

Marketing and Commerce: Two Worlds Collide

HOW THE BIG FOUR ARE SHAPING THE RETAIL LANDSCAPE



The way consumers shop is evolving. Once upon a time we were inspired by adverts, searched for products on Google, compared prices on marketplaces, purchased them on retailer's sites and showed them off on social media.

The lines between marketing and commerce have become blurred. Traditional marketing channels like Facebook and Instagram are becoming increasingly transactional as they encourage consumers to purchase in app.

Once the most influential advertising platform in the world, Google is increasing its selling capability through Google Shopping; whilst Amazon, one of the largest retail sites in the world is investing more and more in their advertising services.

The winners in this new world are the big four: Amazon, Google Shopping, Instagram and Facebook. They have each united their strengths to become marketing and commerce powerhouses, with the two strategies working in tandem to drive customer interaction, and ultimately sales.

In general, Amazon is a great starting point for consumers who know what product they're looking for, while Google Shopping is useful for those who are looking for a type of product or category. Customers on social media such as Facebook and Instagram may not be looking to shop at all – which is where creative marketing content comes in.

Discovery is the keyword here. Customers have little brand loyalty and therefore can be inspired to buy from new brands from any digital touchpoint they interact with.

Consumers are experiencing all kinds of micro moments that will influence the next purchase they make.



FORCES OF E-COMMERCE: THE BIG FOUR

It's an exciting time for the e-commerce industry as two worlds collide, meaning retail and marketing departments need to break down silos and increase collaboration if they are to acquire and retain customers — this is truly a time for multichannel retailing.



50% of 18-25 year olds research products on Instagram



47% of British shoppers have bought items after seeing ads on Facebook



83% said they have bought from brands they didn't know on Amazon

Source: [The New Path to Purchase](#)



With more than **65% of product searches now beginning on Amazon**, the retailer has overtaken Google as the starting point in the path to purchase in recent years. Amazon has transitioned from an online bookseller to "the go-to channel" for anything and everything online. And judging by the features and activities released in the last couple of years, fashion is one of the latest verticals to see a big push by Amazon. But with more than **350 million products** available, selling and advertising on Amazon may seem like a drop in the ocean.

From all of the recent features and activities released by Amazon to grow its fashion category, a few stand out:

- **The Drop:** Collections designed by influencers that are live for just 30 hours. Each piece is made-on-demand and can be paired with staples (wear-on repeat pieces that build the base of the look) by the Drop.
- **Amazon Wardrobe:** Prime users have access to this special Amazon feature that enables them to try the items before they buy and benefit from easy returns.
- **Pop Up Stores:** Amazon has launched pop-up stores in major cities around the world working with well-known brands such as Pepe Jeans and Calvin Klein.

"Listing on Amazon without utilising their advertising capabilities is like a gym membership with no training programme – if you want to see meaningful results, you need to invest. Especially important when trying to compete in a crowded market and the majority are on a best-in-class training programme."

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Google Shopping acts as an advertising platform, which directs customers through to the retailer's own website to make the sale. Potential shoppers can search for, compare and ultimately purchase a product from the collection of adverts presented to them.

As such, retailers' products that appear on different third-party marketplaces or websites that advertise on Google Shopping will have a higher chance of being bought. Google Shopping ads also show up multiple times within a Google search – as a website result, a text-only pay-per click result, and a Shopping result on the Google Search page and the Shopping page. This gives retailers multiple touchpoints to gather consumer interest and turn clicks into transactions.

Retailers selling on Google Shopping also need to have a strategy for choosing which products to promote. Missguided, for example, uses data analysis from its website to understand which items are its bestsellers. It then uploads these to Google Shopping to attract potential customers who may be browsing.

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LOOKING FOR ADVICE ON GOOGLE SHOPPING? CHECK OUT:



Best Practices for Advertising on Amazon, Facebook & Google



In recent years, Facebook-owned Instagram has evolved from a photo-sharing platform to a place where people come to discover new brands, products and styles through the Instagram pages of brands and influencers. “Social media plays a vital role across the customer journey, from discovery through to sale,” says Facebook head of industry, retail and ecommerce Beth Horn. “Already, 90% of people follow a brand on Instagram and we want to make it easy for people to shop at the moment of inspiration.”

Instagram has rolled out shopping functions on its feed posts and Stories. Shopping tags can be attached to any post a retailer makes, and these allow a customer to click on the tag and be taken through to the retailer’s website to make a purchase.

Additional matching or similar items from the same brand are also suggested when a consumer clicks on the tag, creating the potential for upselling opportunities. “Since launching Instagram Shopping, we now have 130 million accounts tapping to reveal product tags every month. Tags are a simple but really effective way to drive sales. DFS is great at this, often using tags to highlight key products in feed posts, using it as an opportunity to curate a virtual showroom,” says Horn.

“Creating a successful Instagram advertising strategy isn’t a walk in the park. But even a handful of best practices can help companies sprint toward more conversions, sales and revenue.”

LOOKING FOR STRATEGIES TO BRING YOUR INSTAGRAM ADVERTISING TO LIFE? DOWNLOAD:



The Essential Guide to Facebook and Instagram Advertising

FACEBOOK

Facebook enables retailers to connect with potential customers through posts, comments and its Messenger service. It's important for retailers to maximise the opportunity to create and cement the brand identity on their Facebook page through content such as videos, interviews and competitions.

Facebook's Horn recommends retailers make use of its advertising-measurement tool Attribution to help understand what type of content is most impactful at converting sales. "Facebook Attribution allows brands to better understand their customers' path to purchase and enables them to constantly tailor media strategies in reaction to their customers' habits. Gucci used Facebook Attribution to learn more about its customers' purchase path and discovered that Facebook and Instagram's contribution to online sales was 14 times more than originally understood."

Facebook Messenger is also becoming an increasingly important touchpoint in the path to purchase. Messenger has allowed person-to-person payments in the UK since 2017, but Facebook has plans in the works to allow shoppers to make purchases from businesses without leaving the app. Using chatbots, Messenger could be used in a similar way to popular Chinese app WeChat, where customers can order anything from a takeaway to a new outfit.

"Facebook Attribution allows brands to better understand their customers' path to purchase and enables them to constantly tailor media strategies in reaction to their customers' habits..."

NEED ADVICE ON HOW TO UTILISE THE RIGHT TYPE OF AD ON FACEBOOK? TAKE A LOOK AT OUR:



Infographic: The Right Ad at the Right Time

A NEW WORLD ORDER: THE SKILLS AND STRUCTURE NEEDED

The convergence of marketing and commerce – as retailers jostle to meet their customers where they browse and buy – has placed new demands on retailers to overhaul organisational structures.

This has meant an increase in demand for specialist skills across social media, search engine optimisation, mobile and apps, to name a few.

For many of the brands who sell across department stores, marketplaces and their own stores, too often their sales departments are siloed with a digital marketing team, a marketplace team and a bricks-and-mortar team all acting independently.

These departmental silos bring their own set of KPIs and they don't talk to each other as much as they should or share valuable data insights. Consumers don't care about what channel they buy on. Brands shouldn't either.

By breaking down silos it will be easier to create the homogenous brand experience across all channels – including service, feel and convenience – that customers now expect.

With the path to purchase beginning at numerous different digital touchpoints, performance marketing teams are needed to drive growth through paid search, paid social media, and advertisements on shopping platforms such as Google Shopping and Amazon.

HOW TO STAND OUT FROM THE CROWD

Customers have driven the need for retailers' wider transformation, dictating where and how they want to interact with them. Consumer brand loyalty is at an all-time low, meaning retailers need to be present at these touchpoints. The opportunity is ripe for retailers to generate sales through creative content and compelling adverts, and make use of the tools available to them through platforms such as Facebook, Instagram, Google Shopping and Amazon.

Retailers need to understand their customers' preferences in order to hone their marketing efforts. Overexposure is just as risky as ignoring these platforms altogether as spending unnecessarily on ad campaigns with no return on the investment will erode margins.

A 'test and learn' attitude is advised for all platforms, especially new mediums such as TikTok. While most consumers will expect brands to have a social media presence in one form or another, it is important to pay attention to where the core demographic is spending the most time, and therefore where the biggest opportunity to convert lies.

Brands should measure "multichannel success" because they're living in a multichannel world."

The retailers that are winning at multichannel are those that understand where their customers are and tailor the shopping experience to each platform. They also ensure their brand purpose and identity is clear across all channels.

In many cases, your products might already feature on the marketplace in the form of end-of-season stock or via resellers. The most effective way for you to take control of your customers' brand experience is to be present on the marketplace yourself, own the experience and sell more yourself.

In the retail head office, there needs to be an inherent understanding of social media and data analysis, and how these can be used to underwrite the brand handwriting across all marketing media.

Successful retailers will hire a chief customer officer to drive customer-facing business decisions from the top down and remove silos within the multichannel space. It is clear that development of the path to purchase will continue across platforms such as Facebook, Instagram, Google Shopping and Amazon, as the worlds of marketing and commerce continue to merge.

We would love to help you on the journey to connecting the dots between your selling and marketing strategies. We have extensive experience helping some of the world's best known brands to optimise their sales across an abundance of channels.

Let's see how we can help you too!

Connect and optimise the world's commerce

ChannelAdvisor is a leading provider of cloud-based e-commerce solutions that enable retailers and branded manufacturers to integrate, manage and optimise their merchandise sales across hundreds of online channels including Amazon, Google, eBay, Zalando, Facebook and more.



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