



Social Media and Online Retail

*How much does advertising on social media really influence us
— even when we've signed off?*

Executive Summary

Social media has become an advertising machine. Brands have flooded these platforms to place their products in front of consumers and have created massive influencer programs to nudge users into making a purchase. In today's digital age, how effective is social media advertising, and what do consumers have to say about it? What we found*:

- **Products from social stick:** 92% of social media users have researched a new brand in the past month because of an ad in their feed. 63% of social users say they've seen a product on social media, then researched and purchased later.
- **Discovery:** 52% of users say half or more of all their social purchases are first-time purchases from a new brand they discovered
 - **Age:** Millennials are the most likely to purchase from brands they've discovered on social media; 64% say they have, while 58% of Gen X and Gen Z say the same. Baby Boomers trail behind at 32%
 - **Income:** 79% of social users who earn more than \$100k annually say they've purchased from a brand they discovered on social media. That percentage then drops with income level, with those earning \$30k or less coming in last at 52%
- **Limited spend:** Only 19% of social shoppers reported buying anything over \$200 through social media
- **Ads outperform:** 70% of users who have shopped through social media said they were more likely to click on a social media ad than a post from a brand they follow
- **Influencer programs are also effective:** 72% of social users have researched a new brand in the past month because of an influencer they follow
- **Images hold more purchase value:** 56% of users prefer to learn about products and brands through image-only posts instead of videos. Only 10% prefer posts with videos

*This study examined social shopping behaviors on Facebook, Instagram, LinkedIn, Pinterest, Snapchat, TikTok, and Twitter.

Deep Dive: Shopping on social media

Social media platforms know if you click on an ad or link to purchase something. They even know how long you look at or interact with certain posts. But signing off isn't the end of your consumer journey. We asked respondents about their **social media purchases**, or how often they shop for products based on social media exposure — whether that means clicking directly on links in the platform, searching for the product they see on social, or eventually buying a product they first found on social.

- 63% of social media users across all platforms report that they've **seen a product on social, then looked it up and purchased it at a later date**. Baby Boomers, however, are about 40% less likely to look up products after originally seeing them on social
- While platforms like Facebook and Instagram may have more users, other smaller platforms have a higher percentage of users who tend to make **more** social media purchases:
 - 39% of Twitter users say they have purchased a product because of a Twitter ad
 - 37% of TikTok users say they have purchased a product because of a TikTok ad
 - 37% of Instagram users say they have purchased a product because of an Instagram ad
 - 35% of Facebook users say they have purchased a product because of a Facebook ad
 - 29% of Pinterest users say they have purchased a product because of a Pinterest ad

Social media purchases by platform

We asked users of each social media platform how their recent social media purchases were influenced by various forms of product promotions.

- **Influencers should stick to Instagram and TikTok:** Product ads are 34% more likely to lead to purchases for Facebook users than product posts by influencers. There is almost no difference in purchasing behavior between product ads or influencer posts on Instagram. On TikTok, influencers have a 7% advantage.
- **Instagram rules on product discovery:** Instagram users, on average, lead on making purchases for products they first discovered on that platform.
- **The staying power of ads:** With the exception of Snapchat, product ads were more likely to influence a purchasing decision than seeing a product featured in a friend's post. A similar trend existed between ads and influencers with TikTok holding the place as the only platform where influencers had the edge.
- **A brand's influence on social:** With the exception of Facebook, brands are just as likely, or more likely, to influence one of their follower's purchases with a native post as they are with an ad.
- **Trust your friends?** On Facebook and Snapchat, users are more likely (14% and 9%) to have their purchasing affected by their friends than by influencers. However, the opposite is true TikTok (9%) and Instagram (6%). It's a dead heat for the rest.

Consumers are finding new brands on social

When you're scrolling through social media, you aren't just catching up on your friends' lives or chuckling at funny tweets.

More than half of respondents are also using social to discover new brands:

- 58% of social users have purchased from a brand they **first discovered on social media** (had never heard of the brand before)
- 52% of users say half or more of all their social purchases have been **first-time purchases** from a brand that they had heard of before, but never purchased from

Millennials, wealthier demographics, and those with more education are especially likely to buy from brands they've discovered on social:

- **Age:** Millennials are the most likely to purchase from brands they discovered on social media: 64% say they have, while 58% of Gen X and Gen Z say the same. Baby Boomers trail behind at 32%
- **Income:** 79% of social users who earn more than \$100k annually say they've purchased from a brand they discovered on social media. That percentage drops with income level, with those earning \$30k or less coming in last at 52%
- **Education:** More than 70% of social users with Master's degrees or higher say they have bought something from a brand they discovered on social media. That number drops with education level, and those who haven't yet graduated high school come in lowest at 39%

Brands still rely heavily on social to build awareness

Social media users across all platforms said that, in the past month, they have come to learn more about a brand, on social or otherwise, because of the following:

- 92% because of a **brand's ad in their feed**
- 83% because of a **brand's organic post**
- 76% because of a **brand's sidebar ad**
- 72% because of a post from an **influencer** they follow

Ads are still king on social media

Even as brands and influencers gain more followers and natural traction on social media, ads still pack the biggest punch in terms of building awareness and influencing purchasing decisions:

- 70% of users who have shopped on social media said they were more likely to click on a social media ad than a post from a brand they follow
- Users were also asked to rank different types of posts by which was most likely to drive them to purchase a new product, and ads came out on top:
 1. **Ad** on social media
 2. **Post** from a brand you follow
 3. **Promoted** post in feed
 4. Post **featuring a product** from an influencer/athlete/celebrity you follow

“Link in bio” is not a lost cause

Because of the nature of Instagram, individual posts aren't designed to include links. So, often, influencers and brands advertise by reminding users that the link they should follow to learn more is in their account bio — or “link in bio.”

While it may seem unlikely that many users would take the extra step to go to the poster's account, when users see a post on social media that interests them, **29% will “always” or “most of the time” navigate to, and click, on the bio link.** 18% never will.

- 51% of users say that they'd be more likely to follow a “link in bio” request from an **influencer** than from a **brand** they follow, though younger users favor influencers more than other generations do.
 - Gen Z is 6X more likely to prefer the product placement of influencers than a brand. And the pattern continues along generational lines: 4.2X for Millennials, 3.6X for Gen X, and 2.4X for Baby Boomers

Consumers don't spend big on social media purchases

Though consumer engagement across social is high, the amount people spend on social media purchases is often on the lower end. While first-time social purchasers tend not to spend a lot, that doesn't really change as they continue to shop online:

- 80% of social shoppers said their **first social purchase** was under \$100
- 59% of social shoppers said their **most expensive social purchase** was under \$100, with over 30% falling under \$50
- Only 19% of social shoppers reported buying **anything over \$200** on social media

Some fun facts...

- **E-pay matters:** 74% of people who use an electronic payment app or system like PayPal or Apple Pay say they are more likely to purchase a product if the site they're linked to supports electronic pay apps and systems
- **Lost inspiration:** 54% of social users say they've discovered a product or brand on social media but forget the name when they try to find it later
- **Pictures over videos:** 56% of users prefer to learn about products and brands from posts with pictures instead of videos. Only 10% prefer posts with videos

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Devices

Not all purchases stay on the smartphone

Most “social media purchases” start on smartphones, but not all end there: We asked respondents to indicate which device they used to discover the product they were going to purchase, and the device on which the purchase actually happened

- 85% of purchases start on phones, but only 62% end there. Of those that shift, 80% go to computers, and nearly 20% go to tablets — with just a few final respondents citing that they usually place the final order through a smart home assistant
 - Americans with household income over \$100k are the most likely to switch to a computer and are 68% more likely to do so than those with a household income under \$70k
 - iPhone users are slightly more likely to both start (6%) and complete (5%) the process on their phones than Android users
- People who start the process on a computer stay there. Those on tablets mostly stay there, though some shift to computers

Why do people choose the devices they do?

The top five reasons users **completed the entire purchase journey on their phone**:

1. It's a simpler process than using a computer (owners of new phones are significantly more likely to cite this as their top reason)
2. It's easier just to purchase from my phone than making the switch over to a computer
3. I can pay through my Apple Pay/Google Pay/PayPal app
4. It saves me time
5. I use my phone for all or most of my online activity

The top five reasons users **started with their phone but switched to a computer**:

1. I can take a closer look at the products
2. Easier to navigate shopping sites
3. Easier to enter payment info there
4. It's too easy to make mistakes on my phone
5. It saves me time

Closer look: 93% of those that said staying on the phone was a time-saver use an e-pay app. Only 76% of those who said they switch devices to save time use an e-pay app.

E-pay is still finding its seat at the table

Electronic payment methods like Apple Pay and Google Pay have yet to become the go-to tool of the majority. The original electronic payment system, PayPal, is still doing quite well.

The preferred payment method when making a purchase on a **phone**:

1. PayPal
2. Debit card
3. Credit card
4. Apple Pay / Google Pay / Samsung Pay
5. Amazon Pay

The preferred payment method when making a purchase on a **computer**:

1. PayPal
2. Debit card
3. Credit card
4. Apple Pay / Google Pay / Samsung Pay
5. Amazon Pay

Note: Nearly twice as many people prefer PayPal (45%) to debit cards (23%)

Demographics & Representation

This study was conducted November 13-17 among n=1,703 adults in the United States, United Kingdom, and Australia who use social media and own a smartphone.

Respondents by gender:

- Female: 55%
- Male: 45%

Note: Responses weighted in analysis to represent a 50/50 split between genders with no statistically significant skews

Employment: 86% Employed, 3% retired, and 11% not employed

Generations ([Pew Research](#)):

- Gen Z (born 1997-2012)- 13%
- Millennials (1981-96) - 47%
- Gen X (1965-80) - 31%
- Baby Boomers (1946-64) - 9%