

MARKET RESEARCH

KEY DEFINITIONS:

Social shopping: a method of e-commerce where shoppers' friends become involved in the shopping experience. Social shopping attempts to use technology to mimic the social interactions found in physical malls and stores. ([Wikipedia](#))

Social commerce: uses networking websites such as Facebook, Instagram, and Twitter as vehicles to promote and sell products and services. A social commerce campaign's success is measured by the degree to which consumers interact with the company's marketing through retweets, likes, and shares. ([Investopedia](#))

Eg: Nordstrom pinning "popular on Pinterest" labels on trending store items

Eg: Coca-Cola personalized bottles and utilizing social media hashtag campaigns

Social commerce is different from social shopping. While social shopping is a collaboration of online shoppers networking together, social commerce collaborates with online vendors.

The Social E-Commerce Landscape:

- Starting to see growth from **social media platforms to adapt social buying**
 - Facebook's recent acquisition of Kustomer, a startup CRM platform, underscores just how important customer service features are to the SMBs that advertise on the social platform. By integrating more customer service tools and expanded customer experience capabilities, Facebook is positioning itself to own even more of the customer journey. ([TechCrunch](#))
- Worldpay from FIS research found that **71% of shoppers** globally use **mobile** apps to make purchases, driven primarily by the desire for speed and simplicity.
- Gap in the market
 - Because of the pandemic, the buying journey — from browsing to purchase — happens predominantly **online**, causing consumers to **miss out on the experiential part of shopping** - *Kristen Groh, consumer products industry lead, North America at Publicis Sapient*
- [The Adobe Report \(RetailDive's Brief and Breakdown\)](#):
 - COVID-19 **pandemic** pushed consumers to spend \$183 billion more online since March 2020, bringing **total e-commerce spend to \$844 billion**, according to the Digital Economy Index report by [Adobe](#).
 - **E-commerce spending** in 2021 is expected to grow between **\$850 billion and \$930 billion and reach \$1 trillion in 2022**, Adobe's report said.
 - The first two months (**Jan-Feb**) of **2021** saw consumers spend **\$121 billion** online, a **34 percent growth YoY**.
 - **Buy Now, Pay Later: 215% YoY growth** in the first two months (Jan-Feb) of 2021. Consumers using this service are also placing orders that are 18% larger. Retailers are offering the buy now/pay later option more often, while consumers deal with financial uncertainty.

- **Suggestion:** we can also add a little category tag or something that lets people know which sites offer this payment method (although I assume it'll become quite popular and commonplace after a while)
- Product category growth: online sales for home improvement products grew 60% YoY in the first two months (Jan-Feb) of 2021. Apparel grew 22% YoY in the same time period

Social Media Direct Competitors (bridging into e-commerce)

	Facebook Marketplace	Pinterest
USP	To advertisers and sellers: 1 billion visitors	Used as a source for inspiration
CVP	Unclear: to the average consumer, perhaps becoming a superapp	Want to upgrade their tech (eg w/ AR) and image recognition to search for goods Using AR for people to try things on virtually before purchasing
Competitive Feature	Large existing userbase (lots of people @ top of the funnel)	Paired w/ Shopify for purchasing
Intended For This Platform?	X They're trying to adopt a new aspect to a platform intended for social networking, not commerce, may face pushback	X No, but has the advantage over FB in the sense that people often go to Pinterest to look for things that they're potentially interested in buying (stronger purchase intent)
Need to Do ____ To Stay Competitive?	<i>They need</i> to develop suite of commerce tools for merchants	Streamline method of purchase, can seem clunky