eBranding and Social Commerce

Paul Marsden

1 Introduction ............................................................................................................. 359
1.1 What’s this have to do with eBranding? ............................................................ 359
1.2 “Show Me the Money!” The Problem with Social Media ................................. 360

2 The Four Dimensions of Social Media Marketing ................................................. 360
2.1 Social Commerce Defined ................................................................................. 361
2.2 Social Commerce: Selling with Social ............................................................... 363
2.3 Social Commerce from an eBranding Perspective ............................................. 363
2.4 eBranding with Social Commerce: The Social Psychology of Shopping ....... 364
2.5 Selling on Social: Channel Management ......................................................... 368

3 Four F-Commerce Strategies .................................................................................. 368

4 The future of social commerce ............................................................................. 370

Sources ..................................................................................................................... 371
1 Introduction

Did you know that for every 20 “Likes” you get on Facebook you sell another product? That’s the finding from research by Eventbrite, looking at the ROI of helping people ‘connect where they buy, and buy where they connect’, i.e., ‘social commerce’ [1].

Social consumers, people who use their social networks to seek advice and guide purchase decisions, both online and in-store via mobile handsets are also attractive to brands and retailers because they spend more, more often. Facebook and Twitter users, for instance, spend 1.5 times more online than the average Internet user [2].

So it’s no surprise that brands and retailers rushed to set up stores in Facebook in 2010 and used Facebook social plugins to add a social layer to their own online stores. The results could be spectacular – when retail chain Gap ran a promotion group-buy site Groupon, featuring Facebook’s social sign-on, they sold $11m of merchandise in one day [3]. When Mercedes ran a similar campaign in China, they sold a car every minute. And when P&G started selling Pampers on Facebook, they sold a pack every 4 seconds [4]. So move over e-commerce, social commerce is here. And with 500m+ people spending 700 billion minutes per month on Facebook [5] in early 2011, f-commerce, Facebook e-commerce, was leading the charge.

1.1 What’s this have to do with eBranding?

So what has this relatively new retail trend of social commerce, combining retail with social technology, have to do with eBranding? The answer depends on what precisely one means by eBranding. If one takes eBranding in the narrow sense of creating a visual and trademarked identity using digital technology, then social commerce may have little, if anything, to do with eBranding.

But if one takes eBranding in the broader sense as creating choice-shaping associations in the mind of the audience using digital technologies – i.e. branding using online tools, then social commerce has everything to do with eBranding. Indeed, the central argument of this chapter will be that social commerce can be a gold-standard eBranding solution that delivers measurable returns.

To illustrate, take the pneumatic Barbie doll. Head over to Mattel’s website [6] and you will see something more than Barbie’s now infamous fat ankles, which were mercifully scheduled for immediate plastic surgery following laments by bootmaker Christian Louboutin.

What you will see is that you can buy Barbie directly from the toy manufacturer’s site, bypassing online retailers. Furthermore, you can shop together with your Facebook friends.