

# Q&A: Pinterest Exec on CPG Products, Branded Content and the Future of Social Commerce

## ARTICLE |

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**C**onsumers are often creatures of habit. They know the products and brands they like, but getting them to try something entirely new can be a challenge.

“The high failure rate of new products is something that makes new product launches, though an important growth lever, somewhat of a risky endeavor,” said Arthur Sevilla, head of CPG strategy at Pinterest. “About 15% of all new product launches actually make it to year two. So I asked myself, ‘What are the drivers of new product success?’ And it comes down to trial. Less than 1% of the population will try a new product. And the success of gaining that new trial is determined by how you market—and who you market—that new product to.”

According to [a new study](#) from Oracle Data Cloud conducted in collaboration with Pinterest, Pinterest households in the US were 29% more likely to try a new product within the first 10 months of its launch than non-Pinterest households. The study examined more than 40 new CPG product launches, including MillerCoors’ sparkling cocktails, Quaker’s organic bars and California Pizza Kitchen’s new thin crust pizza.

We recently spoke with Sevilla about the survey's findings, why Pinterest users are more likely to take to branded content, as well as the social commerce landscape.

### **Were the survey results surprising?**

In addition to the 29% stat—which showed higher trial rates across the entire analysis period—within the first 30 days [of a new launch], Pinnerers are 40% more likely to try new products that we analyzed than non-Pinnerers.

### **Why do you think that is?**

Answering that speaks a little bit beyond the scope of the study, but when we survey Pinnerers, we ask them why they're on the platform. And they say, 'I want to be inspired' or 'I want to further understand my interests.' But they do so without a specific brand in mind. Ninety-seven percent of our top queries—our search queries—are unbranded. And these are category queries, such as summer outfits, back-to-school snacks and Tuesday night recipes.

It comes down to this openness, where consumers are more leaned into and embracing branded content. Pinterest often gets lumped into other platforms that have different purposes. Social platforms are really fantastic in terms of connecting people to people, but we're connecting people to their own interests, and those interests are brought to life more often by the brands that are relevant within those interests. So this openness to branded content is why we're seeing [these results].

### **How does that translate to sales?**

The nomenclature of social commerce—this concept of digital platforms helping me through the funnel of discovery and inspiration, all the way to shopping—is incredibly powerful, and one that is going to be the backbone of most of our conversations for years to come. We've made a mission internally and externally to make Pinterest more shoppable. We have a platform where 300 million people on a monthly basis come on the platform and explore their interests and engage with content. And we would want to take that all the way from the inspiration upper-funnel phase down through the purchase funnel and make you buy something.

We've focused our shopping efforts in retail to start specifically with home and apparel. The notion that visual is a medium of finding your interests and connecting you with things that you want to buy. That's human nature. We absorb so much more information visually than we do via text and as such, it's just automatic that our platform becomes more utilitarian down the shopping journey.

**But in regards to the CPG space, getting someone to buy something via social is difficult, right?**

Yes, we have a little bit more work to do because no one's just going to buy that one salad dressing or one mascara. You usually build a cart and then translate that cart to other retailers to fulfill that cart. But the concept of bridging from inspiration to shopping is the foundation of who we are and what we will be in the future.

**In the next 12 months, where do you see the convergence of CPG and social commerce heading?**

I have to preface it with, 'We can imagine a world when, right?' We can imagine a world when building a shopping cart through the inspiration that one gets on the platform is a little bit more seamless. We can imagine a world when all of this innovation is happening at the bottom of the funnel ... closing that last mile, which is the hardest mile to close, getting things from the store to your refrigerator.

But on top of that innovation that the retailers will lead, where is the innovation to fill that cart? Where are we actually going to go and still remain inspired throughout the shopping journey? Right now, CPG is in a hunting, spearfishing-type digital environment where 2D boxes on white squares with add-to-cart buttons are prolific in our industry. Where is the joy in shopping? Where is the navigation of the aisle to help you discover and learn what is new?

And you can imagine a world where my inspiration, that visual driven inspiration, becomes a little bit more closed toward the fulfillment side. And we marry this to, 'Oh, I love that. I want that. Let me add it to my cart for tomorrow's purchase.' It all becomes a little bit more seamless. You can imagine a world where we're in partnership with retailers and other technology platforms; removing as much friction as possible

from inspiration to purchase is a goal we aspire to in the next few years.