

RETAIL

## How can luxury take advantage of social media commerce?

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*Luxury customers treat social media as an integral part of their shopping habits. Image credit: TD Bank*

By DANNY PARISI

Social media has changed the way individuals interact with each other and gain information about the world, but some of the biggest names in fashion and technology are working to make social have an equally large impact on how consumers shop.

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A number of new products from the biggest social media platforms around, including Facebook, Instagram, Pinterest and Snapchat, have made it clear that shopping through social media is here to stay. With a growing focus on social commerce, how can luxury tap into this trend?

"Shoppers around the world increasingly demand unique experiences that shorten the path to purchase, and the future of commerce will need to meet and exceed these evolving demands," said Satish Kanwar, vice president of product at **Shopify**, Ottawa, Canada. "We continue to partner and experiment with leading social platforms to support our merchants in reaching their customers wherever they are."

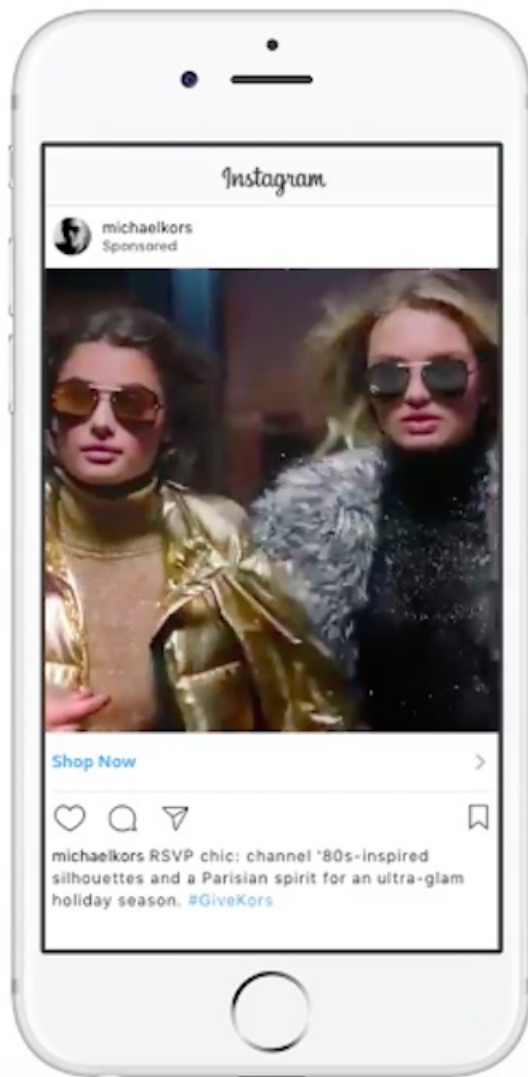
### Social commerce

Shopping through social media has been around for several years, but recently some of the biggest social media platforms have come out with a number of new features as they seek more ways to monetize their large audiences.

For example, Facebook has just announced that it will now show users catalogued collections of products through its Tabs by Canvas page. This will present customers a number of related items they can buy based on their preferences and organized to allow for the kind of lush photography and storytelling opportunities once offered by print catalogs.

Similarly, Instagram just expanded its partnership with Shopify that allows the ecommerce company's many brand partners to tag their products in Instagram posts. Customers can then click on the tags and purchase immediately.

After debuting in the United States, the feature is now available in eight more markets including Italy, Canada and the United Kingdom.



*Store sales optimization on Michael Kors. Image credit: Facebook*

Instagram, with its focus on visuals, aspirational posts and influencers, has become one of the most popular venues for social commerce. Customers frequently follow brands or influencers and then buy the products they see in their favorite posts.

Along with driving ecommerce, social media can also work as a valuable tool for shopping in-store.

In addition to the rollout of Tabs by Canvas, Facebook revealed store sales optimization, an internal tool that would allow the social network to serve ads to customers for brands that they are most likely to shop for in-store.

Michael Kors already tested the store sales optimization tool and reported an 11 percent increase in bricks-and-mortar sales.

#### Evolving trends

Pinterest, arguably one of the first social media platforms to truly embrace shopping through social, has also revealed some new social commerce plans.

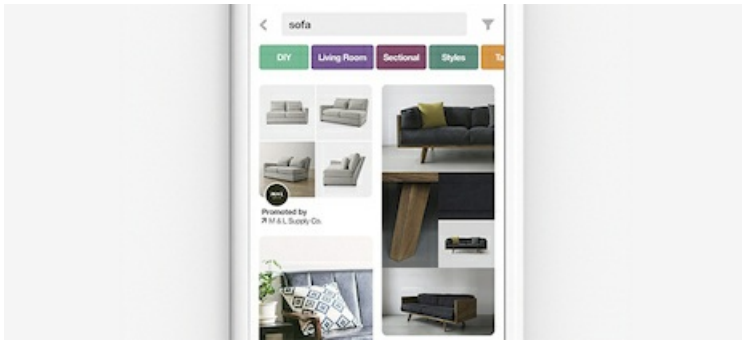
Pinterest is expanding its recently launched Shopping Ads, looking to help more brands sell their products through its platform.

The new ad unit will allow brands to systematically create inventories of their buyable products for customers to browse in an automated and scalable way. While Instagram may be the preferred social media platform for luxury, Pinterest is still a valuable tool for fashion, home decor and other aspirational sectors.

With Shopping Ads, customers will be able to view extensive inventories of brands from an ad on Pinterest, rather than just buying individual products from a branded post as was the norm before.

Pinterest is making sure these ads are even more conducive to quick purchases than before, with multiple angles and more production information ([see story](#)).

Social platform Snapchat has also taken on a new element of its business model with the addition of a new ecommerce push.



*Pinterest Shoppable Ads. Image credit: Pinterest*

In the wake of controversial changes from a new user interface update and a small but significant exodus of influencers, Snapchat made the surprising turn to ecommerce with the drop of Nike's Air Jordans through the platform. If this is a route that Snapchat continues down, it may see more influence from the luxury world as well.

At an event hosted by Nike on Feb. 18, attendees were directed to scan a code through Snapchat to get a look at the new Air Jordans. From there, users could purchase the shoes directly through Snapchat ([see story](#)).

If Snapchat continues down this path and makes ecommerce a mainstay, then virtually all of the biggest social media platforms will have a shopping component to them.

These efforts are particularly noteworthy for luxury brands, as luxury consumers are the most likely to use social media in their shopping path.

A report from TD Bank found that social media and blogs were the resources most used for research by consumers who purchase high-end or expensive items, priced over \$2,000. About 32 percent of high spenders leveraged these outlets while only 21 percent of standard shoppers did ([see story](#)).

As social media platforms evolve into social-commerce hybrids, luxury brands will have to invest in them to capture their social-hungry audiences.

"By promoting product categories, we were able to introduce categories of relevant products to shoppers even if they haven't browsed for specific products yet, building excitement for the wide range of styles we offer," said Aubrie Richey, senior director of paid social media at TechStyle Fashion Group. "Categories for dynamic ads has allowed us to both further tailor our retargeting campaigns as well as expand our prospecting strategy ultimately resulting in more efficient new customer acquisition, noting CPA decreases ranging from 24-58 percent across our brand portfolio."