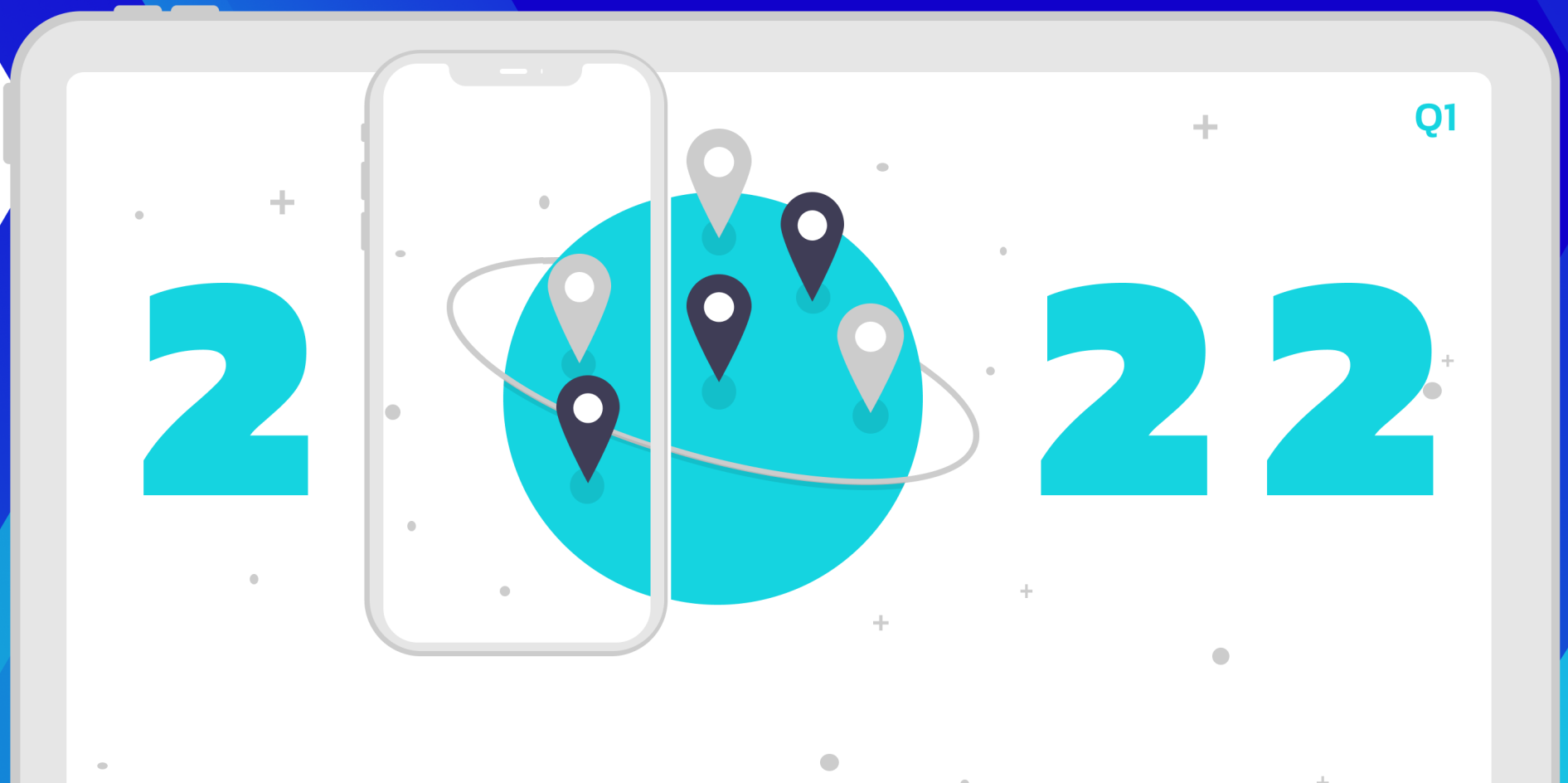


The State of Social Commerce



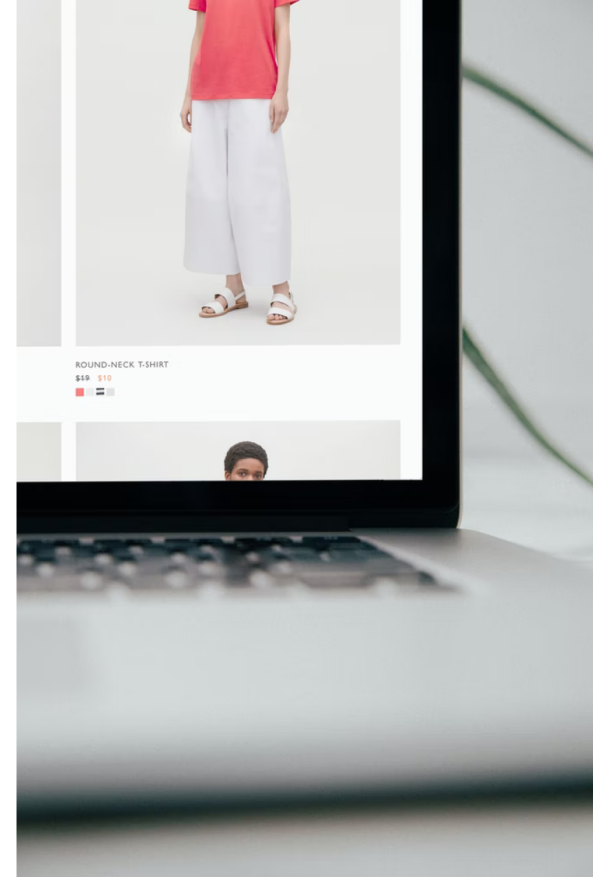
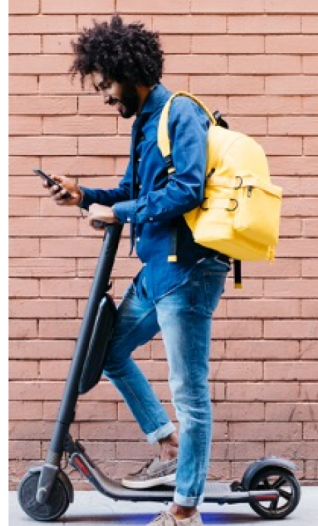
Survey methodology

SimplicityDX surveyed 501 US online shoppers in February 2022.

Each shopper had made a purchase online in the last 90 days.

- **261 (52%) had made a purchase using social media in the previous 90 days.**
- **This includes checking out on social media and clicking through to the brand site to shop and checkout.**
- **The subset of 261 social media shoppers were asked additional questions about their social shopping process.**

The sample was selected randomly, and is broadly representative of US online shoppers.



Summary

Online shoppers' attitudes to social commerce



Online shoppers like social for:

Product Discovery

Almost half of customers think social is a great way to learn about new products. Only 12% think it's a great place to buy.

Influencers

Social media influencers are most valued for learning about new products, learning how to use them and for product recommendations.

Live-Streaming

While live-stream shopping events are still relatively new, 16% of online shoppers have been to a live-stream event and purchased products from one.

They don't like:

Checking Out on Social

Only 13% prefer to checkout on social, compared with 71% who prefer to shop on the brands website.

Inventory Issues

98% of online shoppers have recently experienced product availability issues in social commerce.

Landing Experiences

81% of shoppers have had bad experiences landing on the brand site from social.

Returns

Only 15% of online shoppers know who to contact to return a product purchased on a social network.

Social Commerce – the new goldrush for brands

01

Brands need to be where customer choose to be.

Social commerce represents both the biggest problem and the biggest opportunity for brands in ecommerce today.

02

75%⁽¹⁾ of world's population is on social media.

While every aspect of the ecommerce buying experience has been optimized over the last 30 social commerce is in its infancy.

03

The average person spends 2 hours and 27 minutes⁽²⁾ on social per day.

Gerry Widmer, CEO, SimplicityDX

Three key take-aways for brands

01

Online shoppers like social media for discovering products, and prefer brand sites for buying products.

Brands also benefit from redirecting traffic to their eCommerce store with full control of the customer experience and ownership of customer data.

02

Landing experiences need urgent attention with more than 8 out of 10 shoppers complaining about poor landing experiences from social.

Landing on the brand site remains very hit and miss, and represents a massive revenue leak. Fixing these problems will deliver disproportionate returns.

03

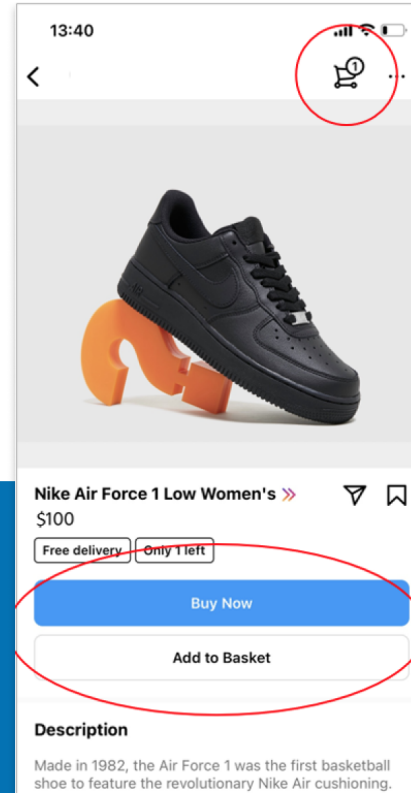
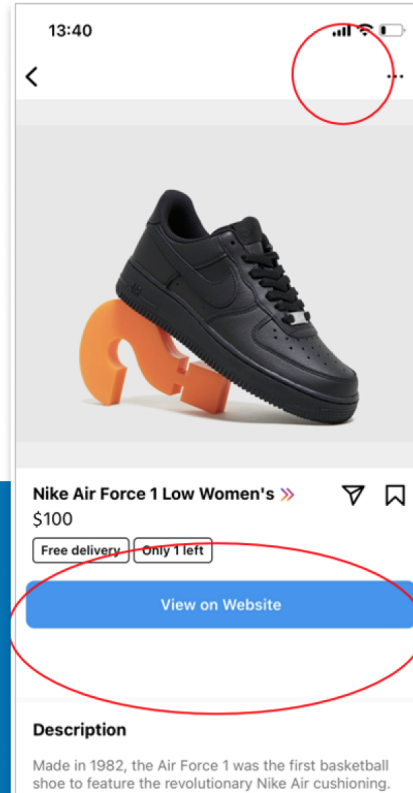
Inventory levels of promoted products need monitoring.

Promotions drive increases in traffic and create knock-on availability issues. Customers have an expectation that promoted products will be available.

Do social shoppers know where they are checking out?

Embedding the brand site into the social network can make it difficult for shoppers to understand where they are checking out.

To overcome this, in this study we used a picture to try and help shoppers to give accurate answers.



Did you visit the brand's website and buy the product there?

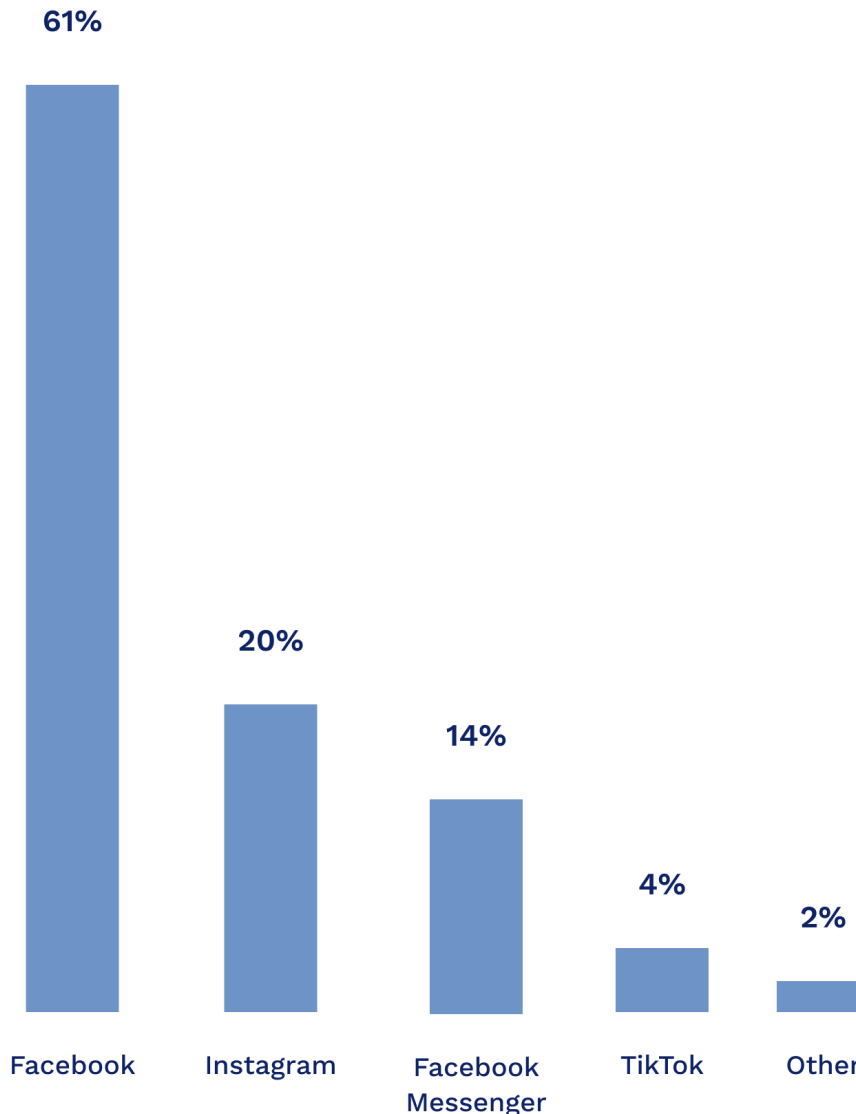
Or buy the product directly on the social media platform?

Which social networks for shopping?

Thinking about a recent purchase you made where you used social media within the last 90 days, which social network did you use?

Facebook stands out as the most popular site for shopping both on the social network and bouncing down to the brand site.

Note that the 61% figure includes Facebook Marketplace.



61%

of social shoppers thought first about a recent purchase using Facebook.



Facebook Marketplace may account for a significant proportion of the transactions.

Social: the Wild West of eCommerce

71%

of online shoppers
prefer to purchase
on brand sites
having discovered
products on social.

53%

do not trust social
networks with their
personal data.

81%

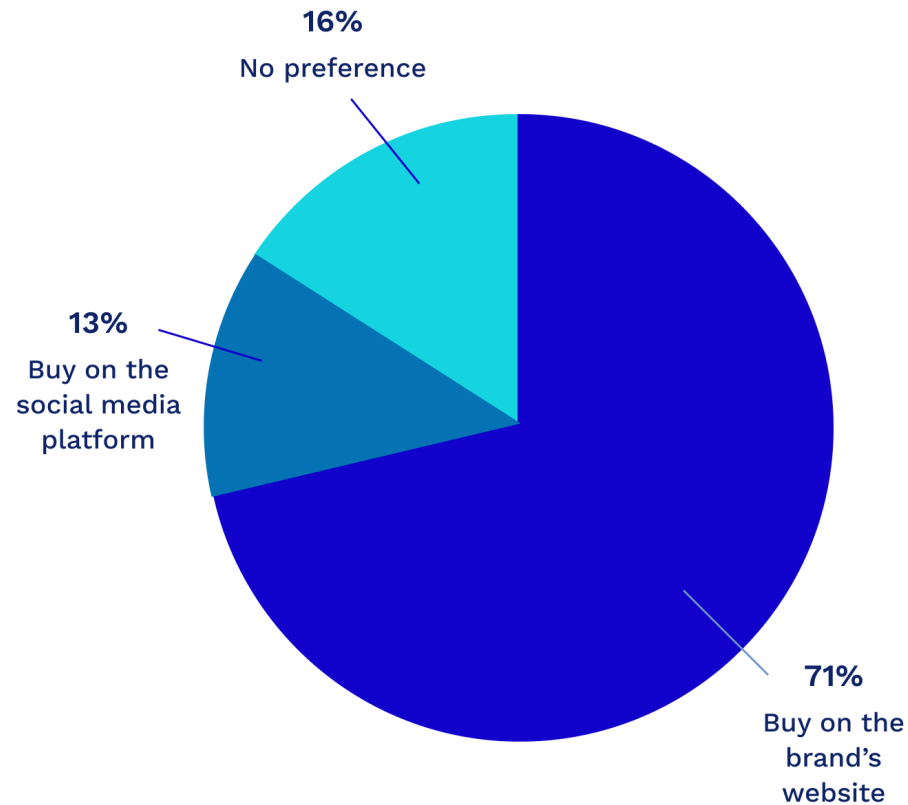
of customers
complain of poor
landing experiences
when referred by
social channels.

98%

experience out of
recent stock and
availability issues.



Checkout preferred on brand sites



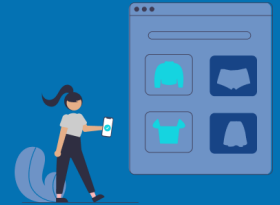
When shopping using social media, which do you prefer?

Only 13% of online shoppers prefer to checkout directly on the social media platform.

Almost three quarters of social shoppers prefer to shop on the brand's website.

71%

of social shoppers prefer to shop on brand sites having discovered products on social.



While consumer trends may change over time, currently most social shoppers clearly prefer the brand experience, and do not want to checkout on a social platform.

This suggests redirecting traffic to the brand site should be the preferred option for the majority of brands.

Influencers are valued for product discovery

Posts by celebrities and social media influencers sometime feature products. What do you find most useful about these kinds of posts?

Half of online shoppers think that influencers are most useful for finding out about new products.

Almost one third think they're most useful for recommending and learning how to use new products.

A quarter of shoppers don't use influencers for any of these things.

50% Find out about new products

31% Recommend products

31% Learn how to use new products

28% Learn about trending products

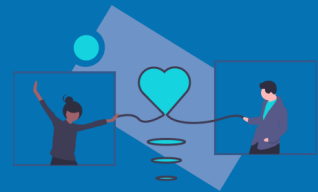
25% None of these

21% Choosing products

16% Combining products

50%

of online shoppers
find social media
influencers most
useful for finding
out about new
products



Social media influencers remain a credible source for product information, recommendations and showing customers how to use new products.

Only 21% think influencers are most useful in choosing new products, suggesting that other sources (such as reviews) are more important in the actual product selection.

Early days for live streaming shopping events

What is your experience of live streaming shopping events?

42% of online shoppers either don't know what live streaming shopping events are or would not go to one.

Almost one third have been to an event, with half purchasing at one.

25% I have no plans to go to one



19% I've never been to one but would consider it



17% I don't know what they are



16% I've been but never purchased any products



16% I've purchased products during livestream events



7% None of these



16%

of online shoppers say they have purchased at a live streaming shopping event.



While clearly early days, at least in the US, live streaming shopping events are beginning to make their mark.

These events are typically led by social media influencers rather than brands.

Social networks work well for product discovery

Which best describes how do you use social media for shopping?

Almost half of online shoppers think it's a great way to learn about new products

While only 12% think that social media is a great way to buy new products, and 20% don't use social media for shopping at all.

48% A great way to learn about new products



20% I don't use social media for shopping



13% A great way to see how others are using new products



12% A great way to buy new products



5% A great way to discuss potential purchases with friends



48%

of online shoppers consider social media as a great way to learn about new products.



Almost half of online shoppers think that social is a great place to discover new products, while almost three quarters prefer to shop on the brand site.

This gives a clear picture about shoppers preferences.

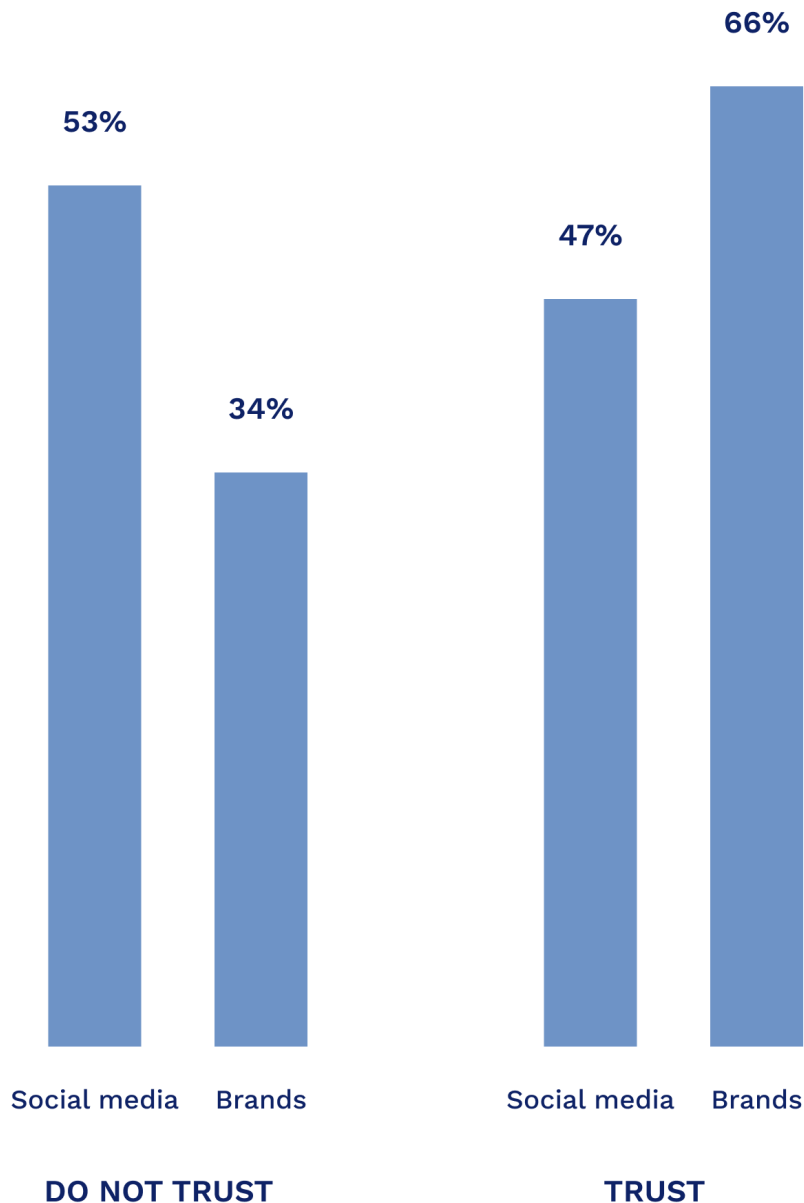
Consumer trust in social networks is an issue

Do you trust social networks and brands not to abuse, share or sell your personal data without your consent?

Social media companies have a trust issue when it comes to consumer data.

More than half of online shoppers do not trust them not to abuse, share or sell personal data.

By comparison, two thirds of social shoppers trust brands not to abuse, share or sell personal data.



53%

do not trust social networks with personal data.



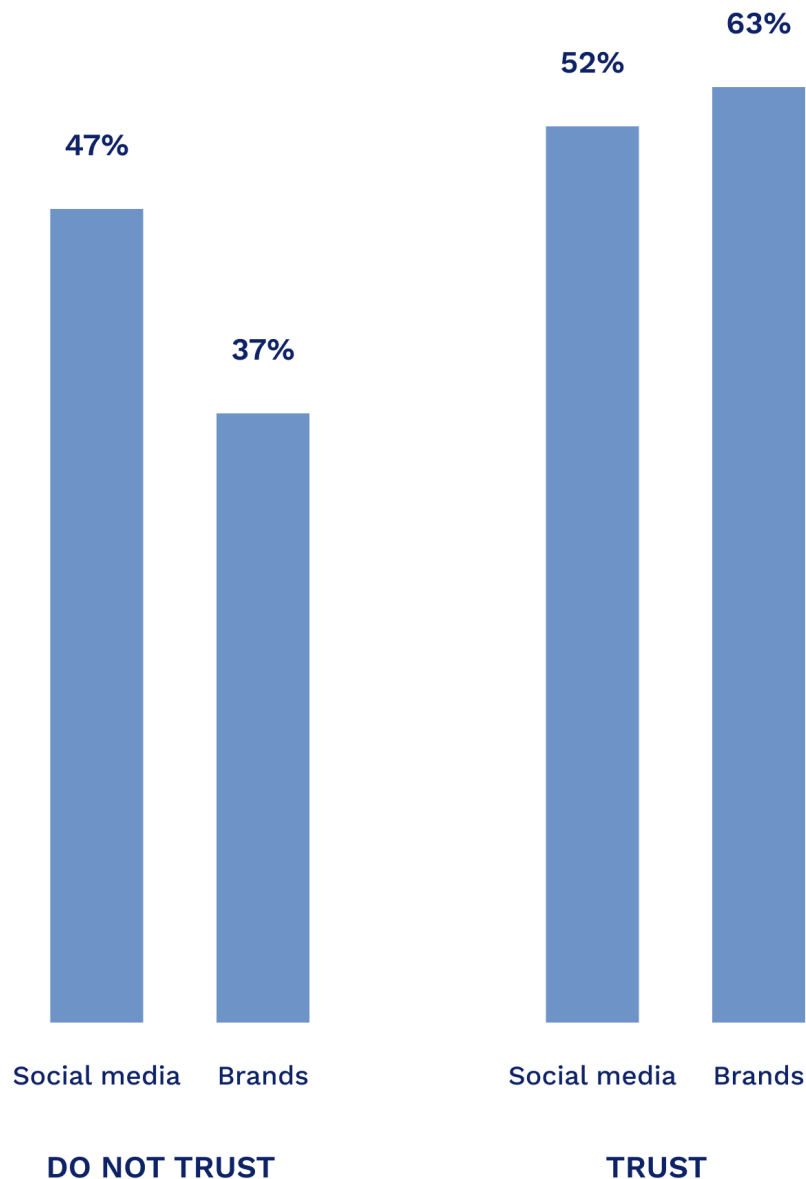
A series of missteps by social media companies on consumer privacy issues means that online shoppers are wary of sharing personal data with social networks.

Trust is an issue with financial data as well

Do you trust social networks and brands not to abuse, share or sell your credit card data without your consent?

A lack of willingness to share credit card information with social networks will slow adoption of consumers checking out on social.

By comparison, almost two thirds of online shoppers trust brands not to abuse, share or sell credit card data.



47%

do not trust social networks with credit card data.



The trust issue is likely a factor in online shoppers' preference for checking out on brand websites.

Meta recently agreed to let Shopify's ShopPay into Instagram, a move which reduces friction and could reassure social shoppers.

But its not only trust that consumers may be concerned about



Returns & refunds

Only 15% of online shoppers know how to return items purchased on social networks.



Tagging Issues

Consumers are frustrated that some promoted products are not tagged making it hard to find where to buy.



Authenticity concerns

All marketplaces suffer with copy-cat brand issues and many consumers may prefer to purchase from the brand site.



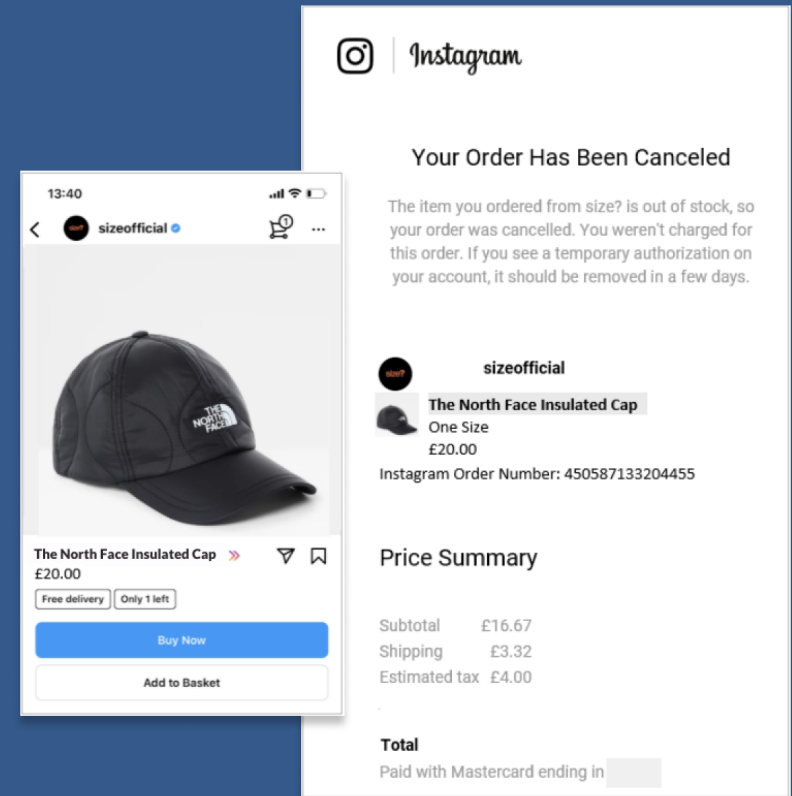
Inventory Issues

Promoted products go out of stock fast, and a lack of real time inventory exacerbates this problem on social.

Lack of real time inventory causes issues

**Low stock, fast moving items are
vulnerable to cancelled orders.**

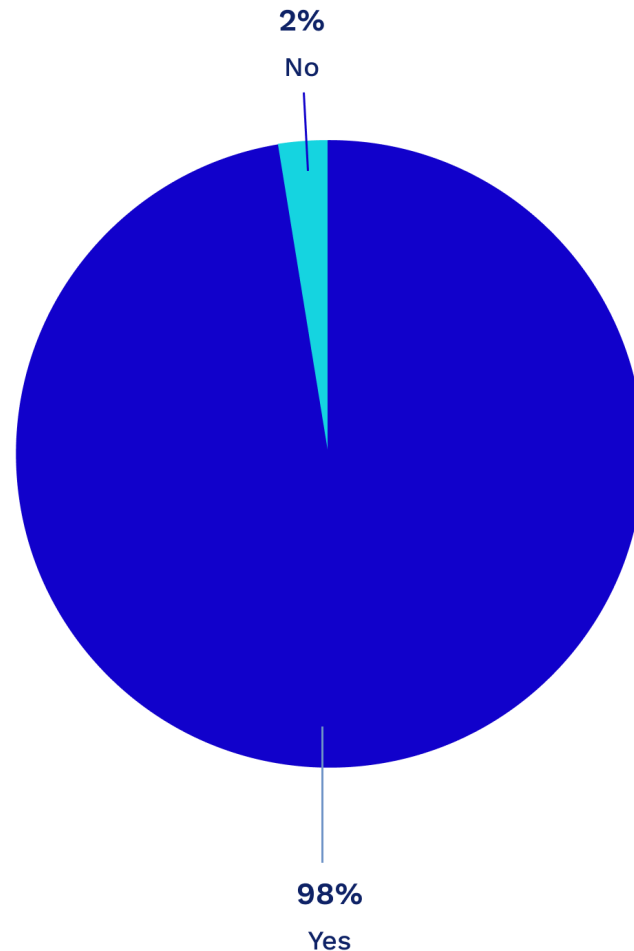
Experiences like this reinforce consumers preference for
shopping on brand sites.



Product availability is a massive problem

When clicking through from social media to a brand's website, have you experienced any product availability issues?

Almost all customers have experienced product availability issues. Out-of-stock experiences are especially frustrating for shoppers. There is an implicit assumption that promoted products will be available, but this is not the case: promoted products are much more likely to go out of stock due to the increase in traffic.



98%

of shoppers experienced out recent stock and availability issues in the last 90 days.



Because social media isn't in sync with your inventory position, this problem will be persistent.

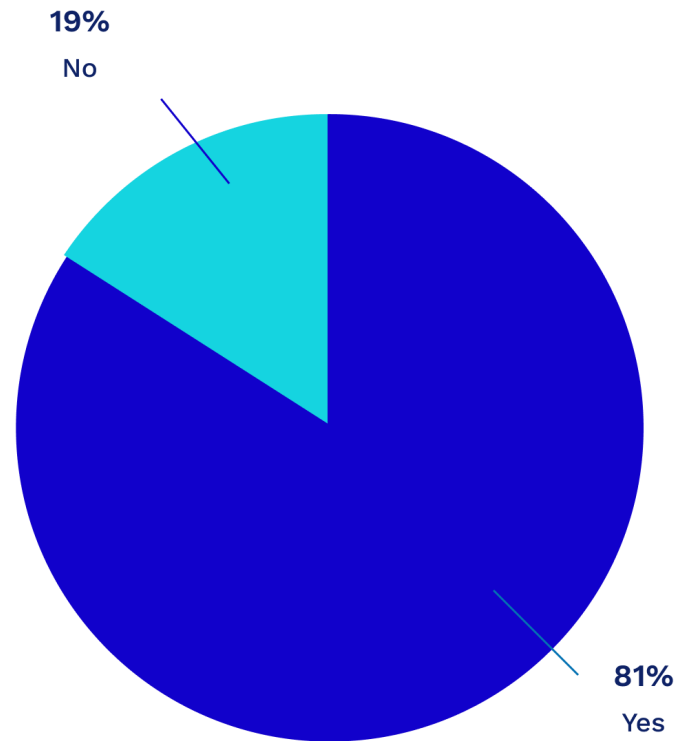
Brands should monitor and pause in-flight campaigns promoting products with availability issues. This will generate a higher Return On Advertising Spend and increase customer satisfaction.

Landing experiences from social are a problem

When clicking through from social media to a brand's website, have you experienced any issues?

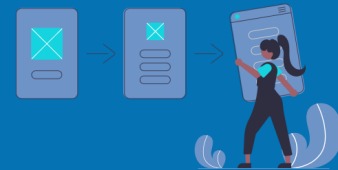
Landing from social on brand sites is widely considered problematic, with 81% of online shoppers experiencing problems.

The revenue leak from customers landing on Product Detail Pages alone is equivalent to 14% of site revenue, making this the single biggest opportunity to boost sales by addressing poor experiences.



81%

of customers complain of poor landing experiences when referred by social channels.



Since almost three quarters of social shoppers prefer to shop on the brand's website, you'd think that landing experiences would be great.

But this isn't the case. Brands need to address this and find and fix poor landing experiences quickly.

Most problematic landing experiences from social

When clicking through from social media to a brand's website, have you experienced any of these issues?

Product availability issues dominate. These include products that are completely missing, out-of-stock, or products that are not available in the correct size or variant.

Product availability issues are frequently correlated with promotional activity.

While only 16% of social shoppers reported being taken to a different page than was expected, we find this to be low given, anecdotally, how common an experience this is.

98% Product availability



30% Broken link



22% Very slow landing page



19% Error message



17% Error page



16% Incorrect page



13% No link



28% None of the above



81%

of customers complain of poor landing experiences when referred by social channels.



While product availability issues dominate, broken links, slow loading pages and errors (messages, 404's, no links) are also common experiences.

Focusing on consumers frustrations and fixing these common errors will deliver quick returns for brands.

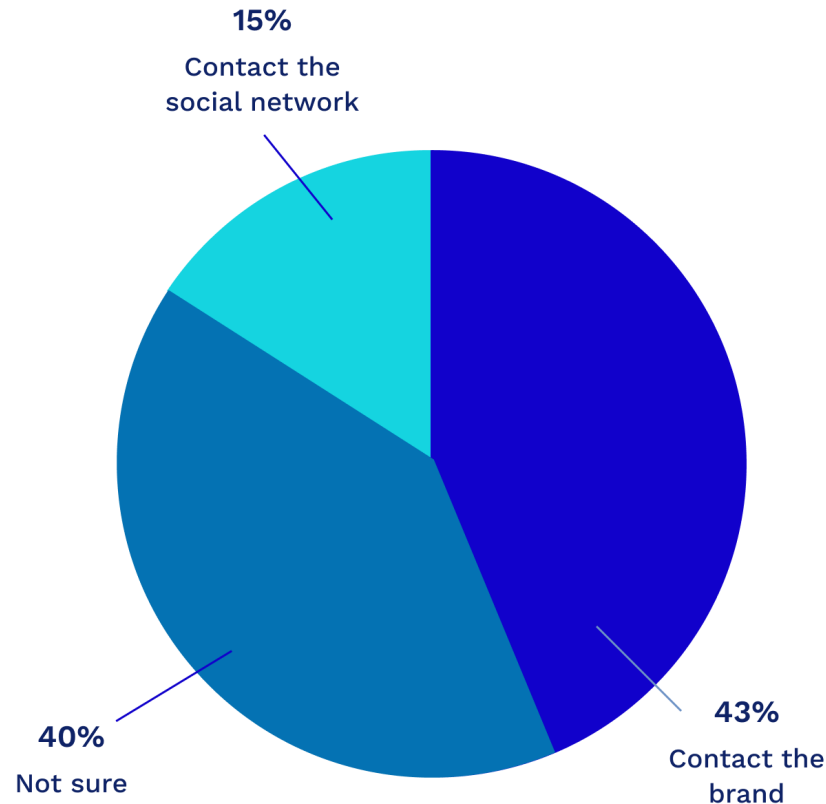
Confusion over product returns

If you needed to return a product purchased on a social media platform, would you know how to secure a refund?

When purchasing a product, consumers wishing to return it need to contact the Merchant of Record. For purchases on social networks this means contacting the network not the brand.

40% of online shoppers aren't sure who to contact, while 43% think (incorrectly) that they should contact the brand.

Only 15% of customers would contact the social network.



85%

of customers are unsure how to return products purchased via social networks.



This is another sign that social commerce is really in its infancy – only 15% of customers know how to return a product.

Summary

Social commerce is today's 'wild west' of eCommerce, with great opportunities for brands, but also significant potential pitfalls.

Customers prefer to use social networks for product discovery, and brand sites for shopping.

The social -> brand site experience is frequently problematic, delivering a poor experience for many customers.

Product availability is a universal problem linked directly to products promoted on social.



SimplicityDX makes social commerce work.

The SimplicityDX platform enables brands to optimize social commerce experiences by simplifying the buying process between social platforms and the brand's own eCommerce store.



To ask a question:

hello@simplicityDX.com

To learn more:

www.simplicityDX.com