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# STRIDES IN SOCIAL COMMERCE

SURVEY REPORT • APRIL 2014

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# ABOUT THIS REPORT

In its third year, the *Retail TouchPoints Strides In Social Commerce* report is designed to help retailers gauge their progress against peers and industry colleagues, as well as implement successful new strategies. This year's report includes responses from 97 retail executives.

Some key topics addressed in the survey include:

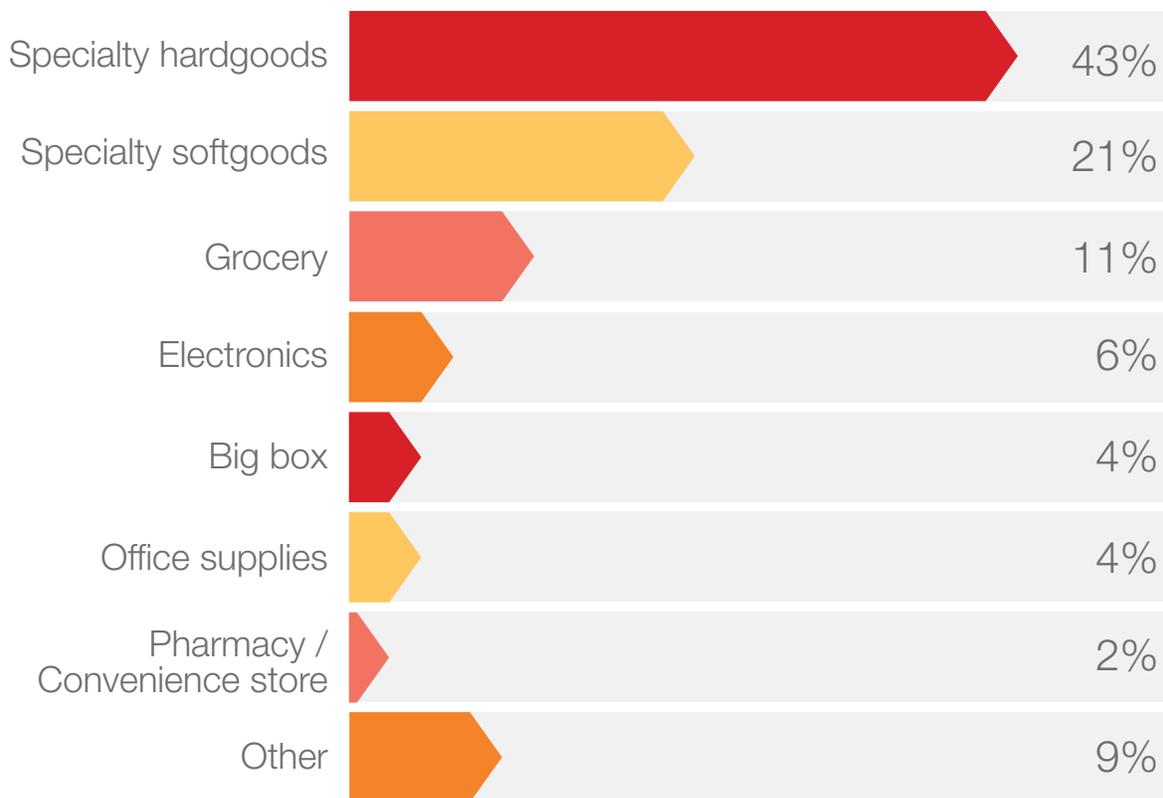
- Percentage of sales attributed to social commerce today and by 2016;
- The effectiveness of different social media platforms;
- An analysis of third-party social channels;

- Incentives for social commerce interaction; and
- Most significant social commerce challenges.

Study respondents included a variety of retail verticals and revenues. Specialty Hardgoods and Softgoods delivered the majority of responses, with Grocery and Electronics not far behind.

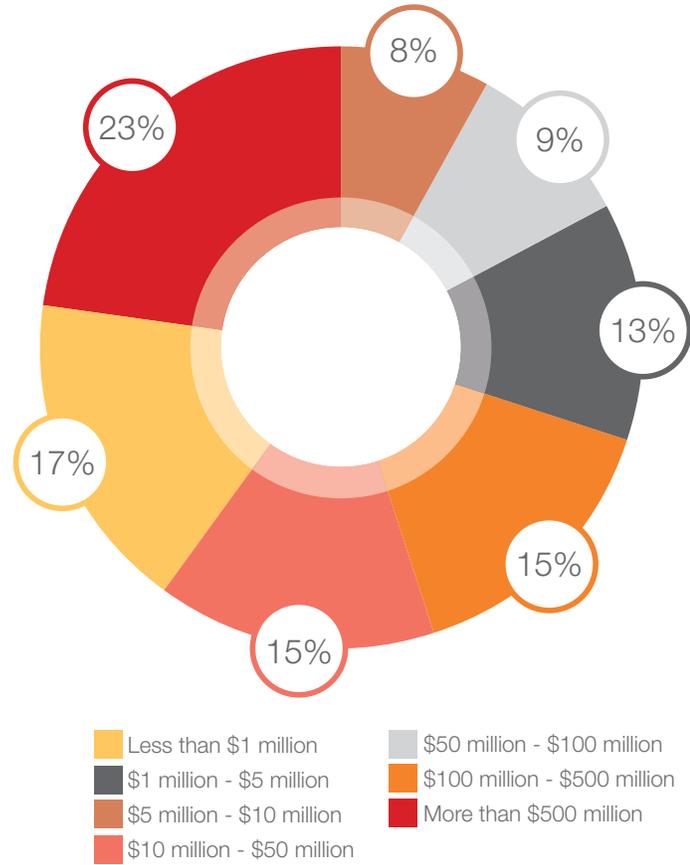
Respondent revenue ranged from less than \$1 million to more than \$500 million, in relatively equal segments.

## PLEASE DESCRIBE YOUR RETAIL VERTICAL.



*The Strides In Social Commerce study is designed to help retailers gauge their progress against peers and industry colleagues, as well as implement successful new strategies.*

## PLEASE DESCRIBE YOUR COMPANY'S ANNUAL REVENUE.



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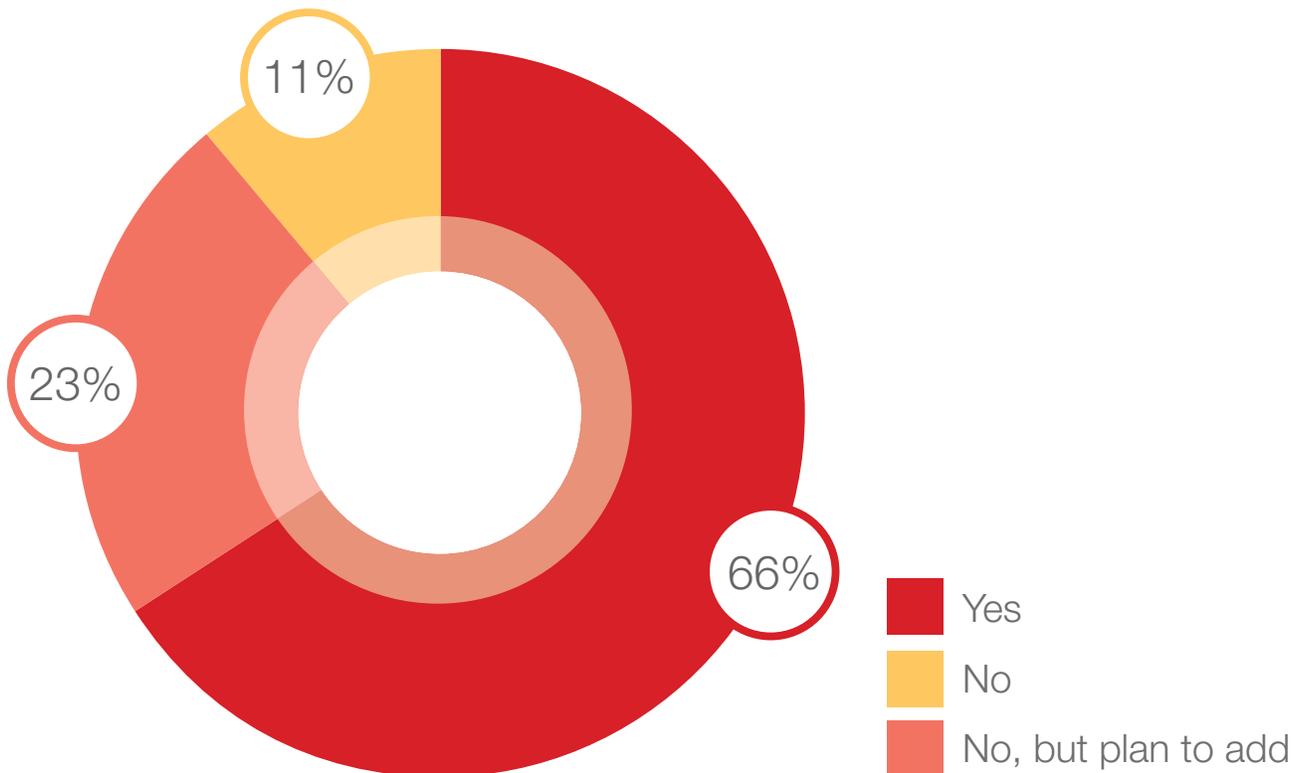
# EXECUTIVE SUMMARY

As the social channel grows and morphs, retail organizations must change along with the trends. While Facebook is still a force in social commerce, Twitter is gaining ground. Other platforms — including Pinterest, Instagram and Google Plus — also are standouts.

So how do retailers keep up? It's a constant evaluation and re-evaluation of the marketplace. While Groupon may be today's most profitable channel for some merchants, LivingSocial works better for others.

There's no question among retailer surveyed that social commerce is here to stay, in some form or another. The majority (66%) of retailers now have a social commerce strategy in place, up from 60% in 2013 and 48.5% in 2012. Additionally, the percentage of retailers with no plans to invest in a social commerce strategy has been slashed in half at just 11% in 2014, down from 22% last year.

## DO YOU HAVE A SOCIAL COMMERCE STRATEGY IN PLACE?



Although the primary reason for preventing an organization from investing in a social commerce strategy continues to be **Other priorities take precedence** (56%), **Lack of internal expertise** is an issue for a full one third (33.3%) of respondents.

At *Retail TouchPoints*, we plan to continue to monitor and analyze the social sphere, as it continues to deliver challenges and excitement to retailers and

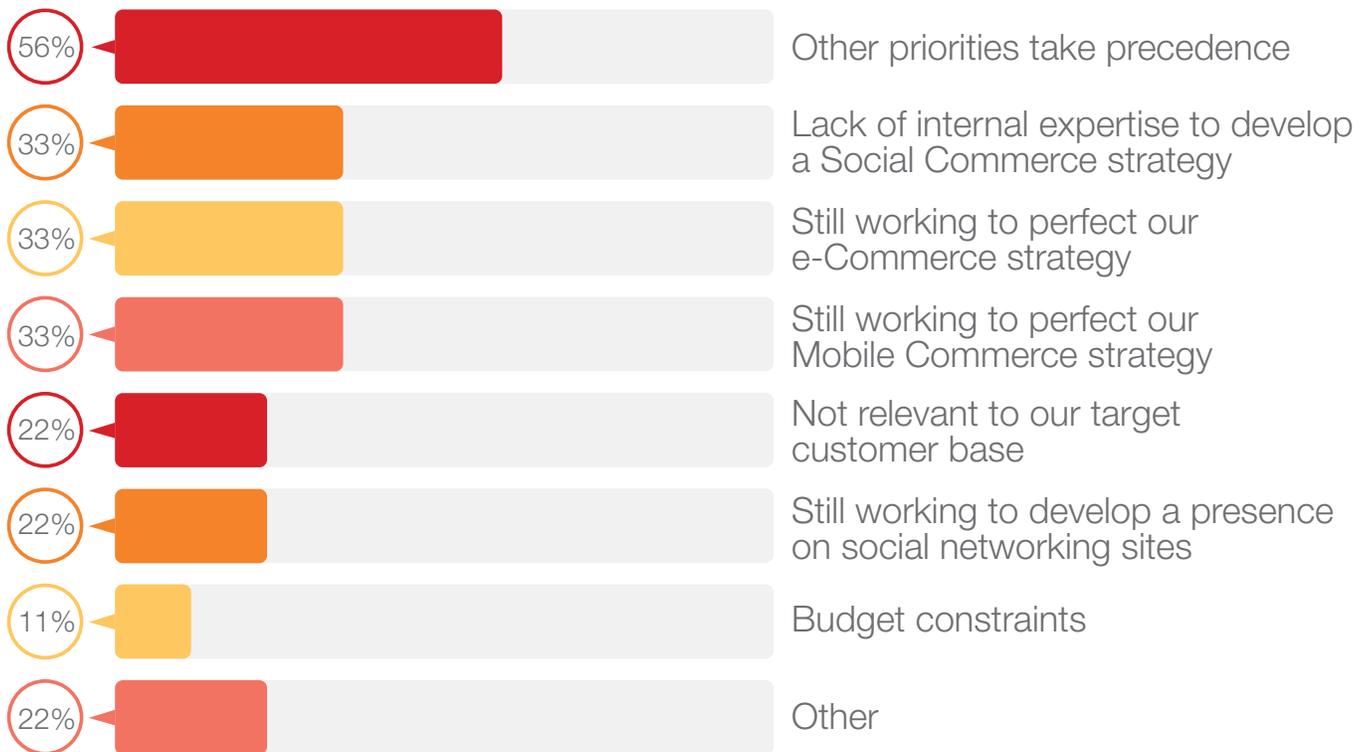
consumers. We hope this report helps you and your organization improve your position and strategies within the social marketplace.

*Debbie Hauss*

Debbie Hauss  
Editor-in-Chief  
Retail TouchPoints

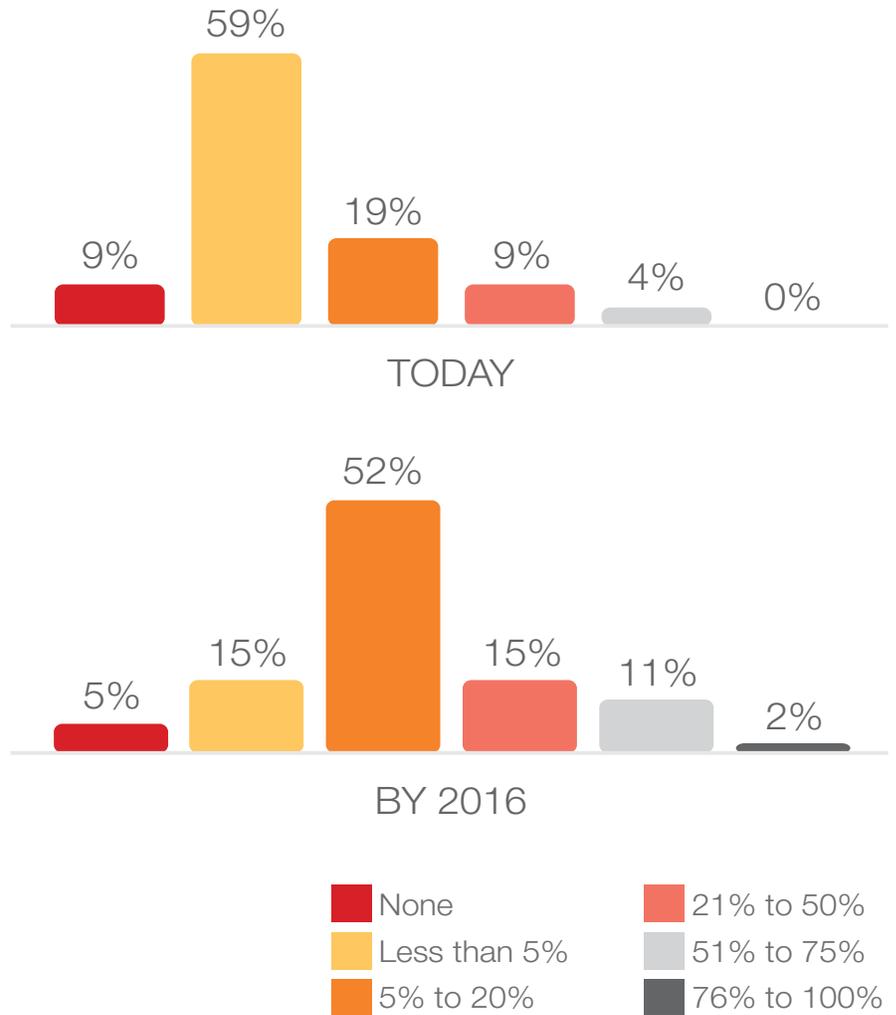
## IF YOU DO NOT HAVE A SOCIAL COMMERCE STRATEGY IN PLACE, WHAT IS PREVENTING YOUR ORGANIZATION FROM INVESTING IN SOCIAL COMMERCE?

*(Check all that Apply)*



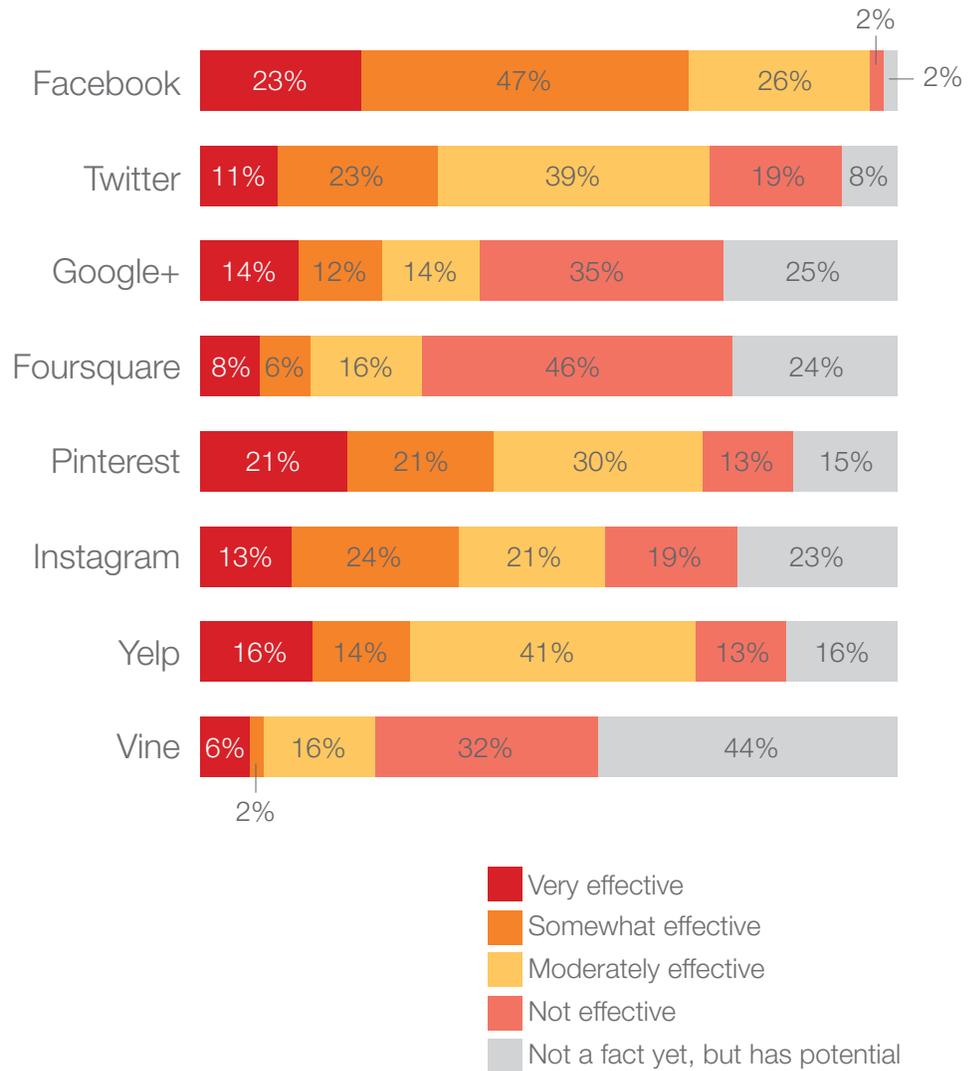
The majority of retailers are expecting Social Commerce to improve from less than 5% to 5%-20%.

## WHAT PERCENTAGE OF SALES DO YOU ATTRIBUTE TO SOCIAL COMMERCE TODAY AND BY 2016?



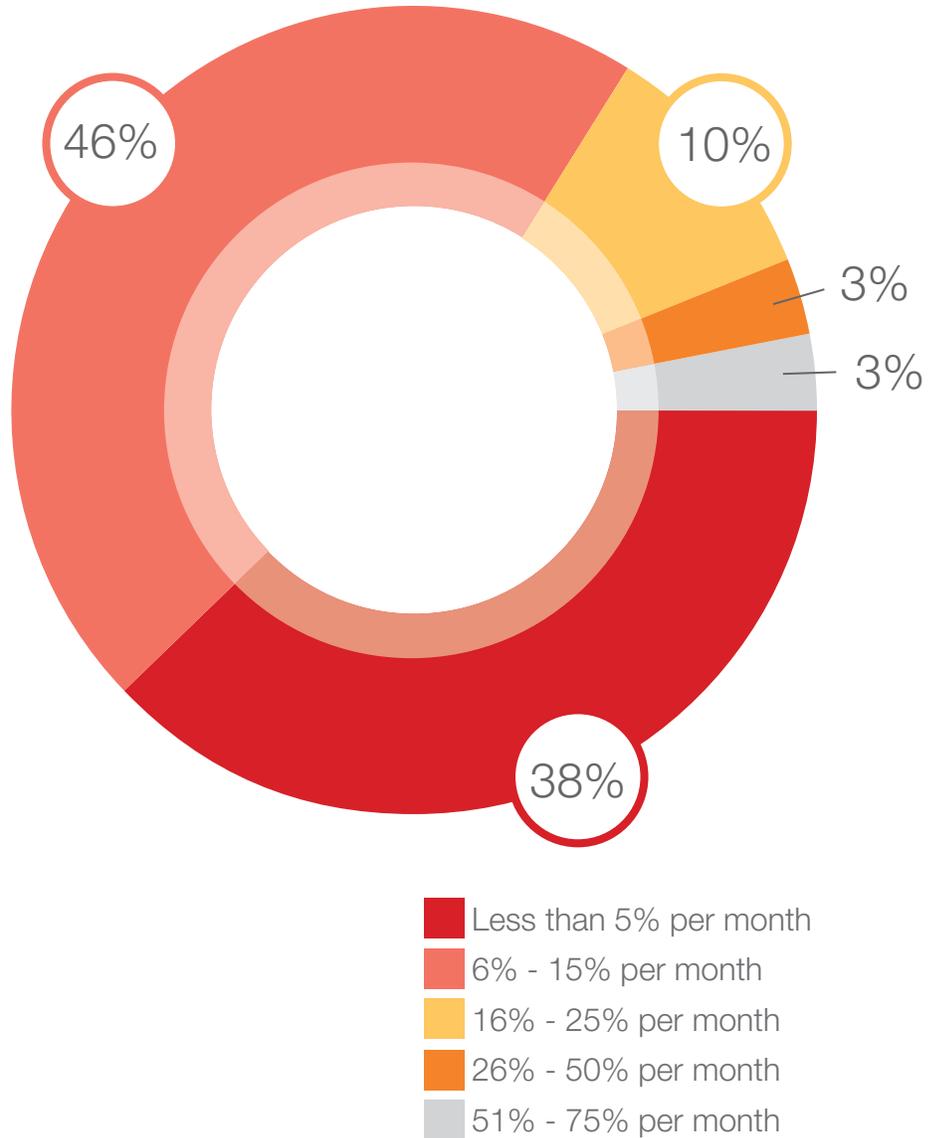
*Facebook and Pinterest top the charts on effectiveness, while Foursquare and Google Plus have ground to gain.*

## HOW WOULD YOU RANK THE EFFECTIVENESS OF THE FOLLOWING SOCIAL MEDIA PLATFORMS?



More than **90%** of retailers are tracking their fan base, finding impressive increases, up to **75%** per month.

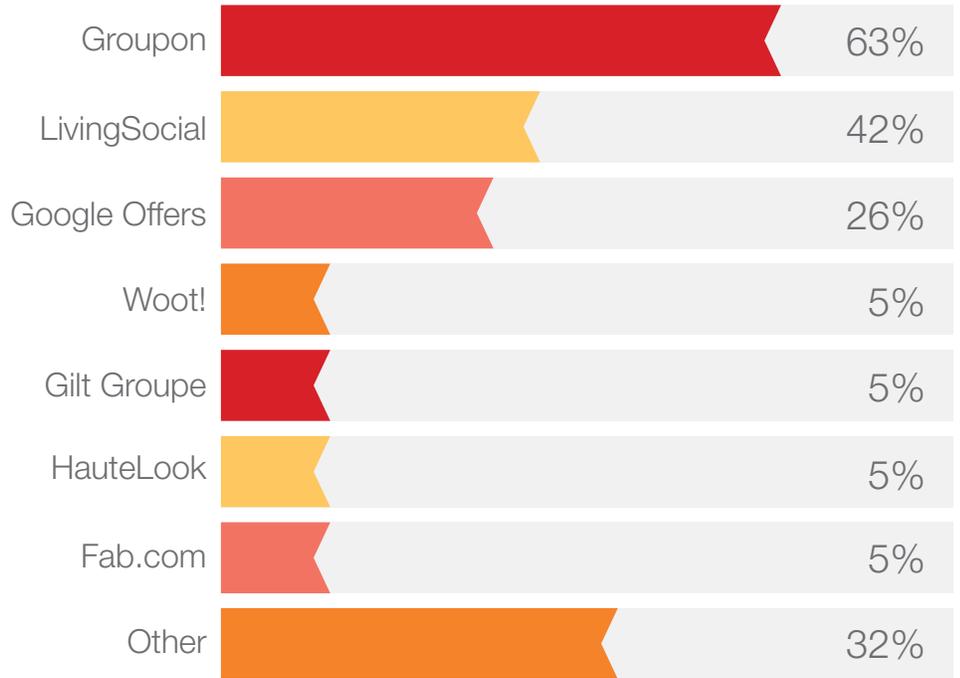
## HOW QUICKLY IS YOUR SOCIAL MEDIA FAN BASE GROWING?



*Groupon and LivingSocial are the most popular social channels, with Google Offers gaining ground.*

## WHICH THIRD-PARTY SOCIAL CHANNELS HAVE YOU USED?

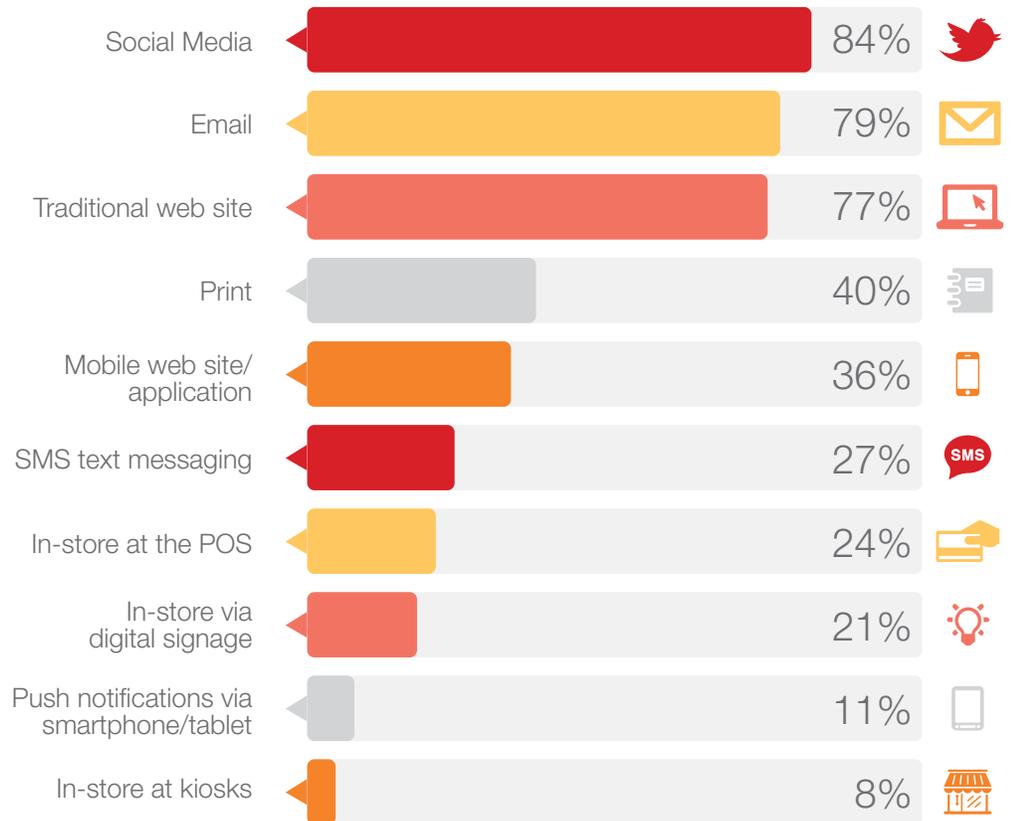
*(Check all that Apply)*



*Marketing is all over the map for social commerce, from email and social media to mobile apps and traditional web site – even print!*

## WHAT VEHICLES DO YOU USE TO MARKET YOUR SOCIAL COMMERCE SERVICES TO CUSTOMERS?

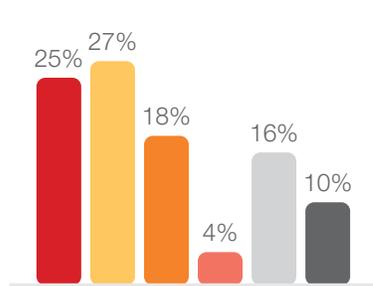
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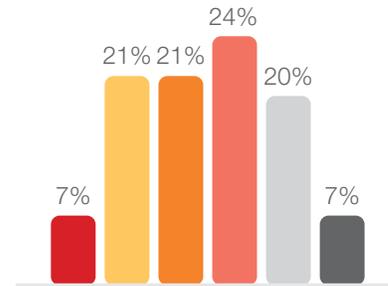
*Discounts are the most effective incentive for social media interaction, either in-store or online.*

## WHAT DO YOU BELIEVE TO BE THE MOST EFFECTIVE INCENTIVE FOR SOCIAL MEDIA INTERACTION?

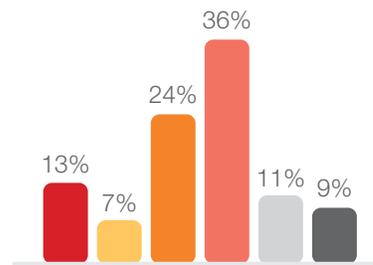
(Rank 1-6, 1 being most important)



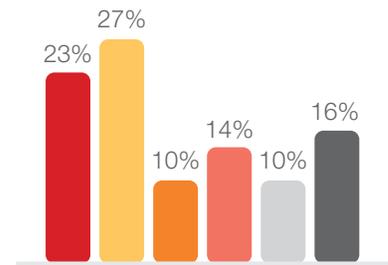
A discount code or coupon for “Liking” or “Following” a brand page



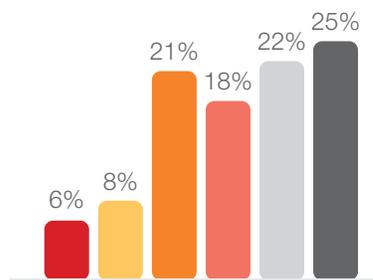
Access to limited-time offers for sharing social content



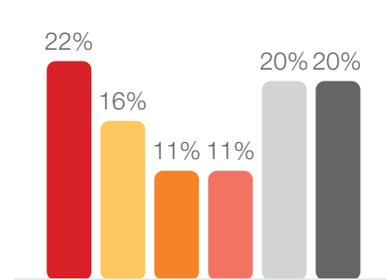
Discounts on e-Commerce purchases for referring friends and family



In-store discounts



Limited-edition products

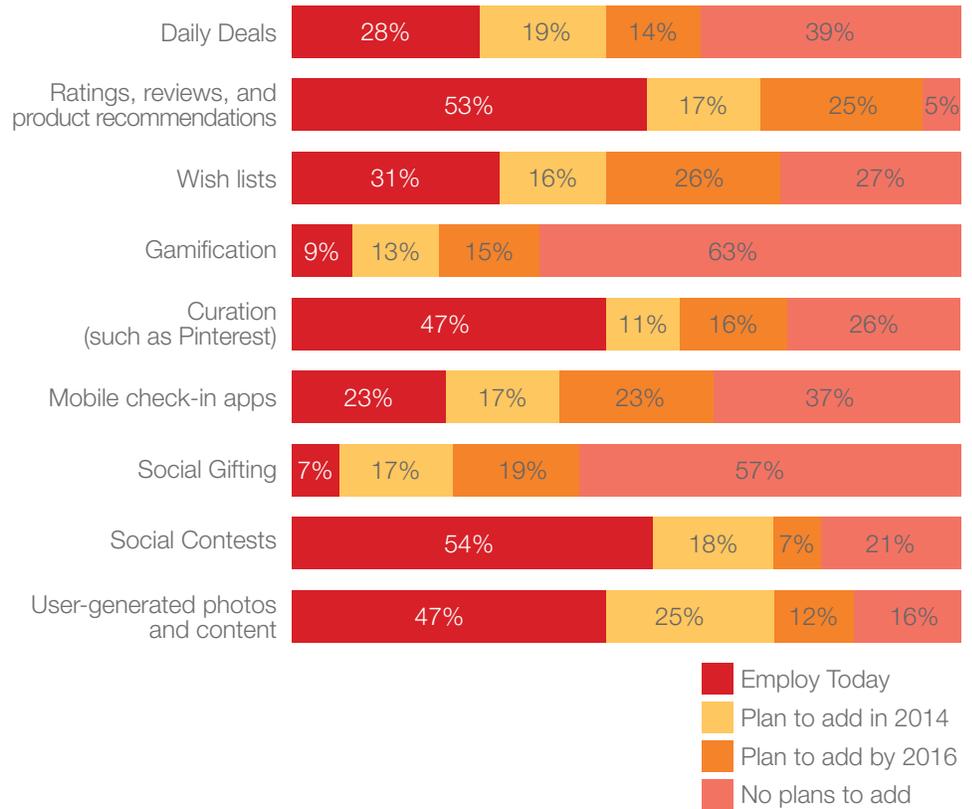


Social contests



*Retail marketers are implementing all types of new social commerce strategies, including wish lists, social gifting and daily deals.*

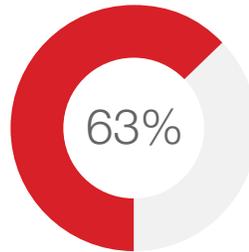
## WHICH OF THE FOLLOWING SOCIAL COMMERCE STRATEGIES DO YOU EMPLOY TODAY OR PLAN TO IMPLEMENT?



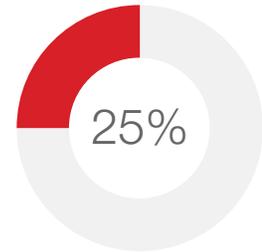
With Facebook as the #1 platform, Facebook Gifts is the #1 social gifting platform.

## WHICH OF THE FOLLOWING SOCIAL GIFTING PLATFORMS ARE YOU USING?

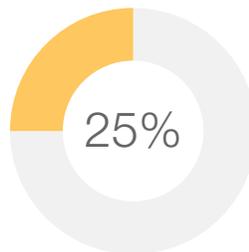
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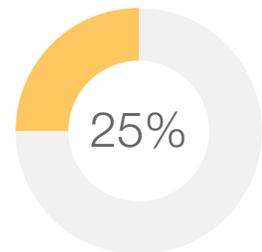
Facebook gifts



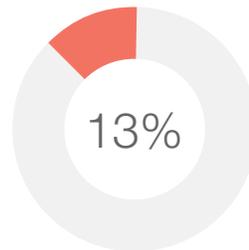
eGifter



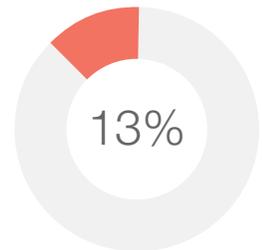
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Groupon freebies



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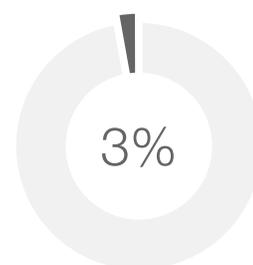
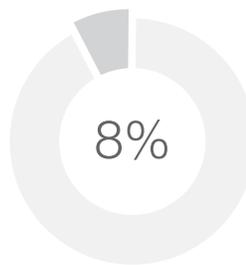
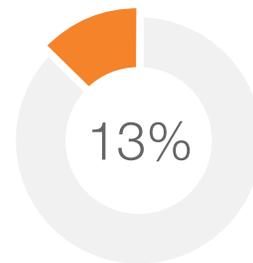
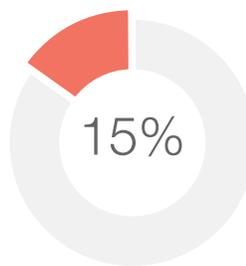
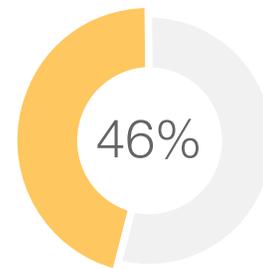
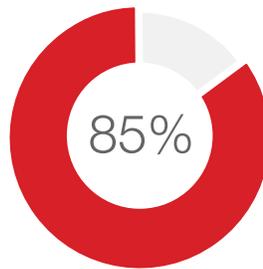


YouGift

*In line with Facebook's #1 status, Facebook Ads are the most popular paid social opportunity among retailers.*

## WHICH OF THE FOLLOWING PAID OPPORTUNITIES VIA SOCIAL SITES ARE YOU USING?

*(Check all that apply)*

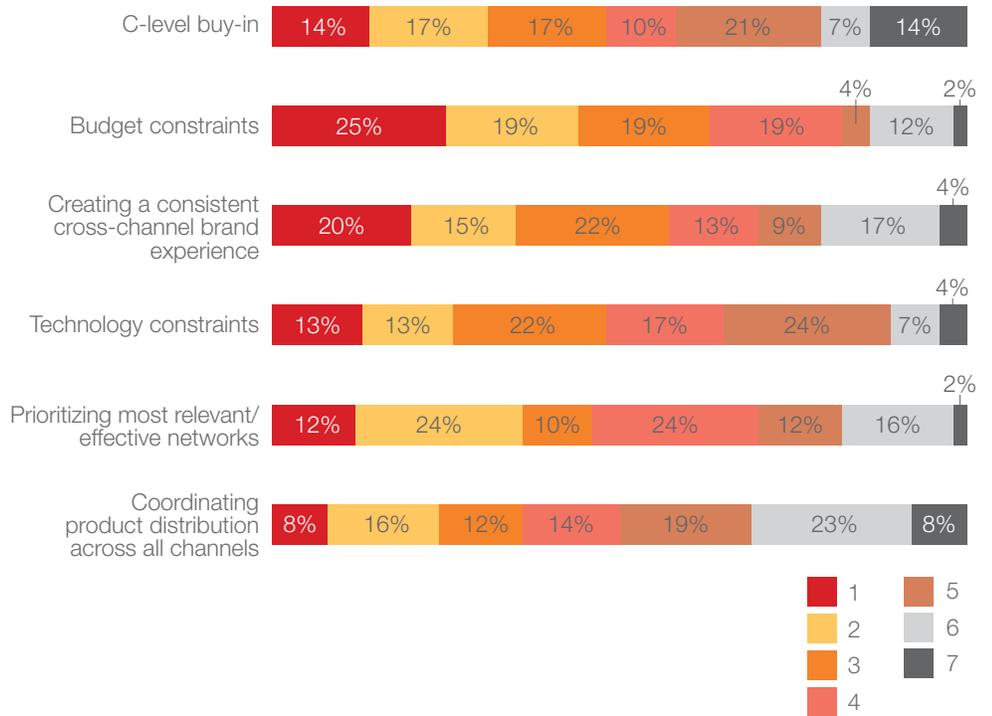


- Facebook ads
- Facebook-sponsored stories
- Sponsored tweets
- Promoted hash tags
- Promoted pins
- Instagram ads

*Budgeting continues to be the most pressing challenge for retailers planning social commerce strategies.*

## WHAT ARE THE MOST SIGNIFICANT CHALLENGES WHEN PLANNING TO ENGAGE IN SOCIAL COMMERCE?

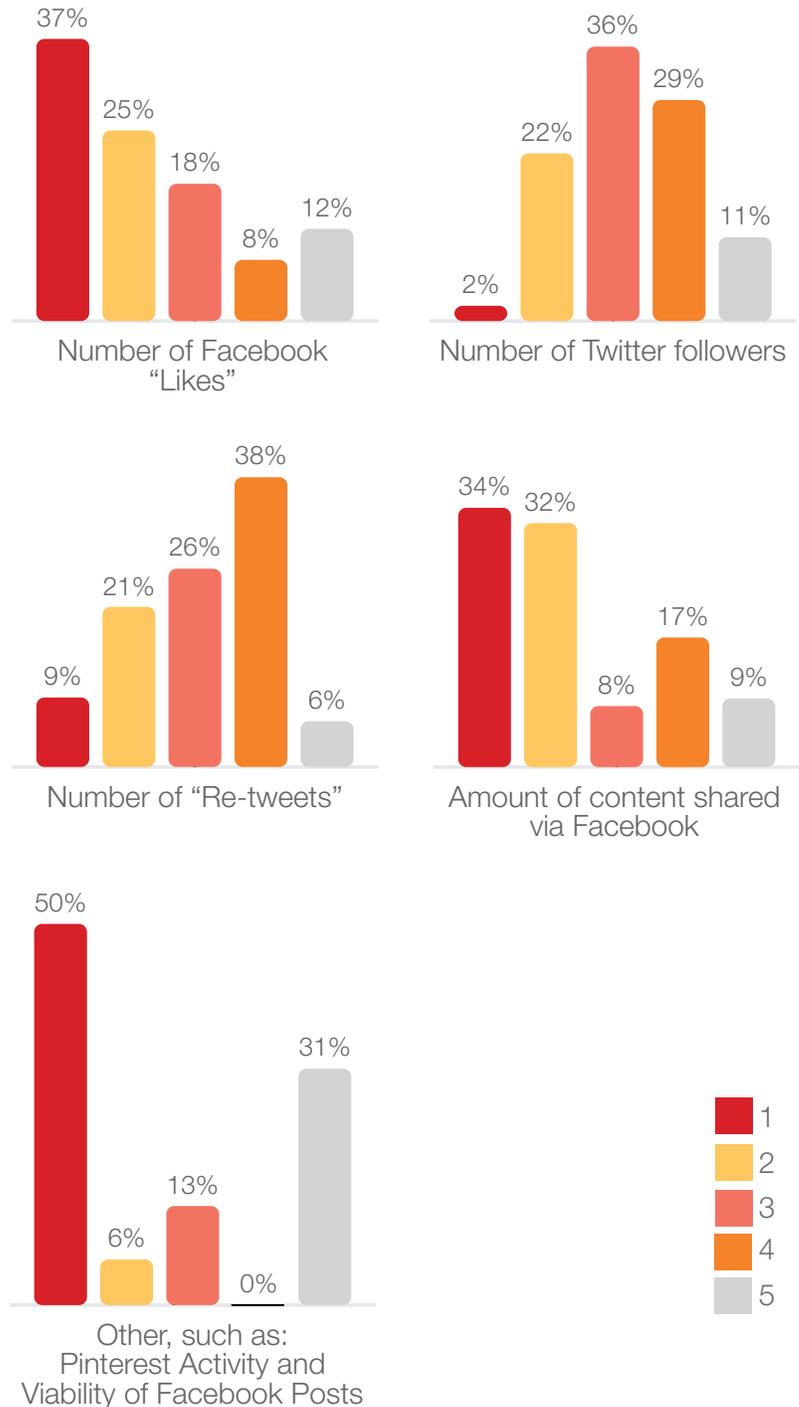
(Rank in order of importance 1-7, 1 being most significant)



*Retailers are least interested in re-tweets when evaluating social engagement metrics.*

## WHAT SOCIAL ENGAGEMENT METRIC DO YOU FIND MOST VALUABLE?

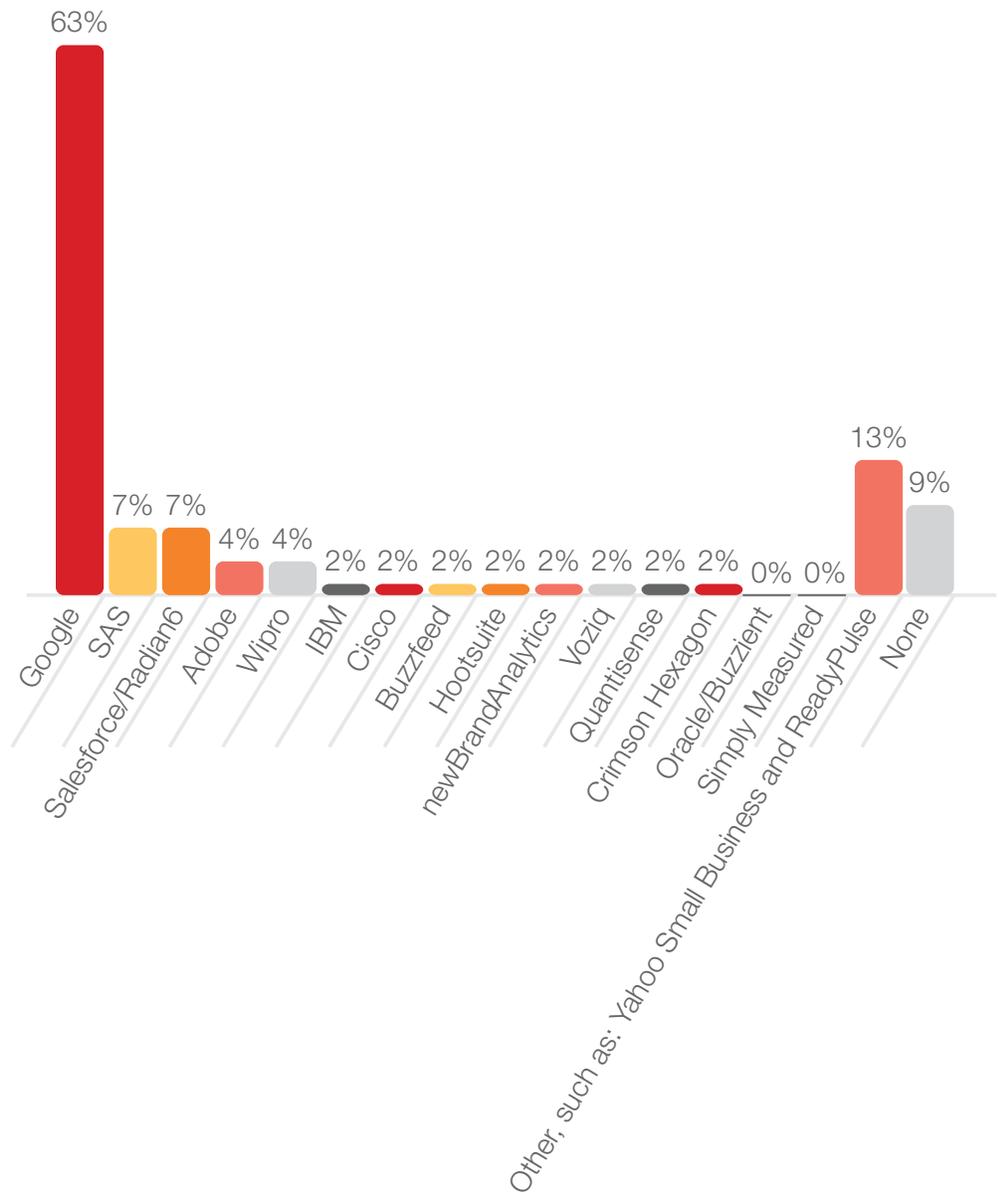
*(Rank those you use from 1-5, 1 being the most significant)*



*Google analytics top the chart of social media analytics solutions used by retailers.*

## WHICH SOCIAL MEDIA ANALYTICS SOLUTIONS ARE YOU USING?

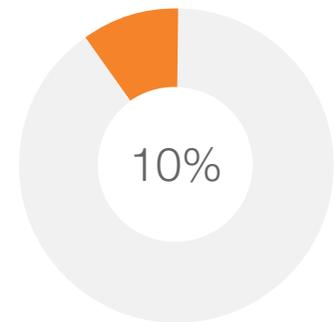
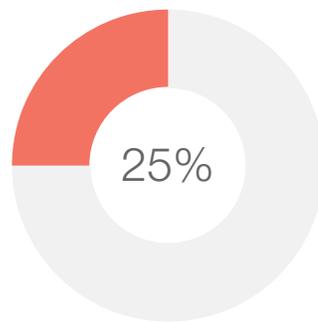
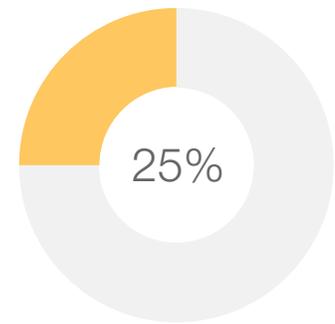
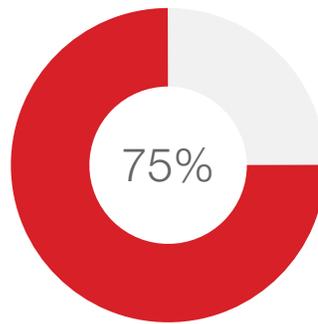
*(Check all that apply)*



*Rewards are the best way to motivate shoppers to spread the cheer about social engagement with a brand.*

## HOW DO YOU INTEGRATE YOUR SOCIAL COMMERCE STRATEGY WITH OTHER CHANNELS?

*(Check all that apply)*

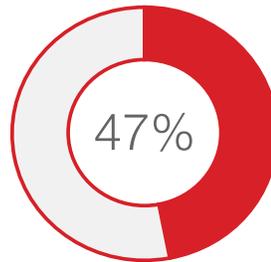


-  We reward our social media “fans” and incentivize them to share good news about our brands with friends and peers
-  We use QR codes to direct mobile shoppers to our Social Commerce site
-  We offer special promotion to shoppers who purchase via more than one of our brand’s shopping channels
-  Other, such as: Use product-specific hashtags to generate product-specific user-generated content

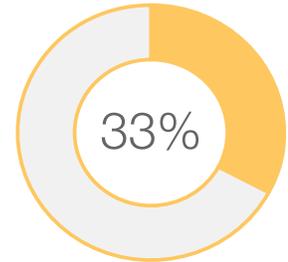
*Retailers are mixed on the topic of social media publishing solutions.*

## WHICH SOCIAL MEDIA SYNDICATION/ PUBLISHING SOLUTIONS DO YOU USE?

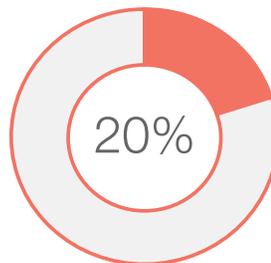
*(Check All that apply)*



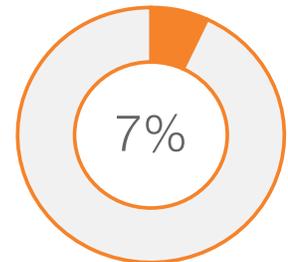
HootSuite



Other, such as: ReadyPulse and Adobe Social



Buffer



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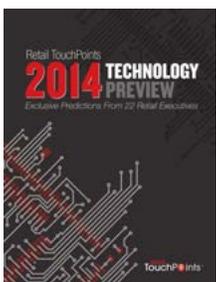
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