

Social Media Moves Down the Funnel as Commerce Opportunity Arises

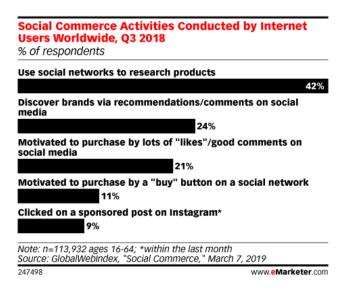
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Blake Droesch

ocial networks are generally thought to occupy the upper end of the digital marketing funnel. While brand awareness is still the bread and butter of social marketing, social may also have a place further along the path to purchase.

Internet users worldwide primarily use social media as a way to research products and discover brands, as cited by 42% and 24% of respondents, respectively, in a Q3 2018 survey by GlobalWebIndex. However, 21% of users said they were motivated to buy something based on a lot of "likes" and positive comments on social media, indicating that social has the power to influence purchase decisions.





"[The mid-funnel] is arguably the most underappreciated phase in the customer journey," said Andrew Lipsman, principal analyst at eMarketer. "This is where shoppers make the important transition from product awareness to affinity that ultimately fosters an intent to purchase. It's a phase of the journey where brick-and-mortar retail has excelled and online has struggled. Social media platforms are attempting to step in and fill that void."

GlobalWebIndex found that 11% of internet users said they are motivated to make a purchase because of a "buy" button on social media. And the emergence of social commerce—particularly Instagram Checkout—has the potential to gain prominence at the very tip of the digital funnel.

Far more US companies were using social media for lower-funnel activity in February 2019 than a year prior, according to a survey conducted by Duke University's Fuqua School of Business (commissioned by American Marketing Association and Deloitte). The majority of companies surveyed (60.1%) said they were using social for acquiring new customers, compared with 32.6% in February 2018.



How Do US Companies Use Social Media? % of respondents, Feb 2018 & Feb 2019

	Feb 2018	Feb 2019	
Brand awareness and brand building	45.6%	88.2%	
Introducing new products and services	28.7%	64.7%	
Acquiring new customers	32.6%	60.1%	
Brand promotions (e.g., contests, coupons)	29.0%	59.2%	
Retaining current customers	28.7%	55.5%	
Improving customer service	-	40.8%	
Improving employee engagement	21.8%	35.3%	
Marketing research	16.6%	33.6%	
Identifying new customer groups you currently don't target	13.5%	25.6%	
Identifying new product and service opportunities	10.2%	17.2%	

Note: B2B and B2C companies Source: Duke University's Fuqua School of Business, "The CMO Survey: Highlights and Insights Report – February 2019" commissioned by American Marketing Association (AMA) and Deloitte, Feb 27, 2019

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As more companies incorporate influencer marketing and social commerce into their social media strategy—or both at the same time—social networks could eventually reach every touchpoint on the path to purchase. In a Q3 2018 survey conducted by social media management platform Hootsuite, 48% of companies worldwide said they had adopted or planned to adopt influencer marketing practices, while 28% said the same about social commerce and shopping.

8.3%

13.9%

