

Social Commerce

101:

The Why, What & How



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Introduction: Why Social Commerce, Why Now?

It wasn't so long ago that brands used social media almost exclusively as a promotional tool. But apps, and the audiences that use them, have evolved significantly. Just a few years ago, people could use channels like Instagram and Facebook to catalog their products and direct customers to their stores – whether online or brick-and-mortar.

Fast forward to today, and brands are using social as a one-stop shop for immersive, personalized experiences. Customers are discovering products in their feeds (hello, great algorithms!), making purchases directly on their social apps, and asking questions like “where’s my order?” at the same time. As our Sr. Director of Brand, Étienne Mélineau says, “social has become **both a megaphone and marketplace**—a new storefront where customers can find, interact with, buy from, and follow up with brands.”

Some might say: social will replace websites. And that might be true a few years from now – but it’s not happening anytime soon. And it’s still growing significantly faster than traditional e-commerce, poised to be worth a whopping \$1.2 trillion by 2025, according to Accenture.¹

What’s more, recent data from Meta says more than 1 billion people connect with businesses using its messaging services each week.² And herein lies the tension: brands have managed to transform to meet the needs of e-commerce shoppers. But with an entirely new marketplace opening up, how are they supposed to keep up with demands on an additional set of channels that require immediacy, accuracy, and personalization?

It's a tall order, but this is where social commerce and conversational AI can join forces to make CX magic happen, without having to undergo the lengthy (and costly!) processes of digital transformation. Instead, preparing your brand for the social-first commerce world can be as simple as adding conversational AI to the mix.

With conversational AI, brands can digitally greet customers when they walk into their social storefronts, engaging in 1:1 conversations, shepherding customers on their buying journeys. Seems too simple, or too good to be true? Fear not: we'll walk you through the why, how, and what in this ebook, calling on experts from forward-thinking agencies like We Make Websites and Molsoft, and conversational AI product specialists on our own team.

We'll also shine light on how retail brands have used Messenger to take their CX to the next level, transforming a traditional customer service and customer support channel into a revenue-driver. You'll also learn how conversational AI is at the forefront of this phenomenon, helping brands adapt in a landscape that's constantly changing, as third-party cookies, once relied on to track and learn about customers to deliver personalized experiences, disappear.

Let's dive in!





Part 1:

Goodbye Cookies.
Hello Social Commerce.

So here's the hot topic of the moment (and for good reason): cookies are going away, soon. Very soon. Third-party cookies, used by advertisers, let brands personalize individual experiences through methods like tracking and ad serving. And there's no two ways about it: personalization matters. It's a big driver of e-commerce (and now social commerce) success, with 70% of customers seeing it as a basic expectation of the service they get from brands.³

Google and Apple are choosing to go cookieless

Unfortunately for brands, cookies won't be the smoothest path to personalization for long. Answering the need to protect their users' privacy rights, both Apple and Google have planned drastic changes that will impact businesses far and wide. In 2020, Google said it would get rid of cookies on its Chrome browser by 2022. Eventually, Google decided to delay the move by another year to "avoid jeopardizing the business models of many web publishers which support freely available content,"⁴ but there's no escaping it. Support for third-party cookies is going away soon on Chrome, the top browser in the US,⁵ forcing brands to scramble to find an alternative solution to market their products to interested customers online.

On top of that, Apple announced later on in 2020 it was making its Identifier for Advertisers (IDFA) an opt-in setting for every app on its devices. Translation: if a brand wants to use IDFA to attribute ad spend, it can, but only if customers using their mobile app agree to be tracked by other companies on a pop-up notification.⁶

That's a huge obstacle to overcome and it was seen as a blow to the \$350 billion digital ad industry.⁷ Apple on the other hand? With the added transparency, the tech giant was largely seen as a champion for customers' privacy rights. And that's the backdrop of these moves by Apple and Google (which is similarly set to cut tracking across apps on Android devices).⁸

How brands can thoughtfully respond to this change (and keep customers happy)

These days, customers are actively looking for greater privacy more than ever before. According to a Cisco survey, 84% of consumers want more control over how their data is used.⁹

Brands have always had to take their customers' preference and changing habits into account. And this time is no different. The good news? Innovators in the e-commerce industry have been hard at work looking for solutions. For example, our partners at Molsoft, an e-commerce development agency, say content is king in the new reality:

"As retargeting becomes more difficult to achieve without cookies, we advise our clients to rely less on paid traffic and to invest in content-creation strategies and customer-retention models to nurture their clients, giving them reasons to return to their site," they say.



How to style your dining room



What's your summer decor style?

Meanwhile, We Make Websites (WMW), the world's leading international Shopify Plus web-design agency, points to two strategies to counteract skyrocketing costs of acquisition on paid media channels impacted by the removal of cookies:

1

Improving Customer Lifetime Value

2

Focusing on community

Thanks to social commerce, brands can illustrate customer loyalty and advertise and sell products, all in one shot (or reel). Here's how WMW puts it:

"TikTok, for example, is designed to get customers to consume as much content from as many different authors as possible, making it effective for promoting e-commerce products," WMW says. "#TikTokMadeMeBuyIt has been a trending hashtag for a while, and many TikTok users have discovered a product or brand on TikTok."¹⁰

It's first-party data time. You're invited.

There will be growing pains for brands. No doubt. Sixty percent of surveyed senior executives say going cookieless will disrupt their marketing efforts.¹¹ But, while third-party cookies are on their way out, first-party data is catching on. Fifty-three percent of marketers are developing solutions like site sign-ins and newsletters to get to know their customers better and deliver CX

with greater personalization.¹²

2



But this change can be a blessing in disguise, allowing brands to forge authentic connections with customers as a primary goal. The good news? Social commerce can be the arena of newfound brand-to-consumer connections, and conversational AI can help you win.





Part 2:

How Top Brands Embrace Social Commerce with AI



By Joan Walters | Sr. Product Manager, AI

Just like any other technology that's breaking through in a big way, conversational AI is all about opportunity. As Heyday's senior product manager of AI, Joan is an expert on all things AI-powered chatbots. She breathes new life into talk around conversational AI, and all it has to offer customers. Here are three must-have tips from an AI expert on things you need to consider.

A lot has changed in e-commerce over the last 24 months. One of the impacts of the pandemic has been higher customer expectations, adding more pressure on brands to deliver seamless, frictionless, and memorable experiences. What's more, customers have gotten used to faster service. According to Forrester Research, almost two thirds of customers won't wait more than two minutes for help¹³—and it's easy to see why.

Social commerce has helped introduce a sense of immediacy in terms of support and the shopping opportunities—or “shoppportunities”— that brands make available to customers as they spend time on social, connecting with friends and family.

Top brands are in prep mode, devising strategies to get ready for an entirely new digital reality. I've listed out three essential things that brands need to remember when adopting conversational AI in their social commerce strategies. Let's dive in.

Hi Trevor! Keep your eyes peeled, your order is on the way!

Seen ✓



Why messaging on social puts the power in customers' hands

Before the age of social commerce, getting in touch with a brand was a laborious process. Find an email, look up a phone number, and wait days for a response. And often, never hear back.

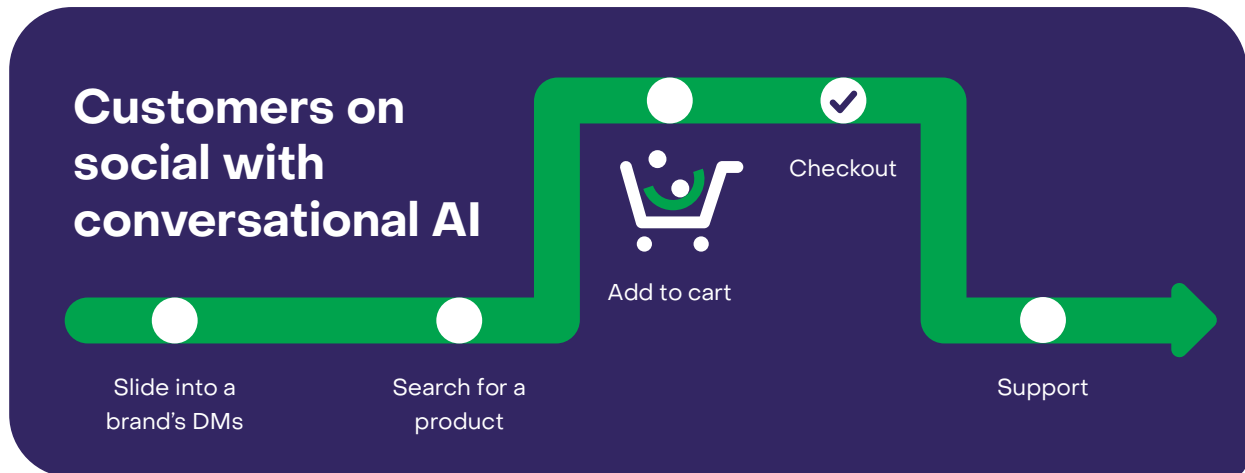
Today, customers can easily slide into DMs and get a response to their questions in minutes. As one brand commits to immediate responses, other brands feel the pressure to keep up.

It's a shift from the common one-to-many marketing scenario to a one-on-one setting where brands can now leverage conversations to field questions about products, answer FAQs, and give personalized recommendations, all on social media messaging apps.

In the post-pandemic world, using messaging to connect immediately and authentically with brands is a trend that's here to stay. Social media is the new High Street and Rodeo Drive, ready and waiting to greet customers at their front doors.

Hey! I'm looking for a tennis racket and my budget is \$100.





The importance of leveraging AI that's tailor-made for retail

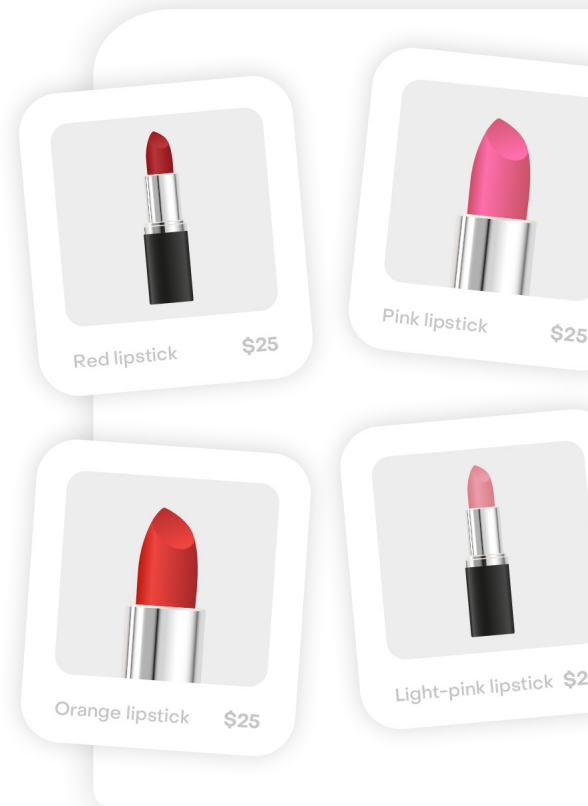
At its core, AI uses statistics and data to discover patterns based on customer behavior. Using that data, brands can build models that help them respond to customer queries. To get the most accurate responses, retailers need AI that is used to handling answers to retail-specific questions, like “Where’s my order”? Or “What’s your return policy?” to establish patterns and make predictions as to how customers will respond or better understand the types of questions they’ll get in the future. The result? More accurate responses to your customers, and a better overall CX.

At Heyday, our AI is based on three key pillars: cost, personalization, and quality. Combining these three guides us toward all of our decisions to ensure that our retail customers get best-in-class AI. First and foremost, if retailers are looking to implement AI, it needs to have ROI. From there, the conversational AI personalizes experiences by digging as deep as possible into the data to make every customer interaction feel like it’s made specifically for them. We also use state-of-the-art algorithms to ensure that things like order tracking and product search can be done seamlessly directly in chats.

Knowing where to focus your efforts: the get-started-now plan

Conversational AI. Social commerce. Customer experience. It's all a lot to take in, but determining what to do next is simple. I recently gave a talk at Social Next, where I gave digital marketers a few tips on how to make the most out of this new world of opportunity with conversational AI on social media. Here's a four-step process to get started:

- 1. Open your channels and let customers slide into your DMs:** Make sure it's easy for customers to drop you a line on your website (consider connecting directly to Messenger, Instagram, WhatsApp, you name it).
- 2. Analyze conversations to identify the value versus the noise:** See what questions are most repetitive, and separate them from the interactions that could lead to more revenue.
- 3. Start small and deploy an AI assistant to handle your customer service inquiries:** From there, get your conversational AI set up and allow the AI to handle customer service inquiries around the clock with on-brand, accurate responses.
- 4. Connect your product catalog to your social chat channels to make selling simple:** Make buying from browsing simple and seamless and ensure customers can shop directly in-chat, all while chatting with your conversational AI.



Here are some great options!



When you take these steps – you're well on your way to making the most out of the real power of social commerce. Without having to clone your teams.



Part 3:

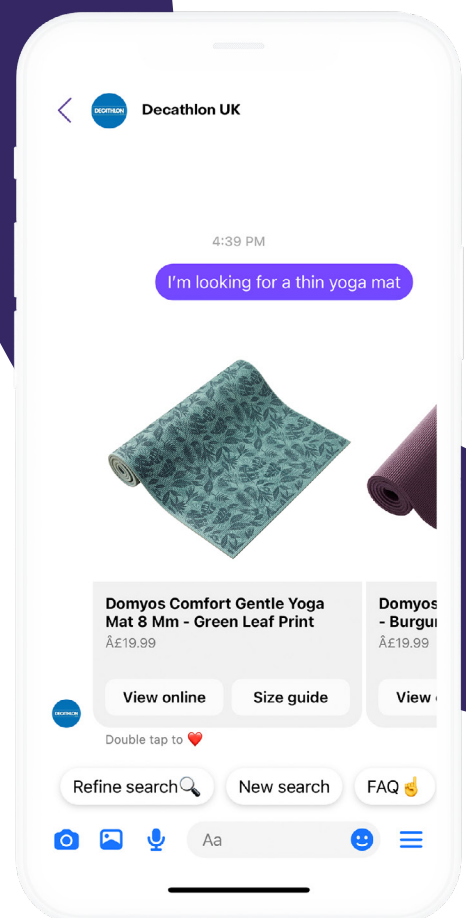
Winning Social Commerce Strategies from Decathlon and Popeye's

You've heard how social commerce is a can't-miss opportunity. It's also a powerful way brands connect with customers on their favorite social channels. These Heyday customers prove just how successful a brand can be at delivering top-level CX in the age of social commerce with help from conversational AI.

Case study: Decathlon UK picks up the social commerce pace to meet demand

Heyday got Decathlon UK's wheels turning at the start of the pandemic, thinking up a way to manage the surge in customer requests. But the leading sporting goods retailer, which saw sales for products like bicycles soar, did more than just manage. Decathlon took advantage of the increased demand to the tune of a 4.5X increase in Facebook Messenger requests between March and May 2020.¹⁴

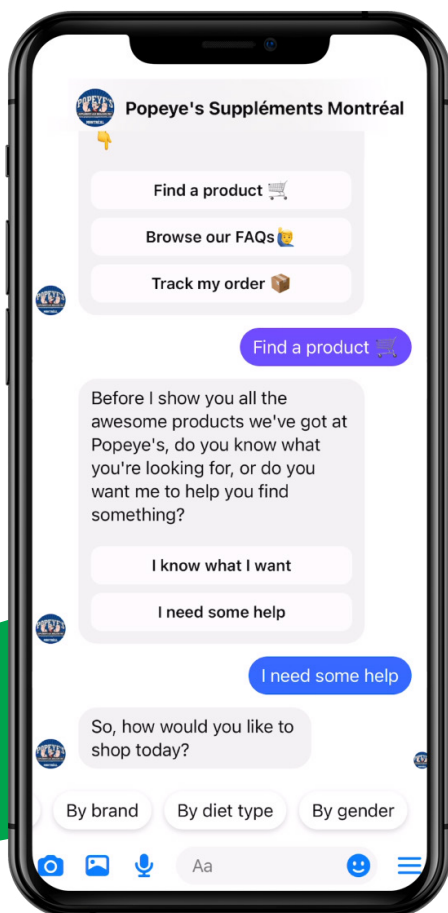
The idea was to integrate a Heyday AI-powered chatbot with Messenger to reduce the workload on Decathlon UK teammates and support online customers more efficiently at the same time. The virtual assistant, "Deca," exceeded expectations to say the least, automating **65% of requests**. According to data from Meta, Decathlon's Customer Satisfaction (CSAT) and sales results were overwhelmingly positive.



Decathlon's overall CSAT **rose 10 points to 92%**, while 96% of customers on Messenger were satisfied with their CX. Meanwhile, 85% percent said they were **very satisfied**. As a boost to sales, Decathlon also benefited from a 175% rise in the number of customers connecting with the brand on Messenger.

Looking to the future, Decathlon is going to leverage conversational AI, Messenger, and Instagram further. The idea is to expand sales support and become even more proactive on chat. It's not just about the automation, but the significant value in one-on-one interactions Decathlon is seeing between customers and teammates, who are now in a better position to lend their expertise, instead of answering FAQs Deca can easily handle instead.

Decathlon's also exploring ways to better align their customers' in-chat and in-store experiences. The two are meant to play off each other and make the brand more available based on the preferences of individual customers... even chat with them around the clock. Nothing says "social" more than that.



Case study: Popeye's Supplements flexes its social commerce muscle

Canada's largest sports nutrition retailer also had a lot of extra weight to lift off its shoulders, as pandemic lockdown restrictions came down in full force. But Popeye's Supplements is even stronger now, with Heyday successfully helping to spot the brand to social commerce success.

The brand streamlined a plan to explore omnichannel operations, more aggressively pursuing a sales strategy online. There, it leveraged channels like Messenger and Google’s Business Messages to connect with customers on their top channels and help keep perishable products flying off store shelves, at a time when most customers were staying home.

According to data from Google, Popeye’s resolved **82% of customer requests** with help from their bilingual AI-powered chatbot, “POP;” over Summer 2021 (French and English).¹⁵ There’s more: Popeye’s Customer Satisfaction score hit an **all-time-high 90%** that September thanks to the brand’s expanded online and social presence, which gave customers friendly, around-the-clock support, even when teammates weren’t available... all powered by AI.

Franchise owner Philippe-Antoine Defoy says it’s all about keeping up with changing customer habits:

“We have a lot of teams at the store level who interact with clients one-on-one, but as people began relying more on online shopping, we had to figure out how to replicate the in-store experience to ensure the same level of communication,” he says.

“Whether the customer decides [or is forced] to shop online, we need to be able to follow their journey and meet them where and when they want.”



Part 4:

Conversational AI: Your Key to Success in the Age of Social Commerce

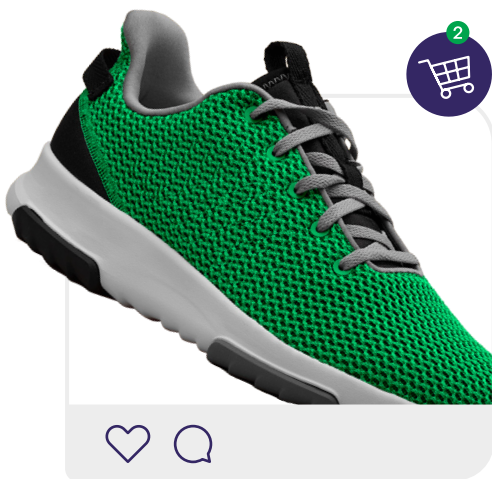
All signs point to social commerce sticking around. It's not going anywhere. If anything, it's reaching new heights, challenging brands to find new ways to deliver compelling messages about their products.

According to Molsoft:

“In the future, we believe social platforms and websites will communicate more to offer a better CX to clients across all channels. Brands that invest in creating a seamless experience across channels will outperform competitors and will be less impacted by the strict rules surrounding paid traffic sources.”

The stats back up the idea that the future of e-commerce is on social. In the 12 months prior to June 2021, just under half of US social media users took advantage of social commerce, according to eMarketer.¹⁶ For some context, there are nearly 300 million social network users in the US¹⁷—nearly 90% of the country's population.

So, social commerce is a trend the same way e-commerce shopping is, because it's really changing how people shop all over the world, with a third of global shoppers having bought something on social media in 2021.¹⁸

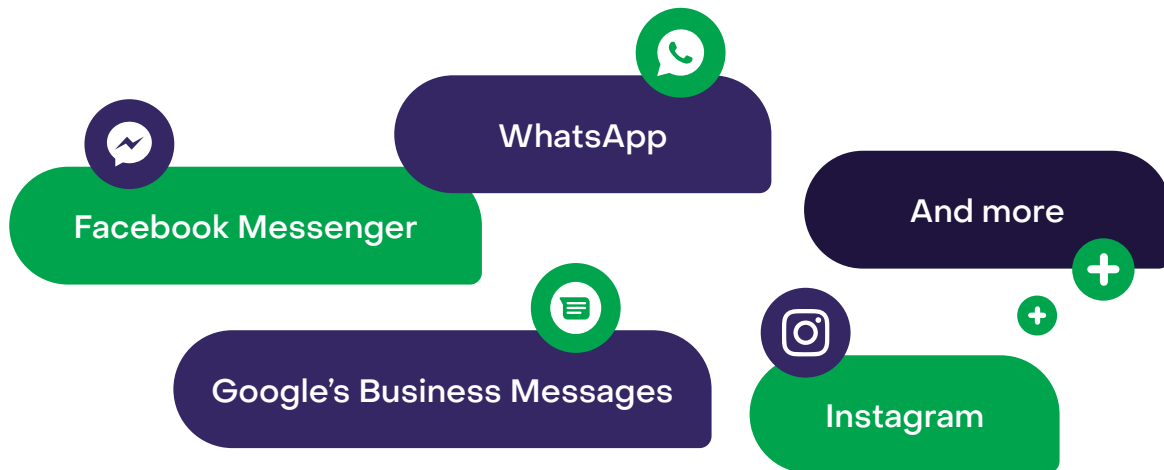


But stats show customers' biggest frustration with brands on social is unresponsiveness.¹⁹

The pressures of immediacy, accuracy and personalized interactions on social (at scale!) are not going anywhere — and the brands that do it well reap the benefits.²⁰

Ready to take the challenge head-on? Here's how Heyday can help






Take all the friction out of the customer experience (CX). Let customers slide into your DMs on social media. By adding Heyday to your profiles on any of our **20+ supported platforms**, you connect with customers on their turf. Apps like:



We integrate with the most important e-commerce platforms like **Shopify**, **Adobe Commerce**, and **Salesforce Commerce Cloud**. Then you're all set. Get ready to move the needle and push your sales higher.

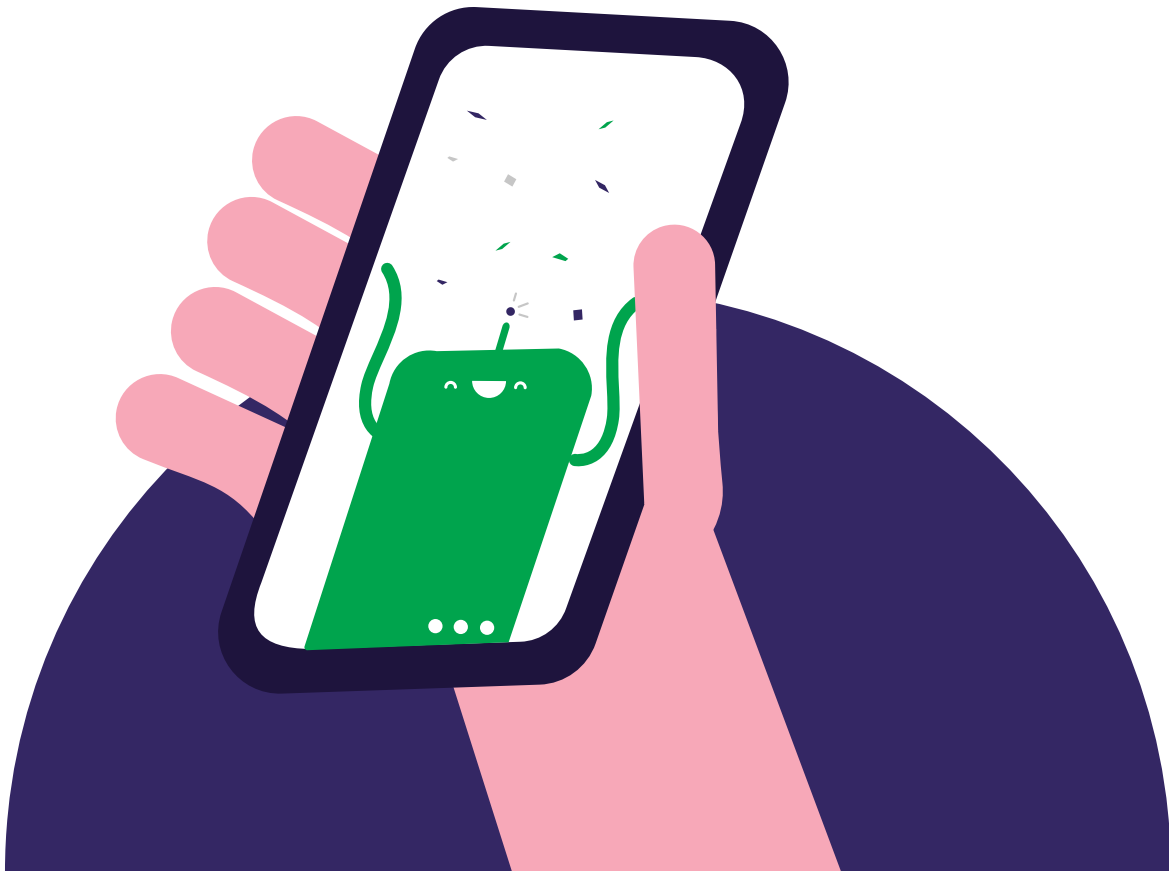
Get access to next-level conversational AI features

Heyday's powerful revenue-driving features include:

-  Best-in-class AI to answer FAQs in multiple languages
-  In-chat ads to showcase your best & brightest products
-  Personalized, AI-powered shopping guidance
-  Price-drop and back-in-stock notifications
-  Analytics to measure quality, CSAT, and more!

Want to see the magic in action? Book a demo with Heyday today

Brands who want to learn more about all the benefits of Heyday's conversational AI can **book a demo with Heyday**. If you're already a Heyday client, you can reach more customers on their turf by integrating more social channels with your AI-powered chatbot. All you need to do is get in touch with your Customer Success Manager.



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About Heyday by Hootsuite

Heyday is an AI-powered customer messaging platform that enables brands to deliver personalized customer experiences through 1:1 conversations on social and messaging apps. Heyday integrates seamlessly with branded websites and apps, e-commerce platforms, product feeds and order tracking management systems to meet customers with always-on virtual support and personalized recommendations that boost engagement and conversion. Heyday's conversational platform is powering brands globally, across four continents in multiple languages, trusted by iconic brands like Lacoste, Decathlon, Cirque du Soleil, Danone, Rudsak, Jack & Jones (Bestseller), and many more. Learn more about Heyday at <https://www.heyday.ai/>.

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Thanks!

<https://www.heyday.ai>