

Soft•letter

BUSINESS INSIGHTS FOR SOFTWARE DEVELOPERS & PUBLISHERS

Summary Results from The Softletter Social Marketing Survey for Software Companies, Part IV of IV



Part IV of our analysis of the big three in social marketing shows no system cracked the top ranks of our software marketing heavyweights.

The Softletter Social Marketing Survey for Software Companies was launched in August and closed at the end of October. The purpose of this project was to develop a comprehensive analysis of how software companies are using the primary social marketing systems, Facebook, LinkedIn, and Twitter. Throughout this report numbers of particular interest have been **bolded**.

LinkedIn Usage (cont.)

Publisher & Managing Editor
Merrill R. Chapman
rickchapman@softletter.com
860/663-0552

Editor
Randy Hujar
randy.hujar@softletter.com
860/657-2838

Editorial office
Soft•letter
34 Sugar Hill Rd.
Killingworth, Conn.
06419
Voice: 860/663-0552

Subscription office
Aegis Resources
34 Sugar Hill Rd.
Killingworth, Conn.
06419
Voice: 860/663-0552
Fax: 860/663-0553

How much did your company spend on LinkedIn programs over the last 12 months? (If you're the company CEO and handle this program personally, multiply the number of hours per month you spend managing LinkedIn by \$100. If an employee manages your LinkedIn program, multiply the number of hours by \$50. If your LinkedIn program is managed by a third party, please include their fees)	Median
	\$300

Over the next 12 months, please indicate your company's budgetary plans for its Facebook programs	%
We are expanding our LinkedIn marketing budget	56%
We are decreasing our LinkedIn marketing budget	11%
Our LinkedIn marketing budget will remain the same	33%

Facebook Usage

Do you use Facebook for business purposes?	%
Yes	68%
No	18%
No, but we are exploring its use to support our business	14%

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What is your primary business use of Facebook?	%
Brand visibility	73%
Lead generation	11%
Help prospects learn more about you (advertising)	11%
Customer service	3%
Personnel recruiting	0%
Other, please specify (Significant answer was "Building a community around our offering")	3%

What other business purposes do you use Facebook for? (Please pick all that apply)	%
Brand visibility	46%
Lead generation	49%
Promotions/advertising	54%
Customer service	19%
Personnel recruiting	16%
No other uses other than our primary use	14%
Other, please specify (Significant answer was "community discussion")	3%

How many members/fans does your business Facebook page/group have?	Median
	200

What type of content do you post on your Facebook group? (Please pick all that apply)	%
Discussions (articles, comments on posted discussions)	81%
Events (webinars, videocasts, etc)	70%
Links	78%
Photos	41%
Videos	35%
Other, please specify (Significant answers were "Twitter postings," and "Company newsletters and Partner News")	5%

How do you promote your Facebook site? (Please pick all that apply)	%
Company website	70%
Online media ads	16%
Other social media channels	49%
We don't promote our corporate Facebook site	19%
Other, please specify	3%

How often do you post on your Facebook fan/group page?	%
Daily	30%
Several times a day	8%
Weekly	24%
Several times a week	8%
Monthly	8%
Several times a month	16%
Other, please specify	5%

What percentage of your Facebook fans/group visits your Facebook site on a regular basis?	Median
	5%

How many fans have quoted your fan page in their blog post(s)?	Median
	1

How many other business-oriented Facebook sites do you visit regularly?	%
1 to 5	27%
6 to 10	24%
11 to 20	11%
21 to 30	0%
30+	5%
None	32%
Other, please specify	0%

What percentage of your Facebook fans/group has opted in to receive mailings from your Facebook site?	Median
	2%

How do you monitor your Facebook page? (Please pick all that apply)	%
Free third party tools	30%
Paid third party tools	14%
Facebook's integrated tools	68%

Do you send promotional mailings based on your firm's products and services to the members of your Facebook group?	%
Yes	24%
No	76%

What is the average response you receive to promotional mailings made to your Facebook group?	%
.10% to .25%	33%

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What is the average response you receive to promotional mailings made to your Facebook group? (cont)	%
.26% to .50%	11%
.51% to 1%	0%
1.1% to 1.5%	0%
1.6% to 2.0%	11%
2.1% to 3%	22%
3.1% to 4%	11%
4.1% to 5%	11%
5.1%+	0%
We don't track this	0%

On a monthly basis, how many customer service issues are resolved via your business Facebook account?	%
1 to 5	16%
6 to 10	3%
11 to 20	3%
21 to 40	8%
41 to 60	0%
61+	3%
75+	0%
100+	3%
We don't use Facebook for customer service	65%

On a monthly basis, how many sales leads are generated by your Facebook programs?	%
1 to 5	32%
6 to 10	11%
11 to 20	3%
21 to 40	3%
41 to 60	0%
61+	0%
75+	0%
100+	3%
We don't use Facebook for sales lead generation	49%

Do you use Facebook to build brand awareness of your company and its products/services?	%
Yes	95%
No	5%

Please rate the effectiveness of Facebook in improving these brand components	Very ineffective	Somewhat ineffective	Somewhat effective	Very effective	We don't track this
Increased favorable mentions from customers because of real-time Facebook support	6%	26%	31%	11%	26%
Increased requests for and downloads of marketing material from our website	9%	23%	37%	6%	26%
Increased attendance at lead generation events such as webinars, videocasts, and local tradeshow and presentations by our management	9%	26%	26%	11%	29%

How do you manage your Facebook programs?	%
Dedicated individual	49%
Dedicated team	19%
External agency	3%
Individuals in the company do it on their own	24%
Other, please specify	5%

When it comes to Facebook, companies are far less inclined to let individuals go off and do their own thing.

What % of your overall marketing budget do your Facebook programs represent?	%
<1%	57%
1% to 5%	24%
6% to 10%	5%
11% to 15%	11%
16% to 20%	3%
20%+	0%

How much did your company spend on Facebook programs over the last 12 months? (If you're the company CEO and handle this program personally, multiply the number of hours per month you spend managing Facebook by \$100. If an employee manages your Facebook program, multiply the number of hours by \$50. If your Facebook program is managed by a third party, please include their fees)	Median
	\$1,000

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Over the next 12 months, please indicate your company's budgetary plans for its Facebook programs	%
We are expanding our Facebook marketing budget	46%
We are decreasing our Facebook marketing budget	11%
Our Facebook marketing budget will remain the same	43%

Please rank the overall effectiveness of your Facebook programs	%
Very effective	11%
Somewhat effective	49%
Somewhat ineffective	27%
Very ineffective	14%

At 60% Facebook ranked the lowest in combined effectiveness, a surprising rating considering all the attention currently being paid to the system. The numbers generated for "Our Facebook marketing budget will remain the same" also reflect some marked ambiguity on the part of software marketers towards the system.

Other Social Systems and Brand Management

Do you use other social marketing systems?	%
Yes	33%
No	67%

What other social marketing services does your company use for business purposes?(Please pick all that apply)	%
Friendster	0%
MySpace	22%
Google Buzz	28%
Grouply	0%
360.yahoo.com	0%
Squidoo	6%
Ning	33%
Technorati	33%
Wikipedia	6%
Jotspot	0%
Stumbleupon	17%
Reddit	6%
Other, please specify (Significant answers included "Xing," "Flickr (2)," "YouTube (3)," "GovLoop," "Digg," "Synergy Connect," and "Business Week Network")	56%

Do you use online brand monitoring tools to assist your brand management and improvement efforts?	%
Yes	33%
No	67%

What elements of your business operations do you manage with online brand management systems? (Please pick all that apply)	%
Lead Generation	65%
Brand Measurement	53%
Customers Support	12%
Sales Support	35%
Competitive Analysis	24%
Market Research	29%
Other, please specify	0%

Please tell us which online brand monitoring tools you use. (Please pick all that apply)	%
Brand Monitor (Position2)	29%
Radian6	24%
Sysomos	12%
Visible Technologies	12%
Other, please specify (Relevant answers included "Meltwater," "Buzzmetrics," "Google Analytics," "Squarespace," "Netvibes," and "Coolermail")	53%

Analysis

In 2009 and 2010 Softletter conducted extensive surveys and research on a wide variety of marketing programs used by software firms. In this prior research, we combined social networks into one category; these results reflect our decision that the buzz and excitement surrounding these systems, particularly Facebook, which has enjoyed both press and Hollywood attention (as far we know, no films are currently planned on the founding of LinkedIn or Twitter. We suspect any film on Twitter would need to be a "short").

First, let's take a look at some key metrics that enable us to see how the big three social systems stacked up against each other. We start with plans to increase budget, as most software companies tend to follow the military maxim and reinforce success.

Plan to increase budgetary expenditures over the next 12 months	%
Facebook	46%
LinkedIn	56%
Twitter	55%

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Please rank the overall effectiveness of your Facebook programs (combines Effective and Somewhat Effective ratings)	%
Facebook	60%
LinkedIn	73%
Twitter	72%

When calculating how much companies spend on a particular marketing activity we use medians, which smooth out outliers (for all of these systems, there were companies who spent considerably more than the medians). Also, despite the fact that we specifically tell respondents that their time is money, we suspect that many participants in our surveys simply refuse to acknowledge that every minute spent posting on Facebook or participating in a LinkedIn discussion represents a real cash expenditure. However, even after this adjustment is made, the cost of using LinkedIn in relationship to the other systems is noteworthy.

How much did your company spend on Twitter/LinkedIn/Facebook/ programs over the last 12 months? (If you're the company CEO and handle this program personally, multiply the number of hours per month you spend managing Twitter/LinkedIn/Facebook/ by \$100. If an employee manages your Twitter/LinkedIn/Facebook/ program, multiply the number of hours by \$50. If your Twitter/LinkedIn/Facebook/ program is managed by a third party, please include their fees)	Median
Facebook	\$1,000
LinkedIn	\$300
Twitter	\$1000

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Subscription rates: \$395 worldwide. Subscription office: Aegis Resources 34 Sugar Hill Rd. Killingworth, Conn. 06419 Voice: 860/663-0552 Fax: 860/663-0553 info@softletter.com

Finally, let's take a look at current budgetary expenditures.

What % of your overall marketing budget do your social system programs represent?	Twitter	LinkedIn	Facebook
<1%	51%	65%	57%
1% to 5%	32%	23%	24%
6% to 10%	11%	4%	5%
11% to 15%	0%	6%	11%
16% to 20%	2%	0%	3%
20%+	4%	2%	0%

The numbers above show that in terms of expenditures, the amount of money software firms spend on the big three social systems tracks with the medians, with LinkedIn clearly the cost leader.

It's worth noting that when tracked against our ratings of most effective marketing programs used by software companies, none of the social systems we analyzed cracked the top 10 rankings.