



THE LARES INSTITUTE

*Social Media: Understanding User Patterns
and Compliance Issues*

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I. EXECUTIVE SUMMARY

The Lares Institute is pleased to present the results of *Social Media: Understanding User Patterns and Compliance Issues*. This study examines use patterns of social media, the nature and extent of disclosure of information via social media, and the role of corporate policies and policies on social media platforms.

Social media has quickly become a central component of many people's lives. While it can be a tool for personal enjoyment, social media has become a big business and many companies are attempting to reach the audiences that social media platforms have quickly garnered. The goals of the study were to determine: the nature and extent of social media use for business versus personal use; which social media platforms were used for business versus personal use; gather certain information regarding use patterns with social media, particularly regarding the nature and extent of "friending"; individuals' attitudes regarding disclosures via social media; as well as the level of review of corporate policies and social media privacy policies.

The Lares Institute sent surveys to 802 individuals in the United States, and received 741 responses. The following is a summary of highlights from the study on social media:

- The overwhelming majority of those surveyed use some form of social media. However, significantly more people use social media for personal use than for business use.
- Facebook, YouTube, and LinkedIn were identified as the most popular social media services overall.
- Facebook and LinkedIn are ranked as the most used social media service for business purposes.
- Facebook easily takes the lead as the most popular social forum when it comes to personal use. On the other hand, the once popular MySpace received one of the lowest usage response rates of all social media services included in the survey.
- Social media services have seemingly developed a new trend wherein people are accustomed to being "friends" without ever having met.
- Generally, social media users believe that people voluntarily disclose too much information online. Moreover, a majority of social media users are at least minimally concerned about online privacy.
- When it comes to compliance policies, only a minority of users actively read the details of social media service policies before accepting.
- Corporate use of social media is rising—49% of respondents report that their employer uses social media to promote its products or services. While almost 52% of respondents were aware of a corporate social media use policy, almost 48% reported that their employer either didn't have a policy, or they were unaware of a policy existing.

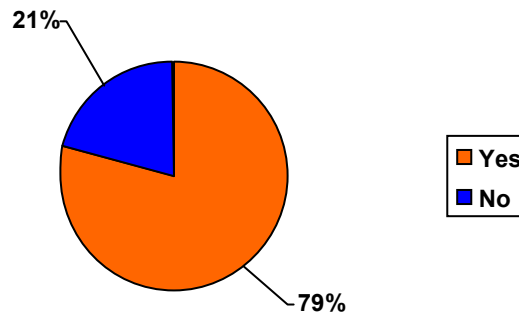
II. KEY FINDINGS OF THE SURVEY

The survey focused on use patterns and compliance issues with social media. The following section presents the findings of the survey, with accompanying graphical representations of the results.

Who uses social media?

Out of approximately 800 survey participants, 79% use some form of social media, while 21% do not utilize social media services.

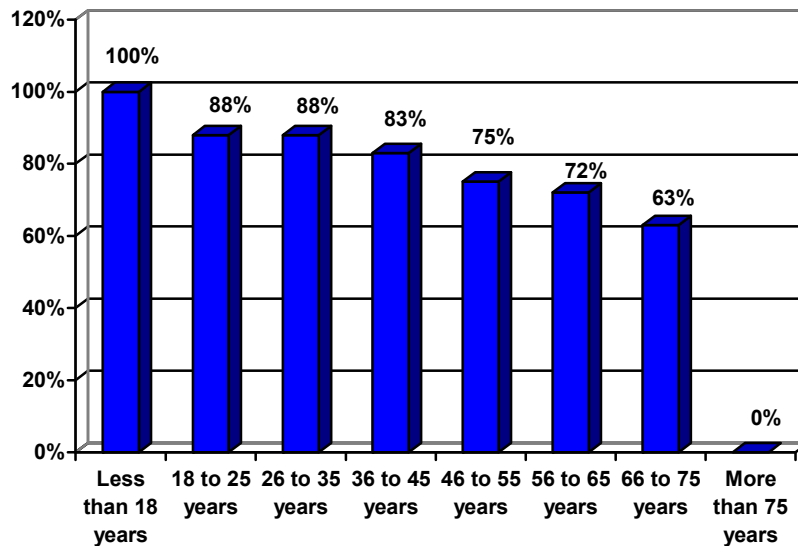
Chart 1:
Q. Do you use social media?



Social Media Use by Age

One area where there was a statistically significant variance in the data was when social media use was examined against the age of the respondent. Not surprisingly, younger people reported higher social media use than older respondents.

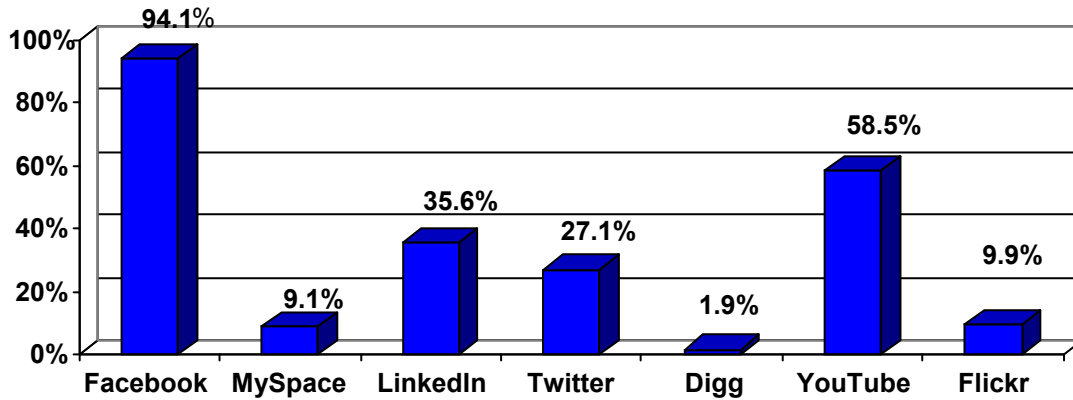
Chart 2:



What are the most commonly used forums of social media?

Facebook's market position was confirmed by this survey. Social media juggernaut Facebook was reportedly used by 94% of the respondents while YouTube received the second highest response rate, at 58%, LinkedIn followed at 35.6%. Beyond this, Flickr, Digg, and MySpace received significantly lower usage rates in comparison to other social media services as is seen below.

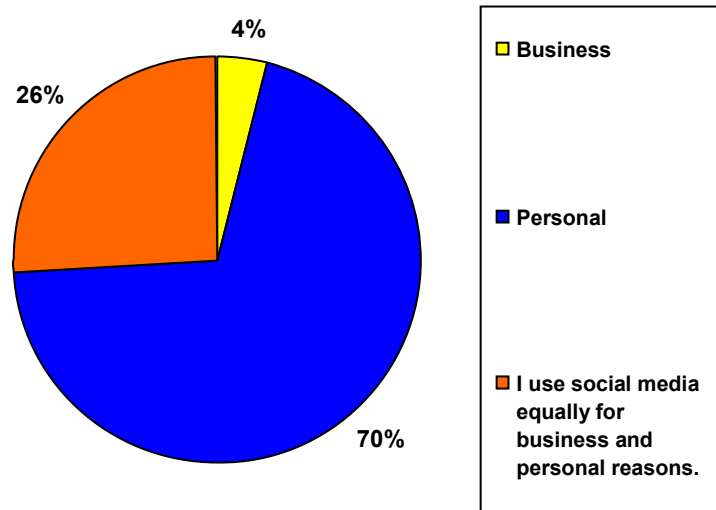
Chart 3:
Q. What forms of social media do you use?



A. Social Media: Business Use

Chart 4 reveals that only 4% of survey participants primarily use social media for business, while 26% reported that they use social media equally for both personal and business purposes.

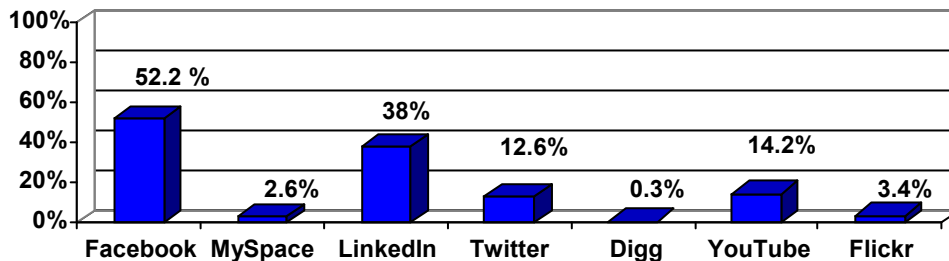
Chart 4:
Q. What is your primary reason for using social media?



What are the most commonly used social media forums in business?

Chart 5 displays Facebook and LinkedIn as the most popular forms of social media to utilize in business among study participants.

Chart 5:
Q. Which social media services do you use primarily for business purposes?

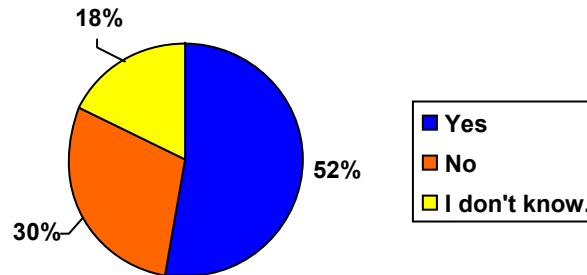


Do companies maintain policies regarding the use of social media at their place of business?

Since social media presents the opportunity for rapid dissemination of information, one area that can present risk to companies is the unregulated use of social media in the workplace. Approximately half of survey participants indicated that they were aware that their company has policy regarding the use of social media in the workplace.

Chart 6:

Q. Does your employer have a policy regarding the use of social media?

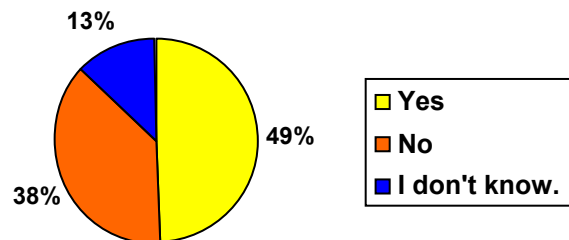


How often is social media used as a marketing tool?

Chart 7 shows that approximately half of survey participants are aware that their employer uses social media as a marketing tool to promote their business.

Chart 7:

Q. Does your employer use social media to promote its products or services?

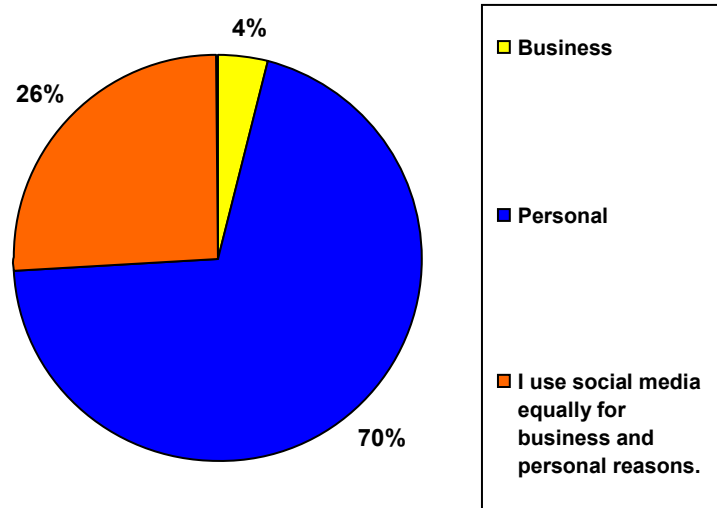


B. Social Media: Personal Use

Chart 8 reveals that 70% of survey participants primarily use social media for personal reasons, while 26% reported that they use social media equally for both personal and business purposes.

Chart 8:

Q. What is your primary reason for using social media?

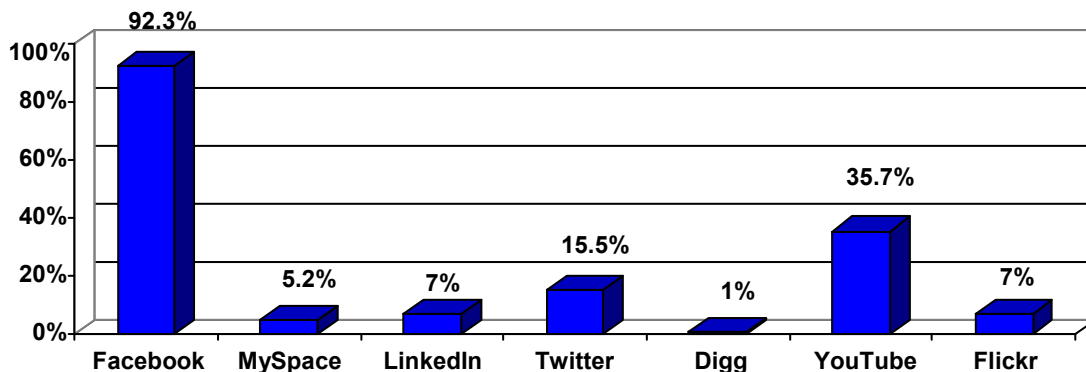


What are the most popular social media forums used for personal reasons?

With a response rate of 92%, Facebook was the most utilized social media service for personal use. YouTube was chosen 36% of the time, while Twitter followed with a 16% usage rate among our survey participants.

Chart 9:

Q. Which social media services do you use primarily for personal reasons?



C. Social Media: Daily Use

Approximately half of this study's participants spend less than an hour a day using social media. However, 25% of participants indicated that they spend at least two or more hours a day using some form of social media. Younger respondents also reported more social media use than their older peers.

Chart 10:

Q. How many hours per day do you use social media?

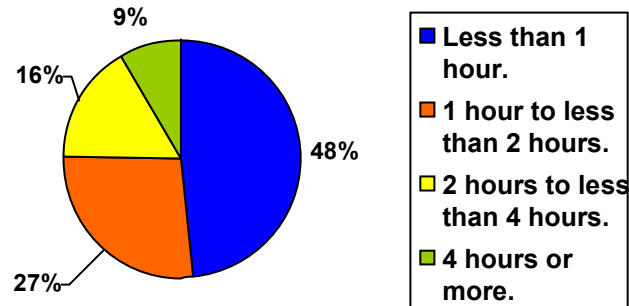
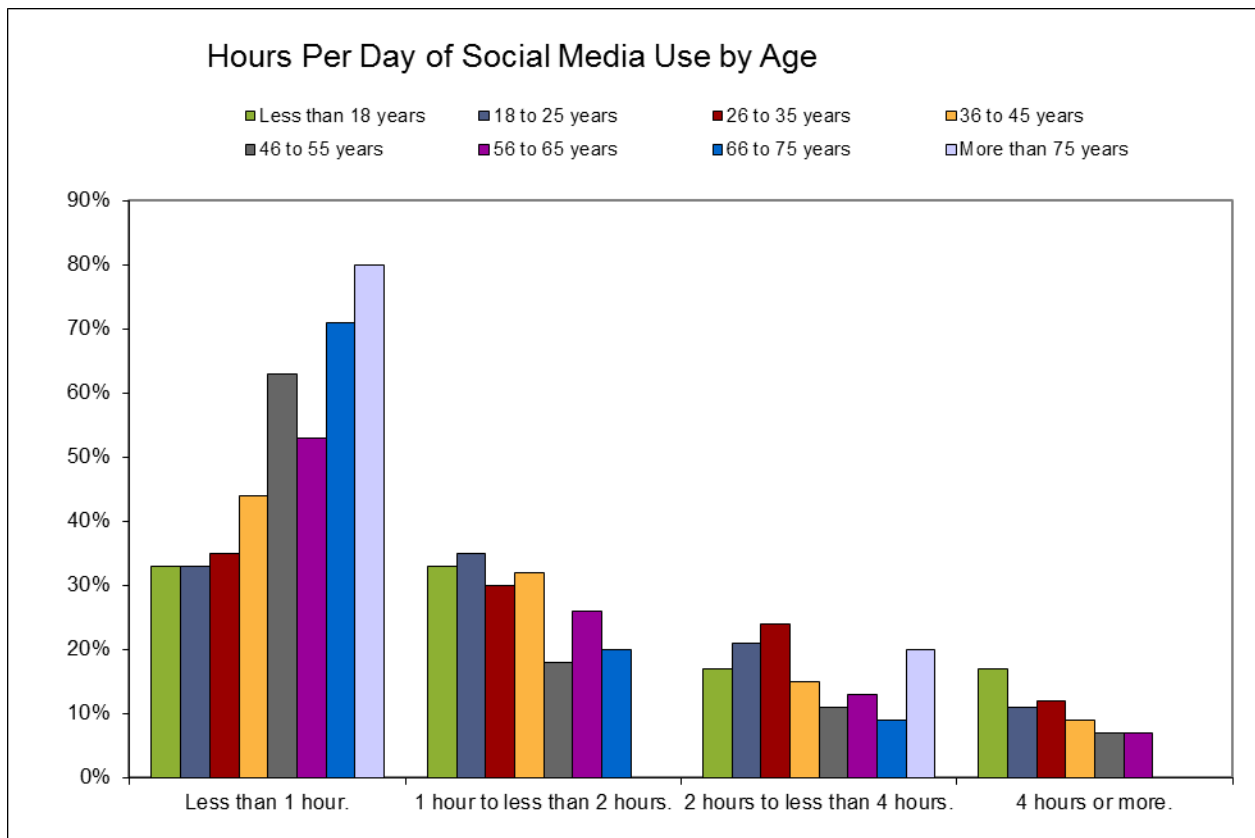


Chart 11:

Social Media Use by Age

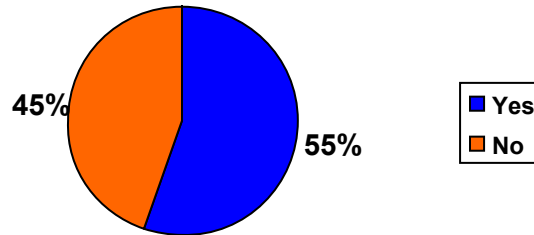


D. Social Media: “Unmet Friends”

The concept of “friends” an individual has not met is a new phenomenon created by social media platforms. 55% of survey participant designated that they are personally acquainted with all of their social media friends. However, 45% indicated that they have social media friends that they have never met.

Chart 12:

Q. Do you have “friends” from social media you have never met?

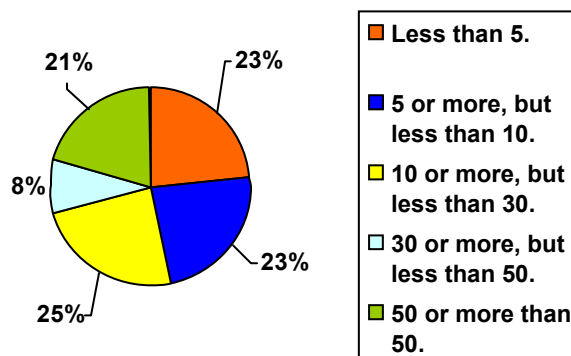


The majority of respondents who had “unmet friends,” had a number of them. 23% had 5 or less friends they had not met. However, 8% had more than 30 friends, but less than 50 friends, they had not met. 21% had 50 or more than 50 friends they had not met.

One clear finding is that social media is changing the way people interact, particularly with people they do not know in the offline world.

Chart 13:

Q. How many “friends” do you have from social media that you have never met?



E. Social Media: Concern Over Privacy

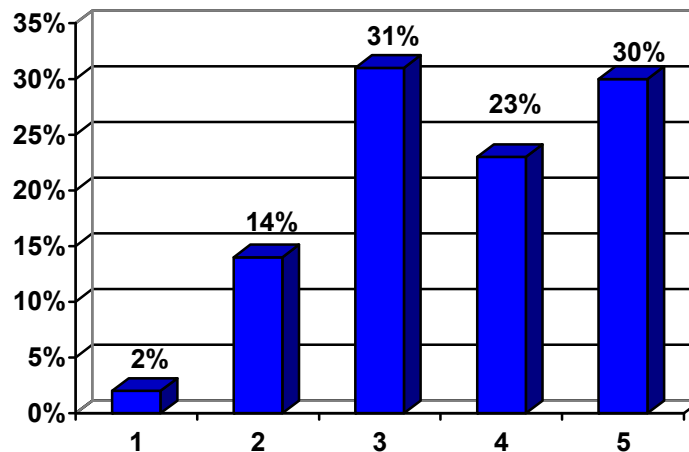
Individual concern over privacy is something that has gained significant media attention. Respondents were asked to rank themselves on a 1 to 5 scale with 1 being not concerned at all about privacy, and 5 being extremely concerned over privacy. 2% of respondents reported that they were not concerned at all about privacy, and ranked themselves at a “1”. 14% ranked themselves as a 2, 31% as a 3, 23% as a 4, and 30% as a 5. The mean of the responses was 3.6382, and the median was 4.

There are a number of findings related to privacy sensitivity that will be the subject of future white papers, but two are worth noting. First, while age is a factor in privacy sensitivity, there are also other variables that correlate to privacy sensitivity. Second, while privacy sensitivity is somewhat predictive of certain behaviors, there are other variables that have strong correlations to certain other related behaviors as well.

Privacy Sensitivity

Chart 14:

Q. Please rate your personal concern over online privacy on a 1 to 5 scale, with 1 being not concerned at all about privacy and 5 being extremely concerned over privacy.



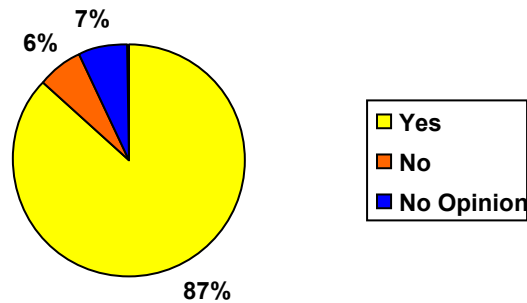
F. Social Media: Disclosure

How much is too much?

Another clear finding of the study is that people believe that there is too much voluntary disclosure of information on the internet. Chart 15 shows that the vast majority of survey participants (87%) believe that people voluntarily disclose too much information on the internet, while only 6% disagree.

Chart 15:

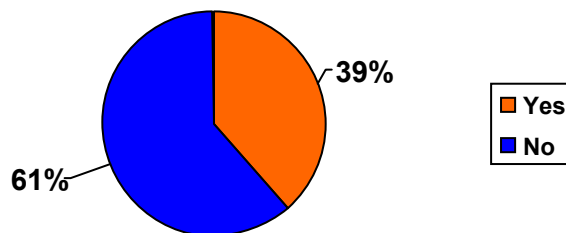
Q. Do you believe people disclose too much information voluntarily on the internet?



Additionally, only 39% of participants believe that inappropriate information has been disclosed about them online.

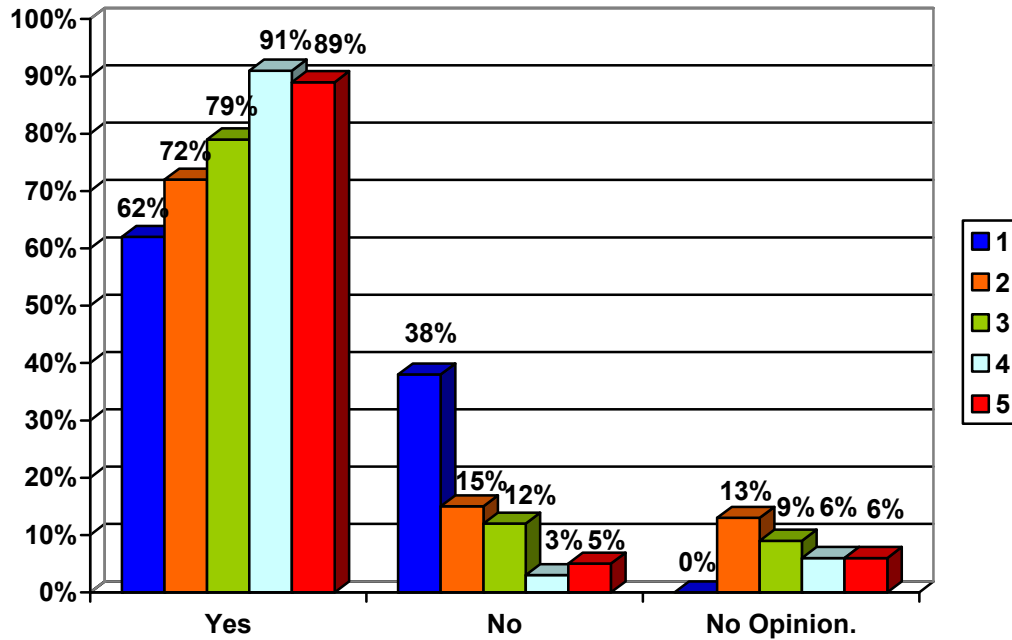
Chart 16:

Q. Has anyone posted information online about you that you felt was inappropriate?



Some other patterns emerge when the data is examined. Survey respondents were asked to rank their privacy sensitivity on a 1 to 5 scale, and those that reported they were more privacy sensitive, were more likely to believe that people disclosed too much information on the Internet.

Chart 17:
Voluntary Disclosures on the Internet / Privacy Sensitivity

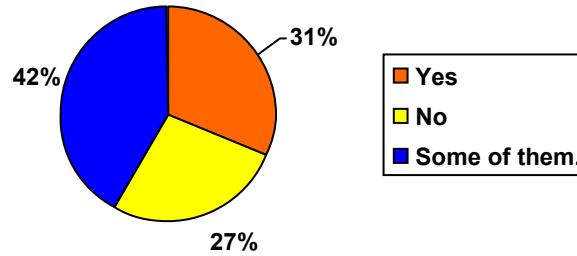


G. Social Media: Do People Read Privacy Policies?

Only 31% of survey participants affirmatively read social media privacy policies, while 27% of survey participants do not. 42% reported that they read some social media policies. There are some variables that impact who reads privacy policies that will be the subject of future white papers from the Lares Institute.

Chart 18:

Q. Have you read the privacy policies for the social media services you use?

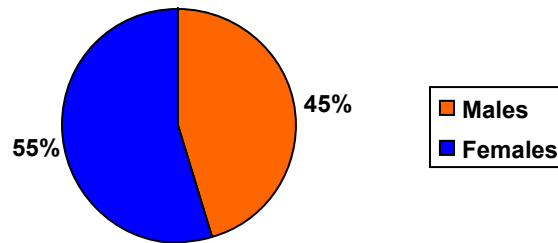


H. Survey Demographics

Gender:

Females comprised 55% of survey respondents, while Males comprised the remaining 45% of participants.

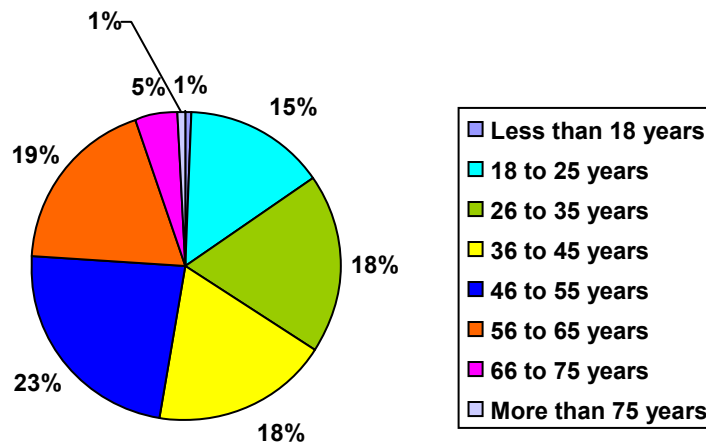
Chart 19:



Average Age:

Of those surveyed, 61% of social media users were between the age of 26 – 55. 23% of users were reported to be above the age of 56, while 16% were age 25 or below.

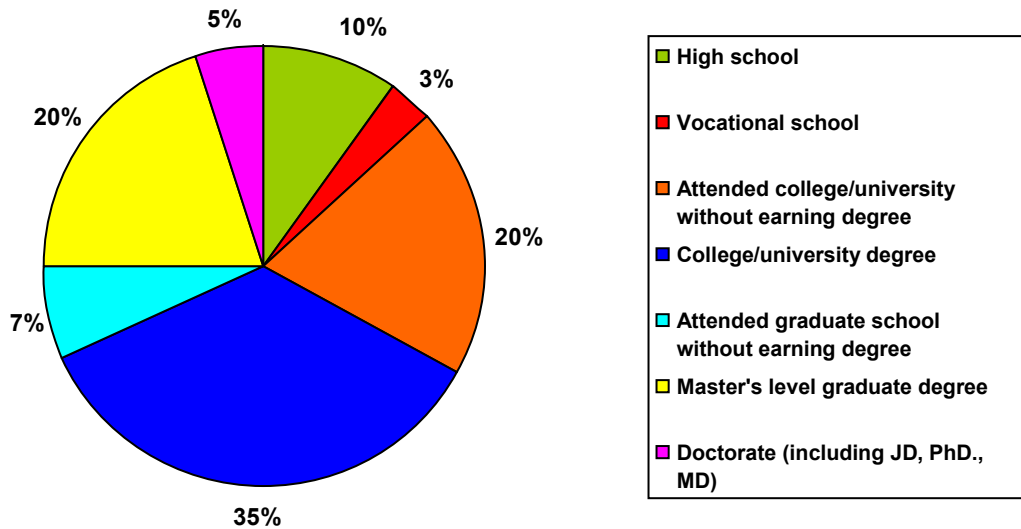
Chart 20:



Education:

The following percentages indicate the highest levels of education obtained by survey participants: Doctorate Degree → 5%; Masters Degree → 20%; Undergraduate Degree → 35%; High school → 10%.

Chart 21:

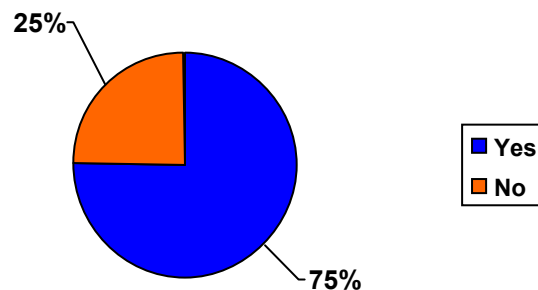


Employment:

The majority of survey participants were employed at the time of answering this survey.

Chart 22:

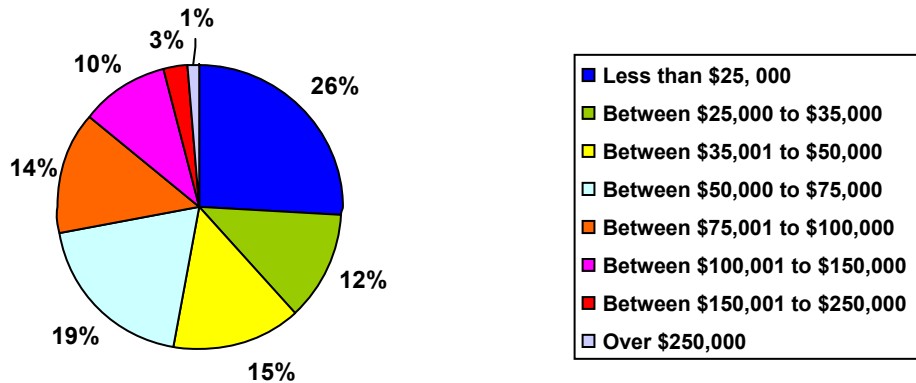
Q. Are you currently employed?



Average Income:

The income of survey participants spanned from 4% earning over \$150k, 24% earning between \$75k - \$150k, 46% earning between \$25k - \$75k, and 26% earning below \$25k.

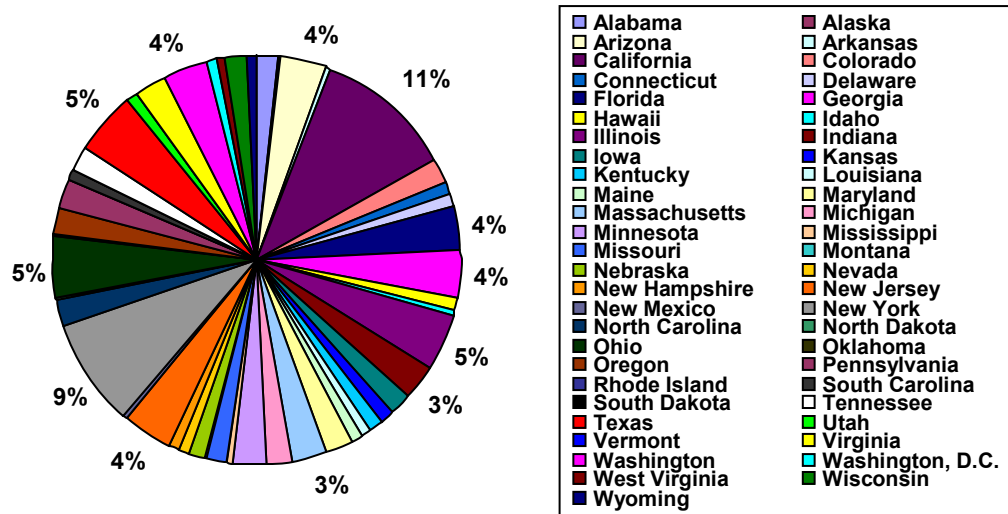
Chart 23:



Residence:

Survey participants largely reside in the following states: California →11%; New York → 9%; Texas → 5%; Illinois → 4.5%; Ohio →4.5%.

Chart 24:



III. SURVEY METHODS

Results from this survey are based upon an internet-based survey instrument that sent surveys to a representative sample of individuals, which resulted in a sufficiently large number of responses. The survey was sent to 802 individuals in the United States, and 741 responses were received, for a 92.4% response rate. The margin of error of this survey is 5% at a 99% confidence level.

There are inherent limitations to survey research that need to be carefully considered before drawing inferences from findings, such as non-response bias, as it is possible with any survey that individuals who did not participate would respond differently than those that did. Moreover, question wording, other survey concerns, and sampling error can result in error or bias in the findings of surveys. Finally, survey research is based upon the quality and integrity of confidential responses that the Lares Institute received from survey respondents.

IV. CONCLUSION

While social media started as a way for people to communicate and stay in touch with people they know, it is becoming a key commercial venue for many companies to promote their goods and services. The rapid ascension of social media as a platform for personal and business interactions means that individuals and companies must be aware of the benefits and risks associated with social media. Individual users must also be aware of policies, whether they are corporate policies regarding use of social media, or the privacy policies of the platforms themselves. While the survey respondents felt that too much information was disclosed on the Internet, many had not read the policies that disclose how these platforms use and disclose their information, though these policies clearly bind the users and permit certain disclosures of information. In essence, this study suggests that while some have familiarized themselves with the rules of the road, others have not, and this can lead to unaccounted risks.

The study also provides some important information regarding the platforms of choice for social media, and the changing role of social media. Facebook has a significant lead in market share over its nearest competitors, but it remains to be seen whether business-focused LinkedIn can garner more significant market share for the business-users of social media.

Finally, the study demonstrates some significant changes in the nature of our social interactions. The concept of “friends” that you have never met is a concept that made little sense before social media captured our attention, but since a significant percentage of the respondents reported that they had over 50 “friends” they had never met, the concept of friendship, at least in the online world, appears to be an evolving one.

Social media platforms are changing the way people interact and this evolution in interactions creates both opportunities and risks that companies must consider and account for in their social media strategy. The evolution of interactions also is changing some very basic concepts of relationships, at least in the online world, and future studies will examine what effect, if any, these changes are having on offline interactions. While two companies—Facebook and LinkedIn currently have significant market positions, the relative position of these companies, or perhaps companies we have not yet heard of, is something to watch as the world of social media continues to change.

APPENDIX. DETAILED SURVEY FINDINGS

The Lares Institute independently conducted all research. All survey responses are provided in the following frequency or percentage frequency tables.

II. KEY FINDINGS OF THE SURVEY

Do you use social media?	
Answer Options	Response Percent
Yes.	78.8%
No.	21.2%

Social Media Use By Age	
Answer Options	Response Percent
Less than 18 years	100%
18 to 25 years	88%
26 to 35 years	88%
36 to 45 years	83%
46 to 55 years	75%
56 to 65 years	72%
66 to 75 years	63%
More than 75 years	0%

What forms of social media do you use?	
Answer Options	Response Percent
Facebook.	94.1%
MySpace.	9.1%
LinkedIn.	35.6%
Twitter.	27.1%
Digg.	1.9%
YouTube.	58.5%
Flickr.	9.9%

A. Social Media: Business Use

What is your primary reason for using social media?	
Answer Options	Response Percent
Business.	4.3%
Personal.	69.7%
I use social media equally for business and personal reasons.	26.0%

Which social media services do you use primarily for business purposes?	
Answer Options	Response Percent
Facebook.	52.2%
MySpace.	2.6%
LinkedIn.	38%
Twitter.	12.6%
Digg.	0.3%
YouTube.	14.2%
Flickr.	3.4%

Does your employer have a policy regarding the use of social media?	
Answer Options	Response Percent
Yes.	52.4%
No.	29.7%
I don't know.	17.9%

Does your employer use social media to promote its products or services?	
Answer Options	Response Percent
Yes.	49.1%
No.	38%
I don't know.	12.9%

B. Social Media: Personal Use

What is your primary reason for using social media?	
Answer Options	Response Percent
Business.	4.3%
Personal.	69.7%
I use social media equally for business and personal reasons.	26%

Which social media services do you use primarily for personal reasons?	
Answer Options	Response Percent
Facebook.	92.3%
MySpace.	5.2%
LinkedIn.	7.0%
Twitter.	15.5%
Digg.	1.0%
YouTube.	35.7%
Flickr.	7%

C. Social Media: Daily Use

How many hours per day do you use social media?	
Answer Options	Response Percent
Less than 1 hour.	48.3%
Less than 2 hours.	27.0%
Less than 4 hours.	16.1%
More than 4 hours.	8.6%

D. Social Media: “Unmet Friends”

Do you have "friends" from social media you have never met?	
Answer Options	Response Percent
Yes.	55.5%
No.	44.5%

How many "friends" do you have from social media that you have never met?	
Answer Options	Response Percent
Less than 5.	23.3%
Less than 10.	23.0%
10 or more, but less than 30.	24.5%
30 or more, but less than 50.	8.3%
50 or more than 50.	20.9%

E. Social Media: Concern Over Privacy

Please rate your personal concern over online privacy on a 1 to 5 scale, with 1 being not concerned at all about privacy and 5 being extremely concerned over privacy.	
Answer Options	Response Percent
1.	2.4%
2.	13.6%
3.	31.4%
4.	22.8%
5.	29.9%

F. Social Media: Disclosure

Do you believe people disclose too much information voluntarily on the Internet?	
Answer Options	Response Percent
Yes.	86.7%
No.	6.3%
No opinion.	6.9%

Has anyone posted information online about you felt was inappropriate?	
Answer Options	Response Percent
Yes.	38.6%
No.	61.4%

Voluntary Disclosure on the Internet / Privacy Sensitivity			
Answer Options →	Yes	No	No Opinion
1	62%	38%	0%
2	72%	15%	13%
3	79%	12%	9%
4	91%	3%	6%
5	89%	5%	6%

G. Social Media: Do People Read Privacy Policies?

Have you read the privacy policies for the social media services you use?	
Answer Options	Response Percent
Yes.	31.3%
No.	26.9%
Some of them.	41.8%

H. Survey Demographics

What is your gender?	
Answer Options	Response Percent
Male.	45.3%
Female.	54.7%

What is your age?	
Answer Options	Response Percent
Less than 18 years	0.8%
18 to 25 years	14.7%
26 to 35 years	18.6%
36 to 45 years	18.5%
46 to 55 years	23.5%
56 to 65 years	18.5%
66 to 75 years	4.7%
More than 75 years	0.7%

Please check the range that best describes your highest education level.	
Answer Options	Response Percent
High school	10.1%
Vocational school	3.2%
Attended college/university without earning degree	19.7%
College/university degree	35.1%
Attended graduate school without earning degree	6.7%
Master's level graduate degree	20.1%
Doctorate (including JD, PhD., MD)	5.0%

Are you currently employed?	
Answer Options	Response Percent
Yes.	75.2%
No.	24.8%

Please check the range that best identifies your income.	
Answer Options	Response Percent
Less than \$25,000	25.8%
Between \$25,000 to 35,000	12.4%
Between \$35,001 to 50,000	14.7%
Between \$50,001 to 75,000	19.2%
Between \$75,001 to 100,000	13.8%
Between \$100,001 to 150,000	9.9%
Between \$150,001 to 250,000	3.0%
Over \$250,000	1.3%

Where in the U.S. do you reside?		
Answer Options	Response Percent	Response Count
Alabama.	1.6%	12
Alaska.	0.4%	3
Arizona.	3.6%	27
Arkansas.	0.5%	4
California.	10.7%	79
Colorado.	2.0%	15
Connecticut.	1.2%	9
Delaware.	0.8%	6
Florida.	3.5%	26
Georgia.	3.6%	27
Hawaii.	0.8%	6
Idaho.	0.7%	5
Illinois.	4.5%	33
Indiana.	2.7%	20
Iowa.	1.6%	12
Kansas.	1.1%	8
Kentucky.	1.2%	9
Louisiana.	0.9%	7
Maine.	0.7%	5
Maryland.	2.2%	16
Massachusetts.	2.8%	21
Michigan.	1.9%	14
Minnesota.	2.7%	20
Mississippi.	0.4%	3
Missouri.	1.6%	12
Montana.	0.0%	0
Nebraska.	1.5%	11
Nevada.	0.9%	7
New Hampshire.	0.8%	6
New Jersey.	3.9%	29
New Mexico.	0.3%	2
New York.	8.5%	63
North Carolina.	2.0%	15
North Dakota.	0.3%	2
Ohio.	4.5%	33
Oklahoma.	0.5%	4
Oregon.	2.0%	15
Pennsylvania.	2.2%	16
Rhode Island.	0.1%	1
South Carolina.	0.9%	7
South Dakota.	0.0%	0
Tennessee.	1.9%	14
Texas.	5.1%	38
Utah.	0.8%	6
Vermont.	0.0%	0
Virginia.	2.3%	17
Washington.	3.8%	28
Washington, D.C.	0.7%	5
West Virginia.	0.5%	4
Wisconsin.	1.9%	14

Wyoming.	0.7%	5
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