

Social networks make push as shopping destinations

October 5 2014, by Rob Lever

They're not just for sharing any more: Facebook and Twitter are now looking to play a bigger role in shopping.

Both major social networks have unveiled plans to start using "buy" buttons on their sites, which could start having an impact on "social shopping" in the coming holiday season.

The idea of using social networks such as Facebook to promote e-commerce has been around for some time, but so far has failed to deliver much. Facebook had some short-lived programs for "digital gifts" and another programs selling virtual goods via Facebook games.

"Social commerce," stemming from reviews or referrals from social networks, is expected to hit \$15 billion by 2015, according to the research firm Invesp.

Some analysts see a natural connection between social networks and shopping, since users often discuss products and brands in the messages.

"Sharing is a fairly reliable indicator of what people are going to buy," says Andy Stevens, head of strategy and research for Share This, a company which produces a sharing button for websites and analyzes social media trends.

A study by Share This found that among "Millennials" born in the 1980s or 1990s, 55 percent will click on content shared by their peers, and

often use these social media recommendations to decide what to buy.

"People are waking up to the possibility that regular customers are using social networks as part of the decision-making process," Stevens told AFP.

'Untapped potential'

A Harris survey released last month by the marketing firm DigitasLBI found just five percent of Americans have made a purchase on a social media site, but that 20 percent would consider doing so.

"Our study reveals tremendous untapped potential for growth in social commerce, especially among younger consumers," says DigitasLBI chief executive Tony Weisman.

Weisman said that the amount spent on social shopping could hit \$56 billion if 20 percent of Americans participate. But he noted that concerns holding back social commerce include "security around financial data, privacy, and a seamless buying process."

The survey found 42 percent were likely to make a purchase on social media if they knew their credit information was secure.

Finding the right strategy

Until recently, [social media](#) marketing has been mainly about "softer" strategies such as brand awareness, which are difficult to measure.

Greg Sterling, an analyst at Opus Research, said moving toward social commerce is "a smart thing" for networks like Facebook and Twitter because of the sheer volume of users online, but that marketers need a

well-defined strategy.

"Just putting a 'buy' button out there is not going to be effective," he said, unless it is targeted in the right way

"The challenge is building enough context around that 'buy' button."

Sterling said a buy button may be best combined with research on users' browsing habits—an effective if controversial tool.

In a technique called "retargeting," consumers see ads for products or services they have been viewing. Someone researching vacations might see a hotel ad, and one checking out shoes might see footwear from earlier browsing.

"People have a complicated reaction to retargeting," said Sterling. "Some people will be alarmed, others might see it as a welcome personalization."

Sterling said that without this type of tracking ads may be delivered that are irrelevant or inappropriate for different consumers.

And even though retargeting is often criticized, "people do respond to these ads," he said.

Social media will need to be aware of these trends and find ways to deliver ads and purchase opportunities without turning members off, said Sterling, who predicted slow adoption of direct retail sales through Facebook and Twitter.

"I would be surprised if there are a lot of people buying things on Facebook or Twitter in this quarter," he told AFP.

"They are being used as part of a discussion, but I would be surprised to see much sales volume."

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