Social media are now an integral part of many consumers' everyday lives. In 2012, 92.6% of German citizens with Internet access had at least one social network account. The country-wide acceptance and application of social media, together with the increasing distribution of smartphones, indicate a fundamental and ongoing change affecting all elements of the German society. The idea of the present study is to protocol this change in a representative manner. We do so by adopting three unique perspectives:

1. To better understand the basic coordinates of consumers’ social media behavior, we calculate a Social Media Index and apply it to analyze social media consumption from different demographic and behavioral perspectives (Section 3).

2. We assess the importance of social media for the consumption of a wide variety of products and services. We determine the role of social media for purchase decision making and brand relationship formation, two essential sources of marketing value, by comparing social media with other media in our Media Importance Pie Charts (Section 4 and 5).

3. We take a close look at overall consumer communication behavior in private and business settings, finding substantive differences between private and business communication practices in Germany (Section 6).

Essentially, this report provides indisputable evidence that social media have become a key element of German consumers’ lives. We believe that several managers today ignore the dramatic dimension of change that social media bring about for consumers and firms, misjudging social media as just another new communication tool. The change caused by social media in terms of consumer perceptions and behavior cannot be left to agencies or social media managers alone, but must be reflected much deeper in company value chains. In this sense, the present report issues a warning, but also indicates the enormous business potential that the social media revolution offers to those who are able to act progressively and proactively.

This report was designed and carried out by the Social Media Think:Lab, a joint research initiative of the University of Münster's Marketing Center and Roland Berger Strategy Consultants. We have established the Think:Lab to better understand the social media-induced structural changes in society and businesses alike and to offer companies compelling ways to cope with these changes. Our research projects conform to the methodical and ethical standards of academic research. We are driven by curiosity and gladly share our research results openly with all who are also passionate about social media.

In this spirit, we wish you exciting new discoveries while reading!
1 EXECUTIVE SUMMARY

Our data reveals three major social media-induced trends in German society.

For social media, “infancy” is over! In 2012, social media became mainstream and are now heavily used by all strata of the German population. No matter what age, educational background, or income, and no matter where in Germany they live, everyone uses social media.

The average Social Media Index, which measures social media usage intensity for German citizens is 7.5 (on our scale the daily use of a single social network such as Facebook warrants 3 points).

The vast majority of Germans use social media several times a day.

Social networks vary significantly with regard to the people they attract. On average, Twitter users are the most active people, whereas Xing users are the wealthiest—and both networks have the highest educated users.

In 2012, social media were already as important for consumers’ purchase decisions in Germany as TV ads, traditional direct marketing, and public advertising. They were even more important than radio.

Over the 19 industries covered by this report, social media influence the purchase decisions of German consumers on average by almost 8 percent.

The more involved people are in a particular purchase, the more they use social media.

On average, social media account for about 6 percent of the development of brand relationships.

In private life, social media are the second most important communication medium for German consumers. Only the telephone is (still) more important.

Companies have not fully adapted to this change in society yet.

German advertising expenditures still have a considerably skewed distribution, favoring the established media channels TV and print. Although traditional websites and social media explain more than 22 percent of German consumers’ purchase decisions, German companies currently only spend 12 percent of their advertising budget on these channels.

Companies still fail to communicate effectively with consumers through social media. Currently, 60 percent of German consumers cannot see much value in the social media messages they receive from companies.

By and large, communication practices vary strongly between private and business communication. New means of communication and information sharing like social networks, messenger services, or location-based services are rarely used in German companies. Only 3 to 7 percent of German employees use these.

People have started to use social media to improve major aspects of their daily lives, including those which affect businesses.

The vast majority of Germans use social media several times a day.

Social networks vary significantly with regard to the people they attract. On average, Twitter users are the most active people, whereas Xing users are the wealthiest—and both networks have the highest educated users.

In private life, social media are the second most important communication medium for German consumers. Only the telephone is (still) more important.

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By and large, communication practices vary strongly between private and business communication. New means of communication and information sharing like social networks, messenger services, or location-based services are rarely used in German companies. Only 3 to 7 percent of German employees use these.

For social media, “infancy” is over! In 2012, social media became mainstream and are now heavily used by all strata of the German population. No matter what age, educational background, or income, and no matter where in Germany they live, everyone uses social media.
2 INTRODUCTION: UNDERSTANDING THE CONSUMER IS CRUCIAL

These days, social media constitute one of the most prominent challenges for marketing managers. A recent study by the Marketing Center Münster, which asked 146 German managers to name the most important entrepreneurial challenges over the next few years, finds that 89% of the respondents name social media.1

At the same time, we observe that most companies are taking only limited action in response to this enormous challenge. Social media are often treated as merely another communication channel whose value potential is unclear; companies thus have often limited their response to either doing nothing, hiring a “social media manager,” or outsourcing social media communication to an agency. A holistic social media strategy that accounts for the specific characteristics of social media, and at the same time integrates this new channel deeply into the company’s value chain, is often lacking. This managerial response obviously conflicts with social media’s perceived importance.

One reason for the lack of far-reaching social media strategies can be seen in the lack of rigorous scientific findings or their insufficient diffusion among managers. The Social Media Think:Lab team of researchers has therefore introduced the pinball metaphor as an intuitive model of market dynamics in the social media era. This model treats modern marketing as a chaotic but manageable game at a pinball machine. In this game, company messages (pinballs) encounter many very active consumers (bumpers or slingshots). These consumers then either dramatically accelerate, transform, or thwart the original company-message and, by doing so, actively influence the course of the marketing game. We believe that in social media times, the pinball model has succeeded the old, mono-directional and mostly static model that interpreted marketing as playing bowling.

This report aims at looking into the black box – the pinball mechanics – by providing reliable data to enhance our understanding of the central element of the game – the active consumer. How do consumers employ social media? How closely are social media related to consumers’ purchase decisions and their relationships with brands? And how does the importance of social media differ between consumers groups, but also between product markets?

Our approach to take the consumer perspective on social media is not an end in itself, but rather a necessity for managers to better understand the living environment of their customers. As strong customer orientation constitutes the backbone of all successful marketing actions. We consider such understanding as essential for becoming (or remaining) a successful operator of the pinball marketing machine.

3 THE METHOD: SURVEY DESIGN

3.1 Data Collection

The German Social Media Consumer Report 2012/2013 is based on a representative online survey of German Internet users who account for 75.6% of the German population.1 Representativeness refers to gender, age, education, and provenance within Germany (federal state and population density); these attributes were used as quota criteria. Data collection took place during the last two weeks of July 2012.

The survey consisted of two parts. The first referred to general social media usage and was used to calculate the Social Media Index. The second part collected personal and consumption-related information from each respondent about two consumer industries. A total of 19 product, service, and retail industries were covered by the survey. The second part yielded the data to calculate the Media Importance Pie Charts and to compare the diffusion of social media for private and business purposes.

In total, we collected 3,236 observations from 1,618 survey respondents (Figure 1). To improve data quality, we used a conservative approach and excluded all observations for which the processing time from survey respondents was below a critical threshold, as the short completion time raised concerns about the quality of the answers of these observations. We also excluded observations which contained patterns. The final dataset consists of 2,474 observations. Note that the results did not change substantially when including all observations.

Overall, survey respondents considered the questionnaire to be very comprehensible and easy to complete. They rated its ease of completion at 4.4 on a five-point Likert scale (standard deviation: 0.79).
Accuracy and our use of quotas during data collection led to a favorable distribution of observations in the dataset. To remove any remaining discrepancies between the sample and the German population, we weighted each respondent so as to obtain an accurate portrayal of the German population. As a result of the careful data collection process, weights were small, ranging only between 0.85 and 1.12 (Figure 2), so that weighting had only a marginal impact on the results reported in this document. Nevertheless, all results refer to the weighted sample.

### 3.2 Calculation of the Social Media Index

In order to measure the status quo of German consumer usage of social networks, we developed the Social Media Index (SMI). The SMI reflects the extent to which consumers in Germany use social networks. Higher numbers indicate that consumers register with more social networks or use their current social networks more often. Specifically, we asked respondents how frequently they use each of their social networks, with answers ranging from “several times a day” to “at least once a month”. They could choose from a list of the 47 most popular German social media platforms. To calculate the Social Media Index, we summed the social network usage frequency for each consumer across these 47 social networks. The SMI equals 1 if someone has registered with one social network and uses it monthly. A value of 2 can be obtained by either the weekly use of a single social network or by the monthly use of two social networks, and so forth. The theoretical maximum of the index is 188 which would be reached if a consumer uses all 47 social media platforms several times a day (Figure 4).
3.3 Calculation of Media Importance Pie Charts for Consumption and Brand Relationships

A major objective of this research was to shed light on the impact of social media information on two key aspects of consumer behavior, namely purchase decisions and brand relationships. This implies the comparison of social media information with other more established information sources, including personal face-to-face communication, but also advertising. To display the perceived importance of all major information sources (including social media), we produced Media Importance-Pie Charts for both purchase decisions and brand relationships.

To create the Media Importance Pie Charts, each respondent was asked to name his/her last purchase and his/her favorite brand for each of the assigned two of 19 industries covered by our survey. This approach was taken to create a realistic setting. For the last purchase, each respondent rated the importance of different information sources on a seven-point Likert scale ranging from “not important at all” to “very important”. The importance of a specific information source was determined through dividing the importance rating for this source by the sum of all source importance ratings. Figure 5 illustrates this approach and specifies the information sources considered. Note that to rule out decisions which were based solely on routine and to avoid measurement artifacts, we restricted answers to products/services the consumer had not purchased before.

The same approach was used for brand relationships (see Figure 6). Here, the questionnaire also included the respondent’s experience with the product/service, in addition to company sources and traditional forms of personal communication.

4 THE RESULTS: SOCIAL MEDIA STATUS-QUO

4.1 Social Media Demographics

Social media are no longer a phenomenon used only by a fringe group of highly active Internet users. Our data reveals that social media have become mainstream in German society. Whether one considers gender, age, education, or geographical location, social media have arrived in all classes and strata of society. The average German Internet user is registered with three (average 3.1; standard deviation 2.9) social media platforms. Only 7.4% of Germans with access to the Internet do not use any social media platform at all yet (Figure 7). 21.4% use only one social media account. However, 21.3% of Internet users log into five or more social networks frequently. Our Social Media Index (SMI) reveals a more concise picture of German social media usage.

In our representative sample of German consumers, the mean SMI equals 7.5, indicating that the “average” German consumer uses social networks quite intensively – either by accessing two social network accounts several times a day, by accessing eight accounts once a month, or a combination in between – which is usually the case. The median of the SMI is six, and the modal value is 4.5.

The non-linear course of the SMI across deciles (Figure 8) reveals that a relatively small group of consumers uses social media very heavily.
Looking at subgroups, males are not significantly more active social media users than females (t-test: t(12.319) = 1.061; p = 0.289). Sorted by age, the most active segment is 16–24 years old, followed by the group of 25–34 year olds. Social media usage decreases in the following segment, but increases somewhat for 45–54 year-olds. The SMI of the 55–64 year olds drops off by 33.8%. However, with an average SMI of 5.2, these older consumers now also use social media to a substantial degree (Figure 9). This again emphasizes the broad spread of social media among the different parts of the German population.

The SMI of the 55–64 year olds drops off by 33.8%. However, with an average SMI of 5.2, these older consumers now also use social media to a substantial degree (Figure 9). This again emphasizes the broad spread of social media among the different parts of the German population.

Social media usage is not exclusive to the upper social stratum. On the contrary, people with a “Hauptschul”-certificate slightly outperform higher levels of education in terms of their SMI. However, this difference is not statistically significant (t-test between “Hauptschul”-certificate and “Abitur”: t(1.446) = 1.282; p = 0.200). But compared to consumers with a “Hauptschul”- or “Realschul”-certificate, people with “Abitur” are using social media less intensively.

Looking at the geographical distribution shown in Figure 10, Germans from northern federal states (Bundesländer) are significantly more active in social networks than those living in the south of Germany (t-test: t(2.409) = 1.974; p = 0.049). Comparing consumers from the east and the west of Germany, we find no differences between the eastern states (“Neue Länder”) and the western states (“Alte Länder”). The most social-media-active federal states are “Nordrhein-Westfalen”, “Brandenburg”, and “Hamburg”; the least active are “Hessen”, “Baden-Württemberg”, and “Sachsen-Anhalt”.

Similar findings apply to social media usage in urban and rural regions. Again, we could find no significant differences in SMI between people living in villages or small towns and people living in cities (t-test: t(2.472) = 1.777; p = 0.076).

4.2 Social Media Networks

The average German consumer is online for two to three hours each day. Only 2.6% of the German population surf the Internet less than 30 minutes daily, while every fourth German spends more than four hours online (Figure 11).

Figure 11 also shows that the diffusion of smartphones and tablet computers has created a broad distribution of secondary devices. More than three quarters (76.4%) of German Internet users surf the net with at least two Internet-ready devices. Data on mobile Internet access points into the same direction; overall, the average consumer accesses the Internet in 21.3% of the cases with mobile devices, which corresponds with an average mobile usage time of between 25 to 38 minutes each day.
Figure 12 looks at the different social networks. Facebook is by far the largest social media platform in Germany. 72.1% of German Internet users report that they have a Facebook account. YouTube, the second largest network among German consumers, reaches 38.7% of Germans.

<table>
<thead>
<tr>
<th>Top 10 Social Media Platforms</th>
<th>% of German Population (computer users)</th>
<th>Of These Usage at Least Once a Day</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facebook</td>
<td>72.1%</td>
<td>77.00%</td>
</tr>
<tr>
<td>YouTube</td>
<td>38.7%</td>
<td>42.60%</td>
</tr>
<tr>
<td>StayFriends</td>
<td>20.6%</td>
<td>23.20%</td>
</tr>
<tr>
<td>Wer-kennt-wen</td>
<td>19.5%</td>
<td>22.40%</td>
</tr>
<tr>
<td>Google+</td>
<td>19.4%</td>
<td>49.80%</td>
</tr>
<tr>
<td>VZ-Netzwereke</td>
<td>11.9%</td>
<td>28.30%</td>
</tr>
<tr>
<td>Xing</td>
<td>11.7%</td>
<td>22.50%</td>
</tr>
<tr>
<td>Twitter</td>
<td>10.5%</td>
<td>45.10%</td>
</tr>
<tr>
<td>MyVideo</td>
<td>9.4%</td>
<td>23.20%</td>
</tr>
<tr>
<td>Jappy</td>
<td>6.5%</td>
<td>25.5%</td>
</tr>
</tbody>
</table>

Figure 12: Most used social media platforms (n = 2,474).

We find two more results particularly revealing. Firstly, in just over one year since its launch, Google+ became the fifth largest social network in Germany by July 2012. Secondly, the microblogging network Twitter, which was long time believed to be only a niche network in Germany, now holds rank 8. Every tenth German Internet user reports to have a Twitter account.

Facebook, YouTube, Google+, and Twitter are also distinct from other social platforms with respect to frequency of usage. For all four, more than 40% of their members report accessing the networks on a daily basis. Here again, Facebook is at the top with 26.6% of its users reporting logging in once a day; 50.4% reporting even logging in multiple times per day.

How do users differ among social networks? A look at age distribution reveals some interesting differences (Figure 13). Facebook, YouTube, and Twitter all have a left-skewed distribution, indicating more younger than older users. The reverse is evident for Wer-kennt-wen. This network has the largest percentage of people aged 35 years or more. Xing and Google+ are in between both groups and yield a bell-shaped age distribution. These six networks also differ with regard to other criteria, as shown in Figure 14.

Regarding social media usage intensity, Facebook is closest to the average. This is not surprising, since Facebook is by far the largest social network and therefore must have patterns comparable to the German average. Wer-Kennt-Wen and YouTube users are slightly more active in social media (Social Media Indices of 11.9 and 11.5). We find the most active users on Xing, Google+, and Twitter. Twitter users take the lead with a Social Media Index of 17.9, about twice that of the average Facebook user.

A look at education and income patterns also reveals interesting insights. Xing and Twitter both have the most educated users, holding an "Abitur" on average. In contrast, Wer-Kennt-Wen users on average own a "Hauptschul"-certificate. Looking at income, Xing users are the only ones of these six networks with an average net income of 2,000–2,999 Euro, which makes them not only the best educated, but also the top-earning group. All others share an average income of 1,000–1,999 Euro.
5 THE RESULTS: SOCIAL MEDIA AND CONSUMPTION

5.1 General Insights

Over the last few years, consumer purchase behavior has been constantly changing. For many years now, the Internet has not only influenced consumer purchase habits, but also how they make purchase decisions. Figure 15 shows the average impact (across all analyzed industries and consumer groups) of key information sources on consumer purchase decisions of new products (left pie chart) and consumer relationship with their preferred brand within a given product, service, or retail category (right pie chart).

- **Purchase Decision Influence Factors**
  - Social Media
  - TV
  - Magazines & Newspapers
  - Traditional Direct Marketing
  - Word of Mouth
  - Social Media

- **Brand Relationship Influence Factors**
  - Social Media
  - TV
  - Magazines & Newspapers
  - Traditional Direct Marketing
  - Word of Mouth
  - Social Media

![Figure 15: The role of Social Media and other information sources for consumer behavior (n = 2,474).](image)

Looking at product or service purchases in Germany, information from social media is already responsible for 7.6% of consumer purchase decisions on average. This is not significantly different to the impact of TV, direct marketing, and public advertising. Social media is significantly more influential than radio for purchase decisions ($Z(2.472) = -10.178, p < .01$). According to the respondents in our sample, the most important source for purchase decisions is still traditional face-to-face recommendation, despite the spreading of social networks. However, the picture is somewhat different for brand relationships. In this respect, the overall influence of social media is still relatively small – social media contribute only 5.7% to the existence of successful brand relationships. Although this number, being significantly different from zero, clearly points to the relevance of social media for brand relationships, it also demonstrates that other sources currently play a larger role for consumers; it is the second weakest source of all information sources. Brand relationships are determined mainly by consumers’ own usage experiences with a brand (18.7%), but are also influenced by traditional face-to-face communication (14.9%).

The different social media findings for purchase decisions and brand relationships could be attributed to a general observation we made in our study (and discuss in more detail in Section 6). That is with regard to social media, companies are still lagging behind private usage. Consumers are able to use social media for purchase decision-making not because companies have established powerful social media presences, but first and foremost because of the broad distribution of purchase-related information in the social web from other consumers. Brand relationships, however, are much more idiosyncratic, requiring a stronger social media engagement by the brand. This engagement cannot really be outsourced to or compensated for by other consumers’ social media behavior.

The results also reveal that the Internet plays a crucial role for consumer decision making today. Information from traditional (i.e. non-social media) Internet sites explain 14.7% of consumers’ average purchase decisions, which is the strongest media influence factor for purchase decisions of all information sources. Only direct recommendations from the private sphere of consumers are still more important. The same is true for brand relationship building, where information from traditional Internet sources accounts for 10.4% of the brand relationship. Again, this is the strongest non-personal influence factor for brand relationship formation.

5.2 Social Media Importance Across Industries

Figure 16 takes a more differentiated look, revealing that the importance of social media information for consumer decision making differs strongly between industries.

**Social Media Importance per Industry**

![Figure 16: The role of social media for purchase decision making across industries.](image)
Media Products, Restaurants, and Online Retailers are each leaders in their particular industry concerning social media importance for consumer purchase decisions. Not surprising, we observe a general tendency that the more digital components a product or service has, the more developed the particular industry already tends to be.

Exceptions are high-involvement industries (for further information on the role of consumer involvement for social media usage, see the next section) and industries in which third-party information providers offer valuable information. The catering industry is a good example for the latter; except for a few national restaurant chains, the restaurant market overall is mostly atomistic with many small and independent outlets. Nevertheless, they are service industry leaders in social media usage for purchase decision-making. This is mainly a result of the many successful digital restaurant guides like Qype, Yelp, Restaurant-Kritik, Tripadvisor, etc.

Figure 17 demonstrates the same industry-level insights for brand relationships. Social media are currently most influential for brand relationship formation for media products, communication services, and the online retailing industry. However, the differences between them are substantial; for online retailing, social media accounts for 9.4% of brand relationships, which is almost twice as much as the overall average. The low importance of social media for restaurants (4.8%) shows that it is not the companies themselves that impress consumers with valuable social media content, but rather the independent information providers named above.

A more detailed analysis of each particular industry can be found in the Appendix of this report.

**Social Media Importance per Industry**

<table>
<thead>
<tr>
<th>Industry</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product Industries</td>
<td>7.3%</td>
</tr>
<tr>
<td>Entertainment Electronics</td>
<td>6.7%</td>
</tr>
<tr>
<td>Home Appliances</td>
<td>6.5%</td>
</tr>
<tr>
<td>Sports Goods and Leisure Wear</td>
<td>5.8%</td>
</tr>
<tr>
<td>Automotive</td>
<td>5.6%</td>
</tr>
<tr>
<td>Groceries</td>
<td>4.9%</td>
</tr>
<tr>
<td>Apparel</td>
<td>4.6%</td>
</tr>
<tr>
<td>Hardware Store Products</td>
<td>4.4%</td>
</tr>
<tr>
<td>Furniture and Home Decoration</td>
<td>4.3%</td>
</tr>
<tr>
<td>Service Industries</td>
<td>4.3%</td>
</tr>
<tr>
<td>Communication Services</td>
<td>4.4%</td>
</tr>
<tr>
<td>Recreational Services</td>
<td>6.2%</td>
</tr>
<tr>
<td>Travel</td>
<td>6.0%</td>
</tr>
<tr>
<td>Banking &amp; Insurance</td>
<td>5.5%</td>
</tr>
<tr>
<td>Small Businesses</td>
<td>4.8%</td>
</tr>
<tr>
<td>Restaurants</td>
<td>4.8%</td>
</tr>
<tr>
<td>Health Care</td>
<td>4.8%</td>
</tr>
<tr>
<td>Public Utility Services</td>
<td>4.7%</td>
</tr>
<tr>
<td>Retail Industries</td>
<td>4.7%</td>
</tr>
<tr>
<td>Online Retailing</td>
<td>4.3%</td>
</tr>
<tr>
<td>Offline Retailing</td>
<td>5.3%</td>
</tr>
</tbody>
</table>

5.3 What Drives Social Media Usage for Purchase Decisions?

We expected consumer involvement with a particular product or service to play a distinctive role in the utilization of social media, as involvement with a product, service, or retailer should be considered a precondition for social media engagement. Using an established multi-item involvement measure10, our data supports this expectation, as can be seen in Figure 18, which plots industry involvement against social media impact for purchase decision making. The figure shows that the more important the purchase for the consumer, the more intensely he/she uses social media for information purposes before the purchase. An Analysis of Variance11 provided evidence that this relationship between involvement and the use of social media for purchase decisions is also highly significant ($F(2,473) = 8.108; p = 0.000)$.

As people tend to use information from all media types more intensively for high involvement purchases, we tested whether this result remains when we control for the general increase in information needs for high involvement products. Specifically, we calculated the relative importance of each information source for each respondent (by dividing the respondent’s score for social media by the sum of the respondent’s scores for all kinds of media). Using this relative social media usage values, a second ANOVA could prove that consumer involvement with a product/service and the use of social media for purchase decisions remains highly significant ($F(2,473) = 2.389; p = 0.001$). This means that with an increase in involvement, consumer reliance on social media increases disproportionally.

Does the impact of involvement on the usage of social media for purchase decisions remain if other factors are incorporated as well? And which other factors could that be? To answer these questions, we conducted a stepwise linear regression to determine whether, in addition to involvement, demographic or behavioral consumer characteristics provide incremental insights into the importance of social media for purchase decisions. In addition to these consumer characteristics, we also included industry information12 to detect additional patterns. The chosen statistical method – the stepwise regression procedure – is able to autonomously pick from a pool of variables that particular set of factors which significantly explains characteristics of the dependent variable (here: social media usage for purchase decisions). Figure 19 shows the statistical results of the regression analysis. Figure 20 summarizes the main findings.

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10 Schneider and Rodgers (1996).
11 ANOVA – A statistical method for testing relationships between variables.
12 Industry information: One dummy variable for each of the 19 industries.
The regression results are in line with our overall social media findings. As a result of the broad distribution of social media across segments, people with all demographic backgrounds already use this media type for purchase decisions, so that we find no significant impact of these factors. Only people with a low income tend to consult social media more often than average. As money is more of an issue for them, purchases need to be considered more carefully. Looking at industries, only online retailers and media products stand out positively with regard to social media importance. Concerning hardware products, social media information is currently less important for decision making.

5.4 What Drives Social Media Usage for Brand Relationships?

Most of the findings reported for purchase behavior also apply to social media and brand relationships. Again, we first ran an ANOVA to assess the importance of consumer involvement and then calculated a stepwise linear regression. Figure 21 shows the relationship between respondents’ involvement and their usage of social media for brand relationships. Again, this relationship is highly significant no matter if we control for the general increase in involvement (F(2,473) = 1.779; p = 0.022) or not (F(2,473) = 5.046; p = 0.000).

In the regression results reported in Figures 22 and 23, we found that the same consumer characteristics influence social media usage for brand relationships as for purchase decisions, namely involvement, overall social media usage (SMI), mobile Internet usage, and income. However, the industries where social media usage is relevant differ somewhat. For brand relationships, the market seems to be more polarized, because more industries stand out positively or negatively than in the previous calculation. Online retailers, media products, entertainment electronics, and the communication services industry already apply social media with positive effects for brand relationships. By contrast, public utility providers do not yet seem to have established access to this channel.
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Figure 22: Results of regression analysis to explain social media relevance for brand relationships (n = 2,474).

Figure 23: Key findings of regression analysis to explain social media relevance for brand relationships (n = 2,474).

13 Statista (2012b).

5.5 Consumer Versus Company-perceived Importance of Social Media

Our data also reveals that companies still behave quite backwardly when it comes to marketing expenditure in new media channels. When comparing 2012 media expenditure figures of German companies13 and purchase decision influence factors determined in our study, we find a clearly unequal distribution in favor of TV and print media (see Figure 24). Although Internet presences and social media sites together influence consumer purchase decision by 22.3%, German companies currently only spend 11.9% of their advertisement budgets on these channels. These numbers point at a substantial imbalance in terms of budgeting decisions.

Importance of Information Sources vs. Media Expenditure

We found interesting consumer patterns when looking at subgroups of our sample which indicate the problematic nature of this imbalance. Figure 25 shows the distribution of importance of our measured influence factors for purchase decisions for three consumer groups. The dark gray line belongs to the 20% of consumers in our sample who have the lowest Social Media Index (SMI) values. The graph shows that these people are strongly influenced by a small number of factors only (i.e., recommendations from friends and family, traditional Internet content, personal selling, advertisements at point of sale (POS)). In contrast, the dark blue line refers to the 20% of people who use social media the most. Their influence pattern for purchase decisions is clearly distinct from the other group – these consumers tend to balance information from multiple sources when making purchase decisions. Thus, the influence of a single media source has declined for them, whereas the importance of all sources in total has increased. From a company perspective, sending consistent messages across all channels is therefore very important for influencing this group. If we further assume that social media usage will increase in the future, it is very likely that this segment is about to become more important. We believe the dark blue line will be the new reality to which advertisers need to adapt.

* Media spending taken from Statista 2012b.
** Online media spending includes traditional Internet and social media.

Figure 24: Comparison of media expenditure and information source importance.

Figure 25: Key findings of regression analysis to explain social media relevance for brand relationships (n = 2,474).
In this context, we find it important that consumers are not overly satisfied by the way companies have delved into the social media realm (see Figure 26). When asking our respondents whether they perceive messages that companies have sent them via social media as valuable information, about 60% responded negatively to this question. Less than 20% responded positively. Similarly, almost 70% said that they do not like to communicate with companies through social media in general, and some 40% even felt disturbed by company messages. These numbers indicate that effective social media marketing is a substantial challenge that most companies still have to learn about and confront.

Figure 25: Distribution of influence factors for purchase decisions for social media user groups.

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Figure 25: Distribution of influence factors for purchase decisions for social media user groups.
The figure shows that heavy social media users are again distinct from other consumers. They have different communication patterns with respect to all means of communication. The most interesting finding is that without exception, they use all communication channels far more often than other consumers. Their overall communication activity across all measured means of communication is 8.5 times higher than the activity of low social media users. Compared to the sample average, the top 20% social media users communicate 2.2 times more often. Not surprisingly, social networks are the most important communication tool for the top 20% of social media users, followed by the telephone. Every fourth also uses location-based services (25.7%). 12.8% of the top 20% of social media users are highly involved in gaming and use ingame communication tools.

### 6.3 Private Versus Business Use of Social Media

The communication habits of our respondents differ strongly with respect to private and professional environments (Figure 29). Telephone and email are popular in both worlds, but all other means of communication are used very differently in the two environments. As a general tendency, considerable skepticism towards modern communication tools can be observed for business communication. Only 7.1% of respondents use social networks in their professional lives on a daily basis, and only 5.5% of them employ messenger services. The same difference is found for other modern communication means. Forums, location-based services, video telephony, or microblogging are all currently used professionally by less than three percent of German employees on a daily basis.

These findings raise interesting questions about the reasons for these differences between private and business communication patterns. We believe two causes are mainly responsible:

Firstly, communication requirements in a business environment are different from those in private settings. This is true for internal and external communication alike. The market for company-specific internal social networks is still relatively young and the options for specialized communication software still limited. Some larger German companies have started to build their own corporate social networks. However, most German enterprises, especially medium-sized ones, have not entered this area at all yet. Looking at external communication, many firms fear unqualified statements of their employees both toward the public and toward their customers. To reduce this risk, the development of social media guidelines and social media training has become popular. This development, though, is still in its infancy in Germany. In a recent study by Armutat, Geighardt-Knollmann & Steinhäuser (2012), 66% of German firms had no social media guidelines, and 85% had not yet offered social media training for their employees.

Secondly, companies also tend to be slow and risk-averse when it comes to restructuring internal processes. This might especially be true for modern means of communication. Other studies have shown that in 2012, 72% of German companies still restricted social media for their employees somehow, and 9% of firms even block all social media applications for all employees. These figures are in line with the results of our study and explain why 66.2% of employees have never used social networks and 75.7% have never utilized messenger services in their professional lives.

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Statista (2012a).
7 CONCLUSION

For 2013, many bloggers have predicted the long-awaited fusion of traditional and social media marketing departments, together with the professionalization of the brand experience via social media. Our data shows that this step is overdue. For consumers, social media are on the verge of commoditization. Whether for entertainment, communication, or consumption, this study provides evidence that social media are now used routinely in impressively many aspects of consumer lives. In the near future, the increasing distribution of smartphones will further accelerate this development and create many valuable applications for digital, social content in real-world contexts.

In contrast, the average German company does not yet seem to have completely adapted to this change. Using the pinball metaphor of social media marketing, most German companies still do not seem to have completely understood the new rules of the game. Valuable scores in the battle for the consumer favor are still “given away” because flippers, bumpers, and slingshots are not orchestrated well. From now on, brands need to manage traditional and social marketing channels jointly, not isolatedly. Our analysis of the top 20% of social media users provided a look into future consumer behavior. Already today, many consumers more equally incorporate information from different sources, for decision making and are frustrated if they cannot find value. As this consumer segment is likely to grow, it will become more expensive for companies to underuse social media channels. Marketing needs integrated communication strategies for new and old communication channels to fully adapt to these new circumstances.

Furthermore, for many companies, it will be worth reconsidering and adjusting CRM-concepts and sales strategies to extend the integration process beyond marketing as a communication task. Progressive companies will even go one step further and substantially restructure internal communication processes. They will exploit the potential offered by more efficient means of communication and collaboration which social media enable – and some will even allow their employees to use social media on their job.

These are times of rapid change in which many exciting developments are in store!

8 REFERENCES


# 9 APPENDIX: INDUSTRY-SPECIFIC MEDIA USAGE RESULTS

On the following pages, we list the industry-specific results from our study concerning purchase decision influence factors and brand relationships.

## 9.1 Product Industries

### Overall Results

Number of cases in sample: 1,125 | Average industry involvement: 3.75

### Automotive & Private transportation (bikes, motorcycles, etc.)

Number of cases in sample: 126 | Average industry involvement: 4.83

### Hardware Store Products

Number of cases in sample: 114 | Average industry involvement: 3.66

### Home Appliance Industry

Number of cases in sample: 127 | Average industry involvement: 4.23
Grocery Industry
Number of cases in sample: 119 | Average industry involvement: 2.42

Purchase Decision Influence Factors

Brand Relationship Influence Factors

Apparel Industry
Number of cases in sample: 120 | Average industry involvement: 3.32

Purchase Decision Influence Factors

Brand Relationship Influence Factors

Media Industry (books, movies, music, games, etc.)
Number of cases in sample: 134 | Average industry involvement: 2.88

Purchase Decision Influence Factors

Brand Relationship Influence Factors

Sport Goods & Leisure Wear Products
Number of cases in sample: 129 | Average industry involvement: 3.76

Purchase Decision Influence Factors

Brand Relationship Influence Factors
9.2 Service Industries

Overall Results
Number of cases in sample: 1,073 | Average industry involvement: 3.82

Purchase Decision Influence Factors
- Media Importance for Service Purchase Decisions
  - TV
  - Social Media
  - Magazines & Newspapers
- Brand Relationship Influence Factors
  - Direct Marketing Instruments
  - Recommendations from family & friends
  - Product Information

Banking & Insurance Industry
Number of cases in sample: 135 | Average industry involvement: 4.34

Product Industry average: 51.6%
- Purchase Decision Influence Factors
  - Media Importance for Service Purchase Decisions
  - TV
  - Social Media
  - Magazines & Newspapers
- Brand Relationship Influence Factors
  - Direct Marketing Instruments
  - Recommendations from family & friends
  - Product Information

Service Industry average: 87.6%
- Purchase Decision Influence Factors
  - Media Importance for Service Purchase Decisions
  - TV
  - Social Media
  - Magazines & Newspapers
- Brand Relationship Influence Factors
  - Direct Marketing Instruments
  - Recommendations from family & friends
  - Product Information
Small Business (barbers, craftsmen, bakeries, etc.)
Number of cases in sample: 126 | Average industry involvement: 3.49

Purchase Decision Influence Factors
- Social Media: 21.9%
- TV: 14.2%
- Magazines & Newspapers: 12.1%
- Traditional Internet: 10.2%
- Personal Selling: 8.0%
- Direct Marketing Instruments: 7.0%
- Referral Sources from Family & Friends: 6.3%
- Public Advertising: 5.4%
- POS Advertising: 4.1%
- Own Product / Service Experience: 1.6%

Brand Relationship Influence Factors
- Social Media: 18.5%
- TV: 9.5%
- Magazines & Newspapers: 6.9%
- Traditional Internet: 6.7%
- Personal Selling: 6.4%
- Direct Marketing Instruments: 5.9%
- Referral Sources from Family & Friends: 5.2%
- Public Advertising: 4.8%
- POS Advertising: 4.1%
- Own Product / Service Experience: 3.2%

Recreational Services (entertainment parks, cinemas, gyms, etc.)
Number of cases in sample: 135 | Average industry involvement: 3.38

Purchase Decision Influence Factors
- Social Media: 20.0%
- TV: 12.0%
- Magazines & Newspapers: 10.6%
- Traditional Internet: 8.2%
- Personal Selling: 7.3%
- Direct Marketing Instruments: 7.0%
- Referral Sources from Family & Friends: 6.8%
- Public Advertising: 5.7%
- POS Advertising: 3.3%
- Own Product / Service Experience: 2.2%

Brand Relationship Influence Factors
- Social Media: 17.8%
- TV: 9.6%
- Magazines & Newspapers: 7.5%
- Traditional Internet: 6.7%
- Personal Selling: 6.4%
- Direct Marketing Instruments: 6.0%
- Referral Sources from Family & Friends: 5.7%
- Public Advertising: 4.8%
- POS Advertising: 4.1%
- Own Product / Service Experience: 3.2%

Health Care
Number of cases in sample: 136 | Average industry involvement: 4.08

Purchase Decision Influence Factors
- Social Media: 21.3%
- TV: 13.0%
- Magazines & Newspapers: 11.0%
- Traditional Internet: 10.1%
- Personal Selling: 8.7%
- Direct Marketing Instruments: 7.7%
- Referral Sources from Family & Friends: 6.3%
- Public Advertising: 5.9%
- POS Advertising: 2.6%
- Own Product / Service Experience: 2.2%

Brand Relationship Influence Factors
- Social Media: 18.7%
- TV: 10.4%
- Magazines & Newspapers: 8.9%
- Traditional Internet: 7.7%
- Personal Selling: 7.4%
- Direct Marketing Instruments: 6.9%
- Referral Sources from Family & Friends: 6.0%
- Public Advertising: 5.3%
- POS Advertising: 2.9%
- Own Product / Service Experience: 2.1%

Communication Services
Number of cases in sample: 147 | Average industry involvement: 4.38

Purchase Decision Influence Factors
- Social Media: 20.0%
- TV: 12.0%
- Magazines & Newspapers: 10.6%
- Traditional Internet: 8.2%
- Personal Selling: 7.3%
- Direct Marketing Instruments: 7.0%
- Referral Sources from Family & Friends: 6.8%
- Public Advertising: 5.7%
- POS Advertising: 3.3%
- Own Product / Service Experience: 2.2%

Brand Relationship Influence Factors
- Social Media: 17.8%
- TV: 9.6%
- Magazines & Newspapers: 7.5%
- Traditional Internet: 6.7%
- Personal Selling: 6.4%
- Direct Marketing Instruments: 6.0%
- Referral Sources from Family & Friends: 5.7%
- Public Advertising: 4.8%
- POS Advertising: 4.1%
- Own Product / Service Experience: 3.2%
Travel Industry (providers, airlines, hotels, etc.)
Number of cases in sample: 127 | Average industry involvement: 3.66

Purchase Decision Influence Factors

Brand Relationship Influence Factors

Restaurant Industry
Number of cases in sample: 137 | Average industry involvement: 2.83

Purchase Decision Influence Factors

Brand Relationship Influence Factors

Public Utility Services
Number of cases in sample: 130 | Average industry involvement: 4.35

Purchase Decision Influence Factors

Brand Relationship Influence Factors

9.3 Retailing Industries

Overall Results
Number of cases in sample: 276 | Average industry involvement: 3.20

Media Importance for Service Purchase Decisions

Brand Relationship Influence Factors
Offline Retailing
Number of cases in sample: 133 | Average industry involvement: 2.83

Online Retailing
Number of cases in sample: 143 | Average industry involvement: 4.35