

The Future Of Social Shopping

Contributed by eMarketer
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Going beyond the Facebook fan page

Retailers are exploring a new frontier in social commerce as they go beyond simply offering Facebook pages and Twitter profiles for their customers to follow.

Fueling this trend is web retailers'™ quick adoption of social sign-on, which allows consumers to log in to their Facebook account instead of registering on an ecommerce site.

Social sign-on gives retailers access to rich profile information for targeting customers.

“Bringing Facebook profile data into retail sites makes sense because it influences consumers when they are close to conversion,” said Jeffrey Grau, eMarketer principal analyst and author of the new report “Social Commerce: Personalized and Collaborative Shopping Experiences.” “In contrast, many consumers on Facebook are mainly socializing with friends and further removed from making purchase decisions.”

Over half of online retailers who responded to an August 2010 survey by Gigya, a provider of social sign-on applications, had either implemented the feature or planned to add it in the near future.

The Gigya study highlighted the benefits that online retailers and media-entertainment publishers derive from offering social sign-on.

At the top of the list were increased engagement (84%) and richer profile information for targeting product recommendations, emails, promotions and coupons (80%).

“Social networks like Facebook are a hub of information about people's™ likes and interests,” said Grau. “When consumers give a retailer permission to access their personal data on Facebook, the merchant sees not only what those people have written in their profiles but also the content they have “liked”™ on other sites.”

A separate study outlined just some of the data available from various sites “not counting other information, like which products, news articles and content on third-party sites they link to in status updates.

Retailers must also be careful about delivering personalized recommendations and targeted ads.

These could make consumers feel that their online privacy is being invaded and create a backlash, which is already a perennial problem for social networks like Facebook.

The full report, “Social Commerce: Personalized and Collaborative Shopping Experiences,” also answers these key questions:

- * What are the benefits of social sign-on?
- * How are retailers leveraging Facebook to create a personalized shopping experience?
- * How are retailers enabling collaborative shopping on their websites?

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