

# **The Hype is Real: Social Media Invades the Inc. 500**

## **Conducted by:**

Eric Mattson ([eric@ericmattson.com](mailto:eric@ericmattson.com))

Nora Ganim Barnes, Ph.D. ([nbarnes@umassd.edu](mailto:nbarnes@umassd.edu))

The University of Massachusetts Dartmouth's [Center for Marketing Research](#) conducted a nationwide telephone survey of those companies named by Inc. Magazine to the Inc. 500 list for 2006 under the direction of blog researchers [Eric Mattson](#) and [Nora Ganim Barnes](#).

All interviews took place in November and December of 2006. Nearly one quarter (121) of the Inc. 500 participated, making this research statistically valid with a margin of error at +/- 3%.

The Inc. 500 is a list of the nation's fastest-growing private companies announced in the September issue of Inc. Magazine. Given that [previous research](#) shows only 8% of the Fortune 500 currently having a public blog, this research was undertaken to see if there was a difference in the knowledge and usage of social media in companies selected by growth rate rather than revenue.

This research proves conclusively that social media is coming to the business world at a faster rate than many anticipated. It also indicates that corporate familiarity and usage of social media is racing far ahead of what many have predicted.

The respondents are diverse in industry, size and location. They include 4 of the top 10, 7 of the top 25, and 22 of the top 100 companies from the Inc. 500 list. The 121 companies who responded were asked detailed questions concerning their usage and measurement of social media. Questions probed familiarity of respondents with six prominent social media (blogging, podcasting, online video, social networking, wikis).

The social media that is most familiar to the Inc. 500 is social networking with 42% of respondents claiming to be "very familiar with it." 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 11% of them. Over one quarter of the Inc. 500 studied report social media is very important to their business/marketing strategy.

An Executive Summary of the data follows with more detailed information.

## Executive Summary

The hype is real.

The social media revolution is coming to the business world. Already there have been signs; from Google's acquisition of video juggernaut YouTube for \$1.65 Billion to MySpace's 120 million users to the 63 million blogs that Technorati tracks. But, the question has been, when, and even if, business will start to embrace the powerful technologies of social media?

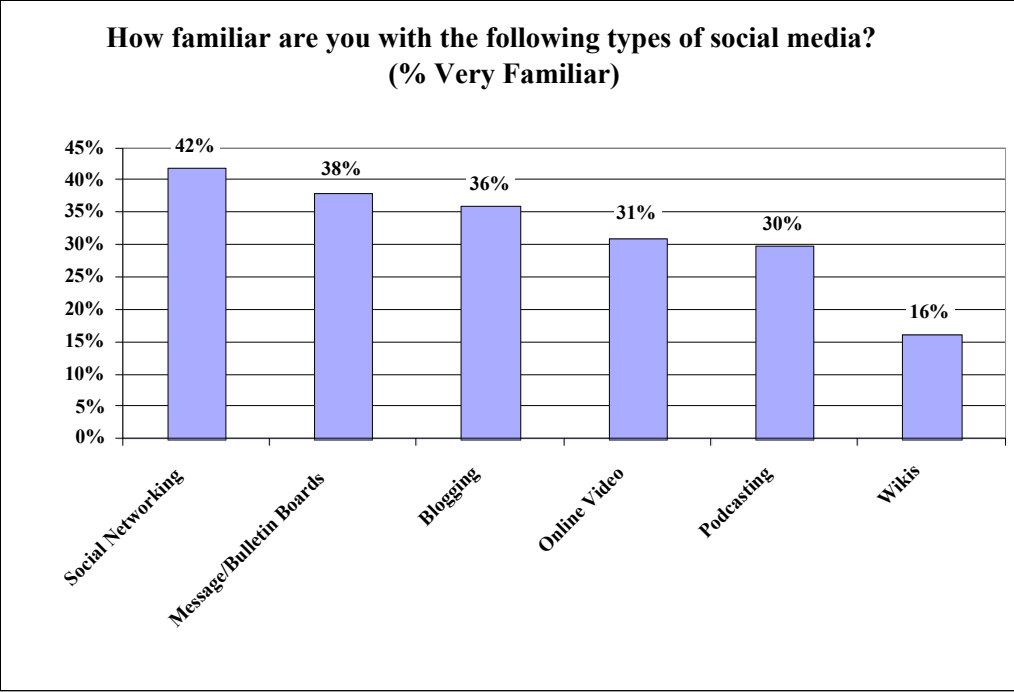
Today, that question will be put to rest once and for all. These pages share the results of a ground-breaking study into the adoption of social media by the Inc. 500, an elite group of the fastest-growing companies within the United States. As one of, if not the, first studies of social media adoption with statistical significance, this research proves conclusively that social media is coming to the business world and sooner than many anticipated.

The analysis that follows is based on detailed interviews with 121 of these fast-growing companies. The respondents are diverse in industry, size and location. They include 4 of the top 10, 7 of the top 25, and 22 of the top 100 companies from the Inc. 500 list. For details about the 2006 Inc. 500 and the complete directory of the included companies, please visit Inc. Magazine's website at [www.Inc.com](http://www.Inc.com).

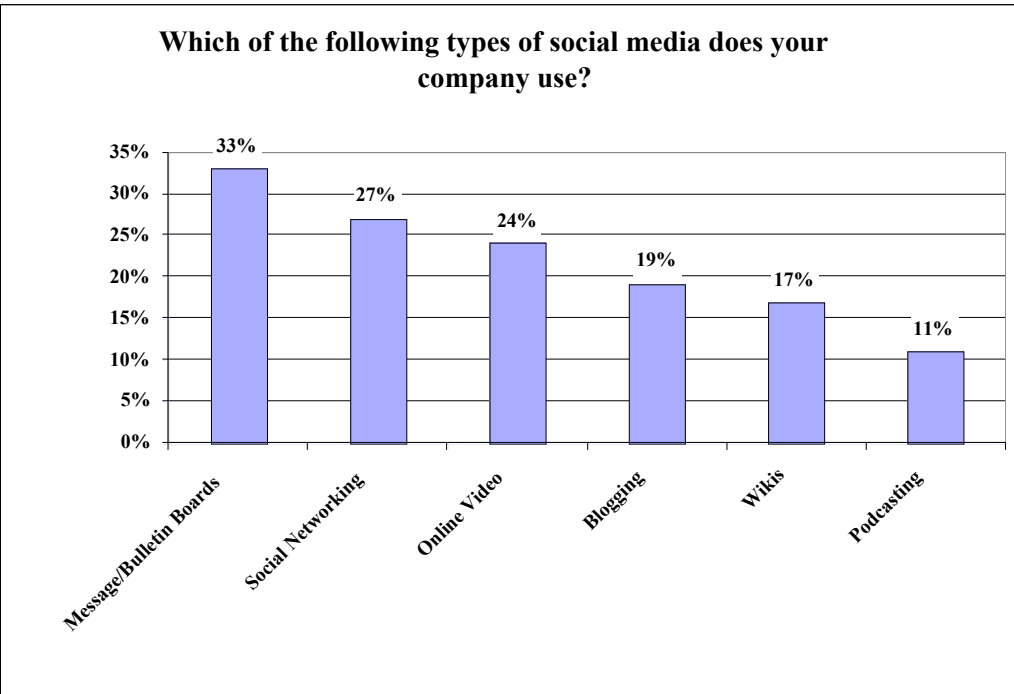
The 121 companies who responded were asked detailed questions concerning their usage and measurement of social media. Their responses are surprising and will likely shock even the most fervent believer in social media. They indicate that corporate familiarity and usage of social media is racing far ahead of what many have predicted. The research results presented here are statistically valid at +/- 3%.

The survey began by examining the familiarity of the respondents with 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 at the time of the survey.

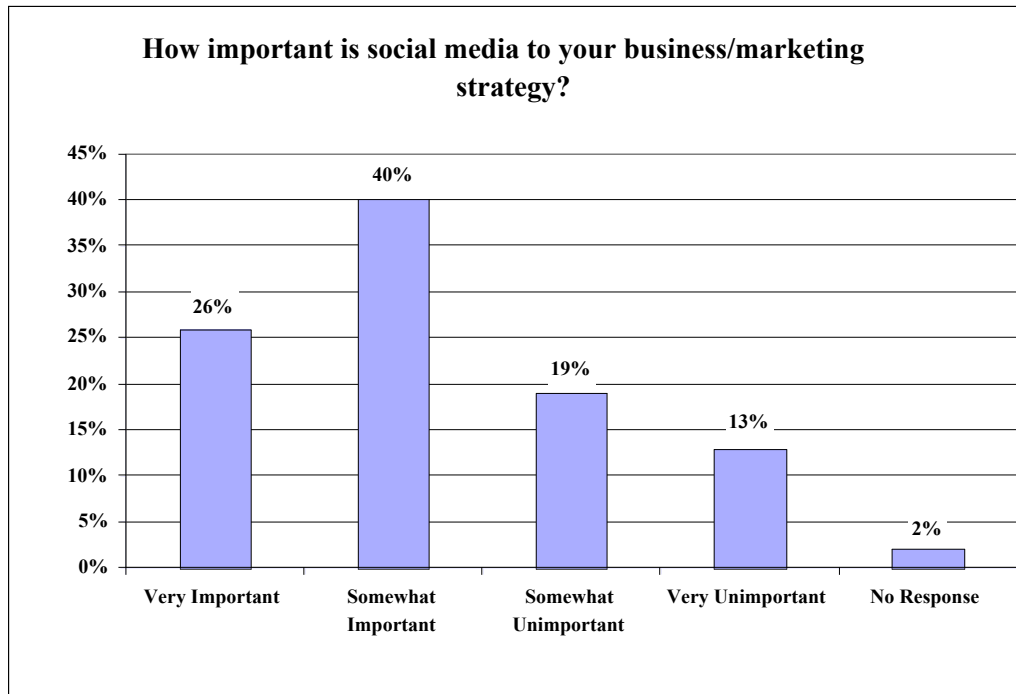
Respondents were asked to rank their familiarity with each technology from "very familiar" to "very unfamiliar." The social media that was most familiar to the Inc. 500 is social networking with 42% of respondents claiming to be "very familiar with it." However, as the graph below shows, across the board a significant percentage of the companies are "very familiar" with each of these technologies. The bottom line is that the Inc. 500 knows far more about social media than one might predict (see graph on next page for more detail).



From familiarity, the survey moved into the companies' actual usage of social media. The companies were asked 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 of wikis has 17% adoption. All six forms of social media are far more widespread than anticipated (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 felt that social media is "very important" to their business and marketing strategy.



From familiarity to usage to importance, social media is far more prevalent in the Inc. 500 than previous research would predict. And where these fast-growing, innovative companies lead certainly the corporate world will follow.

The social media revolution is here. The hype is real.

*A more thorough analysis of our research into social media adoption by the Inc. 500 will be published in several journals throughout 2007. 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](mailto:eric@ericmattson.com) or [nbarnes@umassd.edu](mailto:nbarnes@umassd.edu).*

## About the Authors

### **Eric Mattson**

Eric Mattson is a leading marketing and social media consultant. He helps companies strategically build competitive advantage and increase market share online. In addition, he's an innovative podcaster ([www.marketingmonger.com](http://www.marketingmonger.com)), professional blogger ([www.marketingblurb.com](http://www.marketingblurb.com)) and freelance social media scholar ([www.ericmattson.com](http://www.ericmattson.com)).

Prior to joining the social media revolution, 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](mailto: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.

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. She has been named a Senior Research Fellow by the Society for New Communications Research. Nora can be reached at [nbarnes@umassd.edu](mailto:nbarnes@umassd.edu).

## **Acknowledgement**

The authors would like to thank those that made this report possible. The 121 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 communications channels for businesses so exciting. Special thanks are also owed to the staff and students from the University of MA Dartmouth Center for Marketing Research for their endless enthusiasm and dedication to this project.