THE SCIENCE OF INFLUENCE:

HOW SOCIAL MEDIA AFFECTS DECISION-MAKING IN THE HEALTHCARE, TRAVEL, RETAIL, AND FINANCIAL INDUSTRIES

A REPORT BY THE INSTITUTE FOR PUBLIC RELATIONS DIGITAL MEDIA RESEARCH CENTER

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SOCIAL MEDIA IS INFLUENTIAL IN DECISION-MAKING

While differences in the level of influence were found across industries, social media were deemed influential in making decisions and seeking advice. ***social media were identified as being influential by 40% of respondents across generational categories in their decision -making related to travel.*** For other industries, social media were still influential, but to a lesser degree, with 25% of respondents indicating it was influential in financial services, 22% in retail, and 21% in healthcare.

PEOPLE SEEK ADVICE ON SOCIAL MEDIA

More than one-third of respondents (38%) said they were **likely to seek travel advice on social media**. Nearly one-quarter of respondents (21%) said they were likely to seek advice in decision-making related to financial services, healthcare (25%) and retail purchases (18%).

AGE MAKES A DIFFERENCE

Across all categories, **age played a role in how influential social media were for survey respondents**—the younger the respondents, the more likely they were to say that social media, including the sources and channels, were influential.

THIRD-PERSON EFFECT PLAYS A ROLE

The third-person effect occurs when **individuals believe others are more influenced by social media than they themselves are**. This effect was just studied in the retail industry, but 33% of "others" were believed to be influenced by social media compared to the 22% of survey respondents who indicated that social media were influential in their own retail decisions.

CLOSE FRIENDS AND FAMILY ARE THE MOST INFLUENTIAL SOURCE

Across all generations, social media posts from close friends and family were the most influential source, but the degree of influence depended on the industry. Close friends and family were a critical source in the travel industry for all generations: Millennials (62%), Generation X (61%), Baby Boomers (48%), and the Silent Generation (48%). Close/friends and family were also an influential source for Millennials (51%) in the financial services industry and the retail industry (49%). Close friends and family were also an important source for the Silent Generation (42%) in the healthcare industry.

WORD-OF-MOUTH REIGNS AS THE MOST INFLUENTIAL CHANNEL

Consistently across most industries and across generations, word-of-mouth was the most influential channel. Promotions, forums, websites of companies, and online reviews were also deemed to be influential. In the retail industry, promotions and online reviews were more important than word-of-mouth. Advertisements and commercials, both traditional and social, were typically the least influential channels.

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