

# SOCIAL COMMERCE 2018

**Its Influence in the Path to Purchase**

**DECEMBER 2017**

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# SOCIAL COMMERCE 2018: ITS INFLUENCE IN THE PATH TO PURCHASE

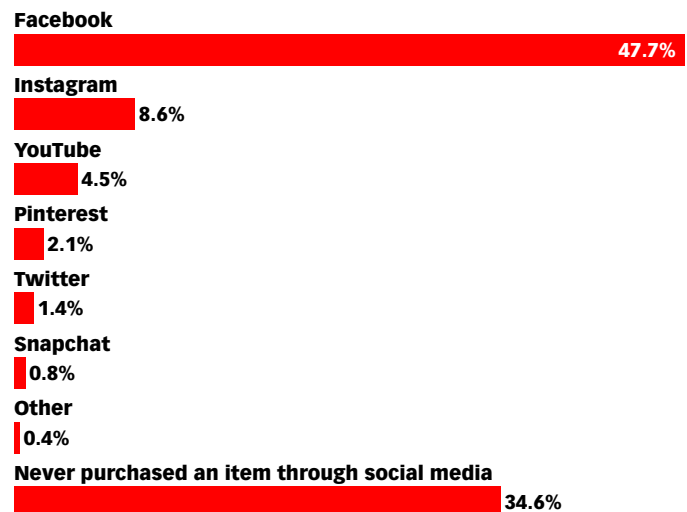
Though marketers are still using social media to influence purchase decisions and drive sales, getting consumers to actually complete a purchase while on a social property is no longer a top priority for most.

- In 2017, 70.7% of US internet users will use social networks—time spent among adult users will average 1 hour, 15 minutes per day. It's a popular channel, and marketers are showing no signs of stopping efforts to reach shoppers there.
- Shoppers aren't flocking to social platforms to buy, but social media plays an important role in the early phases along the path to purchase, as a research tool and general influence. In a 2017 PwC global report, online buyers cited social networks as the digital media most used for purchase inspiration.
- New iterations of social commerce continue to evolve. Retail-friendly ad products and features from the major social platforms are constantly being introduced, influencer marketing is still a popular tactic, and visual commerce, including video, is becoming more influential on purchase behavior.
- Facebook is by far the most popular social media platform for researching, influence and buying, but Instagram is gaining ground. Younger social media users are more inclined to participate in this activity.

**WHAT'S IN THIS REPORT?** This report assesses the state of social commerce in 2018, examines retail-centric initiatives by the major social platforms and looks at how social plays a role in US buying behavior.

## Social Media Platform on Which US Social Media Users Last Made a Purchase Directly from a Social Media Post\*, Oct 2017

% of respondents



Note: n=514 who use social media at least once a week and follow any celebrities or people they don't personally know on social media; numbers may not add up to 100% due to rounding; \*or link within a post  
Source: Open Influence, Oct 24, 2017

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**KEY STAT:** Roughly one-third of US social media users have never bought directly from social media, but close to half have done so via Facebook, either directly through a post or through a link in a post.

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# THE STATE OF SOCIAL COMMERCE

Social commerce is decreasingly a discrete tactic and more and more a concept that is closely connected to others—including visual search, influencer marketing and social advertising. Direct sales do occur on many social platforms, but not at a scale that contributes significantly to the bottom line.

By its most basic definition, social commerce is simply the ability to make a purchase from a third party, from within a social media platform. However, that explanation has expanded, and now often includes clickthroughs on social ads and the influence that social has to encourage sales wherever they occur, whether its ecommerce or an in-store purchase.

The executives interviewed for this report differed on what constituted social commerce, and even whether or not the concept is still that useful. Lisa Raggiri, vice president of digital and consumer strategy at Dr. Brandt Skincare, took an expansive view: “Shopping through native, prospecting through paid ads, shopping by chatbots, influencers, and geotargeting with mobile apps. ... That’s all social commerce to me.”

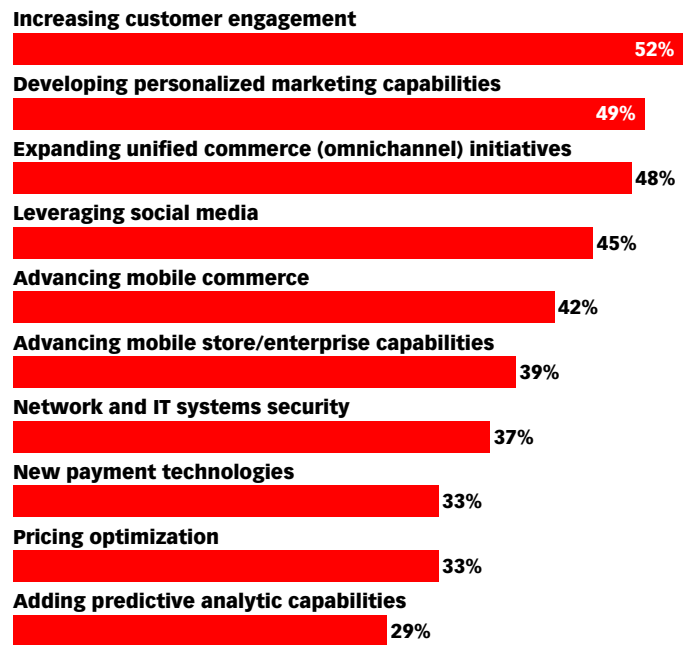
Rachel Tipograph, founder and CEO of video commerce platform MikMak, went even further. “Social commerce is about to just be called commerce. If you haven’t figured out a way to unlock the customer journey via social, you are about to fall behind,” she said.

## MARKETER PERSPECTIVES

Optimizing social media for commerce-related goals is important, though. Social networks came in fourth (45%) when US retail executives were asked about leading strategies they used, via an RIS News and Gartner survey in February 2017. Only customer engagement, personalization and omnichannel, which would include social channels, ranked higher.

### Leading Strategies/Objectives According to US Retail Executives, Feb 2017

% of respondents



Source: RIS News and Gartner, "27th Annual Retail Technology Study: Reconnecting with the Consumer," March 23, 2017

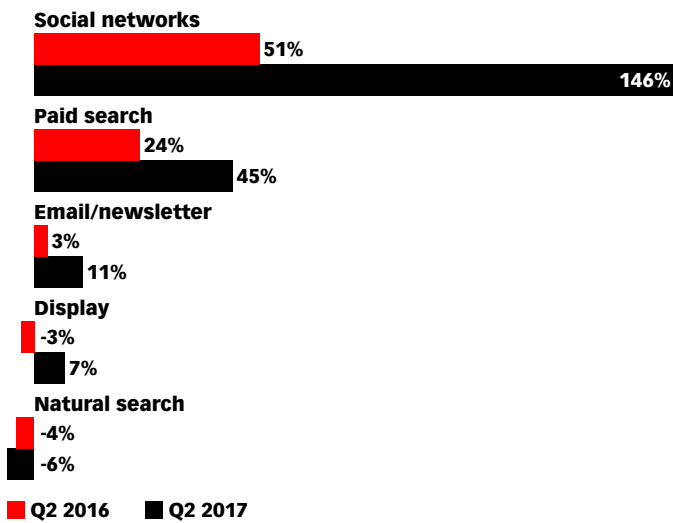
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According to Adobe, social networks were the marketing channel that saw the largest growth in US retail ecommerce traffic in both Q2 2016 and Q2 2017. There was a substantial 146% year-over-year increase in the second quarter of this year, more than any other channel.

## US Retail Ecommerce Traffic Share Growth, by Marketing Channel, Q2 2016 & Q2 2017

% change vs. same period of prior year



Note: represents activity tracked by Adobe, broader industry metrics may vary

Source: Adobe, "Retail Industry Report: Q2 2017," Sep 26, 2017

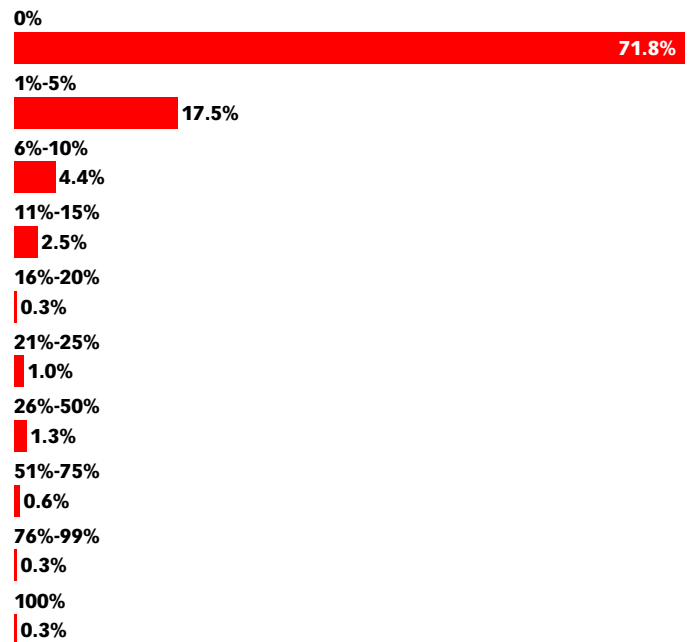
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However, "buy buttons," a feature that social platforms have tried for several years to implement, have gained much less traction. Marketing automation company Campaigner surveyed marketers in North America who used social buy buttons in November 2016, when they were generating more hype. The study found nearly three-fourths of marketers attributed no sales to buy buttons, while 17.5% saw between 1% and 5% of sales from them.

## Percent of Sales Attributed to Social Buy Buttons\* According to Email Marketers in North America, Nov 2016

% of respondents



Note: among those who currently use social buy buttons; \*any type of buy button via Facebook, Instagram, Pinterest, Twitter, etc.

Source: Campaigner, "2016 Industry Report Card Data," Dec 14, 2016

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Even so, many marketers still use them. A more recent study by L2, which looked at 100 brands in March 2017, discovered 60% had "shop now" buttons on Facebook and 41% integrated the Like2Buy feature (a product from visual commerce platform Curalate) on Instagram.

## Adoption of Facebook\* and Instagram\*\* Social Commerce Features on Brand Sites Worldwide, by Industry, March 2017

% of total brands tracked by L2

	Facebook*	Instagram**
Big box (n=9)	89%	78%
Beauty (n=20)	86%	41%
Specialty retail (n=15)	85%	77%
Department stores (n=7)	71%	86%
Activewear (n=9)	56%	22%
Fashion (n=12)	42%	17%
Consumer electronics (n=8)	25%	0%
CPG (n=20)	20%	5%

Note: n=100; represents brands tracked by L2, broader industry metrics may vary; \*Facebook "Shop Now"; \*\* Instagram Like2Buy

Source: L2, "Content & Commerce 2017: Facilitating the Path to Purchase," May 9, 2017

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Though the individual verticals amounted to very small samples, it's fair to say that among those tracked by L2, big-box, beauty and specialty retailers were ahead in Facebook shopping, department stores led on Instagram,

and consumer electronics and consumer packaged goods (CPG) lagged in both areas.

## CONSUMER BEHAVIOR: NOT EXACTLY ANTI-SOCIAL

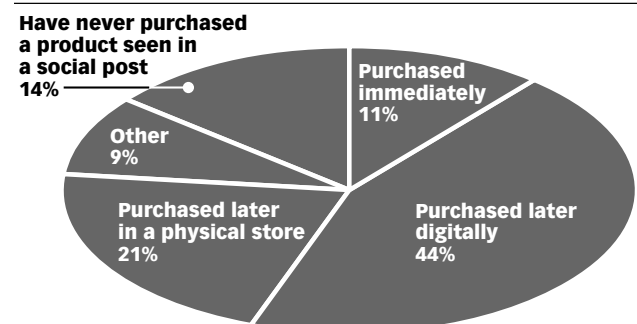
Digital shoppers do engage in behavior that could be characterized as social commerce, though buyers who convert immediately through social platforms are still in the minority, and multichannel journeys are hard to measure. “A major pain point in the advertising and retail industries is cross-browser, cross-device attribution ... everyone knows that last-click attribution isn’t the answer, but there’s no standard way right now,” said MikMak’s Tipograph.

When jewelry subscription service Rocksbox uses influencers on Instagram, it gets a boost in followers as well as an increase in brand searches. “That brand awareness doesn’t necessarily convert right away, though,” said Erin Miller, vice president of marketing at Rocksbox.

An August 2017 Curalate survey asked US internet users what action they took after discovering a product in a brand’s social media post. The largest number (44%) later bought online, and 21% bought in-store. Only 11% bought immediately.

### US Internet Users Who Have Purchased a Product After Discovering It on a Brand's Social Media Post, Aug 2017

% of respondents



Note: ages 18-65; numbers may not add up to 100% due to rounding  
Source: Curalate, "Social Content is the New Storefront" conducted by OnePoll, Nov 15, 2017

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Buying through any channel after discovering a product on social media was more common with younger internet users: More than eight in 10 (82%) of those ages 25 to 34 had done so, compared with 67% of those 55 to 65.

## PAID ADS

One of the hallmarks of modern social commerce is the move from organic traffic to campaigns enhanced through ad-based means. “Marketers entered [social commerce] by being organic. Today the platforms have created an environment where paying for your presence is almost preferred. It ensures certain results and outcomes,” said Greg Meyer, director of client partnerships at HYFN, an ad tech company.

According to an August 2017 CivicScience survey, 16% of US internet users said they had bought something based on a Facebook ad. A quarter as many named Instagram ads, and Twitter and Snapchat barely registered. However, close to half (45%) claimed they had never made a purchase based on an ad on social media.

### US Internet Users Who Have Made a Purchase Based on an Ad Seen on Social Media, by Platform, Aug 2017 % of respondents



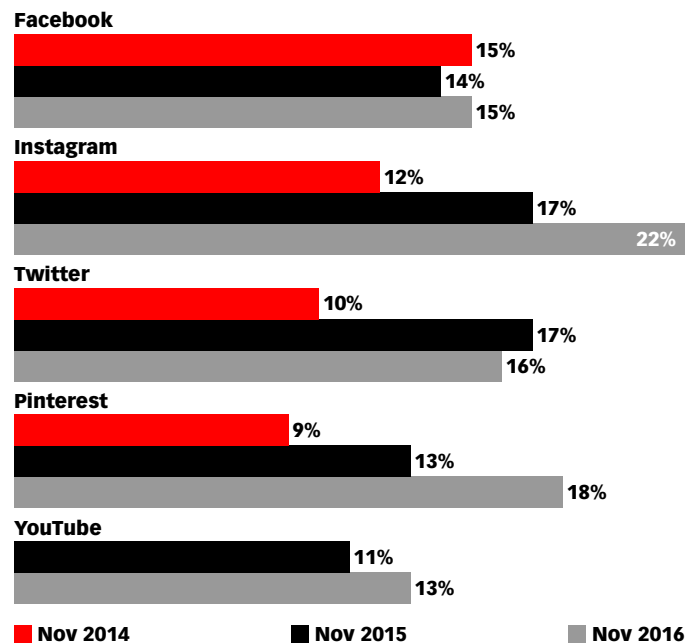
Note: n=1,909 ages 13+; base includes internet users who are not active social media users  
Source: CivicScience, Aug 24, 2017

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A UBS Evidence Lab study of US social media users who had bought a product or service after seeing social ads found the percentage of Facebook users who had bought items after seeing an ad on the platform has remained fairly steady over the past three years, at around 15%. In the most recent survey, conducted in November 2016, Instagram moved into the lead (22%), followed by Pinterest (18%) and Twitter (16%).

### US Social Media Users Who Have Bought Products/Services After Seeing Ads on Select Social Media Platforms, Nov 2014-Nov 2016 % of respondents



Note: ages 13+ who use each platform; YouTube not included in Nov 2014 survey

Source: UBS Evidence Lab, "US Internet & Interactive Entertainment: Convergence of Digital Media & Ecommerce," Jan 5, 2017

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The 18-to-34 age group had the largest proportion of social media users who bought after seeing an ad on Instagram (26%), Facebook (25%), Twitter (18%) and YouTube (18%). When it came to Instagram, Gen X's rate was not far off (22%).

## INFLUENCE

Friends and family are often cited as more influential than celebrities on purchase behavior, though the rise of influencer marketing has definitely had an impact on social commerce. “Social commerce started out pretty simply: Retailers would engage followers and hope that they would eventually convert into paying customers,” said Bill Connolly, director of content at Olapic. “It evolved to having strong influencers develop huge followings, and people came to value their opinions about what to buy.”

“I’ve heard the phrase ‘I just shopped her Instagram feed’ used more often than I can count,” said Kima Cooper, director of social and content at Birchbox. “I’m also curious about the impact tech applications like Kim Kardashian’s recently launched ScreenShop app could have,” she added, referring to the app debuted in November 2017, which has been described as “Shazam

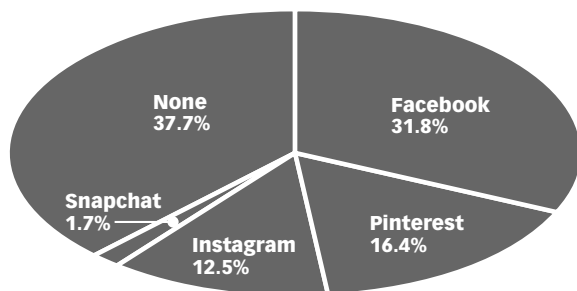
for fashion." Users can upload photos or screenshots, and the app will suggest similar outfits to buy.

According to an October 2017 survey by Open Influence, only 12.3% of US social media users said social media definitely influences their purchase decisions. The majority (55.3%) was in the "somewhat" camp. Friends or family were more influential than celebrities or strangers—65.0% of respondents had bought something because someone they knew posted about it on social media, compared with 38.3% who had purchased due to influencers.

There's little doubt that social media has at least some influence on purchase decisions, though the largest proportion of US social media users (37.7%) surveyed by ViSenze in August 2017 said no social platforms influenced their buys. Facebook was the most cited (31.8%), followed by Pinterest (16.4%).

### Primary Social Media Platform that Influences US Social Media Users to Make a Purchase Decision, Aug 2017

% of respondents



Note: n=1,003 ages 18+; numbers may not add up to 100% due to rounding  
Source: ViSenze, "2017 Visual Commerce Report: Retail," Oct 19, 2017

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In August 2017, ClickZ Intelligence drilled down by product category. Across the board, social media had less influence on purchases than the other five channels included in the survey. Baby care (38%), home cleaning (32%) and personal care (30%) were the leading categories that US digital buyers had bought due to social media.

### Sources that Influence US Digital Buyers' Purchase Decisions, by Product Category, Aug 2017

% of respondents

	Product reviews	Ecommerce sites (e.g., Amazon)	Search engines	Digital display ads	TV ads	Social media
Furniture or home decor	88%	83%	77%	61%	38%	25%
Home electronics	88%	82%	77%	49%	37%	23%
Pet care	81%	78%	63%	42%	41%	29%
Home cleaning	80%	70%	67%	44%	48%	32%
Baby care	78%	77%	71%	51%	43%	38%
Clothing	78%	78%	55%	48%	28%	19%
Personal care	77%	80%	66%	41%	40%	30%
Grocery	66%	63%	53%	39%	36%	26%

Note: ages 18+ who have digitally purchased each category in the past 12 months; responses of "important"

Source: ClickZ Intelligence, "The Age of Amazon: Maximizing the B2C Marketing Opportunity" in partnership with Catalyst, Oct 10, 2017

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A gen.video and Geometry Global survey from April 2017 also corroborates social's influence on baby product purchases. Instagram was particularly influential in the health and beauty category.

### Social Media Platforms that Influence US Internet Users' Purchases, by Product Category, April 2017

% of respondents

	Instagram	Twitter	YouTube	Facebook	Total platforms
Baby products	97%	95%	100%	89%	95%
Pet	91%	93%	95%	89%	92%
Consumer electronics	88%	85%	89%	81%	86%
Household supplies	87%	87%	82%	79%	83%
Health & beauty	92%	87%	80%	71%	81%
Food/beverage	79%	87%	67%	59%	68%
<b>Total categories</b>	<b>89%</b>	<b>89%</b>	<b>86%</b>	<b>78%</b>	<b>-</b>

Note: ages 18+; responses of "extremely" and "very influential"  
Source: gen.video and Geometry Global, "The Influence of Influencers," June 22, 2017

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Looking toward holiday shopping, in July 2017 PwC asked US internet users about social platforms that would influence their purchases. Attitudes differed greatly by age. A majority (53%) of those 51 to 70 said no social media would be influential, while Instagram, YouTube and Snapchat were strongly favored by Gen Z respondents. Facebook was the top platform among all older age groups.

## Social Media Platforms that Influence US Internet Users' Holiday Shopping, by Age, July 2017

% of respondents in each group

	13-16	17-21	22-35	36-50	51-70
Instagram	57%	54%	41%	19%	8%
YouTube	47%	35%	20%	21%	13%
Facebook	43%	44%	62%	50%	37%
Snapchat	35%	31%	10%	3%	1%
Pinterest	24%	27%	38%	27%	17%
None of these	6%	13%	18%	35%	53%

Note: respondents ranked their top 3

Source: PwC, "2017 Holiday Outlook," Oct 3, 2017

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## DIRECT SALES

While influence is more passive, researching is more indicative of intent. Social media was a fairly popular source for purchasing digitally among the worldwide internet users ages 18 to 36 surveyed by The Harris Poll for Salesforce in August 2017. Email was more popular than social among the older age groups.

## Locations/Channels Used by Internet Users Worldwide When Purchasing Products, by Age, Aug 2017

% of respondents

	18-36	37-52	53-71
Website	65%	71%	68%
Retailer's mobile app	45%	35%	23%
Social media	41%	27%	17%
Email	40%	32%	23%
Messaging app	35%	23%	13%
Phone	34%	21%	16%
Voice-enabled digital assistant	32%	23%	15%
SMS/text	31%	21%	13%
Video chat	31%	22%	10%
Chat or IM	30%	22%	13%
Physical store	29%	26%	21%
Other	18%	13%	6%

Source: Salesforce, "2017 Connected Shoppers Report" conducted by The Harris Poll, Sep 26, 2017

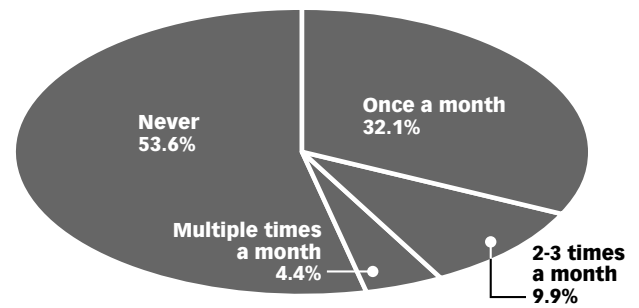
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According to the ViSenze survey, most social media users never make purchases that begin on social media, but nearly one-third do so once a month.

## Frequency with Which US Social Media Users Make a Purchase that Begins on a Social Media Platform, Aug 2017

% of respondents



Note: n=1,003 ages 18+

Source: ViSenze, "2017 Visual Commerce Report: Retail," Oct 19, 2017

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In a Sumo Heavy survey conducted over a year ago (in September 2016), only 18.2% of US internet users had purchased a product directly via social media. Around the same time (October 2016), AYTM Market Research asked US social media users about future intentions. Nearly one-third were neutral on the subject, though 25.4% said they were at least somewhat likely to purchase products through social media in the next two years.

Now, a year later, even fewer US internet users plan to buy directly from social media sites during the upcoming holiday season (16.8%). This September 2017 survey by Market Track was more specific about timeframe but likely still reflects shopping behavior generally.

Another survey about social's impact on holiday shopping was conducted by Astound Commerce in September 2017. Overall, 25% of US digital buyers said making purchases via social channels will be very important this holiday season. Drilling down further, Facebook was greatly favored for purchasing (38%), though the split between millennials and nonmillennials was notable (35% vs. 46%). Younger social media users were more likely to buy via Instagram and Snapchat.

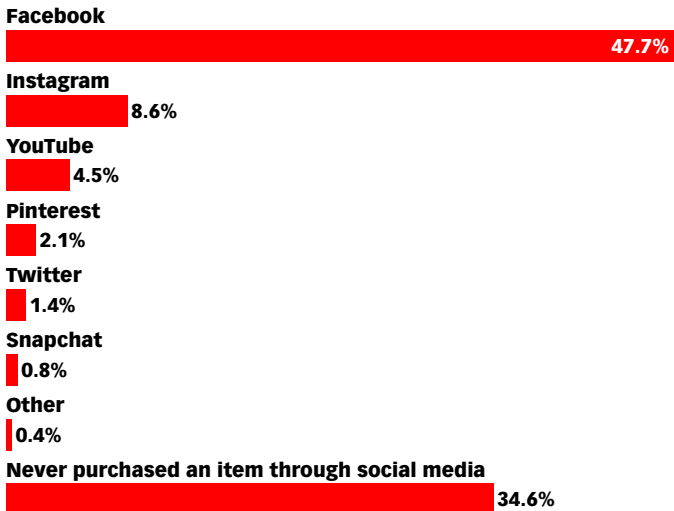
The Facebook-centric outlook is more unique to the US, though. In a worldwide GlobalWebIndex survey of internet users conducted in Q4 2016, Facebook tied for last with YouTube (13% each) in terms of respondents' interest in using social media buy buttons. reddit (21%) and Tumblr (20%) were more desirable with this global audience.

In the Open Influence survey, Facebook also dominated among the roughly 64% of US social media users who had bought directly from a post, followed by Instagram in a distant second place (8.6%). The leading category

bought was apparel (32.4%), then food and beverage (17.9%) and entertainment (14.3%).

**Social Media Platform on Which US Social Media Users Last Made a Purchase Directly from a Social Media Post\*, Oct 2017**

% of respondents



Note: n=514 who use social media at least once a week and follow any celebrities or people they don't personally know on social media; numbers may not add up to 100% due to rounding; \*or link within a post  
Source: Open Influence, Oct 24, 2017

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Perhaps not surprisingly, deals or discounts were chosen as the biggest motivator for US social media users to buy through a social platform, at 52.1% of respondents. Free shipping was also desirable (34.6%).

**Primary Factor that Would Motivate US Social Media Users to Make a Purchase on Social Media, Oct 2017**

% of respondents



Note: n=514 who use social media at least once a week and follow any celebrities or people they don't personally know on social media; numbers may not add up to 100% due to rounding; \*i.e., available for a limited time  
Source: Open Influence, Oct 24, 2017

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This was reinforced by a 2017 UPS survey, which found 55% of online buyers who have bought via social media, and 60% of millennials, think daily deals are important. Nearly four in 10 (38%) of social media users (46% of millennials) said they seek out promotions.

**The Power of Visual Content**

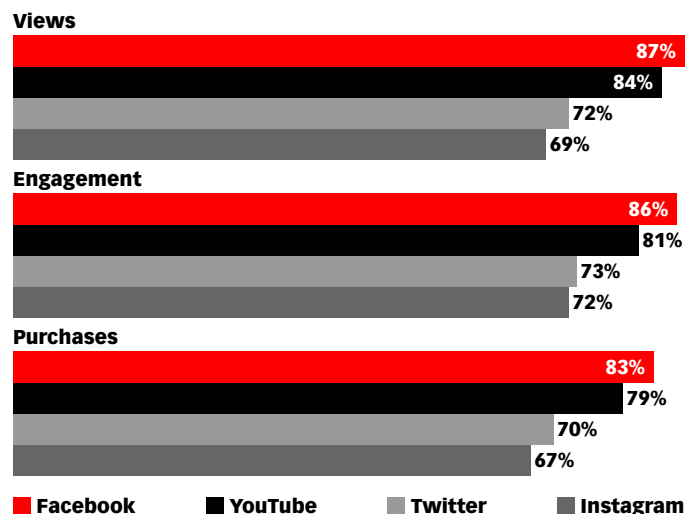
Whether video or static images, visuals often boost commerce. At the same time, there is currently a disconnect between the dazzle of social media and the staid nature of retail product pages. "I would argue today that ecommerce remains one of the least emotional places online. And where we have the greatest emotional experiences are environments where we lose 9 hours of our lives binge-watching video after video," said MikMak's Tipograph.

HYFN's Meyer expressed a similar sentiment. "Dynamic content is key for us. Certainly stories that are told with motion, animation, cinemagraphs, video are more appealing," he said.

More than four-fifths (83%) of US marketers were confident in their ability to drive purchases through video content on Facebook, according to April 2017 polling from Animoto—nearly the same number who were confident in driving views and engagement with videos on the platform. Marketers in the survey were least confident about video content on Instagram.

**US Marketers Who Are Confident in Their Ability to Create Video Content that Will Drive Views, Purchases and Engagement on Select Social Media Platforms, April 2017**

% of respondents



Note: responses of "confident" and "very confident"  
Source: Animoto, "The State of Social Video: Marketing in a Video-First World," June 6, 2017

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In addition to their appeal, images are also just practical when it comes to many retail categories, as for beauty ("before and afters") and apparel and footwear

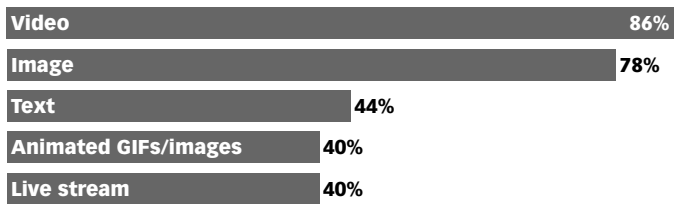
(360-degree views, color and style options, and showing what items look like on different-size models.)

Nearly seven in 10 (69.5%) of US social media users were “sometimes” interested in buying products viewed in images or video when browsing retail sites or social media, according to the ViSenze study. This was far more than the one-fourth who said they were never interested.

In the gen.video and Geometry Global survey, video was the leading format that influenced purchases among US social media users, at 86% of respondents. Images also had high marks (78%). Both visual offerings had more impact than text.

**Social Media Content Formats that Influence US Internet Users to Purchase a Product, April 2017**

% of respondents



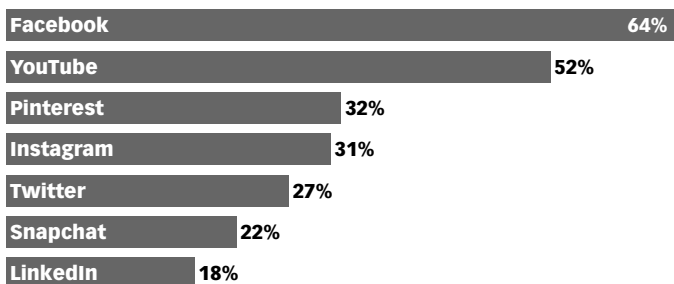
Note: ages 18+  
Source: gen.video and Geometry Global, "The Influence of Influencers," June 22, 2017

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Videos on Facebook influenced 64% of social media users to make a purchase, followed by YouTube (52%), just as the marketers in the same study predicted. Pinterest, which wasn't included in the above question, was slightly more influential than Instagram.

**US Internet Users Who Have Made a Purchase Influenced by a Video on Social Media, by Platform, April 2017**

% of respondents



Note: ages 18+; in the past month  
Source: Animoto, "The State of Social Video 2017: Marketing in a Video-First World," Sep 8, 2017

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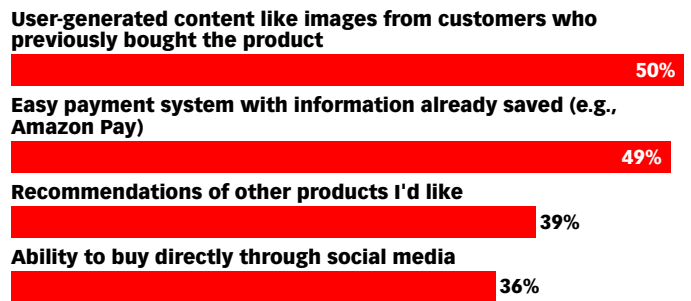
Zabrina Hossain, product manager at Shopify, predicts that shoppable video will become more commonplace.

“With the rise in popularity of live videos, live shopping will become even more popular, allowing influencers and merchants to sell to their followers in real time,” she said.

In the Curalate survey, half of US internet users cited user-generated content like images as a factor that would influence them to buy a product via a social platform. This was nearly equal to the number who said the same of a stored payment system.

**Factors that Would Influence US Internet Users to Purchase a Product from a Brand's Social Media Channel, Aug 2017**

% of respondents



Note: ages 18-65  
Source: Curalate, "Social Content is the New Storefront" conducted by OnePoll, Nov 15, 2017

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There was less interest in buying directly from social media (36%), an attitude likely to carry over into 2018. As “social commerce” keeps evolving and constitutes a wider range of tactics, marketers will have to continue to assess if using social platforms aligns with desired outcomes.

## SOCIAL PLATFORMS: THE BIG FOUR

The social media giants, like Facebook and Instagram, are more conducive to sales, due to their larger audiences and more robust ad products. Others, like Snapchat (with its younger user base) and Pinterest (with its majority-female user base) attract narrower audiences.

### FACEBOOK

Facebook has generally been the platform that retailers turn to first, since it is the most established and has the largest user base of all the social networks. Over the years, the pendulum has swung back and forth repeatedly, from national brands putting their catalogs on Facebook, then to mostly small businesses using third parties like Shopify to sell, then, more recently, back to many big retailers like Target using Carousel and Canvas ads that include “Shop Now” buttons.

One major shift: going from trying facilitate the sale within Facebook to aiming to reduce friction and the number of steps users take to get to a retail site or product page and convert there.

Facebook offers numerous retail-friendly features with the goal of creating conversions. Here’s a recent selection:

#### September 2016

- **Dynamic Ads for Retail** integrates with a product catalog and uses Custom Audience profiles to retarget potential customers. These ads can show product descriptions, similar products, buy buttons or other calls to action (CTAs), as well as inventory information for particular store locations.

#### October 2016

- **Marketplace.** A peer-to-peer location-based classifieds section. It’s not monetized (yet), though it collects payment details and other user data, and could change the perception of Facebook so that it’s viewed more as a commerce platform.

#### January 2017

- **Store Visit objective,** which dynamically localizes ad messaging with custom business locations, directions and maps, and CTAs like “Get Directions” and “Call Now” or “Send Message” on Messenger.

#### March 2017

- **Collection** ads are a way to display products for browsing on mobile. “Grid layout” places products in a catalog-like format, while “lifestyle layout” features an image or video with a scrolling product display below, which can link to a specific product page.

#### October 2017

- **Sets,** still being tested, resemble Pinterest boards. Users can combine posts, photos and videos and share them as a themed collection.

### Messenger

Monetizing messaging apps is a whole subject unto itself and will likely become even more prominent in 2018. Already, 80% of the brands included in the L2 study had adopted Facebook Messenger.

In the US, chat apps are currently used more for customer service than commerce. A UPS survey from Q1 2017, though, didn’t find a big gap between US digital buyers’ most common shopping-related chatbot activities—getting product info (42%) and ordering products (39%).

#### Shopping-Related Activities that US Digital Buyers Conduct via Chatbot, Q1 2017

% of respondents

Getting product information	42%
Completing my order	39%
New product updates	39%
Returning products	39%
Ordering products	38%

Note: ages 18+

Source: UPS, “Pulse of the Online Shopper” in association with comScore and the e-tailing group, June 7, 2017

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Chatbots can be used to facilitate purchases, make product suggestions and even provide one-click buying, as with Facebook Messenger, which stores payment info. Nike offers a sneaker design generator through its chatbot, and Sephora’s provides makeover reservations. Facebook’s vice president of messaging products, David Marcus, said during his keynote at the 2017 F8 conference that Sephora saw an 11% lift in bookings through its Sephora Reservation Assistant. He ascribed this to the assistant taking five fewer steps to complete a reservation than Sephora’s app did.

These and other winning chatbot strategies tend to be the exceptions, however. Overall, the first wave of

chatbots has been a little underwhelming, according to Caroline Klatt, CEO of Headliner Labs, a chatbot company. “Marketers were trying too hard to take the sexy rather than functional approach,” she said. For instance, a functional example might entail retailers chatting with a customer (instead of sending an email), or sending a Facebook message with a discount for products that a user is looking at, or providing a direct link to a product and offering one-click payment in-chat.

American Express has experimented with using Messenger to drive sales on Facebook, by allowing users to link a credit card with a Messenger account to buy items advertised on Facebook. This eliminates the need to enter credit card details for each purchase.

“There are now a variety of different areas where customers can make purchases on Facebook, and we see a lot of customers choosing to use [our card-linking capability],” said Matt Sueoka, vice president of digital partnerships and development at American Express.

## INSTAGRAM

As Instagram adds enhanced functionality and formats like dynamic ads imported from Facebook, the platform has grown in popularity for commerce-related activities. Since URLs aren’t allowed in organic posts, enabling shopping was until recently only done with third-party services like Curalate’s Like2Buy.

### August 2016

- **Instagram Stories** is an engagement feature that allows users to swipe up with a “See More” call to action. A product grid is then displayed, and from there users can click to reach the retail site, where a purchase can be made.

### November 2016

- **Instagram Shopping** began, via tests with retail partners like Macy’s, Warby Parker and Lulus. On their account, brands can tag up to five products per image and include descriptions and prices, which show when users click the “Tap to View” icon. A “Shop Now” link on the carousel of product images redirects users to the product page on the brand site.

### March 2017

- **Instagram Shopping** expanded to fashion, jewelry and beauty brands that use ecommerce platforms Shopify

or BigCommerce, which provide analytics like views and clicks that were otherwise unavailable.

### June 2017

- A redesign of the **call-to-action button** now allows it to span the full width of an ad, with text appearing on the left. According to Instagram, performance increased by more than 45% after the revamp.

### October 2017

- **Instagram Shopping** expanded to more merchants.

As an early adopter of Instagram Shopping, Lulus has seen that nearly 33% of users who tap to learn more about a product end up visiting its ecommerce site. “Instagram continues to be a key discovery platform for us, and the development of a native and authentic shopping experience on the platform has taken discovery to the next level for customers,” said Noelle Sadler, Lulus’ vice president of marketing. “It has opened a great deal of opportunity for us to engage new and existing customers.”

Instagram Stories have been the most successful at conversion this year, according to Dr. Brandt’s Raggiri. “We grew our ecommerce sales 150% because of social,” she said, attributing this boost to focusing on content strategy in 2017. “We thought about monetizing each channel on its own business property and everything that channel has to offer—anything a customer can touch or tap or see or hover over.”

For Dr. Brandt, campaigns that focus on engagement, content and conversion have been more successful than using straight Instagram Shopping. The brand partnered with wellness site HBFit to promote Water Booster, an antioxidant product, on HBFit’s Instagram Stories. The campaign made use of MikMak Attach, which adds a shoppable video layer to Instagram Stories (or Snap Ads) and therefore keeps users in the platform, rather than sending them off to a separate website. “This is an audience that is not following a brand for a discount, but is highly engaged with the channel. And we gave them the ability to shop in that channel’s Stories, not just swipe up and get the information and then have to go to multiple websites to try to buy it,” Raggiri said.

Rocksbox uses Instagram to enable its followers to add products to their wish list via hashtags. These items get included in subscribers’ next shipment so they can assess and select whether to buy. “That does drive purchases, because we see a strong correlation between delivering

wish list items in our customer's sets and the likelihood of purchasing," Miller said.

## PINTEREST

Pinterest users can interact with brands and other users, though the platform is more product-centric and less like a social network. This is by design, as the company wants to be known as a discovery site. A majority of content on Pinterest is "repins," so the potential for amplification is big. "Pinterest has a pretty smooth native social commerce experience. For a retailer, the fact that pins have a longer shelf life than posts on other platforms is a huge plus," said Birchbox's Cooper.

On the surface, Pinterest would seem to be the most sales-centric of major social platforms. However, even though it launched Buyable Pins in 2015, it hasn't cracked the social commerce code yet.

### February 2017

- **Shop the Look** displays white dots on pinned images that users can click to open a gallery of similar items for purchase.
- Debuted a partnership with **ShopStyle Collective**, ShopStyle's network of influencers. The Collective can make shoppable looks available on Pinterest.

### November 2017

- **Lens your Look** encourages app users to take photos of clothing they own and get style ideas from Pinterest boards. According to the company, visual searches have grown nearly 70% year over year.
- **Pincodes**, similar to QR codes, can be featured on products, in magazines and in-store—Nordstrom and The Home Depot are early testers. A scan takes the user to a branded Pinterest board. Potentially, this can bridge offline and online measurement to give a better sense of return on investment (ROI).

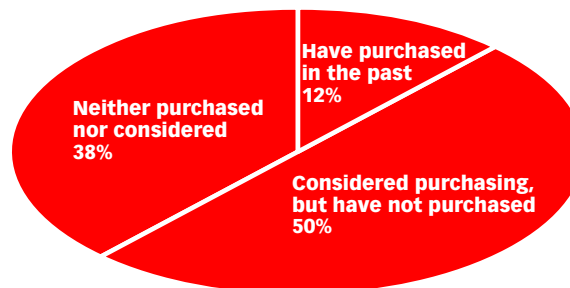
According to Omar Seyal, head of discovery products at Pinterest, users save Shop the Look pins roughly five times more often than regular pins, and brand website referrals are two to three times higher. "Instead of just showing related pins, we show you related actionable and purchasable pins," he said.

A March 2017 survey by SharesPost found that only 12% of US Pinterest users had made a purchase through the

platform, though half had considered it. That's the 50% marketers are trying to tap. Additionally, 48% of Pinterest users surveyed said they use it to browse products.

### US Pinterest Users Who Have Purchased or Considered Purchasing Products on Pinterest, March 2017

% of respondents



Note: n=2,126 ages 18+  
Source: SharesPost, "Pinterest: At the Intersection of Shopping, Search and Social," May 24, 2017  
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www.eMarketer.com

## SNAPCHAT

Snapchat, the app that was once the exclusive domain of teens sending ephemeral messages, has matured into a platform with more brand-friendly features, though it's not necessarily geared for commerce.

### January 2017

- Began testing **deep linking**, which allows advertisers to direct users to their apps or webpages when users swipe up on an ad.
- **Autofill**, which prefills forms with known information. This could aid lead generation and potentially reduce friction for mobile commerce.

### April 2017

- Introduced **Snap to Store**, a tool that analyzes the number of people who come to a physical store location within a week of seeing a Snap Ad. A dashboard demonstrates in-store traffic lift and tracks incremental visitors.

### June 2017

- Acquired advertising data company **Placed** to better track in-store conversions resulting from digital ads, another move to bridge online and offline.

## November 2017

- Brands running Sponsored Lenses or Sponsored Geofilters can add **Context Cards** to them. Users swiping up will see a link in Snapchat's in-app browser—and that link can be tracked via a custom URL. It's not hard to imagine a beauty or fashion brand using a Sponsored Lens linking to a coupon.
- **Snap Pixel** allows the tracking of site visitors and conversions after Snapchat users view an ad.

Many think Snapchat has potential to facilitate sales in the future. "Snapchat is just really getting started with its Pixel, where you can start to measure attribution from your spend," said HYFN's Meyer. "It's a little early to speak to Snapchat as a sales driver, but I assure you that once that Pixel starts firing for us and other advertisers, marketers are going to figure out exactly how to use that channel for the sake of the business."

## OTHER SOCIAL COMMERCE-ENABLING SITES

eMarketer doesn't categorize **YouTube** as social media, though many do. The platform launched Enhanced Shopping Ads in 2015, but hasn't introduced ad formats geared toward retailers recently. With growing popularity of live videos, though, video commerce could be on the rise.

**Amazon**, perhaps surprisingly, has been absent from major social media ventures. In July 2017 it launched Spark, a social feed for user-generated photos. Anyone can view it, but only Amazon Prime members can post and comment. Users can follow topics, other users and "enthusiasts" (typically influencers), and they can also buy from the feed, which is easy due to Amazon's one-click mechanism, brought over from its shopping site and mobile apps.

Social commerce doesn't just occur on dedicated platforms. A number of companies with social components, like fashion-oriented Lyst and Wanelo or Houzz for home goods, have emerged as middlemen for transactions.

Additionally, media properties like Business Insider, Bustle and Gizmodo Media (formerly Gawker Media) have gotten into affiliate sales, which could be loosely described as social commerce. "Though BuzzFeed is a publisher, we consider [affiliate sales through] it social commerce as

well, because they use their huge social media followings to share content and products," said Shopify's Hossain.

She gave an example of a video BuzzFeed created for its Tasty channel, which featured a Shopify merchant's salad cutter and had a referral link below it to an online store. "The video received 18 million views, so you can only imagine the lift in sales and traffic this merchant got from being featured."

## EMARKETER INTERVIEWS

### Consumers Like Facebook Messenger Bots, But Need Some Hand-Holding, American Express Says



**Matt Sueoka**  
Vice President, Digital Partnerships  
and Development  
**American Express**  
Interview conducted on May 16, 2017



**Kima Cooper**  
Director, Social and Content  
**Birchbox**  
Interview conducted on November 17, 2017



**Bill Connolly**  
Director, Content  
**Olapic**  
Interview conducted on November 16, 2017



**Zabrina Hossain**  
Product Manager  
**Shopify**  
Interview conducted on November 16, 2017



**Caroline Klatt**  
CEO  
**Headliner Labs**  
Interview conducted on November 10, 2017



**Greg Meyer**  
Director, Client Partnerships  
**HYFN**  
Interview conducted on November 15, 2017



**Erin Miller**  
Vice President, Marketing  
**Rocksbox**  
Interview conducted on November 9, 2017



**Lisa Raggiri**  
Vice President, Digital and Consumer Strategy  
**Dr. Brandt Skincare**  
Interview conducted on November 15, 2017



**Noelle Sadler**  
Vice President, Marketing  
**Lulus**  
Interview conducted on November 20, 2017



**Omar Seyal**  
Head of Discovery Products  
**Pinterest**  
Interview conducted on May 1, 2017



**Rachel Tipograph**  
Founder and CEO  
**MikMak**  
Interview conducted on November 14, 2017

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[Facebook Advertising 2017: Five Factors that Could Rein in Future Growth](#)

[Snapchat Usage and Advertising 2017: Separating Fact from Fiction](#)

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