STATE OF THE MEDIA:
THE SOCIAL MEDIA REPORT
2012
SOCIAL MEDIA IS COMING OF AGE

Social media and social networking are no longer in their infancy. Since the emergence of the first social media networks some two decades ago, social media has continued to evolve and offer consumers around the world new and meaningful ways to engage with the people, events, and brands that matter to them. Now years later, social media is still growing rapidly and has become an integral part of our daily lives. Today, social networking is truly a global phenomenon.

What’s driving the continued growth of social media?

MOBILE
More people are using smartphones and tablets to access social media. The personal computer is still at the center of the social networking experience, but consumers are increasingly looking to other devices to connect on social media. Time spent on mobile apps and the mobile web account for 63 percent of the year-over-year growth in overall time spent using social media. Forty-six percent of social media users say they use their smartphone to access social media; 16 percent say they connect to social media using a tablet. With more connectivity, consumers have more freedom to use social media wherever and whenever they want.

PROLIFERATION
New social media sites continue to emerge and catch on. The number of social media networks consumers can choose from has exploded, and too many sites to count are adding social features or integration. While Facebook and Twitter continue to be among the most popular social networks, Pinterest emerged as one of the breakout stars in social media for 2012, boasting the largest year-over-year increase in both unique audience and time spent of any social network across PC, mobile web, and apps.

How is consumer usage of social media evolving?

THE GLOBAL LIVING ROOM
Social TV is on the rise. The skyrocketing adoption and use of social media among consumers is transforming TV-watching into a more immediate and shared experience. As of June 2012, more than 33 percent of Twitter users had actively tweeted about TV-related content. Some 44 percent of U.S. tablet owners and 38 percent of U.S. smartphone owners use their devices daily to access social media while watching television. In the Latin America region, more than 50 percent of consumers say they interact with social media while watching TV; in the Middle East / Africa region, more than 60 percent do. From global events like the Summer Olympics, to regional events like the Presidential debates in the U.S., consumers around the world used social media to engage with everyone from close friends to complete strangers, revolutionizing the television viewing experience.

SOCIAL CARE
Social Care is transforming customer service. Social media has emerged as an important channel for customer service, with nearly half of U.S. consumers reaching out directly to brands and service providers to voice their satisfaction or complaints, or simply to ask questions. In fact, one in three social media users say they prefer to use social media rather than the phone for customer service issues.

How is social media impacting marketing?

SOCIAL WORD-OF-MOUTH
Social media enables consumers to generate and tap into the opinions of an exponentially larger universe. While word-of-mouth has always been important, its scope was previously limited to the people you knew and interacted with on a daily basis. Social media has removed that limitation and given new power to consumers.

HYPER-INFORMED CONSUMERS
Social media is transforming the way that consumers across the globe make purchase decisions. Consumers around the world are using social media to learn about other consumers' experiences, find more information about brands, products and services, and to find deals and purchase incentives.

OPPORTUNITY FOR ENGAGEMENT
Consumer attitudes toward advertising on social media are still evolving. Though roughly one-third of social media users find ads on social networking sites more annoying than other types of Internet advertisements, research suggest that there are opportunities for marketers to engage with consumers via social media. More than a quarter of social media users say they are more likely to pay attention to an ad shared by one of their social connections. Additionally, more than a quarter of consumers are ok with seeing ads on social networking sites tailored to them based on their profile information.

Nielsen and NM Incite’s 2012 Social Media Report provides some insight into what is driving our collective, global obsession with social media. In the following pages, you’ll get a more detailed snapshot of what is helping to power the continued growth of social networking around the world, how consumers’ social media behavior is evolving, and how these changes impact the way brands and consumers engage through social networks.

-Deirdre Bannon
Social Media Practice Lead
More and more people are connecting to the Internet—and for longer amounts of time

Whether through a computer or mobile phone, consumers continue to spend increasing amounts of time on the Internet. Time spent on PCs and smartphones was up 21 percent from July 2011 to July 2012. App time more than doubled during this period as more smartphone owners entered the market and the number of available apps multiplied.

People continue to spend more time on social networks than any other category of sites—20% of their time spent on PCs and 30% of their mobile time.

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17% of consumers’ PC time is spent on Facebook, the most popular web brand in the U.S.
When it comes to accessing social content, it’s all about mobile—particularly apps. App usage now accounts for more than a third of social networking time across PCs and mobile devices. Compared to last year, consumers increased their social app time by 76 percent, spending more than seven times more minutes on apps than the mobile web. While the social media audience via PC declined a slight five percent from a year ago, time spent increased 24 percent over the same period, suggesting that users are more deeply engaged.

Distribution of Social Media Time Spent

Unique U.S. Audience for Social Networking

Social Networking Time per Person in HH:MM
A LOOK AT THE TOP SOCIAL NETWORKS

The list of most-visited social networking sites is pretty much the same whether people are going online through a PC browser, through their mobile web browser or using an app. Mobile usage once again proves to be a key component of social as each of the top networks via mobile web saw significantly greater growth compared to its PC audience over the last year.

*Google+ is July 2012 v. Sept 2011, the first month the site became public.

<table>
<thead>
<tr>
<th>Unique U.S. Audience (in millions)</th>
<th>YOY CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FACEBOOK</strong></td>
<td>-4%</td>
</tr>
<tr>
<td><strong>BLOGGER</strong></td>
<td>-3%</td>
</tr>
<tr>
<td><strong>TWITTER</strong></td>
<td>+13%</td>
</tr>
<tr>
<td><strong>WORDPRESS</strong></td>
<td>+10%</td>
</tr>
<tr>
<td><strong>LINKEDIN</strong></td>
<td>0%</td>
</tr>
<tr>
<td><strong>PINTEREST</strong></td>
<td>+1,047%</td>
</tr>
<tr>
<td><strong>GOOGLE+</strong></td>
<td>+80%*</td>
</tr>
<tr>
<td><strong>TUMBLR</strong></td>
<td>+55%</td>
</tr>
<tr>
<td><strong>MYSpace</strong></td>
<td>-13%</td>
</tr>
<tr>
<td><strong>WIKIA</strong></td>
<td>+20%</td>
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Top 5 U.S. Social Networking Sites via PC

```
<table>
<thead>
<tr>
<th>Site</th>
<th>Total Minutes</th>
<th>YOY % Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facebook</td>
<td>62.2B</td>
<td>23%</td>
</tr>
<tr>
<td>Twitter</td>
<td>1.8B</td>
<td>72%</td>
</tr>
<tr>
<td>Wordpress</td>
<td>1.3B</td>
<td>N/A</td>
</tr>
<tr>
<td>Linkedin</td>
<td>2.8B</td>
<td>114%</td>
</tr>
<tr>
<td>MySpace</td>
<td>1.9B</td>
<td>57%</td>
</tr>
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Top 5 U.S. Social Networking Sites via Mobile Web

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<th>Site</th>
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<th>YOY % Change</th>
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<tr>
<td>Facebook</td>
<td>4.1B</td>
<td>85%</td>
</tr>
<tr>
<td>Twitter</td>
<td>486.2M</td>
<td>48%</td>
</tr>
<tr>
<td>Blogger</td>
<td>199.7M</td>
<td>100%</td>
</tr>
<tr>
<td>Pinterest</td>
<td>199.7M</td>
<td>86%</td>
</tr>
<tr>
<td>Reddit</td>
<td>138.0M</td>
<td>342%</td>
</tr>
</tbody>
</table>
```

Top 5 U.S. Social Networking Apps

```
<table>
<thead>
<tr>
<th>Site</th>
<th>Total Minutes</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Facebook</td>
<td>27.0B</td>
<td>61%</td>
</tr>
<tr>
<td>Twitter</td>
<td>3.6B</td>
<td>48%</td>
</tr>
<tr>
<td>Google+</td>
<td>1.9B</td>
<td>154%</td>
</tr>
<tr>
<td>MySpace</td>
<td>0.1B</td>
<td>57%</td>
</tr>
<tr>
<td>Reddit</td>
<td>0.1B</td>
<td>342%</td>
</tr>
</tbody>
</table>
```

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Pinterest has experienced exponential growth since bursting on the scene last year. Although that growth has leveled over the last few months, Pinterest had the largest year-over-year increase in audience and time spent of any social network, across PC, mobile web and apps.

**Unique U.S. Audience**

- **2012 Total Minutes Spent**
  - **PC**: 27,223,000
  - **MOBILE WEB**: 14,316,000
  - **MOBILE APPS**: 4,946,000
  - **2012 Total Minutes Spent**: 1,255,225,000
  - **Unique U.S. Audience**: 27,223,000

**U.S. Audience Composition**

- **MALE**: 30%
- **FEMALE**: 70%
- **AGE 18-24**: 14%
- **AGE 25-34**: 24%
- **AGE 35-49**: 31%
- **AGE 50-64**: 24%
- **AGE 65+**: 7%
- **HISPANIC**: 8%
- **WHITE**: 86%
- **AFRICAN-AMERICAN**: 6%
- **ASIAN**: 3%

**2012 Total Minutes Spent**

- **PC**: 1,255,225,000
- **MOBILE**: 720,973,000
- **MOBILE APPS**: 120,486,000

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HOW, WHERE AND WHY WE CONNECT

While the computer is still the primary device used to access social media, the last year saw significant increases in usage, most notably through tablets and Internet-enabled TVs.

HOW WE CONNECT

<table>
<thead>
<tr>
<th>Device</th>
<th>2011</th>
<th>2012</th>
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<tbody>
<tr>
<td>Computer</td>
<td>97%</td>
<td>94%</td>
</tr>
<tr>
<td>Mobile Phone</td>
<td>37%</td>
<td>46%</td>
</tr>
<tr>
<td>Tablet</td>
<td>3%</td>
<td>16%</td>
</tr>
<tr>
<td>Handheld Music Player</td>
<td>7%</td>
<td>7%</td>
</tr>
<tr>
<td>Game Console</td>
<td>3%</td>
<td>4%</td>
</tr>
<tr>
<td>Internet Enabled TV</td>
<td>2%</td>
<td>4%</td>
</tr>
<tr>
<td>E-reader</td>
<td>2%</td>
<td>3%</td>
</tr>
</tbody>
</table>

WHERE WE CONNECT

AGES 18-24

TMI? Nearly a third (32%) of people aged 18-24 use social networking in the bathroom.

AGES 25-34

More than half of people aged 25-34 use social networking in the office, more than any other age group.

GENERAL FEELINGS AFTER PARTICIPATING IN SOCIAL NETWORKING

CONNECTED
ENGAGIZED
INFORMED
AMUSED
CONTENT
EXCITED
HAPPY
OVERWHELMED
SAD

Weathering the Internet: How people feel

<table>
<thead>
<tr>
<th>General Feelings</th>
<th>Percentage</th>
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</thead>
<tbody>
<tr>
<td>Happy</td>
<td>76%</td>
</tr>
<tr>
<td>Neutral</td>
<td>24%</td>
</tr>
<tr>
<td>Negative</td>
<td>21%</td>
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WHERE WE CONNECT

WHY WE CONNECT

It may be fun to follow celebrities, but actually knowing someone still matters when deciding to connect on social networks.

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WHERE WE CONNECT

WHY WE CONNECT

It may be fun to follow celebrities, but actually knowing someone still matters when deciding to connect on social networks.
Twitter has emerged as a key driver of social TV interaction. During June 2012, a third of active Twitter users tweeted about TV-related content, an increase of 27 percent from the beginning of the year.

**TWITTER DRIVES SOCIAL TV**

Nearly a quarter of people aged 18-34 use social media to comment on what they like/dislike about a storyline while watching TV.

Adults aged 35-44 are the most likely to discuss television programming with their social connections.

% of Active Twitter Users Tweeting about TV, U.S.

<table>
<thead>
<tr>
<th>Month</th>
<th>January</th>
<th>February</th>
<th>March</th>
<th>April</th>
<th>May</th>
<th>June</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>26%</td>
<td>28%</td>
<td>27%</td>
<td>30%</td>
<td>29%</td>
<td>33%</td>
</tr>
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**Simultaneous Smartphone and Tablet Usage While Watching TV**

Having a mobile device on-hand while watching TV has become an integral part of consumer routines—41 percent of tablet owners and 38 percent of smartphone owners use their device daily while in front of their TV screen. Not surprisingly, social networking is a top activity on both devices, but people aren’t just chatting with their social connections, they’re also shopping and looking up relevant program and product info.

**Simultaneous TV/Mobile Device Usage, U.S.**

- Visited a social networking site during the program
- Looked up information related to the TV program being watched
- Looked up coupons or deals related to an advertisement seen on TV
- Looked up product information for an advertisement seen on TV
- Shopping
Social care, i.e. customer service via social media, has become an immediate imperative for global brands. Customers choose when and where they voice their questions, issues and complaints, blurring the line between marketing and customer service. Brands should consider this evolution and ensure they are ready to react on all channels.

**FREQUENCY OF SOCIAL CARE USE AMONG USERS**

Beacon

9% Daily

21% Weekly

70% Monthly

**SOCIAL CARE VS CUSTOMER SERVICE BY PHONE**

One in three social media users prefer social care to contacting a company by phone.

**CHANNELS USED TO ACCESS SOCIAL CARE**

Consumers turn to a wide variety of social media platforms for social care. Social media users are most likely to comment on or ask a question about a company’s product or service on Facebook, both on the company’s page (29%) and on their personal page (28%).

- **Facebook**: Company’s Page (37%), User’s Personal Page (35%)
- **Official Company Blog**: 31%
- **Twitter**: Company’s Handle (26%), Personal Handle (17%)
- **YouTube**: Company’s Channel (24%), User’s Personal Channel (22%)
Brands and advertisers looking to share their message on social might consider this: While a third of people find ads on social networks to be annoying, more than a quarter of people are more likely to pay attention to an ad posted by a friend.

**AGREEMENT WITH STATEMENTS ABOUT ADVERTISING**

33% Agree that ads on social networking sites are more annoying than other online ads

26% Are more likely to pay attention to an ad that has been posted by one of their social network acquaintances

26% Are okay with ads that are ID’d based on their profile information

17% Feel more connected to brands seen on social networking websites

**SOCIAL LIKES**

are the most common action taken after seeing a social ad and can be a great way to raise a brand’s visibility.

**U.S. ASIAN CONSUMERS ARE THE MOST ENGAGED WITH SOCIAL ADS**

This audience is by far the most likely to share, like or purchase a product after seeing an ad on social networks

**MADE A PURCHASE AFTER SEEING SOCIAL ADS**

Made a purchase over the Internet for a product that was advertised

Made a purchase at a store for a product that was advertised

Purchased or obtained a coupon (i.e. through a daily deal site, retailer, etc)

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The days when companies could tightly control brand messaging and progress consumers along a linear purchase funnel have long ended. Social media has fundamentally changed the consumer decision journey. Consumer decisions and behaviors are increasingly driven by the opinions, tastes and preferences of an exponentially larger, global pool of friends, peers and influencers.

FREQUENCY OF SOCIAL ACTIVITIES

Percent of social media users participating at least once a month

- **70%**
  - Hear others’ experiences

- **65%**
  - Learn more about brands/products/services

- **53%**
  - Compliment brands

- **50%**
  - Express concerns/complaints about brands/services

- **47%**
  - Share money incentives
A recent Nielsen survey of more than 28,000 global consumers with Internet access explored social media’s global reach and impact. From how consumers connect and interact with social media to social’s influence on what people buy, there are noticeable differences across regions, which are highlighted in the following special section focusing on the global social consumer.

HOW DO YOU ACCESS SOCIAL NETWORKING SITES?

**COMPUTER**

- **ASIA-PACIFIC**: 93%
- **EUROPE**: 96%
- **M. EAST/AFRICA**: 91%
- **LATIN AMERICA**: 96%

**MOBILE PHONE**

- **ASIA-PACIFIC**: 59%
- **EUROPE**: 33%
- **M. EAST/AFRICA**: 48%
- **LATIN AMERICA**: 33%

**TABLET**

- **ASIA-PACIFIC**: 28%
- **EUROPE**: 8%
- **M. EAST/AFRICA**: 10%
- **LATIN AMERICA**: 6%

**GAME CONSOLE**

- **ASIA-PACIFIC**: 9%
- **EUROPE**: 4%
- **M. EAST/AFRICA**: 9%
- **LATIN AMERICA**: 4%

**HANDHELD MUSIC PLAYER**

- **ASIA-PACIFIC**: 5%
- **EUROPE**: 3%
- **M. EAST/AFRICA**: 2%
- **LATIN AMERICA**: 3%

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The role of social media in the consumer decision journey extends beyond North America, and indeed is even more pronounced in other regions.

Social media’s influence on purchase intent is strong across all regions, but strongest among online consumers in the Asia-Pacific, Latin America and Middle East / Africa markets. Thirty percent of online consumers in the Middle East / Africa region and 29 percent in Asia-Pacific use social media on a daily basis to learn more about brands/products/services, with one-third of respondents in both regions connecting on a weekly basis.

Across all regions, social media has the potential to influence consumers’ entertainment and home electronics purchase decisions. These categories are followed closely by: Travel/Leisure (60%), Appliances (58%), Food/Beverages (58%), Clothing/Fashion (58%) and Restaurants (57%). These categories were also the most discussed products/services via social networking.

Social media represents a huge opportunity for brands to gain positive favor with consumers. With growing disposable income in emerging markets, savvy marketers can harness the growing adoption and influence of social media to impact business.
In the next year, how likely* are you to make a purchase based on social media websites/online product reviews for each of the following products/services?

**THE GLOBAL SOCIAL CONSUMER**

- **ENTERTAINMENT**
  - ASIA-PACIFIC: 74%
  - EUROPE: 46%
  - M. EAST/AFRICA: 67%
  - LATIN AMERICA: 69%

- **HOME ELECTRONICS**
  - ASIA-PACIFIC: 75%
  - EUROPE: 48%
  - M. EAST/AFRICA: 63%
  - LATIN AMERICA: 67%

- **FINANCIAL PRODUCTS/BANKING**
  - ASIA-PACIFIC: 63%
  - EUROPE: 29%
  - M. EAST/AFRICA: 52%
  - LATIN AMERICA: 46%

- **AUTOMOBILES**
  - ASIA-PACIFIC: 55%
  - EUROPE: 32%
  - M. EAST/AFRICA: 51%
  - LATIN AMERICA: 47%

- **RESTAURANTS**
  - ASIA-PACIFIC: 69%
  - EUROPE: 37%
  - M. EAST/AFRICA: 56%
  - LATIN AMERICA: 55%

- **TOYS**
  - ASIA-PACIFIC: 48%
  - EUROPE: 25%
  - M. EAST/AFRICA: 41%
  - LATIN AMERICA: 38%

- **BEAUTY/COSMETICS**
  - ASIA-PACIFIC: 62%
  - EUROPE: 33%
  - M. EAST/AFRICA: 43%
  - LATIN AMERICA: 48%

- **JEWELRY/ACCESSORIES**
  - ASIA-PACIFIC: 48%
  - EUROPE: 20%
  - M. EAST/AFRICA: 41%
  - LATIN AMERICA: 29%

- **FOOD/BEVERAGES**
  - ASIA-PACIFIC: 72%
  - EUROPE: 38%
  - M. EAST/AFRICA: 59%
  - LATIN AMERICA: 56%

- **CLOTHING/FASHION**
  - ASIA-PACIFIC: 74%
  - EUROPE: 39%
  - M. EAST/AFRICA: 58%
  - LATIN AMERICA: 56%

- **DATING**
  - ASIA-PACIFIC: 47%
  - EUROPE: 19%
  - M. EAST/AFRICA: 32%
  - LATIN AMERICA: 25%

- **BABY CARE**
  - ASIA-PACIFIC: 43%
  - EUROPE: 18%
  - M. EAST/AFRICA: 42%
  - LATIN AMERICA: 28%

*Combined likely and somewhat likely responses
ABOUT NIELSEN

Nielsen Holdings N.V. (NYSE: NLSN) is a global information and measurement company with leading market positions in marketing and consumer information, television and other media measurement, online intelligence, mobile measurement, trade shows and related properties. Nielsen has a presence in approximately 100 countries, with headquarters in New York, USA and Diemen, the Netherlands. For more information, visit www.nielsen.com.

ABOUT NM INCITE

NM Incite, a joint venture between Nielsen and McKinsey, provides social media software, research and advisory solutions to global Fortune 1000 marketers looking to build strong, differentiated and emotionally-engaging brands. As one of the largest global leaders in applying social media to solve marketing problems, NM Incite operates in over 30 markets, including the United States, Canada, United Kingdom, Germany, China, India, Japan and Australia. For more information, visit www.nmincite.com.

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