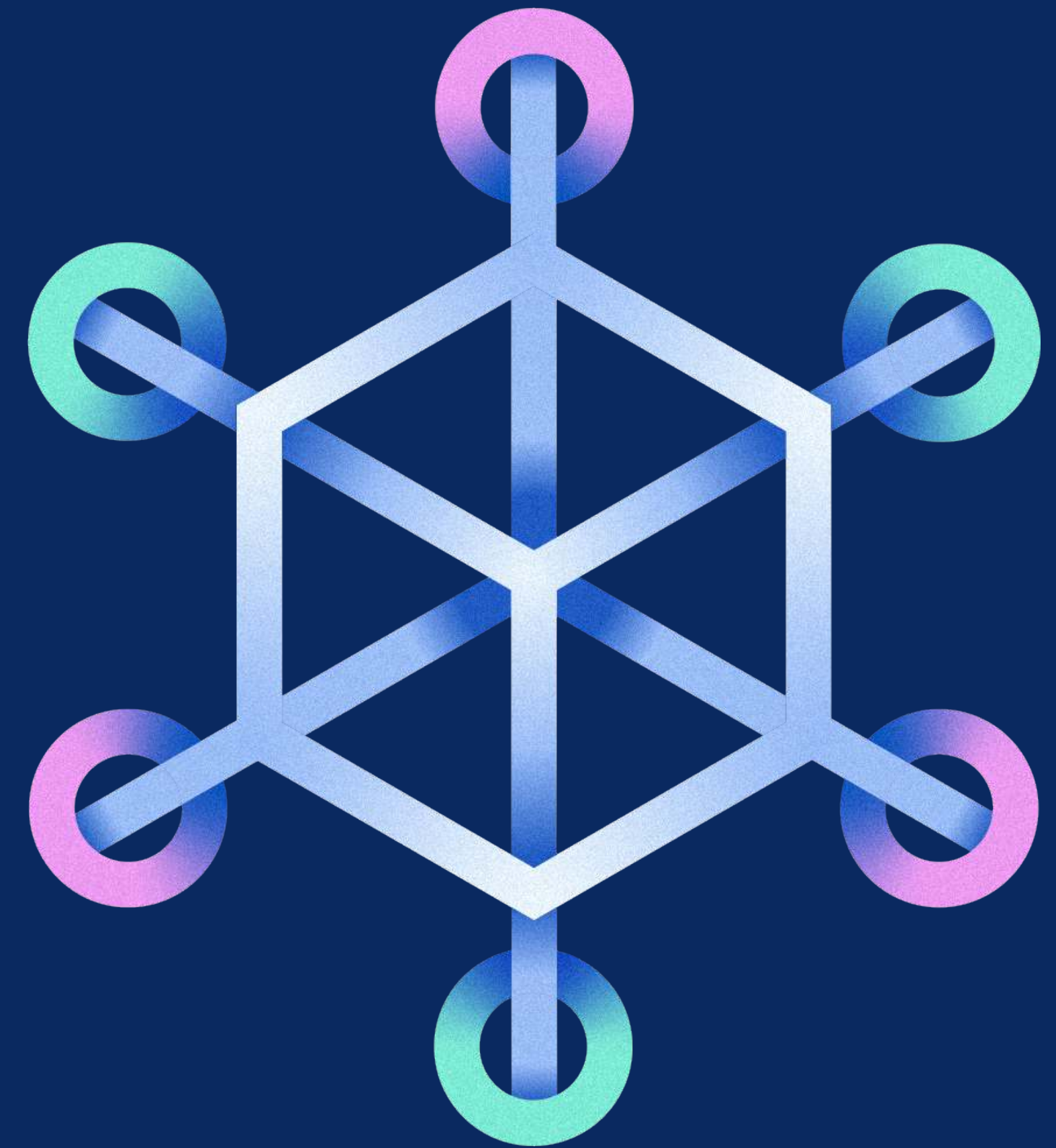


# The 2023 State of Social Media

AI & Data Take Center Stage



sproutsocial



The Harris Poll

Harris Insights & Analytics, A Stagwell LLC Company

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# Research method

This research was conducted online in the U.S. and U.K. by The Harris Poll on behalf of Sprout Social. Participants included 778 social media marketing, customer care and communications professionals from a cross section of US and UK businesses. The survey was conducted from March 13 to March 27, 2023.

## Qualified respondents met the following criteria

- Reside in the United States or United Kingdom
- 18 years of age or older
- Employed full-time
- Manager title or above
- Work within social media marketing, customer service/customer care, or communications/public relations functions
- Involved in the decisions about social media strategy and marketing for their respective functions and businesses
- Work for companies which currently use social media as an external communications channel

Percentages may not add up to 100% due to computer rounding and/or the acceptance of multiple responses.

# Business firmographics

## Country

U.S.	60%
U.K.	40%

## Job title

Owner/President	6%
C-level Executive	19%
Vice President	40%
Senior Director/Director/Dept. Head	19%
Senior Manager/Manager/Supervisor	16%

## Decision-making role

Key decision maker	77%
Have role in final decision, but not sole decision maker	17%
Make recommendations/provide input, but not decision maker	6%

\*Industries with 5% representation or less each:  
 Administrative Support and Business Services, Advertising, Marketing, Public Affairs, Aerospace and Defense, Agriculture, Forestry, Fishing, Hunting, Arts, Entertainment and Recreation, Automotive Services, Construction (heavy/special trades), Education, Energy, Engineering Services, Entertainment, Media Gaming, and Sports, Food and Beverage, Healthcare, Pharmaceutical, Medical Device, Hospitality, Information Technology and Services, Insurance, Journalism/Press, Legal Services, Mining, Public Administration/Government, Real Estate, Religious/Non-Profit Organizations, Research Services, Restaurants, Telecommunications, Transportation and Warehousing, Travel and Tourism, Other

## Function role

Marketing (Net)	37%
Customer Service/Customer Care	32%
Communications (Net)	31%

## Customer focus

Consumers only (B2C)	14%
Business only (B2B)	4%
Both consumers and businesses	82%

## Top industries represented

Retail	18%
Manufacturing	10%
Wholesale Trade	7%
Communications	7%
Utilities	5%
Banking and Finance	5%
Other industries*	48%

## Company size

Small Business (1-99)	11%
Mid-Market (100-999)	24%
Mid-Market Plus (1,000-4,999)	46%
Enterprise (5,000+)	19%

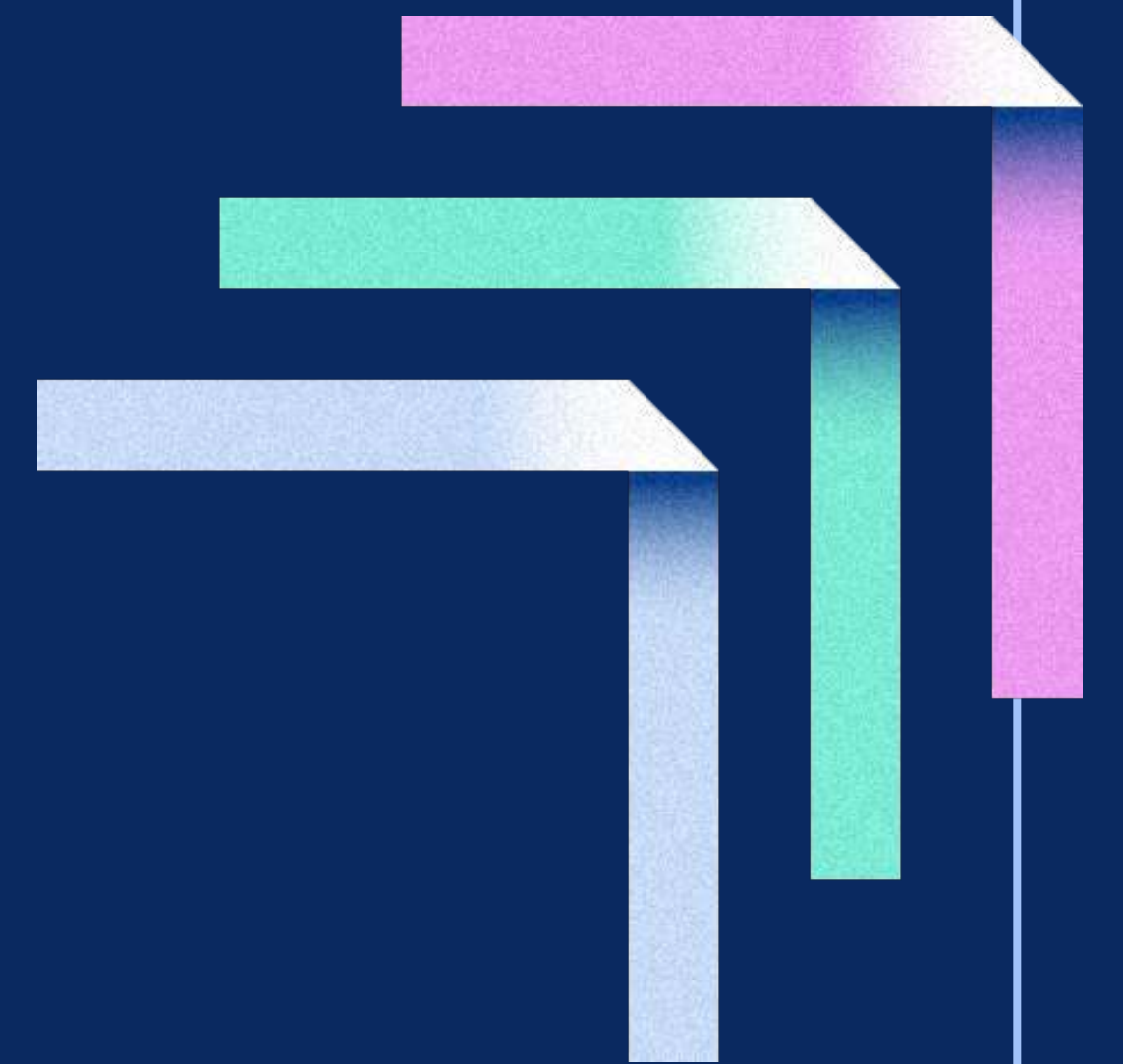
## Size of social media following

1 to 9,999	4%
10,000 to 99,999	24%
100,000 to 499,999	31%
500,000 to 749,999	22%
750,000 to 999,999	10%
1,000,000+	8%

## Number of people on social media team

2 to 4	19%
5 to 9	27%
10+	53%

# Investing in social media to drive business impact

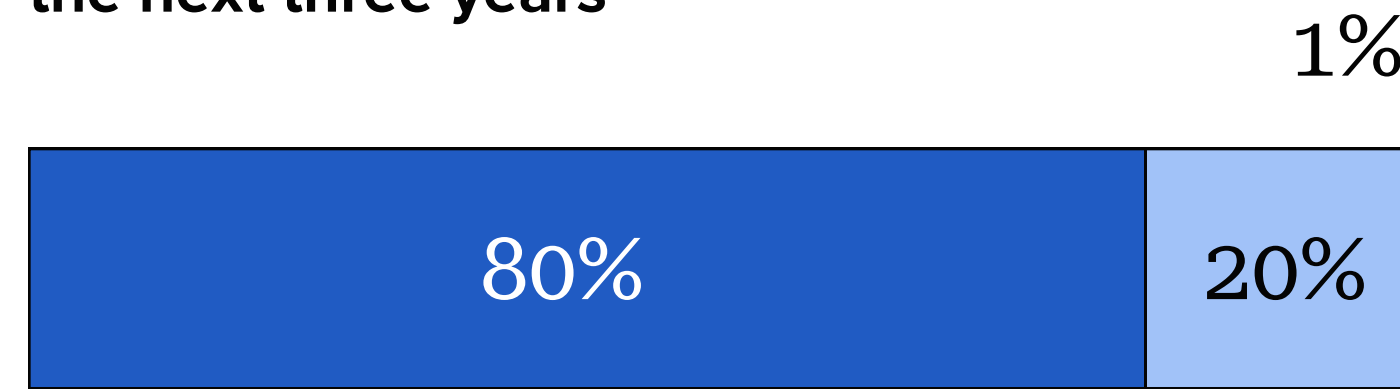




## Companies must invest in social media to be successful.

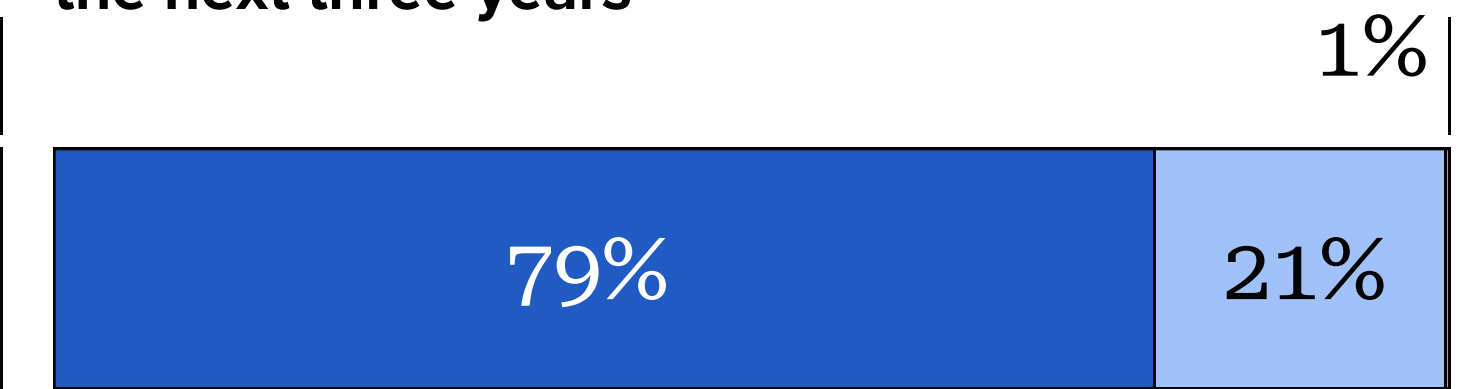
Social media and overall marketing budgets are expected to increase over the next three years. About 4 in 10 business leaders expect their social media budget to increase at least 50% in the next three years.

### Social media budget changes anticipated over the next three years



■ Increase ■ Stay the same ■ Decrease

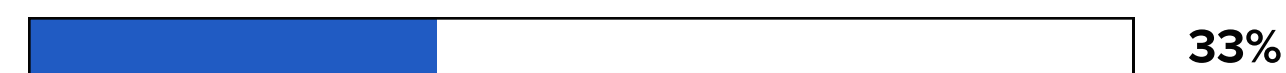
### Marketing budget changes anticipated over the next three years



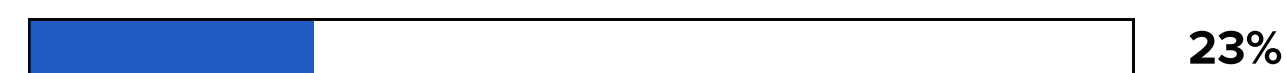
■ Increase ■ Stay the same ■ Decrease

### Amount social media budget will increase\*

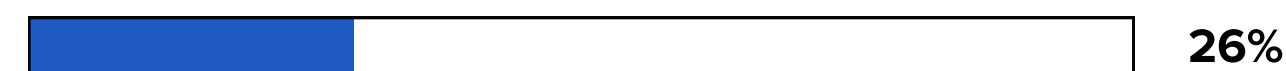
#### Up to 30%



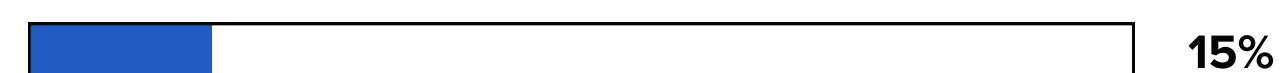
#### 31–50%



#### 51–70%



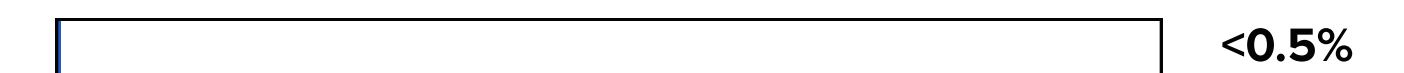
#### 71–100%



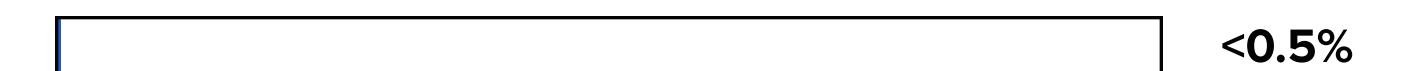
#### 101–200%



#### 200+%



#### Not sure



\*Based on % who selected social media budget will increase

## Companies must continue to invest in social media marketing to be successful

**96%**  
of business leaders agree

**52%** Strongly agree

**43%** Somewhat agree

BASE: ALL QUALIFIED RESPONDENTS, (n=778)

Q120. In the next three years, do you anticipate your company's social media budget will decrease, increase, or stay the same?

Q130. In the next three years, do you anticipate your company's overall marketing budget will decrease, increase, or stay the same?

Q165. To what extent do you agree or disagree with the following statements?

BASE: ANTICIPATE COMPANY'S SOCIAL MEDIA BUDGET WILL INCREASE IN NEXT THREE YEARS, (n=619)

Q125. Approximately, by how much do you expect your company's social media budget will increase in the next three years?

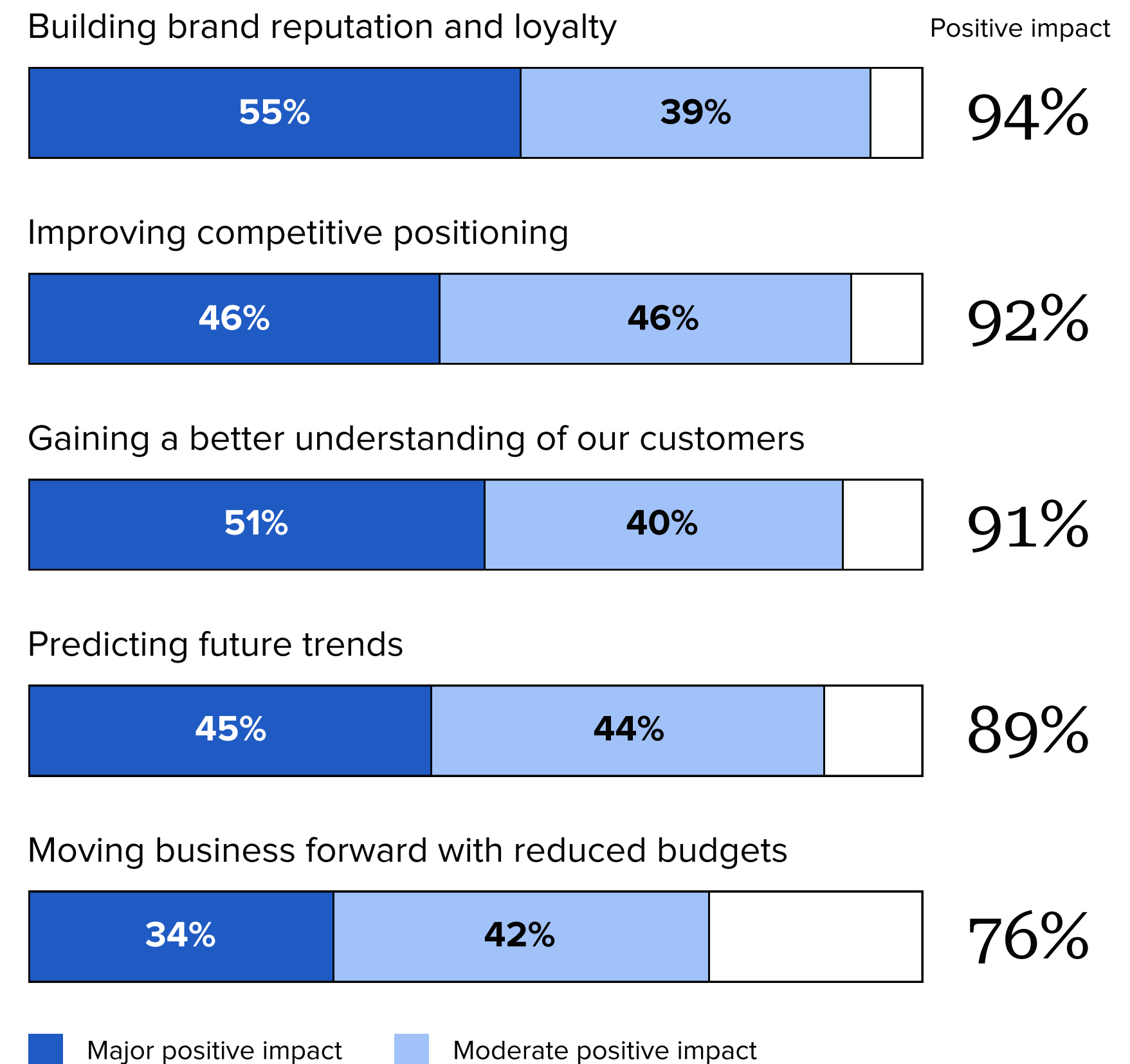
Virtually all business leaders surveyed view social media data and insights to have a profound positive impact on top business priorities.

These include building brand reputation, understanding customers and improving competitive positioning.

### Top business priorities in the current economic environment

1. Building brand reputation and loyalty, **66%**
2. Gaining a better understanding of customers, **65%**
3. Improving competitive positioning, **63%**
4. Moving business forward with reduced budgets, **49%**
5. Predicting future trends, **46%**

### Impact of social media data and insights on business priorities



BASE: ALL QUALIFIED RESPONDENTS, (n=778)

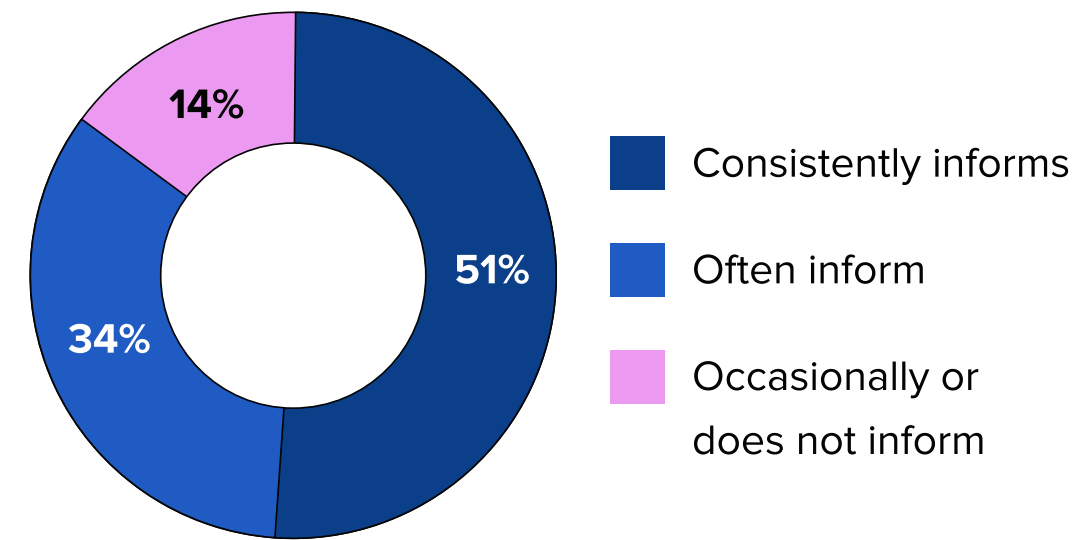
Q100. In the current economic environment, what do you consider your company's top three business priorities?

Q161. For each of the following priorities that companies may face in the current economic environment, how much of a positive impact, if at all, can the use social media data and insights have on these?

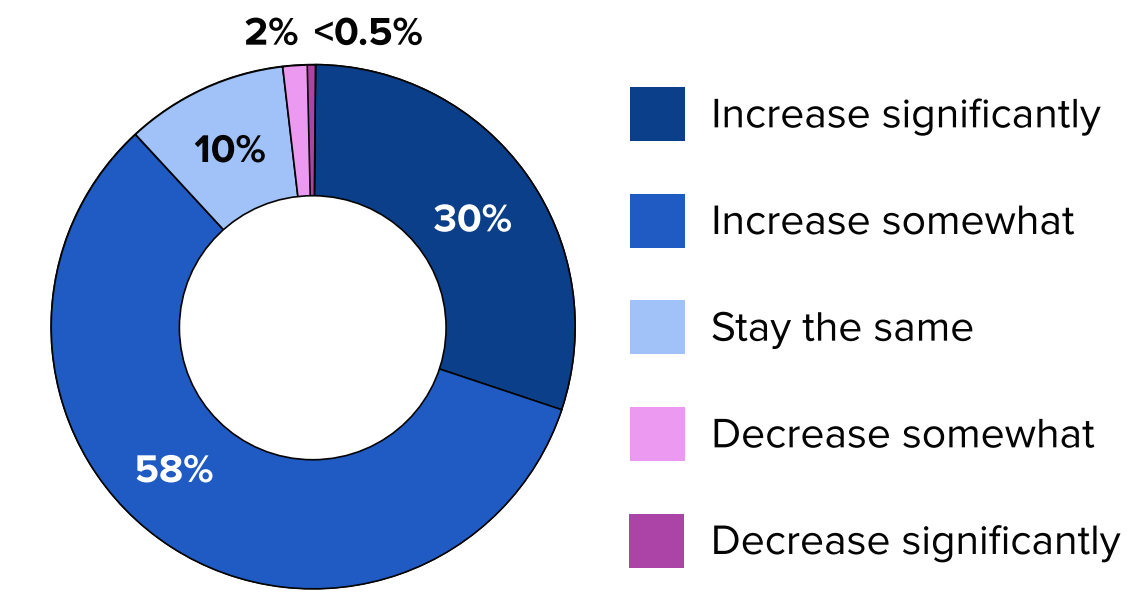
Companies' strategies are "consistently" or "often" informed by social media data and insights.

The use of social media data and insights for strategic decisions is expected to increase in the next three years.

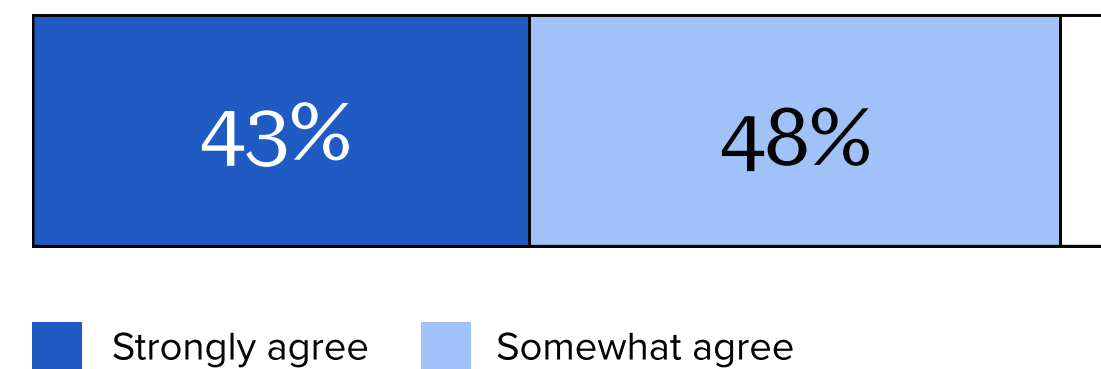
**Extent that social media data and insights currently inform my company's business strategy**



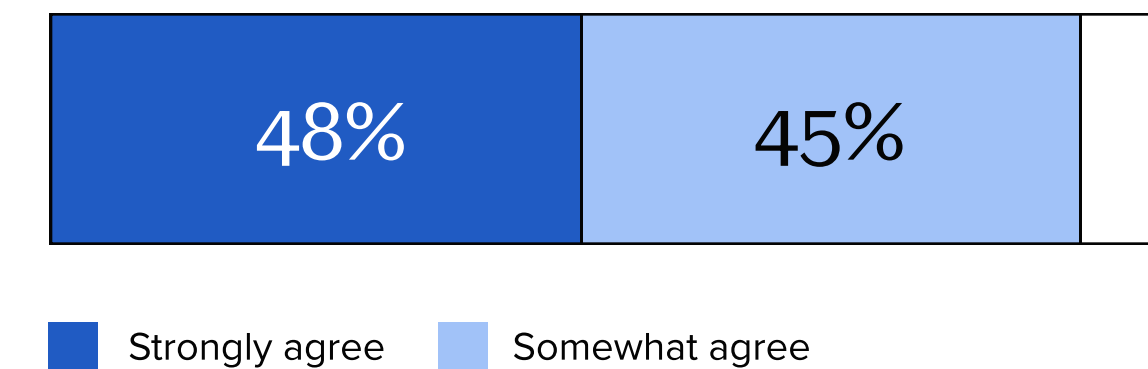
**Expected change in using social media data and insights for informing my company's business in next three years**



**My company's success will depend on how effectively it can use social media data and insights to inform business strategy**



**Social media data and insights will be a primary source of business intelligence for my company**



BASE: ALL QUALIFIED RESPONDENTS, (n=778)

Q135. Which of the statements below best describes how social media data and insights currently inform your company's business strategy?

Q150. In the next three years, do you expect the use of social media data and insights for informing your company's business strategy to increase, decrease or stay the same?

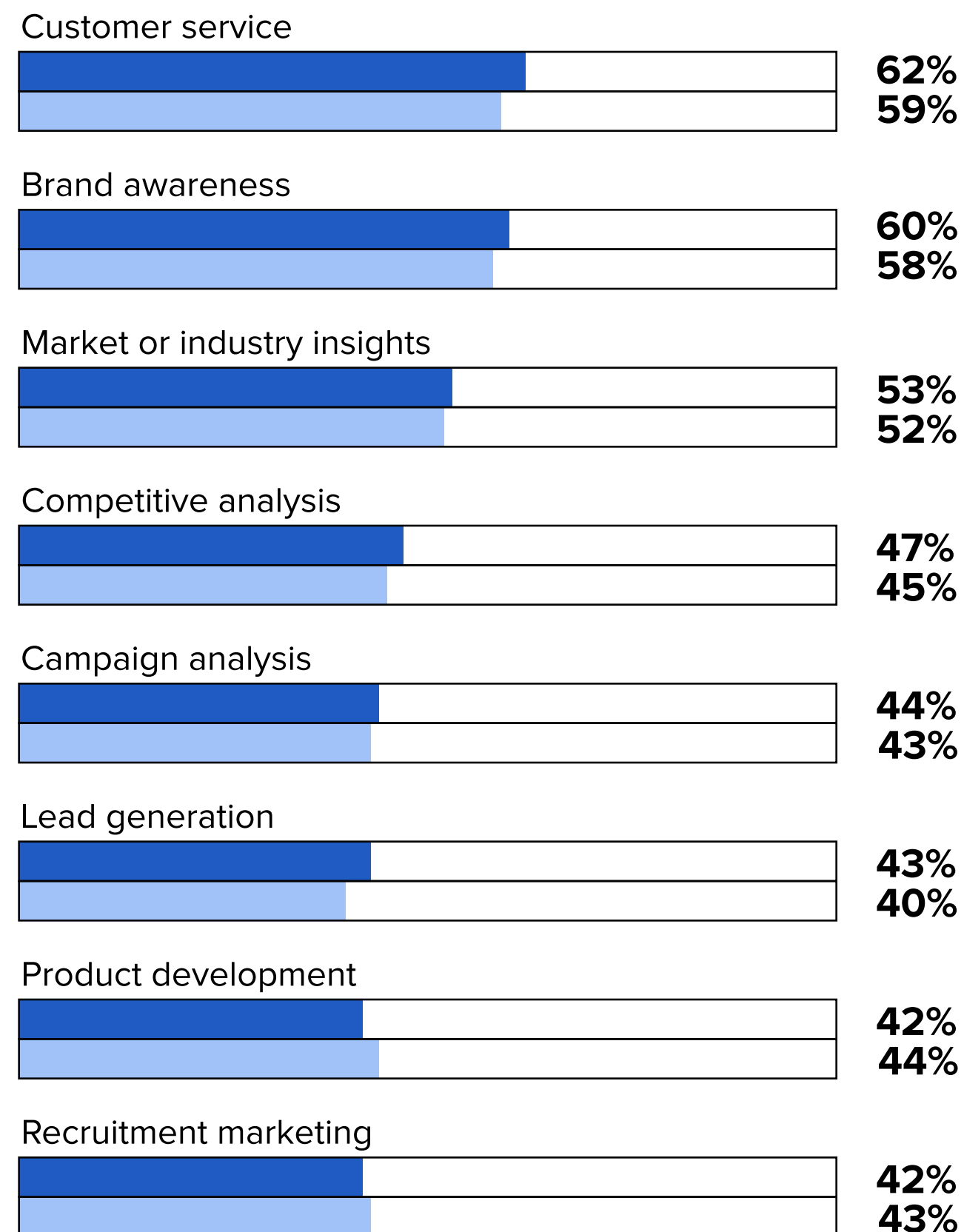
Q165. To what extent do you agree or disagree with the following statements?



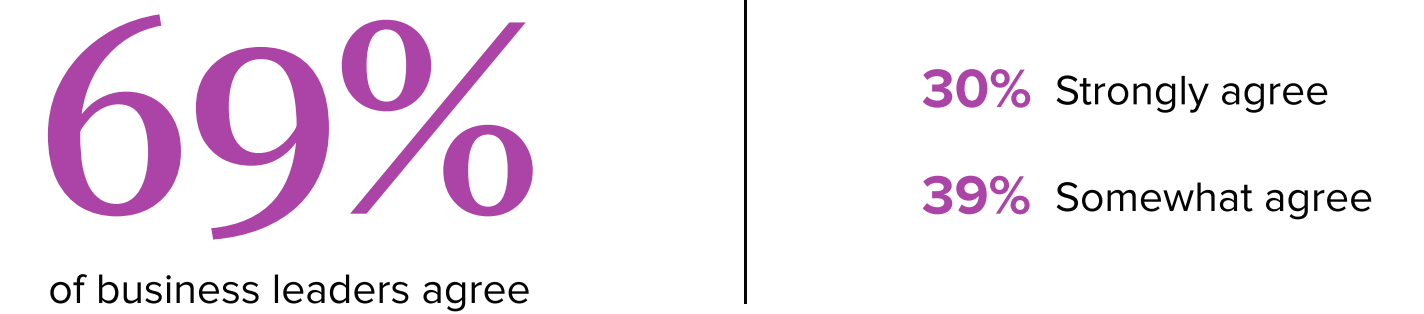
Today, customer service, brand awareness and market and industry insights are especially informed by social media data.

That said, nearly 7 in 10 business leaders agree that social media data and insights are underutilized and most anticipate to use them more in the next three years.

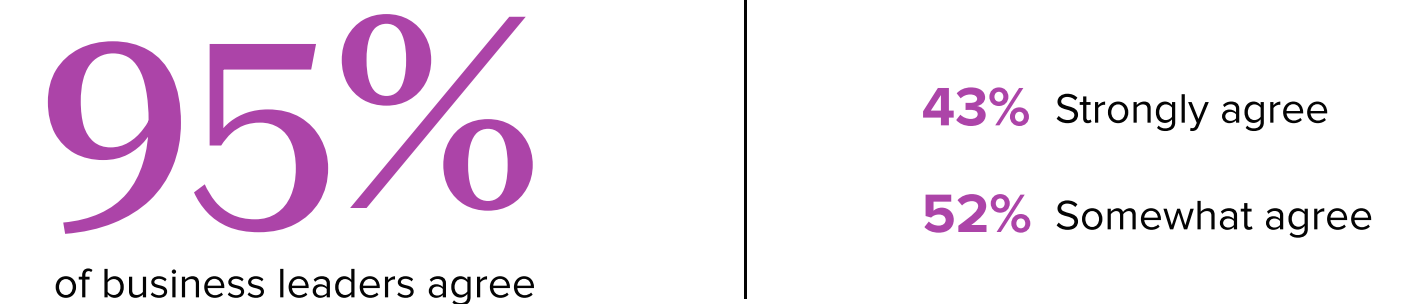
### Aspects of company business strategy informed by social media data vs. aspects of company business strategy anticipated to be more informed by social media data in the next three years



### Social media data and insights are currently underutilized at my company



### Companies must rely more heavily on social media data and insights to inform business decisions outside of marketing



- Currently informed by social media data and insights
- Anticipate will be informed to a greater degree by social media data and insights in the next three years

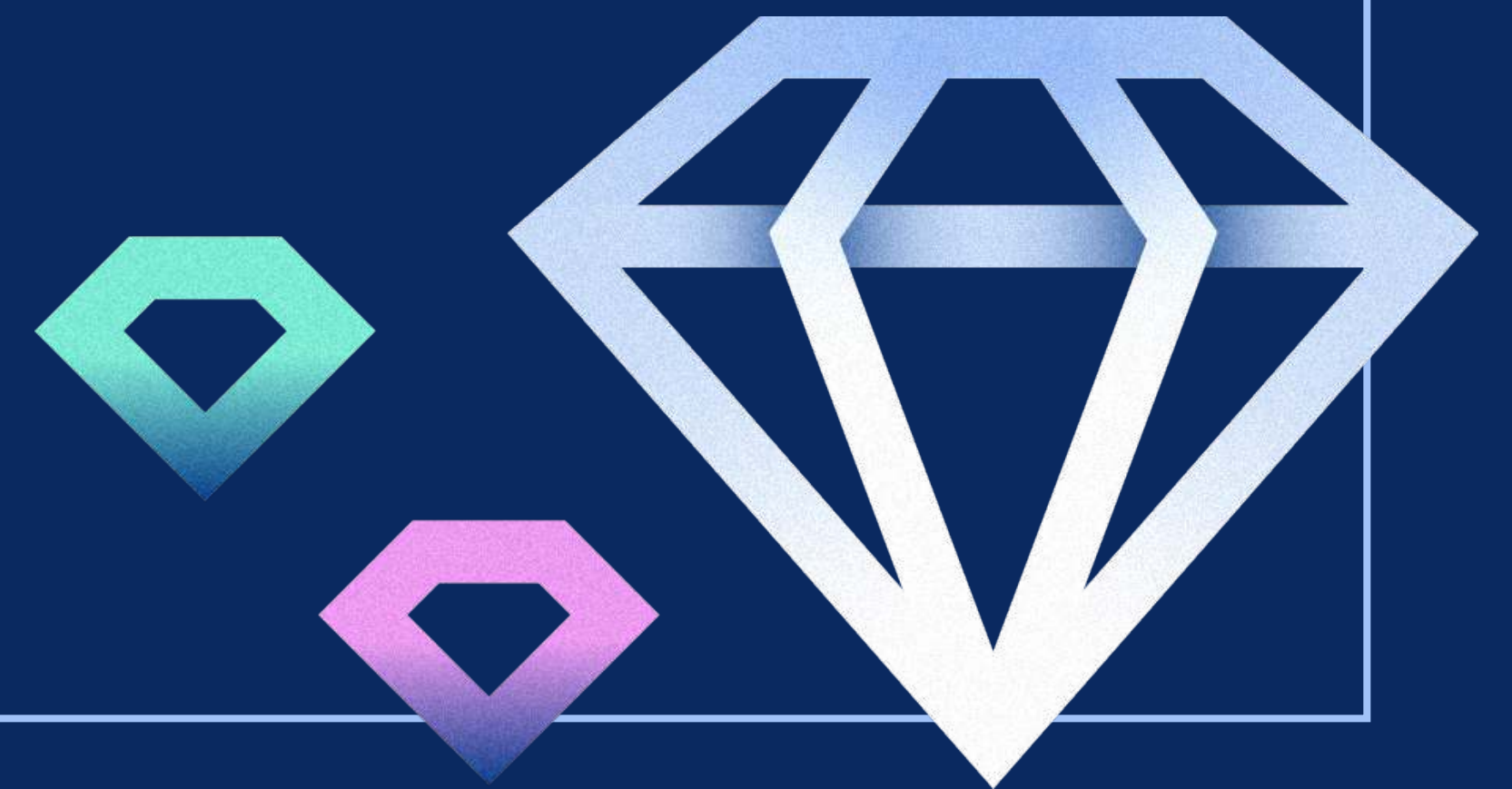
BASE: SOCIAL MEDIA DATA AND INSIGHTS AT LEAST OCCASIONALLY INFORMS BUSINESS STRATEGY, (n=765)

Q145. Which aspects of your company's business strategy are currently informed by social media data and insights? Please select all that apply.

BASE: ALL QUALIFIED RESPONDENTS, (n=778)

Q160. In the next three years, which of the following aspects of your company's business strategy do you anticipate will be informed to a greater degree by social media data and insights? Please select all that apply. Q165. To what extent do you agree or disagree with the following statements?

Extracting value  
from social media with  
emerging technologies  
and data tools

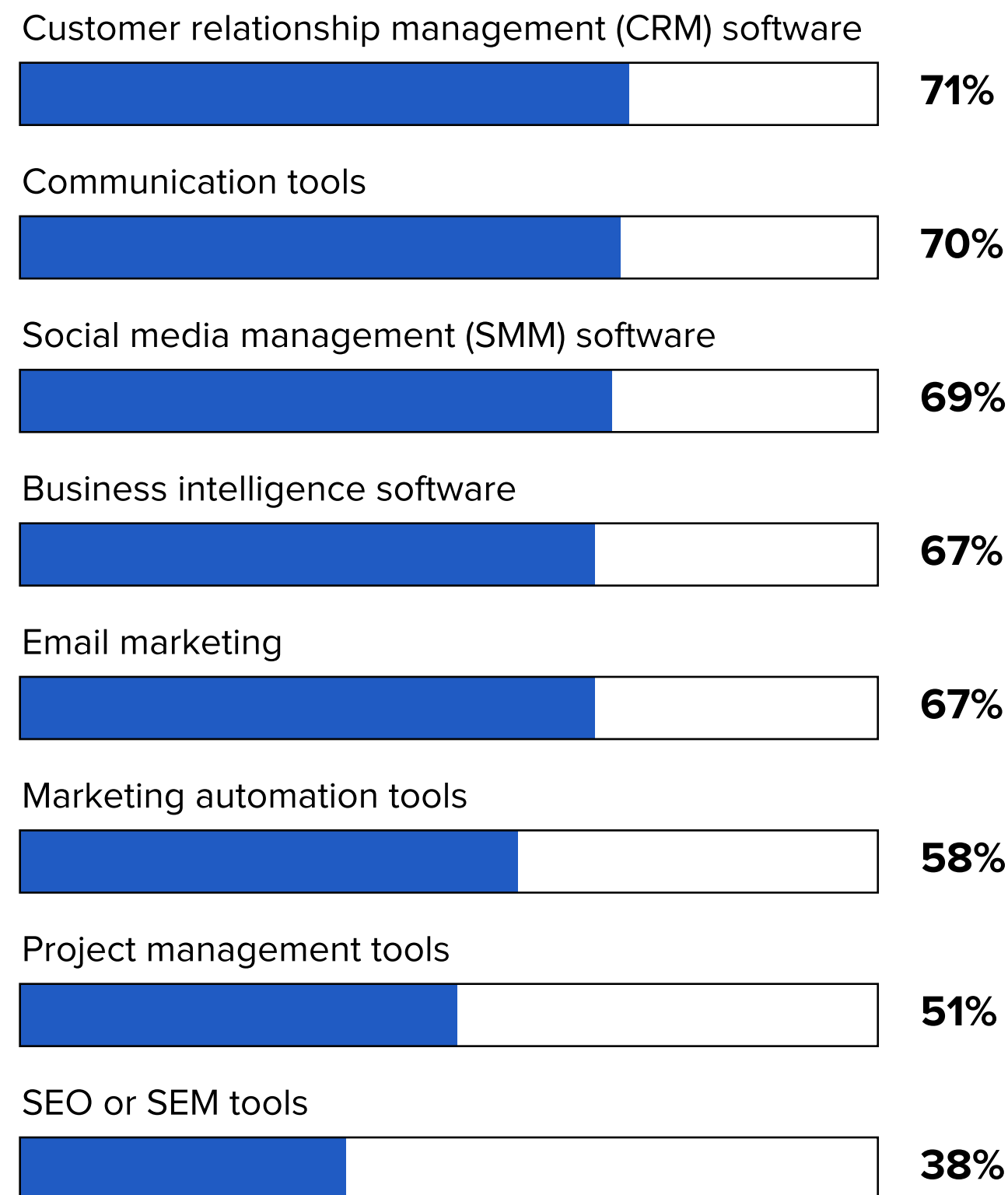


Roughly 7 in 10 business leaders report that their company is currently using social media management (SMM) software, and 88% agree that it is a critical tool in their company's technology solutions.

Of companies that use SMM, nearly 3 in 4 use customer engagement features, about 6 in 10 use social commerce and listening features and around 1 in 2 use employee advocacy, analytics, and publishing and scheduling features.

Other widely used technology solutions include CRM software, communication tools, business intelligence software and email marketing software.

### Technology solutions companies currently use



### Features of SMM software in use



**Business leaders that agree social media management software is a critical tool in their company's technology solutions**

**88%**  
of business leaders agree

**42%** Strongly agree  
**46%** Somewhat agree

BASE: ALL QUALIFIED RESPONDENTS, (n=778)

Q300. Which of the following, if any, technology solutions does your company currently use? Please select all that apply.

Q345. To what extent do you agree or disagree with the following statements?

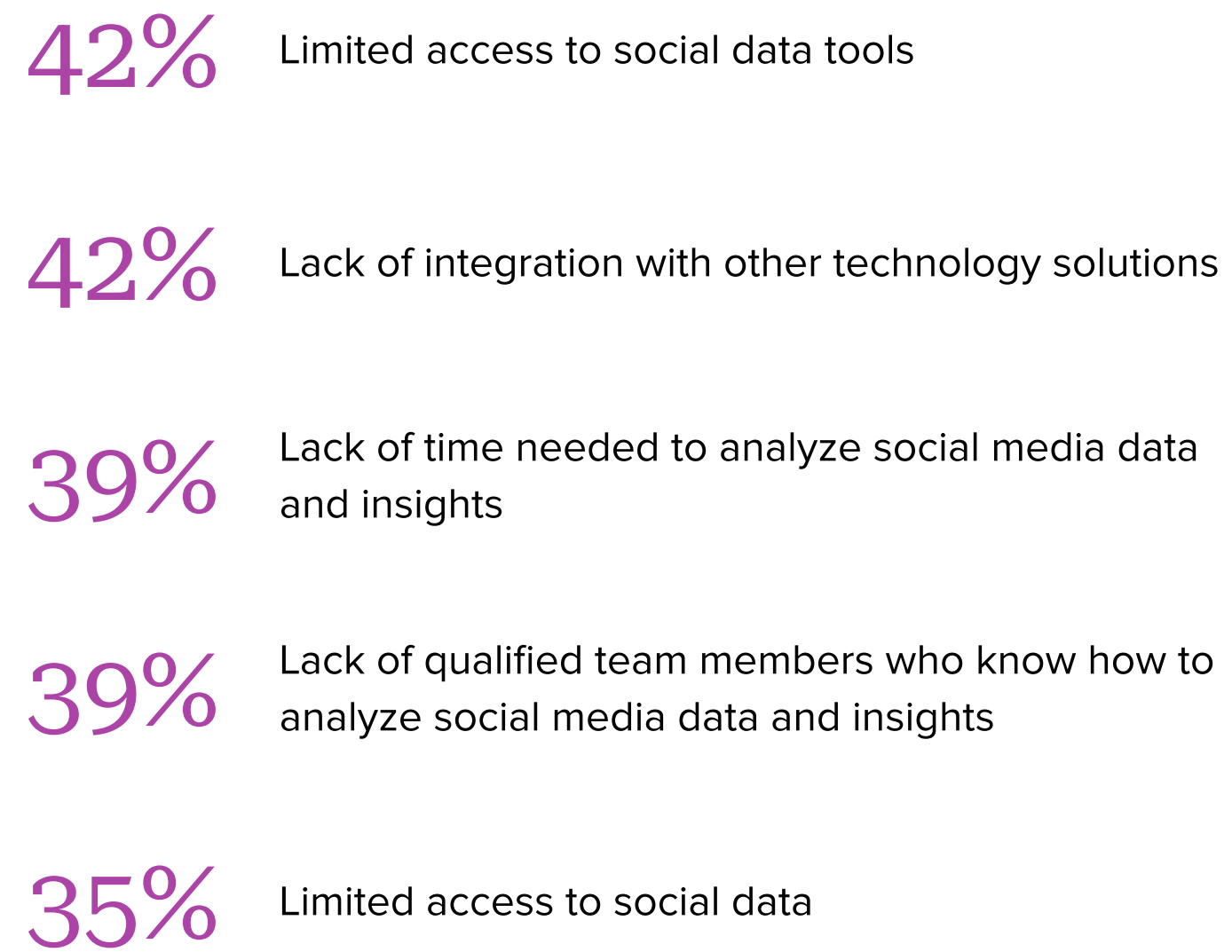
BASE: COMPANY USES SOCIAL MEDIA MANAGEMENT SOFTWARE, (n=540)

Q305. Which features, if any, of social media management software (SMM) do you currently use? Please select all that apply.

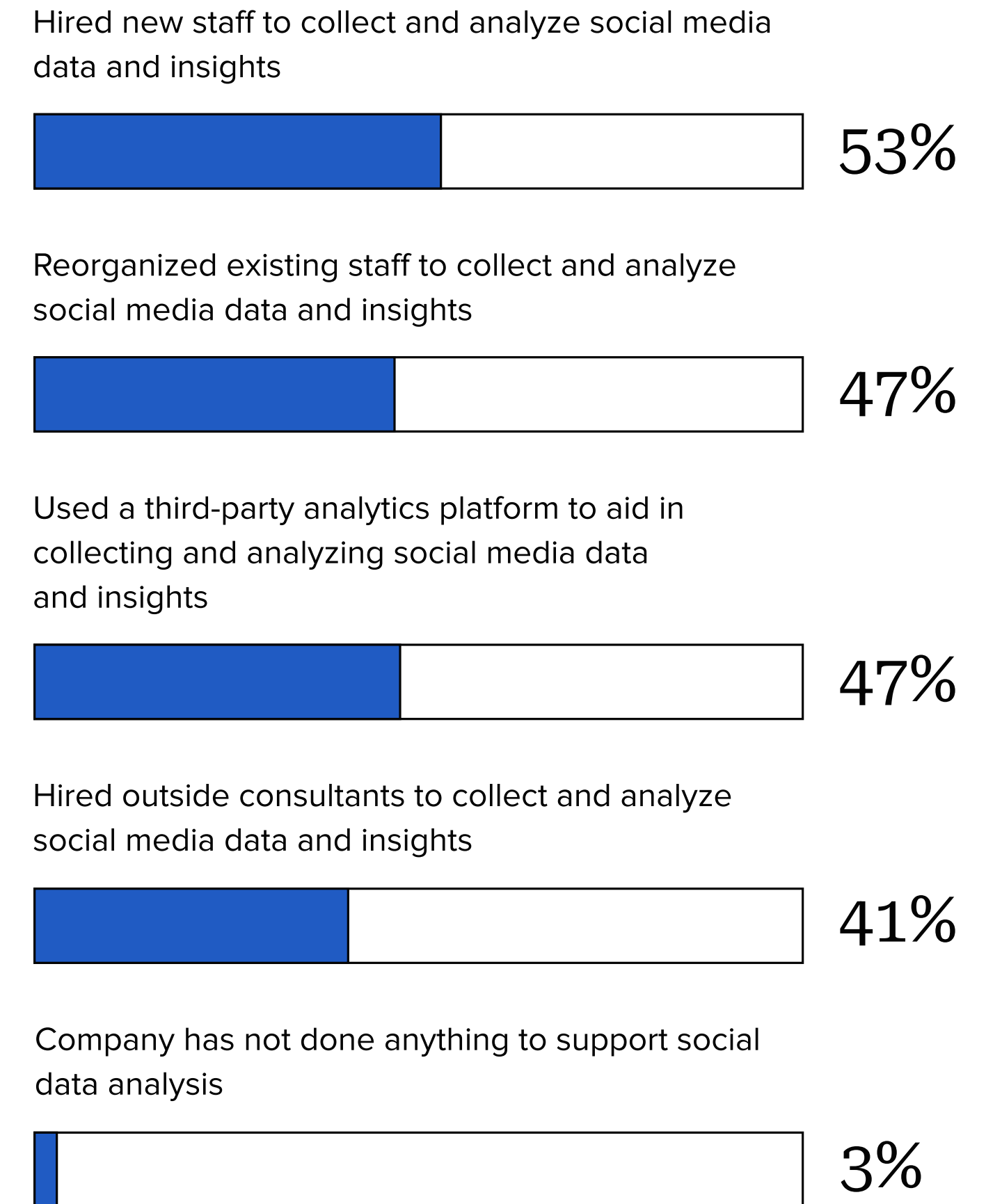
42% of business leaders cite limited access to social media data tools and a lack of integration with other technology solutions as the top challenges preventing them from more effectively using social media data and insights to inform business decision-making.

Additional challenges faced by business leaders include a lack of time needed to analyze data, a lack of qualified team members to analyze data and limited access to social media data.

### Challenges preventing companies from more effectively using social media data and insights to inform business decision making



### Ways companies currently support social media data analysis



BASE: ALL QUALIFIED RESPONDENTS, (n=778)

Q310. What are some of the challenges, if any, that prevent your company from more effectively using social media data and insights to inform business decision making? Please select all that apply.

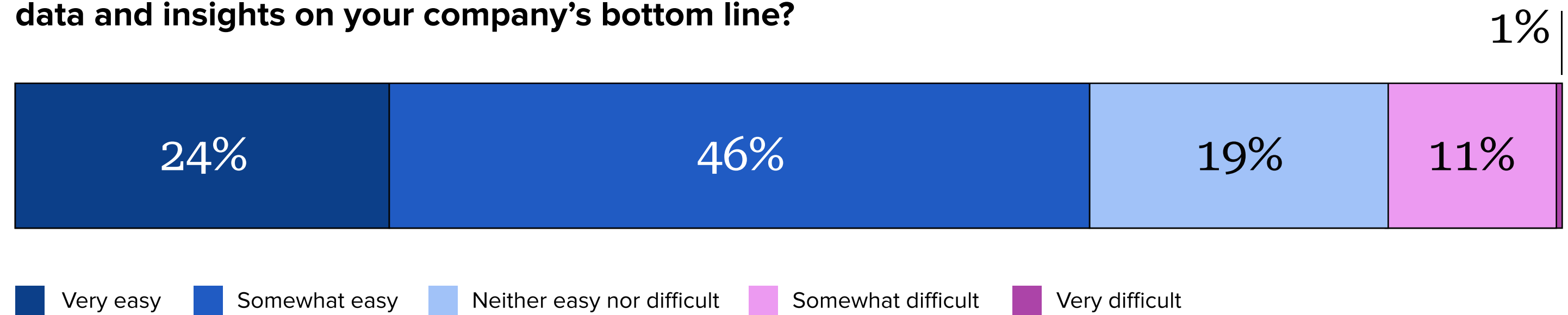
Q315. How does your company currently support social media data analysis? Please select all that apply.



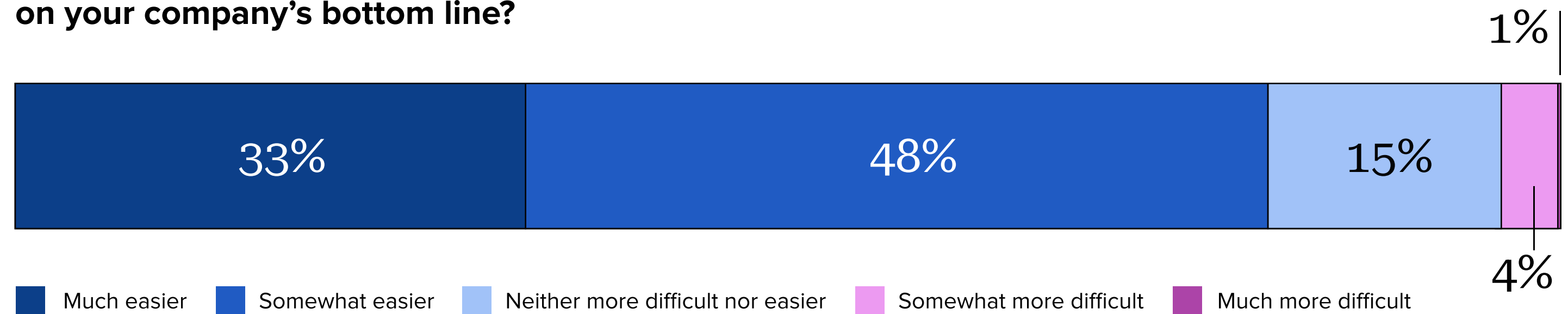
About 1 in 4 business leaders consider it “very easy” to demonstrate the impact of social media data and insights on their company’s bottom line.

1 in 3 business leaders think demonstrating the impact of social media will become “much easier” over the next three years.

### How easy or difficult is it to demonstrate the impact of social media data and insights on your company’s bottom line?



### Over the next three years, do you think it will be easier or more difficult to demonstrate the impact of social media data and insights on your company’s bottom line?



BASE: ALL QUALIFIED RESPONDENTS, (n=778)

Q325. How easy or difficult do you think it is to demonstrate the impact of social media data and insights on your company’s bottom line?

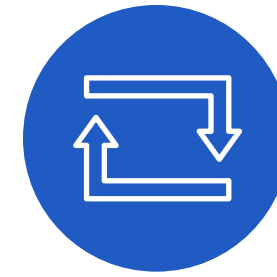
Q330. Over the next three years, do you think it will be more difficult or easier to demonstrate the impact of social media data and insights on your company’s bottom line?



## Demonstrating the impact of social media data and insights on companies' bottom lines is a key priority.

Strategies to further make it easier to demonstrate the impact include better integrated data sources, greater collaboration between departments, more sophisticated SMM software, more resources for social media data and insights and greater visibility to leadership.

### What would make it easier to demonstrate the impact of social media data and insights on a company's bottom line?



58%

Better integrated data sources



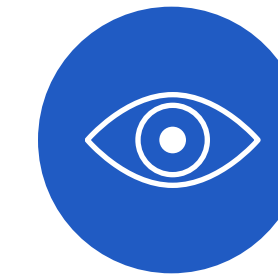
53%

More resources for social media data and insights



56%

Greater collaboration between different departments



52%

Greater visibility to leadership



54%

More sophisticated social media management software

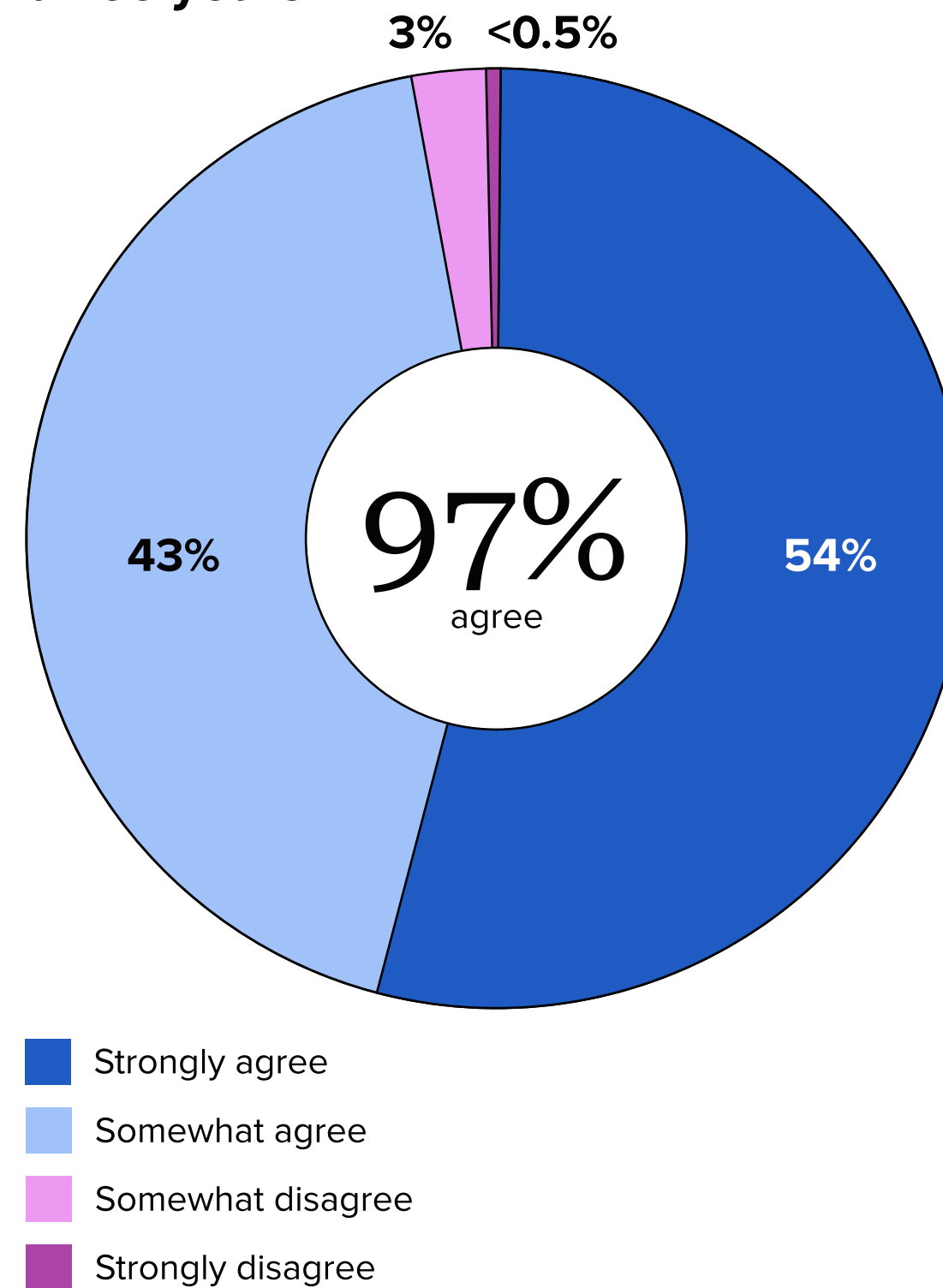
BASE: ALL QUALIFIED RESPONDENTS, (n=778)

Q335. Which of the following, if any, would make it easier to demonstrate the impact of social media data and insights on your company's bottom line? Please select all that apply.

Nearly 6 in 10 business leaders believe in investing in emerging technologies to create efficient workflows.

Additionally, constantly adjusting social media strategy to the evolving needs of customers and more effectively leveraging social media data could also give companies a competitive advantage going forward.

Business leaders believe that use of social data to understand market trends will increase over the next three years



What could give companies a competitive advantage going forward?

- 59% Investing in emerging technologies to create efficient workflows
- 58% Constantly adjusting social media strategy to the evolving needs of customers
- 58% More effectively leveraging social media data
- 56% Investing more resources into social media data analysis
- 56% Providing opportunity for customers to connect with brands in a positive way

BASE: ALL QUALIFIED RESPONDENTS, (n=778)

Q345. To what extent do you agree or disagree with the following statements?

Q346. In your opinion, which of the following could give your company a competitive advantage going forward? Please select all that apply.

Artificial intelligence (AI) and machine learning (ML) are key emerging technologies helping companies improve decision-making processes.

Almost all business leaders agree that companies need to better understand the potential impact of AI and ML technology on long-term success.

Nearly 9 in 10 expect their companies to increase investment in AI and ML technology for marketing in the next three years.

**AI and ML can help companies significantly improve decision-making processes**



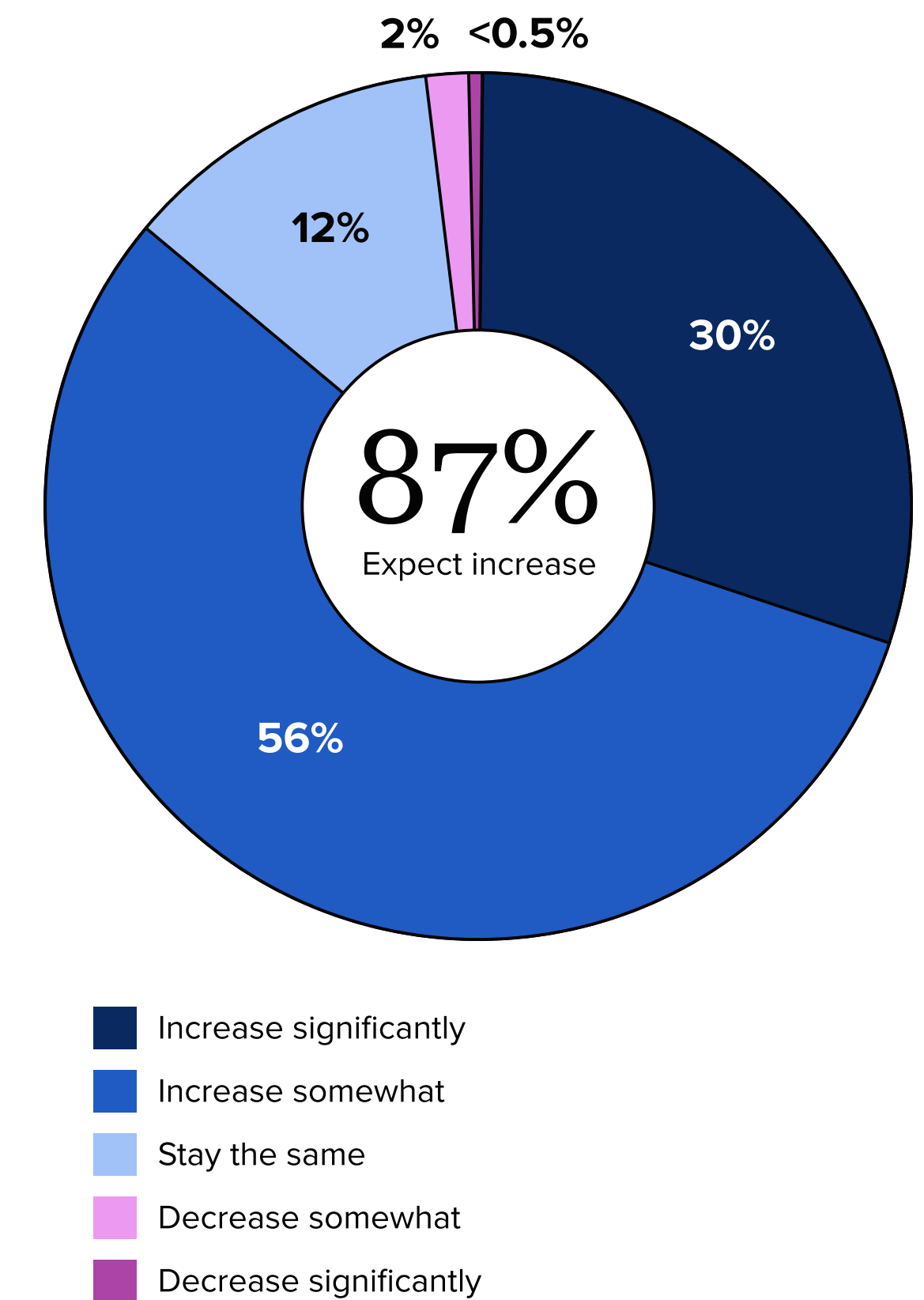
**Companies need to better understand the potential of AI and ML technology on long-term success**



**Increased investment in AI and ML will be crucial for scaling customer care functions over the next three years**



**Business leaders' expectations on their companies' AI and ML technology investments in the next three years**



BASE: ALL QUALIFIED RESPONDENTS, (n=778)

Q210. To what extent do you agree or disagree with the following statements?

Q430. To what extent do you agree or disagree with the following statements?

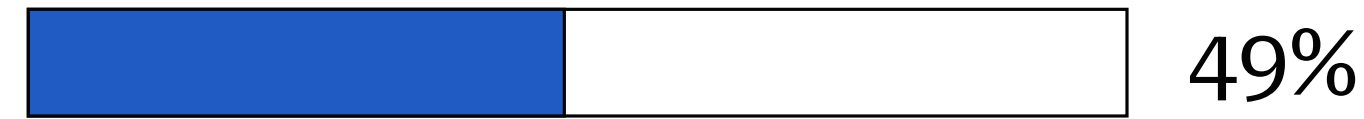
Q405. In the next three years, do you expect your company's investment in AI and ML technology for marketing to increase, decrease or stay the same?

Business leaders overwhelmingly agree that AI and ML will enable companies to analyze social media data and insights more efficiently.

About half consider behavioral segmentation to identify and target specific customer segments as one of the most useful applications of AI and ML.

### Most useful applications of AI and ML technology for marketing

Behavioral segmentation to identify and target specific customer segments based on behavior patterns



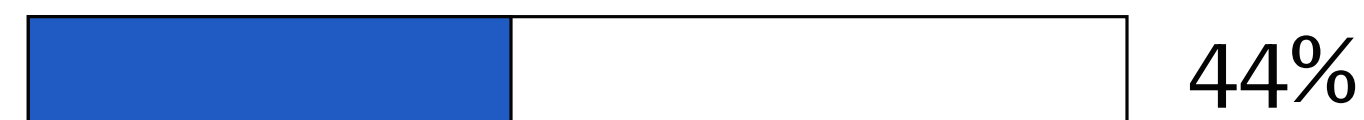
Predictive analytics to forecast future customer behavior



Dynamic pricing to optimize pricing based on real-time data and demand



Sentiment analysis to understand customer feedback and respond to issues in real-time



Content recommendation engines to personalize content and improve engagement

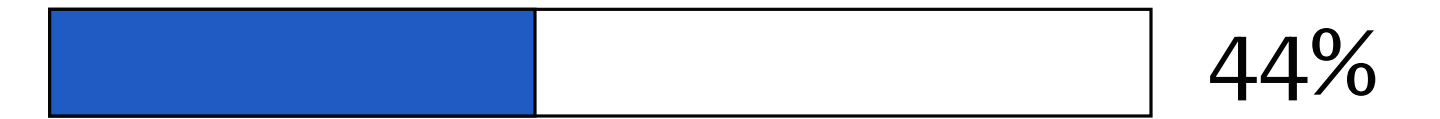
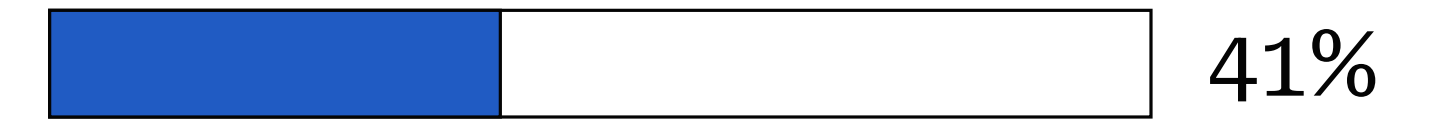


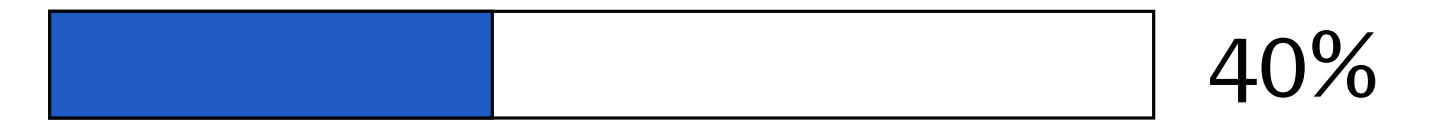
Image recognition to identify and analyze visual content



Natural language processing to improve customer interactions with chatbots



Voice search optimization to improve search rankings and customer experience for voice search



AI and ML will enable companies to analyze social media data and insights more efficiently

97%  
of business leaders agree

49% Strongly agree  
48% Somewhat agree

BASE: ALL QUALIFIED RESPONDENTS, (n=778)

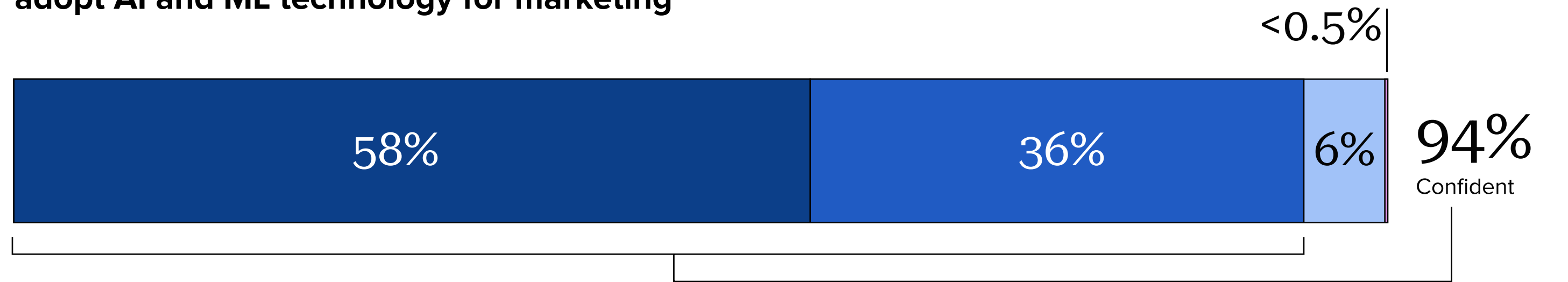
Q400. Which of the following do you consider the most useful applications of artificial intelligence (AI) and machine learning (ML) technology for marketing?

Q430. To what extent do you agree or disagree with the following statements?

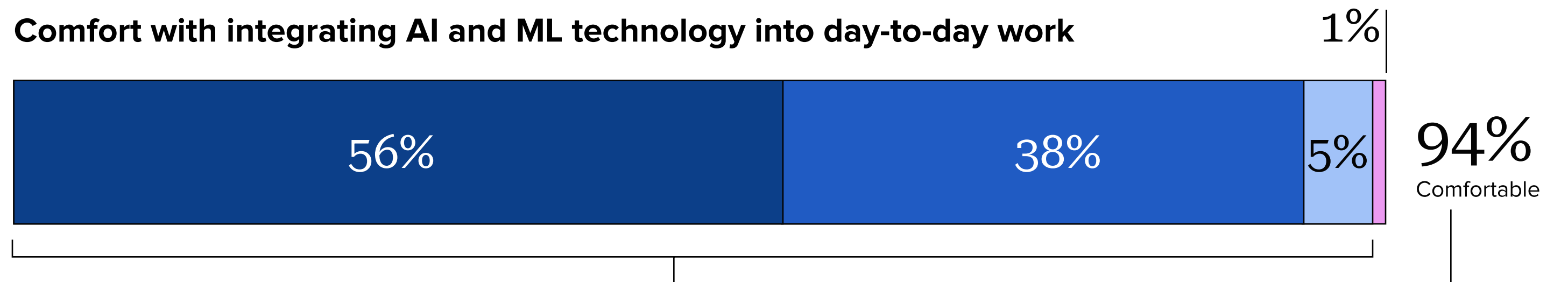
Business leaders are confident in their companies' ability to successfully adopt AI and ML technology for marketing and are comfortable integrating it into their work.

The level of familiarity with the applications of AI and ML for non-marketing business functions is fairly high, with around 1 in 2 indicating that they are "very familiar" with them.

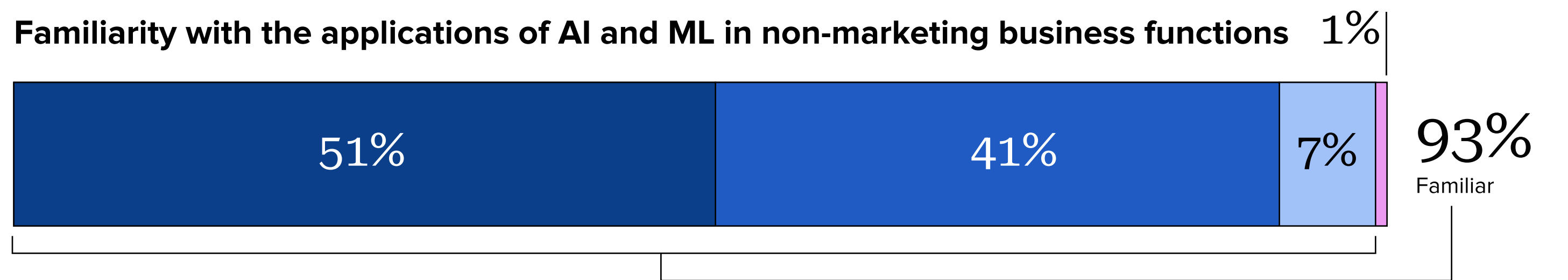
**Confidence in company's ability to successfully adopt AI and ML technology for marketing**



**Comfort with integrating AI and ML technology into day-to-day work**



**Familiarity with the applications of AI and ML in non-marketing business functions**



Very Somewhat Not very Not at all

BASE: ALL QUALIFIED RESPONDENTS, (n=778)

Q410. How confident are you in your company's ability to successfully adopt AI and ML technology for marketing?

Q420. How comfortable are you integrating AI and ML technology into your day-to-day work?

Q425. How familiar are you with the applications of AI and ML in non-marketing business functions?



Though leaders acknowledge that implementation of AI and ML is critical for long-term business success, companies may face challenges when implementing this technology.

For over 1 in 3 business leaders, those challenges include insufficient training, limited organizational experience, lack of understanding and resistance to change.

### Biggest challenges a company may face in utilizing AI and ML technology for marketing

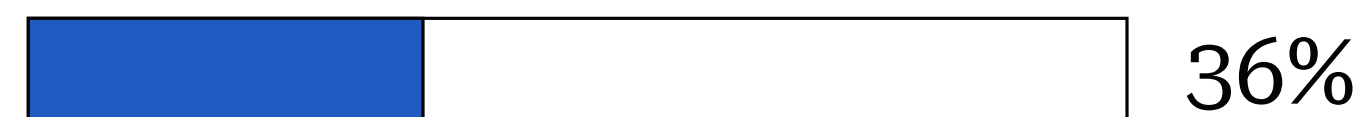
Insufficient training and development for business leaders to acquire the necessary skills to effectively implement AI and ML



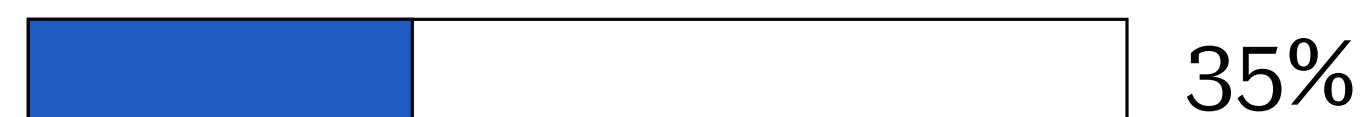
Limited organizational experience with AI and ML



Lack of understanding among business leaders about how AI and ML work



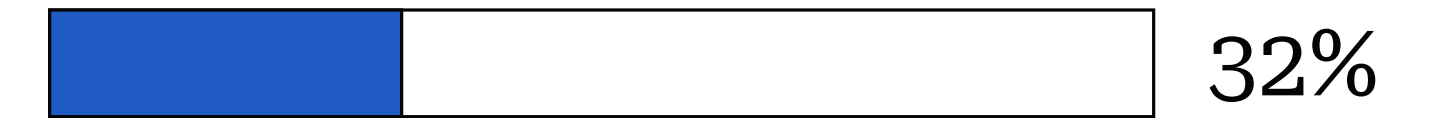
Resistance to change among business leaders who are not yet ready to embrace the use of AI and ML



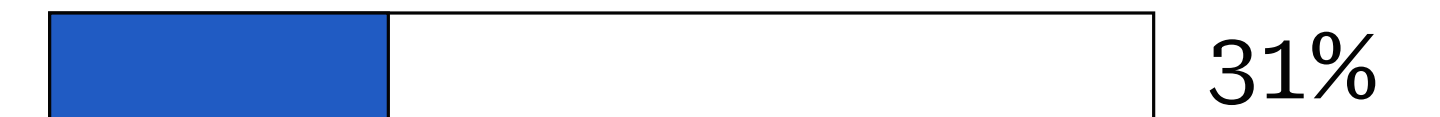
Lack of the right talent to facilitate the adoption/implementation of AI and ML



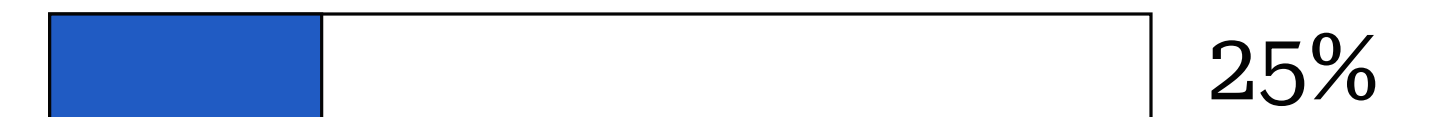
Lack of quality data to feed into AI and ML algorithms



Limited financial resources available to support the implementation of AI and ML



Not having the appropriate infrastructure to implement AI and ML



### Implementation of AI and ML technology are critical for long-term business success

**86%**  
of business leaders agree

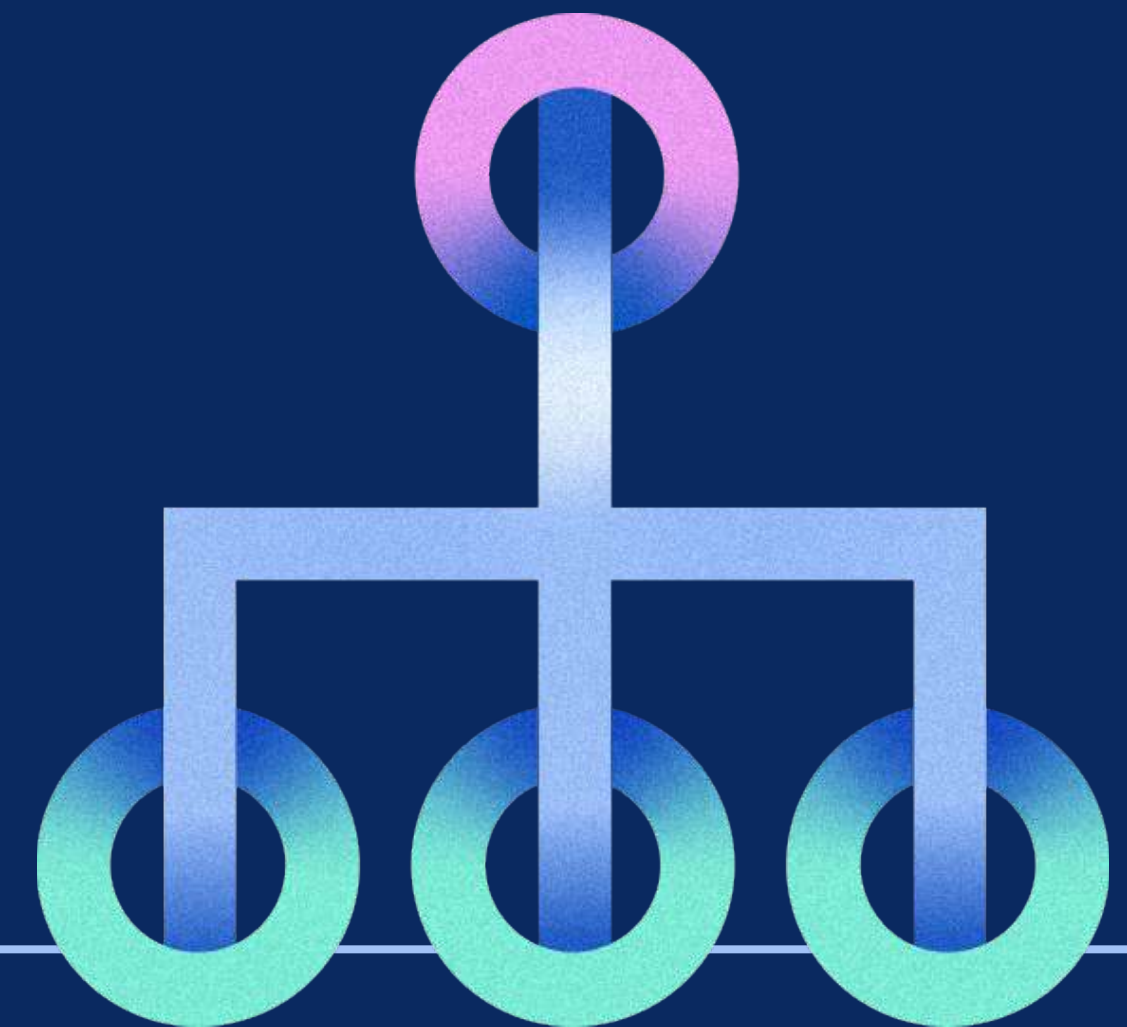
44% Strongly agree  
42% Somewhat agree

BASE: ALL QUALIFIED RESPONDENTS, (n=778)

Q415. Which of the following do you think are the biggest challenges your company may face in utilizing AI and ML technology for marketing? Please select all that apply.

Q430. To what extent do you agree or disagree with the following statements?

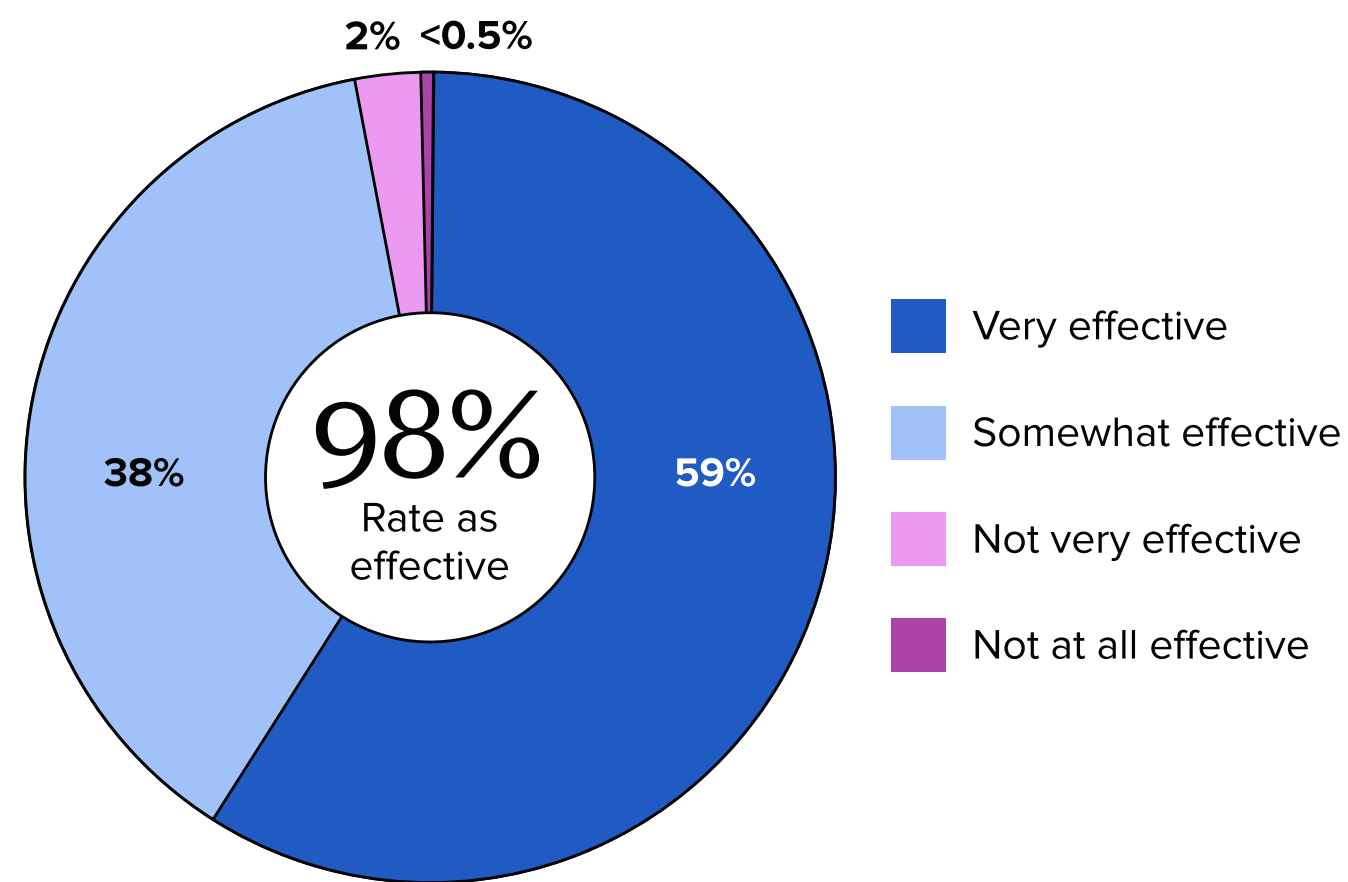
# Social media's critical role across an organization



There is a strong consensus that social media strategy involves greater collaboration between departments.

Nearly all business leaders rate their company's social media strategy as effective, with multiple departments—particularly marketing, customer care, and communications—influencing it.

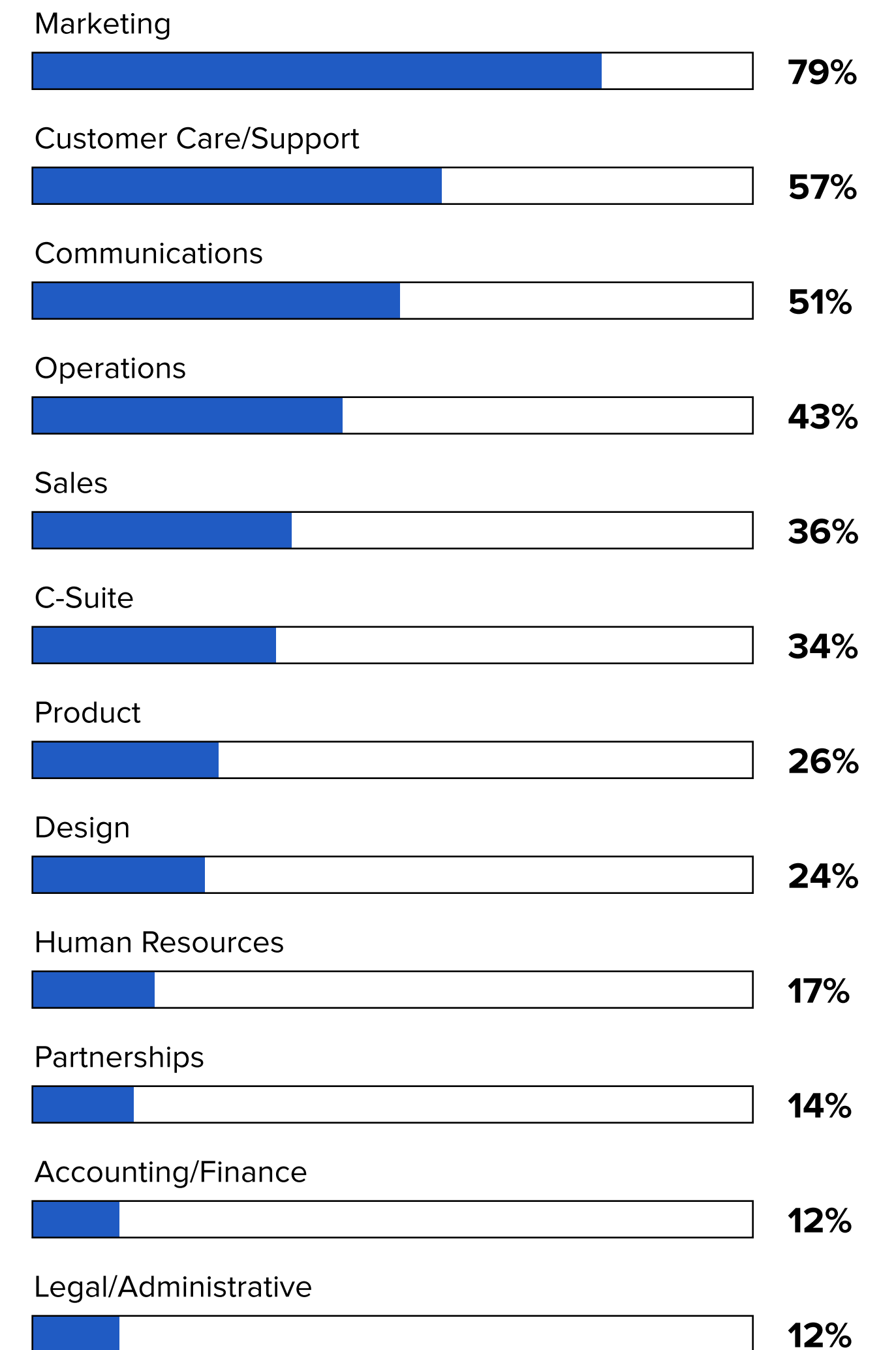
### Overall effectiveness of your company's social media strategy



### Social media strategy involves greater collaboration between different departments



### Departments with influence over company's social media strategy



BASE: ALL QUALIFIED RESPONDENTS, (n=778)

Q101. How would you rate the overall effectiveness of your company's social media strategy?

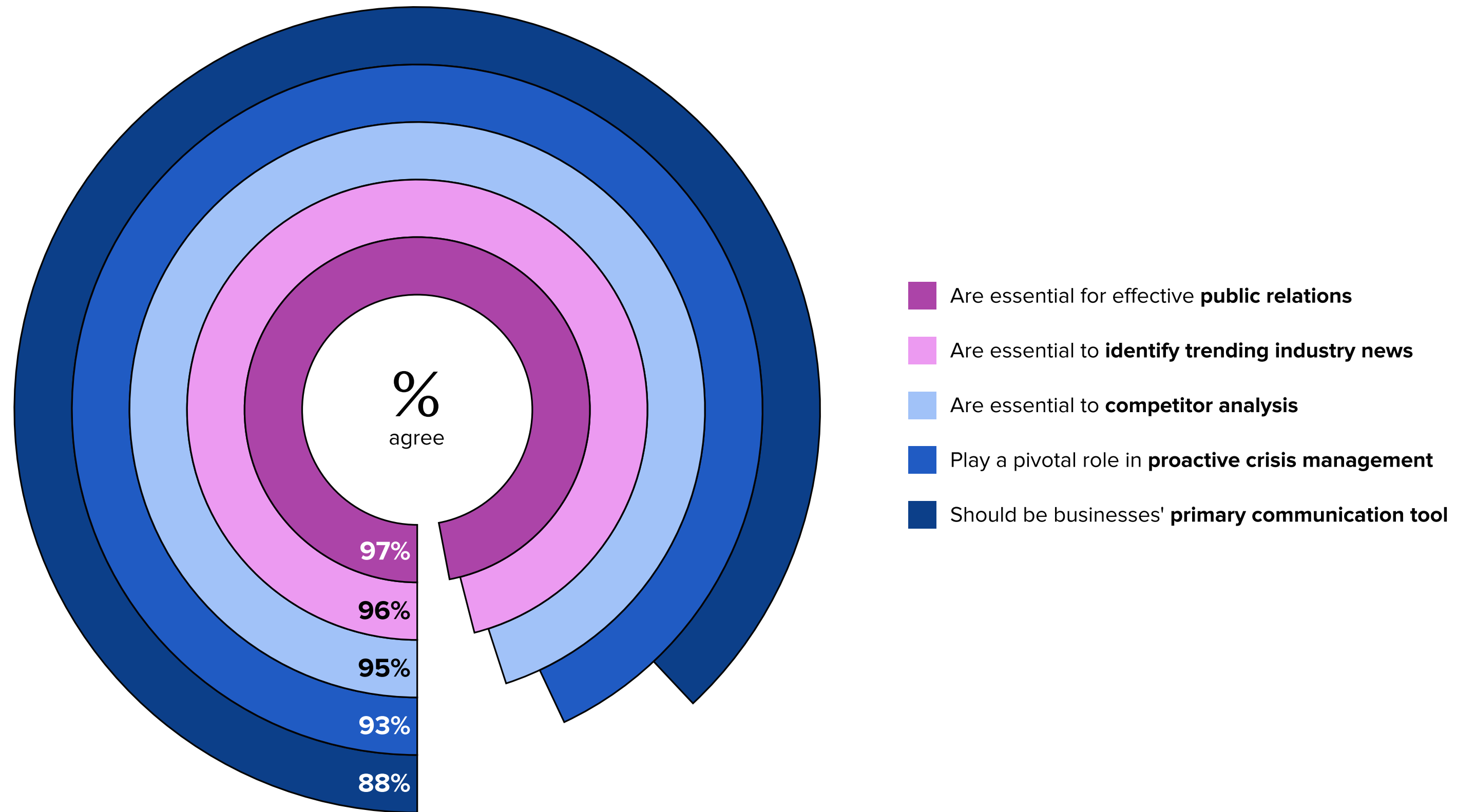
Q105. Which departments currently influence your company's social media strategy? Please select all that apply.

Q345. To what extent do you agree or disagree with the following statements?

Most business leaders agree that social media data and insights also play a pivotal role throughout the company.

Social media data and insights allow business leaders to think strategically about customer and competitor opportunities.

### Business leaders agree that social media data and insights...



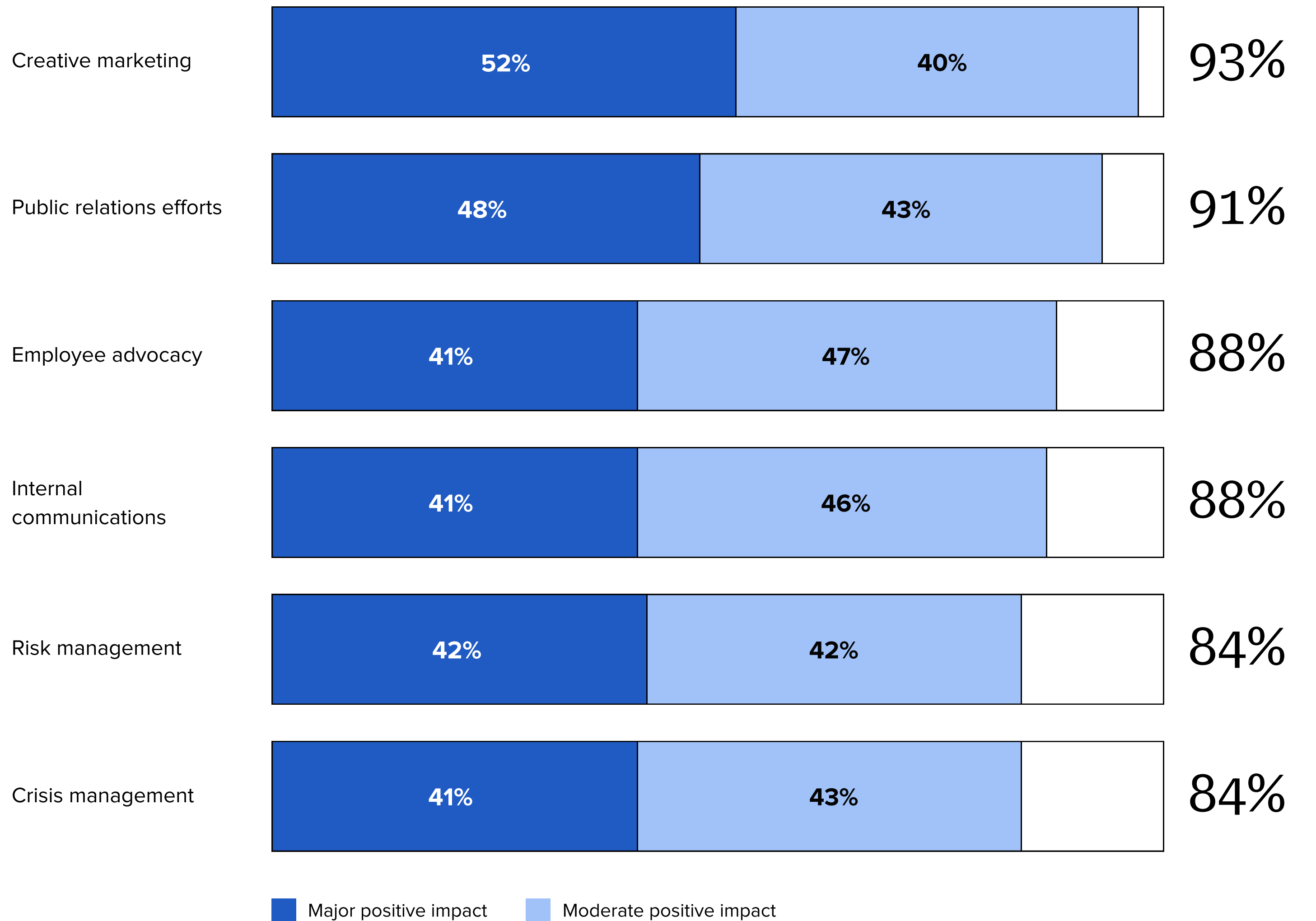
BASE: ALL QUALIFIED RESPONDENTS, (n=778)

Q220. To what extent do you agree or disagree with the following statements?

Most business leaders recognize the use of social media data and insights has a positive impact on various aspects of their company's communications.

The importance of social media data and insights is prominent in creative marketing and public relations— with at least 4 in 10 reporting that it has a “major positive impact.”

### Business functions that experience a positive impact from using social media data and insights



BASE: ALL QUALIFIED RESPONDENTS, (n=778)

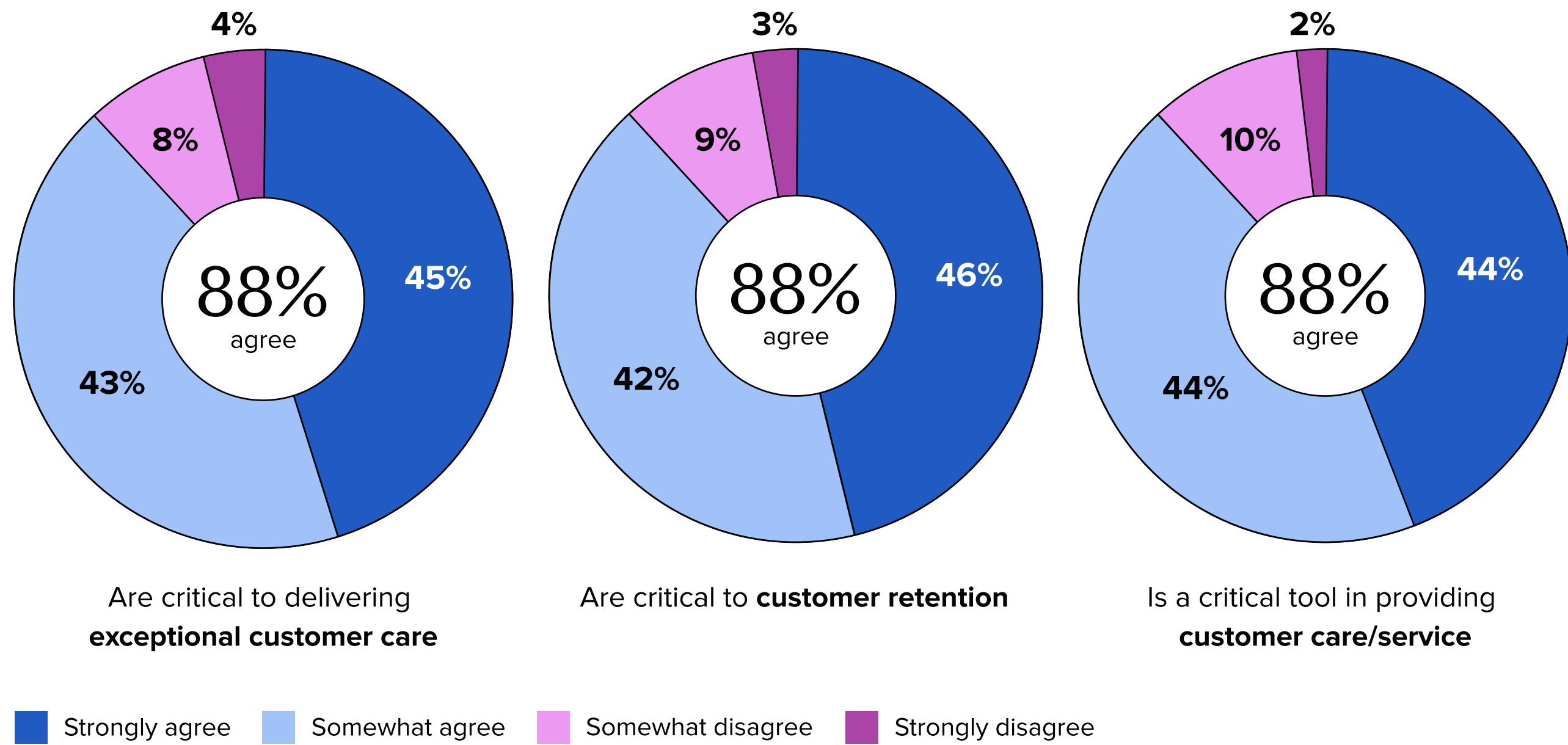
Q215. How much of a positive impact, if at all, would the use of social media data and insights have on each of the following?



## Business leaders agree on the importance and value of social media data and insights for customer care.

More than 9 in 10 business leaders expect social data to be integrated into the company's CRM capabilities in the next three years.

### Business leader agree social media data and insights...



**Business leaders that expect social data to be integrated into the company's CRM capabilities in the next three years:**

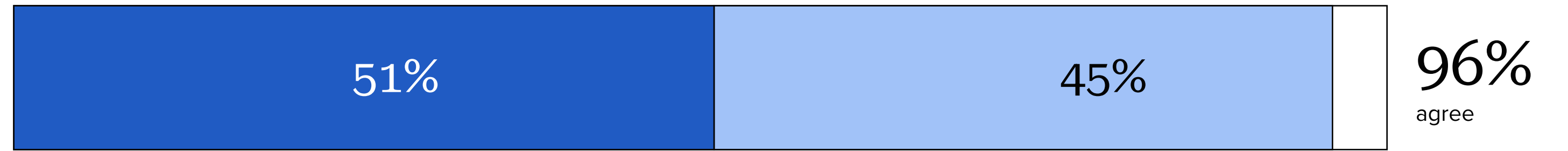
**96%**  
of business leaders agree

**48%** Strongly agree  
**48%** Somewhat agree

Nearly all business leaders agree that social media is integral to capturing customer sentiment and feedback about products or services and that customers expect companies to use social data to better tailor content to individual needs.

Over half “strongly agree” with these sentiments. Many also share the opinion that most companies don’t have a strong social media strategy for customer care.

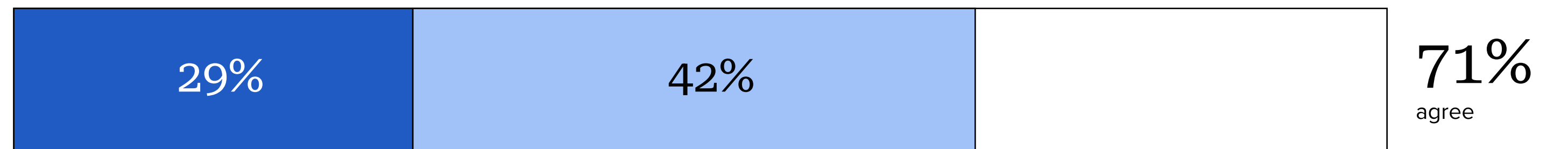
**Social media is integral to capturing customer sentiment and feedback about products or services.**



**Customers will expect companies to use social data to better tailor content to their individual needs.**



**Most companies don't have a strong social media strategy for customer care/customer service.**



■ Strongly agree ■ Somewhat agree

BASE: ALL QUALIFIED RESPONDENTS, (n=778)

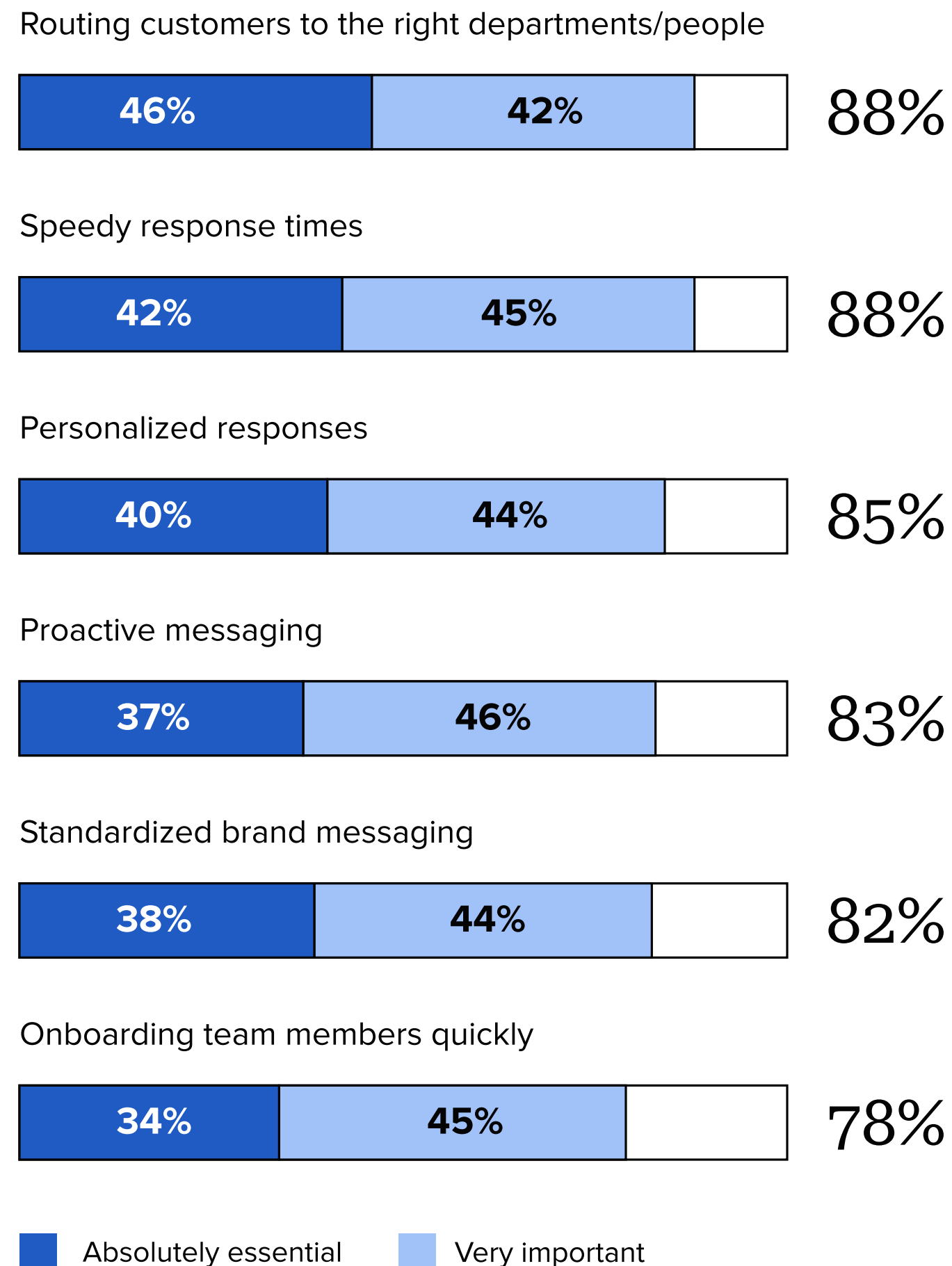
Q210. To what extent do you agree or disagree with the following statements?

Q345. To what extent do you agree or disagree with the following statements?

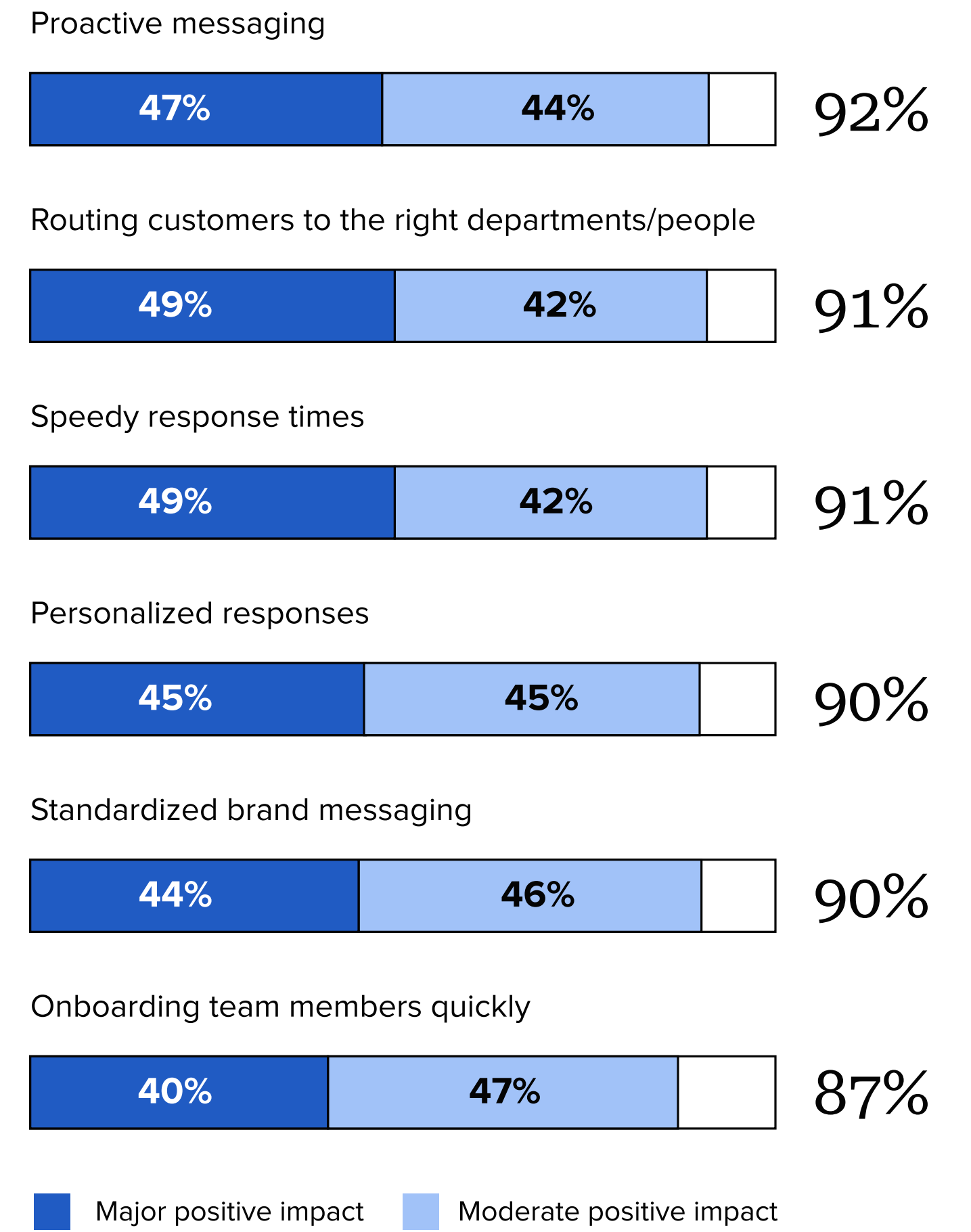
Around 4 in 10 business leaders describe social media data and insights as having a “major positive impact” on aspects of customer care and customer service.

Business leaders recognize both the importance of good customer care and customer service as well as the impact social media data and insights have on those business functions.

### Importance of each aspect for providing good customer care/customer service



### Impact of social media data and insights on each aspect of customer care/customer service



BASE: ALL QUALIFIED RESPONDENTS, (n=778)

Q200. How important are each of the following for providing good customer care/customer service?

Q205. How much of a positive impact, if at all, would the use of social media data and insights have on the following aspects of customer care/customer service? [sproutsocial.com](https://sproutsocial.com) | @SproutSocial

# Sprout Social

Sprout Social is a global leader in social media management and analytics software. Sprout's unified platform puts powerful social data into the hands of more than 30,000 brands so they can make strategic decisions that drive business growth and innovation.

With a full suite of social media management solutions, Sprout offers comprehensive publishing and engagement functionality, customer care, connected workflows and AI-powered business intelligence.

Sprout's award-winning software operates across all major social media networks and digital platforms. For more information about Sprout Social (NASDAQ: SPT), visit [sproutsocial.com](https://sproutsocial.com).



# The Harris Poll

The Harris Poll is a global consulting and market research firm that strives to reveal the authentic values of modern society to inspire leaders to create a better tomorrow.

It works with clients in three primary areas: building twenty-first-century corporate reputation, crafting brand strategy and performance tracking, and earning organic media through public relations research.

One of the longest running surveys in the U.S., The Harris Poll has tracked public opinion, motivations and social sentiment since 1963, and is now part of Stagwell, the challenger holding company built to transform marketing [theharrispoll.com](https://theharrispoll.com).

