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## 2011 United States Corporate Use Of Social Media

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# 2011 United States Corporate Use Of Social Media

The Implications of Social Media at Different Corporate Levels and Environments

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# Executive Summary and Implications



# Executive Summary and Implications

## Overall Use of Social Media in United States Organizations

Social media has solidified its position in the business environment. Nearly 80 percent of users use social media for professional purposes, and over xx percent report that their organizations use these technologies as well.

Managers are using social media more often than junior-level employees, which is surprising as new technologies and media channels are usually slower to be adopted by senior staff. Perhaps management has been made aware of the lower costs and higher efficiencies afforded by the use of social networking.

Facebook dominates, for both personal and professional use, by personnel at all levels within companies. However, for business purposes, large companies prefer to use their own social networks instead of Facebook—ostensibly because they have the resources to build and maintain their own network.

As such, there is a significant business opportunity for providers and developers of private enterprise social networks to create an appealing and affordable product for the middle and small business market.

Except for a few main players (Facebook, YouTube, LinkedIn, Twitter, and MySpace), the market for business use of social media websites is highly fragmented. It is worth noting that among top players, only one—LinkedIn—has a strictly professional profile.

More employees are accessing a mobile device at work, but mostly for personal reasons. However, the higher the role in the organization, the higher the use of a mobile device for work-related purposes. Thus, it is expected that as social media use becomes more entrenched as a business tool, work efficiency will likely increase with a mobile device combination.

# Executive Summary and Implications (continued)

## Organizations Social Network Policy

Roughly xx percent of organizations have written policies regarding use of company computers and networks. The larger an organization, the more likely it is to have such policies.

In companies with no formal policy, xx percent of employees are allowed access to social media. This is a potentially large risk to a company's brand and intellectual assets, and the relationship between formal policies and access to social media should be stronger.

Social media clearly is important to organizations. The majority of organizations allow access to social media, at least to some employees. However, in companies with formal policies, xx percent are not allowed to blog, tweet, or engage in social media at all; such restrictions point to issues of employee training or control. Organizations that implement such policies most likely have a web filtering system in place. According to research conducted by Frost & Sullivan's Network Security group, the web filtering market is in a healthy growth stage, witnessing a CAGR of xx.x percent, with revenue reaching \$x,xxx.x million in 2010. Web filtering software offers basic URL filtering, deep content analysis, and Web 2.0 application controls. (See study N88F-74 for further information.)

# Executive Summary and Implications (continued)

## Organizations Social Network Strategy

Regardless of size, roughly xx percent of companies claim to be fairly or well along in their social media use and development. This is good news for a medium that did not have serious business applications until about three years ago.

Over xx percent of companies have formal social networking initiatives, and over xx percent of these initiatives were kicked off by the C-Suite or executive management. This points to a surprising level of senior buy-ins for an initiative that would normally be a concern for marketing or MIS departments. With relatively rapid senior buy-ins, and with demonstrated return on investment and value, the market can expect continued executive sponsorship of social media programs.

## External and Internal Client Relations

A large number of companies use social media (xx percent) for external purposes, mainly to cooperate with customers (xx percent). Small medium-size organizations use social media for external purposes more often than large organizations do.

“Word-of-mouth” marketing is most frequently used for external client relations (xx%).

Corporate-owned sites are most popular with large enterprises. The sites perceived as most valuable for client relations (by their users) are: organizational social sites, Lotus Connection, and Entrepreneur Connect.

# Executive Summary and Implications (continued)

## External and Internal Client Relations

Internal usage of social media (xx percent) is not as widespread as external use. Not surprisingly, medium- and large-size organizations use social media internally significantly more often than small organizations. As such, there exists a substantial opportunity for the 'social enterprise,' or an environment in which social media software and applications are utilized to enable internal collaboration and unified communications such as presence, telephony, chat, or conferencing.

According to research conducted by Frost & Sullivan's Unified Communications and Collaboration group, the overall unified collaboration (UC) market is experiencing a CAGR of x.x percent, with xx.x million UC clients shipped worldwide in 2010. (See study N8C0-64 for further information.)

The major goal of internal social media use is to keep staff informed of its organizations' undertakings (xx percent). E-mail notification is the most popular way to encourage use of social media internally (xx percent). Only xx percent use social media engagement tools, with TweetDeck being the top-used provider. Almost one-third are unaware of their company's use of a social media engagement tool, indicating a market opportunity for companion products, tools and software that enable external social media marketing and campaign management.

Over xx percent of users do not formally measure social media success, or "don't know" if their companies measure social media at all. This is surprising given the attention and investment (mostly in time) given to social media programs in place today. However, this figure is expected to decline as organizations begin to seek a stronger return on investment for their social networking programs and more closely integrate social media metrics into other sales, marketing and business analytics that are captured and utilized for decision-making.



# Executive Summary and Implications (continued)

## Measurement Platform Usage

Roughly one-fifth of companies using social media for external purposes use a measurement platform as a monitoring tool. The brand used most and perceived as best is Nielsen Online. Given this, there is a tremendous business opportunity for social media measurement platforms to demonstrate value and capture market share—for companies of all sizes.

## Benefits and Risks of Social Media

Business development is regarded as the major benefit of social media. Conversely, an employees' loss of productivity is perceived as a major risk.

## Future Intentions

Overall, the future is expected to be bright for social media within United States organizations. Specifically, executive managers—the current organizational leaders—cite that social media use is expected to increase, more resources will be devoted to corporate use, and further integration of social media within organizations will increase value.

For a longer-term forecast, the same positive measures are cited among mid-level managers (next-generation corporate leaders) and non-management employees (future corporate leaders), but to a lesser degree. Yet, it is expected that as these next-generation and future leaders move up corporate ladders, they will increasingly see the benefits of social media and the benefits of deepening integration within their organizations.