SMALL BUSINESS

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## Small Firms Say LinkedIn Works, Twitter Doesn't .

By EMILY MALTBY and SHIRA OVIDE

Six out of 10 small-business owners say they believe social-media tools are valuable to their company's growth—but most aren't impressed by Twitter Inc.

Just 3% of 835 business owners surveyed earlier this month by The Wall Street Journal and Vistage International said Twitter had the most potential to help their companies.

Freshology founder Todd DeMann, right, in the firm's kitchen. He says Facebook was the sixth-largest driver of online traffic to his website in 2012.

Professional-networking service LinkedIn Corp. topped the survey, with 41% of respondents singling it out as potentially beneficial to their company. Sixteen percent picked YouTube, the video service owned by Google Inc., and 14% chose social network Facebook Inc.

The findings illustrate the challenges facing Twitter in demonstrating to small-business owners the benefits of using the short-messaging service to reach customers. Twitter says it is just beginning to court small businesses, which make up the bulk of U.S. companies, and are an important revenue source for many tech giants, including Google.

Twitter hasn't won over small-business owners such as Todd DeMann, founder of Freshology Inc., a Los Angeles company that makes and delivers calorie-controlled meals.

Three years ago, the 47-year-old Mr. DeMann began using Facebook and Twitter to market his service and, in 2011, he designated one of his 78 workers to spend 20 hours a week on social-media efforts, generating health discussions on Facebook and highlighting health tips and articles on Twitter.

In 2012, Mr. DeMann says, Facebook was the sixth-largest driver of online traffic to his website. Online scrapbook Pinterest, which the firm started using just four months ago, was 59th. Twitter ranked 117th. "On Twitter, you can't engage in a meaningful way," he says.

Facebook says those kind of results are more consistent with other recent independent small-business surveys that show Facebook is the most often used and most effective social-media channel.

Owners of small firms generally have limited money and time to figure out the most useful ways to tap into social media. In the survey, just four in 10 business owners said they have employees dedicated to social-media campaigns. Nearly half of them spend between one and five hours weekly on social media, and one-third spend no time at all.

Social Media Tips for Business Owners

Many owners, including Ken Lopez of Washington, who started using social media to market his consulting business in 2011, tend to think the "value" of social media comes primarily from measurable factors, such as pageviews, click-throughs or direct sales.

"We will tweet 10-plus times a day, and we will put roughly the same number of posts on LinkedIn per day, yet we get dramatically different results," says Mr. Lopez, whose A2L Consulting offers services to law firms.

Attracting Small Firms

Social-media companies have free and paid tools for small-businesses. Here's a snapshot of what's available.

TWITTER: For about the past year, Twitter has hand-picked thousands of smaller businesses to test paid Twitter messages. The advertisements charge businesses to circulate their tweets more prominently to Twitter users, or to recommend Twitter users with compatible interests follow the small business. Companies pay Twitter only when people click on an ad message. Costs vary, but may run a few dollars each time a business adds a new "follower" as a result of an ad.

FACEBOOK: The social network said in December that it has more than 13 million small businesses logging into their firm's Facebook page at least once a month. Facebook has a simplified online tool for small businesses to buy ads. On Wednesday, Facebook Chief Operating Officer Sheryl Sandberg said the number of local business pages that advertised on Facebook nearly doubled from the beginning of 2012.

LinkedIn: Since 2008, the professional network has let small-and-medium-sized businesses create free company pages. LinkedIn said about 2.6 million organizations have an active LinkedIn profile, though the company doesn't disclose how many of these are large corporations or small businesses. LinkedIn also has a staffer working with an online group of small business owners who swap tips for using LinkedIn.

Two days every week for the past two years, he has focused on driving traffic to his website using LinkedIn, YouTube, Facebook and Twitter. And the work has paid off. He says A2L now gets 12,000 website visitors a month, up from 800 in 2011, and his Web-driven revenue has increased fivefold.

But A2L gets little traffic on its site from Twitter, compared with other social-media outlets. "LinkedIn is the dominant traffic driver," says Mr. Lopez. "Twitter is a small percentage by comparison."

Richard Alfonsi, Twitter's vice president of global online sales, says Twitter needs to do more to educate small businesses on the benefits of using its service to reach potential customers and on the most effective ways to use the service.

"We're just at the start of both of these efforts," he says, adding that there are already about 4.5 million smaller businesses using Twitter, even without much small-business outreach by the company.

Twitter said nearly a year ago that it would begin to let small businesses buy ads on the service, to circulate their Twitter messages more prominently or to targeted groups of Twitter users. Previously, Twitter allowed only larger companies to buy ads on the service. But it acknowledges that it has moved slowly with the small-business ad service to make sure it's just right. The ad service remains in a test mode with a selected group of clients.

Freed Maxick, an accounting firm in northern New York state participating in Twitter's test, says the ads it bought on Twitter last fall targeting people looking for U.S. presidential candidates' views on taxes generated 2.1 million clicks on its website.

"We gained a great deal of new followers and engaged in some great conversations, driving users to our website," says Emily Burns Perryman, Freed Maxick's e-marketing communications specialist.

Twitter doesn't disclose its financial results, but research firm eMarketer Inc. expects Twitter to generate about $545 million in ad revenue this year, up from $288 million last year.

Facebook posted $4.28 billion in ad revenue for 2012. LinkedIn's revenue for the first nine months of last year was $668.7 million, about a quarter from advertising, paid job postings and other marketing.

None of the companies specify how much of their ad sales are to small businesses.

Josh Weiss, 27, of Woodbury, N.Y., says he spends 10 hours a week using social media to lure customers to his 10-employee business, Bluegala.com, which sells evening dresses and prom gowns. He tweets on behalf of the company, and has done so since 2009.

But he never got the traction he wanted because "on Twitter, people have short attention spans," he says. "They want quick news bits and move on. They're not on Twitter to shop."

Mr. Weiss says he now uses Twitter as a surveillance tool, to keep tabs on fashion trends and competitors. He says he noticed complaints from rivals' customers about shipping charges, so he began advertising free shipping on his site to give his firm an edge.

This month's survey by the Journal and Vistage, a peer-advisory firm for CEOs and senior executives, was conducted online Jan. 14-23, among businesses in a range of industries with less than $20 million in annual revenue.

Overall, about 14% of the business owners surveyed said they use Twitter. That's in line with research released last year by the Pew Internet & American Life Project, which found that about 15% of all online adults are Twitter users.

Anthony Saladino, 30, founder of KitchenCabinetKings.com, an online cabinet distributor in New York, says one drawback to Twitter is that it can't support images as effectively as other outlets like Pinterest and Facebook, which makes it a hard sell for firms that rely on visuals to attract customers. His company markets itself with high-quality images of its renovated kitchens and bathrooms.

Between 12,000 and 14,000 unique visitors arrive on the company's site each month through Pinterest, he says, while roughly 1,000 come through Facebook and fewer than 100 arrive via Twitter. "Images are more powerful than word-of-mouth," says Mr. Saladino. "Clients want to see the finished product."

Freshology's Mr. DeMann blames the fleeting nature of Twitter's service, and the 140-character limit on tweets, for stunting his company's messages.

This year, he plans to ask his employees to spend more time on Facebook, where he plans to create subpages geared to different types of calorie-conscious customers, such as mothers, or fans of the TV show "Dancing with the Stars," whose celebrity contestants have been known to shed pounds.