








SEPTEMBER 2014

sproutsocial

# THE SPROUT SOCIAL INDEX



## **INSIDE** THE SPROUT SOCIAL INDEX

	<b>INTRODUCTION</b>	<b>2</b>
	<b>SOCIAL TRENDS</b> Shifts in Engagement	<b>3</b>
	<b>ENGAGEMENT INDEX</b> Industry Benchmarks	<b>6</b>
	<b>INDUSTRY HIGHLIGHTS</b>	<b>9</b>
	<b>ABOUT SPROUT SOCIAL</b>	<b>11</b>

# INTRODUCTION

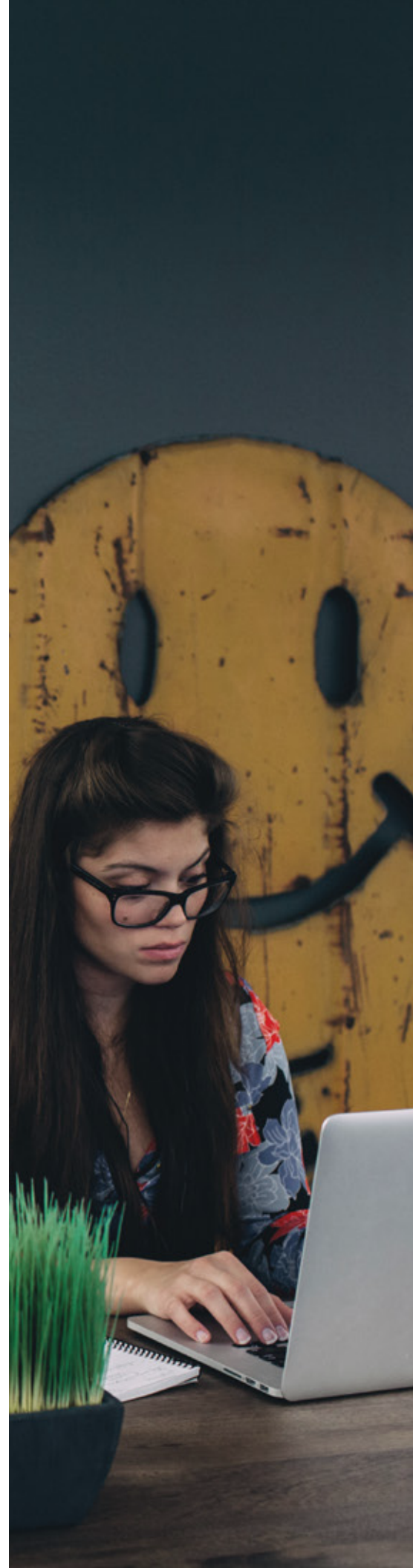
Sprout Social and our customers are on the front lines of global social media management. In only a few short years, Sprout has seen first hand how consumers now use Facebook and Twitter as their primary means of communication with businesses. This shift has opened the door for free communication between brands and customers—but how are companies responding to the change?

In December 2013, we explored that question with The Sprout Social Index: Engagement & Customer Care. Our first installment uncovered the dramatic surge in inbound messages to brands, variations in social behavior across Facebook and Twitter, and social data across 15 different industries.

For our second edition of The Sprout Social Index, we've benchmarked behavioral changes from the previous four quarters and uncovered continued trends, surprising shifts, and troublesome stats.

From the data, it is clear that an increasing portion of consumer-business interactions are moving past traditional phone and email into social media and mobile. The current status quo of silence and slow response from brands won't be tolerated much longer. **Businesses need to figure it out and accommodate for the shift in communication or risk their sustainability and profitability.**

In this Index, we'll explore the evolving social customer care landscape, identify industries that are excelling and note those that need improvement.





## **SOCIAL TRENDS**

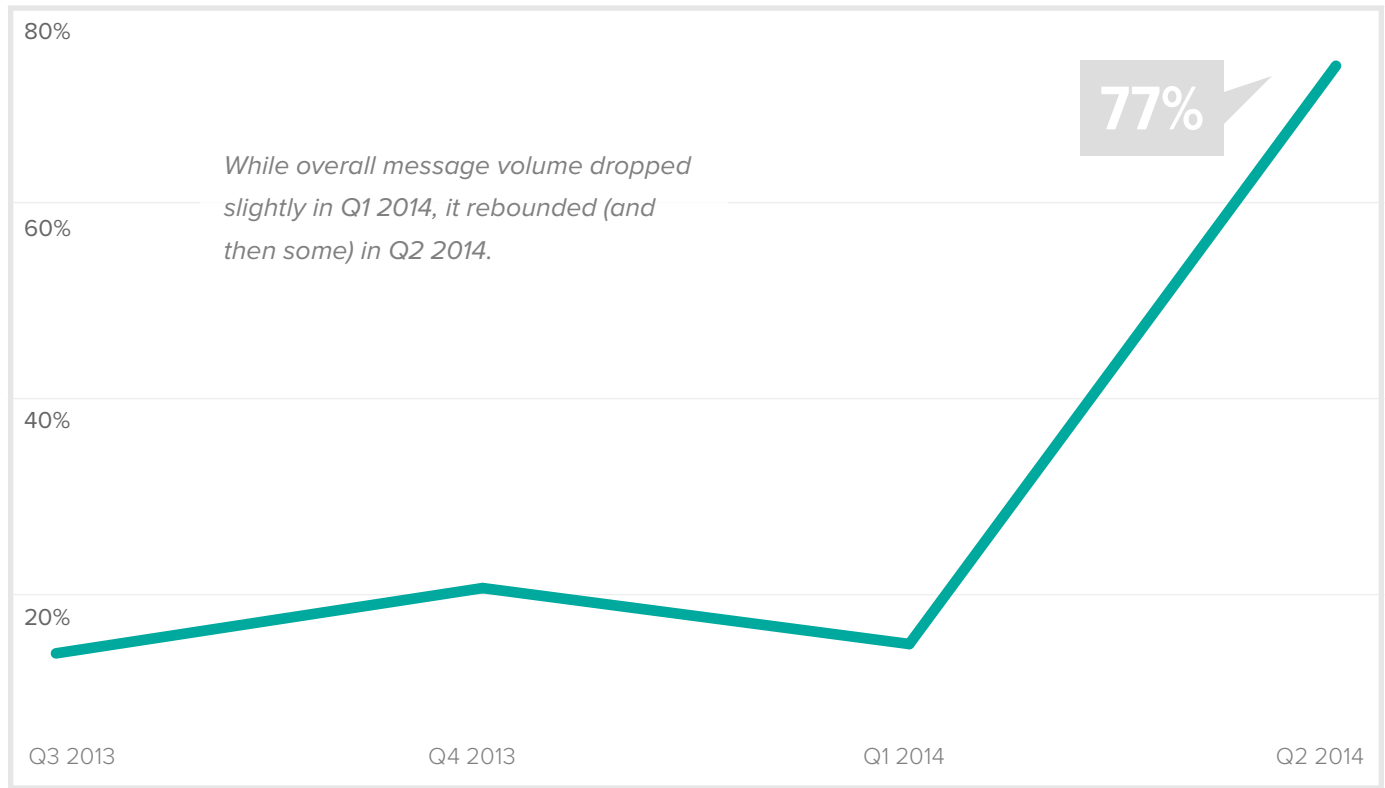
### SHIFTS IN ENGAGEMENT

Social networks are the new first point of contact. Whether a customer wants to resolve an issue, lodge a complaint, or learn hours of operation, the first logical place to turn is social. An equally logical business would adjust their structure and strategy to accommodate that shift. Unfortunately, that isn't happening quickly enough.

In the past year, overall inbound message volume climbed significantly—a total of **77 percent**. This continues the trend we saw in The Sprout Social Index's last edition, demonstrating a significant shift in how consumers are using social media.

## Overall Message Volume Growth

Since Q3 2013



## Number of Messages to Brands Needing Response

As we look closer at the data, we also uncover that the number of messages to brands that actually warrant a response (e.g. questions) is increasing as well. After an impressive jump in Q4 of last year, it's begun to level out slightly. That being said, over the past 12 months there's been an **100 percent** increase in the number of messages to brands that require attention. This proves that customers are not just mentioning brands arbitrarily—they want real engagement and answers from the companies they follow on social media.

100%

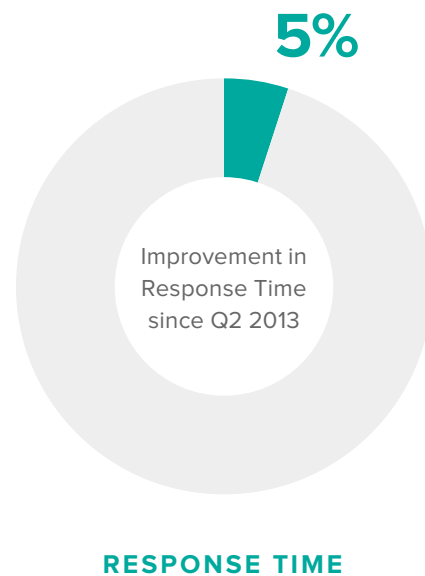
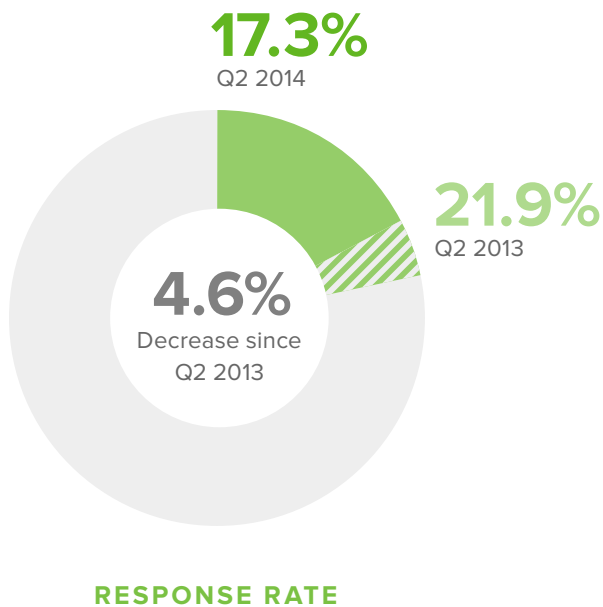
Increase in the number of messages that require a response from brands since Q2 2013.



We've established that customers are turning to social in an ever-increasing number, so let's dive into how brands are actually responding to those customers.

## Response Rate & Response Time

Change between Q2 2013 and Q2 2014



On average, brand response times have improved by five percent over the past year. Despite a small slowdown in the early part of 2014, that is a significant improvement in how quickly customer questions are getting answered.

On the surface, the reduction in response times seems like a promising trend. However, when the data is overlaid with the dip in response rate, it is clear that while businesses might be replying quicker, they are leaving most of their customers with no response at all.

The continued decline of response rates illustrates that brands simply aren't accommodating for the increased number of social messages they receive. Instead of adjusting their staffing and employing smart tools to help, they're simply ignoring their customers and risk losing them as a result.

**5 IN 6**  
Messages that need responses are not answered by brands.



## ENGAGEMENT INDEX

### INDUSTRY BENCHMARKS

It is clear that the social relationships between brands and their customers are evolving—more quickly than many businesses anticipated. Some industries have shifted their social media efforts to accommodate the increased pace and volume of their social messages, while others struggle in the new era of social customer care.

As a benchmark to our first report, 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 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.

## Consumer Engagement Index

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

CHANGE	RANK	INDUSTRY	SCORE
•	1	UTILITIES	2.00
▲2	2	BANKING/FINANCE	1.49
▲3	3	INTERNET/TECHNOLOGY	1.41
▲1	4	EDUCATION	1.28
▼2	5	CONSUMER GOODS	1.27
▲5	6	GOVERNMENT	1.26
•	7	RETAIL	1.25
•	7	TRAVEL/HOSPITALITY	1.25
▲1	9	BUSINESS SERVICES	1.22
▼1	10	MEDIA/ENTERTAINMENT	1.20
▲1	11	MARKETING/ADVERTISING	1.17
▼10	12	REAL ESTATE	1.13
▲1	13	NON-PROFIT	1.08
▼1	14	AUTOMOTIVE	1.05
•	15	HEALTHCARE	1.00

Biggest Rise in Consumer Engagement since Q3 2013.

Biggest Dip in Consumer Engagement Since Q3 2013.

The Consumer Engagement Index evaluates which industries receive the most engagement and interest from consumers on social channels. Rankings were derived through assessments of various data including message volume, audience size, and other proprietary scoring measures.



## Brand Engagement Index

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

CHANGE	RANK	INDUSTRY	SCORE
•	1	UTILITIES	5.53
•	2	BANKING/FINANCE	3.71
▲3	3	BUSINESS SERVICES	2.89
•	4	RETAIL	2.60
•	5	INTERNET/TECHNOLOGY	2.53
▼3	6	AUTOMOTIVE	2.45
•	7	TRAVEL/HOSPITALITY	2.42
▲5	7	GOVERNMENT	2.42
▲1	9	MARKETING	2.31
▲4	10	REAL ESTATE	2.24
▼2	11	EDUCATION	2.06
•	12	NON-PROFIT	2.04
▲2	13	ENTERTAINMENT	1.92
▼3	14	HEALTHCARE	1.90
▼7	15	CONSUMER GOODS	1.48

Biggest Rise in Brand Engagement since Q3 2013.

Biggest Dip in Brand Engagement Since Q3 2013.

The Brand Engagement Index measures the overall relative responsiveness of brands across industries on social channels. Rankings were derived through assessments of various data including average response rates and times and other proprietary scoring measures.

## INDEX HIGHLIGHTS

### Change in Total Message Volume

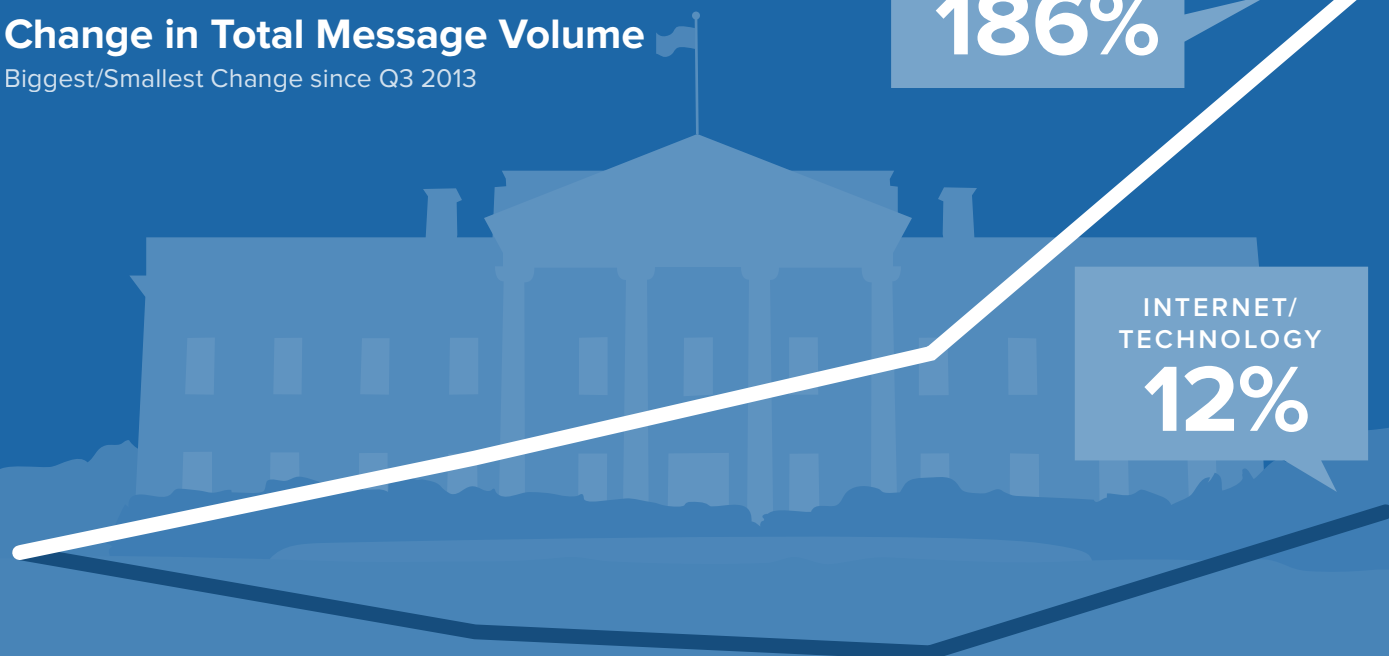
Biggest/Smallest Change since Q3 2013

GOVERNMENT

186%

INTERNET/  
TECHNOLOGY

12%



### Change in Messages Needing Response

Biggest/Smallest Change since Q3 2013

267%

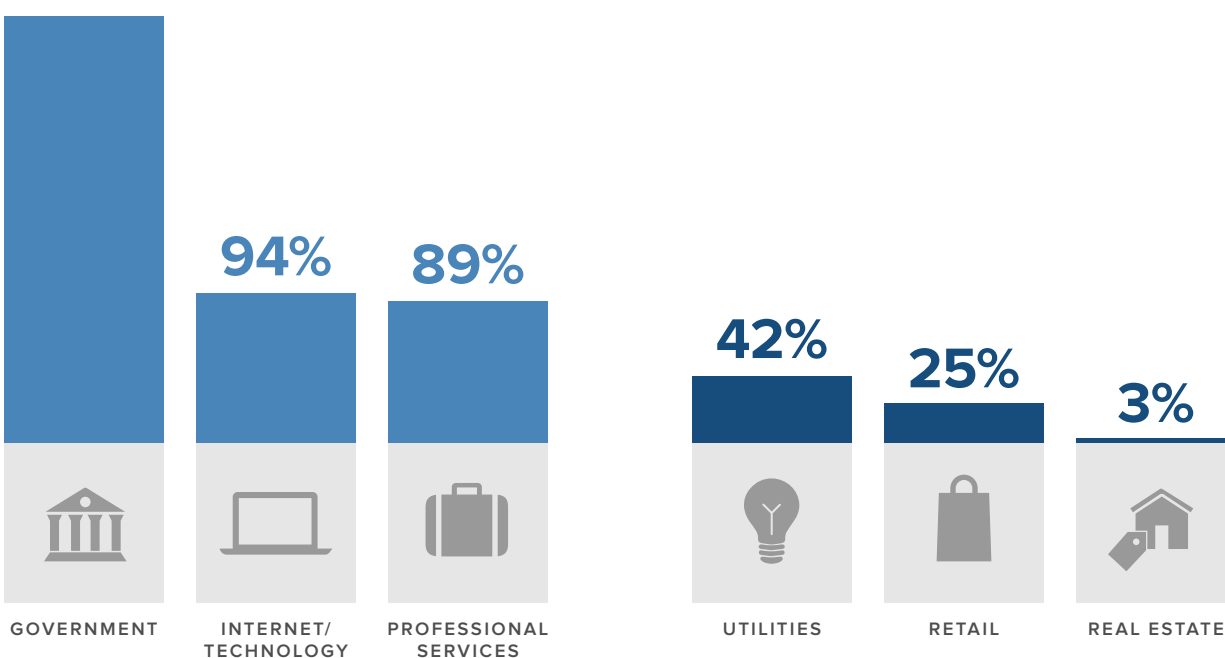
94%

89%

42%

25%

3%



BIGGEST INCREASE

SMALLEST INCREASE

## INDEX HIGHLIGHTS

### Change in Response Time

Biggest/Smallest Change since Q3 2013

HEALTHCARE

**18%**  
INCREASE

GOVERNMENT

**35%**  
DECREASE

### Change in Response Rate

Change since Q3 2013

**1%** GREATEST INCREASE  
UTILITIES

**-29%** LARGEST DECREASE  
EDUCATION

### Best/Worst Overall Response Rate

Of Q2 2014

**3 IN 10**  
MESSAGES

**BEST RESPONSE RATE**  
UTILITIES

**1 IN 10**  
MESSAGES

**WORST RESPONSE RATE**  
MEDIA/ENTERTAINMENT



## About the Data

The Sprout Social Index is a report compiled and released by Sprout Social. All referenced data is based on 18,057 public social profiles (9,106 Facebook; 8,951 Twitter) of continually active accounts between Q1 2013 and Q2 2014. More than 160 million messages sent during that time were analyzed for the purposes of this report. Some data from Q1 2013 to Q4 2013 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 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 GrubHub, Spotify, Urban Outfitters, and Zipcar. A powerful platform for social business available via web browser, iOS, and Android apps, Sprout enables brands to more effectively manage social channels, collaborate across teams, and provide an exceptional customer experience. Headquartered in Chicago, Sprout is a Twitter Certified Product, Facebook Preferred Marketing Developer, and Google+ Pages API Partner. Learn more at [sproutsocial.com](http://sproutsocial.com)