

RESEARCH

Millennials more likely to buy brands that use Facebook: BCG

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By RACHEL LAMB

Approximately 33 percent of Millennial consumers are more likely to buy a brand if it has a Facebook page, as compared to 17 percent of non-Millennials, according to a recent study from Boston Consulting Group.

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Luxury Daily

Younger consumers are very much interested in social media and use their friends and digital networks as persuasion to buy products. Therefore, marketing on social media could help brands to connect with a younger generation and build a relationship with the help of other brand advocates.

"Perhaps not surprisingly, social media is the best way to reach Millennials," said Christine Barton, a New York-based partner at BCG and author of the study. "But the degree to which may be surprising.

"Millennials feel significantly more positively about social media, for example, almost half of Millennials feel life is richer now that they are connected to more people through social media," she said.

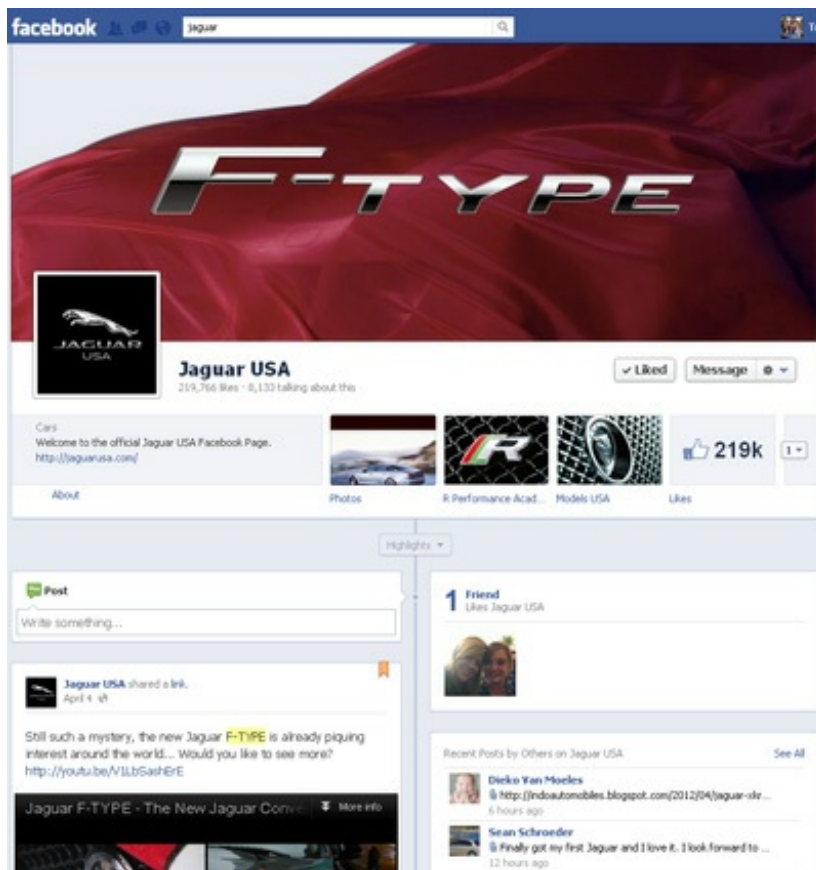
"When it comes to buying, Millennials report favoring brands that have Facebook pages and mobile Web sites."

The study by **BCG, Barkley** and **Service Management Group** surveyed the spending habits of 4,000 Millennials ages 16-34 and 1,000 non-Millennials ages 35-74.

Young blood

Millennials are “digital natives,” consumers who consider themselves fast adopters of new technologies.

This group of individuals uses technology to connect with a greater number of peoples. Approximately 79 percent of Millennials use social media platforms with large social networks.



Jaguar's Facebook

In fact, Millennials are significantly more likely to explore brands in social media than non-Millennials.

Because of this, Millennials are more likely than non-Millennials to buy from brands that have Facebook pages and mobile sites.

Since consumers typically post about how they like – or do not like – certain products via social media, their peers view Facebook as a buying guide more so than celebrity endorsements and experts, per the study.

This young group is using what BCG calls “crowd sourcing,” which means that they tap into the collective intelligence of the public or one’s peer group.



Saks Fifth Avenue Twitter

Millennials are also willing to share their views on the Internet. The group is more likely to rate products and services. Furthermore, 50 percent of Millennials use a mobile device to read user reviews and research products while shopping.

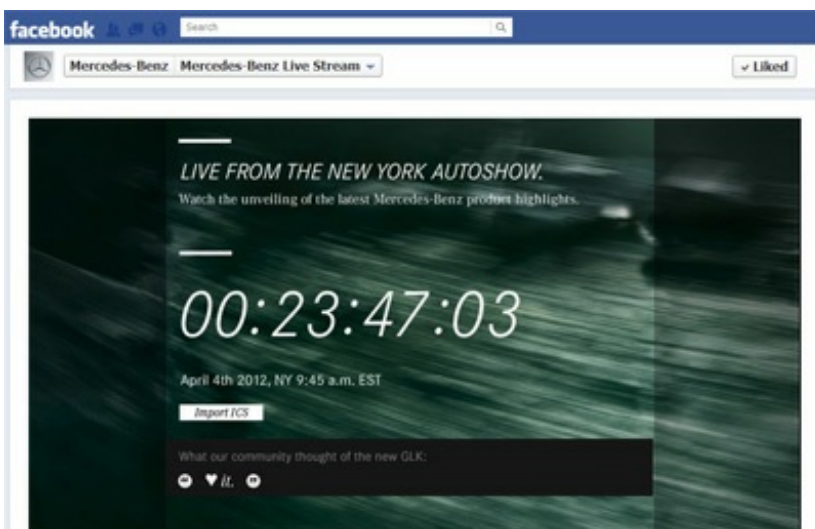
"I was expecting generationally different attitudes toward consumption and the role of brands," Ms. Barton said. "The good news for companies is we didn't find a generation fundamentally less interested in consuming.

"In fact, we found a generation vocal of its self-perceived knowledge of categories and brands, of its enjoyment of spending and of its influence on the spending habits of parents, siblings and friends," she said.

Social butterflies

Many luxury brands are actively using social networks for the purpose of getting in touch with Millennials.

For example, Mercedes-Benz chief marketing officer Bernie Glaser said that the automaker is emphasizing its social media to tap into the mindset of Millennials ([see story](#)).



Mercedes live-streamed content from New York Auto Week

In addition, handbag designer Botkier is relying on its hefty social media following to launch an ultra-luxe capsule collection ([see story](#)).

Also, British fashion brand Burberry uses Facebook to sneak-peak products, campaign images and behind-the-scenes information to loyalists.

Millennials are so favored by luxury marketers because they are the next generation of consumers. Therefore, a presence on digital channels – where Millennials already are – is a necessity for high-end retailers.

These channels help to build relationships with consumers who may not be able to buy luxury products now, but may be able to in the future.

Furthermore, since the Millennial age group stretches up to 35, there is a good chance that the tail end of the group has reached a point in their careers and lifestyle that they can afford luxury goods.

"Although the youngest Millennials are still economically dependent on Mom and Dad, older Millennials are beginning to enter their peak earning and spending years," Ms. Barton said. "While they are not yet set in their ways, they are actively forming preferences, exhibiting tendencies, forming habits and influencing one another's opinions and behaviors.

"U.S. Millennials believe that they not only enjoy shopping for core luxury categories such as clothing, beauty and fine jewelry more than their counterparts, but also that they know more than non-Millennials about accessories, beauty and fine jewelry," she said.

Final Take

Rachel Lamb, associate reporter on Luxury Daily, New York