More than half of the US population will use social networks regularly this year, with Americans estimated to spend a collective 830 billion minutes on Facebook alone. eMarketer has curated a roundup of key trends, statistics and interviews for marketers looking to harness the power of social media to boost sales through digital and other channels.
Overview

How social has commerce become over the past several years? Social networking has become the hub of internet activity for many users in both developed and emerging markets, with eMarketer estimating that 54% of all US residents use social networking sites at least monthly this year, while 47.6% use Facebook specifically.

And Facebook is unquestionably a hub for retailers, whether they’re specifically looking to drive ecommerce transactions or not. Studies have indicated that virtually all major and mid-sized retailers have at least some Facebook presence, and a March 2014 survey of US digital buyers by UPS, comScore and the e-tailing group found that 86% used Facebook to promote products and brands themselves.

Other sites, including seemingly retail-friendly Pinterest and Instagram, were used much less frequently, though these sites also enjoy much lower penetration overall.

Respondents also indicated that Facebook was the most likely social site they would use to make a purchase decision, with one in five digital buyers saying they did so. One in 10 said Pinterest was a decision-making helper for them, while just 6% selected Twitter. Overall, 35% of US digital buyers reported using at least one social site to make purchase decisions.
Social commerce lives on—but not the way it was once expected to

Few would argue that social media has proven to be a significant direct sales channel or that it is not as strong a sales driver when compared with other tactics. Though it cannot be tracked in traditional ways, social is indeed valuable to retailers for engagement, brand awareness and influence that unquestionably affect sales.

Since social media storefronts are now a relic—according 8thBridge, just 15% of retailers with Facebook apps had product browsing in 2013 vs. 62% in 2012—the hard sell on social sites has been replaced with new creative endeavors. Some are meant to engage and inspire. Others aim to motivate further down the purchase funnel.

Spurring shoppers to create, participate and share is at the heart of most retail social marketing. Consequently, adding social network sharing buttons on product pages is becoming standard. In 2013, 94% of retailers analyzed by the e-tailing group were doing this, up from 89% in 2012. And according to marketers surveyed by Adobe, social sharing was one of the most effective social marketing tactics for increasing conversions last year. User-generated content, whether product collections or images and videos, had similar rankings.

Now that retailers are accepting that the average shopper isn’t flocking to social media to purchase, they’re realizing that social can be a valuable research tool, and the opinions of online friends can be persuasive.

True enough, product reviews were the leading digital tool that influenced US internet users to shop at a specific retailer (39%), according to Q2 2013 polling by Ryan Partnership. Retailer social media was also relatively influential and performed especially well at inspiring users to buy products or brands they had not bought before.

### Effectiveness of Social Media Marketing Tactics in Increasing Conversion Rate According to Digital Marketers Worldwide, 2013

<table>
<thead>
<tr>
<th>% of respondents</th>
<th>Very effective</th>
<th>Somewhat effective</th>
<th>Less effective</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social sharing (e.g., Facebook, Twitter, Pinterest icons on pages)</td>
<td>46%</td>
<td>17%</td>
<td></td>
</tr>
<tr>
<td>Live chat or instant messaging</td>
<td>44%</td>
<td>19%</td>
<td></td>
</tr>
<tr>
<td>User-created collections for sharing and purchase</td>
<td>45%</td>
<td>18%</td>
<td></td>
</tr>
<tr>
<td>User-generated content (images, video, audio)</td>
<td>44%</td>
<td>20%</td>
<td></td>
</tr>
<tr>
<td>Collaborative custom product design (items, sets, outfits, etc.)</td>
<td>50%</td>
<td>17%</td>
<td></td>
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<tr>
<td>Blogs and social community pages</td>
<td>51%</td>
<td>18%</td>
<td></td>
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<tr>
<td>User comments, reviews or ratings</td>
<td>49%</td>
<td>22%</td>
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Note: n=1,858; numbers may not add up to 100% due to rounding. Source: Adobe, “2013 Digital Marketing Optimization Survey Results,” April 26, 2013.

### Ways in Which Digital Resources Influence Shopping According to US Internet Users, by Type, Q2 2013

<table>
<thead>
<tr>
<th>% of respondents</th>
<th>1</th>
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<td>21%</td>
<td>7%</td>
<td>23%</td>
</tr>
<tr>
<td>Product reviews</td>
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</tr>
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<td>8%</td>
<td>30%</td>
</tr>
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<td>Brand emails</td>
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<td>14%</td>
<td>9%</td>
<td>35%</td>
</tr>
<tr>
<td>Brand social media</td>
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<td>11%</td>
<td>7%</td>
<td>30%</td>
</tr>
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<td>Shopping apps</td>
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<td>12%</td>
<td>9%</td>
<td>28%</td>
</tr>
<tr>
<td>Brand websites</td>
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<td>6%</td>
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<td>30%</td>
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<td>Retailer emails</td>
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<td>15%</td>
<td>8%</td>
<td>30%</td>
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<tr>
<td>Load-to-card coupons</td>
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<tr>
<td>QR codes/barcode apps</td>
<td>9%</td>
<td>6%</td>
<td>4%</td>
<td>17%</td>
</tr>
</tbody>
</table>

Hispanics Rely Heavily on Digital Devices for Local Shopping

Nearly 53% use tablets every day to shop for local products and services

US Hispanics are avid digital consumers who overindex on smartphone usage, and new research shows that many are turning to their bundle of devices every day to learn more about local products and services.

Research published by BIA/Kelsey in February 2014 reported that US Hispanic internet users relied on digital devices for local shopping far more than their non-Hispanic counterparts.

Tablets were Hispanics’ preferred device, with 52.5% of respondents reporting they used them daily for local shopping in Q3 2013. Less than 30% of non-Hispanic consumers did the same.

Non-Hispanic internet users were most reliant on their smartphones for local shopping, with 38.0% saying they used them every day. And although smartphones were the second most popular device among Hispanics, they were still utilizing them more than non-Hispanics. Approximately 42% of Hispanics turned to their smartphones each day for information about local offerings.

It’s likely Hispanics were using these digital devices to do research on social media. With the exception of Facebook, they overindexed on all social networks for local shopping during Q3 2013. While Hispanics used Facebook for local shopping more than any other channel, non-Hispanics used it slightly more.

However, when it came to finding trustworthy information about local products and services, Hispanics were most likely to go the traditional route. More than eight in 10 said they relied on their friends and family for recommendations—the No. 1 source by far.

As for digital channels, 55.7% of Hispanic internet users considered the information they got from their Facebook friends to be credible. Hispanics were least reliant on comments from strangers. Only 26.4% of respondents said they considered them a trustworthy source for information on local products and services.
Facebook Is No. 1 for Social Commerce

Average order values are highest on Polyvore

Recent research by Shopify found that Facebook was the top social commerce site worldwide. According to Q3 2013 polling, Facebook drove nearly two-thirds of social media visits to Shopify-operated stores and claimed about 85% of all orders from social media—a year-over-year increase of 129%.

However, Facebook was not the leader when it came to average order value—not even landing in the top three. Polyvore led the pack here, with an average order value of $66.75. Instagram ranked a close second, at $65.00 per order, and Pinterest was No. 3 ($58.95). Facebook had the fourth-highest average order value, with $55.00.

Shopify found that Facebook’s level of dominance varied across shopping categories. Nearly all photography-related social commerce orders came from the network, and 94% of sports and recreation as well as pet supplies did, too. Drop shipping and jewelry and watches rounded out the 90%-plus list.

But other social platforms did show success in generating orders, as well. The antiques and collectibles industry was the best example, with Pinterest generating 74% of social orders. YouTube saw success with digital products, services and merchandise, grabbing 47%, 36% and 29% of orders, respectively. Though a much smaller percentage, both etail catalogs as well as home and office furnishings saw 18% of orders coming from Twitter.

So, while Facebook was the clear leader, marketers may fare well when using secondary platforms such as Pinterest, YouTube and Twitter in conjunction with their Facebook page, Shopify suggested.
Social Commerce Site Wanelo: Not a Golden Bullet, But Still Packs a Punch

Rachel Youens
Social Commerce Evangelist
Wanelo

After being the mobile manager at teen apparel chain Forever 21, Rachel Youens joined social commerce website Wanelo. With a background in ecommerce, mobile strategy and youth marketers, Youens took the new position of social commerce evangelist—where her former employer has a big presence. Geared toward Gen Y females, Wanelo allows users to post favorite items, comment and share with friends and followers. The commerce part allows users to link to a specific retailer’s website from Wanelo, so the sale takes place on other dotcoms.

**eMarketer:** Who is your demographic, and why do you think Wanelo is being embraced?

**Rachel Youens:** We’re 90% female. Half of our audience is college-age women, 30% is over 24 years old and the other 20% is 18 and under. Social has always been a part of life for this generation—whether we’re talking about LinkedIn for the first job or the Facebook account that was probably created by a parent. So it makes sense for this group to share products with friends and get feedback in this way.

We think of ourselves as a kind of brick-and-mortar digital mall, and certainly the social part of shopping isn’t at all new. We’re just bringing social shopping to the online space.

**eMarketer:** Do you find that busy times are centered around high buying times, holidays and/or back to school as traditional retail does?

**Youens:** Yes, absolutely. For Valentine’s Day, we saw girlfriends emailing their Wanelo wish list to their boyfriends. We’re also expecting the back-to-school season to be huge for us because it’s social, and young people can see things that are trending through the site. ... We expect it to be a way that a lot of teens are finding trending clothing, and we ebb and flow with the same dynamic as the retail market.

“Retailers are finding that it’s not the golden bullet that they wanted. ... Sharing something on social media doesn’t mean it’s going to sell like gangbusters.”

**eMarketer:** In terms of your retail partners—meaning chains that have a presence on Wanelo—is there any way to quantify the potential awareness or branding impact Wanelo delivers?

**Youens:** Regarding branding, that’s where social media is [somewhat unknown], and we’re in a weird space right now when it comes to commerce. Retailers are finding that it’s not the golden bullet that they wanted. ... Sharing something on social media doesn’t mean it’s going to sell like gangbusters, but I still feel pretty secure in that it’s [making a positive difference].

For example, Urban Outfitters has about 132,000 followers on Pinterest and about 2.4 million on Wanelo. The numbers are the same for other brands, too: Forever 21 has 149,000 followers on Pinterest and 2.5 million on Wanelo.

**eMarketer:** What do you think accounts for the difference?

**Youens:** I think sometimes people don’t want a story or marketing. ... Sometimes it's just about the products and there’s not really any other way for consumers to see those products besides Wanelo.

I think it’s comparable to the way people consumed news prior to Twitter. Before, Twitter people had to go to separate blogs and news sites individually. There were RSS feeds of course, but that wasn’t ideal for the nontechnical person, and suddenly with Twitter you can get news and also items from friends.
People consume Wanelo the same way they consume Twitter. They don’t want to get emails in their inbox, and they may not want to get text messages but rather they just want to be able to open their app every day and see products from certain stores. ... I think that’s the reason it’s useful for a user to follow us.

**eMarketer:** How closely do you work with your retail partners in terms of the coming fashion seasons? Do you share insights with each other?

**Youens:** We work very closely with stores but our top driver is the user, so we don’t have brands using our platform for advertising. Still, we are having conversations with retailers about the back-to-school season. PBteen recently did a summer bedroom contest. Products get saved from a particular store—PBteen in this case—which is able to be seen by all of a user’s followers on Wanelo.

**“People consume Wanelo the same way they consume Twitter. They don’t want to get emails in their inbox, and they may not want to get text messages but rather they just want to be able to open their app every day and see products from certain stores.”**

**eMarketer:** I take it with these types of programs you’re referring to product visibility by the student rather than the parent (who may be doing the purchasing)?

**Youens:** It’s probably a little bit of both. We do really hit that young demographic and most of our users are Gen Y, but we are expanding into older areas a bit.

I think the reason Wanelo works well with back-to-school is because it’s a site that allows a lot of self-expression, and Gen Y is conspicuous about creating an online image. We let them do that through virtual shopping and choosing collections and products to share with friends.

There are some who are young people who may not be converting online, or perhaps they’re not the credit card holder. That doesn’t mean they send their wish list to their mom, but they may also be webrooming, so before they go to the mall, they’ll look at stores online to plan in advance their shopping trip and the stores they want to visit.
CMO One-to-One: LivingSocial Evolves from Deals Site to Deals Marketplace

Barry Judge
CMO
LivingSocial

eMarketer: What are LivingSocial’s top priorities for 2014?

Barry Judge: Our first priority is to learn as much as we possibly can about our consumer target. We’re predominantly a business where educated, affluent women shop, and 78% of our business comes from that consumer. We’re working hard to understand the product she likes, the way she likes to be engaged, the kinds of web and mobile interfaces she enjoys and the social platforms she frequents.

We’re focusing on our website, our mobile platform and personalization. Additionally, we’ll be spending more on new subscriber acquisition, which is predominantly what we spent money on in the past. We’ll also be spending on marketing our deals off our site, both through digital channels and affiliates.

Finally, we’re working hard on personalization and relevancy in all of our communication, particularly email, which is a big part of our business. We want to make those emails much more personal and relevant.

“We’re a deals marketplace. Today, we have over 12,000 deals live on any given day.”

eMarketer: You mentioned personalization. For a daily deals company, how critical is that?

Judge: It’s interesting that you say daily deals, because we’ve evolved the business in the past year from a focus on one deal each day—or even a few deals that last a week—to really thousands of deals that live on our website now. We’re a deals marketplace. Today, we have over 12,000 deals live on any given day. We’ve greatly expanded the inventory of things you can buy from us and really expanded the number of merchants that are participating with us.

For merchants that want business driven through their doors, we can do that. But for merchants that just want a steady flow of customers, we now have a product for them as well. There’s a lot more flexibility for merchants in terms of how they want to participate with us, which then enables us to have more merchants and more products for the consumer to buy.

Now we need to have good search and create ways to navigate the site differently. We need more relevancy and personalization because we’ve got a lot more inventory. When we were a daily deals company, we didn’t need that, but now that we’re a deals marketplace, we do.

eMarketer: Are more consumers accessing deals via their smartphones?

Judge: Close to 40% of our business is done on mobile. Mobile is a huge business for us. The price points are going up. The gross billings are growing. Gifting is growing. Mobile is a big channel for us, and it’s only getting bigger. On Black Friday through Cyber Monday, our mobile revenues were up 102% vs. the prior year.

We recently upgraded our apps and have a very good Android app now. Our iOS app is always good. We’ll be working on a first-time user experience on mobile because that’s important.

eMarketer: Mobile is important, but email is still a key player for you.

Judge: Email is very important to us—that’s how the business was built. It’s a significant percentage of our revenues, and relevancy is a real focus for us. We’ve got a lot of resources pointed at improving relevancy. Our goal is that you smile when you receive that email from us because there’s something that you want to buy.
CMO One-to-One: LivingSocial Evolves from Deals Site to Deals Marketplace (continued)

**eMarketer:** Does social help drive purchases?

**Judge:** Social is an important part of any marketer’s mix. One thing that we have that’s different from anything else in the marketplace is an evergreen offer, which is called Me+3. If you buy a deal and you get three of your friends to buy it, you get it for free. That’s a significant portion of our revenues today because endorsements from users to their friends is a big driver.

"Our goal is that you smile when you receive that email from us because there’s something that you want to buy."

We’re going to continue working on improving our sharing value proposition. We’ll probably have some prepurchase sharing offers. A big portion of our new subscribers comes from a “refer a friend,” and we’re going to continue using our customers’ networks to grow our business.

**eMarketer:** How has the daily deals space evolved over the years?

**Judge:** It has evolved in a couple of ways. Deals aren’t daily, and there are more of them out there. A deals marketplace is a big component of what we do, but in addition to that, we’ve got national deals. In October of last year, we launched a coupons marketplace where users can go to the coupon section of our website—or access it through their mobile device—and search for Best Buy, Nordstrom, Macy’s or whatever brand they like to shop and, likely, we’re going to have a coupon that they can use.

Many might think of us as a company that provides services such as spas and pedicures, teeth cleaning or laser hair removal, but the deals themselves have evolved. The breadth of categories has expanded, and there’s a way for national brands—which users are familiar with—to participate as well.
Users ‘Like’ Facebook for Social Logins

Facebook IDs are the top choice when logging on to other sites

When logging on to sites with a social network ID, users prefer to enter their Facebook login information. According to Q4 2013 data from Gigya, the majority of social networkers worldwide used their Facebook IDs when using social sign-in. Google+ ranked a distant second (28%), and no other network claimed more than 15% of the total.

With the exception of the media/publishing sector (45%), Facebook boasted the majority of social logins for each industry included in the analysis. Nearly eight in 10 of Gigya’s clients preferred their ID for the social network when signing in to education/nonprofit sites, and more than three-quarters for ecommerce sites.

Q4 2013 research by Janrain painted a similar picture, though it looked at slightly different social networks. The analysis found that 45.1% of social networkers worldwide entered their Facebook IDs when using social sign-in—the highest percentage. With the exception of second-place Google (35.4%), Facebook ruled the rankings.

According to Gigya, Facebook IDs were the most popular for social logins in every region. Around eight in 10 social network users in both Asia-Pacific and Latin America used their Facebook information to sign in to other sites. Three-quarters of users in the Middle East and Africa did the same, as well as 57% in Europe and 47% in North America.

Facebook was also the preferred social network ID for social logins on mobile devices, used by 63% of social networkers worldwide. Google+ ranked a distant second, with one-quarter of the total. Twitter and Yahoo! claimed 6% and 5%, respectively.

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### Social Network ID Used by Social Network Users Worldwide to Sign in to Other Sites, by Industry, Q4 2013

<table>
<thead>
<tr>
<th>Industry</th>
<th>Facebook</th>
<th>Google+</th>
<th>Yahoo</th>
<th>Twitter</th>
<th>LinkedIn</th>
<th>Other</th>
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</thead>
<tbody>
<tr>
<td>Education/nonprofit</td>
<td>79%</td>
<td>14%</td>
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<tr>
<td>Ecommerce</td>
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<td>16%</td>
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<tr>
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<tr>
<td>Travel/hospitality</td>
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<tr>
<td>Media/publishers</td>
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<td>32%</td>
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<td>Total</td>
<td>51%</td>
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Source: Gigya as cited in company blog, Jan 28, 2014

### Social Network ID that Social Network Users Worldwide Prefer for Social Sign-In, Q2 2011-Q4 2013

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<tr>
<th>Quarter</th>
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<td>Q1 2012</td>
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<td>9.0%</td>
<td>1.0%</td>
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<tr>
<td>Q2 2012</td>
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<td>Q3 2012</td>
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<tr>
<td>Q4 2012</td>
<td>49.0%</td>
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<td>7.0%</td>
<td>7.0%</td>
<td>1.0%</td>
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<td>Q1 2013</td>
<td>46.2%</td>
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<td>5.6%</td>
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<td>Q2 2013</td>
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<td>Q4 2013</td>
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<td>5.7%</td>
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<td>1.6%</td>
<td>4.0%</td>
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Note: numbers may not add up to 100% due to rounding
Source: Janrain, “Social Login Trends Across the Web for Q4 2013,” Jan 1, 2014
Snapchat Grabs Attention of Karmaloop’s Young Shoppers

Malcolm Gray
Marketing Manager
Karmaloop

Multiplatform web retailer Karmaloop regularly uses Snapchat for branding. Malcolm Gray, marketing manager at Karmaloop, and Kate Welton, affiliate specialist at Karmaloop, spoke with eMarketer’s Rimma Kats about the allure of Snapchat and posting edgy content.

eMarketer: How does Karmaloop use Snapchat?

Malcolm Gray: It’s more of a branding platform that we use to stay engaged with our customers and keep them informed on any promotions that we have going on.

Kate Welton: During one of our live cam events, we were utilizing Snapchat to give away gift codes. We were advertising it via other social platforms like Twitter and telling consumers to look out for these messages, which included exclusive codes and offers.

eMarketer: Does Karmaloop’s strategy for creating content on Snapchat differ from its strategy for creating content on Facebook or Twitter?

Gray: Absolutely. It really forces us to be a lot more creative on Snapchat because of the intimacy of it. Snapchat gives us a chance to really showcase our creativity.

Welton: Because you’re not able to save Snapchats, we are a little more racier with this social media outlet. We’ve been known to post edgier content on Snapchat than on Facebook or Twitter.

“Because you’re not able to save Snapchats, we are a little more racier with this social media outlet.”

eMarketer: With Snapchat, marketers have a limited amount of time to get a consumer’s attention and connect with them. Do you find that to be challenging?

Gray: If you look at our Facebook page, we try to balance lifestyle engagement with images, quotes, promotions and new products. With Snapchat, it’s really more about branding.

Welton: Snapchat is more random. You can do it at later hours and just have fun with it. We are a fun, lifestyle company.

eMarketer: There are other mobile messaging apps out there, including WhatsApp, Tango and Kik. Are you guys looking at those as well?

Gray: Not at the moment. Snapchat is the latest one that we’ve really embraced, and with the new video function, there’s a lot more opportunity with it. We didn’t rule out other apps like WhatsApp, but it’s not something that’s on our radar right now.

Welton: We’re open to a lot of new things. We just found something right now that works for us, and people are responding to it.

eMarketer: Among your customers, what segment of them are really embracing Snapchat the most?

Gray: It really varies, but I would say guys between the ages of 14 and 28. There are some girls, but for most of the Snaps we’ve seen coming in, a majority come from guys.

Welton: Anything that’s even a little bit risqué, we definitely get a lot of feedback on. Videos work well for us, too.
Almost a year ago media outlets rang an early death knell for Vine when Instagram launched its video capabilities directly into its platform. But just a few months after its first birthday, retail brands are firmly latching onto the short-form mobile video-sharing service because of its looping capabilities, communal “feed” structure, and a 6-second clip restriction compared to Instagram video’s 15.

The auto-play function and the restricted video length lend Vine well to retailer brands looking to make a splash with short DIY and “lifehack” spots for viewers to watch and share. Unruly Media reported in 2013 that branded vines are four times more likely to be shared than branded videos. Shares on Vine are measured as “revines” directly on the platform’s communal feed (individual users do not have their own pages), tweets or posts on another social site.

Formal paid video advertising is still young on Vine and Instagram when it exists. But advertisers are pouring money instead into using, in particular, Vine’s capabilities for organic video distribution. A 2013 Mixpo survey noted that 18% of US agency executives plan to use Vine’s organic reach to run a video ad campaign using these digestible shorts 2014, compared to only 14% planning to use Instagram video.

Below are six examples of branded vines that give some insight into how brand marketers are finding creative ways to use Vine’s time limitations to their advantage:

### Lowes

Lowes Vine ads are the gold standard for this medium. Its #lowesfixinsix, which features small inventive solutions for every day chores, campaign has been lauded across the internet as creative, visually appealing, topical and shareable. Ad Age reported in April 2014 that Lowes is also now crowdsourcing ideas for the campaign, encouraging its Twitter followers to engage with and inspire the brand’s efforts on the platform.

### Urban Outfitters

Urban Outfitters’ videos prominently feature close-ups of quirky clothing and accessories available at its stores. For example, popular Vines from Urban Outfitters included a tutorial on decorating Converse high-top sneakers with Sharpies and another on how to make frozen fruit pops on a hot summer day.

### Target

With several thousand revines and likes, Target’s followers loved its “Snack Bowl I” ad, which featured various easy-to-grab snack foods viewers might buy in bulk to eat during a football game organized into an animated stadium as cornichons with grape tomato helmets drive for a touchdown in cheesy nacho dip.

### Nordstrom

Department store Nordstrom teased its half-year sale on women’s clothing, shoes, and accessories by placing a special edition sale shopping bag in different locations of one of its stores, allowing “SALE” to flash on a user’s screen on loop.
Dunkin’ Donuts
Dunkin’ Donuts challenged the form with a series of four 5-second Vine spots that stood in place of still billboards between segments during ESPN’s “Monday Night Countdown,” a television show dedicated to news and analysis of that night’s football. Its Vines dressed up Dunkin’ Donuts coffee cups in football garb, building hype for an upcoming kickoff and teasing legendary football moments such as Scott Norwood’s missed 1991 field goal kick.

Burberry
Luxury retailer Burberry let its followers in on its super-exclusive runway shows from cities such as London and Shanghai, perpetuating the glamour surrounding the brand while demonstrating Vine’s applicability for retail brands high and low.

However, Vine still doesn’t have a feature indicating page views; instead, its shares and revines are the metrics that let retail brands know how far their content reaches. But if sharing is the goal, shorter content is king and video is the final frontier. As Nikao Yang, senior vice president of new business development and marketing at mobile ad platform AdColony, told eMarketer in a March 2014 interview, “How marketers learn to develop creative that is succinct, engaging, and compelling is the next territory ripe for exploration in 2014 and even into 2015.”
Promoting Social at the POS

What happens online and what happens in real life do not exist in separate vacuum-sealed containers, but that doesn’t mean marketing departments aren’t still siloed. In April 2014, Retail TouchPoints conducted a study among retail executives and found that only two in 10 retailers promote their social presence in store at the point of sale (POS).

According to the study, multichannel fashion specialty department store Nordstrom, which had over 4 million “likes” on Facebook and 4.5 million Pinterest followers as of May 31, 2014, is one of the few retailers actively trying to bridge the online-offline gap between social and in-store engagement to boost sales.

In particular, in 2013, Nordstrom promoted the items that were the most “pinned” on Pinterest in their brick and mortar stores, developing specific signage to highlight the popularity of certain merchandise.

Why focus on in-store at all if potential customers are engaging with the brand socially online? Despite the retail world’s increasing presence in digital, it seems social is not a big boon to ecommerce. In fact, less than 1% of retail ecommerce comes from social networks.

Not only do shoppers not originate from social networks, but a Custora report from April 2014 showed that retailers polled attributed only 1% of their total US ecommerce orders in Q1 2014 to social, an already low number that is even less than the 2% they reported in Q1 2013!

But retailers like Nordstrom and Macy’s—which has accumulated almost 15 million Facebook likes and 200,000 Pinterest followers—have worked long and hard to build up to their followings, especially on those two sites, the e-tailing group indicated in its April 2014 study.
Macy’s knows that its customers love opportunities to engage directly with the brand. In an eMarketer interview with Jennifer Kasper, the Group Vice President of Digital / New Media and Multicultural Marketing at Macy’s, she emphasized that social is important to Macy’s because it’s important to Macy’s customers: “It’s important for us to be there as a brand—to be chiming in as much as it’s appropriate and facilitating ways that she can share information. We’ve added ‘Pin it’ buttons and are encouraging consumers to share and like from Macys.com.

We’re also getting increasingly comfortable with customers taking pictures of things in our stores and sharing them with their mobile devices. We want to encourage that sort of behavior because we see it being beneficial to our business, and that kind of positive word-of-mouth comes out of social media.”

Retailers, especially department stores, have a highly visual product to sell and any extra eyes on their products attached to positive commentary is the best kind of grassroots marketing they could hope for.

In particular, US retailers report hanging on to social not so much for driving sales (12%) but mostly for top of the funnel activities like engaging potential customers and building awareness via PR in the marketplace (53% total).

A Technorati Media study in 2012 even showed that most people following brands on social networks do so to learn more about what’s being offered rather than when and where they can buy.

But as long as companies like Nordstrom and Macy’s recognize that social media is important to their customers and know that if they can bridge the gap between top of funnel brand awareness and bottom of funnel sales, they’ll be miles ahead of the competition.
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