

Social Media in the Inc. 500: The First Longitudinal Study

Conducted by:

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The University of Massachusetts Dartmouth [Center for Marketing Research](#) recently conducted one of the first statistically significant, longitudinal studies on the usage of social media in corporations.

The new study compares corporate adoption of social media between 2007 and 2008 by the Inc. 500, a list of the fastest-growing private U.S. companies compiled annually by Inc. Magazine. For details about the 2007 Inc. 500 and the complete directory of the included companies, please visit Inc. Magazine's website at www.Inc.com.

In 2007 (using the 2006 Inc. 500 list), the first study of this group and their use of social media was released and revealed that the Inc. 500 was outpacing the more traditional Fortune 500 in their use of social media. For example, at that time, 8% of the Fortune 500 companies were blogging compared to 19% of the Inc. 500.

This study revisits the Inc. 500 approximately one year later (using the 2007 list) in the first longitudinal study on corporate use of these new technologies. Given that [previous research](#) now shows that just 11.6% of the Fortune 500 currently having a public blog, it is astounding to see that 39% of the Inc. 500 are blogging. The addition of 3.6% more Fortune 500 companies to the blogosphere pales in comparison to the addition of 20% more of the Inc. 500 companies after the same time period.

Like the original, the new study is the result of a nationwide telephone survey of those companies named by Inc. Magazine to the Inc. 500 list under the direction of researchers [Nora Ganim Barnes](#) and [Eric Mattson](#). All interviews took place in March and April of 2008. Forty-two percent (209) of the Inc. 500 participated, making this research statistically valid at +/- 5%.

Given this statistical significance, this research proves conclusively that social media has penetrated parts of the business world at a tremendous speed. It also indicates that corporate familiarity with and usage of social media within the Inc. 500 has nearly doubled in the past 12 months.

The respondents in this study, as in the first study, are diverse in industry, size and location. They include 3 of the top 10, 11 of the top 25, and 44 of the top 100 companies from the Inc. 500 list. The 209 companies who responded were asked the same detailed questions concerning their usage and measurement of social media that were asked of the Inc. 500 approximately one year earlier. Questions probed familiarity of respondents with six prominent social media (blogging, podcasting, online video, social networking

and wikis). In order to maintain the integrity of all comparisons, only those tools studied in the first study were included in this follow-up research.

The social media that continues to be the most familiar to the Inc. 500 is social networking with 57% of respondents in 2008 claiming to be “very familiar with it” (compared to 42% in 2007). Familiarity is related to usage. It is interesting to note, however, that even those forms of social media less familiar to the participants are still used by at least 20% of them. Just over one quarter of the Inc. 500 reported social media was very important to their business/marketing strategy in 2007. That number has increased to 44% just one year later.

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

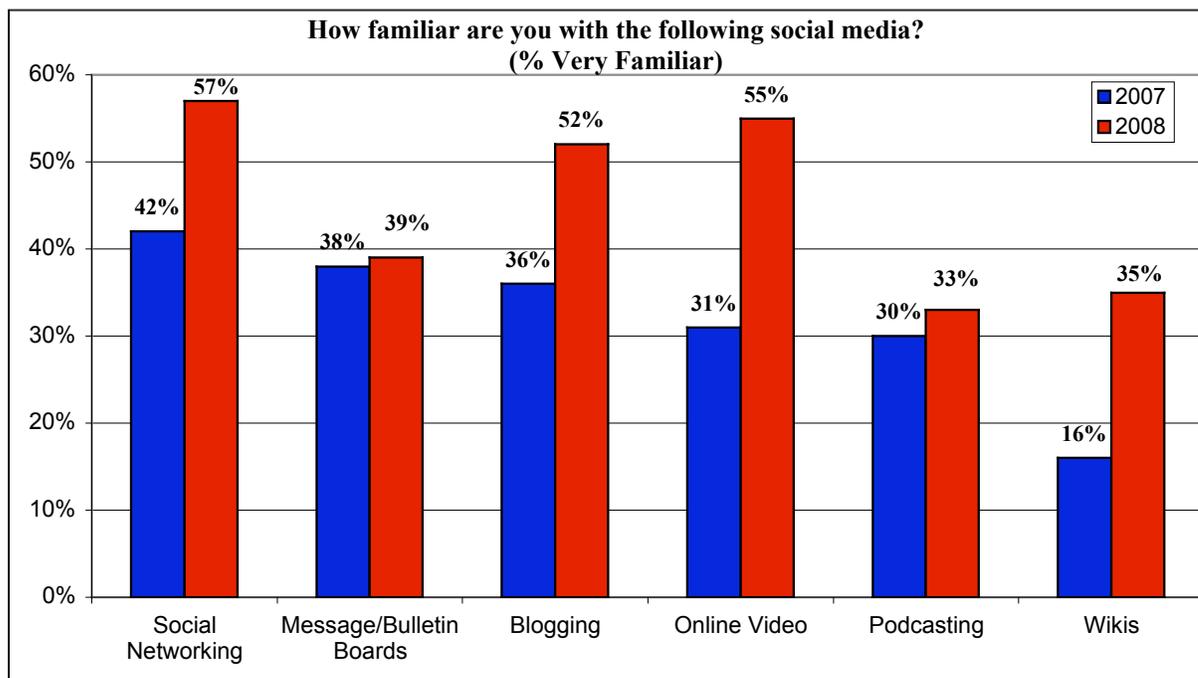
Executive Summary

In early 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 within the United States, were released. As one of, if not the first studies of corporate social media adoption with statistical significance, it proved conclusively that social media was coming to the business world and sooner than many anticipated. Now, approximately one year later, that same group was studied again in an effort to look at longitudinal change in the adoption of these digital communication tools.

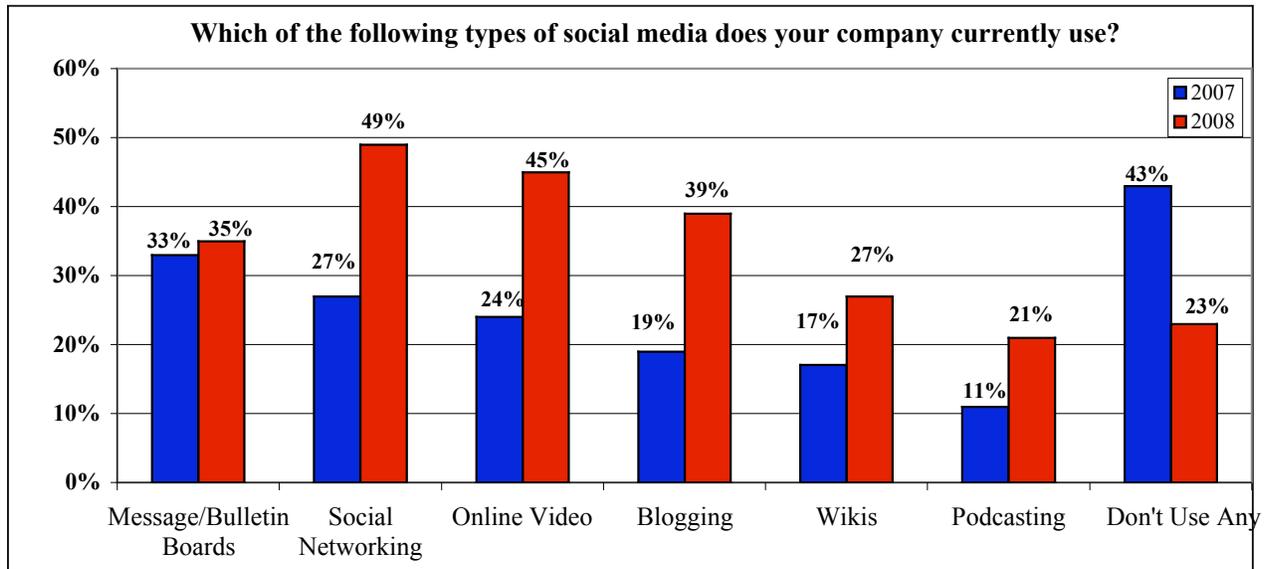
The companies who responded were asked the same detailed questions concerning their familiarity with, usage of and measurement of social media. The survey used in the both the 2007 study and the 2008 study asks a range of questions with regard to six prominent social media (blogging, podcasting, online video, social networking & wikis). Given the frequently uncertain definitions of these media, common understanding of each form was achieved by providing definitions from Wikipedia.

Forty-two percent (209) of the Inc. 500 participated, making the new research statistically valid at +/- 5%. The original study was also statistically valid.

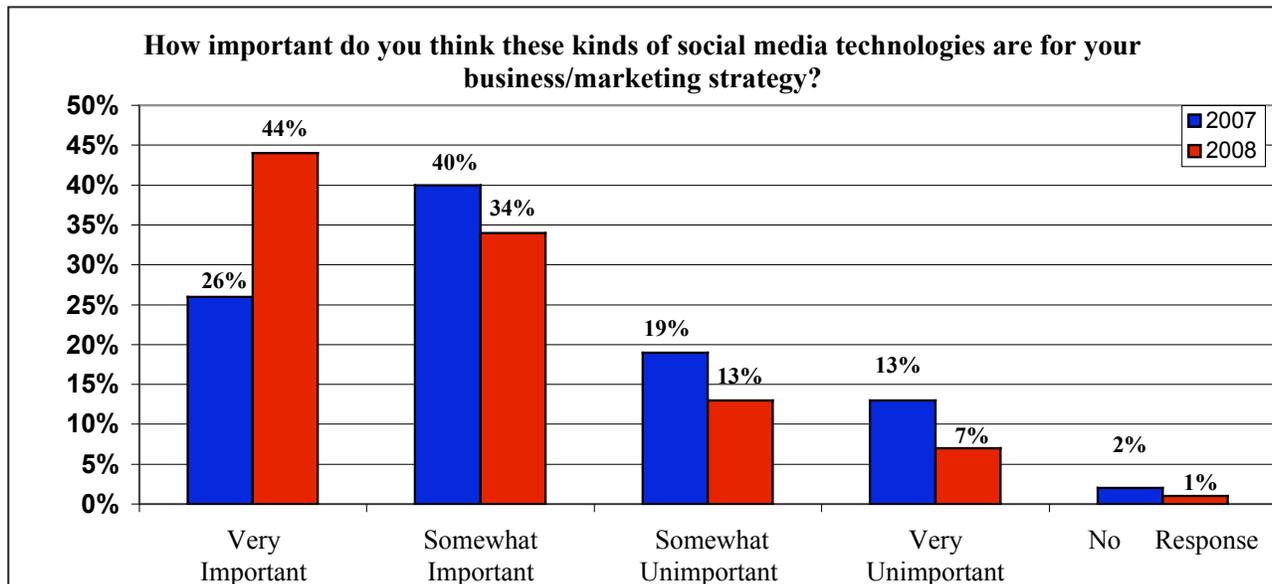
To begin, respondents were asked to rank their familiarity with each technology from "very familiar" to "very unfamiliar." The social media that was most familiar to the Inc. 500 in both studies is social networking with 42% of respondents claiming to be "very familiar with it" in 2007 and 57% in 2008. However, as the graph below shows, across the board a significant percentage of the companies are "very familiar" with each of these technologies. In the 2007 study wikis were the least familiar to the Inc. 500, but in 2008 wikis jumped ahead of podcasting in familiarity. The bottom line is that the Inc. 500 continues to learn about social media at a very quick pace (see graph below).



From familiarity, the survey moved into the companies' actual usage of social media. The companies were asked in 2007 and again in 2008 if they were using the six social media discussed above and, if yes, for how long they had been using them. Again, the results are surprising. While familiarity is related to adoption, even the least familiar media has 21% adoption (podcasting). All six forms of social media have enjoyed growth in the adoption of these tools with an amazing 77% of the Inc. 500 reporting use of at least some social media tool (see graph below).



Not only is this widespread adoption being driven by strong familiarity but also from the recognized critical role of social media to a company's future success in today's online world. When queried on the importance of social media, 26% of respondents in 2007 felt that social media is "very important" to their business and marketing strategy. That figure rose to 44% in approximately one year. It is clear that this group of fast-growing companies considers the use of social media as a central part of its strategic plan. (see graph below).



From familiarity to usage to importance, social media is expanding rapidly within the Inc. 500. For the first time, growth in familiarity, adoption and importance to mission has been documented in a statistically significant, longitudinal study. If the Inc. 500 is embracing social media at this record pace, can the rest of corporate America be far behind?

A more thorough analysis of our research into social media adoption by the Inc. 500 will be published in several journals throughout 2008. To be added to our email distribution list so that you can stay abreast of our most recent research and writings, please email eric@ericmattson.com or nbarnes@umassd.edu.

About the Authors

Eric Mattson

Eric Mattson is the CEO of Financial Insite Inc., a Seattle-based boutique research firm focusing on technology innovation in finance and banking. He's also an independent social media scholar whose research has appeared in BusinessWeek, Inc. Magazine and a number of other publications.

Prior to his current endeavors, Eric ran direct marketing, market research and marketing analytics for SanMar, one of the largest generic clothing wholesalers in the United States. Eric is a proud graduate of the University of Washington where he earned dual degrees in business administration and mathematics as a Washington Scholar. He can be reached at eric@ericmattson.com.

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. Working closely with businesses in the Northeast US, Nora and her students have provided marketing research assistance to over 200 small businesses. Business Week, Inc. Magazine, Computer World and other business media as well as the Providence Journal, Boston Globe, Washington Post and NY Daily News have covered her work.

She has published over 125 articles in academic and professional journals and proceedings, has contributed chapters to books, and has been awarded numerous research grants. Her areas of expertise include Consumer Behavior (both online and offline) and Marketing Research. Her most recent work covers the use of social media by businesses, charities and higher education. She has been named a Senior Research Fellow by the Society for New Communications Research. Nora can be reached at nbarnes@umassd.edu.

Acknowledgements

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