THE 3 PILLARS OF
SOCIAL COMMERCE

Consumers want to believe in the products they're buying. How can digital commerce foster the connection between brands and people?

Humankind's love affair with consumerism shows no sign of cooling off, with radio, television and, now, a host of omnichannel digital inputs feeding our gargantuan appetite for commodities. Shoppers have long defined their identities via their purchases, and the desire for value alignment is stronger than ever.

It is no longer enough for companies to simply supply products. Now brands must be clear and consistent about their values. Numerous studies have shown that consumers prefer their products to be ethically and responsibly manufactured and distributed, but are unlikely to believe the claims companies make about topics such as sustainable practices or harm-free manufacturing processes. In fact, research from PWC showed that 87 percent of executives believed customers highly trusted their companies; in reality, that figure is less than one third.

"People don't trust brands. They want to check, they want to corroborate, and they want confirmation that their trust is not misplaced," says Shantha Farris, Global Digital Commerce Strategy and Offerings Leader at IBM iX, a global leader in digital experience.

Whom do buyers trust?

The creator economy and social commerce have grown to fill this gap. The network effects of social media platforms, combined with technology giants' dominance over the advertising market, has meant that relationships with friends and family, and parasocial relationships with online stars, have gained never-before-seen marketing power. Followers of influencer celebrities trust them on preferred brands and purchases, with the tutorials some influencers offer increasing the length of engagement and, in turn, the likeliness of a purchase. "That influencer you're following becomes a connection to a brand. We easily extend trust to a person to whom we relate, while we tend to be suspicious about brands," says Farris.

Companies have three tenets they must focus on if they want to survive in this new world: trust, relevance and convenience. Fortunately, the reams of data being generated by consumers can help guide businesses to promote these via social commerce, with new innovations in artificial intelligence helping brands to design experiences that ignite customer loyalty and value
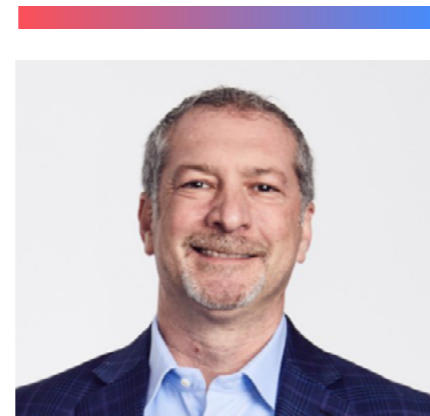
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Richard Berkman
Global Leader, Digital Commerce
IBM iX

alignment. "When AI is used to produce recommendations, personalisation, promotions or pricing strategies, there's a real power to that information. The machines are going to do a much better job than any human will, because of the massive amount of data they can sort through," says Rich Berkman, Global Leader of Digital Commerce at IBM iX.

He notes that AI can be also deployed to help companies make the kind of ethical decisions that customers will respond to favourably. "Even the weather can

have an impact on the supply chain. Some people might see it as simply where FedEx or UPS are routing boxes, but if you think about how real-time data is used to optimise and inform, that's going to play a significant role from a sustainability perspective. For example, customers will wait longer for a consolidated package, or a route with less carbon impact, if they are given the insight and options to do so."

Customers want to feel a sense of connection to their purchases, and they can get it by engaging with content on social media that reinforces their beliefs. The more digital content they consume – in a place that is convenient to them, relevant to them and aligned with their values – the longer they will spend watching that content. The coronavirus pandemic helped to establish this mindset, as people turned to the online world to seek the connections they were missing in their everyday lives..

Authenticity is better than polish

Traditionally, digital spaces have promoted well-crafted posts that are saved on feeds and profiles, in contrast with the rough and tumble charm of the real world. That, too, is changing with the rise of new platforms. "TikTok comes across to many people as more authentic than Instagram. It

comes across as less studied, more spontaneous and far less intimidating. People post their purchases with #tiktokmademebuyit," Farris says. "It is driving huge sales, with a 'halo effect', as it reaches any number of other channels and platforms."
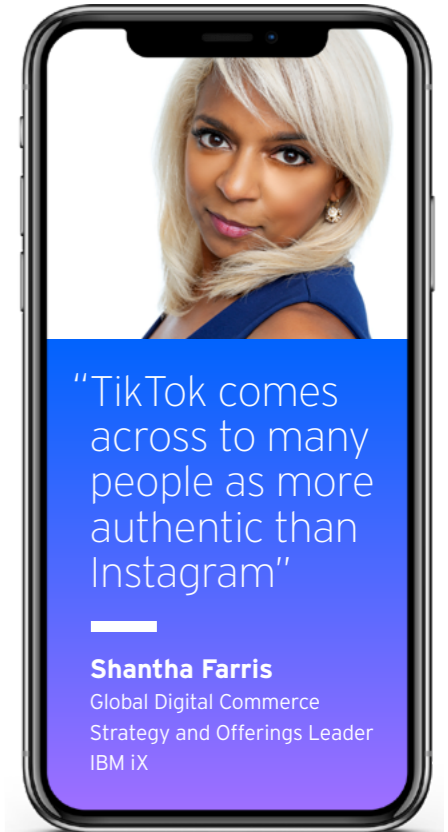
Berkman likens it to the physical marketplaces of old, which were located in the centre of towns and cities. "Now, everybody tends to gather together in digital places and, for more and more people, it's TikTok. That's where the communal focus is, today," he says.

Don't reinvent the wheel

TikTok may be the rising star of the moment but there is no guarantee that status will last. Platforms such as Snapchat and Pinterest are keenly fighting for space, Instagram is attempting to consolidate the power that it has, and its parent company Meta is hoping to be the central player in the metaverse: an embodied internet that could link consumers and brands together in unforeseen ways.

To be ready to traverse these new frontiers, brands need to start refining their omnichannel strategies across all social media platforms. It's the seamless customer experience that will help foster the trust that social media is helping to build. "Your metaverse experience will need to be quite different from that of an online digital

transaction," Farris advises. "There must be a consistent brand identity, personality and expression so that customers have confidence in the brand each and every time they engage."

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