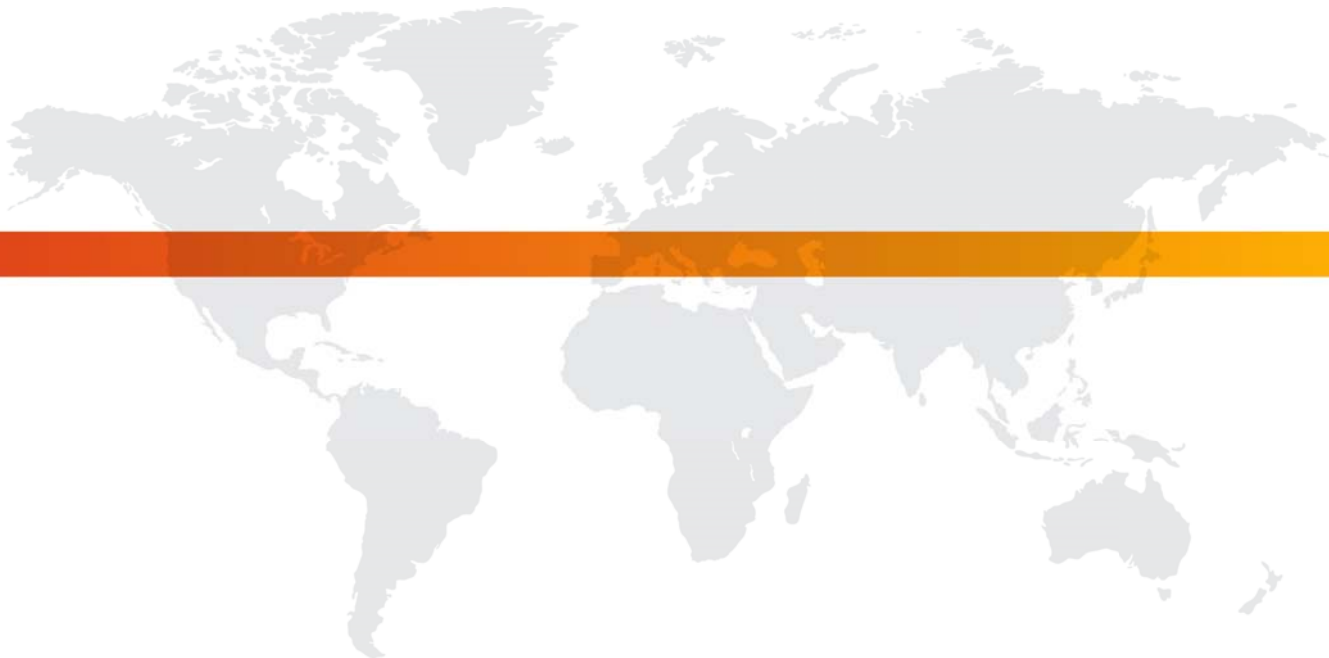


2011 SOCIAL COMMERCE STUDY

Shopping via Social Media – The Consumer Speaks

A study by comScore, Inc., Social Shopping Labs and Shop.org

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I. Introduction

This study provides a unique look into the behaviors and attitudes of consumers regarding social media as a form of or means to shopping. In this report, we refer to shopping directly influenced by social media as social commerce.

Wikipedia Definition of Social Commerce

Social commerce^[1] is a subset of electronic commerce that involves using social media, online media that supports social interaction and user contributions, to assist in the online buying and selling of products and services. More succinctly, social commerce is the use of social network(s) in the context of e-commerce.

The scope of this study's definition was set broadly to include all arenas whereby consumers are sharing info about their shopping, their favorite shopping locations or retailers and more detailed reviews of products.

This is not a study of one platform or one social medium. The study covers consumer shopping activity and engagement via Facebook, Twitter, customer reviews on websites, group-buying sites and location-based social platforms. The study also delves into the acceleration of smartphone adoption and the overall impact of this evolution on social commerce.

What are the Key Goals of the Study?

The overarching goal of this study is to listen to the voice of the consumer regarding this topic: What does the consumer think of social media as a shopping tool? What is their awareness, usage and attitude toward these tools? What would they like to see from retailers and brands? This study provides not just a reaction to the current state but also looks at consumers' perspective on what should happen next.

Another goal of the study is to understand the differences in usage and attitude across different consumer segments. What are the differences between a heavy user and an infrequent user of social media? What are the differences by demographic segment? Do different generations of consumers see the role of social media in a more broad or constrained way? The study successfully provides a clear view into differences across customer segments. These insights are helpful as retailers consider their unique customer base as a part of their social commerce strategy.

A final goal of the study is to produce a repeatable report that can be used to trend information over time.

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Who Should Read This Study?

The study is relevant to any company selling products or services to consumers as well as companies providing services to those retailers. Within B2C companies, the roles that will find this report most helpful will be senior management as a guide to future strategy, as well as leaders of marketing, social media, PR and customer service.

Methodology

The questionnaire that supplied the raw data of this study was executed in April 2011 by comScore, Inc. To ensure valid results, more than 1,700 U.S. consumers were surveyed via this comprehensive email survey.

The survey participants were selected in order to ensure that results were representative of the demographics of the U.S. online adult consumer. Results were weighted to accurately reflect US demographics.

Acknowledgements

comScore, Inc. provided the heart of this study's data gathering operations including survey preparation, fielding, quality control and summarization of key learnings. Without their generous support, the overall depth of research and insights could not have been achieved. Thanks in particular to Kim Rome and Jennifer Vlahavas.

Peter Leech from Social Shopping Labs (now a Partner with The Partnering Group) provided the initial scope of the study and authored the final written summary of findings in collaboration with the project team. Peter has led marketing functions within leading ecommerce and multi-channel retail companies including Chico's FAS, Littlewoods UK and Onlineshoes and began his career at P&G.

This study could not have been produced without the support of Shop.org, which sponsored and facilitated this project including survey design and content review.

II. Executive Summary - Top Ten Findings

Listed below are the key findings of the study and some simple next steps to consider as a retailer.

- 1) **The U.S. online shopper has gone social.** Our study focused on the adult online population of the U.S. The study identified that 77% of the online adult population has adopted social platforms. Clearly the critical U.S. consumer for ecommerce is already social.
- 2) **Consumers are ready and willing to shop “socially”.** 42% of consumers have “followed” a retailer proactively. This means that they have sought out the Facebook, Twitter or retailer blog for a given retailer and opted-in to be contacted by that retailer via social channels. While the overarching purpose of social media will remain to connect with friends, this shows that consumers are also actively welcoming brands that they know and trust into a new level of contact and dialog.
- 3) **Consumers are following multiple retailers but this behavior is still in early stages.** The average consumer that has “followed a retailer” now follows an average of 6.3 retailers. Consumers are liking and following retailers with – for now - low opt-out rates. The opportunity for retailers is to build their fan base now and focus on genuine connection and interaction to maintain that relationship long term.
- 4) **Consumers want product discounts and deals but are also interested in product information.** Retailers should consider a “VIP” execution whereby the proven tools of promotion and product information are given a unique and valuable spin for the retailer’s social fans.
- 5) **Over half of consumers who follow a retailer say they have clicked through from a social platform to a retailer’s website, browsed products or commented.** Retailers should take this established interaction as a strong indicator of intent.
- 6) **Retailers must project their product stories on Facebook and Twitter without delay.** Nearly one third of consumers who follow a retailer also indicate that they have made a purchase through a link they saw on a social platform. Also, when asked about their future intent, over one third of all consumers on a social platform said they would shop directly through Facebook if they were provided the capability.
- 7) **Mobile is both an accelerator and a transformer of social commerce behavior.** Mobile is a driver of social frequency: as smartphone usage grows, consumers increase the frequency with which they use social media, including shopping tools such as customer reviews. As retailers expand their mobile strategies, they must also consider how Facebook and Twitter interaction can be built in.
- 8) **Channels are increasingly blurred to the consumer.** Almost half of all consumers report accessing customer reviews using a mobile phone while in-store, a trend that will accelerate as

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more consumers migrate to smartphones. As women catch up to men in adopting smartphones, this trend will accelerate even more.

- 9) **Consumers are not engaging with retailer blogs.** Only 4% of consumers surveyed stated that they followed retailer blogs. With the exception of larger brands and lifestyle brands, retailer blogs have very low usage by consumers and may be better suited to goals other than community. Each brand must make its own call whether to develop a community on its site (blog, etc.) or to drive community using Facebook or other tools.
- 10) **Consumers want access to what their friends think about products on the retailer's site.** Retailers should consider Facebook Graph API tools as a way to bring the friends along.