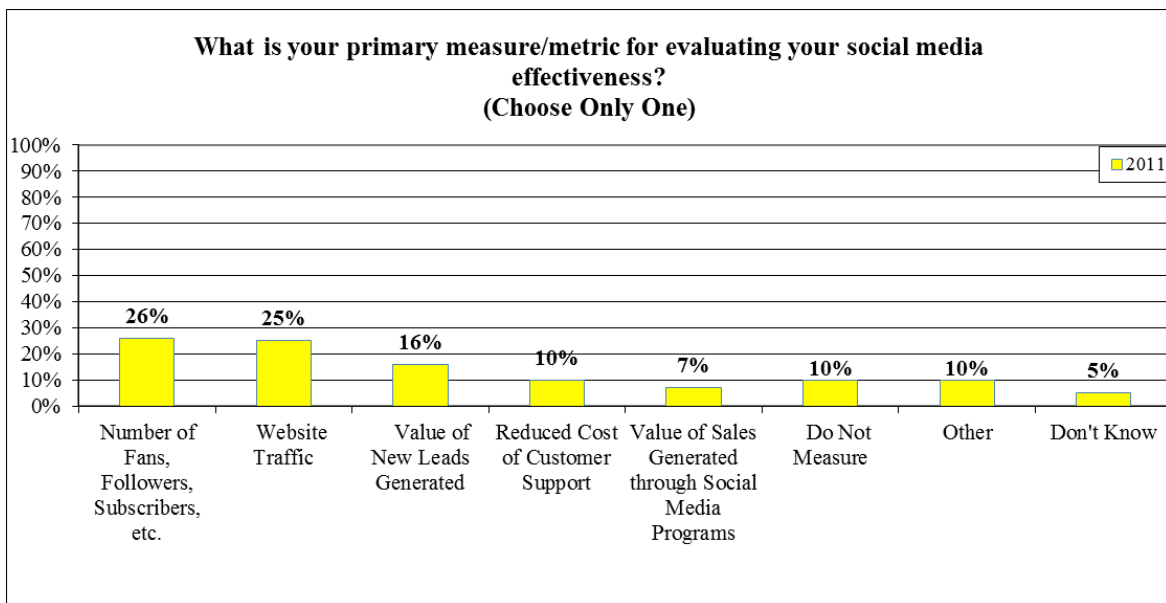
As mentioned earlier, the Inc. 500 has included an increased number of companies in the category of Government Services partly due to some early initiatives by the Obama administration. These companies use social media far less than their counterparts on the Inc. 500 list. For example, 15% of those in Government Services have adopted blogging vs. 37% overall. Fifty-six percent use Facebook vs. 74% overall and 31% use Twitter while 64% of the list do. The trend continues for every social media tool studied for this report.

This was the first year that executives were asked if their company plans to increase their investment in social media. While 25% said they would keep their social media budget the same, the other 71% plan to increase their investment and only 1 company (4%) plan to decrease their investment. This is particularly interesting given that only 24% of the Inc. 500 now have a written social media policy for their employees who use these tools on behalf of the company. We might expect to see that number increase if the use of social media expands. (See graph below)



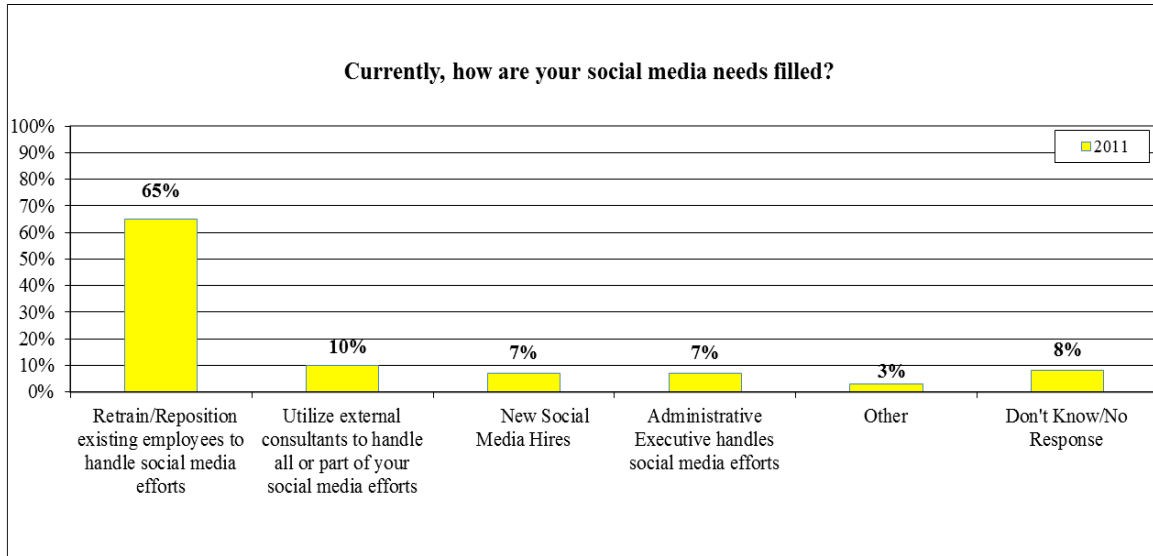


When asked how they measured the effectiveness of their social media efforts, executives reported using fans, followers and supporters (26%), web traffic (25%), lead generation (16%), reduced cost of customer support (10%), the value of sales generated through social media programs (7%). These traditional measures are consistent with past studies. Ten percent of executives reported they did not measure the effectiveness of their social media efforts. An additional 10% cited other measures including Google Analytics. The remaining 5% of the executives did not know what the primary metric was to evaluate the effectiveness of their social media efforts. (See graph below)



Executives were asked how social media needs were filled in their companies. Two-thirds of the companies reported retraining or repositioning existing employees to handle their social media efforts, 10% use external consultants or agencies, 7% have made new hires specifically for their social media efforts, 7% the administrative executive handles all social media efforts and 3% are filling their social media needs in other ways. Eight

percent of the executives interviewed did not know exactly how the social media work was being assigned or handled. (See graph below)



The 2011 Inc. 500 executives report the biggest drawbacks to using social media in their company are: Time, resources, risk and measurement. Many talked about the time it takes to create content and keep up with updating and posting on various platforms. The issue of funds or personnel for the social media effort was cited as a major drawback as many of these companies are relatively small and dedicated social media teams were not possible. Some companies cited negative reviews or negative comments on their sites to be of concern. Measurement continues to be an important issue in the social media arena as many companies look for effective indicators of ROI.

When asked what the biggest benefits are to using social media in their company, answers were consistently related to exposure and awareness. Executives talked about brand awareness, networking, reaching out to new people and getting their company name out. Some cited competitive intelligence, providing thought leadership in their industry and giving the company a face and personality out in the public as benefits.

The use of social media in the Inc. 500 is evolving. Older tools are being shed in favor of newer, more nimble tools. Creating networks with other professionals is seen to be as important as communicating with target markets via Facebook or Twitter. These fast growing companies intend to continue to invest in social media and will fill their needs in a variety of ways including new social media hires. Most measure the effectiveness of their social media efforts using traditional hits and comments along with friends, fans and followers.

Overall, 91% of the Inc. 500 are using social media to market their brands. They have matured in their adoption of these tools and now move comfortably between them. For the first time we see a decrease in blogging and almost a complete dismissal of MySpace.

These companies have embraced Facebook, LinkedIn and Twitter. As investments in social media increase and the role of social media becomes institutionalized in companies, the future is sure to be exciting and fast paced for these model small companies.

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About the Authors

Nora Ganim Barnes, Ph. D.

Nora Ganim Barnes earned a Ph.D. in Consumer Behavior from the University of Connecticut and is a Chancellor Professor of Marketing and Director of the Center for Marketing Research at the University of Massachusetts Dartmouth.

Nora has worked as a consultant for many national and international firms including the National Pharmaceutical Council, the National Court Reporters Association, and the Board of Inquiry of the British Parliament, Scotts Lawn Care Co, Distilled Spirits Council of the US and others. Business Week, Inc. Magazine, Computer World and other business media as well as the Providence Journal, Boston Globe, Chronicle of Higher Education, Washington Post, LA Times, New York Times and NY Daily News have covered her work. She has been named a Senior Research Fellow and Research Chair by the Society for New Communications Research. Nora can be reached at nbarnes@umassd.edu.

Ava M. Lescault, MBA

Ava M. Lescault is Senior Research Associate and Associate Director of the Center for Marketing Research at the University of Massachusetts Dartmouth. Ava graduated from UMass Dartmouth with a BS in Marketing and a Master's Degree in Business Administration with a concentration in Marketing Research. She recently completed a Certificate in Marketing Research from the University of Georgia. Ava has worked on approximately twenty-five extensive research projects and is a published author. Her clients include the cranberry industry, the shellfish industry, a national juice manufacturer, the Massachusetts Department of Agricultural Resources and a Fortune 500 company. She was the first person to hold the position of Senior Research Associate in the Center. Ava can be reached at alescault@umassd.edu.

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Acknowledgements

The authors would like to thank those that made this report possible. The Inc. 500 companies who responded to this survey were candid and generous with their comments. They represent all the qualities that make the study of new communication channels for businesses so exciting. Special thanks are also owed to the staff and students from the University of Massachusetts Dartmouth Center for Marketing Research for their endless enthusiasm and dedication to this project.