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## ***Social Media Market, 2012-2016***

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### **SCOPE**

This study examines the market for Social Media solutions from 2012 to 2016. The study covers both the Enterprise (i.e. business) market as well as the Consumer market. For the Enterprise market, it provides extensive data regarding current installed base, market share, breakouts by region, business size, and four year forecasts. For the Consumer market, it provides current installed base, market share, breakouts by region, and four year forecasts. The study also looks at the leading players in the Social Media market and analyzes their features, business strategies, and product strengths and weaknesses.

All market numbers, such as market size, forecasts, installed base, and any financial information presented in this study represent worldwide figures, unless otherwise indicated. All pricing numbers are expressed in \$USD.

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## METHODOLOGY

The information and analysis in this report is based on primary research conducted by The Radicati Group, Inc. It consists of information collected from vendors, service providers, and users within global corporations via interviews and surveys.

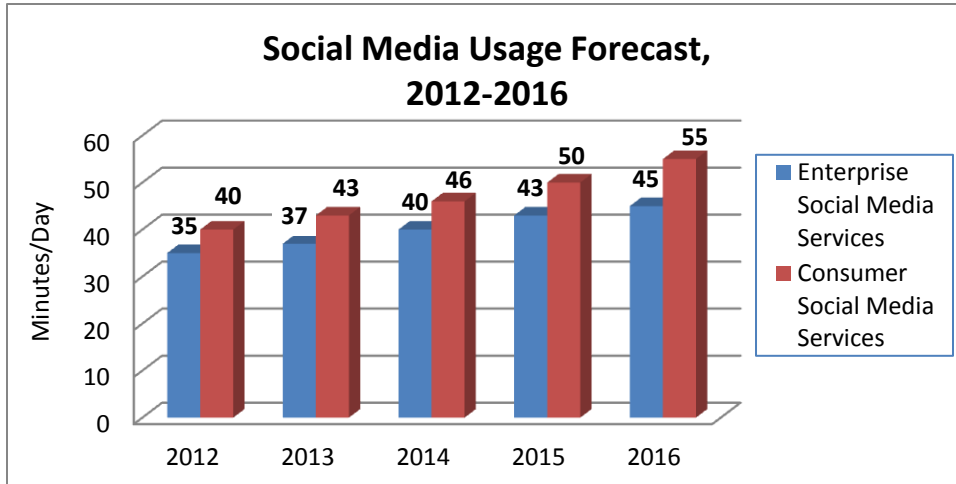
Secondary research sources have also been used, where appropriate, to cross-check the information collected. These include company annual reports and market size information from various market segments of the computer industry.

## EXECUTIVE SUMMARY

- Social Media has created an unprecedented level of transparency between businesses and consumers. Businesses are constantly seeking ways to improve their product offerings and identifying key incentive points for their customers. Similarly, consumers are constantly providing valuable opinions and seeking the best deals for products and services. As a result, it has become common for businesses to consider social media a primary method of reaching their target demographics.
- “Apps” have become a prominent aspect of the social media space. Social media platform such as Facebook and Jive have developed App Marketplaces for third party developers to promote and sell their compatible apps. By allowing the integration of apps, social network platforms can expand their services and offer more opportunities to engage users. Additionally, since monetization is a growing concern for all social media platforms, the implementation of app marketplaces is one of several promising methods of revenue generation for both enterprise and consumer social media services.
- This report looks at the Social Media market according to two segments:
  - **Enterprise Social Media** platforms are designed to create internal and/or external networks for organizations. While most Enterprise Social Media vendors offer both network capabilities, most platforms tend to focus either on internal collaboration or on external collaboration. In either case, enterprise social media services are intended to create and support user collaboration

through private or public communities. Key vendors in the enterprise social media space include: *Atlassian, Broadvision, IBM, Jive, Microsoft, Salesforce, Social Text, Telligent, Yammer*, and many others.

- **Consumer Social Media** services are geared to providing users with a collaborative space to network and form communities pertaining to broad or specialized interests. Most consumer social media services utilize features such as user profiles, blogs, forums, message boards, instant messaging, private messaging, photo and video sharing, status updates, and more. Key consumer social media services include: *Badoo, Facebook, Google+, LinkedIn, MySpace, Tencent Qzone, Twitter, Yelp*, and many others.
- The Enterprise Social Media market continues to grow at a steady rate. With the success of the Consumer Social Media market, businesses are striving to apply the viral and engaging attributes of social media to their organizations. As such, a considerable number of vendors have entered this space with the hopes of becoming the leading enterprise social solution provider.
- With the worldwide prevalence of Facebook, the consumer social media space has grown at a remarkable rate within recent years. While initially popular in the US, social media has expanded internationally as well. Many countries in Asia and Europe have developed their own social media services and are making efforts to penetrate the US market. Similarly, US social media services are aggressively targeting foreign markets in order to create a global social media presence.
- A survey conducted by the Radicati Group in mid 2012, asked respondents about their social media use both as consumers and for business purposes. According to the survey business users are spending an average of 35 minutes/day on business-related social networking sites, while consumers are spending an average of 40 minutes a day on social media sites.
- Figure 1, shows the daily usage rates forecast of social media use from 2012 to 2016.



**Figure 1: Social Media Usage Forecast, 2012-2016**

- We expect the total number of worldwide Social Media accounts, including both Consumer and Enterprise accounts, will grow from about 3.1 billion in 2012, to 4.9 billion in 2016. The number of Social Media users is expected to rise from 1.6 billion users in 2012, to 2.3 billion in 2016. (*Note: users typically have more than 1 account*).
- Table 1, shows the growth in the number of worldwide Social Media accounts and users from 2012 to 2016. Worldwide Social Media accounts shown below include both Enterprise and Consumer Social Media accounts.

|  | 2012  | 2013  | 2014  | 2015  | 2016  |
|--|-------|-------|-------|-------|-------|
| <b>Worldwide Social Media Accounts (M)</b> | 3,132 | 3,505 | 3,930 | 4,370 | 4,870 |
| % Growth                                   |       | 12%   | 12%   | 11%   | 11%   |
| <b>Worldwide Social Media Users (M)</b>    | 1,600 | 1,790 | 1,965 | 2,165 | 2,345 |
| % Growth                                   |       | 13%   | 10%   | 10%   | 9%    |
| Average Accounts/User                      | 2.0   | 2.0   | 2.0   | 2.0   | 2.1   |

**Table 1: Worldwide Social Media Accounts and Users, 2012–2016**

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