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## **RESEARCH NOTE** **FACEBOOK: MEASURING THE COST TO** **BUSINESS OF SOCIAL NETWORKING**

### **THE BOTTOM LINE**

**Nearly half of office employees access Facebook during work. Nucleus found companies effectively lose an average of 1.5 percent of total office productivity when employees can access Facebook during the work day.**

Much attention has been given to social networking tools such as Twitter and Facebook, and a number of CRM and ERP vendors have rushed to integrate their applications with social networks, but what is their impact on productivity and where do they fit in a business environment? To explore the business productivity impact of Facebook, Nucleus interviewed 237 randomly selected office workers about their use of Facebook and found:

- Seventy-seven percent of workers have a Facebook account.
- Of those workers with Facebook accounts, nearly two-thirds access Facebook during working hours.
- Those who access Facebook at work do so for an average of 15 minute each day.
- Eighty-seven percent of those who access Facebook at work couldn't define a clear business reason for using it.
- Of those who do access Facebook at work, 6 percent never access Facebook anywhere else — meaning one in every 33 workers built their entire Facebook profile during work hours.

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It is interesting to note that, of the 13 percent of users that had a business reason for accessing Facebook, most were not using it for personal networking but to promote a business, product, event, or fan site to Facebook users — and Facebook was just one component of an overall marketing strategy. None of the users had measured the comparative effectiveness of Facebook over other marketing strategies, so it's unclear if their Facebook efforts delivered positive returns.

### **The broad productivity impact of Facebook**

The average employee who accesses Facebook at work uses it for 15 minutes each day, with a low of one minute and a high of 120 minutes per day — so it's not surprising that more than a few respondents identified with the term "social networking." Given that 61 percent of employees access Facebook at work, companies can reasonably estimate a cost of 1.5 percent of total employee productivity.

**TOPICS**

Emerging Technologies

The average company allowing access to Facebook loses 1.5 percent of total employee productivity across the organization.

**Table 1. Calculations**

Percentage of workers with a Facebook account	77%
Percentage of Facebook users that access Facebook at work	61%
Percentage of total workforce accessing Facebook at work	47%
Average minutes accessed per day	15
Total lost productivity to Facebook across the entire employee population	1.47%

**Social networking and enterprise applications**

Over the past 12 months, many CRM vendors including Oracle, Salesforce.com, RightNow, and others have announced integration with Facebook, Twitter, and other social networking tools as a means to make sales, marketing, and customer service teams more effective. Although for specific users this may drive greater productivity, companies should carefully weigh the total business benefit of lead generation and qualification or responding to comments on social networking sites about their operations or products against the potential broader productivity loss of all employees with access to those sites (Nucleus is currently quantifying the productivity impact of Twitter).

**Facebook as an alternative to e-mail**

Beyond its impact on productivity, Nucleus also noted the growing use of Facebook as an alternative e-mail platform. Although not necessarily bad, Facebook isn't monitored and managed by an organization like e-mail is. Savvy younger users recognize that traditional e-mail and even personal accounts like gmail can be monitored by corporate IT, while Facebook messages aren't. For organizations that have invested in security software to secure sensitive information and limit their transmission via e-mail, Facebook can help users circumvent those controls, opening up the potential to violate corporate communication policies.

During the course of its research, Nucleus found one doctor that had friended his patients and one case in a hospital where nurses were using Facebook to share information about patients with nurses working on different shifts — potentially exposing themselves and their companies to HIPAA violations.

Nucleus also found that while Facebook users can set their profiles as private (so others cannot view or contact them), many users set their profiles as public so anyone can invite them to be a Facebook friend and send them messages. Because every "friend" on Facebook has access to their friends' profiles, postings, and their friends' comments, users often find their social postings can have an unexpected impact on their business profile. One user, for example, decided to "unfriend" business colleagues after realizing tagged pictures showed him in a less-than-professional position. Nucleus expects that, as users become aware of the broad access to information and their individual lack of control of what's shared about them, more users will be motivated to limit their friends on Facebook to personal friends — as opposed to business associates.

## CONCLUSION

As social networking sites grow in popularity, companies need to understand the cost in productivity from accessing these sites. Although industry pundits may tout Web 2.0 and social networking as the next big thing, when asked to actually identify business uses for Facebook, Nucleus found that few employees could point to a true business reason. In some cases a specific business benefit may outweigh the general productivity loss, but the business case hasn't yet been made for broad business user adoption. Companies should evaluate their Facebook policy and the cost to the organization in allowing access to Facebook, as today blocking Facebook may actually result in a 1.5 percent gain in productivity.

*Nucleus Research is a global provider of investigative technology research and advisory services. Building on its unique ROI case study approach, for nearly a decade Nucleus Research has delivered insight and analysis on the true value of technology and strategies for maximizing current investments and exploiting new technology opportunities. For more information or a list of services, visit [NucleusResearch.com](http://NucleusResearch.com), call +1-617-720-2000, or e-mail [info@NucleusResearch.com](mailto:info@NucleusResearch.com).*