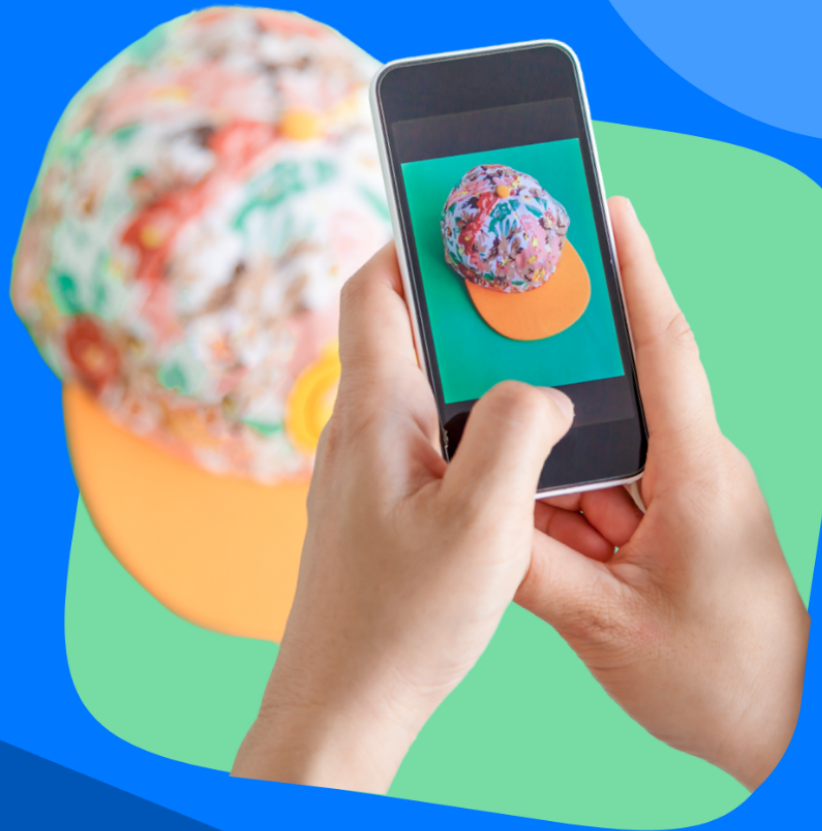


Jellyfish ON:

Social Commerce and Direct-In- Platform Shopping

■ Your Platform to Perform



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Introduction

As social commerce evolves, platforms are focusing on Direct-In-Platform (DIP) shopping, and retailers should be following suit.

The future of ecommerce marketing is in the hands of those who connect the dots and master algorithms.

We've seen the rise of online shopping accelerate as a byproduct of the pandemic. As physical stores shut down or were operationally limited, their digital counterparts took centre stage to apply a tourniquet to an otherwise hemorrhaging bottom line.

Over the last few years, the role of social media has evolved. It played a large part in keeping people entertained while much of the world was on lockdown, and we also saw a huge increase in its use for social commerce. Platforms such as Facebook, Instagram, Snapchat, and others have always performed well in driving revenue for retail brands, and now they are placing their strategic bets on commerce as it shifts to their major focus.

According to Accenture, social commerce is expected to grow three times faster than traditional ecommerce and will reach a value of \$1.2 trillion by 2025

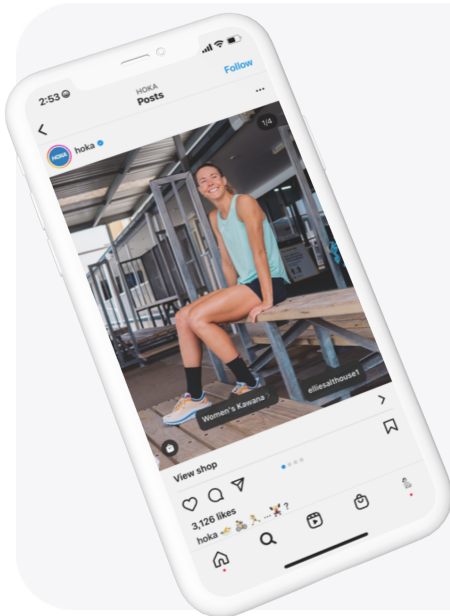


Social commerce platforms specifically enable brands to:

- Reach a broader customer base; people spend an average of 2-3 hours on these platforms per day.
- Collapse the customer journey from social inspiration to purchase down to as little as two clicks
- Achieve higher conversion rates through better data and highly targeted shoppable content
- Deepen the relationship with customers through live shopping experiences
- Turn customers into brand advocates more effectively, and at scale
- Connect to consumers in new ways and engage with influencers and creators

The more recent success of social commerce has come from shoppable units.

Shoppable units have been in the early stages for a few years now, but technology and consumer habits have evolved recently to really give platforms an opportunity to perform. We're seeing the rise of social platforms allowing in-platform shopping a la Instagram Checkout, as well as others with similar offerings. TikTok has really leaned into live shopping, taking a page out of WeChat, a popular Chinese social media app. But why is this trend on the rise? Simply put, it's the evolution of commerce. As online shoppers, we've gone from navigating mass retail sites to Direct-To-Consumer (DTC) and now the third act, Direct In-Platform (DIP).



What do we mean by shoppable units?

A shoppable unit is an ad unit on a platform like Facebook or Instagram, where the consumer doesn't need to click through to the merchant's website to make a purchase, they can make the purchase directly from the ad, or the shoppable unit, they are viewing.

Another example of a shoppable unit is the sponsored product links you see when shopping on Amazon. These ads are specifically designed to assist the consumer in making a purchase by having the shoppable units integrated into the shopping experience.

Shortening the path to purchase

Retailers have long seen that the more steps a consumer is asked to take before checking out, the higher the likelihood they will abandon their cart. The manner in which we can get what we want plays a large role in whether or not we choose to pursue it. As the old adage goes: "is the juice worth the squeeze?" Studies show that three clicks is the standard and anything beyond that has a massively detrimental impact on checkout. But what if you could do it in one click? That's the aspiration of social platforms as they look to embed their social commerce offering.

See and buy. No more adding to the cart. No more inputting your personal or credit card details. It's all stored at the platform level, from your personal information (name, address, email) to your payment info. The entire shopping experience is as seamless as can be. Instagram has set up these features to allow users to check out instantly.

Managing consumer expectations

As social platforms hone in on their DIP product offerings, consumer expectations will also increase. In-platform shopping will eventually be the norm and the expected experience.

Driving consumers to a browser will simply lead to massive drop-offs and drops in conversion rates. Do you remember the days when you would leave Facebook to watch a YouTube video? Nowadays, we have Facebook-implemented in-stream video. It's crazy to think that a user would leave one platform to view content on another when their expectation is that the content should sit natively in the initial platform they were on.



Now replace “view content” with “shop”. That’s what we can expect to see as the rise of in-platform shopping becomes the norm.

For brands to truly perform in the DIP era, they must lean into the functionality of each platform. It's important that ecommerce brands understand the logistics and the requisites of each platform so that they are prepared to deliver these experiences to their consumers.

There's undoubtedly some concern around DIP, as the functionality lives on the platforms and not on the owned and operated assets of the brand, such as their website. But in order to drive growth, there must be a willingness to relinquish some control. While the same level of audience retargeting and insights won't be available, the tradeoff will likely be more revenue; a tradeoff most brands would be content with. DIP could very well be the price to pay to play in the space. One that should prove its worth through incrementality.

Getting started with DIP

So where should brands start? For those with hundreds of thousands of SKUs, the thought of mirroring their site into a platform store will be a daunting prospect. One that may not necessarily be required.

In our opinion, the best course of action is for brands to focus on the product segments that they feel would yield the best return through in-platform shopping. Some brands are showcasing their best sellers while others are opting for their new season launches. The range of products varies, but what remains consistent is the strategy behind the products in-store. It's not just a copy/paste of an entire catalog being replicated across platforms. The important factor is to ensure that whatever platform you choose, you really optimize it to perform.

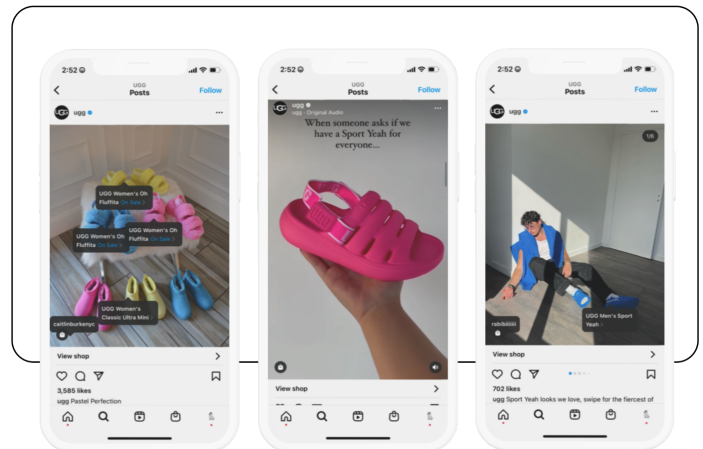
For brands to win in this next frontier of online shopping, there have to be a few rules of engagement to follow:

Rule 1: Build a store

Being present is the first step in the battle. Ensure your brand has a presence on the platforms your consumers are on.

Rule 2: Pick your products

There is no need for product overload. Focus on the products that are most likely to convert. It's OK to start small with a handful of products. Be sure to look at your site conversion data to find products that have the most sales and page visits.



Rule 3: Rotate inventory

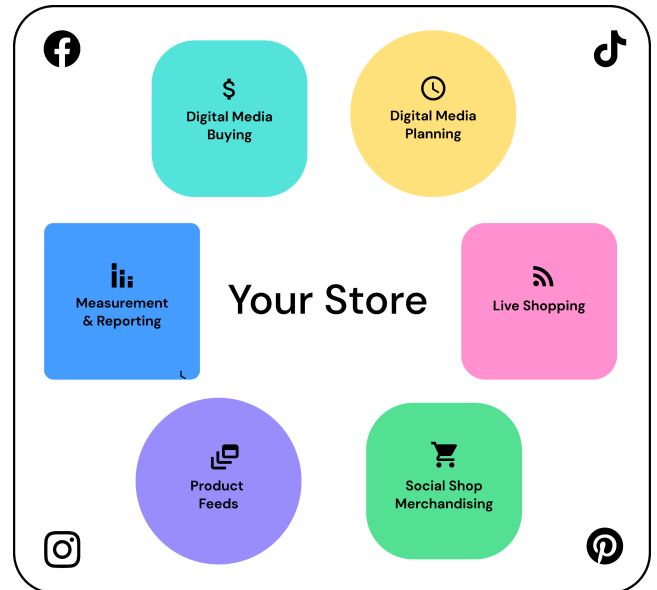
It's all about testing and learning to see which products are driving sales. The cadence in which products are rotated can vary but should be rotated at least once a month to inject new product excitement and sales and build in measurement approaches to understand the incrementality in reach, new customers and revenue.

The future of social shopping is here and all platforms are racing to win the next frontier of online commerce. It will be interesting to see if the seamlessness of instant checkout results in an increase in returns courtesy of impulse purchases.

Jellyfish is your platform to perform when it comes to Social Commerce.

Social commerce is a significant and fast-emerging global market. It's not just for big retailers and brands selling to the mass market, it can be used by anyone, including individuals and smaller businesses.

We deliver best-in-class digital commerce solutions and expertise that will ensure any brand has the platform to perform.



Jellyfish is uniquely capable of providing all of the product, image, video and live commerce assets – localised into any language – that are needed to ensure that the quality of the social shopping experience is consistent across all of the brand's online shopping properties.

Our retail consultants are also available to develop and deliver a merchandising strategy to ensure that a brand's product selection is aligned to the specific needs of each platform's audience profile.

Drawing on our core capabilities across Paid Media, Media Planning and Analytics we can efficiently acquire customers at scale and – most importantly – measure the incremental media performance that these stores deliver.

Want to know more? Email hello@jellyfish.com and we can walk you through our Social Commerce solution in more detail.

Email us →

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