



  
STATUS OF SOCIAL
 
COMMERCE REPORT
  

2021

CONTENTS

What is social commerce

3

Gen Z & Millennials

5

Market Size & Survey

8

The Online Shopping Experience

14

Apps, platforms and more

19

Social Commerce in China

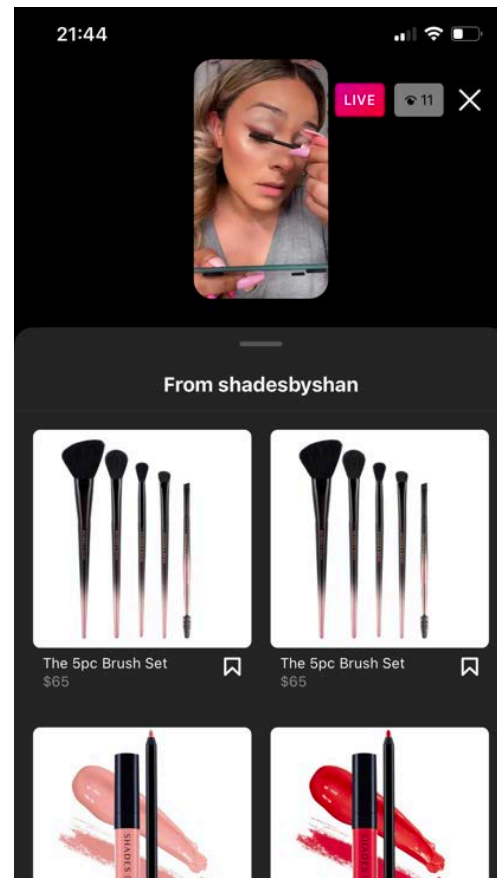
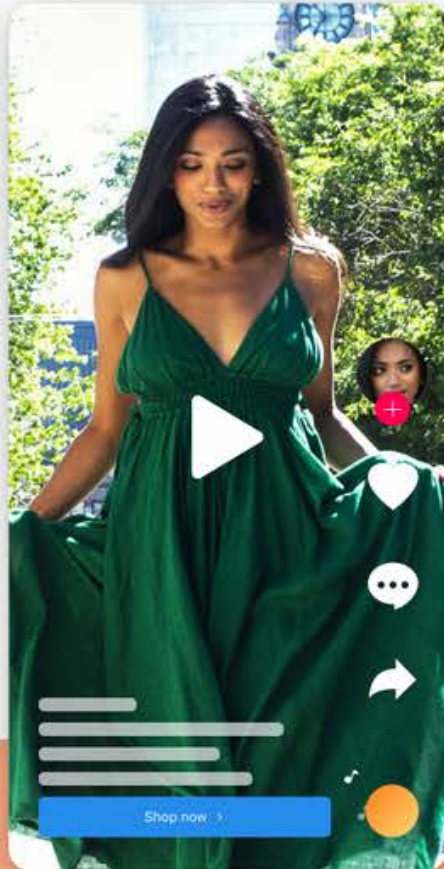
29

Influencer Marketing + Social Commerce

41

Buy Now Pay Later

44





Much more than just buying and selling

WHAT IS SOCIAL COMMERCE?



A fast-growing segment in the US

Social commerce is the process of **selling products directly on social media**. The entire shopping experience, from product discovery and research to the checkout process, can happen without the consumer having to leave the social media platform.

Features like the **“buy now” button** or autofill payments remove the friction from the consumer journey, thus making the whole process much faster.

All-in platforms are also known as “Super Apps” stems from the example of China, the most advanced social commerce market in the world.

E-COMMERCE VS SOCIAL COMMERCE



E-commerce is buying and selling goods via a website or a dedicated app.

Social Commerce is about selling goods via Social Media, without leaving the social media app.

With Social Commerce, the checkout is within the app and the customer doesn't need a third-party site.

Overall, with Social Commerce, brands can interact more with customers and set personalized discounts.

The algorithm itself showcases products and brands that the customer is more likely to purchase.



**Social commerce is
NOT e-commerce**





Born between 1997 and 2015

WHO IS GEN Z AND HOW ARE THEY SHAPING THE FUTURE?

150 billion spending power

Gen Z wants the best deal when it comes to price and value. 62% expect to shop online more after the pandemic than they did before.

They know what they want

Brands' transparency and taking a position on social issues are not an option when it comes to Gen Z.

They expect apps and Influencers to already know what they're looking for. This also includes no glitches, easy and free returns, and reachable content.

The internet is a trusted place

97% of Gen Z consumers use social media as their top source of shopping inspiration. 40% follow brands they like on social media. 68% of Gen Z customers read or watch at least three reviews before a first-time purchase.

“

Even if we, Gen Z, know how to buy directly in-app without leaving a certain social media, I feel that the majority of the time we prefer to save a specific item seen on a social media post and visit the brand website to gather more information such as brand values, customers' reviews, and also we want to use desktop browser extensions like Honey to find potential discounts!

”



● ● ● Natalie Hey-Shipton

Student at University of California, Berkeley



MILLENNIALS



Millennials are the first digital natives and they are 72 million in the US.

They grew up with technology and ICT that made them digital entrepreneurs. They have consistent spending power and they seek experiences even when they are buying something online (and they buy A LOT online!)

Just like Gen Z, they want brands to be transparent and authentic.

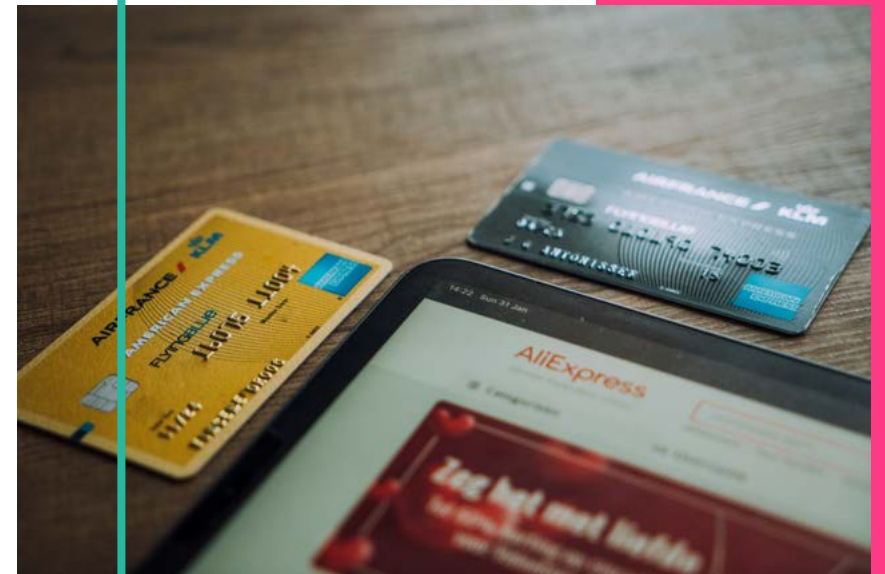


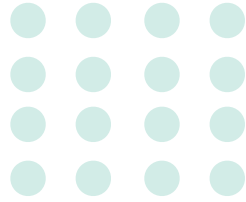
MARKET SIZE

The North American market held a substantial share of the global market demand in 2020

The global Social Commerce Market that was estimated at \$89.4 Billion in the year 2020, is projected to reach \$604.5 Billion by 2027, growing at a CAGR of 31.4% over the period from 2020 to 2027.

“The pandemic has accelerated the shift away from physical stores to digital shopping by roughly five years.”





THE US MARKET

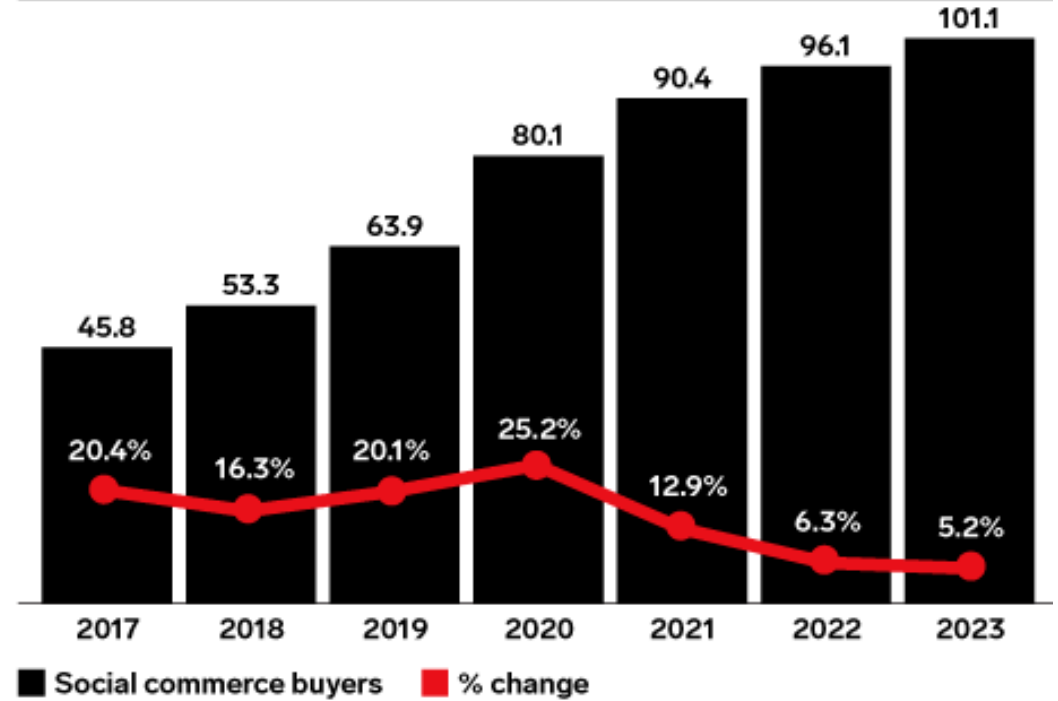


The number of US social commerce buyers grew by 25.2% to 80.1 million in 2020 and will grow another 12.9% to 90.4 million in 2021.

US retail social commerce sales will rise by 34.8% to \$36.09 billion this year, representing 4.3% of all retail e-commerce sales.

Apparel/accessories remain the largest category for social commerce, but consumer electronics, cosmetics, home decor, and consumer goods are also key players.

US Social Commerce Buyers Growth, 2017-2023 millions and % change



Note: ages 14+; social network users who have made at least one purchase via any social channel (e.g., Facebook Marketplace, Instagram Checkout, WeChat Mini Programs, Line Shopping, VK Market), including links and transactions on the platform itself, during the calendar year, including online, mobile, and tablet purchases

Source: eMarketer, Jan 2021

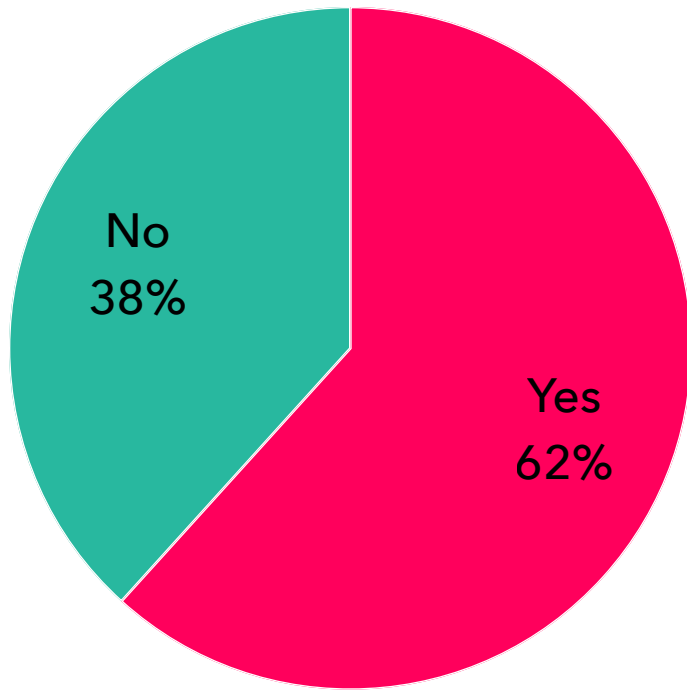
262455

eMarketer | InsiderIntelligence.com

We did a little survey 😊

350+ American Gen-Z and Millennials answered that...

"Have you ever purchased at least one item on your smartphone thanks to social media brands' posts and/or influencers' content?"



"Overall, What do you prefer?"



“

Social commerce will help brands increase their mobile conversion rates and decrease cart abandonment rates and will support influencers in terms of additional revenue streams thanks to affiliate fees when they sell third-party items and better margins on their own merchandising, products, and services. Our survey shows that there are a big interest and potential in social commerce and I am personally really curious to see its future.

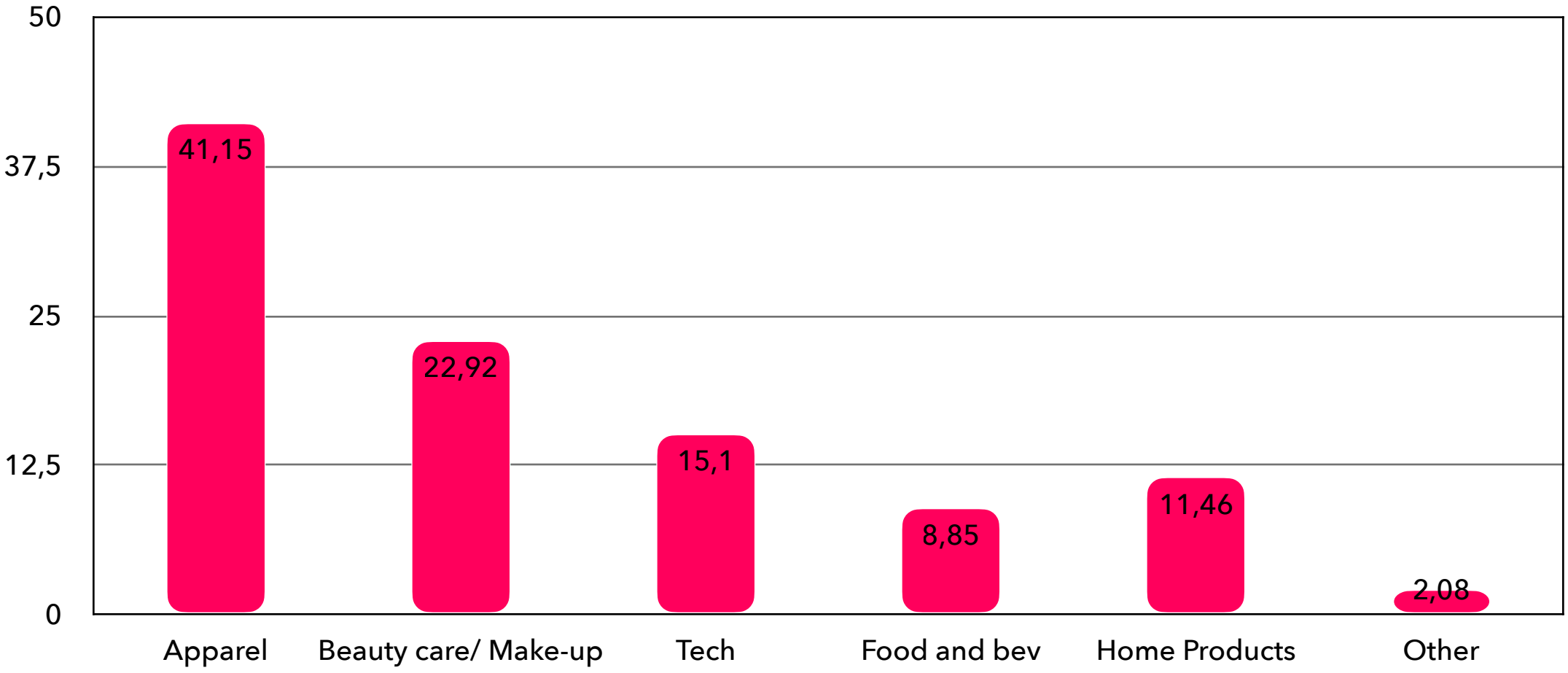
”



Alessandro Bogliari

CEO & Co-Founder of The Influencer Marketing Factory

“What type of product do you buy more thanks to social media brands’ post and/or influencers’ content? ”



Check out the full survey infographic

[LEARN MORE](#)



GEN-Z & MILLENNIAL SOCIAL COMMERCE HABITS

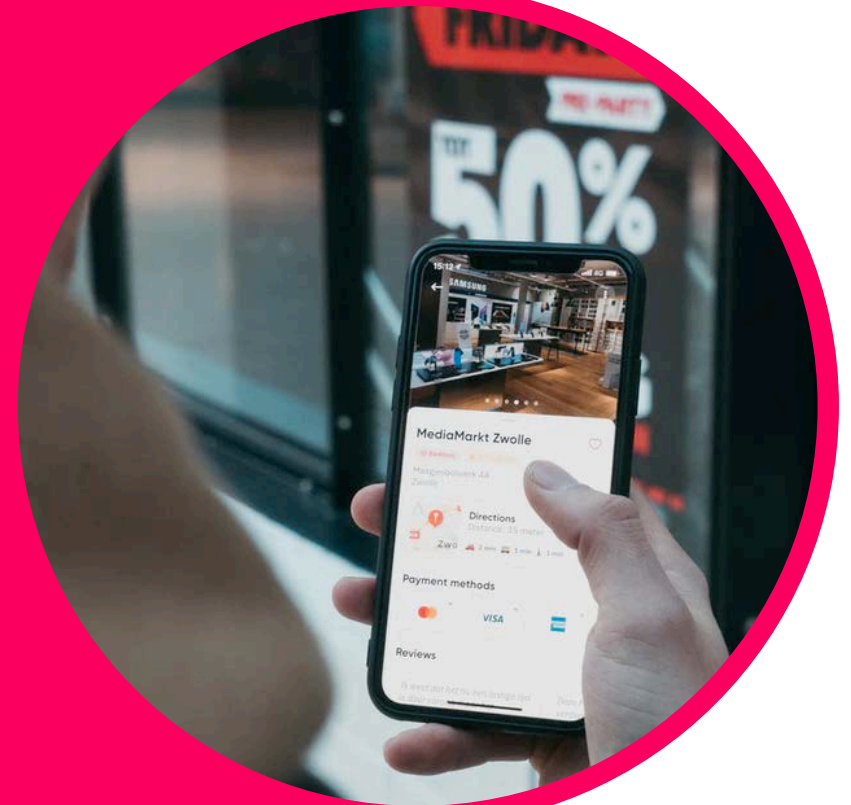
WHAT 350 AMERICAN GEN-Z AND MILLENNIALS
THINKS ABOUT BUYING THROUGH SOCIAL MEDIA



WHAT IS SOCIAL COMMERCE?

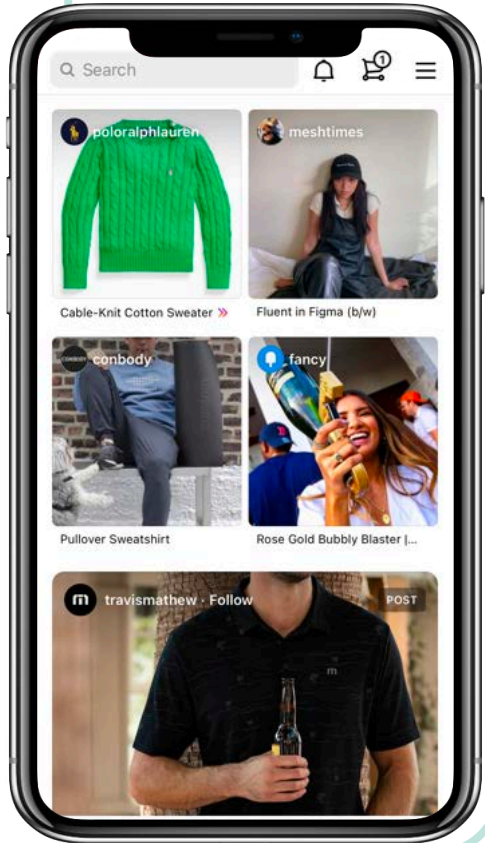
Social commerce is the process of selling products directly on social media. The entire shopping experience, from product discovery and research to the checkout process can happen without the consumer having to leave the social media platform.

THE ONLINE SHOPPING EXPERIENCE

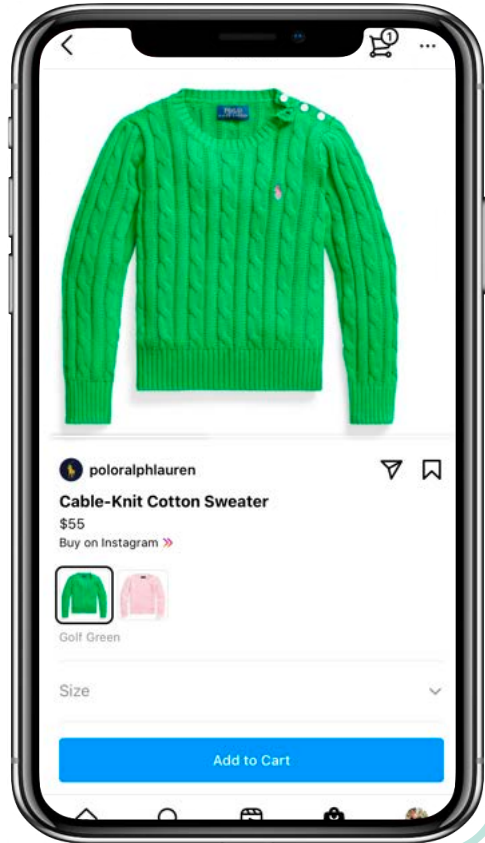




THE FLOW OF PURCHASE



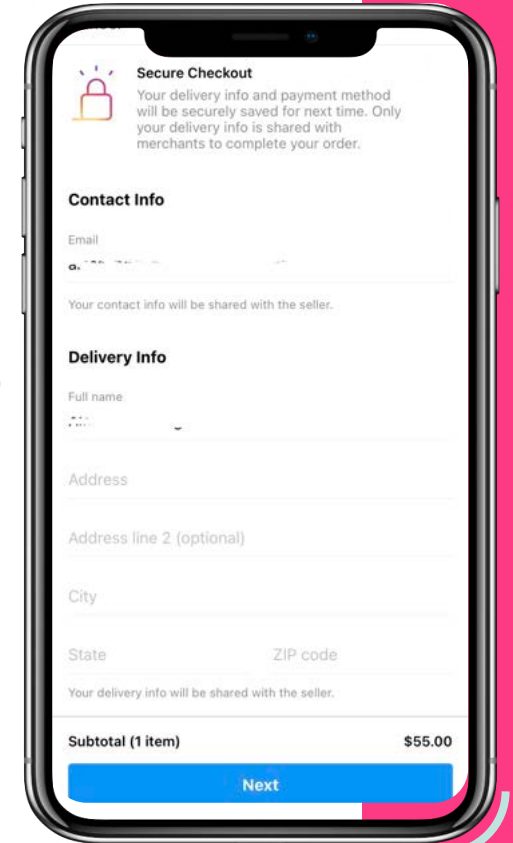
Browse



Open the product



Add to cart



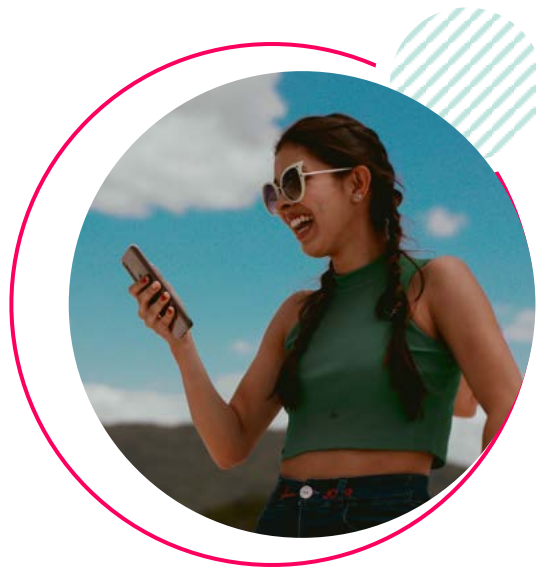
Pay

Let's have a look on the

DRIVING FACTORS



A growing number of social media platforms and advertising



Growth of Gen Z population



Ease of shopping on social media

The shopping experience changes for both parties

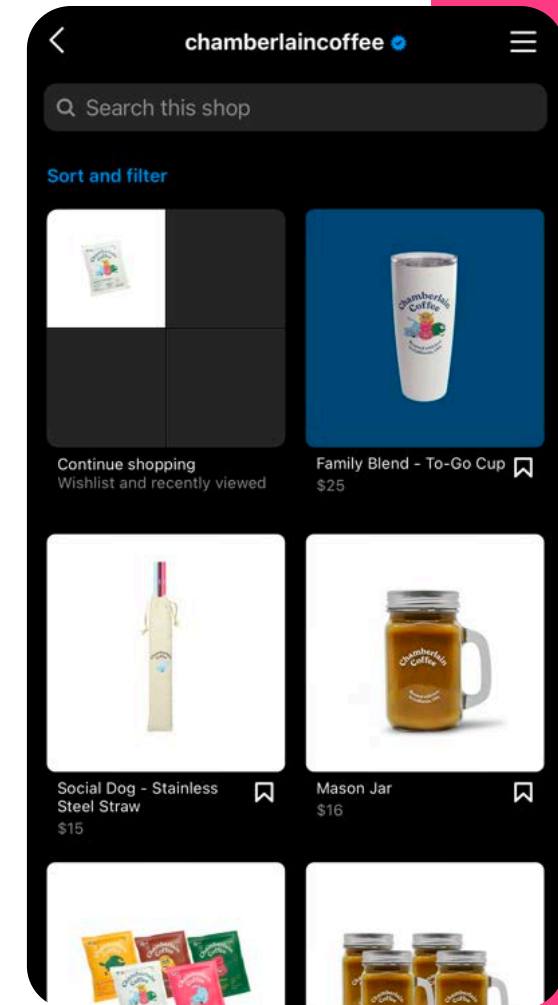
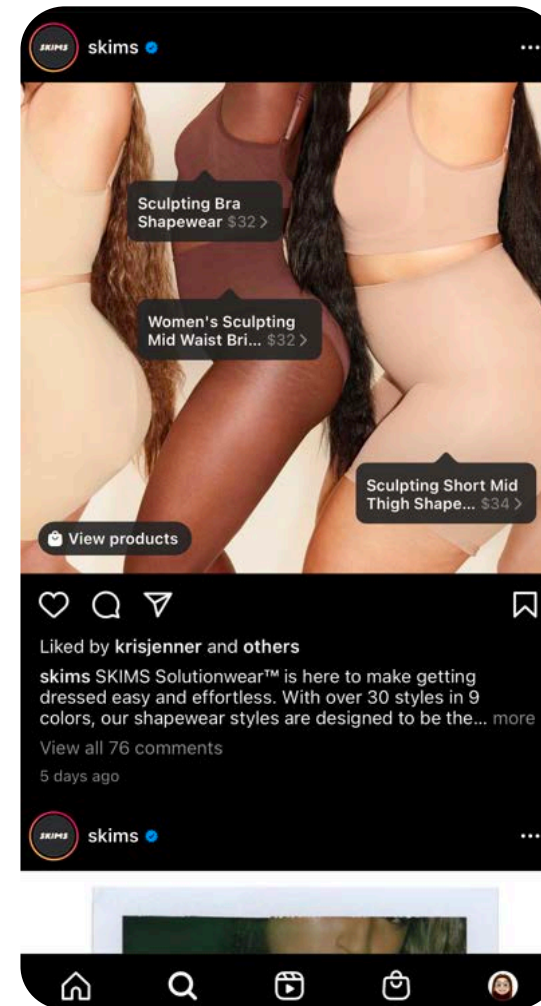
After Covid-19 companies and brands are trying to find new ways to acquire and retain customers.

Social commerce allows customers to:

- interact with the brand
- read comments
- share the product with friends and family for a quick consult.

Before the buy button feature, brands used social media as a shop window and as a way to communicate new collections or advertise. Now you can visit a brand's profile and shop products directly.













This is a great opportunity for companies: they can **easily collect data** and have **direct feedback** on what customers like more. Brands can take advantage of what these social media apps are already offering. **Live Sessions, Direct Messaging, Influencers, and so on.**



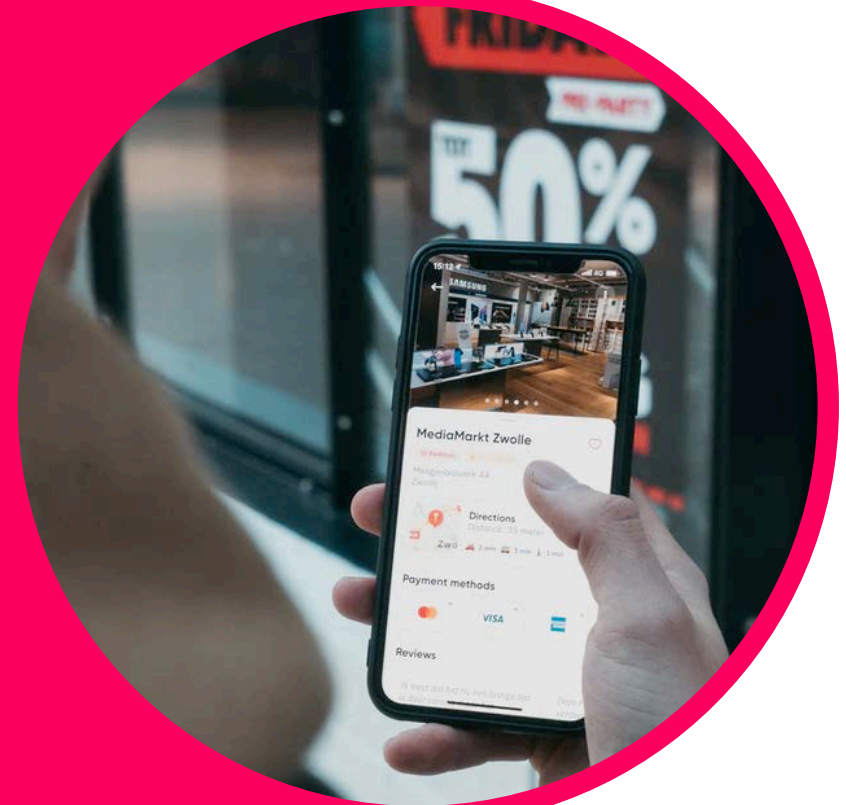
Sooo...

WHY SOCIAL COMMERCE?



- Reduces the risks of abandoned carts 
- Augmented Reality 
- Macro/Micro-Influencers 
- Live-streaming 
- Money Money Money 
- Great opportunity for small businesses 
- Personalized shopping experience 
- Reliable data and feedbacks 
- Personalized discounts 
- Removes friction 
- That's where Gen Z and Millennials are 
- Build a strong relationship with customers 

APPS, PLATFORMS AND MORE

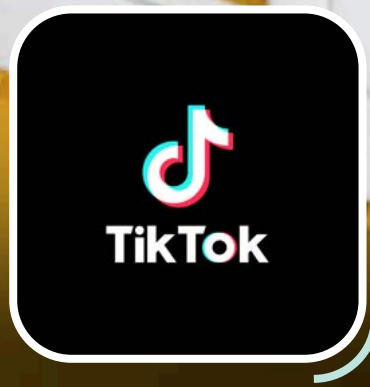


MAIN SOCIAL COMMERCE PLATFORMS



INSTAGRAM

Customers can “Add to cart” or “View on Website” products of brands they follow or they find in the Shop section. Shoppable story stickers and “swipe-ups” are also an option.



TIKTOK

Partnered with Shopify to enable in-app purchases in October and revealed that will introduce shoppable live streams and affiliate links for influencers.



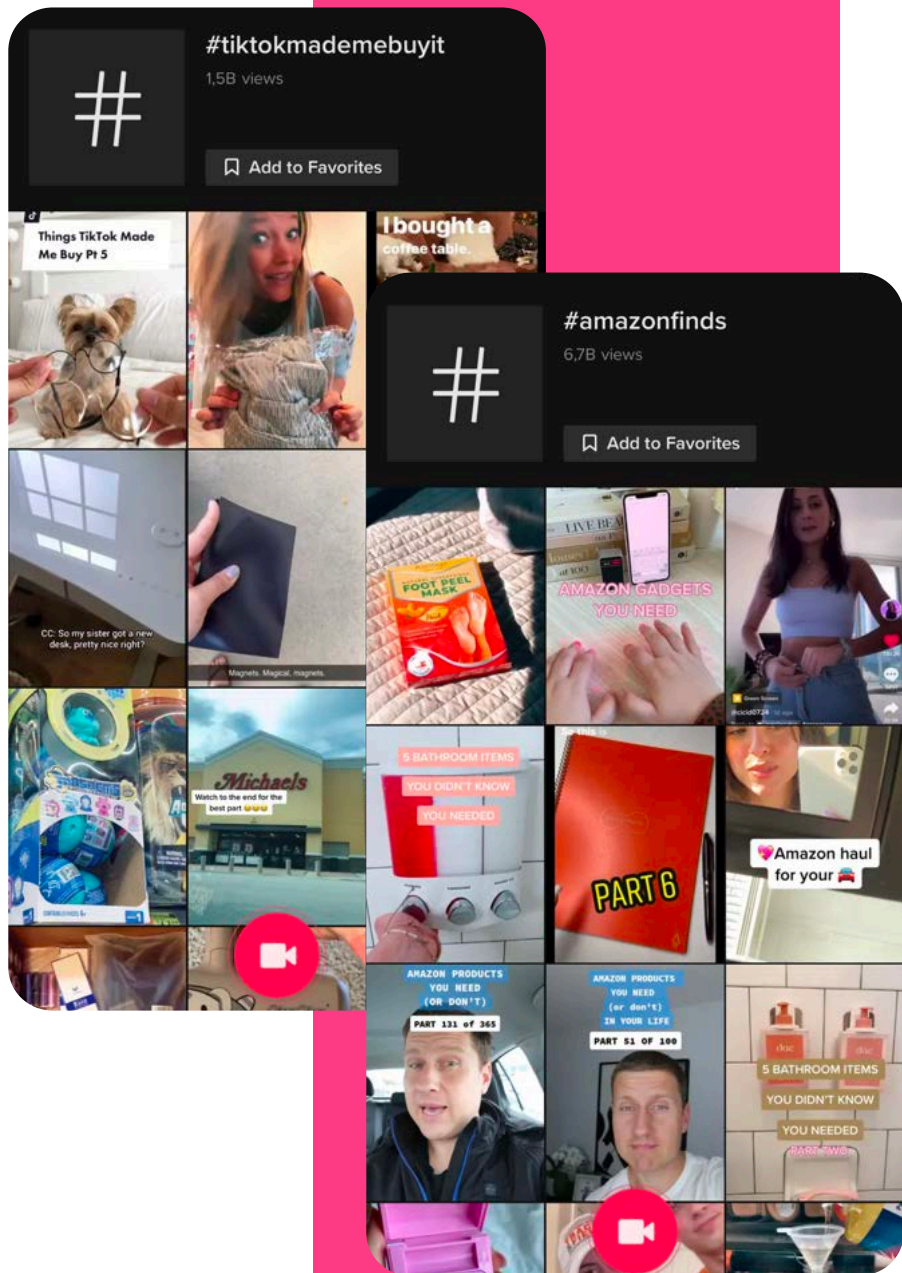
PINTEREST

With Buyable Pins (only available in the U.S.) customers can easily buy products directly from the app with the “Buy It” button.



FACEBOOK SHOP

Sellers can create their online store (like on Instagram) and customers can buy directly on the app with the buy button or asks questions via Whatsapp, Messenger and Instagram. The Live feature to sell products will be available soon.



#TikTokmademebuyit

#Amazonfinds

The hashtag #tiktokmademebuyit has more than 1.5 Billion views on TikTok and the hashtag #amazonfinds more than 6.7 billion views. There are a lot of products that every week go viral that you didn't know you needed in your life until they pop up on your For You page. From beauty products to home decor the list of cool and useful products is endless!

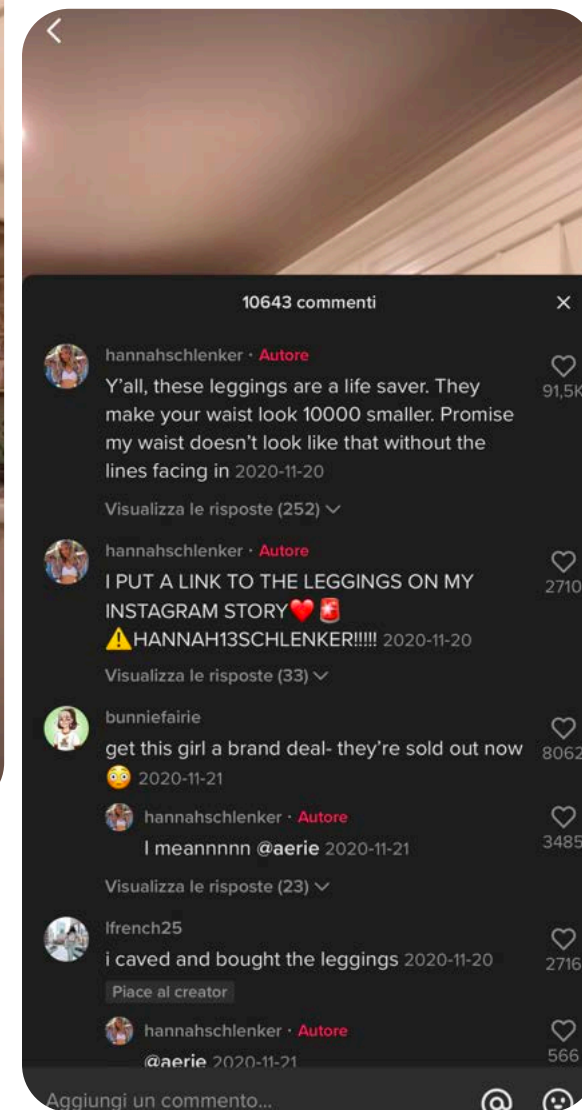
VIRAL VIDEO

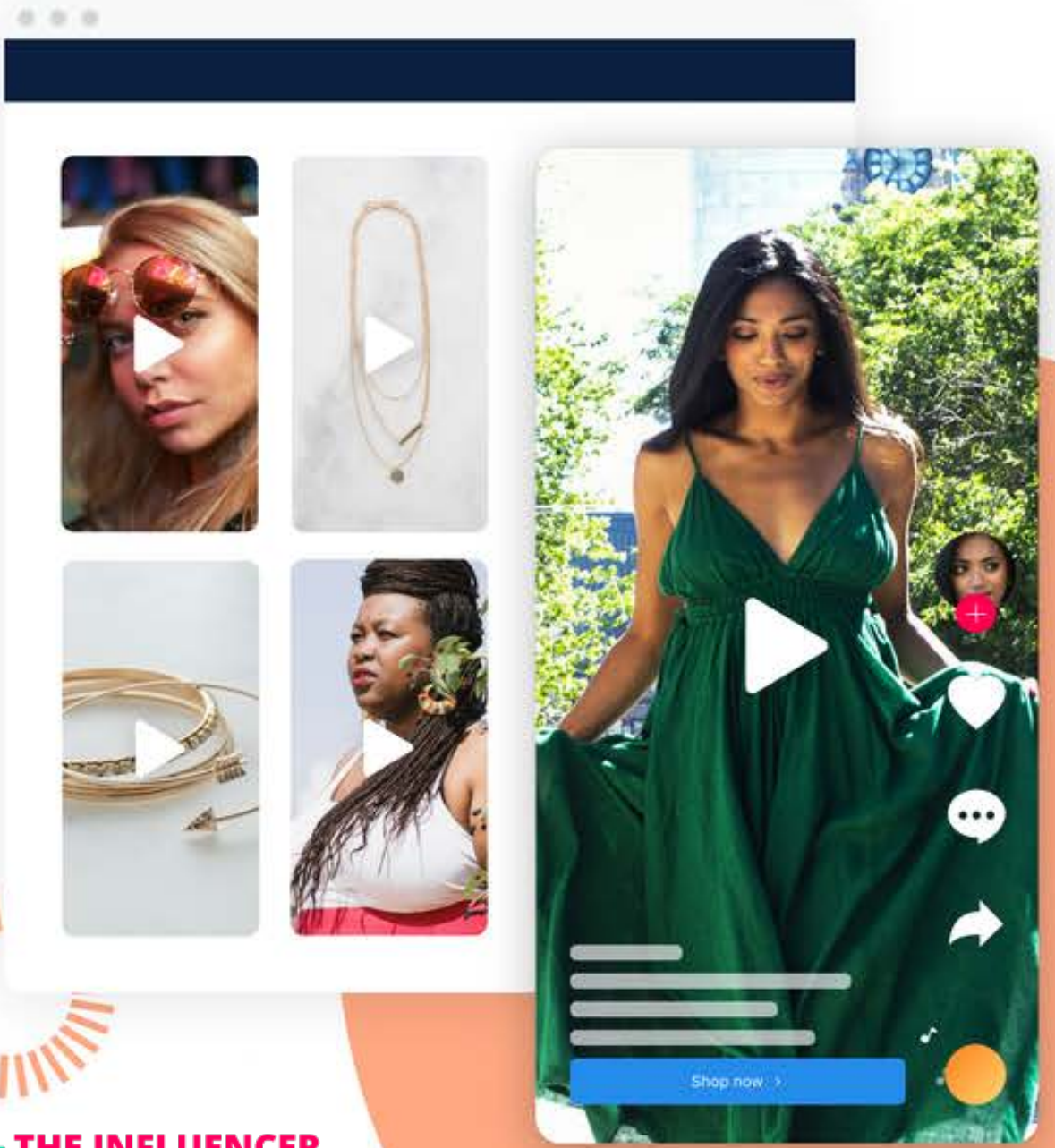


According to market research firm Kantar, 83% of consumers browsing TikTok say seeing trending content has inspired them to make a purchase.

Influencers usually post (affiliate) links on their main accounts making it easier for their followers to find products.

These leggings went viral after the @Hannahschlenker video. Don't worry she also got her brand deal after they sold out. 😊





Ads are now more shoppable

Shopify x TikTok



In October Shopify partnered with TikTok. Merchants can now target and create Ads directly from the Shopify App.

Shopify also announced that they will collaborate to test new commerce features in the next few months.

Both companies support Black Businesses by creating a campaign with the hashtag #ShopBlack Hashtag Challenge to support them.



TRY ON BEFORE YOU BUY

SNAPCHAT AND PINTEREST

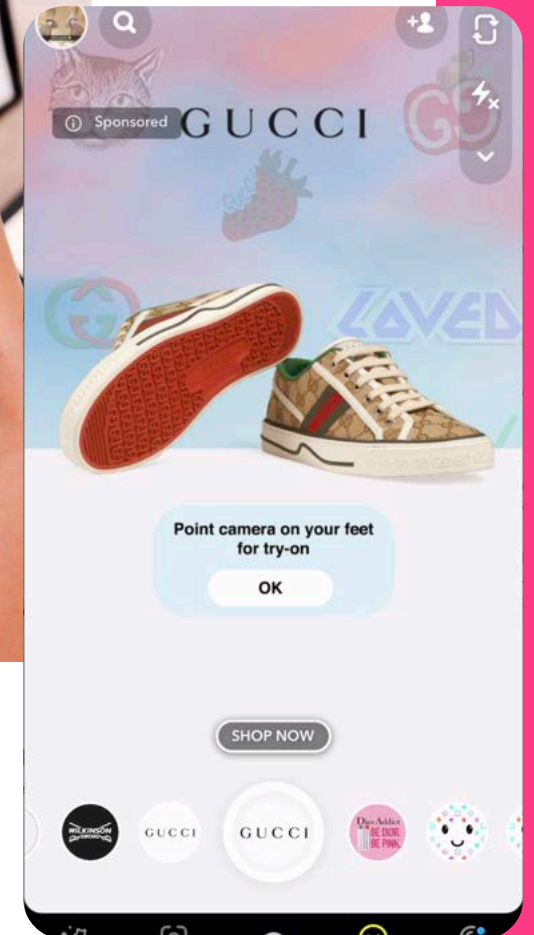
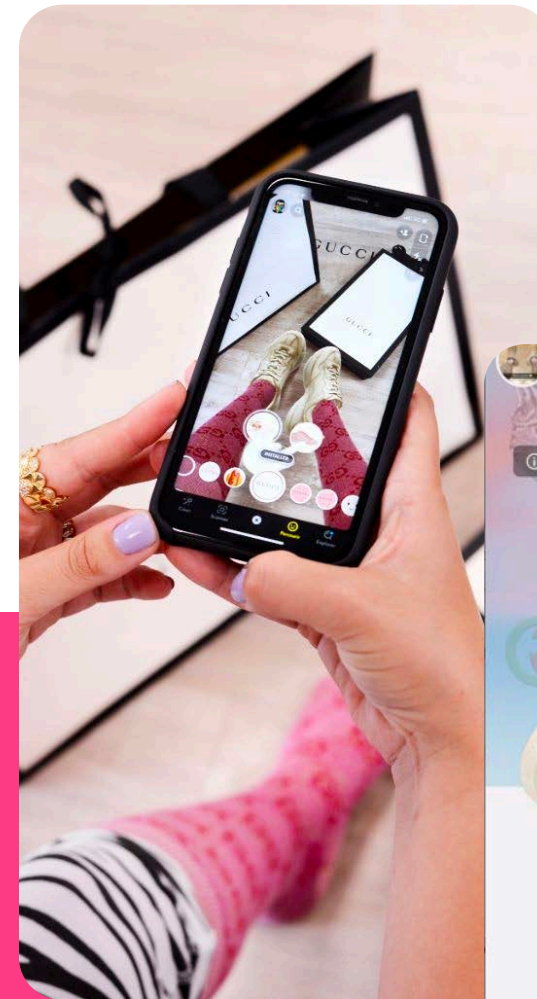


AUGMENTED REALITY INTEGRATION

Both Pinterest and Snapchat are using AR technology to win at Social Commerce by letting users try products on before they buy them.

Over 170 million Snapchatters engage with AR daily and creators can build their filter with Lens Studio.

Snapchat already partnered with Gucci, to allow customers to test its sneakers.



Brands and customers can engage on a new level!

BEAUTY PRODUCTS TO THE WIN

With Pinterest Lens users can discover new products and try lipsticks on or eyeshadows (by skin tone too) from different brands before they buy it.

It's easy to save your favorites with just a pin!

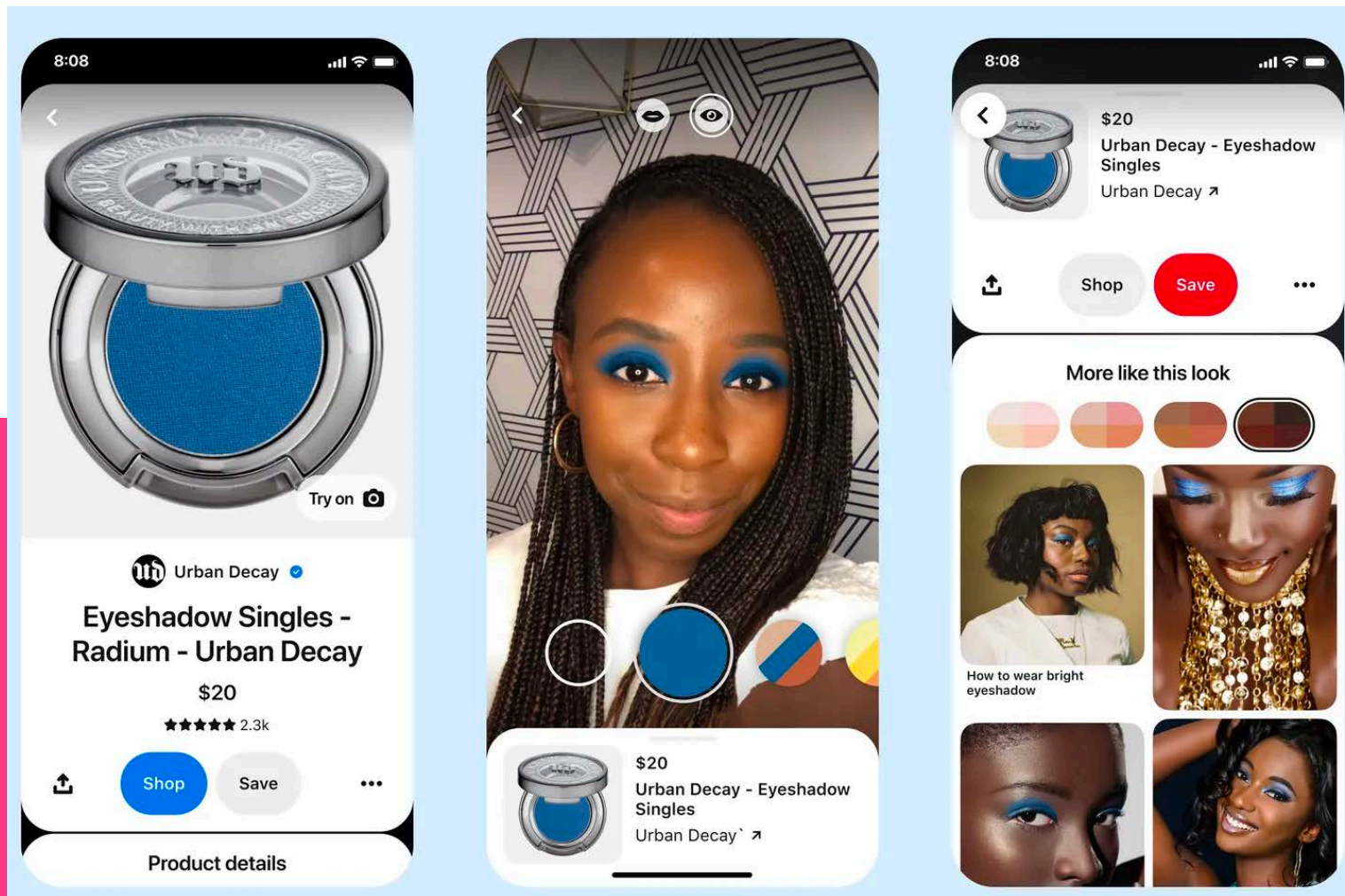


Photo Source: Pinterest



Over the past years, we have seen a progressive shift in consumer shopping habits that switched heavily from brick and mortar to e-commerce. Social Media has now taken a large piece of the e-commerce space with direct purchasing on platforms like FB, IG, and soon TikTok. We can see that consumers appreciate the interactive component of social commerce and even though it's proven that most users are not as likely to "engage" with brand content, what has grabbed consumers' interest is the ability to browse, share and buy products within these different digital platforms. I believe it's that curiosity that will continue to drive the demand for social commerce shopping and sales. This is a very lucrative channel for all brands not just in the Beauty/Skincare world.



● ● ● Pavllo Zengo

”
Brand Storyteller @FOREO

YOUTUBE AND TWITCH



YOU ALREADY KNOW THE DRILL



MERCH = 

With the Teespring Integration, the creators from YouTube and Twitch can easily sell merchandise. Creators' products appear beneath the video on the merchandise shelf. Teespring is 100% free and creators keep 100% of the profit.

YouTube recently added a new feature called "applause" where fans can donate to creators.

Twitch hosts a live shopping experience to celebrate Prime Day of Amazon with "Twitch Sells Out" where streamers sell products.

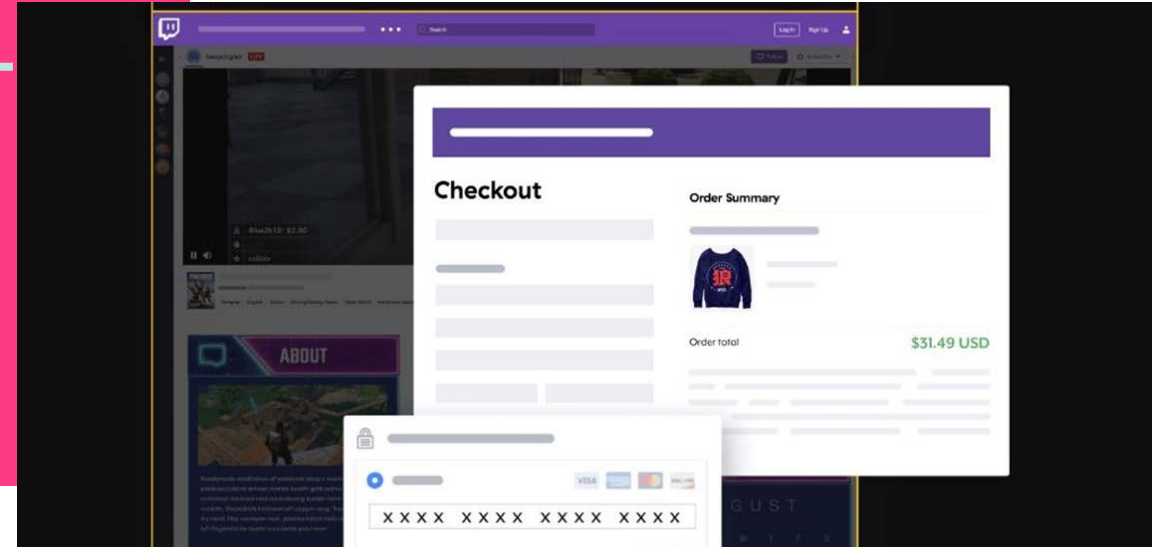


Photo Source: Tubefilter

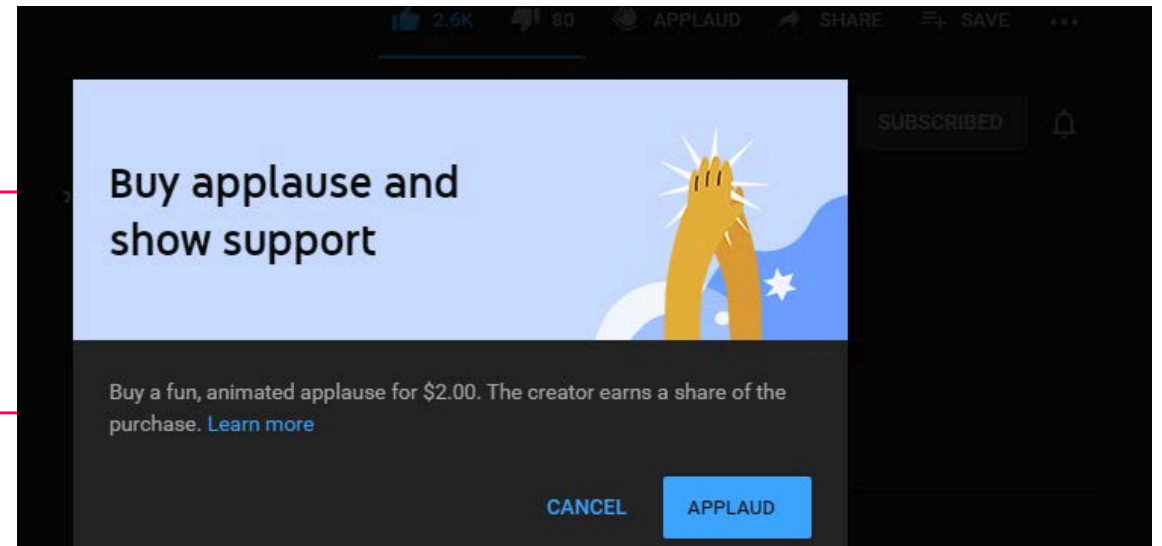


Photo Source: Digital Music News

More

SOCIAL COMMERCE PLATFORMS



NTWRK

Exclusive drops for streetwear lovers that get notified when the new collection is available.



SHOPLOOP BY GOOGLE

Now under Google Shopping

Users scroll through a home with videos where creators show buyable products.



SHOP SHOPS

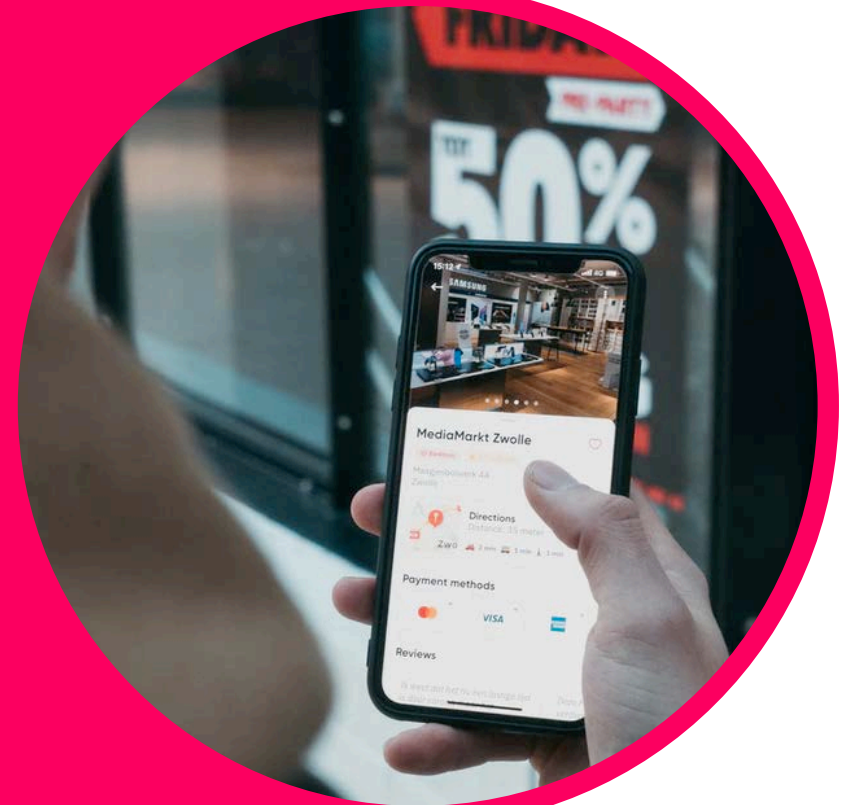
The Live-streaming platform from retail stores located around the world. This app is a great example of how small businesses can benefit from Livestream shopping.

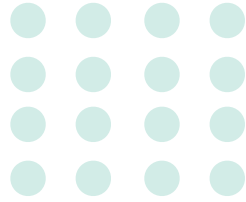


AMAZON LIVE CREATOR

Allows sellers to promote live streaming products and customers can buy them. They can interact with a live chat too.

SOCIAL COMMERCE IN CHINA





THE CHINESE MARKET

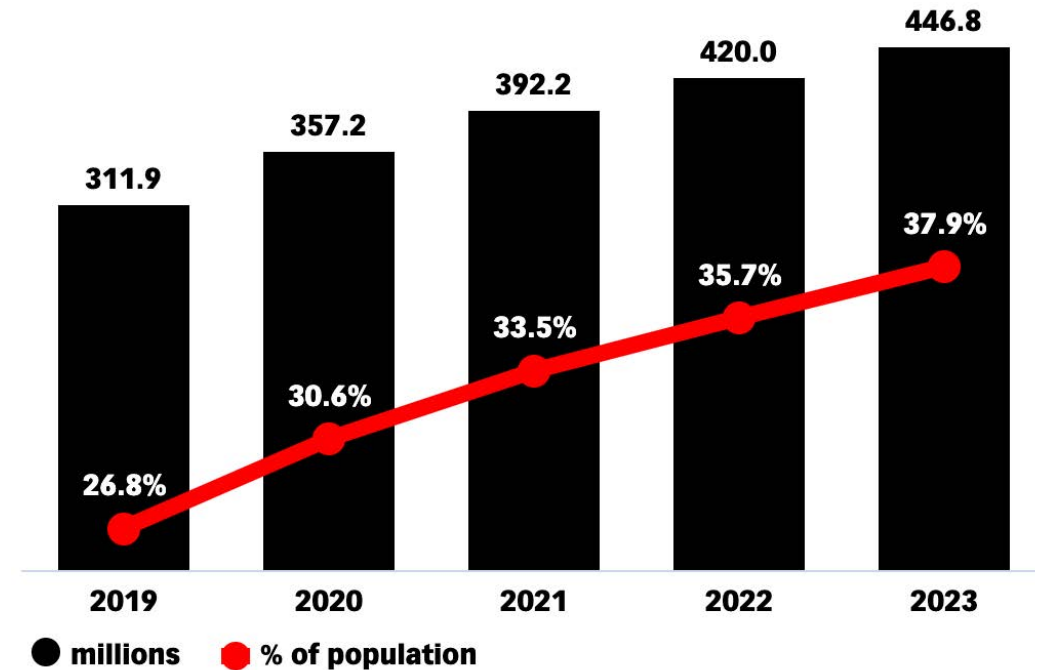


China is far ahead when it comes to selling goods online. Young consumers are the main segment. In 2020 Social Commerce grew by 44.1% and eMarketer's predicts that will grow another 35.5% in 2021, reaching 363.26 billion.

A majority of social buyers in China are shopping via their mobile devices. And many digital storefronts start on mobile layouts—whereas, in the US, the inverse is true. Online retailers often focus on developing a site first and then transition to mobile.

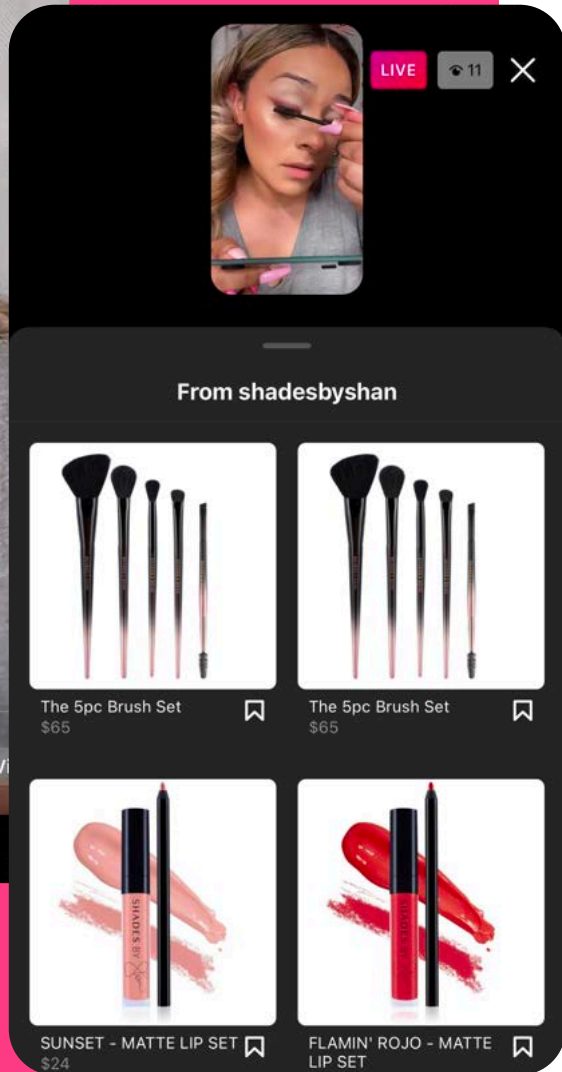
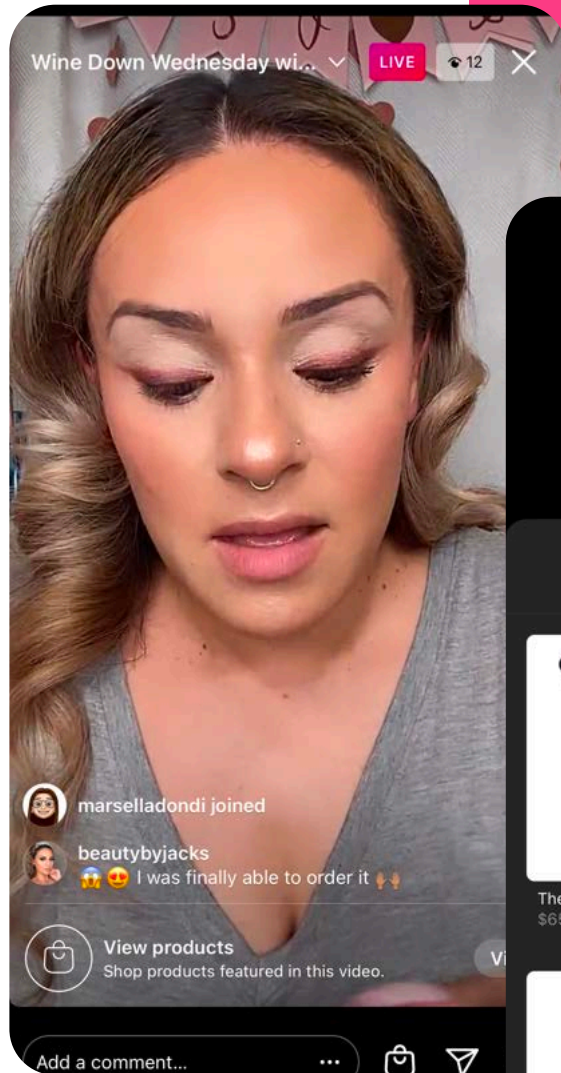
Social Buyers

China, 2019-2023



Source: eMarketer, May 2020

www.eMarketer.com



LIVE PURCHASE

WHAT IS LIVE-STREAMING SHOPPING?



Livestream is a popular way to shop online in China and it's an emerging trend in the US as well.

Yes, like the good old QVC, but better! Live stream customers can join from anywhere with a phone or tablet and interact with the seller.

In China, you can buy **anything**, from farmers' goods to luxury pieces. In 2019 the live stream market in China was 66 billion and in 2020 reached 170 billion.

Influencers are already a great partner when it comes to social commerce, and with the rising of live-streaming, they can help brands to generate high profits and user engagement, all in a unique experience!

LIVE-STREAMING SHOPPING



Chinese don't just buy things...

They ask for informations on the sellers' live streaming



One of the most famous platform is Taobao

Viewers can comment and buy the product in a few clicks



REVIEWS



ARE



I - M - P - O - R - T - A - N - T



They rely heavily on them!

Don't forget the spice ✨

Discounts are **key factors** when it comes to purchase

“

China has pioneered social commerce for years now. In the local Chinese market barriers between traditional content platforms, social networks, and marketplaces have broken down. The infrastructure is in place to make commerce happen almost anywhere. Discovery, consideration, and purchase have become deeply intertwined with entertainment and education. Customers are frequently incentivized to recruit friends and share in the buying process. Trust is driven by the vast and deep ecosystem of niche KOLs and influencers.

”



● ● ● Matthew Brennan

Author of Attention Factory

NTWRK

DAYS HRS MIN SEC
07 : 02 : 38 : 58

WEDNESDAY, MAR 3 @ 1:00AM
OFFICIAL BOOTLEG: E'LON



SHARE NOTIFY ME

TUNE IN AT 1:00AM ON MARCH 3RD TO SECURE FROM THE OFFICIAL BOOTLEG: E'LON DROP.
MORE DETAILS COMING SOON

NTWRK


DAYS HRS MIN SEC
01 : 10 : 01 : 50

WEDNESDAY, MAR 3 @ 12:00AM
BILLIE EILISH: THE WORLD'S A LIT...

BILLIE EILISH

SHARE NOTIFY ME

TUNE IN AT 12:00AM ON MARCH 3RD TO SECURE FROM THE BILLIE EILISH: THE WORLD'S A LITTLE BLURRY PRINTS DROP.
MORE DETAILS COMING SOON



FASHION + FESTIVALS = 

"Shop at the speed of culture"



FOMO IS KEY TO SUCCESS

On NTWRK you can shop exclusive drops for Shoes, Homegoods, Apparel, Art, and more. Stocks are limited and you can find them online for a massive markup days after the drop.

VIRTUAL FESTIVALS

Digital events and musical performances are the new normal after Covid-19.

LIVE-STREAMING SHOWS

Products are often showcased through shows hosted by celebrities or influencers.

MAIN CHINA'S SOCIAL COMMERCE PLATFORMS



WECHAT

Users can not only chat but also pay anywhere in China with WeChat Pay. The app also includes Mini-programs, "sub-applications" built within the app.



DOUYIN

The Chinese version of TikTok allows users to click on product links and shop inside the app. Live-streaming and mini-programs are also integrated. The app recently launched the e-wallet "Douyin Pay".



XIAOHONGSHU

Also known as "little red book", this is an all-user-generated content app where customers can discover and share products. It's a lifestyle-focused social commerce, users can place orders and give reviews. It includes also live-streaming and mini-programs. Users can even add stories with the function "HEY".



PINDUODUO

Groups of friends or even strangers can band together to buy something for a lower price than if they had purchased it individually on their own. These apps in China have powerful algorithms, ads are not shown based on past searches or purchases, instead predict trends to determine what users want to buy, based on what they've been reading, saving, and commenting on.

Brands and KOL's use mini-programs to grow their business and boost sales

MINI-PROGRAMS ARE MEGA USEFUL

WeChat, developed by the Chinese company Tencent is used by almost 1.2 billion users every month in China.

Not only to message friends and family but also because it includes Mini-Programs, which are apps in the app. Users don't need to download an additional app to shop online, translate, or play a game!

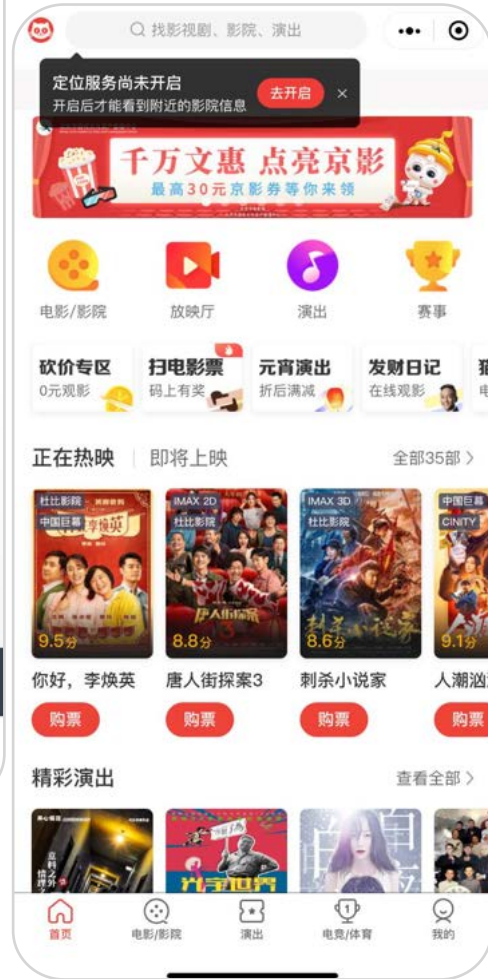


That's why WeChat is called "Super App" and it's one of the most used Apps in the world.





EAT



ENTERTAINMENT



HOUSE SHOPPING



SHOPPING JUST FOR WOMEN



SECOND HAND SHOPPING

KEY OPINION LEADERS (KOLs)

The most trusted

KOLs are mostly from tier 1 or 2 cities

Women from lower-tier cities see them as their close friend that is giving good advice 🙌

When shopping is mixed with entertainment:

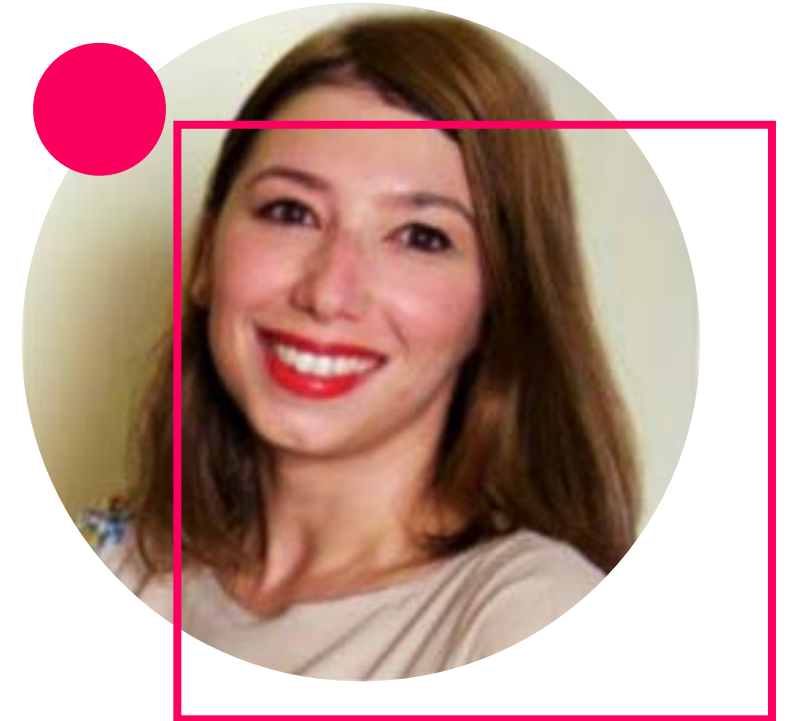


Photo Source: China Daily

“

China's ability to accelerate change and live the future before the rest of the world is closely connected with its digital vision. But in a world with an unlimited offering, curation is becoming increasingly necessary... hence the success of the KOL! The Chinese leading influencers built their image and reputation on the ability to authentically interpret the domestic demand, and channel the consumer voice with the brand to build a stronger offering, with a direct-to-consumer approach. This value is extremely precious for the international luxury brands, that are depending on Asia for over 50% of their overall sales. But in the reputation power game, who will definitely win the Chinese consumers' hearts? Will KOLs - driving social commerce - make brands unnecessary.

”



● ● ● Anna Dato

Marketing Manager Asia for Intercos

TREND ALERT

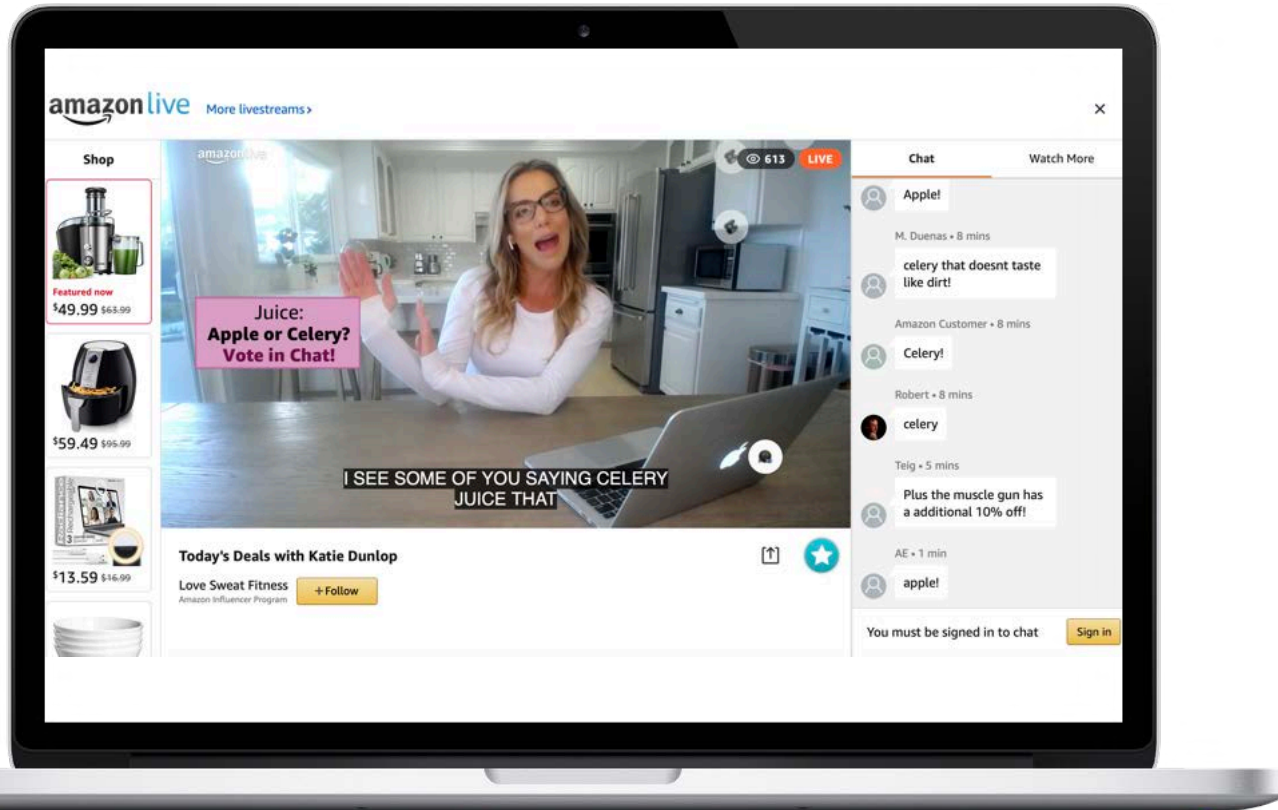
In the USA too

A trend that is here to stay?

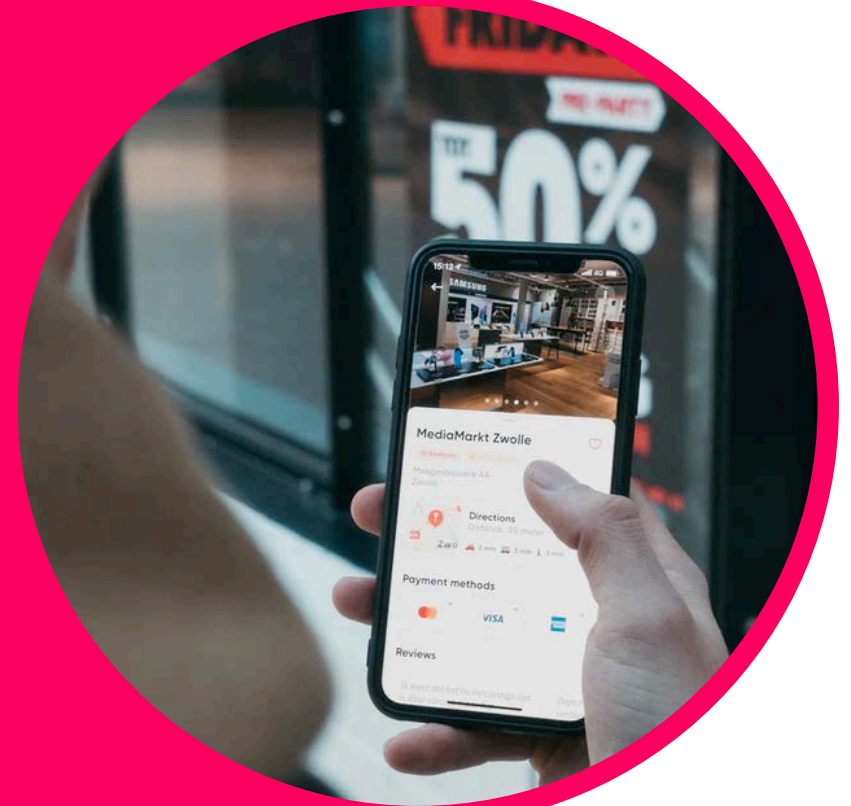
- Real-time feedback and insight
- Customers can join the event from anywhere
- Live streamers can show more than a product
- Live poll to engage with customers
- It's fun and exciting for both customers and the host
- Grows your audience

Interaction is KEY! 😊

New customers! 🎉



INFLUENCER MARKETING + SOCIAL COMMERCE





“90% of respondents believe influencer marketing to be an effective form of marketing” and “72% believe that the quality of customers from influencer marketing campaigns is better than other marketing types.”

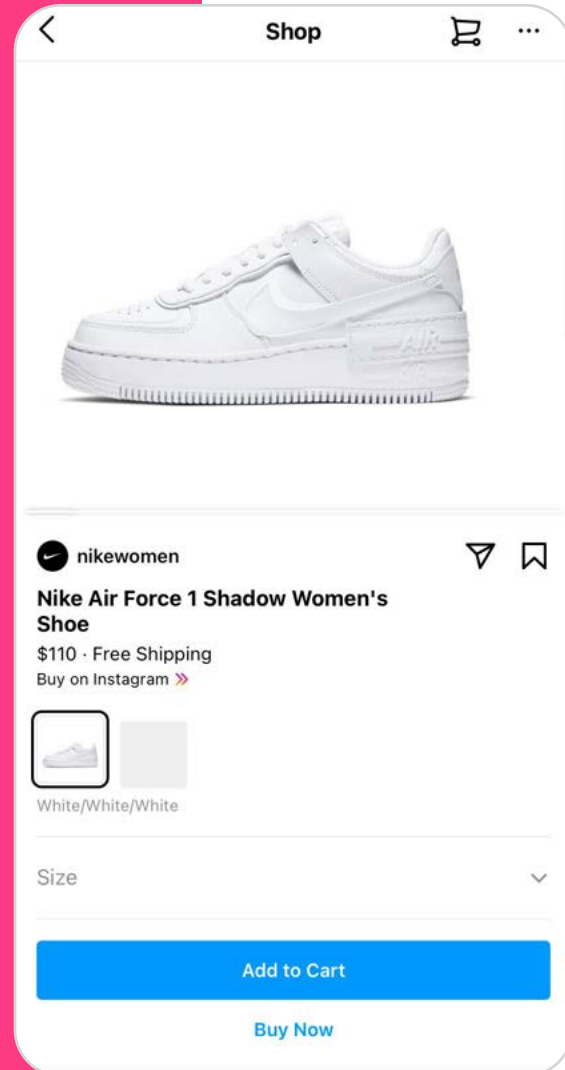


Influencers can help brands achieve different marketing goals!

- Brand Awareness
- Sales... Duh! 🙋
- Followers and likes.. in one word: engagement!
- High-quality content

In a survey conducted by:
The Influencer Marketing Hub.

And much more 😊



MICRO-INFLUENCER ARE JUST AS IMPORTANT INFLUENCERS ARE DRIVING SOCIAL COMMERCE

When Influencers become brands, they are even more trusted by their followers, who are always looking for inspiration and the latest trends.

With shoppable stories, and posts it's easy to understand how important they are to generate profits and brand awareness.

We are not only talking about Mega influencers but also Micro, who usually have a great engagement rate and a lot of trust from their followers.

**BUY
NOW
PAY
LATER**

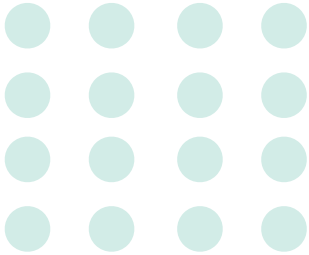


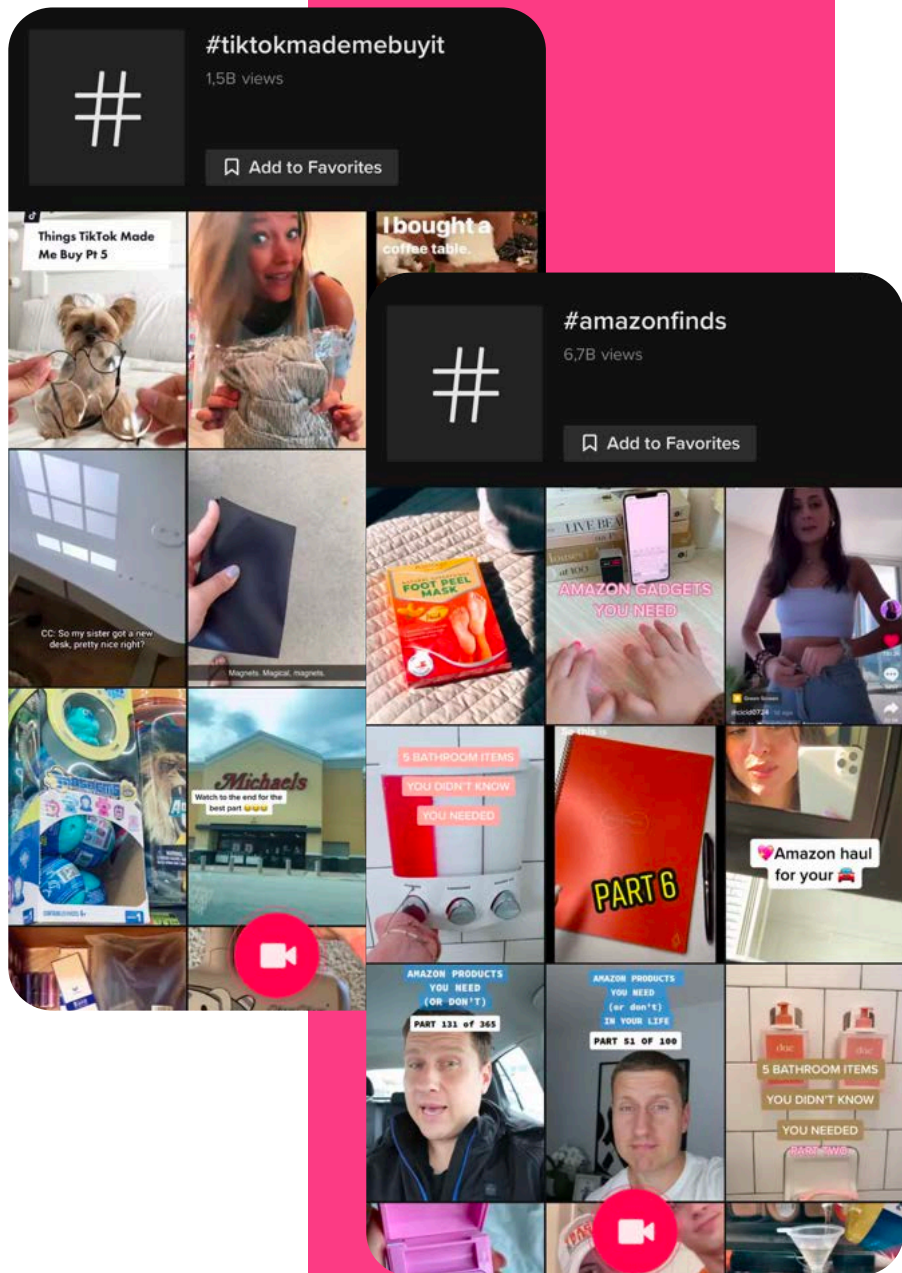


“The global BNPL platforms market was valued at \$7.3 billion in 2019, and is expected to reach over \$33.6 billion by 2027”

These services are becoming popular among the online shopping platforms because they let customers split payments without paying interest

BUY NOW PAY LATER
Most Used Services





BNPL grows with digital shopping

Main target: Gen Z and Millennials

Risks: Overspending 🤔



It's not a credit card:

BNPL is about the **single** transaction



The pandemic pushed consumers to find **alternative ways** to finance their spending

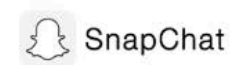


READY FOR YOUR NEXT INFLUENCER MARKETING CAMPAIGN?

Google



amazon



DUNKIN'



freal

ablo.

GRUBHUB



BenQ



Vestiaire Collective

Dr. BRANDT*



FOREO



Mr. Coffee
EST. 1976

BUILT

GET IN TOUCH!

Resources:

- <https://deliverr.com/blog/social-commerce/>
- <https://www.salesforce.com/blog/how-millennials-and-gen-z-are-different/>
- <https://www.forbes.com/sites/shephyken/2020/10/18/gen-z-your-most-influential-customers/?sh=74cdd42d10ef>
- <http://web.archive.org/web/20201101134440/https://www.forbes.com/sites/jiawertz/2020/09/30/common-challenges-for-companies-expanding-their-e-commerce-business-during-the-pandemic/>
- <https://www.grandviewresearch.com/industry-analysis/social-commerce-market>
- <https://influencermarketinghub.com/influencer-marketing-benchmark-report-2020/>
- <https://www.prnewswire.com/news-releases/assessment-of-the-social-commerce-industry-2020-2027-and-impact-of-covid-19---mobiles-segment-readjusted-to-a-revised-39-2-cagr-for-the-next-7-year-period-301125465.html>
- <https://thentwrk.com>
- <https://stories.pinduoduo-global.com/articles/explainer-the-differences-between-pinduoduos-team-purchase-model-and-group-buying-sites>
- <https://www.ibm.com/industries/retail>
- <https://www.coherentmarketinsights.com/insight/request-pdf/4013>