



DECEMBER 2013








# THE SPROUT SOCIAL INDEX

ENGAGEMENT &  
CUSTOMER CARE



sproutsocial

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# INTRODUCING THE SPROUT SOCIAL INDEX

Social media has fundamentally and permanently changed the way brands and people communicate. Once a channel for personal expression and news, social has become a primary form of commercial communication and is changing how organizations work. A brand's followers and fans expect attentiveness, responsiveness, and value in exchange for their attention and loyalty. More than ever, consumers are in control and they expect brands to take care of them.

The Sprout Social Index looks at channel growth, brand responsiveness, and consumer behavior across more than 160 million inbound messages across 20,000 brand profiles and fan pages. The rate at which consumers are adopting social media to ask for help, make buying decisions, lodge complaints, and have an ongoing dialogue is remarkable. However, the ability of brands to keep up with the demand is declining under the pressure.

We hope this Index adds necessary context to the new norm of social business and helps brands prepare themselves to leverage the power of social to create more meaningful relationships with their customers.

 **SOCIAL TRENDS**  
Highlights the dramatic surge in inbound messages to brands.

 **ENGAGEMENT STATISTICS**  
Variations in user & brand interactions across Facebook & Twitter.

 **INDUSTRY ANALYSIS**  
Social data across 15 different industries.

Our mission with The Sprout Social Index, in this edition and beyond, is to better equip brands with actionable insight about people's social habits and offer opportunities to create stronger, longer-lasting customer relationships.

*- Team Sprout*





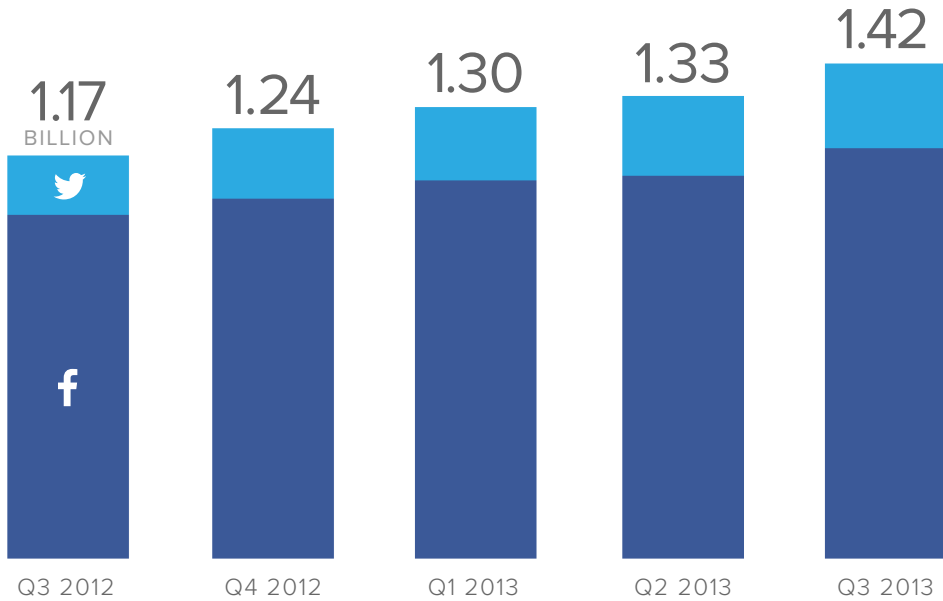
## **SOCIAL TRENDS**

NETWORK GROWTH & USER ENGAGEMENT

Increasingly, people turn to social for much more than catching up with friends and posting status updates. They interact with brands for customer service, sales inquiries, compliments, complaints, and other purposeful reasons. Prior to social, these communications were handled primarily through telephone and email or, in many instances, didn't happen at all. The pace of growth in social engagement continues to offer significant possibilities for the brands willing to embrace this opportunity and satisfy customer needs on such a pervasive channel.

In the past year, both Facebook and Twitter experienced impressive levels of growth. Since the close of Q3 2012, Twitter grew 44% from 151 million to 218 million Monthly Active Users (MAUs) and Facebook grew nearly 17% from 955 million to 1.15 billion MAUs.

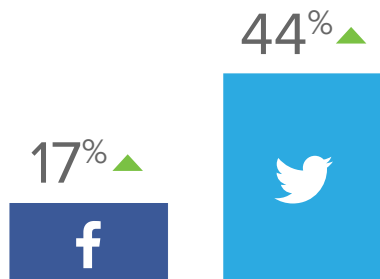
## Total Monthly Active Users, Twitter & Facebook



Twitter and Facebook grew their collective active user base by 20%—to more than 1.4 billion—in the past 12 months. 🌱

## Growth of Monthly Active Users

Q3 2012–Q3 2013



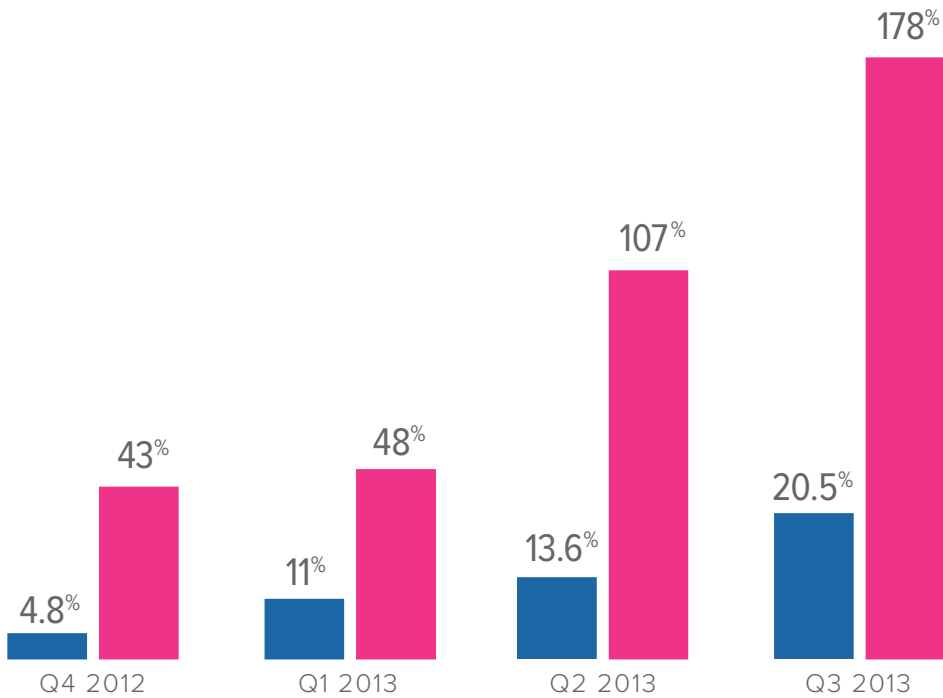
Both networks continue to grow rapidly, adding a combined 250 million new active users in the past year. 🌱

Active User Data for Twitter and Facebook based on most recent reported figures from Earnings and S-1 Filings

While network growth is impressive, what is more impressive is the rapid evolution of brand-to-consumer activity within these networks. Most strikingly, the Index shows a 175% increase in messages sent to brands on Twitter and Facebook that require response or attention. This staggering growth rate—nine times as fast as the networks themselves—reflects a measured shift in the social business paradigm.

## Growth in Social Networks vs. User Engagement

■ Network growth   ■ Engagement



User engagement is growing 9x as fast as Twitter and Facebook combined. 🌱

“The most important trend happening in social media for brands is the rapid growth of inbound consumer engagement. Businesses need to regroup and retool to shift from a largely marketing-driven focus in social channels to one that revolves around the customer.”

**JUSTYN HOWARD**  
CEO, Sprout Social



## **ENGAGEMENT INDEX**

### INDUSTRY BENCHMARKS

To shed light on the shifting relationships and growing interactions between brands and social networkers and to provide an ongoing benchmark, in this report we've created two key indices for social customer care.

First, our Consumer Engagement Index outlines the industries that are currently receiving the most inbound messages requiring attention. Second, the Brand Engagement Index summarizes industries which are the most timely and responsive to those messages.

## Consumer Engagement Index

Industries with most inbound engagement in social channels relative to audience size.

Utilities such as cable, cellular, and Internet providers see the most inbound engagement and are generally ahead of the curve in using social for customer care. 🌱

1	UTILITIES	2.00
2	REAL ESTATE	1.52
3	CONSUMER GOODS	1.41
4	BANKING/FINANCE	1.39
5	EDUCATION	1.27
6	TECHNOLOGY	1.26
7	RETAIL	1.22
8	TRAVEL/HOSPITALITY	1.22
9	ENTERTAINMENT	1.14
10	BUSINESS SERVICES	1.11
11	GOVERNMENT	1.09
12	MARKETING	1.08
13	AUTOMOTIVE	1.03
13	NON-PROFIT	1.03
14	HEALTHCARE	1.00

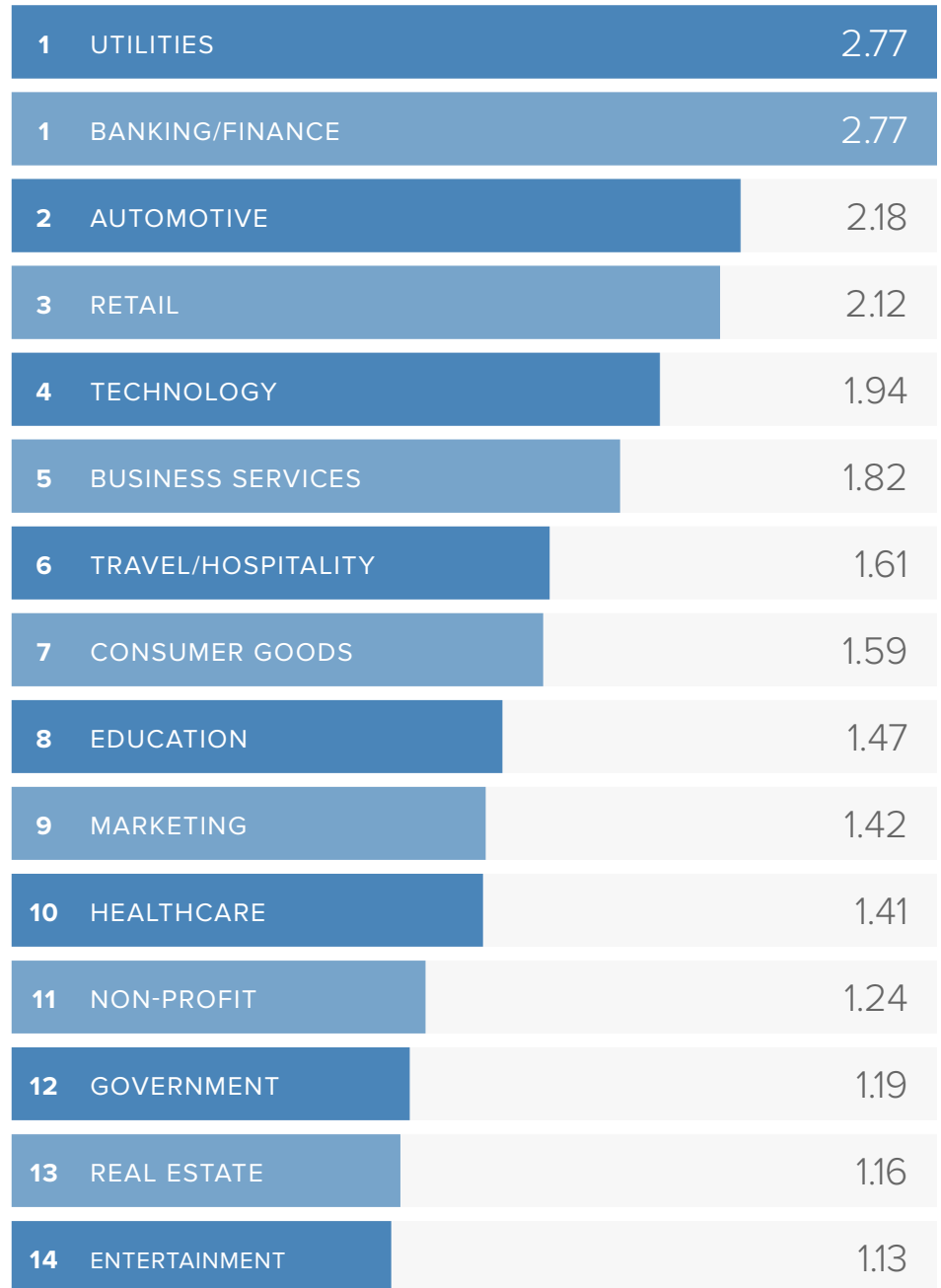
The Consumer Engagement Index evaluates which industries receive the most engagement and interest from consumers in social channels. Rankings were derived through assessments of various data including message volume, audience size, and other proprietary scoring measures. Further in the report we've outlined supportive data and trending activity segmented by industries, message volumes, and audience sizes.



## Brand Engagement Index

Industries that were most responsive to inbound messages from their audience in social channels.

Highly competitive industries such as Retail, Automotive, Banking/Finance, Utilities, and Technology are leading the way with consumer engagement. 🌱



Entertainment-related profiles including television shows, musicians, and actors have large audiences but do little one-on-one engagement with fans and followers. 🌱

The Brand Engagement Index measures the overall relative responsiveness of brands across industries in social channels. Rankings were derived through assessments of various data including average response rate and times and other proprietary scoring measures. Further in the report we've outlined supportive data and trending activity segmented by industries, message volumes, and audience sizes.



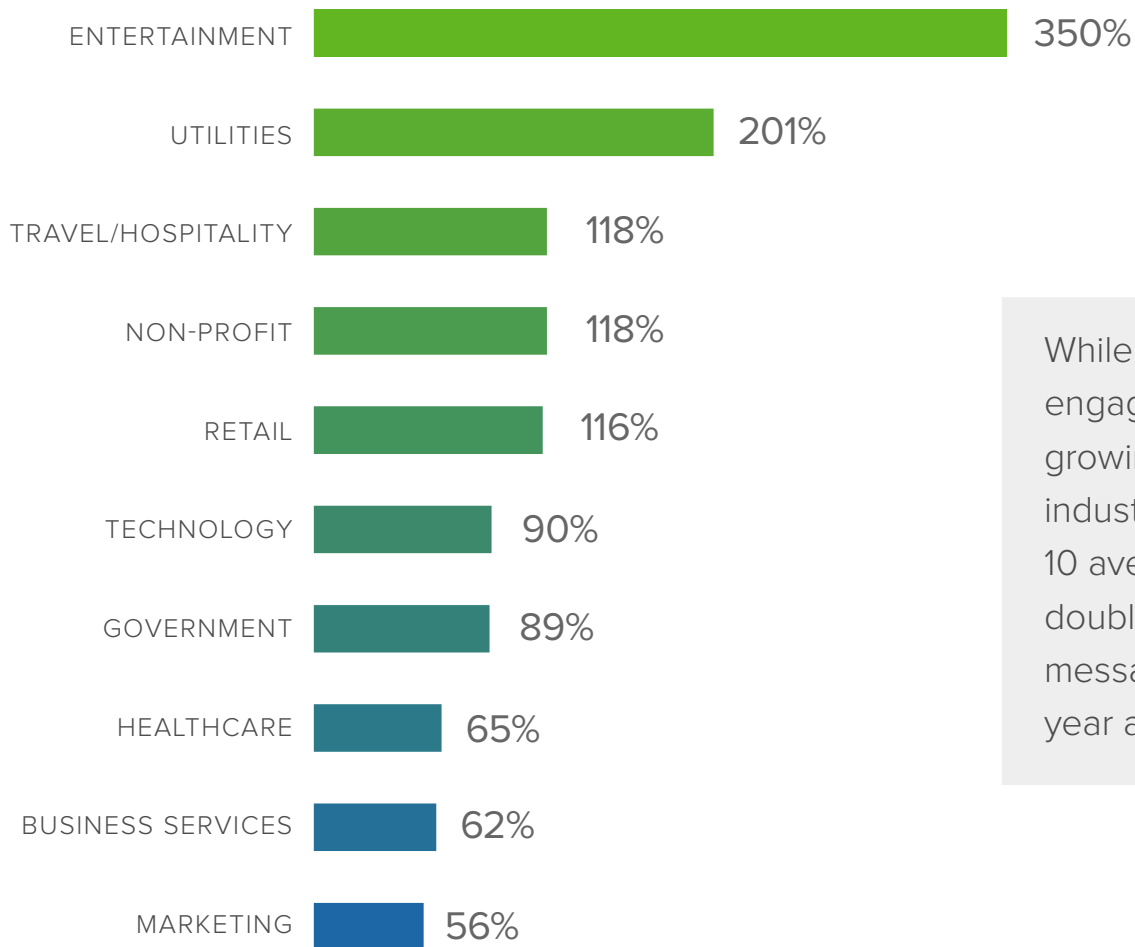
## **USER ENGAGEMENT**

### CONSUMER BEHAVIOR IN SOCIAL CHANNELS

Like no other medium before it, social provides open communication and fair value exchange between brands and individuals. The one-on-one relationship that social media facilitates—whether publicly, privately, only once, or every day—provides an inherent ability for brands to engage directly with their customers. Brands big or small realize that every conversation has the potential to impact brand reputation, customer loyalty, and sales.

The Entertainment industry, with an impressive 350% annual growth in inbound messages, far outpaces any other industry. Utilities grew by 201% and other industries topping 100% growth include Hospitality, Non-Profits, and Retail. Opportunity for brands to engage with social networkers continues to rise.

## Fastest Growing Industries by Inbound Message Volume Q3 2012–Q3 2013



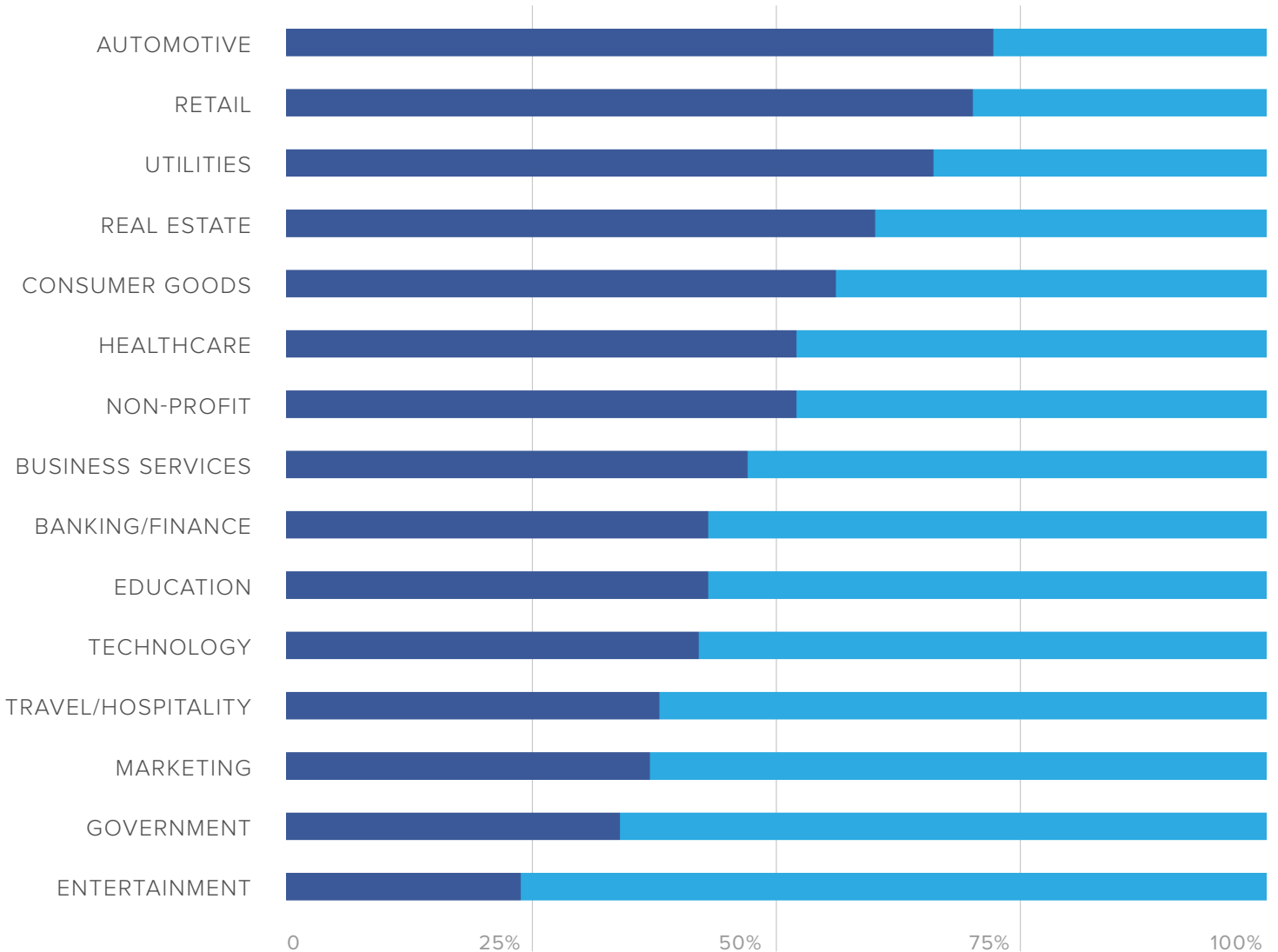
While inbound engagement is growing across all industries, these top 10 average more than double the inbound message volume of a year ago. 🌱

In a breakdown of message volume by Facebook and Twitter, it's clear that characteristics of each network suit certain industries. Facebook is the primary channel for brand engagement in Retail, Automotive, and Utilities—industries that have traditionally been early

adopters of social and tend to have larger followings on Facebook. Twitter, on the other hand, is prominent for industries such as Entertainment and Travel/Hospitality due to the device-at-hand factor while interacting with these types of organizations offline.

## Consumer Network of Choice, by Industry

■ Facebook ■ Twitter



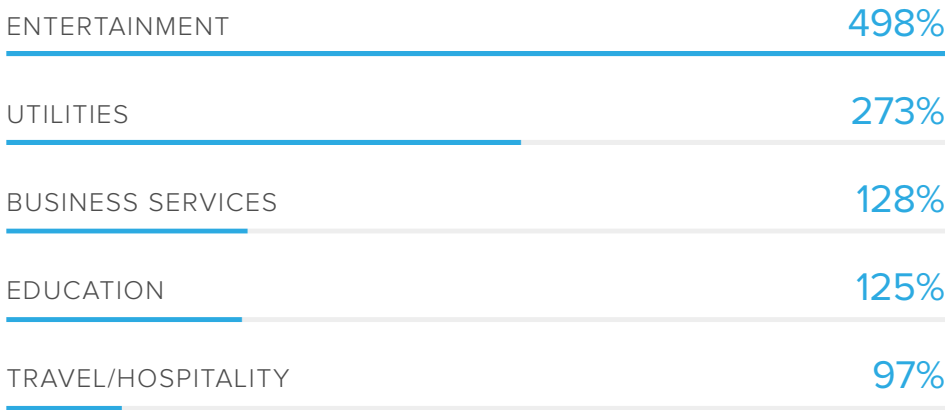
People prefer to use Facebook to interact with many brands including Automotive and Retail, while Twitter is the platform of choice for Entertainment, Government, and Technology brands. 🌱

Aside from strong growth for Entertainment and Utilities as mentioned, industries traditionally ingrained in one network versus the other are starting to level out. For instance, Twitter has always been popular with Technology companies, but Facebook is catching up in that industry. Similarly, Utility and Automotive companies who saw early success on Facebook are increasingly engaging with their audience on Twitter as social customer care becomes a primary objective.

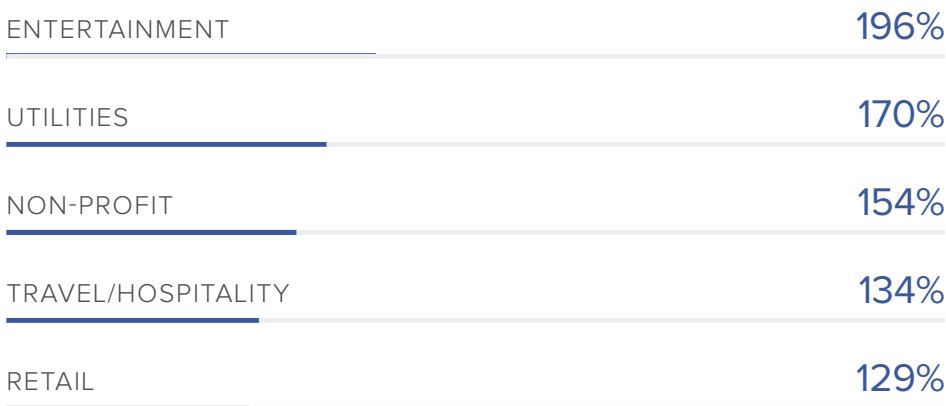
## Fastest Growing Industries by Network

Q3 2012–Q3 2013

### TWITTER



### FACEBOOK



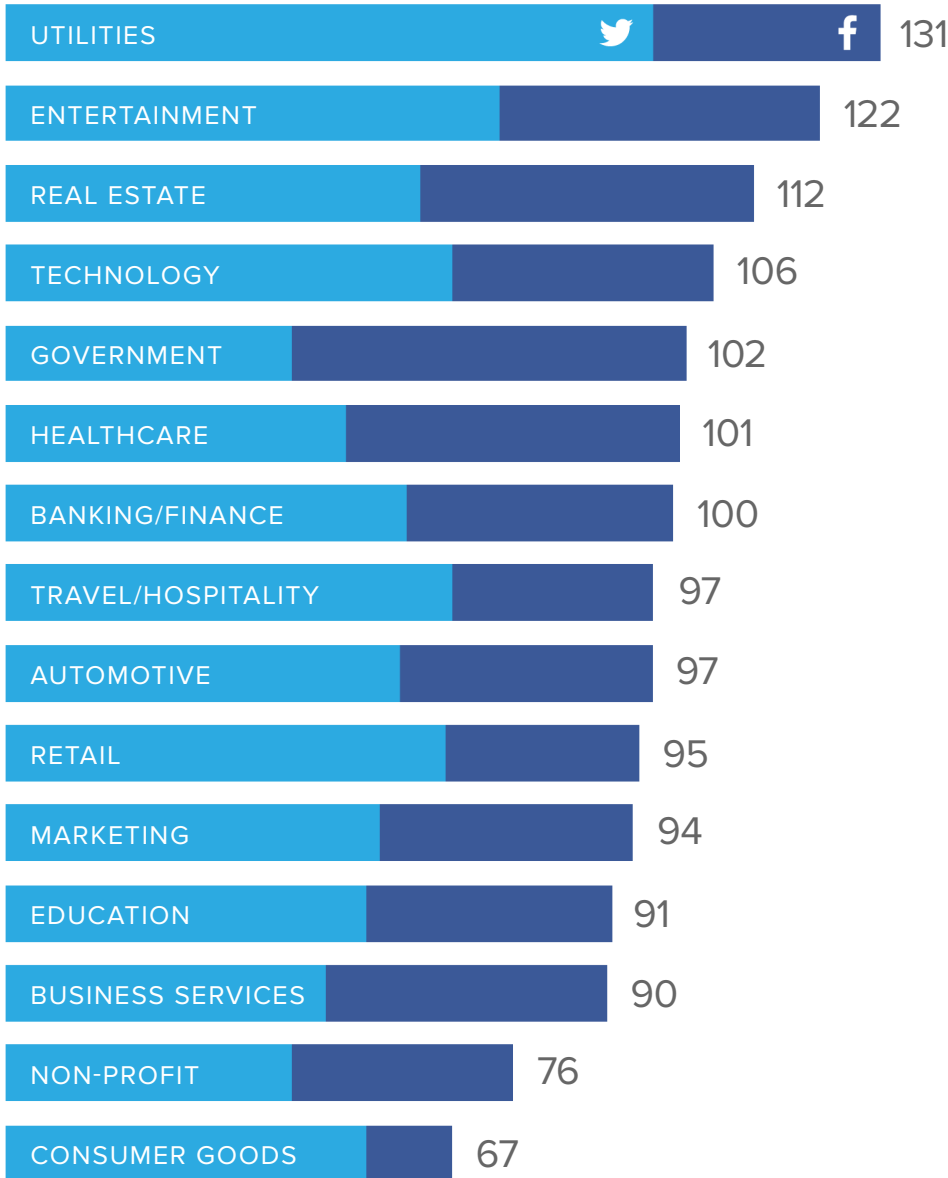
- Entertainment draws big crowds and audience outreach is growing significantly, especially on Twitter.
- Utilities, like cable and telecom companies, increasingly rely on Twitter for customer care and are shifting resources that direction. 📍

Data shows that on a message-per-fan basis, Twitter users are more engaged with brands. While the average audience size on Facebook is typically larger as the network is more established, that doesn't equate to higher engagement in a predictable fashion.

This could be caused in part because more “non-follower” engagement happens on Twitter than on Facebook—for example someone may tweet a brand without following that account (i.e. subscribing to their status updates). Facebook also did not provide a streamlined way to get help from a brand until the introduction of (optional) private messages in 2011.

## Average Inbound Messages per Month, by Network

Messages per every 1,000 followers/fans



Each month, brands average 60 messages per 1000 followers on Twitter versus just 39 messages per 1000 fans on Facebook. 🍷



## **BRAND ENGAGEMENT**

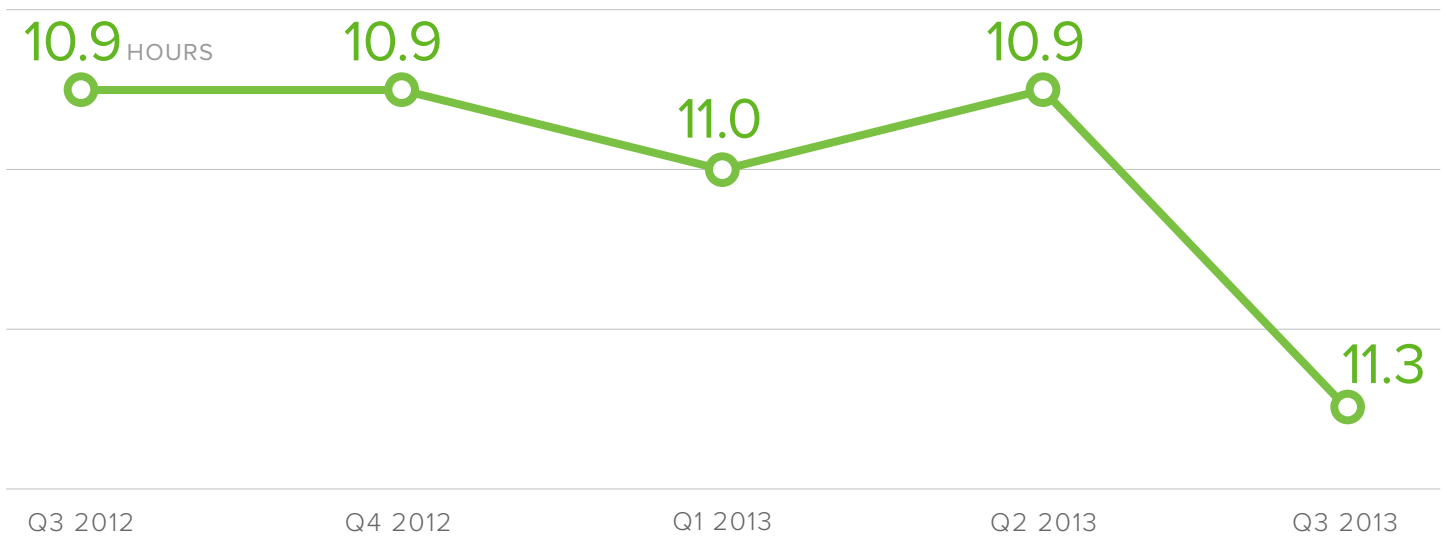
### RESPONSE RATES & TIMES

As the demand for brand responsiveness rises, industries that delight customers with attentive behavior reap rewards, while failure to meet expectations is wasted opportunity. Thankfully, industries are building and bracing for greater social involvement. Econsultancy reported that in 2013, 62% of companies would increase investment in social media and 38% would increase investment in social media management systems.

Businesses need to consider increased investments in social as a customer care channel as well as retool parts of their organization to accommodate the shift from traditional communication channels in order to meet customer expectations.

As consumers get more comfortable using social media for customer service, their expectations of brands to be timely and responsive increase. Unfortunately, average brand response rates dipped and response times increased in the past year from an average of 10.9 hours to 11.3 hours. This is dramatically out of alignment with consumer expectations and isn't showing signs of improvement.

### Average Response Time, Across All Industries



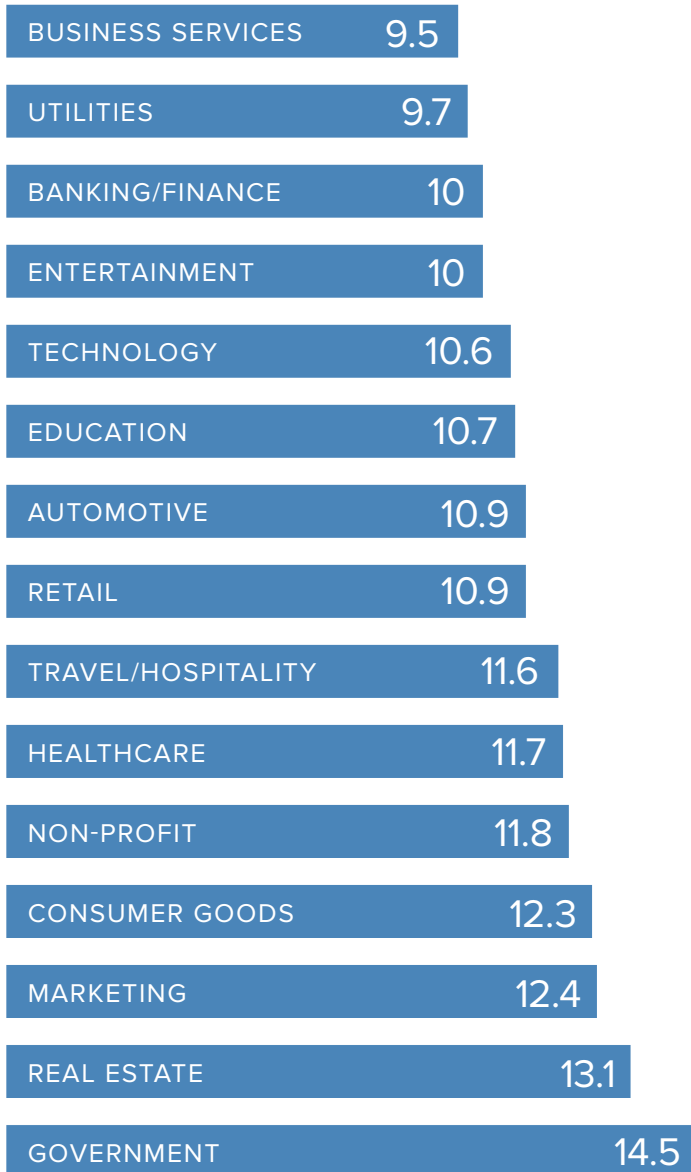
Q3 2013 saw the largest increase in new inbound messages, resulting in a significant increase in the time it took brands to respond. 🌱



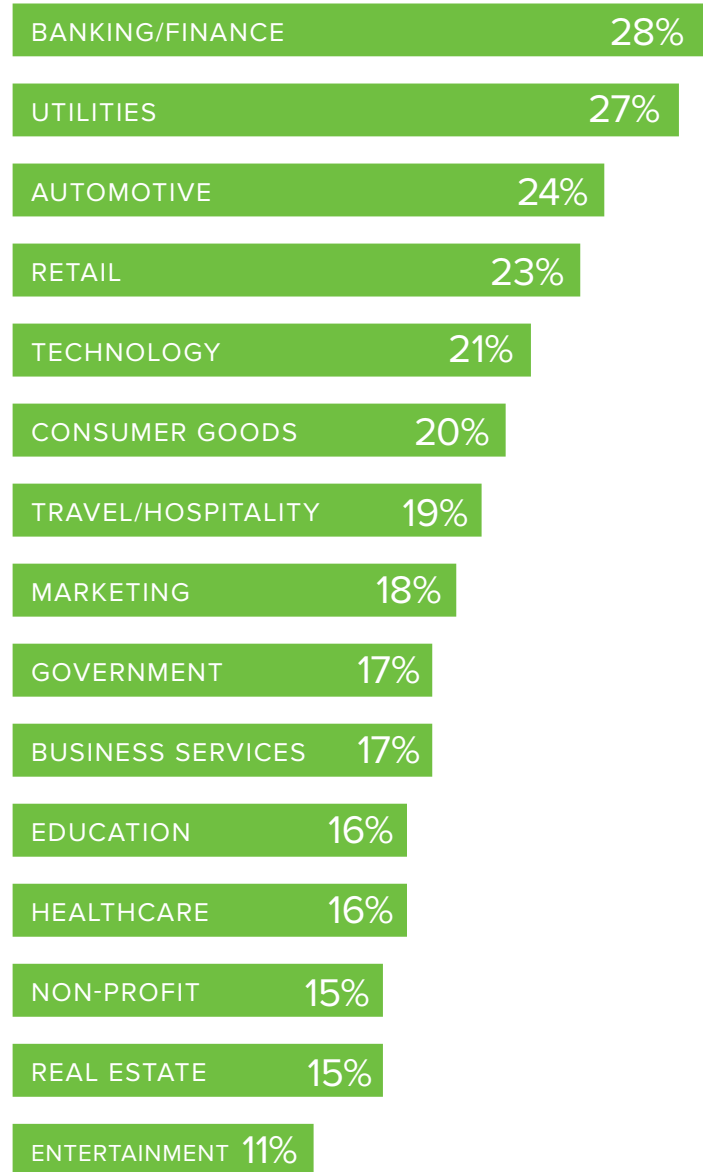
## Response Rate & Time, by Industry

Q3 2013

### RESPONSE TIME (HOURS)



### RESPONSE RATE

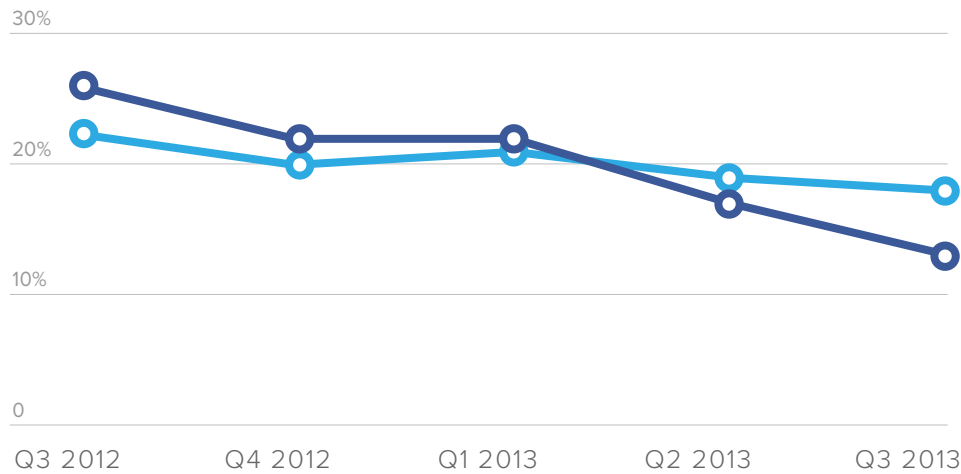


- Banking/Finance, Utilities, and Automotive lead the pack in terms of response rate.
- Business Services, Utilities, Banking/Finance, and Entertainment are the top performers in terms of quick response times. 🌱

Response rates across Facebook and Twitter have dipped below 20% overall in the past year. Due to the influx in messages, the likelihood that response rates and times may drop is not unexpected but it is a discouraging trend nonetheless.

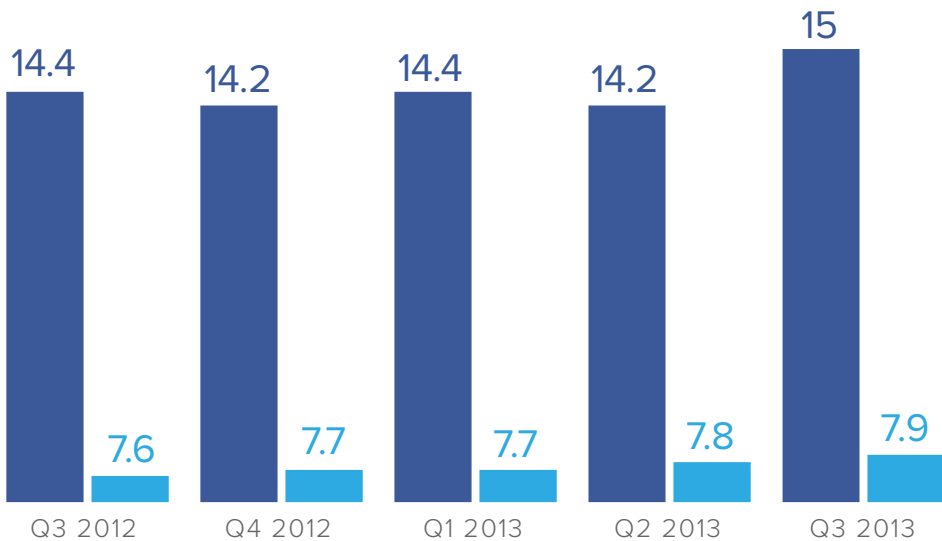
### Response Rate, by Network

■ FACEBOOK ■ TWITTER



Amid growing message volumes, response rates on both networks have declined, but brands have fared admirably avoiding a sharp drop. 🌱

### Response Time (hours), by Network



Response times on both networks are slipping as brands struggle to keep up with the increase in message volumes. 🌱

“A 20% response rate to messages requiring attention means that 4 out of 5 consumer inquiries go unanswered. This would not be tolerated in traditional channels like phone and email and is not a sustainable practice.”

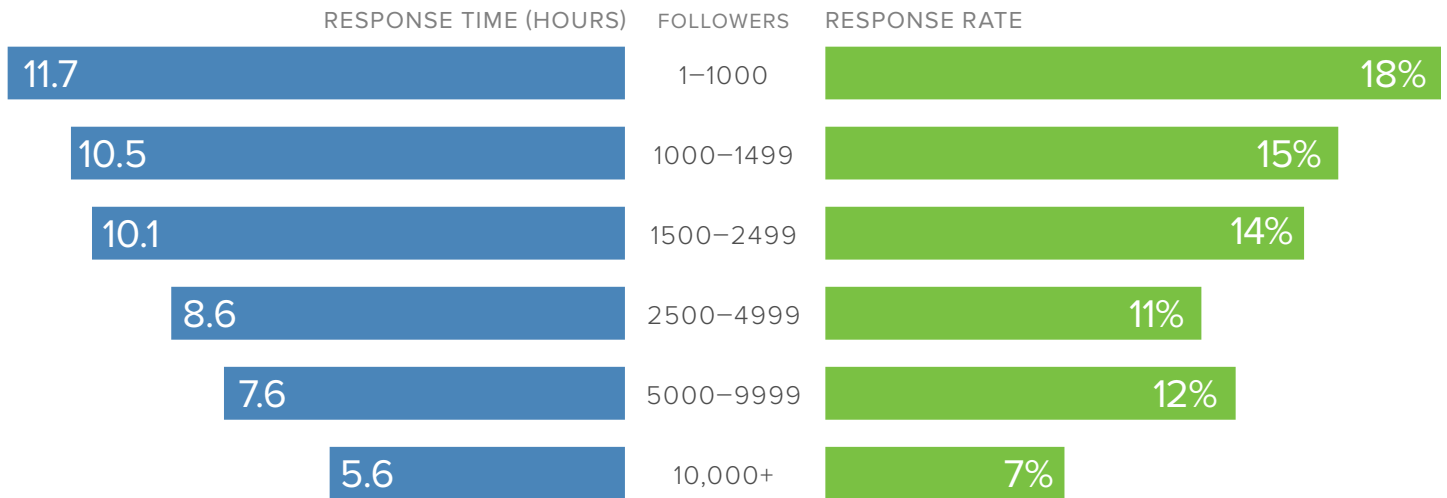
**JUSTYN HOWARD**  
CEO, Sprout Social

Predictably, brands with larger audiences respond to a smaller percentage of messages. Surprisingly though, they do so much more quickly. This appears to be evidence of large brands triaging the most critical messages and handling them quickly. For large brands the volume of unanswered messages is exponentially higher than their peers so the possibility of backlash is much greater, making the response rate a critical metric to address.

Brands with smaller audiences respond to more messages generally, but do so at a more leisurely pace—possibly an indicator of more limited resources.

## Response Rate & Time, by Number of Followers

Q3 2013



Brands with larger audiences respond to a smaller percentage of inbound messages, but do so much more quickly than their smaller counterparts. 🌱



## KEYS TO SOCIAL CUSTOMER CARE

What does all this data mean and how can brands use it to directly and decisively improve social performance? For brands that want to create authentic, lasting social relationships it demands a shift in perception and continued dedication to ongoing customer care. It requires an unbridled embrace of the fact that social media must not be just a siloed channel but a fully integrated communication layer.

In consideration of this concept and the Index findings, we offer these strategic recommendations to better your brand's social engagement and customer care.

**01 Build for responsiveness.** Structure your social team to respond to customers in a timely fashion. Your team doesn't need to be large, but they should be nimble and armed with the skills, information, and authority to craft timely and relevant responses without having to go through levels of approvals.

**02 Staff for experience.** Staff your social channels with your best customer-facing team members. Social is the most public and visible channel you have after in-person, so putting interns in charge of your social channels is no longer an option.

**03 Select the right solutions.** Utilize tools built for efficiency and collaboration. It's critical that you're able to keep historic conversation records and identify what messages have been dealt with, who responded, and what still needs to be done.

**04 Utilize metrics.** Identify which social customer care metrics are most important to your business—whether it is response time, response rate, or overall level of social customer engagement. Measure your results within those metrics month over month to identify what is working within your social team and how you can adjust to create a better social customer experience.

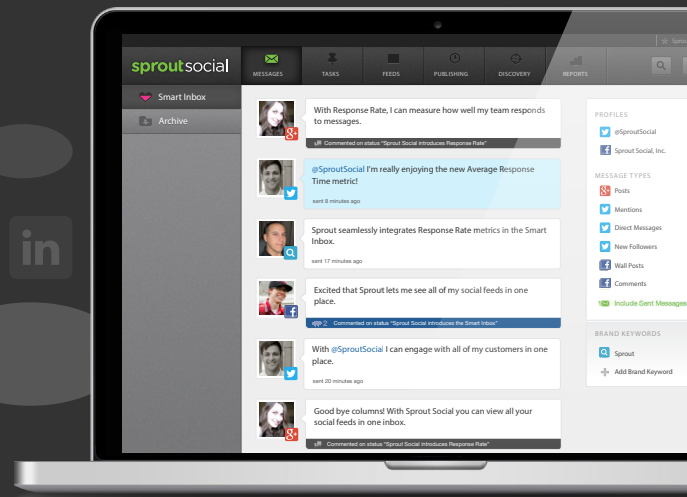
**05 Build a personality.** True social customer care is about engaging in genuine conversations with your customers. Steer clear of 24/7 promotional messages and canned responses; instead showcase your brand's personality and expertise with custom responses and relevant information.

**06 Streamline departments.** Involve the appropriate departments and use tools that allow for cross-functional collaboration and data sharing to ensure a streamlined experience for your customer.

**07 Don't play favorites.** A customer's value to your organization is almost certainly not tied to their follower count or Klout score. Prioritizing responses by these factors will jeopardize your relationships and completely misses the point. If you can't handle the volume, hire more people or shift resources.



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## ABOUT THE DATA

The Sprout Social Index is a report compiled and released by Sprout Social. All referenced data is based on nearly 20,000 public social profiles (8,731 Twitter, 10,671 Facebook) of continually active accounts between Q3 2012 and Q3 2013. More than 160 million messages sent during that time were analyzed for the purposes of this report.

Industry classifications were based on LinkedIn industry categories. In some cases closely-related industries were merged into a single overarching industry.

All messages analyzed which were considered casual mentions or not in need of a response were excluded from engagement, response rate, and response time calculations with the intention of eliminating “noise”. Analysis of which messages required attention was done using Sprout’s proprietary technologies. Response time and response rate calculations were done using Sprout’s Engagement Reporting technology found in the Sprout Social product and at [mustbepresent.com](http://mustbepresent.com)

For questions about the index data, please contact: [pr@sproutsocial.com](mailto:pr@sproutsocial.com)

## ABOUT SPROUT SOCIAL

Sprout Social provides social media engagement, publishing, and analytic tools for leading brands including AMD, McDonald’s, UPS, and Spotify. A powerful platform for social business, Sprout enables brands to more effectively manage social channels and provide an exceptional customer experience. Headquartered in Chicago, Sprout is a Twitter Certified Product, Facebook Preferred Marketing Developer, and Google+ Pages Certified API Partner.

For more information or to start a FREE 30-day trial, visit [sproutsocial.com](http://sproutsocial.com)

