

Swipe and Shop: The Guide to Social Commerce

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Abstract

This paper examines the current trends, consumer behaviors, and technological advancements, with a particular focus on the COVID-19 pandemic's catalytic role. It evaluates successful brands' strategies, underscoring the importance of mobile optimization, personalized content, and interactive marketing in engaging consumers. Results revealed a significant change in brick-and-mortar stores as social commerce steps in. For retailers to stay competitive, embracing the social commerce model is imperative. Key to a business's success in this realm is utilizing optimal platforms for product sales, leveraging current trends for business optimization, and mastering customer engagement strategies.

Keywords: social commerce, social media, retail commerce, e-commerce, social networks

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In the digital age, social commerce has emerged as a powerful evolution in the retail landscape. Traditional brick-and-mortar stores have had to adapt to the rapidly changing online shopping trends, which social media platforms have significantly influenced. Social commerce represents a blend of e-commerce and social media, where consumers can shop directly through social media platforms. This method leverages user-generated content, influencer marketing, and group buying to enhance the shopping experience, making it more interactive and social.

With most consumers frequently engaging with social media, businesses are eager to tap into these spaces to reach their audience. Social commerce's interactive nature allows instant communication and feedback, personalized recommendations, and a seamless transition from browsing to purchasing, which can occur without leaving the social media app or site.

As a concept, social commerce has a history that predates its current popularity to 2005. Technology blogger Steve Rubel played a pivotal role in bringing social commerce to the forefront. Through a post on his widely read micro persuasion blog, Rubel highlighted the emergence of social commerce and predicted it as a trend to watch in the upcoming year, marking a significant milestone in the evolution of e-commerce and online consumer behavior. Rubel pioneered the integration of social commerce by fostering collaboration between bloggers and e-commerce platforms. He famously emphasized: "It's a win-win for the bloggers, product marketers, and existing e-commerce sites." Rubel's insight has proven accurate. Social commerce has become an influential way of selling goods online (Rubel, 2019).

The COVID-19 pandemic has precipitated profound transformations within the retail industry, accelerating the migration from conventional in-store transactions to online

commerce. Statista's analytics delineate this shift, documenting a substantial escalation in traffic to retail websites. Specifically, there was an ascension from approximately 16.07 billion visits in January 2020 to nearly 22 billion by June 2020. This uptrend in digital consumer engagement is not merely a circumstantial response to the pandemic but a change in consumer purchasing behaviors (Statista, 2022).

According to Perez (2020), the COVID-19 pandemic has dramatically expedited the transition to e-commerce, propelling the industry forward by approximately five years in a short period. This rapid shift has had a pronounced impact on traditional retail, particularly in sectors deemed non-essential. Department stores, once the cornerstone of retail, have been significantly affected. In the first quarter of 2020, as the pandemic began to take hold globally, these stores reported a steep decline in sales, amounting to a 25% reduction compared to previous figures. However, as the situation worsened with lockdowns, the second quarter of the year saw an even more drastic drop, with sales plummeting by an unprecedented 75%. The repercussions for the retail landscape are extensive, suggesting a possible reconfiguration of shopping habits, commercial strategies, and the economic models of retail businesses moving forward. With the advent of social commerce, consumers are increasingly favoring platforms that offer a seamless, social, and interactive shopping experience. This shift necessitates brands to rethink their digital strategies, ensuring they are present where their customers are most engaged. The ability to directly influence and engage with consumers through social platforms can significantly enhance brand loyalty, customer satisfaction, and, ultimately, sales performance. Therefore, it's critical for brands to understand the evolving consumer preferences and adapt to the social commerce model. Doing so not only aligns with current trends but also positions them to leverage future advancements in technology and consumer behavior. As this paper will demonstrate, the

integration of social commerce is not merely a trend but a fundamental shift in the retail industry that brands must embrace to stay relevant and competitive.

The statistics reveal the significant influence of the pandemic on the retail sector, underscoring the critical need for traditional retailers to adjust to evolving consumer behaviors and preferences. The online shopping trend has transformed how consumers interact with businesses, underlining the necessity for innovative approaches to maintain relevance in the changing retail milieu. A case study from Meta in 2023 illustrates this point with Barbour, a heritage clothing brand with a 125-year history, which opted to embrace Instagram Shop. The International Digital Communication Director Laura Dover reported remarkable outcomes: "Since we started using Instagram Shop, our sales on the platform have increased by 42%, and the traffic from the platform to our website has surged by 98%." This statement highlights the potential for leveraging new digital tools to significantly amplify established brands' sales (Barbour Case Study, 2023).

Businesses that use social media to connect with customers, understand their needs, and create engaging shopping experiences can significantly increase their sales and customer loyalty. Experts predict that social commerce will grow three times faster than traditional commerce, expecting it to hit \$1.2 trillion by 2025, a jump from today's \$492 billion. Millennials and Gen Z are leading this growth, making up about 62%. Generation X and Baby Boomers contribute a notable share, at 28% and 10%, respectively. These trends show a significant shift towards buying on social media platforms as social commerce takes a bigger slice of the e-commerce pie (Lammertink, 2022).

To thrive in this dynamic environment, brands must continually adapt and evolve their strategies. Staying attuned to emerging trends, leveraging data analytics, and crafting authentic, relatable content is essential to success in social commerce. With the right approach, businesses can capitalize on the transformative force of social commerce to sell

their products quickly and effectively in today's crowded marketplace. The purpose of this paper is to delve into the dynamic shift from physical storefronts to virtual shopping experiences, where the swipe of a finger unlocks a world of products and possibilities. Join us as we journey through the intriguing intersection of stores and social media, uncovering the innovative strategies, challenges, and consumer behaviors that shape this exciting retail revolution. We need to keep up with new technologies, allowing users to pay in the most efficient and fastest way possible.

History of Social Commerce

The book *Social Commerce Consumer Behaviour in Online Environments* talks about the history of social commerce, which is, according to the book, a new phenomenon that exponentially increased since 2004. This timeline provided the critical aspects of its history. Figure 1 shows the history of how social commerce emerged (Boardman, 2019).

Commencing with the Internet, we embark on a journey through its monumental impact, which has heralded a revolutionary transformation on a global scale. The inception and proliferation of the Internet have inaugurated a new era, profoundly reshaping numerous facets of our personal, professional, and societal lives.

Internet Commercialization in the Mid-1990s

The Internet's journey toward commercialization did not fully materialize until the mid-1990s. Notable milestones in this era include Dan Kohn's groundbreaking transaction when he sold a CD of Sting's "Ten Summoner's Tales" to a friend in Philadelphia, marking one of the earliest recorded online sales. The payment was made using a card (Lewis, 1994)

Amazon's Entry into E-Commerce

Amazon, now a global e-commerce giant, entered the world of online commerce by selling its first book to John Wainwright on April 3rd, 1995. Although this was the first book

sold by Amazon, the company officially opened its doors to the public later that year, in July 1995 (Garber, 2012).

Emergence of E-Commerce Domains. The Internet paved the way for the emergence of e-commerce domains. Dotcom was one of the seven domains initially made available for public use, igniting enthusiasm for online shopping. The mid-1990s saw a significant increase in Internet usage. According to data from 'Our World in Data,' in 1995, over 40 million people worldwide were connected to the Internet (Ritchie, 2015).

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E-Commerce Takes off. According to George Washington University, Google debuted Google AdWords in the 2000s, giving e-commerce businesses the power to advertise through the Google search tool (Ritchie, 2015).

Yahoo Introduces Social Commerce. In 2005, as stated in the introduction, Steve Rubel introduced social commerce in Yahoo, which involves merging an online shopping store with the option for people to comment and share information about the product. David Beisel discusses how he considers Amazon the pioneer of social commerce, reaffirming how Amazon could share products with friends and add a product to a personal wish list. He also discusses how Yahoo had similar options (Beisel, 2005).

Groupon Initiates a Social Commerce Business Model. Groupon initiates a social commerce business model. This business model aims to leverage social commerce and capitalize on new phenomenon transactions in social media. Adding user-generated content, peer recommendations, and social validation, this model erases the boundaries between social interactions and online shopping, creating more accessible and friendlier buying experiences. As shown in Figure 2, the business model is integrated by many sides (Cuofano, 2023).

In-platform shopping empowers customers to shop for their favorite brands without leaving their preferred social media app. An article by Dayna Winter reveals statistics that project TikTok's sales through its platform to reach a staggering \$20 billion in 2023, marking a fourfold increase in gross merchandise value (GMV) compared to the previous year. TikTok's impressive growth in sales and GMV showcases the platform's significant impact on the social commerce landscape, highlighting its substantial presence in social media (Winter, 2023).

This type of commerce offers advantages like immediate purchases, heightened customer interaction, precise advertising targeting, genuine user-generated content, and various income sources. In essence, the social commerce business model represents a dynamic and interactive approach for platforms to engage actively in the e-commerce process, underscoring the crucial role of social media in online business.

Social commerce applications featuring a reseller ecosystem create an environment where users actively engage with products while sharing their preferences and insights with their social circles. This participation is a crucial factor in the ongoing process of identifying and promoting products that align with the collective tastes and preferences of the user base. As Susan Laborde reported in a 2023 article for Tech Report, an impressive 250 million people, on average, utilize the Facebook marketplace for conducting sales, underscoring the significant influence of social media platforms in e-commerce (Laborde, 2023).

This reseller ecosystem provides several benefits: such as facilitating direct sales, fostering deeper customer engagement, establishing trust and personal connections, and harnessing the power of word-of-mouth marketing. Social commerce applications that operate without an intermediary serve as direct channels connecting manufacturers and consumers, facilitating large-scale purchases to reduce expenses. While this section focuses on alternative platforms rather than the leading social media apps, it underscores the

considerable impact of sharing, commenting, and cultivating an online community as one of the most potent means to enhance customer engagement and satisfaction.

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Social Media

In the rapidly evolving e-commerce landscape, social media platforms have become crucial in bridging the gap between consumers and products, significantly streamlining the shopping experience, and transforming how users interact with brands online. This shift represents a fundamental change, allowing consumers to seamlessly navigate through an integrated digital marketplace from their social feeds, where brands engage directly and personalize their approach. This shopping integration into social media platforms reshapes retail, emphasizing connectivity, convenience, and personalized engagement. It marks a new era where every online interaction holds the potential for a shopping experience.

Online retailers, with 92% recently adding Instagram into their social commerce strategies, surpassing Facebook, Pinterest, and TikTok usage. Instagram provides multiple effective avenues for brands to engage with their customers. For instance, Instagram Shop allows users to browse a brand's products seamlessly within the app. Hosting an Instagram Live session humanizes the brand and fosters personal connections with customers. Posting authentic content and utilizing the product tag feature further streamlines the purchase process with a single click (Dopson, 2022).

Meanwhile, Facebook reigns as the largest social media network, with more than a third of its users engaging in online shopping. Like Instagram, Facebook also provides a Facebook Shop feature, allowing brands to establish their online stores directly within the

platform. Moreover, Facebook offers a marketplace where all users can sell and shop without leaving the platform.

Pinterest is a large social media platform that allows users to shop within the app. Fifty percent of their active users use the platform to shop. The platform offers in-app checkout, creating a faster and more comfortable user experience. The verified merchant program is similar to the Instagram and Facebook shops, allowing customers to browse all products inside the platform (Dopson, 2022).

TikTok has made a significant impact on the digital landscape. Danielle Peplinski, co-founder of Glow Fashion Boutique, stated, "With one viral video related to our business concept of creating a capsule wardrobe in April of 2021, we had our first ever \$20,000 month. As a small business in the competitive apparel space, that was exciting and helped us see the potential in social commerce for the first time" (Dopson, 2022).

Selecting the right social media platform for social commerce is crucial for brands. Each platform has distinct features, demographics, and engagement levels, and it should align with a brand's identity and target audience. In 2023, 52% of businesses plan to utilize social networks for selling, according to a Global Payments survey. This statistic underscores the growing importance of social commerce in modern business strategies. Brands should consider not only user numbers but also the platform's values and culture, as well as their specific marketing objectives. This way, they can effectively leverage social comm (2023 Commerce and Payment Trends Report, 2023).

E-Commerce

E-commerce, the practice of conducting business transactions online, has fundamentally revolutionized how we shop and trade goods and services. Based on an article by Josh Maday, e-commerce, as we know it today, began in the early 1990s with the launch of the first web browser, "World Wide Web." This period saw the

development of the Internet and the launch of retail giants like Amazon and eBay (Maday, 2023). Since evolving into a colossal industry, e-commerce encompasses everything from online marketplaces to digital payment systems.

The convenience of shopping from the comfort of one's own home, coupled with a vast array of choices, has driven the growth of e-commerce. In recent years, a significant offshoot of e-commerce, social commerce, has gained prominence. Social commerce integrates social media platforms into the shopping experience, allowing users to discover, explore, and purchase products seamlessly. According to Samuel Jagger in an online article, "By the year 2040, it is estimated that 95% of all purchases will be through e-commerce." This prediction underscores the transformative power of e-commerce, suggesting that it will continue to shape the future of retail and redefine how we make purchases, with social commerce playing a vital role in this ongoing revolution (Jagger, S. 2023).

In the era of digital connectivity, the influence of social media has experienced exponential growth, infiltrating all aspects of our lives. It has emerged as a foundational element of our existence, shaping how we interact, access information, and construct our digital identities. According to a report by Billy Wong, "In 2023, approximately 4.9 billion individuals worldwide engage with social media" (Forbes Agency Council, 2018). Today's inescapable dependency on social media is undeniable, having transitioned from a mere leisure activity into an indispensable tool for communication, self-expression, information dissemination, and numerous other functions.

One of the most notable offshoots of this deep-seated reliance on social media is the emergence of social commerce. According to a description provided by Maya Dollar Hide, social commerce uses social networking platforms to promote and deliver products and services. It covers the entire shopping experience on social media platforms, with

businesses marketing their products and services, enabling consumers to explore options and complete their purchases (Dollarhide, 2022). The synergy between social media apps and e-commerce has created a new business method. With integrated shopping features and seamless links to online stores, users can now effortlessly browse, research, and purchase products without leaving their preferred social media apps.

Live Commerce

Live commerce is also revolutionizing the world of shopping. Various platforms, such as Comment Sold, Skeepers, and Grip, provide users with entertainment and the convenience of one-click purchasing. Numerous clothing brands are adopting this social commerce strategy due to the inherent challenge of clothing fitting differently than it appears in photographs.

According to Statista, in 2022, livestream e-commerce transactions in the United States were estimated to be worth approximately \$17 billion. This trend, often called "live commerce," entails buying products through live online streams on social networks and is growing in popularity globally. Projections suggest that by 2026, revenue generated from live online shopping is anticipated to nearly triple, reaching an estimated \$55 billion in the United States (Statista, 2022).

As a McKinsey Digital report outlined, Tommy Hilfiger has recently expanded its live-streaming initiative in the fashion industry to cover Europe and North America. This move comes after its achievements in China, where a single live streaming drew 14 million viewers and sold 1,300 hoodies within two minutes (Arora, 2021).

Live commerce, a burgeoning trend, can engage and captivate viewers for extended periods, providing a platform for brands to showcase their products comprehensively. This innovative approach keeps audiences tuned in and empowers

brands to deliver a complete and immersive product experience, enhancing their market presence and connecting with consumers more profoundly.

By adopting these strategies and staying flexible to evolving trends and consumer preferences, brands can refine the live commerce experience, turning it into a powerful and profitable platform. This adaptability allows companies to tailor their offerings and marketing techniques in real-time, ensuring they meet the ever-changing demands of their audience. As a result, brands can transform live commerce into an engaging, dynamic platform that captivates customers and drives sales.

Physical Commerce. In 2023, we anticipate a substantial transformation in traditional commerce. As our world continually adjusts to emerging technologies, shifts in consumer behavior, and global challenges, the dynamics of physical commerce are poised to undergo noteworthy changes.

The choice between physical and e-commerce shopping depends on the product type and consumer preferences. Certain products, like electronics and clothing, are commonly bought online due to their easy comparison. Others, like fresh produce and furniture, are typically preferred in-store for the opportunity to inspect them physically. Trust in a brand and familiarity also influence this choice. Hybrid approaches of buying online and picking up in-store are becoming popular, balancing online convenience and in-person experiences—a study conducted by NIQ Consumer Panel sheds light on consumers' varying preferences when shopping for different product categories. The data reveals that for certain items like eggs and prepared cocktails, in-store shopping remains the top choice for many, with 48% and 47% of respondents favoring this option, respectively. Conversely, online shopping is more notable for items such as cold and flu remedies, with a significant 65% preference, and ramen garners 36% of online shoppers (Fernandes, 2023). This research highlights the importance of understanding consumer

preferences within specific product categories, emphasizing the dynamic nature of the retail landscape in response to changing buying habits and technological advancements.

In-store shopping success centers on understanding what products customers prefer to buy in person and delivering an outstanding shopping experience to encourage repeat visits. Retailers identify these product categories and tailor their services accordingly, with well-trained staff, organized store layouts, and promotions to create a seamless and enjoyable experience. Leveraging technology for convenience and personalization is also crucial. By consistently providing a superior in-store experience, retailers can build customer loyalty and ensure customers return for more.

By embracing these strategies and maintaining flexibility in the face of evolving trends and consumer preferences, brands have the opportunity to fine-tune their live commerce initiatives, crafting an experience that is both engaging and financially rewarding. Staying adaptable ensures that businesses can swiftly respond to new market dynamics and customer behaviors, keeping their live commerce offerings fresh and relevant. Consequently, this approach not only enhances the live shopping experience but also establishes a robust and profitable platform that captivates audiences and encourages ongoing engagement.

Retail Commerce. The retail landscape has undergone significant changes since the onset of the COVID-19 pandemic. There has been a shift towards e-commerce, leading to the closure of many stores. However, today, we can observe a more balanced retail environment as consumers increasingly prefer e-commerce and in-person retail experiences. Before the pandemic, 85% of retail sales were through physical stores, and reports suggest that in-person shopping will make a comeback post-COVID, although transformed, as the surge in online shopping starts to slow down. Nonetheless, the pandemic has permanently altered consumer behaviors. Simply reverting to pre-

pandemic norms will not suffice. Retailers poised for success in this new era are those who prioritize customer needs and replicate the online shopping experiences people have grown to prefer. This change reflects the evolving consumer preferences and the adaptability of businesses in response to the challenges posed by the pandemic. Occuspace. (2023).

Considering the concerning trend in the closure of numerous brick-and-mortar stores, as reported on Insider, it sheds further light on the severity of the situation. Reuter reveals that a substantial number of major retailers, a total of 20, are poised to shut down a staggering 2,847 locations across the United States in 2023. The underlying reasons for this wave of closures are multifaceted, from financial troubles leading to bankruptcy to a concerted effort by stores to adapt to consumers' evolving habits (Reuter, 2023).

One noteworthy example cited in the article is Foot Locker's decision to close 545 stores. Their strategic move involves shifting away from traditional shopping malls and towards a dual focus on e-commerce and innovative concept stores outside malls. These closures and transformations underscore the dynamic nature of the retail industry and the imperative for retailers to adapt to remain relevant and thrive in the ever-changing landscape. The ongoing shift in the retail sector calls for thoughtful and strategic responses from retailers and consumers alike (Reuter, 2023).

According to an article by McKinsey, by 2025, 79.6% of retail commerce will be done by social commerce (McKinsey & Company, 2022). This impacting number is taking a toll on all physical retail stores trying to find ways to stay up to date with the changing consumer behavior. An article by Deloitte talks about how retail commerce companies can stay up to date with changing trends, specifying three key factors companies can do to deal with these changes:

1. They mention how having MFC for storage can optimize employees' time and how stores are always assorted.
2. They express how in-store returns for credit can optimize time saved and money saved on shipping for exchanges.
3. They speak about how social commerce can help with old customer's loyalty and help bring in new customers.

These insights serve as a valuable guide for retailers navigating the evolving retail landscape and help them adapt to the challenges and opportunities that lie ahead (2023 Retail Industry Outlook, n.d.).

Online Communities. Creating an online community within social commerce can significantly enhance the user experience. As noted by Crystal King, a social media expert, the landscape of social media has undergone substantial changes in recent years, characterized by stricter privacy and data protection regulations, the proliferation of disinformation, alterations to platforms, and the emergence of decentralized social networks. Consequently, users are shifting their focus away from traditional platforms, and businesses are witnessing reduced revenue gains from advertising and social media endeavors. According to King, the remedy is the establishment of niche communities, which serve as ideal breeding grounds for fostering brand awareness, engagement, loyalty, and trust. A report by HubSpot reinforces this perspective, indicating that over the past three months, more than one in five social media users have joined or engaged in online communities (The 2023 Global Social Media Trends Report, n.d.).

The growing prominence of niche communities in the social commerce landscape underscores their pivotal role in enhancing user experiences and adapting to the evolving dynamics of social media, which has seen considerable shifts in recent times. Brands that

recognize and invest in these communities are well-positioned to strengthen their relationships with users and build trust in an ever-changing digital landscape.

Economics

Social Media Platforms

Today, social media has become the primary destination for individuals to access information, acquire knowledge, interact with others, make purchases, and obtain customer assistance. Notably, for Generation Z, social media has supplanted traditional search engines. Young people today use TikTok as their primary search engine, leaving Bing and Google behind.

Economies of scales in social commerce have significantly contributed to the success of many brands in this industry. According to the Social Commerce Global Market Report for 2023, the global social commerce market witnessed substantial growth, with its value rising from \$534.03 billion in 2022 to \$565.83 billion in 2023, reflecting a compound annual growth rate (CAGR) of 6.0%. Nevertheless, the Russia-Ukraine conflict has disrupted the prospects of a swift global economic recovery from the COVID-19 pandemic, particularly in the short term. This ongoing conflict has led to economic sanctions on multiple nations, a notable increase in commodity prices, and disruptions in supply chains, resulting in inflation across various goods and services and impacting numerous markets worldwide. Despite these challenges, the social commerce market is projected to continue its expansion, with an anticipated value of \$689.56 billion by 2027, reflecting a CAGR of 5.1%. The adaptability and resilience of this market will play a pivotal role in sustaining growth amid these complex global circumstances (Social Commerce Global Market Report 2023. 2023).

Social Networks Statistics

According to a report from Sprout Social, the social media platforms with the most compelling social commerce statistics include Facebook, Instagram, TikTok, and Pinterest.

Facebook leads the pack in social commerce, with an estimated 5 million users in the United States making purchases on the platform in 2022. Following closely, Instagram attracts an estimated 41 million buyers who have completed purchases via the platform. TikTok also emerged as a popular choice, with 23.7 million users actively engaged in purchasing activities on the platform. Pinterest is another noteworthy player, drawing around 15.9 million social shoppers to its platform.

The predominant method social shoppers employ to discover the products they desire is targeted ads, as identified by 49% of respondents in the Sprout shopping study. Regarding the key factors influencing consumers' purchase decisions on social media, friends' recommendations are among the most influential (Zote, 2023).

Audience

According to Maryia Fokina in an article for Tido, Millennials will continue leading as the most active social commerce customers, projected to make up 33% of all purchases by 2025. In 2025, Millennial consumers will contribute to a third of the global social media shopping spend. Gen Z and X will follow closely, contributing 29% and 28%, respectively. On the other hand, Baby Boomers will engage the least with social commerce, likely due to the challenges they encounter in adopting new technologies as they age. However, Baby Boomers still have a significant presence on social media, with 82% possessing at least one social media account and 78% registered on Facebook. Therefore, despite lagging behind other generations, their activity in social commerce continues to grow, as depicted in Figure 3 (Fokina, 2023).

Millennials will continue to lead in social commerce, with Gen Z and Gen X following closely. Despite challenges, Baby Boomers' engagement in social commerce is gradually increasing, reflecting the changing landscape of consumer behavior across generations in the digital era.

Buying Preferences. Statista states that in 2023, regarding influencer-led purchases in the United States, several product categories stood out as the most frequently acquired items.

These product categories were as follows:

1. **Merchandise:** At the top of the list, merchandise accounted for 30.9% of influencer-driven purchases. This category encompasses a wide range of consumer goods, such as clothing, accessories, and items associated with a particular influencer or brand, illustrating the strong influence of influencers in the retail landscape.
2. **Beauty:** The category came in second, representing 18.9% of influencer-promoted purchases, including cosmetics, skincare products, and various beauty-related items that influencers often endorse, highlighting their significant impact on consumers' beauty-related choices.
3. **Food:** Food products made up a noteworthy 18.7% of influencer-driven purchases. Influencers often share their culinary experiences, recommend food items, or collaborate with food brands, making food a popular category for influencer-driven consumer choices.
4. **Beverage:** The beverage category held its ground, comprising 17.5% of influencer-promoted purchases. This category includes various beverages, such as soft drinks, coffee, teas, and alcoholic beverages, which influencers may endorse or incorporate into their content.
5. **Supplement:** Lastly, the supplement category comprised 14.1% of influencer-fueled purchases. Dietary supplements and wellness products fall under this category, and influencers often advocate for these products and inform their audience about their potential benefits.

These statistics reveal the diverse product categories social media influencers influence and their impact on consumer preferences and purchasing decisions. As influencer marketing

continues to evolve, these categories provide valuable insights into the areas where influencers hold the most sway in the U.S. consumer landscape (Statista, 2023).

How Consumers Find Products

According to a Sprout Social report, consumers use various methods to discover products. The report states that targeted ads on social media apps lead 49% of consumers to products they want. These ads effectively reach specific audiences as they target individual preferences. Additionally, 40% of consumers discover products without paid promotion through organic posts; 40% is a large number for no ads. People's interests or the brands they follow often bring these posts to the surface. Social media research has become increasingly popular, particularly among younger generations, who often use social media search engines to find products or brands. The report shows that 34% of consumers rely on social media for this research, as illustrated in Figure 4 (Zote, 2023).

Sending product-related posts to a friend serves as another method for product discovery. If people have mentioned their interest in a particular product, a friend who comes across a relevant ad or post will likely share it with them. Lastly, 22% of product discovery occurs through tags, as people frequently tag each other in social media posts, reels, and images. When someone is tagged, they can be directed to the post to find the product they sought (Zote, 2023).

Consumers employ a variety of means to discover products, including targeted ads, organic posts, social media research, sharing posts with friends, and tags in social media content. These findings underscore the diverse and dynamic ways consumers engage with products and brands in the digital landscape.

Conclusion

The transformative landscape of social commerce, as outlined in the detailed guide “Swipe and Shop,” is a testament to the dynamic nature of the retail industry. The shift from

traditional brick-and-mortar stores to digital shopping platforms, a change hastened by the COVID-19 pandemic, is more than a passing phase. It represents a fundamental shift in consumer behavior, where convenience and accessibility are paramount. This evolution highlights an urgent need for traditional retailers to adapt and evolve, tailoring their strategies to align with these new consumer preferences.

In today's fast-paced digital marketplace, brands must navigate the intricacies of social commerce with a blend of creativity and strategic insight. The crux of success in this digital era is embracing the technological revolution involving creating compelling content and forming strategic partnerships with influencers. This method engages audiences and paves the way for innovative feedback and sales channels.

Barbour's shift to utilizing Instagram Shop is a prime example of adapting to this new reality. This move demonstrates the potential of social media platforms to tap into new demographic segments and significantly amplify sales figures. It indicates the necessity for even long-established brands to stay in step with technological advancements, mainly when aiming to connect with a younger, more digitally-savvy audience.

The economic impact of social commerce is substantial, with projections suggesting the market could reach a staggering \$689.56 billion by 2027. This robust growth is predominantly fueled by Millennials and Gen Z, who are responsible for a significant portion of this surge, with Gen X and Baby Boomers following suit. These demographic shifts underscore a broader trend toward embracing social media platforms for shopping, marking a significant transformation in retail.

Success in social commerce is heavily dependent on choosing the appropriate platform. Key players, such as Instagram, Facebook, Pinterest, and TikTok, provide distinct opportunities for engaging with customers and enhancing sales. To target their campaigns,

brands must carefully select platforms that resonate with their identity, target audience, and specific marketing objectives.

However, adapting to the changing retail landscape involves more than following the latest trends. It requires an in-depth understanding of emerging technologies, a dedication to creating authentic and relatable content, and a strategic use of data analytics. The report also draws attention to the increasing significance of live commerce and other novel trends, which are instrumental in cultivating online communities and stimulating sales, like the Tommy Hilfiger example, where a single live streaming drew 14 million viewers and sold 1,300 hoodies within two minutes.

A critical aspect of this adaptation is understanding consumer behavior. The report emphasizes the importance of various discovery methods, such as targeted advertising and influencer marketing, which are crucial in influencing purchasing decisions. Additionally, providing exemplary customer service through social channels can bolster a brand's image and foster lasting customer loyalty.

For retailers aspiring to excel in social commerce, it is imperative to craft strategies that align with each social media platform's unique features and user behaviors. This approach fosters vibrant online communities, focuses on personalization, and actively engages with customers in real-time. Prompt and interactive responses are essential in building a brand image that is both relatable and approachable.

In conclusion, mastering the art of social commerce extends beyond merely understanding its importance. It involves harnessing its vast potential through strategic community engagement, platform-specific strategies, personalization, active participation, and continuous innovation. By embracing these tactics, retailers can effectively navigate the complexities of the digital marketplace, evolving constantly to meet the ever-changing needs

and desires of the consumer. In this digital era, staying ahead requires an unwavering commitment to innovation and a deep understanding of the digital consumer psyche.

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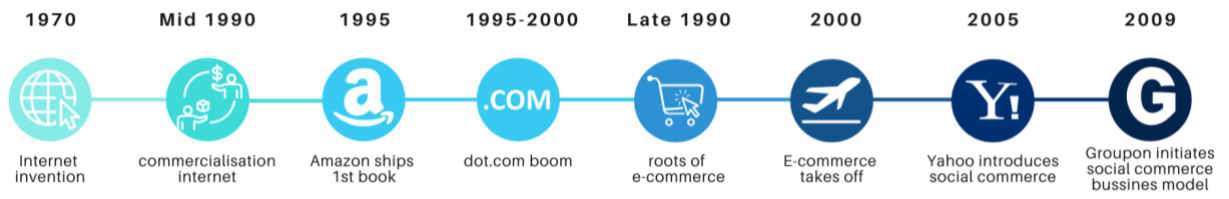
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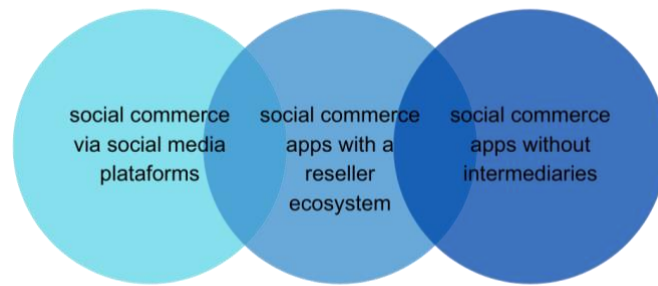
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Figure 1 History of Social Commerce.



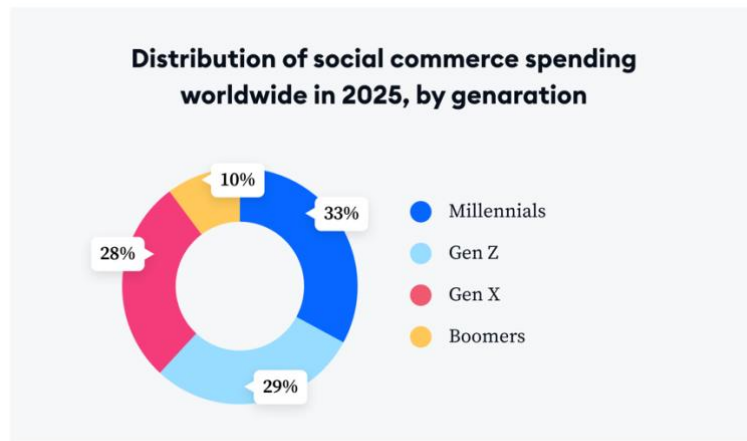
(Boardman, R., et al. 2019)

Figure 2 Social Commerce Business Model.



(Cuofano, W. I. G. 2023)

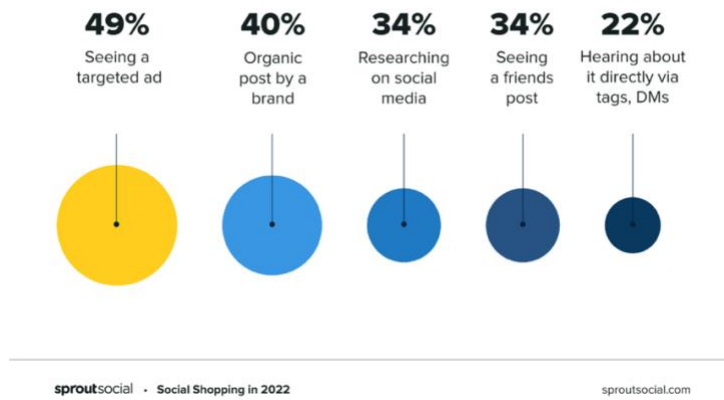
Figure 3 Distribution of social commerce spending by generation.



Source: Accenture

(Fokina, M., 2023).

Figure 4 How consumers find products.



(Zote, J. 2023)