

# THE MYTH OF SOCIAL MEDIA

A MAJORITY OF CONSUMERS SAY THEY ARE NOT INFLUENCED BY FACEBOOK, TWITTER



The statistics surrounding social media are dizzying. Consider that in just one day:

- Facebook users post 4.75 billion items of content
- Twitter users send 400 million tweets
- Instagram users “like” 1.2 billion photos
- YouTube users watch 4 billion videos

Millions of consumers across all demographic groups are spending considerable time on social media sites. A Gallup survey reveals that 72% of U.S. adults use these channels, with the majority saying they use them several times a day.

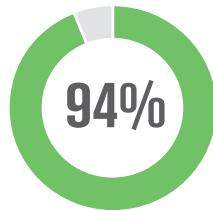
GALLUP®

Naturally, companies want to be in the same social media space as these consumers. And today it is fairly common to find at least one full-time employee — if not a whole team — dedicated to growing a brand’s visibility through its social media platforms. According to BIA/Kelsey, U.S. companies spent a combined \$5.1 billion on social media advertising in 2013. By 2018, that number is projected to grow to nearly \$15 billion.

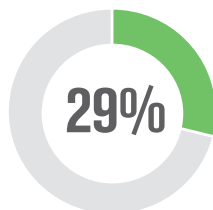
But most consumers aren’t visiting social media sites to engage with brands — they are there to interact with people they know. According to Gallup research, the vast majority of consumers (94%) who use Facebook, Twitter, and other social networking channels do so to connect with family and friends. They are far less interested in learning about companies and/or their products, which implies that many companies have social media strategies in place that may be largely misdirected.

### REASONS FOR SOCIAL MEDIA USE

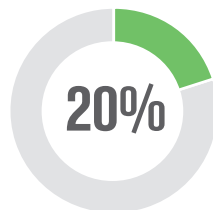
To connect with friends and family



To follow trends/To find product reviews and information



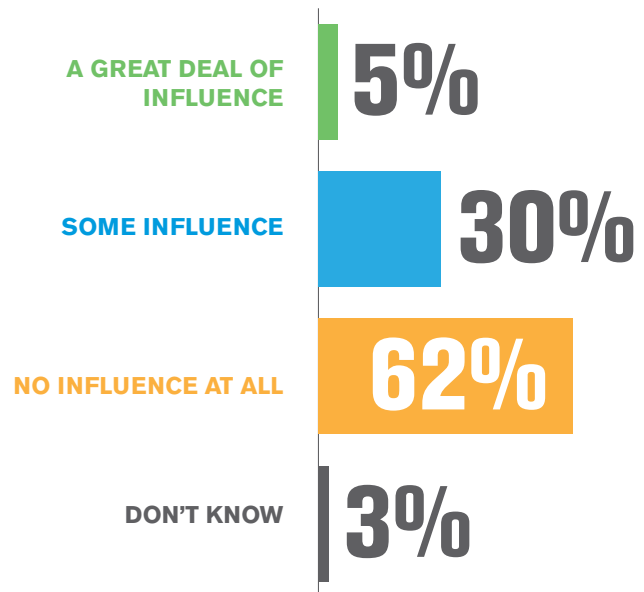
To comment on what's hot or new/To write reviews of products



### SOCIAL MEDIA: NOT A GAME CHANGER

Social media are not the powerful and persuasive marketing force many companies hoped they would be. When Gallup asked more than 18,000 consumers about the influence of social media on their buying decisions, 62% said they had no influence at all. Even among millennials (those born after 1980), whom companies often think of as the core social media audience, 48% said these sites were not a factor in their decision-making.

### INFLUENCE OF SOCIAL MEDIA ON PURCHASING DECISIONS



And while many companies correlate the number of fans and followers with their social media success, Gallup also finds that these metrics can be misleading. Of the consumers who reported “liking” or following a company, 34% still said that social media had no influence on their purchasing behavior, while 53% said they had only some influence.

When compared with more traditional forms of social networking, social media initiatives may actually be the least effective method for influencing consumers’ buying

decisions. Gallup research shows that consumers are much more likely to turn to friends, family members, and experts when seeking advice about companies, brands, products, or services. Company-sponsored Facebook pages and Twitter feeds have almost no persuasive power.

### **CUSTOMER ENGAGEMENT DRIVES SOCIAL ENGAGEMENT**

Companies often believe they can use social media to increase brand awareness and tap into a new customer base. But, as Gallup findings suggest, consumers are highly adept at tuning out brand-related Facebook and Twitter content. These channels do not motivate prospective customers to consider trying a brand or recommending a brand to others. Therefore, if companies want to acquire new customers, their best bet is to engage their existing customers and inspire them to advocate on their behalf. *Customer engagement* drives *social engagement* — the degree to which consumers will work for or against an organization within their social networks — not the other way around.

And any effort to engage customers must take place through both offline and online channels, as Gallup has consistently found that customer engagement is influenced in large part by how well a company aligns *all* of its touchpoints. Social media do not exist in a vacuum, and consumers rarely interact with companies through these channels alone. For example, Gallup's research on the financial services industry reveals that 79% of customers visit the branch lobby for transactions and other services, while 11% of customers follow their bank on Facebook and 5% follow their bank on Twitter. In the retail industry, Gallup research shows that 56% of shoppers base their purchasing decisions on in-store displays and that 7% base their decisions on social media content.

Social media entail just a fragment of a consumer's experience with a company. Customers are much more likely to be active listeners and participants in a brand's social media community when they have already made an emotional connection with that brand through other experiences. While responsiveness and service are

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incredibly important in social media departments, this type of initiative does not necessarily lend itself to the more personal, one-on-one connections that typically engage consumers. Those largely happen offline.

### **CHANGING THE CONVERSATION**

The introduction of social media has often been referred to as a “phenomenon” — but, in reality, consumers have always talked about what they like and don't like. Social media just make it easier for them to have these discussions on a more public and widespread scale. Consumers are drawn to Facebook, Twitter, Yelp, Tumblr, and similar sites because they want to take part in the conversation and make connections. Yet, many companies continue to treat social media as a one-way communication vehicle and are largely focused on how they can use these sites to push their marketing agendas. These efforts are out of place in a channel that encourages transparency.

Consumers are more likely to engage with companies through social media when they believe those companies' intentions are genuine. They look for real people and real communities. Therefore, companies that want to become part of the conversation must shift their social media initiatives to be more authentic, responsive, and compelling.

- 1. Authentic.** Social media sites are highly personal and conversational. And, as Gallup finds, consumers who use these sites do not want to hear sales pitches. They are more likely to listen and respond to companies that seem genuine and personable. They want to interact with a human, not a brand. Companies should back away from the hard sell and focus on creating more of an open dialogue with consumers.
- 2. Responsive.** The social media world is 24/7, and consumers expect timely responses — even on nights and weekends. Companies must be available to answer questions and reply to complaints and criticisms. Ignoring negative feedback can do even more damage to a brand's reputation. Instead, companies need to actively listen to what their customers are saying and respond accordingly. If mistakes were made, they must own up to them and take responsibility.
- 3. Compelling.** Content is everywhere, and consumers have the ability to pick and choose what they like. Companies have to create compelling, interesting content that appeals to busy, picky social media users. This content should be original to the company and not related to sales or marketing. Consumers need a reason to visit and interact with a company's social media site and to keep coming back to it.

The potential of social media is still being debated. Companies are going to have to experiment to figure out what works best with their customers. The process may involve a lot of trial and error, but there is potential in social media that is not directly related to sales revenue. Companies have an opportunity to build communities with their customers in ways they could not before. But to get there, they must first engage their customers through other channels. Regardless of the hype surrounding social media, consumers are still most affected by their offline experiences. **G**

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