An introduction to e-commerce integrations for social media
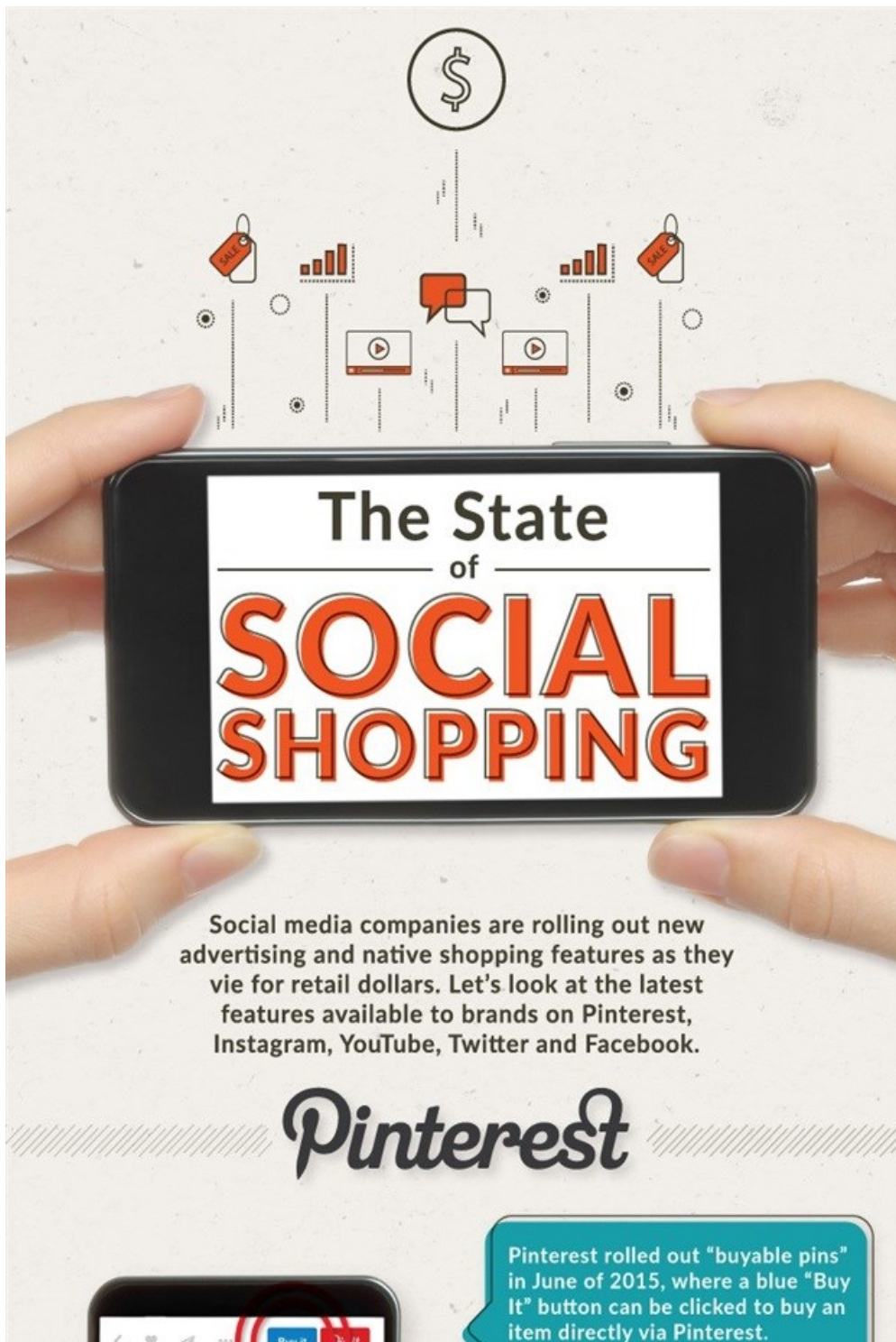
By Matt Zajechowsk

26 Nov 2015

Your friendly neighborhood social media giants seemed to have cracked the code when it comes to advertising. But they've had more misses than hits so far in their efforts to take a slice of our e-commerce shopping dollars - from the Facebook Gifts experiment (discontinued in 2013) to Twitter's flagging #AmazonCart.

This year, however, it seemed that brands like Pinterest, Instagram, YouTube, and even Facebook and Twitter, may have turned the corner on social shopping.

The State of SOCIAL SHOPPING

Social media companies are rolling out new advertising and native shopping features as they vie for retail dollars. Let's look at the latest features available to brands on Pinterest, Instagram, YouTube, Twitter and Facebook.

Pinterest

Pinterest rolled out "buyable pins" in June of 2015, where a blue "Buy It" button can be clicked to buy an item directly via Pinterest.

SocialShopping
$78
Unisex Chukka Sneaker

Sold by
SocialShopping

Visit

Return to the basics with our classicly
inspired chukka sneaker.

Payment is made via Apple Pay or
a credit card stored on a user's
Pinterest account.

OPPORTUNITY

Pinterest has around 100
million users, including
42% of all
adult female
Internet users in the U.S.

93% of Pinterest users
use the platform to research purchases,
and 87% have purchased
an item because of Pinterest.

Shopify has reported that the
conversion rates for buyable pins are
2x higher
than those for other pins.

**Buyable pins
currently are offered
at NO COST**

TARGETING

Users can discover pins either
through traditional text search, or
Pinterest's newly launched visual
search feature.

AVAILABILITY

Buyable pins are available to companies
working with specific e-commerce
engines such as:

Bigcommerce

Magento
eCommerce Platform for Growth

demandware
move faster, grow faster.

IBM Commerce

shopify

LIMITATIONS

Buyable pins only are available in
the U.S. on iPhone and iPad.

Pinterest claimed to have around **30
million buyable pins at launch**, from
brands including Macy's, Neiman Marcus
and Nordstrom. **That has since doubled
to 60 million.**

Instagram

**Owned by Facebook

With the launch of its new API in
summer 2015, Instagram added
direct-response functionality for
certain advertisements. Buttons can
prompt users to "shop now," "learn
more" and "download now" (in the
case of advertising for apps).

●●○○○ AT&T LTE   9:53 AM   ● 88%■
Instagram

SocialShopping   5m

OPPORTUNITY

Instagram reached
400 million monthly
active users in September, surpassing Twitter in the process.
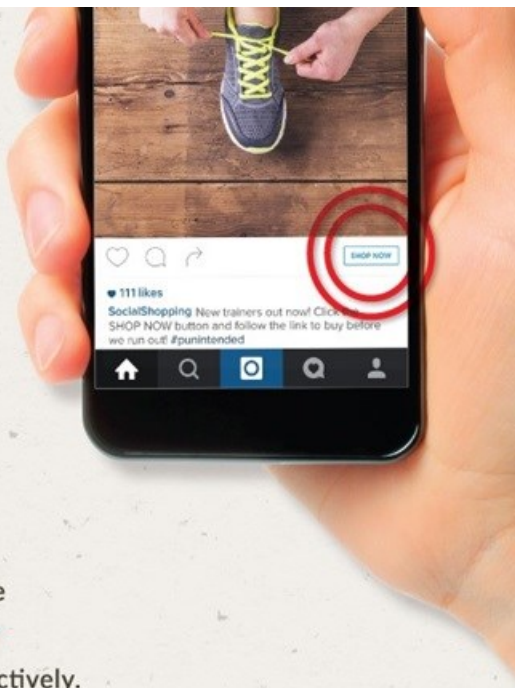
Instagram is projected to reach
33.6% market penetration
among U.S. Internet users by 2019.

A Forrester study found that fan engagement rates on Instagram were
58x and 120x higher
than on Facebook and Twitter, respectively.

♥ 111 likes
SocialShopping New trainers out now! Click the SHOP NOW button and follow the link to buy before we run out! #punintended

TARGETING

FAN ENGAGEMENT RATES

Advertisers are able to target users not only based on demographic information, but also through Facebook data.

4.21%

AVAILABILITY

Instagram ads are only available to select brands. To date, brands including Disney, Electronic Arts, The Gap and Taco Bell have run Instagram ad campaigns.

However, Instagram has said it plans to bring advertising to smaller brands soon.

.03%   .07%

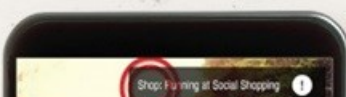Facebook   Twitter   Instagram
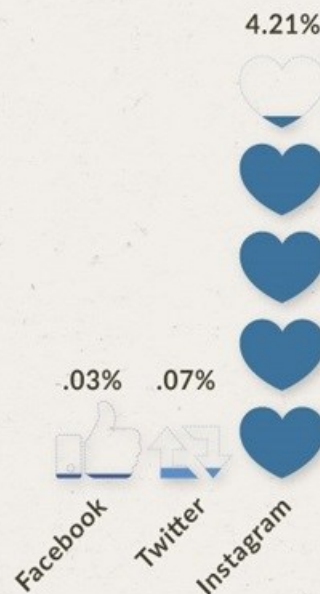
LIMITATIONS

Ads keep users within the Instagram ecosystem by opening a mini-browser within the app. Brands like The Gap use third-party services including Like2Buy to drive users to its website.

You Tube

**Owned by Google

YouTube began rolling out dynamic ads in TrueView pre-roll videos in May of 2015. The ads can display products related to the content of

the video being viewed.

OPPORTUNITY

According to Google, in 2015 product review videos **jumped 50%** compared to 2014.

Wayfair and Sephora participated in preliminary tests of the software.

Wayfair found that revenue per impression **tripled** compared to past campaigns.

Sephora saw an average view time of nearly two minutes, **80% lift in consideration and 54% lift in ad recall.**

TARGETING

Products are dynamically added to in-stream videos based on demographic and contextual information. Also can be used for remarketing.

AVAILABILITY

Available to AdWords advertisers via Google Merchant Center.

LIMITATIONS

The rollout of cards also led YouTube to change how it charges advertisers for TrueView ads. If people click on any card elements, YouTube will charge the advertiser – even if they choose to skip the ad after doing so. Previously, marketers have only had to pay if people watched their full ad, or at least 30 seconds of a longer video.

twitter

Twitter has had limited success to date in rolling out social shopping—including Amazon Cart integration and a partnership with American Express.

Twitter launched a buy button in 2014, and in summer of 2015 added product collections from brands and influencers. Early collections included Nike's "Lebron Elite Collection" and a shop for The Ellen Show.

OPPORTUNITY

Twitter users have an even more favorable demographic breakdown than typical social shoppers.

Faster & More Furious 2015
$49.99 · Social Shopping

Buy now

Reply to Social Shopping

Timelines   Notifications   Messages   Me

HOUSEHOLD INCOME

All Social Shoppers

23% have a household income of **$100k or greater**

Largest income demographic

Twitter Users

30% have a household income of **$100k or greater**

AGE

Social Shoppers

30% are aged 18-34.

Largest age demographic

Twitter Users

45% are aged 18-34.

AVAILABILITY

Buyable pins are available to companies working with specific e-commerce engines such as:

Bigcommerce

demandware
move faster, grow faster

shopify

Payment is made on Twitter via Stripe.

TARGETING

Users can be targeted by username, keyword groups, interests and geolocation.

LIMITATIONS

Buy buttons are only available to U.S. retailers.

facebook.

•••• AT&T 🤔   9:41 AM   100%
Q Search

What are you up to?

Social Shopping
Sponsored · 🌐

Customize your gaming experience to be the best.

Facebook has been testing a range of social commerce integrations since 2010, when select retailers including JCPenney tested Facebook store pages. While these tests were abandoned due to low sales volume, Facebook believes that it has since cracked the mobile advertising code—generating $10 billion in mobile ad revenue in the past year. According to Facebook, therein lies the opportunity for brands.
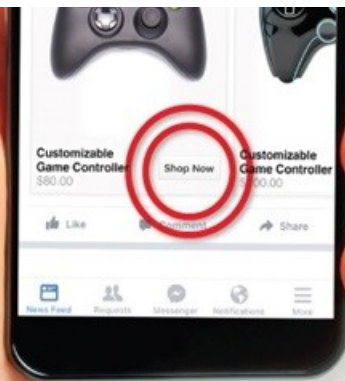
brands.

The latest social commerce offerings from Facebook include a dedicated shopping feed and immersive ads.

OPPORTUNITY

Facebook is the most popular app for the average smartphone user, accounting for

10% of total usage time,

according to a Forrester Survey.

According to BI Intelligence, Facebook accounts for

50% of all social referrals and 64% of total social revenue.

SHARE OF TIME SPENT ON SOCIAL APPS BY U.S. SMARTPHONE OWNERS

According to Facebook, 50% of users come to the site looking for products

App	Share
Facebook	10%
YouTube	7%
Instagram	2%
Pinterest	2%
Twitter	1%
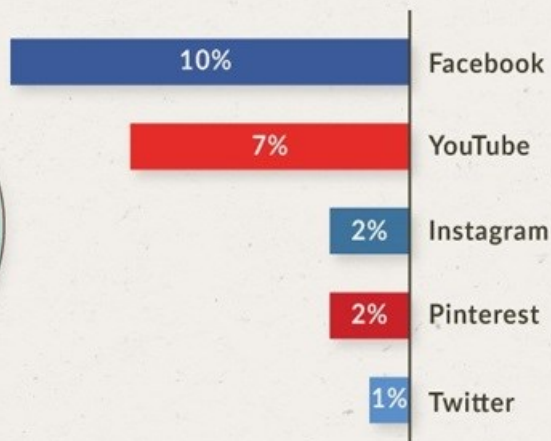
TARGETING

Thanks to its huge inventory of data, Facebook arguably has the most powerful targeting of any social network.

Beyond demographic and location data, **users can be targeted based on purchasing behavior and life events.**

Facebook also offers **"custom audiences"** based on external contact lists (including email databases).

LIMITATIONS

AVAILABILITY

Shopping feeds will present users with a feed of products that retailers have chosen to highlight on their pages. Feeds are personalized based on things like interests, liked pages and connections.

Immersive ads, called "Canvas," allow advertisers to show users **interactive, full-screen product ads.** Canvas can be used to explore product size and style variants before moving users to the vendor site to complete their transaction. The ads are intended to reduce friction on mobile between browsing and buying.

Both features are only being tested

Facebook

Every earnings report, the numbers for Facebook become more staggering - now reaching 1 billion active users every day. And while Facebook is sometimes regarded as a platform more for sharing information than for planning purchases, around 90 percent of Facebook users have nevertheless hit the like button on at least one brand.

But should brands be leery of the new, apparently retail-friendly features Facebook is offering?

Richard Lazazzera of A Better Lemonade Stand, an online e-commerce incubator, said that he thinks merchants need to go into social channels knowing that at some point every channel will make it harder for the merchant to get exposure and speak with customers without paying.

"For the majority of business, it's almost pointless to spend time, energy and money to grow a Facebook page now. However, targeted ads that send traffic to a merchant's site can still be lucrative, provided they spend the time and money upfront to zero in on their market and test multiple ads."

Matt Wilbanks, CEO and co-founder of HelpSocial, said that the company is working on integrations with a few e-commerce platforms to help them recognize customers when they post about the product/company.

"Twitter, Facebook, Pinterest and Instagram are the big ones right now, but Snapchat has huge potential for this space, and they've just started opening up their API for advertisers," he said. "Everyone's looking at this with giant dollar signs in their eyes, but there is a huge opportunity for things to go wrong if the customer service side isn't ready. We've seen campaigns turn into small PR disasters after a sale went viral and the company couldn't handle the volume of customer support requests that came in from it. The customers quickly, and publicly, turned against the brands when they couldn't get help."

Twitter

With around 307 million active Twitter accounts, and a demographic breakdown favorable to social shopping, Twitter also is seeking that e-commerce sweet spot. Its most developed experiment to-date has been the previously mentioned partnership with Amazon, which allows users to add items to their Amazon shopping cart by tweeting #AmazonCart. The problem is that while the #AmazonCart experiment is being used, it is in relatively low volume. Some experts speculate that "in-stream" social shopping on Twitter might suffer from consumers not being willing to broadcast what they want to buy on their Twitter timelines.

We'll have to wait to find out if their latest features - including the Buy button discussed above - see a similarly lukewarm reception.

Pinterest

The virtual scrapbooking/ideas/DIY site rolled out "buyable pins" in June of 2015. Pinterest claimed to have around 30-million buyable pins at the time of rollout and that they had been used around 60 million times in the first few months. Buyable pins currently are available to companies working with one of five e-commerce engines: Bigcommerce, Demandware, IBM Commerce, Magento and Shopify.

Lazazzera said, however, that he thinks all merchants need to be very weary of of allowing any other businesses to control, monitor and manage relationships with their customers.

That said, with around 100 million users and 93 percent of those using the site to do research before making a purchase, there is a huge market within this platform. The only major limitation so far seems to be there's a waiting list if you want to try out buyable pins for your own brand.

Instagram

When it comes to engagement metrics, Instagram is a huge winner, generating 58 and 120 times more engagement than Facebook and Twitter, respectively. Instagram, has also been found to be among the best social media platforms at turning a browser into a shopper.

YouTube

Finally, YouTube and Google are in the process of rolling out dynamic product cards within their TrueView platform. Testing has shown improved conversions and branding metrics. Wayfair, a participant in early tests, said that revenue per impression tripled compared to past campaigns. Sephora also said that it saw an average view time of nearly two minutes, resulting in an 80 percent lift in consideration and a 54 percent life in ad recall with True View.

Advertisers that already have a Google account representative can use True View immediately; others must wait for further integration.

Andy Geldman, founder of WebRetailer.com, said that the social commerce hype machine has been running at full throttle for a while now, but for most businesses it never really got off the ground.

"Now after a few false starts, the big social networks finally seem to be getting their shopping initiatives right. The opportunity to sell directly through social media looks better than ever for e-commerce businesses, but one thing's for sure: this isn't going to be a free ride."

ABOUT MATT ZAJECHOWSK

Outreach Manager at Digital Third Coast
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