

What does the future of social commerce entail?

Buy now with 1-Click



Click to Buy



Shop Now

Ad



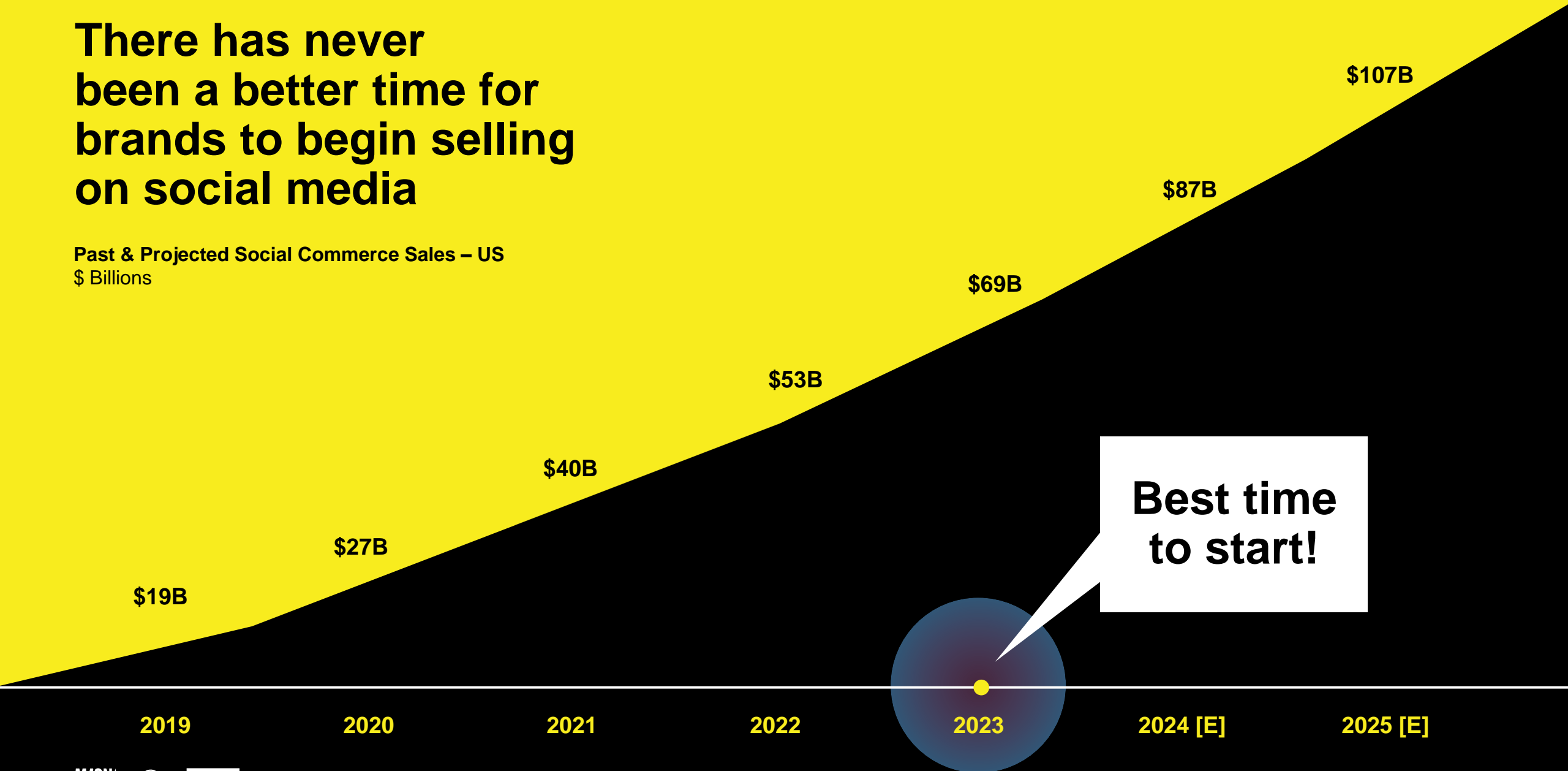
M/GNA MEDIA TRIALS



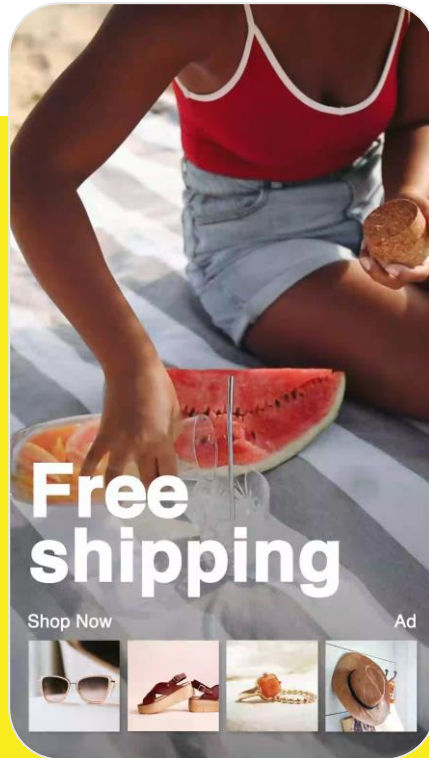
REPRISE COMMERCE

There has never been a better time for brands to begin selling on social media

Past & Projected Social Commerce Sales – US
\$ Billions



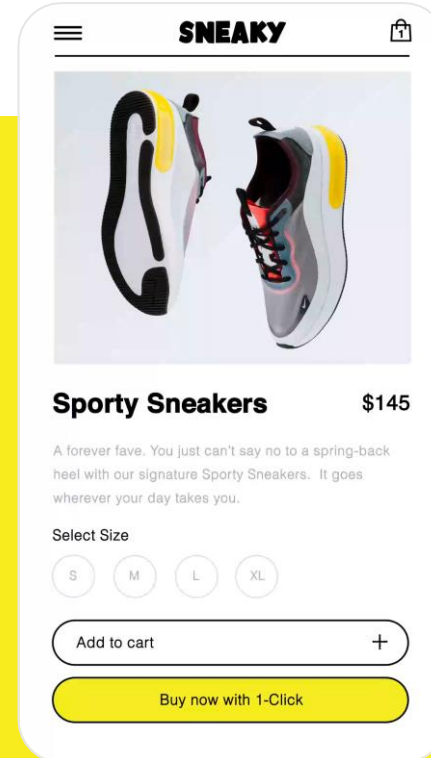
Advancements in technology raise questions about what exactly the future of social commerce will entail



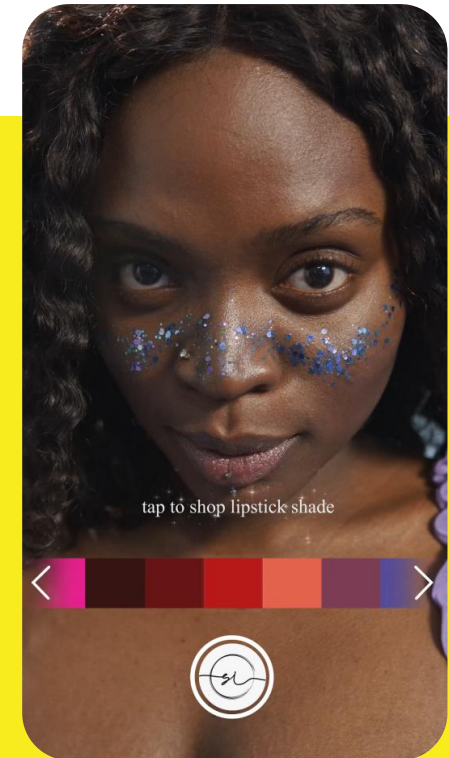
Shoppable buttons



Virtual shopping groups



Single click purchase



Augmented Reality

Ultimately, the future won't be driven by technology alone - It will also be driven by consumer needs and behaviors

Ran Experiments To Uncover...

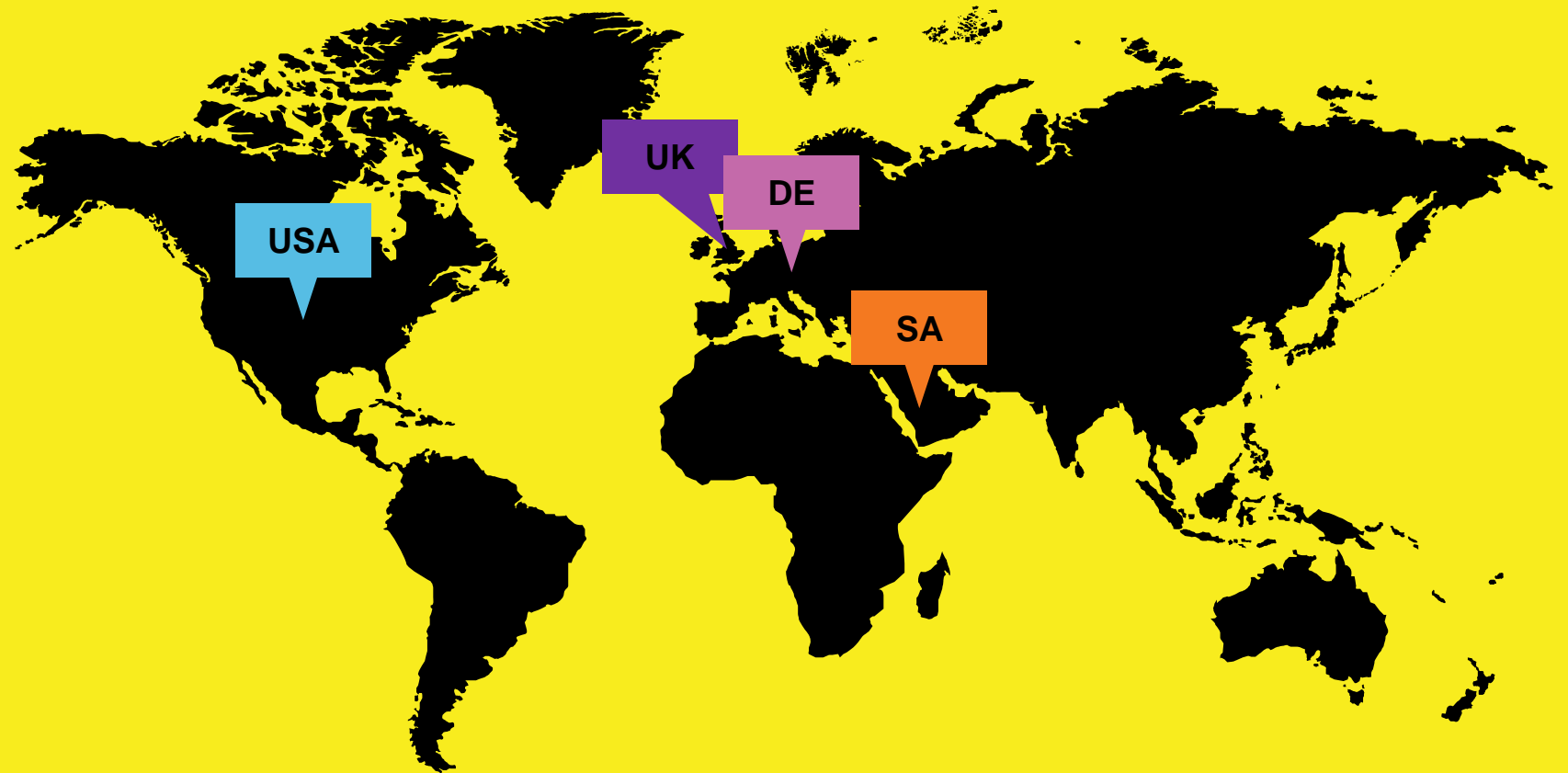
1

Consumer needs related to online shopping

2

Identify online shopping trends and patterns to understand the future of commerce

Tested In 4 Countries:



The approach

QUAL

What
Focus Groups

Who

- Focus Groups (Total n=25)
 - 5 focus groups
 - 1 hr. each

- Representative across generations and gender

- Market:



QUANT

What
Online Survey

Who

- Online surveys (Total n=8000, n=2000 per market)
 - Social media users* n=6000
 - Snapchat Booster** n=2000

- Nationally representative online panel

Markets:

United States



United Kingdom



Saudi Arabia



Germany



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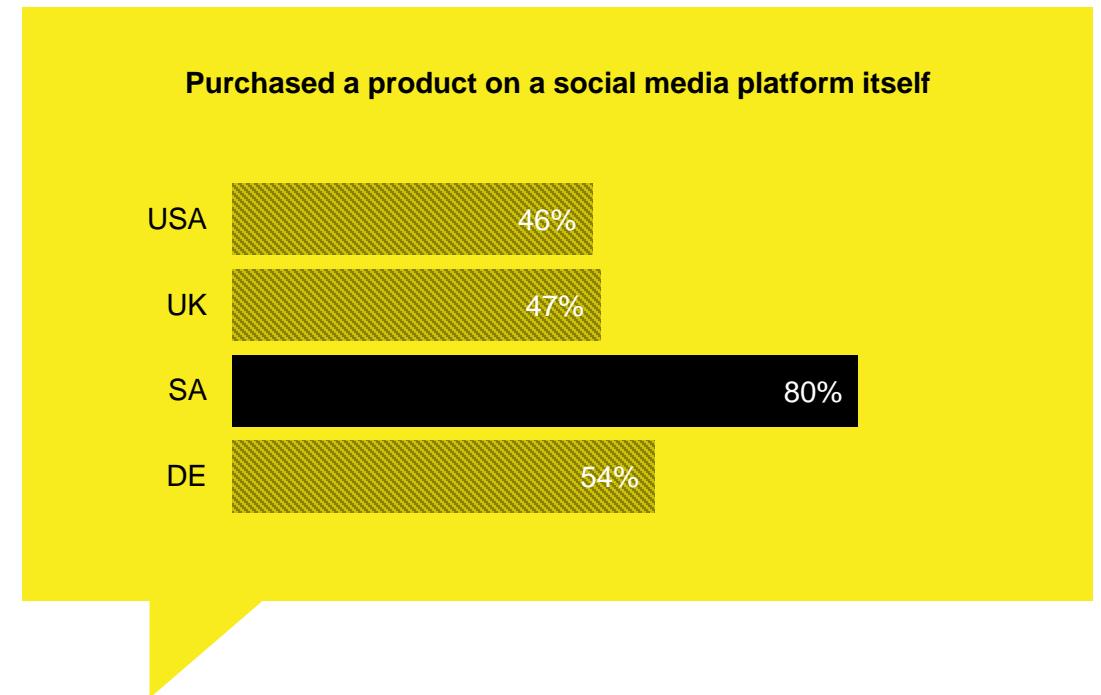
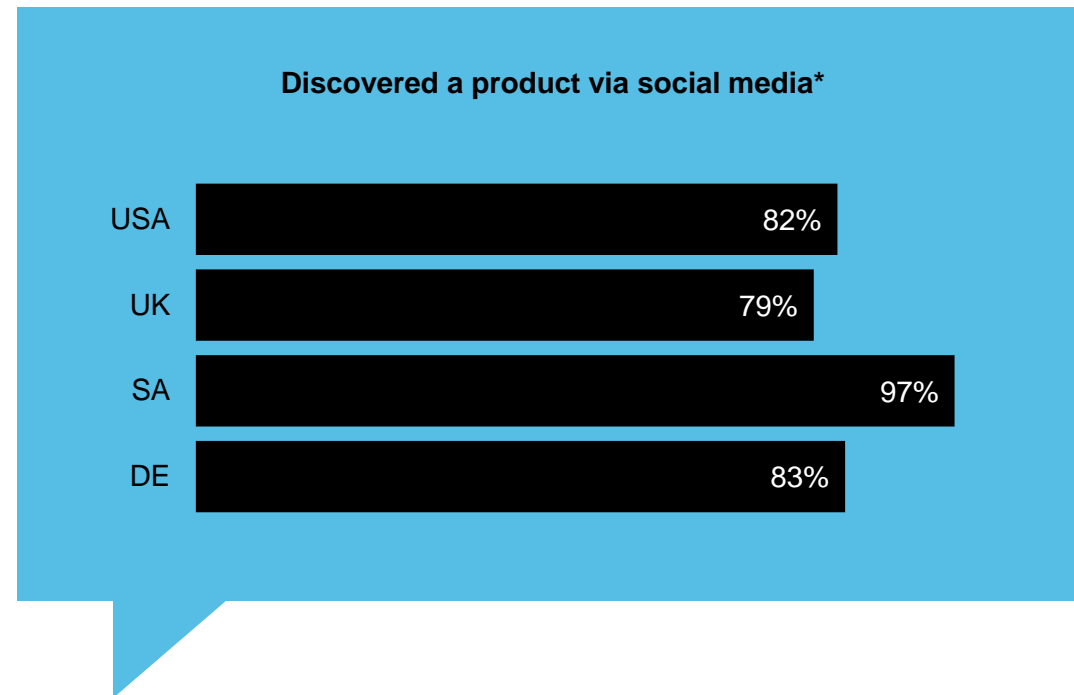
The Path for Direct-to-Customer (DTC)

5

Emerging E-commerce Technology

Social media platforms play a significant role in the purchase journey

Past behavior on social media - % Yes



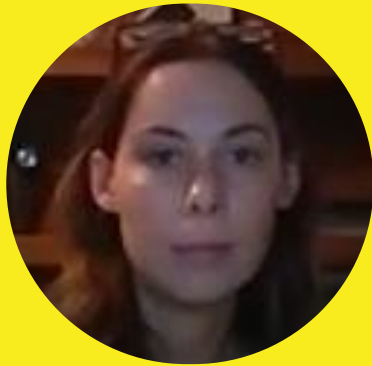
● **PRODUCT DISCOVERY**

● **PURCHASE**

A man in a white t-shirt is sitting inside a green tent, looking down at a smartphone in his hand. He is wearing grey socks and black shoes. An orange backpack is visible next to him. The background shows green foliage and the interior of the tent.

**Social media
platforms will
continue to serve
as a top mode for
product discovery**

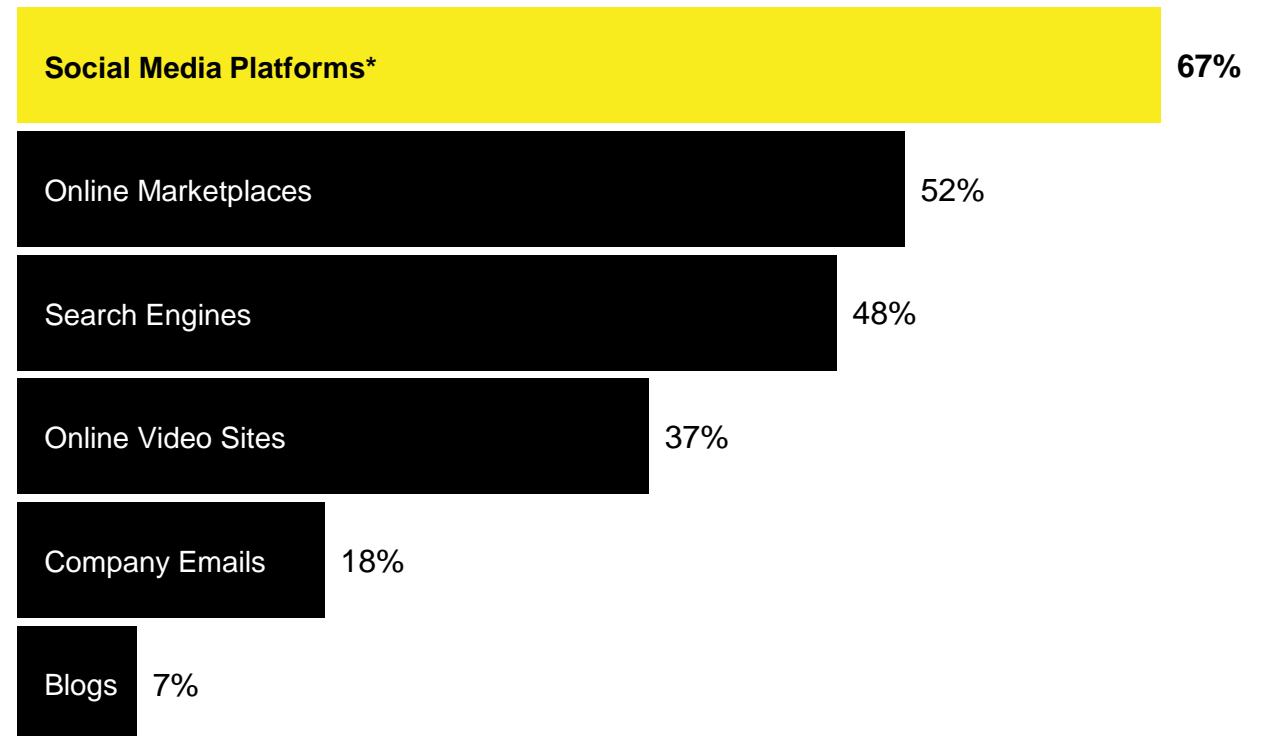
Social media platforms are already the most popular source for product discovery



“ [Social media] definitely influences what I purchase. Like I might see something on my [social media account] ... where I'm like, oh I really like that pair of boots ...”

Amanda C, A24

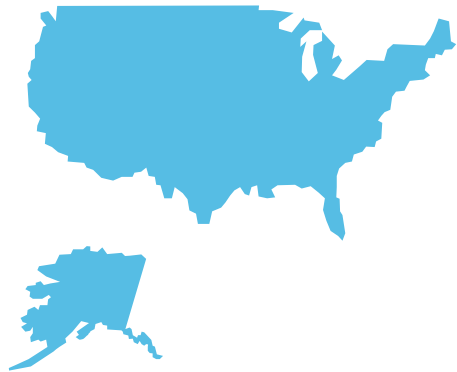
Top 3 online sources for product discovery - % Selected



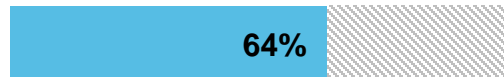
All markets prefer social media platforms for product discovery, especially Saudi Arabia

Top online source for product discovery

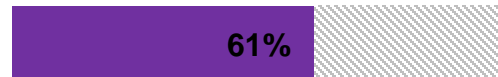
- % Net Score of those who use social media to discover new products*



United States



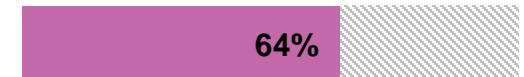
United Kingdom



Saudi Arabia



Germany



With younger generations leading the charge, social media platforms will continue to grow as a top way to discover new products

Top 3 online sources for product discovery - Social Media By Generation
 - % Net Score of those who use social media platforms to discover new products*



72%

Gen Z



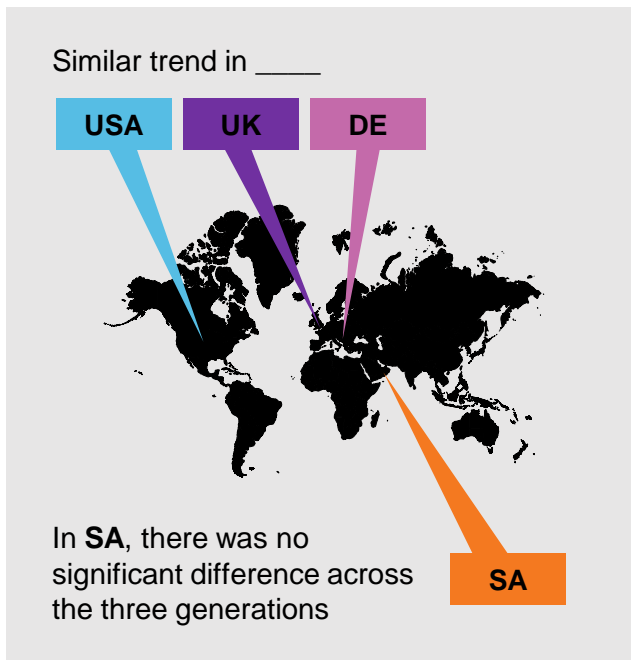
69%

Millennials



58%

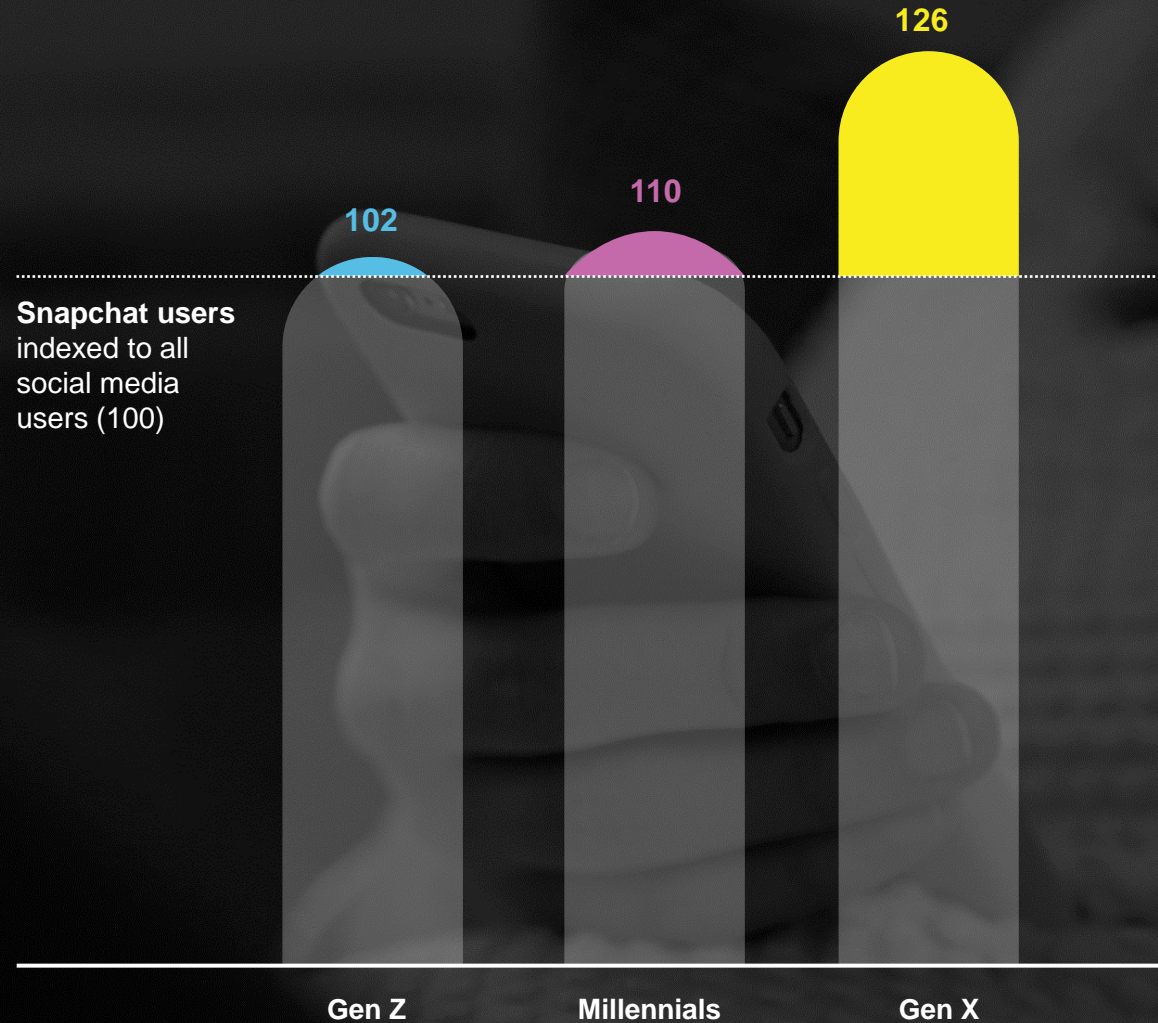
Gen X



Snap-chatters are even more reliant on social media platforms for product discovery

Top 3 online sources for product discovery by Generation

Indexed - % Net Score of those who use social media platforms to discover new products*



Social media users only, Gen Z N= 1,166; Millennials N=3,876; Gen X n= 1,094
Those who use Snapchat once a month or more often, Gen Z N= 1,376; Millennials N=4,023; Gen X n= 757
Survey Q: What are the top 3 sources you use to discover new products online?

*Net Score for social media includes, recommendations from friends/family on social media, ads/sponsored posts from brands on social media, influencers you follow on social media

Invest in social shopping features to simplify product discovery

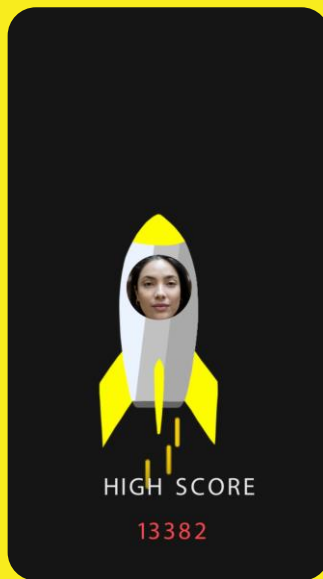
Likelihood to use following social shopping features in the future
 % Very/ Somewhat Likely



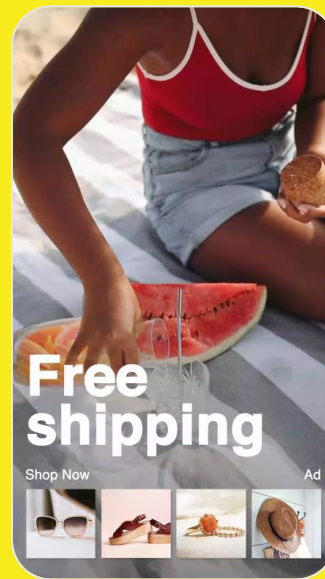
Shopping Tabs
72%



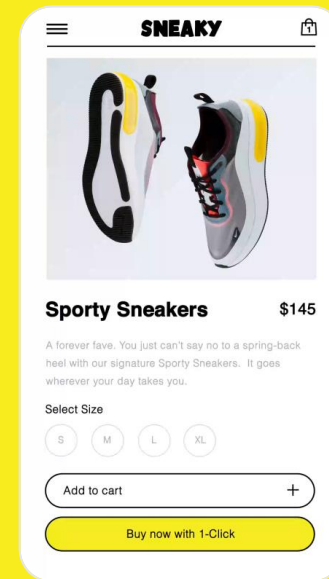
Virtual Shopping Groups
60%



Integrative AR
56%



Discover Tab
67%



Shoppable Buttons
70%



Augmented Reality
64%



The future of influence
starts within **one's own**
social network

While influencers serve as a resource, nothing beats the people you know in real life



“But I think if my... close friends and my family... somehow made some sort of mechanism that showed what they were buying or that they were happy with it or made a review on it, then I would trust it and potentially buy it.”

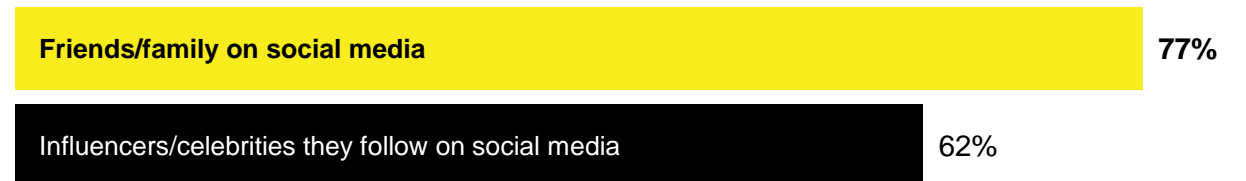
Darren S, A43

Likely to turn to ____ for...
- % Very/ Somewhat Likely

Recommendations



Inspiration



Across the globe, the final decision is powered by one's own social network

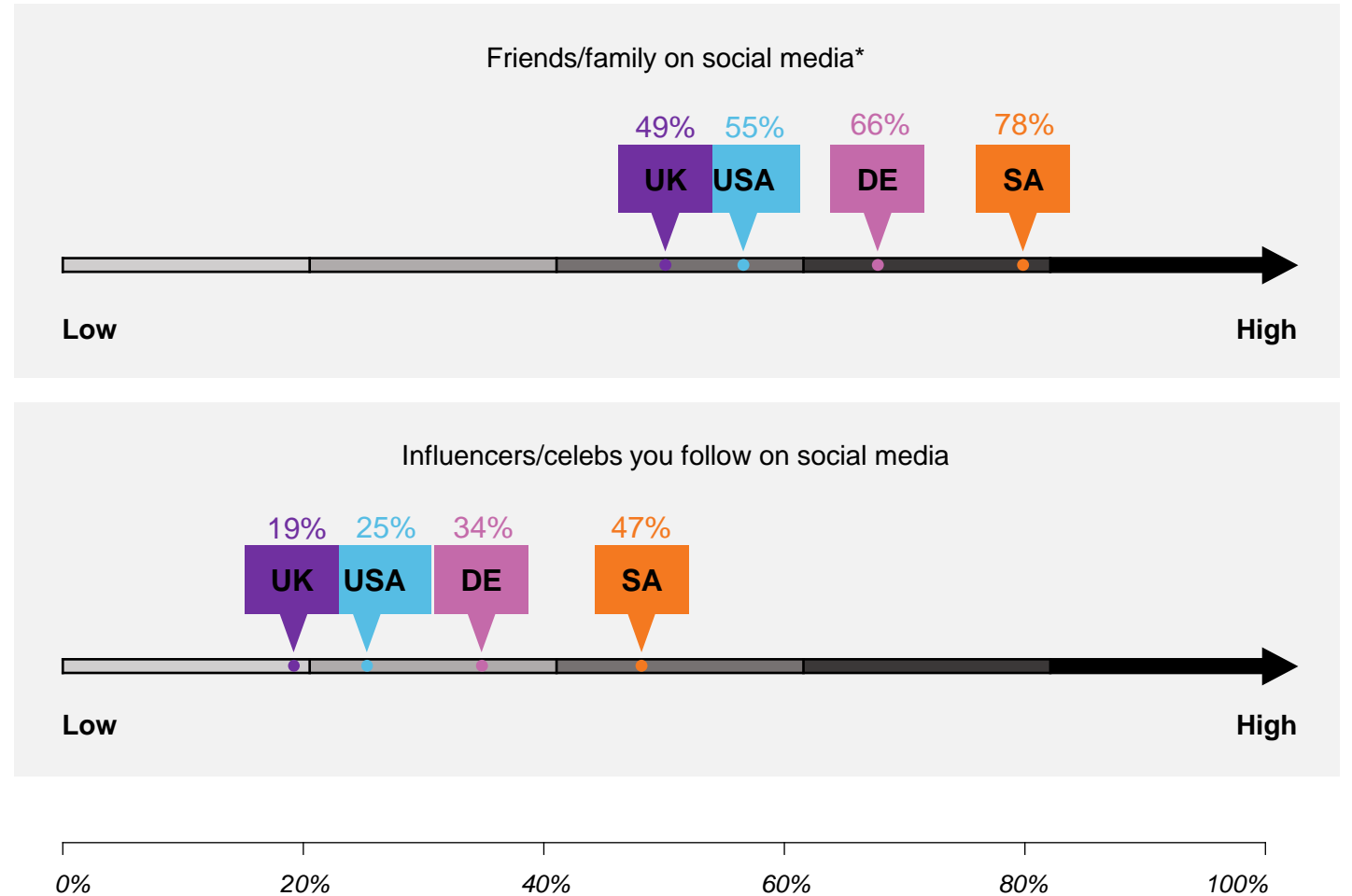
Customers want to feel informed and confident in their purchase – they trust opinions of close friends and family most when it comes to shortlisting and final decisions



“When it's shared by someone you know, it feels more likely that they actually believe in the products.... I think it lends some credibility to the claim”

Ashley V, A32

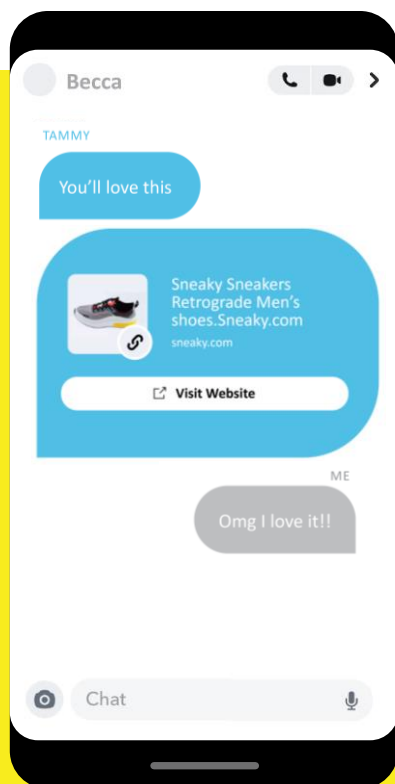
Factors valued when making a purchase decision - % Selected 'High Value'



Explore tools that enable conversations with friends/family on social media platforms

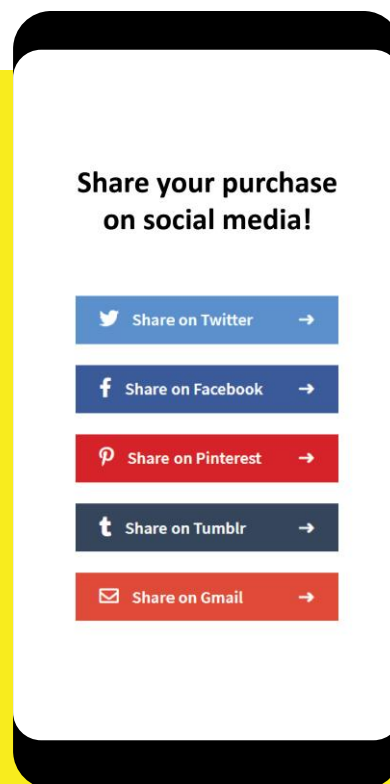
Likelihood of using the following 'peer to peer sharing' social media features

- % Very/Somewhat Likely



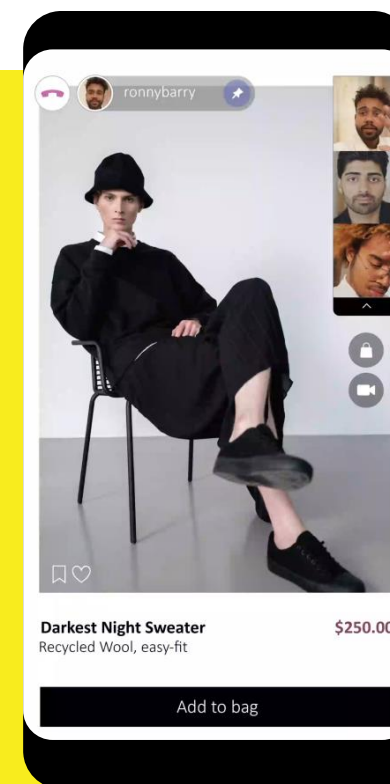
69%

Get direct links to purchase products shared with you in chat by friends/family




64%

Share your recent purchase in chats with friends/family



56%

Virtual shopping parties with friends/family



Social media has the
power to **collapse the
purchase journey**

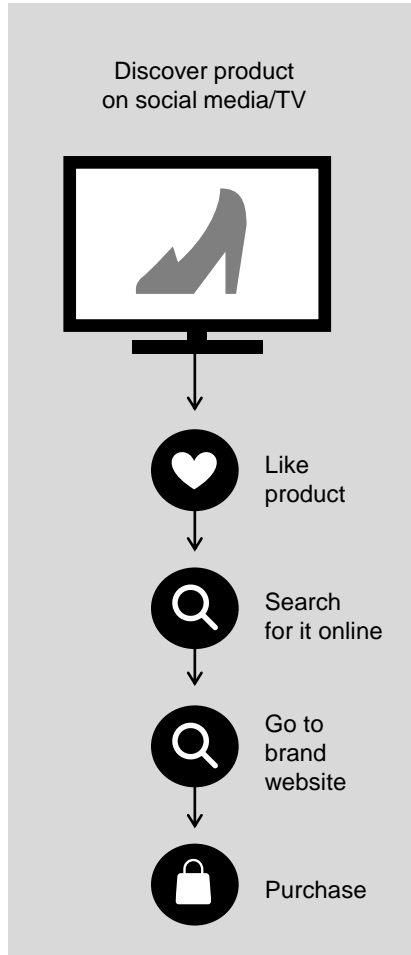


We tested different shopping journeys

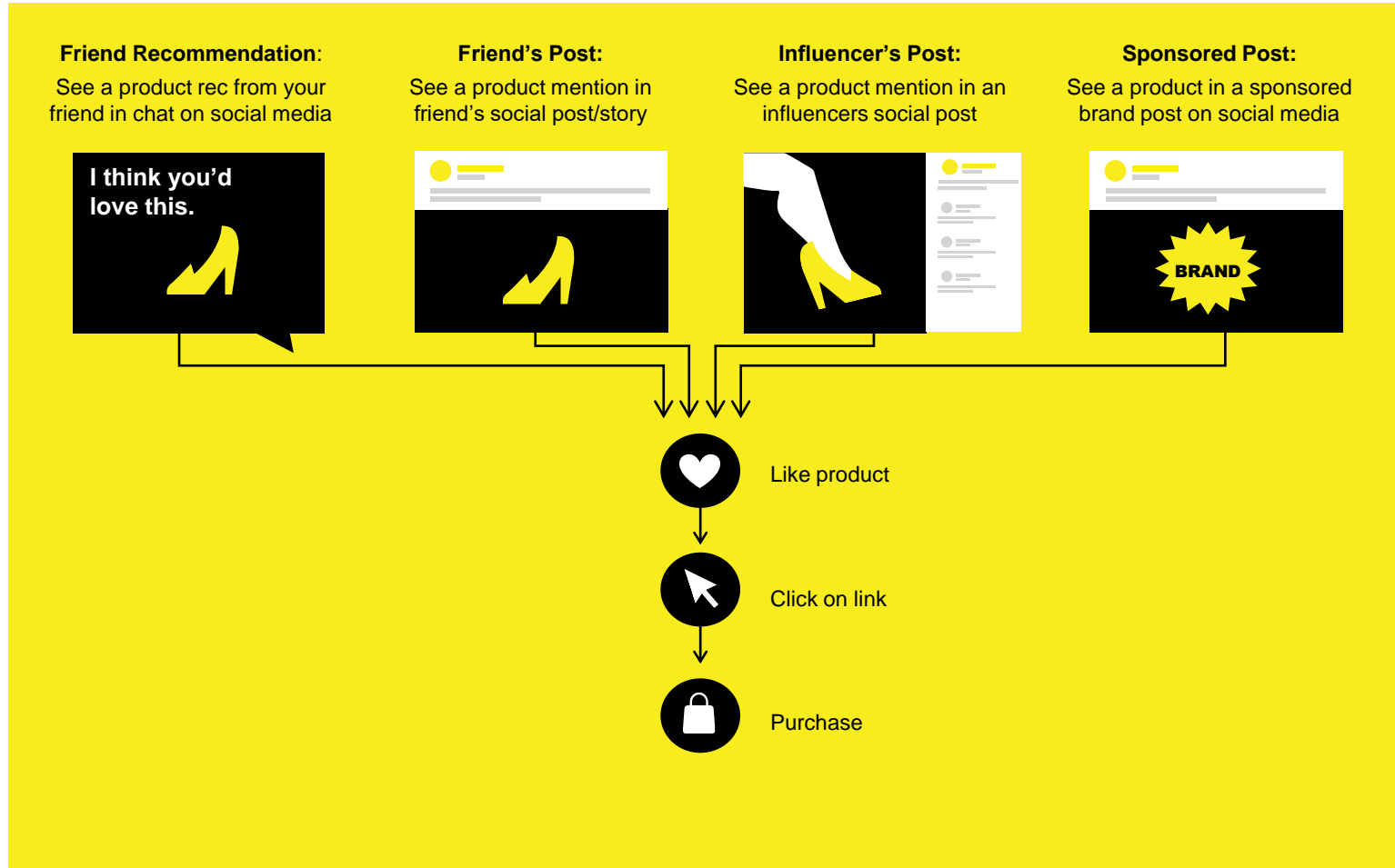
5 SHOPPING JOURNEYS

N=8,000
Each person answered Qs related to one journey

Traditional Shopping Journey



Social Shopping Journey



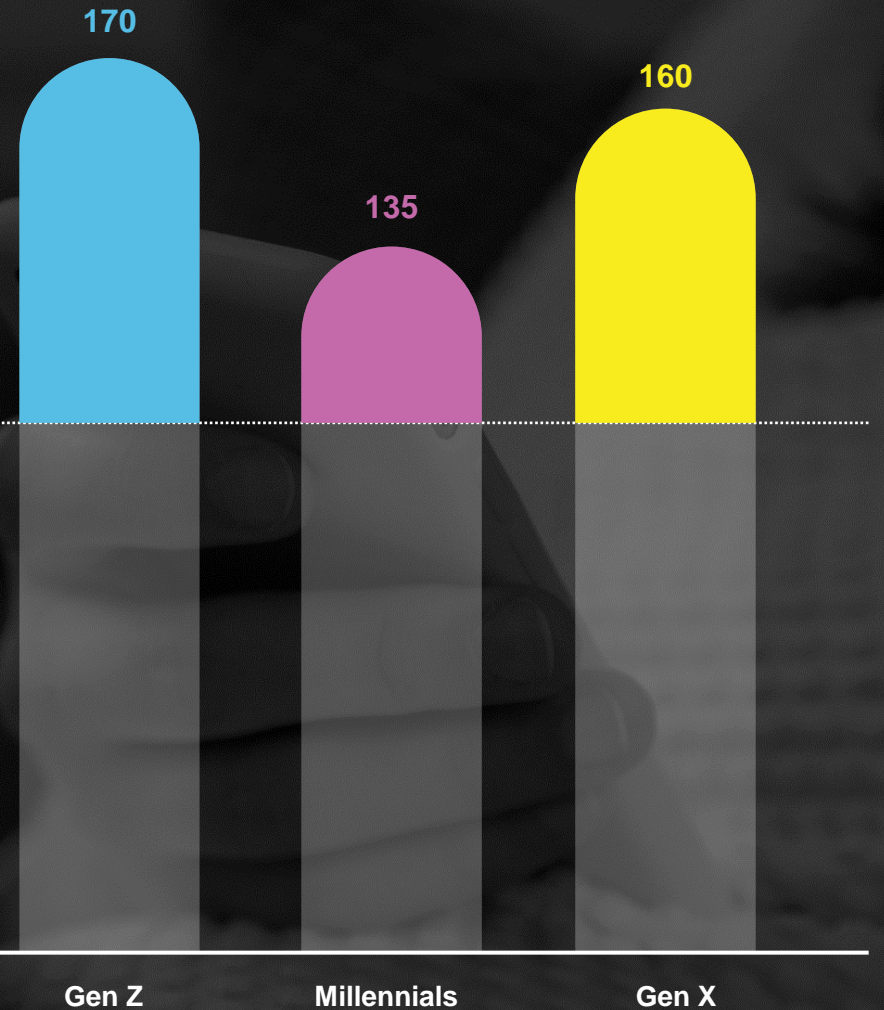
Everyone agrees – the traditional shopping journey is more complicated

The shopping journey feels complicated
- % Strongly/Somewhat Agree



Gen Z finds the 'Traditional shopping journey' around 2X more complicated than 'Social shopping journey'

Traditional shopping journey indexed to social shopping journey (100)



Social shopping smooths the purchase journey



“Being able to... click links out from there... is ...my most common way to be influenced from social media.”

Amanda C, A24

Opinion of shopping journeys - % Strongly/Somewhat Agree

■ Traditional Shopping Journey ■ Social Shopping Journey

The shopping experience felt **quick**



The shopping experience felt **convenient**



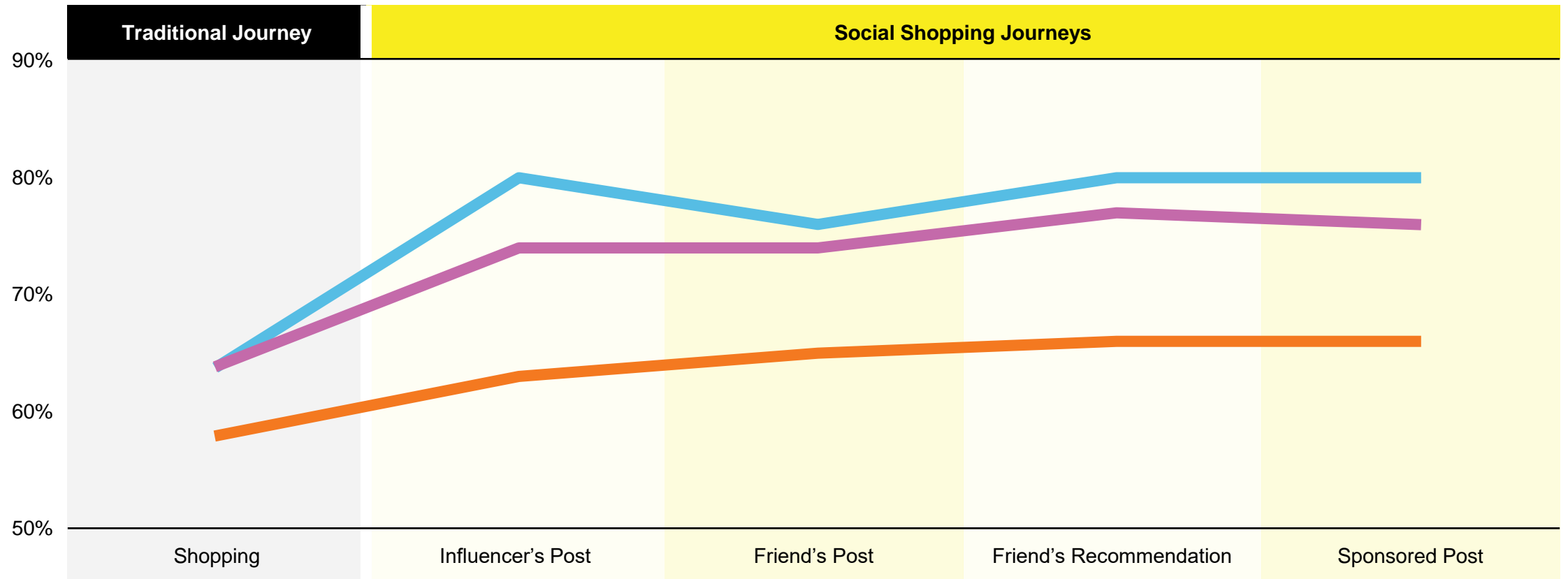
The shopping experience felt **seamless**



Any path to purchase on social beats the traditional

Opinion of shopping journeys - % Strongly/Somewhat Agree


Quick Convenient Seamless



Openness to making the purchase on social media platforms is universal, young people are especially willing

Those likely to make a purchase via a social shopping journey
- Average of all social shopping journeys - % Very/Somewhat Likely

60%
are likely to make a purchase using a social shopping route

 **79%** Snapchat users are likely to make a purchase using a social media route



69%
Millennials

63%
Gen Z

48%
Gen X

Adding layers of security will help amplify adoption

Barriers for purchase on social media platforms - % Selected

Lack of trust



Nervous to share personal financial information with social media platforms



Don't know anyone else who shops directly on social media platforms



It's too complicated



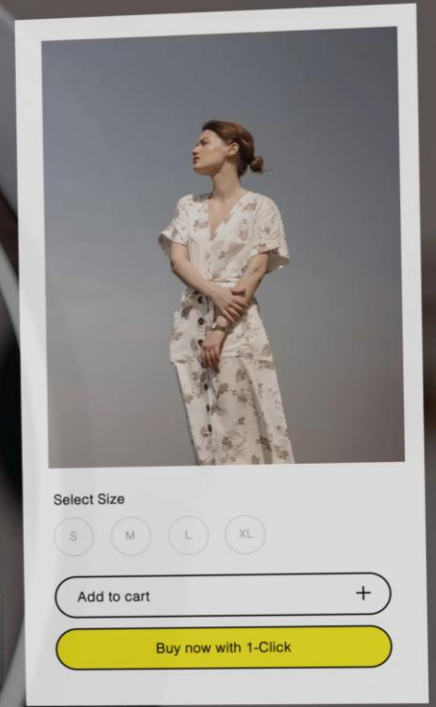
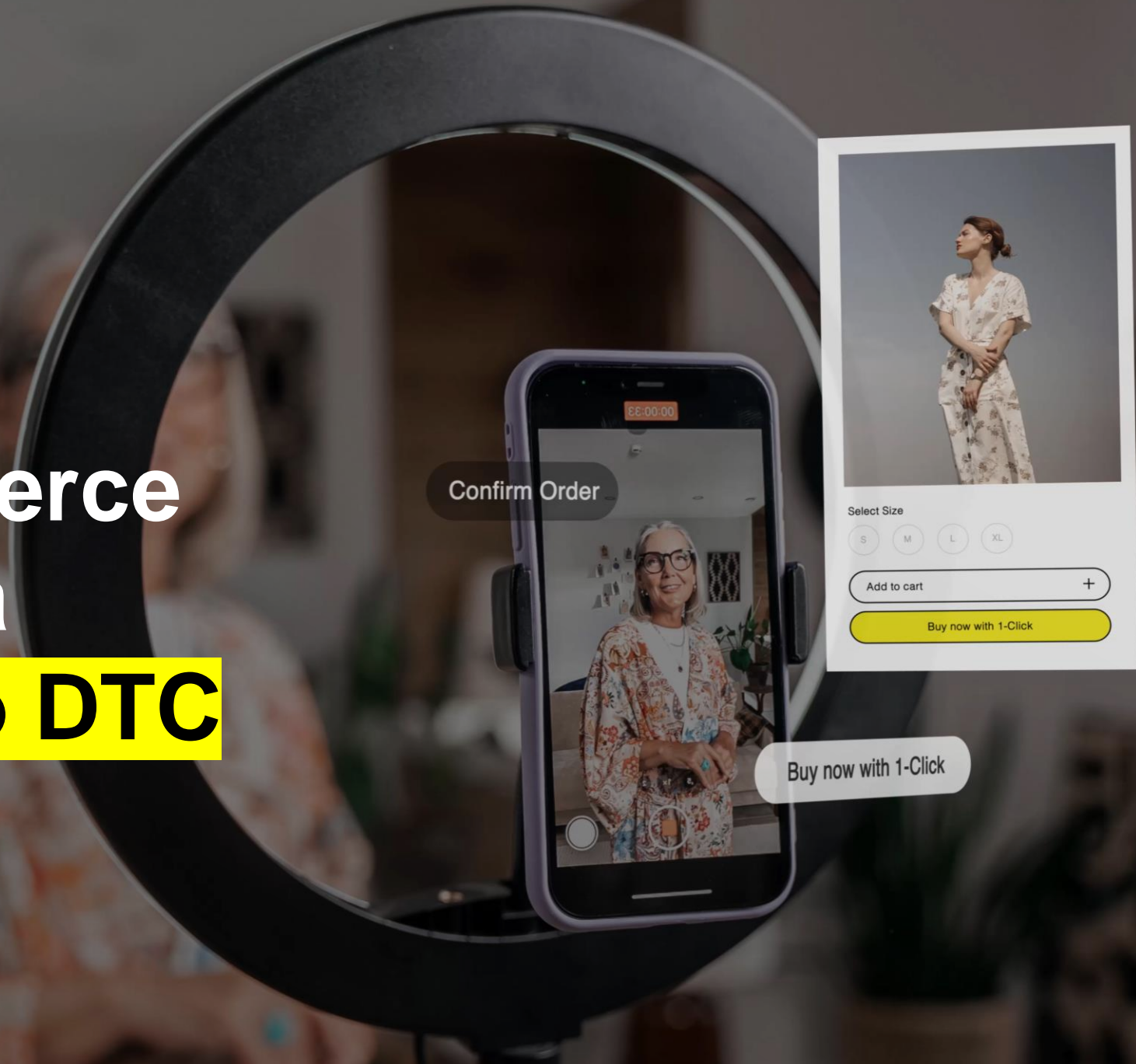
I didn't realize I could do that



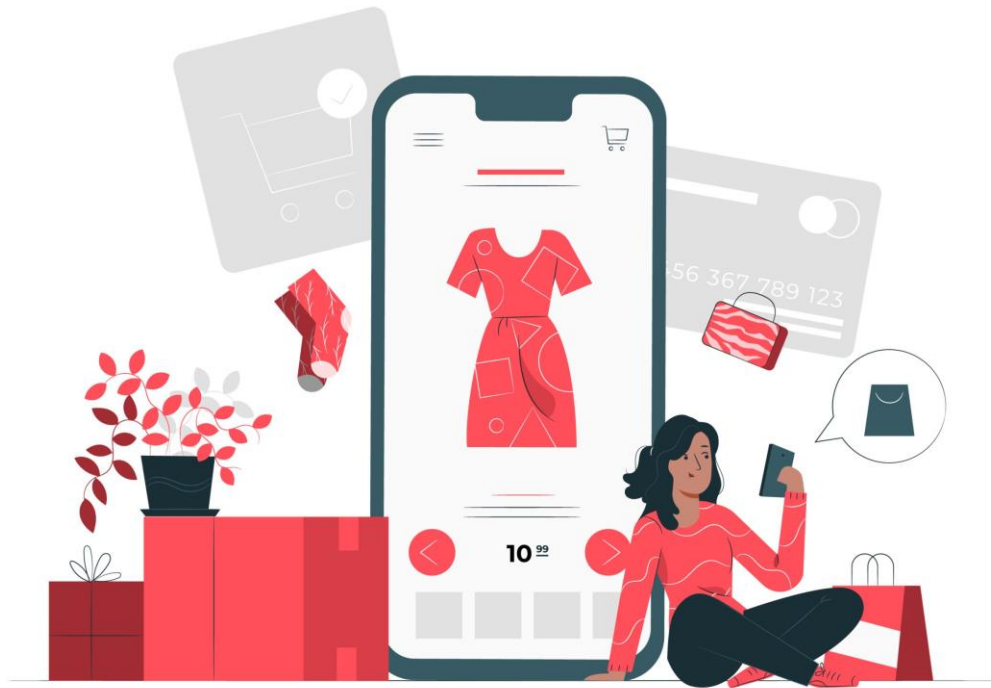
Saw a **similar trend** across all 4 markets

“**Lack of trust**’ could include the brand itself, the social media platform, social media in general, etc.

Social commerce will provide a direct path to DTC



Brands have the power to drive DTC



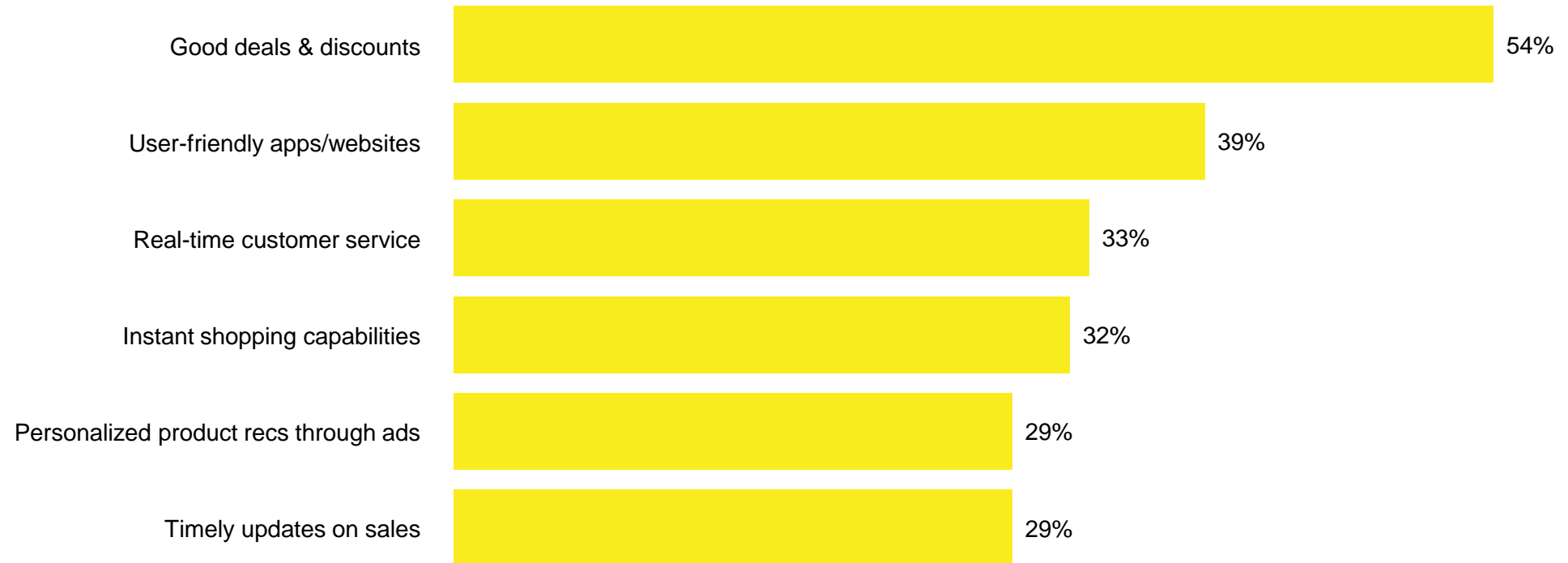
92%

Said they would be willing to purchase directly from brands on social media platforms instead of an online marketplace if offered...
- % Net Score

- Good deals and discounts
- User-friendly apps
- Realtime customer service
- Instant shopping capabilities
- Recs for products through ads
- Timely updates on sales and events

Outside of discounts, brands should invest in customer service improvements to drive DTC

Incentives for DTC shopping on social over online marketplace - % Selected



User-friendly apps and real time customer service are the most popular incentives across the all markets

Incentives for DTC Shopping on social over online marketplace - % Selected

	USA	UK	SA	DE
User-friendly apps	41%	31%	49%	36%
Real time customer service	30%	22%	52%	30%
Instant shopping capabilities	30%	23%	49%	26%
Recs for products through ads	22%	17%	49%	29%
Timely updates on sales and events	26%	18%	50%	24%

AR will be a linchpin
in purchase decisions
going forward

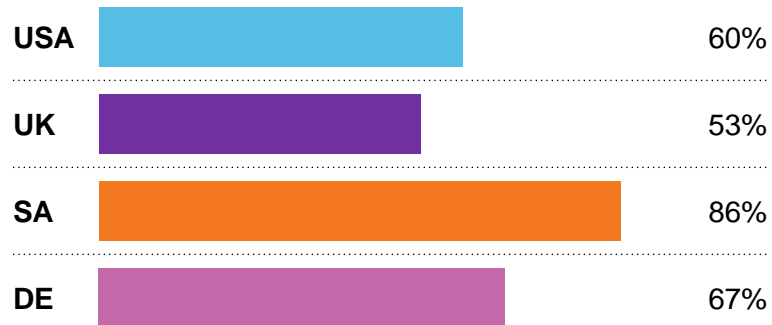


AR will bring the benefits of in-store shopping to online

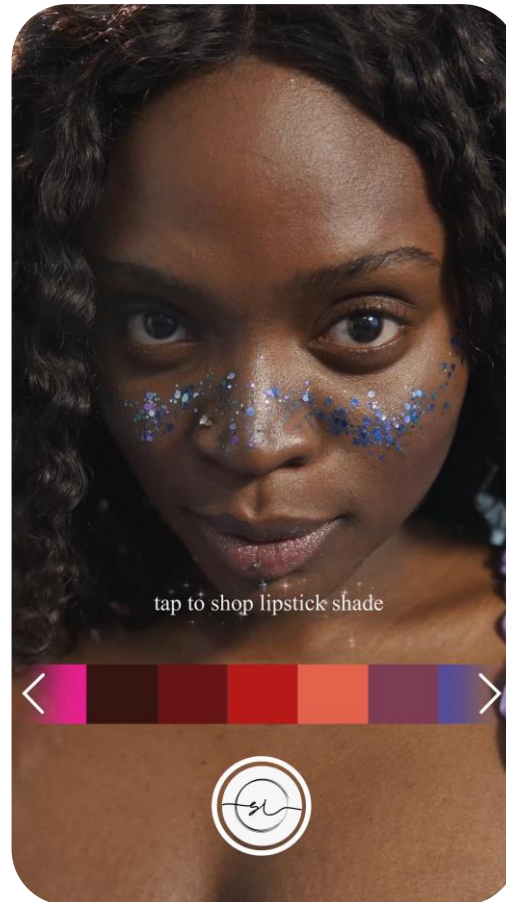
Opinions of AR - % Strongly/Somewhat Agree

66%

AR would bring the excitement of instore shopping to online by allowing me to seek input on products by sharing try-ons and AR filters with friends and family

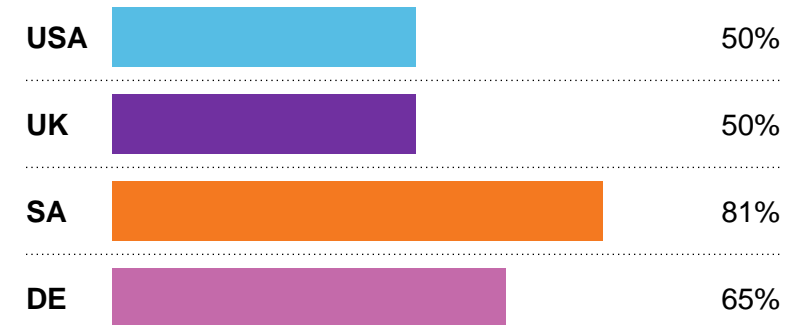


77% of heavy snapchat users agree



61%

I would be less likely to shop in-store if I got to virtually experience the product before purchasing it



71% of heavy snapchat users agree

AR will instill confidence in purchase decisions

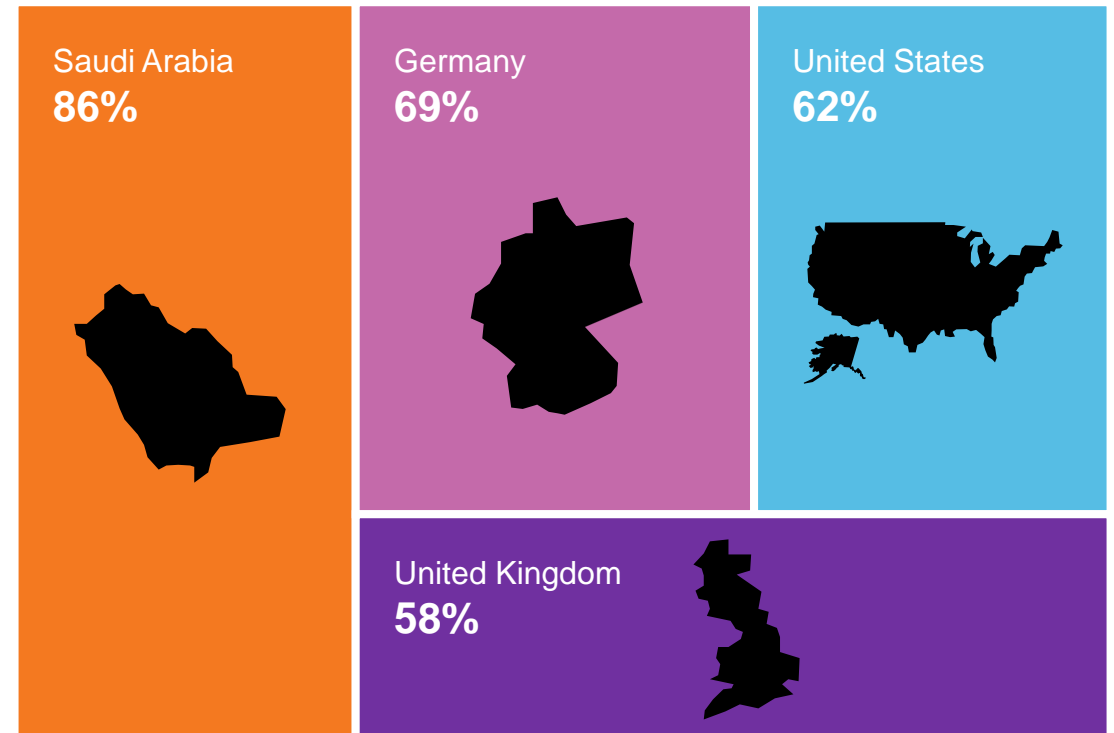
Opinions of AR

- % Strongly/Somewhat Agree



Opinions of AR: I would feel more confident about my purchase...

By Country | % Strongly/Somewhat Agree



Beyond purchase decisions, AR will drive sustainability and brand profitability with fewer returns

Opinions of AR

- % Strongly/Somewhat Agree



"I think it's maybe just saving you having to return something or just providing some peace of mind that you'll like what something looks like when it arrives."

Ashley V, A32, Female

CONFIRM YOUR RETURN

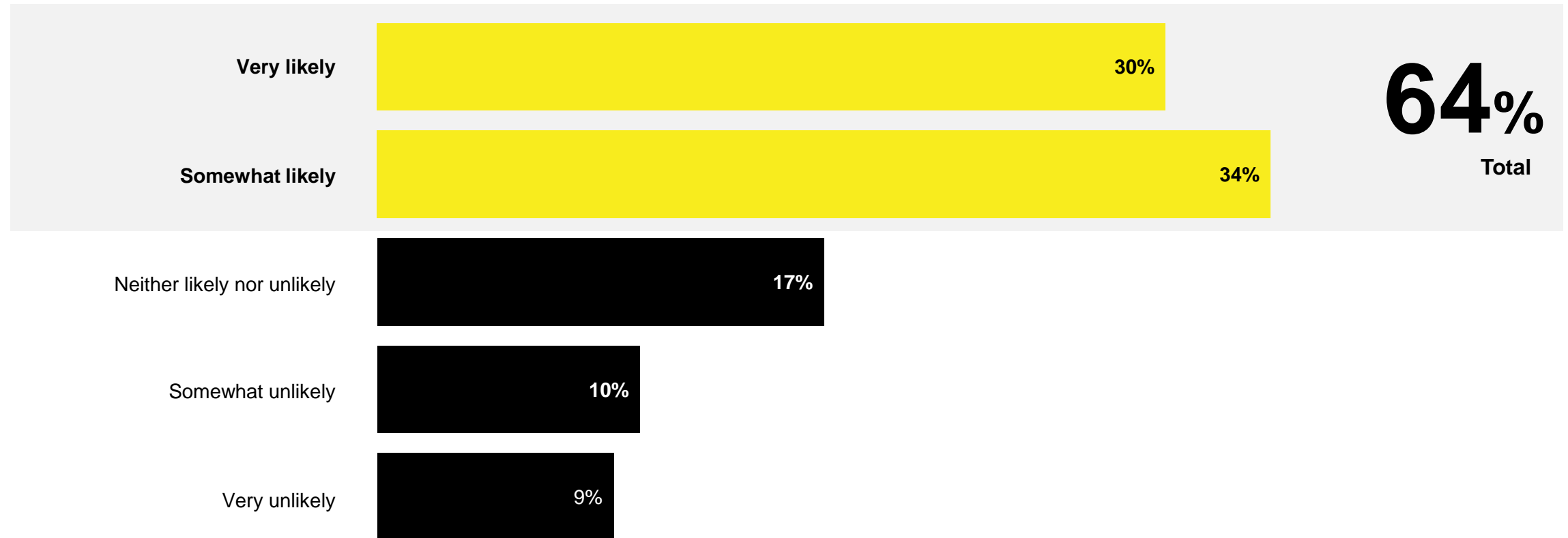


64%

I would be less likely to return a product if I got to virtually experience the product before purchasing it

If available, most people will use AR for try-on

Likelihood to take advantage of AR shopping feature to try-on/check out products



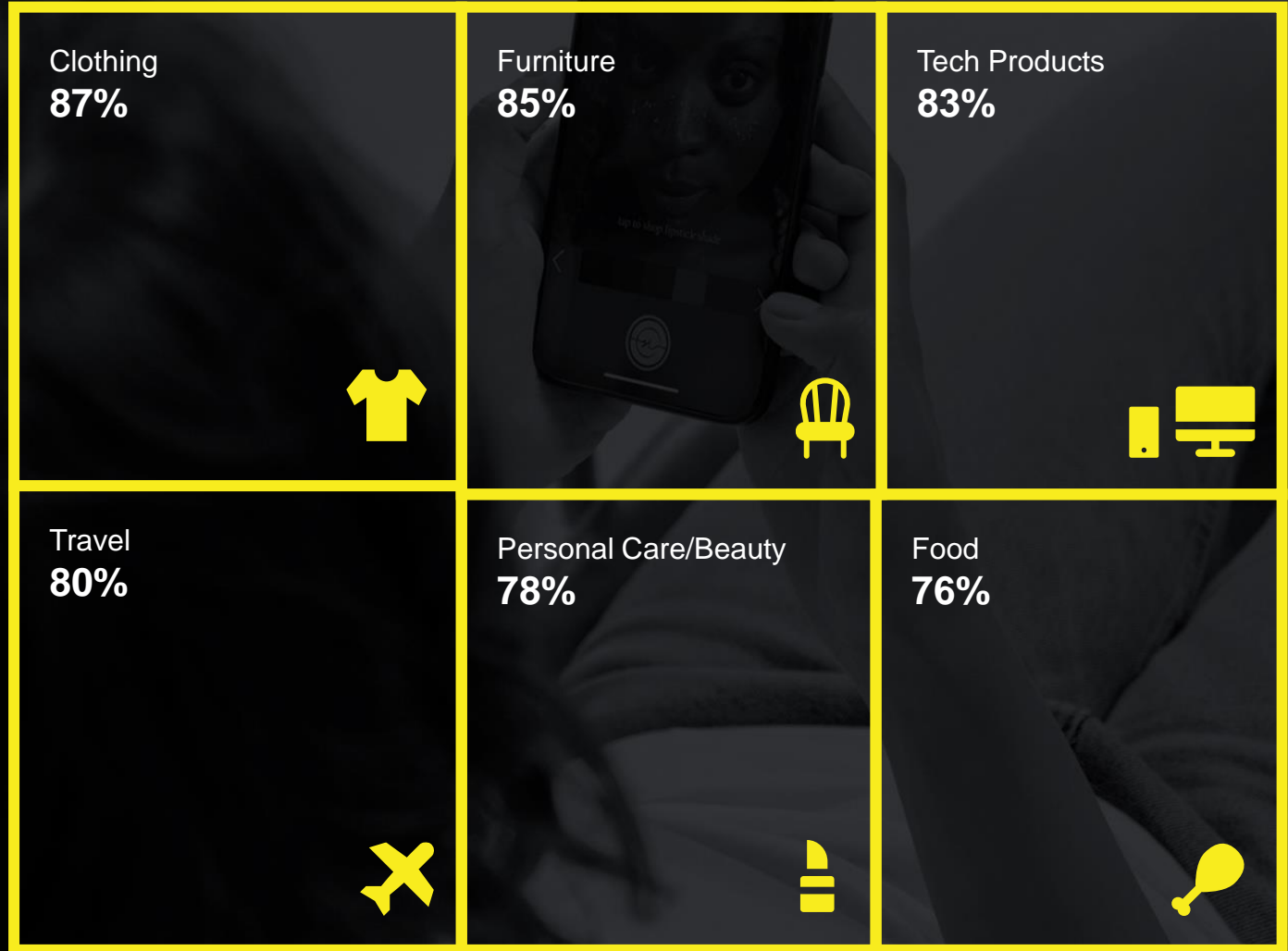
There's a desire to use AR across all verticals, especially clothing and furniture



"I think AR support is really going to be a thing that that takes off. I mean, we already have fitness mirrors where you can like work out with a trainer who's right in front of you."

Mike B, A35

Interest to use AR while shopping - % Very/Somewhat Interested



Implications

1

Brands should experiment with existing and emerging social commerce tech like discovery tabs and virtual shopping groups to enhance consumer experience

People are already shopping on social media, and the data shows that they will continue to do so

2

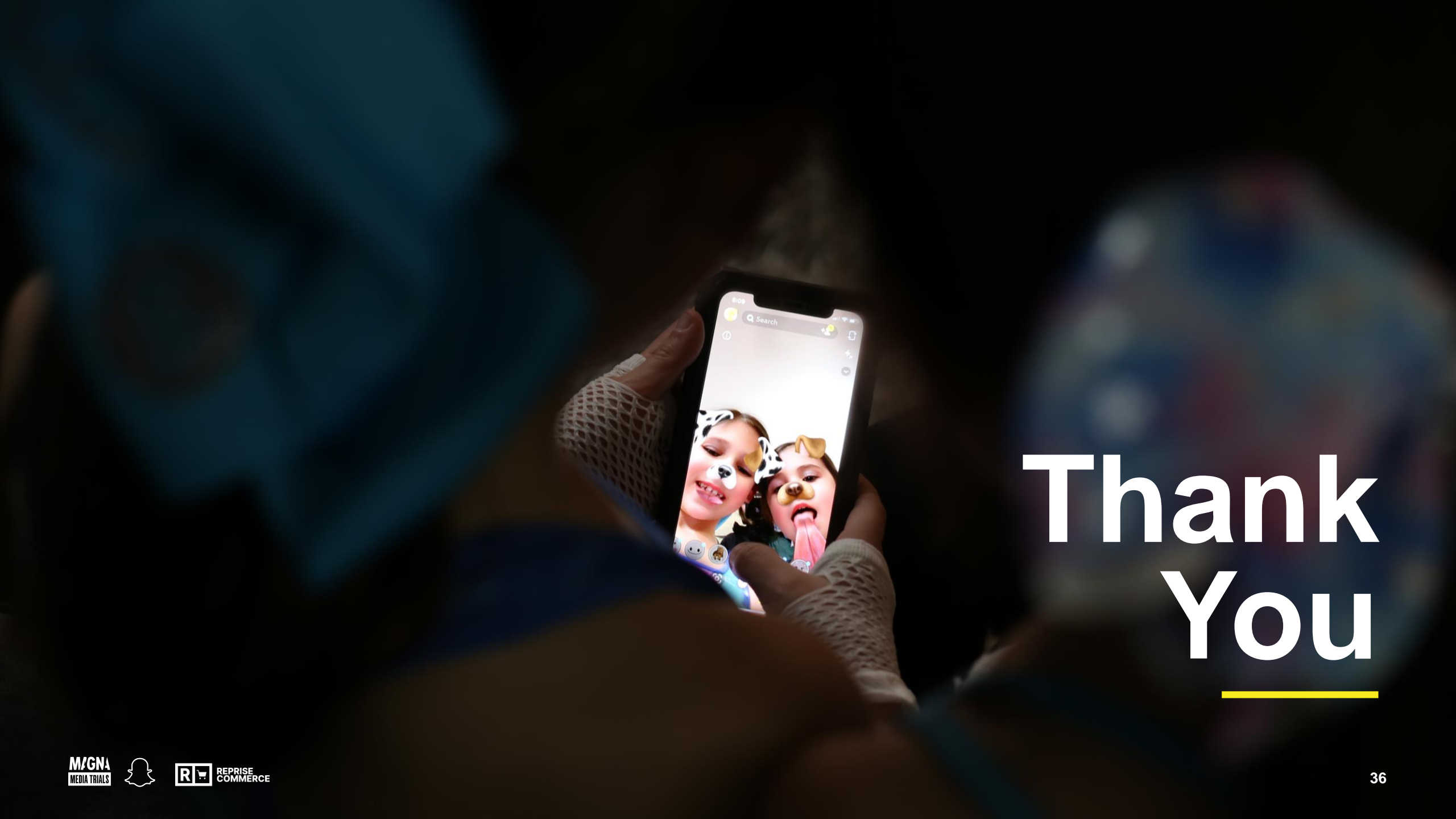
Advertisers should aim to invest in tools that connect friends and family on social media while online shopping

People will continue to trust their own social network over influencer and celebrities, especially when it comes to the final purchase decision

3

Advertisers should test AR capabilities alongside video ads on social media platforms to better understand how AR can help fuel consumers' purchase decisions

People are excited about AR and believe it has potential to bring the excitement of in-store shopping to online



Thank You
