

THE MERCADIEN GROUP

2011 SOCIAL MEDIA SURVEY REPORT



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Background

In our continuing effort to provide our clients with the most relevant information to help them in their business planning and to support their success, we conducted a **social media** survey in the last quarter of 2010. For purposes of this survey, we define **social media** as, “the process of generating interest and excitement in a product or service through various online social outlets such as blogs, RSS (Really Simple Syndication) feeds and social networks (LinkedIn, Facebook, Twitter, YouTube.)” The user-generated content can be an extremely effective channel for building product awareness, reputation management, and/or corporate branding.

We distinguish social media from Web based sites as follows: social media sites require active account creation and participation on a regular basis to receive a benefit or value. On the other hand, a web based, company site has been traditionally passive but may also use be uses as a conduit to social media sites.

As you read through these survey results, please pay particular attention to the discussions as they relate to Web based and social media sites.

This survey was designed to gather information for our clients for two specific purposes:

1. To better provide our clients with market-specific information on whether and how their peers are utilizing social media, and
2. For Mercadien’s professionals to advise our clients who seek relevant information on preparing a social media policy for their operations.

While statistical significance is sometimes difficult to gauge, nearly 200 business owners responded to our questions, giving us confidence that the trends we observed can be utilized to support our findings. The most relevant and useful information we identified is summarized in this report. For interpretive purposes, we have divided the survey into four general areas: **demographics; web and social media usage; purchasing and procurement; and social media documentation.**

We take this opportunity to express our sincere appreciation to those companies who participated in this survey, and we are happy to provide you with the raw data if you would like to do in-depth comparative analysis for your organization. For more information, please contact Kim Vecchia, Marketing Manager, at (609) 689-9700 or kvecchia@mercadien.com.

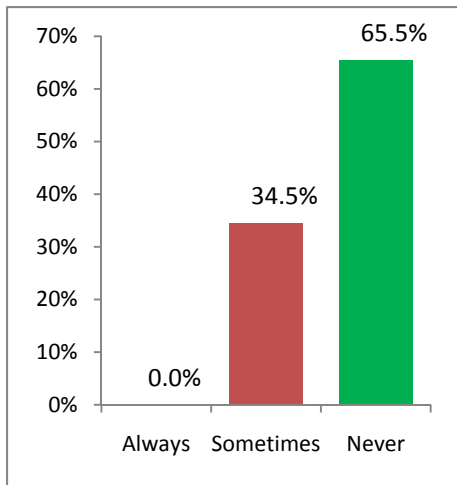
Demographics

Nearly 80% of respondents represented senior management or C-level executives. Furthermore, nearly all (97.2%) respondents use the web on a daily basis. We believe, based on these thought leaders, the information we obtained is extremely valuable as these are key decision makers representing our business community.

The majority of respondents are New Jersey-based entities with a high concentration coming from the Central New Jersey marketplace. As noted, these businesses represent a wide spectrum of industries including financial institutions, professional service organizations, retail entities, construction, manufacturing, insurance, educational, and health and human service organizations.

Usage

Although we are not surprised that nearly all respondents use the web on a daily basis, it is surprising that nearly 75% of respondents indicated they have utilized at least one social media service. We interpret this to mean that they had either opened or in some way engaged in a communication forum. Moreover, only 30% of all respondents indicated that they currently do not utilize any social media service.



The graph above indicates the frequency respondents click on banner ads.

Of those who maintain a social media presence, currently 90% access their accounts at least weekly. More interestingly, 62% access their accounts at least daily, while more than a third access their accounts multiple times a day. We note that in developing a social media policy for your business it is imperative that you address the issues of access and usage (utilizing company property and) during normal business hours.

Seventy-five percent of respondents indicated that they plan to utilize social media in some manner to benefit their business through marketing, business development, or branding. With the anticipation that most advertising campaigns via the internet and social media seem to be conveyed via banner ads, we asked respondents what their inclination was to click on banner ads. Not surprisingly, 65% of our respondents (C-level executives) do not click on banners.

Clearly, branding and advertising are the most common uses currently. Almost 48%, nonetheless, have tied individual branding (professional development) into their business development and marketing plans. A comprehensive social media policy should address how individuals promote themselves relative to their relationship with their employer.

As most respondents utilize social media for more than one purpose. *Please note that the figures, in the graph below, add to more than 100%.

Subsequently, we asked whether they foresaw using social media for personal use. More than half (52.8%) indicated they do not. When asked why they would not, we received a myriad of responses, which represented issues of time, security, and personal preference. Typical responses included:

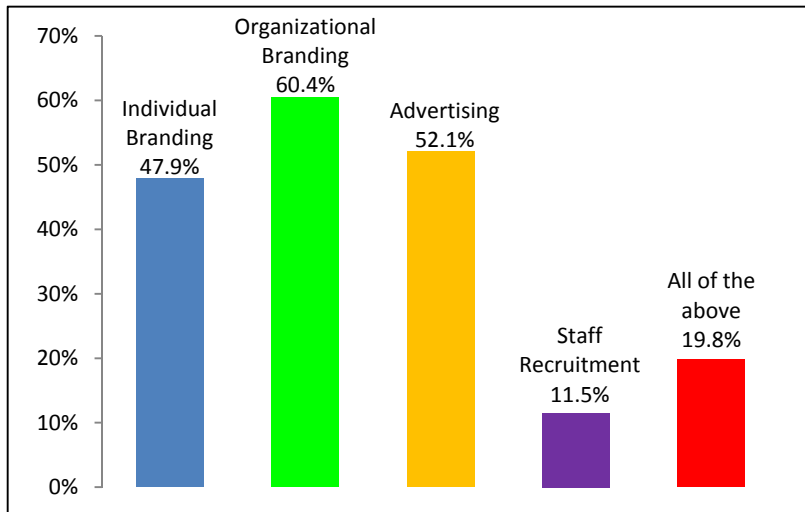
“Don’t have time to use it.”

“Overall concern is security or lack thereof.”

“I prefer talking to people.”

“I don’t think they have any value unless they are updated daily or every other day...in addition, I believe they are increasingly seen as spam and will be treated as such.”

“I used Facebook for a brief period to follow the progress of a relative in boot camp as it was the only way to learn of his progress. I ignored requests from others during that time and closed my account once he graduated.”

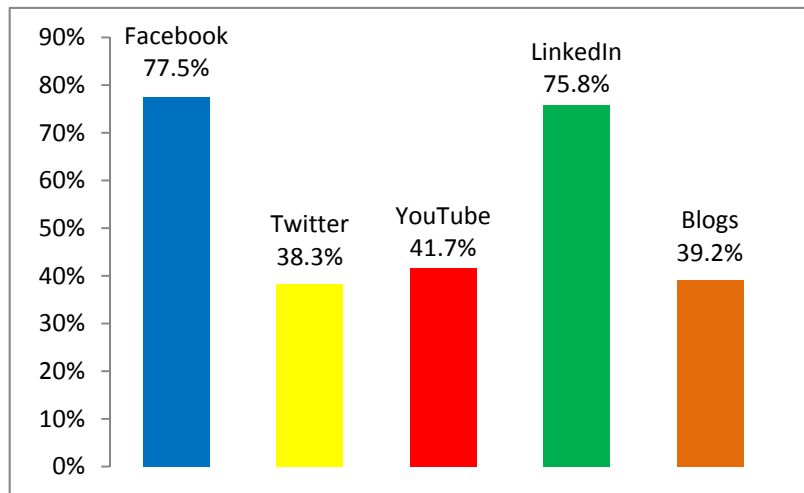


Purchasing and Procurement

Clearly, the introduction of the internet has created new business models for countless industries. Indeed, **purchasing** products and the procurement of services on company owned internet sites is a common occurrence. Indeed, 80% of respondents indicated that they purchase products or services on a

monthly basis while half of these purchased products or services at least weekly from a company owned internet site.

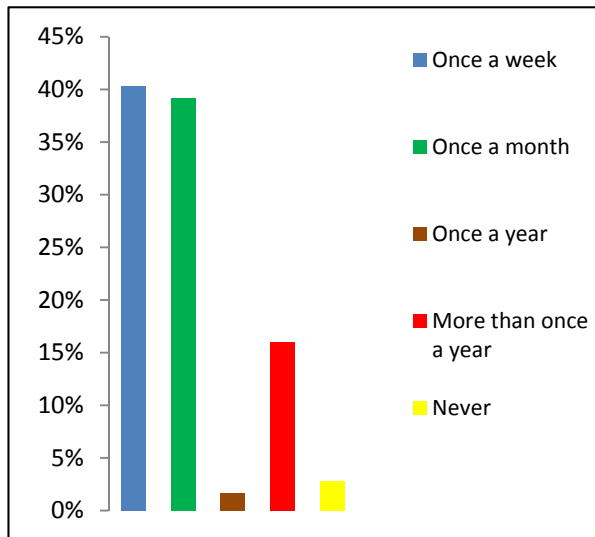
However, when we asked whether respondents **purchased** products or services directly from or via a **social media** site, three-fourths indicated that they had never utilized this venue. Interestingly however, 46% of respondents indicated that they intended to use social media for **researching** products or services within the next year. We expect that as social media becomes more prevalent, that this percentage will decrease.



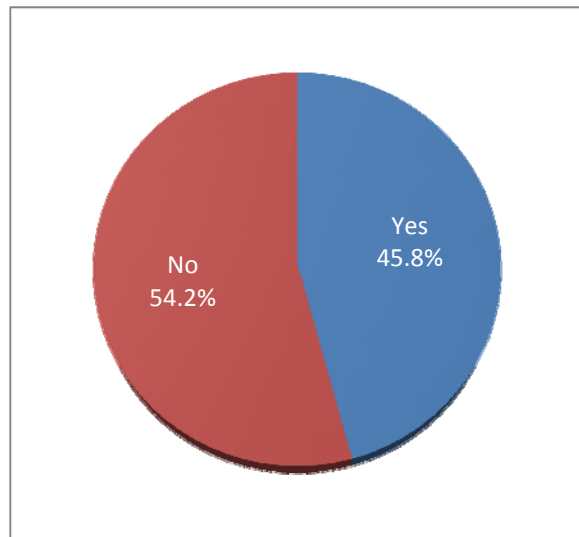
The graph above indicates which social media sites respondents preferred. *Please note that these figures add to more than 100% because respondents may utilize more than one form of social media.

The most common purchases respondents make via the internet are consumer products, such as clothes, books, electronics, and music (84.4%). An additional 20% use the web to purchase home appliances.

The graph below indicates how often respondents use the internet for purchasing products or services.



The graph below indicates if respondents foresee using social media sites to research purchasing products or services.



Documentation

The final three questions of our survey dealt with whether respondents have a social media policy; plan to develop a policy within the next year; and if they need assistance in developing a policy for their organization. Not surprisingly, nearly 62% of respondents do not have a social media policy. Of those, more than half indicated they plan to develop a social media policy within the next year. And of those respondents, 20% indicated they would like assistance in developing their social media policy. Among organizations that do not have or anticipate developing a social media policy, the majority are very small

entities or question the need for such a policy. Interestingly, a small portion of respondents noted that employees do not have access to the Internet at work.

Food for Thought

The penetration of social media into society is a phenomenon which has yet to be understood fully. For example, were Facebook a nation it would be the third largest on earth. These social media platforms create both opportunities and pitfalls for businesses and individuals alike. Creating, implementing, and enforcing social media policies within institutions will continue to be a priority for management in the years to come.

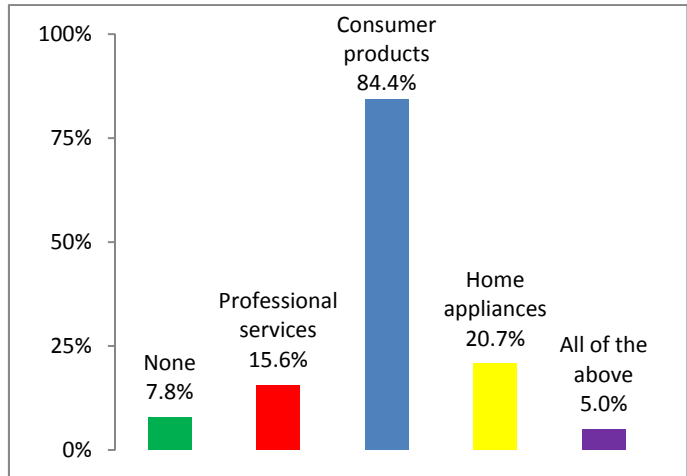
Not surprisingly, developing a social media policy for your enterprise will be a custom document. What might be appropriate for a professional service enterprise, e.g. law firm, accounting firm, or insurance company, would not be appropriate for a retail establishment.

More importantly, your social media policy must complement and support your social media presence. In other words, you must first develop your social media plan *before* you develop your social media policy.

As with any agreement affecting employment, your organization's social media policy should be an integral component of your employee manual. However, management would be remiss to think that their current employee manual may adequately address social media issues. Our experience is that the development of a social media policy requires management to ask many questions about the organization, its relationship to its business environment, its clients, and its employees.

We believe management is well served to contact their trade or professional association for samples of social media policies applicable to their business environment.

For more information, please contact Kim Vecchia, Marketing Manager, at (609) 689-9700 or kvecchia@mercadien.com.



*The graph above indicates what respondents purchase via the web. *Please note that these figures add to more than 100%.*

Appendix A

1. What level are you within your organization?

Executive level (President, Owner, Chief Officer)	54.2%
Senior management (Director or Senior VP)	25.3%
Supervisor	3.7%
Manager	12.6%
Administration	2.1%
Support	1.6%
Entry level	0.5%

2. Have you previously utilized any social media outlets?

Yes	74.7%
No	25.3%

3. Do you currently utilize any social media outlets?

Yes	71.1%
No	28.9%

4. On average, how often do you access your accounts?

Once a day	25.9%
Multiple times a day	36.3%
Once a week	28.1%
Once a month	5.2%
Once every few months	4.4%
Once a year	0.0%
Never	0.0%

5. Do you foresee using social media sites for the business development, marketing, or branding of your organization within the next 12 months?

Yes	74.6%
No	25.4%

6. Do you foresee yourself utilizing any social media outlets within the next five years?

Yes	47.2%
No	52.8%

7. What form of business development, marketing, or branding do you use social media for?

Individual branding (professional development)	47.9%
Organization branding	60.4%
Advertising	52.1%
Staff recruitment	11.5%
All of the above	19.8%

8. Which social media sites do you anticipate using? (select all that apply):

Facebook	77.5%
Twitter	38.3%
YouTube	41.7%
LinkedIn	75.8%
Blogging	39.2%

Appendix A

9. How often do you use the web?

Daily	97.2%
Once a week	1.1%
Once a month	0.6%
Once a year	0.0%
More than once a year	0.0%
Never	1.1%

10. How often do you use the web for purchasing products or services?

Once a week	40.3%
Once a month	39.2%
Once a year	1.7%
More than once a year	16.0%
Never	2.8%

11. How often do you use social media outlets for purchasing products or services?

Once a week	3.9%
Once a month	9.4%
Once a year	7.2%
More than once a year	4.4%
Never	75.1%

12. What types of products or services do you purchase online? (Check all that apply)

None	7.8%
Professional services (accounting, financial assistance, legal, consulting)	15.6%
Consumer products (clothes, books, music)	84.4%
Home appliances	20.7%
All of the above	5.0%

13. Do you foresee using social media sites for researching products or services for your organization within the next 12 months?

Yes	45.8%
No	54.2%

14. Do you click on banner ads?

Always	0.0%
Sometimes	34.5%
Never	65.5%

15. Does your organization currently have a social media policy?

Yes	38.4%
No	61.6%