

A COMPREHENSIVE APPROACH TO SOCIAL COMMERCE:

THE NEW FRONTIER FOR MARKETPLACES
AND SOCIAL PLATFORMS





SOCIAL COMMERCE

WHAT IS IT, AND WHAT'S AT STAKE?

When it comes to getting a brand in front of more consumers, few strategies offer greater potential than social commerce.

With a market valued at \$584.91 billion in 2021, social commerce presents the fastest growing e-commerce opportunity for brands, representing 13% of all e-commerce sales in China and 4% in the US respectively. Business consulting firm Grand View Research projected that social commerce revenue will grow 31% globally by the end of the decade – a massive figure, especially when viewed in context of the 8% growth anticipated for e-commerce overall during the same period.

While the opportunity of social commerce is clear, its definition remains opaque, and is often poorly understood within our industry and beyond it. In this paper we look to bring clarity to social commerce and examine steps for brands to assess their potential in this space and tap into the incremental revenue social commerce presents.



A NEW FRONTIER

In a word, social commerce is seamless. It requires building a retail experience that allows shoppers to achieve their full shopping journey – from discovering a brand and its products, to consulting reviews and exploring product specifications, to making a purchase – all within the same social platform.

Social commerce is more than a new marketing strategy – it's a completely new model to which the majority of major digital platforms are converging.

Social platforms are on a transformation journey to become marketplaces and tap into new advertising revenue streams, while marketplaces are simultaneously seeking to evolve the social interactivity they offer to consumers for a more immersive and rewarding experience within their platform – all while brands develop their own social commerce approach to bypass third parties and reach consumers directly.

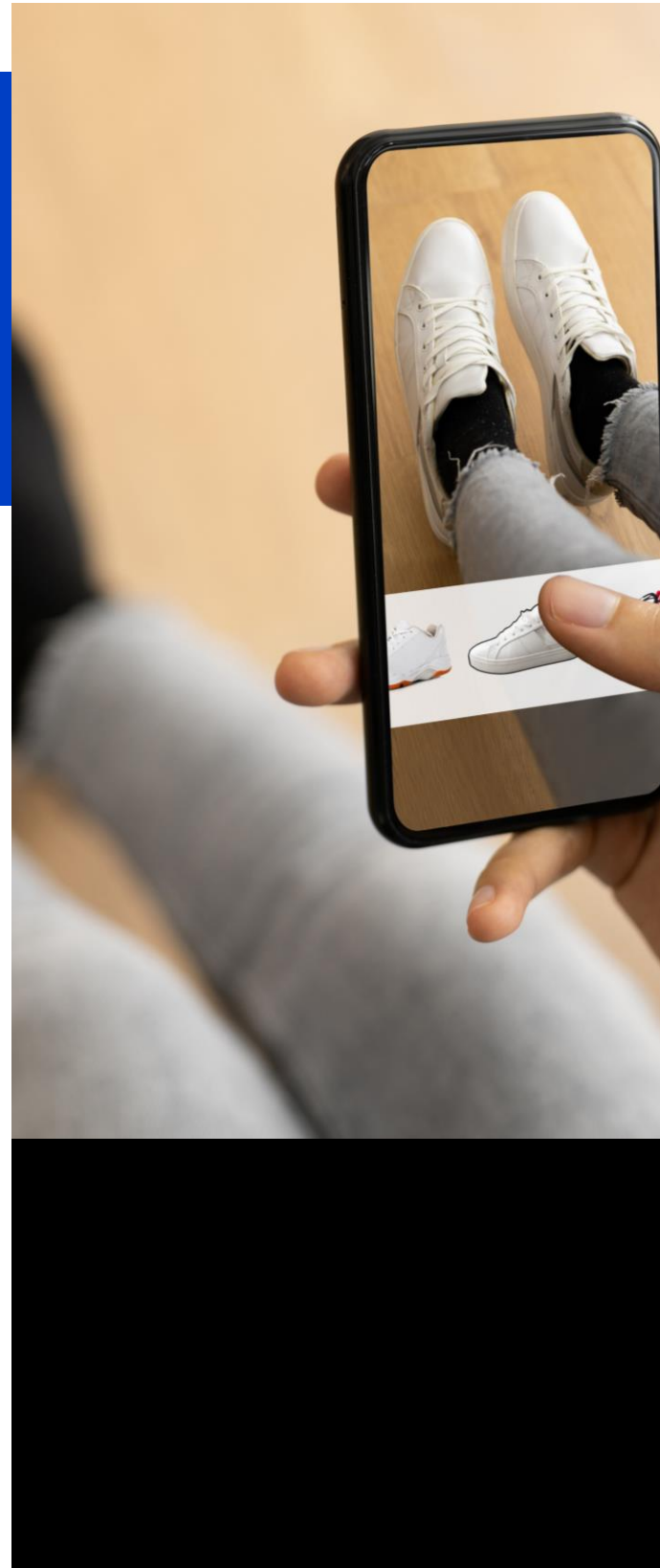
A CLOSER LOOK AT HOW SOCIAL PLATFORMS ARE TRANSFORMING

New e-commerce formats and functionalities within social platforms are immediately evident to those following this space's evolution, with product carousels, product tags, and live shopping experiences becoming increasingly common features.

However, the commerce ambition of these platforms goes deeper.

Meta, Pinterest, Tik Tok, and others are all developing bespoke shops and product catalogues. Offerings such as Facebook Shops allow users to purchase products directly via inhouse checkout. Tik Tok is even taking this concept a step further by offering brands a range of product delivery options in Southeast Asia and the UK, and are hiring hundreds of logistics experts with the suspected purpose of building their own e-commerce operation in the US.

This strategic move not only allows social platforms to develop new revenue streams from e-commerce and performance media budgets, but also creates real competition in the battle with Amazon for first party data, allowing platforms to go beyond capturing the data of potential customers and accurately obtain the data of effective purchasers.





MARKETPLACES UP

THEIR SOCIAL CAPABILITIES

The power of community has always been important for e-commerce marketplaces.

An estimated 32% of Amazon visitors come to the marketplace to read user reviews—consumers are looking for a comprehensive retail experience where they can learn from and engage with communities of likeminded shoppers.

As social platforms build out their marketplace capabilities, marketplaces are accelerating their social commerce transformation. Marketplaces are creating communities of buyers through VIP programs such as Amazon Vine and developing community shopping experiences that allow consumers to make purchases as groups at better prices and share product experiences.

Major marketplaces and e-retailers are also proposing new social commerce functionalities directly to brands. Live shopping events and dedicated channels such as Amazon Live and Walmart's content creator platform offer brands access to influencer networks where they can connect with consumers and share their products engagingly.

NAVIGATING THE SOCIAL COMMERCE ECOSYSTEM

In the transformation race that marketplaces and social platforms are engaged in, new developments and offerings are announced every day, making it increasingly difficult for brands to navigate this fast-moving and everchanging environment.

[Havas Market](#) offers a unique framework to guide marketers in their social commerce journey and build a tailored strategy which will generate real incremental sales.

STEP 01

SOCIAL COMMERCE BUSINESS FORECAST

E-commerce specialists will harness our bespoke Havas Market Forecast tool to help the brand assess their incremental business potential. Havas Market Forecast provides a detailed overview of the predicted e-commerce revenue from each social platform (Facebook, Instagram, Pinterest, Tik Tok etc.) and will advise on the e-commerce strategy that needs to be undertaken to reach these profit targets (product assortment, pricing, content, media etc.).

STEP 02

SOCIAL COMMERCE CONTENT OPTIMIZATION & PRODUCTION

A dedicated Havas Market consultant will assess how existing social commerce content can be optimized to increase 'shopability,' and lead the production of new relevant assets, including shoppable ads, store fronts, live shopping scripts and scenarios, and more.

STEP 03

SHOPPABLE MEDIA CAMPAIGNS

A holistic social commerce plan will be developed to drive traffic from social media to all relevant sales channels – to a brand's shop within a social platform, to the brand's direct-to-consumer e-commerce web site, and to retailer's product pages.

STEP 04

SALES ANALYTICS

Havas Market data analysts will help brands connect to each social platform's conversion API and retrieve all e-commerce related data (sales, revenue, attribution etc.). This information will then be used to create a social commerce performance report, accessible through our inhouse e-commerce analytics platform, Havas Market Retail Analytics.

APPROACHING SOCIAL COMMERCE MEANINGFULLY

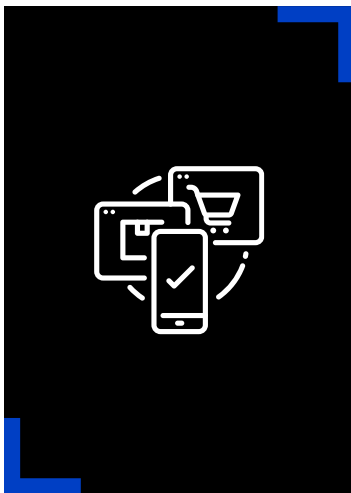
Social commerce presents enormous opportunities for brands and is poised to become an increasingly critical revenue stream in the years to come. However, brands must not rush into this space haphazardly out of the fear of being left behind. Two important factors must be thoroughly considered:



HOW DOES SOCIAL COMMERCE FIT INTO MY OVERARCHING APPROACH TO E-COMMERCE?

Social commerce must not be thought of as a new media channel, but as a new sales and distribution channel.

The proper social commerce approach goes beyond media plan integration and examines how this revenue stream fits into the full e-commerce funnel. Brands must ask, “Which products should I sell via social commerce, and at what price?” “How can I adapt my logistics chain and fulfillment approach to meet the needs of social commerce consumers?” “What specific content must I build to connect with my social commerce customers?”



HOW READY ARE MY CONSUMERS FOR SOCIAL COMMERCE?

Social commerce is not a simple marketing innovation; it is a dramatic cultural change for brands and is an equally revolutionary behavioral shift for consumers.

Different parts of the world are at different stages of social commerce adoption. In many parts of Asia, social commerce has been embraced in full force, with large portions of consumers buying their goods directly via social platforms, apps, and even via chats. However, adoption has largely been slower in the Western Hemisphere.

Brands must take a tailored approach to each market, creating bespoke social content that is personalized to the readiness of each market and drives shopping experiences that are meaningful to disparate consumers across the globe.



Learn more about Havas Market [here](#).

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