

Are Corporations Using Facebook?

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A random survey of 33 companies in the 2009 Fortune 100 (ranked by revenues) revealed that 73 percent have a presence on Facebook. That's the good news. The bad news is that most of the presence appears to come from employees and fans and not from corporate sources. This means corporations are risking brand dilution on Facebook, which now reaches 300 million individuals, about 70 percent of whom dwell outside the US.

We chose the Fortune 100 for study because they are the largest corporations, mostly multinationals and likely to be the best known brands and have the most employees and followers. It turned out, however, to be harder than at first envisioned to determine how fans, employees and companies use Facebook and for this reason, results are estimated. There are three reasons for that:

1. The search function in Facebook is not precise enough to delineate brand names only. Frequently, names similar to brand names were mixed into results and had to be removed.
2. A corporation might have dozens of instances in which its brand name was featured with only a small number of employees or fans subscribing to that page. For the most part, there were not more than three Facebook pages that had the bulk of employees and fans signed up for them. Accordingly, there was an arbitrary cutoff assigned to brands that had more than three dozen instances of brand-name usage. These were about eight companies in all, or 24 percent of the sample.
3. Because of the cutoff, some brand name pages with a small number of employees or fans were not counted, but these are a minority of total fans.

Here then is a summary of results from the study followed by implications for PR practitioners and corporate communicators:

- Total companies examined: We examined 33 corporations out of the 2009 Fortune ranking of corporations by revenue. This comprised 1/3 of the universe picked randomly through use of a random starting point and consistent interval from that starting point. This procedure provided a good cross-section of the Fortune 100 and their presence on Facebook.
- The number of companies in the sample that had no discernible brand presence on Facebook were nine, or 27 percent. Number of companies with a brand presence was 24, or 73 percent.

- Multiple Facebook pages with a company's logo were common. These appeared to be most frequently pages put up by employees working in different offices and locations throughout a corporation. The number of companies with fewer than 10 uses of a brand logo on separate Facebook pages was nine. The number of companies with 10 or more uses of a brand logo on separate Facebook pages was 15, or 45 percent.
- There was a skew in the data caused by a few companies with tens of thousands of fans and employees offsetting companies with no presence at all. The number of companies with 100,000 or more fans/employees linked into Facebook pages using their logos was four, or 12 percent. This indicates the impact of consumer products companies and retailers. In the study, the four companies were General Motors, Disney, Costco and Coca-Cola.
- Because of the data skew, we looked at both median and averages in terms of the number of Facebook pages using a brand logo. The median number of Facebook pages per brand logo was four, the average number was 13. When we removed companies that had no discernible brand presence, the median number of Facebook pages using a brand logo rises to 14, in line with the average.
- Median number of fans/employees per Facebook page using a company's brand logo was 600, the average number was 186,000. This skew is attributable to the four companies with 100,000 or more fans.
- Looking at individual companies, the average number of fans/employees per page using a company's brand logo was wildly variable depending on the total number of pages using the company's logo. The average varied from a low of 13 fans/employees per page to a high of 79,000.
- There were a number of anti-company sites in the sample that used the company's brand logo. These amounted to eight, or 24 percent of the sample. The median number of individuals opposing a company on an anti-company site was 275. There is a skew in this data related to two companies – Coca Cola with 23,500 self-identified opponents and Time Warner with an estimated 2,000.
- Only one of the sites – Coca-Cola – appeared to be part of a company's larger brand strategy, although the site was not apparently established by Coca-Cola originally.

Implications

Within the Fortune 100, most companies have a brand presence on Facebook whether they wish to have it or not. Brand expropriation has already happened and is out of control. Brand presence consists most frequently of the use of a

company's logo for a page put up by a fan or employee. PR practitioners should be concerned about wanton use of logos, especially since one could mistake a page as officially sanctioned when it isn't. Logos were also exploited for anti-company pages but this was a minority of users.

As one would expect, consumer products companies had a greater following on Facebook than industrial firms. Two, in particular, had huge fan/employee followings – Walt Disney and Coca-Cola. Consumer product companies in general can expect a greater attention on Facebook. However, well-known brands, whether consumer or not, such as John Deere or Caterpillar, have Facebook fans. PR practitioners cannot automatically assume that a B-to-B business will not be on Facebook.

The greatest number of Facebook pages in the study appear to be employee and fan driven. They did not appear to be established by a corporation's communications or marketing department or have an official company origin. This means that communications of all kinds are carried under a company logo on an unofficial page with attendant consequences if there are errors or criticisms.

Most pages in the study were open to anyone to join. A small number were restricted to specific users. Lack of discrimination means that one cannot know in detail who is on a Facebook page, especially when the page grows in numbers of fans/employees. Restricted pages generally tended to have a small number of participants, which indicates the presence of a self-identified group. For example, there were a number of pages identified by Rite Aid store numbers that had what appeared to be employees of the store linked to the page. Such small group socializing can be of use to a corporation if handled well, but the opposite is just as true. These groups can become sources of criticism against the company. As a result, a company should monitor them regularly.

When Facebook pages have been started, should a company let them be? A company can legally attack an expropriation of its logo, but it is probably not worth doing unless its logo is being used for nefarious purposes. Even if a company succeeded in getting its logo removed from a Facebook page, the group could continue. It depends on the dynamics of the group. A logical step would be for a company to evaluate its presence on Facebook and to determine if it makes sense to have an official corporate presence to counterbalance groups already there. There is some sign that a few corporations might be doing just that. However, the democracy of the internet is such that users do not have to sign up or connect to an official page. There has to be a reason for them to come, which means that a corporation needs a social media and Facebook strategy. A few companies have done that well. Most have not.

Based on the study, most corporations in the Fortune 100 have not yet started to employ the social media tool well. While this says nothing about the remainder

of the corporations in the Fortune rankings, one should not be surprised if a larger study comes to much the same conclusion.

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