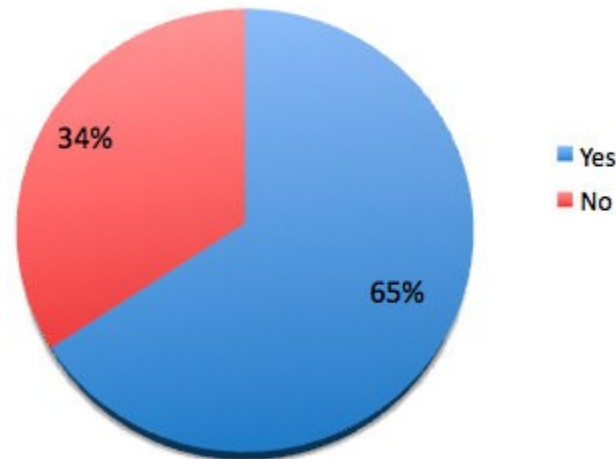


**Borrell Associates** reports that there are 14.6 million small and medium-sized businesses in America, and these businesses aren't spending their advertising budget on the Yellow Pages or direct mail ads anymore. They're shifting their budget to the Web, including the promotion of their own Web sites, "where they are now investing 11 percent of their advertising, up from less than 4 percent three years ago."

Does your business currently have a website?



Source: Opus Research and AllBusiness.com August 2008

## [86% of Companies Plan Social Media Budget Bumps](#)



The majority of companies in a recent survey are planning to invest more in social media next year but are struggling to find the time and resources to manage their activity, [according to](#) a report produced by [Econsultancy](#) and [bigmouthmedia](#).

The "[Social Media and Online PR Report](#)" provides detailed information about how companies are using online PR tactics and social media sites - including Facebook and Twitter - for marketing and customer service.

The research found that an overwhelming majority of companies (86%) surveyed plan to spend more money on social media in 2010, and a further 13% are planning to keep the same level of budget.

### **Barriers to Better Engagement**

The biggest barrier to better social media engagement for companies surveyed is a lack of resources, with more than half of companies (54%) saying this is a significant problem, the report said. Nine out of 10 businesses (90%) say social media is taking up more time internally than a year ago.

The research also found that many companies are experimenting with social media without yet reaping any measurable benefits. Only one-fourth of companies say that they have gained “real, tangible value” from social media, whereas 60% say that they have gained “some benefit but nothing concrete.”

These results echo findings about social media use in other industries. For example, a recent study by Weber Shandwick and KRC Research [found](#) that 88% of execs at US non-profit organizations are currently experimenting with social media, but only 51% report using it actively and 79% are uncertain about how to demonstrate its value for their organization.

However, the Econsultancy study found that companies who have made an effort in the social media area have typically reaped some reward. More than half (52%) of companies who are heavily involved in social media marketing say that they have gained real value, compared with only 13% of companies who have “experimented but not done much.”

“The reality is that most businesses understand how to listen, what to measure and where to engage but are struggling to define the value of engagement and reputation in social spaces,” said Michelle Goodall, Econsultancy’s social media and online PR consultant.

## **Twitter Stats**

Twitter is now the most widely adopted social media tactic, used by 78% of company respondents and 74% of agency respondents. This is closely followed by social network profile creation and management (65%), according to the report.

When companies were asked in detail about their use of Twitter, the majority (62%) say they are using the micro-blogging site for publicizing new content. Approximately half (54%) are using the channel for marketing or brand monitoring (47%).

On the other hand, only 27% of companies are using Twitter as a customer service tool for reacting to issues and inquiries, Econsultancy said. A similar percentage (25%) say they use Twitter as a customer feedback tool.

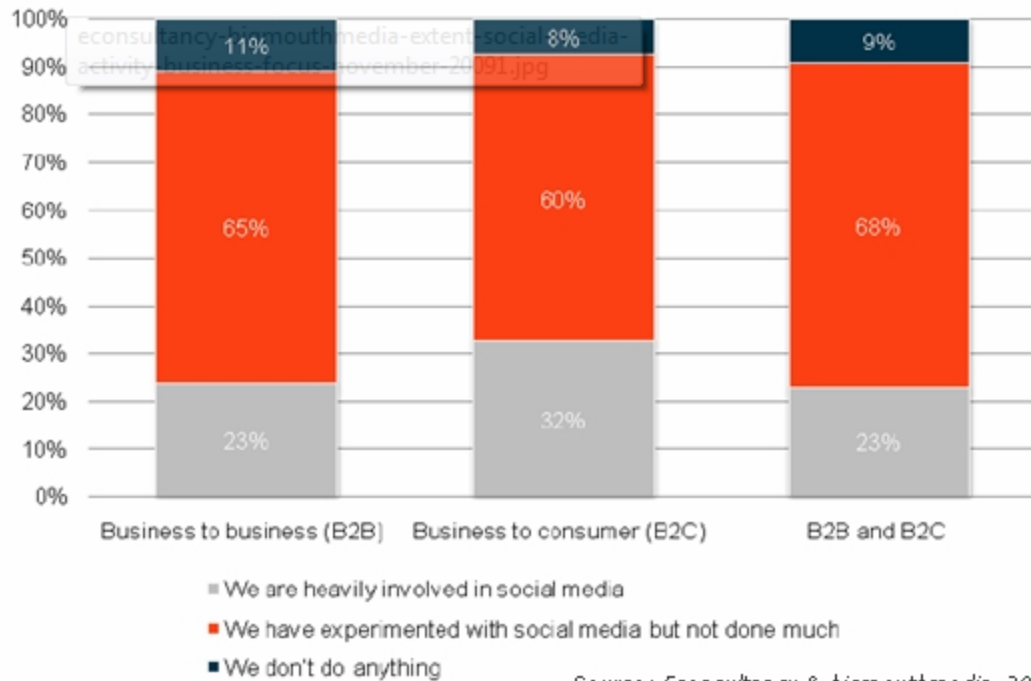
In terms of the benefits of Twitter cited by respondents, results vary, with nearly one-third (31%) saying that there are “tremendous opportunities” available, but half reporting that their companies are “open-minded but not fully convinced about the value to the business.” Some 7% say their organization feels that Twitter is over-hyped and a fad.

Additional study findings:

- Very few companies (just 10%) are not engaging in any social media activity whatsoever.

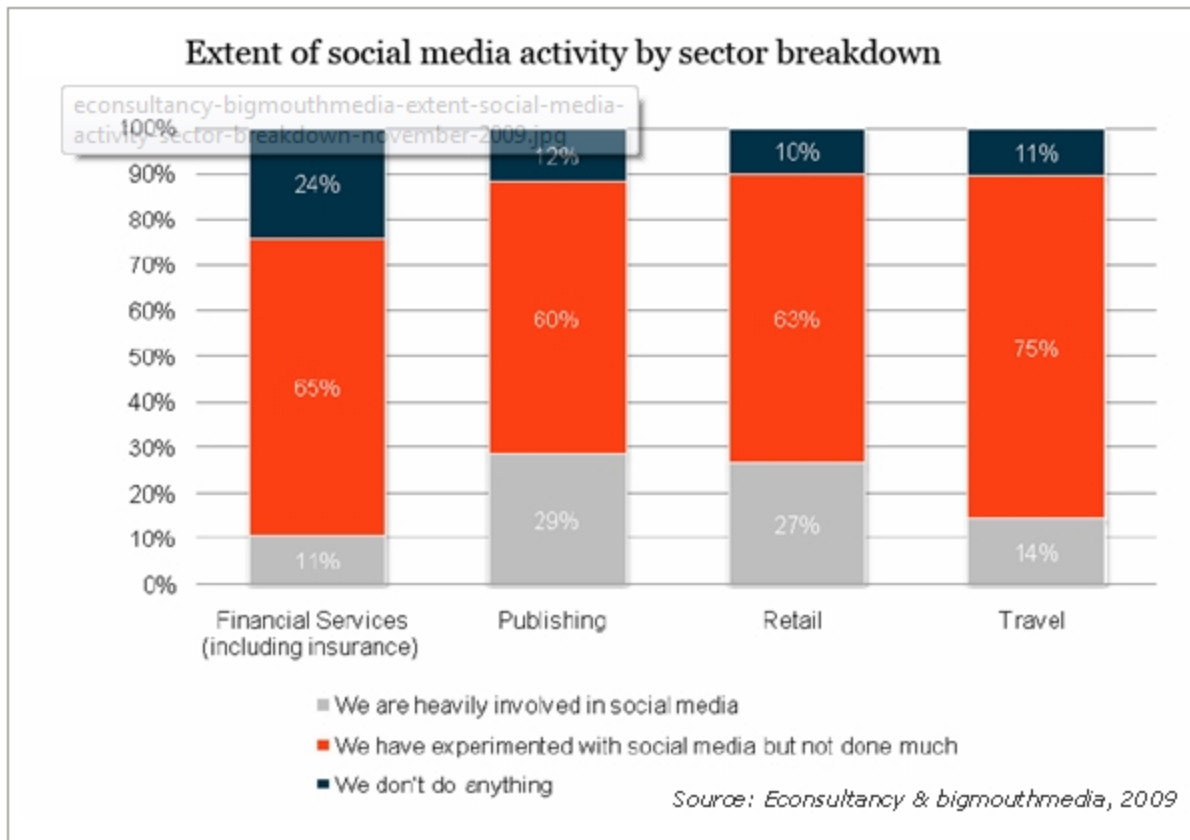
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**Extent of social media activity by business focus**



- Social media use varies by vertical industry. Respondents in the publishing industry are most likely to say they are heavily users of social media tactics, while those in the financial services industry are most likely to say they are not involved at all.

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- Smaller organizations in the study are significantly more likely to be heavily involved in social media, most likely because they are inherently more flexible, have fewer barriers to experimenting with new channels and technologies and generally have more senior-level buy-in.
- Increased brand awareness is seen as major benefit of social media by 73% of company respondents. The next most important benefits are increased customer engagement (71%), better brand reputation (66%) and increased communication with key influencers (62%).
- Online traditional media relations are the most frequently used PR tactic, used by more than two-thirds (67%) of company respondents. The next most widely used tactics are the use of press release posting sites and wire services (60%) and online press offices and investor centers (44%).
- Video has been a hot topic in 2009, with companies increasingly creating and distributing video content. Some 60% of companies are using this channel (either creating video content or using video-sharing sites), and 54% of supply-side respondents say that their clients are using this social media tactic.
- Nearly three-quarters of agencies (72%) say their clients are using corporate or brand blogs, but fewer than half of companies (47%) say they have blogs.

*About the report:* The Social Media and Online PR Report, published by Econsultancy in association with bigmouthmedia, is based on a survey of more than 1,100 companies and agencies. The 68-page report, also available in summary as a PowerPoint presentation, is based on a survey of more than 1,100 companies and was fielded in September 2009. Respondents include client-side digital marketers and communications professionals, as well as digital and PR agencies.