

# **LinkedIn Rules But Sales Potential May Lie with Twitter: The 2013 Inc. 500 and Social Media**

## **Conducted by:**

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## **Introduction**

The Center for Marketing Research at the University of Massachusetts Dartmouth recently conducted its annual in-depth study on the usage of social media in the fastest-growing corporations in the US. This new study revisits the Center's work on the Inc. 500 social media usage for the seventh consecutive year, making it a valuable and rare longitudinal study of corporate use of new communication tools.

The Inc. 500 comes from the list of the fastest-growing private US companies compiled annually by Inc. Magazine. For details about the 2013 Inc. 500 and the complete directory of the included companies, please visit Inc. Magazine's website at [www.Inc.com](http://www.Inc.com).

As in the earlier studies, the 2013 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 2013. All interviews took place in the fall of 2013. The businesses on the list include a wide range of industries from technology to healthcare as well as government contracting.

This research presented here was conducted using two approaches. First, every company named to the 2013 Inc. 500 list was examined in order to determine which social media tools they were using. Each homepage was reviewed in addition to the entire site (since some did not link to their accounts from the homepage). Search engines were also utilized to find an online presence if none was obvious after reviewing the website.

Our second level of research involved interviewing a random sample of executives from the Inc. 500 list to ask questions with a specific focus on issues like social commerce, mobile, online crisis management and social media policies. One hundred and eighteen interviews were conducted (24% of the Inc. 500). While some issues are new to the 2013 study, several were researched in 2012 as well, in order to provide trend data. Comparisons will be made wherever possible.

The responding executives represent a diverse group which consists of 21 of the 22 industries on the 2013 Inc. 500 list. Twenty-two percent of the companies surveyed made the top 100 on the 2013 Inc. 500 list (7 are ranked in the top 25). Respondents reported annual company revenues of under \$3M to over \$200M with 42% of them falling between \$3m-\$10m. Approximately two-thirds of the sample has 1-50 employees and 54% were founded between the years 2008-2011.

This latest iteration 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.

### **A few findings worth highlighting:**

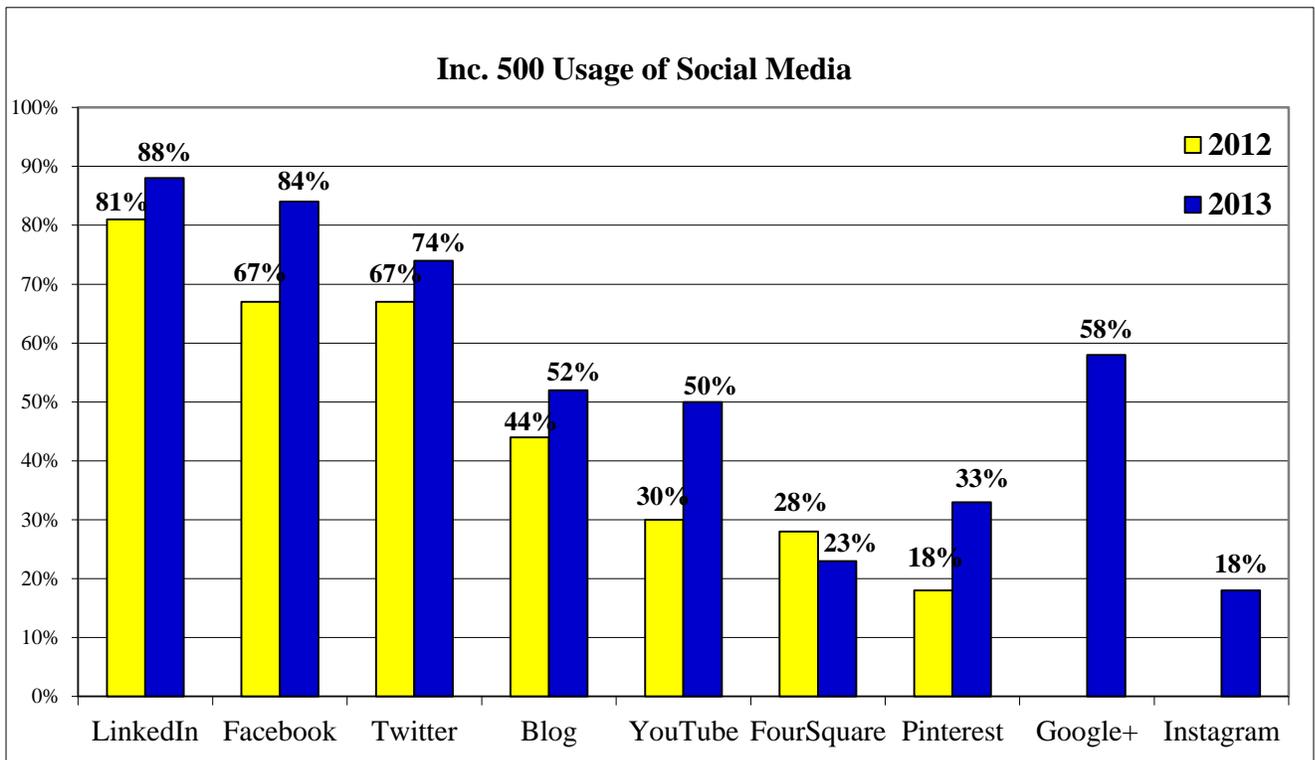
- LinkedIn continues to be the platform of choice among the Inc. 500 for the 2<sup>nd</sup> year in a row.
- Companies perceive Twitter as the platform having the greatest potential for sales growth.
- Monitoring a companies' brands, products or name for the 2013 Inc. 500 companies, appears to be losing traction.
- Approximately two thirds of the 2013 Inc. 500 have made accommodations for mobile customers including providing downloadable apps or optimizing web for mobile.

### **Detailed Findings**

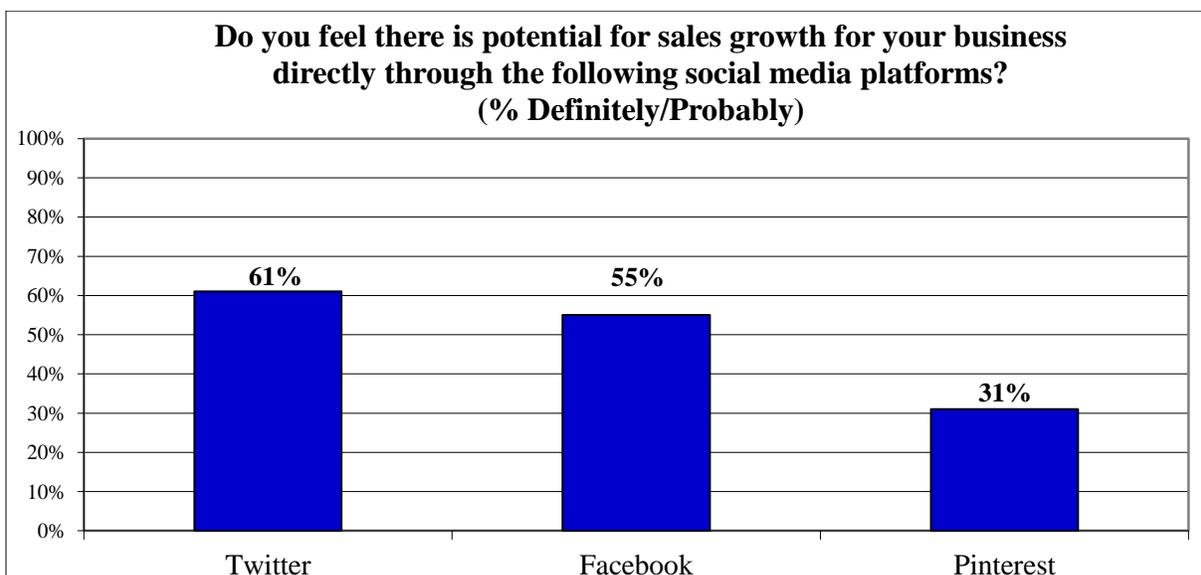
The use of LinkedIn by Inc. 500 companies grew to 88% this year, maintaining the number one spot. Facebook saw a resurgence to 84% after dropping 7% in 2012. The following also saw increases: Twitter (7%), blogging (8%), Pinterest (15%) and YouTube (20%). This is the first year the study has included Google+ and Instagram. Increases in YouTube and Pinterest along with the use of Instagram, show that the visual media platforms are becoming increasingly more attractive to the Inc. 500.

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 trend has held steady for the past 7 years with the Inc. 500 continuously out blogging the Fortune 500. The most recent data collected on both groups suggests that the pattern holds with 52% of the Inc. 500 blogging and 34% of the Fortune 500. Both groups however, continue to increase their use of this mature but valuable tool.

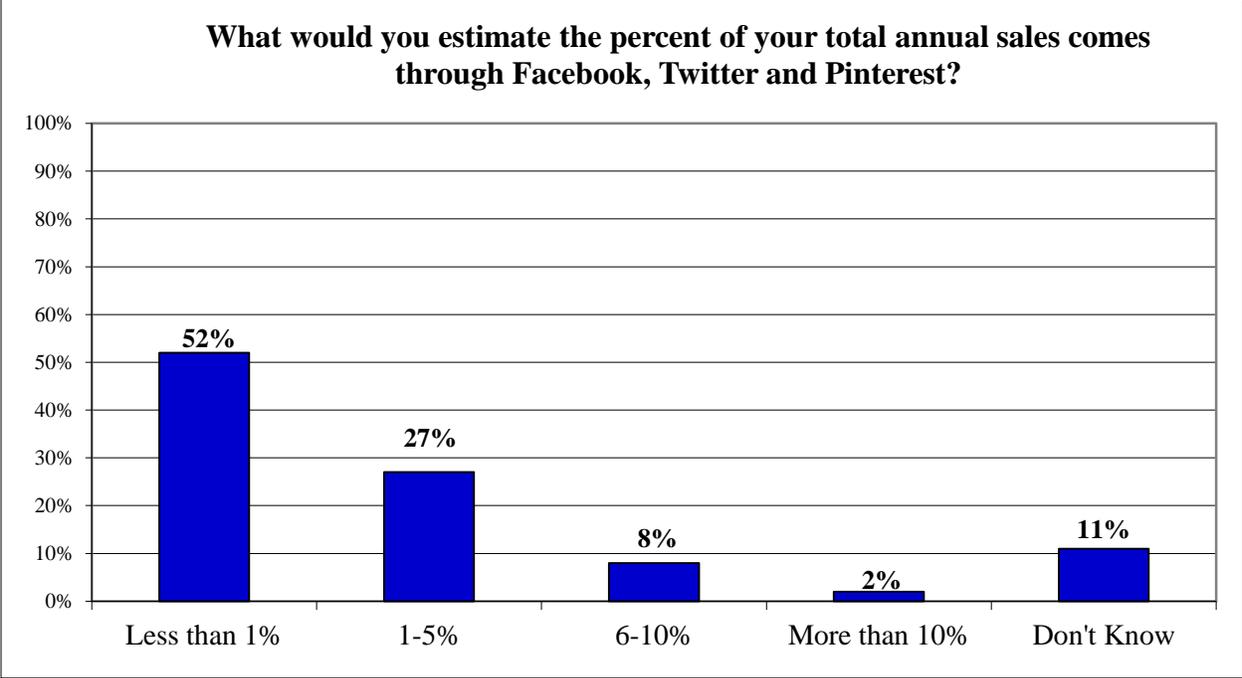
We are now seeing the incorporation of new platforms and tools as well as an increased use of others. The only tool with a decrease in usage is FourSquare. Ninety-five percent of the Inc. 500 are using at least one of the tools studied (a 3% increase since 2012).



One of the new issues we examined this year in our interviews was the company’s involvement in social commerce. Executives were asked which social media platforms they felt has the most potential for sales growth for their business. Sixty-one percent feel Twitter holds the most potential for sales growth. Fifty-five percent see Facebook as the platform for growth and 31% believe Pinterest will benefit them. Those listing other options cited LinkedIn and YouTube as platforms that hold potential for sales growth.

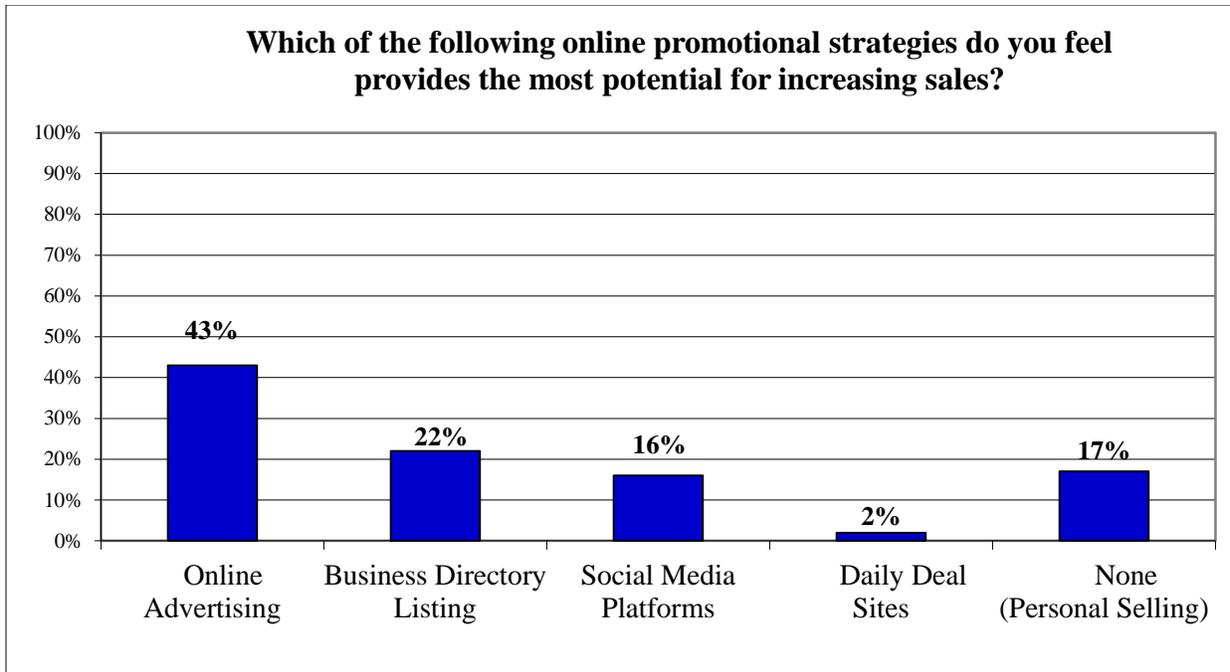


Forty-five percent indicated they are tracking sales that come through their social media platforms. We asked the executives to estimate the percent of total annual sales coming through Facebook, Twitter and Pinterest. Approximately half believe sales from social commerce are limited to less than 1%. Some companies, however, are estimating this channel to be more significant for them. Two percent estimate that more than 10% of their annual sales come from Facebook, Twitter or Pinterest. Of those who said they are not currently tracking sales, 29% said they plan to within the next 12 months.

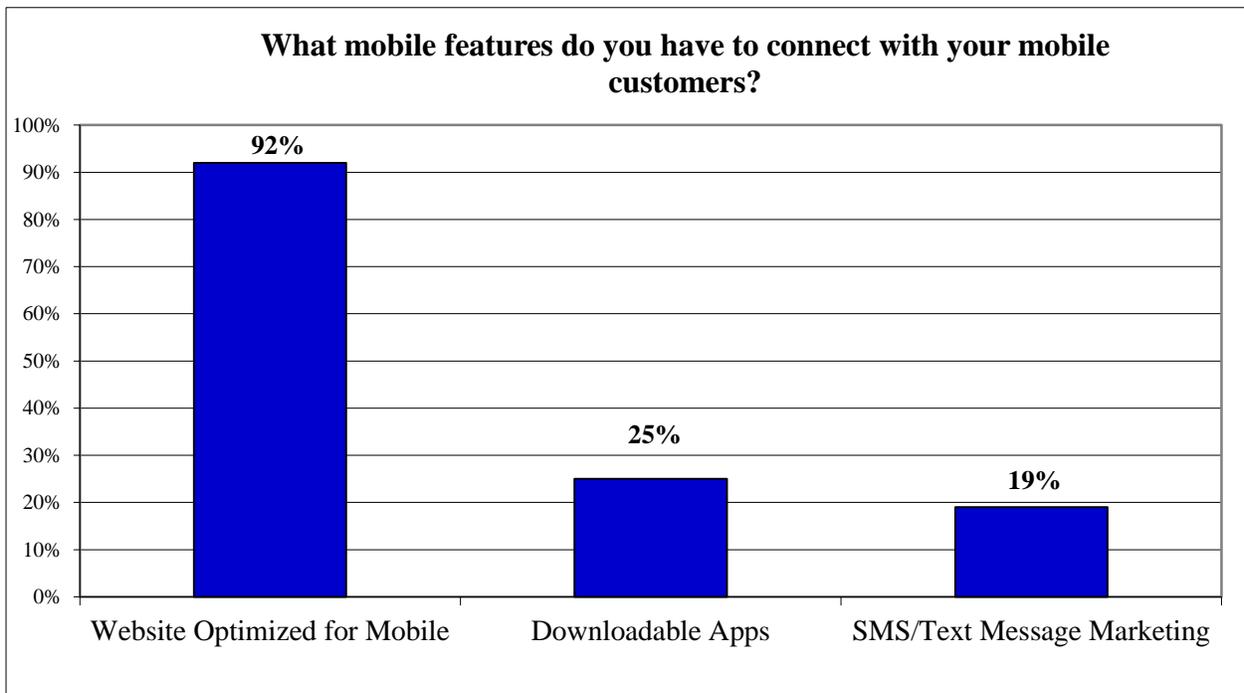


Companies were asked which of the three platforms (Facebook, Twitter and Pinterest) their customers most likely used to purchase from them. Facebook was mentioned most, followed by Twitter then Pinterest. Those that chose an alternative said LinkedIn was the most likely choice for their customers.

Executives were asked to select an online promotional strategy they feel could help increase sales. Online advertising (such as banners or sponsored ads) was the most often selected option with 43% believing it would benefit their company. Approximately, one in five chose listing the company in online business directories or through social media platforms. However, 17% feel neither of these online promotional strategies would help increase sales. They feel the more traditional method of personal selling (one to one sales, direct contact with clients, relationship marketing and networking) is the most beneficial to increasing sales. The least attractive choice is daily deal sites (2%).



Company executives were asked if their companies have added mobile features to connect with their customers. Two-thirds of the companies said they have. Of those, 92% indicated that their corporate website had been optimized for mobile, 25% have downloadable app's and 19% are using text message marketing.



Another issue new to the 2013 study had to do with how content was provided and the main goal of the content over different platforms. Three quarters of executives said they used exclusively

original or reposted content on their social media outlets. The remainder used a combination of original or reposted and purchased content. When asked what the goal was of the content they posted, responses were predictable. Those blogging sought to be thought leaders in their industry. Those using Facebook and Twitter were focused on engagement and interaction.

Three issues have been examined in the past and we continue to watch them among the Inc. 500. Those include the existence of a written social media policy, strategic planning for social media and the monitoring of a company's products and/or brands online.

There has been little or no change in the way companies plan their social media efforts. One in five has no plan in place. More than half incorporate their social media efforts into their overall marketing/business plan. As in last year's study, 13% report having a stand-alone social media policy.

On a related topic, the executives were asked if their company has a strategy in place in the event of an online crisis (negative attack online). In 2012, 54% of executives reported having such a strategy in place. That number has dropped to 39% this year. There appears to be some complacency around the issue of strategic planning in the social media arena.

This can be seen again by the number of companies with a written social media policy that guides online communications within the organization. These documents typically speak to acceptable on line behavior for all employees using social media. Over the past 5 years, little has changed. About one third of the Inc. 500 companies have such a document. In 2009, 36% had a written social media policy and in 2013, 31% did. Despite well-publicized incidents of employee missteps on social media platforms, written policies are still not the norm.

All executives were asked if their company monitors its brands, products or company name in the social media space. Fifty-nine percent of companies do monitor, down from 70% in 2010. Regardless of how they choose to converse with their constituents online, the Inc. 500 will need to be aware of conversation about their company, their products and their brands. A lack of monitoring could have consequences for companies given the potential for viral communications social media presents.

## **Conclusion**

These fast growing US businesses are avid users of social media employing a range of tools to connect, engage, advertise and advocate. They are incorporating social media into their strategic planning and are looking ahead to the potential of mobile social commerce and promoted tweets.

While LinkedIn is the most utilized platform among these exceptional businesses, they have increased their involvement with Facebook, Twitter, YouTube, Instagram and Pinterest. The use of blogging continues to grow as companies look to provide thought leadership in their industry.

Twitter is seen as having the most potential for increasing sales growth. The sites 140 character limit, promoted tweets based on conversation and interest and growing popularity among young consumers are all attractive to the 2013 Inc. 500.

The Inc. 500 companies are still trying to harness social networks and unlock their full potential. For now, they accept the reality of these new communications tools and make strategic decisions about which ones to use. Ultimately, the Inc. 500 are turning to social media platforms in increasing numbers to generate revenue, find new customers, create an identity and disseminate information. It will be interesting to see where they go from here.

## **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, Time Magazine, 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](mailto: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](mailto:alescault@umassd.edu).

### **About the Center for Marketing Research**

The University of Massachusetts Dartmouth Center for Marketing Research provides high quality, affordable marketing assistance utilizing Center staff, faculty, students, and expert practitioners. The Center offers focus groups, market analysis, customer satisfaction studies, feasibility studies, new product development, branding, promotion/packaging and customized projects and interdisciplinary studies. The Center also has state-of-the-art online survey capability.

### **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 students from the University of Massachusetts Dartmouth Center for Marketing Research for their endless enthusiasm and dedication to this project.

# The 2013 Inc. 500 and Social Media

LinkedIn Rules But Sales Potential Lies with Twitter

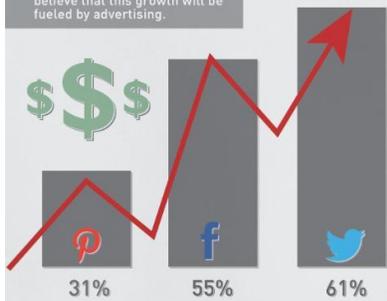
## What They Use

LinkedIn comes in on top

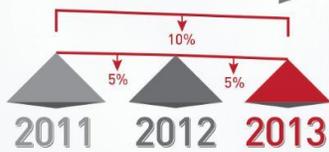


## Platforms with Sales Potential

Companies perceive Twitter as the platform having the greatest potential for sales growth. They believe that this growth will be fueled by advertising.



## Monitoring brands, products or name decline



**1/3**

of the Inc. 2013 companies have a written social media policy that guides online communications.

**2/3**

of the 2013 Inc. 500 have made accommodations for mobile customers like providing downloadable apps or optimizing web for mobile.



Study Conducted By:  
The University of Massachusetts Dartmouth  
Center for Marketing Research



