

Social Media Adoption by U.S. Small Businesses Doubles Since 2009

Small Businesses Mainly Use Social Media to Identify and Attract New Customers

Herndon, VA ([prHWY](http://www.prhwy.com)) February 17, 2010 - American small businesses are pushing the limits on new ways to improve efficiency in the prolonged downturn, including a steady increase in social media adoption. The third wave of the Small Business Success IndexSM (SBSI), sponsored by Network SolutionsSM and the Center for Excellence in Service at the University of Maryland's Smith School of Business, reports social media adoption by small businesses has doubled from 12% to 24% in the last year.

The SBSI found that nearly one out of five small business owners are actively using social media in their business. Small businesses are increasingly investing in social media applications including blogs, FacebookSM and LinkedInSM profiles.

Key social media usage highlights include:

- * 75% surveyed have a company page on a social networking site
- * 61% use social media for identifying and attracting new customers
- * 57% have built a network through a site like LinkedInSM
- * 45% expect social media to be profitable in the next twelve months

"In order to meet the growing challenges of a tough market last year, I was forced to consider alternative options to keep my business visible," says small business owner Dr. Alan Glazier, CEO and Founder, Shady Grove Eye and Vision Care. "With a very small investment in social media marketing, I was able to generate new business opportunities. Our GoogleSM ranking is consistently number one for many of the phrases people use to search for eye doctors in and around my city and we have received a "bump" in terms of new visitors to the site. My blog has been picked up by different news sources and led to media interviews. I am now recognized as a thought leader in social networking within my profession and lastly but most importantly, my marketing budget has been reduced by more than 80%."

Customer Engagement Biggest Social Media Usage: 61% of the respondents use social media to identify new customers. The biggest expectation small business owners have from social media is expanding external marketing and engagement including identifying and attracting new customers, building brand awareness and staying engaged with customers. Listen to a podcast on how small businesses can use social media for customer engagement at www.growsmartbusiness.com.

Top Small Business Concerns with Social Media: 50% of small business social media users say it takes more time than expected. While social media adoption has doubled in the last year, there are still some roadblocks to small businesses fully exploiting its potential. A main concern is the amount of time involved. Another 17% express that social media gives people a chance to criticize their business on the Internet. Related to this, only 6% feel that social media use has hurt the image of the business more than helped it.

"Tough market conditions mandate small businesses to think and act creatively to sustain themselves," says Connie Steele, Director at Network Solutions. "Social media can be the best friend for small business owners who

constantly seek new ways to maximize productivity while keeping costs low. As validated by the SBSI, it is not a question of why small businesses use social media but rather when the adoption rate will accelerate this year."

Other Key Findings from the December 2009 Small Business Success Index:

The index, based on a December 2009 telephone survey of 500 small business owners, also tracks the pulse of U.S. small businesses on six key dimensions of success: capital access, marketing and innovation, workforce, customer service, computer technology and compliance. A detailed copy of the report can be found at www.growsmartbusiness.com.

Small businesses experience positive effects from the economic downturn:

- * 72% have found ways to operate more efficiently (up significantly from 66% in June)
- * 47% have been led to find new products and services that benefit customers
- * 43% have become better teams as hard times force people to work together

Building online presence continues to be key focus for small businesses:

- * Company Web sites seem to be the top technology investment in the next two years, with small businesses either adding new features/functionality to their existing Web sites or building one from scratch
- * The ability to showcase their products and services online to attract new customers is second in the hierarchy of technology investments
- * Social media investments rank third in small business investments to be made in the next two years

Customer service the biggest strength of small business owners:

- * Small businesses are highly successful at answering customer questions, ensuring customer satisfaction, showing empathy, providing consistent service, resolving problems and winning repeat business
 - * Four of the six customer service dimensions have gotten stronger compared to a year ago, and one of these, ensuring customer satisfaction, is significantly higher
- To download a copy of the Small Business Success Index and also find out how your business scores on the six key dimensions of small business success, visit www.growsmartbusiness.com.

If you are a small business owner interested in finding out how your business can start using social media, join us for a Tweet Chat #SBBuzz on Feb 23rd, 8-10PM (EST). Anita Campbell, Editor of Small Business Trends will moderate the discussion to provide additional insight on how to effectively use social networks to generate results.

About the Robert H. Smith School of Business:

The Robert H. Smith School of Business is an internationally recognized leader in management education and research. One of 13 colleges and schools at the University of Maryland at College Park, the Smith School offers undergraduate, full-time and part-time MBA, executive MBA, MS in business, Ph.D. and executive education programs, as well as outreach services to the corporate community. The school offers its degree, custom and certification programs at locations in North America and Asia. www.rhsmith.umd.edu

About Rockbridge Associates Inc.:

Rockbridge Associates Inc. is a leading market research firm based in Great Falls, Virginia. Its clients include Fortune 500 companies, government agencies and associations. Rockbridge conducts primary research and consulting to help with product design, positioning, pricing, and customer satisfaction. www.rockresearch.com

About Network Solutions, LLC:

Network Solutions®®, the leading provider of online solutions for small businesses, offers a full range of services including: search engine marketing, Web hosting, Web site design, e-commerce, SSL certificates, e-mail and domain name registration services. Network Solutions draws on 31 years of experience to make it simple and affordable for customers to build and manage an online presence through a one-stop Web Solutions provider. Additional information about Network Solutions' offerings is available at about.networksolutions.com.

Web Site: <http://www.growsmartbusiness.com>

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