

Two Thirds Of Consumers Fail To Click With Unengaged Social Media Advertising

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While brands have followed swiftly to raise their profile with social media savvy consumers for e-commerce success, it appears that when it comes to advertising on social media, consumers may not be on the same page.

Indeed, according to latest research from Mintel, over two thirds (66%) of social network users say they rarely pay attention to adverts on social networking sites, and over half (56%) say they don't like to buy products that they have seen advertised on social networking sites - suggesting that brands have to go beyond paid adverts to influence consumer purchasing decisions.

Furthermore, the number of consumers agreeing that they rarely pay attention to adverts on social networking sites rises to 70% of users aged 25-34. In Mintel's latest report examining the social media and networking market, just 11% of consumers say they actively pay attention to advertising on social networks whilst almost a third (31%) listen instead to recommendations for products and services from their online social network.

Cecilia Liao, Senior Technology Analyst at Mintel, said:

"Our research does not suggest that advertising on social networks is ineffective, but that social network users may not find ads on social networks particularly memorable or relevant, on a conscious level at least. This highlights the fact that companies who want to use social media as a promotional tool need to look beyond text ads or interactive banners and invest in actual engagement with the consumers. Static ads are not always the best way forward for consumer interaction, which is why it's so important for marketers to use social networks to communicate and engage with customers through organic content, status updates and interesting creative campaigns."

A massive 58% of consumers say they have been more diligent in researching prices since the economic downturn, fueling the growth of group-buying discount websites and social network deals. Some 15% of social network users say they currently use social networking sites to find cheap deals on things to do, and 13% to find out about information about brands.

Today, one in three (32%) social network users say they talk to their friends online more than face to face - rising to 35% for those aged 16-24 and to 43% of 25-34 year olds. Women are more likely than men to use social networking websites, with 83% of females having used any sites compared with 77% of males - but only 10% of women, compared with 18% of men, like the idea of commerce on social networks.

However, over half (58%) of social network users agree they are concerned about privacy when using social networking sites. Furthermore, Mintel's research finds that 44% of social network users do not like the idea of buying things on social networks, partly due to privacy concerns.

"While concerns over privacy and personal data will not prevent users from using social networking services, social network members may become more diligent with what data are shared with social networks and third parties. Recent data breaches from big brands, where hackers have stolen personal information such as names, e-mail addresses, and even credit card details, will only further add to concerns over the safety of personal data stored online. This in turn could have negative implications for social network advertising that incorporate personal data of members in marketing campaigns. Transparent policies that educate users on how data are stored, used, and shared can address these challenges." Cecilia continues.

When it comes to why consumers are using social media, the most popular reason is to keep in touch with friends - with 78% of consumers using it for this purpose, up from 68% at the same time last year. Reconnecting with old friends is the next most popular reason (55%), followed by keeping up with the latest news, playing games (26%) and making new friends (21%).

And love might be in the air for the 7% Brits who use social networking websites for dating (up from 5% in February 2010) with men (9%) more likely than women (4%) to use it for this purpose. And despite preconceptions that social media is the domain of the younger consumer, some 16% of those aged over 55 use social media for making new friends.

Finally, it seems that social media sites are now ingrained to such an extent in our lifestyles that some consumers are now willing to pay to use them.

Indeed, 12% of consumers now say they are prepared to do so if such an occasion arises. Reflecting how online social networks play a larger role in the lives of the younger generation, under-35s are twice as likely as over-35s to say they would pay for their favourite social networking sites (15% versus 7%).

But it appears that the buzz around new social media platforms is set to continue for a long time to come. A third (31%) of social network users agree that if their friends were to use another social networking site, they would be inclined to also follow them.

Source: Mintel Oxygen Reports

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