

Media-Commerce Convergence: Understanding the new media value chain

Article

The pandemic-driven ecommerce boom has helped accelerate the growth of social commerce in the US. The market is poised for continued gains as key social commerce

platforms advance their shopping and checkout capabilities. We forecast that US retail social commerce sales will rise by 34.8% to \$36.09 billion this year, representing 4.3% of all retail ecommerce sales. We also revised our 2020 social commerce forecast upward, from 19.8% growth to 37.9% growth.

Social commerce is at the nexus of media-commerce convergence, a much larger and more powerful trend. One outgrowth of the past decade's shift from mass to addressable media is that brands can efficiently find and aggregate niche audiences while shortening their path to purchase. It makes sense that there would be efforts to explicitly commercialize media content by making it shoppable.

“The medium is the store, and the store is the medium,” said Randall Rothenberg, executive chair of the Interactive Advertising Bureau (IAB). “The biggest change we saw [in 2020]—and it's a real acceleration—is that the brand-distribution supply chain and brand-awareness supply chain are collapsing into each other. They're now kind of the same thing. The simplest way to think about it is that it's all about that screen we're looking at.”

This new media value chain is defined by an infinite supply of digital media that is atomized, can traverse multiple modalities, and reach niche audiences for specific products that can be bought online. In the old media value chain, content was supply-constrained—typically by way of content bundles like a newspaper or cable network—and designed to reach mass audiences in order to purchase products in physical stores.

In the old media value chain, distribution was essential, as cable needed to be laid and newspapers needed to be delivered. Media depended on the curation of TV programming and articles to fit the allotted time and space. In the new media value chain, digital distribution can deliver dynamic content instantaneously across any number of touchpoints, diminishing the importance of these middle links of the value chain.

Instead, the center of gravity has shifted toward audience aggregation. And there's no more powerful force than social media platforms—though many other forms of digital audience aggregation are also now emerging. Because content isn't supply-constrained, however, the challenge for any brand is finding a way to break through and be discovered. Once that occurs, discovery can be translated almost instantaneously into purchase.

Join us at our upcoming webinar to hear more from Andrew Lipsman, eMarketer principal analyst at Insider Intelligence, on the new media value chain, strategies to drive sales, and why

context, creative, and audience engagement are keys to conversion. [Click here to reserve your seat.](#)