

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

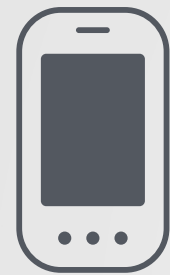
Social Media Practice Lead



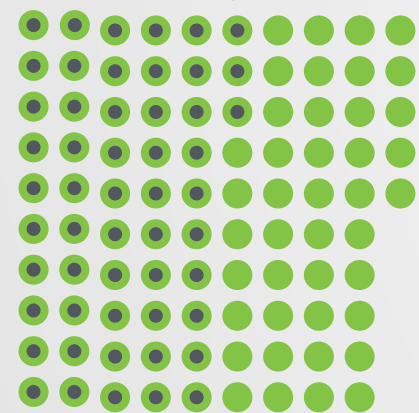
More and more people are connecting to the Internet—and for longer amounts of time

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.

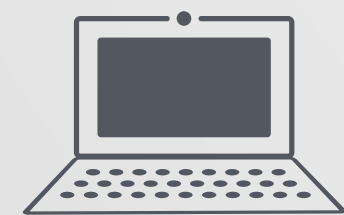
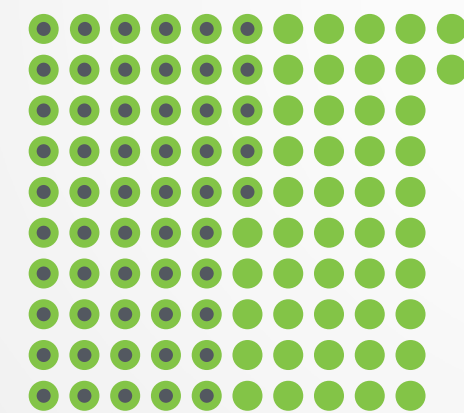
Overall Unique U.S. Audience ● JULY 2011 ● JULY 2012



MOBILE WEB ↑ 82%
52,435,000 | 95,176,000

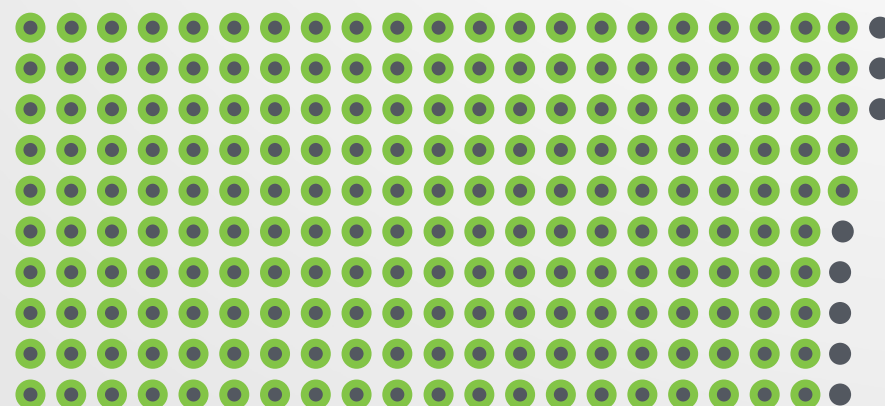


MOBILE APPS ↑ 85%
55,001,000 | 101,802,000



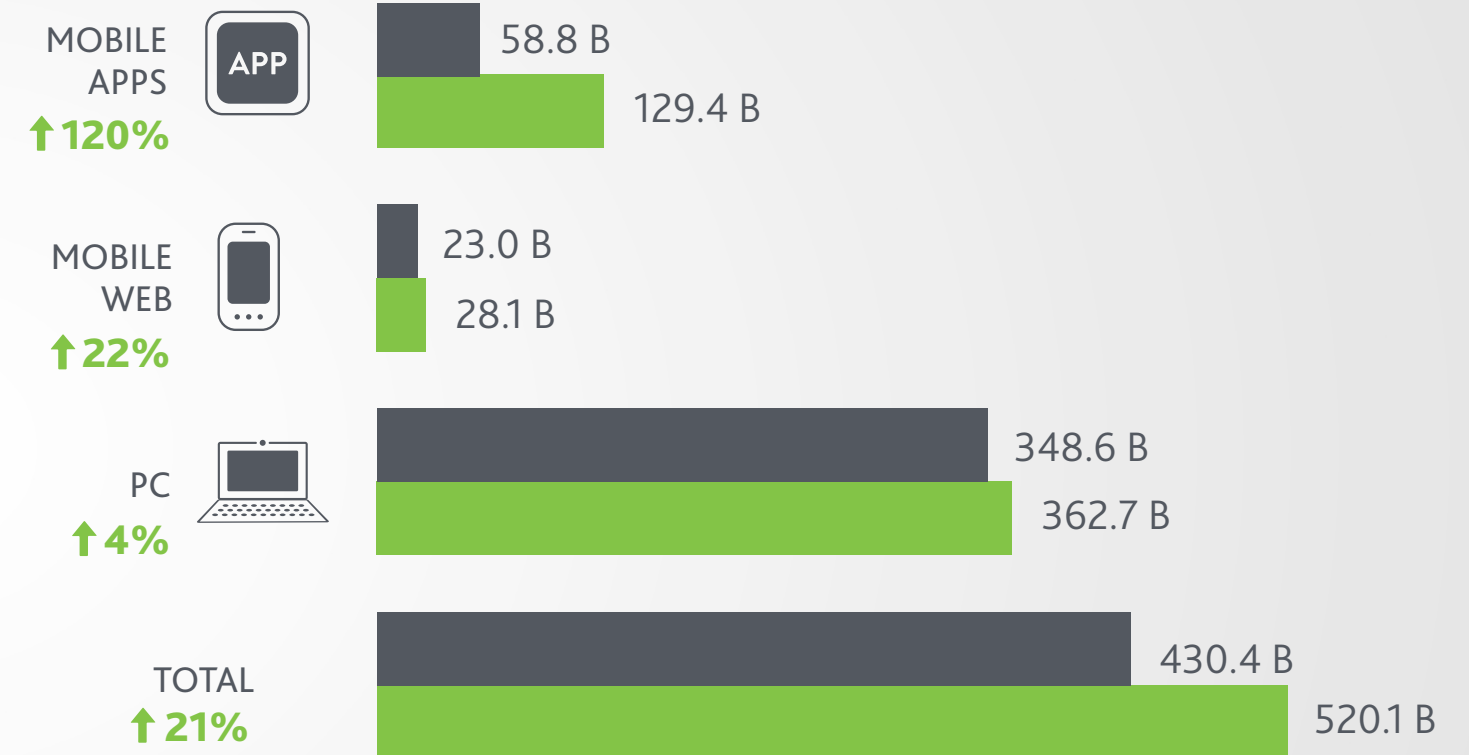
PC

213,253,000 | 204,721,000 ↓ 4%



TOTAL MINUTES SPENT ON MOBILE AND PC

Total Minutes, U.S.
JULY 2011 | JULY 2012

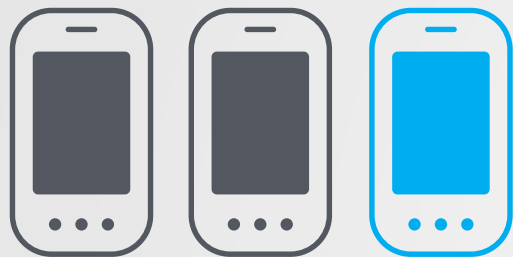


People continue to spend more time on social networks than any other category of sites—**20%** of their time spent on PCs and **30%** of their mobile time.

17%

of consumers' PC time is spent on Facebook, the most popular web brand in the U.S.

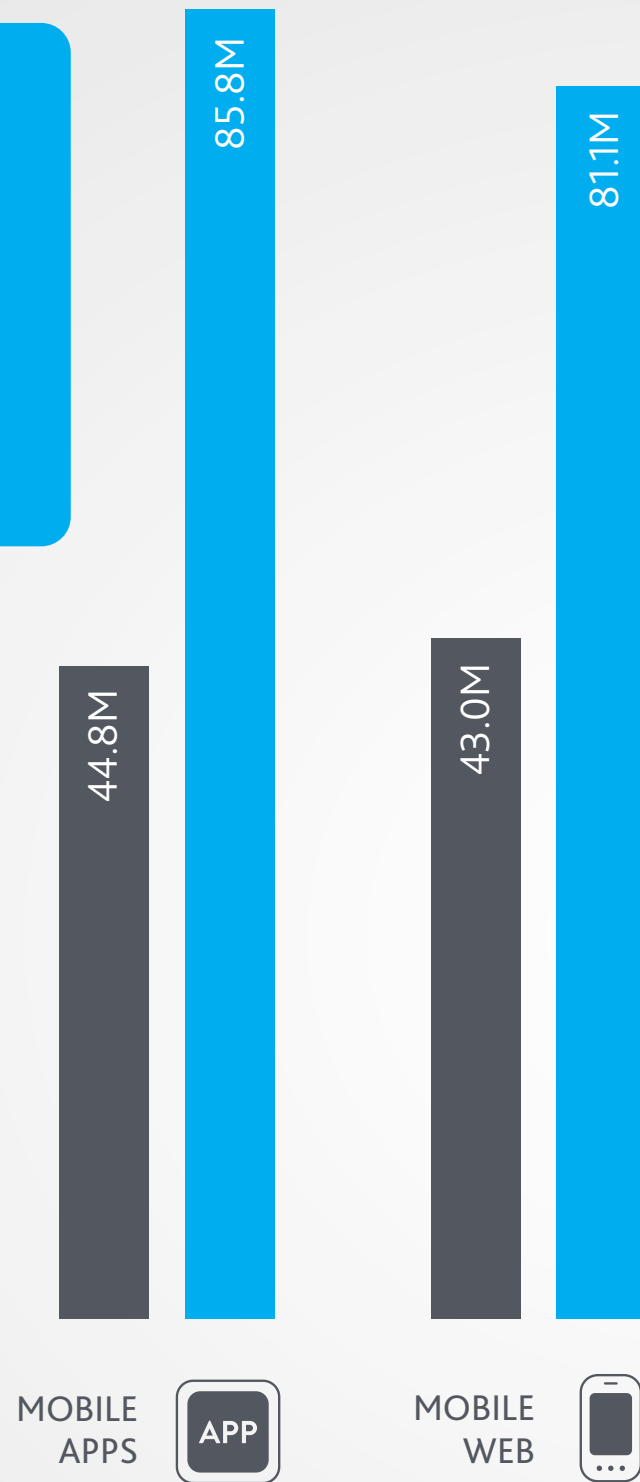
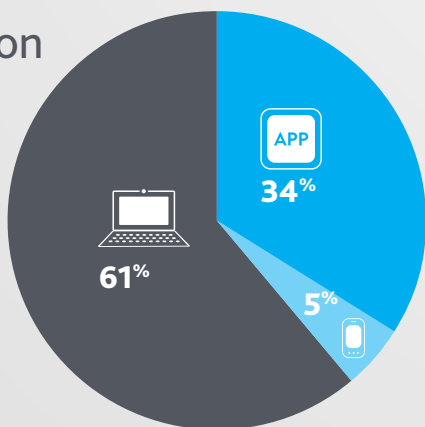
SOCIAL NETWORKING IS ALL ABOUT MOBILE



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



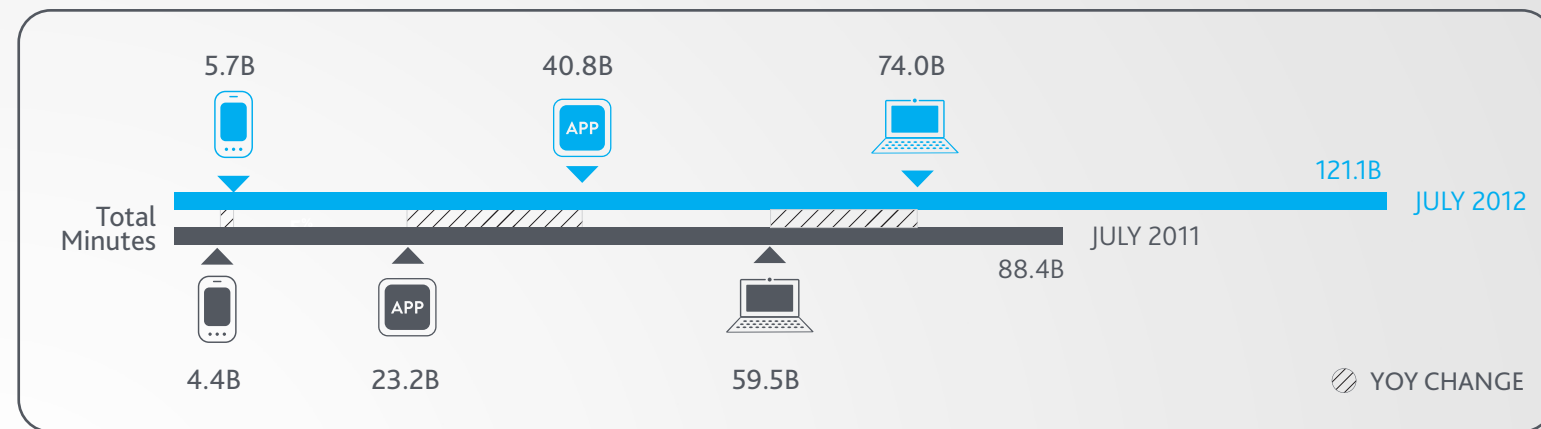
JULY 2011 | JULY 2012

Unique U.S. Audience for Social Networking

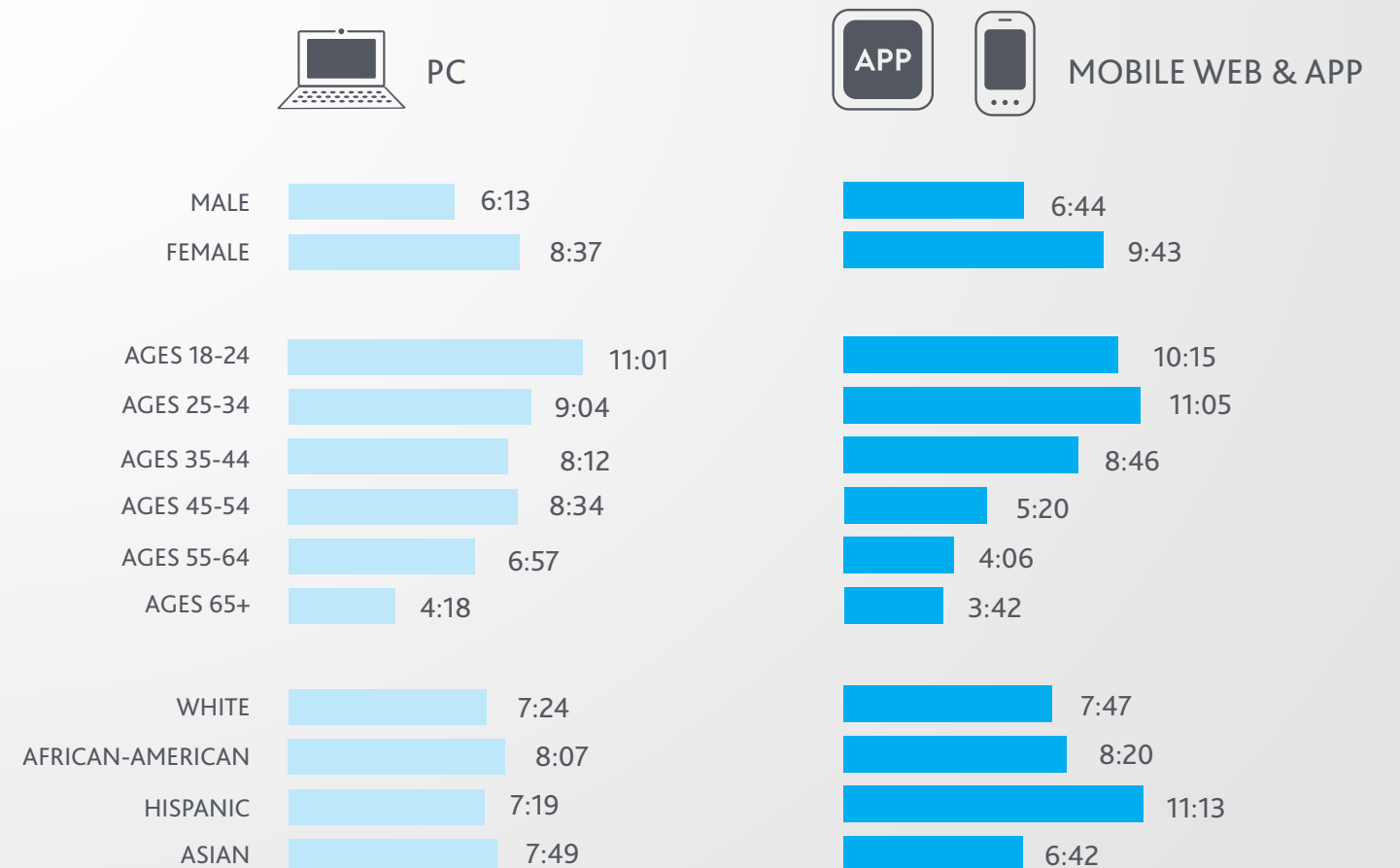
163.6M | 171.8M



TIME SPENT ON SOCIAL MEDIA

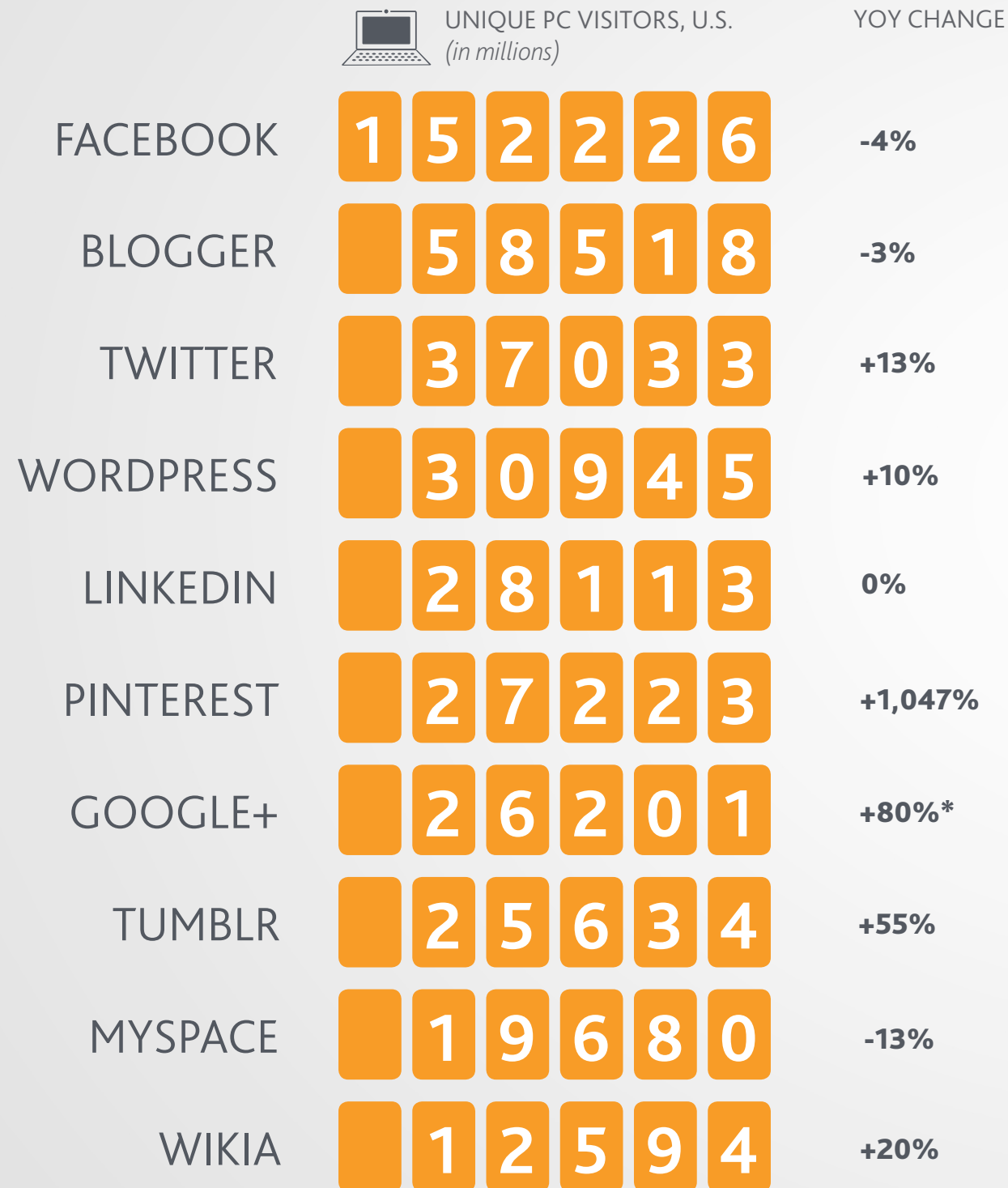


Social Networking Time per Person in HH:MM



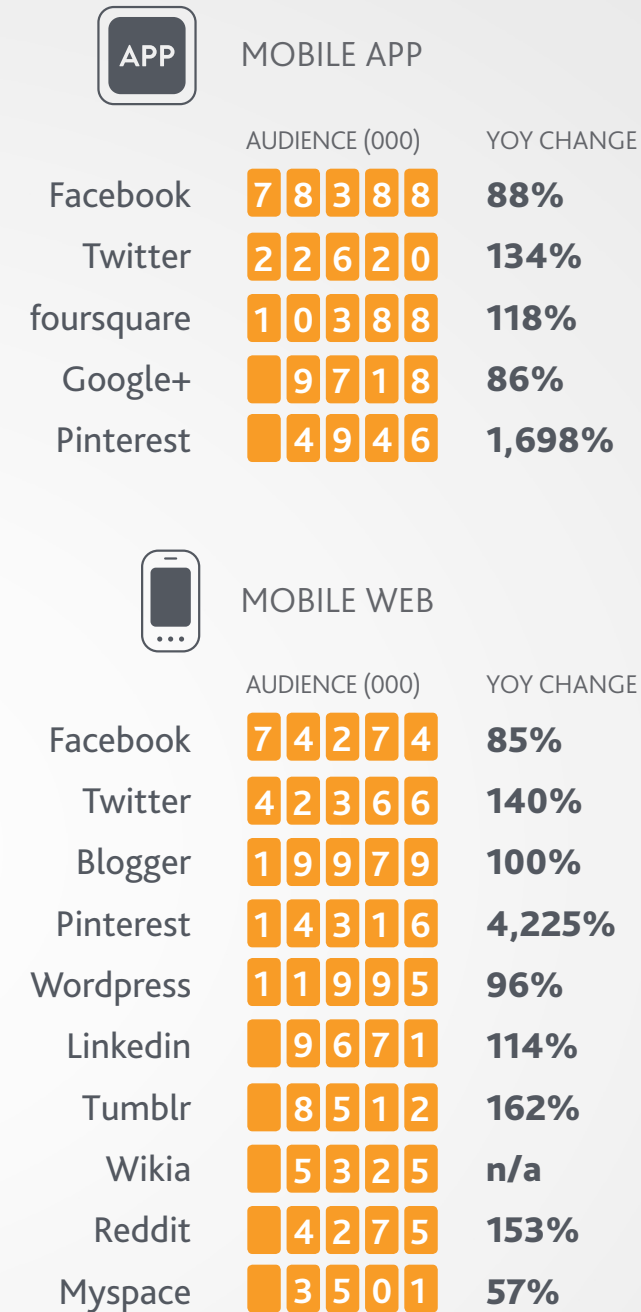
A LOOK AT THE TOP SOCIAL NETWORKS

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

Unique U.S. Audience (in millions)



↑ 2011 Pinterest Mobile Web



TOTAL MINUTES SPENT

Top 5 U.S. Social Networking Apps Ranked on Total Minutes

App	Total Minutes	YOY % Change
Facebook	27.0B	61%
Twitter	3.6B	48%
foursquare	1.9B	154%
Pinterest	721.0M	6,056%
Google Latitude	599.2M	-2%

Top 5 U.S. Social Networking Sites via Mobile Web Ranked on Total Minutes

Site	Total Minutes	YOY % Change
Facebook	4.1B	9%
Twitter	486.2M	139%
Blogger	170.0M	89%
Tumblr	164.6M	78%
Reddit	138.0M	342%

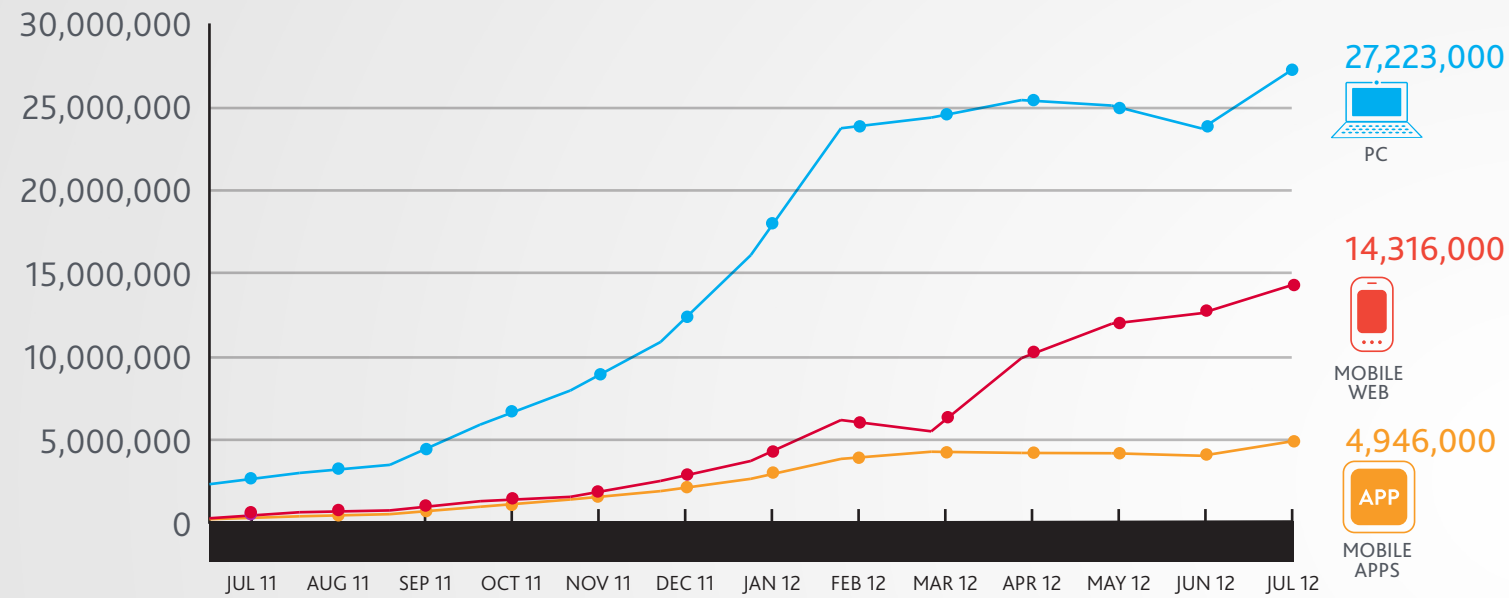
Top 5 U.S. Social Networking Sites via PC Ranked on Total Minutes

Site	Total Minutes	YOY % Change
Facebook	62.2B	23%
Tumblr	2.1B	65%
Twitter	1.8B	72%
Pinterest	1.3B	N/A
Blogger	816.1M	-17%

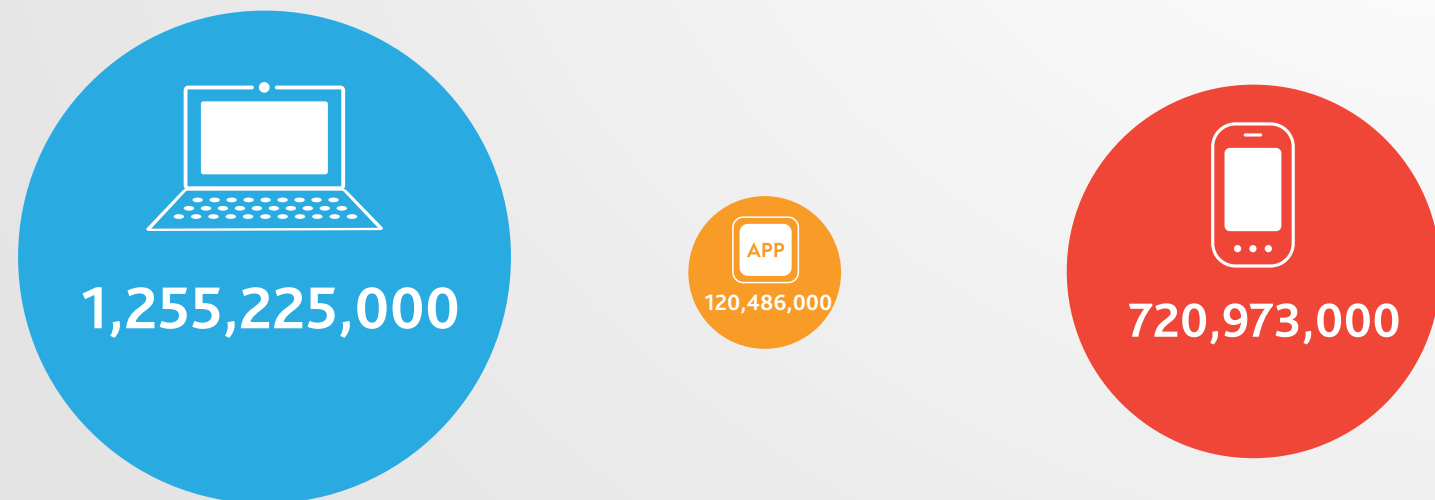
A SPOTLIGHT ON PINTEREST

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

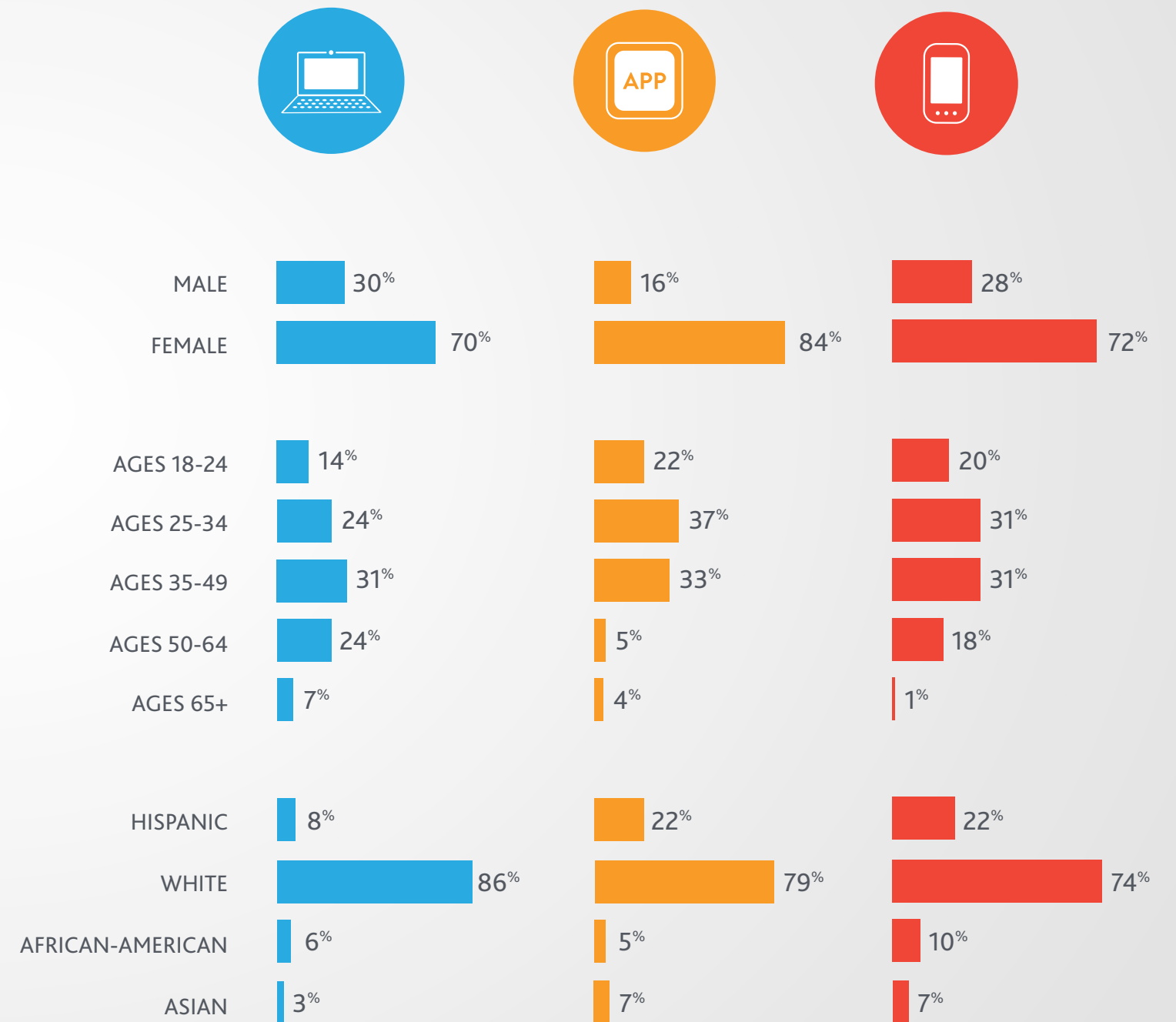


2012 Total Minutes Spent



WHO IS USING PINTEREST?

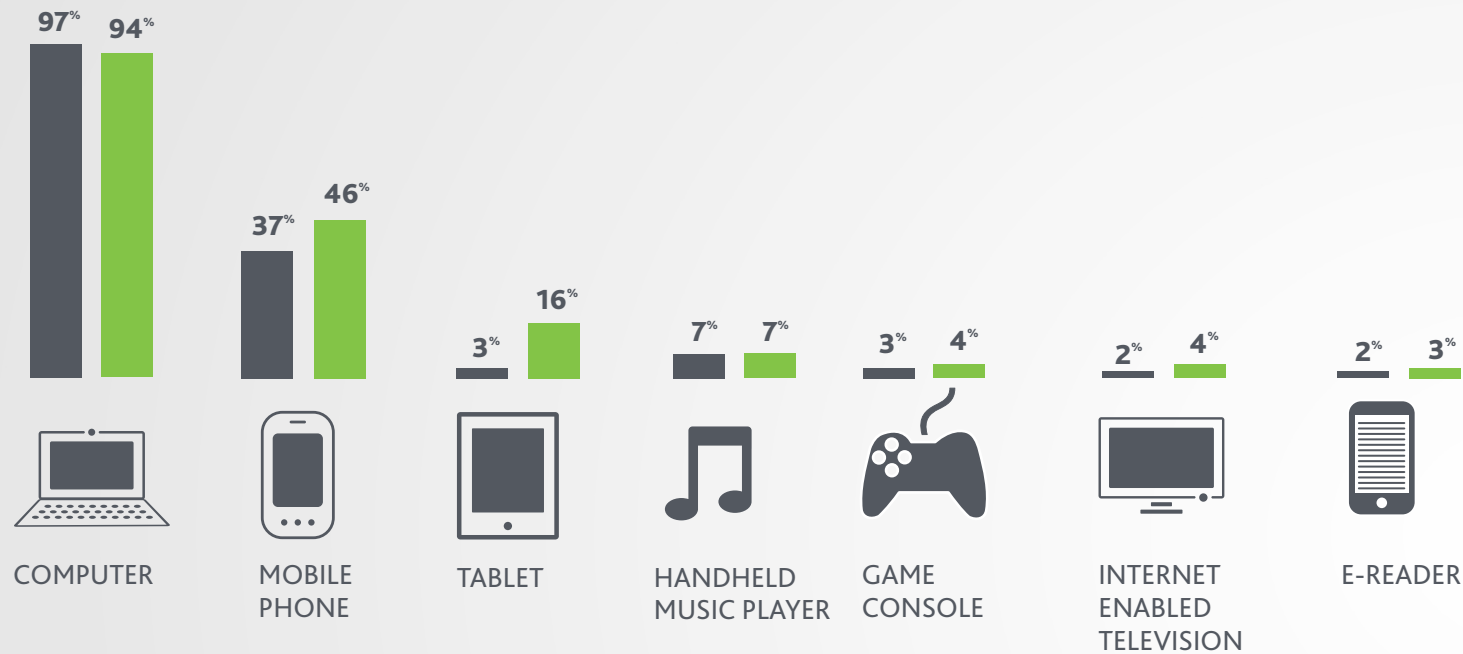
U.S. Audience Composition



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 2011 | 2012



WHERE WE CONNECT

AGES 18-24



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

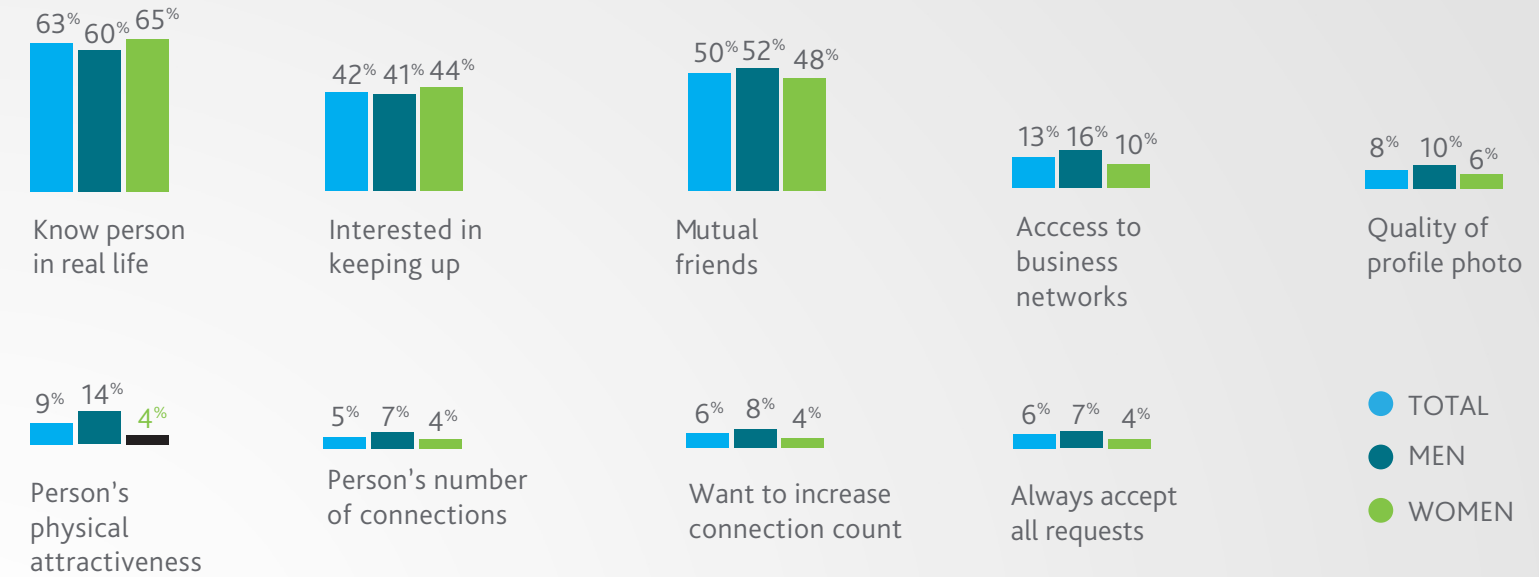
AGES 25-34



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

WHY WE CONNECT

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



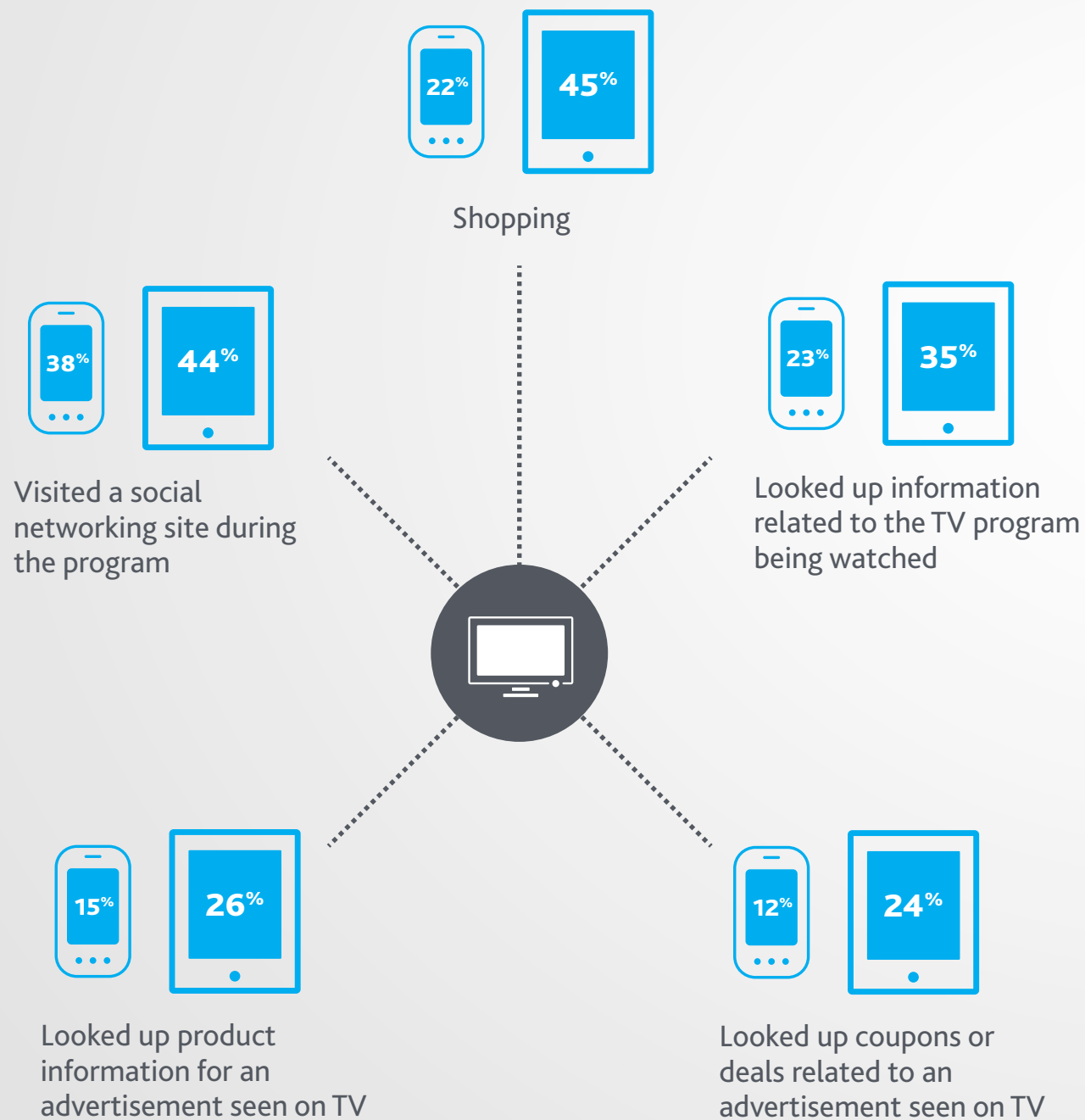
GENERAL FEELINGS AFTER PARTICIPATING IN SOCIAL NETWORKING



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.

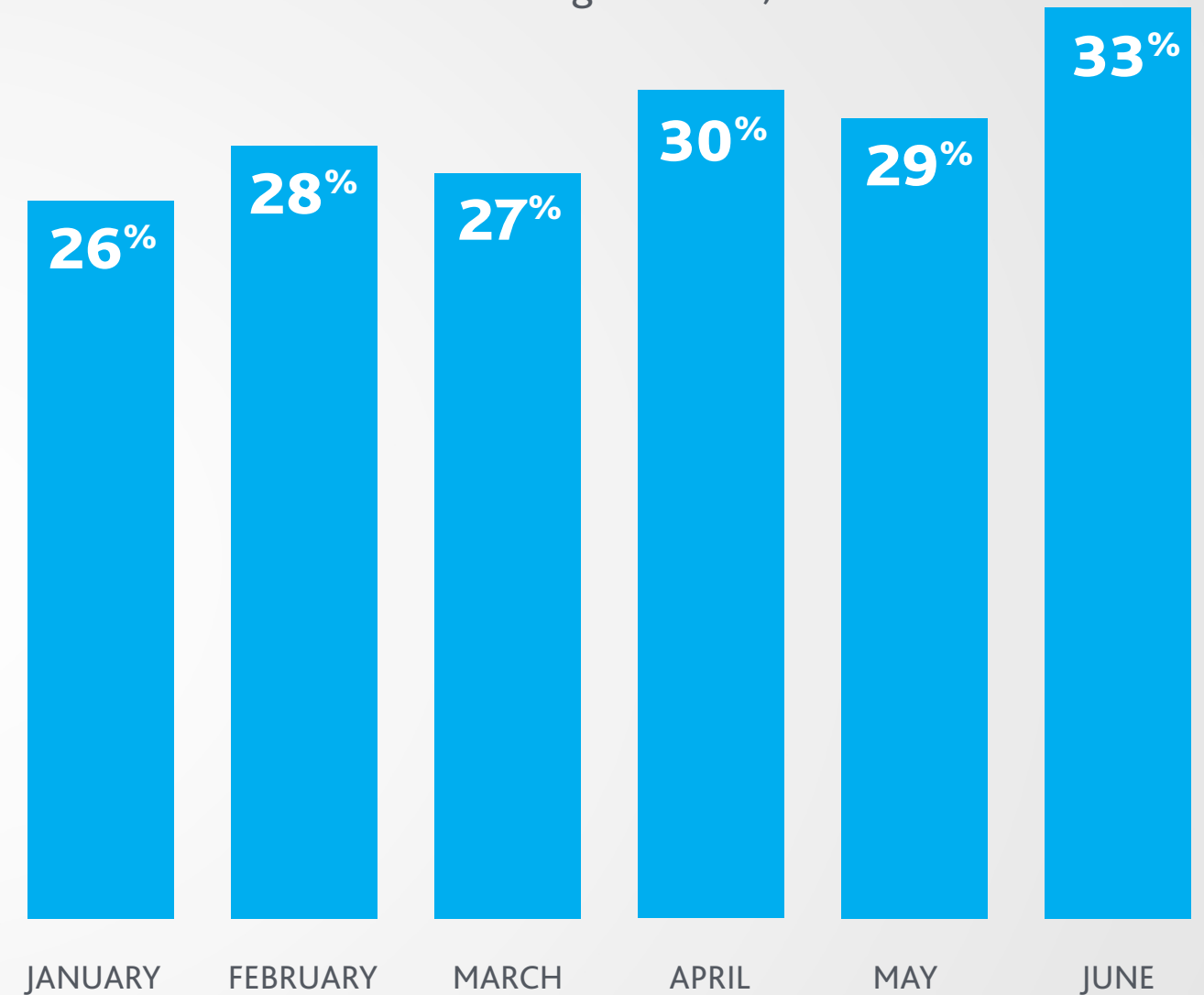
Simultaneous TV/Mobile Device Usage, U.S.



TWITTER DRIVES SOCIAL TV

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.

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



“ SPOILER ALERT ”

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



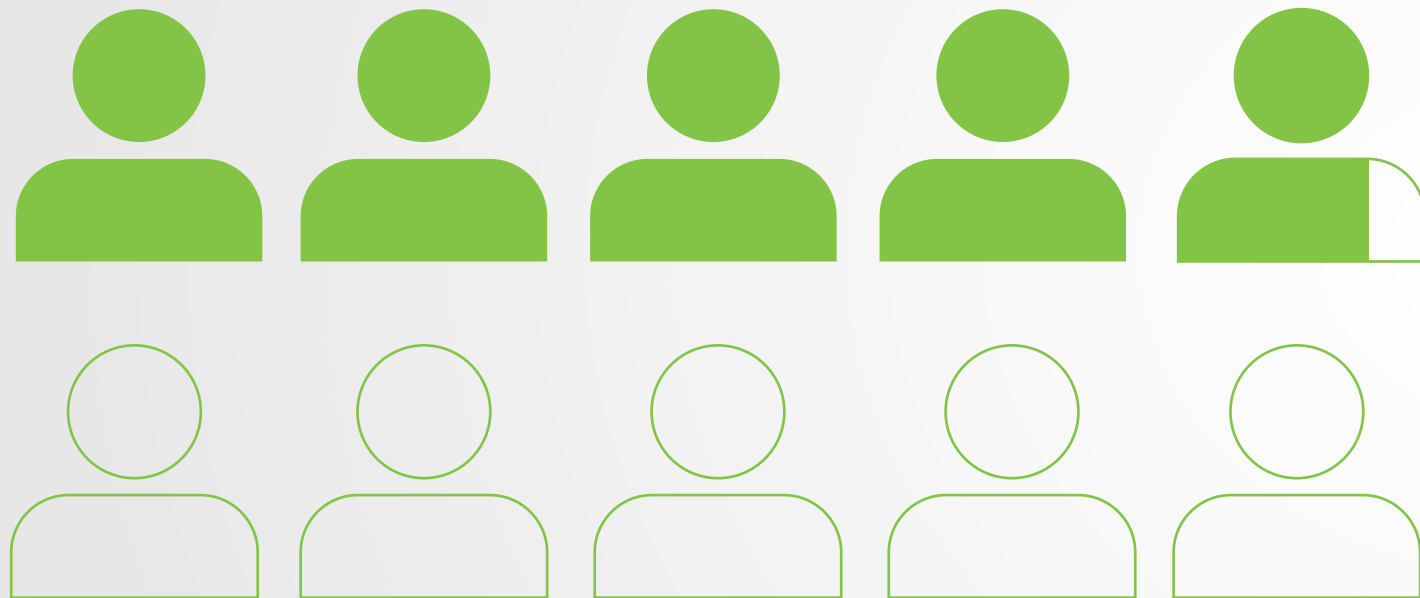
“ TALKING TV ”

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

SOCIAL CARE

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.

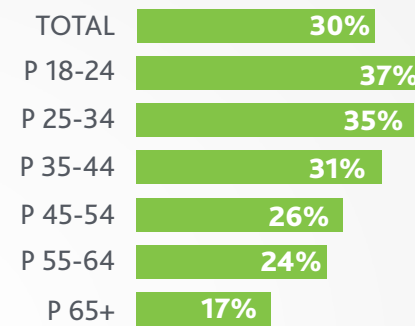
ON AVERAGE, 47% OF SOCIAL MEDIA USERS ENGAGE IN SOCIAL CARE



FREQUENCY OF SOCIAL CARE USE AMONG USERS



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%).

- 29% **Facebook** | Company's Page
- 28% **Facebook** | User's Personal Page
- 15% **Official Company Blog**
- 14% **Twitter** | Personal Handle (no @ mention of company)
- 13% **Twitter** | Company's Handle (tweet from user's personal handle including an @mention of company)
- 12% **YouTube** | Company's Channel
- 11% **YouTube** | User's Personal Channel
- 11% **Non-company Blog**

ADVERTISING ON SOCIAL MEDIA

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.

	TOTAL	HISPANIC	WHITE	AFRICAN-AMERICAN	ASIAN
Shared Ads	15%	21%	13%	18%	26%
Liked Ads	26%	32%	24%	29%	41%
Purchased Products	14%	22%	12%	18%	31%

ACTIONS TAKEN AFTER SEEING SOCIAL ADS

SHARED ADS

LIKED ADS

PURCHASED PRODUCTS

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

White consumers are the least likely to take action after seeing ads on social networks

	TOTAL	HISPANIC	WHITE	AFRICAN-AMERICAN	ASIAN
Made a purchase over the Internet for a product that was advertised	10%	16%	8%	14%	19%
Made a purchase at a store for a product that was advertised	8%	12%	7%	10%	18%
Purchased or obtained a coupon (i.e. through a daily deal site, retailer, etc)	18%	19%	16%	18%	28%

MADE A PURCHASE AFTER SEEING SOCIAL ADS

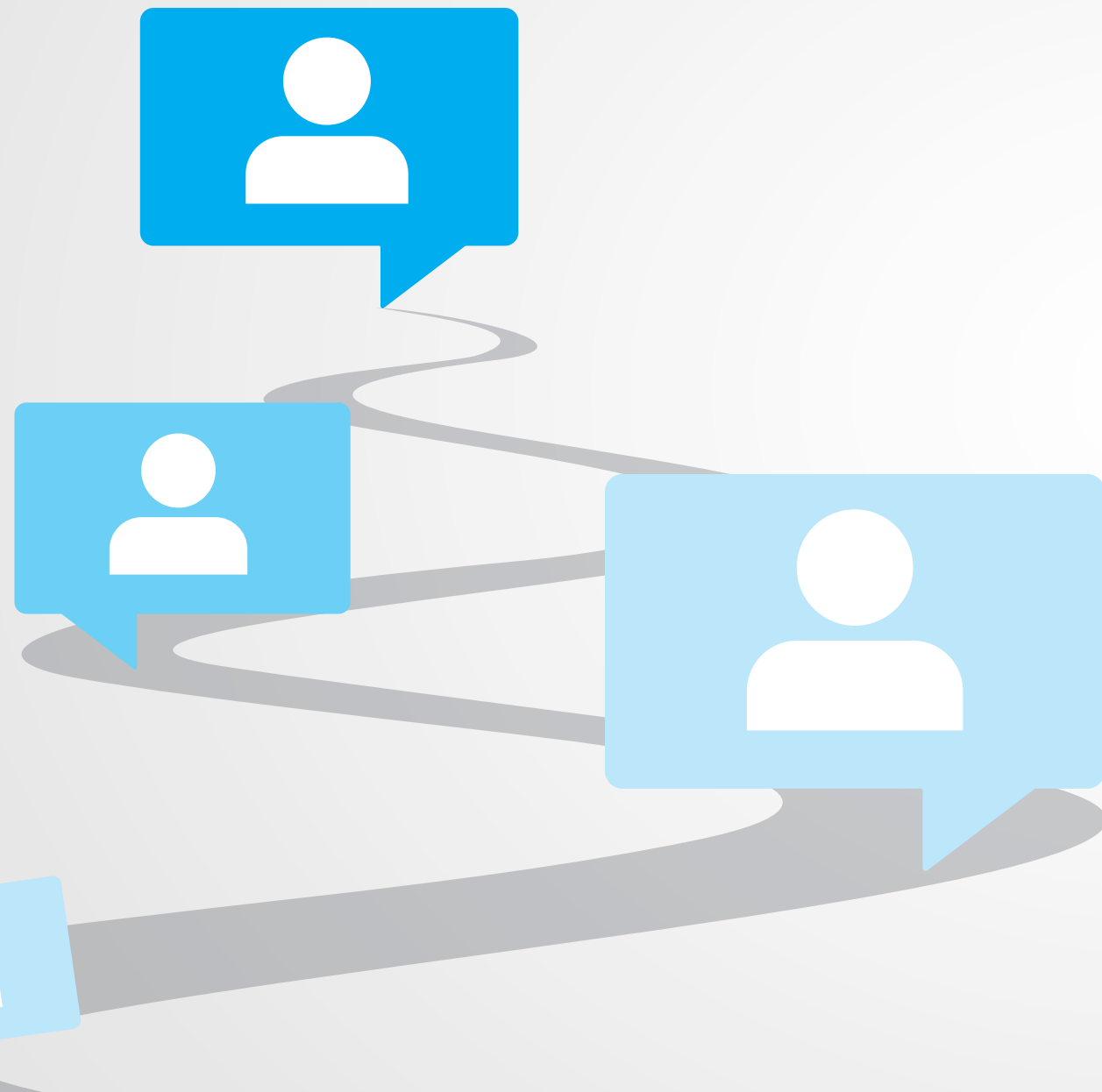
Made a purchase over the Internet for a product that was advertised

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)

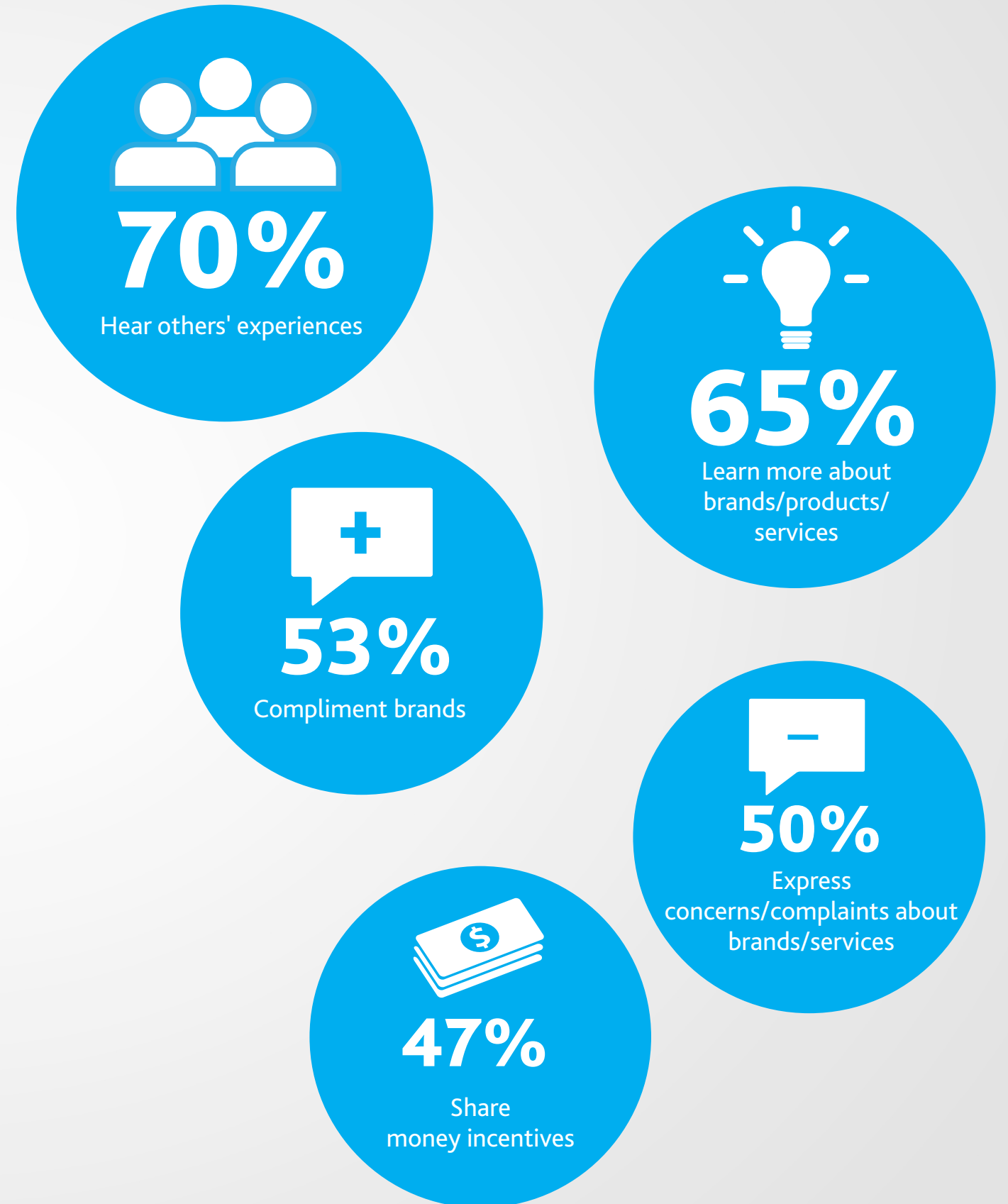
THE CONSUMER DECISION JOURNEY

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



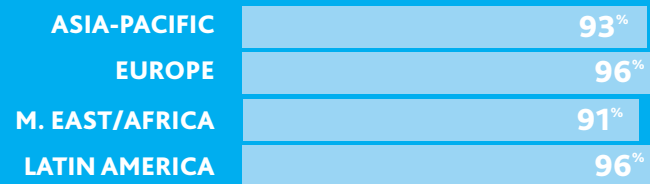
THE GLOBAL SOCIAL CONSUMER

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.

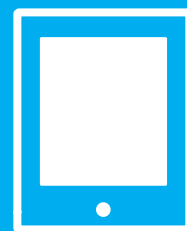
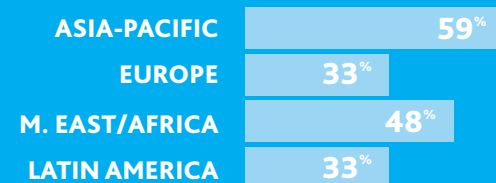
HOW DO YOU ACCESS SOCIAL NETWORKING SITES?



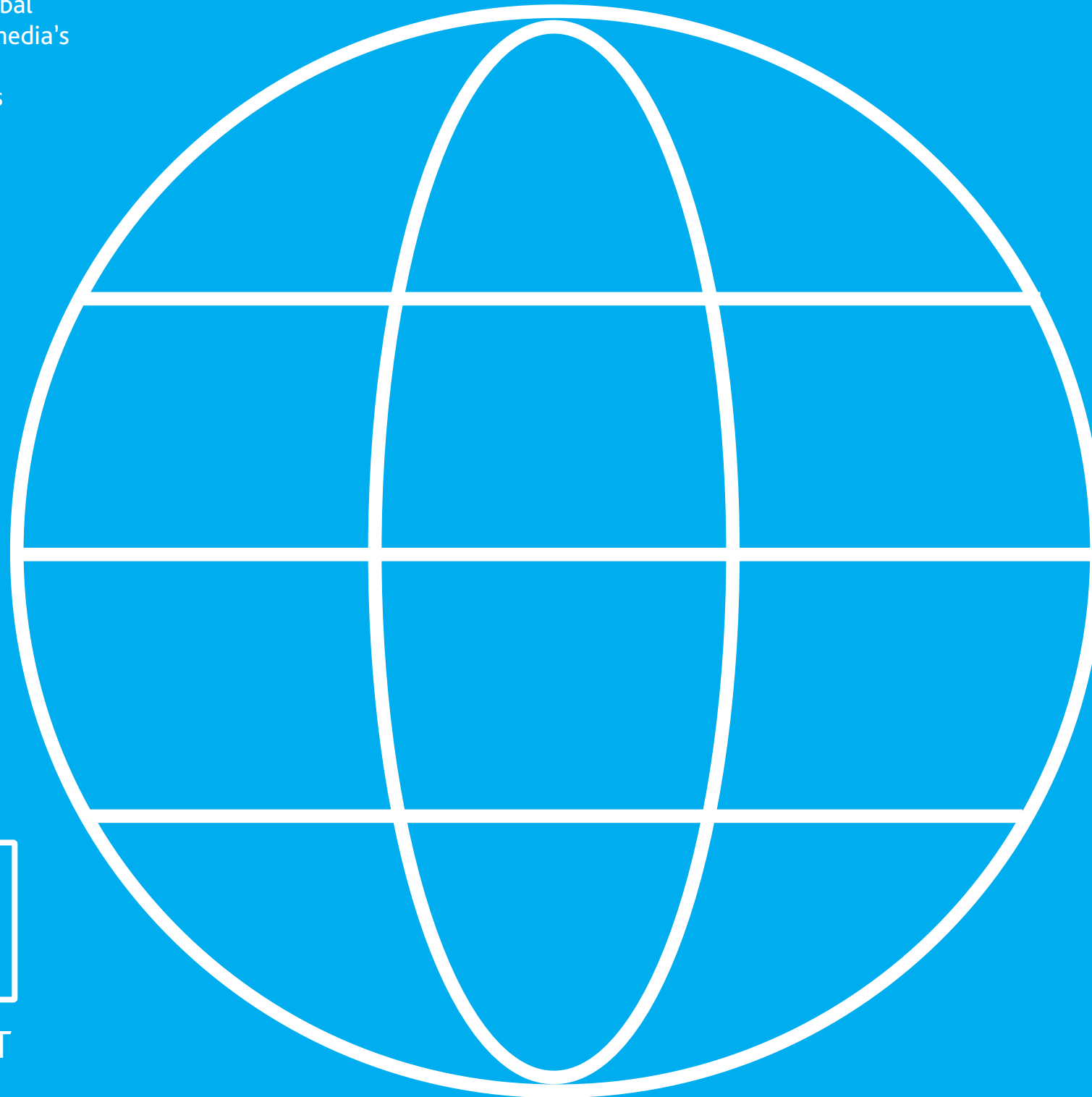
COMPUTER



MOBILE PHONE



TABLET



INTERNET ENABLED TV



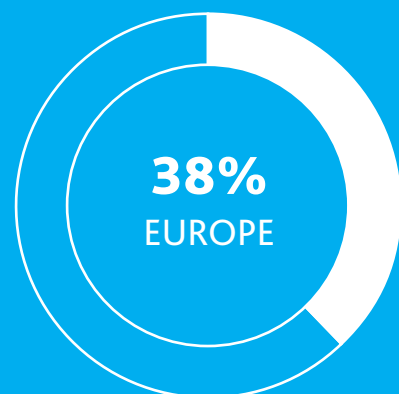
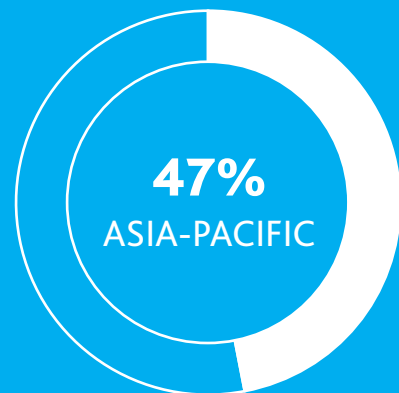
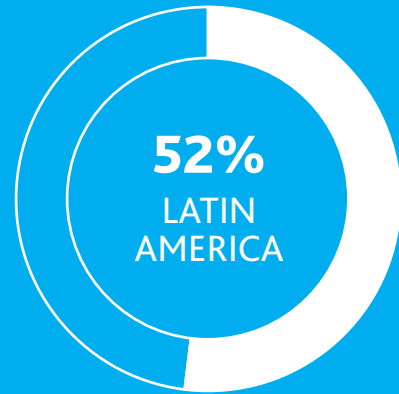
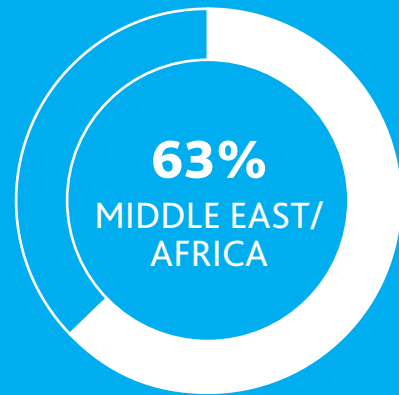
GAME CONSOLE



HANDHELD MUSIC PLAYER



ARE YOU INTERACTING WITH SOCIAL MEDIA WHILE WATCHING TV?



● YES ○ NO

THE GLOBAL CONSUMER DECISION JOURNEY



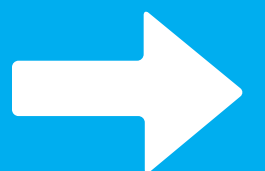
The role of social media in the consumer decision journey extends beyond North America, and indeed is even more pronounced in other regions.

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

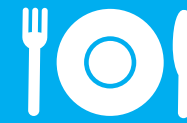
followed closely by: Travel/Leisure (60%), Appliances (58%), Food/Beverages (58%), Clothing/Fashion (58%) and Restaurants (57%). These categories were also the most discussed products/services via social networking.

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.

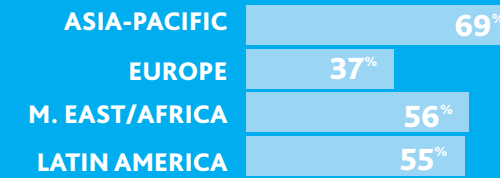


THE GLOBAL SOCIAL CONSUMER

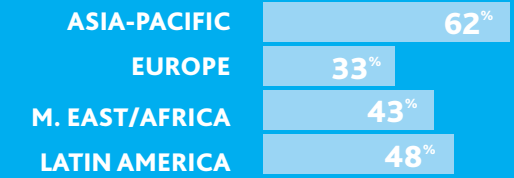
In the next year, how likely are you to make a purchase based on social media websites/online product reviews for each of the following products/services?*



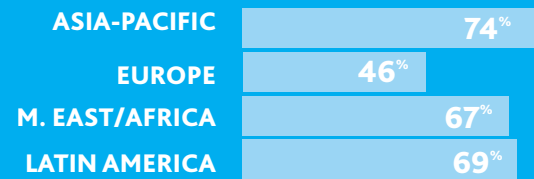
RESTAURANTS



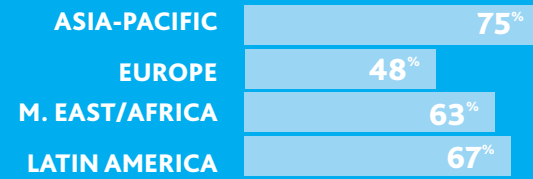
BEAUTY/ COSMETICS



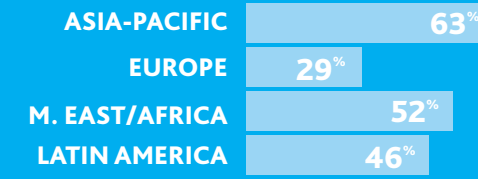
ENTERTAINMENT



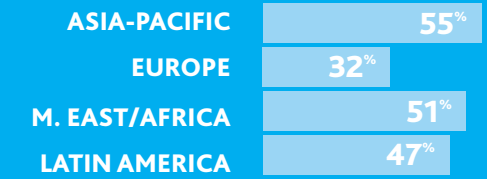
HOME ELECTRONICS



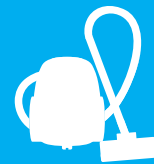
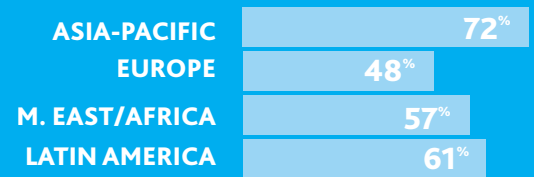
FINANCIAL PRODUCTS/ BANKING



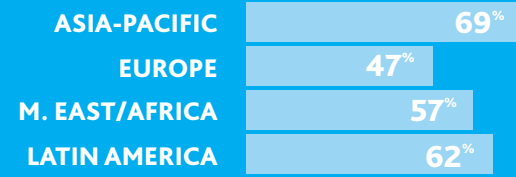
AUTOMOBILES



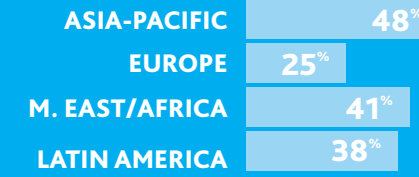
TRAVEL & LEISURE



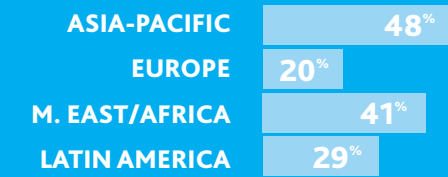
APPLIANCES



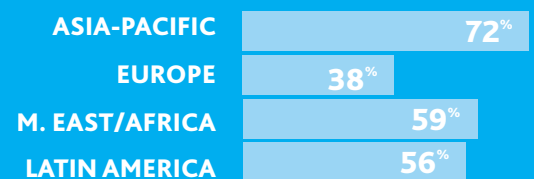
TOYS



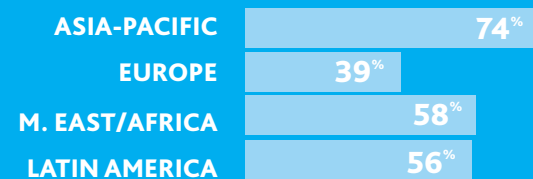
JEWELRY/ ACCESSORIES



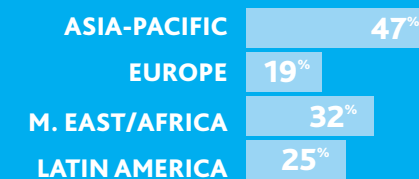
FOOD/ BEVERAGES



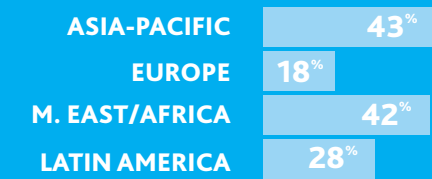
CLOTHING/ FASHION



DATING



BABY CARE



SOURCES

- 3-10 Nielsen NetView (July 2012), Nielsen Smartphone Analytics (July 2012)
- 11-12 Nielsen U.S. Social Media Survey 2012
- 13 Nielsen Mobile Connected Devices Report (Q2 2012)
- 14 NM Incite's Social Guide (Twitter Drives Social TV), Nielsen U.S. Social Media Survey 2012
- 15-16 NM Incite State of Social Customer Service Report 2012, Nielsen U.S. Social Media Survey 2012
- 17-18 Nielsen U.S. Social Media Survey 2012
- 20 Nielsen U.S. Social Media Survey 2012
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ABOUT NIELSEN'S U.S. SOCIAL MEDIA SURVEY 2012: The Nielsen U.S. Social Media Survey 2012 is based on a representative sample of 1,998 adult (18+) social media users who were recruited from the Nielsen Online Panel to take an online survey. "Social media user" is defined as participating, talking, and networking online through various platforms to share information and resources. This includes Internet forums, blogs, Facebook, Twitter, video sharing, consumer rating and other social networking websites. The survey fielded from July 19 to August 8, 2012.

ABOUT NIELSEN'S GLOBAL SURVEY OF SOCIAL MEDIA USAGE: The Nielsen Global Survey of Social Media Usage was conducted between March 23 and April 12, 2011 and polled more than 28,000 consumers in 51 countries throughout Asia Pacific, Europe, Latin America, the Middle East, Africa and North America. The sample has quotas based on age and sex for each country based on their Internet users, and is weighted to be representative of Internet consumers and has a maximum margin of error of $\pm 0.6\%$. This Nielsen survey is based on the behavior of respondents with online access only. Internet penetration rates vary by country. Nielsen uses a minimum reporting standard of 60 percent Internet penetration or 10M online population for survey inclusion.

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.nmncite.com.

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