



SOCIAL COMMERCE AND MARKETPLACES

HOW TO BUILD A SOCIAL COMMERCE
AND MARKETPLACE STRATEGY TO DRIVE
RECOVERY AND GROWTH POST-COVID

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Executive Summary

Customers are ready to buy at any minute. Whether they're actively looking on marketplaces or browsing through newsfeeds, inspiration can strike at a moment's notice. It is the marketer's task to make sure they are present in that moment, ready to inspire with content, convince with advertising or expand the customer's horizons with a window into a whole new world of opportunity.

Did you know?

Marketplaces are increasingly powerful:

20% of L'Oréal's revenues now come from marketplaces like Amazon.



They're matched only by social platforms:

Even the newest social platform (TikTok) reached nearly 13 million adults in a single month in 2020.



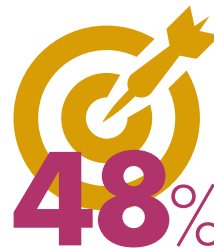
It pays to target consumers 'in the moment':

Social retargeting increased one fashion retailer's site conversions by 59%.



And, don't make them work to find you:

83% of consumers claim convenience is more important now than it was five years ago.



Despite these trends, work still needs to be done:

Nearly half (48%) of companies still struggle to target content to their audiences.

We'll demonstrate:



The market opportunity:

Why e-commerce – which has been critical for years -- is actually accelerating in a post-COVID world and how to expand your customer base to reach all four corners of the globe.



The platforms to target:

How marketplaces like Amazon are much more than just shop windows, and social's power to driving purchase in the moment.



Attract the right customers, at the right time, in the right place:

What convenience means to consumers, why it's about more than just a 'Buy Now' button and the value of targeting both channel and segment to personalise effectively.

Foreword by ChannelAdvisor

The pandemic has shaken the retail industry in an unprecedented way. Consumer behaviour has radically changed — an acceleration of the shift to online that was already well underway. Consumers have more confidence shopping online than ever before and that new confidence results in more experimentation. Nearly one third of consumers purchased items they had not bought online previously, and over a quarter have shopped with retailers and brands they had not used before.¹ As non-essential stores reopened in June, 42% of UK consumers planned to shop more digitally post-lockdown.²

And, just like that, the world of bricks-and-mortar and the role of window shopping have been redefined. Consumers now spend more time researching online, even when they want to purchase goods in-store. 56% of consumers admit to researching online more than before lockdown and this figure rises to 72% if we look at consumers aged 18-25.³

Additionally, the lines between marketing and commerce have become blurred. Consumers are browsing across an array of digital channels from Google to Instagram, Facebook to Amazon. A well-designed (and well-placed) ad across any of these channels can be just the incentive consumers need to turn their daily Instagram check-in and casual Facebook scrolling into a shopping session.

With millions of products across a plethora of online marketplaces and social channels, shoppers have multiple options for purchasing the same item. Whether the path to purchase takes 30 seconds or 3 days, brands and retailers need to be ready to meet consumers wherever they are choosing to shop.

The brands that will thrive in this new landscape will be those who can embrace a digital-first mindset, unite their sales and marketing departments, and provide a seamless, multichannel experience for their customers.



Andrea Snagg
Marketing Director, EMEA

ABOUT CHANNELADVISOR

ChannelAdvisor (NYSE: ECOM) is a leading e-commerce cloud platform whose mission is to connect and optimise the world's commerce. For nearly two decades, ChannelAdvisor has helped brands and retailers worldwide improve their online performance by expanding sales channels, connecting with consumers, optimising their operations for peak performance, and providing actionable analytics to improve competitiveness. Thousands of customers depend on ChannelAdvisor to securely power their sales and optimise fulfilment on channels such as Amazon, eBay, Zalando, Google, Facebook, Walmart, and hundreds more.

For more information visit www.channeladvisor.co.uk

¹ <https://www.channeladvisor.co.uk/resources/library-webinars/5-consumer-shopping-trends-in-the-age-of-covid-19/>

² <https://www.channeladvisor.co.uk/resources/library-webinars/life-after-lockdown-consumer-attitudes-to-in-store-shopping/>

³ <https://www.channeladvisor.co.uk/resources/library-webinars/life-after-lockdown-consumer-attitudes-to-in-store-shopping/>

INTRODUCTION -

The importance of e-commerce in driving growth and recovery

The online shopping journeys that consumers now take are markedly different from those they took just a few years ago. Rather than search, click and buy, consumers now take steps that represent a continuous cycle of activity. As part of their journeys, consumers might now consider marketplaces like Amazon, social networks like Facebook and Instagram, not to mention a brand's own e-commerce platform.

These trends are accelerating. The recent COVID-driven lockdown has brought even more shoppers online, some for the first time. June 2020 research from ChannelAdvisor, found that a quarter of consumers have bought something from a retailer with which they had not shopped before, and 30% say they have bought items they wouldn't normally.¹

Continued health fears are likely to see many of these habits stick as we move into recovery. So much so that UK e-commerce is expected to claim a 27.5% share of total commerce sales in 2020 (up from 21.8% last year), according to one recent study.²

Unsurprisingly, during COVID, brands that were already investing in e-commerce have stepped up their activity, focusing heavily on marketplaces like Amazon and social networks:

- L'Oréal now receives 20% of its revenues from branded sites or from retailers like Amazon, having shifted 70% of its advertising and marketing spend to digital in recent months.³ According to its Chief Digital Officer Lubomira Rochet, the business was "achieving in eight weeks what it would have taken us three years to do."
- Sportswear retailer Adidas has "accelerated its e-commerce business" according to Rob Seidu, Senior Director of Media Activation in Europe. In April 2020, the brand reported a rise in e-commerce sales of 35% driven by an increased return on advertising spend through channels such as Snapchat to target Gen Z and Millennial audiences.⁴
- Levi's is another fashion brand that has sought to overcome physical shopping restrictions. Through TikTok's newly launched "shop now" button, consumers have been able to make purchases through links posted to the video site. This builds on recent partnerships which saw Levi's sponsor TikTok influencers to send traffic to the jeans brand's own e-commerce site.⁵

In the words of Shopify's Chief Operating Officer, Harvey Finklestein, in May 2020 "the world that would have existed in the year 2030 has been pulled into 2020".⁶ This whitepaper delves into how leading brands have made the most of marketplace and social commerce strategy; how they are successfully blurring the lines between native and user generated content without over-stepping the mark, and how there is still work to do when it comes to understanding the customer's complex content needs.

¹ <https://www.channeladvisor.co.uk/blog/industry-trends/part-ii-a-breakdown-of-consumer-shopping-behaviour-in-the-age-of-covid-19/>

² <https://www.emarketer.com/content/uk-ecommerce-2020>

³ <https://on.ft.com/2YxReO9>

⁴ <https://www.cnn.com/2020/06/03/snapchat-launches-dynamic-product-ads-for-brands-in-global-rollout.html>

⁵ <https://techcrunch.com/2020/04/20/levis-partnered-with-tiktok-on-social-commerce-and-doubled-its-product-views/?guccounter=1>

⁶ <https://www.ft.com/content/4209aaec-1d31-4d31-b934-600dfc0f18c2>

Putting your advertising against the e-commerce moment

Brands are doubling down on their social media and marketplace investments in response to changing audience behaviours. In June 2020, Mondelez International reported increased e-commerce advertising with a focus on Amazon because, according to CEO Dirk Van De Put, “your advertising needs to be as close to the e-commerce moment as possible”.⁷

Prior to the pandemic outbreak, Mondelez had been increasing its digital advertising efforts, but now, post-COVID, it has put increased emphasis on Amazon advertising. The motivation is like the logic behind advertising near the point of purchase in a bricks-and-mortar store so that “you can have the advertising right together with the moment of purchasing” says Van De Put.

Amazon is becoming increasingly sophisticated in showcasing its sellers’ wares. Advertising ‘in the moment’ is important but there is much more opportunity for brand engagement. The Amazon store, for example, lets sellers build their own micro-site to tell their brand’s story. Alternatively, they can run video ads via its Fire TV platform. The marketplace is increasingly much more than a retailer, rather it is becoming a multichannel, multimedia ecosystem for joined-up customer engagement.

Strong performance, audience reach, and context are all likely to play major roles in brands’ decisions to invest in advertising in marketplaces. In the case of Amazon, its expansive product range and effortless digital experience attracts a significant proportion of UK shoppers when they’re starting out a search (62% of shoppers according to one pre-COVID study from Wunderman) with 38% ultimately spending on the platform.⁸ Its attractiveness as a platform to sellers is clear.

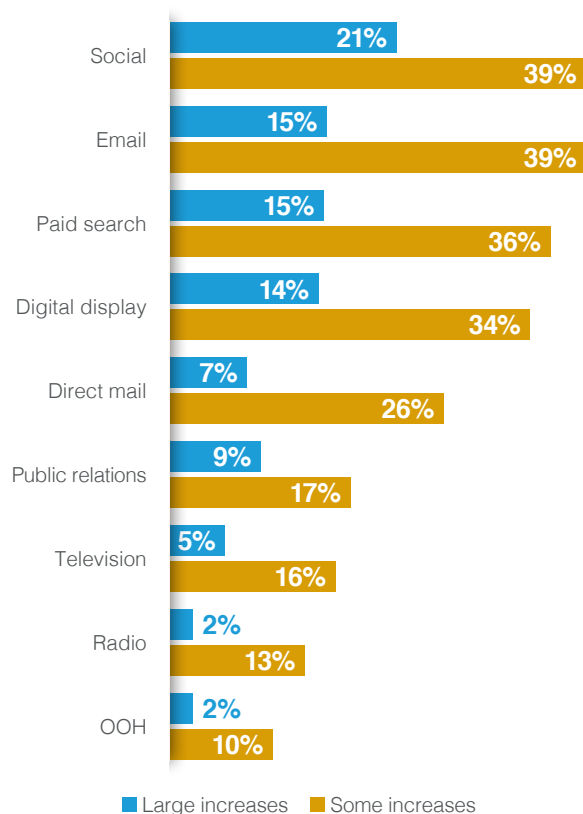
⁸ <https://www.warc.com/newsandopinion/news/mondelez-doubles-down-on-e-commerce-advertising/43700>

⁷ The Future Shopper Report 2019, Wunderman Thompson Commerce

Social networks as conversion and direct response channels

According to July 2020 Econsultancy and Marketing Week research illustrated in *Figure 1*, 60% of agencies agreed that their clients were either making ‘some’ or ‘large’ increases in social investments. With previous store closures and continued social distancing measures in place across retail stores, social is having its moment in the sun as consumers spend more time scrolling through their newsfeeds.

Figure 1: Looking at H2 vs. H1, how are you seeing clients’ media investments change by channel?



Base: 268 agency respondents

Source: Econsultancy and Marketing Week Covid Survey, Phase 5, July 2020

Thanks to the in-depth understanding that platforms have of their logged in users, brands are drawn to social's sophisticated targeting capabilities. Doing so, also helps cope with shrinking marketing budgets. Advertisers have the added benefit of being able to use compliant first-party data such as emails, phone numbers and app IDs to reach audiences with social ads, according to Econsultancy's Social Media Advertising Best Practice Guide.⁹

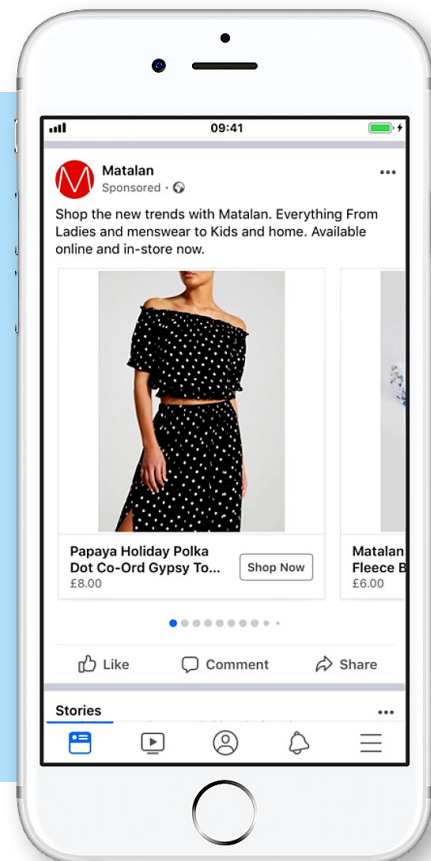
Social's appeal is further strengthened by sophisticated retargeting. This allows brands to target potential customers who abandoned their shopping basket before checkout with relevant messaging that encourages them to complete their purchase. In this case, given such individuals are way beyond the awareness and consideration phase, they can be converted using options for free delivery or offering to spread payments.

Equally, making it simple to purchase by allowing customers to buy direct from the ad (see the Matalan case study below) contributes to a higher propensity to buy. For example, 22% of respondents to a ChannelAdvisor survey on consumer shopping behaviour in the age of Covid-19 said they bought something after seeing an ad on Facebook. This rises to 38% for 26-35 year-olds. The number is slightly lower on Instagram at 17% but it jumps to 32% for 18-25 year-olds and 35% for 26-35 year-olds.¹⁰

MATALAN CASE STUDY

- For a Facebook campaign, Matalan used dynamic ads to connect across Facebook, Instagram and the Audience Network with broad audiences that hadn't yet visited its site.
- Ads were also tailored to show products that previous website visitors had looked at and/or put in their cart but had not checked out. These featured "Buy Now" buttons to make it easier to buy there and then.
- According to the retailer, this strategy led to a 59% increase in conversions with dynamic ads. Matalan also enjoyed a 55% higher return on ad spend compared to regular conversion object campaigns.

Source: Facebook¹¹



⁹ Social Media Advertising Best Practice Guide 2020, Econsultancy

¹⁰ <https://www.channeladvisor.co.uk/blog/industry-trends/part-i-a-breakdown-of-consumer-shopping-behaviour-in-the-age-of-covid-19/>

¹¹ <https://www.facebook.com/business/success/matalan>

Make the most of the global marketplace

According to May 2020 ONS data, whilst the proportion of retail spend online has grown to the highest levels on record (33.4%), overall sales are still down by 13.3% compared to the same three-month period to May 2019, in a pre-COVID world. One of the biggest advantages of e-commerce, and marketplaces or social selling, is the ability to retail across international borders, thus opening a vast, global, target customer base. Given 2020's economic landscape, the ability for brands to connect and engage with new audiences beyond home markets via social networks and marketplaces has never been so important.¹³

In the case of marketplaces, most brands begin by listing on Amazon and eBay, according to recent research from ChannelAdvisor.¹⁴ But, depending on the

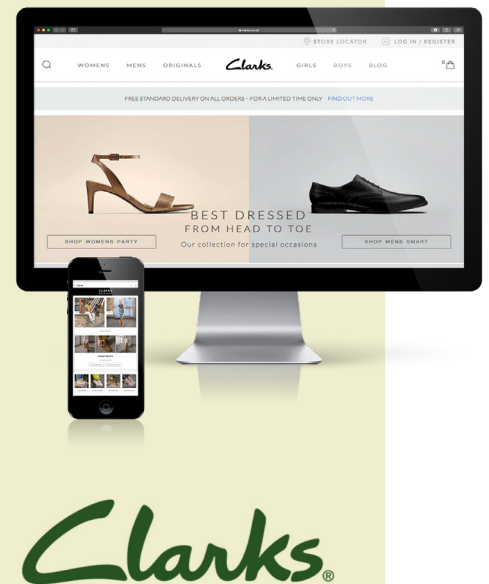
country in question, other platforms may make more sense. For example, Allegro dominates in Poland, while, in New Zealand, Trade Me has the advantage over Amazon, which doesn't have a 'co.nz' website.¹⁵

Beyond country focus, brands also need to consider category advantages of different players. German-based online department store, Otto, has a heavy focus on high-end home and fashion listings. By comparison, fashion e-tailer, Zalando, appeals to young urban fashion shoppers. It has over 27 million customers across Europe, shopping from over 400,000 product choices and almost 2,000 brands.¹⁶ It is used as one of the many marketplaces UK shoe brand Clarks sells through (see case study) to reach a global audience.

CLARKS CASE STUDY

- With 12 successful transactional websites globally, UK-based footwear brand and retailer Clarks wanted to explore new avenues to expand its customer base and saw an opportunity from marketplaces with their established audiences and global reach. It began by listing on Amazon UK, but found it time consuming and ineffective.
- To be able to scale in a quick and agile way, the brand then partnered with ChannelAdvisor to manage its marketplaces business. The company realised that it could tap into “experts in each marketplace and understand the nuances and requirements of each” so that campaigns were set up to succeed.
- Since kicking off the partnership, the brand has been able to quickly expand to new markets without taking resources away from its existing transactional websites. These now include eBay and Amazon in the UK, eBay and Zalando in Germany, and eBay in the Netherlands, Spain and France. Clarks' expansion into these new markets would not have been possible to do alone.

Source: ChannelAdvisor¹⁷



¹² <https://www.ons.gov.uk/businessindustryandtrade/retailindustry/bulletins/retailsales/may2020>

¹³ <https://www.ons.gov.uk/businessindustryandtrade/retailindustry/bulletins/retailsales/may2020>

¹⁴ <https://www.channeladvisor.co.uk/resources/library-webinars/expand-and-grow-on-european-marketplaces/>

¹⁵ <https://www.stuff.co.nz/business/113360504/amazon-tipped-to-open-up-its-australian-website-to-kiwis-next-month>

¹⁶ <https://econsultancy.com/zalando-personalisation-machine-learning/>

¹⁷ <https://www.channeladvisor.co.uk/success-stories/clarks/>

If brands tend to default to Amazon in their marketplace choice, on social networks, they naturally start out on Facebook. According to Econsultancy's Social Media Advertising Best Practice Guide, Facebook is a "consistent performer for precision media spend to reach large audiences at all stages of the customer journey". But each platform has unique user behaviours and features that brands must recognise.

For example, Instagram drives sales with creative, visual shoppable ad formats. By comparison, TikTok can suit brands looking to express their more playful side with short form video and is rapidly gaining traction in the UK, with 12.9 million adult visitors in April 2020 alone.¹⁸ In the same vein, companies can leverage Pinterest to enable brand discovery and create desire with branded mood boards. This last tactic helps to place products into the context of people's lives and homes.

Whether you want to showcase a range of products via a carousel ad or to create 'buy the lifestyle' envy with video or 'Shop the Pins', curated images are more impactful as sales drivers. Starbucks has successfully used similar visual marketing tactics on Instagram, highlighting its 'red cup' trend often in the context of customers' lifestyles such as autumnal settings, fashion type shoots and collages.¹⁹ The company didn't acquire 16 million Instagram fans with boring pack shots.²⁰ This is when marketers realise that convenience isn't just about a 'Buy' button or direct response ad, it's about curating for the customer.

¹⁸ <https://www.rapidtvnews.com/2020062458686/surge-in-uk-online-video-uptake-since-lockdown.html#axzz6RWU3Grnn>

¹⁹ <https://taggbox.com/blog/content-marketing-trends/>

²⁰ <https://blog.unmetric.com/starbucks-social-media-strategy>

²¹ Social Media Advertising Best Practice Guide 2020, Econsultancy

ACTIONABLE INSIGHT: DISCOVER THE RIGHT PLATFORM FOR YOUR TARGET AUDIENCE

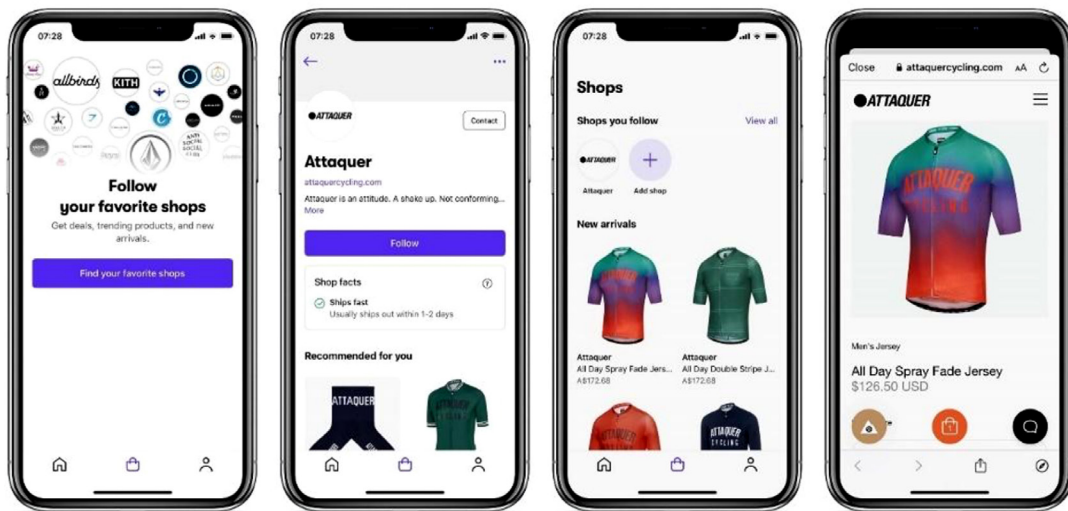
According to Econsultancy, when selecting a social network, advertisers should start with their audience objectives and work backwards. Advertisers with completed audience and persona development will have a good idea of who they are, the media they consume and the devices and social platforms they're most likely to be on, to then ask the following questions:

- 1** Are our target audiences on the platform in numbers?
- 2** Is the platform 'brand safe'?
- 3** What content, ads and experiences does our target audience want from us, and can we give that to them?
- 4** Will the specific social network help us achieve our objectives in a cost-efficient way (whilst growing and not damaging our reputation)?
- 5** Does the platform offer the right targeting and ad options to our advertising objectives?
- 6** Are the benchmarked costs affordable compared to other forms of advertising where we have had success in the past?

Convenience is curation

As Amazon and others have clearly demonstrated, convenience is one of the most dominant forces of customer decision-making, with 83% of Americans stating it is a more important decision factor now than it was five years ago.²² A recent launch within Facebook Shops allows customers to browse, save and order products directly within the e-commerce app. Similarly, Shopify's 'shop' app lets consumers follow and buy from brands via a newsfeed (see Figure 2).

Figure 2: Shopify's 'shop' newsfeed style shopping experience



Source: Shopify

Unlike shoppers on Amazon, Shopify customers can only search by brand and not by product. According to the company, this is because “first and foremost Shop is not about discovery, it’s about faster checkout, a more convenient brand tracking experience enabling shoppers to stay in touch with brands you have purchased from in the past”.²³

But convenience isn't always defined by the fewest clicks. It can also mean that the shopper gets the right help in making an inspired decision. According to a recently published framework from WPP outlining the social commerce journey, customers are increasingly passive in their shopping habits, casually looking for lifestyle upgrades that offer “greater utility and social cachet” (see Figure 3).

²² <https://www.marketingcharts.com/industries/retail-and-e-commerce-111664>

²³ <https://www.modernretail.co/platforms/shopify-positions-itself-as-the-coronavirus-and-beyond-platform/>

Figure 3: The social commerce journeySource: WPP²⁴

 Intent to purchase	 Browse products	 Experience	 Word of mouth & repurchase
<p>Unplanned exposure - Discover new trending products from influencers and peers. They are passively looking for lifestyle upgrades that offer greater utility, more talkability and social cachet.</p>	<p>Fear of missing out - Bookmarking and managing a shopping cart that is always full. Giving followers an opportunity to create a shopping board that reflects dreams and desires.</p>	<p>Instant gratification - Rewarded with having first access to limited distribution products endorsed by an influencer or celebrity, thereby making them feel privileged, and giving them social currency.</p>	<p>Rewarded for show & tell - Motivated by 'member get member' incentives and commission earnings, consumers are more willing to make brand recommendations to their social networks.</p>

This framework is behind what makes a brand's content 'thumb stopping'. Customers are scrolling through their heavily populated feeds at speed so, however the brand is represented, it must be eye-catching and inspirational. Importantly, it doesn't appear to matter greatly to the customer whether that content is user-generated, advertising, a D2C product shot or influencer-based.

To today's customer, all content is becoming native. All they require is that it is authentic – in other words, that an ad is marked as an ad, or a sponsored influencer post is clearly labelled. Social commerce's ability to curate the consumer's lifestyle is as valuable a convenience tool as the direct 'Buy' button. By focusing on the consumers' overall situation, such as John Lewis' expectant mother campaign (see case study below), brands don't just have the opportunity to place a product in context, they open themselves up to cross-selling opportunities.²⁵

²⁴ <https://www.wpp.com/news/2019/11/social-commerce-on-the-rise-to-become-the-next-disruptive-force-in-china-en>

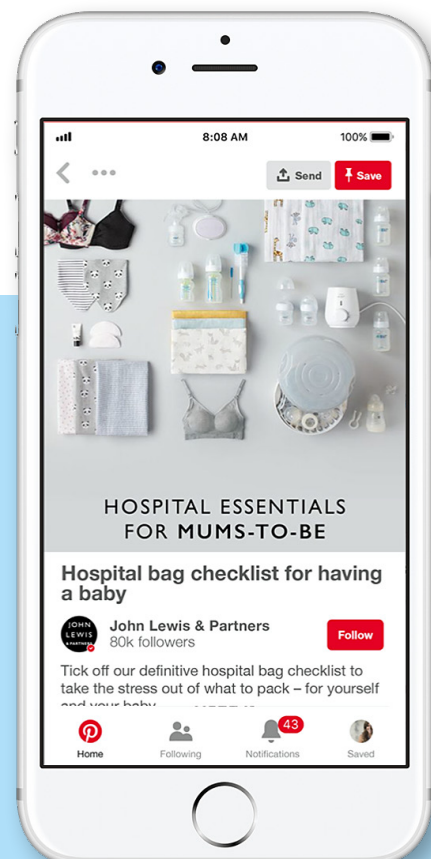
²⁵ <https://www.strategydrivenmarketing.com/news/2019/8/22/how-social-commerce-is-changing-retail>

²⁶ <http://www.netimperative.com/2019/12/04/top-5-pinterest-uk-campaigns-for-2019/>

²⁷ <https://newsroom.pinterest.com/en-gb/post/pinterest-uk-creative-advertising-award-winners-the-pinnacles-2019>

JOHN LEWIS CASE STUDY

- For a festive Pinterest campaign in 2019, John Lewis created helpful videos to give mums-to-be tips on baby carrier support as well as nursery decorations and design ideas. The videos targeted both keywords and interests, and then retargeted with static pins to remain part of their planning journey, thus reinforcing John Lewis' position "With You Every Step of the Way".²⁶
- According to Eva Bojtos, Partner & Senior Manager, Social Marketing Team at John Lewis, the campaign has enabled it to "share helpful ideas and support with future parents at just the right moment". This led to it witnessing "one of the strongest brand uplift study results we've seen in a while".

Source: Pinterest²⁷

Managing increasingly complex multi-platform strategies

Today's shopping "isn't a linear journey, it's not even a funnel – we actually refer to it as a noodle" according to Instagram's Director of Product Vishal Shah.²⁸ With potentially dozens of different influences going into the decision-making process, consumers are moving through longer and more complex journeys that span multiple channels.

There may still be scenarios where the customer journey is simple and straightforward. For example, having to buy batteries for the remote control. But typical paths

now include dozens of different influences which means consumers are cycling through longer and more complex customer journeys.

Perhaps unsurprisingly, when asked about the most important factors to get right in a recent study, 17% of commerce leaders cited a 'balanced strategy' that incorporated not just retailer sites, but also being present on competing marketplaces such as Amazon, direct to customer (D2C) and social commerce. This was the most popular response, ahead of 'customer experience' at 15%.²⁹

Figure 4: Key digital and offline channels used by Revlon



Source: Revlon presentation at CommerceLive, May 19, 2020

²⁸ <https://economictimes.indiatimes.com/magazines/panache/social-commerce-is-like-noodles-says-instagram-business-director-vishal-shah/articleshow/64956445.cms?from=mdr>

²⁹ Ready or Not? The Digital Commerce Leader Report 2019, Wunderman Thompson Commerce

The importance of adopting a balanced strategy is reflected in Revlon's approach to its luxury range, counting half a dozen platforms and channels as core to the brand's growth (see Figure 4). Head of US Marketing and Engagement, Oshiya Savur refers to this as Revlon's 'omni-ecosystem' where "each channel has its own benefits and drawbacks, and different consumer needs are met".³⁰

Pure-play specialists (such as Boots, in Revlon's case) might have closer relationships with customers, but they lack volume compared to Amazon. However, on Amazon "coffee filters appear in the same way as lipstick – the romance is lost", says Savur. Revlon also spends a lot of time on channel conflict management, such as managing the impact of price-matching between retailers during events like Prime Day.

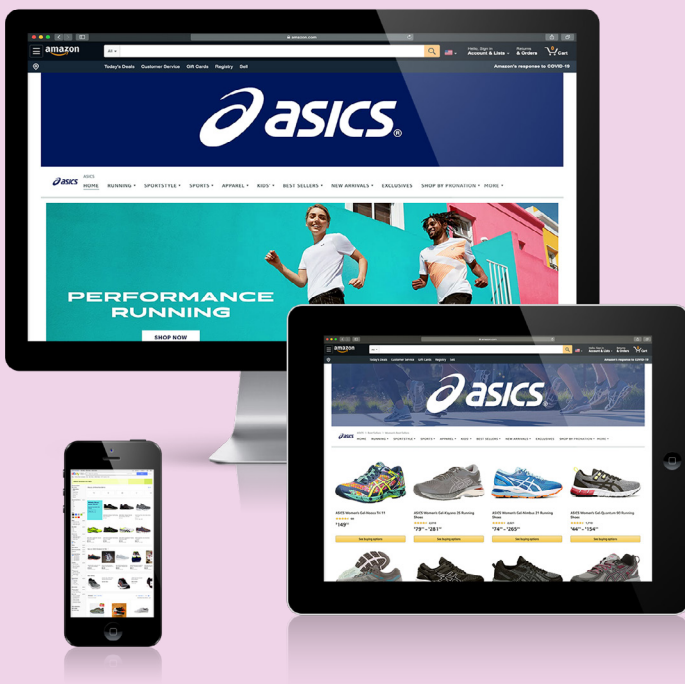
Equally, many brands don't have transactional options on their own websites and don't sell direct. This doesn't stop them from initiating a purchase journey, though. They often recommend trusted sites to buy from, thus sending good leads to their retail partners. They also keep some visibility across the customer journey and can be a legitimate shopping destination without having to add transactional capability.³¹

These examples underline the tightrope that brands have to walk. Marketers need to be present across multiple platforms, all of which need to be managed in a way that presents a consistent brand experience to the end user. Consumers themselves don't see channels, they just want to connect in ways that are the most convenient to them depending on their needs and at the time of their choosing. If the customer is on Amazon and wants to browse sportswear, a brand like Asics can't afford to miss out on this opportunity even though it might have its own store network and e-commerce site, (see case study below).

ASICS CASE STUDY

- Asics had been actively selling on Rakuten and on eBay but wanted to expand to Amazon. Clearly one person alone wouldn't be able to manage the brand's extensive product catalogue. At the same time, it recognised the need for support to extend its digital marketing capabilities – and ability to message customers based on identifiers like age, gender and keyword interest.
- Having partnered with ChannelAdvisor, the successful launch on Amazon led to year-over-year revenue growth of 72%. More to the point, during a five-day span between the US Thanksgiving holiday and Cyber Monday, Asics watched year-over-year growth increase by 150% by being able to deliver holiday features and promotions more effectively.

Source: ChannelAdvisor³²



³⁰ <https://www.forbes.com/sites/kirimasters/2020/05/22/revlon-and-elf-reveal-their-amazon-playbooks/#5a7659a20649>

³¹ <https://www.channeladvisor.co.uk/blog/brands/3-ways-branded-manufacturers-can-boost-their-business/>

³² <https://www.channeladvisor.co.uk/success-stories/asics/>

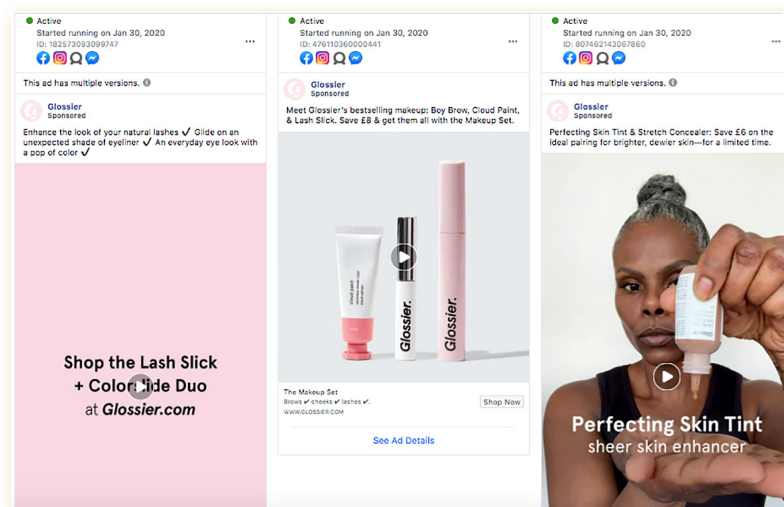
Brands are not yet adept at managing consumers' complex content needs

Even among organisations with established e-commerce operations, few feel like they are in a position to necessarily compete and win. Pure-play specialists (such as Boots, in Revlon's case) might have closer relationships. A study of brand manufacturers found that just 17% of brand leaders believed that their company was ahead of the curve when it came to optimising for e-commerce, with 71% just about "keeping pace or catching up".³³

This is understandable given the increased competition and complexity. For example, according to Econsultancy's Social Media Advertising Best Practice Guide (published in May 2020), "most brands underestimate how much time is required to create successful ads". Campaigns can contain many different variants of copy, images or video that need to be designed around the device and platform on which they will be delivered.

More sophisticated still, are brands which use their ads and consumer interactions to drive campaigns to 'self-optimize'. Take, for example, make-up brand Glossier (see Figure 5). In a recent campaign, it had more than 30 different ad creatives targeting UK audiences. Multiple versions of each creative would have been delivered based on individual's shopping behaviour and other factors such as location and age. Over time, the brand would have built a picture of which ads achieve the best results for specific audiences, products and platforms.

Figure 5: Glossier is running more than 30 Facebook and Instagram ads for UK audiences

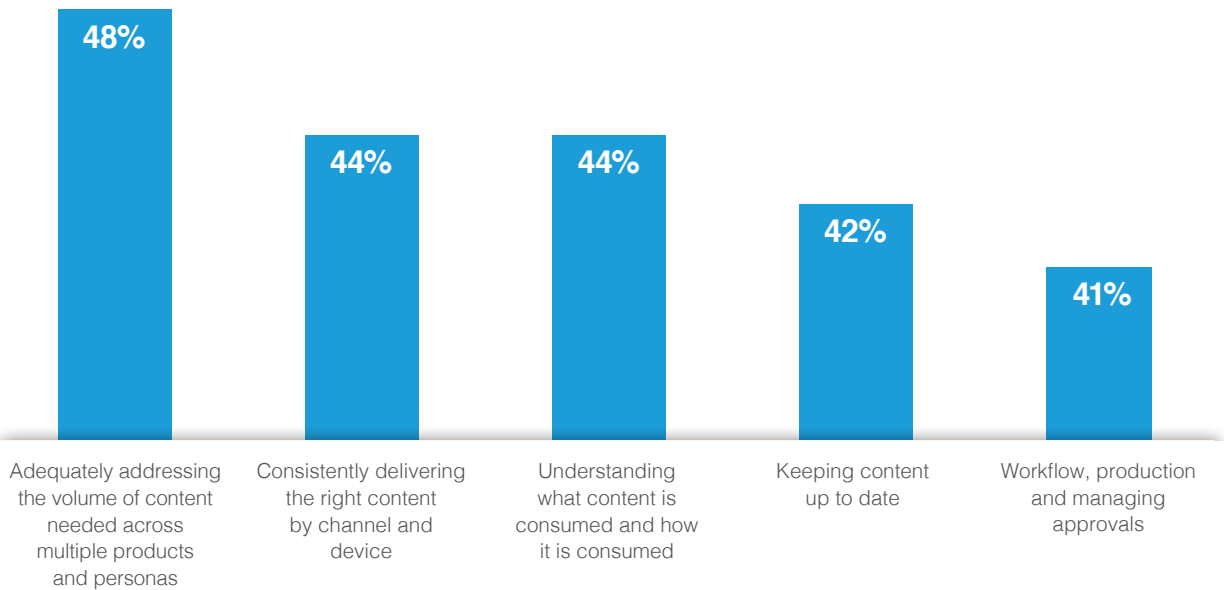


Source: Econsultancy's Social Media Advertising Best Practice

³³ eCommerce Organizational Benchmark Report 2020, Profitero/Kantar

Recent Econsultancy research (see Figure 6) underlines the significant challenge of content demands today. Executives need to understand what their audiences need and what content they'll engage with, as well as in what formats. At the same time, perhaps unsurprisingly, 44% of respondents agreed that "understanding what content is consumed and how it is consumed" is difficult.³⁴

Figure 6: How difficult are the following in relation to using content across the customer journey? ("Somewhat difficult" + "Very difficult").



Source: Econsultancy/Sitecore Reinventing Commerce Report, 2019

The same study also found that the challenges might be stemming from the fact that some firms haven't yet built systems to deliver content at scale and on schedule. Nearly half of global respondents (48%) agreed it's difficult to adequately address content needed across multiple personas and products. Unsurprisingly, 41% reported that content workflow, product and approvals are challenging.

Given the growing importance of social commerce and marketplaces to the overall customer journey, as well as the role played by content particularly in the former, it will be a priority for marketers to address these content challenges. The highly competitive nature of both marketplaces means brands need to get up to speed on content quickly. It will be imperative to grow internal talent to help the business evolve with these channels but, at least in the short run, third-party support for most seems almost inevitable.

³⁴ Reinventing Commerce Report 2019, Econsultancy/Sitecore

KEY TAKEAWAYS – Five-step plan to maximise your marketplace and social commerce strategy

STEP ONE: Be present where sales happen

Shopper intent may be high when they're on marketplaces but don't rely on intent to carry the sale. Use the growing range of sophisticated marketing tools within the ecosystem – microsites, ad positions, brand opportunity – to reinforce your position.

STEP TWO: Make your posts work harder

Customers don't see why brands' channels should have distinctly separate functions so neither should marketers. Social posts have so much more to offer beyond content and images. Enhancing their 'shoppability' turns social media into an effective direct to consumer proposition. Simple additions such as 'Buy Now' and retargeting can drive up conversions by nearly two-thirds (as shown in the earlier Matalan example).

STEP THREE: Recognise and adapt to a global audience

The internet knows no borders and adapting to the needs of a global audience has the potential to increase your customer base exponentially. Equally important is looking beyond Amazon's dominance. Despite its near ubiquity, local marketplaces and social platforms often have more influence with local consumers.

STEP FOUR: Explore what convenience really means to your customer

Direct response ads and posts are fast and effective for both brand and consumer, but they are not the last word in convenience. Consumers are busy, their needs are complex and the marketplace is cluttered. Brands that can curate their lifestyle for them, and offer them multiple, complimentary options in a single post can lift the fog and save them time. Be a solution provider, not product seller.

STEP FIVE: Marry your customers' needs with channel specialisms

While marketers need to acknowledge that their customers' needs are multi-layered on each channel, their channel strategy still needs to be targeted, both to platform and segment. Targeted channel marketing married to rigorously tested and adapted content provides the best opportunity to capture customers with the highest propensity to buy.

