**Millennials and Social Commerce: Brands and Buy Buttons**

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**Introduction**

Social Commerce is a term that describes the intersection of e-commerce and social networking sites and has changed the face of business as we know it. Social commerce refers to electronic commerce that uses social networks to assist in the buying of selling of products. Social Commerce utilizes user ratings, referrals, online communities and social advertising to facilitate online shopping. Millennials, those that are between 15-35 years old, have been quick to adopt and utilize social commerce. According to [Forbes](http://www.forbes.com/sites/danschawbel/2015/01/20/10-new-findings-about-the-millennial-consumer/#650f658a28a8) there are 80 million Millennials in the United States and they spend more than $200 billion annually. This makes Millennials an attractive segment for marketers.

This influence that Millennials have on commerce is causing companies to focus their approach on the online buying habits of Millennials. According to a study done by [Deloitte](http://www2.deloitte.com/content/dam/Deloitte/us/Documents/consumer-business/us-cb-navigating-the-new-digital-divide-051315.pdf), younger adult consumers are heavier users of digital than older generations. Forty-seven percent of all Millennial consumers use social media during their shopping journey, compared to 19% of non-Millennials. Similarly, 37% of Millennial consumers spend more due to their use of digital, versus only 23% of non-Millennials. Nineteen percent of Millennial shoppers purchase their shopping basket items online prior to picking them up in-store, compared to 12% of non-Millennials.

In September 2014, [ShareThis](http://www.clickz.com/clickz/news/2372076/millennials-more-likely-to-purchase-what-they-share-on-social) released one of the first studies focusing on Millennials and social commerce, gathering data by observing online browsing and social patterns of Millennials. They conclude that for these young consumers, interactivity and discussion are central to purchase decisions. The study did not report on behaviors for any specific platforms and reported findings only in relation to the non-Millennial population, for example saying Millennials are “3x more likely” to behave in a certain way.

This study, conducted by the Center for Marketing Research (CMR) at the University of Massachusetts Dartmouth, is an in-depth look at current purchasing habits of Millennials using three of the most widely used social networking platforms (Facebook, Twitter and Pinterest). This is the third study conducted by CMR on the topic of Millennials and social commerce. The others were conducted in 2013 and 2014 and changes over time will be noted. In an effort to discern what turns a like, follow or pin into a sale, this study, like the previous studies, explores and analyzes lead conversion tactics as identified by Millennials themselves. Also included is a look at mobile technology and its changing role in online purchasing. The potential for “buy” buttons is explored along with specifics on what products Millennials are buying from popular platforms.

**Highlights**

* Sixty-three percent of Millennials like companies/brands on Facebook, 19% follow on Twitter and 19% pin on Pinterest.
* Nike, Apple, Disney, BuzzFeed and Victoria’s Secret are the top brands followed on both Facebook and Twitter.
* The top motivator for liking a company/brand on Facebook and Twitter is to support the company/brand they like. Pinterest users are motivated to share interests/lifestyle ideas with others.
* Millennials are more likely to be converted to a sale if a coupon or discount is offered on a social networking site.
* Facebook users are more likely to make a purchase online after liking or sharing something than are the users of Twitter or Pinterest.
* Hair, Beauty, and Apparel is the top category of purchases made across social networking platforms.
* Pinterest users are more likely to use a “buy” button (or “buyable pins”) than are Facebook or Twitter users.

**Methodology**

This study was conducted via a comprehensive survey available in both digital and physical form for distribution. Qualification for participation required the respondent to be a member of the Millennial generation, using the popular demographic for this group of having been born between 1980-2000.  The survey was hosted online and the URL was shared by channels including, but not limited to, email, Facebook, Twitter and LinkedIn.  All data was collected during the spring of 2016.  A total of 421 surveys provide the basis for this report.

In an effort to identify the link between online interest and related purchases, respondents were asked detailed questions about their social networking use.  The survey was divided into sections on the popular platforms Facebook, Twitter and Pinterest which have been experimenting with making purchases from their sites. Respondents were first asked if they currently follow any companies or brands on that platform.  If they did not, or indicated they did not have an account on that site, respondents were instructed to move to the next set of questions on another platform.

For those that did qualify, questions were asked relating to respondents’ motivations for following a company online and if they ever made a purchase resulting from their online experience.  Respondents were asked to classify their purchases by platform and product category.  Millennials were also asked to indicate what a company would have to do in order to convert their like/follow/pin into a sale.  The survey included questions about the new “buy” buttons (or buyable pins) currently being tested. These questions were first asked in our 2014 study.

The 421 respondents in this study are diverse.  They represent 46 US states and the District of Columbia and 40 people (10%) from fourteen countries outside the US.  The respondents were 34% male and 66% female.  The youngest Millennials, those 15-18 years old, make up 10% of this study, 26% are between 19-23 years old, 29% are between 24-28 years old and 33% are in the upper range of 29-35 years old.

**Findings**

**1a. Online Liking, Following and Pinning**

When it comes to purchasing on social networking sites, Facebook and Pinterest resonate more than Twitter among Millennials. Facebook has more than 1.5 billion active users, far surpassing its social commerce competitors. Twitter usage has declined over the past several years but the company still boasts 320 million active users and Pinterest has surged to 100 million users. Study participants were asked if they like, follow or pin any companies or brands on social networking sites.

For purposes of this study, the three platforms in question are Facebook, Twitter and Pinterest. Facebook is the most popular Millennial platform with 63% of them liking companies/brands, followed by Twitter and Pinterest, each at 19%. Following companies/brands on Facebook has increased 8% since 2014. Twitter users following companies/brands have declined by 10% since 2014 while Pinterest users following companies/brands have increased by 3%. More than 40 million businesses now have pages on Facebook making it a popular place to like a brand or company.

All respondents that stated they followed or liked companies/brands were asked to identify their top 5 favorites on Facebook and Twitter.

**1b. Companies/brands most “liked” by Millennials on Facebook**

These results are somewhat similar to the results in previous years. Nike remains in the top spot as the most followed by Millennials on Facebook, but Apple has fallen from the second most popular spot. Target has gained traction with Millennials to move to the top spot alongside Nike. Sephora, Disney, BuzzFeed and Victoria’s Secret are added to the top five list for the first time. Starbucks has not appeared in the top five since 2013 and Forever 21 did not make the 2016 list after two consecutive years in the top five.

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| **2013** | **2014** | **2016** |
| Nike | Nike | Nike/Target |
| Apple | Apple | Sephora |
| Target | Amazon | Disney |
| Starbucks | Target | Apple |
| Forever 21 | Dunkin’ Donuts/Forever 21 | BuzzFeed/Victoria’sSecret |

**1c. Top five companies/brands most “followed” on Twitter include:**

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| --- | --- | --- |
| **2013** | **2014** | **2016** |
| Nike | Nike | Nike |
| ESPN | Victoria’s Secret | Apple |
| Starbucks | Dunkin’ Donuts | Dunkin’ Donuts |
| National Football League | Forever 21 | BuzzFeed |
| National Hockey League | Starbucks/Footlocker | Disney/Forever21/Victoria’s Secret |

Nike holds the top spot for most followed brand on Twitter for the third time. Dunkin’ Donuts, Forever 21 and Victoria’s Secret were listed in the top five most followed brands in 2014 as well as during the 2016 study, though in different positions. Apple, BuzzFeed and Disney were new among the top responses in 2016.

**2. Motivators for Likes, Follows and Pins on Facebook, Twitter and Pinterest**

When asking Facebook users why they like a company/brand, 81% of respondents said it is to support the brand they like. Seventy-two percent said receiving regular updates is important. Sixty-three percent of respondents said getting a coupon or discount motivates them. The top reasons why Twitter users follow a company/brand on Twitter are identical to those reported by Facebook users.

When asking Pinterest users why they pin something from a company/brand, sharing interest/lifestyle remains the top reason with 67% of respondents. After that the focus becomes researching the brand when looking for a specific product/service (64%).

The biggest difference between the three platforms is that Pinterest users are primarily motivated by their desire to share their interests/lifestyle with others. They are less motivated by brand advertisements and more likely to research ideas than are their Facebook and Twitter counterparts. This theme is consistent with the findings of our earlier studies.

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|  | **Facebook** | **Twitter** | **Pinterest** |
| To support the brand I like | 81% | 89% | 58% |
| To get a coupon or discount | 63% | 52% | 36% |
| To receive regular updates from brands I like | 72% | 79% | - |
| To participate in contests | 35% | 35% | 30% |
| To share my personal good experiences  | 29% | 34% | 36% |
| To share my interests/lifestyle with others | 32% | 38% | 67% |
| To research brands when I was looking for specific products/services | 44% | 48% | 64% |
| Seeing my friends already like/follow/have boards | 32% | 23% | 53% |
| A brand advertisement on TV, online or in print led me to pin the brand | 30% | 30% | 32% |
| Someone recommended me to like/follow/pin the brand | 33% | 29% | 50% |
| Other | 6% | 4% | 9% |

Respondents citing other motivations stated that they worked for the company/their friends owned the company, to follow job opportunities with the company, to complain if they are not satisfied, or in the case of Pinterest to add items to boards or be able to remember the information for later. These results are also consistent with the studies conducted in 2013 and 2014.

**3. Lead Conversion across Facebook, Twitter and Pinterest**

Companies have long been trying to understand how to convert traffic to their social networking sites into sales.  Cost is the prime motivation for buying among this group. Millennials in this study indicated that those companies offering coupons or discounts in exchange for a like/follow/pin would be more likely to see an increase in sales. Other popular responses included exclusive offers, free products, and more directed advertising.

**4. Purchasing After Liking, Following or Pinning**

When it comes to social media purchasing, Facebook and Pinterest resonate with Millennials.  Forty-one percent of respondents with Facebook accounts said they had purchased something online after liking or sharing it while 16% of Twitter users said they made a purchase after following or sharing the item.  For Pinterest users, 26% purchased something after pinning or sharing it.

The trade reports from Business Insider ([The Rise of Social Commerce](http://www.businessinsider.com/social-commerce-drives-retail-2013-8)) and Vision Critical both report lower levels of purchasing after liking, following or pinning a company/brand on social networking sites than indicated in this study. Both reports used a convenience sample from the general population. It is clear from our findings on Millennials, that they are more likely than the general population to actually make a purchase once they have some link to the company/brand through interaction on the platform.

**Comparison of Recent Studies on Purchasing After Liking/Following/Pinning\***

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| **Source of Study** | **Facebook** | **Twitter** | **Pinterest** |
| University of MA | 41% | 16% | 26% |
| Business Insider | 28% | 22% | 23% |
| Vision Critical  | 33% | 22% | 40% |

\*The University of Massachusetts Dartmouth study focused solely on Millennials

Most Millennials purchase things they have viewed on social media either online only or through both online and in-store channels. Very few Millennials make purchases solely in-store (2% on Facebook, 11% on Twitter and 14% on Pinterest).

**5. Facebook, Twitter and Pinterest Purchases by Category**

Of those purchases made after sharing something online, Millennials clearly prefer to buy goods in the category of Hair, Beauty and Apparel. This is the category where the most purchases were made across the three platforms studied, accounting for roughly half of all purchases. This is consistent with studies done in previous years.

On Facebook, Tech and Electronics was the second most social influenced purchase with 16% coming from this category. This is consistent with studies done in previous years.

On Twitter, the second most chosen category is tied between Tech and Electronics (19%) and Food and Drink (19%). Tech and electronics was rated second highest in 2014 (23%) and Food and Drink was rated second highest in 2013 (21%).

Pinterest users are likely to buy Art, Design, DIY, Photography and Craft products next (23%) as a result of online social influence.  These are the same results as studies done in previous years.

Users across all three platforms are least likely to purchase in the category of Gardening & Décor.  More Tech & Electronics are purchased through Twitter and Facebook while more Art & Design, DIY, Photography and Crafts are purchased through Pinterest than through their competitor platforms. Those that selected “other” stated that they purchased baby items, pet supplies, books and entertainment (movies, music, event tickets, games, etc.). These responses are consistent with the findings of the 2013 and 2014 studies.

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|  | **Facebook** | **Twitter** | **Pinterest** |
| Food and Drink | 12% | 19% | 11% |
| Art, Design, DIY, Crafts, Photography | 5% | 3% | 23% |
| Tech/Electronics | 16% | 19% | 9% |
| Hair, Beauty, Apparel | 54% | 56% | 46% |
| Gardening, Home Décor | 3% | 0% | 9% |
| Other | 10% | 3% | 4% |

**6. Millennials as Multi-Channel Shoppers**

Additional data was collected on perceptions of Millennials with regard to the ease of converting a like, follow or pin into a sale. Respondents were asked if purchases were made solely online, only at a brick and mortar store, or if both channels were utilized.

All three platforms contribute to both online and in-store purchasing. As might be expected, Millennials often make their final purchases online, after viewing or sharing on a social network. In this year’s study however, they demonstrate their tendency to be multi-channel shoppers. Facebook had an increase of 5% in online only buying since the 2014 study.  Twitter has seen a decrease of 7% and Pinterest decreased 18% since last year.

Some social influenced Millennials shop exclusively in stores. Those saying they only use brick and mortar stores for their actual purchases remained the same for Pinterest users (14%) as in the 2014 study. The number of Millennials shopping in-store only has dropped by 13% for Facebook users since then and increased by 1% for Twitter users. Clearly, some of those buying in stores in 2014 are now buying more either online or a combination of online and in-store through their social networking sites. There has been an increase since 2014 in the number of Millennials who make both online and in store purchases.  That group is up 8% for Facebook users, 6% for Twitter users and 19% for Pinterest users since 2014.

**7. How Much Millennials Spend**

The amount of money spent through social networking sites by Millennials has not been effectively tracked. [Monetate](http://www.adweek.com/socialtimes/monetate-social-commerce-study/421333), a social media consulting company, reported data on average order by platform. They found that the average order value for Pinterest was the highest at $81, followed by Facebook at $71 and Twitter had a slightly lower average at $70.

Although this study focused solely on Millennials, it parallels the Monetate study in which the average order value on Pinterest led all social referrers. Facebook was second and Twitter third. Given that the University study focuses on Millennials, it is obvious that these young consumers are making more social influenced purchases than their older counterparts.

Approximately 40% of Millennials spend $20-$49 across all platforms. These are the same results as studies done in previous years.

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| **Spending Category** | **Facebook** | **Twitter** | **Pinterest** |
| Less than $20 | 23% | 33% | 12% |
| $20-$49 | 41% | 39% | 44% |
| $50-$74 | 18% | 11% | 26% |
| $75-$100 | 11% | 11% | 12% |
| Over $100 | 8% | 6% | 5% |

**8. Buy Buttons**

The ultimate goal of a “buy” button is to keep users on the platform even as they make purchases. In July 2014, Facebook announced the addition of a “buy” button to its advertisements. In July of 2015 Facebook expanded its “buy” buttons to include a “shop section” where selected merchants can sell their products directly through Facebook.

In 2014, just months after Facebook announced the addition of a “buy” button to their platform, Twitter and Pinterest quickly followed suit. In 2015 Twitter partnered with three large commerce platforms to increase the power of their “buy” buttons and Pinterest had more than 60 million buyable pins.

Facebook, Twitter and Pinterest have continued to increase focus on “buy” buttons. Given the large number of Millennials with accounts on these three platforms, there is potential for enormous success but their popularity and profitability are still unclear. In this study we asked Millennial users of Facebook, Twitter and Pinterest how likely they would be to use “buy” buttons.

Pinterest users are the most likely to use “buy” buttons (or buyable pins) with 72% of respondents saying they would be very likely or somewhat likely to use them to make purchases. Facebook users were less likely to use “buy” buttons with 43% of Millennials stating they would be very likely or somewhat likely (an 8% increase over the 2014 study, however) and Twitter users were the least receptive to the idea of a buy button with 23% very or somewhat likely to use them (1% decrease since 2014).

This innovation may or may not provide the kind of enthusiastic response some sites are anticipating.\*

\*[BuzzFeed News reports](http://www.buzzfeed.com/alexkantrowitz/twitter-disbands-commerce-team-ceases-product-development-on%20?utm_term=.plpR3yRxl#.dlpKknKjM) that Twitter has disbanded its 25 person commerce team and halted work on a “buy” button.

**9. Older vs. Younger Millennials**

In this study there are statistically valid differences between Millennials when broken down by age. The 29-35 year olds, just as in our previous studies, are the most active on Facebook (38% liking brands/companies) and Pinterest (33% pinning brands/companies). They are also the most likely to purchase something after seeing it on Facebook with 42% of respondents stating that they have done so in the past. These Millennials are also most likely to be receptive to a “buy” button on Facebook with 46% reporting they would very likely use it. They are less receptive to “buy” buttons on Twitter (33%) and Pinterest (15%).

The 19-23 year olds are most responsive to Twitter. Forty-one percent of them follow brands/companies on Twitter and 42% of them have purchased something after seeing it on Twitter.

As in our previous studies, the 15-18 year olds are the least likely to interact with brands, make purchases or utilize “buy” buttons. Only 6% of these young Millennials follow brands/companies on Facebook, 14% on Twitter and 13% on Pinterest. The shift away from older platforms and towards newer social media may be the reason for these lukewarm results.

**Conclusion**

For Millennials social media is simply a normal part of daily life. It impacts where they go, what they do, what they buy and where they shop. There is evidence that the companies/brands that they like, follow and pin changes over time as does their preferred way to make purchases. Mobile devices have become central to their social influenced purchases since Millennials are now able to connect with companies/brands wherever and whenever they want.

Older Millennials (29-35) are most likely to engage with businesses on Facebook and Pinterest while 19-23 year olds prefer engagement via Twitter. The youngest Millennials are the least likely to engage with businesses or make purchases through social networking sites. If these social media platforms decide to move ahead and expand their plans for “buy” buttons it is likely that they will find success among certain segments of this cohort.

Millennials have embraced social media and use it to gain and share information about companies/brands through reviews, ratings, videos and other referrals. This idea of using social influence and word of mouth through social media is changing the way commerce functions. It is important that businesses attempt to understand and target this generation of tech-savvy, connected, multi-channel shoppers. These Millennials are shaping the future and social influenced purchases are poised to explode over the next several years.