CRACKING THE SOCIAL CODE
The Story of Why
Executive summary

Even the most superficial social interaction online is driven by a consumer need. Wave’s seven years of analysing social behaviour online has revealed the 5 key needs underpinning them all: Relationship, Diversion, Progression, Recognition and Learning.

Wave has also shown us that meeting these needs can play a key part in building brands and driving sales. For example, Diversion is the need state that drives Desirability for brands. 40% of people who want entertaining experiences from brands say that these experiences make the brand more desirable. Whereas to drive sales a combination of Recognition and Learning is powerful. Educating people about your product whilst at the same time listening to their needs makes consumers far more likely to buy.

Consumers are entering into a ‘value exchange’ with brands that meet these needs, they are happy to disclose personal data if it means they receive a better online experience.

Whilst these 5 basic needs don’t change, the ability of technology to meet them is in constant flux – and brands need to understand exactly what consumers want from different devices.

The growth of the smartphone in particular is transforming both the device and social platform landscape.

So it’s no longer enough to simply track the latest trends because much of what we see is background noise or worse, a complete distraction. What we really need to do is understand the motivations behind these trends and only then look at when and how consumers are doing them.

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Welcome to Wave 7

In 2006 we started Wave because we wanted to know if social media lived up to the hype. It certainly did and we continued to track many trends because at that time we thought keeping up with something moving this fast was all important. But the growth and proliferation of internet-connected devices means that the main trend we see in 2013 can comfortably be summarised by one word. **More.** More things done, by More people, More often and in More places.

So while we would be the first to admit that keeping up with this dizzying pace of growth has been breath-taking, we have also begun to realise that “More” can be a distraction. Especially for an industry so often dazzled by the new new.

As Bob Hoffman summarised so succinctly on his Ad Contrarian blog “there is no-one more gullible than the marketeer who thinks they are missing out on a trend”, probably around the same time, somebody else said “Lets own Myspace”. So with Wave we learnt not to just follow trends but to understand what motivates the people driving those trends. And what we found was that social behaviour is driven by the same deep seated consumer needs that people have in the offline world. So we realised that we had an unprecedented opportunity to understand what people really want from brands by examining them in the social space. So with *Wave 7 – Cracking The Social Code* we have fully explored these needs as their understanding gives us fundamental insights into the way we should build long term relationships with consumers.

**Glen Parker**  
Head Of Research G14  
UM

Powered by Curiosity Works

- At UM we have a philosophy which we call **Curiosity Works.** This philosophy drives us to continually seek new insights that we can use to unlock the competitive advantage of media and fuel brand growth.
- The Wave project is **Curiosity Works** come to life. Each Wave study is run in collaboration with over 65 UM offices around the world with each volunteering to take part each year. This collaboration is driven solely by UM’s culture of collective Curiosity.
- Wave retains the same methodology from Wave 1 to Wave 7, enabling comparison across Waves.

**Why the Active Internet User?**

- The project is lead by the UM G14/EMEA Research team.
- We have surveyed 48,945 16-54 Active Internet Users in 65 countries.
- Representing the views of over a billion people.
- All surveys are self-completed and the data collected is purely quantitative.

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**Wave retains the same methodology from Wave 1 to Wave 7, enabling comparison across Waves.**
WE HAVE MANY TRENDS
The Story of Why

In 2006, UM embarked on the Wave project to measure the scale and impact of social media across the globe. Over the course of this project Wave has taught us that this is not just a story of unprecedented growth but also one of social evolution. Therefore, with each Wave we strive to widen and deepen our understanding of social media and bring the insight that will help brands navigate successfully. This is the Wave Story.

To date, we have surveyed nearly 185,000 Active Internet Users across 72 countries. Over the course of this project, Wave has taught us that growth in social media is unprecedented. However, the real story has not just been one of growth but also of evolution. In a few short years social media has made content creators, sharers and influencers of us all.

Wave 1 (2006): demonstrated that social media was living up to the hype, there was a large and active community communicating online.

Wave 2 (2007): showed how social media moved from being a text-based medium of bloggers and posters to a fully audio visual one full of content creators and sharers.

Wave 3 (2008): charted the democratisation of influence, how social media was driving greater means and opportunity for consumers to influence their peers.

Wave 4 (2009): examined the reasons behind the huge growth in social media by understanding the motivations to use different social media platforms. Showing that consumers engage with a platform because it meets specific consumer needs and all platforms meet these needs differently.

Wave 5 (2010): told us that there was huge demand for social interaction with brands. However, the nature and depth of this interaction varied wildly from person to person and category to category. But those brands that could create the right experience benefitted enormously, driving brand loyalty, endorsement and sales.

Wave 6 (2011): has shown us that meeting different consumer needs delivers different outcomes for brands. For example some will create loyalty which others are better at driving sales. Therefore, actually knowing where consumer and brand objective meet is the key to the long-term success of social strategy.

Wave 7 (2013): has told us that the insights we get from an understanding of social behaviour aren’t just relevant in the social space but are, in fact, inherent human truths that underpin consumers’ relationships with products and brands. Therefore, we need to understand how to leverage these insights using all brand assets, both above and below the line and in the digital space, to create a coherent and compelling whole.

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21 countries
7,500 respondents

20 countries
10,500 respondents

22 countries
17,000 respondents

33 countries
2,300 respondents

49 countries
37,600 respondents

54 countries
38,000 respondents

62 countries
42,000 respondents

72 countries
49,600 respondents

7 March 2007
Tumblr launches

9 January 2007
Apple launch the first iPhone

2007

2008

2009

2004

2005

2006

2007

2008

2009

2010

2011

2012

2013

July 2009
Farmville launches

April 2008
Facebook overtakes MySpace in popularity

30 July 2010
100M check-ins

22 March 2009
Foursquare launches

13 October 2010
“The Social Network” film released

4 April 2011
Valued at over £3bn

31 January 2008
Spotify launches

August 2009
 Xiaonei becomes RenRen

26 August 2008
Facebook has over 100M users

11 March 2009
Foursquare launches

13 October 2010
“The Social Network” film released

26 August 2008
Facebook has over 100M users

19 June 2009
Farmville launches

11 March 2009
Foursquare launches

February 2010
Facebook Mobile has over 100M users

20 September 2008
The launch of the first Android phone

April 2008
Facebook overtakes MySpace in popularity

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Foursquare launches

20 September 2008
The launch of the first Android phone

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13 October 2010
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 Xiaonei becomes RenRen

2003

2004

2005

2006

2007

2008

2009

2010

2011

pre-2003

2007

2008

2009

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2012

2013

The Wave Story
The Wave universe now fully represents the world.

The attitudes and behaviours of more than 1 BILLION active internet users.
Inherent desire for human interaction means social media is an activity for almost everyone

Even though we aren’t experiencing the heady growth of 2006-2008, social media’s inexorable rise has made it the norm in 2013 (Figure 1). The need for connection and self-expression coupled with the ever increasing ability to do so means that social media is no longer an activity solely for the young or early adopter.

The world is going smart and mobile

It’s no surprise that the dominant trend in 2013 is the continued rise of the smartphone. Penetration rose by two thirds to reach over 70% (Figure 2) vs Wave 6. The has changed the landscape of device ownership. Mobile phone penetration has dropped to just over 50% and the portable games console, now hugely threatened by smartphone gaming, has stagnated despite the efforts of Sony and Nintendo. It will be interesting to see if the arrival of Android and iOS game controllers, similar to those used in the console gaming category, will have a similar impact on the wider gaming category when they launch. We are also seeing the impact of tablet, mini tablet and other touch screen devices like Microsoft’s surface as they enter the market.
Its not just the sheer number of smart devices in use that is rising but also the number of ways those devices are being used. If we look the number of things the smartphone is being used for in the social space we can see that it now rivals the desktop and is closing in on the laptop (Figure 3). In fact there has been a 34% rise in the number of people using their smartphone to manage their social network profile and this is having a profound effect on how people manage that profile. Using a like button, sharing photos and videos and sharing your location see the biggest rises. All activities more natural to the smartphone. Disappointingly the activity which rose the least was joining an interest group or cause.

As smart technology increase the frequency of social interactions online, they naturally start to find ways to make these experiences simpler and quicker. As a result this form of social media is growing quicker than any other. Apps like Snapchat have made sharing photos quick and simple by streamlining the experience. Allowing the user to send photos (with additional edits and notes) to any other user in group within their network. With the added bonus that those photos then disappear.

In the early days of Wave we saw huge growth of the personal blog. Now simplified social sites like Twitter allow users to maintain a dialogue and profile with their followers without the need to create time consuming content (Figure 4).

Similarly, sharing your location via a social network has jumped to over 80% since Wave 6. Clearly, “frictionless” social media applications and spontaneity are now two crucial drivers of growth in social media. People want to respond quickly, easily and in context of what’s happening around them right now.
Microblogging continues its meteoric rise

Figure 5: “Thinking about using the internet, which of the following activities have you done in the past 6 months?”
Use a Microblogging service (e.g. Twitter)

Global

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<td>14.9%</td>
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<td>4.1%</td>
<td>8.8%</td>
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<td>6.2%</td>
<td>7.7%</td>
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India

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Italy

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Japan

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Mexico

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Spain

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<td>24.8%</td>
<td>39.9%</td>
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Russia

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<tbody>
<tr>
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<td>19.1%</td>
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United Kingdom

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<tr>
<td>United Kingdom</td>
<td>14.2%</td>
<td>19.0%</td>
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United States

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<th>5</th>
<th>6</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>8.5%</td>
<td>18.8%</td>
<td>22.7%</td>
<td>22.9%</td>
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People are seeking to filter and refine social experiences

As the frequency social media activity grows peoples’ need to filter and refine these experiences also grows. The social platform that rose the quickest in our study in the last year has been the professional social network. Our Wave study has shown us that it has become a key place to make contacts for work naturally. What’s maybe more revealing is that its also evolving as a place to influence opinion and earn respect (a 23% increase in Wave 7 - see Figure 6).
THE SEARCH FOR WHY
But all this can actually be a distraction
There is no bigger sucker than a gullible marketer who thinks they are missing out on a trend.

adman

BOB HOFFMAN
Adcontrarian.blogspot.com
INSTEAD
THINK ABOUT
VALUE
EXCHANGE
Online privacy is a majority concern of the world over

But there hasn’t been a seismic shift in consumer trust

Internet privacy has been a topic bubbling under the surface for sometime but in the last few years it has become a front page issue. The former CIA technical worker Ed Snowden’s allegations of widespread governmental gathering of personal information has made internet privacy hit the general consciousness like never before. Privacy is a topic that is undoubtedly rising but we haven’t seen the move in consumer opinion that we might have anticipated.
In fact there has been a huge uplift in joining brand communities

As people use more social platforms via more devices, more often it has inevitably become central to their lives. As a result they are happy to share data with companies that make their online experiences better. However, our Wave research shows us that this is a delicate balance. Not only are more people concerned than accepting, when we look at those people with a strong conviction (i.e. definitely agree) the strength of those beliefs are strongly biased towards concern.

This means we need to understand what value means to people if we are to find the right balance.

But it’s sustained by a delicate value exchange

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ASKING WHY IS THE KEY TO CRACKING THE CODE
Even the most superficial social media activity is driven by a human need.
And after 7 years of research in over 65 countries we have come to realise that the real question to ask is not what people do but why they do it. And by continually asking this why we have come to realise that beneath all the trends lies a single and important truth. That 5 real, human and fundamental needs underpin all social behaviour.

Learning, relationships, diversion, progression and recognition.

The reason why these 5 needs are important is because people really value those brands that help meet them. When we look at the reasons why people join brand communities online (Figure 11) we can see that learning, relationships and recognition are growing as reasons to connect with brands online. In fact, people’s expectations of brands has grown across the board since Wave 6.
The value exchange is defined by the 5 needs

Not only do consumers want to connect with brands that meet their needs our Wave research shows us that meeting their needs can play a key part in meeting brand objectives, such as building brands and driving sales.

- **Diversion** is the need state that most drives desirability for brands. 40% of people who say they want entertaining experiences from brands say that these experiences make the brand more desirable.

- **Recognition** is the key need state for making consumers loyal to brands. 65% of people who want brands to respond to their complaints say that it makes them feel valued as customers when they do.

- **Progression** is the key need state for encouraging people to spend more time with a brand. 37% of people who want brands to help them develop their own skills and abilities want to spend more time with the brand as a result.

- **Relationship** is a key need state for driving recommendation. If a brand enables someone to help others they are also more likely to recommend it to others.

Whereas to drive sales a combination of Recognition and **Learning** is key. Educating people about your product whilst at the same time listening to their own needs makes consumers far more likely to buy your product.
So if we want consumers to connect with our brands we need to consider these consumer needs and what they deliver. However, the challenge is actually to find the place where consumer need and brand objective meet. In other words find the consumer need which, when fulfilled by the brand, will also meet the brand objective. This place between objective and need we call the Value Exchange and it’s the Value Exchange that we need to put at the heart of our communication. Because only when communication is successful with both the brand and the consumer will we go beyond campaign based activity and build a lasting relationship.
Case Study: IT Decision Makers
Microsoft Cloud China

For Microsoft we could have taken a product-centric approach to marketing the cloud in China and merely explain what it is and does. However, Wave told us that what Chinese ITDMs (those people responsible for IT purchasing at large companies) really want is to develop skills and stand out. Wave also told us that if we helped them in meeting these needs they would be more likely to adopt Microsoft cloud technology and feel more loyal. From this insight our strategy became to help ITDMs succeed. In fact making them a Hero became central to our value exchange. This programme has started with viral videos that humorously tell the story of an ITDM who becomes a hero through adoption of Microsoft cloud. These have so far received over 100,000 views, an amazing result for the sector, and are just the first step in a more meaningful relationship with ITDMs.
THE TIME FOR TRENDS
Even though consumer needs don’t change, technologies ability to meet them is constantly in flux.

So we need to track and identify those platforms best able to deliver the value exchange
The social platforms are evolving to meet the desire for simple, contextual and niche experiences.

Microblogs have become more about meeting people, being entertained and staying in touch

Figure 12: “Microblogs do a good job when you want to...”

More professional social network users see it’s a place to make contacts and earn respect

Figure 13: “Professional social network sites do a good job when you want to...”
The changes happening in the device space are nothing less than a revolution

Software is driving the smartphone revolution. Apps that are continually improving help us find our way and explore the world.

Figure 14: “You have indicated that you own the following devices. Please select which of them you think does a good job when you want to… [Smartphone]”

Entertainment services such as Netflix are driving the tablets evolution. The Tablet is growing in its usefulness, especially for uses associated with diversion, such as consuming content and relaxing.

Figure 15: “You have indicated that you own the following devices. Please select which of them you think does a good job when you want to… [Tablet, Mini-Tablet]”
The P.C. environment is also evolving

The P.C., laptop and desktop, are still the most versatile internet enabled technologies in the marketplace today. They meet more consumer needs than any other devices. But as the tablet becomes a stronger entertainment device the traditional P.C. is becoming focussed around its core strengths such as researching something thoroughly or just getting something done. But it’s worth noting that it is still seen as the best device for watching content, beating the tablet by a significant margin. It will be interesting to see how Microsoft’s P.C./tablet windows 8 platform capitalises on the strengths of both the P.C. and tablet environment.

Figure 16: “You have indicated that you own the following devices. Please select which of them you think does a good job when you want to... [Laptop]”
But these technologies don’t sit in isolation.

They are part of a complex eco-system with potential for interaction and conversation.

But understanding the opportunity to drive conversations also begins with a Why.
Its no surprise to anyone that consuming medium in tandem with using internet enabled devices (second screening) is a growing phenomenon. In fact, our Wave research shows that the smartphone is an ever present companion with all media types.

But we shouldn’t assume that second screening is a one dimensional environment as a medium’s ability to drive conversations and influence works in different ways. TV is still very much an entertainment experience. An important fact to consider when we want to stimulate social experiences using TV. They have to enhance the entertainment experience, not detract from it.
If we start a planning process by looking only at the latest consumer trends the danger is that the answer that comes out the other end will look something like this. What can we do with Facebook and how many “likes” represents success? The insight we gather from Wave drives a very different philosophy. By asking Why first we can build strategies that foster a mutually beneficial value exchange between brands and consumers. The mutual word is important because, if the communication doesn’t benefit both, it just cannot succeed long term. With Wave we start with a very fundamental question, what does the consumer want from our brand and how will they feel towards us if we deliver it. This means we can boil down our thinking, concentrating only on the value exchange, where brand objective and consumer need intersect. For example, how can Microsoft in China help IT people develop the skills to become a hero within their organisation through the adoption of Microsoft Cloud technology? This approach puts the consumer needs and ambitions at the forefront and allows us to then use social technology in a creative and meaningful way to meet brand goals. It also demystifies social media, allowing all parties to rally around a single thought. Also making it much easier to understand what we are trying to achieve and how best to measure success.
“Wave 7 – Cracking The Social Code” is part of UM’s on-going research programme aimed at exploring the massive changes occurring in communication technologies. The studies have been conducted annually since 2006.

The research is conducted by the UM G14/EMEA research team in collaboration with the UM global network of agencies. If you have any questions about the research or future Wave projects please contact the author of this report:

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What does this mean for your business?

Wave 7 - Cracking The Social Code is an in-depth study and there are many other aspects that we are unable to cover in this report.

• What are the social dynamics of your category?
• How are your consumers currently behaving in social media?
• What are their key needs and which experiences best deliver them?
• Which of these experiences best deliver against your brand’s marketing objectives
• Which devices and social platforms are best able to deliver this experience

If you want to know how to operate in the new social media landscape and what this means for your business please contact:-

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