



IS SHOPPING GOING SOCIAL?



Evolution is a challenge for every retailer today. Capturing sales conversions is the goal but competition is fierce and the promotions and tactics that were effective five years ago simply may not work today. In particular, the channels and technologies which drive digital commerce are multiplying rapidly, with new ways to buy continually influencing new shopping trends which retailers must get a grip of, fast.

One of these trends is social commerce, or shopping through social media. As people the world over spend more and more time on social networks, the major platforms – Facebook, Instagram, Twitter, Pinterest – have realised an opportunity to monetise social browsing time by adding eCommerce to their list of functions. It started with Pinterest adding ‘shoppable pins’ which allowed users to make direct purchases from content they liked. Then Facebook got in on the act and by 2017 controlled almost half of all purchases made through social media in the US.

In Salmon’s latest report into digital consumer trends, *The Future Shopper: 2018 and beyond*, we explain how the use of social media to shop is on the rise, especially amongst younger consumers. In our survey of more than 3500 regular online shoppers in the US and UK, we found that social commerce was particularly popular with shoppers aged 25 to 44 – the millennial generation – and with US consumers. We also noted that the importance of social media as a retail channel is not restricted to direct sales, as social users actively use their favourite platforms to find inspiration for purchases and recommend products to friends.

## Millennials driving the rise of social shopping

Millennials are the first generation to have grown up with technology embedded in their lives, and they’re big users of social networks. From blogs and forums, to picture and video sharing platforms and business networks, this generation lives more of their online lives via social than any other. Not surprisingly, therefore, this age group is driving the rise of social commerce.

Overall, one in five respondents (19%) to our Future Shopper survey told us that they actively use social media to make purchases. But amongst millennials, this figure rises sharply. Close to a third of digital shoppers (29%) aged 25 to 34 said they use social media to shop, as did one in four consumers (24%) aged 35 to 44.

## The social habits of future shoppers

It’s not just at the point of sale that social has an impact on commerce. Our research also found that almost a quarter (24%) of consumers in both the US and UK are using social networks to recommend products to friends. Many also use social platforms as a sourcing resource – 32% found inspiration to buy via social channels like Facebook or Instagram. The influence that social media users have on each other when it comes to making online purchases is considerable, and this is something that brands can turn to their advantage through effective influencer strategies. According to a study by Tomoson, every \$1 spent on nurturing social influencers can generate \$6.50 in returns.

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A social presence also establishes rapport and credibility with consumers, which can be crucial for building enough confidence in a brand for a customer to buy. Our report – “Mindset-Driven Purchasing and the Female Shopper” – identified, for example, that 55% of women shopping online, buy from a brand they interact with on social media.

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## An Atlantic divide – for now

Our Future Shopper survey revealed a clear division in how well established the social commerce trend is amongst US and UK shoppers. Almost a third of US respondents (31%) said they actively used social media to make purchases, but this fell to just 10% amongst UK consumers. Similarly, 38% of US digital shoppers told us they used social networks to make product recommendations to their friends, compared to just 14% in the UK, whilst 32% in the US said they used social media to find inspiration for what products to buy, compared to 16% in the UK. In both these areas, we would expect UK to close the gap – to what extent is difficult to predict. Interestingly, the gap between the number who said they didn't shop on social media at all was much narrower – 28% in the UK compared to 21% in the US.

## The opportunity for retailers and brands

While social commerce is still very much a future technology in the minds of many brands and retailers, our Future Shopper survey shows that it is something consumers are ready to embrace. When asked whether

they shopped on social media at all – so perhaps making the occasional impulse buy or using it to browse for ideas even if not to make purchases – 75% of digital shoppers we asked said yes. A similar number, 77%, said they would trust social media to give an optimum range of options in terms of product selections and price.

As a channel that consumers are happy to use, there are significant advantages for retailers in embracing social commerce, especially when it comes to engaging with millennial shoppers. Social is so embedded in their lives that it has relevance right along the buyer journey, from informing decision-making about which brand to shop with, to creating the simplest and most straightforward path to purchase.

In addition, shoppers are only going to use digital channels more and more to shop, and they are actively looking for brands and retailers to offer attractive, innovative eCommerce experiences. According to our survey, 75% either agree or “strongly agree” that they will be increasing the use of digital shopping channels in future and 72% are more likely to choose to shop with a retailer that is digitally innovative.

All in all, a social strategy with commerce goals could soon prove essential in driving sales and brands may find it difficult to be truly competitive without taking the social commerce leap.

Wunderman Commerce Director of Customer Experience Andy Jones concludes: *“It’s safe to say that shoppable social media will increasingly make up a significant proportion of the predicted eCommerce growth in the next couple of years. We’re certainly seeing an acceleration in the penetration of social commerce – our Future Shopper survey backs this up – and whilst social networks continue to grow in size, the potential revenue base also continues to rise. Retailers and brands would be wise to get social-savvy and act on the developments in sCommerce, or run the risk of being left behind.”*

Salmon, a Wunderman Commerce company, has a team of eCommerce multichannel experts who are working with leading brands to address both the opportunities and challenges addressed within this article. These are explored amongst other key themes in its ground-breaking, new report “The Future Shopper”. [Download your full copy here.](#)

In this report, we asked over 3,500 consumers from the US and UK aged between 18-64, and who shop online at least once a month, about everything from automated purchasing and the dominance of Amazon, to the rise of voice-activated devices and the shifting shopper priorities.

[Read the full report](#) “The Future Shopper – 2018 and beyond”

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