



THE Q1 2017 SPROUT SOCIAL INDEX

The Social Generations: Millennials Ask, Gen X Buys & Baby Boomers Observe



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1 in 10

messages actually get a response
from a brand

30%

of Millennials engage with a brand
on social at least once a month

14%

of Baby Boomers initiate
conversations with brands on social
at least once a month

To know what consumers are expecting from your brand on social media, you need to understand your audience's demographics. Your marketing department can't put a price tag on social without insight into the generational nuances that influence your audience's purchasing behaviors, decisions and habits.

To comprehend how each generation is engaging with brands on social and what that means for your business, Sprout Social surveyed 1,000 Millennials (ages 18-34), Gen Xers (ages 34-54) and Baby Boomers (ages 55+). The results revealed a few commonalities and shed light on the differences between the behaviors, perceptions and expectations of each generation.



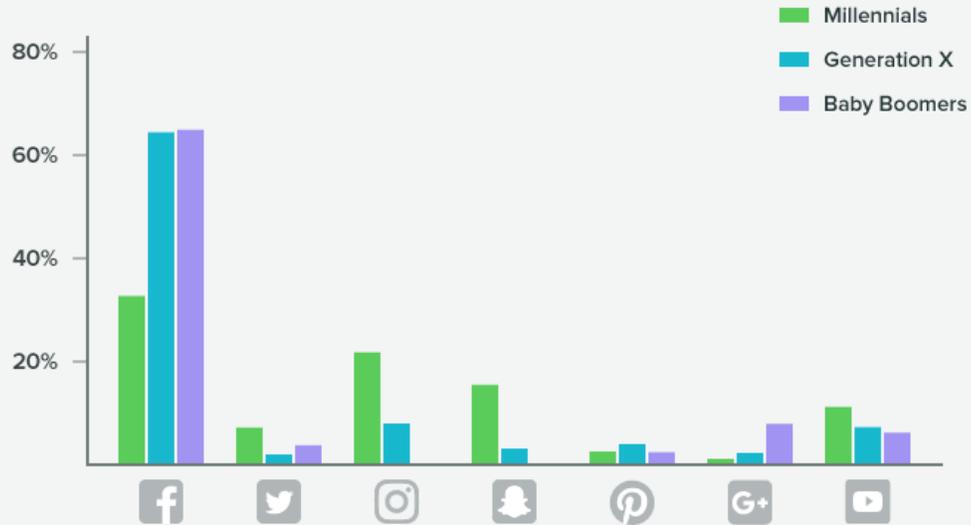
Every Generation Is the Facebook Generation

With more than one billion active users, Facebook, which began as a collegiate social community, has graduated. Across all three generations, respondents identified Facebook (43.6%) as their social network of choice. Collectively, respondents found Facebook to be 29% more popular than Instagram—the respondents' nearest, cross-generational preference.

Facebook's widespread popularity is nearly identical among Gen X (64.7%) and Baby Boomers (65.2%). When it comes to Millennials, however, our survey findings weren't as distinct.

Network Preferences by Generation

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Facebook might be Millennials' most beloved platform but the group's preference for Facebook over other social networks isn't as pronounced as it is for Gen X and Baby Boomers. Both older generations identified YouTube as their second favorite social platform and the divide between the two networks is staggering. For Gen X, Facebook is 54% more popular than YouTube.

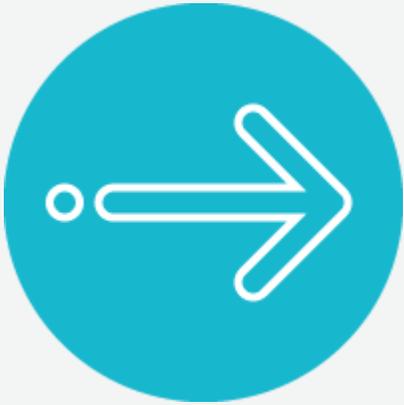
This isn't the case for Millennials, who more evenly split their vote between Facebook (33%), Instagram (22.2%) and Snapchat (15.8%). Younger Millennials (ages 18-24) even identify Instagram (25%) as their favorite social media network. The mobile photo-sharing app just barely beat out Facebook (24.4%) and Snapchat (23.3%) for the top spot on the subset's shortlist. Just like their generational counterparts, more Millennials opt for YouTube (11.5%) than Twitter (7.55%).



Sprout Stance:

The Facebook Generation is officially every generation. But when it comes to your brand's social strategy, one social network should never reign supreme. Plus, if the behavioral patterns Millennials are demonstrating are any indication, younger generations will be more willing to split their time equally across a wide range of social communities.

This provides a new challenge for brands. Your marketing department can't be everywhere at once. Heavily investing in multiple social networks where your core audience isn't actively present isn't a good use of time or resources. So what can you do? Start by identifying a growth audience that makes sense for your brand. Gain a clear understanding of why you're trying to reach them and what your goals are for targeting this age group. From there, strategize and plan against one of the social networks they prefer and adjust your strategy accordingly.

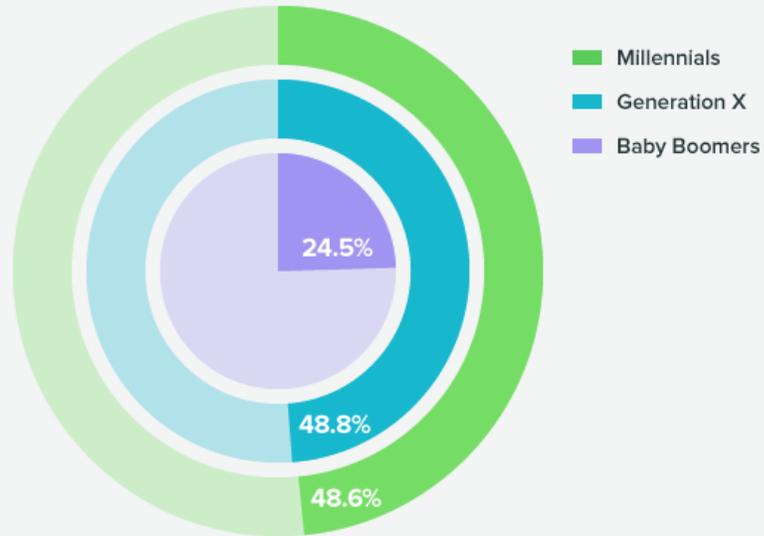


What Provokes a Generation to Follow a Brand?

While gaining an understanding of the preferred social network of Millennials, Gen Xers and Baby Boomers is interesting, that insight alone won't drive return on investment. You need to dig deeper. To effectively apply an understanding of social media consumption habits by generation, you first need to determine how likely an audience segment is to actually opt-in and follow your brand on social. Our survey found that **Millennials and Gen Xers are twice as likely to follow a brand on social as Baby Boomers are.**

Percentage Currently Following Brands on Social

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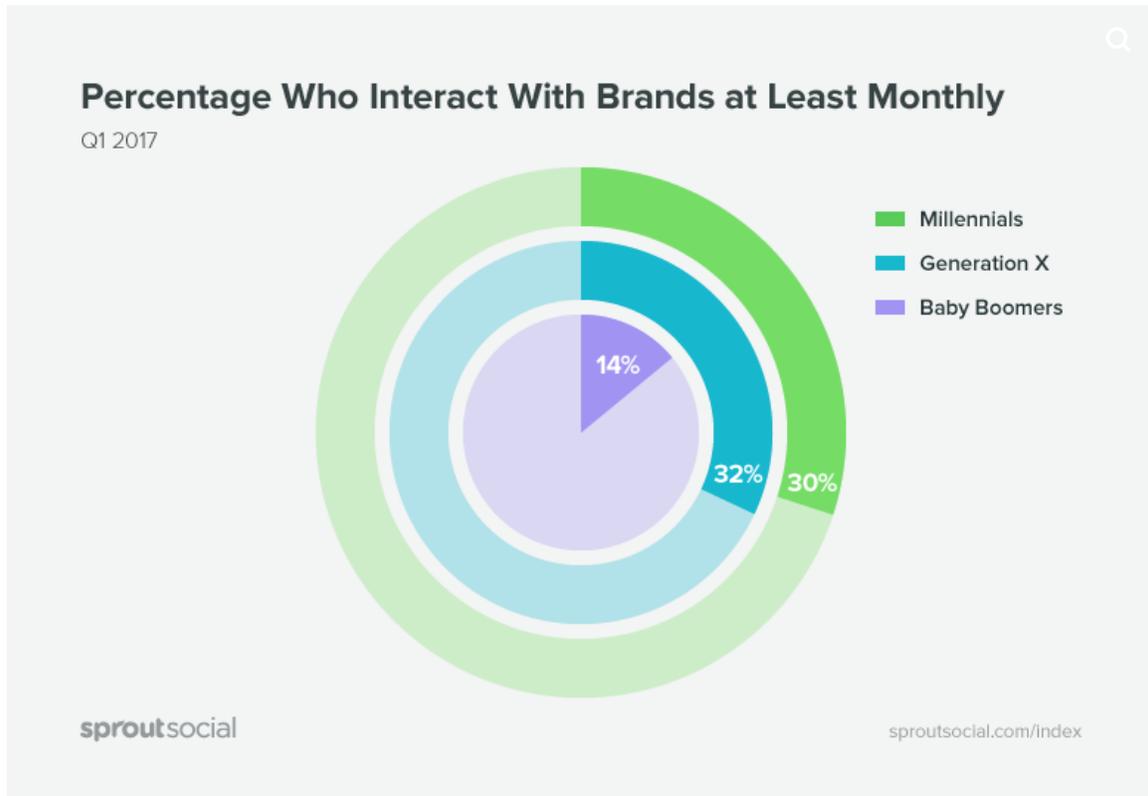
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But along the path to purchase, when does a shopper actually follow a brand on social media? Millennials (58.9%), Gen Xers (50.4%) and Baby Boomers (55%) all tend to follow a brand on social media **before** purchasing a product.

Each generation expresses interest on social during the same stage in the customer journey, but they aren't looking for the same experience. Millennials follow brands for entertainment value (38%) and information (42%), whereas Gen X is more likely to follow for contests (41%), deals and promotions (58%). Baby Boomers fall somewhere in the middle and are looking for a healthy mix of deals and promotion (60%) and information (53%).

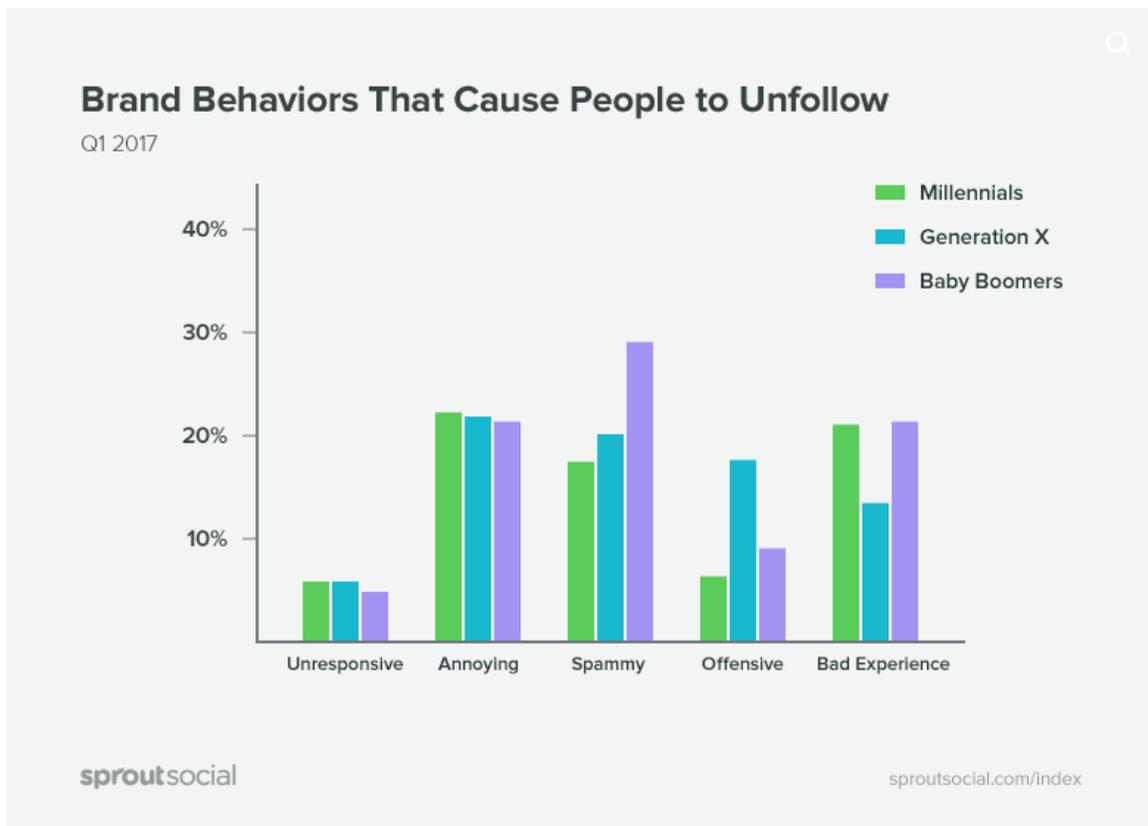
Expectations also vary when it comes to the frequency with which each generation interacts with the brands they follow. Twenty-nine percent of respondents across generations said they engage by liking, sharing or commenting on a brand's social post on a monthly basis. However, when we segment this data out, it tells a different story.

On a monthly basis, 32% of Gen Xers engage with a brand they follow. That percentage drops slightly to 30% for Millennials. When it comes to Baby Boomers, they're mainly observers. Only 14% are regularly starting a dialogue or interaction with your brand.



When it comes to interacting with brands, it's no surprise that our youngest cohort cited social media as their preferred method of communication. **Millennials are twice as likely to turn to social, rather than phone or email, to communicate with a brand.**

With each generation engaging with your brand at a different cadence, it only makes sense that each group would unfollow your brand for a different reason. Gen Xers are nearly 160% more likely than the other generations to unfollow a brand that says something offensive or in opposition to their personal beliefs. Millennials unfollow because they had a bad experience (21%) or because they found a brand's social marketing annoying (22%). Baby Boomers? Too much spam causes 29% to take direct action and opt-out.





Sprout Stance:

The majority of each generation may opt-in to a brand's Facebook Page or Instagram profile before making a purchase, but that doesn't mean they're seeking out the same social content. For your social marketing efforts to be successful, audience demographic data is essential. In order to give your audience what they want you need to understand who they are and what they're looking for first. On Facebook, your brand's audience makeup might look drastically different than it does on Pinterest. Your social content strategy, publishing patterns and brand messaging should reflect that difference. **Your marketing strategy needs to be be cohesive—not definitive.**



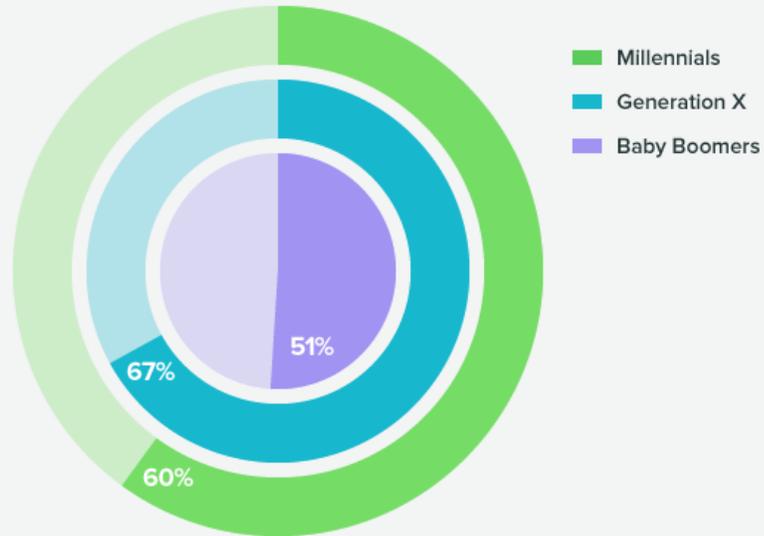
Following Your Brand to the Bank

People are following your brand on social, but do the thumbs up, shares and Retweets correlate to profit? Across generations, 62% of people said they are likely or somewhat likely to purchase a product from a brand they follow on social media.

Nearly 7 in 10 Gen Xers will likely purchase something from a brand they follow. That number dips to a still-impressive 60% of Millennials and 51% of Baby Boomers.

Percentage Likely to Purchase From a Brand They Follow

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When a customer has a positive interaction with a brand, 71% said they're more likely to buy from that company. Their willingness to purchase increased by 14% across all age groups. The youngest generation surveyed reported the biggest spike. In fact, Millennials are 6% more likely than any other generation to spend with a brand they have a positive exchange with on social.

Percentage More Likely to Buy After a Positive Social Experience

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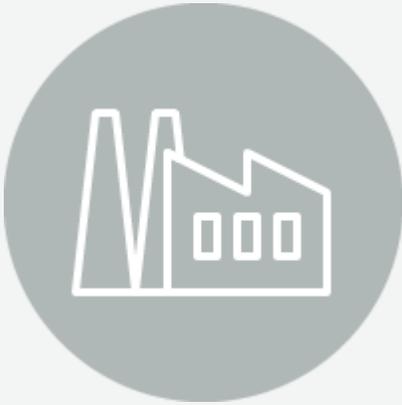
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Sprout Stance:

The quantity of Facebook fans. The size of your Instagram community. How many followers you have on Twitter. Many CMOs have dismissed these numbers as vanity metrics—and in many ways, they're correct. Over 25,000 repins on your brand's macaroni and cheese recipe doesn't correlate to 25,000 boxes of pasta sold. A Facebook fan base of upwards of one million doesn't mean you'll be named to the Fortune 500. As marketers, we know this. But that doesn't mean a follow has no value.

Across age groups, more than 60% of people who follow your brand are willing to buy from your brand. With such a staggering percentage of individuals willing to buy, you need to put effort into unearthing what types of social content will push them over the edge to purchase. Most importantly, this number increases by 9% as long as your brand is willing to invest in organic engagement through one-on-one conversations and positive interactions.



Industry Biases By Generations

We already know that consumers are following your brand for a specific reason and contemplating purchasing your product based on your social marketing and customer care efforts. But what preconceived ideas does each generation *actually* have about your industry?

When it comes to exceptional social customer care, Baby Boomers and Gen X have very different opinion on which industries deliver.

When asked, Gen Xers (14.9%) ranked the Media and Entertainment industry at the top in terms of customer service on social. Whereas Baby Boomers (14.1%) think the Retail industry provides the best customer care. Surprisingly enough, Millennials agree with both of their older counterparts: The age group's vote is split evenly between Media and Entertainment (16%) and Retail (16%). Considering that only **one in 10 messages to brands actually get a response**, it is surprising that any industry is perceived favorably in that department.

How does consumer perception stack up against industry benchmarks? We looked at Sprout's Q4 2016 data and learned that the Utilities industry—with a 17% response rate and the lowest response time across 15 industries—provides the best social customer care. Media and Entertainment only respond to 7 in 100 consumers, proving that some things aren't always what they seem.

As a refresher, here's what each metric means:

- Response Rate = the percent of consumer messages needing a response that actually get one
- Response Time = how long brands take (in hours) to respond to the consumer messages that need a response
- % Needs Response = how many messages brands receive on social that require a response (based on Sprout's algorithm, which analyzes identifiers such as question marks, @mentions and keywords)
- Posts per Replies = how many promotional messages brands publish compared to how many responses they give to their audience
- Brand Engagement Ranking = how responsive brands are to consumers
- Consumer Engagement Ranking = how vocal consumers are with brands

Brand & Consumer Index Spotlight by Industry

Q4 2016

Industry	Avg. Response Rate	Avg. Response Time (Hours)	Avg. % Messages Needing Response	Avg. Posts per Replies	Brand Engagement Ranking	Consumer Engagement Ranking
Automotive	11%	14.1	41%	18.4	#14	#5
Banking/Finance	13%	10.3	41%	61.6	#4	#10
Consumer Services	14%	14.1	38%	23.1	#6	#2
Education	7%	8.9	34%	22.1	#11	#12
Government	8%	10.7	40%	17.4	#12	#1
Healthcare	3%	10.9	43%	18.8	#13	#3
Internet/Technology	12%	11.9	35%	25.3	#7	#15
Marketing/Advertising	11%	12.6	37%	21.6	#10	#13
Media/Entertainment	11%	9.6	37%	174.1	#15	#14
Nonprofit	7%	10.8	37%	20.7	#16	#8
Professional Services	9%	10.4	33%	22.9	#9	#11
Real Estate	11%	10.7	46%	17.9	#5	#4
Retail	16%	11.0	44%	25.5	#3	#7
Travel/Hospitality	15%	10.4	45%	13.8	#2	#9
Utilities	17%	8.9	35%	14.9	#1	#6

Regardless of industry, social provides your brand with the opportunity to stand out from competitors. All you need to do is invest an extra few minutes of thought and effort per interaction to make an exponential business impact.

About the Data

The Sprout Social Index is a report compiled and released by Sprout Social. All referenced data is based on 280,000 public social profiles (135,000 Facebook; 114,000 Twitter; 31,000 Instagram) of continually active accounts between Q4 2015 and Q4 2016. More than 3.8 billion messages sent and received during that time were analyzed for the purposes of this report.

Some data may have shifted from the last Sprout Social Index report due to a shift in the social profiles analyzed; however, all overarching trends remain consistent. Industry classifications were based on LinkedIn industry categories. In some cases, closely related industries were merged into a single overarching industry. All messages analyzed that 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.

The consumer survey was conducted by Survata, an independent research firm in San Francisco. Survata interviewed 1000 online respondents between January 24, 2017 and January 30, 2017. Respondents were reached across the Survata publisher network, where they take a survey to unlock premium content like articles and ebooks. Respondents received no cash compensation for their participation. More information on Survata's methodology can be found at survata.com/methodology.

For questions about the Index data, please contact pr@sproutsocial.com.