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Abrams Research Social Media Survey – February, 2009

Social Media Leaders Say Twitter is Top Spot For Business Dollars: 40% to just 15% for Facebook
Facebook Still The Spot Insiders Would Pay for First
LinkedIn Strong In Both Categories – MySpace Dead Last
Experts Say Traditional Advertising The Least Effective Way to Monetize Social Media

Also:

Zappos, Obama, CNN Best Corporate Brands On Twitter

Social Media Deathwatch: ImInLikeWithYou.com

Abrams Research surveyed over 200 social media leaders from across the U.S. and Canada during Social Media Week 2009 – including founders, bloggers, journalists, entrepreneurs and members of the Twitterati – to see what they thought about the future of social media. Here's what we found:

- **Businesses! Get on Twitter!** A whopping 40% of respondents picked Twitter as the number-one social media service for businesses. LinkedIn came in a distant second (21.3%), followed by YouTube (18.8%), with Facebook an even more distant fourth at 15.3%.
- **...but they'd still pay for Facebook first.** When asked which social media service they'd be most likely to pay for, 32.2% chose Facebook – followed by 29.7% choosing business-networking site LinkedIn. The contrast of Facebook's bells-and-whistles features (photos, status updates, newsfeed, tagging) with the bare-bones networking functionality of LinkedIn suggests that many people find social networking most valuable for making professional connections. Twitter – the top pick for business use – came in third, with 21.8%.
- **LinkedIn is secretly cool.** Well, if not "cool" exactly, it's definitely the dark horse of this survey, coming in second for the service respondents would pay for AND would recommend to businesses.



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- **MySpace is not-so-secretly uncool.** A paltry 1.5% said they would pay for MySpace – in a category where Facebook was the runaway winner – and only 2% said they'd recommend it for business. It came dead last in both categories – where it used to be the runaway leader. Perhaps it's been a victim of...
- **Uncoolness: The Silver Bullet of Social Media.** Our social media respondents say that "the inevitable slide into uncoolness" is the biggest challenge facing social media. At 29.2%, it's clearly the most significant danger, to be avoided at all costs.
- **The Best way to monetize Social Media? Premium Features.** 45.5% of respondents – our most decisive result – said that the "Freemium" model, which allows for a free basic model with for-pay premium features, was the best way to monetize social media.
- **The worst way to monetize Social Media? Everything we've been doing so far.** Traditional Online Advertising came in dead last as the best way to monetize social media, with just 3% of the vote. Ouch.
- **It's all about status.** When asked what social networking feature was the most critical to users for everyday use, more people chose the status update over any other option (NB: The status update is what Twitter was built on). While 23.8% chose the status update, a close second was the newsfeed (21.3%), which users made a point of commenting on for its utility and convenience. Comments and Personal Messaging came next at 17.3% and 14.9% respectively; surprisingly, uploading photos and video was ranked lower at just 9.4%.
- **Wildcard:** We asked our respondents to suggest an MSM-Social Media shotgun marriage, for a prize of \$500 to Social Media Week beneficiary charity:water, plus a few special Abrams Research prizes.

The complete results are below, followed by some choice comments from some of the social media community:

The data reported herein reflects the survey responses of over 200 social media leaders during Social Media Week 2009, received by 10:00 a.m. ET on Friday, February 13, 2009.

1. Which social media service would you be most likely to pay for?

Facebook 32.2%
Linkedin 29.7%
Twitter 21.8%
YouTube 13.4%
MySpace 1.5%
Digg 1.5%



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“LinkedIn gets me connected to deals and jobs.”

“The only one I use consistently, Twitter strikes me as the most flexible and innovative service out there. YouTube would be a close second, but it would depend greatly on the cost/model used.”

“I would pay for other necessities, like oxygen, water, and food. Therefore I would also pay for Facebook.”

“I use Twitter every day and want it to be available for years to come. I enjoy it, get a lot out of it, and would be happy to help it succeed.”

“Currently pay for linkedin, gives me more invites/access than free level, business write-off. “

“Facebook can be an all-in-one environment; blog, media content, sometimes prescreened by other users I trust, combined with communications tools that allow for user-controlled availability. I'd pay for YouTube as well, but you didn't let me pick two; YouTube is proven as an entertainment vehicle, more so than my cable service. With YouTube I can get what I want to watch when I want to with a high degree of specificity and a lot less commercial interference.”

“YouTube provides more than just access to videos-- it provides access to shared cultural experience. “

“I would likely pay for Facebook because it is the most comprehensive social media forum, I can connect with everyone from my mom, to my boss, to my elementary school friends. The platform has a great balance of social vs. professional.”

“[Facebook] encompasses the overall functionality of the others, and I've become dependent on communicating with my real-life friends in that forum.”

“[Facebook is] better than my godforsaken landline, which I pay for every month and wonder why. “



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2. What social media service would you advise a business pay for?

Twitter 39.6%
LinkedIn 21.3%
YouTube 18.8%
Facebook 15.3%
Digg 3.0%
MySpace 2.0%

“Twitter is the easiest way to communicate, connect, and drive a call to action.”

“Again, it's a very close contest between Twitter and YouTube in my opinion. I may not be the best example, but as I've basically resisted social media up to this point but am utterly addicted to Twitter and occasionally use YouTube, I'm thinking there's something there. Wouldn't be the craziest thing, I don't think, if the two worked out a cooperative agreement.”

“While Twitter is very hot right now for brands, Facebook has much wider audience.”

“For the same reasons stated above. LinkedIn has a greater signal-to-noise ratio than the others and makes plain the ties with people you know (or are close to knowing) of whom to make a better business decision.”

Twitter: “Instantaneous feedback from and interaction with customers/users.”

Twitter: “The ability to broadcast and give a business a "voice" is powerful marketing.”

Twitter: “It's the quickest way I've seen to spread information virally to a wide scope of people attached in a lot of random ways.”

“Best way to bridge the personal-professional gap ... once people care about YOU the person, they care about YOU the brand, and Twitter seems like the most efficient way of reaching the right people.”

“People on Twitter are thought-leaders who often spread the information around their personal spheres. Best investment.”

“I'm still learning about Twitter, but it seems important. And I found this survey through it.”



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3. Which social media service will be the first to die?

ImInLikeWithYou.com 41.1%

Bebo 12.4%

FriendFeed 8.9%

Meetup.com 8.4%

Flixster 6.9%

Digg 5.0%

Last.fm 3.0%

Other 14.4%

Last.fm – “Music industry still in major flux”

“I’m going with MySpace, which strikes me as the public restroom of social media. Just ... ew.”

I’m In Like With You: “Not enough time in the world to use this site. All others provide differentiated value - IILWY is simply a time-sink.”

I’m In Like With You: “Tertiary subject to people's core social networking needs. Online gaming is a volatile market that shifts even more rapidly than other social networks, since people are not reluctant to leave their contacts for a better platform.”

“What's Flixster?”

“Digg is great, but it can't compete with other aggregators that are more nimble.”

“I think all of these are on the list of first to die, but MySpace has got to go. It's messy

“Because I've only heard of it in passing and I have no desire to type in a ridiculous 15-character URL. (Although I do have time to count the letters.) What do they do? Sounds like a dating site for the meek.”

“ImInLikeWithYou.com? Really? That's a real social media site? I'll call its demise based purely on the horrible domain name. What were they thinking?”



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4. Which corporation has done the best job of using social media? (Respondents were asked to choose one; these were the most popular choices, ranked accordingly)

- 1. Zappos (online shopping site)**
- 2. Obama (campaign and presidency)**
- 3. CNN**
- 4. Comcast (“Comcast Cares”)**
- 5. Jetblue**
- 6. Dell**
- 7. Burger King**
- 8. NPR**
- 9. New York Times**
- 10. Ford**

“ComcastCares. Still hated universally, but they have the right attitude to using Twitter, and haven't given up (yet).”

“Zappos -- community creating, inspiring and always positive without being cult-wiped-my-brain-clean-and-shiny perky.”

“I think Zappos does an amazing job of making themselves super-accessible to customers. They have a presence, a personality, and an eagerness to talk to people--whereas most companies seem to be hiding from their customers, going out of their way to be unreachable.”

“Dell consistently rises to the top. They've made serious investments in social media, turned around a few potential PR nightmares starting with Dell Hell, and continue to raise the benchmark for others to follow.”

“CNN. CNN has been highly skilled at maintaining an edge over all other news agencies in incorporating social media into its user experience. It is the only news organization that can truly say it's 3 dimensional.”

“Burger King. Their Facebook Whopper Sacrifice app was a brilliant idea.”

“Not sure if it's a corp but the best business would be Wine Library, hands down. from \$3mil to \$50mil a year since harnessing the power of social media, damn.”

“Well, as newspapers go, look at the Los Angeles Times. They know the right way to Tweet.”



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“NPR's Inaug report was flippin' awesome.”

“NOT the record industry, ha ha. (most professionally done myspace pages are bloated and define the term 'bad user experience' to a t.)”

“I hate to say it but...CNN?”

“He's not a corporation, but Karl Rove sure is doing some effective image repair with a great Twitter account.”

“Right now, any corporation who's making a legit attempt to use [social media] is on the right track.”

5. What's the best way to monetize social media?

"Freemium" use, i.e. a free basic model followed by a fee for advanced options (i.e. storage, analytics) 45.5%

Targeted ads (e.g. contextual ads) 20.3%

Research (polling, surveys, trend-mining) 8.9%

API access/developer tools for third-party services 7.4%

Subscription model 6.9%

Corporate sponsorship 4.0%

Selling user metadata 4.0%

Banner ads/traditional online advertising 3.0%

“Freemium is the future”

“It matters what content (video, photo, microblogging, etc.) and context (male, female, youth, hip-hop, gaming, sports, politics, etc.) we're talking about. Freemium works because it can be the thought process behind any and every revenue model, including but not limited to the ones above.”

“[Freemium] works. Just look at Flickr. This is better than ads because it fluctuates less, and subscriptions will never work because they don't solve a problem or provide a service (i.e. a reason) for people to pay for. When social media is moved to a closed subscription model, people simply do not use it and create free alternatives. Freemium solves this dilemma by opening up the service in a way that jives with the power law that governs social media use: the majority of occasional users will not pay, but a minority of power



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users devoted to access to better features can provide core revenue.”

“I never click on ads, and only notice them when they are annoying. Freemium, however, I do use, assuming that the price point is low and that the extras are worthwhile”

“Social media only work at scale, and charging users right out the gate only serves to suppress growth. Getting folks hooked on the basic model leaves much room for serendipitous discovery of new uses for the media and once it's seen as critical, the leap to charging for premium options isn't too great (hello, Twitter?).”

“The basic model gets people sucked in and allows casual users to not fall through the cracks while making revenue off of the more serious users.”

“I'm a huge fan of the freemium but if I had to pick one, it's smart contextual ads. It's tough to squeeze anybody for a subscription, corporate sponsorships are hit or miss, API access must be free, and selling user metadata is greasy. People won't pay money to join anything but they'll pay by allowing a few relevant ads to get through. And marketers are only too happy to pay for that opportunity.”

(Re: Selling user metadata) “If Mark Zuckerberg and Cheryl Sandberg can't figure this out, how will I?”

“All your advertising dollars are belong to Google.”

6. What's the biggest challenge facing social networking services?

Inevitable slide into un-coolness 29.2%

Lack of advertiser interest 15.3%

Inevitable spam problem 13.4%

High technology costs 9.9%

Inevitable flamer/stalker/creep problem 8.9%

Other 23.3%

(Re: Inevitable spam problem) “If people paid 44 cents per tweet, they would tweet more responsibly. But they don't have to.”



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(Re: Inevitable slide into un-coolness) “Social networks are like bars. Hot then not, then maybe hot again. Unlike bars they can't charge people for admission or drinks and as they slide into un-coolness their advertisers flee.”

(Re: Inevitable slide into un-coolness) “It happens: what's hot one day on the internet can become not hot faster than the proverbial New York minute, and in our contemporary sense of internet time, that can be less than a week. So what's important is to offer a service that is continually changing, offering more, metamorphosing into different models in order to meet the demands of existing and potential user bases.”

(Re: High technology costs) “Doesn't Digg lose \$5 million a year? Entrepreneurs spend money with no foresight.”

7. What social networking feature is the most critical for everyday users?

Status Update 23.8%

Newsfeed 21.3%

Comments 17.3%

Personal Messaging 14.9%

Uploading Photo/Video 9.4%

Mass-Messaging 7.9%

Tagging (and untagging!) 5.4%

“I stay logged into Facebook because I want to stalk my friends. Newsfeed tells me what they're doing, whether they like it or not. Interesting, isn't it? So many protests against the newsfeed, and now it's second nature.”

“Would have said comments earlier but status (via twitter/facebook) seems to have the most breadth/reach across the demography of the net.”

“Everything else you've stated above is content based, however comments are where users interact with content and add context.”

(Re: Status update) “Hard to pick and in a dead heat with mass messaging because it is the same. People want to let others connect with them.”



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“Tagging made flickr what it is and became one of the best features of facebook.”

“This is a meta-rationale: micro-blogging via status updates creates a rich data trail that can be mined to recognize patterns on behalf of everyday users to help the users better understand their own behaviors (if they want) or to see the regular behavior of others (do I want to be more like that person or less like that person?). This data trail is what users can leverage to decide if they share interests or no and strengthen the social ties or break them apart.”

“Social media -- emphasis on social -- must have communications apps fully entwined in model to be successful.”

8. WILDCARD: The New York Times paired with Facebook for their recent NYC Inauguration party. Which (dying) print media property do you think could be saved by a shotgun wedding with social media? Submit your favorite pairing below, plus a rationale for the blissful union. (The winning submission wins a \$500 donation to Twestival beneficiary [charity:water](http://charity.water) by Abrams Research in his/her name, plus a Downtown Records CD sampler. Honorable mentions will receive CD sampler prizes as well.)

The winning result: **Reader’s Digest + Digg + AARP**, to provide a content-ranking system for an older demographic that is quickly getting up the technological curve but has been under-served by targeted social media thus far.

A full list of winners and runners-up will be released shortly pending permission from the winners to release their names.

Contact:

Contact: Rachel Sklar, Abrams Research, rachel@abramsresearch.com, 917-669-7224.