How Emerging Tech Can Empower Social Commerce

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Social Commerce : Key Facts

Market estimation
$492 billion
(in 2021)
$1.2 trillion
(by 2025)

Social media users (worldwide)
3.5 billion

Social commerce consumers (India)
228 million
(by 2022)

16.7%
Sales contribution of social commerce to global e-commerce (by 2025)

Just how well we have known social commerce? Many of you would call it a subset of e-commerce. Or a new dimension to Social Media Marketing? **Social commerce** has more to it. In **Social Media Marketing**, you introduce a product, talk about its benefits and USPs and redirect the customer to the e-commerce site or the brand portal for buying. But in social commerce, all stages of the marketing funnel, beginning from discovery and awareness about products to final purchase and customer delight, happen seamlessly on a social network, be it Facebook or Instagram. It's not just buying or selling. Social commerce nurtures the feel of community and bonding with its network of micro-influencers - they are the cohorts who inspire trust among first-time buyers. I see social commerce as an emerging phenomenon that can profoundly change how we shop online. Accenture, in a study, has estimated shopping on social networks to reach $1.2 trillion (from $492 billion in 2021) by 2025 and grab a 16.7 per cent share of the global e-commerce spends pegged at $7 trillion by then. Blame this frenetic growth on the mobile-first cultures in China, India and Brazil, where Gen Z and Millennials drive sales.

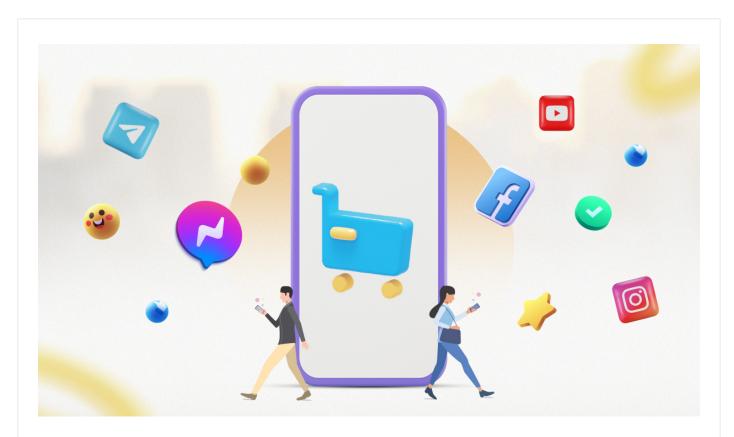# The Craze for Social Commerce and Its Role in Buoying E-Commerce

Fuelling the social commerce engine is the enormous base of social media users. *Around 3.5 billion people or 44 per cent of the world's population, uses social media. The tilt to social commerce is more pronounced in developing economies like India. Eight out of 10 users will opt to buy on social media instead of navigating to an e-commerce portal or an external brand site.* I also view social commerce to be a massive enabler to e-commerce.

> **I say social commerce will complement e-commerce transactions because of our underpenetrated market. If you consider India, only four per cent of the sales in groceries, apparel and electronics goods happened in 2021 through e-tailers.**

Per a report released by Recogn in November 2021, India will likely have 228 million native consumers through social commerce by the end of 2022, 45 per cent higher than 2021. India has already seen a unicorn in this space; it's first, in Facebook backed Meesho.

The Risks and How Emerging Tech Can Surmount Them

Most of the users in suburban and rural pockets are somewhat alien to the concept of e-commerce. When social commerce steps in to acquire new users and retain them, the biggest challenge is customer trust and satisfaction. The other concern swirls around payment processing. Applying **emerging technologies** can overcome these challenges to deliver a seamless, omnichannel experience in social commerce.

For example, popular messaging app Snapchat uses AR lenses. Snapchat users engage with the app's AR features more than 6 billion times a day. AR is transforming the way businesses tell their stories and sell their products. Besides AR, another disruptive tech **Artificial Intelligence (AI)**, can elevate social commerce to the next level with its high degree of personalization and superior UX. AI has in it the potential for dynamic and adaptable targeting to help companies get the right pitch, at the right time, to the right customer, and on the right platform. You can use robot technology for collaborative automated order picking and deploy drones for delivering shipments. What's more, the deeper penetration of the ubiquitous mobile phone and 5G technology can make social commerce a bigger disruptor than we could imagine. **Blockchain** is the technology of choice when it comes to traceability of products and ensuring that transactions are tamper proof.

Social commerce can democratize online shopping opportunities and set new paradigms in the e-commerce space. @Meta @Meesho_Official @meeshotech @amazon @SocialCommerceT #socialmedia #ecommerce #EmergingTech #AugmentedReality #blockchainhttps://t.co/RPMt8RwVKJ

— Priyadarshi Nanu Pany (@NanuPany) February 18, 2022

Technology will play the catalytic role in integrating the sophistry of e-commerce with the connected **user experiences (UX)** on social.

This blog was originally published on CEO Priyadarshi Nanu Pany's medium account.

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