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The State of Social Report 2011

In partnership with LBi and bigmouthmedia

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http://econsultancy.com/reports/state-of-social

The State of Social Report 2011

In partnership with:

November 2011

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1. Executive Summary and Highlights

The **State of Social Report 2011**, in partnership with **LBi** and **bigmouthmedia,** is based on an online survey of more than 1,000 respondents, carried out in September and October 2011.

Respondents included client-side marketers (or PR and online communications specialists) and supply-side respondents working either independently or for a range of different types of agency or technology vendor.

The report supersedes the Econsultancy / bigmouthmedia Social Media and Online PR Report, published in 2010 and 2009.

Key findings

The research findings reflect an established industry that is rapidly maturing, as companies move from experimentation to more well-developed activity which is integrated with other marketing channels and within different business functions.

- Almost two thirds (64%) of companies say they are now beyond the experimental phase compared to 54% a year ago.

Since last year, companies surveyed are much more likely to be using the main social networks for a range of different purposes, including for marketing and publishing new content but increasingly for customer service and getting customer feedback and market intelligence.

Online Reputation and Buzz Monitoring Buyer's Guide
http://econsultancy.com/reports/online-reputation-and-buzz-monitoring-buyer-s-guide

Presentations

Using social media for marketing and monetisation – A Twitter case study on Econsultancy.com
http://econsultancy.com/reports/using-social-media-for-marketing-and-monetisation-a-twitter-case-study-on-econsultancycom

What's the value of "social media" for retailers online?
http://econsultancy.com/reports/whats-the-value-of-social-media-for-retailers-online

Social Media Marketing and Monetisation
http://econsultancy.com/reports/social-media-marketing-and-monetisation

What's the value of email in the age of social media?
http://econsultancy.com/reports/cheetahmail-retail-forum-2009-ashley-friedlein

Training

Online PR and Social Media Training
http://econsultancy.com/training/courses/online-pr

Online Reputation Management Training
http://econsultancy.com/training/courses/online-reputation-management

Social Media – Advanced training
http://econsultancy.com/training/courses/advanced-social-web-training

2. Introduction by LBi and bigmouthmedia

What's Next … in Social Media

Over the last twelve months we've witnessed more major UK brands than ever before embrace social media as a central part of their marketing mix.

New tools from Facebook and the unstoppable rise of Twitter - coupled with the growing cultural importance of blogging and other forms of digital content creation - mean that marketers have never had more ways to connect with their consumers online.

Of course the most successful brands are those that focus on putting content at the heart of the social equation. They are the ones harnessing the power of storytelling to link bought, owned and earned media to create new forms of social currency that consumers can share amongst their peer groups.

It is against this backdrop of rapid and relentless evolution that LBi and bigmouthmedia are proud to bring you our third annual social media survey in partnership with Econsultancy.

Once again the UK's digital industry has generously contributed valuable insights to help produce a report that is packed with essential trends and statistics that give the clearest picture yet of how this industry is shaping up.

When we last published this report back in 2010 social media was still a fledgling discipline, with brands of all shapes and sizes clamouring to stake their claim on the sector. This land-grab has settled down during 2011, leaving in its wake a maturing social media industry that has naturally aligned itself with other areas of digital marketing such as search, branded content and CRM. To illustrate this Econsultancy's research shows, for example, that over half of UK organisations (57%) count a company blog as part of their social media strategy, while a similar proportion (55%) have used video to power customer journeys.

Similarly, where brands may previously have only dabbled with social media they are now truly waking up to its potential. It's encouraging to see that there has been a hike in brands investing in an 'average' amount of social media marketing (43%), while those that claim to be 'heavily' involved in the discipline has also risen (21%).

This may be a subtle step-change but it's safe to say that marketers are now elevating social media to form a central component in their digital strategies, particularly where the goal is to develop meaningful relationships with customers.

Furthermore, with social and search becoming natural bedfellows 'earned media' now has the power to fundamentally impact a brand's online business performance. With customer acquisition, conversion and retention increasingly linked by social threads, effective measurement has never been more critical. As we move into 2012 putting the right metrics in place to effectively gauge the impact of social media looks set to remain a significant challenge for brands. Those that succeed will be those that embed social media deep within their organisations and adapt quickly to a real-time, always-on way of working.

At LBi and bigmouthmedia we've been striving to help our clients overcome these challenges so that they may thrive in the social ecosystem.

Lyndsay Menzies, Chief Executive officer at bigmouthmedia and Chief Media officer at LBi International N.V.

3. About Econsultancy

Econsultancy is a global independent community-based publisher, focused on best practice digital marketing and e-commerce, and used by over 240,000 internet professionals every month.

Our hub has 105,000+ members worldwide from clients, agencies and suppliers alike with over 90% member retention rate. We help our members build their internal capabilities via a combination of research reports and how-to guides, training and development, consultancy, face-to-face conferences, forums and professional networking.

For the last ten years, our resources have helped members learn, make better decisions, build business cases, find the best suppliers, accelerate their careers and lead the way in best practice and innovation.

Econsultancy has offices in London, New York and Dubai and we are a leading provider of digital marketing training and consultancy. We are providing consultancy and custom training in the Middle East, and extensively across Europe and Asia. We trained over 3,000 marketers and ran over 200 public training courses in 2010.

Join Econsultancy today to learn what's happening in digital marketing – and what works.

Call us to find out more on +44 (0)20 7269 1450 (London) or +1 212 699 3626 (New York). You can also contact us online.

4. About LBi and bigmouthmedia

LBi is a global marketing and technology agency blending strategic, creative, media and technical expertise to build business value. We help companies of all shapes and sizes decide what's next for their businesses... and then we take them there.

We're experts at linking bought, owned and earned media to power customer journeys in a way that no other agency can. We can do this because of our recent merger with bigmouthmedia. This saw us take the best of LBi – the ability to create brand experiences that engage consumers and keep them engaged – and combine it with the best of bigmouthmedia – the ability to develop holistic search strategies, integrate media planning and harness social channels – to create an agency that does things differently.

As a result we now specialise in defining and executing transformational digital strategies for our clients around the world. Across our 24 offices in 16 countries, there are more than 2,000 digital specialists collaborating with brands to enrich people's lives.

There are many things that make us unique but if we had to choose one it would be our ability to bring together diverse teams of experts to suit any brief. We call this blending, and it's the reason why all types of organisations – from famous global business to disruptive start-ups – choose LBi and bigmouthmedia to help make their brands desirable wherever, whenever and however people choose to engage with them.

5. Methodology and Sample

The **State of Social 2011 Report**, published by Econsultancy in partnership with **LBi** and **bigmouthmedia**, is based on an online survey[1] of more than 1000 respondents in September and October 2011.

Respondents included:

- Client-side (in-house or company) marketers and PR / communications professionals
- Agencies and consultants (including digital agencies, PR agencies and specialist online PR or social media professionals).

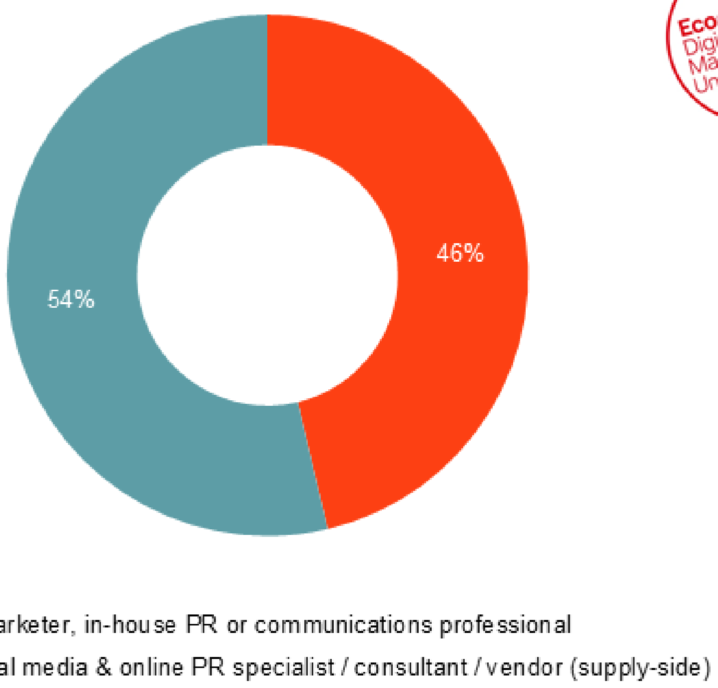
The findings are shown for client-side (i.e. 'company respondents') and supply-side ('agency respondents') separately.

Information about the survey, including the link, was emailed to Econsultancy's user base and promoted online via Twitter and other channels. The incentive for taking part was access to a complimentary copy of this report just before its publication on the Econsultancy website.

If you have any questions about the research, please email Econsultancy's Research Manager, Aliya Zaidi (aliya.zaidi@econsultancy.com).

The chart below shows that over half of all respondents (54%) are classified as supply-side (agencies and consultants), and 46% are company marketers or in-house PR or communications professionals.

Figure 1: Which of the following most accurately describes your job role?



Respondents: 1104

[1] Econsultancy uses Clicktools for its online surveys

6. Findings

6.1. Social media activity

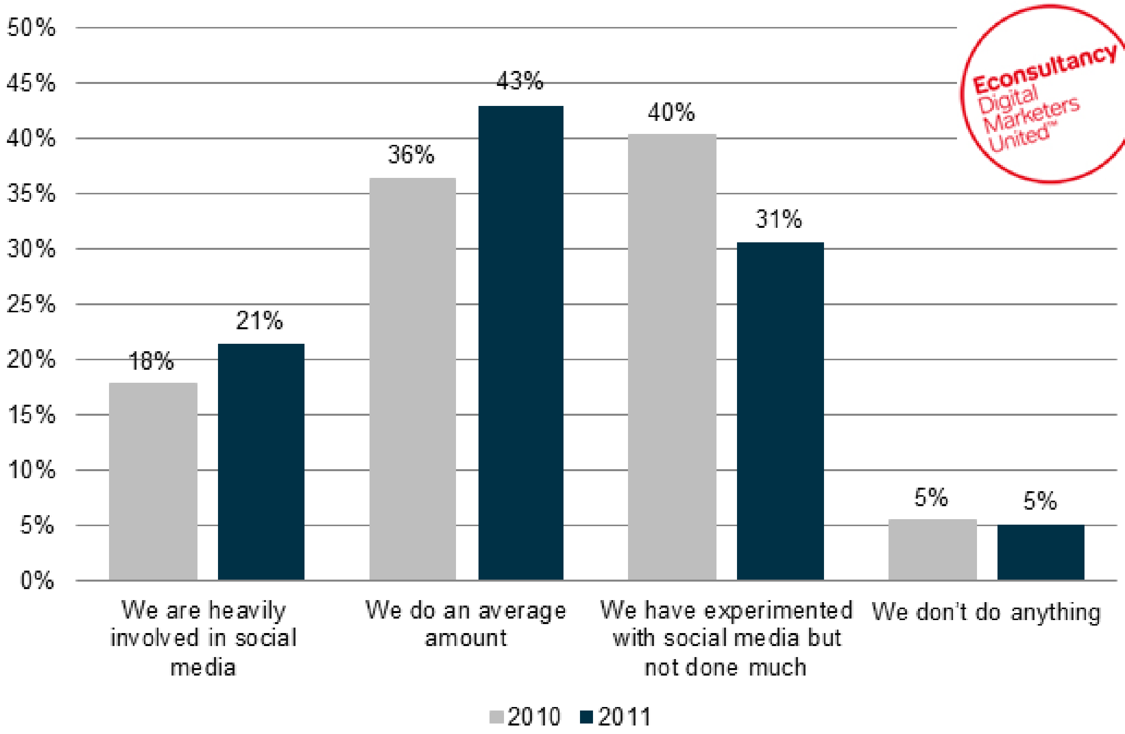
6.1.1. Extent of social media activity

The results below show that the proportion of respondents doing an *average amount of social media* has increased to 43%, up from 36% in 2010. Slightly more respondents (21%) say they are *heavily involved* in social media compared to last year (18%).

The proportion of respondents reporting that they have *experimented with social media* has fallen to 31%, down from 40% in 2010. This indicates that social media as a channel is becoming increasingly mature and more marketers are moving beyond merely experimenting with social media.

Company results

Figure 2: How would you describe the extent of your organisation's social media activity?



2011 respondents: 438
2010 respondents: 382

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6.2. Platforms and networks

6.2.1. Websites and platforms used

Twitter, Facebook, YouTube and *LinkedIn* are the four giants of the social media space, with significantly fewer companies using other social media sites.

Some 87% of companies now employ *Twitter* as part of their social media marketing or online PR activity, while 82% use *Facebook*.

Voice of the expert – SAMPLE QUOTE

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Stuart Bruce, Digital Corporate Communications Consultant

6.2.2. Managing brand presence on Google+

Analysis of the free-text responses indicates that most companies are not doing much with Google+, and some are waiting for brand pages to be made available (which had not been launched when this survey was carried out).

Some companies mention adding a +1 button on the site. Others mention frustrations with the inability to use Google+ with a corporate Google Apps account, something which has been remedied since the survey was live.

The agency responses indicate that many clients are not yet using or managing brand presence on Google+, although the number of businesses using the channel is expected to increase now that Google have officially launched brand pages.

Given its current status, how are you managing your brand presence on Google+?

"This is something we had implemented onto our site, but have not done much with this since."

Given its current status, how are your clients managing their brand presence on Google+?

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6.3. Resourcing, agencies and technology

6.3.1. Number of people dedicated to social media activity

The chart below shows the number of people dedicated to social media activity. The results show that the number of organisations without any dedicated social media personnel in place has dropped from 29% in 2010 to 25% in 2011.

6.4. Budgets, effectiveness and measurement

6.4.1. Level of spending on social media marketing

Just under a quarter of respondents (23%) say their organisation is not spending anything on social media marketing. This is slightly lower than last year, when 28% said they were not spending anything on social media.

Voice of the expert

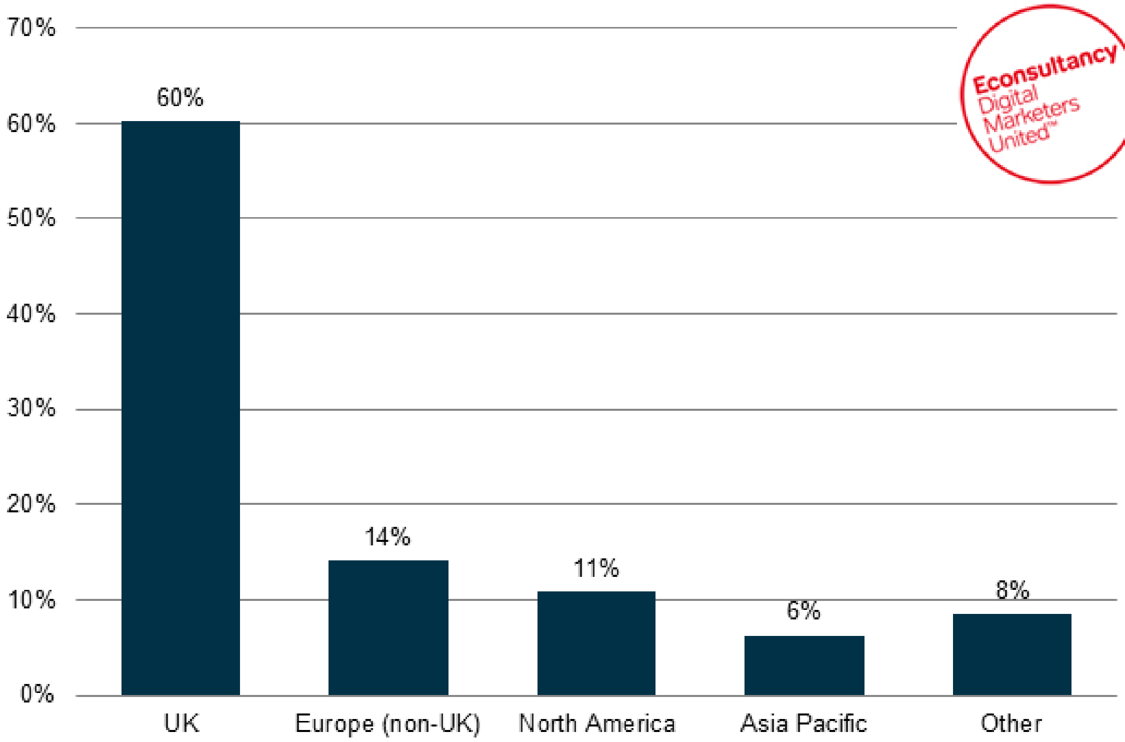
Phil Allen, Coutts

7. Appendix: respondent profiles

7.1. Geography

The majority of company respondents (60%) are based in the UK, while most of the remaining companies are based in mainland Europe (14%) or North America (11%).

Companies
Figure 3: In which country/region are you (personally) based?



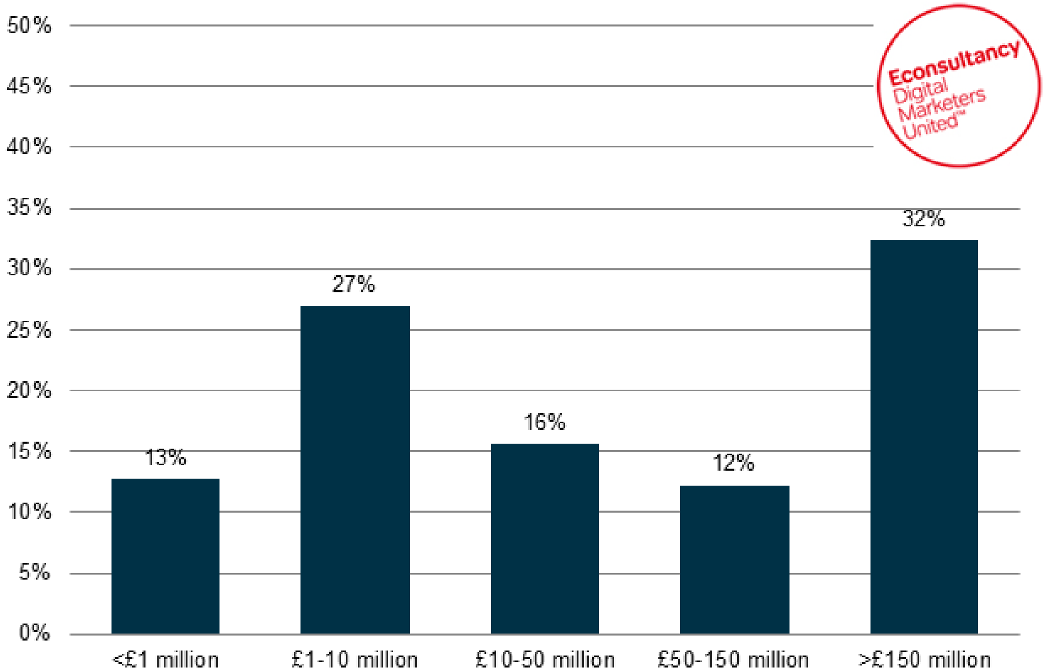
Respondents: 1107

7.2. Annual company turnover

Some 13% have an annual turnover of under £1 million, whilst over a quarter (27%) report revenue of between £1 and £10 million. At the other end of the scale, 44% report an annual turnover of more than £50 million, including 32% that have annual revenue of over £150 million.

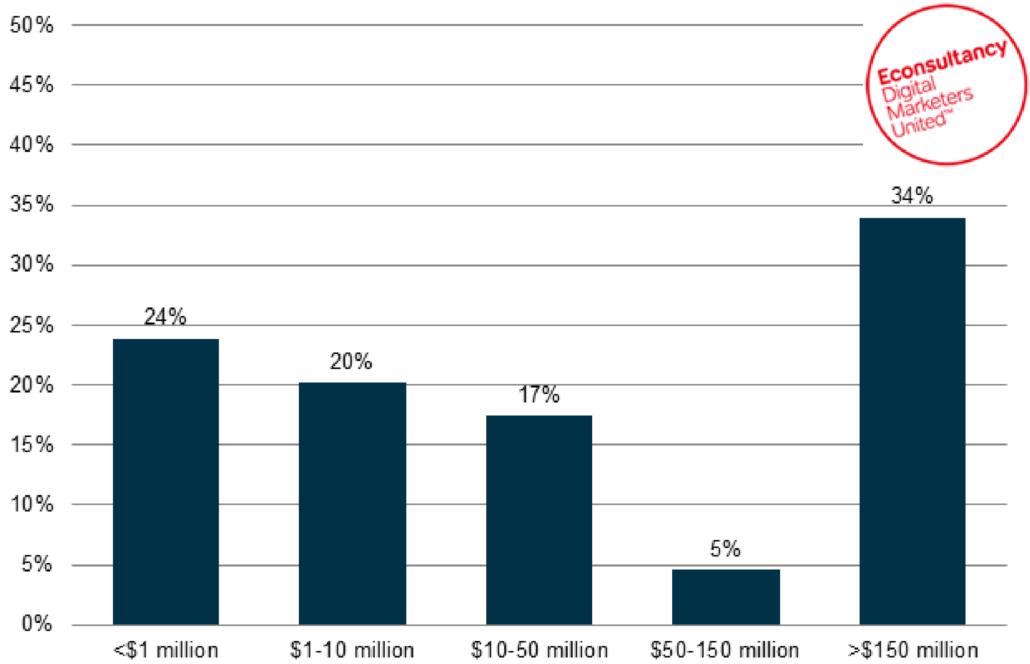
For respondents based in the US [*Figure 57*], 34% work for companies with annual revenue of over $150 million, while 44% have an annual turnover of under $10 million. This includes just under a quarter (24%) who report annual revenues of under $1 million.

Companies
Figure 4: What is your annual company turnover (revenue)?



Respondents: 249

Companies
Figure 5: What is your annual company turnover (revenue)?

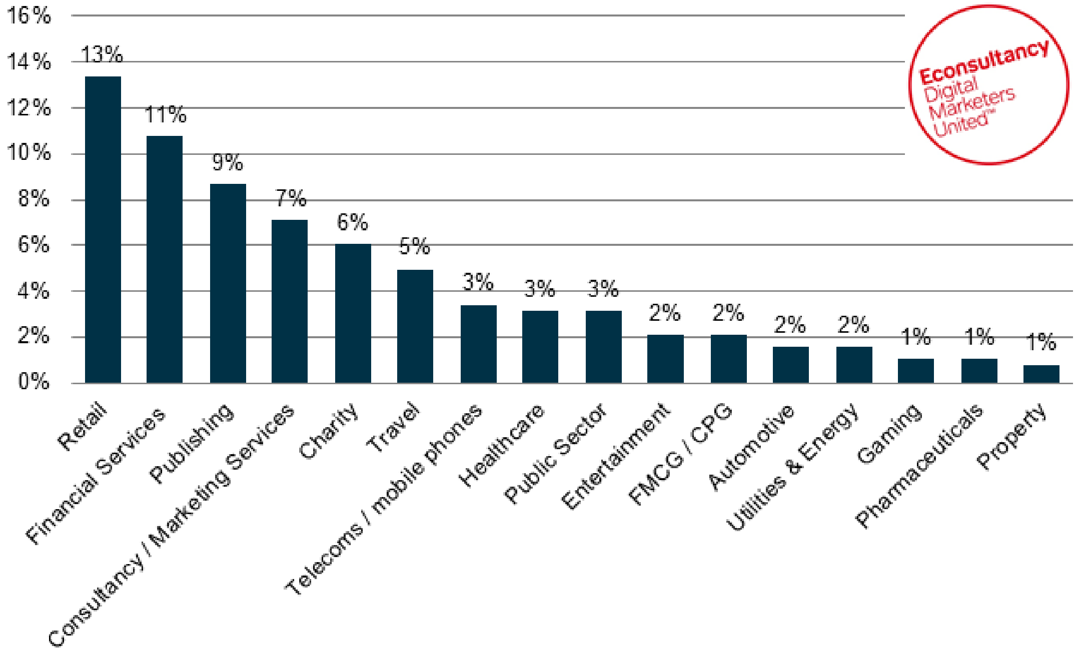


Respondents: 133

7.3. Business sector

Respondents to this survey come from a variety of different business sectors, including *retail* (13%), *financial services* (11%), *publishing* (9%) and *consultancy and marketing services* (7%).

Figure 6: In which business sector is your organisation?



Respondents: 382

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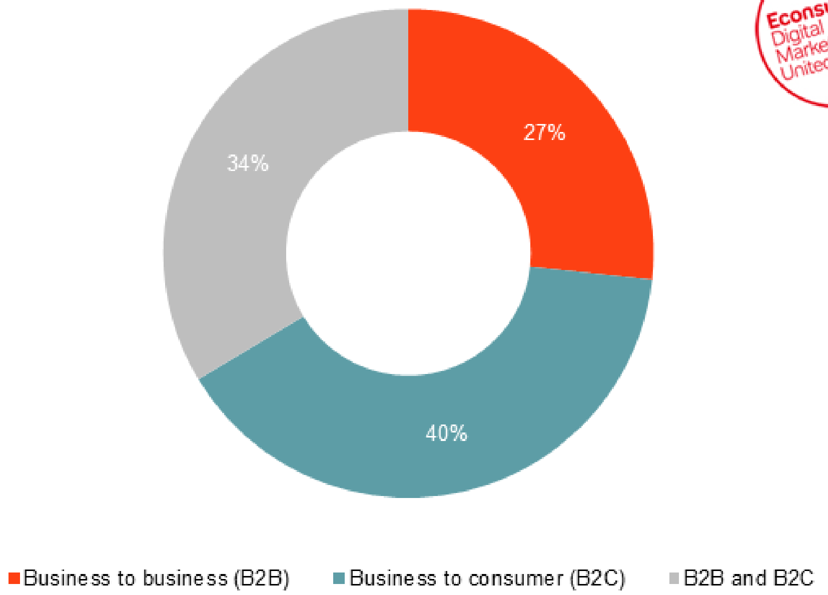
7.4. Business focus (B2B or B2C)

Over a quarter of respondents (27%) work for business with an exclusively B2B focus, while 40% of companies are focused on just B2C. Just over a third (34%) say their organisation is focused on B2B and B2C.

Figure 7: Is your business focused on B2B or B2C?



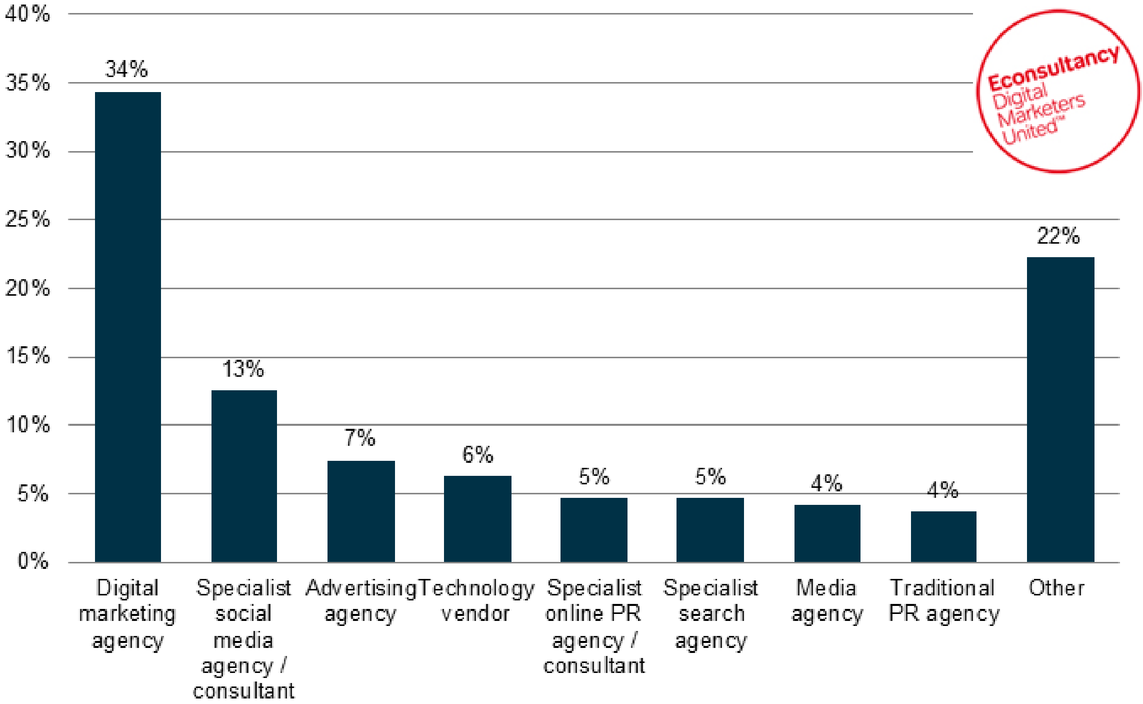
Respondents: 379

7.5. Type of agency

The chart below shows the range of agencies surveyed in this survey. Over a third of supply-side respondents (34%) work for a digital marketing agency. Some 13% either work for a specialist social media agency or as social media consultants.

Some 22% of respondents cite 'other'. This includes market research agencies, education consultancies, and brand agencies.

Figure 8: What type of agency or company do you work for?



Respondents: 431

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