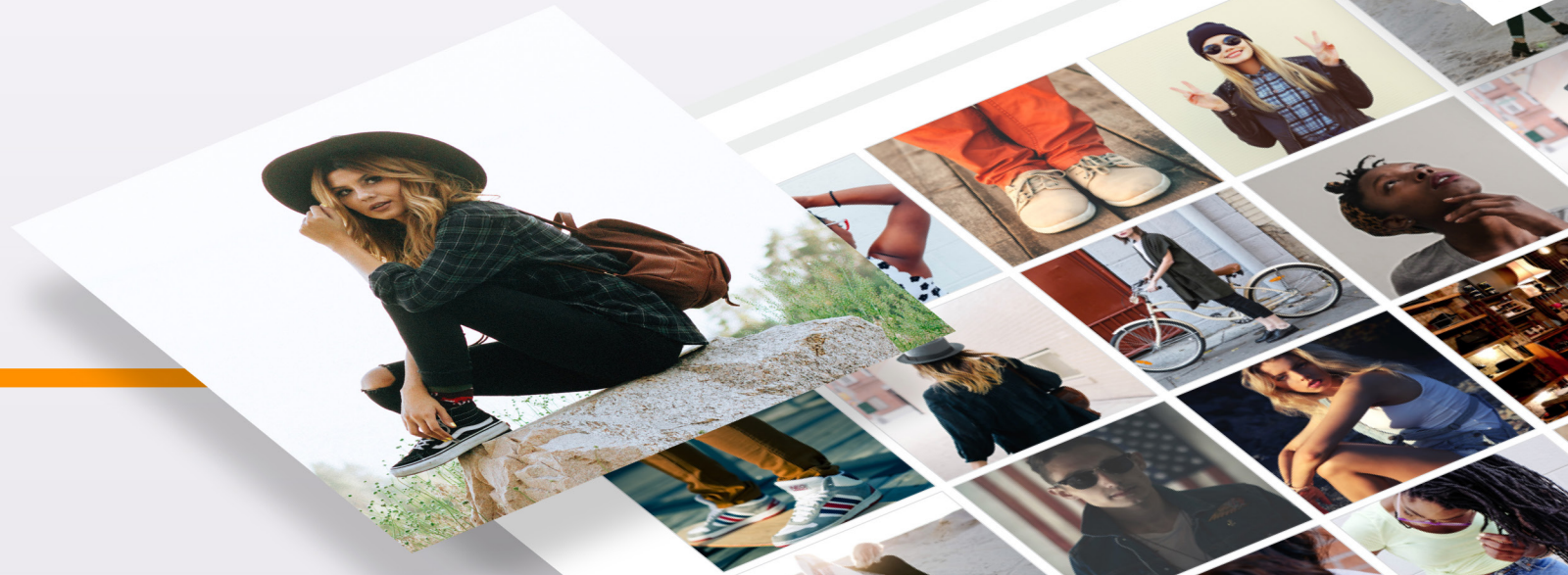# CURALATE

CURALATE CONSUMER SURVEY:

Social Content is the New Storefront

Executive Summary

Brands go where consumer attention goes. Today, that attention is online. And when people get online, the single largest share of their time goes to social channels. This has changed how people consume information and learn about the world around them — including how they learn about products and brands. With billions of people inhabiting major social networks, the content they thumb through has the potential of setting into motion a journey that leads from discovery to purchase. In effect, content on the social is introducing people to things they never knew they needed in their lives. And that's going to be transformational for digital commerce.

Digital commerce has always been great if you knew what you were looking for. That's because traditional e-commerce is rooted in search. But what about the things you never knew existed? That's the role of discovery. And while e-commerce hasn't historically been great at discovery, social is rooted in it.

When people follow others on social, they're intentionally opting to receive content from that person or brand. That content can make thumbs

stop and cause people to ask, "What's that?" In that moment, people stumbled across something new. Creating moments of discovery represents a massive opportunity for e-commerce — the opportunity to go beyond search and to introduce people to their next great find.

Social's ability to drive discovery has gotten the attention of the internet's biggest players. Facebook, Instagram and Pinterest are each investing heavily to develop ways to unlock the contents of visual content. Meanwhile, Amazon is now offering discovery-friendly experiences that mimic social media.

To learn more about the intersection of social media and commerce, we surveyed 1,000 U.S. consumers about their online shopping habits. The takeaway? Visual content shared on social media has become the new storefront. It entices people to explore and, ultimately, gets them to buy. In fact, 76% of the consumers we surveyed said they have purchased a product they'd seen in a brand's social media post.

In the following report, we'll take a deep dive into the ever-expanding role of social media in commerce. We have some surprising results about just how often people shop online and how they behave after discovering a product on social. We'll discuss what frustrates them about online shopping and explain why they respond so positively to user-generated content (UGC). We hope the insights we uncovered will help brands understand more about their customers and develop marketing strategies that grab their attention and lead to conversions.

76% of U.S. consumers have purchased a product they saw in a brand's social media post

What fuels social platforms? Content. As all of the major platforms have become dominated by visual content – images and videos – and as more and more brands occupy outposts on social platforms, it's no surprise that an increasing amount of social content features products.

But is all of this branded content noise? Or is it a means to introduce people to things they never knew they needed in their lives? It turns out, across generations, it's the latter. Over three-quarters of people report that content on social has caused them to buy. However, consumer purchase behavior suggests that attempting to evaluate social solely as a direct-response channel undervalues social's contributions to selling. In fact, 65% of those who went on to purchase something they discovered on social did so at a later date, either online or in-store. Over 20% of those people purchased in-store — which is truly impressive. While no one would be faulted for thinking that a social user is a digital buyer, the data suggests that social can add foot traffic and all the benefits of

impulse purchases that come with it.

Finally, while social channels tend to gain adoption (and notoriety) by younger audiences first, it's also interesting to observe that social has taken a broad swath of people from discovery to purchase. In

WE ASKED:

What action did you take after discovering a product in a brand's social media post?

9%   11%

14%

21%   44%

■ Bought immediately
■ Bought later online
■ Bought later in a physical store

■ Have never purchased a product they've seen in a social post
■ Other reaction

fact, nearly 60% of people between 35-65 have purchased something they've discovered on social.

Engaging with consumers where they spend time is the backbone of marketing. So it's no surprise that introducing consumers to products via great content on popular social channels, works. The real problem is one of attribution. For marketers who are dogmatic about direct-response, today's attribution models will likely leave them uncomfortable with social's contributions. However, for marketers who take a more holistic view of the customer journey and operate with a longer time-span, social is a valuable channel to not only drive awareness, but sales as well.
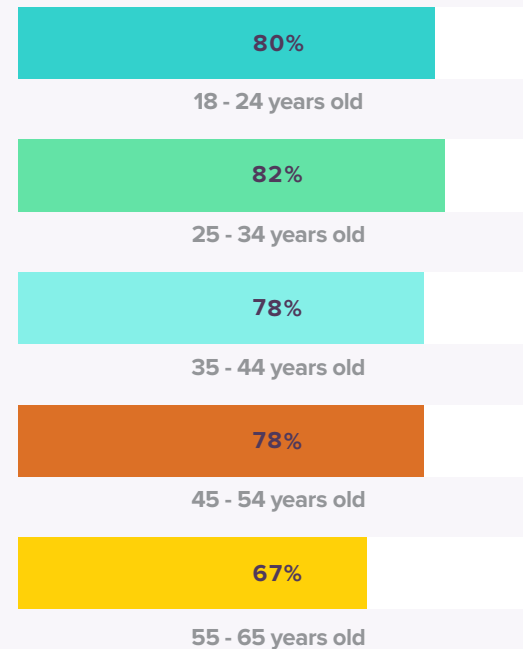
KEY TAKEAWAY:

Visual content is fueling social, and it's introducing people to brands and products they never knew existed.

BREAKDOWN BY AGE

Surveyed consumers that indicated they had purchased a product they've seen in a brand's social media post:

80%
18 - 24 years old

82%
25 - 34 years old

78%
35 - 44 years old

78%
45 - 54 years old

67%
55 - 65 years old

52% of U.S. consumers report seeing a product they were interested in on Facebook in the last 3 months

Brands are in a constant battle for consumer attention. Offline, they create gorgeous window displays to draw consumers into physical stores. Online, they're inspiring consumers with the images and videos they share on social. The intention is clear: stop us as we stroll — or scroll — by.

Today, social content is functioning as the modern-day storefront. It's an enticing peek into a brand's product line and has the ability to introduce consumers to products they never knew they needed in their lives. It's a great way

WE ASKED:

In the last 3 months, have you discovered any retail products that you were interested in buying on any of the following social media channels?

52%
Facebook

22%
Pinterest

18%
Instagram

17%
Twitter

7%
Snapchat
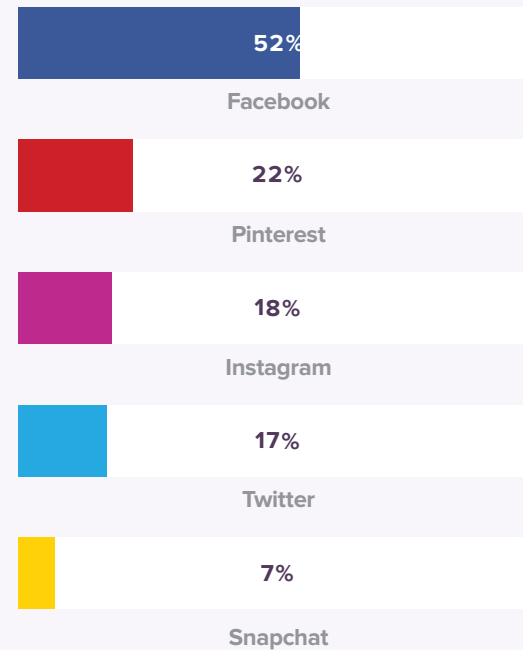
for brands to reach the most active shoppers. For consumers who buy online at least once a week, 70% follow brands on social and 77% say they've seen a product on a brand's social media channels that they want to learn more about.

With so many great channels, it's hardly a surprise that consumers are discovering products on multiple platforms. Facebook's custom news feed naturally piques people's interests. Instagram has become the go-to channel for beautiful imagery and influencer marketing campaigns. Pinterest was literally built for browsing and discovery. Twitter has a large, loyal user base that relies on the platform for current events and the latest info on products and brands. Snapchat has an incredibly young demographic that loves the conversational nature of its quick-hit content.

It's crucial for brands to provide a seamless consumer experience from every social channel — not just one. It means more chances to connect inspired customers to products they'll love.

18 - 34 YEARS OLD:

In the last 3 months, have you discovered any retail products that you were interested in buying on any of the following social media channels?

78%	Facebook
59%	Pinterest
59%	Instagram
34%	Twitter
22%	Snapchat
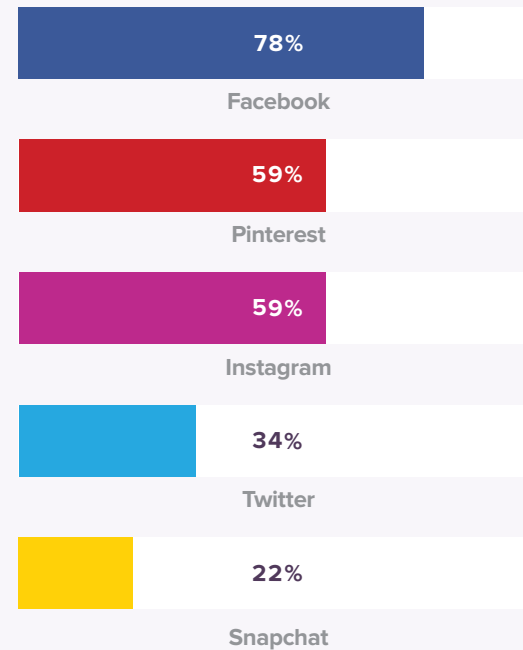
KEY TAKEAWAY:

Consumers are discovering products and brands on every social channel. It's key that brands don't play favorites and instead share compelling visual content to every channel where customers spend time online.

65% of U.S. consumers say the link in a social media post led them to a product they weren't interested in

"Perfecting the post" is something we see social teams striving for everyday. From creating content calendars and previewing content with multiple teams to styling a photoshoot to achieve a look that's just right for their audience, an enormous amount of time and resources goes into creating social posts.

So it's a real shame that those posts lead to bounce rates that can reach 65%. All of that effort is leading to traffic that's not finding what it's looking for.

In fact, our survey shows that 65% of consumers have found that the destination they were driven to from a social post wasn't right for them. This may happen when a marketer showcases a product in a post but drives the visitor to the brand's homepage — forcing a consumer to find the product themself. It can also happen when a marketer posts an image with multiple products but chooses just one to send a consumer to. Out-of-stock products contribute to this problem as well.

WE ASKED:

Have you experienced a link in a social media post that led you to a product that you weren't interested in?


35%

65%

■ Yes

■ No
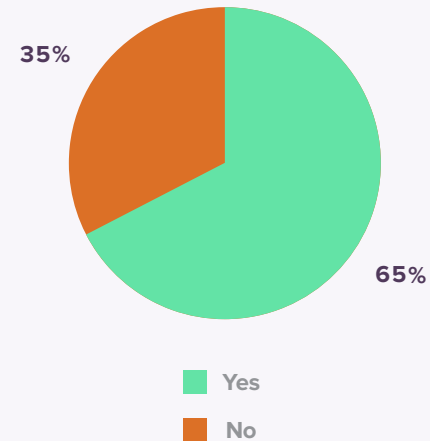
In all of these cases, the underlying problem is that e-commerce systems were never designed to "talk" to social channels. This forces marketers to make a tradeoff: move fast and direct consumers to wherever they see fit or wait for specialized landing pages to be created for each social post.

Inspiring consumers only to lose their attention a click later doesn't just represent lost revenue. It also represents a frustrated customer. Creating a tighter linkage between social and commerce is critical for taking advantage of social's role as a key top-of-funnel customer acquisition and brand-awareness source.

BREAKDOWN BY SHOPPING FREQUENCY

Surveyed consumers that have experienced a link in a social media post that directed them to a product they weren't interested in:

85%
Daily

77%
A few times per week

67%
Once a week

58%
Once a month

50%
Once every six months
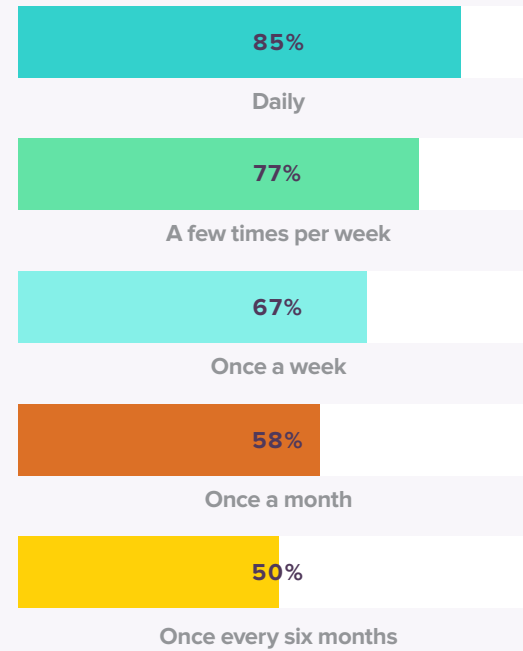
KEY TAKEAWAY:

Brands are frustrating their most valuable potential customers — including 76% of 25-34 year olds and 75% of consumers who shop online once per week or more.

50% of all respondents said that UGC would make them more likely to buy products through a brand's social channels
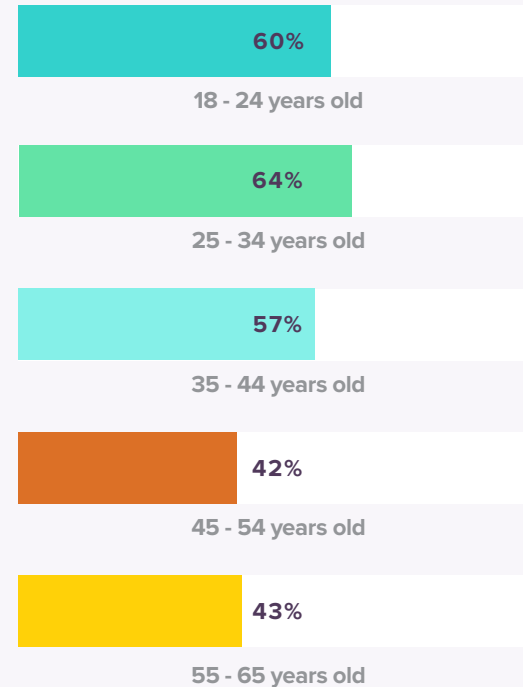
Word-of-mouth is powerful. When someone you admire recommends a restaurant or pair of shoes, you listen. It's been that way for years. But now, social media has made word-of-mouth recommendations easy to find and easy to share.

Those recommendations are increasingly coming in the form of user-generated content — images

BREAKDOWN BY AGE

Surveyed consumers that indicated they were more likely to purchase after seeing more images from consumers who had previously bought the retail product, showing it in real life:

60%
18 - 24 years old

64%
25 - 34 years old

57%
35 - 44 years old

42%
45 - 54 years old

43%
55 - 65 years old

or videos published to social by consumers. They allow people to share their thoughts, feelings and experiences, without being clouded by branded messaging. Seeing real products on real people adds authenticity and helps consumers envision those products in their own lives. That's why an increasing number of marketers tasked with feeding content to social channels are sourcing and republishing UGC as part of their overall content strategy.

That UGC is impacting purchasing decisions. Half of the consumers we surveyed said UGC would make them more likely to buy an item through social. While brands are investing heavily in personalization and recommendations, UGC actually ranked higher than those investments as something that consumers want. Since bringing UGC to a commerce site is a relatively quick win as compared to personalization, the fact that UGC aligns with an experience that consumers desire suggests that commerce experiences can be enhanced with low-hanging fruit.

WE ASKED:

Which of the following things would make you more likely to buy a retail product through a brand's social media channels?

50%
UGC like images from customers who previously bought the product

49%
Easy payment system with information already saved (like Amazon Pay)

39%
Recommendations of other products I'd like

36%
Ability to buy directly through social media

KEY TAKEAWAY:

Consumers trust UGC. It's authentic, helps people envision products in their own lives and can be the catalyst that leads to a sale.

49% said the ability to use an easy payment system like Amazon Pay would make them more likely to buy through social

Social content drives inspiration, and when inspiration strikes, it happens on mobile. Today, all of the major social platforms are overwhelmingly dominated by mobile visitors. As anyone who has attempted to fill out a checkout form on their phone can attest to, inputting a shipping address, billing address, and credit card number is an enormous pain on a five-inch phone screen. While mobile conversion rates are improving, they're still less than half their big-screen brethren. The implication? Going from inspiration to transaction is hard. It yields large drop-off rates that reflect lost revenues.

So it's no surprise that reducing friction in the purchase process is something that consumers want. Nearly half of our respondents said that payments systems like Amazon Pay, in which the consumer's payment and shipping details automatically populate upon a click, would make them more likely to purchase. As these types of payment options become more widely adopted by brands and consumers, expect to see more opportunities for consumers to buy what they see, where they see it.

BREAKDOWN BY SHOPPING FREQUENCY

Consumers that indicated an easy payment system would make them more likely to buy through social:

85%

Daily

61%

A few times per week

53%

Once a week

43%

Once a month

28%

Once every six months
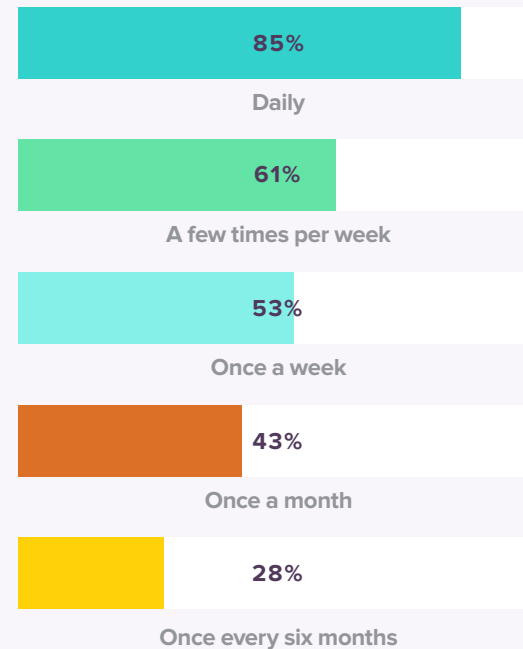
KEY TAKEAWAY:

There's too much friction on mobile. With easy payment solutions, there's no reason for brands to lose out on sales from inspired mobile shoppers.

40% of consumers shop online at least once a week, including 7% who shop daily
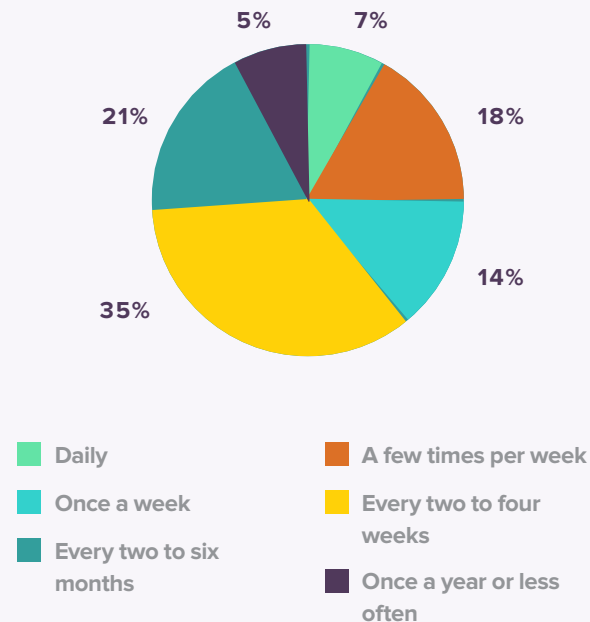
For many, transacting online is becoming muscle memory. Overall, 40% of online shoppers shop at least once a week and nearly 10% do so daily. And for younger, digitally native consumers, these numbers are even more pronounced with over 50% shopping at least weekly and 16% daily.

This shift in spend from bricks to clicks poses a challenge that few brands have truly awoken to. Customers who visit physical stores don't just buy, they browse. Brick-and-mortar stores are great for enabling consumers to explore. That's why it's so common for people to walk out of stores with things they never knew they needed. Online, however, e-commerce sites are largely set up for explicit intent. This makes it difficult to drive the type of incremental sales that browsing achieves in stores. These incremental sales are critical for expanding cart sizes, growing margins and increasing revenues.

Solving this "discovery" problem is vital. As consumers spend more of their time online and

WE ASKED:

How often do you typically shop online for retail products? e.g clothes, technology, health & beauty etc.

5% 7% 18% 14% 35% 21%

- Daily
- Once a week
- Every two to six months
- A few times per week
- Every two to four weeks
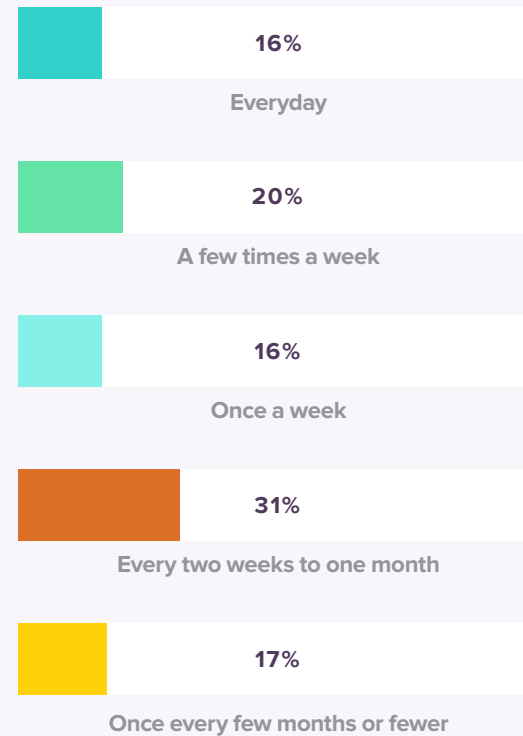- Once a year or less often

KEY TAKEAWAY:

There's a dedicated group of consumers fueling e-commerce. Find them, engage with them and watch sales climb.

make more of their purchases electronically, discovery is critical for capturing those shopping moments when a consumer is simply looking to be inspired. The same content that gets thumbs to stop on social channels can be leveraged on a brand's commerce channels to inspire site visitors as well. Leading brands and retailers are now creating dedicated spaces on their sites for galleries of social content that are connected to products. The effect is an increase in time-on-site and order values as people explore content, learn about products, and stumble across things that they just have to have.

	16%
	Everyday
	20%
	A few times a week
	16%
	Once a week
	31%
	Every two weeks to one month
	17%
	Once every few months or fewer

Methodology

This report is based on responses to a wide-ranging survey conducted in August 2017 along with OnePoll, a marketing and research firm specializing in online quantitative research and polling.

We surveyed 1,000 consumers spanning in age from 18 to 65. They hail from all five major regions of the United States (Northeast, Southeast, Southwest, Midwest and West.) They represent 10 unique income levels and have a variety of online shopping habits — from those who buy online daily to those who never buy online. We asked each consumer 10 questions about how they shop, discover products and how social media impacts their purchase decisions.

CURALATE

Curalate is a leading marketing technology company that enables brands to sell online more effectively. The Curalate Discovery-Driven Commerce Platform is currently in use by over 800 of the world's most loved brands including Urban Outfitters, Neiman Marcus, Sephora and J.Crew, and touches hundreds of millions of consumers, monthly. With Curalate, brands grow engagement and revenue, at scale, utilizing images and videos from a wide variety of sources, including user generated content (UGC). Curalate is has four offices: Philadelphia, New York, Seattle and London.

On average, our clients see the following lift in key metrics:
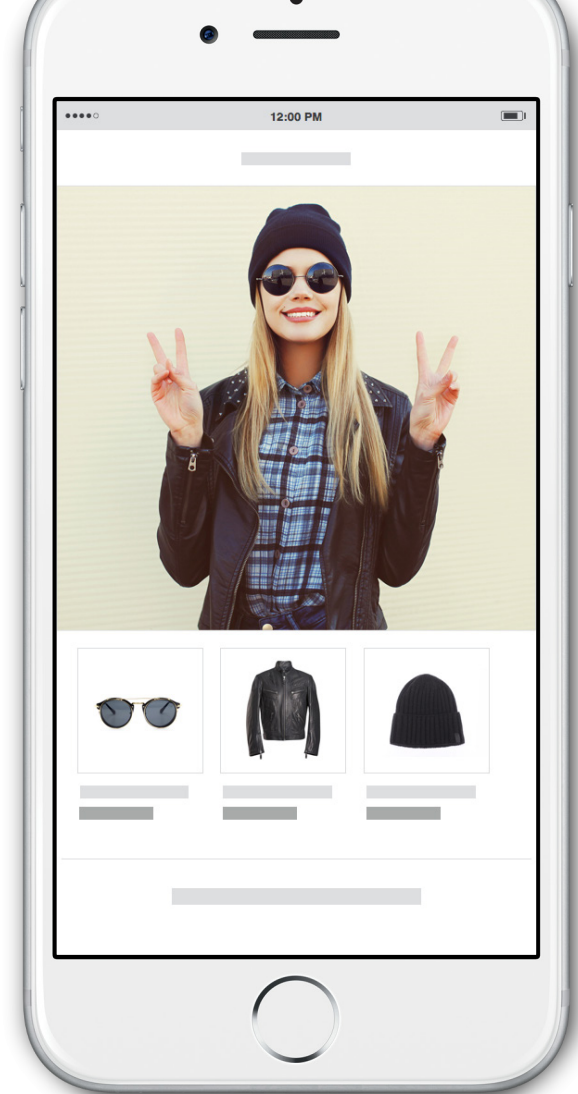
+31%
CONVERSION RATE

+79%
TIME ON SITE

+41%
PAGE VIEWS

+16%
AVERAGE ORDER VALUE

+45%
REVENUE PER VISIT

OVER 800 LEADING BRANDS ♥ CURALATE

TARGET

Crate&Barrel

GAP

FOREVER 21

IKEA®

NORDSTROM

Neiman Marcus

SEPHORA

URBAN OUTFITTERS

ANTHROPOLOGIE

WHOLE FOODS MARKET

#HASHTAG