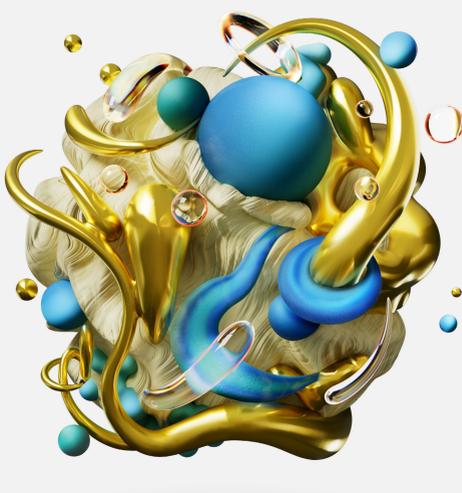


NEW RESEARCH:

Driving resilience and revenue through social business transformation.

January 2024



For years, brands have managed social media as a function of marketing, with a focus on growing *share of voice* through content amplification, community-building and product advertising. Today, the enterprises with the most effective and evolved approach to social—we call them *social-first brands*—are seizing opportunities to drive *share of culture* through a more collaborative and expansive approach.

New research commissioned by Deloitte Digital¹ reveals how **social-first brands are repositioning social media at the core of the entire brand and customer experience**, as a key driver of strategic priorities across the entire C-suite—from commerce and customer care to risk management, product development and beyond. As a result, they're strengthening trust, loyalty and spend among customers—while also improving resilience, innovation, engagement and growth for the enterprise.

Social means business. Serious business.

For social-first brands, the value of this evolved and connected approach is hard to miss. These leading companies achieved an **average revenue increase of 10.2% as a direct result of social strategies** in 2022, along with other benefits.

COMPARED TO LOW-MATURITY ORGANIZATIONS, SOCIAL-FIRST BRANDS ARE ...

3.4x
as likely to say that social media's value is recognized by the entire C-suite.

3.6x
as likely to say that social media is recognized as a major growth catalyst for the brand as a whole.

8x
as likely to have exceeded revenue goals by 25% or more in their B2C lines of business.



THEY'RE ACHIEVING THOSE RESULTS THROUGH A NEW SPIN ON THE THREE CORNERSTONES OF SOCIAL BUSINESS TRANSFORMATION: COMMUNITY, CONTENT AND CONVERSION.



COMMUNITY

Serving up better customer experiences.

Back when brands first began to recognize the power of social media to enable new types of customer engagement, many began building their own communities on the leading platforms. Since then, changes in algorithms and other platform innovations—along with shifts in digital culture itself—have flipped the formula for success. Social-first brands are now focused on *meeting and serving consumers in their own communities* through a two-way dynamic of communication and connection. They're also managing paid and organic tactics together in ways that help improve discovery, consistency of messages and experiences, and engagement.



COMPARED TO LOW-MATURITY ORGANIZATIONS, SOCIAL-FIRST BRANDS ARE ...

2.5x
as likely to say they plan to moderately or substantially increase the number of social platforms where they engage customers.

4.7x
as likely to use social platforms extensively as channels for customer care / service.

3.1x
as likely to always manage paid and organic budgets together.

This is a smart strategic shift. However, our research showed that many brands still struggle to turn the potential of social care and other community-engagement efforts into meaningful impact due to disconnects across data, teams and/or capabilities.

#1
organizational challenge to achieving social media goals: **enabling real-time engagement.**

#1
activation challenge to achieving social media goals: **understanding target audiences.**

53%
of brands struggle to manage real-time customer interactions due to **data lags of a day or longer.**

47%
of social-first brands say they **have all the data they need** to make informed decisions about their social media activities—compared to just 11% of low-maturity organizations.



CONTENT

Co-create to connect.

Brands have traditionally focused on processes and resources for social content creation that simply mirrored traditional, one-way marketing. Today's social-first brands recognize that the most effective content is co-created with audiences, influencers and creators. Some brands are going a step further by actively engaging creators in their product research and development initiatives.



COMPARED TO LOW-MATURITY ORGANIZATIONS, SOCIAL-FIRST BRANDS ARE ...

2.5x
as likely to say "humanizing our brand" is extremely important to their social strategy.

10.7x
as likely to report their creator / influencer strategy is extremely effective.

5.7x
as likely to say user-generated content is a very high strategic priority.

Collaboration with customers and creators isn't new; in fact, **40% of all brands say creator and customer content is the most important source of content** for their social strategies. Brands are wise to put extra emphasis on content co-creation.

THAT'S BECAUSE, AMONG CONSUMERS ...



9 IN 10
say they **trust creators / influencers** they follow as sources of information.

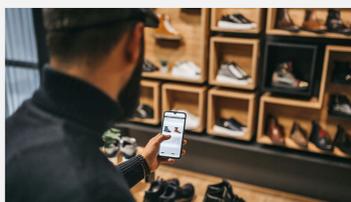
1 IN 2
say **user-generated content** such as reviews make them more likely to purchase a product on a social platform.



CONVERSION

The future of search—and commerce—is social.

Product discovery and research is no longer reserved for traditional web search engines. According to media reports of Google's own data, 40% of Gen Z consumers turn to TikTok and Instagram for search before Google.² Our new research demonstrates those consumers aren't just idly looking around; they're increasingly willing to buy products and services—even from brands they didn't previously know—directly through social platforms.



AMONG CONSUMERS ...

55% use social media for search sometimes, frequently or very frequently.

43% discovered a new brand on social media in the past 12 months.

72% are now willing to buy directly within social media platform.

60% want more opportunities to discover and purchase products on social media.

As social platforms continue to expand their commerce capabilities, discoverability has become an increasingly important component of social strategies. Here too, social-first brands are leading the way.

COMPARED TO LOW-MATURITY ORGANIZATIONS, SOCIAL-FIRST BRANDS ARE ...

3.5x
as likely to say **boosting SEO** is extremely important to their social strategies.

2.9x
as likely to say **driving commerce** is extremely important to their social strategies.

3.8x
as likely to say **generating leads** is extremely important to their social strategies.

GET IN TOUCH

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SOURCES

- Original research results in this report are based on a blind survey conducted in May 2023 by Lawless Research on behalf of Deloitte Digital. Respondents included marketing leaders at 450 US business-to-consumer companies, plus 1,000 US adult consumers. Building on this research, Deloitte Digital developed a proprietary maturity framework to define and score social media effectiveness. In this paper, we refer to the most effective 22% of respondents as "social-first brands" and the least effective 27% as "low-maturity organizations."
- Sarah Perez, "Google exec suggests Instagram and TikTok are eating into Google's core products, Search and Maps," *Techcrunch*, July 12, 2022, <https://techcrunch.com/2022/07/12/google-exec-suggests-instagram-and-tiktok-are-eating-into-googles-core-products-search-and-maps>.

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