

Social Media Has Little Impact on Online Retail Purchases [STUDY]



[Todd Wasserman](#)

All those [marketers](#) who are rushing to increase their social media spend take note: A new study says social media has almost no influence on online purchasing behavior.

The [report](#), a collaboration between Forrester Research and GSI Commerce, analyzed data captured from online retailers between November 12 and December 20, 2010. The research shows that social media rarely leads directly to purchases online — data indicates that less than 2% of orders were the result of shoppers coming from a social network. The report found email and search advertising were much more effective vehicles for turning browsers into buyers.

“The best analogy is in the South, a lot of people go to church on Sunday,” says Fiona Dias, executive vice president of strategy and marketing for GSI Commerce. “If you go with the theory that you should market where the people are, then you should be running off to market during church services. Facebook has the same analogy. Buying things from retailers is maybe 10th on the list of things they want to do on Facebook.”

Dias says social media outreach is somewhat effective for distributing news about short-term deals. In that case, 5% to 7% of purchases are influenced by social media activity.

What does seem to work is more traditional online marketing, including email and search advertising. Most consumers in the study were exposed to some form of marketing by the retailers before they made their purchase. Seventy seven percent of transactions in hard goods categories (like lawnmowers) and 82% in soft goods categories (i.e. clothing) occurred after the consumers had engaged in some interactive marketing tactic before their purchase. Forty percent of hard goods transactions and 60% of soft goods transactions came to retail websites directly from email and search.

That’s not to say that online advertising plays no role in purchasing decisions. The report found that consumers are exposed to such ads early in the [purchase funnel](#) — display ads are the first touchpoint for 13% of soft goods buyers, for instance.

Dias says she isn’t surprised by the survey’s results because she’s been telling retail clients for some time that social media outreach is a waste of time and money. Says Dias: “It’s been a mystery to me why the media is excited about social media. From a retail and commerce perspective, it seems to have no effect.”

<http://mashable.com/2011/04/27/social-media-retail-purchases/>