

# Online sharing boosts value, study says

April 29 2014, by Rob Lever

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In this photo illustration, the LinkedIn logo is displayed on the screen of a laptop computer on January 27, 2011 in San Anselmo, California

In the online world of sharing and "likes," the recommendations of friends, family and even strangers turn out to have real, measurable value.

Positive online recommendations can boost the price consumers are willing to pay by an average 9.5 percent, found a study released Tuesday claiming to be the first of its kind.

Negative recommendations meanwhile can reduce the likelihood of purchasing a product or service by up to 11 percent, said the study commissioned by the social data company ShareThis and The Paley Center for Media.

The study highlights the theoretical value of sharing on [social media](#) instead of the actual impact on prices.

Kurt Abrahamson, [chief executive](#) of ShareThis, said the findings are nonetheless significant in measuring the value of online sharing—such as clicking the "like" button on Facebook, sharing a link to a product or posting a review on rating websites.

"This is the first time someone has tried to quantify the value of recommendations and sharing," Abrahamson told AFP.

"If you are able to generate positive buzz, it does have a significant value."

The study, to be released at a conference in New York on Wednesday, indicates that online recommendations influence consumer purchases more than price and brand, and carry nearly as much weight as face-to-face recommendations.

"There's no question consumers are actively looking online for recommendations and content to help them decide what to buy," said Abrahamson.

"We've all known that social sharing is important, but it's been difficult to measure its impact on consumer spending—until now."

A key finding is that positive online recommendations enable manufacturers and retailers to charge more.

The impact can range from less than a dollar for grocery items to around \$30 for technology produces and upwards of \$9,000 for an automobile.

The report examined several types of online sharing, including personal recommendations via email or social networks such as Facebook, Twitter, Pinterest and LinkedIn; recommendations of websites like Yelp; in-person or face-to-face [recommendations](#); and professional reviews.

Abrahamson said the message from the study is that brands and marketers should make it easy to share online, and draw from the social world to help promote their products.

But he added that companies should be cautious about trying to manipulate reviews and shared content.

"The voice still needs to be authentic," he said.

"You need to provide the channels for consumers to share, but if you try to manipulate it too much, it runs the risk of creating a backlash."

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