



The **Social Commerce** Opportunity

HOW TO EXPAND YOUR STOREFRONT
TO ANY DIGITAL SURFACE



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Social commerce, or the ability to buy products directly from a social media platform such as Facebook, Instagram or Pinterest, is where more and more people are going to shop, thanks to a coalescence of several factors that couldn't necessarily have been predicted over the past several years.

As such, brands have an incredible opportunity to get in front of more current and potential customers than ever before by meeting them where they are—on social media.

More than 4 billion people are projected to be using social media by 2025, according to [a new report by Forrester](#) released in October. The COVID-19 pandemic served as a catalyst to drive people to these platforms as they found themselves unable to go out or socialize in person. As retailers were forced to shutter their physical stores, it became imperative that their e-commerce presence was solidified, almost overnight.

Now that e-commerce presence for many retailers and brands includes social commerce, which provides a direct line to purchase without having to force consumers to leave the social platforms they're spending time on. Companies that recognize this emerging market's potential are now actively paying attention to it, with 83 percent of business-to-consumer organizations investing in two or more social shops, according to Forrester.

And that's just scratching the surface. The global social commerce market size is expected to grow to \$604.5 billion by 2027, according to a 2020 report by [Research and Markets](#).

When utilized correctly, social commerce can deliver a higher level of convenience and meet customers' expectations of a frictionless shopping experience every time. When brands properly execute on their social commerce initiatives, they inevitably see higher traffic volume, improved conversion rates, increased average order values, and more repeat customers.

Furthermore, brands will be able to hypertarget their prime audience thanks to the data they're able to collect from the social media platforms, which can lead to more personalized shopping experiences going forward. Finding success in social commerce means brands can expand their storefront to any digital surface that consumers are engaging with.

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CURRENT SOCIAL COMMERCE CHALLENGES FOR RETAILERS

While the significant market opportunity that social commerce presents is well documented, e-commerce leaders have a long way to go when it comes to capturing it.

According to the Forrester report, fewer than 30 percent of social commerce leaders are prioritizing customer engagement, failing to cultivate and nurture customer relationships throughout the social purchase journey. As a result, they're putting their long-term social commerce growth at risk.

Organizations that don't properly pay attention to customer experience risk falling behind in the highly competitive market of social commerce, as well as being abandoned by customers permanently after one poor experience. In fact, one in three consumers say they would walk away from a brand they love after just one bad experience, according to a [PwC study on the future of customer experience](#). In addition, 73 percent of people surveyed by PwC said customer experience was an important factor in their purchasing decisions.

Another problem plaguing consumers who wish to shop on social media is the friction that exists between platforms and the retailers selling products. Social media platforms were originally built as communication networks, not shopping channels; now, users scroll through their feed, see a jacket they like, and expect to be able to purchase it fluidly without having to jump through multiple screens and steps. Transitioning consumers between social apps and retailers' mobile websites to transact is leading to shopper abandonment and drop-off. To turn scrollers into customers, brands must integrate e-commerce seamlessly within social platforms and connect users directly to their brands with one simple click.

A current impediment to retailers' social commerce objectives is successfully integrating their internal systems (e.g., inventory, order fulfillment, etc.) with the social platforms where the transactions are taking place. Problems can snowball more easily when order confirmation, fulfillment tracking, inventory, returns, etc., aren't aligned within the platform. Disjointed customer experiences will in turn lead to a lack of loyalty, costing retailers both short- and long-term revenue gains.

Lastly, brands must also be cognizant of not only the valuable customer data that can be collected via social commerce (e.g., purchase history), but also how that data can be leveraged to personalize future interactions with their customers. Too many retailers are selling to customers via social platforms without any knowledge of who the buyer is. This leads to one-time purchases that aren't sustainable. A robust plan for capturing customer data needs to be in place in order to foster the profitable, long-term customer relationships that retailers are seeking in today's hypercompetitive digital landscape.

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DRIVING PERSONALIZATION AND VALUE THROUGH FIRST-PARTY DATA

When a consumer is scrolling through Instagram—liking, viewing and sharing images, videos and products—she is creating valuable data points. Retailers that are able to gather up all of that data, provide a personalized shopper experience, and enact targeted social campaigns are positioning themselves to succeed with social commerce.

This type of opted-in, first-party data collection is becoming increasingly more important with the pending death of the third-party cookie. As consumers have become more aware of how companies track their data through third-party cookies, they've started pushing back, leading Google to announce it will stop the use of third-party cookies in the Chrome browser by the end of 2023.

By collecting first-party data from opted-in customers, retailers are able to personalize future shopping experiences for social users, leading to increased engagement and conversions. An [April 2020 McKinsey study](#) found that personalization can lead to up to 20 percent higher customer satisfaction and increase sales conversation by up to 15 percent.

Another way to collect customer data is through checkout platforms that allow retailers to avoid giving customers lengthy account registration forms, and instead provide one-click account registration that's shared across a merchant network. This provides a convenient shopping experience for the customer, who doesn't have to create a store account across multiple retailers' websites, while retailers get access to valuable customer data without having to require the customer to spend time creating a new account. Retailers can benefit from joining a shopping network that can share that customer data; while some networks try to own the customer relationship, retailers should seek out a shopping network that seamlessly creates first-party store accounts so that they can own the relationship without having to require additional information from the customer.

There are also opportunities for customer loyalty programs to be integrated into existing merchant accounts. Customers subscribed to a brand's loyalty program can make a one-click purchase on a social platform, and those loyalty points will seamlessly be credited without the customer having to leave the social platform. Consumers are seeking convenient, frictionless shopping experiences, and one-click checkout—without sacrificing customer data—delivers on that expectation.

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STEPS TO CAPITALIZE ON THE SOCIAL COMMERCE OPPORTUNITY

Social networks are crucial for providing brands with a way to keep themselves in front of both current and prospective customers in today's digital-first retail environment. Those social networks have evolved into their own freestanding marketplaces. With social media usage at an all-time high and the platforms continually evolving, there's a massive opportunity for retailers to reach more existing and potential consumers than ever before.

The [Pew Research Center](#) found that at least 72 percent of Americans use at least one social media site to connect with one another—why shouldn't they connect with your brand there as well?

Customers today are looking for convenience, ease and speed in their shopping experiences. Millennials and Generation Z made up 48 percent of all internet users who made a purchase on social media in 2019, and these target demographics are likely to abandon their cart or the brand if those expectations aren't met, resulting in a loss—perhaps permanently—of customer loyalty and revenue for the retailer.

With the right tools, social commerce makes shopping easy, with one-click in-app checkout that cuts out the need for long customer intake forms and friction-filled redirects. Giving consumers the ability to shop and purchase directly within a social app leads to higher conversion rates when consumers aren't being asked to click through multiple platforms, browsers and screens to get what they want. To that end, it's important that existing ERP systems have the capabilities to integrate with social commerce platforms.

Data collection has never been more important given the ever-increasing number of channels that consumers are engaging with brands in. If you know your customer and their behavior, you can tailor their shopping experience and create lifelong loyalty. With social commerce, you can gather data from the moment a shopper discovers, engages and purchases—resulting in true, end-to-end insights that enable you to better understand your customers.

One-click checkout solutions such as [Bolt](#) remove friction from the social commerce shopping experience. They solve the problem of customers experiencing different checkout procedures as they transition from social apps to mobile sites to complete their purchases.

By removing the roadblocks in the checkout process, customers and retailers alike can reap the benefits. Customers get the ease of a seamless shopping experience, and retailers solve the issue of checkout page drop-offs while increasing their conversion rates and collecting first-party data to provide a personalized customer experience in the future.

Social commerce is the future of shopping; it's a no-brainer to meet customers where they are and follow them along their social journey from discovery to purchase. This new revolutionary storefront—coming to you now on any digital surface—is just waiting to be embraced.

WHO WE ARE



Bolt is the world's first checkout experience platform, connecting millions of shoppers to retailers in a unified cross-brand network. Forward-thinking retailers like Forever 21, Swiss Gear, Badgley Mischka, Benefits Cosmetics, and hundreds of others rely on Bolt to convert, retain, and delight shoppers. People have more options than ever when shopping online, and retailers need to provide the best experience or customers will move on. Bolt solves the complicated technological challenges involved in checkout, fraud detection, and digital wallets so that retailers can devote their energy to what matters most—growing their product, brand, and customer base.

Learn how we can help you at bolt.com/remotework

WHO WE ARE

TotalRetail

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