

The Future of Retail in 2019: Social Commerce Has its Day

Many marketers have given up on social platform transactions (and that's ok)

ARTICLE

Krista Garcia

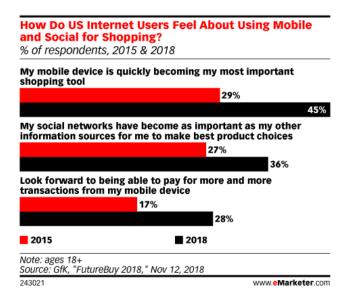
Social commerce has reinvented itself many times over but has yet to prove itself as a solid sales tactic. According to findings in eMarketer's new report, "The Future of Retail in 2019: Top 10 Trends that Will Shape Retail in the Year Ahead," this could finally change next year.

The differences between a few years ago and the modern iteration is that social media is not necessarily serving as a transactional platform, and Facebook, the original focus, has shifted to more visual properties like Instagram, Pinterest and Snapchat. "Buy buttons" have evolved and brands are attempting to monetize stories.

Now it's all about influence.

According to a November 2018 study by GfK, the number of US internet users who feel that social networks have become as an important as other information sources in making purchase decisions rose from 27% to 36% between 2015 and 2018.





This time last year, roughly one-quarter of US internet users had purchased a product they had discovered on a social media platform, according to Cowen and Company. No surprise, the highest occurrence was among millennials, though Gen Z was on par with younger Gen X members.

The jury's still out as to where shoppers that find products via social means are actually going to buy them. "Looking forward, it will continue to play a very influential role in the path to purchase, but it remains to be seen in the US exactly where the transactions will take place, said Sanjay Tamhane, digital Market Intelligence Manager at Nike. "Is it going to be on the platforms themselves, or on the retailers' and brands' sites?"

Many social commerce practitioners have backed off from expecting users to buy directly on the platforms and are investing in brand awareness. This is the objective of Benefit's paid campaigns using Instagram stories. "Since we primarily work with retail partners like Sephora and Ulta to sell our products, we don't have a mass direct-click advertising model," said Toto Haba, senior vice president of global digital at Benefit Cosmetics.

In essence, the lines are beginning to blur between social commerce and social advertising.

