

7 statistics that prove the importance of social media marketing in business

(by Lauren Cover – sproutsocial.com)

Digital transformation is in full swing. Accelerated by the events of 2020, this wave of transformation marks a turn of the tide in how businesses and consumers view, use and value social media—and we've got the data to prove it.

[The Harris Poll, on behalf of Sprout Social](#), surveyed more than 1,000 US consumers and 250 business executives to better understand how they use social media, the importance of social media marketing, social's impact on organizations and how its influence will change in the coming years.

For businesses wondering when to start making greater investments in social, the time is now. The sooner you start embracing social media as a critical business function, the farther the strong social current will take you. Companies that fail to do so risk being left behind.

Not convinced? Continue reading for seven stats that prove just how important social media marketing is for businesses of every shape and size.

1. 55% of consumers learn about new brands on social

Social media is a place for discovery and now, it's nearly as common for consumers to learn about brands or companies on social as it is through TV or radio ads.

In the age of streaming, we don't need to watch or listen to ads anymore. We can fast forward, change the channel or take our pick from an infinite library of commercial-free content. On social media, however, ads and brand content live in or next to a social stream and look a lot like the content we consume from our friends, family and other connections.

At the same time, [the value of radio](#) and [television ad spots are deflating](#), so if your business is looking for a worthy investment to redirect ad dollars to, consider social.



Why it's important

When we look closer at the 55% of consumers who learn about new brands on social, Gen Z and Millennials are especially likely to use social for brand discovery. As the spending **power of these digital natives** increases, the size of social networks will also continue to grow, reaching over **243 million social network users in the US** by 2025. If your brand isn't poised to capitalize on the growing networks, those consumers are most likely going to discover your competitors first.

2. 68% of consumers agree that social media enables them to interact with brands and companies

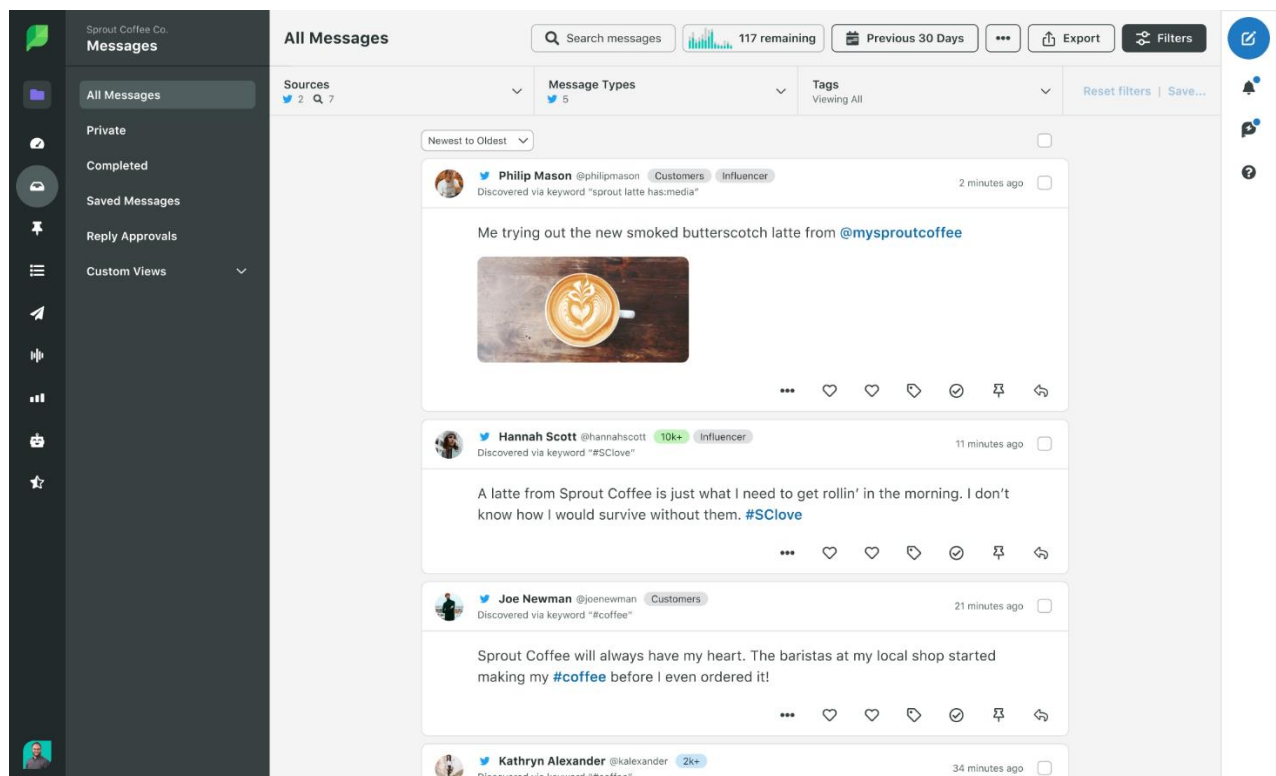
While traditional marketing and advertising methods are one-way media, where brands rely on their monologue to win over a consumer, social media empowers dialogue and gives consumers unique opportunities to engage.

At least two in five consumers report that they engage with a brand or company by "liking" its posts or following it on social media. Additionally, consumers treat social media as a feedback loop where they can report issues with products, leave a review or privately message a company.

Why it's important

Social offers huge potential for customer engagement, a primary goal for many marketers and a positive influence on customers' decisions to buy from a brand. Responsive brands that continuously react and engage in two-way communication with consumers are better equipped to serve their customers' needs, dial up personalization and humanize their content in a way that forges deeper connections with customers.

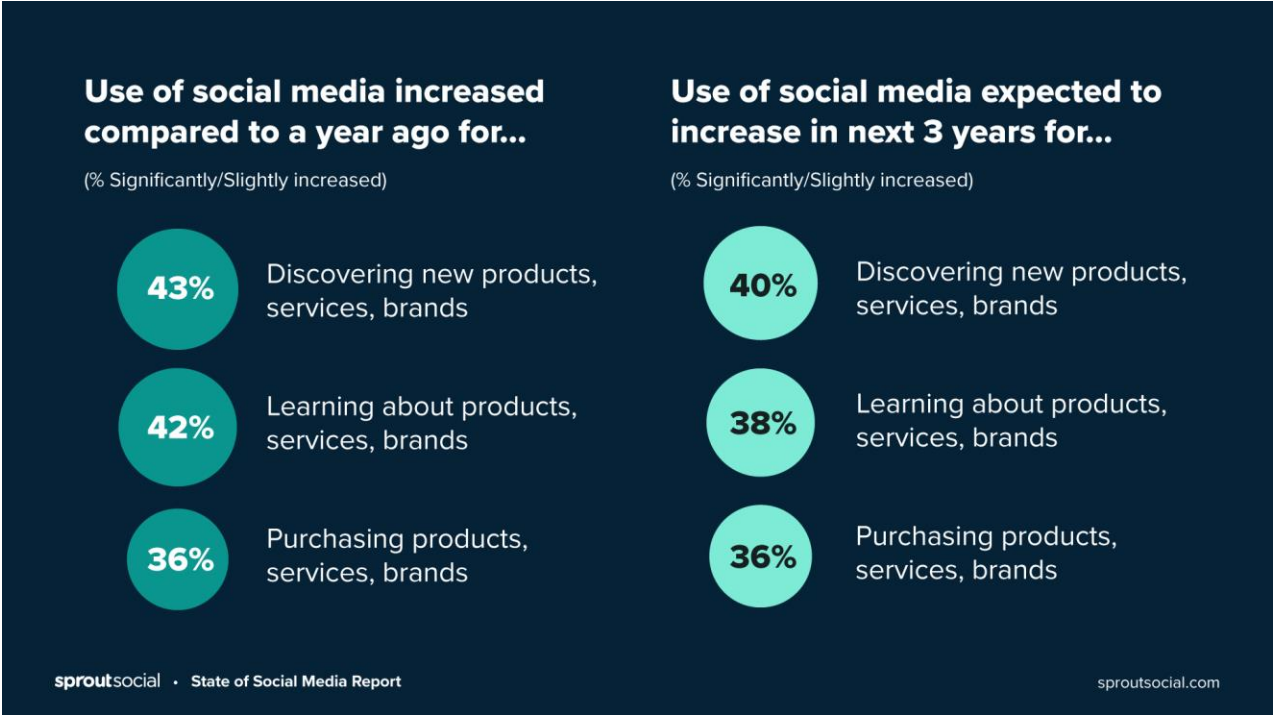
With tools like [Sprout Social's Smart Inbox](#), which collects inbound messages and brand keyword mentions, brands can ensure that they don't miss out on meaningful engagement opportunities.



3. 43% of consumers increased their social media use to discover new products in the last year

When the COVID-19 pandemic shut down the physical world and people hunkered down at home, nearly everything shifted to the digital space. Consumer use of social to discover or learn about new products or services increased 43%—a trend that's expected to continue in the next three years. Just

over one-third of consumers also follow and interact with brands more than they did a year ago, and expect that to increase in the future.



Why it's important

As more people embrace a social-first customer journey, businesses need to prepare forward-looking strategies that place their products and services front and center. **Social commerce**, another business venture executives are eagerly investing in, does just that, while making it seamless for consumers to go from discovery mode to purchase mode in one place.

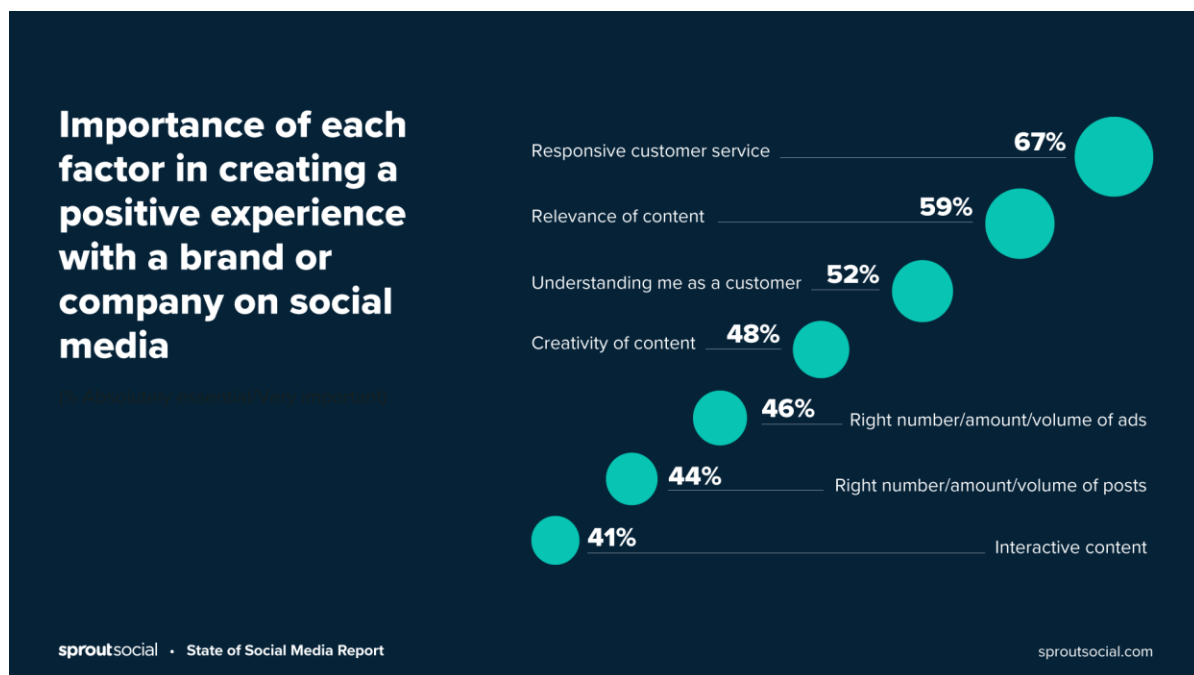
4. 78% of consumers are willing to buy from a company after having a positive experience with them on social

Never underestimate the impact of a positive experience with your brand or company on social. Whether that experience is driven by responsive, top-tier customer service, relevant content or just demonstrating an understanding of your customers on an individual level, the **business benefits** are indisputable.

Why it's important

Not only does a positive experience encourage a customer to make a purchase from your brand, but they're also more likely to choose your brand over competitors, recommend your brand to their own network and feel stronger brand loyalty.

A positive experience is predicated on specific customer expectations, but there are several factors that businesses should keep in sharp focus.



In addition to having inbox management tools, marketers need a solid strategy to deliver top-tier, responsive customer service. [Download this checklist](#) designed to help businesses meet the needs of their customers on Instagram. Then, apply what you learn to customer service strategies for your other social networks.

5. 80% of business executives think it's very important or essential to invest additional resources in social media marketing

Social can make big brands feel welcoming and accessible. On the other side of the spectrum, small businesses can use social to reach larger audiences while also engaging local, loyal followers. But without the right tools and resources to enhance your social presence, explore new creative content and efficiently communicate with audiences at scale, businesses risk falling behind.

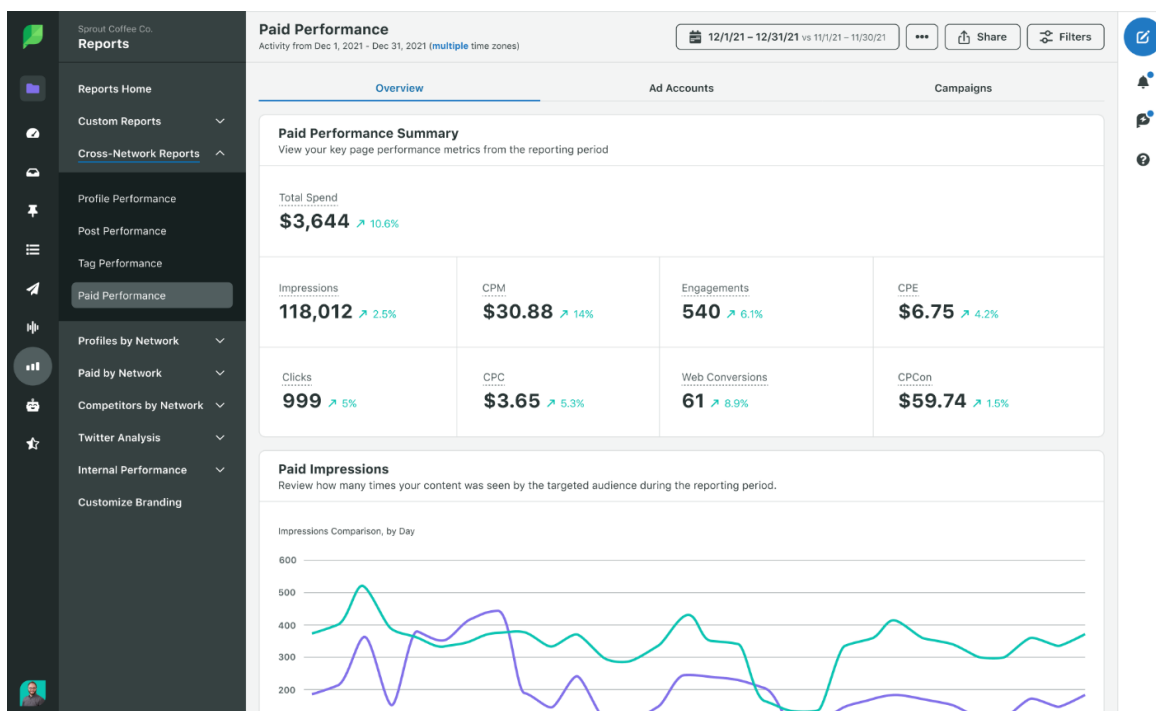
Think of it like this: If you have a car but don't put gas in it, it won't take you anywhere.

Fortunately, businesses now see social as a vehicle for business growth and 80% of executives think it's absolutely essential to invest additional resources into social media marketing.

Why it's important

It's not just executives who think investing in social is critical—62% of consumers believe brands need a strong social presence to succeed in the long run.

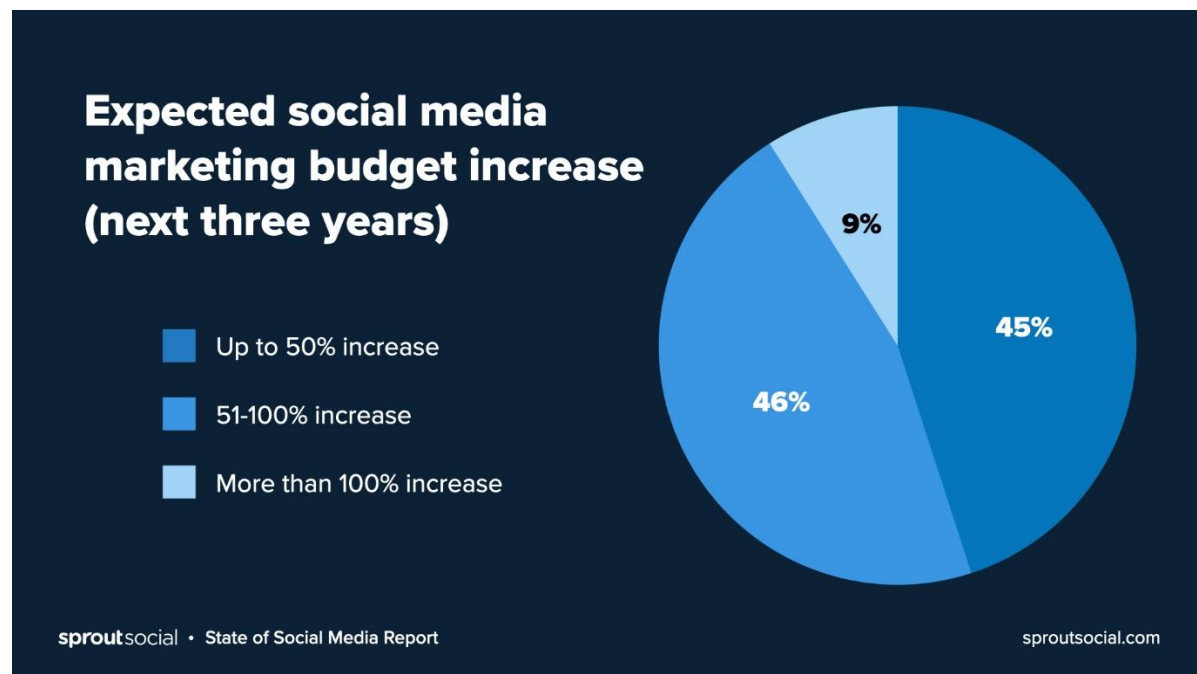
Start fueling up and investing in resources now so you can get a head start on competitors who have yet to recognize social as a business growth engine. [Request a free, personalized demo of Sprout Social](#) to gain insight into how our tools can take your business to the next level.



6. 91% of executives will increase social media marketing budgets in the next 3 years

In past years, securing a budget and resources for social media marketing has been [one of the biggest challenges](#) marketers faced. Now, social media marketing budgets are on the rise across the board.

These budgets aren't just increasing slightly, they're getting a major bump. Over half of the executives surveyed anticipate that their social marketing budgets will increase by over 50% by 2024.



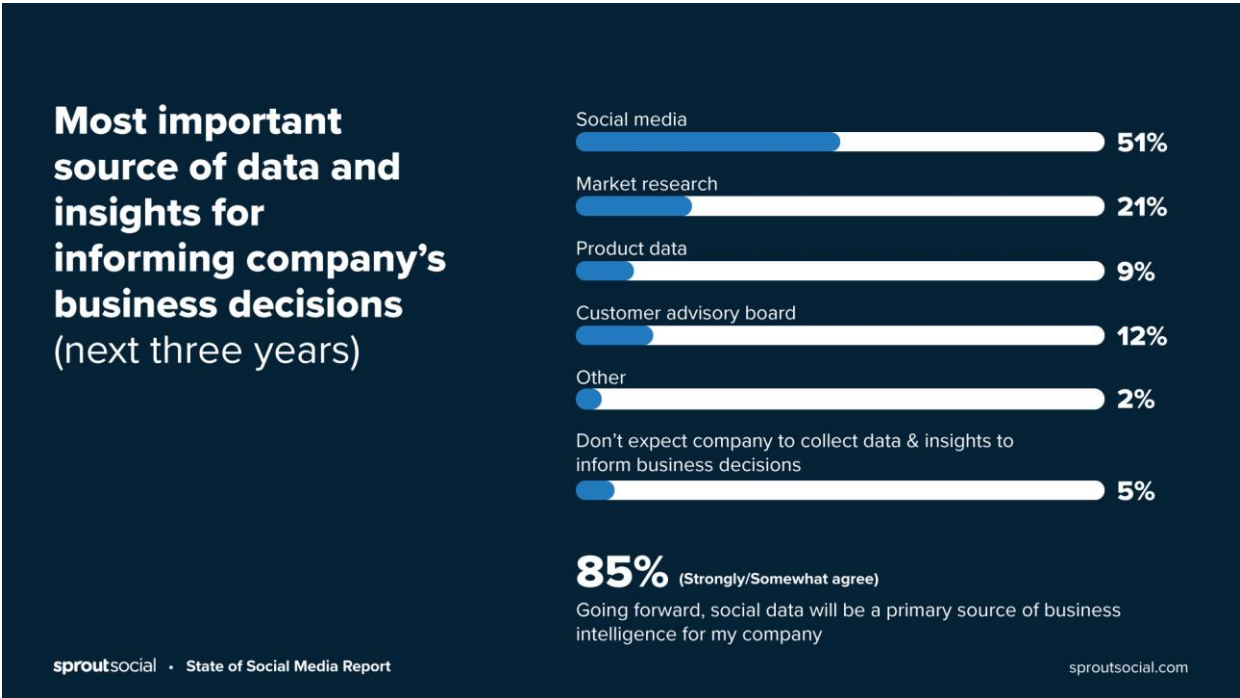
Whether that budget is allocated to hiring new social team employees, paid advertising, content production or a [social marketing tech stack](#) depends on each business' goals for social. If you're looking for more insight into how to create a social media marketing budget, [check out this article](#).

Why it's important

Businesses won't necessarily see a return on their social investments overnight. But if you plant the seeds now, nurture your strategy with data and give your social team the tools to harvest the fruits of their labor, you can reap long-term dividends.

7. 72% of companies use social media data to inform business decisions

According to 72% of executives surveyed, **social data** is already the top data source used to inform business decisions, even more so than market research. And going forward, 85% agree that social data will be a primary source of business intelligence.



Why it's important

Until recently, businesses were still weren't using social data to its fullest potential. Finally, we're seeing this shift, and according to the latest Sprout Social Index™, Edition XVII: Elevate, **90% of marketers agree** that social data enables them to stay ahead of their competitors.

On the surface, the social space may appear crowded and noisy, but when marketers are able to cut through that noise with **analytics and social listening tools**, they can discover a wealth of rich insights that the smartest brands use to differentiate their strategies.

The importance of social media in business extends beyond marketing

Businesses of all kinds are finally starting to see social differently—as a full-blown business function that’s much more than a marketing tool. In the next several years, companies will rely more heavily on social data than ever before to inform strategies and business decisions [outside of marketing](#).

As other departments across your business begin leveraging social data, your social team will become a go-to resource for guidance. Social marketers are already masters in turning social data into strategic business recommendations, targeted content and more. Start proactively showcasing that expertise to influence other elements of your business.

Prepare your business to catch the next wave of digital transformation. [Download The State of Social Media Investment Report](#) for more data and insights that highlight why using social media for business will position you on a path toward growth.