



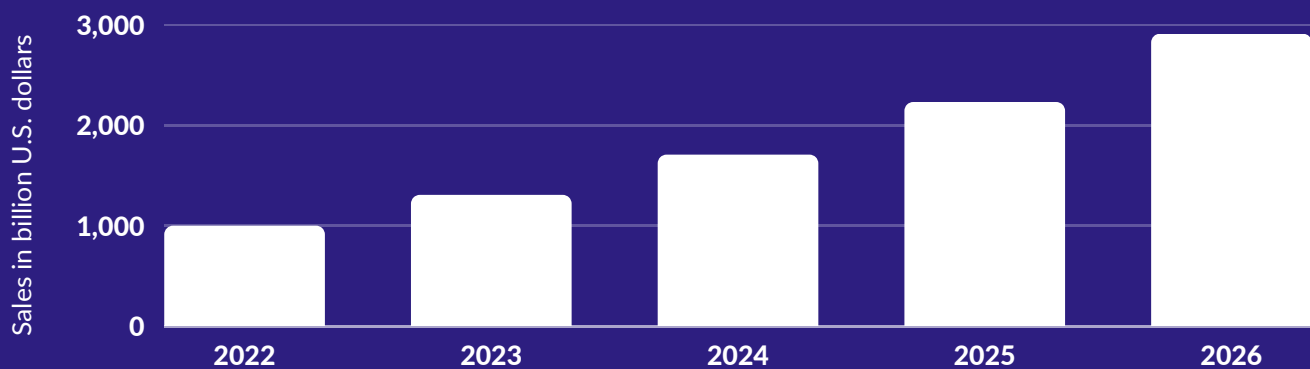
Global Social Commerce Trends, Tips, & Predictions for Multichannel Brands



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Social commerce has become an increasingly important aspect of eCommerce, and it's changing the way brands approach their global marketing strategies. In 2022, sales through social media platforms reached almost \$1 trillion, and this figure is expected to triple by 2026. As more money flows into social platforms, multichannel brands are developing new strategies to capitalize on this trend.

Global Social Commerce Sales Estimated to Reach \$2.9 Trillion in 2026



Source: [Statista](#)

Social Commerce: Product discovery, sales, and purchase consideration that takes place on social media.

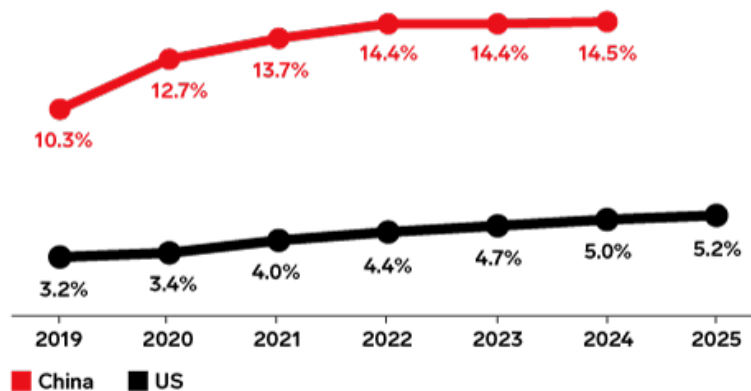
In this eBook, we'll explore the nuances of social commerce in different regions and industries, as well as examine what the future holds. Understanding these nuances and predictions is crucial for any brand looking to succeed in the dynamic world of social commerce.

Unpacking the Regional Variances of Social Commerce

Social commerce is not a one-size-fits-all approach, and it's important to understand the differences in how it shows up in different parts of the world. For example, in the US, social commerce is a growing trend, but it still has a ways to go to catch up with China's success. According to eMarketer, social commerce in the US is projected to be a \$79.64 billion industry by 2025. However, in China, social commerce is already a dominant force, making up 14.5% of retail eCommerce sales.

Retail Social Commerce Sales in China vs. the US, 2019-2025

% of total retail ecommerce sales



Note: includes products or services ordered via social networks (such as Facebook, Instagram, Pinterest, WeChat, Line, VK, and others) regardless of the method of payment or fulfillment; excludes travel and event tickets, tips, subscriptions, payments, such as bill pay, taxes or money transfers, food services and drinking place sales, gambling and other vice goods sales

Source: eMarketer, May 2021

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eMarketer | InsiderIntelligence.com

Paid vs. Peer-to-Peer: How Brand Engagement and Social Commerce Differs in the East and West

When Facebook launched in the early 2000s, it fundamentally changed how people and brands interacted with each other. In the western part of the world, Facebook – along with all the other platforms that launched around the same time, such as Tumblr, Twitter, Snap, Pinterest, Reddit, LinkedIn, YouTube, and finally TikTok – eliminated the need for space (the mall) and time (watching live TV) to be the ways relationships and shared interests were developed. Instead, engagement could happen anytime, anywhere, and anyone with a Facebook account could participate. Suddenly individuals (soon to be known as influencers) could develop a captivating audience bigger than a traditional television show could. This led to western consumers' seeing influencers as a major channel for entertainment and product recommendations.

During this same time, the eastern part of the world also flocked to social media channels, but for slightly different reasons. Take China, for example, where the political environment has historically caused censorship to be more prevalent, and peer-to-peer social media became the norm. Social platforms served as safe places that allowed people to show up as themselves, communicate with their peers openly, and express their individuality more freely. This led to the rapid adoption and advancement of people (whether they simply only connect with family and friends, or have massive followings) connecting via messaging and live video apps like WeChat and Douyin.



Worldwide consumers continue to use these apps as the world's biggest playgrounds, malls, and offices, and to do so, consumers semi-knowingly handed over all their life's details - today known as first, second, and third-party data - to these social media platforms. As a result, the platforms are able to serve consumers clairvoyant advertisements to learn more, sign up, download and/or buy at the fastest rates ever.

Because of this, it's so important for brands to pay attention to the regional differences in how social commerce exists with consumers based on these cultural nuances.

East + Developing Markets

Peer to peer (live video, messenger) +
Influencers + Paid Media

West

Influencers + Paid Media

The Impact of Privacy Concerns and Regulations on Social Commerce

The rise of privacy concerns and regulations, particularly in Europe, has had a significant impact on the social commerce landscape.

Today, laws such as Europe's General Data Protection Regulation (GDPR), are designed to protect users' privacy. Under GDPR, companies must now ensure that they obtain explicit consent from customers before sending them marketing messages, and they must provide customers with an easy way to opt-out of receiving further messages. As a result, companies have become more cautious in their social media marketing activities and are focusing on building relationships with customers through other channels such as email and customer support.



However, it is important to note that the fragmentation of the market in Europe is also a contributing factor to the smaller size of the social commerce market compared to the US and China. While dominant players like Amazon and Alibaba exist in the US and China, the social commerce landscape in Europe is more diverse and fragmented, making it more challenging for businesses to scale and achieve the same level of market penetration.

Despite privacy concerns being more prevalent in Europe, it is important to note that the US is also dealing with similar issues, such as the California Consumer Privacy Act (CCPA) and the recent iOS14 update from Apple. As consumers become more enveloped in these regulations and opt out of social media platforms being able to monetize their data, social commerce is challenged. To adapt, brand advertisers can not rely on social platforms solely for bottom-funnel performance media. They need to allocate their budget toward brand-building, upper-funnel media, and eCommerce capabilities like shoppable media.

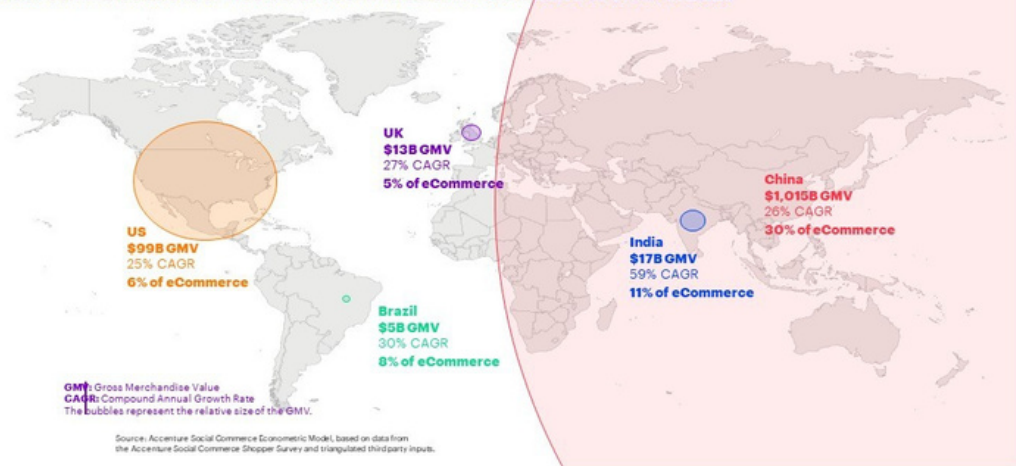
Regardless of the region, privacy concerns and regulations are likely to continue to shape the global social commerce landscape in the years to come, and businesses will need to adapt to remain competitive.

2025 Social Commerce Market Forecasts

Global 2025 Market Size (Billion USD): **\$1.2T Global**

2021-2025 Growth: **26% CAGR**

Social Commerce as a % of Traditional eCommerce GMV: **10% in 2021 to 16.7% in 2025**



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Source: Accenture

The Future of Social Commerce



Blurred Lines Between Social and Retail Media

Retail media has often been considered a challenger to social platforms such as Meta, Snapchat, Pinterest, and Google, but this is starting to change. As social commerce continues to grow, the lines between social and retail media are becoming increasingly blurred. This evolution has significant implications for brands and marketers, who need to navigate this changing landscape to reach and engage consumers effectively.

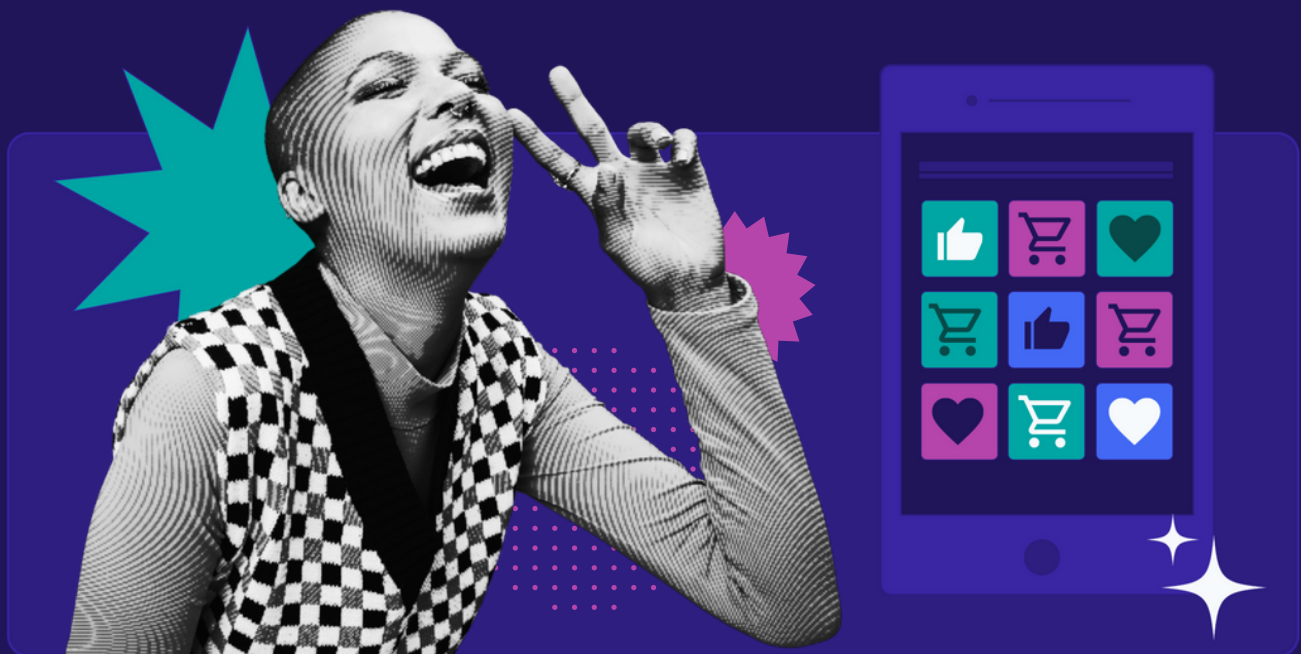
Retail media can help social media, and vice versa. For example, as mentioned in the previous section, as consumers become more enveloped in privacy regulations and opt out of social media platforms being able to monetize their data, social commerce is challenged -- but retailers are in a position to help. They have enough first-party data to combat the regulations and help continue to make social commerce a viable channel despite growing restraints.

On the flip side, retail media is facing inventory constraints, and the likely path to expansion is through non-endemic advertising and offsite media, such as social media. According to forecasts, offsite digital ad spend for US retail media will jump by nearly \$2 billion this year to \$6.54 billion, rising by 37.7%.

As retail media evolves, brands must consider how it ties to upper-funnel formats within the context of national media budgets that currently go to places like linear TV, Facebook, and YouTube. It is important that brands continue to follow the consumer journey and create a collaborative strategic framework that leans on the strengths of each social and retail platform. This framework must not shy away from their weaknesses and understand where the intersection of possibility for both lies and how they fuel each other's performance.

The Pull of Gen Z Consumers

Gen Z consumers already consider websites and email to be "legacy." They are creating "hacks" using social media to buy, sell, and share commerce experiences. This will create the pull for platforms to build frictionless commerce experiences and drive super-app adoption in the West. In addition, Gen Z is less concerned about privacy than their parents. They have become savvier about how to manage their data and appreciate the hyper-personalization that comes with sharing their data.



Brands Need Global Solutions that Accommodate Local Nuances

Brands need to understand that social commerce does not exist in the same format across the globe, and they need to speak to those nuances. Brands' granular knowledge about how we shop, what our needs and wants are, and what causes us to buy or not will separate the brand winners from the losers. A unified way to buy, optimize and measure is required to drive incrementality for brands and remove redundancy and spend waste. A partner like MikMak can solve for this by providing a unified view while allowing for localized execution.

To learn more about MikMak,

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