

RESEARCH

70pc of consumers seek new products from Facebook friends, not brands: study

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By TRICIA CARR

Seventy percent of consumers prefer to hear about new products from Facebook friends rather than brands, according to a new report by 8thBridge. Therefore, online retailers should incorporate social sharing into the commerce experience.

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Luxury Daily

Barneys New York was the single luxury retailer to rank in the top 25 on the second annual Social Commerce IQ report due to its deep integration of social functions into the ecommerce setting. The survey also uncovered best practices for pushing social commerce on today's digital landscape such as offering social expression capabilities and rewards, creating social list and curation opportunities and enabling social discovery features.

"Social sharing, curation and discovery of luxury products are the most important social media engagement activities for customers today," said Jon Kubo, chief product officer at 8thBridge, Minneapolis.

"Simply posting to brand pages does not generate enough interaction to provide a valuable return," he said.

The 2012 Social Commerce IQ study had a research base of 475 companies from the 2012 Internet Retailer Top 500 and Second 500 lists. Data was gathered August-October.

8thBridge also surveyed 1,819 U.S. residents July 9-12 on their Facebook usage and interest in social commerce.

Social luxury

Barneys came in at No. 20 on the Social Commerce IQ's top 25 companies. These results are based on a weighted total of four key success factors: brand awareness on social networks, total upstream social traffic, Web site social lift and social CRM.

The top 10 online retailers in the report are Fab.com, DebShops.com, Coastal.com, Modcloth.com, PetFlow.com, ShoeDazzle.com, JackThreads.com, CafePress.com, Birchbox.com and Totsy.com.

Also, Barneys was deemed Socially Integrated, which means that it has deeply integrated social shopping functionality into its ecommerce site. This is the top category for brands in the report.

Additional categories are In-Transition and Strong Viral.

Earlier this year, Barneys created a social setting on its ecommerce site where consumers can make shopping lists, share favorites and shop user-recommended products.

The retailer redesigned its ecommerce site to include a personalized shopping experience and engaging social channel that could give it an edge over competitors such as Bergdorf Goodman and Neiman Marcus ([see story](#)).

"Many leading luxury retailers and brands have begun integrating advanced sharing, curation and discovery features on their site," Mr. Kubo said. "A few examples are Barneys, Coach, Bobbi Brown, Chanel, Gilt, Net-A-Porter and Oscar de la Renta."

Social success

The report also uncovered key usage statistics related to social commerce.

Facebook upstream traffic is now at 2.46 percent. Lower is Pinterest with upstream traffic at 0.11 percent and Twitter at 0.06 percent.

Thirty-five percent of retailers studied had Facebook applications that were out of date or not functioning.

On the other hand, 51 percent of online retailers are incorporating the Pin It button.

"The meteoric rise of Pinterest and its adoption by both the consumer and by companies, with both brand boards and an integrated Pin It button on their sites, demonstrates that curation is the future of social commerce," Mr. Kubo said.

"The luxury and aspirational brands are leading the way with the most avid pinners," he said.

Meanwhile, 8thBridge also polled a group of more than 1,5000 consumers on their Facebook usage and interest in social commerce.

Seventy percent of respondents said that they would rather hear about a new product from a Facebook friend than from a brand.

Also, 57 percent have asked their friends on Facebook for advice before purchasing a product.

Thirty-one percent said that they do not share products on social networks.

But 63 percent, 25 percent and 22 percent share products on Facebook, Twitter and Pinterest, respectively.

Sixty-four percent of respondents said that more Facebook “likes” on a product do not increase the likelihood that they will buy that product.

Furthermore, Facebook is where most consumers discover products. Forty-four percent of respondents said that they are most likely to discover new products on Facebook.

Twenty-one percent are likely to find products on Pinterest and 13 percent find products on Twitter.

“In addition to using social expressions to provide more expressive sharing, luxury brands need to find a way to allow this sharing to be discovered by their customers on their Web sites,” Mr. Kubo said.

“Good examples of ways luxury companies are doing this are Barneys, Net-A-Porter and Gilt,” he said.

Final Take

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