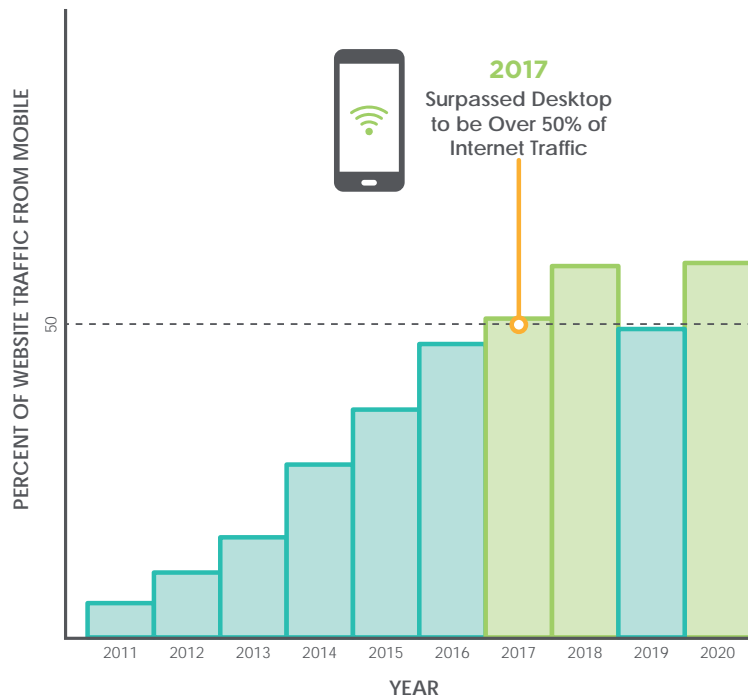# DRIVING PURCHASE DECISIONS ON SOCIAL

The Evolution of Social Media for Brands: May, 2020

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SOCIAL MEDIA SHIFTS CONTENT CONSUMPTION

Before we dive into the full transformation of content on social media, we'll take a quick glimpse into the past. Over the last decade, we've experienced a massive shift in content consumption. One of the more pivotal milestones was in 2017 when mobile internet usage finally surpassed desktop.[1]

MOBILE WEBSITE VISITS SURPASS DESKTOP

2017
Surpassed Desktop to be Over 50% of Internet Traffic

PERCENT OF WEBSITE TRAFFIC FROM MOBILE

50

2011 2012 2013 2014 2015 2016 2017 2018 2019 2020

YEAR

The evolution of content consumption had major implications on brands needing to adapt in order to stay relevant: creating mobile-first, easily digestible content, that users could connect with while on-the-go. This is meant to add context around how human behavior has ultimately shifted and how brands should approach conversations with customers. Looking forward, the digital landscape continues to shift to meet people's demands, with social media as a prime example. A few other relevant trends and consumer needs for brands to keep in mind are:

- Short attention spans and a thirst for content
- The effects of COVID-19 on consumer behavior
- Designing video for vertical on mobile

PHONE ORIENTATION FOR VIDEO[2]

95%
of the time

VS.

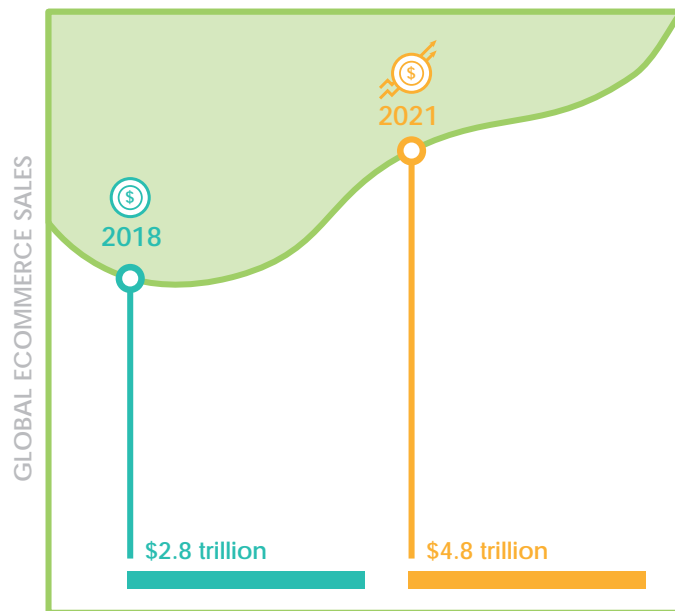Hold phone **horizontally**

6%
of the time

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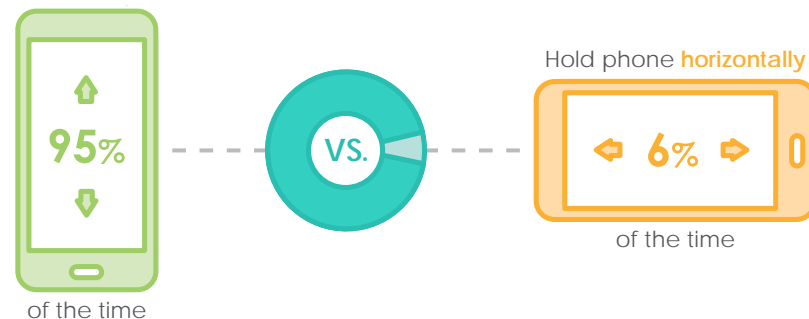
HOW HAS SHOPPING EVOLVED?

In 2018, 1.8 billion people worldwide made a purchase online, while global e-tail sales hit about $2.8 trillion. By 2021, we expect this amount to rise to $4.8 trillion, a 71% increase over 3 years.[3]

THE GROWTH OF ECOMMERCE

2021

2018

GLOBAL ECOMMERCE SALES

$2.8 trillion

$4.8 trillion

What's driving this growth? It's a combination of things, most prominently: consumer adoption of ecommerce as an easy replacement for shopping in-store, and technology shifting focus to online experiences that facilitate this fast-growing user adoption. This constant feedback loop has created an ecosystem

where more users are willing to shop online, while they increasingly expect better experiences. As consumer demand for frictionless capabilities grows, brands need to embrace change and adapt quickly to evolve alongside their customers. In order to paint a picture of this shift, we'll discuss Instagram Shopping, Facebook Marketplace, Pinterest, and newcomers TikTok and Snapchat.

INSTAGRAM SHOPPING

Instagram Shopping is a strong example of how social media merges the social experience with commerce for seamless brand discovery and purchase in one app, allowing users to browse product offerings and pricing all in one place.

In its early form, Instagram Shopping was an organic feature that allowed brands to tag products in their posts, with the product info fed through a catalog. As user engagement increased, brands leaned into this feature as an opportunity to create native content aimed at driving real business results.
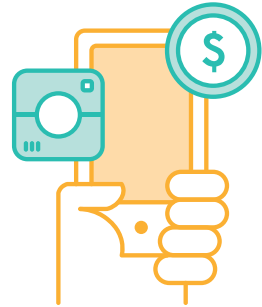
Facebook opened the feature to influencers in May of 2019[4], which further contributed to its growth and user engagement. Influencers already have highly-engaged, loyal followings, so adding the shopping function was a win-win, creating a seamless experience for users and allowing products to be easily linked.

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HOW HAS SHOPPING EVOLVED?

One of these early adopters of Instagram Shopping, Barbour, an outerwear retailer, saw a 42% increase in sales from Instagram, with a 98% lift in traffic while spending nothing on paid advertisements[5].

It's important that businesses welcome this innovation and make sure your brand is ready to use Instagram Shopping for ecommerce.

INSTAGRAM SHOPPING CASE STUDY

42% increase in sales
from Instagram, with a
98% lift in traffic
with no paid advertisements

INSTAGRAM MONTHLY USERS

130M users
interact with Instagram Shopping
content each month

Today, a brand can place media dollars behind those shopping posts in order to serve a wider range of users on Instagram Feeds and Stories and facilitate the actual purchase of those products within the app itself. Early testing of this feature has proven successful, as it helps "reduce the number of steps it takes from discovering a product on the platform to purchasing."
With 130M users interacting with Instagram Shopping[6] content each month, it's becoming a normal method of online shopping.

FACEBOOK MARKETPLACE

Marketplace shows how social media facilitates commerce interaction among users, not just from businesses. Marketplace allows people to assess competition of goods quickly and to safely purchase from their local community with transparency, relieving some anxiety that comes with purchasing from strangers.

What started as a small platform for users to buy and sell in their communities has grown to see millions using the feature every day. 1 in 3 people in the US are now actively using it each month[7].

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HOW HAS SHOPPING EVOLVED?

You may wonder how the ecommerce shopping evolution affects brands and their marketing strategy. Within the past year, Facebook Marketplace has expanded to allow advertisers to also position their products in a native format at a highly influential moment: when someone is actively searching for a solution. As a result, users are able to compare used prices against new product prices, as well as potentially find more specific solutions that might not be available through marketplace sellers.

Across all of our agency clients, Adlucent has seen promising results, with returns up to 13x on prospecting-specific campaigns, as Facebook has identified the Marketplace as an efficient area of incrementality. Even though users flock to this marketplace in search of used goods, they could potentially find a better solution in a new product, so brands should take steps to utilize those opportunities.

PINTEREST

Another area where social media facilitates a shopping experience journey from start to finish is Pinterest. Now the 3rd largest social media platform in the US[8], it is a channel where we've seen tremendous growth in both its user base (MAU up 26% YoY), as well as its revenue, which was over $1 billion in 2019[9].

PINTEREST IS THE 3RD LARGEST SOCIAL PLATFORM IN THE USA

Pinterest attributes this revenue growth to the shopping landscape they've created, steadily capturing more brand ad dollars and starting to become a "no-brainer" channel for any brand wanting to drive more awareness across engaged audiences. Pinterest is uniquely positioned and knows it. Ultimately, users are taking advantage of this platform to plan their purchases.

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HOW HAS SHOPPING EVOLVED?

Pinterest presents an opportunity to influence the shopping discovery process every step of the way. From larger moments like weddings to daily activities like inspiration for an outfit or a new Dungeons and Dragons narrative, people pin – to plan.

Pinterest successfully uses what it knows about its user base to create an ecosystem for brands to contribute in a non-intrusive and extremely relevant way. Pinterest is a more personal space than traditional social media, and users seek out and engage with content they're often using for inspiration.

With this comes more intimate data points that allow for stronger segmentation across interests that brands can use to identify who would be interested in their products. Pinterest is used primarily as a discovery engine. Knowing this, your brand can position itself at the start of customer journeys, sometimes even sparking them.

However, you shouldn't discount the purchase intent users could have while perusing Pinterest, as users tend to spend more than non-users when they find a brand that fits their needs. In order to adapt to this channel, brands should tell a story that offers a cohesive experience across the funnel, while making sure messaging matches observed intent.

Pinterest offers "push" and "pull" marketing tactics to enable better targeting and messaging. As a discovery and ideas platform, Pinterest offers both the Browse and Search surfaces, which could point towards slightly differing intent. The Browse surface, or home feed, is generally where users engage with a variety of content. And, the platform may spark their personal interests as they see what Pinterest has matched to their behavior.

The Search surface is where users are specific in their intent, actively seeking out inspiration, while sometimes even looking for solutions. With 97% of queries non-brand and 70% just 3 words or less[10], there's still a general sense of broad discovery going on, just with a mindset that's slightly more locked into an idea. It's essential to find balance when planning creatively, making sure you take into account intent, while catering to the story you're trying to tell.

MOST PINTEREST SEARCHES ARE NON-BRANDED AND SHORT

97% of queries are non-branded

"New Baby Gifts"

70% of queries are 3 words or less

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STARTING MEANINGFUL CONVERSATIONS ONLINE

How can brands facilitate conversations that matter, while packaging them in the way that meets customer expectations for an easily digestible, friction-less format?

SOCIAL MEDIA INFLUENCERS

Influencer marketing has been on the rise, as more brands start to lean in with a goal of reaching new customers. Consumers have always heavily relied on "word-of-mouth" recommendations when considering a purchase, whether from friends, celebrity endorsements, or even product reviews left by strangers.

It's important to note that social influencers are not just celebrities addressing millions of fans. Many are social media users who have become authorities on specific topics, like parents with newborns discussing their favorite stroller, or cross-country athletes rating the newest all-terrain shoes. These users voice their ideas and opinions on topics and products they have experience with. And, they build relationships with their followers because they communicate their experiences in an authentic, relatable way.

Why does this matter to you? As a brand using social media as a source of communication, it's vital to understand the impact influencers have on purchase decisions. With 49% of consumers depending on influencer recommendations before making a purchase[11] and 92% trusting them over celebrities[12], brands would be wise to adopt this strategy in a relevant manner.

INFLUENCER RECOMMENDATIONS

49% of consumers depend on influencer recommendations.
92% of consumers trust influencers over celebrities

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STARTING MEANINGFUL CONVERSATIONS ONLINE

CAUSE MARKETING

As brands start leaning on influencers to build brand value, it's necessary to understand what content resonates with consumers. This is where Cause Marketing comes in. When companies use their brand's voice to promote a relevant cause that extends beyond a revenue-driving purpose, they can support movements that improve society. It is often said:

*"People don't buy what you do, they buy why you do it."*

So, understanding the motivation of your target market and relating to what they care about in an authentic way is a recommended strategy for most brands.

With the proliferation of brands, as well as the specialization of brand offerings, building brand loyalty is becoming increasingly difficult, with 76% of consumers saying that it's "easier than ever to take their business elsewhere.[13]" Brands are in constant competition for consumers' attention, flooding user news feeds with a myriad of content every day. With no shortage of selection, cause marketing is a proven effort to help your brand stand out.

Brands need to find long-term strategies that align with their core values, and those that do "have seen their brand valuation increase by 175% over the past 12 years vs a median growth rate of 86%.[14]"

An example of consistent, long-term Cause Marketing is Patagonia's support of nature sustainability. Not only do their paid promotions deliver a clear message focused on conservation, but their site continues the narrative, pledging 1% of every sale to the "preservation & restoration of the natural environment" since 1985.

BRANDS NEED TO ALIGN CAUSES WITH CORE VALUES

Long-term Strategies

Aligned with Core Values — 175%
Median Growth Rate — 86%

Brand Valuation Growth, 2006-2018

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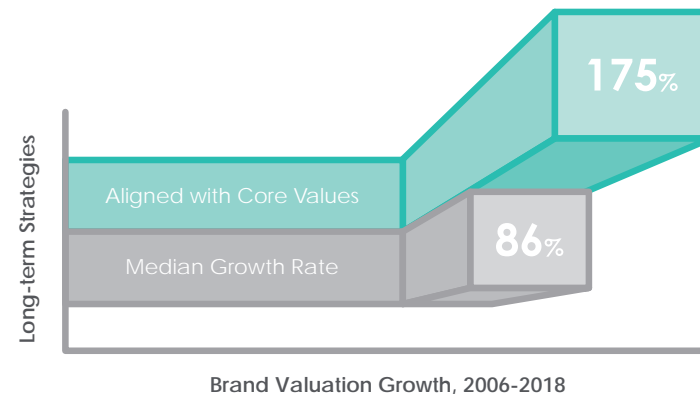
STARTING MEANINGFUL CONVERSATIONS ONLINE
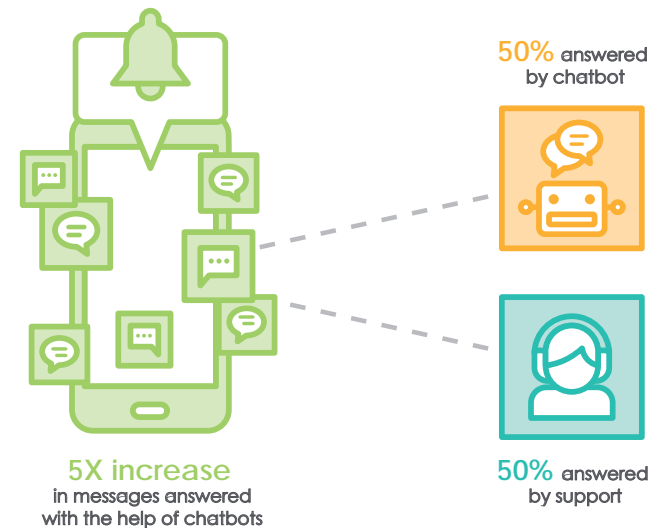
CUSTOMER SERVICE ON SOCIAL MEDIA

As consumers get more comfortable using social media as a primary way to contact friends, it's only natural they use it to engage with brands as well. Facebook has seen tremendous growth in communication between businesses and consumers. One of the first examples was customers using Messenger to chat with travel companies. The fast information needed to coordinate travel arrangements made messaging an attractive channel for businesses and consumers alike. And, the ability to scale and personalize via AI has streamlined processes, in some instances cutting down customer service times by 33%[15].
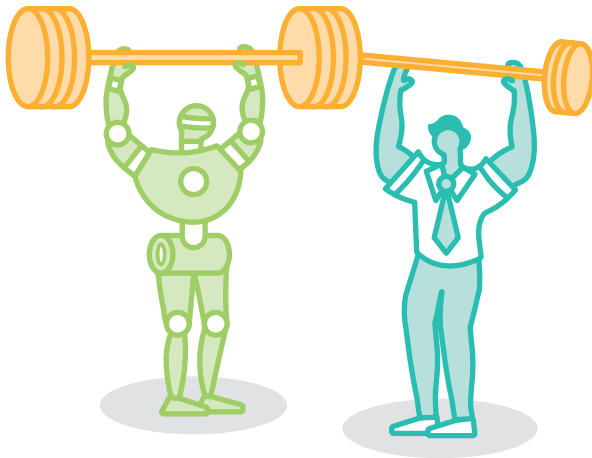
Chatbots have played a huge role in the growth of this adoption, allowing for simple requests to be handled through AI. Not only are chatbots able to solve issues, but they also play a pivotal role in product discovery and order fulfillment.

Canadian Airline WestJet saw a 5x increase in messages they could support with 50% handled by a chatbot[16].

SOCIAL CHATBOTS IMPROVE CUSTOMER SERVICE

50% answered by chatbot

5X increase in messages answered with the help of chatbots

50% answered by support

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STARTING MEANINGFUL CONVERSATIONS ONLINE

Brands should understand the growing possibility of AI, as "64% of people say they would prefer to message rather than call a business, and 60% say they are open to receiving personal messages from companies[17]." The opportunity is massive, and with over 20 billion messages being sent between users and businesses each day[18], brands should join the conversation because, whether you like it or not, everything is a brand experience.

Facebook Messenger isn't the only way a brand can support customers. Social listening, when executed correctly, can have a huge impact on customer advocacy.

SOCIAL LISTENING

Social listening is proving necessary as social media has intertwined more with people's daily lives, offering them a place to connect with friends and other like-minded users to trade stories and experiences. In short, social listening is the active monitoring of how your brand and its products are being discussed and portrayed in various social channels, and turning those insights into action. Although these conversations appear to be typical, the natural opinions and perceptions can help drive better product and messaging innovation for brands willing to listen.

Actions inspired by social listening could be anything from updating a current product's features to changing a messaging style on a specific channel to best fit the landscape.

It's increasingly important to watch for feedback across social media posts, comments, and reviews and to be there for those who provide the feedback. Almost 50%[19] of US consumers say they view a brand more favorably when brands use social media to address customer service questions or complaints, while not responding could result in a 43% decrease in customer advocacy[20].

CUSTOMERS PREFER BRANDS USE SOCIAL MEDIA

47%
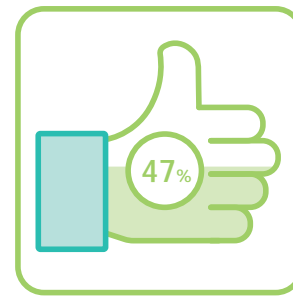
47% view brands more favorably when they use Social Media to address questions or complaints

43%
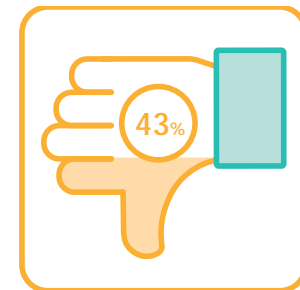
Not responding to questions or complaints could result in **43% lower customer advocacy**

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NEW PLATFORMS & NEW TIMES

TikTok and Snapchat are prime examples of companies embracing short attention spans and insatiable thirst for endless content. In response to COVID-19 social distancing, as consumers have been spending more time at home, TikTok, in particular, has been even more significant. People are looking for new and exciting ways to stay entertained without their usual routines to keep them busy.

TIKTOK

TikTok allows users to create short videos to express themselves quickly through dance, comedy, or whatever form they feel comfortable with. By understanding what users want, they've nearly doubled their US user base in the last year, while expecting to surpass 50M users in 2021[21].

TikTok
expecting to surpass
50M
US users in 2021

TikTok has become a place for users to distract themselves from all that is going on in the world. Brands that are actively on the platform, or are considering joining, should find ways to engage their audience creatively and authentically through the creation of 15-60 second videos.

NEW PLATFORMS & NEW TIMES

SNAPCHAT

Similarly, Snapchat understands the need for ephemeral content in video form and built a place where users can share short-form videos, most prominently with their own friends. It has even started to become the main means of communication among Gen Z users, so it's not surprising that 78% of 18-24 year old internet users are using the app[22], with global ad revenue coming in at over $1.5B in 2019[23].

MOST YOUNG INTERNET USERS ARE ON SNAPCHAT

78%
of 18-24yo internet users are using **SnapChat**

SNAPCHAT GLOBAL AD REVENUE

+$1.5B
dollars in 2019

Considering the quick growth of the newer apps' popularity in the past months, many brands may find that it is a good time to expand their digital marketing strategy to include TikTok and Snapchat.

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RECOMMENDATIONS FOR ACTION

Understanding the ever-evolving consumer landscape on social media is one thing, but taking action to evolve with it and leverage it to drive business results is another. Here is a quick breakdown of important changes, as well as the recommendations that should follow:

Instagram Shopping is gaining more traction as it allows for seamless brand discovery, consideration, and conversion all within one app. Make sure your catalog is set-up to use this feature through both organic and paid efforts in order to facilitate how people want to shop, and where they want to do it.

Facebook Marketplace offers a great opportunity for brands to compete in general user-to-user commerce, so make sure to consider monitoring and selling here to further promote your products and services.

Pinterest offers an entire world of discovery for people who are actively seeking out solutions for all of life's moments, so get creative with visual storytelling and seek to fit your brand into someone's journey.

Influencers can be an extremely powerful asset and can help you address niche, highly engaged audiences through an authoritative voice Explore influencer and content creator networks to test partnerships for promotions.

Cause Marketing can go a long way, many times differentiating your brand from competitors. However, make sure your strategy is authentic, fits in with your brand's actual values, and be sure to remain consistent with how you exemplify your values.

Customer service on social, including social listening and responding, gives brands a frictionless way to engage with audiences and learn from them. Building a strategy around monitoring and outreach through social channels will help drive better customer retention, deeper engagement, and customer loyalty.

All in all, consumer shopping habits continue to evolve as technology advances and times change, and those brands ready to step up and meet their customers where, how, and when they are seeking communication will find the most success as the future of ecommerce unfolds.

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EXECUTIVE SUMMARY
Evolution of Social Media

People are consuming content in ever evolving ways. Brands must stay agile and adapt to stay relevant by creating easily digestible content with mobile in mind. Helping people connect while they are out and about will be imperative in the future. Social media is a key example of the changing landscape that offers companies a chance to meet their customers in new ways, along with cause marketing, customer service, and social listening. Brands that make it a priority to communicate with their customers on their terms will be in the best position to find success.

I. SOCIAL MEDIA + SHIFTING CONTENT CONSUMPTION
- Keep in mind consumers' short attention spans and a thirst for content
- Understand the effects of COVID-19 on brands
- Design video for vertical on mobile

II. INSTAGRAM SHOPPING
- Merges the social experience with commerce for seamless brand discovery and purchase
- Offers an opportunity to create native content aimed at driving real business results
- Brands can create paid shopping posts to serve a wider range of users on Instagram Feeds and Stories

III. FACEBOOK MARKETPLACE
- Marketplace shows how social media facilitates commerce interaction among users
- 1 in 3 people in the US are now actively using Marketplace each month
- Marketplace allows advertisers to position their products in a native format at a highly influential moment

IV. PINTEREST
- A "no-brainer" channel for any brand wanting to drive more awareness across engaged audiences
- Pinterest presents an opportunity to influence the shopping discovery process every step of the way
- Do not discount the purchase intent users could have while perusing Pinterest

V. SOCIAL MEDIA INFLUENCERS
- Consumers have always relied on "word-of-mouth" recommendations when considering a purchase
- They build relationships with their followers because they share experiences in an authentic, relatable way
- It's vital to understand the impact influencers have on purchase decisions

VI. CAUSE MARKETING
- People don't buy what you do, they buy why you do it
- Cause marketing is a proven effort to help your brand stand out
- Brands need to find long-term strategies that align with their core values

VII. CUSTOMER SERVICE ON SOCIAL MEDIA
- Facebook has seen tremendous growth in communication between businesses and consumers
- The ability to scale and personalize via AI has streamlined customer service processes
- Chatbots also play a pivotal role in product discovery and order fulfillment

VIII. SOCIAL LISTENING
- Social listening is the active monitoring of how your brand is being discussed
- Social listening could inspire updating a product's features or changing a messaging style
- US consumers view brands more favorably when they use social media for customer service

IX. TIKTOK
- TikTok allows users to create short videos to express themselves quickly
- They've nearly doubled their US user base in the last year
- TikTok has become a place for users to distract themselves from all that is going on

X. SNAPCHAT
- Snapchat understands the need for ephemeral content in video form
- It has started to become the main means of communication among Gen Z users

XI. RECOMMENDATIONS FOR ACTION
- Keep up with the ever-changing consumer landscape on social media
- Learn to leverage social media to drive business
- Consumer shopping habits continue to evolve as technology advances

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ABOUT ADLUCENT

Adlucent is a marketing technology and analytics agency based in Austin, Texas. Leveraging its proprietary Deep Search™ bid management, digital, and retail analytics platform, Adlucent's experts help brands acquire new customers and grow revenue efficiently through digital marketing.

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