



Snubbed on Social

Retailers Turn Their Backs on People
83% of the Time



THE SPROUT SOCIAL INDEX

Q4 2015



sproutsocial

Inside The Q4 2015 Sprout Social Index

	UNWRAP THE OPPORTUNITY	2
	SOCIAL TRENDS IN RETAIL	3
	ENGAGEMENT INDEX Industry Benchmarks	12
	ABOUT THE DATA	15

Unwrap the Opportunity

Social Engagement Will Give Wise Retailers the Competitive Advantage This Holiday Season

When it comes to promotional marketing, the retail industry excels—especially as the holiday season approaches. Retailers are so well prepared for this annual advertising blitz, in fact, that it seems to come earlier each year. Already, as of September 2015, a staggering 59% of US and UK retailers had kicked off their holiday promotions.¹

Social communication plays an important role in these seasonal efforts. Yet most retailers are failing to listen to what their audiences are actually asking for. When it comes to social media, **83% are ignoring their customers' questions, while the rest are making people wait an average of 12 hours to get a response.**

Instead retailers are focused on blasting out marketing messages through their social channels. It shouldn't come as a shocker that most people don't want to be pummeled by purely promotional posts—especially when they have more pressing issues they'd like a brand to address.

That's not to say that promotions don't matter. But those promotional messages will be a lot more effective if brands actually create relationships with their customers first. In fact, according to Rosetta Consulting, **people are 7 times more likely to respond to your promotions after you interact with them in some meaningful way.**

To help retailers better meet customer demands and bolster their social promotions, The Q4 2015 Sprout Social Index analyzes major trends for the industry in terms of brand response rates and times. Social messages pour in around the holidays just as quickly as the doors of Black Friday swing wide open. After digging through the data, and referencing historical performance, we distilled several actionable insights to ensure teams are prepared to keep pace with the sometimes cacophonous mix of messages.

83%

of social media messages to retailers go unanswered within 72 hours.

SPROUT SOCIAL

42% of customers who reach out to brands on social expect a response within 60 minutes.

CONVINCE & CONVERT

- Team Sprout



SOCIAL TRENDS IN RETAIL

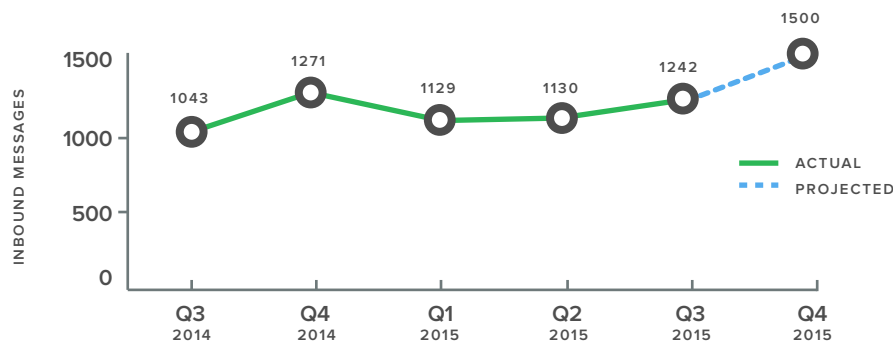
Overall, the outlook seems grim. Consumers have more questions than ever, while responses from brands ebb and flow. Most people never hear back, while the remaining few who do wait longer than ever—as retailers waste tons of resources hitting the wrong mark.

Holiday Retail Data: Is Your Brand Prepared for What's in Store on Social?

It should come as no surprise that retailers receive more social messages during the holiday season than they do throughout the rest of the year. In Q4 2014, for instance, the retail industry was hit with its biggest influx of inbound social messages for that year, a 21% increase over the previous quarter. This year, if the same trend continues, the average retailer can expect more than 1,500 messages during the holiday season.

Retailers' Average Inbound Messages

From Q3 2014 to Q4 2015



1,500

INBOUND MESSAGES

projected during the holiday season

(average per retailer)

What's particularly surprising is that despite increasing demands around the holidays, and with all the efforts typically taken to staff up in brick-and-mortars, most brands just aren't prepared to keep up on social.

For instance, this time last year, retailers answered only 16.35% of the messages they received from their customers—the lowest response rate for the industry in all of 2014. Of course, an increase in social messages likely yields a lower response rate. During the important holiday season, this sluggish response rate is particularly unacceptable: Just imagine if salespeople literally turned their backs on shoppers 83% of the time.

Expert Perspective

"The challenge for many is integrating social media into the marketing strategy, ensuring consistency online and offline."

@STEVIE_LOWE

DIGITAL MARKETING MANAGER



12 HOURS

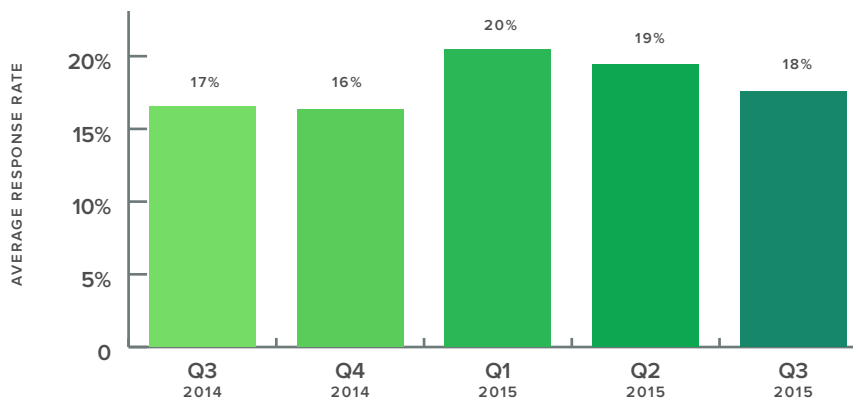
People can expect to wait an average of 12 hours to get retailers' attention on social.

SPROUT SOCIAL

Based on data from the past five quarters, The Sprout Social Index anticipates that this holiday season, most people can expect to be ignored as well.

Retailers' Average Response Rate

From Q3 2014 to Q3 2015



The few lucky people who do manage to get a response will be waiting longer than ever—around 12 hours this year vs. 11 hours last year. This longer wait time provides little relief during what may already be a stressful time for many consumers.

Sprout Recommendation

Consider the fact that Cyber Monday sales increased by 8.7%² between 2013 and 2014, offsetting last year's somewhat lackluster Black Friday results. Social media (projected to yield \$15 billion in sales this year³) naturally fuels a great deal of the online shopping rush throughout the season. Therefore, just as you staff up in stores, be sure to also allocate the right resources to your social channels. Not accounting for your online outlets is akin to being short staffed at your brick-and-mortars, meaning customers aren't getting answers and making purchases from your brand—while potentially turning to others.

Expert Perspective

"It's not enough to just respond to customer service requests: You have to join the conversations happening around your brand."

TIM MEHTA
SOCIAL MEDIA MANAGER,
THAT COMPANY

2. IBM Digital Analytics Benchmark

3. Invesp

Off-Season Retail Data: What to Expect on Social Once the Holidays Are Over

There's little reprieve once the rush is over. Even outside of the holidays, **the retail industry is seeing, on average, 19% more messages than it did a year ago.**

For many retailers, the amount of incoming social messages reaches its peak from mid November to early December and slowly tapers off into January (but not by a large margin).

Incoming messages aren't the only thing up. The amount of messages the retail industry is sending continues to surge: Since Q1 2015, the number of messages sent is up 45%.

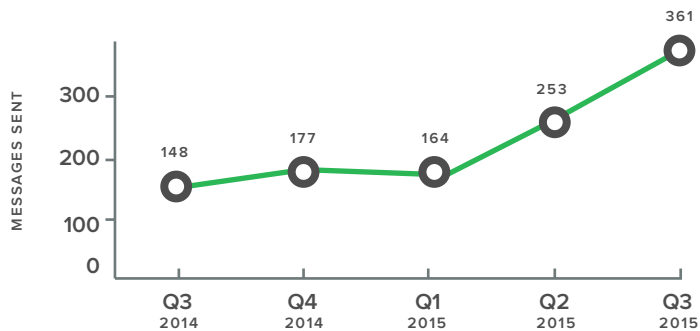
3X

as many promotional messages as replies were sent by retailers on social media last year.

SPROUT SOCIAL

Retailers' Average Sent Message Volume

From Q3 2014 to Q3 2015



45% ▲

MESSAGES SENT (SINCE Q1 2015)

Expert Perspective

It is important to keep your social engagement up even after the holiday rush. While customers may have product and purchase questions during December, come January, they'll be asking you about how to actually use the products they purchased, according to Gizelle Lau, Social Media Manager at Canon Canada.

However, the bulk of those messages aren't in response to the growing number of social inquiries retailers are receiving. In fact, retailers are now sending about **3 times more promotional messages than replies** throughout the year.

Engaged consumers are 7 times more likely to respond to a promotional offer.

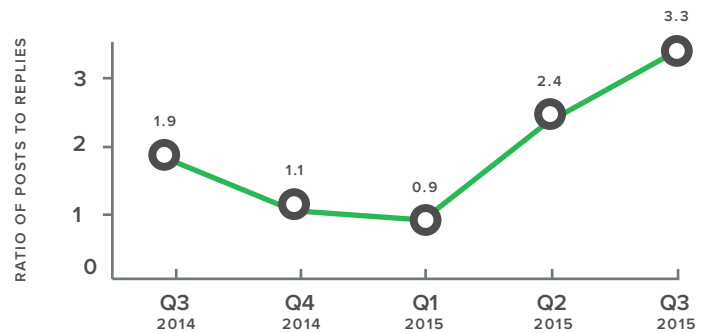
ROSETTA CONSULTING

The retail industry is unleashing an onslaught of messages about itself at the expense of addressing real customer concerns, doing more harm than good in the social space. Just imagine having a pressing question about a product, only to be hit with a slew of sales promotions.

Indeed, while about 40% of the messages received by retail brands warrant a response, only 17%—or about 1 in 6—actually gets one. Shockingly, that is the best response rate we calculated in The Q4 2015 Sprout Social Index, with the average across industries at 11%.

Retailers' Average Brand Messages Sent vs. Average Brand Replies

From Q3 2014 to Q3 2015



Sprout Recommendation

Regardless of seasonal fluctuations, it's important to monitor what people are saying about your brand, product category and industry at all times. Social monitoring can be handled at scale with the right **strategies** and **tools** in place, ensuring you never miss a message. Remember, by actively listening and responding to people's concerns, you will be more likely to reach them with your promotional messages later on. Otherwise, your sales efforts will be akin to a cold call.

Retailers' Focus on Twitter vs. Facebook Reveals Misplaced Attention

Both Facebook and Twitter play an important role in retail brands' overall social communications strategy.

Facebook offers a highly visual platform for showcasing products in a dynamic way, which naturally elicits a wealth of responses.

Twitter, meanwhile, enables brands to find customers through a series of [sophisticated search operators](#)—from the ubiquitous hashtag to more nuanced queries like “in need of a New Year’s Dress” that suggest purchase intent—making it a particularly useful outlet for social listening.

So, given the various attributes for reaching consumers in a deeper way, how do retail responses vary by platform? When looking at data from Twitter and Facebook separately, a few interesting trends emerge.

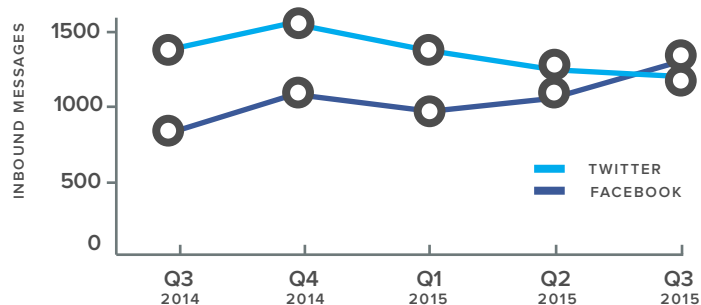
This quarter, retail is seeing 7% more inbound messages on Facebook than it is on Twitter. In comparing this to overall industry trends, you see that retail is experiencing much different consumer behavior.

With an impact score of 35% vs. 28%, social media outweighs retail websites in influencing purchasing decisions.

EPSILON MARKETING, 2014

Retailers' Average Inbound Messages, by Network

From Q3 2014 to Q3 2015



7% MORE

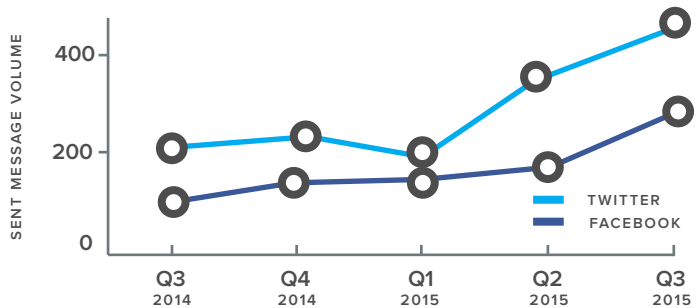
INBOUND MESSAGES
on Facebook than on Twitter
(Q3 2015)

That said, the amount of audience messages received does not correlate with the number of brand messages sent on each network. In other words, **retailers seem to have misplaced their attention.**

Retailers are sending out more messages on Twitter—144% more than they did just 6 months ago. They’re also sending out more messages on Facebook, just not at the same clip—only 2 times as many as they did within that same 6-month time period.

Retailers’ Average Sent Message Volume, by Network

From Q3 2014 to Q3 2015



144% MORE
 SENT MESSAGES
 on Twitter in the last 6 months
 (Q1 to Q3 2015)

Sprout Recommendation

Know where your audience is the most vocal. Naturally, the popularity of platforms will vary by brand. However, it's worth taking a deeper look at customer service on Facebook since it is generally where people are seeking answers from retailers. Bottom line: You should be able to improve your response rates and times if you understand where people are reaching out to your brand in the greatest numbers.

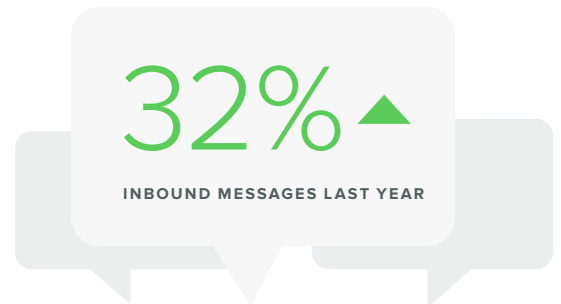
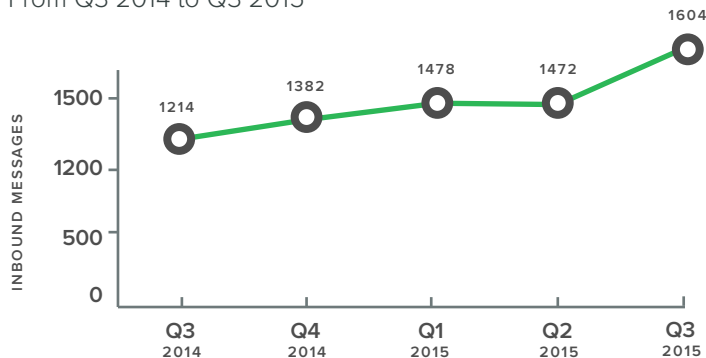
Index Holds Steady Across Industries, Showing Few Signs of Improvement

Social customer care remains of critical importance for brands across industries. However, since the first Sprout Social Index, brands have continued to take a broadcast approach to what should be a more conversational—that is, social—outlet.

Over the past year alone, there has been a 32% spike in the amount of messages sent from customers to brands, with both Twitter and Facebook increasing at roughly the same rate.

Average Inbound Message Volume Across Industries

From Q3 2014 to Q3 2015



These concerns, however, have largely fallen on deaf ears, with 8 in 9 messages going unanswered within 72 hours. (In our [last Index](#), this rate was slightly better, at 7 in 8.)

Meanwhile, customers who do receive a (relatively) prompt response can expect to wait an hour longer than they did a year ago, just as we observed among the retail industry.

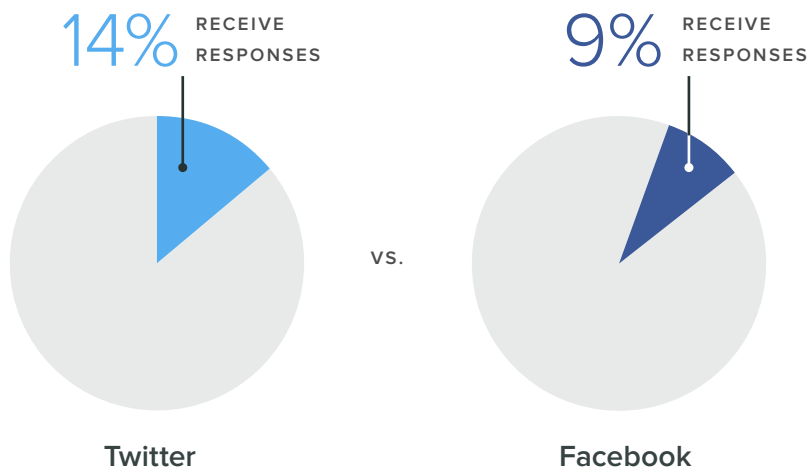
26% of customers who have a bad experience post a negative comment on social.

WHITE HOUSE OFFICE OF
CONSUMER AFFAIRS

Twitter is the best bet for getting a response—but not by much. Brands will respond to customer concerns 14% of the time on Twitter compared to 9% of the time on Facebook.

That said, brands on Facebook are showing a greater rate of improvement (up 4% from Q3 2014 to Q3 2015), whereas brands on Twitter are falling (down 2% in the same period).

Percent of Consumer Concerns That Are Replied to, by Network Q3 2015



Sprout Recommendation

Allocate customer service resources to where your customers are the most vocal, but don't let attention to one platform compromise your efforts on another. Both Facebook and Twitter are important outlets for audience engagement.



ENGAGEMENT INDEX

INDUSTRY BENCHMARKS

As an ongoing benchmark to our previous reports, the Consumer Engagement Index outlines the industries that receive the most inbound messages requiring attention, and the Brand Engagement Index focuses on how responsive and timely each industry is in interacting with those messages. In the four quarters, there have been some significant shifts in rankings, and we've noted the biggest movers—positive and negative.

Brand Engagement Index

Industries that were most responsive to inbound messages from their audience on social channels (Q3 2014 to Q3 2015)

CHANGE	RANK	INDUSTRY	SCORE
•	1	UTILITIES	1.97
•	2	RETAIL	1.52
•	3	BANKING/FINANCE	1.34
•	4	AUTOMOTIVE	1.20
▲ 1	5	REAL ESTATE	1.16
▼ 1	6	INTERNET/TECHNOLOGY	1.08
▲ 2	7	EDUCATION	1.07
▲ 2	7	TRAVEL	1.05
▲ 2	9	CONSUMER GOODS	1.02
▼ 2	10	MARKETING	0.99
▼ 4	11	PROFESSIONAL SERVICES	0.98
▼ 1	12	GOVERNMENT	0.95
▼ 1	13	NONPROFIT	0.89
•	14	HEALTHCARE	0.82
•	15	MEDIA/ENTERTAINMENT	0.80

Consumer Engagement Index

Industries with the most inbound engagement on social channels relative to audience size (Q3 2014 to Q3 2015)

CHANGE	RANK	INDUSTRY	SCORE
▲6	1	UTILITIES	1.26
▼1	2	RETAIL	1.25
▼1	3	REAL ESTATE	1.23
▼1	4	HEALTHCARE	1.20
•	5	AUTOMOTIVE	1.20
▲5	6	NONPROFIT	1.18
▲3	7	TRAVEL AND HOSPITALITY	1.12
▼4	7	BANKING AND FINANCE	1.12
▲3	9	EDUCATION	1.11
▼1	10	CONSUMER GOODS	1.10
▼5	11	GOVERNMENT	1.10
▲2	12	PROFESSIONAL SERVICES	1.09
▼5	13	MEDIA/ENTERTAINMENT	1.06
▼1	14	INTERNET	1.02
•	15	MARKETING	1.01

About the Data

The Sprout Social Index is a report compiled and released by Sprout Social. All referenced data is based on 119K public social profiles (64K Facebook; 55K Twitter) of continually active accounts between Q3 2014 and Q3 2015. More than 255 million messages sent during that time were analyzed for the purposes of this report. Some data from Q3 2014 to Q3 2015 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.

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

About Sprout Social

Sprout Social offers social media engagement, advocacy and analytics solutions for leading agencies and brands, including Anthropologie, GrubHub, Hyatt, Spotify and Zipcar. Available via web browser, iOS and Android apps, Sprout's engagement platform enables brands to more effectively communicate on social channels, collaborate across teams and provide an exceptional customer experience. Bambu by Sprout Social, a platform for advocacy, empowers employees to share curated content across their social networks to further amplify a brand's reach and engagement. Headquartered in Chicago, Sprout is a Twitter Official Partner, Facebook Marketing Partner, LinkedIn Company Page Partner and Google+ Pages API Partner. Learn more at sproutsocial.com and getbambu.com.

